



# Notice of Public Meeting

## Investment Committee

of the San Mateo County Employees' Retirement Association will meet at  
100 Marine Parkway, Suite 160, Redwood City

**Tuesday, December 10, 2013, at 10:00 a.m.**

**PUBLIC SESSION** – The Committee will meet in Public Session at 10:00 a.m.

1. Call to Order and Roll Call
2. Oral Communications
  - 2.1 Oral Communications From the Committee
  - 2.2 Oral Communications From the Public
3. Review and Discussion of the Following Board of Retirement Agenda Items **(from the Regular Meeting, Tuesday, December 10, 2013, at 1:00 p.m.)**
  - 6.1 Preliminary Monthly Performance Report for the Period Ending October 31, 2013
  - 6.2 Quarterly Investment Performance Report for the Period Ending September 30, 2013
  - 6.3 Presentation of Performance Report Concerning Certain Existing Alternative Investments  
*(Confidential Under Gov. Code §6245.26, to be heard by the full Board only, in Closed Session)*
  - 6.4 Approval of New International Equity Manager Structure Proposal
  - 6.5 Discussion & Approval Regarding Real Asset Portfolio Implementation
4. Chief Investment Officer's Report
5. Adjournment



for Mike

Michael Coultrip, Chief Investment Officer

Posted: December 4, 2013

**Be advised that the committees of the Board of Retirement are forums in which consensus may emerge. If you have an interest in a matter before a committee, you are advised to attend the committee meeting. Committee meeting times are noted on the board agenda.**

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 David Bailey at (650) 363-4930 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.

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# Notice of Public Meeting

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**THE COMMITTEE MEETS IN 100 MARINE PARKWAY, SUITE 160,**  
WHICH IS LOCATED ON THE SE CORNER OF TWIN DOLPHIN & MARINE PARKWAY IN REDWOOD CITY  
Detailed directions are available on the "Contact Us" page of the website [www.samcera.org](http://www.samcera.org)  
*Free Parking is available in all lots in the vicinity of the building.*

### **SamCERA**

#### **100 Marine Parkway, Suite 125**

#### **Redwood City, CA 94065**

*How to Find Us:*

**From Northbound 101** take the Ralston/ Marine World Parkway exit. Drive East on Marine Parkway toward the Bay.

**From Southbound 101** take the Ralston/ Marine World Parkway exit. Drive East over the freeway on Marine Parkway toward the Bay.

**From El Camino Real**, turn East toward the Bay on Ralston and drive over the freeway on Marine Parkway. (Ralston becomes Marine Parkway at 101.)

Twin Dolphin Drive is two stoplights beyond the freeway. The "Shores Center" sign on the lawn is located in front of our new home.

Continue on Marine Parkway one block beyond Twin Dolphin to Lagoon Drive. Note the 100 Marine granite monument with SamCERA logo near curb as you approach Lagoon Drive.

**From Marine Parkway turn Right on Lagoon Drive and then immediately take the next two Right turns into our parking lot.**

Park in the **Visitor spaces** on the Marine Parkway side of our building near the North Entrance.

SamCERA is in Suite 125 on the first floor, on your left just inside the North Entrance on the Marine Parkway side of the building.

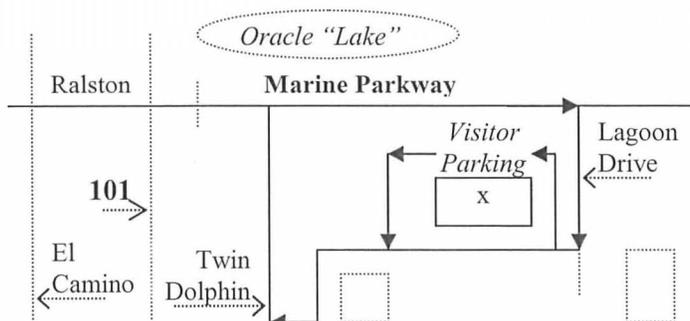
SamCERA's Telephone Number: (650) 599-1234

From a County Extension: Dial 1234

From Outside the 650 Area Code: (800) 339-0761

Web Site: [www.samcera.org](http://www.samcera.org)

*Our Office is Open Monday thru Thursday from 7:00 a.m. until 6:00 p.m.*





# Notice of Public Meeting

## The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on **Tuesday, December 10, 2013, 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**
  - 1.1 Appointment of Ad Hoc CEO Performance Evaluation Committee
- 2. Oral Communications**
  - 2.1 Oral Communications From the Board
  - 2.2 Oral Communications From the Public
- 3. Approval of the Minutes**
  - 3.1 Acceptance of Audit Committee Meeting Minutes, from October 29, 2013
  - 3.2 Approval of Regular Board Meeting Minutes, from October 29, 2013
- 4. Approval of the Consent Agenda**

4.1 Disability Retirements	4.2 Service Retirements
a. Talavera, Leslie	4.3 Continuances
b. Hein, John	4.4 Deferred Retirements
c. Langj, Ana	4.5 Member Account Refunds
d. Ramseur, Shari	4.6 Member Account Rollovers
e. Rivera, Marciano	
f. Sami, Usha	
- 5. Benefit & Actuarial Services**
  - 5.1 Consideration of Agenda Items, if any, Removed From the Consent Agenda
- 6. Investment Services (The Investment Committee will meet at 10:00 a.m. on December 10, 2013)**
  - 6.1 Preliminary Monthly Performance Report for the Period Ending October 31, 2013
  - 6.2 Quarterly Investment Performance Report for the Period Ending September 30, 2013
  - 6.3 Presentation of Performance Report Concerning Certain Existing Alternative Investments (Confidential Under Gov. Code Section 6245.26, to be heard in Closed Session C2)
  - 6.4 Approval of New International Equity Manager Structure Proposal
  - 6.5 Discussion & Approval Regarding Real Asset Portfolio Implementation
- 7. Board & Management Support**
  - 7.1 Report from the Ad Hoc Committee Regarding the Evaluation of SamCERA's Medical Advisor
  - 7.2 Approval of Board of Retirement Meeting Calendar for 2014
  - 7.3 Discussion of Board / Staff Retreat Topics
  - 7.4 Discussion of SamCERA Office Space Options
  - 7.5 Approval of Process to Engage Counsel to Assist with Identification and Evaluation of Foreign Securities Actions

*[Continued on page 2 – Posted 12/04/2013]*

# Notice of Public Meeting

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7.6 Discussion of CEO Recruitment Process with San Mateo County Human Resources Dept

### 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
- C2 Discussion of Due Diligence For Certain Alternative Investments (Pursuant to Government Code Section 54956.81)

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

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

Ng, Irene	September 24, 2013	Human Services Agency
Morrison, Janet	September 28, 2013	Personnel
Lowe, Laurie	September 29, 2013	Crystal Springs Rehab. Center
Giusto, Rose	October 1, 2013	Beneficiary of Giusto, August
Peoples, Jane	October 6, 2013	Beneficiary of Peoples, J. Paul
Picchi, Yola	October 8, 2013	Courts
Moeser, Verna	October 9, 2013	Courts
Casellini, Adelene	October 10, 2013	Planning Commission
Ho, Richard	October 10, 2013	Beneficiary of Ho, Evelyn
Vergara, Jorge	October 10, 2013	Beneficiary of Vergara. Narcisa
Wolfe, Harriet	October 10, 2013	Courts
Tafoya, Marian	October 11, 2013	Courts
McKim, Magda	October 23, 2013	Probation
Won, Jane	October 23, 2013	Courts
O'Neill, Robert	October 29, 2013	Probation
Orazem, Anton	October 27, 2013	Probation
Phillips, Edward	October 29, 2013	ISD
Tyler, Eldoretha	October 30, 2013	Hospital
Magill, Aurdrey	November 2, 2013	Sheriff's Department
Schumacher, William	November 3, 2013	Board of Supervisors
Murray, Matthew	November 6, 2013	Board of Supervisors
Galila, Delfin	November 9, 2013	Hospital
Wiesel, Norma	November 16, 2013	Social Services



David Bailey, Chief Executive Officer

Posted: December 4, 2013

(\* ALL ITEMS ON THE CONSENT AGENDA ARE APPROVED BY ONE ROLL CALL MOTION UNLESS A REQUEST IS MADE BY A BOARD MEMBER THAT AN ITEM BE WITHDRAWN OR TRANSFERRED TO THE REGULAR AGENDA. ANY ITEM ON THE REGULAR AGENDA MAY BE

TRANSFERRED TO THE CONSENT AGENDA. ANY 4.1 ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER CLOSED SESSION; ALL OTHER ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER ITEM 5.1.)

**THE BOARD MEETS AT 100 MARINE PARKWAY, SUITE 160,**

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

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*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.*

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SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

December 10, 2013

Agenda Item 1.1

**TO:** Board of Retirement

**FROM:** David Bailey, Chief Executive Officer 

**SUBJECT:** Appointment of Ad Hoc CEO Performance Review Committee

**Staff Recommendation**

Staff recommends the Board Chair appoint an ad hoc committee to conduct the annual CEO performance review and that the committee report its conclusions to the full board in the spring of 2014.

**Background**

A clause in the CEO's employment contract states that, "Annually, the Chief Executive Officer shall present to the board a schedule for an evaluation of his performance."

In past years the chair has appointed a committee that has performed a "360 Degree" review with responses requested from the board members, staff, county manager's office, and consultants. The committee has performed its review on a calendar year basis and reported to the full board in the spring of the year following the year under review.

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

December 10, 2013

Agenda Item 3.1

**TO:** Board of Retirement

**FROM:** Eric Tashman, Chair, Audit Committee

**SUBJECT:** Acceptance of Audit Committee Minutes

**Recommendation**

The Chair of the Audit Committee recommends that the Board accept the minutes of the Audit Committee meeting held on October 29, 2013.

**Background**

The Audit Committee keeps minutes of its meetings and approves those minutes at the following Committee meeting. However, because no additional Audit Committee meetings are currently planned, the minutes are being brought to the full Board of Retirement for approval. Once approved, the minutes will be posted to SamCERA's website. Waiting for a subsequent Audit Committee meeting to be held before approval would delay this posting.

**Discussion**

While there is no legal requirement for either the Audit Committee or the Board to maintain and approve the minutes, it is a best practice and ensures transparency of the Board and Committees' activities.

Submitted to the Board for review and acceptance are the attached minutes of the last Audit Committee meeting held on October 29, 2013, which have been reviewed and approved by the Chair. Upon acceptance by the Board, and pending any corrections, the minutes will be posted to the SamCERA website.

**Attachment**

*Audit Committee Meeting Minutes, October 29, 2013*

San Mateo County Employees' Retirement Association  
**Minutes of the Audit Committee Meeting of the Board of Retirement**

December 10, 2013

Agenda Item 3.1

**October 29, 2013 – Audit Committee Agenda**

**PUBLIC SESSION** – The Committee will meet in Public Session at 9:00 a.m.

- 1. Call to Order and Roll Call**
- 2. Oral Communications**
  - 2.1 Oral Communications From the Committee
  - 2.2 Oral Communications From the Public
- 3. Review and Discussion of the Following Board of Retirement Agenda Items (from the Regular Meeting, Tuesday, October 29, 2013, at 10:00 a.m.)**
  - 7.1 Monthly Financial Report and Discussion of Future Reports
  - 7.3 Approval of Financial Audit Management Reports and Findings
  - 7.4 Approval of 2013 Comprehensive Annual Financial Report
  - 7.5 Approval of Contract Amendment with Brown Armstrong for GASB 67 and 68 Implementation Services
  - 7.6 Annual Review of Independent Auditor, Brown Armstrong
  - 7.10 Approval of County Supplemental Contributions Memorandum of Understanding
- 4. Finance Officer's Report**
- 5. Adjournment**

**October 29, 2013 – Audit Committee Meeting Minutes**

- 1. Call to Order:** Chair Eric Tashman called the meeting of the Audit Committee to order at 9:12 a.m.  
  
**Roll Call:** *Present:* Sandie Arnott, Natalie Kwan Lloyd, Alma Salas (sitting in for Paul Hackleman) and Eric Tashman.  
*Excused:* Paul Hackleman  
*Staff:* David Bailey, Scott Hood, Brenda Carlson, Mabel Wong and Kristina Perez.
- 2. Oral Communications:** None
- 3. Review and Discussion of the Following Board of Retirement Agenda Items (from the Regular Meeting, Tuesday, October 29, 2013, at 10:00 a.m.)**
  - 7.1 Monthly Financial Report and Discussion of Future Reports:** Ms. Wong provided the monthly financial report to the Committee, noting a change in the title of one report item from "Fiduciary Net Assets" to "Fiduciary Net Position". The report showed an increase of \$79.6 million, resulting in total assets of \$2.902 billion. In discussing the future frequency of the financial reports, Ms. Wong reported that other '37 Act funds, peers of SamCERA, are not reporting monthly, and she recommended presenting financial reports to the Board on a quarterly basis. There would be no change to the monthly portfolio report only to the monthly financial report. Ms. Wong stated the quarterly reports would be given two months after the close of each quarter, in November, February, May and August.  
  
Mr. Tashman recommended that the Board accept a quarterly financial reporting frequency. The recommendation was seconded by Ms. Salas and approved unanimously.

San Mateo County Employees' Retirement Association  
**Minutes of the Audit Committee Meeting of the Board of Retirement**

7.3 **Approval of Financial Audit Management Reports and Findings:** Ms. Wong reviewed the audit report contents with the Committee. She reported there were no findings, no non-compliance and no weaknesses found; findings from the previous year have been resolved. Ms. Wong and Mr. Bailey discussed the frequency of an experience study performed by the actuary, and confirmed that a study is done every three years.

**Action:** Mr. Tashman moved to recommend Board approval for the 2012-13 Financial Audit report , and the motion was seconded by Ms. Arnott and carried by a vote of 4-0, with Trustees Arnott, Kwan Lloyd, Salas (for Hackleman), and Tashman all in favor; none opposed.

7.4 **Approval of 2013 Comprehensive Annual Financial Report:** Committee members reviewed the CAFR document and made suggestions for changes to the language within the document, specifically the CEO's introduction letter portion. Mr. Tashman suggested, and a consensus was reached, to include information regarding the County's responsible management of pension funds, making note of County polices that were in place prior to PEPRA implementation; highlighting that PEPRA compliance did not result in any significant changes for SamCERA members. Mr. Tashman recommended further clarification in the report regarding the valuation of private equities.

**Action:** Mr. Tashman moved to recommend Board approval of SamCERA's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. The motion was seconded by Ms. Arnott and carried by a vote of 4-0, with Trustees Arnott, Kwan Lloyd, Salas (for Hackleman), and Tashman all in favor; none opposed.

7.5 **Approval of Contract with Brown Armstrong for GASB 67 and 68 Implementation Services:** Ms. Wong discussed the need for coordination between the County, other employers, SamCERA's auditor and actuary, and the County's auditor to facilitate compliance with the requirements of GASB 67 and 68. The contract amendment with Brown Armstrong would provide additional funding to support GASB implementation, in an amount not to exceed \$9,500.

**Action:** Ms. Kwan Lloyd moved to recommend Board approval of the contract with Brown Armstrong for GASB implementation services, the motion was seconded by Ms. Arnott, and carried by a vote of 4-0, with Trustees Arnott, Kwan Lloyd, Salas (for Hackleman), and Tashman all in favor; none opposed.

7.6 **Annual Review of Independent Auditor, Brown Armstrong:** Ms. Wong reviewed the responses to the online survey regarding the evaluation of the independent auditor services provided by Brown Armstrong. Ms. Wong reported the scores were above average and there is a clear improvement regarding communication and accessibility. This was an informational item and no action was taken.

7.10 **Approval of County Supplemental Contributions Memorandum of Understanding:** In the interest of time, Mr. Tashman removed this item from the agenda, and no discussion or action was taken at the Audit Committee meeting. This item was heard before the full Board during its regular meeting on the same day.

5. **Adjournment:** With no further business, Mr. Tashman adjourned the meeting at 10:03 a.m.

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Eric Tashman  
Chair, Audit Committee

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Kristina Perez  
Retirement Executive Secretary

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

December 10, 2013

Agenda Item 3.2

**October 29, 2013 – Board Agenda**

**PUBLIC SESSION** – The Board will meet in Public Session at 10:00 a.m.

**1. Call to Order, Roll Call and Miscellaneous Business**

- 1.1 Administration of Oath of Office to Reappointed Trustee

**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 (\* Set for 1:00 p.m. time certain)**

4.1 Disability Retirements

- a. Amberg, Barbara
- b. Amongol, Dana
- c. Borg, Susie
- d. Frattaroli, Lynda
- e. Hardy, Isaac
- f. Overman, Ronnie
- g. Runneals, Robert
- h. Wong, Helen

4.2 Service Retirements

- 4.3 Continuances
- 4.4 Deferred Retirements
- 4.5 Member Account Refunds
- 4.6 Member Account Rollovers
- 4.7 Approval of Internal Control Structure

**5. Benefit & Actuarial Services**

- 5.1 Consideration of Agenda Items, if any, Removed From the Consent Agenda
- 5.2 Approval of Amendments to Article V of Board of Retirement Regulations Relating to Disability Retirement

**6. Investment Services**

- 6.1 Preliminary Monthly Portfolio Performance Report for the Period Ending Sept. 30, 2013
- 6.2 Report on Commodity, Hedge Fund, Risk Parity, and Real Estate Annual Manager Reviews
- 6.3 Approval of New Asset Class Target Portfolio
- 6.4 Approval to Transition Investment in AQR Delta Fund to AQR Delta XN Fund

**7. Board & Management Support Services**

- 7.1 Monthly Financial Report and Discussion of Future Reports
- 7.2 Quarterly Budget Report
- 7.3 Approval of Financial Audit Management Reports and Findings
- 7.4 Approval of 2013 Comprehensive Annual Financial Report
- 7.5 Approval of Contract with Brown Armstrong for GASB 67 and 68 Implementation Services
- 7.6 Annual Review of Independent Auditor, Brown Armstrong
- 7.7 Approval of Financial Knowledge Network Contract Amendment
- 7.8 Approval of LRWL Contract Amendment for PASS Implementation Services
- 7.9 Approval to Use County HR Department for SamCERA CEO Recruitment
- 7.10 Approval of County Supplemental Contributions Memorandum of Understanding
- 7.11 Discussion of Fall SACRS Business Meeting Action Items

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

**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
- C2 Conference with Legal Counsel - Existing Litigation: Pursuant to subdivision (a) of Government Code Section 54956.9. One case: *Montisano v. The San Mateo County Employees' Retirement Association et al*, San Mateo Superior Court Case No. 522614

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

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

Rhees, Edna	September 3, 2013	Beneficiary of Irvin Rhees
Goodwin, Arthur	September 5, 2013	General Services
Price, William	September 7, 2013	Beneficiary of Barbara Price
Cissell, Katherine	September 10, 2013	Environmental Health
Tilman, Nomalee	September 10, 2013	Correctional Health
Lee, Joan	September 11, 2013	Beneficiary of William Lee
Sanchez, Joseph	September 13, 2013	Sheriff's Office
Stumbaugh, Nicholas	September 20, 2013	Sheriff's Office
Cable, Constance	September 21, 2013	Social Services
Milford, Vivian	September 26, 2013	Social Services
Gilbert, Alice	September 27, 2013	Libraries
Spece, Maria	September 29, 2013	General Services
Phelan, Margaret	September 30, 2013	Health and Welfare

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

**October 29, 2013 – Regular Board Meeting Minutes**

1310.1 **Call to Order, Roll Call and Miscellaneous Business**

**Call to Order:** Ms. Natalie Kwan Lloyd, Chair, called the Regular Meeting of the Board of Retirement to order at 10:15 a.m.

**Roll Call:**

**Present:** Sandie Arnott, Lauryn Agnew, Ben Bowler, Albert David, Natalie Kwan Lloyd, Christopher Miller (sitting in for David Spinello), Alma Salas (sitting in for Paul Hackleman) Michal Settles and Eric Tashman.

**Excused:** David Spinello, Paul Hackleman

**Staff:** David Bailey, Scott Hood, Michael Coultrip, Brenda Carlson, Gladys Smith, Mabel Wong and Kristina Perez.

1310.1.1 **Administration of Oath of Office to Reappointed Trustees:** Sergeant Christina Corpus administered the Oath of Office to reappointed Trustee Ben Bowler. Mr. Bowler's term expires in June 2016.

1310.2.1 **Oral Communications From the Board:** Mr. David reported on his attendance at the IFEBP Trustees Master's program, October 18-20. Ms. Kwan Lloyd reported her attendance at Wharton and the CALAPRS Round Table in September, and she attended the IFEBP Annual Conference and the Trustees Master's Program in October. Mr. Miller reported his attendance at the IFEBP Annual Conference, and he attended CAPPP Part I at the same event. Both Ms. Salas and Ms. Settles reported on their attendance at the IFEBP Annual Conference.

1310.2.2 **Oral Communications From the Public:** None.

1310.3.0 **Approval of the Board Meeting Minutes:** Ms. Kwan Lloyd asked if there were any changes or corrections to the minutes, and none were noted.

**Action:** Ms. Settles moved to approve the regular meeting minutes from the Board meeting held on September 24, 2013. The motion was seconded by Mr. David and carried with a vote of 9-0 with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman in favor; none opposed.

The Chair called agenda item 7.3 to be heard at this time. The remaining agenda items were heard in the order listed below.

1310.7.3 **Approval of Financial Audit Management Reports and Findings:** Mr. Andy Paulden, partner at Brown Armstrong gave the audit report to the Board. He explained the audit process, stating it was similar to last year's process. He noted the opinion letter is a little different regarding clarity standards and noted no incidents of non-compliance, no significant breakdowns in internal control, no findings and no weaknesses. It was a clean report. There was some discussion regarding how alternatives are valued.

**Action:** Mr. Tashman moved to approve the 2012-13 Financial Audit report, and the motion was seconded by Mr. David and carried by a vote of 9-0, with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor; none opposed.

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

- 1310.7.4 **Approval of 2013 Comprehensive Annual Financial Report:** Mr. Tashman reported that the Audit Committee had met and had comments regarding the CAFR. He reviewed the comments with the Board. **Action:** Ms. Settles moved to approve SamCERA's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2013. The motion was seconded by Ms. Salas and carried by a vote of 9-0, with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor; none opposed.
- 1310.7.5 **Approval of Contract with Brown Armstrong for GASB 67 and 68 Implementation Services:** Mr. Tashman reported that the Audit Committee had discussed and recommended Board approval of the contract with Brown Armstrong for additional funding to support the GASB implementations, amount not to exceed \$9,500. **Action:** Mr. David moved to approve the contract with Brown Armstrong for GASB implementation services. The motion was seconded by Ms. Arnott, and carried by a vote of 9-0 with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor; none opposed.
- 1310.7.6 **Annual Review of Independent Auditor, Brown Armstrong:** Ms. Wong thanked the Board members for participating in the online survey regarding the evaluation of the independent auditor services provided by Brown Armstrong. Ms. Wong reported the scores were above average and there is a clear improvement regarding communication and accessibility. Ms. Wong noted there were recent changes in personnel at Brown Armstrong, and Mr. Paulden explained the changes would not impact services for SamCERA. This was an informational item and no action was taken.

The Chair called for the 6.0 items next and agenda items were heard in the following order.

- 1310.6.1 **Preliminary Monthly Portfolio Performance Report for the Period Ending Sept. 30, 2013:** Mr. Coultrip presented the monthly performance report and stated that the fund's net preliminary return for September was +3.2%. This item was informational only and no action was taken.
- 1310.6.2 **Report on Commodity, Hedge Fund, Risk Parity, and Real Estate Annual Manager Reviews:** Mr. Coultrip reported that the manager reviews for commodities, hedge funds, risk parity and real estate were conducted in early October. Mr. Coultrip reviewed specific information for each of the managers and stated there were no significant concerns identified during the portfolio reviews.

The Chair called for a break at 11:16 a.m. and the meeting reconvened at 11:36 a.m.

- 1310.6.3 **Approval of New Asset Class Target Portfolio:** Mr. Coultrip reviewed the proposed portfolio and discussed the allocation changes suggested. Mr. Patrick Thomas and Mr. Steve Masaryk, of SIS, gave additional information on risk parity and hedge funds. Board members commented on the proposal, and asked SIS and Mr. Coultrip questions about the changes. Topics included leverage, ratio of passive and active managers, exposure to risk parity, correlations, and views on hedge funds. **Action:** It was moved by Mr. David and seconded by Ms. Salas to approve the new asset class target portfolio as recommended. The motion carried by a vote of 6-3, with Trustees Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman) and Settles in favor; and Trustees Agnew, Arnott and Tashman opposed.

The Chair adjourned the meeting at 12:25 p.m. for lunch, and the meeting reconvened at 12:45 p.m.

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

- 1310.6.4 **Approval to Transition Investment in AQR Delta Fund to AQR Delta XN Fund:** Mr. Coultrip discussed changing the fund vehicle SamCERA is using to gain exposure to hedge fund betas from the AQR Delta Fund to the AQR Delta XN Fund. He noted that the new fund is run identically to the Delta fund, but has different liquidity terms, with the new fund requiring a 75-day notice for redemptions instead of a 15-day notice. In exchange for the longer notice period, the new fund offers a 10% fee break compared to the Delta fund. **Action:** Mr. David moved to transition the full amount of SamCERA's investment in the AQR Delta Fund to the AQR Delta XN Fund. The motion was seconded by Ms. Salas and carried by a vote of 9-0, with Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor; none opposed.
- 1310.7.1 **Monthly Financial Report and Discussion of Future Reports:** Ms. Wong provided the monthly financial report, noting an increase of \$79.6 million. Ms. Wong also discussed the frequency of future financial reporting, recommending financial reports to the Board be made on a quarterly basis, in November, February, May and August. Mr. Tashman reported the Audit Committee discussed this earlier and is supportive of this change.
- 1310.7.2 **Quarterly Budget Report:** Ms. Wong presented the quarterly budget report to the Board. She reviewed the three budget categories - professional, administrative and technology. This item was informational only and no action was taken.
- 1310.7.7 **Approval of Financial Knowledge Network Contract Amendment:** Mr. Hood explained the need for a contract amendment with the Financial Knowledge Network, to add additional budget authority to provide continued classes for SamCERA members. **Action:** A motion was made by Mr. David to approve the resolution authorizing a second amendment to the agreement with Financial Knowledge Network, increasing the maximum to \$350,000. The motion was seconded by Mr. Bowler and carried unanimously, with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor; and none opposed.
- 1310.7.8 **Approval of LRWL Contract Amendment for PASS Implementation Services:** Mr. Bailey presented the proposed amendment to the agreement with LRWL, which authorizes an additional cost of \$918,000. He explained that LRWL Inc. would continue to oversee the implementation of the new PASS, which is set to commence in January of 2014 with a projected completion date of June 30, 2017. **Action:** A motion was made by Mr. Miller to approve a resolution authorizing a contract amendment with LRWL. The motion was seconded by Ms. Agnew and carried unanimously, with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor; and none opposed.
- 1310.7.9 **Approval to Use County HR Department for SamCERA CEO Recruitment:** Mr. Bailey discussed the engagement of the County's HR Department as lead for the CEO recruitment process. **Action:** A motion was made by Ms. Settles to approve the County of San Mateo Human Resources Department as the recruitment consultant for recruitment of SamCERA's Chief Executive Officer. The motion was seconded by Mr. Tashman and carried unanimously, with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor; and none opposed.

San Mateo County Employees' Retirement Association  
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1310.7.10 **Approval of County Supplemental Contributions Memorandum of Understanding:** Mr. Bailey presented the finalized MOU for the receipt of supplemental contributions from the County, and discussed key points included in the MOU. He explained the first voluntary supplemental contribution is expected to be received in February 2014, and then voluntary payments will be made annually thereafter during the term of the MOU.

**Action:** Mr. Bowler moved to approve a resolution authorizing the Chair of the Board of Retirement to sign the MOU between the County of San Mateo and SamCERA regarding retirement system funding. The motion was seconded by Ms. Arnott, and carried unanimously with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor; and none opposed.

1310.7.11 **Discussion of Fall SACRS Business Meeting Action Items:** Mr. Bailey discussed the SACRS business items expected to be voted upon at the SACRS Fall Conference. SamCERA's voting delegate will be Vice Chair Agnew with Mr. Bailey as the Alternate, as Ms. Kwan Lloyd is unable to attend. This item was informational only and no action was taken.

1310.4.0 **Approval of the Consent Agenda:** Ms. Kwan Lloyd asked if there were any items to be removed from the Consent Agenda, and the disability application for Lynda Frattaroli was removed from the consent agenda. **Action:** Ms. Salas moved to approve the remaining items on the Consent Agenda, and the motion was seconded by Ms. Agnew. The motion carried with vote of 9-0 with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor, and none opposed.

1310.4.1

**Consent Agenda**

**Disability Retirements**

- a. The Board found that Barbara Amberg is (1) permanently incapacitated for the performance of her usual and customary duties as a Librarian, (2) found that her disability was not a result of an illness arising out of and in the course of her employment and (3) granted her application for a non-service-connected disability retirement.
- b. The Board found that Dana Amongol is (1) permanently incapacitated for the performance of her usual and customary duties as a Legal Office Specialist, (2) found that her disability was not a result of an illness arising out of and in the course of her employment and (3) granted her application for a non-service-connected disability retirement.
- c. The Board found that Susie Borg is (1) permanently incapacitated for the performance of her usual and customary duties as a Benefits Analyst, (2) found that her disability was not a result of an injury arising out of and in the course of her employment, (3) granted her application for a non-service-connected disability retirement.
- d. The Board found that Isaac Hardy is permanently disabled from the duties of a Correctional Health Nurse and granted survivor benefits, pursuant to Government Code Section 31762, to the member's spouse, Madeline McGriff.
- e. The Board found that Ronnie Overman is (1) permanently incapacitated for the performance of his usual and customary duties as a Correctional Officer, (2) found that his disability was a result of an injury arising out of and in the course of his employment, (3) granted his application for a service-connected disability retirement.

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

1310.4.1

**Consent Agenda**

**Disability Retirements** (con't)

- f. The Board found that Robert Runneals is (1) permanently incapacitated for the performance of his usual and customary duties as a Deputy Sheriff, (2) found that his disability was a result of an injury arising out of and in the course of his employment, (3) granted his application for a service-connected disability retirement.
- g. The Board found that Helen Wong is (1) permanently incapacitated for the performance of her usual and customary duties as an Occupational Therapist, (2) found that her disability was a result of an injury arising out of and in the course of her employment, (3) granted her application for a service-connected disability retirement.

1310.4.2

**Service Retirements**

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

<b>Member Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Corder, Jeanette	August 29, 2013	Deferred from Social Services
Guevara, Henry	August 10, 2013	Probation
Gutierrez, Maurilia	August 31, 2013	Aging and Adults Services
Holmes, Mary	August 20, 2013	Deferred from Hospital
Lawrence, Carole	August 13, 2013	Deferred from ISD
Legaspi, Carmen	September 1, 2013	Deferred from HSA
Manego, Fatima	August 31, 2013	Hospital
Naidu, Sarda	August 31, 2013	Probation
Payette, Stephen	July 7, 2013	Deferred from Aging & Adult Services
Pedruco, Gloria	August 14, 2013	Hospital
Prasad, Ramendra	August 31, 2013	Controller's Office
Sagastume, Socorro	September 1, 2013	Family Health
Sebrana, Pio	August 28, 2013	Deferred from HOS
Strobeck, Marie	August 12, 2013	Deferred from DPW
Wertz, Merrilee	August 10, 2013	Hospital
Wesley, Francine	August 11, 2013	Sheriff's Office
Williams, Gary	August 31, 2013	Public Works

1310.4.3

**Continuances**

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

<b>Survivor's Name</b>	<b>Beneficiary of</b>
Anderson, Cornelia	Anderson, William

1310.4.4

**Deferred Retirements**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Mata, Marian	G4 Vested
Chen, Calvin	G4 Vested
Peavey, Chindi	G4 Vested - Reciprocity

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1310.4.4 **Deferred Retirements** (con't)

<b>Member Name</b>	<b>Retirement Plan Type</b>
Mendoza, Abraham	G4 Non Vested - Reciprocity
Womack, Kathleen	G4 Vested – Reciprocity
Ugas, July	G4 Vested - Reciprocity
Lewis, Tina	G4 Vested – Reciprocity

1310.4.5 **Member Account Refunds**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Austin, Ronald	G4 Non-vested
Harirchi, Fereshteh	G4 Non-vested
Garratt, Stephanie	G4 Vested
Mozingo, George	G4 Non-vested
Keyes, Marcia	G4 Vested
Barone, Deborah	G7
De La Torre, Andrew	G7
Lacap, Maryann	G7
Sandoval, Norma	G5

1310.4.6 **Member Account Rollovers**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Ghannam, Juanita	G7
Khayam-Bashi, Farzad	G4 Non-vested
Simbe, Catrina	G4 Vested
Guidi, Gina	G4 Non-vested

1310.5.1 **Consideration of Agenda Items, if any, Removed From the Consent Agenda:** The Board adjourned to closed session at 1:32 p.m. to consider the disability application of Lynda Frattaroli and stayed in closed session to discuss agenda item C2. The public meeting was reconvened at 1:55 p.m.

1310.9 **Report on Actions Taken in Closed Session:** Ms. Carlson reported on the closed session matters. Regarding the consideration of a service-connected disability application for Lynda Frattaroli, a motion was made and seconded to accept the recommendation of staff to find the member unable to perform her job duties, (2) find that her disability was a result of a medical condition arising out of and in the course of employment and (3) grant her application for a service-connected disability retirement. The motion was approved unanimously with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman all in favor; and none opposed.

There was no reportable action for item C2, Conference with Legal Counsel - Existing Litigation: Pursuant to subdivision (a) of Government Code Section 54956.9. One case: *Montisano v. The San Mateo County Employees' Retirement Association et al*, San Mateo Superior Court Case No. 522614

1310.5.2 **Approval of Amendments to Article V of Board of Retirement Regulations Relating to Disability Retirement:** Mr. Bailey presented the report, and informed the Board that this item would amend SamCERA's disability regulations to be consistent with current practices, and to assure they comply with the 1937 Act.

San Mateo County Employees' Retirement Association  
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- 1310.5.2 **Action:** Ms. Salas moved to approve a resolution amending and renumbering regulations 5.1-5.10 and deleting regulation 5.2 of Article V of the Board of Retirement Regulations relating to the disability retirement process. The motion was seconded by Ms. Agnew. The motion carried with a vote of 9-0 with Trustees Agnew, Arnott, Bowler, David, Kwan Lloyd, Miller (for Spinello), Salas (for Hackleman), Settles and Tashman, all in favor; and none opposed.
- 1310.8.1 **Chief Executive Officer's Report:** Mr. Bailey let the Board members know there would be one agenda mailing for the December 10 meeting. He talked about the next Board-Staff Retreat scheduled for April 22 and 23, 2014, and discussed several potential topics with the Board.
- 1310.8.2 **Assistant Executive Officer's Report:** Mr. Hood reported that a new brochure "Divorce and Your Benefits" had been created by staff to help members understand the complexities and impacts of divorce on their SamCERA benefits. He noted staff had also created a new retirement plan / tier spreadsheet, showing all the plans and formulas. Both documents were given to Trustees in their "Day of Meeting" folder. Mr. Hood said the active member newsletter was sent out and the retiree newsletter would be going out soon, and a recent benefits fair was successful. He updated the Board on the PASS selection process, and announced awards received for the CAFR and PAFR.
- 1310.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported that he would be meeting soon with DE Shaw, to discuss the implementation of the 130/30 strategy that had been postponed. He informed the Board of his participation in the monthly CALAPRS working group call.
- 1310.8.4 **Chief Legal Counsel's Report:** Ms. Carlson directed the Board's attention to the legislative update document included in their "Day of Meeting" folder and reviewed the new legislation and case updates.
- 1310.10 **Adjournment:** With no further business, Ms. Kwan Lloyd adjourned the meeting at 2:40 p.m., in memory of the following deceased members:

Rhees, Edna	September 3, 2013	Beneficiary of Irvin Rhees
Goodwin, Arthur	September 5, 2013	General Services
Price, William	September 7, 2013	Beneficiary of Barbara Price
Cissell, Katherine	September 10, 2013	Environmental Health
Tilman, Nomalee	September 10, 2013	Correctional Health
Lee, Joan	September 11, 2013	Beneficiary of William Lee
Sanchez, Joseph	September 13, 2013	Sheriff's Office
Stumbaugh, Nicholas	September 20, 2013	Sheriff's Office
Cable, Constance	September 21, 2013	Social Services
Milford, Vivian	September 26, 2013	Social Services
Gilbert, Alice	September 27, 2013	Libraries
Spece, Maria	September 29, 2013	General Services
Phelan, Margaret	September 30, 2013	Health and Welfare

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David Bailey  
 Chief Executive Officer

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Kristina Perez  
 Retirement Executive Secretary

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

December 10, 2013

Agenda Items 4.1- 4.6

To: Board of Retirement

From: Gladys Smith, Retirement Benefits Manager



Subject: Approval of Consent Agenda Items 4.1 – 4.6

**4.1 Disability Retirements**

- a) The Board find that **Leslie Talavera** is (1) permanently incapacitated for the performance of her usual and customary duties as a Health Benefits Analyst, (2) find that her disability was not a result of an illness arising out of and in the course of her employment, (3) deny her application for a service-connected disability retirement (4) and grant her a non-service-connected disability retirement.
- b) The Board find that **John Hein** is (1) permanently incapacitated for the performance of his usual and customary duties as a Sheriff's Lieutenant, (2) find that his disability was a result of an injury arising out of and in the course of his employment, (3) grant his application for a service-connected disability retirement.
- c) The Board find that **Ana Langi** is (1) permanently incapacitated for the performance of her usual and customary duties as a Medical Services Assistant, (2) find that her disability was not a result of an illness arising out of and in the course of her employment, (3) deny her application for a service-connected disability retirement (4) and grant her a non-service-connected disability retirement.
- d) The Board find that **Shari Ramseur** is (1) permanently incapacitated for the performance of her usual and customary duties as an Office Assistant, (2) find that her disability was not a result of an illness arising out of and in the course of her employment, (3) deny her application for a service-connected disability retirement (4) and grant her a non-service-connected disability retirement.
- e) The Board find that **Marciano Rivera** is (1) permanently incapacitated for the performance of his usual and customary duties as a Stationary Engineer, (2) find that his disability was a result of an injury arising out of and in the course of his employment, (3) grant his application for a service-connected disability retirement.
- f) The Board find that **Usha Sami** is (1) permanently incapacitated for the performance of her usual and customary duties as a Food Service Worker, (2) find that her disability was not a result of an injury arising out of and in the course of her employment, (3) grant her application for a non-service-connected disability retirement.

## **4.2 Service Retirements**

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

<b>Member Name</b>	<b>Effective Retirement Date</b>	<b>Department</b>
Alvarez, Ana	September 21, 2013	Family Health
Buxton, Stephen	September 12, 2012	Def'd. from Assessor's Office
Caldwell, Karen	September 10, 2013	Courts
Davila, Judith	September 28, 2013	Behavioral Health
Duterte, Patrick	August 1, 2013	Def'd. from Health & Welfare
Ferrer, Adelardo	September 13, 2013	Mental Health
Golden, Mary	September 28, 2013	Human Services Agency
Grote, Lisa	September 5, 2013	Def'd. from Planning
Jukich, Mary	September 23, 2013	QDRO
King, Victoria	September 11, 2013	Courts
Lavilla, Florentino	September 29, 2013	Def'd. from Public Health
Ng, Irene	September 11, 2013	Human Services Agency
Radford, John	September 15, 2013	Libraries
Sondag, Mark	September 23, 2013	Def'd. from HSA
Steiger, Nancy	September 24, 2013	Def'd. from Hospital
Williams, Judy	September 19, 2013	Child Support Services
Andres, Adeline	October 16, 2013	Def'd. from Hospital
Balancio, Evelyn	October 26, 2013	Mental Health
Biag, Maria	November 1, 2013	Def'd. from Hospital
Cruz, Carmelita	October 9, 2013	Def'd. from Hospital
De Guzman, Teodora	October 4, 2013	Def'd. from Hospital
Dogelio, Thelma	October 29, 2013	Def'd. from Hospital
Fernandez, Gloria	October 6, 2013	Def'd. from Hospital
Gacayan, Cres	October 18, 2013	Def'd. from Hospital
Gloria, Emilia	October 23, 2013	Def'd. from Hospital
Harper, Cornel	November 1, 2013	Parks Department
Iglesias, Utumporn	October 6, 2013	Def'd. from Hospital
Kintanar, Oscar	October 31, 2013	Hospital
Layacan, Ma Erlinda	October 16, 2013	Hospital

Linaja, Violeta	October 4, 2013	Def'd from Hospital
Raihman, Jaibul	October 5, 2013	Def'd. from Hospital
Ramirez, Armando	October 27, 2013	Libraries
Rudd, Margaret	October 26, 2013	Tax Collector's Office
Rulloda, Pacita	October 6, 2013	Def'd. from Hospital
Siddiqui, Elaine	November 1, 2013	Def'd. from Hospital
Tayo, Elna	October 8, 2013	Def'd. from Hospital
Torres, Dorothy	October 19, 2013	Human Services Agency
Wan, Carmen	October 16, 2013	Def'd. from Hospital
Wong, Shwu-Huey	October 4, 2013	Def'd. from Hospital

#### **4.3 Continuances**

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

<b>Survivor's Name</b>	<b>Beneficiary of:</b>
Graham, Kent	Tilman, Nomalee
Goodwin, Phyllis	Goodwin, Arthur
Yano-Nakano, Monica	Ng, Irene
Tafoya, Albert	Tafoya, Marian
Phillips, Minta	Phillips, Edward
Morrison, Paul	Morrison, Janet

#### **4.4 Deferred Retirements**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Bassett, Peter	G4 Vested - incoming reciprocity
McDonald, Colleen	G4 Vested
Singh, Praveen	G4 Vested
Jackson, George	G4 Vested
Neal, Jaclyn	G4 Vested - Reciprocity
Hoehn, Kelly	G4 Non Vested – Reciprocity
Nakano, Angela	G4 Vested - Reciprocity

Day, Kimberly	G4 Vested - Reciprocity
Tsai, Gary	G4 Non Vested – Reciprocity
Rao, Suchitra	G4 Non Vested – Reciprocity

#### **4.5 Member Account Refunds**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Zavala, Cathleen	G7 Non-vested
Louie, Brad	G4 Vested
Johnston, Anna	G4 Vested
Uluave, Akensi	G4 Vested
Fresquez, Leonard	G4 Vested
Gray, Jannette	G4 Non-vested
Riley, Jocelyn	G4 Non-vested
Hickey, Christopher	G4 Non-vested
Jurow, James	G7 Non-vested
Neves, Brent	G5 Non-vested
Ramirez, Bedilia	G4 Non-vested
Calderon, Luisa	P4 Vested
Walker, Alicia	G4 Non-vested

#### **4.6 Member Account Rollovers**

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

<b>Member Name</b>	<b>Retirement Plan Type</b>
Shah, Swati	G4 Non-vested
Couture, L. A.	G4 Non-vested
Rohl, Judith	G5 Non-vested
Samuels, Philip	G4 Vested

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

December 10, 2013

Agenda Item 6.1

**TO:** Board of Retirement

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

**SUBJECT:** Preliminary Monthly Portfolio Performance Report for the Period Ending October 31, 2013



**Staff Recommendation**

Review the preliminary performance report dated October 31, 2013.

**Background**

This preliminary report is intended to provide a high-level view of the portfolio and its trends. It is not intended to provide short-term performance upon which the Board would act. As discussed previously, preliminary performance estimates are now included for Angelo Gordon's PPIP, Angelo Gordon's STAR, AQR's risk parity, and AQR's hedge fund portfolios. The quarterly performance metrics are not yet available for our private equity and real estate portfolios. The performance for these portfolios will be reflected in the quarterly performance report generated by SIS.

The attached performance report shows both net and gross of fee returns for the total plan on page one, with net composite returns (pages 2-3) and net manager returns (pages 4-8) also shown.

**Discussion**

The fund's net preliminary return for October was +2.7%, while the preliminary trailing twelve month return was +16.4% net (+16.9% gross). The twelve-month net return is lower than SamCERA's Total Plan Policy Benchmark return of 17.1% but above the Actuarial Assumed Earnings Rate of 7.50%. As a reminder, SamCERA should expect performance to vary substantially from that of the Total Plan Policy Benchmark in the initial stages of its private equity implementation.

Global equity markets experienced another strong month in October as global markets reacted to the compromise accord announced on October 16<sup>th</sup> that raised the debt limit (through February 7, 2014) and reopened the government. Economic news continued to be mixed suggesting a mild if unexciting recovery.

Most domestic equity indices were up between +2% and +4%, with large capitalization stocks outperforming smaller-cap stocks. International equity indices were also higher on the month, with developed markets (as measured by MSCI EAFE) up +3.4% and emerging markets up +4.9%.

The general fixed income market was higher by +0.81% as interest rates (as measured by 10-year Treasuries) decreased by 7 basis points. Emerging market and high yield bonds were both up over +2% during the month.

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

**Attachments:**

SIS Market Update

State Street Performance Report

## U.S. EQUITY

October was yet again another strong month for global equity markets. Stocks advanced everywhere and bonds were also up (yields down).

In the U.S. markets, Growth performed in-line with Value and large caps outperformed small caps. The Russell 1000 Growth Index was up +4.4% and the Russell 1000 Value Index was also up +4.4% for the month. The Russell 2000 Growth Index was up +1.8% and the Russell 2000 Value was up +3.3%. The S&P 500 Index ended the month higher by +4.6%.

The S&P 500 Index has a trailing P/E ratio of 18.7, a forward 12-month estimate P/E ratio of 15.9 and dividend yield of 2.0%. Of the 446 companies that have reported earnings to date for Q3 2013, 73% have reported earnings above the mean estimate and 52% have reported sales above the mean estimate. The blended earnings growth rate is 3.4%.

Corporate merger highlights for the month included: Monsanto will buy The Climate Corporation for approximately \$930 million; U.S.-based food business Darling International will buy Dutch meat producer Vion's ingredients unit for \$2.2 billion; Belgian chemical company Solvay will acquire U.S.-based Chemlogics Group for \$1.35 billion; McKesson, the largest U.S. pharmaceutical distributor is in advanced talks to acquire German rival Celesio for more than \$5 billion; Men's Warehouse rejected an unsolicited \$2.3 billion offer from smaller rival Jos. A. Banks Clothiers; Pipeline operator Regency Energy will buy PVR Partners for about \$3.8 billion to expand its shale-area pipe network; Del Monte is selling off its fruits and vegetable business to an Asian company for \$1.7 billion to focus instead in the pet food business; A holding company, Platform, will buy Denver-based MacDermid Inc. for \$1.8 billion as a means to build a chemicals business; Advanced Auto Parts will buy General Parts International for just over \$2 billion, creating the largest North American retailer of auto parts; Softbank acquired a majority stake in Supercell, the Finnish developer of games for about \$1.5 billion; Japan's Softbank also agreed to pay \$1.26 billion for a 57% stake in privately held cellphone distributor Brightstar; AT&T will lease 9,100 of its wireless towers and sell another 600 towers to Crown Castle for \$4.85 billion; Communications equipment maker Tellabs will be acquired for \$890 million by Marlin Equity Partners; American Realty Capital Properties will buy Cole Real

Estate Investments for about \$7 billion, joining together two real-estate investment trusts; AMC Networks will buy Chellomedia, the international content of Liberty Global, for about \$1 billion; and, Mosaic will buy the Florida phosphate business of CF Industries for \$1.4 billion.

U.S. venture capital firms raised \$4.1 billion in the 3<sup>rd</sup> quarter, down almost 18% from the same period in 2012.

## FIXED INCOME

The president of the Federal Reserve of Atlanta said the partial shutdown of the U.S. government will hurt growth in the last quarter of this year, defending the Fed's decision not to taper its bond buying stimulus. As expected, the Federal Reserve's monetary policy was unchanged in October. It left the federal funds target range at 0.00-0.25% and continued its pace of assets purchases at \$85 billion per month.

The International Monetary Fund trimmed its forecasts for 2013 global output to expand just 2.9%, down from a July estimate of 3.1% and making it the slowest year of growth since 2009.

The Labor Dept. reported that the unemployment rate edged lower to 7.2% in September, though employers added far fewer workers than expected suggesting a loss in momentum in the U.S. economy. Job gains have slowed progressively this year, averaging just 143,000 in the third quarter compared to 182,000 in the second and 207,000 in the first.

The yield on the bellwether 10-year Treasury note fell to 2.57% at the close of October from its September close at 2.64%. At month-end, the 30-year bond yield was 3.63% with the 3-month T-bill at 0.06%. The Barclays Capital US Aggregate Index was up +0.81% in October. Emerging Markets bonds were the strongest sector, gaining +2.8%, as measured by the JPM GBI-EM Global Diversified Unhedged Index.

Federal Reserve Vice-Chair Janet Yellen was formally nominated by President Obama to replace Chairman Bernanke when his term ends in January.

The nation's 57 million Social Security beneficiaries will get a 1.5% raise in their monthly payments in 2014.

On the economic front, the following key data was released (releases were much lighter than usual due to the U.S. Government partial shutdown) in October:

## THE GOOD

\*The Institute for Supply Management reported that its purchasing managers' index rose from 55.7% in August to 56.2% in September, the highest point in more than two years.

\*The Thomson Reuters/PayNet Small Business Lending Index rose 1% to 116.6 in August, the highest level since August 2007.

\*Global household wealth increased by 4.9% to reach \$241 trillion.

\*The Commerce Dept. reported that U.S. construction spending rose 0.6%

\*The median sales price of existing homes was up 11.7% at \$199,200 in September compared to a year ago.

\*Industrial production increased 0.6% in September, the largest gain since February and above forecast.

\*The Commerce Dept. reported that retail sales excluding autos, gasoline, and building materials increased 0.5% in September following a 0.2% gain in August.

\*The Consumer Price Index rose 0.2% in September after edging up 0.1% in August. In the 12 months through September, the CPI increased 1.2%.

## THE NOT SO GOOD

\*GM's U.S. auto sales fell 11% in September, Chrysler's inched up 0.7%, Ford's rose 5.8%, Toyota's dropped 4.3% and Nissan's declined 5.5%.

\*The Institute for Supply Management's service-sector index fell to 54.4 in September, down from 58.6 in August which was the highest reading since 2005.

\*Consumer borrowing rose by \$13.6 billion in August as Americans took out loans for vehicles and education.

\*The New York Fed's Empire State general business conditions index edged down to 1.5 in October from 6.3 in September.

\*The National Assoc. of Realtors reported that sales of previously owned U.S. homes fell a seasonally adjusted 1.9% in September because of higher prices and rising mortgage rates.

\*Manufacturing declined in October for the first time in more than four years, with the index dipping to 49.5 from 55.3, a reading below 50 indicates contraction.

\*Consumer confidence has eroded over the last four months. The Univ. of Michigan index fell another 4.3 points in October to 73.2, the third consecutive decline and the lowest level since January. The Conference Boards' confidence index dropped 9.0 points to 71.2, the lowest reading since April.

## NON-U.S. MARKETS

Canada's GDP rose a stronger than expected 0.3% in the month of August, following a robust 0.6% gain in July.

Britain's economy grew at the fastest rate in three years during the 3<sup>rd</sup> quarter rising by 0.8%, the third consecutive gain and the largest since Q2 2010.

The euro pushed above \$1.37 in October for the first time since February in a move that analysts say could hinder the EU's recovery from recession. Eurozone inflation continues to slow. Consumer Price (CPI) Inflation decelerated two ticks to 1.1% year-over year in September, the lowest level since February 2010. The Eurozone unemployment rate posted at a record high 12.2% in September, unchanged from August. The youth (under 25) rate actually edged up to 24.1%.

The Japan's Monetary Policy Board reaffirmed its aggressive program of quantitative easing (QE), pledging unanimously to increase the size of the monetary base by 60-70 trillion yen annually, and to purchase JGB's in sufficient quantity. Their goal remains to hit a 2.0% inflation target within about two years.

China's GDP expanded 7.8% year-on-year in July to September, reversing two quarters of slowing growth in the world's second largest economy. China's annual consumer inflation rose to a seven month high of 3.1% in September.

Russia's third quarter growth rate fell well below expectations at 1.2%.

Non-U.S. equities were higher in October. The MSCI ACWI Ex-U.S. was up +3.7% (US dollars) for the month. International Developed stocks (EAFE) were up +3.4% while Emerging Markets gained +4.9%.

## CONCLUSION

The U.S. will pass Russia and Saudi Arabia as the top energy producer in 2013, according to a report by the Energy Information Administration (EIA). U.S. energy output has been surging in recent years fueled by shale rock formations of oil and natural gas. The U.S. produced an equivalent of 22 million barrels a day of oil, natural gas and related fuels in July.

The U.S. boom in natural gas production is luring investment from foreign manufacturers eager to tap a cheap, abundant supply of fuel and feedstocks. Energy consulting firm HIS CERA stated in a report last month that cheaper gas would aid the nation's chemical sector over the next dozen years, creating more than 300,000 jobs.

China has now overtaken the U.S. to become the world's largest oil importer, according to U.S. estimates. The gap in September between oil consumption and domestic production averaged 6.24 million barrels per day in the U.S. and 6.3 million in China. U.S. oil demand has dropped about 4% over the past five years as a result of improved fuel economy for cars and decreased car use.

Booming production from shales such as the Eagle Ford of Texas and the Bakken of North Dakota has raised U.S. output of liquid fuels by more than 40% since 2008 to 12.2 million barrels per day and the EIA expects further growth to 13.2 million barrels per day next year. Unconventional oil and gas production could support up to 3.5 million jobs by 2034 according to HIS Global Insight. Shale gas is now 10% of the overall U.S. energy supply. So far, more than 1.7 million new jobs are the result of this resurgence in the energy sector. The energy revolution will add an estimated \$62 billion to federal and state revenues this year.

In addition, clean energy and sustainable transportation projects has created nearly 40,000 new green jobs in America during the second quarter according to reports from Environmental Entrepreneurs.

## Monthly Market Update

### US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Oct-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	4.25	5.10	26.45	28.99	21.66	16.89	15.94	6.17	7.92
Russell TOP 200 Index	4.79	4.92	24.95	26.17	21.05	16.57	14.38	5.53	6.86
Russell TOP 200 Growth Index	5.29	7.96	25.28	26.18	20.27	16.78	16.54	7.64	7.13
Russell TOP 200 Value Index	4.30	2.04	24.59	26.13	21.83	16.39	12.15	3.42	6.62
S&P 500 Index	4.60	4.75	25.30	27.18	21.04	16.56	15.17	5.79	7.46
Russell 1000 Index	4.40	5.06	26.08	28.40	21.50	16.83	15.84	6.13	7.83
Russell 1000 Growth Index	4.42	7.21	26.22	28.30	20.41	16.81	17.51	7.73	7.70
Russell 1000 Value Index	4.38	2.94	25.75	28.29	22.46	16.76	14.06	4.40	7.81
Russell Mid-Cap Index	3.53	5.39	28.73	33.79	22.49	17.40	19.67	7.67	10.35
Russell Mid-Cap Growth Index	2.62	5.64	28.71	33.93	20.87	17.16	20.32	8.16	9.60
Russell Mid-Cap Value Index	4.56	5.12	28.55	33.45	23.87	17.54	18.85	6.86	10.62
Russell 2000 Index	2.51	5.59	30.90	36.28	23.59	17.69	17.04	6.75	9.03
Russell 2000 Growth Index	1.82	6.78	34.89	39.84	23.86	19.00	19.27	8.33	9.14
Russell 2000 Value Index	3.25	4.38	27.07	32.83	23.31	16.33	14.84	5.09	8.78
DJ US REIT Index	4.07	0.03	6.50	9.96	12.01	11.89	14.79	2.04	9.57
DJ-UBS US Commodity Index TR	-1.48	-0.73	-9.91	-12.21	-8.41	-5.19	-0.94	-3.00	1.51
DJ-UBS US Gold Index TR	-0.24	0.82	-21.39	-23.46	-13.04	-1.49	12.17	10.79	12.20

### Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Oct-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	3.68	9.41	14.53	20.80	12.34	6.52	12.99	3.44	8.95
MSCI AC World Index	4.04	7.22	19.56	23.95	16.32	10.95	14.09	4.58	8.21
MSCI EAFE Index	3.36	9.57	20.51	27.40	15.74	8.88	12.52	2.81	8.20
MSCI Emerging Markets index	4.87	9.85	0.62	6.90	4.92	0.63	15.76	6.28	12.77
ML Global Government Bond Ex. U.S. Index	0.66	2.77	-5.46	-8.65	-3.96	-0.91	4.55	5.29	4.79
Euro	0.43	2.38	3.12	4.92	-1.27	-0.73	1.40	0.91	1.58
Japanese Yen	0.02	0.25	-11.87	-18.53	-10.85	-6.36	0.05	2.57	1.14
UK Pound Sterling	-0.79	5.97	-1.16	-0.28	-0.23	0.16	-0.11	-2.42	-0.55

### US Fixed Income Indices Trailing Performance

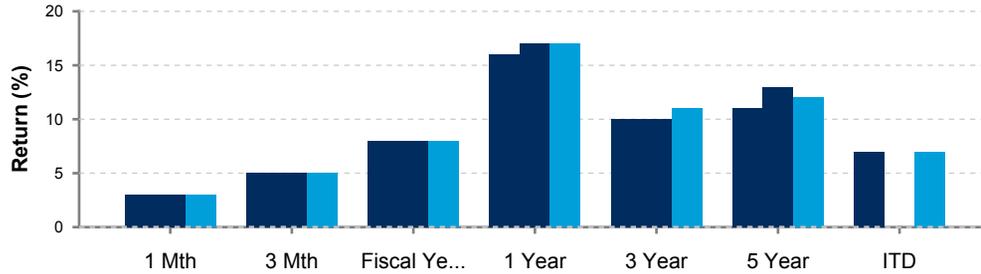
Annualized Performance to Date: Ending Oct-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.01	0.05	0.09	0.08	0.10	0.14	1.21	1.69
BarCap Aggregate Bond Index	0.81	1.24	-1.10	-1.08	2.04	3.02	6.09	5.14	4.78
ML U.S. Corp/Govt Master Index	0.91	1.10	-1.62	-1.54	2.20	3.18	6.50	5.15	4.75
ML U.S. Corporate Master Index	1.50	1.65	-0.99	-1.09	4.55	4.88	11.06	6.06	5.55
BarCap Mortgage Backed Securities Index	0.68	1.81	-0.33	-0.36	1.57	2.55	5.07	5.09	4.86
ML U.S. High Yield Master Index	2.46	2.86	6.32	8.76	10.94	8.86	17.88	8.66	8.67
JPM EMBI Global	2.67	2.59	-4.95	-2.58	6.45	5.65	14.15	7.82	8.94

# San Mateo County Total Fund Characteristics

October 31, 2013



## Total Fund Performance

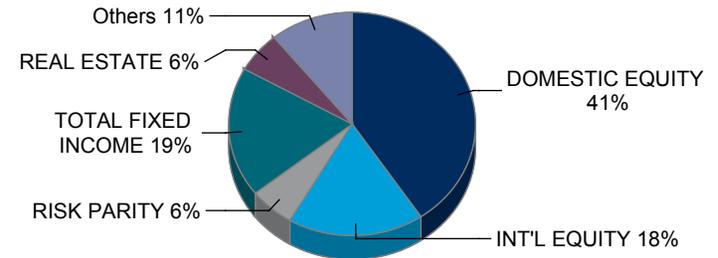


■ TOTAL FUND - Net Mgr 
 ■ TOTAL FUND - Total Invested  
■ SAMCERA TOTAL PLAN POLICY BENCHMARK

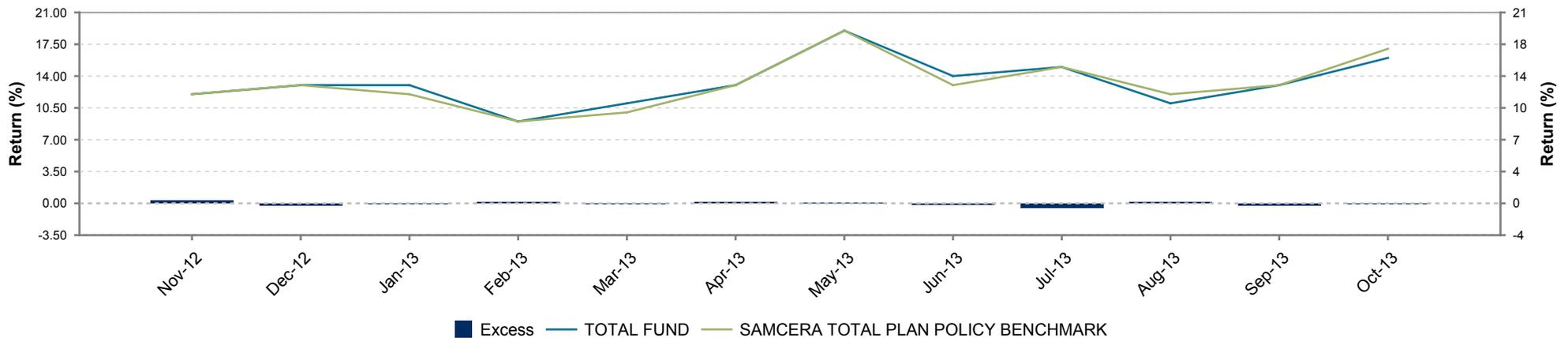
	1-Mth	3-Mth	YTD	Fiscal YTD	1-Yr	3-Yr	5-Yr	10-Yr	ITD
TOTAL FUND - Gross	2.70	4.59	14.32	7.92	16.85	10.59	11.34	6.76	6.85
TOTAL FUND - Net Mgr	2.70	4.50	13.99	7.78	16.43	10.16	11.02	6.60	6.75
SAMCERA TOTAL PLAN POLICY BENCHMARK	2.78	4.70	14.70	8.48	17.11	10.94	12.26	7.47	7.11
Excess	-0.08	-0.20	-0.71	-0.71	-0.68	-0.78	-1.24	-0.87	-0.36

## Asset Allocation

	Ending Market Value (\$)	Allocation (%)
DOMESTIC EQUITY	1,222,524,243	41.1
INTERNATIONAL EQUITY	535,778,098	18.0
PRIVATE EQUITY	94,130,353	3.2
RISK PARITY	170,917,205	5.7
HEDGE FUND	82,468,947	2.8
COMMODITIES	75,885,736	2.5
FIXED INCOME	565,058,158	19.0
REAL ESTATE	169,724,124	5.7
CASH	52,053,571	1.7
CLIFTON GROUP - CASH OVERLAY	8,402,472	0.3
<b>TOTAL FUND</b>	<b>2,976,952,287</b>	<b>100.0</b>

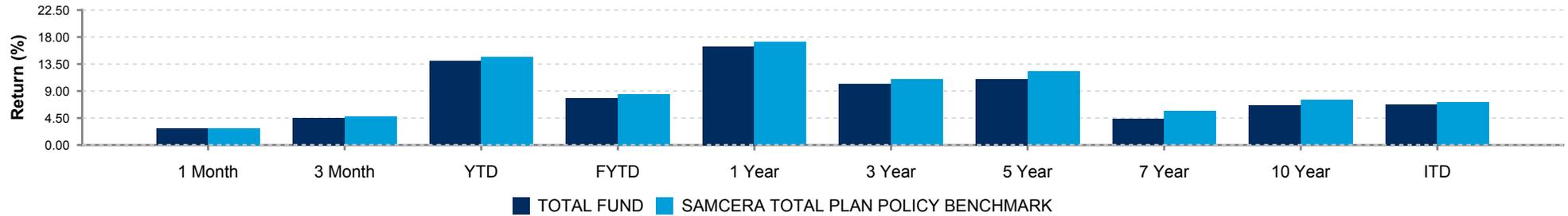


## Cumulative Returns



October 31, 2013

Return Comparison



Composite Returns (Net)

	Market Value (\$)	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	7 Year	10 Year	ITD
Total Fund	2,976,952,287	2.70	4.50	13.99	7.78	16.43	10.16	11.02	4.31	6.60	6.75
SAMCERA TOTAL PLAN POLICY BENCHMARK		2.78	4.70	14.70	8.48	17.11	10.94	12.26	5.67	7.47	7.11
Excess		-0.08	-0.20	-0.71	-0.71	-0.68	-0.78	-1.24	-1.35	-0.87	-0.36
Total Equity	1,758,302,341	3.83	6.32	22.94	11.70	26.58	12.83	13.62	3.70	6.97	7.70
SAMCERA TOTAL EQUITY BENCHMARK		3.87	6.62	22.84	12.24	27.03	13.46	15.08	5.31	8.09	8.15
Excess		-0.04	-0.29	0.10	-0.54	-0.45	-0.63	-1.46	-1.61	-1.12	-0.45
Total Fixed Income	565,058,158	1.37	1.95	0.78	2.55	2.01	5.68	9.67	5.83	5.43	6.01
SAMCERA TOTAL FIXED INCOME BENCHMARK		0.97	1.48	-1.98	2.04	-2.04	3.32	6.39	5.35	4.92	5.55
Excess		0.40	0.46	2.76	0.50	4.05	2.36	3.28	0.48	0.50	0.46
Total Risk Parity	170,917,205	3.34	4.29	-0.87	5.62	1.96					6.66
RISK PARITY BENCHMARK		2.87	3.57	14.78	7.03	16.17					9.85
Excess		0.47	0.72	-15.64	-1.42	-14.21					-3.20
Hedge Funds	82,468,947	2.27	0.50	4.15	0.78	5.92					2.49
LIBOR + 4%		0.34	1.03	3.49	1.38	4.20					4.22
Excess		1.93	-0.53	0.67	-0.60	1.72					-1.73
Private Equity	94,130,353	0.50	4.39	6.68	4.43	6.86	-53.94				-53.94
PRIVATE EQUITY BENCHMARK		4.49	5.87	29.53	11.94	32.78	20.35				20.35
Excess		-3.99	-1.48	-22.85	-7.50	-25.92	-74.29				-74.29

# San Mateo County Composite Return Summary



October 31, 2013

## Composite Returns (Net)

	Market Value (\$)	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	7 Year	10 Year	ITD
Commodities	75,885,736	-0.12	0.68	-5.38	2.53	-7.09					-2.80
DJ-UBS COMMODITY		-1.48	-0.73	-9.93	0.63	-12.25					-10.99
Excess		1.35	1.40	4.55	1.90	5.16					8.19
Total Real Estate	169,724,124	0.00	2.15	10.11	2.15	13.30	13.21	-0.10	2.69	7.26	7.72
SAMCERA NCREIF NFI ODCE EW (Gross)		0.00	3.37	9.91	3.37	12.47	14.06	0.89	3.71	7.36	7.99
Excess		0.00	-1.22	0.20	-1.22	0.84	-0.85	-0.98	-1.02	-0.10	-0.27
Total Cash	52,053,571	0.05	0.11	0.40	0.15	0.45	0.64	0.92	1.06	1.71	2.38
91 DAY TREASURY BILL		-0.00	0.01	0.05	0.01	0.09	0.10	0.14	1.22	1.71	2.30
Excess		0.05	0.10	0.35	0.14	0.37	0.54	0.78	-0.15	-0.00	0.09

# San Mateo County Manager Return Summary

October 31, 2013



## Manager Returns (Net)

	\$ EMV	1 Mth	3 Mth	FYTD	Cal YTD	1 Year	3 Year	5 Year	7 Year	10 Year	ITD
TOTAL EQUITY	1,758,302,341	3.83	6.32	11.70	22.94	26.58	12.83	13.62	3.70	6.97	7.70
SAMCERA TOTAL EQUITY BENCHMARK		3.87	6.62	12.24	22.84	27.03	13.46	15.08	5.31	8.09	8.15
Excess		-0.04	-0.29	-0.54	0.10	-0.45	-0.63	-1.46	-1.61	-1.12	-0.45
TOTAL DOMESTIC EQUITY	1,222,524,243	3.82	5.26	11.31	26.54	29.58	16.18	15.51	4.68	7.07	8.15
SAMCERA DOMESTIC EQUITY BENCHMARK		4.02	5.18	11.15	27.05	29.97	17.03	16.14	6.31	8.12	8.49
Excess		-0.21	0.08	0.16	-0.51	-0.39	-0.85	-0.63	-1.62	-1.06	-0.34
LARGE CAP COMPOSITE	993,341,754	4.04	4.99	10.52	25.83	28.10	15.61	14.58	4.67	7.06	8.68
RUSSELL 1000 INDEX		4.40	5.06	10.68	26.08	28.40	16.83	15.84	6.13	7.83	9.25
Excess		-0.36	-0.07	-0.16	-0.24	-0.30	-1.22	-1.26	-1.46	-0.78	-0.56
DE SHAW INVESTMENT MGT, LLC	162,915,950	3.50	4.26	10.20	26.83	29.34	17.78				17.69
RUSSELL 1000 INDEX		4.40	5.06	10.68	26.08	28.40	16.83				17.41
Excess		-0.90	-0.80	-0.49	0.75	0.95	0.96				0.28
BARROW HANLEY	162,253,626	3.50	4.30	11.04	30.69	33.25	17.97				17.67
Russell 1000 Value Index		4.38	2.94	8.49	25.75	28.29	16.76				17.03
Excess		-0.88	1.37	2.55	4.94	4.96	1.21				0.64
BLACKROCK S&P 500	504,043,524	4.60	4.75								19.14
S&P 500		4.60	4.75	19.13							19.13
Excess		0.00	0.00								0.01
BROWN ADVISORY LARGE GROWTH	164,128,654	3.40	7.24								13.84
Russell 1000 Growth Index		4.42	7.21	12.83							12.83
Excess		-1.02	0.03								1.01
SMALL CAP COMPOSITE	229,182,490	2.83	6.45	14.92	31.87	37.92	19.22	19.86	4.81	7.13	6.74
RUSSELL 2000 INDEX		2.51	5.59	12.98	30.90	36.28	17.69	17.04	6.75	9.03	7.71
Excess		0.32	0.86	1.94	0.97	1.64	1.54	2.82	-1.95	-1.90	-0.98

# San Mateo County Manager Return Summary

October 31, 2013



<b>Manager Returns (Net)</b>											
	<b>\$ EMV</b>	<b>1 Mth</b>	<b>3 Mth</b>	<b>FYTD</b>	<b>Cal YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>7 Year</b>	<b>10 Year</b>	<b>ITD</b>
BOSTON COMPANY ASSET MGT, LLC	113,211,239	3.54	5.87	13.53	30.11	37.04	18.70				18.66
RUSSELL 2000 VALUE INDEX		3.25	4.38	11.09	27.07	32.83	16.33				17.87
Excess		0.29	1.49	2.44	3.04	4.21	2.36				0.80
CHARTWELL INVESTMENT MGMT	115,970,896	2.15	7.02	16.32	34.36	39.91	21.27	20.99	8.49		9.17
RUSSELL 2000 GROWTH		1.82	6.78	14.86	34.89	39.84	19.00	19.27	8.33		8.65
Excess		0.33	0.24	1.46	-0.53	0.07	2.28	1.72	0.16		0.51
TOTAL INTERNATIONAL EQUITY	535,778,098	3.87	8.71	12.56	15.36	20.09	5.53	9.20	1.54	7.37	5.98
MSCI AC WORLD ex US (GROSS)		3.68	9.41	14.22	14.53	20.80	6.52	12.99	3.44	8.95	6.09
Excess		0.19	-0.70	-1.66	0.83	-0.71	-0.98	-3.79	-1.90	-1.58	-0.11
BAILLIE GIFFORD OVERSEAS LIMITED	197,223,354	2.64	8.57	13.45	20.02	24.28					17.28
MSCI ACWI ex US GROWTH (GROSS)		3.25	8.40	12.42	14.27	20.16					13.04
Excess		-0.61	0.16	1.02	5.76	4.11					4.24
EATON VANCE MANAGEMENT	70,512,626	4.50	7.99	10.27	3.15	9.05					4.35
MSCI Em Markets (USD) GDR		4.87	9.85	11.06	0.62	6.90					2.87
Excess		-0.37	-1.86	-0.79	2.53	2.15					1.48
MONDRIAN INVESTMENT PARTNERS	205,908,699	4.84	9.08	12.43	15.44	19.88	6.97	10.55	2.85		6.75
MSCI ACWI EX US VALUE (GROSS)		4.11	10.40	16.03	14.75	21.40	6.55	13.15	3.02		7.04
Excess		0.73	-1.32	-3.60	0.69	-1.52	0.42	-2.60	-0.17		-0.29
PYRAMIS	62,036,028	3.48	8.60	13.15	15.88	21.81					13.22
MSCI ACWI ex US Small Cap Gross		3.10	10.43	15.95	18.33	24.12					13.98
Excess		0.38	-1.83	-2.80	-2.45	-2.32					-0.77
TOTAL FIXED INCOME	565,058,158	1.37	1.95	2.55	0.78	2.01	5.68	9.67	5.83	5.43	6.01
SAMCERA TOTAL FIXED INCOME BENCHMARK		0.97	1.48	2.04	-1.98	-2.04	3.32	6.39	5.35	4.92	5.55
Excess		0.40	0.46	0.50	2.76	4.05	2.36	3.28	0.48	0.50	0.46

# San Mateo County Manager Return Summary

October 31, 2013



<b>Manager Returns (Net)</b>											
	<b>\$ EMV</b>	<b>1 Mth</b>	<b>3 Mth</b>	<b>FYTD</b>	<b>Cal YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>7 Year</b>	<b>10 Year</b>	<b>ITD</b>
ANGELO GORDON GECC PPI FUND	19,342										
Barclays BA Intermediate High Yield Index		2.52									
Excess											
ANGELO GORDON MANAGEMENT	33,779,920	2.10	2.25		10.07						10.07
Barclays BA Intermediate High Yield Index		2.52	2.76		4.56						5.66
Excess		-0.42	-0.51		5.51						4.41
PYRAMIS GLOBAL ADVISORS	148,295,944	0.93	1.56	1.82	-0.59	-0.27	4.04	8.37	5.56		5.54
Barclays Aggregate Bond		0.81	1.24	1.38	-1.10	-1.08	3.02	6.09	5.14		5.13
Excess		0.13	0.32	0.44	0.51	0.81	1.02	2.28	0.42		0.41
WESTERN ASSET MGMT	119,351,900	1.35	1.94	2.47	-0.41	-0.03	4.90	9.97	5.63		5.37
Barclays Aggregate Bond		0.81	1.24	1.38	-1.10	-1.08	3.02	6.09	5.14		4.69
Excess		0.55	0.69	1.09	0.69	1.05	1.89	3.88	0.49		0.68
BRIGADE CAPITAL MANAGEMENT	61,929,450	1.45	2.50	3.93	6.21	8.87	9.31				9.96
Barclays BA Intermediate High Yield Index		2.52	2.76	4.50	4.56	6.36	8.07				9.17
Excess		-1.07	-0.26	-0.57	1.65	2.51	1.25				0.79
BROWN BROTHERS HARRIMAN & CO	78,272,690	0.30	0.17	0.98	-6.70	-6.72	3.43				4.71
Barclays US TIPS Index		0.58	0.54	1.22	-6.71	-6.93	3.33				4.67
Excess		-0.28	-0.37	-0.24	0.02	0.22	0.10				0.04
FRANKLIN TEMPLETON INVESTMENTS	123,401,707	2.38	3.23	3.42	3.09	6.41					7.34
Barclays Multiverse		1.05	2.57	3.90	-0.91	-1.11					3.31
Excess		1.33	0.67	-0.49	4.00	7.52					4.04
TOTAL PRIVATE EQUITY	94,130,353	0.50	4.39	4.43	6.68	6.86	-53.94				-53.94
PRIVATE EQUITY BENCHMARK		4.49	5.87	11.94	29.53	32.78	20.35				20.35
Excess		-3.99	-1.48	-7.50	-22.85	-25.92	-74.29				-74.29

# San Mateo County Manager Return Summary

October 31, 2013



<b>Manager Returns (Net)</b>											
	<b>\$ EMV</b>	<b>1 Mth</b>	<b>3 Mth</b>	<b>FYTD</b>	<b>Cal YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>7 Year</b>	<b>10 Year</b>	<b>ITD</b>
TOTAL RISK PARITY	170,917,205	3.34	4.29	5.62	-0.87	1.96					6.66
RISK PARITY BENCHMARK		2.87	3.57	7.03	14.78	16.17					9.85
Excess		0.47	0.72	-1.42	-15.64	-14.21					-3.20
AQR GLOBAL RISK PREM III LP	170,917,205	3.34	4.29	5.62	-0.87	1.96					6.66
RISK PARITY BENCHMARK		2.87	3.57	7.03	14.78	16.17					9.85
Excess		0.47	0.72	-1.42	-15.64	-14.21					-3.20
HEDGE FUND COMPOSITE	82,468,947	2.27	0.50	0.78	4.15	5.92					2.49
LIBOR + 4%		0.34	1.03	1.38	3.49	4.20					4.22
Excess		1.93	-0.53	-0.60	0.67	1.72					-1.73
AQR DELTA FUND II, L.P.	82,468,947	2.27	0.50	0.78	4.15	5.92					2.49
LIBOR + 4%		0.34	1.03	1.38	3.49	4.20					4.22
Excess		1.93	-0.53	-0.60	0.67	1.72					-1.73
TOTAL COMMODITIES	75,885,736	-0.12	0.68	2.53	-5.38	-7.09					-2.80
DJ-UBS COMMODITY		-1.48	-0.73	0.63	-9.93	-12.25					-10.99
Excess		1.35	1.40	1.90	4.55	5.16					8.19
SSGA MULTISOURCE ACT COMM NL	75,885,736	-0.12	0.68	2.53	-5.38	-7.09					-2.80
DJ-UBS COMMODITY		-1.48	-0.73	0.63	-9.93	-12.25					-10.99
Excess		1.35	1.40	1.90	4.55	5.16					8.19
TOTAL REAL ESTATE	169,724,124	0.00	2.15	2.15	10.11	13.30	13.21	-0.10	2.69	7.26	7.72
SAMCERA NCREIF NFI ODCE EW (Gross)		0.00	3.37	3.37	9.91	12.47	14.06	0.89	3.71	7.36	7.99
Excess		0.00	-1.22	-1.22	0.20	0.84	-0.85	-0.98	-1.02	-0.10	-0.27
INVESCO REAL ESTATE	169,724,124	0.00	2.15	2.15	10.22	12.44	13.21	-0.09	2.70		6.38
SAMCERA NCREIF NFI ODCE EW (Gross)		0.00	3.37	3.37	9.91	12.47	14.06	0.89	3.71		6.75
Excess		0.00	-1.22	-1.22	0.31	-0.03	-0.85	-0.98	-1.02		-0.37

**San Mateo County  
Manager Return Summary**

October 31, 2013



<b>Manager Returns (Net)</b>											
	<b>\$ EMV</b>	<b>1 Mth</b>	<b>3 Mth</b>	<b>FYTD</b>	<b>Cal YTD</b>	<b>1 Year</b>	<b>3 Year</b>	<b>5 Year</b>	<b>7 Year</b>	<b>10 Year</b>	<b>ITD</b>
TOTAL CASH	52,053,571	0.05	0.11	0.15	0.40	0.45	0.64	0.92	1.06	1.71	2.38
91 DAY TREASURY BILL		-0.00	0.01	0.01	0.05	0.09	0.10	0.14	1.22	1.71	2.30
Excess		0.05	0.10	0.14	0.35	0.37	0.54	0.78	-0.15	-0.00	0.09
SAMCERA GENERAL ACCOUNT	51,267,312	0.01	0.02	0.02	0.09	0.11	0.24	0.31	1.45	1.89	2.42
SAMCERA TREASURY & LAIF	786,259	0.05	0.13	0.17	0.47	0.60	0.83	1.06	1.03	1.59	
CLIFTON GROUP - CASH OVERLAY	8,402,472	0.01									
91 DAY TREASURY BILL		-0.00									
Excess		0.01									
TOTAL FUND	2,976,952,287	2.70	4.50	7.78	13.99	16.43	10.16	11.02	4.31	6.60	6.75
SAMCERA TOTAL PLAN POLICY BENCHMARK		2.78	4.70	8.48	14.70	17.11	10.94	12.26	5.67	7.47	7.11
Excess		-0.08	-0.20	-0.71	-0.71	-0.68	-0.78	-1.24	-1.35	-0.87	-0.36

**San Mateo County  
Accounting Change in Market Value Details**

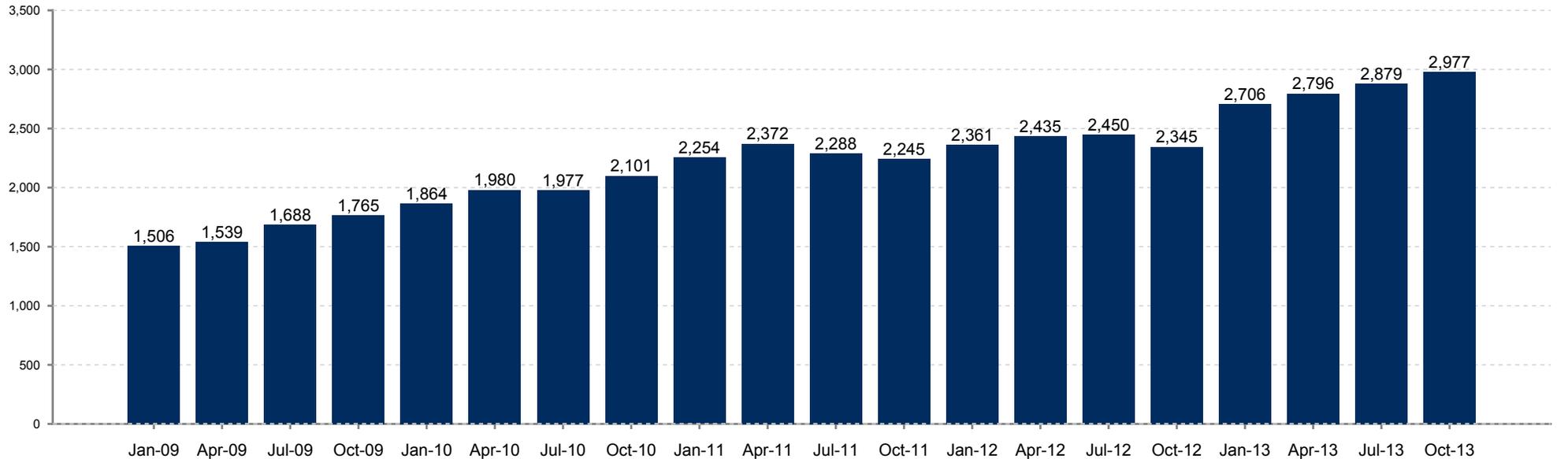
October 31, 2013



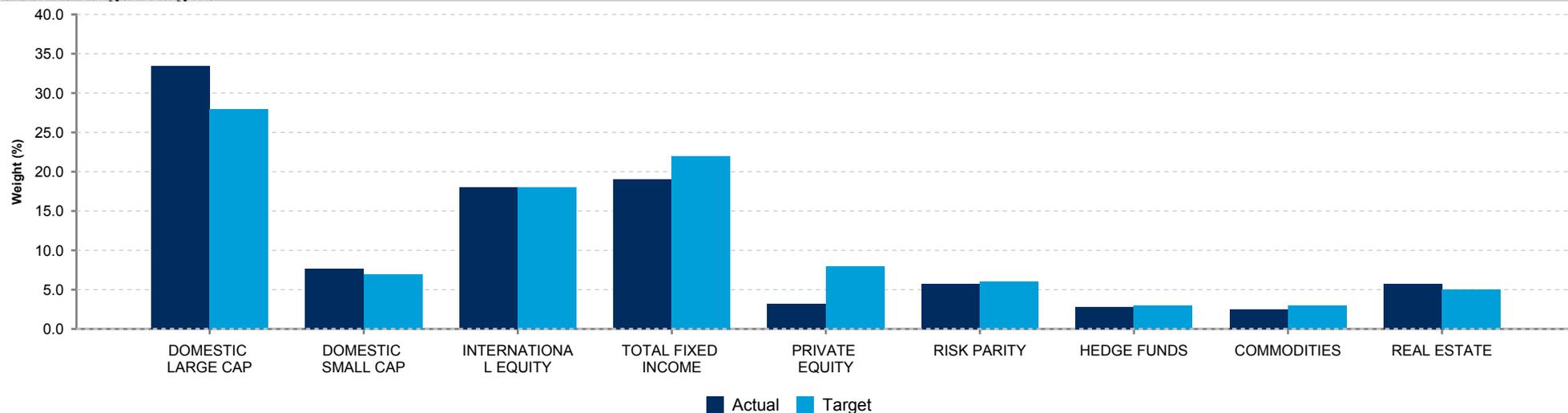
**Record of Asset Growth**

	One Quarter	One Year
<b>TOTAL FUND</b>		
Beginning Market Value	2,878,889,709	2,520,338,825
Contributions	285,052,690	2,491,975,651
Withdrawals	318,155,386	2,480,756,044
Income Received	8,567,697	40,346,700
Gain/Loss	122,597,577	389,297,155
Ending Market Value	2,976,952,287	2,976,952,287

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



Actual vs Target Weights



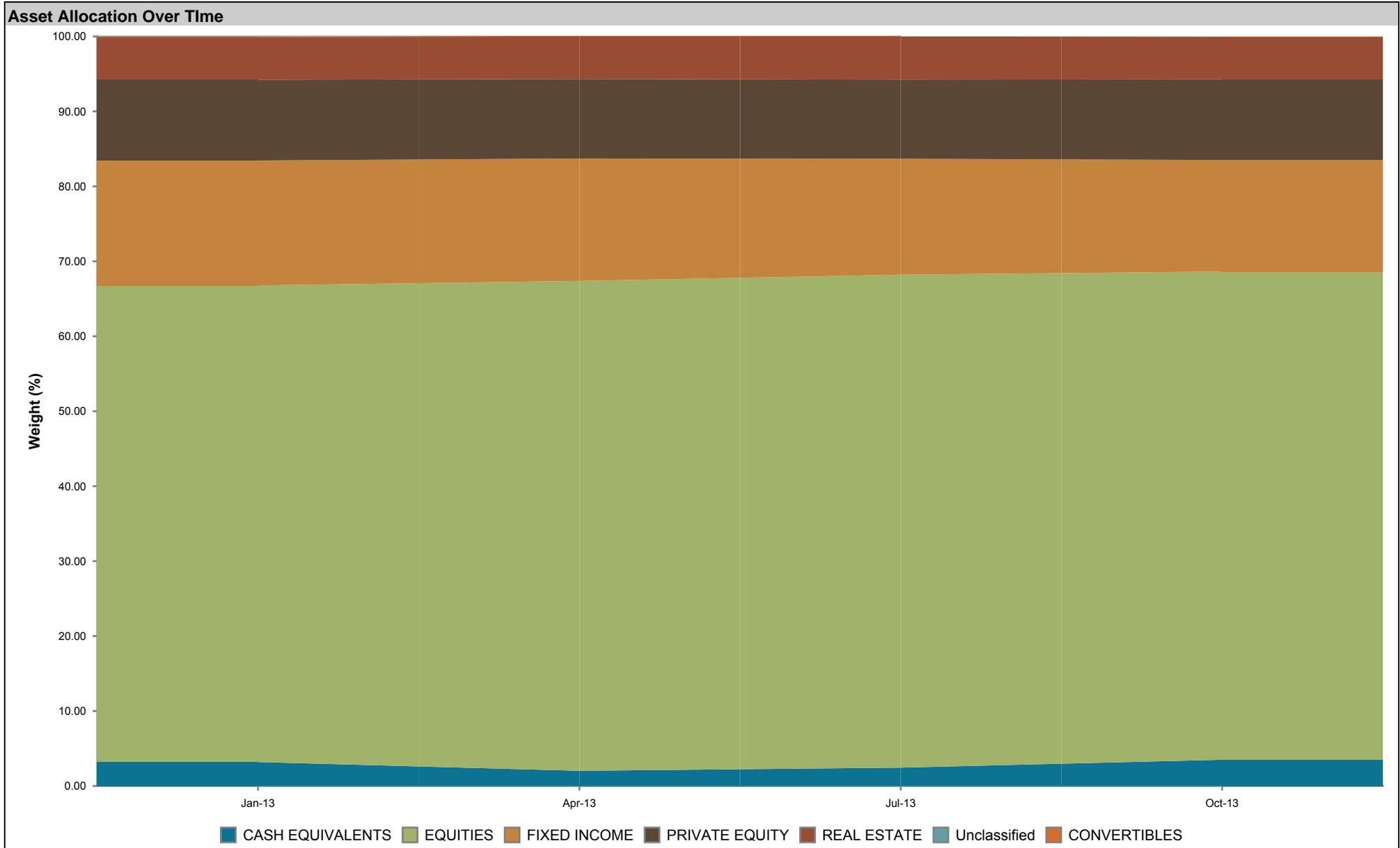
% Portfolio Weight

	Min	Actual	Target	Deviation	Max
<b>DOMESTIC LARGE CAP</b>	26.0	33.4	28.0	5.4	30.0
BLACKROCK S&P 500	10.3	16.9	12.3	4.6	14.3
DE SHAW INVESTMENT MGT, LLC	3.3	5.5	5.0	0.5	7.3
BARROW HANLEY	3.3	5.5	5.1	0.4	7.3
<b>DOMESTIC SMALL CAP</b>	5.0	7.7	7.0	0.7	9.0
BOSTON COMPANY ASSET MGT, LLC	1.5	3.8	3.5	0.3	5.5
CHARTWELL INVESTMENT MGMT	1.5	3.9	3.5	0.4	5.5
<b>INTERNATIONAL EQUITY</b>	15.0	18.0	18.0	-0.0	21.0
BAILLIE GIFFORD OVERSEAS LIMITED	3.0	6.6	6.0	0.6	9.0
EATON VANCE MANAGEMENT	0.0	2.4	2.3	0.1	5.3
MONDRIAN INVESTMENT PARTNERS	5.0	6.9	8.0	-1.1	11.0
PYRAMIS	0.0	2.1	1.8	0.3	4.8
<b>TOTAL FIXED INCOME</b>	19.0	19.0	22.0	-3.0	25.0

<b>% Portfolio Weight</b>					
	<b>Min</b>	<b>Actual</b>	<b>Target</b>	<b>Deviation</b>	<b>Max</b>
ANGELO GORDON	0.0	1.1	1.8	-0.7	3.8
BRIGADE CAPITAL MANAGEMENT	0.0	2.1	1.8	0.3	3.8
BROWN BROTHERS HARRIMAN & CO	1.1	2.6	3.1	-0.5	5.1
FRANKLIN TEMPLETON INVESTMENTS	2.4	4.1	4.4	-0.3	6.4
WESTERN ASSET MGMT	2.4	4.0	4.4	-0.4	6.4
PYRAMIS GLOBAL ADVISORS	4.6	5.0	6.6	-1.6	8.6
<b>PRIVATE EQUITY</b>	8.0	3.2	8.0	-4.8	8.0
<b>RISK PARITY</b>	6.0	5.7	6.0	-0.3	6.0
AQR GLOBAL RISK PREM III LP	6.0	5.7	6.0	-0.3	6.0
HEDGE FUNDS	3.0	2.8	3.0	-0.2	3.0
AQR DELTA FUND II, L.P.	3.0	2.8	3.0	-0.2	3.0
<b>COMMODITIES</b>	3.0	2.5	3.0	-0.5	3.0
SSGA MULTISOURCE ACT COMM NL	3.0	2.5	3.0	-0.5	3.0
<b>REAL ESTATE</b>	3.0	5.7	5.0	0.7	7.0
INVESCO REAL ESTATE	3.0	5.7	5.0	0.7	3.0

# San Mateo County Asset Allocation Over Time

October 31, 2013

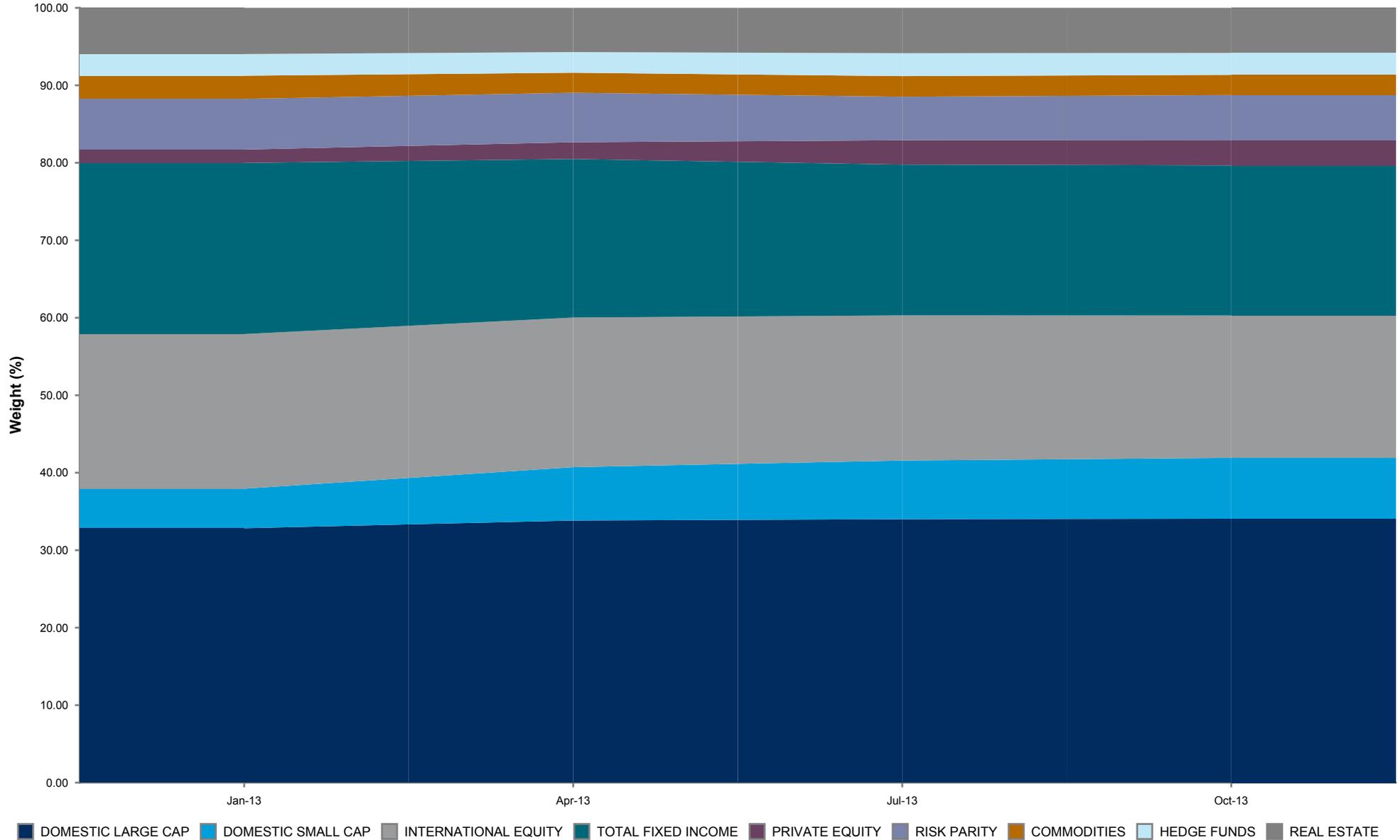


# San Mateo County Sub-Asset Class Allocation Over Time

October 31, 2013



### Sub-Asset Class Allocation Over Time



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

December 10, 2013

Agenda Item 6.2

**TO:** Board of Retirement



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

**SUBJECT:** Quarterly Investment Performance Report for the Period Ending September 30, 2013

**Staff Recommendation**

Review Strategic Investment Solutions' Quarterly Performance Report for the period ending September 30, 2013.

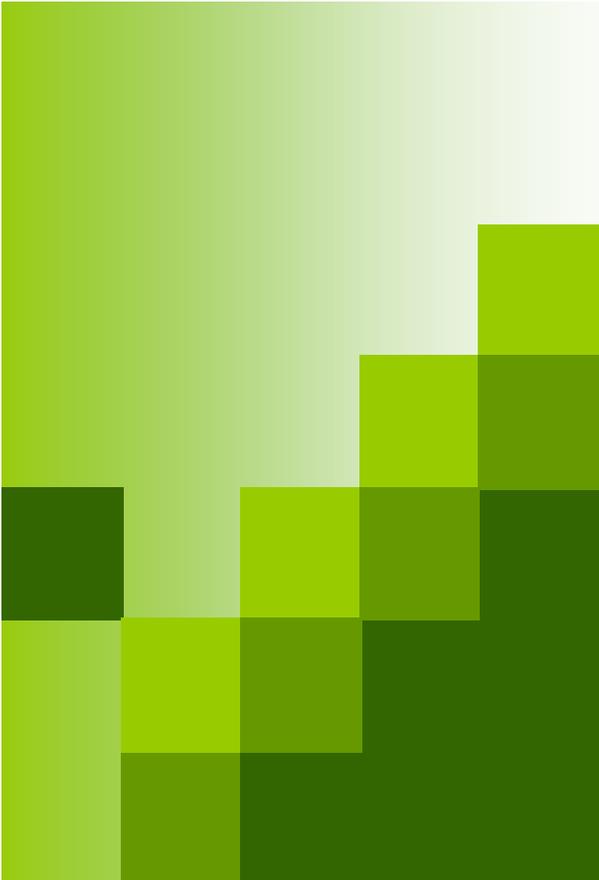
**Discussion**

The net 2nd quarter total return for the SamCERA portfolio was +5.0%, which was 60 bps lower than the +5.6% policy benchmark return. As can be seen on Pages 11 and 12, outperformance in our Fixed Income composite was overwhelmed by underperformance in our Alternatives composite (driven mostly by private equity and to a lesser extent risk parity). Both of these composites were positive for the quarter, but could not keep pace with the strong public equity markets. Our Real Estate composite was also a detractor during the quarter. The equity program was a non-factor as outperformance in our Domestic Equity composite was offset by underperformance in our International Equity composite.

Patrick Thomas and Jonathan Brody will present the entire report to the Board and will be available for questions.

**Attachments:**

- A. *SIS Quarterly Performance Report Ending 9/30/2013*



SAN MATEO COUNTY EMPLOYEES'  
RETIREMENT ASSOCIATION

**INVESTMENT PERFORMANCE ANALYSIS**

THIRD QUARTER 2013

STRATEGIC INVESTMENT SOLUTIONS, INC.

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333 Bush Street, Suite 2000  
San Francisco, CA 94104  
(415) 362-3484



	SECTION
Total Fund .....	I
US Equity.....	II
International Equity .....	III
Fixed Income .....	IV
Alternatives.....	V
Real Estate .....	VI
Appendix	

- The postponement of tapering by the Federal Reserve led to broad increases in the major indices during the third quarter. The delay helped boost the S&P 500 total return index, which rose 5.2% in the third quarter.
- The postponement of tapering also increased sentiment for emerging market equities. The MSCI EM Net Return Index rose 5.8% during the third quarter.
- An improved European outlook also lifted Europe ex-UK in the third quarter, where equities rose 14.4%.
- Despite the lack of Federal Reserve tapering, the euro rose 4.1% against the dollar in the third quarter. The re-election of German Chancellor Angela Merkel in September may have provided a boost to sentiment for the euro.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. While confidence increased among Asian and European institutions, weaker appetite in the North American region drove the Global ICI lower 3.5 points to 101.4 in September, but it still remained above the neutral level of 100.
- For the period ending 9/30/13, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), were -3.1% and 2.9%; one year, 5.9% and 10.7%; three years, 12.3% and 13.1% and five years, 5.7% and 2.8%.
- It has now been more than four years since March 9<sup>th</sup> of 2009 when the S&P 500 index closed at 676.53. Since then, prices of “core” assets have rebounded to near peak levels; in the public markets, equity and debt capital raising for REITs has eclipsed the 2004 to 2007 period.
- With the Fed considering an increase in rates, there are concerns about the potential impact on real estate. When the index of pending home sales fell 5.6% in September (after a 1.6% decrease in August), many pundits pointed to mortgage rates that reached two year highs. This may have an impact when the Fed meets to determine where rates are headed later this year and 2014.

- The Total Fund returned 5.1% in the third quarter of 2013 and ranked 44<sup>th</sup> among other public plans great than \$1 billion (median of 4.8%). It lagged the policy index return of 5.6%. The Total Fund ex Overlay was 5.1% for the quarter. The Clifton Overlay strategy was funded August 2013. The one year return of 13.3% was ahead of the policy index return of 13.1% and ranked in 32<sup>nd</sup> percentile of its peer universe. The three-year return of 10.6% (27<sup>th</sup> percentile) was above median among large public plans (9.7%).
  
- Third quarter results were enhanced by the following factors:
  1. Barrow Hanley's return of 7.4% was ahead of the Russell 1000 Value Index (3.9%) and ranked in the top quartile among large cap value equity managers (median of 5.2%). Performance was enhanced by its security selection in the Financials (E\*Trade Financial), Industrials (ITT, Emerson Electric, Raytheon), Energy and Utilities (Oneok) sectors.
  2. The Boston Company returned 9.9%, versus 7.6% for the Russell 2000 Value Index, and ranked in the 29<sup>th</sup> percentile among its small cap value peers (median 8.7%). Positive attributes include stock selection the Financials and Consumer Discretionary sectors.
  3. The opportunistic credit high yield manager, Brigade Capital, beat its benchmark, the Barclays BAA Credit Index (2.4% vs. 0.8%). The median high yield quarterly return was 2.3%. Long high yield and bank debt positions were top contributors to performance during the quarter.
  4. Chartwell added more value, 14.1%, than the Russell 2000 Growth Index, 12.8%. Chartwell ranked in 37<sup>th</sup> percentile among small cap growth managers (median of 13.2%). Positive alpha was mainly derived from its intra-quarter trading and Financials (HFF, Evercore Partners) stock selection.
  5. The Angelo Gordon STAR Fund appreciated 1.6% (preliminary quarterly return) while the Barclays Aggregate was up 0.6%.

6. DE Shaw's return of 6.6% ranked in the second quartile among large cap core equity managers (6.0% median), and was ahead of its benchmark, the Russell 1000 Index (6.0%). Investments in the Consumer Discretionary and Info Tech sectors helped quarterly results.
  7. Commodities manager SSgA Multisource beat its benchmark, DJ UBS Commodities Index (2.7% vs. 2.1%). The S&P GSCI quarterly return was 4.8%.
  8. The Pyramis Broad Market Duration Fund added 0.9% to its value and ranked in the 11<sup>th</sup> percentile among core bond managers (median of 0.7%). The Barclays Aggregate Index was up 0.6% for the quarter. Security selection within the Credit sector and select exposure to high quality CMBS proved positive.
  9. Western Asset's quarter was above par. It carried a return of 0.8% and ranked above the core bond manager median of 0.7%. The Barclays Aggregate Index returned 0.6%. Its TIPS, select high yield and financials exposure created performance alpha.
  10. The BlackRock S&P 500 Index Fund (5.3%) edged out its benchmark (5.2%) and ranked below the large cap core median of 6.0%.
  11. The Treasury & LAIF account added 0.1% during the quarter. The 91-Day T-Bill returned 0.0% during the same time period.
  12. In its first full quarter, Brown Advisory matched the Russell 1000 Growth Index (8.1%) and ranked in the third quartile among large cap growth managers (median of 8.9%). Select Info Tech stocks (Salesforce.com, Apple, Ansys) helped performance. Healthcare investments (Intuitive Surgical, Davita Healthcare) hurt.
  13. Brown Brothers Harriman gained 0.7%, matched the Barclays US TIPS Index and ranked in the bottom quartile among inflation linked bond accounts (median of 0.9%).
- Third quarter results were hindered by the following factors:
    1. Private Equity investments appreciated 1.4% for the quarter. The Russell 3000 +3% Index was up 7.4%.

2. Mondrian returned 7.3%, trailed the MSCI ACWI -ex US Value (11.5%) and ranked in the 77<sup>th</sup> percentile among its ACWI -ex US Value equity peers (10.6% median). The portfolio was hampered by its underweight position in the Japanese market. Stock selection was negative in the UK and Japan.
3. The Pyramis Select International Small Cap Plus quarterly portfolio result of 9.6% was below the MSCI ACWI -ex US Small Cap (12.5%), and ranked in the 87<sup>th</sup> percentile among ACWI ex US small cap managers. Holdings in the UK and Japan impacted relative performance. Consumer Discretionary (Chiyoda) and industrials (Kintetsu World Express) were two of the primary sector detractors.
4. Hedge fund strategy AQR DELTA Fund II lagged the LIBOR 1 month +4% (-1.5% vs. 1.1%). It ranked in the bottom quartile among other hedge fund multi-strategy accounts (median of 2.1%). The largest detractors are Dedicated Short Bias (-1.6%), Equity Market Neutral (-0.9%) and Managed Futures (-0.9).
5. Risk parity manager AQR was up 2.3% while its custom benchmark was 4.0%. Third quarter gross return attribution is as follows: equity (0.9%), nominal interest rates (0.4%), inflation (0.7%) and credit/default (0.4%).
6. Franklin Templeton appreciated 1.1% and ranked in the third quartile among global bond managers (median of 2.2%). The Barclays Multi-verse Index was up 2.8%. Positions in Latin American currencies and net-negative position in the Japanese yen detracted from results.
7. The Invesco Core Real Estate-USA Fund returned 2.2% for the quarter and below par with the NCREIF ODCE Index (3.6%). As of quarter end, the portfolio was 91.6% leased, up 230 bps from the prior quarter.
8. Baillie Gifford lagged its benchmark, the MSCI EAFE Index (10.7% vs. 11.6%). It ranked in the second quartile among EAFE growth equity managers (median of 10.3%). Top detractors of performance were ASOS, Kinnevik B Shares, Seek, Atlas Copco B, and Exor Ord.
9. Eaton Vance Management slightly trailed the MSCI Emerging Markets Index (5.8% vs. 5.9%) and ranked in the second quartile among its peers (5.7% median). Detracting from quarterly performance were its structural underweight to Brazil, China and Korea.

Performance Summary

Periods Ending September 30, 2013

	Fiscal Qtr		Calendar YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TOTAL FUND - Gross **	5.1	44	11.3	20	13.3	32	15.8	22	10.6	27	7.8	58	6.9	76
TOTAL FUND - Net	5.0		11.0		12.9		15.4		10.2		7.4		6.6	
Policy Index <sup>1</sup>	5.6	20	11.6	17	13.1	35	16.3	15	11.0	19	8.4	30	7.6	34
Allocation Index	5.7	13	11.6	17	13.2	34								
TOTAL FUND ex OVERLAY - Gross	5.1	45	11.3	22	13.2	34	15.8	22	10.6	29	7.8	59	6.9	76
TOTAL FUND ex OVERLAY - Net	5.0		11.0		12.9		15.4		10.2		7.4		6.6	
Policy Index <sup>1</sup>	5.6	20	11.6	17	13.1	35	16.3	15	11.0	19	8.4	30	7.6	34
IFx Public DB > \$1B Gross Median	4.8		9.6		12.2		13.9		9.7		7.8		7.4	
TOTAL EQUITY	7.7	55	19.3	45	21.7	46	23.2	53	13.4	66	8.7	72	7.6	73
Blended Equity Index <sup>2</sup>	8.0	38	18.1	58	20.8	62	23.0	60	13.4	67	9.4	53	8.3	47
IFx All DB Total Eq Gross Median	7.8		18.8		21.5		23.4		14.0		9.4		8.3	
US EQUITY COMPOSITE	7.3	37	23.2	27	24.0	32	27.0	26	17.1	39	10.5	63	7.7	83
80% Russell 1000/20% Russell 2000 <sup>2</sup>	6.9	50	22.1	48	22.7	56	26.5	38	17.0	40	10.7	56	8.4	55
IFx All DB US Eq Gross Median	6.9		22.1		22.9		26.1		16.8		10.8		8.5	
LARGE CAP COMPOSITE <sup>3</sup>	6.3		21.8		21.8		25.5		16.2		9.8		7.5	
Russell 1000 Index	6.0		20.8		20.9		25.4		16.6		10.5		8.0	
DE Shaw - Gross	6.6	37	23.0	21	23.7	18	28.5	9	18.5	12				
DE Shaw - Net	6.5		22.5		23.1		27.9		17.9					
Russell 1000 Index	6.0	51	20.8	47	20.9	48	25.4	42	16.6	41				

\* Total Fund and asset class aggregates are ranked in InvestorForce (IF) universes. Managers are ranked in eVestment Alliance (eA) manager universes.

\*\* Includes Clifton Overlay manager funded in August 2013.

1 As of 2/1/13, the Policy Index is 28% Russell 1000 /7% Russell 2000/18% MSCI ACWI -ex US /11% BC Aggregate /3.52% BC BBB /3.08% BC Tips /4.4% BC Multi-verse /5% NCREIF NFI ODCE /8% Russell 3000 + 3% /6% (60% Russell 3000/40% BC Aggregate) /3% Libor +4% /3% DJ UBS Commodity.

2 See Appendix for Benchmark History.

3 BlackRock R1000 Index and T Rowe Price terminated in January 2013. BlackRock R1000 Growth Index Fund terminated in April 2013.

San Mateo County Employees' Retirement Association

Performance Summary

Periods Ending September 30, 2013

	Fiscal Qtr		Calendar YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
BlackRock S&P 500 Index - Gross <sup>4</sup>	5.3	70												
BlackRock S&P 500 Index - Net	5.3													
<i>S&amp;P 500 Index</i>	5.2	71												
Barrow Hanley - Gross	7.4	9	26.7	8	29.0	13	29.3	14	18.2	14				
Barrow Hanley - Net	7.3		26.3		28.4		28.7		17.7					
<i>Russell 1000 Value Index</i>	3.9	82	20.5	64	22.3	60	26.5	43	16.2	48				
Brown Advisory - Gross <sup>4</sup>	8.1	64												
Brown Advisory - Net	8.0													
<i>Russell 1000 Growth Index</i>	8.1	64												
<b>SMALL CAP COMPOSITE <sup>5</sup></b>	12.0		29.6		34.0		33.1		20.8		13.2		8.4	
<i>Russell 2000 Index</i>	10.2		27.7		30.1		31.0		18.3		11.2		9.6	
The Boston Company - Gross	9.9	29	26.1	55	31.3	48	34.6	27	19.0	48				
The Boston Company - Net	9.7		25.3		30.2		33.5		18.0					
<i>Russell 2000 Value Index</i>	7.6	80	23.1	77	27.0	81	29.8	60	16.6	75				
Chartwell - Gross	14.1	37	32.1	64	35.5	37	36.0	18	23.0	36	14.9	48		
Chartwell - Net	13.9		31.4		34.5		35.0		22.1		14.1			
<i>Russell 2000 Growth Index</i>	12.8	57	32.5	61	33.1	59	32.1	56	20.0	72	13.2	74		
<b>INTERNATIONAL EQUITY</b>	8.5	84	11.5	53	16.6	79	15.0	86	5.6	88	4.6	84	7.8	70
<i>MSCI ACWI ex US Gross<sup>2</sup></i>	10.2	50	10.5	66	17.0	72	16.0	76	6.4	71	6.7	47	9.2	36
<i>MSCI EAFE Index Gross</i>	11.6	10	16.6	12	24.3	13	19.2	29	9.0	19	6.9	46	8.5	57
IFx All DB ex-US Eq Gross Median	10.1		11.6		18.7		17.8		7.4		6.6		8.8	

<sup>2</sup> See Appendix for Benchmark History.

<sup>4</sup> BlackRock S&P 500 Index funded in January 2013. Brown Advisory funded in April 2013.

<sup>5</sup> Jennison terminated in January 2013.

Performance Summary

Periods Ending September 30, 2013

	Fiscal Qtr		Calendar YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>DEVELOPED MARKETS</b>	8.9	83	13.3	64	18.3	81	16.0	79	6.2	77	5.0	75	8.0	59
<i>MSCI ACWI -ex US Gross</i>	10.2	54	10.5	84	17.0	88	16.0	79	6.4	75	6.7	43	9.2	22
IFx All DB Dev Mkt ex-US Eq Gross Median	10.3		14.5		21.2		18.0		8.0		6.1		8.1	
Baillie Gifford - Gross	10.7	34	17.4	36	22.6	56								
Baillie Gifford - Net	10.5		16.9		22.0									
<i>MSCI EAFE Index Gross</i>	11.6	21	16.6	39	24.3	42								
<i>MSCI EAFE Growth Index Gross</i>	10.5	38	16.9	37	23.7	52								
Mondrian - Gross	7.3	77	10.4	71	15.0	86	13.3	89	6.7	74	5.9	75		
Mondrian - Net	7.3		10.3		14.8		13.1		6.5		5.7			
<i>MSCI ACWI -ex US Value Gross</i>	11.5	31	10.2	73	17.4	68	15.8	71	6.4	76	6.8	60		
<i>MSCI ACWI -ex US Gross</i>	10.2	59	10.5	71	17.0	70	16.0	70	6.4	76	6.7	60		
Pyramis Equity - Gross	9.6	87	12.7	99	19.0	99								
Pyramis Equity - Net	9.4		12.0		18.0									
<i>MSCI ACWI -ex US Small Cap Gross</i>	12.5	38	14.8	97	20.5	94								
<b>EMERGING MARKETS</b>	5.8	37	-0.8	16	4.7	21								
<i>MSCI Emerging Markets Index Gross</i>	5.9	32	-4.1	53	1.3	67								
IFx All DB Emg Mkt Eq Gross Median	5.2		-3.8		2.6									
Eaton Vance Management - Gross	5.8	48	-0.8	35	4.7	46								
Eaton Vance Management - Net	5.5		-1.3		4.1									
<i>MSCI Emerging Markets Index Gross</i>	5.9	47	-4.1	70	1.3	73								
<b>TOTAL FIXED INCOME<sup>6</sup></b>	1.1	22	-0.2	22	1.9	19	6.9	15	5.9	20	8.4	36	5.4	62
<i>Blended Fixed Index<sup>2</sup></i>	1.1	27	-2.8	74	-2.4	78	2.1	78	3.3	77	5.7	79	4.7	81
IFx All DB Total Fix Inc Gross Median	0.7		-1.6		-0.8		3.8		4.3		7.7		5.7	

<sup>2</sup> See Appendix for Benchmark History.

<sup>6</sup> Angelo Gordon PPIP was liquidated in June 2013 with holdback set aside for expenses. Full liquidation by May 2014.

Performance Summary

Periods Ending September 30, 2013

	Fiscal Qtr		Calendar YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>US FIXED INCOME</b>	1.1	15	-0.5	25	0.9	20	5.9	13	5.7	14	8.3	30	5.4	45
<i>Blended US Fixed Index<sup>2</sup></i>	0.6	54	-3.0	78	-2.5	78	2.3	75	3.5	65	5.8	77	4.8	74
<i>IFx All DB US Fix Inc Gross Median</i>	0.7		-1.4		-0.8		3.3		4.1		7.1		5.2	
<b>CORE FIXED</b>	0.9		-1.4		-0.8		3.8							
<i>Barclays Aggregate Index</i>	0.6		-1.9		-1.7		1.7							
Pyramis Bond - Gross	0.9	11	-1.4	37	-0.8	35	3.2	34	4.1	19	7.4	16		
Pyramis Bond - Net	0.9		-1.5		-0.9		3.0		3.9		7.2			
Western Asset - Gross	0.8	22	-1.5	45	-0.6	27	4.4	7	4.9	5	8.5	5		
Western Asset - Net	0.8		-1.7		-0.9		4.1		4.6		8.2			
<i>Barclays Aggregate Index</i>	0.6	65	-1.9	74	-1.7	80	1.7	88	2.9	83	5.4	90		
<b>TIPS</b>														
Brown Brothers Harriman - Gross	0.7	83	-6.9	84	-6.1	78	1.5	42	4.2	34				
Brown Brothers Harriman - Net	0.7		-7.0		-6.2		1.4		4.1					
<i>Barclays US TIPS Index</i>	0.7	84	-6.7	72	-6.1	81	1.2	69	4.0	54				
<b>OPPORTUNISTIC CREDIT <sup>6</sup></b>	2.3		8.5		13.1		17.8							
<i>Barclays Credit BAA</i>	0.8		-3.4		-1.8		5.1							
Angelo Gordon STAR - Net <sup>7,8</sup>	1.6		13.3											
<i>Barclays Aggregate Index</i>	0.6		-1.9											
Brigade Capital - Gross	2.4	39	4.7	34	8.4	30	12.1	68	10.0	28				
Brigade Capital - Net	2.4		4.7		8.4		11.9		9.6					
<i>Barclays Credit BAA Index</i>	0.8	98	-3.4	99	-1.8	99	5.1	99	5.0	99				
<i>50% Barclays HY /50% Bank Loan Index</i>	1.8	82	4.0	53	6.5	69	10.7	84	7.7	92				

<sup>6</sup> Angelo Gordon PPIP was liquidated in June 2013 with holdback set aside for expenses. Full liquidation by May 2014.

<sup>7</sup> Returns are reported net of management fees only.

<sup>8</sup> Preliminary returns as of 9/30/12 (Third quarter returns are not available at reporting period).

Performance Summary

Periods Ending September 30, 2013

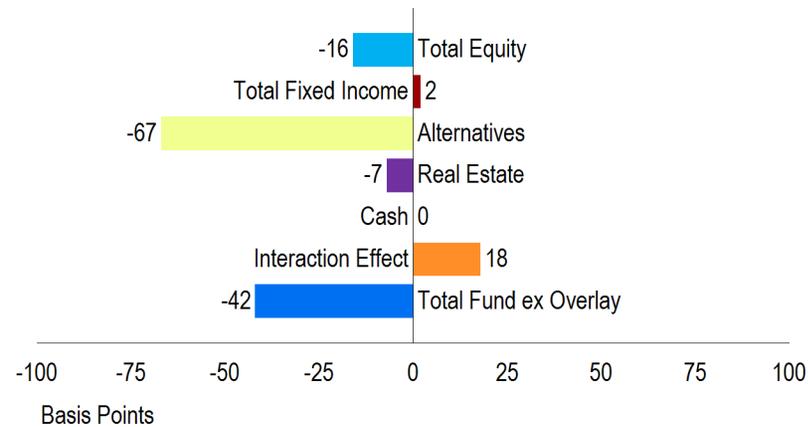
	Fiscal Qtr		Calendar YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>GLOBAL FIXED INCOME</b>	1.1	68	0.9	12	5.8	6	11.4	4						
<i>Barclays Multi-verse Index</i>	2.8	1	-1.9	37	-2.2	56	1.6	81						
<i>IFx All DB Gbl Fix Inc Gross Median</i>	1.6		-2.5		-1.9		3.8							
Franklin Templeton - Gross	1.1	72	0.9	26	5.8	18	11.4	15						
Franklin Templeton - Net	1.0		0.6		5.4		11.0							
<i>Barclays Multi-verse Index</i>	2.8	29	-1.9	63	-2.2	77	1.6	79						
<b>ALTERNATIVES</b>	1.4		-1.7		-1.6		6.4							
<i>Alternatives Allocation Index</i>	3.7		7.4		6.3		9.9							
<b>PRIVATE EQUITY</b>	1.4	36	4.2	61	3.6	83	5.0	81						
<i>Russell 3000 + 3% Index</i>	7.4	1	23.3	1	24.6	2	28.8	1						
<i>IFx All DB Private Eq Net Median</i>	0.1		5.3		8.6		7.7							
<b>RISK PARITY</b>														
AQR Global Risk Premium III - Gross	2.3		-3.8		-2.1		8.0							
AQR Global Risk Premium III - Net	2.2		-4.1		-2.4		7.6							
<i>60/40 R3000/Barclays Aggregate Index</i>	4.0		11.6		11.8		15.8							
<b>HEDGE FUND</b>	-1.2	98	2.6	93	6.0	84	5.6	80						
<i>Libor 1 Month +4% Index</i>	1.1	82	3.1	91	4.2	92	4.2	90						
<i>IFx All DB Hedge Funds Gross Median</i>	2.1		7.5		10.1		8.0							
AQR DELTA Fund II - Gross	-1.2		2.6		6.0		5.6							
AQR DELTA Fund II - Net <sup>9</sup>	-1.5	87	1.8	67	5.0	59	4.6	66						
<i>Libor 1 Month +4% Index</i>	1.1	60	3.1	58	4.2	60	4.2	68						

<sup>9</sup> AQR Delta II is ranked against a net of fee universe.

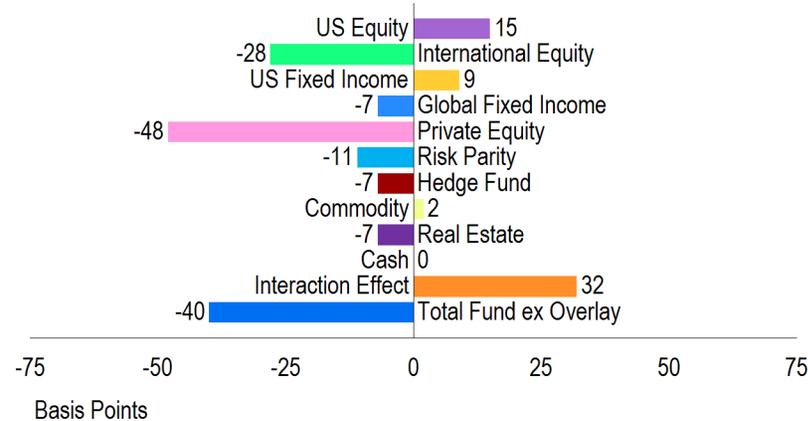
Performance Summary

Periods Ending September 30, 2013

	Fiscal Qtr		Calendar YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>COMMODITY</b>														
SSgA Multisource Commodity - Gross	2.7		-5.2		-10.6		2.9							
SSgA Multisource Commodity - Net	2.7		-5.3		-10.7		2.6							
<i>DJ UBS Commodity Index</i>	2.1		-8.6		-14.3		-4.7							
<i>S&amp;P Goldman Sachs Commodity Index</i>	4.8		-0.9		-4.1		4.0							
<b>REAL ESTATE</b>														
	2.2	68	10.5	15	12.9	22	11.3	62	13.7	37	0.4	50	7.7	21
<i>NCREIF ODCE Index</i>	3.6	30	10.4	15	13.0	20	12.3	45	14.3	31	1.3	36	7.6	22
<i>IFx All DB Real Estate Gross Median</i>	3.0		8.9		10.7		11.9		13.2		0.4		6.1	
Invesco - Gross	2.2		10.5		12.9		11.3		13.7		0.4			
Invesco - Net	2.1		10.2		12.4		10.8		13.2		-0.1			
<i>NCREIF ODCE Index</i>	3.6		10.4		13.0		12.3		14.3		1.3			
<b>CASH</b>														
General Account	0.0		0.1		0.1		0.1		0.2		0.3		1.9	
Treasury & LAIF	0.1		0.4		0.6		0.7		0.8		1.1		1.6	
<b>CASH COMPOSITE</b>														
	0.1		0.4		0.5		0.6		0.7		0.9		1.7	
<i>91-Day T-Bills Index</i>	0.0		0.0		0.1		0.1		0.1		0.1		1.6	



	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Equity	7.69%	7.98%	-0.29%	-0.16%	0.17%	-0.02%	-0.01%
Total Fixed Income	1.14%	1.07%	0.07%	0.02%	0.10%	0.00%	0.11%
Alternatives	1.37%	4.69%	-3.31%	-0.67%	0.05%	0.21%	-0.41%
Real Estate	2.25%	3.56%	-1.31%	-0.07%	-0.03%	-0.01%	-0.11%
Cash	0.11%	0.01%	0.10%	0.00%	-0.01%	0.00%	-0.01%
<b>Total</b>	<b>5.16%</b>	<b>5.58%</b>	<b>-0.42%</b>	<b>-0.88%</b>	<b>0.28%</b>	<b>0.18%</b>	<b>-0.42%</b>

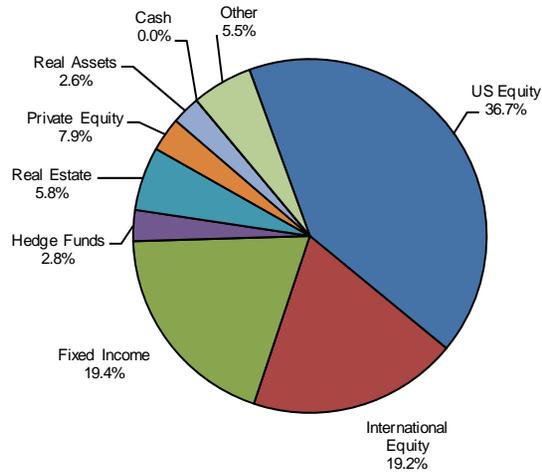


	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	7.31%	6.85%	0.45%	0.15%	0.10%	0.03%	0.27%
International Equity	8.51%	10.17%	-1.65%	-0.28%	0.02%	-0.01%	-0.27%
US Fixed Income	1.15%	0.63%	0.51%	0.09%	0.10%	-0.01%	0.18%
Global Fixed Income	1.11%	2.82%	-1.72%	-0.07%	0.00%	0.00%	-0.07%
Private Equity	1.44%	7.39%	-5.95%	-0.48%	-0.11%	0.32%	-0.26%
Risk Parity	2.31%	4.05%	-1.74%	-0.11%	0.01%	0.00%	-0.10%
Hedge Fund	-1.21%	1.06%	-2.28%	-0.07%	0.01%	0.00%	-0.06%
Commodity	2.68%	2.13%	0.54%	0.02%	0.01%	0.00%	0.02%
Real Estate	2.25%	3.56%	-1.31%	-0.07%	-0.03%	-0.01%	-0.11%
Cash	0.11%	0.01%	0.10%	0.00%	-0.01%	0.00%	-0.01%
<b>Total</b>	<b>5.18%</b>	<b>5.58%</b>	<b>-0.40%</b>	<b>-0.83%</b>	<b>0.10%</b>	<b>0.32%</b>	<b>-0.40%</b>

Asset Allocation Analysis

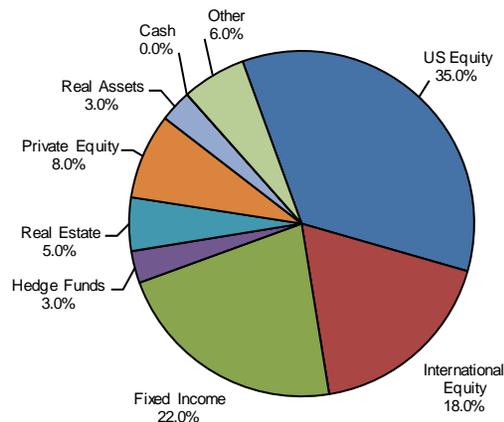
As of September 30, 2013

**Current w/Overlay**



ASSET ALLOCATION	MARKET VALUE	W/OVERLAY	W/O OVERLAY
US Equity	1,209,071,910	36.7%	41.1%
International Equity	558,510,178	19.2%	19.0%
Fixed Income	564,710,984	19.4%	19.2%
Hedge Funds	82,468,980	2.8%	2.8%
Real Estate	169,724,124	5.8%	5.8%
Private Equity	90,578,810	7.9%	3.1%
Real Assets	75,979,555	2.6%	2.6%
Cash	379,316	0.0%	0.8%
Other	160,917,235	5.5%	5.5%
<b>TOTAL</b>	<b>2,912,341,091</b>	<b>100.0%</b>	<b>100.0%</b>

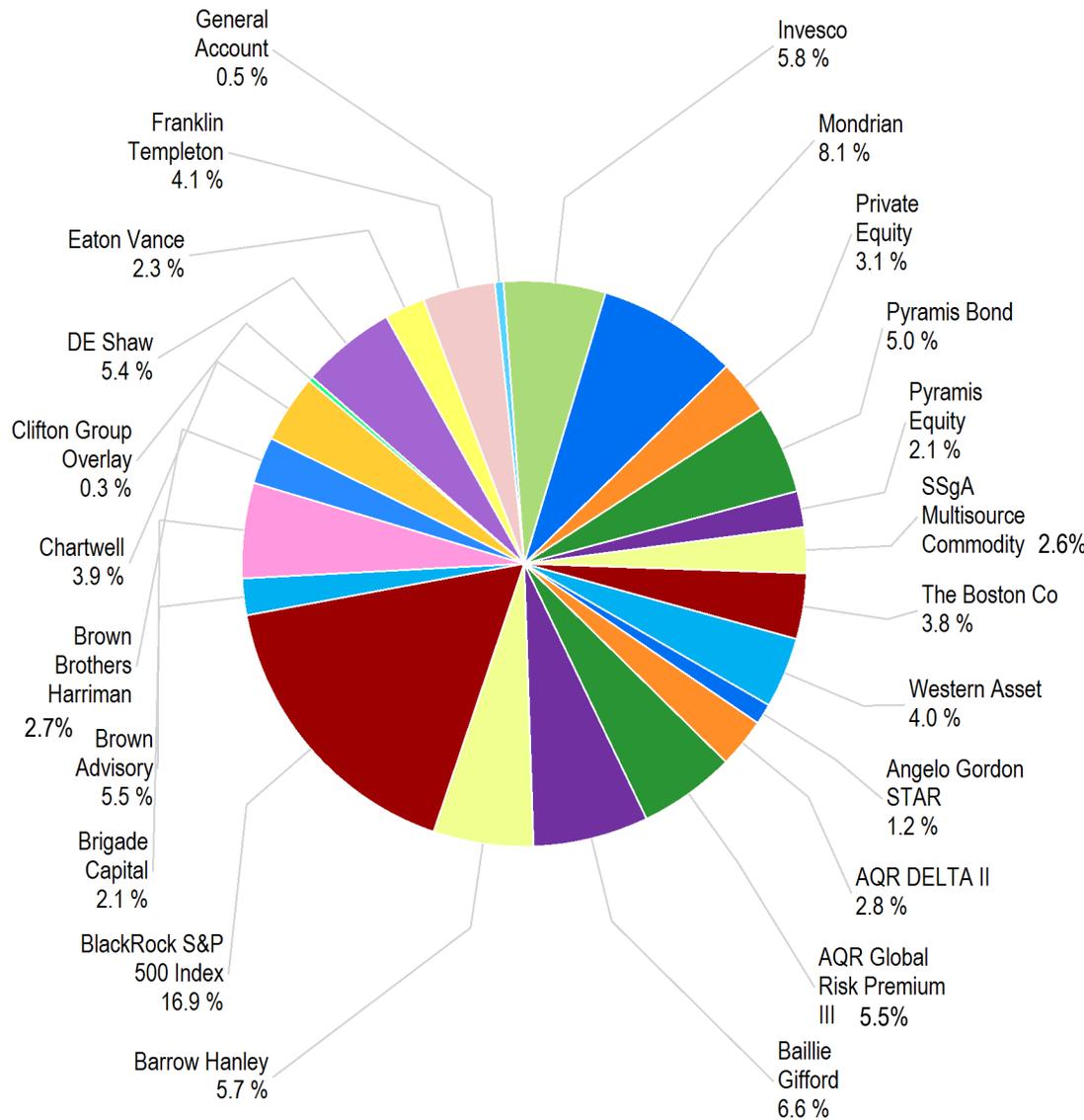
**Target**



ASSET ALLOCATION	W/OVERLAY	TARGET	DIFF
US Equity	36.7%	35.0%	1.7%
International Equity	19.2%	18.0%	1.2%
Fixed Income	19.4%	22.0%	-2.6%
Hedge Funds	2.8%	3.0%	-0.2%
Real Estate	5.8%	5.0%	0.8%
Private Equity	7.9%	8.0%	-0.1%
Real Assets	2.6%	3.0%	-0.4%
Cash	0.0%	0.0%	0.0%
Other	5.5%	6.0%	-0.5%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Manager Allocation Analysis - Total Plan

As of September 30, 2013



	Actual \$	Actual %
Aberdeen Asset	\$7,205	0.0%
Angelo Gordon PPIP	\$19,342	0.0%
Angelo Gordon STAR	\$34,435,260	1.2%
AQR DELTA II	\$82,468,980	2.8%
AQR Global Risk Premium III	\$160,917,235	5.5%
Artio	\$97,356	0.0%
Baillie Gifford	\$192,158,610	6.6%
Barrow Hanley	\$166,519,604	5.7%
BlackRock S&P 500 Index	\$491,496,047	16.9%
Brigade Capital	\$61,046,370	2.1%
Brown Advisory	\$158,731,546	5.5%
Brown Brothers Harriman	\$78,038,582	2.7%
Chartwell	\$113,527,610	3.9%
Clifton Group Overlay	\$7,778,080	0.3%
DE Shaw	\$157,407,988	5.4%
Eaton Vance	\$67,475,307	2.3%
Franklin Templeton	\$120,532,005	4.1%
General Account	\$14,303,817	0.5%
Invesco	\$169,724,124	5.8%
Jennison	\$354	0.0%
Mondrian	\$234,502,291	8.1%
Private Equity	\$90,578,810	3.1%
Pyramis Bond	\$146,923,520	5.0%
Pyramis Equity	\$59,947,787	2.1%
SSgA Multisource Commodity	\$75,979,555	2.6%
The Boston Co	\$109,341,296	3.8%
Treasury & LAIF	\$623,618	0.0%
Western Asset	\$117,758,794	4.0%
<b>Total</b>	<b>\$2,912,341,091</b>	

**Statistics Summary**

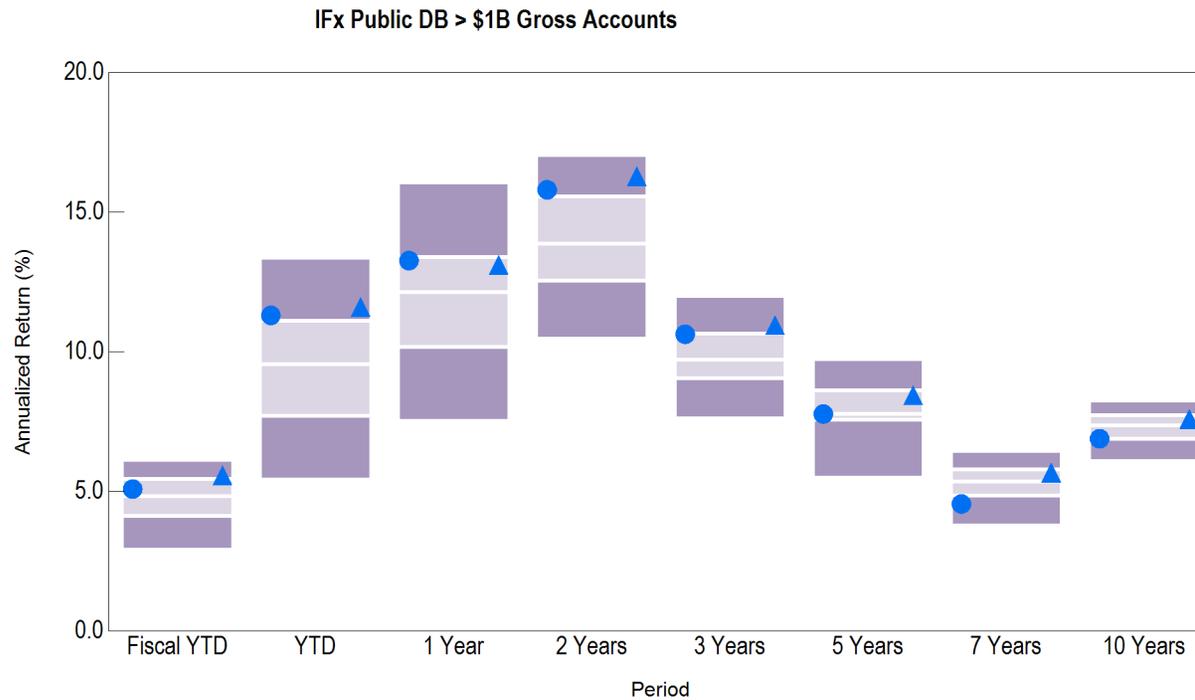
**3 Years**

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	10.6%	27	9.0%	85	1.2	62	-0.3	34	1.1%	9
Policy Index	11.0%	19	9.5%	91	1.1	65	--	--	0.0%	1
IFx Public DB > \$1B Gross Median	9.7%	--	7.9%	--	1.2	--	-0.5	--	2.1%	--

**Statistics Summary**

**5 Years**

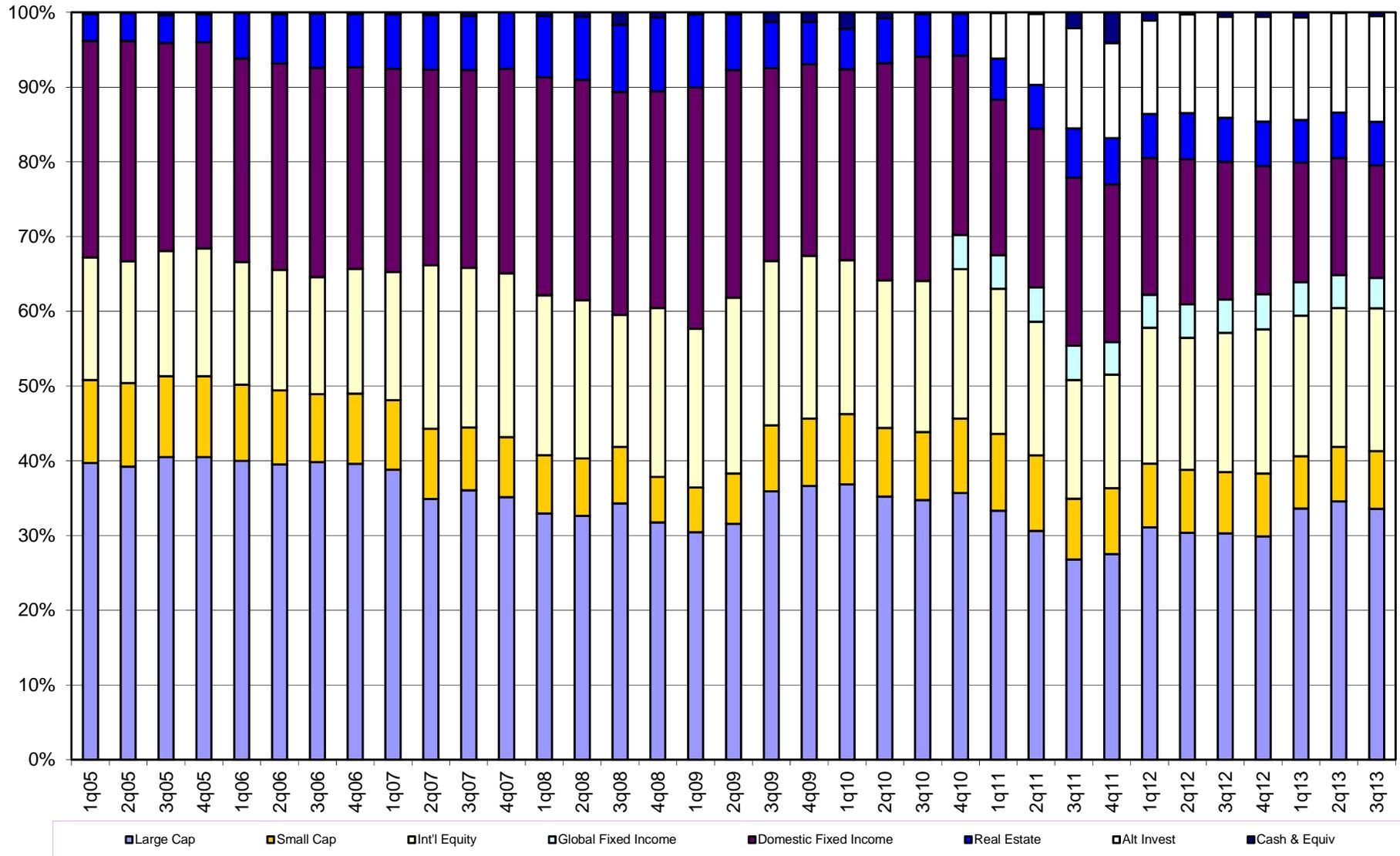
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	7.8%	58	12.8%	79	0.6	77	-0.4	85	1.5%	6
Policy Index	8.4%	30	13.5%	95	0.6	68	--	--	0.0%	1
IFx Public DB > \$1B Gross Median	7.8%	--	11.4%	--	0.7	--	-0.2	--	3.1%	--



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	6.1	13.4	16.1	17.0	12.0	9.7	6.4	8.2
25th Percentile	5.5	11.1	13.4	15.6	10.7	8.6	5.8	7.7
Median	4.8	9.6	12.2	13.9	9.7	7.8	5.4	7.4
75th Percentile	4.1	7.7	10.2	12.6	9.1	7.6	4.9	6.9
95th Percentile	2.9	5.4	7.5	10.5	7.6	5.5	3.8	6.1
# of Portfolios	63	63	62	62	58	58	57	50
● Total Fund	5.1 (44)	11.3 (20)	13.3 (32)	15.8 (22)	10.6 (27)	7.8 (58)	4.5 (88)	6.9 (76)
▲ Policy Index	5.6 (20)	11.6 (17)	13.1 (35)	16.3 (15)	11.0 (19)	8.4 (30)	5.7 (35)	7.6 (34)

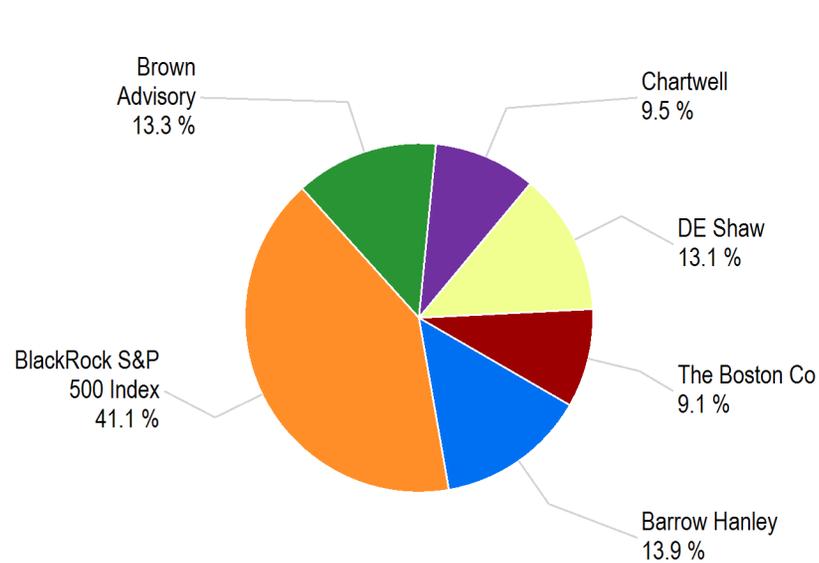
Asset Allocation History - Quarterly

Periods Ending September 30, 2013



Manager Allocation Analysis - US Equity

As of September 30, 2013



	Actual \$	Actual %	Manager Contribution to Excess Return %
Barrow Hanley	\$166,519,604	13.9%	0.5%
BlackRock S&P 500 Index	\$491,496,047	41.1%	0.0%
Brown Advisory	\$158,731,546	13.3%	0.0%
Chartwell	\$113,527,610	9.5%	0.1%
DE Shaw	\$157,407,988	13.1%	0.1%
Jennison	\$354	0.0%	0.0%
The Boston Co	\$109,341,296	9.1%	0.2%
Actual vs. Policy Weight Difference			-0.5%
<b>Total</b>	<b>\$1,197,024,445</b>	<b>100.0%</b>	<b>0.4%</b>

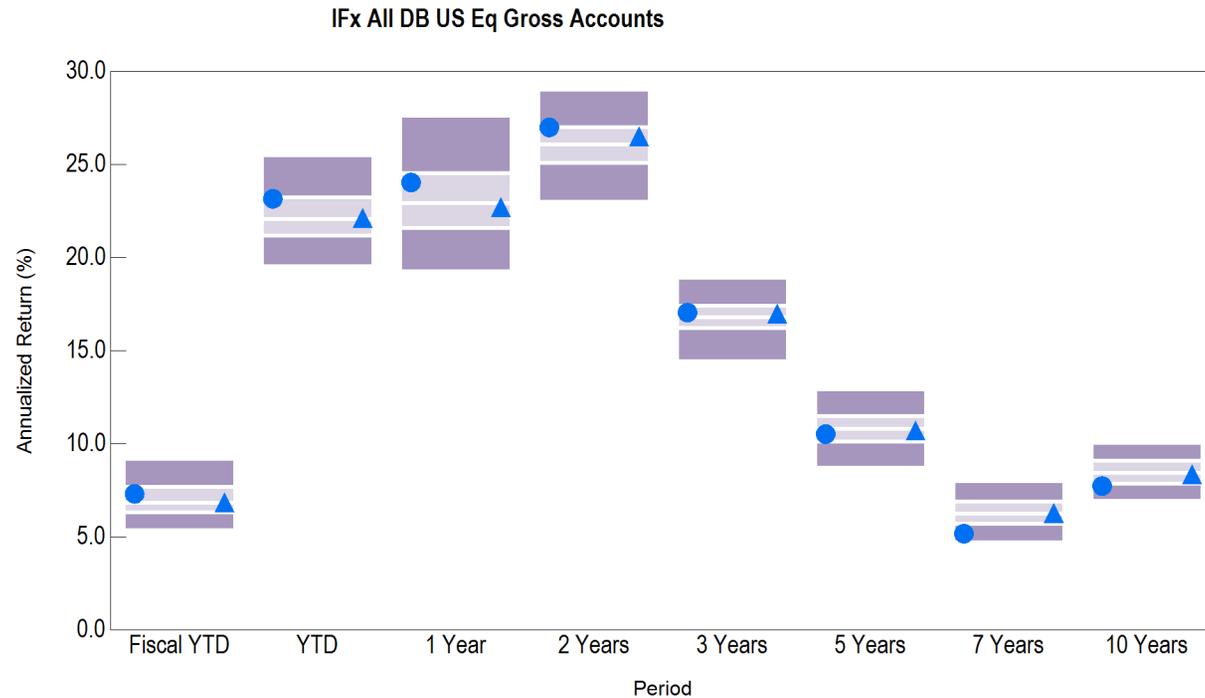
## Statistics Summary

## 3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	17.1%	13.9%	1.2	0.0	1.2%
80% R1000/ 20% R2000	17.0%	13.5%	1.3	--	0.0%
Large Cap Equity	16.2%	13.2%	1.2	-0.4	1.1%
Russell 1000	16.6%	12.7%	1.3	--	0.0%
Barrow Hanley	18.2%	13.7%	1.3	0.8	2.5%
Russell 1000 Value	16.2%	13.4%	1.2	--	0.0%
DE Shaw	18.5%	13.2%	1.4	1.2	1.6%
Russell 1000	16.6%	12.7%	1.3	--	0.0%
Small Cap Equity	20.8%	16.9%	1.2	0.8	2.9%
Russell 2000	18.3%	17.1%	1.1	--	0.0%
The Boston Co	19.0%	16.8%	1.1	0.8	2.9%
Russell 2000 Value	16.6%	16.5%	1.0	--	0.0%
Chartwell	23.0%	18.1%	1.3	0.7	4.4%
Russell 2000 Growth	20.0%	18.0%	1.1	--	0.0%

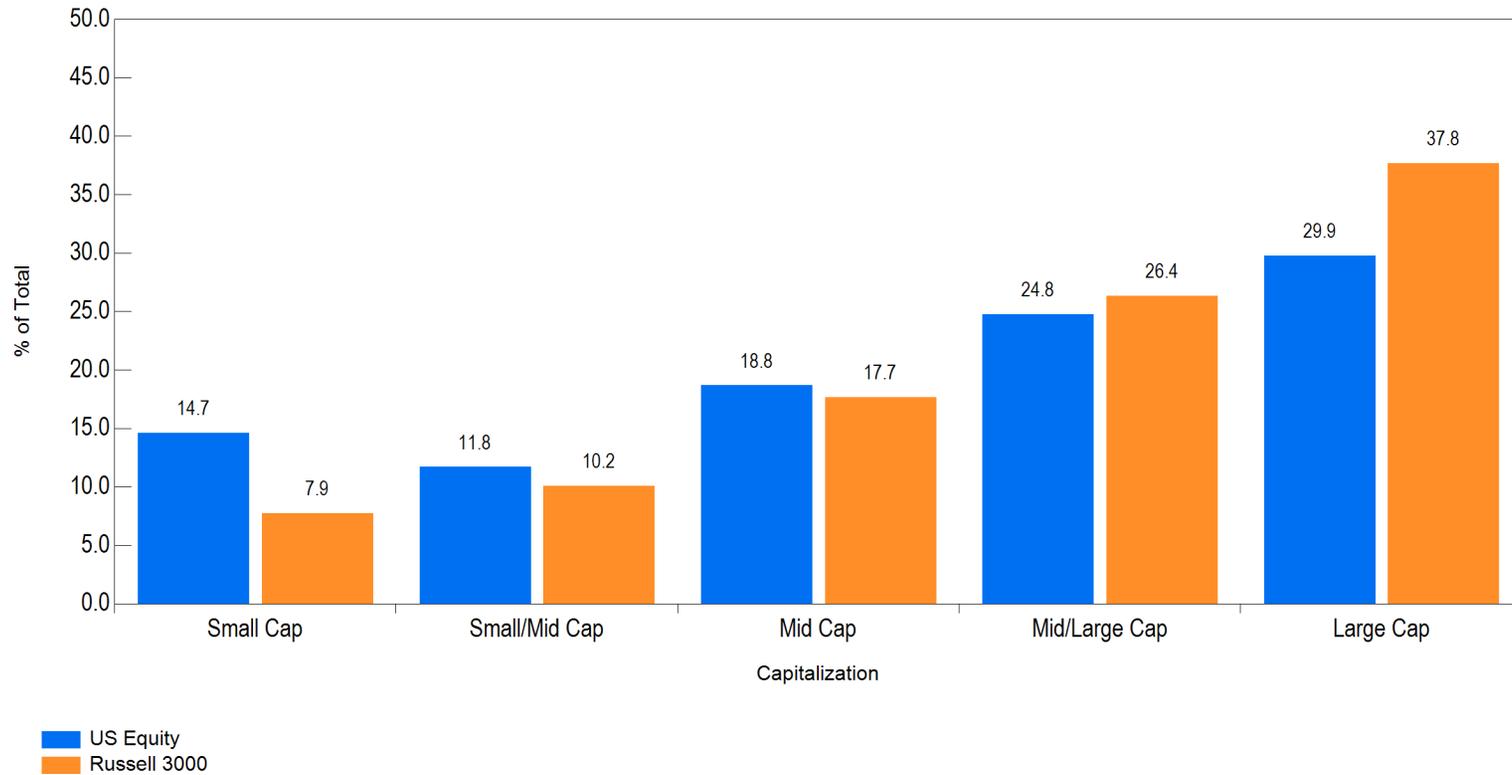
**Statistics Summary****5 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	10.5%	19.8%	0.5	-0.2	1.1%
80% R1000/ 20% R2000	10.7%	19.4%	0.5	--	0.0%
Large Cap Equity	9.8%	18.8%	0.5	-0.7	1.0%
Russell 1000	10.5%	18.5%	0.6	--	0.0%
Small Cap Equity	13.2%	24.8%	0.5	0.5	3.8%
Russell 2000	11.2%	24.0%	0.5	--	0.0%
Chartwell	14.9%	23.5%	0.6	0.3	5.0%
Russell 2000 Growth	13.2%	24.0%	0.5	--	0.0%



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	9.2	25.5	27.6	29.0	18.9	12.9	8.0	10.0
<b>25th Percentile</b>	7.7	23.3	24.6	27.0	17.4	11.5	6.9	9.1
<b>Median</b>	6.9	22.1	22.9	26.1	16.8	10.8	6.3	8.5
<b>75th Percentile</b>	6.3	21.2	21.6	25.1	16.2	10.1	5.7	7.9
<b>95th Percentile</b>	5.4	19.5	19.3	23.0	14.4	8.7	4.7	7.0
<b># of Portfolios</b>	628	621	616	591	521	456	417	323
<b>● US Equity</b>	7.3 (37)	23.2 (27)	24.0 (32)	27.0 (26)	17.1 (39)	10.5 (63)	5.2 (88)	7.7 (83)
<b>▲ 80% R1000/ 20% R2000</b>	6.9 (50)	22.1 (48)	22.7 (56)	26.5 (38)	17.0 (40)	10.7 (56)	6.3 (50)	8.4 (55)

Market Capitalization as of September 30, 2013



See appendix for the market capitalization breakpoints.

## Equity Only Summary Statistics - US Equity

Quarter Ending September 30, 2013

## Characteristics

	Portfolio	Russell 3000
Number of Holdings	999	2,965
Weighted Avg. Market Cap. (\$B)	70.8	84.0
Median Market Cap. (\$B)	8.1	1.3
Price To Earnings	22.7	20.3
Price To Book	3.7	3.5
Price To Sales	2.4	2.3
Return on Equity (%)	17.3	17.2
Yield (%)	1.7	1.9
Beta (holdings; domestic)	1.2	1.1

## Top Holdings

APPLE	2.3%
EXXON MOBIL	1.4%
GOOGLE 'A'	1.2%
JOHNSON & JOHNSON	1.2%
JP MORGAN CHASE & CO.	1.2%
WELLS FARGO & CO	1.0%
CITIGROUP	1.0%
AT&T	0.9%
GENERAL ELECTRIC	0.9%
VISA 'A'	0.9%

## Best Performers

	Return %
LEAP WRLS.INTL. (LEAP)	134.8%
CELLDEX THERAPEUTICS (CLDX)	127.0%
NPS PHARMACEUTICALS (NPSP)	110.5%
ALNYLAM PHARMACEUTICALS (ALNY)	106.5%
TESLA MOTORS (TSLA)	80.1%
INCYTE (INCY)	73.4%
RITE AID (RAD)	66.4%
HERBALIFE (HLF)	55.3%
FOREST OIL (FST)	49.1%
BOISE (BZ)	47.5%

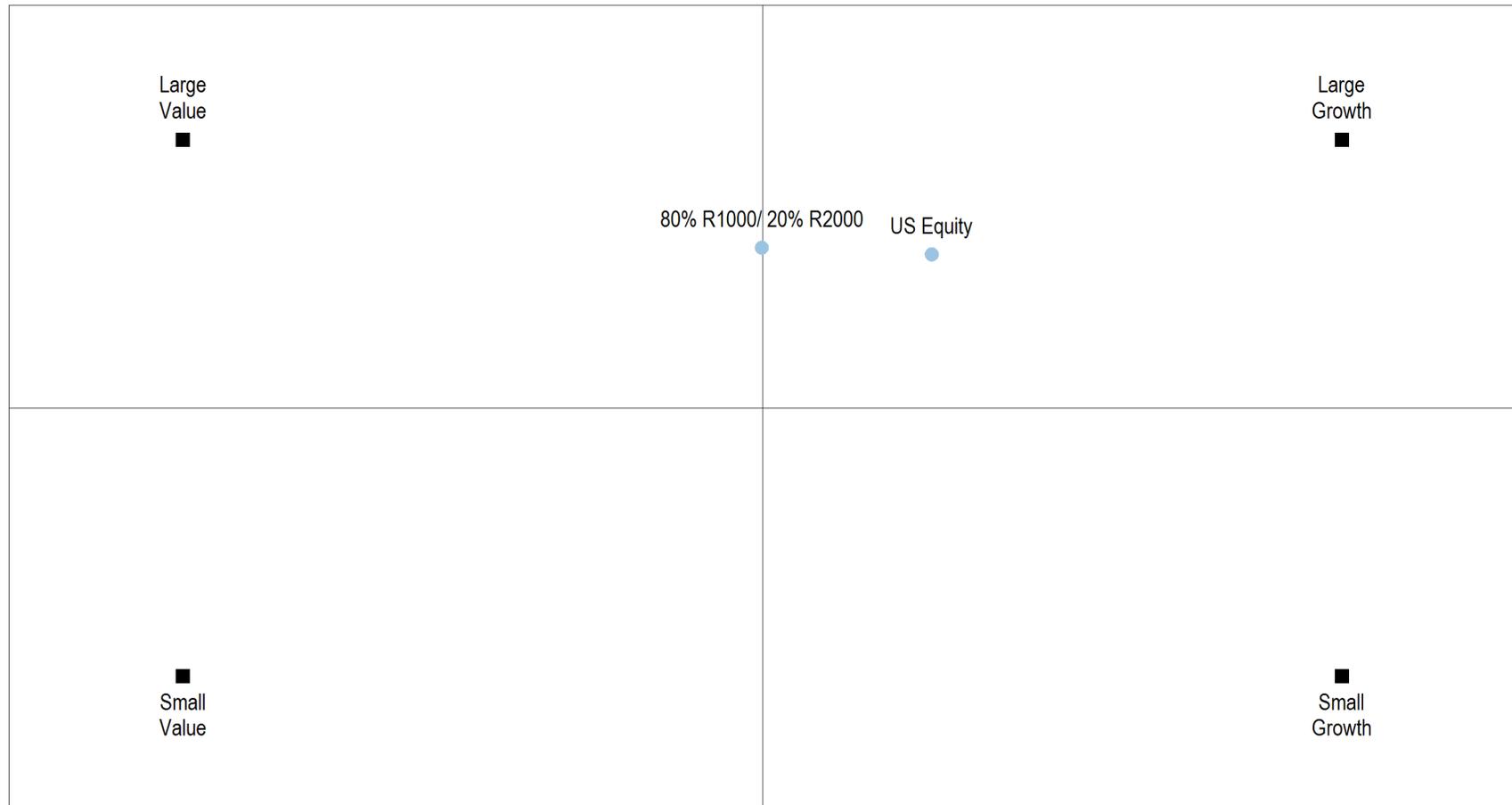
## Worst Performers

	Return %
LONE PINE RESOURCES (LPRIQ)	-98.5%
FURNITURE BRANDS INTL. (FBNIQ)	-92.0%
ACHILLION PHARMS. (ACHN)	-63.1%
PENNEY JC (JCP)	-48.4%
SEQUENOM (SQNM)	-36.6%
FRANCESCA'S HOLDINGS (FRAN)	-33.0%
VIVUS (VVUS)	-26.1%
INTUITIVE SURGICAL (ISRG)	-25.7%
HEARTWARE INTERNATIONAL (HTWR)	-23.0%
NORANDA ALUMINUM HLDG. (NOR)	-22.9%

## US Equity Performance Attribution vs. Russell 3000

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	0.1%	0.0%	0.0%	7.3%	6.3%	9.3%	9.6%			
Materials	0.0%	0.0%	0.0%	0.0%	10.8%	9.9%	3.1%	3.7%			
Industrials	0.1%	0.1%	0.0%	0.0%	10.2%	9.6%	11.9%	11.2%			
Cons. Disc.	0.1%	0.1%	0.0%	0.0%	9.2%	8.7%	13.7%	13.1%			
Cons. Staples	0.1%	0.1%	0.1%	0.0%	2.2%	1.5%	8.1%	9.3%			
Health Care	-0.2%	-0.2%	0.0%	0.0%	6.6%	7.9%	13.7%	12.5%			
Financials	0.3%	0.3%	0.0%	0.0%	4.8%	2.9%	17.3%	17.7%			
Info. Tech	0.4%	0.3%	0.0%	0.0%	9.9%	8.0%	18.5%	17.1%			
Telecomm.	0.0%	0.0%	0.1%	0.0%	-4.0%	-3.1%	1.7%	2.4%			
Utilities	0.1%	0.0%	0.1%	0.0%	0.3%	0.5%	2.2%	3.4%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.5%	0.0%			
<b>Portfolio</b>	<b>1.1%</b>	<b>=</b>	<b>0.8%</b>	<b>+</b>	<b>0.2%</b>	<b>+</b>	<b>0.0%</b>	<b>7.2%</b>	<b>6.1%</b>	<b>100.0%</b>	<b>100.0%</b>

U.S. Effective Style Map



San Mateo County Employees' Retirement Association  
Equity Only Summary Statistics - Large Cap Equity

Quarter Ending September 30, 2013

**Characteristics**

	Portfolio	Russell 1000
Number of Holdings	813	1,003
Weighted Avg. Market Cap. (\$B)	86.5	91.4
Median Market Cap. (\$B)	11.5	7.0
Price To Earnings	21.8	20.0
Price To Book	3.8	3.6
Price To Sales	2.5	2.3
Return on Equity (%)	18.2	17.9
Yield (%)	1.9	2.0
Beta (holdings; domestic)	1.1	1.1

**Top Holdings**

APPLE	2.8%
EXXON MOBIL	1.7%
GOOGLE 'A'	1.5%
JOHNSON & JOHNSON	1.4%
JP MORGAN CHASE & CO.	1.4%
WELLS FARGO & CO	1.2%
CITIGROUP	1.2%
AT&T	1.1%
GENERAL ELECTRIC	1.1%
VISA 'A'	1.1%

**Best Performers**

	Return %
LEAP WRLS.INTL. (LEAP)	134.8%
CELLDEX THERAPEUTICS (CLDX)	127.0%
ALNYLAM PHARMACEUTICALS (ALNY)	106.5%
TESLA MOTORS (TSLA)	80.1%
RITE AID (RAD)	66.4%
HERBALIFE (HLF)	55.3%
FOREST OIL (FST)	49.1%
BOISE (BZ)	47.5%
GOODYEAR TIRE & RUB. (GT)	46.7%
ENERGEN (EGN)	46.5%

**Worst Performers**

	Return %
LONE PINE RESOURCES (LPRIQ)	-98.5%
FURNITURE BRANDS INTL. (FBNIQ)	-92.0%
ACHILLION PHARMS. (ACHN)	-63.1%
PENNEY JC (JCP)	-48.4%
SEQUENOM (SQNM)	-36.6%
VIVUS (VVUS)	-26.1%
INTUITIVE SURGICAL (ISRG)	-25.7%
NORANDA ALUMINUM HLDG. (NOR)	-22.9%
BROADCOM 'A' (BRCM)	-22.7%
ABERCROMBIE & FITCH 'A' (ANF)	-21.4%

## Equity Sector Attribution - Large Cap Equity

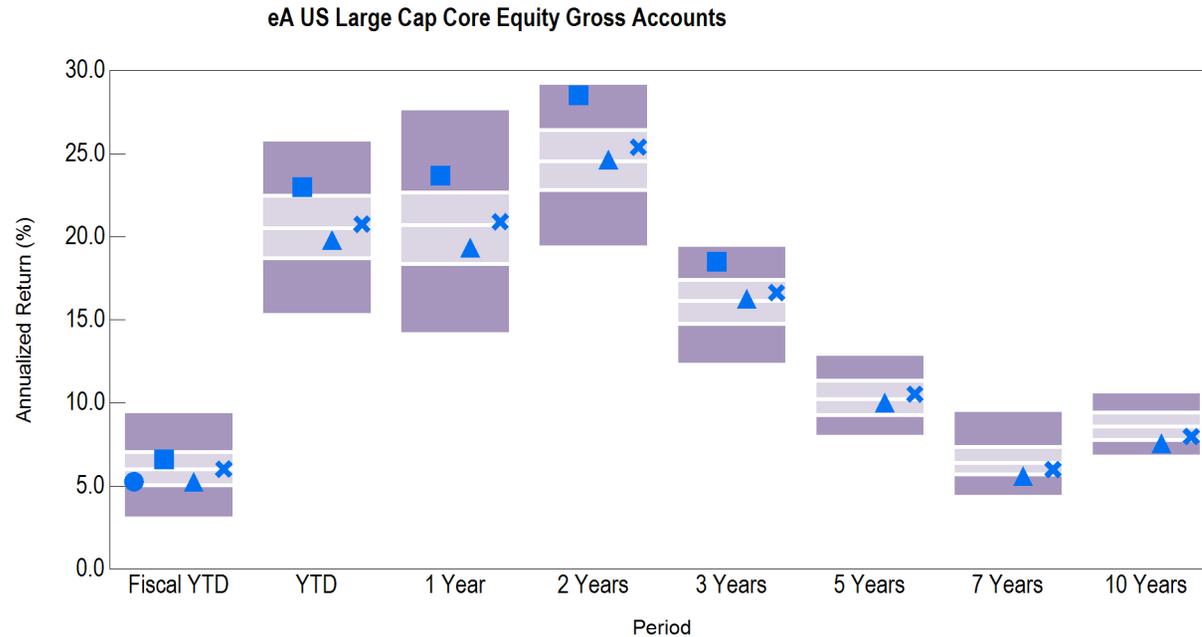
Quarter Ending September 30, 2013

## Large Cap Equity Performance Attribution vs. Russell 1000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.0%	0.0%	0.0%	0.0%	6.1%	5.9%	10.2%	9.9%			
Materials	0.0%	0.0%	0.0%	0.0%	10.8%	9.8%	3.3%	3.6%			
Industrials	0.1%	0.1%	0.0%	0.0%	10.1%	9.3%	11.7%	10.9%			
Cons. Disc.	0.1%	0.1%	0.0%	0.0%	9.5%	8.7%	11.7%	13.0%			
Cons. Staples	0.1%	0.1%	0.0%	0.0%	1.9%	1.1%	9.4%	9.7%			
Health Care	-0.3%	-0.3%	0.0%	0.0%	4.8%	7.1%	13.8%	12.4%			
Financials	0.1%	0.1%	0.0%	0.0%	3.3%	2.5%	17.1%	17.3%			
Info. Tech	0.3%	0.3%	0.0%	0.0%	9.2%	7.5%	18.2%	17.1%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-4.0%	-3.4%	2.1%	2.5%			
Utilities	0.1%	0.0%	0.1%	0.0%	0.3%	0.4%	2.2%	3.4%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.3%	0.0%			
<b>Portfolio</b>	<b>0.6%</b>	<b>=</b>	<b>0.5%</b>	<b>+</b>	<b>0.1%</b>	<b>+</b>	<b>0.0%</b>	<b>6.3%</b>	<b>5.7%</b>	<b>100.0%</b>	<b>100.0%</b>

Total Returns - Large Cap Core Equity

Periods Ending September 30, 2013



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	9.5	25.8	27.7	29.2	19.5	12.9	9.6	10.7
25th Percentile	7.1	22.5	22.7	26.5	17.4	11.4	7.4	9.5
Median	6.0	20.5	20.7	24.6	16.2	10.3	6.4	8.6
75th Percentile	5.1	18.7	18.4	22.8	14.8	9.3	5.7	7.8
95th Percentile	3.1	15.3	14.1	19.4	12.3	8.0	4.4	6.8
# of Portfolios	250	250	250	249	246	236	216	171
● BlackRock S&P 500 Index	5.3 (70)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
■ DE Shaw	6.6 (37)	23.0 (21)	23.7 (18)	28.5 (9)	18.5 (12)	-- (--)	-- (--)	-- (--)
▲ S&P 500	5.2 (71)	19.8 (62)	19.3 (64)	24.7 (49)	16.3 (48)	10.0 (56)	5.6 (79)	7.6 (83)
✕ Russell 1000	6.0 (51)	20.8 (47)	20.9 (48)	25.4 (42)	16.6 (41)	10.5 (43)	6.0 (68)	8.0 (70)

Equity Only Summary Statistics - BlackRock S&P 500 Index

Quarter Ending September 30, 2013

**Characteristics**

	Portfolio	S&P 500
Number of Holdings	502	500
Weighted Avg. Market Cap. (\$B)	103.0	103.0
Median Market Cap. (\$B)	15.0	15.0
Price To Earnings	20.6	19.1
Price To Book	3.7	3.6
Price To Sales	2.4	2.1
Return on Equity (%)	19.0	18.3
Yield (%)	2.1	2.1
Beta (holdings; domestic)	1.1	1.1

**Top Holdings**

APPLE	2.9%
EXXON MOBIL	2.5%
MICROSOFT	1.7%
GOOGLE 'A'	1.6%
JOHNSON & JOHNSON	1.6%
GENERAL ELECTRIC	1.6%
CHEVRON	1.6%
PROCTER & GAMBLE	1.4%
BERKSHIRE HATHAWAY 'B'	1.4%
WELLS FARGO & CO	1.3%

**Best Performers**

	Return %
GOODYEAR TIRE & RUB. (GT)	46.7%
NETFLIX (NFLX)	46.5%
REGENERON PHARMS. (REGN)	39.1%
BEST BUY (BBY)	37.8%
SAFeway (SWY)	36.1%
SALESFORCE.COM (CRM)	36.0%
MOLEX (MOLX)	32.1%
YAHOO (YHOO)	32.0%
CELGENE (CELG)	31.8%
COGNIZANT TECH.SLTN.'A' (CTSH)	31.1%

**Worst Performers**

	Return %
PENNEY JC (JCP)	-48.4%
INTUITIVE SURGICAL (ISRG)	-25.7%
BROADCOM 'A' (BRCM)	-22.7%
ABERCROMBIE & FITCH 'A' (ANF)	-21.4%
MOSAIC (MOS)	-19.6%
TESORO (TSO)	-15.5%
HEWLETT-PACKARD (HPQ)	-14.8%
MONSTER BEVERAGE (MNST)	-14.1%
EXPEDIA (EXPE)	-13.6%
CONAGRA FOODS (CAG)	-12.5%

## Equity Only Summary Statistics - DE Shaw

Quarter Ending September 30, 2013

## Characteristics

	Portfolio	Russell 1000
Number of Holdings	471	1,003
Weighted Avg. Market Cap. (\$B)	90.2	91.4
Median Market Cap. (\$B)	5.1	7.0
Price To Earnings	22.4	20.0
Price To Book	3.8	3.6
Price To Sales	2.4	2.3
Return on Equity (%)	16.3	17.9
Yield (%)	1.7	2.0
Beta (holdings; domestic)	1.2	1.1

## Top Holdings

APPLE	3.5%
EXXON MOBIL	2.7%
JP MORGAN CHASE & CO.	2.6%
JOHNSON & JOHNSON	2.3%
AT&T	2.2%
PHILIP MORRIS INTL.	2.2%
CITIGROUP	1.9%
AMERICAN INTL.GP.	1.9%
CHEVRON	1.9%
GENERAL ELECTRIC	1.9%

## Best Performers

	Return %
LEAP WRLS.INTL. (LEAP)	134.8%
CELLEX THERAPEUTICS (CLDX)	127.0%
ALNYLAM PHARMACEUTICALS (ALNY)	106.5%
TESLA MOTORS (TSLA)	80.1%
RITE AID (RAD)	66.4%
HERBALIFE (HLF)	55.3%
FOREST OIL (FST)	49.1%
BOISE (BZ)	47.5%
GOODYEAR TIRE & RUB. (GT)	46.7%
ENERGEN (EGN)	46.5%

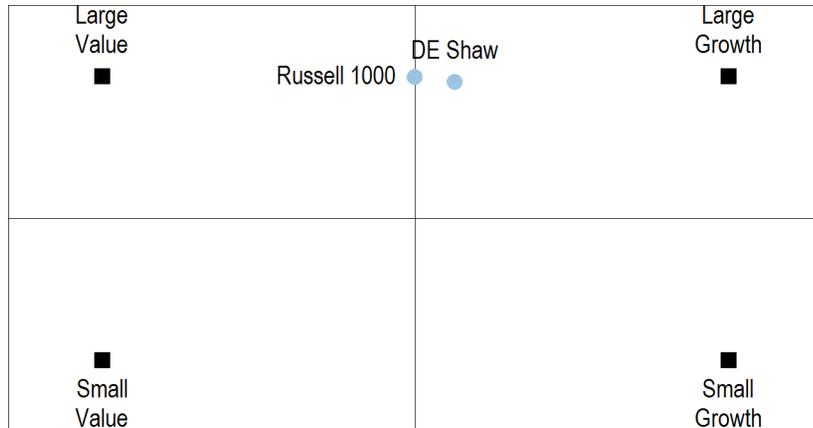
## Worst Performers

	Return %
LONE PINE RESOURCES (LPRIQ)	-98.5%
FURNITURE BRANDS INTL. (FBNIQ)	-92.0%
ACHILLION PHARMS. (ACHN)	-63.1%
PENNEY JC (JCP)	-48.4%
SEQUENOM (SQNM)	-36.6%
VIVUS (VVUS)	-26.1%
NORANDA ALUMINUM HLDG. (NOR)	-22.9%
BARNES & NOBLE (BKS)	-18.9%
AVEO PHARMACEUTICALS (AVEO)	-17.6%
PACIFIC SUNWEAR OF CAL. (PSUN)	-16.9%

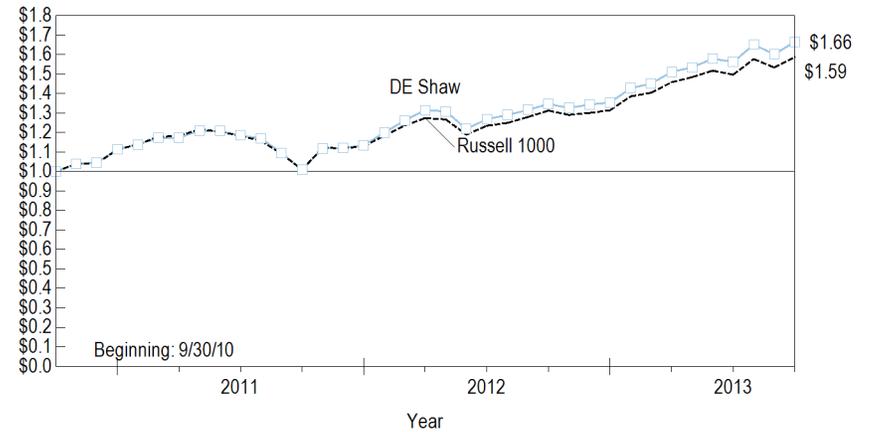
**DE Shaw Performance Attribution vs. Russell 1000**

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.3%	-0.3%	0.0%	0.0%	2.7%	5.9%	10.3%	9.9%			
Materials	-0.1%	-0.1%	0.0%	0.0%	6.1%	9.8%	3.4%	3.6%			
Industrials	0.1%	0.0%	0.1%	0.0%	9.5%	9.3%	12.6%	10.9%			
Cons. Disc.	0.5%	0.3%	0.1%	0.1%	11.3%	8.7%	15.6%	13.0%			
Cons. Staples	0.0%	0.0%	0.1%	0.0%	0.7%	1.1%	8.3%	9.7%			
Health Care	0.1%	0.0%	0.0%	0.0%	7.5%	7.1%	13.6%	12.4%			
Financials	-0.2%	-0.1%	0.0%	0.0%	1.7%	2.5%	18.0%	17.3%			
Info. Tech	0.6%	0.8%	-0.1%	-0.2%	12.1%	7.5%	13.8%	17.1%			
Telecomm.	0.1%	0.0%	0.1%	0.0%	-2.3%	-3.4%	1.7%	2.5%			
Utilities	-0.1%	-0.1%	0.0%	0.0%	-3.0%	0.4%	2.7%	3.4%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.0%	0.0%			
<b>Portfolio</b>	<b>0.7%</b>	<b>=</b>	<b>0.5%</b>	<b>+</b>	<b>0.2%</b>	<b>+</b>	<b>-0.1%</b>	<b>6.4%</b>	<b>5.7%</b>	<b>100.0%</b>	<b>100.0%</b>

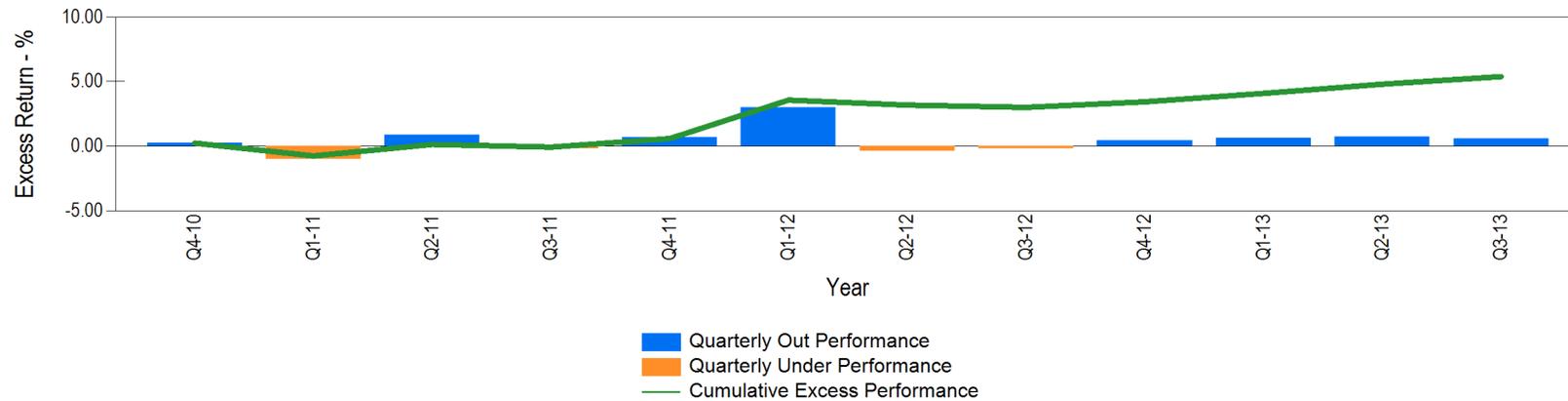
U.S. Effective Style Map



GROWTH OF A DOLLAR

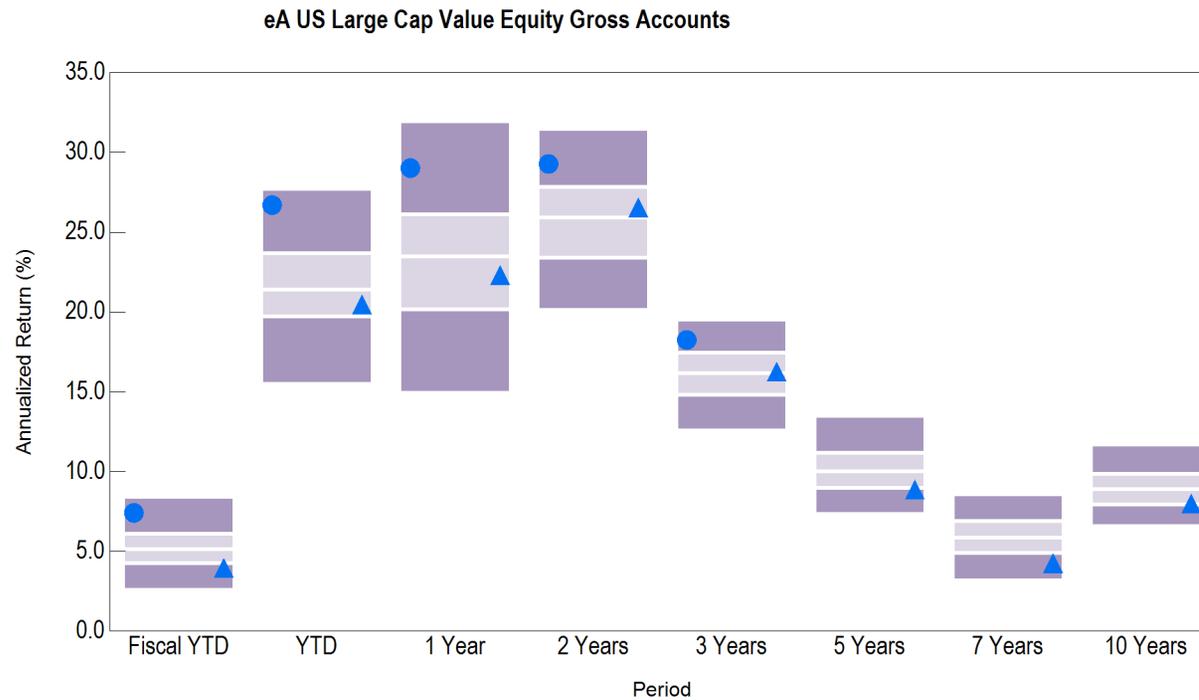


Quarterly and Cumulative Excess Performance



Total Returns - Large Cap Value Equity

Periods Ending September 30, 2013



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	8.4	27.7	31.9	31.5	19.5	13.5	8.5	11.7
<b>25th Percentile</b>	6.1	23.7	26.2	27.9	17.5	11.2	6.9	9.9
<b>Median</b>	5.2	21.4	23.5	25.9	16.2	10.0	5.9	8.9
<b>75th Percentile</b>	4.3	19.7	20.2	23.4	14.8	9.0	4.9	7.9
<b>95th Percentile</b>	2.6	15.5	14.9	20.2	12.6	7.3	3.2	6.6
<b># of Portfolios</b>	299	299	299	296	295	282	265	216
<b>● Barrow Hanley</b>	7.4 (9)	26.7 (8)	29.0 (13)	29.3 (14)	18.2 (14)	-- (--)	-- (--)	-- (--)
<b>▲ Russell 1000 Value</b>	3.9 (82)	20.5 (64)	22.3 (60)	26.5 (43)	16.2 (48)	8.9 (77)	4.2 (86)	8.0 (74)

San Mateo County Employees' Retirement Association  
Equity Only Summary Statistics - Barrow Hanley

Quarter Ending September 30, 2013

**Characteristics**

	Portfolio	Russell 1000 Value
Number of Holdings	72	648
Weighted Avg. Market Cap. (\$B)	58.1	98.5
Median Market Cap. (\$B)	30.6	5.9
Price To Earnings	19.6	17.4
Price To Book	2.4	2.1
Price To Sales	1.6	1.7
Return on Equity (%)	14.4	13.4
Yield (%)	2.5	2.4
Beta (holdings; domestic)	1.4	1.2

**Top Holdings**

CAPITAL ONE FINL.	3.0%
SLM	2.6%
CITIGROUP	2.4%
BANK OF AMERICA	2.0%
JP MORGAN CHASE & CO.	2.0%
WELLS FARGO & CO	1.9%
PENTAIR	1.9%
UNITEDHEALTH GP.	1.9%
DELPHI AUTOMOTIVE	1.8%
RAYTHEON 'B'	1.7%

**Best Performers**

	Return %
MOLEX (MOLX)	32.1%
E*TRADE FINANCIAL (ETFC)	30.3%
ONEOK (OKE)	30.0%
DAIMLER AG SPN.ADR 1:1 (DDAIY)	29.3%
ITT (ITT)	22.6%
WALGREEN (WAG)	22.5%
HANESBRANDS (HBI)	21.6%
CRH ADR 1:1 (CRH)	20.4%
EMERSON ELECTRIC (EMR)	19.4%
RAYTHEON 'B' (RTN)	18.4%

**Worst Performers**

	Return %
TARGET (TGT)	-6.5%
VERIZON COMMUNICATIONS (VZ)	-6.3%
BAXTER INTL. (BAX)	-4.5%
CARNIVAL (CCL)	-4.2%
AT&T (T)	-3.3%
MICROSOFT (MSFT)	-3.0%
PEOPLES UNITED FINANCIAL (PBCT)	-2.4%
SANOFI ADR 2:1 (SNY)	-1.7%
JP MORGAN CHASE & CO. (JPM)	-1.4%
PHILLIPS 66 (PSX)	-1.3%

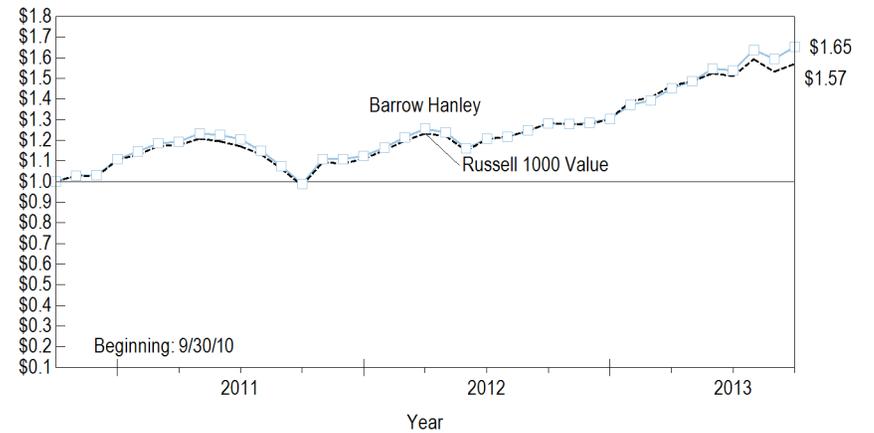
## Barrow Hanley Performance Attribution vs. Russell 1000 Value

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.4%	0.6%	0.0%	-0.3%	7.4%	3.4%	9.0%	15.3%			
Materials	0.1%	0.1%	0.0%	0.0%	12.3%	10.6%	3.6%	3.4%			
Industrials	0.9%	0.4%	0.3%	0.2%	12.9%	8.8%	14.4%	8.9%			
Cons. Disc.	0.4%	0.2%	0.2%	0.1%	10.3%	8.1%	12.4%	8.7%			
Cons. Staples	0.2%	0.2%	0.0%	-0.1%	6.0%	2.5%	4.9%	7.1%			
Health Care	0.1%	0.1%	0.0%	0.0%	5.0%	4.5%	15.7%	11.8%			
Financials	0.9%	0.8%	0.0%	0.0%	5.4%	2.5%	29.7%	28.8%			
Info. Tech	0.4%	0.4%	0.0%	0.0%	10.5%	4.5%	7.0%	7.0%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-4.0%	-3.0%	2.4%	2.7%			
Utilities	0.3%	1.9%	0.2%	-1.8%	30.0%	-0.1%	0.3%	6.3%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.6%	0.0%			
<b>Portfolio</b>	<b>3.6%</b>	<b>=</b>	<b>4.7%</b>	<b>+</b>	<b>0.8%</b>	<b>+</b>	<b>-1.8%</b>	<b>7.7%</b>	<b>4.0%</b>	<b>100.0%</b>	<b>100.0%</b>

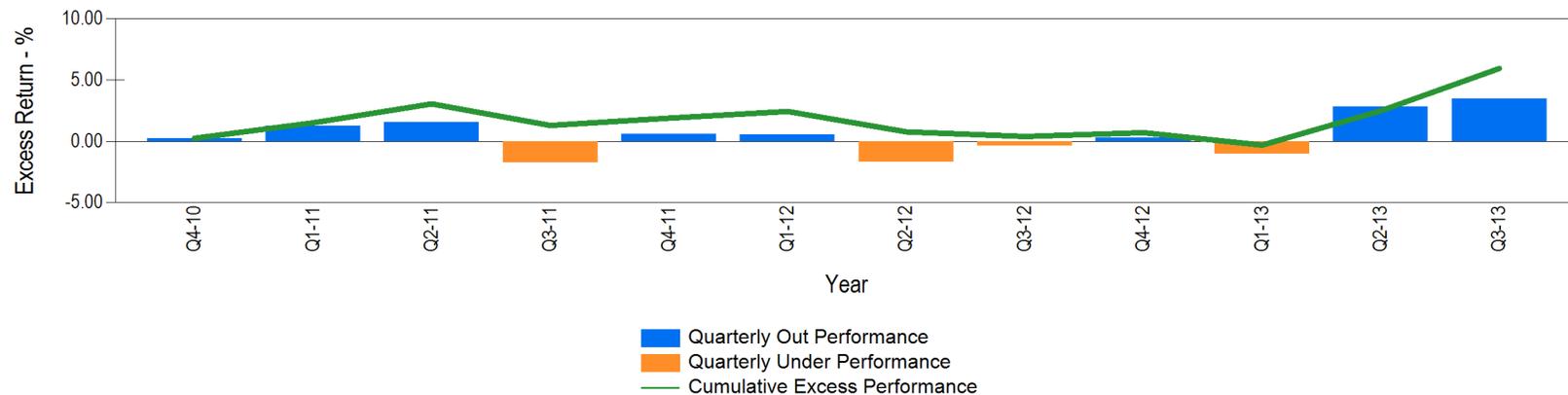
U.S. Effective Style Map



GROWTH OF A DOLLAR

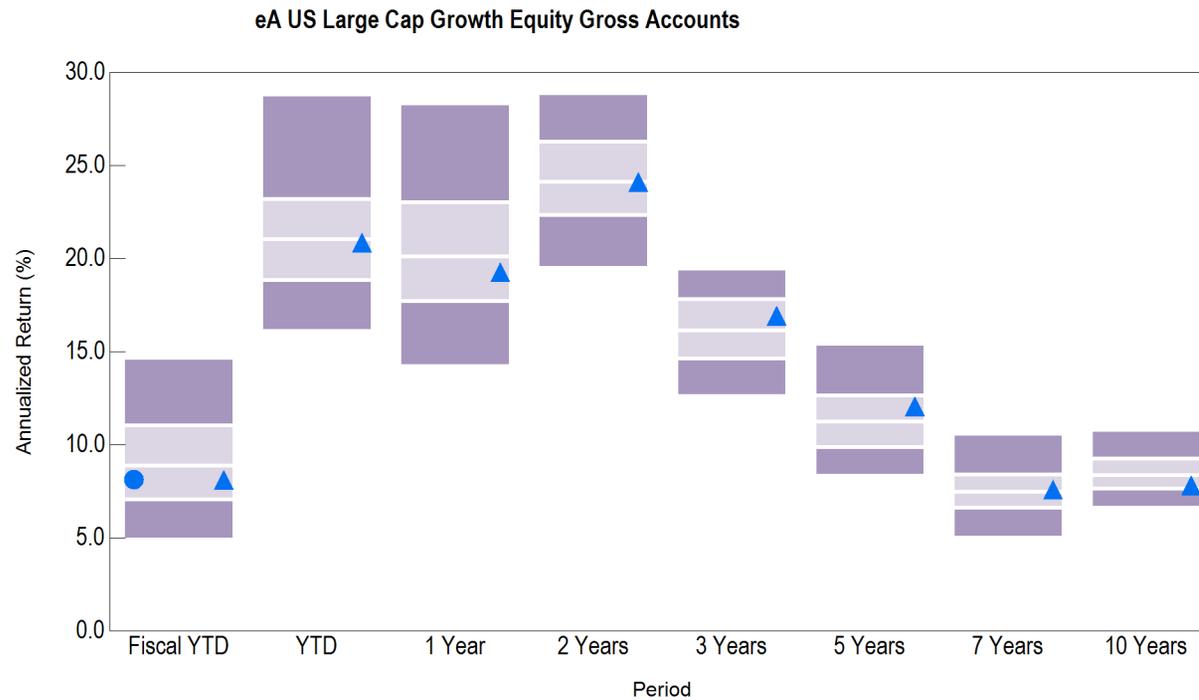


Quarterly and Cumulative Excess Performance



Total Returns - Large Cap Growth Equity

Periods Ending September 30, 2013



	Return (Rank)															
	Fiscal YTD		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
<b>5th Percentile</b>	14.7	28.8	28.3	28.9	19.5	15.4	10.6	10.8								
<b>25th Percentile</b>	11.1	23.2	23.1	26.3	17.8	12.7	8.4	9.3								
<b>Median</b>	8.9	21.1	20.1	24.1	16.2	11.3	7.5	8.4								
<b>75th Percentile</b>	7.1	18.9	17.7	22.4	14.6	9.9	6.6	7.7								
<b>95th Percentile</b>	4.9	16.1	14.2	19.5	12.6	8.3	5.0	6.6								
<b># of Portfolios</b>	262	262	262	261	258	246	223	190								
<b>● Brown Advisory</b>	8.1 (64)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								
<b>▲ Russell 1000 Growth</b>	8.1 (64)	20.9 (53)	19.3 (63)	24.1 (51)	16.9 (41)	12.1 (35)	7.6 (49)	7.8 (70)								

San Mateo County Employees' Retirement Association  
Equity Only Summary Statistics - Brown Advisory

Quarter Ending September 30, 2013

**Characteristics**

	Portfolio	Russell 1000 Growth
Number of Holdings	34	610
Weighted Avg. Market Cap. (\$B)	60.7	84.5
Median Market Cap. (\$B)	15.0	7.7
Price To Earnings	27.0	22.5
Price To Book	5.4	5.5
Price To Sales	3.4	3.0
Return on Equity (%)	21.4	23.4
Yield (%)	0.8	1.7
Beta (holdings; domestic)	1.1	1.0

**Top Holdings**

APPLE	4.6%
STARBUCKS	4.2%
GOOGLE 'A'	4.2%
VISA 'A'	4.0%
QUALCOMM	4.0%
FLUOR	3.9%
EXPRESS SCRIPTS HOLDING	3.9%
SCHLUMBERGER	3.9%
DANAHER	3.5%
CHARLES SCHWAB	3.3%

**Best Performers**

	Return %
SALESFORCE.COM (CRM)	36.0%
COGNIZANT TECH.SLTN.'A' (CTSH)	31.1%
SCHLUMBERGER (SLB)	23.8%
APPLE (AAPL)	21.0%
FLUOR (FLR)	19.9%
ANSYS (ANSS)	18.4%
STARBUCKS (SBUX)	17.8%
MASTERCARD (MA)	17.2%
CITRIX SYS. (CTXS)	17.0%
ECOLAB (ECL)	16.2%

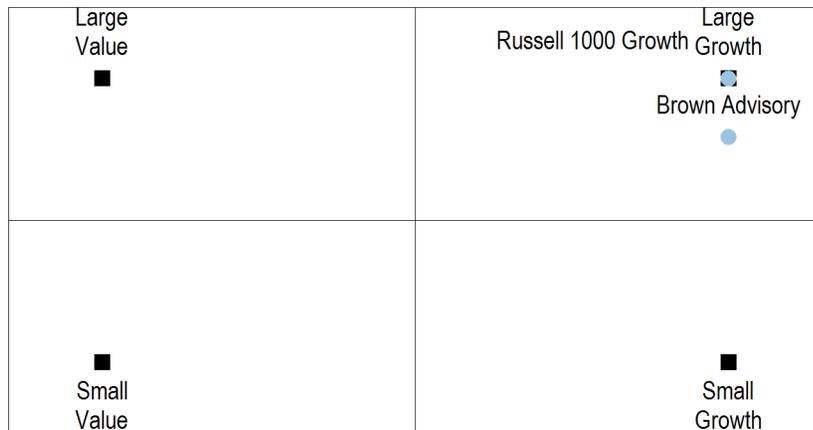
**Worst Performers**

	Return %
INTUITIVE SURGICAL (ISRG)	-25.7%
MEAD JOHNSON NUTRITION (MJN)	-5.8%
DAVITA HEALTHCARE PTNS. (DVA)	-5.8%
GENPACT (G)	-1.9%
GOOGLE 'A' (GOOG)	-0.5%
FMC TECHNOLOGIES (FTI)	-0.5%
AMPHENOL 'A' (APH)	-0.5%
CHARLES SCHWAB (SCHW)	-0.2%
EXPRESS SCRIPTS HOLDING (ESRX)	0.1%
ACCENTURE CLASS A (ACN)	2.3%

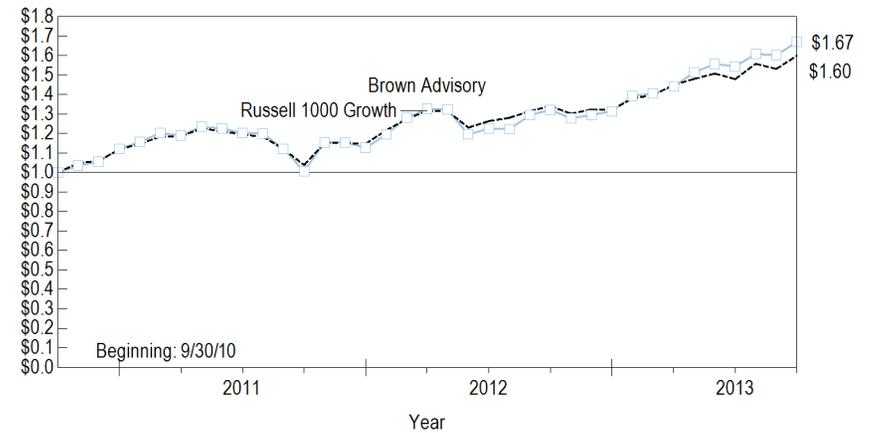
## Brown Advisory Performance Attribution vs. Russell 1000 Growth

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	-0.2%	0.5%	-0.3%	11.7%	16.1%	10.1%	4.1%			
Materials	0.2%	0.3%	0.0%	-0.1%	16.2%	9.1%	2.9%	3.9%			
Industrials	0.1%	0.1%	0.0%	0.0%	10.5%	9.7%	13.3%	13.1%			
Cons. Disc.	0.3%	1.2%	-0.2%	-0.8%	15.8%	9.0%	6.7%	17.7%			
Cons. Staples	0.5%	0.5%	0.1%	0.0%	4.2%	0.2%	11.8%	12.6%			
Health Care	-2.0%	-1.7%	0.0%	-0.3%	-3.5%	9.6%	15.6%	13.1%			
Financials	0.0%	-0.1%	0.1%	0.0%	-0.2%	2.8%	3.6%	4.9%			
Info. Tech	1.5%	1.1%	0.1%	0.3%	12.2%	8.3%	36.1%	28.2%			
Telecomm.	0.3%	--	0.3%	--	--	-3.9%	0.0%	2.3%			
Utilities	0.0%	--	0.0%	--	--	18.2%	0.0%	0.2%			
Cash	0.0%	--	--	--	--	--	0.0%	0.0%			
<b>Portfolio</b>	<b>0.9%</b>	<b>=</b>	<b>1.2%</b>	<b>+</b>	<b>0.8%</b>	<b>+</b>	<b>-1.1%</b>	<b>8.5%</b>	<b>7.5%</b>	<b>100.0%</b>	<b>100.0%</b>

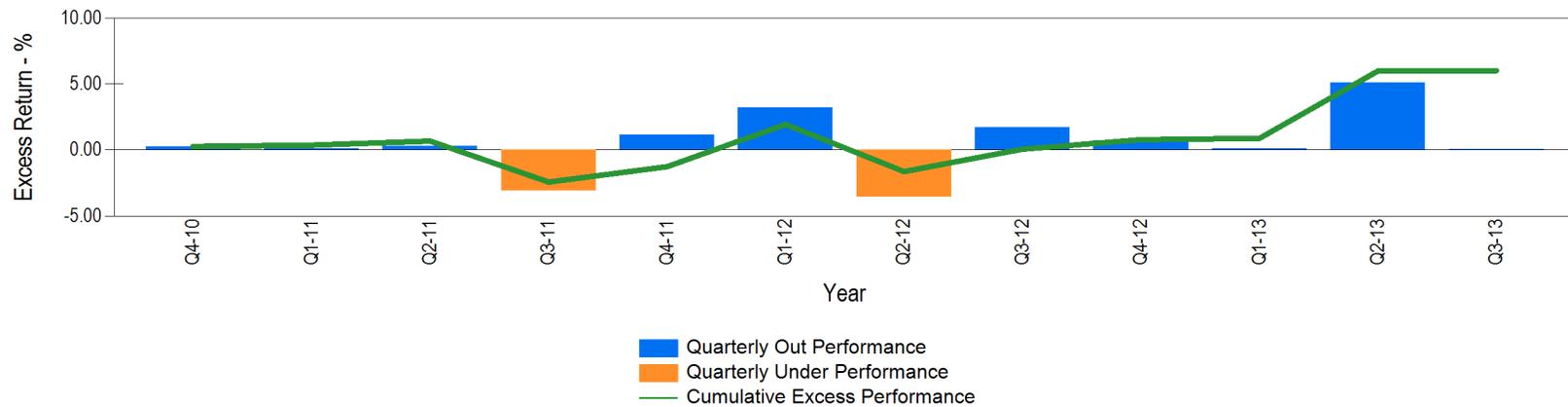
U.S. Effective Style Map



GROWTH OF A DOLLAR



Quarterly and Cumulative Excess Performance



San Mateo County Employees' Retirement Association  
Equity Only Summary Statistics - Small Cap Equity

Quarter Ending September 30, 2013

**Characteristics**

	Portfolio	Russell 2000
Number of Holdings	216	1,962
Weighted Avg. Market Cap. (\$B)	2.1	1.6
Median Market Cap. (\$B)	1.5	0.6
Price To Earnings	27.1	22.2
Price To Book	3.3	2.8
Price To Sales	2.1	2.2
Return on Equity (%)	13.7	11.2
Yield (%)	0.8	1.0
Beta (holdings; domestic)	1.6	1.4

**Top Holdings**

SYNOVUS FINL.	1.9%
RADIAN GP.	1.4%
WNS HDG.ADR 1:1	1.3%
HFF CLASS A	1.3%
GROUP 1 AUTOMOTIVE	1.3%
EXPRESS	1.1%
CARDTRONICS	1.1%
HEARTLAND PAYMENT SYS.	1.1%
OLD DOMINION FGT. LINES	1.0%
E*TRADE FINANCIAL	1.0%

**Best Performers**

	Return %
NPS PHARMACEUTICALS (NPSP)	110.5%
INCYTE (INCY)	73.4%
AKORN (AKRX)	45.6%
MEDASSETS (MDAS)	43.3%
HFF CLASS A (HF)	41.0%
COGNEX (CGNX)	38.4%
VIOPHARMA (VPHM)	37.0%
ARRAY BIOPHARMA (ARRY)	37.0%
GULFPORT EN. (GPOR)	36.6%
KODIAK OIL & GAS (KOG)	35.7%

**Worst Performers**

	Return %
FRANCESCA'S HOLDINGS (FRAN)	-33.0%
VIVUS (VVUS)	-26.1%
HEARTWARE INTERNATIONAL (HTWR)	-23.0%
BJ'S RESTAURANTS (BJRI)	-22.7%
MATTRESS FIRM HOLDING (MFRM)	-21.1%
STAGE STORES (SSI)	-17.8%
ULTRATECH (UTEK)	-17.5%
PIER 1 IMPORTS (PIR)	-16.7%
IXIA (XXIA)	-14.8%
SEMTECH (SMTC)	-14.4%

## Equity Sector Attribution - Small Cap Equity

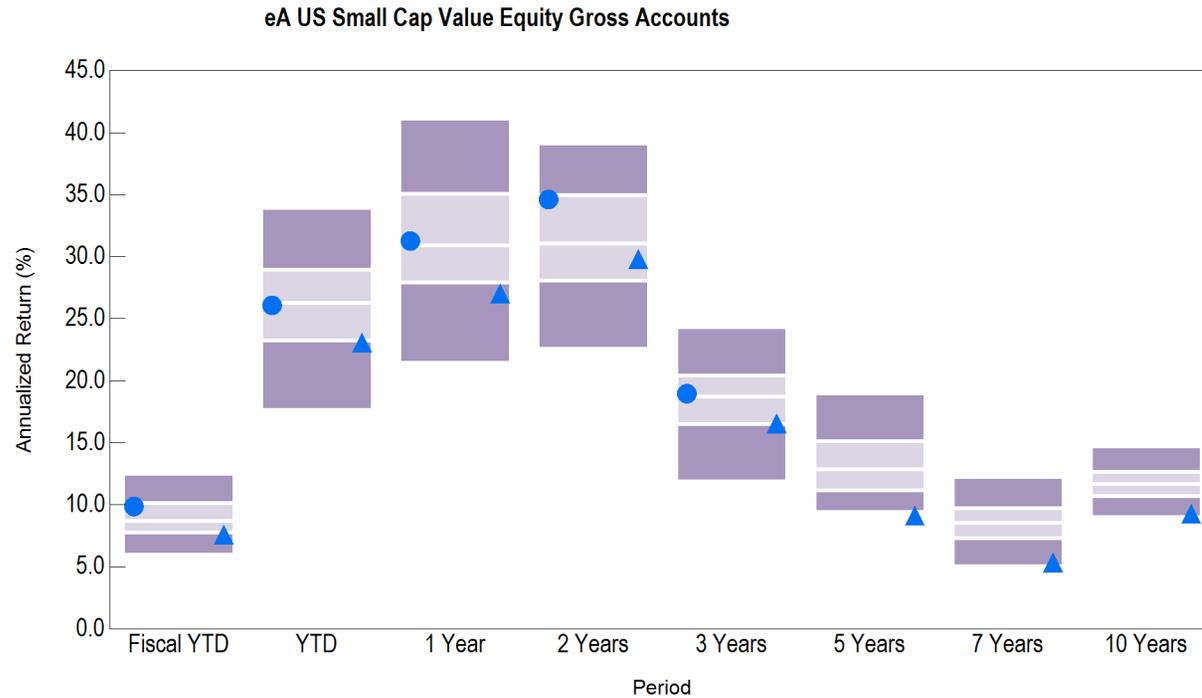
Quarter Ending September 30, 2013

## Small Cap Equity Performance Attribution vs. Russell 2000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	0.2%	0.0%	0.0%	18.8%	15.9%	5.2%	5.6%			
Materials	0.0%	0.0%	0.0%	0.0%	11.0%	10.7%	2.1%	4.8%			
Industrials	-0.3%	-0.3%	0.0%	0.0%	10.7%	12.7%	13.0%	15.1%			
Cons. Disc.	-0.2%	0.0%	-0.2%	0.0%	8.5%	8.4%	23.2%	14.6%			
Cons. Staples	-0.1%	-0.1%	0.0%	0.1%	10.0%	12.9%	2.1%	3.8%			
Health Care	-0.2%	-0.2%	0.0%	0.0%	15.6%	17.5%	13.1%	12.7%			
Financials	1.2%	1.2%	0.2%	-0.2%	11.3%	6.3%	18.2%	23.0%			
Info. Tech	-0.1%	-0.2%	0.1%	0.0%	13.0%	14.0%	20.0%	16.6%			
Telecomm.	0.0%	--	0.0%	--	--	13.3%	0.0%	0.7%			
Utilities	0.1%	-0.1%	0.1%	0.0%	-0.1%	1.7%	2.0%	3.2%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	1.1%	0.0%			
<b>Portfolio</b>	<b>0.3%</b>	<b>=</b>	<b>0.5%</b>	<b>+</b>	<b>0.0%</b>	<b>+</b>	<b>-0.2%</b>	<b>11.5%</b>	<b>11.2%</b>	<b>100.0%</b>	<b>100.0%</b>

Total Returns - Small Cap Value Equity

Periods Ending September 30, 2013



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	12.5	33.9	41.1	39.1	24.3	18.9	12.2	14.7
<b>25th Percentile</b>	10.2	29.0	35.1	35.0	20.4	15.1	9.7	12.7
<b>Median</b>	8.7	26.3	31.0	31.1	18.7	12.9	8.6	11.7
<b>75th Percentile</b>	7.8	23.3	27.9	28.1	16.5	11.2	7.3	10.7
<b>95th Percentile</b>	6.0	17.7	21.5	22.6	11.9	9.5	5.1	9.0
<b># of Portfolios</b>	193	193	193	193	190	180	158	138
<b>● The Boston Co</b>	9.9 (29)	26.1 (55)	31.3 (48)	34.6 (27)	19.0 (48)	-- (--)	-- (--)	-- (--)
<b>▲ Russell 2000 Value</b>	7.6 (80)	23.1 (77)	27.0 (81)	29.8 (60)	16.6 (75)	9.1 (96)	5.4 (93)	9.3 (95)

San Mateo County Employees' Retirement Association  
Equity Only Summary Statistics - The Boston Co

Quarter Ending September 30, 2013

**Characteristics**

	Portfolio	Russell 2000 Value
Number of Holdings	135	1,343
Weighted Avg. Market Cap. (\$B)	1.9	1.4
Median Market Cap. (\$B)	1.4	0.5
Price To Earnings	25.0	17.6
Price To Book	2.7	1.7
Price To Sales	1.8	1.8
Return on Equity (%)	12.4	8.3
Yield (%)	1.1	1.7
Beta (holdings; domestic)	1.6	1.4

**Top Holdings**

E*TRADE FINANCIAL	2.1%
DANA HOLDING	1.6%
DECKERS OUTDOOR	1.5%
HELIX ENERGY SLTN.GP.	1.5%
SYNOVUS FINL.	1.3%
CORELOGIC	1.3%
ALSP.HLTHCR.SLTN.	1.2%
OFFICEMAX	1.2%
SAKS	1.2%
VISHAY INTERTECHNOLOGY	1.1%

**Best Performers**

	Return %
COGNEX (CGNX)	38.4%
SYNERGY RESOURCES (SYRG)	33.2%
DECKERS OUTDOOR (DECK)	30.5%
E*TRADE FINANCIAL (ETFC)	30.3%
SHFL ENTERTAINMENT (SHFL)	29.7%
SKECHERS USA 'A' (SKX)	29.6%
CARPENTER TECH. (CRS)	29.3%
GULF ISLAND FABRICATION (GIFI)	28.5%
AIR METHODS (AIRM)	25.7%
OFFICEMAX (OMX)	25.2%

**Worst Performers**

	Return %
IXIA (XXIA)	-14.8%
SEMTECH (SMTC)	-14.4%
TITAN INTL.ILLINOIS (TWI)	-13.2%
PROASSURANCE (PRA)	-13.1%
CLOUD PEAK ENERGY (CLD)	-11.0%
M/I HOMES (MHO)	-10.2%
MCDERMOTT INTL. (MDR)	-9.2%
CORPORATE OFFICE PROPS. TST. (OFC)	-8.4%
MICREL (MCRL)	-7.3%
VISHAY INTERTECHNOLOGY (VSH)	-7.2%

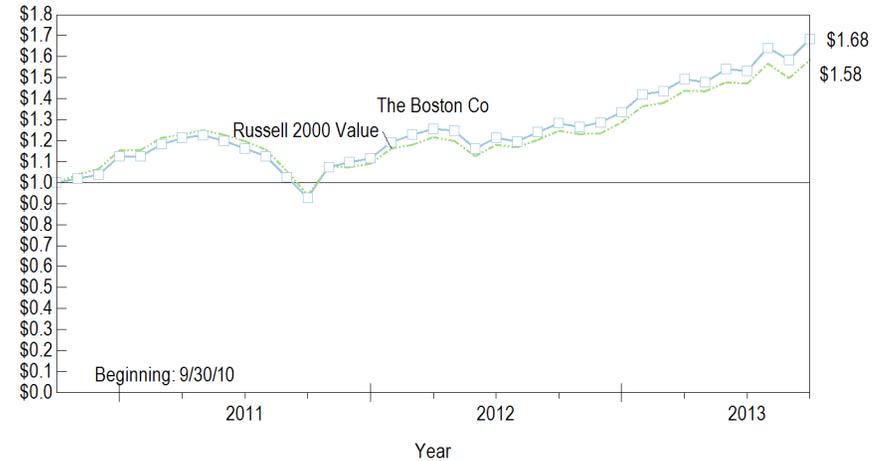
## The Boston Co Performance Attribution vs. Russell 2000 Value

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.2%	-0.2%	0.0%	0.0%	10.8%	14.6%	5.5%	6.2%			
Materials	-0.1%	0.0%	0.0%	0.0%	11.0%	11.7%	4.3%	5.0%			
Industrials	-0.4%	-0.4%	0.0%	0.0%	9.9%	12.9%	11.5%	12.4%			
Cons. Disc.	0.8%	0.4%	0.1%	0.3%	12.9%	9.7%	22.5%	13.1%			
Cons. Staples	-0.1%	-0.1%	0.1%	-0.1%	10.0%	14.7%	4.1%	2.8%			
Health Care	-0.1%	-0.2%	0.2%	-0.2%	10.0%	13.7%	9.8%	4.5%			
Financials	0.9%	0.7%	0.4%	-0.3%	8.0%	6.1%	24.4%	37.6%			
Info. Tech	-0.1%	-0.1%	0.0%	0.0%	9.2%	10.1%	13.3%	11.9%			
Telecomm.	0.0%	--	0.0%	--	--	14.9%	0.0%	0.5%			
Utilities	0.1%	-0.1%	0.2%	0.0%	-0.1%	1.5%	3.9%	6.0%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	0.7%	0.0%			
<b>Portfolio</b>	<b>0.6%</b>	<b>=</b>	<b>0.0%</b>	<b>+</b>	<b>0.8%</b>	<b>+</b>	<b>-0.1%</b>	<b>9.7%</b>	<b>9.0%</b>	<b>100.0%</b>	<b>100.0%</b>

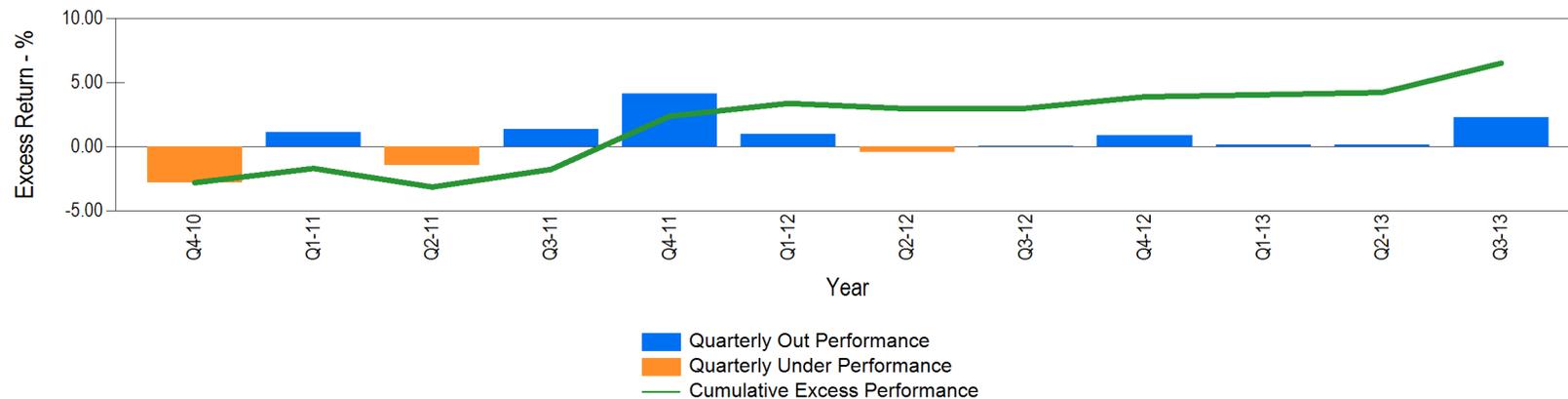
U.S. Effective Style Map



GROWTH OF A DOLLAR

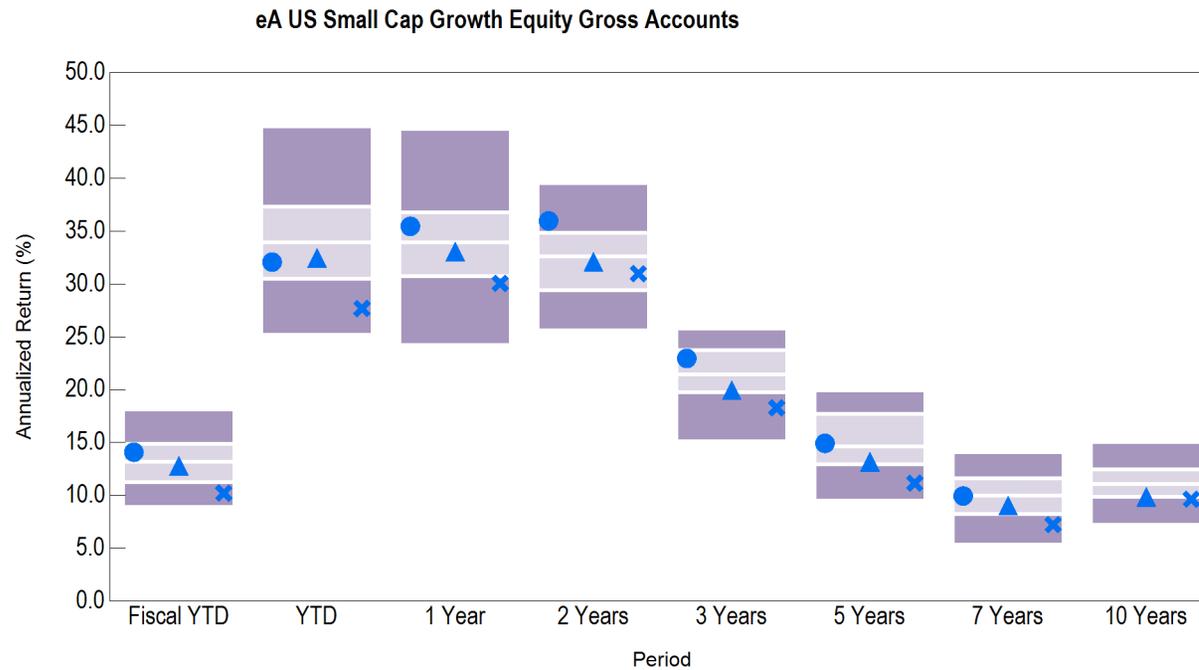


Quarterly and Cumulative Excess Performance



Total Returns - Small Cap Growth Equity

Periods Ending September 30, 2013



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	18.1	44.9	44.6	39.5	25.8	19.9	14.0	15.0
<b>25th Percentile</b>	14.9	37.3	36.8	34.9	23.8	17.7	11.7	12.5
<b>Median</b>	13.2	34.0	34.0	32.6	21.5	14.7	10.0	11.1
<b>75th Percentile</b>	11.3	30.5	30.8	29.4	19.8	12.9	8.3	9.9
<b>95th Percentile</b>	9.0	25.2	24.2	25.6	15.2	9.5	5.4	7.2
<b># of Portfolios</b>	151	151	151	151	148	139	126	107
<b>● Chartwell</b>	14.1 (37)	32.1 (64)	35.5 (37)	36.0 (18)	23.0 (36)	14.9 (48)	9.9 (52)	-- (--)
<b>▲ Russell 2000 Growth</b>	12.8 (57)	32.5 (61)	33.1 (59)	32.1 (56)	20.0 (72)	13.2 (74)	9.0 (66)	9.9 (77)
<b>× Russell 2000</b>	10.2 (89)	27.7 (90)	30.1 (83)	31.0 (67)	18.3 (87)	11.2 (89)	7.2 (87)	9.6 (79)

## Equity Only Summary Statistics - Chartwell

Quarter Ending September 30, 2013

## Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	93	1,117
Weighted Avg. Market Cap. (\$B)	2.3	1.8
Median Market Cap. (\$B)	1.8	0.8
Price To Earnings	29.2	27.4
Price To Book	4.0	5.0
Price To Sales	2.4	2.6
Return on Equity (%)	15.1	15.4
Yield (%)	0.5	0.4
Beta (holdings; domestic)	1.6	1.4

## Top Holdings

RADIAN GP.	2.7%
WNS HDG.ADR 1:1	2.6%
GROUP 1 AUTOMOTIVE	2.5%
SYNOVUS FINL.	2.5%
HFF CLASS A	2.2%
CARDTRONICS	2.1%
HEARTLAND PAYMENT SYS.	2.1%
OLD DOMINION FGT. LINES	2.0%
SIX FLAGS ENTM.	2.0%
HEXCEL	1.9%

## Best Performers

	Return %
NPS PHARMACEUTICALS (NPSP)	110.5%
INCYTE (INCY)	73.4%
AKORN (AKRX)	45.6%
MEDASSETS (MDAS)	43.3%
HFF CLASS A (HF)	41.0%
VIOPHARMA (VPHM)	37.0%
ARRAY BIOPHARMA (ARRY)	37.0%
GULFPORT EN. (GPOR)	36.6%
KODIAK OIL & GAS (KOG)	35.7%
FLEETCOR TECHNOLOGIES (FLT)	35.5%

## Worst Performers

	Return %
FRANCESCA'S HOLDINGS (FRAN)	-33.0%
VIVUS (VVUS)	-26.1%
HEARTWARE INTERNATIONAL (HTWR)	-23.0%
BJ'S RESTAURANTS (BJRI)	-22.7%
MATTRESS FIRM HOLDING (MFRM)	-21.1%
STAGE STORES (SSI)	-17.8%
ULTRATECH (UTEK)	-17.5%
PIER 1 IMPORTS (PIR)	-16.7%
SEMTECH (SMTC)	-14.4%
DEL FRISCO'S RESTAURANT GP. (DFRG)	-5.9%

## Chartwell Performance Attribution vs. Russell 2000 Growth

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.5%	0.5%	0.0%	0.0%	27.6%	17.5%	5.0%	5.0%			
Materials	0.2%	--	0.2%	--	--	9.5%	0.0%	4.5%			
Industrials	-0.2%	-0.2%	0.0%	0.0%	11.4%	12.6%	14.5%	17.9%			
Cons. Disc.	-1.2%	-0.5%	-0.5%	-0.2%	4.4%	7.3%	24.0%	16.2%			
Cons. Staples	0.1%	--	0.1%	--	--	11.7%	0.0%	4.9%			
Health Care	-0.2%	0.1%	-0.2%	0.0%	18.9%	18.3%	16.4%	21.2%			
Financials	1.0%	0.8%	-0.3%	0.5%	18.1%	7.3%	11.9%	7.7%			
Info. Tech	-0.2%	-0.3%	0.1%	-0.1%	14.9%	16.2%	26.7%	21.5%			
Telecomm.	0.0%	--	0.0%	--	--	12.3%	0.0%	0.8%			
Utilities	0.0%	--	0.0%	--	--	5.8%	0.0%	0.3%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	1.5%	0.0%			
<b>Portfolio</b>	<b>0.0%</b>	<b>=</b>	<b>0.5%</b>	<b>+</b>	<b>-0.7%</b>	<b>+</b>	<b>0.2%</b>	<b>13.3%</b>	<b>13.4%</b>	<b>100.0%</b>	<b>100.0%</b>

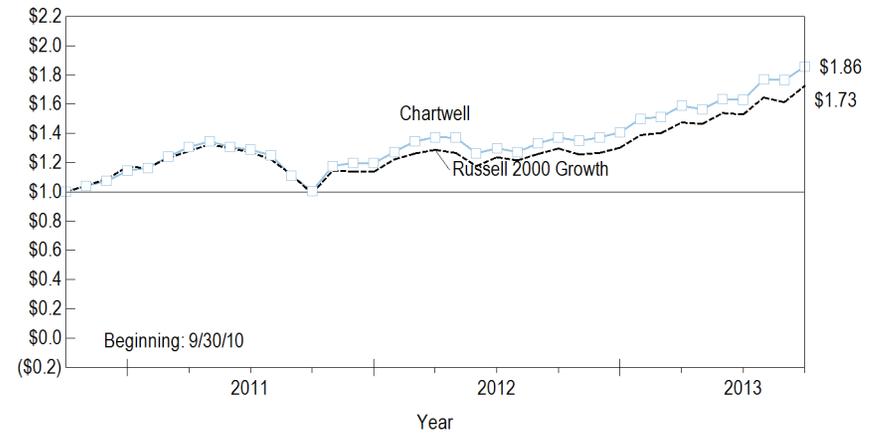
Return Based Style Analysis - Chartwell

3 Years Ending September 30, 2013

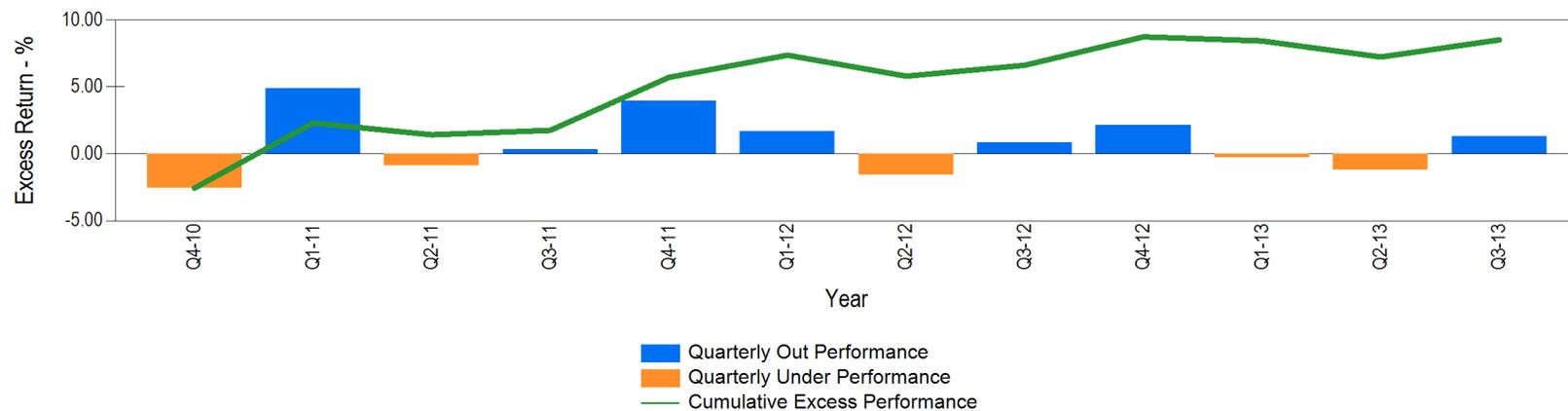
U.S. Effective Style Map



GROWTH OF A DOLLAR

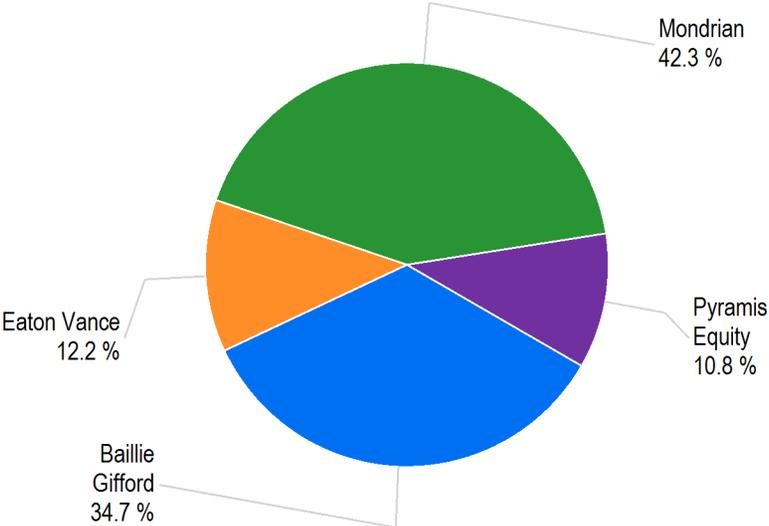


Quarterly and Cumulative Excess Performance



San Mateo County Employees' Retirement Association  
 Manager Allocation Analysis - International Equity

As of September 30, 2013



	Actual \$	Actual %	Manager Contribution to Excess Return %
Artio	\$97,356	0.0%	0.0%
Baillie Gifford	\$192,158,610	34.7%	-0.3%
Eaton Vance	\$67,475,307	12.2%	-0.0%
Mondrian	\$234,502,291	42.3%	-1.8%
Pyramis Equity	\$59,947,787	10.8%	-0.3%
Actual vs. Policy Weight Difference			0.7%
<b>Total</b>	<b>\$554,181,349</b>	<b>100.0%</b>	<b>-1.7%</b>

**Statistics Summary****3 Years**

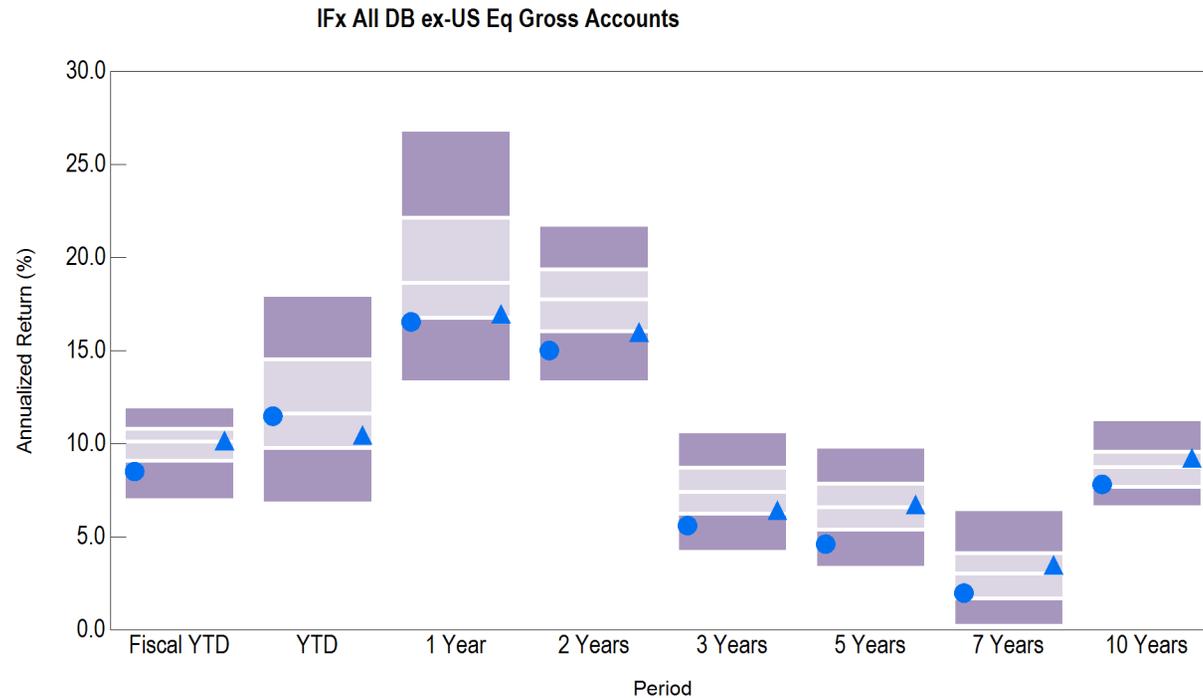
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	5.6%	15.7%	0.4	-0.3	2.5%
MSCI ACWI ex US	6.4%	17.2%	0.4	--	0.0%
Mondrian	6.7%	15.0%	0.4	0.1	4.8%
MSCI ACWI ex USA Value Gross	6.4%	17.7%	0.4	--	0.0%

**Statistics Summary****5 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	4.6%	20.3%	0.2	-0.6	3.7%
MSCI ACWI ex US	6.7%	22.6%	0.3	--	0.0%
Mondrian	5.9%	19.5%	0.3	-0.1	6.2%
MSCI ACWI ex USA Value Gross	6.8%	23.8%	0.3	--	0.0%

Total Returns - International Equity

Periods Ending September 30, 2013



	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>Return (Rank)</b>								
5th Percentile	12.0	18.0	26.8	21.8	10.6	9.8	6.5	11.3
25th Percentile	10.8	14.6	22.2	19.4	8.7	7.9	4.2	9.6
Median	10.1	11.6	18.7	17.8	7.4	6.6	3.0	8.8
75th Percentile	9.1	9.8	16.8	16.1	6.3	5.4	1.7	7.7
95th Percentile	7.0	6.8	13.3	13.3	4.2	3.4	0.3	6.6
# of Portfolios	401	395	393	382	328	270	235	143
● International Equity	8.5 (84)	11.5 (53)	16.6 (79)	15.0 (86)	5.6 (88)	4.6 (84)	2.0 (71)	7.8 (70)
▲ MSCI ACWI ex US	10.2 (50)	10.5 (66)	17.0 (72)	16.0 (76)	6.4 (71)	6.7 (47)	3.5 (38)	9.2 (36)

San Mateo County Employees' Retirement Association  
Equity Only Summary Statistics - International Equity

Quarter Ending September 30, 2013

**Characteristics**

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	1,511	1,822
Weighted Avg. Market Cap. (\$B)	42.2	52.7
Median Market Cap. (\$B)	3.3	6.5
Price To Earnings	20.4	18.0
Price To Book	3.3	2.3
Price To Sales	2.2	1.8
Return on Equity (%)	17.8	14.6
Yield (%)	3.0	3.0
Beta (holdings; global)	0.9	1.0

**Top Holdings**

UNILEVER (UK)	1.9%
TOTAL	1.8%
BG GROUP	1.6%
ROCHE HOLDING	1.5%
KAO	1.4%
UNITED OVERSEAS BANK	1.3%
IBERDROLA	1.2%
AHOLD KON.	1.2%
NOVARTIS 'R'	1.2%
TELEFONICA	1.1%

**Best Performers**

	Return %
PETROMINERALES (C:PMG)	103.6%
NEW WORLD RESOURCES (UKIR:NWR)	94.0%
GRUPO FINANCIERO GALICIA CL.B SHS.SPN.ADR 1:10 (GGAL)	85.4%
SIBANYE GOLD (R:SGLJ)	80.2%
CTRIP.COM INTL.ADR 4:1 (CTRP)	78.9%
INDEPENDENCE GROUP (A:IGOX)	78.5%
WING HANG BANK (K:WHBK)	69.9%
BANCO MACRO 'B' SPN.ADR 1:10 (BMA)	67.2%
ORASCOM TELC.& MDA.COS. (EG:OTM)	66.2%
NAVER (KO:NHN)	66.2%

**Worst Performers**

	Return %
OGX PETROLEO ON (BR:CCO)	-73.6%
SURYA SEMESTA INTERNUSA (ID:RYA)	-52.5%
THE ARAB POTASH (JO:ART)	-45.2%
HTC (TW:HIC)	-43.4%
CHAROEN POKPHAND INDO. (ID:POP)	-42.9%
BANK DANAMON INDONESIA (ID:BKD)	-41.8%
GUDANG GARAM (ID:GUD)	-39.7%
LIPPO KARAWACI (ID:POK)	-38.5%
CIPUTRA DEVELOPMENT (ID:CPD)	-37.1%
ICT.TUNGGAL PRAKARSA (ID:INC)	-36.9%

The Pyramid Select International Small Cap Plus holdings are one quarter lag.

## Equity Sector Attribution - International Equity

Quarter Ending September 30, 2013

## Int'l Equity w/o Pyramis Performance Attribution vs. MSCI ACWI ex USA Gross

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	0.0%	0.0%	0.1%	11.8%	10.4%	9.1%	9.4%			
Materials	-0.3%	-0.1%	-0.1%	-0.1%	10.9%	12.4%	4.3%	8.6%			
Industrials	0.2%	0.0%	0.1%	0.1%	13.1%	13.0%	13.4%	10.8%			
Cons. Disc.	0.1%	0.0%	0.0%	0.1%	12.6%	12.3%	11.9%	10.5%			
Cons. Staples	0.0%	0.0%	-0.2%	0.1%	5.6%	5.4%	14.4%	10.7%			
Health Care	-0.3%	-0.1%	-0.2%	0.0%	3.9%	6.0%	12.5%	8.0%			
Financials	-0.6%	-0.3%	-0.1%	-0.2%	9.3%	10.4%	14.9%	26.4%			
Info. Tech	-0.1%	0.0%	0.0%	-0.1%	8.9%	9.5%	5.9%	6.5%			
Telecomm.	0.4%	0.2%	0.0%	0.1%	17.7%	12.9%	6.9%	5.6%			
Utilities	0.0%	0.0%	0.0%	0.1%	8.0%	7.5%	3.8%	3.5%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	2.9%	0.0%			
<b>Portfolio</b>	<b>-0.6%</b>	<b>=</b>	<b>-0.3%</b>	<b>+</b>	<b>-0.7%</b>	<b>+</b>	<b>0.4%</b>	<b>9.5%</b>	<b>10.1%</b>	<b>100.0%</b>	<b>100.0%</b>

**Int'l Equity w/o Pyramis Performance Attribution  
Versus MSCI ACWI ex USA**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	24.0%	19.2%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Belgium	5.4%	13.6%	0.3%	0.8%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Czech Republic*	11.7%	13.3%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Denmark	15.0%	13.7%	1.5%	0.8%	0.0%	0.0%	0.0%	0.0%	0.1%
Finland	15.0%	26.6%	0.7%	0.5%	-0.1%	0.0%	0.0%	0.0%	-0.1%
France	18.8%	15.6%	7.7%	6.7%	0.2%	0.0%	0.1%	0.0%	0.3%
Germany	17.2%	12.5%	4.0%	6.1%	0.3%	0.0%	-0.1%	-0.1%	0.1%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Hungary*	1.5%	-4.9%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Ireland	4.9%	17.0%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Italy	18.0%	20.0%	1.5%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	14.7%	15.0%	3.2%	1.8%	0.0%	0.0%	0.1%	0.0%	0.1%
Norway	4.8%	9.2%	0.2%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	20.3%	17.8%	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	--	11.1%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Russia*	10.7%	13.5%	0.7%	1.3%	0.0%	0.0%	0.0%	0.0%	-0.1%
Spain	18.8%	25.6%	3.3%	2.0%	-0.1%	0.2%	0.1%	-0.1%	0.0%
Sweden	16.0%	15.2%	2.9%	2.2%	0.0%	0.0%	0.0%	0.0%	0.1%
Switzerland	8.1%	9.5%	6.9%	6.5%	-0.1%	0.0%	0.0%	0.0%	-0.1%
United Kingdom	12.4%	12.0%	18.9%	15.3%	0.1%	-0.1%	0.3%	0.0%	0.3%

**Int'l Equity w/o Pyramis Performance Attribution  
Versus MSCI ACWI ex USA**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>AsiaPacific</b>									
Australia	7.6%	12.0%	4.9%	5.7%	-0.2%	0.0%	0.0%	0.0%	-0.3%
China*	10.3%	12.2%	2.4%	4.0%	-0.1%	-0.1%	0.0%	0.0%	-0.1%
Hong Kong	8.3%	8.9%	1.3%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	-9.1%	-4.9%	0.7%	1.5%	-0.1%	0.1%	0.1%	0.1%	0.1%
Indonesia*	-22.5%	-23.7%	0.6%	0.7%	0.0%	0.0%	0.0%	0.0%	0.1%
Japan	4.1%	6.6%	15.9%	16.0%	-0.4%	0.0%	0.0%	0.0%	-0.4%
Korea*	14.0%	15.1%	1.4%	3.2%	0.0%	0.0%	-0.1%	0.0%	-0.2%
Malaysia*	-2.6%	-3.0%	0.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	3.2%	17.6%	0.5%	0.1%	0.0%	0.0%	0.0%	-0.1%	0.0%
Philippines*	-7.0%	-4.3%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	3.0%	4.6%	3.0%	1.2%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Taiwan*	5.3%	3.7%	1.9%	2.6%	0.1%	0.0%	0.0%	0.0%	0.1%
Thailand*	0.3%	-5.1%	0.4%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Americas</b>									
Brazil*	6.5%	8.5%	1.1%	2.5%	-0.1%	0.0%	0.0%	0.0%	0.0%
Canada	11.0%	9.0%	1.3%	7.3%	0.2%	0.0%	-0.2%	-0.1%	-0.1%
Chile*	-5.1%	-5.5%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	9.9%	9.4%	0.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	0.9%	-1.7%	0.9%	1.2%	0.0%	0.0%	0.0%	0.0%	0.1%
Peru*	-3.6%	-3.7%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	13.7%	5.6%	1.2%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%

**Int'l Equity w/o Pyramis Performance Attribution  
Versus MSCI ACWI ex USA**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Other</b>									
Egypt*	18.0%	16.9%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Israel	-1.3%	2.0%	1.4%	0.4%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Morocco*	0.9%	1.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	4.4%	9.0%	1.2%	1.6%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Turkey*	-6.9%	-6.7%	0.9%	0.4%	0.0%	0.0%	0.0%	0.0%	-0.1%
Other Countries*	-2.6%	10.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Totals</b>									
Americas	7.5%	7.2%	5.3%	11.7%	0.1%	0.1%	-0.1%	-0.1%	0.0%
Europe	14.1%	13.6%	52.8%	47.0%	0.1%	0.1%	0.4%	0.0%	0.6%
Asia/Pacific	4.6%	7.1%	33.9%	38.8%	-1.0%	0.0%	-0.1%	0.1%	-0.8%
Other	2.0%	5.3%	5.1%	2.4%	-0.1%	0.0%	0.0%	-0.1%	-0.2%
Cash	0.0%	--	2.9%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
<b>Total</b>	<b>9.5%</b>	<b>10.1%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.8%</b>	<b>0.0%</b>	<b>0.2%</b>	<b>0.0%</b>	<b>-0.6%</b>
<b>Totals</b>									
Developed	10.9%	11.3%	82.0%	78.0%	-0.4%	0.0%	0.3%	0.0%	-0.2%
Emerging*	4.0%	6.0%	15.0%	22.0%	-0.4%	0.1%	-0.1%	0.1%	-0.2%
Other	-2.6%	--	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	2.9%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%

Total Returns - Developed Markets

Periods Ending September 30, 2013

IFx All DB Dev Mkt ex-US Eq Gross Accounts



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	12.6	19.2	27.8	24.3	12.1	10.7	5.5	10.6
25th Percentile	10.9	16.1	24.0	20.1	9.5	7.8	3.9	9.1
Median	10.3	14.5	21.2	18.0	8.0	6.1	2.7	8.1
75th Percentile	9.2	12.2	18.9	16.4	6.3	4.9	1.3	7.4
95th Percentile	7.1	8.3	13.7	10.4	2.8	3.4	-0.3	6.0
# of Portfolios	141	140	138	127	115	109	79	55
● Developed Markets	8.9 (83)	13.3 (64)	18.3 (81)	16.0 (79)	6.2 (77)	5.0 (75)	2.2 (59)	8.0 (59)
▲ MSCI ACWI ex USA Gross	10.2 (54)	10.5 (84)	17.0 (88)	16.0 (79)	6.4 (75)	6.7 (43)	3.5 (34)	9.2 (22)

San Mateo County Employees' Retirement Association  
Equity Only Summary Statistics - Developed Markets

Quarter Ending September 30, 2013

**Characteristics**

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	205	1,822
Weighted Avg. Market Cap. (\$B)	45.5	52.7
Median Market Cap. (\$B)	13.3	6.5
Price To Earnings	20.9	18.0
Price To Book	3.4	2.3
Price To Sales	2.1	1.8
Return on Equity (%)	17.7	14.6
Yield (%)	3.0	3.0
Beta (holdings; global)	0.9	1.0

**Top Holdings**

UNILEVER (UK)	2.2%
TOTAL	2.0%
BG GROUP	1.9%
ROCHE HOLDING	1.7%
KAO	1.6%
UNITED OVERSEAS BANK	1.5%
IBERDROLA	1.4%
AHOLD KON.	1.4%
NOVARTIS 'R'	1.3%
TELEFONICA	1.3%

**Best Performers**

	Return %
PETROMINERALES (C:PMG)	103.6%
INDEPENDENCE GROUP (A:IGOX)	78.5%
WING HANG BANK (K:WHBK)	69.9%
ZUMTOBEL (O:ZUS)	62.1%
HAULOTTE GROUP (F:PIN)	52.6%
WIENERBERGER (O:WNBA)	52.4%
BANKERS PTL. (C:BNK)	52.2%
BRAMMER (UKIR:BRAM)	50.7%
MEDUSA MINING (A:MMLX)	47.4%
SOCIETE GENERALE (F:SGE)	45.3%

**Worst Performers**

	Return %
CIPUTRA DEVELOPMENT (ID:CPD)	-37.1%
SEMEN GRESIK (ID:GSK)	-34.8%
AP (THAILAND) FB (Q:PCMF)	-34.3%
THROMBOGENICS (B:THRS)	-32.2%
KALBE FARMA (ID:KAL)	-29.8%
BANK MANDIRI (ID:BKM)	-24.3%
MITRA ADIPERKASA (ID:MIA)	-23.6%
TREASURY WINE ESTATES (A:TWEX)	-21.3%
MULTIPLUS ON NM (BR:MTP)	-20.3%
CEBU AIR (PH:CEA)	-19.5%

The Pyramid Select International Small Cap Plus holdings are one quarter lag.

## Equity Sector Attribution - Developed Markets

Quarter Ending September 30, 2013

## Developed Markets w/o Pyramis Performance Attribution vs. MSCI ACWI ex USA Gross

	Attribution Effects				Returns		Sector Weights		
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark	
Energy	0.2%	0.0%	0.0%	0.2%	12.4%	10.4%	9.6%	9.4%	
Materials	-0.3%	-0.2%	-0.1%	0.0%	12.1%	12.4%	2.4%	8.6%	
Industrials	0.3%	0.0%	0.1%	0.2%	13.9%	13.0%	13.3%	10.8%	
Cons. Disc.	0.2%	0.0%	0.0%	0.2%	13.6%	12.3%	11.7%	10.5%	
Cons. Staples	0.0%	0.1%	-0.3%	0.3%	6.2%	5.4%	16.0%	10.7%	
Health Care	-0.4%	-0.1%	-0.4%	0.1%	3.9%	6.0%	15.0%	8.0%	
Financials	-0.4%	-0.1%	-0.1%	-0.2%	10.6%	10.4%	12.6%	26.4%	
Info. Tech	-0.2%	-0.2%	0.0%	-0.1%	5.5%	9.5%	5.1%	6.5%	
Telecomm.	0.6%	0.3%	0.0%	0.3%	20.4%	12.9%	7.1%	5.6%	
Utilities	0.1%	0.0%	0.0%	0.1%	9.4%	7.5%	3.9%	3.5%	
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	3.4%	0.0%	
<b>Portfolio</b>	<b>-0.2%</b>	<b>=</b>	<b>-0.2%</b>	<b>+</b>	<b>-1.0%</b>	<b>+</b>	<b>1.0%</b>	<b>9.9%</b>	<b>10.1%</b>
					<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

**Developed Markets w/o Pyramis Performance Attribution  
Versus MSCI ACWI ex USA**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	--	19.2%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Belgium	7.7%	13.6%	0.3%	0.8%	0.0%	0.0%	0.0%	0.0%	-0.1%
Czech Republic*	--	13.3%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	14.5%	13.7%	1.9%	0.8%	0.0%	0.0%	0.1%	0.0%	0.1%
Finland	12.5%	26.6%	0.7%	0.5%	-0.1%	0.0%	0.0%	0.0%	-0.1%
France	19.0%	15.6%	9.4%	6.7%	0.2%	0.1%	0.1%	0.1%	0.6%
Germany	16.6%	12.5%	4.4%	6.1%	0.2%	0.0%	-0.1%	-0.1%	0.1%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Hungary*	--	-4.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Ireland	--	17.0%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Italy	19.1%	20.0%	1.7%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	14.4%	15.0%	3.8%	1.8%	0.0%	0.1%	0.1%	0.0%	0.1%
Norway	--	9.2%	0.0%	0.6%	--	0.0%	0.0%	--	0.0%
Poland*	23.2%	17.8%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	--	11.1%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Russia*	--	13.5%	0.0%	1.3%	--	-0.1%	0.0%	--	-0.1%
Spain	18.8%	25.6%	4.3%	2.0%	-0.1%	0.3%	0.1%	-0.1%	0.1%
Sweden	16.0%	15.2%	3.5%	2.2%	0.0%	0.0%	0.1%	0.0%	0.1%
Switzerland	7.9%	9.5%	8.5%	6.5%	-0.1%	0.0%	0.1%	0.0%	-0.1%
United Kingdom	12.2%	12.0%	22.0%	15.3%	0.0%	-0.1%	0.5%	0.0%	0.4%

**Developed Markets w/o Pyramis Performance Attribution  
Versus MSCI ACWI ex USA**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>AsiaPacific</b>									
Australia	6.8%	12.0%	5.7%	5.7%	-0.3%	0.0%	0.0%	0.0%	-0.3%
China*	6.2%	12.2%	1.2%	4.0%	-0.2%	-0.1%	0.0%	0.2%	-0.2%
Hong Kong	6.9%	8.9%	1.3%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	-18.6%	-4.9%	0.3%	1.5%	-0.3%	0.1%	0.1%	0.2%	0.1%
Indonesia*	-27.7%	-23.7%	0.0%	0.7%	0.0%	0.1%	0.1%	0.0%	0.2%
Japan	3.6%	6.6%	17.4%	16.0%	-0.5%	0.0%	0.0%	0.0%	-0.5%
Korea*	9.4%	15.1%	0.4%	3.2%	0.0%	0.0%	-0.2%	0.0%	-0.2%
Malaysia*	--	-3.0%	0.0%	0.9%	--	0.1%	0.0%	--	0.1%
New Zealand	3.2%	17.6%	0.6%	0.1%	0.0%	0.0%	0.0%	-0.1%	0.0%
Philippines*	--	-4.3%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Singapore	2.7%	4.6%	3.8%	1.2%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Taiwan*	4.4%	3.7%	1.0%	2.6%	0.1%	0.1%	0.0%	0.0%	0.1%
Thailand*	--	-5.1%	0.0%	0.6%	--	0.1%	0.0%	--	0.1%
<b>Americas</b>									
Brazil*	10.7%	8.5%	0.2%	2.5%	0.0%	-0.1%	0.0%	0.0%	0.0%
Canada	6.2%	9.0%	0.5%	7.3%	-0.2%	0.1%	-0.2%	0.2%	-0.1%
Chile*	--	-5.5%	0.0%	0.4%	--	0.1%	0.0%	--	0.1%
Colombia*	--	9.4%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Mexico*	--	-1.7%	0.0%	1.2%	--	0.1%	0.0%	--	0.1%
Peru*	--	-3.7%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
United States	12.7%	5.6%	1.3%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%

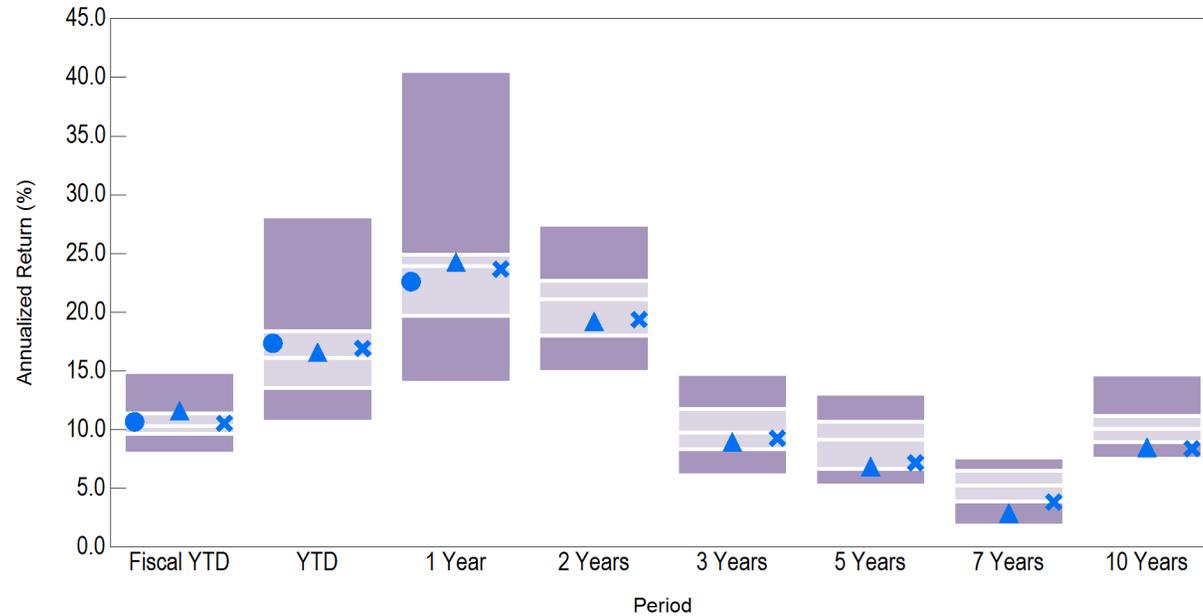
**Developed Markets w/o Pyramis Performance Attribution  
Versus MSCI ACWI ex USA**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Other</b>									
Egypt*	--	16.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Israel	-2.8%	2.0%	1.6%	0.4%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Morocco*	--	1.2%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
South Africa*	-2.7%	9.0%	0.4%	1.6%	-0.2%	0.0%	0.0%	0.1%	-0.1%
Turkey*	-9.8%	-6.7%	0.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Other Countries*		0.0%		0.0%					
<b>Totals</b>									
Americas	10.9%	7.2%	2.0%	11.7%	0.5%	0.1%	-0.2%	-0.4%	0.1%
Europe	14.0%	13.6%	60.3%	47.0%	0.1%	0.2%	0.9%	0.0%	1.1%
Asia/Pacific	4.2%	7.1%	31.8%	38.8%	-1.3%	0.1%	0.0%	0.2%	-0.9%
Other	-4.2%	5.3%	2.5%	2.4%	-0.2%	0.0%	0.0%	0.0%	-0.2%
Cash	0.0%	--	3.4%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
<b>Total</b>	<b>9.9%</b>	<b>10.1%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.9%</b>	<b>0.1%</b>	<b>0.7%</b>	<b>-0.2%</b>	<b>-0.2%</b>
<b>Totals</b>									
Developed	10.6%	11.3%	92.5%	78.0%	-0.7%	0.1%	0.8%	-0.1%	0.0%
Emerging*	1.4%	6.0%	4.1%	22.0%	-0.8%	0.2%	-0.1%	0.7%	0.0%
Cash	0.0%	--	3.4%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%

Total Returns - EAFE Growth Equity

Periods Ending September 30, 2013

eA EAFE Growth Equity Gross Accounts



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	14.9	28.1	40.5	27.4	14.7	13.0	7.6	14.6
25th Percentile	11.4	18.4	24.9	22.7	11.8	10.7	6.5	11.2
Median	10.3	16.1	24.0	21.1	9.8	9.2	5.2	10.1
75th Percentile	9.7	13.6	19.7	18.0	8.4	6.7	3.9	8.9
95th Percentile	8.0	10.7	14.0	14.9	6.1	5.2	1.9	7.6
# of Portfolios	57	57	57	54	54	51	45	37
● Baillie Gifford	10.7 (34)	17.4 (36)	22.6 (56)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI EAFE Gross	11.6 (21)	16.6 (39)	24.3 (42)	19.2 (70)	9.0 (66)	6.9 (74)	2.9 (90)	8.5 (88)
✕ MSCI EAFE Growth Gross	10.5 (38)	16.9 (37)	23.7 (52)	19.4 (66)	9.2 (65)	7.2 (73)	3.8 (77)	8.4 (90)

## Equity Only Summary Statistics - Baillie Gifford

Quarter Ending September 30, 2013

## Characteristics

	Portfolio	MSCI EAFE Gross
Number of Holdings	81	909
Weighted Avg. Market Cap. (\$B)	33.7	59.5
Median Market Cap. (\$B)	10.3	8.5
Price To Earnings	23.6	18.2
Price To Book	4.0	2.2
Price To Sales	2.8	1.7
Return on Equity (%)	19.6	13.5
Yield (%)	2.1	3.0
Beta (holdings; global)	1.0	1.0

## Top Holdings

ROCHE HOLDING	3.8%
SVENSKA HANDBKN.'A'	2.5%
BG GROUP	2.5%
KINNEVIK 'B'	2.4%
NESTLE 'R'	2.4%
MS&AD INSURANCE GP.HDG.	2.4%
CARLSBERG 'B'	2.3%
ASOS	2.1%
ATLAS COPCO 'B'	2.0%
RIGHTMOVE	1.9%

## Best Performers

	Return %
KINNEVIK 'B' (W:KIVB)	36.0%
ASOS (UKIR:ASC)	35.7%
SEEK (A:SEKX)	35.2%
RAKUTEN (J:RAKT)	28.2%
EXOR ORD (I:EXOR)	27.1%
CORPORACION FINCA.ALBA (E:ALB)	25.5%
ATLAS COPCO 'B' (W:ACBF)	24.1%
RIGHTMOVE (UKIR:RMV)	21.4%
IMAGINATION TECHNOLOGIES (UKIR:IMG)	21.1%
TOTAL (F:TAL)	20.7%

## Worst Performers

	Return %
TREASURY WINE ESTATES (A:TWEX)	-21.3%
MAHINDRA & MAHINDRA GDR REG 'S' (UKIR:MHID)	-18.6%
TKI.GARANTI BKSJ. (TK:GAR)	-9.8%
KAO (J:KA@N)	-8.2%
PROTALIX BIOTH. (PLX)	-7.7%
JARDINE STRATEGIC HDG. (T:JSTG)	-6.5%
TAIWAN SEMICON.SP.N.ADR 1:5 (TSM)	-4.9%
CLICKS GROUP (R:CLSJ)	-2.7%
UNILEVER (UK) (UKIR:ULVR)	-1.3%
OLYMPUS (J:OLYC)	0.2%

## Baillie Gifford Performance Attribution vs. MSCI EAFE Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	0.1%	0.0%	0.0%	13.1%	10.7%	6.1%	7.0%			
Materials	-0.3%	-0.2%	-0.1%	0.0%	15.3%	14.8%	3.3%	8.0%			
Industrials	0.1%	-0.2%	0.1%	0.2%	12.9%	14.3%	17.2%	12.6%			
Cons. Disc.	0.4%	0.0%	0.1%	0.3%	13.0%	13.0%	18.2%	11.7%			
Cons. Staples	-0.3%	0.0%	-0.3%	0.0%	5.5%	6.8%	17.8%	11.8%			
Health Care	0.1%	0.3%	-0.2%	0.1%	7.1%	5.9%	14.1%	10.5%			
Financials	-0.4%	0.0%	-0.1%	-0.3%	12.6%	12.7%	16.8%	25.0%			
Info. Tech	0.0%	0.1%	0.0%	-0.1%	10.3%	10.0%	4.1%	4.4%			
Telecomm.	-0.5%	--	-0.3%	--	--	17.7%	0.0%	5.2%			
Utilities	-0.1%	--	0.1%	--	--	9.4%	0.0%	3.8%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	2.4%	0.0%			
<b>Portfolio</b>	<b>-1.2%</b>	<b>=</b>	<b>0.0%</b>	<b>+</b>	<b>-0.9%</b>	<b>+</b>	<b>-0.3%</b>	<b>10.4%</b>	<b>11.6%</b>	<b>100.0%</b>	<b>100.0%</b>

**Baillie Gifford Performance Attribution  
Versus MSCI EAFE Gross**

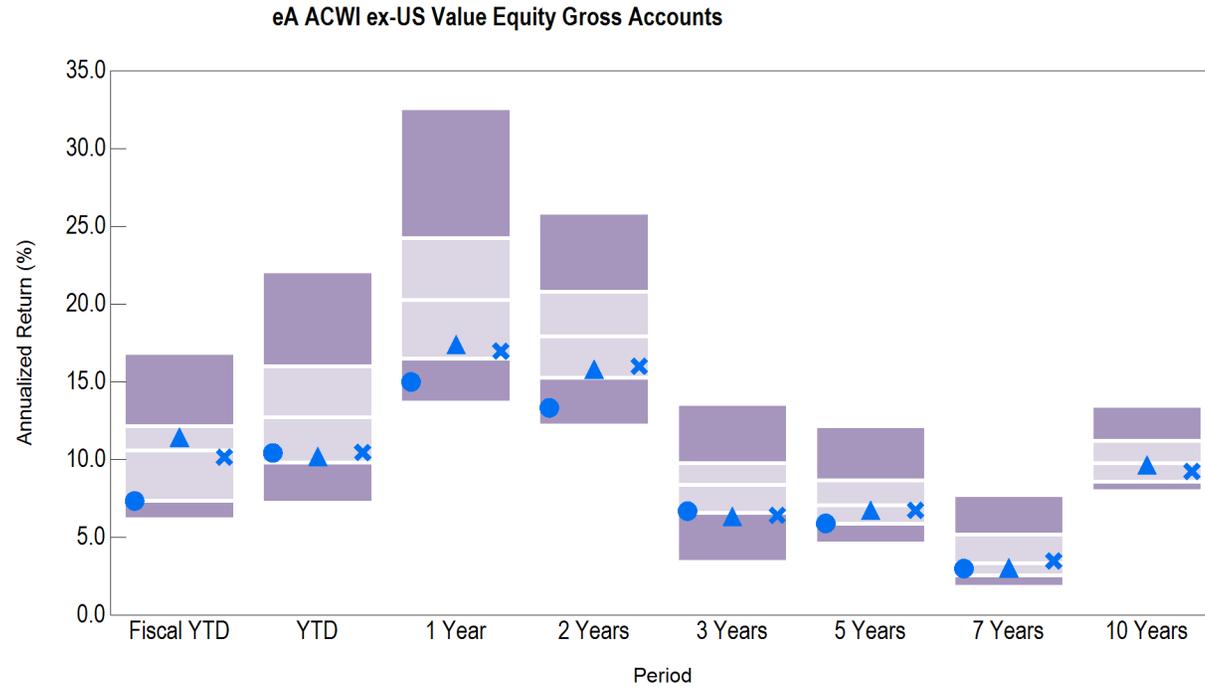
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	--	19.2%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Belgium	7.7%	13.6%	0.6%	1.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Czech Republic*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Denmark	14.5%	13.7%	4.4%	1.1%	0.0%	0.1%	0.1%	0.0%	0.2%
Finland	12.5%	26.6%	1.6%	0.8%	-0.1%	0.1%	0.0%	-0.1%	-0.1%
France	15.7%	15.6%	3.1%	9.5%	0.0%	-0.2%	-0.3%	0.0%	-0.5%
Germany	1.5%	12.5%	2.0%	8.7%	-0.9%	0.0%	-0.3%	0.7%	-0.6%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Hungary*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Ireland	--	17.0%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Italy	27.1%	20.0%	1.2%	1.9%	0.1%	-0.1%	0.0%	0.0%	0.0%
Netherlands	--	15.0%	0.0%	2.6%	--	-0.1%	-0.1%	--	-0.2%
Norway	--	9.2%	0.0%	0.8%	--	0.0%	0.0%	--	0.0%
Poland*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Portugal	--	11.1%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Russia*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Spain	20.4%	25.6%	2.5%	2.8%	-0.1%	0.0%	0.0%	0.0%	-0.2%
Sweden	16.0%	15.2%	7.9%	3.1%	0.0%	0.1%	0.3%	0.0%	0.4%
Switzerland	9.4%	9.5%	9.9%	9.2%	0.0%	0.0%	0.0%	0.0%	0.0%
United Kingdom	16.3%	12.0%	22.0%	21.7%	0.9%	0.0%	0.1%	0.0%	1.0%

**Baillie Gifford Performance Attribution  
Versus MSCI EAFE Gross**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>AsiaPacific</b>									
Australia	7.2%	12.0%	7.7%	8.0%	-0.4%	0.0%	0.0%	0.0%	-0.4%
China*	5.6%	12.2%	2.3%	0.0%	0.0%	0.1%	0.0%	-0.2%	0.0%
Hong Kong	6.9%	8.9%	2.9%	3.0%	-0.1%	0.0%	0.0%	0.0%	-0.1%
India*	-18.6%	-5.3%	0.8%	0.0%	0.0%	-0.1%	0.0%	-0.1%	-0.2%
Indonesia*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Japan	7.0%	6.6%	15.8%	22.6%	0.1%	0.1%	-0.1%	0.0%	0.1%
Korea*	9.4%	14.9%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Malaysia*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
New Zealand	3.2%	17.6%	1.4%	0.1%	0.0%	0.0%	0.1%	-0.2%	-0.1%
Philippines*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Singapore	-0.6%	4.6%	2.9%	1.7%	-0.1%	0.0%	0.0%	-0.1%	-0.2%
Taiwan*	5.6%	3.1%	2.1%	0.0%	0.0%	-0.1%	0.0%	0.1%	0.0%
Thailand*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
<b>Americas</b>									
Brazil*	10.5%	8.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Canada	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Chile*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Colombia*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Mexico*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Peru*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
United States	12.7%	5.6%	3.1%	0.0%	0.0%	-0.1%	0.0%	0.2%	0.2%

**Baillie Gifford Performance Attribution  
Versus MSCI EAFE Gross**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Other</b>									
Egypt*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Israel	--	2.0%	0.0%	0.5%	--	0.0%	0.0%	--	0.0%
Morocco*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
South Africa*	-2.7%	8.8%	0.9%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Turkey*	-9.8%	-6.7%	1.2%	0.0%	0.0%	-0.1%	-0.1%	0.0%	-0.2%
Other Countries*		0.0%		0.0%					
<b>Totals</b>									
Americas	12.5%	--	3.5%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%
Europe	14.5%	13.6%	55.1%	64.1%	0.3%	-0.1%	-0.3%	0.0%	0.0%
Asia/Pacific	5.6%	8.0%	37.0%	35.4%	-0.8%	0.0%	0.0%	0.0%	-0.9%
Other	-6.8%	2.0%	2.0%	0.5%	0.0%	-0.1%	-0.1%	0.0%	-0.3%
Cash	0.0%	--	2.4%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
<b>Total</b>	<b>10.4%</b>	<b>11.6%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-0.5%</b>	<b>-0.4%</b>	<b>-0.4%</b>	<b>0.0%</b>	<b>-1.2%</b>
<b>Totals</b>									
Developed	11.6%	11.6%	89.0%	100.0%	-0.1%	0.0%	-0.3%	0.0%	-0.4%
Emerging*	1.1%	--	8.6%	0.0%	0.0%	0.0%	-0.1%	-0.5%	-0.5%
Cash	0.0%	--	2.4%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	16.9	22.1	32.6	25.8	13.6	12.1	7.7	13.4
25th Percentile	12.2	16.0	24.2	20.8	9.8	8.7	5.2	11.2
Median	10.6	12.7	20.3	18.0	8.4	7.1	3.4	9.8
75th Percentile	7.4	9.8	16.5	15.3	6.6	5.9	2.6	8.6
95th Percentile	6.2	7.2	13.7	12.2	3.5	4.6	1.8	8.0
# of Portfolios	31	31	31	29	29	26	24	17
● Mondrian	7.3 (77)	10.4 (71)	15.0 (86)	13.3 (89)	6.7 (74)	5.9 (75)	3.0 (59)	-- (--)
▲ MSCI ACWI ex USA Value Gross	11.5 (31)	10.2 (73)	17.4 (68)	15.8 (71)	6.4 (76)	6.8 (60)	3.1 (58)	9.7 (54)
✕ MSCI ACWI ex USA Gross	10.2 (59)	10.5 (71)	17.0 (70)	16.0 (70)	6.4 (76)	6.7 (60)	3.5 (48)	9.2 (59)

## Equity Only Summary Statistics - Mondrian

Quarter Ending September 30, 2013

## Characteristics

	Portfolio	MSCI ACWI ex USA Value Gross
Number of Holdings	127	1,027
Weighted Avg. Market Cap. (\$B)	55.2	53.0
Median Market Cap. (\$B)	15.8	6.0
Price To Earnings	18.8	14.4
Price To Book	2.6	1.5
Price To Sales	1.5	1.3
Return on Equity (%)	16.3	11.6
Yield (%)	3.8	3.7
Beta (holdings: global)	0.8	1.1

## Top Holdings

UNILEVER (UK)	2.8%
IBERDROLA	2.6%
TOTAL	2.5%
AHOLD KON.	2.5%
NOVARTIS 'R'	2.5%
TELEFONICA	2.4%
CANON	2.3%
TESCO	2.3%
DEUTSCHE TELEKOM	2.3%
TAKEDA PHARMACEUTICAL	2.2%

## Best Performers

	Return %
SOCIETE GENERALE (F:SGE)	45.3%
ORANGE (F:ORA)	32.8%
BANCO SANTANDER (E:SCH)	31.9%
DAIMLER (D:DAI)	29.1%
CARREFOUR (F:CRFR)	25.1%
DEUTSCHE TELEKOM (D:DTE)	24.2%
VODAFONE GROUP (UKIR:VOD)	22.8%
SAINT GOBAIN (F:GOB)	22.6%
REED ELSEVIER (AMS) (H:ELS)	22.1%
TELEFONICA (E:TEF)	21.8%

## Worst Performers

	Return %
JARDINE MATHESON HDG. (T:JMST)	-8.6%
KAO (J:KA@N)	-8.2%
SHIN-ETSU CHEMICAL (J:UC@N)	-6.9%
ASTELLAS PHARMA (J:YP@N)	-4.9%
TAIWAN SEMICON.SPN.ADR 1:5 (TSM)	-4.9%
NINTENDO (J:NNDO)	-3.4%
TEVA PHARM.INDS.ADR 1:1 (TEVA)	-2.8%
CANON (J:CN@N)	-2.1%
SANOFI (F:SQ@F)	-1.9%
UNILEVER (UK) (UKIR:ULVR)	-1.3%

## Equity Sector Attribution - Mondrian

Quarter Ending September 30, 2013

## Mondrian Performance Attribution vs. MSCI ACWI ex USA Value Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.2%	0.0%	0.0%	0.2%	12.1%	10.2%	12.5%	13.2%			
Materials	-0.7%	-0.6%	-0.3%	0.2%	7.1%	15.0%	1.7%	9.5%			
Industrials	0.0%	-0.2%	0.1%	0.2%	15.1%	15.8%	10.4%	8.8%			
Cons. Disc.	0.2%	0.1%	0.0%	0.1%	14.9%	12.2%	6.8%	6.9%			
Cons. Staples	-0.2%	-0.1%	-0.5%	0.3%	6.9%	7.8%	14.8%	3.2%			
Health Care	-0.8%	0.0%	-1.0%	0.2%	1.6%	3.4%	15.8%	4.7%			
Financials	-1.0%	-1.0%	0.1%	-0.1%	7.9%	11.0%	9.5%	36.5%			
Info. Tech	-0.4%	-0.3%	0.0%	-0.1%	2.8%	10.3%	5.9%	3.8%			
Telecomm.	1.1%	0.4%	0.1%	0.6%	20.4%	13.8%	12.7%	7.9%			
Utilities	0.0%	-0.1%	0.0%	0.1%	9.4%	9.6%	7.0%	5.4%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	3.0%	0.0%			
<b>Portfolio</b>	<b>-1.8%</b>	<b>=</b>	<b>-1.9%</b>	<b>+</b>	<b>-1.7%</b>	<b>+</b>	<b>1.8%</b>	<b>9.6%</b>	<b>11.4%</b>	<b>100.0%</b>	<b>100.0%</b>

## Equity Performance Attribution - Mondrian

Quarter Ending September 30, 2013

**Mondrian Performance Attribution  
Versus MSCI ACWI ex USA Value Gross**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	--	21.3%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Belgium	--	11.9%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Czech Republic*	--	10.6%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	--	22.0%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Finland	--	32.4%	0.0%	0.7%	--	-0.1%	0.0%	--	-0.2%
France	19.6%	18.2%	14.5%	7.4%	0.1%	0.4%	0.3%	0.1%	0.9%
Germany	20.4%	16.0%	6.3%	7.2%	0.3%	0.0%	0.0%	0.0%	0.2%
Greece	--	33.6%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Hungary*	--	-6.0%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Ireland	--	18.1%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Italy	15.4%	19.3%	2.0%	1.8%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Netherlands	14.4%	20.9%	6.8%	1.4%	-0.1%	0.4%	0.2%	-0.3%	0.2%
Norway	--	8.4%	0.0%	1.1%	--	0.0%	0.0%	--	0.0%
Poland*	--	15.3%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Portugal	--	16.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Russia*	--	21.2%	0.0%	1.2%	--	-0.1%	0.0%	--	-0.2%
Spain	18.3%	26.2%	5.7%	3.3%	-0.3%	0.3%	0.1%	-0.2%	0.0%
Sweden	--	11.9%	0.0%	1.9%	--	0.0%	-0.1%	--	-0.1%
Switzerland	6.3%	7.0%	7.5%	2.6%	0.0%	-0.3%	0.2%	0.0%	-0.1%
United Kingdom	8.9%	12.3%	22.2%	16.7%	-0.5%	-0.2%	0.3%	-0.2%	-0.5%

**Mondrian Performance Attribution  
Versus MSCI ACWI ex USA Value Gross**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>AsiaPacific</b>									
Australia	6.3%	10.8%	4.2%	5.7%	-0.3%	0.0%	0.0%	0.1%	-0.2%
China*	9.1%	10.5%	0.4%	4.0%	-0.1%	-0.1%	0.0%	0.1%	-0.1%
Hong Kong	--	7.9%	0.0%	2.0%	--	0.0%	0.0%	--	0.0%
India*	--	-6.5%	0.0%	1.5%	--	0.1%	0.1%	--	0.2%
Indonesia*	--	-21.8%	0.0%	0.7%	--	0.1%	0.1%	--	0.2%
Japan	1.4%	6.5%	18.9%	15.9%	-0.8%	-0.1%	0.0%	-0.2%	-1.0%
Korea*	--	17.5%	0.0%	3.4%	--	-0.1%	-0.2%	--	-0.3%
Malaysia*	--	-1.7%	0.0%	0.9%	--	0.1%	0.0%	--	0.1%
New Zealand	--	18.3%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Philippines*	--	-5.2%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Singapore	4.4%	4.9%	4.5%	1.2%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Taiwan*	-4.9%	6.9%	0.2%	2.6%	-0.3%	0.1%	0.0%	0.2%	0.0%
Thailand*	--	-3.0%	0.0%	0.6%	--	0.1%	0.0%	--	0.1%
<b>Americas</b>									
Brazil*	--	12.0%	0.0%	2.4%	--	-0.1%	0.0%	--	-0.1%
Canada	6.2%	11.8%	0.9%	7.3%	-0.4%	0.0%	-0.2%	0.3%	-0.3%
Chile*	--	-1.4%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
Colombia*	--	11.1%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Mexico*	--	-0.9%	0.0%	1.2%	--	0.1%	0.0%	--	0.1%
Peru*	--	-8.4%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
United States	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%

## Equity Performance Attribution - Mondrian

Quarter Ending September 30, 2013

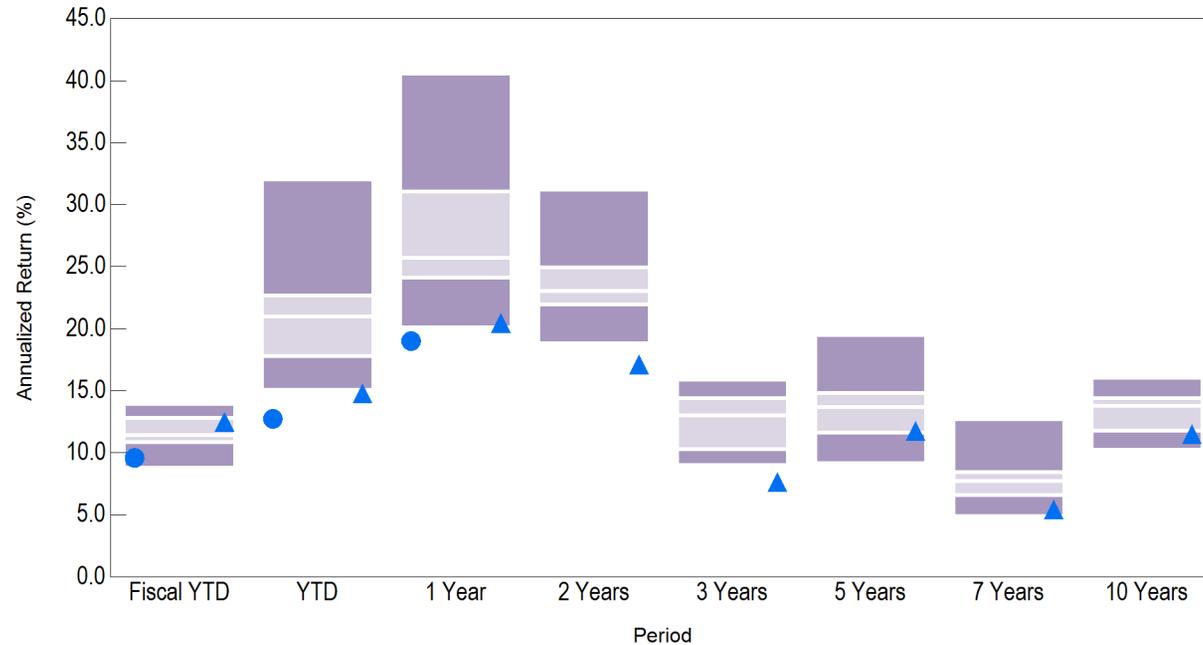
**Mondrian Performance Attribution  
Versus MSCI ACWI ex USA Value Gross**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Other</b>									
Egypt*	--	14.8%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Israel	-2.8%	3.3%	2.9%	0.4%	0.0%	-0.2%	0.0%	-0.1%	-0.3%
Morocco*	--	-0.6%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
South Africa*	--	8.9%	0.0%	1.6%	--	0.0%	0.0%	--	0.0%
Turkey*	--	-5.2%	0.0%	0.4%	--	0.0%	0.0%	--	0.1%
Other Countries*		0.0%		0.0%					
<b>Totals</b>									
Americas	6.2%	9.8%	0.9%	11.7%	-0.6%	0.0%	-0.2%	0.5%	-0.2%
Europe	13.7%	15.6%	65.1%	47.0%	-0.9%	0.3%	1.0%	-0.3%	0.1%
Asia/Pacific	2.6%	7.2%	28.2%	38.9%	-1.9%	0.2%	-0.1%	0.5%	-1.2%
Other	-2.8%	5.6%	2.9%	2.4%	-0.2%	0.0%	0.0%	0.0%	-0.3%
Cash	0.0%	--	3.0%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
<b>Total</b>	<b>9.6%</b>	<b>11.4%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>-3.5%</b>	<b>0.3%</b>	<b>0.8%</b>	<b>0.6%</b>	<b>-1.8%</b>
<b>Totals</b>									
Developed	10.0%	12.6%	96.5%	78.1%	-2.1%	0.1%	0.8%	-0.5%	-1.7%
Emerging*	4.0%	7.4%	0.6%	21.9%	-0.7%	0.2%	-0.1%	0.7%	0.2%
Cash	0.0%	--	3.0%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%

Total Returns - ACWI ex-US Small Cap Equity

Periods Ending September 30, 2013

eA ACWI ex-US Small Cap Equity Gross Accounts



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	13.9	32.0	40.6	31.2	15.9	19.5	12.7	16.1
25th Percentile	12.8	22.7	31.1	25.0	14.4	14.8	8.5	14.5
Median	11.5	21.0	25.7	23.1	13.0	13.7	7.8	13.8
75th Percentile	10.9	17.8	24.1	22.0	10.3	11.6	6.6	11.8
95th Percentile	8.8	15.1	20.2	18.8	9.1	9.2	4.9	10.3
# of Portfolios	25	25	25	23	22	20	17	11
● Pyramis Equity	9.6 (87)	12.7 (99)	19.0 (99)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI ACWI ex US Small Cap Gross	12.5 (38)	14.8 (97)	20.5 (94)	17.1 (98)	7.6 (99)	11.8 (74)	5.4 (93)	11.5 (79)

## Equity Only Summary Statistics – Pyramis Global Advisors

Quarter Ending September 30, 2013

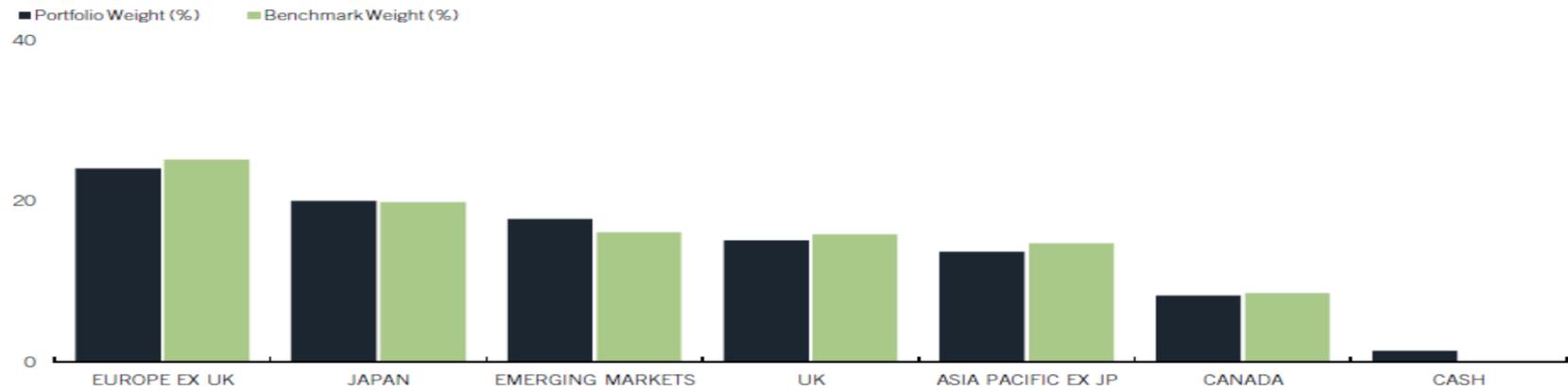
Characteristics	Portfolio	MSCI ACWI ex-US Small Cap
No. of Securities	223	4,143
Wgtd. Avg. Market Cap (000's)	2,564	1,962
Price to Book Ratio	1.7	1.5
Return on Equity	12.4%	10.0%

Ten Holdings		Best Performers		Worst Performers	
NIHON PARKERIZING CO LTD	1.4	PETROMINERALES LTD	102.9	CIPUTRADEVELOPMENT TBK PT (DEMAT)	-42.2
INFORMA PLC	1.2	INDEPENDENCE GROUP NL	78.5	KALBE FARMAPT (DEMAT)	-29.8
HIKMA PHARMACEUTICALS PLC	1.2	WING HANG BANK LTD	69.9	TREASURY WINE ESTATES LTD	-21.3
KINTETSU WORLD EXPRESS INC	1.0	ZUMTOBEL AG	62.0	MULTIPLUS SA	-21.3
AKER SOLUTIONS ASA	1.0	HAULOTTE GROUP	52.6	CEBU AIR INC	-20.4
NIPPON SHOKUBAI CO LTD	1.0	WIENERBERGER AG	52.4	INTERNET INITIATIVE JP INC	-19.3
CHIYODACORP	1.0	BANKERS PETROLEUM LTD	52.2	CHIYODACO LTD	-15.7
REGUS PLC	1.0	BRAMMER PLC	50.7	APOLLO HOSP ENTERPRISE LTD	-15.6
METHANEX CORP	1.0	MEDUSAMINING LTD	47.4	HITACHI TRANSPORT SYSTEM CO	-14.5
OBIC CO LTD	1.0	DAH SING FINANCIAL HOLDINGS	44.7	SECURITY BANK CORP	-14.3

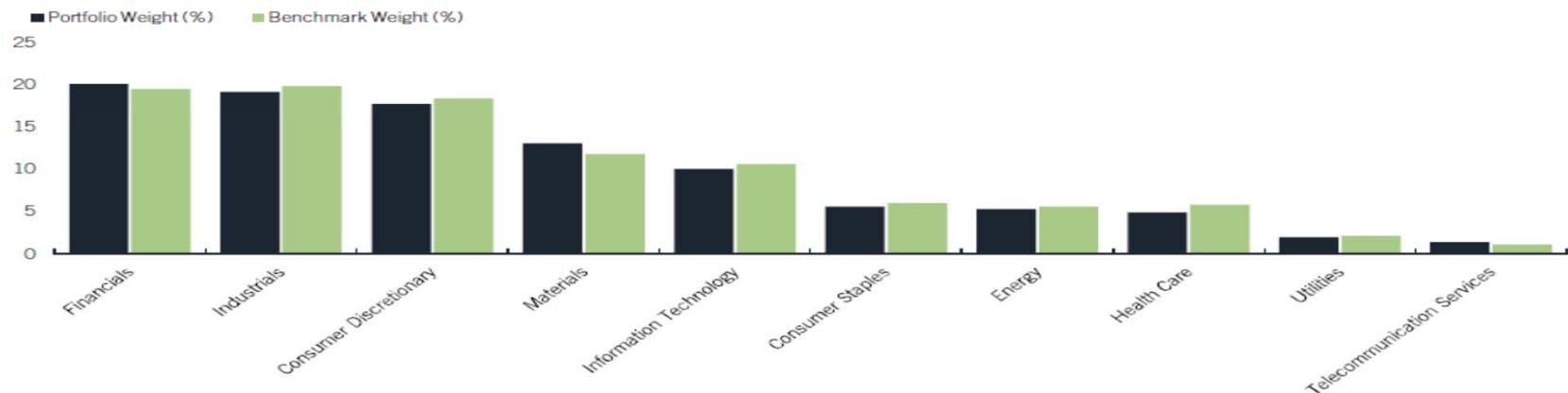
Regional and Sector Weights – Pyramis Global Advisors

Quarter Ending September 30, 2013

**Regional Weights**



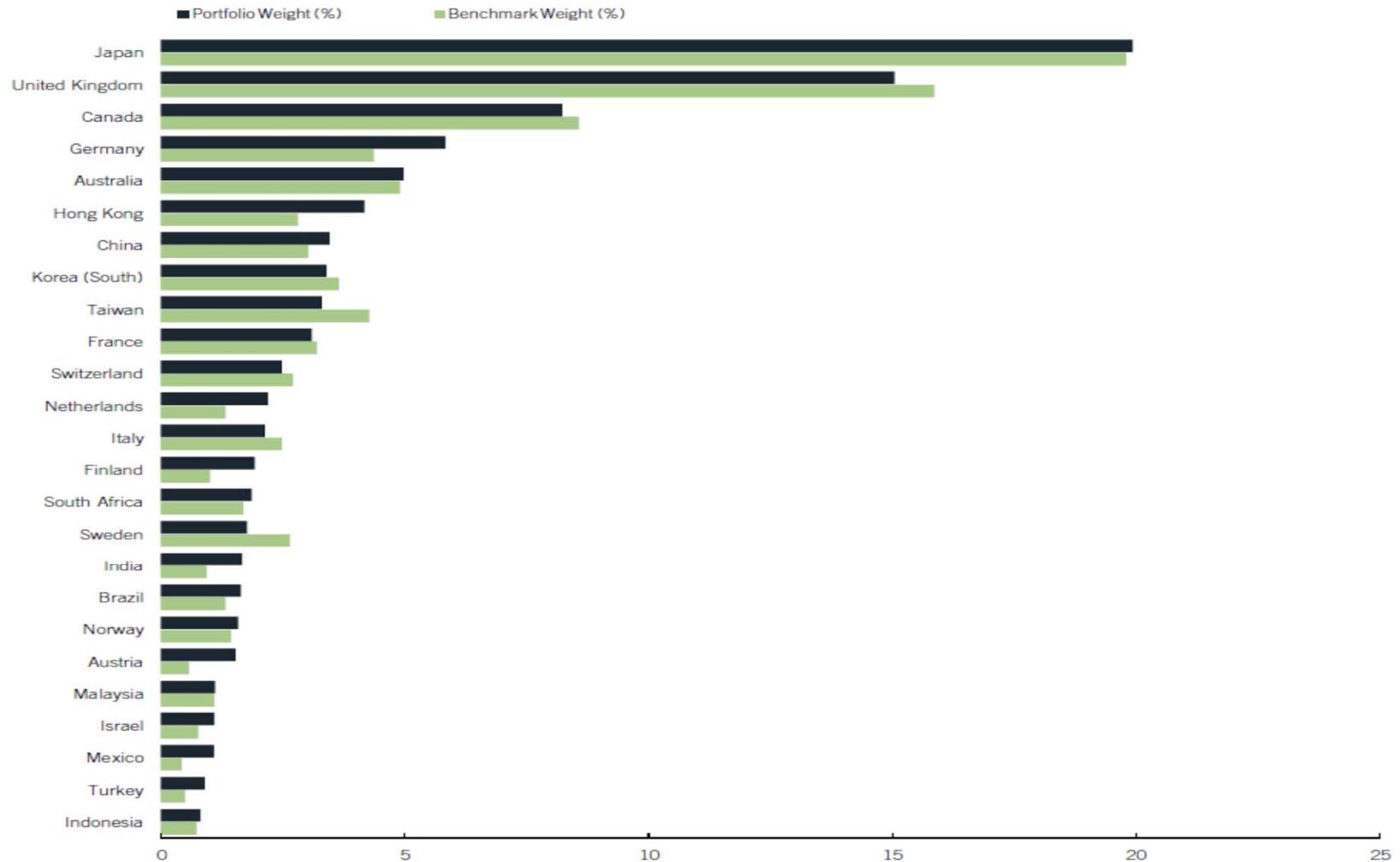
**Sector Weights**



Sector breakdowns are only applied to equities and convertibles and the allocation percentages may not add to 100%.

Benchmark: MSCI AC Wld Sm Cap xUS(N)

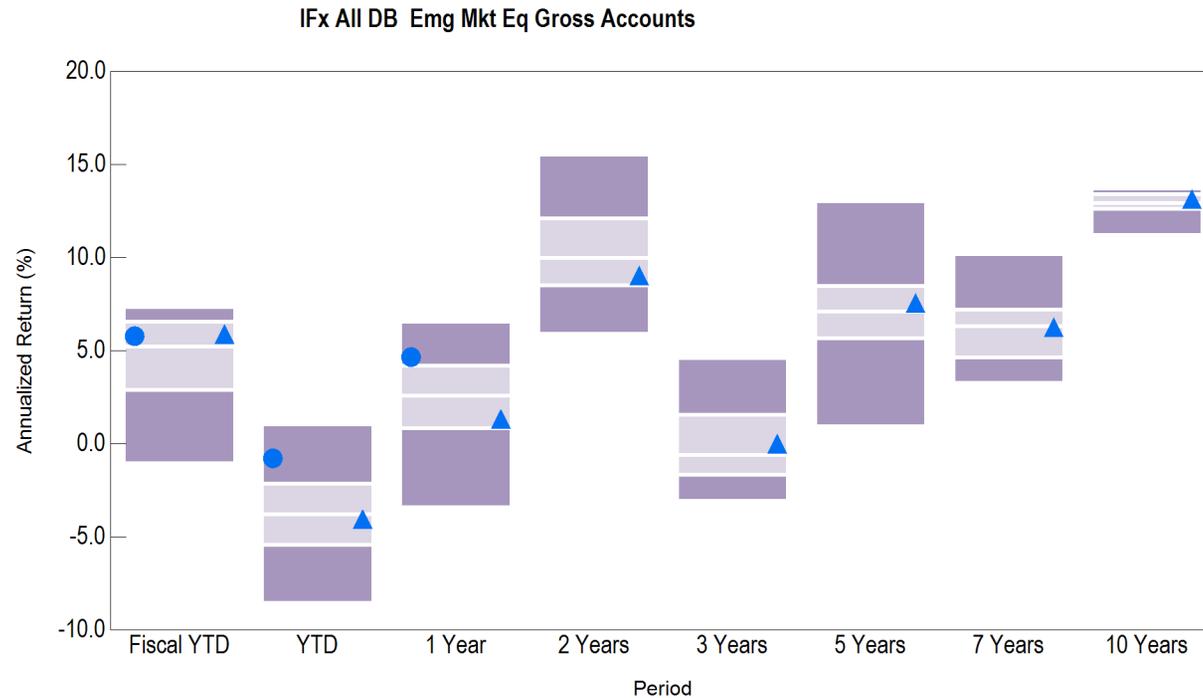
**Top 25 Country Weights**



Benchmark: MSCI AC Wld Sm Cap xUS(N)

Total Returns - Emerging Markets Equity

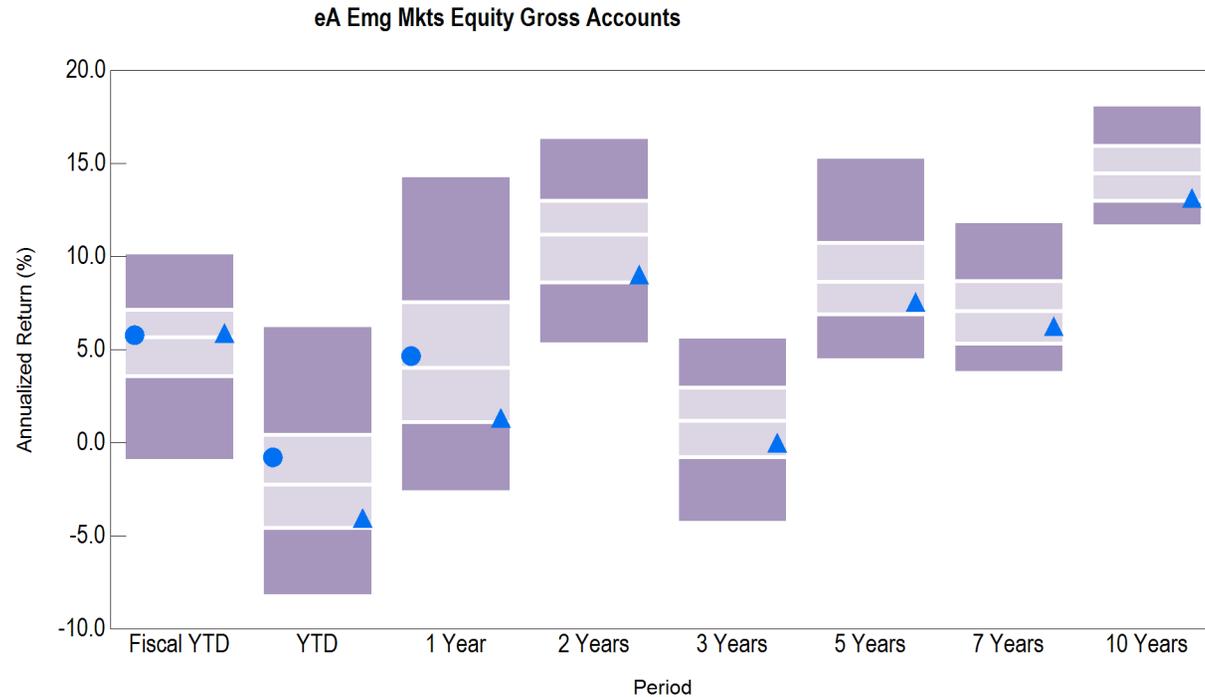
Periods Ending September 30, 2013



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	7.3	1.0	6.5	15.5	4.6	13.0	10.2	13.7
25th Percentile	6.6	-2.1	4.2	12.1	1.6	8.5	7.2	13.4
Median	5.2	-3.8	2.6	10.0	-0.6	7.1	6.3	13.0
75th Percentile	2.9	-5.4	0.9	8.5	-1.6	5.7	4.7	12.7
95th Percentile	-1.0	-8.5	-3.4	5.9	-3.0	1.0	3.3	11.2
# of Portfolios	71	69	69	59	39	22	16	10
● Emerging Markets	5.8 (37)	-0.8 (16)	4.7 (21)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI Emerging Markets Gross	5.9 (32)	-4.1 (53)	1.3 (67)	9.0 (70)	0.0 (44)	7.6 (46)	6.3 (55)	13.2 (32)

Total Returns - Emerging Markets Equity

Periods Ending September 30, 2013



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	10.2	6.3	14.4	16.4	5.7	15.3	11.9	18.2
25th Percentile	7.1	0.5	7.6	13.0	3.0	10.8	8.7	16.0
Median	5.7	-2.2	4.0	11.2	1.2	8.7	7.1	14.5
75th Percentile	3.6	-4.5	1.1	8.7	-0.8	6.9	5.4	13.0
95th Percentile	-1.0	-8.2	-2.6	5.3	-4.3	4.5	3.8	11.7
# of Portfolios	168	167	167	156	137	114	86	65
● Eaton Vance	5.8 (48)	-0.8 (35)	4.7 (46)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI Emerging Markets Gross	5.9 (47)	-4.1 (70)	1.3 (73)	9.0 (71)	0.0 (62)	7.6 (63)	6.3 (60)	13.2 (71)

## Equity Only Summary Statistics - Eaton Vance

Quarter Ending September 30, 2013

## Characteristics

	Portfolio	MSCI Emerging Markets Gross
Number of Holdings	1,370	818
Weighted Avg. Market Cap. (\$B)	20.9	35.9
Median Market Cap. (\$B)	2.7	4.5
Price To Earnings	17.3	16.4
Price To Book	2.9	2.4
Price To Sales	2.3	2.1
Return on Equity (%)	18.1	17.8
Yield (%)	2.9	2.7
Beta (holdings: global)	1.1	1.0

## Top Holdings

MTN GROUP	1.2%
SAMSUNG ELECTRONICS	1.2%
AMX 'L'	1.0%
OAO GAZPROM SPN.ADR 1:2	1.0%
CHINA MOBILE	1.0%
MAGNIT	0.7%
TENCENT HOLDINGS	0.7%
LUKOIL OAO SPN.ADR 1:1	0.6%
PETROBRAS PN	0.6%
NASPERS	0.6%

## Best Performers

	Return %
NEW WORLD RESOURCES (UKIR:NWR)	94.0%
GRUPO FINANCIERO GALICIA CL.B SHS.SPN.ADR 1:10 (GGAL)	85.4%
SIBANYE GOLD (R:SGLJ)	80.2%
CTRP.COM INTL.ADR 4:1 (CTRP)	78.9%
BANCO MACRO 'B' SPN.ADR 1:10 (BMA)	67.2%
ORASCOM TELC.& MDA.COS. (EG:OTM)	66.2%
NAVER (KO:NHN)	66.2%
BANPU FB (Q:BPCF)	65.1%
BAIDU 'A' ADR 10:1 (BIDU)	64.0%
SIDERURGICA NACIONAL ON ADR 1:1 (SID)	58.4%

## Worst Performers

	Return %
OGX PETROLEO ON (BR:CCO)	-73.6%
SURYA SEMESTA INTERNUSA (ID:RYA)	-52.5%
THE ARAB POTASH (JO:ART)	-45.2%
HTC (TW:HIC)	-43.4%
CHAROEN POKPHAND INDO. (ID:POP)	-42.9%
BANK DANAMON INDONESIA (ID:BKD)	-41.8%
GUDANG GARAM (ID:GUD)	-39.7%
LIPPO KARAWACI (ID:POK)	-38.5%
ICT.TUNGGAL PRAKARSA (ID:INC)	-36.9%
PP LONDON SUMATRA INDO. (ID:OND)	-36.7%

Equity Sector Attribution - Eaton Vance

Quarter Ending September 30, 2013

**Eaton Vance Performance Attribution vs. MSCI Emerging Markets Gross**

	Total Effects	Attribution Effects				Returns		Sector Weights			
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.2%	-0.2%	-0.1%	0.0%	9.0%	10.7%	10.2%	11.4%			
Materials	-0.2%	-0.2%	0.0%	0.0%	7.3%	9.1%	10.0%	9.5%			
Industrials	-0.3%	-0.2%	0.0%	-0.2%	3.4%	7.5%	9.6%	6.3%			
Cons. Disc.	0.2%	0.2%	0.0%	0.0%	11.6%	9.2%	7.9%	8.3%			
Cons. Staples	-0.1%	-0.1%	0.0%	0.1%	-0.5%	-0.3%	10.1%	9.4%			
Health Care	0.1%	0.0%	0.0%	0.1%	7.5%	2.5%	1.9%	1.5%			
Financials	0.4%	0.2%	0.0%	0.2%	5.0%	3.6%	26.1%	27.5%			
Info. Tech	0.3%	1.0%	-0.1%	-0.7%	15.8%	9.2%	8.1%	14.7%			
Telecomm.	0.3%	0.3%	-0.1%	0.1%	6.9%	3.0%	11.1%	7.9%			
Utilities	0.1%	0.0%	0.0%	0.1%	3.7%	1.3%	4.6%	3.4%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.4%	0.0%			
Unclassified	0.0%	0.0%	0.0%	0.0%	27.7%	--	0.1%	0.0%			
<b>Portfolio</b>	<b>0.6%</b>	<b>=</b>	<b>1.1%</b>	<b>+</b>	<b>-0.2%</b>	<b>+</b>	<b>-0.3%</b>	<b>6.5%</b>	<b>6.0%</b>	<b>100.0%</b>	<b>100.0%</b>

## Equity Performance Attribution - Eaton Vance

Quarter Ending September 30, 2013

**Eaton Vance Performance Attribution  
Versus MSCI Emerging Markets Gross**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Europe</b>									
Austria	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Belgium	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Czech Republic*	11.7%	13.3%	1.7%	0.2%	0.0%	0.0%	0.1%	0.0%	0.1%
Denmark	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Finland	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
France	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Germany	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Greece	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Hungary*	1.5%	-4.9%	1.8%	0.2%	0.0%	-0.2%	0.0%	0.1%	-0.1%
Ireland	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Italy	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Netherlands	16.8%	14.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Norway	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Poland*	20.7%	17.8%	3.4%	1.6%	0.0%	0.1%	0.1%	0.0%	0.3%
Portugal	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Russia*	11.8%	13.5%	6.2%	5.8%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Spain	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Sweden	0.3%	15.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Switzerland	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
United Kingdom	30.7%	12.0%	0.7%	0.0%	0.0%	0.0%	0.0%	0.1%	0.2%

**Eaton Vance Performance Attribution  
Versus MSCI Emerging Markets Gross**

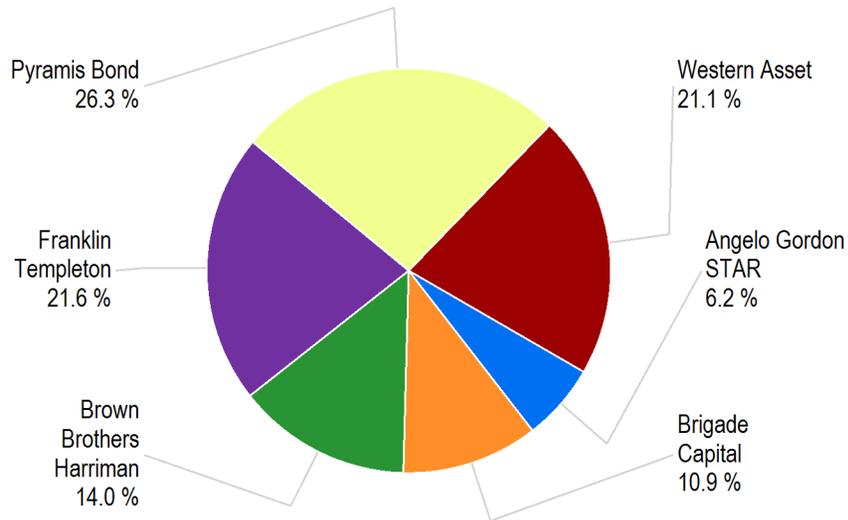
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>AsiaPacific</b>									
Australia	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
China*	16.0%	12.2%	10.0%	18.2%	0.7%	-0.5%	0.0%	-0.3%	-0.1%
Hong Kong	-19.0%	8.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	-2.7%	-4.9%	2.1%	6.8%	-0.2%	0.3%	0.3%	0.1%	0.5%
Indonesia*	-24.4%	-23.7%	3.4%	3.2%	0.0%	0.0%	0.0%	0.0%	-0.1%
Japan	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Korea*	15.9%	15.1%	6.5%	14.6%	0.1%	-0.2%	-0.6%	-0.1%	-0.7%
Malaysia*	-2.5%	-3.0%	3.8%	4.0%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Philippines*	-4.4%	-4.3%	1.8%	1.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Singapore	2.1%	4.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	5.7%	3.7%	7.2%	11.9%	0.2%	0.2%	-0.1%	-0.1%	0.2%
Thailand*	6.4%	-5.1%	3.1%	2.8%	0.3%	0.0%	0.0%	0.0%	0.3%
<b>Americas</b>									
Brazil*	8.1%	8.5%	6.4%	11.3%	-0.1%	-0.2%	0.1%	0.0%	-0.2%
Canada	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Chile*	-4.2%	-5.5%	3.5%	1.9%	0.0%	-0.2%	0.0%	0.0%	-0.1%
Colombia*	9.9%	9.4%	1.7%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	-0.8%	-1.7%	6.7%	5.4%	0.0%	-0.1%	0.0%	0.0%	0.0%
Peru*	-3.6%	-3.7%	1.7%	0.5%	0.0%	-0.1%	0.0%	0.0%	-0.1%
United States	21.4%	5.6%	1.2%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%

**Eaton Vance Performance Attribution  
Versus MSCI Emerging Markets Gross**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
<b>Other</b>									
Egypt*	18.0%	16.9%	1.6%	0.2%	0.0%	0.1%	0.0%	0.0%	0.2%
Israel	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Morocco*	0.9%	1.2%	1.0%	0.1%	0.0%	-0.1%	0.0%	0.0%	0.0%
South Africa*	8.5%	9.0%	7.0%	7.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	-5.3%	-6.7%	3.4%	1.9%	0.0%	-0.1%	-0.1%	0.0%	-0.1%
Other Countries*	-2.6%	6.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Totals</b>									
Americas	4.1%	4.2%	21.6%	20.3%	-0.1%	0.0%	0.1%	0.0%	0.0%
Europe	13.4%	13.8%	14.0%	7.8%	-0.1%	0.3%	0.3%	-0.1%	0.4%
Asia/Pacific	5.5%	5.6%	39.2%	62.5%	0.4%	0.2%	-0.3%	-0.1%	0.1%
Other	6.4%	5.9%	24.7%	9.4%	-0.1%	0.3%	0.1%	-0.2%	0.1%
Cash	0.0%	--	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
<b>Total</b>	<b>6.5%</b>	<b>6.0%</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.1%</b>	<b>0.8%</b>	<b>0.1%</b>	<b>-0.4%</b>	<b>0.6%</b>
<b>Totals</b>									
Developed	11.6%	--	13.6%	0.0%	0.0%	0.0%	0.2%	0.6%	0.8%
Emerging*	5.8%	6.0%	85.8%	100.0%	-0.1%	0.0%	0.0%	0.0%	-0.2%
Other	-2.6%	--	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

San Mateo County Employees' Retirement Association  
 Manager Allocation Analysis - Total Fixed Income

As of September 30, 2013



	Actual \$	Actual %	Manager Contribution to Excess Return %
Aberdeen Asset	\$7,205	0.0%	0.0%
Angelo Gordon PPIP	\$19,342	0.0%	0.0%
Angelo Gordon STAR	\$34,435,260	6.2%	0.1%
Brigade Capital	\$61,046,370	10.9%	0.2%
Brown Brother Harriman	\$78,038,582	14.0%	0.0%
Franklin Templeton	\$120,532,005	21.6%	-0.4%
Pyramis Bond	\$146,923,520	26.3%	0.1%
Western Asset	\$117,758,794	21.1%	0.1%
Actual vs. Policy Weight Difference			-0.0%
<b>Total</b>	<b>\$558,761,078</b>	<b>100.0%</b>	<b>0.0%</b>

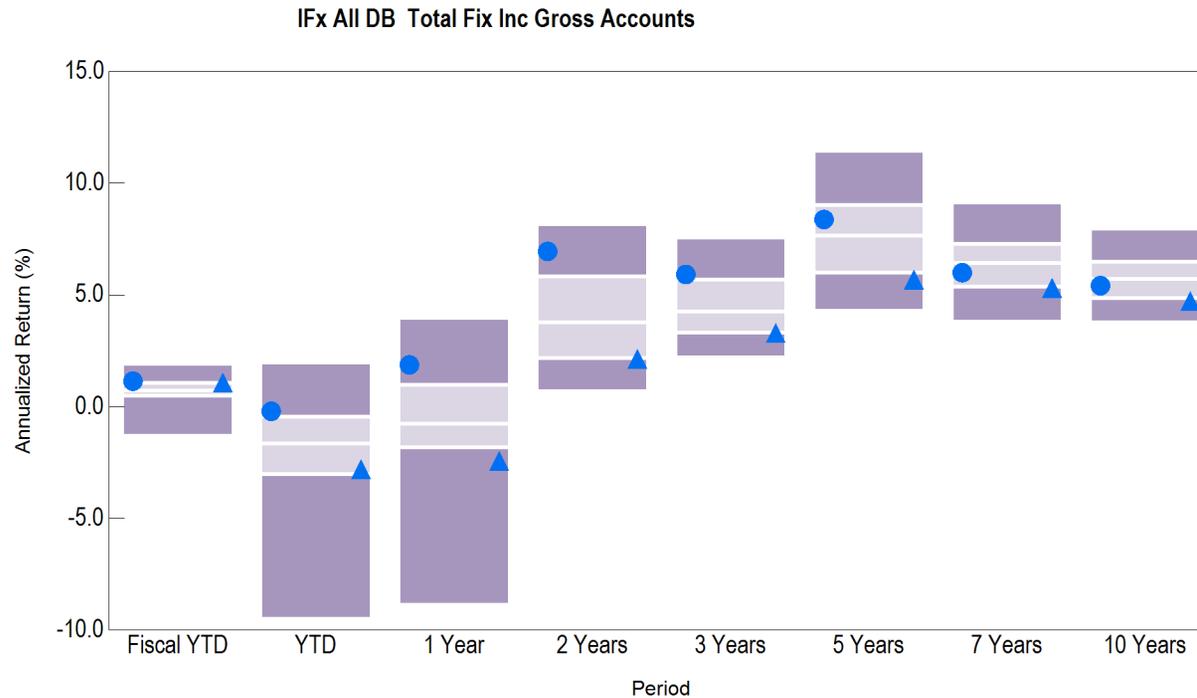
**Statistics Summary****3 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fixed Income	5.9%	3.9%	1.5	1.0	2.5%
Blended Fixed Index	3.3%	3.6%	0.9	--	0.0%
US Fixed Income	5.7%	3.1%	1.8	1.2	1.8%
Blended US Fixed Index	3.5%	3.5%	1.0	--	0.0%
Pyramis Bond	4.1%	2.9%	1.4	1.7	0.7%
Barclays Aggregate	2.9%	2.8%	1.0	--	0.0%
Western Asset	4.9%	3.9%	1.2	0.6	3.2%
Barclays Aggregate	2.9%	2.8%	1.0	--	0.0%
Brown Brothers Harriman	4.2%	5.7%	0.7	0.3	0.6%
Barclays US TIPS	4.0%	5.7%	0.7	--	0.0%
Brigade Capital	10.0%	4.5%	2.2	1.1	4.4%
Barclays Credit BAA	5.0%	5.0%	1.0	--	0.0%

## Statistics Summary

## 5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fixed Income	8.4%	5.3%	1.6	0.7	3.9%
Blended Fixed Index	5.7%	4.0%	1.4	--	0.0%
US Fixed Income	8.3%	4.9%	1.7	0.7	3.7%
Blended US Fixed Index	5.8%	4.0%	1.4	--	0.0%
Pyramis Bond	7.4%	4.1%	1.8	0.8	2.5%
Barclays Aggregate	5.4%	3.7%	1.5	--	0.0%
Western Asset	8.5%	5.7%	1.5	0.7	4.2%
Barclays Aggregate	5.4%	3.7%	1.5	--	0.0%



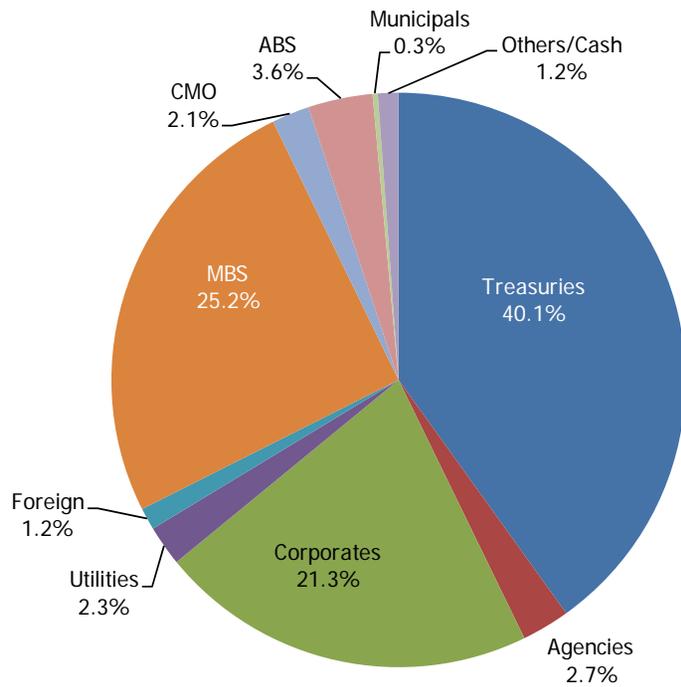
	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	1.9	2.0	4.0	8.2	7.6	11.5	9.1	8.0
<b>25th Percentile</b>	1.1	-0.5	1.0	5.8	5.7	9.0	7.3	6.5
<b>Median</b>	0.7	-1.6	-0.8	3.8	4.3	7.7	6.5	5.7
<b>75th Percentile</b>	0.5	-3.0	-1.8	2.2	3.3	6.0	5.4	4.9
<b>95th Percentile</b>	-1.3	-9.5	-8.9	0.7	2.2	4.3	3.8	3.8
<b># of Portfolios</b>	265	260	257	246	202	185	161	117
<b>● Total Fixed Income</b>	1.1 (22)	-0.2 (22)	1.9 (19)	6.9 (15)	5.9 (20)	8.4 (36)	6.0 (61)	5.4 (62)
<b>▲ Blended Fixed Index</b>	1.1 (27)	-2.8 (74)	-2.4 (78)	2.1 (78)	3.3 (77)	5.7 (79)	5.3 (77)	4.7 (81)



	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	1.6	1.8	3.5	7.8	6.5	10.9	8.3	7.2
<b>25th Percentile</b>	0.9	-0.5	0.5	4.8	5.2	8.7	6.8	6.1
<b>Median</b>	0.7	-1.4	-0.8	3.3	4.1	7.1	5.9	5.2
<b>75th Percentile</b>	0.3	-2.4	-1.9	2.2	3.2	5.9	5.2	4.8
<b>95th Percentile</b>	-0.9	-8.7	-8.4	0.7	2.1	4.1	4.2	3.8
<b># of Portfolios</b>	468	467	466	440	391	329	294	237
<b>● US Fixed Income</b>	1.1 (15)	-0.5 (25)	0.9 (20)	5.9 (13)	5.7 (14)	8.3 (30)	5.9 (49)	5.4 (45)
<b>▲ Blended US Fixed Index</b>	0.6 (54)	-3.0 (78)	-2.5 (78)	2.3 (75)	3.5 (65)	5.8 (77)	5.4 (70)	4.8 (74)

Fixed Income Sector Allocation – US Fixed Income

As of September 30, 2013



Sector*	Account Weight	BC Aggregate Weight	Difference
Treasuries	40.1%	36.1%	4.0%
Agencies	2.7%	4.4%	-1.7%
Corporates	21.3%	19.4%	1.8%
Utilities	2.3%	2.4%	-0.1%
Foreign	1.2%	5.1%	-3.8%
MBS	25.2%	31.2%	-6.0%
CMO	2.1%	0.0%	2.1%
ABS	3.6%	0.4%	3.2%
Municipals	0.3%	1.0%	-0.7%
Others/Cash	1.2%	0.0%	1.2%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

\* Sector Allocation excludes Angelo Gordon STAR Fund and Brigade Capital Management.

Bond Summary Statistics – US Fixed Income

As of September 30, 2013

Portfolio Characteristics*		Portfolio
Total Number of Securities		
Total Market Value	\$	342,720,896
Current Coupon		3.25
Yield to Maturity		2.34
Average Life		6.09
Duration		5.56
Quality		AA-

BC Aggregate
3.36
2.15
6.71
4.97
Aa2

Yield to Maturity	
Range	% Held
0.0 - 5.0	n/a
5.0 - 7.0	n/a
7.0 - 9.0	n/a
9.0 - 11.0	n/a
11.0 - 13.0	n/a
13.0+	n/a
Unclassified	n/a

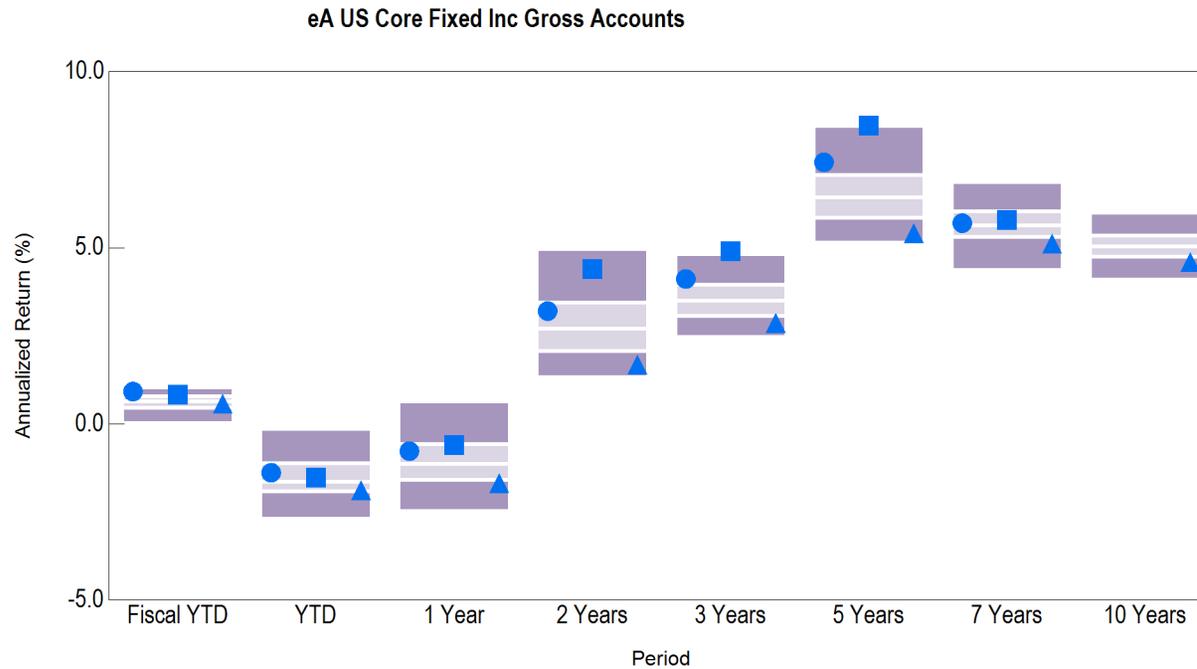
Average Life	
Range	% Held
0.0 - 1.0	6.7
1.0 - 3.0	8.7
3.0 - 5.0	34.0
5.0 - 10.0	37.4
10.0 - 20.0	7.0
20.0+	6.2
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	17.0
1.0 - 3.0	13.4
3.0 - 5.0	34.8
5.0 - 7.0	20.3
7.0 - 10.0	7.4
10.0+	7.5
Unclassified	-0.3

Quality	
Range	% Held
Govt (10)	38.6
Aaa (10)	30.9
Aa (9)	3.9
A (8)	6.2
Baa (7)	11.3
Below Baa (6-1)	3.0
Other	6.1

Coupon	
Range	% Held
0.0 - 5.0	74.8
5.0 - 7.0	21.0
7.0 - 9.0	3.6
9.0 - 11.0	0.5
11.0 - 13.0	0.1
13.0+	0.0
Unclassified	0.0

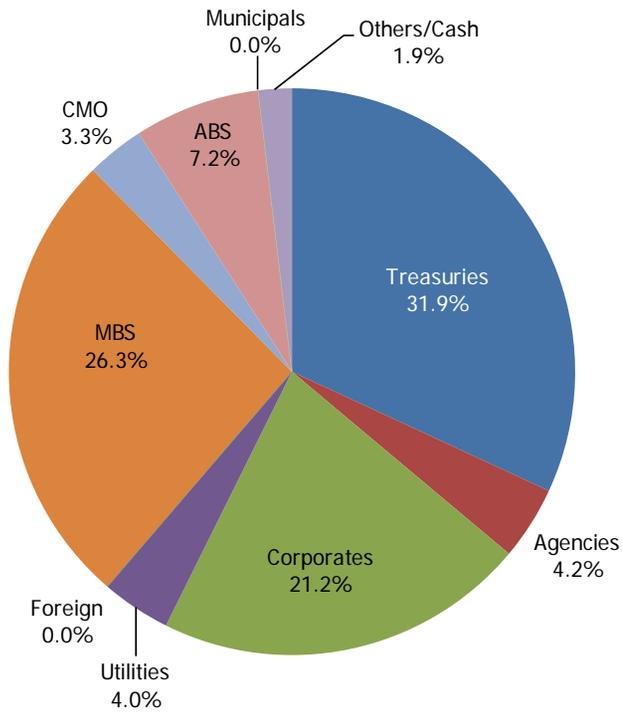
\* Characteristics excludes Angelo Gordon STAR Fund and Brigade Capital Management.



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	1.0	-0.1	0.6	5.0	4.8	8.5	6.9	6.0
<b>25th Percentile</b>	0.8	-1.1	-0.6	3.5	4.0	7.1	6.0	5.4
<b>Median</b>	0.7	-1.6	-1.1	2.7	3.5	6.4	5.6	5.0
<b>75th Percentile</b>	0.5	-1.9	-1.6	2.1	3.1	5.9	5.3	4.8
<b>95th Percentile</b>	0.0	-2.7	-2.5	1.3	2.5	5.2	4.4	4.1
<b># of Portfolios</b>	215	215	215	215	212	206	197	183
<b>● Pyramis Bond</b>	0.9 (11)	-1.4 (37)	-0.8 (35)	3.2 (34)	4.1 (19)	7.4 (16)	5.7 (47)	-- (--)
<b>■ Western Asset</b>	0.8 (22)	-1.5 (45)	-0.6 (27)	4.4 (7)	4.9 (5)	8.5 (5)	5.8 (42)	-- (--)
<b>▲ Barclays Aggregate</b>	0.6 (65)	-1.9 (74)	-1.7 (80)	1.7 (88)	2.9 (83)	5.4 (90)	5.1 (85)	4.6 (85)

Fixed Income Sector Allocation – Pyramis Broad Market Duration Pool

As of September 30, 2013



Sector	Account Weight	BC Aggregate Weight	Difference
Treasuries	31.9%	36.1%	-4.2%
Agencies	4.2%	4.4%	-0.2%
Corporates	21.2%	19.4%	1.8%
Utilities	4.0%	2.4%	1.6%
Foreign	0.0%	5.1%	-5.1%
MBS	26.3%	31.2%	-4.9%
CMO	3.3%	0.0%	3.3%
ABS	7.2%	0.4%	6.8%
Municipals	0.0%	1.0%	-1.0%
Others/Cash	1.9%	0.0%	1.9%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>

Bond Summary Statistics – Pyramis Broad Market Duration Pool

As of September 30, 2013

Portfolio Characteristics		Portfolio	BC Aggregate
Total Number of Securities			
Total Market Value	\$	146,923,520	
Current Coupon		3.37	3.36
Yield to Maturity		2.58	2.15
Average Life		7.62	6.71
Duration		5.45	4.97
Quality		AA	Aa2

Yield to Maturity	
Range	% Held
0.0 - 5.0	n/a
5.0 - 7.0	n/a
7.0 - 9.0	n/a
9.0 - 11.0	n/a
11.0 - 13.0	n/a
13.0+	n/a
Unclassified	n/a

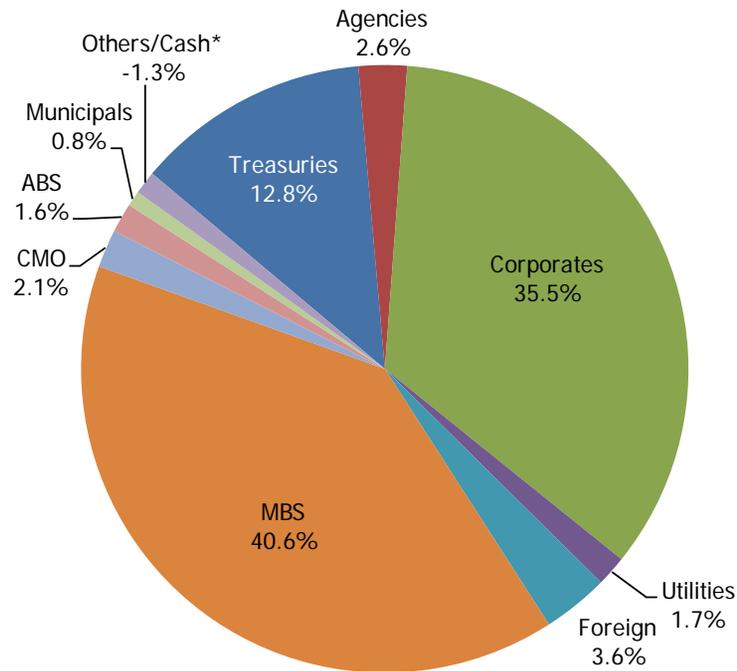
Average Life	
Range	% Held
0.0 - 1.0	3.2
1.0 - 3.0	11.6
3.0 - 5.0	31.9
5.0 - 10.0	38.3
10.0 - 20.0	6.7
20.0+	8.3
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	8.0
1.0 - 3.0	18.5
3.0 - 5.0	35.2
5.0 - 7.0	24.9
7.0 - 10.0	5.4
10.0+	8.7
Unclassified	-0.8

Quality	
Range	% Held
Govt (10)	0.0
Aaa (10)	68.2
Aa (9)	2.4
A (8)	11.5
Baa (7)	17.0
Below Baa (6-1)	0.0
Other	0.9

Coupon	
Range	% Held
0.0 - 5.0	73.0
5.0 - 7.0	23.5
7.0 - 9.0	3.1
9.0 - 11.0	0.4
11.0 - 13.0	0.0
13.0+	0.0
Unclassified	0.0

As of September 30, 2013



Sector	Account Weight	BC Aggregate Weight	Difference
Treasuries	12.8%	36.1%	-23.2%
Agencies	2.6%	4.4%	-1.8%
Corporates	35.5%	19.4%	16.0%
Utilities	1.7%	2.4%	-0.7%
Foreign	3.6%	5.1%	-1.5%
MBS	40.6%	31.2%	9.4%
CMO	2.1%	0.0%	2.1%
ABS	1.6%	0.4%	1.2%
Municipals	0.8%	1.0%	-0.1%
Others/Cash*	-1.3%	0.0%	-1.3%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.1%</b>

\* 2.0% Western Asset Opportunistic Invest Grade, -2.3% Short Term Securities

San Mateo County Employees' Retirement Association

Bond Summary Statistics – Western Asset

As of September 30, 2013

Portfolio Characteristics		
		Portfolio
Total Number of Securities		607
Total Market Value	\$	117,758,794
Current Coupon		4.19
Yield to Maturity		3.55
Average Life		8.22
Duration		5.86
Quality		AA-

BC Aggregate	
Current Coupon	3.36
Yield to Maturity	2.15
Average Life	6.71
Duration	4.97
Quality	Aa2

Yield to Maturity	
Range	% Held
0.0 - 5.0	n/a
5.0 - 7.0	n/a
7.0 - 9.0	n/a
9.0 - 11.0	n/a
11.0 - 13.0	n/a
13.0+	n/a
Unclassified	n/a

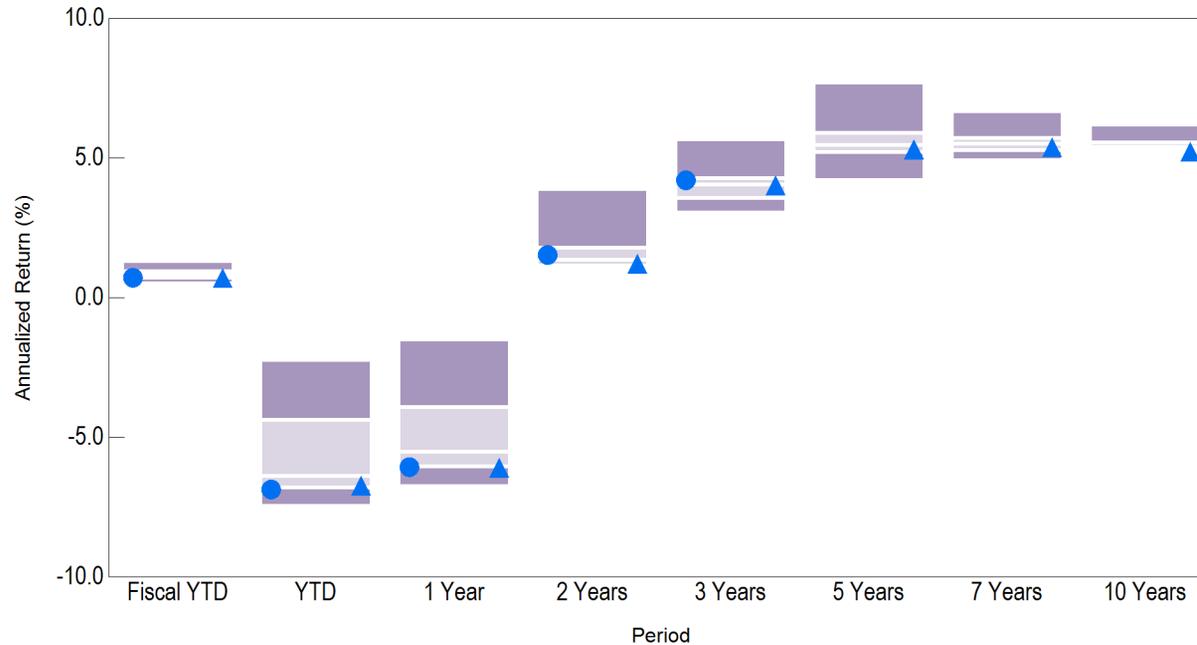
Average Life	
Range	% Held
0.0 - 1.0	0.7
1.0 - 3.0	10.8
3.0 - 5.0	26.1
5.0 - 10.0	49.1
10.0 - 20.0	5.6
20.0+	7.8
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	9.2
1.0 - 3.0	15.8
3.0 - 5.0	25.3
5.0 - 7.0	24.5
7.0 - 10.0	14.3
10.0+	10.9
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	48.4
Aaa (10)	4.7
Aa (9)	8.4
A (8)	3.5
Baa (7)	11.5
Below Baa (6-1)	8.9
Other	14.5

Coupon	
Range	% Held
0.0 - 5.0	60.4
5.0 - 7.0	31.7
7.0 - 9.0	6.7
9.0 - 10.0	1.0
10.0+	0.2
Unclassified	0.0

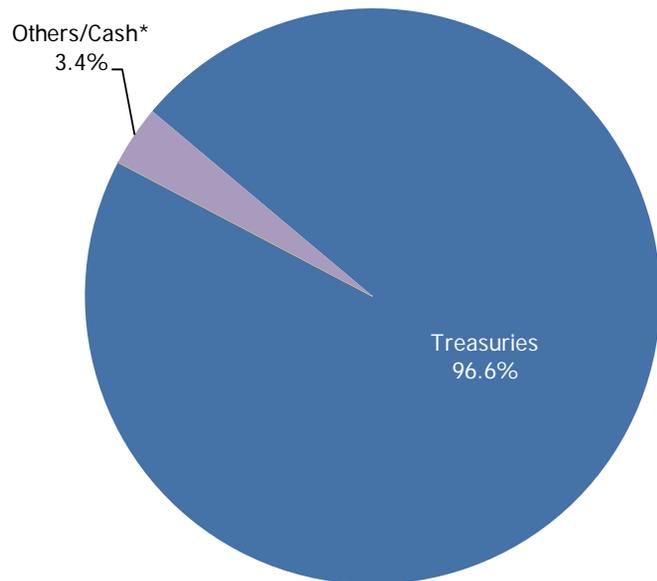
eA TIPS / Infl Indexed Fixed Inc Gross Accounts



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	1.3	-2.2	-1.5	3.9	5.7	7.7	6.7	6.2
<b>25th Percentile</b>	1.0	-4.4	-3.9	1.8	4.3	5.9	5.7	5.6
<b>Median</b>	0.9	-6.4	-5.5	1.4	4.1	5.5	5.5	5.4
<b>75th Percentile</b>	0.7	-6.8	-6.0	1.2	3.6	5.2	5.3	5.3
<b>95th Percentile</b>	0.5	-7.4	-6.7	1.1	3.1	4.2	4.9	5.2
<b># of Portfolios</b>	42	42	42	41	40	35	29	21
<b>● Brown Brothers Harriman</b>	0.7 (83)	-6.9 (84)	-6.1 (78)	1.5 (42)	4.2 (34)	-- (--)	-- (--)	-- (--)
<b>▲ Barclays US TIPS</b>	0.7 (84)	-6.7 (72)	-6.1 (81)	1.2 (69)	4.0 (54)	5.3 (70)	5.4 (68)	5.2 (93)

Fixed Income Sector Allocation – Brown Brothers Harriman

As of September 30, 2013



Sector	Account Weight	ML TIPS Index	Difference
Treasuries	96.6%	100.0%	-3.3%
Agencies	0.0%	0.0%	0.0%
Corporates	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
MBS	0.0%	0.0%	0.0%
CMO	0.0%	0.0%	0.0%
ABS	0.0%	0.0%	0.0%
Municipals	0.0%	0.0%	0.0%
Others/Cash*	3.4%	0.0%	3.4%
<b>TOTAL</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.1%</b>

\* May include Derivatives, Futures, Swaps, Credit Default Swaps, Total Return Swaps or Currency Contracts.

Bond Summary Statistics – Brown Brothers Harriman

As of September 30, 2013

Portfolio Characteristics		Portfolio
Total Number of Securities		12
Total Market Value	\$	78,038,582
Current Coupon		1.59
Yield to Maturity		0.05
Average Life		
Duration		5.33
Quality		AAA

ML TIPS	
Total Number of Securities	34
Total Market Value	N/A
Current Coupon	1.43
Yield to Maturity	0.05
Average Life	
Duration	8.41
Quality	AAA

Yield to Maturity	
Range	% Held
0.0 - 5.0	100.0
5.0 - 7.0	n/a
7.0 - 9.0	n/a
9.0 - 11.0	n/a
11.0 - 13.0	n/a
13.0+	n/a
Unclassified	n/a

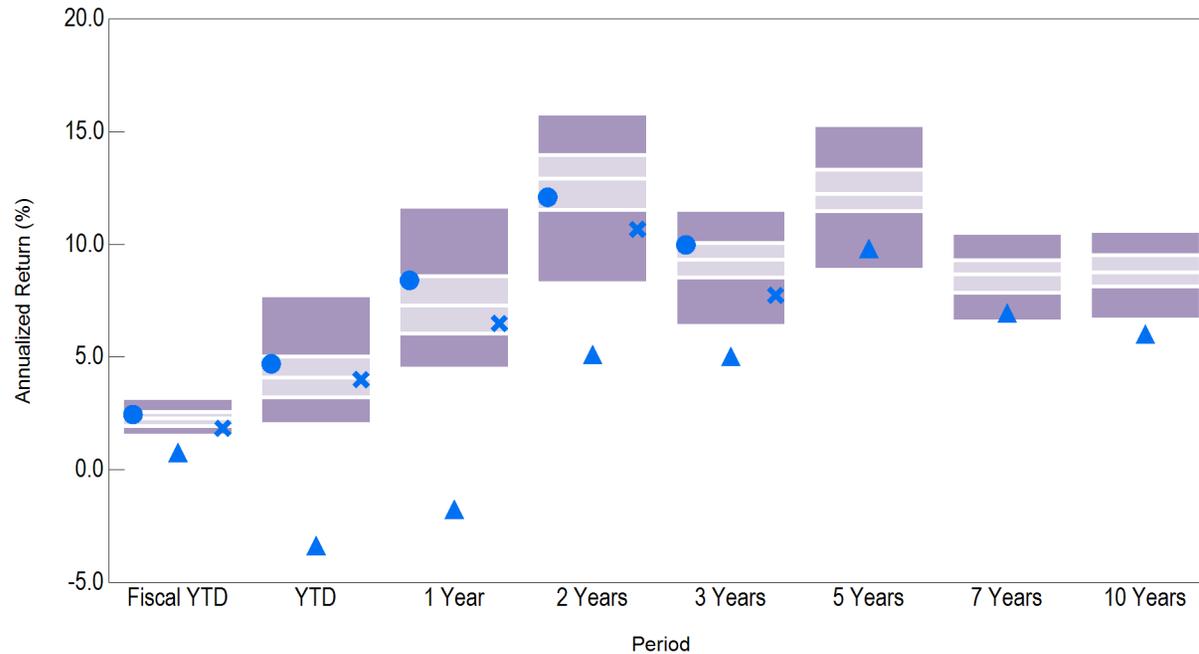
Average Life	
Range	% Held
0.0 - 3.0	22.2
3.0 - 5.0	0.0
5.0 - 10.0	50.1
10.0- 15.0	17.9
15.0+	9.8
Unclassified	0.0

Duration	
Range	% Held
0.0 - 3.0	45.9
3.0 - 5.0	0.0
5.0 - 10.0	48.2
10.0- 15.0	5.3
15.0+	0.6
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	96.6
Aaa (10)	0.0
Aa (9)	0.0
A (8)	0.0
Baa (7)	0.0
Below Baa (6-1)	0.0
Other	3.4

Coupon	
Range	% Held
0.0 - 5.0	100.0
5.0 - 7.0	0.0
7.0 - 9.0	0.0
9.0 - 11.0	0.0
11.0 - 13.0	0.0
13.0+	0.0
Unclassified	0.0

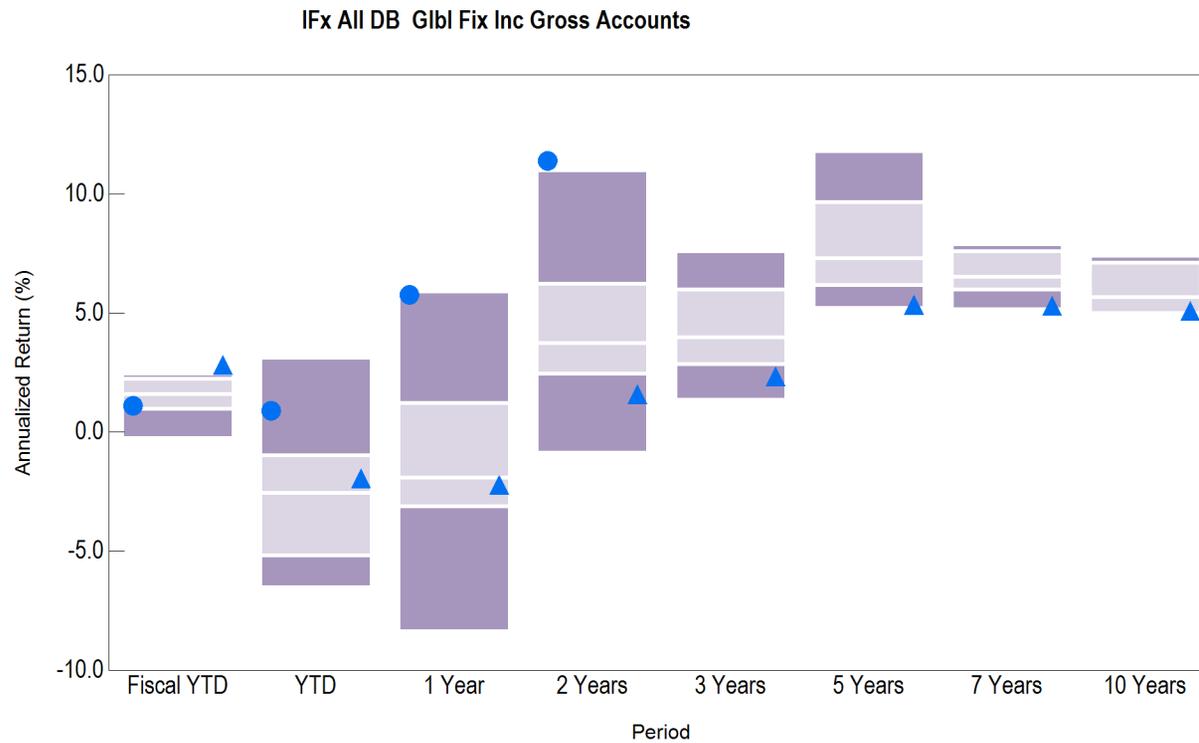
eA US High Yield Fixed Inc Gross Accounts



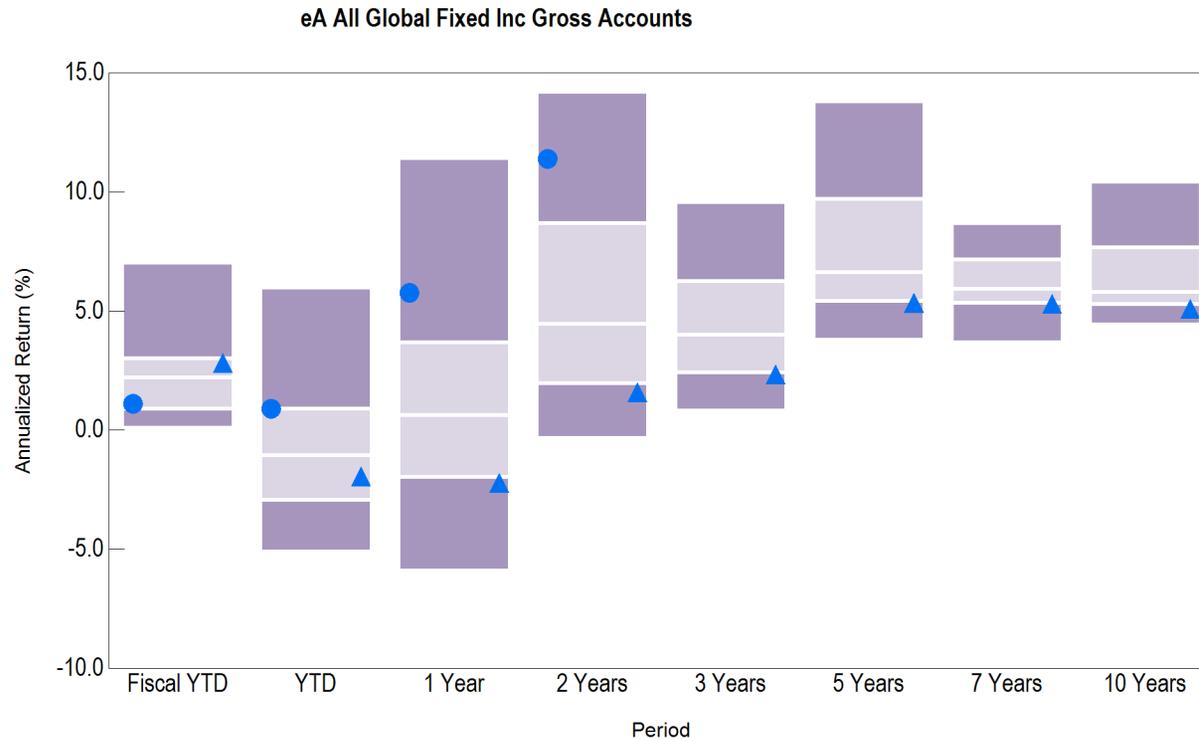
	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	3.2	7.7	11.7	15.8	11.5	15.3	10.5	10.6
25th Percentile	2.6	5.0	8.6	14.0	10.1	13.3	9.3	9.5
Median	2.3	4.1	7.3	12.9	9.3	12.3	8.7	8.8
75th Percentile	2.0	3.2	6.1	11.5	8.6	11.5	7.9	8.2
95th Percentile	1.5	2.0	4.5	8.3	6.4	8.9	6.6	6.7
# of Portfolios	126	126	126	122	115	107	101	89
● Brigade Capital	2.4 (39)	4.7 (34)	8.4 (30)	12.1 (68)	10.0 (28)	-- (--)	-- (--)	-- (--)
▲ Barclays Credit BAA	0.8 (98)	-3.4 (99)	-1.8 (99)	5.1 (99)	5.0 (99)	9.8 (94)	6.9 (94)	6.0 (99)
✕ 50% Barclays HY/ 50% Bank Loan	1.8 (82)	4.0 (53)	6.5 (69)	10.7 (84)	7.7 (92)	-- (--)	-- (--)	-- (--)

Total Returns - Global Fixed Income

Periods Ending September 30, 2013



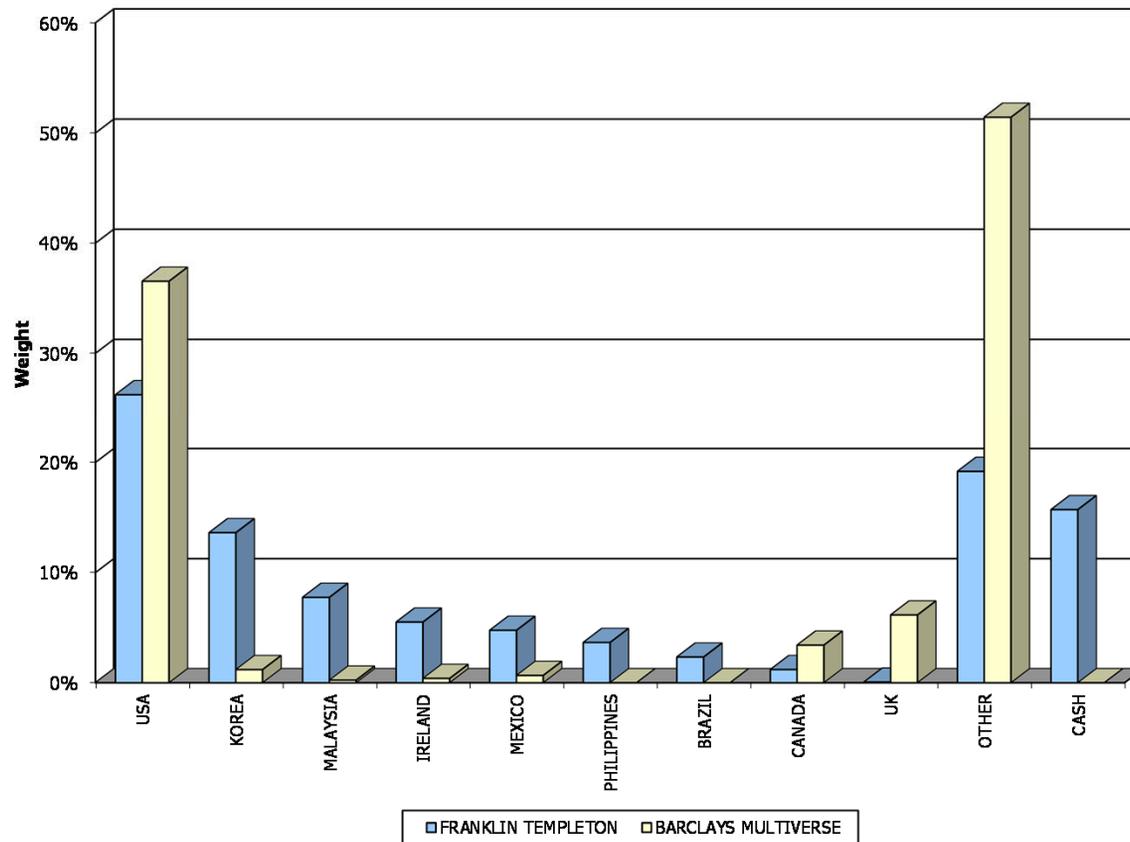
	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	2.5	3.1	5.9	11.0	7.6	11.8	7.9	7.4
<b>25th Percentile</b>	2.3	-1.0	1.2	6.3	6.0	9.7	7.6	7.1
<b>Median</b>	1.6	-2.5	-1.9	3.8	4.0	7.3	6.5	5.7
<b>75th Percentile</b>	1.0	-5.2	-3.1	2.5	2.9	6.2	6.0	5.0
<b>95th Percentile</b>	-0.2	-6.5	-8.3	-0.9	1.4	5.2	5.2	4.9
<b># of Portfolios</b>	35	35	35	31	25	23	17	9
<b>● Global Fixed Income</b>	1.1 (68)	0.9 (12)	5.8 (6)	11.4 (4)	-- (--)	-- (--)	-- (--)	-- (--)
<b>▲ Barclays Multi-verse</b>	2.8 (1)	-1.9 (37)	-2.2 (56)	1.6 (81)	2.3 (83)	5.3 (90)	5.3 (86)	5.1 (74)



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
<b>5th Percentile</b>	7.0	6.0	11.4	14.2	9.6	13.8	8.7	10.4
<b>25th Percentile</b>	3.0	0.9	3.7	8.7	6.3	9.7	7.2	7.7
<b>Median</b>	2.2	-1.0	0.6	4.5	4.0	6.7	5.9	5.8
<b>75th Percentile</b>	0.9	-2.9	-2.0	2.0	2.5	5.4	5.4	5.3
<b>95th Percentile</b>	0.1	-5.1	-5.9	-0.3	0.8	3.8	3.7	4.5
<b># of Portfolios</b>	206	206	206	200	179	149	123	91
<b>● Franklin Templeton</b>	1.1 (72)	0.9 (26)	5.8 (18)	11.4 (15)	-- (--)	-- (--)	-- (--)	-- (--)
<b>▲ Barclays Multi-verse</b>	2.8 (29)	-1.9 (63)	-2.2 (77)	1.6 (79)	2.3 (79)	5.3 (78)	5.3 (76)	5.1 (79)

Portfolio Country Weights – Franklin Templeton

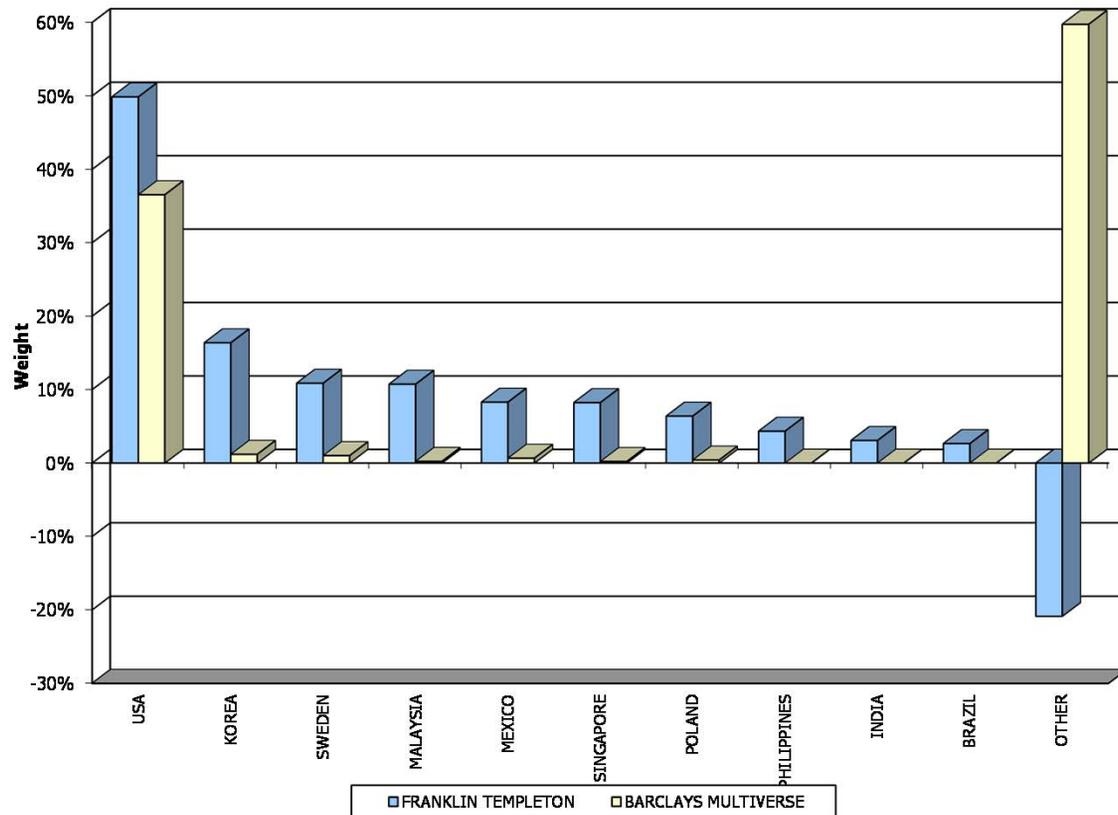
As of September 30, 2013



COUNTRY	MARKET VALUE	FRANKLIN TEMPLETON	BARCLAYS MULTIVERSE	DIFF
USA	\$ 31,623	26.2%	36.5%	-10.3%
KOREA	\$ 16,416	13.6%	1.2%	+12.4%
MALAYSIA	\$ 9,342	7.8%	0.2%	+7.5%
IRELAND	\$ 6,634	5.5%	0.4%	+5.1%
MEXICO	\$ 5,733	4.8%	0.7%	+4.1%
PHILIPPINES	\$ 4,401	3.7%		+3.7%
BRAZIL	\$ 2,807	2.3%		+2.3%
CANADA	\$ 1,439	1.2%	3.4%	-2.2%
UK	\$ 70	0.1%	6.2%	-6.1%
OTHER	\$ 23,127	19.2%	51.4%	-32.2%
CASH	\$ 18,941	15.7%	0.0%	+15.7%
	\$ 120,532	100.0%	100.0%	0.0%

Portfolio Currency Exposures – Franklin Templeton

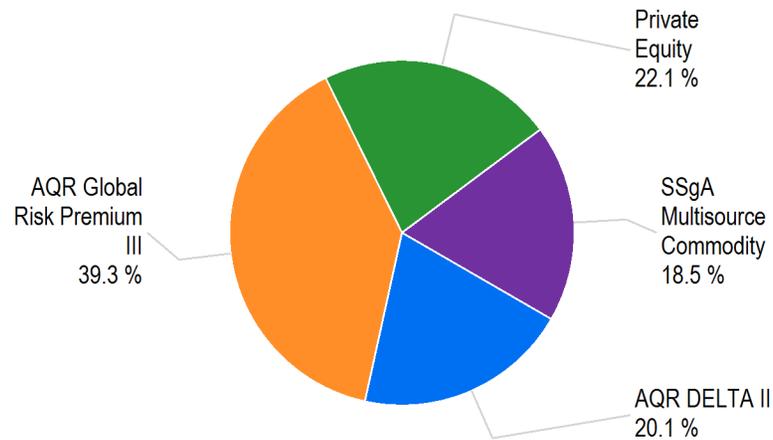
As of September 30, 2013



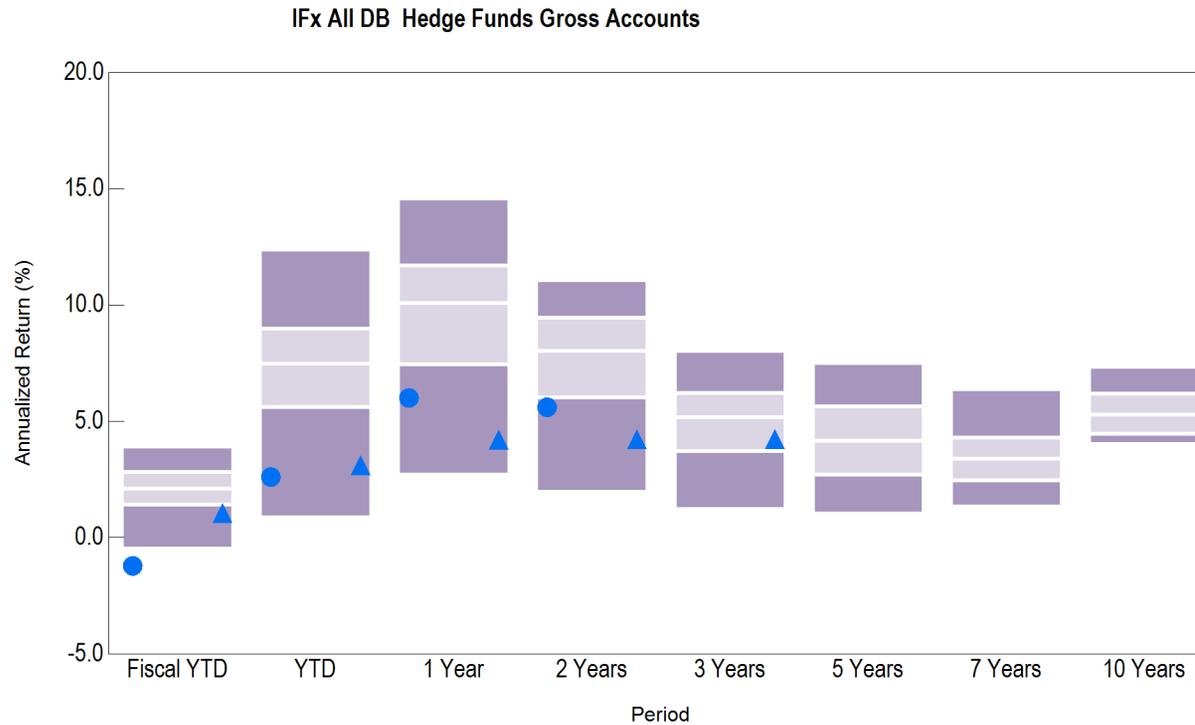
CURRENCY	MARKET VALUE	FRANKLIN TEMPLETON	BARCLAYS MULTIVERSE	DIFF
USA	\$ 60,110	49.9%	36.5%	+13.3%
KOREA	\$ 19,741	16.4%	1.2%	+15.2%
SWEDEN	\$ 13,113	10.9%	1.0%	+9.9%
MALAYSIA	\$ 12,946	10.7%	0.2%	+10.5%
MEXICO	\$ 10,001	8.3%	0.7%	+7.6%
SINGAPORE	\$ 9,924	8.2%	0.2%	+8.0%
POLAND	\$ 7,708	6.4%	0.4%	+6.0%
PHILIPPINES	\$ 5,232	4.3%		+4.3%
INDIA	\$ 3,705	3.1%		+3.1%
BRAZIL	\$ 3,202	2.7%		+2.7%
OTHER	\$ (25,148)	-20.9%	59.8%	-80.6%
	\$ 120,532	100.0%	100.0%	0.0%

Manager Allocation Analysis - Alternatives

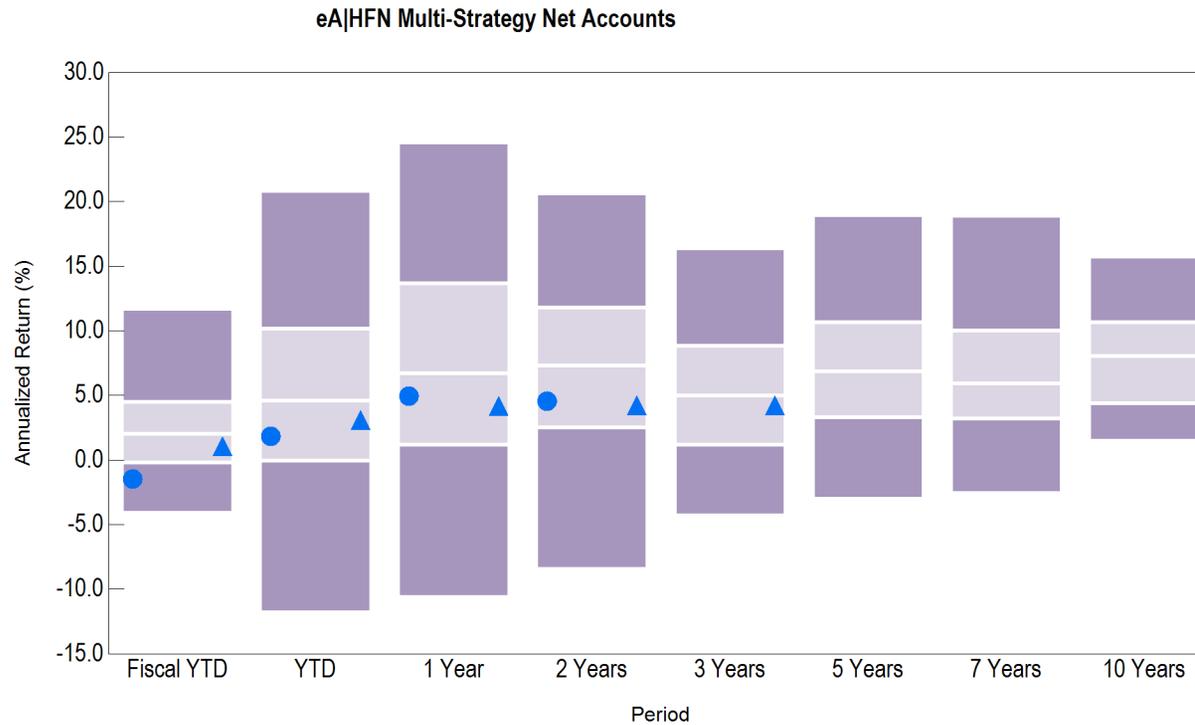
As of September 30, 2013



	Actual \$	Actual %	Manager Contribution to Excess Return %
AQR DELTA II	\$82,468,980	20.1%	-0.1%
AQR Global Risk Premium III	\$160,917,235	39.3%	-1.5%
Private Equity	\$90,578,810	22.1%	-0.2%
SSgA Mutisource Commodity	\$75,979,555	18.5%	0.0%
Actual vs. Policy Weight Difference			-0.5%
<b>Total</b>	<b>\$409,944,580</b>	<b>100.0%</b>	<b>-2.3%</b>



	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	3.9	12.4	14.6	11.1	8.0	7.5	6.4	7.3
25th Percentile	2.8	9.0	11.7	9.5	6.2	5.6	4.3	6.2
Median	2.1	7.5	10.1	8.0	5.2	4.2	3.4	5.3
75th Percentile	1.4	5.6	7.5	6.0	3.7	2.7	2.5	4.5
95th Percentile	-0.5	0.9	2.7	2.0	1.3	1.1	1.3	4.0
# of Portfolios	229	226	226	219	178	135	74	13
● Hedge Fund	-1.2 (98)	2.6 (93)	6.0 (84)	5.6 (80)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Libor 1 month +4%	1.1 (82)	3.1 (91)	4.2 (92)	4.2 (90)	4.2 (70)	-- (--)	-- (--)	-- (--)

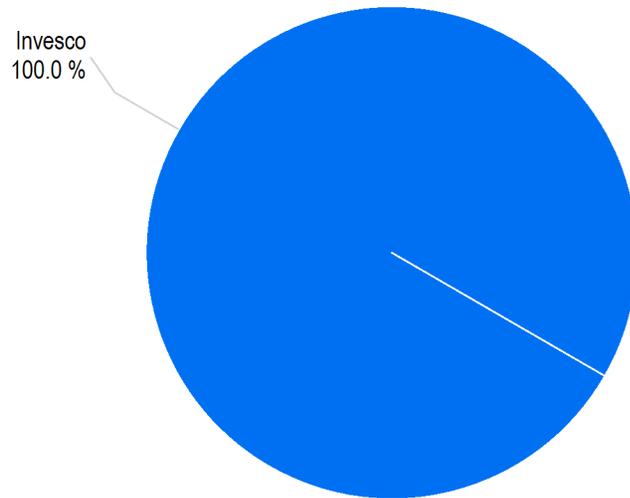


	Return (Rank)							
	Fiscal YTD	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	11.7	20.8	24.6	20.6	16.4	18.9	18.9	15.7
25th Percentile	4.5	10.2	13.7	11.8	8.9	10.7	10.0	10.7
Median	2.1	4.6	6.7	7.4	5.0	6.9	6.0	8.1
75th Percentile	-0.1	0.0	1.2	2.6	1.2	3.3	3.3	4.5
95th Percentile	-4.1	-11.8	-10.5	-8.4	-4.3	-3.0	-2.5	1.5
# of Portfolios	159	154	152	138	119	89	64	38
● AQR DELTA II	-1.5 (87)	1.8 (67)	5.0 (59)	4.6 (66)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Libor 1 month +4%	1.1 (60)	3.1 (58)	4.2 (60)	4.2 (68)	4.2 (55)	-- (--)	-- (--)	-- (--)

Manager Allocation Analysis - Real Estate

As of September 30, 2013

	Actual \$	Actual %
Invesco	\$169,724,124	100.0%
Total	\$169,724,124	

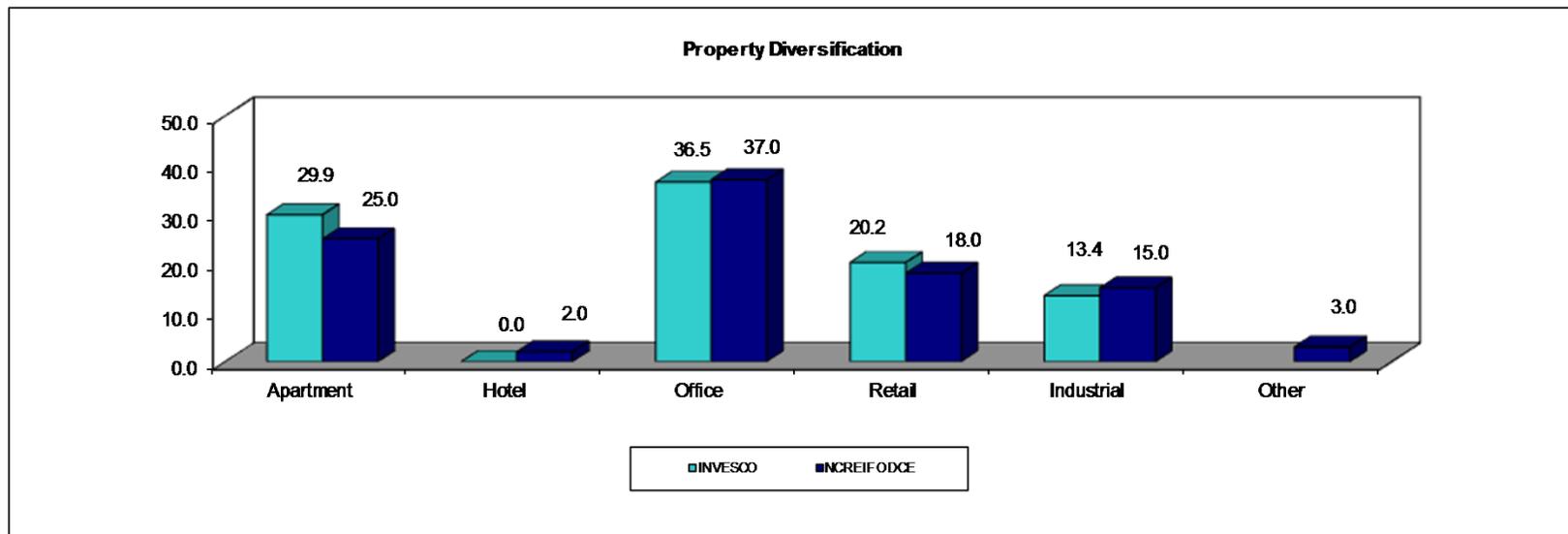
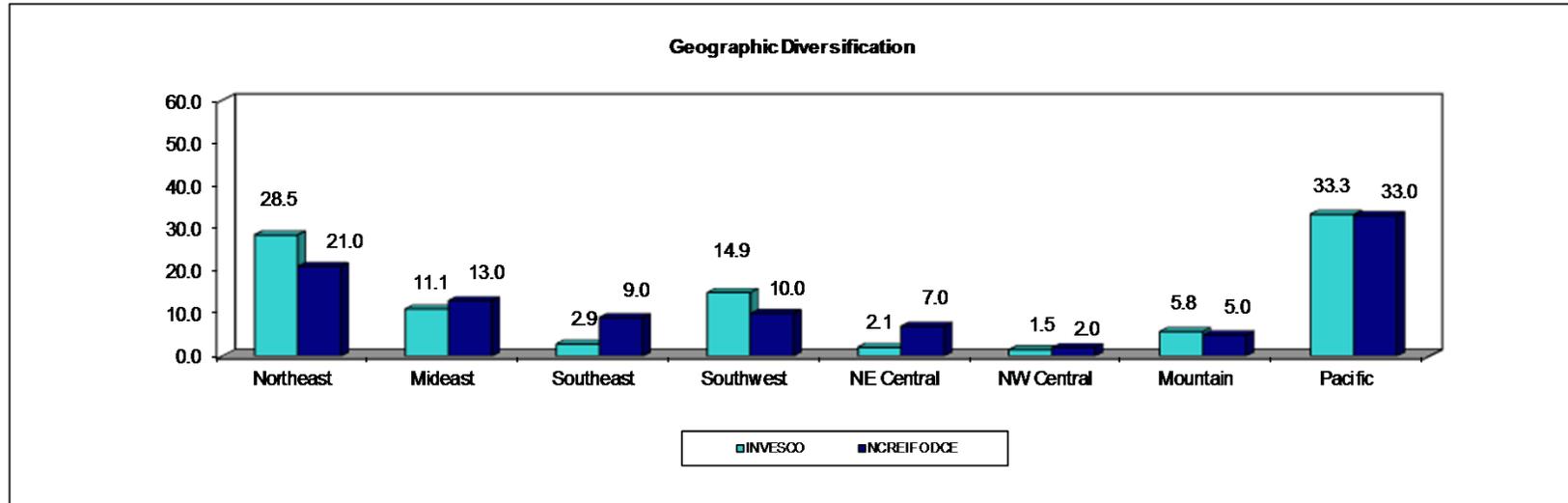




	Return (Rank)							
5th Percentile	5.0	11.6	15.1	19.2	16.3	7.5	5.1	9.4
25th Percentile	3.8	10.0	12.7	13.9	14.7	2.2	3.5	7.3
Median	3.0	8.9	10.7	11.9	13.2	0.4	2.6	6.1
75th Percentile	1.0	5.9	8.6	10.3	11.4	-0.6	2.0	5.6
95th Percentile	-2.3	1.7	4.9	6.9	7.3	-5.0	-0.7	3.0
# of Portfolios	123	122	121	114	110	104	91	46
● Real Estate	2.2 (68)	10.5 (15)	12.9 (22)	11.3 (62)	13.7 (37)	0.4 (50)	3.2 (28)	7.7 (21)
▲ NCREIF ODCE	3.6 (30)	10.4 (15)	13.0 (20)	12.3 (45)	14.3 (31)	1.3 (36)	4.0 (19)	7.6 (22)

Real Estate Diversification Analysis – INVESCO Core Real Estate

As of September 30, 2013



Real Estate Valuation Analysis – INVESCO Core Real Estate

Third Quarter 2013

Property Name	MSA	Prior Quarter Carry Value	Current Quarter Carry Value	Net Market Value	Added to Fund	Last Valuation Date	SamCERA ownership as of 9/30/2013 3.35%
<b>APARTMENTS</b>							
Seneca Village	Portland-Vancouver OR-WA	\$41,800,000	\$42,700,000	\$42,700,000	2Q04	September-13	\$1,432,116
Grandeville at the Commons	South Kingstown, RI	\$47,000,000	\$43,100,000	\$43,100,000	3Q05	September-13	\$1,445,531
Milestone Apt. Portfolio	Various States - South	\$53,410,602	\$52,351,853	\$52,351,853	2Q06	N/A	\$1,755,829
Stoneridge	Pleasanton, CA	\$163,000,000	\$168,000,000	\$168,000,000	4Q06	September-13	\$5,634,554
Sterling Parc Apartments	Cedar Knolls, NJ	\$90,400,000	\$90,800,000	\$90,800,000	2Q07	September-13	\$3,045,342
Millington at Merrill Creek	Everett, WA	\$66,500,000	\$64,800,000	\$64,800,000	2Q07	September-13	\$2,173,328
The Residences at Stevens Pond	Boston MA - NH	\$93,700,000	\$93,800,000	\$93,800,000	4Q07	September-13	\$3,145,959
Holland Portfolio	Seattle - Belle - Eve WA	\$112,124,571	\$111,744,489	\$28,357,198	4Q07	September-13	\$951,072
Village Crossing at Chino Hills	Riverside, CA	\$80,900,000	\$81,700,000	\$41,700,000	1Q08	September-13	\$1,398,577
Metropolitan at Pentagon City	Arlington, VA	\$156,000,000	\$151,000,000	\$90,230,450	3Q10	September-13	\$3,026,240
Ladd Tower	Portland, OR	\$106,000,000	\$106,000,000	\$106,000,000	4Q10	September-13	\$3,555,135
Legacy Fountain Plaza	San Jose, CA	\$111,000,000	\$117,000,000	\$117,000,000	1Q11	September-13	\$3,924,065
The Elektra	New York, NY	\$152,000,000	\$158,000,000	\$88,221,062	1Q11	September-13	\$2,958,847
75 Clinton Street	Brooklyn, NY	\$56,600,000	\$59,100,000	\$59,100,000	1Q12	September-13	\$1,982,156
Club Laguna	Orange County, CA	\$123,000,000	\$124,000,000	\$124,000,000	3Q12	September-13	\$4,158,838
Goodwynn	Atlanta, GA	\$76,200,000	\$78,800,000	\$42,359,925	4Q12	September-13	\$1,420,710
Mercedes House	New York, NY	\$196,000,000	\$197,000,000	\$127,000,000	1Q13	September-13	\$4,259,455
Sunset Vine Tower	Los Angeles, CA	\$71,750,000	\$75,000,000	\$75,000,000	2Q13	September-13	\$2,515,426
		<b>\$1,797,385,173</b>	<b>\$1,814,896,342</b>	<b>\$1,454,520,488</b>			<b>\$48,783,182</b>
<b>INDUSTRIAL</b>							
Arjons	San Diego CA	\$26,500,000	\$26,900,000	\$26,900,000	2Q04	September-13	\$902,199
Garland Gateway East	Dallas TX	\$10,300,000	\$11,900,000	\$11,900,000	2Q04	September-13	\$399,114
Gateway Business Park	Dallas TX	\$9,100,000	\$10,600,000	\$10,600,000	2Q04	September-13	\$355,514
Hayward Industrial	Oakland CA	\$91,800,000	\$96,100,000	\$96,100,000	3Q04-3Q07	September-13	\$3,223,099
Lackman	Kansas City MO-KS	\$19,800,000	\$20,600,000	\$20,600,000	2Q04	September-13	\$690,904
Crossroads Industrial	Kansas City MO-KS	\$7,600,000	\$7,700,000	\$7,700,000	1Q06	September-13	\$258,250
Oakesdale Commerce Center	Seattle - Belle - Eve WA	\$38,100,000	\$39,200,000	\$39,200,000	1Q06	September-13	\$1,314,729
South Bay Industrial	Los Angeles, CA	\$63,000,000	\$56,700,000	\$56,700,000	4Q06	September-13	\$1,901,662
VIP Holdings I	Chicago, IL	\$75,332,219	\$75,100,539	\$28,121,770	2Q06	September-13	\$943,176
Tempe Commerce	Phoenix - Mesa AZ	\$53,900,000	\$53,900,000	\$53,900,000	4Q07	September-13	\$1,807,753
Steeplechase 95 International Business Park	Capitol Heights, MD	\$22,500,000	\$22,500,000	\$22,500,000	1Q11	September-13	\$754,628
Airport Trade Center III & V	Dallas, TX	\$32,800,000	\$32,900,000	\$32,900,000	1Q11	September-13	\$1,103,434
IE Logistics	San Bernardino, CA	\$112,300,000	\$113,200,000	\$113,200,000	3Q11	September-13	\$3,796,616
Railhead Drive Industrial	Dallas, TX	\$60,000,000	\$60,200,000	\$60,200,000	4Q11	September-13	\$2,019,049
16400 Knott Ave	Los Angeles, CA	\$30,400,000	\$30,600,000	\$30,600,000	3Q12	September-13	\$1,026,294
Chino South Logistics Center	Chino, CA	\$73,800,000	\$90,500,000	\$90,500,000	4Q12	September-13	\$3,035,281
Airport Trade Center I	Dallas, TX	\$25,000,000	\$25,900,000	\$25,900,000	1Q13	September-13	\$868,660
Airport Trade Center II & IV	Dallas, TX	\$39,300,000	\$41,700,000	\$41,700,000	1Q13	September-13	\$1,398,577
		<b>\$791,532,219</b>	<b>\$816,200,539</b>	<b>\$769,221,770</b>			<b>\$25,798,939</b>

Real Estate Valuation Analysis – INVESCO Core Real Estate

Third Quarter 2013

Property Name	MSA	Prior Quarter Carry Value	Current Quarter Carry Value	Net Market Value	Added to Fund	Last Valuation Date	SamCERA ownership as of 9/30/2013 3.35%
<b>OFFICE</b>							
55 Cambridge	Boston MA - NH	\$167,700,000	\$172,000,000	\$172,000,000	4Q06	September-13	\$5,768,710
One Liberty	Boston MA - NH	\$50,000,000	\$0	\$0	2Q07	Sold 3Q13	\$0
Gainey Center II	Scottsdale - AZ	\$29,000,000	\$29,000,000	\$29,000,000	3Q07	September-13	\$972,631
Valencia Town Center	Valencia, CA	\$147,000,000	\$148,000,000	\$148,000,000	3Q07	September-13	\$4,963,774
Westport Corporate Center	Fairfield County, CT	\$15,500,000	\$14,800,000	\$14,800,000	4Q07	September-13	\$496,377
Parkside Towers	San Francisco, CA	\$103,267,602	\$103,267,602	\$60,329,909	1Q08	September-13	\$2,023,406
The Executive Building	Washington DC	\$180,000,000	\$184,000,000	\$184,000,000	2Q08	September-13	\$6,171,178
10 Brookline Place	Brookline, MA	\$128,000,000	\$121,000,000	\$121,000,000	2Q10	September-13	\$4,058,221
1111 Pennsylvania Avenue	Washington, D.C.	\$245,000,000	\$246,000,000	\$246,000,000	4Q10	September-13	\$8,250,597
1800 Larimer	Denver, CO	\$236,000,000	\$250,000,000	\$250,000,000	1Q11	September-13	\$8,384,753
230 Park Avenue	New York, NY	\$415,650,000	\$430,950,000	\$245,789,584	2Q11	September-13	\$8,243,540
3450 & 3460 Hillview Ave	San Jose, CA	\$59,000,000	\$59,000,000	\$59,000,000	3Q12	September-13	\$1,978,802
Williams Tower	Houston, TX	\$461,000,000	\$459,000,000	\$276,192,076	1Q13	September-13	\$9,263,210
		<b>\$2,237,117,602</b>	<b>\$2,217,017,602</b>	<b>\$1,806,111,569</b>			<b>\$60,575,200</b>
<b>RETAIL</b>							
Broadway at Surf	Chicago IL	\$30,900,000	\$33,100,000	\$33,100,000	2Q04	September-13	\$1,110,141
Carriagetown Marketplace	Boston MA - NH	\$21,500,000	\$21,400,000	\$21,400,000	2Q04	September-13	\$717,735
Chandler Pavilions	Phoenix - Mesa AZ	\$18,100,000	\$19,000,000	\$19,000,000	2Q04	September-13	\$637,241
Matthews Township	Charlotte - G - RH NC-SC	\$23,200,000	\$23,300,000	\$23,300,000	2Q04	September-13	\$781,459
Windward Commons	Atlanta GA	\$21,800,000	\$21,800,000	\$21,800,000	2Q04	September-13	\$731,150
Cityline at Tenley	Washington, D.C.	\$45,100,000	\$46,600,000	\$46,600,000	4Q05	September-13	\$1,562,918
Ridgehaven Mall	Minnetonka, MN	\$33,100,000	\$34,500,000	\$34,500,000	4Q05	September-13	\$1,157,096
The Beacon Retail	San Francisco, CA	\$49,800,000	\$50,600,000	\$50,600,000	1Q06	September-13	\$1,697,074
The Beacon Garage	San Francisco, CA	\$29,800,000	\$29,800,000	\$29,800,000	1Q06	September-13	\$999,463
Oak Brook Court	Chicago, IL	\$17,400,000	\$16,800,000	\$16,800,000	4Q07	September-13	\$563,455
Hawthorne Plaza	Overland Park, KS	\$29,300,000	\$29,300,000	\$29,300,000	4Q07	September-13	\$982,693
Deerwood Lake Commons	Jacksonville, FL	\$10,400,000	\$10,500,000	\$10,500,000	4Q07	September-13	\$352,160
Heath Brook Commons	Ocala, FL	\$11,000,000	\$10,900,000	\$10,900,000	4Q07	September-13	\$365,575
Park View Square	Miramar, FL	\$12,500,000	\$12,500,000	\$12,500,000	4Q07	September-13	\$419,238
St. John's Commons	Jacksonville, FL	\$10,400,000	\$10,400,000	\$10,400,000	4Q07	September-13	\$348,806
West Creek Commons	Coconut Creek, FL	\$10,700,000	\$10,600,000	\$10,600,000	4Q07	September-13	\$355,514
The Loop	Boston MA - NH	\$96,200,000	\$97,000,000	\$97,000,000	1Q08	September-13	\$3,253,284
Westbank Marketplace	Austin, TX	\$47,700,000	\$44,500,000	\$22,222,645	3Q10	September-13	\$745,326
910 Lincoln Road	Miami, FL	\$18,200,000	\$18,300,000	\$18,300,000	4Q10	September-13	\$613,764
Lake Pointe Village	Houston, TX	\$65,800,000	\$67,800,000	\$67,800,000	4Q11	September-13	\$2,273,945
Safeway Kapahulu	Hawaii	\$82,500,000	\$82,500,000	\$46,625,000	4Q11	September-13	\$1,563,756
Safeway Burlingame	San Francisco, CA	\$46,500,000	\$46,500,000	\$24,003,798	4Q11	September-13	\$805,064
Shamrock Plaza	Oakland, CA	\$33,500,000	\$33,800,000	\$17,695,891	4Q11	September-13	\$593,503
Pavilions Marketplace	West Hollywood, CA	\$50,500,000	\$51,400,000	\$26,946,530	1Q12	September-13	\$903,760
130 Prince	New York, NY	\$148,000,000	\$154,000,000	\$154,000,000	2Q12	September-13	\$5,165,008
Pleasanton Gateway	Pleasanton, CA	\$73,000,000	\$73,000,000	\$73,000,000	4Q12	September-13	\$2,448,348
Liberty Wharf	Boston, MA	\$72,500,000	\$74,500,000	\$39,217,881	4Q12	September-13	\$1,315,329
Shops at Legacy	Plano, TX	\$0	\$100,000,000	\$100,000,000	3Q13	Acq 3Q13	\$3,353,901
		<b>\$1,109,400,000</b>	<b>\$1,224,400,000</b>	<b>\$1,067,911,745</b>			<b>\$35,816,706</b>
<b>Portfolio Total</b>		<b>\$5,935,434,994</b>	<b>\$6,072,514,482</b>	<b>\$5,097,765,573</b>			<b>\$170,974,027</b>

**Angelo, Gordon & Co. – AG STAR Fund**

The STAR Fund will focus on CMBS and non-Agency RMBS priced between 25-75% of par, which AG believes are even today mispriced due to their complex nature and a dearth of natural buyers capable of accurately valuing these assets. In addition, AG will target securities that are well-positioned to benefit from home and commercial property price stabilization and recovery, and/or borrower credit quality improvement. In this regard the STAR Fund will be more aggressive than the PPIP Fund since it will target securities that are more geared to a recovery of the commercial and residential real estate markets. The Fund will utilize a moderate amount of leverage (1x to 1.5x) and is targeting a base-case 15% net IRR with a downside return in the mid/high single digits and an upside projection of 25%+ returns.

**AQR – Hedge**

The AQR DELTA Fund aims to deliver efficient exposure to a well-diversified portfolio of hedge fund strategies, including Convertible Arbitrage, Event Driven, Fixed Income Relative Value, Equity Market Neutral, Long/Short Equity, Dedicated Short Bias, Global Macro, Managed Futures, and Emerging Markets. The Delta Fund's approach is to capture and deliver the "hedge fund risk premiums" that explain much of the returns of each of these strategies by building bottom-up positions in each strategy. AQR's research has demonstrated that many hedge funds use similar strategies to generate returns. These strategies are often well-known, widely understood and share common exposures. AQR's experience and research suggests much of the insight underlying these strategies - as well as a meaningful portion of their returns - can be captured using a dynamic, disciplined investment approach. Just as the equity risk premium can explain a large portion of the returns from equity investing, hedge fund risk premiums can explain the returns from hedge fund investing. Importantly, while compensation for equity risk is dependent on economic growth, hedge fund risk premiums are largely unrelated to economic activity, and thus provide attractive diversification properties.

**AQR – Risk Parity**

The objective of Global Risk Parity (GRP) is to generate excess returns from a risk diversified portfolio of asset exposures. AQR believes that its approach maximizes the diversification benefit across a broad range of economic environments. For many institutional portfolios, equity risk has historically been the predominant risk and the source of most return expectations since equities offer higher expected returns to compensate for their high risk. Investor preference for and concentration in equities has been driven by their expected return needs, which cannot be satisfied in a well-diversified un-levered portfolio. GRP is a diversified portfolio that can be scaled to similar levels of risk as a portfolio concentrated in equities, but with a higher expected return resulting from diversification across asset class risk. The approach helps do away with the compromise of concentrating in high risk assets to meet high return needs. Consistent with portfolio theory, the GRP strategy is designed to maximize diversification across a broad spectrum of liquid global risk premia to create a portfolio with higher expected risk-adjusted returns. Research shows that risk-adjusted returns across asset classes are similar over the long-term. Since realized risk-adjusted returns across asset classes are similar, AQR expects a portfolio that is diversified equally by risk to perform better. The Global Risk Premium strategy aims to deliver efficient market exposure across four broad asset classes in a risk balanced fashion.

**Baillie Gifford – EAFE Plus Focus**

EAFE Plus Focus is a fundamental growth strategy. Research is organized primarily by regional teams, and each member of the EAFE Plus Focus Portfolio Construction Group is a member of a different regional team. Four global sector groups also contribute research. Baillie Gifford conducts approximately 2000 company meetings annually both in Edinburgh and onsite. Companies are evaluated on their growth opportunity relative to the average company, their ability to execute on that opportunity, and the degree to which probability of future success is already valued by the market. Baillie Gifford's basic philosophy is that share prices ultimately follow earnings. They believe that the stock market has a recurring tendency to under-appreciate the value of long-term compound growth. The process seeks to add value through use of proprietary fundamental research to identify companies exhibiting some combination of sustained above average growth, and attractive financial characteristics. The portfolio generally holds 80-100 stocks, with country weights +/-6% relative to the index and industry weights +/- 5% relative to the index. This strategy can invest opportunistically in the emerging markets, but historically this exposure has been below 10%.

**Barrow Hanley – Diversified Large Cap Value**

Barrow Hanley takes a bottom up value approach to equity investing. They seek to buy stocks that exhibit all three of the following characteristics: price/earnings and price/book ratios below the market, and dividend yield above the market (with the S&P 500 representing the market). Their view is that a portfolio that emphasizes low price/book and high dividend yield stocks will provide some protection in down markets and participation in improving economic cycles. In addition to their basic valuation criteria, Barrow Hanley is also looking for profitable companies with earnings growth greater than the market. After the quantitative screening process, Barrow Hanley's equity research team conducts qualitative analysis of candidate investments. This involves forecasting ROE 5-years out and treating this forecast as the basis for earnings, book value and dividend yield projections for the same five year period. These projections are used as inputs into a dividend discount model and relative return model. Stocks that appear to be attractively valued according to both of these models comprise the firm's buy list. The portfolio managers construct the portfolio with 70-90 of the buy list names. Securities are weighted approximately equally, with core positions in the range of 1.5%. Sector weightings are limited to 35% (at cost) and industry weightings are limited to 15%. Stocks are generally held for three to four years, resulting in average turnover of 25% - 35%.

**BlackRock – S&P 500 Index**

The Equity Index Fund seeks to capture the growth potential of large companies and achieve broad diversification with low costs by fully replicating the Standard & Poor's (S&P) 500 Index. Representing approximately 80% of the total US equity market capitalization, the S&P 500 Index is one of the most widely followed benchmarks of US stock market performance. Introduced in 1977, this fund was the investment management industry's first institutional S&P 500 Index fund.

**The Boston Company – Small Cap Index**

The Boston Company's approach to small cap value investing is to conduct bottom-up fundamental research in an effort to add value through security selection. The investment process seeks to identify the stocks of companies which have compelling valuations and business fundamentals, as well as a catalyst for positive change. The appropriate valuation metrics for an individual company can vary depending on industry. Ideas are generated from company meetings, industry contacts and team's internal research. The universe of domestic small-cap equity securities is quantitatively screened for valuation, business health and earnings revisions. In addition, they also screen/track operating income and EBITDA estimate revisions. Once candidates for investment are identified, individual stock weights are determined by portfolio risk, liquidity, and analyst conviction. Normally, portfolios will contain between 120-150 holdings (from a short list of 500 securities), with a maximum individual security weighting of 5%, though most are less than 3%. Securities will typically be in the \$100 million - \$2 billion market cap range at time of purchase. Generally, sector exposure is limited to no more than 2X the index weight with a maximum overweight of 10 percentage points and a maximum underweight of half that of the index. The goal is for portfolios to be close to fully invested at all times, with cash typically below 5%. Any stock down 20% from the purchase price is reviewed. In addition, portfolios are reviewed on a regular basis for unintended risk. Positions are sold when any one of the three investment criteria (valuation, fundamentals, catalyst) breaks down.

**Brigade – Opportunistic Credit**

Opportunistic Credit is a fundamental, bottom-up strategy focused on high yield corporate bonds and bank loans with tactical allocations to structured securities, convertibles and other sectors of the bond markets as they become attractive on a relative value basis. While performing credits represent the majority, Brigade will invest up to 35% of the portfolio in distressed securities and restructuring situations if these types of opportunities are attractive on a risk-adjusted basis and the timing is right with respect to the credit cycle. The portfolio is comprised of mostly North American issuers, but they are not restricted geographically and expect to have a moderate allocation to Europe over time. Although the portfolio is generally long-only, Brigade has the ability to implement a limited amount of tactical macro hedges.

**Brown Advisory – Large Cap Growth Equity**

Brown Advisory's Large-Cap Growth Equity philosophy is based on the belief that concentrated portfolios of fundamentally strong businesses should generate returns in excess of the portfolio's index and the broad market, with an acceptable level of risk. The success of the philosophy is based on a talented, highly collaborative investment team with a long-term outlook, performing deep investment research on a broad universe of stocks. This culminates in bottom-up company selection that strives to identify drivers of growth in the large capitalization universe. With conviction in strict investment criteria and rigorous due diligence, Brown concentrate its portfolios in its best ideas, creating the potential for above-average returns. The objective is to exceed the returns of the strategy's benchmark, the Russell 1000 Growth Index, over a full market cycle (typically 3-5 years) on a risk-adjusted basis.

**Brown Brothers Harriman – Inflation Indexed Securities**

BBH manages TIPS using three main types of strategies: Fundamental, Technical and Opportunistic. The Fundamental bucket has two sub-strategies, real yield duration and real yield curve slope vs. nominal yield curve slope. The Technical strategies consist of yield curve roll-down, auction cycle trading, seasonal vs. non-seasonal CPI and security selection/option value analysis. Finally, nominal Treasuries vs. TIPS, sector relative value (i.e., corporate or Agency inflation-linked bonds) and non-Dollar inflation-linked bonds make up the Opportunistic group. Real yield duration is held to +/- 1 year vs. the benchmark and the portfolio has a limited allocation to non-index securities, typically 5-10% with a maximum of 20% (including nominal Treasuries).

**Chartwell Investment Partners – Small Cap Growth**

Chartwell's Small Cap Growth product strives to hold stocks with strong fundamentals that are best positioned for rapid growth. These businesses typically demonstrate strong increases in earnings per share. Chartwell invests in these securities with an intermediate time horizon in mind. They initiate investments opportunistically and when stocks are attractively valued. Chartwell focuses on high growth companies that lie in the middle of the momentum and growth at a reasonable price continuum, and construct Small Cap Growth portfolios with fairly low tracking errors. Portfolios contain 50-70 stocks with market capitalizations between \$200 million and \$2.5 billion at purchase. Meetings with management are an important part of the investment process. This product is closed to new investors.

**DE Shaw – Broad Market Core Enhanced Plus Strategy**

The D. E. Shaw group believes that there exist some market inefficiencies that may be identified through quantitative analysis, advanced technology, and the insight of practitioners. Identifying these inefficiencies involves a process of hypothesis formulation, testing, and validation. Importantly, to avoid data-mining, the hypothesis formulation precedes the analysis of the historical data. D.E. Shaw's Structured Equity strategies rely largely on quantitative and computational investment techniques developed by the D. E. Shaw over the last 19 years in the course of research conducted for purposes of managing the firm's hedge funds. Although the D.E. Shaw's long-only assets under management are comparatively modest, the firm's hedge fund assets are substantial, as are the resources devoted to quantitative research and portfolio management. D.E. Shaw's investment process involves a suite of quantitative models, each designed to capitalize on a distinct and uncorrelated set of market inefficiencies. Some of these models are technical in nature and involve price and volume inputs. Other models rely on fundamental data, such as figures gleaned from corporate balance sheets or income statements. Still others, again quantitative, anticipate or react to a particular corporate event or set of events. These models typically operate with forecast horizons of a few weeks to many months. The ability to trade on shorter-term signals distinguishes D.E. Shaw from many of its long only enhanced index peers. Portfolio construction involves the use of a proprietary optimizer which runs dynamically throughout the trading day. The portfolio will generally hold 300-500 securities. Over- and under-weighting of sectors and industries relative to the benchmark will be quite modest, with the intention that most of the alpha be generated by security selection.

**Eaton Vance/Parametric – Structured Emerging Markets Equity**

Parametric utilizes a structured, rules-based approach, which they believe is capable of generating enhanced returns with lower volatility compared to both traditional active management and passive capitalization weighted indices. The basic idea is to structure the portfolio with more balanced country weights than the market cap weighted indices, and also to capture a rebalancing premium. This provides more diversification and greater exposure to smaller countries than is provided by the market cap weighted indices. The approach is to divide emerging markets countries into four tiers, and to equally weight the countries within each tier. Tier 1 countries are the largest eight countries that dominate the cap weighted index. Each successive tier is comprised of smaller countries, each of which is given a smaller target weighting in the model portfolio. In aggregate, the eight Tier 1 countries are given a much lower weighting than in the capitalization weighted index, but they nevertheless comprise more than 50% of the portfolio. Tier 4 countries are in the frontier markets. The SEM strategy targets excess return of 3% over a market cycle with 4.5%-6.5% tracking error. It is designed to generate a level of volatility 85%-95% of the MSCI EM index. The strategy invests in 44 countries and will typically hold 1,000-1,500 securities. Turnover is expected to be in the range of 20%-25%.

**Franklin Templeton Investments – Global Fixed Income**

Franklin Templeton manages the global bond mandate in an unconstrained fashion using a top-down, fundamental framework. In the short term and on a country-by-country basis there are often inefficiencies in global bond and currency markets, however, over the longer term the market will generally price to fundamentals. Thus, FT focuses on fundamental research to identify long-term opportunities and uses short-term market inefficiencies to build positions in such investments. The investment and portfolio construction process begins with the determination of the Fund's or institutional client's investment objectives, resulting in a set of risk-return parameters and exposure limits within which the portfolio is managed. Next the firm's global economic outlook for the industrialized countries is developed, with a focus on interest rate and exchange rate forecasts. The portfolio's interest rate outlook is a function of global general equilibrium macroeconomic analysis as well as country-specific research. Macroeconomic conditions in the G-3 economies are analyzed first, primarily with respect to how current and projected growth and inflation dynamics are expected to influence monetary policy. This analysis is then extended out to the rest of the industrialized countries (G-13) as well as emerging markets, which results in broad targets for cash, duration, currencies and the developed/emerging market mix. Using the firm's interest rate and exchange rate outlook, probability-weighted horizon returns for bonds of various countries are then calculated. This analysis is used to establish specific country weights and duration targets based on risk-adjusted expected total return measured in the portfolio's base currency. Analysis of emerging markets includes sovereign credit analysis along with greater emphasis on capital flows, inter-market dynamics and trends in the level of risk aversion in the market.

**INVESCO Realty Advisors – INVESCO Core Equity, LLC**

SamCERA is a founding member of INVESCO's open end Core Equity real estate fund and rolled its separate account properties into the fund. INVESCO Core Equity, LLC (the "Fund") is a perpetual life, open-end vehicle which invests in a diversified portfolio of institutional quality office, retail, industrial and multifamily residential real estate assets. The Fund buys core properties that are located within the United States, typically requiring an investment of \$10 million or more. The portfolio cannot be more than 30% leveraged.

**Mondrian Investment Partners – International Equity**

Mondrian is a value-oriented, defensive manager whose investment philosophy is based on the principle that investments must be evaluated for their fundamental long-term value. The firm's philosophy involves three stated investment objectives: 1) provide a rate of return meaningfully greater than the client's domestic rate of inflation, 2) structure client portfolios that preserve capital during protracted international market declines, and 3) provide portfolio performance that is less volatile than benchmark indices and other international managers. Mondrian applies typical value screening criteria to a universe of 1,500 stocks, from which 500 are selected for more detailed work. Through fundamental research, and the deliberations of the Investment Committee, the universe is further reduced to a list of 150 stocks. The investment team conducts detailed fundamental analysis on the remaining stocks, a process which includes applying the firm's dividend discount model consistently across all markets and industries. Mondrian also uses a purchasing power parity model to give an accurate currency comparison of the value of the stocks under consideration. The firm will only consider buying stocks in countries with good investor protection practices and relatively simple repatriation procedures. A computer based optimization program is employed in the portfolio construction process. Mondrian's portfolio holds 80-125 issues.

**Pyramis Global Advisors – Broad Market Duration Commingled Pool**

Pyramis' Broad Market Duration (BMD) investment strategy seeks to achieve absolute and risk-adjusted returns in excess of the BC U.S. Aggregate Index, focusing its investments in US Treasuries, agencies, investment grade corporate bonds, mortgage-backed and asset-backed securities. The BMD commingled pool can also hold small, opportunistic positions in out-of-benchmark securities, such as inflation-linked bonds. The investable universe includes all US dollar denominated, investment grade debt securities. The BMD investment approach emphasizes issuer and sector valuation and individual security selection. Through the integration of fundamental and quantitative research and trading, the BMD strategy is implemented in a team environment. Risk management technology is utilized to explicitly quantify benchmark exposures on a daily basis, and Pyramis uses the same analytical framework to assess both index and portfolio risk. Tracking error should range between 40 and 60 basis points per annum over the benchmark, and stringent portfolio construction risk control rules are strictly adhered to.

**Pyramis Global Advisors – Select International Small Cap**

Pyramis Select International Small Cap is a core strategy. The approach is designed to leverage Pyramis/Fidelity's proprietary resources to add value exclusively via stock selection. To that end the portfolio is constructed to be regionally neutral, with only modest deviations from the benchmark's country and sector weights. The investment process involves three basic stages. The first stage is the security level research conducted by the analysts. The second stage is stock selection from within the pool of names that are highly ranked by the analysts. The third step is portfolio construction and risk management. The essential differentiating feature of this strategy is the breadth of coverage that is made possible by the large staff of analysts. Analysts actively conduct regular fundamental research on, and give a formal rating of 1-5, 1200-1300 international small cap companies. While there is no single firm-wide approach to security research, analysts are expected to establish an upside target for any given stock and assign a formal rating. The decision making structure is quite efficient, with portfolio manager Rob Feldman making all the buy and sell decisions. His role, as he puts it, is to be an intelligent user of the analysts' research. He selects the 1- and 2- rated stocks that he thinks are compelling and additive to his portfolio, and he sells names when they are downgraded by the analysts. There are approximately 200 holdings in the portfolio. Country and sector weights are within 3 percentage points of the benchmark and position sizes are within 2 percentage points of the benchmark. Turnover tends to be in the 60%-80% range.

**SSgA Global Multisector Plus – Commodities**

SSARIS operates the Multisource Commodity (“MAC”) strategy. SSARIS is a joint venture between State Street Global Advisors (“SSgA”) and the executive team of RXR Capital. SSgA owns 60% of the venture with the remaining 40% held by RXR Capital's executives. SSgA believes that the commodities markets are not fully efficient, and that a disciplined, quantitative investment process can identify and exploit futures contract mispricings. They believe in taking a small number of large active positions in order to capitalize on these mispricings in a timely manner, utilizing a systematic processes to evaluate commodity market prices, to process this information objectively, to build investment models, and to construct efficient portfolios. The strategy's three quantitative models each seek to capture distinct inefficiencies prevalent in the commodity markets: mean reversion, structural imbalances and price dislocations. Backwardation: This model establishes a medium-term view on individual commodity price movement by observing the futures prices associated with a particular commodity. Regime Switching: Price cycles for a given commodity market tend to be persistent in duration yet also change from time to time (and often quite abruptly). This model ascertains the most probable regime in which an individual commodity resides, how likely this regime is to change, and the expected short-term price impact for a given level of price change. Trend Following: This model uses an annual commodity market selection and risk budgeting process to set the universe of commodity markets to be traded. The selection process takes into account liquidity, volatility and prior period drawdowns. The top ranked markets will receive a larger share of risk capital relative to those that are selected, yet not as highly ranked. It then utilizes trend following and momentum algorithms that are based upon price series analysis ranging over time periods from several weeks to months to enter and exit specific markets.

**Western Asset Management – U.S. Core Full Discretion**

Western Asset's investment philosophy has three key components. First, as sector rotators, the firm seeks out long term value by fundamentally analyzing all sectors of the fixed income market. Second, Western employs multiple strategies, proportioned so that no single adverse market event would have an overwhelming negative impact on performance. The third component of the investment philosophy is opportunistic trading. Western Asset adds value with opportunistic trades that attempt to exploit market inefficiencies. Non-US investment grade sovereigns, high yield and emerging market debt securities are used opportunistically in this approach. Western uses a team approach to portfolio management with duration, term structure, and sector allocation decisions developed by the Investment Strategy Group. The Research Group employs these determinations as they look for issues and issuers that are appropriate for the firm's eligible universe. Factors such as relative credit strength, liquidity, issue structure, event risk, covenant protection, and market valuation are central to its inquiries. Throughout this process, the Portfolio Management Group provides both teams with a picture of key capital markets. The Portfolio Management Group is also responsible for portfolio structuring and implementation. The U.S. Core Full Discretion portfolio holds between 40-60 issues and can hold up to 20% in high yield and 20% in non-US exposure. The portfolio's 10% maximum weight in emerging debt securities is counted towards the 20% maximum non-US exposure.

# San Mateo County Employees' Retirement Association

## Policy and Benchmarks History

### Total Plan Policy Benchmark

As of:

	2/1/2013	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	28.0%	28.0%	28.0%	37.0%	37.0%	40.0%	22.0%	20.0%	20.0%
S & P 500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%
Russell 1000 Value	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	0.0%
Russell 2000	7.0%	7.0%	7.0%	9.0%	9.0%	10.0%	15.0%	15.0%	15.0%
MSCI AC World ex-US	18.0%	18.0%	18.0%	21.0%	21.0%	15.0%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	20.0%
Barclays Aggregate	11.0%	11.0%	12.9%	27.0%	27.0%	29.0%	25.0%	21.0%	21.0%
Barclays BBB	3.5%	3.3%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Barclays Tips	3.1%	3.3%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Barclays Multiverse	4.4%	4.4%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Citigroup Non-US WGBI unhedged	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	9.0%	9.0%
NCREIF NFI ODCE	5.0%	5.0%	5.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NCREIF Property	0.0%	0.0%	0.0%	0.0%	6.0%	6.0%	0.0%	0.0%	0.0%
10 YR Treasury plus 2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	10.0%	10.0%
Russell 3000 + 300 basis points	8.0%	8.0%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
60% Russell 3000/40% BC Aggregate	6.0%	6.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Libor + 4%	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dow Jones UBS Commodity	3.0%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	100%	100%	100%	100%	100%	100%	100%	100%	100%

### Total Equity Benchmark

As of:

	10/1/2010	5/1/2007	6/1/2000	3/1/1999	9/1/1998	1/1/1996
Russell 1000	52.8%	55.2%	61.5%	35.5%	33.3%	33.3%
S & P 500	0.0%	0.0%	0.0%	0.0%	0.0%	8.4%
Russell 1000 Value	0.0%	0.0%	0.0%	8.0%	8.3%	0.0%
Russell 2000	13.2%	13.5%	15.4%	24.2%	25.0%	25.0%
MSCI AC World ex-US	34.0%	31.3%	23.1%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	32.3%	33.3%	33.3%
	100%	100%	100%	100%	100%	100%

### Domestic Equity Benchmark

As of:

	6/1/2000	3/1/1999	9/1/1998	7/1/1996	1/1/1995
Russell 1000	80.0%	52.0%	50.0%	50.0%	69.0%
S & P 500	0.0%	0.0%	0.0%	12.5%	17.0%
Russell 1000 Value	0.0%	12.0%	12.5%	0.0%	0.0%
Russell 2000	20.0%	36.0%	37.5%	37.5%	14.0%
	100%	100%	100%	100%	100%

### International Equity Benchmark

As of:

	6/1/2000	1/1/1996
MSCI AC World ex-US	100%	0.0%
MSCI EAFE	0.0%	100%
	100%	100%

### Total Fixed Income Benchmark

As of:

	2/1/2013	1/1/2011	10/1/2010	6/1/2000	3/1/1999	7/1/1996
Barclays Aggregate	50.0%	50.0%	58.6%	100.0%	83.3%	70.0%
Barclays BBB	16.0%	15.0%	7.3%	0.0%	0.0%	0.0%
Barclays Tips	14.0%	15.0%	13.6%	0.0%	0.0%	0.0%
Barclays Multiverse	20.0%	20.0%	20.5%	0.0%	0.0%	0.0%
Citigroup Non-US WGBI unhedged	0.0%	0.0%	0.0%	0.0%	16.7%	30.0%
	100%	100%	100%	100%	100%	100%

### Domestic Fixed Income Benchmark

As of:

	2/1/2013	1/1/2011	10/1/2010	7/1/1996
Barclays Aggregate	62.50%	62.40%	73.70%	100.00%
Barclays BBB	20.00%	18.80%	9.10%	0.00%
Barclays Tips	17.50%	18.80%	17.20%	0.00%
	100.0%	100.0%	100.0%	100.0%

### Global Fixed Income Benchmark

As of:

	10/1/2010
Barclays Multiverse	100%
	100%

### Real Estate Benchmark

As of:

	1/1/2009	6/1/2000	7/1/1996
NCREIF NFI ODCE (Gross)	100%	0.0%	0.0%
NCREIF Property Index	0.0%	100%	0%
10 YR Treasury plus 2%	0.0%	0.0%	100.0%
	100%	100%	100%

### Brigade Capital Benchmark

As of:

	10/1/2010
Barclays High Yield	50.0%
Bank Loan	50.0%
	100%

Alternative Investment Benchmarks

	As of:
Private Equity	10/1/2010
Russell 3000 + 300 basis points	100%
	100%
Risk Parity	10/1/2010
Russell 3000	60.0%
Barclays Aggregate	40.0%
	100%
Hedge Fund	10/1/2010
Libor + 4%	100%
	100%
Commodity	10/1/2010
Dow Jones UBS Commodity	100%
	100%

Angelo Gordon STAR Fund

First \$50 million: 1.00% per annum

Baillie Gifford

First \$25 million: 0.60% per annum

Next \$100 million: 0.50% per annum

Next \$400 million: 0.40% per annum

Thereafter: 0.30% per annum

Barrow, Hanley, Mewhinney & Strauss

First \$15 million: 0.75% per annum

Next \$25 million: 0.55% per annum

Next \$100 million: 0.45% per annum

Next \$200 million: 0.35% per annum

Next \$1 billion: 0.25% per annum

Thereafter: 0.15% per annum

BlackRock-Russell S&P 500 Fund

First \$250 million: 0.03% per annum

Thereafter: 0.02% per annum

The Boston Company Asset Management

First \$25 million: 0.90% per annum

Thereafter: 0.80% per annum

Brigade Capital Management

On All Assets: 0.80% per annum

Brown Advisory

First \$50 million: 0.47% per annum

Next \$100 million: 0.45% per annum

Next \$300 million: 0.40% per annum

Thereafter: 0.35% per annum

Brown Brothers Harriman

On All Assets: 0.15% per annum

Chartwell Investment Partners

On All Assets: 0.75% per annum

Clifton Group

First \$50 million: 0.12% per annum

Next \$150 million: 0.10% per annum

Thereafter: 0.05% per annum

D.E. Shaw Investment Management

First \$100 million: 0.51% per annum

Next \$200 million: 0.46% per annum

Thereafter: 0.41% per annum

Eaton Vance

On All Assets: 1.05% per annum

Franklin Templeton Investment

First \$50 million: 0.45% per annum

Next \$100 million: 0.35% per annum

Thereafter: 0.30% per annum

Mondrian Investment Partners

First \$50 million: 1.00% per annum

Next \$200 million: 0.19% per annum

Thereafter: 0.33% per annum

Pyramis Global Advisors

First \$50 million: 0.20% per annum

Next \$100 million: 0.18% per annum

Next \$200 million: 0.10% per annum

Thereafter: 0.09% per annum

Pyramis Select International

On All Assets: 0.90% per annum

SSgA Multisource Commodities

On All Assets: 0.60% per annum

Western Asset Management

First \$100 million: 0.30% per annum

Thereafter: 0.15% per annum

Manager Compliance Checklist

MANAGER	INDEX OUTPERFORMANCE						DATABASE BENCHMARK			MANAGER MEETING INVESTMENT PERFORMANCE EXPECTATIONS
	AFTER FEE VS. INDEX		BEFORE FEE VS. INDEX		RISK ADJUSTED (SHARPE RATIO)		MEDIAN			
	3 YEARS	5 YEARS	3 YEARS	5 YEARS	3 YEARS	5 YEARS	2 YEARS	3 YEARS	5 YEARS	
<b>DE SHAW</b> Russell 1000 Index	YES	N/A	YES	N/A	YES	N/A	YES	YES	N/A	YES
<b>BARROW HANLEY</b> Russell 1000 Value Index	YES	N/A	YES	N/A	YES	N/A	YES	YES	N/A	YES
<b>THE BOSTON COMPANY</b> Russell 2000 Value Index	YES	N/A	YES	N/A	YES	N/A	YES	YES	N/A	YES
<b>CHARTWELL</b> Russell 2000 Growth Index	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>MONDRIAN</b> MSCI ACWI -ex US Value	YES	NO	YES	NO	YES	YES	NO	NO	NO	YES
<b>PYRAMIS Bond</b> BC Aggregate Index	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>WESTERN ASSET</b> BC Aggregate Index	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
<b>Brown Brothers Harriman</b> Barclays US TIPS	YES	N/A	YES	N/A	YES	N/A	YES	YES	N/A	YES
<b>Brigade Capital</b> Barclays Credit BAA	YES	N/A	YES	N/A	YES	N/A	NO	YES	N/A	YES
<b>INVESCO REAL ESTATE</b> NCREIF Property Index	NO	NO	NO	NO	N/A	N/A	NO	YES	YES	YES

San Mateo County Employees' Retirement Association

Manager Performance Comparison

As of September 30, 2013

	July	Aug	Sept	3rd Qtr. 2013	Difference	2nd Qtr. 2013	Difference	1st Qtr. 2013	Difference	4th Qtr. 2012	Difference
SIS	5.10%	-2.89%	3.14%	5.26%		2.92%					
BlackRock S&P 500 Fund	5.10%	-2.89%	3.14%	5.27%	-0.01%	2.92%	0.00%				
S&P 500 Index	5.09%	-2.90%	3.14%	5.25%		2.92%					
SIS	5.70%	-2.97%	3.94%	6.60%		3.37%		11.62%		0.55%	
D.E. Shaw	5.70%	-2.97%	3.94%	6.60%	0.00%	3.37%	0.00%	11.62%	0.00%	0.55%	0.00%
Russell 1000 Index	5.35%	-2.76%	3.49%	6.02%		2.65%		10.96%		0.12%	
SIS	4.15%	-0.44%	4.29%	8.13%							
BrownAdvisory	4.19%	-0.50%	4.29%	8.12%	0.01%						
Russell 1000 Growth Index	5.30%	-1.71%	4.46%	8.12%							
SIS	6.46%	-2.70%	3.68%	7.40%		5.99%		11.29%		1.83%	
Barrow Hanley	6.46%	-2.70%	3.68%	7.40%	0.00%	5.97%	0.02%	11.31%	-0.01%	1.83%	0.00%
Russell 1000 Value Index	5.40%	-3.79%	2.51%	3.95%		3.20%		12.30%		1.53%	
SIS	7.23%	-3.57%	6.25%	9.87%		2.65%		11.79%		4.12%	
The Boston Company	7.23%	-3.57%	6.25%	9.86%	0.01%	2.64%	0.01%	11.80%	-0.01%	4.12%	0.00%
Russell 2000 Value Index	6.43%	-4.42%	5.77%	7.60%		2.47%		11.63%		3.23%	
SIS	8.69%	-0.38%	5.35%	14.08%		2.54%		12.90%		2.57%	
Chartwell	8.69%	-0.38%	5.35%	14.07%	0.01%	2.51%	0.02%	12.90%	0.00%	2.58%	-0.01%
Russell 2000 Growth Index	7.56%	-1.95%	6.96%	12.80%		3.74%		13.20%		0.45%	
SIS	4.49%	-1.17%	7.16%	10.66%		-1.46%		7.61%		4.47%	
Baillie Gifford	4.50%	-1.18%	7.13%	10.63%	0.03%	-1.43%	-0.02%	7.59%	0.02%	4.51%	-0.04%
MSCI EAFE	5.28%	-1.31%	7.42%	11.61%		-0.74%		5.24%		6.61%	
MSCI EAFE Growth Index	4.71%	-1.31%	6.96%	10.53%		-0.98%		6.81%		5.80%	

San Mateo County Employees' Retirement Association  
**Manager Performance Comparison**

As of September 30, 2013

	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>3rd Qtr.</u> <u>2013</u>	<u>Difference</u>	<u>2nd Qtr.</u> <u>2013</u>	<u>Difference</u>	<u>1st Qtr.</u> <u>2013</u>	<u>Difference</u>	<u>4th Qtr.</u> <u>2012</u>	<u>Difference</u>
SIS	2.11%	-2.76%	6.53%	5.78%		-6.23%		0.02%		5.49%	
Eaton Vance Management	2.11%	-2.76%	6.53%	5.78%	0.00%	-6.23%	0.00%	0.02%	0.00%	5.48%	0.01%
MSCI EM Market Index	1.10%	-1.68%	6.53%	5.89%		-7.96%		-1.57%		5.61%	
SIS	3.07%	-2.28%	6.58%	7.35%		-0.98%		3.89%		4.13%	
Mondrian	3.07%	-2.28%	6.55%	7.32%	0.03%	-0.98%	0.00%	3.90%	-0.01%	4.13%	0.00%
MSCI ACWI -ex US Value Index	5.10%	-1.21%	7.35%	11.46%		-2.97%		1.94%		6.50%	
MSCI ACWI -ex US	4.40%	-1.36%	6.98%	10.17%		-2.90%		3.28%		5.90%	
SIS	4.19%	-1.97%	7.29%	9.59%		-2.80%		5.84%		5.56%	
Pyramis Int'l Equity	4.19%	-1.97%	7.29%	9.58%	0.01%	-2.81%	0.00%	5.84%	0.00%	5.56%	0.00%
MSCI ACWI -ex US Small Cap Index	4.99%	-0.84%	8.02%	12.46%		-4.27%		6.60%		4.95%	
SIS				2.00%		10.71%		6.53%			
Angel Gordon STAR Fund (Net)				2.00%	0.00%	10.71%	0.00%	6.23%	0.30%		
BC Aggregate Index				-0.20%		-2.33%		-0.12%			
SIS	0.25%	-0.66%	1.33%	0.91%		-2.48%		0.20%		0.62%	
Pyramis Bond	0.25%	-0.66%	1.33%	0.91%	0.00%	-2.49%	0.00%	0.21%	-0.01%	0.62%	0.00%
BC Aggregate Index	0.14%	-0.51%	0.95%	0.58%		-2.33%		-0.12%		0.22%	
SIS	1.40%	-0.33%	1.37%	2.45%		-1.03%		3.26%		3.54%	
Brigade Capital	1.38%	-0.37%	1.34%	2.36%	0.09%	-1.11%	0.08%	3.17%	0.09%	3.50%	0.04%
BC BBB Credit	0.81%	-0.99%	0.96%	0.77%		-3.93%		-0.20%		1.66%	
SIS	0.81%	-1.22%	1.14%	0.72%		-7.34%		-0.21%		0.86%	
Brown Brothers Hariman	0.68%	-1.22%	1.14%	0.59%	0.13%	-7.35%	0.01%	-0.01%	-0.20%	0.88%	-0.02%
BC U.S Tips	0.73%	-1.45%	1.45%	0.71%		-7.05%		-0.37%		0.70%	

San Mateo County Employees' Retirement Association

Manager Performance Comparison

As of September 30, 2013

	<u>July</u>	<u>Aug</u>	<u>Sept</u>	<u>3rd Qtr.</u> <u>2013</u>	<u>Difference</u>	<u>2nd Qtr.</u> <u>2013</u>	<u>Difference</u>	<u>1st Qtr.</u> <u>2013</u>	<u>Difference</u>	<u>4th Qtr.</u> <u>2012</u>	<u>Difference</u>
SIS	0.18%	-0.58%	1.23%	0.82%		-2.73%		0.41%		0.94%	
Western Asset	0.12%	-0.57%	1.22%	0.76%	0.06%	-2.71%	-0.03%	0.51%	-0.10%	0.99%	-0.06%
BC Aggregate Index	0.14%	-0.51%	0.95%	0.58%		-2.33%		-0.12%		0.22%	
SIS	0.18%	-1.92%	2.90%	1.11%		-3.70%		3.62%		4.82%	
Franklin Templeton Investments	0.13%	-2.16%	3.20%	1.10%	0.01%	-3.42%	-0.27%	3.22%	0.40%	5.07%	-0.25%
BC Multiverse	1.30%	-0.53%	2.04%	2.82%		-2.73%		-1.95%		-0.29%	
SIS	1.31%	-1.45%	2.47%	2.31%		-10.01%		4.51%		1.79%	
AQR Global Risk Premium III (Net)	1.27%	-1.48%	2.44%	2.21%	0.10%	-10.10%	0.09%	4.40%	0.10%	1.68%	0.11%
40% R3000/ 60% BC Agg	3.34%	-1.88%	2.61%	4.04%		0.67%		6.52%		0.24%	
SIS	0.36%	-2.17%	0.62%	-1.21%		3.03%		0.81%		3.31%	
AQR DELTA Fund II (Net)	0.28%	-2.26%	0.54%	-1.46%	0.24%	2.78%	0.26%	0.57%	0.24%	3.04%	0.26%
Libor + 4%	0.36%	0.35%	0.35%	1.06%		1.06%		0.95%		1.06%	
SIS	1.84%	3.52%	-2.63%	2.65%		-6.78%		-0.96%		-5.72%	
SSgA Multisource Commodity	1.84%	3.52%	-2.63%	2.65%	0.00%	-6.78%	0.00%	-0.97%	0.01%	-5.72%	0.00%
DJ UBS Commodity	1.36%	3.40%	-2.55%	2.13%		-9.44%		-1.13%		-6.33%	
S&P Goldman Sachs Commodity	4.91%	3.38%	-3.39%	4.78%		-5.93%		0.55%			
SIS				2.25%		4.71%		3.25%		2.12%	
INVESCO Real Estate				2.25%	0.00%	4.69%	0.02%	3.25%	0.00%	2.12%	0.00%
NCREIF NFI ODCE Index				3.56%		3.86%		2.68%		-3.28%	

## Market Capitalization Breakpoints

Updated November, 2013

The market capitalization breakpoints that appear in the Market Capitalization Chart are defined by the Russell 3000 Index and change for each period end. Russell calculated the total market capitalization of each security for the end of the period, based on the total shares and price, to determine whether it is large enough for inclusion in one or more of the Russell Breakpoints.

Once the market capitalization for each security is determined, each security is then placed in the appropriate market capitalization breakpoint. A market capitalization breakpoint is determined by the break between the companies below.

Break Point	Companies included
Large Cap	50 Largest US Companies
Medium Large Cap	Next largest 150 US Companies
Medium Cap	Next largest 300 US Companies
Medium Small Cap	Next largest 500 US Companies
Small Cap	All US Companies below 1,000 largest

After the breakpoints are determined by the ranges above, new members are assigned on the basis of the breakpoints and existing members are reviewed to determine if they fall within a cumulative 5% market cap range around the new market capitalization breakpoints. If an existing securities market cap falls within this 5%, it will remain in its current index rather than move into a new market capitalization based index.

### Most Recent Breakpoints

As Of	Large Cap	Medium Large Cap	Medium Cap	Medium Small Cap	Small Cap
9/30/13	72.4	19.93	7.15	2.71	0
6/30/13	68.47	19.36	6.48	2.46	0
3/31/13	64.31	18.64	6.39	2.39	0
12/31/12	58.45	16.80	5.75	2.13	0
9/30/12	57.06	16.48	5.49	2.08	0
06/30/12	55.65	16.13	5.14	1.99	0
03/31/12	57.58	16.43	5.55	2.13	0
12/31/11	51.97	14.66	4.93	1.93	0
09/30/11	45.35	13.88	4.38	1.66	0
06/30/11	54.25	15.95	5.66	2.16	0
03/31/11	52.22	15.69	5.70	2.16	0
12/31/10	49.54	14.80	5.16	2.04	0
11/30/10	47.21	13.64	4.88	1.90	0
10/31/10	46.35	13.49	4.74	1.85	0
09/30/10	42.83	13.13	4.64	1.80	0
08/31/10	39.87	12.16	4.17	1.60	0
07/31/10	43.50	12.49	4.49	1.72	0
06/30/10	39.95	11.58	4.10	1.59	0

*\*Numbers in billions*

## MARKET SUMMARY

### Equity Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
S&P 500	5.2	19.3	16.3
Dow Jones Industrial Average	2.1	15.6	14.9
NASDAQ	10.8	21.0	16.8
Russell 1000	6.0	20.9	16.6
Russell 2000	10.2	30.1	18.3
Russell 3000	6.3	21.6	16.8
MSCI EAFE (Net)	11.6	23.8	8.5
MSCI Emerging Markets (Net)	5.8	1.0	-0.3
MSCI All Country World ex US	10.1	16.5	5.9

### Bond Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
Barclays Capital Aggregate	0.6	-1.7	2.9
Barclays Capital Gov/Credit	0.4	-2.0	2.9
Barclays Capital Universal	0.7	-1.0	3.4
Barclays Capital Corp. High Yield	2.3	7.1	9.2
CG Non-US World Govt.	4.1	-5.6	0.6

### Non-Public Markets

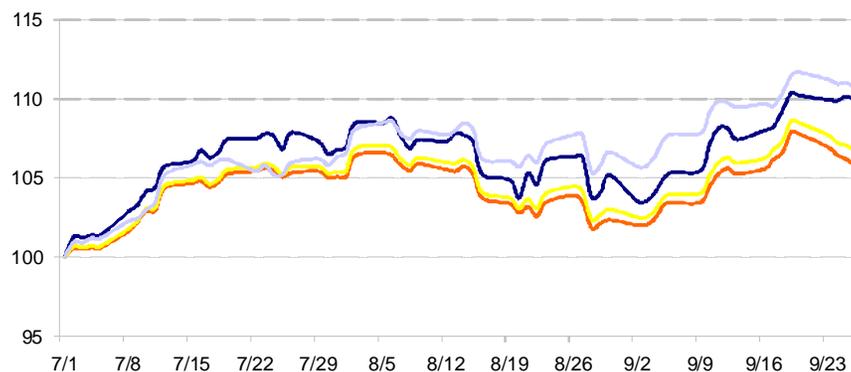
*lagged quarterly*

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
NCREIF Property	2.9	10.7	13.1
State Street Private Equity Index	2.6	12.5	13.3

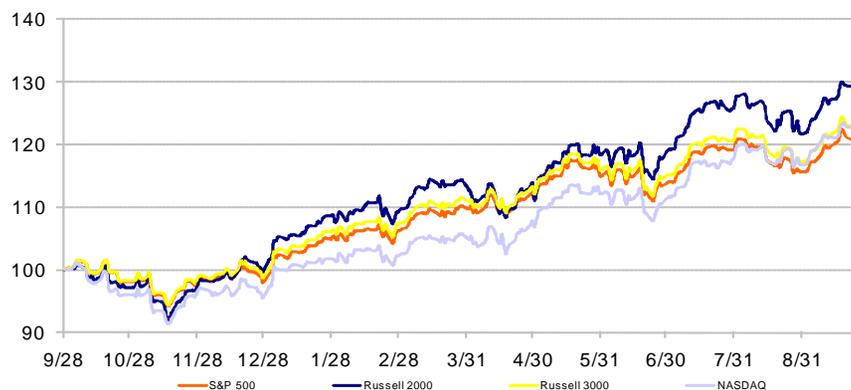
## U.S. Equity Market

- U.S. equities, as measured by the S&P 500 total return index, rose 5.2% during the quarter as the Federal Reserve postponed the onset of the tapering of quantitative easing.
- Technology stocks outperformed, with the NASDAQ returning 10.8% in Q3.
- Small caps, as measured by the Russell 2000 index, also had a strong quarter, rising 10.2%.

### Equity Index – Quarterly Growth Rate



### Equity Index – 1-Year Growth Rate

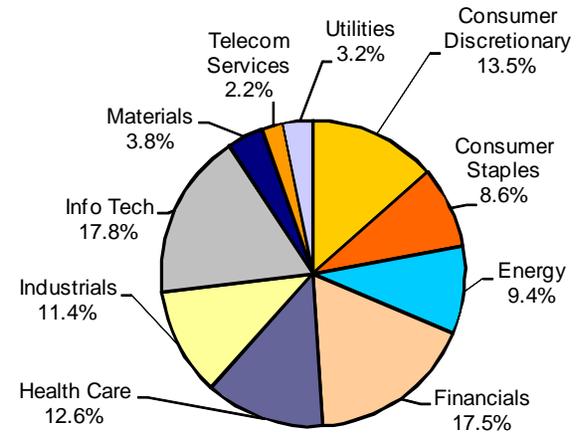


**U.S. MARKETS**

**U.S. Equity – Russell 3000**

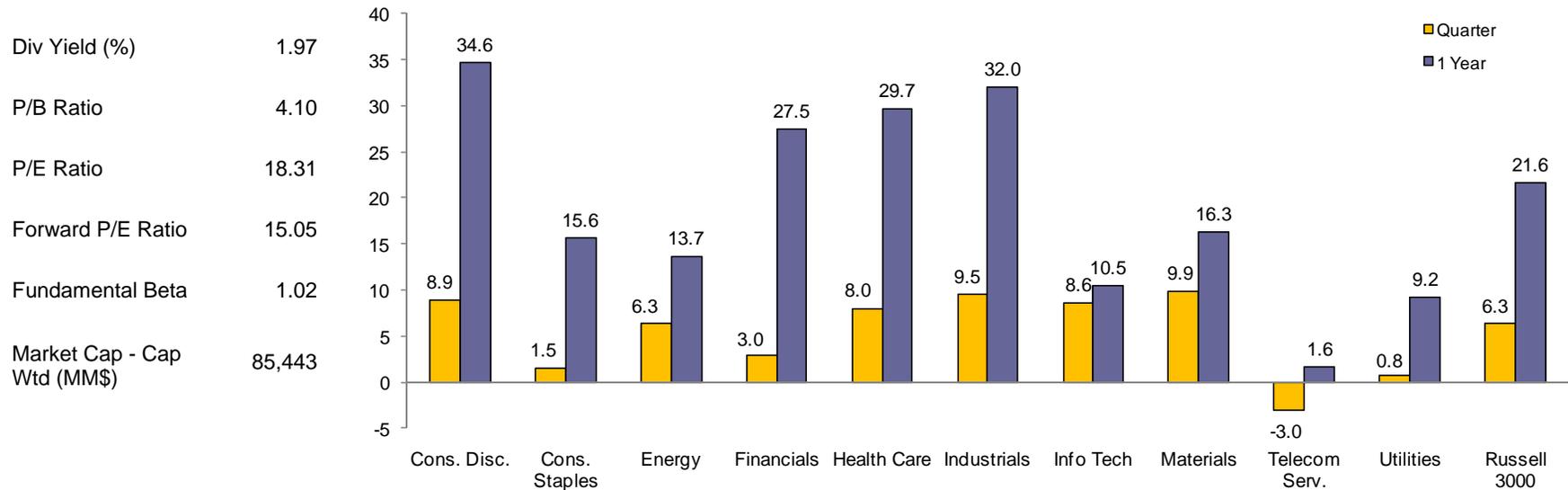
- Diminished Fed tapering fears helped boost most sectors; industrials rose 9.5% in the third quarter, while materials stocks rose 9.9%.
- More defensive sectors were less in favor, with telecom falling 3.0% and utilities rising only 0.8%.
- Overall, the Russell 3000 index returned 6.3% during the quarter; the yearly return was 21.6%.

**Ending Sector Weights**



**Characteristics**

**Sector Returns (%)**



**Contribution to Return:**

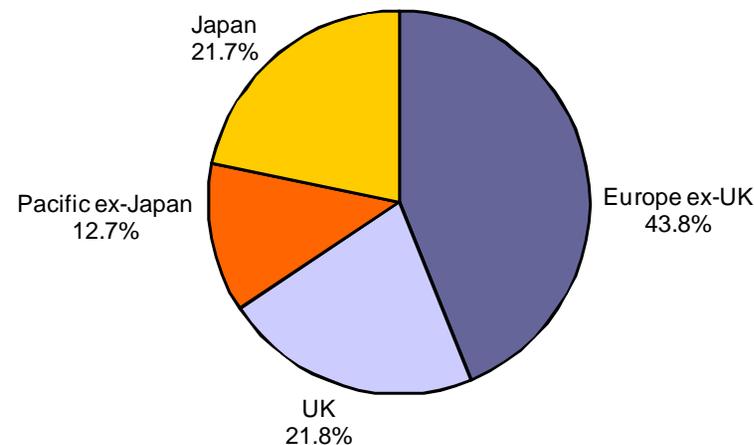
	Cons. Disc.	Cons. Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Serv.	Utilities	Russell 3000
Qtr	1.2	0.1	0.6	0.5	1.0	1.1	1.5	0.4	-0.1	0.0	6.3
1 Year	4.2	1.5	1.4	4.5	3.5	3.5	2.0	0.7	0.0	0.3	21.6

**NON-U.S. MARKETS**

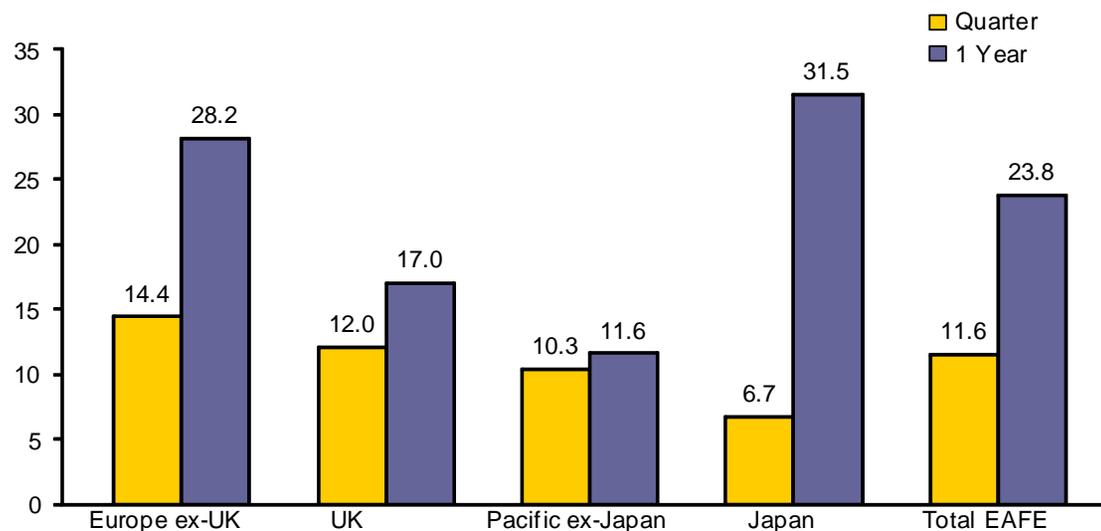
**Developed Equity – MSCI EAFE (Net)**

- Improved Chinese growth metrics helped boost the Pacific ex-Japan index by 10.3% in the third quarter.
- An improved European outlook also boosted Europe ex-UK in the third quarter, where equities rose 14.4%.
- Overall, the MSCI EAFE index rose 11.6% in the third quarter.

**Ending Regional Weights**



**Regional Returns (%)**



**Contribution to Return:**

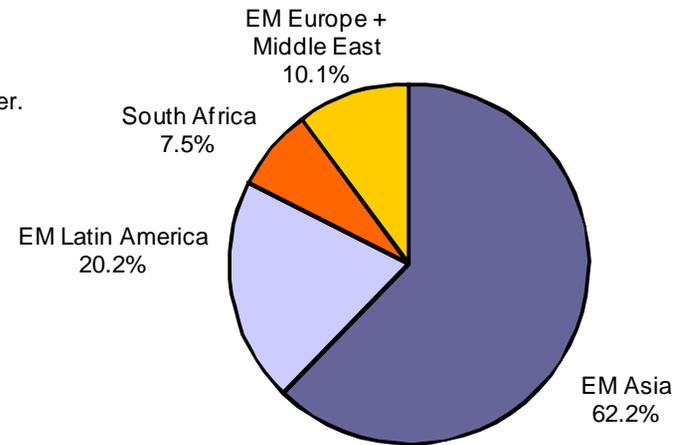
Qtr	6.3	2.6	1.3	1.4	11.6
1 Yr	12.3	3.7	1.5	6.8	23.8

**NON-U.S. MARKETS**

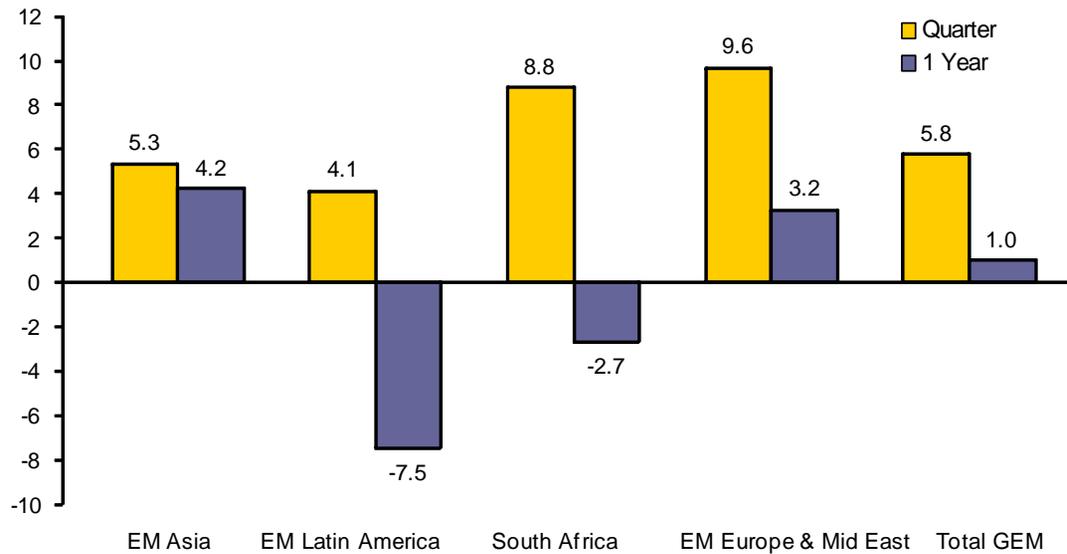
## Emerging Markets Equity – MSCI EM (Net)

- Despite lagging developed Non-U.S. equity markets, emerging markets also received a boost from the postponement of Federal Reserve tapering. The MSCI EM index rose 5.8% in the third quarter, highlighting an improvement of capital flows to emerging markets.
- On a regional basis, EM Europe and the Middle East outperformed, rising 9.6% in the third quarter.

**Ending Regional Weights**



**Regional Returns (%)**



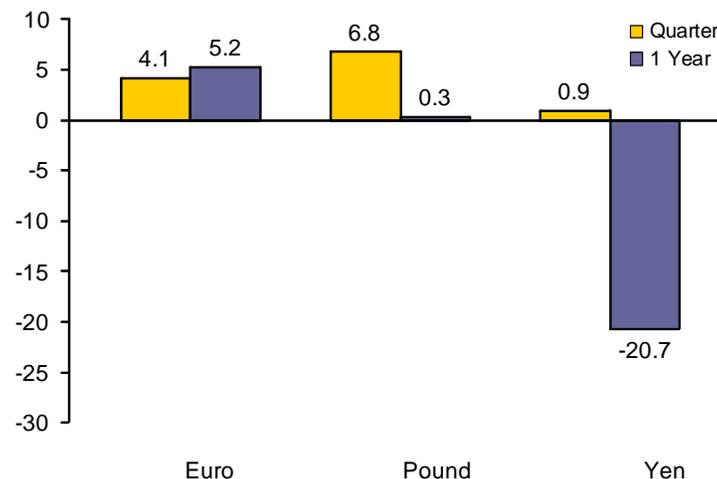
**Contribution to Return:**

	EM Asia	EM Latin America	South Africa	EM Europe & Mid East	Total GEM
Qtr	3.3	0.8	0.7	1.0	5.8
1 Yr	2.6	-1.5	-0.2	0.3	1.0

## Currency Markets

- With improved sentiment in Europe, the euro rose 4.1% against the dollar in the third quarter.
- The U.S. dollar trade-weighted index, which measures the dollar's movement against a basket of currencies, fell 3.5% in the third quarter.
- Abenomics has helped weaken the yen over the past year; the yen rose 0.9% in the third quarter but has fallen 20.7% on a yearly basis.

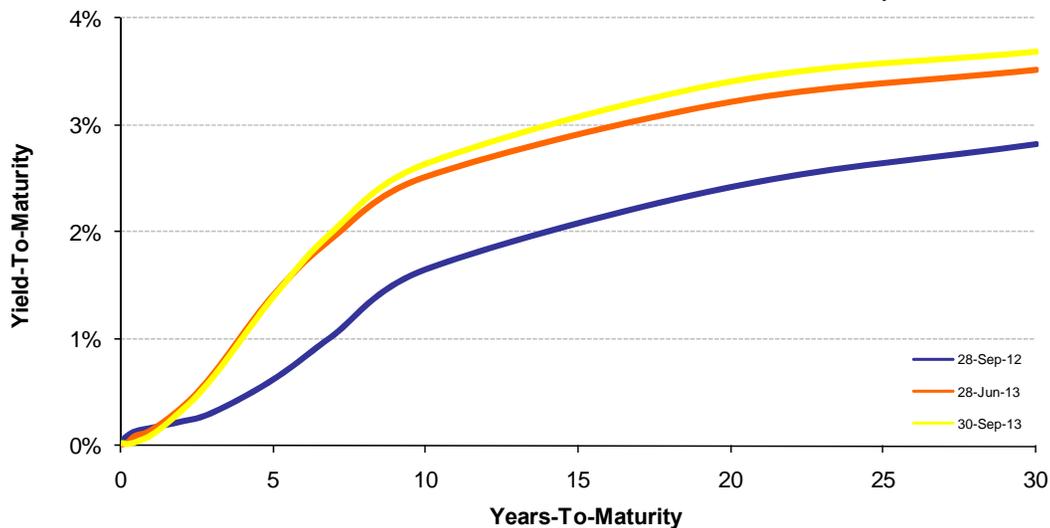
Currency Returns (%)



## Yield Curve

- The long-end of the U.S. yield curve rose on a quarterly basis as market participants factored in when the Fed could begin tapering quantitative easing.
- Ten-year yields rose twelve basis points during the third quarter.

INTEREST RATE TERM STRUCTURE  
Government Issues - 3 Months to 30 Years Maturity

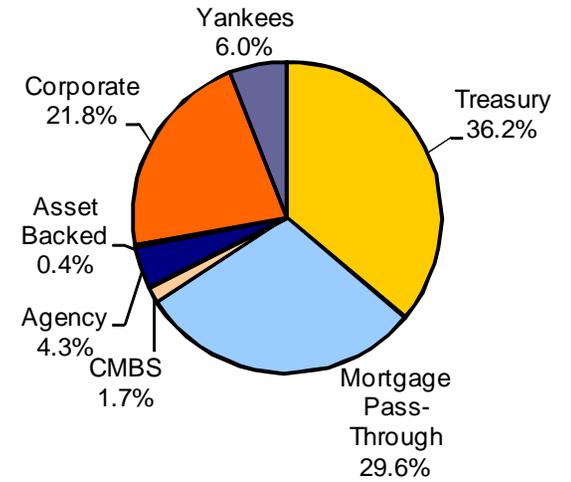


**BOND MARKETS**

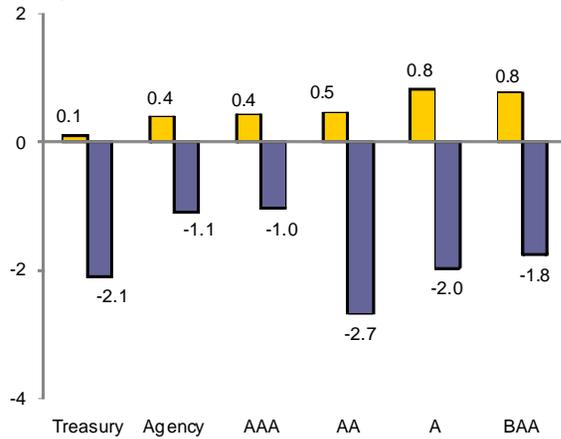
# U.S. Bond Market Returns – Barclays Capital Aggregate

- The postponement of tapering led to broad increases in fixed income asset returns. Treasury bonds rose 0.1% in the third quarter, while lower quality credits increased at a faster rate.
- Lower-rated corporate bonds outperformed, with BAA rated securities returning 0.8% in the third quarter.

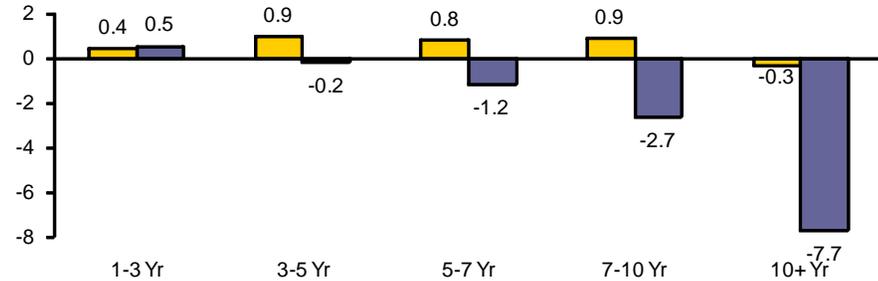
**Sector Weights**



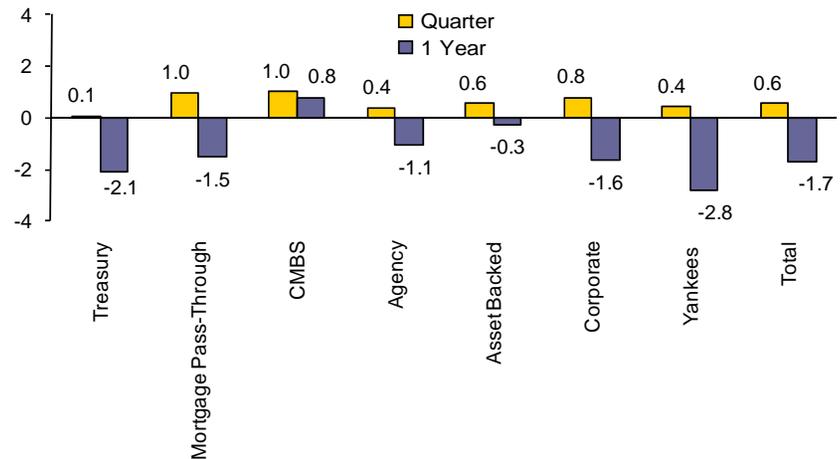
**Quality Performance (%)**



**Duration Performance (%)**



**Sector Performance (%)**

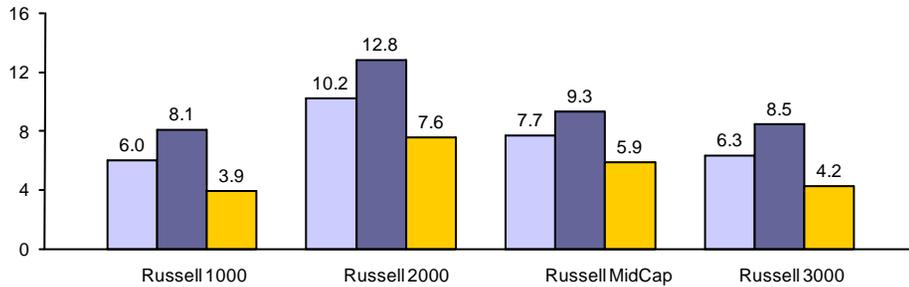


**STYLE & CAPITALIZATION**

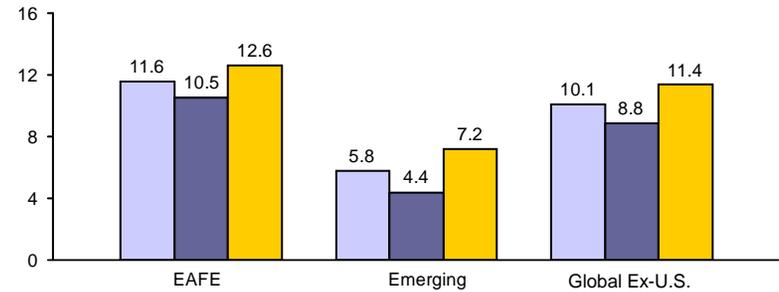
## Style & Capitalization Returns

- Equities in EAFE outperformed, rising 11.6% during the quarter. However, emerging market equities underperformed on a relative basis in the third quarter, as investors remained hesitant given the potential impact of tapering on EM assets.
- Small cap equities in the U.S. outperformed, with small cap growth stocks rising 12.8% in the third quarter.
- Overall, non-U.S. equities rose 10.1% in the third quarter.

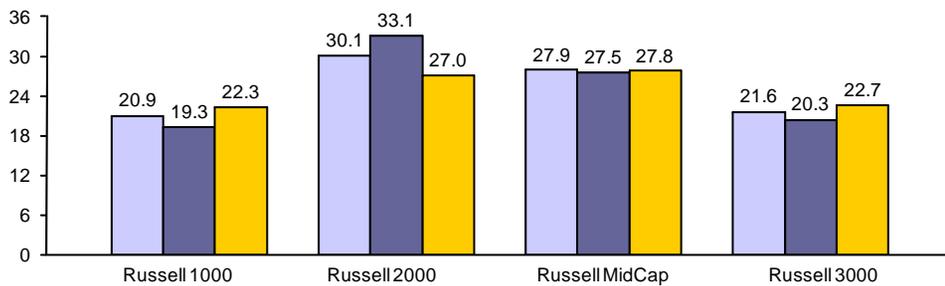
**Russell US Style Returns (%) – Quarter**



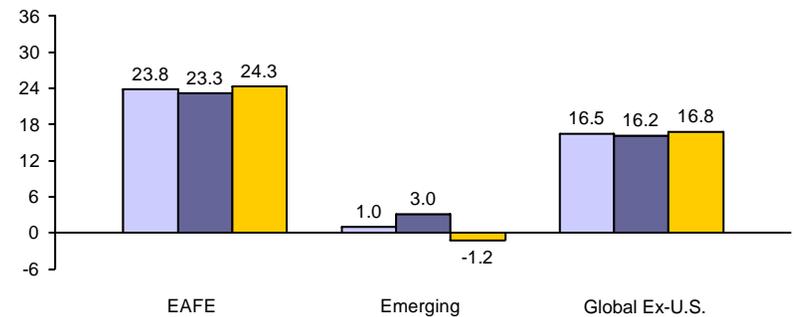
**MSCI Non-US Style Returns (%) – Quarter**



**Russell US Style Returns (%) – 1 Year**



**MSCI Non-US Style Returns (%) – 1 Year**



□ Neutral   ■ Growth   ■ Value

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

December 10, 2013

Agenda Item 6.3

**TO:** Board of Retirement

*Lilibeth Dames*

**FROM:** Lilibeth Dames, Investment Analyst

**SUBJECT:** Presentation of Performance Report Concerning Certain Existing Alternative Investments (to be heard in Closed Session)

**Staff Recommendation**

Accept and review the performance report concerning certain existing alternative investments as of June 30, 2013.

**Background**

In August 2010, the Board of Retirement approved the implementation of SamCERA's private equity program. At the July 2013 board meeting, Faraz Shooshani of SIS provided a report of SamCERA's private equity program as of December 31, 2012. Today, Mr. Shooshani will be present to provide a confidential due diligence report of these assets as of June 30, 2013 with an updated private equity implementation road map.

**Discussion**

As of June 30, 2013, SamCERA's private equity portfolio had a total market value of \$65.1 million. For fiscal year 2012-2013, SamCERA committed to three new funds for a total of \$60 million. This brought the sum of private equity funds in the portfolio to eleven with \$183 million in committed capital.

Mr. Shooshani will review the performance report concerning certain existing alternative investments under closed session which will be provided to the board under a separate confidential memo.

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

December 10, 2013

Agenda Item 6.4

**TO:** Board of Retirement

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



**SUBJECT:** Approval of New International Equity Manager Structure Proposal

**Staff Recommendation**

Approve the proposed International Equity manager structure.

**Background**

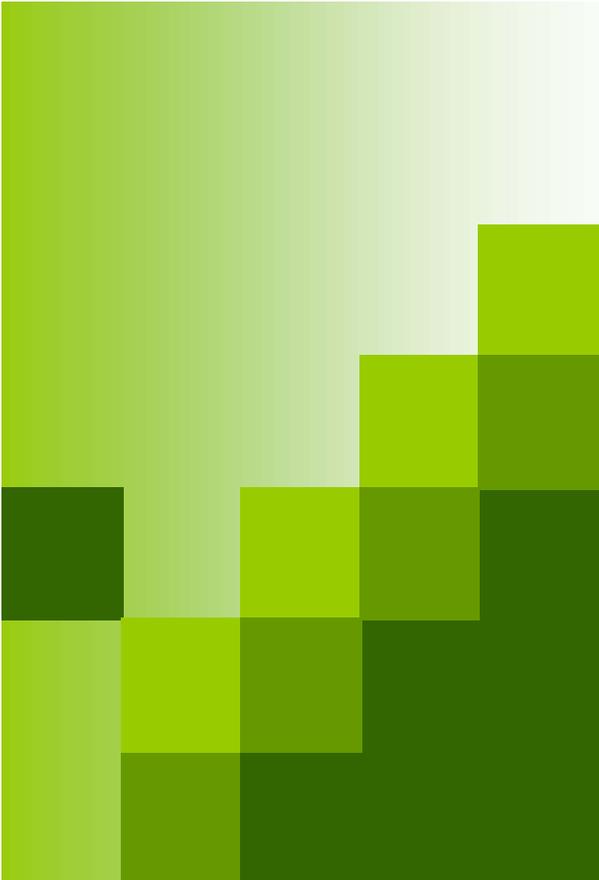
The international equity manager structure was last reviewed over 2 ½ years ago. At that time, a dedicated emerging market and international small-capitalization manager were added to the program. In addition, Baillie Gifford was selected to manage a developed-markets growth strategy.

**Discussion**

The proposed changes to the manager structure (as detailed on pages 7 and 8 in the attached presentation from SIS) include converting Baillie Gifford to an ACWI ex US mandate, adding EAFE Index passive exposure, and decreasing Mondrian to lower its manager-specific concentration risk to the portfolio. These changes are expected to enhance the portfolio structure by lowering the style-risk of the portfolio, reduce the manager-specific concentration risk, and slightly increase the expected information ratio of the international equity portfolio.

**Attachments**

- A. *International Equity Manager Structure Presentation*



SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
INTERNATIONAL EQUITY MANAGER STRUCTURE

December 10, 2013

STRATEGIC INVESTMENT SOLUTIONS, INC.

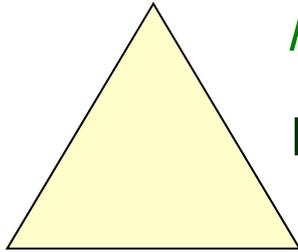
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333 Bush Street, Suite 2000  
San Francisco, CA 94104  
(415) 362-3484



*Plan Management Framework*

**Manager Selection (5%-10%)**



**Manager Structure (10%-15%)**

*Style/Cap Tilts/Active/Passive*



**Asset Allocation (80%-90%)**

*Target Policy Mix*



*Manager Structure* is the implementation of the Asset Allocation Study.



## Manager Structure Guiding Principles

- ▶ Implementation of Asset Allocation
- ▶ Objectives: Diversification and **Risk Control**
- ▶ Risk Management Approach
- ▶ Combination of Active and Passive Strategies
- ▶ Index Funds Will Generally Be Median Performers in Appropriate Peer Groups
- ▶ Generally Preferable to Use Fewer Managers
- ▶ Diversify Managers Across Investment Styles
- ▶ Maintain Style Neutrality
- ▶ Alpha From Active Risk, Not Style Risk



# Characteristics of a Good Structure

- Low Style Risk

  - Minimal Unintended Bets

- High Information Ratio

  - High Alpha per Unit of Tracking Error Risk

- Manager Event Risk (MER) is not concentrated

  - No one manager's under-performance would be expected to overwhelm the diversification of the structure

## Current International Equity Structure

	Weights	\$	MER	of Total MER		Target	Portfolio
Baillie Gifford	33%	\$ 198	11.9	24%	Intl Lrg Gr	28.0%	18.2%
Mondrian	44%	\$ 264	26.4	54%	Intl Lrg Val	28.0%	29.7%
Pyramis	10%	\$ 60	3.0	6%	Intl Mid Gr	6.0%	12.0%
Eaton Vance	13%	\$ 78	7.8	16%	Intl Mid Val	6.0%	3.3%
					Intl Sml Gr	4.5%	4.0%
<b>Total</b>	<b>100%</b>	<b>\$ 600</b>	<b>49.1</b>	<b>100%</b>	Intl Sml Val	4.5%	4.0%
					Emg Mkt	23.0%	28.8%
	<b>Target</b>	<b>Portfolio</b>					
Value/Growth	50.0%	51.4%			<b>Style Risk</b>		1.18%
Large/Small	68.0%	63.2%			<b>Active Risk</b>		2.66%
					<b>Risk to Bench</b>		2.91%
					<b>Alpha</b>		1.23%
					<b>IR</b>		0.42



## Current International Equity Structure

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- Risk Highlights:
  - Larger Risk to the ACWI ex US IMI Index (2.91%)
  - Larger Style Risk (1.18%) primarily because of the Emerging Markets overweight (5.8%)
  - Large Mondrian Event Risk (54% of the Total MER)

## Proposed International Equity Structure

	Weights	\$	MER	of Total MER		Target	Portfolio
Mondrian	30%	\$ 180	18.0	48%	Intl Lrg Gr	28.0%	23.0%
Pyramis	10%	\$ 60	3.0	8%	Intl Lrg Val	28.0%	28.3%
Eaton Vance	10%	\$ 60	6.0	16%	Intl Mid Gr	6.0%	9.5%
Baillie Gifford ACWI	30%	\$ 180	10.8	29%	Intl Mid Val	6.0%	4.3%
EAFE Index	20%	\$ 120	-	0%	Intl Sml Gr	4.5%	4.0%
					Intl Sml Val	4.5%	4.0%
<b>Total</b>	<b>100%</b>	<b>\$ 600</b>	<b>37.8</b>	<b>100%</b>	<b>Emg Mkt</b>	<b>23.0%</b>	<b>27.0%</b>
	<b>Target</b>	<b>Portfolio</b>			<b>Style Risk</b>		<b>0.78%</b>
Value/Growth	50.0%	50.0%			<b>Active Risk</b>		<b>2.05%</b>
Large/Small	68.0%	65.0%			<b>Risk to Bench</b>		<b>2.19%</b>
					<b>Alpha</b>		<b>0.95%</b>
					<b>IR</b>		<b>0.43</b>



## Proposed International Equity Structure

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- By converting Baillie Gifford to ACWI ex US, adding EAFE Index exposure, and decreasing Mondrian:
  - Risk to the ACWI ex US IMI Index decreases to 2.19%.
  - Style Risk to decreases 0.78% and the Emerging Markets overweight decreases to 4%.
  - Mondrian Event Risk decreases to 48% of the Total MER.
  - Information Ratio increases slightly to 0.43.



## International Equity Manager Models

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	Dev LG	Dev LV	Dev MG	Dev MV	Dev SG	Dev SV	EM	TE	IR	Alpha
Baillie Gifford	55%	0%	37%	0%	0%	0%	9%	3.0%	0.3	0.9%
Mondrian	0%	68%	0%	8%	0%	0%	25%	5.0%	0.3	1.5%
Pyramis	0%	0%	0%	0%	40%	40%	20%	2.5%	0.3	0.8%
Eaton Vance	0%	0%	0%	0%	0%	0%	100%	5.0%	0.3	1.5%
Baillie Gifford ACWI	50%	0%	25%	0%	0%	0%	25%	3.0%	0.3	0.9%
EAFE Index	40%	40%	10%	10%	0%	0%	0%	0.0%	0.3	0.0%



## MSCI ACWI ex USA IMI

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- We recommend switching from the MSCI ACWI ex USA Index to the MSCI ACWI ex USA IMI because it better represents an all-cap approach to international equity investing.
  - The MSCI ACWI ex USA Investable Market Index (IMI) captures large, mid and small cap representation across 23 of 24 Developed Markets (DM) countries (excluding the United States) and 21 Emerging Markets (EM) countries. With 5,972 constituents, the index covers approximately 99% of the global equity opportunity set outside the US.\*
  - The MSCI ACWI ex USA Index captures large and mid cap representation across 23 of 24 Developed Markets (DM) countries (excluding the US) and 21 Emerging Markets (EM) countries. With 1,823 constituents, the index covers approximately 85% of the global equity opportunity set outside the US.\*

\*Source: MSCI

# MSCI ACWI ex USA IMI



31-Oct-13	(USD Millions)				
	# of Constituents	Largest	Smallest	Average	Median
MSCI ACWI ex USA IMI	5,972	233,225	11	3,456	637
MSCI ACWI ex USA	1,823	233,225	198	9,938	4,182

\*Source: MSCI



# Glossary

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<b>Asset Allocation Target</b>	The asset class target benchmark, as defined in the asset/liability study.
<b>Tracking Error</b>	A measure of the dispersion of the difference in returns between two portfolios. Typically calculated as the standard deviation of the difference between the returns.
<b>Style Risk</b>	The tracking error between the structure's actual style and the asset allocation target style.
<b>Active Risk</b>	The structure's exposure to active management defined as the tracking error between the managers' portfolios and their styles.
<b>Risk to Bench</b>	The structure's tracking error to the asset allocation target for the asset class.
<b>Mgr. Alpha</b>	The structure's projected excess return above the target benchmark due to manager active management.
<b>Information Ratio</b>	Information ratio. The ratio of expected alpha to expected tracking error to the asset class benchmark.
<b>MER</b>	Manager Event Risk. The dollar impact on the fund if the manager were to underperform their style benchmark by a 95 <sup>th</sup> percentile result in a given year.
<b>DEV LG</b>	MSCI World ex US Large Cap Growth Index. Index of growth oriented large cap stocks in the MSCI World ex US IMI Index.
<b>DEV LV</b>	MSCI World ex US Large Cap Value Index. Index of value oriented large cap stocks in the MSCI World ex US IMI Index.
<b>DEV MG</b>	MSCI World ex US Mid Cap Growth Index. Index of growth oriented mid cap stocks in the MSCI World ex US IMI Index.
<b>DEV MV</b>	MSCI World ex US Mid Cap Value Index. Index of value oriented mid cap stocks in the MSCI World ex US IMI Index.
<b>DEV SG</b>	MSCI World ex US Small Cap Growth Index. Index of growth oriented small cap stocks in the MSCI World ex US IMI Index.
<b>DEV SV</b>	MSCI World ex US Small Cap Value Index. Index of value oriented small cap stocks in the MSCI World ex US IMI Index.
<b>EM MKTS</b>	MSCI Emerging Markets Index.

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

December 10, 2013

Agenda Item 6.5

**TO:** Board of Retirement   
**FROM:** Michael Coultrip, Chief Investment Officer  
**SUBJECT:** Discussion and Approval Regarding Real Asset Portfolio Implementation

**Staff Recommendation**

Discuss various ways to implement SamCERA's real asset portfolio, and if appropriate, approve an implementation plan.

**Background**

During the October meeting the Board approved a new asset allocation policy which included a new 2% allocation to Real Assets. We now need to determine the appropriate structure/plan for implementing this allocation to Real Assets.

**Discussion**

The first step in this process is to define the types of investments that fit within the 'Real Asset' category. Staff and consultant propose defining Real Assets as private investments (both debt and equity) in infrastructure (energy, power/transmission, core, and opportunistic), farmland, timber, water, and mining. This definition does not generally include public securities, TIPS, commodities, or real estate investment types.

Staff proposes that the S&P 500 Index Fund be used as a placeholder and funding source once new Real Asset investments are sourced, similar to how we treat Private Equity. Also, staff and consultant propose that a CPI+5% policy benchmark be used for the Real Asset category. There are a number of policy benchmark options for Real Assets, but the most common approach is to use an 'inflation +' benchmark, typically somewhere between +3% and +5%. Given that the proposed definition of Real Assets consists only of private investments, a more aggressive benchmark is warranted for the Real Asset category.

There are three primary ways in which the Real Asset category could be implemented. One is to use our current consultant, SIS, for the manager structure, sourcing, and due-diligence of Real Asset managers. Another is to use a specialist Real Asset consultant for these same services. A third is to utilize a Fund-of-Funds (FoF) approach, which would be more of a turn-key solution. SIS has stated that our current fee schedule would remain unchanged if we utilized SIS for our Real Asset needs. A typical retainer fee for a specialist consultant would be between 15-25 bps, while for a FoF solution it would range between 60-75 bps. Given that the SamCERA portfolio size is approximately \$3 billion, a 2% Real Asset allocation would equate to approximately \$60 million, resulting in additional fees of approximately \$90,000 - \$150,000 for a specialist consultant, and between \$360,000 and \$450,000 for a dedicated FoF approach.

**Attachments:** *SIS Real Asset Portfolio Discussion*

# SAN MATEO COUNTY EMPLOYEE'S RETIREMENT SYSTEM

## **Real Asset Portfolio**

**STRATEGIC INVESTMENT SOLUTIONS, INC.**

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333 BUSH STREET, SUITE 2000  
SAN FRANCISCO, CALIFORNIA 94104  
PHONE (415) 362-3484 / FAX (415) 362-2757

# Discussion Topics

Real Asset Characteristics

Current SamCERA Real Asset Exposure

Complementary Real Assets

Attractive Direct Investment Solutions in Real Assets

Attractive FOF Solutions in Real Assets

SIS Experience in Real Assets

# Real Asset Characteristics

Asset Class	Expected Return	Expected Risk	Inflation Beta	Correlation to CPI	Interest Rate Exposure
TIPS	2.9%	4.5%	0.93	0.25	High
FRN's	4.3%	7.5%	1.97	0.12	Moderate
Commodities	4.0%	30.0%	6.02 / 9.07	0.62 / 0.45	Low
Real Estate	6.2%	18.0%	0.39	0.10	High
Energy	7.2%+	24.0%	5.54	0.44*	Low
Mining	7.2%+	24.0%	5.54	0.44*	Low
Infrastructure	6.2%	24.0%	3.4	0.26	Moderate
Timberland/Agriculture	N/A	N/A	0.27 / 1.08	0.12 / 0.07	Moderate

- Commodities Beta and Correlation use the DJUBS and S&P GSCI.

\* Public market proxies were used for Private Energy and Mining (S&P Natural Resources Index).

- Striking a balance between attractive risk/return characteristics and an asset's ability to hedge inflation is the challenge for a real asset portfolio.
- An absence of compelling data requires us to utilize qualitative judgment.

# Current SamCERA Exposure to Real Assets

Asset Class	Current (% of Total Plan)	New Policy (% of Total Plan)	Sample Plan (% of Total Plan)
TIPS	2.7%	2.0%	2.0%
Floating Rate Notes	0.9%		1.0%
Real Estate	5.8%	6.0%	6.0%
Commodities	2.6%	3.0%	3.0%
Private Energy	1.4%		
Real Assets	0.0%	2.0%	
<i>Private Mining</i>	0.0%		0.5%
<i>Infrastructure</i>	0.0%		1.0%
<i>Farming/Timberland</i>	0.0%		0.5%
<b>Total</b>	<b>13.4%</b>	<b>13.0%</b>	<b>15.5%</b>
<b>Total (ex. Real Estate)</b>	<b>7.6%</b>	<b>7.0%</b>	<b>9.5%</b>

**Private Energy Includes the following:**

- *Sheridan*—\$20M
- *EnCap*—\$10M
- *Warburg Pincus*—\$12M (30% of the total commitment value)

- ❖ **Discussion point around ranges for the asset allocation**
- ❖ **Liquid Real Assets as a proxy for the private market funds (e.g. AQR, SSGA)**

**Floating Rate Notes includes the following:**

- *ABRY Advanced Securities*—\$20M
- *Regiment*—\$20M

# Complementary Real Assets

## Private Mining

Equity or Debt financing of junior mines.

- Equity financing typically involves taking minority stakes in small, publicly traded mining stocks on the Canadian or Australian stock exchange OR in an equity position in a private mining company. More often today, the mines are located in emerging nations where the availability of metals and minerals is prevalent.
- Debt financing is acting as a lender to a junior mine company and is typically issued to get production of the mine off the ground. Lenders receive a coupon payment and either an off-take agreement, warrants or a profit interest if the production of the mine.
- In both equity and debt financing, the investor is exposed to the movement in the underlying commodity price. Exposure to the commodity price increases risk but also provides the inflation hedge (assuming metals rise with inflation). Debt financing is less risky but returns are generally capped as the miner will not give unlimited upside to the lender at the expense of the equity holders.
- The mining sector is very volatile and has cycles tied to over and under investment in exploration and production. Falling metal prices and declining bank lending has created a need for capital in the sector. This has created some interesting opportunities in mining.

# Complementary Real Assets

## Infrastructure

Equity position in core infrastructure, midstream energy and power.

- **Core Infrastructure** – Core infra has not been the most attractive asset class for a number of reasons. We continue to look at the opportunities but have not been advising clients on direct allocations in the space.
- **Secondary Core Infrastructure** – Secondaries helps mitigate some of the issues through more attractive fees, discounts to NAV and transparency into the funds assets.
- **Midstream Energy** - Midstream assets continues to present interesting opportunities primarily in the North American markets where frothy MLP markets present attractive exits for private midstream investors.
- **Power** – The power space has distinct cycles from over and under investment and because of that we like to be opportunistic in the asset class. When the market becomes distressed, we want to be entering as a buyer. Problem is that the power market has remained stable in the US for over a decade. There will be increased demand coming from new government regulation but capital has flooded the sector in recent years. Smaller, niche players seem to be the best way to play the asset class.

# Complementary Real Assets

## Timberland/Agriculture

Equity position in either Timberland or Farmland.

- **Timberland** - Despite meeting with a number of groups over the years, we can't find a compelling reason to invest in timberland. We continue to look for opportunities in the asset class but will advocate a tactical approach.
- **Farmland**- Farmland has some of the same drawbacks as timberland but with a few key differences. Higher cash flows, greater crop diversification and most importantly, product differentiation. There are ways to differentiate crops and command higher premiums, there are new markets to exploit and innovative ways to grow, package, and market crops that make the asset class interesting to institutional investors. Sourcing opportunities is a challenge because the market is undeveloped but we think there are some interesting funds in the asset class.

# Direct Investment Solutions in Real Assets

Private Mining	Strategy
Taurus	Debt financing for junior mines. Most investments in emerging markets (Africa and South America). Certain countries are blacklisted for political or economic reasons. Diversification by metal and mineral. Manager is seeking 15% Net IRRs with 8–10% coming from loan yield.
EMR Capital	Equity financing in junior mines. Most of the companies are based in Australia but have operations all over the world. Chairman has led a number of mining companies and with a few notable hiccups, has had an impressive track record. Early stages of due diligence but the investment committee is very experienced.

Midstream	Strategy
Flatrock	Encap brought in a team of midstream specialists called Flatrock to build out a business of investing in oil/gas midstream assets. They have raised two funds thus far and will probably be back in the market next year. Assuming they don't get greedy with the fund size, they will be a group to look at.
EMG	Not strictly a midstream fund but the primary founder, John Raymond, came from the oil/gas midstream industry and has led a number of midstream investments with success. They are back in the market on Fund III and will be one to look at.

# Direct Investment Solutions in Real Assets

Power	Strategy
Rockland	Small, niche and really complicated deals make Rockland an interesting choice in the power market. There doesn't need to be a macro or industry story for Rockland's strategy to work. They find deals or invent deals that most power teams would not bother to diligence or think of. Certainly has some risk attached to it that an LS probably would avoid.
LS Power	Strategy will focus on purchasing gas-fired power plants in the U.S. LS is a long-time player in the power markets with a number of successful funds. For investors that believe the gas-fired power story still has legs, LS would be a group to focus on.

Infrastructure	Strategy
Secondary	The lack of attractive opportunities in the direct infrastructure space has driven us to consider secondary infrastructure opportunities. Some of the drawbacks associated with the asset class are mitigated by the use of secondary transactions. Competition is growing in the secondary marketplace and the supply of funds are typically from groups we would consider to be 2 <sup>nd</sup> or 3 <sup>rd</sup> tier. That said, if you can purchase the assets at an attractive discount, it makes the investment more appealing. We would recommend broadening the secondary opportunity set to all real assets as we think the energy and perhaps mining space have some interesting opportunities.

# Direct Investment Solutions in Real Assets

Farmland	Strategy
ACM	First time fund from a very experienced operating team, AgriCare. They are backed by Equilibrium which provides funding to sustainable investing groups. ACM is led by Tom Avinelis, an experienced and successful farm operator and several members of his team from AgriCare. Most importantly, they look to build a business within the fund and one exit possibility will be to sell the entire fund as a fully integrated operation from growing the crop, to processing and then to sales and marketing. The strategy carries much greater risk than a simple farm lease operation and therefore must be weighed against other opportunities but the potential return makes this strategy much more interesting than “beta” farm opportunities.

# FOF Solutions in Real Assets

FOF	Strategy
Aether	Small real asset focused FOF that just closed on their third fund. Five investment professionals focus on smaller, niche players in the oil/gas and mining sectors with some opportunistic investments in infrastructure, power, and agriculture.
FLAG	Larger FOF with funds in venture, buyout, and real assets. Closed on two real asset funds with a broad mix of energy, mining, timber, agriculture, and infrastructure funds. Mix of fund sizes but they tend not to invest in the largest PE groups in any industry. Decent record and worth a look.
Verdis	Smaller FOF group that has struggled to raise funds of institutional size. They focus on smaller managers with an emphasis on energy, mining, and agriculture. They are still in the market trying to raise capital. Some interesting funds in the portfolio so could be worth looking at.
Altius	Large FOF with global offices and around \$20 billion in AUM. They entered the real asset market a few years back with a FOF and seemed to have a cool reception to the product. It's not clear they have been able to raise another fund since. Most of the pipeline investments were large, household GPs. No real competitive advantage in our view.
Morgan Creek	Raised one fund a few years back but have not heard from them in a number of years. They have had some setbacks with the CIO being fired from an endowment fund and some difficult performance on hedge FOFs. Uncertain what the stability is at the company currently.
Commonfund	Long tenure in the real asset space (mostly energy focused). Some interesting investments and would be worth talking to. Fund size may be concern as they have put money with some of the larger groups that we would probably pass on but sprinkled in are some compelling GPs. Big energy bias which may not fit with SamCERA's needs.

# SIS Experience in Real Assets

Asset Class	SIS Client Allocations (\$M)	SIS Clients
Oil/Gas Partnerships	\$1500	EnCap, NGP, EMG, Blackstone, Sheridan, Merit
Mining Partnerships	\$150	EMG, Sentient
Power	\$250	Tenaska, LS Power, Energy Capital
Infrastructure	\$500	Flatrock, First Reserve, GIP, Energy Capital
Timber/Agriculture	\$50	Hancock Timberland
Commodity Managers	\$1,600	CoreCommodity Group, Gresham, SSARIS, Schroeder, Blackstone, AQR, GSAM, Neuberger, DB Asset Management
Real Estate	\$1225	Lone Star, Invesco, Morgan Stanley, UBS, Thayer, Prologis, Madison, Brickman, Prime Finance...

\* TIPS/FRN are not included as they would fall under our fixed income coverage which is well established.

These numbers represent client allocations to various real asset sectors. This is not meant to represent the total of SIS's experience in the categories. There are a number of funds that we conduct early stage and late stage due diligence for that never receive client commitments.

SIS Employees that Cover Real Assets	
John Nicolini – Energy, Power, Infra, Mining, Real Estate, Timber/Ag	Peter Chong – Energy (upstream and midstream)
Faraz Shooshani – Energy and Power	John Meier – Mining
Patrick Thomas – Real Estate	Steve Hempler – Energy and FOF
Curt Smith – Energy, Power and Agriculture	Ping Zhu – TIPS and Floating Rate Notes
Pete Keliuotis – Energy and Agriculture	Stephen Masarik – Floating Rate Notes

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

December 10, 2013

Agenda Item 7.1

TO: Board of Retirement

FROM: Sandie Arnott, Chair, Ad Hoc Medical Advisor Review Committee  
David Bailey, Chief Executive Officer



SUBJECT: Report from the Ad Hoc Committee Regarding the Evaluation of SamCERA's  
Medical Advisor

**Staff Recommendation**

Under this agenda item, the Board will hear a report from the committee appointed to review the work of the SamCERA Medical Advisor, Dr. Henry Brodtkin.

**Background**

At the August 25, 2013, meeting of the SamCERA Board of Retirement, Chair Natalie Kwan Lloyd appointed the following individuals to the Ad Hoc committee to Review the Medical Advisor:  
Chair: Sandie Arnott, Lauryn Agnew, Christopher Miller and herself.

The committee met as a whole on November 20, 2013, at 3:30 p.m. at the SamCERA office.

An initial review consisted of a discussion of each element of the "Expectations of the Medical Advisor" --a board document adopted in 2008. A summary of responses to this discussion is attached. Responses were positive that the Medical Advisor is performing his duties in line with expectations.

The initial review meeting was followed by a fairly lengthy discussion that included David Bailey and Dr. Brodtkin.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

**SamCERA**



***Expectations of the Medical Advisor – Henry Brodtkin, M.D., FACP***  
**11/20/2013**

Pursuant to Government Code §§ 31530 and 31732, the Board of Retirement retains the services of a medical advisor(s) to provide consultation regarding medical issues presented to the board. This consultation relates to the review of medical reports and information regarding members' applications for disability retirement benefits. The following statement summarizes the expectations of the Medical Advisor in reviewing applications from *SamCERA* members for disability retirement.

**The Medical Advisor:**

- a) Is expected to review the medical records and job duty specifications presented with each member's application for disability benefits and provide a report to the Board of Retirement for each application. Such report will include a summary of the information and will highlight any relevant facts considered by the Medical Advisor in responding to the following questions:
  - 1) Based on all the medical evidence and job duties presented, is the member incapacitated physically or mentally from the performance of the usual and customary duties of his/her position?<sup>1</sup>
  - 2) Based upon the medical records, is this incapacity permanent?<sup>2</sup>
  - 3) Based on all the medical evidence and job duties presented, is the member's permanent incapacity a result of injury or disease arising out of and in the course of the member's employment, and/or does such employment contribute substantially to such incapacity?

**Is this currently being performed? Unanimous response: Yes**

**Comments: Offers good summaries based on the presented facts. A good review of information with detailed comments. Medical Advisor clearly provides a recommendation based on the facts gleaned from provided medical reports.**

- b) Is expected to limit comments to the advisor's professional medical opinion, and the medical basis for such opinion, when responding to the above questions in written or oral reports to the board and staff.

***Expectations of the Medical Advisor – Henry Brodtkin, M.D., FACP***

<sup>1</sup> Incapacity for performance for duty means the substantial inability of the member to perform his/her usual duties. Substantial does not mean all duties it can mean inability to do one or more of the essential job functions.

<sup>2</sup> A disability is permanent where further change of condition is not reasonably anticipated. It may be that no further treatment is possible, or that the only treatment suggested is so problematical of success as to warrant the member's refusal to undergo it.

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11/20/2013 (Page 2)

**Is this currently being performed? Unanimous response: Yes**

**Comments: The comments seem to be very professional. Never seems to share anything but medical information. Personal views are clearly absent from reports which are always factually based, clear and concise.**

- c) Is expected to make recommendations as to whether any additional expert medical advice would be of assistance to the board.

**Is this currently being performed? With staff input - Unanimous: Yes**

**Comments: I feel that he would when necessary. My assumption would be that he discusses questionable cases with staff on this issue.**

- d) Is expected to maintain an acceptable level of availability to staff by responding to emails/voicemails within no more than two business days.

**Is this currently being performed? With staff input – Unanimous: Yes**

**Comments: None**

- e) Is expected to submit written medical reports to the staff for inclusion in board meeting information packets based on timelines and priorities agreed to with staff.

**Is this currently being performed? Unanimous: Yes**

**Comments: That happens regularly, good write-ups. Very good, detailed write-ups. Information packet on each case is always professional and consistent in format.**

- f) Is expected to provide occasional educational updates to the board and staff to assist the board's efforts to better understand medical or disability issues of relevance to the board's role in making disability application determinations.

**Is this currently being performed? With staff input – Majority: Yes 1-No 1-?**

**Comments: Insufficient, should schedule more often. Could be scheduled more frequently. Per Mr. Bailey, staff has not scheduled any presentations by Dr. Brodkin but will ensure this is done more often beginning with the retreat in April. Dr. Brodkin indicated his willingness to provide educational presentations whenever the board requests.**

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

December 10, 2013

Agenda Item 7.2

TO: Board of Retirement

FROM: David Bailey, Chief Executive Officer



SUBJECT: Approval of Board of Retirement Meeting Calendar for 2014

**Staff Recommendation**

Approve the attached meeting calendar establishing meeting dates for calendar year 2014.

**Background**

Board regulation 2.4 provides that the regular meetings of the Board shall be held on the Fourth Tuesday of each month and shall begin at 1:00 p.m. It further provides that the Board may cancel and or approve a change in the date, time and/or location of meetings within the County, if the proposed change is included on the agenda of a regular meeting. In the last few years the Board has agreed to change or cancel meetings in November and December due to conflicts with the Thanksgiving and Christmas holidays, and has canceled the meeting scheduled in June. It, therefore, seems prudent to plan for such changes as soon as possible by adopting an annual meeting calendar.

There will likely be other changes to dates and times brought to the Board during the year, but our hope is that by approving the calendar, the number of meeting date requests placed on future board agendas will be reduced. In addition, we will place the approved calendar on the SamCERA website to give notice of these date changes.

Consistent with recent years, this calendar includes:

- Ten total meetings;
- Holding most of the meetings on the fourth Tuesday of the month;
- Convening the meetings at 1 p.m. except for the Board/Staff Retreat meetings;
- Holding the annual Board/Staff Retreat on April 22 (fourth Tuesday) and 23, with regularly business taken up at 2:30 p.m. Tuesday, April 22;
- Holding no board meeting in May 2014; a meeting would be set for June 3 to provide distance from Memorial Day and the annual GFOA Conference. No other board meeting would be held in June.
- Holding no board meeting in November 2014;
- Holding the December meeting on December 9, 2014, the second Tuesday of that month; no other board meeting would be held in December.
- All meetings to be held in the SamCERA Board Room.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

The Board can make changes to this proposed calendar at the Dec. 10, 2013, meeting prior to its adoption.

**2014 Meeting Calendar**  
All meetings to be held at  
100 Marine Parkway, Suite 160,  
Redwood City, CA 94065

MONTH	DAY	WEEK & DAY	TIME
January	28	FOURTH TUESDAY	1 P.M.
February	25	FOURTH TUESDAY	1 P.M.
March	25	FOURTH TUESDAY	1 P.M.
April (Board/Staff Retreat)	22 & 23	FOURTH TUESDAY & WEDNESDAY	9 A.M. FOR RETREAT TOPICS, 2:30 P.M., APRIL 22, FOR BUSINESS ITEMS
May	(No meeting scheduled)	NONE	
June	3	FIRST TUESDAY	1 P.M.
July	22	FOURTH TUESDAY	1 P.M.
August	26	FOURTH TUESDAY	1 P.M.
September	23	FOURTH TUESDAY	1 P.M.
October	28	FOURTH TUESDAY	1 P.M.
November	(No meeting scheduled)	NONE	
December	9	SECOND TUESDAY	1 P.M.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

December 10, 2013

Agenda Item 7.3

TO: Board of Retirement  
FROM: David Bailey, Chief Executive Officer  
SUBJECT: Discussion of Board-Staff Retreat Topics



**Staff Recommendation**

Discuss and provide input and/or direction to staff regarding the topics and schedule for the April 22 and 23, 2014, Board-Staff Retreat.

**Summary**

This item is to give trustees another opportunity to discuss retreat topics. Following this meeting, staff and consultant must begin in earnest to schedule presenters.

Attached is a list of the topics that have been consented to so far. Staff believes this is a well-balanced list of topics. It should fit just right with the amount of time planned for the retreat. If you have additional topics to suggest, please mention them during this agenda item.

**Background**

The April 22 and 23, 2014, SamCERA Board-Staff Retreat is scheduled along the same lines as the 2013 retreat:

Days: Two consecutive days  
Timing: Leaves time in between speakers for discussion  
Location: In the SamCERA boardroom  
Speakers: Draw speakers from outside professionals as well as SamCERA's consultants and staff  
Regular Business: Conduct the Board's regular monthly business during the afternoon on Tuesday of the retreat  
Dates: **Tuesday, April 22, and Wednesday, April 23.**

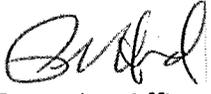


SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

December 10, 2013

Agenda Item 7.4

**TO:** Board of Retirement



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

**SUBJECT:** Discussion of Office Space Options

**Staff Recommendation**

Discuss options for SamCERA office space.

**Summary**

In the next quarter SamCERA will have a need for additional office space for the duration of the Pension Administration Software System implementation project. The additional space will be required for vendor personnel and SamCERA staff to work together on site during all phases of the project. Individual work space will be needed, as well as a larger conference area for collaboration during the design, development, testing and training of the solution. Depending on the vendor selected, the space will be required for anywhere from 32 to 48 months. Staff estimates that up to 2000 square feet will be needed in order to support the project with minimal tenant improvements. The space does not need to be contiguous to existing SamCERA office space but should be in the same building so there will not be any need for additional administrative and logistical support.

SamCERA's current lease expires on December 31, 2014. Six to nine months prior to the lease termination date is normally the appropriate time to lock in an extension of the existing lease. However, SamCERA's need for additional space in the March to April timeframe necessitates moving up the negotiation window in order to include both a lease extension and an agreement for additional space.

**Discussion**

The SamCERA offices moved to our current location in 2002 and since then, the lease has been amended on three separate occasions to allow for SamCERA to expand. Staff size has more than doubled since our initial occupancy of the premises eleven years ago, increasing from 9 to 21 full time employees.

Each time we've expanded, SamCERA was fortunate to be able to get space we needed but it required a great deal more diligence on the part of staff to monitor and identify where and when additional space could be acquired. Staff was also able to negotiate favorable terms as each acquisition occurred near the bottom of the market cycle.

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At this time, the market is trending higher. Current asking rates are more than \$1.00 per square foot more than our current rent. Renewing our lease and adding additional space will definitely increase our operating expense for office space considerably. Our current lease payment in December 2014 will be \$25,915.57. Based on current asking rates and acquiring proposed available space, our January 2015 lease payment is anticipated to be \$46,882.50, more than an 80% increase.

Before moving ahead with any negotiations with the current landlord, staff is seeking guidance from the Board on whether to explore other options, such as leased space in another location or purchasing a building where SamCERA would house its offices.

Staff believes that the primary reason for SamCERA to own its building is to provide long term financial stability and the ability to manage long term growth. While some of this can be achieved with favorable terms in a lease, it is more likely achieved through ownership. Purchasing a building that can house SamCERA may alter the mix of assets in SamCERA's portfolio.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

December 10, 2013

Agenda Item 7.5

**TO:** Board of Retirement

**FROM:** David Bailey, Chief Executive Officer  
Brenda B. Carlson, Chief Deputy County Counsel

**SUBJECT:** Process to Engage Counsel to Assist with Identification and Evaluation of Foreign Securities Actions



**Staff Recommendation**

Direct staff on the process to be used for selection of counsel to assist SamCERA with the identification and evaluation of foreign securities actions.

**Background**

Government Code § 31529.9 provides that the Board of Retirement may contract with attorneys in private practice. In 2010, the Board determined that SamCERA should retain the services of securities counsel to identify and evaluate potential claims under federal and/or state securities laws relating to the securities holdings of SamCERA. Through a request for proposal process, SamCERA selected three firms: Berman DeValerio, Bernstein Litowitz, and Grant and Eisenhoffer. These firms have been providing services in regards to securities actions filed in the United States. Staff has determined that SamCERA should also obtain legal services to assist SamCERA with the identification and evaluation of foreign securities actions.

**Discussion**

The U.S. Supreme Court's decision in *Morrison* limited the application of American securities fraud laws to disputes either involving securities traded on American exchanges or arising out of transactions occurring within the U.S. Since that decision, an increasing number of investors are litigating these fraud claims outside the U.S. Due to the increased filings occurring outside of the U.S., and the fact that SamCERA must affirmatively "opt in" to such litigation, unlike U.S. class actions, staff has prepared a draft Request For Proposal (RFP) to select firms that would provide the following services:

**Monitoring and Evaluation:** Assist with the identification and evaluation of foreign securities actions brought in non-U.S. jurisdictions in which SamCERA has a noteworthy financial interest. For those actions in which the law firm determines SamCERA involvement is appropriate, the law firm will provide SamCERA with an analysis setting forth the nature and merits of the action, including facts, claim(s), parties, SamCERA's estimated losses and/or damages, the issues and risks specific to the jurisdiction where the case is pending, as well as the chances of success and potential expenses of

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**Board of Retirement**

litigation and any other matters to be considered in deciding whether to pursue the matter.

**Reporting:** The law firm will also prepare a quarterly report describing the law firm's activities regarding the monitoring and evaluation services.

**Litigation Counsel:** The selected law firm(s) will provide legal services to SamCERA on a non-exclusive basis. SamCERA will have no obligation to take any action with respect to a foreign securities action that the law firm brings to its attention, and the firm will have no obligation to represent SamCERA in connection with such action. In the event SamCERA does decide to pursue such an action, SamCERA will consider retaining the law firm to represent it. However, SamCERA will not be required to do so.

Prior to the issuance of the RFP, staff is seeking direction from the Board on the selection process and, specifically, as to whether any Board member would like to participate in the process.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION  
Board of Retirement

December 10, 2013

Agenda Item 7.6

TO: Board of Retirement

FROM: David Bailey, Chief Executive Officer 

SUBJECT: Discussion of CEO Recruitment Process with San Mateo County Human Resources Department

**Staff Recommendation**

This is a discussion-only item. Donna Vaillancourt, San Mateo County Human Resources Director, will be present during this agenda item to discuss the recruitment for the CEO position.

**Background**

At the August 2013 meeting, Natalie Kwan Lloyd, Board Chair, appointed the Succession Planning Committee to include:

- Paul Hackleman, Chair
- Michal Settles
- Ben Bowler
- Al David

At the October 2013 meeting, the Board agreed to work with the County Human Resources Department on the CEO recruitment. The current CEO plans to retire at the end of March 2015.

Ms. Vaillancourt will take the lead role in consulting with the Board and conducting the recruitment. Lisa Yapching, an HR Manager, will back her up in that role.

The appointment of a successor CEO (administrator) is the responsibility of the Board of Retirement:

“31522.2. In a county in which the board of retirement or both the board of retirement and the board of investment have appointed personnel pursuant to Section 31522.1, the respective board or boards may elect to appoint an administrator as provided for in this section. The position of the administrator shall not be subject to county civil service or merit system rules. The person so appointed shall be a county employee and the position of administrator shall be included in the salary ordinance or salary resolution adopted by

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Board of Retirement

the board of supervisors for the compensation of county officers and employees. The administrator so appointed shall be directed by, shall serve at the pleasure of, and may be dismissed at the will of, the appointing board or boards. Specific charges, a statement of reasons, or good cause shall not be required as a basis for dismissal of the administrator by the appointing board or boards.

"This section shall not be operative in any county unless the board of supervisors, by resolution adopted by majority vote, makes this section applicable in the county."

At the request of the Board of Retirement, the Board of Supervisors adopted sections 31522.1 (appointment of staff) and 31522.2 (appointment of administrator) of the 1937 Act on January 4, 1994, with their Resolution 57904.