



Notice of Public Meeting

The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on **Tuesday, February 24, 2015, 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**
- 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 January 27, 2015
- 4. Approval of the Consent Agenda***

4.1 Disability Retirements	4.5 Member Account Refunds
• Robert Bates	4.6 Member Account Rollovers
• Jocelyn Declaro	4.7 Acceptance of Semi-Annual Compliance Certification Statements for Period Ending December 31, 2014
• Lydia Guzman	4.8 Annual Review of SamCERA's Mission and Goals Statements
• Dennis Mayer	4.9 Approval of Trustee Education Request
4.2 Service Retirements	
4.3 Continuances	
4.4 Deferred Retirements	
- 5. Benefit & Actuarial Services**
 - 5.1 Consideration of Agenda Items, if any, removed from the Consent Agenda
- 6. Investment Services**
 - 6.1 Preliminary Monthly Portfolio Performance Report for the Period Ending January 31, 2015
 - 6.2 Quarterly Investment Performance Report for the Period Ending December 31, 2014
 - 6.3 Presentation on Unconstrained Bond Investing
 - 6.4 Discussion and Approval of Hedge Fund Search Process
 - 6.5 Annual Review of Investment Consultant, Strategic Investment Solutions
 - 6.6 Approval and Report on Two Alternative Investments *(to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.2, see item C2)*
- 7. Board & Management Support**
 - 7.1 Preliminary Quarterly Financial Report for Period Ending December 31, 2014
 - 7.2 Approval of Resolution Authorizing Submission of Tax Determination Letter Application
 - 7.3 Approval of Travel Policy Amendment
 - 7.4 Presentation of Process to Manage SamCERA Staffing
 - 7.5 Approval to Establish a Second Assistant Executive Officer Position
- 8. Management Reports**
 - 8.1 Chief Executive Officer's Report

Notice of Public Meeting

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

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

- C1 Consideration of Disability Items, if any, Removed from the Consent Agenda
- C2 Approval and Report of Proposed Alternative Investment (*Confidential Under Gov. Code §54956.81 and §6254.2 – see also item 6.6*)

9. Report on Actions Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Wilkinson, Phyllis	December 27, 2014	Medical Center
Thompson, Beth	January 6, 2015	Social Service
Glennon, Richard	January 12, 2015	Sheriff
Mullins, Marguerite	January 13, 2015	Medical Center
Faltz, Charles	January 19, 2015	Mental Health
Ludlow, Robert	January 20, 2015	Probation
Illa-Riley, Judy	January 22, 2015	Environmental Health
Smith, Wayne	January 25, 2015	Library


Scott Hood, Chief Executive Officer

Posted: February 18, 2015

(* 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.

January 27, 2015– 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

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 December 16, 2014

4. Approval of the Consent Agenda*

- | | |
|----------------------------|---|
| 4.1 Disability Retirements | 4.5 Member Account Refunds |
| • Zenaída Guevara | 4.6 Member Account Rollovers |
| • Mark Prochnow | 4.7 Acceptance of FPPC Form 806 “Agency Report of Official Appointments” |
| 4.2 Service Retirements | 4.8 Acceptance of Semi-Annual Compliance Certification Statements for Period Ending December 31, 2014 |
| 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 Approval of a Resolution Adopting Cost of Living Adjustments (COLAs) for 2015

6. Investment Services

- 6.1 Preliminary Monthly Portfolio Performance Report for the Period Ending December 31, 2014
- 6.2 Approval of Securities Lending Cash Collateral Pool
- 6.3 Approval of Changes to Domestic Equity Manager Structure
- 6.4 Discussion and Approval of Proposed Alternative Investment *(to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.2, see item C2)*

7. Board & Management Support

- 7.1 Quarterly Budget Report for Period Ending December 31, 2014
- 7.2 Update on Strategic Plan Implementation
- 7.3 Update and Discussion of April 28 and 29, 2015 Board-Staff Retreat
- 7.4 Report on Upcoming Trustee Elections and Appointments
- 7.5 Approval of a Resolution Authorizing Agreement with Digital Deployment, Inc. for Website Design and Support Services
- 7.6 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

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

- C1 Consideration of Disability Items, if any, Removed from the Consent Agenda
- C2 Discussion and Approval of Proposed Alternative Investment *(Confidential Under Gov. Code §54956.81 and §6254.2 – see also item 6.4)*

9. Report on Actions Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Dempsey, William	December 31, 2014	Human Services Agency
Garibaldi, Raymond	January 11, 2015	Sheriff
Hayselden, Diane	January 14, 2015	Superior Court
Heartsner, Marion	December 11, 2014	Clerk's Office
McEntee, Edith	December 2, 2014	Courts
Padilla, Sylvia	December 7, 2014	Human Services Agency
Wiese, Annabelle	December 21, 2014	District Attorney
Slagle, Howard	January 9, 2015	Probation
Tosetti, Marion	January 6, 2015	Social Service

JANUARY 27, 2015 – REGULAR BOARD MEETING MINUTES

1501.1 Call to Order, Roll Call and Miscellaneous Business

Call to Order: Ms. Lauryn Agnew, Chair, called the Regular Meeting of the Board of Retirement to order at 10:00 a.m.

Roll Call:

Present: Lauryn Agnew, Sandie Arnott, Albert David, Paul Hackleman, Christopher Miller (for Natalie Kwan Lloyd), Michal Settles, and David Spinello

Excused: Ben Bowler, Natalie Kwan Lloyd and Eric Tashman

Alternates present: Alma Salas

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

Consultants: Patrick Thomas and Jonathan Brody (SIS)

1501.2.1 Oral Communications From the Board: Ms. Agnew reported her attendance at the CFA Forecast Dinner on January 21, 2015 in San Francisco.

1501.2.2 Oral Communications From the Public: None.

1501.3.1 Approval of Regular Board Meeting Minutes from December 16, 2014: Ms. Agnew asked if there were any changes to the Regular Board minutes, and there were none.

Action: Mr. Hackleman moved to approve the minutes of the Regular Meeting from December 16, 2014, and the motion was seconded by Ms. Arnott. The motion carried with a vote of 7-0, with trustees Agnew, Arnott, David, Hackleman, Miller (for Kwan Lloyd), Settles, and Spinello all in favor; none opposed.

1501.4.0 Approval of the Consent Agenda: Ms. Agnew asked if there were any items to be removed from the Consent Agenda, and there were no requests to remove any items.

Action: Mr. David moved to approve all the items on the Consent Agenda, and the motion was seconded by Mr. Hackleman. The motion carried with a vote of 7-0, with trustees Agnew, Arnott, David, Hackleman, Miller (for Kwan Lloyd), Settles, and Spinello all in favor; none opposed.

1501.4.1 Disability Retirements:

a) The Board found that **Zenaida Guevara** is (1) permanently incapacitated for the performance of her usual and customary duties as a Fiscal Office Assistant 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.

b) The Board found that **Mark Prochnow** is (1) permanently incapacitated for the performance of his usual and customary duties as a Property Estate Officer, (2) found that his disability was a result of an injury arising out of and in the course of his employment and (3) granted his application for a service-connected disability retirement.

1501.4.2 Service Retirements

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

Member Name	Effective Retirement Date	Department
Anderson, Lynn	November 8, 2014	Deferred from Probation
Collins, Rhonda	December 1, 2014	Probation
Dair, Erlene	November 3, 2014	Deferred from Medical Center
Gormley, Margaret	November 20, 2014	Human Services Agency

1501.4.2 **Service Retirements** (con't)

Member Name	Effective Retirement Date	Department
Kunst, Kathleen	December 1, 2014	Deferred from BOS
Lee, Rosario	December 1, 2014	Medical Center

1501.4.3 **Continuances**

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

Survivor's Name	Beneficiary of
Savoca, Laury	Savoca, Josephine
Mares, Sonya	Mares, Milton
Kerr, Sharon	Kerr, Raymond
Finch, Rebecca	Finch, Dolores
Haseleu, Eric	Haseleu, Joan

1501.4.4 **Deferred Retirements**

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

Member Name	Retirement Plan Type
Adams, David	Vested G4
Cruz, Elidet	Vested G4
Chan, Teresa	Non Vested G5 - Reciprocity
Dunwoody, Garret A.	Vested G4
Dellamonica, Laura	Vested G4
Engram III, Eddie	Non Vested S4 - Reciprocity
Hurst, Patricia C.	Vested G4
Klingler, Michael	Vested P4/G4
Quinones, Roy	Vested G4
Selvaggio, Jill	Vested G4

1412.4.5 **Member Account Refunds**

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

Member Name	Retirement Plan Type
Barraza, Evelyn	G7, Non-vested
Crosby, Karen	G4, Vested
Enriquez, Tupufia	G5, Non-vested
Facundo, Naomi	G4, Non-vested
Imelli, Annika	G4, Vested
Izquierdo, Aura (FBO: Anibal Izquierdo)	G4, Non-vested
Reames, Catherine	G7, Non-vested
Sedillo-Messer, Manuel	G4, Vested
Tapueluela, Danny	S4, Vested
Thompson, Paul	G7, Non-vested
Twine, Janelle	G7, Non-vested
Vo, Qui	G5, Non-vested

1501.4.6 **Member Account Rollovers**

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

Member Name	Retirement Plan Type
Aenlle, Victor	S5, Non-vested
Chan, Brian	G5, Non-vested
England, Ara	G4, Non-vested
Forfota, Chantal	G4, Non-vested
Harris, Lisa	G4, Non-vested
Izquierdo, Aura (FBO: Aura Izquierdo)	G4, Non-vested
Lasseigne, Suzanne	G4, Vested
Lopez, Nireysa (QDRO)	G4, Vested
Yamashita, Karen	G4, Non-vested

1501.4.7 **Acceptance of FPPC Form 806 “Agency Report of Official Appointments”:**

The Board approved the completed California Fair Political Practices Commission (FPPC) Form 806, “Agency Report of Official Appointments” for posting on SamCERA’s website.

1501.4.8 **Acceptance of Semi-Annual Compliance Certification Statements for Period Ending December 31, 2014:**

The Board reviewed and accepted the semi-annual Compliance Certification Statements as submitted for SamCERA’s non-alternative investment managers, as of December 31, 2014.

1501.5.1 **Consideration of Agenda Items, if any, Removed From the Consent Agenda:** None.

1501.5.2 **Approval of a Resolution Adopting Cost of Living Adjustments (COLAs) for 2015:** Mr. Hood stated the cost of living adjustment recommended by Milliman was 3% for most members, and that the COLA would be paid to retirees beginning with the April 2015 benefit payments.

Action: Mr. David moved to approve the resolution adopting the COLAs as recommended by Milliman, Inc., and the motion was seconded by Mr. Hackleman. The motion carried with a vote of 7-0, with trustees Agnew, Arnott, David, Hackleman, Miller (for Kwan Lloyd), Settles, and Spinello all in favor; none opposed.

1501.6.1 **Preliminary Monthly Performance Report for the Period Ending December 31, 2014:** Mr. Coultrip discussed the preliminary monthly performance report with the Board. He reported that SamCERA’s net preliminary return for December was -0.92%, and the preliminary trailing twelve month return was +5.7% net. This item was informational only and no action was taken.

1501.6.2 **Approval of Securities Lending Cash Collateral Pool:** Mr. Coultrip explained that Northern Trust is closing their existing securities lending cash collateral pools due to the regulatory changes brought about by the Dodd-Frank Act; and SamCERA and Northern’s other clients will now need to select a different cash collateral investment vehicle by the end of January 2015. Mr. Coultrip detailed the two options available, and recommended the NILAP Cash Collateral Fund, as it is consistent with SamCERA’s current posture and a more conservative approach.

Action: Mr. David moved to approve the staff recommendation to utilize the NILAP Cash Collateral Fund for SamCERA’s security lending program; the motion was seconded by Mr. Spinello. The motion carried with a vote of 7-0, with trustees Agnew, Arnott, David, Hackleman, Miller (for Kwan Lloyd), Settles, and Spinello all in favor; none opposed.

- 1501.6.3 **Approval of Changes to Domestic Equity Manager Structure:** Mr. Coultrip presented the staff report, and explained the recommended changes to the domestic equity structure. The proposed change will increase the passive portion of the large-capitalization program; reduce the allocation to the active large-capitalization strategies; and leave the allocation and structure of the small-cap program unchanged, in an effort to balance out 'event risk' and reduce management fees. Board members asked questions and discussed issues including risk, tracking errors, and manager fees.
Action: Mr. David moved to approve the recommended manager structure and direct staff to implement their recommended changes to the domestic equity manager structure, and the motion was seconded by Mr. Hackleman. The motion carried with a vote of 7-0, with trustees Agnew, Arnott, David, Hackleman, Miller (for Kwan Lloyd), Settles, and Spinello all in favor; none opposed.
- 1501.6.4 **Discussion and Approval of Proposed Alternative Investment (*Confidential Under Gov. Codes §54956.81 and §6254.26, to be heard in Closed Session, C2*):** The Board adjourned into closed session at 10:40 a.m. Upon reconvening at 11:24 a.m. Ms. Carlson reported the following actions taken by the Board in closed session.
Action: Mr. Hackleman made a motion to approve an investment in the Beach Point Capital Select Fund to fulfill SamCERA's Opportunistic Credit mandate. The motion was seconded by Ms. Settles, and carried with a vote of 7-0, with trustees Agnew, Arnott, David, Hackleman, Miller (for Kwan Lloyd), Settles, and Spinello all in favor; none opposed.
Action: Mr. David made a motion to approve that the investment in the Beach Point Capital Select Fund be in the amount of \$32.5 million. The motion was seconded by Ms. Arnott, and carried with a vote of 7-0, with trustees Agnew, Arnott, David, Hackleman, Miller (for Kwan Lloyd), Settles, and Spinello all in favor; none opposed.
- 1501.7.1 **Quarterly Budget Report for Period Ending December 31, 2014:** Ms. Wong presented the quarterly budget report to the Board. She reported on the three budget categories - professional, administrative and technology; and she noted that budget adjustments would be made in the third quarter to reflect the wage increases as a result of the county-wide COLA increases authorized by the Board of Supervisor, and to adjust for the cost of double filling the CEO position during SamCERA's leadership transition. This item was informational only and no action was taken.
- 1501.7.2 **Update on Strategic Plan Implementation:** Mr. Hood presented the update to the strategic plan and shared the streamlined "dashboard" which gives a quick overview of the plan's tasks and their progress. This item was informational only and no action was taken.
- 1501.7.3 **Update and Discussion of April 28 and 29, 2015 Board-Staff Retreat:** Mr. Hood reviewed the topics and schedule of the April 28 and 29, 2015, Board-Staff Retreat. He noted an economist has been scheduled to speak. This item was informational only and no action was taken.
- 1501.7.4 **Report on Upcoming Trustee Elections and Appointments:** Mr. Hood reported the terms of two elected trustees (Mr. David, Mr. Spinello), one elected trustee alternate (Mr. Miller) and two appointed trustees (Ms. Agnew and Mr. Tashman) will expire on June 30, 2015. He reported the election would be held on June 8, 2015, and the Board of Supervisors would make their appointments by June. This item was informational only and no action was taken.
- 1501.7.5 **Approval of a Resolution Authorizing Agreement with Digital Deployment, Inc. for Website Design and Support Services:** Mr. Ali gave an update on the efforts to redesign SamCERA's website; and reported that after the RFP process, Digital Deployment, Inc. was selected to provide the website development services and support. It was noted there was a typographical error showing a difference in the cost on the submitted resolution and the cost reflected in the staff report. The correct amount is shown on the staff report. The correct cost was reflected in the motion and the resolution will be corrected.

- 1501.7.5 **Action:** Mr. David moved to approve a resolution, with noted changes, to authorize the Chief Executive Officer to execute an agreement, not to exceed \$90,000 with Digital Deployment, Inc. for website development services and up to \$60,000 for five years of monthly support services.
- 1501.8.1 **Chief Executive Officer's Report:** Mr. Hood reported on items in the Board's "Day of Meeting" folder, including information on SACRS nominations, sample of the "Adjourned in Memory" certificates, Pension Bridge and CALAPRS information, and the calendar of events. He noted that he attended the CALAPRS Administrators Round Table in San Jose. Mr. Bailey reported on the progress of the search for an agenda management software program, and stated he would be in attendance at the CALAPRS Advanced Principles for Trustees at UCLA, along with SamCERA Trustees Mr. David and Ms. Settles.
- 1501.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported SamCERA received the County's prepayment of contributions. She also reported that new disability pamphlets were being created and would be available next month; the Financial Knowledge classes have begun; the staff retreat is coming up on March 2, 2015 and staff has started doing member purchases sooner due to the change in the interest crediting policy.
- 1501.8.3 **Chief Investment Officer's Report:** Mr. Coultrip let Board members know the evaluation survey of SIS' services next week. He reported a private equity opportunity with Emergence Capital Partners IV, LP was approved for \$10 million through the authority given to the CEO in Resolution 12-13-04. Mr. Coultrip reported that the Investment Analyst position recruitment was progressing and that interviews will commence next week.
- 1501.8.4 **Chief Legal Counsel's Report:** Ms. Carlson reminded the Board of the upcoming Form 700 filings, due to SamCERA by March 26, 2015. She reported that the Petition for Review filed in the Montisano case was denied by the California Supreme Court. She further reported that application of PEPPRA formulas to new members hired after January 1, 2013 who were covered by the terms of an MOU was upheld in a Court of Appeal decision that arose out of litigation in San Diego.
- 1501.10 **Adjournment:** Ms. Agnew adjourned the meeting at 12:24 p.m. in memory of the following deceased members:

Dempsey, William	December 31, 2014	Human Services Agency
Garibaldi, Raymond	January 11, 2015	Sheriff
Hayselden, Diane	January 14, 2015	Superior Court
Heartsner, Marion	December 11, 2014	Clerk's Office
McEntee, Edith	December 2, 2014	Courts
Padilla, Sylvia	December 7, 2014	Human Services Agency
Wiese, Annabelle	December 21, 2014	District Attorney
Slagle, Howard	January 9, 2015	Probation
Tosetti, Marion	January 6, 2015	Social Service

Scott Hood
Chief Executive Officer

Kristina Perez
Retirement Executive Secretary

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

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 (1) accept the proposed findings and recommendations of the Hearing Officer, John Simonson, (2) find that **Robert Bates** is permanently incapacitated for the performance of his usual and customary duties as a Deputy Sheriff, (3) find that his disability was not a result of an injury arising out of and in the course of his employment, and (4) deny his application for a service-connected disability retirement
- b) The Board find that **Jocelyn Declaro** is (1) permanently incapacitated for the performance of her usual and customary duties as a Licensed Vocational Nurse, (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.
- c) The Board find that **Lydia Guzman** is (1) not permanently incapacitated for the performance of her usual and customary duties as a Dietitian, and (2) deny her application for a service-connected disability retirement.
- d) The Board (1) accept the proposed findings and recommendations of the Hearing Officer, John Schupe, (2) find that **Dennis Mayer** is permanently incapacitated for the performance of his usual and customary duties as a Deputy Sheriff, (3) find that his disability was not a result of an injury arising out of and in the course of his employment, (4) deny his application for a service-connected disability retirement and (5) grant him 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
Allhiser, Mary	December 13, 2014	District Attorney
Amital, Chuck	January 1, 2015	Courts
Bulaong, Josefino	December 13, 2014	Public Works
Cava, Elsa	December 19, 2014	Medical Center
Chou, Mei	January 1, 2015	Deferred from Medical Center

Condon, Thomas	December 12, 2014	Sheriff's
Douglass, Phillip	January 1, 2015	Medical Center
Kurtz, Richard	January 1, 2015	Public Works
Mah, Amy	December 6, 2014	Human Services Agency
Osawa, Steven	January 1, 2015	Deferred from Superior Court
Prochnow, Mark	January 1, 2015	Aging & Adult Services
Ruiz, Martha	December 6, 2014	Housing
Siu Young, Andre	December 31, 2014	Information Services
Titus, Amy	December 22, 2014	Deferred from Library
Torres, Joseph	December 3, 2014	Child Support Services
Valencia, Silvia	December 22, 2014	Deferred Children & Family Svcs

4.3 Continuances

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

Survivor's Name	Beneficiary of:
Morelli, Michael	Amberg, Barbara
Thomas, John	Thomas, Lois
Gray, Bettie Jo	Gray, Forrest

4.4 Deferred Retirements

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

Member Name	Retirement Plan Type
Acton, Dean	Vested, G3
Clausen Keith A.	Vested, G4
Hardisty, Kathleen O.	Vested, G4
Henry, Sharon S.	Vested, G4 - Reciprocity
Horrisberger, Jay R.	Vested, G4 - Reciprocity
Okada, L P.	Vested G4 - Reciprocity
Ouzounian, Annie E.	Vested, G4
Sarmiento, Anna M.	Vested, G4

4.5 Member Account Refunds

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

Member Name	Retirement Plan Type
Brown, Andrew	G7, Non-vested
Cornell, Marilyn	G7, Non-vested
Floyd, Sandra	Plan 3, G4, Vested
Krist, Kerri	G4, Non-vested
Scopesi, Dina (FBO: Diane Tommey)	G2, Plan 3, Vested
Scopesi, Dina (FBO: Gino Scopesi)	G2, Plan 3, 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
Luna-Franco, Ana	G7, Non-vested

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 4.7

TO: Board of Retirement
Lilibeth Dames
FROM: Lilibeth Dames, Retirement Investment Analyst
SUBJECT: Acceptance of Semi-Annual Compliance Certification Statements for Period Ending December 31, 2014

Staff Recommendation

Review and accept the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers, as of December 31, 2014.

Background

As part of SamCERA's ongoing due diligence process, the Compliance Certification Statement is completed by each of the association's non-alternative investment managers on a semi-annual basis. These statements are used to update SamCERA on any firm-wide compliance issues and to provide strategy-level information regarding such things as derivatives and portfolio positioning.

Discussion

The attached Compliance Certification Statements contain information as of December 31, 2014 for the SamCERA's non-alternative investment managers that were not received in time for the January board meeting. No firm reported significant developments in portfolio construction, investment approach, firm ownership or organizational structure. Nor were there any notable issues regarding industry or regulatory actions that could impact SamCERA. The managers were also requested to provide data regarding the characteristics and composition of each of their portfolios. No prominent issues arose during the review. Any items that raise concern will be brought to the manager's attention and will be thoroughly vetted by staff.

Attachments

Compliance Certification Statements (8)

- A. Domestic Equity: BlackRock S&P500
- B. International Equity - Developed: BlackRock EAFE, Pyramis International Small Cap
- C. Domestic Fixed Income: Angelo Gordon OWL, Angelo Gordon STAR, Brigade, Pyramis Broad Market Duration
- D. Real Estate: INVESCO

BlackRock S&P 500 Index – December 31, 2014

Compliance Certification Statement

San Mateo County

Employees' Retirement Association

In accordance with the Investment Objectives and Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office (Investments@samcera.org) by **Monday, January 12, 2015**.

General Compliance Issues

1. Has the firm's insurance coverage been sustained? **Yes**/No: ___ If no, please explain.
2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel? **Yes**/No: ___ If yes, please explain.

BlackRock, Inc. ("BlackRock") is the ultimate parent company for the BlackRock contracting entity for San Mateo County's BlackRock Equity Index Fund investments, BlackRock Institutional Trust Company, N.A. ("BTC"). There have not been any major changes in firm ownership since 30 June 2014. BlackRock, Inc. is independent in ownership and governance, with no single majority stockholder and a majority of independent directors. As of 30 September 2014, the most recently available date, The PNC Financial Services Group, Inc. ("PNC") owned 22.0% of BlackRock and institutional investors, employees and the public held economic interest of 78.0%. With regard to voting stock, PNC owned 21.0% and institutional investors, employees and the public owned 79.0% of voting shares.

The BlackRock Equity Index Fund is managed by BlackRock's Beta Strategies team. There have been no significant changes to the personnel involved in the management of this strategy since 30 June 2014.

There have not been any significant portfolio developments since 30 June 2014. BlackRock has followed the same investment philosophy of Total Performance Management for index equity strategies since 1971. The Fund is managed on a fully-replicated basis, where the portfolio's exposure to each security in the index is in line with its weight in the underlying index. This approach ensures close tracking relative to benchmark.

3. Have there been any changes in the firm's investment approach? **Yes/No**: ___ If yes, please explain.
4. Have there have been any industry or regulatory disciplinary actions taken against the firm? **Yes/No**: ___ If yes, please explain.

As a global investment manager, BTC is subject to regulatory oversight in numerous jurisdictions. BTC's regulators routinely provide it with comment letters at the conclusion of these examinations in which they request that BTC correct or modify certain of its practices. In all such instances, BTC has addressed, or is working to address, these requests to ensure that it continues to operate in compliance with applicable laws, statutes and regulations.

BTC also receives subpoenas or requests for information in connection with regulatory inquiries and/or investigations by its various regulators, some of which are ongoing. None of these matters has had or is expected to have any adverse impact BTC's ability to manage its clients' assets. Please refer to BlackRock's Form ADV and SEC disclosures for additional information on regulatory matters concerning BTC or BlackRock as a whole. The fines related to BlackRock Inc. or BTC's investment advisory responsibilities in the second half of 2014 include the following:

On 16 September 2014, BlackRock Institutional Trust Company, N.A. ("BTC") entered into an agreement with the SEC to resolve allegations relating to three alleged violations of an SEC regulation prohibiting short sales of an equity security during the restricted period preceding a public offering. The three trades at issue occurred in 2010 and 2011. As part of the approximately \$1.7 million settlement, BTC agreed to disgorge profits from each of the violations and to pay interest and a civil penalty. BTC also agreed to cease and desist from any future violations of the rule in question.

In the past years, BlackRock has acquired organizations that provide investment-related services, including, but not limited to, State Street Research & Management Company, Merrill Lynch Investment Managers, the fund of funds business of Quellos Group, LLC, and Barclays Global Investors. This response does not address any regulatory matters that arose out of conduct within the acquired organizations prior to their acquisition by BlackRock. It also does not address any regulatory matters unrelated to BlackRock or BTC's investment management responsibilities.

5. Have proxy ballots been voted in accordance with the best economic interest of *SamCERA*? **Yes**/No: ___ If no, please explain. Please provide a copy of your firm's proxy policy to Investments@samcera.org.

Voting is carried out in accordance with our market-specific voting guidelines, which are available on our website at <http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment> In all situations the economic interests of our clients will be paramount.

Investment Management Fees

1. Is *SamCERA*'s investment management fee schedule less favorable than those charged other institutional clients who hold an account investment substantially similar to ours? **Yes**/No: ___ If yes, please explain.
BTC is in compliance with Section (2) "Investment Management Fees" of Exhibit A of the Second Amendment to the Investment Management and Custody Agreement, dated December 17, 2013.

Derivative Investments

1. Are derivatives used in the management of the investment strategy? Yes/No: ___ If Yes, please answer the remaining questions in this section. If No, please skip the remaining questions in this section.
Yes
2. Are derivative investments in compliance with *SamCERA*'s investment policies? **Yes**/No: ___ If no, please explain.
3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated? Yes/**No**: ___ If no, please explain.
No non-exchange traded derivatives are used in this Fund.

4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers? Yes/No: **N/A** If yes: Do the counter-parties have investment grade debt? Yes/No: **N/A** ___ Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances? Yes/No: **N/A** If no, please explain.
5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)? Yes/No: **N/A** If yes: Do the counter-parties have investment grade debt? Yes/No: **N/A** Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances? Yes/No: **N/A** If no, please explain.
6. Is individual counter-party exposure well diversified? Yes/No: **N/A** If no, please explain. What is the largest exposure to a single counter-party within the portfolio? Please specify the name of the counter-party and the amount of exposure. Have there been any changes to the investment manager's list of approved counter-parties over the past month?
7. Are the investment purposes for a derivative investment consistent with the four purposes stated *SamCERA's* policies? **Yes**/No: ___ If no, please explain. Has the firm developed any new purposes for derivative investments? Yes/**No**: ___ If yes, please explain.
8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment. State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives. Yes/No: ___ If no, please explain. State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.

N/A, as the fund only holds futures.

9. State if any restricted derivative investments are held in *SamCERA's* portfolios. Yes/**No** ___ If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.
10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors? Yes/No: **N/A** If no, please explain.
N/A, as the fund only holds futures
11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement? **Yes**/No: ___ If no, please explain.
12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.

BlackRock utilizes a proprietary model using 3rd Party data inputs (ICAP, Reuters, Markit, etc.).

13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

Liquidity purposes are among one reason that such index funds hold long positions in futures to invest the dividends or other cash to be received by a Fund or cash positions held by a Fund, in lieu of holding long positions in securities or other assets, or to increase or decrease exposure to a particular commodity or asset class.

Transactions in futures contracts involve certain risks and transaction costs, including: investment risk, imperfect correlation between the price of the futures contract and movements in the price of the underlying index, the possible absence of a liquid secondary market for any particular instrument, the risk of default of the counterparty, the clearing member, the guaranteeing agent, or fellow customers of a clearing member, and restrictions on trading imposed by futures exchanges due to price volatility. Non-U.S. futures may involve certain risks not applicable to trading U.S. futures, including risks of expropriation, burdensome taxation, moratoriums, and exchange and investment controls. Futures contracts involve the posting of margin deposits, and movement in the underlying index or asset may result in calls for additional payments of cash. The need to make such additional payments could require a Fund or Account to liquidate securities at a disadvantageous time.

14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. Yes/No: ___ If yes, please explain.

Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments? Yes/No: ___ If yes, do the investments comply with the policies? Yes/No: ___ If no, please explain.

No, the Fund only invests in a Money Market Fund, which acts as a sweep vehicle for this BlackRock collective investment fund. The objective of this fund is to seek as high a level of current income as is consistent with liquidity and stability of principal and to operate with a stable net asset value of \$1.00 per unit.

Domestic Equity Portfolios (Large, Mid & Small)

1. Please state the percentage of the portfolio held in each of the following types of securities

<i>Common Stock</i>	<i>99.15%</i>
<i>Preferred Stock</i>	<i>0%</i>
<i>Convertible Securities</i>	<i>0%</i>
<i>Cash & Equivalents</i>	<i>0.85%</i>

2. Specify the large, mid and small capitalization exposure of the portfolios? Please specify percentages.

<i>Large-Cap</i>	<i>95%</i>
<i>Mid-Cap</i>	<i>5%</i>
<i>Small-Cap</i>	<i>0%</i>

3. Specify the percentage of the portfolio that is invested in American Depository Receipts (ADR's). Also, specify the percentage of the portfolio invested in ADR securities that are 144A securities. If greater than 10%, explain why.

0%

4. Does the portfolio invest in emerging and/or frontier markets? Yes/No: ____ If yes, please specify the percentage(s) of the portfolio invested in emerging and/or frontier markets

5. What is the largest percentage of the portfolio represented by a single security? Please specify the security and percentage amount. If any securities were above 5% at the time of purchase, please list and explain why.

Apple 3.6%

6. What is the largest percentage of the portfolio represented by a single industry? Specify the name of the industry and percentage amount. Please specify all industries above 15%.

Information Technology 19.7%

Financials 16.3%

Signed by:

Dated:

Name of Firm

BlackRock EAFE Index – December 31, 2014

Compliance Certification Statement

San Mateo County

Employees' Retirement Association

In accordance with the Investment Objectives and Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office (Investments@samcera.org) by **Monday, January 12, 2015**.

General Compliance Issues

1. Has the firm's insurance coverage been sustained? **Yes**/No: ___ If no, please explain.
2. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel? **Yes**/No: ___ If yes, please explain.

BlackRock, Inc. ("BlackRock") is the ultimate parent company for the BlackRock contracting entity for San Mateo County's BlackRock EAFE Equity Index Fund/BlackRock Equity Index Fund investments, BlackRock Institutional Trust Company, N.A. ("BTC"). There have not been any major changes in firm ownership since 30 June 2014. BlackRock, Inc. is independent in ownership and governance, with no single majority stockholder and a majority of independent directors. As of 30 September 2014, the most recently available date, The PNC Financial Services Group, Inc. ("PNC") owned 22.0% of BlackRock and institutional investors, employees and the public held economic interest of 78.0%. With regard to voting stock, PNC owned 21.0% and institutional investors, employees and the public owned 79.0% of voting shares.

The BlackRock EAFE Equity Index Fund is managed by BlackRock's Beta Strategies team. In the third quarter of 2014, Matt Waldron, CFA, Director, formerly responsible for Index Allocation portfolio management within Beta Strategies, took over management of Beta Strategies' International Emerging portfolios. Matt's responsibilities have been assumed by Maya Tussing, Director, who has been with BlackRock for nine years. Previously, Maya led the San Francisco-based Operational Risk team within BlackRock's Risk and Quantitative Analysis group.

There have not been any significant portfolio developments since 30 June 2014. BlackRock has followed the same investment philosophy of Total Performance Management for index equity strategies since 1971. The Fund is managed on a fully-replicated basis, where the portfolio's exposure to each security in the index is in line with its weight in the underlying index. This approach ensures close tracking relative to benchmark

3. Have there been any changes in the firm's investment approach? **Yes**/**No**: ___ If yes, please explain.
4. Have there have been any industry or regulatory disciplinary actions taken against the firm? **Yes**/No: ___ If yes, please explain.

As a global investment manager, BTC is subject to regulatory oversight in numerous jurisdictions. BTC's regulators routinely provide it with comment letters at the conclusion of these

examinations in which they request that BTC correct or modify certain of its practices. In all such instances, BTC has addressed, or is working to address, these requests to ensure that it continues to operate in compliance with applicable laws, statutes and regulations.

BTC also receives subpoenas or requests for information in connection with regulatory inquiries and/or investigations by its various regulators, some of which are ongoing. None of these matters has had or is expected to have any adverse impact BTC's ability to manage its clients' assets. Please refer to BlackRock's Form ADV and SEC disclosures for additional information on regulatory matters concerning BTC or BlackRock as a whole. The fines related to BlackRock Inc. or BTC's investment advisory responsibilities in the second half of 2014 include the following:

On 16 September 2014, BlackRock Institutional Trust Company, N.A. ("BTC") entered into an agreement with the SEC to resolve allegations relating to three alleged violations of an SEC regulation prohibiting short sales of an equity security during the restricted period preceding a public offering. The three trades at issue occurred in 2010 and 2011. As part of the approximately \$1.7 million settlement, BTC agreed to disgorge profits from each of the violations and to pay interest and a civil penalty. BTC also agreed to cease and desist from any future violations of the rule in question.

In the past years, BlackRock has acquired organizations that provide investment-related services, including, but not limited to, State Street Research & Management Company, Merrill Lynch Investment Managers, the fund of funds business of Quellos Group, LLC, and Barclays Global Investors. This response does not address any regulatory matters that arose out of conduct within the acquired organizations prior to their acquisition by BlackRock. It also does not address any regulatory matters unrelated to BlackRock or BTC's investment management responsibilities.

5. Have proxy ballots been voted in accordance with the best economic interest of *SamCERA*? **Yes/No:** ___ If no, please explain. Please provide a copy of your firm's proxy policy to Investments@samcera.org.

Voting is carried out in accordance with our market-specific voting guidelines, which are available on our website at <http://www.blackrock.com/corporate/en-gb/about-us/responsible-investment> In all situations the economic interests of our clients will be paramount.

Investment Management Fees

1. Is *SamCERA*'s investment management fee schedule less favorable than those charged other institutional clients who hold an account investment substantially similar to ours? **Yes/No:** ___ If yes, please explain.

BTC is in compliance with Section (2) "Investment Management Fees" of Exhibit A of the Second Amendment to the Investment Management and Custody Agreement, dated December 17, 2013.

Derivative Investments

1. Are derivatives used in the management of the investment strategy? **Yes/No:** ___ If Yes, please answer the remaining questions in this section. If No, please skip the remaining questions in this section.

Yes, futures contracts only. The Fund is managed on a fully replicated basis, where a portfolio's exposure to each security in the index is in line with its weight in the underlying index. Futures contracts may be employed to equitize cash flows. These flows are generated from client activity, dividends, interest received and other cash flows associated with securities in the portfolio. Futures contracts are purchased to provide immediate market exposure proportionate to cash accruals and investable cash within the portfolio. The goal is to reduce cash drag that would result from any uninvested cash or accruals in the portfolio. Derivatives are not used in any speculative or arbitrage capacity, but only for cash equitization.

2. Are derivative investments in compliance with *SamCERA's* investment policies? **Yes**/No: ___ If no, please explain.

Cash levels in the portfolio are generally less than 1% which is line with guidelines as is the use of futures contracts for cash equitization

3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated? Yes/No: ___ If no, please explain.

No non-exchange traded derivatives are used in this Fund.

4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers? Yes/No: ___ If yes: Do the counter-parties have investment grade debt? Yes/No: ___ Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances? Yes/No: **N/A** If no, please explain.

5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)? Yes/No: **N/A** If yes: Do the counter-parties have investment grade debt? Yes/No: **N/A** Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances? Yes/No: **N/A** If no, please explain.

6. Is individual counter-party exposure well diversified? Yes/No: **N/A** If no, please explain. What is the largest exposure to a single counter-party within the portfolio? Please specify the name of the counter-party and the amount of exposure. Have there been any changes to the investment manager's list of approved counter-parties over the past month?

7. Are the investment purposes for a derivative investment consistent with the four purposes stated *SamCERA's* policies? **Yes**/No: ___ If no, please explain. Has the firm developed any new purposes for derivative investments? Yes/**No**: ___ If yes, please explain.

8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment. State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives. Yes/No: **N/A** If no, please explain. State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.

N/A, as the fund only holds futures.

9. State if any restricted derivative investments are held in *SamCERA's* portfolios. Yes/**No**: ___ If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.

10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors? Yes/No: **N/A** If no, please explain.

N/A, as the fund only holds futures

11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement? Yes/No: ___ If no, please explain.

12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.

BlackRock utilizes a proprietary model using 3rd Party data inputs (ICAP, Reuters, Markit, etc.).

13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

Liquidity purposes are among one reason that such index funds hold long positions in futures to invest the dividends or other cash to be received by a Fund or cash positions held by a Fund, in lieu of holding long positions in securities or other assets, or to increase or decrease exposure to a particular commodity or asset class.

Transactions in futures contracts involve certain risks and transaction costs, including: investment risk, imperfect correlation between the price of the futures contract and movements in the price of the underlying index, the possible absence of a liquid secondary market for any particular instrument, the risk of default of the counterparty, the clearing member, the guaranteeing agent, or fellow customers of a clearing member, and restrictions on trading imposed by futures exchanges due to price volatility. Non-U.S. futures may involve certain risks not applicable to trading U.S. futures, including risks of expropriation, burdensome taxation, moratoriums, and exchange and investment controls. Futures contracts involve the posting of margin deposits, and movement in the underlying index or asset may result in calls for additional payments of cash. The need to make such additional payments could require a Fund or Account to liquidate securities at a disadvantageous time.

14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. Yes/No: ___ If yes, please explain.

Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments? Yes/No: ___ If yes, do the investments comply with the policies? Yes/No: ___ If no, please explain.

No, the Fund only invests in a Money Market Fund, which acts as a sweep vehicle for this BlackRock collective investment fund. The objective of this fund is to seek as high a level of current income as is consistent with liquidity and stability of principal and to operate with a stable net asset value of \$1.00 per unit.

International Equity Portfolios - Developed

1. Specify the percentage of the portfolio held in each of the following types of securities:

<i>Foreign Ordinary Shares</i>	<i>99.2%</i>
<i>ADR's</i>	<i>0.003%</i>
<i>Cash & Equivalents (Foreign)</i>	<i>0%</i>

<i>Cash & Equivalents (Domestic)</i>	<i>0.12%</i>
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2. Specify the large, mid and small capitalization exposure of the portfolios.

<i>Large-Cap</i>	<i>77.9%</i>
<i>Mid-Cap</i>	<i>21.1%</i>
<i>Small-Cap</i>	<i>%</i>

3. Is the firm monitoring the country, currency, sector and security selection risks associated with its portfolio? Yes/No: ___ If no, please explain.

Yes. The importance of risk control at BlackRock is one of our greatest competitive advantages. All BlackRock's index strategies utilize risk control at every stage of the investment process, from the creation of expected return forecasts through the portfolio construction and trade execution processes. We pursue the risk control objective by minimizing all investment (and operational) risks that are not associated with added returns.

BlackRock's research and portfolio management teams have extensive background in the development and use of risk models, their construction, behavior, limitations, and appropriate uses, and utilize risk models from Barra. We also use proprietary risk controls in the portfolios when we have identified a source of incidental risk that is not fully addressed by the Barra risk models.

The portfolio managers review exception-based reports for compliance with internal and client guidelines on a daily basis. We use an automated screen, whereby portfolio managers' final trade lists are cross-checked against a database containing fund guidelines and client restrictions on separate accounts prior to being released to the trading room. Duties are segregated and supervision is appropriate to each type of activity. Through these efforts, BlackRock is able to ensure that the portfolio remains risk-controlled, fully invested and positioned at all times to achieve optimal performance.

In addition, all Index portfolios are monitored monthly by an Investment Review Committee ("IRC"). This committee formally reviews portfolio performance and its attribution. The IRC is an internal committee composed of senior management, portfolio managers, performance analysts and risk specialists, who meet monthly to discuss investment policy and other operational issues that relate to the management of our funds. The IRC is responsible for reviewing all BlackRock funds to ensure that they are operating according to their fund mandates. All fund exceptions are reported to the IRC.

Beta Strategies team works closely with RQA to ensure portfolio risks are consistent across mandates and each client's formal risk guidelines. RQA provides independent risk oversight leveraging BlackRock's enterprise risk and investment system, Aladdin®. Aladdin integrates fixed income and equity risk analytics with a sophisticated trading platform that supports straight-through processing of investments from trade entry to compliance to operations to administration to reporting.

A team of RQA professionals has specialized knowledge of index equity strategies and works side-by-side with portfolio managers to ensure that all portfolio risks are well understood and appropriately managed. RQA works with portfolio managers on both day-to-day activities and special projects designed to improve our models and practices.

4. Does the portfolio invest in emerging and/or frontier markets? Yes/No: ___ If yes, please specify the percentage(s) of the portfolio invested in emerging and/or frontier markets

5. Does the portfolio currently employ a currency hedging strategy? Yes/No: ____

Signed by: Samantha Taylor

Dated: January 21, 2015

Name of Firm: BlackRock

Pyramis Select International Small Cap Plus

PREPARED FOR

San Mateo County Employees'
Retirement Association



Compliance Certification Statement

Select International Small Cap Plus

Firm Name	Pyramis Global Advisors Trust Company (PGATC)
Product Name	Pyramis Select International Small Cap Plus
Asset Class	International Equity
Respondent / Contact	Mark Botelho, Senior Account Executive
Address	900 Salem Street, Smithfield, RI 02917
Telephone	401-292-4688
E-Mail Address	Mark.Botelho@pyramis.com

GENERAL COMPLIANCE ISSUES

1. Are SamCERA's market benchmarks in the respective asset class areas acceptable to the firm? (Section 6.3)

Yes

If no, please explain.

2. Has the firm's insurance coverage been sustained? (Section 19.4(c))

Yes

If no, please explain.

3. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel? (Section 19.4(j)) If yes please explain.

Yes. The following changes have occurred within Pyramis at the corporate level:

- As of December 31, 2014, Mike Jones stepped down as president of Pyramis. Effective January 1, 2015, Jeff Lagarce will succeed Mike Jones. Jeff has more than 30 years of experience in the institutional investment business. He joined Fidelity in 1996 as senior vice president, Institutional Sales and Client Service for Fidelity Management Trust Company, and has held other senior institutional roles at Fidelity. In addition to his 14 years of Fidelity experience, Jeff spent four years as president of OFI Institutional Asset Management, a subsidiary of OppenheimerFunds.
- Also of December 31, 2014, Andy Matteis, Head of Fundamental Research, retired after more than 20 years in the industry. Since joining Pyramis in 2010, Andy has strengthened the Pyramis equity research platform working closely with Pam Holding, Pyramis Chief Investment Officer, and leaves the firm in a strong position going forward. Effective January 1, 2015, Ian Baker, Senior Vice President of Quantitative Research, Risk Management, and Derivatives, will succeed Andy and take on the role of Head of Fundamental and Quantitative Research reporting to Pam Holding.



San Mateo County Employees' Retirement Association | Compliance Certification Statement

4. Have there been any changes in the firm's investment approach? (Section 19.4(e))

No

If yes, please explain.

5. Have there have been any industry or regulatory disciplinary actions taken against the firm? (Section 19.4(a))

Please see below.

If yes, please explain.

From time to time, in the normal course of its business, the Firm and/or its affiliates may receive inquiries (including subpoenas and voluntary requests for information) from regulatory authorities or law enforcement, a regulator may conduct an onsite examination, or a regulator may commence an investigation. The Firm does not make public comment about such inquiries, examinations or investigations unless and until enforcement proceedings are initiated. To the extent the Firm's securities affiliates have been sanctioned, fined, or cited by the Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), or any other regulatory body, any such sanction, fine or citation has been disclosed in its affiliates' Forms BD and/or Forms ADV in accordance with the requirements of such forms.

We also note that the FDIC issued a civil money penalty of \$1,564.08 against the Firm. This penalty was connected to an allegation that the Firm failed to ensure that authorized withdrawal limits on the Firm's designated account, as of June 30, 2009, were appropriately set to take into account the Firm's increased deposit insurance assessment for the quarter ending March 31, 2009.

6. Have proxy ballots been voted in accordance with the best economic interest of SamCERA? (Section 22.0)

Yes. All proxies have been answered in a manner consisted with the Pyramis Proxy Voting Guidelines.

If no, please explain. Please provide a copy of your firm's proxy policy to Investments@samcera.org.

DERIVATIVE INVESTMENTS

1. Are derivatives used in the management of the investment strategy?

No

If Yes, please answer the remaining questions in this section. If No, please skip the remaining questions in this section.

The portfolio may make limited use of derivative instruments to manage and invest cash inflows. They are not used for hedging purposes.

2. Are derivative investments in compliance with SamCERA's investment policies? (Appendix C) Yes/No: ___ If no, please explain.

3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated? (Appendix C(5)) Yes/No: ___ If no, please explain.



San Mateo County Employees' Retirement Association | Compliance Certification Statement

4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers? (Appendix C(5)) Yes/No: ___ If yes: Do the counter-parties have investment grade debt? Yes/No: ___ Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances? Yes/No: ___ If no, please explain.

5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)? (Appendix C(5)) Yes/No: ___ If yes: Do the counter-parties have investment grade debt? Yes/No: ___ Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances? Yes/No: ___ If no, please explain.

6. Is individual counter-party exposure well diversified? (Appendix C(5)) Yes/No: ___ If no, please explain. What is the largest exposure to a single counter-party within the portfolio? Please specify the name of the counter-party and the amount of exposure. Have there been any changes to the investment manager's list of approved counter-parties over the past month?

7. Are the investment purposes for a derivative investment consistent with the four purposes stated *SamCERA's* policies? (Appendix C(6)) Yes/No: ___ If no, please explain. Has the firm developed any new purposes for derivative investments? Yes/No: ___ If yes, please explain.

8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment. (Appendix C(7)) State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives. Yes/No: ___ If no, please explain. State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.

9. State if any restricted derivative investments are held in *SamCERA's* portfolios. Yes/No: ___ If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies. (Appendix C(7))

10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors? (Appendix C(8)) Yes/No: ___ If no, please explain.

11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement? (Appendix C(9)) Yes/No: ___ If no, please explain.

12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives. ((Appendix C(10 b))

13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.



14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. (Appendix C(10 g)) Yes/No: ___ If yes, please explain.

INVESTMENT MANAGER GUIDELINES

1. Are portfolio holdings well-diversified, and made in liquid securities? (Section 5.0). If no, please explain

Yes

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities? If yes, please explain.

Not applicable.

CASH & EQUIVALENTS

1. Does the firm directly invest in short term fixed income investments? If yes, do the investments comply with the policies? (Section 11.0)

No

INTERNATIONAL EQUITY PORTFOLIOS - DEVELOPED

1. Specify the percentage of the portfolio held in each of the following types of securities (Section 19.4 j)

Foreign Ordinary Shares	99.39%
ADR's	0.00%
Cash & Equivalents (Foreign)	0.00%
Cash & Equivalents (Domestic)	0.61%

2. Specify the large, mid and small capitalization exposure of the portfolios. (Section 19.4 j)

Large-Cap	%
Mid-Cap	%
Small-Cap	%



San Mateo County Employees' Retirement Association I Compliance Certification Statement

The Select International Small Cap Plus portfolio's market capitalization allocation as of December 31, 2014 is provided in the table below. Please note the data provided excludes cash.

	Weight (%)
20b to 50b	0.8
5b to 10b	0.7
2b to 5b	12.2
1b to 2b	40.0
0.5b to 1b	27.7
0.2b to 0.5b	13.3
Below 0.2b	4.4

3. Is the firm monitoring the country, currency, sector and security selection risks associated with its portfolio? (Section 19.4 j) If no, please explain.

Yes

4. Does the portfolio invest in emerging and/or frontier markets? Yes/No: ___ If yes, please specify the allocation of the portfolio invested in emerging and/or frontier markets

The portfolio invests in emerging markets. As of December 31, 2014, the portfolios allocation to emerging markets was 21.5%.

5. Does the portfolio currently employ a currency hedging strategy?

No

Signed by:

Dated:

Name of Firm Pyramis Global Advisors

Angelo Gordon OWL Fund – December 31, 2014

Compliance Certification Statement

San Mateo County

Employees' Retirement Association

In accordance with the Investment Objectives and Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office (Investments@samcera.org) by **Monday, January 12, 2015**.

General Compliance Issues

1. Are *SamCERA's* market benchmarks in the respective asset class areas acceptable to the firm? Yes/No: Not Applicable If no, please explain. **The Fund targets an absolute return; not a return relative to a benchmark.**
2. Has the firm's insurance coverage been sustained? Yes/No: Yes If no, please explain.
3. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel? Yes/No: No If yes, please explain.
4. Have there been any changes in the firm's investment approach? Yes/No: No If yes, please explain.
5. Have there have been any industry or regulatory disciplinary actions taken against the firm? Yes/No: No If yes, please explain.

Derivative Investments

1. Are derivatives used in the management of the investment strategy? Yes/No: Yes If Yes, please answer the remaining questions in this section. If No, please skip the remaining questions in this section.
2. Are derivative investments in compliance with *SamCERA's* investment policies? Yes/No: Yes If no, please explain. **Yes, to the best of our understanding of the policy.**
3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated? Yes/No: Yes If no, please explain.
4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers? Yes/No: Yes If yes: Do the counter-parties have investment grade debt? Yes/No: Yes Are the counter-parties registered with the SEC and do they have net capital to protect against

potential adverse market circumstances? Yes/No: Yes If no, please explain. We may not be trading directly with the broker-dealer.

5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)? Yes/No: Yes If yes: Do the counter-parties have investment grade debt? Yes/No: Yes Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances? Yes/No: Yes If no, please explain.
6. Is individual counter-party exposure well diversified? Yes/No: Yes If no, please explain. What is the largest exposure to a single counter-party within the portfolio? Please specify the name of the counter-party and the amount of exposure. Have there been any changes to the investment manager's list of approved counter-parties over the past month?
7. Are the investment purposes for a derivative investment consistent with the four purposes stated *SamCERA's* policies? Yes/No: Yes If no, please explain. Has the firm developed any new purposes for derivative investments? Yes/No: No If yes, please explain.
8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment. State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives. Yes/No: Yes If no, please explain. State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.
There are no IO or PO investments.
9. State if any restricted derivative investments are held in *SamCERA's* portfolios. Yes/No: ___ If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.
There are no inverse floating rate notes and bonds. There are no structured notes; the Fund does have positions in CDOs.
10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors? Yes/No: Yes If no, please explain.
11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement? Yes/No: Yes, to the best of our understanding of the policy. If no, please explain.
12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.
Please refer to the attached copy of the firm's Valuation Policy.

13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

The fund invests in interest rate swaps which are generally very liquid.

14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. Yes/No: ___ If yes, please explain.

New regulations that impact the use of derivatives have been proposed or finalized but we do not believe that there has been a material change to legal and regulatory risk.

Investment Manager Guidelines

1. Are portfolio holdings well-diversified, and made in liquid securities? Yes/No: **Yes** If no, please explain.

We believe it is well diversified within the mandate of the fund.

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities? Yes/No: **Yes** If yes, please explain.

The fund can use leverage.

Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments? Yes/No: ___ If yes, do the investments comply with the policies? Yes/No: ___ If no, please explain.

To the best of our understanding of the policy, the short term investments comply.

Domestic Fixed Income Portfolios

1. State the percentage of the portfolio held in each of the following types of securities:

<i>Certificates of Deposit</i>	%
<i>Commercial Paper</i>	%
<i>Other High Grade Short-term securities</i>	%
<i>U.S. Government & Agency securities</i>	%
<i>Corporate Bonds</i>	%
<i>Mortgage- and asset-backed securities</i>	100%
<i>Yankee bond securities</i>	%

2. Is the firm monitoring its active investment management decisions relative to the Retirement Association's investment benchmark? Yes/No: **No** If no, please explain.

The focus is on absolute returns, not a return relative to a benchmark.

3. Does the firm conduct horizon analysis testing? Yes/No: **Not Applicable** If no, please explain.

4. Are any holdings below investment grade? If yes, why are they held in the portfolio?
Yes, the investment guidelines permit investments in below investment grade assets.

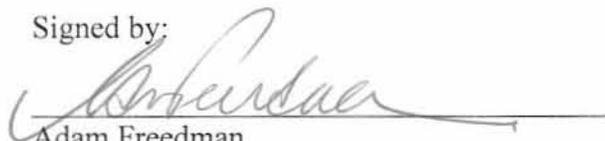
5. Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio? Yes/No: **Yes** Please specify the bond issue and percentage amount. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account. Please specify the name of the industry and percentage amount.

RMBS	BCAT144TT	12.13%
RMBS	36163VAA6	12.09%
RMBS	BCATXXX11	11.78%
RMBS	36163QAA7	10.44%
RMBS	36155LAA8	6.03%
RMBS	02640FAD0	5.20%
RMBS	36163PAA9	5.14%

Above figures are percentages of total market value.

6. What percentage of the portfolio is held in Rule 144A securities?

Signed by:



Adam Freedman

Deputy Chief Compliance Officer and Associate General Counsel

Dated: February 11, 2015

Name of Firm: Angelo, Gordon & Co.

Angelo Gordon STAR Fund – December 31, 2014

Compliance Certification Statement

San Mateo County

Employees' Retirement Association

In accordance with the Investment Objectives and Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office (Investments@samcera.org) by **Monday, January 12, 2015**.

General Compliance Issues

1. Are *SamCERA's* market benchmarks in the respective asset class areas acceptable to the firm? Yes/No: Not Applicable If no, please explain.
The Fund targets an absolute return; not a return relative to a benchmark.
2. Has the firm's insurance coverage been sustained? Yes/No: Yes If no, please explain.
3. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel? Yes/No: No If yes, please explain.
4. Have there been any changes in the firm's investment approach? Yes/No: No If yes, please explain.
5. Have there been any industry or regulatory disciplinary actions taken against the firm? Yes/No: No If yes, please explain.

Derivative Investments

1. Are derivatives used in the management of the investment strategy? Yes/No: Yes If Yes, please answer the remaining questions in this section. If No, please skip the remaining questions in this section.
2. Are derivative investments in compliance with *SamCERA's* investment policies? Yes/No: Yes If no, please explain. **Yes, to the best of our understanding of the policy.**
3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated? Yes/No: Yes If no, please explain.

4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers? Yes/No: **Yes** If yes: Do the counter-parties have investment grade debt? Yes/No: **Yes** Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances? Yes/No: **Yes** If no, please explain. **We may not be trading directly with the broker-dealer.**
5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)? Yes/No: **Yes** If yes: Do the counter-parties have investment grade debt? Yes/No: **Yes** Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances? Yes/No: **Yes** If no, please explain.
6. Is individual counter-party exposure well diversified? Yes/No: **Yes** If no, please explain. What is the largest exposure to a single counter-party within the portfolio? Please specify the name of the counter-party and the amount of exposure. Have there been any changes to the investment manager's list of approved counter-parties over the past month?
7. Are the investment purposes for a derivative investment consistent with the four purposes stated *SamCERA's* policies? Yes/No: **Yes** If no, please explain. Has the firm developed any new purposes for derivative investments? Yes/No: **No** If yes, please explain.
8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment. State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives. Yes/No: **Yes** If no, please explain. State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.

There is not a single security that makes up more than 5% of the total portfolio.

IOs:

CMBS	3137B5KY8	0.31%
RMBS	36156NAE5	0.05%
CMBS	23322BFC7	0.01%
CMBS	43786YAP0	0.01%
CMBS	23322BCX4	0.00%
TOTAL		0.38%

POs:

CMBS	05525FAA9	0.23%
RMBS	05525HAE7	0.30%
RMBS	05525HAG2	0.43%
RMBS	05525HAL1	0.13%
RMBS	05525HAS6	0.18%
RMBS	05525HAW7	0.17%
RMBS	05525HAY3	0.07%
TOTAL		1.51%

9. State if any restricted derivative investments are held in *SamCERA's* portfolios. Yes/No: ___
If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.

There are no inverse floating rate notes and bonds. There are no structured notes; the Fund does have positions in CDOs.

10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors? Yes/No: **Yes** If no, please explain.

11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement? Yes/No:

Yes, to the best of our understanding of the policy. If no, please explain.

12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.

Please refer to the attached copy of the firm's Valuation Policy.

13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

The fund invests in interest rate swaps which are generally very liquid.

14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. Yes/No: ___ If yes, please explain.

New regulations that impact the use of derivatives have been proposed or finalized but we do not believe that there has been a material change to legal and regulatory risk.

Investment Manager Guidelines

1. Are portfolio holdings well-diversified, and made in liquid securities? Yes/No: **Yes** If no, please explain.

We believe it is well diversified within the mandate of the fund.

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities? Yes/No: **Yes** If yes, please explain.

The fund can use leverage.

Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments? Yes/No: ___ If yes, do the investments comply with the policies? Yes/No: ___ If no, please explain.

To the best of our understanding of the policy, the short term investments comply.

Pyramis Broad Market Duration

PREPARED FOR

San Mateo County Employees'
Retirement Association

Pyramis Global Advisors U.S. Core Bonds – December 31, 2014 Compliance Certification Statement San Mateo County Employees' Retirement Association

General Compliance Issues

1. Are *SamCERA's* market benchmarks in the respective asset class areas acceptable to the firm?
Yes/No: ___ If no, please explain.

Yes.

2. Has the firm's insurance coverage been sustained? Yes/No: ___ If no, please explain.

Yes.

3. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel? Yes/No: ___ If yes, please explain.

Yes. The following change occurred within the Pyramis Equity Investment Organization during the quarter:

- As of December 31, 2014, Mike Jones stepped down as president of Pyramis. Effective January 1, 2015, Jeff Lagarce will succeed Mike Jones. Jeff has more than 30 years of experience in the institutional investment business. He joined Fidelity in 1996 as senior vice president, Institutional Sales and Client Service for Fidelity Management Trust Company, and has held other senior institutional roles at Fidelity. In addition to his 14 years of Fidelity experience, Jeff spent four years as president of OFI Institutional Asset Management, a subsidiary of OppenheimerFunds.

4. Have there been any changes in the firm's investment approach? Yes/No: ___ If yes, please explain.

No.

5. Have there have been any industry or regulatory disciplinary actions taken against the firm?
Yes/No: ___ If yes, please explain.

From time to time, in the normal course of its business, the Firm may receive inquiries (including subpoenas and voluntary requests for information) from regulatory authorities or law enforcement. A regulator may conduct an onsite examination or may commence an investigation.

The Firm does not make public comment about such inquiries, examinations or investigations unless, and until, a regulatory body initiates enforcement proceedings. To the extent the Firm's securities affiliates have been sanctioned, fined, or cited by the Securities and Exchange Commission (SEC), Financial Industry Regulatory Authority (FINRA), or any other regulatory body, any such sanction, fine or citation has been disclosed in its affiliates' Forms BD and/or Forms ADV in accordance with the requirements of such forms.

We also note that the FDIC issued a civil money penalty of \$1,564.08 against the Firm. This penalty was connected to an allegation that the Firm failed to ensure that authorized withdrawal limits on the Firm's designated account, as of June 30, 2009 were appropriately set to take into account the Firm's increased deposit insurance assessment for the quarter ending March 31, 2009.

Derivative Investments

1. Are derivatives used in the management of the investment strategy? Yes/No: ___ If Yes, please answer the remaining questions in this section. If No, please skip the remaining questions in this section.

Yes.

2. Are derivative investments in compliance with SamCERA's investment policies? Yes/No: ___ If no, please explain.

Yes.

3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated? Yes/No: ___ If no, please explain.

Yes.

4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers? Yes/No:

Yes.

If yes: Do the counter-parties have investment grade debt? Yes/No: ___

Yes.

Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances? Yes/No: ___ If no, please explain.

Yes.

5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)? Yes/No: ___

Yes.

If yes: Do the counter-parties have investment grade debt? Yes/No: ___

Yes.

Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances? Yes/No: ___ If no, please explain.

Yes.

6. Is individual counter-party exposure well diversified? Yes/No: ___ If no, please explain.

Yes.

What is the largest exposure to a single counter-party within the portfolio? Please specify the name of the counter-party and the amount of exposure. Have there been any changes to the investment manager's list of approved counter-parties over the past month?

We consider this to be Fidelity confidential information and are therefore unable to provide at this time.

7. Are the investment purposes for a derivative investment consistent with the four purposes stated SamCERA's policies? Yes/No: ___ If no, please explain.

Yes.

Has the firm developed any new purposes for derivative investments? Yes/No: ___ If yes, please explain.

No.

8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment.

Description	%MV
CMEC IRS 3ML 3/18/45	0.12
CMEC IRS 3ML 3/18/25	0.27

State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives. Yes/No: ___ If no, please explain.

Yes, our firm has and will continue to monitor and evaluate the exposure to market value losses that may occur from these securities.

State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.

No.

9. State if any restricted derivative investments are held in SamCERA's portfolios. Yes/No: ___ If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.

No.

10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors? Yes/No: ___ If no, please explain.

Yes.

11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement? Yes/No: ___ If no, please explain.

Yes.

12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.

Fidelity Pricing & Cash Management Services (FPCMS) utilizes a combination of sources for derivatives pricing. Wall Street brokers are our primary sources for swaps. Bloomberg is our primary pricing source for futures.

13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

All derivative instruments used in the portfolio are liquid. Given the minimum role they play in the portfolio and the extensive research conducted by the Pyramis Counterparty Risk Team and the large team of in-house and external lawyers that support these efforts, we feel the legal and regulatory risks are minimal.

14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. Yes/No: ___ If yes, please explain.

No.

Investment Manager Guidelines

1. Are portfolio holdings well-diversified, and made in liquid securities? Yes/No: ___ If no, please explain.

Yes.

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities? Yes/No: ___ If yes, please explain.

No.

Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments? Yes/No: ___

Yes.

If yes, do the investments comply with the policies? Yes/No: ___ If no, please explain.

Yes.

Domestic Fixed Income Portfolios

1. State the percentage of the portfolio held in each of the following types of securities:

Certificates of Deposit	%
Commercial Paper	%
Other High Grade Short-term securities	3.2%
U.S. Government & Agency securities	30.0%
Corporate Bonds	36.5%
Mortgage- and asset-backed securities	30.3%
Yankee bond securities	%

2. Is the firm monitoring its active investment management decisions relative to the Retirement Association's investment benchmark? Yes/No: ___ If no, please explain.

Yes.

3. Does the firm conduct horizon analysis testing? Yes/No: ___ If no, please explain.

Yes.

4. Are any holdings below investment grade? If yes, why are they held in the portfolio?

Yes, as of 12/31/2014 the portfolio held below investment grade rated securities. Total allocation of these securities was 0.6% and consisted of non-agency CMBS and ABS issues. The largest single security position was 0.1% of the portfolio.

5. Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio? Yes/No: ___

No.

Please specify the bond issue and percentage amount. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account. Please specify the name of the industry and percentage amount.

Not applicable

6. What percentage of the portfolio is held in Rule 144A securities?

3.59%

Signed by:
 Dated:
 Name of Firm

Domestic Fixed Income Portfolios

1. State the percentage of the portfolio held in each of the following types of securities:

<i>Certificates of Deposit</i>	%
<i>Commercial Paper</i>	%
<i>Other High Grade Short-term securities</i>	%
<i>U.S. Government & Agency securities</i>	%
<i>Corporate Bonds</i>	%
<i>Mortgage- and asset-backed securities</i>	100%
<i>Yankee bond securities</i>	%

2. Is the firm monitoring its active investment management decisions relative to the Retirement Association's investment benchmark? Yes/No: **No** If no, please explain.

The focus is on absolute returns, not a return relative to a benchmark.

3. Does the firm conduct horizon analysis testing? Yes/No: **Not Applicable** If no, please explain.

4. Are any holdings below investment grade? If yes, why are they held in the portfolio?

Yes, the investment guidelines permit investments in below investment grade assets.

5. Excluding U. S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio? Yes/No: **No** Please specify the bond issue and percentage amount. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account. Please specify the name of the industry and percentage amount.

There is not a single security that makes up more than 5% of the total portfolio.

6. What percentage of the portfolio is held in Rule 144A securities?

Signed by:



Adam Freedman

Deputy Chief Compliance Officer and Associate General Counsel

Dated: February 11, 2015

Name of Firm: Angelo, Gordon & Co.

Brigade Capital Management Opportunistic Credit – December 31, 2014

Compliance Certification Statement

San Mateo County

Employees' Retirement Association

In accordance with the Investment Objectives and Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office (Investments@samcera.org) by **Monday, January 12, 2015.**

General Compliance Issues

1. Are *SamCERA's* market benchmarks in the respective asset class areas acceptable to the firm? **Yes*/No:** ___ If no, please explain.

***There is no guarantee that the portfolio's investment objective will be achieved or that the portfolio will not suffer losses.**

2. Has the firm's insurance coverage been sustained? **Yes/No:** ___ If no, please explain.
3. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel? **Yes/No:** ___ If yes, please explain.

As noted in the previous quarterly questionnaire, Benjamin Renshaw, who was portfolio manager of Brigade Capital Switzerland AG ("Brigade Switzerland"), a wholly-owned subsidiary of Brigade which operates out of Zurich, Switzerland, for two and a half years, decided to retire as of March 31, 2014. Mr. Renshaw will remain on as an employee of Brigade Switzerland through February 2015.

Effective October 30, 2014, Brigade Capital UK LLP ("Brigade UK") (a controlled affiliate of Brigade which operates out of London, United Kingdom) is authorised and regulated by the Financial Conduct Authority, the finance regulatory body in the United Kingdom.

Please note that as of October 2014, Brigade hired Jay Massey (Assistant General Counsel and Deputy Compliance Officer) to assist with Brigade's legal and compliance efforts in the Brigade UK office.

4. Have there been any changes in the firm's investment approach? **Yes/No:** ___ If yes, please explain.

5. Have there have been any industry or regulatory disciplinary actions taken against the firm? Yes/No: ___ If yes, please explain.

Derivative Investments

1. Are derivatives used in the management of the investment strategy? Yes/No: ___ If Yes, please answer the remaining questions in this section. If No, please skip the remaining questions in this section.
2. Are derivative investments in compliance with *SamCERA's* investment policies? Yes*/No: ___ If no, please explain.

*** The portfolio's derivative investments are consistent with the investment policies as set forth in the portfolio's offering documents.**

3. If the firm entered into a non-exchange traded derivative, was the general nature and associated risks of the counter-party fully evaluated? Yes/No: ___ If no, please explain.
4. For non-exchange traded derivative transactions, were the counter-parties broker/dealers? Yes/No: ___ If yes: Do the counter-parties have investment grade debt? Yes/No: ___ Are the counter-parties registered with the SEC and do they have net capital to protect against potential adverse market circumstances? Yes/No: ___ If no, please explain.
5. For non-exchange traded derivative transactions, were the counter-parties financial institutions (banks)? Yes/No: ___ If yes: Do the counter-parties have investment grade debt? Yes/No: ___ Do the counter-parties have total assets in excess of \$1 billion, and significant net capital to protect against potential adverse market circumstances? Yes/No: ___ If no, please explain.
6. Is individual counter-party exposure well diversified? Yes*/No: ___ If no, please explain. What is the largest exposure to a single counter-party within the portfolio? Please specify the name of the counter-party and the amount of exposure. Have there been any changes to the investment manager's list of approved counter-parties over the past month?

*** As of December 31, 2014, the portfolio had 53% AUM exposure to Goldman Sachs, which acts as the portfolio's primary custodian. During the past month, the firm did not enter into any new prime brokerage or ISDA relationship on behalf of the portfolio. However, please note that executing brokers are added and/or removed on an on-going basis.**

7. Are the investment purposes for a derivative investment consistent with the four purposes stated *SamCERA's* policies? Yes/No: ___ If no, please explain. Has the firm developed any new purposes for derivative investments? Yes/No: ___ If yes, please explain.

8. List all limited allocation derivative investments individually and the percentage of the portfolio's assets represented by each investment. State if the firm has evaluated the exposure to market value losses that can occur from each of these derivatives. **Yes*/No:** ___ If no, please explain. State if these derivative investments in total represent more than 5% of the portfolio's market value. If more than 5%, please explain.

*** Not applicable as the portfolio did not hold any limited allocation derivative investments as of December 31, 2014.**

9. State if any restricted derivative investments are held in *SamCERA's* portfolios. **Yes/No:** ___ If any are held, state the percentage of the portfolio's assets held in such derivatives and why the firm is not in compliance with the investment policies.
10. For derivative investments with allocation limits, has the firm tested and measured these investments' sensitivities to changes in key risk factors? **Yes*/No:** ___ If no, please explain.

***The firm assesses risk across all investment products and portfolios on an on-going basis with the assistance of its Risk Committee.**

11. Have all derivative investments been made in a manner consistent with the derivative investment process specified in the policy statement? **Yes/No:** ___ If no, please explain.
12. Specify the security pricing sources used when developing portfolio market value exposures for limited allocation derivatives.

Not applicable as the portfolio did not hold any limited allocation derivative investments as of December 31, 2014. For information on security pricing sources, please see Brigade's Valuation policy attached.

13. Provide a statement regarding the liquidity of the derivative investments. Provide a general statement discussing the legal and regulatory risks associated with the portfolio manager's investments in derivatives.

Swaps, and certain options and other custom derivative or synthetic instruments are subject to the risk of nonperformance by the counterparty to such instrument, including risks relating to the financial soundness and creditworthiness of the counterparty. Credit derivatives are contracts that transfer price, spread and/or default risks of debt and other instruments from one party to another. The market for credit derivatives is somewhat illiquid and there are considerable risks that it may be difficult to either buy or sell the contracts as needed or at reasonable prices. Sellers of credit derivatives carry the inherent price, spread and default risks of the debt instruments covered by the derivative instruments. Buyers of credit derivatives carry the risk of non-performance by the seller due to inability to pay.

Payments under many credit derivatives are triggered by credit events such as bankruptcy, default, restructuring, failure to pay, cross default or acceleration, etc. There are risks with respect to credit derivatives in determining whether an event will trigger payment under the derivative and whether such payment will offset the loss or payment due under another instrument. In the past, buyers and sellers of credit derivatives have found that a trigger event in one contract may not match the trigger event in another contract, exposing the buyer or the seller to further risk.

In addition, the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”) includes provisions that require increased regulation of derivatives markets. The Dodd-Frank Act has introduced mandatory execution and clearing of certain swaps, as well as new recordkeeping and reporting requirements. This increased regulation may increase the costs of entering into certain transactions. As key provisions of the Dodd-Frank Act require rulemaking by the SEC and the U.S. Commodity Futures Trading Commission, not all of which has been finalized as yet, portfolio shareholders should expect future changes in the regulatory environment for derivatives.

14. State if the legal and regulatory risk associated with portfolio derivative investments have changed over the past six months. Yes/No: ___ If yes, please explain.

Investment Manager Guidelines

1. Are portfolio holdings well-diversified, and made in liquid securities? Yes*/No: ___ If no, please explain.

*** The portfolio’s construction is consistent with the investment guidelines as set forth in the portfolio’s offering documents.**

2. Has the firm engaged in short selling, use of leverage or margin and/or investments in commodities? Yes*/No: ___ If yes, please explain.

*** While the portfolio generally operates un-levered in the traditional sense, the portfolio’s guidelines permit a limited amount of leverage depending on market conditions. The portfolio’s assets are invested, and are allowed to be invested by its guidelines, in commodities. In addition, although not part of its primary investment strategy, the portfolio may from time to time engage in short selling consistent with its guidelines.**

Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments? Yes/No: ___ If yes, do the investments comply with the policies? Yes/No: ___ If no, please explain.

Domestic Fixed Income Portfolios

1. State the percentage of the portfolio held in each of the following types of securities:

As of 12/31/2014:

<i>Certificates of Deposit</i>	<i>0.00%</i>
<i>Commercial Paper</i>	<i>0.00%</i>
<i>Other High Grade Short-term securities</i>	<i>0.00%</i>
<i>U.S. Government & Agency securities</i>	<i>0.56%</i>
<i>Bank Loans</i>	<i>36.23%</i>
<i>Corporate Bonds</i>	<i>55.66%</i>
<i>Mortgage- and asset-backed securities</i>	<i>0.11%</i>
<i>Common Stock and Preferred securities</i>	<i>2.24%</i>
<i>Yankee bond securities</i>	<i>0.00%</i>
<i>Structured Credit</i>	<i>-3.01%</i>
<i>Derivatives</i>	<i>-6.72%</i>
<i>Cash/Equivalents</i>	<i>14.95%</i>
<i>Total pre cash</i>	<i>85.05%</i>
<i>Total with cash</i>	<i>100.00%</i>

2. Is the firm monitoring its active investment management decisions relative to the Retirement Association's investment benchmark? Yes*/No: ___ If no, please explain.

*** The firm evaluates and monitors its investment decisions for the portfolio on an on-going basis and in accordance with the portfolio's offering documents.**

3. Does the firm conduct horizon analysis testing? Yes*/No: ___ If no, please explain.

*** The firm's analysts may conduct horizon analysis testing as part of its investment process, which includes idea generation, research, screening, relative value analysis, strategy selection, execution and monitoring.**

4. Are any holdings below investment grade? If yes, why are they held in the portfolio?

Yes. Positions are held in the portfolio are consistent with the portfolio's investment objectives and guidelines set forth in its offering documents.

5. Excluding U.S. Government and Agency bond holdings, did any individual bond issue represent more than 5% of the market value of the portfolio? Yes/No: ___ Please specify the bond issue and percentage amount. At the time of purchase, was there any single industry which represented more than 15% of the market value of the account. Please specify the name of the industry and percentage amount.

No, there was no such industry.

6. What percentage of the portfolio is held in Rule 144A securities?

Approximately 24.58% of the securities held in the portfolio are Rule 144A securities.

Signed by: 

Dated: **January 21, 2015**

Name of Firm: **Brigade Capital Management, LP**

INVESCO Core Real Estate – December 31, 2014

Compliance Certification Statement

San Mateo County

Employees' Retirement Association

In accordance with the Investment Objectives and Policy Statement, the following compliance worksheet will be completed by each of *SamCERA's* investment managers on a semi-annual basis. These statements must be e-mailed to *SamCERA's* office (Investments@samcera.org) by **Monday, January 12, 2015**.

General Compliance Issues

1. Are *SamCERA's* market benchmarks in the respective asset class areas acceptable to the firm? Yes/No: **YES** If no, please explain.
2. Has the firm's insurance coverage been sustained? Yes/No: **YES** If no, please explain.
3. Does the firm consider any of *SamCERA's* investment objectives unreasonable? Yes/No: **NO** If yes, please explain.
4. Have there been any significant portfolio developments, major changes in firm ownership, organizational structure and personnel? Yes/No: **NO** If yes, please explain.
5. Have there been any changes in the firm's investment approach? Yes/No: **NO** If yes, please explain.
6. Have there have been any industry or regulatory disciplinary actions taken against the firm? Yes/No: **NO** If yes, please explain.

Investment Manager Guidelines

1. Are portfolio holdings well-diversified? Yes/No: **YES** If no, please explain.
2. Has the firm used leverage? Yes/No: **YES** If yes, please explain.

Yes. The maximum leverage amount for the Fund is 35%. As of September 30, 2014, the Fund's leverage was 19.5%.

Cash & Equivalents

1. Does the firm directly invest in short term fixed income investments? Yes/No: **NO** If yes, do the investments comply with the policies? Yes/No: If no, please explain.

Real Estate Portfolios

1. Is the portfolio diversified as to region, property type, industry, and economic base? Yes/No **YES** If no, do the investments comply with the policies?
2. Is the portfolio achieving a total time-weighted rate of return, net of fees, which equals or exceeds, the NFI ODCE index? Yes/No **NO** If no, please explain.

As of 9/30/2014 the Fund's net returns exceed the net NFI ODCE index on a 5-year, 7-year and since inception basis, demonstrating long term outperformance throughout multiple cycles. The Fund's net 1-year and 3-year returns are trailing the index by 12 and 50 basis points, respectively.

In addition to its long-term outperformance, the Fund is generally tracking the ODCE for shorter time periods, despite a drag on returns due to debt mark-to-market. As a result of the favorable financing secured by the Fund in 2013, Fund performance is more sensitive to fluctuations in interest rates; while the impact of debt mark-to-market was only -6 bps in the third quarter, the impact on year-to-date and one-year returns has been significant, at -109 bps and -59 bps, respectively. The debt mark-to-market adjustments are attributable for the full amount of underperformance over the trailing 1-year period.

Over the trailing 3-year time period, the Fund's conservative risk posture with significantly less development exposure, lower leverage and a higher proportion of recently purchased assets are the main drivers of underperformance during the time period.

3. Does the core fund concentration exceed 40% (by value) in any single property type or 35% in any single metropolitan statistical area, determined as of the date of the acquisition of the property? Yes/No **NO** If yes, please explain.
4. Is the portfolio leverage within the 35% of overall loan to value guideline? Yes/No **YES** If no, please explain.

Signed by:

Dated:

Name of Firm



11/5/15

Invesco Advisors, Inc.

RE: Invesco Core Real Estate USA, L.P.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 4.8

To: Board of Retirement



From: Scott Hood, Chief Executive Officer

Subject: Annual Review and Approval of SamCERA's Mission and Goals Statements

Staff Recommendation

Reaffirm the current SamCERA's Mission and Goals statements.

Background

Resolution 95-96-05, as amended, incorporates the language which was submitted to the Board on April 14, 1994, as part of SamCERA's first independent budget. The resolution is an integral part of SamCERA's Policies and Procedures Manual, Trustee's Manual, Budget Report, and SamCERA's Strategic Plan.

Statements of mission and goals should, at a minimum, capture the purpose of SamCERA as defined in the California State Constitution and the County Employees Retirement Law of 1937. The statements should also express the Board's vision of the fundamental principles guiding Board and staff actions.

The resolution was amended on February 27, 2007, to correct the statement's grammar, spelling, and capitalization. It was amended on February 26, 2008, for clarity and to put phrases in the proper priority. It was amended on January 27, 2009, when it was shortened to remove redundancies and define all categories of SamCERA membership as members. It was further amended on May 28, 2013, to more accurately state the intent of the first two goals. Again, this year there are no recommended changes or amendments.

SamCERA's mission and Goals remain:

Mission

SamCERA exists to serve as loyal fiduciary for its members and as prudent administrator of the retirement system.

GOALS

Provide caring, fair, accurate, timely and knowledgeable professional services and information to members and other stakeholders.

Prudently manage the assets in order to appropriately fund the actuarial liabilities of the retirement system to ensure the ability to pay all earned benefits while minimizing the costs to employers.

Constantly improve the effectiveness of SamCERA's services and the efficiency of its operations.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 4.9

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



Staff Recommendation

Staff recommends approval of Trustee Lauryn Agnew's attendance at the below-mentioned educational event.

Background

The *SamCERA* Education Policy allows trustees to expend certain levels of system funds for continuing education sponsored by organizations approved in the policy. The policy also states that, "the board may approve participation in additional educational activities..."

Trustee Lauryn Agnew would like to attend SOCAP15 (Social Capital Markets 15), which will be held at the Fort Mason Center in San Francisco, CA, from October 6-9, 2015.

From their website SOCAP15 is described as "... the world's leading conference on impact investing and social enterprise...SOCAP15 will unite innovators in business, tech, the sharing economy, health, philanthropy, and more to advance environmental and social causes."

The cost is \$704.95 (early registration discount) for this local conference, plus reimbursable mileage and parking expenses. Information is attached.



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SOCAP15

Social Capital Markets

Tuesday, October 6, 2015 at 3:00 PM - Friday, October 9, 2015 at 3:00 PM (PDT)

San Francisco, CA

Registration Information

REGISTRATION TYPE	SALES END	PRICE	FEE	QUANTITY
Early Bird Ticket	Mar 31, 2015	\$795.00	\$9.95	0
General Registration	Oct 8, 2015	\$1,395.00	\$9.95	0

Enter promotional code



Register

When



Who's Going

Connect to see which of your Facebook friends are going to SOCAP15.

Connect with Facebook

Share SOCAP15

Email Share Tweet

Like Be the first of your friends to like this.

Fort M
2 Marir
San Fr

Tuesda
Friday,
(PDT)

Ad

Organ

Event Details

SOCAP15 is the world's leading conference on impact investing and social enterprise. Held in San Francisco, October 6-9, SOCAP15 will unite innovators in business, tech, the sharing economy, health, philanthropy, and more to advance environmental and social causes.

Please note that the exact start and end times have not been determined yet.

Stay Up-To-Date

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 6.1

TO: Board of Retirement



FROM: Michael Coultrip, Chief Investment Officer

SUBJECT: Preliminary Monthly Portfolio Performance Report for the Period Ending January 31, 2015

Staff Recommendation

Review the preliminary performance report dated January 31, 2015.

Background

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

The attached performance report shows both net and gross of fee returns for the total plan on page one, with net composite returns (pages 2-3) and net manager returns (pages 4-9) also shown.

Discussion

The fund's net preliminary return for January was +0.02%, while the preliminary trailing twelve month return was +7.9% net (+8.1% gross). The twelve-month net return is higher than SamCERA's Total Plan Policy Benchmark return of 6.9% and above the Actuarial Assumed Earnings Rate of 7.25%. As a reminder, SamCERA should expect performance to vary substantially from that of the Total Plan Policy Benchmark in the initial stages of its private equity implementation.

U.S. Economic data were mildly stronger during the month, but the 2.6% advance estimate of 4th quarter 2014 GDP growth came in below expectations. The big stories during the month continued to be suspect global growth outside of the U.S., the plunge in crude-oil prices, and the strength in the U.S. Dollar.

The U.S. equity markets were down between -2.0% and -5.0%, with the broad U.S. equity market down -3.0%. Growth outperformed value stocks across the market capitalization spectrum. International equity indices were higher on the month, with developed markets (as measured by MSCI EAFE) up +0.50% and emerging markets up +0.60%.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

The general fixed income market was higher by +2.10%, as interest rates (as measured by 10-year Treasuries) decreased by 49 basis points. High yield bonds returned +0.70%, while emerging market bonds were higher by +0.34% during the month.

Attachments

SIS Market Update

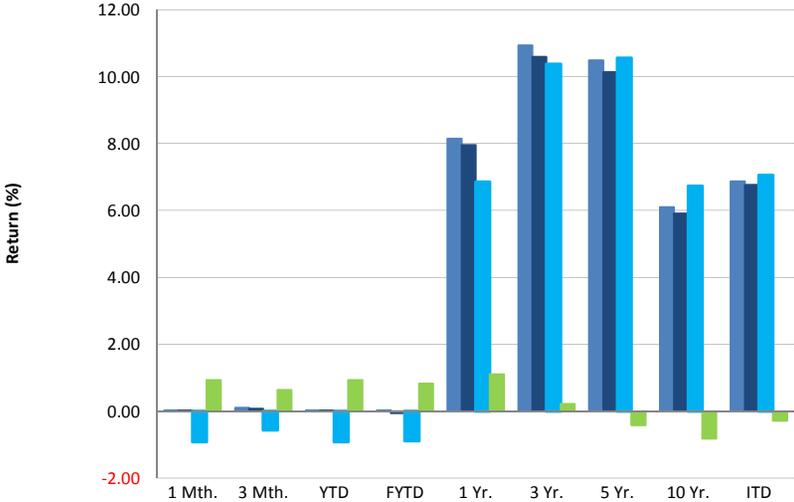
Northern Trust Performance Report

San Mateo County Total Fund Characteristics



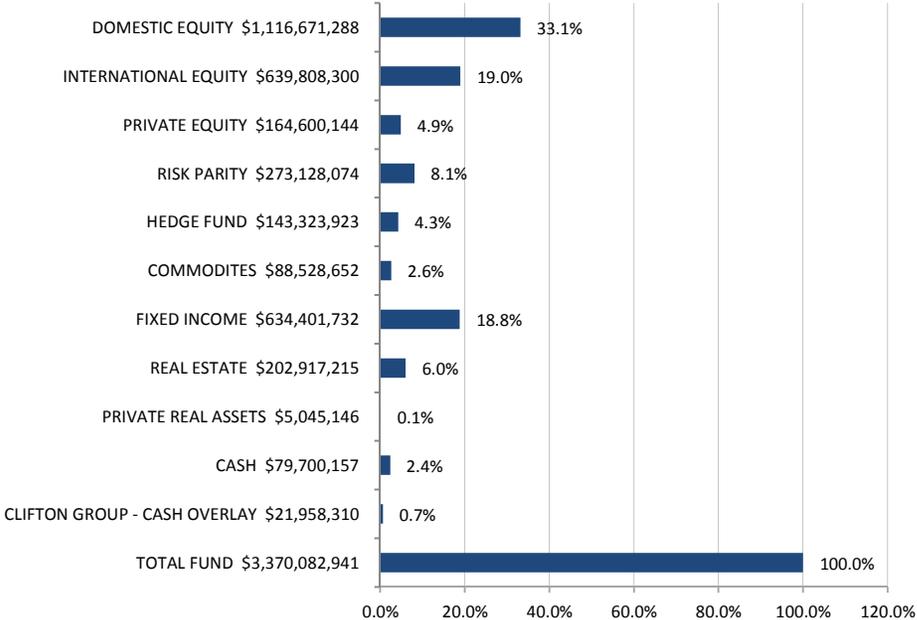
January 31, 2015

Total Fund Performance

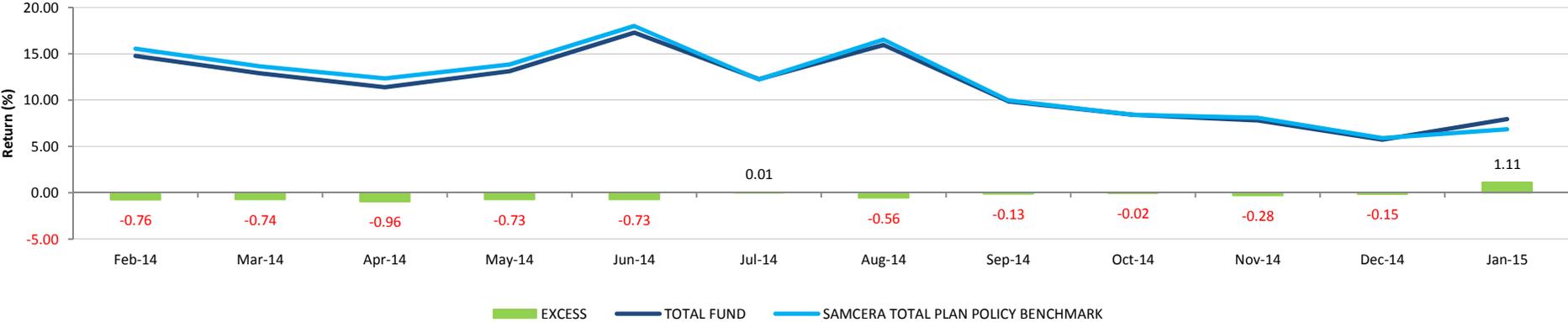


	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	10 Yr.	ITD
TOTAL FUND - Gross	0.03	0.10	0.03	0.03	8.14	10.94	10.49	6.10	6.87
TOTAL FUND - Net	0.02	0.08	0.02	-0.06	7.96	10.59	10.13	5.91	6.77
SAMCERA PLAN BENCHMARK	-0.91	-0.56	-0.91	-0.89	6.85	10.37	10.55	6.73	7.06
Excess (Net)	0.93	0.64	0.93	0.83	1.11	0.22	-0.42	-0.82	-0.29

Asset Allocation



Rolling Month End Annual Returns

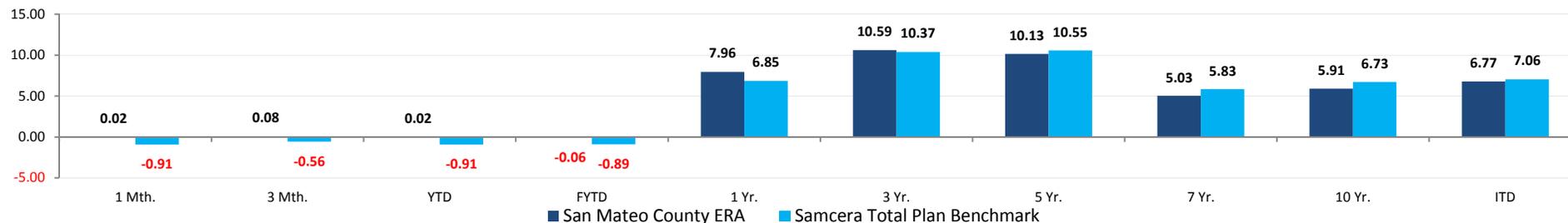


San Mateo County Composite Return Summary



January 31, 2015

Return Comparison



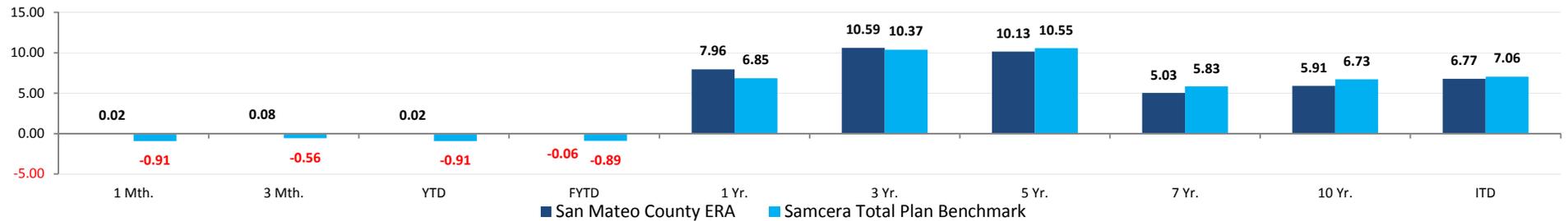
Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County ERA	3,370,082,941	0.02	0.08	0.02	-0.06	7.96	10.59	10.13	5.03	5.91	6.77
Samcera Total Plan Benchmark		-0.91	-0.56	-0.91	-0.89	6.85	10.37	10.55	5.83	6.73	7.06
Excess		0.93	0.64	0.93	0.83	1.11	0.22	-0.42	-0.80	-0.82	-0.29
San Mateo Ex-Clifton Overlay	3,348,124,631	-0.02	0.06	-0.02	-0.10	7.75	10.60	10.12	4.94	5.77	6.70
Samcera Total Plan Benchmark		-0.91	-0.56	-0.91	-0.89	6.85	10.37	10.55	5.83	6.73	7.06
Excess		0.89	0.62	0.89	0.79	0.90	0.22	-0.43	-0.89	-0.96	-0.36
Total Equity	1,756,479,588	-1.68	-1.17	-1.68	-2.34	7.19	13.26	11.67	4.72	5.84	7.59
Samcera Total Equity Benchmark		-2.33	-0.94	-2.33	-0.41	9.70	14.29	12.80	6.14	7.21	8.14
Excess		0.64	-0.24	0.64	-1.93	-2.51	-1.03	-1.12	-1.41	-1.37	-0.54
Total Fixed Income	634,401,732	1.33	0.67	1.33	1.53	5.83	5.56	6.54	5.78	5.33	5.93
Samcera Fixed Income Benchmark		1.53	1.28	1.53	1.22	4.69	2.40	4.43	4.74	4.79	5.45
Excess		-0.20	-0.61	-0.20	0.31	1.14	3.16	2.11	1.04	0.53	0.48
Total Risk Parity	273,128,074	3.81	2.91	3.81	2.07	16.06	7.83	--	--	--	8.14
Samcera Risk Parity Benchmark		-0.83	0.93	-0.83	3.08	10.49	11.62	--	--	--	9.82
Excess		4.64	1.98	4.64	-1.02	5.57	-3.79	--	--	--	-1.68

San Mateo County Composite Return Summary



January 31, 2015

Return Comparison



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Hedge Fund Composite	143,323,923	2.71	8.81	2.71	12.70	14.14	7.43	--	--	--	5.74
Samcera LIBOR + 4%		0.34	1.03	0.34	2.41	4.16	4.20	--	--	--	4.21
Excess		2.37	7.79	2.37	10.29	9.98	3.23	--	--	--	1.53
Total Private Equity	164,600,144	1.30	2.38	1.30	11.12	15.39	13.48	--	--	--	-39.12
Samcera PE Benchmark		-2.54	0.31	-2.54	4.10	16.35	20.91	--	--	--	18.94
Excess		3.84	2.06	3.84	7.02	-0.96	-7.43	--	--	--	-58.06
Total Commodities	88,528,652	-1.51	-11.30	-1.51	-20.09	-13.42	-4.88	--	--	--	-6.59
Bloomberg Commodity Index		-3.34	-14.34	-3.34	-25.08	-20.02	-11.18	--	--	--	-12.74
Excess		1.83	3.04	1.83	4.99	6.60	6.30	--	--	--	6.16
Private Real Assets	5,045,146	0.00	0.50	0.00	--	--	--	--	--	--	0.50
Samcera CPI + 5%		0.00	-0.29	0.00	--	--	--	--	--	--	0.59
Excess		0.00	0.79	0.00	--	--	--	--	--	--	-0.08
Total Real Estate	202,917,215	3.32	3.32	3.32	7.73	12.83	11.77	13.42	2.68	6.87	8.08
Samcera Real Estate Benchmark		0.00	3.11	0.00	6.68	12.39	12.25	13.75	2.44	6.73	8.54
Excess		3.32	0.21	3.32	1.06	0.44	-0.48	-0.33	0.24	0.14	-0.46
Total Cash	79,700,157	0.01	0.07	0.01	0.19	0.46	0.59	0.71	0.37	1.49	2.24
Samcera Cash Benchmark		0.00	0.01	0.00	0.02	0.03	0.07	0.09	0.31	1.53	2.10
Excess		0.00	0.06	0.00	0.18	0.43	0.51	0.62	0.06	-0.03	0.14

San Mateo County Manager Return Summary



January 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Equity	1,756,479,588	-1.68	-1.17	-1.68	-2.34	7.19	13.26	11.67	4.72	5.84	7.59
Samcera Total Equity Benchmark		-2.33	-0.94	-2.33	-0.41	9.70	14.29	12.80	6.14	7.21	8.14
Excess		0.64	-0.24	0.64	-1.93	-2.51	-1.03	-1.12	-1.41	-1.37	-0.54
Total Domestic Equity	1,116,671,288	-2.97	-0.67	-2.97	1.24	10.14	16.07	14.81	7.05	6.59	8.25
Samcera Dom. Equity Benchmark		-2.84	-0.41	-2.84	1.85	11.92	17.20	15.86	8.22	7.98	8.68
Excess		-0.12	-0.26	-0.12	-0.61	-1.78	-1.13	-1.04	-1.17	-1.38	-0.43
Total Large Cap Equity	916,976,932	-2.78	-0.35	-2.78	2.51	12.25	16.75	14.61	6.99	6.90	9.00
Russell 1000		-2.75	-0.43	-2.75	2.67	13.76	17.62	15.84	8.01	7.93	9.47
Excess		-0.03	0.08	-0.03	-0.16	-1.51	-0.88	-1.23	-1.02	-1.03	-0.47
Barrow Hanley	148,048,382	-4.11	-1.46	-4.11	-0.51	8.65	17.13	14.66	--	--	15.41
Russell 1000 Value		-4.00	-1.43	-4.00	0.59	12.93	17.79	15.14	--	--	15.80
Excess		-0.11	-0.03	-0.11	-1.10	-4.28	-0.66	-0.48	--	--	-0.38
Blackrock S&P 500 Index Fund	464,127,340	-3.00	-0.62	-3.00	2.96	14.25	--	--	--	--	17.83
S&P 500		-3.00	-0.64	-3.00	2.93	14.22	--	--	--	--	17.81
Excess		0.00	0.03	0.00	0.03	0.03	--	--	--	--	0.02
Brown Advisory	147,142,809	-2.68	-1.11	-2.68	2.04	6.37	--	--	--	--	13.12
Russell 1000 Growth		-1.53	0.53	-1.53	4.71	14.59	--	--	--	--	17.61
Excess		-1.15	-1.64	-1.15	-2.67	-8.21	--	--	--	--	-4.49
DE Shaw Commingled Fund	157,658,018	-0.92	--	-0.92	--	--	--	--	--	--	-0.92
Russell 1000		-2.75	--	-2.75	--	--	--	--	--	--	-2.75
Excess		1.83	--	1.83	--	--	--	--	--	--	1.83

San Mateo County Manager Return Summary



January 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Small Cap Equity	199,694,356	-3.81	-2.11	-3.81	-4.05	1.87	14.14	15.96	7.40	5.41	6.44
Russell 2000		-3.22	-0.37	-3.22	-1.62	4.41	15.27	15.66	8.77	7.87	7.58
Excess		-0.59	-1.74	-0.59	-2.44	-2.54	-1.12	0.31	-1.37	-2.46	-1.14
Boston Company	97,513,489	-4.46	-1.77	-4.46	-5.09	1.08	14.05	13.75	--	--	14.71
Russell 2000 Value		-4.16	-2.00	-4.16	-4.15	3.90	14.15	13.97	--	--	14.71
Excess		-0.30	0.23	-0.30	-0.94	-2.82	-0.10	-0.21	--	--	0.00
Chartwell Investment Mgmt	102,180,867	-3.18	-2.43	-3.18	-3.04	2.63	15.66	18.17	8.54	8.33	8.51
Russell 2000 Growth		-2.28	1.26	-2.28	0.95	5.01	16.39	17.33	9.87	8.79	8.53
Excess		-0.89	-3.70	-0.89	-4.00	-2.38	-0.73	0.84	-1.32	-0.46	-0.02
Total International Equity	639,808,300	0.64	-2.07	0.64	-8.47	1.90	7.46	5.09	-0.34	4.63	5.48
MSCI ACW ex US-IMI		-0.18	-2.92	-0.18	-9.29	0.17	6.71	5.65	1.11	5.50	4.99
Excess		0.81	0.85	0.81	0.82	1.73	0.75	-0.55	-1.45	-0.87	0.49
Total Developed Markets Equity	573,790,612	0.81	-1.20	0.81	-8.10	2.20	8.24	5.60	0.20	5.13	4.13
MSCI ACW ex US-IMI		-0.18	-2.92	-0.18	-9.29	0.17	6.71	5.65	1.11	5.50	4.75
Excess		0.98	1.71	0.98	1.19	2.03	1.53	-0.05	-0.91	-0.36	-0.62
Baillie Gifford	195,071,396	0.64	-0.97	0.64	-6.69	2.91	--	--	--	--	9.08
MSCI ACWI ex US Growth		0.76	-1.18	0.76	-6.28	3.37	--	--	--	--	6.87
Excess		-0.12	0.21	-0.12	-0.41	-0.46	--	--	--	--	2.21
Blackrock EAFE Index Fund	126,295,517	0.51	-1.64	0.51	-8.78	-0.20	--	--	--	--	-3.89
MSCI EAFE ND		0.49	-1.67	0.49	-8.79	-0.43	--	--	--	--	-4.10
Excess		0.02	0.04	0.02	0.01	0.23	--	--	--	--	0.21

San Mateo County Manager Return Summary



January 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Mondrian Investment Partners	191,711,922	1.52	-1.01	1.52	-8.60	4.19	7.70	6.27	1.44	5.67	5.93
MSCI ACWI ex US Value		-1.06	-4.84	-1.06	-11.58	-1.38	6.23	5.01	0.93	5.27	5.49
Excess		2.58	3.84	2.58	2.98	5.57	1.48	1.26	0.51	0.40	0.44
Pyramis Intl Small Cap	60,711,777	-0.25	-1.64	-0.25	-9.42	-0.90	--	--	--	--	5.96
MSCI ACWI Small Cap ex US Net		-0.37	-2.02	-0.37	-10.84	-2.51	--	--	--	--	6.24
Excess		0.12	0.38	0.12	1.41	1.61	--	--	--	--	-0.28
Total Emerging Markets Equity	66,017,688	-0.82	-9.21	-0.82	-11.43	-0.28	--	--	--	--	-0.11
MSCI Emerging Markets ND		0.60	-5.05	0.60	-7.29	5.23	--	--	--	--	-0.24
Excess		-1.42	-4.16	-1.42	-4.14	-5.51	--	--	--	--	0.13
Eaton Vance	66,017,688	-0.82	-9.21	-0.82	-11.43	-0.28	--	--	--	--	-0.11
MSCI Emerging Markets GD		0.61	-4.99	0.61	-7.09	5.61	--	--	--	--	0.12
Excess		-1.43	-4.22	-1.43	-4.34	-5.90	--	--	--	--	-0.23
Total Fixed Income	634,401,732	1.33	0.67	1.33	1.53	5.83	5.56	6.54	5.78	5.33	5.93
Samcera Fixed Income Benchmark		1.53	1.28	1.53	1.22	4.69	2.40	4.43	4.74	4.79	5.45
Excess		-0.20	-0.61	-0.20	0.31	1.14	3.16	2.11	1.04	0.53	0.48
Total Domestic Fixed Income	536,886,168	1.61	1.45	1.61	1.97	5.98	5.26	6.52	5.79	5.39	6.11
Samcera US Fixed Inc Benchmark		1.93	1.89	1.93	2.56	5.93	2.86	4.84	5.03	5.00	5.75
Excess		-0.32	-0.44	-0.32	-0.59	0.04	2.40	1.68	0.76	0.39	0.36
Total Core Fixed Income	338,109,506	2.07	2.63	2.07	4.46	7.86	5.03	6.11	5.51	5.20	5.99
BC U.S. Aggregate		2.10	2.92	2.10	4.10	6.61	3.07	4.57	4.83	4.86	5.66
Excess		-0.03	-0.29	-0.03	0.36	1.24	1.96	1.55	0.68	0.34	0.33

San Mateo County Manager Return Summary



January 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Pyramis Core Bond	201,909,998	2.15	2.77	2.15	4.07	6.93	4.02	5.57	5.83	--	5.63
BC U.S. Aggregate		2.10	2.92	2.10	4.10	6.61	3.07	4.57	4.83	--	5.21
Excess		0.06	-0.15	0.06	-0.03	0.32	0.95	1.00	1.00	--	0.42
Western Asset Management	136,199,508	1.95	2.43	1.95	4.97	8.95	6.53	6.69	6.06	5.62	5.63
BC U.S. Aggregate		2.10	2.92	2.10	4.10	6.61	3.07	4.57	4.83	4.86	4.81
Excess		-0.15	-0.49	-0.15	0.87	2.34	3.45	2.13	1.22	0.76	0.81
Brown Brothers Harriman	69,218,493	1.99	0.66	1.99	-1.85	1.02	-0.47	--	--	--	3.44
BC US Tips		3.15	2.25	3.15	1.01	4.83	0.72	--	--	--	4.27
Excess		-1.16	-1.59	-1.16	-2.86	-3.81	-1.19	--	--	--	-0.83
Total Opportunistic Credit	129,558,169	0.24	-1.06	0.24	-1.72	4.56	11.24	11.91	--	--	11.06
BC BA Intermediate HY Index		1.13	-0.09	1.13	0.42	5.09	7.29	8.63	--	--	9.01
Excess		-0.90	-0.97	-0.90	-2.14	-0.52	3.95	3.29	--	--	2.04
AG Opportunistic Whole Loan	24,006,710	0.00	-0.45	0.00	-0.45	--	--	--	--	--	-2.38
BC BA Intermediate HY Index		1.13	-0.09	1.13	0.42	--	--	--	--	--	2.11
Excess		-1.13	-0.37	-1.13	-0.88	--	--	--	--	--	-4.49
Angelo Gordon	42,231,393	0.00	0.00	0.00	1.80	10.91	--	--	--	--	11.17
BC BA Intermediate HY Index		1.13	-0.09	1.13	0.42	5.09	--	--	--	--	5.50
Excess		-1.13	0.09	-1.13	1.37	5.83	--	--	--	--	5.67
Brigade Cap Mngmt	63,320,066	0.48	-1.97	0.48	-4.31	0.66	7.11	--	--	--	7.63
BC BA Intermediate HY Index		1.13	-0.09	1.13	0.42	5.09	7.29	--	--	--	8.00
Excess		-0.65	-1.88	-0.65	-4.73	-4.43	-0.18	--	--	--	-0.37

San Mateo County Manager Return Summary



January 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Global Fixed Income	97,515,564	-0.20	-3.40	-0.20	-0.90	4.73	6.63	--	--	--	5.89
Samcera Global Fixed Benchmark		-0.20	-1.41	-0.20	-4.51	-0.71	0.35	--	--	--	2.03
Excess		-0.00	-1.99	-0.00	3.61	5.44	6.27	--	--	--	3.86
Franklin Templeton	97,515,564	-0.20	-3.40	-0.20	-0.90	3.32	6.15	--	--	--	5.54
BC Multiverse Index		-0.20	-1.41	-0.20	-4.51	-0.71	0.35	--	--	--	2.03
Excess		-0.00	-1.99	-0.00	3.61	4.03	5.79	--	--	--	3.51
Total Risk Parity	273,128,074	3.81	2.91	3.81	2.07	16.06	7.83	--	--	--	8.14
Samcera Risk Parity Benchmark		-0.83	0.93	-0.83	3.08	10.49	11.62	--	--	--	9.82
Excess		4.64	1.98	4.64	-1.02	5.57	-3.79	--	--	--	-1.68
AQR Global Risk III	132,138,358	3.10	-0.24	3.10	-2.41	11.02	6.25	--	--	--	6.92
Samcera Risk Parity Benchmark		-0.83	0.93	-0.83	3.08	10.49	11.62	--	--	--	9.82
Excess		3.93	-1.17	3.93	-5.49	0.54	-5.37	--	--	--	-2.89
Panagora	140,989,716	4.49	6.06	4.49	8.36	--	--	--	--	--	8.36
Samcera Risk Parity Benchmark		-0.83	0.93	-0.83	3.08	--	--	--	--	--	3.08
Excess		5.32	5.13	5.32	5.28	--	--	--	--	--	5.28
Total Real Estate	202,917,215	3.32	3.32	3.32	7.73	12.83	11.77	13.42	2.68	6.87	8.08
Samcera Real Estate Benchmark		0.00	3.11	0.00	6.68	12.39	12.25	13.75	2.44	6.73	8.54
Excess		3.32	0.21	3.32	1.06	0.44	-0.48	-0.33	0.24	0.14	-0.46
Invesco Core Real Estate	202,917,215	3.32	3.32	3.32	7.73	12.84	11.61	13.43	2.68	6.88	7.16
Samcera NCREIF ODCE EW (gross)		0.00	3.11	0.00	6.68	12.39	12.25	13.75	2.44	6.73	6.90
Excess		3.32	0.21	3.32	1.06	0.45	-0.64	-0.32	0.24	0.15	0.26

San Mateo County Manager Return Summary



January 31, 2015

Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Alternatives	401,497,865	1.11	1.12	1.11	3.05	7.37	5.29	-10.88	-13.57	-5.44	-4.87
Samcera Alternatives Benchmark		-1.65	-2.43	-1.65	-2.73	5.17	9.88	10.65	6.00	7.30	7.52
Excess		2.76	3.55	2.76	5.78	2.20	-4.59	-21.53	-19.57	-12.74	-12.40
Total Private Equity	164,600,144	1.30	2.38	1.30	11.12	15.39	13.48	--	--	--	-39.12
Samcera PE Benchmark		-2.54	0.31	-2.54	4.10	16.35	20.91	--	--	--	18.94
Excess		3.84	2.06	3.84	7.02	-0.96	-7.43	--	--	--	-58.06
Private Real Assets	5,045,146	0.00	0.50	0.00	--	--	--	--	--	--	0.50
Samcera CPI + 5%		0.00	-0.29	0.00	--	--	--	--	--	--	0.59
Excess		0.00	0.79	0.00	--	--	--	--	--	--	-0.08
Total Hedge Fund Composite	143,323,923	2.71	8.81	2.71	12.70	14.14	7.43	--	--	--	5.74
Samcera LIBOR + 4%		0.34	1.03	0.34	2.41	4.16	4.20	--	--	--	4.21
Excess		2.37	7.79	2.37	10.29	9.98	3.23	--	--	--	1.53
Total Commodities	88,528,652	-1.51	-11.30	-1.51	-20.09	-13.42	-4.88	--	--	--	-6.59
Bloomberg Commodity Index		-3.34	-14.34	-3.34	-25.08	-20.02	-11.18	--	--	--	-12.74
Excess		1.83	3.04	1.83	4.99	6.60	6.30	--	--	--	6.16
Total Cash	79,700,157	0.01	0.07	0.01	0.19	0.46	0.59	0.71	0.37	1.49	2.24
Samcera Cash Benchmark		0.00	0.01	0.00	0.02	0.03	0.07	0.09	0.31	1.53	2.10
Excess		0.00	0.06	0.00	0.18	0.43	0.51	0.62	0.06	-0.03	0.14
SamCera General Account	65,863,470	0.01	0.08	0.01	0.15	0.17	0.15	0.21	0.52	1.72	2.23
SamCera Treasury & LAIF	13,835,907	0.00	0.00	0.00	0.00	0.30	0.62	0.80	0.33	1.33	2.99
San Mateo County ERA	3,370,082,941	0.02	0.08	0.02	-0.06	7.96	10.59	10.13	5.03	5.91	6.77
Samcera Total Plan Benchmark		-0.91	-0.56	-0.91	-0.89	6.85	10.37	10.55	5.83	6.73	7.06
Excess		0.93	0.64	0.93	0.83	1.11	0.22	-0.42	-0.80	-0.82	-0.29

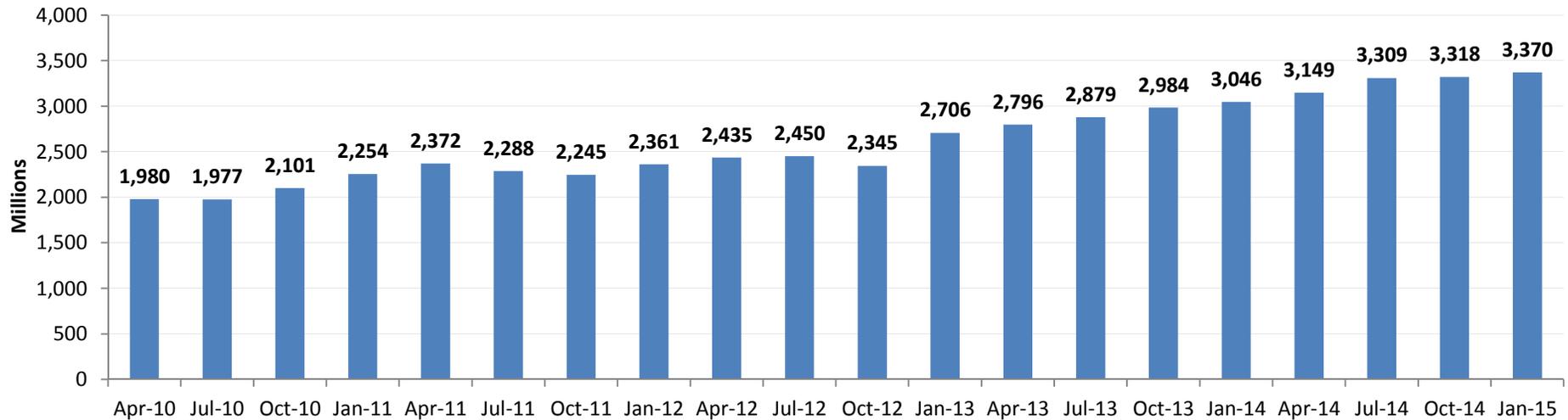
January 31, 2015

Record of Asset Growth

	Three Months	One Year
TOTAL FUND		
Beginning Market Value	3,318,483,967	3,046,398,114
Contributions	94,744,848	188,074,979
Withdrawals	-45,689,460	-101,570,551
Income Received	8,118,678	23,617,965
Gain/Loss	-5,513,416	-25,545,359
Ending Market Value	3,370,082,941	3,370,082,941

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Net Asset Values Over Time (\$000)



January 31, 2015

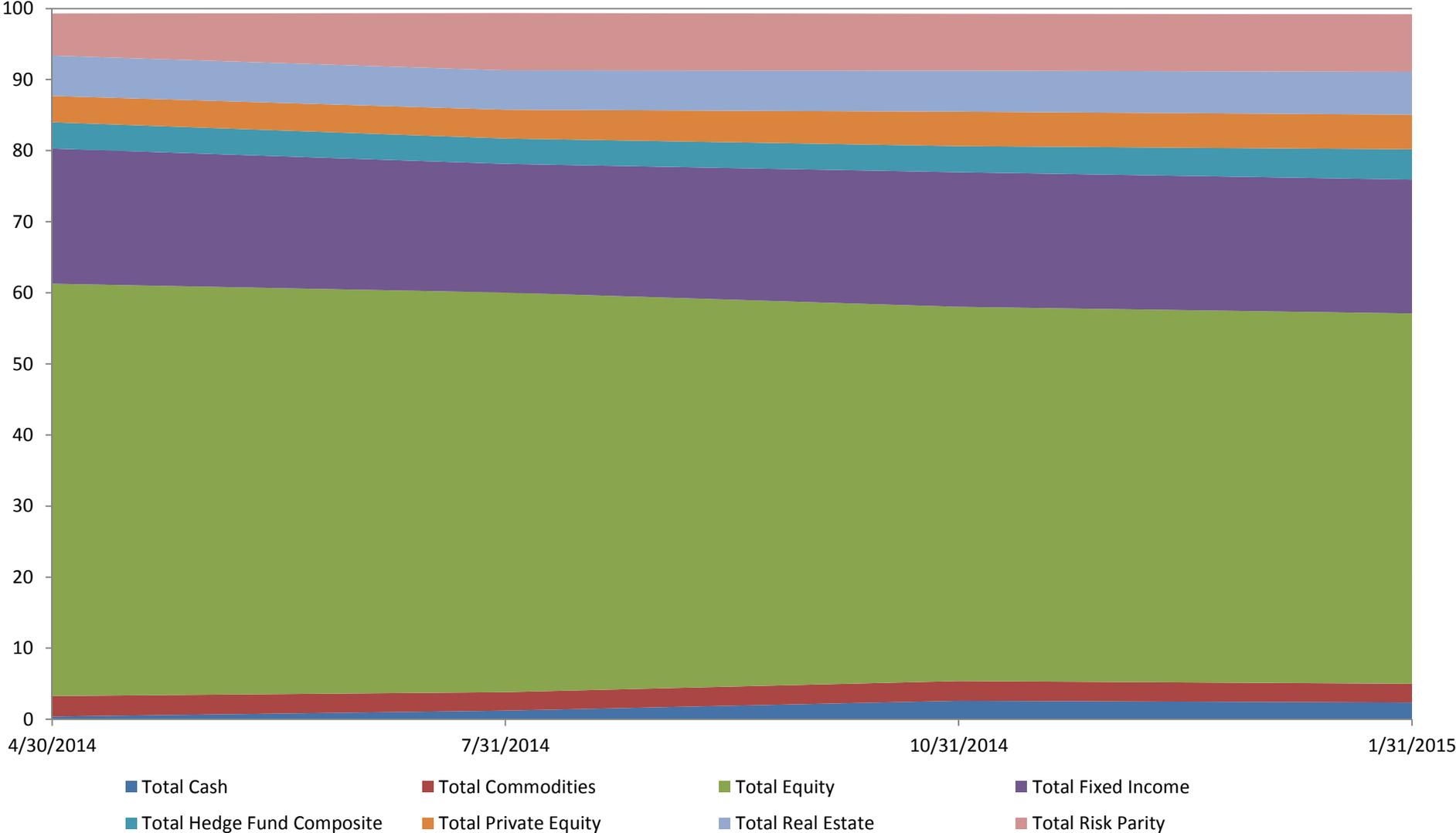
Actual vs Target Weights



	Min	Actual	Target	Deviation	Max
Total Large Cap Equity	22.0	27.2	24.0	3.2	26.0
Total Small Cap Equity	4.0	5.9	6.0	-0.1	8.0
Total International Equity	18.0	19.0	20.0	-1.0	22.0
Total Fixed Income	18.0	18.8	20.0	-1.2	22.0
Total Private Equity	5.0	4.9	7.0	-2.1	9.0
Total Risk Parity	6.0	8.1	8.0	0.1	10.0
Total Hedge Fund Composite	2.0	4.3	4.0	0.3	6.0
Total Commodities	1.0	2.6	3.0	-0.4	5.0
Total Real Estate	4.0	6.0	6.0	0.0	8.0

January 31, 2015

Asset Allocation over Time

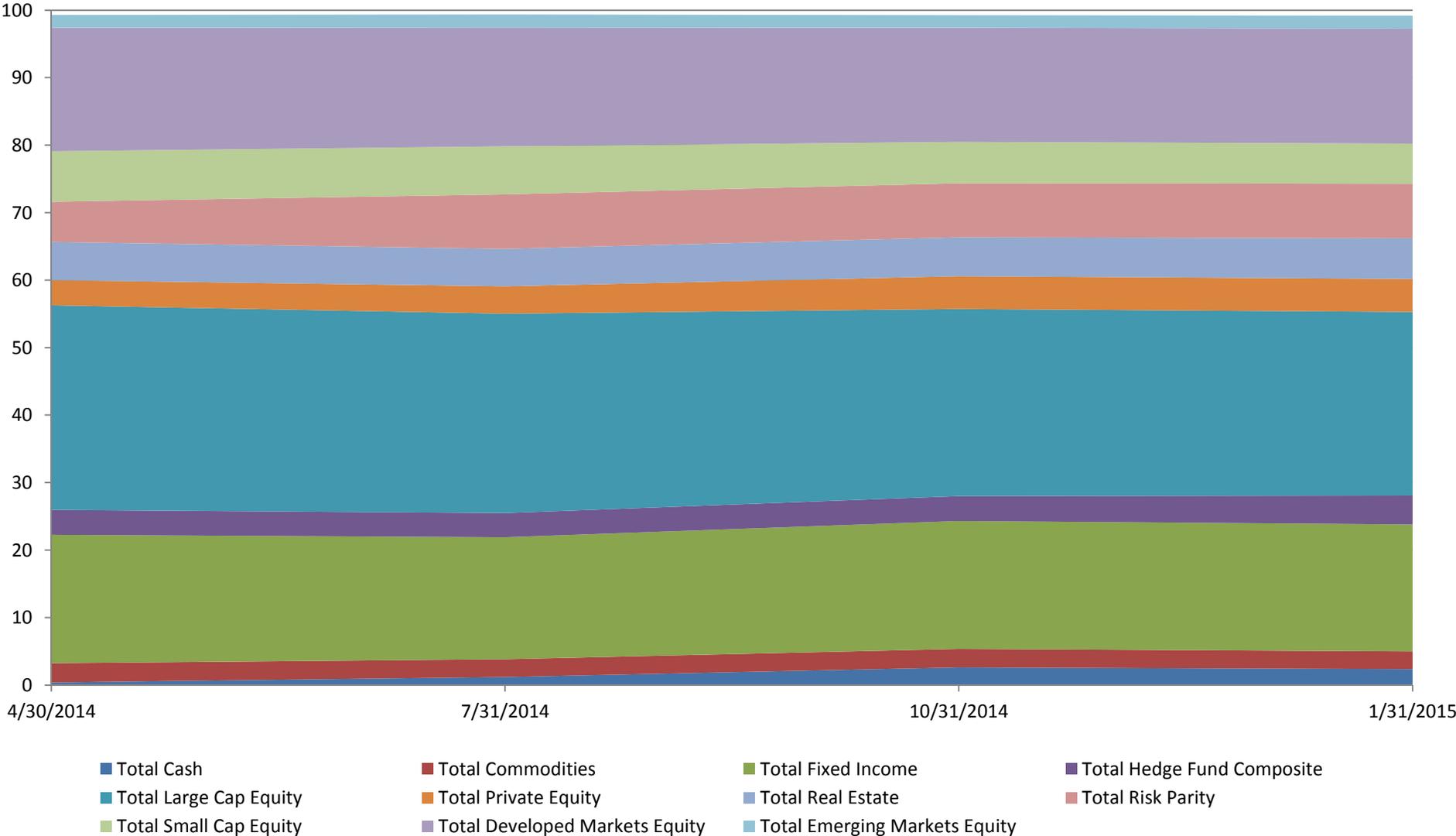


**San Mateo County
Sub-Asset Class Allocation Over Time**



January 31, 2015

Sub-Asset Class Allocation Over Time



U.S. EQUITY

January kick-started the year by reversing prior year trend and delivering negative returns throughout U.S. equity markets.

Value underperformed Growth, with the exception found in mid-cap stocks where style wasn't overly indicative in terms of value-add. For the month, the Russell 1000 Growth Index was down -1.5% compared to the Russell 1000 Value Index down -4.0%. The Russell 2000 Growth was down by -2.3% and the Russell 2000 Value Indices down -4.2%. The S&P 500 Index ended the month down by -3.0%.

The S&P 500 Index has a trailing P/E ratio of 20.0, a forward 12-month estimate P/E ratio of 17.2 and a dividend yield of 1.98%.

Corporate merger highlights for the month included:

MWI Veterinary Supply agreed to be acquired by AmerisourceBergen in a deal valued at \$2.5 billion; Tekmira Pharmaceuticals will buy OnCore Biopharma to create a company focused on treating hepatitis B; Irish drugmaker Shire will acquire U.S. group NPS Pharmaceuticals for \$5.2 billion; Roche struck a deal worth up to \$750 million with Japan's Meiji Seika Pharma and Canada's Fedora for an antibiotic-boosting drug to battle superbugs; Schlumberger will acquire a 45.65% stake in Russia's largest drilling company Eurasia Drilling for \$1.7 billion; Family Dollar shareholders approved a takeover by Dollar Tree, despite higher competing offers from Dollar General; Expedia acquired travel booking site Travelocity for \$280 million; Hutchison Whampoa will acquire Telefonica's British mobile unit O2 for up to \$15.4 billion; Energy Transfer Partners will pay about \$11 billion to acquire affiliate Regency Energy Partners; AT&T will buy Nextel Mexico for about \$1.88 billion; Axis Capital Holdings and PartnerRe agreed to an \$11 billion merger to create one of the world's largest reinsurers; Rock-Tenn and MeadWestvaco will combine to form a packaging company with \$16 billion; Post Holdings, a consumer packaged goods holding company, will acquire MOM Brands for \$1.15 billion; Marriott Intl. will buy Canada's Delta Hotels and Resorts for \$135 million; Bain Capital will acquire TI Automotive for an undisclosed amount; Lattice Semiconductor will buy fellow semiconductor manufacturer Silicon Image in a deal worth about \$600 million; Yahoo plans to spin off its remaining \$40 billion stake in Alibaba into a separate entity; CommonScope will buy nearly all of Swiss electronics firm

TEConnectivity's network gear business for about \$3 billion to expand in Europe and Asia; Hershey will buy California-based Krave Jerky for an undisclosed sum; jerky sales in the U.S. totaled \$1.41 billion last year.

FIXED INCOME

As expected, the Fed made no changes to monetary policy. It left the fed funds target range at 0-0.25% and opined again that the FOMC believes "it can be patient in beginning to normalize the stance of monetary policy." The Fed also retained its balance sheet reinvestment program, keeping the size of the Fed's balance sheet unchanged.

GDP growth fell short of expectations for the quarter with an annual growth rate of 2.6%. Year-over-year, GDP rose a moderate 2.5% in 2014, a pace held down by the 2.1% contraction in the first quarter of the year.

The yield on the bellwether 10-year Treasury note fell to 1.68% at the close of January from its December close of 2.17%. At month-end, the 30-year bond yield was 2.25% and the 3-month T-bill was 0.01%. The Barclays Capital US Aggregate Index was up +2.1% in January.

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

THE GOOD

*The Commerce Department reported that the trade gap narrowed 7.7% to \$39 billion, the smallest since December 2013.

*U.S. mortgage rates started the year by dipping to new lows with the average 30-year rate falling to 3.73%, its lowest level since May 2013.

*Americans spent more briskly in stores than expected during the winter holiday shopping season. According to ShopperTrak, sales rose 4.6% in November and December beating expectations.

*U.S. consumer borrowing rose \$14.1 billion in November to a record \$3.3 trillion excluding real estate loans.

*Employers added 252,000 jobs last month with the unemployment rate dropping to 5.6%, its lowest since 2008.

*Construction spending was up 5.7% the first 11 months of 2014 vs. a year ago, following increases of 9% and 6% in 2012 and 2013, respectively.

*The National Federation of Independent Business small business optimism index rose 2.3 points to 100.4 in December, the highest level in more than eight years.

*U.S. wholesale prices fell 0.3% in December, the largest amount in more than three years, reflecting the biggest monthly decline in the cost of gasoline in six years.

*U.S. factory production rose 0.3% in December, its fourth straight gain, as manufacturers churned out more furniture, computers and clothing, offsetting a decline in autos.

*Single family housing starts, the largest part of the market, jumped 7.2% to a seasonally adjusted annual pace of 728,000 units in December, the highest level since March 2008.

*The Congressional Budget Office said that the U.S. budget deficit will decline slightly to \$468 billion this fiscal year from \$483 billion last year.

*The Conference Board's consumer-confidence index rose from 93.1 in December to 102.9 in January, its highest level since August 2007.

THE NOT SO GOOD

* The International Monetary Fund lowered its forecast for global economic growth by 0.3 percentage points to 3.5% for 2015 and 3.7% for 2016.

*The Commerce Department reported that retail sales fell 0.9% in December, the biggest decline since last January and exceeded economists' expectations for only a 0.1% drop.

* Financial data firm Markit said its preliminary U.S. Manufacturing Purchasing Managers Index fell to 53.7 in January, matching the 2014 low last January.

*For all of 2014, existing home sales fell 3.1% to 4.93 million, the first annual drop in 4 years.

*The Commerce Dept. reported that non-defense capital goods orders excluding aircraft, a closely watched proxy for business depending plans, fell 0.6% in December after a downwardly revised 0.6% drop in November.

NON-U.S. MARKETS

The European Central Bank launched its most aggressive effort to date to revive the region's ailing economy – a program to buy €1.1 trillion in government and private bonds starting in March.

The European Commission's economic confidence index for the overall Eurozone rose 0.6 point in January to 101.2, the highest since July. However, the index remained well within the narrow range of roughly 100 to

102.5 that has prevailed since the end of 2013, suggesting that any sense that confidence is improving across the Eurozone is highly tentative at this point.

It appears that the Greek debt crisis could be pushed to new and disturbing levels of brinkmanship with reports coming from Germany that the two sides are “as far apart as ever” and from Greece that Athens is no longer open to taking orders from the Troika.

Bank reserves in Japan continue to grow rapidly, reflecting the ongoing bank of Japan asset purchase program. The monetary base rose 37.4% year-over-year in January, down slightly from 38.2% in December. Bank notes rose 3.5%, coins 0.7% and reserve balances 66.7%.

China's GDP growth for the fourth quarter posted at 7.3% year-over-year, unchanged from Q3. This put growth at 7.4% for 2014 overall, down from 7.7% in 2013. This left 2014 as China's weakest year of growth in over two decades. China is expected to continue its gradual slowdown with GDP coming in around a projected 7.0% in 2015.

Russia's central bank surprised by cutting administered rates 2.00 points to 15.00%. This sent the already struggling ruble to new lows. The Bank's previous rate move was a 6.50% hike just last month.

Non-U.S. equities posted mixed returns in January. The MSCI ACWI Ex-U.S. was down -0.13% (US dollars) for the month. International Developed stocks (EAFE) were up +0.5% and Emerging Markets stocks were up +0.6% in January.

CONCLUSION

January provided no shortage of headlines for the financial markets. Oil collapses, currency shocks, and the ECB initiates a substantial easing program.

Commodity prices, and especially oil, have fallen, dramatically on expanding supply and serious disappointments in global growth. Unlike the quick rebound in prices after the Great Recession, oil may remain soft for some time, increasing dividing lines between winners and losers – of which there will be many. Note that commodity prices were high for so long that the assumption of high prices had seriously distorted economic and financial bets for years, and will now have to be reset.

The significant expansive programs in the euro area and accommodative postures in Japan will be combined with the beginnings of tighter monetary policy in the U.S. and a weaker growth trajectory in China; such a mix may lead to greater volatility in equity, credit and exchange markets, with swings between optimism and bearish sentiment.

At the moment, sovereign bonds yields for many advanced economies are falling to new lows and are increasingly negative at the shorter end of the yield curve. Deflation fears, massive central bank purchase programs and new reduced growth outlooks are responsible. All these cross currents make for a very complex outlook.

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Jan-15	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	-2.78	-0.43	-2.78	12.99	17.70	17.43	15.83	8.07	7.93
Russell TOP 200 Index	-3.28	-1.15	-3.28	13.80	17.63	17.26	15.11	7.33	7.25
Russell TOP 200 Growth Index	-1.46	0.20	-1.46	15.58	19.75	17.45	16.20	9.43	8.46
Russell TOP 200 Value Index	-5.11	-2.52	-5.11	12.00	15.54	17.05	14.01	5.19	6.02
S&P 500 Index	-3.00	-0.64	-3.00	14.22	17.81	17.47	15.60	7.75	7.61
Russell 1000 Index	-2.75	-0.43	-2.75	13.76	17.92	17.62	15.84	8.01	7.93
Russell 1000 Growth Index	-1.53	0.53	-1.53	14.59	19.37	17.35	16.49	9.43	8.69
Russell 1000 Value Index	-4.00	-1.43	-4.00	12.93	16.42	17.79	15.14	6.45	7.06
Russell Mid-Cap Index	-1.56	1.17	-1.56	13.66	18.57	18.42	17.62	9.72	9.67
Russell Mid-Cap Growth Index	-1.68	1.26	-1.68	12.46	18.60	17.26	17.49	9.62	9.54
Russell Mid-Cap Value Index	-1.43	1.08	-1.43	15.05	18.54	19.47	17.74	9.64	9.53
Russell 2000 Index	-3.22	-0.37	-3.22	4.41	15.17	15.27	15.66	8.77	7.87
Russell 2000 Value Index	-4.16	-2.00	-4.16	3.90	12.61	14.15	13.97	7.58	6.86
Russell 2000 Growth Index	-2.28	1.26	-2.28	5.01	17.79	16.39	17.33	9.87	8.79
DJ US REIT Index	6.69	10.90	6.69	35.34	17.42	16.19	19.92	9.06	9.84
DJ-UBS US Commodity Index TR	-4.96	-14.34	-4.96	-20.02	-15.81	-11.18	-4.74	-8.57	-2.29
DJ-UBS US Gold Index TR	6.49	9.03	6.49	2.91	-12.59	-10.21	2.78	3.96	10.79

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Jan-15	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	-0.13	-2.99	-0.13	1.01	3.57	7.06	5.91	1.27	5.76
MSCI AC World Index	-1.54	-1.74	-1.54	7.36	10.28	11.98	10.37	4.31	6.71
MSCI EAFE Index	0.50	-1.63	0.50	0.01	6.02	9.82	6.87	1.47	5.16
MSCI Emerging Markets index	0.61	-4.99	0.61	5.61	-2.42	0.94	3.41	0.96	8.81
ML Global Government Bond Ex. U.S. Index	-0.17	-2.72	-0.17	-6.05	-5.08	-5.57	0.12	1.91	2.48
Euro	-6.74	-9.93	-6.74	-16.32	-8.82	-4.83	-4.08	-3.81	-1.43
Japanese Yen	2.07	-4.56	2.07	-13.18	-11.86	-13.41	-5.05	-1.41	-1.26
UK Pound Sterling	-3.68	-6.12	-3.68	-8.61	-2.67	-1.64	-1.29	-3.93	-2.25

US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Jan-15	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	0.00	0.03	0.06	0.07	0.09	0.31	1.53
BarCap Aggregate Bond Index	2.10	2.92	2.10	6.61	3.32	3.07	4.57	4.83	4.86
ML U.S. Corp/Govt Master Index	2.72	3.60	2.72	7.67	3.60	3.45	5.02	4.93	4.94
ML U.S. Corporate Master Index	2.74	3.25	2.74	8.52	4.71	5.54	6.76	6.56	5.72
BarCap Mortgage Backed Securities Index	0.85	1.67	0.85	5.33	2.96	2.52	3.63	4.54	4.78
ML U.S. High Yield Master Index	0.68	-1.51	0.68	2.39	4.54	7.53	8.69	8.76	7.62
JPM EMBI Global	0.34	-2.92	0.34	6.97	0.17	4.83	7.26	7.07	7.65

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 6.2

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer



SUBJECT: Quarterly Investment Performance Report for the Period Ending December 31, 2014

Staff Recommendation

Review Strategic Investment Solutions' Quarterly Performance Report for the period ending December 31, 2014.

Discussion

The net 4th quarter total return for the SamCERA portfolio was +1.6%, which was 10 bps lower than the +1.7% policy benchmark return. As can be seen on Pages 10 and 11, outperformance in our Alternatives composite (driven mostly by our Hedge Fund (Absolute Return) sub-composite) was offset by underperformance in our Risk Parity and Fixed Income composites.

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

Attachment

SIS Quarterly Performance Report Ending 12/31/2014

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT PERFORMANCE REPORT

FOURTH QUARTER 2014



INVESTMENT PERFORMANCE ANALYSIS

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- Although volatility picked up, the S&P 500 rose 4.9% during the fourth quarter, driven by more dovish Fed commentary, gains in the labor market, and strong retail sales.
- Small cap equities outperformed in the US as the Russell 2000 index rose 9.7% in the fourth quarter.
- The decision by OPEC to not cut production led to sharp declines in the price of oil. Consequently, the Russell 3000 energy sector fell 12.9% in the fourth quarter.
- The euro fell 4.2% versus the dollar during the fourth quarter as monetary policy divergence and expectations of more unconventional easing by the ECB continued.
- With increased geopolitical risk and fears of Eurozone deflation, the Treasury curve flattened as 1- through 3-year rates rose while 5- through 30-year rates declined.
- The MSCI Emerging Markets Net Return Index fell 4.5% during the fourth quarter as the sharp decline in the price of oil and geopolitical tensions led to fears of contagion.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. With confidence declining among North American and European institutions, the Global ICI fell 11.8points during the quarter to 112.1, remaining above the neutral level of 100.
- For the period ending 12/31/14, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), were 14.2% and 2.63%; one year, 30.14% and 11.26%; three years, 16.33% and 11.08%; and five years, 16.88% and 10.99%.
- With the drop in oil prices, US consumers are expected to spend the savings, which should benefit the retail real estate sector. However, if energy companies stop spending and start cutting jobs, areas around Dallas and Houston, could be negatively impacted as consumers cut back.
- Searching for yield, many real estate investors are investing in riskier assets and accepting lower returns and longer periods of illiquidity.

- The Total Fund, net of manager fees, returned 1.6% in the fourth quarter of 2014 and ranked 34th among other public plans great than \$1 billion (median of 0.8%). It lagged the policy index return of 1.7%. The Total Fund w/o Overlay was 1.5% for the quarter. The Parametric Overlay strategy was funded August 2013. The one year return of 5.5% was behind the policy index return of 5.9% and ranked in 38th percentile of its peer universe. The three-year return of 12.0% (27th percentile) was above median among large public plans (10.9%).
- Fourth quarter results were enhanced by the following factors:
 1. Hedge fund strategy AQR DELTA XN beat the LIBOR +4% (6.1% vs. 1.0%). It ranked in the top quartile among other hedge fund multi-strategy accounts (median of 0.3%). The managed futures (3.0%), dedicated short bias (1.8%) and equity market neutral (1.3%) strategies were AQR's largest contributors.
 2. Baillie Gifford led its benchmark, the MSCI ACWI ex US (-1.1% vs. -3.8%). It ranked in the second quartile among ACWI ex US growth equity managers (median of -1.1%). Owning Japanese Shimano and Rakuten and German Naspers were contributors to the fourthquarter.
 3. The Pyramis Select International Small Cap Plus quarterly portfolio result of -2.2% was above the MSCI ACWI ex US Small Cap (-3.9%), and ranked in the 54th percentile among ACWI ex US small cap managers. Holdings in China and Taiwan lifted performance. Industrials (no Royal Imtech) and Info Tech (Constellation Software) two of the primary sector contributors.
 4. Commodity manager SSgA Multisource led its benchmark, Bloomberg Commodity Index (-10.8% vs. -12.1%). The S&P GSCI quarterly return was -27.7%.
 5. Mondrian returned -4.4%, beat the MSCI ACWI ex US Value (-5.4%) and ranked in the 59th percentile among its ACWI ex US Value equity peers (-4.0% median). Performance results were aided by stock selection in the Netherlands, Switzerland and emerging markets, as well as underweight positions in the Canadian and Norwegian equity markets.
 6. The Treasury and LAIF account was up 0.3%, during the quarter. The 91-Day T-Bill returned 0.0% during the same time period.
 7. The BlackRock S&P 500 Index Fund (5.0%) edged out its benchmark (4.9%) and ranked above the large cap core median of 4.6%.

8. The Invesco Core Real Estate-USA Fund returned 3.4% for the quarter and above par with the NCREIF ODCE Index (3.3%). During the quarter, office led the way generating a 2.57% unlevered, property-level return, followed by industrial (1.85%), apartment (1.57%) and retail (1.47%).
 9. Brown Advisory outpaced the Russell 1000 Growth Index (4.9% vs. 4.8%) and ranked in the second quartile among large cap growth managers (median of 4.6%). Select Info Tech (Visa, NetSuite) and Consumer Staples (Whole Foods Market, Costco Wholesale) stocks helped performance.
 10. In its first full quarter, risk parity manager PanAgora beat its benchmark, the blended 60% Russell 3000/ 40% Barclays Aggregate Index (4.0% vs. 3.9%).
 11. The BlackRock EAFE Index Fund (-3.6%) matched its benchmark and ranked just below the EAFE core equity median of -2.9%.
 12. The Angelo Gordon STAR Fund appreciated 1.8% (preliminary quarterly return) while the Barclays Aggregate was up 1.8%.
- Fourth quarter results were hindered by the following factors:
 1. AQR Global Risk Enhanced Liquidity was down 1.7% while the blended 60% Russell 3000/ 40% Barclays Aggregate Index was up 3.9%. Fourth quarter gross return attribution is as follows: equity (0.5%), nominal interest rates (3.0%), inflation (-4.8%) and credit/default (-0.3%) risk.
 2. Parametric (formerly known as Eaton Vance) trailed the MSCI Emerging Markets Index (-8.5% vs. -4.4%) and ranked behind its peer median (-3.9%). Key detractors to quarterly performance were its overweight to Russia and underweight to China and Taiwan.
 3. The opportunistic credit high yield manager, Brigade Capital, lagged its benchmark, the Barclays BAA Intermediate High Yield Index (-3.1% vs. 0.8%). The median high yield quarterly return was -1.1%. Its high yield bond and distressed positions were the primary detractors to performance.
 4. Chartwell added less value, 6.8%, than the Russell 2000 Growth Index, 10.1%. Chartwell ranked in 70th percentile among small cap growth managers (median of 8.7%). Negative attributes include stock selection the Healthcare (Wright Medical Group, Icon) and Info Tech (NetScout Systems) sectors and weak intra-quarter trading.

5. The Angelo Gordon Opportunities strategy, valued at one-quarter lag, returned -0.5%. The Barclays Aggregate Index was up 1.8%.
6. The Boston Company returned 7.5%, versus 9.4% for the Russell 2000 Value Index, and ranked in the 49th percentile among its small cap value peers (median 7.3%). Negative performance alpha was mainly derived from its Materials (Allied Nevada Gold, TimkenSteel) and Info Tech (NetScout Systems, Universal Display) stock selection.
7. DE Shaw's return of 3.7% ranked in the bottom quartile among large cap core equity managers (4.7% median), and was behind its benchmark, the Russell 1000 Index (4.9%). During the fourth quarter, Shaw's portfolio was converted to a 130/30 strategy.
8. Franklin Templeton depreciated 2.2% and ranked in the bottom quartile among global bond managers (median of -0.9%). The Barclays Multiverse Index was down 1.2%. Franklin's defensive approach to interest rates and overweighted credit exposure to high yield and sub investment-grade sovereigns stalled results.
9. Brown Brothers Harriman dropped 0.8%, was outpaced by the Barclays US TIPS Index (0.0%) and ranked in the third quartile among inflation linked bond accounts (median of -0.2%). During the quarter, exposure was reduced in shorter maturities.
10. Barrow Hanley's return of 4.4% was behind the Russell 1000 Value Index (5.0%) and ranked in the second quartile among large cap value equity managers (median of 4.4%). Performance was dampened by its significant underweight to Utilities and its portfolio turnover.
11. Western Asset Management's quarter was below par. It carried a return of 1.3% and ranked below the core bond manager median of 1.5%. The Barclays Aggregate Index returned 1.8%. Its high yield, emerging markets and limited TIPS exposure created negative performance alpha.
12. In its first full quarter, private real asset manager, Taurus Mining fell behind its benchmark, the CPI +5% Index (0.4% vs. 0.6%).
13. The Pyramis Broad Market Duration Fund added 1.7% to its value and ranked in the 29th percentile among core bond managers (median of 1.5%). The Barclays Aggregate Index was up 1.8% for the quarter. An overweight to the corporates (financials) and underweight to MBS were deductive to relative performance.
14. Private Equity investments appreciated 5.9% for the quarter. The Russell 3000 +3% Index was up 6.0%.

San Mateo County Employees' Retirement Association

Performance Summary (Net of Fees)

Periods Ending December 31, 2014

	3 Mo (%)	Rank *	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
Total Fund **	1.6	34	-0.1	41	5.5	38	11.3	28	12.0	27	9.6	32	5.6	70
<i>Policy Index</i> ¹	1.7	28	0.1	33	5.9	27	11.8	19	12.2	18	10.2	12	6.7	17
<i>Allocation Index</i>	1.7	28	0.1	33	5.7	30	11.7	21	--	--	--	--	--	--
<i>InvestorForce Public DB > \$1B Net Median</i>	0.8		-0.3		5.2		10.2		10.9		9.2		6.1	
Total Fund ex Overlay	1.5	36	-0.1	40	5.6	37	11.3	29	11.9	27	9.6	33	5.6	70
<i>Policy Index</i> ¹	1.7	28	0.1	33	5.9	27	11.8	19	12.2	18	10.2	12	6.7	17
<i>Allocation Index</i>	1.7	28	0.1	33	5.7	30	11.7	21	--	--	--	--	--	--
<i>InvestorForce Public DB > \$1B Net Median</i>	0.8		-0.3		5.2		10.2		10.9		9.2		6.1	
Total Equity	1.9	61	-0.8	66	4.9	63	16.2	52	15.9	58	11.1	68	5.8	84
<i>Blended Equity Index</i> ²	1.9	61	-0.9	68	5.4	54	16.1	54	16.3	51	11.8	49	6.9	32
<i>InvestorForce All DB Total Eq Net Median</i>	2.3		0.0		5.6		16.3		16.3		11.7		6.5	
US Equity	5.1	65	4.2	63	9.7	70	21.5	65	19.6	63	14.8	71	6.7	90
<i>80% R1000/ 20% R2000</i> ²	5.9	24	4.8	41	11.6	30	22.4	33	20.4	29	15.7	27	8.0	33
<i>InvestorForce All DB US Eq Net Median</i>	5.3		4.6		10.7		22.0		19.8		15.2		7.7	
Large Cap Equity	4.7	--	5.3	--	11.5	--	22.0	--	19.9	--	14.5	--	7.0	--
<i>Russell 1000</i>	4.9	--	5.6	--	13.2	--	22.8	--	20.6	--	15.6	--	8.0	--
<i>Barrow Hanley</i>	4.4	49	3.6	59	8.7	84	22.7	44	20.2	41	15.2	36	--	--
<i>Russell 1000 Value</i>	5.0	32	4.8	35	13.5	24	22.6	45	20.9	35	15.4	31	7.3	68
<i>eA US Large Cap Value Equity Net Median</i>	4.4		4.0		11.3		21.8		19.5		14.5		7.9	
<i>BlackRock S&P 500 Index</i>	5.0	40	6.1	30	13.7	24	--	--	--	--	--	--	--	--
<i>S&P 500</i>	4.9	41	6.1	30	13.7	24	22.7	43	20.4	38	15.5	33	7.7	64
<i>eA US Large Cap Equity Net Median</i>	4.6		4.9		11.6		21.9		19.7		14.7		8.0	
<i>Brown Advisory</i>	4.9	44	4.7	68	6.7	89	--	--	--	--	--	--	--	--
<i>Russell 1000 Growth</i>	4.8	46	6.3	40	13.0	28	22.8	38	20.3	44	15.8	30	8.5	42
<i>eA US Large Cap Growth Equity Net Median</i>	4.6		5.8		11.1		21.9		19.8		14.8		8.2	

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

** Includes Parametric 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% Bloomberg Commodity/ 2% CPI +5%

2. See Appendix for Benchmark History.

San Mateo County Employees' Retirement Association

Performance Summary (Net of Fees)

Periods Ending December 31, 2014

	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
DE Shaw ⁺	3.7	76	5.0	53	11.5	64	22.3	44	21.1	22	15.4	36	--	--
<i>Russell 1000</i>	4.9	49	5.6	41	13.2	39	22.8	40	20.6	29	15.6	29	8.0	62
<i>eA US Large Cap Core Equity Net Median</i>	4.7		5.0		12.5		21.9		19.6		14.8		8.2	
Small Cap Equity	7.1	--	-0.3	--	2.6	--	19.6	--	18.3	--	16.2	--	5.5	--
<i>Russell 2000</i>	9.7	--	1.7	--	4.9	--	20.7	--	19.2	--	15.5	--	7.8	--
The Boston Co	7.5	49	-0.5	56	2.5	72	18.3	66	18.4	57	14.2	63	--	--
<i>Russell 2000 Value</i>	9.4	18	0.0	48	4.2	58	18.4	66	18.3	58	14.3	63	6.9	85
<i>eA US Small Cap Value Equity Net Median</i>	7.3		-0.1		5.0		20.3		18.8		15.3		8.3	
Chartwell	6.8	70	0.1	71	2.9	49	20.6	61	19.3	45	18.0	24	8.3	58
<i>Russell 2000 Growth</i>	10.1	25	3.3	43	5.6	29	23.0	38	20.1	37	16.8	50	8.5	57
<i>eA US Small Cap Growth Equity Net Median</i>	8.7		2.8		2.8		22.2		18.9		16.8		8.9	
International Equity	-3.5	54	-9.1	69	-3.1	36	6.4	46	9.0	76	3.8	80	4.4	63
<i>MSCI ACWI ex US IMI</i> ²	-3.8	64	-9.0	67	-3.5	44	5.7	58	9.5	64	4.9	58	5.6	34
<i>MSCI EAFE Gross</i>	-3.5	55	-9.2	71	-4.5	68	8.5	23	11.6	26	5.8	36	4.9	50
<i>InvestorForce All DB ex-US Eq Net Median</i>	-3.4		-8.4		-3.7		6.1		10.0		5.2		4.9	
Developed Markets	-2.9	53	-8.9	74	-2.9	36	7.5	56	9.7	74	4.2	77	4.6	55
<i>MSCI ACWI ex USA Gross</i>	-3.8	71	-8.8	71	-3.4	48	5.7	77	9.5	78	4.9	65	5.6	22
<i>InvestorForce All DB Dev Mkt ex-US Eq Net Median</i>	-2.8		-8.0		-3.5		7.8		10.7		5.3		4.7	
Baillie Gifford	-1.1	49	-7.3	63	-2.4	46	9.2	35	--	--	--	--	--	--
<i>MSCI ACWI ex US</i> ²	-3.8	99	-8.8	91	-3.4	51	9.1	35	--	--	--	--	--	--
<i>MSCI ACWI ex US Growth</i> ²	-2.3	77	-7.0	60	-2.3	45	9.6	33	--	--	--	--	--	--
<i>eA ACWI ex-US Growth Equity Net Median</i>	-1.1		-6.0		-3.4		8.2		11.2		7.1		6.5	
BlackRock EAFE Index	-3.6	69	-9.2	66	-4.7	61	--	--	--	--	--	--	--	--
<i>MSCI EAFE</i>	-3.6	68	-9.2	66	-4.9	62	8.1	64	11.1	71	5.3	81	4.4	84
<i>MSCI EAFE Gross</i>	-3.5	68	-9.2	64	-4.5	57	8.5	59	11.6	61	5.8	73	4.9	48
<i>eA EAFE Core Equity Net Median</i>	-2.9		-8.6		-3.9		9.7		12.9		6.8		4.8	

+ DE Shaw changed strategy from Large Cap to 130/30 strategy in December 2014.

2. See Appendix for Benchmark History.

San Mateo County Employees' Retirement Association

Performance Summary (Net of Fees)

Periods Ending December 31, 2014

	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
Mondrian	-4.4	59	-10.1	46	-1.7	25	6.9	43	8.3	79	4.9	56	5.4	54
<i>MSCI ACWI ex USA Value Gross</i>	-5.4	73	-10.6	63	-4.6	46	5.0	68	9.1	57	4.2	85	5.4	54
<i>MSCI ACWI ex USA Gross</i>	-3.8	48	-8.8	30	-3.4	43	5.7	62	9.5	55	4.9	56	5.6	49
<i>eA ACWI ex-US Value Equity Net Median</i>	-4.0		-10.2		-4.8		6.0		9.8		5.6		5.5	
Pyramis Equity	-2.2	54	-9.2	63	-4.0	72	6.0	99	--	--	--	--	--	--
<i>MSCI ACWI ex US Small Cap Gross</i>	-3.9	72	-10.4	69	-3.7	69	7.6	92	11.2	99	7.2	99	7.2	99
<i>eA ACWI ex-US Small Cap Equity Net Median</i>	-1.7		-8.2		-3.0		11.9		15.4		10.4		8.9	
Emerging Markets	-8.6	99	-10.7	99	-4.5	86	-1.6	25	--	--	--	--	--	--
<i>MSCI Emerging Markets Gross</i>	-4.4	38	-7.6	34	-1.8	39	-2.0	41	4.4	51	2.1	57	8.8	7
<i>InvestorForce All DB Emg Mkt Eq Net Median</i>	-5.3		-8.6		-2.5		-2.5		4.4		2.4		8.1	
Parametric*	-8.5	95	-10.6	88	-4.3	78	-1.6	64	--	--	--	--	--	--
<i>MSCI Emerging Markets Gross</i>	-4.4	59	-7.6	62	-1.8	58	-2.0	68	4.4	67	2.1	67	8.8	68
<i>eA Emg Mkts Equity Net Median</i>	-3.9		-6.9		-0.8		-0.2		5.6		3.5		9.7	
Total Fixed Income**	0.1	79	-0.4	75	4.5	52	2.6	34	5.7	22	6.7	31	5.2	61
<i>Blended Fixed Index²</i>	0.8	51	-0.3	74	4.3	54	0.6	89	2.3	87	4.4	79	4.7	75
<i>InvestorForce All DB Total Fix Inc Net Median</i>	0.8		0.7		4.5		1.8		4.2		5.4		5.5	
US Fixed Income	0.6	79	0.2	80	5.4	46	2.5	44	5.1	35	6.6	31	5.2	53
<i>Blended US Fixed Index²</i>	1.3	43	0.6	69	5.2	48	0.9	88	2.6	79	4.7	70	4.8	63
<i>InvestorForce All DB US Fix Inc Net Median</i>	1.1		1.0		5.0		2.3		4.2		5.6		5.3	
Core Fixed	1.5	--	1.6	--	6.5	--	2.5	--	4.1	--	--	--	--	--
<i>Barclays Aggregate</i>	1.8	--	2.0	--	6.0	--	1.9	--	2.7	--	4.4	--	4.7	--
Pyramis Bond	1.7	29	1.9	32	6.3	23	2.4	22	3.7	26	5.5	17	--	--
Western Asset	1.3	78	1.3	74	6.6	16	2.6	14	4.6	9	6.4	8	5.3	23
<i>Barclays Aggregate</i>	1.8	15	2.0	20	6.0	33	1.9	47	2.7	76	4.4	73	4.7	68
<i>eA US Core Fixed Inc Net Median</i>	1.5		1.6		5.6		1.9		3.2		4.8		4.9	
TIPS	-0.8	--	-2.9	--	1.2	--	-3.8	--	-0.1	--	--	--	--	--
<i>Barclays US TIPS</i>	0.0	--	-2.1	--	3.6	--	-2.7	--	0.4	--	4.1	--	4.4	--

* Name change from Parametric Clifton in December 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.

San Mateo County Employees' Retirement Association

Performance Summary (Net of Fees)

Periods Ending December 31, 2014

	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
Brown Brothers Harriman	-0.8	72	-2.9	65	1.2	75	-3.8	96	-0.1	96	--	--	--	--
Barclays US TIPS	0.0	32	-2.1	36	3.6	37	-2.7	52	0.4	40	4.1	37	4.4	41
eA TIPS / Infl Indexed Fixed Inc Net Median	-0.2		-2.2		3.3		-2.6		0.4		4.0		4.3	
Opportunistic Credit	-1.0	--	-1.6	--	5.5	--	8.4	--	13.5	--	--	--	--	--
Barclays BA Intermediate HY	0.8	--	-0.7	--	4.5	--	1.2	--	4.4	--	6.5	--	--	--
Angelo Gordon Opportunistic	-0.5	--	-2.9	--	--	--	--	--	--	--	--	--	--	--
Angelo Gordon STAR**	1.8	--	3.6	--	14.7	--	16.4	--	--	--	--	--	--	--
Barclays Aggregate	1.8	--	2.0	--	6.0	--	1.9	--	2.7	--	4.4	--	4.7	--
Brigade Capital	-3.1	89	-5.2	91	0.0	90	3.5	88	7.5	64	--	--	--	--
Barclays BA Intermediate HY ²	0.8	8	-0.7	9	4.5	9	1.2	99	4.4	98	6.5	92	--	--
50% Barclays HY/ 50% Bank Loan	-0.7	36	-1.8	28	2.3	45	4.5	53	7.1	75	--	--	--	--
eA US High Yield Fixed Inc Net Median	-1.1		-2.9		1.9		4.6		8.0		8.7		7.1	
Global Fixed Income	-2.2	81	-3.0	46	0.4	62	2.2	22	8.0	1	--	--	--	--
Barclays Multi-verse	-1.2	34	-4.3	74	0.5	62	-0.9	69	1.0	89	2.9	91	3.7	95
InvestorForce All DB Gbl Fix Inc Net Median	-1.6		-3.2		1.8		1.2		4.9		5.0		4.9	
Franklin Templeton ⁺	-2.2	80	-3.0	51	0.1	82	2.1	42	7.9	12	--	--	--	--
Barclays Multi-verse	-1.2	60	-4.3	71	0.5	78	-0.9	75	1.0	80	2.9	77	3.7	76
eA All Global Fixed Inc Net Median	-0.9		-3.0		2.3		1.6		4.4		4.9		4.9	
Alternatives	1.7	--	1.9	--	5.5	--	3.7	--	6.4	--	--	--	--	--
Alternatives Allocation Index ²	-0.3	--	-2.5	--	2.9	--	7.6	--	7.5	--	--	--	--	--
Blended Alternatives Index	0.5	--	-0.8	--	4.9	--	11.4	--	11.5	--	--	--	--	--
Private Equity	5.9	3	9.3	5	15.5	26	15.4	20	15.6	10	--	--	--	--
Russell 3000 +3%	6.0	3	7.2	11	15.6	26	25.6	1	23.5	1	18.6	1	11.0	35
InvestorForce All DB Private Eq Net Median	0.0		3.4		10.5		12.4		11.1		11.3		9.2	
Hedge Fund	6.1	1	9.7	1	9.8	2	8.3	36	7.2	58	--	--	--	--
Libor 1 month +4%	1.0	31	2.1	20	4.2	39	4.2	95	4.2	95	4.2	75	--	--
InvestorForce All DB Hedge Funds Net Median	0.5		0.4		3.5		7.6		7.6		5.2		4.3	

* Funded April 2014. Return is one-quarter lag.

** Preliminary returns as of 12/31/14. (Fourth 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 (Net of Fees)

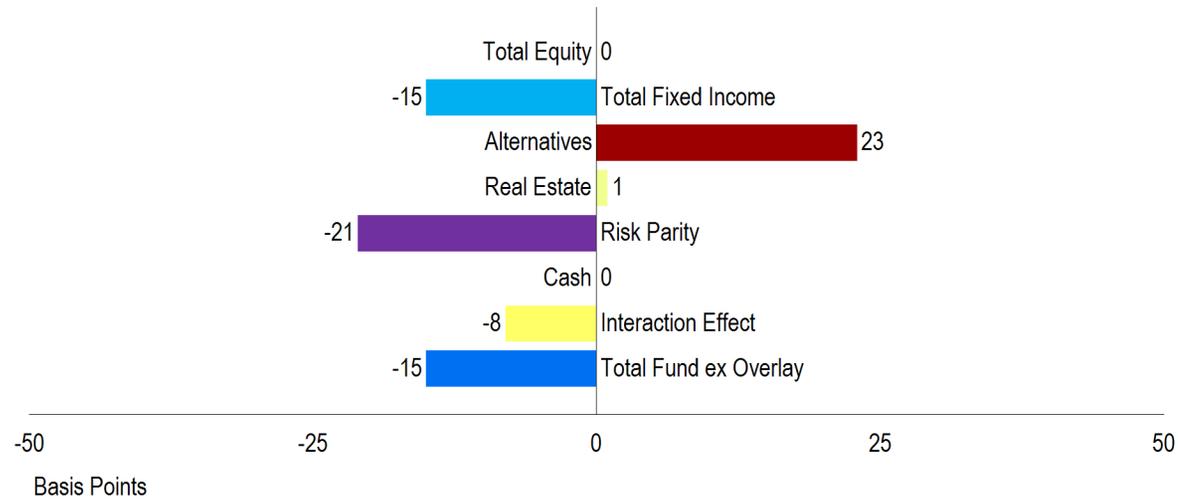
Periods Ending December 31, 2014

	3 Mo (%)	Rank	Fiscal YTD (%)	Rank	1 Yr (%)	Rank	2 Yrs (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
AQR DELTA XN	6.1	13	9.7	10	9.8	21	8.3	41	7.2	52	--	--	--	--
Libor 1 month +4%	1.0	42	2.1	38	4.2	48	4.2	69	4.2	74	4.2	68	--	--
eV Alt All Multi-Strategy Median	0.3		0.5		3.5		6.8		7.3		6.3		6.7	
Commodity	-10.8	--	-19.0	--	-14.4	--	-10.4	--	-3.2	--	--	--	--	--
Bloomberg Commodity Index TR USD	-12.1	--	-22.5	--	-17.0	--	-13.3	--	-9.4	--	-5.5	--	-1.9	--
SSgA Multisource Commodity	-10.8	--	-19.0	--	-14.4	--	-10.4	--	-3.2	--	--	--	--	--
Bloomberg Commodity Index TR USD	-12.1	--	-22.5	--	-17.0	--	-13.3	--	-9.4	--	-5.5	--	-1.9	--
S&P Goldman Sachs Commodity	-27.7	--	-36.7	--	-33.1	--	-18.7	--	-12.9	--	--	--	--	--
Private Real Asset	0.4	--	--	--	--	--	--	--	--	--	--	--	--	--
CPI +5%	0.6	--	1.8	--	5.8	--	--	--	--	--	--	--	--	--
Taurus Mining *	0.4	--	--	--	--	--	--	--	--	--	--	--	--	--
CPI +5%	0.6	--	1.8	--	5.8	--	--	--	--	--	--	--	--	--
Real Estate	3.4	39	7.0	27	12.0	53	12.9	23	11.3	47	13.3	35	6.8	24
NCREIF ODCE	3.3	48	6.6	36	12.5	40	13.2	14	12.4	26	13.9	16	7.4	11
InvestorForce All DB Real Estate Net Median	3.2		5.7		12.1		11.8		11.2		12.7		5.8	
Invesco	3.4	--	7.0	--	12.0	--	12.9	--	11.3	--	13.3	--	6.8	--
NCREIF ODCE	3.3	--	6.6	--	12.5	--	13.2	--	12.4	--	13.9	--	7.4	--
Risk Parity +	1.1	--	-2.1	--	11.5	--	4.3	--	7.8	--	--	--	--	--
60/40 Russell 3000/Barclays Aggregate	3.9	--	3.9	--	10.0	--	14.0	--	13.2	--	11.3	--	7.0	--
AQR GPR EL	-1.7	--	-5.3	--	7.9	--	2.6	--	6.7	--	--	--	--	--
PanAgora **	4.0	--	--	--	--	--	--	--	--	--	--	--	--	--
60/40 Russell 3000/Barclays Aggregate	3.9	--	3.9	--	10.0	--	14.0	--	13.2	--	11.3	--	7.0	--
Cash	0.2	--	0.4	--	0.4	--	0.4	--	0.5	--	0.7	--	1.5	--
91 Day T-Bills	0.0	--	0.0	--	0.0	--	0.0	--	0.0	--	0.1	--	1.4	--
General Account	0.3	--	0.5	--	0.6	--	0.3	--	0.3	--	0.3	--	1.8	--
Treasury & LAIF	0.3	--	0.3	--	0.9	--	0.7	--	0.8	--	0.9	--	1.4	--
91 Day T-Bills	0.0	--	0.0	--	0.0	--	0.0	--	0.0	--	0.1	--	1.4	--

* Funded August 2014.

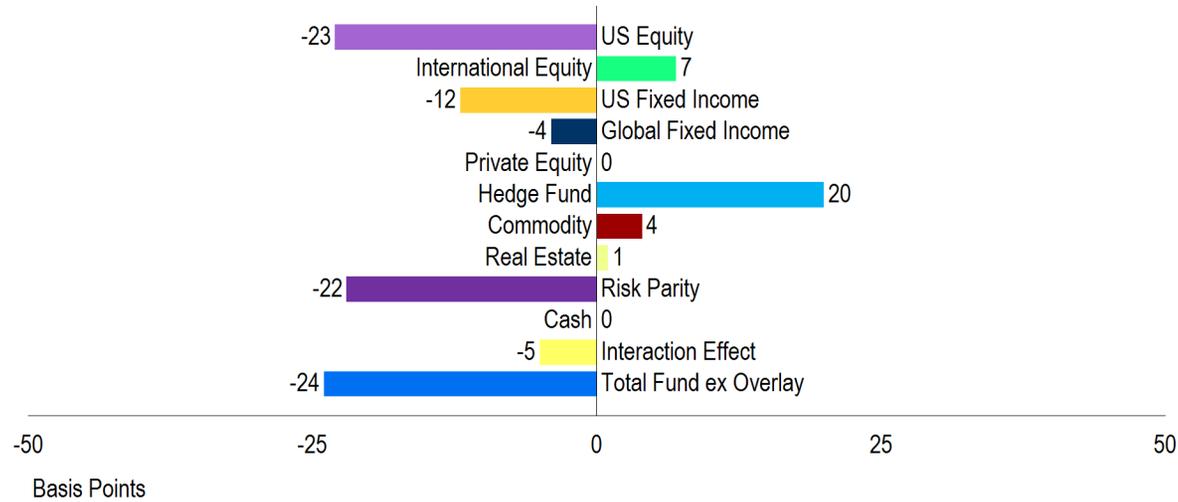
**Funded July 2014.

+ Removed from Alternatives composite to its own asset class in January 2014.



	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
Total Equity	1.91%	1.92%	0.00%	0.00%	-0.01%	0.00%	-0.01%
Total Fixed Income	0.11%	0.81%	-0.70%	-0.15%	0.03%	0.02%	-0.10%
Alternatives	1.70%	0.55%	1.15%	0.23%	0.11%	-0.10%	0.24%
Real Estate	3.44%	3.25%	0.19%	0.01%	-0.01%	0.00%	0.01%
Risk Parity	1.12%	3.85%	-2.73%	-0.21%	0.00%	0.00%	-0.22%
Cash	0.19%	0.00%	0.19%	0.00%	-0.07%	0.00%	-0.06%
Total	1.50%	1.81%	-0.31%	-0.13%	0.06%	-0.08%	-0.15%

Attribution does not include the impact of the Parametric Overlay strategy.



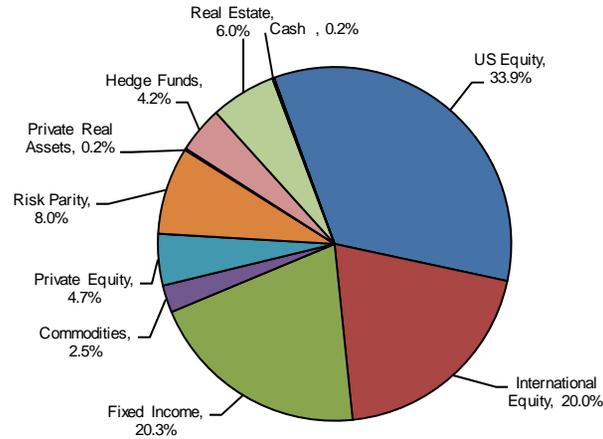
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	5.10%	5.86%	-0.76%	-0.23%	0.17%	-0.03%	-0.09%
International Equity	-3.51%	-3.82%	0.32%	0.07%	0.02%	0.00%	0.09%
US Fixed Income	0.56%	1.27%	-0.71%	-0.12%	0.00%	0.00%	-0.11%
Global Fixed Income	-2.20%	-1.16%	-1.04%	-0.04%	0.02%	0.01%	-0.01%
Private Equity	5.89%	5.99%	-0.10%	0.00%	-0.10%	-0.01%	-0.11%
Hedge Fund	6.11%	1.04%	5.06%	0.20%	0.00%	-0.01%	0.19%
Commodity	-10.81%	-12.10%	1.28%	0.04%	0.04%	-0.01%	0.08%
Real Estate	3.44%	3.25%	0.19%	0.01%	-0.01%	0.00%	0.01%
Risk Parity	1.12%	3.85%	-2.73%	-0.22%	0.00%	0.00%	-0.22%
Cash	0.19%	0.00%	0.19%	0.00%	-0.06%	0.00%	-0.06%
Total	1.49%	1.70%	-0.21%	-0.28%	0.09%	-0.05%	-0.24%

Attribution does not include the impact of the Parametric Overlay strategy.

Asset Allocation Analysis

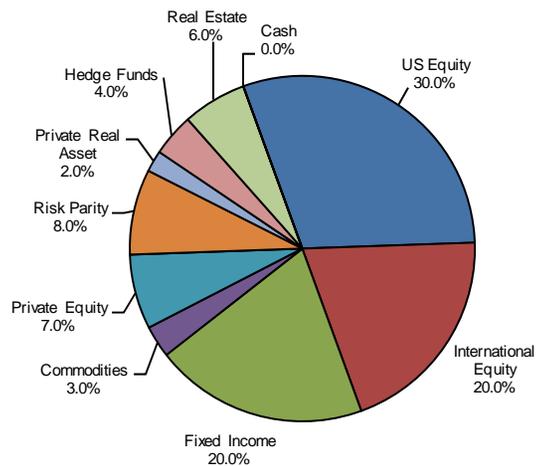
As of December 31, 2014

Current w/Overlay



ASSET ALLOCATION	MARKET VALUE	W/OVERLAY	W/O OVERLAY
US Equity	1,149,509,723	33.9%	34.9%
International Equity	636,009,474	20.0%	19.3%
Fixed Income	623,893,089	20.3%	19.0%
Commodities	82,273,574	2.5%	2.5%
Private Equity	155,184,515	4.7%	4.7%
Risk Parity	263,102,199	8.0%	8.0%
Private Real Assets	5,065,807	0.2%	0.2%
Hedge Funds	139,542,544	4.2%	4.2%
Real Estate	196,358,518	6.0%	6.0%
Cash	41,088,752	0.2%	1.2%
TOTAL	3,292,028,195	100.0%	100.0%

Target

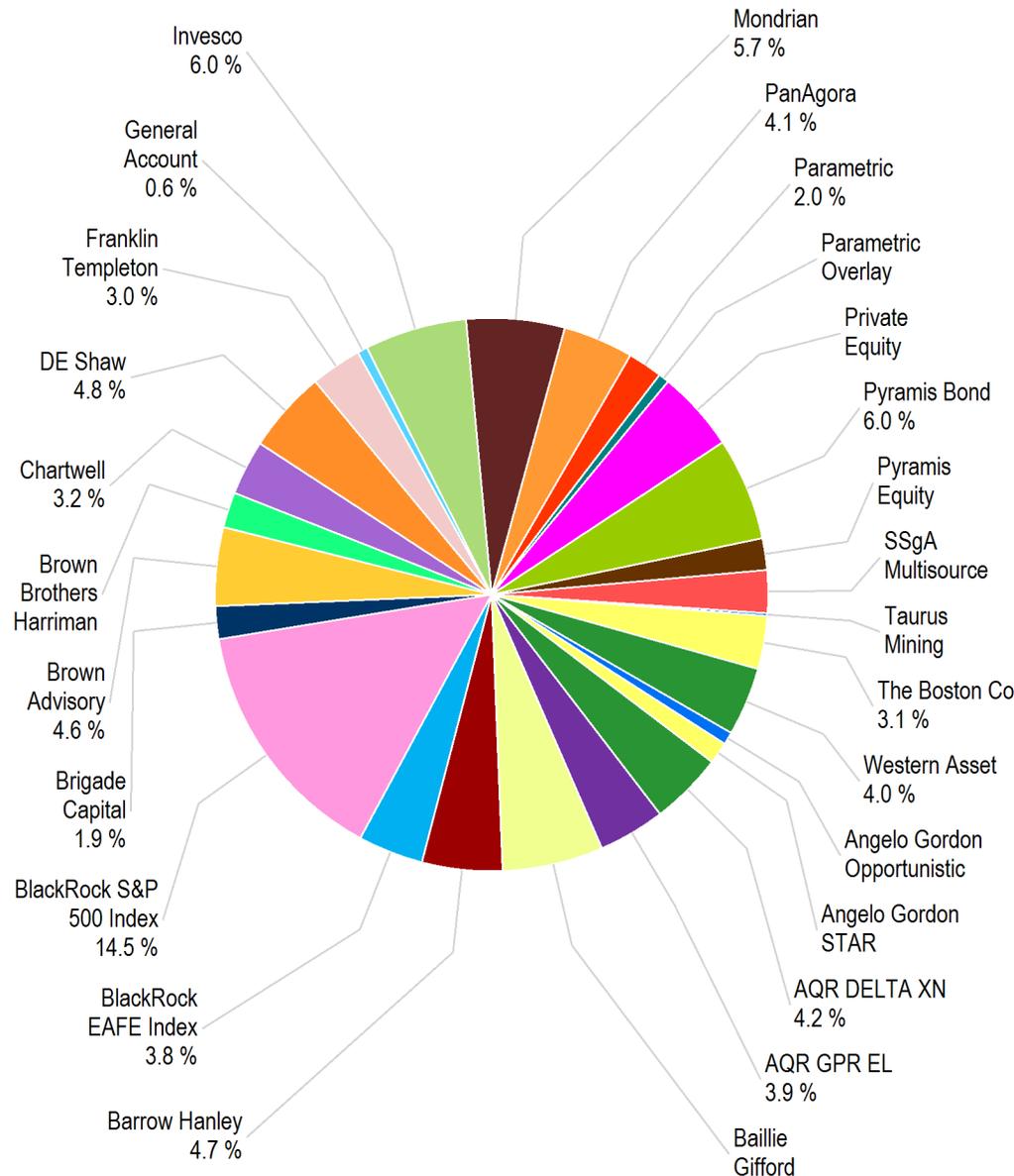


ASSET ALLOCATION	W/OVERLAY	TARGET	DIFF
US Equity	33.9%	30.0%	3.9%
International Equity	20.0%	20.0%	0.0%
Fixed Income	20.3%	20.0%	0.3%
Commodities	2.5%	3.0%	-0.5%
Private Equity	4.7%	7.0%	-2.3%
Risk Parity	8.0%	8.0%	0.0%
Private Real Asset	0.2%	2.0%	-1.8%
Hedge Funds	4.2%	4.0%	0.2%
Real Estate	6.0%	6.0%	0.0%
Cash	0.2%	0.0%	0.2%
TOTAL	100.0%	100.0%	0.0%

San Mateo County Employees' Retirement Association

Manager Allocation Analysis - Total Plan

As of December 31, 2014



	Actual \$	Actual %
Angelo Gordon Opportunistic	\$24,006,710	0.7%
Angelo Gordon PPIP	\$1	0.0%
Angelo Gordon STAR	\$41,947,173	1.3%
AQR DELTA XN	\$139,542,544	4.2%
AQR GPR EL	\$128,165,987	3.9%
Artio	\$2,808	0.0%
Baillie Gifford	\$193,950,862	5.9%
Barrow Hanley	\$154,394,058	4.7%
BlackRock EAFE Index	\$125,653,204	3.8%
BlackRock S&P 500 Index	\$478,486,890	14.5%
Brigade Capital	\$63,015,002	1.9%
Brown Advisory	\$151,199,415	4.6%
Brown Brothers Harriman	\$67,959,195	2.1%
Chartwell	\$105,533,219	3.2%
DE Shaw	\$157,827,765	4.8%
Franklin Templeton	\$97,711,515	3.0%
General Account	\$19,438,823	0.6%
Invesco	\$196,358,518	6.0%
Mondrian	\$188,974,947	5.7%
PanAgora	\$134,936,212	4.1%
Parametric	\$66,563,077	2.0%
Parametric Overlay	\$20,482,041	0.6%
Private Equity	\$155,184,515	4.7%
Pyramis Bond	\$197,652,860	6.0%
Pyramis Equity	\$60,864,576	1.8%
SSgA Multisource Commodity	\$82,273,574	2.5%
Taurus Mining	\$5,065,807	0.2%
The Boston Co	\$102,068,376	3.1%
Treasury & LAIF	\$1,167,888	0.0%
Western Asset	\$131,600,634	4.0%
Total	\$3,292,028,195	

Statistics Summary

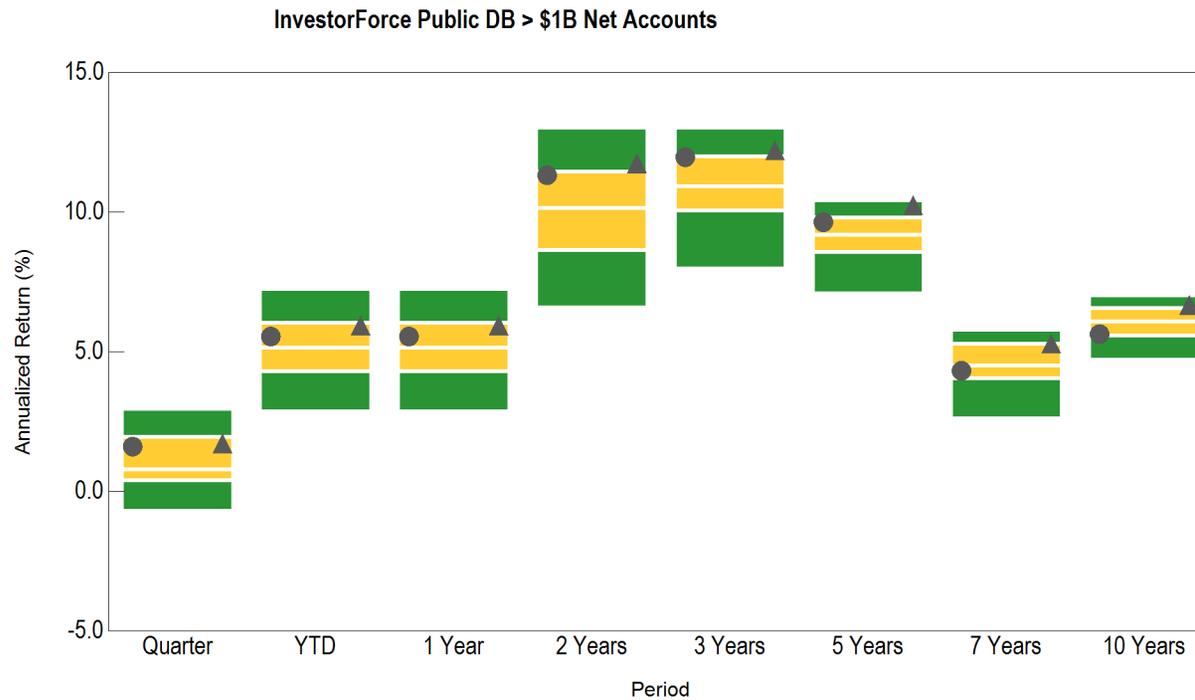
3 Years

	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	12.0%	27	6.8%	91	1.8	56	-0.4	33	0.7%	1
Policy Index	12.2%	18	6.9%	91	1.8	55	--	--	0.0%	1
InvestorForce Public DB > \$1B Net Median	10.9%	--	6.2%	--	1.8	--	-0.9	--	1.6%	--

Statistics Summary

5 Years

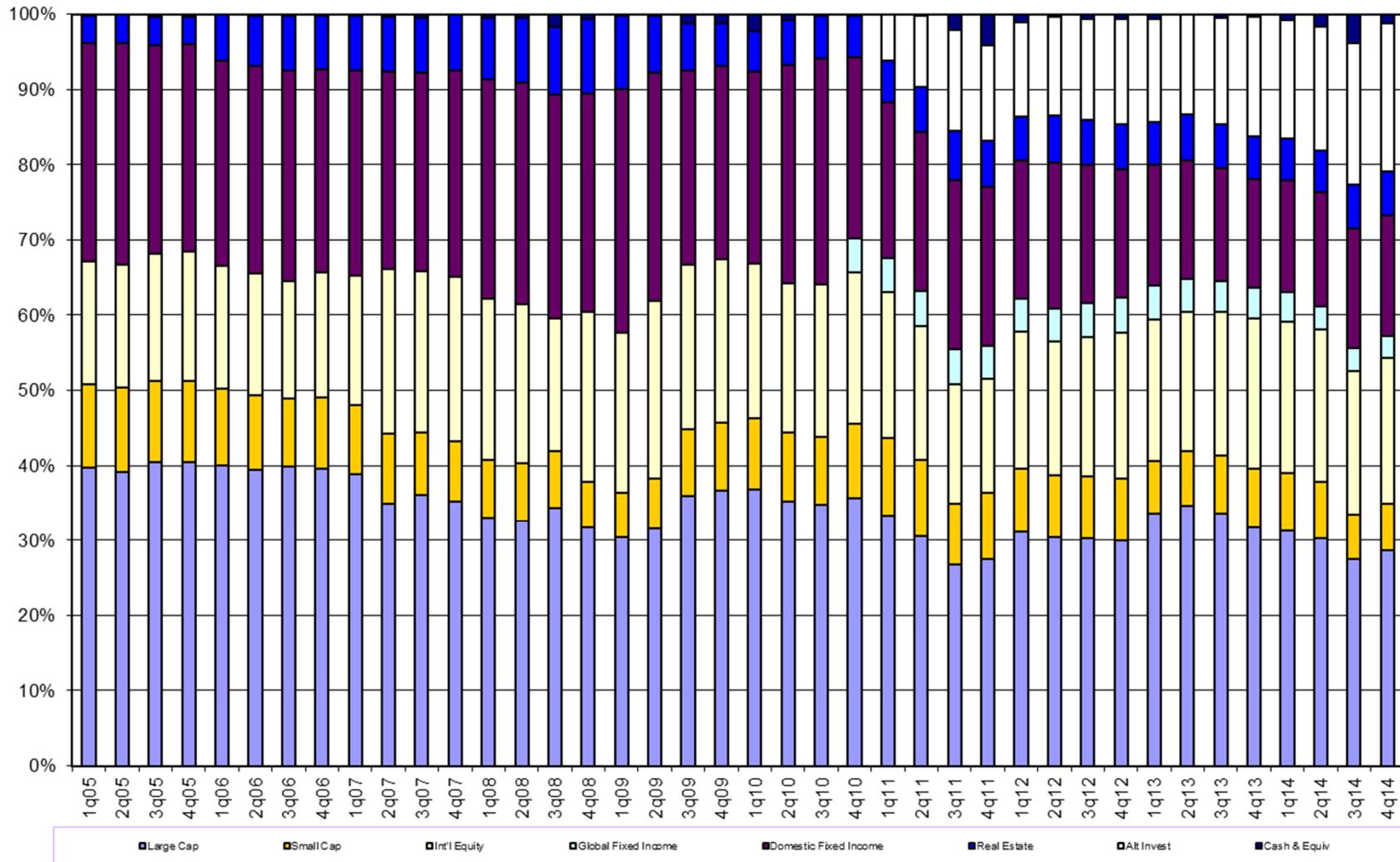
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank	Information Ratio	Information Ratio Rank	Tracking Error	Tracking Error Rank
Total Fund	9.6%	32	9.2%	80	1.0	80	-0.6	65	1.0%	5
Policy Index	10.2%	12	9.5%	91	1.1	67	--	--	0.0%	1
InvestorForce Public DB > \$1B Net Median	9.2%	--	8.1%	--	1.1	--	-0.6	--	1.9%	--



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	2.9	7.2	7.2	13.0	13.0	10.4	5.8	7.0
25th Percentile	2.0	6.1	6.1	11.5	12.0	9.8	5.3	6.6
Median	0.8	5.2	5.2	10.2	10.9	9.2	4.5	6.1
75th Percentile	0.4	4.3	4.3	8.7	10.1	8.6	4.1	5.6
95th Percentile	-0.7	2.9	2.9	6.6	8.0	7.1	2.6	4.7
# of Portfolios	51	51	51	51	51	49	47	46
● Total Fund	1.6 (34)	5.5 (38)	5.5 (38)	11.3 (28)	12.0 (27)	9.6 (32)	4.3 (62)	5.6 (70)
▲ Policy Index	1.7 (28)	5.9 (27)	5.9 (27)	11.8 (19)	12.2 (18)	10.2 (12)	5.3 (26)	6.7 (17)

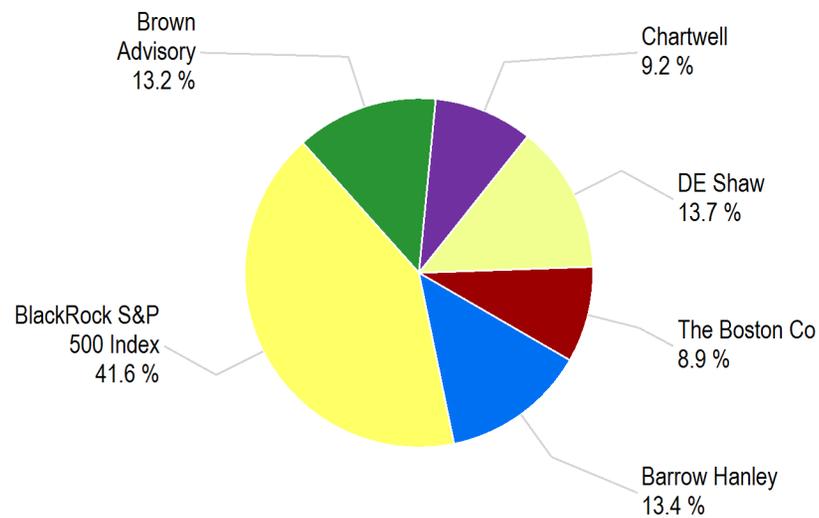
Asset Allocation History - Quarterly

Periods Ending December 31, 2014



Manager Allocation Analysis - US Equity

As of December 31, 2014



	Actual \$	Actual %	Manager Contribution to Excess Return %
Barrow Hanley	\$154,394,058	13.4%	-0.1%
BlackRock S&P 500 Index	\$478,486,890	41.6%	0.0%
Brown Advisory	\$151,199,415	13.2%	0.0%
Chartwell	\$105,533,219	9.2%	-0.3%
DE Shaw	\$157,827,765	13.7%	-0.1%
The Boston Co	\$102,068,376	8.9%	-1.7%
Actual vs. Policy Weight Difference			1.5%
Total	\$1,149,509,723	100.0%	-0.7%

Statistics Summary

3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	19.6%	9.8%	2.0	-0.8	1.0%
80% R1000/ 20% R2000	20.4%	9.8%	2.1	--	0.0%
Large Cap Equity	19.9%	9.4%	2.1	-0.8	0.9%
Russell 1000	20.6%	9.2%	2.2	--	0.0%
Barrow Hanley	20.2%	9.5%	2.1	-0.2	2.6%
Russell 1000 Value	20.9%	9.3%	2.2	--	0.0%
DE Shaw	21.1%	10.0%	2.1	0.3	1.9%
Russell 1000	20.6%	9.2%	2.2	--	0.0%
Small Cap Equity	18.3%	12.8%	1.4	-0.3	2.9%
Russell 2000	19.2%	13.3%	1.4	--	0.0%
The Boston Co	18.4%	13.0%	1.4	0.0	2.8%
Russell 2000 Value	18.3%	13.0%	1.4	--	0.0%
Chartwell	19.3%	13.1%	1.5	-0.2	4.3%
Russell 2000 Growth	20.1%	14.0%	1.4	--	0.0%

Statistics Summary

5 Years

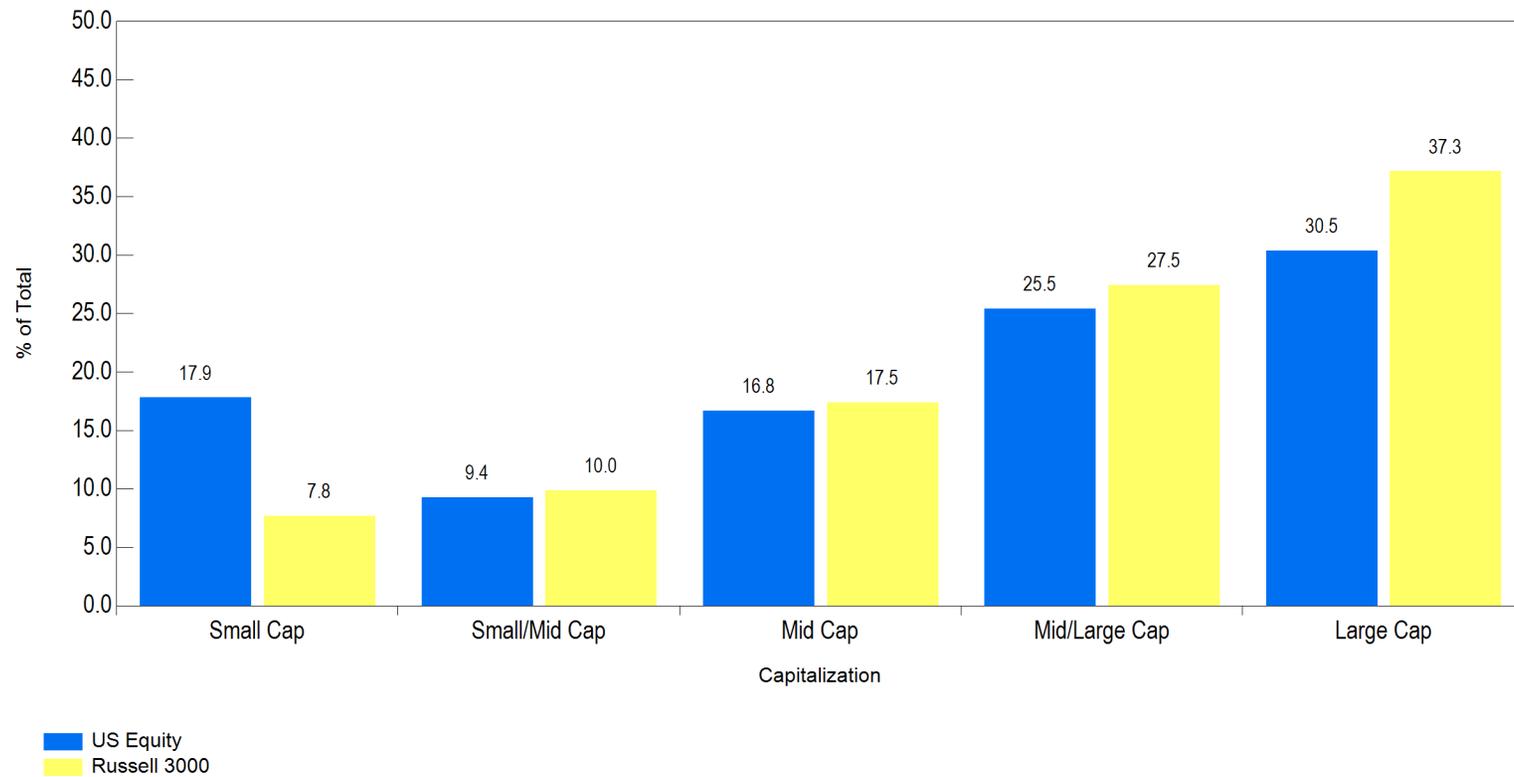
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	14.8%	14.3%	1.0	-0.8	1.0%
80% R1000/ 20% R2000	15.7%	14.0%	1.1	--	0.0%
Large Cap Equity	14.5%	13.7%	1.0	-1.2	1.0%
Russell 1000	15.6%	13.3%	1.2	--	0.0%
Barrow Hanley	15.2%	14.0%	1.1	-0.1	2.7%
Russell 1000 Value	15.4%	13.4%	1.1	--	0.0%
Small Cap Equity	16.2%	17.3%	0.9	0.2	2.9%
Russell 2000	15.5%	18.0%	0.9	--	0.0%
Chartwell	18.0%	18.1%	1.0	0.3	4.4%
Russell 2000 Growth	16.8%	18.5%	0.9	--	0.0%

InvestorForce All DB US Eq Net Accounts



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	6.7	13.6	13.6	23.9	21.8	16.5	8.7	9.1
25th Percentile	5.8	11.9	11.9	22.6	20.5	15.7	7.7	8.2
Median	5.3	10.7	10.7	22.0	19.8	15.2	7.3	7.7
75th Percentile	4.9	9.4	9.4	20.9	19.1	14.6	6.7	7.3
95th Percentile	3.4	6.6	6.6	19.3	17.5	13.4	5.5	6.2
# of Portfolios	597	584	584	557	513	427	366	277
● US Equity	5.1 (65)	9.7 (70)	9.7 (70)	21.5 (65)	19.6 (63)	14.8 (71)	6.7 (75)	6.7 (90)
▲ 80% R1000/ 20% R2000	5.9 (24)	11.6 (30)	11.6 (30)	22.4 (33)	20.4 (29)	15.7 (27)	7.7 (27)	8.0 (33)

Market Capitalization as of December 31, 2014



See appendix for the market capitalization breakpoints.

Quarter Ending December 31, 2014

Characteristics

	Portfolio	Russell 3000
Number of Holdings	750	3,054
Weighted Avg. Market Cap. (\$B)	83.8	102.4
Median Market Cap. (\$B)	11.8	1.5
Price To Earnings	23.7	22.0
Price To Book	4.4	3.9
Price To Sales	3.2	2.9
Return on Equity (%)	18.7	17.6
Yield (%)	1.7	1.8
Beta (holdings; domestic)	1.1	1.0

Top Holdings

APPLE	2.3%
MICROSOFT	1.3%
EXXON MOBIL	1.0%
VISA 'A'	1.0%
WELLS FARGO & CO	1.0%
JOHNSON & JOHNSON	1.0%
JP MORGAN CHASE & CO.	0.9%
EXPRESS SCRIPTS HOLDING	0.9%
GILEAD SCIENCES	0.9%
QUALCOMM	0.9%

Best Performers

	Return %
CYTOKINETICS (CYTK)	127.6%
TASER INTL. (TASR)	71.5%
MACROGENICS (MGNX)	67.8%
OFFICE DEPOT (ODP)	66.8%
XENOPORT (XNPT)	63.0%
GERON (GERN)	62.5%
RITE AID (RAD)	55.4%
STAPLES (SPLS)	50.8%
BIOTELEMETRY (BEAT)	49.5%
INCYTE (INCY)	49.1%

Worst Performers

	Return %
ALLIED NEVADA GOLD (ANV)	-73.7%
KEY ENERGY SVS. (KEG)	-65.5%
CIVEO (CVEO)	-64.2%
REX ENERGY (REXX)	-59.7%
CENTRIS ENERGY CLASS A (LEU)	-59.5%
SANDRIDGE ENERGY (SD)	-57.6%
SEADRILL (NYS) (SDRL)	-55.4%
HERCULES OFFSHORE (HERO)	-54.5%
WPX ENERGY (WPX)	-51.7%
MCDERMOTT INTL. (MDR)	-49.1%

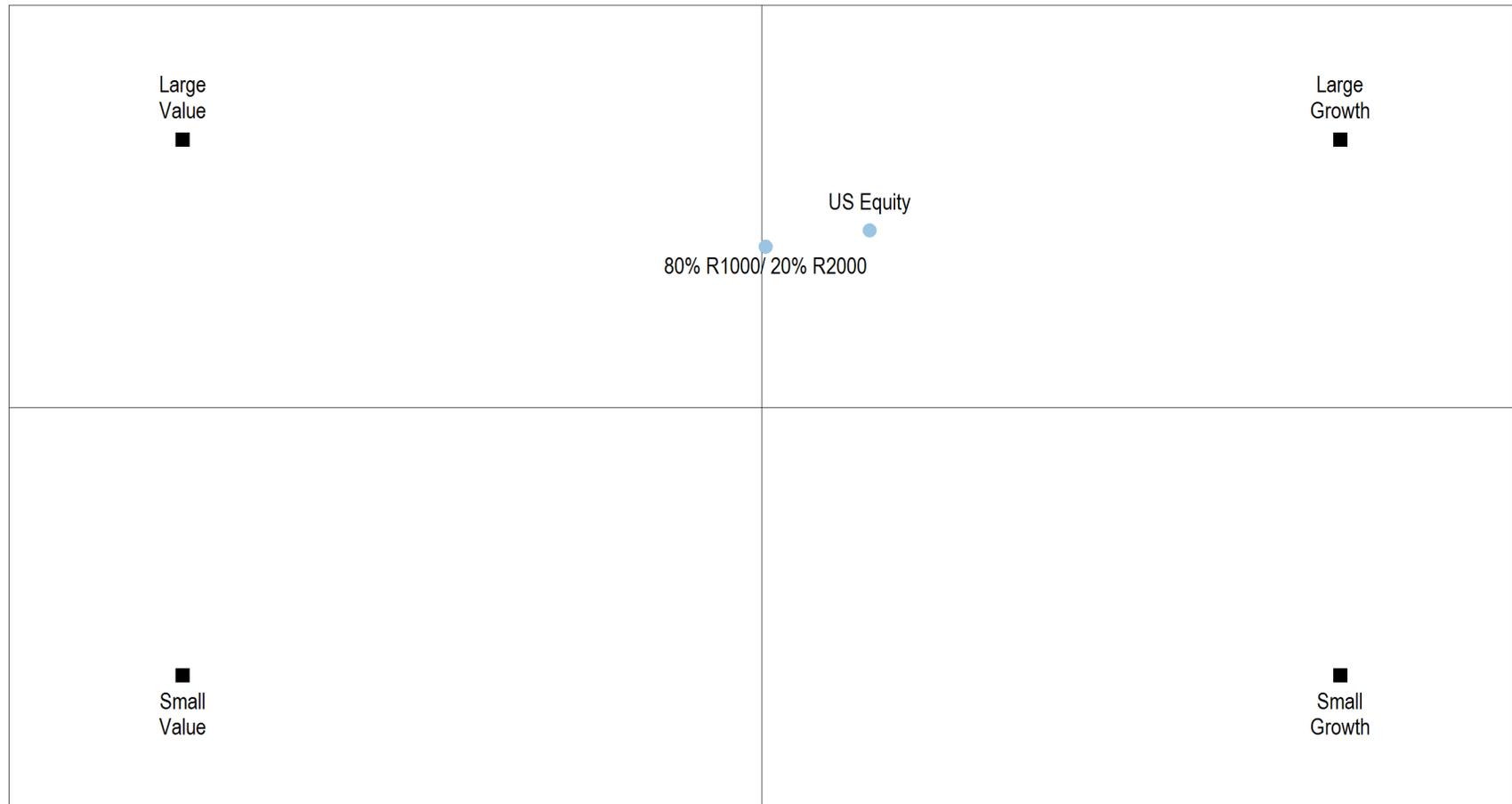
* Holdings exclude DE Shaw holdings.

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	0.0%	-0.2%	0.2%	0.0%	-15.6%	-12.9%	7.8%	8.9%			
Materials	-0.1%	-0.1%	0.0%	0.0%	-2.9%	-0.8%	3.5%	3.9%			
Industrials	-0.1%	-0.1%	0.0%	0.0%	6.1%	7.0%	11.8%	11.2%			
Cons. Disc.	0.1%	0.1%	0.0%	0.0%	9.3%	8.8%	12.4%	12.4%			
Cons. Staples	0.1%	0.1%	0.0%	0.0%	9.6%	8.4%	8.0%	8.3%			
Health Care	-0.2%	-0.2%	0.0%	0.0%	7.2%	8.5%	14.6%	13.6%			
Financials	0.1%	0.1%	0.0%	0.0%	8.2%	7.8%	16.9%	17.5%			
Info. Tech	0.2%	0.2%	0.0%	0.0%	6.3%	5.4%	19.5%	18.9%			
Telecomm.	0.1%	0.0%	0.1%	0.0%	-2.3%	-4.0%	1.6%	2.2%			
Utilities	-0.1%	0.0%	-0.1%	0.0%	14.4%	13.1%	1.9%	3.0%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	1.9%	0.0%			
Portfolio	0.0%	=	-0.1%	+	0.1%	+	0.0%	5.2%	5.2%	100.0%	100.0%

* Holdings exclude DE Shaw holdings.

US Effective Style Map



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

Quarter Ending December 31, 2014

Characteristics

	Portfolio	Russell 1000
Number of Holdings	536	1,043
Weighted Avg. Market Cap. (\$B)	105.4	110.9
Median Market Cap. (\$B)	19.2	7.8
Price To Earnings	22.9	21.8
Price To Book	4.4	4.1
Price To Sales	3.2	2.9
Return on Equity (%)	19.8	18.7
Yield (%)	1.8	1.9
Beta (holdings; domestic)	1.0	1.0

Top Holdings

APPLE	2.9%
MICROSOFT	1.6%
EXXON MOBIL	1.3%
VISA 'A'	1.3%
WELLS FARGO & CO	1.3%
JOHNSON & JOHNSON	1.3%
JP MORGAN CHASE & CO.	1.2%
EXPRESS SCRIPTS HOLDING	1.1%
GILEAD SCIENCES	1.1%
QUALCOMM	1.1%

Best Performers

	Return %
CYTOKINETICS (CYTK)	127.6%
XENOPORT (XNPT)	63.0%
GERON (GERN)	62.5%
RITE AID (RAD)	55.4%
STAPLES (SPLS)	50.8%
BIOTELEMETRY (BEAT)	49.5%
TRIQUINT SEMICONDUCTOR (TQNT)	44.5%
RF MICRO DEVICES (RFMD)	43.8%
CARMAX (KMX)	43.3%
UNITED CONTINENTAL HDG. (UAL)	43.0%

Worst Performers

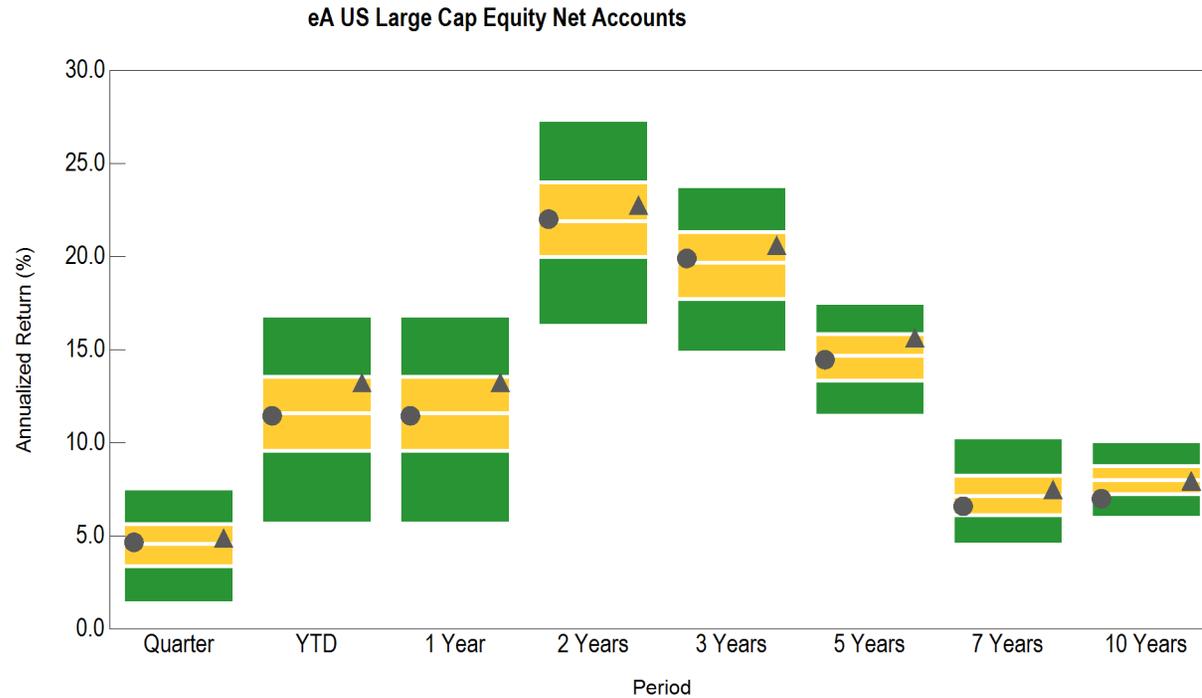
	Return %
KEY ENERGY SVS. (KEG)	-65.5%
CIVEO (CVEO)	-64.2%
CENTRIS ENERGY CLASS A (LEU)	-59.5%
SANDRIDGE ENERGY (SD)	-57.6%
SEADRILL (NYS) (SDRL)	-55.4%
HERCULES OFFSHORE (HERO)	-54.5%
WPX ENERGY (WPX)	-51.7%
MCDERMOTT INTL. (MDR)	-49.1%
PATTERSON UTI ENERGY (PTEN)	-48.7%
RCS CAPITAL CL.A (RCAP)	-45.6%

* Holdings exclude DE Shaw holdings.

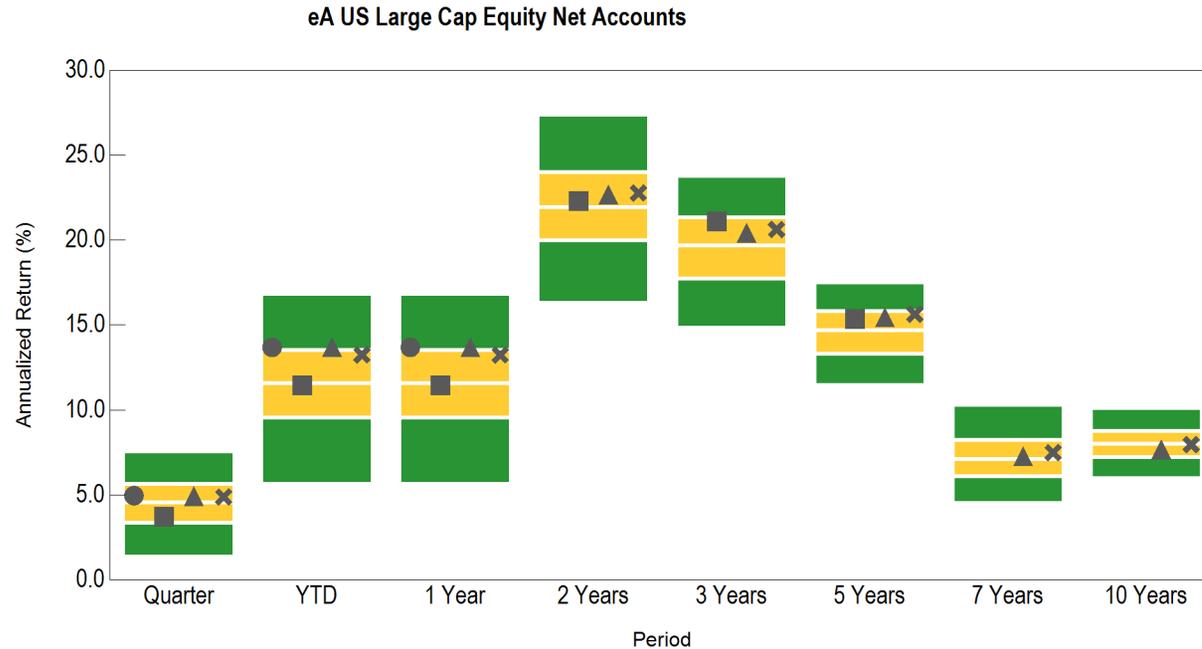
Large Cap Equity Performance Attribution vs. Russell 1000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.0%	-0.1%	0.1%	0.0%	-13.4%	-12.2%	8.5%	9.2%			
Materials	0.0%	0.0%	0.0%	0.0%	-1.9%	-1.2%	3.7%	3.8%			
Industrials	-0.1%	-0.1%	0.0%	0.0%	6.1%	6.8%	11.2%	11.0%			
Cons. Disc.	-0.1%	-0.1%	0.0%	0.0%	7.8%	8.4%	11.5%	12.3%			
Cons. Staples	0.1%	0.1%	0.0%	0.0%	9.0%	8.3%	9.1%	8.7%			
Health Care	-0.2%	-0.2%	0.0%	0.0%	6.5%	7.8%	15.1%	13.6%			
Financials	-0.1%	-0.1%	0.0%	0.0%	6.8%	7.4%	15.9%	17.0%			
Info. Tech	0.3%	0.2%	0.0%	0.0%	6.2%	4.9%	19.5%	19.0%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-3.9%	-4.4%	1.9%	2.3%			
Utilities	-0.1%	0.0%	-0.1%	0.0%	12.3%	12.7%	1.8%	3.0%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	1.7%	0.0%			
Portfolio	-0.2%	=	-0.2%	+	0.0%	+	0.0%	4.6%	4.9%	100.0%	100.0%

* Holdings exclude DE Shaw holdings.



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	7.5	16.8	16.8	27.3	23.8	17.5	10.3	10.1
25th Percentile	5.7	13.5	13.5	24.0	21.3	15.9	8.3	8.8
Median	4.6	11.6	11.6	21.9	19.7	14.7	7.1	8.0
75th Percentile	3.4	9.6	9.6	20.0	17.8	13.3	6.1	7.2
95th Percentile	1.4	5.7	5.7	16.3	14.9	11.5	4.6	6.0
# of Portfolios	525	518	518	507	479	444	404	334
● Large Cap Equity	4.7 (48)	11.5 (52)	11.5 (52)	22.0 (49)	19.9 (47)	14.5 (55)	6.6 (63)	7.0 (80)
▲ Russell 1000	4.9 (42)	13.2 (29)	13.2 (29)	22.8 (41)	20.6 (36)	15.6 (30)	7.5 (41)	8.0 (54)



	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
Return (Rank)	7.5	16.8	16.8	27.3	23.8	17.5	10.3	10.1								
5th Percentile	5.7	13.5	13.5	24.0	21.3	15.9	8.3	8.8								
25th Percentile	4.6	11.6	11.6	21.9	19.7	14.7	7.1	8.0								
Median	3.4	9.6	9.6	20.0	17.8	13.3	6.1	7.2								
75th Percentile	1.4	5.7	5.7	16.3	14.9	11.5	4.6	6.0								
95th Percentile	525	518	518	507	479	444	404	334								
# of Portfolios																
● BlackRock S&P 500 Index	5.0 (40)	13.7 (24)	13.7 (24)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								
■ DE Shaw	3.7 (70)	11.5 (52)	11.5 (52)	22.3 (46)	21.1 (28)	15.4 (34)	-- (--)	-- (--)								
▲ S&P 500	4.9 (41)	13.7 (24)	13.7 (24)	22.7 (43)	20.4 (38)	15.5 (33)	7.3 (47)	7.7 (64)								
✕ Russell 1000	4.9 (42)	13.2 (29)	13.2 (29)	22.8 (41)	20.6 (36)	15.6 (30)	7.5 (41)	8.0 (54)								

Equity Only Summary Statistics - BlackRock S&P 500 Index

Quarter Ending December 31, 2014

Characteristics

	Portfolio	S&P 500
Number of Holdings	503	502
Weighted Avg. Market Cap. (\$B)	125.0	125.0
Median Market Cap. (\$B)	18.4	18.4
Price To Earnings	22.7	21.5
Price To Book	4.5	4.3
Price To Sales	3.0	2.7
Return on Equity (%)	20.9	19.6
Yield (%)	2.0	2.0
Beta (holdings; domestic)	1.0	1.0

Top Holdings

APPLE	3.5%
EXXON MOBIL	2.1%
MICROSOFT	2.1%
JOHNSON & JOHNSON	1.6%
BERKSHIRE HATHAWAY 'B'	1.5%
WELLS FARGO & CO	1.4%
GENERAL ELECTRIC	1.4%
PROCTER & GAMBLE	1.3%
JP MORGAN CHASE & CO.	1.3%
CHEVRON	1.2%

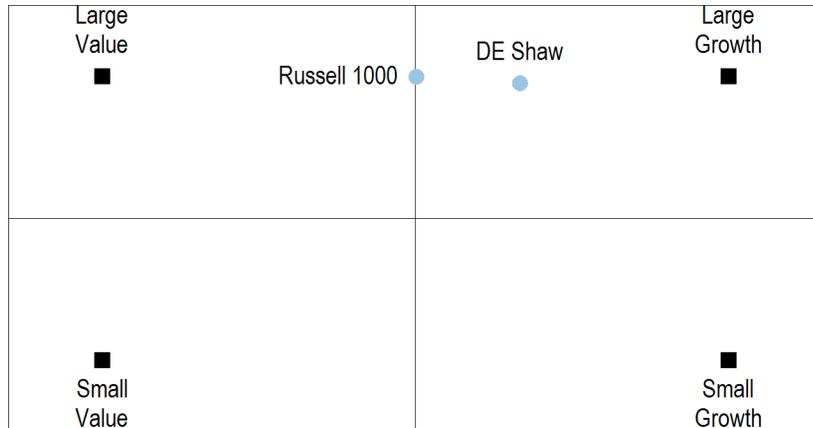
Best Performers

	Return %
STAPLES (SPLS)	50.8%
CARMAX (KMX)	43.3%
DELTA AIR LINES (DAL)	36.4%
WHIRLPOOL (WHR)	33.6%
WHOLE FOODS MARKET (WFM)	32.3%
ELECTRONIC ARTS (EA)	32.0%
MACERICH (MAC)	31.9%
CAREFUSION (CFN)	31.1%
LOWE'S COMPANIES (LOW)	30.6%
L BRANDS (LB)	29.8%

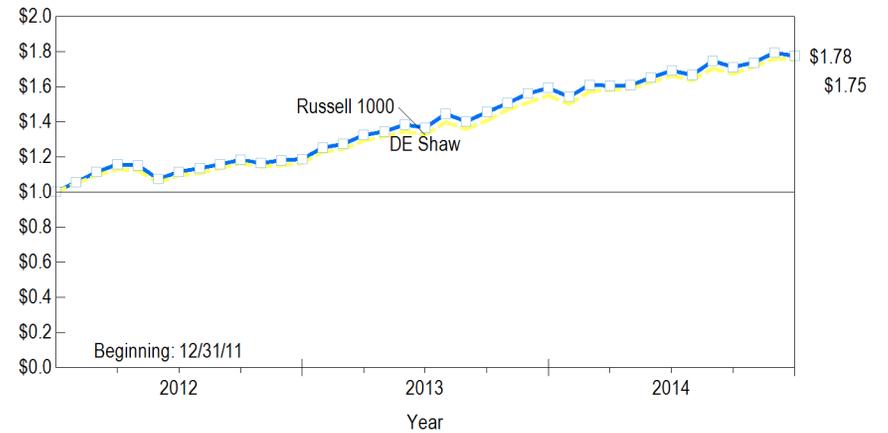
Worst Performers

	Return %
DENBURY RES. (DNR)	-45.6%
NABORS INDUSTRIES (NBR)	-42.7%
TRANSOCEAN (RIG)	-41.1%
HALLIBURTON (HAL)	-38.8%
GENWORTH FINANCIAL CL.A (GNW)	-35.1%
QEP RESOURCES (QEP)	-34.3%
APACHE (APA)	-33.0%
FIRST SOLAR (FSLR)	-32.2%
HELMERICH & PAYNE (HP)	-30.6%
NOBLE ENERGY (NBL)	-30.4%

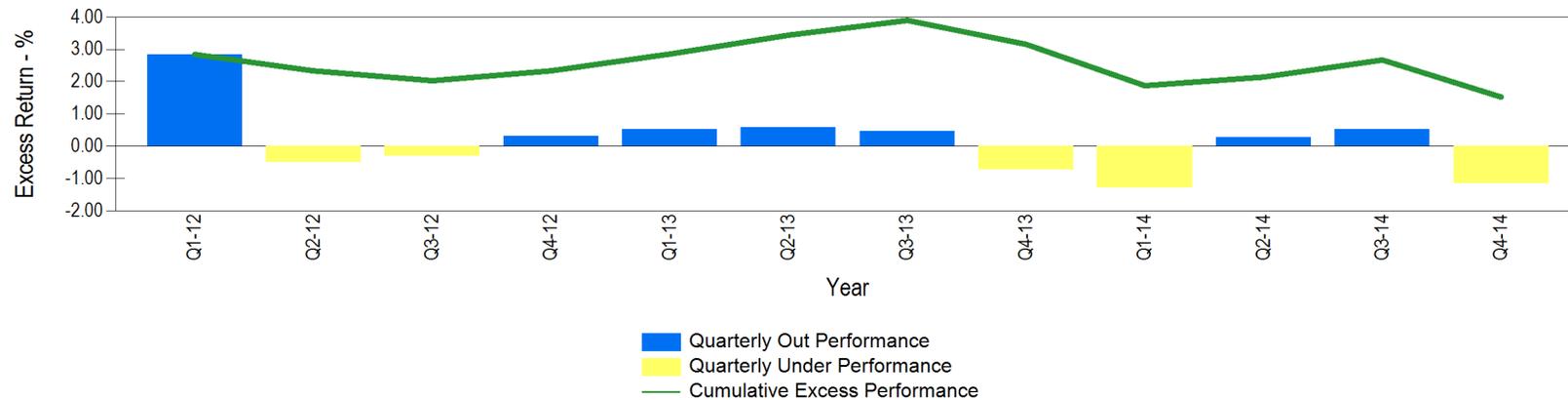
US Effective Style Map



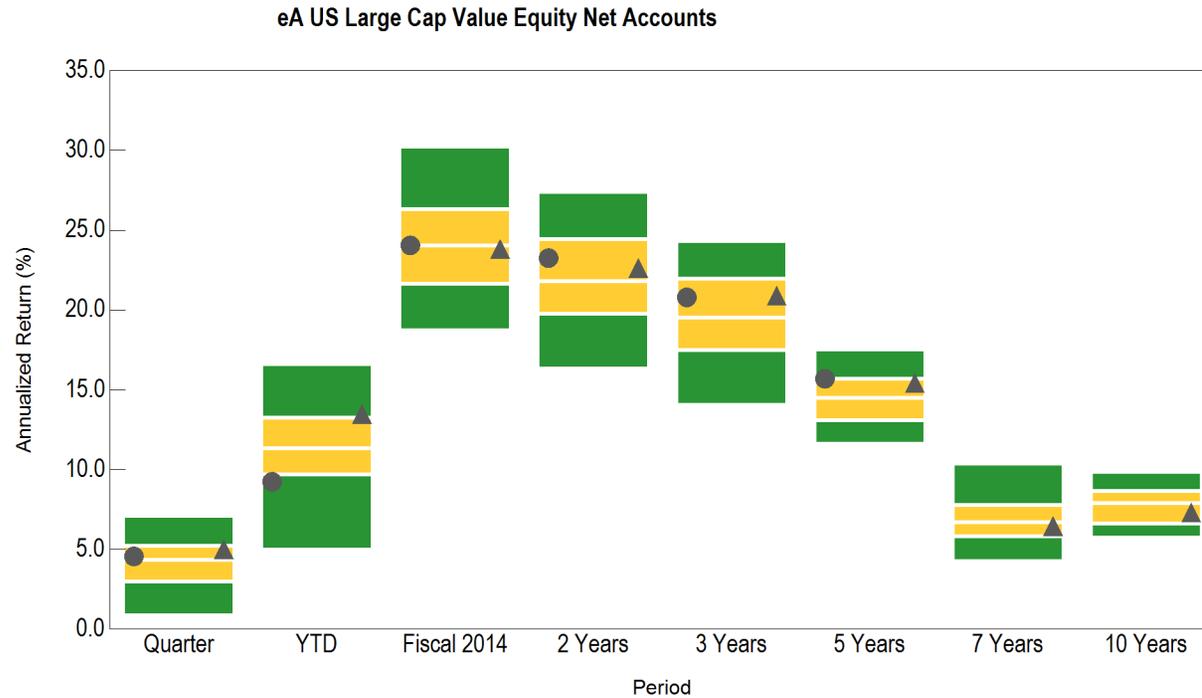
Growth of a Dollar



Quarterly and Cumulative Excess Performance



■ Quarterly Out Performance
■ Quarterly Under Performance
— Cumulative Excess Performance



	Return (Rank)							
	Quarter	YTD	Fiscal 2014	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	7.1	16.6	30.2	27.4	24.3	17.5	10.3	9.8
25th Percentile	5.2	13.3	26.3	24.5	22.0	15.7	7.8	8.7
Median	4.4	11.3	24.0	21.8	19.5	14.5	6.7	7.9
75th Percentile	3.0	9.7	21.7	19.8	17.5	13.1	5.8	6.6
95th Percentile	0.9	5.0	18.7	16.4	14.1	11.6	4.3	5.8
# of Portfolios	199	197	197	196	190	181	164	136
● Barrow Hanley	4.5 (46)	9.2 (80)	24.0 (50)	23.2 (39)	20.8 (35)	15.7 (26)	-- (--)	-- (--)
▲ Russell 1000 Value	5.0 (32)	13.5 (24)	23.8 (54)	22.6 (45)	20.9 (35)	15.4 (31)	6.4 (59)	7.3 (68)

Quarter Ending December 31, 2014

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	75	704
Weighted Avg. Market Cap. (\$B)	77.5	107.5
Median Market Cap. (\$B)	32.3	7.3
Price To Earnings	18.9	19.8
Price To Book	2.7	2.4
Price To Sales	2.1	2.3
Return on Equity (%)	14.6	13.0
Yield (%)	2.3	2.3
Beta (holdings; domestic)	1.2	1.0

Top Holdings

CAPITAL ONE FINL.	2.7%
CITIGROUP	2.7%
BANK OF AMERICA	2.2%
WELLS FARGO & CO	2.2%
JP MORGAN CHASE & CO.	2.0%
NAVIENT	1.9%
MEDTRONIC	1.9%
OMNICARE	1.8%
STATE STREET	1.8%
DELPHI AUTOMOTIVE	1.7%

Best Performers

	Return %
ROYAL CARIBBEAN CRUISES (RCL)	23.0%
NAVIENT (NAVI)	22.9%
TARGET (TGT)	22.0%
CVS HEALTH (CVS)	21.4%
SLM (SLM)	19.0%
DELPHI AUTOMOTIVE (DLPH)	19.0%
ORACLE (ORCL)	17.8%
UNITEDHEALTH GROUP (UNH)	17.6%
MEDTRONIC (MDT)	17.6%
OMNICARE (OCR)	17.5%

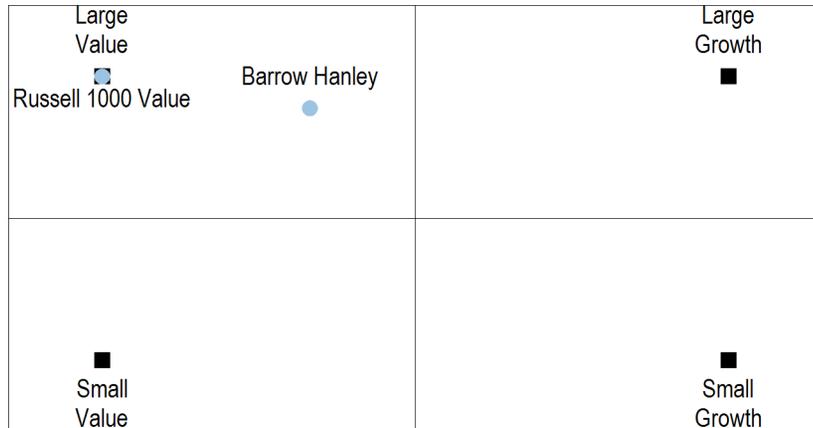
Worst Performers

	Return %
SEADRILL (NYS) (SDRL)	-55.4%
SANOFI ADR 2:1 (SNY)	-19.2%
NOW (DNO)	-15.4%
JOY GLOBAL (JOY)	-14.4%
BP SPN.ADR 1:6 (BP)	-12.0%
OCCIDENTAL PTL. (OXY)	-11.8%
KBR (KBR)	-9.5%
CONOCOPHILLIPS (COP)	-8.8%
SPX (SPW)	-8.1%
SEAWORLD ENTERTAINMENT (SEAS)	-6.9%

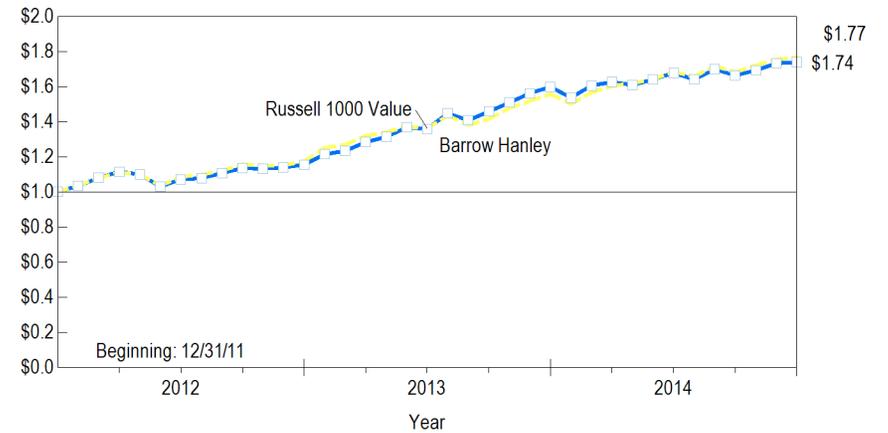
Barrow Hanley Performance Attribution vs. Russell 1000 Value

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.6%	-1.4%	1.1%	0.8%	-20.0%	-9.3%	5.0%	12.9%			
Materials	0.3%	0.3%	0.0%	0.0%	4.5%	-3.6%	2.8%	3.3%			
Industrials	-0.3%	-0.2%	0.0%	-0.1%	2.6%	4.7%	13.1%	10.1%			
Cons. Disc.	0.3%	0.0%	0.4%	0.0%	10.8%	11.5%	12.6%	6.2%			
Cons. Staples	-0.1%	0.0%	-0.1%	0.0%	10.1%	10.1%	5.5%	7.1%			
Health Care	-0.1%	-0.1%	0.0%	0.0%	6.1%	6.9%	15.1%	13.5%			
Financials	-0.3%	-0.3%	0.0%	0.0%	6.1%	7.3%	29.6%	29.2%			
Info. Tech	0.0%	0.0%	0.0%	0.0%	7.0%	6.9%	10.2%	9.4%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-1.9%	-3.7%	2.5%	2.3%			
Utilities	-0.4%	0.0%	-0.4%	0.0%	12.2%	12.7%	0.6%	6.0%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	3.1%	0.0%			
Portfolio	-0.1%	=	-1.8%	+	1.0%	+	0.7%	4.9%	5.0%	100.0%	100.0%

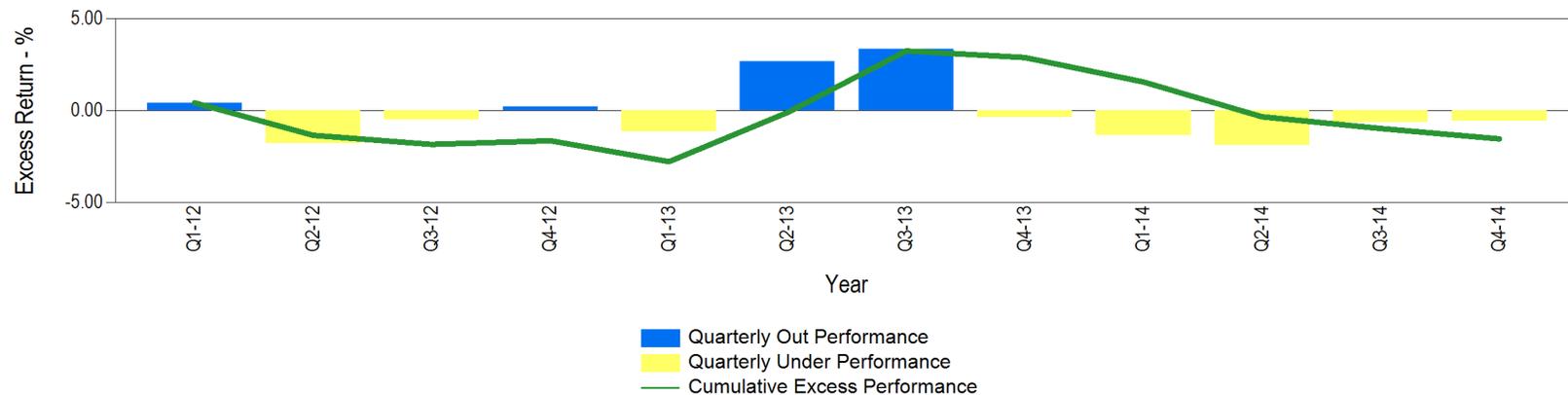
US Effective Style Map

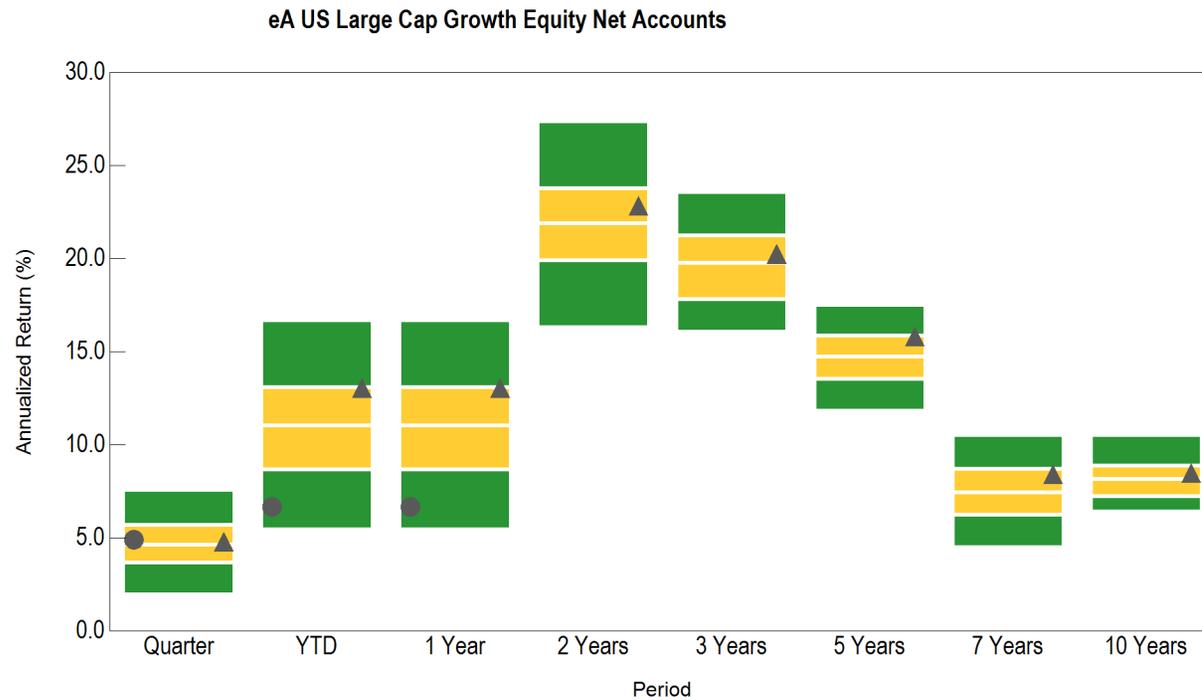


Growth of a Dollar



Quarterly and Cumulative Excess Performance





	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	7.6	16.7	16.7	27.4	23.6	17.5	10.5	10.5								
25th Percentile	5.7	13.1	13.1	23.8	21.3	15.9	8.7	8.9								
Median	4.6	11.1	11.1	21.9	19.8	14.8	7.5	8.2								
75th Percentile	3.7	8.7	8.7	19.9	17.8	13.6	6.3	7.3								
95th Percentile	2.0	5.5	5.5	16.3	16.1	11.9	4.5	6.4								
# of Portfolios	181	180	180	172	162	149	136	110								
● Brown Advisory	4.9 (44)	6.7 (89)	6.7 (89)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								
▲ Russell 1000 Growth	4.8 (46)	13.0 (28)	13.0 (28)	22.8 (38)	20.3 (44)	15.8 (30)	8.4 (30)	8.5 (42)								

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

Quarter Ending December 31, 2014

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	39	682
Weighted Avg. Market Cap. (\$B)	70.8	114.1
Median Market Cap. (\$B)	18.1	8.6
Price To Earnings	27.7	23.7
Price To Book	5.8	6.3
Price To Sales	4.9	3.7
Return on Equity (%)	21.8	25.4
Yield (%)	0.8	1.5
Beta (holdings; domestic)	1.0	1.0

Top Holdings

EXPRESS SCRIPTS HOLDING	4.9%
VISA 'A'	4.7%
CHARLES SCHWAB	4.6%
INTUITIVE SURGICAL	4.1%
WHOLE FOODS MARKET	4.0%
STARBUCKS	3.8%
DANAHER	3.7%
STERICYCLE	3.7%
MEAD JOHNSON NUTRITION	3.7%
APPLE	3.6%

Best Performers

	Return %
WHOLE FOODS MARKET (WFM)	32.3%
COVANCE (CVD)	31.9%
VISA 'A' (V)	23.1%
NETSUITE (N)	21.9%
EXPRESS SCRIPTS HOLDING (ESRX)	19.9%
FOSSIL GROUP (FOSL)	17.9%
COGNIZANT TECH.SLTN.'A' (CTSH)	17.6%
GENPACT (G)	16.0%
INTUITIVE SURGICAL (ISRG)	14.5%
COSTCO WHOLESALE (COST)	13.4%

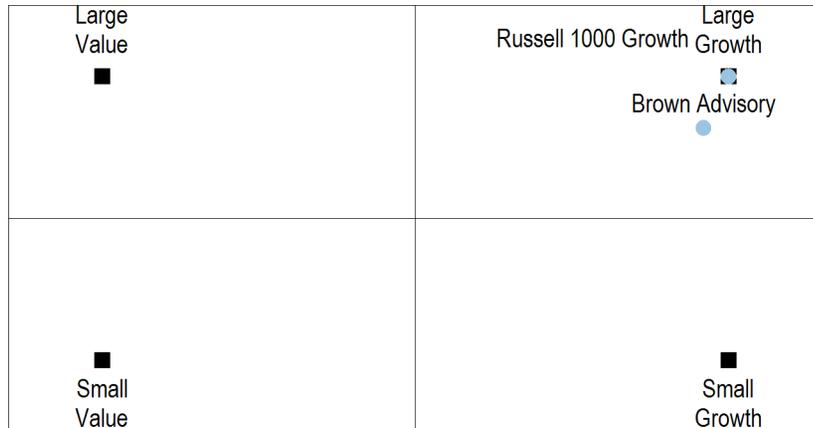
Worst Performers

	Return %
CORE LABORATORIES (CLB)	-17.5%
SCHLUMBERGER (SLB)	-15.6%
FMC TECHNOLOGIES (FTI)	-13.8%
GILEAD SCIENCES (GILD)	-11.5%
GOOGLE 'A' (GOOGL)	-9.8%
DISCOVERY COMMS.'C' (DISCK)	-9.5%
FLUOR (FLR)	-8.9%
DISCOVERY COMMS.'A' (DISCA)	-8.9%
GOOGLE 'C' (GOOG)	-8.8%
ECOLAB (ECL)	-8.7%

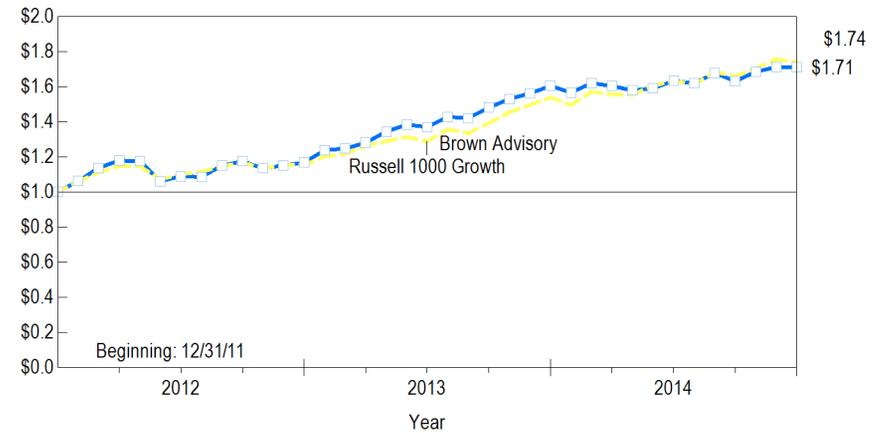
Brown Advisory Performance Attribution vs. Russell 1000 Growth

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.7%	0.2%	-1.0%	0.1%	-15.5%	-18.5%	9.8%	5.7%			
Materials	-0.3%	-0.4%	0.0%	0.1%	-8.7%	0.7%	3.3%	4.2%			
Industrials	-0.1%	-0.1%	0.0%	0.0%	7.7%	8.5%	10.6%	11.9%			
Cons. Disc.	-0.5%	-0.6%	-0.3%	0.3%	4.3%	7.3%	7.8%	18.2%			
Cons. Staples	0.7%	0.5%	0.0%	0.1%	12.3%	7.1%	12.3%	10.4%			
Health Care	0.2%	0.0%	0.1%	0.0%	9.1%	8.8%	17.4%	13.7%			
Financials	-0.2%	-0.3%	0.0%	0.0%	2.9%	7.9%	4.6%	5.1%			
Info. Tech	1.0%	0.9%	0.0%	0.1%	7.6%	4.3%	31.2%	28.4%			
Telecomm.	0.2%	--	0.2%	--	--	-5.0%	0.0%	2.3%			
Utilities	0.0%	--	0.0%	--	--	11.8%	0.0%	0.1%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	2.9%	0.0%			
Portfolio	0.2%	=	0.4%	+	-1.0%	+	0.8%	4.9%	4.8%	100.0%	100.0%

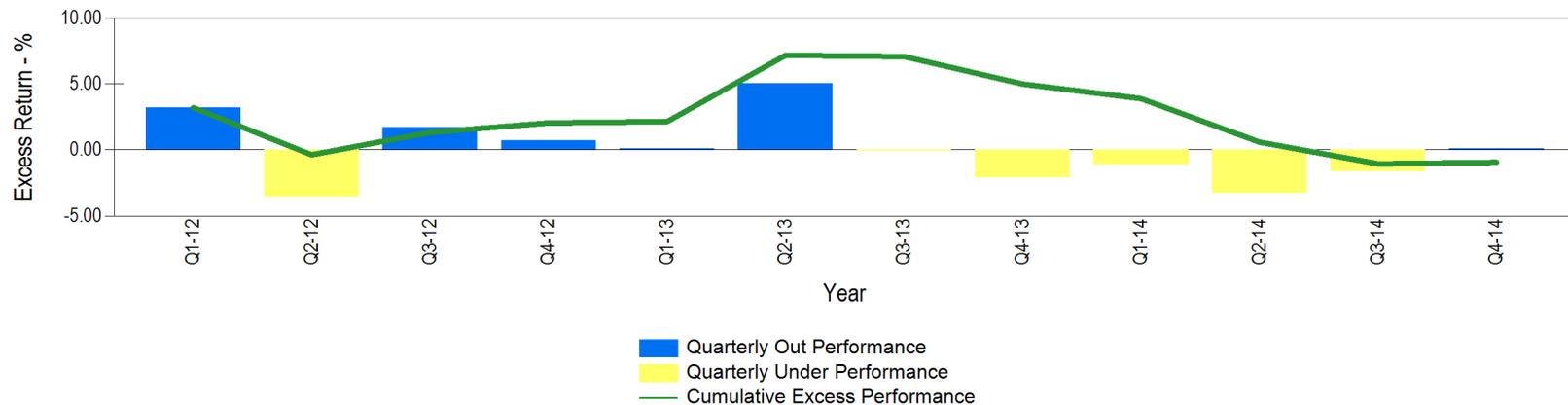
US Effective Style Map



Growth of a Dollar



Quarterly and Cumulative Excess Performance



Equity Only Summary Statistics - Small Cap Equity

Quarter Ending December 31, 2014

Characteristics

	Portfolio	Russell 2000
Number of Holdings	216	2,011
Weighted Avg. Market Cap. (\$B)	2.1	1.9
Median Market Cap. (\$B)	1.6	0.7
Price To Earnings	27.2	25.1
Price To Book	4.1	3.1
Price To Sales	2.9	2.8
Return on Equity (%)	14.1	10.8
Yield (%)	1.0	1.1
Beta (holdings; domestic)	1.4	1.3

Top Holdings

SYNOVUS FINANCIAL	3.1%
BRUNSWICK	1.5%
RADIAN GP.	1.4%
HFF CLASS A	1.3%
STEVEN MADDEN	1.3%
WNS HDG.ADR 1:1	1.3%
ELTN.FOR IMAG.	1.2%
FIRST HORIZON NATIONAL	1.2%
H&E EQUIPMENT SERVICES	1.0%
CAPELLA EDUCATION	1.0%

Best Performers

	Return %
TASER INTL. (TASR)	71.5%
MACROGENICS (MGNX)	67.8%
OFFICE DEPOT (ODP)	66.8%
INCYTE (INCY)	49.1%
ROGERS (ROG)	48.7%
DEAN FOODS (DF)	46.9%
CYPRESS SEMICON. (CY)	45.7%
GREAT LAKES DREDGE & DOCK (GLDD)	38.5%
ZUMIEZ (ZUMZ)	37.5%
8X8 (EGHT)	37.1%

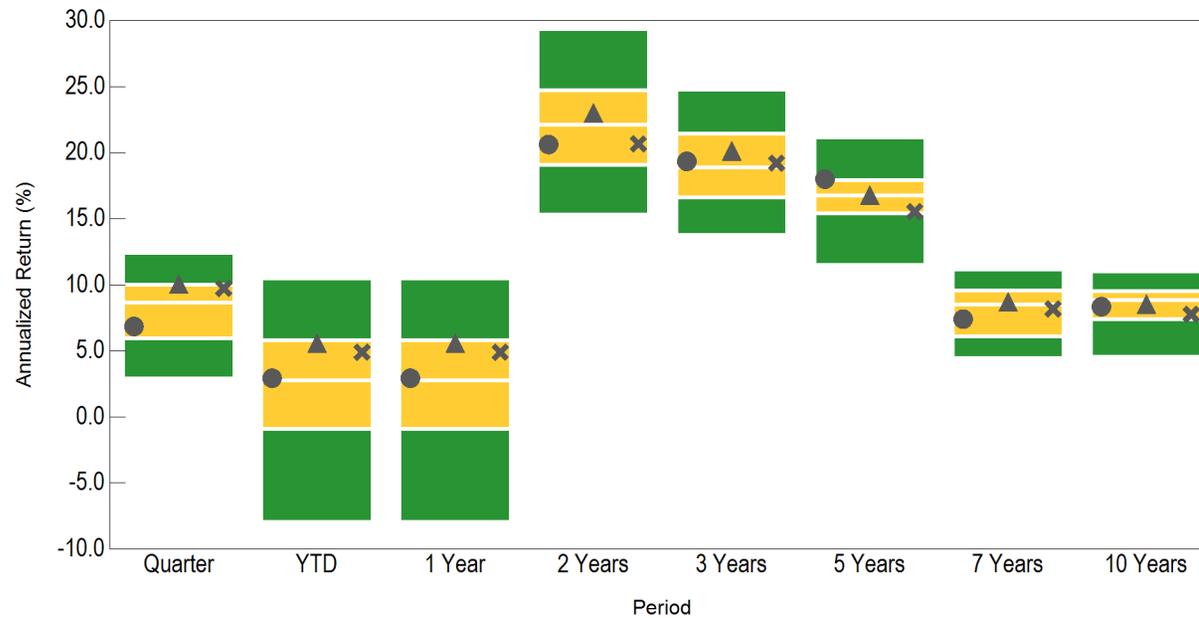
Worst Performers

	Return %
ALLIED NEVADA GOLD (ANV)	-73.7%
KEY ENERGY SVS. (KEG)	-65.5%
REX ENERGY (REXX)	-59.7%
MCDERMOTT INTL. (MDR)	-49.1%
BILL BARRETT (BBG)	-48.3%
CHART INDUSTRIES (GTLS)	-44.1%
H&E EQUIPMENT SERVICES (HEES)	-29.8%
CLOUD PEAK ENERGY (CLD)	-27.3%
GEOSPACE TECHNOLOGIES (GEOS)	-24.6%
CARRIZO O&G. (CRZO)	-22.7%

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	0.0%	-0.2%	0.2%	0.0%	-34.1%	-29.9%	4.7%	5.3%			
Materials	-0.1%	-0.6%	0.2%	0.3%	-9.1%	2.3%	2.8%	5.0%			
Industrials	-0.4%	-0.4%	0.0%	0.0%	6.2%	9.1%	14.6%	14.0%			
Cons. Disc.	0.2%	0.0%	0.1%	0.0%	14.3%	14.0%	16.8%	13.3%			
Cons. Staples	0.1%	0.2%	0.0%	-0.1%	19.4%	12.6%	2.5%	3.3%			
Health Care	-0.9%	-0.9%	-0.1%	0.1%	10.9%	17.3%	12.5%	13.5%			
Financials	0.3%	0.3%	0.0%	0.0%	12.9%	11.5%	21.5%	24.0%			
Info. Tech	-1.0%	-0.9%	0.0%	-0.1%	6.8%	11.9%	19.2%	17.7%			
Telecomm.	0.1%	0.2%	0.0%	-0.1%	37.1%	8.8%	0.4%	0.8%			
Utilities	0.0%	0.1%	-0.1%	0.0%	21.5%	17.6%	2.5%	3.2%			
Cash	-0.3%	0.0%	-0.3%	0.0%	0.0%	--	2.5%	0.0%			
Portfolio	-1.9%	=	-2.0%	+	0.1%	+	0.0%	8.0%	9.9%	100.0%	100.0%

eA US Small Cap Growth Equity Net Accounts



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	12.4	10.5	10.5	29.4	24.8	21.1	11.2	11.0
25th Percentile	10.1	5.8	5.8	24.8	21.5	17.9	9.6	9.6
Median	8.7	2.8	2.8	22.2	18.9	16.8	8.5	8.9
75th Percentile	6.0	-0.9	-0.9	19.1	16.6	15.4	6.1	7.4
95th Percentile	2.9	-7.9	-7.9	15.3	13.8	11.5	4.5	4.6
# of Portfolios	104	103	103	100	93	87	79	65
● Chartwell	6.8 (70)	2.9 (49)	2.9 (49)	20.6 (61)	19.3 (45)	18.0 (24)	7.4 (65)	8.3 (58)
▲ Russell 2000 Growth	10.1 (25)	5.6 (29)	5.6 (29)	23.0 (38)	20.1 (37)	16.8 (50)	8.7 (46)	8.5 (57)
× Russell 2000	9.7 (35)	4.9 (31)	4.9 (31)	20.7 (61)	19.2 (46)	15.5 (72)	8.2 (54)	7.8 (70)

Quarter Ending December 31, 2014

Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	91	1,205
Weighted Avg. Market Cap. (\$B)	2.3	2.1
Median Market Cap. (\$B)	1.9	0.8
Price To Earnings	29.4	29.1
Price To Book	5.7	5.3
Price To Sales	3.4	3.4
Return on Equity (%)	18.7	15.5
Yield (%)	0.7	0.4
Beta (holdings; domestic)	1.6	1.3

Top Holdings

SYNOVUS FINANCIAL	3.9%
BRUNSWICK	3.0%
RADIAN GP.	2.8%
HFF CLASS A	2.6%
STEVEN MADDEN	2.6%
WNS HDG.ADR 1:1	2.5%
ELTN.FOR IMAG.	2.5%
H&E EQUIPMENT SERVICES	2.1%
TORNIER NV	1.9%
MAXIMUS	1.7%

Best Performers

	Return %
MACROGENICS (MGNX)	67.8%
INCYTE (INCY)	49.1%
ROGERS (ROG)	48.7%
CYPRESS SEMICON. (CY)	45.7%
8X8 (EGHT)	37.1%
MAXIMUS (MMS)	36.8%
NUVASIVE (NUVA)	35.2%
SS&C TECHNOLOGIES HDG. (SSNC)	33.6%
COVANCE (CVD)	31.9%
SPECTRANETICS (SPNC)	30.1%

Worst Performers

	Return %
REX ENERGY (REXX)	-59.7%
H&E EQUIPMENT SERVICES (HEES)	-29.8%
CARRIZO O&G. (CRZO)	-22.7%
NETSCOUT SYSTEMS (NTCT)	-20.2%
WRIGHT MEDICAL GROUP (WMGI)	-11.3%
ICON (ICLR)	-10.9%
SYNCHRONOSS TECHNOLOGIES (SNCR)	-8.6%
BOTTOMLINE TECHS. (EPAY)	-8.4%
WNS HDG.ADR 1:1 (WNS)	-8.2%
ASPEN TECHNOLOGY (AZPN)	-7.2%

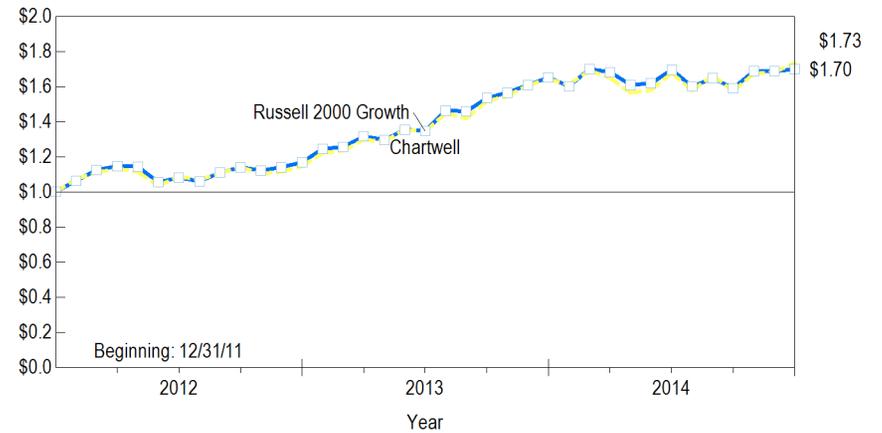
Chartwell Performance Attribution vs. Russell 2000 Growth

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	-0.7%	0.5%	0.2%	-46.7%	-31.1%	3.0%	4.3%			
Materials	0.5%	--	0.5%	--	--	0.3%	0.0%	5.4%			
Industrials	-0.5%	-0.7%	0.0%	0.1%	4.4%	9.1%	12.0%	14.9%			
Cons. Disc.	0.1%	0.0%	0.0%	0.0%	14.2%	14.0%	16.6%	15.3%			
Cons. Staples	-0.2%	-0.4%	0.0%	0.3%	0.2%	10.9%	1.3%	3.8%			
Health Care	-1.3%	-1.3%	-0.4%	0.3%	11.2%	17.1%	16.9%	22.0%			
Financials	0.6%	0.2%	0.0%	0.4%	13.6%	10.5%	19.4%	7.7%			
Info. Tech	-1.0%	-1.0%	0.0%	0.0%	8.0%	12.0%	25.6%	25.6%			
Telecomm.	0.2%	0.2%	0.0%	0.0%	37.1%	13.3%	0.7%	0.7%			
Utilities	0.0%	--	0.0%	--	--	-9.5%	0.0%	0.2%			
Cash	-0.5%	0.0%	-0.5%	0.0%	0.0%	--	4.4%	0.0%			
Portfolio	-2.0%	=	-3.6%	+	0.4%	+	1.3%	8.3%	10.3%	100.0%	100.0%

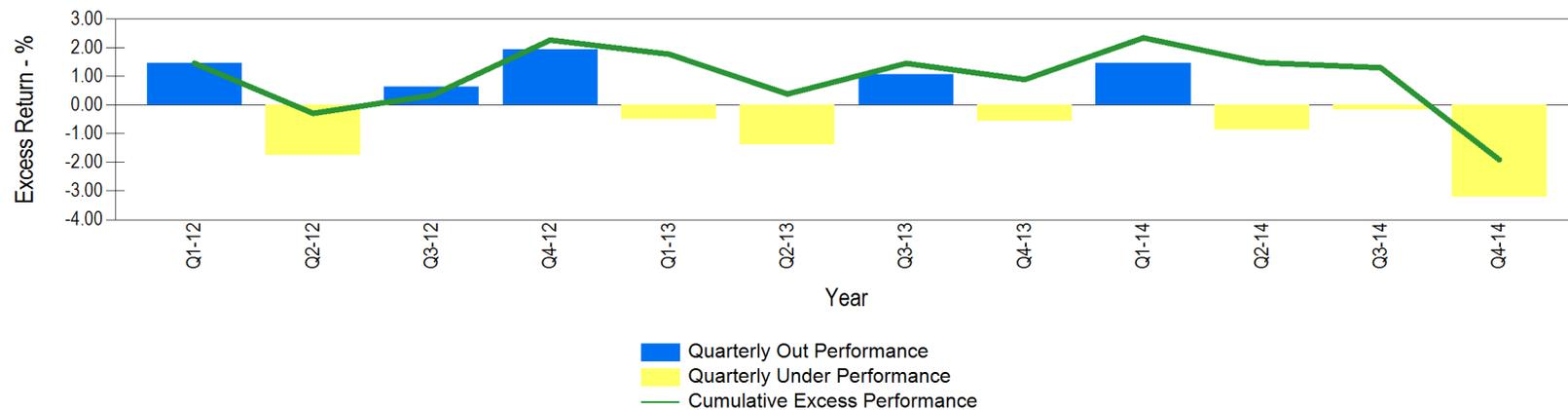
US Effective Style Map

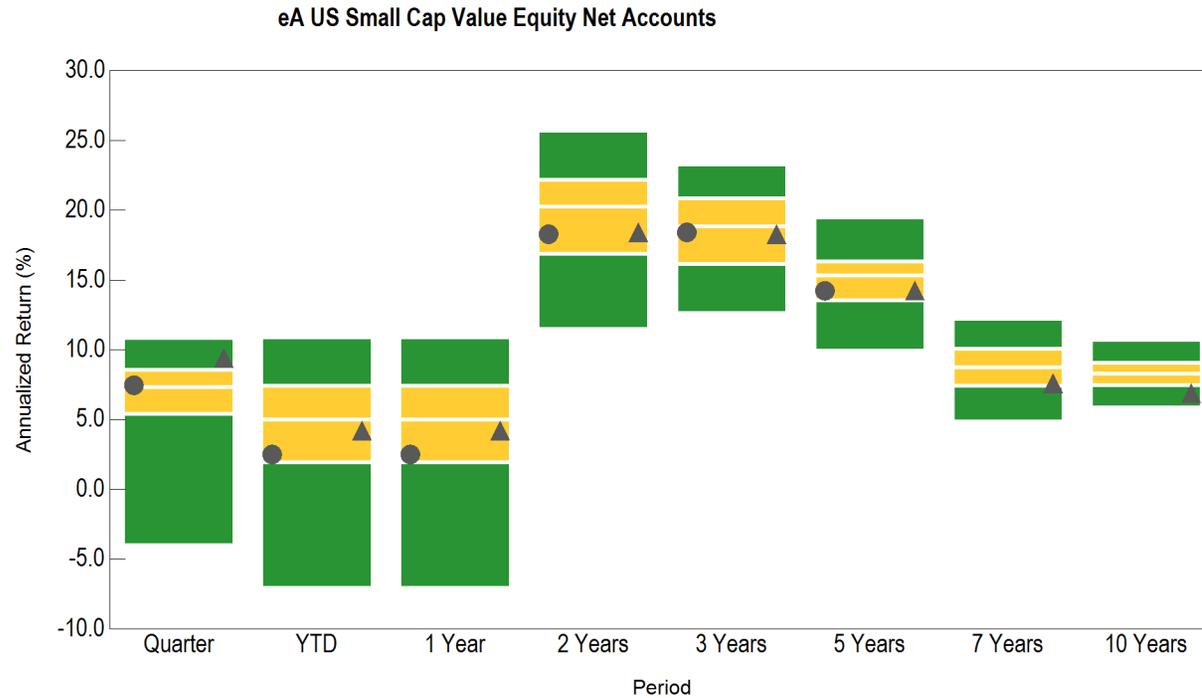


Growth of a Dollar



Quarterly and Cumulative Excess Performance





	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
Return (Rank)	10.8	10.9	10.9	25.7	23.3	19.5	12.2	10.7	8.6	7.4	7.4	22.2	20.9	16.4	10.1	9.1
5th Percentile	8.6	7.4	7.4	22.2	20.9	16.4	10.1	9.1	7.3	5.0	5.0	20.3	18.8	15.3	8.8	8.3
25th Percentile	5.4	2.0	2.0	16.9	16.2	13.6	7.5	7.5	5.4	2.0	2.0	16.9	16.2	13.6	7.5	7.5
Median	-4.0	-7.0	-7.0	11.5	12.7	10.0	4.9	5.9	-4.0	-7.0	-7.0	11.5	12.7	10.0	4.9	5.9
75th Percentile	139	135	135	131	122	119	110	89	139	135	135	131	122	119	110	89
95th Percentile	139	135	135	131	122	119	110	89	139	135	135	131	122	119	110	89
# of Portfolios	7.5 (49)	2.5 (72)	2.5 (72)	18.3 (66)	18.4 (57)	14.2 (63)	-- (--)	-- (--)	7.5 (49)	2.5 (72)	2.5 (72)	18.3 (66)	18.4 (57)	14.2 (63)	-- (--)	-- (--)
● The Boston Co	9.4 (18)	4.2 (58)	4.2 (58)	18.4 (66)	18.3 (58)	14.3 (63)	7.6 (73)	6.9 (85)	9.4 (18)	4.2 (58)	4.2 (58)	18.4 (66)	18.3 (58)	14.3 (63)	7.6 (73)	6.9 (85)
▲ Russell 2000 Value																

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

Quarter Ending December 31, 2014

Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	133	1,377
Weighted Avg. Market Cap. (\$B)	1.9	1.7
Median Market Cap. (\$B)	1.4	0.6
Price To Earnings	25.2	21.7
Price To Book	2.5	1.8
Price To Sales	2.3	2.4
Return on Equity (%)	9.9	7.6
Yield (%)	1.4	1.7
Beta (holdings; domestic)	1.3	1.3

Top Holdings

SYNOVUS FINANCIAL	2.2%
HAWAIIAN ELECTRIC INDS.	1.8%
CASEY'S GENERAL STORES	1.6%
FIRST HORIZON NATIONAL	1.5%
SCRIPPS E W 'A'	1.4%
CORELOGIC	1.4%
VISHAY INTERTECHNOLOGY	1.3%
OFFICE DEPOT	1.3%
CHILDRENS PLACE	1.2%
WEBSTER FINANCIAL	1.2%

Best Performers

	Return %
TASER INTL. (TASR)	71.5%
OFFICE DEPOT (ODP)	66.8%
DEAN FOODS (DF)	46.9%
GREAT LAKES DREDGE & DOCK (GLDD)	38.5%
ZUMIEZ (ZUMZ)	37.5%
SCRIPPS E W 'A' (SSP)	37.0%
ETHAN ALLEN INTERIORS (ETH)	36.5%
WELLCARE HEALTH PLANS (WCG)	36.0%
UNIVERSAL ELECTRONICS (UEIC)	31.7%
SQUARE 1 FINANCIAL CL.A (SQBK)	28.4%

Worst Performers

	Return %
ALLIED NEVADA GOLD (ANV)	-73.7%
KEY ENERGY SVS. (KEG)	-65.5%
MCDERMOTT INTL. (MDR)	-49.1%
BILL BARRETT (BBG)	-48.3%
CHART INDUSTRIES (GTLS)	-44.1%
CLOUD PEAK ENERGY (CLD)	-27.3%
GEOSPACE TECHNOLOGIES (GEOS)	-24.6%
OIL STS.INTL. (OIS)	-21.0%
FREIGHTCAR AMERICA (RAIL)	-20.8%
AIR METHODS (AIRM)	-20.7%

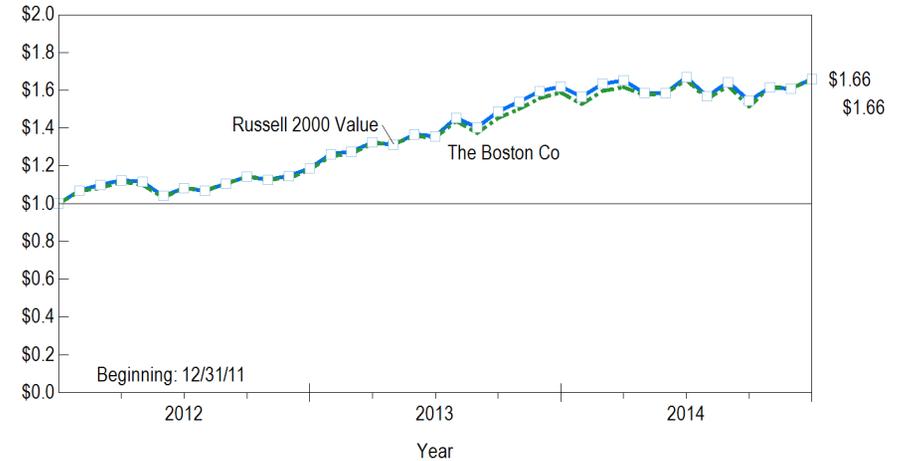
The Boston Co Performance Attribution vs. Russell 2000 Value

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.0%	0.1%	-0.1%	0.0%	-28.2%	-29.0%	6.5%	6.3%			
Materials	-0.8%	-0.6%	0.0%	-0.1%	-9.1%	4.6%	5.6%	4.6%			
Industrials	-0.3%	-0.2%	0.0%	-0.1%	7.4%	9.2%	17.2%	13.1%			
Cons. Disc.	0.3%	0.0%	0.3%	0.0%	14.3%	14.1%	16.9%	11.3%			
Cons. Staples	0.5%	0.3%	0.1%	0.1%	26.6%	14.9%	3.6%	2.7%			
Health Care	-0.4%	-0.4%	0.3%	-0.2%	10.1%	18.0%	8.1%	4.9%			
Financials	-0.2%	0.3%	-0.4%	-0.1%	12.4%	11.7%	23.7%	40.3%			
Info. Tech	-0.9%	-0.7%	0.1%	-0.2%	4.3%	11.7%	12.6%	9.8%			
Telecomm.	0.0%	--	0.0%	--	--	4.7%	0.0%	0.8%			
Utilities	0.0%	0.2%	-0.1%	0.0%	21.5%	18.5%	5.1%	6.2%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	0.6%	0.0%			
Portfolio	-1.8%	=	-1.1%	+	0.0%	+	-0.7%	7.7%	9.5%	100.0%	100.0%

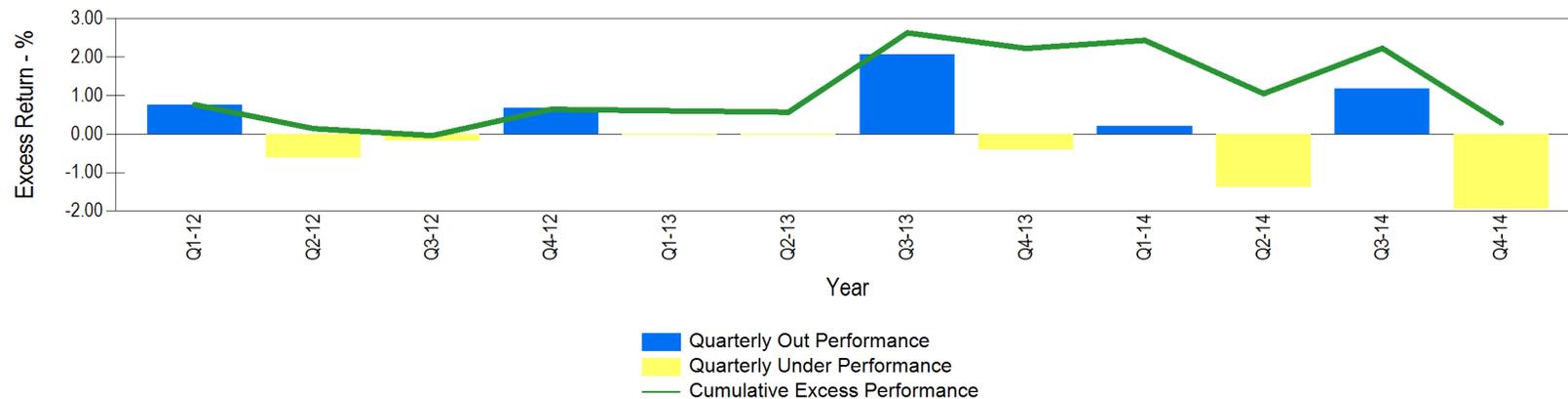
US Effective Style Map



Growth of a Dollar

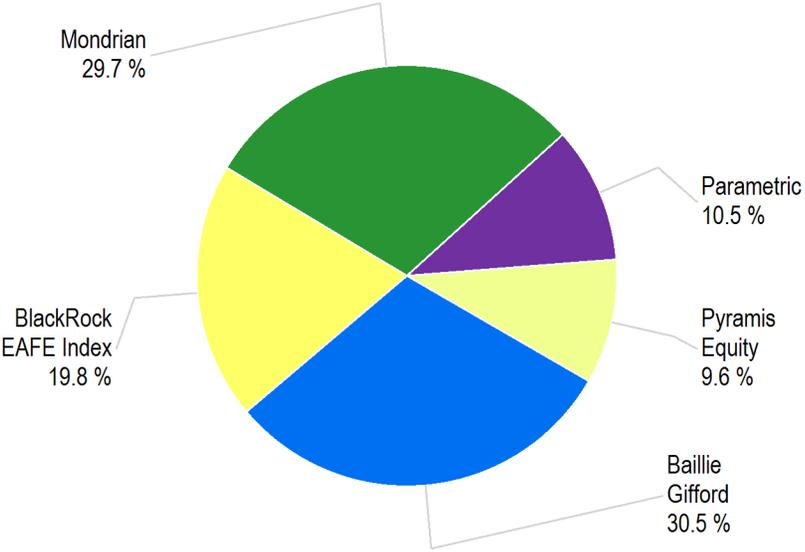


Quarterly and Cumulative Excess Performance



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

As of December 31, 2014



	Actual \$	Actual %	Manager Contribution to Excess Return %
Artio	\$2,808	0.0%	0.0%
Baillie Gifford	\$193,950,862	30.5%	0.8%
BlackRock EAFE Index	\$125,653,204	19.8%	-0.0%
Mondrian	\$188,974,947	29.7%	0.3%
Parametric	\$66,563,077	10.5%	-0.4%
Pyramis Int'l Equity	\$60,864,576	9.6%	0.2%
Actual vs. Policy Weight Difference			-0.6%
Total	\$636,009,474	100.0%	0.3%

Statistics Summary

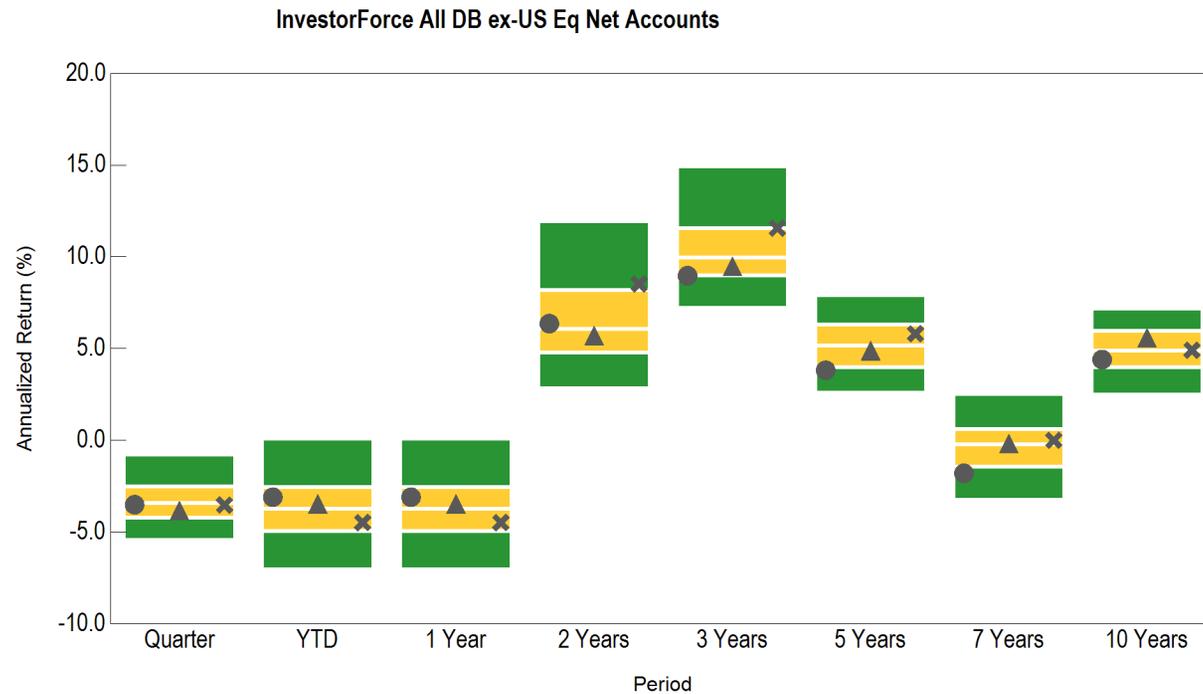
3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	9.0%	12.1%	0.7	-0.2	2.1%
MSCI ACWI ex US IMI	9.5%	12.9%	0.7	--	0.0%
Mondrian	8.3%	12.5%	0.7	-0.2	4.2%
MSCI ACWI ex USA Value Gross	9.1%	13.9%	0.6	--	0.0%

Statistics Summary

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	3.8%	15.3%	0.2	-0.5	2.2%
MSCI ACWI ex US IMI	4.9%	16.5%	0.3	--	0.0%
Mondrian	4.9%	15.0%	0.3	0.2	4.2%
MSCI ACWI ex USA Value Gross	4.2%	17.0%	0.2	--	0.0%



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	-0.8	0.1	0.1	11.9	14.9	7.9	2.5	7.2
25th Percentile	-2.5	-2.5	-2.5	8.2	11.6	6.3	0.7	6.0
Median	-3.4	-3.7	-3.7	6.1	10.0	5.2	-0.2	4.9
75th Percentile	-4.2	-4.9	-4.9	4.8	9.0	4.0	-1.4	4.0
95th Percentile	-5.4	-7.0	-7.0	2.9	7.2	2.6	-3.2	2.5
# of Portfolios	408	396	396	371	342	280	235	152
● International Equity	-3.5 (54)	-3.1 (36)	-3.1 (36)	6.4 (46)	9.0 (76)	3.8 (80)	-1.8 (83)	4.4 (63)
▲ MSCI ACWI ex US IMI	-3.8 (64)	-3.5 (44)	-3.5 (44)	5.7 (58)	9.5 (64)	4.9 (58)	-0.2 (49)	5.6 (34)
✕ MSCI EAFE Gross	-3.5 (55)	-4.5 (68)	-4.5 (68)	8.5 (23)	11.6 (26)	5.8 (36)	0.0 (44)	4.9 (50)

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

Quarter Ending December 31, 2014

Characteristics

	Portfolio	MSCI ACWI ex USA IMI Gross
Number of Holdings	2,443	6,092
Weighted Avg. Market Cap. (\$B)	44.4	44.8
Median Market Cap. (\$B)	5.1	1.1
Price To Earnings	20.6	18.6
Price To Book	3.6	2.4
Price To Sales	2.6	2.0
Return on Equity (%)	18.5	14.6
Yield (%)	2.9	2.8
Beta (holdings; global)	0.9	0.9

Top Holdings

NESTLE 'R'	1.7%
UNILEVER (UK)	1.7%
ROCHE HOLDING	1.3%
KAO	1.2%
BG GROUP	1.2%
UNITED OVERSEAS BANK	1.2%
NOVARTIS 'R'	1.1%
IBERDROLA	1.1%
TOTAL	1.0%
DEUTSCHE TELEKOM	1.0%

Best Performers

	Return %
CH KARNCHANG FB (Q:KARF)	252.9%
CHINA GALAXY SECURITIES 'H' (K:CGXY)	80.1%
ALIA-THE RYL.JDNN.AIRL. (JO:RJA)	70.4%
CHINA COMMS.CON.'H' (K:CCON)	66.8%
CGE (CL:ETD)	62.6%
QANTAS AIRWAYS (A:QANX)	61.5%
CHINA RAILWAY GROUP 'H' SUSP - SUSP.02/02/15 (K:CHRL)	55.1%
AEGEAN MARINE PTL.NET. (ANW)	53.2%
CSR 'H' (K:CSLR)	53.1%
ZHUZHOU CSR TIMES ELEC. 'H' (K:ZCSR)	51.0%

Worst Performers

	Return %
AP (THAILAND) FB (Q:PCMF)	-89.2%
TRADA MARITIME (ID:TRD)	-88.7%
OAO TMK REGS SPN.GDR (UKIR:TMKS)	-74.5%
WINTEK SUSP - SUSP.19/11/14 (TW:WIT)	-73.1%
AVANGARDCO INVS.GDR (UKIR:AVGR)	-72.3%
TRILOGY ENERGY TRUST (C:TET)	-69.8%
ENQUEST (UKIR:ENQ)	-68.8%
AUSDRILL (A:ASLX)	-58.6%
BUMI RESOURCES (ID:BMH)	-58.6%
MOBILE TELESYSTEMS (RS:MTO)	-58.2%

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

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	0.1%	-0.1%	0.1%	0.2%	-20.4%	-20.6%	8.1%	8.6%			
Materials	0.4%	0.1%	0.1%	0.2%	-4.3%	-6.8%	5.6%	8.4%			
Industrials	-0.1%	-0.1%	0.0%	0.0%	-3.7%	-3.7%	13.2%	12.1%			
Cons. Disc.	0.1%	-0.1%	0.1%	0.1%	2.3%	1.8%	12.4%	11.3%			
Cons. Staples	-0.1%	0.0%	0.1%	-0.2%	-1.5%	-1.8%	12.9%	9.3%			
Health Care	-0.1%	0.0%	0.0%	-0.1%	-4.3%	-4.3%	10.1%	8.4%			
Financials	0.1%	-0.1%	-0.1%	0.3%	-2.2%	-1.8%	19.6%	26.2%			
Info. Tech	0.2%	0.1%	0.0%	0.1%	2.5%	0.1%	7.5%	7.5%			
Telecomm.	0.1%	0.1%	0.0%	0.0%	0.4%	-2.1%	6.1%	4.8%			
Utilities	0.0%	0.0%	0.0%	0.0%	-4.0%	-4.1%	4.0%	3.5%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.4%	0.0%			
Portfolio	0.7%	=	0.0%	+	0.2%	+	0.5%	-3.1%	-3.8%	100.0%	100.0%

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

Equity Performance Attribution - International Equity

Quarter Ending December 31, 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	-4.7%	-5.7%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Belgium	0.9%	0.6%	0.4%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	-11.4%	-13.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Denmark	-9.6%	-6.4%	2.1%	1.1%	0.0%	0.0%	0.0%	0.0%	-0.1%
Finland	5.9%	-2.2%	0.6%	0.7%	0.1%	0.0%	0.0%	0.0%	0.1%
France	-9.6%	-5.6%	5.8%	6.5%	-0.3%	0.0%	0.0%	0.0%	-0.2%
Germany	-0.2%	0.3%	4.3%	6.0%	0.0%	-0.1%	0.1%	0.0%	0.0%
Greece*	-26.6%	-28.5%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Hungary*	-12.6%	-12.7%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Ireland	7.6%	2.9%	0.1%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Italy	-9.6%	-12.5%	2.0%	1.9%	0.1%	0.0%	0.0%	0.0%	0.0%
Luxembourg	5.5%	-3.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	0.3%	-0.2%	2.3%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Norway	-28.4%	-22.0%	0.4%	0.7%	-0.1%	0.0%	0.1%	0.0%	0.1%
Poland*	-13.5%	-13.5%	0.3%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	-23.0%	-21.9%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	-36.0%	-32.8%	0.7%	0.9%	-0.2%	0.0%	0.2%	0.0%	0.0%
Spain	-4.1%	-8.5%	3.6%	2.5%	0.1%	-0.1%	-0.1%	0.1%	0.0%
Sweden	-3.5%	-2.8%	4.0%	2.2%	0.0%	0.1%	-0.1%	0.0%	-0.1%
Switzerland	-1.1%	-2.2%	7.4%	6.1%	0.1%	0.0%	-0.1%	0.0%	0.0%
United Kingdom	-5.1%	-3.6%	16.8%	15.1%	-0.2%	0.0%	-0.1%	0.0%	-0.3%

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

Equity Performance Attribution - International Equity

Quarter Ending December 31, 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	-3.7%	-3.9%	4.3%	5.2%	0.0%	0.0%	0.1%	0.0%	0.1%
Bangladesh**	-8.4%	-5.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
China*	1.4%	5.8%	3.7%	4.2%	-0.2%	0.0%	0.0%	0.0%	-0.2%
Hong Kong	1.7%	2.6%	1.7%	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	-1.9%	0.3%	1.9%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Indonesia*	3.3%	0.5%	0.7%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	-0.1%	-2.4%	14.6%	15.5%	0.4%	0.0%	0.1%	0.0%	0.4%
Korea*	-3.8%	-8.1%	2.6%	3.3%	0.1%	0.0%	0.0%	0.0%	0.2%
Malaysia*	-8.9%	-11.5%	0.8%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	4.4%	7.6%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Pakistan**	9.5%	3.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Philippines*	0.5%	0.8%	0.5%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	0.0%	-1.5%	2.5%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Sri Lanka**	1.7%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	3.3%	0.5%	2.3%	2.8%	0.0%	0.0%	0.1%	0.0%	0.1%
Thailand*	-6.5%	-6.9%	0.5%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Argentina**	-8.3%	-8.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Brazil*	-14.5%	-14.9%	1.6%	2.1%	0.0%	0.0%	0.1%	0.0%	0.1%
Canada	-4.3%	-5.7%	1.2%	7.8%	0.1%	0.2%	0.2%	-0.1%	0.5%
Chile*	-4.0%	-4.9%	0.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	-18.6%	-22.8%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	-12.4%	-12.1%	1.5%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Peru*	-2.7%	-0.9%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	2.6%	4.6%	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.

Equity Performance Attribution - International Equity

Quarter Ending December 31, 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**	-17.5%	-22.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bulgaria**	-9.7%	-10.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Croatia**	-11.4%	-10.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Egypt*	-7.8%	-9.8%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Estonia**	-4.2%	-6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Israel	3.7%	-1.5%	0.8%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Jordan**	1.8%	-2.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kazakhstan**	-17.8%	-20.7%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kenya**	2.4%	1.7%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kuwait**	-14.5%	-14.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Lebanon**	-5.0%	-3.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Morocco**	-7.9%	-8.9%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Nigeria**	-29.2%	-26.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Oman**	-15.4%	-15.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Qatar*	-5.3%	-8.8%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Romania**	-5.6%	-7.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Slovenia**	-10.9%	-11.6%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	10.6%	3.0%	1.8%	1.6%	0.1%	0.0%	0.0%	0.0%	0.1%
Tunisia**	2.0%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	13.9%	10.9%	1.1%	0.3%	0.0%	0.1%	0.0%	0.0%	0.1%
United Arab Emirates*	-15.6%	-19.8%	0.2%	0.1%	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

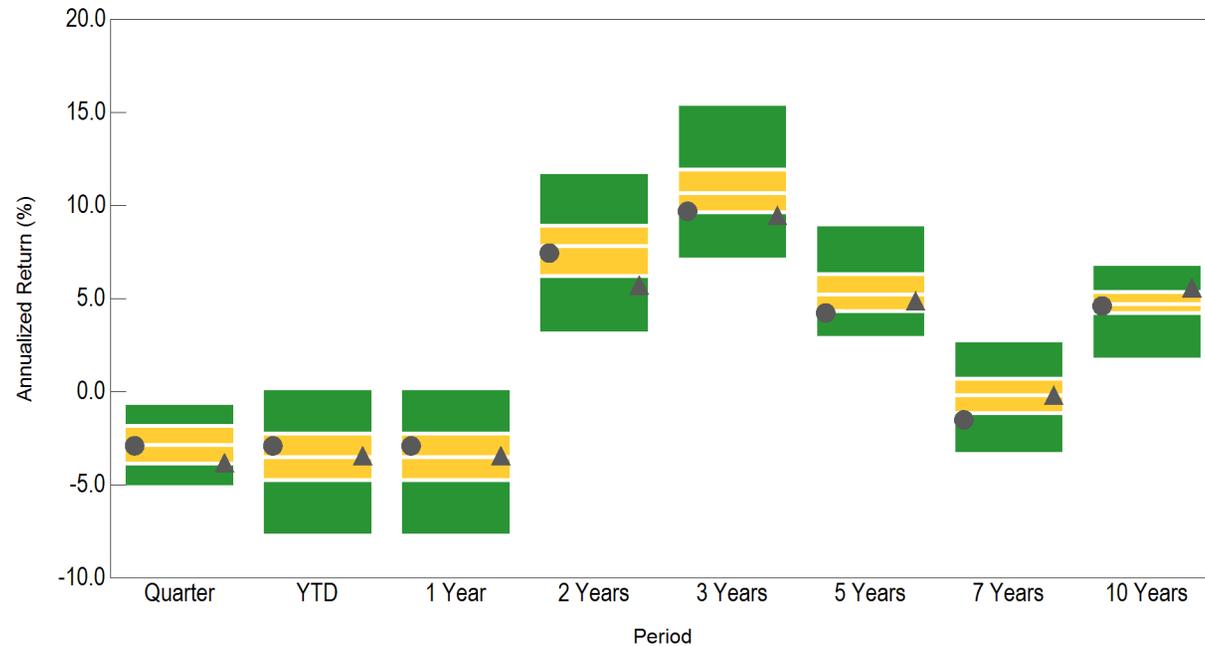
Quarter Ending December 31, 2014

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	-8.0%	-8.2%	6.2%	11.6%	-0.1%	0.3%	0.3%	0.0%	0.5%
Europe	-5.1%	-4.7%	51.3%	47.5%	-0.4%	0.0%	0.0%	0.0%	-0.4%
Asia/Pacific	-0.6%	-1.8%	36.6%	38.3%	0.4%	0.0%	0.2%	0.0%	0.5%
Other	3.7%	1.1%	5.4%	2.7%	0.1%	0.1%	0.0%	0.1%	0.1%
Cash	0.0%	--	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-3.1%	-3.8%	100.0%	100.0%	0.0%	0.2%	0.5%	0.0%	0.7%
Totals									
Developed	-3.1%	-3.6%	76.2%	78.2%	0.3%	0.0%	0.1%	0.0%	0.5%
Emerging*	-2.9%	-4.6%	22.0%	21.8%	0.0%	0.0%	0.3%	0.0%	0.4%
Frontier**	-8.9%	--	1.3%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Cash	0.0%	--	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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

InvestorForce All DB Dev Mkt ex-US Eq Net Accounts



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	-0.6	0.2	0.2	11.8	15.4	9.0	2.7	6.8
25th Percentile	-1.8	-2.2	-2.2	8.9	11.9	6.3	0.7	5.4
Median	-2.8	-3.5	-3.5	7.8	10.7	5.3	-0.2	4.7
75th Percentile	-3.8	-4.7	-4.7	6.3	9.7	4.4	-1.1	4.2
95th Percentile	-5.1	-7.7	-7.7	3.2	7.1	2.9	-3.3	1.7
# of Portfolios	130	125	125	121	113	88	72	40
● Developed Markets	-2.9 (53)	-2.9 (36)	-2.9 (36)	7.5 (56)	9.7 (74)	4.2 (77)	-1.5 (83)	4.6 (55)
▲ MSCI ACWI ex USA Gross	-3.8 (71)	-3.4 (48)	-3.4 (48)	5.7 (77)	9.5 (78)	4.9 (65)	-0.2 (50)	5.6 (22)

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

Quarter Ending December 31, 2014

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	1,037	1,839
Weighted Avg. Market Cap. (\$B)	47.7	51.2
Median Market Cap. (\$B)	9.3	6.7
Price To Earnings	20.9	18.5
Price To Book	3.8	2.5
Price To Sales	2.5	2.0
Return on Equity (%)	18.7	14.9
Yield (%)	2.9	2.9
Beta (holdings: global)	0.9	0.9

Top Holdings

NESTLE 'R'	1.9%
UNILEVER (UK)	1.9%
ROCHE HOLDING	1.4%
KAO	1.4%
BG GROUP	1.3%
UNITED OVERSEAS BANK	1.3%
NOVARTIS 'R'	1.3%
IBERDROLA	1.2%
TOTAL	1.2%
DEUTSCHE TELEKOM	1.1%

Best Performers

	Return %
CHINA GALAXY SECURITIES 'H' (K:CGXY)	80.1%
QANTAS AIRWAYS (A:QANX)	61.5%
ZHUZHOU CSR TIMES ELEC. 'H' (K:ZCSR)	51.0%
ALTICE (H:ATC)	49.1%
RURAL ELECFN.CORP. (IN:RUR)	31.2%
NIPPON PAINT HOLDINGS (J:NPPT)	30.7%
AXIS BANK (IN:UTI)	30.1%
DOMINION DIAMOND (C:DDC)	26.6%
RYANAIR SPN.ADR 1:5 (RYAAY)	26.3%
TAIYO NIPPON SANJO (J:TNSC)	26.1%

Worst Performers

	Return %
AP (THAILAND) FB (Q:PCMF)	-89.2%
TRILOGY ENERGY TRUST (C:TET)	-69.8%
ENQUEST (UKIR:ENQ)	-68.8%
AUSDRILL (A:ASLX)	-58.6%
TRICAN WELL SER. (C:TCW)	-57.9%
SEADRILL (N:SDRL)	-57.0%
BANCA MONTE DEI PASCHI (I:BMPS)	-56.9%
PREMIER OIL (UKIR:PMO)	-51.7%
MILLS ON NM (BR:MIL)	-50.8%
SBERBANK RUSSIA ADR 1:4 (SBRCY)	-50.8%

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

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

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.2%	-0.3%	0.2%	0.2%	-20.6%	-19.7%	7.9%	9.1%			
Materials	0.5%	0.3%	0.1%	0.1%	-2.9%	-7.5%	5.1%	8.1%			
Industrials	-0.1%	0.0%	0.0%	-0.1%	-3.4%	-3.6%	13.5%	10.9%			
Cons. Disc.	0.1%	-0.1%	0.2%	0.0%	2.7%	2.3%	12.9%	10.5%			
Cons. Staples	0.0%	0.1%	0.1%	-0.2%	-1.0%	-1.8%	13.3%	9.8%			
Health Care	-0.1%	0.0%	0.0%	-0.1%	-4.3%	-4.5%	10.9%	8.7%			
Financials	0.3%	0.2%	-0.1%	0.3%	-1.8%	-1.9%	18.9%	27.0%			
Info. Tech	0.2%	0.1%	0.0%	0.0%	2.9%	0.9%	7.5%	7.0%			
Telecomm.	0.2%	0.2%	0.0%	0.0%	2.3%	-2.2%	5.7%	5.3%			
Utilities	0.0%	0.0%	0.0%	0.0%	-3.5%	-4.2%	3.8%	3.6%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.4%	0.0%			
Portfolio	1.2%	=	0.6%	+	0.4%	+	0.3%	-2.6%	-3.8%	100.0%	100.0%

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

Equity Performance Attribution - Developed Markets

Quarter Ending December 31, 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	-4.7%	-7.4%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Belgium	1.2%	0.6%	0.4%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	--	-15.4%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	-9.6%	-7.9%	2.3%	1.1%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Finland	5.9%	-2.0%	0.7%	0.6%	0.1%	0.0%	0.0%	0.0%	0.1%
France	-9.6%	-5.9%	6.4%	7.0%	-0.3%	0.0%	0.0%	0.0%	-0.2%
Germany	-0.2%	0.0%	4.7%	6.2%	0.0%	0.0%	0.1%	0.0%	0.0%
Greece*	-42.6%	-28.7%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Hungary*	--	-12.8%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Ireland	7.6%	1.9%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Italy	-9.6%	-13.4%	2.2%	1.8%	0.1%	0.0%	0.0%	0.0%	0.0%
Luxembourg	8.0%	-3.8%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	0.4%	-0.4%	2.5%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Norway	-28.4%	-24.8%	0.4%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	12.6%	-13.9%	0.0%	0.4%	0.1%	0.0%	0.0%	-0.1%	0.1%
Portugal	-23.0%	-23.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	-41.9%	-32.4%	0.3%	1.0%	-0.4%	0.0%	0.3%	0.3%	0.2%
Spain	-4.1%	-8.2%	4.0%	2.6%	0.1%	-0.1%	-0.1%	0.1%	0.0%
Sweden	-3.5%	-3.5%	4.4%	2.2%	0.0%	0.1%	-0.2%	0.0%	-0.1%
Switzerland	-1.1%	-2.4%	8.2%	6.5%	0.1%	0.0%	-0.1%	0.0%	0.1%
United Kingdom	-5.0%	-4.3%	18.5%	15.1%	-0.1%	-0.1%	-0.1%	0.0%	-0.3%

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

Equity Performance Attribution - Developed Markets

Quarter Ending December 31, 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	-3.7%	-3.5%	4.8%	5.3%	0.0%	0.0%	0.0%	0.0%	0.0%
China*	1.1%	7.3%	3.1%	4.2%	-0.3%	-0.1%	0.0%	0.1%	-0.3%
Hong Kong	1.7%	3.2%	1.9%	2.1%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	-2.3%	-0.7%	1.4%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Indonesia*	7.3%	0.7%	0.4%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	-0.1%	-2.4%	16.1%	14.9%	0.4%	0.1%	-0.1%	0.0%	0.3%
Korea*	-2.1%	-8.0%	2.2%	3.2%	0.2%	0.1%	0.1%	-0.1%	0.2%
Malaysia*	-6.4%	-10.5%	0.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.1%
New Zealand	4.4%	2.6%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Philippines*	0.3%	0.7%	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	0.1%	-0.5%	2.8%	1.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	4.1%	1.7%	2.0%	2.6%	0.0%	0.0%	0.1%	0.0%	0.0%
Thailand*	-13.1%	-6.3%	0.2%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Brazil*	-14.9%	-14.8%	1.1%	2.2%	-0.1%	0.1%	0.1%	0.0%	0.2%
Canada	-4.3%	-4.7%	1.3%	7.6%	0.0%	0.2%	0.2%	0.0%	0.4%
Chile*	-3.5%	-5.2%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	-14.9%	-22.9%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	-11.3%	-12.2%	0.9%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Peru*	0.3%	-0.8%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	4.6%	4.6%	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.

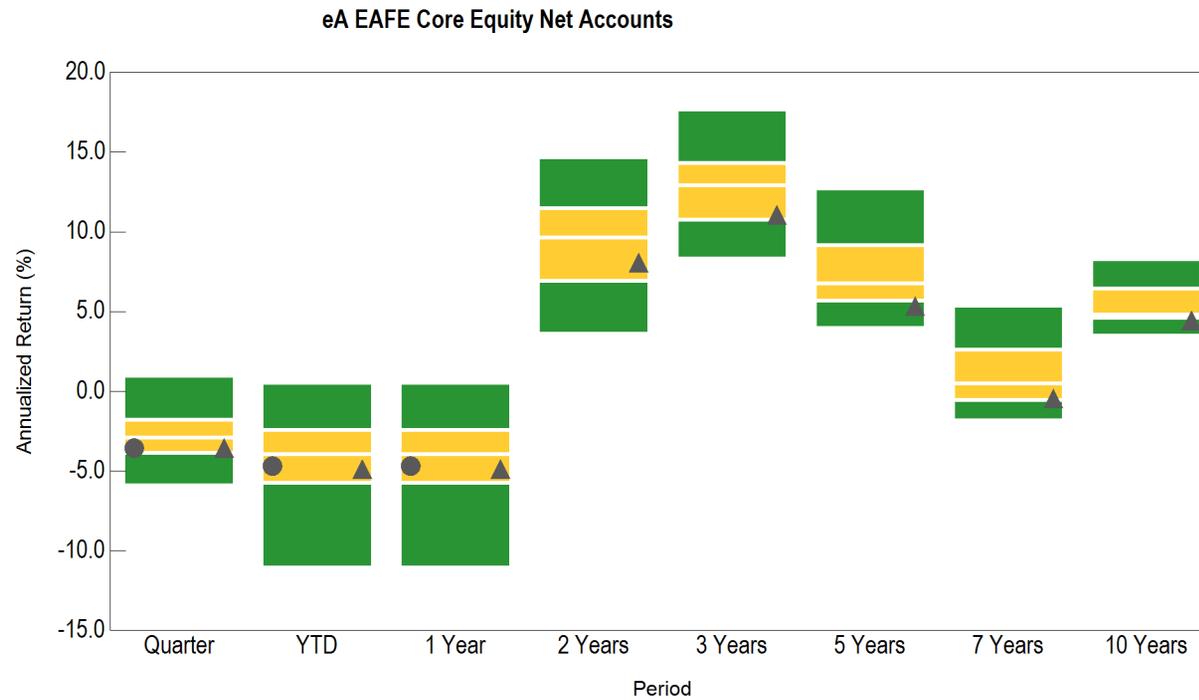
Equity Performance Attribution - Developed Markets

Quarter Ending December 31, 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									
Egypt*	--	-8.6%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Israel	3.7%	1.4%	0.9%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Kazakhstan**	-17.1%	-20.7%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Qatar*	1.7%	-8.3%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Romania**	-8.6%	-7.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	15.4%	3.0%	1.3%	1.6%	0.2%	0.0%	0.0%	0.0%	0.2%
Turkey*	15.0%	11.6%	0.9%	0.3%	0.0%	0.1%	0.0%	0.0%	0.1%
United Arab Emirates*	-9.3%	-20.9%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Totals									
Americas	-6.1%	-7.8%	4.7%	11.6%	0.0%	0.3%	0.4%	0.0%	0.7%
Europe	-4.6%	-5.1%	55.4%	48.6%	0.0%	-0.1%	-0.1%	0.0%	-0.2%
Asia/Pacific	-0.4%	-1.4%	36.1%	37.1%	0.4%	0.0%	0.0%	0.0%	0.4%
Other	10.5%	1.8%	3.4%	2.7%	0.2%	0.0%	0.0%	0.1%	0.3%
Cash	0.0%	--	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-2.6%	-3.8%	100.0%	100.0%	0.7%	0.2%	0.3%	0.0%	1.2%
Totals									
Developed	-3.0%	-3.7%	84.2%	78.3%	0.5%	0.0%	-0.3%	0.0%	0.2%
Emerging*	-0.3%	-4.5%	15.3%	21.7%	0.4%	0.1%	0.7%	-0.1%	1.0%
Frontier**	-13.7%	--	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

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



	Quarter		YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	0.9	0.5	0.5	14.6	17.7	12.7	5.3	8.3								
25th Percentile	-1.8	-2.4	-2.4	11.5	14.3	9.2	2.6	6.4								
Median	-2.9	-3.9	-3.9	9.7	12.9	6.8	0.5	4.8								
75th Percentile	-3.9	-5.7	-5.7	7.0	10.8	5.7	-0.5	4.6								
95th Percentile	-5.9	-11.1	-11.1	3.6	8.3	4.0	-1.8	3.5								
# of Portfolios	75	71	71	71	69	61	52	30								
● BlackRock EAFE Index	-3.6 (69)	-4.7 (61)	-4.7 (61)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								
▲ MSCI EAFE	-3.6 (68)	-4.9 (62)	-4.9 (62)	8.1 (64)	11.1 (71)	5.3 (81)	-0.5 (74)	4.4 (84)								

Quarter Ending December 31, 2014

Characteristics

	Portfolio	MSCI EAFE
Number of Holdings	915	910
Weighted Avg. Market Cap. (\$B)	57.1	57.3
Median Market Cap. (\$B)	8.7	8.7
Price To Earnings	20.4	18.8
Price To Book	3.0	2.4
Price To Sales	2.1	1.9
Return on Equity (%)	16.0	13.6
Yield (%)	3.0	3.0
Beta (holdings: global)	1.0	1.0

Top Holdings

NESTLE 'R'	1.9%
NOVARTIS 'R'	1.7%
ROCHE HOLDING	1.5%
HSBC HDG. (ORD \$0.50)	1.5%
TOYOTA MOTOR	1.4%
ROYAL DUTCH SHELL A(LON)	1.1%
BP	0.9%
COMMONWEALTH BK.OF AUS.	0.9%
BAYER	0.9%
TOTAL	0.9%

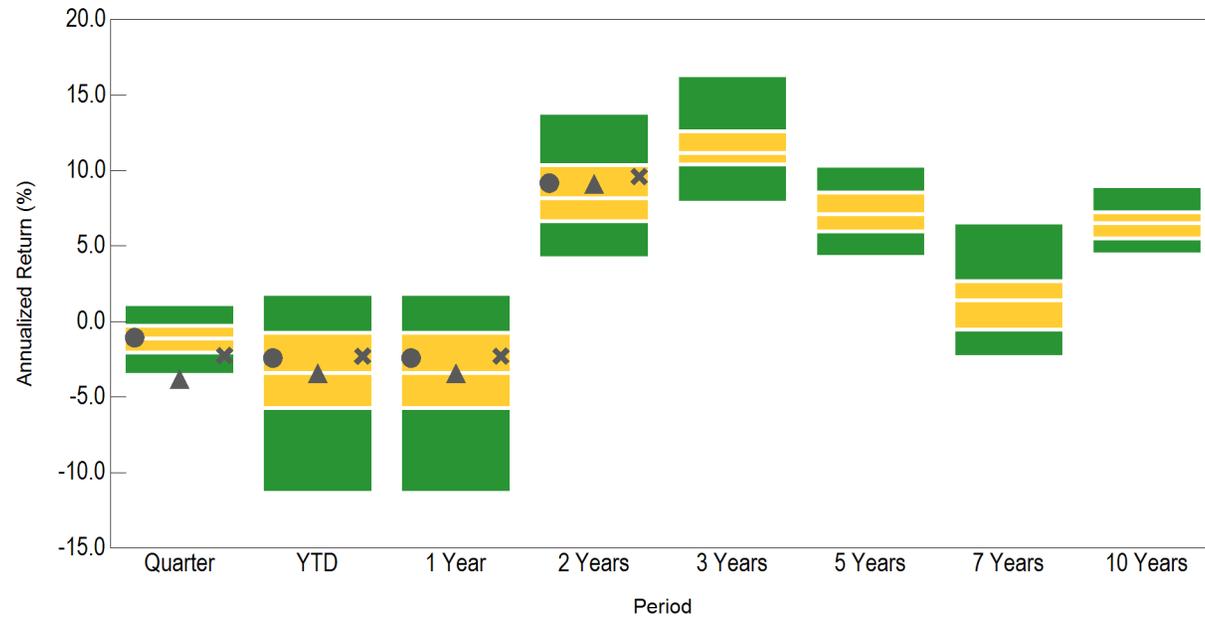
Best Performers

	Return %
QANTAS AIRWAYS (A:QANX)	61.5%
ALTICE (H:ATC)	49.1%
NIPPON PAINT HOLDINGS (J:NPPT)	30.7%
RYANAIR SPN.ADR 1:5 (RYAAY)	26.3%
TAIYO NIPPON SANZO (J:TNSC)	26.1%
INTL.CON.S.AIRL.GP. (MAD) (CDI) (E:IAG)	25.8%
NICE (IS:NIE)	25.5%
RYANAIR HOLDINGS (UKIR:RY4)	24.8%
CRODA INTERNATIONAL (UKIR:CRDA)	24.7%
SAGE GROUP (UKIR:SGE)	22.6%

Worst Performers

	Return %
SEADRILL (N:SDRL)	-57.0%
BANCA MONTE DEI PASCHI (I:BMPS)	-56.9%
SAIPEM (I:SPM)	-50.1%
AKER SOLUTIONS (N:AKSO)	-44.4%
SANTOS (A:STOX)	-43.6%
TRANSOCEAN (SWX) (S:TRAN)	-41.3%
VALLOUREC (F:VLR)	-40.1%
BANCO COMR.PORTUGUES 'R' (P:BCP)	-39.3%
WORLEYPARSONS (A:WORX)	-38.5%
TULLOW OIL (UKIR:TLW)	-38.2%

eA ACWI ex-US Growth Equity Net Accounts



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	1.1	1.8	1.8	13.8	16.3	10.3	6.5	8.9
25th Percentile	-0.3	-0.7	-0.7	10.4	12.6	8.6	2.7	7.3
Median	-1.1	-3.4	-3.4	8.2	11.2	7.1	1.4	6.5
75th Percentile	-2.0	-5.7	-5.7	6.7	10.4	6.0	-0.5	5.5
95th Percentile	-3.5	-11.3	-11.3	4.2	7.9	4.3	-2.3	4.5
# of Portfolios	26	26	26	26	26	24	21	15
● Baillie Gifford	-1.1 (49)	-2.4 (46)	-2.4 (46)	9.2 (35)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI ACWI ex US	-3.8 (99)	-3.4 (51)	-3.4 (51)	9.1 (35)	-- (--)	-- (--)	-- (--)	-- (--)
✕ MSCI ACWI ex US Growth	-2.3 (77)	-2.3 (45)	-2.3 (45)	9.6 (33)	-- (--)	-- (--)	-- (--)	-- (--)

Quarter Ending December 31, 2014

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	86	1,839
Weighted Avg. Market Cap. (\$B)	34.4	51.2
Median Market Cap. (\$B)	11.7	6.7
Price To Earnings	23.0	18.5
Price To Book	5.2	2.5
Price To Sales	3.6	2.0
Return on Equity (%)	23.2	14.9
Yield (%)	1.9	2.9
Beta (holdings; global)	1.0	0.9

Top Holdings

ROCHE HOLDING	2.7%
KINNEVIK 'B'	2.6%
SHIMANO	2.5%
SVENSKA HANDBKN.'A'	2.4%
BAIDU 'A' ADR 10:1	2.4%
NOVO NORDISK 'B'	2.3%
COCHLEAR	2.2%
NASPERS	2.2%
ATLAS COPCO 'B'	2.1%
KAO	1.9%

Best Performers

	Return %
RAKUTEN (J:RAKT)	21.9%
NASPERS (R:NPNJ)	18.9%
METTLER TOLEDO INTL. (MTD)	18.1%
CLICKS GROUP (R:CLSJ)	18.1%
IMAGINATION TECHNOLOGIES (UKIR:IMG)	16.8%
TKI.GARANTI BKSI. (TK:GAR)	14.9%
KONE 'B' (M:KNEB)	13.9%
JOHNSON MATTHEY (UKIR:JMAT)	12.6%
PUREGOLD PRICE CLUB (PH:PUR)	11.5%
TAIWAN SEMICON.SPN.ADR 1:5 (TSM)	10.9%

Worst Performers

	Return %
WEIR GROUP (UKIR:WEIR)	-28.4%
BG GROUP (UKIR:BG.)	-27.0%
WOOD GROUP (JOHN) (UKIR:WG.)	-24.5%
PROTALIX BIOTH. (PLX)	-24.0%
BHP BILLITON (UKIR:BLT)	-22.1%
TOTAL (F:TAL)	-19.6%
STANDARD CHARTERED (UKIR:STAN)	-18.8%
LI & FUNG (K:FUNG)	-17.6%
WOOLWORTHS (A:WOWX)	-16.2%
SHISEIDO (J:SHDO)	-14.4%

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	0.8%	-0.7%	0.8%	0.7%	-25.2%	-19.7%	4.0%	9.1%			
Materials	0.6%	0.4%	0.1%	0.1%	-1.4%	-7.5%	4.1%	8.1%			
Industrials	0.2%	0.3%	0.0%	-0.1%	-1.1%	-3.6%	15.7%	10.9%			
Cons. Disc.	0.5%	0.1%	0.5%	-0.1%	4.7%	2.3%	17.5%	10.5%			
Cons. Staples	-0.2%	0.0%	0.1%	-0.3%	-1.6%	-1.8%	16.9%	9.8%			
Health Care	-0.1%	0.1%	0.0%	-0.1%	-3.7%	-4.5%	11.5%	8.7%			
Financials	0.4%	0.5%	-0.1%	0.0%	-0.8%	-1.9%	21.3%	27.0%			
Info. Tech	0.3%	0.0%	0.0%	0.3%	4.9%	0.9%	8.0%	7.0%			
Telecomm.	0.2%	--	-0.1%	--	--	-2.2%	0.0%	5.3%			
Utilities	0.2%	--	0.0%	--	--	-4.2%	0.0%	3.6%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	1.0%	0.0%			
Portfolio	2.9%	=	0.6%	+	1.4%	+	0.9%	-0.9%	-3.8%	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	--	-7.4%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Belgium	--	0.6%	0.0%	0.9%	--	0.0%	0.0%	--	0.0%
Czech Republic*	--	-15.4%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	-10.0%	-7.9%	5.7%	1.1%	0.0%	-0.2%	-0.2%	-0.1%	-0.5%
Finland	13.9%	-2.0%	1.0%	0.6%	0.1%	0.0%	0.0%	0.1%	0.1%
France	-10.4%	-5.9%	1.3%	7.0%	-0.3%	0.2%	0.2%	0.3%	0.4%
Germany	-6.7%	0.0%	1.1%	6.2%	-0.4%	-0.2%	0.2%	0.4%	0.0%
Greece*	--	-28.7%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Hungary*	--	-12.8%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Ireland	--	1.9%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Italy	4.2%	-13.4%	2.2%	1.8%	0.3%	0.0%	0.0%	0.1%	0.3%
Netherlands	--	-0.4%	0.0%	1.9%	--	-0.1%	0.1%	--	0.0%
Norway	--	-24.8%	0.0%	0.6%	--	0.1%	0.1%	--	0.2%
Poland*	--	-13.9%	0.0%	0.4%	--	0.0%	0.0%	--	0.1%
Portugal	--	-23.0%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Russia*	--	-32.4%	0.0%	1.0%	--	0.1%	0.3%	--	0.3%
Spain	-2.0%	-8.2%	3.8%	2.6%	0.2%	-0.1%	-0.1%	0.1%	0.1%
Sweden	-3.5%	-3.5%	8.7%	2.2%	0.0%	0.2%	-0.5%	0.0%	-0.3%
Switzerland	-1.7%	-2.4%	7.7%	6.5%	0.0%	0.0%	0.0%	0.0%	0.0%
United Kingdom	-7.0%	-4.3%	18.9%	15.1%	-0.4%	-0.1%	-0.1%	-0.1%	-0.7%

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	0.4%	-3.5%	6.0%	5.3%	0.2%	0.0%	-0.1%	0.0%	0.2%
China*	-1.3%	7.3%	4.4%	4.2%	-0.4%	0.0%	0.0%	0.0%	-0.4%
Hong Kong	-0.5%	3.2%	2.3%	2.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%
India*	-11.4%	-0.7%	1.7%	1.5%	-0.2%	0.0%	0.0%	0.0%	-0.2%
Indonesia*	--	0.7%	0.0%	0.6%	--	0.0%	0.0%	--	0.0%
Japan	5.1%	-2.4%	14.1%	14.9%	1.2%	0.0%	0.0%	-0.1%	1.1%
Korea*	1.8%	-8.0%	3.6%	3.2%	0.3%	0.0%	0.1%	0.0%	0.3%
Malaysia*	--	-10.5%	0.0%	0.9%	--	0.0%	0.1%	--	0.1%
New Zealand	4.6%	2.6%	1.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Philippines*	11.5%	0.7%	0.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	2.1%	-0.5%	3.7%	1.1%	0.0%	0.1%	0.0%	0.0%	0.1%
Taiwan*	1.3%	1.7%	3.3%	2.6%	-0.1%	0.0%	0.1%	0.0%	0.0%
Thailand*	--	-6.3%	0.0%	0.5%	--	0.0%	0.0%	--	0.0%
Americas									
Brazil*	-6.1%	-14.8%	0.8%	2.2%	0.0%	0.1%	0.2%	0.0%	0.3%
Canada	--	-4.7%	0.0%	7.6%	--	0.2%	0.3%	--	0.4%
Chile*	--	-5.2%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Colombia*	--	-22.9%	0.0%	0.2%	--	0.0%	0.0%	--	0.1%
Mexico*	-13.5%	-12.2%	0.7%	1.2%	0.0%	0.0%	0.0%	0.0%	0.1%
Peru*	--	-0.8%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
United States	5.2%	4.6%	2.3%	0.0%	0.0%	0.1%	0.0%	0.0%	0.1%
Other									
Egypt*	--	-8.6%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Israel	--	1.4%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
Qatar*	--	-8.3%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
South Africa*	18.6%	3.0%	2.7%	1.6%	0.3%	0.0%	0.0%	0.2%	0.4%
Turkey*	14.9%	11.6%	1.6%	0.3%	0.0%	0.2%	0.0%	0.0%	0.2%
United Arab Emirates*	--	-20.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%

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	
Totals									
Americas	-0.6%	-7.8%	3.8%	11.6%	0.5%	0.3%	0.5%	-0.3%	1.0%
Europe	-4.7%	-5.1%	50.3%	48.6%	0.1%	0.0%	0.0%	0.0%	0.1%
Asia/Pacific	1.9%	-1.4%	40.5%	37.1%	0.9%	0.1%	0.1%	0.1%	1.2%
Other	17.2%	1.8%	4.4%	2.7%	0.4%	0.1%	-0.1%	0.3%	0.7%
Cash	0.0%	--	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-0.9%	-3.8%	100.0%	100.0%	1.9%	0.4%	0.6%	0.0%	2.9%
Totals									
Developed	-1.8%	-3.7%	79.8%	78.3%	1.6%	0.0%	-0.2%	0.0%	1.4%
Emerging*	2.7%	-4.5%	19.3%	21.7%	0.9%	0.0%	0.7%	-0.1%	1.5%
Cash	0.0%	--	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

eA ACWI ex-US Value Equity Net Accounts



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-0.6	5.4	5.4	15.0	17.2	9.3	3.0	8.4
25th Percentile	-2.5	-2.0	-2.0	8.6	11.9	7.9	1.5	6.6
Median	-4.0	-4.8	-4.8	6.0	9.8	5.6	-0.5	5.5
75th Percentile	-5.7	-8.5	-8.5	4.2	8.4	4.4	-0.8	3.8
95th Percentile	-6.9	-12.5	-12.5	2.2	7.4	2.6	-1.6	3.4
# of Portfolios	28	25	25	24	23	19	18	14
● Mondrian	-4.4 (59)	-1.7 (25)	-1.7 (25)	6.9 (43)	8.3 (79)	4.9 (56)	0.0 (40)	5.4 (54)
▲ MSCI ACWI ex USA Value Gross	-5.4 (73)	-4.6 (46)	-4.6 (46)	5.0 (68)	9.1 (57)	4.2 (85)	-0.3 (45)	5.4 (54)
✕ MSCI ACWI ex USA Value Gross	-3.8 (48)	-3.4 (43)	-3.4 (43)	5.7 (62)	9.5 (55)	4.9 (56)	-0.2 (42)	5.6 (49)

Quarter Ending December 31, 2014

Characteristics

	Portfolio	MSCI ACWI ex USA Value Gross
Number of Holdings	135	1,029
Weighted Avg. Market Cap. (\$B)	55.0	50.1
Median Market Cap. (\$B)	17.9	6.5
Price To Earnings	19.3	14.1
Price To Book	2.8	1.6
Price To Sales	1.7	1.5
Return on Equity (%)	16.2	11.9
Yield (%)	3.8	3.8
Beta (holdings: global)	0.8	1.0

Top Holdings

IBERDROLA	3.1%
UNILEVER (UK)	3.0%
DEUTSCHE TELEKOM	2.7%
NATIONAL GRID	2.4%
SANOFI	2.4%
TELEFONICA	2.3%
GLAXOSMITHKLINE	2.3%
CANON	2.3%
AHOLD KON.	2.3%
NOVARTIS 'R'	2.2%

Best Performers

	Return %
RURAL ELECFN.CORP. (IN:RUR)	31.2%
AXIS BANK (IN:UTI)	30.1%
TOFAS TURK OTOM.FABK. (TK:TOA)	21.6%
ZEE ENTERTAINMENT ENTS. (IN:ZEE)	18.6%
CLICKS GROUP (R:CLSJ)	18.1%
TURK TELEKOMUNIKASYON (TK:TUT)	18.0%
TUPRAS TKI.PEL.RFNE. (TK:TUP)	17.9%
TOKYO ELECTRON (J:RG@N)	17.9%
ORANGE (F:ORA)	15.4%
ASUSTEK COMPUTER (TW:ASU)	15.0%

Worst Performers

	Return %
SBERBANK RUSSIA ADR 1:4 (SBRCY)	-50.8%
PETROBRAS PN (BR:POB)	-49.0%
VALLOUREC (F:VLR)	-40.1%
OAO GAZPROM SPN.ADR 1:2 (OGZPY)	-35.1%
BG GROUP (UKIR:BG.)	-27.0%
ENI (I:ENI)	-26.3%
AMEC FOSTER WHEELER (UKIR:AMFW)	-24.6%
CAIRN INDIA (IN:CEI)	-24.5%
VALE ON ADR 1:1 (VALE)	-23.0%
VALE PNA (BR:VL5)	-22.3%

Mondrian Performance Attribution vs. MSCI ACWI ex USA Value Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.2%	-0.1%	0.0%	0.3%	-17.9%	-19.5%	13.2%	12.9%			
Materials	0.8%	0.2%	0.3%	0.3%	-4.6%	-10.2%	2.1%	9.0%			
Industrials	-0.5%	-0.5%	0.0%	-0.1%	-8.6%	-4.2%	9.3%	7.1%			
Cons. Disc.	-0.1%	-0.2%	0.0%	0.1%	-1.3%	-0.5%	7.4%	7.0%			
Cons. Staples	0.2%	0.1%	0.3%	-0.2%	0.0%	-3.4%	14.4%	3.8%			
Health Care	-0.3%	0.0%	-0.1%	-0.2%	-5.4%	-6.7%	11.6%	5.3%			
Financials	0.4%	0.0%	-0.8%	1.2%	-2.1%	-1.9%	11.9%	37.8%			
Info. Tech	0.2%	0.2%	0.3%	-0.2%	2.4%	-0.8%	8.4%	3.6%			
Telecomm.	0.5%	0.3%	0.2%	0.0%	3.0%	-0.5%	13.3%	7.7%			
Utilities	0.0%	0.0%	0.0%	-0.1%	-3.8%	-4.5%	8.4%	5.9%			
Cash	0.0%	--	--	--	--	--	0.0%	0.0%			
Portfolio	1.4%	=	0.0%	+	0.2%	+	1.1%	-4.0%	-5.3%	100.0%	100.0%

Equity Performance Attribution - Mondrian

Quarter Ending December 31, 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	--	-12.9%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Belgium	--	2.7%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Czech Republic*	--	-15.1%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	--	-10.2%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Finland	--	-3.3%	0.0%	0.6%	--	0.0%	0.0%	--	0.0%
France	-13.0%	-10.0%	10.5%	7.9%	-0.3%	-0.2%	-0.1%	-0.1%	-0.6%
Germany	0.3%	-0.9%	5.8%	6.6%	0.1%	0.0%	0.0%	0.0%	0.1%
Greece*	--	-27.4%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Hungary*	--	-11.8%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Ireland	--	5.3%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Italy	-26.3%	-14.2%	1.8%	2.1%	-0.3%	0.0%	0.0%	0.0%	-0.2%
Netherlands	0.6%	-1.4%	5.2%	1.2%	0.0%	0.1%	-0.2%	0.1%	0.1%
Norway	--	-26.7%	0.0%	1.1%	--	0.2%	0.1%	--	0.3%
Poland*	--	-12.7%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
Portugal	--	-16.1%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Russia*	-41.9%	-32.2%	0.8%	1.0%	-0.5%	0.0%	0.4%	0.1%	0.0%
Spain	-3.7%	-9.0%	5.4%	3.7%	0.2%	-0.1%	-0.1%	0.1%	0.1%
Sweden	-6.0%	-4.3%	1.8%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Switzerland	-0.3%	-2.2%	9.7%	4.3%	0.1%	0.1%	-0.2%	0.1%	0.1%
United Kingdom	-5.7%	-5.2%	16.8%	16.7%	-0.1%	0.0%	0.0%	0.0%	-0.1%

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	-8.1%	-1.0%	1.6%	5.3%	-0.4%	-0.2%	0.3%	0.3%	-0.1%
China*	-0.1%	10.9%	3.6%	4.2%	-0.5%	-0.1%	0.0%	0.1%	-0.5%
Hong Kong	-5.7%	5.2%	0.2%	2.2%	-0.2%	-0.1%	0.0%	0.2%	-0.1%
India*	5.7%	-0.2%	1.9%	1.5%	0.1%	0.0%	0.0%	0.0%	0.1%
Indonesia*	4.6%	-0.1%	0.9%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	-1.8%	-3.8%	14.0%	14.7%	0.3%	0.0%	0.0%	0.0%	0.3%
Korea*	-3.4%	-13.3%	1.6%	3.1%	0.3%	0.1%	0.0%	-0.2%	0.4%
Malaysia*	-5.8%	-11.5%	1.2%	0.9%	0.1%	0.0%	0.0%	0.0%	0.0%
New Zealand	--	4.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Philippines*	-8.2%	0.8%	0.5%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	-1.8%	-0.1%	3.7%	1.1%	0.0%	0.1%	-0.1%	0.0%	-0.1%
Taiwan*	8.1%	-1.6%	1.5%	2.7%	0.3%	0.0%	0.0%	-0.1%	0.2%
Thailand*	-6.4%	-11.6%	0.6%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Brazil*	-17.4%	-24.2%	2.1%	2.2%	0.1%	0.0%	0.0%	0.0%	0.2%
Canada	8.6%	-7.8%	1.0%	7.6%	1.3%	0.3%	0.2%	-1.1%	0.7%
Chile*	-4.3%	-3.8%	0.8%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	-14.9%	-25.4%	0.1%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	-11.1%	-11.6%	1.6%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Peru*	4.4%	0.6%	0.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	1.8%	4.8%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

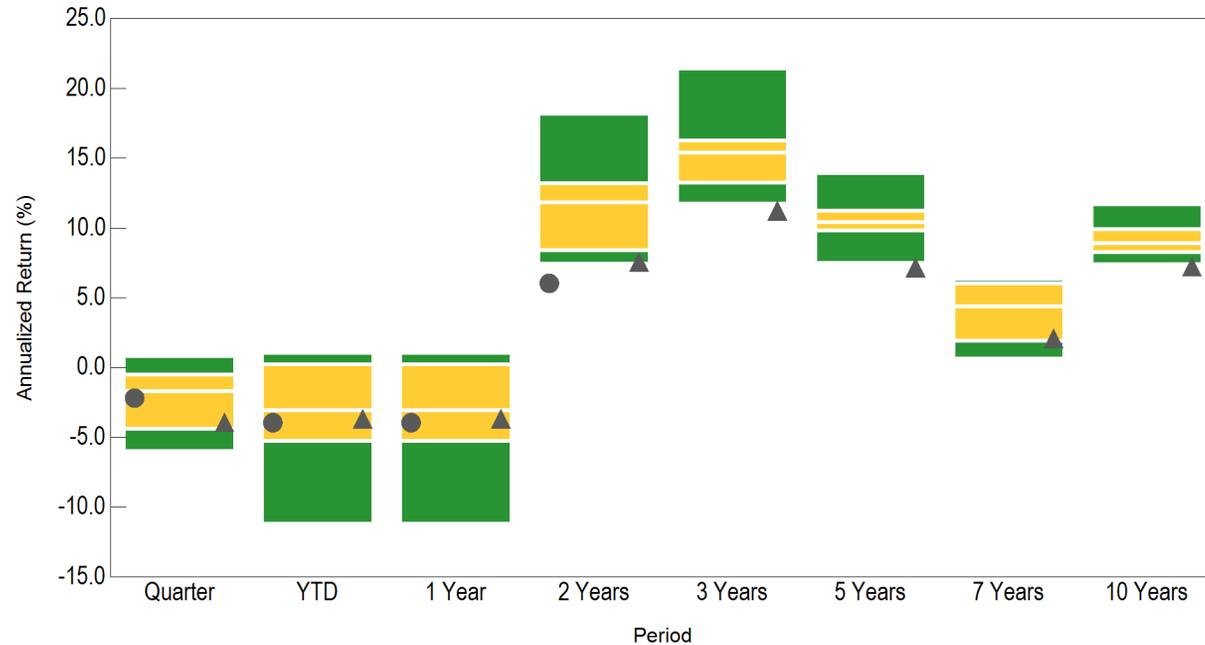
Equity Performance Attribution - Mondrian

Quarter Ending December 31, 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*	--	-16.4%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Israel	7.6%	1.6%	2.1%	0.4%	0.0%	0.1%	0.0%	0.0%	0.2%
Kazakhstan**	-17.1%	-5.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Qatar*	1.7%	-6.5%	0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Romania**	-8.6%	-5.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	9.9%	-2.7%	0.6%	1.6%	0.2%	0.0%	0.0%	-0.1%	0.1%
Turkey*	18.3%	14.1%	1.0%	0.3%	0.0%	0.1%	0.0%	0.0%	0.1%
United Arab Emirates*	-9.3%	-14.8%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Totals									
Americas	-7.4%	-11.4%	6.5%	11.6%	0.4%	0.3%	0.3%	-0.2%	0.8%
Europe	-6.0%	-6.8%	57.7%	48.6%	0.0%	-0.1%	0.1%	0.0%	-0.1%
Asia/Pacific	-1.2%	-1.7%	31.3%	37.2%	0.3%	-0.2%	0.2%	0.0%	0.2%
Other	7.9%	-1.0%	4.4%	2.6%	0.2%	0.0%	0.0%	0.1%	0.4%
Total	-4.0%	-5.3%	100.0%	100.0%	0.8%	0.0%	0.6%	-0.1%	1.4%
Totals									
Developed	-4.1%	-5.1%	80.0%	78.4%	0.5%	0.0%	0.1%	0.0%	0.7%
Emerging*	-3.2%	-6.2%	19.7%	21.6%	0.2%	0.0%	0.5%	0.0%	0.7%
Frontier**	-13.7%	--	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

eA ACWI ex-US Small Cap Equity Net Accounts



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	0.8	1.0	1.0	18.2	21.4	13.9	6.3	11.7
25th Percentile	-0.5	0.3	0.3	13.2	16.3	11.3	6.0	10.0
Median	-1.7	-3.0	-3.0	11.9	15.4	10.4	4.4	8.9
75th Percentile	-4.4	-5.2	-5.2	8.4	13.3	9.8	1.9	8.3
95th Percentile	-6.0	-11.2	-11.2	7.5	11.8	7.5	0.6	7.4
# of Portfolios	19	16	16	16	14	10	9	4
● Pyramis Equity	-2.2 (54)	-4.0 (72)	-4.0 (72)	6.0 (99)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI ACWI ex US Small Cap Gross	-3.9 (72)	-3.7 (69)	-3.7 (69)	7.6 (92)	11.2 (99)	7.2 (99)	2.1 (74)	7.2 (99)

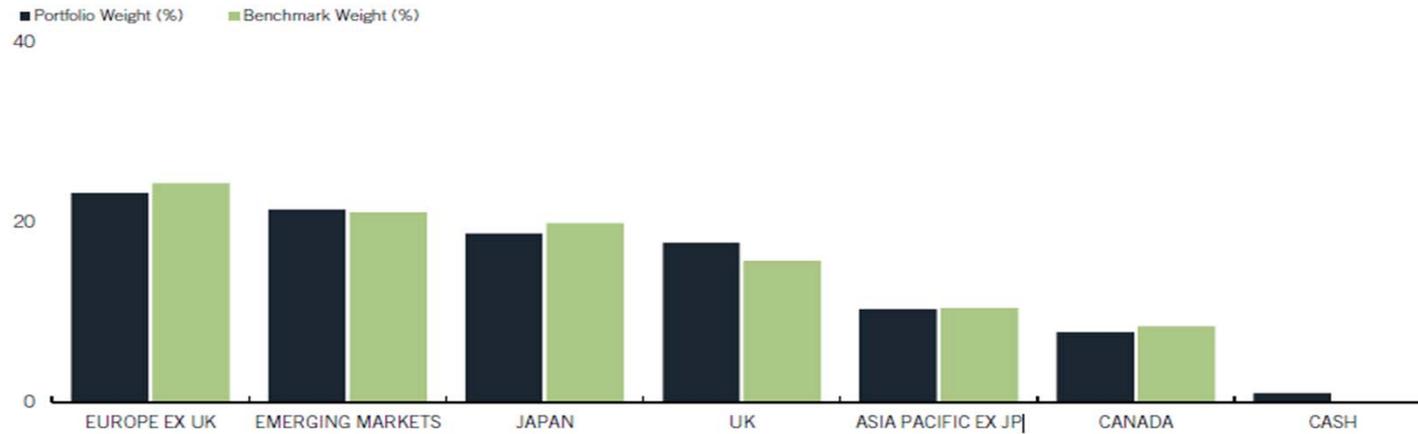
Equity Only Summary Statistics – Pyramis Global Advisors

Quarter Ending December 31, 2014

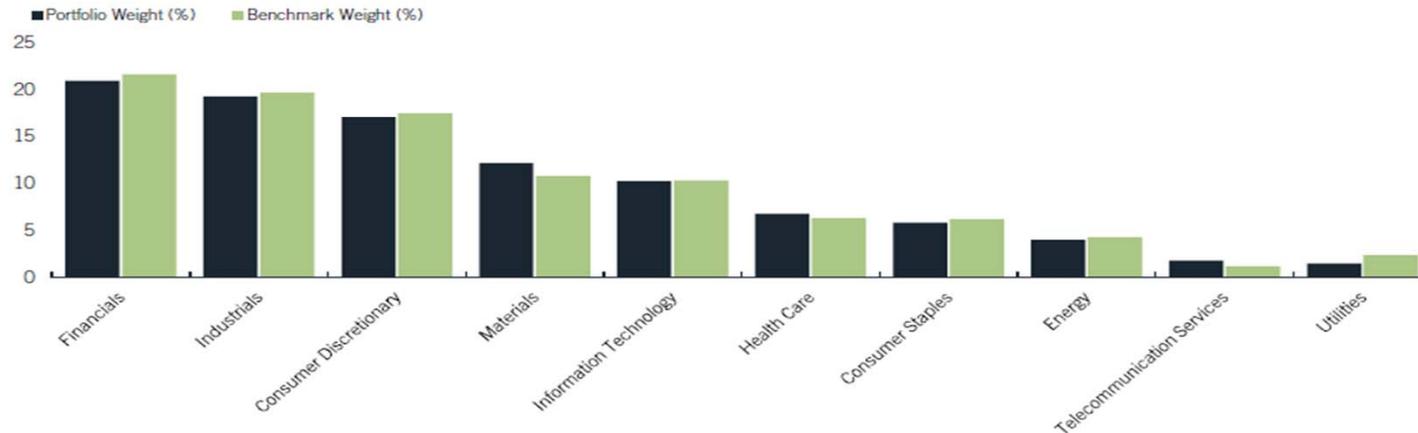
Characteristics	Portfolio	MSCI ACWI ex-US Small Cap
	No. of Securities	233
Weighted Avg. Market Cap. (\$B)	2.9	2.0
Price to Book Ratio	1.8	1.5
Return on Equity (%)	12.5	10.9

Ten Holdings		Best Performers		Worst Performers	
HIKMA PHARMACEUTICALS PLC	1.8	CHINA GALAXY SEC CO LTD H	42.6	METHANEX CORP	-32.7
NIHON PARKERIZING CO LTD	1.6	HIKMA PHARMACEUTICALS PLC	20.6	AKER SOLUTIONS ASA	-26.0
TECHTRONIC INDUSTRIES CO LTD	1.5	TECHTRONIC INDUSTRIES CO LTD	20.3	PREMIER OIL PLC	-16.4
REGUS PLC	1.1	ROYAL IMTECH NV	20.1	WESTERN ENERGY SERVICES CORP	-16.0
QUEBECOR INC CL B SUB VTG	1.1	ZHUZHOU CSR TIMES ELE CO LTD H	18.9	CHIYODA CORP	-16.0
TOKYO OHKA KOGYO	1.0	REGUS PLC	18.1	JOHN WOOD GROUP PLC	-15.9
THK CO LTD	1.0	TOKYO OHKA KOGYO	17.3	ENQUEST PLC (UK)	-15.0
OBIC CO LTD	1.0	CATLIN GROUP LTD	16.3	SKILLED GROUP LIMITED	-14.3
NUFARM LTD	0.9	TOWER BERSAMA INFRASTRUCTURE	15.9	AWE LTD	-13.8
CONSTELLATION SOFTWARE INC	0.9	CONSTELLATION SOFTWARE INC	14.3	PASON SYSTEMS INC	-12.7

Regional Weights



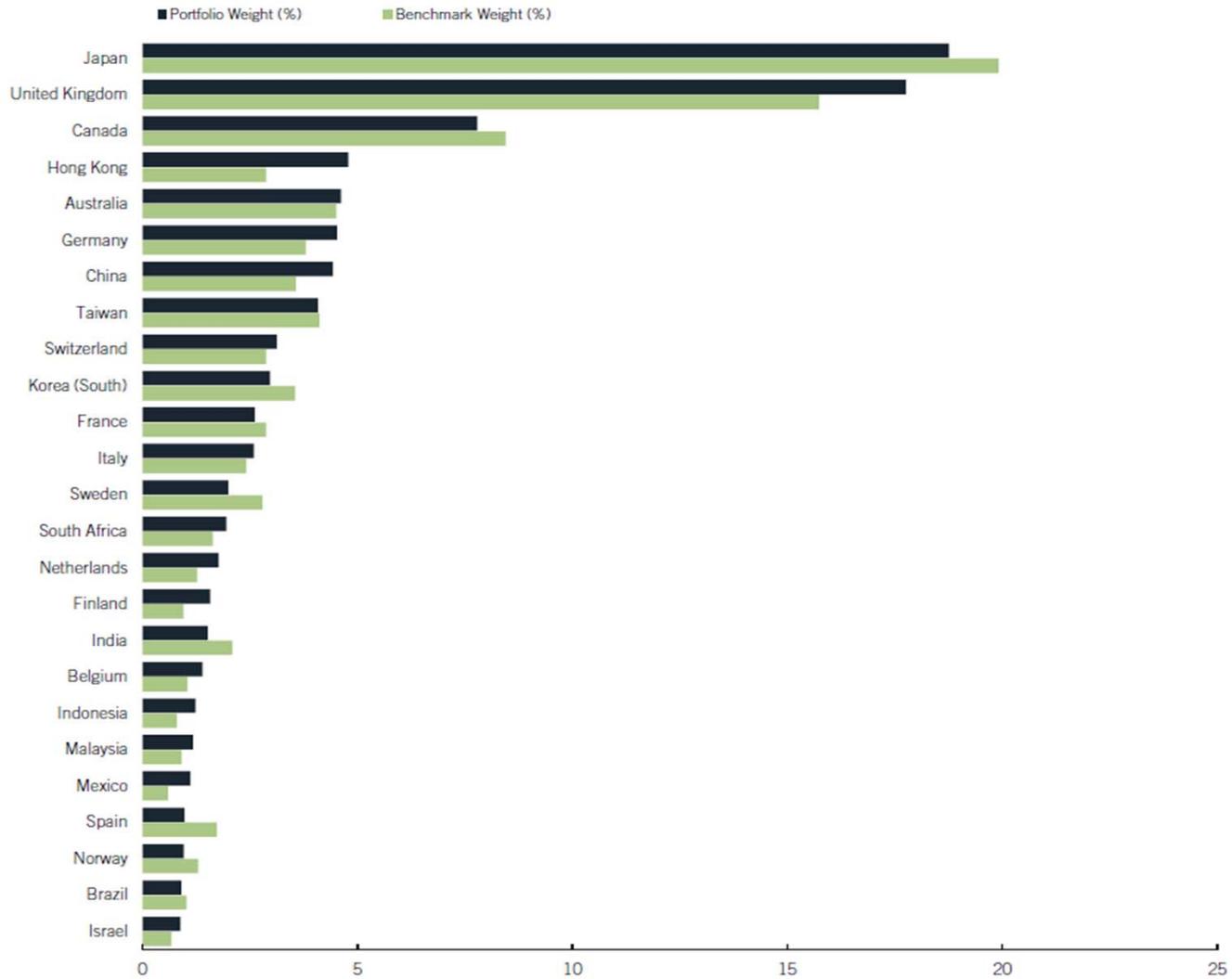
Sector Weights



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

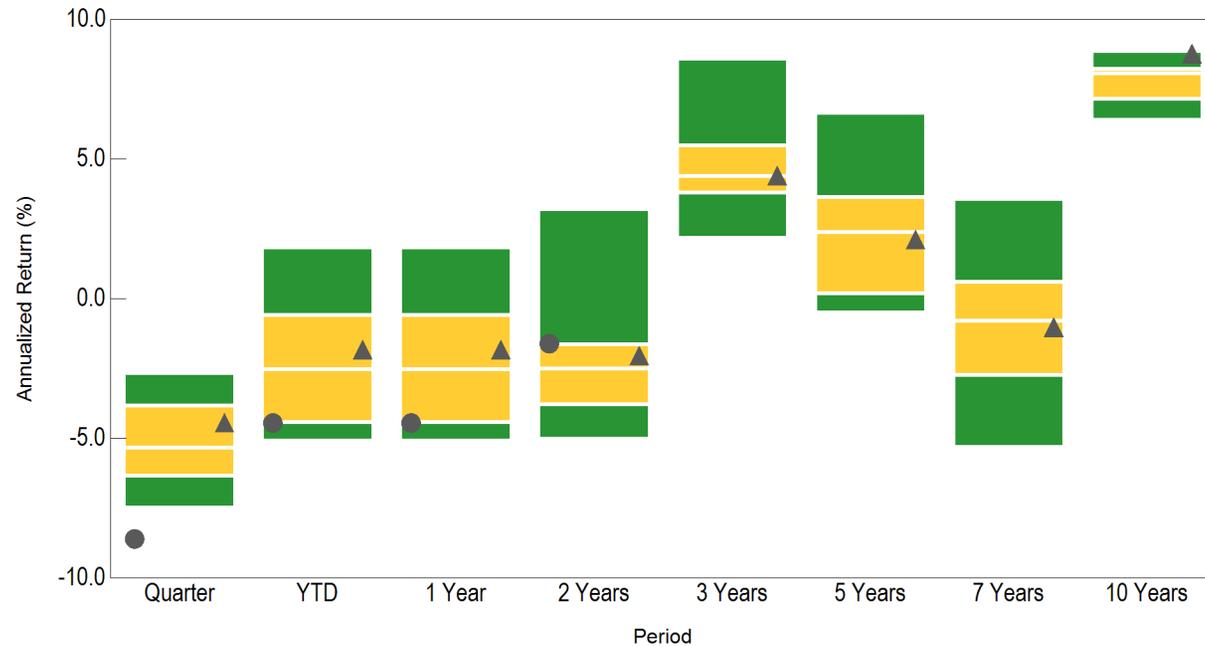
Benchmark: MSCI AC Wid Sm Cap xUS(N)

Top 25 Country Weights



Benchmark: MSCI AC Wid Sm Cap xUS(N)

InvestorForce All DB Emg Mkt Eq Net Accounts



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-2.7	1.8	1.8	3.2	8.6	6.7	3.6	8.9
25th Percentile	-3.8	-0.6	-0.6	-1.6	5.5	3.7	0.6	8.2
Median	-5.3	-2.5	-2.5	-2.5	4.4	2.4	-0.8	8.1
75th Percentile	-6.3	-4.4	-4.4	-3.8	3.8	0.2	-2.7	7.2
95th Percentile	-7.5	-5.1	-5.1	-5.0	2.2	-0.5	-5.3	6.4
# of Portfolios	59	57	57	51	39	17	11	7
● Emerging Markets	-8.6 (99)	-4.5 (86)	-4.5 (86)	-1.6 (25)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI Emerging Markets Gross	-4.4 (38)	-1.8 (39)	-1.8 (39)	-2.0 (41)	4.4 (51)	2.1 (57)	-1.0 (58)	8.8 (7)

eA Emg Mkts Equity Net Accounts



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	-0.7	6.5	6.5	8.2	13.0	8.1	5.0	12.1
25th Percentile	-2.4	2.4	2.4	2.0	7.3	5.0	1.0	10.7
Median	-3.9	-0.8	-0.8	-0.2	5.6	3.5	-0.4	9.7
75th Percentile	-5.5	-3.6	-3.6	-2.8	3.7	1.5	-1.5	8.7
95th Percentile	-9.5	-8.3	-8.3	-5.9	0.7	-1.0	-4.1	6.8
# of Portfolios	128	126	126	115	92	69	52	35
● Parametric	-8.5 (95)	-4.3 (78)	-4.3 (78)	-1.6 (64)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI Emerging Markets Gross	-4.4 (59)	-1.8 (58)	-1.8 (58)	-2.0 (68)	4.4 (67)	2.1 (67)	-1.0 (62)	8.8 (68)

Quarter Ending December 31, 2014

Characteristics

	Portfolio	MSCI Emerging Markets Gross
Number of Holdings	1,479	834
Weighted Avg. Market Cap. (\$B)	18.8	36.0
Median Market Cap. (\$B)	2.4	4.9
Price To Earnings	18.0	17.3
Price To Book	3.1	2.7
Price To Sales	2.7	2.2
Return on Equity (%)	17.1	17.8
Yield (%)	3.0	2.6
Beta (holdings: global)	0.9	0.9

Top Holdings

MTN GROUP	1.1%
CHINA MOBILE	1.1%
SAMSUNG ELECTRONICS	1.0%
AMX 'L'	1.0%
TENCENT HOLDINGS	0.9%
NASPERS	0.8%
TAIWAN SEMICON.MNFG.	0.6%
OAO GAZPROM SPN.ADR 1:2	0.6%
CEZ	0.5%
CREDICORP	0.5%

Best Performers

	Return %
CH KARNCHANG FB (Q:KARF)	252.9%
ALIA-THE RYL.JDNN.AIRL. (JO:RJA)	70.4%
CHINA COMMS.CON.'H' (K:CCON)	66.8%
CGE (CL:ETD)	62.6%
CHINA RAILWAY GROUP 'H' SUSP - SUSP.02/02/15 (K:CHRL)	55.1%
AEGEAN MARINE PTL.NET. (ANW)	53.2%
CSR 'H' (K:CSLR)	53.1%
ZHUZHOU CSR TIMES ELEC. 'H' (K:ZCSR)	51.0%
ASIANA AIRLINES (KO:ASA)	49.5%
PRUKSA REAL ESTATE FB (Q:PSF)	49.0%

Worst Performers

	Return %
AP (THAILAND) FB (Q:PCMF)	-89.2%
TRADA MARITIME (ID:TRD)	-88.7%
OAO TMK REGS SPN.GDR (UKIR:TMKS)	-74.5%
WINTEK SUSP - SUSP.19/11/14 (TW:WIT)	-73.1%
AVANGARDCO INVS.GDR (UKIR:AVGR)	-72.3%
BUMI RESOURCES (ID:BMH)	-58.6%
MOBILE TELESYSTEMS (RS:MTO)	-58.2%
CAP (CL:CAP)	-58.0%
LSR GROUP GDR REPR 5:1 (REG S) (UKIR:LSRG)	-57.4%
DRYSHIPS (DRYS)	-57.1%

Parametric Performance Attribution vs. MSCI Emerging Markets Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.6%	-0.2%	0.0%	0.8%	-18.9%	-24.4%	10.3%	10.2%			
Materials	-0.1%	-0.1%	-0.1%	0.2%	-11.0%	-12.5%	10.0%	8.3%			
Industrials	-0.4%	-0.2%	0.0%	-0.2%	-7.3%	-4.5%	10.2%	6.6%			
Cons. Disc.	0.0%	-0.1%	0.0%	0.1%	-3.8%	-2.9%	8.1%	9.0%			
Cons. Staples	-0.3%	-0.1%	0.0%	-0.2%	-7.9%	-5.0%	8.9%	8.3%			
Health Care	-0.1%	-0.1%	0.0%	0.0%	-5.0%	-1.0%	2.4%	2.1%			
Financials	-1.8%	-2.1%	-0.1%	0.4%	-5.1%	1.8%	25.5%	27.5%			
Info. Tech	-0.4%	-0.6%	-0.4%	0.7%	-1.1%	1.8%	8.0%	16.7%			
Telecomm.	-0.4%	-0.1%	-0.1%	-0.2%	-8.9%	-6.7%	10.6%	7.7%			
Utilities	-0.2%	0.0%	0.0%	-0.1%	-7.2%	-6.1%	5.2%	3.6%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.6%	0.0%			
Unclassified	0.0%	--	--	--	--	--	0.0%	0.0%			
Portfolio	-3.2%	=	-3.7%	+	-0.9%	+	1.4%	-7.6%	-4.5%	100.0%	100.0%

Parametric 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	-44.8%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	-11.4%	-15.4%	1.4%	0.2%	0.0%	-0.1%	-0.1%	0.0%	-0.1%
Greece*	-24.6%	-28.7%	1.2%	0.7%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Hungary*	-12.6%	-12.8%	1.3%	0.2%	0.0%	-0.1%	-0.1%	0.0%	-0.1%
Luxembourg	-21.6%	-4.5%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	-41.8%	-0.3%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	-14.3%	-13.9%	3.3%	1.7%	0.0%	-0.1%	-0.1%	0.0%	-0.2%
Russia*	-33.0%	-32.4%	5.0%	4.7%	-0.9%	0.0%	0.8%	-0.1%	-0.1%
United Kingdom	-27.2%	-4.2%	0.8%	0.0%	0.0%	0.0%	0.0%	-0.2%	-0.2%
AsiaPacific									
Australia	-23.3%	-3.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Bangladesh**	-8.4%	-5.9%	1.0%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
China*	2.3%	7.3%	9.4%	19.2%	-0.9%	-0.7%	0.0%	0.5%	-1.2%
Hong Kong	-13.5%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	-1.1%	-0.7%	6.6%	7.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Indonesia*	-1.0%	0.7%	3.4%	2.7%	0.0%	0.0%	0.0%	0.0%	-0.1%
Korea*	-9.2%	-8.0%	6.2%	14.9%	-0.2%	0.4%	0.3%	0.1%	0.6%
Malaysia*	-13.0%	-10.5%	3.1%	3.9%	-0.1%	0.0%	0.1%	0.0%	0.0%
Pakistan**	9.5%	3.8%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Philippines*	0.7%	0.7%	1.6%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	-10.9%	-0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Sri Lanka**	1.7%	1.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	0.5%	1.7%	5.9%	12.0%	-0.2%	-0.3%	0.2%	0.1%	-0.2%
Thailand*	-1.6%	-6.3%	2.8%	2.4%	0.1%	0.0%	0.0%	0.0%	0.1%

Parametric 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**	-8.3%	-8.1%	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
Brazil*	-13.9%	-14.8%	6.1%	10.3%	0.1%	0.3%	0.3%	0.0%	0.7%
Chile*	-4.5%	-5.2%	2.9%	1.5%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Colombia*	-19.4%	-22.9%	1.5%	1.0%	0.0%	0.0%	0.0%	0.0%	-0.1%
Mexico*	-13.7%	-12.2%	6.8%	5.4%	-0.1%	-0.1%	0.0%	0.0%	-0.3%
Peru*	-5.4%	-0.8%	1.6%	0.4%	0.0%	0.0%	0.0%	0.0%	-0.1%
United States	-11.7%	4.6%	1.2%	0.0%	0.0%	0.1%	0.0%	-0.2%	-0.1%

Parametric 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**	-17.5%	-22.9%	0.3%	0.0%	0.0%	-0.1%	0.0%	0.0%	0.0%
Bulgaria**	-9.7%	-10.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Croatia**	-11.4%	-10.2%	0.8%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Egypt*	-7.8%	-8.6%	2.2%	0.3%	0.0%	-0.2%	0.0%	0.0%	-0.1%
Estonia**	-4.2%	-6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Jordan**	1.8%	-2.2%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kazakhstan**	-18.5%	-20.7%	0.5%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Kenya**	2.4%	1.7%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Kuwait**	-14.5%	-14.1%	1.7%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
Lebanon**	-5.0%	-3.7%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Morocco**	-7.9%	-8.9%	0.9%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Nigeria**	-29.2%	-26.0%	0.8%	0.0%	0.0%	-0.1%	-0.1%	0.0%	-0.2%
Oman**	-15.4%	-15.6%	0.8%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Qatar*	-9.1%	-8.3%	1.8%	0.6%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Romania**	-4.2%	-7.6%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Slovenia**	-10.9%	-11.6%	0.8%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
South Africa*	1.0%	3.0%	6.1%	7.4%	-0.2%	-0.1%	0.0%	0.0%	-0.2%
Tunisia**	2.0%	2.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	10.7%	11.6%	2.8%	1.6%	0.0%	0.2%	0.0%	0.0%	0.1%
United Arab Emirates*	-17.1%	-20.9%	1.7%	0.6%	0.0%	-0.2%	0.0%	0.0%	-0.2%

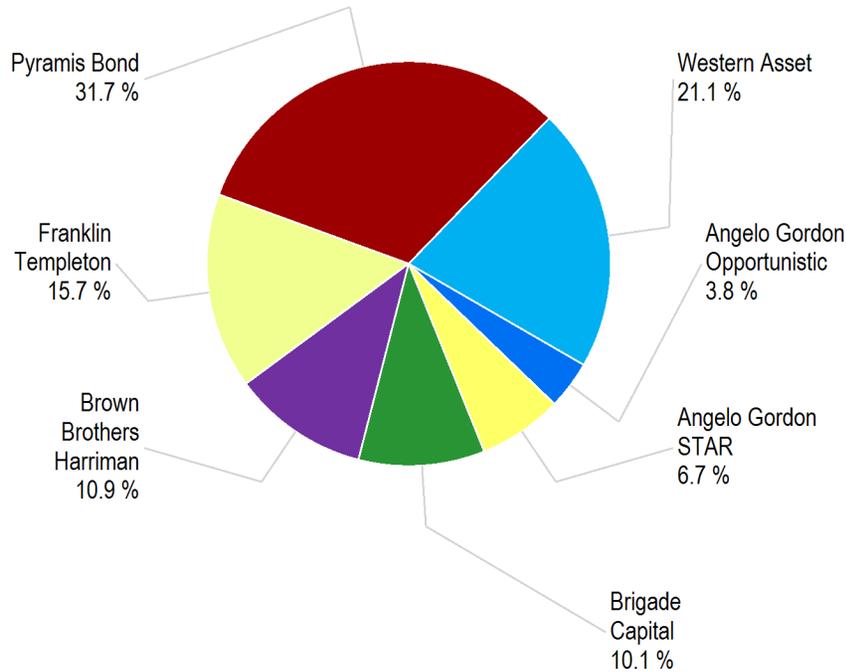
Parametric Performance Attribution vs. MSCI Emerging Markets Gross

	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	-11.9%	-13.4%	20.7%	18.7%	0.0%	-0.1%	0.2%	0.0%	0.0%
Europe	-22.9%	-26.7%	13.2%	7.5%	-0.7%	-0.4%	0.6%	-0.5%	-1.0%
Asia/Pacific	-2.1%	-0.3%	41.3%	63.4%	-1.4%	-0.4%	0.6%	0.5%	-0.7%
Other	-5.3%	1.9%	24.2%	10.5%	-0.8%	0.6%	-0.3%	-1.0%	-1.5%
Cash	0.0%	--	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	-7.6%	-4.5%	100.0%	100.0%	-2.8%	-0.4%	1.1%	-1.0%	-3.2%
Totals									
Developed	-18.7%	--	2.3%	0.0%	0.0%	0.0%	0.0%	-0.4%	-0.4%
Emerging*	-7.3%	-4.5%	84.6%	100.0%	-3.6%	0.0%	1.4%	0.6%	-1.7%
Frontier**	-8.6%	--	12.4%	0.0%	0.0%	0.0%	-0.2%	-0.8%	-1.1%
Cash	0.0%	--	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

San Mateo County Employees' Retirement Association

Manager Allocation Analysis - Total Fixed Income

As of December 31, 2014



	Actual \$	Actual %	Manager Contribution to Excess Return %
Angelo Gordon Opportunistic	\$24,006,710	3.8%	-0.1%
Angelo Gordon PPIP	\$1	0.0%	0.0%
Angelo Gordon STAR	\$41,947,173	6.7%	-0.0%
Brigade Capital	\$63,015,002	10.1%	-0.4%
Brown Brother Harriman	\$67,959,195	10.9%	-0.1%
Franklin Templeton	\$97,711,515	15.7%	-0.2%
Pyramis Bond	\$197,652,860	31.7%	-0.0%
Western Asset	\$131,600,634	21.1%	-0.1%
Actual vs. Policy Weight Difference			0.2%
Total	\$623,893,089	100.0%	-0.7%

Statistics Summary

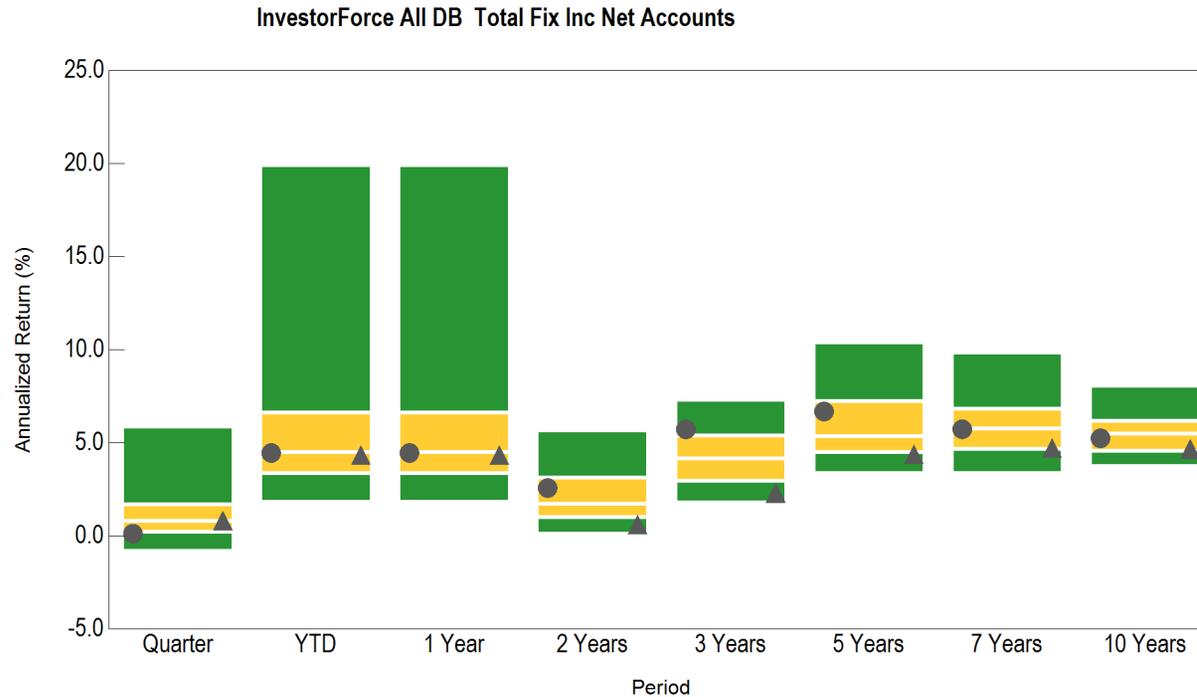
3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fixed Income	5.7%	3.5%	1.6	1.7	2.0%
Blended Fixed Index	2.3%	3.4%	0.7	--	0.0%
US Fixed Income	5.1%	3.0%	1.7	1.9	1.3%
Blended US Fixed Index	2.6%	3.4%	0.8	--	0.0%
Pyramis Bond	3.7%	2.9%	1.3	2.3	0.5%
Barclays Aggregate	2.7%	2.7%	1.0	--	0.0%
Western Asset	4.6%	3.9%	1.2	0.6	3.1%
Barclays Aggregate	2.7%	2.7%	1.0	--	0.0%
Brown Brothers Harriman	-0.1%	5.1%	0.0	-0.6	0.9%
Barclays US TIPS	0.4%	5.2%	0.1	--	0.0%
Brigade Capital	7.5%	4.1%	1.8	0.8	3.7%
Barclays BA Intermediate HY	4.4%	4.9%	0.9	--	0.0%
Franklin Templeton	7.9%	8.4%	0.9	1.0	6.8%
Barclays Multi-verse	1.0%	4.0%	0.2	--	0.0%

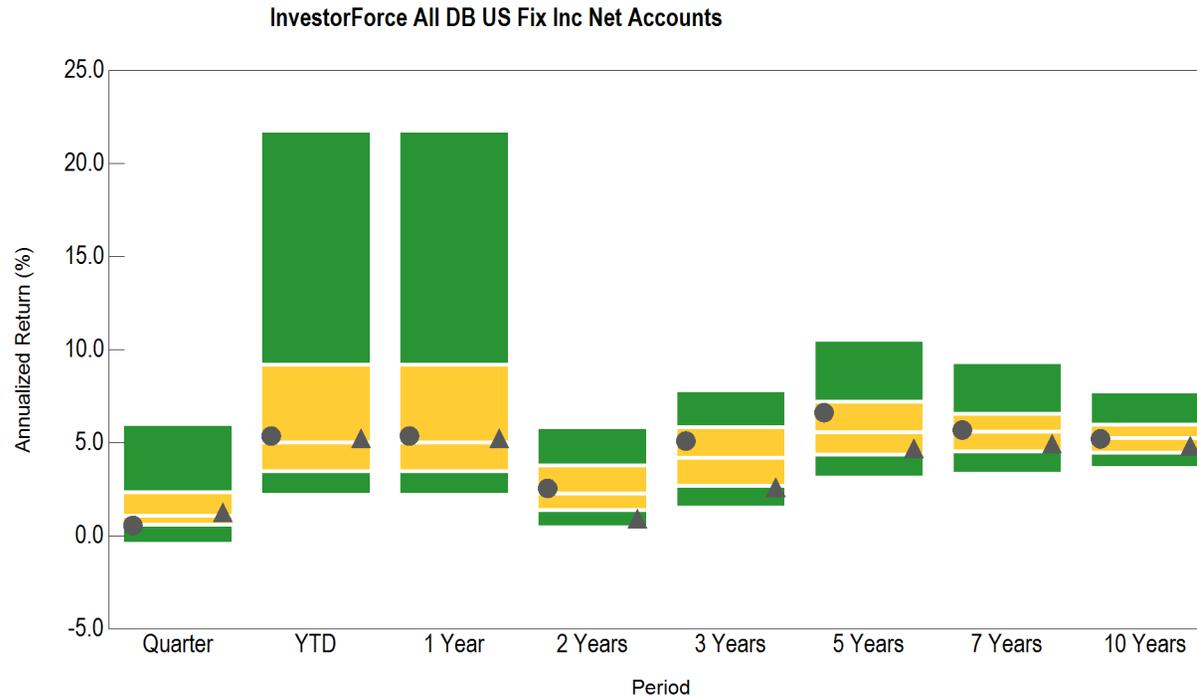
Statistics Summary

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fixed Income	6.7%	3.5%	1.9	1.0	2.2%
Blended Fixed Index	4.4%	3.3%	1.3	--	0.0%
US Fixed Income	6.6%	3.0%	2.2	1.1	1.7%
Blended US Fixed Index	4.7%	3.2%	1.4	--	0.0%
Pyramis Bond	5.5%	2.8%	1.9	1.6	0.7%
Barclays Aggregate	4.4%	2.7%	1.6	--	0.0%
Western Asset	6.4%	3.6%	1.7	0.7	2.7%
Barclays Aggregate	4.4%	2.7%	1.6	--	0.0%



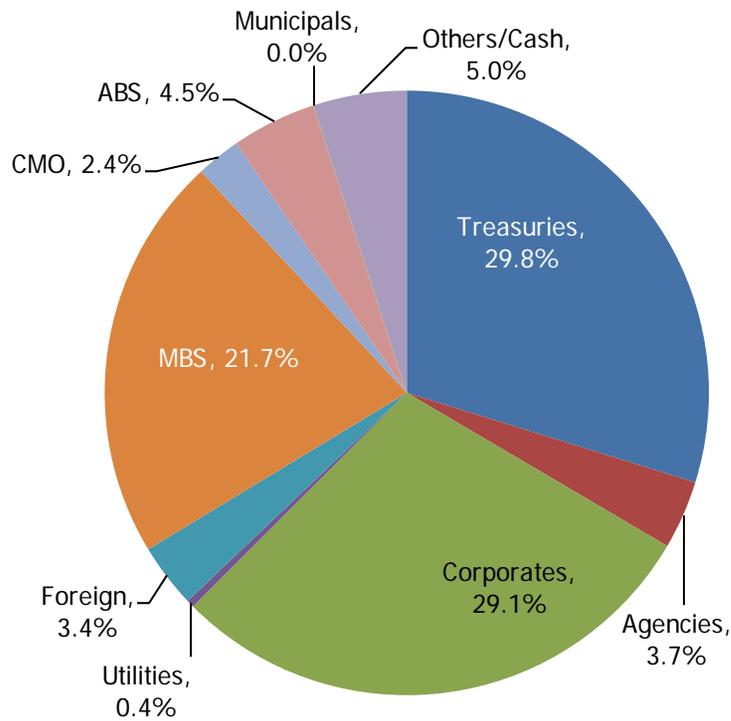
	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	5.9	19.9	19.9	5.6	7.3	10.4	9.8	8.0
25th Percentile	1.7	6.6	6.6	3.2	5.4	7.2	6.8	6.2
Median	0.8	4.5	4.5	1.8	4.2	5.4	5.8	5.5
75th Percentile	0.3	3.4	3.4	1.0	3.0	4.5	4.7	4.6
95th Percentile	-0.8	1.8	1.8	0.1	1.8	3.4	3.4	3.8
# of Portfolios	289	282	282	267	254	191	164	124
● Total Fixed Income	0.1 (79)	4.5 (52)	4.5 (52)	2.6 (34)	5.7 (22)	6.7 (31)	5.7 (53)	5.2 (61)
▲ Blended Fixed Index	0.8 (51)	4.3 (54)	4.3 (54)	0.6 (89)	2.3 (87)	4.4 (79)	4.7 (74)	4.7 (75)



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	6.0	21.8	21.8	5.8	7.8	10.5	9.3	7.7
25th Percentile	2.4	9.2	9.2	3.8	5.8	7.2	6.6	6.0
Median	1.1	5.0	5.0	2.3	4.2	5.6	5.6	5.3
75th Percentile	0.6	3.5	3.5	1.4	2.7	4.4	4.6	4.5
95th Percentile	-0.4	2.2	2.2	0.5	1.6	3.1	3.4	3.7
# of Portfolios	407	401	401	385	351	284	243	177
● US Fixed Income	0.6 (79)	5.4 (46)	5.4 (46)	2.5 (44)	5.1 (35)	6.6 (31)	5.7 (49)	5.2 (53)
▲ Blended US Fixed Index	1.3 (43)	5.2 (48)	5.2 (48)	0.9 (88)	2.6 (79)	4.7 (70)	5.0 (63)	4.8 (63)

Fixed Income Sector Allocation – US Fixed Income

As of December 31, 2014



Sector*	Account Weight	BC Aggregate Weight	Difference
Treasuries	29.8%	35.8%	-6.0%
Agencies	3.7%	9.5%	-5.8%
Corporates	29.1%	23.3%	5.8%
Utilities	0.4%	0.0%	0.4%
Foreign	3.4%	0.0%	3.4%
MBS	21.7%	28.8%	-7.0%
CMO	2.4%	0.0%	2.4%
ABS	4.5%	2.6%	1.9%
Municipals	0.0%	0.0%	0.0%
Others/Cash	5.0%	0.0%	5.0%
TOTAL	100.0%	100.0%	0.0%

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

Bond Summary Statistics – US Fixed Income

As of December 31, 2014

Portfolio Characteristics*		Portfolio
Total Number of Securities		
Total Market Value	\$	397,212,689
Current Coupon		3.12
Yield to Maturity		2.69
Average Life		6.94
Duration		4.79
Quality		AA-

BC Aggregate
3.27
2.22
7.51
5.17
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

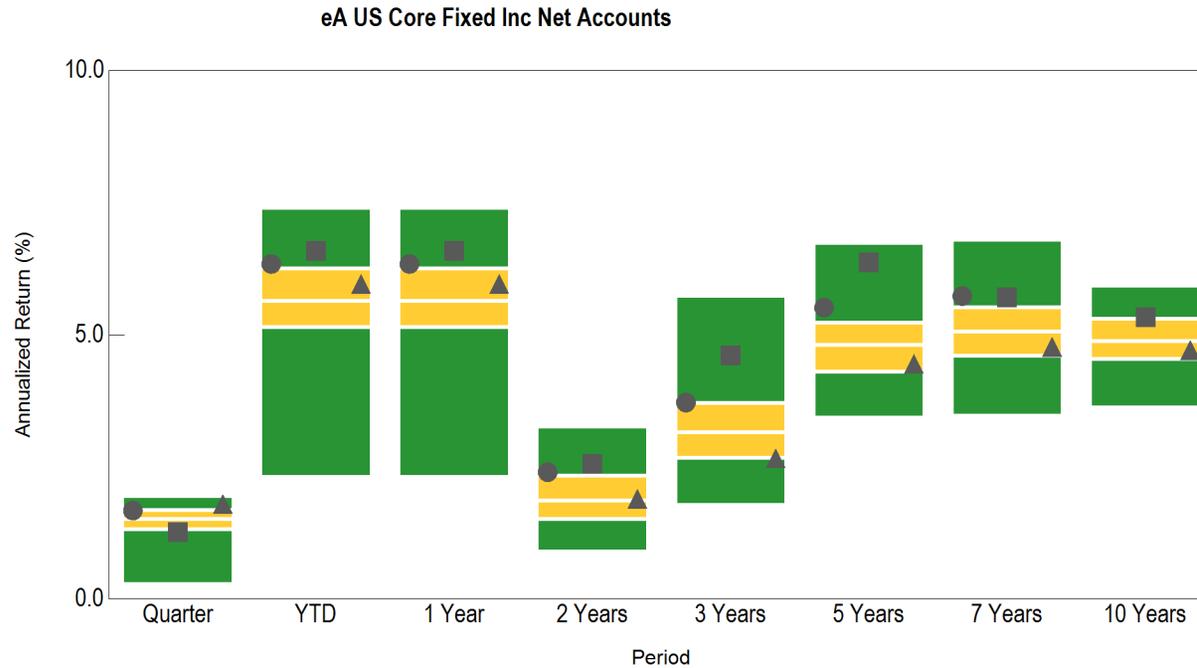
Average Life	
Range	% Held
0.0 - 1.0	8.6
1.0 - 3.0	16.4
3.0 - 5.0	26.7
5.0 - 10.0	34.7
10.0 - 20.0	3.9
20.0+	9.8
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	18.5
1.0 - 3.0	20.6
3.0 - 5.0	28.6
5.0 - 7.0	12.8
7.0 - 10.0	8.5
10.0+	10.9
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	26.7
Aaa (10)	29.0
Aa (9)	3.0
A (8)	13.7
Baa (7)	19.3
Below Baa (6-1)	4.2
Other	4.1

Coupon	
Range	% Held
0.0 - 5.0	75.4
5.0 - 7.0	19.3
7.0 - 9.0	3.0
9.0 - 11.0	0.3
11.0 - 13.0	0.2
13.0+	0.0
Unclassified	1.6

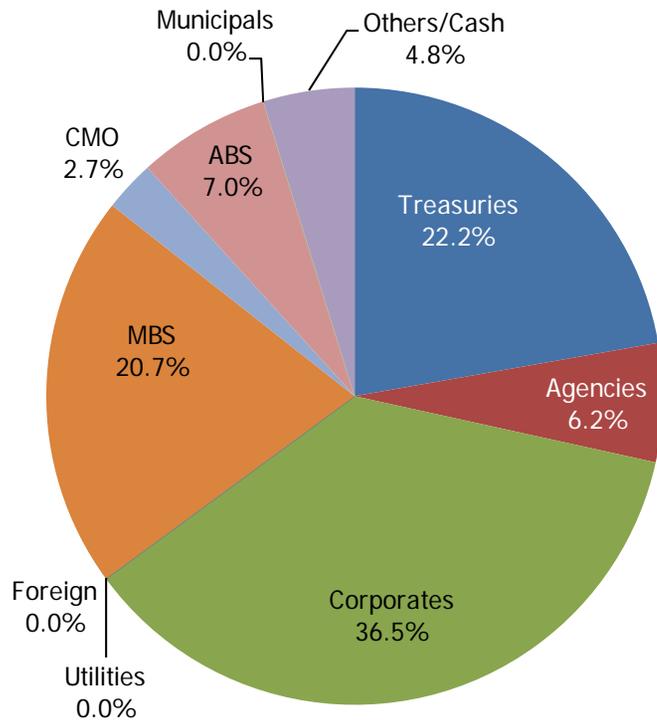
* Characteristics excludes Angelo Gordon STAR Fund and Brigade Capital Management.



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	1.9	7.4	7.4	3.3	5.7	6.7	6.8	5.9
25th Percentile	1.7	6.3	6.3	2.3	3.7	5.2	5.5	5.3
Median	1.5	5.6	5.6	1.9	3.2	4.8	5.1	4.9
75th Percentile	1.3	5.2	5.2	1.5	2.7	4.3	4.6	4.5
95th Percentile	0.3	2.3	2.3	0.9	1.8	3.4	3.5	3.6
# of Portfolios	115	111	111	108	104	93	87	79
● Pyramis Bond	1.7 (29)	6.3 (23)	6.3 (23)	2.4 (22)	3.7 (26)	5.5 (17)	5.7 (20)	-- (--)
■ Western Asset	1.3 (78)	6.6 (16)	6.6 (16)	2.6 (14)	4.6 (9)	6.4 (8)	5.7 (20)	5.3 (23)
▲ Barclays Aggregate	1.8 (15)	6.0 (33)	6.0 (33)	1.9 (47)	2.7 (76)	4.4 (73)	4.8 (70)	4.7 (68)

Fixed Income Sector Allocation – Pyramis Broad Market Duration Pool

As of December 31, 2014



Sector	Account Weight	BC Aggregate Weight	Difference
Treasuries	22.2%	35.8%	-13.6%
Agencies	6.2%	9.5%	-3.3%
Corporates	36.5%	23.3%	13.2%
Utilities	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
MBS	20.7%	28.8%	-8.1%
CMO	2.7%	0.0%	2.7%
ABS	7.0%	2.6%	4.3%
Municipals	0.0%	0.0%	0.0%
Others/Cash	4.8%	0.0%	4.8%
TOTAL	100.0%	100.0%	0.0%

Bond Summary Statistics – Pyramis Broad Market Duration Pool

As of December 31, 2014

Portfolio Characteristics		Portfolio
Total Number of Securities		1,877
Total Market Value	\$	197,652,860
Current Coupon		3.54
Yield to Maturity		2.54
Average Life		8.26
Duration		5.25
Quality		AA-

BC Aggregate	
Current Coupon	3.27
Yield to Maturity	2.22
Average Life	7.51
Duration	5.17
Quality	AA

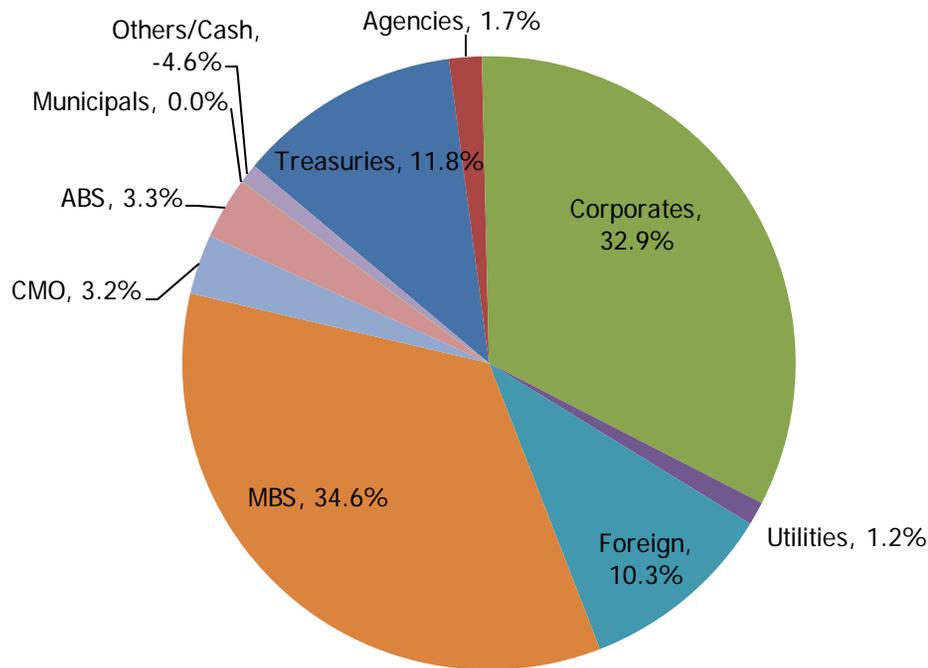
Yield to Maturity	
Range	% Held
0.0 - 5.0	94.8
5.0 - 7.0	4.8
7.0 - 9.0	0.2
9.0 - 11.0	0.0
11.0 - 13.0	0.0
13.0+	0.1
Unclassified	0.0

Average Life	
Range	% Held
0.0 - 1.0	4.9
1.0 - 3.0	17.9
3.0 - 5.0	26.6
5.0 - 10.0	37.1
10.0 - 20.0	2.5
20.0+	11.1
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	8.7
1.0 - 3.0	24.2
3.0 - 5.0	32.1
5.0 - 7.0	14.2
7.0 - 10.0	9.0
10.0+	11.8
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	23.8
Aaa (10)	31.1
Aa (9)	2.6
A (8)	18.4
Baa (7)	23.4
Below Baa (6-1)	0.6
Other	0.0

Coupon	
Range	% Held
0.0 - 5.0	70.6
5.0 - 7.0	22.5
7.0 - 9.0	3.4
9.0 - 11.0	0.3
11.0 - 13.0	0.0
13.0+	0.0
Unclassified	3.2



Sector	Account Weight	BC Aggregate Weight	Difference
Treasuries	11.8%	35.8%	-24.0%
Agencies	1.7%	9.5%	-7.8%
Corporates	32.9%	23.3%	9.6%
Utilities	1.2%	0.0%	1.2%
Foreign	10.3%	0.0%	10.3%
MBS	34.6%	28.8%	5.8%
CMO	3.2%	0.0%	3.2%
ABS	3.3%	2.6%	0.7%
Municipals	0.0%	0.0%	0.0%
Others/Cash	1.0%	0.0%	1.0%
TOTAL	100.00%	100.0%	0.0%

Bond Summary Statistics – Western Asset

As of December 31, 2014

Portfolio Characteristics		Portfolio	BC Aggregate
Total Number of Securities		661	
Total Market Value	\$	134,362,889	
Current Coupon		3.51	3.27
Yield to Maturity		3.96	2.22
Average Life		8.55	7.51
Duration		4.18	5.17
Quality		A+	AA

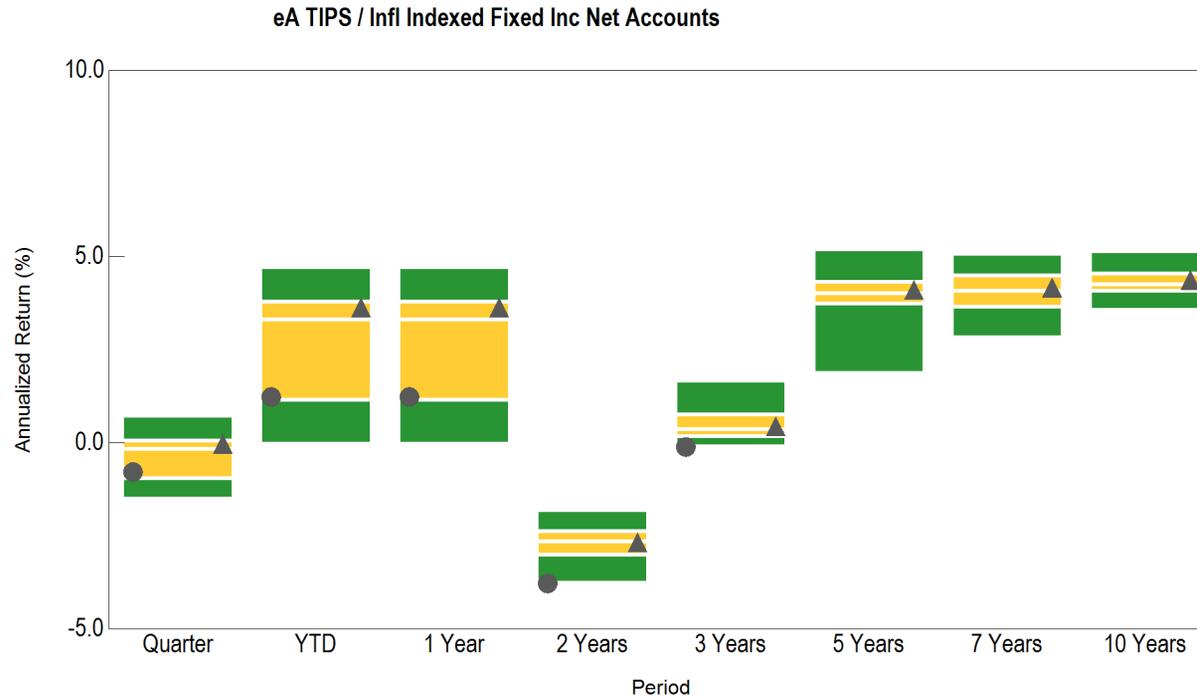
Yield to Maturity	
Range	% Held
0.0 - 5.0	n/a
5.0 - 7.0	n/a
7.0 - 9.0	n/a
9.0 - 11.0	n/a
11.0 - 13.0	n/a
13.0+	n/a
Unclassified	n/a

Average Life	
Range	% Held
0.0 - 1.0	4.6
1.0 - 3.0	18.8
3.0 - 5.0	22.4
5.0 - 10.0	38.1
10.0 - 20.0	3.3
20.0+	12.8
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	16.8
1.0 - 3.0	21.9
3.0 - 5.0	19.1
5.0 - 7.0	16.5
7.0 - 10.0	10.5
10.0+	15.2
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	0.0
Aaa (10)	40.9
Aa (9)	5.2
A (8)	13.6
Baa (7)	23.0
Below Baa (6-1)	11.9
Other	5.4

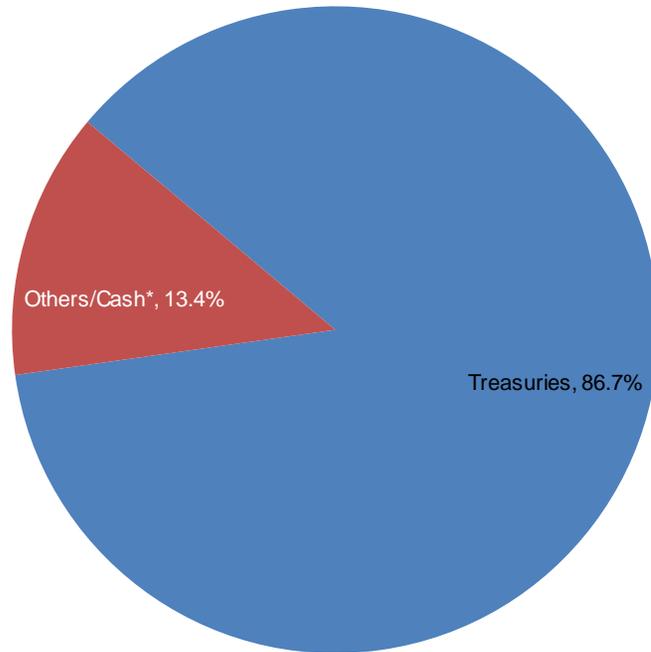
Coupon	
Range	% Held
0.0 - 5.0	70.1
5.0 - 7.0	24.5
7.0 - 9.0	4.1
9.0 - 10.0	0.6
10.0+	0.7
Unclassified	0.0



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	0.7	4.7	4.7	-1.8	1.7	5.2	5.1	5.1
25th Percentile	0.1	3.8	3.8	-2.4	0.8	4.3	4.5	4.6
Median	-0.2	3.3	3.3	-2.6	0.4	4.0	4.1	4.3
75th Percentile	-0.9	1.2	1.2	-3.0	0.2	3.8	3.7	4.1
95th Percentile	-1.5	0.0	0.0	-3.8	-0.1	1.9	2.8	3.6
# of Portfolios	26	24	24	23	21	17	16	13
● Brown Brothers Harriman	-0.8 (72)	1.2 (75)	1.2 (75)	-3.8 (96)	-0.1 (96)	-- (--)	-- (--)	-- (--)
▲ Barclays US TIPS	0.0 (32)	3.6 (37)	3.6 (37)	-2.7 (52)	0.4 (40)	4.1 (37)	4.2 (45)	4.4 (41)

Fixed Income Sector Allocation – Brown Brothers Harriman

As of December 31, 2014



Sector	Account Weight	ML TIPS Index	Difference
Treasuries	86.7%	100.0%	-13.4%
Agencies	0.0%	0.0%	0.0%
Corporates	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%
Foreign	0.0%	0.0%	0.0%
MBS	0.0%	0.0%	0.0%
CMO	0.0%	0.0%	0.0%
ABS	0.0%	0.0%	0.0%
Municipals	0.0%	0.0%	0.0%
Others/Cash*	13.4%	0.0%	13.4%
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 December 31, 2014

Portfolio Characteristics		Portfolio
Total Number of Securities		10
Total Market Value	\$	67,826,758
Current Coupon		1.14
Yield to Maturity		0.66
Average Life		
Duration		4.66
Quality		AAA

ML TIPS	
Total Number of Securities	35
Total Market Value	N/A
Current Coupon	1.03
Yield to Maturity	0.42
Average Life	
Duration	7.63
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	27.1
3.0 - 5.0	7.5
5.0 - 10.0	35.3
10.0- 15.0	20.9
15.0+	9.2
Unclassified	0.0

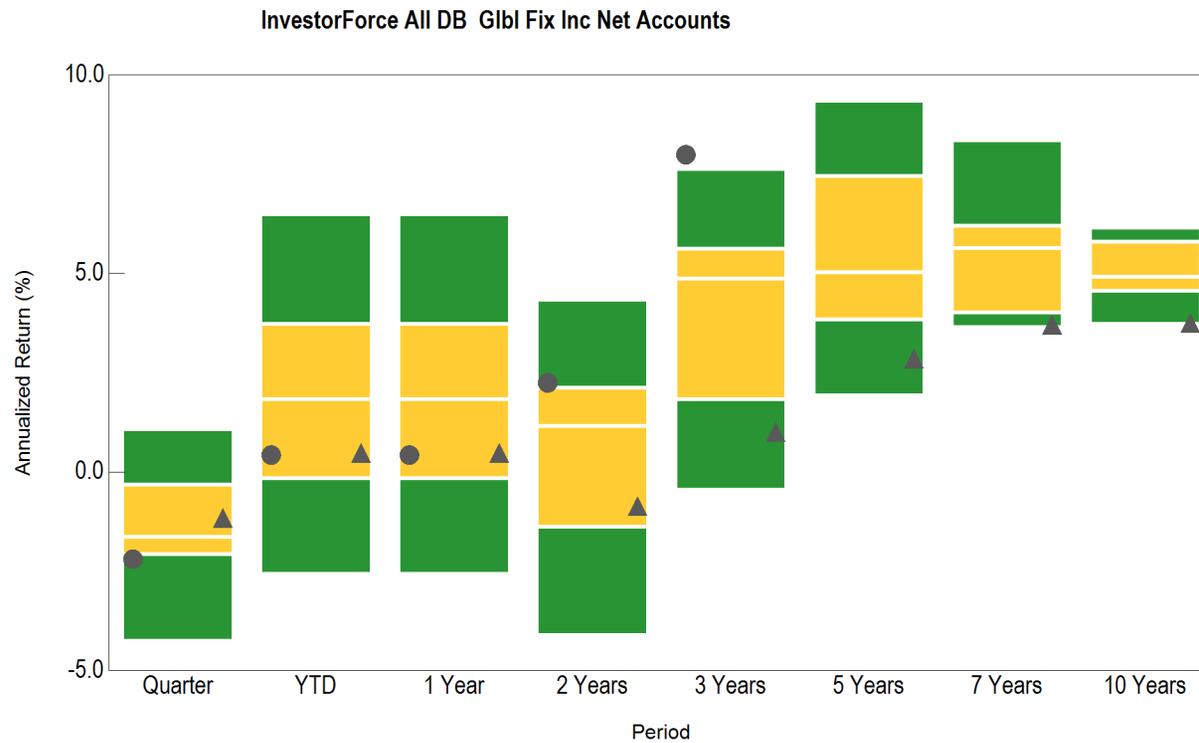
Duration	
Range	% Held
0.0 - 3.0	50.5
3.0 - 5.0	7.5
5.0 - 10.0	36.9
10.0- 15.0	2.0
15.0+	3.1
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	86.7
Aaa (10)	0.0
Aa (9)	0.0
A (8)	0.0
Baa (7)	0.0
Below Baa (6-1)	0.0
Other	13.4

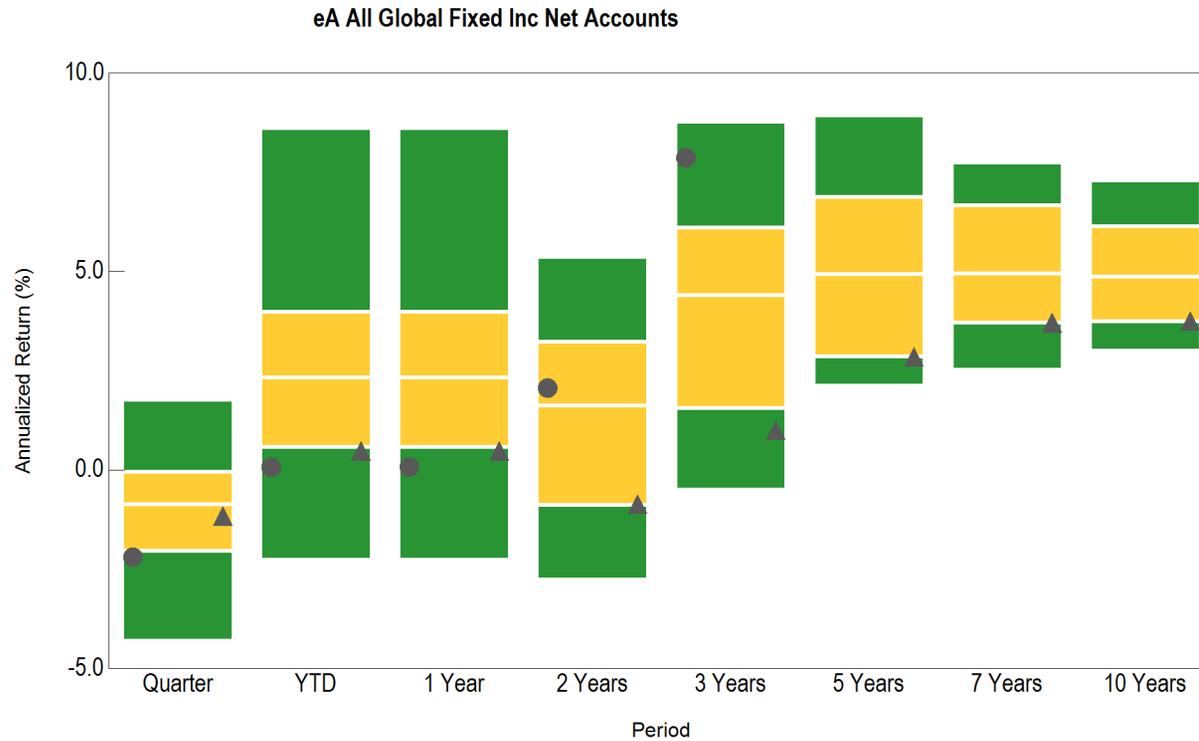
Coupon	
Range	% Held
0.0 - 5.0	100.0
5.0 - 7.0	0.0
7.0 - 9.0	0.0
9.0 - 11.0	0.0
11.0 - 13.0	0.0
13.0+	0.0
Unclassified	0.0



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	0.9	4.7	4.7	6.6	11.1	10.1	9.7	8.7
25th Percentile	-0.1	3.0	3.0	5.2	8.7	9.1	8.5	7.5
Median	-1.1	1.9	1.9	4.6	8.0	8.7	7.8	7.1
75th Percentile	-2.0	0.9	0.9	3.9	7.1	7.9	6.8	6.4
95th Percentile	-3.7	-0.8	-0.8	2.7	4.7	5.4	4.8	4.9
# of Portfolios	77	77	77	77	73	65	54	48
● Brigade Capital	-3.1 (89)	0.0 (90)	0.0 (90)	3.5 (88)	7.5 (64)	-- (--)	-- (--)	-- (--)
▲ Barclays BA Intermediate HY	0.8 (8)	4.5 (9)	4.5 (9)	1.2 (99)	4.4 (98)	6.5 (92)	-- (--)	-- (--)
✕ 50% Barclays HY/ 50% Bank Loan	-0.7 (36)	2.3 (45)	2.3 (45)	4.5 (53)	7.1 (75)	-- (--)	-- (--)	-- (--)



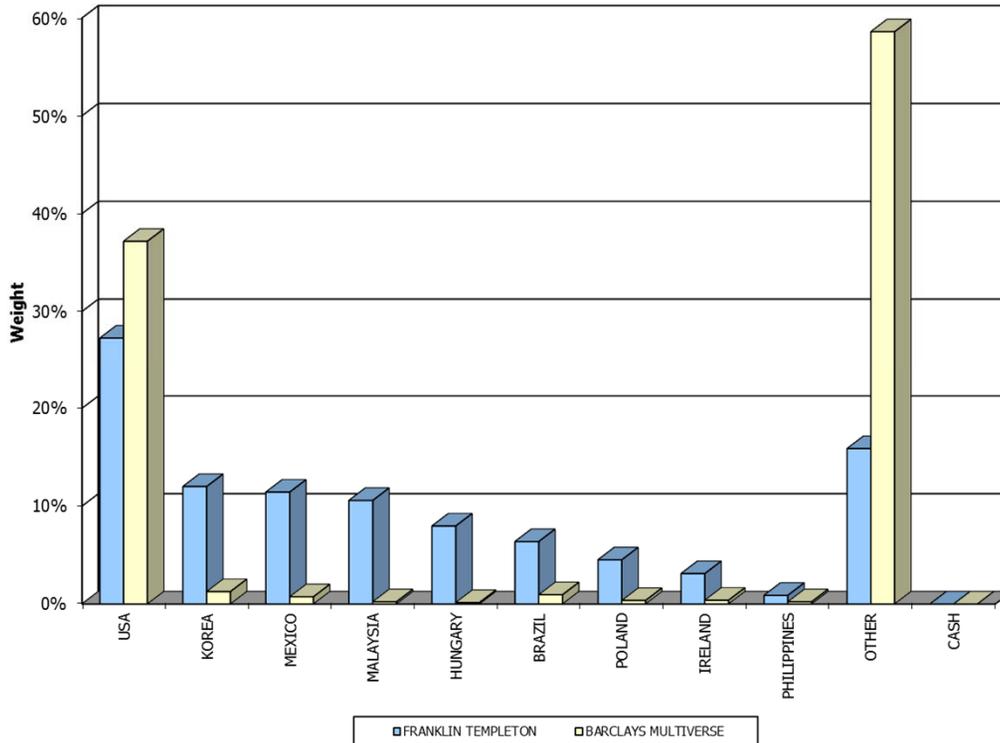
	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	1.1	6.5	6.5	4.3	7.6	9.3	8.4	6.1
25th Percentile	-0.3	3.7	3.7	2.1	5.6	7.5	6.2	5.8
Median	-1.6	1.8	1.8	1.2	4.9	5.0	5.6	4.9
75th Percentile	-2.1	-0.2	-0.2	-1.4	1.8	3.8	4.0	4.6
95th Percentile	-4.2	-2.6	-2.6	-4.1	-0.4	1.9	3.7	3.7
# of Portfolios	36	35	35	33	29	21	17	9
● Global Fixed Income	-2.2 (81)	0.4 (62)	0.4 (62)	2.2 (22)	8.0 (1)	-- (--)	-- (--)	-- (--)
▲ Barclays Multi-verse	-1.2 (34)	0.5 (62)	0.5 (62)	-0.9 (69)	1.0 (89)	2.9 (91)	3.7 (95)	3.7 (95)



	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)	1.8	8.6	8.6	5.4	8.8	8.9	7.7	7.3
5th Percentile	0.0	4.0	4.0	3.2	6.1	6.9	6.7	6.1
25th Percentile	-0.9	2.3	2.3	1.6	4.4	4.9	5.0	4.9
Median	-2.0	0.6	0.6	-0.9	1.6	2.9	3.7	3.7
75th Percentile	-4.3	-2.3	-2.3	-2.8	-0.5	2.1	2.5	3.0
95th Percentile	137	136	136	133	123	99	81	60
# of Portfolios	-2.2 (80)	0.1 (82)	0.1 (82)	2.1 (42)	7.9 (12)	-- (--)	-- (--)	-- (--)
● Franklin Templeton	-1.2 (60)	0.5 (78)	0.5 (78)	-0.9 (75)	1.0 (80)	2.9 (77)	3.7 (76)	3.7 (76)
▲ Barclays Multi-verse								

Portfolio Country Weights – Franklin Templeton

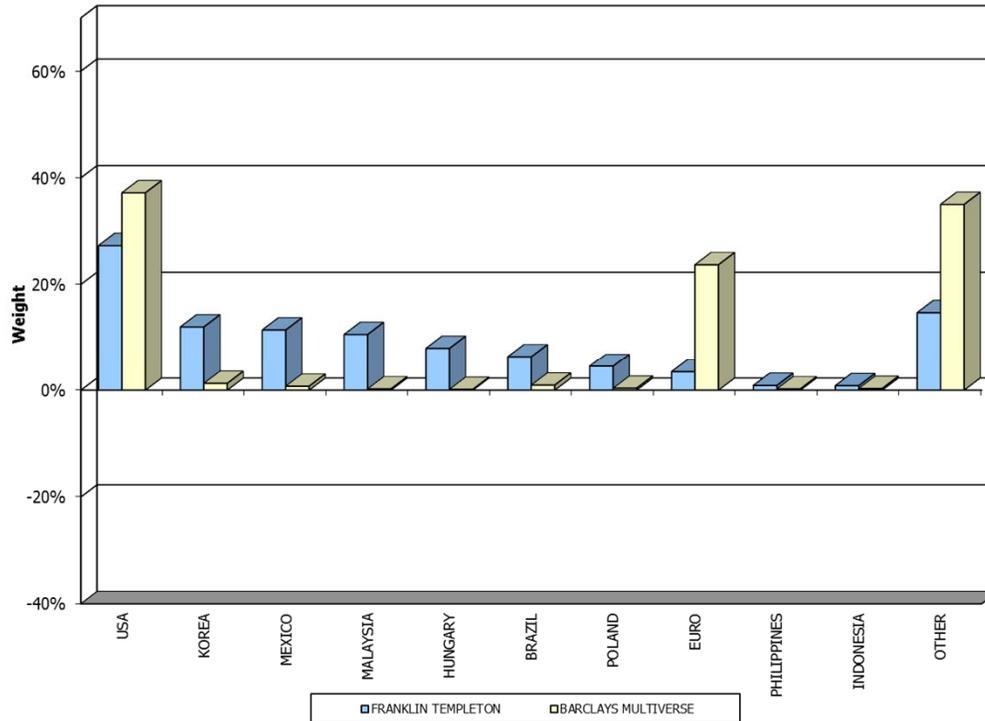
As of December 31, 2014



COUNTRY	MARKET VALUE	FRANKLIN TEMPLETON	BARCLAYS MULTIVERSE	DIFF
USA	\$ 26,646	27.3%	37.2%	-9.9%
KOREA	\$ 11,726	12.0%	1.3%	+10.7%
MEXICO	\$ 11,171	11.4%	0.7%	+10.7%
MALAYSIA	\$ 10,335	10.6%	0.2%	+10.4%
HUNGARY	\$ 7,786	8.0%	0.1%	+7.8%
BRAZIL	\$ 6,232	6.4%	0.9%	+5.4%
POLAND	\$ 4,409	4.5%	0.4%	+4.2%
IRELAND	\$ 3,029	3.1%	0.4%	+2.7%
PHILIPPINES	\$ 860	0.9%	0.2%	+0.7%
OTHER	\$ 15,517	15.9%	58.6%	-42.7%
CASH	\$ -	0.0%	0.0%	0.0%
	\$ 97,712	100.0%	100.0%	0.0%

Portfolio Currency Exposures – Franklin Templeton

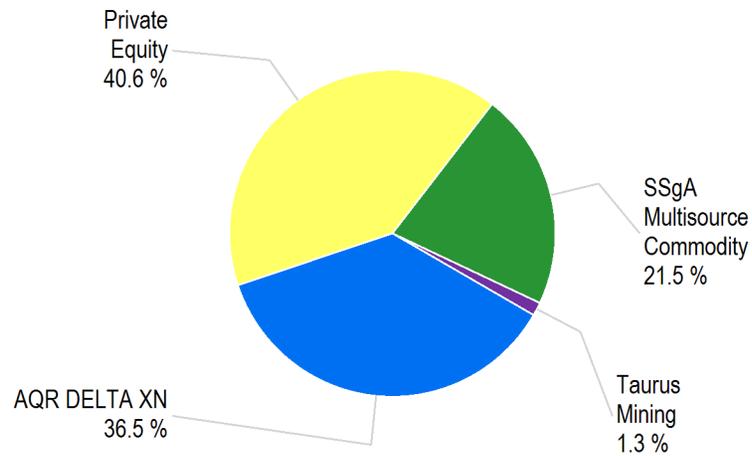
As of December 31, 2014



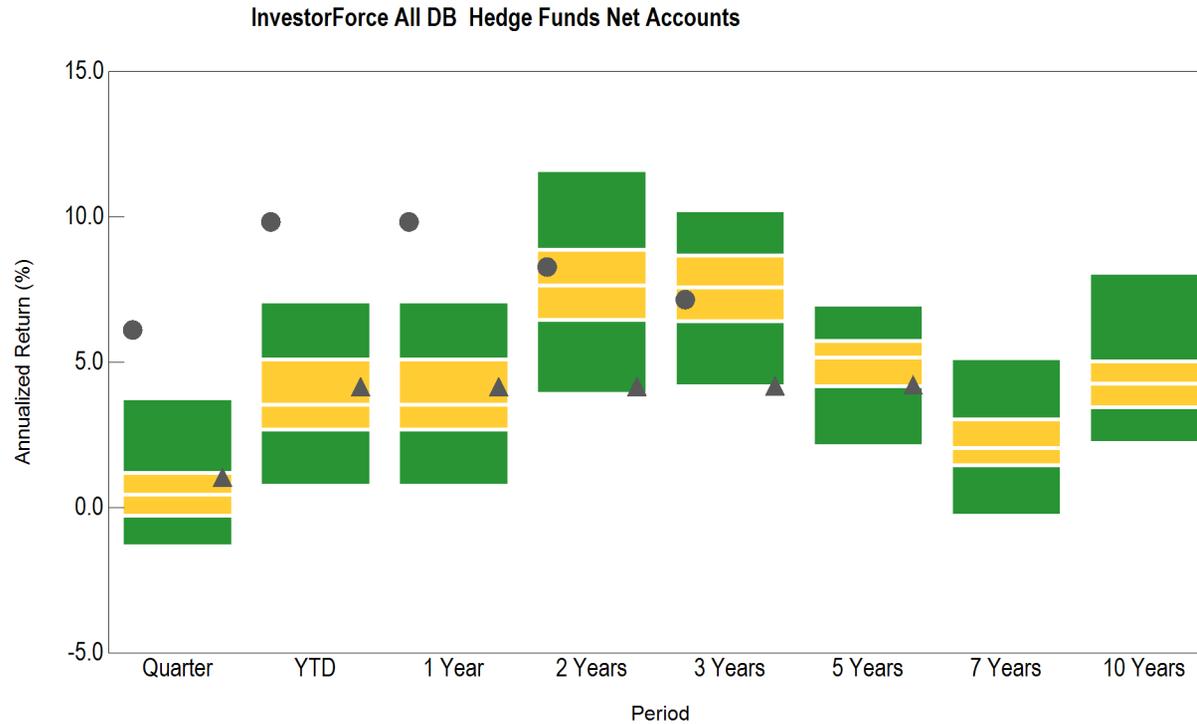
CURRENCY	MARKET VALUE	FRANKLIN TEMPLETON	BARCLAYS MULTIVERSE	DIFF
USA	\$ 26,646	27.3%	37.2%	-9.9%
KOREA	\$ 11,726	12.0%	1.3%	+10.7%
MEXICO	\$ 11,171	11.4%	0.7%	+10.7%
MALAYSIA	\$ 10,335	10.6%	0.2%	+10.4%
HUNGARY	\$ 7,786	8.0%	0.1%	+7.8%
BRAZIL	\$ 6,232	6.4%	0.9%	+5.4%
POLAND	\$ 4,409	4.5%	0.4%	+4.2%
EURO	\$ 3,384	3.5%	23.7%	-20.2%
PHILIPPINES	\$ 860	0.9%	0.2%	+0.7%
INDONESIA	\$ 809	0.8%	0.3%	+0.5%
OTHER	\$ 14,353	14.7%	35.0%	-20.3%
	\$ 97,712	100.0%	100.0%	0.0%

Manager Allocation Analysis - Alternatives

As of December 31, 2014

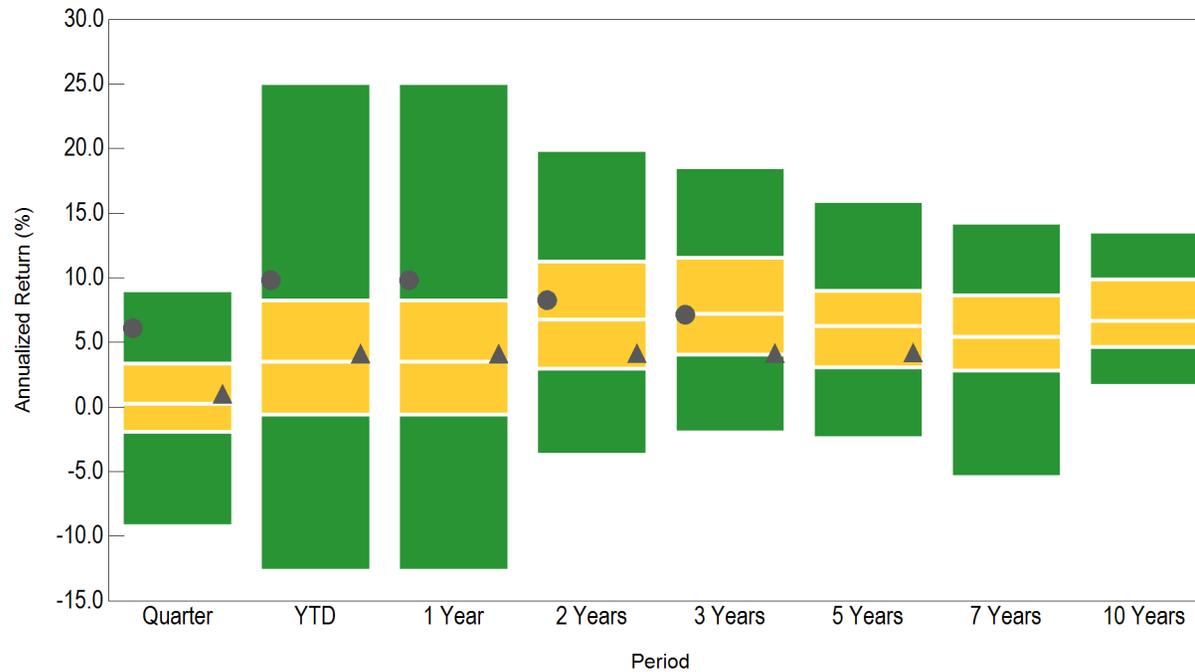


	Actual \$	Actual %	Manager Contribution to Excess Return %
AQR DELTA XN	\$139,542,544	36.5%	1.7%
Private Equity	\$155,184,515	40.6%	-0.0%
SSgA Multisource Commodity	\$82,273,574	21.5%	0.3%
Taurus Mining	\$5,065,807	1.3%	-0.0%
Actual vs. Policy Weight Difference			-0.1%
Total	\$382,066,440	100.0%	2.0%



	Return (Rank)							
	Quarter	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	3.7	7.1	7.1	11.6	10.2	7.0	5.1	8.1
25th Percentile	1.2	5.1	5.1	8.9	8.7	5.7	3.0	5.0
Median	0.5	3.5	3.5	7.6	7.6	5.2	2.1	4.3
75th Percentile	-0.3	2.7	2.7	6.5	6.4	4.2	1.5	3.5
95th Percentile	-1.3	0.8	0.8	3.9	4.2	2.1	-0.3	2.2
# of Portfolios	218	214	214	206	188	142	103	36
● Hedge Fund	6.1 (1)	9.8 (2)	9.8 (2)	8.3 (36)	7.2 (58)	-- (--)	-- (--)	-- (--)
▲ Libor 1 month +4%	1.0 (31)	4.2 (39)	4.2 (39)	4.2 (95)	4.2 (95)	4.2 (75)	-- (--)	-- (--)

eV Alt All Multi-Strategy Accounts

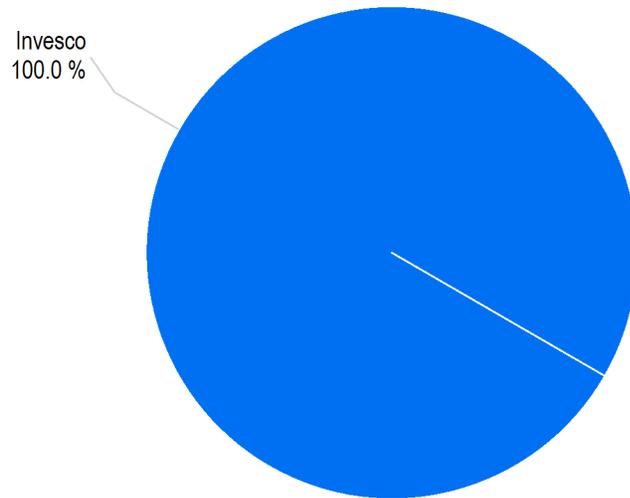


	Return (Rank)										
5th Percentile	9.0	25.1	25.1	19.9	18.6	15.9	14.2	13.5			
25th Percentile	3.4	8.3	8.3	11.3	11.6	9.0	8.7	9.9			
Median	0.3	3.5	3.5	6.8	7.3	6.3	5.5	6.7			
75th Percentile	-1.9	-0.5	-0.5	3.0	4.1	3.1	2.8	4.7			
95th Percentile	-9.2	-12.6	-12.6	-3.7	-2.0	-2.4	-5.4	1.6			
# of Portfolios	213	200	200	180	160	135	95	52			
● AQR DELTA XN	6.1 (13)	9.8 (21)	9.8 (21)	8.3 (41)	7.2 (52)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Libor 1 month +4%	1.0 (42)	4.2 (48)	4.2 (48)	4.2 (69)	4.2 (74)	4.2 (68)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)

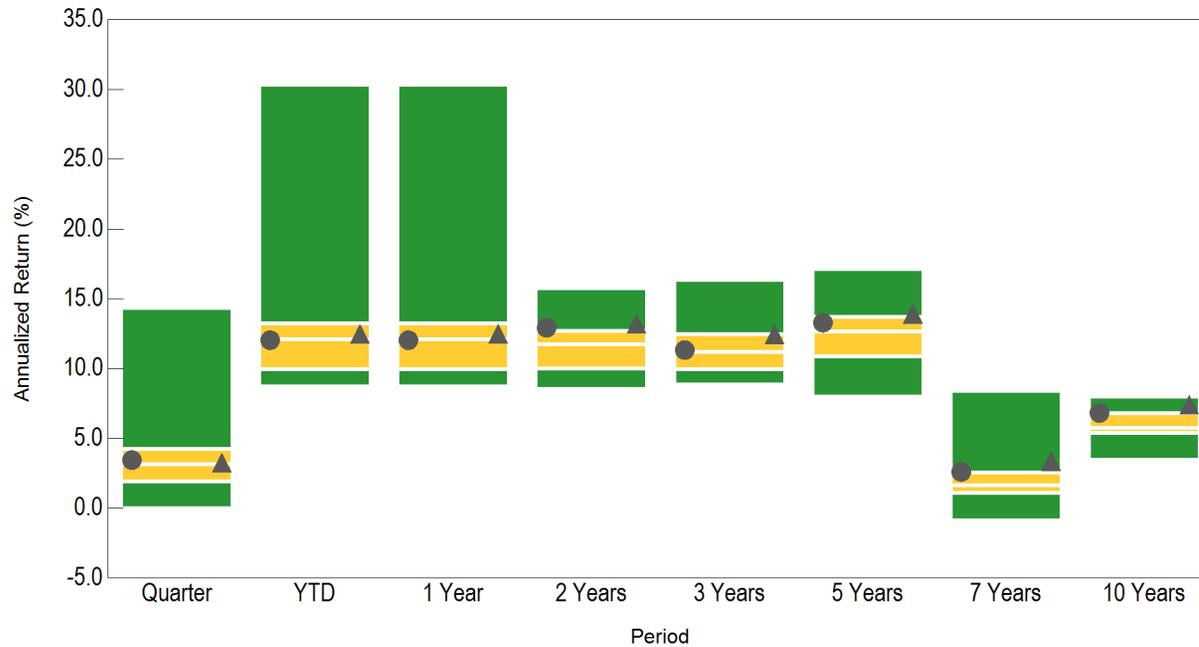
Manager Allocation Analysis - Real Estate

As of December 31, 2014

	Actual \$	Actual %
Invesco	\$196,358,518	100.0%
Total	\$196,358,518	



InvestorForce All DB Real Estate Net Accounts

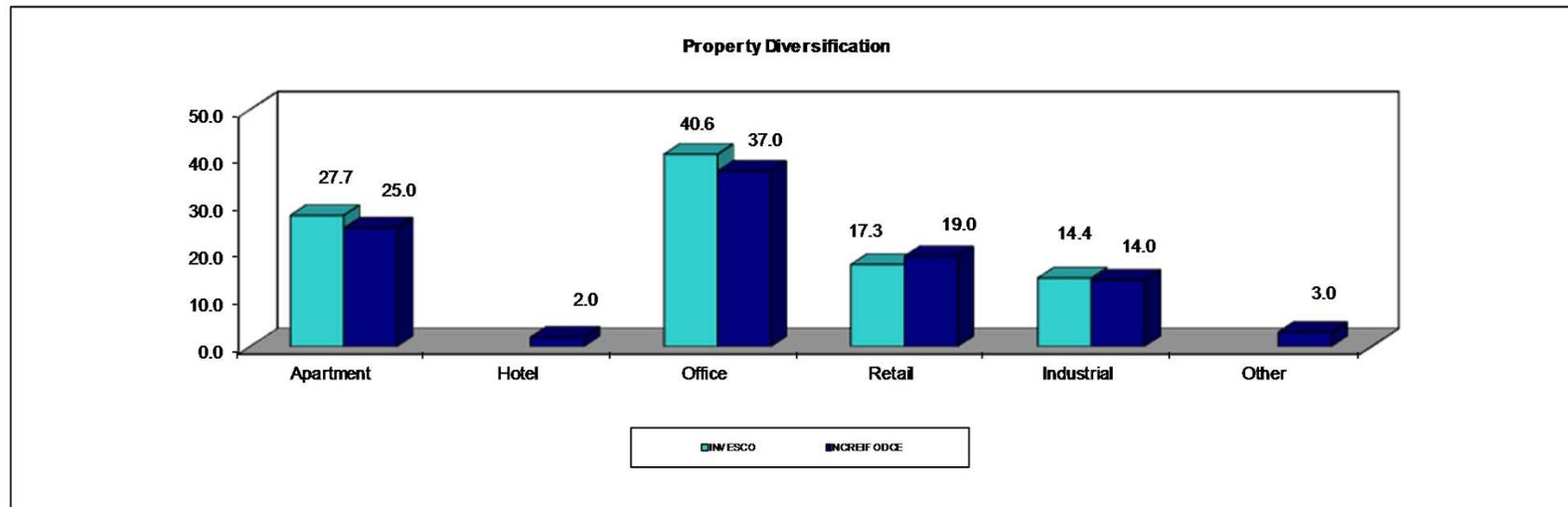
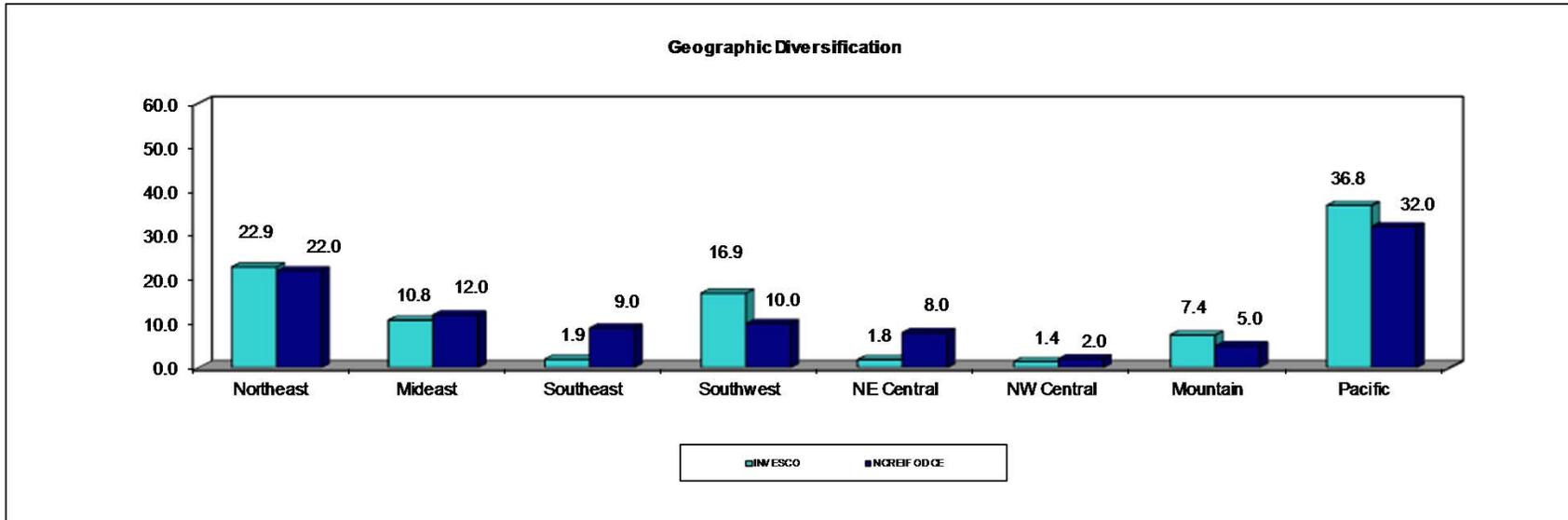


Return (Rank)

5th Percentile	14.3	30.3	30.3	15.8	16.3	17.1	8.4	8.0
25th Percentile	4.3	13.3	13.3	12.7	12.5	13.7	2.6	6.8
Median	3.2	12.1	12.1	11.8	11.2	12.7	1.7	5.8
75th Percentile	1.9	10.0	10.0	10.0	10.0	10.9	1.1	5.4
95th Percentile	0.0	8.7	8.7	8.6	8.9	8.0	-0.9	3.5
# of Portfolios	72	72	72	68	63	59	46	26
● Real Estate	3.4 (39)	12.0 (53)	12.0 (53)	12.9 (23)	11.3 (47)	13.3 (35)	2.6 (25)	6.8 (24)
▲ NCREIF ODCE	3.3 (48)	12.5 (40)	12.5 (40)	13.2 (14)	12.4 (26)	13.9 (16)	3.4 (11)	7.4 (11)

Real Estate Diversification Analysis – INVESCO Core Real Estate

As of December 31, 2014



Real Estate Valuation Analysis – INVESCO Core Real Estate

As of December 31, 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 12/31/2014 3.15%
APARTMENTS							
Grandeville at the Commons	South Kingstown, RI	\$43,300,000	\$41,800,000	\$41,800,000	3Q05	December-14	\$1,318,716
Milestone Apt. Portfolio	Various States - South	\$57,039,812	\$44,940,911	\$44,940,911	2Q06	N/A	\$1,417,806
Stoneridge	Pleasanton, CA	\$177,000,000	\$177,000,000	\$177,000,000	4Q06	December-14	\$5,584,035
Sterling Parc Apartments	Cedar Knolls, NJ	\$92,000,000	\$92,000,000	\$92,000,000	2Q07	December-14	\$2,902,436
Instrata Pentagon City	Arlington, VA	\$150,000,000	\$147,000,000	\$86,602,984	3Q10	December-14	\$2,732,170
Ladd Tower	Portland, OR	\$118,000,000	\$120,000,000	\$120,000,000	4Q10	December-14	\$3,785,787
Legacy Fountain Plaza	San Jose, CA	\$120,000,000	\$123,000,000	\$123,000,000	1Q11	December-14	\$3,880,431
Instrata Gramercy (fka The Elektra)	New York, NY	\$168,000,000	\$168,000,000	\$95,281,881	1Q11	December-14	\$3,005,974
Instrata Brooklyn Heights (fka 75 Clinton Street)	Brooklyn, NY	\$65,300,000	\$65,900,000	\$65,900,000	1Q12	December-14	\$2,079,028
Club Laguna	Orange County, CA	\$131,000,000	\$134,000,000	\$134,000,000	3Q12	December-14	\$4,227,462
Goodwynn	Atlanta, GA	\$84,300,000	\$96,100,000	\$59,079,854	4Q12	December-14	\$1,863,864
Instrata at Mercedes House	New York, NY	\$210,000,000	\$218,000,000	\$148,000,000	1Q13	December-14	\$4,669,137
Sunset Vine Tower	Los Angeles, CA	\$84,100,000	\$84,500,000	\$84,500,000	2Q13	December-14	\$2,665,825
The Ashton	Dallas, TX	\$115,000,000	\$115,400,000	\$115,400,000	4Q13	December-14	\$3,640,665
The Pointe at West Chester	West Chester, PA	\$63,900,000	\$64,900,000	\$64,900,000	4Q13	December-14	\$2,047,480
206 Bell	Seattle, WA	\$43,500,000	\$43,000,000	\$43,000,000	4Q13	December-14	\$1,356,574
Cadence Union Station	Denver, CO	\$72,700,000	\$72,800,000	\$72,800,000	1Q14	December-14	\$2,296,711
Joseph Arnold Lofts	Seattle, WA	\$69,100,000	\$69,100,000	\$69,100,000	2Q14	December-14	\$2,179,982
Verve	Denver, CO	\$94,750,000	\$104,000,000	\$104,000,000	3Q14	December-14	\$3,281,015
Broadstone Little Italy	San Diego CA	\$101,922,010	\$104,000,000	\$104,000,000	3Q14	December-14	\$3,281,015
41 Tehama	San Francisco, CA	\$54,291,450	\$55,000,000	\$55,000,000	3Q14	December-14	\$1,735,152
		\$2,115,203,272	\$2,140,440,911	\$1,900,305,630			\$59,951,265
INDUSTRIAL							
Arjons	San Diego CA	\$32,400,000	\$33,800,000	\$33,800,000	2Q04	December-14	\$1,066,330
Garland Gateway East	Dallas TX	\$10,800,000	\$11,200,000	\$11,200,000	2Q04	December-14	\$353,340
Gateway Business Park	Dallas TX	\$11,300,000	\$11,200,000	\$11,200,000	2Q04	December-14	\$353,340
Hayward Industrial	Oakland CA	\$104,700,000	\$106,900,000	\$106,900,000	3Q04-3Q07	December-14	\$3,372,505
Lackman	Kansas City MO-KS	\$20,100,000	\$20,500,000	\$20,500,000	2Q04	December-14	\$646,739
Crossroads Industrial	Kansas City MO-KS	\$8,300,000	\$8,300,000	\$8,300,000	1Q06	December-14	\$261,850
Oakesdale Commerce Center	Seattle - Belle - Eve WA	\$41,400,000	\$41,500,000	\$41,500,000	1Q06	December-14	\$1,309,251
South Bay Industrial	Los Angeles, CA	\$60,200,000	\$61,100,000	\$61,100,000	4Q06	December-14	\$1,927,596
VIP Holdings I	Chicago, IL	\$72,849,638	\$72,810,468	\$27,822,883	2Q06	December-14	\$877,763
Tempe Commerce	Phoenix - Mesa AZ	\$57,300,000	\$58,200,000	\$58,200,000	4Q07	December-14	\$1,836,107
Steeplechase 95 International Business Park	Capitol Heights, MD	\$24,100,000	\$25,400,000	\$25,400,000	1Q11	December-14	\$801,325
Airport Trade Center III & V	Dallas, TX	\$34,400,000	\$34,400,000	\$34,400,000	1Q11	December-14	\$1,085,259
IE Logistics	San Bernardino, CA	\$117,800,000	\$118,800,000	\$118,800,000	3Q11	December-14	\$3,747,929
Railhead Drive Industrial	Dallas, TX	\$60,600,000	\$60,800,000	\$60,800,000	4Q11	December-14	\$1,918,132
16400 Knott Ave	Los Angeles, CA	\$31,100,000	\$32,300,000	\$32,300,000	3Q12	December-14	\$1,019,008
Empire Gateway	Chino, CA	\$182,000,000	\$193,000,000	\$193,000,000	4Q12	December-14	\$6,088,807
Airport Trade Center I	Dallas, TX	\$32,400,000	\$32,700,000	\$32,700,000	1Q13	December-14	\$1,031,627
Airport Trade Center II & IV	Dallas, TX	\$42,600,000	\$42,900,000	\$42,900,000	1Q13	December-14	\$1,353,419
SFF Logistics Center	San Francisco, CA	\$119,000,000	\$119,800,000	\$119,800,000	4Q13	December-14	\$3,779,477
Hampton South Business Centre	Capitol Heights, MD	\$17,600,000	\$18,800,000	\$18,800,000	2Q14	December-14	\$593,107
Steeplechase A4	Capitol Heights, MD	\$0	\$11,729,890	\$11,729,890	4Q14	Acq 4Q14	\$370,057
		\$1,080,949,638	\$1,116,140,358	\$1,071,152,773			\$33,792,966

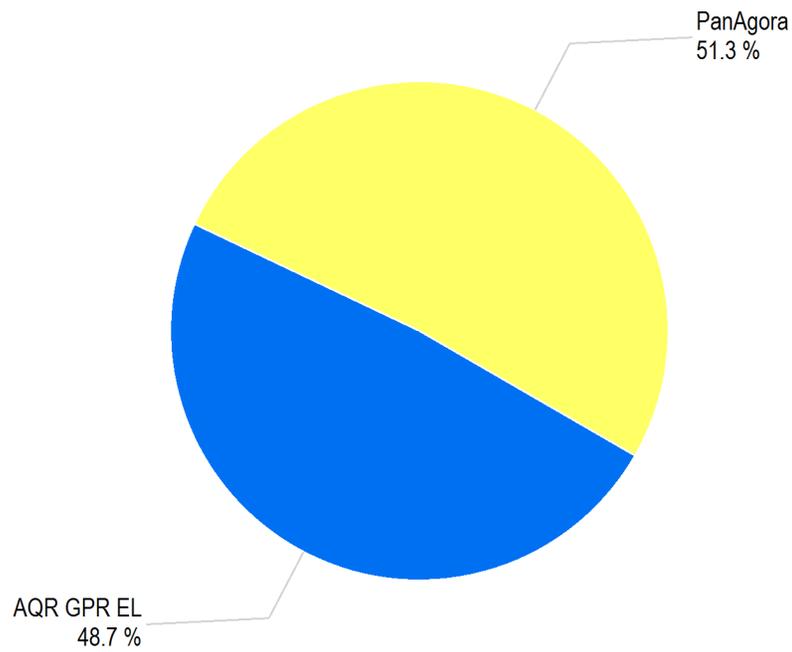
Real Estate Valuation Analysis – INVESCO Core Real Estate

As of December 31, 2014

OFFICE							
55 Cambridge	Boston MA - NH	\$194,000,000	\$211,000,000	\$211,000,000	4Q06	December-14	\$6,656,675
Gainey Center II	Scottsdale - AZ	\$32,000,000	\$34,000,000	\$34,000,000	3Q07	December-14	\$1,072,640
Valencia Town Center	Valencia, CA	\$154,000,000	\$154,000,000	\$154,000,000	3Q07	December-14	\$4,858,426
Westport Corporate Center	Fairfield County, CT	\$15,752,188	\$0	\$0	4Q07	Sold 4Q14	\$0
The Executive Building	Washington DC	\$206,000,000	\$211,000,000	\$211,000,000	2Q08	December-14	\$6,656,675
1111 Pennsylvania Avenue	Washington, D.C.	\$250,000,000	\$256,000,000	\$256,000,000	4Q10	December-14	\$8,076,345
1800 Larimer	Denver, CO	\$275,000,000	\$284,000,000	\$284,000,000	1Q11	December-14	\$8,959,695
230 Park Avenue	New York, NY	\$502,980,475	\$504,812,044	\$325,595,628	2Q11	December-14	\$10,271,963
3450 & 3460 Hillview Ave	San Jose, CA	\$63,500,000	\$66,900,000	\$66,900,000	3Q12	December-14	\$2,110,576
Williams Tower	Houston, TX	\$512,000,000	\$550,000,000	\$364,241,570	1Q13	December-14	\$11,491,174
Westlake Park Place	Westlake Village, CA	\$99,000,000	\$99,200,000	\$99,200,000	4Q13	December-14	\$3,129,584
101 Second Street	San Francisco, CA	\$303,000,000	\$305,000,000	\$305,000,000	1Q14	December-14	\$9,622,208
Energy Crossing II	Houston, TX	\$110,000,000	\$113,000,000	\$113,000,000	2Q14	December-14	\$3,564,949
1776 Wilson	Arlington, VA	\$89,100,000	\$89,400,000	\$89,400,000	3Q14	December-14	\$2,820,411
631 Howard	San Francisco, CA	\$70,100,000	\$73,900,000	\$73,900,000	3Q14	December-14	\$2,331,414
Barton Oaks	Austin, TX	\$66,100,000	\$70,000,000	\$70,000,000	3Q14	December-14	\$2,208,376
Hercules East and South Campus	Los Angeles, CA	\$112,222,877	\$114,000,000	\$114,000,000	3Q14	December-14	\$3,596,497
		\$3,054,755,540	\$3,136,212,044	\$2,771,237,198			\$87,427,608
RETAIL							
Broadway at Surf	Chicago IL	\$33,700,000	\$33,800,000	\$33,800,000	2Q04	December-14	\$1,066,330
Carriagetown Marketplace	Boston MA - NH	\$22,600,000	\$24,000,000	\$24,000,000	2Q04	December-14	\$757,157
Chandler Pavilions	Phoenix - Mesa AZ	\$19,700,000	\$20,600,000	\$20,600,000	2Q04	December-14	\$649,893
Matthews Township	Charlotte - G - RH NC-SC	\$24,000,000	\$24,800,000	\$24,800,000	2Q04	December-14	\$782,396
Windward Commons	Atlanta GA	\$22,700,000	\$23,400,000	\$23,400,000	2Q04	December-14	\$738,228
Cityline at Tenley	Washington, D.C.	\$47,700,000	\$51,100,000	\$51,100,000	4Q05	December-14	\$1,612,114
Ridgehaven Mall	Minnetonka, MN	\$37,200,000	\$37,300,000	\$37,300,000	4Q05	December-14	\$1,176,749
The Beacon Retail	San Francisco, CA	\$54,100,000	\$54,900,000	\$54,900,000	1Q06	December-14	\$1,731,997
The Beacon Garage	San Francisco, CA	\$30,300,000	\$30,300,000	\$30,300,000	1Q06	December-14	\$955,911
Oak Brook Court	Chicago, IL	\$17,300,000	\$21,500,000	\$21,500,000	4Q07	December-14	\$678,287
Hawthorne Plaza	Overland Park, KS	\$39,100,000	\$41,500,000	\$41,500,000	4Q07	December-14	\$1,309,251
The Loop	Boston MA - NH	\$95,900,000	\$97,200,000	\$97,200,000	1Q08	December-14	\$3,066,487
Westbank Marketplace	Austin, TX	\$48,450,000	\$48,600,000	\$26,759,085	3Q10	December-14	\$844,202
910 Lincoln Road	Miami, FL	\$23,500,000	\$28,900,000	\$28,900,000	4Q10	December-14	\$911,744
Lake Pointe Village	Houston, TX	\$70,900,000	\$67,000,000	\$67,000,000	4Q11	December-14	\$2,113,731
Safeway Kapahulu	Hawaii	\$85,800,000	\$83,100,000	\$46,668,036	4Q11	December-14	\$1,472,294
Safeway Burlingame	San Francisco, CA	\$47,700,000	\$48,900,000	\$26,058,346	4Q11	December-14	\$822,094
Shamrock Plaza	Oakland, CA	\$34,800,000	\$34,900,000	\$18,600,110	4Q11	December-14	\$586,800
Pavilions Marketplace	West Hollywood, CA	\$52,300,000	\$53,800,000	\$29,002,181	1Q12	December-14	\$914,967
130 Prince	New York, NY	\$196,000,000	\$202,000,000	\$202,000,000	2Q12	December-14	\$6,372,741
Pleasanton Gateway	Pleasanton, CA	\$72,300,000	\$72,000,000	\$72,000,000	4Q12	December-14	\$2,271,472
Liberty Wharf	Boston, MA	\$79,300,000	\$79,400,000	\$44,573,315	4Q12	December-14	\$1,406,209
Shops at Legacy	Plano, TX	\$105,000,000	\$106,000,000	\$106,000,000	3Q13	December-14	\$3,344,112
Pasadena Commons	Pasadena, CA	\$0	\$39,721,754	\$39,721,754	4Q14	Acq 4Q14	\$1,253,151
1003 N. Rush Street	Chicago, IL	\$0	\$14,100,000	\$14,100,000	4Q14	Acq 4Q14	\$444,830
		\$1,260,350,000	\$1,338,821,754	\$1,181,782,827			\$37,283,148
Portfolio Total		\$7,511,258,450	\$7,731,615,067	\$6,924,478,428			\$218,454,986

Manager Allocation Analysis - Risk Parity

As of December 31, 2014



	Actual \$	Actual %
AQR GPR EL	\$128,165,987	48.7%
PanAgora	\$134,936,212	51.3%
Total	\$263,102,199	

San Mateo County Employees' Retirement Association

Performance Summary (Gross of Fees)

Periods Ending December 31, 2014

	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Total Fund	1.7	0.1	5.9	11.7	12.4	10.0	6.0
Policy Index	1.7	0.1	5.9	11.8	12.2	10.2	6.7
Allocation Index	1.7	0.1	5.7	11.7	--	--	--
Total Fund ex Overlay	1.6	0.1	5.9	11.7	12.3	10.0	6.0
Policy Index	1.7	0.1	5.9	11.8	12.2	10.2	6.7
Allocation Index	1.7	0.1	5.7	11.7	--	--	--
Total Equity	2.0	-0.6	5.3	16.6	16.4	11.6	6.2
Blended Equity Index	1.9	-0.9	5.4	16.1	16.3	11.8	6.9
US Equity	5.2	4.4	10.0	21.9	20.0	15.2	7.1
80% R1000/ 20% R2000	5.9	4.8	11.6	22.4	20.4	15.7	8.0
Large Cap Equity	4.7	5.4	11.7	22.3	20.2	14.8	7.3
Russell 1000	4.9	5.6	13.2	22.8	20.6	15.6	8.0
Barrow Hanley	4.5	3.8	9.2	23.2	20.8	15.7	--
Russell 1000 Value	5.0	4.8	13.5	22.6	20.9	15.4	7.3
BlackRock S&P 500 Index	5.0	6.1	13.7	--	--	--	--
S&P 500	4.9	6.1	13.7	22.7	20.4	15.5	7.7
Brown Advisory	5.0	5.0	7.1	--	--	--	--
Russell 1000 Growth	4.8	6.3	13.0	22.8	20.3	15.8	8.5
DE Shaw	3.9	5.2	12.0	22.9	21.7	15.9	--
Russell 1000	4.9	5.6	13.2	22.8	20.6	15.6	8.0
Small Cap Equity	7.4	0.1	3.4	20.5	19.2	17.0	6.2
Russell 2000	9.7	1.7	4.9	20.7	19.2	15.5	7.8
The Boston Co	7.7	-0.1	3.3	19.2	19.4	15.2	--
Russell 2000 Value	9.4	0.0	4.2	18.4	18.3	14.3	6.9
Chartwell	7.1	0.5	3.6	21.5	20.2	18.9	9.2
Russell 2000 Growth	10.1	3.3	5.6	23.0	20.1	16.8	8.5
International Equity	-3.4	-8.9	-2.7	6.8	9.3	4.2	4.8
MSCI ACWI ex US IMI	-3.8	-9.0	-3.5	5.7	9.5	4.9	5.6
MSCI EAFE Gross	-3.5	-9.2	-4.5	8.5	11.6	5.8	4.9

Performance Summary (Gross of Fees)

Periods Ending December 31, 2014

	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Developed Markets	-2.8	-8.7	-2.5	7.9	10.1	4.6	5.0
MSCI ACWI ex USA Gross	-3.8	-8.8	-3.4	5.7	9.5	4.9	5.6
Baillie Gifford	-0.9	-7.1	-2.0	9.7	--	--	--
MSCI ACWI ex US	-3.8	-8.8	-3.4	9.1	--	--	--
MSCI ACWI ex US Growth	-2.3	-7.0	-2.3	9.6	--	--	--
BlackRock EAFE Index	-3.6	-9.2	-4.7	--	--	--	--
MSCI EAFE	-3.6	-9.2	-4.9	8.1	11.1	5.3	4.4
MSCI EAFE Gross	-3.5	-9.2	-4.5	8.5	11.6	5.8	4.9
Mondrian	-4.3	-9.9	-1.4	7.2	8.6	5.1	5.6
MSCI ACWI ex USA Value Gross	-5.4	-10.6	-4.6	5.0	9.1	4.2	5.4
MSCI ACWI ex USA Gross	-3.8	-8.8	-3.4	5.7	9.5	4.9	5.6
Pyramis Equity	-2.0	-8.8	-3.1	7.0	--	--	--
MSCI ACWI ex US Small Cap Gross	-3.9	-10.4	-3.7	7.6	11.2	7.2	7.2
Emerging Markets	-8.4	-10.2	-3.5	-0.8	--	--	--
MSCI Emerging Markets Gross	-4.4	-7.6	-1.8	-2.0	4.4	2.1	8.8
Parametric	-8.2	-10.1	-3.4	-0.7	--	--	--
MSCI Emerging Markets Gross	-4.4	-7.6	-1.8	-2.0	4.4	2.1	8.8
Total Fixed Income	0.2	-0.2	4.8	2.9	6.0	7.0	5.5
Blended Fixed Index	0.8	-0.3	4.3	0.6	2.3	4.4	4.7
US Fixed Income	0.6	0.3	5.7	2.9	5.4	6.9	5.5
Blended US Fixed Index	1.3	0.6	5.2	0.9	2.6	4.7	4.8
Core Fixed	1.6	1.8	6.7	2.7	4.4	--	--
Barclays Aggregate	1.8	2.0	6.0	1.9	2.7	4.4	4.7
Pyramis Bond	1.7	1.9	6.5	2.6	3.9	5.7	--
Western Asset	1.3	1.5	6.9	2.8	4.9	6.7	5.6
Barclays Aggregate	1.8	2.0	6.0	1.9	2.7	4.4	4.7

Performance Summary (Gross of Fees)

Periods Ending December 31, 2014

	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
TIPS	-0.8	-2.9	1.3	-3.7	0.0	--	--
<i>Barclays US TIPS</i>	0.0	-2.1	3.6	-2.7	0.4	4.1	4.4
Brown Brothers Harriman	-0.7	-2.8	1.4	-3.6	0.0	--	--
<i>Barclays US TIPS</i>	0.0	-2.1	3.6	-2.7	0.4	4.1	4.4
Opportunistic Credit	-0.9	-1.3	6.3	9.1	14.1	--	--
<i>Barclays BA Intermediate HY</i>	0.8	-0.7	4.5	1.2	4.4	6.5	--
Angelo Gordon Opportunistic	-0.4	-2.8	--	--	--	--	--
Angelo Gordon STAR	1.9	4.0	15.8	17.8	--	--	--
<i>Barclays Aggregate</i>	1.8	2.0	6.0	1.9	2.7	4.4	4.7
Brigade Capital	-2.9	-4.8	0.7	4.0	7.9	--	--
<i>Barclays BA Intermediate HY</i>	0.8	-0.7	4.5	1.2	4.4	6.5	--
50% Barclays HY/ 50% Bank Loan	-0.7	-1.8	2.3	4.5	7.1	--	--
Global Fixed Income	-2.1	-2.9	0.7	2.6	8.3	--	--
<i>Barclays Multi-verse</i>	-1.2	-4.3	0.5	-0.9	1.0	2.9	3.7
Franklin Templeton	-2.1	-2.9	0.4	2.4	8.2	--	--
<i>Barclays Multi-verse</i>	-1.2	-4.3	0.5	-0.9	1.0	2.9	3.7
Alternatives	1.8	2.1	6.0	4.2	6.9	--	--
<i>Alternatives Allocation Index</i>	-0.3	-2.5	2.9	7.6	7.5	--	--
<i>Blended Alternatives Index</i>	0.5	-0.8	4.9	11.4	11.5	--	--
Private Equity	5.9	9.3	15.5	15.4	15.6	--	--
Russell 3000 +3%	6.0	7.2	15.6	25.6	23.5	18.6	11.0
Hedge Fund	6.3	10.2	10.8	9.3	8.2	--	--
Libor 1 month +4%	1.0	2.1	4.2	4.2	4.2	4.2	--
AQR DELTA XN	6.3	10.2	10.8	9.3	8.2	--	--
Libor 1 month +4%	1.0	2.1	4.2	4.2	4.2	4.2	--

San Mateo County Employees' Retirement Association

Performance Summary (Gross of Fees)

Periods Ending December 31, 2014

	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	2 Yrs (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)
Commodity	-10.7	-18.8	-13.9	-10.0	-2.8	--	--
<i>Bloomberg Commodity Index TR USD</i>	-12.1	-22.5	-17.0	-13.3	-9.4	-5.5	-1.9
SSgA Multisource Commodity	-10.7	-18.8	-13.9	-10.0	-2.8	--	--
<i>Bloomberg Commodity Index TR USD</i>	-12.1	-22.5	-17.0	-13.3	-9.4	-5.5	-1.9
<i>S&P Goldman Sachs Commodity</i>	-27.7	-36.7	-33.1	-18.7	-12.9	--	--
Private Real Asset	1.6	--	--	--	--	--	--
<i>CPI +5%</i>	0.6	1.8	5.8	--	--	--	--
Taurus Mining	1.6	--	--	--	--	--	--
<i>CPI +5%</i>	0.6	1.8	5.8	--	--	--	--
Real Estate	3.4	7.1	12.4	13.3	11.7	13.7	7.3
<i>NCREIF ODCE</i>	3.3	6.6	12.5	13.2	12.4	13.9	7.4
Invesco	3.4	7.1	12.4	13.3	11.7	13.7	7.3
<i>NCREIF ODCE</i>	3.3	6.6	12.5	13.2	12.4	13.9	7.4
Risk Parity	1.2	-1.9	11.9	4.7	8.3	--	--
<i>60/40 Russell 3000/Barclays Aggregate</i>	3.9	3.9	10.0	14.0	13.2	11.3	7.0
AQR GPR EL	-1.6	-5.1	8.3	3.0	7.1	--	--
PanAgora	4.1	--	--	--	--	--	--
<i>60/40 Russell 3000/Barclays Aggregate</i>	3.9	3.9	10.0	14.0	13.2	11.3	7.0
Cash	0.2	0.4	0.4	0.4	0.5	0.7	1.5
<i>91 Day T-Bills</i>	0.0	0.0	0.0	0.0	0.0	0.1	1.4
General Account	0.3	0.5	0.6	0.3	0.3	0.3	1.8
Treasury & LAIF	0.3	0.3	0.9	0.7	0.8	0.9	1.4
<i>91 Day T-Bills</i>	0.0	0.0	0.0	0.0	0.0	0.1	1.4

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 – ACWI ex US Focus Equities

ACWI ex US Focus is a fundamental growth strategy. Research is organized primarily by regional teams, with each member of the ACWI ex US Focus Portfolio Construction Group representing a 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 80-120 stocks, with country and sector weights +/-6% relative to the index and industry weights +/- 5% relative to the index.

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

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 – DE Shaw US Broad Market Core Alpha Extension Fund

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. In addition to its beta one strategies, D.E. Shaw manages substantial assets in its hedge fund strategies. 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 and 130/30 peers. Portfolio construction involves the use of a proprietary optimizer which runs dynamically throughout the trading day. The portfolio is broadly diversified with several hundred long and short positions. 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. The US Broad Market Core Alpha Extension Fund is a 130/30 strategy which maintains a beta that is approximately neutral to the Russell 1000 Index.

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.

Panagora – Diversified Risk Multi Asset Fund

The Multi Asset team is headed up by Edward Qian, CIO of the group, and the founder of Panagora's risk parity strategy. A staff of approximately thirteen works in this group on research and portfolio construction, with some people spending more time on the former and some more on the latter. Panagora implements risk parity by distinguishing between three categories of assets: equities, nominal fixed income, and inflation protection. Each of these categories corresponds to a respective economic environment: economic growth, economic contraction and inflation. Panagora's risk allocation targets 40% each from equities and nominal fixed income, and 20% from inflation protection. In addition to applying concept of risk parity between asset classes, Panagora also applies it within each asset class. The 40/40/20 allocation to equities/nominal fixed income/inflation protection is a long term strategic allocation. In 2009 Panagora introduced what they refer to as "Dynamic Risk Allocation" or "DRA," which involves tactically tilting the risk allocations away from the neutral targets in order to enhance returns and reduce risk.

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.

SSARIS Global Multisector Plus – Commodities

SSARIS 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 process 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.

Total Plan Policy Index

As of:

	1/1/14	2/1/13	1/1/11	10/1/10	1/1/09	5/1/07	6/1/00	3/1/99	9/1/98	7/1/96
10 Year Treasury +2%	0.00%	0.00%	0.0%	0.0%	0%	0%	0%	8%	10%	10%
60% Russell 3000/40% BC Aggregate (RP)	8.00%	6.00%	6.0%	6.0%	0%	0%	0%	0%	0%	0%
Barclays Aggregate	9.25%	11.00%	11.0%	12.9%	27%	27%	29%	25%	21%	21%
Barclays BA Intermediate HY	5.00%	0.00%	0.0%	0.0%	0%	0%	0%	0%	0%	0%
Barclays BBB	0.00%	0.00%	0.0%	1.6%	0%	0%	0%	0%	0%	0%
Barclays Credit BAA	0.00%	3.52%	3.3%	0.0%	0%	0%	0%	0%	0%	0%
Barclays Multiverse	3.75%	4.40%	4.4%	4.5%	0%	0%	0%	0%	0%	0%
Barclays TIPS	2.00%	3.08%	3.3%	3.0%	0%	0%	0%	0%	0%	0%
Bloomberg Commodity	3.00%	3.00%	3.0%	3.0%	0%	0%	0%	0%	0%	0%
Citigroup non-US WGBI	0.00%	0.00%	0.0%	0.0%	0%	0%	0%	5%	9%	9%
CPI + 5% (RA)	2.00%	0.00%	0.0%	0.0%	0%	0%	0%	0%	0%	0%
Libor +4% (HF)	4.00%	3.00%	3.0%	3.0%	0%	0%	0%	0%	0%	0%
MSCI ACWI ex-US	0.00%	18.00%	18.0%	18.0%	21%	21%	15%	0%	0%	0%
MSCI ACWI ex-US IMI	20.00%	0.00%	0.0%	0.0%	0%	0%	0%	0%	0%	0%
MSCI EAFE	0.00%	0.00%	0.0%	0.0%	0%	0%	0%	20%	20%	20%
NCREIF ODCE	6.00%	5.00%	5.0%	5.0%	6%	0%	0%	0%	0%	0%
NCREIF Property	0.00%	0.00%	0.0%	0.0%	0%	6%	6%	0%	0%	0%
Russell 1000	24.00%	28.00%	28.0%	28.0%	37%	37%	40%	22%	20%	20%
Russell 1000 Value	0.00%	0.00%	0.0%	0.0%	0%	0%	0%	5%	5%	0%
Russell 2000	6.00%	7.00%	7.0%	7.0%	9%	9%	10%	15%	15%	15%
Russell 3000 +3% (PE)	7.00%	8.00%	8.0%	8.0%	0%	0%	0%	0%	0%	0%
S&P 500	0.00%	0.00%	0.0%	0.0%	0%	0%	0%	0%	0%	5%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Total Equity Benchmark

As of:

	1/1/14	10/1/10	5/1/07	6/1/00	3/1/99	9/1/98	1/1/96
MSCI ACWI ex-US	0%	33.96%	31.3%	23.1%	0.0%	0.0%	0.0%
MSCI ACWI ex-US IMI	40%	0.00%	0.0%	0.0%	0.0%	0.0%	0.0%
MSCI EAFE	0%	0.00%	0.0%	0.0%	32.3%	33.3%	33.3%
Russell 1000	48%	52.83%	55.2%	61.5%	35.5%	33.3%	33.3%
Russell 1000 Value	0%	0.00%	0.0%	0.0%	8.0%	8.4%	0.0%
Russell 2000	12%	13.21%	13.5%	15.4%	24.2%	25.0%	25.0%
S&P 500	0%	0.00%	0.0%	0.0%	0.0%	0.0%	8.4%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

US Equity Benchmark

As of:

	6/1/00	3/1/99	9/1/98	7/1/96	1/1/95
Russell 1000	80%	52%	50.0%	50.0%	69%
Russell 1000 Value	0%	12%	12.5%	0.0%	0%
Russell 2000	20%	36%	37.5%	37.5%	14%
S & P 500	0%	0%	0.0%	12.5%	17%
	100.0%	100.0%	100.0%	100.0%	100.0%

International Equity Benchmark

As of:

	1/1/14	6/1/00	1/1/96
MSCI ACWI ex US	0%	100%	0%
MSCI ACWI ex US IMI	100%	0%	0%
MSCI EAFE	0%	0%	100%
	100.0%	100.0%	100.0%

Total Fixed Income Benchmark

As of:

	1/1/14	2/1/13	1/1/11	10/1/10	6/1/00	3/1/99	7/1/96
Barclays Aggregate	46.25%	50%	50%	58.6%	100%	83.3%	70%
Barclays BA Intermediate HY	25.00%	0%	0%	0.0%	0%	0.0%	0%
Barclays BBB	0.00%	0%	0%	7.3%	0%	0.0%	0%
Barclays Credit BAA	0.00%	16%	15%	0.0%	0%	0.0%	0%
Barclays Multiverse	18.75%	20%	20%	20.5%	0%	0.0%	0%
Barclays TIPS	10.00%	14%	15%	13.6%	0%	0.0%	0%
Citigroup non-US WGBI	0.00%	0%	0%	0.0%	0%	16.7%	30%
	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

US Fixed Income Benchmark

As of:

	1/1/14	2/1/13	1/1/11	10/1/10	7/1/96
Barclays Aggregate	56.9231%	62.5%	62.50%	73.7%	100%
Barclays BA Intermediate HY	30.7692%	0.0%	0.00%	0.0%	0%
Barclays BBB	0.0000%	0.0%	0.00%	9.1%	0%
Barclays Credit BAA	0.0000%	20.0%	18.75%	0.0%	0%
Barclays TIPS	12.3077%	17.5%	18.75%	17.2%	0%
	100.0%	100.0%	100.0%	100.0%	100.0%

Opportunistic Credit Benchmark

As of:

	1/1/14	12/1/09
Barclays BA Intermediate HY	100%	0%
Barclays Credit BAA	0%	100%
	100.0%	100.0%

Real Asset Benchmark

As of:

	1/1/14
CPI + 5%	100%
	100.0%

Alternatives Benchmark

As of:

	1/1/14	1/1/11
60% Russell 3000/40% BC Aggregate (RP)	0.00%	30%
Bloomberg Commodity	18.75%	15%
CPI + 5% (RA)	12.50%	0%
Libor +4% (HF)	25.00%	15%
Russell 3000 +3% (PE)	43.75%	40%
	100.0%	100.0%

Real Estate Benchmark

As of:

	1/1/09	6/1/00	7/1/96
10 Year Treasury +2%	0%	0%	100%
NCREIF ODCE	100%	0%	0%
NCREIF Property	0%	100%	0%
	100.0%	100.0%	100.0%

Private Equity Benchmark

As of:

	10/1/10
Russell 3000 +3%	100%
	100.0%

Risk Parity Benchmark

As of:

	10/1/10
Barclays Aggregate	40%
Russell 3000	60.0%
	100.0%

Hedge Fund Benchmark

As of:

	10/1/10
Libor +4%	100%
	100.0%

Baillie Gifford Benchmark	As of:	
	1/1/14	5/1/12
MSCI ACWI ex-US	100%	0.0%
MSCI EAFE	0.0%	100%
	100.0%	100.0%
Baillie Gifford Secondary Benchmark	As of:	
	1/1/14	5/1/12
MSCI ACWI ex-US Growth	100%	0.0%
MSCI EAFE Growth	0.0%	100%
	100.0%	100.0%
Brigade Secondary Benchmark	As of:	
	8/1/10	
Barclays High Yield	50%	
Credit Suisse Leveraged Loans	50%	
	100.0%	

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	NO	YES	YES	NO	N/A	YES	YES	YES	YES
BARROW HANLEY Russell 1000 Value Index	NO	NO	YES	YES	NO	YES	YES	YES	YES	YES
THE BOSTON COMPANY Russell 2000 Value Index	YES	NO	YES	YES	YES	YES	NO	NO	NO	YES
CHARTWELL Russell 2000 Growth Index	NO	YES	YES	YES	NO	NO	NO	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	NO	YES	NO	YES	YES	YES	YES	NO	NO	YES
PARAMETRIC MSCI Emerging Market Index	N/A	N/A	N/A	N/A	N/A	N/A	NO	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	NO	YES	YES	YES	YES
WESTERN ASSET BC Aggregate Index	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
BROWN BROTHERS HARRIMAN Barclays US TIPS	NO	N/A	NO	N/A	NO	N/A	NO	NO	N/A	YES
BRIGADE CAPITAL Barclays Credit BAA	YES	N/A	YES	N/A	NO	N/A	NO	NO	N/A	YES
FRANKLIN TEMPLETON Barclays Multi-verse	YES	N/A	YES	N/A	YES	N/A	YES	YES	N/A	YES
INVESCO REAL ESTATE NCREIF ODCE Index	NO	NO	NO	NO	N/A	N/A	YES	YES	YES	YES

Manager Performance Comparison (Gross of Fees)

	Oct	Nov	Dec	4th Qtr. 2014	Difference	3rd Qtr. 2014	Difference	2nd Qtr. 2014	Difference	1st Qtr. 2014	Difference
SIS	2.45%	2.71%	-0.25%	4.97%		1.12%		5.22%		1.81%	
BlackRock S&P 500 Fund	2.45%	2.71%	-0.25%	4.97%	0.00%	1.12%	0.00%	5.22%	0.00%	1.81%	0.00%
S&P 500 Index	2.44%	2.69%	-0.25%	4.93%		1.13%		5.24%		1.80%	
SIS	1.58%	3.21%	-0.93%	3.86%		1.31%		5.52%		0.85%	
D.E. Shaw	1.57%	2.99%	-0.64%	3.94%	-0.08%	1.31%	0.00%	5.51%	0.01%	0.85%	0.00%
Russell 1000 Index	2.44%	2.62%	-0.23%	4.88%		0.65%		5.12%		2.05%	
SIS	3.35%	1.64%	-0.02%	5.02%		-0.04%		1.96%		0.09%	
BrownAdvisory	3.38%	1.62%	-0.04%	5.01%	0.01%	-0.05%	0.01%	1.96%	0.00%	0.07%	0.01%
Russell 1000 Growth Index	2.64%	3.17%	-1.04%	4.79%		1.49%		5.13%		1.12%	
SIS	1.73%	2.42%	0.33%	4.55%		-0.70%		3.33%		1.82%	
Barrow Hanley	1.72%	2.44%	0.32%	4.54%	0.01%	-0.71%	0.01%	3.32%	0.01%	1.83%	-0.01%
Russell 1000 Value Index	2.25%	2.05%	0.61%	4.98%		-0.18%		5.11%		3.02%	
SIS	4.50%	-0.24%	3.29%	7.68%		-7.21%		1.21%		2.12%	
The Boston Company	4.50%	-0.24%	3.29%	7.68%	0.00%	-7.21%	0.00%	1.21%	0.00%	2.12%	0.00%
Russell 2000 Value Index	6.99%	-0.47%	2.73%	9.39%		-8.58%		2.39%		1.78%	
SIS	6.23%	-0.01%	0.78%	7.05%		-6.12%		1.04%		2.07%	
Chartwell	6.23%	-0.01%	0.78%	7.05%	0.00%	-6.12%	0.00%	1.04%	0.00%	2.05%	0.02%
Russell 2000 Growth Index	6.20%	0.65%	2.97%	10.06%		-6.13%		1.73%		0.48%	
SIS	0.62%	0.91%	-2.45%	-0.95%		-6.17%		2.86%		2.53%	
Baillie Gifford	0.63%	0.91%	-2.50%	-0.99%	0.04%	-6.30%	0.13%	2.90%	-0.03%	2.51%	0.02%
MSCI ACWI ex US	-0.98%	0.74%	-3.57%	-3.81%		-5.20%		5.25%		0.77%	
MSCI ACWI ex US Growth	-0.34%	1.48%	-3.35%	-2.25%		-4.84%		4.63%		0.20%	

Manager Performance Comparison (Gross of Fees)

	Oct	Nov	Dec	4th Qtr. 2014	Difference	3rd Qtr. 2014	Difference	2nd Qtr. 2014	Difference	1th Qtr. 2014	Difference
SIS	-1.46%	1.37%	-3.46%	-3.56%		-5.88%		4.28%		0.74%	
BlackRock EAFE Equity	-1.46%	1.37%	-3.46%	-3.56%	0.00%	-5.88%	0.00%	4.28%	0.00%	0.75%	0.00%
MSCI EAFE (Net)	-1.45%	1.36%	-3.46%	-3.57%		-5.88%		4.08%		0.66%	
MSCI EAFE (Gross)	-1.45%	1.37%	-3.44%	-3.54%		-5.84%		4.35%		0.77%	
SIS	-0.16%	-2.20%	-6.02%	-8.24%		-2.04%		6.24%		1.15%	
Parametric	-0.16%	-2.20%	-6.02%	-8.23%	-0.01%	-2.04%	0.00%	6.24%	0.00%	1.14%	0.01%
MSCI EM Market Index	1.19%	-1.05%	-4.56%	-4.44%		-3.36%		6.70%		-0.37%	
SIS	-1.88%	1.51%	-3.94%	-4.33%		-5.80%		6.12%		3.13%	
Mondrian	-1.88%	1.51%	-3.94%	-4.33%	0.00%	-5.86%	0.07%	6.11%	0.01%	3.21%	-0.07%
MSCI ACWI -ex US Value Index	-1.62%	-0.02%	-3.80%	-5.38%		-5.55%		5.88%		0.84%	
MSCI ACWI -ex US	-0.98%	0.74%	-3.57%	-3.81%		-5.20%		5.25%		0.61%	
SIS	-0.82%	-0.74%	-0.42%	-1.97%		-6.95%		4.04%		2.11%	
Pyramis Int'l Equity	-0.82%	-0.74%	-0.42%	-1.97%	0.00%	-6.95%	0.00%	4.04%	0.00%	2.11%	0.00%
MSCI ACWI -ex US Small Cap Index	-2.35%	-0.41%	-1.21%	-3.93%		-6.73%		3.79%		3.56%	
SIS				1.86%		1.81%		5.39%		4.77%	
Angelo Gordon STAR Fund (Net)				1.86%	0.00%	1.81%	0.00%	5.39%	0.00%	4.77%	0.00%
BC Aggregate Index				1.79%		0.16%		2.04%		-0.20%	
SIS				-0.49%		-2.39%					
Angelo Gordon Opportunistic				-0.49%	0.00%	-2.39%	0.00%				
BC Aggregate Index				1.79%		0.16%					
SIS	1.08%	0.67%	-0.05%	1.72%		0.21%		2.27%		2.17%	
Pyramis Bond	1.08%	0.67%	-0.05%	1.71%	0.01%	0.21%	0.00%	2.27%	0.00%	2.17%	0.00%
BC Aggregate Index	0.98%	0.71%	0.09%	1.79%		0.16%		2.04%		1.84%	
SIS	-0.45%	-0.27%	-2.18%	-2.88%		-1.95%		3.07%		2.59%	
Brigade Capital	-0.50%	-0.33%	-2.20%	-3.01%	0.13%	-2.02%	0.07%	3.09%	-0.02%	2.49%	0.10%
Barclays BA Intermediate HY	2.04%	-0.53%	-0.68%	0.81%		-0.20%		3.42%		3.62%	

Manager Performance Comparison (Gross of Fees)

	Oct	Nov	Dec	4th Qtr. 2014	Difference	3rd Qtr. 2014	Difference	2nd Qtr. 2014	Difference	1th Qtr. 2014	Difference
SIS	0.50%	-0.12%	-1.13%	-0.75%		-2.07%		2.99%		1.26%	
Brown Brothers Harriman	0.46%	-0.12%	-1.19%	-0.85%	0.10%	-2.06%	-0.01%	2.99%	0.00%	1.28%	-0.01%
BC U.S. Tips	0.85%	0.26%	-1.13%	-0.03%		-2.04%		3.81%		1.95%	
SIS	0.99%	0.41%	-0.07%	1.33%		0.14%		2.71%		2.60%	
Western Asset	0.99%	0.41%	-0.07%	1.33%	0.00%	0.05%	0.09%	2.81%	-0.10%	2.65%	-0.05%
BC Aggregate Index	0.98%	0.71%	0.09%	1.79%		0.16%		2.04%		1.84%	
SIS	1.04%	-0.60%	-2.54%	-2.12%		-0.76%		2.83%		0.46%	
Franklin Templeton Investments	1.04%	-0.60%	-2.54%	-2.12%	0.00%	-0.76%	0.00%	2.75%	0.08%	0.46%	0.00%
BC Multiverse	0.05%	-0.40%	-0.81%	-1.16%		-3.18%		2.52%		2.44%	
SIS	1.59%	0.37%	-3.54%	-1.64%		-3.53%		8.00%		5.70%	
AQR Global Risk Premium III (Net)	1.55%	0.34%	-3.57%	-1.74%	0.10%	-3.62%	0.10%	7.90%	0.09%	5.60%	0.10%
40% R3000/ 60% BC Agg	2.04%	1.73%	0.04%	3.85%		0.10%		3.74%		1.97%	
SIS	0.23%	4.19%	1.83%	6.34%		3.65%		1.30%		-0.76%	
AQR DELTA Fund II (Net)	0.16%	4.12%	1.75%	6.11%	0.23%	3.40%	0.25%	1.07%	0.23%	-0.97%	0.22%
Libor + 4%	0.35%	0.35%	0.35%	1.05%		1.05%		1.06%		0.59%	
SIS	-0.96%	-4.90%	-5.17%	-10.68%		-9.05%		2.91%		2.98%	
SSgA Multisource Commodity	-0.96%	-4.90%	-5.17%	-10.68%	0.00%	-9.05%	0.00%	2.91%	0.00%	2.98%	0.00%
Bloomberg Commodity	-0.80%	-4.07%	-7.63%	-12.10%		-11.84%		0.10%		7.00%	
S&P Goldman Sachs Commodity	-5.98%	-10.92%	-13.63%	-27.66%		-12.46%		2.69%		2.94%	
SIS				3.44%		3.50%		3.18%		1.71%	
INVESCO Real Estate				3.50%	-0.06%	3.44%	0.06%	3.18%	0.00%	1.71%	0.00%
NCREIF NFI ODCE Index				3.25%		3.24%		2.93%		2.47%	

Market Capitalization Breakpoints

Updated January 2015

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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
12/31/14	89.92	25.19	8.51	3.29	0
9/30/14	84.51	24.44	7.97	3.04	0
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

MARKET SUMMARY

Equity Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
S&P 500	4.9	13.7	20.4
Dow Jones Industrial Average	5.2	10.0	16.3
NASDAQ	5.4	13.4	22.0
Russell 1000	4.9	13.2	20.6
Russell 2000	9.7	4.9	19.2
Russell 3000	5.2	12.6	20.5
MSCI EAFE (Net)	-3.6	-4.9	11.1
MSCI Emerging Markets (Net)	-4.5	-2.2	4.0
MSCI AC World ex US (Net)	-3.9	-3.9	9.0

Bond Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
Barclays Capital Aggregate	1.8	6.0	2.7
Barclays Capital Gov/Credit	1.8	6.0	2.8
Barclays Capital Universal	1.3	5.6	3.2
Barclays Capital Corp. High Yield	-1.0	2.5	8.4
CG Non-US World Govt.	-2.9	-2.7	-1.9

Non-Public Markets

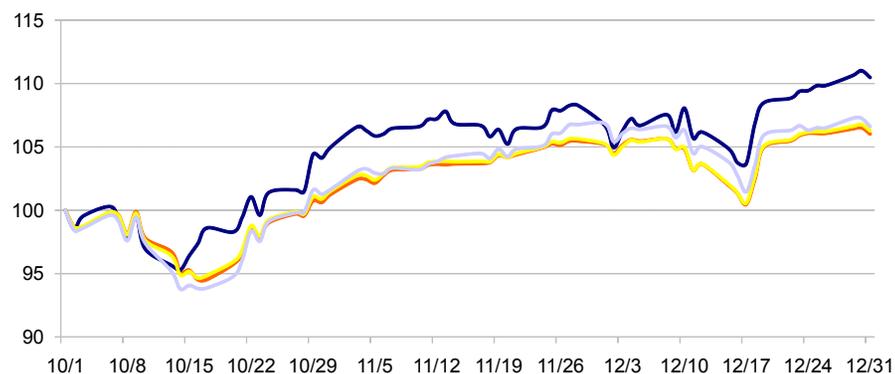
lagged quarterly

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
NCREIF Property	2.6	11.3	11.1
State Street Private Equity Index	-0.2	14.4	13.8

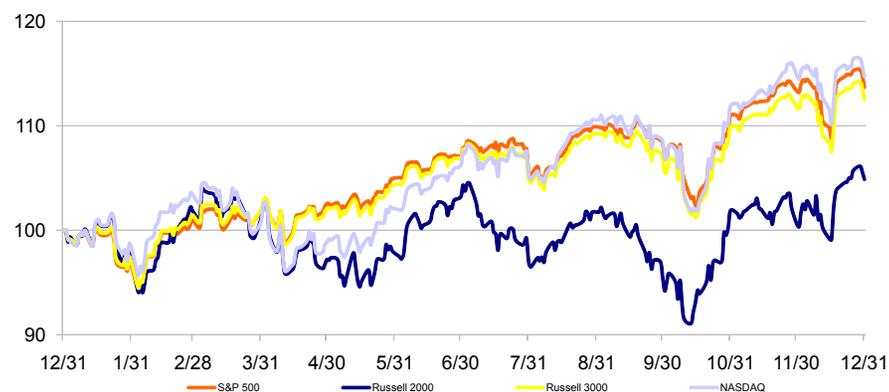
U.S. Equity Market

- U.S. equities, as measured by the S&P 500 total return index, rose 4.9% during the quarter as labor market conditions improved and the Federal Reserve said that it would remain “patient” with respect to interest rate normalization.
- Small caps, as measured by the Russell 2000 index, outperformed, rising 9.7% in the fourth quarter.

Equity Index – Quarterly Growth Rate



Equity Index – 1-Year Growth Rate

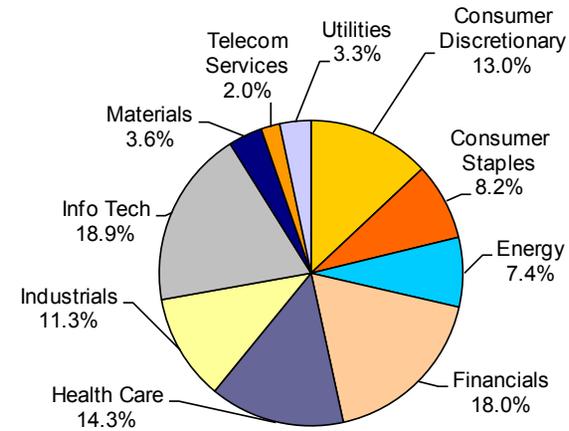


U.S. MARKETS

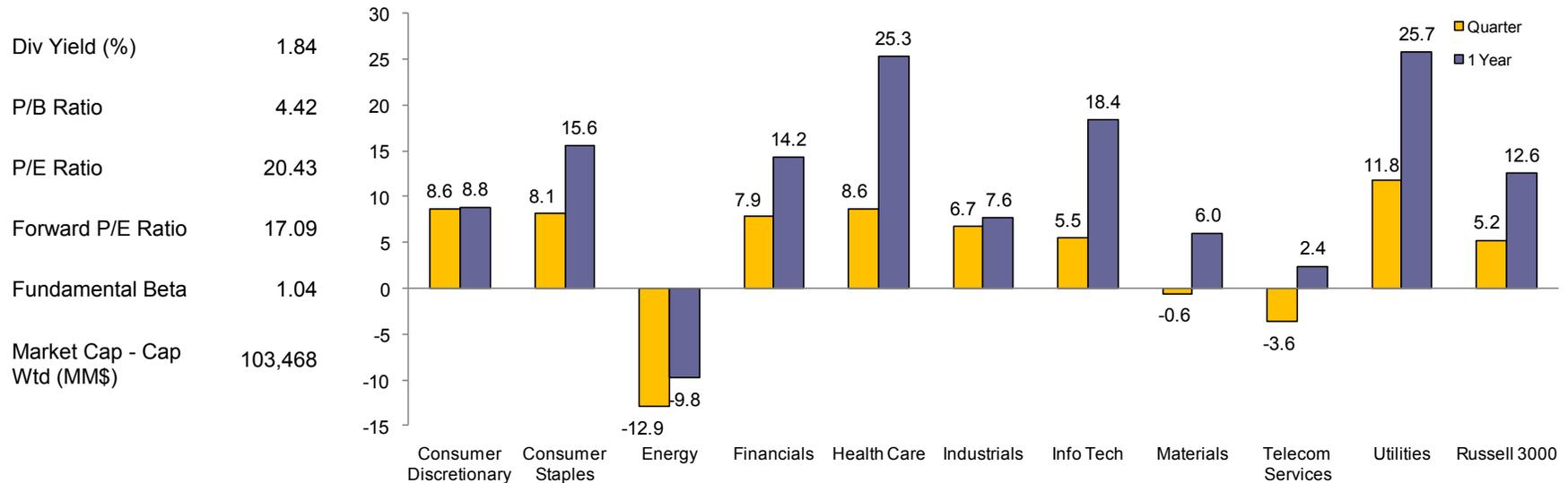
U.S. Equity – Russell 3000

- Utilities and the consumer sectors outperformed in the U.S., with the utilities sector returning 11.8% in the fourth quarter and consumer discretionary returning 8.6%.
- The energy sector fell 12.9% in the fourth quarter.
- Overall, the Russell 3000 index rose 5.2% in the fourth quarter; the yearly return was 12.6%.

Ending Sector Weights



Characteristics



Contribution to Return:

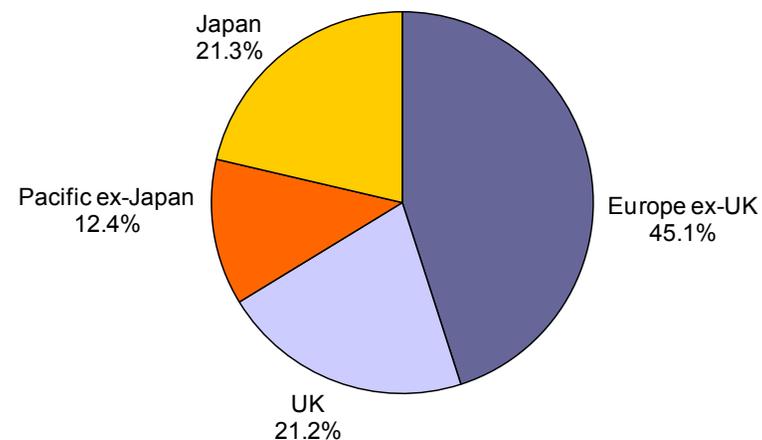
	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Services	Utilities	Russell 3000
Qtr	1.1	0.7	-1.1	1.4	1.2	0.8	1.0	0.0	-0.1	0.4	5.2
1 Year	1.2	1.3	-0.9	2.5	3.2	0.9	3.3	0.2	0.1	0.8	12.6

NON-U.S. MARKETS

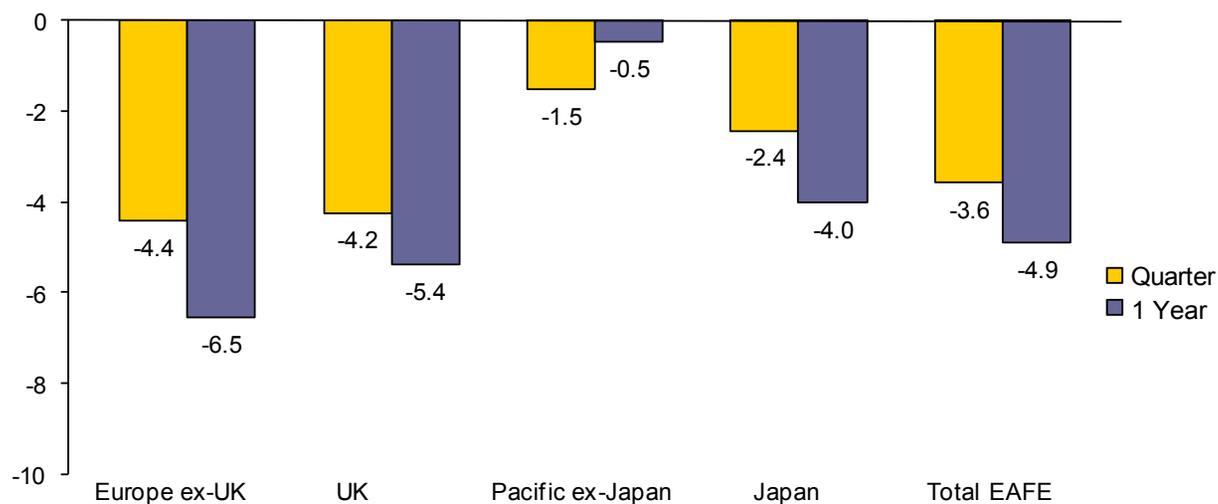
Developed Equity – MSCI EAFE (Net)

- Deteriorating economic growth and deflation fears in the Eurozone led to a decline of 4.4% in Europe ex-UK stocks during the fourth quarter.
- In Japan, equities fell 2.4% in the fourth quarter, driven by recession and declining inflation.
- Overall, the MSCI EAFE index fell 3.6% in the fourth quarter.

Ending Regional Weights



Regional Returns (%)



Contribution to Return:

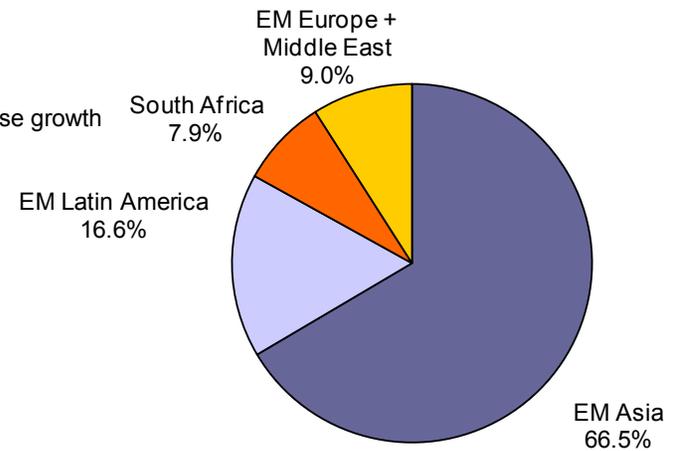
Qtr	-2.0	-0.9	-0.2	-0.5	-3.6
1 Yr	-2.9	-1.1	-0.1	-0.9	-4.9

NON-U.S. MARKETS

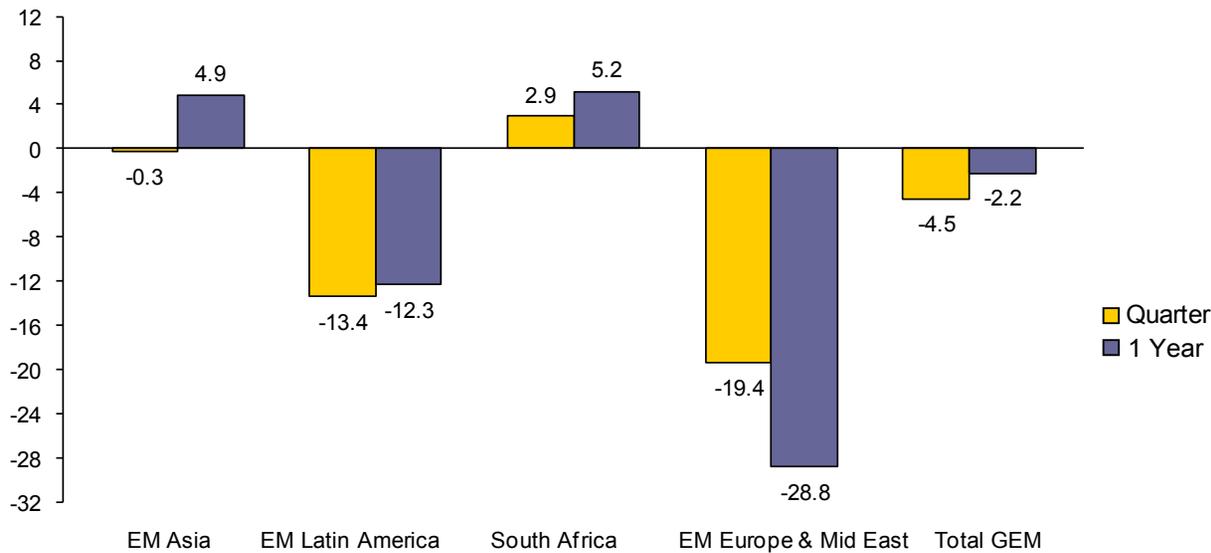
Emerging Markets Equity – MSCI EM (Net)

- Declining growth and inflation in the Eurozone, as well as fears of rising geopolitical risk, led to a 19.4% decline in emerging Europe and the Middle East during the fourth quarter.
- Emerging Latin American stocks fell 13.4%, driven by declines in Brazil and Mexico.
- Overall, the MSCI EM index fell 4.5% in the fourth quarter, driven in part by concerns over Chinese growth and currency contagion fears.

Ending Regional Weights



Regional Returns (%)



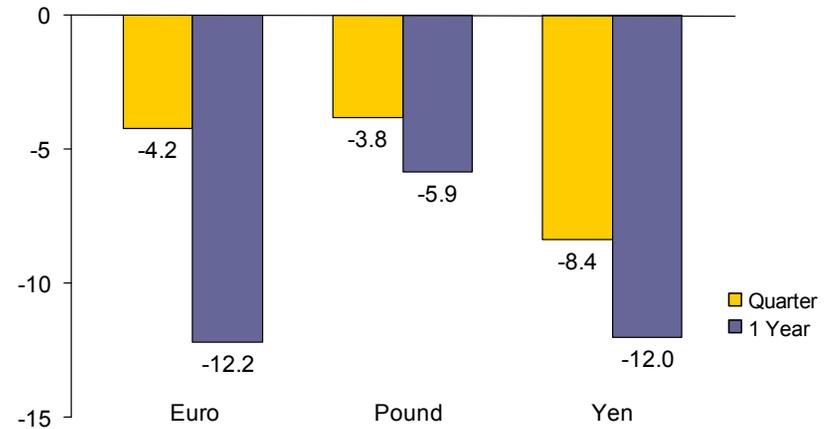
Contribution to Return:

	EM Asia	EM Latin America	South Africa	EM Europe & Mid East	Total GEM
Qtr	-0.2	-2.2	0.2	-1.7	-4.5
1 Yr	3.3	-2.0	0.4	-2.6	-2.2

Currency Markets

- Expectations of European Central Bank sovereign quantitative easing led to a weaker euro, which fell 4.2% versus the dollar during the fourth quarter.
- The yen fell 8.4% versus the dollar during the fourth quarter, driven by diverging monetary policies and more easing measures by the Bank of Japan.
- The U.S. dollar trade-weighted index, which measures the dollar's movement against a basket of currencies, rose 5.1% in the fourth quarter.

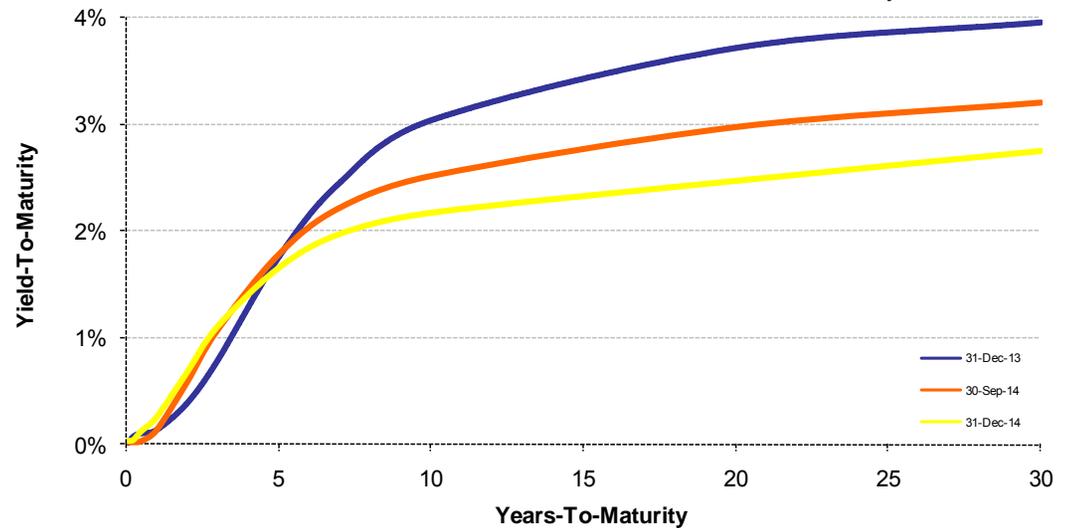
Currency Returns (%)



Yield Curve

- The Treasury curve flattened as 1- through 3-year rates rose while 5- through 30-year rates declined. The shorter maturity rate increases were driven by increased expectations of a Federal Reserve rate hike in the middle of 2015.
- 10-year yields fell 35bps during the fourth quarter, while 30-year yields fell 46bps.

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

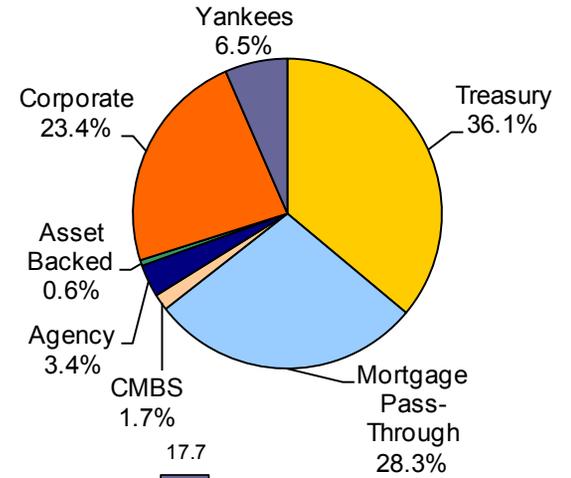


BOND MARKETS

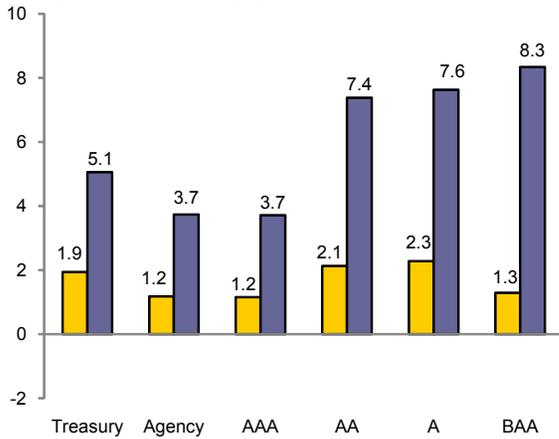
U.S. Bond Market Returns – Barclays Capital Aggregate

- Disinflation and geopolitical risk boosted demand for U.S. Treasuries, with the aggregate index rising by 1.9% in the fourth quarter.
- Longer duration treasuries outperformed; Treasuries with durations over 10 years rose 5.6% during the fourth quarter.
- Lower-rated corporate bonds (BAA) rose 1.3% during the fourth quarter even as declining oil prices led to sharp declines in bonds related to the energy sector.

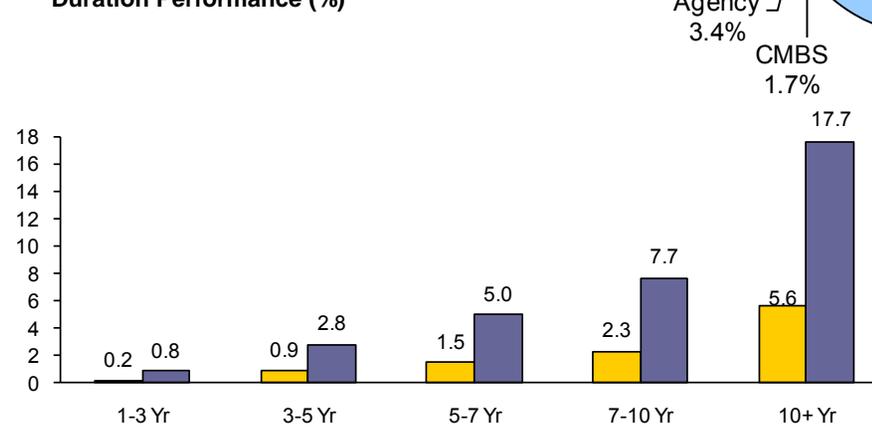
Sector Weights



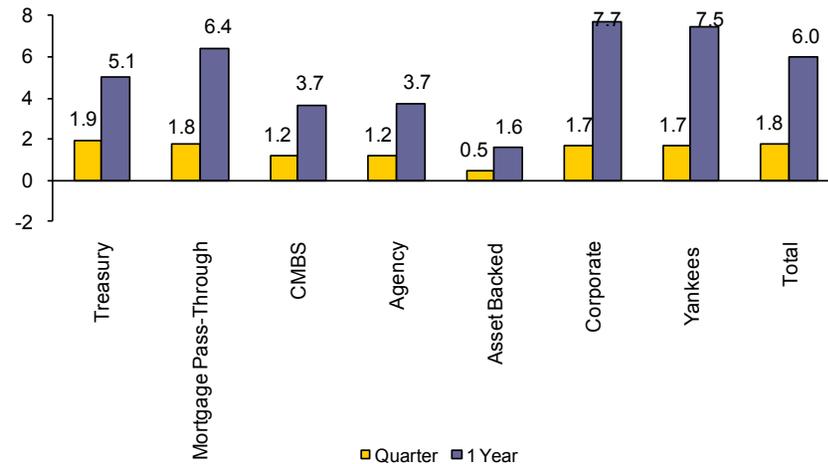
Quality Performance (%)



Duration Performance (%)



Sector Performance (%)

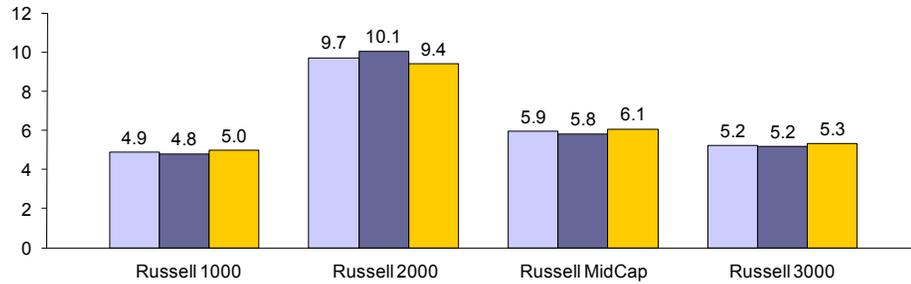


STYLE & CAPITALIZATION

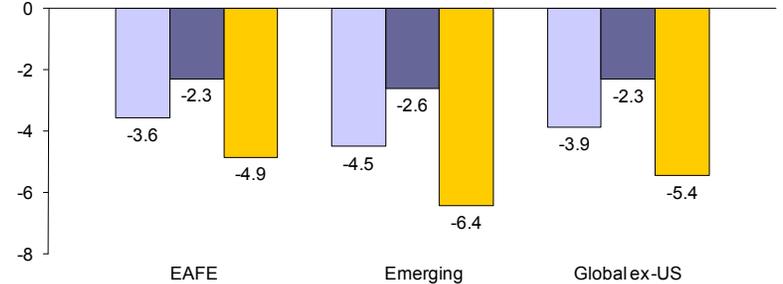
Style & Capitalization Returns

- Small cap equities outperformed in the U.S. as the Russell 2000 index rose 9.7% in the fourth quarter.
- Both growth and value stocks fell on a global ex-U.S. basis; however, growth outperformed, falling 2.3% in the fourth quarter, versus 5.4% for value.
- Overall, non-U.S. equities fell 3.9% in the fourth quarter as geopolitical risk and disinflation affected sentiment.

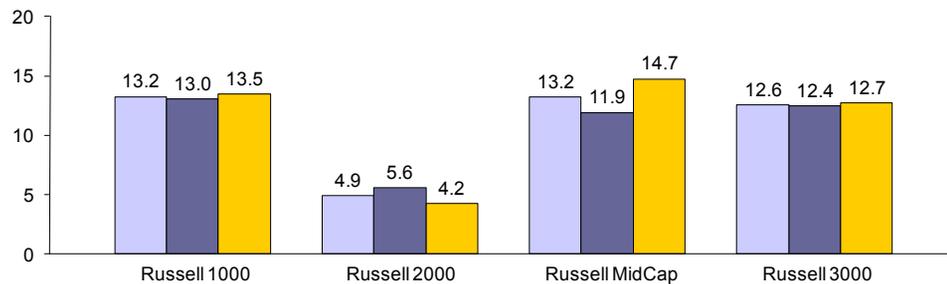
Russell US Style Returns (%) – Quarter



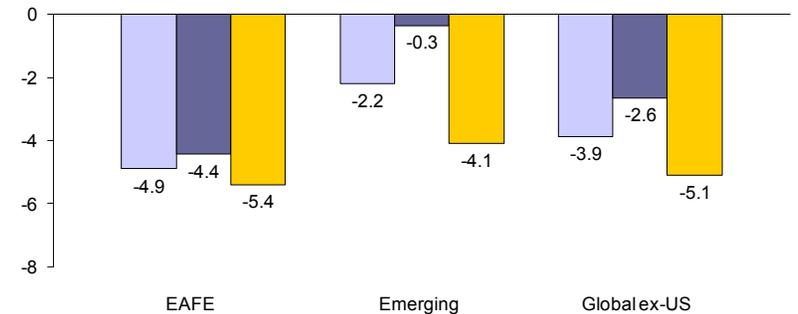
MSCI Non-US Style Returns (%) – Quarter



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

February 24, 2015

Agenda Item 6.3

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer

SUBJECT: Presentation of Unconstrained Bond Investing



Staff Recommendation

Review the attached presentation materials regarding Western Asset's approach to unconstrained bond investing.

Background

SamCERA's current fixed income structure, which was last reviewed in January 2014, includes a 30% allocation to Core, which is generally considered the lowest-risk fixed income category, and 20% allocation to Core Plus, which is a more medium-risk fixed income category. SamCERA's Core Plus mandate is implemented with Western Asset Management's Core Plus strategy.

The role of Core in the portfolio is to dampen portfolio volatility and protect the portfolio in times of economic duress. The role of Core Plus in the portfolio is a combination of total portfolio volatility dampening, combined with some modest return potential. Core Plus contains the sectors contained in "Core", which are generally liquid, investment grade U.S. Dollar denominated bonds in sectors that comprise the Barclays Aggregate Index. In addition, the "Plus" portion contains high yield (below investment grade bonds), non-U.S. Dollar denominated bonds, and emerging market fixed income securities.

Discussion

Given the current fixed income environment of low yields and the potential tailing off of the U.S. Federal Reserve interventions, staff and consultant believe that the 'Core Plus' allocation can be improved upon by relaxing some of the benchmark-relative constraints of the Barclays Aggregate Index to allow the manager more flexibility to manage the portfolio on a total return basis through the fixed income cycle.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

Mark Lindbloom, Portfolio Manager, and Veronica Amici, Head of Public/Multi-Employer Relationships at Western Asset Management, will present to the Board an introduction to unconstrained fixed income investing and provide a summary of Western's approach in this space.

Attachments

- A. *Western Asset Presentation on Unconstrained Bond Investing*



San Mateo County Employees' Retirement Association

Total Return Unconstrained (TRU) Bond

February 24, 2015

Veronica A. Amici

Mark S. Lindbloom



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- II. Why Unconstrained?
- III. Total Return Unconstrained (TRU) Bond
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Organizational Update

Global Breadth and Local Depth

December 31, 2014

Total AUM: \$466.0 billion

8 Countries

Total Staff: 824



Assets under management in USD (billions)

*Splits time between Hong Kong and Singapore offices

We Believe in Value

Investment Philosophy

Long-term, fundamental value discipline

- Bottom-up
- Top-down

Diversified strategies

- Depth of resources
- Global

Integrated analytics and risk management

- Relative value analysis
- Transparency and communication

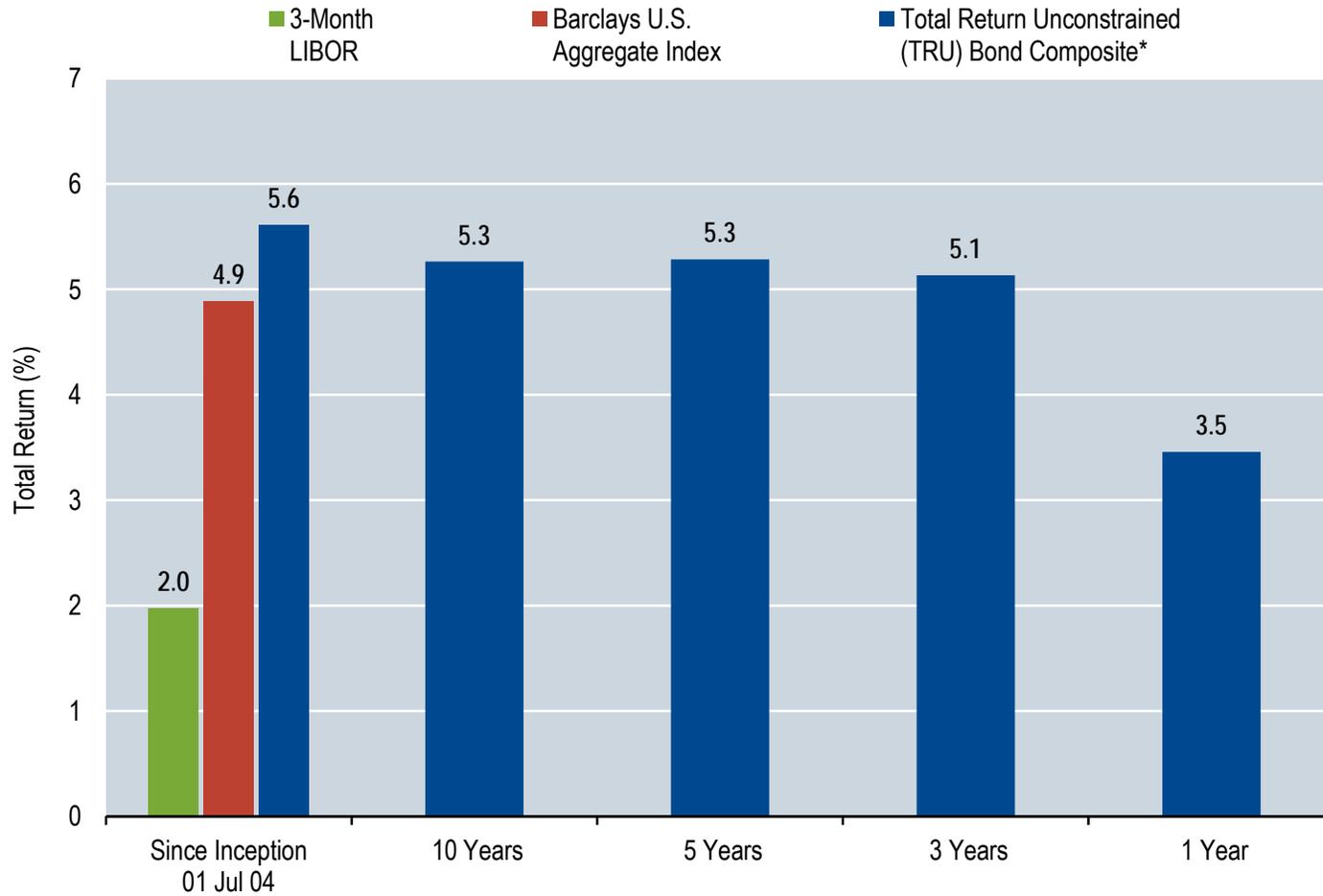
Committed to Excellence in Client Service

Representative Client List

Corporate	Public	Eleemosynary	Healthcare
AGL Resources, Inc.	Arkansas Local Police and Fire Retirement System	Abilene Christian University	Ascension Investment Management
Alcoa Inc.	Baltimore County (MD) Employees Retirement System	Abington Memorial Hospital	Baptist Healthcare System, Inc.
Allergan, Inc.	California State Teachers' Retirement System	Baha'i World Centre	Baylor Health Care System
Alliant Techsystems Inc.	City of Grand Rapids	Bill & Melinda Gates Foundation Trust	Catholic Health Initiatives
Allied Domecq Pension Fund	City of Orlando	Creighton University	Children's Hospital of New Orleans
American Cast Iron Pipe Company	compenswiss	Domestic & Foreign Missionary Society ECUSA	CHRISTUS Health
ArcelorMittal USA Inc.	East Bay Municipal Utility District	E. Rhodes & Leona B. Carpenter Foundation	Lehigh Valley Hospital
AT&T Investment Management Corporation	Employees' Retirement System of the State of Rhode Island	Indiana University	NorthShore University HealthSystem
Atmos Energy Corporation	Fife Council Pension Fund	Kaiser Permanente	Pinnacle Health System
Bayer Corporation	Fresno County Employees' Retirement Association	Saint Louis University	SantaFe HealthCare, Inc.
Campbell Soup Company	Gloucestershire County Council	Salk Institute for Biological Studies	Sisters of Charity of St. Augustine Health System, Inc.
Chrysler LLC	Government of Bermuda Public Funds	San Francisco Foundation	St. George Corporation
Clark Enterprises, Inc.	Hampshire County Council	United Negro College Fund	
Consolidated Edison Company Of New York, Inc.	Indiana State Treasurer's Office	University of Southern California	Insurance
Consolidated Rail Corporation	Iowa Public Employees' Retirement System	University of Wisconsin Foundation	AAA of Northern California, Nevada, & Utah
Energy Transfer Partners LP (formerly Sunoco, Inc.)	Kansas Public Employees Retirement System	Voelcker Foundation	American Contractors Insurance Group
FairPoint Communications, Inc.	Los Angeles County Employees Retirement Association	Washington College	Anthem, Inc.
Flowers Foods	Marin County Employees' Retirement Association	Washington State University	Blue Cross Blue Shield of Massachusetts
Graphic Packaging International Incorporated	Minnesota State Board of Investment		Catalina Holdings (Bermuda) Ltd
Hawaiian Telcom	Nevada Public Employees Retirement System	Sub-Advisory	Great-West Life & Annuity Insurance Company
Highbury Pacific Capital Corp.	New Jersey Transit	AXA	Health Care Service Corporation
International Paper Company	North Dakota State Investment Board	Cathay Securities Investment Trust	Maryland Automobile Insurance Fund
John Lewis Partnership Pensions Trust	Ohio Police & Fire Pension Fund	Commonfund	Oil Investment Corporation Ltd.
Lennox International, Inc.	Oklahoma City Employee Retirement System	DIAM Co., Ltd.	United Services Automobile Association
Macy's, Inc.	Orange County Transportation Authority	GuideStone Capital Management, LLC	Multi-Employer / Union
National Grid USA	Oregon Investment Council	KOKUSAI Asset Management Co., Ltd.	1199 Healthcare Employees Pension Fund
Nestle USA, Inc.	Phoenix City Employees' Retirement System	Legg Mason, Inc.	Alaska Electrical Trust Funds
Nisource, Inc.	Public Employee Retirement System of Idaho	Mitsubishi UFJ Asset Management Co., Ltd.	Bert Bell / Pete Rozelle NFL Player Retirement Plan
PCS Administration (USA), Inc	Public School Teachers' Pension and Retirement Fund of Chicago	Mizuho Asset Management Co., Ltd.	Boilermaker Blacksmith National Pension Trust
Pensioenfond Horeca & Catering	Salt River Project Agricultural Improvement and Power District	Morgan Stanley	Directors Guild of America-Producer Pension and Health Plans
PPG Industries	School Employees Retirement System of Ohio	Quaestio Investments S.A.	IUOE Employers Construction Industry Retirement Plan, Locals 302 and 612
Southern California Edison	Seattle City Employees Retirement System	Russell Investment Group	Line Construction Benefit Fund
Stichting Pensioenfond DSM-Nederland	Surrey County Council	Reliance Standard Life Insurance Company	Major League Baseball Players Benefit Plan
The Dun & Bradstreet Corporation	Tennessee Valley Authority	Russell Investment Group	National Education Association of the United States
ThyssenKrupp North America, Inc	Ventura County Employees' Retirement Association	SEI Investments Management Corporation	New England Healthcare Employees Union, District 1199, AFL-CIO
Unilever United States, Inc.	Virginia Retirement System	Shinko Asset Management Co., Ltd.	UAU Local No. 290 Plumber, Steamfitter & Shipfitter Industry Pension Trust
Unisys Corporation	Wiltshire Council	Sumitomo Mitsui Asset Management Company, Limited	United Food and Commercial Workers Union Local 919
Vidanova Pension Management	Wyoming Retirement System		Teamsters Union Local No. 52 Pension Fund

As of 31 Dec 14. Please see the Representative Client List Disclosure in the Appendix for more information. All have authorized the use of their names by Western Asset for marketing purposes. Such authorization does not imply approval, recommendation or otherwise of Western Asset or the advisory services provided.

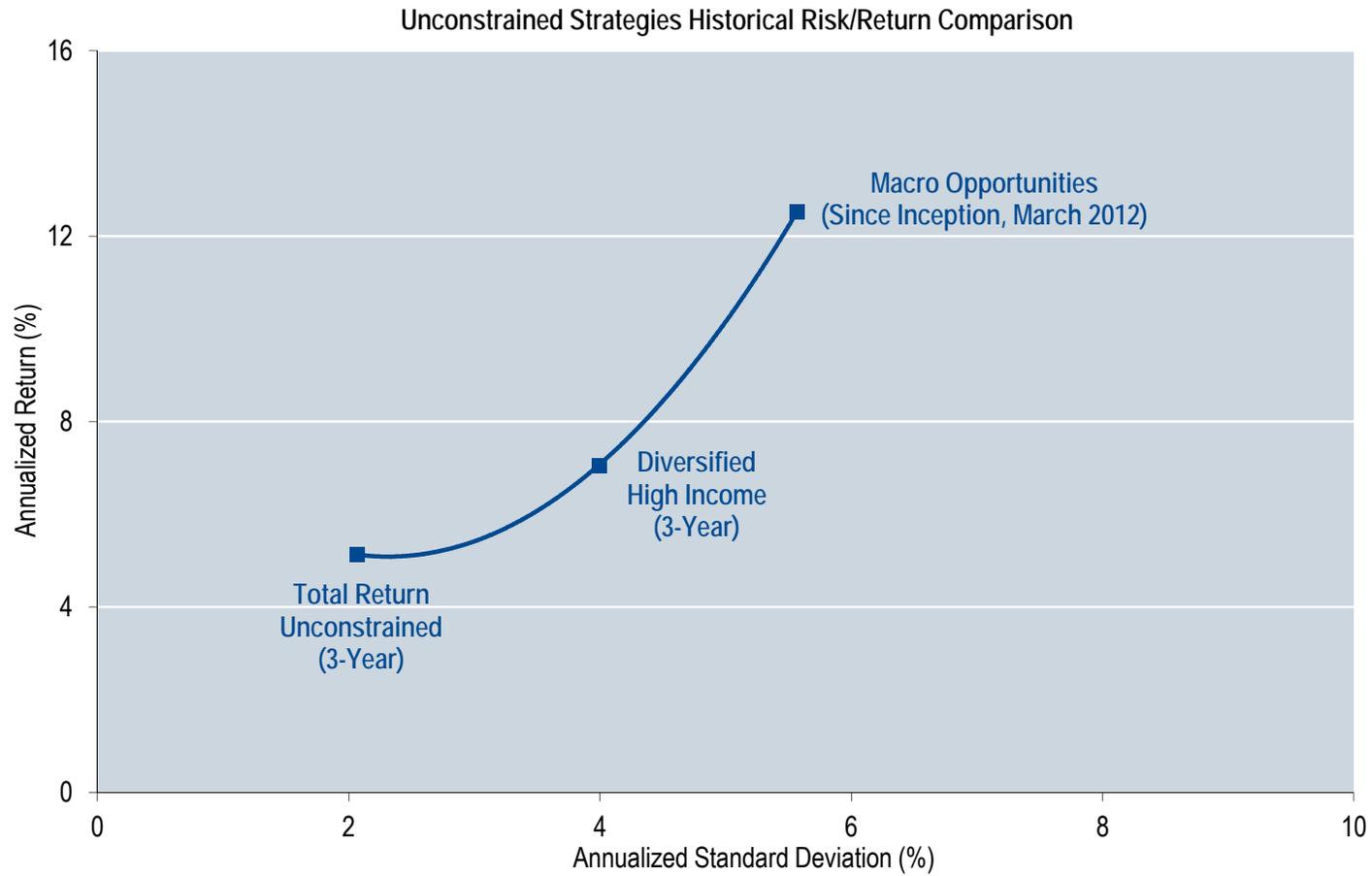
Investment Results



As of 31 Dec 14. Performance shown is gross of fees. Returns for periods greater than one year are annualized. Please see the Performance Disclosure in the Appendix for more information.

*The Total Return Unconstrained (TRU) Bond Composite is not measured against a benchmark. There is no benchmark available which appropriately reflects the strategy. Effective 01 Jul 14 fee schedule: .60 of 1% on first US\$100 million, .40 of 1% on amounts over US\$100 million; the minimum separate account size is US\$100 million.

Unconstrained Strategies Historical Risk/Return Comparison



Source: Western Asset. As of 31 Dec 14
Performance shown is gross of fees. Returns for periods greater than one year are annualized. Please see the Performance Disclosure in the Appendix for more information.

Total Return Unconstrained

Provides greater flexibility in managing portfolio duration

Allows manager to make tactical asset allocation decisions

Less dependent on interest rate moves for performance

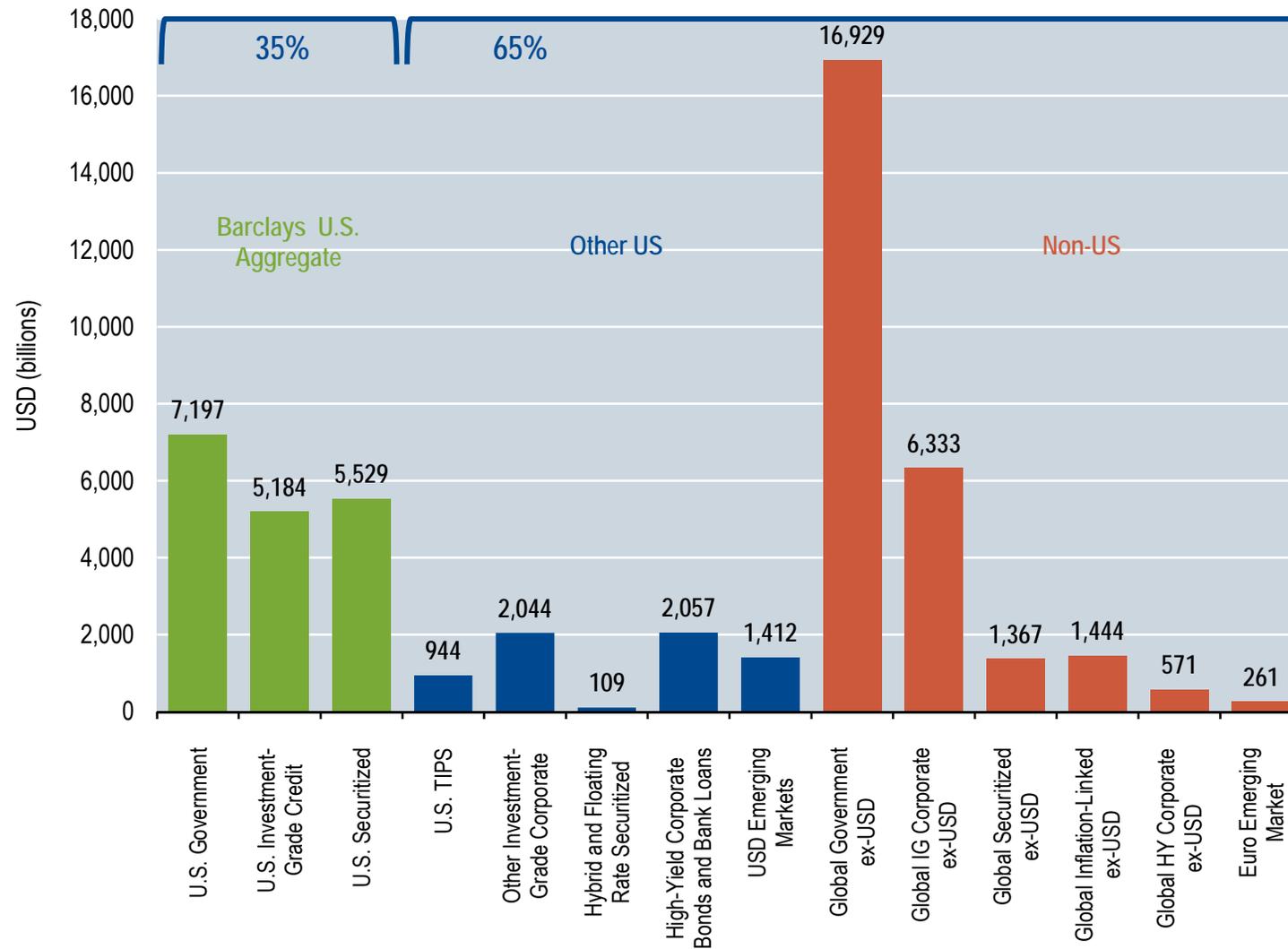
Provides significant liquidity and transparency

Provides an attractive level of income

The above reflects current opinions of Western Asset

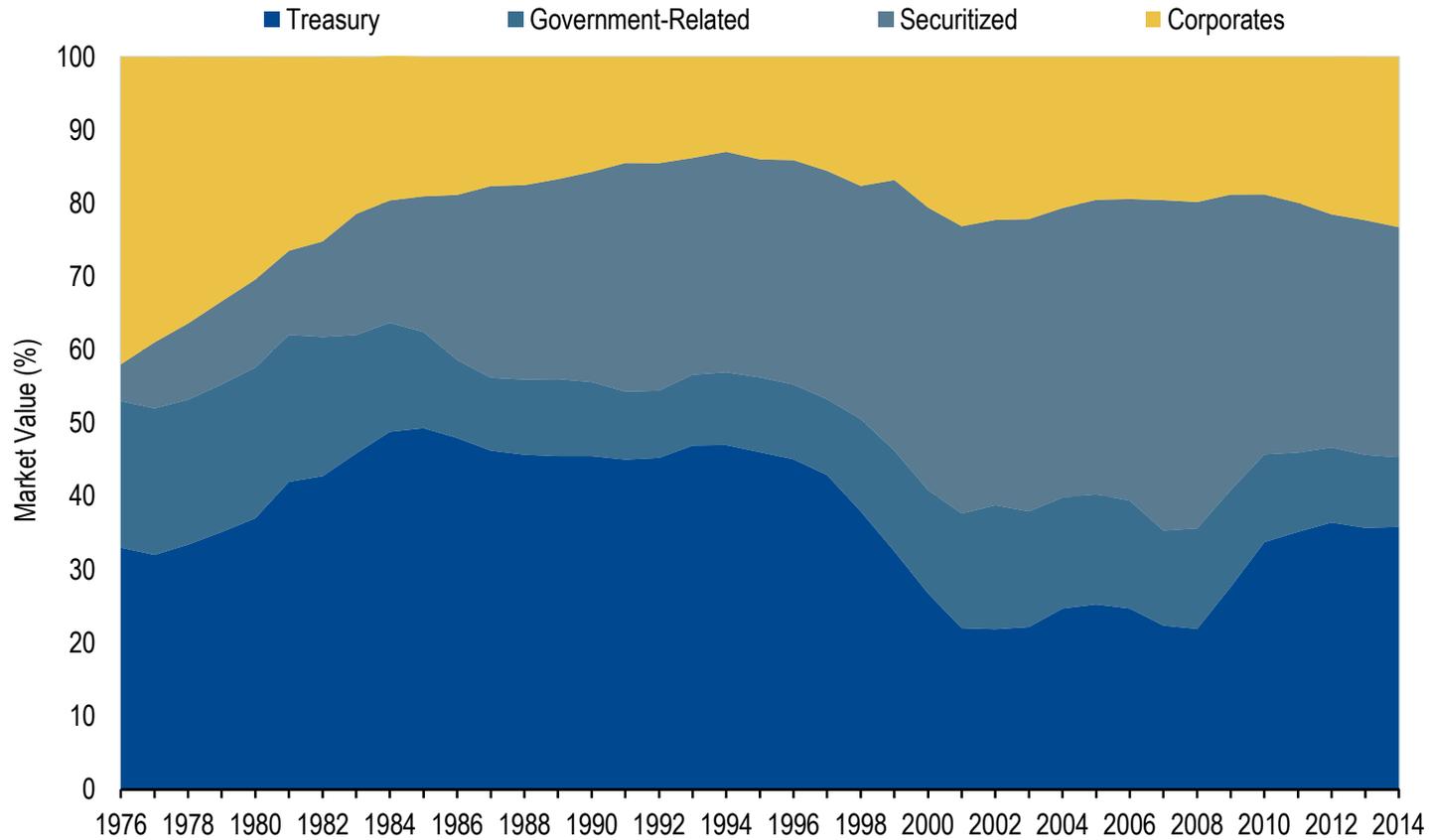
Why Unconstrained?

Fixed-Income Opportunities – Investing Beyond the Aggregate



Source: Barclays. As of 31 Dec 14

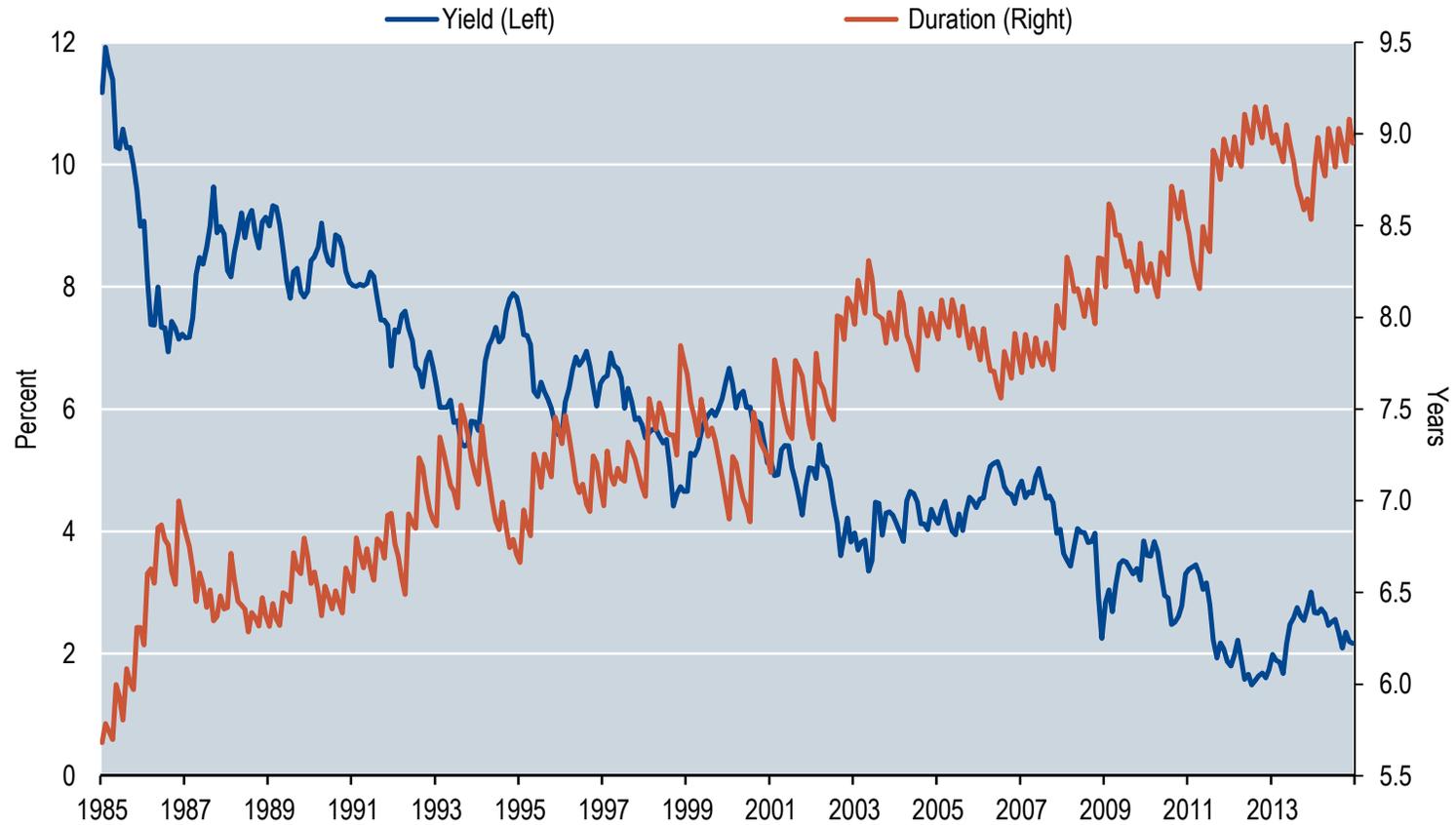
Is the Aggregate an Aggregate Index?



Source: Barclays, Western Asset. As of 31 Dec 14

As Yields Have Declined, Duration Has Extended

10-Year US Treasury Note: Rate and Duration History



Source: Barclays. As of 31 Dec 14

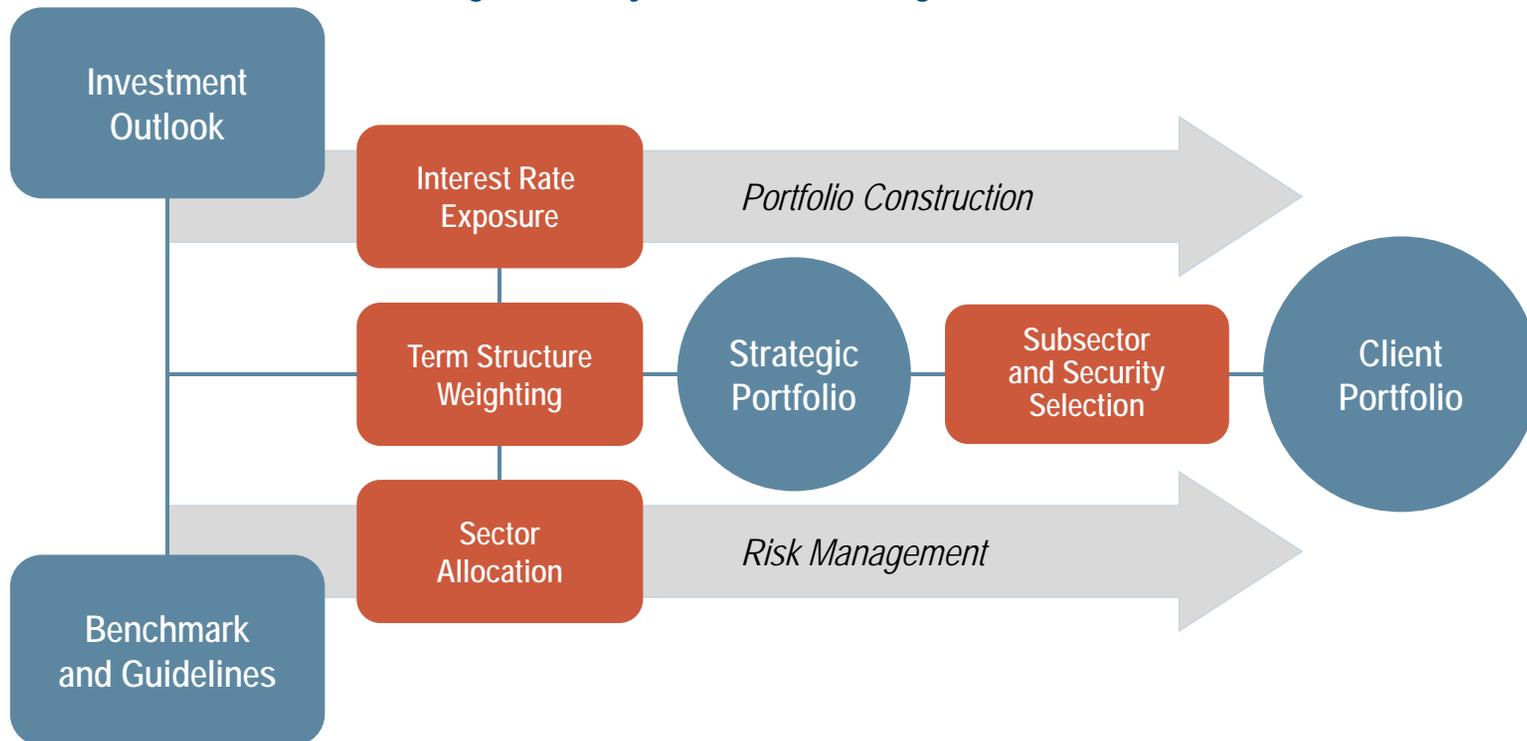
Total Return Unconstrained (TRU) Bond

Investment Philosophy and Process

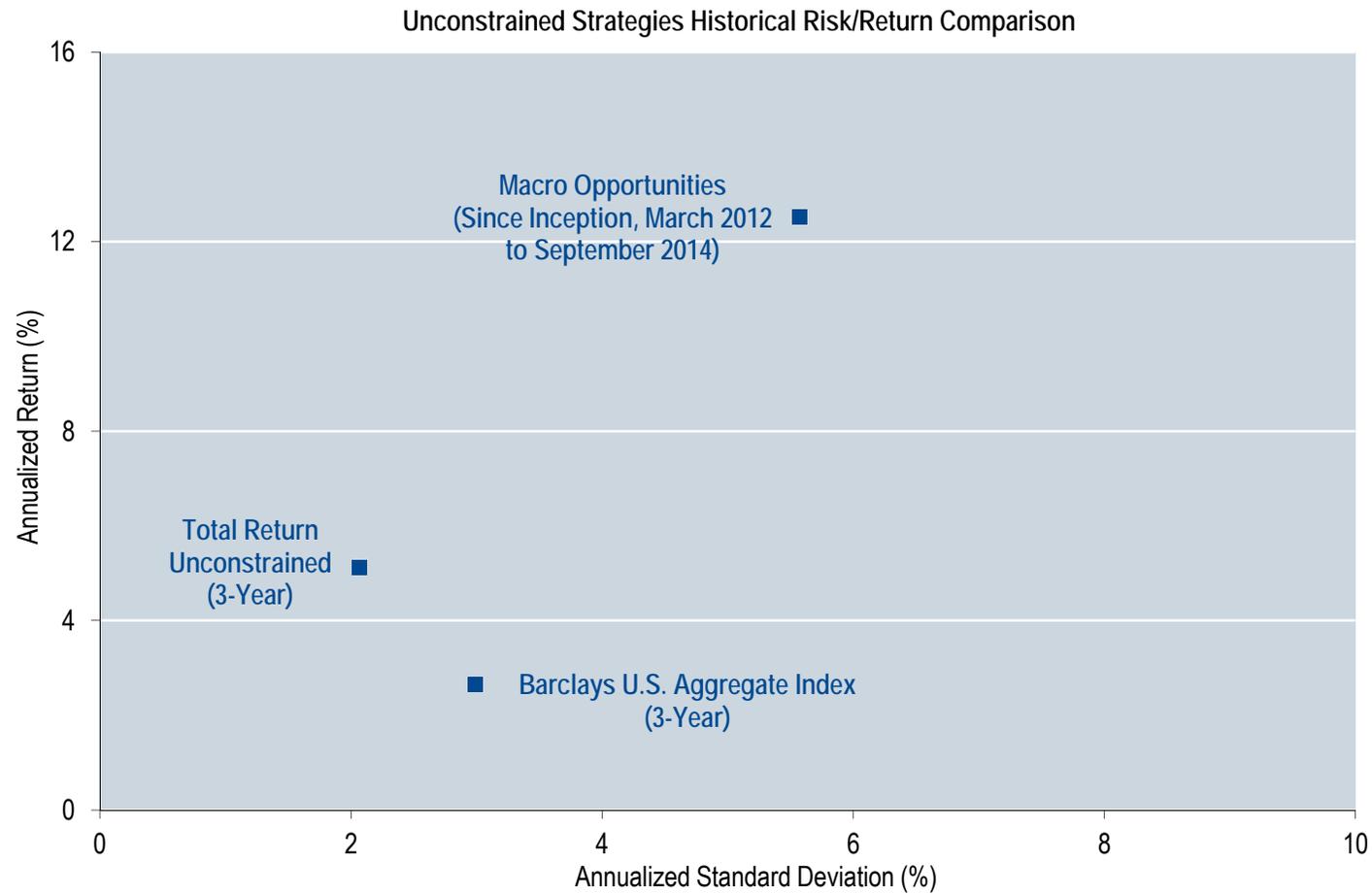
Long-term, fundamental value orientation

Diversified strategies

Integrated analytics and risk management



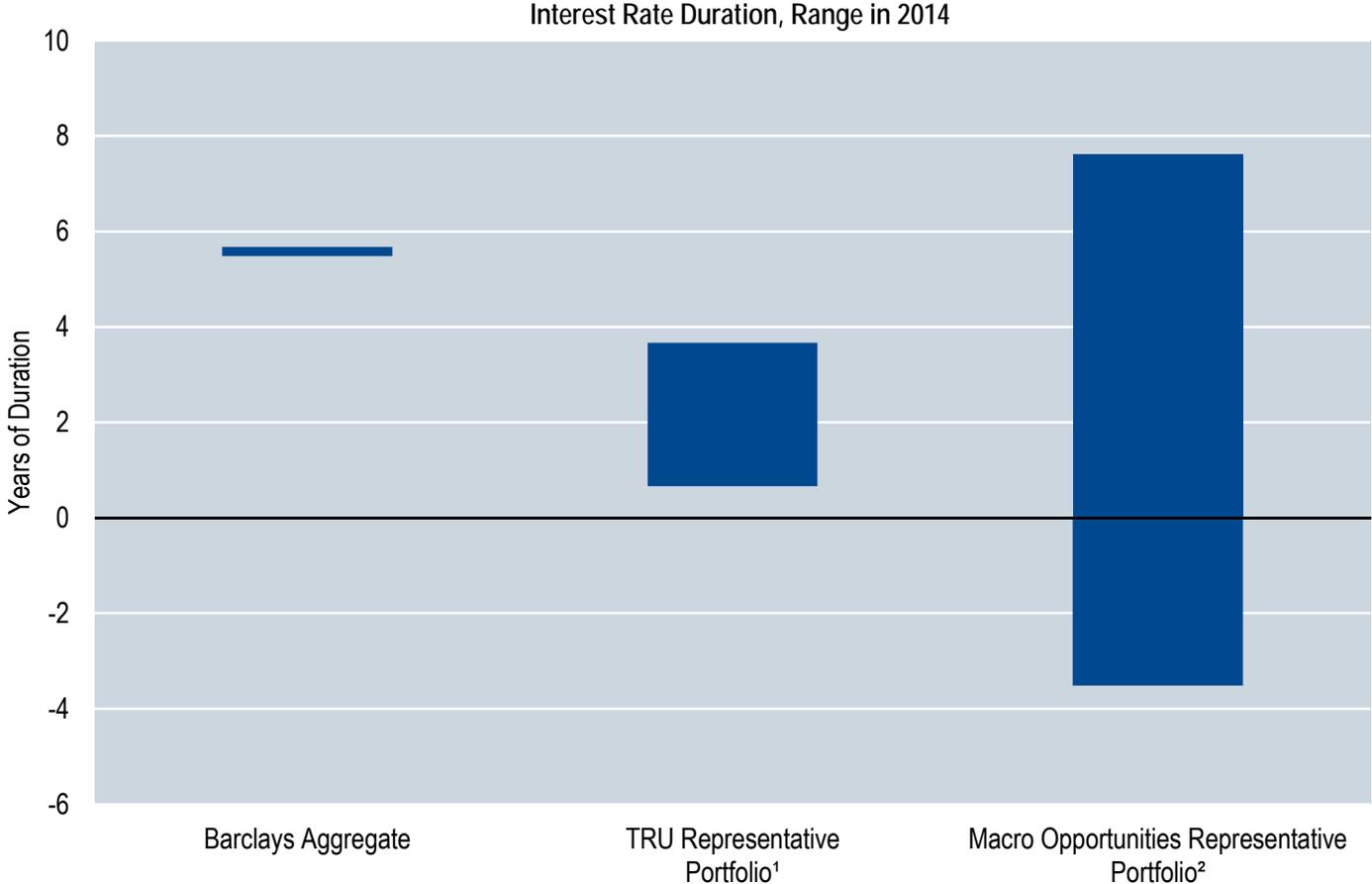
Unconstrained Strategies Historical Risk/Return Comparison



Source: Western Asset. As of 31 Dec 14

Performance shown is gross of fees. Returns for periods greater than one year are annualized. Please see the Performance Disclosure in the Appendix for more information.

Duration Exposure in Western Asset's Unconstrained Portfolios



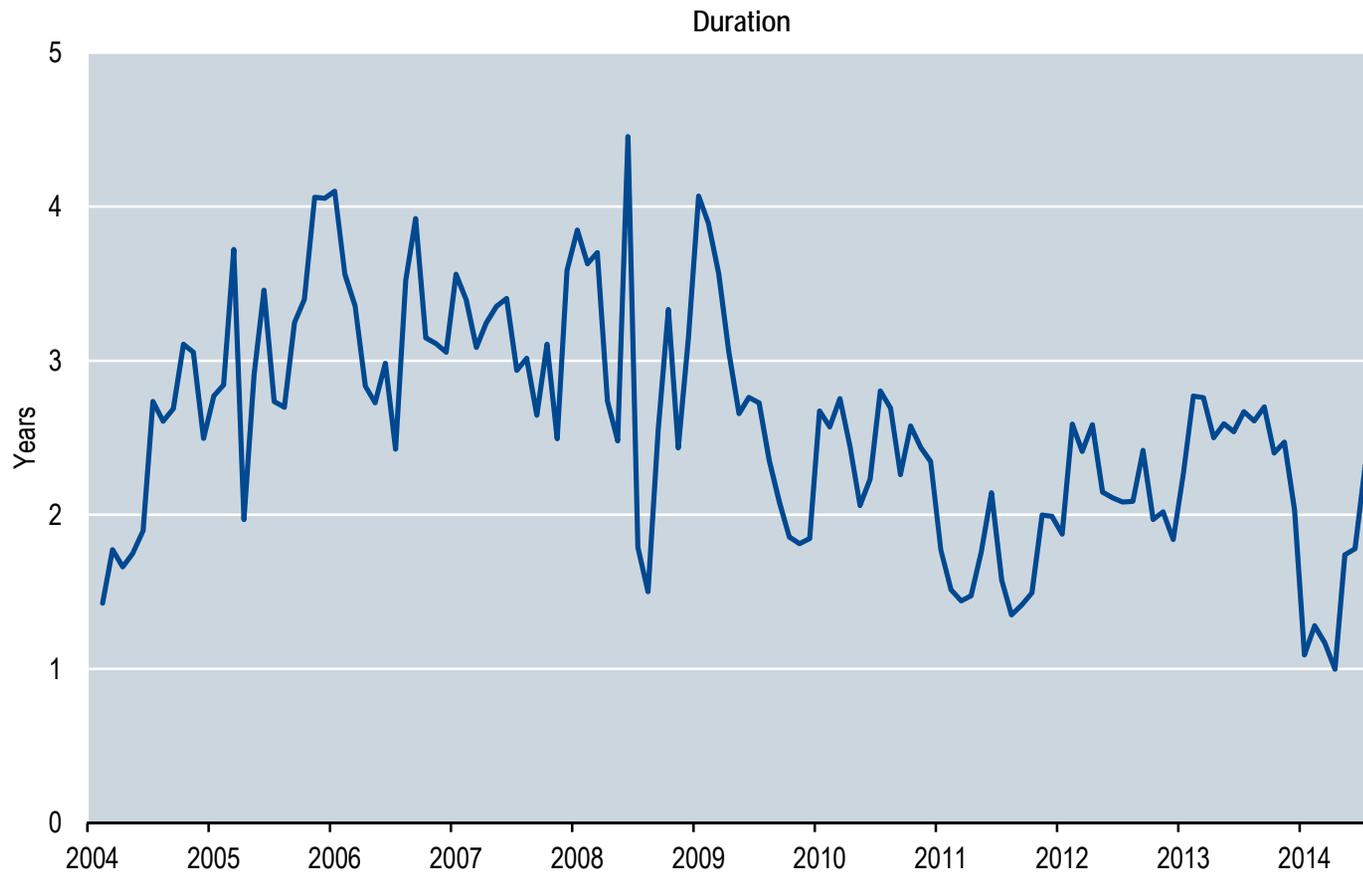
Source: Barclays, Western Asset
¹The information provided is supplemental to the Total Return Unconstrained (TRU) Bond Composite. Please see performance disclosure in the appendix.
²The information provided is supplemental to the Macro Opportunities Composite. Please see performance disclosure in the appendix.



Active Management of Duration

TRU Bond

December 31, 2014



Source: Western Asset

The information provided is supplemental to the Total Return Unconstrained (TRU) Bond Composite. Please see performance disclosure in the appendix.

Note: Sector exposure includes look-through to any underlying commingled vehicles if held. Data may not sum to total due to rounding.

Performance of Total Return Unconstrained vs. Core Plus in Rising Rate Environments

Month Ending	Year to Month Change in Treasury (basis points)	TRU ¹ Performance (%)	Core Plus ² Performance (%)	Barclays U.S. Aggregate Index (%)	TRU ¹ vs Core Plus ² (%)	TRU ¹ vs Barclays U.S. Aggregate Index (%)
December 2009	55	1.37	-0.05	-1.56	1.43	2.94
April 2008	49	1.65	1.48	-0.21	0.17	1.86
January 2009	40	2.44	0.81	-0.88	1.64	3.33
November 2004	39	0.80	-0.23	-0.80	1.04	1.60
July 2005	35	0.07	-0.38	-0.91	0.45	0.98
May 2008	34	0.07	-0.93	-0.73	1.00	0.81
December 2010	34	0.68	-0.46	-1.08	1.15	1.76
September 2005	33	-0.22	-0.89	-1.03	0.66	0.81
May 2007	28	-0.45	-0.83	-0.76	0.38	0.31
April 2009	28	5.90	3.53	0.48	2.37	5.42
February 2005	26	0.51	-0.34	-0.59	0.85	1.10
December 2006	24	-0.07	-0.50	-0.58	0.43	0.51
May 2013	23	-0.34	-1.75	-1.78	1.40	1.44
March 2006	23	-0.33	-1.16	-0.98	0.83	0.65
October 2005	23	-0.70	-1.08	-0.79	0.38	0.09
March 2010	23	1.35	0.82	-0.12	0.53	1.47
December 2013	21	0.40	-0.41	-0.57	0.81	0.97
June 2013	19	-1.33	-2.00	-1.55	0.67	0.22
November 2010	18	-0.27	-0.46	-0.57	0.19	0.31
May 2009	17	4.95	3.33	0.73	1.61	4.22
March 2005	16	-0.68	-0.67	-0.51	-0.01	-0.17
February 2009	16	-2.71	-2.83	-0.38	0.13	-2.33
Average Return for all periods with rising rates:		0.60	-0.23	-0.69	0.82	1.29
Cumulative Return for all periods with rising rates:		13.55	-5.11	-14.17	18.65	27.72

Methodology

- Identify all months since July 2004 when US Treasury rates increased by 15 basis points or more
- We defined US Treasury rates as the yield on the Barclays US Treasury Index
- For each month that met the rate increase criteria, compare the monthly returns of TRU, Core Plus and the Barclays U.S. Aggregate Index
- Calculate the cumulative linked (compound) returns and arithmetic average returns for both strategies over these months
- Performance shown reflects the returns for the composites

Source: Western Asset. As of 31 Dec 14

Performance shown is gross. Returns for periods greater than one year are annualized. Please see the Performance Disclosure in the Appendix for more information.

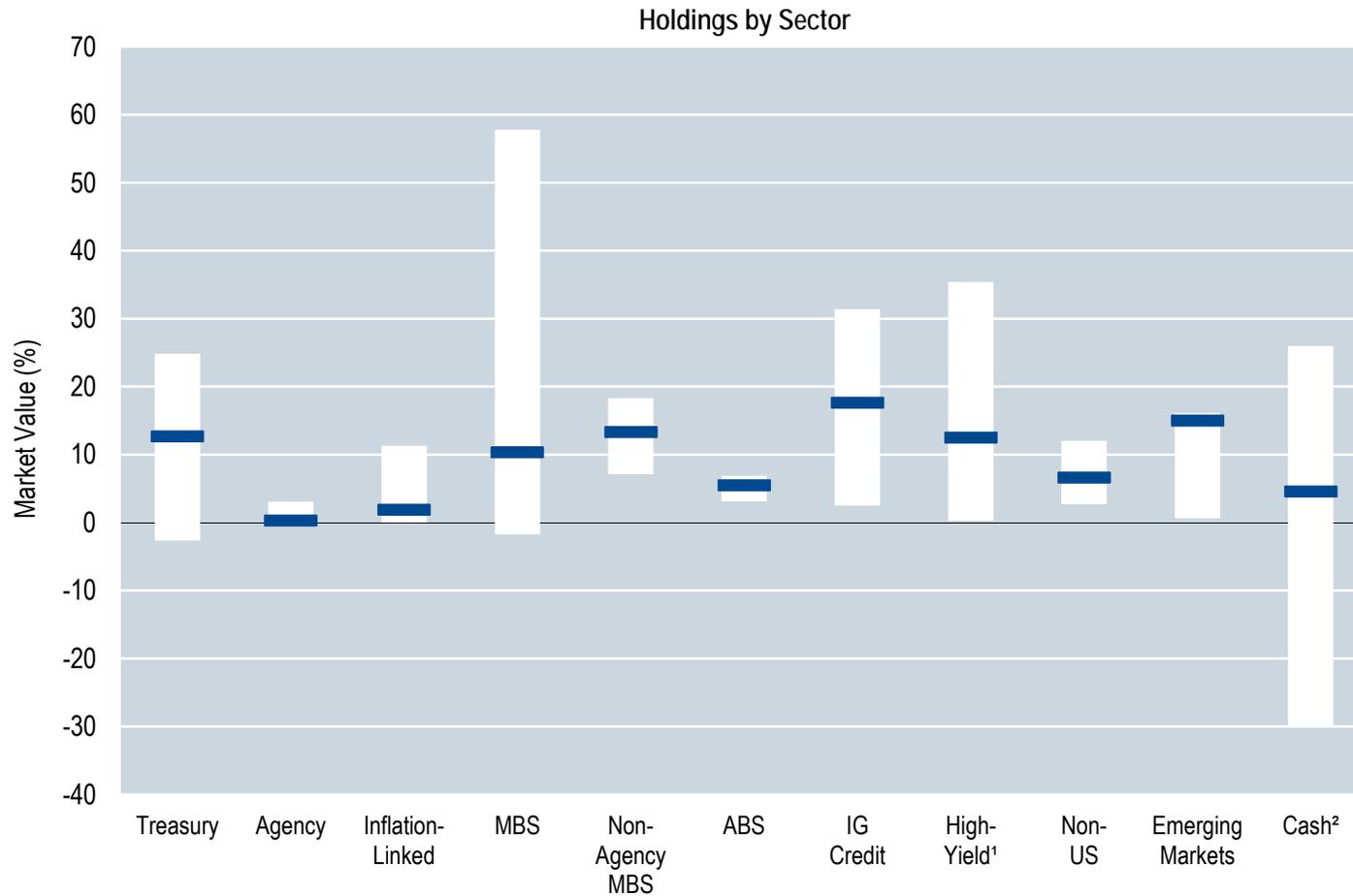
¹Total Return Unconstrained (TRU) Bond Composite. Returns are since inception 01 Jul 04. The Total Return Unconstrained (TRU) Bond Composite is not measured against a benchmark. There is no benchmark available which appropriately reflects the strategy.

²US Core Full Discretion Portfolios allow for investments in high yield, emerging markets and non-dollar securities. Represented by the US Core Full Below Investment Grade Futures & Options Composite

Actively Managed – Value Driven

Historical Allocation Range

TRU Bond – Inception to December 31, 2014



All percentages are relative to market value.

Note: Sector exposure includes look-through to any underlying commingled vehicles if held. All weightings are a percentage of total market value.

A negative cash position may be reported, which is primarily due to the portfolio's unsettled trade activity. Data may not sum to 100% due to rounding.

¹Includes bank loans

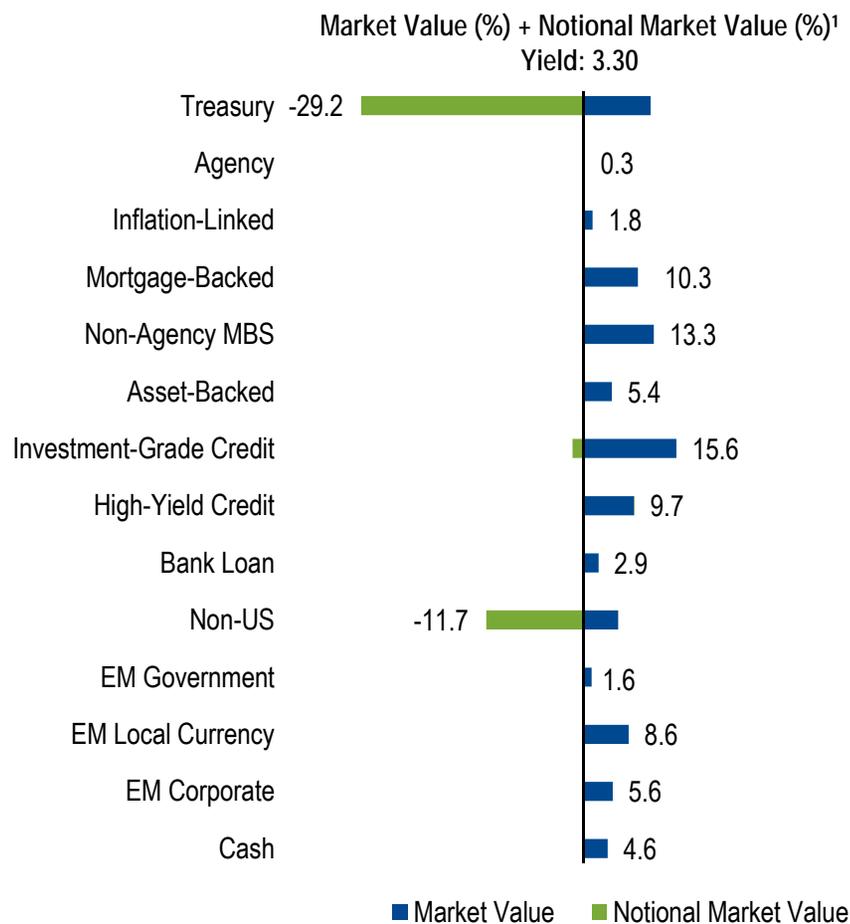
²Cash allocation reflects portfolio weight since 31 Jan 05

The information provided is supplemental to the Total Return Unconstrained (TRU) Bond Composite. Please see performance disclosure in the appendix.

Sector Exposure

TRU Bond

December 31, 2014



¹Notional market value represents derivatives notional market value excluding interbank derivatives

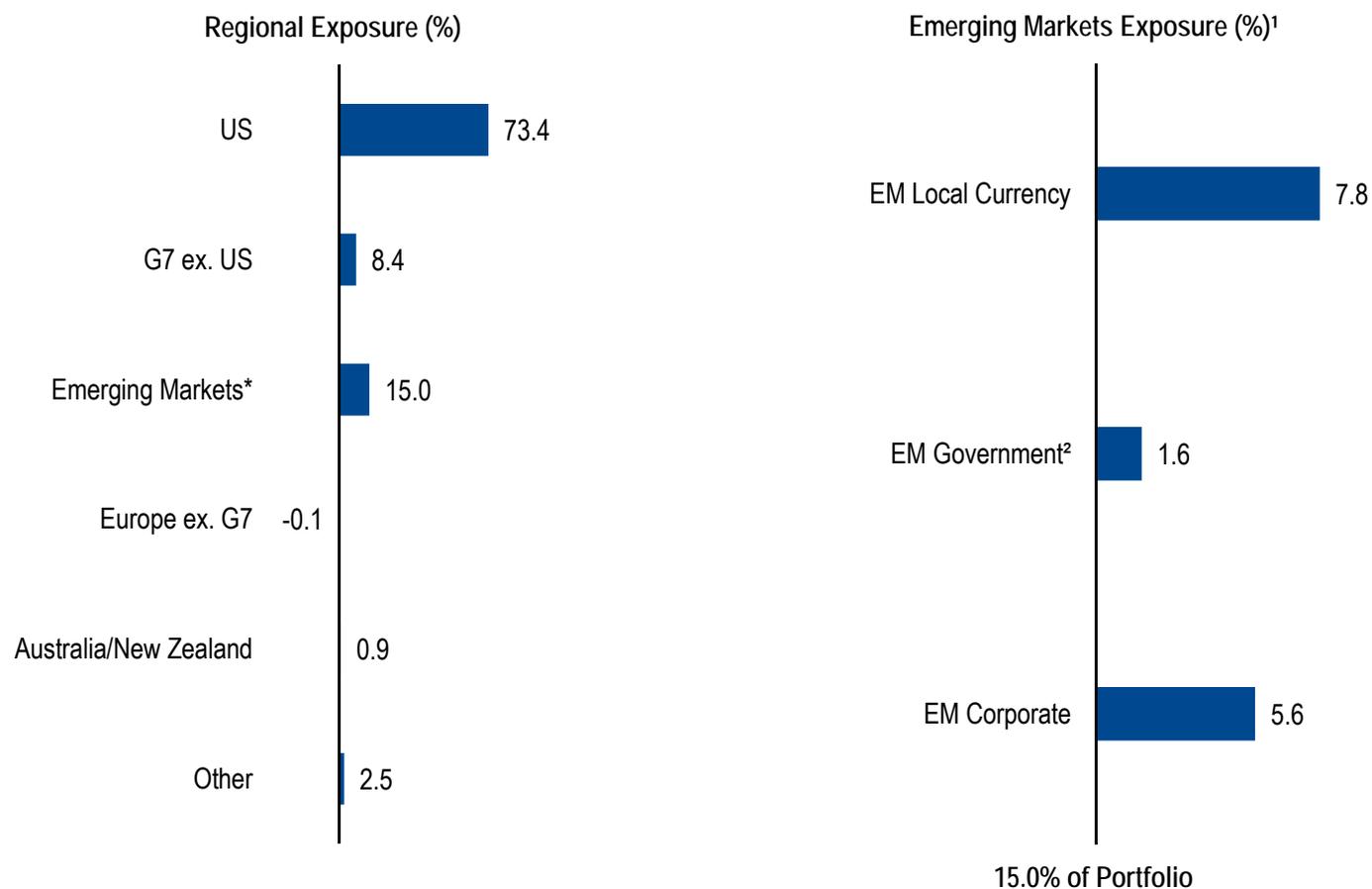
Note: Sector exposure includes look-through to any underlying commingled vehicles if held. All weightings are a percentage of total market value. A negative cash position may be reported, which is primarily due to the portfolio's unsettled trade activity. Data may not sum to 100% due to rounding.

The information provided is supplemental to the Total Return Unconstrained (TRU) Bond Composite. Please see performance disclosure in the appendix.

Regional and EM Exposure

TRU Bond

December 31, 2014



Note: Sector exposure includes look-through to any underlying commingled vehicles if held. Data may not sum to total due to rounding

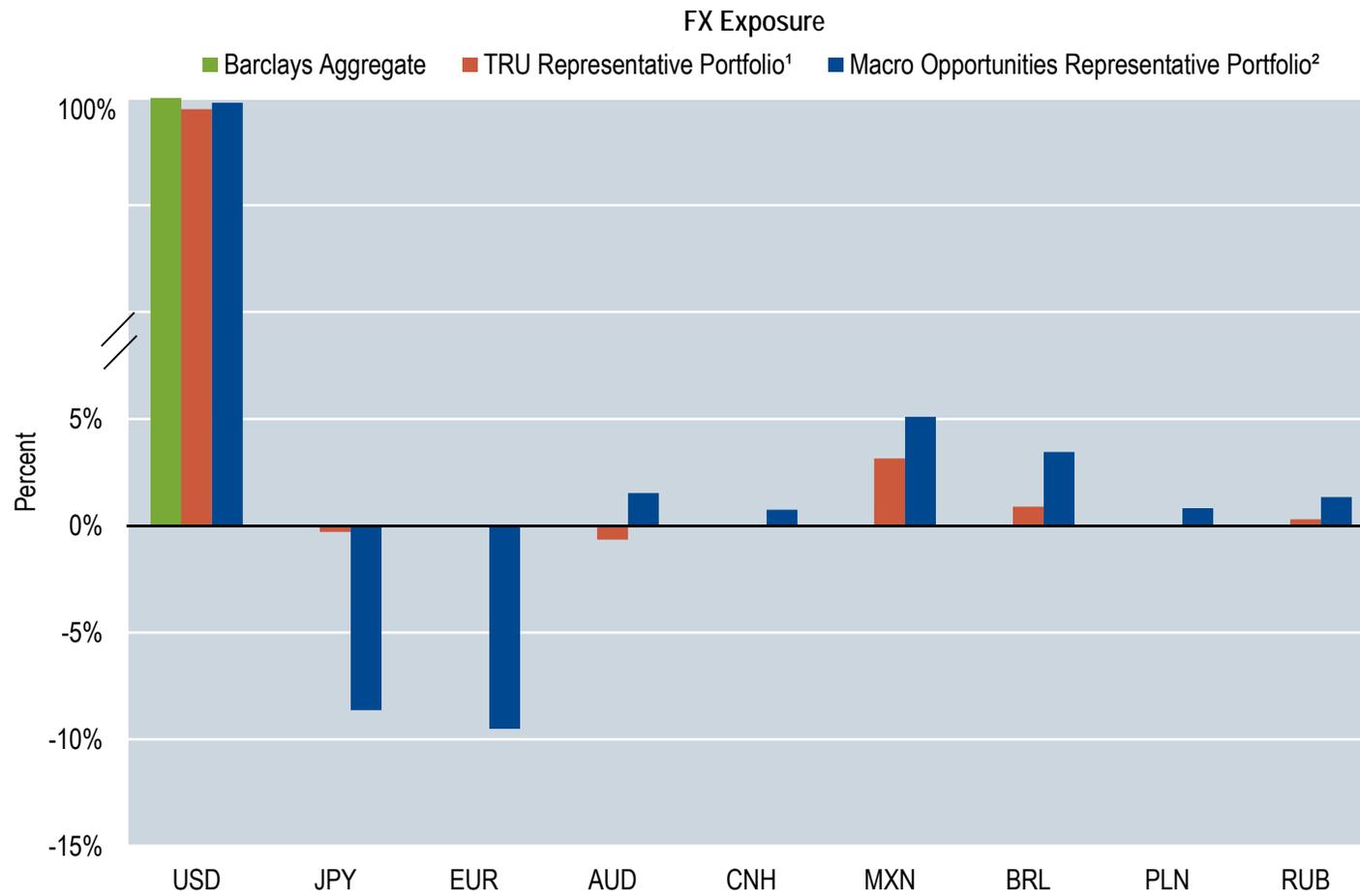
¹All weightings are a percentage of total market value.

²EM Government includes Cash/Cash Equivalents and FX of Emerging Market domiciled securities.

**Emerging Markets includes Cash/Cash Equivalents and FX*

The information provided is supplemental to the Total Return Unconstrained (TRU) Bond Composite. Please see performance disclosure in the appendix.

Foreign Currency Exposure in Western Asset's Unconstrained Portfolios



Source: Western Asset. Exposures as of 31 Dec 14

¹The information provided is supplemental to the Total Return Unconstrained (TRU) Bond Composite. Please see performance disclosure in the appendix.

²The information provided is supplemental to the Macro Opportunities Composite. Please see performance disclosure in the appendix.

Risk Management

Risk Dashboard – Sample Total Return Unconstrained (TRU) Bond Portfolio

Benchmark: N/A

As of December 31, 2014

Contribution to Tracking Error	Credit Risk	Foreign Exchange	Curve	Credit - EMD	Spread Securitized	Idiosyncratic	Equity	Additional HY Risk
Tracking Error (ann.)	80	46	34	29	21	13	0	-2
Tracking Error (ann.) %	31%	18%	13%	11%	8%	5%	0%	-1%

Total Tracking Error	
1yr Ex Post	176
Ex Ante (Point 1Yr HL)	260
Target	500

Isolated TEV	Diversification Benefits
749	65%

Security Partition	Credit - Industrial - HY	Credit - Industrial - IG	Credit - Financial - IG	Treasury - Nominal	Treasury - TIPS	Credit - Financial - HY	NA RMBS	Govt Related	CMBS	IR Swaps	MBS Pass-throug	Credit - Utility - HY	Credit - Utility - IG	ABS	Agency CMO	Cash	Interbank	Muni
Net Market Weight (%)	12.33%	10.33%	7.27%	23.27%	6.00%	4.01%	11.08%	4.39%	4.46%	-1.38%	6.55%	0.58%	0.41%	1.36%	0.57%	-92.66%	0.02%	0.92%
Tracking Error Contribution	53	20	19	18	18	14	13	12	6	3	3	1	1	0	0	0	0	0
Tracking Error Contribution %	20%	8%	7%	7%	7%	5%	5%	5%	2%	1%	1%	0%	0%	0%	0%	0%	0%	0%

Top 5 TE Contributions	Net Exp.	TE Cont	TE Cont. %
USD FIN Banking	1.32 DTS (Yr%)	22	9%
MXN (Mexican Nuevo Peso)	3.23 MW%	18	7%
USD 30Y key rate	1.76 KR D (Yr)	16	6%
CAD (Canadian Dollar)	4.01 MW%	16	6%
USD IND Energy	0.63 DTS (Yr%)	11	4%
Total		83	32%

Top 5 Isolated TEV	Iso. TEV	Iso. TEV %
YC USD-Yield/Swap Curve	119	16%
Credit Risk	117	16%
FX Other	67	9%
Idiosyncratic	59	8%
Credit/Default	49	7%
Total	411	55%

Top 5 TE Contributions by Currency	Weight %	TE Cont.	TE Cont. %
MXN (Mexican Nuevo Peso)	3.23%	18	7%
CAD (Canadian Dollar)	4.01%	16	6%
BRL (Brazilian Real)	0.88%	7	3%
NOK (Norwegian Krone)	-1.13%	-7	-3%
AUD (Australian Dollar)	-0.79%	-6	-2%
Total		27	11%

Finance - Cap Structure	Net Weight%	TE Cont	TE Cont %
Senior+LT2	8.11%	23	9%
T1+ UT2	2.84%	9	3%
Total	10.95%	32	12%

Top 10 Ticker	OASD Contrib.	Net Wgt (%)	Iso. TEV	Residual TE Contrib	Residual TE % Contrib
BAC - BANK OF AMERICA CORP	0.14	1.6	14	5	2%
PETBRA - PETROLEO BRASILEIRO SA	0.05	0.8	9	5	2%
RBS - ROYAL BANK OF SCOTLAND GR	0.08	1.1	17	4	2%
ALLY - ALLY FINANCIAL INC	0.02	1.1	27	3	1%
WFC - WELLS FARGO & CO	0.09	1.1	8	3	1%
VALEBZ - VALE SA	0.03	0.3	5	2	1%
C - CITIBANK	0.04	0.6	7	2	1%
VZ - VERIZON COMMUNICATIONS INC	0.08	0.9	6	2	1%
STANLN - STANDARD CHARTERED PL	0.04	0.3	5	2	1%
JPM - JPMORGAN CHASE & CO	0.03	0.5	5	1	1%
Total	0.59	8.1	103	30	11%

KRD	USD	EUR	JPY	Total
6M	-0.11	0.00	-0.01	-0.12
2Y	0.51	0.00	-0.01	0.51
5Y	-0.97	-0.07	-0.64	-1.68
10Y	-0.01	-0.40	0.24	-0.17
20Y	0.69	0.02	0.01	0.72
30Y	1.76	0.02	0.00	1.79
50Y	0.01	0.00	0.00	0.01
Total	1.89	-0.43	-0.40	1.06

Total OAD
1.51

DOMICILE(By Active MV)	Weight %
United States	69.7%
Mexico	4.1%
Japan	4.1%
Brazil	3.8%
United Kingdom	3.6%
France	1.1%
China	1.0%
Australia	1.0%
Russia	0.8%
Cayman Islands	0.8%
Total	89.9%

Scenario Analysis	Scenarios	Rates	Fx	Credit	Total
Historical Scenarios	Return to pre-Lehman	-220	290	-933	-862
	Return to November 2008	-330	47	-2155	-2438
	Replay Jun '07 to Nov. '08 with Carry	35	-209	-2233	-1876
	Return to June 2007	-229	312	183	266
	Replay Russia Crisis 1998	105	-49	-252	-207
	Return to LT Median	-295	188	-125	-232
Forward-Looking Scenarios	Market Unchanged, 1y horizon	0	0	0	354
	Eurozone Continued Uncertainty	30	-39	-299	-309
	Eurozone Controlled Breakup	155	-127	-801	-773
	China Slowdown	203	-193	-1093	-1083

Top 5 Non Benchmark Holdings	Weight %
JGB - JAPAN	3.9%
MEX - UNITED MEXICAN STATES	3.0%
BRAZIL - FEDERATIVE REPUBLIC OF BRAZ	2.1%
BAC - BANK OF AMERICA CORP	1.6%
ALLY - ALLY FINANCIAL INC	1.1%
Total	11.7%

*Security Partition buckets exclude Currency and Curve risk and thus the TE Contribution % values may not sum to 100%. Any Currency and/or Curve Contribution to TE can be seen in the "Contribution to Tracking Error"
 Note: This risk dashboard above is for illustrative purposes only and reflects Western Asset's best efforts to identify and measure the major sources of risk in the sample portfolio. Results depicted are dependent on an underlying statistical model and/or varying market conditions and are therefore subject to change without notice. There is no guarantee that ex-ante risk measures will be in line with their ex-post realizations. Quantitative risk measures can change rapidly as market regimes change. Western Asset uses a variety of risk measures, including risk estimates, stress and scenario testing, and judgment to assess possible future risks. Scenarios shown may not occur or may not result in the assumed outcomes. This risk dashboard is a subset of the information used internally for this account.

TRU Bond Checklist

(1 of 2)

Q: How long has the portfolio existed?

- A: TRU was incepted over 10 years ago in July of 2004 and has generated 116 consecutive months of returns

Q: What are the return and volatility targets for the product?

- A: TRU seeks to maximize return consistent with the current market environment and outperform the broad market over the course of a market cycle. Over the long term, the product's target volatility, as measured by standard deviation, has been between 3% and 5%

Q: What are the historical returns and volatility annualized and by year?

- A: Composite annualized gross returns and volatility, as of 31 Dec 14

TRU Bond Composite (%)*

	Return	Volatility
1-Year	3.46	1.67
3-Year	5.13	2.07
5-Year	5.28	2.66
10-Year	5.26	5.55
Since Inception ¹	5.61	5.43

¹Incepted on 01 Jul 04

By calendar year-end:

TRU Bond Composite (%)*

	2014	2013	2012	2011	2010	2009	2008	2007	2006
1-Year Return	3.46	2.20	9.91	1.74	9.42	32.41	-14.62	2.53	7.25
1-Year Volatility	1.67	2.06	1.80	3.19	3.19	7.38	11.09	2.29	1.92

Q: Have the strategy and guidelines changed since the inception of the product?

- A: No, the strategy and the guidelines have remained unchanged since inception

Q: How many portfolio managers have there been?

- A: There have been two lead portfolio managers since the strategy's inception. Steve Walsh was the lead portfolio manager from inception until the middle of 2013 when (as part of his planned succession leading into 2014 retirement), he handed management duties over to Mark Lindbloom. Mark had been working with Steve since 2005 as part of the Broad Market Team and had been managing portfolios with similar exposures when he took over the reins for TRU

Q: Has the track record been closed and restarted?

- A: No. The track record reflects the entire history of TRU

Q: What is the minimum credit rating?

- A: The overall portfolio quality is a minimum rating of BBB, investment-grade. However, the strategy can and does purchase CCC securities below-investment-grade securities

Source: Western Asset. As of 31 Dec 14

*Performance shown is gross of fees. Returns for periods greater than one year are annualized. Please see the Performance Disclosure in the Appendix for more information.

TRU Bond Checklist

(2 of 2)

Q: What is maximum allowed below investment-grade?

- A: TRU can have as much as 50% below investment-grade, as long as the overall portfolio quality would be at least BBB

Q: What has the duration range been since inception?

- A: While duration is permitted to range from -3.0 years to +8.0 years, using month-end data, the duration has historically ranged within a band of 1 year to 5 years

Q: What is max currency (non-USD) exposure?

- A: TRU may have as much as 25% exposure to non-USD currencies

Q: Is leverage allowed?

- A: No, economic leverage (borrowing) is not allowed

Q: Are long/short strategies allowed (risk assets, not duration)?

- A: No, TRU does not allow long/short strategies

Q: Does the product allow any type of equities?

- A: No, equities are not allowed

Q: Is there a maximum allowed in equity securities and/or options?

- A: Equities are not allowed. There is not an explicit maximum allowed for the use of options

Q: What percentage is derivative versus cash securities?

- A: As of 31 Dec 14 with LLC look-through, using cash market value percentages, TRU held 101.5% exposure to cash bonds and -1.5% exposure to derivatives. Using notional market value percentages, TRU held 101.5% exposure to cash bonds and -173.6% exposure to derivatives (mainly interest rate derivatives to adjust portfolio duration)

Q: Does the manager use outside investment alternatives? ETFs, index funds, outside managers open or closed-end funds?

- A: Externally managed funds, ETFs and index funds are not permissible investments. However, the manager can use and does use various internally managed vehicles to efficiently achieve target exposures for certain sectors

Q: Are there soft benchmarks?

- A: Some investors consider USD LIBOR as a soft benchmark for TRU. However, while LIBOR will always be positive, this may not always be the case for TRU

Appendix

Biographies

VERONICA A. AMICI

34 Years Experience

- Western Asset Management Company – Head of Public/Multi-Employer Relationships, 1993–
- Unisys Corporation – Senior Financial Analyst, 1980 – 1992
- *Gwynedd Mercy College, BS*

MARK S. LINDBLOOM

37 Years Experience

- Western Asset Management Company – Portfolio Manager, 2005–
- Citigroup Asset Management – Portfolio Manager, 1986-2005
- Brown Brothers Harriman & Co. – Portfolio Manager, 1981-1986
- New York Life Ins. – Analyst, 1978-1980
- *Pace University, M.B.A.*
- *Rider University, B.S.*

Note: Western Asset experience reflects current position title and hire date.

Total Return Unconstrained (TRU) Bond

A Value Based Approach to Fixed-Income Investing

Objective

- Maximize return independent of market direction

Characteristics

- Long only – no financial leverage
- Derivatives used to manage risk profile
- Not managed to a benchmark allowing greater flexibility
- Utilize all fixed-income strategies and sectors

Vehicles

- Mutual fund \$1.06
 - Commingled vehicle \$3.04
 - Separate accounts \$2.44
- \$6.54 billion

Investment Guidelines

- Duration range -3 to 8 years
- Minimum 50% investment-grade securities
- Overall minimum portfolio quality BBB

Fee Schedules

Western Asset's Standard Fee Schedule:

Total Return Unconstrained (TRU) Bond Portfolios*

.60 of 1% on first US\$100 million

.40 of 1% on amounts over US\$100 million

**The minimum separate account size is US\$100 million*

Performance Disclosure

December 31, 2014

Western Asset claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Western Asset has been independently verified for the periods from January 1, 1993 to December 31, 2013. The verification report is available upon request.

Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The verification does not ensure the accuracy of any specific composite presentation.

For GIPS® purposes, the Firm is defined as Western Asset, a primarily fixed-income investment manager comprised of Western Asset Management Company, Western Asset Management Company Limited, Western Asset Management Company Pte. Ltd., Western Asset Management Company Ltd, Western Asset Management Company Pty Ltd, and Western Asset Management Company Distribuidora de Títulos e Valores Mobiliários (DTVM) Limitada, with offices in Pasadena, New York, London, Singapore, Tokyo, Melbourne, São Paulo, Hong Kong, and Dubai. Each Western Asset company is a wholly owned subsidiary of Legg Mason, Inc. ("Legg Mason") but operates autonomously, and Western Asset, as a Firm, is held out to the public as a separate entity. Western Asset Management Company was founded in 1971.

The Firm is comprised of several entities as a result of various historical acquisitions made by Western Asset and their respective performance has been integrated into the Firm in line with the portability requirements set forth by GIPS.

The Composite is valued monthly. The Composite returns are the asset-weighted average of the performance results of all the accounts in the Composite. Gross-of-fees returns are presented before management fees, but after all trading expenses. Net of fees results are calculated using a model approach whereby the current highest tier of the appropriate strategy's fee schedule is used. This model fee does not reflect the deduction of performance based fees. The portfolios in the Composite are all actual, fee-paying and performance fee-paying, fully discretionary accounts managed by the Firm for at least one full month. Investment results shown are for taxable and tax-exempt accounts and include the reinvestment of all earnings. Any possible tax liabilities incurred by the taxable accounts have not been reflected in the net performance. Composite performance results are time-weighted net of trading commissions and other transaction costs including non-recoverable withholding taxes. Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

The returns for the accounts in the Composite are calculated using a time-weighted rate of return adjusted for weighted cash flows. The returns for commingled funds in the Composite are calculated daily using net value (NAV), adding back the funds' total expense ratio or equivalent. Trade date accounting is used since inception and market values include interest income accrued on securities held within the accounts. Performance is calculated using asset values denominated in a base currency. Composite market value at year-end presented in the schedule are translated to U.S. dollars using end of year exchange rates.

Composite returns are measured against a benchmark. The benchmark is unmanaged and provided to represent the investment environment in existence during the time periods shown. For comparison purposes, its performance has been linked in the same manner as the Composite. The benchmark presented was obtained from third party sources deemed reliable but not guaranteed for accuracy or completeness. Benchmark returns and benchmark three-year annualized ex-post standard deviation are not covered by the report of independent accountants.

Internal dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the Composite for the entire year. For each annual period, accounts with less than 12 months of returns are not represented in the dispersion calculation. Periods with five or fewer accounts are not statistically representative and are not presented. The three-year annualized ex-post standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period. Any gross total three-year annualized ex-post standard deviation measures prior to 2011, included within the "Examination Period" identified above, are not covered by the report of independent accountants.

Past investment results are not indicative of future investment results.

Western Asset's list of composite descriptions is available upon request. Please contact Jan Pieterse at 626-844-9977 or jan.pieterse@westernasset.com. All returns for strategies with inception prior to January 1, 2005 are available upon request.

Performance Disclosure

December 31, 2014

Total Return Unconstrained (TRU) Bond Composite

Composite Inception Date: 07/01/2004 | Composite Creation Date: 10/01/2004

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value (US\$mil)	Percentage of Firm Assets	Firm Assets (US\$mil)
2005	1	3.86%	3.24%	-na-	-na-	-na-	-na-	\$1,487	0.60%	\$249,233
2006	3	7.25%	6.62%	-na-	-na-	-na-	-na-	\$3,472	0.68%	\$510,172
2007	4	2.53%	1.92%	-na-	2.19%	-na-	-na-	\$5,410	0.87%	\$621,493
2008	4	-14.62%	-15.14%	-na-	7.18%	-na-	-na-	\$5,294	1.05%	\$505,660
2009	4	32.41%	31.64%	-na-	9.37%	-na-	-na-	\$4,585	0.95%	\$482,218
2010	4	9.42%	8.77%	-na-	9.45%	-na-	-na-	\$4,442	0.98%	\$453,909
2011	4	1.74%	1.14%	-na-	5.97%	-na-	-na-	\$4,019	0.91%	\$443,140
2012	3	9.91%	9.26%	-na-	2.99%	-na-	-na-	\$4,113	0.89%	\$461,891
2013	4	2.20%	1.59%	-na-	2.63%	-na-	-na-	\$4,968	1.10%	\$451,632
2014	5	3.46%	2.84%	-na-	2.07%	-na-	-na-	\$5,709	1.23%	\$466,036

Description: Western Asset's Total Return Unconstrained (TRU) Bond Composite includes portfolios that employ actively managed, diversified fixed-income portfolios. Portfolio construction is based on Western Asset's fundamental view of the fixed-income markets and is independent of broad market benchmarks. The approach is to construct a portfolio in which the manager intends to actively manage sector, duration and term structure exposure.

Objective: Maximize return consistent with the current market environment and outperform the broad market over the course of a market cycle.

Benchmark Description: The Composite is not measured against a benchmark as accounts that may comprise the Composite are measured on an absolute return basis. There is no benchmark available that appropriately reflects the guidelines of all accounts within the Composite.

Base Currency: USD | **Composite Minimum:** No minimum asset size requirement.

Current Fee Schedule: .60 of 1% on first US\$100 million, .40 of 1% on amounts over US\$100 million.

Examination Period: The Composite has been examined for the period from July 1, 2004 to December 31, 2013.

Performance Disclosure

December 31, 2014

US Core Full Below Investment Grade Futures & Options Composite

Composite Inception Date: 02/01/1993 | Composite Creation Date: 01/01/2000

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value (US\$mil)	Percentage of Firm Assets	Firm Assets (US\$mil)
2005	154	3.11%	2.81%	2.43%	4.83%	4.07%	0.46%	\$56,580	22.70%	\$249,233
2006	176	6.22%	5.91%	4.33%	3.39%	3.21%	0.69%	\$73,608	14.43%	\$510,172
2007	180	3.65%	3.35%	6.97%	2.85%	2.77%	1.10%	\$83,506	13.44%	\$621,493
2008	161	-9.95%	-10.22%	5.24%	6.39%	3.97%	3.14%	\$56,788	11.23%	\$505,660
2009	137	21.61%	21.25%	5.93%	7.69%	4.11%	4.92%	\$56,165	11.65%	\$482,218
2010	114	11.51%	11.18%	6.54%	7.83%	4.17%	1.58%	\$53,259	11.73%	\$453,909
2011	104	7.32%	7.00%	7.84%	4.55%	2.78%	0.44%	\$47,860	10.80%	\$443,140
2012	103	9.12%	8.80%	4.21%	2.62%	2.38%	0.92%	\$49,588	10.74%	\$461,891
2013	90	-0.76%	-1.05%	-2.02%	2.94%	2.71%	0.27%	\$43,239	9.57%	\$451,632
2014	80	7.70%	7.38%	5.97%	2.99%	2.63%	0.58%	\$46,723	10.03%	\$466,036

Description: Western Asset's US Core Full Below Investment Grade Futures & Options Composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. These portfolios use diversified strategies and all sectors of the fixed-income market in seeking to add value while minimizing risk. The approach is to construct a portfolio using all major fixed-income sectors with a bias toward non-Treasuries. This strategy allows for opportunistic investments in high yield, emerging markets and non-dollar securities.

Objective: Exceed the benchmark return by 115 basis points annually over the course of a market cycle while approximating benchmark risk.

Benchmark Description: The current benchmark is the Barclays U.S. Aggregate Bond Index. The index represents securities that are SEC-registered, taxable, and dollar denominated. The index covers the U.S. investment grade fixed rate bond market, with index components for government and corporate securities, mortgage pass-through securities, and asset-backed securities.

Base Currency: USD | **Composite Minimum:** US\$25 million

Current Fee Schedule: .30 of 1% on first US\$100 million, .20 of 1% on amounts over US\$100 million. This strategy is also available versus the Barclays U.S. Universal Bond Index. Fee schedule is available upon request.

Examination Period: The Composite has been examined for the period from February 1, 1993 to December 31, 2013.

Performance Disclosure

December 31, 2014

Diversified High Income Composite

Composite Inception Date: 10/01/2010 | Composite Creation Date: 07/17/2013

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value (US\$mil)	Percentage of Firm Assets	Firm Assets (US\$mil)
2005	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$249,233
2006	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$510,172
2007	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$621,493
2008	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$505,660
2009	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$482,218
2010 ¹	1	0.23%	0.13%	-na-	-na-	-na-	-na-	\$472	0.10%	\$453,909
2011	1	8.29%	7.86%	-na-	-na-	-na-	-na-	\$464	0.10%	\$443,140
2012	1	13.93%	13.48%	-na-	-na-	-na-	-na-	\$478	0.10%	\$461,891
2013	1	2.36%	1.95%	-na-	4.27%	-na-	-na-	\$393	0.09%	\$451,632
2014	3	5.21%	4.69%	-na-	3.99%	-na-	-na-	\$515	0.11%	\$466,036

Description: Western Asset's Diversified High Income Composite includes portfolios that employ an active, team-managed investment approach around a long-term, value-oriented investment philosophy. These portfolios seek to generate income from diversified investments in high yielding securities from all sectors of the global fixed-income market. The approach is to construct a diversified portfolio of global high income securities, including investment-grade credit, non-dollar, high yield, bank loan, emerging markets, and structured securities. We seek to add value through sector rotation, yield curve positioning, issue selection, duration management, country selection, and currency positioning.

Objective: Maximize return consistent with the current market environment and outperform the broad market over the course of a market cycle.

Benchmark Description: The Composite is not measured against a benchmark as accounts that may comprise the Composite are measured on an absolute return basis. There is no benchmark available that appropriately reflects the guidelines of all accounts within the Composite.

Base Currency: USD | **Composite Minimum:** No minimum asset size requirement.

Current Fee Schedule: .60 of 1% on first US\$100 million, .40 of 1% on amounts over US\$100 million.

Examination Period: The Composite has been examined for the period from January 1, 2013 to December 31, 2013.

¹Partial period return (October 1, 2010 to December 31, 2010).

Performance Disclosure

December 31, 2014

Macro Opportunities Composite

Composite Inception Date: 04/01/2012 | Composite Creation Date: 05/14/2012

	No. of Accts	Gross Total Return	Net Total Return	Benchmark Total Return	Gross Total 3-Yr St Dev	Benchmark Total 3-Yr St Dev	Internal Dispersion	Mkt. Value (US\$mil)	Percentage of Firm Assets	Firm Assets (US\$mil)
2005	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$249,233
2006	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$510,172
2007	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$621,493
2008	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$505,660
2009	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$482,218
2010	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$453,909
2011	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	-na-	\$443,140
2012 ¹	1	17.28%	16.77%	-na-	-na-	-na-	-na-	\$112	0.02%	\$461,891
2013	2	7.57%	6.85%	-na-	-na-	-na-	-na-	\$745	0.16%	\$451,632
2014	8	9.66%	8.67%	-na-	-na-	-na-	-na-	\$5,184	1.11%	\$466,036

Description: Western Asset's Macro Opportunities Composite is an unconstrained, global macro strategy that focuses on long-term value investing and active management of duration, yield curve and volatility. It does this primarily by identifying relative value among securities and sectors in global fixed-income markets.

Objective: Maximize total return.

Benchmark Description: The Composite is not measured against a benchmark as accounts that may comprise the Composite are measured on an absolute return basis. There is no benchmark available that appropriately reflects the guidelines of all accounts within the Composite.

Base Currency: USD | **Composite Minimum:** US\$1 million

Current Fee Schedule: 1% on all assets.

Examination Period: The Composite has been examined for the period from April 1, 2012 to December 31, 2013.

¹Partial period return (April 1, 2012 to December 31, 2012).

Representative Client List Disclosure

The clients listed are invested in a wide range of mandates, and are located in a variety of countries or regions of the United States.

The clients listed in the Corporate company type have portfolios with an AUM of \$12(M) or greater.

The clients listed in the Public company type have portfolios with an AUM of \$72(M) or greater.

The clients listed in the Eleemosynary company type have portfolios with an AUM of \$1(M) or greater.

The clients listed in the Subadvisory company type have portfolios with an AUM of \$27(M) or greater.

The clients listed in the Healthcare company type have portfolios with an AUM of \$9(M) or greater.

The clients listed in the Insurance company type have portfolios with an AUM of \$15(M) or greater.

The clients listed in the Multi-Employer / Union company type have portfolios with an AUM of \$7(M) or greater.

Clients that have advised Western Asset of account terminations have been excluded from the lists.

Risk Disclosure

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The representative portfolio is an account in the composite we believe most closely reflects current portfolio management style for the strategy. Performance is not a consideration in the selection of the representative portfolio. The characteristics of the representative portfolio shown may differ from those of the composite and of the other accounts in the composite. Information regarding the representative portfolio and the other accounts in the composite is available upon request.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 6.4

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer

SUBJECT: Discussion and Approval of Hedge Fund Search Process

Staff Recommendation

Approve the proposed process for finding a complement to the AQR Delta strategy within the Hedge Fund category.

Background

In 2010, the Board approved an asset allocation policy that included a new 3% Hedge Fund allocation. In April 2011, the Board implemented this allocation with the AQR Delta strategy. In October 2013, an updated asset allocation policy was approved that increased the hedge fund category bucket to 4% from 3%. The higher hedge fund target allocation was achieved via an increased exposure to the AQR Delta strategy. Now staff and consultant intend to further analyze the hedge fund structure to determine whether additional vehicles/products could be used to complement the AQR Delta strategy.

Discussion

Staff and consultant propose to conduct this analysis using the same approach that was utilized for the recently completed Opportunistic Credit search. Staff and consultant intend to perform in-depth due diligence on a select group of best-in-class opportunities over the next few months, with the intention of making a recommendation to the Board on the best way to complement SamCERA's current AQR Delta exposure within the Hedge Fund category.

Attachments

- A. *SIS Memorandum on Hedge Funds*



MEMORANDUM

DATE: February 17, 2015
TO: San Mateo County Employees' Retirement Association
FROM: SIS
SUBJECT: Hedge Funds

SIS and Staff propose conducting an informal search to find a suitable investment to complement SamCERA's AQR DELTA hedge fund exposure.

SIS does not believe that Hedge Funds qualify as an asset class per se, but instead represents a type of investment vehicle that allows greater freedom for skilled investment teams to pursue non-traditional alpha strategies in both traditional and alternative instruments. We believe that, if carefully selected and implemented, Hedge Funds can improve SAMCERA's risk-adjusted returns. The improvement results from the combination of unique market exposures or "exotic betas" and/or management skill or "alpha" that good Hedge Funds provide. These attributes can lead to superior risk-adjusted returns and improved asset diversification relative to the more traditional asset classes that comprise the rest of the SAMCERA portfolio.

SIS' expected (net-of-fees) return for Hedge Funds is 5%, with an expected risk of 11%. This reward to risk profile (Sharpe Ratio) is one the highest of the classes of investments in the SAMCERA portfolio. In addition, hedge fund investments should carry a low correlation of returns relative to both the public equities and bonds that dominate the SamCERA portfolio. Given these characteristics, SIS' asset allocation model naturally favors the inclusion of a discrete allocation Hedge Funds as an enhancement to a diversified portfolio of traditional investments, and this has been our advice to SamCERA. However, because of their high fees and the challenges associated with proper oversight and administration of these funds, the size of the allocation to Hedge Funds becomes a function of the board's comfort level with the strategies.

One of the outcomes of SamCERA's last Asset Liability study was an increase in the plan's allocation to hedge funds from three to four percent; although the strong Sharpe Ratio and diversifying power of hedge fund exposure was considered highly attractive, negative aspects, primarily the high fees, associated with hedge funds caused the board to decide on the fairly conservative allocation of four percent. In addition, in its adoption of the higher hedge fund target, the SamCERA board instructed Staff and consultant to take a cautious approach to populating the hedge fund category, and to limit exposure to high fee arrangements to the extent possible.

SamCERA has an efficient core hedge fund position in the AQR DELTA product. DELTA is a unique in that its strategy allows investors to gain some of the systematic benefits of hedge fund exposure— diversification and uncorrelated sources of excess return—while avoiding the very high fees typical of multi-strategy hedge fund investments. SamCERA was a very early adopter of DELTA, and the strategy has served the Association very well as a low cost, efficient core hedge fund position. Unique strategies like DELTA, however, are by definition rare in the marketplace, and as a result are hard to find and require added judgment to access, since there is no database that lists the products that provide the best elements of hedge funds, while avoiding the worst.

Consultant and Staff propose to conduct site visits and interviews with various organizations and product teams, several of which that have already been identified, others that are yet to be determined, over the next few months. After this period of investigation, Staff and consultant intend to report back to the board with our conclusions, and we hope, recommend a small group of best in class opportunities for SamCERA to access to complement its DELTA exposure.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 6.5

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer



SUBJECT: Annual Review of Investment Consultant, Strategic Investment Solutions

Staff Recommendation

Review the information below summarizing the Strategic Investment Solutions performance evaluation and comment accordingly during the agenda item.

Background

The annual evaluation of SamCERA's investment consultant has three parts:

1. A survey completed by trustees, staff, and the investment consultant
2. Responses to questions submitted to the consultant
3. A discussion at the Board meeting to present the findings of the survey and question responses

Similar to last year, the survey was provided on-line. Results were collected from ten trustees, four staff members, and from Patrick Thomas representing SIS. There were a total of 10 questions in the survey with each question scored on a range of 1 to 5, with 5 being the highest rating.

Discussion

Please refer to the summary of the survey scores below. For each question the responses are broken out and grouped by trustee, staff, and consultant scores. Within each of these sections the minimum, maximum, and average scores are presented for each question as well.

Both the Board and staff marked the overall evaluation above average/high, with most areas showing higher scores compared to last year. The Board's overall evaluation increased to 4.8 from 4.6, while staff's increased to 4.7 from 4.3.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

2015 Survey

Question	Trustees			Staff			Consultant
	Min	Avg	Max	Min	Avg	Max	Avg
1) How would you rate the firm's ability to respond to SamCERA's needs?	4.0	4.8	5.0	5.0	5.0	5.0	5.00
2) How would you rate the firm's ability to communicate effectively?	4.0	4.7	5.0	5.0	5.0	5.0	4.00
3) How would you rate the firm's responsiveness to questions and requests?	4.0	4.8	5.0	4.0	4.7	5.0	5.00
4) How would you rate the firm's analytical sophistication?	4.0	4.7	5.0	4.0	4.5	5.0	5.00
5) How would you rate the quality and/or clarity of the firm's reports?	4.0	4.9	5.0	4.0	4.5	5.0	4.00
6) How would you rate the effectiveness of the firm's educational presentations?	4.0	4.7	5.0	4.0	4.7	5.0	4.00
7) How would you rate the firm's knowledge of institutional investment practices?	4.0	4.7	5.0	4.0	4.7	5.0	5.00
8) How would you rate the firm's build-out of SamCERA's private equity program?	4.0	4.8	5.0	5.0	5.0	5.0	5.00
9) What is your overall opinion of firm?	4.0	4.8	5.0	4.0	4.7	5.0	5.00

Attachments

A. *SIS Annual Review Questionnaire*

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
BOARD OF RETIREMENT**

**STRATEGIC INVESTMENT SOLUTIONS – 12/31/2014
ANNUAL REVIEW QUESTIONNAIRE**

ORGANIZATIONAL UPDATE

- 1) **Provide an update on Strategic Investment Solutions' organization, with particular emphasis on (a) changes to your structure, especially after the departure of Pete Keliuotis (b) growth of assets/accounts under consultation, (c) breakdown by client type, and (d) clients gained or lost in the past year. All significant changes should be accompanied by an explanation.**

From its founding, SIS has always been a relatively flat organization. However, over the past year there have been a number of promotions and a notably broader distribution of management responsibility.

Significant Developments in 2014

1. In July 2014, Barry Dennis was appointed CEO after the departure from the firm of former CEO, Pete Keliuotis. Patrick Thomas, Faraz Shooshani, and Anne Ward were promoted to Managing Director, joining Barry and John Meier in that role. Additionally, Anne was appointed as Director of Operations and Faraz as Director of Private Equity.
2. In September 2014, Margaret Jadallah, a founding member of SIS and formerly Director of Manager Research, returned to SIS as a General Consultant and Manager Research Specialist. In October 2014, she was appointed Managing Director.
3. In 2014, SIS began the process of implementing a new approach for client service based on the concept of practice teams, which is described in Question 2 below.
4. The following departing employees received and/or executed Stock Repurchase and Release Agreements that enabled the company to buy back their shares of common stock: Stephen Masarik, Pete Keliuotis, Paul Harte, and Helen Lam. Documentation for Paul Harte, who left on December 31st, is still in the process of execution. All repurchased shares were returned or will be returned to Treasury.

Growth of Assets

PERIOD ENDING 12/31	2009	2010	2011	2012	2013	2014
Number of Clients	31	31	31	32	32	30
Asset Under Advisement	~\$530B	~\$450B	~\$440B	~\$450B	~\$455B	~\$420B

Client Composition (As of 12/31/2014)

TYPES OF CLIENTS	NUMBER OF FIRM'S CLIENTS (BY TYPE AND CLIENT'S TOTAL ASSET VALUE)				
	UNDER \$250M	\$250M TO <\$1B	\$1B TO \$5B	>\$5 BILION	TOTAL
Public Pension Plans		1	3	10	14
Corporate Pension Plans		1	3	2	6
Taft-Hartley Plans					
Foundations/Endowments	2		2	1	5
Other (Private Wealth Trusts)		3	2		5
TOTAL	2	6	9	14	30

In 2014, SIS added RFCRF Investments LP (Christopher Getty Trust) as a general consulting client and lost the following clients: Indiana PERS (December 2014) and Boise Paper Holdings (November 2014).

2) What changes to the SIS business plan have you made in the past year as referenced in your client letter dated June 9th, 2014 (client coverage/succession plan/technology/ compensation practices)

(a) **Firm Management.** In June 2014, Barry Dennis assumed the role of CEO following the departure of Pete Keliuotis. Four new Managing Directors were appointed bringing the total number of Managing Directors to six. The Managing Directors will be responsible as a group for developing the firm's long-term consulting practices and business strategies. From its ranks will come the future leadership of the firm. Following is a list of the specific responsibilities of each of the Managing Directors:

RESPONSIBILITIES OF MANAGING DIRECTORS						
MEIER	JADALLAH	THOMAS	SHOOSHANI	WARD	DENNIS	ALL MDS
Quantitative Oversight	Manager Research Oversight	Client Team	Private Equity Oversight-P&L	Performance Measurement Oversight	Consultant Oversight-P&L	Personnel
Client Team	Client Team		Consultant Meetings	Administrative Oversight	Client Team Oversight	Compensation
Compliance	Market and Conferences		Career Ladder Development	Seating Logistics and Floor Plan	Muster	Firm Strategy
Financials	Library			Client Team Coordinator	Client Team	
IT				Website		
General Investment Research				Human Resources		
White Papers				MD Project Coordinator		
Press Relations						
Legal						
ESOP						

- (b) **Adoption of Practice Team Approach.** Concurrent with the management reorganization described above, SIS began the process of implementing a new approach for client relationship servicing, based on the concept of practice teams. The Practice Teams are designed to ensure that the capabilities and experience of professionals complement the requirements of consulting engagements to best meet clients’ needs. Additionally, the cross-functional staffing of the Practice Teams offers a more organic structure for sharing investment ideas across a diverse client base, expanded manager research coverage, and additional client contacts. The Practice Teams over time will be expected to migrate to a commonality amongst firm-wide clients that will provide additional resources to the Lead Consultants in servicing their clients.

Following is the current composition of each of the Practice Teams:

TEAM LEADERS/ RELATIONSHIP MANAGERS	(Dennis) PUBLIC, HIGH NET WORTH	(Meier) PUBLIC, CORPORATE	(Thomas) PUBLIC, CORPORATE
CONSULTING	Barry Dennis Deborah Gallegos	John Meier, CFA Margaret Jadallah Nathan Pratt, CFA John, Nicolini, CFA	Patrick Thomas, CFA Jonathan Brody, CFA Ping Zhu, CFA
QUANTITATIVE - Asset Allocation - Manager Structure Analysis	Stephen Quirk	John Meier, CFA	March Gesell
PRIVATE MARKETS	Curt Smith, CFA Peter Chong, CFA, CAIA	Steve Hempler Lisa Keliuotis	Faraz Shooshani MyDung Do
PERFORMANCE MEASUREMENT	Sylvia Quayle	Ancilla Hyppolite Jing Chen	Elaine Gee Augienette Castillo
RESEARCH FOCUS	Europe PE PE Pacing Studies Private Debt	U.S. Equity Real Assets Latin American PE U.S. Buyouts	Global/Non-U.S. Equity Fixed Income/TIPS Hedge Funds Asia PE PE Macro Venture Capital

- (b) **Manager Research.** The firm’s manager research coverage has been reconstituted as shown in the following table. Focus List coverage is displayed in red.

ASSET CLASS/STRATEGY	PRIMARY COVERAGE	SECONDARY I	SECONDARY II
<i>DOMESTIC EQUITY</i>			
LARGE CAP VALUE	MARGARET JADALLAH	JONATHAN BRODY	NATHAN PRATT
LARGE CAP CORE	MARGARET JADALLAH	JONATHAN BRODY	STEPHEN QUIRK
LARGE CAP GROWTH	MARGARET JADALLAH	JONATHAN BRODY	JOHN NICOLINI
SMALL CAP VALUE	MARGARET JADALLAH	JONATHAN BRODY	JOHN NICOLINI
SMALL CAP CORE	MARGARET JADALLAH	JONATHAN BRODY	STEPHEN QUIRK
SMALL CAP GROWTH	MARGARET JADALLAH	JONATHAN BRODY	PATRICK THOMAS

ASSET CLASS/STRATEGY	PRIMARY COVERAGE	SECONDARY I	SECONDARY II
PASSIVE/TRANSITION MGMT	MARGARET JADALLAH	JOHN MEIER	ANNE WARD
<i>GLOBAL/NON-US EQUITY</i>			
GLOBAL (ACWI)	JONATHAN BRODY	PING ZHU	JOHN MEIER
GLOBAL (ACWI) EX-US	JONATHAN BRODY	PING ZHU	JOHN MEIER
NON-US DEVELOPED	JONATHAN BRODY	PING ZHU	DEBORAH GALLEGOS
NON-US SMALL CAP	JONATHAN BRODY	PING ZHU	JOHN MEIER
EMERGING MARKETS	JONATHAN BRODY	PING ZHU	DEBORAH GALLEGOS
<i>FIXED INCOME</i>			
CORE/CORE PLUS	PING ZHU	MARGARET JADALLAH	NATHAN PRATT
HIGH YIELD/BANK LOANS	PING ZHU	MARGARET JADALLAH	DEBORAH GALLEGOS
MORTGAGE	PING ZHU	MARGARET JADALLAH	BARRY DENNIS
GLOBAL	PING ZHU	MARGARET JADALLAH	PATRICK THOMAS
EMERGING MARKETS	PING ZHU	MARGARET JADALLAH	DEBORAH GALLEGOS
UNCONSTRAINED/OPPORTUNISTIC	PING ZHU	MARGARET JADALLAH	BARRY DENNIS
LONG DURATION/LDI	PING ZHU	MARGARET JADALLAH	STEPHEN QUIRK
DIRECT LENDING	PING ZHU	FARAZ SHOOSHANI	MARGARET JADALLAH
<i>HEDGE FUNDS/ABSOLUTE RETURN (SUBJECT TO CHANGE)</i>			
ARBITRAGE/RELATIVE VALUE	PING ZHU	PATRICK THOMAS	FARAZ SHOOSHANI
CREDIT	PING ZHU	PATRICK THOMAS	FARAZ SHOOSHANI
EQUITY	PING ZHU	PATRICK THOMAS	FARAZ SHOOSHANI
EVENT-DRIVEN	PING ZHU	PATRICK THOMAS	FARAZ SHOOSHANI
GLOBAL MACRO/TRADING	PING ZHU	PATRICK THOMAS	
MULTI-STRATEGY	PING ZHU	PATRICK THOMAS	FARAZ SHOOSHANI
RISK PARITY/GTAA	PING ZHU	JOHN MEIER	MARGARET JADALLAH
CURRENCY OVERLAY/ALPHA	PING ZHU	STEPHEN QUIRK	
<i>REAL ASSETS</i>			
INFLATION-PROTECTED BONDS	PING ZHU	JOHN NICOLINI	JOHN MEIER
COMMODITIES	JOHN NICOLINI	JOHN MEIER	DEBORAH GALLEGOS
NATURAL RESOURCES	JOHN NICOLINI	FARAZ SHOOSHANI	JOHN MEIER
INFRASTRUCTURE	JOHN NICOLINI	PRIVATE EQUITY	
TIMBER/AGRICULTURE	JOHN NICOLINI	FARAZ SHOOSHANI	
REAL ESTATE	JOHN NICOLINI	PRIVATE EQUITY	PATRICK THOMAS

3) **What services does your firm offer in addition to pension fund investment consulting?**

In addition to pension fund consulting, SIS provides investment consulting services to endowments and foundations and private wealth trusts.

4) What percentage of your firm's income comes from pension fund investment consulting?

100% of SIS's revenue comes from investment consulting. 88% comes from pension consulting, and 11% from taxable high net worth clients.

5) Describe your plans for managing the future growth of your firm. Do you have limitations on the number of clients you intend to accept? What is the number of clients per consultant? Describe your policies for controlling the workload of the investment consultants?

We have firm limits on the number of clients, and limits on the number of relationships that individual consultants can have. The firm-wide limit, based on current staffing, is 40 retainer relationships; we currently have 31 for both general and private markets consulting. The per-consultant client limit is 10. We currently have available capacity. Available capacity for a consulting team is based on the overall complexity and scope of services relating to their existing consulting relationships.

6) Please specify the individuals (up to five) who you feel are key to the success of your firm.

As a small firm that puts a high premium on team-driven client service and research, we view every member of our firm as an important contributor to our success. General consultants (who have direct client service responsibilities), specialty consultants, and technical analysts all work together to deliver the services required by our clients and respond to their daily needs in a timely manner.

The Board of Directors and officers of our company are as follows:

Board of Directors

Barry Dennis	Chairman
Michael Beasley	Board Member
John Meier	Board Member
Faraz Shooshani	Board Member
Patrick Thomas	Board Member
Emmanuel Canteras	Secretary

Officers

Jonathan Brody
Emmanuel Canteras
Deborah Gallegos
Marcel Gesell
Steve Hempler
Margaret Jadallah
John Nicolini
Nathan Pratt
Stephen Quirk
Curt Smith
Anne Ward
Ping Zhu

7) Please specify the individuals (up to five) who you feel are key to the success of your firm's account relationship with SamCERA.

The primary consultants to SamCERA:

Patrick Thomas, CFA and **Jonathan Brody, CFA**, are responsible for the general direction and supervision of strategic planning and program implementation for the Fund; communication with the fund's staff, Board and third-party providers;

Faraz Shooshani, Managing Director, serves as private markets consultant;

Augienette Castillo, Performance Analyst, assists in performance measurement

John Nicolini, CFA serves as Real Assets Specialist;

Beyond these five individuals, we also regard contributions from our quantitative consulting group (particularly John Meier, CFA and Marc Gesell, CFA) as crucial to the success of our relationship with SamCERA.

8) Has your firm been involved in any regulatory or litigation events in the past year?

No.

9) Update all significant personnel changes to the "SamCERA team" at Strategic Investment Solutions.
Augienette Castillo replaced Samson Chan as Performance Measurement Analyst to SamCERA.

10) Describe any new potential services/improvements to your existing services being considered.

With SamCERA's recent adoption of a 2% discrete allocation to Real Assets, SIS has expanded its service to the plan assist in the population of the asset class. The Real Assets portfolio will include a mix of private and public investments selected opportunistically and designed to augment the existing inflation-sensitive elements in the total SamCERA portfolio. Also, over the past year SIS has introduced several enhancements to its performance reporting package intended to more clearly evaluate risk in the portfolio.

11) Describe the relative strength and longevity of your back-office (performance and risk analytics) staff.

Our performance measurement staff is headed by Anne Ward and composed of five performance analysts for public markets—Elaine Gee, Jing Chen, Ancilla Hyppolite, Augienette Castillo, and Sylvia Quayle; and three performance analysts for alternative investments—Lisa Keliuotis, MyDung Do, and Peter Chong, CFA, CAIA. One performance analyst and a backup are assigned to every relationship for this service. Anne Ward, as head of group, and your consultant oversee performance monitoring and serve as primary contact. Augienette Castillo serves as your performance measurement analyst.

InvestorForce has 46 full-time employees, plus one full-time and two part-time consultants. This team is solely focused on developing web-based software for the institutional investment consulting community. The breakout of their FTE employee base is as follows:

- Technology: 24
- Product Management: 5
- Operations: 5
- Client Service: 8
- Finance/Sales/HR/Executive: 4

50% of InvestorForce’s resources are allocated to technology while the majority of other resources are in client service, operations and product management.

SIS considers InvestorForce a technology partner, and looks to leverage both InvestorForce’s development expertise and deep commitment to the continual advancement of the platform in support of its clients’ needs.

12) What are the current technologies utilized in supporting the back-office processes? What performance measurement system do you use? Also what risk systems do you utilize in producing ex-post and ex-ante risk reports for clients? Please summarize your maintenance and upgrade policy/plan.

More than 30% of our non-salary operating expenditures go to the refinement, purchase, or lease of internally developed and third-party software products and databases for our consulting services. Part of our consulting strategy is to supplement or replace existing tools with more robust products available in the market. During the last three years, we have added or upgraded the following analytical consulting tools:

InvestorForce	Manager and plan sponsor performance histories, U.S. equity and fixed income performance attribution, portfolio characteristics and comparisons
BARRA	International and U.S. Equity (E3) models; risk exposures and performance attribution
OPTIMIZE	Asset allocation system
DB Sim	Asset allocation and asset/liability modeling system
eVestmentAlliance	Public markets database
MPI Stylus	Returns-based style analysis, regression analysis
Morningstar	Mutual fund information
Morningstar Direct	Analytics, index information
Bloomberg	Securities pricing data
Insignis Portfolio Intelligence	Portfolio analytics
HFN	Hedge fund database
Private i	Private markets analytics and performance

Preqin	Private markets database
Thomson Reuters	Private markets database
Thomson One VentureXpert	Private equity database
Private Informant	Private equity database

Additionally, we have developed a proprietary web-based database that facilitates the collection and dissemination of manager information derived from manager meetings, due diligence reviews, and onsite inspections, for both public and private markets assets. This database serves as a company-wide resource for tracking all forms of manager correspondence, monitoring search activity and research priorities. It allows any employee, at any time, access to SIS's full client information and materials, and the universe of managers (public and private) with which SIS maintains a relationship.

SIS uses peer group comparison universes provided by our performance platform vendor, InvestorForce (IF). At this writing, 31 institutional investment consulting organizations leverage the InvestorForce performance measurement and reporting application. Collectively, InvestorForce clients represent roughly \$3.5 trillion in assets under advisement across 3,500+ institutional plans. Generally, InvestorForce clients range in size from close to \$500 million in AUA to \$1 trillion in AUA. In addition to InvestorForce, the peer group comparison universes include plans provided by Callan Associates and J.P. Morgan Investment Analytics & Consulting.

13) What are your mission critical systems? Has your firm experienced any problems with these systems in the past eighteen months? When were these systems implemented and when were they last upgraded? Do you anticipate any changes to these systems in the next eighteen months?

- File/Print/Email/Internet based services
- Has your firm experienced any problems with these systems in the past eighteen months?
 - No unexpected outages of more than 30 minutes.
- Secondary, redundant Internet circuits are totally separate physically and logically through different ISP's. Redundant firewalls onsite allow the failure of 1 of these devices while still providing full Internet services. Spare network switches are onsite in the event a production unit fails.

14) Provide an overview of your firm's business continuity plan.

- Backups of all company data are performed nightly to both onsite and offsite locations.
- In the event of a catastrophe which completely destroys the primary business location, recovery of critical systems will be done to an alternate location to spare hardware that is stored offsite. Once the recovery or core systems is completed to offsite location, staff will be able to work from home computers and/or laptops and connect to new alternate server location through secure means to access email and files.
 - Recovery time for critical services is approximately 12–16 hours, and work is being done this year to reduce recover time to less than one hour.

PERFORMANCE

- 15) Detail your perspective of SamCERA’s performance expectations, as spelled out in the contract and SamCERA’s *Investment Policy*, and how your firm is doing relative to those expectations.**

SamCERA’s Investment Plan describes the investment consultant’s services to the Board to include: 1) assisting in the development of the Investment Plan, 2) assisting in oversight, monitoring and selection of managers, 3) providing educational sessions and insights into the financial markets and 4) providing quarterly performance reports. SamCERA’s Investment Consulting Agreement also calls for SIS to assist with asset/liability modeling, rebalancing policies, and manager structure analysis.

We believe that SamCERA’s performance expectation for SIS is well conceived and appropriate. SIS has had the opportunity to provide all of these consulting services to SamCERA over the course of our retainer relationship, and we believe that we have met SamCERA’s performance expectations.

We are very proud of our work on behalf of SamCERA and of the results that the plan has achieved over the last three years since the SamCERA board expanded the discretion that it delegated to SIS. The many changes to the SamCERA portfolio over this period have both improved diversification while at the same time enhanced returns in the portfolio.

- 16) In general terms, how is SamCERA able to reduce the risk of underperformance relative to the Plan Benchmark?**

SamCERA’s extensive utilization of active management strategies exposes it to the risk of underperforming its indexes. Given its preference for active strategies, and absent a strategic decision to reduce the allocation to active, the primary way to reduce the risk of underperformance is robust manager research that produces good manager selection.

SIS believes that we have employed a rigorous manager research and selection process on SamCERA’s behalf. Also, in the past few years, SamCERA has in fact increased its allocation to indexation in the more efficient area of large cap US equity and International Equity, where market are more efficient, and it is harder for active managers to add value.

Finally, SamCERA’s has also implemented a portfolio overlay service to ensure efficient and disciplined rebalancing to minimize performance slippage through asset allocation differences, thus reducing the total plan’s risk to its policy benchmark return.

- 17) Discuss the domestic equity, international equity, fixed income, risk parity, alternatives, and real estate markets and SamCERA’s relative success or failure in the current market.**

Overall SamCERA’s relative performance across broad asset classes was respectable for the one-year period ending 9/30/2014, if not as strong as other recent periods. .

The US Equity Composite’s 11% return was 70 basis points behind SamCERA’s custom benchmark, placing it the 69th percentile of the relevant universe. This period was not a particularly strong one for any of SamCERA’s domestic equity managers.

The International Equity Composite’s return of 5.5% was ahead of the benchmark by 30 basis points and ranked in the 32nd percentile of the universe. The excess return was driven by notably strong relative

returns from Mondrian, the plan's international value manager, and continued strong performance by plan's emerging markets manager, Eaton Vance Parametric.

The Total Fixed Income Composite, which delivered a 5.5% return for the year, was 220 basis points ahead of its custom benchmark and in the 36th percentile of the universe. The 9.6% return of the opportunistic credit portion of the fixed income and the 5.9% return of the plan's global fixed income manager, Franklin Templeton, were both well ahead of their respective benchmarks.

Results among the portfolio's Alternatives were also quite solid. The one hedge fund in the Plan, AQR Delta, generated more than twice the return of its benchmark, and fell in the 36th percentile of the universe. The commodity strategy, SSGA Multisource, lost money in absolute terms, but outperformed the Bloomberg Commodity Index. Although it is still early days for the Plan's private equity investments, in aggregate they performed in the top quartile relative to universe peers for the trailing one-year period. Among the Alternatives, the risk parity strategy, AQR Global Risk Premium, essentially matched the return of its 60/40 benchmark.

18) Describe any difficulties you may experience in working with SamCERA's actuary, board, custodian, investment managers, or staff.

None.

INVESTMENT CONSULTING PHILOSOPHY

19) Describe your investment consulting philosophy, including (a) what are your firm's consulting specialties, strengths and limitations (b) your assessment of the value added by your investment philosophy and (c) what sets your services apart from other pension consultant's services?

Strengths and Specialties. SIS specializes in strategic planning, especially asset allocation and liability analysis and manager structure analysis, manager research, and private markets consulting. As general consultant, SIS has been providing "best-in-class" services in the following areas for more than 19 years.

- **Asset/Liability and Asset Allocation Modeling:** Our flexible approach incorporates multiple client-specific characteristics rather than "off-the-shelf" software packages.
- **Investment Policy, Objectives and Guidelines Development and Implementation:** Our long-term strategic approach and emphasis on documenting decisions and their rationale set us apart in this area.
- **Risk Management Consulting:** We help large investors assess risk exposures, develop actionable plans and procedures, and review third-party risk system vendors. In addition, we have helped clients establish their first enterprise-wide risk management systems.
- **Manager Structure Analysis:** We develop manager structure tools that allow clients to easily and consistently manage portfolio exposures within asset classes to target their unique risk tolerance and alpha objectives.

- **Trustee and Staff Education:** Our investment professionals have an average of nearly 20 years of industry experience and have individually been providing trustee and staff education for decades, throughout multiple market cycles and investment trends. We are also active in exploring new investment strategies.
- **Manager Evaluation, Search and Selection, Due Diligence:** As an independent, employee-owned firm, we are well-positioned to provide objective advice on public and private markets investment managers and conduct rigorous due diligence at all levels of the search process.
- **Performance Evaluation and Manager Monitoring:** John Meier is a founding member of the CIPM advisory council and its first chairman and in September will begin a four year term on the GIPS Executive Committee and Chair of its Investor/Consultant Subcommittee. Our performance measurement database is the largest in the industry and is used by the Federal Reserve to track pension fund flows. In addition, our reporting package is flexible in addressing clients' specific reporting and information needs.
- **Private Markets Consulting:** We have a deep and experienced private markets consulting team. This also allows us to assist clients with developing non-traditional investment programs such as Opportunity Portfolios. "Private markets" includes: Private Equity (individual partnerships and funds-of-funds relating to domestic and international venture, buyout, distressed, mezzanine, special situations), Absolute Return (funds-of-funds and multi-strategy funds), Real Assets (Infrastructure, Commodities, Natural Resources, and Real Estate), and Opportunity Portfolio investments.

Limitations. Our limitations include:

- We do not hold conferences that bring all our clients together for educational purposes. Rather, client education will be on an individual basis.
- Our face-to-face manager research efforts are focused on managers who have delivered competitive or better than average results and manage reasonable amounts of money in the product under consideration. This research is augmented by an Emerging Manager effort. Thus, we are not focusing our primary research resources on two segments (small and underperforming) of the management community.

Consulting Approach. Our approach is to serve as an adjunct to Staff which serves at the pleasure of the Board. We provide a very hands-on consulting approach, typically speaking with our clients at least once per week. Our approach integrates consistent assumptions, policies and benchmarks throughout the application of all of our disciplines — asset allocation, manager structure, manager selection, and performance evaluation.

We view ourselves as our clients' co-fiduciary. Although we do not exercise any discretionary control or authority, we give advice and alternatives on the investment decisions of our clients for compensation and, on this basis, consider ourselves to be our clients' co-fiduciaries. We will act with the same prudence and diligence expected of fiduciaries, provide empirical and theoretical support for our recommendations, and respect the confidentiality of our client-consultant relationship.

In our relationship with money managers, we play the role of client advocate. We do not accept any revenues from money managers. Furthermore, we give all managers equal opportunity to compete for our clients' business, provided that they comply with our clients' standards and our information requirements. Along with the Board, Staff, and your money managers, we are members of a team whose objective is to maximize the risk-adjusted return of your investments.

Distinguishing Characteristics. We believe that the following characteristics distinguish us from our competitors:

- **Relevant Experience:** Our firm and its consulting professionals have had extensive experience with plan sponsors similar in size and structure to SamCERA. We believe this combination of relevant experience with similar plan sponsors, and our reputation for quality and objectivity, is remarkable in our industry.
- **Stability.** SIS has benefited from employee stability. Fifty percent our employees have been with the firm for more than 10 of our 20 years as a firm; 28% have been with us for more than 15 years; five out of our eight founding employees remain with the firm.
- **Objectivity and Alignment of Interests with our Clients.** Throughout our history, SIS has been employee-owned. As such, we do not have any conflicts of interests, real or potential. As co-fiduciaries to all our clients, our interests are aligned with those of our clients. We offer only non-discretionary consulting services. We do not manage assets or provide services to investment managers. This allows us to provide objective, conflict-free advice. Our close client relationships and frequent communication, including on-site visits by our clients, has allowed us to maintain a high level of transparency.
- **Effective Communication.** As consultants, our primary role is to provide information, counsel, and education to our clients. This role cannot be performed effectively without clear and proactive communication. The following is a description of how this is accomplished:
 - The small size of our firm, relative to some other investment consulting organizations, belies the depth of resources we offer our clients. We are a top-heavy organization. As such, our clients work directly with senior investment professionals, not junior “consultants-in-training.”
 - Our client-to-consultant ratio, well below industry averages, allows us maintain close working relationships with each of our clients individually. Client communication is handled on a day-to-day basis by the lead consultant involved in the relationship.
 - The primary focus of our firm is providing long-term strategic guidance. Having many relationships with other large plan sponsors allows us to share ideas for both cutting edge and traditional “best practices.”
 - The lean organizational structure of our firm, combined with many years of consulting experience, allows us to easily capitalize on our individual industry networks and share ideas and information internally; this provides our clients with an efficient and value-additive flow of information.
- We are not ‘yes consultants.’ As a result, we believe it is critical to have a proactive dialogue with our clients, bringing them our best ideas, rather than merely assisting them with implementing their initiatives. We believe this is an important characteristic as you seek a consultant that will provide an independent perspective directly to SamCERA.

Value-added. We can most effectively add value by assisting SamCERA in the following areas:

- Developing an appropriate asset allocation strategy that accounts for your short- and long-term liabilities, liquidity requirements, and regulatory limitations.
- Developing a manager structure within each broad asset class (both public and private) that allows you to achieve your asset class performance objectives at an acceptable level of benchmark risk.
- Sourcing investment managers that can exceed their risk-adjusted performance objectives while complying with their investment guidelines.
- Evaluating and monitoring investment managers to ensure policy compliance.
- Updating the investment policy and procedures statements so that they remain comprehensive and relevant to you.
- Educating the Staff and Board so that your fiduciaries can make investment decisions appropriately and collectively. This process often includes the introduction of “best practices” within the plan sponsor community; SIS’ experience with other similar funds often gives us an informational advantage.

20) Describe and explain your firm’s brokerage relationships, money management activities, fee relationships and soft dollar relationships. Include the amount of income derived in the last calendar year from investment managers.

None. SIS has no brokerage, money management, and soft dollar relationships or businesses. All revenues during the last calendar year and every calendar year since the establishment of our firm were derived from consulting to plan sponsors.

21) Provide your assessment of the risks associated with SamCERA’s portfolio and describe your firm’s risk management capabilities and the tools employed in risk assessment.

Risk management is the core of our institutional investment consulting practice. SIS specializes in providing strategic planning services to large institutional funds—asset allocation/liability analysis, manager structure analysis, investment policy development, and trustee education. Lou Kingsland, who developed the Monte Carlo approach to stochastic asset/liability simulation, now works exclusively for SIS and chairs our Investment Policy Committee.

SIS monitors risk through the monthly and quarterly performance measurement process we regularly go through for clients. We use a combination of returns- and holdings- based analyses to measure and monitor the risks of the portfolio. The tools we use are the InvestorForce, DB-Perform, MPI Stylus Suite and Barra U.S. and Global Equity risk models. Exposures to asset classes are monitored relative to targets. Asset class and manager risk exposures to sector, industry, quality, rating and other fundamental characteristics are calculated and monitored relative to their appropriate benchmarks and the manager's investment guidelines and objectives. We provide performance attribution to determine the sources of return to a portfolio and evaluate it to ensure that it is consistent with the investment strategy and philosophy of the investment manager.

As part of the implementation of an asset class, we develop a manager structure for the asset class which identifies and quantifies the long term exposures and risks expected from each manager and develop a target weight for each manager. This process is risk management based and is used as a yardstick against which we measure the characteristics of each manager and the asset class overall. We also use the model to monitor the risks and characteristics of an asset class as they change when manager allocations move away from their target weights. Asset allocation targets and exposures are typically monitored at least monthly. Manager allocations are typically monitored at the same frequency. Risk exposures and characteristics of managers are monitored through their monthly reporting of strategy, portfolio characteristics and account performance and then a thorough independent analysis is performed quarterly through the performance measurement report.

For clients seeking a more robust, perhaps real-time risk system, we have assisted them in evaluating vendors such as Barra, IFS, RiskMetrics, MeasureRisk, BlackRock Solutions, etc. Regarding risk as it pertains to economic environments, we conduct an extensive scenario analysis as part of our asset/liability modeling process.

On more of a micro level, we have recently been working with clients jointly with investment managers that offer “risk parity” (aka “all-weather”) strategies to assess their appropriateness; some of these managers can also provide modeling services that can serve as an independent view on the effect on funding of different economic environments. Finally, we have encouraged clients to develop “Opportunity Portfolio” mandates to allow them to pursue investment opportunities designed to benefit from market dislocations; this helps balance returns through economic cycles as investors can pursue high-return strategies even when public market returns are weak.

22) What are your recommendation(s) regarding categories of managers appropriate to implement SamCERA's *Investment Policy*?

SIS recommends that SamCERA continue to look to increase its allocations to several diversifying elements of its asset allocation—hedge funds, risk parity, and real assets. The one investment area that represents a new “category” for SamCERA is real assets. Our recommendation that SamCERA include a discrete allocation to real assets, in addition to its existing inflation-sensitive investments, is consistent with our recommendation to all SIS clients, and arises from our belief that the possibility of unexpected inflation over the next several years is an underappreciated risk for long term pools of capital.

23) Please provide your philosophy around incorporating ESG issues in the management of the pension plan. Do any of your clients currently incorporate ESG issues in their investment process? If so, how?

SIS believes that the goal of the SamCERA investment program is to achieve long-term, sustainable, risk-adjusted returns consistent with prudence and fiduciary duty. For significant institutional investors with long-term investment time horizons, sustainable investment can be defined as a prudent consideration of environmental, social and governance factors—known as ESG—within the process of investment decision making. SIS believes that these concerns have always been implicitly embedded in our investment philosophy (for instance, through our emphasis on repeatability of process, and our insistence on long term results orientation). As such, ESG issues are deeply embedded in the work we do with all of our clients.

24) Do you recommend hiring a dedicated proxy voting consultant or delegating this function to the investment manager?

We recommend delegating this function to the investment managers.

25) Given SamCERA's current plan governance structure, do you recommend any changes in the way the Board/staff/consultant work together in managing and overseeing the plan assets?

We do not recommend any changes to SamCERA's current governance structure.

CONCLUSION

26) What other issues or concerns have been brought up by your other clients in regards to products, markets, education and governance?

Clients remain concerned with:

- How to implement their Hedge Fund/Absolute Return allocations (concern mostly emanating from plan participants)
- The recent price dislocation in energy commodities and attendant extreme volatility in the equity markets
- Continued low funded status due to low discount rates, low recent equity returns, generous benefit promises, and distressed plans sponsors
- Ongoing high pension expense and contributions, low bond return expectations leading to low blended portfolio return expectations
- Pressure to re-evaluate benefit delivery model, especially for corporate plans, increasingly for publics as well
- Ongoing impact of market crisis, fear of more trouble ahead

27) Is there any information that would be timely per SamCERA's *Investment Policy* or relative to this review?

This comprehensive questionnaire covers the information required for Policy and for the purpose of this review.

28) Are your clients making significant changes in their asset mixes? Please describe these changes. Do you see any trends in asset allocation?

Many clients are adding to diversifying assets and in are the early stages of implementing discrete real asset strategies. Clients are evaluating the effect of the sharp drop in the price of oil on their portfolios.

29) What market opportunities should SamCERA be considering?

SamCERA should continue to diversify its portfolio. See items detailed in the answer to question #30 below.

30) Please provide a preliminary recommendation of what your work plan for the next 12 months should look like given SamCERA's current plan structure.

Here are the items we see for the 2015 work plan:

- Continue to populate expanded Hedge Fund allocation
- Continue to populate new Real Assets allocation
- Continue to populate expanded Opportunistic Credit sleeve of the Fixed allocation
- Evaluate Western Asset for possible Unconstrained bond mandate
- Continue to develop Plan Risk Dashboard Reporting/Diagnostic Tool
- Study Impact of Currency Exposure Risk/Consider Hedging Options
- Consider Opportunistic Global Unconstrained Mandates
- Re-evaluate the U.S. Equity Structure
- Evaluate the addition of a Value-Add/Global Real Estate Fund
- Prospect for additional diversifying investments across the asset classes
- Evaluate the impact on the portfolio of the global commodity price disruption

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 7.1

To: Board of Retirement

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

Subject: Preliminary Quarterly Financial Report for the Period Ending December 31, 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 December 31, 2014 totaled \$3,281,749,592.

Statement of Changes in Fiduciary Net Position

Net position restricted for pensions decreased by approximately \$3.8 million in comparison to the net position for September 30, 2014 of \$3.285 billion. The decrease is due mostly to the market depreciation of assets during the quarter.

Reconciliation of asset accounts from State Street to Northern Trust is still in process.

The following reports are attached to this agenda item:

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2/24/2015

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

	December 2014	December 2013
ASSETS		
CASH AND CASH EQUIVALENTS	60,864,462	51,297,206
CASH MANAGEMENT OVERLAY	37,119,890	14,377,888
SECURITIES LENDING CASH COLLATERAL	50,376,391	145,631,450
TOTAL CASH	148,360,743	211,306,544
RECEIVABLES		
Contributions	0	0
Due from Broker for Investments Sold	11,612,674	132,024,343
Investment Income	4,927,760	5,460,684
Securities Lending Income	18,610	42,849
Other Receivable	113,572	194,528
TOTAL ACCOUNTS RECEIVABLES	16,672,616	137,722,404
PREPAID EXPENSE	7,669	7,669
INVESTMENTS AT FAIR VALUE		
Domestic Fixed Income Securities	528,770,662	437,427,876
International Fixed Income Securities	97,702,617	109,852,954
Domestic Equities	1,125,747,209	1,185,067,360
International Equities	622,471,508	600,461,281
Real Estate	189,826,884	175,269,752
Private Equities	161,901,992	107,422,639
Risk Parity	258,165,980	173,421,324
Hedge Funds	140,589,468	117,794,794
Commodities	82,273,574	85,379,583
Held for Securities Lending	0	0
Other Investment	0	0
	3,207,449,894	2,992,097,563
FIXED ASSETS	0	0
LESS ACCUMULATED DEPRECIATION	0	0
	0	0
TOTAL ASSETS	3,372,490,922	3,341,134,180
LIABILITIES		
Investment Management Fees	3,821,939	2,639,341
Due to Broker for Investments Purchased	35,708,254	142,206,154
Collateral Payable for Securities Lending	50,376,391	145,631,450
Other	834,746	712,533
TOTAL LIABILITIES	90,741,330	291,189,478
NET POSITION RESTRICTED FOR PENSIONS	3,281,749,592	3,049,944,702

2/24/2015

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

	December 2014	December 2013	
ADDITIONS			
CONTRIBUTIONS			
Employer Contribution	78,141,575	73,941,165	4,200,410
Employee Contribution	21,954,014	22,145,845	(191,831)
TOTAL CONTRIBUTIONS	<u>100,095,589</u>	<u>96,087,010</u>	<u>4,008,579</u>
INVESTMENT INCOME			
Interest and Dividends	593,268	24,110,917	(23,517,649)
Net Appreciation (Depreciation) in fair value of investments	(8,896,694)	296,683,805	(305,580,499)
Less Investment Expense	(12,985,726)	(12,576,163)	(409,563)
Less Asset Management Expense	0	0	0
NET INVESTMENT INCOME	<u>(21,289,152)</u>	<u>308,218,559</u>	<u>(329,507,711)</u>
SECURITIES LENDING INCOME			
Earnings	88,754	118,476	(29,722)
Less: Securities Lending Expenses	89,327	69,847	19,480
NET SECURITIES LENDING INCOME	<u>178,081</u>	<u>188,323</u>	<u>(10,242)</u>
OTHER ADDITIONS	<u>1,097</u>	<u>147,363</u>	<u>(146,266)</u>
TOTAL ADDITIONS	<u>78,985,615</u>	<u>404,641,255</u>	<u>(325,655,640)</u>
DEDUCTIONS			
ASSOCIATION BENEFITS			
Service Retirement Allowance	72,075,565	68,531,188	3,544,377
Disability Retirement Allowance	9,839,387	9,446,667	392,720
Survivor, Death and Other Benefits	344,832	344,199	633
TOTAL ASSOCIATION BENEFITS	<u>82,259,784</u>	<u>78,322,054</u>	<u>3,937,730</u>
REFUND OF MEMBER CONTRIBUTIONS	<u>1,331,636</u>	<u>1,446,507</u>	<u>(114,871)</u>
ADMINISTRATIVE EXPENSE	<u>5,266,208</u>	<u>2,662,139</u>	<u>2,604,069</u>
OTHER EXPENSE	<u>72,349</u>	<u>91,185</u>	<u>(18,836)</u>
TOTAL DEDUCTIONS	<u>88,929,977</u>	<u>82,521,885</u>	<u>6,408,092</u>
NET INCREASE	<u>(9,944,362)</u>	<u>322,119,370</u>	<u>(332,063,732)</u>
Net Position Restricted for Pensions			
Beginning of Period	3,291,693,954	2,727,825,332	
End of Period	3,281,749,592	3,049,944,702	

2/24/2015

San Mateo County Employees' Retirement Association
 CHANGES IN FIDUCIARY NET POSITION - TRAILING SIX MONTHS
 For the Month Ending December 31, 2014
 PRELIMINARY

	July 2014	August 2014	September 2014	October 2014	November 2014	December 2014	YTD
ADDITIONS							
CONTRIBUTIONS							
Employee Contribution	2,399,587	3,423,146	3,522,875	5,231,163	3,707,929	3,729,315	21,954,014
Employer Contributions - Regular	5,485,310	7,943,668	8,013,852	11,923,424	8,230,411	8,439,811	50,036,477
Employer Contributions - COLA	3,076,055	4,514,185	4,548,965	6,770,452	4,673,798	4,799,775	28,383,130
Employer Prolfunded Contribution	65,589,496	(11,985,600)	(12,080,468)	(17,976,536)	(12,443,455)	(11,397,469)	(278,031)
TOTAL CONTRIBUTIONS	76,490,448	3,911,398	4,005,126	5,948,503	4,168,683	5,571,432	100,095,589
INVESTMENT INCOME							
Interest and Dividends	3,750,784	5,274,912	3,310,022	3,204,549	2,344,829	(17,291,828)	593,268
Net Appreciation (Depreciation) in fair value of Investments	(37,953,517)	61,162,238	(76,544,497)	40,290,429	16,285,892	(12,136,143)	(8,896,597)
Securities Lending Income	4,325	10,638	23,695	20,585	14,501	15,011	88,754
Other Additions	0	0	0	0	0	0	0
Other Investment Related Expense	(366,064)	(588,259)	(1,438,078)	(433,078)	(526,959)	(488,890)	(3,842,092)
Securities Lending Expense	11,172	18,410	14,428	19,020	20,424	5,874	89,327
TOTAL ADDITIONS	41,937,147	69,789,337	(70,630,068)	49,050,009	22,307,369	(24,324,545)	88,129,249
DEDUCTIONS							
ASSOCIATION BENEFITS							
Retiree Annuity	3,196,489	3,211,444	3,224,280	3,255,717	3,238,987	3,249,041	19,375,958
Retiree Pension	7,309,116	7,401,310	7,364,934	7,401,650	7,454,748	7,403,005	44,334,763
Retiree COLA	3,106,418	3,100,284	3,104,860	3,085,238	3,078,064	3,059,804	18,534,688
Retiree Death and Modified Work Benefit	2,357	2,357	2,970	2,415	2,415	2,415	14,928
Active Member Death Benefit	0	0	0	0	0	0	0
Voids and Reissue	0	(965)	965	0	(267)	(267)	(535)
TOTAL ASSOCIATION BENEFITS	13,614,380	13,714,430	13,698,009	13,745,020	13,773,946	13,713,997	82,250,783
REFUND OF MEMBER CONTRIBUTIONS							
	58,979	301,681	400,584	117,396	170,467	282,528	1,331,636
ACTUARIAL FEES							
CONSULTANT FEES - INVESTMENT (SIS)	86,550	0	0	1,250	1,250	1,250	90,300
CUSTOMER FEES	33,333	33,333	37,500	37,500	37,500	37,500	216,667
CUSTODIAN FEES	8,375	26,375	36,348	26,375	26,375	26,375	150,223
CASH OVERLAY MANAGEMENT FEE - CLIFTON GROUP	16,927	17,165	17,165	17,165	17,165	17,165	102,752
OTHER PROFESSIONAL FEES	0	0	18,130	0	0	0	18,130
INVESTMENT MANAGEMENT FEE - S&P INDEX	9,977	10,460	8,474	9,100	8,934	8,934	55,879
INVESTMENT MANAGEMENT FEE - BLACKROCK EAFE	6,190	6,182	6,912	6,912	5,936	5,936	31,967
INVESTMENT MANAGEMENT FEE - PYRAMIS	21,343	23,236	22,190	23,454	23,253	23,454	136,930
INVESTMENT MANAGEMENT FEE - ANGELO GORDON STAR	127,679	0	0	0	0	0	127,679
INVESTMENT MANAGEMENT FEE - ANGELO GORDON OWL	3,164	0	0	0	0	0	3,164
INVESTMENT MANAGEMENT FEE - BROWN BROTHERS	10,297	9,798	9,935	8,979	8,605	8,979	56,593
INVESTMENT MANAGEMENT FEE - BRIGADE CAPITAL	43,516	40,047	43,064	43,254	43,254	43,254	256,388
INVESTMENT MANAGEMENT FEE - FRANKLIN TEMPLETON	(12,025)	30,051	29,458	28,595	28,595	29,585	134,258
INVESTMENT MANAGEMENT FEE - CHARTWELL	74,393	60,317	65,134	65,620	65,620	65,620	396,704
INVESTMENT MANAGEMENT FEE - D E SHAW	60,825	64,606	61,499	64,602	64,602	64,602	380,635
INVESTMENT MANAGEMENT FEE - BARROW HANLEY	55,339	57,360	54,404	57,493	58,554	57,493	340,643
INVESTMENT MANAGEMENT FEE - THE BOSTON COMPANY	79,406	65,877	68,657	69,741	72,752	69,741	426,173
INVESTMENT MANAGEMENT FEE - BROWN ADVISORY	52,589	54,956	53,773	55,136	55,136	55,136	326,726
INVESTMENT MANAGEMENT FEE - MONDRIAN	60,155	59,045	58,401	58,792	58,792	58,792	353,977
INVESTMENT MANAGEMENT FEE - PYRAMIS SELECT	48,857	49,214	46,476	46,890	45,890	45,890	282,218
INVESTMENT MANAGEMENT FEE - EATON VANCE	58,383	56,013	57,198	58,252	58,252	58,252	346,352
INVESTMENT MANAGEMENT FEE - BAILLIE GIFFORD	73,213	77,716	71,253	74,815	74,743	74,815	446,555
INVESTMENT MANAGEMENT FEE - WESTERN ASSET	28,273	29,394	28,684	29,170	29,170	29,170	173,861
INVESTMENT MANAGEMENT FEE - INVESCO CORE	56,822	39,519	56,822	75,987	58,684	58,684	346,517
INVESTMENT MANAGEMENT FEE - SHERIDAN PRODUCTIONS	0	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - ABRY ADVANCED II	0	0	85,999	202,054	0	81,213	369,266
INVESTMENT MANAGEMENT FEE - ABRY ADVANCED III	188,938	0	112,500	0	0	112,500	413,938
INVESTMENT MANAGEMENT FEE - ABRY PARTNERS VII	0	51,031	(15,638)	0	0	21,467	56,860
INVESTMENT MANAGEMENT FEE - REGIMENT CAPITAL	0	0	20,268	0	0	0	20,268
INVESTMENT MANAGEMENT FEE - GENERAL CATALYST	0	0	0	0	0	108,500	108,500
INVESTMENT MANAGEMENT FEE - EMERGENCE CAPITAL	0	0	42,942	0	0	0	42,942
INVESTMENT MANAGEMENT FEE - NEW ENTERPRISE	0	0	21,945	0	0	0	21,945
INVESTMENT MANAGEMENT FEE - SYCAMORE PARTNERS	0	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - SYCAMORE SIDECAR	0	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - ENCAP	0	0	0	0	0	37,500	37,500
INVESTMENT MANAGEMENT FEE - CEVIAN CAPITAL	0	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - WARBURG PINCUS	0	0	111,987	0	0	0	111,987
INVESTMENT MANAGEMENT FEE - THIRD ROCK VENTURES	0	62,500	(10,003)	0	0	0	52,497
INVESTMENT MANAGEMENT FEE - GREAT HILLS PARTNERS	0	30,904	0	0	0	0	30,904
INVESTMENT MANAGEMENT FEE - TAURUS MINING	0	50,951	0	0	0	0	50,951
INVESTMENT MANAGEMENT FEE - AQR GLOBAL RISK PARITY	65,866	64,642	66,650	43,479	44,154	44,304	329,095
INVESTMENT MANAGEMENT FEE - AQR DELTA FUND	90,118	91,520	88,935	93,366	90,483	105,554	559,076
INVESTMENT MANAGEMENT FEE - SSGA MULTISOURCE	49,154	41,004	41,004	40,412	163,424	40,412	375,411
TOTAL PROFESSIONAL FEE	1,397,657	1,203,115	1,304,666	1,344,693	1,141,122	1,392,077	7,783,331
ADMIN EXPENSE - SALARIES & BENEFITS							
ADMIN EXPENSE - SERVICES & SUPPLIES	204,194	288,551	293,791	423,359	303,996	311,547	1,825,437
ADMIN EXPENSE - SERVICES & SUPPLIES	112,137	167,326	431,140	138,495	538,252	2,053,420	3,440,770
TOTAL ADMINISTRATIVE EXPENSES	316,331	455,877	724,932	561,853	842,248	2,364,967	5,266,207
INTEREST FOR PREPAID CONTRIBUTION							
	0	0	0	0	0	1,360,303	1,360,303
OTHER DEDUCTIONS							
	21,667	(9,806)	(4,980)	18,580	35,947	10,943	72,350
TOTAL DEDUCTIONS	15,409,015	15,665,298	16,123,211	15,787,543	15,963,730	19,124,815	98,073,611
December 2014 Financials.xls	26,528,132	54,124,039	(86,753,279)	33,262,466	6,343,639	(43,449,360)	(9,944,362)

2/24/2015

**San Mateo County Employees' Retirement Association
Statement of Fiduciary Net Position - Quarterly Comparative
For the Quarter Ending December 31, 2014**

	December 2014	September 2014	Increase/(Decrease)	% of Incr/Decr
ASSETS				
CASH AND CASH EQUIVALENTS	60,864,462	201,893,152	(141,028,690)	-69.85%
CASH MANAGEMENT OVERLAY	37,119,890	33,840,105	3,279,785	9.69%
SECURITIES LENDING CASH COLLATERAL	50,376,391	99,322,057	(48,945,666)	-49.28%
TOTAL CASH	148,360,743	335,055,314	(186,694,571)	-55.72%
RECEIVABLES				
Contributions	0	0	0	N/A
Due from Broker for Investments Sold	11,612,674	14,112,014	(2,499,340)	-17.71%
Investment Income	4,927,760	6,223,782	(1,296,022)	-20.82%
Securities Lending Income	18,610	35,849	(17,239)	-48.09%
Other Receivable	113,572	113,210	362	0.32%
TOTAL ACCOUNTS RECEIVABLES	16,672,616	20,484,855	(3,812,239)	-18.61%
PREPAID EXPENSE	7,669	7,669	0	0.00%
INVESTMENTS AT FAIR VALUE				
Domestic Fixed Income Securities	528,770,662	528,467,130	303,532	0.06%
International Fixed Income Securities	97,702,617	99,820,280	(2,117,663)	-2.12%
Domestic Equities	1,125,747,209	1,078,566,670	47,180,539	4.37%
International Equities	622,471,508	623,740,628	(1,269,120)	-0.20%
Real Estate	189,826,884	183,567,155	6,259,729	3.41%
Private Equity	161,901,992	146,867,351	15,034,641	10.24%
Risk Parity	258,165,980	200,435,819	57,730,161	28.80%
Hedge Funds	140,589,468	121,921,331	18,668,137	15.31%
Commodities	82,273,574	92,110,724	(9,837,150)	-10.68%
Held for Securities Lending	0	0	0	N/A
Other Investment	0	0	0	N/A
	3,207,449,894	3,075,497,088	131,952,806	4.29%
FIXED ASSETS	0	0	0	N/A
LESS ACCUMULATED DEPRECIATION	0	0	0	N/A
	0	0	0	0.00%
TOTAL ASSETS	3,372,490,922	3,431,044,926	(58,554,004)	-1.71%
LIABILITIES				
Investment Management Fees	3,821,939	3,184,764	637,175	20.01%
Due to Broker for Investments Purchased	35,708,254	42,121,860	(6,413,606)	-15.23%
Collateral Payable for Securities Lending	50,376,391	99,322,057	(48,945,666)	-49.28%
Other	834,746	823,399	11,347	1.38%
TOTAL LIABILITIES	90,741,330	145,452,080	(54,710,750)	-37.61%
NET POSITION RESTRICTED FOR PENSIONS	3,281,749,592	3,285,592,846	(3,843,254)	-0.12%

2/24/2015

San Mateo County Employees' Retirement Association
Statement of Changes in Fiduciary Net Position - Quarterly Comparative
For the Quarter Ending December 31, 2014

	December 2014	September 2014	Increase/Decrease
ADDITIONS			
CONTRIBUTIONS			
Employer Contribution	78,141,575	75,121,365	3,020,210
Employee Contribution	21,954,014	9,285,606	12,668,408
TOTAL CONTRIBUTIONS	<u>100,095,589</u>	<u>84,406,971</u>	<u>15,688,618</u>
INVESTMENT INCOME			
Interest and Dividends	593,268	12,335,718	(11,742,450)
Net Appreciation (Depreciation) in fair value of investments	(8,896,694)	(53,336,289)	44,439,595
Less Investment Expense	(12,985,726)	(6,298,604)	(6,687,122)
Less Asset Management Expense	0	0	0
NET INVESTMENT INCOME	<u>(21,289,152)</u>	<u>(47,299,175)</u>	<u>26,010,023</u>
SECURITIES LENDING INCOME			
Earnings	88,754	38,657	50,097
Less: Securities Lending Expenses	89,327	44,010	45,317
NET SECURITIES LENDING INCOME	<u>178,081</u>	<u>82,667</u>	<u>95,414</u>
OTHER ADDITIONS	1,097	514	583
TOTAL ADDITIONS	<u>78,985,615</u>	<u>37,190,977</u>	<u>41,794,638</u>
DEDUCTIONS			
ASSOCIATION BENEFITS			
Service Retirement Allowance	72,075,565	35,949,627	36,125,938
Disability Retirement Allowance	9,839,387	4,903,841	4,935,546
Survivor, Death and Other Benefits	344,832	173,352	171,480
TOTAL ASSOCIATION BENEFITS	<u>82,259,784</u>	<u>41,026,820</u>	<u>41,232,964</u>
REFUND OF MEMBER CONTRIBUTIONS	1,331,636	761,245	570,391
ADMINISTRATIVE EXPENSE	5,266,208	1,497,141	3,769,067
OTHER EXPENSE	72,349	6,880	65,469
TOTAL DEDUCTIONS	<u>88,929,977</u>	<u>43,292,086</u>	<u>45,637,891</u>
NET INCREASE	(9,944,362)	(6,101,109)	(3,843,253)
Net Position Restricted for Pensions			
Beginning of Period	3,291,693,954	3,291,693,954	
End of Period	3,281,749,592	3,285,592,845	

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 7.2

TO: Board of Retirement 
FROM: Scott Hood, Chief Executive Officer
SUBJECT: Approval to Submit IRS Tax Determination Letter Application

Staff Recommendation

Approve a resolution authorizing the Chief Executive Officer to execute and submit to the Internal Revenue Service (IRS) SamCERA's application for a tax determination letter and any other related documents along with the \$2,500 filing fee.

Background

In order to maintain SamCERA's tax qualified status, SamCERA's plan documents (the County Employees' Retirement Law (CERL), Board of Supervisors resolutions, Board of Retirement regulations and resolutions) and its operation must be consistent with the requirements of Internal Revenue Code (IRC). In 2011, SamCERA submitted these plan documents to the IRS, and in February of 2014, SamCERA received a favorable tax determination letter, which reflects that SamCERA's plan documents meet the IRS qualification requirements.

In general, as a governmental plan, SamCERA would file for a tax determination letter every 5 years under Cycle "C." However, due to the large number of governmental plans that filed in the last cycle, the IRS shifted the deadlines. As a result, SamCERA is now required to file in Cycle E which runs from February 1, 2015 to January 31, 2016.

Discussion

Along with our favorable tax determination letter, SamCERA (along with the other CERL systems) was directed to take certain steps as listed below. Our application demonstrates that the following necessary actions were taken:

- Enactment of CERL legislation to comply with the IRC
- Adoption of proposed model regulations to ensure compliance with the IRC

In addition, our application explains all of the plan changes made by the Public Employees' Pension Reform Act (PEPRA).

Attachment

Resolution Authorizing the Chief Executive Officer to Execute SamCERA's Application for a Tax Determination Letter and to pay the \$2,500 filing fee.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Board of Retirement

**RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE AND SUBMIT
AN APPLICATION TO THE UNITED STATES INTERNAL REVENUE SERVICE FOR
A TAX DETERMINATION LETTER ALONG WITH THE FILING FEES**

RESOLUTION 14-15-__

WHEREAS, in 1988, SamCERA applied for and received a Tax Determination Letter from the United States Internal Revenue Service ("IRS"); and

WHEREAS, in 2011 SamCERA applied for and in 2014 received a Tax Determination Letter from the IRS; and

WHEREAS, it is time for SamCERA to submit a new application for a Tax Determination Letter from the IRS; and

WHEREAS, the income from governmental plans such as SamCERA is tax exempt, and the IRS wants to assure that such plans are operating properly under all applicable laws and regulations; and

WHEREAS, this Board has determined that submitting an application for an IRS Tax Determination Letter on behalf of SamCERA is consistent with its fiduciary responsibilities; Therefore, be it

RESOLVED, that the Chief Executive Officer is authorized to execute SamCERA's Application for a Tax Determination Letter and any other documents related to the application; and be it

FURTHER RESOLVED, that The Chief Executive Officer is authorized to pay the U.S. Treasury \$2,500 for the application fee.

* * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on February 24, 2015.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

Michal Settles, Secretary, Board of Retirement

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 7.3

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: Amendment of the Board's Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff

Staff Recommendation

Approve a resolution amending the Board's Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff to set forth the reimbursement of expenses for Trustees' attendance at meetings of the Board and Board Committees.

Background

In April of 2013, the Board combined its Travel Policy and an Expense Reimbursement Policy and created a "Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff" ("Policy"). This Policy generally focuses on Trustees' travel to sites other than SamCERA's offices and does not expressly address travel to and from Board meetings.

Discussion

The proposed amendment to the Policy provides that the Trustees receive their stipend and mileage expenses to meetings of the Board and committees. Government Code section 31521 authorizes the Board of Supervisors (BOS) to provide that the appointed members and the retiree member receive a stipend for attending meetings of the Board and for meetings of committees authorized by the Board. At some point, the BOS adopted such a resolution. In 1996, consistent with the law at the time, the BOS adopted a resolution increasing the stipend from \$50 to \$100 for not more than three meetings per month. In 1997, the statute was amended to authorize the BOS to increase the stipend for up to five meetings per month. It does not appear that the BOS increased the meeting limit for stipends. Although the Board does not generally have more than three such meetings a month, Staff plans to ask the BOS to increase the stipend limit to five meetings in case such an event occurs. However, until that amendment is made, the limit shall remain at three, and the proposed Policy reflects this limit.

The 1996 BOS resolution also authorizes payments for all Trustees for their "actual and necessary expenses." And, pursuant to that language, Trustees have been reimbursed for their travel expenses incurred to attend offsite conferences and educational events. At this juncture, Staff believes that it is appropriate to specify in the Board's Policy that mileage expenses to attend Board meetings and Committee meetings be reimbursed to all Trustees as well.

Attachment

Resolution Amending the Policy and the Proposed Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Board of Retirement

RESOLUTION AMENDING THE BOARD OF RETIREMENT'S "POLICY FOR REIMBURSEMENT OF TRAVEL AND OTHER OFFICIAL EXPENSES FOR TRUSTEES AND STAFF"

RESOLUTION 14-15-__

WHEREAS, Government Code §31520 vests the management of SamCERA in the Board; and

WHEREAS, the Board acknowledges the vital importance of making informed judgments on all matters which come before it and has adopted a *Code of Fiduciary Conduct* and an *Educational Policy* to guide its actions; and

WHEREAS, pursuant to Government Code §31521 the Board of Supervisors has authorized the appointed Trustees and the retiree Trustees to receive a stipend for attending meetings of the Board and for meetings of a committee authorized by the Board and, further, that all Trustees may be reimbursed for actual and necessary expenses; and

WHEREAS, the income from governmental plans such as SamCERA is tax exempt, and the IRS wants to assure that such plans are operating properly under all applicable laws and regulations; and

WHEREAS, the Board recognizes that reimbursements should be only for those necessary, reasonable and actual expenses that have been incurred; and

WHEREAS, the Board desires to amend its "Policy For Reimbursement of Travel and Other Official Expenses For Trustees and Staff" to clarify that the applicable Trustees receive the meeting stipend meetings of the Board and for a meeting of a committee authorized by the Board and that all Trustees receive mileage to and attend such meetings;

NOW, THEREFORE, BE IT RESOLVED, that the Board hereby amends its *Policy for Reimbursement of Travel and Other Official Expenses for Trustees and Staff* as set forth in the attachment.

* * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on February 24, 2015.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

Michal Settles, Secretary, Board of Retirement

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**POLICY FOR REIMBURSEMENT OF TRAVEL AND OTHER
OFFICIAL EXPENSES FOR TRUSTEES AND STAFF**

SECTION 1. TRAVEL RELATED EXPENSES.

Whenever any Trustee of the Board of Retirement ("Trustee") or any SamCERA employee in the service of SamCERA is required to travel, such person shall be allowed, in addition to any salary or compensation, certain actual and necessary travel expenses, as set forth below. Occurrences that would require a Trustee or a SamCERA employee to travel include, but are not limited to, official business of the retirement association at conferences, education, due diligence, appearances before local, state, and federal administrative agencies, legislative bodies, and judicial proceedings or when otherwise serving in their official capacity or representing SamCERA. Claims for reimbursement shall be made in accordance with Section 3 "Claims for Expenses."

(a) Transportation. Actual cost incurred for transportation by any carrier services shall be reimbursed. Reimbursement for travel by any privately owned automobile shall be in accordance with the provisions of paragraph (c), below, except that it shall not be more than the cost of common carrier services where the one-way distance required to be traveled is 200 miles or more, and in such event the reimbursement for such travel shall not exceed the cost of air travel regardless of the mode of transportation used. The cost of air travel shall be based on coach fares, unless air coach service is not available, or unless otherwise authorized by the Chief Executive Officer. Government and group rates offered by a provider of transportation services shall be used when available.

(b) Meals, Lodging, and Incidentals. For official business travel with an overnight stay, there shall be direct payment by SamCERA or reimbursement for the actual costs that are incurred only outside the local commuting area for meals, lodging, and incidentals, including baggage transfer, tips, and other actual and necessary incidental expenses. Direct payment for meals, either without an overnight stay and/or within the local commuting area, and lodging within the local commuting area shall be made if such costs are included in the set conference or tuition fee. Exceptions based upon unique circumstances can be made for reimbursement for meals, either without an overnight stay and/or within the local commuting area, lodging and incidentals incurred within the local commuting area, if authorized by the Board Chair for Trustees and for the Chief Executive Officer, the Board Vice Chair for the Board Chair, and the Chief Executive Officer for employees. The local commuting area is defined as within the five counties of Alameda, Contra Costa, San Francisco, San Mateo, and Santa Clara. The maximum reimbursement for the actual cost of meals will be limited to the Continental United States (CONUS) current rate except that for those areas that do not have a standard rate and have a separate CONUS rate, the maximum reimbursement rate shall be limited to double the amount of the CONUS current rate for those areas. Government and group rates offered by a provider of lodging services shall be used when available. If such rate is not available, the maximum reimbursement rate shall be limited to double the amount of the CONUS current rate for

that location. If the lodging is in connection with a conference or organized educational activity, lodging reimbursement for lodging costs shall not exceed the maximum group rate published by the conference or activity sponsor, provided that lodging at the group rate is available at the time of booking. If such rate is not available, the maximum reimbursement rate shall be limited to double the amount of the applicable CONUS rate or the group rate, whichever is higher. A complete listing of CONUS rates can be found at www.gsa.gov. If it is necessary to secure lodging in excess of double the CONUS rates, that expenditure must be approved in advance by the Board Chair for Trustees and for the Chief Executive Officer, the Board Vice Chair for the Board Chair, and the Chief Executive Officer for employees.

(c) Privately Owned Automobile. Actual costs of parking and mileage actually traveled shall be reimbursed. Mileage shall be reimbursed at a rate determined by the County Manager for San Mateo County, provided that such amount is at least that amount established by the Internal Revenue Service as the allowable business deduction rate for such travel. Any Trustee or alternate who is using a vehicle belonging to his or her SamCERA employer shall not receive mileage reimbursement under this section. Any Trustee or alternate who is receiving a travel allowance from his or her SamCERA employer shall not receive mileage reimbursement under this section for travel that is within the geographic area covered by the travel allowance.

(d) Other Transportation. Travel expenses may be paid directly by SamCERA to the supplier of the transportation where the mode of transportation is other than by a privately owned motor vehicle. In other instances travel shall be claimed by the individual employee.

(e) Automobile Insurance. No Trustee or employee shall engage in any travel in connection with the performance of official business of SamCERA in a privately owned conveyance, either their own, or that belonging to another, unless the same is insured in such manner as to comply with County of San Mateo Administrative Memorandum.

(f) Course or Meeting Registration Fees. Required registration fees for educational courses, conferences, or other meetings may be paid directly to the organization or association conducting such course, conference, or other meeting and the officer or employee shall not be required to advance the funds therefore.

(g) Non-Reimbursable Travel Expenses. Not all travel expenses incurred are reimbursable. Examples of such non-reimbursable expenses include, but are not limited to: Trustee educational or conference expenses which were not approved by the Board in accordance with the Education Policy, non SamCERA related expenses, transportation, lodging, and meal expenses which exceed or are outside of the limits set forth in this policy, alcoholic beverages, personal entertainment, additional costs for additional person(s) who are not either SamCERA Trustees or employees, extra baggage charges for personal items, traffic citations and parking tickets.

SECTION 2. MEETINGS OF THE BOARD AND BOARD COMMITTEES.

(a) Stipend for Meetings. Pursuant to the resolution adopted by the Board of Supervisors and in accordance with Government Code section 31521, Trustees in the fourth, fifth, sixth, eighth (and

alternate) and ninth seats shall receive compensation for attendance at a rate of \$100 a meeting of the Board or for a meeting of a committee authorized by the Board, up to 3 meetings a month.

(b) Mileage Reimbursement. All members of the Board shall receive mileage reimbursement for personal attendance at any meeting of the Board or for a meeting of a committee authorized by the Board for up to three meetings a month. Mileage for Trustees in the fourth, fifth sixth, eighth (and eighth alternate) and ninth seats shall be calculated to and from the Trustee's place of residence. For the Trustees in the first, second, third, and seventh (and seventh alternate) seats, the mileage shall be calculated to and from the Trustee's SamCERA employer worksite. Any Trustee or alternate who is using a vehicle belonging to or is receiving a travel allowance from his or her SamCERA employer shall not receive mileage reimbursement under this section.

SECTION 3. OTHER OFFICIAL DUTY RELATED EXPENSES.

(a) Expenses Incurred by Trustees: Trustees are entitled to reimbursement of the actual cost of expenses, including meals, that are necessary, appropriate, and reasonably incurred in the performance of official duties within or outside of the local commuting area, unless otherwise specified by this policy.

(b) Expenses Incurred by Staff: All staff expenditures must be pre-approved by the supervising manager or the Chief Executive Officer. The supervising manager will ensure that the proper procedures are being followed, funds are available, expenses are reasonable and appropriate, and the cost is not excessive. Employees are encouraged to use the corporate credit card for necessary online purchases. Employees must submit original detailed receipts and should note the purpose or recipient of the expense items on the Claim Form as applicable.

(c) Staff Expenses under \$50. Employees may request immediate reimbursement of approved expenditures under \$50 from the Petty Cash Fund upon submission of a completed and approved Petty Cash Voucher accompanied by the original itemized invoice. Reimbursement of petty cash expenditures would include, but is not limited to: refreshments for meetings, kitchen supplies, postage stamps, and certified mailings. The Petty Cash Custodian will obtain approval from the Chief Executive Officer prior to reimbursing the employee.

(d) Tuition Reimbursement for Continuing Education: Permanent SamCERA employees are eligible to participate in the County's Tuition Reimbursement Program to enhance work performance and career mobility. College level courses may be taken at accredited educational institutions. Requests must be submitted and approved by the supervising manager at least two weeks before the beginning date of the course. The County Human Resources Department will have the final approval for this program.

SECTION 4. CLAIMS FOR EXPENSES.

(a) Claim Form. A claim for expenses shall be submitted within sixty (60) days after incurring the expense. Before any expenses are allowed or paid, the claimant shall file a claim in the manner

provided by law for claims to be filed against SamCERA, duly certified as correct by the claimant and approved by SamCERA's Chief Executive Officer. The Board Chair will approve the Chief Executive Officer's claims. When submitting a joint receipt for multiple trustees and employees, the names of the other participants must be listed on the claim and receipt.

(b) Itemized receipts: The claimant shall attach to the claim all itemized receipts showing the moneys expended by the claimant. If a receipt includes non-SamCERA expenses, e.g. personal expenses, the claim shall reflect only the portion of the expense that pertains to SamCERA. Receipts are required for all expenditures \$25 and over. If a receipt is lost, the claimant must detail the expenditure to the best of their ability and attest to its accuracy by affixing their signature to the reimbursement expense.

(b) Expenses Must Be Actually Incurred. SamCERA Trustees or employees shall not submit a claim to SamCERA except for those expenses actually incurred in connection with the performance of official business of the retirement association.

(c) Approval by the Board. All reimbursable expenses for Trustees that do not fall within the above provisions may be approved by the Board of Retirement at a public meeting before the expense is incurred.

SECTION 6. ADVANCE PAYMENTS FOR EXPENSES.

Whenever it appears to be for the best interests of SamCERA that any Trustee, or employee of SamCERA travel outside of the County of San Mateo on official business and where prior authorization for such travel has been given by the Board of Retirement, and it appears that it is necessary that such trustee or employee be allowed a sum of money not in excess of two thousand five hundred dollars (\$2,500) for such travel expenses in advance, a claim for such advance showing the emergency requiring such advance shall be made out in the regular form and approved by the Chief Executive Officer and thereafter SamCERA shall draw their warrant in favor of such Trustee or employee. The trustee or employee receiving such advance shall file with SamCERA after their return from such trip an itemized account, together with proper vouchers of their expenses and shall pay to SamCERA any balance remaining unexpended for SamCERA business purposes. SamCERA shall attach such statement to the original claim for such advance and shall immediately make the proper adjustment of the account from which the advance was drawn.

SECTION 7. REPORTING BY TRUSTEES OF THE BOARD OF RETIREMENT

Trustees shall provide a brief report, either orally or in writing, on meetings attended at the expense of SamCERA at the next attended regular meeting of the Board.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 7.4

TO: Board of Retirement 
FROM: Scott Hood, Chief Executive Officer
SUBJECT: Presentation of Process to Review and Manage SamCERA Staffing

Staff Recommendation

Provide feedback on the Chief Executive Officer's proposed process to review and manage SamCERA's staffing.

Background

SamCERA employees are considered employees of San Mateo County. As such, classifications, position authorizations and pay are determined by the Board of Supervisors in collaboration with the County's Human Resource Department and appropriate bargaining units. SamCERA has enjoyed an excellent working relationship with the County and all amendments to the County's salary ordinance that impacted SamCERA staffing have been initiated and well-coordinated by SamCERA.

Since 2000, SamCERA's staff has grown from nine to 23 full-time personnel. Our current staffing process typically starts out informally and is the result of management's recognition that work load has surpassed staff's ability to timely complete it.

Discussion

While this "reactive" methodology has worked, it is not ideal, due to the time it takes to complete the administrative steps to add a position. Consequently, staff is proposing a proactive methodology that will seek to identify possible sources of "work influencers" such as events or actions that could potentially add to the workload or change how tasks are performed. Staff will methodically work through the identified issues and potential solutions, seek an "azimuth check" from the Board, and then, at a subsequent meeting, present the Board with a final staffing decision. For the most part, the framework for this process already exists and only slight changes will be required:

- Leverage the annual staff strategic planning retreat to include identifying possible sources of "work influencers," the possible effects of those influencers and potential solutions.
- Add a SamCERA managers' resource allocation workshop to follow-up on the issues and solutions identified at the staff retreat.
- Report and discuss the initial findings with the Board prior to or at its annual retreat.
- Include the process outcomes in the annual budget and strategic plan.

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

The diagram below shows this process, which, if agreeable to the Board, would commence this year:

Annual Process to Review and Manage
SamCERA Staffing Resources



The ultimate goal for this process is for staff and the Board to actively plan for SamCERA's future needs and to optimize SamCERA resources in order to continue to prudently and effectively administer the plan.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

February 24, 2015

Agenda Item 7.5

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer

SUBJECT: Approval to Establish a Second Assistant Executive Officer Position



Staff Recommendation

Authorize staff to work with the County Human Resources Department to establish and fill one additional Assistant Executive Officer (AEO) position at SamCERA.

Background

SamCERA's AEO position is currently responsible for managing administration, benefits, communications, finance and accounting and information technology. In order to effectively manage, the AEO should possess a certain level of expertise in each of these disciplines. Over time, the required breadth of expertise has become broader due to the gradual accumulation of AEO responsibilities.

Discussion

The growing complexity of our system coupled with the growing span of control of the AEO is making it difficult for a sole AEO to manage effectively. The AEO position risks becoming the "jack-of-all trades and the master of none." Additionally, the AEO's attention is increasingly being overly taxed by competing needs.

Staff proposes creating a second AEO position and dividing the responsibilities of the existing AEO position. This will permit both AEOs to maintain their expertise within their disciplines, mentor subordinates, and insure that SamCERA's operational needs are met. Two AEOs with a firm understanding of their subject areas is vital for not only proper day-to-day managing but for planning for the future needs of SamCERA as well. Staff also believes that it will be easier to recruit for an AEO if there can be expertise in the matched disciplines.

The addition of a second AEO will also help to minimize the risk to SamCERA's business continuity. One of staff's major concerns in business continuity is to have more than one individual who can "step in" to temporarily replace a missing key manager. It is not feasible at this time for SamCERA to have a deputy for every manager who could "step up" when needed. Staff believes that this redundancy can be achieved by looking "up." A second AEO with applicable skills and knowledge base is the more practical solution for such situations.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

A second AEO would solidify SamCERA's personnel framework and would lay the foundation upon which future organizational changes can be structured. It would permit both AEOs to assist the CEO with strategic and operational level planning activities.

Staff has consulted with the County Human Resources Department and after reviewing organizational charts and position descriptions from other retirement systems, staff believes the following proposed division of duties and responsibilities represents an equitable and appropriate division:

- AEO for administration and member operations- responsible for administration, benefits and communications
- AEO for fiscal and technical operations- responsible for finance and accounting and information technology.

The position description for the AEO for fiscal and technical operations is attached.

With the approval of the Board, the SamCERA budget will be adjusted accordingly and staff will work with the Human Resources Department to present this to the Board of Supervisors for approval.

Attachment

Assistant Executive Officer- Job Description

Under general direction from the Chief Executive Officer. Exercise direct and indirect supervision over subordinate professional, technical and clerical personnel.

Assistant Executive Officer. Assist in planning, organizing, directing and reviewing the activities of SamCERA (Retirement Office) including finance and accounting, information technology, staff support and management services; assist the Board of Retirement in the formulation, implementation, evaluation and monitoring of SamCERA's financial and information technology activities; supervise subordinate managers and staff; provide highly responsible and complex administrative support to the Chief Executive Officer (CEO); and act as the CEO in his/her absence.

Duties may include, but are not limited to, the following:

- Assist in planning, organizing, directing and coordinating all functions of the Retirement Office; assist the Chief Executive Officer (CEO) in developing and interpreting policies and procedures related to the San Mateo County Employees' Retirement Association (SAMCERA); provide information to County departments and other agencies and employers on Retirement activities and policies.
- Analyze new legislation and actuarial studies to determine both the financial, technological and business process and administrative impacts on the Retirement System.
- Safeguard the fiduciary responsibility of the Board of Retirement, the Chief Executive Officer and management staff and monitors SamCERA operations for compliance with applicable laws, Board regulations, policies, and SamCERA procedures.
- Prepare scope of work specifications and administers contract agreements with consultants, vendors and custodial banks.
- Plan, direct, coordinate and evaluate the activities of the Finance and Accounting and the Information Technology Divisions.
- Direct and provide policy guidance in the processing of general accounting, retiree payroll, accounts payable/receivable, revenue, investment reconciliation, equipment inventory and cash control.
- Work with the fund's Actuary and key management and staff to ensure that accurate and timely actuarial valuations, experience studies and other special actuarial reports are prepared.
- Develop and review reports of findings, alternatives, and recommendations involving a broad range of complex financial management issues.
- Work with the Finance Officer on the development of the annual departmental budget, CAFR and PAFR and in work involved in the annual audit of the fund.
- Develop and maintain direct and ongoing communications with all organizations with financial relationships with SamCERA.
- Assist the CEO in the identification, development, coordination and implementation of technology programs and policies in SamCERA's business processes including SamCERA's technological support systems; benefit information system databases; investment/accounting and budget software and telecommunications systems.
- Work with the Chief Technology Officer to develop and implement disaster recovery and business continuance operations.
- Act as the CEO in his absence.
- Perform other duties as assigned.

The level and scope of the following knowledge and abilities are related to duties listed under the “Examples of Duties” section of this specification.

Knowledge of:

- Purposes, principles and operations of a public employees’ retirement system.
- The County Employees’ Retirement Law of 1937.
- Applicable state and federal laws and regulations governing public sector defined benefit retirement programs.
- Benefits management theory, practices, principles, procedures and strategies.
- The Public Pension community.
- Data processing principles and applications sufficient to coordinate the development of new applications; actuarial principles and accounting standards as related to pension systems.
- Project management concepts.
- Pension mathematics.
- Actuarial principles and accounting standards as related to pension systems.
- Fiduciary principles.
- Principles, practices and techniques of office management.

Ability to:

- Work independently.
- Interpret, explain and apply laws, regulations, policies and procedures.
- Develop and implement benefit and management systems and procedures.
- Exercise sound independent judgment within established policy guidelines.
- Analyze problems and identify solutions.
- Assess the accuracy and quality of data, information and reports.
- Plan, supervise, review and evaluate the work of assigned staff.
- Prepare, evaluate and interpret a variety of reports.
- Communicate clearly orally and in writing on Benefit and Management issues.
- Establish and maintain working relationships with members of the Board, staff, actuary, consultants and others related to SamCERA.

Education and Experience:

Any combination of education and experience that would likely provide the required knowledge, skills and abilities is qualifying. A typical way to qualify is a Bachelor’s degree in Business Administration, Finance, Information Technology or a related field; and four years of increasingly responsible job experience in the administration of defined benefit retirement plans.

Education:

A Bachelor’s degree in Business Administration, Finance, Information Technology or a related field.

Experience: Four years of increasingly responsible job experience in the administration of defined benefit retirement plans.