



Notice of Public Meeting

The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on **Tuesday, August 26, 2014, at 10:00 A.M.**

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 Appointment of Board Committees
- 2. Oral Communications**
 - 2.1 Oral Communications From the Board
 - 2.2 Oral Communications From the Public
- 3. Approval of the Minutes**
 - 3.1 Approval of Regular Board Meeting Minutes, from July 29, 2014
- 4. Approval of the Consent Agenda * (Set for 10:00 a.m. time certain)**

4.1 Disability Retirements	4.5 Member Account Refunds
Donald McKague	4.6 Member Account Rollovers
Shannon Speak	4.7 Approve a Resolution Reaffirming SamCERA's Conflict of Interest Code
Robert Fitch	4.8 Approve a Resolution Revising the Board's Regulations
4.2 Service Retirements	4.9 Trustee Request for Conference Approval
4.3 Continuances	
4.4 Deferred Retirements	
- 5. Benefit & Actuarial Services**
 - 5.1 Consideration of Agenda Items, if any, Removed From the Consent Agenda
 - 5.2 Presentation of the Actuarial Auditor's Findings Regarding the Investigation of Experience Study Report for FYs 2012-2014
- 6. Investment Services**
 - 6.1 Preliminary Monthly Performance Report for the Period Ending July 31, 2014
 - 6.2 Quarterly Investment Performance Report for the Period Ending June 30, 2014
- 7. Board & Management Support**
 - 7.1 Preliminary Quarterly Financial Report for the Period Ending June 30, 2014
 - 7.2 Update on Progress of SamCERA's Information Technology Projects
- 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

Notice of Public Meeting

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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 Public Employee Appointment in Accordance With Government Code Section 54957.
Title: Chief Executive Officer
 - C3 Conference with Legal Counsel-Existing Litigation (Gov Code 54956.9)
Omnicare, Inc. v. Laborers District Council Construction Industry Pension Fund, U.S Supreme Court
9. **Report on Actions Taken in Closed Session**

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

Aguiar, Josephine	July 23, 2014	Human Services Agency
Gibson, Marquez	June 16, 2014	Parks
Greer, Donald	July 17, 2014	Probation
Heurlin, Margaret	June 17, 2014	Probation
Kidd, Joan	July 25, 2014	Crystal Springs Rehab. Center
McCune, John	July 4, 2014	Beneficiary of McCune, Helen
Norman, Barbara	July 4, 2014	Probation
Savoca, Josephine	July 23, 2014	Libraries
Schmiedel, Frank	July 5, 2014	Beneficiary of Schmiedel, Selma
Soppa, Lawrence	July 23, 2014	General Services
Torburn, Zora-Mae	July 28, 2014	General Services



David Bailey, Chief Executive Officer

Posted: August 20, 2014

(* 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. Detailed directions are available on the "Contact Us" page of the website www.samcera.org. Free Parking is available in all lots in the vicinity of the building. A copy of the Board of Retirement's open session agenda packet is available for review at the SamCERA offices and on our website unless the writings are privileged or otherwise exempt from disclosure under the provisions of the California Public Records Act. Office hours are Monday through Thursday 7 a.m. – 6 p.m.

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

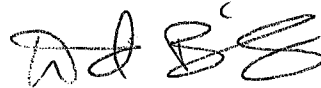
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 26, 2014

Agenda Item 1.1

TO: Board of Retirement

FROM: David Bailey, Chief Executive Officer



SUBJECT: Announcement of the Appointment of Board Committees

Summary

As the Chair deems appropriate, in this agenda item the Chair may announce appointments to the Investment Committee, the Audit Committee, and/or other committees.

Background

The Board Chair is authorized by the Regulations of the Board of Retirement to appoint all committees.

“1.1 Election Of Chair: At the first regular meeting in July, the Board of Retirement shall elect one of its members chair for a term of one year or until his or her successor is duly elected and qualified. The Chair shall preside at all meetings of the Board, **shall appoint all committees** (*emphasis added*) and shall perform all duties incidental to that office.”

Committee assignments for FY13-14 were as follows:

- Investment Committee- Ben Bowler, Lauryn Agnew, Michal Settles and Albert David, Chair
- Audit Committee- Paul Hackleman, Natalie Kwan Lloyd, Sandie Arnott and Eric Tashman, Chair
- Ad Hoc Succession Planning Committee- Al David, Michal Settles, Ben Bowler, Paul Hackleman, Chair

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

August 26, 2014

Agenda Item 3.1

July 29, 2014 – 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 Election of Board Officers
 - 1.2 Appointment of Board Committees
- 2. Oral Communications**
 - 2.1 Oral Communications From the Board
 - 2.2 Oral Communications From the Public
- 3. Approval of the Minutes**
 - 3.1 Approval of Special Board Meeting Minutes, from June 3, 2014
- 4. Approval of the Consent Agenda * (Set for 1:00 p.m. time certain for disability retirements only)**
 - 4.1 Disability Retirements
 - Hellen Allen
 - Jenny Foster
 - Susan Hartmann
 - Mary Klemish
 - Kimberly Vogt
 - 4.2 Service Retirements
 - 4.3 Continuances
 - 4.4 Deferred Retirements
 - 4.5 Member Account Refunds
 - 4.6 Member Account Rollovers
 - 4.7 Member Lump Sum Annuity Payment
 - 4.8 Approval of Resolution Extending Agreement with Hanson Bridgett
 - 4.9 Approval of Questions for Annual Review for Milliman, Inc.
 - 4.10 Acceptance of Semi-Annual Compliance Certification Statements
 - 4.11 Approval of Questions for Annual Review for Brown Armstrong Accountancy Corporation
 - 4.12 Acceptance of Annual Audit Status Report
 - 4.13 Approval of SamCERA's 2014-2015 Strategic Plan Update
- 5. Benefit & Actuarial Services *(Set for 1:00 p.m. time certain)**
 - 5.1 Consideration of Agenda Items, if any, Removed From the Consent Agenda
 - 5.2 Presentation of Milliman's Investigation of Experience Report FY 2012-2014
 - 5.3 Acceptance of Actuarial Auditor's Findings Regarding the Investigation of Experience Study Report FY 2012-2014
 - 5.4 Approval of Milliman's Investigation of Experience Report and Adoption of Report Recommendations
- 6. Investment Services**
 - 6.1 Preliminary Monthly Performance Report for the Period Ending June 30, 2014
 - 6.2 Report on the Value Equity Manager Annual Reviews
 - 6.3 Report on the Growth Equity Manager Annual Reviews
 - 6.4 Approval of Resolution Extending Agreement with Strategic Investment Solutions, Inc.
- 7. Board & Management Support**
 - 7.1 Quarterly Budget Report, for the Period Ending June 30, 2014
 - 7.2 Approval of Resolution Amending Interest Crediting Policy and Medicare Part B Funding
*** (Set for 1:00 p.m. time certain)**
 - 7.3 Approval of Resolution Revising Board of Retirement Regulations
*** (Set for 1:00 p.m. time certain)**
- 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

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

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

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

9. Report on Actions Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Lamb, Katie	March 28, 2014	Crystal Springs Rehab. Center
Miyaki, Seiko	May 1, 2014	Probation
McCormick, Betty	May 8, 2014	Mental Health
King, Donald	May 21, 2014	Civil Service Commission
Gutfeld, Jacqueline	May 24, 2014	Beneficiary of Gutfeld, Jack
Woonacott, Richard	May 12, 2014	Beneficiary of Woonacott, Gloria
Wolowski, Heddie	May 31, 2014	Hospital
Jung, Fred	June 2, 2014	Information Services
Murphy, Michael	June 3, 2014	County Counsel
Henderson, Lawrence	June 15, 2014	Information Services
Andrejko, Selma	June 19, 2014	Social Services
Dishinger, Momoyo	June 21, 2014	Libraries
Simmons, Elaine	June 25, 2014	Beneficiary of Simmons, Harold

JULY 29, 2014 – REGULAR BOARD MEETING MINUTES

1407.1 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 10:00 a.m.

Roll Call:

Present: Lauryn Agnew, Sandie Arnott, Ben Bowler, Albert David, Paul Hackleman, Natalie Kwan Lloyd, Michal Settles, David Spinello and Eric Tashman (arrived at 12:00 p.m.).

Alternates present: Christopher Miller

Excused: Alma Salas (Alternate)

Staff: David Bailey, Scott Hood, Michael Coultrip, Brenda Carlson, Gladys Smith, Mabel Wong, Lilibeth Dames, Elizabeth LeNguyen and Kristina Perez.

Consultants: Patrick Thomas (SIS) and Nick Collier (Milliman).

1407.1.1 Election of Board Officers: Ms. Arnott, Chair of the Ad Hoc Nominating Committee, reported that the Committee had met and recommends the following slate of board officers: Lauryn Agnew, Chair; Paul Hackleman, Vice Chair; and Michal Settles, Secretary. Ms. Kwan Lloyd asked if there were any other nominations, none were heard.

Action: Ms. Arnott moved to approve the recommended slate of officers and to elect Lauryn Agnew, Chair; Paul Hackleman, Vice Chair; and Michal Settles, Secretary, of the Board of Retirement, for the term expiring June 30, 2015. The motion was seconded by Mr. David, and carried with a vote of 8-0, with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles and Spinello all in favor; none opposed.

At this time, Ms. Kwan Lloyd handed the gavel to Ms. Agnew, and Ms. Agnew presided as Chair for the remainder of the meeting.

1407.1.2 Appointment of Board Committees: Ms. Agnew announced she would make no changes to the Board's committees at this time. However, she said that changes may be made at a future date pending feedback from committee members, and after further discussion regarding the responsibilities of the Investment Committee.

1407.2.1 Oral Communications From the Board: Ms. Kwan Lloyd reported her attendance at the CALAPRS Trustee Roundtable in Burlingame on June 13, 2014, and IFEBP's CAPP II course in San Jose on June 3-4, 2014. Mr. Spinello was also in attendance at the CALAPRS Trustee Roundtable in June. Ms. Agnew reported her attendance at the US Markets 2nd Annual Tri-State Institutional Investors Forum in New York on June 11, 2014.

1407.2.2 Oral Communications From the Public: Mr. Miller reported his attendance at the CALAPRS Trustee Roundtable in Burlingame on June 13, 2014.

1407.3.1 Approval of Minutes: Ms. Agnew asked if there were any changes or corrections to the minutes. Item 1.1 (Appointment of Ad Hoc Nominating Committee for Board Officers) on the June 3, 2014, meeting minutes was altered to reflect that Ms. Arnott was appointed as the Chair of the Nominating Committee.

Action: Ms. Arnott made a motion to approve the special meeting minutes from June 3, 2014, with the noted change, and the motion was seconded by Mr. Hackleman. The motion carried with a vote of 7-0, with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, and Spinello all in favor; none opposed. Ms. Settles was not present at the June 3, 2014, Board meeting and abstained from this vote.

1407.4.0 **Approval of the Consent Agenda:** Ms. Agnew asked if there were any items to be removed from the Consent Agenda. All the disability applications (4.1) were removed from the Consent Agenda to be considered at the time certain of 1:00 p.m.

Action: Mr. Hackleman moved to approve the remaining items on the Consent Agenda, and the motion was seconded by Ms. Kwan Lloyd. The motion carried with a vote of 8-0, with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles and Spinello all in favor; none opposed.

1407.4.2 **Service Retirements**

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

Member Name	Effective Retirement Date	Department
Baldwin, Beverly	April 16, 2014	Environmental Health
Boone, Jill	April 23, 2014	Deferred from Public Works
Burgess, Janet	May 31, 2014	Tax Collector's Office
Bywaters, Julie	April 24, 2014	Deferred from Courts
Gekakis, Helen	June 1, 2014	Probation
Highlander, Judy	May 17, 2014	Courts
McMillan, Mary	July 27, 2013	County Manager's Office
Palomaria, Abema	April 12, 2014	Deferred from Hospital
Voris, Sheila	May 31, 2014	Human Services Agency

1407.4.3 **Continuances**

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

Survivor's Name	Beneficiary of
McCormick, John	Beneficiary of McCormick, Betty
Jung, Claire	Beneficiary of Jung, Fred
Murphy, Gayle	Beneficiary of Murphy, Michael

Deferred Retirements

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

Member Name	Retirement Plan Type
Layman, Jill	G4 Vested
Mou, Amy	G5 Non Vested – Reciprocity
Phan, Jane	G7 Non Vested – Reciprocity
Miranda, Oscar	G4 Vested – Reciprocity
Argarin, Davey	G4 Non Vested – Reciprocity
Lambert, Michael	G4 Vested - Reciprocity
Mccomas, Megan	G4 Vested
Rosado, Aileen	G4 Vested – Auto Defer
Bertolozzi, Saima	G4 Vested with Reciprocity – Auto Defer
Wallace, Daniel	S4 Vested – Auto Defer
Tran, Hanh	G4 Vested - Reciprocity
Ortiz, Luis A.	P4 Vested

1407.4.4 **Deferred Retirements** (con't)

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

Member Name	Retirement Plan Type
Whitlock, Eugene E.	G4 Vested - Reciprocity
Collins, Gloria	G4 Non Vested - Reciprocity
McMahon, Thomas	G4 Vested - Reciprocity
Holmlund, Christine B.	G4 Vested
Kwok, Kristine Y.	G4 Vested – Reciprocity

1407.4.5 **Member Account Refunds**

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

Member Name	Retirement Plan Type
Garcia, Uriel	G4 Vested
Padilla Jr., Rosendo	P4 Vested
Jones, James	G7 Non-vested
Rupp, Vincent	G7 Non-vested
Koenig, Kelly	G4 Non-vested
Ruiz, Juan	G4 Non-vested
Quijada, Ana	G7 Non-vested
Cauyong, Consolacion	G4 Vested

1407.4.6 **Member Account Rollovers**

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

Member Name	Retirement Plan Type
Zapparoni, Ceide	G4 Non-vested
Martinez, Rosa	G4 Vested
Freirez, Elena	G4 Vested

1407.4.7 **Member Lump Sum Annuity Distributions**

The Board ratified the actions as listed below for the following members regarding Lump-sum Annuity Distributions:

Member Name	Retirement Plan Type
Bond, Lita	G4 Vested – Reciprocity

1407.4.8 **Approval of Resolution Extending Agreement with Hanson Bridgett:** The Board approved the resolution ratifying execution of the First Amendment to the Agreement with Hanson Bridgett LLP for legal services.

1407.4.9 **Approval of Questions for Annual Review for Milliman, Inc.:** The Board approved the questions for the annual actuarial consultant evaluation as submitted.

1407.4.10 **Acceptance of Semi-Annual Compliance Certification Statements:** The Board accepted the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers, as of June 30, 2014.

- 1407.4.11 **Approval of Questions for Annual Review for Brown Armstrong Accountancy Corporation:** The Board approved the proposed questions for the annual independent auditor evaluation as submitted.
- 1407.4.12 **Acceptance of Annual Audit Status Report:** The Board approved the report on the current status of the June 30, 2014, Financial Audit conducted by Brown Armstrong.
- 1407.4.13 **Approval of SamCERA's 2014-2015 Strategic Plan update:** The Board approved an update to SamCERA's Strategic Plan that was discussed at the June meeting.

The following items were heard by the Board in the order in which they appear below.

- 1407.6.1 **Preliminary Monthly Performance Report for the Period Ending June 30, 2014:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported that SamCERA's net preliminary return for June was +1.7% and the fiscal year return was +17.3%. This item was informational only and no action was taken.
- 1407.6.2 **Report on the Value Equity Manager Annual Reviews:** Mr. Coultrip reported that staff met with SamCERA's Value Equity Managers, Mondrian and The Boston Company, on June 5, 2014. Staff identified no significant areas of concern in these portfolio reviews. This item was informational only and no action was taken.
- 1407.6.3 **Report on the Growth Equity Manager Annual Reviews:** Mr. Coultrip reported that staff met with SamCERA's Growth Equity Managers (Baillie Gifford, Brown Advisory and Chartwell) on July 10, 2014. During the annual reviews staff addressed the change of strategy with Baillie Gifford, the recent ownership change at Chartwell, and the underperformance of Brown Advisory. This item was informational only and no action was taken.
- 1407.6.4 **Approval of Resolution Extending Agreement with Strategic Investment Solutions, Inc. (SIS):** Mr. Coultrip reviewed the history of the agreement with SIS, and recommended approval to extend the contract for 3 years. He noted there would be a fee increase, the first since 2010, and felt the increase was reasonable in consideration of the work product, which now includes real asset consulting. Board members discussed the contract extension; asked questions about the fee increase and workload; and commented on SIS's performance.
Action: Mr. David moved to approve the resolution extending the agreement with SIS for three years. The motion was seconded by Mr. Hackleman and carried with a vote of 8-0, with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles and Spinello all in favor; none opposed.
- 1407.7.1 **Quarterly Budget Report, for the Period Ending June 30, 2014:** Ms. Wong presented the Quarterly Budget Report to the Board. She reviewed the three budget areas, Technology, Administrative and Professional and answered questions from the Board members. This item was informational only and no action was taken.
- 1407.8.1 **Chief Executive Officer's Report:** Mr. Bailey reported that SamCERA had once again received certificates of achievement from GFOA for the CAFR and PAFR, and he congratulated Ms. Wong and her staff. He noted that SamCERA is now 70 years old, being founded on July 1, 1944. Mr. Bailey informed the Board that he and Mr. Hood have been attending contract negotiation meetings with some of the bargaining units. He said he would be working with the County Manager's Office to make a housekeeping amendment to the MOU regarding supplemental county contributions and that, due to workload concerns, staff is considering asking for an additional accounting and an additional investment position.

1407.8.2 **Assistant Executive Officer's Report:** Mr. Hood let Board members know they could find the latest "forward looking" calendar of events in their folders. He reported talking to Invesco about purchasing a building, and was gathering information on the benefits and risks. Mr. Hood gave an update on the PASS project and the GASB implementation.

1407.8.3 **Chief Investment Officer's Report:** Mr. Coultrip stated that training with Northern Trust had been completed and procedures are now automated through online access as opposed to fax. He is also working on the customization and appearance of Northern Trust's monthly performance reports. Mr. Coultrip reported on his due diligence trip to PanAgora with Mr. Brody. He stated the Investment Policy is now updated and posted on the SamCERA website and is being sent to managers. Mr. Coultrip also informed the Board that, consistent with Board Resolution 12-13-04, which allows the CEO the authority to make investment decisions for Alternative Investments of \$25 million or less in consultation with the Board Chair and one member of the Investment Committee, a commitment was made for \$15M to ABRY VIII fund.

1407.8.4 **Chief Legal Counsel's Report:** Ms. Carlson reported her attendance at the CALAPRS Attorneys Round Table on June 13, that she co-chaired; and she also attended the National Association of Public Pension Attorneys (NAPPA) conference in Nashville in June.

Ms. Agnew adjourned the meeting for a lunch break at 11:35 a.m., the public meeting reconvened at 1:00 p.m. Mr. Tashman arrived during the break and took his seat on the dais when the meeting was reconvened. Ms. Arnott was excused for a portion of the meeting, and was not present when the meeting reconvened.

1407.4.1 **Approval of the Consent Agenda; Disability Applications only: (Set for 1:00 p.m. time certain)**
At the time certain of 1:00 pm, the disability applications from the Consent Agenda were considered. The application of Jenny Foster was considered separately, as Ms. Settles abstained.

Action: Mr. Hackleman made a motion to find that Jenny Foster is (1) permanently incapacitated from the performance of her usual and customary duties as a Clinical Services Manager I, (2) find that her disability was a result of an injury arising out of and in the course of her employment and (3) grant her application for a service-connected disability retirement. The motion was seconded by Mr. David and carried with a vote of 7-0, with trustees Agnew, Bowler, David, Hackleman, Kwan Lloyd, Spinello and Tashman all in favor; none opposed. Ms. Settles abstained from this vote, and Ms. Arnott was not present for this item.

Action: Mr. Hackleman moved to approve the remaining disability applications of Hellen Allen, Susan Hartman, Mary Klemish and Kimberley Vogt. The motion was seconded by Mr. David and carried with a vote of 8-0, with trustees Agnew, Bowler, David, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman all in favor; none opposed.

The Board found that Hellen Allen is (1) permanently incapacitated from the performance of her usual and customary duties as a Legal Word Processor, (2) found that her disability was a result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

The Board (1) accepted the proposed findings and recommendations of the Hearing Officer, Roy Abrams, that Ms. Susan Hartmann is permanently incapacitated from the performance of her usual and customary duties as a Lead Office Assistant, (2) found that her disability was a result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

The Board found that Mary Klemish is (1) permanently incapacitated from the performance of her usual and customary duties as a Patient Services Assistant, (2) found that her disability was a result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

The Board found that Kimberly Vogt is (1) permanently incapacitated from the performance of her usual and customary duties as a Communications Dispatcher II, (2) found that her disability was a result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

- 1407.5.2 **Presentation of Milliman’s Investigation of Experience Report FYs 2012-2014:** Mr. Nick Collier, from Milliman, presented the findings of the experience report. He reviewed the assumptions the Board had adopted in June, and went over the expectations. He reviewed each page of the report with the Board and noted that there was an increase in life expectancy, and that the time to process disabilities had decreased. This item was for discussion only and no action was taken.

Ms. Arnott returned to the Boardroom at 1:34 p.m., at this point in the meeting.

- 1407.5.3 **Acceptance of Actuarial Auditor’s Findings Regarding the Investigation of Experience Study Report FY 2012-2014:** Mr. Hood presented Segal’s “Actuarial Review of 2014 Investigation of Experience” and reviewed Segal’s recommendations. He reported Segal had determined that Milliman’s work for SamCERA had used generally accepted actuarial practices and that all major actuarial functions were properly addressed; and that the assumptions as recommended by Milliman were reasonable to use in SamCERA’s actuarial valuation. Mr. Hood discussed the report with the Board and said that a representative from Segal would be present at the August meeting for further discussion of the report. This item was for discussion only and no action was taken.

- 1407.5.4 **Approval of Milliman’s Investigation of Experience Report and Adoption of Report Recommendations:**

Action: Mr. Tashman moved to approve Milliman’s Investigation of Experience Report for FYs 2012-14 and to approve a resolution adopting recommended changes to assumptions based on the same report. The motion was seconded by Ms. Settles and carried with a vote of 9-0, with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman all in favor; none opposed.

- 1407.7.2 **Approval of Resolution Amending Interest Crediting Policy and Medicare Part B Funding (Set for 1:00 p.m. time certain):** Mr. Bailey stated that prior to the meeting, outreach to all effected stakeholders (SCORPA retirees, union representatives, employer leadership) had been undertaken by staff regarding this item and its impact for members. He noted there were three actions contained in the staff recommendation – changes to the crediting policy to properly credit interest from the County’s supplemental contributions, the elimination of the crediting of “excess earnings” to a Supplemental Benefits reserve for the payment of the Medicare Part B reimbursements that had been previously discontinued, and clarifying and simplifying the language within the Interest Crediting policy. There was discussion about the term “excess earnings” and how at this time, no earnings are considered “excess” but are necessary for the stability and continuity of the fund. Linda Bruzzon, President of the San Mateo County Retired Personnel Association (SCORPA) and retiree Steve Perry addressed the Board.

Action: Ms. Settles moved to approve a resolution revising SamCERA’s Interest Crediting Policy. The motion was seconded by Mr. Tashman and carried by a vote of 9-0 with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman all in favor; none opposed.

1407.7.3 **Approval of Resolution Revising Board of Retirement Regulations** (Set for 1:00 p.m. time certain): Mr. Bailey went over the changes proposed to the Board of Retirement regulations with Board members, stating many of the changes are to be in compliance with the IRS determination letter and changes resulting from PEPRA legislation. Other changes included adjusting the start time of Board meetings to 10:00 a.m., defining who is an “employee” in regard to the County’s agile work force, updating the plan designations, eliminating the “air time” service credit (ARC) and military time purchase options, and reconciling language that designates domestic partners and spouses.

Action: Mr. Hackleman moved to approve a resolution to revise and renumber the existing Board of Retirement Regulations, and to add Article I “Purpose, Scope and Amendments” and Article VIII “Internal Revenue Code Compliance.” The motion was seconded by Mr. David and carried by a vote of 9-0 with trustees Agnew, Arnott, Bowler, David, Hackleman, Kwan Lloyd, Settles, Spinello and Tashman all in favor; none opposed.

1407.10 **Adjournment:** Ms. Agnew adjourned the meeting at 2:12 p.m. in memory of the following deceased members:

Lamb, Katie	March 28, 2014	Crystal Springs Rehab. Center
Miyaki, Seiko	May 1, 2014	Probation
McCormick, Betty	May 8, 2014	Mental Health
King, Donald	May 21, 2014	Civil Service Commission
Gutfeld, Jacqueline	May 24, 2014	Beneficiary of Gutfeld, Jack
Woonacott, Richard	May 12, 2014	Beneficiary of Woonacott, Gloria
Wolowski, Heddie	May 31, 2014	Hospital
Jung, Fred	June 2, 2014	Information Services
Murphy, Michael	June 3, 2014	County Counsel
Henderson, Lawrence	June 15, 2014	Information Services
Andrejko, Selma	June 19, 2014	Social Services
Dishinger, Momoyo	June 21, 2014	Libraries
Simmons, Elaine	June 25, 2014	Beneficiary of Simmons, Harold

David Bailey
Chief Executive Officer

Kristina Perez
Retirement Executive Secretary

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 29, 2014

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 **Robert Fitch** is (1) permanently incapacitated from the performance of his usual and customary duties as a Lead Gardener, (2) find that his disability was a result of an injury arising out of and in the course of his employment and (3) grant his application for a service-connected disability retirement.
- b) The Board find that **Donald McKague** is (1) permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) find that his disability was a result of an injury arising out of and in the course of his employment and (3) grant his application for a service-connected disability retirement.
- c) The Board find that **Shannon Speak** is (1) permanently incapacitated from the performance of her usual and customary duties as a Human Services Manager II, (2) find that her disability was not result of an injury arising out of and in the course of her employment and (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:

Member Name	Effective Retirement Date	Department
Buckleman, Denice	July 31, 2014	QDRO
Dorrance, Adrina	July 12, 2014	Hospital
Fitzer, Gary	July 16, 2014	Deferred from Planning
Guerrero, Lorraine	June 21, 2014	Courts
Guevara, Zenaida	July 21, 2014	Hospital
Heckman, Kathleen	July 4, 2014	Deferred from Public Health
Kavanaugh, Rita	July 19, 2014	Hospital
Kiely, Carolyn	July 21, 2014	Aging and Adult Services
Kohn, Susan	August 1, 2014	Hospital
Marundee, David	July 8, 2014	Deferred from Public Works

Reubens, Jennifer	June 25, 2013	Correctional Health
Shufton, Steven	July 26, 2014	Deferred from Information Services
Skjerdal, Kristi	July 15, 2014	Family Health
Thorsett, Ruth	August 1, 2014	Libraries
Tiong, Teresita	July 22, 2014	Health Services Administration
Wallace, MaryEmma	August 1, 2014	Mental Health

4.3 Continuances

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

Survivor's Name	Beneficiary of:
Greer, Jannette	Greer, Donald

4.4 Deferred Retirements

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

Member Name	Retirement Plan Type
Anson, Alison W.	G4 Vested
Anjomshoaa, Andrea N.	G7 – Reciprocity
Aquino, Maria T.	G7 – Reciprocity
Granados-Pulido, Juan	G4 Vested – Reciprocity
Gregg, Sarah C.	G4 – Auto Defer
Ly, Daiphong D.	G4 Vested – Reciprocity
Portis, Allena J.	G4 Vested – Reciprocity
Rubalcava, Mayela	G4 Vested
Semprich, Kelly R.	G4 Vested
Webb, Sandra M.	G5 Reciprocity

4.5 Member Account Refunds

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

Member Name	Retirement Plan Type
Gibson, Irene (bene of Marquez Gibson)	G4 Vested
Gibson, Maxwell (bene of Marquez Gibson)	G4 Vested
Rotchstein, Wendy	G4 Vested

4.6 Member Account Rollovers

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

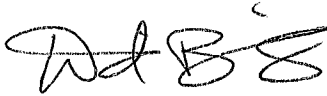
Member Name	Retirement Plan Type
Cardona, Aura	G4 Vested

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 26, 2014

Agenda Item 4.7

TO: Board of Retirement

FROM: David Bailey, Chief Executive Officer 

SUBJECT: Adoption Of Resolution Reaffirming SamCERA's Conflict Of Interest Code

Staff Recommendation

Staff recommends that the Board approve a resolution reaffirming SamCERA's Conflict of Interest Code.

Background

Government Code §87306.5 requires each local agency to review its Conflict of Interest Code biennially to determine if it is accurate or, alternatively, if it must be amended. However, SamCERA reviews and reaffirms its code each year.

In September 2011 and March 2012, the Board approved significant revisions to the SamCERA Conflict of Interest Code to assure compliance with the most recent versions of Government Code §87300 and §87306.5, and California Fair Political Practices Commission ("FPPC") Regulation 18730.

Staff now recommends that the Board reaffirm the current Conflict of Interest Code. No changes to the code are recommended.

Every other year, the FPPC sets the annual gift limit. The gift limit effective for calendar years 2013 and 2014 is \$440. That means that Board members and designated filers are prohibited from receiving a gift or gifts totaling more than \$440 in a calendar year from certain sources. For Board members, the prohibition is applicable to gifts from any source, although there are exceptions (for example, gifts from family members). The reportable limit remains \$50 aggregate per calendar year from any single source, unless an exception applies.

Board of Retirement

RESOLUTION 14-15-__

**REAFFIRMING THE
CONFLICT OF INTEREST CODE**

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

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

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

WHEREAS, Government Code §87306.5 mandates that the Board review its designation of employees and disclosure categories biennially. Therefore, be it

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

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

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

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

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Board of Retirement

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
CONFLICT OF INTEREST CODE

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

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

LIST OF DESIGNATED POSITIONS AND APPLICABLE DISCLOSURE CATEGORIES

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

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

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

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

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

Board of Retirement

DESCRIPTION OF FINANCIAL DISCLOSURE CATEGORIES

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

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

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

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

ADOPTED by unanimous vote, February 23, 1999

AMENDED by unanimous vote, February 22, 2000

AMENDED by unanimous vote, February 27, 2001

AMENDED by unanimous vote, February 26, 2002

AMENDED by unanimous vote, March 25, 2003

AMENDED by unanimous vote, February 22, 2005

AMENDED by unanimous vote, January 24, 2006

AMENDED by unanimous vote, February 26, 2008

AMENDED by unanimous vote, July 28, 2009

AMENDED by unanimous vote, March, 2010

AMENDED by unanimous vote, September 2011

AMENDED BY unanimous vote, March 2012

ATT: GOVERNMENT CODE SECTION 87314 APPENDIX

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Board of Retirement

Government Code Section 87314 Appendix

Agency Positions that Manage Public Investments
For purposes of Section 87200 of the Government Code

The following positions manage Public Investments for purposes of Section 87200 of the Government Code:

Trustees and Alternate Trustees

Chief Executive Officer


Chief Investment Officer

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 26, 2014

Agenda Item 4.8

TO: Board of Retirement

FROM: Scott Hood, Assistant Executive Officer 

SUBJECT: Amendment of Existing Board of Retirement Regulations

Staff Recommendation

Approve a resolution amending the Board's regulations in order that the regulations be consistent with the Internal Revenue Code ("IRC") and Treasury regulations.

Background

At the July 28th meeting the Board approved a series of amendments to the regulations to reflect SamCERA's compliance with IRS requirements. Shortly after the meeting, SamCERA's tax counsel provided two additional changes that should be included in SamCERA's revised regulations. After approval by the Board, the regulations will be submitted to the Board of Supervisors for its approval.

SamCERA will file for its new determination letter sometime after February 2015. At that time, we will submit the revised regulations to the IRS along with other documents reflecting our new Public Employees' Pension Reform Act (PEPRA) policies and procedures.

Discussion

There are two proposed changes to the regulations: The first change in section 8.7 A.1.E.ii is a technical correction in how Straight Life Annuity payments not addressed in the Treasury Regulations should be calculated. The second change in 8.8 D pertains to service credit purchases and changes the ordering of reductions to allow staff to continue to calculate IRC 415 limits in the current manner.

The changes are as follows:

Paragraph 8.7 A.1.E.ii

Recently approved language reads:

- ii. **Lump sums, installments, etc.** If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit shall be determined using: (a) The Applicable Mortality Table; and (b) An interest rate that is

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

not less than the greatest of: (1) 5.5%; (2) The interest rate that produces a benefit of not more than 105% of the benefit that would be produced if the Applicable Interest Rate were used; or (3) The Applicable Interest Rate as specified by SamCERA.

Should read:

- ii. **Lump sums, installments, etc.** If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit shall be equal to the greatest of : (a) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the interest rate and the mortality table specified in the Plan for adjusting benefits in the same form; (b) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using a 5.5 percent interest rate and the Applicable Mortality Table; or (c) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Interest Rate and the Applicable Mortality Table divided by 1.05.

Paragraph 8.8 D

Recently approved language reads:

- D. Coordination with Other Defined Contribution Plans.** In the event that a Member participates in another defined contribution plan of the Employer that is a tax-qualified defined contribution plan, contributions or allocations that would otherwise be made on behalf of the Member to the other plan shall first be reduced to the extent necessary to avoid exceeding the limitations of this regulation.

Should read:

- D. Coordination with Other Defined Contribution Plans.** In the event that a Member participates in another defined contribution plan of the Employer or of an Affiliate that is a tax-qualified defined contribution plan, contributions or allocations that would otherwise be made on behalf of the Member to SamCERA shall be reduced to the extent necessary to avoid exceeding the limitations of this regulation when contributions are aggregated as described in C. above.

Board of Retirement

RESOLUTION AMENDING THE BOARD OF RETIREMENT REGULATIONS

RESOLUTION 14-15-_____

WHEREAS, Government Code §31525 provides that this Board, with the approval of the Board of Supervisors, may establish regulations that govern the operation of SamCERA that are not inconsistent with the California Employees' Retirement Law of 1937; and

WHEREAS, on January 14, 2014, the Internal Revenue Service ("IRS") issued a favorable tax determination letter to SamCERA. As part of its submission process, SamCERA submitted proposed regulations to the IRS and said regulations need to be adopted by the Board; and

WHEREAS, on July 28, 2014, the Board of Retirement approved revisions and proposed regulations to reaffirm and clarify the existing SamCERA practices and confirm that SamCERA's practices shall be in accordance with the Internal Revenue Code and related Treasury Regulations; and

WHEREAS, the Board has reviewed the proposed amendments to the Board of Retirement regulations and desires to adopt such amendments; therefore be it

RESOLVED that the Board hereby revises and amends its regulations as follows:

Paragraph 8.7 A.1.E.ii, is amended to read:

- ii. **Lump sums, installments, etc.** If the Member's benefit is payable in the form of a lump sum, installments, a decreasing annuity, term certain or other form of benefit not described in Treasury regulations section 1.417(e)-1(d)(6), then the Straight Life Annuity that is actuarially equivalent to the Member's form of benefit shall be equal to the greatest of : (a) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the interest rate and the mortality table specified in the Plan for adjusting benefits in the same form; (b) The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using a 5.5 percent interest rate and the Applicable Mortality Table; or (c)The annual amount of the Straight Life Annuity commencing at the same annuity starting date that has the same actuarial present value as the form of benefit payable to the Member computed using the Applicable Interest Rate and the Applicable Mortality Table divided by 1.05.

Paragraph 8.8 D, is amended to read:

- D. Coordination with Other Defined Contribution Plans.** In the event that a Member participates in another defined contribution plan of the Employer or of an Affiliate that is a tax-qualified defined contribution plan, contributions or allocations that would otherwise be made on behalf of the Member to SamCERA shall be reduced to the extent necessary to avoid exceeding the limitations of this regulation when contributions are aggregated as described in C. above.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 26, 2014

Agenda Item 4.9

TO: Board of Retirement
FROM: David Bailey, Chief Executive Officer
SUBJECT: Trustee Request for Conference Approval



Staff Recommendation

Staff recommends approval of attendance at the below-mentioned educational event.

Background

The *SamCERA* Education Policy allows trustees to attend certain number events for continuing education sponsored by organizations approved in the policy. The policy also states that, “the board may approve participation in additional educational activities...”

Board of Retirement Trustee, Lauryn Agnew, would like to attend the “Advanced Wealth Management Conference” sponsored by the Investment Management Consultants Association (IMCA). The conference will be held on October 5-7, 2014 in San Diego, CA.

Information from the IMCA website is attached.



Join Newsroom CE Provider Investors Store Exhibit/Sponsor



Home » Conferences » Advanced Wealth Management Conference

Conference Calendar

Advanced Investment Strategist Program

Advanced Wealth Management Conference

Best of IMCA

Exhibit/Sponsor Opportunities

Speaker Proposals

5 Ingredients of Successful Conferences

Advanced Wealth Management Conference

Overview Schedule Speakers Hotels & Travel Register Continuing Education Exhibitor / Sponsor

General Session	Workshops
Sun. Oct 5	Mon. Oct 6
Mon. Oct 6	Tue. Oct 7
Tue. Oct 7	

Quick Links

[Register](#)

[Hotel Website](#)

-
-

2014 Platinum Partners

Sunday, October 5

Sunday, October 5
5:00 PM to 8:00 PM

Registration/Information Desk Open

Monday, October 6

Monday, October 6
7:00 AM to 7:15 PM

Registration/Information Desk Open

Monday, October 6
7:00 AM to 8:00 AM

Breakfast with Sponsors and Exhibitors

Monday, October 6
8:00 AM to 9:15 AM

General Session #1: Taxes and the Election

Gregory R. Valliere
Potomac Research Group

During this session Greg Valliere will address hot topics related to the financial services industry including taxes and the election. Specific topics include: the outlook for the economy and prospects for Federal Reserve policy; the legislative outlook (tax reform, immigration, changes to...

Monday, October 6
9:15 AM to 9:45 AM

Break with Sponsors and Exhibitors

Monday, October 6
9:45 AM to 10:45 AM

General Session #2: Strengthening Relationships with Female Clients through Legacy Planning

Anthony J. DiLeonardi
Third Quarter Advisers

This presentation will help advisors gain insight into how female investors view wealth and investing, and how to uncover core



Voya™ Investment Management was formerly ING U.S. Investment Management

RAYMOND JAMES



2014 Silver Partners FINANCIAL NETWORK



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values that drive all of her investing decisions. Research shows that men and women view investing differently; women are more focused on intangibles such as family values...

Monday, October 6
10:45 AM to 11:00 AM

Break with Sponsors and Exhibitors

Monday, October 6
11:00 AM to 12:00 PM

Workshop #1: TBD

Monday, October 6
11:00 AM to 12:00 PM

Workshop #2: Emerging Markets Fixed Income: Opportunities and Risk

David Oliver, MA, MBA, CFA®
Stone Harbor Investment Partners LP

As emerging market economies have grown and strengthened relative to the developed world, the investment landscape has broadened to create new opportunities. In this session, Stone Harbor Investment Partners portfolio manager David Oliver will discuss the themes driving emerging markets debt, its...

Monday, October 6
12:00 PM to 12:45 PM

Lunch

Monday, October 6
12:45 PM to 1:45 PM

General Session #3: The Gen-Savvy Investment Advisor

Cam Marston
Generational Insights

For decades, the financial services industry has focused on demographic groups that now are moving into and past retirement (the matures, born 1945 and before; and the baby boomers, born 1946 – 1964). New demographic groups with different economic and cultural experiences now are prime markets for...

Monday, October 6
2:00 PM to 3:00 PM

Workshop #3: Understanding the Dynamics of the Affluent Client

Lee Hausner, PhD
First Foundation Advisors

Individuals who have acquired the degree of wealth that separates them and their families financially from average-income households face many emotional and psychological challenges. This workshop will explore these issues and provide advisors with the tools that will enable them to build...

Monday, October 6
2:00 PM to 3:00 PM

Workshop #4: Liquid Alternatives: Industry Trends and Practical Implementation

Bruce E. Emken, CIMA®
GSAM
Theodore Enders, CFA®
GSAM

Given the rapid growth and complicated nature of the liquid alternative investment landscape, advisors need to understand current market trends, establish realistic expectations for their role in portfolios, and consider how to best implement them within an overall portfolio framework. In this...

Monday, October 6
3:00 PM to 3:30 PM

Break with Sponsors and Exhibitors

Monday, October 6
3:30 PM to 4:30 PM

Workshop #5: Families Selecting Advisors: What's Really Going On?

Gregory T. Rogers, MBA
RayLign Advisory LLC

You've lost your share of prospects, and in many cases you do not fully understand why. How do families really make decisions about the advisors they select? In this workshop, gain tangible benefits from RayLign's first-hand experience over the past decade placing more than \$5 billion in family...

Monday, October 6
3:30 PM to 4:30 PM

Workshop #6: The Why and How of MLP Investing

Kenny Feng, CFA®
Alerian

Master limited partnerships (MLPs) may be suitable for a wide variety of client portfolios. But with the number of MLPs and MLP investment vehicles constantly on the rise, it can be challenging for investors to navigate the increasingly complicated landscape. This session will provide a refresher...

Monday, October 6
4:45 PM to 6:00 PM

General Session #4: Understanding Market Anomalies: The Roles of Prediction, Probability and Perception

Jay Mooreland, MS, CFP®
The Emotional Investor

Market anomalies may catch investors by surprise, and often cause panic and anxiety. These feelings can trigger biases that influence investors to abandon long-term investment strategies to appease short-term feelings. This presentation will discuss how a correct understanding of the roles of...

Monday, October 6
6:00 PM to 7:15 PM

Reception with Sponsors and Exhibitors

Tuesday, October 7

Tuesday, October 7
7:00 AM to 3:30 PM

Registration/Information Desk Open

Tuesday, October 7
7:00 AM to 8:00 AM

Breakfast with Sponsors and Exhibitors

Tuesday, October 7
8:00 AM to 9:15 AM

General Session #5: Strategist Panel

Anthony J. Crescenzi, MBA
PIMCO
Jonathan Golub, CFA®
RBC Capital Markets, LLC
Rex Macey, MBA, CIMA®, CFA®, CFP®
Wilmington Trust

The Strategists Panel is always one of the highlights of IMCA conferences, bringing together leading thinkers from the investment business and focusing on the most important topics in the news. This interactive session will provide strategic insights on deploying capital in an uncertain...

Tuesday, October 7
9:15 AM to 9:30 AM

Break with Sponsors and Exhibitors

Tuesday, October 7
9:30 AM to 10:45 AM

General Session #6: What Got You Here Won't Get You There

Marshall Goldsmith, PhD

How do successful investment advisors become even more

successful in serving their clients and building their businesses? Marshall Goldsmith, PhD, an award-winning author and leadership expert, will use award-winning research to help you learn proven, research-based tools to better serve your...

Tuesday, October 7
10:45 AM to 11:15 AM

Break with Sponsors and Exhibitors

Tuesday, October 7
11:15 AM to 12:15 PM

Workshop #7: Planning for Same Sex Married Couples

Wendy Goffe, JD
Stoel Rives LLP

After years of navigating the inconsistencies of state and federal law, the tax landscape for married same-sex couples was altered dramatically when the U.S. Supreme Court held unconstitutional a portion of the Defense of Marriage Act (DOMA) in the United States v. Windsor. DOMA previously had...

Tuesday, October 7
11:15 AM to 12:15 PM

Workshop #8: Investing with Impact

David Sand
Community Capital Management
Mary Jane McQuillen, MBA
ClearBridge Investments

Socially responsible investing: What is it? How has it evolved? Why is it important? Why are clients demanding it? How are professional investors incorporating it into investment portfolios? In this session, two top investment managers active in the space and a leading consultant and former...

Tuesday, October 7
12:15 PM to 1:00 PM

Lunch

Tuesday, October 7
1:00 PM to 2:00 PM

Workshop #9: Your Health Is Your Wealth

Leslie D. Michelson, JD
Private Health Management

No sector of the U.S. economy is more important or changing more rapidly than health care. In this session, Mr. Michelson will: describe the unprecedented changes underway in biomedical research, health care delivery, and health insurance; show how these changes will result in people living longer...

Tuesday, October 7
1:00 PM to 2:00 PM

Workshop #10: Assessing Hedge Fund Suitability

Jonathan Caplis
Gallatin Adviser

To effectively assess a hedge fund, an advisor must consider the integration of qualitative expert judgment and quantitative analysis of both the investment and operational aspects of the fund and firm. One must also understand how to evaluate those factors in the appropriate context relative to...

Tuesday, October 7
2:15 PM to 3:15 PM

General Session #7: The Economics of Integrity

Anna Bernasek
Economist and Author

In her book, The Economics of Integrity, Anna Bernasek developed a new way of thinking about ethics and our economy. While most people sense that doing the right thing is vaguely beneficial, it's a safe bet they know from personal experience that bending the rules or exploiting loopholes can offer...

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Contact

IMCA Office
5619 DTC Parkway, Suite 500
Greenwood Village, CO 80111
phone: 303.770.3377
email:

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 26, 2014

Agenda Item 5.2

TO: Board of Retirement



FROM: Scott Hood, Assistant Executive Officer

SUBJECT: Presentation of the Actuarial Auditor's Findings Regarding the Investigation of Experience Study Report for FYs 2012-2014

Staff Recommendation

Segal Co. actuaries, Paul Angelo and Andy Yeung, will review their audit of Milliman's Investigation of Experience report. Staff recommends the board members discuss Segal's "Actuarial Review of 2014 Investigation of Experience" and its recommendations.

Discussion

At the July 29th meeting, staff presented Segal's "Actuarial Review of 2014 Investigation of Experience" and its recommendations.

Attachment

Actuarial Review of 2014 Investigation of Experience

**SAN MATEO COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

**Actuarial Review of
2014 Investigation of Experience**



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San Francisco, CA 94104

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T 415.263.8200 www.segalco.com

July 21, 2014

Board of Retirement
San Mateo County Employees' Retirement Association
100 Marine Parkway, Suite 125
Redwood Shores, California 94065

Re: Actuarial Review of 2014 Investigation of Experience

Dear Members of the Board:

We are pleased to present the results of this review of the 2014 investigation of experience for the San Mateo County Employees' Retirement Association (*SamCERA*). The purpose of this review is to verify the recommendations on the economic and non-economic assumptions made by Milliman in their draft report dated July 7, 2014 and to offer comments on the methodology and the results of their investigation.

This review was conducted by Paul Angelo, a Fellow of the Society of Actuaries, Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA, and Andy Yeung, an Associate of the Society of Actuaries, Member of the American Academy of Actuaries, and an Enrolled Actuary under ERISA. This review was conducted in accordance with the standards of practice prescribed by the Actuarial Standards Board.

We are members of the American Academy of Actuaries and we meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinion herein.

We appreciate the opportunity to be of service to *SamCERA* and we are available to answer any questions you may have on this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Angelo".

Paul Angelo, FSA, MAAA, FCA, EA
Senior Vice President and Actuary

A handwritten signature in black ink, appearing to read "Andy Yeung".

Andy Yeung, ASA, MAAA, FCA, EA
Vice President and Associate Actuary

AB/hy

cc: Nick J. Collier, ASA, EA, MAAA
Craig Glyde, ASA, EA, MAAA

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APPENDIX

Adjustment to Exclude Administrative Expenses in Developing Investment Return Assumption to Maintain Consistency with GASB Financial Liability Reporting

This report has been prepared by Segal Consulting to present a review of the 2014 investigation of experience performed by Milliman for *SamCERA* for the period July 1, 2011 through April 30, 2014 based on their draft report dated July 7, 2014.

In reviewing the actuarial assumptions, we found that Milliman has employed generally accepted actuarial practices and principles in studying and selecting those assumptions. We believe that, except as noted below, those actuarial assumptions as recommended by Milliman are reasonable for use in *SamCERA*'s upcoming actuarial valuation as of June 30, 2014. The focus of the review is to comment on those items which, in our opinion, are subject to improvement, so as to contribute to the improvement of the valuation process.

Our overall assessment of Milliman's actuarial work for *SamCERA* is that all major actuarial assumptions are being appropriately reviewed. However, based on our observation of the salary experience in our last audit for each of the General and Safety (including Probation) plans over the prior two-year period (from July 1, 2008 to June 30, 2010) as well as over the current two-year period from July 1, 2011 to June 30, 2013, we would strongly recommend that the Board consider adopting separate merit and promotional salary increase assumptions for each of the General and Safety members as that should result in a better allocation of the cost of providing benefits between the two membership groups.

Our observations and recommendations are summarized as follows:

- Currently, the same merit and promotional salary increase assumptions are used for both the General and the Safety (including Probation) members in the actuarial valuation. Milliman is recommending no change in the current assumptions based on their review of the combined General and Safety salary experience over a two-year period (from July 1, 2011 to June 30, 2013).

In our review of the 2011 investigation of experience, we recommended that Milliman consider reviewing the salary experience as part of the next study to determine if separate merit and promotional salary increase assumptions for General and Safety would be justified. That recommendation was based on our experience from working with other

county retirement systems as we found that experience sometimes supports the establishment of a different set of merit and promotional salary increase assumptions for each of the General and Safety plans. We noted that the salary experience over the two-year period (from July 1, 2008 to June 30, 2010) for *SamCERA* was quite different between the General and Safety members.

In the 2014 investigation of experience, Milliman studied the merit experience for the General and Safety members separately, and confirmed that difference between the two groups at *SamCERA* (they also commented on the existence of such difference in other systems). However, Milliman did not recommend separate merit assumptions for General and Safety groups citing that such difference could be just a short-term fluctuation and not a long-term trend.

We strongly believe based on our observations from the prior and the current experience study periods that separate General and Safety assumptions are warranted for the current study as that should result in a better allocation of the cost of providing benefits between the General and Safety membership groups¹. In addition, we would recommend that Milliman document the merit experience not only for the all active members, but also for General and Safety separately in their 2014 experience study report.

- Milliman has derived the investment return assumption by applying *SamCERA*'s target asset allocation in a model developed by Milliman's investment practice and using the average capital market assumptions collected by Milliman from eight investment consultants.

We concur with Milliman's use of an average from a sample of capital market assumptions instead of only one investment consultant's assumptions. This should mitigate the undesired outcome of having the expected investment returns dependent on which investment consultant is employed by a retirement plan.

¹ *If separate merit and promotional assumptions were to be applied, there would be an increase in the employer and employee contribution rates for the Safety plans and a decrease in the employer and employee contribution rates for the General plans.*

- For the investment return assumption, Milliman recommends reducing the current assumption of 7.50% to 7.25%, net of administrative and investment related expenses. This recommendation is mainly driven by the lower level of assumed price inflation (which is only 2.15% based on the average inflation assumption built into the capital market assumptions from the eight investment consultants used by Milliman). That inflation assumption is offset to some degree by a new expense assumption used by Milliman in the current experience study that assumes a 0.00% net investment expense (as opposed to an assumption of 0.80% used in their 2011 investigation of experience for both administrative and investment expenses) based on the presumption that the capital market assumptions provided by the eight investment consultants have already been adjusted to be net of these investment expenses.

As an independent check, Segal has applied the model that we use for other California public retirement systems to review the recommended investment return assumption. Based on the application of our model, we believe that the level of risk implicit in the 7.25% investment return assumption, along with the 3.00% price inflation assumption that Milliman recommends for developing *SamCERA*'s benefit liabilities is higher than the comparable risk measure from the 2011 audit. However, we note that our preference is to move in incremental steps when changing the inflation and investment return assumptions. Thus, we support the 7.25% recommendation and do not recommend reducing the investment return assumption even further in this study.

It should be noted that individual actuarial firms use different models with different criteria and parameters to determine the investment return assumption, and the model used by Segal is different from that used by Milliman. We believe that the most significant difference between our model and Milliman's model is that we develop a discount rate based on expected or mean arithmetic average returns, which correspond to an expected or mean level of future assets. In contrast, Milliman is developing a discount rate based on median geometric average returns, which correspond to a median level of future assets. It turns out that, if you want to be at least 50% sure of having sufficient future assets to match your future liabilities, you need to use a lower discount rate than if you instead want to "expect" to have sufficient future assets to match those liabilities. We

discuss this admittedly counter-intuitive result in more detail in our report. The other differences are: (1) Segal would base the investment return on the same 3.00% price inflation assumption as is used in projecting SamCERA's benefit liabilities (i.e., salary increase for actives and COLA for retirees) and (2) an adjustment of 0.8% to reflect investment expenses in developing investment return assumption. These two considerations are discussed below.

- Historically, the investment return assumption recommended by Milliman and approved by the Board has on the average a greater than 50% chance of being exceeded by the expected experience over the next 30 years as anticipated by Milliman's model. However, we want to reiterate the observation made by Milliman in their report that the 7.25% recommended assumption in the current experience study has a less than 50% chance of being exceeded over the next 30 years according to their model. However, that less than 50% probability would improve somewhat if Milliman were to make the following adjustments that we believe they should consider in their model used to develop the 7.25% assumption.

1) Adjustment to include at least some investment expenses

Investment expenses² have historically been subtracted explicitly by Milliman from the indexed (or passively managed) returns in developing the investment return assumption which in turn lowered the expected investment return assumption. Note that we generally would not recommend an explicit assumption in the development of the investment return assumption that would anticipate additional returns ("alpha") from active management.³ We further note that about \$6 million⁴ of the expense paid in 2012/2013 was for investment and actuarial consulting, custodian banking, taxes, interest, dividends and other expenses that either were not directly in pursuit of "alpha" returns or were expenses that had not been netted out of the capital market assumptions. We recommend that Milliman

² For SamCERA, the total of all investment expenses has averaged about 0.80% of the market value of SamCERA's portfolio as of June 30, 2013.

³ This is consistent with the current Actuarial Standard of Practice No. 27, Section 3.6.3.e, which states: "Investment Manager Performance – Anticipating superior (or inferior) investment manager performance may be unduly optimistic (pessimistic). Few investment managers consistently achieve significant above-market returns nets of expenses over long periods."

⁴ \$6 million was about 0.23% of the market value SamCERA's portfolio as of June 30, 2013.

review their methodology in conjunction with the revised ASOP 27 before the June 30, 2015 valuation. We believe that the revised ASOP 27 could, in fact, be interpreted as allowing for the exclusion of active investment expenses, but not necessarily the passive investment expenses and activities (such as the \$6 million described above) that are not directly related to the pursuit of additional “alpha” returns or have not been netted out of the capital market assumptions.

2) Adjustment to use 3.0% inflation assumption to develop the 7.25% investment return assumption

Milliman uses the average capital market assumptions from eight investment consultants in their model which includes an average 2.15% inflation assumption, built in the average capital market assumptions by those investment consultants. However, the inflation component of Milliman’s recommended assumptions used to project *SamCERA*’s benefit obligations (i.e., salary increases for actives and COLA for retirees) is 3.0%. We believe it would be more consistent to use the average real return (net of inflation used by the investment consultants) and increase that by the 3.0% inflation assumption as recommended by Milliman. That change would bring the investment return up by 0.85%. As was discussed before, we would also recommend an offsetting change to take into account some (passive expenses of 0.23%) or all (total expenses of 0.80%) of the investment expenses discussed in (1).

The net result of (1) and (2) may be an increase in the median return, which would increase the confidence level of the 7.25% assumption.

- The Governmental Accounting Standards Board (GASB) has adopted Statements 67 and 68. GASB Statement 67 which governs *SamCERA*’s financial reporting is effective for plan year 2013/2014, while GASB Statement 68 governs the employers’ financial reporting and is effective for *SamCERA* employer’s fiscal year 2014/2015. The new Statements specify requirements for measuring both the pension liability and the annual pension expense incurred by the employers. The new GASB requirements are only for financial reporting and do not affect how the Association determines funding

requirements for its employers. GASB requires that the investment return assumption for financial reporting be net of investment expenses but not net of (i.e., without reduction for) administrative expenses. Currently, *SamCERA*'s investment return assumption used for the annual funding valuation is developed net of both investment and administrative expenses.

While *SamCERA* could continue to develop its funding investment return assumption net of both investment and administrative expenses, that would mean that the Association would then have two slightly different investment return assumptions, one for funding and one for financial reporting. To avoid this apparent discrepancy, and to maintain the consistency of liability measures described later, we believe that it would be preferable to use the same investment return assumption for both funding and financial reporting purposes. This means that the assumption for funding purposes would be developed on a basis that is net of only investment expenses.

We recommend that Milliman work with *SamCERA* to resolve this issue for the June 30, 2014 valuation (or alternatively before the next valuation as of June 30, 2015) after reviewing the issue regarding the implicit allocation of the cost for administrative expenses between the member and the employer that is discussed in more detail later in our report.

- To review the principal non-economic assumptions for reasonability, we have created our own database for this experience study based on data files that were used by Milliman in their June 30, 2011, 2012 and 2013 valuations. For the experience from July 1, 2013 to April 30, 2014, we have used the same data files provided by *SamCERA* to Milliman that were created specifically to capture the experience of the last 10 months of the experience study period.
- In order to review the recommended increase in the disability assumptions, at our request, Milliman provided us with a list of the actual members they used in their study. It included 72 disability awards instead of the 79 originally shown in the draft 2014 investigation of experience. That difference of 7 disability awards is due to a change

made by Milliman in their method for this study and should have included the removal of an adjustment they made with the prior method. After reviewing that file, we were able to confirm all awards except for another 7, which should be classified as pre-retirement deaths and not as disability awards. Even though we recommend Milliman show only 65 disability awards in the 2014 investigation of experience report, we concur with Milliman's recommended disability assumptions.

- Milliman recommended no changes to the mortality assumptions. The actual to expected ratio for healthy and disabled retirees for *SamCERA* as a whole increased from 114% in the 2011 investigation of experience to 127% in the 2014 investigation of experience. We agree that even though the ratio of 127% is higher than the ratio normally used to anticipate future mortality improvement (115% is cited as generally used by Milliman and 110% is generally used by Segal), it could still be reasonable for Milliman to not recommend a change in the current mortality assumptions if they believe that anticipating a higher level of future improvement is appropriate. However, instead of applying an age setback⁵ to the RP-2000 mortality tables, Milliman should consider incorporating in the next investigation of experience a projection scale⁶ that reflects more up-to-date trend for improvements in mortality. Although the actual to expected ratio would remain similar to that under the current mortality assumption, a projection scale might better anticipate future pattern of mortality improvement at certain ages.
- For the service retirement assumption, Milliman may want to consider extending the analysis shown in the report to include General members retiring at ages 70 to 75 and Safety members to age 65.

⁵ A 3-year setback is recommended by Milliman for healthy General and Safety members resulting in an expectation of a somewhat uniform level of improvement in mortality at most ages. For example, under that adjustment, the mortality rates for someone at age 57 is used for a *SamCERA* retiree at age 60.

⁶ Using the projection scales would result in relatively higher level of improvement in mortality at ages immediately following retirement.

In addition, Milliman may want to consider reducing the General Plan 5 and Plan 7 retirement rates below age 65 and reducing even more the General Plan 7 retirement rates below age 55. These plans offer benefits that are very different from General Plans 1, 2 and 4, yet they have the same retirement rates as used for General Plans 1, 2 and 4.

- Beside the principal demographic assumptions, there are some ancillary assumptions that also have to be made in the valuation. Those assumptions include: (i) the probability of deferred members expected to be employed by another reciprocal retirement system⁷, (ii) the probability of members with spouses/domestic partners eligible for the 60% (100% on service connected disability or service connected death) automatic continuance benefit and (iii) the expected age at retirement for the deferred vested members.

Milliman is recommending a change to item (ii) while leaving unchanged items (i) and (iii). There is no detail provided supporting their recommendations for item (iii).

Milliman has since provided us with that data pursuant to our request. We would recommend Milliman include the detail supporting their recommendations. Milliman should also consider including in the body of the report the salary increase assumption they recommend for deferred vested members (as discussed in, footnote (7) of this report).

- In preparing the recommended actuarial assumptions for some of our county retirement system clients, we sometimes include an assumption to anticipate the conversion of unused sick leave to retirement service credit at retirement.

We understand from reviewing material available online that the employers at *SamCERA* may permit the employees to convert unused sick leave to contributions for purchasing

⁷ This should also include the assumption used by Milliman to project the salary increases while the deferred member is working at another reciprocal employer. Of note is that this assumption is only referenced in the Appendix section but no development of this assumption is provided in the body of the 2014 investigation of experience report.

health benefits. To the extent that members in *SamCERA* may convert unused sick leave to retirement service credit but such conversion may be mitigated by conversion to contributions for purchasing health benefit, we would nonetheless recommend a disclosure to that effect in the experience study.

We are in the process of replicating Milliman's calculation of the liabilities and the contribution rates for *SamCERA*. We will be including, as part of that review, a determination of the liabilities and the contribution rates (using data as of June 30, 2014) based on the final assumptions recommended by Milliman and adopted by the Board for the June 30, 2014 valuation.

The staff at Milliman has been very knowledgeable, cooperative and helpful in the course of our review.

PURPOSE AND SCOPE OF THE ACTUARIAL REVIEW

Purpose of the Review

The purpose of this review is to provide *SamCERA* an independent opinion as to the reasonableness of the methods, analysis and recommendations of Milliman in developing the actuarial assumptions presented in their 2014 investigation of experience for *SamCERA*. Toward this purpose we used the guidelines of the relevant Actuarial Standards of Practice established by the Actuarial Standards Board as well as comparisons to recognized and accepted methods and practices as the gauge of reasonableness.

Scope of the Actuarial Review

The scope of the Actuarial Review, as described in *SamCERA*'s Actuarial Audit Services Agreement with Segal, includes the following:

- Discussion of the appropriateness of the actuarial assumptions.
- Review the actuarial assumptions and methodology for compliance with the County Employee's Retirement Law of 1937 (CERL) statutes, *SamCERA*'s regulations and policies; and for compliance with generally recognized and accepted actuarial principles and practices which are consistent with Actuarial Standards of Practice, the Code of Professional Conduct, Qualifications Standards for Public Statements of Actuarial Opinion of the American Academy of Actuaries, and GASB Statement 67 and 68.
- Accuracy of funding computations.
- Appropriateness of established reserve accounts.
- Appropriateness of recommended employer and employee contribution rates.
- Evaluation of actuarial asset methods.
- Assess the validity of the 2014 valuation using a mathematical model of plan activity or sampling based on the same data, methods, and assumptions used by Milliman.

- Evaluate the test results and reconcile any significant discrepancies between the findings, assumptions, methodology, rates, and adjustments of the auditing firm and Milliman.
- Assess whether the valuation appropriately reflects information required to be disclosed under required reporting standards (GASB, etc.).
- Assess the accuracy of the simulation model provided to *SamCERA* by its actuary.
- An evaluation and an opinion on the reasonableness and accuracy of the valuation results (including a determination of actuarial accrued liability, normal cost, and actuarial required contributions), experience study findings, actuarial assumptions, and appropriateness and application of the actuarial cost method.
- Recommendations (if any) for reasonable alternatives to the actuarial assumptions used in the 2014 valuation or recommended as a result of the fiscal year 2012-2014 experience study.
- Recommendations to improve the quality and understanding of the valuation report.
- A comparison of existing actuarial methodology, assumptions and recommendations versus information generated by the replicative audit.

RESULTS OF THE ACTUARIAL REVIEW

Review of Economic Assumptions

The economic assumptions reviewed by Milliman during the 2014 experience study are the assumed rate of consumer price inflation, investment rate of return (net of expenses), wage growth (including real wage increases), payroll growth and growth in membership. Actuarial Standard of Practice No. 27 (ASOP 27) provides the actuary guidance in developing these assumptions. Primary among these guidelines is the need for consistency among the economic assumptions selected by the actuary. Milliman has recommended a set of economic assumptions that are generally consistent with each other, with one exception. The inflation assumption built into the capital market assumptions used to develop the investment return assumption is not the same as the inflation component of assumptions used to project the benefit obligations (i.e., salary increase for actives and COLA for retirees).

Milliman has utilized a “building block” approach in developing the recommended investment return and salary increase assumptions. Under this approach, the investment rate of return assumption is the combination of the inflation component and the real rate of return component (used by the investment consultants), less an expense component. Similarly, the salary increase assumption is the combination of the inflation component, the real wage increase component and the merit increase component. In our experience, this is generally the preferred approach for developing this assumption.

A) Inflation Assumption for Use in Projecting Benefit Obligations

The first “building block” to consider is the price inflation component assumption. This assumption underlies all other economic assumptions, including both the investment return and the projection of benefit liabilities (i.e., salary increase for actives and COLA for retirees). In their analysis, Milliman has determined the best-estimate range for this component to be from 1.75% to 3.25%. As in our 2011 review, we still feel that the lower end of this range could be somewhat higher, but we do not believe that the range is unreasonable.

Since the current inflation assumption of 3.25% is at the high end of this range, Milliman recommends reducing the inflation assumption to 3.00%.

We believe that Milliman's recommendations are reasonable. However, there is an inconsistency between the inflation assumption used in the development of the investment return assumption and that used in the development of assumptions used to project the benefit obligations (i.e., salary increase for actives and COLA for retirees).

B) Administrative and Investment Expense Assumption for Use in Development of Investment Return

Milliman analyzes the total of administrative and investment related expenses as a percentage of market value of assets for each plan year since 2004. The total expense ratio has ranged from a low of 0.49% to a high of 1.12%. The average over the ten-year period from 2004 to 2013 was 0.76%, while the average over the most recent three-year period from fiscal year 2011 to 2013 was 1.00%. The average administrative expense was 0.16% over the ten-year period and 0.19% over the most recent three-year period. The average investment expense was 0.60% over the ten-year period and 0.81% over the most recent three-year period. Milliman recommends the administrative expense assumption to be set equal to 0.20% and the investment expense assumption to be set equal to 0.00%. In the 2011 investigation of experience, Milliman recommended a 0.80% assumption for both administrative and investment expenses, but in the 2014 investigation of experience, Milliman recommends the investment expense assumption to be 0.00% based on the presumption the capital market assumptions provided by the eight investment consultants have already been adjusted to be net of those expenses. While we have not audited the capital market assumptions, it has been our experience working with some of the investment consultants retained by our county retirement system clients that their capital market assumptions are generally gross of (i.e. not reduced for) investment expenses.

It should be noted that individual actuarial firms use different models with different criteria and parameters to determine the investment return assumption, and the model used by Segal is different from that used by Milliman. Segal would subtract the investment expenses (0.80%) from the indexed (or passively managed) returns in developing the investment return assumption

which would lower the expected investment return assumption. Note that in developing the investment return assumption we generally would not recommend an explicit assumption that there would be additional returns (“alpha”) from active management. This is consistent with the current Actuarial Standard of Practice No. 27, Section 3.6.3.e, which states: “Investment Manager Performance – Anticipating superior (or inferior) investment manager performance may be unduly optimistic (pessimistic). Few investment managers consistently achieve significant above-market returns nets of expenses over long periods.”

We further note that about \$6 million⁸ of the expense paid in 2012/2013 was for investment and actuarial consulting, custodian banking, taxes, interest, dividends and other expenses that either were not directly in pursuit of “alpha” returns or were expenses that had not been netted out of the capital market assumptions. We recommend that Milliman review their methodology in conjunction with the revised ASOP 27 before the June 30, 2015 valuation. We believe that the revised ASOP 27 could, in fact, be interpreted as allowing for the exclusion of active investment expenses, but not necessarily the passive investment expenses and activities (such as the \$6 million) that are not directly related to the pursuit of additional “alpha” returns (or to expenses that were not netted out of the capital market assumptions).

Adjustment to Exclude Administrative Expenses in Developing Investment Return Assumption to Maintain Consistency with GASB Financial Liability Reporting

The Governmental Accounting Standards Board (GASB) has adopted Statements 67 and 68. The new GASB requirements are only for financial reporting and do not affect how the Association determines funding requirements for its employers. GASB requires that the investment return assumption for financial reporting be net of investment expenses but not net of (i.e., without reduction for) administrative expenses. Currently, *SamCERA*’s investment return assumption used for the annual funding valuation is developed net of both investment and administrative expenses.

While *SamCERA* could continue to develop its funding investment return assumption net of both investment and administrative expenses, that would mean that the Association would then have

⁸ \$6 million was about 0.23% of the market value *SamCERA*’s portfolio as of June 30, 2013.

two slightly different investment return assumptions, one for funding and one for financial reporting. To avoid this apparent discrepancy, and to maintain the consistency of liability measures described later, we believe that it would be preferable to use the same investment return assumption for both funding and financial reporting purposes. This means that the assumption for funding purposes would be developed on a basis that is net of only investment expenses.

We recommend that Milliman work with *SamCERA* to resolve this issue for the June 30, 2014 valuation (or alternatively before the next valuation as of June 30, 2015) after reviewing the issue regarding the implicit allocation of the cost for administrative expenses between the member and the employer that is discussed in the Appendix of this report.

C) Development of Investment Rate of Return Assumption

For the investment rate of return assumption, Milliman recommends reducing the current assumption of 7.50% to 7.25%, net of administrative and investment related expenses. Milliman has derived the investment return assumption by applying *SamCERA*'s target asset allocation in a stochastic model developed by Milliman's investment practice and using the average of capital market assumptions collected by Milliman from eight investment consultants.

Based on stochastic modeling and stochastic assumptions, Milliman has determined the "best-estimate range" to be from 5.5% to 8.6%, which are the 25th and 75th percentiles of their 30-year total return distribution. We believe that, as defined in the current ASOP 27, this is an appropriate "best-estimate range" for long-term returns for a portfolio similar to *SamCERA*. We observe the following:

- Consistent with 2011 investigation of experience, to estimate the expected return from each category class, Milliman uses an average from a sample of capital market assumptions instead of only one investment consultant's assumptions. We concur with their approach as that should mitigate the undesired outcome (and possibly significant variability) of having the expected investment returns dependent on which investment consultant is employed by a retirement plan.

In our 2011 audit, we recommended that Milliman disclose the average capital market assumptions used in their analysis for each asset category. In this experience study, Milliman has appropriately disclosed that information.

- Milliman discusses that the median return from their stochastic modeling (after adjusting for the expense assumption of 0.2%) is 7.0%. Milliman uses the average capital market assumptions in their model which includes an implicit inflation assumption (developed by the eight individual investment consultants) which averaged only 2.15%. However, Milliman's recommended inflation assumption component for projecting the benefit obligations (i.e., salary increase for actives and COLA for retirees) is 3.0%. We believe it would be more consistent to use the average real return (net of inflation used by the investment consultants) in combination with the 3.0% inflation assumption recommended by Milliman. If this were to be used by Milliman, it would bring the investment return assumption up by 0.85%.

However, as was discussed before, we would also recommend an offsetting change to take into account some (passive expenses of 0.23%) or all (total expenses of 0.80%) of the investment expenses. The net result may be an increase in the median return of 7.0% calculated by Milliman in their model.

- As an independent check, Segal has applied the model that we use for other California public retirement systems to review both the recommended and adopted 7.25% investment return assumptions. While, especially when first applied, our model does not generally produce an absolute investment return recommendation, it is very useful in comparing the level of risk inherent in the investment return assumptions adopted by a given retirement system at different points in time, as measured using that model.

Based on the application of our model, we believe that the level of risk implicit in the 7.25% investment return assumption, along with a 3.00% price inflation assumption, is higher than the comparable risk measure from the 2011 audit. However, we note that our preference is to move in incremental steps when changing the inflation and investment return assumptions. Thus, we support the 7.25% recommendation and do not recommend reducing the investment return assumption even further in this study.

- Another test of the recommended investment return assumption is to compare it against those used by other public retirement systems, both in California and nationwide. We note that an investment return assumption of 7.25% is on the lower side for this assumption among most California public sector retirement systems. The most common range, with a few exceptions, is from 7.50% to 7.75%. In particular, two of the largest California systems, CalPERS and CalSTRS, have both adopted a 7.50% investment return assumption. Note that a few 37 Act County systems (Contra Costa County, Fresno County, Santa Barbara County and Orange County) have adopted a 7.25% investment return assumption.

Taking into account the above discussion and based on our own independent analysis, we believe that the 7.25% investment return assumption that has been recommended by Milliman to the Board is reasonable. However, we believe that they should consider making adjustment in their model to address the issues related to the investment expense and inflation as discussed above.

Other Considerations Regarding Recent Revisions to Actuarial Standard of Practice No. 27

Milliman noted that there are recent revisions to ASOP 27 that will be effective for the 2015 valuation. Amongst other things, the revisions eliminate the “best-estimate range” and instead require the assumption to be reasonable only if it has no significant bias other than a provision for adverse deviation, which is specifically allowed.

In addition, the revised ASOP 27 includes text indicating that active and passive returns, net of fees, should be assumed comparable absent relevant and supporting data over the measurement period (emphasis added). Since the measurement period is the long-term period over which assets will be invested, it may be necessary to obtain data and determine whether, over long periods, active and passive returns are comparable before fees.

We recommend that Milliman review this assumption for compliance with the new ASOP No. 27 before the June 30, 2015 actuarial valuation.

D) Salary Increase Assumption

Milliman also utilized a “building block” approach in developing the recommended salary increase assumption. Under this approach, the salary increase assumption is the combination of

the price inflation component, the productivity or real wage increase component, and the merit and promotional increase component. This is generally the preferred approach for developing this assumption.

Inflation Component

The price inflation component was discussed earlier where we agreed with Milliman's recommendation.

Productivity or Real Wage Increase Component

Real "across the board" pay increases are sometimes termed productivity increases since they are considered to be derived from the ability of an organization or an economy to produce goods or services in a more efficient manner. As that occurs, some portion of the value of these improvements can provide a source for pay increases greater than price inflation. These increases are typically assumed to extend to all employees "across the board." When these increases are combined with the price inflation component the result is the wage growth component, which reflects the average rate of increase in salaries regardless of the years of service or age of the member.

For the current study, Milliman determined the best estimate range for the real wage increase component to be from 0.25% to 1.25%, based on a review of national wage data over the period from 1936 to 2013 and information from the 2013 Trustees Report from the Office of the Chief Actuary of the Social Security Administration.

Milliman noted that real wage inflation has averaged 0.60% per year over the last 50 years and they recommended maintaining the current assumption of 0.50%.

Note that historical real wage increases are generally lower in periods of higher price inflation and vice versa. This is shown in the table on page 17 of Milliman's investigation of experience. Page 18 of Milliman's report also shows that the Office of the Chief Actuary of the Social Security Administration projects that the long-term annual increase in real wages is estimated to be 1.10%.

Based on this information we believe that it could have been appropriate for Milliman to recommend an increase in the real wage increase assumption to 0.75% in order to be more consistent with their recommendations to decrease the price inflation assumption. However, we believe that the current 0.50% real wage increase assumption is nonetheless reasonable based on the 3.00% price inflation assumption.

Merit Increase Component

The last step of the building block needed to complete the salary increase assumption is the merit increase component, which was reviewed by Milliman as part of the demographic assumptions. Merit increases are the salary increases above the general wage increases due to the combination of promotions, longevity increases, bonuses and merit pay increases as applicable. We agree with Milliman's findings concerning the correlation of service and merit increases.

Currently, the same merit and promotional salary increase assumptions are used for both the General and the Safety (including Probation) members in the actuarial valuation. In our review of the 2011 investigation of experience, we recommended that Milliman consider reviewing the salary experience as part of the next study to determine if separate merit and promotional salary increase assumptions for General and Safety would be justified. That recommendation was based on our experience from working with other county retirement systems as we found that experience sometimes supports the establishment of a different set of merit and promotional salary increase assumptions for each of the General and Safety plans. We noted that the salary experience over the two-year period (from July 1, 2008 to June 30, 2010) for *SamCERA* was quite different between the General and Safety members.

In the 2014 investigation of experience, Milliman studied the merit experience for the General and Safety members separately, and confirmed that difference between the two groups at *SamCERA* (they also commented on the existence of such difference in other systems). However, Milliman did not recommend separate merit assumptions for General and Safety groups citing that such difference could be just a short-term fluctuation and not a long-term trend.

At our request, Milliman provided us with the data for General, Safety and Probation over the period July 1, 2011 – June 30, 2013. As can be seen from the table below there are differences in for General and Safety actual experience.

Years of Service	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30+
Actual Annual Rates of Increase in Salary Due to Merit and Promotional										
General	6.19%	4.06%	3.08%	1.65%	0.75%	0.00%	0.12%	0.00%	0.00%	0.00%
Probation	0.00%	11.79%	3.76%	7.79%	1.46%	0.44%	1.06%	0.69%	1.38%	0.00%
Safety, excl. Probation	3.20%	3.02%	3.50%	2.62%	1.78%	1.12%	2.04%	2.68%	1.58%	0.00%
Combined	5.67%	3.83%	3.16%	1.97%	0.88%	0.14%	0.52%	0.19%	0.00%	0.00%
Combined Assumptions Recommended by Milliman										
Combined	4.00%	3.00%	2.50%	2.00%	0.90% - 1.75%	0.50% - 0.80%	0.50%	0.50%	0.50%	0.50%

We strongly believe based on our observations from the prior and the current experience study periods that separate General and Safety assumptions are warranted for the current study. In addition, we would recommend that Milliman document the merit experience not only for all active members, but also for General and Safety separately in their 2014 experience study report.

Also, for members with less than 3 years of service, the actual merit and promotional increases over the current experience and the two prior experience study periods were consistently higher than the current assumptions. We believe that an increase in those assumptions at these durations should be considered for the current or the next experience study.

E) Payroll Growth and Future Growth in Membership Assumptions

The current payroll growth assumption used by Milliman for the purposes of amortizing the Unfunded Actuarial Accrued Liability (UAAL) as a level percent of payroll is 3.75% and is directly tied to the wage growth component discussed above. Milliman is recommending decreasing this assumption to 3.50% to reflect the decrease in the price inflation from 3.25% to 3.00%. We concur that this assumption should be equal to the combination of the price inflation and real wage growth components discussed earlier.

Milliman currently assumes that no future growth in membership will occur. This is consistent with parameters set forth by the Governmental Accounting Standards Board and no change was recommended. We concur with this recommendation.

F) Post-Retirement Cost-of-Living Adjustment (COLA) Increases

Milliman decreased COLA assumption to 3% for General Plan 1 and Safety Plan 1, while leaving the COLA assumptions for the other plans unchanged. Even though we understand the rationale for Milliman to justify an assumption of less than the maximum statutory COLA for the other plans, we would recommend they document the reasoning behind their recommendations in the body of the report.

Review of Demographic Assumptions

The Actuarial Standards Board has adopted an Actuarial Standard of Practice (No. 35) which provides actuaries guidance in selecting demographic and other noneconomic assumptions. Reasonableness of each assumption and consistency among the assumptions are primary among the considerations for selecting assumptions in accordance with the ASOP. The Standard of Practice bases the evaluation of an assumption's reasonableness on two criteria. First, the "assumption is expected to appropriately model the contingency being measured." Second, the "assumption is not anticipated to produce significant cumulative actuarial gains or losses over the measurement period."

The primary demographic assumptions reviewed by Milliman during the 2014 experience study are retiree mortality, termination, and service retirement. Secondary assumptions reviewed include pre-retirement mortality, disability retirement (service and non-service related), probability of refund election, probability of an eligible survivor, age of beneficiaries, retirement age for vested terminated members and reciprocity.

For many demographic assumptions, the actuary must consider the factors affecting the variation in the rates of decrement. Often, the rates of termination by active members will be highly correlated to their years of service. Alternatively, the variation in the rates of retirement may be better correlated to the participant's age. The type of assumption utilized determines how the data is to be grouped for analysis. Many large systems have analyzed the correlation of the variation in certain decrements to age and service simultaneously, which can result in a "select and ultimate" type of assumption. In some cases, this additional complexity does not affect results materially.

To review the principal non-economic assumptions for reasonability, we have created our own database for this experience study based on data files that were used by Milliman in their June 30, 2011, 2012 and 2013 valuations. For the experience from July 1, 2013 to April 30, 2014, we have used the same data files provided by *SamCERA* to Milliman that were created specifically to capture the experience of the last 10 months of the experience study period.

The prevalent method used to determine the appropriateness of a demographic assumption is to analyze the actual to expected ratios (AE ratios). An AE ratio is found by dividing, for any single contingency, the actual number to occur during the study period by the number expected to occur based upon current assumptions. These ratios display how well the current assumptions anticipated actual experience. An AE ratio of 100% results when actual experience equals that expected under the assumption.

For each contingency, the actuary determines a reasonable range for the AE ratio. This reasonable range is based upon the materiality of the assumption, the effect of future trends, and the degree of conservatism or margin the actuary considers appropriate. An AE ratio falling into this range would indicate the current assumption may still be appropriate. AE ratios not in the reasonable range may indicate the need to modify the assumption. In our opinion, Milliman has performed accurate analyses overall of the reasonableness of the current assumptions through the use of AE ratios.

Overall, we believe Milliman's recommendations for changes to the demographic assumptions are reasonable, but make the following observations for some of the assumptions.

A) Post-Retirement Mortality Rates

Milliman recommended no changes to the mortality assumptions. The actual to expected ratio for healthy and disabled retirees for *SamCERA* as a whole increased from 114% in the 2011 investigation of experience to 127% in the 2014 investigation of experience. We agree that even though the ratio of 127% is higher than the ratio normally used to anticipate future mortality improvement (115% is cited as generally used by Milliman and 110% is generally used by Segal), it could still be reasonable for Milliman to not recommend a change in the current mortality assumptions if they believe that anticipating a higher level of future improvement is

appropriate. However, instead of applying an age setback⁹ to the RP-2000 mortality tables, Milliman should consider incorporating in the next investigation of experience a projection scale¹⁰ that reflects more up-to-date trend on improvements in mortality. Although the actual to expected ratio would remain similar to that under the current mortality assumption, a projection scale might better anticipate future pattern of mortality improvement at certain ages.

B) Disability Rates

Actual experience in this study increased in part due to improvement in the reporting process of disabled retirements. At our request, Milliman provided us with a list of the actual members they used in their study. It included 72 disability awards instead of the 79 originally shown in the draft 2014 investigation of experience report. That difference of 7 disability awards is due to a change made by Milliman in their method for this study and should have included the removal of an adjustment they made with the prior method. After reviewing that file, we were able to confirm all awards except for another 7, which should be classified as pre-retirement deaths and not as disability awards. Even though we recommend Milliman show only 65 disability awards in 2014 investigation of experience, we concur with Milliman's recommended disability assumptions.

C) Service Retirement Rates

The data shown in the report for the analysis of the service retirement rates includes General members from ages 50-69 and Safety members from ages less than 60. We recommend that Milliman consider extending their analysis for General members to include members retiring at ages 70 to 75 and for Safety members to age 65. This may show that the highest assumed Safety retirement age could be increased from age 60 to age 65.

We recommend that the retirement rates below age 52 be eliminated for General Plan 7 as these members are not eligible retiring at those ages.

⁹ A 3-year setback is recommended by Milliman for healthy General and Safety members resulting in an expectation of a somewhat uniform level of improvement in mortality at most ages. For example, under that adjustment, the mortality rates for someone at age 57 is used for a SamCERA's retiree at age 60.

¹⁰ Using the projection scales would result in relatively higher level of improvement in mortality at ages immediately following the retirement.

In addition, Milliman may want to consider reducing the General Plan 5 and Plan 7 retirement rates below age 65 and reducing even more the General Plan 7 retirement rates below age 55. These plans offer benefits that are very different from General Plans 1, 2 and 4, yet they have the same retirement rates as used for General Plans 1, 2 and 4.

D) Reciprocity for Terminated Members

In our 2011 review, we recommended that Milliman include in their investigation of experience the data supporting the development of these recommended assumptions for the probabilities of members who go to work for a reciprocal employer. Milliman has included such supporting data and we concur with their recommendations.

In addition, the assumption and the development of the future salary increases for reciprocal terminated members should be discussed in the body of the report.

E) Probability with an Eligible Survivor and Beneficiary Age Difference

Milliman recommends a slight adjustment to the percentage of future male retirees with an eligible survivor under the unmodified retirement allowance and to the beneficiary age difference for female members.

In our 2011 review, we recommended that Milliman include in their investigation of experience the data supporting the development of the recommended assumption for percentage with an eligible survivor. Milliman has included such supporting data and we concur with their recommendations.

F) Retirement Age for Deferred Vested Members

A deferred retirement age assumption is necessary in the valuation to anticipate when those members who left their contributions on deposit would ultimately retire from the Association. We recommend that Milliman include the data supporting the development of their deferred retirement age recommendation.

G) Sick Leave Assumption

In preparing the recommended actuarial assumptions for some of our county retirement system clients, we sometimes include an assumption to anticipate the conversion of unused sick leave to retirement service credit at retirement.

We understand from reviewing material available online that that the employers at *SamCERA* may permit the employees to convert unused sick leave to contributions for purchasing health benefits. To the extent that members in *SamCERA* may convert unused sick leave to retirement service credit but such conversion may be mitigated by conversion to contributions for purchasing health benefit, we would nonetheless recommend a disclosure to that effect in the experience study.

Review of Liabilities and Contribution Rates for the June 30, 2014 Valuation

We are in the process of replicating Milliman's calculation of the liabilities and the contribution rates for *SamCERA*. We will be including, as part of that review, a determination of the liabilities and the contribution rates (using data as of June 30, 2014) based on the final assumptions recommended by Milliman and adopted by the Board for the June 30, 2014 valuation.

Overall Conclusion

Our overall assessment of Milliman's actuarial work for *SamCERA* is that all major actuarial functions are being appropriately addressed. Milliman has employed generally accepted actuarial practices and principles in studying plan experience, selecting assumptions, computing employer contribution rates, and presenting the results of their work. However, we believe that adopting separate merit and promotional assumptions for General and Safety (including Probation) members should result in a better allocation of the cost of providing benefits between the those membership groups.

We believe that the actuarial assumptions as recommended by Milliman to the Board are reasonable for use in *SamCERA*'s actuarial valuation.

The staff at Milliman has been very knowledgeable, cooperative and helpful in the course of our review.

Summary of Suggestions for Future Experience Studies

We strongly recommend a separate merit and promotional increase assumption for General and Safety members in the current experience study. It is our opinion that in future experience studies, Milliman should consider the following:

- For the investment return assumption, reconcile the difference between the inflation assumption built in the capital market assumptions and the inflation assumption used to value the benefit obligations. Review the methodology regarding the treatment of investment expenses in conjunction with ASOP 27 before the June 30, 2015 valuation.
- For the investment return assumption, review the methodology regarding the treatment of administration expenses and the issue regarding the implicit allocation of the cost for administrative expenses between the member and the employer for the June 30, 2014 valuation (or alter natively before the next valuation as of June 30, 2015).
- For the real wage growth assumption, consider increases in this assumption if future recommendations are made to decrease the price inflation assumption.

- For the service retirement assumption, consider extending the analysis shown in the report to include General members retiring at ages 70 to 75 and Safety members to age 65. In addition, consider reducing the General Plan 5 and Plan 7 retirement rates below age 65 and reducing even more the General Plan 7 retirement rates below age 55. These plans offer benefits that are very different from General Plans 1, 2 and 4, yet they have the same retirement rates as those used for General Plans 1, 2 and 4.
- For the post-retirement mortality rates, consider incorporating a projection scale that reflects more up-to-date trend for improvements in mortality instead of an age set back. Although the AE ratio would remain similar to that under the current practice, a projection scale might better anticipate future pattern of mortality improvements at certain ages.
- Milliman should include the assumption used to project future salary increases for reciprocal members in the body of the report.
- For the assumption for the expected age at retirement for the deferred members, consider including data supporting the development of the recommended assumption in the investigation report.
- For the experience study, consider including a disclosure of the assumption on sick leave conversion.

Adjustment to Exclude Administrative Expenses in Developing Investment Return Assumption to Maintain Consistency with GASB Financial Liability Reporting

The Governmental Accounting Standards Board (GASB) has adopted Statements 67 and 68. GASB Statement 67 governs *SamCERA*'s financial reporting and is effective for plan year 2013/2014, while GASB Statement 68 governs *SamCERA* employers' financial reporting and is effective for employer fiscal year 2014/2015. The new Statements specify requirements for measuring both the pension liability and the annual pension expense incurred by the employers. The new GASB requirements are only for financial reporting and do not affect how the Association determines funding requirements for its employers. Nonetheless, it is important to understand how the new financial reporting results will compare with the funding requirement results. That comparison between funding and GASB financial reporting results will differ dramatically depending on whether one is considering measures of the accumulated pension liability or measures of the current year annual pension contribution/expense:

- When measuring pension liability GASB will use the same actuarial cost method (Entry Age method) and the same type of discount rate (expected return on assets) as *SamCERA* uses for funding. This means that the GASB "Total Pension Liability" (TPL) measure for financial reporting will be determined on the same basis as *SamCERA*'s "Actuarial Accrued Liability" (AAL) measure for funding. This is a generally favorable feature of the new GASB rules that will generally preclude the need to explain why *SamCERA* has two different measures of pension liability. We note that the same is true for the "Normal Cost" component of the annual plan cost for both funding and financial reporting.
- When measuring annual pension expense GASB will require more rapid recognition of investment gains or losses and much shorter amortization of changes in the pension liability (whether due to actuarial gains or losses, actuarial assumption changes or plan amendments). Because of GASB's more rapid recognition of those changes, retirement systems that have generally used the same "annual required contribution" amount for both funding (contributions) and financial reporting (pension expense) will now have to prepare and disclose two different annual cost results, one for contributions and one for financial reporting under the new GASB Statements.

This situation will facilitate the explanation of why the funding and financial reporting results are different: the liabilities and Normal Costs are generally the same, and the differences in annual costs are due to differences in how changes in liability are recognized. However, there is one other feature in the details of how the liabilities are currently measured that will make even the liability and Normal Cost measures different unless action is taken by *SamCERA*.

As noted above, according to GASB, the discount rate used for financial reporting purposes should be based on the long-term expected rate of return on a retirement system's investments, just as it is for funding. However, GASB requires that this assumption should be net of investment expenses but not net of (i.e., without reduction for) administrative expenses. Currently, *SamCERA*'s investment return assumption used for the annual funding valuation is developed net of both investment and administrative expenses.

While *SamCERA* could continue to develop its funding investment return assumption net of both investment and administrative expenses, that would mean that the Association would then have two slightly different investment return assumptions, one for funding and one for financial reporting. To avoid this apparent discrepancy, and to maintain the consistency of liability measures described above, we believe that it would be preferable to use the same investment return assumption for both funding and financial reporting purposes. One way to accomplish this would be to develop the assumption for funding purposes on a basis that is net of only investment expenses. To review, using the same assumption for both purposes would be easier for *SamCERA*'s stakeholders to understand and should result in being able to report *SamCERA*'s Actuarial Accrued Liability (AAL) for funding purposes as the Total Pension Liability (TPL) for financial reporting purposes.

There is a complication associated with eliminating the administrative expense in developing the investment return assumption used for funding that relates to the allocation of administrative expense between the employers and employees. However, Segal as well as other actuaries are working with their clients to resolve this issue. We believe that either Milliman or Segal would be able to assist *SamCERA* in resolving those policy and administrative issues.

We recommend that Milliman work with *SamCERA* to resolve this issue for the June 30, 2014 valuation (or alternatively before the next valuation as of June 30, 2015) which is the first reporting date for *SamCERA* under the new GASB standard.

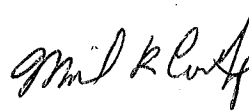
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**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement**

August 26, 2014

Agenda Item 6.1

TO: Board of Retirement



FROM: Michael Coultrip, Chief Investment Officer

SUBJECT: Preliminary Monthly Portfolio Performance Report for the Period Ending July 31, 2014

Discussion

As discussed at the July Board meeting, due to the custodial transition from State Street to Northern Trust, the preliminary performance report for July will not be finalized by the 2nd Board mailing date. It is anticipated that a preliminary version of the performance report should be finalized in time to be included in the day-of folder for the meeting.

Attachments

SIS Market Update

U.S. EQUITY

July was a negative month for Global Developed markets with all of the damage done on the last day of the month. Emerging Markets reversed the trend compiling a positive return for July.

In the U.S., Growth slightly outperformed Value and Large Caps decidedly outperformed Small Caps. For the month, the Russell 1000 Growth Index was down by -1.5% and the Russell 1000 Value Index down by -1.7%. The Russell 2000 Growth and the Russell 2000 Value Indices were each down by -6.1%. The S&P 500 Index ended the month lower by -1.4%.

The S&P 500 Index has a trailing P/E ratio of 18.5, a forward 12-month estimate P/E ratio of 18.6 and dividend yield of 1.95%.

About 68.5% of S&P 500 components have reported earnings above expectations in the 2nd quarter, topping the long-term average of 63.0%. The profits of S&P 500 companies are seen growing 6.2% in the 2nd quarter, according to Thomson Reuters data, down from an 8.4% forecast at the start of April.

Corporate merger highlights for the month included: Archer Daniels Midland will buy Swiss-German natural ingredient company Wild Flavors for \$3 billion; Aristocrat Leisure will buy Video Gaming Technologies for \$1.3 billion; Reynolds American will buy rival Lorillard for about \$27.4 billion; Whirlpool will pay more than \$1 billion for a controlling stake in Indesit, the appliance maker's counterpart in Italy; Mylan will buy Abbott Labs' generics business in developed markets outside the U.S. for about \$5.3 billion; Engineering design firm AECOM Technology will pay about \$4 billion to acquire engineering and construction services firm URS Corp.; Whiting Petroleum will acquire Kodiak Oil & Gas for \$3.8 billion; Imperial Tobacco will buy U.S. cigarette brands including Winston and Kool for \$7.1 billion; Specialty chemicals company Albemarle will buy rival Rockwood Holdings in a deal valued at about \$6.2 billion; Onex Corp., Canada's largest buyout firm, will buy York Risk Services Group from ABRY Partners in a deal valued at \$1.3 billion; AbbVie reached a \$55 billion merger deal with British counterpart Shire, the latest U.S. drug maker company to see an overseas tax haven; OAO Severstal, a Russian steel maker, sold its two North American facilities to AK Steel Holding and Steel Dynamics for a total of \$2.3 billion; CBS Outdoor Americas will buy the billboard business from Van

Wagner Communications for \$690 million; CIT Group plans to acquire IMB Holdco, the parent company of privately owned OneWest Bank, for \$3.4 billion; Britain's BSkyB agreed to buy Rupert Murdoch's pay-tv companies in Germany and Italy for \$9 billion; Dollar Tree will buy rival Family Dollar Stores for about \$8.5 billion, creating North America's largest discount retailer; Zillow will acquire real estate rival Trulia in a \$3.5 billion stock deal; Carlyle Group will acquire in-store marketer Acosta from rival Thomas H. Lee Partners for about \$4.8 billion; Germany's ZF Friedrichshafen is in advanced talks to acquire U.S.-based TRW Automotive for nearly \$12 billion; and, France's Iliad made a surprise \$15 billion offer for T-Mobile US setting up a potential bidding war with rival Sprint.

FIXED INCOME

The Commerce Department reported that gross domestic product rose at a 4.0% annual pace in the second quarter, versus a contraction of -2.1% in the first quarter. All twelve of the U.S. Federal Reserve's regions reported growth in its latest Beige Book economic survey.

U.S. employers accelerated their hiring in June, adding a robust 288,000 jobs and helping drive the unemployment rate to 6.1%, the lowest since September 2008.

The yield on the bellwether 10-year Treasury note rose to +2.58% at the close of July from its May close at +2.53%. At month-end, the 30-year bond yield was +3.32% with the 3-month T-bill at +0.04%. The Barclays Capital US Aggregate Index was down -0.25% in July.

The U.S. Federal Reserve announced that Quantitative Easing will end in October with reductions of \$10 billion in July and September, and the final \$15 billion in October.

On the economic front, the following key data was released in July:

THE GOOD

*The U.S. trade deficit fell in May to \$44.4 billion as U.S. exports hit an all-time high, helped by a jump in exports of petroleum products.

*The U.S. Energy Information Administration forecast U.S. crude oil production in 2015 to average 9.3 million barrels per day, its highest level since 1972.

*The Congressional Budget Office reported that the budget deficit stands at \$366 billion after nine months, \$144 billion **less** than in fiscal 2013.

*The U.S. government ran a \$71 billion monthly budget surplus in June, putting it on course to record the lowest annual deficit since 2008, forecast at \$492 billion for the year.

*The Commerce Dept. reported that core retail sales, which strip out automobiles, gasoline, building materials and food services, increased +0.6% in June, after rising an upwardly revised +0.2% in May.

*The Federal Reserve Bank of Philadelphia's index of regional factory activity rose to 23.9 in July, the highest level since March 2011.

*The Conference Board's index of leading indicators, a gauge designed to predict the economy's future health, increased in June for a fifth consecutive month, it rose +0.3%.

*Orders for durable goods increased +0.7% in June on a seasonally adjusted basis following a -1.0% decline in May according to the Commerce Dept.

The U.S. consumer confidence index jumped to 90.9 in July, marking the highest level in seven years.

THE NOT SO GOOD

*The ISM service-sector index slipped to 56.0 in June, down from May's 56.3 reading; any figure above 50 indicates expansion.

*U.S. consumers increased their debt in May by a seasonally adjusted \$19.6 billion, down from a revised \$26.1 billion gain in the prior month.

*The National Federation of Independent Business reported that its Small Business Optimism Index fell 1.6 points to 95.0 in June.

*The Labor Dept. reported that productivity grew just +0.3% in 2013, the worst showing since the -0.3% decline in 2009.

*The Labor Dept. reported that its producer price index for final demand increased +0.4% in June, reversing May's -0.2% decline.

*U.S. home construction fell -9% in June to the slowest pace in nine months.

*The Labor Dept. reported that its Consumer Price Index increased +0.3% last month after May's +0.4%

gain. Gasoline accounted for two-thirds of the rise in prices last month.

*Sales of new homes plunged by -8.1% in June, a sign that real estate continues to weaken.

NON-U.S. MARKETS

Canadian GDP rose a solid +0.4% in May, the strongest since January. Economic growth is on track to expand around +2.5% for Q2 overall, a big improvement from the +1.2% gain posted in the first quarter.

The Bank of England left monetary policy unchanged with the Bank rate remaining at 0.50%, and the asset purchase program at £375 billion pounds. Employment expanded by a robust 245,000 in the three months through May and the benchmark unemployment rate fell to 6.5%. GDP rose +0.8% in the second quarter, the fifth consecutive solid gain.

The German economic data disappointed in May. Manufacturing orders fell -1.7%, the second decline in the past three months. In France, industrial production fell -1.7% in May, leaving it at its lowest level since October 2009. In Italy, industrial production fell by -1.2% in May, leaving it at its lowest level since April 2009.

The preliminary print for manufacturing activity in Japan was once again disappointing. The index fell -0.7 point to 50.8 in July. Industrial production fell a much larger than expected -3.3% in June, bringing the cumulative decline from January's recent high to -6.9%.

China's GDP growth improved slightly in Q2, edging up 7.5% year-over-year from the 7.4% previous quarter. This is the tenth consecutive quarter of growth below 8.0% but is in line with the government's target for 2014.

Argentina defaulted on its debt for the second time in twelve years.

Non-U.S. Developed equities were negative in July while Emerging markets were positive. The MSCI ACWI ex-U.S. was down -1.0% (US dollars) for the month. International Developed stocks (EAFE) were down -2.0% while Emerging Markets gained +2.0% for the month.

CONCLUSION

All three of the June big economic statistics released in July disappointed to some extent – retail sales, housing starts and industrial production. Despite these disappointments, second quarter GDP at a +4.0% annual rate was quite robust. Retail sales continue to trend higher, despite the disappointing June release. Industrial production also continues to grind higher. Overall capacity utilization remains at 79%.

One key economic statistic is the Conference Board's index of leading economic indicators which has continued to advance 14 of the past 15 months.

GDP growth was broadly strong in the second quarter. Some of this strength was a bounce back from a weather-distorted contraction in the prior quarter.

Bridgewater Associates believes that the U.S. economy is currently running at a healthy 3.0-3.5% underlying growth rate. The gradual accumulation of above-average growth will soon begin to exert late-cycle pressures with the trade-off between growth and inflation becoming more pronounced.

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Jul-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	-1.97	2.68	4.83	16.37	21.50	16.58	17.08	6.70	8.43
Russell TOP 200 Index	-1.01	3.15	5.57	17.38	20.51	17.05	16.27	6.26	7.55
Russell TOP 200 Growth Index	-0.85	3.86	5.30	20.39	19.27	16.63	16.84	8.17	8.19
Russell TOP 200 Value Index	-1.17	2.45	5.84	14.55	21.76	17.45	15.69	4.33	6.89
S&P 500 Index	-1.38	3.02	5.66	16.94	20.90	16.84	16.79	6.42	8.00
Russell 1000 Index	-1.62	2.93	5.53	17.06	21.56	16.84	17.13	6.68	8.40
Russell 1000 Growth Index	-1.53	3.52	4.68	18.69	20.16	16.05	17.25	7.98	8.66
Russell 1000 Value Index	-1.70	2.34	6.43	15.47	22.86	17.56	16.97	5.26	7.99
Russell Mid-Cap Index	-2.95	2.46	5.46	16.36	24.11	16.36	19.30	7.78	10.59
Russell Mid-Cap Growth Index	-2.99	2.76	3.32	15.11	22.65	14.84	18.61	7.77	10.25
Russell Mid-Cap Value Index	-2.91	2.12	7.90	17.76	25.48	17.80	19.98	7.56	10.63
Russell 2000 Index	-6.05	-0.26	-3.06	8.56	20.95	13.59	16.56	6.86	8.78
Russell 2000 Value Index	-6.05	-1.27	-2.10	8.18	20.47	13.55	15.83	5.86	8.07
Russell 2000 Growth Index	-6.06	0.73	-3.97	8.93	21.44	13.63	17.24	7.75	9.39
DJ US REIT Index	0.21	3.56	18.48	12.64	9.52	10.79	21.38	5.58	9.38
DJ-UBS US Commodity Index TR	-4.58	-6.77	2.17	1.86	-5.55	-7.54	0.39	-3.62	0.22
DJ-UBS US Gold Index TR	-2.00	-0.05	7.68	-1.46	-10.74	-7.88	5.68	8.97	11.78

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Jul-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	-0.97	2.80	4.86	15.98	16.72	6.34	9.31	1.63	8.43
MSCI AC World Index	-1.18	2.95	5.24	16.50	18.81	11.01	12.68	3.84	8.24
MSCI EAFE Index	-1.96	0.75	3.08	15.55	19.71	8.45	9.88	1.38	7.56
MSCI Emerging Markets index	2.02	8.45	8.46	15.72	8.80	0.74	7.68	2.12	12.72
ML Global Government Bond Ex. U.S. Index	-1.21	0.17	4.19	3.07	-4.31	-2.54	2.56	4.98	4.55
Euro	-2.27	-3.50	-2.90	0.77	4.23	-2.35	-1.15	-0.33	1.06
Japanese Yen	-1.49	-0.67	2.21	-4.36	-12.85	-9.12	-1.53	2.12	0.81
UK Pound Sterling	-1.26	-0.02	1.93	11.36	3.80	0.94	0.36	-2.61	-0.74

US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Jul-14	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	0.02	0.05	0.08	0.08	0.11	0.67	1.62
BarCap Aggregate Bond Index	-0.25	0.94	3.67	3.97	0.99	3.04	4.47	5.18	4.80
ML U.S. Corp/Govt Master Index	-0.13	1.11	4.08	4.09	0.93	3.39	4.79	5.23	4.83
ML U.S. Corporate Master Index	-0.12	1.58	5.82	7.06	3.32	5.40	7.41	6.61	5.80
BarCap Mortgage Backed Securities Index	-0.59	0.87	3.42	4.14	1.03	2.29	3.63	5.05	4.79
ML U.S. High Yield Master Index	-1.33	0.46	4.15	8.20	8.79	8.31	12.18	9.06	8.53
JPM EMBI Global	0.12	3.93	9.22	10.13	4.03	6.98	9.79	8.61	9.19

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

August 26, 2014

Agenda Item 6.2

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer



SUBJECT: Quarterly Investment Performance Report for the Period Ending June 30, 2014

Staff Recommendation

Review Strategic Investment Solutions' Quarterly Performance Report for the period ending June 30, 2014.

Discussion

The 2nd quarter net total return for the SamCERA portfolio was +3.7%, which was in line with the +3.7% policy benchmark return. As can be seen on pages 11 and 12, SamCERA's Risk Parity and Fixed Income composites were the primary sources of outperformance, which was offset by underperformance in our Total Equity composite (driven by both our domestic and international equity aggregates).

For the Fiscal Year ending June 30, 2014, the net total return for the SamCERA portfolio was +17.3%, which was 70 basis points lower than the +18.0% policy benchmark return. The main drivers of outperformance for the year came from our Risk Parity and Fixed Income composites, while the primary detractors were our Private Equity composite, followed by our Total Equity composite.

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

Attachments

- A. *SIS Quarterly Performance Report Ending 6/30/2014*



SAN MATEO COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

INVESTMENT PERFORMANCE ANALYSIS

SECOND QUARTER 2014

STRATEGIC INVESTMENT SOLUTIONS, INC.

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

INVESTMENT PERFORMANCE ANALYSIS

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- Despite a revision to US Q1 GDP growth to an annualized -2.9%, less uncertainty over the outlook for Federal Reserve monetary policy and subdued volatility led to a robust second quarter for the S&P 500, which rose 5.2%.
- The US Treasury yield curve flattened as shorter-term rates were relatively steady and benchmark 10-year yields fell 20 basis points.
- With investors continuing to reach for yield, lower grade corporate debt outperformed. US BAA-rated securities returned 3.4% during the second quarter.
- New easing measures introduced at the European Central Bank's June policy meeting, including negative deposit rates and targeted long-term refinancing operations to boost bank lending, led to a 2.1% rise in Europe ex-UK equities in the second quarter.
- The MSCI Emerging Markets Net Return Index rose 6.6% during the second quarter as fears over sooner-than-expected Federal Reserve tightening diminished and geopolitical risk remained subdued.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. With confidence remaining robust among North American and European institutions but falling among Asian institutions, the Global ICI decreased 0.8 points during the quarter to 119.5, remaining significantly above the neutral level of 100.
- For the period ending 6/30/14, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), were 7.0% and 2.7%; one-year, 13.2% and 11.2%; three-year, 11.8% and 11.7% and five-year, 23.5% and 7.9%.
- US REITs had a strong Q2 as the US economy rebounded with improving demand. All property sectors did well, reflecting the increased economic activity and job growth.
- Global real estate stocks also did well in the second quarter, with Europe's markets generally reacting positively to bond yields as well as economic stimulus announcements. Asia Pacific turned positive after having a difficult first quarter.

- The Total Fund returned 3.8% in the second quarter of 2014 and ranked 47th among other public plans greater than \$1 billion (median of 3.8%). It beat the policy index return of 3.7%. The Total Fund w/o Overlay was 3.8% for the quarter. The Parametric Clifton Overlay strategy was funded August 2014. The one year return of 17.7% was behind the policy index return of 18.0% and ranked in 23rd percentile of its peer universe. The three-year return of 10.3% (31st percentile) was above median among large public plans (9.6%).

- Second quarter results were enhanced by the following factors:
 1. AQR Global Risk Enhanced Liquidity was up 8.0% while its custom benchmark was 3.7%. Second quarter gross return attribution is as follows: equity (1.5%), nominal interest rates (2.6%), inflation (1.9%) and credit/default (2.0%) risk.
 2. The Angelo Gordon STAR Fund appreciated 5.1% (preliminary quarterly return) while the Barclays Aggregate was up 2.0%. The Angelo Gordon Opportunities strategy was funded mid-April.
 3. Commodities manager SSgA Multisource led its benchmark, DJ UBS Commodity Index (2.9% vs. 0.1%). The S&P GSCI quarterly return was 2.7%.
 4. The opportunistic credit high yield manager, Brigade Capital, beat its benchmark, the Barclays BAA Intermediate High Yield Index (3.1% vs. 2.3%). The median high yield quarterly return was 2.4%. Long high yield positions and distressed loans were top contributors to performance during the quarter.
 5. Western Asset Management's quarter was above par. It carried a return of 2.7% and ranked above the core bond manager median of 2.1%. The Barclays Aggregate Index returned 2.0%. Its select high yield, emerging markets and corporates exposure and modest short position in the euro created performance alpha.
 6. DE Shaw's return of 5.5% ranked in the top quartile among large cap core equity managers (4.9% median), and was ahead of its benchmark, the Russell 1000 Index (5.1%). Investments in the Healthcare sector, plus its intra-quarter trading, helped quarterly results.
 7. The Treasury and LAIF account added 0.4% during the quarter. The 91-Day T-Bill returned 0.0% during the same time period.

8. The Invesco Core Real Estate-USA Fund returned 3.2% for the quarter and above par with the NCREIF ODCE Index (2.9%). During the quarter, retail led the way generating a 4.59% unleveraged, property-level return, followed by office (3.27%), industrial (3.23%) and apartments (1.69%).
9. The Pyramis Broad Market Duration Fund added 2.3% to its value and ranked in the 23rd percentile among core bond managers (median of 2.1%). The Barclays Aggregate Index was up 2.0% for the quarter. An overweight to the corporates (utilities and financials), CMOs, ABS and CMBS were additive to relative performance.
10. Franklin Templeton appreciated 2.8% and ranked in the second quartile among global bond managers (median of 2.6%). The Barclays Multiverse Index was up 2.5%. Franklin's overall credit exposures, currency positions in Asia ex-Japan and select overweight duration exposures in Latin America improved results.
11. The Pyramis Select International Small Cap Plus quarterly portfolio result of 4.1% was above the MSCI ACWI ex US Small Cap (3.8%), and ranked in the 22nd percentile among ACWI ex US small cap managers. Holdings in the Australia and the UK lifted relative performance. Info Tech (Largan Precision) and Consumer Discretionary (Techtronic Industries) were two of the primary sector contributors.
12. Mondrian returned 6.1%, beat the MSCI ACWI ex US Value (5.9%) and ranked in the 14th percentile among its ACWI ex US Value equity peers (4.7% median). Performance results were enhanced by stock selection in the UK, Germany and Italy, as well an overweight position in the energy and underweight in the financials sectors.
13. In its second full quarter, the BlackRock EAFE Index Fund (4.3%) was ahead of its benchmark (4.1%) and ranked above the EAFE core equity median of 3.7%.
14. The BlackRock S&P 500 Index Fund (5.2%) matched its benchmark and ranked above the large cap core median of 4.9%.
15. Net of fees, hedge fund strategy AQR DELTA XN matched the LIBOR +4% (1.1%). It ranked in the third quartile among other hedge fund multi-strategy accounts (median of 2.3%). Equity market neutral (1.3%), global macro (0.6%) and emerging markets (0.3%) strategies performed with best results.

- Second quarter results were hindered by the following factors:
 1. Brown Advisory was outpaced by the Russell 1000 Growth Index (1.9% vs. 5.1%) and ranked in the bottom quartile among large cap growth managers (median of 4.6%). Select Healthcare (Covance, Express Scripts, Intuitive Surgical) and Consumer Staples (Whole Foods Market) stocks hurt performance.
 5. Baillie Gifford trailed its benchmark, the MSCI ACWI ex US (2.9% vs. 5.2%). It ranked in the third quartile among ACWI ex US growth equity managers (median of 4.0%). Owing British ASOS, Hargreaves Lansdown and Rightmove were detractors during the quarter.
 3. Barrow Hanley's return of 3.3% was behind the Russell 1000 Value Index (5.1%) and ranked in the bottom quartile among large cap value equity managers (median of 4.8%). Performance was dampened by its security selection in the Financials (Bank of America, E*Trade), Materials (CRH) and Info Tech (CA Technologies) sectors.
 4. Private Equity investments appreciated 3.4% for the quarter. The Russell 3000 +3% Index was up 4.9%.
 5. The Boston Company returned 1.2%, versus 2.4% for the Russell 2000 Value Index, and ranked in the 88th percentile among its small cap value peers (median 3.1%). Negative performance alpha was mainly derived from its Industrials (Aerovironment Global Power Equipment), Healthcare (Globus Medical, Allscripts Healthcare Solutions) and Info Tech (Advanced Energy, Neustar, Aerohive Networks) stock selection.
 6. Brown Brothers Harriman gained 3.0%, was outpaced by the Barclays US TIPS Index (3.8%) and ranked in the bottom quartile among inflation linked bond accounts (median of 3.7%).
 7. Chartwell added less value, 1.0%, than the Russell 2000 Growth Index, 1.7%. Chartwell ranked in 37th percentile among small cap growth managers (median of 0.2%). Negative attributes include stock selection the Info Tech sector (Calamp, Finisar, Imperva, Interactive Intelligence) and portfolio turnover.
 8. Parametric Clifton (formerly known as Eaton Vance) lagged the MSCI Emerging Markets Index (6.2% vs. 6.7%) and ranked behind its peers median (7.2%). Key inhibitors to quarterly performance were its exposure to UAE and Vietnam and underweight to Taiwan.

Performance Summary

Periods Ending June 30, 2014

	1 Qtr		Calendar YTD		Fiscal YTD		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 **	3.8	47	5.8	43	17.7	23	15.8	20	10.3	31	13.4	27	6.8	70
TOTAL FUND - Net	3.7		5.6		17.3		15.5		9.9		13.0		6.5	
<i>Policy Index¹</i>	3.7	53	5.8	41	18.0	20	15.4	27	10.6	25	13.5	26	7.5	33
<i>Allocation Index</i>	3.7	56	5.6	52	18.1	19	15.3	27						
TOTAL FUND ex OVERLAY - Gross	3.8	47	5.8	43	17.6	26	15.8	21	10.3	31	13.4	27	6.8	71
TOTAL FUND ex OVERLAY - Net	3.7		5.6		17.2		15.4		9.9		13.0		6.5	
<i>Policy Index¹</i>	3.7	53	5.8	41	18.0	20	15.4	27	10.6	25	13.5	26	7.5	33
<i>InvestorForce Public DB > \$1B Gross Median</i>	3.8		5.7		16.4		14.1		9.6		12.7		7.2	
TOTAL EQUITY	4.0	72	5.9	53	23.3	64	21.9	53	12.7	57	16.4	74	7.3	79
<i>Blended Equity Index²</i>	4.7	29	6.3	35	24.2	48	21.7	58	12.8	56	16.8	61	8.0	49
<i>InvestorForce All DB Total Eq Gross Median</i>	4.5		6.0		24.1		22.0		13.1		17.1		8.0	
US EQUITY COMPOSITE	3.8	76	5.4	74	24.0	77	23.4	54	15.6	64	19.1	64	7.6	88
<i>80% Russell 1000/20% Russell 2000²</i>	4.5	42	6.5	37	25.1	49	23.4	53	16.2	38	19.5	42	8.3	56
<i>InvestorForce All DB US Eq Gross Median</i>	4.4		6.1		25.0		23.5		16.0		19.3		8.4	
LARGE CAP COMPOSITE	4.5		5.9		23.7		22.9		15.5		18.3		7.6	
<i>Russell 1000 Index</i>	5.1		7.3		25.4		23.3		16.6		19.3		8.2	
DE Shaw - Gross	5.5	25	6.4	68	24.4	63	23.7	42	17.9	20				
DE Shaw - Net	5.4		6.2		23.8		23.2		17.3					
<i>Russell 1000 Index</i>	5.1	39	7.3	43	25.4	52	23.3	47	16.6	46				

* Total Fund and asset class aggregates are ranked in InvestorForce universes. Managers are ranked in eVest (eA) manager universes.

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

1. Effective 1/1/14, Policy Index is 24% Russell 1000/ 6% Russell 2000/ 20% MSCI ACWI ex US IMI/ 9.25% Barclays Aggregate/ 5% Barclays BA Intermediate HY / 2% Barclays Tips/ 3.75% Barclays Multi-verse/ 6% NCREIF NFI ODCE/ 7% Russell 3000 + 3% 8% (60% Russell 3000/40% Barclays Aggregate)/ 4% Libor +4%/ 3% DJ UBS Commodity/ 2% CPI +5%

2. See Appendix for Benchmark History.

Performance Summary

Periods Ending June 30, 2014

	1 Qtr		Calendar YTD		Fiscal YTD		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	5.2	35	7.1	47	24.6	60								
BlackRock S&P 500 Index - Net	5.2		7.1		24.6									
<i>S&P 500 Index</i>	5.2	33	7.1	46	24.6	60								
Barrow Hanley - Gross	3.3	90	5.2	91	24.0	54	25.8	36	16.6	50				
Barrow Hanley - Net	3.2		5.0		23.5		25.2		16.0					
<i>Russell 1000 Value Index</i>	5.1	42	8.3	35	23.8	55	24.6	49	16.9	41				
Brown Advisory - Gross	1.9	96	2.0	92	19.7	97								
Brown Advisory - Net	1.8		1.8		19.2									
<i>Russell 1000 Growth Index</i>	5.1	31	6.3	35	26.9	55								
SMALL CAP COMPOSITE	1.1		3.2		25.4		25.6		16.3		22.7		7.5	
<i>Russell 2000 Index</i>	2.0		3.2		23.6		23.9		14.6		20.2		8.7	
The Boston Co - Gross	1.2	88	3.4	81	23.9	69	25.1	65	17.8	32				
The Boston Co - Net	1.0		3.0		23.0		24.1		16.8					
<i>Russell 2000 Value Index</i>	2.4	68	4.2	65	22.5	79	23.6	77	14.6	75				
Chartwell - Gross	1.0	37	3.1	24	26.8	30	26.1	38	17.1	24	24.0	18		
Chartwell - Net	0.9		2.8		26.0		25.3		16.2		23.1			
<i>Russell 2000 Growth Index</i>	1.7	27	2.2	37	24.7	46	24.2	54	14.5	55	20.5	73		
INTERNATIONAL EQUITY	4.6	44	6.8	14	21.8	54	18.4	60	6.5	66	10.6	80	7.1	68
<i>MSCI ACWI ex US IMI²</i>	5.1	23	6.1	25	22.5	42	18.2	62	6.3	70	11.6	61	8.2	37
<i>MSCI EAFE Index Gross</i>	4.3	54	5.1	53	24.1	23	21.6	19	8.6	25	12.3	49	7.4	60
InvestorForce All DB ex-US Eq Gross Median	4.4		5.2		22.0		19.2		7.2		12.2		7.9	

2. See Appendix for Benchmark History.

Performance Summary

Periods Ending June 30, 2014

	1 Qtr		Calendar YTD		Fiscal YTD		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
DEVELOPED MARKETS	4.4	48	6.8	17	22.5	41	19.4	54	7.1	63	11.0	66	7.3	52
<i>MSCI ACWI -ex US Gross</i>	5.2	20	5.9	35	22.3	47	18.1	70	6.2	72	11.6	56	8.2	37
InvestoForce All DB Dev Mkt ex-US Eq Gross Median	4.3		5.0		22.1		19.7		7.9		11.8		7.5	
Baillie Gifford - Gross	2.9	71	5.5	26	22.0	44	21.2	33						
Baillie Gifford - Net	2.7		5.3		21.5		20.7							
<i>MSCI ACWI ex US Index Gross</i> ²	5.2	17	5.9	18	25.0	25	22.0	28						
<i>MSCI ACWI ex US Growth Index Gross</i> ²	4.6	31	5.0	32	22.1	44	20.6	37						
BlackRock EAFE Index - Gross ⁺	4.3	34	5.0	54										
BlackRock EAFE Index - Net	4.3		5.0											
<i>MSCI EAFE Index Net</i>	4.1	40	4.8	58										
<i>MSCI EAFE Index Gross</i>	4.3	32	5.1	50										
Mondrian - Gross	6.1	14	9.4	16	23.9	46	18.4	73	8.2	59	11.8	74		
Mondrian - Net	6.0		9.3		23.5		18.2		7.9		11.6			
<i>MSCI ACWI ex US Value Gross</i>	5.9	24	6.8	37	24.8	38	19.0	68	6.6	77	11.4	79		
<i>MSCI ACWI ex US Gross</i>	5.2	41	5.9	46	22.3	61	18.1	78	6.2	79	11.6	77		
Pyramis Equity - Gross	4.1	22	6.2	48	22.0	77	20.5	96						
Pyramis Equity - Net	3.8		5.8		20.9		19.4							
<i>MSCI ACWI ex US Small Cap Gross</i>	3.8	28	7.5	28	26.5	53	21.3	88						
EMERGING MARKETS	6.2	92	7.5	49	16.9	13	10.9	19						
<i>MSCI Emerging Markets Index Gross</i>	6.7	70	6.3	76	14.7	53	8.8	68						
InvestoForce All DB Emg Mkt Eq Gross Median	7.5		7.4		14.8		9.4							

* BlackRock EAFE Index funded in December 2013.

2. See Appendix for Benchmark History.

Performance Summary

Periods Ending June 30, 2014

	1 Qtr		Calendar YTD		Fiscal YTD		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Parametric Clifton - Gross **	6.2	75	7.5	38	16.9	38	11.0	50						
Parametric Clifton - Net	6.0		7.0		15.8		10.3							
MSCI Emerging Markets Index Gross	6.7	65	6.3	58	14.7	59	8.8	74						
TOTAL FIXED INCOME ***	2.9	32	5.0	40	7.4	40	6.2	14	6.5	31	8.9	30	5.9	66
Blended Fixed Index ²	2.4	50	4.7	46	5.6	58	2.2	84	4.0	79	5.3	81	5.1	81
InvestorForce All DB Total Fix Inc Gross Median	2.4		4.4		6.2		3.5		5.2		7.1		6.4	
US FIXED INCOME	2.9	30	5.3	35	7.1	38	5.2	20	6.3	32	8.8	26	5.9	48
Blended US Fixed Index ²	2.3	46	4.6	46	5.1	68	2.0	81	4.2	70	5.4	79	5.2	71
InvestorForce All DB US Fix Inc Gross Median	2.3		4.4		6.1		3.5		5.2		6.8		5.8	
CORE FIXED	2.5		4.9		6.1		3.5		5.2					
Barclays Aggregate Index	2.0		3.9		4.4		1.8		3.7					
Pyramis Bond - Gross	2.3	23	4.5	23	5.6	22	3.0	32	4.7	32	6.9	14		
Pyramis Bond - Net	2.2		4.4		5.4		2.8		4.5		6.7			
Western Asset - Gross	2.7	5	5.4	6	6.8	7	4.2	9	5.7	8	8.6	2		
Western Asset - Net	2.6		5.3		6.5		3.9		5.4		8.3			
Barclays Aggregate Index	2.0	58	3.9	62	4.4	71	1.8	84	3.7	84	4.9	83		
TIPS														
Brown Brothers Harriman - Gross	3.0	81	4.3	78	3.3	98	-0.6	98	3.6	64				
Brown Brothers Harriman - Net	2.9		4.2		3.2		-0.8		3.4					
Barclays US TIPS Index	3.8	35	5.8	50	4.4	60	-0.3	90	3.6	71				
OPPORTUNISTIC CREDIT **	3.9		7.4		13.1		16.1		12.7					
Barclays BA Intermediate HY ²	2.3		5.2		7.5		4.6		6.5					

** Name change from Eaton Vance Management in June 2014

*** Angelo Gordon PPIP was liquidated in June 2013 with holdback set aside for expenses. Full liquidation by May 2014.

2. See Appendix for Benchmark History.

Performance Summary

Periods Ending June 30, 2014

	1 Qtr		Calendar YTD		Fiscal YTD		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Angelo Gordon Opportunistic **														
Angelo Gordon STAR - Net ^{+,**}	5.1		10.0		15.8									
Barclays Aggregate Index	2.0		3.9		4.4									
Brigade Capital - Gross	3.1	10	5.7	41	11.0	66	10.9	44	9.7	43				
Brigade Capital - Net	2.9		5.4		10.4		10.6		9.3					
Barclays BA Intermediate HY Index ²	2.3	52	5.2	60	7.5	92	4.6	99	6.5	94				
50% Barclays HY /50% Bank Loan Index	1.9	80	4.1	84	8.9	85	8.7	80	7.6	87				
GLOBAL FIXED INCOME	3.2	37	3.7	90	8.6	36	10.5	1	6.8	25				
Barclays Multi-verse Index	2.5	61	5.0	48	7.7	48	2.9	60	2.9	68				
InvestorForce All DB Gbl Fix Inc Gross Median	2.7		5.0		7.5		3.5		4.7					
Franklin Templeton - Gross ⁺⁺⁺	2.8	36	3.3	86	8.2	56	10.3	22	6.7	29				
Franklin Templeton - Net	2.8		3.2		7.8		9.9		6.3					
Barclays Multi-verse Index	2.5	53	5.0	61	7.7	64	2.9	75	2.9	75				
ALTERNATIVES	2.5		3.8		9.7		6.7		4.9					
Alternatives Allocation Index ²	2.7		5.8		17.4		14.9		10.8					
PRIVATE EQUITY	3.4	27	5.7	40	18.6	22	9.8	69	6.8	78				
Russell 3000 + 3% Index	4.9	16	7.8	30	28.2	2	26.3	1	19.5	1				
InvestorForce All DB Private Eq Net Median	0.1		4.5		13.0		11.6		9.3					
RISK PARITY														
AQR Global Risk Premium III - Gross	8.0		14.2		18.9		10.9		9.0					
AQR Global Risk Premium III - Net	7.9		13.9		18.4		10.5		8.6					
60/40 R3000/Barclays Aggregate Index	3.7		5.8		16.6		14.4		11.4					

** Funded April 2014

* Returns are reported net of management fees only.

** Preliminary returns as of 06/30/14. (Second quarter returns are not available at reporting period.)

+++ Switched from separate account to commingled structure in June 2014.

2. See Appendix for Benchmark History.

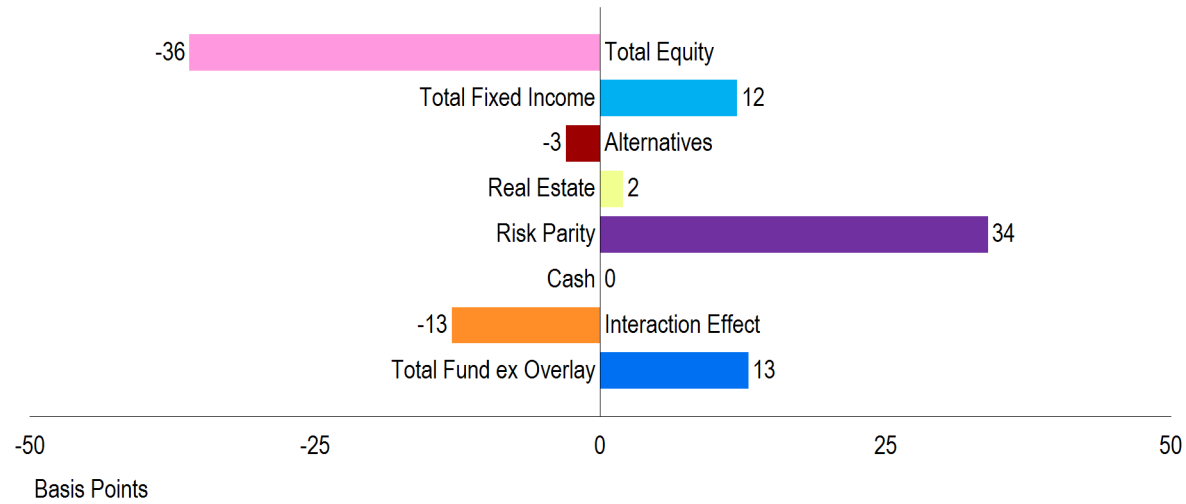
San Mateo County Employees' Retirement Association

Performance Summary

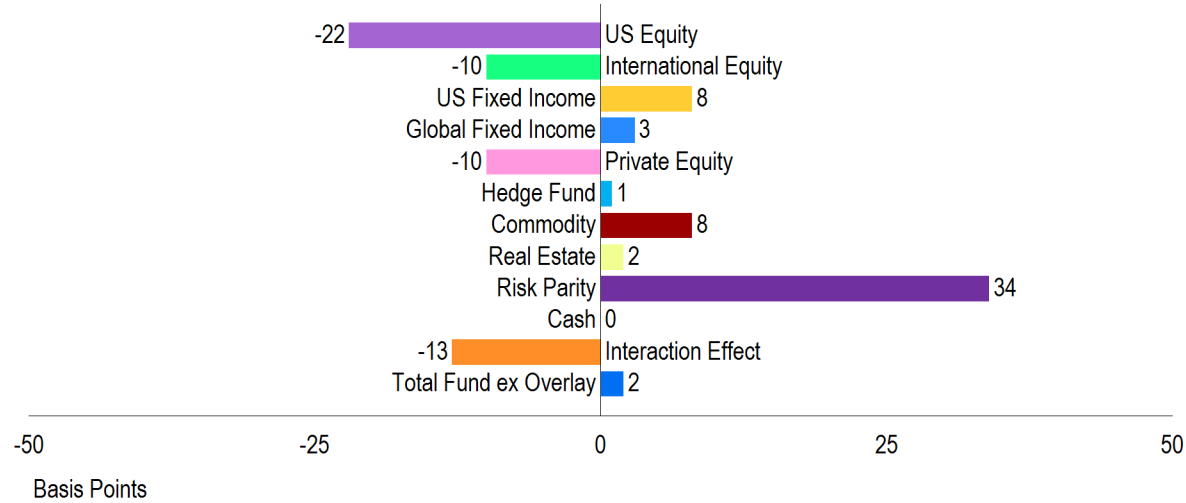
Periods Ending June 30, 2014

	1 Qtr		Calendar YTD		Fiscal YTD		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
HEDGE FUND	1.3	77	0.5	95	4.3	96	6.1	93	3.9	91				
<i>Libor 1 Month +4% Index</i>	1.1	86	2.0	87	4.2	96	4.2	96	4.2	90				
<i>InvestorForce All DB Hedge Funds Gross Median</i>	1.9		3.4		10.5		10.6		6.1					
AQR DELTA XN - Gross	1.3		0.5		4.3		6.1		3.9					
AQR DELTA Fund XN - Net [†]	1.1	66	0.1	77	3.4	75	5.1	68	2.9	70				
<i>Libor 1 Month +4% Index</i>	1.1	66	2.0	65	4.2	69	4.2	73	4.2	60				
COMMODITY														
SSgA Multisource Commodity - Gross	2.9		6.0		7.9		3.3							
SSgA Multisource Commodity - Net	2.8		5.7		7.5		3.0							
<i>DJ UBS Commodity Index</i>	0.1		7.1		8.2		-0.2							
<i>S&P Goldman Sachs Commodity Index</i>	2.7		5.7		10.4		6.1							
REAL ESTATE	3.2	36	5.0	78	10.9	83	12.2	46	11.1	65	9.7	50	7.9	17
<i>NCREIF ODCE Index</i>	2.9	43	5.5	64	12.7	53	12.5	40	12.4	42	10.0	46	7.6	21
<i>InvestorForce All DB Real Estate Gross Median</i>	2.8		5.7		13.0		12.0		12.0		9.6		6.5	
Invesco - Gross	3.2		5.0		10.9		12.2		11.1		9.7			
Invesco - Net	3.1		4.7		10.5		11.8		10.7		9.2			
<i>NCREIF ODCE Index</i>	2.9		5.5		12.7		12.5		12.4		10.0			
CASH														
General Account	0.0		0.0		0.0		0.1		0.1		0.2		1.8	
Treasury & LAIF	0.4		0.6		0.9		0.8		0.8		0.9		1.5	
CASH COMPOSITE	0.0		0.0		0.2		0.4		0.5		0.7		1.6	
<i>91-Day T-Bills Index</i>	0.0		0.0		0.0		0.1		0.0		0.1		1.5	

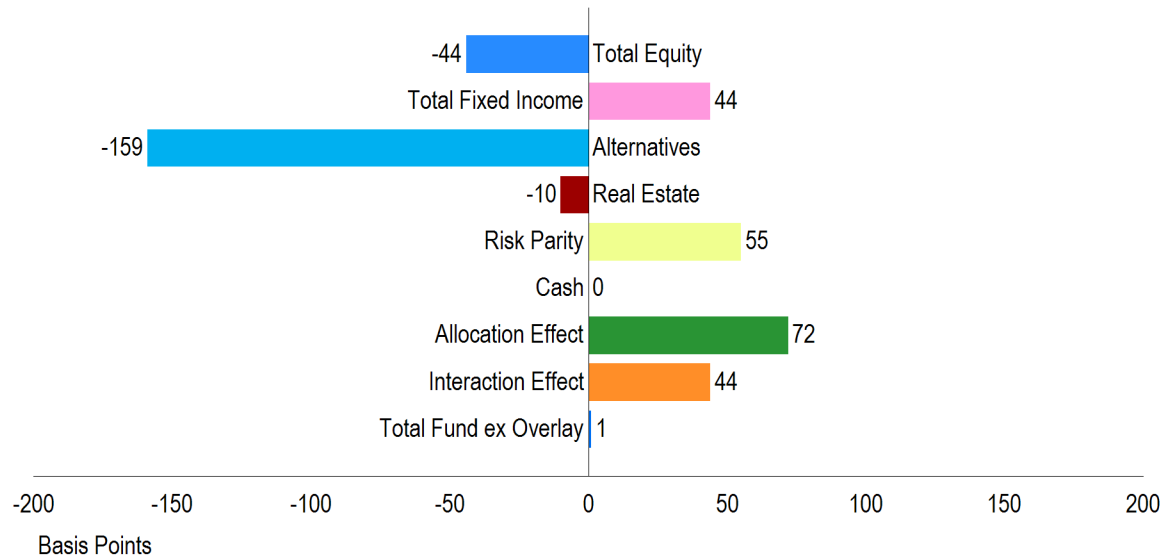
[†] AQR Delta XN is ranked against a net of fee universe.



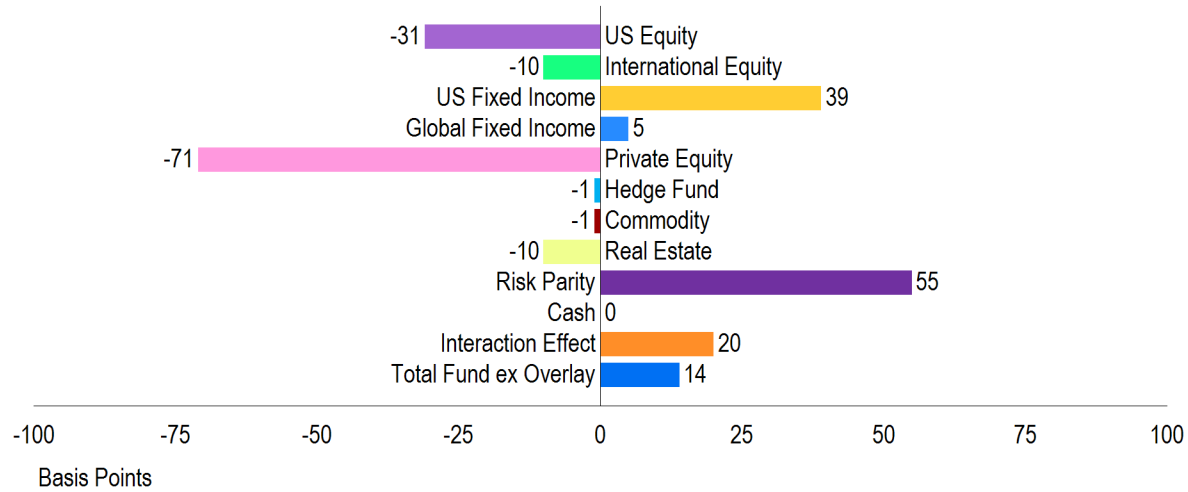
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Equity	4.05%	4.74%	-0.69%	-0.36%	0.03%	-0.04%	-0.37%
Total Fixed Income	2.93%	2.38%	0.55%	0.12%	0.05%	-0.02%	0.16%
Alternatives	2.52%	2.66%	-0.14%	-0.03%	0.13%	0.01%	0.12%
Real Estate	3.18%	2.93%	0.25%	0.02%	0.00%	0.00%	0.02%
Risk Parity	8.00%	3.74%	4.26%	0.34%	0.01%	-0.09%	0.26%
Cash	0.01%	0.01%	0.00%	0.00%	-0.04%	0.00%	-0.04%
Total	3.81%	4.05%	-0.24%	0.08%	0.18%	-0.13%	0.13%



	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	3.78%	4.52%	-0.74%	-0.22%	0.06%	-0.06%	-0.23%
International Equity	4.57%	5.06%	-0.49%	-0.10%	0.00%	0.00%	-0.10%
US Fixed Income	2.86%	2.35%	0.51%	0.08%	0.02%	-0.01%	0.10%
Global Fixed Income	3.20%	2.52%	0.68%	0.03%	0.00%	0.00%	0.02%
Private Equity	3.44%	4.87%	-1.43%	-0.10%	-0.03%	0.03%	-0.10%
Hedge Fund	1.30%	1.05%	0.25%	0.01%	0.01%	0.00%	0.02%
Commodity	2.91%	0.08%	2.82%	0.08%	0.00%	0.00%	0.08%
Real Estate	3.18%	2.93%	0.25%	0.02%	0.00%	0.00%	0.01%
Risk Parity	8.00%	3.74%	4.26%	0.34%	0.00%	-0.09%	0.25%
Cash	0.01%	0.01%	0.00%	0.00%	-0.04%	0.00%	-0.04%
Total	3.80%	3.71%	0.09%	0.14%	0.01%	-0.13%	0.02%



	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Equity	23.33%	24.20%	-0.87%	-0.44%	0.36%	-0.05%	-0.13%
Total Fixed Income	7.41%	5.57%	1.83%	0.44%	0.34%	-0.05%	0.74%
Alternatives	9.65%	17.40%	-7.74%	-1.59%	0.19%	0.57%	-0.83%
Real Estate	10.93%	12.74%	-1.82%	-0.10%	-0.07%	-0.01%	-0.19%
Risk Parity	12.92%	7.22%	5.70%	0.55%	0.14%	-0.03%	0.66%
Cash	0.23%	0.03%	0.20%	0.00%	-0.24%	0.00%	-0.23%
Total	17.85%	19.30%	-1.46%	-1.14%	0.72%	0.44%	0.01%

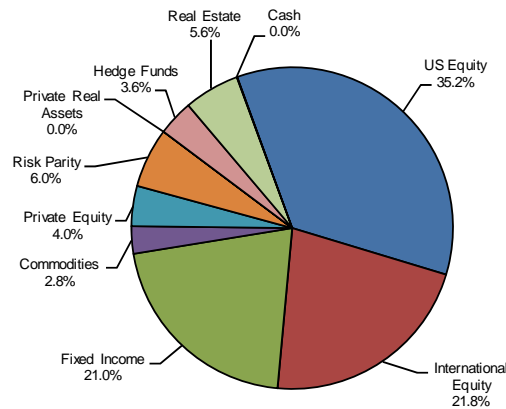


	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	23.95%	25.06%	-1.11%	-0.31%	0.60%	-0.09%	0.19%
International Equity	21.79%	22.50%	-0.71%	-0.10%	0.07%	-0.03%	-0.06%
US Fixed Income	7.11%	5.05%	2.06%	0.39%	0.19%	-0.03%	0.54%
Global Fixed Income	8.55%	7.70%	0.85%	0.05%	0.00%	-0.01%	0.04%
Private Equity	18.55%	28.22%	-9.67%	-0.71%	-0.45%	0.39%	-0.77%
Hedge Fund	4.34%	4.17%	0.17%	-0.01%	0.00%	0.01%	0.00%
Commodity	7.90%	8.21%	-0.31%	-0.01%	0.01%	0.00%	0.00%
Real Estate	10.93%	12.74%	-1.82%	-0.10%	-0.08%	-0.01%	-0.20%
Risk Parity	--	7.22%	--	0.55%	0.08%	-0.02%	0.61%
Cash	0.23%	0.03%	0.20%	0.00%	-0.22%	0.00%	-0.22%
Total	18.22%	17.95%	0.27%	-0.27%	0.20%	0.20%	0.14%

Asset Allocation Analysis

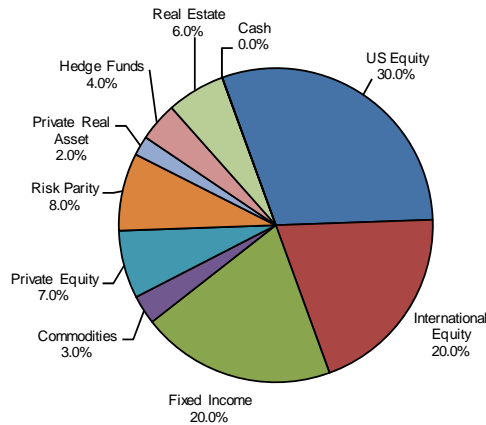
As of June 30, 2014

Current w/Overlay



ASSET ALLOCATION	MARKET VALUE	W/OVERLAY	W/O OVERLAY
US Equity	1,241,340,675	35.2%	37.7%
International Equity	658,562,517	21.8%	20.0%
Fixed Income	593,494,073	21.0%	18.0%
Commodities	90,480,043	2.8%	2.8%
Private Equity	132,814,586	4.0%	4.0%
Risk Parity	197,597,409	6.0%	6.0%
Private Real Assets	0	0.0%	0.0%
Hedge Funds	117,896,821	3.6%	3.6%
Real Estate	183,566,990	5.6%	5.6%
Cash	73,361,939	0.0%	2.2%
TOTAL	3,289,115,053	100.0%	100.0%

Target

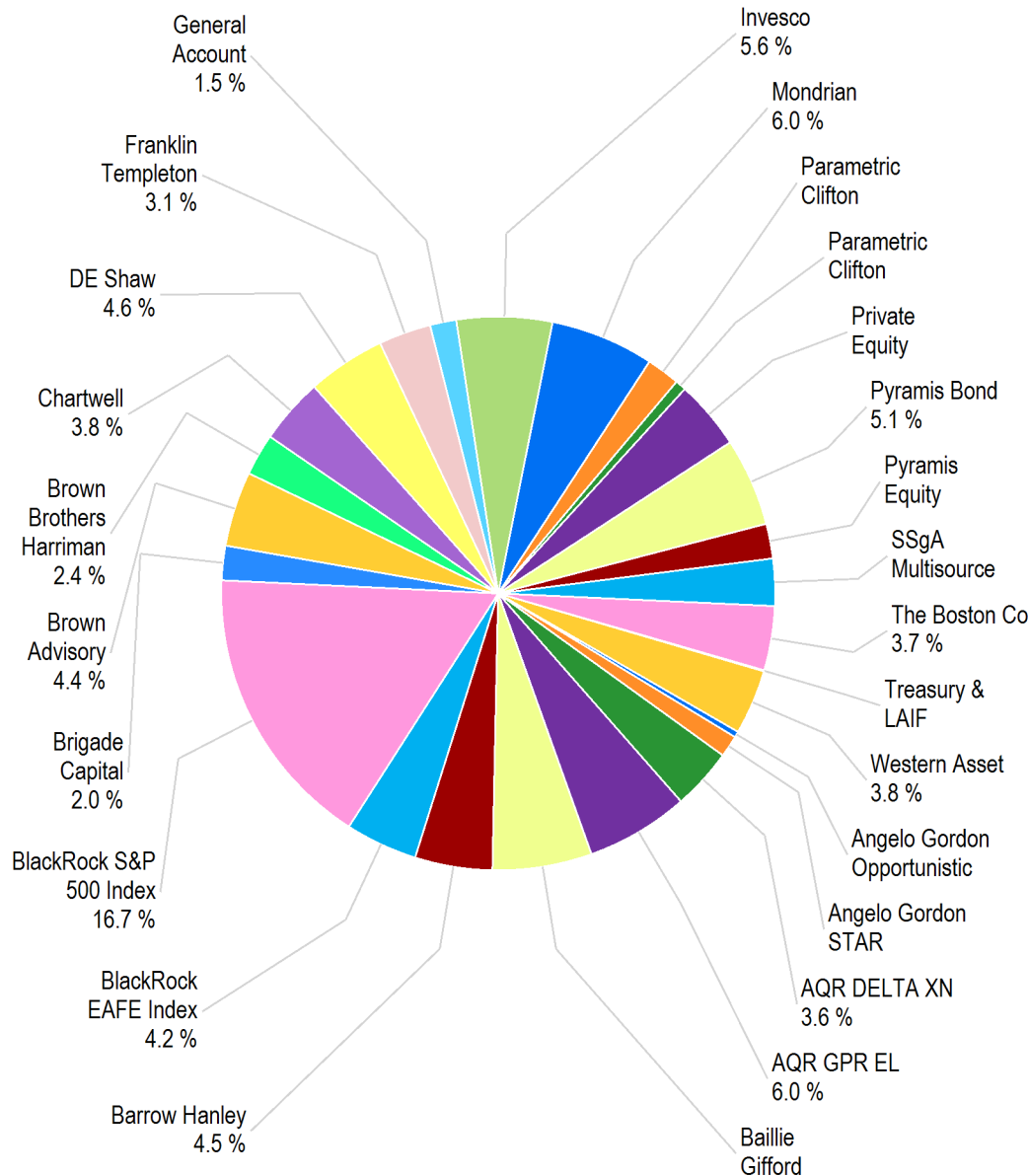


ASSET ALLOCATION	W/OVERLAY	TARGET	DIFF
US Equity	35.2%	30.0%	5.2%
International Equity	21.8%	20.0%	1.8%
Fixed Income	21.0%	20.0%	1.0%
Commodities	2.8%	3.0%	-0.2%
Private Equity	4.0%	7.0%	-3.0%
Risk Parity	6.0%	8.0%	-2.0%
Private Real Asset	0.0%	2.0%	-2.0%
Hedge Funds	3.6%	4.0%	-0.4%
Real Estate	5.6%	6.0%	-0.4%
Cash	0.0%	0.0%	0.0%
TOTAL	100.0%	100.0%	0.0%

San Mateo County Employees' Retirement Association

Manager Allocation Analysis - Total Plan

As of June 30, 2014



	Actual \$	Actual %
Angelo Gordon Opportunistic	\$11,312,500	0.3%
Angelo Gordon PPIP	\$19,342	0.0%
Angelo Gordon STAR	\$41,605,300	1.3%
AQR DELTA XN	\$117,896,821	3.6%
AQR GPR EL	\$197,597,409	6.0%
Artio	\$22,198	0.0%
Baillie Gifford	\$190,694,017	5.8%
Barrow Hanley	\$148,736,808	4.5%
BlackRock EAFE Index	\$138,418,026	4.2%
BlackRock S&P 500 Index	\$549,011,960	16.7%
Brigade Capital	\$66,157,515	2.0%
Brown Advisory	\$144,039,563	4.4%
Brown Brothers Harriman	\$80,044,075	2.4%
Chartwell	\$126,229,209	3.8%
DE Shaw	\$150,002,672	4.6%
Franklin Templeton	\$100,587,238	3.1%
General Account	\$50,405,780	1.5%
Invesco	\$183,566,990	5.6%
Mondrian	\$198,978,532	6.0%
Parametric Clifton	\$63,727,909	1.9%
Parametric Clifton Overlay	\$20,890,678	0.6%
Private Equity	\$132,814,586	4.0%
Pyramis Bond	\$169,062,585	5.1%
Pyramis Equity	\$66,721,836	2.0%
SSgA Multisource Commodity	\$90,480,043	2.8%
The Boston Co	\$123,320,463	3.7%
Treasury & LAIF	\$2,065,481	0.1%
Western Asset	\$124,705,517	3.8%
Total	\$3,289,115,053	

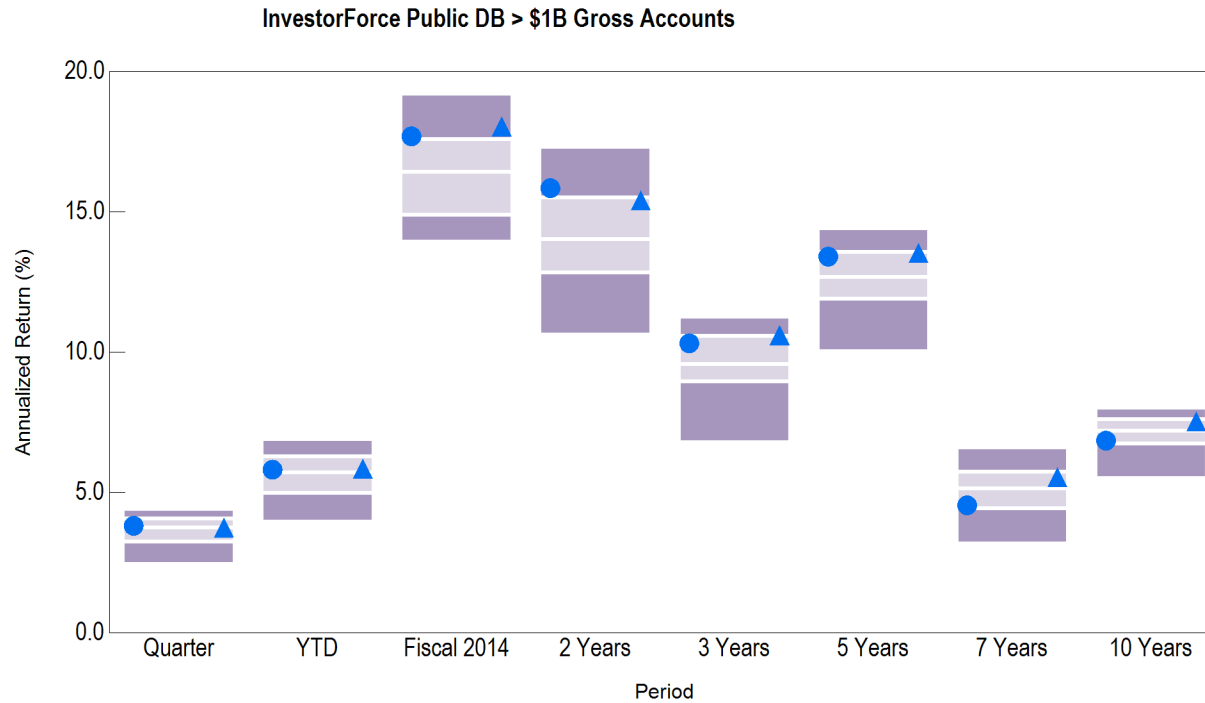
Periods Ending June 30, 2014

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	10.3%	31	8.9%	80	1.2	66	-0.3	36	1.0%	6
Policy Index	10.6%	25	9.2%	85	1.1	67	--	--	0.0%	1
InvestorForce Public DB > \$1B Gross Median	9.6%	--	7.7%	--	1.2	--	-0.5	--	2.0%	--

Statistics Summary**5 Years**

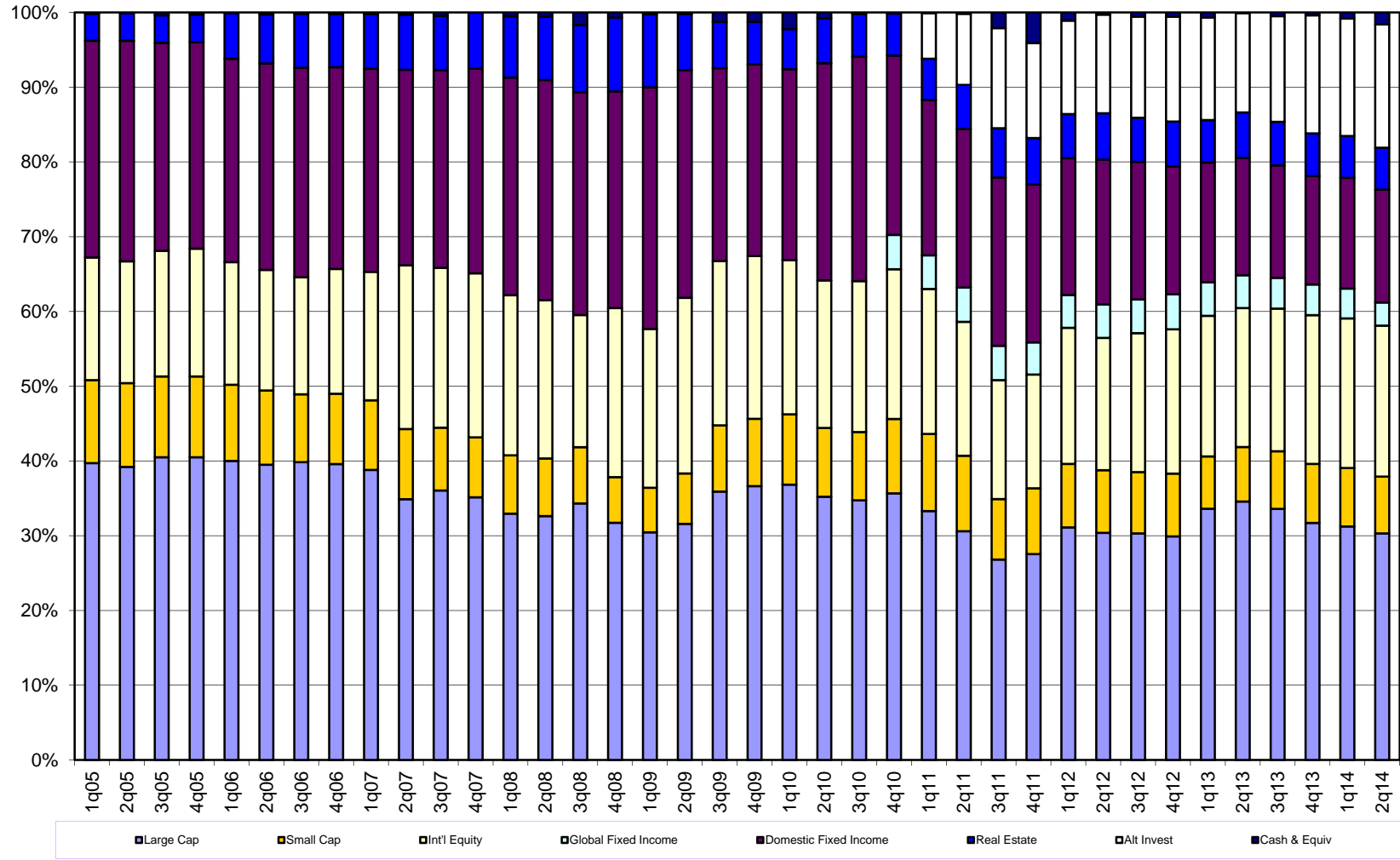
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	13.4%	27	9.5%	80	1.4	77	-0.1	28	1.0%	2
Policy Index	13.5%	26	9.8%	86	1.4	84	--	--	0.0%	1
InvestorForce Public DB > \$1B Gross Median	12.7%	--	8.2%	--	1.5	--	-0.4	--	2.1%	--



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)	4.4	6.9	19.2	17.3	11.3	14.4	6.6	8.0
5th Percentile	4.1	6.3	17.6	15.5	10.6	13.6	5.7	7.6
25th Percentile	3.8	5.7	16.4	14.1	9.6	12.7	5.2	7.2
Median	3.3	5.0	14.9	12.9	9.0	11.9	4.4	6.8
75th Percentile	2.5	4.0	14.0	10.6	6.8	10.1	3.2	5.5
95th Percentile	53	53	52	52	52	52	51	50
# of Portfolios	3.8 (47)	5.8 (43)	17.7 (23)	15.8 (20)	10.3 (31)	13.4 (27)	4.5 (72)	6.8 (70)
● Total Fund	3.7 (53)	5.8 (41)	18.0 (20)	15.4 (27)	10.6 (25)	13.5 (26)	5.5 (32)	7.5 (33)
▲ Policy Index								

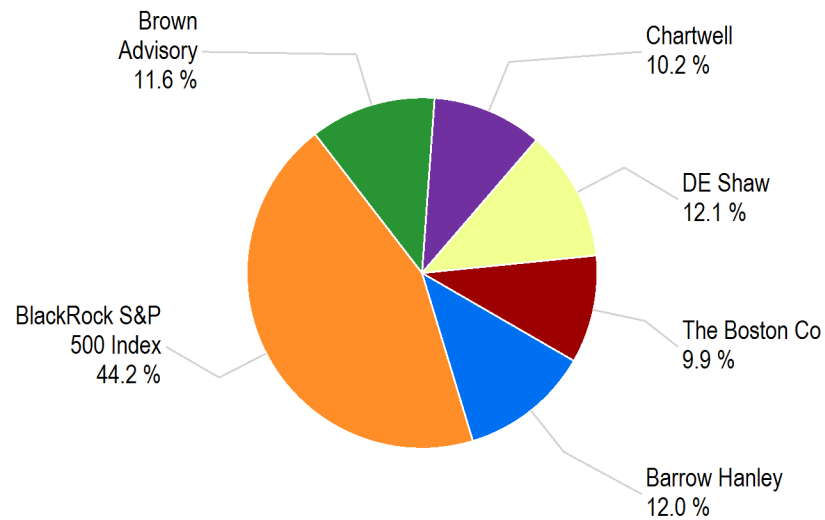
Asset Allocation History - Quarterly

Periods Ending June 30, 2014



Manager Allocation Analysis - US Equity

As of June 30, 2014



	Actual \$	Actual %	Manager Contribution to Excess Return %
Barrow Hanley	\$148,736,808	12.0%	-0.2%
BlackRock S&P 500 Index	\$549,011,960	44.2%	-0.0%
Brown Advisory	\$144,039,563	11.6%	-0.4%
Chartwell	\$126,229,209	10.2%	-0.1%
DE Shaw	\$150,002,672	12.1%	0.0%
The Boston Co	\$123,320,463	9.9%	-0.1%
Actual vs. Policy Weight Difference			-0.0%
Total	\$1,241,340,675	100.0%	-0.7%

Statistics Summary

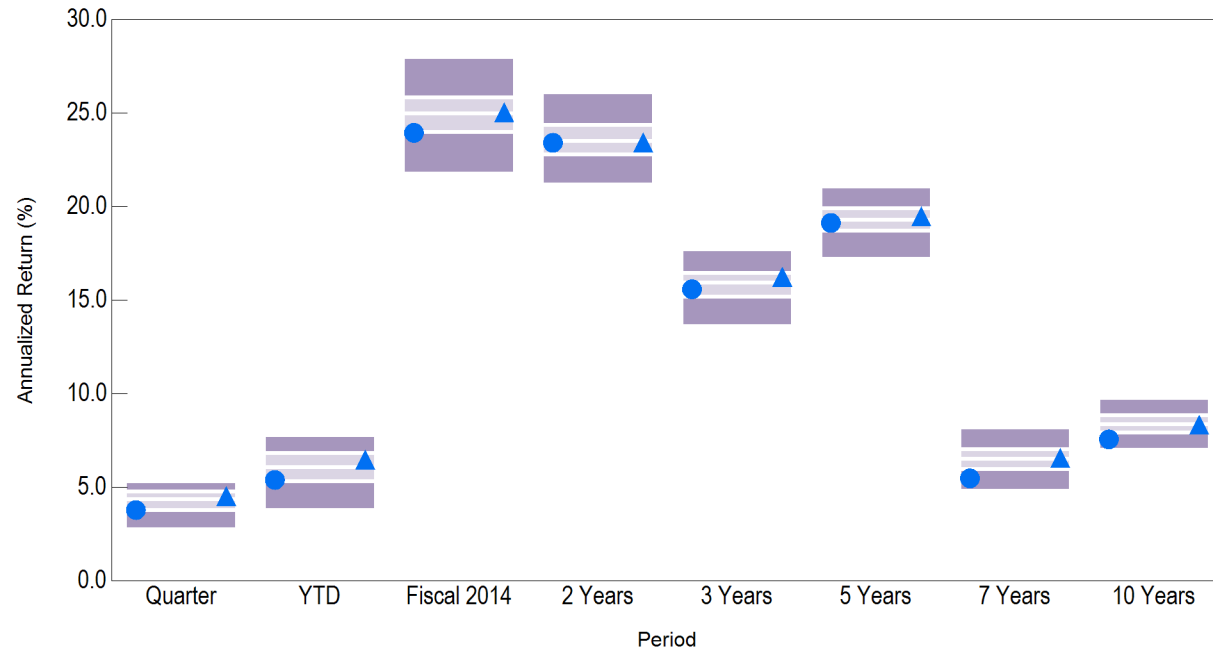
3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	15.6%	13.7%	1.1	-0.6	1.2%
80% R1000/ 20% R2000	16.2%	13.3%	1.2	--	0.0%
Large Cap Equity	15.5%	13.0%	1.2	-1.1	1.1%
Russell 1000	16.6%	12.6%	1.3	--	0.0%
Barrow Hanley	16.6%	13.6%	1.2	-0.1	2.8%
Russell 1000 Value	16.9%	13.0%	1.3	--	0.0%
DE Shaw	17.9%	13.1%	1.4	0.7	1.8%
Russell 1000	16.6%	12.6%	1.3	--	0.0%
Small Cap Equity	16.3%	16.9%	1.0	0.6	3.0%
Russell 2000	14.6%	17.0%	0.9	--	0.0%
The Boston Co	17.8%	16.7%	1.1	1.2	2.7%
Russell 2000 Value	14.6%	16.3%	0.9	--	0.0%
Chartwell	17.1%	18.0%	0.9	0.6	4.4%
Russell 2000 Growth	14.5%	17.9%	0.8	--	0.0%

Statistics Summary**5 Years**

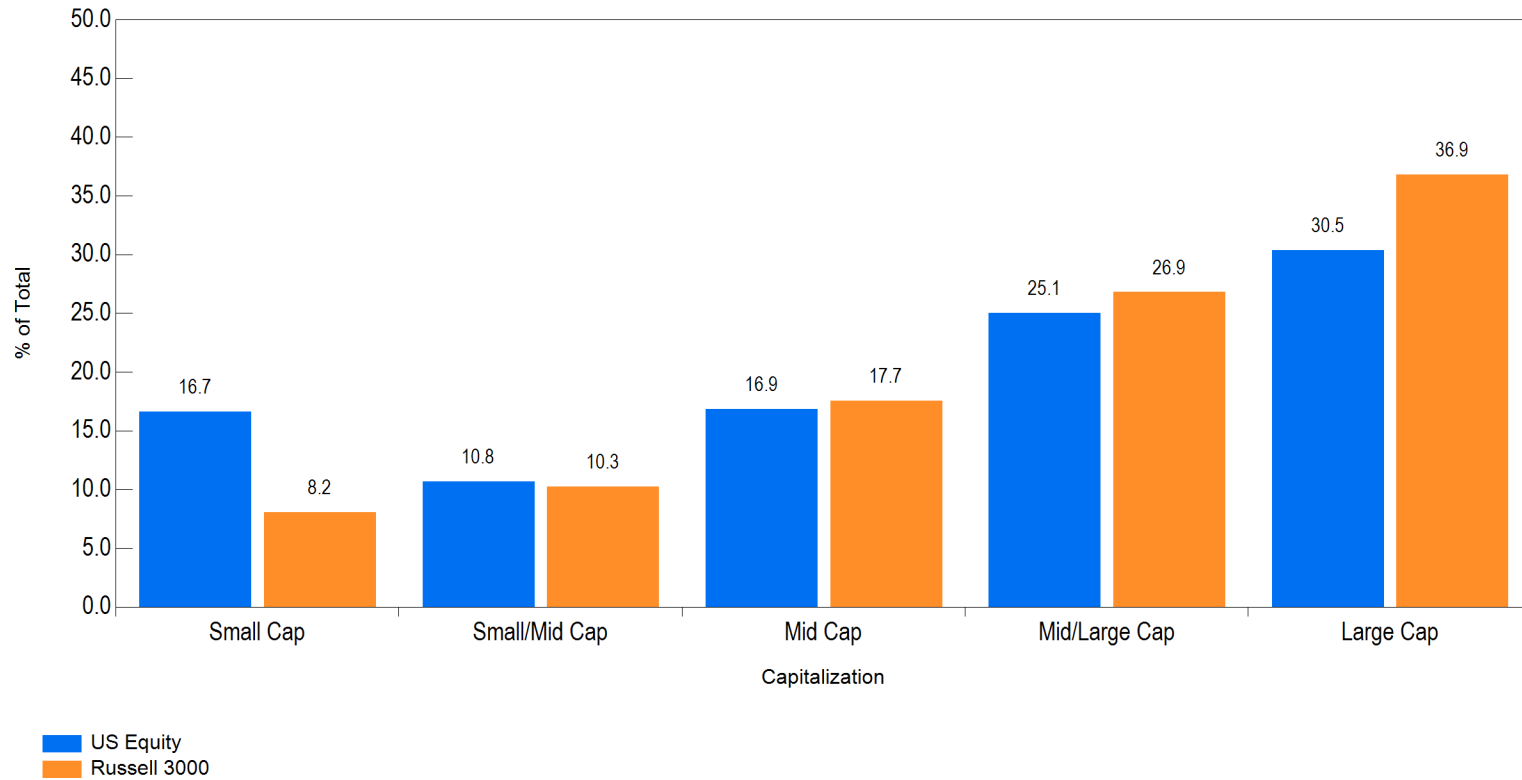
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	19.1%	14.7%	1.3	-0.3	1.0%
80% R1000/ 20% R2000	19.5%	14.4%	1.3	--	0.0%
Large Cap Equity	18.3%	14.1%	1.3	-0.9	1.0%
Russell 1000	19.3%	13.7%	1.4	--	0.0%
Small Cap Equity	22.7%	17.7%	1.3	0.9	2.6%
Russell 2000	20.2%	18.2%	1.1	--	0.0%
Chartwell	24.0%	18.8%	1.3	0.8	4.2%
Russell 2000 Growth	20.5%	18.7%	1.1	--	0.0%

InvestorForce All DB US Eq Gross Accounts



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	5.3	7.8	28.0	26.1	17.7	21.1	8.2	9.8
25th Percentile	4.8	6.9	25.9	24.4	16.5	19.9	7.1	8.9
Median	4.4	6.1	25.0	23.5	16.0	19.3	6.5	8.4
75th Percentile	3.8	5.4	24.0	22.8	15.2	18.7	6.0	7.9
95th Percentile	2.8	3.8	21.8	21.2	13.6	17.2	4.8	7.0
# of Portfolios	604	602	599	582	545	450	424	339
● US Equity	3.8 (76)	5.4 (74)	24.0 (77)	23.4 (54)	15.6 (64)	19.1 (64)	5.5 (88)	7.6 (88)
▲ 80% R1000/ 20% R2000	4.5 (42)	6.5 (37)	25.1 (49)	23.4 (53)	16.2 (38)	19.5 (42)	6.6 (49)	8.3 (56)

Market Capitalization as of June 30, 2014



See appendix for the market capitalization breakpoints.

Equity Only Summary Statistics - US Equity

Quarter Ending June 30, 2014

Characteristics

	Portfolio	Russell 3000
Number of Holdings	983	3,000
Weighted Avg. Market Cap. (\$B)	79.5	95.9
Median Market Cap. (\$B)	12.7	1.4
Price To Earnings	23.0	21.3
Price To Book	4.0	3.7
Price To Sales	3.1	3.0
Return on Equity (%)	18.2	17.2
Yield (%)	1.7	1.8
Beta (holdings; domestic)	1.2	1.1

Top Holdings

APPLE	2.1%
JOHNSON & JOHNSON	1.3%
EXXON MOBIL	1.2%
SCHLUMBERGER	1.1%
GENERAL ELECTRIC	1.0%
MICROSOFT	1.0%
GILEAD SCIENCES	0.9%
CITIGROUP	0.9%
WELLS FARGO & CO	0.9%
QUALCOMM	0.9%

Best Performers

	Return %
IDENIX PHARMACEUTICALS (IDIX)	299.7%
ACHILLION PHARMS. (ACHN)	130.1%
HILLSHIRE BRANDS (HSH)	67.8%
GERON (GERN)	53.6%
AKORN (AKRX)	51.1%
WILLIAMS (WMB)	44.7%
NEWFIELD EXPLORATION (NFX)	40.9%
MICRON TECHNOLOGY (MU)	39.3%
OFFICE DEPOT (ODP)	37.8%
ALLERGAN (AGN)	36.4%

Worst Performers

	Return %
FURNITURE BRANDS INTL. (FBNIQ)	-76.7%
IMPERVA (IMPV)	-53.0%
BANCORP (TBBK)	-36.7%
COACH (COH)	-30.6%
AEGERION PHARMS. (AEGR)	-30.5%
ZOGENIX (ZGNX)	-29.3%
BIOTELEMETRY (BEAT)	-28.9%
ELIZABETH ARDEN (RDEN)	-27.4%
AUXILIUM PHARMS. (AUXL)	-26.2%
CLIFFS NATURAL RESOURCES (CLF)	-25.8%

Equity Sector Attribution - US Equity

Quarter Ending June 30, 2014

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%	-0.1%	0.0%	11.5%	12.2%	8.6%	9.3%			
Materials	0.0%	0.0%	0.0%	0.0%	3.9%	5.1%	3.6%	3.8%			
Industrials	-0.1%	0.0%	0.0%	0.0%	3.0%	3.4%	12.8%	11.5%			
Cons. Disc.	0.0%	0.0%	0.0%	0.0%	3.2%	3.2%	13.2%	12.9%			
Cons. Staples	0.0%	-0.1%	0.0%	0.0%	4.0%	4.7%	7.1%	8.3%			
Health Care	-0.2%	-0.1%	0.0%	0.0%	3.2%	4.2%	14.2%	13.0%			
Financials	-0.2%	-0.2%	0.0%	0.0%	1.3%	2.4%	17.2%	17.6%			
Info. Tech	-0.3%	-0.3%	0.0%	0.0%	4.3%	5.7%	18.9%	18.2%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	2.4%	3.9%	1.8%	2.2%			
Utilities	0.0%	0.0%	0.0%	0.0%	8.2%	7.8%	1.9%	3.1%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.8%	0.0%			
Portfolio	-1.0%	=	-0.8%	+	-0.1%	+	0.0%	3.9%	4.9%	100.0%	100.0%

US Effective Style Map



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

Quarter Ending June 30, 2014

Characteristics

	Portfolio	Russell 1000
Number of Holdings	800	1,027
Weighted Avg. Market Cap. (\$B)	98.6	104.1
Median Market Cap. (\$B)	15.1	7.6
Price To Earnings	21.7	21.0
Price To Book	4.2	3.8
Price To Sales	3.1	2.9
Return on Equity (%)	19.2	18.0
Yield (%)	1.8	1.9
Beta (holdings; domestic)	1.1	1.1

Top Holdings

APPLE	2.6%
JOHNSON & JOHNSON	1.6%
EXXON MOBIL	1.5%
SCHLUMBERGER	1.4%
GENERAL ELECTRIC	1.3%
MICROSOFT	1.3%
GILEAD SCIENCES	1.2%
CITIGROUP	1.1%
WELLS FARGO & CO	1.1%
QUALCOMM	1.1%

Best Performers

	Return %
IDENIX PHARMACEUTICALS (IDIX)	299.7%
ACHILLION PHARMS. (ACHN)	130.1%
HILLSHIRE BRANDS (HSH)	67.8%
GERON (GERN)	53.6%
WILLIAMS (WMB)	44.7%
NEWFIELD EXPLORATION (NFX)	40.9%
MICRON TECHNOLOGY (MU)	39.3%
ALLERGAN (AGN)	36.4%
PEPCO HOLDINGS (POM)	35.5%
VERTEX PHARMS. (VRTX)	33.9%

Worst Performers

	Return %
FURNITURE BRANDS INTL. (FBNIQ)	-76.7%
COACH (COH)	-30.6%
ZOGENIX (ZGNX)	-29.3%
BIOTELEMETRY (BEAT)	-28.9%
AUXILIUM PHARMS. (AUXL)	-26.2%
CLIFFS NATURAL RESOURCES (CLF)	-25.8%
ZYNGA 'A' (ZNGA)	-25.3%
USEC (USU)	-24.6%
ARQULE (ARQL)	-24.4%
WHOLE FOODS MARKET (WFM)	-23.6%

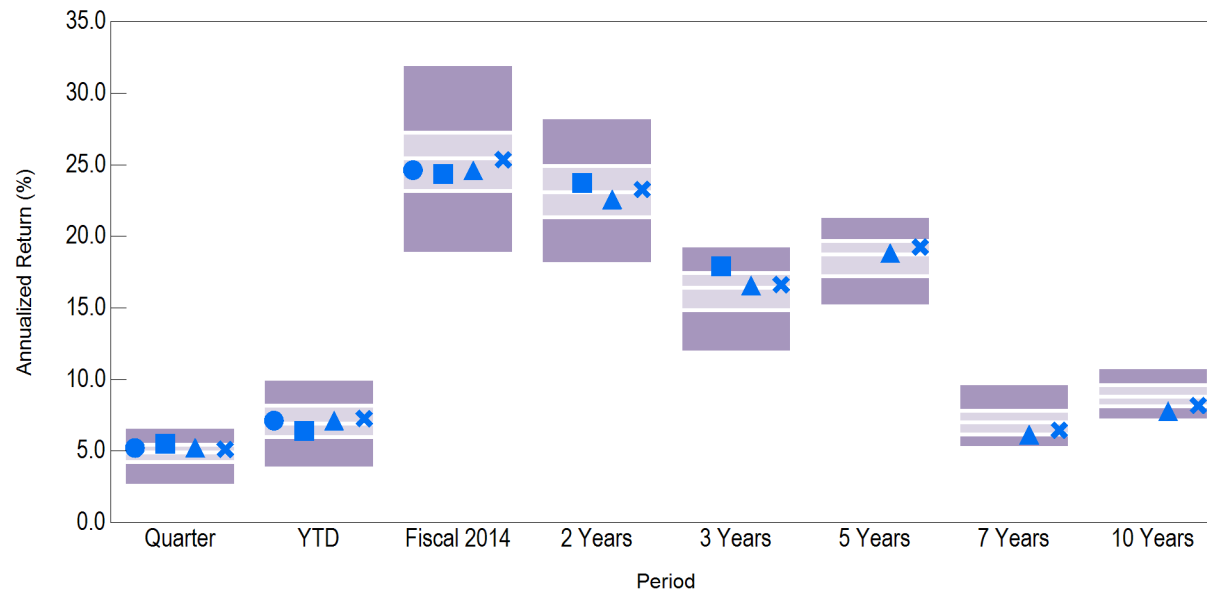
Equity Sector Attribution - Large Cap Equity

Quarter Ending June 30, 2014

Large Cap Equity Performance Attribution vs. Russell 1000

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.0%	0.0%	0.0%	0.0%	12.0%	12.3%	9.3%	9.6%			
Materials	-0.1%	-0.1%	0.0%	0.0%	4.1%	5.5%	3.8%	3.8%			
Industrials	0.0%	0.0%	0.0%	0.0%	3.6%	3.8%	12.2%	11.3%			
Cons. Disc.	0.1%	0.1%	0.0%	0.0%	3.7%	3.3%	12.3%	12.9%			
Cons. Staples	-0.1%	-0.1%	0.0%	0.0%	4.2%	4.9%	8.6%	8.7%			
Health Care	-0.2%	-0.1%	0.0%	0.0%	3.5%	4.6%	14.5%	13.0%			
Financials	-0.2%	-0.2%	0.0%	0.0%	1.2%	2.5%	16.5%	17.1%			
Info. Tech	-0.1%	-0.1%	0.0%	0.0%	5.7%	6.0%	18.2%	18.2%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	3.1%	4.1%	2.2%	2.4%			
Utilities	0.0%	0.0%	0.0%	0.0%	8.0%	7.7%	1.9%	3.1%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.7%	0.0%			
Portfolio	-0.6%	=	-0.5%	+	-0.1%	+	0.0%	4.5%	5.1%	100.0%	100.0%

eA US Large Cap Core Equity Gross Accounts



	Quarter		YTD		Fiscal 2014		2 Years		3 Years		5 Years		7 Years		10 Years	
Return (Rank)																
5th Percentile	6.7	10.0	32.0	28.3	19.3	21.4	9.7	10.9								
25th Percentile	5.5	8.2	27.2	25.0	17.5	19.7	7.8	9.6								
Median	4.9	6.9	25.5	23.1	16.4	18.7	7.0	8.8								
75th Percentile	4.3	6.0	23.2	21.3	14.9	17.2	6.2	8.1								
95th Percentile	2.6	3.8	18.8	18.1	11.9	15.1	5.3	7.2								
# of Portfolios	262	262	262	260	257	245	228	189								
● BlackRock S&P 500 Index	5.2 (35)	7.1 (47)	24.6 (60)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								
■ DE Shaw	5.5 (25)	6.4 (68)	24.4 (63)	23.7 (42)	17.9 (20)	-- (--)	-- (--)	-- (--)								
▲ S&P 500	5.2 (33)	7.1 (46)	24.6 (60)	22.6 (60)	16.6 (48)	18.8 (48)	6.2 (77)	7.8 (87)								
× Russell 1000	5.1 (39)	7.3 (43)	25.4 (52)	23.3 (47)	16.6 (46)	19.3 (37)	6.5 (69)	8.2 (72)								

Equity Only Summary Statistics - BlackRock S&P 500 Index

Quarter Ending June 30, 2014

Characteristics

	Portfolio	S&P 500
Number of Holdings	502	501
Weighted Avg. Market Cap. (\$B)	118.1	118.1
Median Market Cap. (\$B)	17.5	17.5
Price To Earnings	21.5	20.4
Price To Book	4.2	3.9
Price To Sales	3.0	2.7
Return on Equity (%)	20.0	18.8
Yield (%)	2.0	2.0
Beta (holdings; domestic)	1.1	1.1

Top Holdings

APPLE	3.2%
EXXON MOBIL	2.5%
MICROSOFT	1.8%
JOHNSON & JOHNSON	1.7%
GENERAL ELECTRIC	1.5%
WELLS FARGO & CO	1.4%
CHEVRON	1.4%
BERKSHIRE HATHAWAY 'B'	1.3%
JP MORGAN CHASE & CO.	1.3%
PROCTER & GAMBLE	1.2%

Best Performers

	Return %
WILLIAMS (WMB)	44.7%
NEWFIELD EXPLORATION (NFX)	40.9%
MICRON TECHNOLOGY (MU)	39.3%
ALLERGAN (AGN)	36.4%
PEPCO HOLDINGS (POM)	35.5%
VERTEX PHARMS. (VRTX)	33.9%
IRON MOUNTAIN (IRM)	29.7%
ANADARKO PETROLEUM (APC)	29.5%
SANDISK (SNDK)	29.0%
MOLSON COORS BREWING 'B' (TAP)	26.7%

Worst Performers

	Return %
COACH (COH)	-30.6%
CLIFFS NATURAL RESOURCES (CLF)	-25.8%
WHOLE FOODS MARKET (WFM)	-23.6%
TERADATA (TDC)	-18.3%
BED BATH & BEYOND (BBBY)	-16.6%
JACOBS ENGR. (JEC)	-16.1%
TYSON FOODS 'A' (TSN)	-14.5%
TRACTOR SUPPLY (TSCO)	-14.3%
PETSMART (PETM)	-13.0%
XILINX (XLNX)	-12.3%

Characteristics

	Portfolio	Russell 1000
Number of Holdings	783	1,027
Weighted Avg. Market Cap. (\$B)	84.5	104.1
Median Market Cap. (\$B)	12.8	7.6
Price To Earnings	21.1	21.0
Price To Book	4.1	3.8
Price To Sales	3.0	2.9
Return on Equity (%)	18.7	18.0
Yield (%)	1.7	1.9
Beta (holdings; domestic)	1.2	1.1

Top Holdings

GENERAL ELECTRIC	2.8%
JOHNSON & JOHNSON	2.7%
CITIGROUP	2.2%
MERCK & COMPANY	2.1%
OCCIDENTAL PTL.	2.0%
AT&T	1.9%
APPLE	1.8%
AMERICAN INTL.GP.	1.7%
PROCTER & GAMBLE	1.6%
PHILIP MORRIS INTL.	1.5%

Best Performers

	Return %
IDENIX PHARMACEUTICALS (IDIX)	299.7%
ACHILLION PHARMS. (ACHN)	130.1%
HILLSHIRE BRANDS (HSH)	67.8%
GERON (GERN)	53.6%
WILLIAMS (WMB)	44.7%
NEWFIELD EXPLORATION (NFX)	40.9%
MICRON TECHNOLOGY (MU)	39.3%
ALLERGAN (AGN)	36.4%
PEPCO HOLDINGS (POM)	35.5%
VERTEX PHARMS. (VRTX)	33.9%

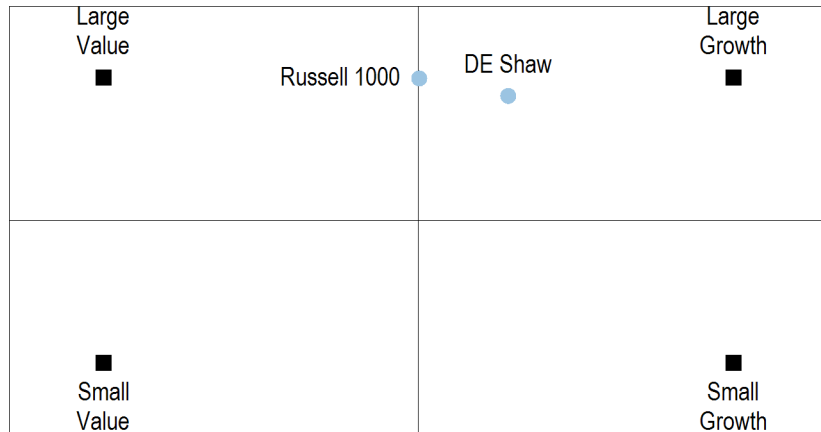
Worst Performers

	Return %
FURNITURE BRANDS INTL. (FBNIQ)	-76.7%
COACH (COH)	-30.6%
ZOGENIX (ZGNX)	-29.3%
BIOTELEMETRY (BEAT)	-28.9%
AUXILIUM PHARMS. (AUXL)	-26.2%
CLIFFS NATURAL RESOURCES (CLF)	-25.8%
ZYNGA 'A' (ZNGA)	-25.3%
USEC (USU)	-24.6%
ARQULE (ARQL)	-24.4%
WHOLE FOODS MARKET (WFM)	-23.6%

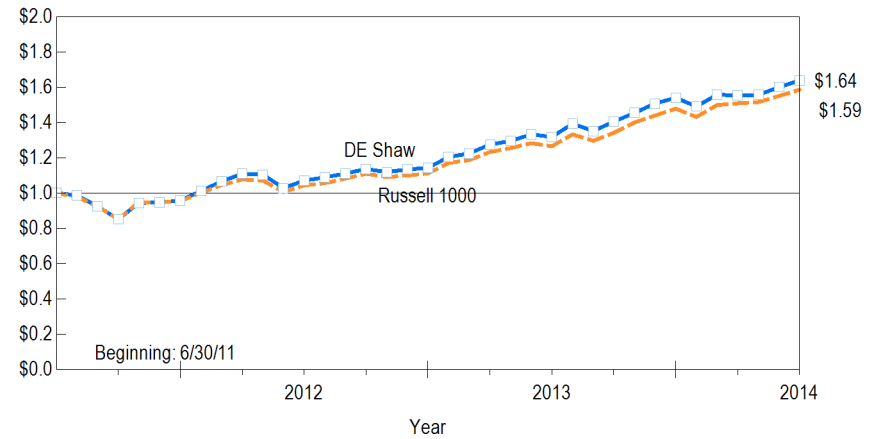
DE Shaw Performance Attribution vs. Russell 1000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.2%	0.1%	-0.3%	0.0%	13.3%	12.3%	6.1%	9.6%			
Materials	0.1%	0.1%	0.0%	0.0%	7.2%	5.5%	5.1%	3.8%			
Industrials	0.2%	0.2%	0.0%	0.0%	5.4%	3.8%	13.7%	11.3%			
Cons. Disc.	0.2%	0.2%	-0.1%	0.1%	5.0%	3.3%	18.4%	12.9%			
Cons. Staples	0.2%	0.2%	0.0%	-0.1%	7.2%	4.9%	6.2%	8.7%			
Health Care	0.3%	0.2%	0.0%	0.0%	6.3%	4.6%	15.5%	13.0%			
Financials	-0.5%	-0.5%	0.0%	0.0%	-0.2%	2.5%	17.8%	17.1%			
Info. Tech	0.1%	0.2%	0.0%	0.0%	6.9%	6.0%	13.4%	18.2%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	3.0%	4.1%	2.9%	2.4%			
Utilities	0.0%	0.1%	-0.1%	-0.1%	11.0%	7.7%	1.0%	3.1%			
Cash	0.0%	--	--	--	--	--	0.0%	0.0%			
Portfolio	0.2%	=	0.8%	+	-0.5%	+	0.0%	5.3%	5.1%	100.0%	100.0%

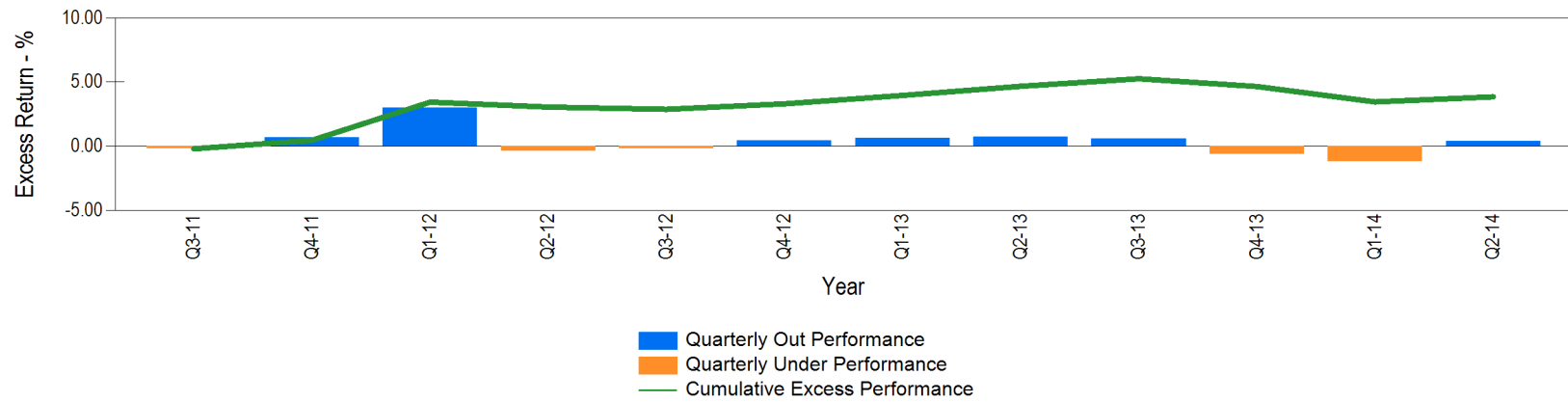
US Effective Style Map



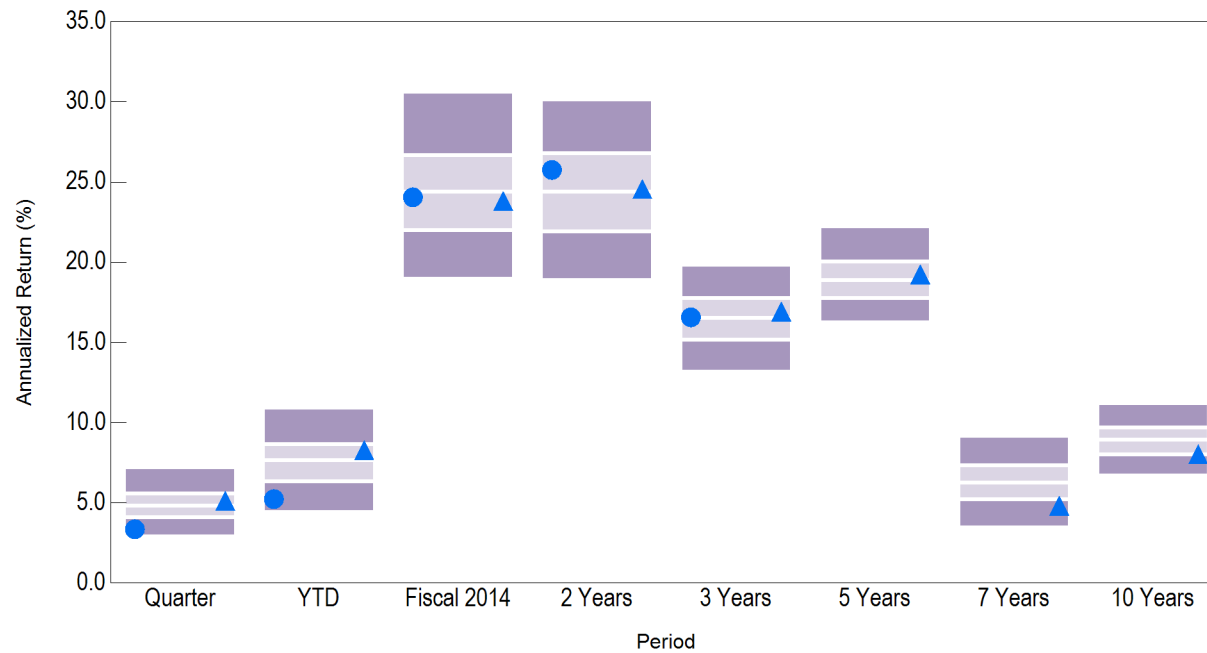
Growth of a Dollar



Quarterly and Cumulative Excess Performance



eA US Large Cap Value Equity Gross Accounts



	Quarter		YTD		Fiscal 2014		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	7.2	10.9	30.6	30.1	19.8	22.2	9.1	11.2								
25th Percentile	5.6	8.7	26.7	26.8	17.8	20.0	7.4	9.7								
Median	4.8	7.7	24.4	24.4	16.5	18.9	6.3	9.0								
75th Percentile	4.1	6.4	22.0	21.9	15.2	17.8	5.2	8.0								
95th Percentile	2.9	4.4	19.0	18.9	13.2	16.3	3.5	6.7								
# of Portfolios	313	313	313	312	309	299	282	244								
Barrow Hanley	3.3 (90)	5.2 (91)	24.0 (54)	25.8 (36)	16.6 (50)	-- (--)	-- (--)	-- (--)								
Russell 1000 Value	5.1 (42)	8.3 (35)	23.8 (55)	24.6 (49)	16.9 (41)	19.2 (43)	4.8 (84)	8.0 (75)								

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

Quarter Ending June 30, 2014

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	76	685
Weighted Avg. Market Cap. (\$B)	68.5	106.1
Median Market Cap. (\$B)	33.2	7.1
Price To Earnings	18.5	18.6
Price To Book	2.4	2.3
Price To Sales	2.2	2.2
Return on Equity (%)	15.7	13.4
Yield (%)	2.4	2.3
Beta (holdings; domestic)	1.2	1.1

Top Holdings

CAPITAL ONE FINL.	2.8%
CITIGROUP	2.4%
WELLS FARGO & CO	2.1%
HANESBRANDS	2.1%
BANK OF AMERICA	2.0%
JP MORGAN CHASE & CO.	1.9%
DELPHI AUTOMOTIVE	1.8%
MEDTRONIC	1.7%
OMNICARE	1.7%
CONOCOPHILLIPS	1.7%

Best Performers

	Return %
HANESBRANDS (HBI)	29.2%
CONOCOPHILLIPS (COP)	22.9%
NATIONAL OILWELL VARCO (NOV)	18.1%
SEADRILL (NYS) (SDRL)	16.6%
INTERNATIONAL GAME TECH. (IGT)	13.9%
ALTRIA GROUP (MO)	13.4%
FAIRCHILD SEMICON.INTL. 'A' (FCS)	13.1%
MARATHON OIL (MRO)	13.0%
ITT (ITT)	12.8%
OMNICARE (OCR)	11.9%

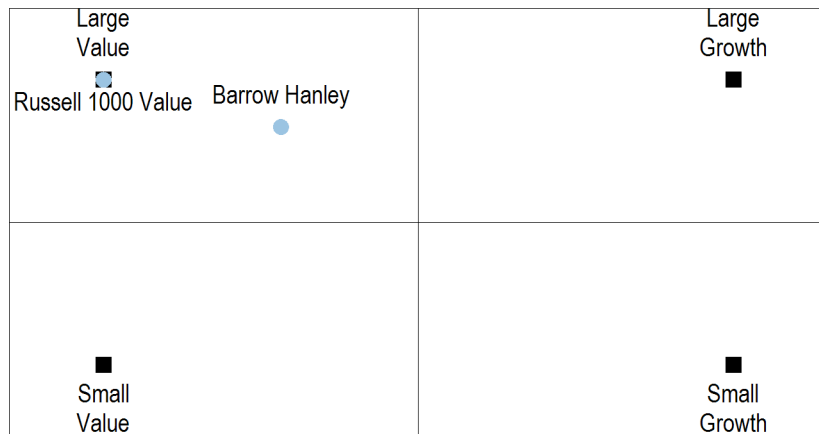
Worst Performers

	Return %
COACH (COH)	-30.6%
BANK OF AMERICA (BAC)	-10.6%
KBR (KBR)	-10.3%
PENTAIR (PNR)	-8.8%
CRH ADR 1:1 (CRH)	-8.3%
E*TRADE FINANCIAL (ETFC)	-7.6%
PFIZER (PFE)	-6.8%
FIRST NIAGARA FINL.GP. (FNFG)	-6.7%
CA (CA)	-6.4%
CIT GROUP (CIT)	-6.4%

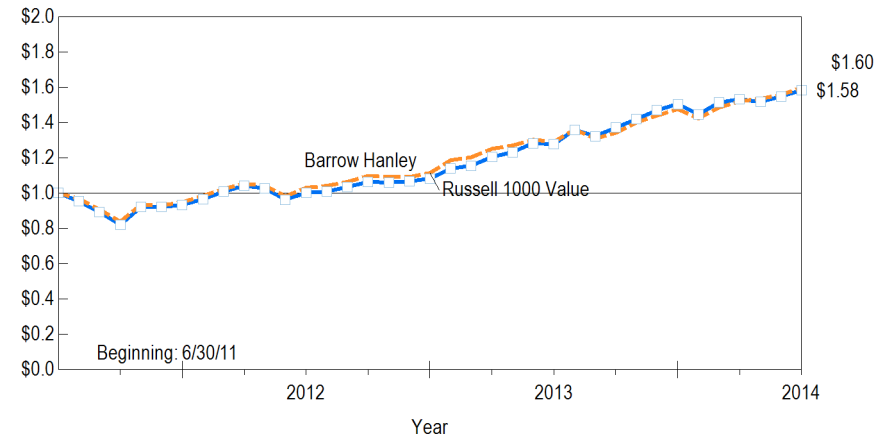
Barrow Hanley Performance Attribution vs. Russell 1000 Value

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.0%	0.7%	-0.3%	-0.3%	15.1%	10.4%	8.1%	14.6%			
Materials	-0.4%	-0.3%	0.0%	-0.1%	-3.3%	5.6%	4.0%	2.9%			
Industrials	-0.4%	-0.2%	-0.1%	-0.1%	2.3%	4.1%	17.0%	10.2%			
Cons. Disc.	0.0%	-0.1%	0.1%	-0.1%	5.3%	6.1%	12.8%	6.4%			
Cons. Staples	0.2%	0.3%	0.1%	-0.1%	6.5%	1.8%	3.7%	5.7%			
Health Care	0.0%	0.0%	0.0%	0.0%	3.7%	3.4%	15.0%	13.6%			
Financials	-0.4%	-0.5%	0.0%	0.0%	0.3%	1.9%	28.1%	29.1%			
Info. Tech	-0.8%	-0.8%	-0.1%	0.1%	2.3%	11.1%	7.8%	8.9%			
Telecomm.	-0.1%	-0.1%	0.0%	0.0%	0.5%	2.9%	2.5%	2.5%			
Utilities	-0.2%	--	-0.2%	--	--	7.9%	0.0%	6.1%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	1.1%	0.0%			
Portfolio	-1.9%	=	-0.8%	+	-0.6%	+	-0.5%	3.2%	5.2%	100.0%	100.0%

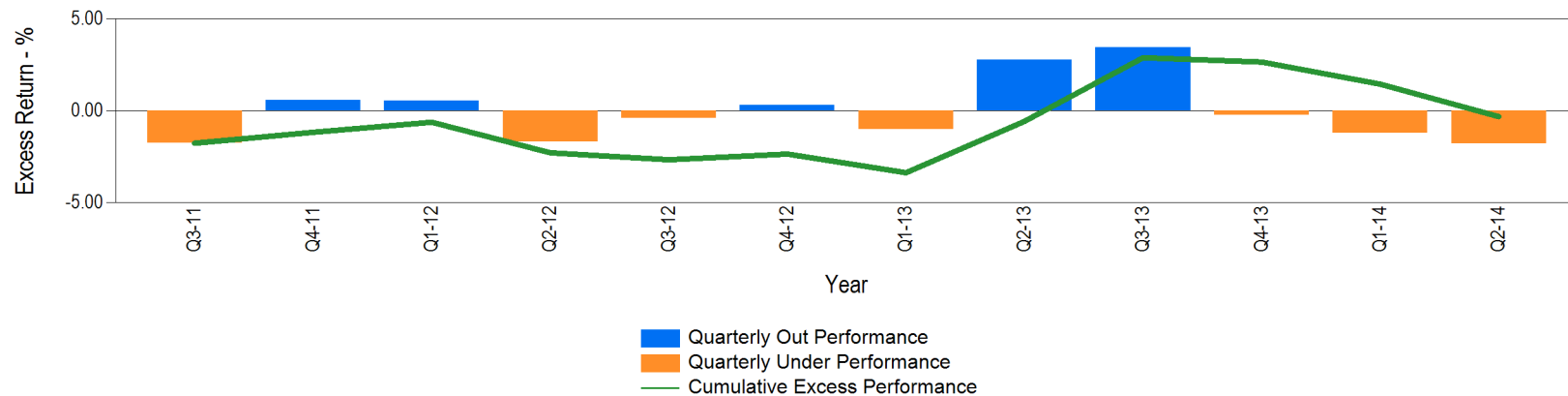
US Effective Style Map



Growth of a Dollar

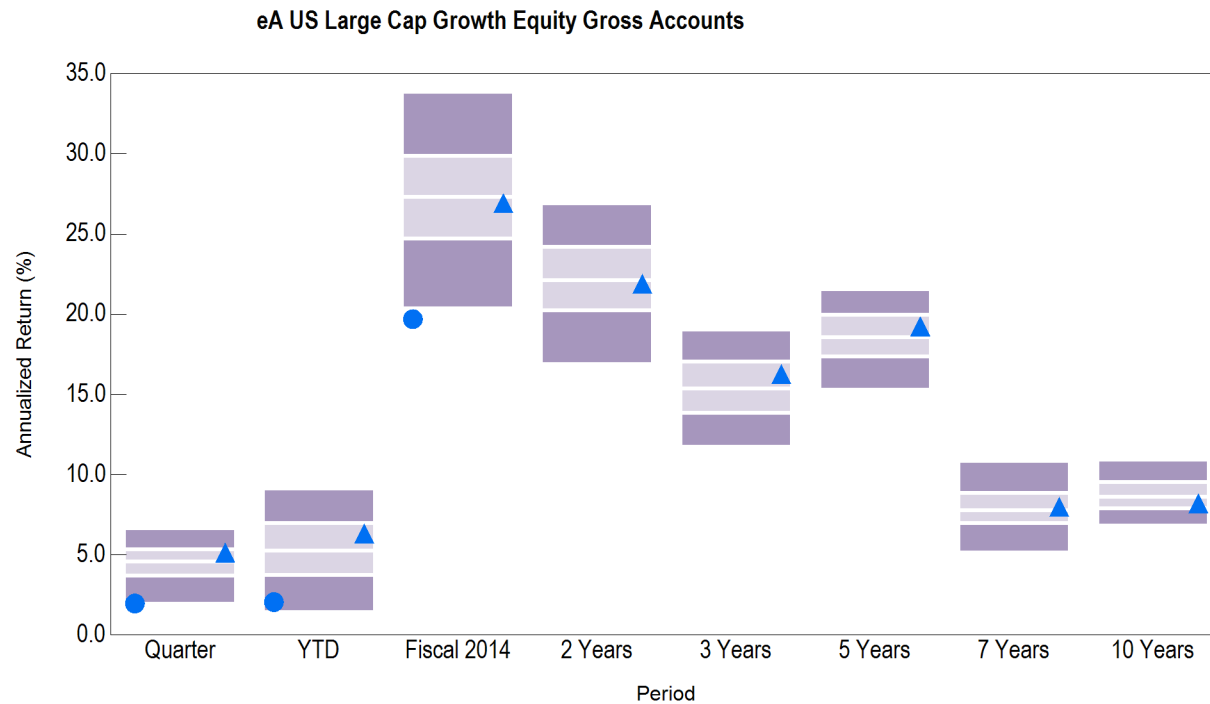


Quarterly and Cumulative Excess Performance



Total Returns - Large Cap Growth Equity

Periods Ending June 30, 2014



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	6.6	9.1	33.9	26.9	19.0	21.6	10.8	10.9
25th Percentile	5.4	7.0	29.9	24.2	17.1	20.0	8.9	9.5
Median	4.6	5.3	27.3	22.2	15.4	18.6	7.8	8.6
75th Percentile	3.7	3.7	24.8	20.3	13.9	17.4	7.0	7.9
95th Percentile	2.0	1.5	20.4	16.9	11.8	15.3	5.1	6.8
# of Portfolios	282	282	282	277	271	260	242	200
● Brown Advisory	1.9 (96)	2.0 (92)	19.7 (97)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Russell 1000 Growth	5.1 (31)	6.3 (35)	26.9 (55)	21.9 (57)	16.3 (38)	19.2 (35)	8.0 (45)	8.2 (67)

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

Quarter Ending June 30, 2014

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	34	672
Weighted Avg. Market Cap. (\$B)	69.4	102.1
Median Market Cap. (\$B)	18.8	8.6
Price To Earnings	26.3	23.6
Price To Book	7.1	5.8
Price To Sales	4.3	3.7
Return on Equity (%)	20.3	23.8
Yield (%)	0.8	1.5
Beta (holdings; domestic)	1.1	1.1

Top Holdings

SCHLUMBERGER	4.7%
CHARLES SCHWAB	4.3%
QUALCOMM	4.3%
EXPRESS SCRIPTS HOLDING	4.2%
VISA 'A'	3.9%
MEAD JOHNSON NUTRITION	3.8%
STARBUCKS	3.8%
APPLE	3.7%
GILEAD SCIENCES	3.7%
FMC TECHNOLOGIES	3.7%

Best Performers

	Return %
APPLE (AAPL)	21.9%
SCHLUMBERGER (SLB)	21.4%
GILEAD SCIENCES (GILD)	17.0%
FMC TECHNOLOGIES (FTI)	16.8%
NATIONAL INSTS. (NATI)	13.5%
MEAD JOHNSON NUTRITION (MJN)	12.5%
ESTEE LAUDER COS.'A' (EL)	11.3%
ROPER INDS.NEW (ROP)	9.5%
STARBUCKS (SBUX)	5.8%
AMPHENOL 'A' (APH)	5.3%

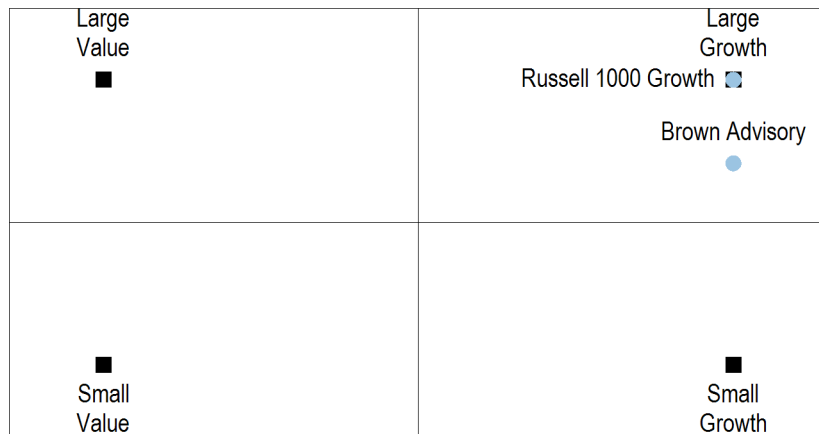
Worst Performers

	Return %
WHOLE FOODS MARKET (WFM)	-23.6%
COVANCE (CVD)	-17.6%
CORE LABORATORIES (CLB)	-15.6%
FOSSIL GROUP (FOSL)	-10.3%
DISCOVERY COMMS.'A' (DISCA)	-10.2%
EXPRESS SCRIPTS HOLDING (ESRX)	-7.7%
INTUITIVE SURGICAL (ISRG)	-6.0%
COGNIZANT TECH.SLTN.'A' (CTSH)	-3.3%
VISA 'A' (V)	-2.2%
ANSYS (ANSS)	-1.6%

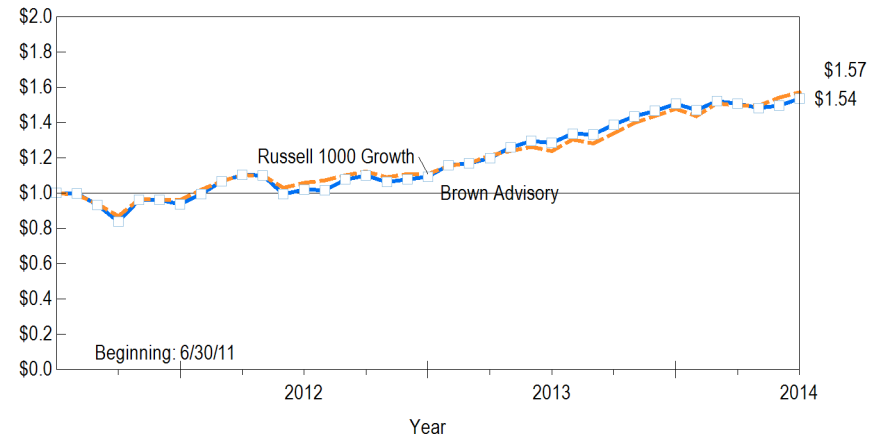
Brown Advisory Performance Attribution vs. Russell 1000 Growth

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.2%	-0.4%	0.7%	-0.5%	8.5%	17.7%	10.4%	4.8%			
Materials	-0.1%	-0.1%	0.0%	0.0%	3.4%	5.4%	3.2%	4.6%			
Industrials	-0.1%	-0.1%	0.0%	0.0%	2.6%	3.5%	11.7%	12.3%			
Cons. Disc.	0.1%	-0.7%	0.3%	0.5%	-1.2%	2.4%	6.3%	19.2%			
Cons. Staples	-0.7%	-0.7%	0.0%	0.0%	0.7%	6.3%	12.0%	11.7%			
Health Care	-1.3%	-1.0%	0.0%	-0.4%	-2.2%	5.9%	17.0%	12.4%			
Financials	-0.3%	-0.4%	0.0%	0.1%	-1.2%	5.4%	3.8%	5.5%			
Info. Tech	-0.2%	-0.1%	0.0%	0.0%	4.0%	4.4%	32.0%	27.2%			
Telecomm.	0.0%	--	0.0%	--	--	5.4%	0.0%	2.2%			
Utilities	0.0%	--	0.0%	--	--	2.6%	0.0%	0.1%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	3.6%	0.0%			
Portfolio	-2.9%	=	-3.5%	+	0.9%	+	-0.3%	2.1%	5.1%	100.0%	100.0%

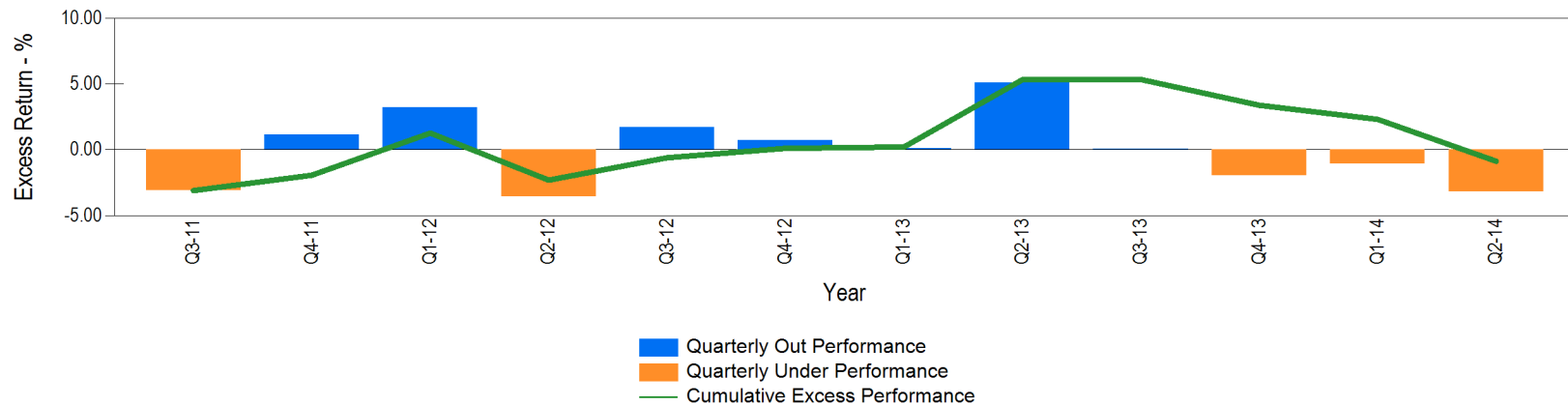
US Effective Style Map



Growth of a Dollar



Quarterly and Cumulative Excess Performance



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

Quarter Ending June 30, 2014

Characteristics

	Portfolio	Russell 2000
Number of Holdings	205	1,973
Weighted Avg. Market Cap. (\$B)	2.1	1.8
Median Market Cap. (\$B)	1.6	0.7
Price To Earnings	29.0	23.9
Price To Book	3.5	3.1
Price To Sales	2.8	2.9
Return on Equity (%)	13.7	10.7
Yield (%)	0.9	1.1
Beta (holdings; domestic)	1.5	1.3

Top Holdings

SYNOVUS FINANCIAL	2.6%
WNS HDG.ADR 1:1	1.4%
RADIAN GP.	1.3%
TRIMAS	1.3%
STEVEN MADDEN	1.3%
BRUNSWICK	1.2%
SIX FLAGS ENTM.	1.2%
AKORN	1.2%
HFF CLASS A	1.1%
PTC	1.1%

Best Performers

	Return %
AKORN (AKRX)	51.1%
OFFICE DEPOT (ODP)	37.8%
PROTECTIVE LIFE (PL)	32.5%
EVERYDAY HEALTH (EVDY)	32.1%
CARRIZO O&G. (CRZO)	29.6%
HANESBRANDS (HBI)	29.2%
GROUP 1 AUTOMOTIVE (GPI)	28.7%
SKECHERS USA 'A' (SKX)	25.1%
HITTITE MICROWAVE (HITT)	24.0%
SYNERGY RESOURCES (SYRG)	23.3%

Worst Performers

	Return %
IMPERVA (IMPV)	-53.0%
BANCORP (TBBK)	-36.7%
AEGERION PHARMS. (AEGR)	-30.5%
ELIZABETH ARDEN (RDEN)	-27.4%
FINISAR (FNSR)	-25.5%
8X8 (EGHT)	-25.3%
INTACT.INTELLIGENCE GP. (ININ)	-22.6%
CALAMP (CAMP)	-22.3%
AEROHIVE NETWORKS (HIVE)	-22.1%
MACROGENICS (MGNX)	-21.9%

Equity Sector Attribution - Small Cap Equity

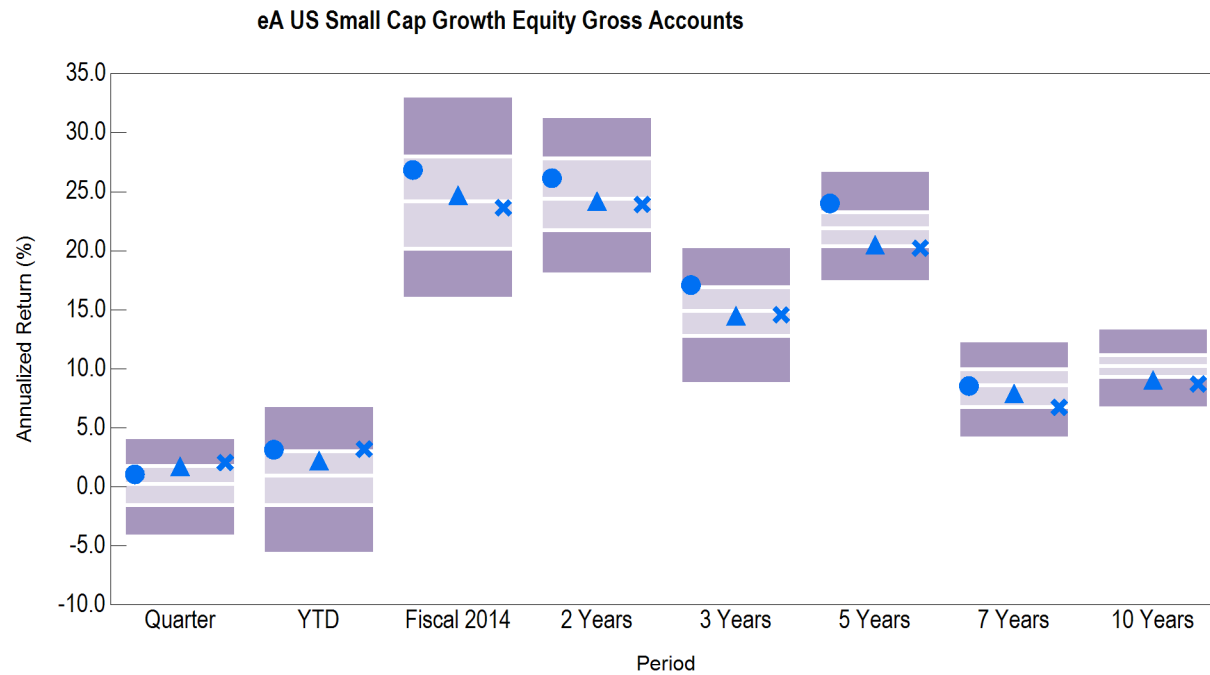
Quarter Ending June 30, 2014

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	-0.2%	-0.2%	0.0%	0.0%	8.0%	11.5%	5.7%	5.6%			
Materials	0.0%	0.1%	0.0%	0.0%	2.7%	1.7%	2.9%	4.9%			
Industrials	0.1%	0.1%	0.0%	0.0%	1.2%	0.2%	15.1%	14.6%			
Cons. Disc.	0.0%	0.0%	0.0%	0.0%	1.6%	1.2%	16.7%	12.9%			
Cons. Staples	0.0%	0.0%	0.0%	0.0%	0.0%	1.1%	1.6%	3.7%			
Health Care	0.2%	0.2%	0.0%	0.0%	1.7%	0.2%	13.4%	13.3%			
Financials	-0.1%	-0.1%	0.0%	0.0%	1.5%	1.9%	19.8%	23.3%			
Info. Tech	-0.4%	-0.3%	0.0%	-0.1%	-0.1%	1.8%	21.6%	17.8%			
Telecomm.	0.0%	-0.2%	0.0%	0.1%	-25.3%	-3.1%	0.2%	0.7%			
Utilities	-0.1%	0.0%	-0.1%	0.0%	8.7%	8.9%	1.9%	3.2%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	1.1%	0.0%			
Portfolio	-0.4%	=	-0.4%	+	-0.1%	+	0.1%	1.6%	2.0%	100.0%	100.0%

Total Returns - Small Cap Growth Equity

Periods Ending June 30, 2014



	Quarter		YTD		Fiscal 2014		2 Years		3 Years		5 Years		7 Years		10 Years		
Return (Rank)	4.2	6.9	33.1	31.4	20.4	26.8	12.4	13.4	1.8	3.0	28.0	27.8	16.9	23.3	10.0	11.2	
5th Percentile	1.8	3.0	28.0	27.8	16.9	23.3	10.0	11.2	0.2	1.0	24.2	24.4	14.9	21.9	8.7	10.2	
25th Percentile	0.2	1.0	24.2	24.4	14.9	21.9	8.7	10.2	-1.5	-1.5	20.2	21.8	12.8	20.4	6.8	9.3	
Median	-1.5	-1.5	20.2	21.8	12.8	20.4	6.8	9.3	-4.2	-5.7	16.0	18.0	8.7	17.4	4.1	6.6	
75th Percentile	-4.2	-5.7	16.0	18.0	8.7	17.4	4.1	6.6	159	159	159	157	156	150	134	119	
95th Percentile	159	159	159	157	156	150	134	119	# of Portfolios	1.0 (37)	3.1 (24)	26.8 (30)	26.1 (38)	17.1 (24)	24.0 (18)	8.5 (53)	-- (--)
Chartwell	1.7 (27)	2.2 (37)	24.7 (46)	24.2 (54)	14.5 (55)	20.5 (73)	7.9 (60)	9.0 (78)	▲ Russell 2000 Growth	2.0 (22)	3.2 (24)	23.6 (55)	23.9 (60)	14.6 (54)	20.2 (77)	6.7 (76)	8.7 (82)
Russell 2000	2.0 (22)	3.2 (24)	23.6 (55)	23.9 (60)	14.6 (54)	20.2 (77)	6.7 (76)	8.7 (82)									

Quarter Ending June 30, 2014

Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	80	1,163
Weighted Avg. Market Cap. (\$B)	2.4	1.9
Median Market Cap. (\$B)	1.9	0.8
Price To Earnings	33.0	28.6
Price To Book	4.6	5.0
Price To Sales	3.3	3.4
Return on Equity (%)	16.6	15.3
Yield (%)	0.5	0.4
Beta (holdings; domestic)	1.6	1.4

Top Holdings

SYNOVUS FINANCIAL	3.2%
WNS HDG.ADR 1:1	2.8%
RADIAN GP.	2.7%
TRIMAS	2.6%
STEVEN MADDEN	2.6%
BRUNSWICK	2.4%
SIX FLAGS ENTM.	2.4%
AKORN	2.3%
HFF CLASS A	2.3%
PTC	2.3%

Best Performers

	Return %
AKORN (AKRX)	51.1%
CARRIZO O&G. (CRZO)	29.6%
HANESBRANDS (HBI)	29.2%
GROUP 1 AUTOMOTIVE (GPI)	28.7%
2U (TWOU)	23.2%
AVIS BUDGET GROUP (CAR)	22.6%
SPANSION 'A' (CODE)	21.0%
KODIAK OIL & GAS (KOG)	19.9%
MOLINA HEALTHCARE (MOH)	18.8%
NETSCOUT SYSTEMS (NTCT)	18.0%

Worst Performers

	Return %
IMPERVA (IMPV)	-53.0%
AEGERION PHARMS. (AEGR)	-30.5%
FINISAR (FNSR)	-25.5%
8X8 (EGHT)	-25.3%
INTACT.INTELLIGENCE GP. (ININ)	-22.6%
CALAMP (CAMP)	-22.3%
MACROGENICS (MGNX)	-21.9%
ADVISORY BOARD (ABCO)	-19.3%
PIER 1 IMPORTS (PIR)	-18.1%
INTER PARFUMS (IPAR)	-18.1%

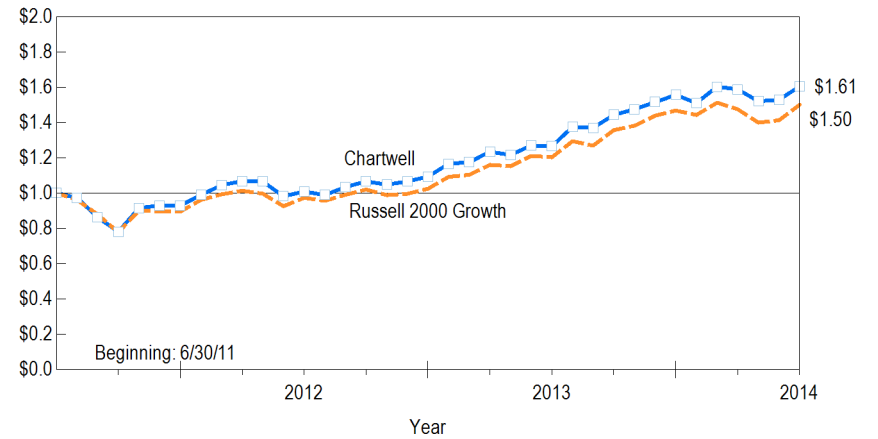
Chartwell Performance Attribution vs. Russell 2000 Growth

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.1%	-0.2%	0.1%	-0.1%	13.0%	19.4%	4.5%	3.7%			
Materials	-0.1%	--	-0.1%	--	--	3.7%	0.0%	5.1%			
Industrials	0.6%	0.6%	0.0%	0.0%	3.0%	-0.6%	15.9%	15.8%			
Cons. Disc.	0.3%	0.3%	0.0%	0.0%	1.5%	-0.1%	17.9%	15.8%			
Cons. Staples	-0.1%	-1.0%	0.0%	0.9%	-18.1%	1.6%	0.5%	4.9%			
Health Care	0.7%	0.8%	0.1%	-0.2%	3.1%	-0.5%	16.5%	21.5%			
Financials	0.0%	-0.1%	0.1%	-0.1%	2.2%	3.1%	14.9%	7.3%			
Info. Tech	-0.5%	-0.5%	0.0%	-0.1%	0.3%	2.2%	28.4%	24.8%			
Telecomm.	-0.1%	-0.2%	0.0%	0.1%	-25.3%	-3.7%	0.4%	0.9%			
Utilities	0.0%	--	0.0%	--	--	4.3%	0.0%	0.1%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	1.0%	0.0%			
Portfolio	0.6%	=	-0.3%	+	0.2%	+	0.7%	2.1%	1.5%	100.0%	100.0%

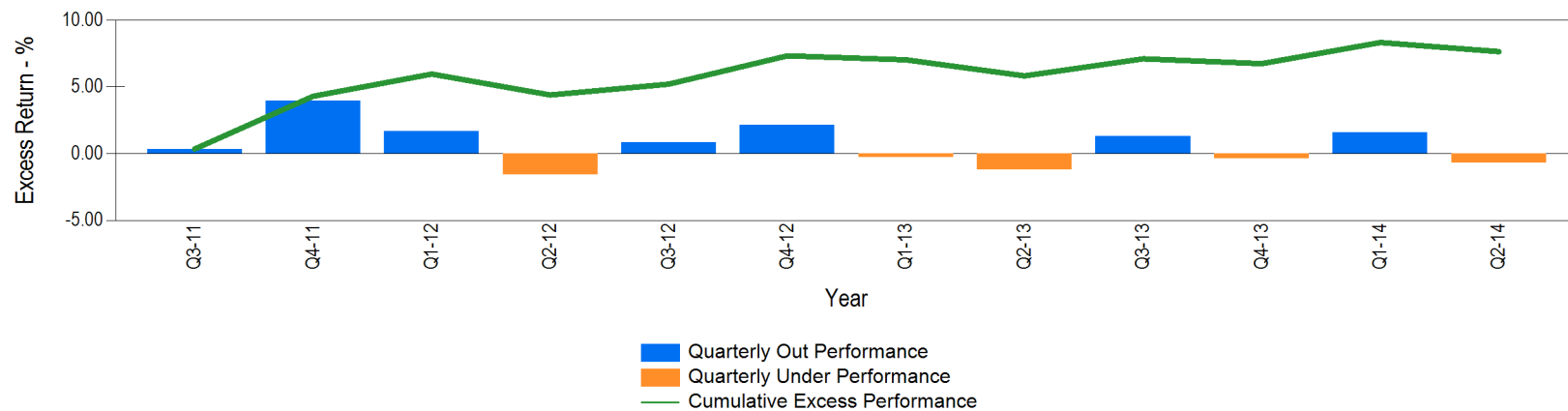
US Effective Style Map



Growth of a Dollar

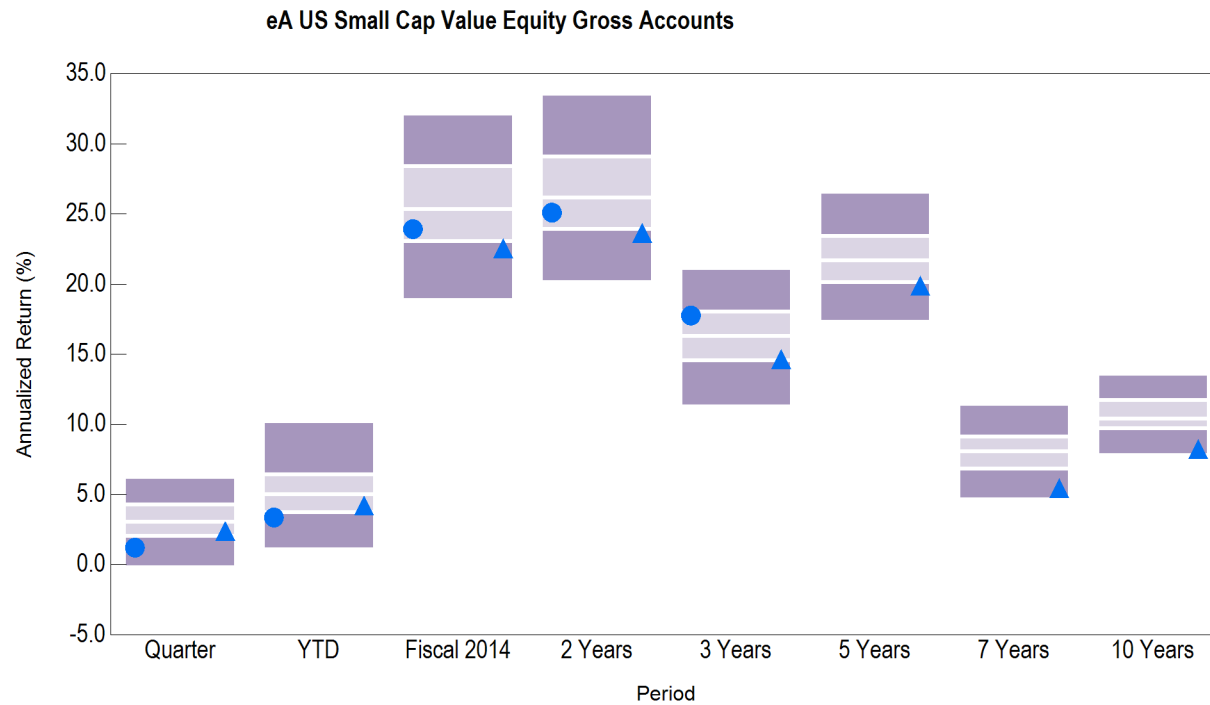


Quarterly and Cumulative Excess Performance



Total Returns - Small Cap Value Equity

Periods Ending June 30, 2014



	Return (Rank)							
5th Percentile	6.2	10.2	32.2	33.5	21.1	26.5	11.4	13.6
25th Percentile	4.3	6.5	28.4	29.1	18.1	23.5	9.1	11.7
Median	3.1	5.1	25.4	26.2	16.4	21.7	8.1	10.4
75th Percentile	2.1	3.8	23.1	23.9	14.6	20.2	6.9	9.7
95th Percentile	-0.2	1.1	18.9	20.2	11.3	17.3	4.7	7.8
# of Portfolios	202	202	202	200	199	192	172	149
● The Boston Co	1.2 (88)	3.4 (81)	23.9 (69)	25.1 (65)	17.8 (32)	-- (--)	-- (--)	-- (--)
▲ Russell 2000 Value	2.4 (68)	4.2 (65)	22.5 (79)	23.6 (77)	14.6 (75)	19.9 (79)	5.5 (91)	8.2 (92)

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

Quarter Ending June 30, 2014

Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	133	1,321
Weighted Avg. Market Cap. (\$B)	1.9	1.7
Median Market Cap. (\$B)	1.5	0.7
Price To Earnings	25.0	20.0
Price To Book	2.5	1.8
Price To Sales	2.2	2.4
Return on Equity (%)	11.1	7.5
Yield (%)	1.3	1.6
Beta (holdings; domestic)	1.3	1.3

Top Holdings

SYNOVUS FINANCIAL	2.0%
NEW YORK TIMES 'A'	1.6%
CORELOGIC	1.6%
KEY ENERGY SVS.	1.5%
HAWAIIAN ELECTRIC INDS.	1.4%
UMB FINANCIAL	1.4%
HANCOCK HOLDING	1.3%
CENTENE	1.3%
PEBBLEBROOK HOTEL TRUST	1.2%
CORPORATE OFFICE PROPS. TST.	1.2%

Best Performers

	Return %
OFFICE DEPOT (ODP)	37.8%
PROTECTIVE LIFE (PL)	32.5%
EVERYDAY HEALTH (EVDY)	32.1%
SKECHERS USA 'A' (SKX)	25.1%
HITTITE MICROWAVE (HITT)	24.0%
SYNERGY RESOURCES (SYRG)	23.3%
CON-WAY (CNW)	23.0%
CENTENE (CNC)	21.5%
SCRIPPS E W 'A' (SSP)	19.4%
STILLWATER MINING (SWC)	18.5%

Worst Performers

	Return %
BANCORP (TBBK)	-36.7%
ELIZABETH ARDEN (RDEN)	-27.4%
AEROHIVE NETWORKS (HIVE)	-22.1%
ADVANCED ENERGY INDS. (AEIS)	-21.4%
AEROVIRONMENT (AVAV)	-21.0%
NEUSTAR 'A' (NSR)	-20.0%
VERA BRADLEY (VRA)	-19.0%
GLOBAL POWER EQU.GROUP (GLPW)	-18.3%
GEOSPACE TECHNOLOGIES (GEOS)	-16.8%
UNITED COMMUNITY BANKS (UCBI)	-15.5%

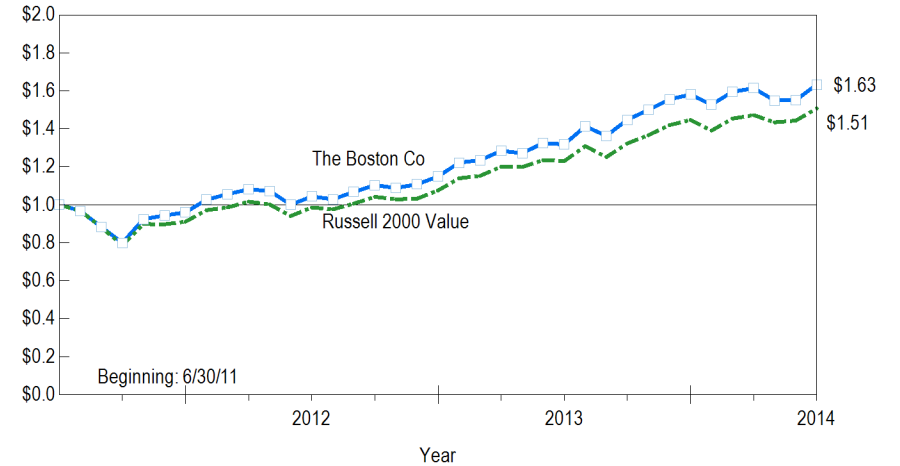
The Boston Co Performance Attribution vs. Russell 2000 Value

	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%	4.7%	7.3%	7.0%	7.5%			
Materials	0.2%	0.2%	0.0%	0.0%	2.7%	-0.7%	6.0%	4.6%			
Industrials	-0.3%	-0.3%	0.0%	0.0%	-0.9%	1.3%	14.2%	13.4%			
Cons. Disc.	-0.2%	-0.2%	0.1%	-0.1%	1.6%	3.4%	15.4%	9.9%			
Cons. Staples	0.1%	0.1%	0.0%	0.0%	3.3%	0.2%	2.7%	2.5%			
Health Care	-0.4%	-0.2%	0.1%	-0.2%	-0.6%	3.5%	10.2%	4.7%			
Financials	0.0%	-0.3%	0.1%	0.1%	1.0%	1.6%	24.8%	40.0%			
Info. Tech	-0.3%	-0.2%	-0.1%	-0.1%	-0.9%	0.8%	14.6%	10.4%			
Telecomm.	0.0%	--	0.0%	--	--	-2.0%	0.0%	0.5%			
Utilities	-0.2%	0.0%	-0.2%	0.0%	8.7%	9.0%	3.9%	6.4%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	1.3%	0.0%			
Portfolio	-1.4%	=	-1.1%	+	-0.1%	+	-0.2%	1.1%	2.5%	100.0%	100.0%

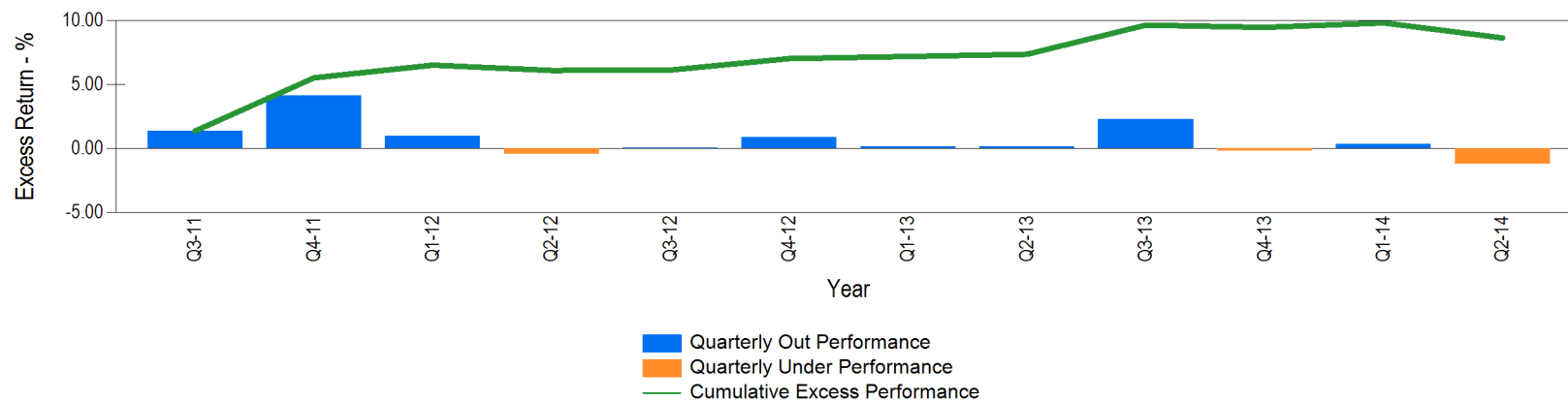
US Effective Style Map



Growth of a Dollar

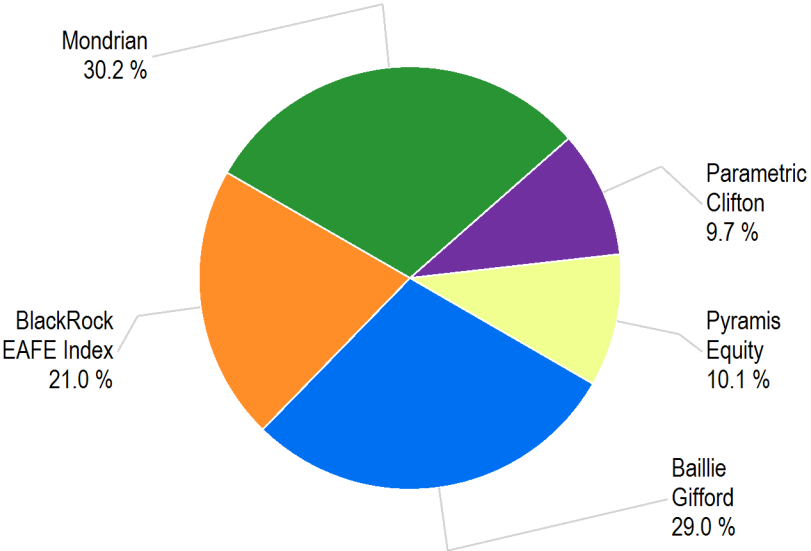


Quarterly and Cumulative Excess Performance



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

As of June 30, 2014



	Actual \$	Actual %	Manager Contribution to Excess Return %
Artio	\$22,198	0.0%	0.0%
Baillie Gifford	\$190,694,017	29.0%	-0.7%
BlackRock EAFE Index	\$138,418,026	21.0%	0.0%
Mondrian	\$198,978,532	30.2%	0.1%
Parametric Clifton	\$63,727,909	9.7%	-0.0%
Pyramis Int'l Equity	\$66,721,836	10.1%	0.0%
Actual vs. Policy Weight Difference			0.1%
Total	\$658,562,517	100.0%	-0.5%

Statistics Summary**3 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	6.5%	15.4%	0.4	0.1	2.3%
MSCI ACWI ex US IMI	6.3%	16.5%	0.4	--	0.0%
Mondrian	8.2%	14.4%	0.6	0.3	4.6%
MSCI ACWI ex USA Value Gross	6.6%	16.9%	0.4	--	0.0%

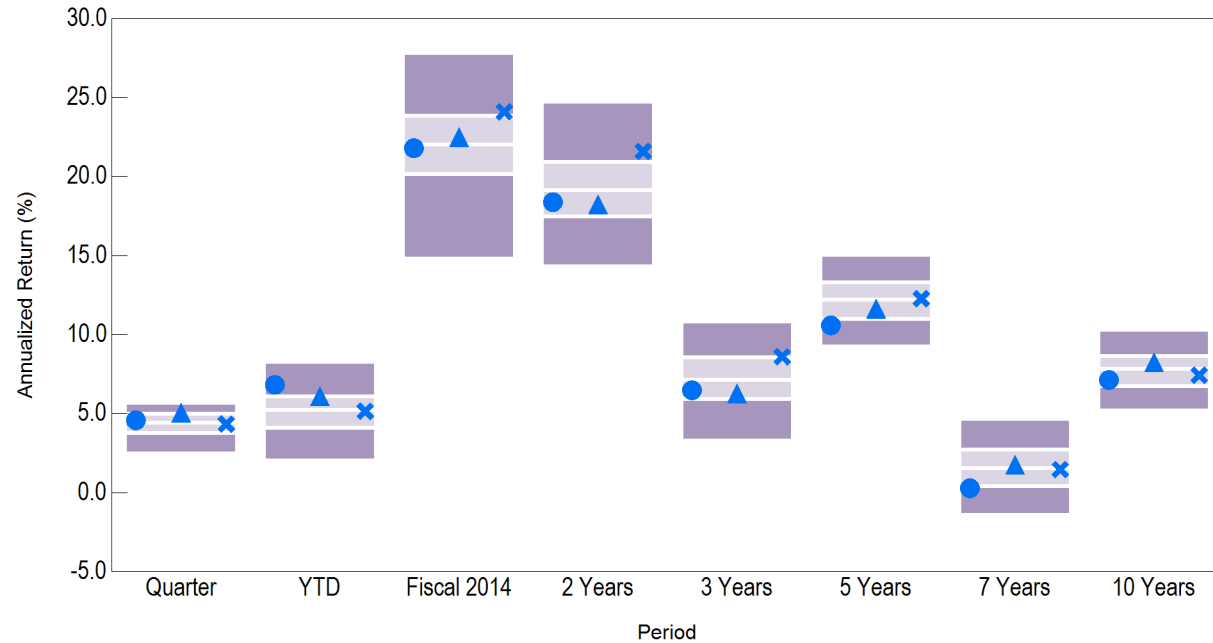
Statistics Summary**5 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	10.6%	15.7%	0.7	-0.5	2.3%
MSCI ACWI ex US IMI	11.6%	16.9%	0.7	--	0.0%
Mondrian	11.8%	15.3%	0.8	0.1	4.2%
MSCI ACWI ex USA Value Gross	11.4%	17.5%	0.7	--	0.0%

Total Returns - International Equity

Periods Ending June 30, 2014

InvestorForce All DB ex-US Eq Gross Accounts



	Return (Rank)							
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	5.7	8.2	27.8	24.7	10.8	15.0	4.7	10.3
25th Percentile	5.0	6.1	23.9	20.9	8.6	13.3	2.8	8.7
Median	4.4	5.2	22.0	19.2	7.2	12.2	1.6	7.9
75th Percentile	3.8	4.1	20.2	17.5	6.0	11.0	0.4	6.7
95th Percentile	2.5	2.1	14.8	14.3	3.3	9.3	-1.4	5.2
# of Portfolios	400	399	398	382	362	288	263	174
● International Equity	4.6 (44)	6.8 (14)	21.8 (54)	18.4 (60)	6.5 (66)	10.6 (80)	0.3 (79)	7.1 (68)
▲ MSCI ACWI ex US IMI	5.1 (23)	6.1 (25)	22.5 (42)	18.2 (62)	6.3 (70)	11.6 (61)	1.8 (46)	8.2 (37)
✕ MSCI EAFE Gross	4.3 (54)	5.1 (53)	24.1 (23)	21.6 (19)	8.6 (25)	12.3 (49)	1.5 (54)	7.4 (60)

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

Quarter Ending June 30, 2014

Characteristics

	Portfolio	MSCI ACWI ex USA IMI Gross
Number of Holdings	2,380	6,071
Weighted Avg. Market Cap. (\$B)	51.1	49.2
Median Market Cap. (\$B)	5.8	1.2
Price To Earnings	20.5	18.6
Price To Book	3.7	2.3
Price To Sales	2.5	2.0
Return on Equity (%)	19.0	14.2
Yield (%)	2.9	2.8
Beta (holdings; global)	0.9	1.0

Top Holdings

UNILEVER (UK)	1.8%
NESTLE 'R'	1.6%
BG GROUP	1.6%
TOTAL	1.4%
ROCHE HOLDING	1.3%
NOVARTIS 'R'	1.3%
KAO	1.2%
IBERDROLA	1.1%
KINNEVIK 'B'	1.1%
SANOFI	1.0%

Best Performers

	Return %
SUZLON ENERGY (IN:SZE)	153.6%
UNITECH (IN:UNT)	139.4%
ESSAR OIL (IN:EOL)	113.3%
RELIANCE CAPITAL (IN:RCF)	88.5%
INDIABULLS REAL ESTATE (IN:IBR)	84.9%
UPL (IN:UPH)	83.8%
OANDO (NG:OAN)	81.7%
JAIN IRRIGATION SYSTEMS (IN:JAR)	81.5%
RELIANCE INFRASTRUCTURE (IN:REY)	77.1%
HOUSING DEV.&.INFR. (IN:IHD)	74.0%

Worst Performers

	Return %
BANCO ESPIRITO SANTO SUSP - 04/08/14 (P:BES)	-51.3%
ASOS (UKIR:ASC)	-41.5%
GULF FINANCE HOUSE (DFM) (DU:GUF)	-40.5%
BUMI RESOURCES (ID:BMH)	-39.4%
ARABTEC HOLDING (DU:ART)	-39.0%
PETROKEMIJA (CR:PTK)	-38.3%
AFRICAN BANK INVS. (R:ABLJ)	-37.6%
JORDAN STEEL (JO:JST)	-37.1%
OI PN (BR:LR4)	-36.0%
NATIONAL BK.OF GREECE (G:ETE)	-32.7%

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

Equity Sector Attribution - International Equity

Quarter Ending June 30, 2014

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

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.0%	0.1%	0.0%	-0.1%	11.9%	11.6%	8.3%	8.7%			
Materials	0.0%	0.1%	0.0%	-0.1%	5.1%	4.4%	4.7%	9.0%			
Industrials	-0.3%	-0.2%	0.0%	-0.1%	1.4%	3.5%	12.8%	12.3%			
Cons. Disc.	-0.4%	-0.4%	0.0%	0.0%	-0.1%	3.3%	11.9%	11.7%			
Cons. Staples	0.1%	0.0%	0.0%	0.1%	6.1%	5.8%	14.4%	9.4%			
Health Care	-0.2%	-0.2%	0.0%	-0.1%	3.1%	5.4%	10.6%	7.8%			
Financials	0.0%	0.2%	0.1%	-0.3%	4.3%	4.2%	19.0%	25.8%			
Info. Tech	0.1%	0.2%	0.0%	-0.1%	7.3%	5.5%	6.7%	7.3%			
Telecomm.	0.2%	0.1%	0.0%	0.0%	6.9%	4.4%	6.6%	4.7%			
Utilities	0.1%	0.1%	0.0%	0.0%	9.4%	7.6%	3.9%	3.4%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.9%	0.0%			
Portfolio	-0.4%	=	0.1%	+	0.1%	+	-0.6%	4.7%	5.1%	100.0%	100.0%

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

Equity Performance Attribution - International Equity

Quarter Ending June 30, 2014

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	-0.4%	0.1%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Belgium	-0.3%	4.0%	0.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	0.5%	1.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Denmark	6.0%	5.4%	2.1%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Finland	1.8%	5.3%	0.6%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
France	3.1%	2.3%	7.0%	6.9%	0.1%	0.0%	0.0%	0.0%	0.1%
Germany	3.5%	2.3%	4.6%	6.5%	0.1%	0.0%	0.0%	0.0%	0.1%
Greece*	-7.9%	-8.3%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Hungary*	5.8%	5.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ireland	-9.9%	-8.7%	0.0%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Italy	0.7%	-0.8%	2.1%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Luxembourg	4.3%	5.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	4.1%	0.4%	2.6%	1.9%	0.1%	0.0%	0.0%	0.0%	0.1%
Norway	10.8%	8.1%	0.2%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	-0.9%	-1.1%	0.4%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	-1.1%	-4.2%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	11.6%	11.1%	0.7%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Spain	7.6%	6.7%	3.9%	2.5%	0.0%	0.0%	0.0%	0.0%	0.1%
Sweden	4.6%	0.6%	3.3%	2.4%	0.1%	0.0%	0.0%	0.0%	0.1%
Switzerland	2.7%	2.3%	7.7%	6.3%	0.0%	0.0%	0.0%	0.0%	0.0%
United Kingdom	2.9%	5.0%	17.9%	15.4%	-0.3%	0.0%	0.0%	0.0%	-0.3%

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

Equity Performance Attribution - International Equity

Quarter Ending June 30, 2014

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	2.6%	2.6%	4.8%	5.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Bangladesh**	5.1%	7.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
China*	8.8%	5.0%	3.1%	3.9%	0.1%	0.0%	0.0%	0.0%	0.1%
Hong Kong	7.5%	7.3%	1.4%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	19.7%	15.0%	1.7%	1.4%	0.1%	0.0%	0.0%	0.0%	0.1%
Indonesia*	1.8%	-0.9%	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	6.4%	6.8%	13.0%	14.7%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Korea*	5.3%	6.2%	2.3%	3.3%	0.0%	0.0%	-0.1%	0.0%	0.0%
Malaysia*	3.1%	4.3%	0.5%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	-12.6%	1.7%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	-0.1%
Pakistan**	8.0%	8.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Philippines*	6.6%	9.8%	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	4.2%	6.4%	2.6%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Sri Lanka**	4.4%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	9.1%	9.2%	2.0%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Thailand*	4.6%	8.6%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Argentina**	27.7%	18.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Brazil*	9.6%	7.9%	1.5%	2.1%	0.1%	0.0%	0.0%	0.0%	0.0%
Canada	6.6%	10.4%	0.4%	7.4%	-0.3%	-0.2%	-0.3%	0.3%	-0.5%
Chile*	5.9%	2.2%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	6.8%	7.6%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	9.2%	6.5%	1.4%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Peru*	10.9%	9.4%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	2.3%	5.1%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Equity Performance Attribution - International Equity

Quarter Ending June 30, 2014

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Bahrain**	-10.3%	-5.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bulgaria**	-6.1%	-6.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Croatia**	4.3%	2.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Egypt*	1.4%	3.5%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Estonia**	2.2%	-1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Israel	0.3%	1.6%	0.9%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Jordan**	-0.5%	-0.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kazakhstan**	29.3%	28.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kenya**	7.2%	11.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kuwait**	-1.3%	-3.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lebanon**	5.4%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Morocco**	-0.5%	-1.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Nigeria**	18.8%	17.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Oman**	4.5%	5.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Qatar*	10.5%	-5.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Romania**	17.6%	19.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Slovenia**	15.2%	14.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	3.6%	4.9%	1.8%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Tunisia**	-10.2%	-4.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	14.8%	15.4%	1.2%	0.3%	0.0%	0.1%	0.0%	0.0%	0.1%
United Arab Emirates*	-8.5%	-5.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Equity Performance Attribution - International Equity

Quarter Ending June 30, 2014

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

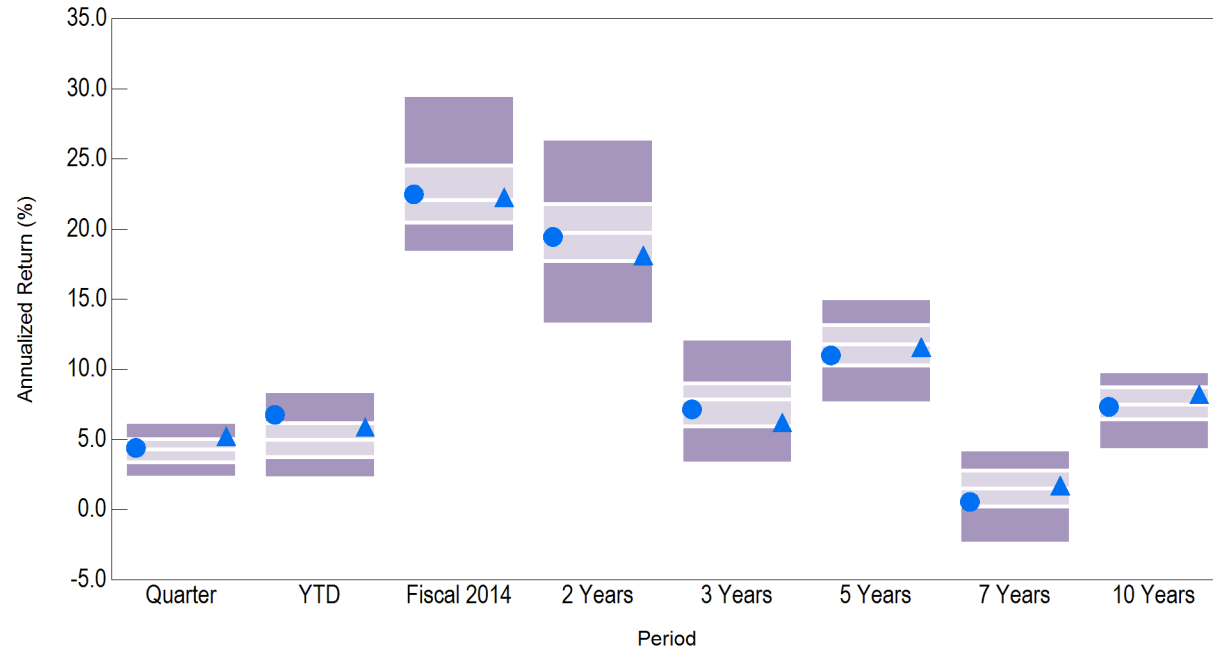
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	7.2%	9.3%	5.8%	11.1%	0.0%	-0.1%	-0.3%	0.0%	-0.4%
Europe	3.5%	3.3%	54.3%	49.6%	0.1%	0.0%	0.0%	0.0%	0.1%
Asia/Pacific	6.3%	6.3%	33.7%	36.9%	0.1%	0.0%	-0.2%	0.0%	-0.1%
Other	5.8%	5.7%	5.3%	2.4%	0.0%	0.1%	0.0%	0.0%	0.0%
Cash	0.0%	--	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	4.7%	5.1%	100.0%	100.0%	0.2%	-0.2%	-0.5%	0.0%	-0.4%
Totals									
Developed	3.9%	4.7%	77.8%	79.4%	-0.3%	0.0%	-0.3%	0.0%	-0.6%
Emerging*	8.1%	7.0%	20.1%	20.6%	0.4%	0.0%	-0.2%	0.0%	0.2%
Frontier**	8.3%	--	1.2%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Cash	0.0%	--	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

Total Returns - Developed Markets

Periods Ending June 30, 2014

InvestorForce All DB Dev Mkt ex-US Eq Gross Accounts



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	6.2	8.4	29.5	26.4	12.1	15.1	4.3	9.8
25th Percentile	5.1	6.2	24.6	21.8	9.0	13.2	2.8	8.7
Median	4.3	5.0	22.1	19.7	7.9	11.8	1.5	7.5
75th Percentile	3.4	3.8	20.5	17.8	6.0	10.3	0.3	6.5
95th Percentile	2.3	2.3	18.3	13.2	3.3	7.6	-2.4	4.2
# of Portfolios	135	134	133	129	116	102	82	53
● Developed Markets	4.4 (48)	6.8 (17)	22.5 (41)	19.4 (54)	7.1 (63)	11.0 (66)	0.5 (69)	7.3 (52)
▲ MSCI ACWI ex USA Gross	5.2 (20)	5.9 (35)	22.3 (47)	18.1 (70)	6.2 (72)	11.6 (56)	1.7 (49)	8.2 (37)

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

Quarter Ending June 30, 2014

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	1,020	1,829
Weighted Avg. Market Cap. (\$B)	54.7	56.2
Median Market Cap. (\$B)	10.1	7.3
Price To Earnings	20.7	18.6
Price To Book	3.6	2.4
Price To Sales	2.5	2.0
Return on Equity (%)	19.2	14.4
Yield (%)	2.9	2.9
Beta (holdings; global)	0.9	1.0

Top Holdings

UNILEVER (UK)	2.0%
NESTLE 'R'	1.8%
BG GROUP	1.7%
TOTAL	1.6%
ROCHE HOLDING	1.4%
NOVARTIS 'R'	1.4%
KAO	1.4%
IBERDROLA	1.2%
KINNEVIK 'B'	1.2%
SANOFI	1.2%

Best Performers

	Return %
LARGAN PRECISION (TW:LPC)	68.6%
SHIRE (UKIR:SHP)	59.2%
DETOUR GOLD (C:DGC)	58.1%
DAUM COMMUNICATIONS (KO:DUM)	57.4%
DIXY GROUP (RS:DIX)	55.6%
RURAL ELECFN.CORP. (IN:RUR)	55.3%
MULTIPLUS ON NM (BR:MTP)	51.4%
KOITO MANUFACTURING (J:PF@N)	51.0%
ACOM (J:ACOM)	48.5%
GRUMA 'B' (MX:GRM)	44.6%

Worst Performers

	Return %
BANCO ESPIRITO SANTO SUSP - 04/08/14 (P:BES)	-51.3%
ASOS (UKIR:ASC)	-41.5%
SUEDZUCKER (D:SZU)	-28.7%
SUMITOMO DAINIPPON PHA. (J:DPPH)	-27.8%
DENA (J:DENA)	-25.3%
BR BROKERS ON (BR:BON)	-23.3%
OSRAM LICHT (D:OSR)	-22.0%
YOKOGAWA ELECTRIC (J:XE@N)	-21.9%
BANCA PPO.EMILIA ROMAGNA (I:BPE)	-21.1%
GREE (J:GEEK)	-20.8%

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

Equity Sector Attribution - Developed Markets

Quarter Ending June 30, 2014

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	0.0%	0.1%	-0.1%	-0.1%	12.3%	11.6%	8.1%	9.2%			
Materials	0.0%	0.1%	0.1%	-0.1%	5.0%	4.2%	4.0%	8.7%			
Industrials	-0.3%	-0.2%	0.0%	-0.1%	1.2%	3.5%	13.2%	11.2%			
Cons. Disc.	-0.5%	-0.4%	0.0%	-0.1%	-0.4%	3.8%	12.3%	10.8%			
Cons. Staples	0.1%	0.0%	0.0%	0.1%	6.1%	5.9%	15.1%	9.9%			
Health Care	-0.2%	-0.2%	0.0%	-0.1%	3.0%	5.4%	11.6%	8.2%			
Financials	-0.1%	0.1%	0.1%	-0.3%	3.9%	4.2%	18.1%	26.6%			
Info. Tech	0.0%	0.1%	0.0%	-0.1%	6.7%	6.4%	6.5%	6.8%			
Telecomm.	0.2%	0.1%	0.0%	0.0%	7.1%	4.5%	6.2%	5.2%			
Utilities	0.1%	0.1%	0.0%	0.0%	9.0%	7.8%	3.8%	3.5%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	1.0%	0.0%			
Portfolio	-0.8%	=	-0.2%	+	0.1%	+	-0.7%	4.5%	5.3%	100.0%	100.0%

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

Equity Performance Attribution - Developed Markets

Quarter Ending June 30, 2014

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	-0.4%	-0.3%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Belgium	-0.2%	5.1%	0.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	--	1.8%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	6.0%	3.9%	2.3%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Finland	1.8%	5.5%	0.6%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
France	3.1%	2.4%	7.8%	7.5%	0.1%	0.0%	0.0%	0.0%	0.1%
Germany	3.5%	2.1%	5.1%	6.8%	0.1%	0.0%	0.0%	0.0%	0.1%
Greece*	--	-7.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Hungary*	--	4.7%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Ireland	-9.9%	-8.9%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Italy	0.7%	1.5%	2.4%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Luxembourg	3.1%	5.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	4.1%	0.7%	2.9%	2.0%	0.1%	0.0%	0.0%	0.0%	0.1%
Norway	10.8%	10.8%	0.2%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	--	-0.8%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
Portugal	-1.1%	-1.1%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	8.1%	11.0%	0.2%	1.1%	0.0%	0.0%	0.0%	0.0%	-0.1%
Spain	7.6%	7.2%	4.3%	2.6%	0.0%	0.1%	0.0%	0.0%	0.1%
Sweden	4.6%	-0.3%	3.7%	2.3%	0.1%	0.0%	0.0%	0.1%	0.1%
Switzerland	2.7%	2.4%	8.6%	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%
United Kingdom	2.9%	6.1%	19.8%	15.2%	-0.5%	0.0%	0.1%	-0.1%	-0.6%

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

Equity Performance Attribution - Developed Markets

Quarter Ending June 30, 2014

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	2.6%	2.8%	5.3%	5.7%	0.0%	0.0%	0.0%	0.0%	0.0%
China*	9.8%	5.7%	2.4%	3.9%	0.2%	0.0%	0.0%	-0.1%	0.1%
Hong Kong	7.5%	8.3%	1.6%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	21.9%	12.7%	1.0%	1.4%	0.1%	0.0%	0.0%	0.0%	0.1%
Indonesia*	3.7%	0.9%	0.4%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	6.4%	6.6%	14.5%	14.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Korea*	5.0%	6.4%	1.9%	3.3%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Malaysia*	3.1%	3.9%	0.2%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	-12.6%	2.6%	0.5%	0.1%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Philippines*	5.2%	9.5%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	4.2%	5.8%	2.9%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	9.7%	10.2%	1.5%	2.5%	0.0%	0.0%	0.0%	0.0%	-0.1%
Thailand*	5.7%	7.8%	0.2%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Brazil*	10.1%	7.8%	1.0%	2.3%	0.1%	0.0%	0.0%	0.0%	0.0%
Canada	6.6%	10.1%	0.4%	7.2%	-0.2%	-0.1%	-0.3%	0.2%	-0.4%
Chile*	11.2%	2.9%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	3.1%	7.8%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	10.8%	6.5%	0.9%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Peru*	14.2%	8.5%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	1.0%	5.1%	1.5%	0.0%	0.0%	0.0%	0.0%	-0.1%	0.0%

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

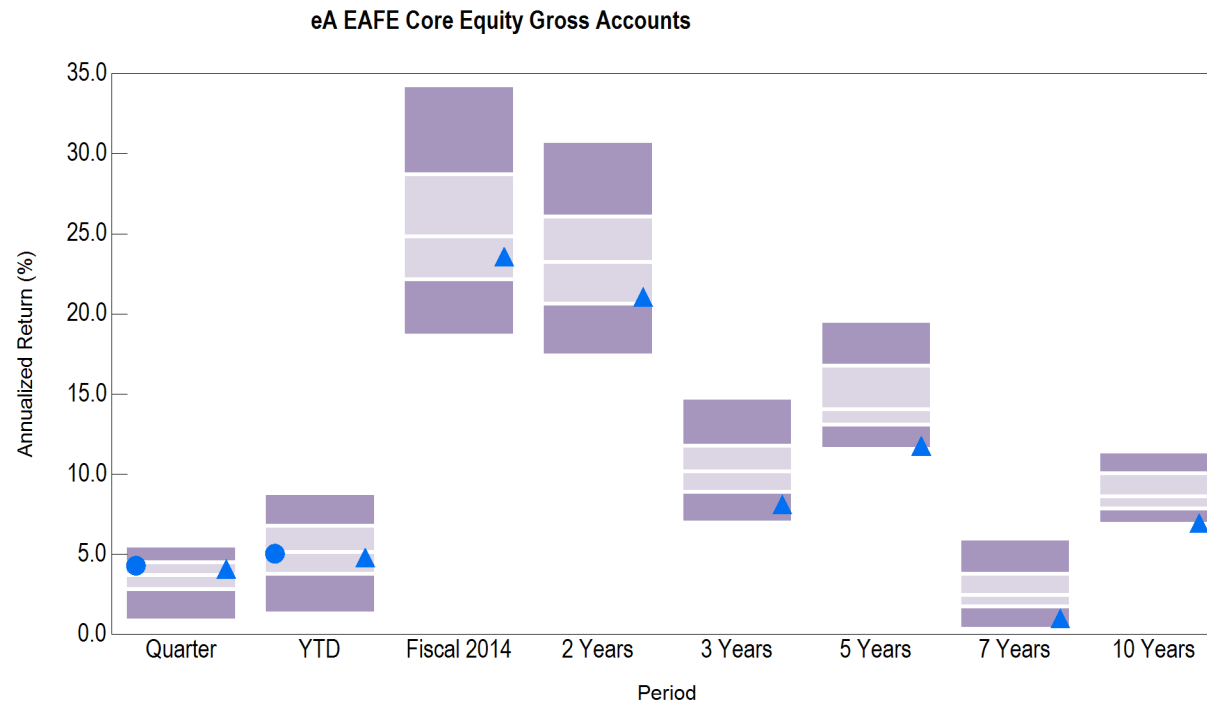
Equity Performance Attribution - Developed Markets

Quarter Ending June 30, 2014

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Bulgaria**	-0.7%	-6.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Egypt*	--	1.1%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Israel	0.3%	2.5%	1.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Kazakhstan**	29.5%	28.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Romania**	13.6%	19.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	3.2%	4.7%	1.3%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	14.2%	15.4%	0.9%	0.3%	0.0%	0.1%	0.0%	0.0%	0.1%
Totals									
Americas	6.9%	9.0%	4.2%	11.2%	0.0%	-0.1%	-0.3%	0.0%	-0.4%
Europe	3.5%	3.8%	58.8%	50.4%	-0.1%	-0.1%	0.0%	0.0%	-0.2%
Asia/Pacific	6.1%	6.3%	32.8%	36.1%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Other	5.8%	5.7%	3.3%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	4.5%	5.3%	100.0%	100.0%	-0.1%	-0.2%	-0.4%	0.0%	-0.8%
Totals									
Developed	3.8%	4.9%	86.3%	79.4%	-0.5%	0.0%	-0.2%	0.0%	-0.8%
Emerging*	9.3%	7.1%	12.6%	20.6%	0.6%	-0.1%	-0.2%	-0.2%	0.0%
Frontier**	23.3%	--	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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



	Return (Rank)							
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	5.5	8.8	34.2	30.8	14.7	19.5	6.0	11.4
25th Percentile	4.5	6.8	28.8	26.1	11.8	16.8	3.8	10.0
Median	3.7	5.1	24.8	23.3	10.2	14.1	2.5	8.6
75th Percentile	2.8	3.8	22.2	20.7	8.9	13.1	1.7	7.9
95th Percentile	0.9	1.3	18.7	17.4	7.0	11.6	0.4	6.9
# of Portfolios	119	119	119	118	109	99	87	63
● BlackRock EAFE Index	4.3 (34)	5.0 (54)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI EAFE	4.1 (40)	4.8 (58)	23.6 (66)	21.1 (70)	8.1 (89)	11.8 (95)	1.0 (89)	6.9 (94)

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

Quarter Ending June 30, 2014

Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	907	899
Weighted Avg. Market Cap. (\$B)	63.7	63.8
Median Market Cap. (\$B)	9.4	9.4
Price To Earnings	19.9	19.2
Price To Book	2.9	2.3
Price To Sales	2.1	1.9
Return on Equity (%)	16.2	13.3
Yield (%)	3.0	3.0
Beta (holdings; global)	1.0	1.0

Top Holdings

NESTLE 'R'	1.8%
ROCHE HOLDING	1.5%
NOVARTIS 'R'	1.5%
HSBC HDG. (ORD \$0.50)	1.4%
TOYOTA MOTOR	1.2%
BP	1.2%
ROYAL DUTCH SHELL A(LON)	1.2%
TOTAL	1.1%
GLAXOSMITHKLINE	0.9%
SANOFI	0.9%

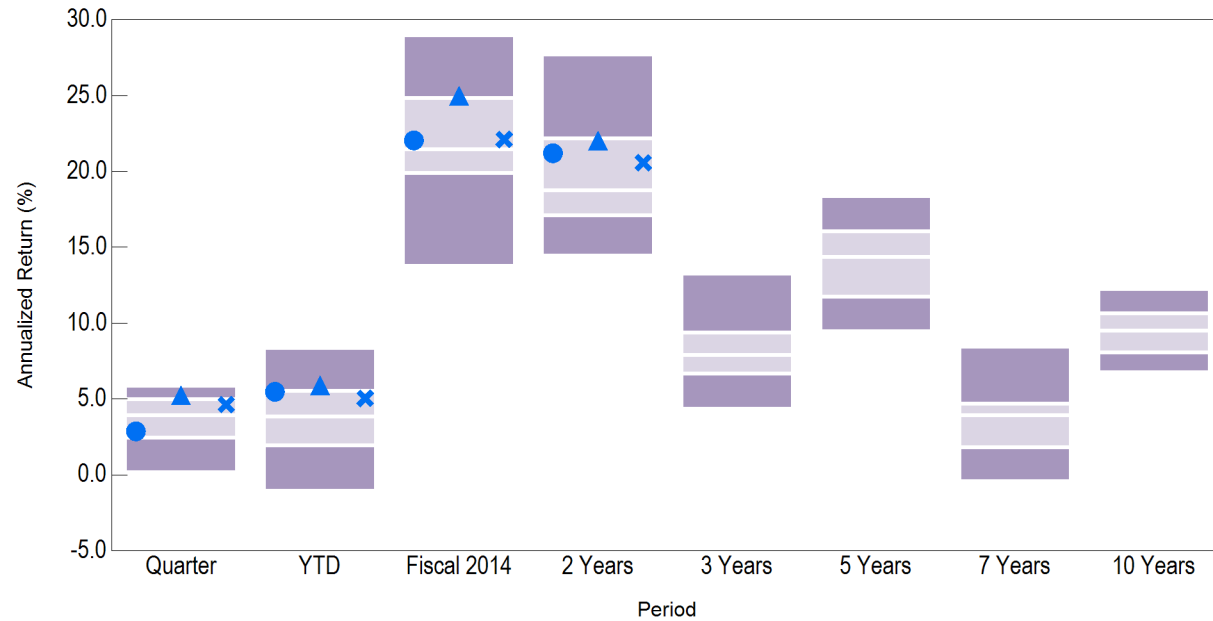
Best Performers

	Return %
SHIRE (UKIR:SHP)	59.2%
KOITO MANUFACTURING (J:PF@N)	51.0%
ACOM (J:ACOM)	48.5%
TREASURY WINE ESTATES (A:TWEX)	44.5%
AMADA (J:AM@N)	44.2%
HAKUHODO DY HDG. (J:HDYH)	42.0%
NIPPON PAINT (J:NPPT)	39.4%
SEIKO EPSON (J:SEEP)	36.5%
SHIMIZU (J:SZ@N)	36.2%
ACTELION (S:ATLN)	35.4%

Worst Performers

	Return %
BANCO ESPIRITO SANTO SUSP - 04/08/14 (P:BES)	-51.3%
ASOS (UKIR:ASC)	-41.5%
SUEDZUCKER (D:SZU)	-28.7%
SUMITOMO DAINIPPON PHA. (J:DPPH)	-27.8%
DENA (J:DENA)	-25.3%
OSRAM LICHT (D:OSR)	-22.0%
YOKOGAWA ELECTRIC (J:XE@N)	-21.9%
GREE (J:GEEK)	-20.8%
BANK OF IRELAND (UKIR:BKIR)	-20.3%
EASYJET (UKIR:EZJ)	-18.4%

eA ACWI ex-US Growth Equity Gross Accounts



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	5.9	8.4	29.0	27.7	13.3	18.4	8.4	12.3
25th Percentile	5.0	5.5	24.9	22.2	9.4	16.1	4.7	10.7
Median	4.0	3.9	21.5	18.8	7.9	14.4	3.9	9.5
75th Percentile	2.5	2.0	19.9	17.1	6.7	11.8	1.8	8.1
95th Percentile	0.2	-1.0	13.8	14.5	4.4	9.5	-0.4	6.8
# of Portfolios	54	54	54	54	52	49	42	30
● Baillie Gifford	2.9 (71)	5.5 (26)	22.0 (44)	21.2 (33)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI ACWI ex US	5.2 (17)	5.9 (18)	25.0 (25)	22.0 (28)	-- (--)	-- (--)	-- (--)	-- (--)
✕ MSCI ACWI ex US Growth	4.6 (31)	5.0 (32)	22.1 (44)	20.6 (37)	-- (--)	-- (--)	-- (--)	-- (--)

Quarter Ending June 30, 2014

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	82	1,829
Weighted Avg. Market Cap. (\$B)	37.7	56.2
Median Market Cap. (\$B)	12.2	7.3
Price To Earnings	23.7	18.6
Price To Book	4.9	2.4
Price To Sales	5.5	2.0
Return on Equity (%)	24.1	14.4
Yield (%)	2.0	2.9
Beta (holdings; global)	1.0	1.0

Top Holdings

KINNEVIK 'B'	3.3%
ROCHE HOLDING	2.9%
BG GROUP	2.7%
NOVO NORDISK 'B'	2.3%
HARGREAVES LANSDOWN	2.2%
UNILEVER (UK)	2.2%
CARLSBERG 'B'	2.1%
SVENSKA HANDBKN.'A'	2.1%
SHIMANO	2.1%
ATLAS COPCO 'B'	2.0%

Best Performers

	Return %
TREASURY WINE ESTATES (A:TWEX)	44.5%
BAIDU 'A' ADR 10:1 (BIDU)	22.7%
KINNEVIK 'B' (W:KIVB)	18.7%
MAHINDRA & MAHINDRA GDR REG 'S' (UKIR:MHID)	18.2%
KAZAKHMYS (UKIR:KAZ)	18.1%
HON HAI PREC.GDR (UKIR:HHPD)	16.0%
TKI.GARANTI BKSI. (TK:GAR)	15.7%
WALMEX 'V' (MX:WAV)	15.4%
BG GROUP (UKIR:BG.)	14.3%
NOVOZYMES (DK:NZY)	14.0%

Worst Performers

	Return %
ASOS (UKIR:ASC)	-41.5%
PROTALIX BIOTH. (PLX)	-20.3%
MESOBLAST (A:MSBX)	-16.8%
RIGHTMOVE (UKIR:RMV)	-16.0%
TRADE ME GROUP (Z:TRML)	-13.7%
HARGREAVES LANSDOWN (UKIR:HL.)	-12.9%
MITCHELLS & BUTLERS (UKIR:MAB)	-12.3%
UBS 'R' (S:UBSN)	-10.0%
SANKYO (J:SAGU)	-8.9%
CNH INDUSTRIAL (I:CNHI)	-8.5%

Baillie Gifford Performance Attribution vs. MSCI ACWI ex USA Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.4%	0.1%	-0.3%	-0.1%	12.6%	11.6%	3.7%	9.2%			
Materials	0.1%	0.2%	0.1%	-0.1%	6.9%	4.2%	4.3%	8.7%			
Industrials	-0.6%	-0.3%	-0.1%	-0.2%	0.1%	3.5%	16.5%	11.2%			
Cons. Disc.	-1.6%	-0.9%	-0.1%	-0.5%	-4.8%	3.8%	17.9%	10.8%			
Cons. Staples	0.3%	0.1%	0.0%	0.1%	6.9%	5.9%	16.9%	9.9%			
Health Care	-0.4%	-0.3%	0.0%	-0.1%	1.4%	5.4%	11.6%	8.2%			
Financials	0.0%	0.3%	0.1%	-0.3%	4.1%	4.2%	19.6%	26.6%			
Info. Tech	0.3%	0.4%	0.0%	-0.1%	10.8%	6.4%	6.9%	6.8%			
Telecomm.	0.0%	--	0.0%	--	--	4.5%	0.0%	5.2%			
Utilities	-0.1%	--	-0.1%	--	--	7.8%	0.0%	3.5%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	2.6%	0.0%			
Portfolio	-2.5%	=	-0.5%	+	-0.5%	+	-1.5%	2.8%	5.3%	100.0%	100.0%

Baillie Gifford Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	-0.3%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Belgium	-7.9%	5.1%	0.6%	0.9%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Czech Republic*	--	1.8%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	6.4%	3.9%	5.3%	1.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Finland	-0.5%	5.5%	1.0%	0.7%	0.0%	0.0%	0.0%	0.0%	-0.1%
France	3.9%	2.4%	2.1%	7.5%	0.1%	0.1%	0.0%	-0.1%	0.1%
Germany	-4.6%	2.1%	0.7%	6.8%	-0.5%	0.1%	0.0%	0.4%	0.1%
Greece*	--	-7.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Hungary*	--	4.7%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Ireland	--	-8.9%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Italy	-8.1%	1.5%	2.7%	1.9%	-0.2%	0.0%	0.0%	-0.1%	-0.3%
Netherlands	--	0.7%	0.0%	2.0%	--	0.1%	0.0%	--	0.1%
Norway	--	10.8%	0.0%	0.6%	--	-0.1%	0.0%	--	0.0%
Poland*	--	-0.8%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
Portugal	--	-1.1%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Russia*	--	11.0%	0.0%	1.1%	--	0.0%	0.0%	--	-0.1%
Spain	4.4%	7.2%	3.9%	2.6%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Sweden	6.0%	-0.3%	7.8%	2.3%	0.2%	-0.1%	-0.2%	0.4%	0.2%
Switzerland	2.5%	2.4%	7.8%	6.7%	0.0%	0.0%	0.0%	0.0%	0.0%
United Kingdom	-3.8%	6.1%	20.2%	15.2%	-1.5%	0.0%	0.1%	-0.5%	-1.9%

Baillie Gifford Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	3.8%	2.8%	7.2%	5.7%	0.1%	-0.1%	0.0%	0.0%	0.1%
China*	13.4%	5.7%	3.2%	3.9%	0.3%	0.0%	0.0%	-0.1%	0.2%
Hong Kong	7.1%	8.3%	2.3%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	18.2%	12.7%	1.2%	1.4%	0.1%	0.0%	0.0%	0.0%	0.0%
Indonesia*	--	0.9%	0.0%	0.6%	--	0.0%	0.0%	--	0.0%
Japan	5.4%	6.6%	12.0%	14.2%	-0.2%	0.0%	0.0%	0.0%	-0.2%
Korea*	7.3%	6.4%	3.3%	3.3%	0.1%	0.0%	-0.1%	0.0%	0.0%
Malaysia*	--	3.9%	0.0%	0.8%	--	0.0%	0.0%	--	0.0%
New Zealand	-13.7%	2.6%	1.3%	0.1%	0.0%	0.0%	0.0%	-0.2%	-0.2%
Philippines*	1.3%	9.5%	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	2.2%	5.8%	3.4%	1.1%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Taiwan*	10.6%	10.2%	2.8%	2.5%	0.1%	0.0%	-0.1%	0.0%	0.0%
Thailand*	--	7.8%	0.0%	0.5%	--	0.0%	0.0%	--	0.0%
Americas									
Brazil*	6.6%	7.8%	0.7%	2.3%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Canada	--	10.1%	0.0%	7.2%	--	-0.1%	-0.3%	--	-0.4%
Chile*	--	2.9%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Colombia*	--	7.8%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Mexico*	15.4%	6.5%	0.7%	1.1%	0.1%	0.0%	0.0%	0.0%	0.1%
Peru*	--	8.5%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
United States	-0.8%	5.1%	2.6%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Other									
Egypt*	--	1.1%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Israel	--	2.5%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
South Africa*	3.3%	4.7%	2.7%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	15.7%	15.4%	1.5%	0.3%	0.0%	0.1%	0.0%	0.0%	0.1%

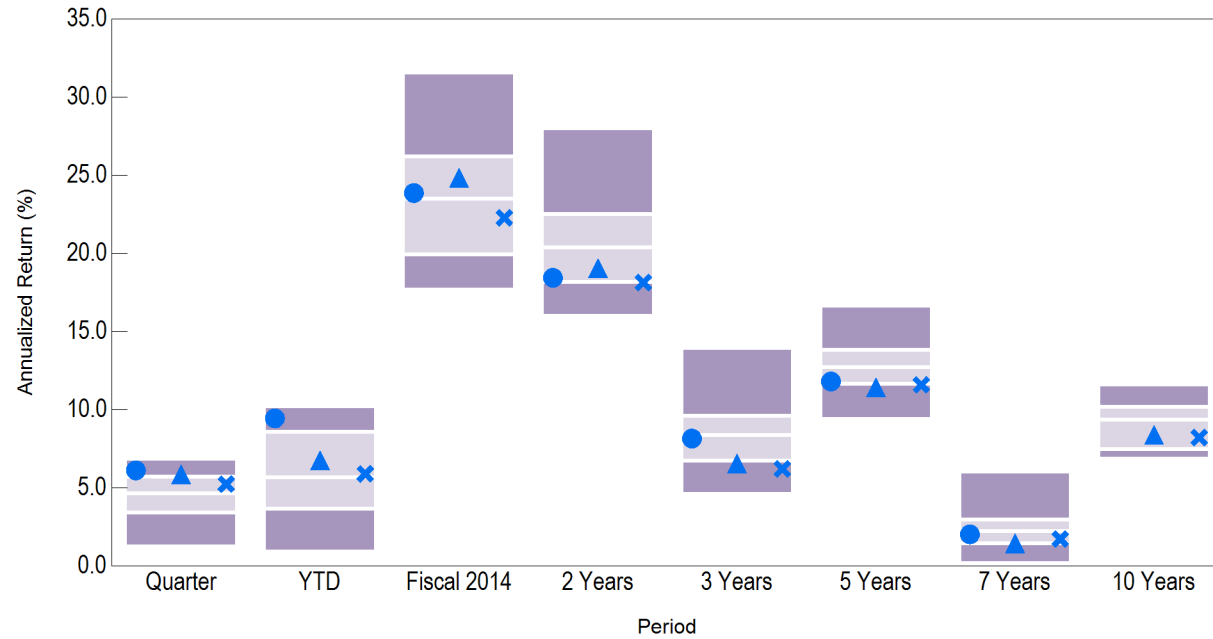
Baillie Gifford Performance Attribution vs. MSCI ACWI ex USA Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Totals									
Americas	3.3%	9.0%	4.0%	11.2%	-0.3%	-0.1%	-0.3%	0.2%	-0.6%
Europe	0.4%	3.8%	52.1%	50.4%	-1.7%	0.0%	-0.1%	-0.1%	-1.8%
Asia/Pacific	5.8%	6.3%	37.1%	36.1%	0.0%	0.0%	-0.1%	0.0%	-0.1%
Other	7.8%	5.7%	4.2%	2.4%	0.0%	0.0%	0.0%	0.0%	0.1%
Cash	0.0%	--	2.6%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Total	2.8%	5.3%	100.0%	100.0%	-2.0%	-0.2%	-0.5%	0.2%	-2.5%
Totals									
Developed	1.4%	4.9%	80.8%	79.4%	-2.4%	0.0%	-0.3%	0.0%	-2.8%
Emerging*	10.0%	7.1%	16.6%	20.6%	0.8%	-0.1%	-0.2%	-0.2%	0.4%
Cash	0.0%	--	2.6%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%

Total Returns - ACWI ex-US Value Equity

Periods Ending June 30, 2014

eA ACWI ex-US Value Equity Gross Accounts



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	6.8	10.2	31.6	28.0	13.9	16.7	6.0	11.6
25th Percentile	5.8	8.6	26.2	22.5	9.6	13.8	3.0	10.2
Median	4.7	5.7	23.5	20.4	8.4	12.7	2.2	9.4
75th Percentile	3.4	3.7	19.9	18.2	6.8	11.7	1.5	7.5
95th Percentile	1.3	1.0	17.7	16.0	4.6	9.4	0.2	6.9
# of Portfolios	33	33	33	33	29	27	24	19
● Mondrian	6.1 (14)	9.4 (16)	23.9 (46)	18.4 (73)	8.2 (59)	11.8 (74)	2.0 (56)	-- (--)
▲ MSCI ACWI ex USA Value Gross	5.9 (24)	6.8 (37)	24.8 (38)	19.0 (68)	6.6 (77)	11.4 (79)	1.5 (79)	8.4 (68)
✕ MSCI ACWI ex USA Gross	5.2 (41)	5.9 (46)	22.3 (61)	18.1 (78)	6.2 (79)	11.6 (77)	1.7 (66)	8.2 (69)

Characteristics

	Portfolio	MSCI ACWI ex USA Value Gross
Number of Holdings	129	997
Weighted Avg. Market Cap. (\$B)	64.6	59.3
Median Market Cap. (\$B)	16.8	6.9
Price To Earnings	18.5	15.2
Price To Book	2.8	1.7
Price To Sales	1.6	1.5
Return on Equity (%)	16.8	11.8
Yield (%)	3.6	3.7
Beta (holdings: global)	0.8	1.0

Top Holdings

IBERDROLA	3.0%
UNILEVER (UK)	3.0%
TOTAL	2.7%
NOVARTIS 'R'	2.7%
TELEFONICA	2.5%
SANOFI	2.5%
NATIONAL GRID	2.2%
TEVA PHARM.INDS.ADR 1:1	2.2%
TESCO	2.2%
AHOLD KON.	2.2%

Best Performers

	Return %
RURAL ELECFN.CORP. (IN:RUR)	55.3%
LARSEN & TOUBRO (IN:LST)	32.9%
AXIS BANK (IN:UTI)	31.8%
KAZMUNAIGAS EXP.PRDN.GDR REG S (UKIR:KMG)	29.5%
HUABAO INTL.HDG. (K:SILV)	29.0%
CIELO ON NM (BR:VIS)	28.8%
GRUPO AEROPORTUARIO DEL PACIFICO SR.B ADR 1:10 (PAC)	23.2%
GAIL (INDIA) (IN:GAI)	22.3%
ECORODOVIAS ON NM (BR:EON)	21.4%
PETROBRAS PN (BR:POB)	19.4%

Worst Performers

	Return %
VALLOUREC (F:VLR)	-15.9%
QBE INSURANCE GROUP (A:QBEX)	-13.7%
SOCIETE GENERALE (F:SGE)	-13.0%
GOLDEN EAGLE RETAIL GP. (K:GERG)	-9.6%
ABB 'R' (S:ABB)	-7.8%
VODAFONE GROUP (UKIR:VOD)	-5.8%
HYUNDAI MOBIS (KO:HAC)	-5.1%
AMBEV SPONSORED ADR 1:1 (ABEV)	-4.3%
TRUWORTHS INTL. (R:TRUJ)	-4.0%
SAINT GOBAIN (F:GOB)	-4.0%

Equity Sector Attribution - Mondrian

Quarter Ending June 30, 2014

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	0.0%	0.2%	0.0%	-0.1%	12.5%	12.2%	13.3%	13.4%			
Materials	0.1%	0.3%	0.2%	-0.4%	5.3%	3.7%	0.8%	10.0%			
Industrials	-0.4%	-0.3%	0.0%	-0.1%	1.7%	6.1%	10.0%	7.9%			
Cons. Disc.	0.3%	0.3%	0.0%	0.0%	6.1%	2.2%	7.1%	6.9%			
Cons. Staples	0.0%	0.0%	0.0%	0.1%	5.2%	5.5%	16.1%	4.2%			
Health Care	-0.3%	-0.1%	0.0%	-0.1%	3.0%	5.6%	12.5%	6.1%			
Financials	0.1%	0.5%	0.3%	-0.7%	5.2%	4.6%	11.3%	35.6%			
Info. Tech	-0.1%	-0.1%	0.1%	0.0%	5.4%	7.9%	7.6%	3.6%			
Telecomm.	0.5%	0.2%	-0.1%	0.3%	8.0%	4.2%	13.4%	6.6%			
Utilities	0.2%	0.1%	0.1%	0.0%	9.6%	8.0%	7.8%	5.7%			
Cash	0.0%	--	--	--	--	--	0.0%	0.0%			
Portfolio	0.5%	=	1.1%	+	0.6%	+	-1.2%	6.4%	5.9%	100.0%	100.0%

Equity Performance Attribution - Mondrian

Quarter Ending June 30, 2014

Mondrian Performance Attribution vs. 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	
Europe									
Austria	--	1.8%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Belgium	--	-3.9%	0.0%	0.5%	--	0.0%	0.0%	--	0.0%
Czech Republic*	--	3.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	--	7.3%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Finland	--	9.2%	0.0%	0.7%	--	0.0%	0.0%	--	0.0%
France	3.5%	1.7%	11.8%	8.2%	0.1%	-0.1%	0.0%	0.1%	0.1%
Germany	5.7%	3.0%	6.6%	7.7%	0.2%	0.0%	0.0%	0.0%	0.2%
Greece*	--	-2.7%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Hungary*	--	2.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Ireland	--	-7.8%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Italy	12.3%	4.7%	1.9%	2.5%	0.2%	0.0%	0.0%	0.0%	0.1%
Netherlands	5.2%	-0.4%	6.0%	1.4%	0.1%	-0.2%	0.0%	0.3%	0.1%
Norway	--	11.3%	0.0%	1.1%	--	-0.1%	0.0%	--	-0.1%
Poland*	--	2.4%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
Portugal	--	8.4%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Russia*	8.1%	10.9%	0.4%	1.1%	0.0%	0.0%	0.0%	0.0%	-0.1%
Spain	10.1%	7.4%	5.4%	2.4%	0.1%	0.1%	0.0%	0.1%	0.2%
Sweden	--	0.1%	0.0%	2.0%	--	0.0%	0.1%	--	0.1%
Switzerland	3.0%	5.6%	8.9%	3.5%	-0.1%	0.1%	0.0%	-0.1%	-0.2%
United Kingdom	7.8%	5.3%	18.4%	18.1%	0.4%	0.0%	0.0%	0.0%	0.5%

Equity Performance Attribution - Mondrian

Quarter Ending June 30, 2014

Mondrian Performance Attribution vs. 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	
AsiaPacific									
Australia	-3.9%	3.6%	1.6%	5.7%	-0.4%	0.1%	-0.1%	0.3%	-0.1%
China*	6.4%	7.0%	3.4%	3.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Hong Kong	2.7%	10.1%	0.1%	2.0%	-0.1%	-0.1%	0.0%	0.1%	-0.1%
India*	24.8%	17.6%	1.6%	1.4%	0.1%	0.0%	0.0%	0.0%	0.1%
Indonesia*	3.7%	2.9%	1.0%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	7.0%	7.6%	13.1%	14.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Korea*	0.6%	3.9%	1.8%	3.1%	-0.1%	0.1%	-0.1%	0.0%	0.0%
Malaysia*	3.1%	4.6%	0.7%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	--	9.4%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Philippines*	10.4%	9.2%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	5.8%	6.6%	3.4%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	7.9%	10.3%	1.3%	2.4%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Thailand*	5.7%	7.9%	0.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Brazil*	11.4%	7.6%	2.0%	2.2%	0.1%	0.0%	0.0%	0.0%	0.1%
Canada	6.6%	10.7%	1.1%	7.2%	-0.3%	-0.1%	-0.2%	0.2%	-0.4%
Chile*	11.2%	6.8%	0.7%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	3.1%	8.6%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	8.9%	6.2%	1.7%	1.1%	0.0%	0.0%	0.0%	0.0%	0.1%
Peru*	14.2%	1.2%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	4.3%	5.2%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Equity Performance Attribution - Mondrian

Quarter Ending June 30, 2014

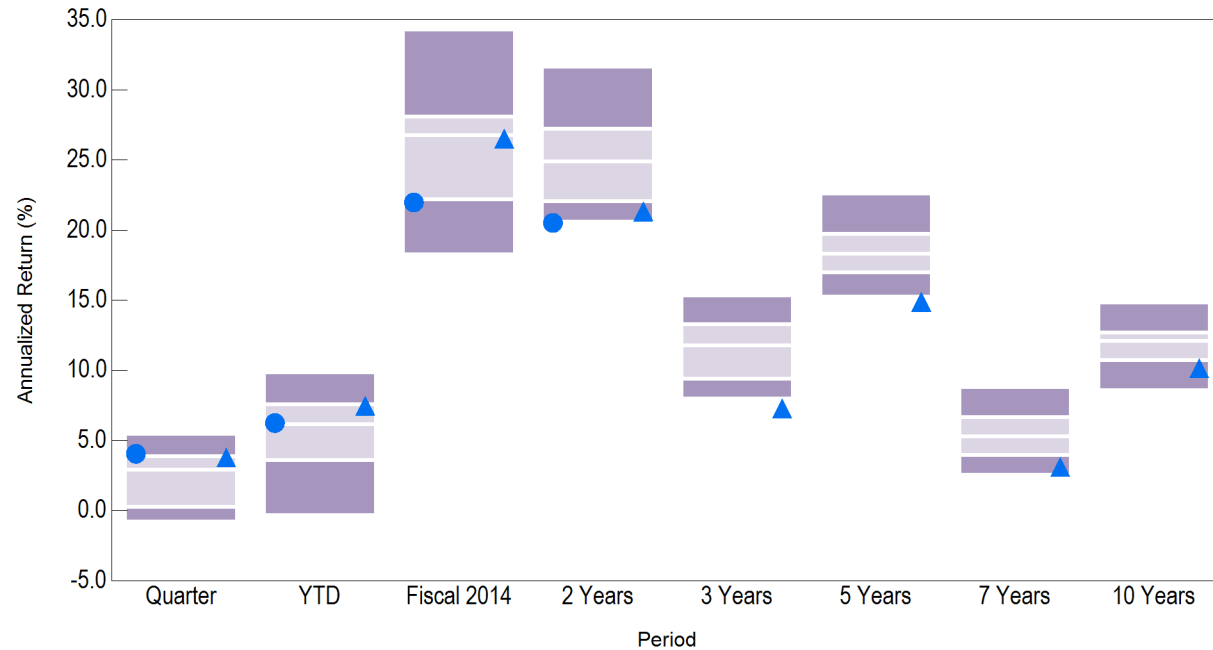
Mondrian Performance Attribution vs. MSCI ACWI ex USA Value Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Egypt*	--	5.3%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Israel	-0.1%	3.5%	2.4%	0.4%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Kazakhstan**	29.5%	5.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Romania**	13.6%	5.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	2.8%	3.4%	0.8%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	11.8%	17.3%	1.0%	0.3%	0.0%	0.1%	0.0%	0.0%	0.0%
Totals									
Americas	8.8%	9.4%	7.4%	11.1%	0.1%	-0.1%	-0.3%	0.0%	-0.2%
Europe	6.1%	4.2%	59.4%	50.7%	1.0%	-0.1%	0.0%	0.2%	1.1%
Asia/Pacific	6.6%	7.1%	28.9%	35.8%	-0.1%	-0.1%	-0.2%	0.0%	-0.3%
Other	4.2%	5.3%	4.3%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	6.4%	5.9%	100.0%	100.0%	1.0%	-0.2%	-0.5%	0.1%	0.5%
Totals									
Developed	5.8%	5.5%	82.1%	79.6%	0.6%	0.0%	-0.3%	0.0%	0.3%
Emerging*	8.7%	7.4%	17.7%	20.4%	0.4%	0.0%	-0.2%	-0.1%	0.1%
Frontier**	23.6%	--	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Total Returns - ACWI ex-US Small Cap Equity

Periods Ending June 30, 2014

eA ACWI ex-US Small Cap Equity Gross Accounts



	Return (Rank)							
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	5.5	9.9	34.3	31.7	15.3	22.6	8.8	14.8
25th Percentile	3.9	7.6	28.1	27.2	13.3	19.8	6.7	12.7
Median	2.9	6.2	26.8	24.9	11.8	18.4	5.3	12.1
75th Percentile	0.3	3.6	22.2	22.1	9.4	17.0	4.0	10.7
95th Percentile	-0.8	-0.3	18.3	20.6	8.0	15.3	2.6	8.6
# of Portfolios	29	29	29	29	23	22	18	13
● Pyramis Equity	4.1 (22)	6.2 (48)	22.0 (77)	20.5 (96)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI ACWI ex US Small Cap Gross	3.8 (28)	7.5 (28)	26.5 (53)	21.3 (88)	7.3 (99)	14.9 (98)	3.1 (87)	10.2 (80)

Equity Only Summary Statistics – Pyramis Global Advisors

Quarter Ending June 30, 2014

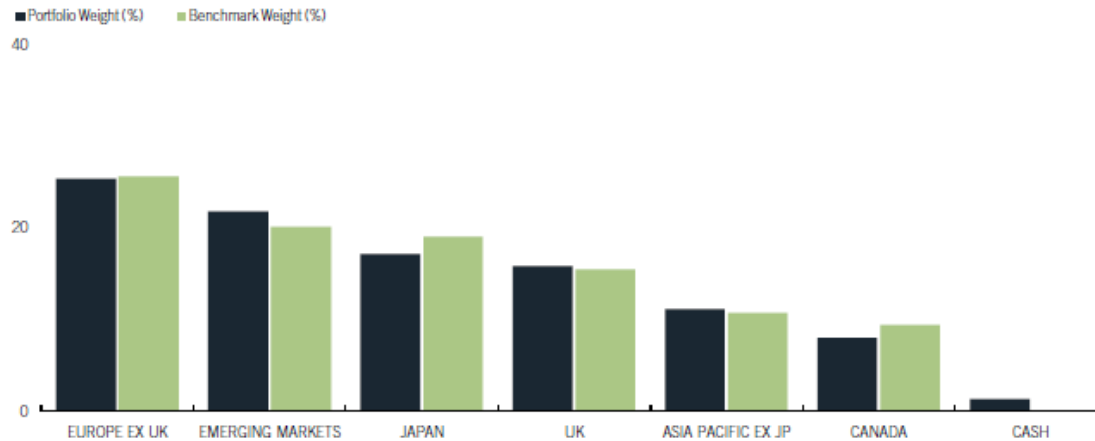
Characteristics	Portfolio	MSCI ACWI ex-US Small Cap
No. of Securities	224	4,224
Weighted Avg. Market Cap. (\$B)	3.0	2.2
Price to Book Ratio	1.8	1.6
Return on Equity (%)	12.1	10.7

Ten Holdings		Best Performers		Worst Performers	
HIKMA PHARMACEUTICALS	1.8	LARGAN PRECISION (TW:LPC)	68.6	BR BROKERS ON (BR:BON)	-23.3
NIHON PARKERIZING	1.4	DETOUR GOLD (C:DGC)	58.1	BANCA PPO. EMILIA ROMAGNA (I:BPE)	-21.1
TECHTRONIC INDS.	1.3	DAUM COMMUNICATIONS (KO:DUM)	57.4	HAULOTTE GROUP (F:PIN)	-17.5
AKER SOLUTIONS	1.1	DIXY GROUP (RS:DIX)	55.6	NUFLARE TECHNOLOGY (J:NUFL)	-16.8
METHANEX	1.0	MULTIPLUS ON NM (BR:MTP)	51.4	BBMG 'H' (K:BBMG)	-15.6
JOHN WOOD GROUP	1.0	GRUMA 'B' (MX:GRM)	44.6	BRUNEL INTL. (H:BRU)	-14.9
NUFARM LTD	1.0	TREASURY WINE ESTATES (A:TWEX)	44.5	MINERAL DEPOSITS (A:MDLX)	-14.8
REGUS	0.9	SALAMANDER ENERGY (UKIR:SMDR)	41.5	SYNTHOMER (UKIR:SYNT)	-14.8
TOWER BERSAMA INFRASTRUCTURE	0.9	KOZA ALTIN ISLET MELERI (TK:KAI)	37.6	REGUS (UKIR:RGU)	-14.4
OBIC CO LTD	0.9	BHARAT PETROLEUM (IN:BHP)	29.6	REDROW (UKIR:RDW)	-14.3

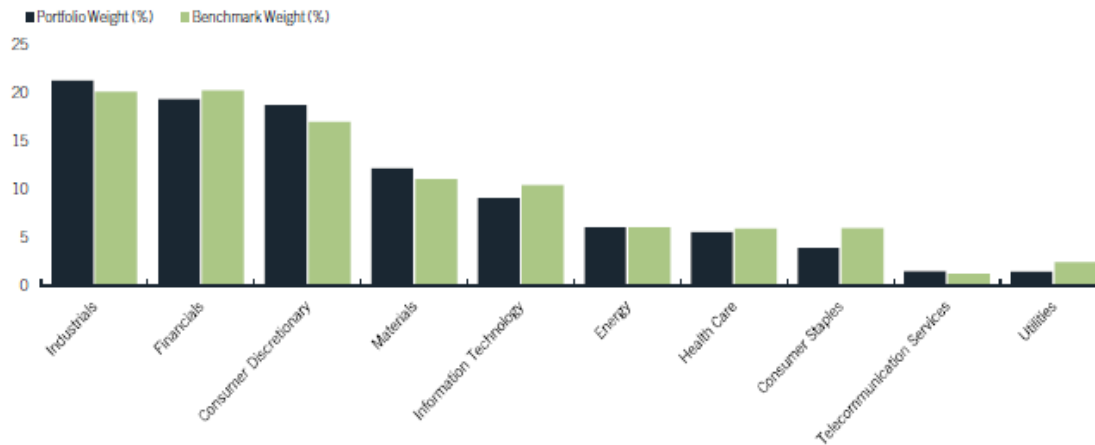
Regional and Sector Weights – Pyramis Global Advisors

Quarter Ending June 30, 2014

Regional Weights



Sector Weights

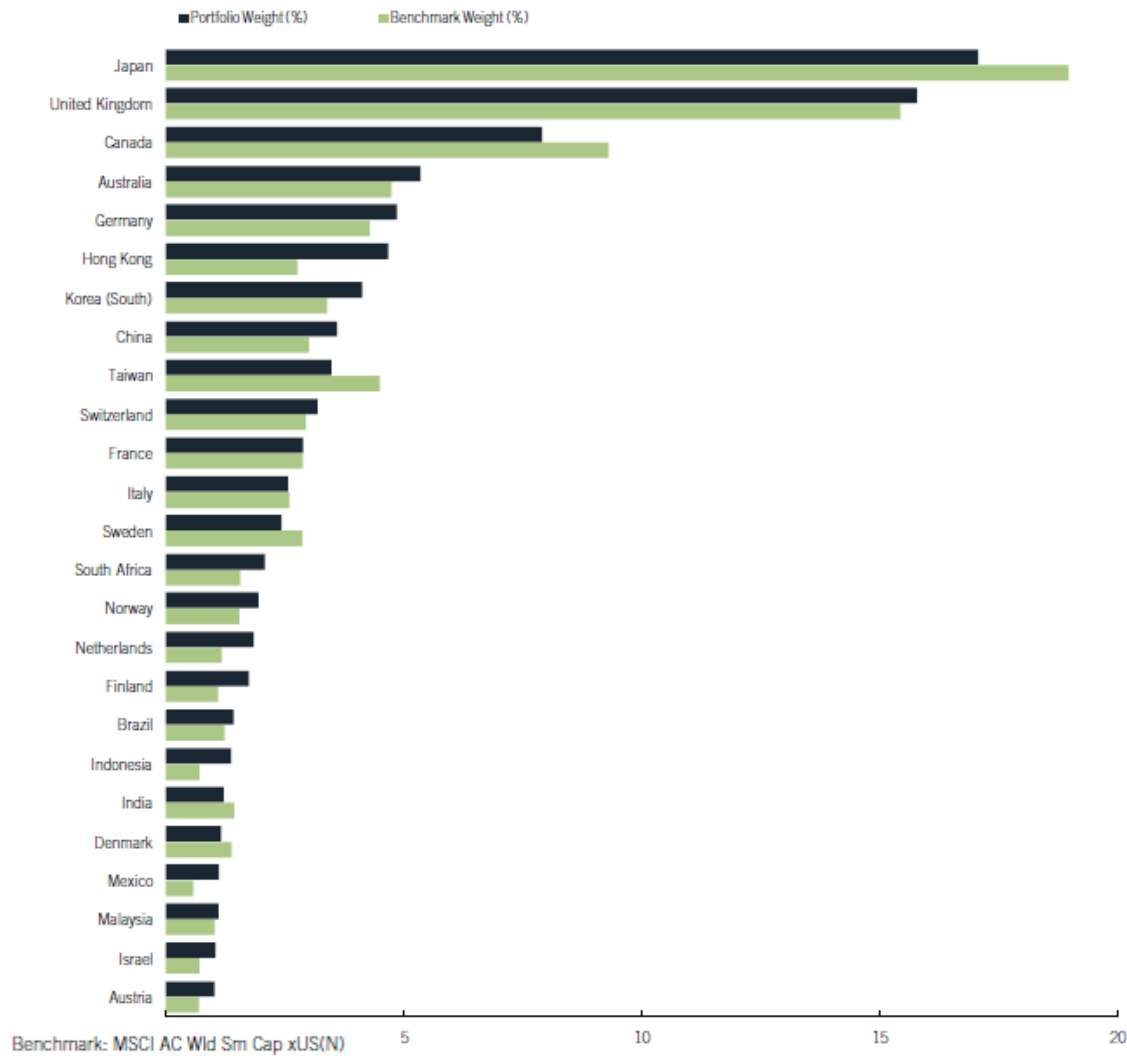


Sector breakdowns are only applied to equities and convertibles and the allocation percentages may not add to 100%.

Benchmark: MSCI AC Wld Sm Cap xUS(N)

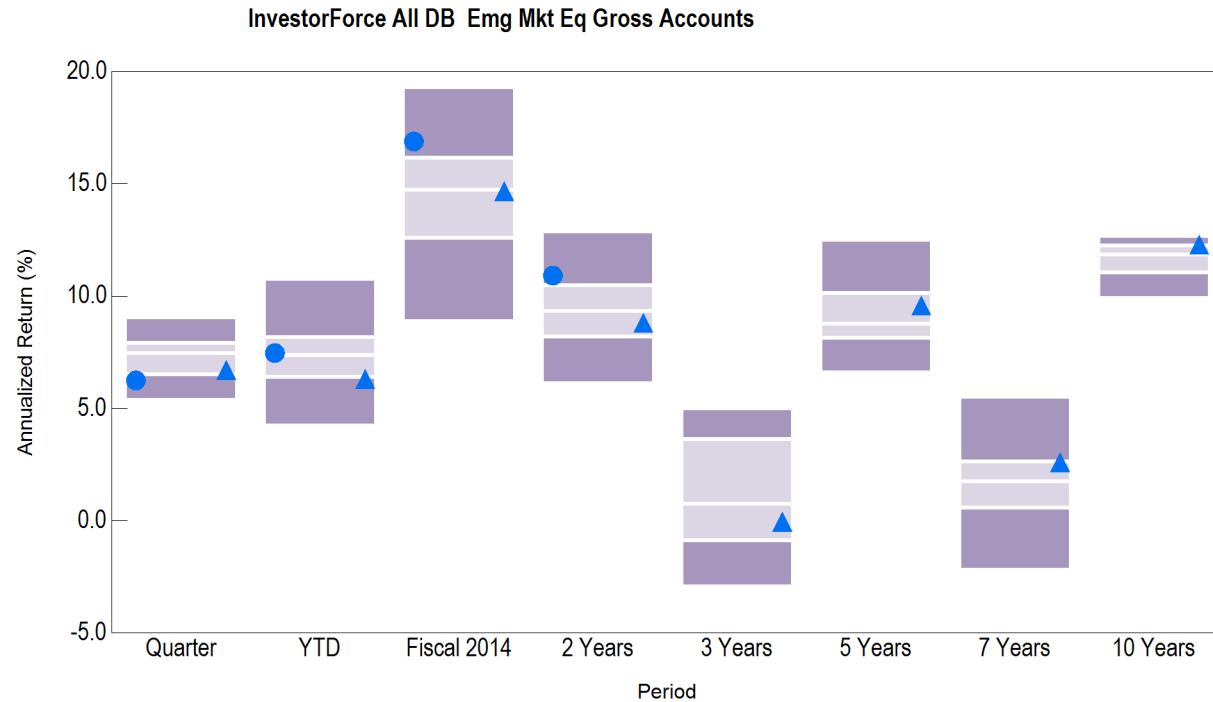
Quarter Ending June 30, 2014

Top 25 Country Weights



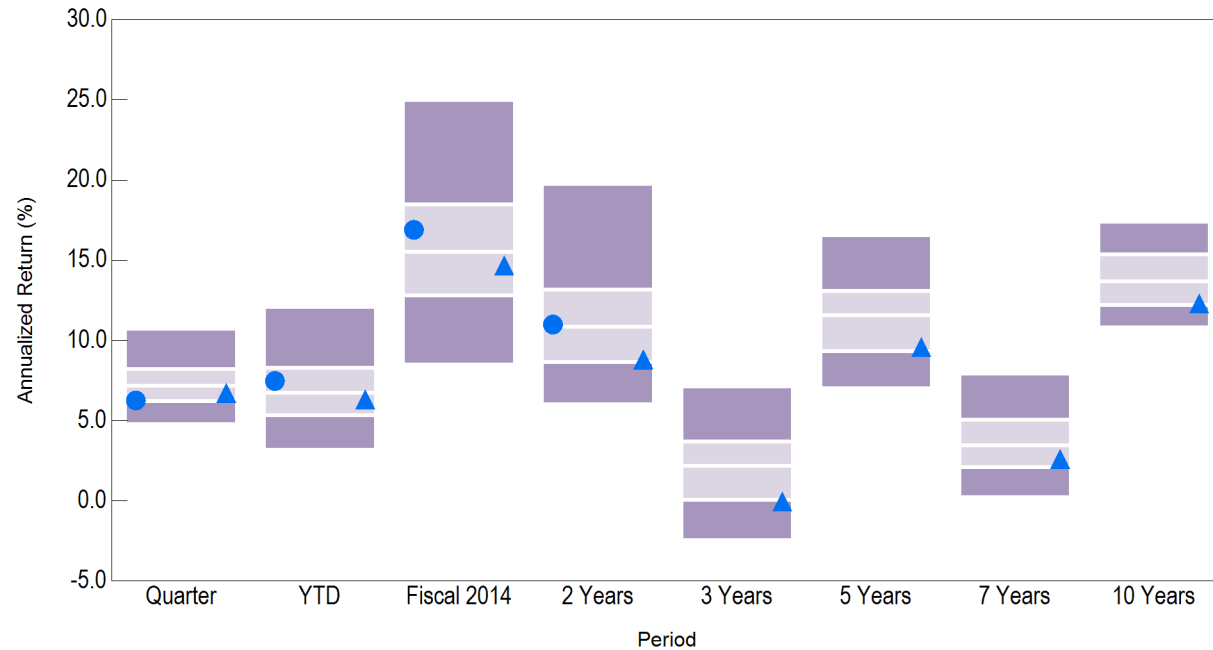
Total Returns - Emerging Markets Equity

Periods Ending June 30, 2014



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	9.0	10.7	19.3	12.9	5.0	12.5	5.5	12.7
25th Percentile	7.9	8.2	16.2	10.5	3.6	10.2	2.7	12.3
Median	7.5	7.4	14.8	9.4	0.8	8.8	1.8	11.9
75th Percentile	6.5	6.4	12.6	8.2	-0.9	8.2	0.6	11.1
95th Percentile	5.4	4.2	8.9	6.1	-2.9	6.6	-2.2	9.9
# of Portfolios	63	63	63	56	44	16	13	9
● Emerging Markets	6.2 (92)	7.5 (49)	16.9 (13)	10.9 (19)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI Emerging Markets Gross	6.7 (70)	6.3 (76)	14.7 (53)	8.8 (68)	-0.1 (60)	9.6 (41)	2.6 (27)	12.3 (24)

eA Emg Mkts Equity Gross Accounts



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	10.7	12.1	25.0	19.7	7.1	16.5	7.9	17.4
25th Percentile	8.2	8.3	18.5	13.2	3.7	13.1	5.1	15.4
Median	7.2	6.7	15.5	10.9	2.2	11.6	3.5	13.7
75th Percentile	6.2	5.3	12.8	8.7	0.1	9.4	2.1	12.2
95th Percentile	4.8	3.2	8.5	6.0	-2.5	7.0	0.2	10.8
# of Portfolios	221	221	220	208	182	132	105	77
● Parametric Clifton	6.2 (75)	7.5 (38)	16.9 (38)	11.0 (50)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI Emerging Markets Gross	6.7 (65)	6.3 (58)	14.7 (59)	8.8 (74)	-0.1 (77)	9.6 (73)	2.6 (69)	12.3 (73)

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

Quarter Ending June 30, 2014

Characteristics

	Portfolio	MSCI Emerging Markets Gross
Number of Holdings	1,429	835
Weighted Avg. Market Cap. (\$B)	21.2	36.7
Median Market Cap. (\$B)	2.9	5.2
Price To Earnings	18.5	17.0
Price To Book	3.0	2.5
Price To Sales	2.5	2.1
Return on Equity (%)	17.1	17.0
Yield (%)	2.8	2.6
Beta (holdings: global)	1.0	1.0

Top Holdings

SAMSUNG ELECTRONICS	1.1%
MTN GROUP	1.1%
OAO GAZPROM SPN.ADR 1:2	1.0%
AMX 'L'	0.9%
TENCENT HOLDINGS	0.8%
CHINA MOBILE	0.8%
NASPERS	0.7%
MAGNIT	0.6%
TAIWAN SEMICON.MNFG.	0.6%
LUKOIL OAO SPN.ADR 1:1	0.6%

Best Performers

	Return %
SUZLON ENERGY (IN:SZE)	153.6%
UNITECH (IN:UNT)	139.4%
ESSAR OIL (IN:EOL)	113.3%
RELIANCE CAPITAL (IN:RCF)	88.5%
INDIABULLS REAL ESTATE (IN:IBR)	84.9%
UPL (IN:UPH)	83.8%
OANDO (NG:OAN)	81.7%
JAIN IRRIGATION SYSTEMS (IN:JAR)	81.5%
RELIANCE INFRASTRUCTURE (IN:REY)	77.1%
HOUSING DEV.&.INFR. (IN:IHD)	74.0%

Worst Performers

	Return %
GULF FINANCE HOUSE (DFM) (DU:GUF)	-40.5%
BUMI RESOURCES (ID:BMH)	-39.4%
ARABTEC HOLDING (DU:ART)	-39.0%
PETROKEMIJA (CR:PTK)	-38.3%
AFRICAN BANK INVS. (R:ABLJ)	-37.6%
JORDAN STEEL (JO:JST)	-37.1%
OI PN (BR:LR4)	-36.0%
NATIONAL BK.OF GREECE (G:ETE)	-32.7%
NATIONAL CTL.COOLING (DU:TAB)	-32.5%
BESALCO (CL:BES)	-30.8%

Equity Sector Attribution - Parametric Clifton

Quarter Ending June 30, 2014

Parametric Clifton Performance Attribution vs. MSCI Emerging Markets 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%	9.2%	10.2%	10.2%	10.8%			
Materials	0.1%	0.2%	0.0%	-0.1%	5.3%	3.9%	10.4%	9.4%			
Industrials	-0.2%	0.0%	-0.1%	-0.1%	3.9%	5.7%	9.9%	6.6%			
Cons. Disc.	-0.1%	0.0%	0.0%	-0.1%	3.2%	4.3%	8.4%	9.3%			
Cons. Staples	0.1%	0.1%	0.0%	0.0%	5.2%	4.1%	8.6%	8.5%			
Health Care	0.0%	0.0%	0.0%	0.0%	9.0%	8.1%	2.2%	1.7%			
Financials	0.0%	0.2%	0.0%	-0.2%	6.5%	6.5%	26.9%	26.6%			
Info. Tech	-0.4%	0.3%	-0.2%	-0.5%	11.5%	11.1%	8.4%	16.7%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	5.9%	6.5%	10.1%	6.9%			
Utilities	0.1%	0.1%	0.1%	0.0%	12.1%	10.8%	4.8%	3.5%			
Cash	0.0%	--	--	--	--	--	0.0%	0.0%			
Unclassified	0.0%	0.0%	0.0%	0.0%	-4.8%	--	0.1%	0.0%			
Portfolio	-0.4%	=	0.9%	+	-0.2%	+	-1.1%	6.7%	7.1%	100.0%	100.0%

Equity Performance Attribution - Parametric Clifton

Quarter Ending June 30, 2014

Parametric Clifton Performance Attribution vs. 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	
Europe									
Belgium	-11.0%	5.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	0.5%	1.8%	1.7%	0.3%	0.0%	0.0%	0.0%	0.0%	-0.1%
Greece*	-7.9%	-7.9%	1.6%	0.6%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Hungary*	5.8%	4.7%	1.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Luxembourg	12.0%	7.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	-7.0%	0.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	-0.9%	-0.8%	3.8%	1.8%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Russia*	12.5%	11.0%	5.4%	5.3%	0.2%	0.0%	-0.1%	0.0%	0.1%
United Kingdom	3.2%	6.1%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
AsiaPacific									
Australia	18.5%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bangladesh**	5.1%	7.3%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
China*	6.5%	5.7%	9.1%	19.0%	0.1%	0.0%	0.0%	-0.1%	0.1%
Hong Kong	17.0%	8.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	16.8%	12.7%	7.2%	6.7%	0.3%	0.0%	0.0%	0.0%	0.3%
Indonesia*	0.0%	0.9%	3.4%	2.7%	0.0%	0.0%	0.0%	0.0%	-0.1%
Korea*	6.3%	6.4%	6.1%	15.8%	0.0%	0.4%	-0.5%	0.0%	-0.1%
Malaysia*	3.1%	3.9%	3.0%	3.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Pakistan**	8.0%	8.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Philippines*	9.2%	9.5%	1.6%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	5.5%	5.7%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sri Lanka**	4.4%	3.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	7.9%	10.2%	6.3%	11.9%	-0.3%	-0.1%	-0.1%	0.1%	-0.4%
Thailand*	4.0%	7.8%	3.1%	2.3%	-0.1%	0.0%	0.0%	0.0%	-0.1%

Equity Performance Attribution - Parametric Clifton

Quarter Ending June 30, 2014

Parametric Clifton Performance Attribution vs. 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	
Americas									
Argentina**	27.7%	18.6%	0.6%	0.0%	0.0%	0.1%	0.0%	0.1%	0.1%
Brazil*	8.8%	7.8%	5.6%	11.0%	0.1%	0.0%	-0.1%	-0.1%	-0.1%
Chile*	2.1%	2.9%	3.4%	1.6%	0.0%	0.0%	0.0%	0.0%	-0.1%
Colombia*	7.5%	7.8%	1.5%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	7.1%	6.5%	5.8%	5.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Peru*	8.4%	8.5%	1.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	11.0%	5.1%	1.8%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%

Equity Performance Attribution - Parametric Clifton

Quarter Ending June 30, 2014

Parametric Clifton Performance Attribution vs. 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	
Other									
Bahrain**	-10.3%	-5.2%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bulgaria**	-7.8%	-6.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Croatia**	4.3%	2.9%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Egypt*	1.4%	1.1%	2.0%	0.2%	0.0%	0.0%	0.0%	0.0%	-0.1%
Estonia**	2.2%	-1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Jordan**	-0.5%	-0.8%	0.8%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Kazakhstan**	29.1%	28.0%	0.4%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Kenya**	7.2%	11.2%	0.9%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
Kuwait**	-1.3%	-3.1%	1.5%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Lebanon**	5.4%	6.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Morocco**	-0.5%	-1.9%	0.9%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Nigeria**	18.8%	17.0%	0.8%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Oman**	4.5%	5.6%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Qatar*	10.5%	-5.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Romania**	19.2%	19.6%	0.6%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Slovenia**	15.2%	14.1%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	4.3%	4.7%	6.6%	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Tunisia**	-10.2%	-4.6%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	16.1%	15.4%	3.6%	1.6%	0.0%	0.2%	0.0%	0.0%	0.2%
United Arab Emirates*	-8.5%	-5.5%	1.6%	0.0%	0.0%	-0.2%	0.0%	-0.1%	-0.2%

Equity Performance Attribution - Parametric Clifton

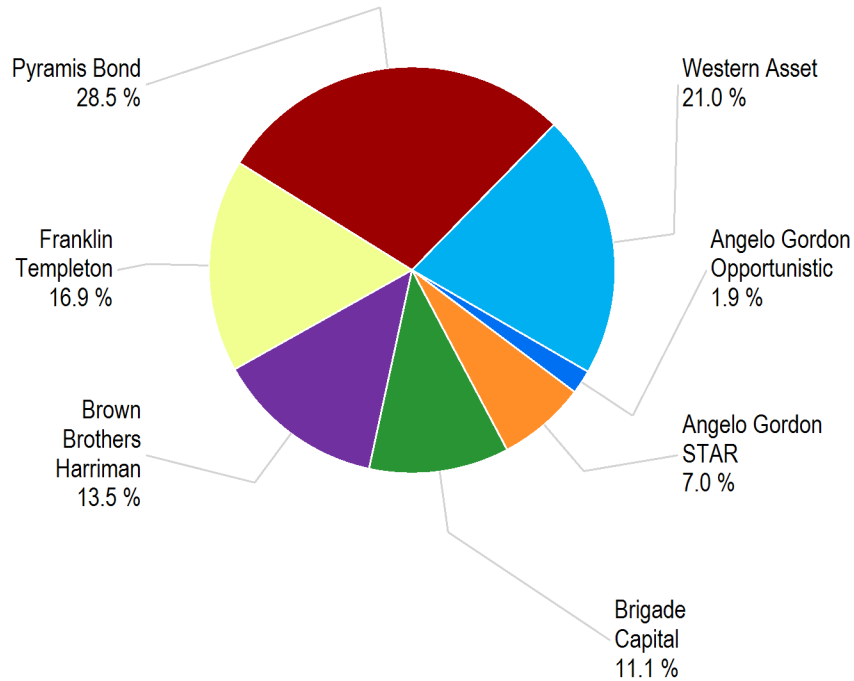
Quarter Ending June 30, 2014

Parametric Clifton Performance Attribution vs. 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	
Totals									
Americas	7.8%	7.1%	20.1%	19.3%	0.3%	0.0%	-0.1%	0.0%	0.2%
Europe	4.2%	6.6%	15.7%	8.1%	-0.1%	0.0%	-0.1%	-0.1%	-0.3%
Asia/Pacific	7.6%	7.3%	41.6%	63.0%	0.7%	0.0%	-0.7%	-0.2%	-0.2%
Other	5.7%	6.4%	22.6%	9.6%	-0.1%	0.2%	0.0%	-0.1%	-0.1%
Total	6.7%	7.1%	100.0%	100.0%	0.8%	0.2%	-1.0%	-0.4%	-0.4%
Totals									
Developed	7.1%	--	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Emerging*	6.6%	7.1%	85.4%	100.0%	0.3%	0.0%	-0.9%	0.0%	-0.7%
Frontier**	7.4%	--	11.0%	0.0%	0.0%	0.0%	0.0%	0.2%	0.2%

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

As of June 30, 2014



	Actual \$	Actual %	Manager Contribution to Excess Return %
Angelo Gordon Opportunistic	\$11,312,500	1.9%	0.0%
Angelo Gordon PPIP	\$19,342	0.0%	0.0%
Angelo Gordon STAR	\$41,605,300	7.0%	0.2%
Brigade Capital	\$66,157,515	11.1%	0.1%
Brown Brother Harriman	\$80,044,075	13.5%	-0.1%
Franklin Templeton	\$100,587,238	16.9%	0.1%
Pyramis Bond	\$169,062,585	28.5%	0.1%
Western Asset	\$124,705,517	21.0%	0.1%
Actual vs. Policy Weight Difference			0.1%
Total	\$593,494,073	100.0%	0.6%

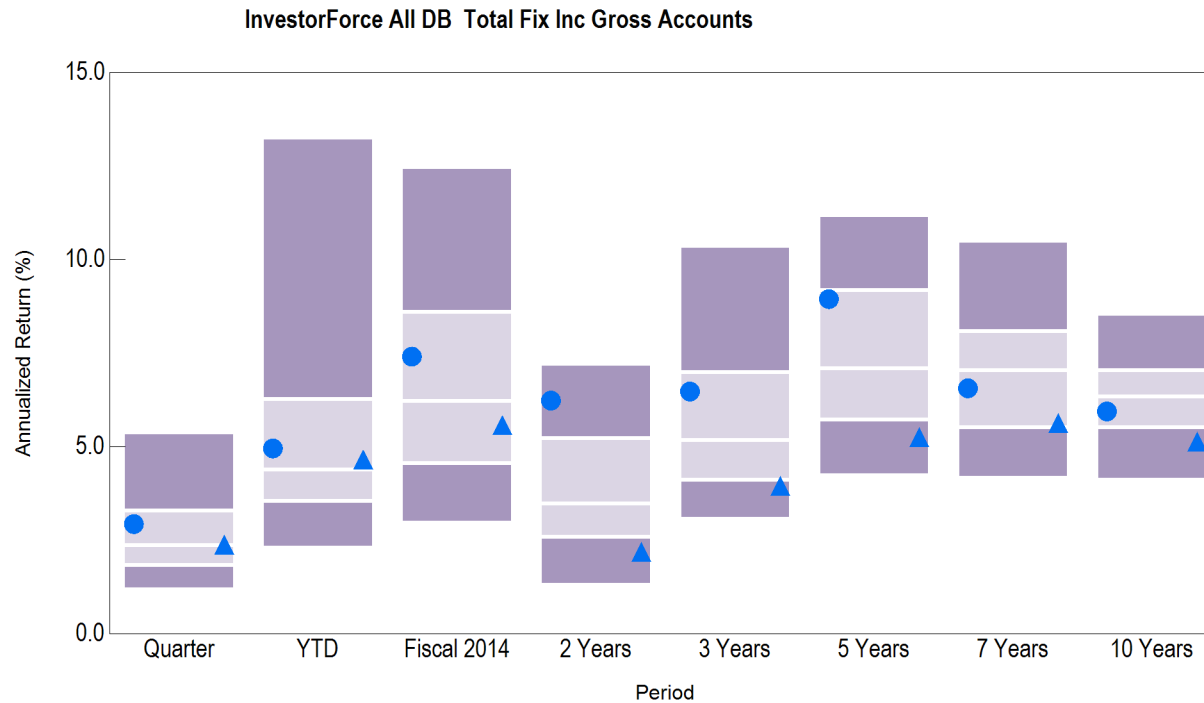
Statistics Summary

3 Years

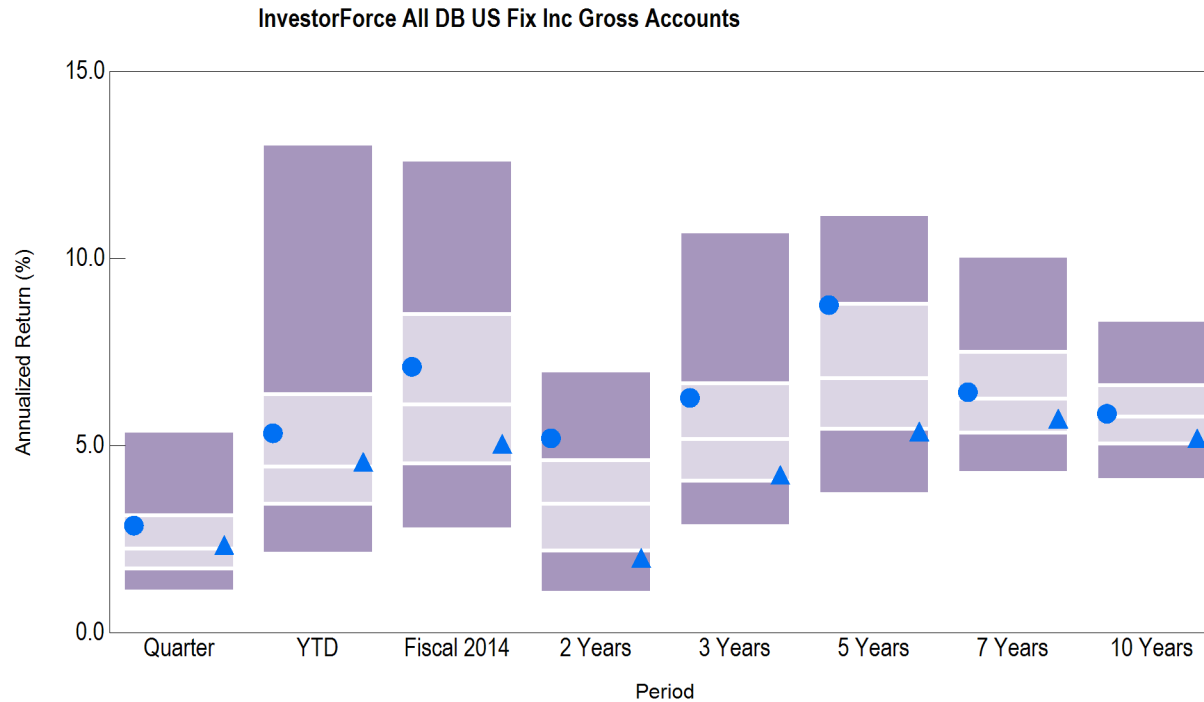
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fixed Income	6.5%	3.8%	1.7	1.0	2.5%
Blended Fixed Index	4.0%	3.4%	1.1	--	0.0%
US Fixed Income	6.3%	3.0%	2.1	1.3	1.6%
Blended US Fixed Index	4.2%	3.4%	1.2	--	0.0%
Pyramis Bond	4.7%	2.9%	1.6	1.6	0.6%
Barclays Aggregate	3.7%	2.8%	1.3	--	0.0%
Western Asset	5.7%	3.9%	1.4	0.6	3.2%
Barclays Aggregate	3.7%	2.8%	1.3	--	0.0%
Brown Brothers Harriman	3.6%	5.4%	0.7	0.0	0.8%
Barclays US TIPS	3.6%	5.5%	0.6	--	0.0%
Brigade Capital	9.7%	4.2%	2.3	0.8	3.9%
Barclays BA Intermediate HY	6.5%	4.9%	1.3	--	0.0%
Franklin Templeton	6.7%	10.9%	0.6	0.4	8.6%
Barclays Multi-verse	2.9%	4.2%	0.7	--	0.0%

Statistics Summary**5 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fixed Income	8.9%	3.8%	2.4	1.6	2.4%
Blended Fixed Index	5.3%	3.3%	1.6	--	0.0%
US Fixed Income	8.8%	3.3%	2.6	1.8	1.9%
Blended US Fixed Index	5.4%	3.3%	1.6	--	0.0%
Pyramis Bond	6.9%	3.1%	2.2	2.3	0.9%
Barclays Aggregate	4.9%	2.8%	1.7	--	0.0%
Western Asset	8.6%	4.0%	2.1	1.3	2.9%
Barclays Aggregate	4.9%	2.8%	1.7	--	0.0%



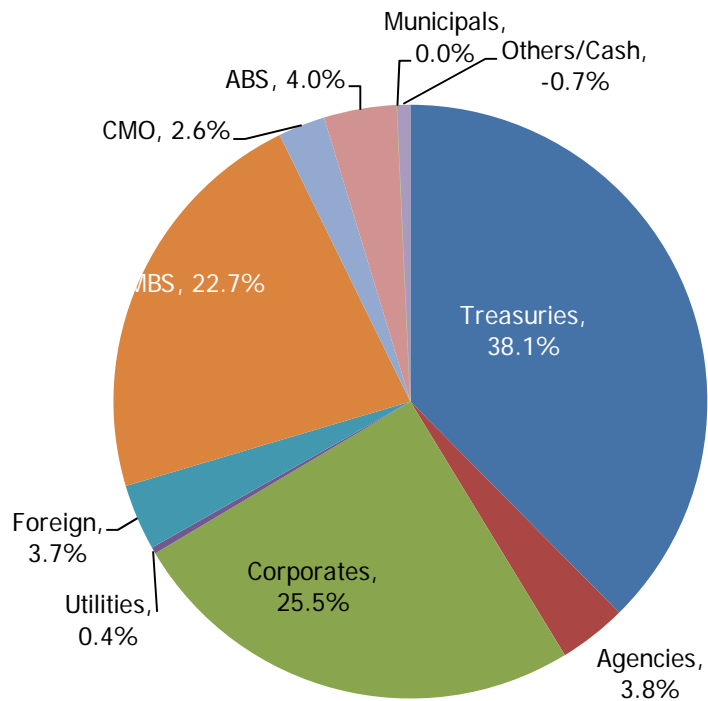
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	5.4	13.3	12.5	7.2	10.4	11.2	10.5	8.6
25th Percentile	3.3	6.3	8.6	5.2	7.0	9.2	8.1	7.1
Median	2.4	4.4	6.2	3.5	5.2	7.1	7.1	6.4
75th Percentile	1.8	3.6	4.6	2.6	4.1	5.7	5.5	5.5
95th Percentile	1.2	2.3	3.0	1.3	3.1	4.2	4.2	4.1
# of Portfolios	272	272	268	253	230	183	166	125
● Total Fixed Income	2.9 (32)	5.0 (40)	7.4 (40)	6.2 (14)	6.5 (31)	8.9 (30)	6.6 (61)	5.9 (66)
▲ Blended Fixed Index	2.4 (50)	4.7 (46)	5.6 (58)	2.2 (84)	4.0 (79)	5.3 (81)	5.6 (74)	5.1 (81)



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)	5.4	13.1	12.6	7.0	10.7	11.2	10.1	8.4
5th Percentile	3.2	6.4	8.5	4.6	6.7	8.8	7.5	6.6
25th Percentile	2.3	4.4	6.1	3.5	5.2	6.8	6.3	5.8
Median	1.7	3.5	4.5	2.2	4.1	5.5	5.4	5.1
75th Percentile	1.1	2.1	2.8	1.1	2.9	3.7	4.3	4.1
95th Percentile	434	432	432	427	395	306	279	233
# of Portfolios								
● US Fixed Income	2.9 (30)	5.3 (35)	7.1 (38)	5.2 (20)	6.3 (32)	8.8 (26)	6.4 (47)	5.9 (48)
▲ Blended US Fixed Index	2.3 (46)	4.6 (46)	5.1 (68)	2.0 (81)	4.2 (70)	5.4 (79)	5.7 (69)	5.2 (71)

San Mateo County Employees' Retirement Association
 Fixed Income Sector Allocation – US Fixed Income

As of June 30, 2014



Sector*	Account Weight	BC Aggregate Weight	Difference
Treasuries	38.1%	35.3%	2.9%
Agencies	3.8%	3.6%	0.2%
Corporates	25.5%	21.5%	4.0%
Utilities	0.4%	1.8%	-1.4%
Foreign	3.7%	6.2%	-2.6%
MBS	22.7%	28.9%	-6.3%
CMO	2.6%	0.0%	2.6%
ABS	4.0%	2.7%	1.4%
Municipals	0.0%	0.0%	0.0%
Others/Cash	-0.7%	0.0%	-0.7%
TOTAL	100.0%	100.0%	0.0%

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

Bond Summary Statistics – US Fixed Income

As of June 30, 2014

Portfolio Characteristics*			
		Portfolio	BC Aggregate
Total Number of Securities			
Total Market Value	\$	373,812,177	
Current Coupon		3.13	3.30
Yield to Maturity		2.33	2.20
Average Life		6.23	7.48
Duration		5.53	5.33
Quality		AA-	AA

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

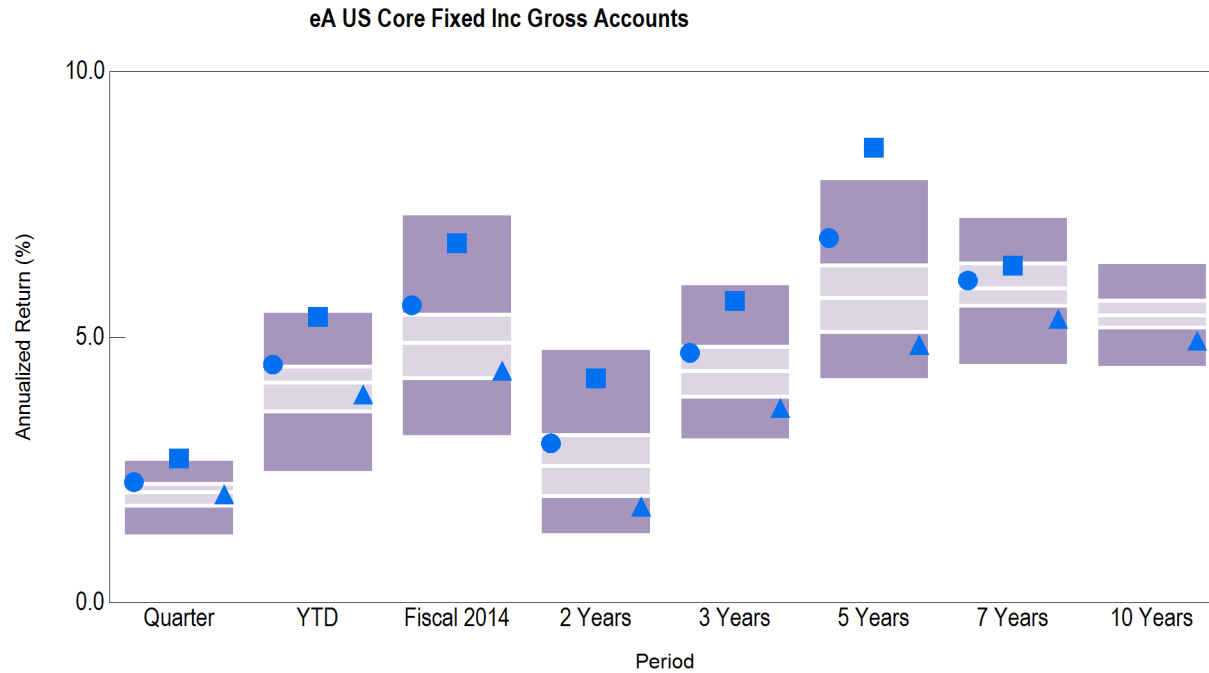
Average Life	
Range	% Held
0.0 - 1.0	3.0
1.0 - 3.0	12.3
3.0 - 5.0	34.1
5.0 - 10.0	36.8
10.0 - 20.0	5.0
20.0+	8.9
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	11.8
1.0 - 3.0	14.5
3.0 - 5.0	38.2
5.0 - 7.0	21.7
7.0 - 10.0	6.0
10.0+	9.2
Unclassified	-1.4

Quality	
Range	% Held
Govt (10)	21.0
Aaa (10)	42.5
Aa (9)	2.8
A (8)	11.8
Baa (7)	17.7
Below Baa (6-1)	4.0
Other	0.3

Coupon	
Range	% Held
0.0 - 5.0	77.2
5.0 - 7.0	19.2
7.0 - 9.0	3.3
9.0 - 11.0	0.4
11.0 - 13.0	0.0
13.0+	0.0
Unclassified	0.0

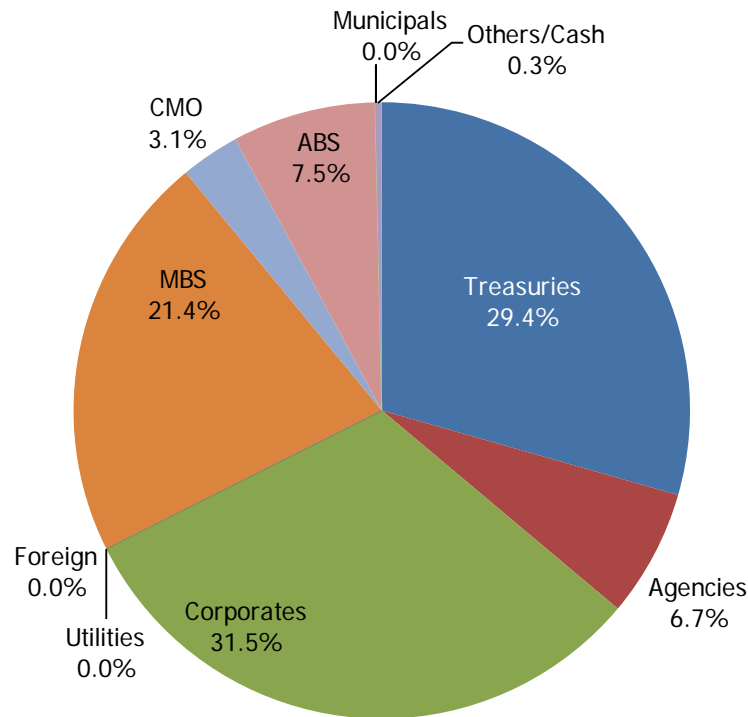
* Characteristics excludes Angelo Gordon STAR Fund and Brigade Capital Management



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	2.7	5.5	7.3	4.8	6.0	8.0	7.3	6.4
25th Percentile	2.2	4.5	5.4	3.2	4.8	6.4	6.4	5.7
Median	2.1	4.2	4.9	2.6	4.4	5.7	5.9	5.4
75th Percentile	1.8	3.6	4.2	2.0	3.9	5.1	5.6	5.2
95th Percentile	1.3	2.5	3.1	1.3	3.1	4.2	4.5	4.4
# of Portfolios	215	215	215	215	214	205	198	183
● Pyramis Bond	2.3 (23)	4.5 (23)	5.6 (22)	3.0 (32)	4.7 (32)	6.9 (14)	6.1 (42)	-- (--)
■ Western Asset	2.7 (5)	5.4 (6)	6.8 (7)	4.2 (9)	5.7 (8)	8.6 (2)	6.3 (28)	-- (--)
▲ Barclays Aggregate	2.0 (58)	3.9 (62)	4.4 (71)	1.8 (84)	3.7 (84)	4.9 (83)	5.3 (82)	4.9 (86)

Fixed Income Sector Allocation – Pyramis Broad Market Duration Pool

As of June 30, 2014



Sector	Account Weight	BC Aggregate Weight	Difference
Treasuries	29.4%	35.3%	-5.8%
Agencies	6.7%	3.6%	3.1%
Corporates	31.5%	21.5%	10.0%
Utilities	0.0%	1.8%	-1.8%
Foreign	0.0%	6.2%	-6.2%
MBS	21.4%	28.9%	-7.5%
CMO	3.1%	0.0%	3.1%
ABS	7.5%	2.7%	4.9%
Municipals	0.0%	0.0%	0.0%
Others/Cash	0.3%	0.0%	0.3%
TOTAL	100.0%	100.0%	0.0%

Bond Summary Statistics – Pyramis Broad Market Duration Pool

As of June 30, 2014

Portfolio Characteristics		Portfolio
Total Number of Securities		
Total Market Value	\$	169,062,585
Current Coupon		3.43
Yield to Maturity		2.74
Average Life		7.42
Duration		5.18
Quality		AA-

BC Aggregate	
Current Coupon	3.30
Yield to Maturity	2.20
Average Life	7.48
Duration	5.33
Quality	AA

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	-1.8
1.0 - 3.0	14.6
3.0 - 5.0	33.1
5.0 - 10.0	39.2
10.0 - 20.0	3.2
20.0+	11.6
Unclassified	0.0

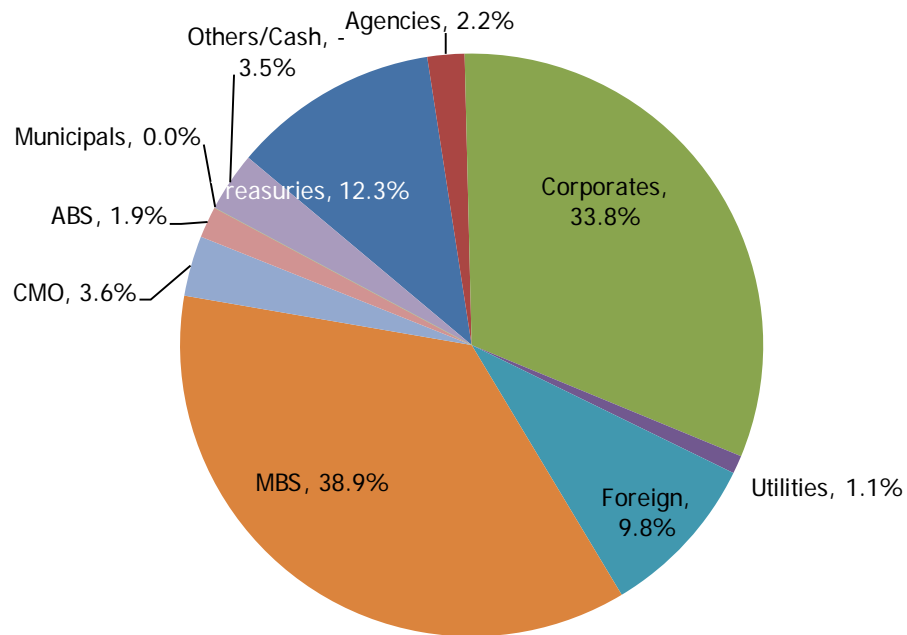
Duration	
Range	% Held
0.0 - 1.0	8.8
1.0 - 3.0	21.7
3.0 - 5.0	36.8
5.0 - 7.0	25.3
7.0 - 10.0	2.0
10.0+	8.4
Unclassified	-3.0

Quality	
Range	% Held
Govt (10)	0.0
Aaa (10)	59.4
Aa (9)	2.2
A (8)	16.1
Baa (7)	21.4
Below Baa (6-1)	0.0
Other	0.8

Coupon	
Range	% Held
0.0 - 5.0	72.2
5.0 - 7.0	24.0
7.0 - 9.0	3.5
9.0 - 11.0	0.3
11.0 - 13.0	0.0
13.0+	0.0
Unclassified	0.0

San Mateo County Employees' Retirement Association
 Fixed Income Sector Allocation – Western Asset

As of June 30, 2014



Sector	Account Weight	BC Aggregate Weight	Difference
Treasuries	12.3%	35.3%	-23.0%
Agencies	2.2%	3.6%	-1.4%
Corporates	33.8%	21.5%	12.3%
Utilities	1.1%	1.8%	-0.7%
Foreign	9.8%	6.2%	3.6%
MBS	38.9%	28.9%	10.0%
CMO	3.6%	0.0%	3.6%
ABS	1.9%	2.7%	-0.8%
Municipals	0.0%	0.0%	0.0%
Others/Cash	-3.5%	0.0%	-3.5%
TOTAL	100.0%	100.0%	0.0%

San Mateo County Employees' Retirement Association

Bond Summary Statistics – Western Asset

As of June 30, 2014

Portfolio Characteristics		Portfolio
Total Number of Securities		621
Total Market Value	\$	124,705,517
Current Coupon		3.69
Yield to Maturity		3.42
Average Life		8.63
Duration		6.19
Quality		A+

BC Aggregate	
Current Coupon	3.31
Yield to Maturity	2.20
Average Life	7.48
Duration	5.33
Quality	AA

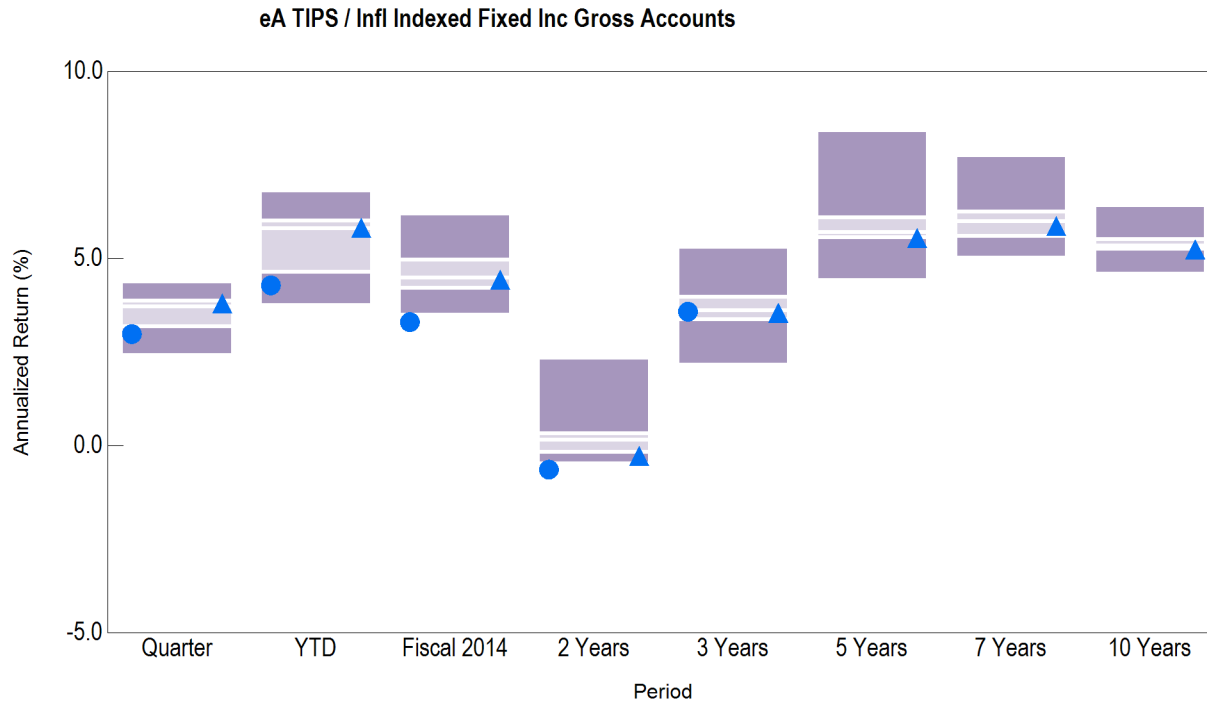
Yield to Maturity	
Range	% Held
0.0 - 5.0	n/a
5.0 - 7.0	n/a
7.0 - 9.0	n/a
9.0 - 11.0	n/a
11.0 - 13.0	n/a
13.0+	n/a
Unclassified	n/a

Average Life	
Range	% Held
0.0 - 1.0	-1.3
1.0 - 3.0	17.0
3.0 - 5.0	24.5
5.0 - 10.0	43.3
10.0 - 20.0	5.6
20.0+	11.0
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	11.0
1.0 - 3.0	13.9
3.0 - 5.0	26.3
5.0 - 7.0	22.4
7.0 - 10.0	10.3
10.0+	16.1
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	0.0
Aaa (10)	46.7
Aa (9)	4.2
A (8)	13.5
Baa (7)	24.0
Below Baa (6-1)	11.9
Other	-0.3

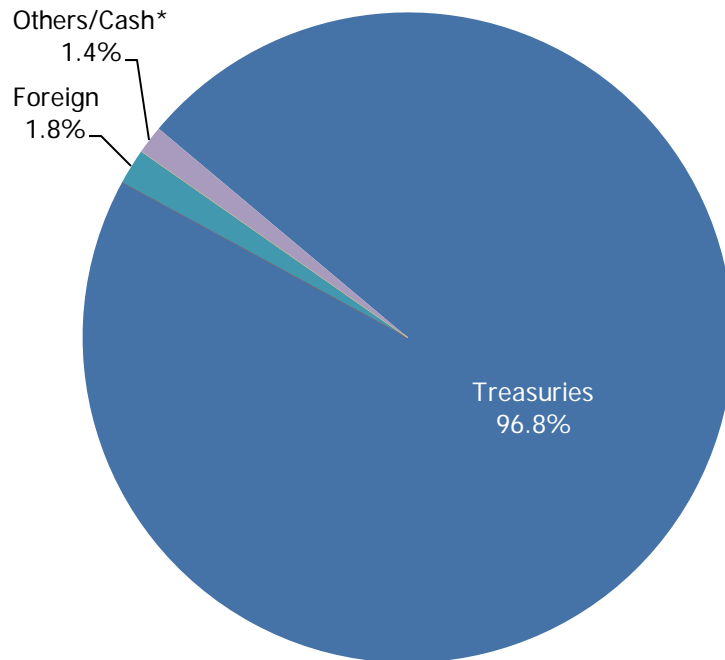
Coupon	
Range	% Held
0.0 - 5.0	69.3
5.0 - 7.0	25.0
7.0 - 9.0	5.1
9.0 - 10.0	0.7
10.0+	0.0
Unclassified	0.0



	Return (Rank)							
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	4.4	6.8	6.2	2.3	5.3	8.4	7.8	6.4
25th Percentile	3.9	6.0	5.0	0.3	4.0	6.1	6.3	5.5
Median	3.7	5.8	4.5	0.2	3.6	5.7	6.0	5.4
75th Percentile	3.2	4.7	4.2	-0.2	3.4	5.6	5.6	5.3
95th Percentile	2.4	3.8	3.5	-0.5	2.2	4.4	5.0	4.6
# of Portfolios	42	42	42	42	41	37	32	24
● Brown Brothers Harriman	3.0 (81)	4.3 (78)	3.3 (98)	-0.6 (98)	3.6 (64)	-- (--)	-- (--)	-- (--)
▲ Barclays US TIPS	3.8 (35)	5.8 (50)	4.4 (60)	-0.3 (90)	3.6 (71)	5.6 (77)	5.9 (69)	5.2 (79)

Fixed Income Sector Allocation – Brown Brothers Harriman

As of June 30, 2014



Sector	Account Weight	ML TIPS Index	Difference
Treasuries	96.8%	100.0%	-3.2%
Agencies	0.0%	0.0%	0.0%
Corporates	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%
Foreign	1.8%	0.0%	1.8%
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*	1.4%	0.0%	1.4%
TOTAL	100.0%	100.0%	0.0%

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

Bond Summary Statistics – Brown Brothers Harriman

As of June 30, 2014

Portfolio Characteristics		
	Portfolio	
Total Number of Securities		13
Total Market Value	\$	80,044,075
Current Coupon		1.64
Yield to Maturity		-0.25
Average Life		
Duration		5.22
Quality		AAA

ML TIPS	
	ML TIPS
Total Number of Securities	35
Total Market Value	N/A
Current Coupon	1.35
Yield to Maturity	-0.15
Average Life	
Duration	7.82
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	19.6
3.0 - 5.0	0.0
5.0 - 10.0	51.1
10.0- 15.0	21.5
15.0+	7.7
Unclassified	0.0

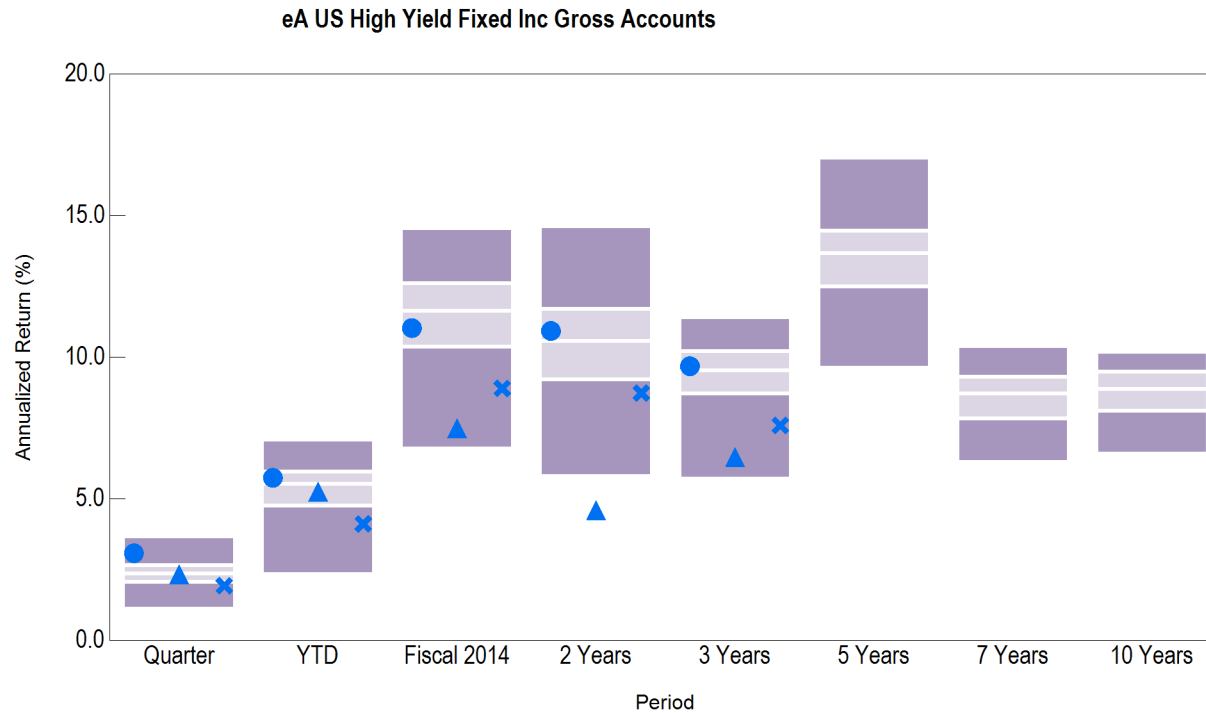
Duration	
Range	% Held
0.0 - 3.0	19.6
3.0 - 5.0	0.0
5.0 - 10.0	59.6
10.0- 15.0	13.1
15.0+	7.6
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	98.2
Aaa (10)	0.0
Aa (9)	1.8
A (8)	0.0
Baa (7)	0.0
Below Baa (6-1)	0.0
Other	0.0

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

Total Returns - High Yield Fixed Income

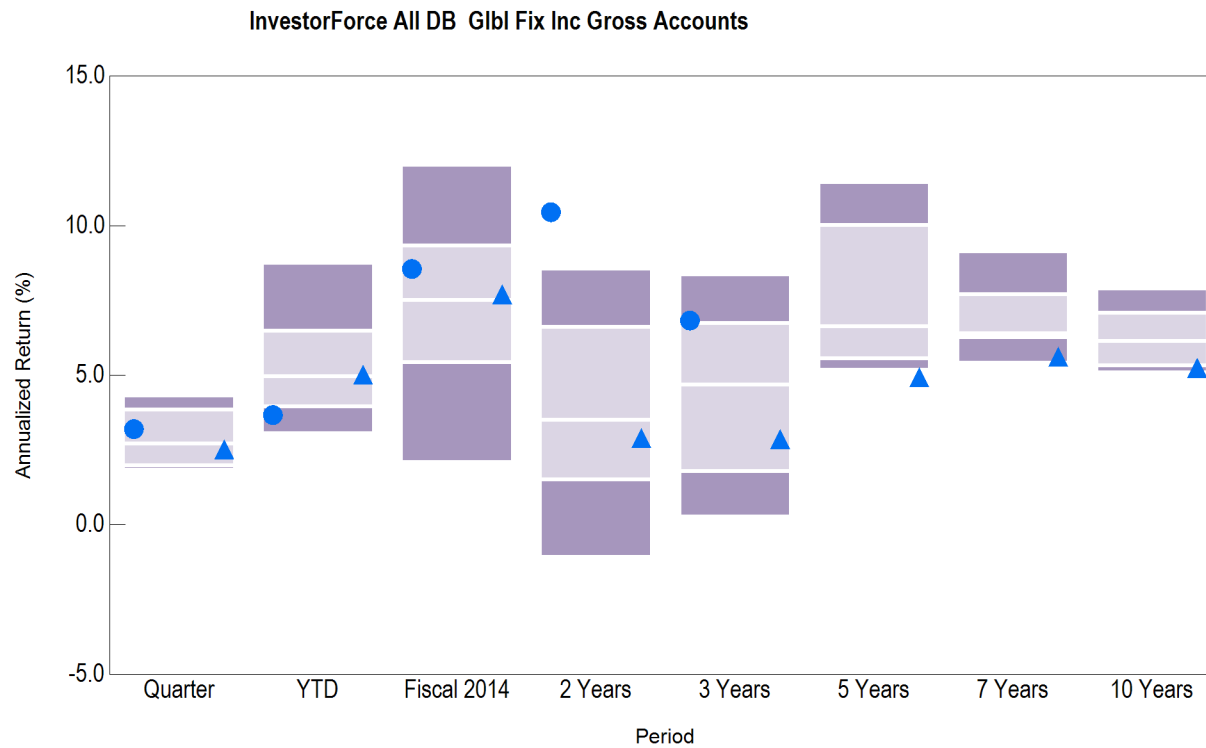
Periods Ending June 30, 2014



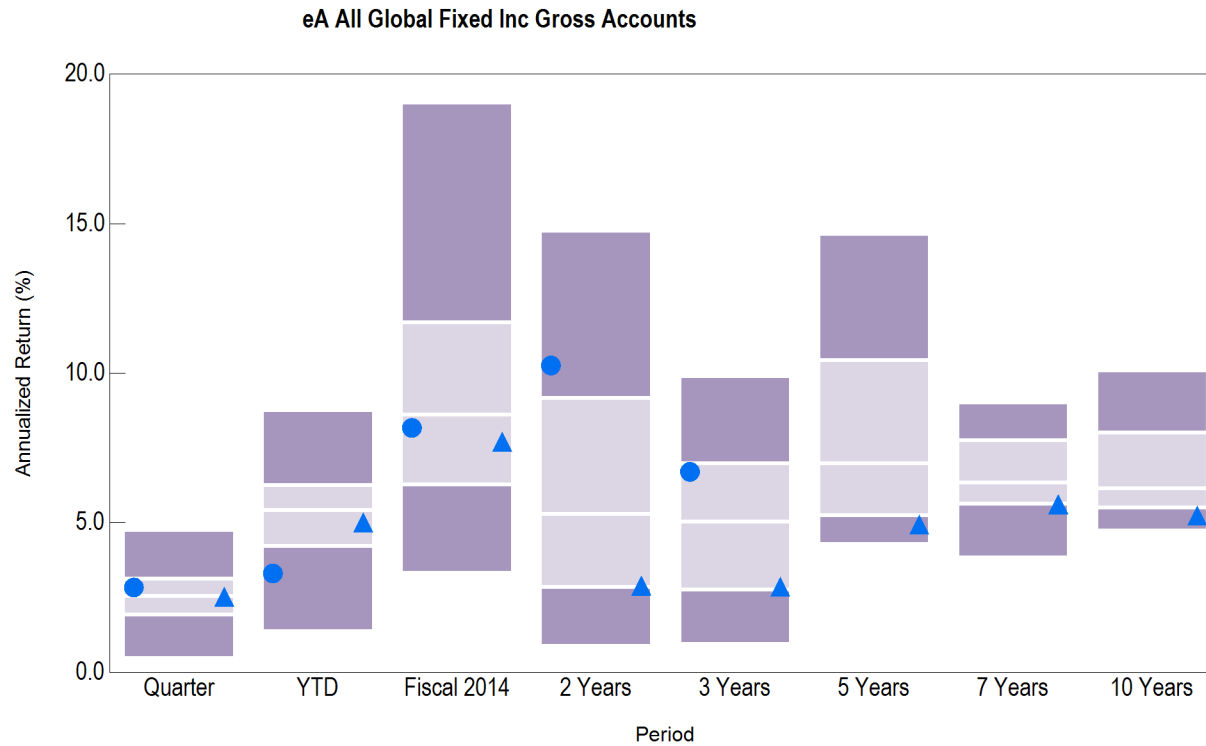
	Return (Rank)							
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	3.7	7.1	14.6	14.6	11.4	17.0	10.4	10.2
25th Percentile	2.7	6.0	12.6	11.7	10.2	14.5	9.3	9.5
Median	2.4	5.5	11.7	10.6	9.5	13.7	8.7	8.9
75th Percentile	2.1	4.8	10.4	9.2	8.7	12.5	7.9	8.1
95th Percentile	1.1	2.4	6.8	5.8	5.7	9.6	6.3	6.6
# of Portfolios	141	141	141	138	127	115	103	93
● Brigade Capital	3.1 (10)	5.7 (41)	11.0 (66)	10.9 (44)	9.7 (43)	-- (--)	-- (--)	-- (--)
▲ Barclays BA Intermediate HY	2.3 (52)	5.2 (60)	7.5 (92)	4.6 (99)	6.5 (94)	-- (--)	-- (--)	-- (--)
✕ 50% Barclays HY/ 50% Bank Loan	1.9 (80)	4.1 (84)	8.9 (85)	8.7 (80)	7.6 (87)	-- (--)	-- (--)	-- (--)

Total Returns - Global Fixed Income

Periods Ending June 30, 2014



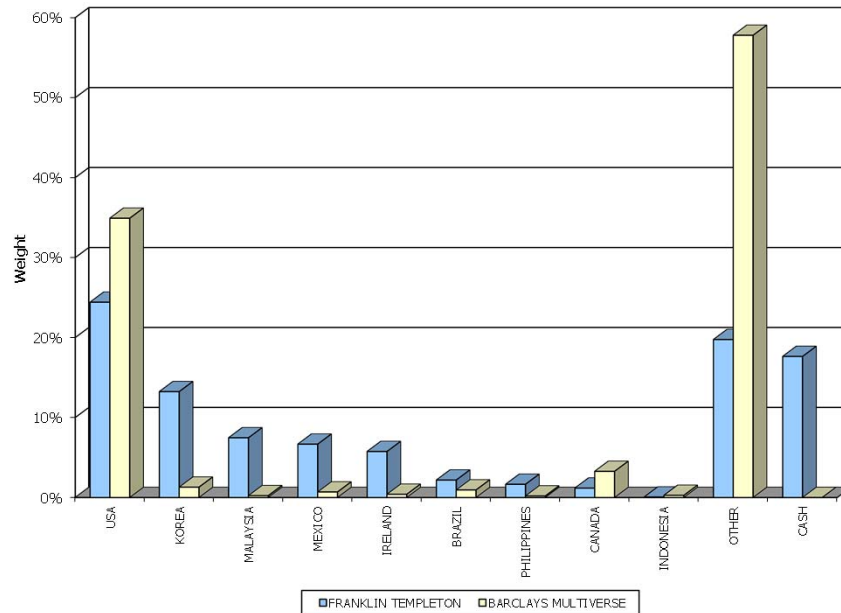
	Return (Rank)							
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	4.3	8.8	12.0	8.6	8.4	11.4	9.1	7.9
25th Percentile	3.9	6.5	9.4	6.6	6.8	10.0	7.7	7.1
Median	2.7	5.0	7.5	3.5	4.7	6.6	6.4	6.2
75th Percentile	2.0	4.0	5.5	1.5	1.8	5.6	6.3	5.3
95th Percentile	1.9	3.1	2.1	-1.1	0.3	5.2	5.4	5.1
# of Portfolios	35	35	35	33	31	21	18	10
● Global Fixed Income	3.2 (37)	3.7 (90)	8.6 (36)	10.5 (1)	6.8 (25)	-- (--)	-- (--)	-- (--)
▲ Barclays Multi-verse	2.5 (61)	5.0 (48)	7.7 (48)	2.9 (60)	2.9 (68)	4.9 (96)	5.6 (90)	5.2 (90)



	Return (Rank)							
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	4.8	8.8	19.0	14.8	9.9	14.7	9.0	10.1
25th Percentile	3.2	6.3	11.7	9.2	7.0	10.5	7.8	8.0
Median	2.6	5.4	8.6	5.3	5.0	7.0	6.4	6.2
75th Percentile	1.9	4.2	6.3	2.9	2.8	5.3	5.7	5.5
95th Percentile	0.5	1.4	3.3	0.9	1.0	4.3	3.9	4.8
# of Portfolios	249	248	247	242	224	177	144	106
● Franklin Templeton	2.8 (36)	3.3 (86)	8.2 (56)	10.3 (22)	6.7 (29)	-- (--)	-- (--)	-- (--)
▲ Barclays Multi-verse	2.5 (53)	5.0 (61)	7.7 (64)	2.9 (75)	2.9 (75)	4.9 (84)	5.6 (78)	5.2 (83)

Portfolio Country Weights – Franklin Templeton

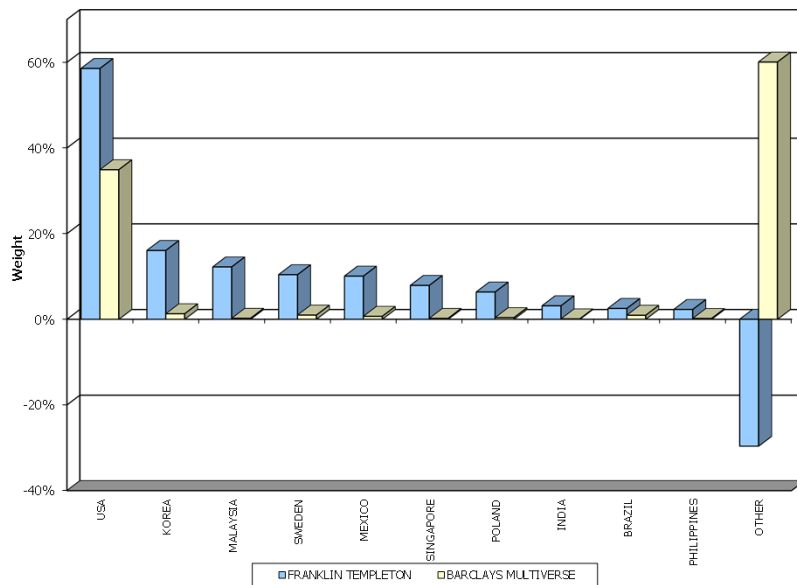
As of June 30, 2014



COUNTRY	MARKET VALUE	FRANKLIN TEMPLETON	BARCLAYS MULTIVERSE	DIFF
USA	\$ 24,565	24.4%	34.9%	-10.5%
KOREA	\$ 13,315	13.2%	1.3%	+11.9%
MALAYSIA	\$ 7,509	7.5%	0.2%	+7.2%
MEXICO	\$ 6,710	6.7%	0.7%	+6.0%
IRELAND	\$ 5,783	5.7%	0.4%	+5.3%
BRAZIL	\$ 2,193	2.2%	0.9%	+1.2%
PHILIPPINES	\$ 1,661	1.7%	0.2%	+1.5%
CANADA	\$ 1,181	1.2%	3.3%	-2.1%
INDONESIA	\$ 58	0.1%	0.3%	-0.2%
OTHER	\$ 19,869	19.8%	57.8%	-38.0%
CASH	\$ 17,744	17.6%	0.0%	+17.6%
	\$ 100,587	100.0%	100.0%	0.0%

Portfolio Currency Exposures – Franklin Templeton

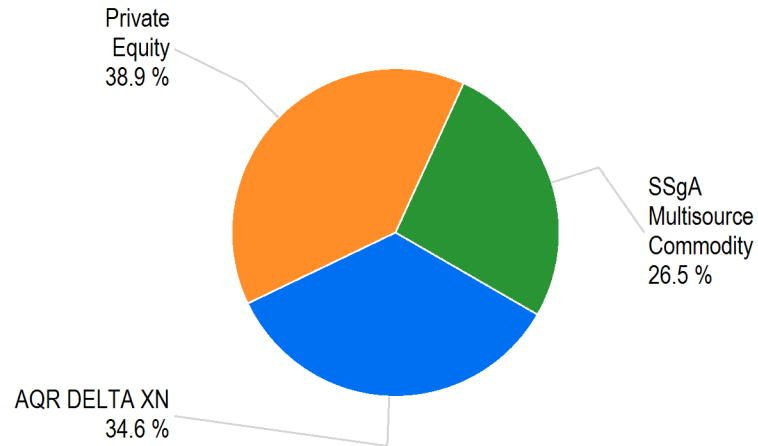
As of June 30, 2014



CURRENCY	MARKET VALUE	FRANKLIN TEMPLETON	BARCLAYS MULTIVERSE	DIFF
USA	\$ 58,910	58.6%	34.9%	+23.6%
KOREA	\$ 16,164	16.1%	1.3%	+14.8%
MALAYSIA	\$ 12,298	12.2%	0.2%	+12.0%
SWEDEN	\$ 10,474	10.4%	1.0%	+9.4%
MEXICO	\$ 10,138	10.1%	0.7%	+9.4%
SINGAPORE	\$ 7,955	7.9%	0.2%	+7.7%
POLAND	\$ 6,407	6.4%	0.4%	+6.0%
INDIA	\$ 3,173	3.2%	0.1%	+3.1%
BRAZIL	\$ 2,551	2.5%	0.9%	+1.6%
PHILIPPINES	\$ 2,307	2.3%	0.2%	+2.1%
OTHER	\$ (29,790)	-29.6%	60.1%	-89.7%
	\$ 100,587	100.0%	100.0%	0.0%

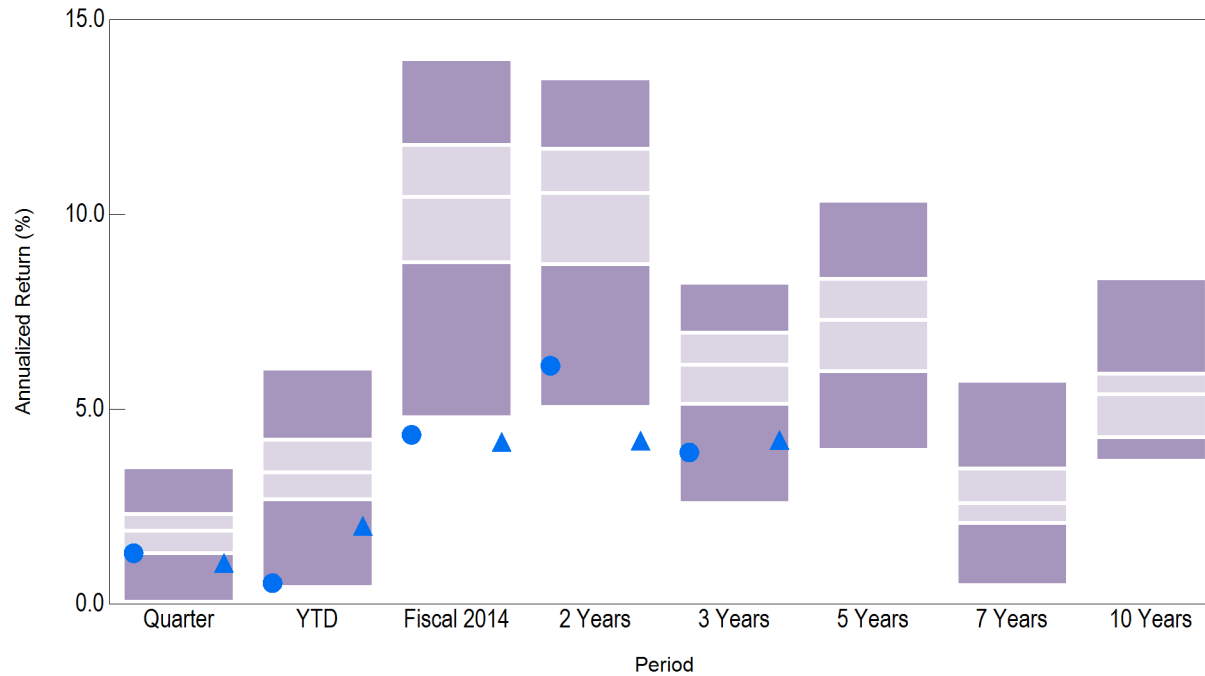
Manager Allocation Analysis - Alternatives

As of June 30, 2014



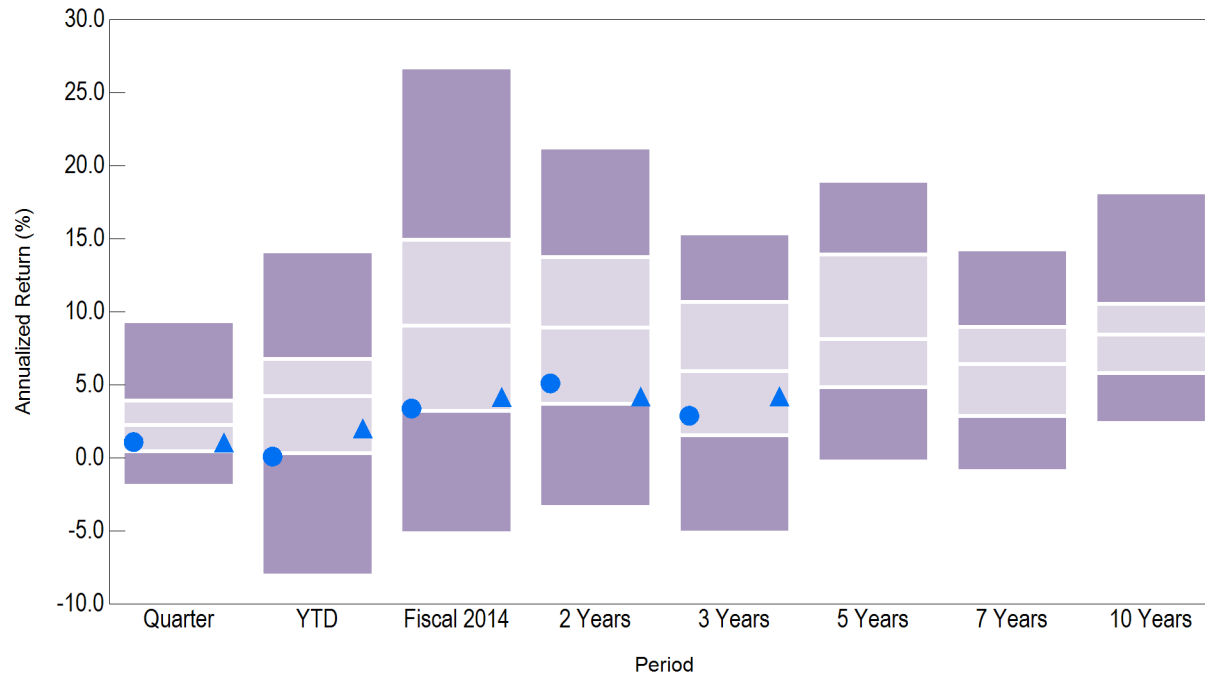
	Actual \$	Actual %	Manager Contribution to Excess Return %
AQR DELTA XN	\$117,896,821	34.6%	0.1%
Private Equity	\$132,814,586	38.9%	-0.5%
SSgA Mutisource Commodity	\$90,480,043	26.5%	0.8%
Actual vs. Policy Weight Difference			-0.5%
Total	\$341,191,450	100.0%	-0.1%

InvestorForce All DB Hedge Funds Gross Accounts



	Return (Rank)										
5th Percentile	3.5	6.0	14.0	13.5	8.2	10.3	5.7	8.4			
25th Percentile	2.3	4.2	11.8	11.7	7.0	8.3	3.5	5.9			
Median	1.9	3.4	10.5	10.6	6.1	7.3	2.6	5.4			
75th Percentile	1.3	2.7	8.8	8.7	5.1	6.0	2.1	4.3			
95th Percentile	0.1	0.4	4.8	5.1	2.6	4.0	0.5	3.7			
# of Portfolios	218	218	213	209	196	129	88	29			
● Hedge Fund	1.3 (77)	0.5 (95)	4.3 (96)	6.1 (93)	3.9 (91)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Libor 1 month +4%	1.1 (86)	2.0 (87)	4.2 (96)	4.2 (96)	4.2 (90)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)

eA|HFN Multi-Strategy Net Accounts

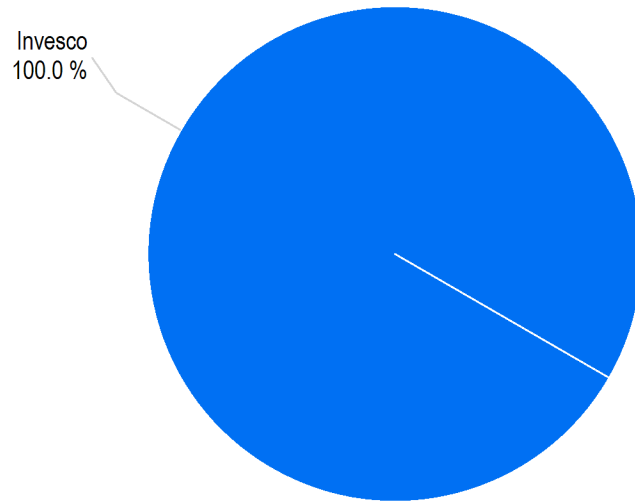


	Return (Rank)							
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	9.3	14.1	26.7	21.2	15.3	18.9	14.2	18.1
25th Percentile	3.9	6.8	14.9	13.8	10.7	13.9	9.0	10.5
Median	2.3	4.3	9.1	8.9	6.0	8.2	6.4	8.4
75th Percentile	0.5	0.4	3.2	3.7	1.6	4.9	2.9	5.8
95th Percentile	-1.9	-8.0	-5.1	-3.4	-5.1	-0.2	-0.9	2.4
# of Portfolios	123	123	121	114	105	88	64	43
● AQR DELTA XN	1.1 (66)	0.1 (77)	3.4 (75)	5.1 (68)	2.9 (70)	-- (--)	-- (--)	-- (--)
▲ Libor 1 month +4%	1.1 (66)	2.0 (65)	4.2 (69)	4.2 (73)	4.2 (60)	-- (--)	-- (--)	-- (--)

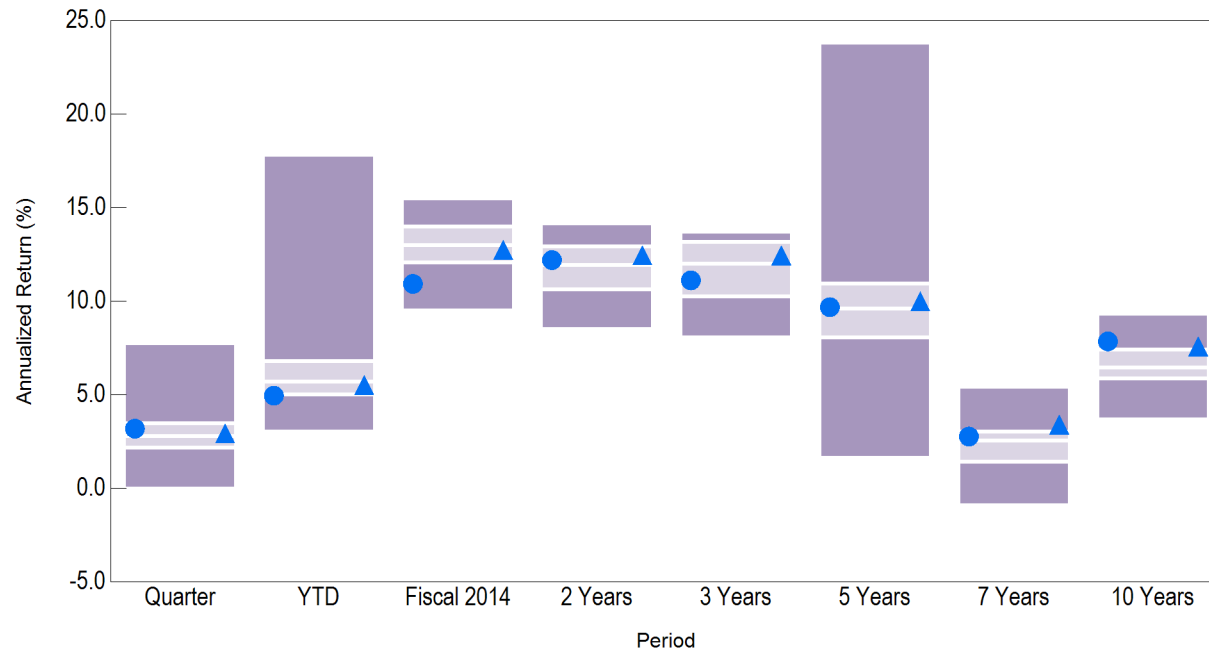
Manager Allocation Analysis - Real Estate

As of June 30, 2014

	Actual \$	Actual %
Invesco	\$183,566,990	100.0%
Total	\$183,566,990	



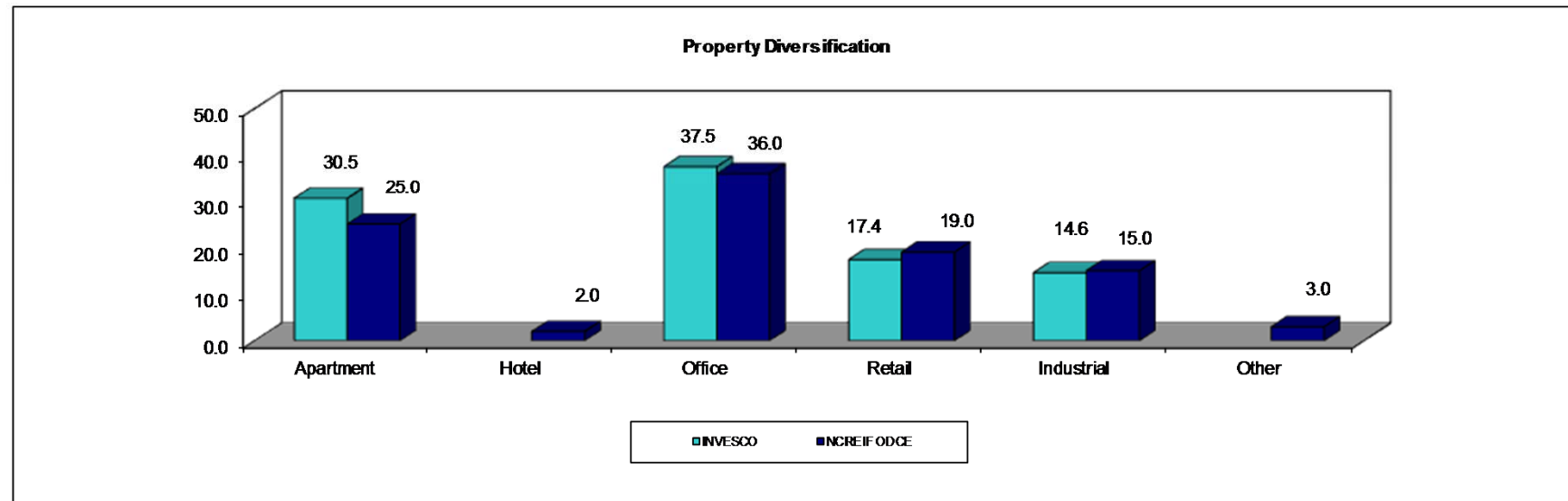
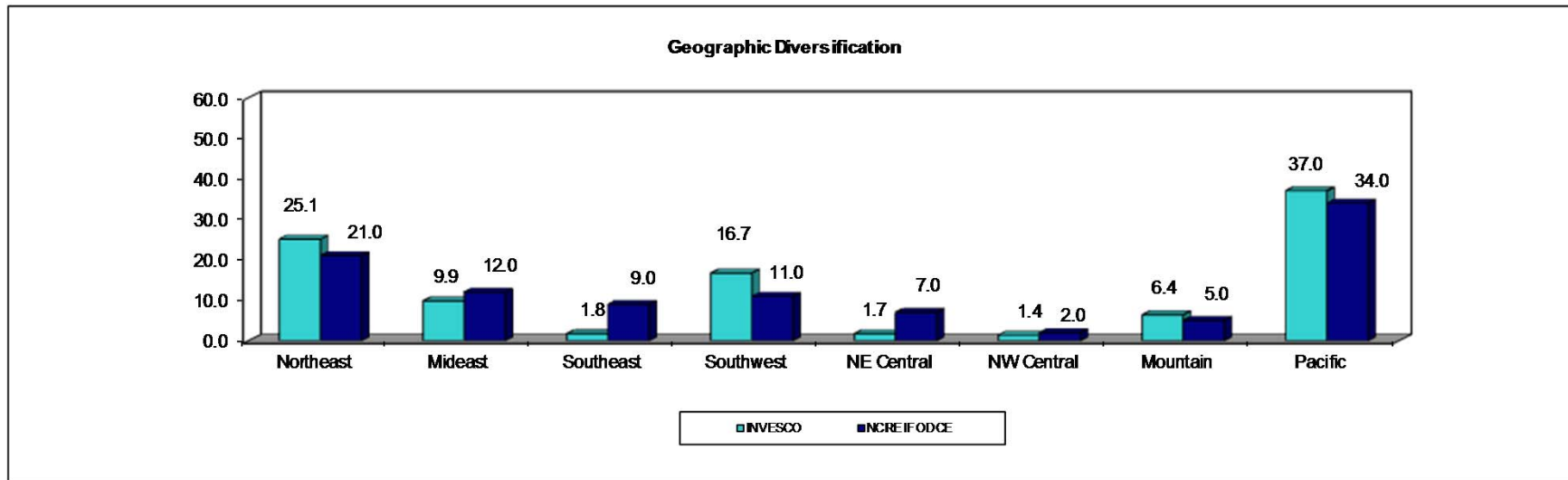
InvestorForce All DB Real Estate Gross Accounts



	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	7.7	17.8	15.5	14.2	13.7	23.8	5.4	9.3
25th Percentile	3.5	6.8	14.0	13.0	13.2	11.0	3.0	7.4
Median	2.8	5.7	13.0	12.0	12.0	9.6	2.6	6.5
75th Percentile	2.2	5.0	12.1	10.6	10.3	8.1	1.4	5.9
95th Percentile	0.0	3.1	9.5	8.5	8.1	1.7	-0.9	3.7
# of Portfolios	91	91	91	88	81	80	75	50
● Real Estate	3.2 (36)	5.0 (78)	10.9 (83)	12.2 (46)	11.1 (65)	9.7 (50)	2.8 (40)	7.9 (17)
▲ NCREIF ODCE	2.9 (43)	5.5 (64)	12.7 (53)	12.5 (40)	12.4 (42)	10.0 (46)	3.4 (22)	7.6 (21)

Real Estate Diversification Analysis – INVESCO Core Real Estate

As of June 30, 2014



Real Estate Valuation Analysis – INVESCO Core Real Estate

Second Quarter 2014

Property Name	MSA	Prior Quarter Carry Value	Current Quarter Carry Value	Net Market Value	Added to Fund	Last Valuation Date	SamCERA ownership as of 6/30/2014 3.34%
APARTMENTS							
Seneca Village	Portland-Vancv OR-WA	\$46,000,000	\$46,100,000	\$46,100,000	2Q04	June-14	\$1,541,258
Grandeville at the Commons	South Kingstown, RI	\$43,600,000	\$43,000,000	\$43,000,000	3Q05	June-14	\$1,437,616
Milestone Apt. Portfolio	Various States - South	\$53,201,065	\$56,006,988	\$56,006,988	2Q06	N/A	\$1,872,477
Stoneridge	Pleasanton, CA	\$173,000,000	\$171,000,000	\$171,000,000	4Q06	June-14	\$5,717,030
Sterling Parc Apartments	Cedar Knolls, NJ	\$92,000,000	\$94,300,000	\$94,300,000	2Q07	June-14	\$3,152,725
Millington at Merrill Creek	Everett, WA	\$63,300,000	\$0	\$0	2Q07	Sold 2Q14	\$0
The Residences at Stevens Pond	Boston MA - NH	\$93,800,000	\$93,900,000	\$93,900,000	4Q07	June-14	\$3,139,351
Holland Portfolio	Seattle - Belle - Eve WA	\$112,789,717	\$117,625,326	\$36,722,393	4Q07	June-14	\$1,227,737
Village Crossing at Chino Hills	Riverside, CA	\$80,500,000	\$80,700,000	\$80,700,000	1Q08	June-14	\$2,698,037
Instrata Pentagon City	Arlington, VA	\$151,000,000	\$151,000,000	\$89,960,748	3Q10	June-14	\$3,007,651
Ladd Tower	Portland, OR	\$114,000,000	\$117,000,000	\$117,000,000	4Q10	June-14	\$3,911,652
Legacy Fountain Plaza	San Jose, CA	\$117,000,000	\$117,000,000	\$117,000,000	1Q11	June-14	\$3,911,652
Instrata Gramercy (fka The Elektra)	New York, NY	\$158,000,000	\$158,000,000	\$86,152,981	1Q11	June-14	\$2,880,346
Instrata Brooklyn Heights (fka 75 Clinton Street)	Brooklyn, NY	\$64,400,000	\$64,400,000	\$64,400,000	1Q12	June-14	\$2,153,080
Club Laguna	Orange County, CA	\$128,000,000	\$130,000,000	\$130,000,000	3Q12	June-14	\$4,346,280
Goodwynn	Atlanta, GA	\$78,800,000	\$79,200,000	\$42,423,980	4Q12	June-14	\$1,418,358
Instrata at Mercedes House	New York, NY	\$210,000,000	\$210,000,000	\$140,000,000	1Q13	June-14	\$4,680,609
Sunset Vine Tower	Los Angeles, CA	\$73,400,000	\$76,300,000	\$76,300,000	2Q13	June-14	\$2,550,932
The Ashton	Dallas, TX	\$112,000,000	\$114,000,000	\$114,000,000	4Q13	June-14	\$3,811,353
The Pointe at West Chester	West Chester, PA	\$62,400,000	\$62,400,000	\$62,400,000	4Q13	June-14	\$2,086,214
206 Bell	Seattle, WA	\$41,500,000	\$41,600,000	\$41,600,000	4Q13	June-14	\$1,390,810
Cadence Union Station	Denver, CO	\$69,266,140	\$71,000,000	\$71,000,000	1Q14	June-14	\$2,373,738
Joseph Arnold Lofts	Seattle, WA	\$0	\$68,499,000	\$68,499,000	2Q14	Acq 2Q14	\$2,290,122
		\$2,137,956,922	\$2,163,031,314	\$1,842,466,090			\$61,599,026
INDUSTRIAL							
Arjons	San Diego CA	\$26,700,000	\$28,800,000	\$28,800,000	2Q04	June-14	\$962,868
Garland Gateway East	Dallas TX	\$10,500,000	\$10,800,000	\$10,800,000	2Q04	June-14	\$361,076
Gateway Business Park	Dallas TX	\$10,900,000	\$11,200,000	\$11,200,000	2Q04	June-14	\$374,449
Hayward Industrial	Oakland CA	\$97,800,000	\$99,700,000	\$99,700,000	3Q04-3Q07	June-14	\$3,333,262
Lackman	Kansas City MO-KS	\$20,800,000	\$20,100,000	\$20,100,000	2Q04	June-14	\$672,002
Crossroads Industrial	Kansas City MO-KS	\$8,000,000	\$8,300,000	\$8,300,000	1Q06	June-14	\$277,493
Oakesdale Commerce Center	Seattle - Belle - Eve WA	\$40,600,000	\$41,000,000	\$41,000,000	1Q06	June-14	\$1,370,750
South Bay Industrial	Los Angeles, CA	\$56,200,000	\$56,500,000	\$56,500,000	4Q06	June-14	\$1,888,960
VIP Holdings I	Chicago, IL	\$71,452,352	\$72,061,387	\$26,757,084	2Q06	June-14	\$894,568
Tempe Commerce	Phoenix - Mesa AZ	\$54,200,000	\$57,500,000	\$57,500,000	4Q07	June-14	\$1,922,393
Steeplechase 95 International Business Park	Capitol Heights, MD	\$23,800,000	\$24,000,000	\$24,000,000	1Q11	June-14	\$802,390
Airport Trade Center III & V	Dallas, TX	\$34,000,000	\$34,300,000	\$34,300,000	1Q11	June-14	\$1,146,749
IE Logistics	San Bernardino, CA	\$116,500,000	\$116,700,000	\$116,700,000	3Q11	June-14	\$3,901,622
Railhead Drive Industrial	Dallas, TX	\$60,100,000	\$60,400,000	\$60,400,000	4Q11	June-14	\$2,019,349
16400 Knott Ave	Los Angeles, CA	\$31,100,000	\$31,100,000	\$31,100,000	3Q12	June-14	\$1,039,764
Empire Gateway	Chino, CA	\$131,000,000	\$153,000,000	\$153,000,000	4Q12	June-14	\$5,115,237
Airport Trade Center I	Dallas, TX	\$29,400,000	\$31,600,000	\$31,600,000	1Q13	June-14	\$1,056,480
Airport Trade Center II & IV	Dallas, TX	\$41,200,000	\$42,100,000	\$42,100,000	1Q13	June-14	\$1,407,526
SFF Logistics Center	San Francisco, CA	\$118,000,000	\$119,000,000	\$119,000,000	4Q13	June-14	\$3,978,518
Hampton South Business Centre	Capitol Heights, MD	\$0	\$17,200,000	\$17,200,000	2Q14	Acq 2Q14	\$575,046
		\$982,252,352	\$1,035,361,387	\$990,057,084			\$33,100,502

San Mateo County Employees' Retirement Association

Real Estate Valuation Analysis – INVESCO Core Real Estate

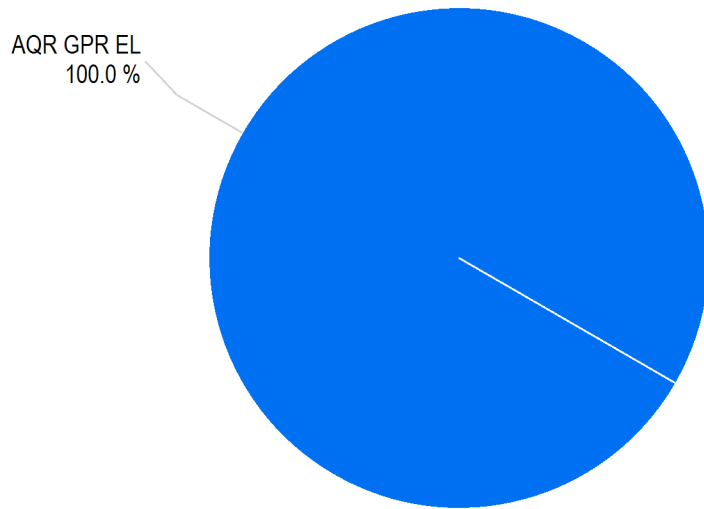
Second Quarter 2014

OFFICE							
55 Cambridge	Boston MA - NH	\$184,000,000	\$186,000,000	\$186,000,000	4Q06	June-14	\$6,218,524
Gaiety Center II	Scottsdale - AZ	\$31,700,000	\$31,900,000	\$31,900,000	3Q07	June-14	\$1,066,510
Valencia Town Center	Valencia, CA	\$160,000,000	\$161,000,000	\$161,000,000	3Q07	June-14	\$5,382,701
Westport Corporate Center	Fairfield County, CT	\$14,800,000	\$15,100,000	\$15,100,000	4Q07	June-14	\$504,837
The Executive Building	Washington DC	\$206,000,000	\$206,000,000	\$206,000,000	2Q08	June-14	\$6,887,182
1111 Pennsylvania Avenue	Washington, D.C.	\$245,000,000	\$246,000,000	\$246,000,000	4Q10	June-14	\$8,224,499
1800 Larimer	Denver, CO	\$266,000,000	\$274,000,000	\$274,000,000	1Q11	June-14	\$9,160,621
230 Park Avenue	New York, NY	\$446,250,000	\$474,300,000	\$288,970,138	2Q11	June-14	\$9,661,116
3450 & 3460 Hillview Ave	San Jose, CA	\$63,500,000	\$63,600,000	\$63,600,000	3Q12	June-14	\$2,126,334
Williams Tower	Houston, TX	\$484,000,000	\$508,000,000	\$324,135,117	1Q13	June-14	\$10,836,784
Westlake Park Place	Westlake Village, CA	\$99,200,000	\$98,600,000	\$98,600,000	4Q13	June-14	\$3,296,486
101 Second Street	San Francisco, CA	\$298,000,000	\$298,000,000	\$298,000,000	1Q14	June-14	\$9,963,011
Energy Crossing II	Houston, TX	\$0	\$97,276,119	\$97,276,119	2Q14	Acq 2Q14	\$3,252,225
		\$2,498,450,000	\$2,659,776,119	\$2,290,581,374			\$76,580,830
RETAIL							
Broadway at Surf	Chicago IL	\$33,600,000	\$33,600,000	\$33,600,000	2Q04	June-14	\$1,123,346
Carriagetown Marketplace	Boston MA - NH	\$22,500,000	\$22,600,000	\$22,600,000	2Q04	June-14	\$755,584
Chandler Pavilions	Phoenix - Mesa AZ	\$19,400,000	\$19,400,000	\$19,400,000	2Q04	June-14	\$648,599
Matthews Township	Charlotte - G - RH NC-SC	\$23,900,000	\$23,900,000	\$23,900,000	2Q04	June-14	\$799,047
Windward Commons	Atlanta GA	\$22,000,000	\$22,200,000	\$22,200,000	2Q04	June-14	\$742,211
Cityline at Tenley	Washington, D.C.	\$46,800,000	\$47,400,000	\$47,400,000	4Q05	June-14	\$1,584,721
Ridgehaven Mall	Minnetonka, MN	\$34,700,000	\$34,900,000	\$34,900,000	4Q05	June-14	\$1,166,809
The Beacon Retail	San Francisco, CA	\$50,600,000	\$53,400,000	\$53,400,000	1Q06	June-14	\$1,785,318
The Beacon Garage	San Francisco, CA	\$29,800,000	\$30,300,000	\$30,300,000	1Q06	June-14	\$1,013,018
Oak Brook Court	Chicago, IL	\$16,000,000	\$17,000,000	\$17,000,000	4Q07	June-14	\$568,360
Hawthorne Plaza	Overland Park, KS	\$32,300,000	\$37,200,000	\$37,200,000	4Q07	June-14	\$1,243,705
Deerwood Lake Commons	Jacksonville, FL	\$11,100,000	\$0	\$0	4Q07	Sold 2Q14	\$0
Heath Brook Commons	Ocala, FL	\$11,000,000	\$0	\$0	4Q07	Sold 2Q14	\$0
Park View Square	Miramar, FL	\$12,900,000	\$0	\$0	4Q07	Sold 2Q14	\$0
St. John's Commons	Jacksonville, FL	\$10,900,000	\$0	\$0	4Q07	Sold 2Q14	\$0
West Creek Commons	Coconut Creek, FL	\$11,300,000	\$0	\$0	4Q07	Sold 2Q14	\$0
The Loop	Boston MA - NH	\$94,000,000	\$97,900,000	\$97,900,000	1Q08	June-14	\$3,273,083
Westbank Marketplace	Austin, TX	\$47,900,000	\$48,100,000	\$26,080,418	3Q10	June-14	\$871,945
910 Lincoln Road	Miami, FL	\$22,900,000	\$23,200,000	\$23,200,000	4Q10	June-14	\$775,644
Lake Pointe Village	Houston, TX	\$67,100,000	\$67,700,000	\$67,700,000	4Q11	June-14	\$2,263,409
Safeway Kapahulu	Hawaii	\$85,500,000	\$85,800,000	\$49,378,999	4Q11	June-14	\$1,650,884
Safeway Burlingame	San Francisco, CA	\$47,600,000	\$47,600,000	\$24,761,417	4Q11	June-14	\$827,847
Shamrock Plaza	Oakland, CA	\$34,700,000	\$34,700,000	\$18,350,794	4Q11	June-14	\$613,521
Pavilions Marketplace	West Hollywood, CA	\$51,500,000	\$52,200,000	\$27,374,359	1Q12	June-14	\$915,205
130 Prince	New York, NY	\$165,000,000	\$179,000,000	\$179,000,000	2Q12	June-14	\$5,984,493
Pleasanton Gateway	Pleasanton, CA	\$71,500,000	\$71,500,000	\$71,500,000	4Q12	June-14	\$2,390,454
Liberty Wharf	Boston, MA	\$75,100,000	\$78,500,000	\$43,630,780	4Q12	June-14	\$1,458,704
Shops at Legacy	Plano, TX	\$101,000,000	\$104,200,000	\$104,200,000	3Q13	June-14	\$3,483,711
		\$1,252,600,000	\$1,232,300,000	\$1,074,976,767			\$35,939,615
Portfolio Total		\$6,871,259,274	\$7,090,468,820	\$6,198,081,315			\$207,219,974

Manager Allocation Analysis - Risk Parity

As of June 30, 2014

	Actual \$	Actual %
AQR GPR EL	\$197,597,409	100.0%
Total	\$197,597,409	



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 – EAFE Index

The EAFE Index Fund seeks to replicate the return of the MSCI EAFE Index. This index represents the developed equity markets outside of North America: Europe, Austral, Asia and the Far East.

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.

Policy and Benchmarks History

Total Plan Policy Benchmark

	As of:									
	1/1/2014	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	24.0%	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%	0.0%	5.0%
Russell 1000 Value	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	0.0%
Russell 2000	6.0%	7.0%	7.0%	7.0%	9.0%	9.0%	10.0%	15.0%	15.0%	15.0%
MSCI AC World ex-US	0.0%	18.0%	18.0%	18.0%	21.0%	21.0%	15.0%	0.0%	0.0%	0.0%
MSCI ACWI ex-US IMI	20.0%									
MSCI EAFE	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	20.0%
Barclays Aggregate	9.25%	11.0%	11.0%	12.9%	27.0%	27.0%	29.0%	25.0%	21.0%	21.0%
Barclays BA Intermediate HY	5.0%									
Barclays BBB	0.0%	3.5%	3.3%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Barclays Tips	2.0%	3.1%	3.3%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Barclays Multiverse	3.75%	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%	0.0%	5.0%	9.0%	9.0%
NCREIF NFI ODCE	6.0%	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%	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%	0.0%	8.0%	10.0%	10.0%
Russell 3000 + 300 basis points	7.0%	8.0%	8.0%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
60% Russell 3000/40% BC Aggregate	8.0%	6.0%	6.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Libor + 4%	4.0%	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%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
CPI + 5%	2.0%									
	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Total Equity Benchmark

	As of:						
	1/1/2014	10/1/2010	5/1/2007	6/1/2000	3/1/1999	9/1/1998	1/1/1996
Russell 1000	48.0%	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%	0.0%	8.4%
Russell 1000 Value	0.0%	0.0%	0.0%	0.0%	8.0%	8.3%	0.0%
Russell 2000	12.0%	13.2%	13.5%	15.4%	24.2%	25.0%	25.0%
MSCI AC World ex-US	0.0%	34.0%	31.3%	23.1%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	0.0%	32.3%	33.3%	33.3%
MSCI ACWI ex-US IMI	40.0%						
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

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:		
	1/1/2014	6/1/2000	1/1/1996
MSCI ACWI ex-US IMI	100.0%		
MSCI AC World ex-US	0.0%	100%	0.0%
MSCI EAFE	0.0%	0.0%	100%
	100%	100%	100%

Baillie Gifford Benchmark

	As of:	
	1/1/2014	5/1/2012
MSCI ACWI ex-US	100.0%	0%
MSCI EAFE	0.0%	100.0%
	100%	100%

Baillie Gifford Benchmark (Second)

	As of:	
	1/1/2014	5/1/2012
MSCI ACWI ex-US Growth	100.0%	0%
MSCI EAFE Growth	0.0%	100.0%
	100%	100%

Total Fixed Income Benchmark

	As of:						
	1/1/2014	2/1/2013	1/1/2011	10/1/2010	6/1/2000	3/1/1999	7/1/1996
Barclays Aggregate	46.3%	50.0%	50.0%	58.6%	100.0%	83.3%	70.0%
Barclays BBB	0.0%	16.0%	15.0%	7.3%	0.0%	0.0%	0.0%
Barclays Tips	10.0%	14.0%	15.0%	13.6%	0.0%	0.0%	0.0%
Barclays Multiverse	18.8%	20.0%	20.0%	20.5%	0.0%	0.0%	0.0%
Barclays BA Intermediate HY	25.0%						
Citigroup Non-US WGBI unhedged	0.0%	0.0%	0%	0.0%	0.0%	17%	30.0%
	100%	100%	100%	100%	100%	100%	100%

Domestic Fixed Income Benchmark

	As of:				
	1/1/2014	2/1/2013	1/1/2011	10/1/2010	7/1/1996
Barclays Aggregate	56.92%	62.50%	62.40%	73.70%	100.00%
Barclays BBB		20.00%	18.80%	9.10%	0.00%
Barclays Tips	12.31%	17.50%	18.80%	17.20%	0.00%
Barclays BA Intermediate HY	30.77%				
	100.0%	100.0%	100.0%	100.0%	100.0%

Global Fixed Income Benchmark

	As of:
	10/1/2010
Barclays Multiverse	100%
	100%

Opportunistic Credit Benchmark

	As of:
	1/1/2014
Barclays BA Intermediate HY	100%
	100%

Brigade Capital Benchmark

	As of:
	10/1/2010
Barclays High Yield	50.0%
Bank Loan	50.0%
	100.0%

Alternative Investment Benchmarks

	As of:
	10/1/2010
Private Equity	100%
Russell 3000 + 300 basis points	100%
Risk Parity	100%
Russell 3000	60.0%
Barclays Aggregate	40.0%
	100%
Hedge Fund	100%
Libor + 4%	100%
	100%
Commodity	100%
Dow Jones UBS Commodity	100%
	100%
Private Real Assets	100%
CPI + 5%	100%
	100%

Real Estate Benchmark

	As of:		
	1/1/2009	6/1/2000	7/1/1996
NCREIF NFI ODCE	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%

FEE SCHEDULES

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

BlackRock-EAFE Equity Index Fund

First \$100 million: 0.06% per annum

Thereafter: 0.04% 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

Parametric Clifton

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	
DE SHAW Russell 1000 Index	YES	N/A	YES	N/A	YES	N/A	YES	YES	N/A	YES
BARROW HANLEY Russell 1000 Value Index	NO	N/A	NO	N/A	NO	N/A	YES	YES	N/A	YES
THE BOSTON COMPANY Russell 2000 Value Index	YES	N/A	YES	N/A	YES	N/A	NO	YES	N/A	YES
CHARTWELL Russell 2000 Growth Index	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
BAILLIE GIFFORD MSCI ACWI ex US Index	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	N/A	YES
MONDRIAN MSCI ACWI ex US Value Index	YES	YES	YES	YES	YES	YES	NO	NO	NO	YES
PARAMETRIC CLIFTON MSCI Emerging Market Index	N/A	N/A	N/A	N/A	N/A	N/A	YES	N/A	N/A	YES
PYRAMIS EQUITY MSCI ACWI ex US Small Cap Index	N/A	N/A	N/A	N/A	N/A	N/A	NO	N/A	N/A	YES
PYRAMIS BOND BC Aggregate Index	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
WESTERN ASSET BC Aggregate Index	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
BROWN BROTHERS HARRIMAN Bardays US TIPS	NO	N/A	YES	N/A	YES	N/A	NO	NO	N/A	YES
BRIGADE CAPITAL Bardays Credit BAA	YES	N/A	YES	N/A	YES	N/A	YES	YES	N/A	YES
FRANKLIN TEMPLETON Bardays Multi-verse	YES	N/A	YES	N/A	NO	N/A	YES	YES	N/A	YES
INVESCO REAL ESTATE NCREIF ODCE Index	NO	NO	NO	NO	N/A	N/A	YES	NO	YES	YES

San Mateo County Employees' Retirement Association

Manager Performance Comparison

As of June 30, 2014

	Apr	May	June	2nd Qtr. 2014	Difference	1st Qtr. 2014	Difference	4th Qtr. 2013	Difference	3rd Qtr. 2013	Difference
SIS	0.74%	2.33%	2.07%	5.22%		1.81%		10.53%		5.26%	
BlackRock S&P 500 Fund	0.74%	2.33%	2.07%	5.22%	0.00%	1.81%	0.00%	10.52%	0.01%	5.27%	-0.01%
S&P 500 Index	0.74%	2.35%	2.07%	5.24%		1.80%		10.52%		5.25%	
SIS	0.20%	2.82%	2.42%	5.52%		0.85%		9.62%		6.60%	
D.E. Shaw	0.20%	2.81%	2.42%	5.51%	0.01%	0.85%	0.00%	9.63%	0.00%	6.60%	0.00%
Russell 1000 Index	0.47%	2.30%	2.28%	5.12%		2.05%		10.23%		6.02%	
SIS	-1.59%	0.84%	2.74%	1.96%		0.09%		8.13%		8.13%	
BrownAdvisory	-1.58%	0.85%	2.72%	1.96%	0.00%	0.07%	0.01%	8.12%	-0.01%	8.12%	0.01%
Russell 1000 Growth Index	0.00%	3.12%	1.95%	5.13%		1.12%		8.12%		8.12%	
SIS	-1.01%	2.06%	2.28%	3.33%		1.82%		9.77%		7.40%	
Barrow Hanley	-1.02%	2.06%	2.28%	3.32%	0.01%	1.83%	-0.01%	9.77%	0.01%	7.40%	0.00%
Russell 1000 Value Index	0.95%	1.47%	2.61%	5.11%		3.02%		10.01%		3.95%	
SIS	-3.99%	0.11%	5.30%	1.21%		2.12%		9.12%		9.87%	
The Boston Company	-3.99%	0.11%	5.30%	1.21%	0.00%	2.12%	0.00%	9.12%	0.00%	9.86%	0.01%
Russell 2000 Value Index	-2.57%	0.64%	4.42%	2.39%		1.78%		9.30%		7.60%	
SIS	-4.27%	0.56%	4.96%	1.04%		2.07%		7.81%		14.08%	
Chartwell	-4.27%	0.56%	4.96%	1.04%	0.00%	2.05%	0.02%	7.81%	0.00%	14.07%	0.01%
Russell 2000 Growth Index	-5.14%	0.97%	6.21%	1.73%		0.48%		8.18%		12.80%	
SIS	-0.13%	2.66%	0.33%	2.86%		2.53%		4.56%		10.66%	
Baillie Gifford	-0.12%	2.67%	0.34%	2.90%	-0.03%	2.51%	0.02%	4.59%	-0.02%	10.63%	0.03%
MSCI ACWI ex US	1.39%	2.05%	1.72%	5.25%		0.77%		5.74%		11.61%	
MSCI ACWI ex US Growth	0.79%	2.31%	1.47%	4.63%		0.20%		5.18%		10.53%	

San Mateo County Employees' Retirement Association

Manager Performance Comparison

As of June 30, 2014

	Apr	May	June	2nd Qtr. 2014	Difference	1st Qtr. 2014	Difference	4th Qtr. 2013	Difference	3rd Qtr. 2013	Difference
SIS	1.52%	1.71%	0.99%	4.28%		0.74%					
BlackRock EAFE Equity	1.52%	1.71%	0.99%	4.28%	0.00%	0.75%	0.00%				
MSCI EAFE (Net)	1.45%	1.62%	0.96%	4.08%		0.66%					
MSCI EAFE (Gross)	1.53%	1.76%	1.00%	4.35%		0.77%					
SIS	0.96%	3.64%	1.53%	6.24%		1.15%		2.83%		5.78%	
Parametric Clifton	0.96%	3.64%	1.53%	6.24%	0.00%	1.14%	0.01%	2.83%	0.00%	5.78%	0.00%
MSCI EM Market Index	0.37%	3.51%	2.70%	6.70%		-0.37%		1.86%		5.89%	
SIS	2.08%	1.98%	1.94%	6.12%		3.13%		5.42%		7.35%	
Mondrian	2.01%	2.03%	1.95%	6.11%	0.01%	3.21%	-0.07%	5.50%	-0.08%	7.32%	0.03%
MSCI ACWI -ex US Value Index	2.01%	1.78%	1.98%	5.88%		0.84%		4.93%		11.46%	
MSCI ACWI -ex US	1.39%	2.05%	1.72%	5.25%		0.61%		4.81%		10.17%	
SIS	-0.24%	1.59%	2.66%	4.04%		2.11%		4.76%		9.59%	
Pyramis Int'l Equity	-0.24%	1.59%	2.66%	4.04%	0.00%	2.11%	0.00%	4.75%	0.00%	9.58%	0.01%
MSCI ACWI -ex US Small Cap Index	-0.13%	1.68%	2.21%	3.79%		3.56%		4.67%		12.46%	
SIS				5.39%		4.77%		3.80%		2.00%	
Angel Gordon STAR Fund (Net)				5.39%	0.00%	4.77%	0.00%	3.80%	0.00%	2.00%	0.00%
BC Aggregate Index				2.04%		-0.20%		-0.20%		-0.20%	
SIS	0.94%	1.20%	0.12%	2.27%		2.17%		0.15%		0.91%	
Pyramis Bond	0.94%	1.20%	0.12%	2.27%	0.00%	2.17%	0.00%	0.14%	0.01%	0.91%	0.00%
BC Aggregate Index	0.84%	1.14%	0.05%	2.04%		1.84%		-0.14%		0.58%	
SIS	0.94%	1.06%	1.04%	3.07%		2.59%		2.49%		2.45%	
Brigade Capital	0.96%	1.04%	1.06%	3.09%	-0.02%	2.49%	0.10%	2.44%	0.05%	2.36%	0.09%
BC BBB Credit	1.53%	1.68%	0.18%	3.42%		3.62%		1.34%		0.77%	
SIS	1.07%	1.55%	0.34%	2.99%		1.26%		-1.65%		0.72%	
Brown Brothers Hariman	1.07%	1.58%	0.31%	2.99%	0.00%	1.28%	-0.01%	-1.66%	0.01%	0.59%	0.13%
BC U.S Tips	1.35%	2.12%	0.30%	3.81%		1.95%		-2.01%		0.71%	

San Mateo County Employees' Retirement Association

Manager Performance Comparison

As of June 30, 2014

	Apr	May	June	2nd Qtr. 2014	Difference	1th Qtr. 2014	Difference	4th Qtr. 2013	Difference	3rd Qtr. 2013	Difference
SIS	1.02%	1.41%	0.26%	2.71%		2.60%		0.49%		0.82%	
Western Asset	1.06%	1.42%	0.31%	2.81%	-0.10%	2.65%	-0.05%	0.52%	-0.03%	0.76%	0.06%
BC Aggregate Index	0.84%	1.14%	0.05%	2.04%		1.84%		-0.14%		0.58%	
SIS	0.44%	1.78%	0.59%	2.83%		0.46%		3.56%		1.11%	
Franklin Templeton Investments	0.28%	1.86%	0.59%	2.75%	0.08%	0.46%	0.00%	3.56%	0.00%	1.10%	0.01%
BC Multiverse	1.14%	0.61%	0.75%	2.52%		2.44%		-0.26%		2.82%	
SIS	2.09%	3.49%	2.22%	8.00%		5.70%		1.76%		2.31%	
AQR Global Risk Premium III (Net)	2.06%	3.46%	2.19%	7.90%	0.09%	5.60%	0.10%	1.66%	0.10%	2.21%	0.10%
40% R3000/ 60% BC Agg	0.41%	1.76%	1.53%	3.74%		1.97%		5.93%		4.04%	
SIS	-0.64%	1.45%	0.50%	1.30%		-0.76%		5.06%		-1.21%	
AQR DELTA Fund II (Net)	-0.71%	1.37%	0.42%	1.07%	0.23%	-0.97%	0.22%	4.81%	0.25%	-1.46%	0.24%
Libor + 4%	0.36%	0.35%	0.35%	1.06%		0.59%		0.70%		1.06%	
SIS	2.42%	0.55%	-0.07%	2.91%		2.98%		-0.78%		2.65%	
SSgA Multisource Commodity	2.42%	0.55%	-0.07%	2.91%	0.00%	2.98%	0.00%	-0.78%	0.01%	2.65%	0.00%
DJ UBS Commodity	2.44%	-2.87%	0.60%	0.10%		7.00%		-1.06%		2.13%	
S&P Goldman Sachs Commodity	0.74%	-0.18%	2.12%	2.69%		2.94%		-0.32%		4.78%	
SIS				3.18%		1.71%		3.37%		2.25%	
INVESCO Real Estate				3.18%	0.00%	1.71%	0.00%	3.37%	0.00%	2.25%	0.00%
NCREIF NFI ODCE Index				2.93%		2.47%		3.19%		3.56%	

Market Capitalization Breakpoints

Updated July 2014

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
6/30/14	80.39	23.62	8.07	3.24	0
3/31/14	76.77	23.15	7.83	3.06	0
12/31/13	77.11	22.27	7.65	3.03	0
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

MARKET SUMMARY

Equity Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
S&P 500	5.2	24.6	16.6
Dow Jones Industrial Average	2.8	15.6	13.6
NASDAQ	5.0	29.5	16.7
Russell 1000	5.1	25.4	16.6
Russell 2000	2.0	23.6	14.6
Russell 3000	4.9	25.2	16.5
MSCI EAFE (Net)	4.1	23.6	8.1
MSCI Emerging Markets (Net)	6.6	14.3	-0.4
MSCI All Country World ex US	5.0	21.8	5.7

Bond Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
Barclays Capital Aggregate	2.0	4.4	3.7
Barclays Capital Gov/Credit	1.9	4.3	4.1
Barclays Capital Universal	2.2	5.2	4.2
Barclays Capital Corp. High Yield	2.4	11.7	9.5
CG Non-US World Govt.	2.6	8.9	1.0

Non-Public Markets

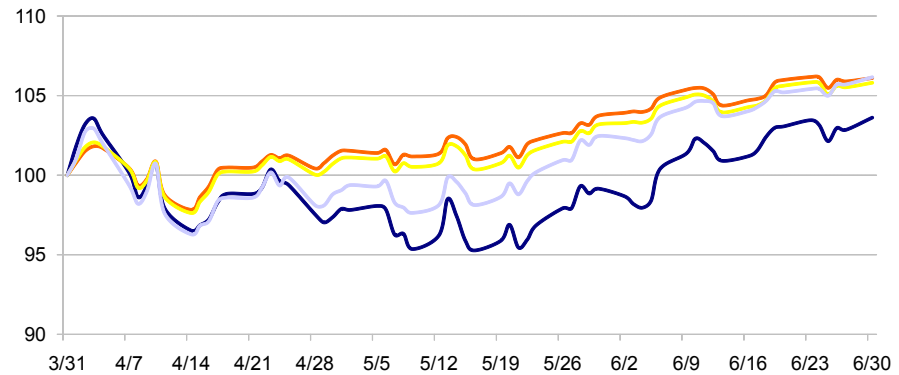
lagged quarterly

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
NCREIF Property	2.7	11.2	11.7
State Street Private Equity Index	3.2	18.6	11.5

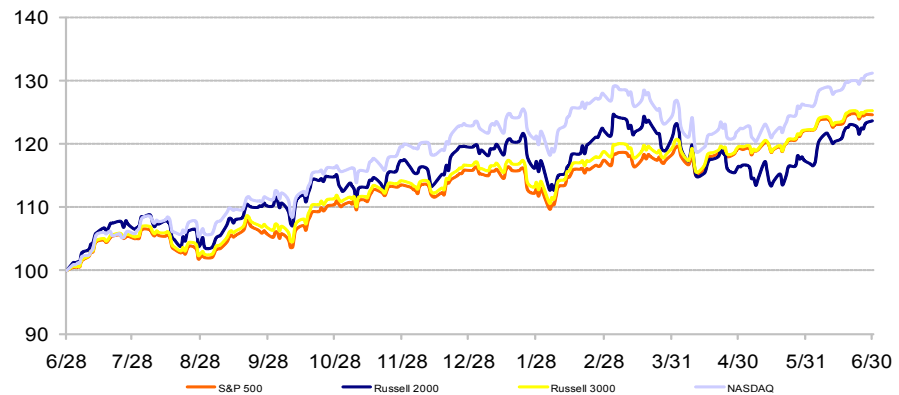
U.S. Equity Market

- U.S. equities, as measured by the S&P 500 total return index, rose 5.2% during the quarter as risk aversion continued its decline.
- Small caps, as measured by the Russell 2000 index, underperformed, rising 2.0% in the second quarter.

Equity Index – Quarterly Growth Rate



Equity Index – 1-Year Growth Rate

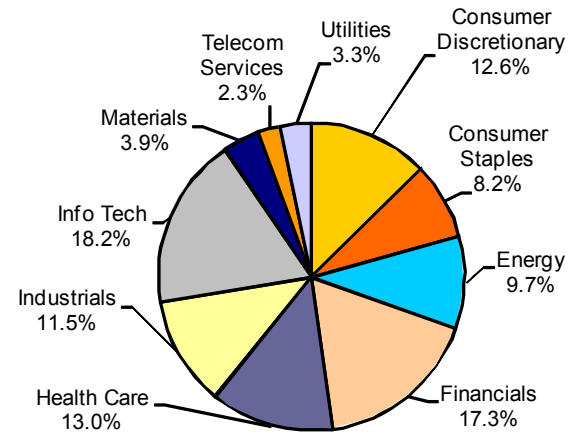


U.S. MARKETS

U.S. Equity – Russell 3000

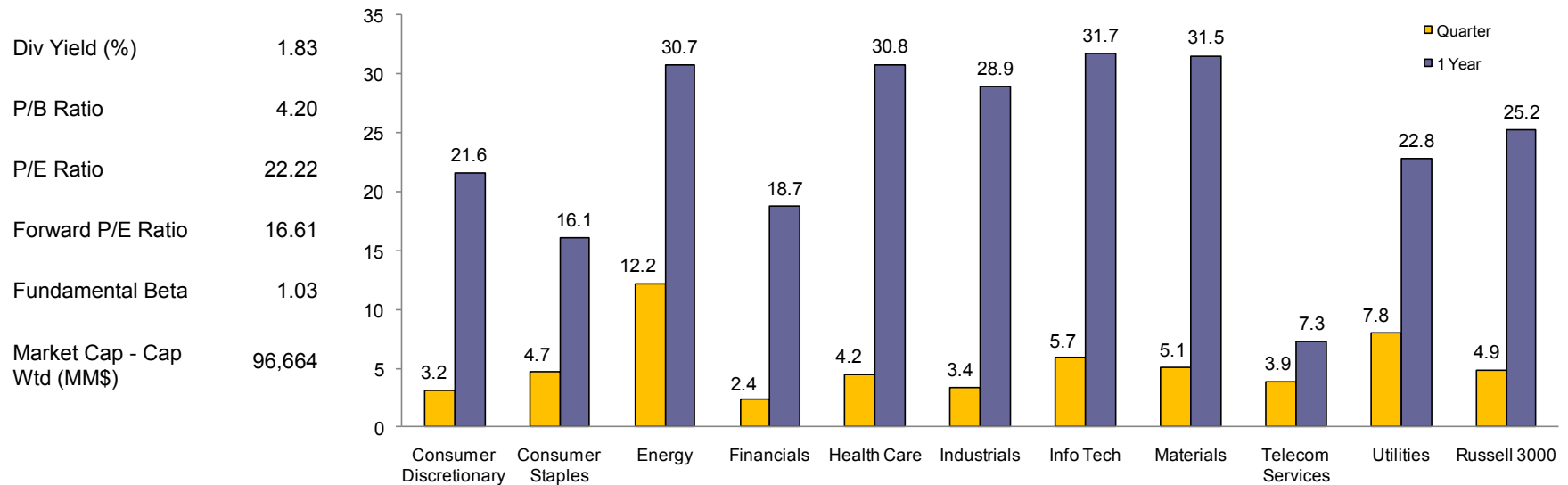
- Concerns over oil supplies from the Middle East as the Islamic State of Iraq and the Levant took control of regions north of Baghdad led to an increase in energy stocks, which rose 12.2% during the second quarter.
- Returns for the higher yielding utilities sector were strong, rising 7.8% in the second quarter.
- Overall, the Russell 3000 index returned 4.9% during the second quarter; the yearly return was 25.2%.

Ending Sector Weights



Characteristics

Sector Returns (%)



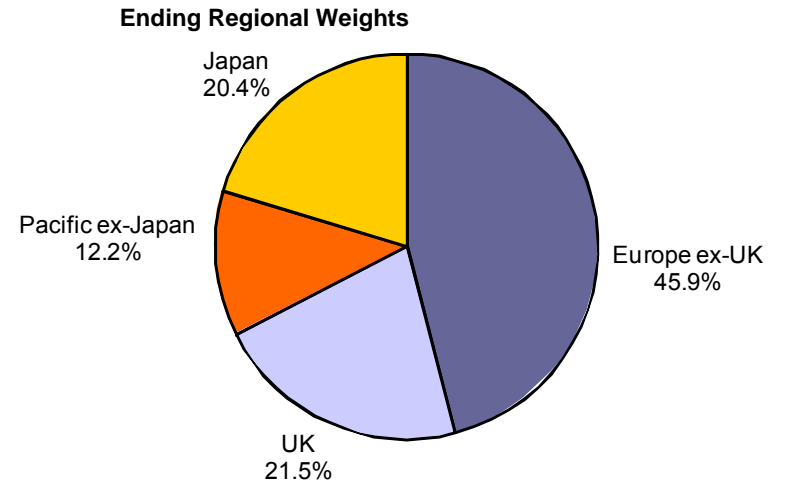
Contribution to Return:

	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Services	Utilities	Russell 3000
Qtr	0.4	0.4	1.1	0.4	0.6	0.4	1.1	0.2	0.1	0.3	4.9
1 Year	2.9	1.5	2.9	3.3	3.8	3.3	5.4	1.2	0.2	0.8	25.2

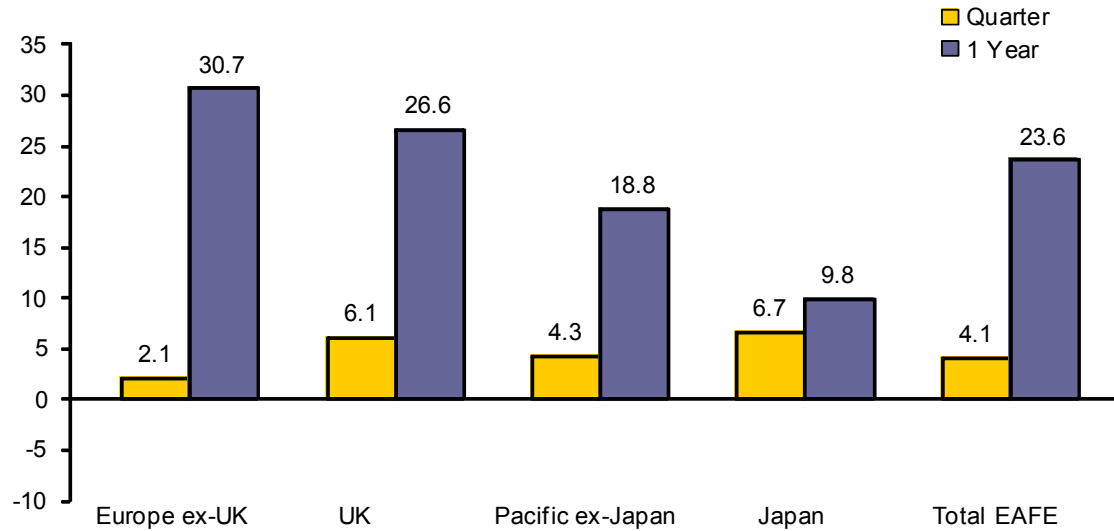
NON-U.S. MARKETS

Developed Equity – MSCI EAFE (Net)

- Robust employment and growth metrics helped boost U.K. equities 6.1% during the second quarter.
- New easing measures from the European Central Bank led to a 2.1% rise in Europe ex-UK equities in the second quarter.
- Japanese equities rose 6.7% during the second quarter as Prime Minister Shinzo Abe introduced a plan to cut corporate tax rates.
- Overall, the MSCI EAFE index rose 4.1% in the second quarter.



Regional Returns (%)



Contribution to Return:

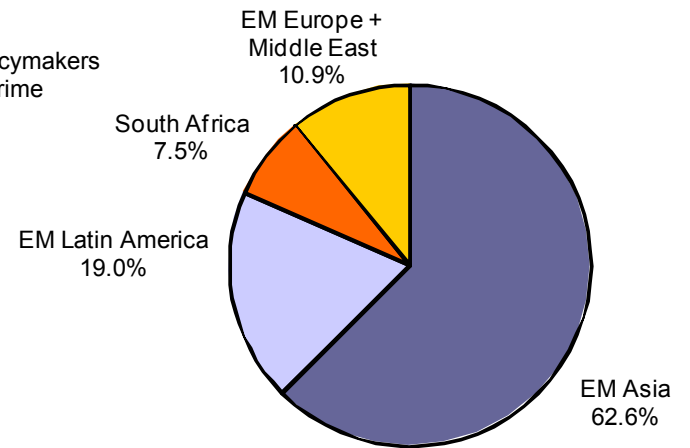
Qtr	0.9	1.3	0.5	1.4	4.1
1 Yr	14.1	5.7	2.3	2.0	23.6

NON-U.S. MARKETS

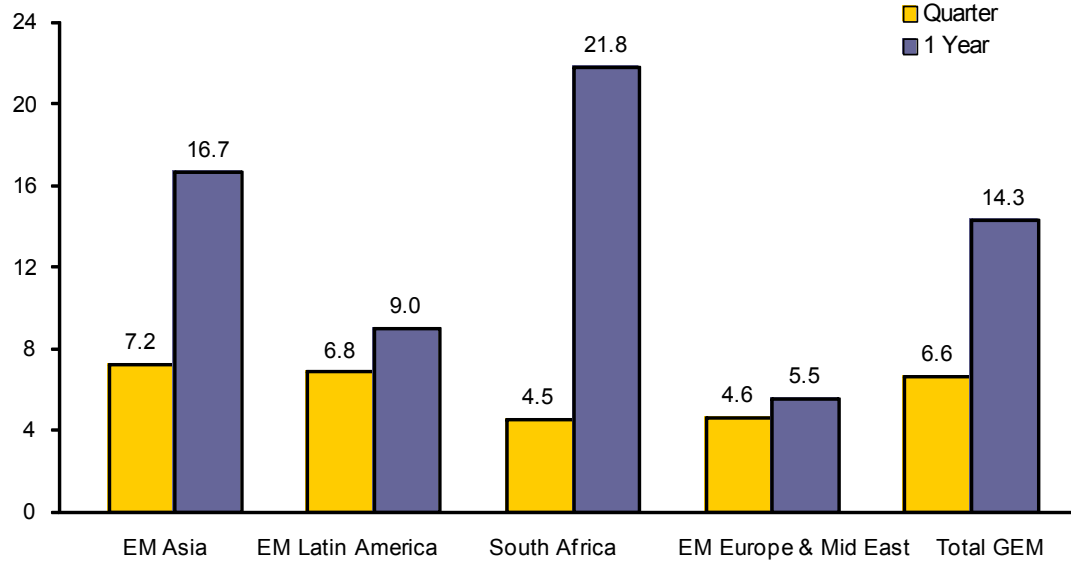
Emerging Markets Equity – MSCI EM (Net)

- More certainty over Federal Reserve monetary policy and declining political turmoil provided tailwinds to emerging market equities.
- Asian EM performance was particularly strong, rising 7.2% in the second quarter as Chinese policymakers introduced a mini-stimulus package in April and markets in India rallied on potential reforms by Prime Minister Modi and the Bharatiya Janata Party.
- Overall, the MSCI EM index rose 6.6% in the second quarter.

Ending Regional Weights



Regional Returns (%)



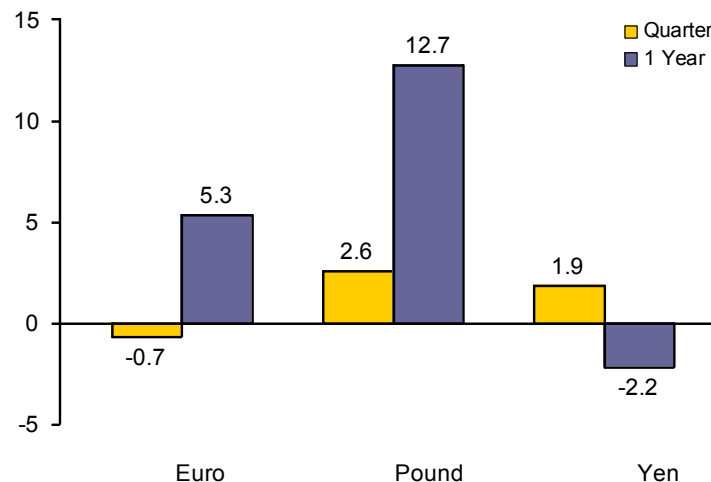
Contribution to Return:

Qtr	4.5	1.3	0.3	0.5	6.6
1 Yr	10.4	1.7	1.6	0.6	14.3

Currency Markets

- Stronger Japanese economic metrics and a lower probability of additional easing from the Bank of Japan helped boost the yen versus the dollar, which rose 1.9% during the second quarter.
- The pound rose 2.6% versus the dollar during the second quarter, driven by increased odds of rate hikes by the Bank of England.
- The U.S. dollar trade-weighted index, which measures the dollar's movement against a basket of currencies, fell 0.41% in the second quarter.

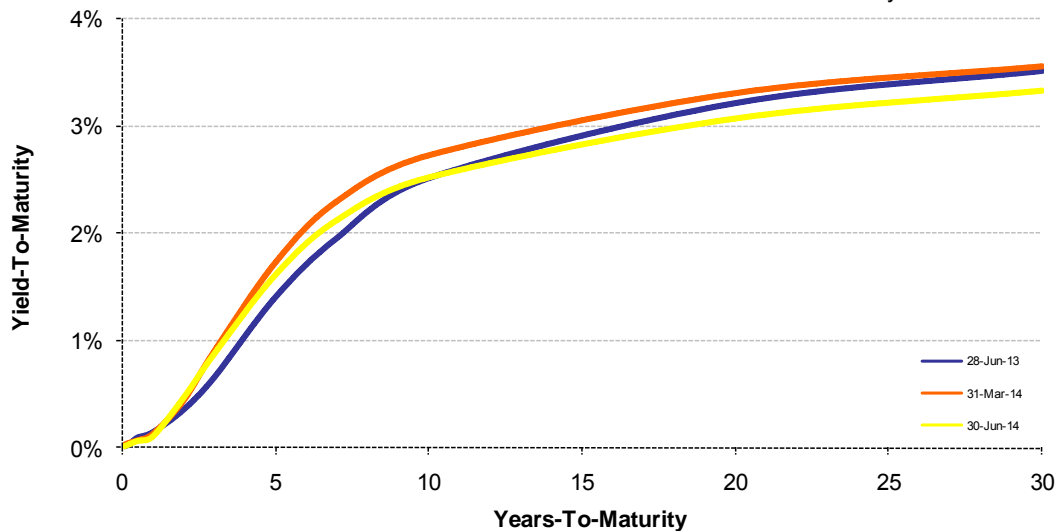
Currency Returns (%)



Yield Curve

- The long-end of the U.S. yield curve fell on a quarterly basis and Treasury bonds rallied after dovish Federal Reserve rhetoric and rising geopolitical tensions.
- Ten-year yields fell 20 basis points during the second quarter.

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

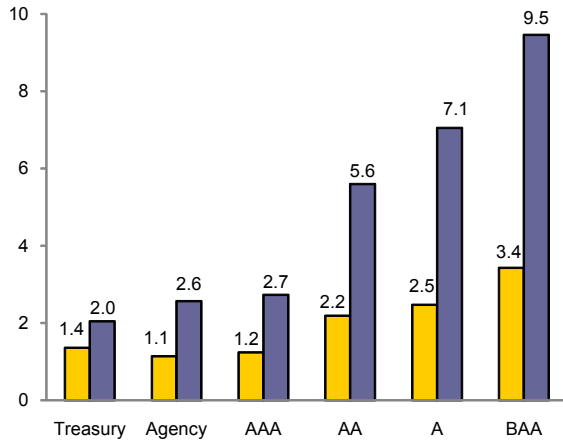


BOND MARKETS

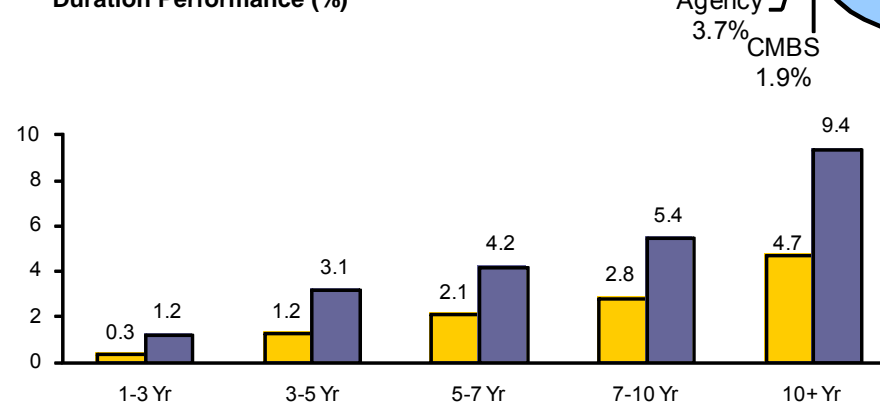
U.S. Bond Market Returns – Barclays Capital Aggregate

- Dovish Fed rhetoric helped boost demand for U.S. Treasuries, with the aggregate index rising by 1.4% in the second quarter.
- Longer duration treasuries outperformed; Treasuries with durations over 10 years rose 4.7% during the second quarter.
- Credit risk appetite was robust as lower-rated corporate bonds outperformed during the second quarter. BAA-rated securities returned 3.4%.

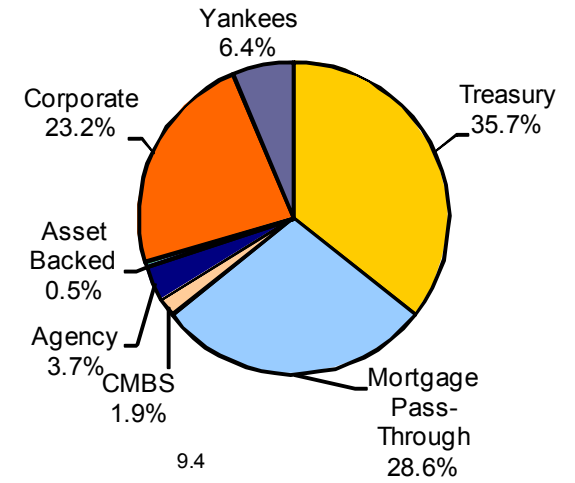
Quality Performance (%)



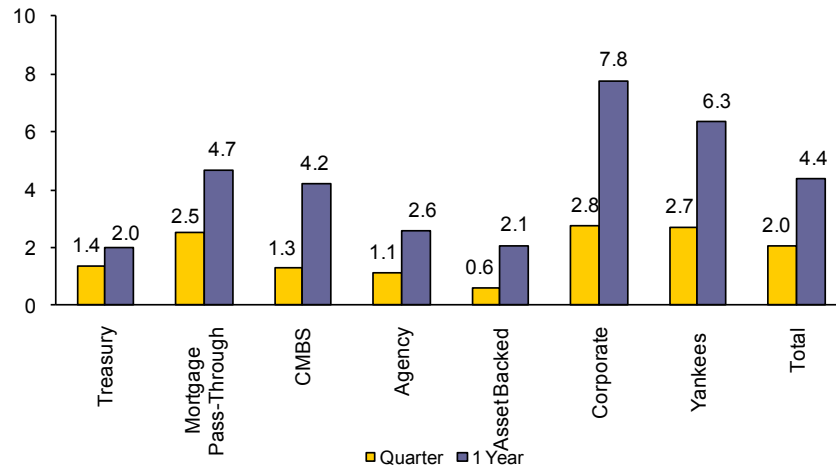
Duration Performance (%)



Sector Weights



Sector Performance (%)

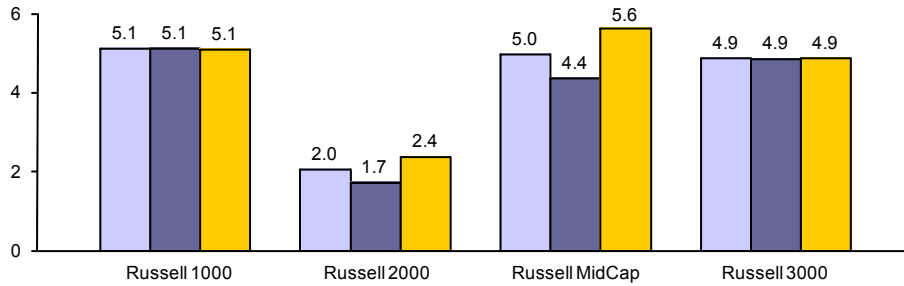


STYLE & CAPITALIZATION

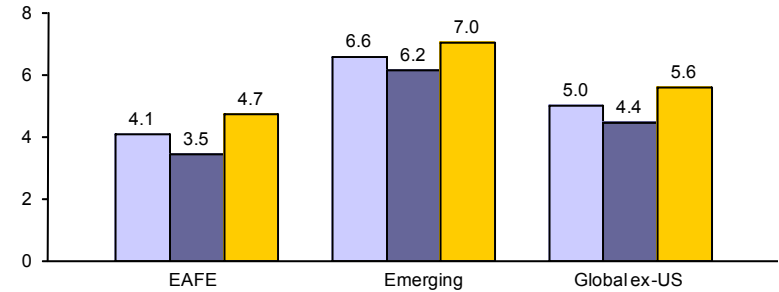
Style & Capitalization Returns

- Perhaps due to attractive valuations and the Federal Reserve assuaging fears over sooner-than-expected monetary policy tightening, emerging market equities outperformed on a global basis, rising 6.6% during the quarter.
- Larger cap equities outperformed in the U.S. The Russell 1000 index rose 5.1% in the second quarter.
- Overall, non-U.S. equities rose 5.0% in the second quarter.

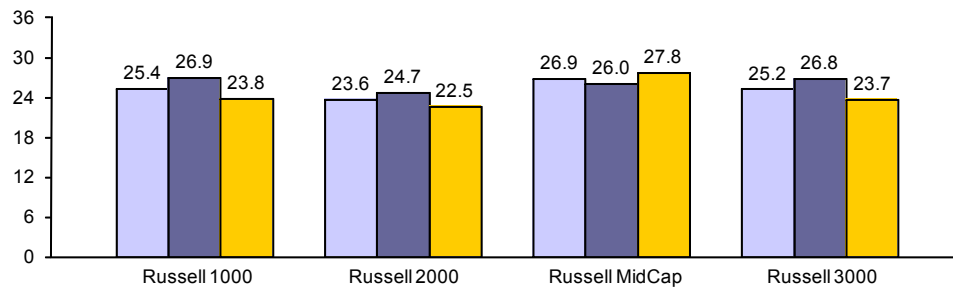
Russell US Style Returns (%) – Quarter



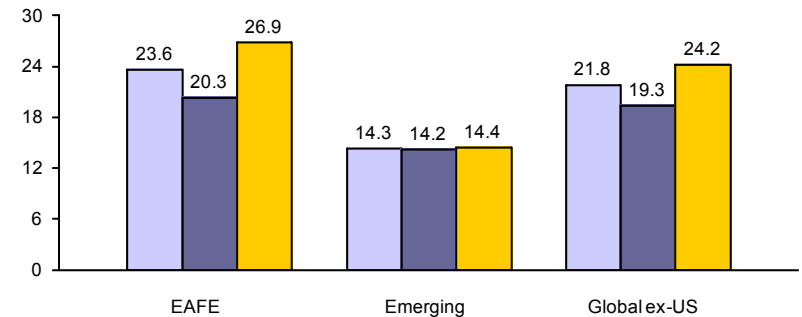
MSCI Non-US Style Returns (%) – Quarter



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

August 26, 2014

Agenda Item 7.1

To: Board of Retirement

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



Subject: Preliminary Quarterly Financial Report for the Period Ending June 30, 2014

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

Statement of Fiduciary Net Position

SamCERA's Net Position Restricted for Pension as of June 30, 2014 totaled \$3,287,471,277.

Statement of Changes in Fiduciary Net Position

Net position restricted for pensions increased by approximately \$136.6 million in comparison to the net position for March 2014 of \$3.15 billion. The increase is due to the receipt of the supplemental employer contribution made by the county on May 2014 in the amount of \$50 million and to the market appreciation of assets during the quarter.

The following reports are attached to this agenda item:

Table of Contents	Page
Statement of Fiduciary Net Position (Year to Year YTD Comparative)	2
Statement of Changes in Fiduciary Net Position (Year to Year YTD Comparative)	3
Cash Flow Statements	4-5
Statement of Fiduciary Net Position (YTD Quarterly Comparative)	6
Statement of Changes in Fiduciary Net Position (YTD Quarterly Comparative)	7

San Mateo County Employees' Retirement Association
Statement of Fiduciary Net Position - YTD Comparative
June 2014
PRELIMINARY

	June 2014	June 2013
ASSETS		
CASH AND CASH EQUIVALENTS	78,671,477	39,405,154
CASH MANAGEMENT OVERLAY	21,446,466	0
SECURITIES LENDING CASH COLLATERAL	0	136,413,481
TOTAL CASH	100,117,943	175,818,636
RECEIVABLES		
Contributions	4,648,233	3,611,259
Due from Broker for Investments Sold	12,596,153	139,326,538
Investment Income	3,483,030	4,998,825
Securities Lending Income	39,953	60,596
Other Receivable	113,410	113,812
TOTAL ACCOUNTS RECEIVABLES	20,880,779	148,111,030
PREPAID EXPENSE	7,669	7,669
INVESTMENTS AT FAIR VALUE		
Domestic Fixed Income Securities	493,024,480	428,578,645
International Fixed Income Securities	100,023,249	112,393,585
Domestic Equities	1,229,039,423	1,135,856,342
International Equities	653,569,353	494,939,553
Real Estate	183,566,990	166,154,482
Private Equities	134,237,560	64,325,070
Risk Parity	197,597,402	157,444,012
Hedge Funds	117,896,816	73,717,734
Commodities	90,480,043	69,083,062
Held for Securities Lending	0	0
Other Investment	0	0
	3,199,435,315	2,702,492,485
FIXED ASSETS	0	0
LESS ACCUMULATED DEPRECIATION	0	0
	0	0
TOTAL ASSETS	3,320,441,706	3,026,429,819
LIABILITIES		
Investment Management Fees	2,795,511	2,519,194
Due to Broker for Investments Purchased	27,187,225	154,293,081
Collateral Payable for Securities Lending	0	136,413,481
Other	2,987,693	5,378,731
TOTAL LIABILITIES	32,970,429	298,604,487
NET POSITION RESTRICTED FOR PENSIONS	3,287,471,277	2,727,825,332

San Mateo County Employees' Retirement Association
Statement of Changes in Fiduciary Net Position - YTD Comparative
June 2014
Preliminary

	June 2014	June 2013	
ADDITIONS			
CONTRIBUTIONS			
Employer Contribution	202,877,362	144,308,171	58,569,191
Employee Contribution	46,593,698	55,407,941	(8,814,243)
TOTAL CONTRIBUTIONS	<u>249,471,060</u>	<u>199,716,112</u>	<u>49,754,948</u>
INVESTMENT INCOME			
Interest and Dividends	49,824,642	55,101,945	(5,277,303)
Net Appreciation (Depreciation) in fair value of investments	454,370,850	293,808,144	160,562,706
Less Investment Expense	(26,406,508)	(21,926,630)	(4,479,878)
Less Asset Management Expense	0	0	0
NET INVESTMENT INCOME	<u>477,788,984</u>	<u>326,983,459</u>	<u>150,805,525</u>
SECURITIES LENDING INCOME			
Earnings	253,687	402,803	(149,116)
Less: Securities Lending Expenses	181,772	219,089	(37,318)
NET SECURITIES LENDING INCOME	<u>435,458</u>	<u>621,892</u>	<u>(186,434)</u>
OTHER ADDITIONS	<u>178,637</u>	<u>159,510</u>	<u>19,127</u>
TOTAL ADDITIONS	<u>727,874,138</u>	<u>527,480,973</u>	<u>200,393,165</u>
DEDUCTIONS			
ASSOCIATION BENEFITS			
Service Retirement Allowance	139,036,410	131,638,612	7,397,798
Disability Retirement Allowance	19,266,623	16,705,247	2,561,376
Survivor, Death and Other Benefits	928,394	921,788	6,606
TOTAL ASSOCIATION BENEFITS	<u>159,231,427</u>	<u>149,265,647</u>	<u>9,965,781</u>
REFUND OF MEMBER CONTRIBUTIONS	3,324,680	5,749,776	(2,425,096)
ADMINISTRATIVE EXPENSE	5,606,794	4,914,187	692,607
OTHER EXPENSE	65,292	29,685	35,607
TOTAL DEDUCTIONS	<u>168,228,194</u>	<u>159,959,295</u>	<u>8,268,899</u>
NET INCREASE	559,645,945	367,521,678	192,124,266
Net Position Restricted for Pensions			
Beginning of Period	2,727,825,332	2,360,303,654	
End of Period	3,287,471,277	2,727,825,332	

8/26/2014

San Mateo County Employees' Retirement Association
CHANGES IN FIDUCIARY NET POSITION - TRAILING TWELVE MONTHS
For the Month Ending June 30, 2014
PRELIMINARY

	July 2013	August 2013	September 2013	October 2013	November 2013	December 2013	YTD
ADDITIONS							
CONTRIBUTIONS							
Employee Contribution	2,559,300	3,414,941	3,454,722	3,568,554	5,456,815	3,691,512	22,145,845
Employer Contributions - Regular	5,387,029	7,274,444	7,364,919	7,314,029	11,133,539	7,660,442	46,134,402
Employer Contributions - COLA	3,079,236	4,083,674	4,118,952	4,080,220	6,203,906	4,248,765	25,814,753
Employer Prefunded Contribution	63,916,571	(11,304,718)	(11,447,540)	(11,357,918)	(17,285,936)	(10,528,448)	1,992,010
TOTAL CONTRIBUTIONS	74,942,135	3,468,341	3,491,053	3,604,885	5,508,325	5,072,271	96,087,010
INVESTMENT INCOME							
Interest and Dividends	2,841,505	4,188,196	7,208,693	3,142,406	3,245,353	(969,074)	19,657,079
Net Appreciation (Depreciation) in fair value of investments	89,392,866	(48,253,760)	96,177,358	83,660,378	37,057,999	39,901,574	297,936,415
Securities Lending Income	19,682	18,143	19,208	21,793	19,130	20,520	118,476
Other Additions	0	0	0	0	0	0	0
Other Investment Related Expense	(516,917)	(299,243)	(805,076)	(230,343)	(526,888)	(1,065,590)	(3,444,056)
Securities Lending Expense	6,434	7,355	12,167	7,239	12,048	24,603	69,846
TOTAL ADDITIONS	166,685,705	(40,870,967)	106,103,404	90,206,357	45,315,966	42,984,304	410,424,769
DEDUCTIONS							
ASSOCIATION BENEFITS							
Retiree Annuity	2,992,088	3,038,393	3,059,110	3,085,441	3,046,140	3,059,668	18,280,840
Retiree Pension	6,926,721	7,067,925	7,152,258	7,186,163	7,055,890	7,053,260	42,442,216
Retiree COLA	2,960,035	2,942,052	2,939,019	2,927,595	2,911,855	2,901,128	17,581,684
Retiree Death and Modified Work Benefit	2,886	2,886	2,886	2,886	2,886	2,886	17,315
Active Member Death Benefit	0	0	0	0	0	0	0
Voids and Reissue	0	0	0	0	0	0	0
TOTAL ASSOCIATION BENEFITS	12,881,729	13,051,256	13,153,272	13,202,084	13,016,771	13,016,942	78,322,054
REFUND OF MEMBER CONTRIBUTIONS	258,672	158,915	416,252	300,535	195,442	116,692	1,446,507
ACTUARIAL FEES	1,250	1,250	56,250	1,250	4,381	1,250	65,631
CONSULTANT FEES - INVESTMENT (SIS)	33,333	66,667	0	33,333	33,333	33,333	200,000
CUSTODIAN FEES - STATE STREET	15,351	15,089	13,956	14,810	18,000	14,240	91,445
CASH OVERLAY MANAGEMENT FEE - CLIFTON GROUF	0	0	21,750	7,750	(2,587)	7,750	34,663
OTHER PROFESSIONAL FEES	7,500	7,500	0	1,500	0	0	16,500
INVESTMENT MANAGEMENT FEE - R1000 INDEX	10,262	9,947	10,354	20,471	4,039	10,816	65,889
INVESTMENT MANAGEMENT FEE - PYRAMIS	19,455	19,348	19,562	19,650	19,604	19,565	117,184
INVESTMENT MANAGEMENT FEE - ANGELO GORDON	99,282	0	101,719	0	0	127,679	328,680
INVESTMENT MANAGEMENT FEE - BROWN BROTHER	9,764	9,605	9,795	9,784	9,667	9,622	58,236
INVESTMENT MANAGEMENT FEE - BRIGADE CAPITAL	39,703	39,724	35,367	40,702	40,702	40,702	236,898
INVESTMENT MANAGEMENT FEE - FRANKLIN TEMPLE	38,189	37,425	38,657	39,184	39,232	39,528	232,215
INVESTMENT MANAGEMENT FEE - CHARTWELL	67,603	67,264	71,039	72,482	75,204	75,816	429,408
INVESTMENT MANAGEMENT FEE - D E SHAW	63,993	61,625	56,686	75,030	53,893	61,385	372,612
INVESTMENT MANAGEMENT FEE - BARROW HANLEY	61,059	59,327	61,918	60,241	62,497	53,583	358,625
INVESTMENT MANAGEMENT FEE - THE BOSTON COM	73,225	69,841	75,823	77,558	81,331	80,684	458,461
INVESTMENT MANAGEMENT FEE - BROWN ADVISORY	39,173	72,450	57,986	58,164	61,240	51,672	340,684
INVESTMENT MANAGEMENT FEE - MONDRIAN	33,532	29,008	35,707	67,042	67,430	67,258	299,976
INVESTMENT MANAGEMENT FEE - PYRAMIS SELECT	42,745	41,625	45,241	46,527	46,578	47,087	269,803
INVESTMENT MANAGEMENT FEE - EATON VANCE	47,869	54,182	54,182	68,597	60,398	52,214	337,443
INVESTMENT MANAGEMENT FEE - BAILLIE GIFFORD	70,900	69,954	74,706	76,158	77,053	77,170	445,940
INVESTMENT MANAGEMENT FEE - WESTERN ASSET	18,941	27,012	27,248	27,419	27,337	27,313	155,271
INVESTMENT MANAGEMENT FEE - INVESCO CORE	51,493	51,493	73,047	46,794	53,901	57,454	334,182
INVESTMENT MANAGEMENT FEE - SHERIDAN PRODU	75,008	0	75,008	0	0	75,021	225,037
INVESTMENT MANAGEMENT FEE - ABRY ADVANCED	108,477	0	(21,607)	81,343	0	71,970	240,183
INVESTMENT MANAGEMENT FEE - ABRY PARTNERS	0	0	73,941	0	0	81,217	155,158
INVESTMENT MANAGEMENT FEE - REGIMENT	0	0	74,275	0	0	65,621	139,896
INVESTMENT MANAGEMENT FEE - GENERAL CATALY	0	61,880	0	0	0	57,900	119,780
INVESTMENT MANAGEMENT FEE - EMERGENCE CAPI	0	0	39,020	0	0	50,000	89,020
INVESTMENT MANAGEMENT FEE - NEW ENTERPRISE	0	0	28,694	0	0	29,820	58,514
INVESTMENT MANAGEMENT FEE - SYCAMORE PARTA	141,083	0	0	0	0	0	141,083
INVESTMENT MANAGEMENT FEE - SYCAMORE SIDEC	0	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - ENCAP	0	0	37,500	0	0	37,500	75,000
INVESTMENT MANAGEMENT FEE - CEVIAN CAPITAL	0	0	102,146	0	0	109,205	211,351
INVESTMENT MANAGEMENT FEE - WARBURG PINCUS	0	0	102,231	0	0	43,632	145,863
INVESTMENT MANAGEMENT FEE - THIRD ROCK VENT	(113,764)	0	(7,502)	0	62,500	62,500	3,734
INVESTMENT MANAGEMENT FEE - AQR GLOBAL RISK	52,481	53,149	52,363	53,639	58,736	58,463	328,831
INVESTMENT MANAGEMENT FEE - AQR DELTA FUND	61,554	69,618	68,329	69,182	77,574	89,167	435,424
INVESTMENT MANAGEMENT FEE - SSGA MULTISOUR	35,758	22,284	31,860	33,063	33,063	33,063	189,092
TOTAL PROFESSIONAL FEE	1,205,218	1,017,267	1,597,252	1,101,671	1,065,106	1,821,201	7,807,714
ADMIN EXPENSE - SALARIES & BENEFITS	217,918	257,422	270,513	263,379	400,997	283,840	1,694,070
ADMIN EXPENSE - SERVICES & SUPPLIES	142,768	118,115	114,993	190,201	104,590	297,402	968,069
TOTAL ADMINISTRATIVE EXPENSES	360,686	375,537	385,506	453,580	505,587	581,242	2,662,139
INTEREST FOR PREPAID CONTRIBUTION	0	0	0	0	0	1,346,400	1,346,400
OTHER DEDUCTIONS	(3,099)	13,577	10,572	16,815	36,070	17,250	91,185
TOTAL DEDUCTIONS	14,703,206	14,616,552	15,562,854	15,074,685	14,818,976	16,899,726	91,675,998
NET INCREASE	151,982,499	(55,487,519)	90,540,550	75,131,672	30,496,989	26,084,579	318,748,771

8/26/2014

San Mateo County Employees' Retirement Association
CHANGES IN FIDUCIARY NET POSITION - TRAILING TWELVE MONTHS
For the Month Ending June 30, 2014
PRELIMINARY

	December YTD 2013	January 2014	February 2014	March 2014	April 2014	May 2014	June 2014	YTD
ADDITIONS								
CONTRIBUTIONS								
Employee Contribution	22,145,845	3,577,624	3,507,106	3,516,740	3,925,973	5,218,468	4,701,942	46,593,698
Employer Contributions - Regular	46,134,402	7,769,284	7,679,453	7,612,631	8,103,509	11,281,792	9,835,669	98,416,739
Employer Contributions - COLA	25,814,753	4,294,895	4,231,862	4,179,811	4,493,567	6,116,695	5,329,039	54,460,623
Employer Prefunded Contribution	1,992,010	63,969,579	(11,877,466)	(11,755,304)	(12,562,413)	(17,342,950)	(12,423,456)	0
Employer Supplemental Contribution						50,000,000		50,000,000
TOTAL CONTRIBUTIONS	96,087,010	79,611,382	3,540,954	3,553,878	3,960,636	55,274,006	7,443,194	249,471,060
INVESTMENT INCOME								
Interest and Dividends	19,657,079	1,903,789	6,384,489	6,200,123	5,443,469	4,553,627	5,682,065	49,824,642
Net Appreciation (Depreciation) in fair value of investments	297,936,415	(66,445,187)	101,610,408	16,305,937	6,839,192	49,181,406	49,121,316	454,549,487
Securities Lending Income	118,476	18,827	22,259	32,888	25,540	22,994	12,704	253,687
Other Additions	0	0	0	0	0	0	0	0
Other Investment Related Expense	(3,444,056)	(292,567)	(639,149)	(1,394,917)	(470,300)	(819,557)	(746,545)	(7,807,092)
Securities Lending Expense	69,846	12,079	12,494	14,249	13,965	29,614	29,524	181,772
TOTAL ADDITIONS	410,424,769	14,808,323	110,931,455	24,712,158	15,812,502	108,242,091	61,542,258	746,473,554
DEDUCTIONS								
ASSOCIATION BENEFITS								
Retiree Annuity	18,280,840	3,106,632	3,107,738	3,111,286	3,196,192	3,184,322	3,187,347	37,174,356
Retiree Pension	42,442,216	7,182,621	7,212,922	7,349,099	7,341,901	7,326,705	7,308,594	86,164,058
Retiree COLA	17,581,684	2,902,836	2,887,761	2,883,010	3,131,562	3,119,260	3,113,477	35,619,589
Retiree Death and Modified Work Benefit	17,315	2,886	2,886	2,357	2,357	2,357	2,357	32,515
Active Member Death Benefit	0	0	0	0	0	0	0	0
Voids and Reissue	0	0	0	0	0	0	0	0
TOTAL ASSOCIATION BENEFITS	78,322,054	13,194,975	13,211,306	13,345,752	13,672,012	13,632,644	13,611,776	158,990,519
REFUND OF MEMBER CONTRIBUTIONS								
	1,446,507	627,210	197,379	214,622	348,468	407,858	323,544	3,565,588
ACTUARIAL FEES								
CONSULTANT FEES - INVESTMENT (SIS)	200,000	33,333	33,333	33,333	33,333	33,333	33,333	400,000
CUSTODIAN FEES - STATE STREET	91,445	14,347	10,072	14,127	18,000	18,000	6,628	172,619
CASH OVERLAY MANAGEMENT FEE - CLIFTON GROUP	34,663	7,750	7,750	38,984	17,774	17,978	17,875	142,773
OTHER PROFESSIONAL FEES	16,500	7,500	0	0	7,500	0	0	31,500
INVESTMENT MANAGEMENT FEE - R1000 INDEX	65,889	9,595	10,053	9,477	9,803	9,928	10,017	124,763
INVESTMENT MANAGEMENT FEE - PYRAMIS	117,184	19,752	21,538	19,460	21,197	21,419	21,325	241,874
INVESTMENT MANAGEMENT FEE - ANGELO GORDON ST/	328,680	0	0	126,585	0	0	0	455,265
INVESTMENT MANAGEMENT FEE - BROWN BROTHERS	58,236	9,714	9,764	9,703	9,819	10,022	9,955	117,213
INVESTMENT MANAGEMENT FEE - BRIGADE CAPITAL	236,898	40,009	41,722	40,450	42,776	40,389	41,247	483,492
INVESTMENT MANAGEMENT FEE - FRANKLIN TEMPLETO/	232,215	38,812	39,406	39,534	39,795	38,798	70,664	499,223
INVESTMENT MANAGEMENT FEE - CHARTWELL	429,408	74,259	80,322	76,562	74,745	75,305	78,753	889,355
INVESTMENT MANAGEMENT FEE - D E SHAW	372,612	61,069	59,606	57,878	58,772	60,822	61,155	731,914
INVESTMENT MANAGEMENT FEE - T ROWE PRICE	0	0	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - BLACKROCK	0	5,850	6,211	8,560	6,738	6,968	7,057	41,383
INVESTMENT MANAGEMENT FEE - BARROW HANLEY	358,625	52,552	54,973	54,292	54,473	55,615	56,013	686,542
INVESTMENT MANAGEMENT FEE - THE BOSTON COMPAN	458,461	78,965	83,534	82,175	80,072	80,191	84,267	947,664
INVESTMENT MANAGEMENT FEE - BROWN ADVISORY	340,684	50,956	53,063	51,569	51,346	51,863	52,884	652,364
INVESTMENT MANAGEMENT FEE - JENNISON ASSOCIATE	0	0	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - MONDRIAN	299,976	(15,523)	43,614	93,656	58,802	60,193	59,971	600,689
INVESTMENT MANAGEMENT FEE - ARTIO	0	0	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - PYRAMIS SELECT INTL	269,803	45,534	48,743	47,291	47,979	48,997	49,787	558,133
INVESTMENT MANAGEMENT FEE - EATON VANCE	337,443	49,274	51,564	51,913	52,992	55,567	56,251	655,005
INVESTMENT MANAGEMENT FEE - BAILLIE GIFFORD	445,940	67,917	73,215	70,886	72,130	74,316	73,435	877,839
INVESTMENT MANAGEMENT FEE - WESTERN ASSET	155,271	27,498	27,692	27,628	27,832	28,120	28,016	322,056
INVESTMENT MANAGEMENT FEE - INVESCO CORE	334,182	58,639	55,085	65,480	68,945	58,550	80,351	721,231
INVESTMENT MANAGEMENT FEE - SHERIDAN PRODUCTI	225,037	0	0	75,008	0	0	0	300,045
INVESTMENT MANAGEMENT FEE - ABRY ADVANCED	240,183	0	0	88,117	0	0	0	328,300
INVESTMENT MANAGEMENT FEE - ABRY PARTNERS	155,158	0	0	32,984	28,188	0	0	216,330
INVESTMENT MANAGEMENT FEE - REGIMENT CAPITAL	139,896	0	0	75,000	0	0	74,442	288,338
INVESTMENT MANAGEMENT FEE - GENERAL CATALYST	119,780	0	0	0	0	0	0	119,780
INVESTMENT MANAGEMENT FEE - EMERGENCE CAPITAL	89,020	0	0	39,804	0	0	41,372	170,196
INVESTMENT MANAGEMENT FEE - NEW ENTERPRISE	58,514	0	0	26,884	0	0	18,244	103,642
INVESTMENT MANAGEMENT FEE - SYCAMORE PARTNER	141,083	187,500	0	0	0	0	0	328,583
INVESTMENT MANAGEMENT FEE - SYCAMORE SIDECAR	0	6,817	0	0	0	0	0	6,817
INVESTMENT MANAGEMENT FEE - ENCAP	75,000	0	0	37,500	0	0	37,500	150,000
INVESTMENT MANAGEMENT FEE - CEVIAN CAPITAL	211,351	0	0	114,741	0	0	123,186	449,278
INVESTMENT MANAGEMENT FEE - WARBURG PINCUS	145,863	0	0	111,998	0	0	140,000	397,861
INVESTMENT MANAGEMENT FEE - THIRD ROCK VENTURE	3,734	0	62,500	(10,004)	62,500	0	0	118,730
INVESTMENT MANAGEMENT FEE - GREAT HILLS	0	0	0	0	0	0	18,661	18,661
INVESTMENT MANAGEMENT FEE - SYCAMORE PARTNER	0	0	0	0	0	0	327,584	327,584
INVESTMENT MANAGEMENT FEE - AQR GLOBAL RISK PAI	328,831	57,807	57,926	60,640	61,044	62,300	64,455	693,002
INVESTMENT MANAGEMENT FEE - AQR DELTA FUND	435,424	90,040	80,373	88,623	86,284	88,525	86,842	956,112
INVESTMENT MANAGEMENT FEE - SSGA MULTISOURCE	189,092	53,048	52,287	43,216	45,024	36,865	45,158	464,690
TOTAL PROFESSIONAL FEE	7,807,714	1,138,016	1,061,844	1,805,302	1,139,113	1,035,314	1,881,677	15,868,980
ADMIN EXPENSE - SALARIES & BENEFITS								
ADMIN EXPENSE - SERVICES & SUPPLIES	1,694,070	272,055	284,561	275,946	376,826	419,593	372,470	3,695,520
TOTAL ADMINISTRATIVE EXPENSES	968,069	180,479	124,363	166,914	126,908	139,080	205,460	1,911,274
TOTAL DEDUCTIONS	91,675,998	15,403,552	14,891,465	15,819,699	15,600,484	15,650,170	17,786,243	186,827,610
NET INCREASE	318,748,771	(595,230)	96,039,990	8,892,459	212,018	92,591,921	43,756,015	559,645,945

8/26/2014

**San Mateo County Employees' Retirement Association
Statement of Fiduciary Net Position - Quarterly Comparative
For the Quarter Ending June 30, 2014**

	June 2014	March 2014	Increase/(Decrease)	% of Incr/Decr
ASSETS				
CASH AND CASH EQUIVALENTS	78,671,477	68,727,620	9,943,857	14.47%
CASH MANAGEMENT OVERLAY	21,446,466	19,457,374	1,989,092	10.22%
SECURITIES LENDING CASH COLLATERAL	0	231,138,934	(231,138,934)	-100.00%
TOTAL CASH	100,117,943	319,323,928	(219,205,985)	-68.65%
RECEIVABLES				
Contributions	4,648,233	0	4,648,233	N/A
Due from Broker for Investments Sold	12,596,153	161,889,024	(149,292,870)	-92.22%
Investment Income	3,483,030	5,616,062	(2,133,033)	-37.98%
Securities Lending Income	39,953	44,862	(4,909)	-10.94%
Other Receivable	113,410	112,993	417	0.37%
TOTAL ACCOUNTS RECEIVABLES	20,880,779	167,662,941	(146,782,162)	-87.55%
PREPAID EXPENSE	7,669	7,669	0	0.00%
INVESTMENTS AT FAIR VALUE				
Domestic Fixed Income Securities	493,024,480	465,639,308	27,385,171	5.88%
International Fixed Income Securities	100,023,249	109,540,209	(9,516,961)	-8.69%
Domestic Equities	1,229,039,423	1,202,484,459	26,554,964	2.21%
International Equities	653,569,353	621,030,295	32,539,058	5.24%
Real Estate	183,566,990	175,269,752	8,297,238	4.73%
Private Equity	134,237,560	110,279,401	23,958,158	21.72%
Risk Parity	197,597,402	183,132,535	14,464,867	7.90%
Hedge Funds	117,896,816	116,642,563	1,254,253	1.08%
Commodities	90,480,043	87,922,223	2,557,820	2.91%
Held for Securities Lending	0	0	0	N/A
Other Investment	0	0	0	N/A
	3,199,435,315	3,071,940,745	127,494,570	4.15%
FIXED ASSETS	0	0	0	N/A
LESS ACCUMULATED DEPRECIATION	0	0	0	N/A
	0	0	0	0.00%
TOTAL ASSETS	3,320,441,706	3,558,935,283	(238,493,577)	-6.70%
LIABILITIES				
Investment Management Fees	2,795,511	3,080,013	(284,502)	-9.24%
Due to Broker for Investments Purchased	27,187,225	172,926,674	(145,739,448)	-84.28%
Collateral Payable for Securities Lending	0	231,138,934	(231,138,934)	-100.00%
Other	2,987,693	878,340	2,109,353	240.15%
TOTAL LIABILITIES	32,970,429	408,023,961	(375,053,531)	-91.92%
NET POSITION RESTRICTED FOR PENSIONS	3,287,471,277	3,150,911,323	136,559,954	4.33%

San Mateo County Employees' Retirement Association
Statement of Changes in Fiduciary Net Position - Quarterly Comparative
For the Quarter Ending June 30, 2014

	June 2014	March 2014	Increase/Decrease
ADDITIONS			
CONTRIBUTIONS			
Employer Contribution	202,877,362	150,045,909	52,831,453
Employee Contribution	46,593,698	32,747,314	13,846,383
TOTAL CONTRIBUTIONS	<u>249,471,060</u>	<u>182,793,224</u>	<u>66,677,836</u>
INVESTMENT INCOME			
Interest and Dividends	49,824,642	34,145,480	15,679,162
Net Appreciation (Depreciation) in fair value of investments	454,370,850	349,259,578	105,111,272
Less Investment Expense	(26,406,508)	(18,929,966)	(7,476,542)
Less Asset Management Expense	0	0	0
NET INVESTMENT INCOME	<u>477,788,984</u>	<u>364,475,092</u>	<u>113,313,891</u>
SECURITIES LENDING INCOME			
Earnings	253,687	192,449	61,237
Less: Securities Lending Expenses	181,772	108,668	73,103
NET SECURITIES LENDING INCOME	<u>435,458</u>	<u>301,118</u>	<u>134,340</u>
OTHER ADDITIONS	<u>178,637</u>	<u>147,994</u>	<u>30,642</u>
TOTAL ADDITIONS	<u>727,874,138</u>	<u>547,717,428</u>	<u>180,156,710</u>
DEDUCTIONS			
ASSOCIATION BENEFITS			
Service Retirement Allowance	139,036,410	103,131,476	35,904,934
Disability Retirement Allowance	19,266,623	14,427,864	4,838,759
Survivor, Death and Other Benefits	928,394	678,887	249,508
TOTAL ASSOCIATION BENEFITS	<u>159,231,427</u>	<u>118,238,227</u>	<u>40,993,200</u>
REFUND OF MEMBER CONTRIBUTIONS	<u>3,324,680</u>	<u>2,321,578</u>	<u>1,003,103</u>
ADMINISTRATIVE EXPENSE	<u>5,606,794</u>	<u>3,966,458</u>	<u>1,640,336</u>
OTHER EXPENSE	<u>65,292</u>	<u>105,175</u>	<u>(39,883)</u>
TOTAL DEDUCTIONS	<u>168,228,194</u>	<u>124,631,438</u>	<u>43,596,756</u>
NET INCREASE	559,645,945	423,085,991	136,559,954
Net Position Restricted for Pensions			
Beginning of Period	3,150,911,323	2,727,825,332	
End of Period	3,287,471,277	3,150,911,323	

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

August 26, 2014

Agenda Item 7.2

TO: Board of Retirement

FROM: Tariq Ali, Chief Technology Officer



SUBJECT: Update on Progress of SamCERA's Information Technology Projects

Discussion

Tariq Ali will provide an update of SamCERA's technology projects, and SamCERA's Project Manager, Will Morrow from LRWL, Inc. will provide an update on the Pension Administration Software System implementation project, per the attached slides.

IT Projects

- Microsoft Dynamics GP (Account Software Upgrade)
SamCERA selected a Microsoft Gold Value Added Reseller (VAR), SBS Group to help upgrade the Microsoft Dynamics GP account software from version 2010 to 2013 including all the backend server technologies (Windows Server 2008, and SQL Server 2008)
- New Website
In the process of reviewing 18 received RFPs to implement a new website. SamCERA anticipates going live with a new website by March 2015
- PensionGold Web Member Services Portal (WMS)
SamCERA has provided a web-based portal to active members for several years. Through this portal active members are able to view their contribution and employment information, view their demographic information, see who they have listed as their beneficiary, perform retirement benefit estimates, reprint 1099 forms, and print a member statement.

This portal is currently only accessible through devices connected to the San Mateo County network (Intranet). This limitation prevented offering WMS to retired members, as well as allowing active members access from home.

SamCERA's priority has always been the protection of member data, which is why SamCERA has been cautiously proceeding to make this service available over the Internet. SamCERA has been busy upgrading, securing and testing the backend technologies to make this service more secure.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

The vendor, LRS, does regular penetration testing to secure the application. SamCERA, with the help of ISD (County Information Services Department), is now preparing to have a third party perform an extensive penetration test using scrambled data, and SamCERA anticipates making WMS available over the Internet before the end of this year.

One of the benefits of making this service available to retirees will permit SamCERA to offer electronic advices and allow retirees to opt-out of receiving printed advices through postal mail.

- IT Infrastructure Updates

The document imaging project completed last year opened up floor space in the file/server room. SamCERA was able to install two new server racks, one for our own expansion and one for the PASS project.

SamCERA has increased the capacity of our virtual environment by adding two new servers, and a new storage device from Netapp. The existing storage device from Sun Technologies will be re-purposed as a backup and replication device.

SamCERA also completed an upgrade of the WiFi network in conjunction with the expansion to Suite 225. The WiFi network was running on older 802.11 technologies, which have been upgraded, to the latest 802.11ac standard. This upgrade allows devices to connect with the most reliable and fastest speeds available.

PASS Implementation

- Major Deliverables Completed: Concept of Operations; Development Methodology Overview; Risk Management Plan; Requirements Traceability Matrix; Problem Incident Reporting Plan; Conference Room Pilot.
- Vitech completed an overview demo to re-familiarize staff with the new Vitech V3 product.
- SamCERA staff completed a demo of PensionGold to give Vitech staff insight into how we are currently conducting business.
- We are now completing the Phase 1 (Project Initiation) and entering Phase 2 (Solution Development). Phase 2 has an estimated duration of about 20 months.
- Planned Phase 2 Deliverables: Statement of Work; Test Plan; Validation 1 Data Conversion Plan; Validation 1 Solution Design Document.
- We have identified and planned mitigation for several project risks including: Workday integration files not aligning with PASS requirements; Unique design solutions for a number of requirements; Data conversion issues; Staff resources; San Mateo County replacing Autonomy ECM with SharePoint for document imaging and management.

Attachments: PASS Project Slides



Moving Retirement Systems Forward

SamCERA Pension Administration Software System Project

Status Report for the Board of Retirement
August 26, 2014

Project Status Dashboard

PROJECT DIMENSION	RATING	LRWL COMMENT
OVERALL	GREEN	Phase 1 is nearly complete and producing the expected outcomes. Project organization and morale are effective.
Schedule	GREEN	Phase 2 will start one week late due to a contractor staffing change, but overall schedule is intact
Budget	GREEN	No invoices have been submitted.
Scope	GREEN	No change orders have been submitted.

Major Deliverables Completed

- ❑ Concept of Operations Document
- ❑ Development Methodology Overview
- ❑ Risk Management Plan
- ❑ Requirements Traceability Matrix
- ❑ Problem Incident Reporting Plan
- ❑ Conference Room Pilot

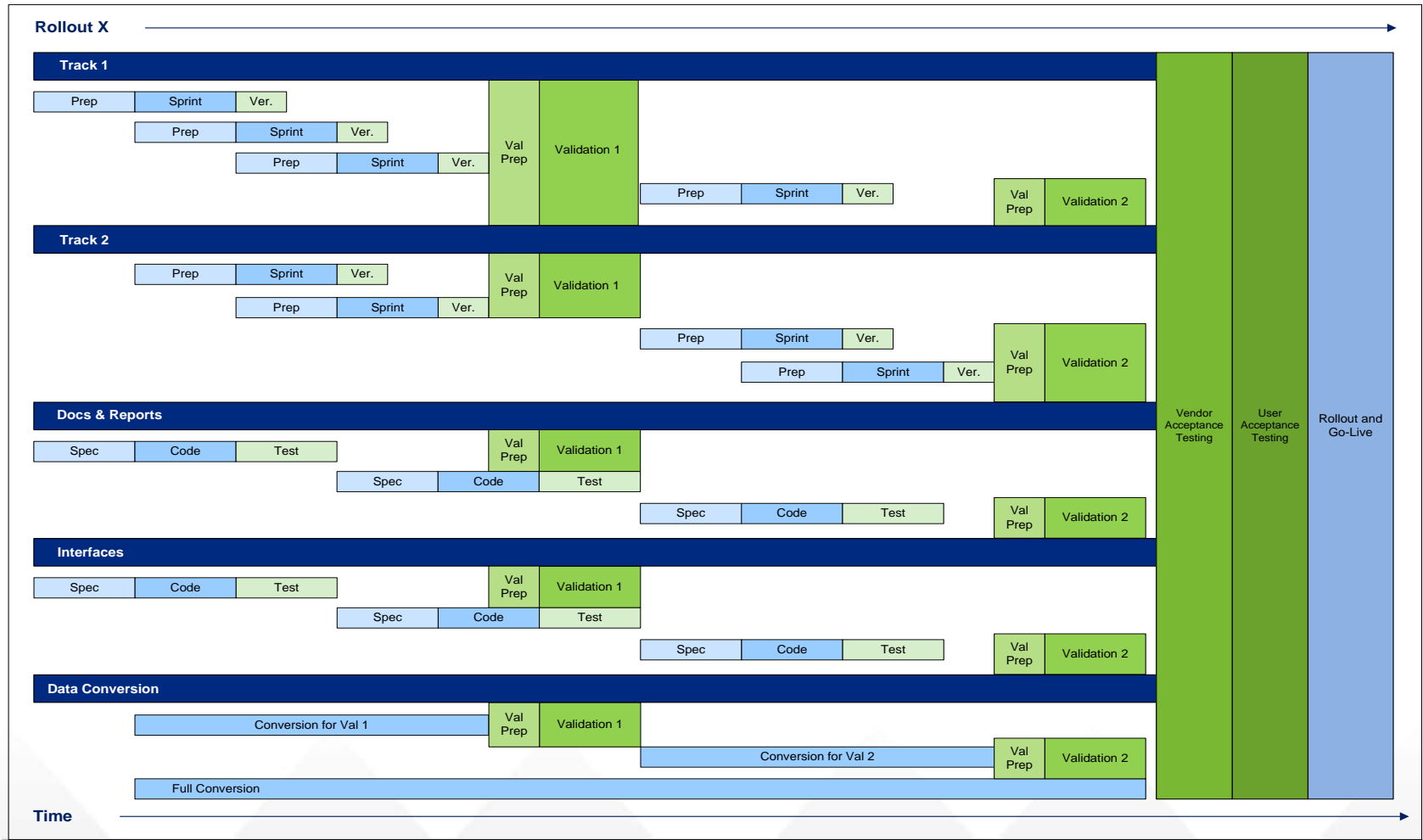
Late Deliverables

- ❑ Test and Training Environments – the procurement for these environments slated for the SamCERA location were started late. We will use a hosted Vitech environment in the interim to avoid delays to the overall schedule

Project Phases

ID	Task Name	Start	Finish	Duration	% Complete	2014			2015				2016				
						Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	Phase 1: Project Initiation	4/4/2014	8/15/2014	19.2w	72%												
2	Phase 2: PASS Solution Development	6/30/2014	4/14/2016	93.8w	0%												
3	Phase 3: PASS Solution Implementation	4/4/2016	12/30/2016	39w	0%												

Agile Development



Sprint Plan

Cycle Legend		Implementation																																		Val Pr		Validation 1	
		11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34														
Preparation		Implementation																																		Val Pr		Validation 1	
Execution		Implementation																																		Val Pr		Validation 1	
Verification		Implementation																																		Val Pr		Validation 1	
Validation		Implementation																																		Val Pr		Validation 1	
SamCERA - V3 PASS Implementation																																							
Revised as of 7/8/2014 - WRM																																							
week cycle		4				5				6				7				8				5 weeks																	
		0				0				0				2				2																					
		2014																																					
		7/14	7/21	7/28	8/4	8/11	8/18	8/25	9/1	9/8	9/15	9/22	9/29	10/6	10/13	10/20	10/27	11/3	11/10	11/17	11/24	12/1	12/8	12/15	12/22														
		7/18	7/25	8/1	8/8	8/15	8/22	8/29	9/5	9/12	9/19	9/26	10/3	10/10	10/17	10/24	10/31	11/7	11/14	11/21	11/28	12/5	12/12	12/19	12/26														
Phase 1 - Project Initiation																																							
Phase 2: PASS Solution Development																																							
Segment 1: Enrollment, Employer Reporting and Employee																																							
D. Enrollment & Demographics																																							
Sprint D1	Entity Setup					1																													Val Pr	Validation 1			
Sprint D2	Demographic Attributes									1																									Val Pr	Validation 1			
Sprint D3	Member and Beneficiary Maintenance															1																		Val Pr	Validation 1				

Planned Deliverables

- ❑ Phase 2 Statement of Work
- ❑ Phase 2 Test Plan
- ❑ Validation 1 Data Conversion Plan
- ❑ Validation 1 Solution Design Document

Project Risks

Risk (Value)	Actions
Workday integration files may not align with PASS requirements and schedule (63)	Vitech reviewing file samples. SamCERA will cope with Workday code freeze in 2015 and submit changes after Workday go-live.
Number of SamCERA requirements requiring unique design solutions results in schedule delays (49)	Relates to mobile app, social media, and knowledge management features. Mobile app approach is simple, social media will be late in the project, and KM will start early.
Vitech is unable to effectively convert the existing pension data resulting in schedule delays or project failure (49)	Risk is mitigated by starting early, segmenting conversion by tracks, dedicated resources and teams, and scorecards.
SamCERA staff resources are not available to meet the project demands resulting in schedule delays and/or quality issues (48)	Sprint planning will permit SamCERA to balance staff workloads. SamCERA has committed Cele and Liz as project leads. Project team will monitor and respond to workload issues.
SMC is replacing the Autonomy ECM with SharePoint. So, either SharePoint or V3 Imaging will become the new ECM. The lack of an existing ECM for development and testing increases quality and schedule problems. (35)	This risk will be re-evaluated once an ECM decision is made by SamCERA.

Future Status Report Content

- Status
 - Sprints
 - Report and documents
 - Data conversion
 - Integration
 - ECM
 - Workflow
 - Knowledge management
 - Interfaces
 - Cost
 - Change management
- Problem Incident Report (PIR) trends

Questions

