

Notice of Special Meeting



The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on

Tuesday, March 26, 2013 at 9:00 A.M.

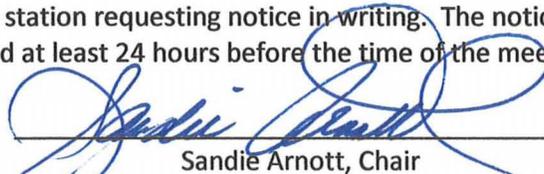
Please take notice that the Chair of the Board of Retirement, acting pursuant to the authority of Government Code §54956, hereby calls a special meeting to take place on March 26, 2013, at 9:00 a.m. in SamCERA's Board Room. The Board of retirement will conduct its regular meeting commencing at 1:00 p.m. The special meeting is for the purpose of discussing and transacting the following business:

1. Call to order
2. Roll Call
3. Oral Communications from the Public
4. Interview Finalists for SamCERA's Large Cap Growth Manager (Regular Agenda Item 6.2)
 - 9:00am Delaware Investments – Large-Cap Growth
 - 10:00am Brown Advisory – Large-Cap Growth
 - 11:00am TCW – Concentrated Core
5. Discussion and Selection of Large Cap Growth Manager (Regular Agenda Item 6.3)
6. Adjournment

Pursuant to Government Code §54954.3, members of the public, to the extent required by law, will have the opportunity to directly address the Board concerning the above-mentioned business.

This notice is to be delivered to each member of the Board of Retirement and to each local newspaper of general circulation and radio or television station requesting notice in writing. The notice shall be delivered personally or by other means, and shall be received at least 24 hours before the time of the meeting as specified in this notice.

Dated: March 14 , 2013



Sandie Arnott, Chair

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.

THE BOARD MEETS AT 100 MARINE PARKWAY, SUITE 160, WHICH IS LOCATED ON THE SE CORNER OF TWIN DOLPHIN & MARINE PARKWAY IN REDWOOD SHORES. Detailed directions are available on the "Contact Us" page of the website www.samcera.org Free Parking is available in all lots in the vicinity of the building.

A copy of the Board of Retirements' 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.



The Board of Retirement of the San Mateo County Employees' Retirement Association will meet on

Tuesday, March 26, 2013 at 1:00 p.m.

PUBLIC SESSION – The Board will meet in Public Session at 1:00 PM

1. Call to Order, Roll Call and Miscellaneous Business

2. Oral Communications

- 2.1 Oral Communications From the Board
- 2.2 Oral Communications From the Public

3. Approval of the Minutes

4. Approval of the Consent Agenda

(Items removed from the Consent Agenda will be taken up during the Regular Agenda under Item 5.1 and in the order determined by the Board Chair.)

- Disability Retirements
 - Errol Erskine
 - Janell LeBlanc
 - Eric Mertl
 - Shahrokh Pakdaman
- Service Retirements
- Continuances
- Deferred Retirements
- Member Account Refunds
- Member Account Rollovers
- Approve a Resolution Adopting Procedures for Auditing of Employer Data and Information to Determine Correctness of Member's Retirement Benefits, Compensation and Enrollment
- Report on SACRS Recommended Officers
- Approval to Reschedule the Regular April Meeting of the Board of Retirement

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
- 6.2 Interview Finalists for SamCERA's Large Cap Growth Manager (Special Meeting Item #4)
- 6.3 Discussion and Selection of Large Cap Growth Manager (Special Meeting Item #5)
- 6.4 Approval of Annual Review Questionnaires for Core Equity
- 6.5 Quarterly Investment Performance Report for the Period Ending December 31, 2012
- 6.6 Approval of Overlay Manager RFP Questions
- 6.7 Approval of DE Shaw 130/30 Strategy
- 6.8 Approval of Resolution Authorizing Contract Extension for Strategic Investment Solutions, Inc.

7. Board & Management Support Services

- 7.1 Presentation of Monthly Financial Report
- 7.2 Report on the Status of SamCERA's Annual Board Retreat on April 23 & 24, 2013
- 7.3 Report on Upcoming Trustee Elections and Appointments
- 7.4 Introduction of SamCERA's *Sources, Uses, and Budget Report* for Fiscal Year 2013-2014
- 7.5 Acceptance of Report on the Prepayment of the County's Contribution for Fiscal Year 2013-2014
- 7.6 Approval of Voting Delegate and Alternates for the SACRS Spring 2013 Business Meeting

8. Management Reports

- 8.1 Chief Executive Officer's Report
- 8.2 Assistant Executive Officer's Report

Notice of Public Meeting

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- 8.3 Chief Investment Officer's Report
- 8.4 Chief Legal Counsel's Report

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

- C1 Consideration of Disability Items, if any, Removed from the Consent Agenda
- C2 Conference with Legal Counsel - Existing Litigation: Pursuant to subdivision (a) of Government Code Section 54956.9, In re: Dendreon Corporation Class Action Litigation, United States District Court Western District of Washington at Seattle, Master Docket No. CII-1291 JLR
- C3 Public Employee Performance Evaluation in accordance with Government Code §54957
Title: Chief Executive Officer

9. Report on Actions Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Hiller, Ruth	January 27, 2013	Public Health
Martin, Paul M.	January 31, 2013	Public Works
Mitchell, Jeanette	February 9, 2013	Purchasing
Stafford, Violet	February 10, 2013	Crystal Springs
Martinet, Raymond	February 13, 2013	Ben. of Blanka Martinet
Marcopulos, Barbara	February 17, 2013	Courts
Juarez, Jose	February 16, 2013	General Services
Fernelius, Betty	February 20, 2013	Ben. of Keith Fernelius
Cooke, Louis	February 5, 2013	Def'd. from Courts
Lowe, Mary	February 3, 2013	Human Services
O'Brien, Edwin	February 15, 2013	Ben. of Linnea O'Brien
Nakanishi, Robert	February 6, 2013	Ben. of Florence Nakanishi
Maruyama, Thomas	February 24, 2013	Def'd. Sheriff's Office
Mora, Bulmaro	February 26, 2013	Public Works



David Bailey, Chief Executive Officer

Printed: 3/20/13

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

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

March 26, 2013

Agenda Item 3.0

February 26, 2013 – Board Agenda

PUBLIC SESSION – The Board will meet in Public Session at 1:00 p.m.

1. Call to Order, Roll Call and Miscellaneous Business

2. Oral Communications

- 2.1 Oral Communications From the Board
- 2.2 Oral Communications From the Public

3. Approval of the Minutes

4. Approval of the Consent Agenda

- Disability Retirements
 - Janet Colombet
 - Davida Talcove
- Service Retirements
- Continuances
- Deferred Retirements
- Member Account Refunds
- Member Account Rollovers
- Semi-Annual Compliance Certification Statements
- Approval of SCORPA Request to Deduct Annual Dues

5. Benefit & Actuarial Services

- 5.1 Consideration of Agenda Items, if any, Removed From the Consent Agenda
- 5.2 Approval to Issue Request for Proposal for Actuarial Auditing Firm

6. Investment Services (The Investment Committee will meet at 10 a.m., February 26, 2013 in the SamCERA Boardroom.)

- 6.1 Preliminary Monthly Portfolio Performance Report
- 6.2 Discussion and Approval of Alternative Asset Opportunities (to be heard in Closed Session)
 - a) D.E. Shaw 130/30 Manager Request for Information Responses
 - b) Private Equity Opportunity
- 6.3 Discussion and Review of Overlay Management – Further Discussion
- 6.4 Approval of Annual Review Questionnaires for International Managers
- 6.5 Approval of Large-Cap Growth Manager Finalist Candidates
- 6.6 Approval of Changes to Fixed Income Policy Benchmark
- 6.7 Discussion on Proposed Changes to the Investment Policy

7. Board & Management Support Services

- 7.1 Monthly Financial Report
- 7.2 Update on Board/Staff Retreat Agenda
- 7.3 Annual Review and Approval of SamCERA's Mission and Goals Resolution
- 7.4 Procedures for Auditing of Employer Data and Information to Determine Correctness of Member's Retirement Benefits, Compensation and Enrollment

8. Management Reports

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

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

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

- C1 Consideration of Disability Items, if any, Removed from the Consent Agenda and Appropriate for Closed Session.
- C2 Discussion and Approval of Alternative Asset Opportunities (two items), pursuant to Government Code §54956.81

9. Report on Actions Taken in Closed Session

10. Adjournment in Memory of the Following Deceased Members:

Ledgerwood, Shirley	January 3, 2013	Library
Taylor, Rose	January 3, 2012	Social Services
Manning, Cleo	January 3, 2013	Parks and Recreation
Aldridge, Aracely	January 3, 2013	Social Services
Brothers, Ronald	January 10, 2013	Probation
Bergeson, Mary Lou	January 11, 2013	Health and Welfare
Mills, Leighton	January 12, 2013	Public Works
Price, Barbara	January 14, 2013	Housing
McDonough, Leah	January 16, 2013	Health Department
Struffenegger, Hans	January 18, 2013	Dept. of Agriculture
Bomberger, Carol Ann	January 18, 2013	Mental Health
Piotti, John	January 22, 2013	Courts
Burgett, Claudia	January 22, 2013	Mental Health
Whitehead, Robert	January 25, 2013	Ben. Of Mary Whitehead
Somers, Dorothy	January 29, 2013	Assessor's Office

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

February 26, 2013– Board Minutes

1302.1 **Call to Order, Roll Call and Miscellaneous Business**

Call to Order: Ms. Sandie Arnott, Chair, called the Public Session of the Board of Retirement to order at 1:00 p.m.

Roll Call:

Present: Sandie Arnott, Lauryn Agnew, Ben Bowler, Albert David, Paul Hackleman, Natalie Kwan Lloyd, Michal Settles, and David Spinello.

Alternates Present: Christopher Miller, John Murphy.

Excused: Eric Tashman.

Staff: David Bailey, Michael Coultrip, Brenda Carlson, Gladys Smith, Lilibeth Dames, Mable Wong and Kristina Perez.

1302.2.1 **Oral Communications From the Board:** Ms. Agnew reported her attendance at the CALAPRS Advanced Board Leadership Institute, at UCLA on January 29-31, 2013. Mr. David reported attending the NCPERS Legislative Conference, in Washington D.C. on January 26 – 28, 2013. Ms. Settles reported attending IFEBP's Advanced Trustee Institute, in Orlando, Florida, February 17-20, 2013. Mr. Spinello reported attending the CALAPRS Trustee Roundtable meeting in San Jose on February 8, 2013.

1302.2.2 **Oral Communications From the Public:** None

Mr. Bailey introduced two new SamCERA staff members to the Board. Susan Fong, Retirement Accountant, and Elena Ricevuto, Retirement Accounting Technician, were introduced and welcomed.

1302.3.1 **Approval of the Board Meeting Minutes:**

Action: Mr. David moved to approve the minutes from the regular Board meeting held on January 22, 2013. The motion was seconded by Mr. Hackleman and carried unanimously.

1302.4.0 **Approval of the Consent Agenda:** The Chair asked if there were any items to be removed from the Consent Agenda, and none were taken off.

Action: Mr. David moved to approve the Consent Agenda, and the motion was seconded by Mr. Hackleman and carried unanimously.

1302.4.0

Consent Agenda

Disability Retirements

1. The Board found that Janet Colombet is (1) disabled from performing her usual and customary duties as a Sheriff's Sergeant, (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.
2. The Board found that Davida Talcove is (1) disabled from performing her usual and customary duties as a Staff Physician, (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.

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

Consent Agenda

1302.4.0 **Service Retirements**

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

Forrest, Stuart	December 31, 2012	Probation
Thompson, Dayna	January 1, 2013	Courts
Bulatao, Emmanuel	December 9, 2012	District Attorney's Office
Nelson, Grace	December 29, 2012	Def'd. from Corrections
Lockman, Patricia	December 29, 2012	Human Services Agency
Lewetzon, Robert	December 29, 2012	Sheriff's Dept.
Mogel, Ray	December 13, 2012	Public Works
Yaco, Jack	December 15, 2012	County Manager's Office
Keliiaa, Robert	December 22, 2012	Health Department
Miles, Gloria	December 22, 2012	Hospital
Padula, Ronaldo	December 19, 2012	Hospital
Warburton, Alfred	December 31, 2012	Def'd. from Parks
Frattaroli, Lynda	January 1, 2013	Health Department
Newton, Pamela	October 15, 2012	Def'd. from Hospital

1302.4.0 **Continuances**

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

Survivor's Name	Beneficiary of
Blasser, Jean	Blasser, William
Nevin, Kathleen	Nevin, Michael

1302.4.0 **Deferred Retirements**

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

Member Name	Retirement Plan Type
Burrell, Barbara	G4 Vested
Fresquez, Leonard	G4 Vested
Kozak, Andrea	G4 Vested
Rohatgi, Shalini	G4 Vested
Boesch, David	G4 Reciprocity
Moore, Britt	G5 Not Vested - Reciprocity
Jacquemet, Jean	G2 Vested – Reciprocity

1302.4.0 **Member Account Refunds**

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

Member Name	Retirement Plan Type
Blick, Suzanne	G4 Vested
Devera, Mila	G4 Vested
Perez Castro, Leonor	G4 Vested
Serrano-Batol, Janice	G4 Non-vested

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1302.4.0 **Other Consent Agenda Items:**

- The Board reviewed and accepted the semi-annual Compliance Certification Statements for SamCERA's non-alternative investment managers, as of December 31, 2012.
- The Board approved SCORPA's request to deduct its annual membership dues from consenting members' benefits and waive the administrative costs for implementing and maintaining the deduction.

1302.5.1 **Consideration of Agenda Items, if any, Removed From the Consent Agenda:** None.

1302.5.2 **Approval to Issue Request for Proposal for Actuarial Auditing Firm:** Mr. Bailey presented the staff report and discussed whether to have an actuarial audit this fiscal year. He stated an audit would be more useful after more member data is available from Plans 5, 6 and 7. After discussion, staff was directed to seek approval for an actuarial audit next year. No action was taken on this item.

1302.6.0 **Investment Services** (The Investment Committee met at 10 a.m., February 26, 2013, in the SamCERA Boardroom.)

1302.6.1 **Preliminary Monthly Portfolio Performance Report:** Mr. Coultrip presented the report and stated it was a strong month with SamCERA's portfolio up 3.1%.

1302.6.2 **Discussion and Approval of Alternative Asset Opportunities (to be heard in Closed Session)**

- a) **D.E. Shaw 130/30 Manager Request for Information Responses:** Mr. David reported that the Investment Committee recommended Board approval after a due diligence trip to D.E. Shaw.

Action: Mr. David moved to transition SamCERA's current long-only strategy with D.E. Shaw to a 130/30 strategy, after appropriate due diligence is conducted. The motion was seconded by Ms. Settles and carried unanimously.

The Chair adjourned the meeting into closed session to discuss Item 6.2(b) at 1:14 p.m.
The public meeting was reconvened at 3:02 p.m.

- b) **Private Equity Opportunity:** Ms. Carlson reported there was a motion by Mr. David to invest 10 million dollars with Third Rock Ventures, the motion was seconded by Mr. Spinello, and carried unanimously by roll call vote.

The Chair adjourned the meeting for a short break at 3:04 p.m., and the meeting was reconvened at 3:12 p.m.

1302.6.3 **Discussion and Review of Overlay Management – Further Discussion:** Mr. Coultrip explained the State Street report and analysis showing the estimated results of implementing an overlay program. Mr. David said that the Investment Committee had recommended to the Board to continue the process and return to the Board with a list of overlay management candidates. This item was for discussion only and no action was taken

1302.6.4 **Approval of Annual Review Questionnaires for International Managers:** Mr. Coultrip reviewed the annual review process with the Board; the questionnaires will be sent to the managers once approved by the Board.

Action: Mr. David moved to approve the proposed annual review questionnaires for SamCERA's International Managers. The motion was seconded by Ms. Settles and carried unanimously.

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

- 1302.6.5 **Approval of Large-Cap Growth Manager Finalist Candidates:** Mr. David reported the Investment Committee met and discussed the finalists and recommended that the Board approve going forward to interview candidates Brown, Delaware and TCW. The Board, the CIO and Patrick Thomas of SIS, further discussed the finalists.
Action: Mr. Bowler moved to invite large cap growth manager candidates Brown, Delaware and TCW for interviews before the Board. The motion was seconded by Mr. David and carried unanimously.
- 1302.6.6 **Approval of Changes to Fixed Income Policy Benchmark:** Mr. Coultrip discussed changes proposed to the fixed income benchmark. He went over the structure changes and compared the current target with the proposed target.
Action: Mr. Hackleman moved to approve the proposed fixed income benchmark. The motion was seconded by Mr. David and carried unanimously.
- 1302.6.7 **Discussion on Proposed Changes to the Investment Policy:** Mr. Coultrip and Board members discussed the Investment Policy, specifically formulating a set of investment beliefs, which in turn would form the Board's investment philosophy. Mr. Coultrip provided a preliminary set of investment beliefs categorized into "Financial Market Beliefs," "Investment Process Beliefs," and "Sustainability / Corporate Governance Beliefs" and Board members reviewed and discussed the beliefs. This item was for discussion only and no action was taken.
- 1302.7.0 **Board & Management Support Services**
- 1302.7.1 **Monthly Financial Report:** Ms. Wong presented the monthly financial report and noted an increase due to the County's prepayment of contributions. This item was informational only and no action was taken.
- 1302.7.2 **Update on Board/Staff Retreat Agenda:** Mr. Bailey noted the results of the survey given to Board members showed that an economist was the most desired speaker for this year's retreat, and would be added to the agenda. This item was informational only and no action was taken.
- 1302.7.3 **Annual Review and Approval of SamCERA's Mission and Goals Resolution:** Mr. Bailey presented the staff report, no changes were proposed and the Board had no questions.
Action: Mr. Hackleman moved to adopt the resolution approving SamCERA's Mission and Goals. The motion was seconded by Ms. Kwan Lloyd and carried unanimously.
- 1302.7.4 **Procedures for Auditing of Employer Data and Information to Determine Correctness of Member's Retirement Benefits, Compensation and Enrollment:** Ms. Carlson explained the details of the new procedure, which complies with PEPR, and relates to spiking prevention and auditing employer information. This matter will be continued to next month and placed on the Consent Agenda.
- 1302.8 **Management Reports**
- 1302.8.1 **Chief Executive Officer's Report:** Mr. Bailey discussed recent Public Records Act information requests received by SamCERA and other plans regarding staff and Trustee travel and Form 700s. He noted the CEO survey was available on Survey Monkey. Ms. Settles reminded the Board members to complete the survey by March 14th, and encouraged 100% participation.
- 1302.8.2 **Assistant Executive Officer's Report:** Ms. Smith reported she and Colin Bishop, Communications Specialist, met and discussed the upcoming election for three Trustee seats, currently held by Ms. Kwan Lloyd, Mr. Hackleman and Mr. Murphy. She said there is a possibility that the election will be conducted online. Ms. Smith also discussed results of the point of service survey to Board members.

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

- 1302.8.3 **Chief Investment Officer's Report:** Mr. Coultrip reported the \$75M prepayment was distributed. He received a capital call from Sheridan, which is now 91% funded. Mr. Coultrip let the Board know he was meeting with private equity fund-of-funds providers to assess their services and value. He noted that the SIS contract is due to expire in August 2013 and he would bring this before the Board in March for consideration of the timing of an extension of the contract and or issuing an RFP.
- 1301.8.4 **Chief Legal Counsel's Report:** Ms. Carlson reported she received an email regarding the IRS review of the 1937 Act systems and that the IRS has tentatively accepted the filing and the model regulations submitted by another plan. She noted that PERS is reviewing proposed PEPRA regulations which include and define PEPRA terms; also, that Senate Bill 13 amends PEPRA to clarify that the provision regarding industrial disability for safety members does not apply to the '37 Act systems. Ms. Carlson reported that the State of CA has intervened in the various pending PEPRA litigation matters and is defending the legislation.
- 1302.10 **Adjournment:** With no further business Ms. Arnott adjourned the meeting at 4:29 p.m. in memory of the following deceased members:

Ledgerwood, Shirley	January 3, 2013	Library
Taylor, Rose	January 3, 2012	Social Services
Manning, Cleo	January 3, 2013	Parks and Recreation
Aldridge, Aracely	January 3, 2013	Social Services
Brothers, Ronald	January 10, 2013	Probation
Bergeson, Mary Lou	January 11, 2013	Health and Welfare
Mills, Leighton	January 12, 2013	Public Works
Price, Barbara	January 14, 2013	Housing
McDonough, Leah	January 16, 2013	Health Department
Struffenegger, Hans	January 18, 2013	Dept. of Agriculture
Bomberger, Carol Ann	January 18, 2013	Mental Health
Piotti, John	January 22, 2013	Courts
Burgett, Claudia	January 22, 2013	Mental Health
Whitehead, Robert	January 25, 2013	Ben. Of Mary Whitehead
Somers, Dorothy	January 29, 2013	Assessor's Office

David Bailey
 Chief Executive Officer

Kristina Perez
 Retirement Executive Secretary

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 4.0 (a)

To: Board of Retirement

From: Gladys Smith, Acting Assistant Executive Officer



Subject: Approval of Consent Agenda

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

Disability Retirements

1. The Board find that **Errol Erskine** is (1) disabled from performing his usual and customary duties as a Medical Service Assistant I, (2) find that his disability was a result of an injury arising out of and in the course of his employment and (3) grant his application for a service-connected disability retirement.
2. The Board find that **Janell LeBlanc** is (1) disabled from performing her usual and customary duties as a Senior Retirement Analyst, (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.
3. The Board find **Eric Merti** permanently disabled from the duties of a Deputy Sheriff and grant survivor benefits, pursuant to Government Code Section 31762, to the member's spouse, Susan Bowie.
4. The Board find that **Shahrokh Pakdaman** is (1) not permanently incapacitated for the performance of his duties as a Revenue Collector II and (2) deny his application for a service-connected disability retirement.

Service Retirements

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

Member Name	Effective Retirement Date	Department
Aguilar, Freddy	January 17, 2013	Hospital
Becker, Joan	January 3, 2013	Def'd. from Mental Health
Bogatz, Lawrence	January 31, 2013	HSA
Cook, Violet	January 2, 2013	Def'd. from Public Health
Dames, Elizabeth	January 17, 2013	Library

Garvey, G. C.	January 5, 2013	Medical Ctr.
Jacobs Gibson, Rose	January 8, 2013	Board of Supervisors
Keller, Debra	January 19, 2013	Probation
Lee, Marlene	January 17, 2013	Library
Luebke, Brenda	January 19, 2013	HSA
Seguine, Richard	January 26, 2013	Sheriff
Rodriguez, Maria	January 7, 2013	QDRO
Washington, Tony	January 5, 2013	Medical Center
Raffaelli, Patricia	January 6, 2013	Sheriff's Dept.
Lim, Paquito	January 19, 2013	Public Works
Price, Anna	January 16, 2013	Def'd. from HSA
Van Wassenhove, Rhonda	February 12, 2013	QDRO
Tyler, Timothy	February 12, 2013	QDRO

Continuances

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

Survivor's Name	Beneficiary of:
Giannini, Carla	Giannini, Louis
Brothers, Betty	Brothers, Ronald
Mills, Alice	Mills, Leighton
Piotti, Beverly	Piotti, John
Price, William	Price, Barbara
Struffenegger, Anna	Struffenegger, Hans

Deferred Retirements

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

Member Name	Retirement Plan Type
Petty, Andrea	P4 Vested
Walsh, Heather	G4 Vested - Reciprocity
Watt, Maricela	G4 Vested – Auto Defer
Simbe, Robert	G4 Vested – Auto Defer

Sarto, Ariel	G4 Vested – Auto Defer
Rodriguez, Sandra	G4 Vested – Auto Defer
Rodas, Carmen	G2 Vested – Auto Defer
Picazo, Cristina	G4 Vested – Auto Defer
Perttula, Kelsi	G4 Vested – Auto Defer
Ow, Jennifer	G4 Vested – Auto Defer
Minter, Kimberly	G4 Vested – Auto Defer
Lineman, Nancy	G4 Vested – Auto Defer
Leonor, Cheryl	G4 Vested – Auto Defer
Harris, Cecily	G4 Vested – Auto Defer
Francis, Albert	G4 Vested – Auto Defer
Cloud, Carmen	G4 Vested – Auto Defer
Chi, Carlin	G4 Vested – Auto Defer
Alonzo, Connie	G4 Vested – Auto Defer
Baker, Glenda	3 Vested – Auto Defer
Gherman, Maria	G2 Vested – Auto Defer

Member Account Refunds

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

Member Name	Retirement Plan Type
Sanchez-Arias, Rodrigo	G4 Non-vested
Cola, Mila	G4 Vested
DeLos Reyes, Rene	G4 Vested
Villena, Marilyn	G4 Vested
Sacdalan, Kenneth	G4 Non-vested
Ingram, Gareth	G4 Non-vested
Phyllis Collins	G5
Fletcher, Kimberly	G4 Non-vested
Blanchard, Michael	G4 Non-vested
Liongita, Moses	P4 Vested
Doreza, Mae	G4 Vested
Locke, Luisa	Ben. Of Roy Locke

Member Account Rollovers

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

Dolorfino, Marga	G4 Non-vested
Alcocer, Maria	G4 Non-vested
Tarver, Tamara	G4 Vested
Scialabba, Gina	G4 Non-vested

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 4.0

TO: Board of Retirement

FROM: David Bailey, Chief Executive Officer



SUBJECT: Approval of a Resolution Adopting Procedures for Auditing of Employer Data and Information to Determine Correctness of Members' Retirement Benefits, Compensation and Enrollment.

Summary: This is the second of two procedures that Staff has developed to govern implementation of the Board's audit powers and responsibilities under the Public Employees' Pension Reform Act of 2013 ("PEPRA") and related legislation. Last month the Board reviewed this procedure and deferred approval for one month to make a technical correction to the agenda item title. In January, the Board adopted a procedure to audit members' compensation earnable and pensionable compensation for the purpose of preventing inappropriate "spiking" of benefits. This second procedure is for the audit of employer data and information to determine correctness of members' retirement benefits, reportable compensation, enrollment in and reinstatement to, the retirement system.

Recommendation: Adopt a resolution establishing "Board of Retirement Procedures for Auditing of Employer Data and Information to Determine Correctness of Member's Retirement Benefits, Reportable Compensation, Enrollment In and Reinstatement to, the Retirement System."

Background: In order to ensure that the employers provide accurate data to SamCERA, the Board is authorized to audit the "books, papers, data or records, including, but not limited to, personnel and payroll records" of SamCERA employers for the purpose of determining "the correctness of retirement benefits, reportable compensation, and enrollment in, and reinstatement to, the system." (Gov. Code Sections 31542.5, 31543, 7522.72 and 7522.74.) In addition, the Board may assess the employer costs of the audit, as well as the costs of any adjustment or correction, if the Board determines that the employer "knowingly failed" to comply with its legal responsibilities under the new law by (a) reporting compensation to SamCERA that the employer knew or should have known was not "compensation earnable" as defined in the 1937 Act, or (b) failed to identify to SamCERA the pay period in which compensation earnable was earned. Additionally, employers are now required to report to SamCERA if a member is convicted of certain felonies.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

Discussion: Staff may utilize one or more of several approaches, as it deems appropriate, to accomplish the audit under the proposed procedure. These approaches include:

- **Annual Audit Approach.** Staff may, from time to time, request SamCERA's independent auditor as part of, or in addition to its annual financial audit activities, to review employer data and reporting that may impact member's eligibility, contributions, membership, records, benefits, and/or compliance with applicable state or federal law.
- **Informal Requests.** Staff may make informal requests of the employer so as to resolve any issues related to individual or multiple member records, retirement benefits, reportable compensation, and enrollment in, and reinstatement to, the retirement system and/or compliance with applicable state or federal law.
- **Request for Special Audit Report.** If Staff believes that reason exists, in addition to or as a follow up to the annual audit activities, to have a Special Audit of information, it may request the Board to authorize a Special Audit.

It is anticipated that Staff will make informal requests to the employer so as to resolve any issues without a Specific Audit. However, if Staff believes that a Specific Audit is necessary, it shall request the Board to initiate one. Staff's request would contain the purpose of the Specific Audit, the records needed, the audit procedures, the estimated cost, and a description of the specific action requested of the Board. A copy of Staff's request would be provided to the employer prior to being presented to the Board, and the employer would be allowed to submit a response and/or address the Board. If an audit is approved, Staff is required to present to the Board with a copy to the employer and any directly effected members, a report on the results of the audit so that the Board will be aware of the results and may determine whether any further action is required.

Staff and the employer would take appropriate steps to protect the confidentiality of information, if any, produced in or related to the audits.

Attachments:

- Resolution Establishing the Board of Retirement Procedures for Auditing of Employer Data and Information to Determine Correctness of Members' Retirement Benefits, Reportable Compensation, Enrollment in, and Reinstatement to, the Retirement System Audit of Compensation and Retirement Information
- Proposed "Board of Retirement Procedure for Auditing of Employer Data and Information to Determine Correctness of Members' Retirement Benefits, Reportable Compensation, Enrollment in, and Reinstatement to, the Retirement System".

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

RESOLUTION 12-13-__

RESOLUTION ESTABLISHING THE BOARD OF RETIREMENT PROCEDURES FOR AUDITING OF EMPLOYER DATA AND INFORMATION TO DETERMINE CORRECTNESS OF MEMBERS' RETIREMENT BENEFITS, REPORTABLE COMPENSATION, ENROLLMENT IN, AND REINSTATEMENT TO, THE RETIREMENT SYSTEM AUDIT OF COMPENSATION AND RETIREMENT INFORMATION

WHEREAS, the California Public Employees' Pension Reform Act of 2013 (PEPRA), became effective January 1, 2013 and PEPRA sets forth certain rights and responsibilities for the Board of Retirement; and

WHEREAS, pursuant to PEPRA, the Board is authorized to audit the "books, papers, data or records, including, but not limited to, personnel and payroll records" of SamCERA employers for the purpose of determining "the correctness of retirement benefits, reportable compensation, and enrollment in, and reinstatement to, the system." (Government Code Sections 31542.5, 31543, 7522.72 and 7522.74); and

WHEREAS, the Board may also assess the employer the costs of the audit as well as the costs of any adjustment or correction if the Board determines that the employer "knowingly failed" to comply with its legal responsibilities by reporting compensation to SamCERA that the employer knew or should have known was not "compensation earnable" as defined in the 1937 Act, or (b) failed to identify to SamCERA the pay period in which compensable earnable was earned. (Government Code section 31542.5); and

WHEREAS, the attached "Board of Retirement Procedures For Audit Of Employer Data And Information To Determine Correctness Of Members' Retirement Benefits, Reportable Compensation, Enrollment In, And Reinstatement To, The Retirement System Audit Of Compensation And Retirement Information" sets forth the steps to be taken by SamCERA staff, SamCERA employers and the Board in regards to the audit process; and

WHEREAS, the Board has reviewed the procedure and desires to adopt such procedure;

THEREFORE BE IT RESOLVED, that the Board hereby adopts the attached Board of Retirement Procedures for Audit of Employer Data and Information to Determine Correctness of Members' Retirement Benefits, Reportable Compensation, Enrollment In, And Reinstatement To, The Retirement System.

* * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on March 26, 2013.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

*Lauryn Agnew, Board Secretary
SamCERA*

**SAN MATEO COUNTY EMPLOYEES RETIREMENT ASSOCIATION
BOARD OF RETIREMENT PROCEDURES FOR AUDITING OF EMPLOYER DATA AND INFORMATION TO
DETERMINE CORRECTNESS OF MEMBERS' RETIREMENT BENEFITS, REPORTABLE COMPENSATION,
ENROLLMENT IN, AND REINSTATEMENT TO, THE RETIREMENT SYSTEM**

I. Purpose.

By statute, the Board of Retirement is authorized to audit SamCERA employers to determine the correctness of member's retirement benefits, reportable compensation, enrollment in, and reinstatement to, the retirement system. (Government Code Sections 31542.5, 31543, 7522.72 and 7522.74.)

II. Procedures.

- A. **Alternative Audit Approaches.** Staff may utilize one or more of the following approaches, as it deems appropriate, in order to determine the correctness of members' records, retirement benefits, reportable compensation, and enrollment in, and reinstatement to, the retirement system and/or compliance with applicable state or federal law. Verification of employer information and data may be periodically checked or performed on an as need basis. Similarly, issues concerning a specific member's compensation or specific compensation issues that may arise from time to time, Staff may conduct or cause to be conducted by an independent auditor, a specific audit of that issue. Issues regarding whether an element of compensation was paid to enhance a member's benefit will be handled in accordance with the "Board of Retirement Procedure for Assessment and Determination of Whether an Element of Compensation Was Paid to Enhance a Member's Benefit."
- B. **Confidentiality.** To the extent that any confidential member or employer personnel information is presented, appropriate steps, in accordance with applicable law, will be taken by staff and the Board and the employer throughout the process to protect the confidentiality of information produced in any audit, staff reports, and discussion by or with the Board.
- C. **Annual Audit Approach.** SamCERA may, from time to time, request SamCERA's independent auditor as part of, or in addition to its annual financial audit activities, to review employer data and reporting that may impact a member's eligibility, contributions, membership, records, benefits, and and/or compliance with applicable state or federal law.
- D. **Informal Requests.** Staff may make informal requests of the employer so as to resolve any issues related to individual or multiple member records, retirement benefits, reportable compensation, and enrollment in, and reinstatement to, the retirement system and/or compliance with applicable state or federal law.
- E. **Request For Special Audit Report.** If staff believes that reason exists, in addition to or as a follow up to the annual audit activities described in paragraph B, to have a Special

Audit of information, it may request that the Board authorize a Special Audit in accordance with Section III.

III. Special Audit Procedure.

- A. Request to the Board.** If Staff believes that a Special Audit is needed regarding information submitted by the employer with respect to member records, retirement benefits, reportable compensation, or enrollment in, and reinstatement to, the retirement system and/or compliance with applicable state or federal law, staff shall submit a written report to the Board setting forth the:
- (1) Reasons for the Special Audit, including a report as to prior informal requests of the employer so as to resolve any issues without a Special Audit.
 - (2) Books, papers, data, or records that should be provided by the employer in connection with the Special Audit, including but not limited to personnel and payroll records.
 - (3) Protocol that staff wishes to follow in conducting the Special Audit, including but not limited to who will conduct the audit and a proposed time and place.
 - (4) Estimated cost of the Special Audit, adjustment, and correction.
 - (5) Requested action by the Board in authorizing a Special Audit
 - (6) Any planned or potential follow on requests relating to adjustments or corrections by the employer that may be required as a result of such audit.
- B. Copy of Special Audit Request and Employer Response.** Staff shall send a copy of its Special Audit request to the employer at least 15 days prior to the Board meeting. Any response to the report should be submitted by the employer at least 5 days prior to the meeting.
- C. Opportunity to address the Board.** Staff and the employer will both be given an opportunity at the meeting to address the Board with respect to Staff's request.
- D. Approval of Special Audit Request.** If the Board approves staff's request for an audit, the employer will be informed of the Board's decision. The audit will then be conducted in accordance with the parameters established by the Board.
- E. Written Report of Special Audit Result.** Upon completion of the audit, staff will provide to the Board a written report of the audit results and the conclusions of the auditor and staff. A copy of the report will be provided to the employer at least 15 days prior to any Board discussion or action. Any response to the report should be submitted by the employer at least 5 days prior to the meeting.
- F. Cost of Special Audit and Corrective Action.** The Board may assess the employer costs of the audit, as well as the costs of any adjustment or correction, if the Board determines that the employer knowingly failed to comply with its legal responsibilities under the new law by (a) reporting compensation to SamCERA that the employer knew or should have known was not compensation earnable as defined in the 1937 Act, or (b) failed to identify to SamCERA the pay period in which compensation earnable was earned. The Board may further determine if other Board action should be taken as a result of the audit.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 4.0

TO: Board of Retirement
FROM: David Bailey, Chief Executive Officer
SUBJECT: SACRS Recommended Officers Announced



Attached is a memo from the SACRS Nominating Committee Chair, Ray McCray. The memo includes the committee's recommended officers for the 2013-14 fiscal year.

The administrator of each 1937 Act retirement system is required to provide this information to their trustees. In January, the SamCERA Board was given a similar memo from Mr. McCray, that summarized the nomination process and noted the process for submitting nominations, if any.

The Nominating Committee's recommended slate is:

President	Doug Rose, San Diego CERA
Vice President	Yves Chery, Los Angeles CERA
Treasurer	Tom Ford, Sonoma CERA
Secretary	John Kelly, Sacramento CERS

These nominees currently serve in the same positions. It is common for SACRS officers to serve two consecutive one-year terms.



SACRS MEMORANDUM

March 1, 2013

Attn: SACRS Administrators

**From: Raymond McCray, SACRS Nominating Committee Chair
SACRS Nominating Committee**

Re: SACRS Board of Director Elections – Recommended Ballot

Per SACRS Bylaws, Article VI ~ Section 2 – Election, Qualification and Term of Office

“The officers of SACRS shall be regular members of SACRS. The officers shall be elected by majority vote of the quorum of delegates and alternate delegates present at the first meeting in each calendar year and shall hold office for one (1) year and until a successor is elected.”

Per SACRS Bylaws, Article VI ~Section 4 - Officer Elections

“...The Board of any regular member County Retirement System may submit write-in candidates to be included in the Nominating Committee’s final ballot provided the Nominating Committee receives those write-in candidates prior to March 25th.

The Nominating Committee will report a final ballot to each regular member County Retirement System prior to April 1.

The Administrator of each regular member County Retirement System shall be responsible for communicating the Nominating Committee’s recommended ballot and final ballot to each trustee and placing the election of SACRS Officers on his or her Board agenda. The Administrator shall acknowledge the completion of these responsibilities with the Nominating Committee...”

Listed below is SACRS Nominating Committees recommended ballot for the annual SACRS Board of Directors elections. The elections will be held at the upcoming SACRS Spring Conference May 14-17, 2013 at the Napa Valley Marriott Hotel & Spa, Napa, CA. Elections will be held during the Annual Business meeting on Friday, May 17th, 2013 at 10 a.m.

Please distribute the following list to all standing/eligible board members for approval of the recommended ballot. As stated above, Administrators are required to send acknowledgement of completion to our office at sulema@sacrs.org .

If your Board chooses to submit a write-in candidate, the Nominating Committee needs to receive notice prior to March 25th for consideration. The final ballot will be distributed prior to April 1, 2013.



SACRS Nominating Committee Recommended 2013-2014 Nominees/Candidates:

President	Doug Rose, San Diego CERA
Vice President	Yves Chery, Los Angeles CERA
Treasurer	Tom Ford, Sonoma CERA
Secretary	John Kelley, Sacramento CERS

If you have any questions or require assistance, please contact me directly at 209-468-2163 or raym1@sbcglobal.net . Thank you for your prompt attention to this timely matter.

Sincerely,

Raymond McCray

Raymond McCray, San Joaquin County
SACRS Nominating Committee Chair

CC: SACRS Board of Directors
SACRS Nominating Committee Members
Sulema H. Peterson, SACRS Administrator

RMC:shp

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 4.0

TO: Board of Retirement

FROM: David Bailey, Chief Executive Officer 

SUBJECT: Approval to Reschedule the Regular April Meeting of the Board of Retirement

Staff Recommendation

Approve a change to the time and duration of the regularly scheduled April 2013 meeting of the Board of Retirement to facilitate the annual Board/Staff Retreat and to conduct regular business as follows:

- The Board will meet April 23, 2013, beginning at 9 a.m. in open public session to take up items pertaining to its annual Board/Staff Retreat;
- The Board will take up the approval of regular agenda items on April 23, 2013, at or after 2:30 p.m., including:
 - 2.0 Oral Communications
 - 3.0 Approval of Minutes
 - 4.0 Approval of the Consent Agenda
 - 5.0 Benefit & Actuarial Services
 - 6.0 Investment Services
 - 7.0 Board & Management Services
 - 8.0 Management Reports
- The Board will recess the meeting on April 23, 2013, until the following day;
- The Board will resume its April meeting at 9 a.m., April 24, 2013, to continue with items pertaining to the annual Board/Staff Retreat.

The Board of Retirement is authorized by Article 2, Section 2.4 of the Regulations of the Board of Retirement to change meeting times and dates.

“Regular Meetings: Regular meetings of the Board shall be held on the Fourth Tuesday of each month. Meetings shall begin at 1:00 p.m. Meetings shall be held in SamCERA’s offices. The Board may cancel and or approve a change in the date, time and/or location of meetings within the County, if the proposed change is included on the agenda of a regular meeting.”

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 6.1

TO: Board of Retirement
Lilbeth Dames for Michael Coultrip
FROM: Michael Coultrip, Chief Investment Officer
SUBJECT: Preliminary Monthly Portfolio Performance Report for the Period Ending **February 28, 2013**

Staff Recommendation:

Accept the preliminary performance report dated February 28, 2013.

Background:

This preliminary report is intended to provide a high-level view of the portfolio and its trends. It is not intended to provide short-term performance upon which the Board would act. As discussed previously, preliminary performance estimates are now included for Angelo Gordon's PPIP, AQR's risk parity, and AQR's hedge fund portfolios. The quarterly performance metrics are not yet available for the Angelo Gordon STAR Fund and 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 now shows both net and gross of fee returns for the total plan. Page one shows the net of investment manager fee performance results for the total fund (in the top left quadrant), while page two shows gross of fee returns.

Discussion:

The fund's net preliminary return for February was +0.44%, while the trailing twelve month return was +9.4% net (+9.8% gross). The twelve-month return is above (on a net and gross basis) the Actuarial Discount Rate of 7.50%. The net return equals SamCERA's Total Plan Policy Benchmark rate of 9.4% and exceeds it on a gross basis. 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.

January was another solid month for the U.S. equity market, with most U.S. equity indices up over 1%. The broad U.S. equity market (S&P 500) was up 1.4%, with value slightly outperforming growth and large-cap stocks slightly outperforming small-cap stocks. U.S. economic data remained positive but muted. Housing in particular showed strength while consumer confidence also held up well despite the uncertainty caused by the gridlock in Washington.

Developed international equity indices were down on the month, with the MSCI World ex-US lower by -0.9% and emerging markets lower by -1.2% as poor economic data from the Eurozone and Japan, combined with concerns over the election outcome in Italy, caused a retrenchment in sentiment during the month.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

The general fixed income market was positive (+0.50%) as long-term interest rates declined 10 basis points to less than 1.9% at month-end.

Attachments:

SIS Market Update

State Street Performance Report

U.S. EQUITY

The S&P 500 Index hit a five-year high in February, extending a rally that started on the first day of January. Positive corporate earnings reports and improving economic data released provided support for the market's advance.

For the month of February in the U.S., Value slightly outperformed Growth and Large caps slightly outperformed Small caps. The Russell 1000 Growth Index was up +1.2% for the month and the Russell 1000 Value Index was up +1.4%. The Russell 2000 Growth Index was up +1.1% and the Russell 2000 Value was also up +1.1%. The S&P 500 Index ended the month up +1.4%.

The S&P 500 Index has a trailing P/E ratio of 18.0 and a forward 12-month estimate P/E ratio of 13.8 and dividend yield of 2.1%.

According to Thomson Reuters data, of the 439 companies in the S&P 500 that had reported earnings at the end of February, 70% had exceeded analysts' expectations, above a 62% average since 1994 and 65% over the past four quarters. Analysts are projecting that earnings will rise 6.4% for the quarter ending December 2012 versus the 2.4% growth rate reported in the prior quarter.

Corporate merger highlights for the month included: Oracle will acquire Acme Packet which makes network equipment for \$2.1 billion; Michael Dell will take Dell private in a \$24.4 billion deal; Liberty Global struck a deal to buy British cable group Virgin Media for about \$15.75 billion; Biogen Idec will buy Elan's interest in Tysabri for \$3.25 billion in cash and future contingent payments; Sweden's Hakon Invest will buy the 60% of shares it doesn't own in Nordic food retailer ICA for \$3.1 billion; American Air and US Airways announced an \$11 billion merger deal, creating the world's largest airline; Comcast will pay General Electric \$16.7 billion to take full control of NBC Universal; Warren Buffet announced that he is part of a \$23.3 billion deal to buy H.J. Heinz; Canada's Great-West Life will buy Irish Life for \$1.75 billion; Orix, Japan's largest financial services and leasing company, will buy Netherlands asset manager Robeco from Rabobank for about \$2.6 billion; Office Depot will buy rival OfficeMax in a \$1.2 billion all stock deal; Linn Energy will buy drilling company Berry Petroleum for \$2.5 billion; Japan's government will sell a

stake in Japan Tobacco for about \$10.3 billion to help cover reconstruction costs of the 2011 earthquake; and, Pharmaceutical investor Royalty Pharma Management approached Elan Corp. with a \$6.5 billion offer.

FIXED INCOME

The economy grew at a 0.1% annual rate in the 4th quarter, the weakest performance in two years. The IMF said it will likely cut its growth forecasts for the U.S. because of the automatic spending cuts that took place on March 1st.

Long-term interest rates fell in the month of February. The bellwether 10-year Treasury note ended the month yielding 1.89% down from 1.99% at the close of January. At month-end, the 30-year bond yield was 3.10% with the 3-month T-bill at 0.11%. The Barclays Capital US Aggregate Index was up +0.50% in February.

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

THE GOOD

*The U.S. job market added 157,000 jobs in January, though the unemployment rate rose to 7.9% from 7.8% in December.

*U.S. auto sales soared in January with Toyota up +27%, Ford up +22%, Chrysler and GM up +16%.

*The Institute for Supply Management index of manufacturing activity jumped to 53.1 in January; a reading above 50 indicates expansion.

*The Commerce Dept. reported that factory orders increased 1.8% in December from November, when orders had fallen 0.3%.

*CoreLogic's home price index rose +0.4% in December from the previous month and added +8.3% compared to December a year ago.

*The Labor Dept. reported that producer prices rose +0.2% in January following a -0.3% drop in December.

*New home sales rose nearly +20% in 2012 to 367,000, the most since 2009.

*Non-defense capital goods orders excluding aircraft, jumped +6.3% in January, the biggest gain since December 2011.

THE NOT SO GOOD

*The Institute for Supply Management's index of non-manufacturing companies dipped to 55.2 in January from 55.7 in the prior month.

*U.S. nonfarm productivity fell at a 2% annual rate in the 4th quarter, the largest drop since the 1st quarter of 2011.

*The Commerce Dept. reported that business inventories increased +0.1% in December after rising +0.2% in November.

*Retail sales edged up +0.1% in January after a +0.5% rise in December, suggesting that a beginning of the year tax hike partly restrained consumer spending.

*U.S. factories slowed production in January after two solid months of producing goods. Manufacturing output fell -0.4% in January from February.

*Foreign holdings of U.S. Treasuries rose in December to \$5.56 trillion, the 12th consecutive monthly gain. China and Japan are the two largest holders.

*The Commerce Dept. reported that housing starts dropped -8.5% in January to an 890,000 unit annual rate following a +15.75% surge in December.

The Conference Board's Consumer Confidence Index rose to 69.9 in February from a revised 58.4 in January.

NON-U.S. MARKETS

Non-U.S. equities were slightly lower in February. The MSCI ACWI Ex-U.S. was down -1.03% (US dollars) in February. Developed stocks (EAFE) were down -0.92% while Emerging Markets fell by -1.24% for the month.

Retail sales stumbled badly in Canada at the end of 2012 as overall sales tumbled -2.1% in December, the largest decline since April 2010, leaving them down -0.7% for all of calendar year 2012. GDP rose at an anemic +0.6% rate in the fourth quarter.

The Bank of England made no changes to its monetary policy stance, leaving its policy rate at 0.50% and its asset purchase program unchanged at £375 billion. Retail sales continue to disappoint in the UK. Total sales unexpectedly fell -0.6% in January, their fourth consecutive decline and the fifth in six months.

The fourth-quarter GDP was disappointing in the Eurozone as it fell -0.6%, the fifth consecutive decline. Year-over-year GDP fell -0.9%. The European Union

predicted that the economy of the 17 countries that use the euro will shrink -0.3% in 2013.

The European Central Bank left its three administered interest rates unchanged. The minimum bid was kept at 0.75%, the emergency lending rate was kept at 1.50% and the deposit rate was kept at 0.00%. Industrial production continues to trend lower in the Eurozone. Production rose +0.7% in December, but that follows three consecutive declines and leaves output -2.4% lower than a year ago.

German factory orders continue to trend sideways. Total orders rose +0.8% in December, after a -1.8% drop in November. German industrial production is also trending sideways as overall production rose +0.3% in December following a -0.2% decline in November.

GDP fell for the third consecutive quarter in Japan in Q4, thereby prolonging the third recession in the past four years as it was down -0.1%. Japanese machinery orders may be starting to turn up. Core machinery orders rose +0.3% in December the third consecutive gain. Industrial production also appears to have stabilized in the fourth quarter. Consumer confidence bounced in January due to Abe's policy initiatives which sent the yen down and the Nikkei up.

India's GDP rose a slower than expected +4.5% year-over year in the fourth quarter, the weakest pace since the first quarter of 2009.

CONCLUSION

The minutes of the FOMC's January 29-30 meeting made clear that there is an internal debate about the future of the current massive asset purchase program. In January, those FOMC members less enthusiastic about this open-ended quantitative easing argued that the FOMC "should be prepared to vary the pace of asset purchases, either in response to changes in the economic outlook or as its evaluation of the efficacy and costs of such purchases evolved." Fed Chairman Bernanke and Vice Chair Yellen continue to strongly believe in the efficacy of this policy and believe that potential costs (inflation, etc.) can be contained. The financial markets as evidenced by their strong recent performance have been direct benefits from this program. As Marty Zweig once stated, "Don't fight the Fed", this bears watching

and is one of the most important factors that is going on in the global financial markets.

U.S. equities continue to remain resilient to “sequestration” that should detract about -0.5% from 2013 GDP and cause additional layoffs and/or furloughs. U.S. equities have been quite strong YTD in 2013 from solid U.S. housing data, expectations for modest U.S. economic growth, and the massive global quantitative easing programs described above. Strategic Investment Solutions over the past year has had the largest equity premium in relation to bonds in its history. The strong rally in equity markets might also reflect that large equity premium. We would suspect the longer the markets ignore major risks, the possibility of a larger pullback in equities may rise.

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Feb-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	1.33	8.19	6.89	13.65	8.95	13.83	5.38	4.82	8.85
Russell TOP 200 Index	1.31	6.76	6.20	12.99	9.36	12.98	4.45	4.43	7.47
Russell TOP 200 Growth Index	1.34	4.16	4.93	9.13	9.27	13.33	6.31	5.82	7.61
Russell TOP 200 Value Index	1.29	9.39	7.45	16.96	9.46	12.59	2.51	3.01	7.36
S&P 500 Index	1.36	7.58	6.61	13.46	9.21	13.50	4.94	4.64	8.24
Russell 1000 Index	1.34	7.95	6.84	13.62	9.15	13.75	5.21	4.84	8.67
Russell 1000 Growth Index	1.24	5.55	5.58	9.60	8.60	13.80	6.38	5.74	8.42
Russell 1000 Value Index	1.44	10.26	8.03	17.63	9.63	13.66	3.88	3.81	8.77
Russell Mid-Cap Index	1.41	10.79	8.35	15.04	8.64	15.65	7.16	5.93	11.92
Russell Mid-Cap Growth Index	1.01	9.16	7.23	10.84	7.28	15.27	6.76	5.77	11.30
Russell Mid-Cap Value Index	1.76	12.20	9.32	18.91	9.83	15.97	7.36	5.78	12.12
Russell 2000 Index	1.10	11.26	7.43	14.02	6.70	14.71	7.35	4.62	11.16
Russell 2000 Growth Index	1.06	10.82	7.71	11.17	6.68	15.77	7.83	5.16	11.22
Russell 2000 Value Index	1.14	11.68	7.17	16.89	6.64	13.59	6.74	3.96	10.96
DJ US REIT Index	0.83	8.19	4.26	16.02	11.06	19.74	6.88	4.49	12.07
DJ-UBS US Commodity Index TR	-4.09	-4.35	-1.79	-7.66	-9.28	0.77	-8.44	-0.95	2.80
DJ-UBS US Gold Index TR	-5.04	-7.96	-5.94	-8.49	5.08	11.36	9.16	14.74	15.28

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Feb-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	-1.03	6.60	3.01	7.17	0.54	7.13	-0.41	3.49	11.17
MSCI AC World Index	0.03	7.09	4.67	9.92	4.34	9.96	1.96	4.05	9.68
MSCI EAFE Index	-0.92	7.67	4.32	10.37	1.31	7.35	-0.77	2.45	9.88
MSCI Emerging Markets index	-1.24	5.04	0.13	0.62	0.41	6.92	0.64	7.13	17.27
ML Global Government Bond Ex. U.S. Index	-1.42	-6.58	-4.50	-5.37	0.37	3.14	3.99	5.99	5.58
Euro	-3.69	0.52	-0.84	-2.27	-2.71	-1.42	-2.94	1.33	1.95
Japanese Yen	-1.08	-10.61	-6.28	-12.27	-5.76	-1.24	2.45	3.30	2.51
UK Pound Sterling	-4.26	-5.28	-6.62	-4.98	-3.39	-0.10	-5.26	-2.02	-0.37

US Fixed Income Indices Trailing Performance

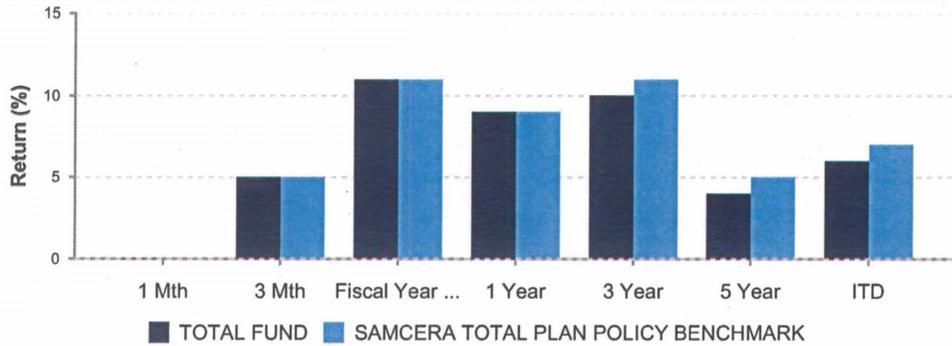
Annualized Performance to Date: Ending Feb-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.02	0.00	0.11	0.10	0.11	0.39	1.67	1.77
BarCap Aggregate Bond Index	0.50	-0.34	-0.20	3.12	5.71	5.45	5.52	5.78	5.01
ML U.S. Corp/Govt Master Index	0.60	-0.52	-0.24	3.87	6.54	6.03	5.47	5.86	5.05
ML U.S. Corporate Master Index	0.71	-0.03	-0.02	7.08	8.41	8.26	7.45	6.76	6.05
BarCap Mortgage Backed Securities Index	0.34	-0.03	-0.16	1.92	4.15	4.14	5.24	5.64	4.96
ML U.S. High Yield Master Index	0.47	3.42	1.82	11.78	8.98	11.66	10.85	8.94	9.98
JPM EMBI Global	-0.14	-0.64	-1.56	11.38	12.80	11.68	9.97	9.00	10.85

San Mateo County Total Fund Characteristics

February 28, 2013



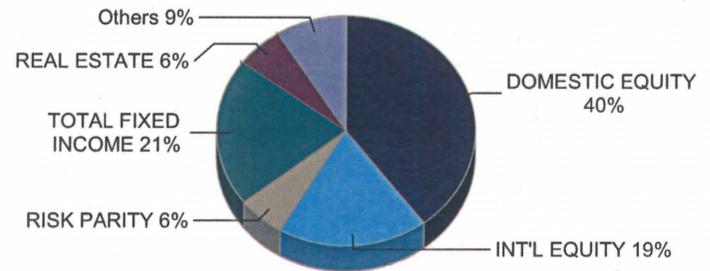
Net Performance



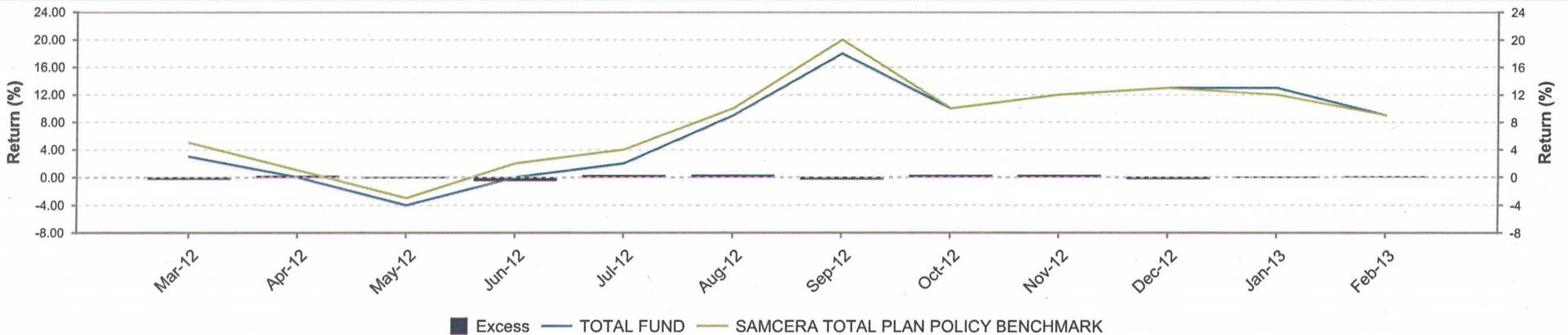
	1-Mth	3-Mth	Fiscal YTD	1-Yr	3-Yr	5-Yr	10-Yr	ITD
TOTAL FUND	0.44	4.77	11.33	9.37	10.10	3.60	7.54	6.44
SAMCERA TOTAL PLAN POLICY BENCHMARK	0.38	5.02	10.62	9.37	10.80	4.66	8.45	6.77
Excess	0.07	-0.25	0.71	-0.00	-0.70	-1.07	-0.91	-0.33

Asset Allocation

	Ending Market Value (\$)	Allocation (%)
DOMESTIC EQUITY	1,081,713,505	39.9
INTERNATIONAL EQUITY	511,512,839	18.9
PRIVATE EQUITY	56,537,107	2.1
RISK PARITY	168,982,564	6.2
HEDGE FUND	72,236,619	2.7
COMMODITIES	74,243,182	2.7
FIXED INCOME	564,342,239	20.8
REAL ESTATE	153,983,862	5.7
CASH	25,013,821	0.9
TOTAL FUND	2,708,565,738	100.0



Cumulative Returns

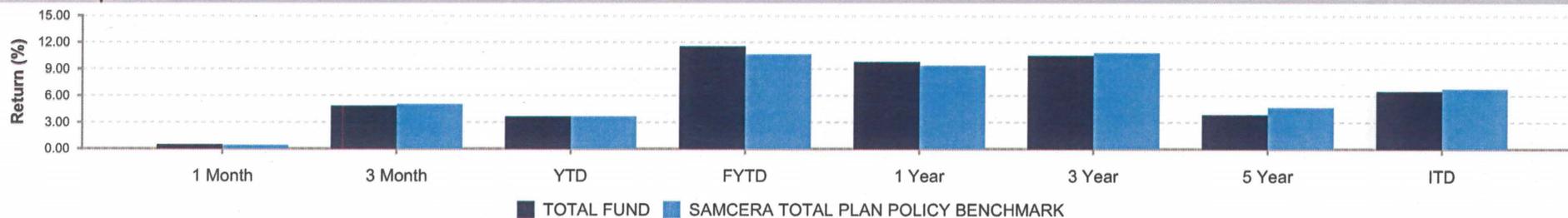


San Mateo County Composite Return Summary



February 28, 2013

Return Comparison



Composite Total Returns (Gross)

	Market Value (\$)	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	ITD
Total Fund	2,708,565,738	0.44	4.85	3.64	11.54	9.78	10.49	3.85	6.52
SAMCERA TOTAL PLAN POLICY BENCHMARK		0.38	5.02	3.63	10.62	9.37	10.80	4.66	6.77
Excess		0.07	-0.17	0.00	0.92	0.42	-0.31	-0.82	-0.25
Total Equity	1,593,226,344	0.69	7.08	5.16	14.33	10.73	11.03	2.62	7.23
SAMCERA TOTAL EQUITY BENCHMARK		0.50	8.00	5.62	15.16	11.54	11.65	3.71	7.55
Excess		0.19	-0.92	-0.46	-0.83	-0.81	-0.62	-1.09	-0.32
Total Fixed Income	564,342,239	0.64	1.62	1.08	7.64	9.06	9.18	7.42	6.38
SAMCERA TOTAL FIXED INCOME BENCHMARK		0.17	-0.80	-0.61	2.25	3.57	6.12	5.92	5.86
Excess		0.47	2.42	1.69	5.39	5.49	3.06	1.49	0.52
Total Risk Parity	168,982,564	1.02	2.36	1.77	12.06	10.95			10.83
RISK PARITY BENCHMARK		1.00	4.74	4.04	8.84	9.50			7.93
Excess		0.02	-2.38	-2.27	3.23	1.45			2.89
Hedge Funds	72,236,619	0.45	2.75	1.73	5.70	5.07			3.01
LIBOR + 4%		0.34	1.04	0.69	2.80	4.23			4.25
Excess		0.11	1.71	1.04	2.90	0.84			-1.24
Private Equity	56,537,107	0.77	1.05	1.05	0.64	5.64			-63.93
PRIVATE EQUITY BENCHMARK		1.57	8.98	7.40	16.06	17.02			17.14
Excess		-0.80	-7.93	-6.35	-15.42	-11.38			-81.08

San Mateo County
Composite Return Summary



February 28, 2013

Composite Total Returns (Gross)

	Market Value (\$)	1 Mth	3 Mth	YTD	FYTD	1 Year	3 Year	5 Year	ITD
Commodities	74,243,182	-3.71	-2.67	-0.78	6.21	3.15			-0.64
DJ-UBS COMMODITY		-4.09	-4.37	-1.80	0.85	-7.75			-10.53
Excess		0.39	1.70	1.02	5.36	10.90			9.89
Total Real Estate	153,983,862	0.00	3.11	0.00	6.00	9.70	14.39	-0.63	7.68
SAMCERA NCREIF NFI ODCE EW (Gross)		0.00	2.54	0.00	5.40	11.26	14.13	-0.73	7.67
Excess		0.00	0.57	0.00	0.59	-1.56	0.26	0.10	0.01
Total Cash	25,013,821	0.03	0.10	0.08	0.32	0.57	0.79	0.24	2.48
91 DAY TREASURY BILL		0.00	0.02	0.00	0.07	0.11	0.11	0.39	2.41
Excess		0.03	0.08	0.08	0.25	0.46	0.68	-0.15	0.07

San Mateo County Manager Return Summary

February 28, 2013



Manager Returns (Gross)									
	\$ EMV	1 Mth	3 Mth	FYTD	Cal YTD	1 Year	3 Year	5 Year	ITD
TOTAL EQUITY	1,593,226,344	0.69	7.08	14.33	5.16	10.73	11.03	2.62	7.23
SAMCERA TOTAL EQUITY BENCHMARK		0.50	8.00	15.16	5.62	11.54	11.65	3.71	7.55
Excess		0.19	-0.92	-0.83	-0.46	-0.81	-0.62	-1.09	-0.32
TOTAL DOMESTIC EQUITY	1,081,713,505	1.37	7.38	13.60	6.03	11.87	13.35	4.87	7.56
SAMCERA DOMESTIC EQUITY BENCHMARK		1.30	8.61	14.02	6.96	13.72	13.99	5.69	7.77
Excess		0.08	-1.23	-0.42	-0.93	-1.84	-0.63	-0.82	-0.21
LARGE CAP COMPOSITE	895,714,060	1.42	6.97	13.21	6.09	12.12	12.52	4.36	8.27
RUSSELL 1000 INDEX		1.34	7.95	13.72	6.84	13.62	13.75	5.21	8.60
Excess		0.08	-0.98	-0.51	-0.75	-1.50	-1.24	-0.85	-0.34
DE SHAW INVESTMENT MGT, LLC	137,195,930	1.68	8.00	14.40	7.20	14.91	14.38		16.33
RUSSELL 1000 INDEX		1.34	7.95	13.72	6.84	13.62	13.75		15.53
Excess		0.34	0.05	0.68	0.36	1.29	0.62		0.81
BARROW HANLEY	140,361,530	1.55	8.36	15.41	6.79	14.67	13.01		15.12
Russell 1000 Value Index		1.44	10.26	16.81	8.03	17.63	13.66		15.53
Excess		0.12	-1.90	-1.40	-1.24	-2.95	-0.65		-0.41
BLACKROCK LARGE GROWTH	142,386,297	1.25	5.59		5.59				7.35
Russell 1000 Growth Index		1.24	5.55		5.58				7.32
Excess		0.00	0.04		0.00				0.03
BLACKROCK S&P 500	475,471,131	1.36							1.36
S&P 500		1.36		1.36					1.36
Excess		0.00							0.00
SMALL CAP COMPOSITE	185,943,842	1.15	10.52	16.83	7.43	12.84	17.23	7.08	5.94
RUSSELL 2000 INDEX		1.10	11.26	15.17	7.43	14.02	14.71	7.35	6.56
Excess		0.05	-0.74	1.66	-0.00	-1.18	2.52	-0.27	-0.61

San Mateo County Manager Return Summary

February 28, 2013



Manager Returns (Gross)									
	\$ EMV	1 Mth	3 Mth	FYTD	Cal YTD	1 Year	3 Year	5 Year	ITD
BOSTON COMPANY ASSET MGT, LLC	93,229,648	1.35	11.77	18.62	7.79	17.25	14.93		17.21
RUSSELL 2000 VALUE INDEX		1.14	11.68	16.89	7.17	16.89	13.59		15.91
Excess		0.21	0.09	1.73	0.62	0.36	1.34		1.30
CHARTWELL INVESTMENT MGMT	92,429,171	0.95	10.44	16.68	7.67	12.63	19.51	7.80	7.82
RUSSELL 2000 GROWTH		1.06	10.82	13.43	7.71	11.17	15.77	7.83	6.45
Excess		-0.11	-0.38	3.25	-0.04	1.45	3.74	-0.04	1.37
TOTAL INTERNATIONAL EQUITY	511,512,839	-0.72	6.42	15.79	3.37	7.84	5.86	-2.39	5.71
MSCI AC WORLD ex US (GROSS)		-1.03	6.60	17.25	3.01	7.17	7.13	-0.41	5.66
Excess		0.31	-0.18	-1.46	0.36	0.67	-1.27	-1.98	0.05
BAILLIE GIFFORD OVERSEAS LIMITED	173,573,030	0.87	8.01	20.31	6.00				12.66
MSCI ACWI ex US GROWTH (GROSS)		0.17	6.63	17.13	3.75				9.18
Excess		0.70	1.39	3.18	2.25				3.47
EATON VANCE MANAGEMENT	63,316,276	-1.50	6.15	13.12	0.81				4.56
MSCI Em Markets (USD) GDR		-1.24	5.04	14.09	0.13				4.08
Excess		-0.26	1.10	-0.97	0.67				0.47
MONDRIAN INVESTMENT PARTNERS	217,067,846	-1.94	5.22	12.53	2.22	5.52	6.58	-0.42	6.01
MSCI ACWI EX US VALUE (GROSS)		-2.24	6.57	17.38	2.26	6.49	6.31	-0.30	6.14
Excess		0.30	-1.35	-4.85	-0.04	-0.98	0.27	-0.11	-0.13
PYRAMIS	54,854,517	0.09	7.06	19.40	3.16				9.13
MSCI ACWI ex US Small Cap Gross		0.54	9.16	19.61	4.91				9.11
Excess		-0.45	-2.10	-0.21	-1.75				0.01
TOTAL FIXED INCOME	564,342,239	0.64	1.62	7.64	1.08	9.06	9.18	7.42	6.38
SAMCERA TOTAL FIXED INCOME BENCHMARK		0.17	-0.80	2.25	-0.61	3.57	6.12	5.92	5.86
Excess		0.47	2.42	5.39	1.69	5.49	3.06	1.49	0.52

**San Mateo County
Manager Return Summary**

February 28, 2013



Manager Returns (Gross)									
	\$ EMV	1 Mth	3 Mth	FYTD	Cal YTD	1 Year	3 Year	5 Year	ITD
ANGELO GORDON GECC PPI FUND	7,146,727	0.85	6.94	25.61	5.44	31.22	21.16		22.28
Barclays BA Intermediate High Yield Index		0.40	2.31	8.29	1.25	10.11	11.05		11.48
Excess		0.45	4.62	17.32	4.20	21.11	10.11		10.80
ANGELO GORDON MANAGEMENT	22,234,773	0.62	0.62		0.62				0.62
Barclays BA Intermediate High Yield Index		0.40	2.31		1.25				2.31
Excess		0.22	-1.69		-0.63				-1.69
PYRAMIS GLOBAL ADVISORS	149,074,887	0.58	-0.04	2.80	0.06	5.06	6.96	6.95	6.33
Barclays Aggregate Bond		0.50	-0.34	1.60	-0.20	3.12	5.45	5.52	5.76
Excess		0.07	0.30	1.21	0.26	1.94	1.51	1.43	0.57
WESTERN ASSET MGMT	119,733,771	0.51	0.26	4.30	0.12	6.73	8.38	7.33	6.12
Barclays Aggregate Bond		0.50	-0.34	1.60	-0.20	3.12	5.45	5.52	5.19
Excess		0.01	0.60	2.71	0.33	3.61	2.93	1.81	0.93
BRIGADE CAPITAL MANAGEMENT	59,548,275	0.42	3.90	10.75	2.13	13.38			11.47
Barclays BA Intermediate High Yield Index		0.40	2.31	8.29	1.25	10.11			10.31
Excess		0.02	1.59	2.46	0.88	3.28			1.16
BROWN BROTHERS HARRIMAN & CO	83,358,216	0.24	-1.09	2.81	-0.52	5.18			8.79
Barclays US TIPS Index		0.02	-1.46	2.15	-0.74	4.42			8.49
Excess		0.22	0.37	0.66	0.22	0.77			0.30
FRANKLIN TEMPLETON INVESTMENTS	123,243,864	1.18	5.03	16.19	3.17	12.44			10.12
Barclays Multiverse		-0.92	-1.96	1.30	-1.73	1.21			3.95
Excess		2.10	6.99	14.89	4.90	11.23			6.16
TOTAL PRIVATE EQUITY	56,537,107	0.77	1.05	0.64	1.05	5.64			-63.93
PRIVATE EQUITY BENCHMARK		1.57	8.98	16.06	7.40	17.02			17.14
Excess		-0.80	-7.93	-15.42	-6.35	-11.38			-81.08

**San Mateo County
Manager Return Summary**

February 28, 2013



Manager Returns (Gross)									
	\$ EMV	1 Mth	3 Mth	FYTD	Cal YTD	1 Year	3 Year	5 Year	ITD
TOTAL RISK PARITY	168,982,564	1.02	2.36	12.06	1.77	10.95			10.83
RISK PARITY BENCHMARK		1.00	4.74	8.84	4.04	9.50			7.93
Excess		0.02	-2.38	3.23	-2.27	1.45			2.89
AQR GLOBAL RISK PREM III LP	168,982,564	1.02	2.36	12.06	1.77	10.95			10.83
RISK PARITY BENCHMARK		1.00	4.74	8.84	4.04	9.50			7.93
Excess		0.02	-2.38	3.23	-2.27	1.45			2.89
HEDGE FUND COMPOSITE	72,236,619	0.45	2.75	5.70	1.73	5.07			3.01
LIBOR + 4%		0.34	1.04	2.80	0.69	4.23			4.25
Excess		0.11	1.71	2.90	1.04	0.84			-1.24
AQR DELTA FUND II, L.P.	72,236,619	0.45	2.75	5.70	1.73	5.07			3.01
LIBOR + 4%		0.34	1.04	2.80	0.69	4.23			4.25
Excess		0.11	1.71	2.90	1.04	0.84			-1.24
TOTAL COMMODITIES	74,243,182	-3.71	-2.67	6.21	-0.78	3.15			-0.64
DJ-UBS COMMODITY		-4.09	-4.37	0.85	-1.80	-7.75			-10.53
Excess		0.39	1.70	5.36	1.02	10.90			9.89
SSGA MULTISOURCE ACT COMM NL	74,243,182	-3.71	-2.67	6.21	-0.78	3.15			-0.64
DJ-UBS COMMODITY		-4.09	-4.37	0.85	-1.80	-7.75			-10.53
Excess		0.39	1.70	5.36	1.02	10.90			9.89
TOTAL REAL ESTATE	153,983,862	0.00	3.11	6.00	0.00	9.70	14.39	-0.63	7.68
SAMCERA NCREIF NFI ODCE EW (Gross)		0.00	2.54	5.40	0.00	11.26	14.13	-0.73	7.67
Excess		0.00	0.57	0.59	0.00	-1.56	0.26	0.10	0.01
INVESCO REAL ESTATE	153,983,862	0.00	3.11	6.00	0.00	9.70	14.39	-0.63	6.28
SAMCERA NCREIF NFI ODCE EW (Gross)		0.00	2.54	5.40	0.00	11.26	14.13	-0.73	6.03
Excess		0.00	0.57	0.59	0.00	-1.56	0.26	0.10	0.25

**San Mateo County
Manager Return Summary**

February 28, 2013



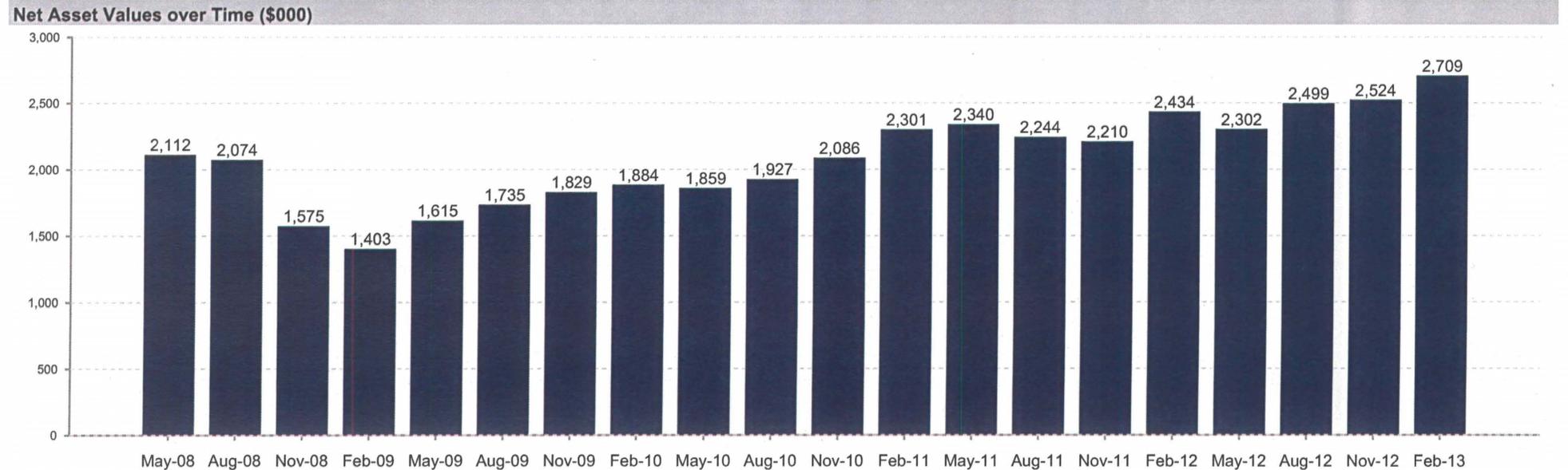
Manager Returns (Gross)									
	\$ EMV	1 Mth	3 Mth	FYTD	Cal YTD	1 Year	3 Year	5 Year	ITD
TOTAL CASH	25,013,821	0.03	0.10	0.32	0.08	0.57	0.79	0.24	2.48
91 DAY TREASURY BILL		0.00	0.02	0.07	0.00	0.11	0.11	0.39	2.41
Excess		0.03	0.08	0.25	0.08	0.46	0.68	-0.15	0.07
SAMCERA GENERAL ACCOUNT	19,559,979	0.01	0.05	0.14	0.03	0.20	0.26	0.63	2.53
SAMCERA TREASURY & LAIF	5,453,842	0.05	0.16	0.47	0.10	0.75	0.97	0.19	3.24
TOTAL FUND	2,708,565,738	0.44	4.85	11.54	3.64	9.78	10.49	3.85	6.52
SAMCERA TOTAL PLAN POLICY BENCHMARK		0.38	5.02	10.62	3.63	9.37	10.80	4.66	6.77
Excess		0.07	-0.17	0.92	0.00	0.42	-0.31	-0.82	-0.25

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

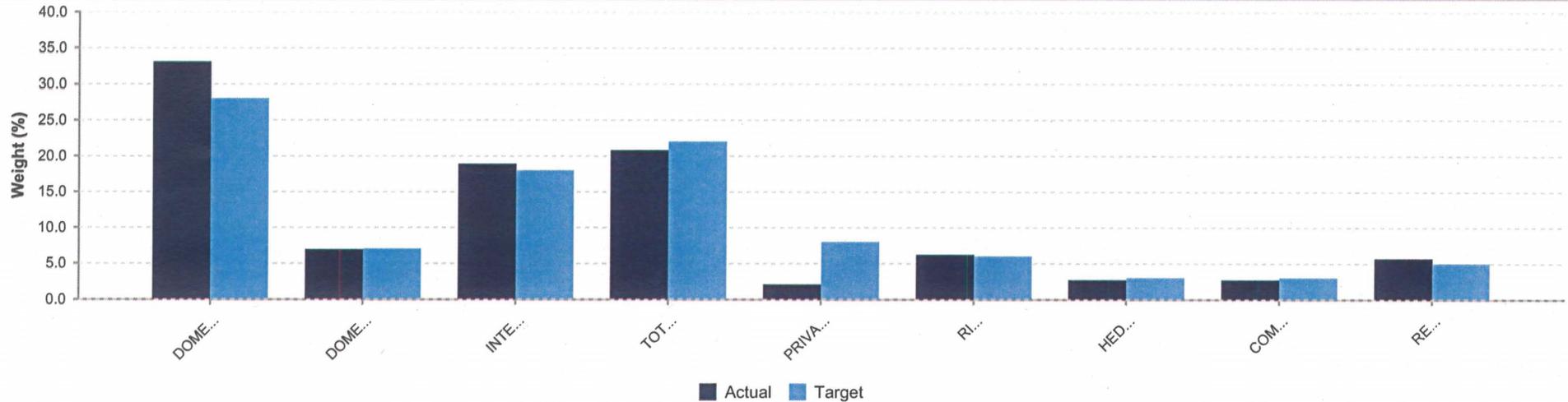
February 28, 2013



Record of Asset Growth		
	One Quarter	One Year
TOTAL FUND		
Beginning Market Value	2,539,369,820	2,434,401,908
Contributions	1,420,835,239	2,567,947,544
Withdrawals	1,376,408,638	2,833,239,468
Income Received	11,321,556	45,969,113
Gain/Loss	113,447,762	194,142,486
Ending Market Value	2,708,565,738	2,708,565,738



Actual vs Target Weights



% Portfolio Weight

	Min	Actual	Target	Deviation	Max
DOMESTIC LARGE CAP	26.0	33.1	28.0	5.1	30.0
BLACKROCK S&P 500	10.3	17.6	12.3	5.3	14.3
DE SHAW INVESTMENT MGT, LLC	3.3	5.1	5.0	0.1	7.3
BARROW HANLEY	3.3	5.2	5.1	0.1	7.3
BLACKROCK LARGE GROWTH	3.3	5.3	5.2	0.1	5.3
DOMESTIC SMALL CAP	5.0	6.9	7.0	-0.1	9.0
BOSTON COMPANY ASSET MGT, LLC	1.5	3.4	3.5	-0.1	5.5
CHARTWELL INVESTMENT MGMT	1.5	3.4	3.5	-0.1	5.5
INTERNATIONAL EQUITY	15.0	18.9	18.0	0.9	21.0
BAILLIE GIFFORD OVERSEAS LIMITED	3.0	6.4	6.0	0.4	9.0
EATON VANCE MANAGEMENT	0.0	2.3	2.3	0.1	5.3
MONDRIAN INVESTMENT PARTNERS	5.0	8.0	8.0	0.0	11.0
PYRAMIS	0.0	2.0	1.8	0.3	4.8

**San Mateo County
Asset Allocation**

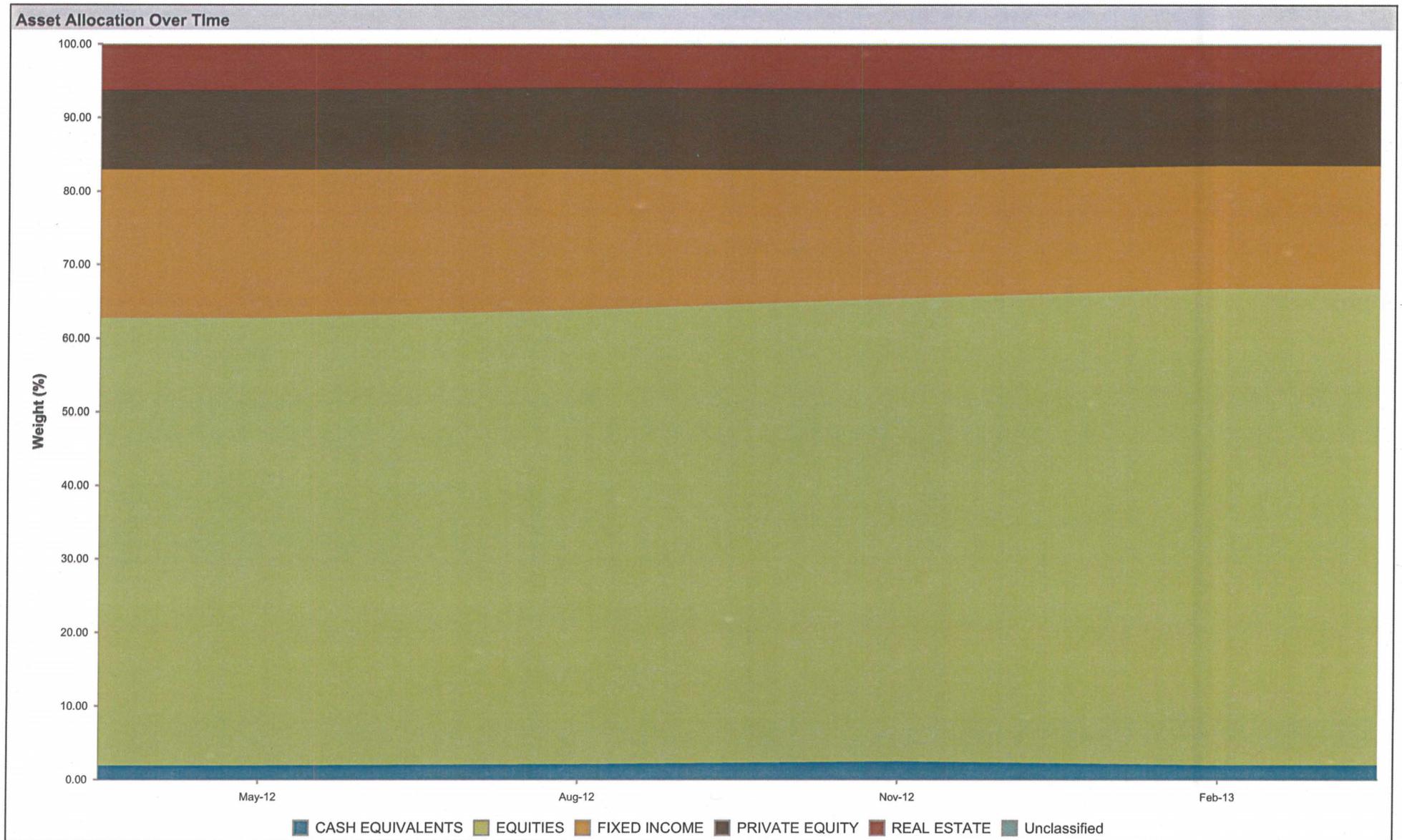
February 28, 2013



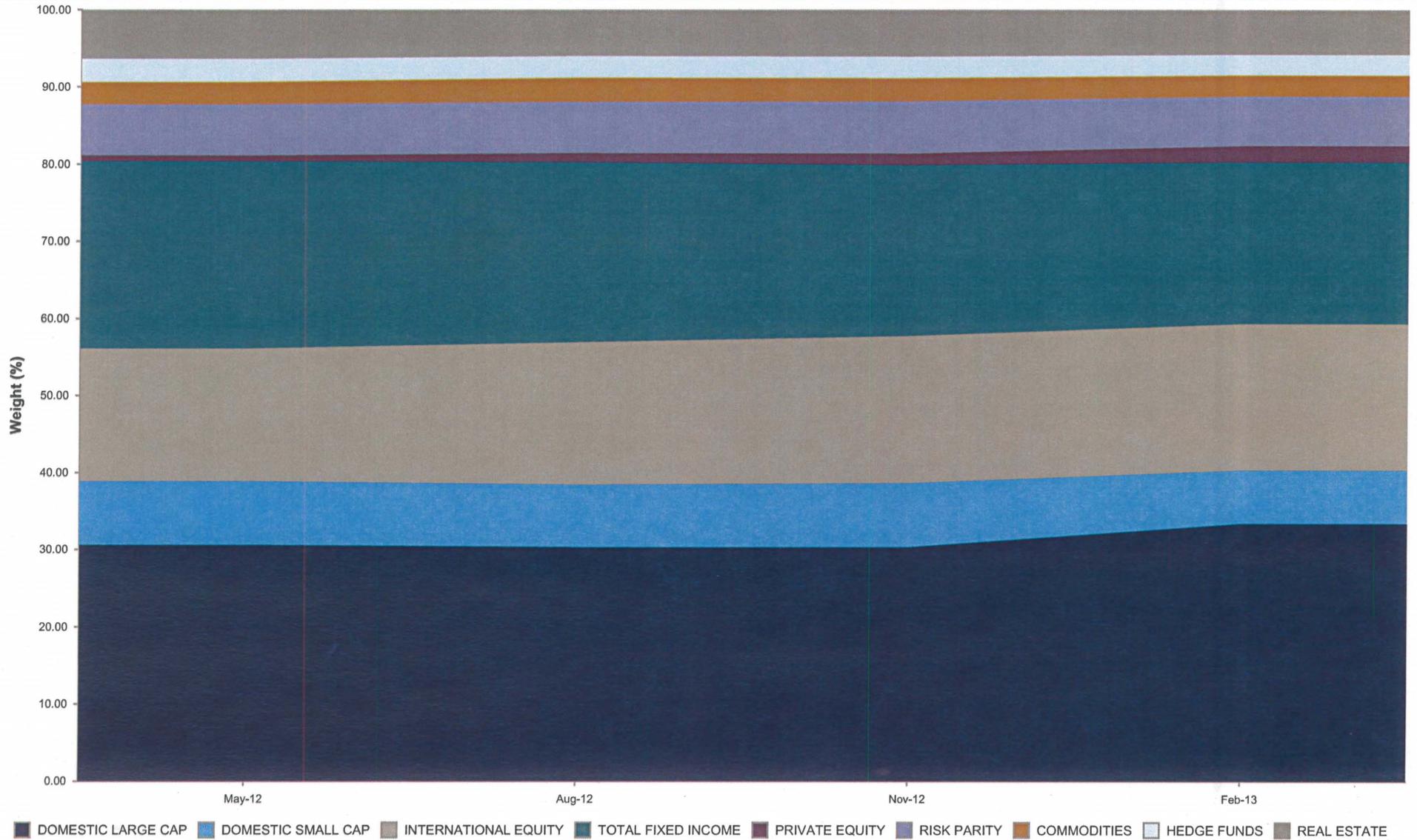
% Portfolio Weight					
	Min	Actual	Target	Deviation	Max
TOTAL FIXED INCOME	19.0	20.8	22.0	-1.2	25.0
ANGELO GORDON	0.0	1.1	1.8	-0.7	3.8
BRIGADE CAPITAL MANAGEMENT	0.0	2.2	1.8	0.4	3.8
BROWN BROTHERS HARRIMAN & CO	1.1	3.1	3.1	-0.0	5.1
FRANKLIN TEMPLETON INVESTMENTS	2.4	4.6	4.4	0.2	6.4
WESTERN ASSET MGMT	2.4	4.4	4.4	0.0	6.4
PYRAMIS GLOBAL ADVISORS	4.6	5.5	6.6	-1.1	8.6
PRIVATE EQUITY	8.0	2.1	8.0	-5.9	8.0
RISK PARITY	6.0	6.2	6.0	0.2	6.0
AQR GLOBAL RISK PREM III LP	6.0	6.2	6.0	0.2	6.0
HEDGE FUNDS	3.0	2.7	3.0	-0.3	3.0
AQR DELTA FUND II, L.P.	3.0	2.7	3.0	-0.3	3.0
COMMODITIES	3.0	2.7	3.0	-0.3	3.0
SSGA MULTISOURCE ACT COMM NL	3.0	2.7	3.0	-0.3	3.0
REAL ESTATE	3.0	5.7	5.0	0.7	7.0
INVESCO REAL ESTATE	3.0	5.7	5.0	0.7	3.0

San Mateo County Asset Allocation Over Time

February 28, 2013



Sub-Asset Class Allocation Over Time



SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Special Meeting Agenda #4 (Regular Agenda Item 6.2)

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer



SUBJECT: Interview Finalists for SamCERA's Large-Cap Growth Manager

Staff Recommendation:

Review the attached materials from the three finalist candidates for SamCERA's large-cap growth equity mandate, and participate in the presentation that each will provide during the March Special Meeting.

Background:

At the October 2012 Board meeting, the Board approved the timeline and selection criteria for identifying a new large-cap growth equity manager. During the December 2012 Board meeting, the Board selected six semi-finalists to receive the Request for Information (RFI). The six semi-finalist firms were: 1) Brown Advisory, 2) Delaware Investments, 3) HS Management, 4) TCW, 5) Wedgewood Partners, and 6) Wellington Management. After reviewing bullet point summaries, performance statistics, and the Request for Information responses, the Board selected three finalist candidates (Brown Advisory, Delaware Investments, and TCW) to be interviewed during the March 2013 Board meeting.

Discussion:

The presentation books for each of the three finalists are attached. In addition, a performance summary of the three finalist managers is included. Each manager will have one hour allotted in the interview schedule, which will include their presentation and Q&A. The interview schedule will be as follows:

9 a.m. Delaware Investments Large-Cap Growth (Jeff Van Harte)

10 a.m. Brown Advisory Large-Cap Growth (Ken Stuzin, CFA & Charlie Constable)

11 a.m. TCW Concentrated Core (Craig Blum, CFA & Chris Scibelli)

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

Attachments:

- A. *Delaware Investments – Large Growth Presentation*
- B. *Brown Advisory - Large Growth Presentation*
- C. *TCW – Concentrated Core Presentation*
- D. *Finalist Manager Performance Summary*

4Q 2012

Delaware
Investments®
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Focus growth equity investment management

Large-Cap Growth Equity

Presentation to:

SamCERA
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Agenda:

- I. Firm overview
- II. Philosophy, people and process
- III. Portfolio, sectors and characteristics
- IV. Fee schedule, disclosure and biographies

March 26, 2013

Delaware Investments • 2005 Market Street • Philadelphia, PA 19103-7094

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FGLC-130326-SAMCERA-ALT 1

Firm overview

Delaware Investments

December 31, 2012

History

- 1929 Delaware Investments predecessor firm is founded
- 1938 Delaware Investments introduces its first mutual fund
- 1970 Begin managing fixed income strategies
- 1972 Institutional separate account management is established
- 1974 Taft-Hartley business is established
- 1990 International/global capabilities are established
- 2000 Begin decade of broadening investment capabilities
- 2007 Ireland-based UCITS funds are launched
- 2010 Delaware Investments joins Macquarie Group

Staff

132 Investment professionals

44 Portfolio managers

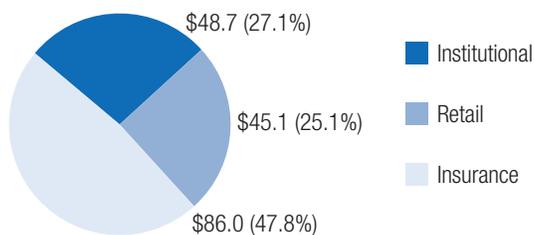
52 Research analysts

26 Traders

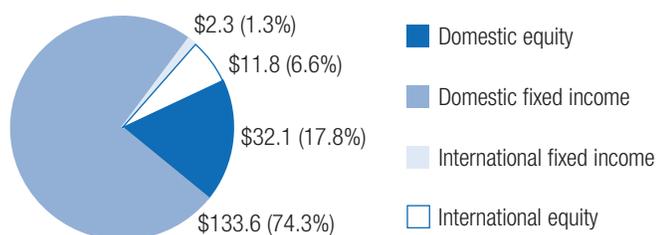
10 Quantitative analysts

Assets \$179.8 billion under management

By client type (\$ billions)



By asset class (\$ billions)



Institutional profile

525 Institutional client accounts

339 Institutional equity accounts

186 Institutional fixed income accounts

By assets

Sub-advisory: 53%	Taft-Hartley: 2%
Corporate: 22%	High net worth: 1%
Public: 14%	Endowments and foundations: 1%
NDT/VEBA: 6%	Other: 1%

Representative client list

As of December 31, 2012

Corporate employee benefit

A. O. Smith Corporation

American Airlines, Inc.

Boeing

Cooper Tire & Rubber Company

General Mills

Glatfelter

Oneok, Inc.

Pactiv, Inc.

Textron Corporation

USAA

Public funds

California State Teachers
Retirement System

City of Austin Police Retirement System

City of New Orleans Employees'
Retirement System

Commonwealth of Pennsylvania

Contra Costa County Employees' Retirement Association

Miami Firefighters and Police Officers

Ohio School Employees' Retirement System

Oregon Public Employees' Retirement System

Stanislaus County Employees' Retirement Association

Endowments & foundations

Gellert Foundation

The Oregon Community Foundation

Healthcare organizations

John Muir Health

Sub-advisory

First Mercantile Trust Company

GuideMark

Lincoln National Corporation

Massachusetts Mutual Life Insurance Company

MLC Investments Limited

Nomura Funds Research and
Technologies Co., Ltd

Northern Trust

PMC Funds

RBS Asset Management

Russell Investment Company

SCS Financial Services LLC

SEI

The Vanguard Group

UBS

Taft-Hartley

Chicago Laborers

Greater PA Regional Council
of Carpenters

Newspaper Guild International Pension

Plumbers and Pipefitters Local #421

Roofers & Waterproofers Local #30

San Francisco Culinary Pension Fund

Southwest Ohio Regional Council
of Carpenters

Teamsters Local #557 Pension Fund

Nuclear Decommissioning/VEBA

Arizona Public Service

Connecticut Yankee

Dominion Resources

Duke Energy

Entergy

FPL Group

Georgia Power

Maine Yankee

Portland General

Sempra Energy

Vermont Yankee Nuclear Power

Xcel Energy

Yankee Atomic

Bold indicates Focus Growth clients.

It is not known whether the listed clients approve or disapprove of the adviser or the advisory services provided. Delaware Investments does not use performance-based criteria to determine which clients are included on the list.

Firm overview

Delaware Investments

Delaware Investments: Shared values, shared resources



Our structure combines the entrepreneurial spirit of a small firm with the shared and deep resources of a large organization, which allows investment teams to focus on investing.

Independent investing:

Regardless of location, our teams focus on what they do best, select investments for clients' accounts.

Shared resources:

Our comprehensive infrastructure provides the investment teams with a wealth of support and distribution capabilities.

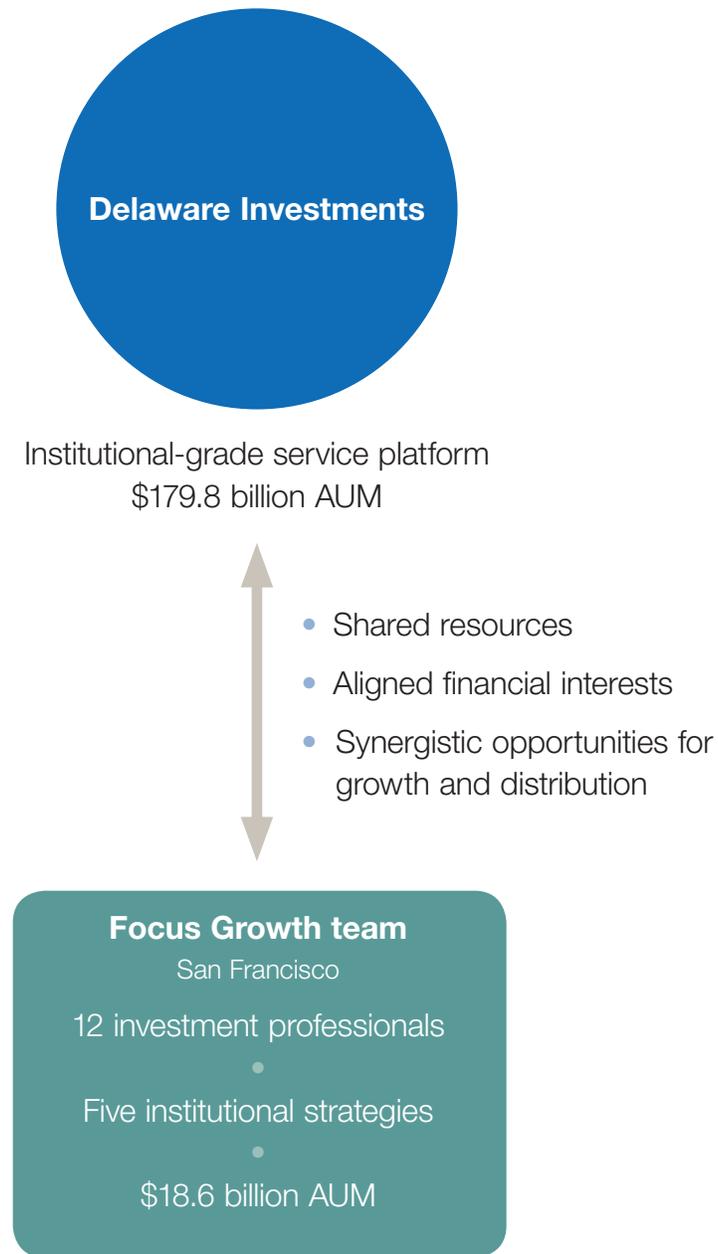
Ownership interest:

A long-term incentive plan provides investment teams with equity stakes in the company.

Delaware Investments team operating structure

Delaware Investments

As of December 31, 2012



A “win-win”:

Access to the resources and scale of a large firm,
while fostering the investment autonomy and
entrepreneurial structure of a boutique

Firm overview

Delaware Investments

December 31, 2012

Investment teams

Growth equities (\$18.6 billion*)

Focus Growth team (San Francisco)

Large-Cap Smid-Cap Select 20 All-Cap Global

Value equities (\$11.4 billion*)

Large Cap Value team (Philadelphia)

Large-Cap – Focus

Real Estate Securities team (Philadelphia)

U.S. Real Estate Securities

Small, Mid Cap Value team (Philadelphia)

Mid-Cap Small-Cap

Core equities (\$2.1 billion*)

Core team (Philadelphia)

Large-Cap Small-Cap Socially Responsible

Global/International equities (\$11.8 billion*)

Emerging Markets team (Boston)

Emerging Markets

Real Estate Securities team (Philadelphia)

Global Real Estate Securities

International Value Equity team (Boston)

Global Value International Value

Fixed income securities (\$135.9 billion*)

Fixed Income team (Philadelphia)

Intermediate	Corporate Bond	Tax-exempt	Cash/Enhanced Cash
Core	Long Duration	Tax-managed	Limited Term/LT Multisector
Core Plus	High Yield	Mortgage-backed	Floating Rate Multisector
Multisector	Convertibles	Asset-backed/TALF	Inflation Protected
International	Private Placements	Insurance	Government Quality

*Assets under management as of December 31, 2012. Includes all assets managed in this style, including institutional separate accounts, institutional mutual funds, retail mutual funds, and managed accounts. Institutional assets total \$48.7 billion.

\$4.3 billion of the International assets is currently sub-advised by Mondrian Investment Partners Limited (formerly Delaware International Advisers Ltd.)

Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its subsidiaries. Institutional advisory services are provided by Delaware Investment Advisers (DIA), a series of Delaware Management Business Trust (DMBT). DMBT is a U.S. registered investment adviser offering a comprehensive array of diversified investment management strategies across all major asset classes.

Philosophy

Focus Growth Equity investment management

Our philosophy

We are growth investors. We believe that attractive returns can be realized by maintaining a [concentrated](#) portfolio of companies that we believe have enhanced business models, strong cash flows, and the opportunity to generate [consistent, long-term](#) growth of [intrinsic business value](#).

Our strengths

- [Differentiated growth philosophy](#), emphasizing intrinsic business value and cash economics
- [Concentrated portfolio](#) construction [reflects conviction](#) rather than benchmark
- Stable, veteran team with [high level of accountability](#) and [peer scrutiny](#)
- Flat team structure — [all team members are analysts](#) first and foremost
- [Entrepreneurial boutique structure](#) and [significant personal stakes](#) in products managed
- Performance-driven investment culture [limits asset capacity](#) in all products

Because the strategy expects to hold a concentrated portfolio of a limited number of securities, the strategy's risk is increased because each investment has a greater effect on the account's overall performance.

Delaware
Investments®
A member of Macquarie Group



Powered by research® 

Focus Growth Equity team

Focus Growth Equity investment management

As of January 1, 2013

Our team

	Industry experience	Portfolio management	Analysis	Trading
Jeff Van Harte	32 years	●	●	
Chris Bonavico	25	●	●	
Ken Broad	18	●	●	
Dan Prislín	19	●	●	
Chris Ericksen	18	●	●	
Patrick Fortier	17	●	●	
Greg Heywood	20	●	●	
Van Tran	16	●	●	
Ian Ferry	6	●	●	
Lisa Hansen	32			●
Deborah Sabo	18			●
Kevin Brown (Investment Specialist)	18			

Product structure

Focus Growth equity team

One Team, One Philosophy

- Concentrated portfolios
- Long-term investment horizon
- Intrinsic value analysis

Small-Mid Cap Growth – Focus

Market cap range: <\$5B at purchase to \$10-12B

Primary managers

Chris Bonavico
Ken Broad

Large Cap Growth

Market cap range: >\$3B

Primary managers

Jeff Van Harte
Chris Bonavico
Chris Ericksen
Dan Prislin

Select 20 Growth

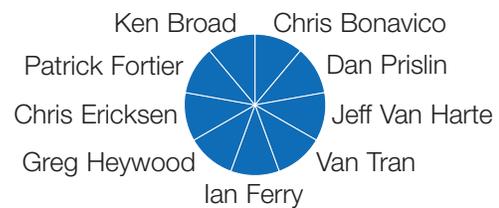
Primary managers

Jeff Van Harte
Ken Broad
Chris Bonavico
Dan Prislin

- Most concentrated product: 20 stocks or fewer
- Managed by four most seasoned portfolio managers
- Most opportunistic orientation

All Cap Growth

- Most diversified product: typically 40-60 stocks
- Sleeve weightings important for signaling degree of conviction



Focus Global Growth

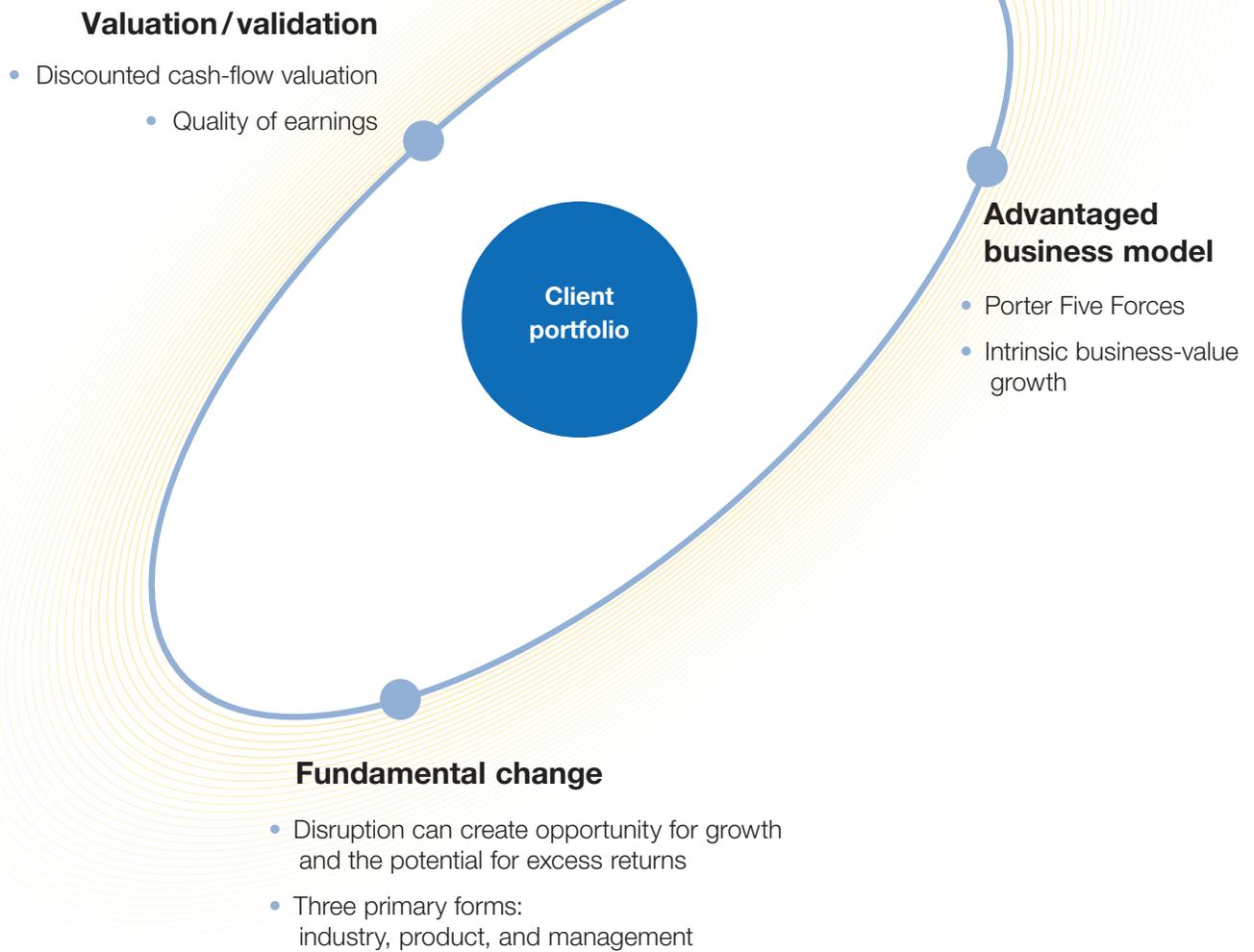
Market cap range: >\$1B

Primary managers

Greg Heywood
Patrick Fortier
Chris Bonavico

Focus Growth Equity investment process

Focus Growth Equity investment management



Investment process

Focus Growth Equity investment management

Idea sourcing

- Rely primarily on qualitative idea generation (make little use of quantitative screens)
- Well-defined investment criteria preclude most companies from consideration
- Continuous pressure from new-idea pipeline

Fundamental change

- Disruption creates opportunity for growth and excess returns
- Three primary forms: industry, product, and management

Advantaged business model

- Seek strong barriers to entry and sustainable competitive advantage
- Returns on invested capital must be forecast to substantially exceed cost of capital
- Evaluate from a business owner's perspective

Valuation/validation

- Discounted cash-flow (DCF) analysis based on conservative projections of cash economics and risk-adjusted discount rate
- Seeking attractive absolute, not relative valuations
- Accounting earnings must reconcile with cash economics

Portfolio construction

- Concentrated portfolio: typically 25-35 holdings
 - high-return/low-risk positions at 4+%
 - moderate-return/low-risk positions at 3%-4%
 - high-return/high-risk positions at 2%-3%
 - maximum weight is typically 8%
- Seeks sector and industry diversification
 - Less than 20% non U.S.
- Low turnover: 25%-35% expected in most years
- Cash policy limit is 10% (typically 2–3%)

Sell discipline

- Better idea emerges from research “bench”
- Unexpected, negative fundamental change
- Valuation becomes stretched
- Portfolio construction considerations

Portfolio holdings (supplemental)

Large-Cap Growth Equity

As of December 31, 2012

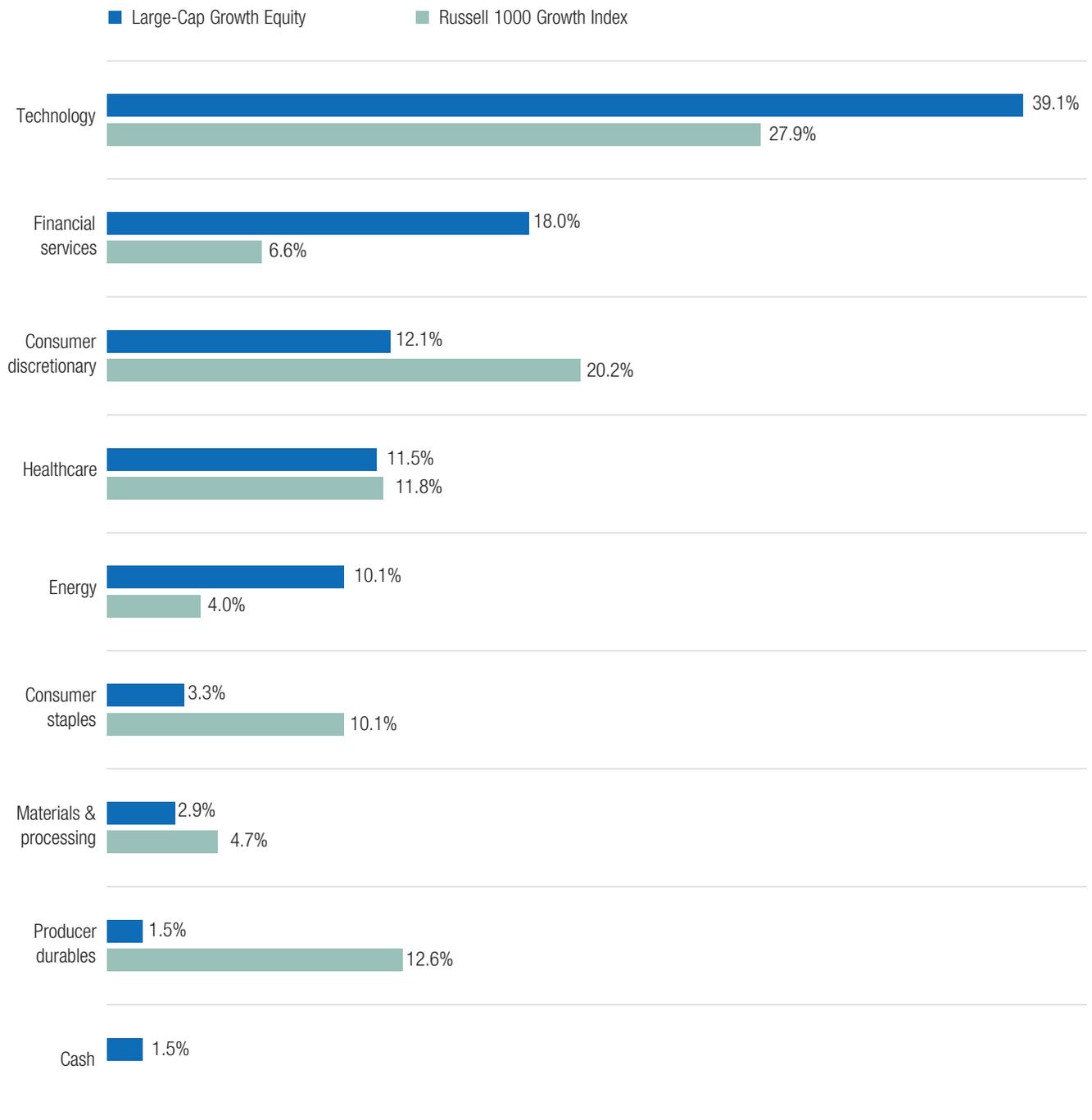
Technology	39.09	Healthcare	11.47
<i>Russell 1000 Growth</i>	27.91	<i>Russell 1000 Growth</i>	11.78
Apple	6.75	Allergan	4.36
Crown Castle International	5.27	Novo Nordisk ADS	3.26
QUALCOMM	4.95	Celgene	1.98
Adobe Systems	3.86	Perrigo	1.87
Intuit	3.82		
BMC Software	3.77	Energy	10.10
Google - Class A	3.59	<i>Russell 1000 Growth</i>	4.01
VeriSign	2.44	EOG Resources	5.44
Teradata	2.41	Kinder Morgan	4.51
VeriFone Systems	1.21	Kinder Morgan Warrants Exp 05/25/2017	0.15
Polycom	1.02		
		Consumer staples	3.33
Financial services	18.00	<i>Russell 1000 Growth</i>	10.13
<i>Russell 1000 Growth</i>	6.60	Walgreen	3.33
Visa	5.38		
MasterCard - Class A	4.89	Materials & processing	2.93
Progressive	3.21	<i>Russell 1000 Growth</i>	4.69
IntercontinentalExchange	2.64	Syngenta ADS	2.93
CME Group - Class A	1.88		
		Producer durables	1.47
Consumer discretionary	12.06	<i>Russell 1000 Growth</i>	12.61
<i>Russell 1000 Growth</i>	20.21	Caterpillar	1.47
Liberty Interactive Series A	3.68		
priceline.com	3.46	Cash	1.55
Nike - Class B	2.32		
Staples	1.61		
Sally Beauty Holdings	0.99		

The holdings information shown above is that of a representative Large-Cap Growth Equity portfolio. Holdings are as of the date indicated and subject to change. See page 4.2 for index descriptions. Indices are unmanaged and not available for direct investment.

Sector allocations (supplemental)

Large-Cap Growth Equity

As of December 31, 2012



The weightings information shown above is that of a representative Large-Cap Growth Equity portfolio. Weightings are as of the date indicated and subject to change. See page 4.2 for index descriptions. Indices are unmanaged and not available for direct investment.

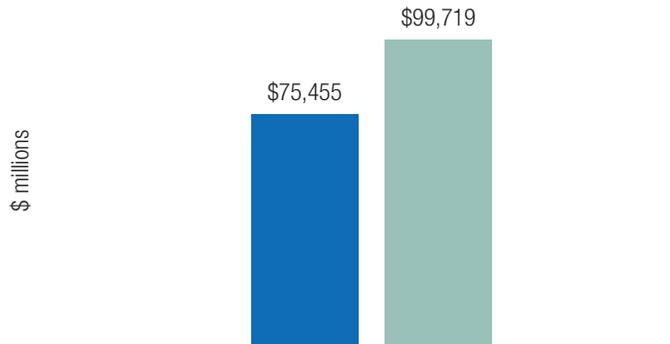
Portfolio characteristics (supplemental)

Large-Cap Growth Equity

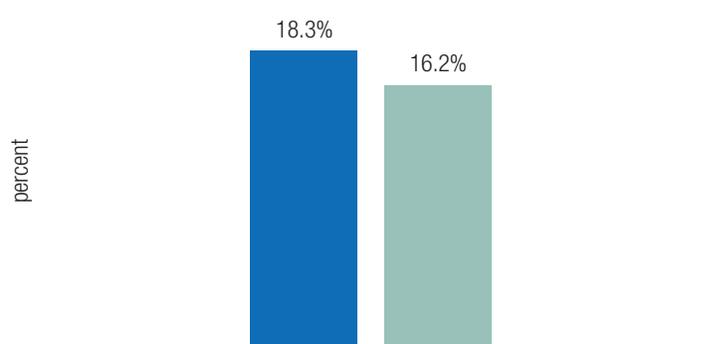
As of December 31, 2012

■ Large-Cap Growth Equity ■ Russell 1000 Growth Index

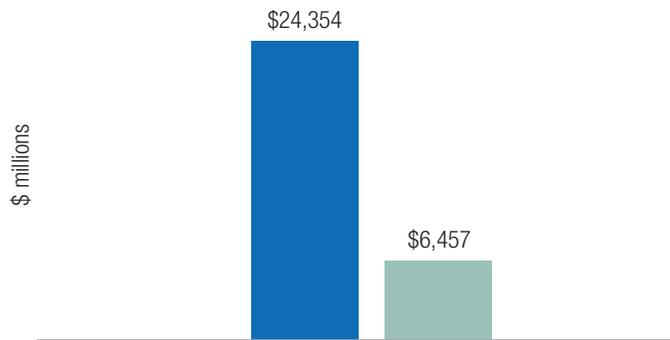
Weighted-average market capitalization



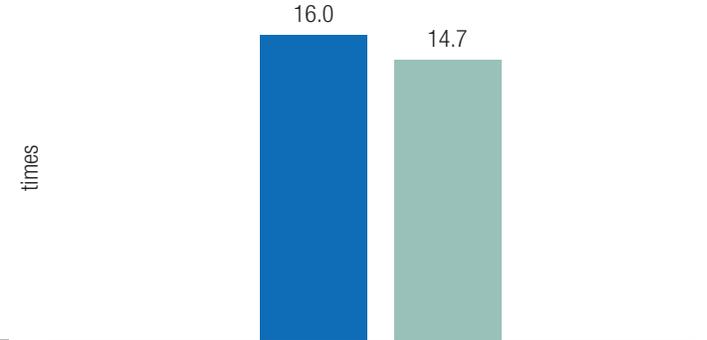
Five-year EPS growth rate



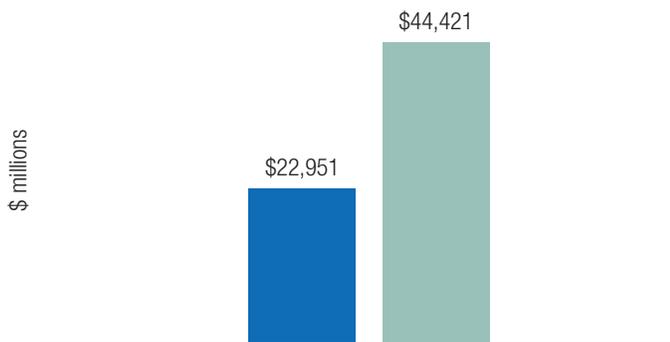
Median market capitalization



Price/earnings (weighted-average next 12 months)*



Weighted-average revenues



Turnover (12 months trailing): 21.99%

*Forward earnings projections do not predict stock price or investments performance and do not represent past performance. There is no guarantee that forward earnings projections will accurately predict the actual earnings experience of any of the companies involved, and no guarantee that owning securities with relatively high (or low) price-to-earnings ratios will cause the portfolio to outperform its benchmark or index.

The characteristics information shown above is that of a representative Large-Cap Growth Equity portfolio. Characteristics are current as of the day indicated, are subject to change, and may not reflect the current portfolio.

See page 4.2 for index descriptions. Indices are unmanaged and not available for direct investment.

Management fee schedule

Focus Growth Equity

Large-Cap Growth Equity management

- First \$25 million 0.75%
- Next \$25 million 0.65%
- Next \$50 million 0.55%
- Next \$200 million 0.45%
- All additional assets 0.40%

Minimum separate account size is \$50 million.

Composite statistics and performance

December 31, 2012

Composite statistics and performance

Period end	Delaware Large-Cap Growth	Delaware Large-Cap Growth	Russell 1000 Growth Index	Internal dispersion	Standard deviation (3 year annualized)		Number of portfolios	Composite size (\$mm)	Percentage of firm assets
	Equity return gross-of-fees	Equity return net-of-fees	Growth Index return		Composite	Russell 1000 Growth Index			
2012	17.1%	16.6%	15.3%	0.2%	15.3%	15.9%	49	10,981.3	6.0%
2011	8.9%	8.4%	2.6%	0.1%	17.2%	18.0%	49	9,159.6	5.4%
2010	14.9%	14.4%	16.7%	0.2%	n/a	n/a	52	8,279.1	11.0%
2009	44.0%	43.5%	37.2%	0.6%	n/a	n/a	54	7,474.1	12.0%
2008	-42.6%	-42.9%	-38.4%	0.3%	n/a	n/a	62	6,119.0	12.5%
2007	13.6%	13.2%	11.8%	0.3%	n/a	n/a	58	10,585.2	13.5%
2006	3.0%	2.6%	9.1%	0.3%	n/a	n/a	62	11,015.5	11.9%
2005	15.3%	14.8%	5.3%	n/a	n/a	n/a	47	7,862.3	10.4%
2004	3.9%	3.4%	6.3%	n/a	n/a	n/a	<5	131.1	0.2%
2003	24.8%	24.3%	29.8%	n/a	n/a	n/a	5	482.9	1.2%

Performance disclosures: Large-Cap Growth Equity composite

Delaware Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS standards. Delaware Investments has been independently verified for the period from January 1, 2001 through December 31, 2010. 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. Verification does not ensure the accuracy of any specific composite presentation.

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The Delaware Large-Cap Growth Equity composite emphasizes long-term ownership of dominant companies which are taking advantage of fundamental change to drive growth in their intrinsic business value. This composite was created in 2000. In April 2005, responsibility for Large-Cap Growth Equity investment management was assumed by a new team. Composite returns are derived from all discretionary fee paying accounts. Performance results are shown as total returns, net of dividend withholding taxes, assume reinvestment of dividends and capital gains as well as no reductions for taxes, are presented before and after the deduction of Delaware Investments investment advisory fees, and are calculated in U.S. dollars. Delaware Investments investment advisory fees are described in Part II of our Form ADV. The Delaware Large-Cap Growth Equity fee schedule is as follows: first \$25 million, 0.75%; next \$25 million, 0.65%; next \$50 million, 0.55%; next \$200 million, 0.45%; amounts over \$300 million, 0.40%. Some clients may utilize a performance-based fee, therefore actual fees paid may be higher or lower than the maximum fixed fee. Management fees, and any other expenses incurred in the management of the account, will reduce your return. After inclusion of management fees, annualized performance for the periods of 1 year, 5 years, and 10 years through December 31, 2012, would have been 16.6%, 3.5%, and 7.3%, respectively. The actual fee schedule may vary. On January 1, 2006, the firm was redefined to reflect the consolidation of DMBT and DCM (formerly Delaware Capital Management, Inc.). This firm redefinition was completed in order to provide a more meaningful representation of how the firm is held out to clients or potential clients. The percentage of firm assets for 2005 and prior were restated in conjunction with the redefinition of the Firm. Internal dispersion is calculated using the asset-weighted standard deviation of the annual returns of all the portfolios that were included in the composite for the entire year. Internal dispersion is only shown if the composite has at least six accounts that were managed for the full calendar year. The performance data presented here should not be taken as any guarantee or other assurance as to future results.

The benchmark for the composite is the Russell 1000 Growth Index. The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.

Because the strategy expects to hold a concentrated portfolio of a limited number of securities, the strategy's risk is increased because each investment will have a greater effect on the strategy's overall performance.

The information presented is available for institutional one-on-one presentations only. It is not intended and should not be construed to be a presentation of information concerning any U.S. mutual fund.

Team biographies

Delaware Focus Growth Equity

Jeffrey S. Van Harte, CFA

Chief Investment Officer

INDUSTRY EXPERIENCE: 32 YEARS

2005 – Present Delaware Investments

1980 – 2005 Transamerica Investment Management

California State University, Fullerton, BA

Christopher J. Bonavico, CFA

Senior Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 25 YEARS

2005 – Present Delaware Investments

1993 – 2005 Transamerica Investment Management

1988 – 1993 Salomon Brothers

University of Delaware, BS

Kenneth F. Broad, CFA

Senior Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 18 YEARS

2005 – Present Delaware Investments

2000 – 2005 Transamerica Investment Management

1994 – 2000 Franklin Templeton Group

1988 – 1992 KPMG Peat Marwick

Colgate University, BA

University of California, Los Angeles, MBA

Daniel J. Prislín, CFA

Senior Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 19 YEARS

2005 – Present Delaware Investments

1998 – 2005 Transamerica Investment Management

1994 – 1998 Franklin Templeton Group

University of California, Berkeley, BS and MBA

Christopher M. Ericksen, CFA

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 18 YEARS

2005 – Present Delaware Investments

2004 – 2005 Transamerica Investment Management

1994 – 2004 Goldman Sachs

Carnegie Mellon University, BS

Patrick G. Fortier, CFA

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 17 YEARS

2005 – Present Delaware Investments

2000 – 2005 Transamerica Investment Management

1995 – 2000 Olde Equity Research

University of Kentucky, BBA

Gregory M. Heywood, CFA

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 20 YEARS

2005 – Present Delaware Investments

2004 – 2005 Transamerica Investment Management

2003 – 2004 Wells Capital Management

1996 – 2003 Montgomery Asset Management

1994 – 1996 Globalvest Management

University of California, Berkeley, BA and MBA

Van Tran

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 16 YEARS

2005 – Present Delaware Investments

2000 – 2005 Transamerica Investment Management

1999 – 2000 PaineWebber

1996 – 1999 CIBC Oppenheimer

University of California, San Diego, BS

Ian D. Ferry

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 6 YEARS

2011 – present Delaware Investments

2010 – 2011 Fidelity

2005 – 2008 Harbourvest Partners

2004 – 2005 Houlihan, Lokey, Howard & Zukin

Tulane University, BS

Wharton, University of Pennsylvania, MBA

Kevin J. Brown

Senior Investment Specialist

INDUSTRY EXPERIENCE 18 YEARS

2006 – Present Delaware Investments

2003 – 2006 Merrill Lynch

2000 – 2003 Credit Suisse First Boston

1999 – 2000 Donaldson, Lufkin & Jenrette

1997 – 1999 JP Morgan

1995 – 1997 Robertson Stephens

University of California, Berkeley, BA

University of California, Los Angeles, MBA

Lisa L. Hansen

Senior Trader

INDUSTRY EXPERIENCE 32 YEARS

2005 – Present Delaware Investments

1997 – 2005 Transamerica Investment Management

1983 – 1997 Husic Capital Management

University of California, Santa Cruz, BS

Deborah Sabo, CMT

Senior Trader

INDUSTRY EXPERIENCE 18 YEARS

2005 – Present Delaware Investments

2003 – 2005 Morgan & Company

2002 – 2003 Husic Capital Management

1999 – 2001 Robertson Stephens

1996 – 1999 Deutsche Bank

1994 – 1996 Merrill Lynch

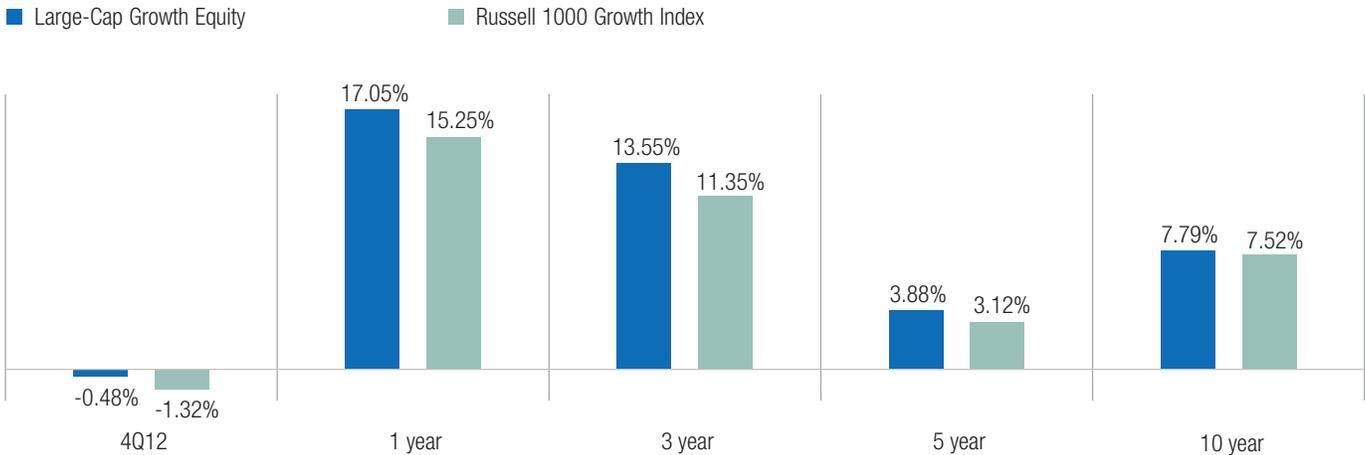
University of Pittsburgh, BA

Composite performance (supplemental)

Large-Cap Growth Equity Composite¹

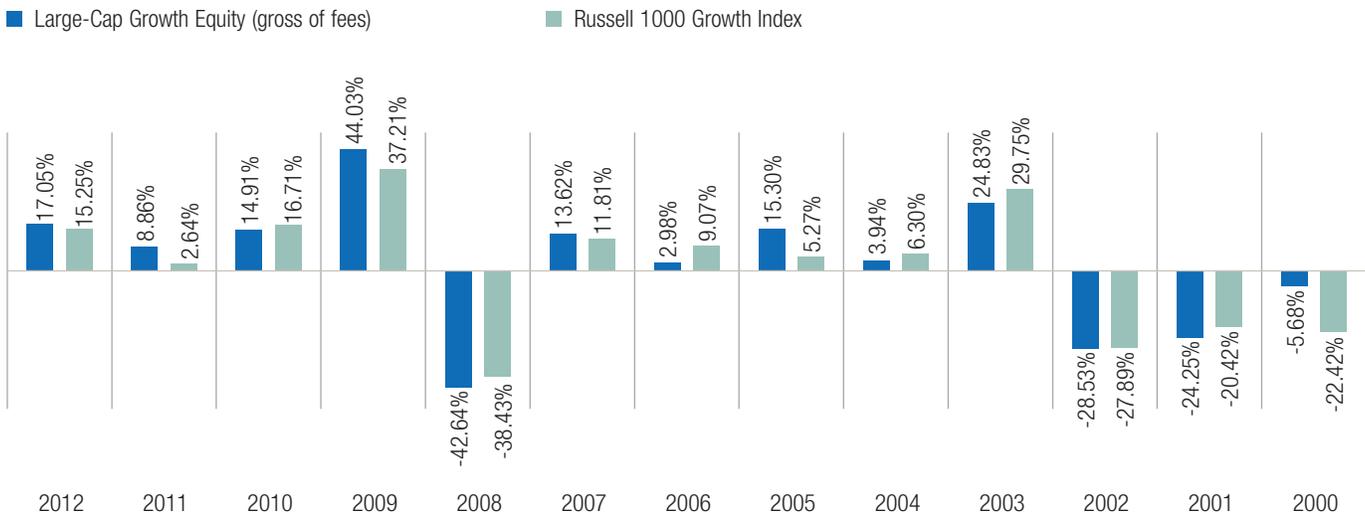
Periods ended December 31, 2012

Returns²



On April 4, 2005 responsibility for Large-Cap Growth investment management was assumed by a new team.

Calendar year returns



¹ Reflects new team performance since inception in April 2005. 3 year, 5 year and 10 year performance is annualized.

² Performance results are presented before the deduction of Delaware Investments investment advisory fees which are disclosed in Part II of Form ADV. Management fees and any other expenses incurred in the management of the account will reduce your return. After inclusion of management fees, annualized performance for the one year, five year, and ten year periods were 16.60%, 3.46%, and 7.34%, respectively.

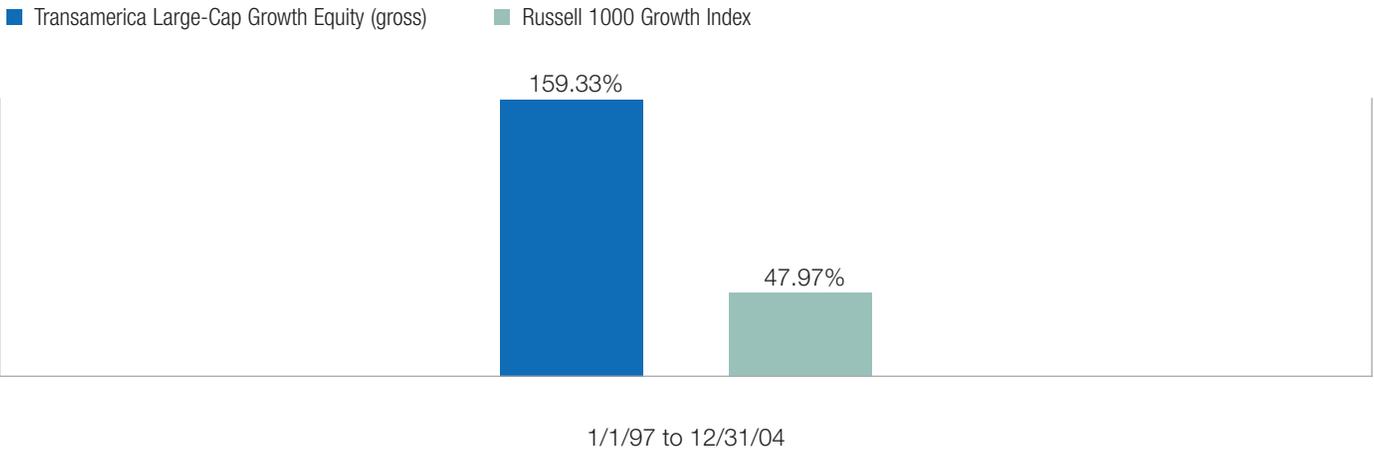
See important performance disclosure on page 4.2.

Performance (supplemental)

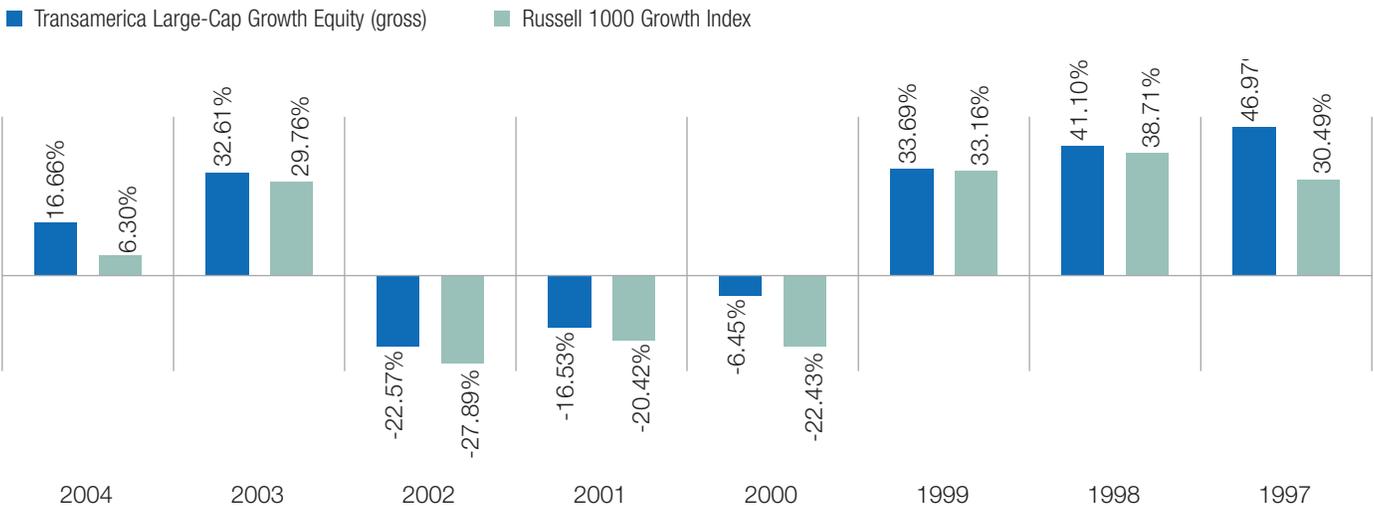
Transamerica Large-Cap Growth Composite

Source: PSN

Cumulative performance of the Delaware Investments® Focus Growth Equity Team for period 1/1/97 through 12/31/04 while managing Transamerica's Large-Cap Growth product



Calendar year returns



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Presented as supplemental performance information consistent with GIPS® standards, which standards can be found at www.cfainstitute.org.

Although presented in a manner consistent with applicable requirements, by providing this performance information Delaware is not claiming ownership of the performance record and acknowledges that the performance presented represents the track record generated by this portfolio management team while employed by Transamerica Investment Management, LLC. Past performance is no guarantee of future results.

Ken Stuzin, CFA
Portfolio Manager

Charlie Constable
Director of Institutional Sales

March 26, 2013

> San Mateo County Employees' Retirement Association
Brown Advisory U.S. Large-Cap Growth Strategy

Table of Contents

- Firm Overview

- Investment Strategy
 - Philosophy
 - Investment Team
 - Process

- Portfolio Attributes
 - Characteristics
 - Performance

- Appendix



 Firm Overview



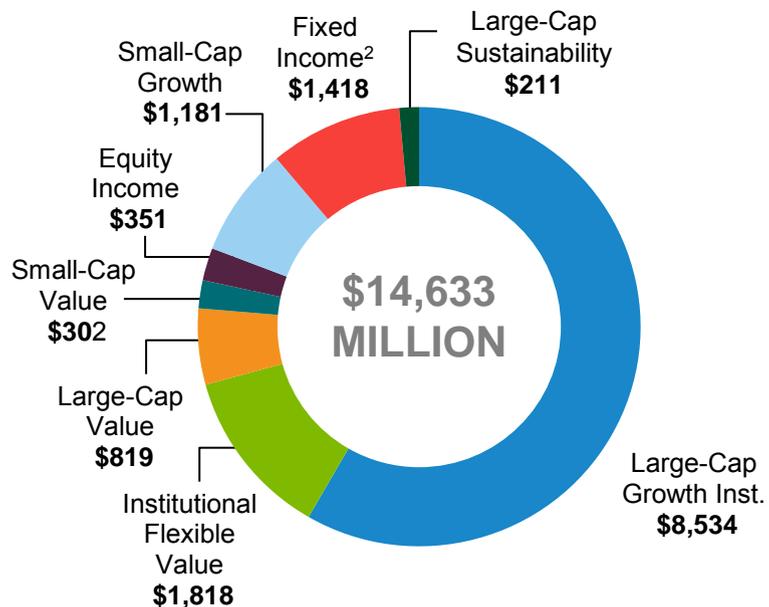
The Brown Advisory Advantage

- **Independent investment firm, founded in 1993**
 - Partnership culture
 - All full-time employees have equity ownership
 - Investment professionals invested alongside our clients
- **Consistent, continuous team of experienced investors**
 - Dedicated team of investment professionals
 - Culture of collaboration and teamwork
 - Compensation aligned with client results
- **Portfolio advantage**
 - Independent, rigorous and repeatable investment process
 - Valuation discipline promotes better preservation of capital in down markets
 - Focused portfolios of high-quality business models, diversified across sectors

Brown Advisory Asset Summary

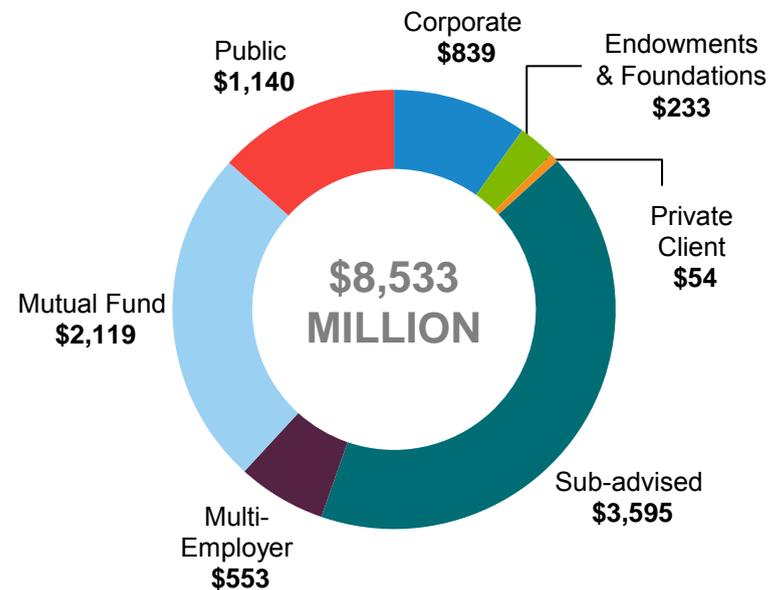
As of 12/31/2012

> Firmwide Institutional Composite Product Breakdown¹



> Large-Cap Growth Institutional Composite Client Type Breakdown

Total Strategy³ Assets = \$10,944 Million



Notes:
 1. Firmwide Institutional Composite Product Breakdown represents assets under management in marketed composites.
 2. Fixed Income composite assets include the Enhanced Cash Composite, Core Fixed Income Composite, Institutional Intermediate Fixed Income Composite, Limited Duration Composite, National Municipal Bond Composite, and Single State Municipal Bond Composite.
 3. Total strategy assets include accounts that are excluded from the composite. These assets include (1) single strategy assets of balanced accounts, (2) accounts that do not meet the composite minimum market value requirement and (3) accounts with restrictive guidelines.



➤ U.S. Large-Cap Growth Equity Strategy



Investment Philosophy

We believe that a **concentrated portfolio** of **companies with sound, sustainable business models** has the potential to deliver attractive risk-adjusted returns over time. We are also **disciplined**, and invest where we believe **outcomes are skewed heavily in our favor**.

> Distinctive Features

- We seek business models that we believe can support high absolute growth rates.
- We are sector agnostic as to where we find consistent growth.
- Our process is built upon fundamental analysis.

Collaborative Investment Team

- Experienced portfolio management
 - Kenneth Stuzin, CFA, 26 years experience, 16 years with firm
- “Right-sized” team of research analysts
- Compensation structure that supports teamwork and aligns interests
- Broad perspective, given Brown Advisory’s other investment strategies and network of external thought leaders

Brown Advisory Equity Investment Team

Portfolio Managers

RICHARD BERNSTEIN, CFA

Portfolio Manager:
Large-Cap Value
29 yrs industry experience /
19 yrs with firm

CHRISTOPHER BERRIER

Co-Portfolio Manager:
Small-Cap Growth
12 yrs / 7 yrs

MICHAEL FOSS, CFA

Co-Portfolio Manager:
Flexible Value & Equity Income
25 yrs / 8 yrs

BRIAN GRANEY, CFA

Co-Portfolio Manager:
Equity Income
16 yrs / 11 yrs

TIMOTHY HATHAWAY, CFA

Co-Portfolio Manager:
Small-Cap Growth
19 yrs / 17 yrs

J. DAVID SCHUSTER

Portfolio Manager:
Small-Cap Value & Fundamental
Long/Short
19 yrs / 4 yrs

KENNETH STUZIN, CFA

Portfolio Manager:
Large-Cap Growth
26 yrs / 16 yrs

R. HUTCHINGS VERNON, CFA

Co-Portfolio Manager:
Flexible Value
30 yrs / 19 yrs

Equity Analysts

CONSUMER

ERIC CHA, CFA

Analyst: Consumer Discretionary
12 yrs industry experience /
5 yrs with firm

DAN MOONEY, CFA

Analyst: Consumer
9 yrs / 1 yr

FINANCIALS

KEVIN O'KEEFE

Analyst: Financials
10 yrs / <1 yr

RYLAND SUMNER

Analyst: Financials
3 yrs / 3 yrs

GENERALIST

MICHAEL POGGI, CFA

Analyst: Generalist
9 yrs / 9 yrs

HEALTH CARE

PAUL LI, PH.D., CFA

Analyst: Health Care
12 yrs industry experience /
6 yrs with firm

SUNG PARK, CFA

Analyst: Health Care
9 yrs / 6 yrs

NON-CONSUMER CYCLICALS

NIGEL FRANKSON, CFA

Analyst: Industrials
9 yrs / 2 yr

ERIC GORDON, CFA

Analyst: Energy
14 yrs / 5 yrs

SIMON PATERSON, CFA

Analyst: Industrials & Basic Materials
10 yrs / 1 yr

TECHNOLOGY

MANEESH BAJAJ, CFA

Analyst: Technology
10 yrs industry experience /
7 yrs with firm

JOHN BOND, CFA

Analyst: Technology
11 yrs / < 1 yr

DORON EISENBERG, CFA

Analyst: Technology
11 yrs / 10 yrs

GREEN/SUSTAINABLE

DAVID POWELL, CFA*

Analyst: Sustainability
15 yrs / 13 yrs

KARINA FUNK, CFA*

Analyst: Sustainability
10 yrs / 6 yrs

* Also has portfolio management responsibilities.

Product Specialist

KEVIN OSTEN, CFA

Product Specialist
15 yrs industry experience /
<1 yr with firm

Investment Process



- Initial universe is approximately 3,000 names
- Broad quantitative screens result in approximately 250 names
 - Minimum of \$2 billion in market cap, but cognizant of large-cap role
 - Business model growth rate of at least 14%
- Qualitative screens focus on:
 - Core competitive advantages
 - Capable and dedicated management

Investment Process



➤ Idea generation can come from “360°.” It is not where it comes from but the quality of the idea that counts.

- Portfolio Manager
 - Multi-variable screens
- Research analysts
- Company visits / Industry contacts
- Other Brown Advisory investment strategies

Investment Process

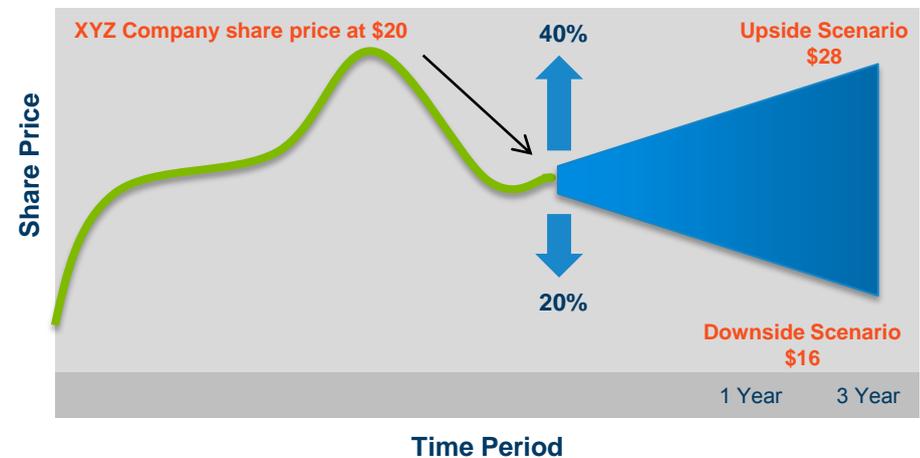


- “Inside-out investing” – identify drivers of growth
- Create detailed bottom-up financial model using public filings
- Visit company management and conduct rigorous interviews
 - Interview competitors / customers
- Build upside / downside scenario-based valuation framework
- “Stress test” thesis with sell-side

Investment Process



- Finalize investment thesis & upside/downside targets
- Likely scenarios with usable spans
- Entry & exit decisions
- Mitigates emotion in investing
- Valuation framework
 - Maximize upside
 - Minimize downside volatility
 - Risk control



Valuation Discipline Results

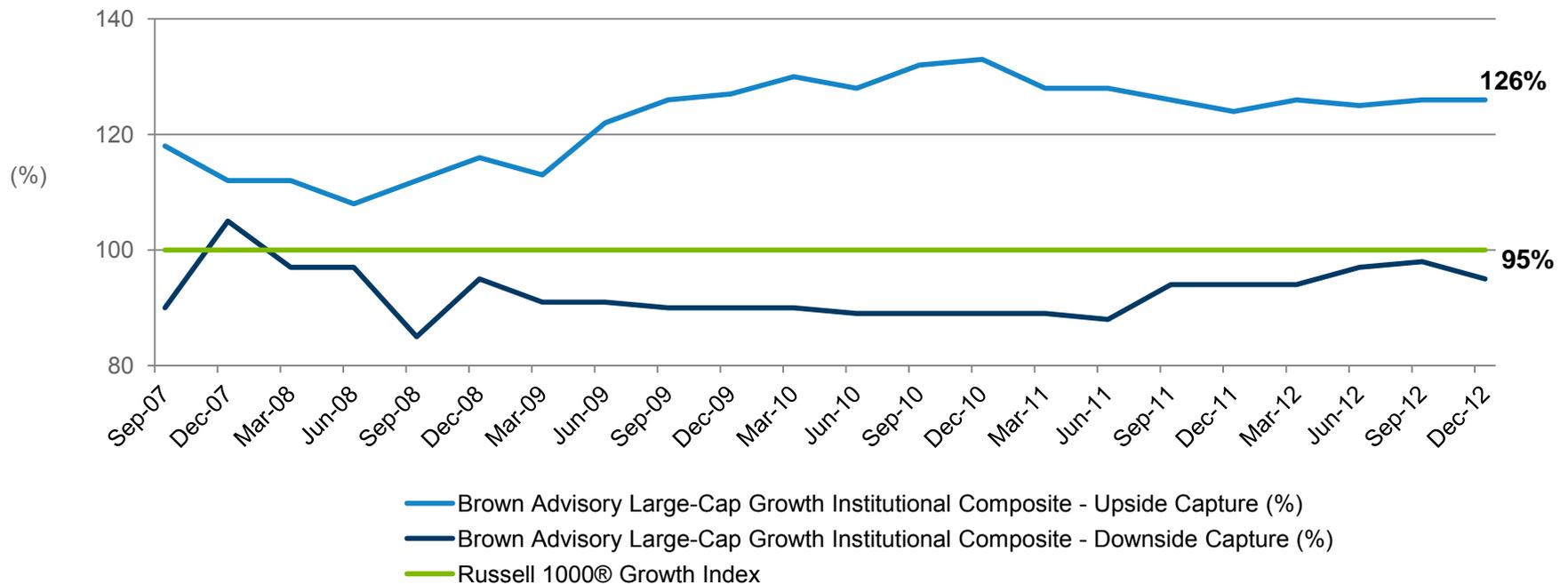
As of 12/31/2012

Our valuation framework is designed to maximize upside and minimize downside

➤ **5-Year Upside Capture (%) vs. Downside Capture (%)**

Rolling 20 quarters

Brown Advisory Large-Cap Growth Institutional Composite (gross of fees) vs. Russell 1000® Growth Index



Source: Factset. This upside/downside capture ratio is based on the Brown Advisory Large-Cap Growth Institutional Composite returns (gross of fees) and the Russell 1000® Growth Index returns for rolling 20 quarter-ended periods. The graph is current through December 31, 2012. It is provided as supplemental information. Upside capture ratio is defined as how well a portfolio performs in time periods where the benchmark's returns are greater than zero. For example, if the benchmark's upside capture is 100% and the portfolio's is 126%, then when the benchmark is up 10% your portfolio is up 12.6%. This portfolio did better than the benchmark when the market returns were up. The downside capture ratio is defined as how well a portfolio performs in time periods where the benchmark's returns are less than zero. For example, if the benchmark downside capture is 100% and the portfolio's is 95%, then when the benchmark is down 10% your portfolio is down 9.5%. This portfolio did better than the benchmark in down periods. Past performance is not indicative of future results. Please see the Brown Advisory Large-Cap Growth Institutional disclosure for more information.

Investment Process



- Typical portfolio attributes

- # of positions: 30-35
- Position size: 1.5%-5%
- Top ten weight: 35%-50%
- Cash position: 1%-3.5%

- Constantly optimizing the portfolio—risk management

- Trimming names to match upside/downside profiles
- Self imposed “one in, one out” portfolio management discipline—Darwinian Capitalism

Investment Process



We generally sell stocks for three reasons:

1 Fundamentals

Underlying investment thesis is violated

- Growth rate impeded by competition or poor execution
- Change in strategy
- Compromise in management ability

2 Market Expectations

- Valuation considerably overstates the fundamentals and is a “headwind” to total return

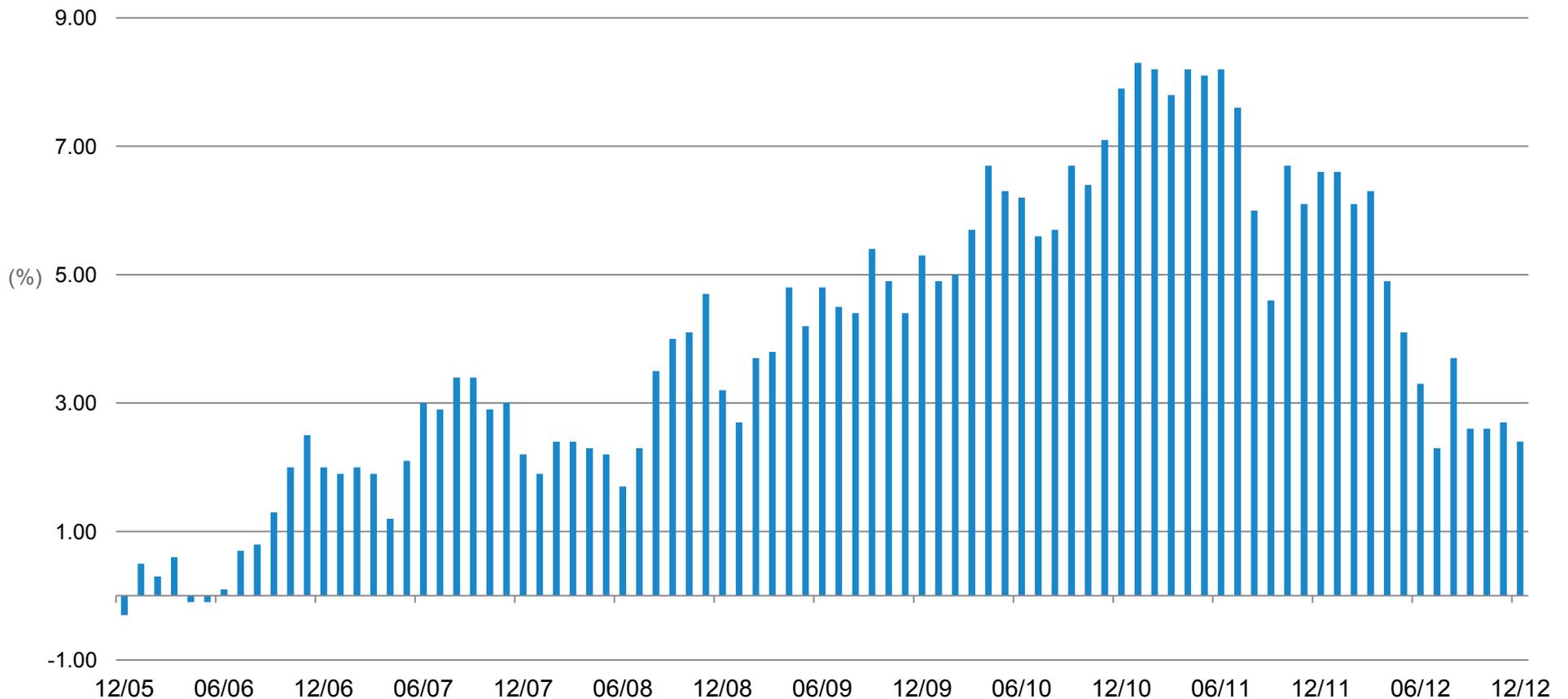
3 Alternative Opportunities

- In concentrated portfolios, limited membership creates competition for capital

Consistency of Outperformance

➤ Rolling 36-Month Annualized Excess Returns*

Brown Advisory Large-Cap Growth Institutional Composite (gross of fees) vs. Russell 1000® Growth Index
12/31/2005 – 12/31/2012



Source: Factset.

*Excess returns provided are defined as the Brown Advisory Large-Cap Growth Institutional Composite returns (gross of fees) less the corresponding Russell 1000® Index returns. This is provided as supplemental information to the compliant presentation on slide 27. Past performance is not indicative of future results. Please see the Brown Advisory Large-Cap Growth Institutional disclosure for more information.



 **Portfolio Attributes**
As of 12/31/2012



Portfolio Holdings

Representative Large-Cap Growth Account

As of 12/31/2012

	SECURITY	% PORTFOLIO
1	Google Inc. Cl A	4.8
2	Apple Inc.	4.5
3	Express Scripts Holding Co	4.4
4	QUALCOMM Inc.	3.9
5	Starbucks Corp.	3.6
6	MasterCard Inc. Cl A	3.5
7	Fluor Corp.	3.5
8	Cognizant Technology Solutions Corp.	3.4
9	Charles Schwab Corp.	3.3
10	Coach Inc.	3.3
11	Danaher Corp.	3.3
12	Schlumberger Ltd.	3.2
13	Intuitive Surgical Inc.	3.2
14	Stericycle Inc.	3.0
15	FMC Technologies Inc.	3.0
16	Roper Industries Inc.	3.0
17	Accenture PLC	2.9

	SECURITY	% PORTFOLIO
18	Mead Johnson Nutrition Co.	2.9
19	Amphenol Corp. Cl A	2.8
20	Estee Lauder Cos. Cl A	2.8
21	NetApp Inc.	2.8
22	Fossil Inc.	2.7
23	Core Laboratories N.V.	2.7
24	Costco Wholesale Corp.	2.6
25	Cash & Equivalents	2.5
26	Covance Inc.	2.5
27	DaVita HealthCare Partners Inc.	2.3
28	salesforce.com inc.	2.2
29	IDEXX Laboratories Inc.	2.2
30	Ecolab Inc.	2.1
31	Citrix Systems Inc.	2.0
32	Ansys Inc.	2.0
33	National Instruments Corp.	1.7
34	Genpact Ltd.	1.6

Source: Factset. The information provided in this material should not be considered a recommendation to buy or sell any of the securities mentioned. It should not be assumed that investments in such securities have been or will be profitable. References to specific securities are for illustrative purposes only and do not represent all of the securities purchased, sold or recommended for advisory clients.

Portfolio information is based on a representative Institutional Large-Cap Growth account and is provided as supplemental information. Please see the Brown Advisory Large-Cap Growth Institutional composite disclosure for more information.

Portfolio Attributes

Representative Large-Cap Growth Account

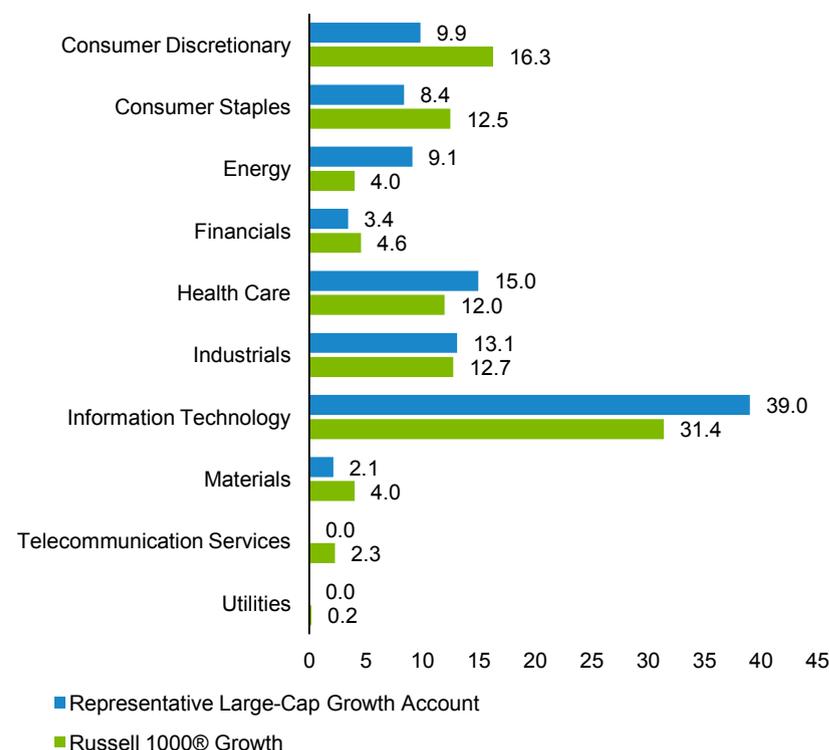
As of 12/31/2012

> Characteristics

	LARGE-CAP GROWTH REPRESENTATIVE ACCOUNT	RUSSELL 1000® GROWTH INDEX
P/E Ratio (FY2 Est.)	16.9x	14.0x
Earnings Growth 3-5 Year Estimate	16.1%	14.2%
PEG Ratio	1.1x	1.0x
Weighted Avg. Market Cap	\$58.9B	\$99.9B
Weighted Median Market Cap	\$19.5B	\$50.6B
Portfolio Turnover	33%	18%

> Sector Breakdown

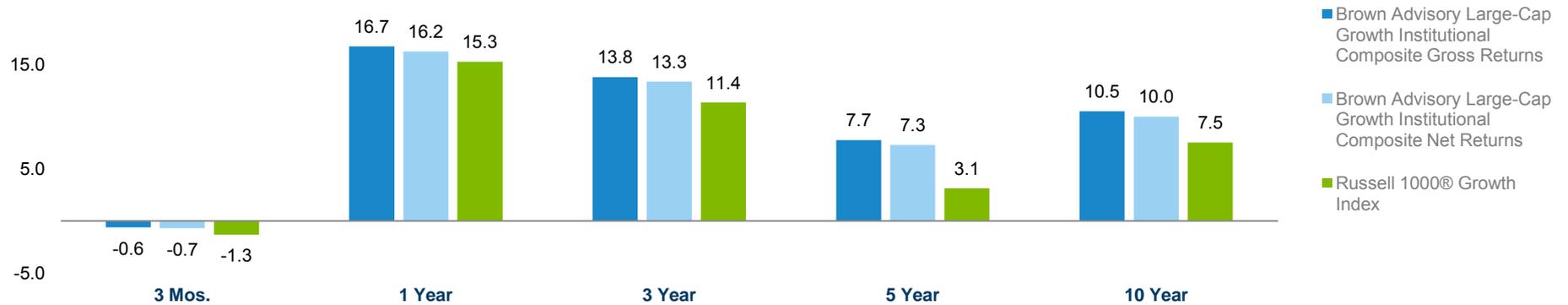
Percentage of Portfolio (%)



Composite Performance

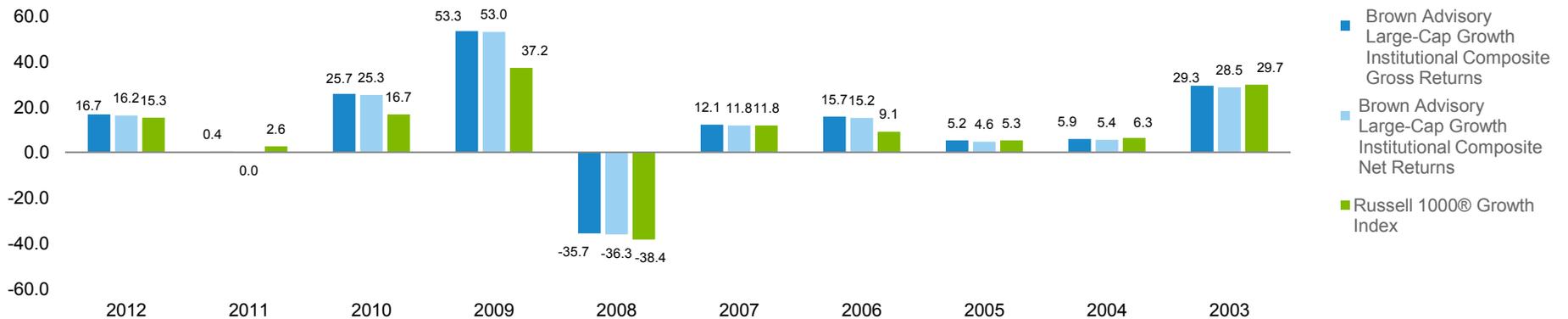
> Performance as of 12/31/2012

Return (%)



> Annual Performance

Return (%)



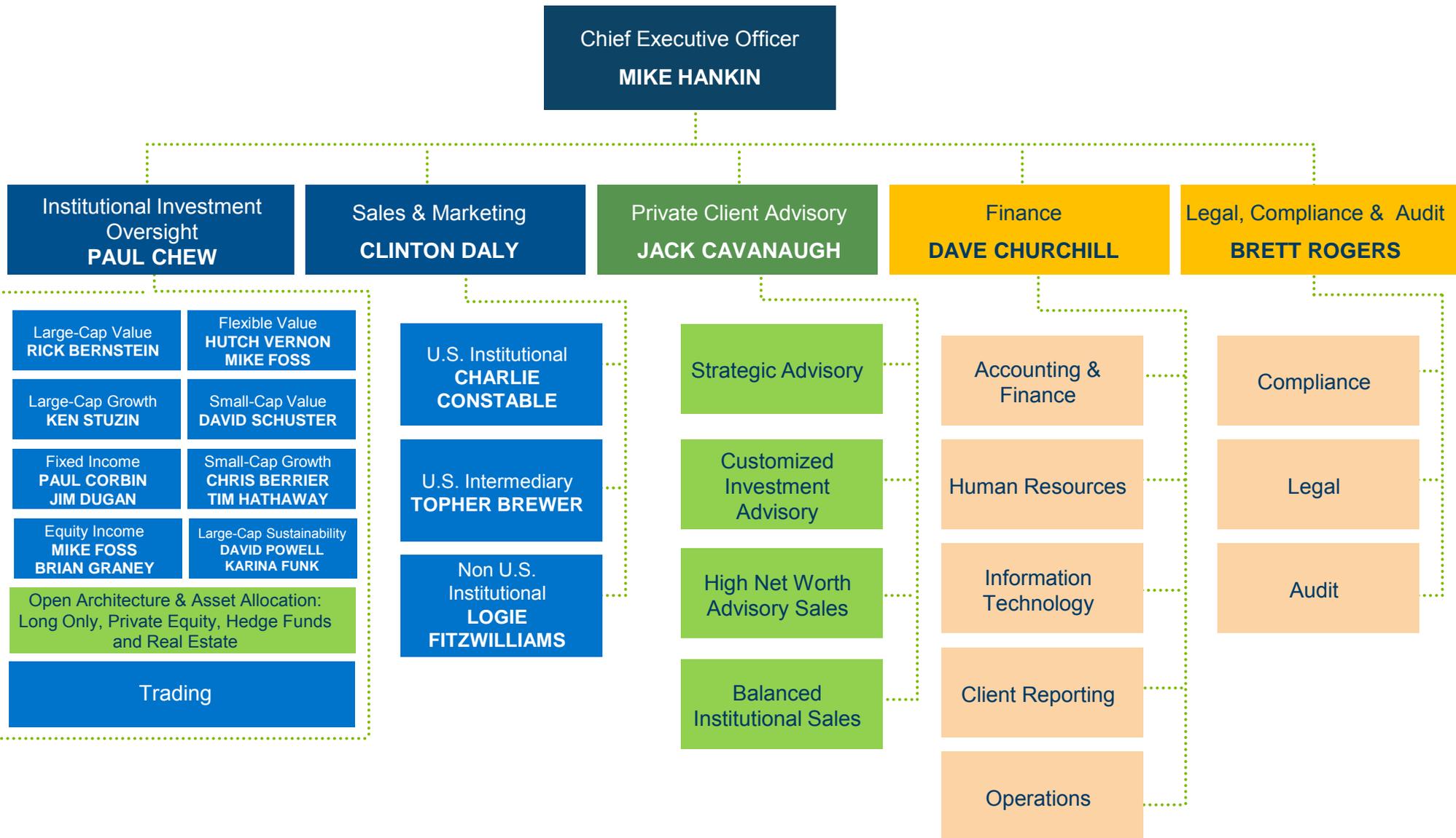
Note: All returns greater than one year are annualized. Past performance is not indicative of future results. Please see the Brown Advisory Large-Cap Growth Institutional composite disclosure for more information.



 Appendix



Organizational Structure



Research & Investment Team

MANEESH BAJAJ, CFA Equity Research

- University of Pennsylvania, The Wharton School, M.B.A. ('02); University of Kentucky, M.S. ('95)
- Senior Associate, McKinsey & Company; Senior Associate, Standard & Poor's
- 10 years industry experience / 7 years with firm

RICHARD BERNSTEIN, CFA Large-Cap Value Portfolio Manager, Equity Research

- Johns Hopkins University, B.A. ('79), M.A. ('83)
- Director of Research, Mercantile-Safe Deposit & Trust
- 29 years industry experience / 19 years with firm

CHRISTOPHER BERRIER Small-Cap Growth Portfolio Manager, Equity Research

- Princeton University, A.B. ('00)
- Vice President, T. Rowe Price Group
- 12 years industry experience / 7 years with firm

JOHN BISSON, CFA Quantitative Research

- Loyola University, B.S.E.S ('86); Loyola University, Joseph A. Sellinger, S.J. School of Business and Management, M.S.F. ('95)
- Account Executive, Morgan Stanley
- 17 years industry experience / 15 years with firm

JOHN BOND, CFA Equity Research

- Harvard University, B.A. ('98); Columbia Business School ('05)
- Senior Analyst and Assistant Portfolio Manager, Nicusa Capital
- 11 years industry experience / < 1 year with firm

ERIC CHA, CFA Equity Research

- University of Virginia ('90); New York University, M.B.A. ('00)
- Equity Analyst, Bethlehem Steel Pension Fund; Equity Analyst, Oppenheimer Funds
- 12 years industry experience / 5 years with firm

PAUL CHEW, CFA Head of Investments

- Mount St. Mary's, B.A. ('89); Duke University, Fuqua School of Business, M.B.A. ('95)
- International Asset Management Department, J.P. Morgan & Co.
- 23 years industry experience / 17 years with firm

PAUL CORBIN Fixed Income Co-Chief Investment Officer Intermediate Income Portfolio Manager

- University of Virginia, B.A. ('74); George Washington University, M.B.A. ('81)
- Senior Portfolio Manager, First Maryland Asset Management
- 38 years industry experience / 19 years with firm

JAMES DUGAN, CFA Fixed Income Co-Chief Investment Officer

- Loyola University, B.A. ('79), M.B.A. ('85)
- President and Chief Investment Officer, Cavanaugh Capital Management; Portfolio Manager, USF&G
- 27 years industry experience / 20 years with firm

DORON EISENBERG, CFA Equity Research

- Tufts University, B.S. ('95); Columbia Business School, M.B.A. ('02)
- Analyst, Slattery Skanska, Inc. and Carret & Company
- 11 years industry experience / 10 years with firm

MICHAEL FOSS, CFA Flexible Value & Equity Income Portfolio Manager, Equity Research

- Virginia Tech, B.A. ('83); University of Pennsylvania, The Wharton School, M.B.A. ('93)
- Equity Research, Alex. Brown Investment Management; Managing Director & Portfolio Manager, JP Morgan Fleming; Equity Analyst, Gabelli & Co.; Retail Broker, Tucker Anthony
- 25 years industry experience / 8 years with firm

NIGEL FRANKSON, CFA Equity Research

- University of Rochester, B.A. ('98); Columbia Business School, M.B.A. ('03)
- Equity Research, Citi Investment Research; Equity Research, Artisan Partners
- 9 years industry experience / 2 years with firm

KARINA FUNK, CFA Large-Cap Sustainability Portfolio Manager, Equity Research

- Purdue University, B.S. ('94); MIT, Masters in Civil & Environmental Engineering ('97); MIT, Masters in Technology & Policy ('97); École Polytechnique - France, Post-Graduate Diploma in Management of Technology ('98)
- Manager, Massachusetts Renewable Energy Trust; Principal, Charles River Ventures
- 10 years industry experience / 6 years with firm

ERIC GORDON, CFA Equity Research

- University of North Carolina, Chapel Hill, B.A. ('98)
- Equity Research, Alex. Brown Investment Management; Investment Banking Analyst, Deutsche Bank Alex. Brown, Merrill Lynch & Co.; Equity Research, Citigroup
- 14 years industry experience / 4 years with firm

Research & Investment Team

THOMAS GRAFF, CFA

Tactical Bond Fund Portfolio Manager

- Loyola University, B.A. ('99)
- Managing Director, Cavanaugh Capital Management
- 13 years industry experience / 13 years with firm

BRIAN GRANEY, CFA

Equity Income Portfolio Manager, Equity Research

- George Washington University, B.A. ('96)
- Portfolio Manager, Equity Research, Alex. Brown Investment Management; Writer/Analyst, The Motley Fool
- 16 years industry experience / 11 years with firm

TIMOTHY HATHAWAY, CFA

Small-Cap Growth Equity Portfolio Manager, Equity Research

- Randolph-Macon College, B.A. ('93); Loyola University, M.B.A. ('01)
- Investor Relations, T. Rowe Price
- 19 years industry experience / 17 years with firm

MONICA HAUSNER

Maryland Bond Fund Portfolio Manager, Tax-Exempt Fixed Income Research

- Towson University, B.S. ('83)
- Portfolio Manager, First Maryland Asset Management
- 29 years industry experience / 20 years with firm

PAUL LI, Ph.D., CFA

Equity Research

- Wuhan University, China, B.S. ('88); Chinese Academy of Science, M.S. ('91); Cornell University, Ph.D. ('95), M.B.A. ('00)
- Research Scientist, Cornell University Dept. of Molecular Medicine
- Equity Analyst, Bethlehem Steel Pension Trust and Howard Hughes Medical Institute
- 12 years industry experience / 6 years with firm

DAN MOONEY, CFA

Equity Research

- Georgetown University, B.S. ('01); University of Virginia, M.B.A. ('08)
- Senior REIT Analyst, CB Richard Ellis Investors; Investment Banker, Barclays Capital; Equity Research Senior Associate, Green Street Advisors; Fixed Income Research Associate, Bear Sterns
- 9 years industry experience / 1 year with firm

KEVIN O'KEEFE

Equity Research

- Georgetown University, B.A. ('02)
- Sr. Vice President, Jefferies Investment Advisers, LLC; Analyst/Head Trader, Stieven Capital Advisors
- 10 years industry experience / <1 year with firm

KEVIN OSTEN, CFA

Product Specialist

- Parks College of St. Louis University, B.S. ('94); University of Missouri St. Louis, M.B.A. ('99)
- Senior Research Analyst, Summit Strategies; Institutional Consulting, Merrill Lynch Pierce, Fenner & Smith
- 15 years industry experience / <1 year with firm

SUNG PARK, CFA

Equity Research

- Johns Hopkins University, B.A. ('00); University of Maryland, Smith School of Business, M.B.A. ('06)
- Associate Portfolio Manager and Research Analyst, Croft Leominster
- 9 years industry experience / 6 years with firm

SIMON PATERSON, CFA

Equity Research

- Queen's University, Ontario, Canada B.Sc. and B.A. ('99); Princeton University, M.A. ('02)
- Senior Equity Analyst, MTB Investment Advisors
- 10 years industry experience / 1 year with firm

JOSHUA PERRY

Credit Analyst

- Princeton University, B.S.E. ('06); University of Chicago, M.B.A. ('12)
- Analyst, Driehaus Capital Management
- 1 year industry experience / <1 year with firm

MICHAEL POGGI, CFA

Small-Cap Fundamental Value Associate Portfolio Manager, Equity Research

- University of Richmond, B.S.B.A. ('03)
- 9 years industry experience / 9 years with firm

DAVID POWELL, CFA

Large-Cap Sustainability Portfolio Manager, Equity Research

- Bowdoin College, B.A. ('97)
- Investor Relations, T. Rowe Price
- 15 years industry experience / 13 years with firm

J. DAVID SCHUSTER

Small-Cap Fundamental Value Portfolio Manager, Fundamental Long/Short Fund Portfolio Manager

- Georgetown University, B.S.B.A. ('92)
- Managing Director, Citigroup; Managing Director, Lazard Freres & Co.; Officer, U.S. Army
- 19 years industry experience / 4 years with firm

Research & Investment Team

STEPHEN SHUTZ, CFA

Tax-Exempt Bond Fund Portfolio Manager,
Tax-Exempt Fixed Income Research

- Frostburg State University, B.S. ('95)
- Vice President and Assistant Portfolio Manager, Cavanaugh Capital Management
- 16 years industry experience / 9 years with firm

KENNETH STUZIN, CFA

Large-Cap Growth Portfolio Manager,
Equity Research

- Columbia University, B.A. ('86); Columbia Business School, M.B.A. ('93)
- Senior Portfolio Manager and Quantitative Strategist, J.P. Morgan
- 26 years industry experience / 16 years with firm

RYLAND SUMNER

Private Equity Analyst

- Brown University, B.A. ('99); The University of Virginia School of Law, J.D. ('07)
- Associate, Venable LLP; Business Analyst, McKinsey & Company
- 3 years industry experience / 3 years with firm

R. HUTCHINGS VERNON, CFA

Flexible Value Portfolio Manager

- University of Virginia. B.A. ('82)
- Portfolio Manager & Equity Research, Alex. Brown Investment Management; Portfolio Manager & Research Analyst, T. Rowe Price, Legg Mason and Wachovia Bank
- 30 years industry experience / 19 years with firm

NINA YUDELL

Portfolio Manager, Equity Research

- University of Baltimore, B.S. ('81), M.B.A. ('82); Johns Hopkins University, M.S.B. ('03)
- Portfolio Manager and Investment Analyst, Alex. Brown Investment Management; Investment Assistant, Oppenheimer & Co., Inc.; Investment Assistant, T. Rowe Price
- 27 years industry experience / 20 years with firm

JASON VLOSICH

Taxable Fixed Income Research & Trader

- University of Baltimore, B.S. ('98); Loyola University, M.B.A. ('07)
- Taxable Fixed Income Trader, Ferris, Baker Watts, Inc. and Deutsche Bank Alex. Brown
- 14 years industry experience / 4 years with firm

NICHOLAS WILLIAMS, CFA

Fixed Income Research

- Towson University B.S. ('07), Johns Hopkins University, M.S.F. ('10)
- Technology Specialist, T. Rowe Price
- 5 years industry experience / 1 year with firm

Brown Advisory Incorporated Board of Directors

➤ Our parent company's independent Board of Directors provides objective oversight and insights.

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- Vice Chairman, Johns Hopkins Medicine
- Director, Baltimore Community Foundation

HOWARD COX

- Advisory Partner, Greylock
- Board Member, Harvard Medical School and Harvard Business School

JOHN O. DOWNING

- Founding Principal and Chief Investment Officer, CDK Investment Management
- Board Member, Vanderbilt University and The Hotchkiss School
- Former General Partner, Goldman Sachs & Co.

BENJAMIN H. GRISWOLD, IV

- Chairman, Brown Investment Advisory & Trust Company
- Former Chairman, Alex. Brown & Sons Incorporated
- Trustee Emeritus, The Johns Hopkins University
- Board of Overseers, Johns Hopkins Carey Business School

MICHAEL D. HANKIN

- President & Chief Executive Officer, Brown Advisory
- Chairman, Baltimore Waterfront Management Authority
- Trustee, Johns Hopkins Medicine
- Trustee, The Johns Hopkins University
- Chairman, Johns Hopkins University Carey Business School Corporate Advisory Board

DONALD B. HEBB, JR.

- Founder and Chairman, ABS Capital Partners
- Director, T. Rowe Price Group, Inc.
- Former President and CEO, Alex. Brown & Sons Incorporated

EARL L. LINEHAN

- President, Woodbrook Capital, Inc.
- Trustee/Director, Mercy Hospital, UMBC Board of Visitors and Cristo Rey Jesuit High School

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- Chairman, Continental Realty Corp.
- Former Treasurer, City of Baltimore
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- Board Member, Hospital for the Women of Maryland of Baltimore City and The Missionary Emergency Foundation

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- Member, The Council on Foreign Relations
- Trustee Emeritus and Member, Investment Board, University of Pennsylvania
- Board Member, Dean's Board of Advisors, The Harvard Business School

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- Trustee Emeritus, The Johns Hopkins University and Johns Hopkins Medicine
- Board Member, Maryland Business Roundtable for Education

GORDON F. RAINEY, JR.

- Chairman Emeritus, Hunton & Williams
- Past Rector and Member of the Board of Visitors, The University of Virginia
- Senior Trustee, The Colonial Williamsburg Foundation

TRUMAN T. SEMANS

- Vice Chairman, Brown Advisory
- Trustee Emeritus, Duke University
- Former Chairman, Dumac
- Trustee, The Conservation Fund
- Board Member, Chesapeake Bay Foundation, Chairman of Investment and Executive Committees

MARY M. "MEG" VANDEWEGHE

- Professor of Finance, Georgetown University McDonough School of Business
- Board Member, Ecolab
- Former Senior Vice President of Finance, Lockheed Martin

Large-Cap Growth Institutional Composite

Year	Composite Total Gross Returns (%)	Composite Total Net Returns (%)	Benchmark Returns (%)	Portfolios in Composite at End of Year	Composite Dispersion (%)	Composite Assets (\$USD Millions)	Firm Assets (\$USD Millions)
2011	0.4	-0.0	2.6	102	0.3	5,622	19,989
2010	25.7	25.3	16.7	65	0.5	3,936	16,859
2009	53.3	53.0	37.2	41	0.6	1,191	11,058
2008	-35.7	-36.3	-38.4	32	0.3	120	8,547
2007	12.1	11.8	11.8	30	0.3	160	7,385
2006	15.7	15.2	9.1	26	0.2	68	6,770
2005	5.2	4.6	5.3	17	0.1	52	5,862
2004	5.9	5.4	6.3	15	0.4	39	5,597
2003	29.3	28.5	29.7	13	3.2	27	4,449
2002	-26.4	-26.8	-27.9	14	1.6	22	3,626

Brown Advisory claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Brown Advisory has been independently verified for the period from January 1993 through December 2004 and January 2006 through December 2009. 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. Verification does not ensure the accuracy of any specific composite presentation.

1. Brown Advisory, an independent management firm is defined as: 1) Brown Investment Advisory and Trust Company ("BIATC"), 2) its subsidiary Brown Investment Advisory Incorporated ("BIAI") and selected affiliated investment advisors, including from July 2008, 3) Alex. Brown Investment Management, LLC ("ABIM") and from July 2010, 4) Winslow Management Company, LLC ("Winslow") and 5) Brown Advisory Cavanaugh, LLC ("BAC"). Effective January 2012, all of the above entities except BIATC combined into Brown Advisory LLC. Registration does not imply a certain level of skill or training.
2. The Large-Cap Growth Institutional Composite includes all discretionary institutional portfolios (and carve-outs through 2009) invested in U.S. equities with strong earnings growth characteristics and large market capitalizations. This composite has been examined for the periods January 1, 2006 through December 31, 2009. The examination report is available upon request. The minimum account market value required for composite inclusion is \$1.5 million.
3. Through 2009, cash was allocated to carve-outs based on a strategic asset allocation percentage.
4. This composite was created in 1997.
5. The benchmark is the Russell 1000® Growth Index. The Russell 1000® Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000® Index companies with higher price-to-book ratios and higher forecasted growth values. The Russell 1000® Growth Index is constructed to provide a comprehensive and unbiased barometer for the large-cap growth segment. The Index is completely reconstituted annually to ensure new and growing equities are included and that the represented companies continue to reflect growth characteristics. The Russell 1000® Growth Index is a trademark/service mark of the Frank Russell Company. Russell® is a trademark of the Frank Russell Company. An investor cannot invest directly into an index. Benchmark returns are not covered by the report of the independent verifiers.
6. The dispersion of annual returns is measured by the equal weighted standard deviation of portfolio returns. Prior to 2004 the dispersion of annual returns is measured by the range between the high and low portfolio returns.
7. Gross-of-fees performance returns are presented before management fees but after all trading commissions. Net-of-fee performance returns reflect the deduction of actual management fees and all trading commissions. Other expenses can reduce returns to investors. The standard management fee schedule is as follows: 0.80% on the first \$10 million; 0.65% on the next \$15 million; 0.50% on the next \$25 million; and 0.40% on the balance over \$50 million. Actual fees paid by accounts in the composite may differ from the current fee schedule.
8. For calendar year end 2006-2009 the percent of the composite composed of carve-outs was 85%, 38%, 33% and 5% respectively.
9. The three-year annualized ex-post standard deviation measures the variability of the composite (using gross returns) and the benchmark for the 36-month period ended at the following dates:

3-Yr Annualized Standard Deviation (%)		
December 31	Composite	Benchmark
2011	19.7	17.8

10. Valuations and performance returns are computed and stated in U.S. Dollars. All returns reflect the reinvestment of income and other earnings.
11. A complete list of composite descriptions, policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
12. Past performance does not indicate future results.
13. This piece is provided for informational purposes only and should not be construed as a research report, a recommendation, or an offer to buy or sell a security, including any mutual fund managed by Brown Advisory.

Terms and Definitions for Representative Account Calculations

All financial statistics and ratios are calculated using information from Factset as of the report date unless otherwise noted.

Price-Earnings Ratio (P/E Ratio) is the ratio of the share of a company's stock compared to its per-share earnings. P/E calculations presented use FY2 earnings estimates; FY1 estimates refer to the next unreported fiscal year, and FY2 estimates refer to the fiscal year following FY1.

Est. 3-5 Yr EPS Growth is the average predicted annual earnings growth over the next three to five years based on estimates provided to Factset by various outside brokerage firms, calculated according to each broker's methodology.

P/E / Growth Ratio, or **PEG Ratio**, is the ratio of a portfolio's P/E Ratio divided by its Est. 3-5 Yr. EPS Growth rate.

All of the above ratios for a portfolio are expressed as a weighted average of the relevant ratios of each portfolio holdings, EXCEPT for P/E ratios, which are expressed as a weighted harmonic average.

Market Capitalization refers to the aggregate value of a company's publicly traded stock. Statistics are calculated as follows: Weighted Average: the average of each holding's market cap, weighted by its relative position size in the portfolio (in such a weighting scheme, larger positions have a greater influence on the calculation); Weighted Median: the value at which half the portfolio's market capitalization weight falls above and half falls below; Maximum and Minimum: the market caps of the largest and smallest companies, respectively, in the portfolio.

Portfolio Turnover is the ratio of the lesser of the portfolio's aggregate purchases or sales during a given period, divided by the average value of the portfolio during that period, calculated on a monthly basis. Portfolio turnover is provided for a three-year trailing period.

TCW Concentrated Core Equities

One-on-One Portfolio Review To:
San Mateo County Employees' Retirement Association

March 26, 2013

Presented by:

Craig C. Blum, CFA
Portfolio Manager
Group Managing Director
U.S. Equities

Chris Scibelli
Managing Director
Institutional Distribution & Marketing



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- I. TCW Overview
- II. Portfolio Review
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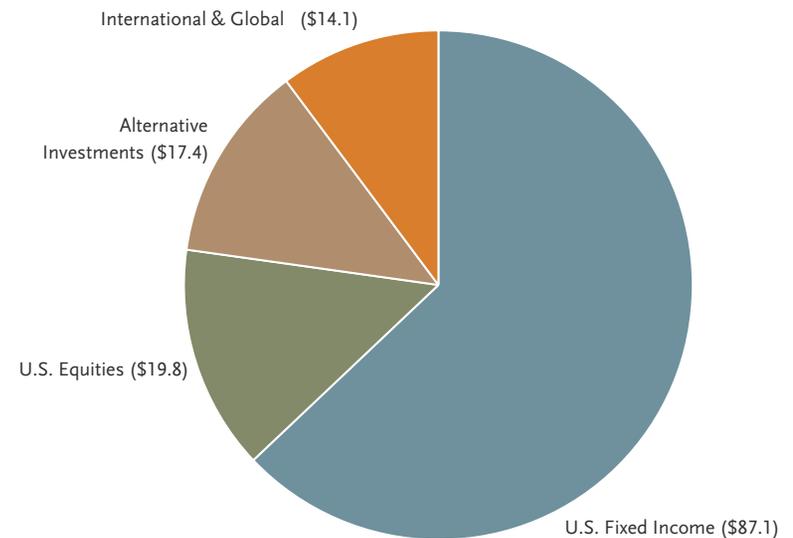
I. TCW Overview

TCW Overview

As of December 31, 2012

- Established in 1971 in Los Angeles, California
- \$138.4 billion under management or committed to management
- Over 1,200 institutional and private clients
- Over 1,800,000 retail accounts
- TCW staff of more than 500
- TCW offers strategies that invest in major world equity, fixed income and alternative markets, with offices in Los Angeles, New York, Boston, Paris, and Hong Kong

Asset Breakdown



Investment Professionals & Tenure

As of December 31, 2012

(In \$ Billions)	U.S. Fixed Income	U.S. Equities	Alternative Investments	International & Global	Total
Assets Under Management or Committed to Management	\$87.1	\$19.8	\$17.4	\$14.1	\$138.4
Total Investment Professionals	56	38	21	19	142¹
Portfolio Managers	14	7	12	4	37
Research Analysts	31	26	9	12	78
Traders	11	5	0	3	19

- Portfolio managers average 23 years of experience with approximately 13 years of tenure at TCW²
- Significant pool of investment professionals
 - 142 investment professionals; 37 portfolio managers supported by 83 analysts

Assets under management are by asset class.

¹ Includes five members of the Portfolio Analytics Group, three Retail Traders and dual employees from Crescent Capital.

² Tenure includes years from predecessor firms of MetWest and Buchanan Street Partners.

Representative Client List

As of December 31, 2012

Corporations

ArcelorMittal Steel USA, Inc.
AT&T Inc.
BAE Systems North America
Ball Corporation
CEMEX
DexOne Corporation
Exelis Inc.
Grupo Bimbo
Hallmark Cards, Inc.
Jack in the Box, Inc.
Mary Kay, Inc.
Navy Federal Credit Union
Nestlé USA
sanofi-aventis
Smart & Final
Sompo Japan
Union Bank
Verizon Investment Management Corporation

Multiple-Employer/Unions

Boilermaker-Blacksmith National Pension Trust
Media Guild Retirement Plan
New Jersey Transit
Painting Industry of Hawaii Annuity Fund
Producer-Writers Guild of America Pension Plan
San Diego County Construction Laborers
Screen Actors Guild - Producers Pension Plan
Sheet Metal Workers' National Pension Fund
Teamsters Negotiated Pension Plan

Public Funds

Alameda County Employees' Retirement Association
California State Teachers' Retirement System
City of Tallahassee Pension Plan
County of Los Angeles Savings Plan
Employees' Retirement System of the State of Hawaii
Colorado Fire & Police Pension Association
Illinois State Universities Retirement System
Maine Public Employees' Retirement System
Michigan Department of Treasury
Oklahoma Law Enforcement Retirement System
Oklahoma Public Employees' Retirement System
Public School Retirement System of St. Louis
Sacramento County Employees' Retirement System
Sacramento Regional Transit District
San Diego City Employees' Retirement System
State of Michigan Retirement System
Tacoma Employees' Retirement System
Westmoreland County Employees' Retirement System

Health Care

Allina Health System
Bishop Clarkson Memorial Foundation
Blue Cross and Blue Shield of Kansas City
Cedars-Sinai Medical Center
Mayo Clinic
Medica
Methodist Le Bonheur Healthcare
Trinity Health
Via Christi Health System
Welborn Baptist Foundation

Insurance

Argo Group Limited
Catalina London Limited
McDonald's Owner/Operator Ins. Co. Ltd
National Home Insurance Company
Quanta Reinsurance Limited
Reinsurance Group of America, Inc. (RGA)
Sompo Japan Nipponkoa Asset Management
Trustmark Insurance Companies
University of Maryland Medical Service Systems

Foundations, Universities and Not-For-Profit Organizations

California State University Risk Management Authority
Catholic Relief Services
Father Flanagan's Trust Fund
Mississippi United Methodist Foundation
New York University
The Archdiocese of Cincinnati
The Archdiocese of San Francisco
U.S. Conference of Catholic Bishops

Subadvisory

Absolute Investment Advisers LLC
CGCM Core Bond Fund
Columbia Management
Russell Investment Group
– Multiple Funds
SEI Core Fixed Income
SEI Long Duration Fund
Pictet & Co.
– U.S. High Yield Fund

II. Portfolio Review

Performance*

As of December 31, 2012 – Supplemental Information

	2007	2008	2009	2010	2011	Q4 2012	YTD 2012	Annualized			
								1 year	3 years	5 years	ITD 10/1/87
TCW Concentrated Core	14.9%	-36.5%	43.8%	17.7%	5.0%	0.9%	16.7%	16.7%	13.0%	5.7%	14.3%
Russell 1000 Growth	11.8%	-38.4%	37.2%	16.7%	2.6%	-1.3%	15.3%	15.3%	11.4%	3.1%	7.9%
S&P 500	5.5%	-37.0%	26.5%	15.1%	2.1%	-0.4%	16.0%	16.0%	10.9%	1.7%	8.5%

*Based on returns gross of fees.

Footnotes regarding performance appear in the appendix and are an integral and important part of this chart. Past performance is not a guarantee of future results.

Results are based on the accrual method of accounting as well as trade date valuation.

Results are time-weighted and geometrically linked to yield quarterly returns.

The unmanaged indices shown for comparative purposes, if any, do not reflect the subtraction of any fees.

TCW Concentrated Core Performance

As of December 31, 2012 – Supplemental Information

Year		TCW Concentrated Core		Russell 1000	Year		TCW Concentrated Core		Russell 1000	Year		TCW Concentrated Core		Russell 1000
		Gross	Net	Growth			Gross	Net	Growth			Gross	Net	Growth
1999	1Q	12.29%	12.14%	6.36%	2005	1Q	-9.46%	-9.62%	-4.09%	2011	1Q	5.80%	5.62%	6.03%
	2Q	3.49	3.35	3.85		2Q	3.95	3.77	2.46		2Q	1.61	1.43	0.76
	3Q	-6.70	-6.83	-3.66		3Q	5.34	5.16	4.01		3Q	-10.32	-10.48	-13.14
	4Q	31.80	31.63	25.14		4Q	5.81	5.63	2.98		4Q	8.92	8.73	10.61
	Year	42.89	42.13	33.16		Year	4.91	4.19	5.26		Year	5.01	4.27	2.64
2000	1Q	17.37	17.22	7.13	2006	1Q	-1.55	-1.72	3.09	2012	1Q	16.01	15.80	14.69
	2Q	0.56	0.42	-2.70		2Q	-5.21	-5.38	-3.90		2Q	-6.88	-7.05	-4.02
	3Q	-0.78	-0.91	-5.38		3Q	-1.65	-1.82	3.94		3Q	7.07	6.88	6.11
	4Q	-18.22	-18.34	-21.35		4Q	4.29	4.11	5.93		4Q	0.87	0.69	-1.32
	Year	-4.22	-4.75	-22.42		Year	-4.29	-4.95	9.07		Year	16.66	15.84	15.26
2001	1Q	-22.20	-22.32	-20.90	2007	1Q	-0.47	-0.64	1.19	Total Annualized Returns	Year			
	2Q	11.58	11.43	8.42		2Q	9.64	9.45	6.86		1 Year	16.66%	15.84%	15.26%
	3Q	-25.86	-25.97	-19.41		3Q	5.30	5.12	4.21		3 Years	12.99	12.19	11.35
	4Q	26.15	25.99	15.14		4Q	0.00	-0.17	-0.77		5 Years	5.68	4.94	3.12
	Year	-18.81	-19.26	-20.42		Year	14.91	14.12	11.81		7 Years	5.45	4.71	5.16
2002	1Q	-0.06	-0.20	-2.59	2008	1Q	-13.69	-13.85	-10.18	10 Years	10.09	9.34	7.52	
	2Q	-21.29	-21.41	-18.67		2Q	3.93	3.75	1.25	Since 10/1/87	14.33	13.65	7.87	
	3Q	-19.67	-19.79	-15.05		3Q	-12.74	-12.90	-12.33					
	4Q	12.67	12.52	7.15		4Q	-18.81	-18.96	-22.79					
	Year	-28.81	-29.22	-27.88		Year	-36.45	-36.91	-38.44					
2003	1Q	4.37	4.23	-1.07	2009	1Q	1.07	0.90	-4.12					
	2Q	20.73	20.58	14.31		2Q	15.06	14.87	16.32					
	3Q	7.94	7.79	3.91		3Q	13.46	13.27	13.97					
	4Q	11.38	11.21	10.41		4Q	9.00	8.81	7.94					
	Year	51.49	50.66	29.75		Year	43.81	42.84	37.21					
2004	1Q	0.05	-0.12	0.79	2010	1Q	3.61	3.43	4.65					
	2Q	7.12	6.94	1.94		2Q	-11.63	-11.79	-11.75					
	3Q	-5.21	-5.38	-5.23		3Q	15.44	15.25	13.00					
	4Q	11.75	11.56	9.17		4Q	11.40	11.20	11.83					
	Year	13.53	12.75	6.30		Year	17.75	16.92	16.71					

The performance of the Concentrated Core composite for the period from inception to March 1998 reflects performance of accounts greater than \$5,000,000 that were managed by Glen Bickerstaff while at Transamerica Investment Services. Thereafter, it represents the performance while at TCW. The original TCW Concentrated Core performance is available upon request. For the period from November 1998 to December 31, 2004, a team of portfolio managers under the guidance and oversight of Glen Bickerstaff, who retained final authority for all buy and sell decisions, were responsible for the Concentrated Core strategy. As of January 1, 2005, Mr. Bickerstaff became senior portfolio advisor to the strategy, and the remaining team members assumed full responsibility for managing the accounts in the composite. As of February 6, 2008, Craig Blum became sole portfolio manager.

Footnotes regarding performance appear in the appendix and are an integral and important part of this chart. Past performance is not a guarantee of future results.

4Q 2012: What Helped, What Hurt

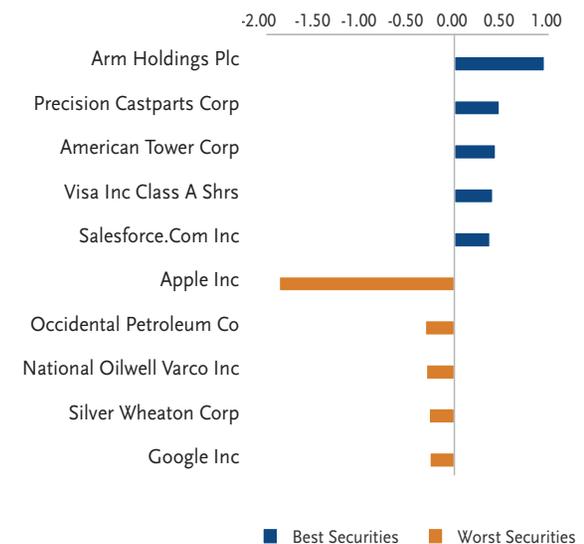
October 1, 2012 - December 31, 2012 – Supplemental Information

Five Best Contributors

	4Q12 Average Weight (%)	2012 Return (%)	2012 Portfolio Impact (%)	Date Purchased in Strategy
Arm Holdings Plc	3.11	34.72	0.96	March 2011
Precision Castparts Corp	3.24	15.99	0.48	November 2010
American Tower Corp	5.06	8.86	0.44	February 2010
Visa Inc Class A Shrs	3.29	13.13	0.41	March 2008
Salesforce.Com Inc	3.76	10.09	0.38	October 2005

Five Worst Contributors

	4Q12 Average Weight (%)	2012 Return (%)	2012 Portfolio Impact (%)	Date Purchased in Strategy
Apple Inc	8.84	-19.76	-1.87	February 2008
Occidental Petroleum Co	2.79	-10.33	-0.31	March 2009
National Oilwell Varco Inc	1.91	-14.52	-0.30	May 2012
Silver Wheaton Corp	2.97	-8.97	-0.27	February 2011
Google Inc	4.06	-5.98	-0.26	April 2005



Source: BNY Mellon Performance and Risk Analytics, BARRA, Zephyr, FactSet, TCW Portfolio Analytics

Analysis for this report is based on an institutional representative account.

All performance information is represented on a gross basis unless otherwise stated; net performance is contained in the appendix GIPS performance disclosures.

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Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable.

The holdings identified do not represent all of the securities purchased, sold or recommended for advisory clients. Past performance does not guarantee future results. To obtain the calculation's methodology and a list showing every holding's contribution to the overall account's performance during the period, contact your TCW client service representative or e-mail your request to pa-la@tcw.com.

YTD 2012: What Helped, What Hurt

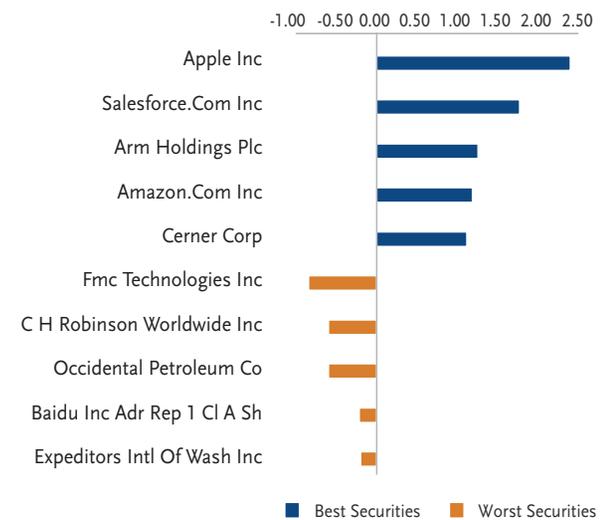
January 1, 2012 - December 31, 2012 – Supplemental Information

Five Best Contributors

	YTD Average Weight (%)	2012 Return (%)	2012 Portfolio Impact (%)	Date Purchased in Strategy
Apple Inc	8.65	33.07	2.41	February 2008
Salesforce.Com Inc	3.45	65.10	1.78	October 2005
Arm Holdings Plc	2.61	38.07	1.26	March 2011
Amazon.Com Inc	3.03	45.08	1.19	December 2002
Cerner Corp	3.72	27.92	1.12	July 2006

Five Worst Contributors

	YTD Average Weight (%)	2012 Return (%)	2012 Portfolio Impact (%)	Date Purchased in Strategy
Fmc Technologies Inc	1.36	-26.46	-0.85	March 2009
C H Robinson Worldwide Inc	2.32	-8.18	-0.60	November 2006
Occidental Petroleum Co	3.53	-15.49	-0.60	March 2009
Baidu Inc ADR Rep 1 Cl A Sh	1.68	-21.84	-0.22	February 2011
Expeditors Intl Of Wash Inc	1.48	-5.38	-0.20	January 2006



Source: BNY Mellon Performance and Risk Analytics, BARRA, Zephyr, FactSet, TCW Portfolio Analytics

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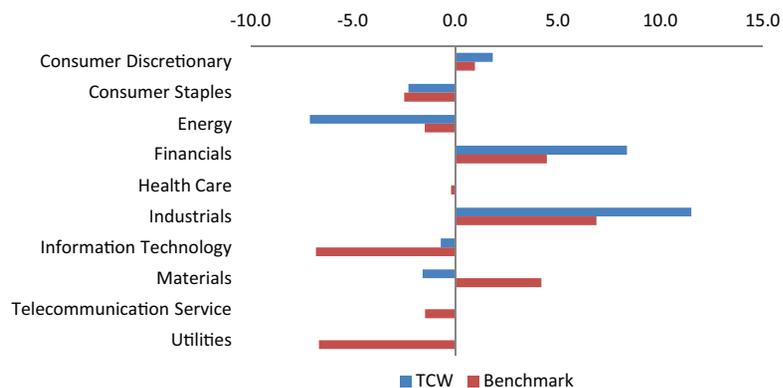
QTD 2012: Attribution Analysis

October 1, 2012 - December 31, 2012 – Supplemental Information

Sector Returns

Quarter to Date

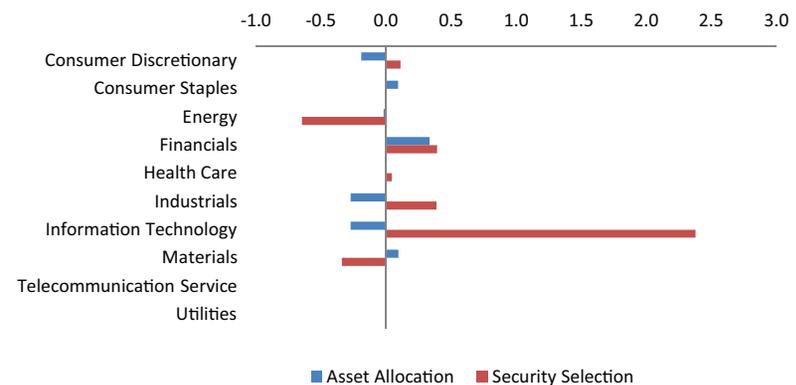
Sector	TCW	Benchmark	Difference
Consumer Discretionary	1.84	0.96	0.87
Consumer Staples	-2.29	-2.49	0.20
Energy	-7.10	-1.49	-5.61
Financials	8.39	4.47	3.92
Health Care	0.04	-0.20	0.24
Industrials	11.54	6.90	4.64
Information Technology	-0.71	-6.79	6.08
Materials	-1.59	4.20	-5.79
Telecommunication Service	0.00	-1.47	1.47
Utilities	0.00	-6.66	6.66



Sector Attribution

Quarter to Date

Sector	Asset Allocation	Security Selection	Total
Consumer Discretionary	-0.19	0.11	-0.08
Consumer Staples	0.10	-0.01	0.09
Energy	-0.02	-0.64	-0.66
Financials	0.34	0.39	0.73
Health Care	-0.01	0.05	0.04
Industrials	-0.27	0.39	0.12
Information Technology	-0.27	2.38	2.11
Materials	0.10	-0.34	-0.24
Telecommunication Service	0.00	--	0.00
Utilities	0.01	--	0.01
Total Equity	-0.17	2.33	2.16



Source: BNY Mellon Performance and Risk Analytics, BARRA, Zephyr, FactSet, TCW Portfolio Analytics

Analysis for this report is based on an institutional representative account.

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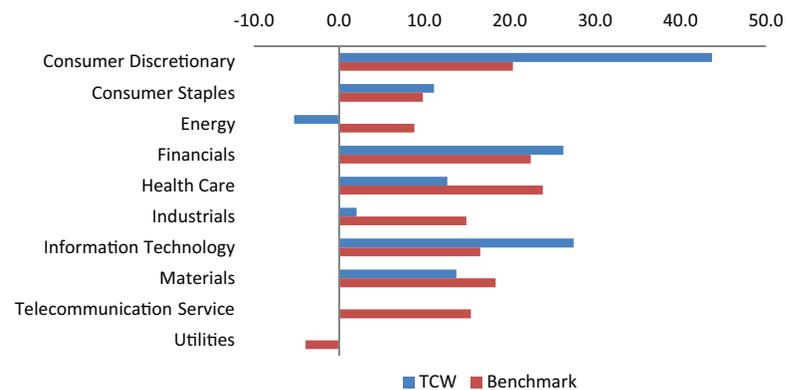
YTD 2012: Attribution Analysis

January 1, 2012 - December 31, 2012 – Supplemental Information

Sector Returns

Year to Date

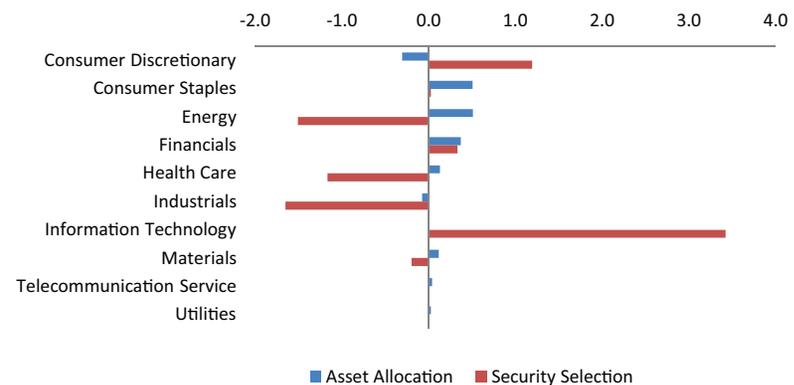
Sector	TCW	Benchmark	Difference
Consumer Discretionary	43.74	20.39	23.35
Consumer Staples	11.14	9.82	1.32
Energy	-5.27	8.82	-14.09
Financials	26.29	22.49	3.80
Health Care	12.70	23.90	-11.20
Industrials	2.06	14.94	-12.89
Information Technology	27.50	16.55	10.95
Materials	13.77	18.37	-4.60
Telecommunication Service	0.00	15.48	-15.48
Utilities	0.00	-3.91	3.91



Sector Attribution

Year to Date

Sector	Asset Allocation	Security Selection	Total
Consumer Discretionary	-0.30	1.20	0.89
Consumer Staples	0.51	0.03	0.54
Energy	0.51	-1.51	-0.99
Financials	0.37	0.33	0.71
Health Care	0.13	-1.16	-1.03
Industrials	-0.07	-1.65	-1.72
Information Technology	0.01	3.43	3.44
Materials	0.12	-0.19	-0.07
Telecommunication Service	0.04	--	0.04
Utilities	0.03	--	0.03
Total Equity	0.85	0.47	1.33



Source: BNY Mellon Performance and Risk Analytics, BARRA, Zephyr, FactSet, TCW Portfolio Analytics

Analysis for this report is based on an institutional representative account.

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Footnotes regarding performance appear in the appendix and are an integral and important part of this chart. Past performance is not a guarantee of future results.

Historical Portfolio Characteristics*

As of December 31, 2012 – Supplemental Information

Portfolio Characteristics	2008				2009				2010				2011				2012			
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q												
Number of Securities	27	32	30	30	33	33	32	32	32	33	33	32	32	31	31	31	32	30	32	31
P/E Ratio Estimates Average Estimated Next 12 Months**	22.2	23.9	19.0	15.9	16.0	18.2	19.4	20.6	19.7	17.0	18.8	20.4	21.2	20.9	17.6	18.8	20.3	18.4	19.6	19.7
Price / Book Value	4.8	5.0	4.2	3.3	3.2	3.4	3.6	3.8	3.7	3.1	3.6	4.0	4.3	4.3	3.7	4.0	4.4	3.7	4	3.9
Historical 5-Year Average Earnings Growth Rate***	25.1%	30.9%	33.3%	34.9%	38.4%	42.7%	35.8%	33.9%	28.3%	25.3%	24.7%	19.3%	19.5%	20.5%	20.6%	20.0%	23.8%	22.5%	22.2%	22.5%
Historical 5-Year Average Revenue Growth Rate	33.7%	34.5%	30.6%	29.4%	29.2%	28.1%	26.1%	24.7%	23.4%	21.1%	19.7%	18.9%	20.2%	19.3%	19.1%	18.7%	19.7%	19.7%	20.6%	19.2%
Net Profit Margin	22.1%	23.0%	22.9%	23.8%	22.8%	22.9%	22.4%	22.4%	23.7%	23.5%	22.4%	22.8%	26.3%	24.8%	26.0%	26.1%	27.5%	27.0%	27.1%	25.1%
Long-Term Debt to Capital	27.0%	23.0%	21.8%	23.5%	23.6%	22.6%	22.8%	23.6%	23.7%	23.4%	24.6%	25.5%	25.2%	23.4%	24.2%	25.3%	24.6%	25.9%	27.2%	27.2%
Market Capitalization Average (\$ Weighted)	\$67B	\$57B	\$55B	\$41B	\$33B	\$39B	\$46B	\$53B	\$52B	\$51B	\$56B	\$63B	\$60B	\$58B	\$59B	\$65B	\$90B	\$89B	\$104B	\$81B

Source: BNY Mellon Performance & Risk Analytics

* Portfolio characteristics and holdings are subject to change at any time; and holdings may be different in other accounts within the strategy, particularly in commingled investment vehicles. Data is based upon a representative institutional account. It should not be assumed that an investment in the securities listed was, or will be, profitable.

** All projections and estimates are based on current asset prices and are subject to change.

***Source: IBES

Portfolio Characteristics*

As of December 31, 2012 – Supplemental Information

	TCW Concentrated Core	Russell 1000 Growth	S&P 500
Number of Securities	31	571	500
Price/Earnings Ratio Estimates** Average Estimated Next 12 Months	19.7	15.1	13.2
Price/Book Value	3.9	4.2	2.1
Historical 5-Year Average Earnings Growth	22.5%	17.1%	9.7%
Historical 5-Year Average Revenue Growth	19.2%	12.2%	7.4%
Profit Margins	25.1%	15%	21.7%
Debt/Capital	27.2%	44.7%	48.2%
Market Capitalization (Billions)			
Average (\$ Weighted)	81.3	100.4	107.0
Average (EqL Weighted)	56.6	17.2	27.2
Median	27.5	6.4	12.6

Source: BNY Mellon Performance & Risk Analytics

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** All projections and estimates are based on current asset prices and are subject to change.

Buys & Sells

October 1, 2012 – December 31, 2012 – Supplemental Information

Buys

LinkedIn Corp.

Sells

Baidu, Inc.

C.H. Robinson Worldwide, Inc.

Portfolio characteristics and holdings are subject to change at any time.

It should not be assumed that an investment in the securities listed was, or will be, profitable. Data is based upon a representative institutional account.

Reflects up to the three largest buys (new buys) and up to the three largest sells (complete sells) for the quarter.

Portfolio Turnover*

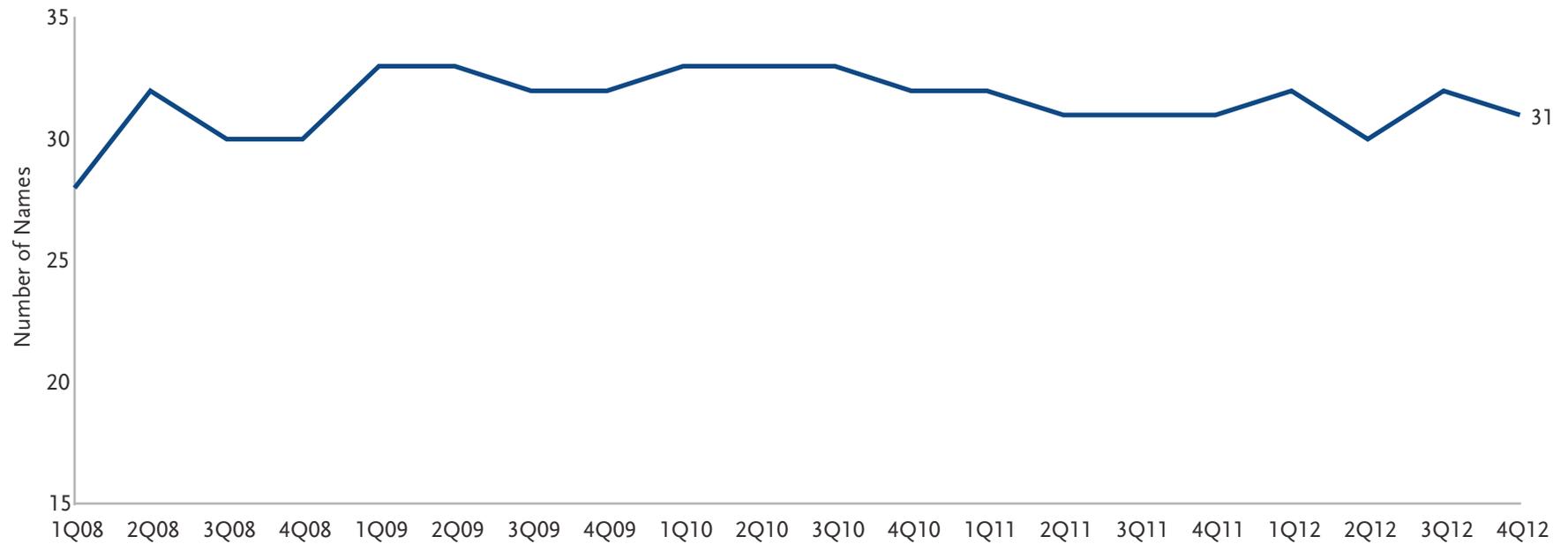
As of December 31, 2012 – Supplemental Information

2000:	51.9%
2001:	23.0%
2002:	11.6%
2003:	22.1%
2004:	17.5%
2005:	17.5%
2006:	43.1%
2007:	36.6%
2008:	50.6%
2009:	29.7%
2010:	24.2%
2011:	18.3%
YTD 2012:	19.0%

*Data is based upon a representative institutional account.

Number of Holdings

As of December 31, 2012 – Supplemental Information



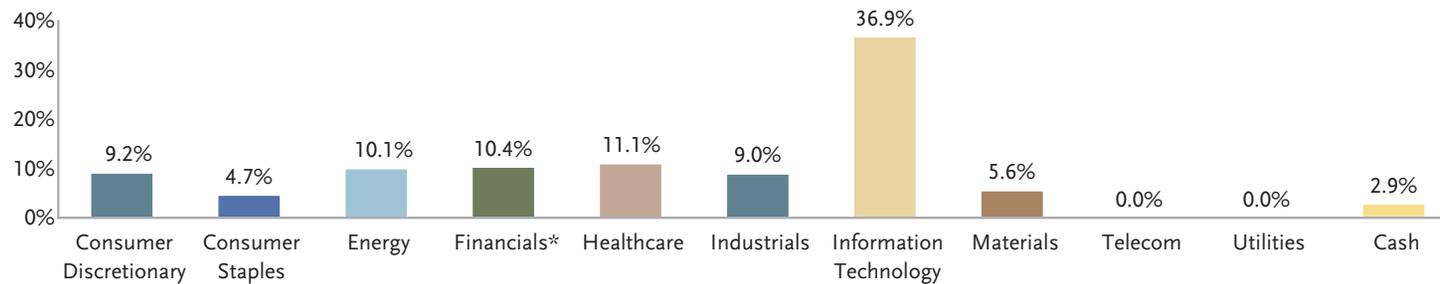
Source: BNY Mellon Performance & Risk Analytics

Portfolio characteristics and holdings are subject to change at any time; and holdings may be different in other accounts within the strategy, particularly in commingled investment vehicles. Data is based upon a representative institutional account.

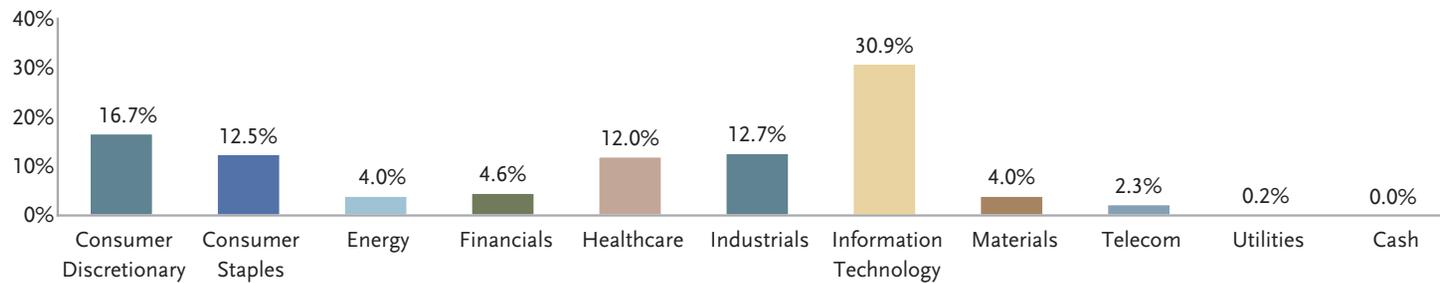
Sector Weightings

As of December 31, 2012

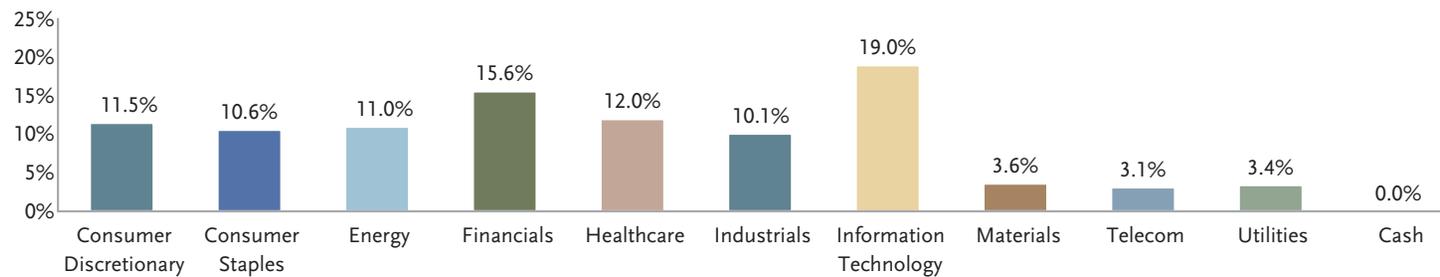
TCW Concentrated Core



Russell 1000 Growth



S&P 500



Source: BNY Mellon Performance & Risk Analytics

* AMT is a REIT and is therefore classified as a financial.

Portfolio characteristics and holdings are subject to change at any time. It should not be assumed that an investment in the securities listed was, or will be, profitable. Data is based upon a representative institutional account.

Summary of Holdings

As of December 31, 2012 – Supplemental Information

Security	% of Portfolio	Security	% of Portfolio
Apple Inc	7.33	Equinix Inc	2.97
Qualcomm Inc	5.38	Cognizant Technology Solutions	2.78
American Tower Corp	4.96	Life Technologies Corp	2.75
Salesforce Com Inc	3.98	Oceaneering International Inc	2.71
Google Inc Cl A	3.88	Priceline.Com Inc	2.69
Ace Limited Shs	3.65	Silver Wheaton Corp	2.63
Allergan Inc/United States	3.42	Occidental Petroleum Corp	2.55
Precision Castparts Corp	3.39	Vmware Inc	2.49
Visa Inc	3.39	Mead Johnson Nutrition Co	2.36
Starbucks Corp	3.38	Costco Wholesale Corp	2.35
Cerner Corp	3.30	Verisk Analytics Inc	2.32
Fastenal Co	3.27	Charles Schwab Corp/The	1.77
Amazon.Com Inc Com	3.18	National Oilwell Varco Inc	1.69
Schlumberger Ltd	3.13	Intuitive Surgical Inc	1.67
Arm Holdings Plc	3.05	Linkedin Corp	1.66
Praxair Inc	3.00		

Portfolio characteristics and holdings are subject to change at any time; and holdings may be different in other accounts within the strategy, particularly in commingled investment vehicles. Data is based upon a representative institutional account. It should not be assumed that an investment in the securities listed was, or will be, profitable.

III. Investment Philosophy

Investment Philosophy

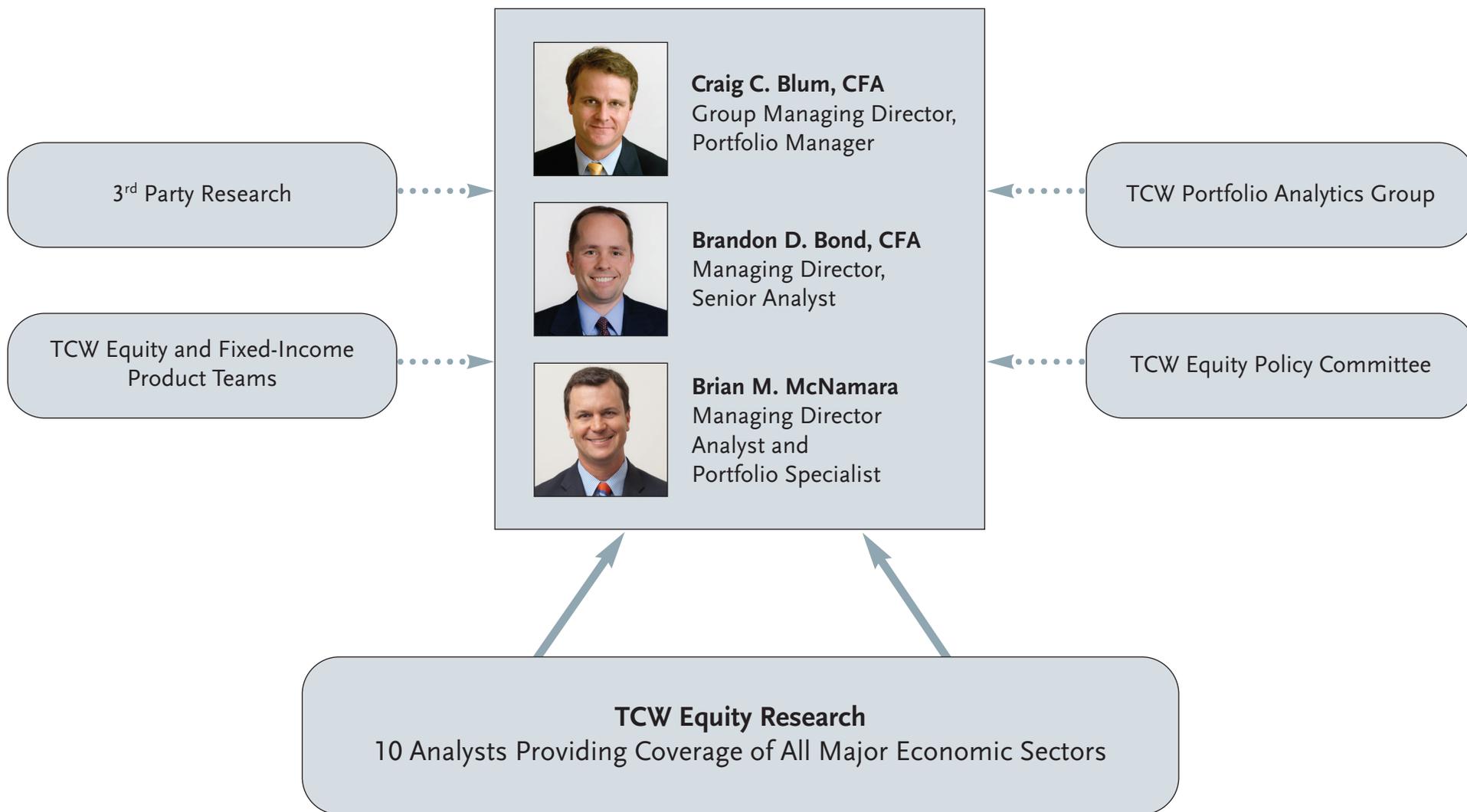
- Strong long-term performance may be achieved by participating in the growth and success of extraordinary businesses purchased at attractive valuations.



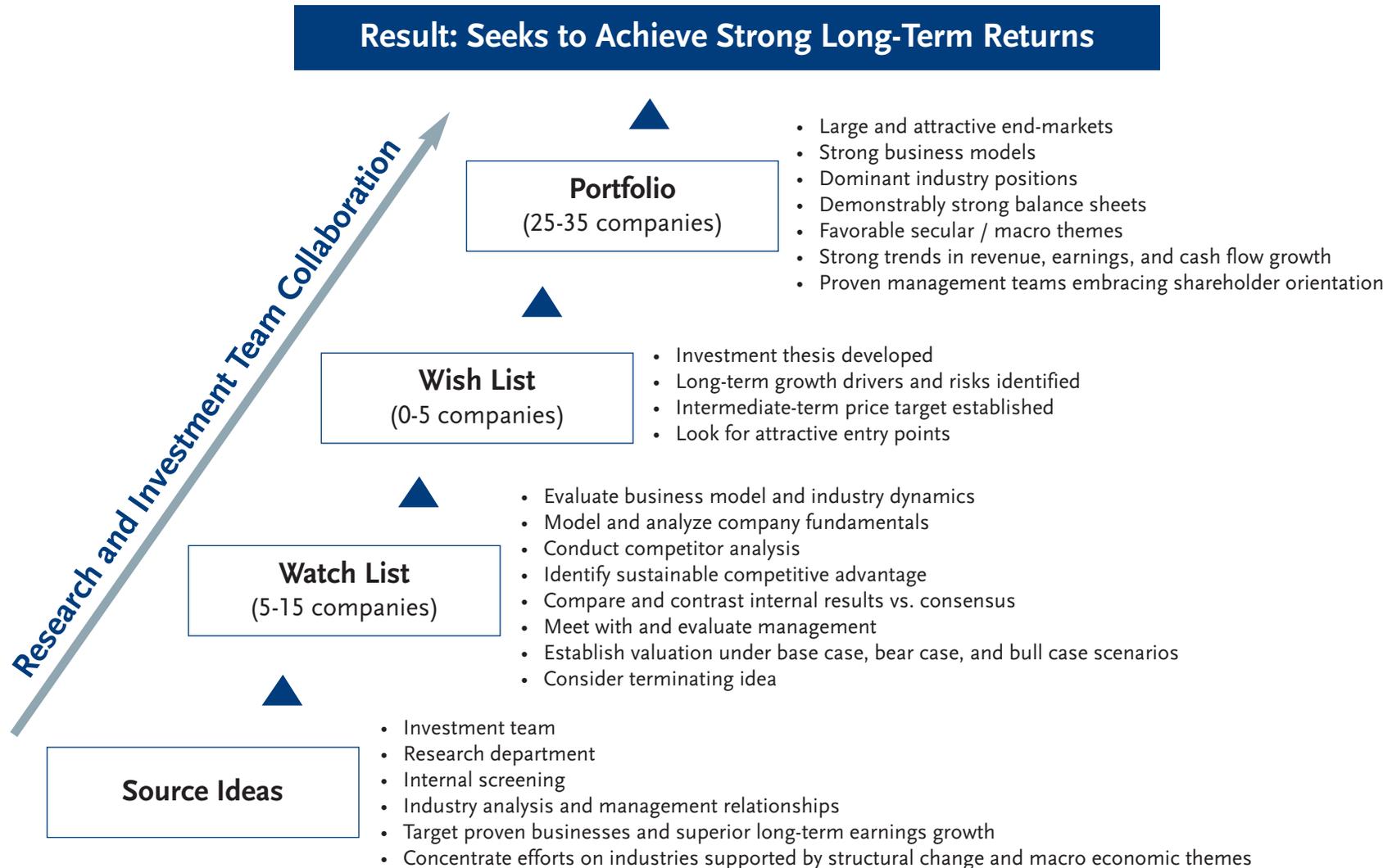
Distinguishing Features

- A concentrated portfolio of approximately 25 to 35 stocks seeking the highest quality growth opportunities available
- Strict focus on companies with large end-market opportunities and clear product and/or cost advantages
- Emphasis on attractive, yet undervalued, prospects for expanding market share, widening profit margins, and accelerating earnings growth
- Long-term / Low turn-over orientation
- Fundamentally driven process based on exhaustive bottom-up research complemented and supported by thematic macro trends
- Conviction weighted – fully invested
- Macro and systemic risk managed at portfolio level
- Consistency – no deviation from stated process
- Track record of proven results

Investment Team and Resources



Bottom-Up Investment Process



Staying Balanced

~2/3 Offense

- “Offensive” growth:
 - Innovative stories, disruptive to end markets, accelerating earnings power and margins

~1/3 Defense

- “Defensive” growth:
 - Uncorrelated fundamentals
 - Drivers of growth depend less on GDP growth



The securities listed were selected from the top ten holdings of the TCW Concentrated Core strategy as of 12/31/12, which include, in descending order of percentage of portfolio: Apple, Qualcomm, American Tower, Salesforce Com, Google, Ace Limited, Allergan, Precision Castparts, Visa Inc and Starbucks Corp. Portfolio characteristics and holdings are subject to change at any time.

Holdings may change at any time; and holdings may be different in other accounts within the strategy, particularly in commingled investment vehicles.

Ongoing Review

“On-Season”

- Analyze quarterly results
- Evaluate financials vs. consensus and vs. TCW estimates
- Continue dialogue with analyst to establish next steps
- Revisit relative attractiveness
- Add / Trim / Do Nothing

“Off-Season”

- Monitor all news flow and company developments
- Generate new ideas
- Advance existing ideas through research process
- Maintain high standards of client service and communication

Risk Management

Organizational Controls

- TCW Portfolio Analytics Group
- TCW Investment Control
- TCW Compliance

Portfolio Controls

- Business risk controlled through quality framework and depth of research enabled by concentration
- Portfolio restricted to a maximum 15% of total assets (at time of investment) in any one issuer
- Portfolio restricted to a maximum 35% of total assets (at time of investment) in any one industry
- “Top heaviness” of portfolio monitored weekly
- Portfolio construction seeks to reduce volatility by targeting uncorrelated business fundamentals

Sell Discipline

- Every holding is re-evaluated on an ongoing basis
- Tactical re-weighting is driven by:
 1. Relative attractiveness
 2. Position size
 3. Intermediate-term price targets
- Unexpected negative developments require immediate placement onto a review list. Following a thorough examination, a position may be reduced or sold entirely when:
 1. Disappointing fundamentals coincide with impairment to business model
 2. Disappointing fundamentals coincide with impairment to revenue opportunity
- Positions may also be sold entirely when:
 1. Company valuation reflects our most optimistic outlook
 2. Cash is needed to take advantage of a superior opportunity

Quality

Cost Structure Advantage

Amazon.com offers superior selection, convenience, service and price relative to traditional retailers. Amazon's inventory-light model operates with no physical stores, resulting in a two-to-three times inventory turnover advantage.

Product and Differentiation Advantage

Schlumberger's scale, best-in-class R&D, and track record of innovation are driving strong order growth in both its traditional oil field services business and also its WesternGeco seismic business.

Qualcomm is the world's leading innovator in wireless communication technologies that are licensed by both wireless service providers and handset manufacturers. The company's patent portfolio and engineering scale give it significant leverage to the growing market for high-speed mobile data.

Growth

Scalability

Salesforce.com is a leading provider of Software as a Service (SaaS), with over 3 million paying subscribers. The company has less than 10% market share of the first market they have targeted, customer relationship management (CRM) software. With a lower cost of ownership and a superior product offering, salesforce.com is aggressively growing its subscriber base in CRM and leveraging its technology platform to offer additional software products. Over the long run, we believe the company's strategy is likely to significantly increase their addressable market and increase revenue per customer.

Google is the leading domestic and global provider of search technologies for consumers and paid search advertising for companies. Google enjoys both hardware and software advantages that in aggregate create a significant source of differentiation versus competitors. The percentage of ad dollars garnered by the Internet is significantly lower than the percentage of media consumption time people spend on the Internet. As the platform evolves and matures, we expect that this disparity will narrow, driving significant continued revenue growth.

Secular Trends

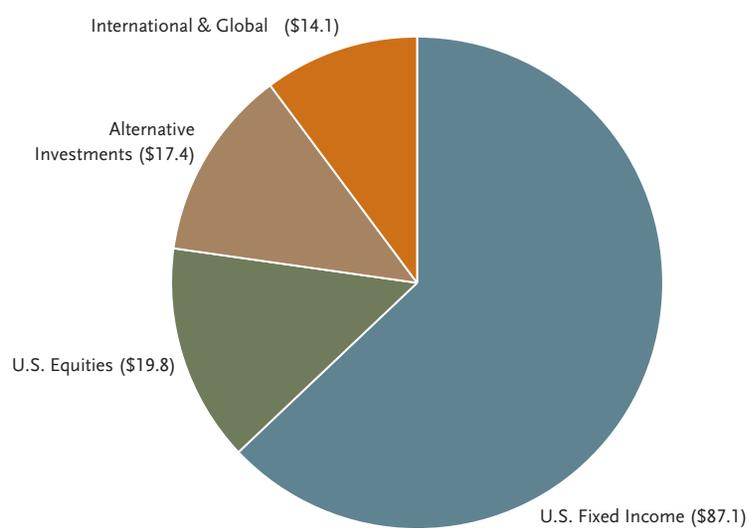
- Winner take all markets
- Consumer empowerment
- Technology drives business model advantage
- Energy capital intensity permanently higher
- New media disrupts old media
- Cost leadership critical
- Outsource non-core competencies
- High data-rate wireless
- Cloud computing – thin client / intelligent network
- Growing middle class in developing markets
- Premium on pricing power
- Boomer demographics
- China

IV. Equities Advantage

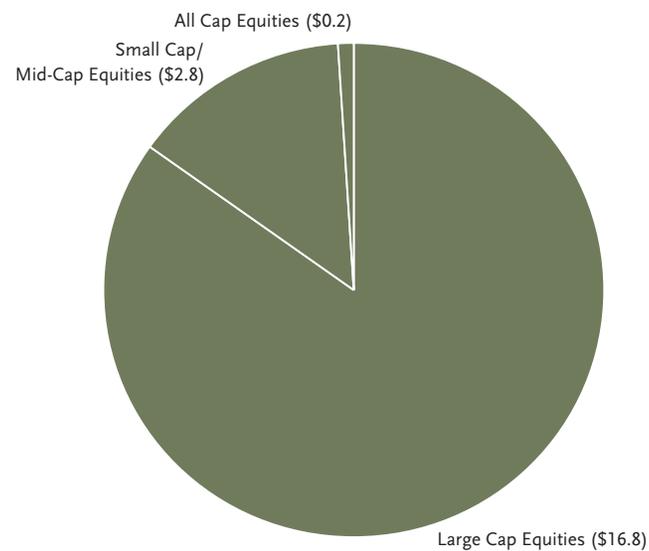
TCW Assets Under Management

or Committed to Management as of December 31, 2012

Total Assets: \$138.4 Billion



U.S. Equities: \$19.8 Billion



U.S. Equities Under Management

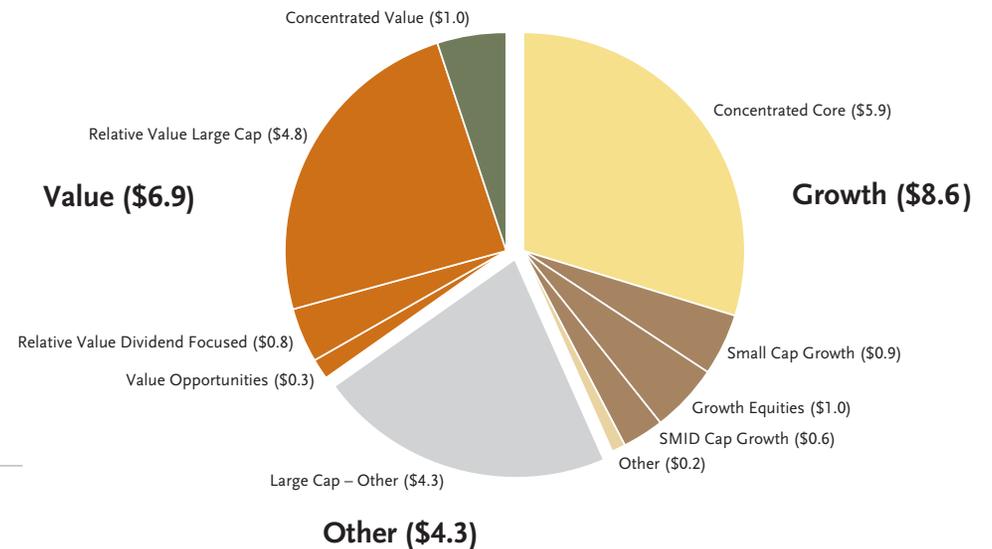
or Committed to Management as of December 31, 2012

Growth Strategies	AUM
Concentrated Core	\$5.9B
Small Cap Growth	\$0.9B
Growth Equities	\$1.0B
SMID Cap Growth	\$0.6B
Other	\$0.2B
Total Growth	\$8.6B

Value Strategies	AUM
Relative Value Large Cap	\$4.8B
Concentrated Value	\$1.0B
Relative Value Dividend Focused	\$0.8B
Value Opportunities	\$0.3B
Total Value	\$6.9B

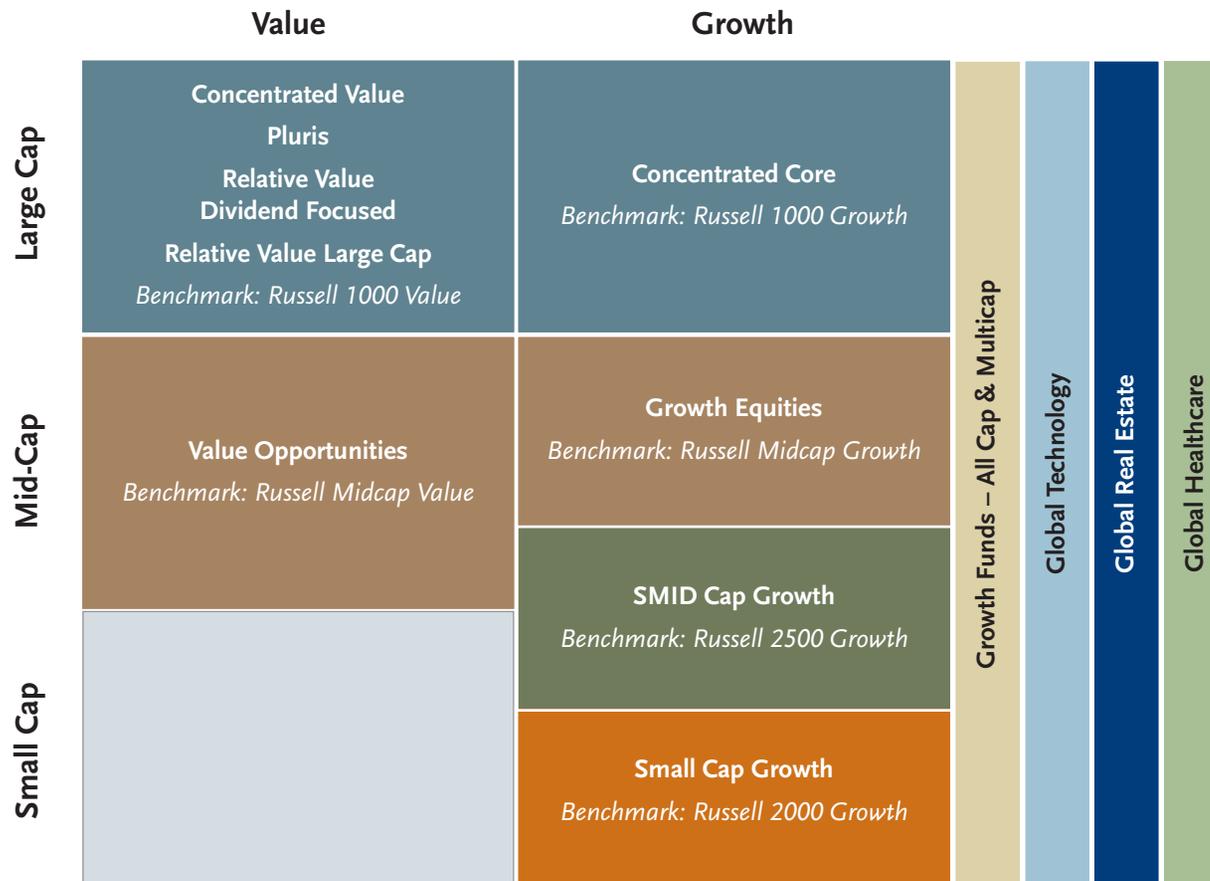
Large Cap – Other **\$4.3B**

Total Assets: \$19.8 Billion



Full Spectrum of Strategies

TCW offers a broad array of U.S. equity strategies that span the investment universe from small to large and from value to growth.



Equity Group Priorities & Objectives

The TCW U.S. Equities group maintains an unwavering focus on producing track records of strong investment performance for our clients.

- We are cognizant of the importance of “risk-adjusted” returns. Thus, our goal is not to minimize risk per se but rather to understand and be compensated for the risk taken
- We believe that our ability to add value resides in our adherence to well-articulated investment philosophies and processes, supported by a rigorous fundamental research effort that allows us to develop differentiated investment insights relative to the market consensus
- We strive at all times to act with integrity in carrying out our fiduciary responsibility to our clients, as evidenced by our strong organizational commitment to risk management
- We are committed to attracting and retaining highly qualified and talented investment professionals through our competitive, merit-based compensation structure and long-term incentivization programs, including restricted stock ownership
- We will complement our existing product lineup with investment strategies that meet our clients’ needs while leveraging our core competencies of fundamental research and analysis

Depth of Experience Across Equity Disciplines

As of December 31, 2012

As stewards of \$138.4 billion in client assets, TCW believes there is no substitute for experience.

Our equity investment teams bring expertise and perspective gleaned over many years in asset management and through a range of market conditions. 38 investment professionals manage or support more than 22 U.S. equities funds and strategies.

	Total	Average Years Experience	Average Years with TCW
Portfolio Managers	7	22	16
Analysts	26	16	10
Traders	5	20	13

Advanced Education and Training

- 25 hold MBA degrees
- 2 hold a PhD degree
- 17 are CFA charterholders

TCW Ownership Structure: Carlyle Group and TCW Management/Employees

February 2013

Background

- The Carlyle Group and management of The TCW Group completed their acquisition of TCW from Société Générale in February 2013
- As a result of the transaction, TCW management and employees will own approximately 40% of the firm on a fully diluted basis
- The Carlyle Group is a respected global alternative asset manager with \$157 billion of assets under management as of September 30, 2012
- Equity for the transaction came from TCW management and two Carlyle investment funds – Carlyle Global Financial Services Partners, a \$1.1 billion financial services fund, and Carlyle Partners V, a \$13.7 billion U.S. buyout fund
- The TCW Board of seven includes four representatives of Carlyle and three representatives of TCW

Deal Features

- Approximately 150 TCW employees now own equity in the firm
- The Carlyle transaction fulfills a management initiative to increase employee ownership that began in early 2010, when TCW employees had no equity in the firm
- Employee ownership aligns employee interests with those of the firm and the firm's clients, and creates a cohesive "ownership culture"

Strategic Enhancements to TCW Include:

- Deepened and broadened ownership of TCW by key employees
- Renewed/extended employment contracts with investment teams responsible for more than 90% of TCW's AUM
- Strong governance protections for TCW management
- Substantial "seed capital" for new products will be provided

Individual Philosophies, Unified Support

Equity strategies are managed by four dedicated portfolio management teams that may draw on the resources of the entire TCW organization.

While the teams share a belief in fundamental research-based active management, each follows its own unique, time-tested approach to:

Defining an investment philosophy



Screening and analyzing potential investments



Constructing and managing portfolios

Search for Value Poised for Growth



Developing Differentiated Insights

For each equity strategy, TCW seeks to outperform its benchmark over market cycles not by adopting consensus Wall Street views, rather by forming our own points of view on existing and potential investments.

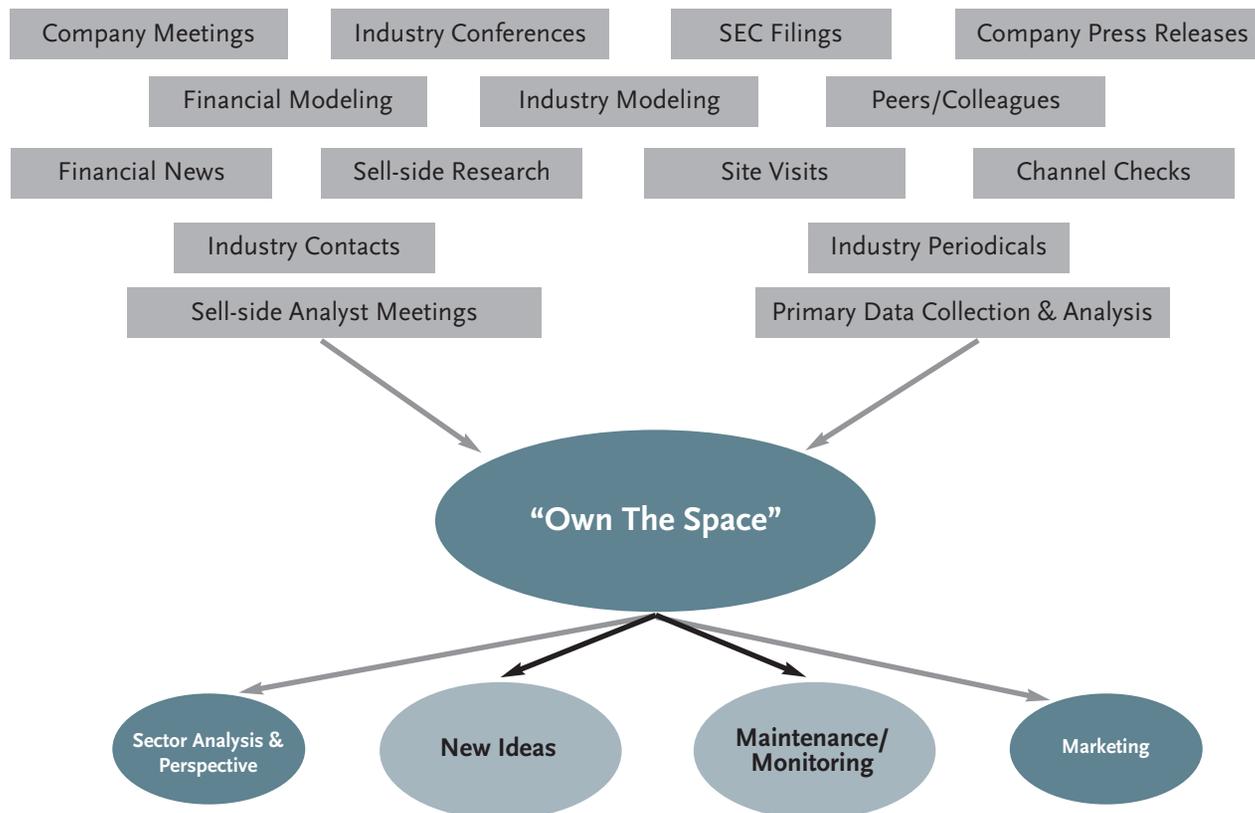
This is best accomplished by:

- Applying our own insights gleaned from bottom-up fundamental research that includes getting to know a company's management, suppliers, and competitors. In 2012, portfolio managers and analysts attended over 2,200 meetings with company management
- Developing our own financial models to follow specific metrics and discern trends and information that others may overlook
- Showing conviction for our strongest ideas by forming portfolios that may diverge from benchmark weightings

Robust Research Capabilities

The U.S. Equity Research Group, through its team of 10 industry-specific analysts and 3 research associates, strives to “own the space” in every sector it covers. This commitment ensures a regular flow of investment ideas to TCW portfolio managers and product-specific analysts.

A Day in the Life of an Analyst

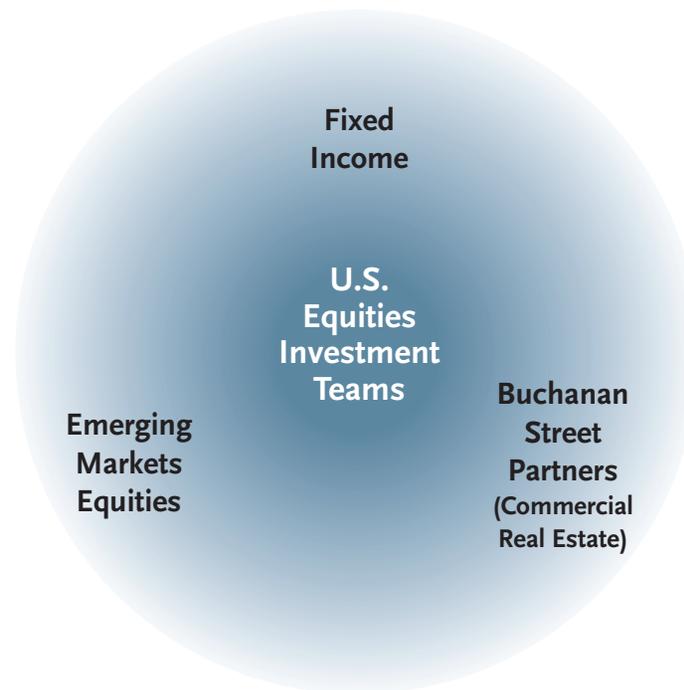


Gaining 360-Degree View of Companies

The TCW equities teams can benefit from the multiple viewpoints provided by the firm's multi-disciplinary approach to research.

Stock analysis can be further refined through information provided by teams looking at other parts of a company's capital structure.

Effective Knowledge Sharing



Ongoing Collaboration

The TCW Equity Policy Committee gathers portfolio managers on a quarterly basis to discuss key events in equities markets and trading and to garner insights from the CIO for Fixed Income as well as from members of the Emerging Markets equities team.

Cutting Edge Tools and Technologies

Customized Analysis and Reporting

TCW's Portfolio Analytics Group (PAG) analyzes the portfolio characteristics of every strategy and provides detailed attribution analysis to explain performance and risk, and provide comparisons to benchmarks and competitors.

PAG leverages a broad array of analytical systems and custom applications to provide:

- Real-time data to the portfolio management teams
- Custom reporting and attribution to TCW clients through:

Performance and Analytics – Zephyr StyleADVISOR; FactSet; Mellon Performance Universe; BNY Mellon Performance and Risk Analytics; Baseline Analytics; Bloomberg

Risk Management – BARRA Aegis

Portfolio Optimization – Ibbotson Encorr

Comparative Research – eVestment Alliance; Morningstar Direct

Specialized Trading Platforms

TCW's U.S. Equities trading team utilizes specialized programs and algorithms to execute transactions discreetly, efficiently, and in a cost effective manner.

Order Management System – Charles River Development (CRD) routes order from portfolio managers to the investment control group for pre-trade investment guideline monitoring, then onto the trading desks for execution by the traders. In addition to the CRD application, Sasquatch, a customized version of the Portware EMS, enables traders to conduct block and program trading across 40 different venues, including dark pools with the goal of minimizing trading impact while reducing overall execution costs.

Execution Management System – Sasquatch, a customized version of the Portware EMS, enables traders to conduct block and program trading across 40 different venues, including dark pools.

A Commitment to Risk Management

TCW views risk management as a crucial attribute of successful and prudent investing. Both portfolios and individual securities are monitored for undue risk and volatility.

- The TCW Risk team monitors investment processes on a firm-wide basis including U.S. Equity investment and trading operations
- The TCW Portfolio Analytics Group provides monthly and quarterly risk analysis to help portfolio managers understand the sources of risk in their strategies and the effects of adding to or reducing specific positions
- The TCW Portfolio Investment Operations Group provides both pre and post trade investment compliance monitoring to ensure portfolio managers remain consistent with the intended investment guidelines

V. Appendix

Quarterly Review

As of December 31, 2012

The TCW Concentrated Core strategy generated a return of +0.87% gross of fees (+0.69% net) during the quarter, outperforming the Russell 1000 Growth Index return of -1.32%. Positive absolute and relative returns were driven by superior security selection across a number of economic sectors, notably Industrials, Financials, Consumer Discretionary and Health Care. In many ways, the fourth quarter was a microcosm of investing over the past several years as investors were whipsawed by headlines such as the ongoing EU debt crisis, the 2012 U.S. Presidential election, the fiscal cliff in the U.S., and the upcoming debt ceiling. In such a volatile environment, we were pleased that a blend of both offensive and defensive growth stocks added value to the portfolio. We are proud that 2012 marks our sixth consecutive year of beating the Russell 1000 Growth Index, a claim no other large cap growth manager can make. We continue to believe that our focus on large end markets, favorable secular trends, sustainable business model advantage, attractive growth profiles and compelling valuations positions us well for positive relative returns over the long term.

Whereas the first and third quarters of 2012 were risk-on for U.S. equity market investors and the second quarter was one of risk-off, the fourth quarter represented a blend of both in a very volatile period. The quarter began quite optimistically with a variety of news headlines. The headline unemployment rate of 7.8% marked the lowest level in that series since January 2009, the ISM manufacturing index again registered above the psychologically important 50 level, and the University of Michigan Consumer Sentiment data posted its highest final reading since September 2007. This optimism quickly deteriorated two weeks ahead of the U.S. Presidential election when Superstorm Sandy hit the east coast and triggered the first weather-related back-to-back closure of U.S. equity trading since 1888. Despite the election season being one of the more contentious in recent memory, the status quo persisted with the Democrats retaining control of both the White House and Senate and the Republicans retaining a majority in the House. The already divisive political atmosphere in Washington grew worse with fiscal cliff negotiations outweighing continued improvement in the U.S. housing market and further signs of recovery in China. Then, with tax and spending concerns still forefront for investors, worries grew again that manufacturing activity was slowing with the November ISM index falling to its lowest level since July 2009 (49.5). Consumer sentiment, as measured by the University of Michigan, dropped to its lowest level since December 2011. In mid-December the Fed surprised the market with a sooner-than-expected shift to threshold-based guidance, noting it intended to keep rates near zero as long as the unemployment rate remains above 6.5%, inflation over one to two years is projected to be no more than 2.5% and near-term inflation expectations remain anchored. The calendar year ended without a deal in place for the fiscal cliff and with the prospect of the debt ceiling being pierced in 2013.

Quarterly Review (cont'd)

As of December 31, 2012

On a sector allocation basis, our overweight position in Financials (relative to our benchmark – largely a result of AMT being reclassified into Financials from Telecommunication Services after being reclassified as a REIT at the beginning of the year) provided the biggest sector allocation benefit to relative performance during the quarter. Our overweight position in Information Technology hurt our results most during the period on a sector allocation basis.

On a security-specific basis, our strongest performance during the quarter came from the Information Technology and Industrials sectors. Shares of ARM Holdings surged after reporting revenue increased 18% year-over-year, topping analyst estimates. The company's earnings gain of 29% was the best in a year. ARM Holdings is benefitting from the shift to mobile devices such as smartphones, smart TVs and gaming consoles and we believe the enterprise networking opportunity is not fully appreciated by the market. We remain positive on shares of ARM Holdings. In the Industrials sector, shares of Precision Castparts Corp. advanced as the company announced a tender offer for Titanium Metals Corporation. We are constructive on the acquisition as it will allow Precision Castparts to source both titanium and nickel alloys internally and give the company more tools to control costs and gain share via its emerging aero-structures platform and with aerospace engine OEMs.

Shares of Apple Inc. and Occidental Petroleum Corporation impacted results most negatively during the quarter. Apple underperformed during the period due to the company's recent inability to meaningfully exceed guidance, year-end investor selling for tax purposes and concerns over the company's next stage of growth. Although we recognize the company may not materially top analyst estimates in the near-term, we believe the company has several product cycles ahead of it and valuation remains compelling in light of its growth and market opportunities. Although Occidental beat consensus estimates on strong domestic volume growth, shares underperformed during the period given concerns that production growth may be modestly decelerating and the NAV of its unconventional portfolio may not be realized in the near-term. We remain positive on shares of Occidental.

Considering all factors that could influence performance through year-end, we believe the portfolio is set up exceptionally well. The strategy's healthy mix of high-quality growth businesses across a wide range of industries provides good exposure to compelling opportunities without being overly levered to one sector or theme. Our portfolio companies all enjoy healthy end markets, strong balance sheets, consistent market share capture, and attractive cash flow profiles. When viewed collectively, the group also appears well prepared for potential CPI volatility with a strict focus on cost control and pricing power across the portfolio. We remain confident that these same features will continue to produce strong long-term results for many years to come.

Quarterly Review (cont'd)

As of December 31, 2012

2013 begins with considerable uncertainty surrounding the U.S. debt ceiling, imminent tax increases and the federal spending sequester that would result in the absence of significant tax and budget reforms. The early market expression of these risks will likely be modest volatility and headline sensitivity until policy makers reach some form of resolution. We view current congressional ineptitude and the lack of any meaningful dialogue addressing the nation's staggering debt burden as further evidence of the intractability of current unconventional monetary policies. As such, we expect the current post-crisis recovery built on debt monetization and near-zero short rates to continue (in fits and starts) until an inflationary outcome is achieved.

Against this backdrop, we note several factors that should help sustain growth-friendly financial conditions. The banking sector continues to heal in the wake of a recovering housing market. Record low mortgage rates, low inventories and higher rents are driving an upturn in home prices. Global deleveraging (now in its fourth year) has resulted in a dramatically lower debt burden for U.S. households with the household debt-service-ratio now down to 10.4% from a peak of 14.2% during 2007. Employment also continues to gradually improve with claims data back down to pre-crisis levels. In the corporate arena, de-levered balance sheets and record profitability has left leverage ratios at 20 year lows and interest coverage ratios near 20 year highs. Corporate internal cash flow now exceeds corporate capital expenditures by a near-record margin, suggesting companies have vast resources to spend when final demand begins to improve in a more meaningful and sustainable way.

Perhaps most critical for stocks this year will be any inflationary pressures that result. The post-crisis years have witnessed an increase in the explanatory power of price inflation (U.S. CPI). For instance, between 1985 and 2007, inflation trends were only moderately correlated (inversely) to valuation multiples with 25% of the changes in the S&P 500 forward multiple explained away by changes in headline CPI. That figure increased to 72% during the 2008-2012 period. Our conclusion is that any severe acceleration in goods inflation would represent a major risk to economic growth and would likely present some drag on valuation multiples generally. However, we believe a more modest and contained advance in prices can actually provide advantages and tailwinds to those businesses well equipped to handle cost pressure and cost volatility. Our strict focus on high-quality businesses that demonstrate both market share capture and rising margins naturally leads us to the very businesses that often perform well during periods of higher inflation. This is because the inherent pricing power in these companies provides cover to the businesses' margins while less prepared businesses experience a profit squeeze. We expect investors to reward this pricing flexibility with meaningfully higher equity prices for these companies over time.

Quarterly Review (cont'd)

As of December 31, 2012

After concluding our sixth consecutive year of benchmark-beating performance, we remain more confident than ever in our approach. The strategy's dedication to quality, concentration, exhaustive fundamental research and portfolio construction continues to produce superior results in a wide variety of market environments. The inflation theme discussed above (arguably expressed most directly through our late-cycle positions in the energy, materials and information technology sectors) is only one of many long-term trends we consider well represented in the portfolio across every market sector. We believe these secular tides, combined with the same robust security selection that has driven our results for years, have positioned the portfolio for repeatable success in 2013.

We thank you for your continued trust and support.



Craig C. Blum, CFA
Portfolio Manager
Group Managing Director
U.S. Equities

The full composite performance for the strategy is available on the strategy detail page on www.tcw.com. Annualized returns are contained at the bottom of the page and calendar year returns are contained in the Performance Footnotes at the top of the page. You may also contact your TCW Client Relations Officer at 213 244 0000. An investment in the strategy described herein has risks, including the risk of losing some or all of the invested capital. This publication is for general information purposes only. Any opinions expressed are current only as of the time made; are subject to change without notice; are solely those of the author and do not represent the views of TCW as a firm or of any other portfolio manager or employee of TCW. While the information and statistical data contained herein are based on sources believed to be reliable, we do not represent that it is accurate and should not be relied on as such or be the basis for an investment decision. This report may include estimates, projections and other "forward-looking statements." Due to numerous factors, actual events may differ substantially from those presented. TCW assumes no duty to update any such statements. Past performance is no guarantee of future results. Any holdings of a particular company or security discussed herein are under periodic review by the author and are subject to change at any time, without notice. In addition, TCW manages a number of separate strategies and portfolio managers in those strategies may have differing views or analysis with respect to a particular company, security or the economy than the views expressed herein. This publication is not to be used or considered as an offer to sell, or a solicitation to an offer to buy, any security. Nothing contained herein should be considered a recommendation or advice to purchase or sell any security. TCW, its officers, directors, employees or clients may have positions in securities or investments mentioned in this publication, which positions may change at any time, without notice. Copyright 2013 TCW

Biographies

Portfolio Management



Craig C. Blum, CFA
Portfolio Manager
Group Managing Director
U.S. Equities

Mr. Blum is portfolio manager of the TCW Concentrated Core strategy and the TCW Select Equities and TCW Growth Funds. He joined TCW in 1999 as a research analyst in the U.S. Equity Research group covering data networking, communications equipment, and enterprise technology companies. In 2002, Mr. Blum became a member of the Concentrated Core/Select Equities group and was subsequently named portfolio manager in 2004. Prior to TCW, Mr. Blum was a commercial mortgage-backed securities analyst at FMAC Capital Markets and PaineWebber. Mr. Blum began his investment career in 1994 as a financial advisor for Merrill Lynch. He received his BS in Applied Mathematics and Computer Science from the University of California at Los Angeles (UCLA), and his MBA from the UCLA Anderson Graduate School of Management. Mr. Blum is a CFA charterholder.

Biographies

Portfolio Management (cont'd)



Brandon D. Bond, CFA
Managing Director
Senior Analyst
U.S. Equities

Mr. Bond is a Senior Analyst with generalist research responsibilities for the Concentrated Core investment strategy, including the TCW Select Equities Fund. Previously, he was a Senior Equity Analyst on the U.S. Equity Research team covering the financial services sector. He first joined TCW in 2003 as part of the firm's Summer Associate Program. He rejoined the firm full-time in 2004 after completing his MBA in Finance and Accounting from the UCLA Anderson School of Management where he was a Student Investment Fund Fellow and Edward W. Carter Fellow. Prior to business school, he worked as a consultant in Accenture's Electronics and High-Tech Practice. Mr. Bond graduated Summa Cum Laude from Brigham Young University with a BA in Marketing Communications and minors in Business Management and Japanese. He is a CFA charterholder.



Brian M. McNamara
Managing Director
Analyst and Portfolio Specialist
U.S. Equities

Mr. McNamara joined TCW in 2012 as a Managing Director for the Concentrated Core investment strategy, including the TCW Select Equities Fund. He brings over 16 years of investment acumen to TCW, including experience as an analyst, investment banker, and institutional salesman. Prior to joining TCW, Mr. McNamara was a regional head of sales for Jefferies, where he successfully covered major mutual fund and hedge fund accounts and managed a staff of 20 professionals in San Francisco and Los Angeles. Preceding Jefferies, he worked as an institutional equity salesman in the San Francisco office of both Deutsche Bank and JPMorgan. Mr. McNamara began his investment career as an investment banking analyst at Jefferies and later worked as an analyst at JPMorgan before moving into institutional sales. Mr. McNamara received his BA from the University of California at Los Angeles (UCLA) and his MBA from the Anderson School of Management at UCLA.

Biographies

U.S. Equity Research



Michael P. Reilly, CFA
Chief Investment Officer–Equities
Director of U.S. Equity Research
Group Managing Director

Mr. Reilly is the Chief Investment Officer of the Equities Group and Director of U.S. Equity Research. He joined TCW in 1992 as an Equity Analyst after working four years in corporate finance at Security Pacific Bank. In 1995, he assumed co-portfolio management responsibility for TCW's Latin America, Emerging Markets and International Equities investment strategies. Subsequently, from 2002-2005, he was co-Portfolio Manager of the Société Générale Asset Management (SGAM) global equities team prior to assuming leadership of the U.S. Equity Research department in 2006. Mr. Reilly graduated valedictorian of the University of Southern California with a BS in Finance and a BA in Spanish and also received his MBA from the University of Southern California. He was recipient of the Rotary Foundation Ambassadorial Fellowship for a year of postgraduate studies at Universidad Complutense in Madrid, Spain. He is a CFA charterholder.



Jason S. Maxwell, CFA
Managing Director
Senior Equity Analyst
U.S. Equity Research

Mr. Maxwell is a Senior Analyst covering the energy & utilities sectors. He joined TCW in 2000 as an Analyst in the U.S. Equity Research group and served as Portfolio Manager for the TCW Spectrum strategy from 2002 through 2008. Prior to joining TCW, he worked as an Engineer at Anatech Corporation from 1991 to 1998. Mr. Maxwell holds a BS in Structural Engineering from the University of California, San Diego (1992) and an MBA, with an emphasis in Investment Management, from the University of Southern California (2000). He is a licensed Professional Engineer and a CFA charterholder.

Biographies

U.S. Equity Research (cont'd)



Anthony S. Valencia, CFA
Managing Director
Senior Equity Analyst
U.S. Equity Research

Mr. Valencia is a Managing Director and Senior Equity Analyst within the TCW Equity Department. Mr. Valencia is responsible for coverage of stocks in the media, entertainment, and hotel & gaming industries. In addition to U.S. traded securities, he also follows international stocks including Chinese internet and gaming companies. He is a co-portfolio manager on the TCW Growth Fund and is frequently quoted in the news media and has appeared on CNBC, PBS, and Bloomberg TV. Prior to joining TCW in 2001, Mr. Valencia was an Equity Analyst at a Los Angeles based investment management firm where he followed health care and consumer staple stocks. He has also held positions at Drexel Burnham Lambert, Merrill Lynch, and Prudential California. Mr. Valencia received his BS in Economics from the University of California at Los Angeles and his MBA from the University of Southern California Marshall School of Business where he majored in Finance and Investments. Mr. Valencia is a CFA charterholder.



Iman H. Brivanlou, PhD
Senior Vice President
Senior Equity Analyst
U.S. Equity Research

Dr. Brivanlou is a Senior Analyst in TCW's Equity Research Department where his coverage includes the real estate, insurance, business services, transports, and consumer staples sectors. He sits on the Investment Product Review Committee for Buchanan Street Partners, TCW's direct real estate investment unit. He joined TCW in 2005 as an intern, and full time as an Equity Analyst in 2006 after completing his MBA in Finance and Strategy from UCLA's Anderson School of Management. While at UCLA, he developed and tested quantitative models aimed at predicting the sizes of catalyst "events" for Kayne Anderson, a hedge fund in Century City. Prior to UCLA, he worked as a lead consultant for APS, where he founded the firm's Southern California Healthcare practice.

Dr. Brivanlou holds a BS in Physics from MIT, a PhD in Computational Neuroscience from Harvard, and was a Howard Hughes post-doctoral fellow in Molecular Neurobiology at the Salk Institute in La Jolla.

Biographies

U.S. Equity Research (cont'd)



Haicheng Li, CFA
Senior Vice President
Senior Equity Analyst
U.S. Equity Research

Ms. Li first joined TCW in 2001 as part of the firm's Summer Associate Program. She rejoined the firm full-time in 2002 after completing her MBA from Stanford Business School. Previously, she was a Senior Business Analyst at Capital One Financial, a consumer finance company. Ms. Li graduated Phi Beta Kappa from Rutgers College with a BA in Molecular Biology and Biochemistry. She also holds an MA in Biomedical Research and a Master's degree in Medicine from Harvard University. She is a CFA charterholder.



Jeffrey W. Lin, CFA
Senior Vice President
Senior Equity Analyst
U.S. Equity Research

Mr. Lin joined TCW in 2006 as an Equity Analyst. He joined TCW with over 14 years of experience in the technology sector with roles as Engineer, buy and sell-side Analyst, venture capitalist, CFO of a communications equipment start-up and Co-Portfolio Manager of a technology sector hedge fund. Mr. Lin began his investment career at Montgomery Securities in 1994 following electronics manufacturing and computer storage. He joined Paul Allen's Vulcan Ventures in 1999. At Vulcan, three of his investments went public and three were acquired by publicly traded companies. In 2001, he served as the CFO of Zaffire, an optical equipment company funded by Kleiner Perkins, until the company's sale to Centerpoint Broadband. From 2002-2004, he was an Analyst at Provident Investment Counsel and followed computer and communications equipment as well as communications services. Most recently, he was a Co-Portfolio Manager of Conquistador Ventures, a technology sector focused hedged fund. Mr. Lin holds a BS in Electrical Engineering with an emphasis in Communications and Computer Architecture and an MBA from the University of Southern California. He is a CFA charterholder.

Biographies

U.S. Equity Research (cont'd)



Nirav S. Parikh
Senior Vice President
Senior Equity Analyst
U.S. Equity Research

Mr. Parikh joined TCW in 2003 as an Equity Analyst. He was promoted to Senior Equity Analyst in 2009. Prior to TCW, he spent seven years working as an Equity and High Yield Analyst at Wall Street investment banks. At Dresdner Kleinwort Wasserstein, he worked as an Equity Analyst covering wireless services. Prior to that, he was a High Yield Analyst covering the telecommunications industry at Morgan Stanley, and the media and telecommunications industries at Donaldson Lufkin & Jenrette. Prior to receiving his MBA, he worked as a Securities Accountant at Pacific Life Insurance Company. Mr. Parikh holds a BA in Accounting and Finance from the California State University, Fullerton and an MBA in Finance from the University of Southern California. He speaks fluent Gujarati and is conversational in Hindi, both languages of India.



Robert J. Park, CFA
Senior Vice President
Senior Equity Analyst
U.S. Equity Research

In 2007, Mr. Park was promoted to the position of Senior Equity Analyst. Prior to joining TCW in 2001, Mr. Park was an Analyst at Newell Associates, a Palo Alto based investment management firm. While attending the University of Chicago Graduate School of Business, he interned at Wanger Asset Management. Mr. Park holds a BA in Economics from Stanford University and an MBA from the University of Chicago Graduate School of Business. He is a CFA charterholder.



John M. Campagnolo, CFA
Senior Vice President
U.S. Equity Research

Mr. Campagnolo rejoined TCW in 2009 as an Equity Analyst in the U.S. Equity Research Department, with industry coverage responsibility for the financial services sector, excluding insurance. He most recently worked for Lehman Brothers as a Portfolio Manager on a proprietary hedge fund focused on the financial services sector. Prior to Lehman, he worked for American Express Financial Corporation as a Financial Services Analyst supporting the Growth Spectrum team. He originally joined TCW in 1993, became a part of the U.S. Equities Research Department in 1995 and was promoted to Equities Analyst in 1996. Mr. Campagnolo received his BS in Accounting from the University of Southern California. He is a CFA charterholder.



Vera Z. Kahn
Senior Vice President
U.S. Equity Research

Ms. Kahn joined TCW in 2007 as an Equity Analyst with coverage responsibility for the retail industry. She brings seven years of investment experience to TCW, having most recently served as a Director at Telsey Advisory Group, an independent equity research firm in New York, following specialty retail stocks. She has also covered footwear/apparel companies at Wedbush Morgan Securities in Los Angeles, where she served as a Vice President. She began her research career at Morgan Stanley in New York where she followed specialty retail companies. Ms. Kahn holds a BA in Russian Studies from Bryn Mawr College and an MBA from American University with a concentration in Finance. Ms. Kahn is fluent in Russian and Ukrainian.

Biographies

U.S. Equity Research (cont'd)



Joseph Shaposhnik
Assistant Vice President
U.S. Equity Research

Mr. Shaposhnik joined TCW in 2011 as an equity analyst responsible for following the industrials and basic materials sectors. Prior to joining TCW he was an equity analyst at Fidelity Management and Research Company where he followed the semiconductor and entertainment software sectors for the firm's US domestic equity funds. He has held positions at Microsoft, Citigroup and Morgan Stanley. Mr. Shaposhnik holds a BS in Business Administration from the Haas School of Business at the University of California, Berkeley and an MBA from the Anderson School of Management at the University of California, Los Angeles.

Biographies

Relationship Management



Chris Scibelli

Managing Director
Institutional Distribution & Marketing

Mr. Scibelli joined TCW in 2010 with the acquisition of Metropolitan West Asset Management, LLC (MetWest). In November 2010, Mr. Scibelli was appointed Head of TCW's Institutional Distribution & Marketing team. While at MetWest, Mr. Scibelli was a Founding Partner and oversaw all marketing and distribution efforts as the firm grew from its inception to \$30 billion in AUM. During this period MetWest received many accolades, including Morningstar's 2005 Fixed Income Manager of the Year. Prior to MetWest, he was responsible for regional client development at Hotchkis and Wiley, and before that he managed the marketing and client relationship functions for Patterson Capital Corporation. Mr. Scibelli holds a BA from Harvard University and an MBA from UCLA Anderson School of Management.

TCW Concentrated Core Performance

Asset-Weighted and Time-Weighted Rates of Return

	Annual Return		Russell 1000 Growth (%)	# of Portfolios	Total Composite Assets at End of Period (U.S.\$ millions)	% of Non-Fee Paying Assets	Composite Internal Dispersion	Composite 3-Year Standard Deviation Annualized	Benchmark 3-Year Standard Deviation Annualized	Total Firm Assets (MSD)* (U.S.\$ millions)
	Gross (%)	Net (%)								
2002	-28.81	-29.22	-27.88	100	8,570.20	—	0.82	31.14	25.58	50,623
2003	51.49	50.66	29.75	119	15,471.56	—	1.06	29.64	22.98	59,334
2004	13.53	12.75	6.30	126	19,062.81	—	0.47	22.48	15.66	73,954
2005	4.91	4.19	5.26	110	17,655.52	—	0.52	15.42	9.67	77,615
2006	-4.29	-4.95	9.07	84	13,448.63	—	0.39	14.12	8.43	83,334
2007	14.91	14.12	11.81	59	9,867.22	—	0.44	13.41	8.66	79,656
2008	-36.45	-36.91	-38.44	33	2,961.78	—	0.83	17.35	16.63	52,919
2009	43.81	42.84	37.21	29	3,222.99	—	0.74	19.74	20.01	59,123
2010	17.75	16.92	16.71	32	2,741.00	—	0.29	21.95	22.42	40,805
2011	5.01	4.27	2.64	40	3,450.14	—	0.40	17.04	18.01	81,764

The TCW Group, Inc. is divided into three divisions: the Marketable Securities Division; the Alternative Products Division; and the Managed Accounts Division. On February 23, 2010, The TCW Group, Inc. acquired Metropolitan West Asset Management. On January 1, 2011, the Marketable Securities Division and Metropolitan West Asset Management completed a merger. Accordingly, effective January 1, 2011, Metropolitan West Asset Management was included within the Firm definition.

- Effective January 1, 2000, the Marketable Securities Division (MSD) was established to provide investment advisory services in the marketable securities area. *The Marketable Securities Division is defined as the Firm for purposes of reporting performance in accordance with the Global Investment Performance Standards.
- The Marketable Securities Division of TCW Group, Inc. claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Marketable Securities Division has been independently verified for the periods January 2000 through December 2011. The verification reports are 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. Verification does not ensure the accuracy of any specific composite presentation.
- From January 2010 onward, results are for portfolios present for an entire month. Prior to 2010, results were calculated using portfolios present for an entire quarter. The Composite includes all portfolios, except for those subject to material client restrictions, which are, therefore, deemed non-discretionary.
- Results are time-weighted and geometrically linked to yield quarterly returns, and include all items of income, gain and loss.
- Results are based on trade-date transactions.
- A complete list and description of Firm composites is available upon request.
- The internal dispersion of annual returns is measured by the standard deviation across asset-weighted portfolio returns represented within the composite for the full year. Periods with five or fewer portfolios are not statistically representative and are not presented.
- Asset-weighted results use beginning of period market values. Unless stated otherwise, asset-weighted results are shown for the entire period. Equal-weighted results represent the simple average of all composite portfolios present for the entire period.
- The currency used to express performance is U.S. dollars.
- Gross results do not reflect the deduction of management fees and other custodial fees. Including these costs would reduce the shown returns. Net results reflect the deduction of the maximum standard fee charged U.S. institutional clients without taking into account breakpoints. Certain clients could pay a significantly higher or lower fee which would result in different net returns. Non-U.S. clients will generally pay a higher fee than the U.S. institutional fee. A fee which is 0.50% higher than the standard U.S. institutional fee will result in the total return being reduced, over five years, by 2.53% on a compound basis. Net results do not include the deduction of custodial fees or other administrative expenses, which will also reduce the returns shown. Prior to August 2010 net returns were calculated arithmetically, afterwards net returns were calculated geometrically.
- TCW makes no representation that future investment performance will conform to past performance and it should never be assumed

that past performance foretells future performance.

- Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.
- There is a minimum asset level for portfolios included in the composite: \$5,000,000 effective 2Q 2000.
- These results have been prepared and presented in compliance with GIPS® for the periods shown beginning in January 1988. Results prior to this date are not in compliance as we are unable to show "composite as a percentage of Firm assets" information due to the lack of Marketable Securities Division assets data. The first account managed in this fashion and included in the composite had an inception date of October 1, 1987.
- This GIPS-compliant composite was created in 1Q 2002.
- The Composite is comprised of portfolios whose objective is to outperform the benchmark over the long term by investing in a concentrated portfolio of large capitalization companies with strong and enduring business models and unique business franchise characteristics. While TCW's objective is to outperform the stated benchmark, it does not imply that this strategy shall share, or attempt to share, the same or similar characteristics of the benchmark or attempt to track the benchmark.
- The benchmark is the Russell 1000 Growth. The Russell 1000 Growth Index measures the performance of those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values.
- The Composite's U.S. institutional fee schedule is as follows: .70% on all assets
- Leverage or derivatives are not used in the management of this composite.
- Withholding tax is not deducted from the portfolios contained in the composite.
- There are not any known inconsistencies between the local laws that the composite adheres to and the GIPS®.
- There are not any known inconsistencies between the chosen source of exchange rates and those of the benchmark.
- The performance of the Concentrated Core composite for the period from inception to March 1998 reflects performance of portfolios greater than \$5,000,000 that were managed by Glen Bickerstaff while at Transamerica Investment Services. Thereafter, it represents the performance while at TCW. The original TCW Concentrated Core performance is available upon request. For the period from November 1998 to December 31, 2004, a team of portfolio managers under the guidance and oversight of Glen Bickerstaff, who retained final authority for all buy and sell decisions, were responsible for the Concentrated Core strategy. As of January 1, 2005, Mr. Bickerstaff became senior portfolio advisor to the strategy, and the remaining team members assumed full responsibility for managing the portfolios in the composite. As of February 6, 2008 Craig Blum became sole portfolio manager.
- The benchmark changed from the S&P 500 to the Russell 1000 Growth, effective 3Q 2002, because based on a statistical assessment of the investment style the new index better reflects the strategy.
- Effective 1/1/06 portfolios with a security limitation of 7.5% or less were excluded from the composite. Prior to this date, the limitation was 5%.

This publication is for general information purposes only and does not constitute an offer to sell, or a solicitation of an offer to buy, any security. Any holdings of a particular company or security discussed herein are under periodic review by the portfolio management group and are subject to change without notice. In addition, TCW manages a number of separate strategies, and portfolio managers in those strategies may have differing views or analysis with respect to a particular company, security or the economy than the views expressed herein. An investment in the strategy described herein has risks, including the risk of losing some or all of the invested capital. Before embarking on the described investment program, an investor should carefully consider the risks and suitability of the described strategy based on their own investment objectives and financial position. Past performance is no guarantee of future results.

The information contained herein may include estimates, projections and other “forward-looking statements.” Due to numerous factors, actual events may differ substantially from those presented herein. TCW assumes no duty to update any such forward-looking statements or any other information or opinions in this document. Any information and statistical data contained herein derived from third party sources are believed to be reliable, but TCW does not represent that they are accurate, and they should not be relied on as such or be the basis for an investment decision. Copyright 2013 TCW

SamCERA
Large Cap Growth

Manager Comparison Report

December 31, 2012

Summary Tables

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

Brown Advisory: Large Cap Growth		Delaware Investments: Large-Cap Growth		TCW: Concentrated Core		Russell 1000 Growth Index		eA Large Cap Growth Equity Median	eA Large Cap Growth Equity Size
Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank		

Total Return

3 Mos.	-0.6	43	-0.5	38	0.9	15	-1.3	64	-0.9	324
1 Yr.	16.7	36	17.0	32	16.7	37	15.3	54	15.6	324
3 Yrs.	13.8	5	13.5	5	13.0	10	11.4	32	10.3	323
5 Yrs.	7.7	1	3.9	20	5.7	5	3.1	34	2.4	313
7 Yrs.	9.5	1	5.1	47	5.5	34	5.2	43	4.9	286
10 Yrs.	10.5	6	7.8	55	10.1	9	7.5	62	7.9	245

Excess Return

3 Mos.	0.7		0.8		2.2				0.4	324
1 Yr.	1.5		1.8		1.4				0.4	324
3 Yrs.	2.5		2.2		1.6				-1.0	323
5 Yrs.	4.6		0.7		2.6				-0.8	313
7 Yrs.	4.3		-0.1		0.3				-0.2	286
10 Yrs.	3.0		0.3		2.6				0.4	245

Excess Return vs. Universe Median

3 Mos.	0.3		0.4		1.8		-0.4			324
1 Yr.	1.1		1.4		1.0		-0.4			324
3 Yrs.	3.5		3.2		2.7		1.0			323
5 Yrs.	5.4		1.5		3.3		0.8			313
7 Yrs.	4.5		0.2		0.5		0.2			286
10 Yrs.	2.6		-0.1		2.2		-0.4			245

Standard Deviation

3 Yrs.	19.0	90	15.3	17	15.9	29	15.9	29	16.9	323
5 Yrs.	21.1	76	19.5	43	19.0	30	19.3	38	19.8	313
7 Yrs.	18.4	70	17.3	46	17.1	40	16.9	35	17.4	286
10 Yrs.	16.3	65	15.6	48	16.7	75	15.1	35	15.7	245

Tracking Error

3 Yrs.	5.5	83	4.1	59	3.1	30			3.8	323
5 Yrs.	5.7	72	4.6	50	4.4	48			4.6	313
7 Yrs.	5.0	65	5.0	63	4.9	61			4.4	286
10 Yrs.	4.6	55	4.7	60	5.9	78			4.5	245

Information Ratio

3 Yrs.	0.5	10	0.5	8	0.5	8			-0.3	323
5 Yrs.	0.8	1	0.2	20	0.6	4			-0.2	313
7 Yrs.	0.9	1	0.0	47	0.1	34			-0.1	286
10 Yrs.	0.7	2	0.1	56	0.4	12			0.1	245

Universe Rank: Green = Top Quartile Red = Bottom Quartile

Manager Comparison Report

December 31, 2012

Summary Tables

Benchmark: Russell 1000 Growth Index
 Universe: eA Large Cap Growth Equity

Brown Advisory: Large Cap Growth		Delaware Investments: Large-Cap Growth		TCW: Concentrated Core		Russell 1000 Growth Index		eA Large Cap Growth Equity Median	eA Large Cap Growth Equity Size
Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank		

Beta

3 Yrs.	1.2	13	0.9	86	1.0	72			1.1	323
5 Yrs.	1.1	29	1.0	60	1.0	70			1.0	313
7 Yrs.	1.1	32	1.0	62	1.0	66			1.0	286
10 Yrs.	1.0	35	1.0	57	1.0	36			1.0	245

Alpha (CAPM)

3 Yrs.	0.7	18	3.0	5	1.8	10			-1.4	323
5 Yrs.	4.5	1	0.8	20	2.7	6			-0.7	313
7 Yrs.	4.2	1	0.0	44	0.4	33			-0.2	286
10 Yrs.	2.8	9	0.3	60	2.4	12			0.5	245

Sharpe Ratio

3 Yrs.	0.7	20	0.9	6	0.8	10	0.7	23	0.6	323
5 Yrs.	0.3	2	0.2	21	0.3	7	0.1	32	0.1	313
7 Yrs.	0.4	2	0.2	45	0.2	33	0.2	40	0.2	286
10 Yrs.	0.5	7	0.4	58	0.5	14	0.4	61	0.4	245

Upside Capture Ratio

3 Yrs.	117.0	9	95.3	73	102.3	50			101.9	323
5 Yrs.	114.9	8	97.7	59	101.8	39			99.1	313
7 Yrs.	114.0	9	97.4	65	99.7	54			100.3	286
10 Yrs.	109.0	25	98.7	68	113.4	16			102.5	245

Downside Capture Ratio

3 Yrs.	110.0	55	82.7	8	94.9	19			108.3	323
5 Yrs.	97.1	29	95.4	24	92.8	18			102.8	313
7 Yrs.	95.5	26	97.8	35	98.4	37			102.2	286
10 Yrs.	95.1	30	97.1	37	102.3	55			101.5	245

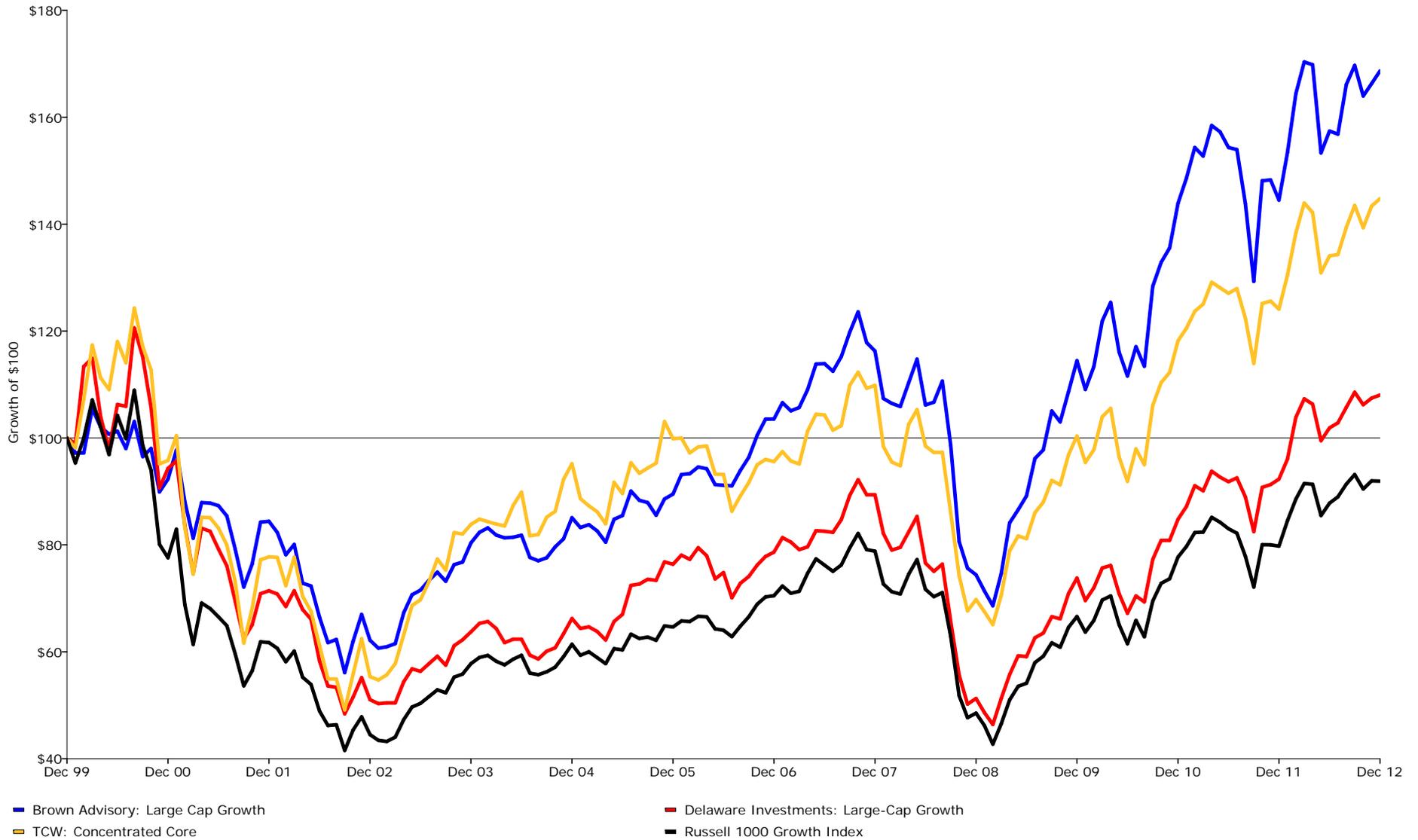
Manager Comparison

December 31, 2012

Cumulative Performance - Growth of \$10,000

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity



Manager Comparison

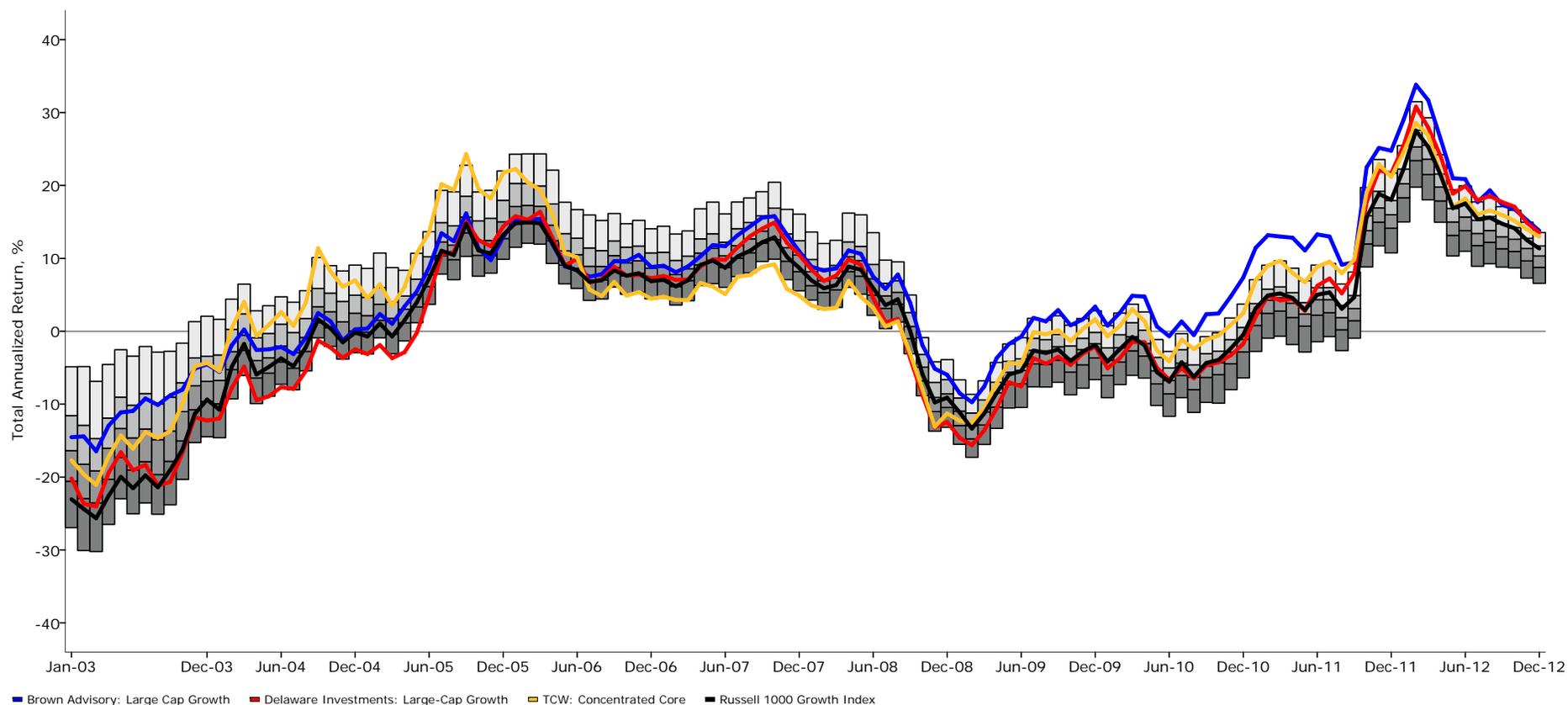
December 31, 2012

Performance Evaluation

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

3 Year Rolling Performance: From Jan-03 to Dec-12



	Total Return													
	3 Months		6 Months		1 Year		3 Years		5 Years		7 Years		10 Years	
	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank
Brown Advisory: Large Cap Growth	-0.6	43	7.2	22	16.7	36	13.8	5	7.7	1	9.5	1	10.5	6
Delaware Investments: Large-Cap Growth	-0.5	38	6.0	36	17.0	32	13.5	5	3.9	20	5.1	47	7.8	55
TCW: Concentrated Core	0.9	15	8.0	14	16.7	37	13.0	10	5.7	5	5.5	34	10.1	9
Russell 1000 Growth Index	-1.3	64	4.7	62	15.3	54	11.4	32	3.1	34	5.2	43	7.5	62
eA Large Cap Growth Equity Median	-0.9		5.3		15.6		10.3		2.4		4.9		7.9	
eA Large Cap Growth Equity Size		324		324		324		323		313		286		245

Manager Comparison

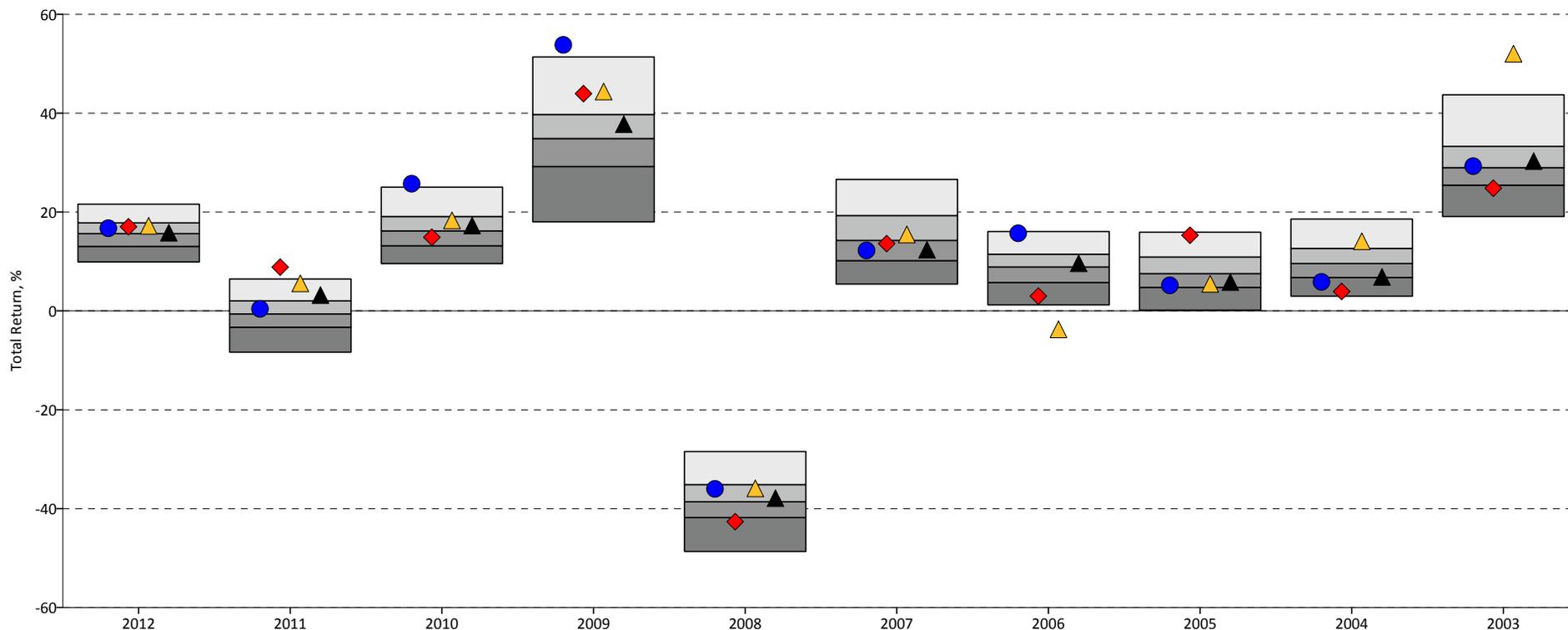
December 31, 2012

Performance Evaluation

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

Trailing Performance vs. Peers



	Total Return																			
	2012		2011		2010		2009		2008		2007		2006		2005		2004		2003	
	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank
● Brown Advisory: Large Cap Growth	16.7	36	0.4	38	25.7	4	53.8	4	-36.0	30	12.3	63	15.7	6	5.2	72	5.9	82	29.3	48
◆ Delaware Investments: Large-Cap Growth	17.0	32	8.9	3	14.9	62	44.0	16	-42.6	80	13.6	54	3.0	90	15.3	8	3.9	93	24.8	79
▲ TCW: Concentrated Core	16.7	37	5.0	8	17.8	35	43.8	17	-36.5	34	14.9	47	-4.3	100	4.9	74	13.5	21	51.5	3
▲ Russell 1000 Growth Index	15.3	54	2.6	20	16.7	47	37.2	36	-38.4	48	11.8	65	9.1	49	5.3	71	6.3	79	29.8	47
eA Large Cap Growth Equity Median	15.6		-0.6		16.2		34.9		-38.6		14.3		8.9		7.6		9.6		29.0	
eA Large Cap Growth Equity Size	324		367		404		439		466		479		490		491		483		476	

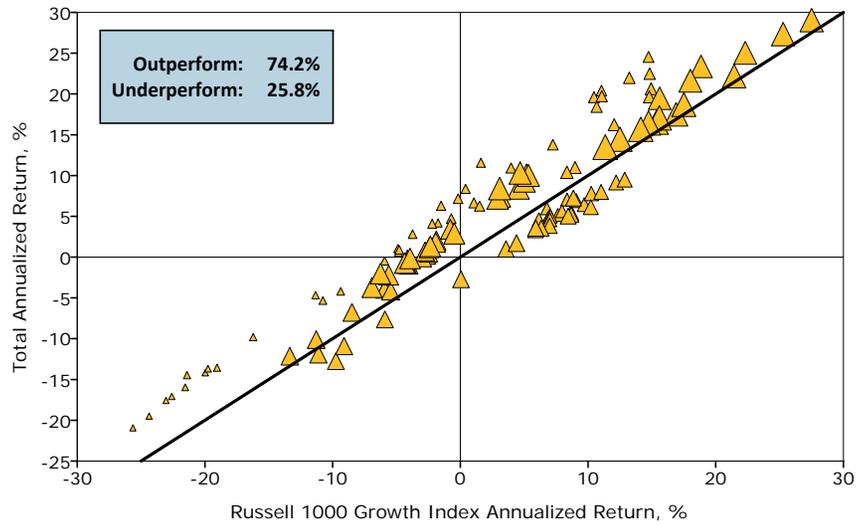
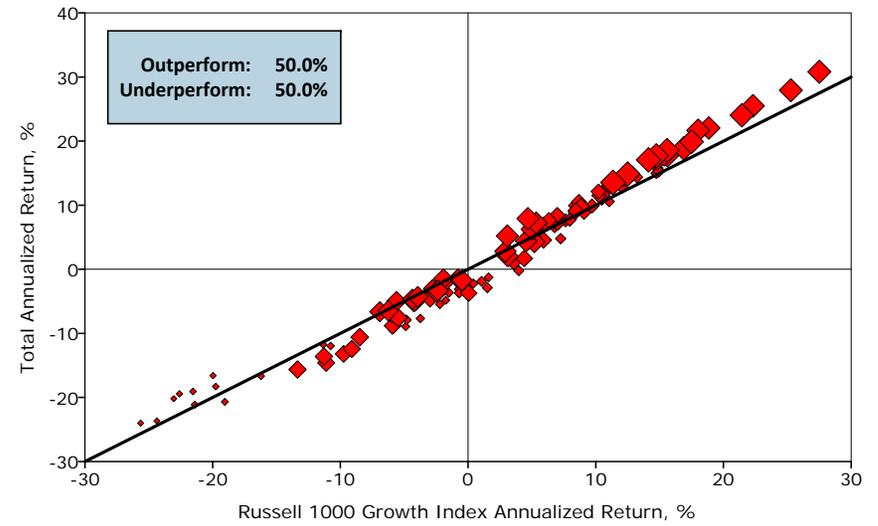
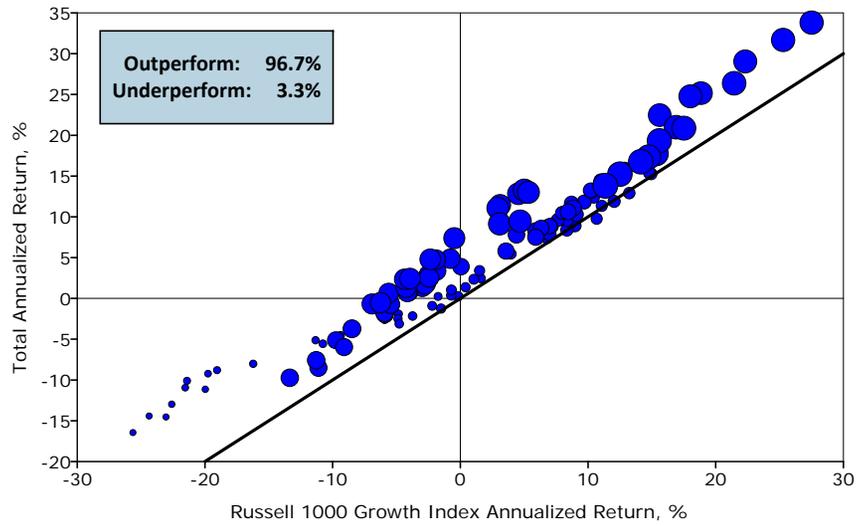
Manager Comparison

December 31, 2012

Total Return vs. Benchmark - Last 10 Years (if available)

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity



■ Brown Advisory: Large Cap Growth
 ■ Delaware Investments: Large-Cap Growth
 ■ TCW: Concentrated Core

Manager Comparison

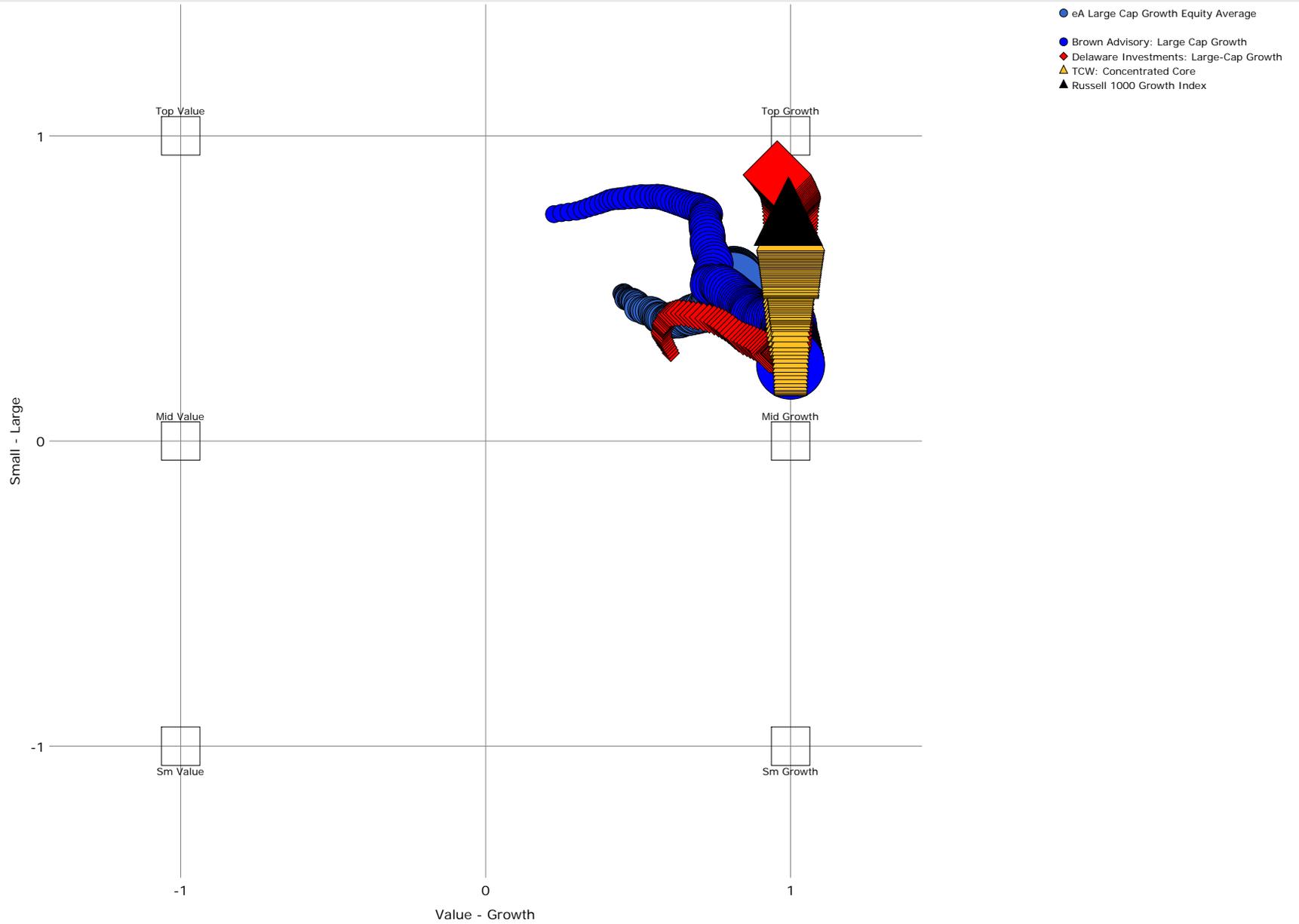
December 31, 2012

Returns Based Style Analysis

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

3 Year Rolling Style: From Jan-03 to Dec-12



Manager Comparison

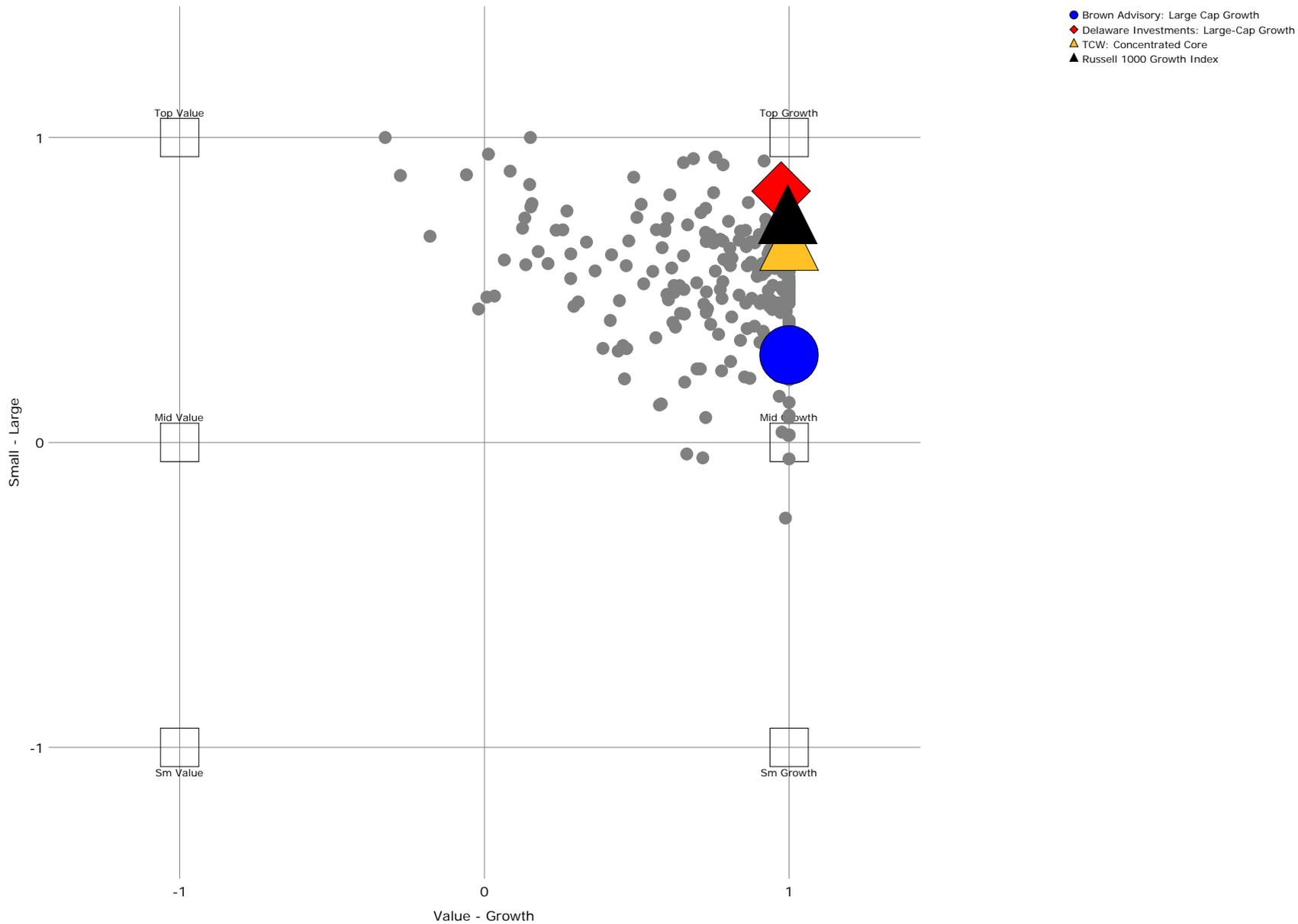
December 31, 2012

Returns Based Style Analysis

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

Style Exposures: Last 5 Years



Manager Comparison

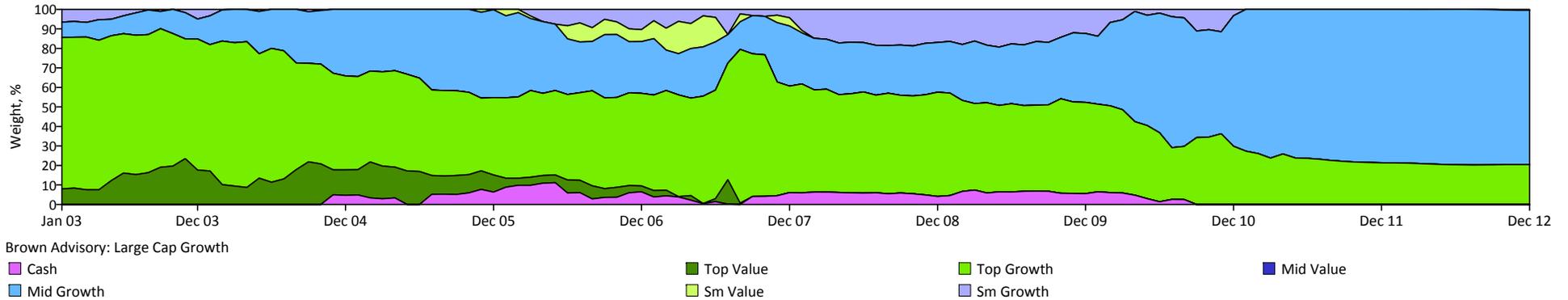
December 31, 2012

Returns Based Style Analysis

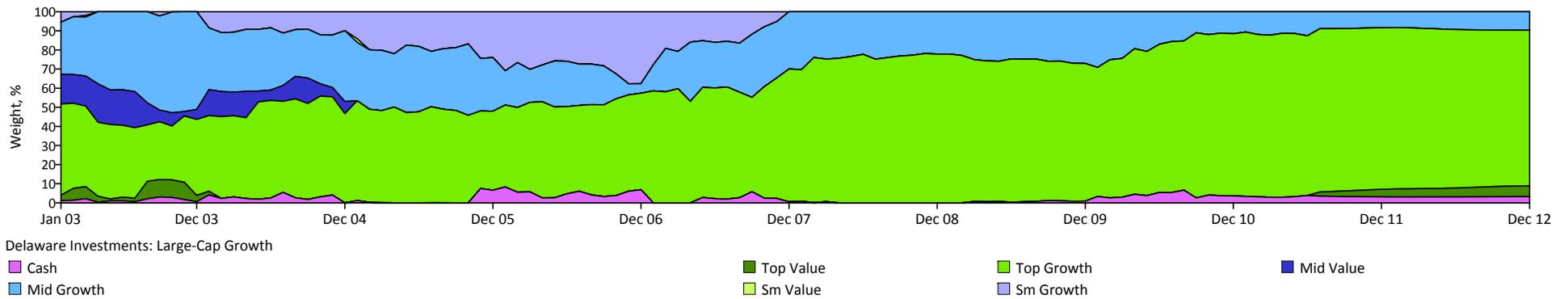
Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

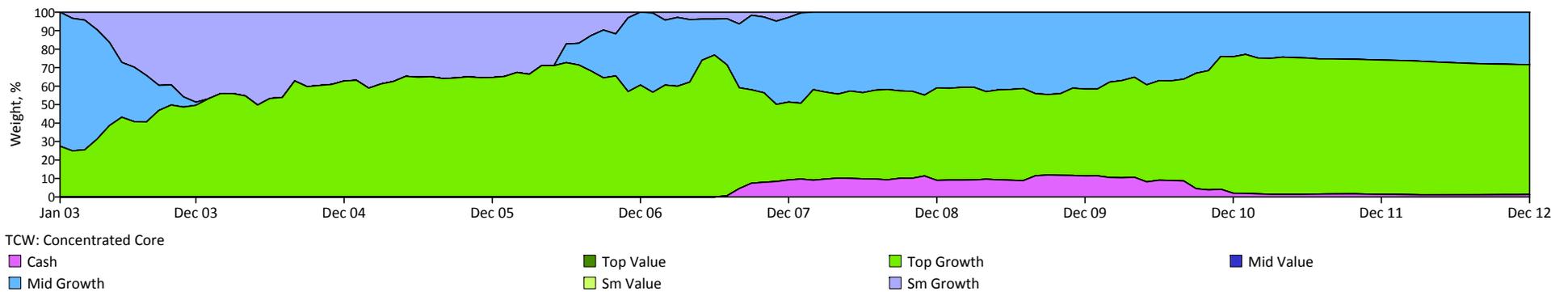
Style Weight: Rolling



Style Weight: Rolling



Style Weight: Rolling



Manager Comparison

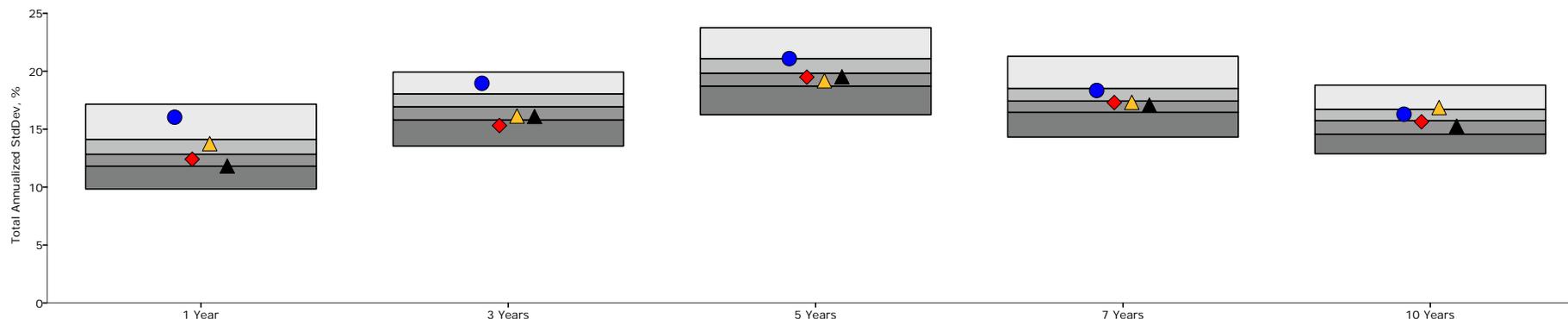
December 31, 2012

Risk Analysis

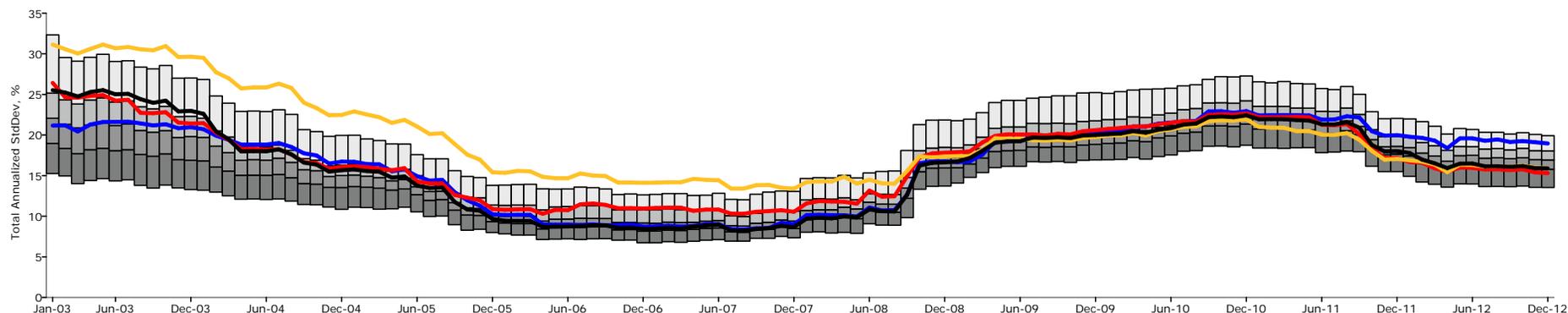
Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

Trailing Risk vs. Peers



3 Year Rolling Risk: From Jan-03 to Dec-12



	Trailing Risk									
	1 Year		3 Years		5 Years		7 Years		10 Years	
	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank
● Brown Advisory: Large Cap Growth	16.0	93	19.0	90	21.1	76	18.4	70	16.3	65
◆ Delaware Investments: Large-Cap Growth	12.4	38	15.3	17	19.5	43	17.3	46	15.6	48
▲ TCW: Concentrated Core	13.5	66	15.9	29	19.0	30	17.1	40	16.7	75
▲ Russell 1000 Growth Index	11.6	22	15.9	29	19.3	38	16.9	35	15.1	35
eA Large Cap Growth Equity Median	12.8		16.9		19.8		17.4		15.7	
eA Large Cap Growth Equity Size	324		323		313		286		245	

Manager Comparison

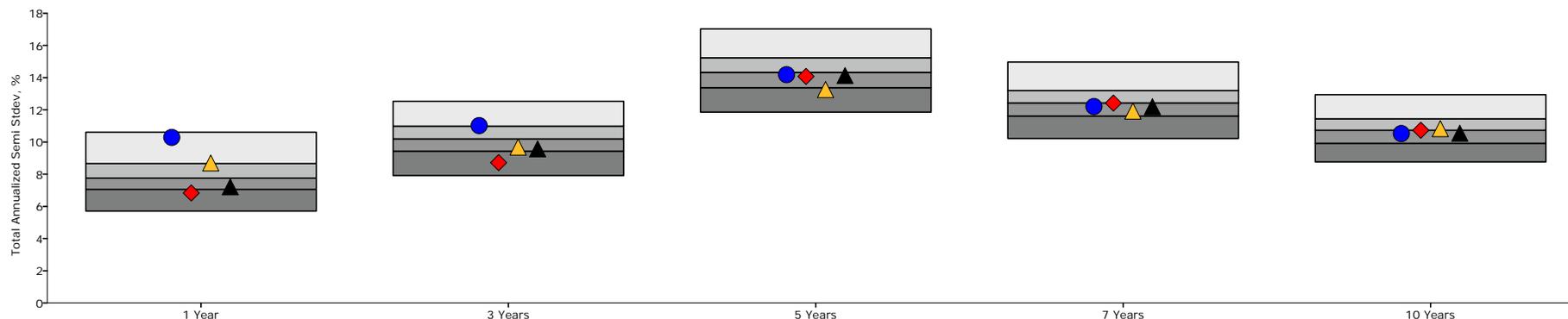
December 31, 2012

Downside Risk Analysis

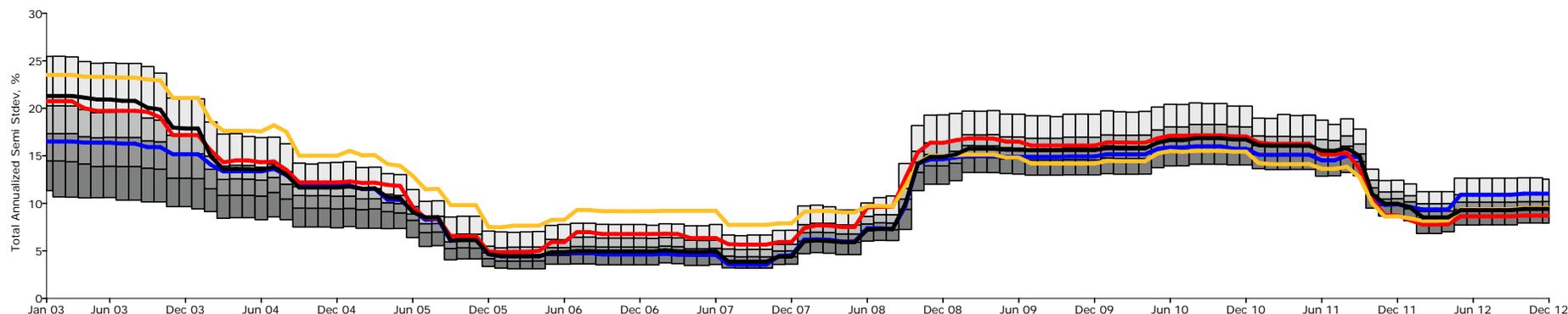
Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

Trailing Downside Risk vs. Peers



3 Year Rolling Downside Risk: From Jan-03 to Dec-12



	Trailing Downside Risk									
	1 Year		3 Years		5 Years		7 Years		10 Years	
	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank	Stat	Rank
● Brown Advisory: Large Cap Growth	10.3	88	11.0	48	14.2	16	12.2	12	10.5	29
◆ Delaware Investments: Large-Cap Growth	6.8	28	8.7	7	14.1	28	12.4	43	10.7	49
▲ TCW: Concentrated Core	8.5	55	9.5	15	13.1	12	11.8	34	10.7	41
▲ Russell 1000 Growth Index	7.1	29	9.4	23	14.0	35	12.0	36	10.4	43
eA Large Cap Growth Equity Median	7.8		10.2		14.3		12.4		10.7	
eA Large Cap Growth Equity Size	324		323		313		286		245	

Manager Comparison

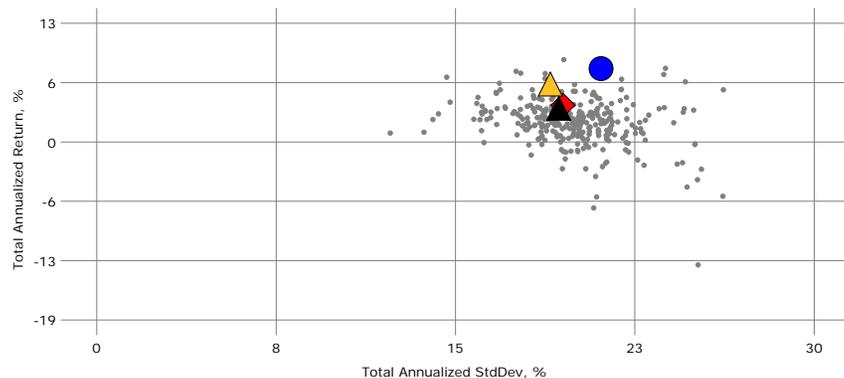
December 31, 2012

Risk/Return Analysis

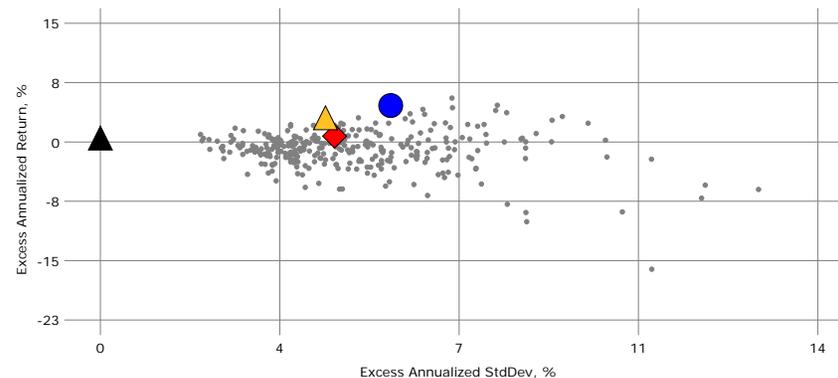
Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

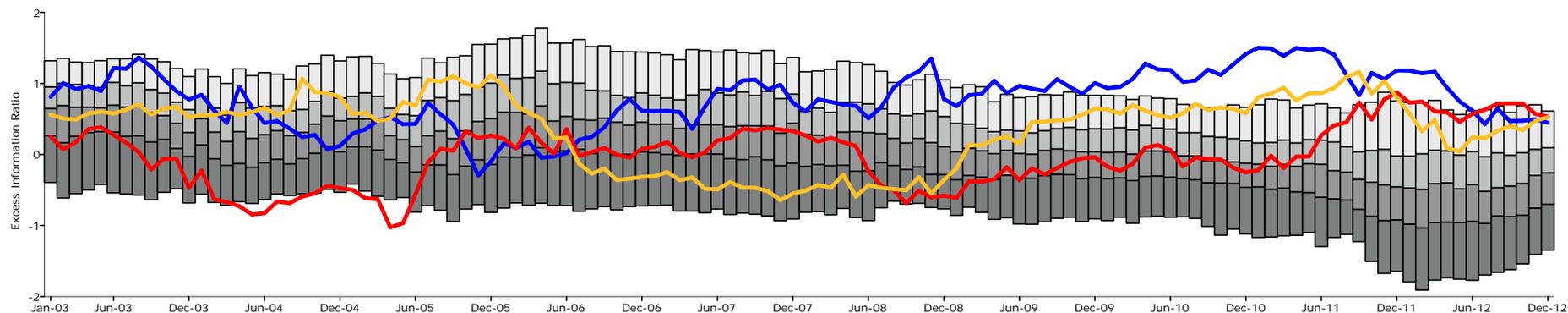
Risk/Return: Last 5 Years



Excess Risk/Return: Last 5 Years



3 Year Rolling Information Ratio: From Jan-03 to Dec-12



Descriptive Statistics: Jan 08 - Dec 12	Annualized Return	Annualized Std Dev	Sharpe Ratio	Information Ratio
● Brown Advisory: Large Cap Growth	7.73	21.09	0.43	0.81
◆ Delaware Investments: Large-Cap Growth	3.87	19.50	0.26	0.16
▲ TCW: Concentrated Core	5.68	18.97	0.36	0.58
▲ Russell 1000 Growth Index	3.12	19.32	0.23	NA
eA Large Cap Growth Equity Median	2.38	19.84	0.19	-0.17

Manager Comparison

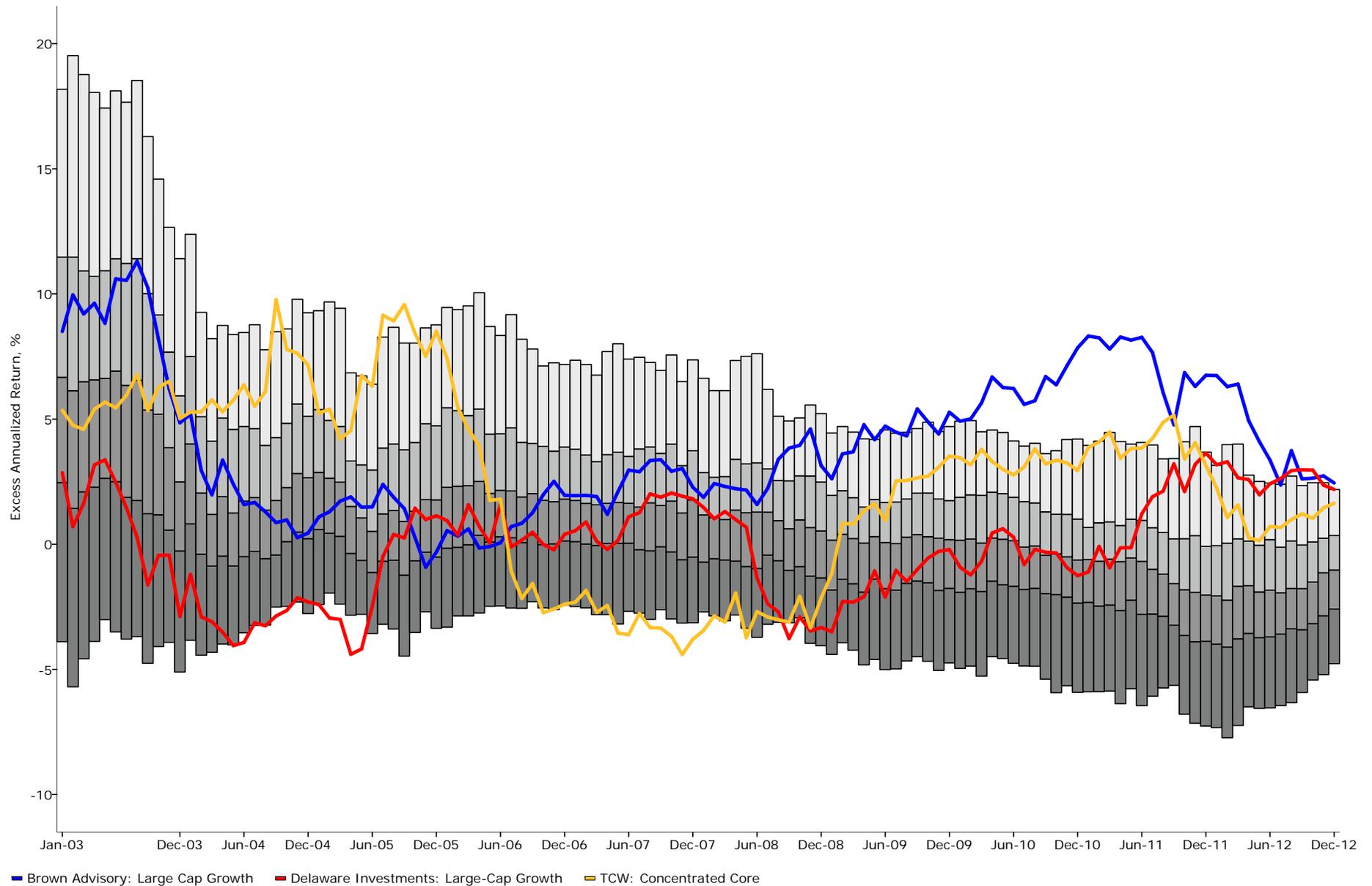
December 31, 2012

Performance vs. Benchmark

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

3 Year Rolling Excess Performance: From Jan-03 to Dec-12



Manager Comparison

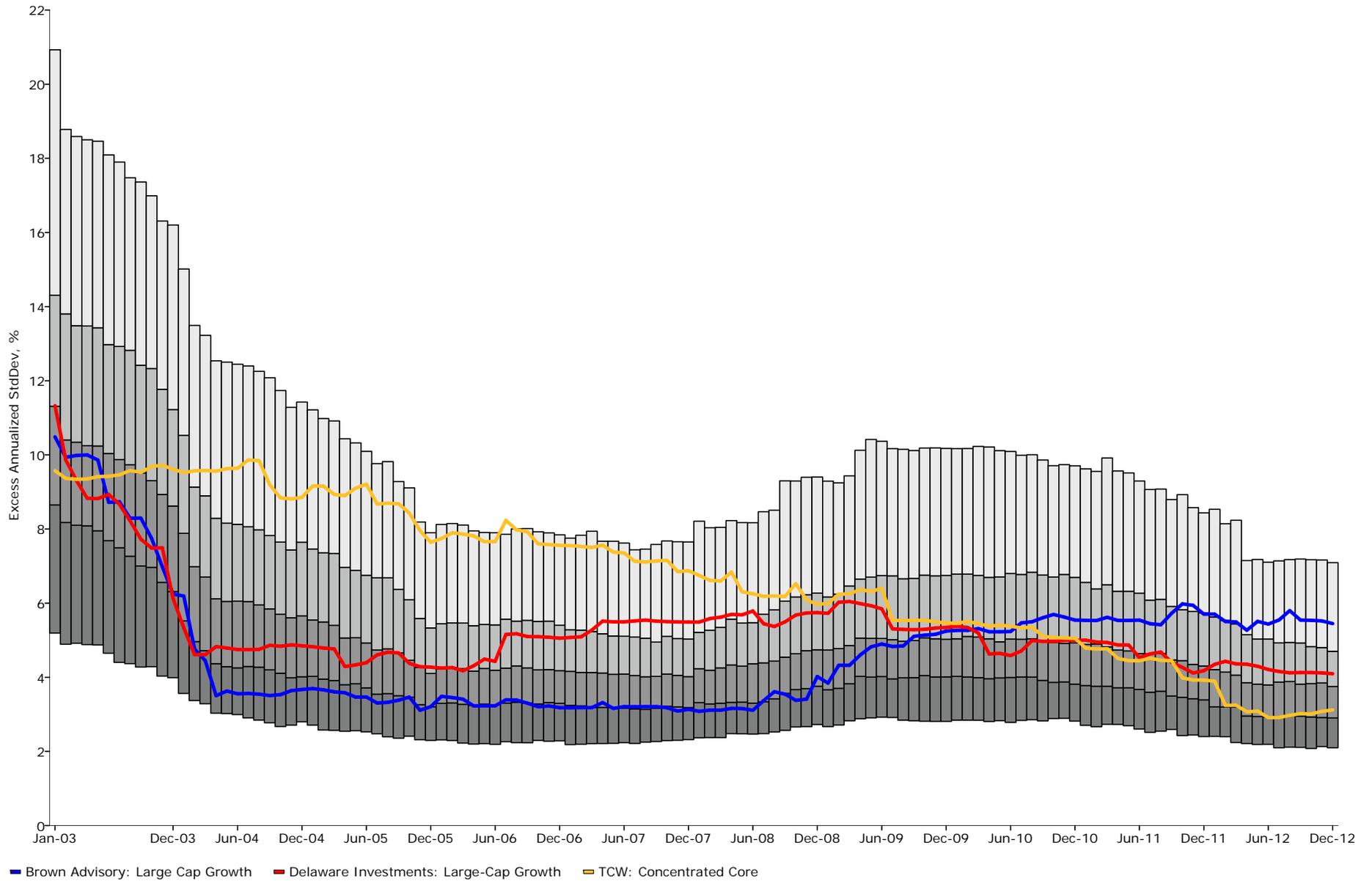
December 31, 2012

Tracking Error

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

3 Year Rolling Tracking Error: From Jan-03 to Dec-12



Manager Comparison

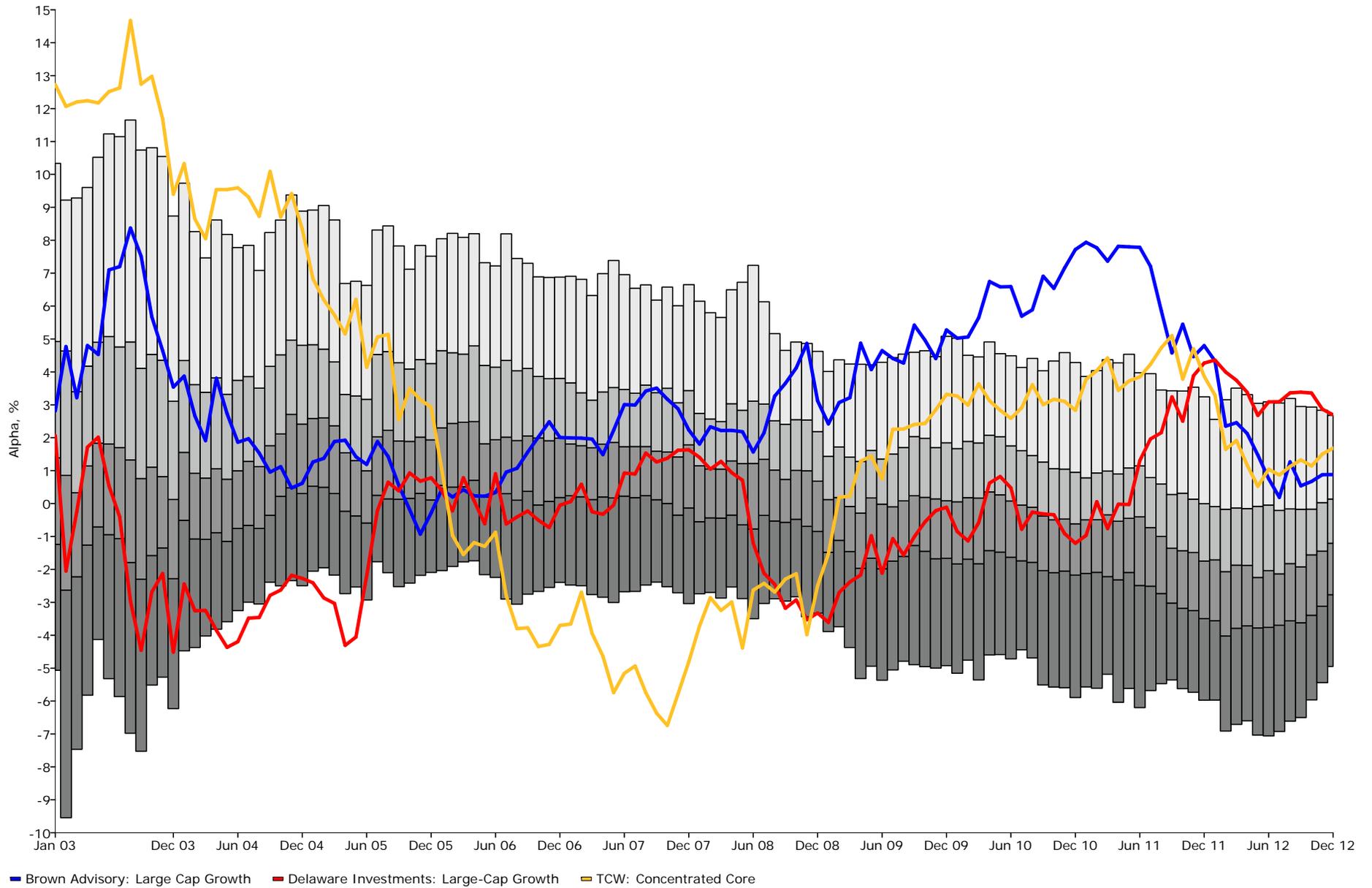
December 31, 2012

Alpha

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

3 Year Rolling Alpha: From Jan-03 to Dec-12



■ Brown Advisory: Large Cap Growth ■ Delaware Investments: Large-Cap Growth ■ TCW: Concentrated Core

Manager Comparison

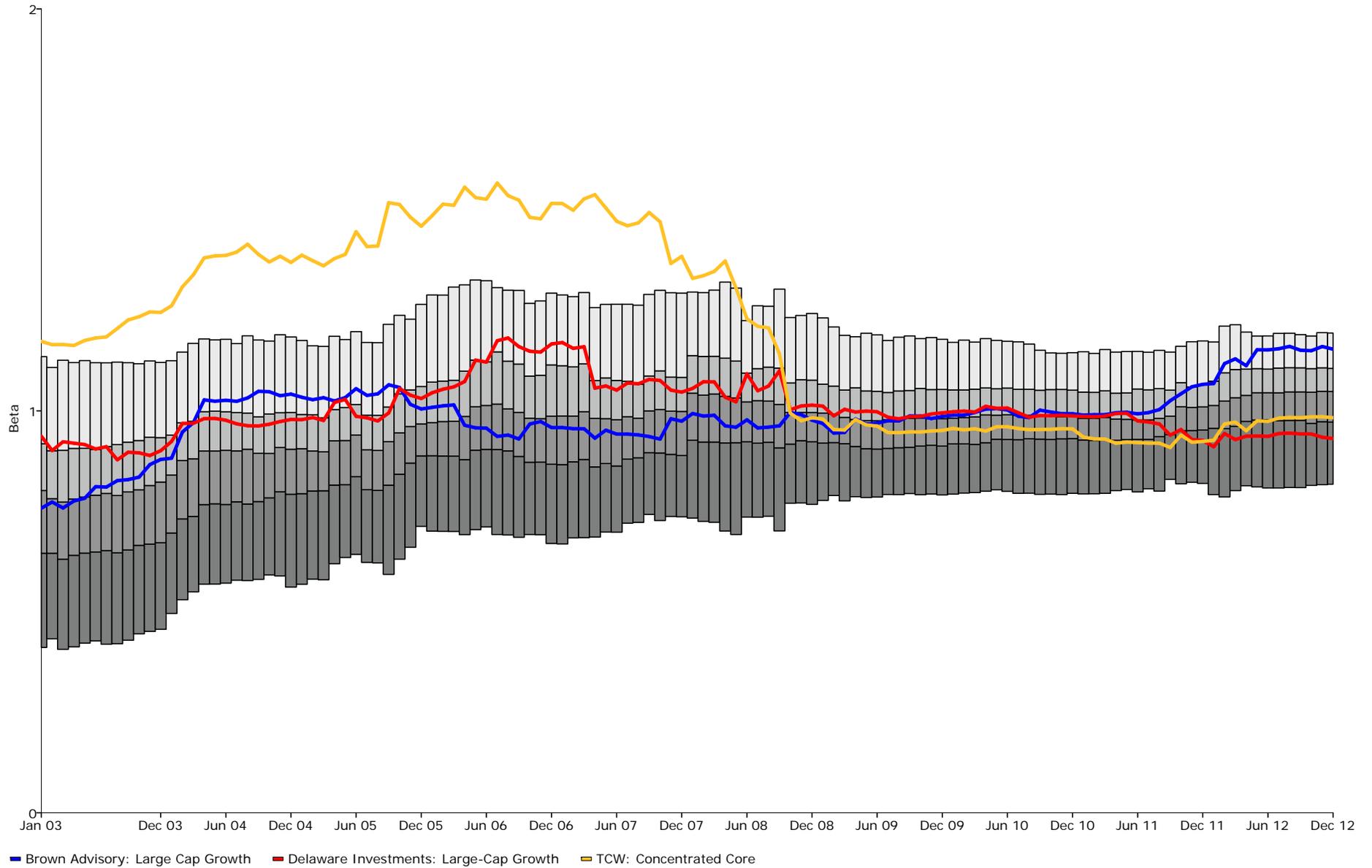
December 31, 2012

Beta

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

3 Year Rolling Beta: From Jan-03 to Dec-12



Manager Comparison

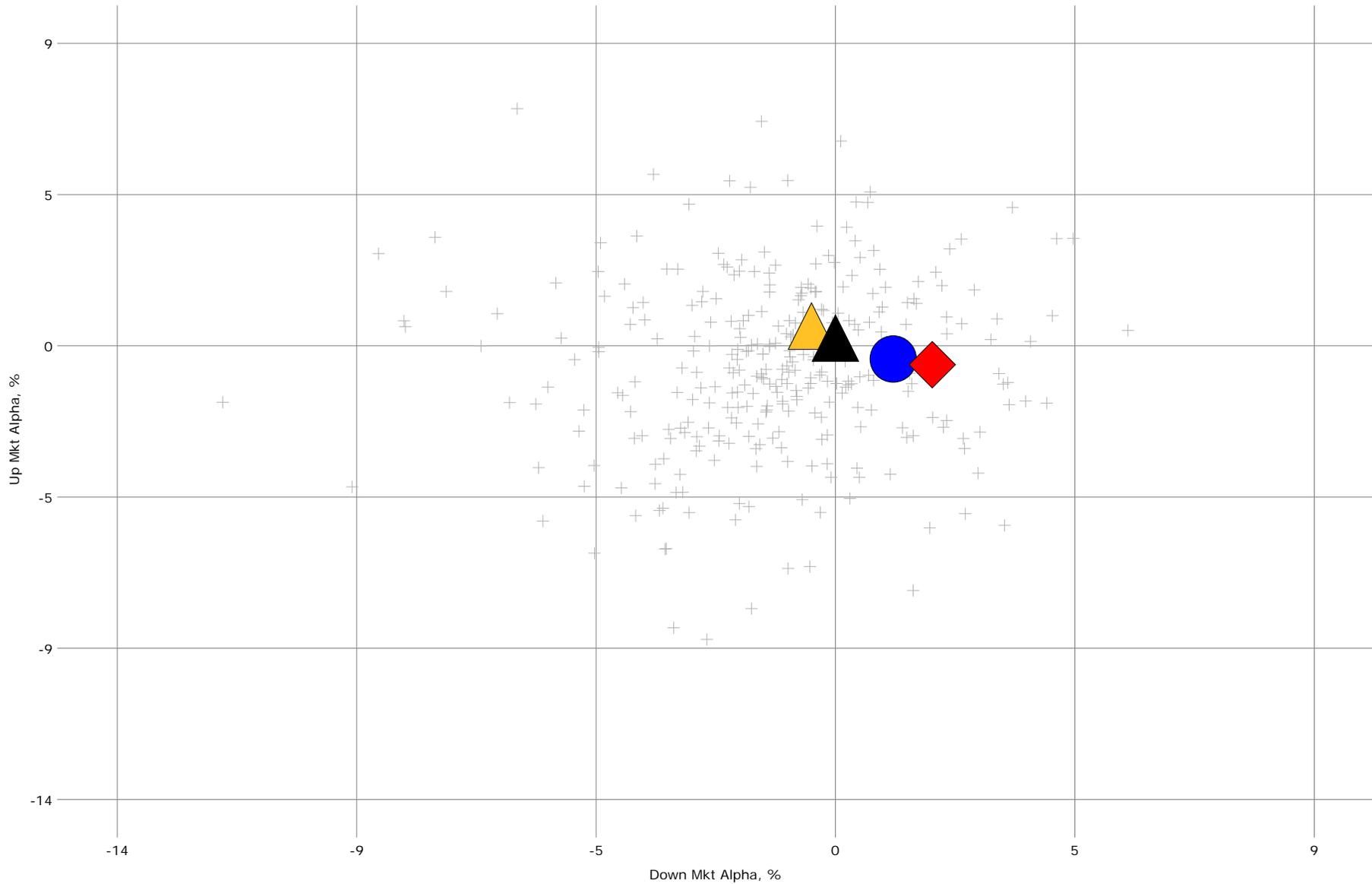
December 31, 2012

Up & Down Markets

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

Up/Down Market Alpha: Last 5 Years



● Brown Advisory: Large Cap Growth ◆ Delaware Investments: Large-Cap Growth ▲ TCW: Concentrated Core ▲ Russell 1000 Growth Index

Manager Comparison

December 31, 2012

Gain/Loss Analysis

Up Market Statistics: Jan 08 - Dec 12	Benchmark			Universe		
	Alpha	Beta	Up Capture	Russell 1000 Growth Index	Batting Average	eA Large Cap Growth Equity
Brown Advisory: Large Cap Growth	-0.39	1.15	114.88	36.87	0.65	34
Delaware Investments: Large-Cap Growth	-0.56	1.00	97.71	31.36	0.44	34
TCW: Concentrated Core	0.36	1.00	101.79	32.67	0.50	34
Russell 1000 Growth Index	0.00	1.00	100.00	32.09	0.00	34
eA Large Cap Growth Equity Median	-0.70	1.02	99.09	31.80	0.50	34

Down Market Statistics: Jan 08 - Dec 12	Alpha	Beta	Down Capture	Annual Return	Batting Average	Num Periods
Brown Advisory: Large Cap Growth	1.09	1.01	97.08	-21.29	0.58	26
Delaware Investments: Large-Cap Growth	1.82	1.02	95.43	-20.93	0.58	26
TCW: Concentrated Core	-0.45	0.90	92.76	-20.34	0.58	26
Russell 1000 Growth Index	0.00	1.00	100.00	-21.93	0.00	26
eA Large Cap Growth Equity Median	-1.02	0.97	102.78	-22.54	0.46	26

Performance Extremes: Jan 08 - Dec 12	Best Month	Best Monthly Return	Worst Month	Worst Monthly Return	Best 12 Months	Best 12 Month Return	Worst 12 Months	Worst 12 Month Return
Brown Advisory: Large Cap Growth	Oct-11	14.56	Oct-08	-18.20	Mar-09 - Feb-10	65.19	Jan-08 - Dec-08	-36.00
Delaware Investments: Large-Cap Growth	Sep-10	11.48	Oct-08	-15.25	Mar-09 - Feb-10	55.08	Jan-08 - Dec-08	-42.63
TCW: Concentrated Core	Apr-09	11.80	Oct-08	-13.63	Mar-09 - Feb-10	50.25	Jan-08 - Dec-08	-36.46
Russell 1000 Growth Index	Oct-11	10.97	Oct-08	-17.61	Mar-09 - Feb-10	54.19	Mar-08 - Feb-09	-40.03

Excess Returns for Specific Periods:	3/10/2009 - Present		10/9/2007 - 3/9/2009		10/10/2002 - 10/8/2007		3/24/2000 - 10/9/2002		8/13/1987 - 3/23/2000	
	Excess Return	Universe Rank	Excess Return	Universe Rank	Excess Return	Universe Rank	Excess Return	Universe Rank	Excess Return	Universe Rank
Brown Advisory: Large Cap Growth	30.61	4	3.51	26	22.38	31	16.14	40	NA	NA
Delaware Investments: Large-Cap Growth	17.59	7	-1.77	70	-6.78	75	1.11	83	NA	NA
TCW: Concentrated Core	7.19	15	5.48	13	32.40	22	4.24	72	1442.75	4
Russell 1000 Growth Index	0.00	27	0.00	56	0.00	67	0.00	85	0.00	79
eA Large Cap Growth Equity Median	-10.38	50	0.33	50	8.69	50	11.56	50	153.50	50

Manager Comparison

December 31, 2012

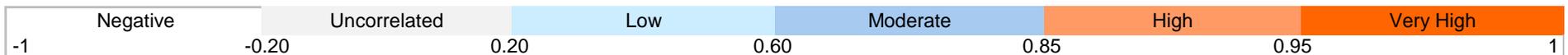
Correlation Matrix

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

Correlation Matrix: Last 5 Years

		1										
Brown Advisory: Large Cap Growth	1		2									
Delaware Investments: Large-Cap Growth	2	0.94		3								
TCW: Concentrated Core	3	0.95	0.96		4							
Cash	4	-0.35	-0.45	-0.45		5						
Top Value	5	0.87	0.89	0.87	-0.26		6					
Top Growth	6	0.95	0.97	0.97	-0.40	0.93		7				
Mid Value	7	0.92	0.90	0.91	-0.29	0.95	0.93		8			
Mid Growth	8	0.96	0.95	0.96	-0.40	0.89	0.96	0.96		9		
Sm Value	9	0.88	0.85	0.86	-0.19	0.93	0.88	0.97	0.90		10	
Sm Growth	10	0.94	0.91	0.93	-0.33	0.89	0.93	0.96	0.97	0.95		11
Russell 1000 Growth Index	11	0.96	0.97	0.97	-0.40	0.92	1.00	0.95	0.98	0.90	0.95	



The Correlation Matrix reveals the strength of return relationships between investments. A perfect linear relationship is represented by a correlation of 1, while a perfect negative relationship has a correlation of -1. A correlation of 0 indicates no relationship between the investments. Correlation is a critical component to asset allocation and can be a useful way to measure the diversity of a combined plan portfolio.

Manager Comparison

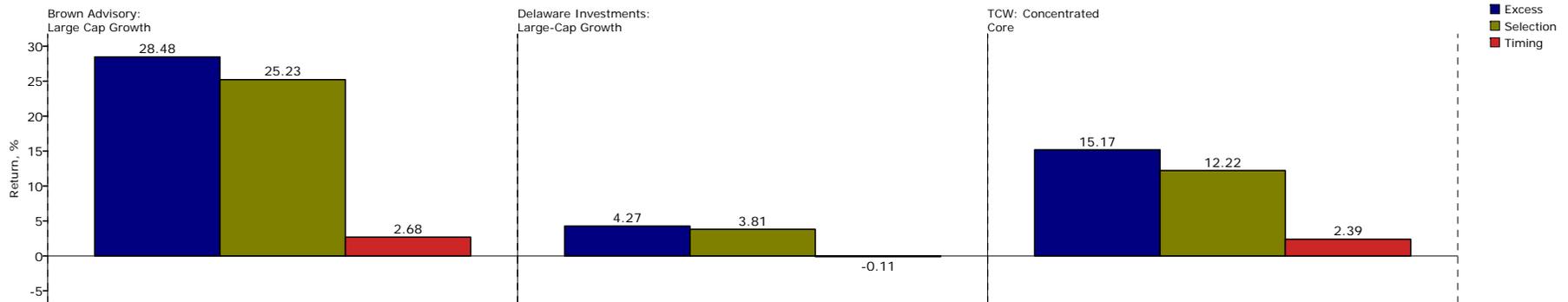
December 31, 2012

Returns Based Attribution

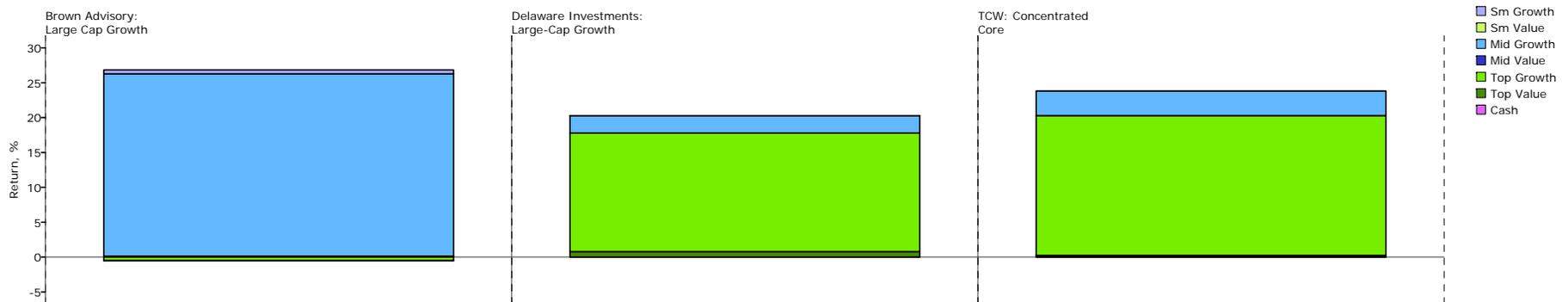
Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

Performance Attributed to Selection & Timing: Last 5 Years



Performance Attributed to Style Exposures: Last 5 Years



Performance Attribution: Jan-08 - Dec-12	Excess Return	Selection Return	Timing Return	Cash	Top Value	Top Growth	Mid Value	Mid Growth	Sm Value	Sm Growth
Brown Advisory: Large Cap Growth	4.61	4.04	0.47	0.03	0.00	-0.10	0.00	4.75	-0.01	0.12
Delaware Investments: Large-Cap Growth	0.74	0.66	-0.02	0.00	0.16	3.19	0.00	0.50	0.00	0.00
TCW: Concentrated Core	2.55	2.04	0.42	0.05	0.00	3.72	0.00	0.69	0.00	-0.01

Manager Comparison

December 31, 2012

Appendix: Glossary of Terms

Benchmark
Russell 1000 Growth Index

Universe
eA Large Cap Growth Equity

Appendix: Glossary of Terms

Alpha - Alpha measures the difference between an investment's actual performance, and its expected performance as indicated by the returns of a selected market index. A positive Alpha indicates the risk-adjusted performance is above that index. In calculating Alpha, Standard Deviation (total risk) is used as risk measure. Alpha is often used to judge the value added or subtracted by a manager.

Batting Average - Batting Average is sometimes known as the probability of success. This measures the frequency with which a manager performs better than a selected Market Index. It is computed by dividing the number of positive excess returns by the total number of excess returns during the period.

Beta - Beta is defined as a Manager's sensitivity to market movements and is used to evaluate market related, or systematic risk. Beta is a measure of the linear relationship, over time, of the Manager's returns and those of the Benchmark. Beta is computed by regressing the Manager's excess returns over the risk free rate (cash proxy) against the excess returns of the Benchmark over the risk free rate. An investment that is as equally volatile as the market will have a Beta of 1.0; an investment half as volatile as the market will have a Beta of 0.5; and so on. Thus, Betas higher than 1.0 indicate that the fund is more volatile than the market.

Calmar Ratio - The Calmar Ratio is a risk/return ratio that calculates return on a downside risk adjusted basis. Similar to other efficiency ratios it balances return in the numerator per unit risk in the denominator. In this case risk is characterized by the Maximum Drawdown.

Correlation (R) - The Correlation represents the degree to which investments move in tandem with one another and is a critical component of diversified portfolio construction. The Correlation varies between a minimum of -1 (move in opposite direction) and a maximum of 1 (completely correlated). Lower Correlations enhance diversification and lead to better risk-adjusted returns within diversified portfolios. An R of less than 0.3 is often considered low Correlation.

Distribution of Excess Returns - Distribution of Excess Returns displays an arrangement of statistical data that exhibits the frequency of occurrence of the investment's returns in excess of the selected Market Index.

Down Market (Mkt) Capture Ratio - Down Market Capture Ratio is a measure of an investment's performance in down markets relative to the market itself. A down market is one in which the market's return is less than zero. The lower the investment's Down Market Capture Ratio, the better the investment protected capital during a market decline. A negative Down Market Capture Ratio indicates that an investment's returns rose while the market declined.

Downside Risk (Semi Standard Deviation, Semi StdDev, or Downside Deviation) - Downside Risk only identifies volatility on the down side. Downside Risk measures the variability of returns below zero, whereas Standard Deviation attributes volatility in either direction to risk. The Downside Risk method calculates the deviations below zero for each observed return. Each time a return falls below zero, the sum is divided by the number of observations and the square root is taken. This result is then shown on an annualized basis.

Excess - Denotes that a statistic is being measured relative to the Market Index selected. The data set analyzed consists of the periodic differences between the investment's measure and the selected Market Index's definition.

Information Ratio - The Information Ratio is a measure of value added by an investment manager. It is the ratio of (annualized) excess return above the selected Market Index to (annualized) Tracking Error. Excess return is calculated by linking the difference of the manager's return for each period minus the selected Market Index return for each period, then annualizing the result.

Kurtosis - Kurtosis describes whether the series distribution is peaked or flat and how thick the tails are as compared to a normal distribution. Positive kurtosis indicates a relatively peaked distribution near the mean and tends to decline rapidly and have fat tails. Negative kurtosis indicates a relatively flat distribution near the mean. If there are fewer than four data points, or if the standard deviation of the series equals zero, Kurtosis will appear as N/A.

Loss Ratio - The Loss Ratio is a downside risk-adjusted performance statistic. Similar to the Information Ratio, the Loss Ratio calculates return per unit of risk, except that in this case, risk is represented by downside risk.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Special Meeting Agenda #5 (Regular Agenda Item 6.3)

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer



SUBJECT: Discussion and Selection of Large-Cap Growth Manager

Staff Recommendation:

Discuss the merits of the three large-cap growth equity finalist candidates and then select one to manage \$140 million for a large-cap growth mandate. Furthermore, authorize the Chief Executive Officer to enter into the agreement with the manager upon completion of Staff's due diligence and finalization of the terms of the agreement.

Background:

At the October 2012 Board meeting, the Board approved the timeline and selection criteria for identifying a new large-cap growth equity manager. During the December 2012 Board meeting, the Board selected six semi-finalists to receive the Request for Information (RFI). The six semi-finalist firms were: 1) Brown Advisory, 2) Delaware Investments, 3) HS Management, 4) TCW, 5) Wedgewood Partners, and 6) Wellington Management. After reviewing bullet point summaries, performance statistics, and the Request for Information responses, the Board selected three finalist candidates (Brown Advisory, Delaware Investments, and TCW) to be interviewed during the March 2013 Board meeting. The interview schedule will be as follows:

9 a.m. Delaware Investments Large-Cap Growth (Jeff Van Harte)

10 a.m. Brown Advisory Large-Cap Growth (Ken Stuzin, CFA & Charlie Constable)

11 a.m. TCW Concentrated Core (Craig Blum, CFA & Chris Scibelli)

Discussion:

Last year, the Board adopted a resolution setting forth the "Authorization For The Chief Executive Officer To Execute Documentation For Investments As Required" which provides that after the Board has made its determination to invest SamCERA funds with a particular external manager, the Chief Executive Officer has the authority to execute any and all documentation with that manager on behalf of the Board. Accordingly, the Board does not need to adopt a resolution for this investment.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 6.4

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer



SUBJECT: Approval of Annual Review Questionnaires for Core Equity Managers

Staff Recommendation:

Approve the proposed annual review questionnaires, after reviewing the questions and offering changes or additional questions as appropriate, for our Core Equity managers (D.E. Shaw Broad Market Core Enhanced Plus and Blackrock S&P 500 Index).

Background:

As part of the manager annual review process, questionnaires are sent to each manager and the responses are returned before their review dates. Staff will review the Core Equity managers in May.

Attachments:

- A. *DE Shaw Broad Market Core Enhanced Plus Questionnaire 2012*
- B. *Blackrock S&P 500 Index Questionnaire 2012*

SamCERA's ANNUAL REVIEW QUESTIONNAIRE

ORGANIZATIONAL UPDATE

1. Provide an update on your firm's organization, with particular emphasis on (a) changes to your structure over the past eighteen months, (b) growth and acquisition of assets under management, (c) clients gained or lost in the past year, and (d) recent corporate acquisitions, including negative and positive effects. All significant changes should be accompanied by an explanation.
2. Outline the firm's strategic focus and growth targets over the next three years, including new investment strategies or products currently under consideration.
3. Provide a breakdown of assets under management (AUM) by client and asset class/product type, in \$US millions.
4. Has your firm ever liquidated, dissolved or otherwise terminated a strategy, hedge fund or other commingled fund that was focused on equity investments? If so, please provide details.
5. Specify separately the individuals (up to ten) who you feel are key to the success of your firm. If the list has changed in the last eighteen months, identify and explain the change(s).
6. Describe your firm's management succession plan. Have dates been established regarding the succession of any key personnel, specifically those reported in the preceding questions?
7. Has your firm or any of its employees been involved in regulatory or litigation actions related to your business in the past eighteen months? E-mail your firm's most recent ADV Parts I & II to investments@samcera.org.
8. When did the Securities & Exchange Commission, Attorney General, or the Financial Industry Regulatory Authority (FINRA) last audit your firm? Please note any material findings or recommendations.
9. Summarize the coverage for errors and omissions, professional liability, fiduciary insurance or fidelity bonds held by your firm (i.e., amounts and respective carriers) and e-mail the certificates of insurance to investments@samcera.org.
10. Has your firm ever submitted a claim to your errors and omissions, liability, fiduciary or fidelity bond carrier(s)? If so, describe each instance.
11. Do you have a written policy on ethics? If so, please e-mail the policy to investments@samcera.org.
12. Provide the location of your firm's investment and accounting back-office staff. Are any of your investment activities or operations outsourced? If the answer is yes, provide details regarding the firm(s) with which your firm has contracted. Are any of these firms considered affiliates of your firm?
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?
14. Provide an overview of your firm's business continuity plan as it relates to the investment process.
15. E-mail your firm's most recent SAS 70 Report or equivalent to investments@samcera.org.

INVESTMENT TEAM

16. Specify separately the individuals (up to five) who you feel are key to the success of SamCERA's product and describe their respective role(s) and experience. Also indicate the location(s) of these individuals. In addition, indicate other responsibilities, both in terms of investment products and management/administrative duties, for each of the named individuals and provide an estimate of the percentage of time each spends managing the strategy. If this list has changed in the last eighteen months, identify and explain the change(s).

INVESTMENT STRATEGY & PROCESS

17. What are the current assets in this product? What proportion of total AUM do the assets in this product make-up of the firm? Please provide the year-end AUM in this product for the past 5 years. What are the capacity constraints for this product and who determines the constraints? How does your firm determine the capacity threshold?
18. What percentage of assets in product is controlled by your 5 largest accounts? What size does SamCERA's account comprise of total product assets?
19. Discuss your firm's investment strategy relative to market environments. Are there market cycles that are particularly favorable to your firm's investment strategy and process? Are there market cycles that are historically difficult for your firm's investment strategy and process?
20. Provide the product's annual turnover for each of the last 5 years. Please explain any outlier volumes.
21. What percentage of investments would you deem to be illiquid? How long would it take to liquidate our portfolio without undue impact costs? What security-level liquidity parameter is used when constructing the portfolio?
22. Regarding risk management:
 - a. List the main risks associated with the strategy and describe how each is explicitly measured and managed at both the individual security and aggregate portfolio level.
 - b. Identify the person(s) or group primarily responsible for the risk management function.
 - c. Discuss how risk management both interacts with and maintains independence from the other aspects of the investment process.
23. Discuss any material changes that have been made to the investment process or risk management techniques since inception of the strategy. Were these changes considered normal enhancements, or were they made in response to the macroeconomic environment and/or specific market events?
24. Does your firm have a policy that incorporates Environmental, Social and Governance (ESG) issues into the investment decision making process?
25. If ESG issues are considered, are they considered separate and apart from traditional financial criteria, or are ESG issues integrated into a company assessment? Are the sources of ESG research internal, external, or both?
26. Does your firm regard ESG factors as risk factors which can have a material impact on investment performance? Does your firm support the concept that companies can enhance value and long-term profitability by incorporating ESG factors into their strategic plans? If so, briefly discuss.
27. What is your firm's proxy voting policy? Does the firm vote its own proxies, or is this done by a third party provider? What principles or policies guide the voting?

PERFORMANCE

28. Is the performance composite constructed for SamCERA's portfolio in compliance with the Global Investment Performance Standards (GIPS)? When was the performance composite last audited?
29. Indicate established performance targets or expectations (e.g., absolute return, relative return, volatility, tracking error) for the strategy. Has the strategy achieved these targets on a net basis? Regarding the expected sources of relative positive return, how has expectations differed with actual results?
30. Detail your firm's perspective of SamCERA's performance expectations, as spelled out in the Investment Management Agreement and SamCERA's Investment Policy. How is your firm doing relative to those expectations?
31. Are SamCERA's investment guidelines adequate? Do the guidelines impose constraints on the portfolio that would result in a significant dispersion from other portfolios? If so, please provide details.
32. What is a reasonable expected tracking error to the benchmark? What are the expected sources of the tracking error?
33. Please discuss the strategy's performance relative to the benchmark for the one, three and five year periods ending December 31, 2012.
34. What is your firm's source(s) for pricing equities? Does this source differ from that of SamCERA's custodian, State Street Bank & Trust? How are pricing variances with the custodian resolved?
35. Are there pricing issues relative to methodology or pricing sources utilized by your firm versus those utilized by the benchmark?
36. Is SamCERA's benchmark, the Russell 1000, appropriate?
37. Attach an Excel file containing a list of portfolio holdings as of the review date. Please include security name, CUSIP or other relevant identifier, amount, cost basis, market value, and % of total portfolio.
38. Provide a full review of performance attribution (on a net of fee basis) for the trailing 12 month period versus the benchmark.

OPERATIONS, TRADING & CONTROLS

39. List and briefly describe any internally managed strategies, funds, separate accounts, etc., that have the potential to invest in the same or similar securities as those held in the strategy. Comment on the potential conflicts of interest these strategies pose and how they are addressed by internal controls or guidelines.
40. Describe your trading procedures in detail. What trading platforms does your firm use? How many brokers were used during calendar year 2012?
41. Does your firm monitor trade effectiveness? If so, how is that documented? To whom does trading report?
42. How many brokers were used during calendar year 2012? List the top ten brokers used during that period. Have you discontinued the use of any broker in the last eighteen months?
43. Describe your firm's policies regarding the use of soft dollars. If soft dollar arrangements were not used to acquire products and services in 2012, what would be the dollar increase in your firms total operating expenses?

44. Describe how your firm obtains and pays for outside research reports. Please list the primary sources of research upon which your firm relies.
45. Please disclose the firms you employ for introductions to industry experts.
46. What is your firm's position regarding participation in directed brokerage and/or commission recapture programs? Is there a maximum amount of trades that you allow to be directed? How many of your clients utilize direct brokerage?
47. Provide an overview of your trade allocation protocols and procedures for controlling performance dispersion between accounts with substantially the same guidelines.
48. Provide an overview of your pre- and post-trade investment guideline monitoring practices. Is a separate, independent group responsible for ensuring guideline compliance?
49. Regarding counterparties:
 1. List all counterparties you have engaged to execute trades/establish positions within the strategy over the most recent 12 month period and provide an estimate of the percentage of trades allocated to each.
 2. How are your trading counterparties selected, monitored and evaluated?
 3. Are there any firm-wide or strategy-specific guidelines/restrictions related to counterparties? If so, please outline them.
50. Do you have a policy regarding the selection and review of brokers and counterparties. If you do, please e-mail a copy to investments@samcera.org
51. Please forward your proxy voting policy to investments@samcera.org.

CONCLUSION

52. What issues are other clients concerned with in regards to products, markets, education and governance?
53. Describe your assessment of the relationship between your firm and SamCERA. How can we better utilize your firm's capabilities?
54. Is there any information that would be timely pursuant to SamCERA's Investment Policy, the Investment Management Agreement with SamCERA, and this annual review?
55. Are your clients making significant changes in their asset mixes? Please describe these changes.
56. What market opportunities should SamCERA consider?

SamCERA's ANNUAL REVIEW QUESTIONNAIRE

ORGANIZATIONAL UPDATE

1. Provide an update on your firm's organization, with particular emphasis on (a) changes to your structure over the past eighteen months, (b) growth and acquisition of assets under management, (c) clients gained or lost in the past year, and (d) recent corporate acquisitions, including negative and positive effects. All significant changes should be accompanied by an explanation.
2. Has your firm or any of its employees been involved in regulatory or litigation actions related to your business in the past eighteen months? E-mail your firm's most recent ADV Parts I & II to investments@samcera.org.
3. When did the Securities & Exchange Commission, Attorney General, or the Financial Industry Regulatory Authority (FINRA) last audit your firm? Please note any material findings or recommendations.
4. Summarize the coverage for errors and omissions, professional liability, fiduciary insurance or fidelity bonds held by your firm (i.e., amounts and respective carriers) and e-mail the certificates of insurance to investments@samcera.org.
5. Has your firm ever submitted a claim to your errors and omissions, liability, fiduciary or fidelity bond carrier(s)? If so, describe each instance.
6. Do you have a written policy on ethics? If so, please e-mail the policy to investments@samcera.org.
7. Provide the location of your firm's investment and accounting back-office staff. Are any of your investment activities or operations outsourced? If the answer is yes, provide details regarding the firm(s) with which your firm has contracted. Are any of these firms considered affiliates of your firm?
8. 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?
9. Provide an overview of your firm's business continuity plan as it relates to the investment process.
10. E-mail your firm's most recent SAS 70 Report or equivalent to investments@samcera.org.

INVESTMENT STRATEGY & PROCESS

11. What are the current assets in this product? What proportion of total AUM do the assets in this product make-up of the firm? Please provide the year-end AUM in this product for the past 5 years. What are the capacity constraints for this product and who determines the constraints? How does your firm determine the capacity threshold?
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30. Describe how your firm obtains and pays for outside research reports. Please list the primary sources of research upon which your firm relies.
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CONCLUSION

37. What issues are other clients concerned with in regards to products, markets, education and governance?
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39. Are your clients making significant changes in their asset mixes? Please describe these changes.
40. What market opportunities should SamCERA consider?

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 6.5

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer



SUBJECT: Quarterly Investment Performance Report for the Period Ending December 31, 2012

Staff Recommendation:

Review Strategic Investment Solutions' Quarterly Performance Report for the period ending December 31, 2012.

Background:

This report is the first produced using the new reporting engine that SIS is utilizing to generate their performance reports going forward. According to SIS, the new reporting engine makes it easier to customize both the content and the look and feel of the report.

The objective of this inaugural report was to replicate the look and feel of the current report format that the Board was used to seeing, with the goal of being able to modify the report going forward based on Board and staff input.

There are a few additions to the report this quarter. First, to better see the sources of excess returns at the total fund level, Page 14 shows total portfolio attribution at the portfolio composite level. Next, pages 20-21 and 55-59 show portfolio characteristics and attribution for the US Equity and International Equity portfolio composites, respectively.

Discussion:

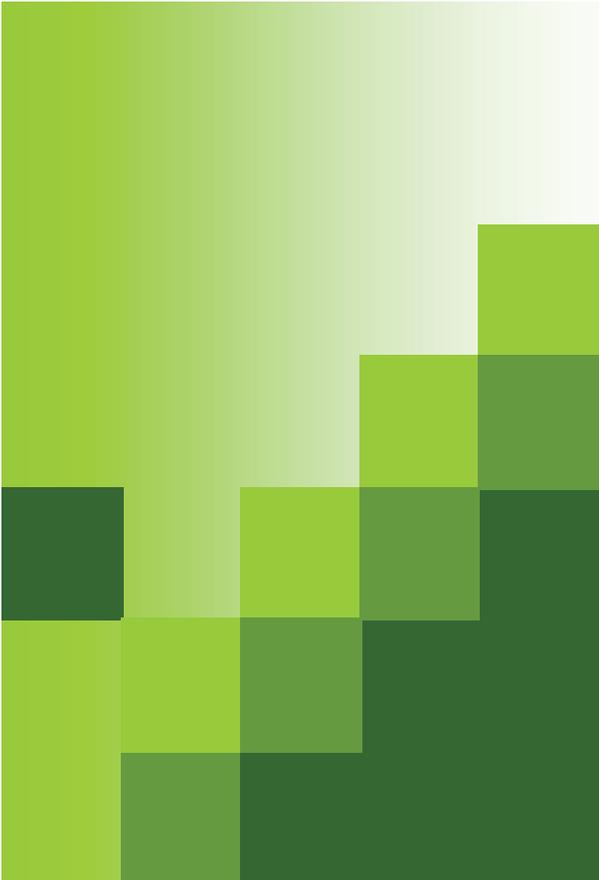
The 4th quarter total return for the SamCERA portfolio was 1.7%, which was 30 bps higher than the 1.4% policy benchmark return. As can be seen on Page 14, outperformance in our fixed income composite (driven by the strong results of our global fixed income manager) was the main driver of the outperformance, followed by the Alternatives portfolio (risk parity and hedge fund) performance relative to its benchmark. The International Equity composite was the main detractor during the quarter (even though it had the highest absolute return during the period).

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

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

Attachments:

- A. *SIS Quarterly Performance Report Ending 12/31/2012*



**SAN MATEO COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION**

INVESTMENT PERFORMANCE ANALYSIS

FOURTH QUARTER 2012

STRATEGIC INVESTMENT SOLUTIONS, INC.

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



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

- Heightened fears over the U.S. fiscal cliff outweighed numerous positive indicators in the fourth quarter as the S&P 500 total return index fell 0.4%. The decline occurred despite the resolution of U.S. elections and the Federal Reserve committing to keep its target rate near zero and buy U.S. bonds as long as unemployment remains above 6.5%, as well as inflation remaining below its target.
- The European Central Bank's Outright Monetary Transactions (OMT) plan continued to boost sentiment in Europe. As a result, equities in Europe-ex UK rose 8.6% in the fourth quarter. The improved sentiment helped tighten spreads for Spanish and Italian sovereign debt.
- In Japan, the dovish Shinzo Abe was elected Prime Minister, heightening expectations of further quantitative easing. The Bank of Japan is being pressured to increase its inflation target to 2% and has increased the size of its asset purchase program. These moves helped boost Japanese equities 5.8% in the fourth quarter, while the yen fell 10.2% against the dollar.
- Given improved investor confidence, safe-haven demand was subdued; Treasuries declined by about 0.1% in Q4. Meanwhile, in the currency markets, the uptick in risk appetite led to a quarterly decline in the trade-weighted U.S. dollar index of 0.16%.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. As a result of improving confidence in the North American and Asian regions, the Global ICI rose 0.4 points to 80.9 in December but remained well below the neutral level of 100. The increase in confidence was most pronounced in North America, while European institutional investors' appetite for equities is the strongest, at 95.2.
- For the period ending 12/31/12, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index were 2.58% and 2.54%; one year, 18.06% and 10.54%; three years, 17.83% and 12.63%; and five years, 5.45% and 2.13%.
- 2012 witnessed a recovering housing market, stronger private balance sheets, and a European meltdown that did not occur. Cap rates remained low for tier 1 assets and the CMBS market continued to recover, with issuance growing 45% from \$33 billion in 2011 to \$48 billion in 2012. Capital continued to look for yield, value, and inflation protection.
- With all of the "good news" to date, there will be many that are concerned that the good news will not continue for real estate. However the US, the low rates managed by the Fed should keep cap rates stable. Outside the US, real estate looks less certain but as invest become more confident real estate should recover.

- The composite fund returned 1.7% in the fourth quarter of 2012 and ranked 80th among other public plans great than \$1 billion (median of 2.1%). It beat the policy index return of 1.4%. The one year return of 13.7% was ahead of the policy index return of 13.2% and ranked in 29th percentile of its peer universe. The three-year return of 8.9% (57th percentile) was below median among large public plans (9.0%).
- Fourth quarter results were enhanced by the following factors:
 1. Franklin Templeton appreciated 4.8% and ranked in the top quartile among global bond managers (median of 1.9%). The Barclays Multiverse Index was down 0.3%. Currencies in Asia ex –Japan and interest-rate exposures, particularly in Latin America and Europe, increased positive results. Credit exposure in sovereign and high yield corporate bonds contributed to absolute performance.
 2. Western Asset Management's quarter was above par. It carried a return of 0.9% and ranked above the core bond manager median of 0.5%. The Barclays Aggregate Index returned 0.2%. Its exposure to TIPS, non-agency MBS and non-US bonds and overweight to HARP-eligible mortgages and financial bonds generated performance alpha.
 3. The Pyramis Broad Market Duration Fund gained 0.6% and ranked in the 32nd percentile among core bond managers (median of 0.5%). The Barclays Aggregate Index was up 0.2% for the quarter. Sector overweight to financial corporate bonds, agency MBS, CMBS and TIPS proved positive. Aberdeen was terminated in October.
 4. The Angelo Gordon GECC PPIP Fund appreciated 5.7% while the Barclays Aggregate was up 0.2%. The Fund carried approximately 62% RMBS and 38% CMBS assets. Angelo Gordon STAR was funded in November.
 5. The opportunistic credit high yield manager, Brigade Capital, beat its benchmark, the Barclays BBB Credit Index (3.5% vs. 1.7%). The median high yield quarterly return was 3.1%. Long high yield and long distressed positions were top contributors to performance during the quarter.
 6. Brown Brothers Harriman gained 0.9%, ahead of the Barclays US TIPS Index (0.7%) and ranked in the second quartile among inflation linked bond accounts (median of 0.7%). Persistent overweight to long maturity TIPS, tactical duration focused on index extensions and short breakeven positions were the lead drivers to relative results.

7. Chartwell gained more value, 2.6%, than the Russell 2000 Growth Index, 0.4%. Chartwell ranked in 14th percentile among small cap growth managers (median of 0.2%). Alpha was mainly derived from Industrials (Dycom Industries, Avis Budget, Team) and Financials (Ocwen Financial) stock selection, relative underweight in Healthcare and its intra-quarter trading.
8. Jennison (3.6%) ranked in the 22nd percentile among its small cap core equity peers (median of 2.5%) and led its benchmark. The Russell 2000 Index returned 1.9%. Above par Healthcare (Biomarin Pharmaceuticals), Financials (Stancorp Financial) and Info Tech (Commvault Systems) investments were contributors to relative performance.
9. The Boston Company returned 4.1%, versus 3.2% for the Russell 2000 Value Index, and ranked in the 46th percentile among its small cap value peers (median 4.0%). Positive attributes include stock selection the Energy (Gulfport Energy) and Info Tech (Synaptics) sectors.
10. The Pyramis Select International Small Cap quarterly portfolio result of 5.6% was above the MSCI ACWI ex US Small Cap (4.9%), and ranked in the 31st percentile among ACWI –ex US small cap managers. Holdings in Canada and Germany were additive to relative performance. Consumer staples (PZ Cussons) and consumer discretionary (ElringKlinger) were two of the primary sector contributors.
11. DE Shaw's return of 0.6% ranked in the second quartile among large cap core equity managers (-0.1% median), and was ahead of its benchmark, the Russell 1000 Index (0.1%). Investments in the Healthcare and Energy sectors and its intra-quarter trading helped quarterly results.
12. Barrow Hanley's return of 1.8% was in front of the Russell 1000 Value Index (1.5%) and ranked in the second quartile among large cap value equity managers (median of 1.3%). Performance was enhanced by its portfolio turnover and security selection in the Energy (Murphy Oil, Phillips 66) and Healthcare (Cigna) sectors and underweight to Energy.
13. T Rowe Price (-0.3%) led the S&P 500 Index (-0.4%) and the passive large cap equity median return of -0.4%. Security selection in the Consumer Staples and Materials sectors boosted performance.
14. The BlackRock Russell 1000 Index Fund, 0.1%, ranked in the 43rd percentile among large cap core equity managers (median of -0.1%), and matched its benchmark. BlackRock's active large growth portfolio was replaced by the BlackRock Russell 1000 Growth Index Fund at October-end.
15. Risk parity manager AQR was up 1.8% while its custom benchmark was 0.2%. Fourth quarter gross return attribution is as follows: equity (0.7%), nominal interest rate (0.6%), inflation (-0.5%) and credit/default (1.0%).

16. Hedge fund strategy AQR DELTA Fund II led the LIBOR +4% (3.1% vs. 1.1%). It ranked in the second quartile among other hedge fund multi-strategy accounts (median of 1.6%). The three largest contributors are Global Macro (1.2%), Managed Futures (1.0%) and Emerging Markets (0.8%).
 17. Commodities manager SSgA Multisource beat its benchmark, DJ UBS Commodities Index (-5.7% vs. -6.3%). The S&P GSCI quarter return was -3.3%.
 18. The Treasury and LAIF account added 0.2% during the quarter. The 91-Day T-Bill returned 0.0% during the same time period.
- Fourth quarter results were hindered by the following factors:
 1. Mondrian returned 4.1%, trailed the MSCI AC World -ex US Value Index (6.5%) and ranked in the 96th percentile among its ACWI ex US Value equity peers (6.8% median). The portfolio was hurt by its weak stock selection within Japan and the UK (BG Group).
 2. Baillie Gifford lagged its benchmark, the MSCI EAFE Index (4.5% vs. 6.6%). It ranked in the bottom quartile among EAFE growth equity managers (median of 5.9%). Top detractors to performance were Hargreaves Lansdown, a UK financial services company, and a number of Japanese stocks (Namco Bandai, Asahi Group, Kao, Shimano).
 3. Eaton Vance was slightly beaten by the MSCI Emerging Markets Index (5.5% vs. 5.6%) and ranked in the third quartile among its peers (6.5% median). Detractors to quarterly performance were its structural underweight to China and overweight to Egypt and Hungary.
 4. Private Equity investments depreciated 0.5% for the quarter. The Russell 3000 + 3% Index was up 1.1%.
 5. The INVESCO Core Real Estate-USA Fund returned 2.1% for the quarter and below par with the NCREIF ODCE Index (2.4%). Income return factors for 1.2% of the gross return. The Fund is 90.9% leased, down slightly from the prior quarter and year.

San Mateo County Employees' Retirement Association

Performance Summary

Periods Ending December 31, 2012

	1 Qtr		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
TOTAL FUND - Gross	1.7	80	7.6	23	13.7	29	6.7	61	8.9	57	2.0	78	7.0	94
TOTAL FUND - Net	1.7		7.5		13.3		6.3		8.5		1.6		6.7	
<i>Policy Index¹</i>	1.4	92	6.8	67	13.2	37	6.8	52	9.3	34	2.8	60	7.8	64
<i>Allocation Index</i>	1.4	92	6.6	78										
<i>IF Public DB > \$1B Gross Median</i>	2.1		7.2		13.0		6.9		9.0		3.1		7.9	
TOTAL EQUITY	2.0	75	8.7	66	15.9	74	5.4	69	8.3	77	-0.2	82	7.3	76
<i>Blended Equity Index²</i>	2.3	58	9.0	55	16.8	54	5.6	61	9.0	63	0.8	45	8.4	40
<i>IF All DB Total Eq Gross Median</i>	2.5		9.1		16.9		6.1		9.4		0.7		8.1	
US EQUITY COMPOSITE	0.7	46	7.1	37	16.2	48	7.6	65	11.0	60	1.7	64	7.3	77
<i>80% Russell 1000/20% Russell 2000²</i>	0.5	57	6.6	55	16.4	41	8.1	48	11.4	43	2.3	45	8.0	46
<i>IF All DB US Eq Gross Median</i>	0.6		6.8		16.2		8.0		11.3		2.2		7.9	
LARGE CAP COMPOSITE	0.0		6.6		16.2		7.3		10.1		1.3		7.0	
<i>Russell 1000 Index</i>	0.1		6.4		16.4		8.7		11.1		1.9		7.5	
BlackRock R1000 Index - Gross	0.1	43	6.5	47	16.5	34	8.8	41	11.2	32	2.0	56	7.6	66
BlackRock R1000 Index - Net	0.1		6.4		16.4		8.7		11.1		1.9		7.5	
D.E. Shaw - Gross	0.6	34	6.7	41	19.3	8	10.2	20	11.5	23				
D.E. Shaw - Net	0.4		6.5		18.7		9.7		11.0					
<i>Russell 1000 Index</i>	0.1	44	6.4	47	16.4	34	8.7	41	11.1	33	1.9	58	7.5	67
T. Rowe Price - Gross	-0.3	37	6.2	32	16.7	18	9.1	10	10.8	79				
T. Rowe Price - Net	-0.4		6.1		16.3		8.7		10.4					
<i>S&P 500 Index</i>	-0.4	62	6.0	53	16.0	64	8.8	44	10.9	56				
Barrow Hanley - Gross	1.8	38	8.1	44	16.0	48	8.5	46	10.9	40				
Barrow Hanley - Net	1.7		7.8		15.5		8.0		10.4					
<i>Russell 1000 Value Index</i>	1.5	45	8.1	43	17.5	30	8.6	43	10.9	41				
BlackRock R1000 Growth Index - Gross ³														
BlackRock R1000 Growth Index - Net														
<i>Russell 1000 Growth Index</i>														

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

¹ As of 1/1/11, the Policy Index is 28% Russell 1000/7% Russell 2000/18% MSCI ACWI -ex US/11% BC Aggregate/3.3% BC BBB/3.3% BC Tips/4.4% BC Multiverse/5% NCREIF NFI ODCE EW/8% Russell 3000 + 3%/6% (60% Russell 3000/40% BC Aggregate)
3% Libor +4%/3% DJ UBS Commodity.

² See Appendix for Benchmark History.

³ BlackRock LG transitioned to BlackRock Growth Index in October 2012.

San Mateo County Employees' Retirement Association

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Periods Ending December 31, 2012

	1 Qtr		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
SMALL CAP COMPOSITE	3.4		8.8		16.5		8.4		14.8		3.2		8.3	
<i>Russell 2000 Index</i>	1.9		7.2		16.3		5.6		12.2		3.6		9.7	
Jennison - Gross	3.6	22	8.2	49	14.1	75	6.7	61	14.4	41				
Jennison - Net	3.4		7.8		13.2		5.9		13.6					
<i>Russell 2000 Index</i>	1.9	66	7.2	69	16.3	59	5.6	76	12.2	71				
The Boston Company - Gross	4.1	46	10.1	43	19.7	32	8.9	21	12.5	60				
The Boston Company - Net	3.9		9.6		18.7		8.0		11.6					
<i>Russell 2000 Value Index</i>	3.2	67	9.1	55	18.0	43	5.6	68	11.6	72				
Chartwell - Gross	2.6	14	8.4	22	17.7	27	10.9	10	17.2	11	3.3	56		
Chartwell - Net	2.4		8.0		16.8		10.0		16.3		2.5			
<i>Russell 2000 Growth Index</i>	0.4	45	5.3	51	14.6	48	5.5	62	12.8	66	3.5	54		
INTERNATIONAL EQUITY	4.5	94	12.0	92	14.7	94	0.3	83	2.5	88	-4.5	86	7.9	80
<i>MSCI ACWI ex US Gross²</i>	5.9	68	13.8	55	17.4	70	0.9	66	4.3	60	-2.4	45	10.2	26
<i>MSCI EAFE Index Gross</i>	6.6	47	14.0	50	17.9	64	2.0	40	4.0	67	-3.2	65	8.7	64
<i>IF All DB ex-US Eq Gross Median</i>	6.6		14.0		18.7		1.5		4.6		-2.7		9.2	
DEVELOPED MARKETS	4.4	86	12.0	75	14.7	77	0.3	75	2.5	81	-4.5	78	7.9	71
<i>MSCI ACWI -ex US Gross</i>	5.9	58	13.8	51	17.4	50	0.9	66	4.3	42	-2.4	42	10.2	13
<i>IF All DB Dev Mkt ex-US Eq Gross Median</i>	6.1		13.9		17.4		1.5		4.0		-3.0		8.6	
Baillie Gifford - Gross ⁴	4.5	80	13.5	54										
Baillie Gifford - Net	4.4		13.2											
<i>MSCI EAFE Index Gross</i>	6.6	36	14.0	44										
<i>MSCI EAFE Growth Index Gross</i>	5.8	58	12.6	73										
Mondrian - Gross	4.1	96	10.1	96	11.4	97	3.0	62	3.8	77	-2.4	73		
Mondrian - Net	4.1		10.0		11.2		2.8		3.6		-2.6			
<i>MSCI ACWI -ex US Value Gross</i>	6.5	59	14.8	57	17.7	73	1.4	73	3.7	78	-2.4	72		
<i>MSCI ACWI -ex US Gross</i>	5.9	71	13.8	77	17.4	73	0.9	74	4.3	71	-2.4	73		
Pyramis Equity - Gross ⁴	5.6	31	15.7	24										
Pyramis Equity - Net	5.3		15.2											
<i>MSCI ACWI -ex US Small Cap Gross</i>	4.9	47	14.0	43										

² See Appendix for Benchmark History.

⁴ Eaton Vance and Pyramis Global Advisors funded in March 2012. Artio Global transitioned to Baillie Gifford in March 2012.

Performance Summary

Periods Ending December 31, 2012

	1 Qtr		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
EMERGING MARKETS	5.5	76	12.2	93										
<i>MSCI Emerging Markets Index Gross</i>	5.6	72	13.9	69										
<i>IF All DB Emg Mkt Eq Gross Median</i>	6.5		14.9											
Eaton Vance Management - Gross ⁴	5.5	71	12.4	88										
Eaton Vance Management - Net	5.5		12.4											
<i>MSCI Emerging Markets Index Gross</i>	5.6	70	13.9	63										
TOTAL FIXED INCOME	2.0	44	6.4	43	12.5	36	8.9	26	9.8	23	7.3	38	5.8	97
<i>Blended Fixed Index²</i>	0.4	62	2.9	83	5.8	77	7.1	47	7.0	48	6.4	56	5.4	97
<i>eA Global Fixed Inc Unhedged Gross Median⁵</i>	1.6		5.3		9.4		6.7		6.9		6.6		7.2	
US FIXED INCOME	1.3	20	4.9	19	10.5	23	8.7	31	9.6	29	7.2	49	5.8	58
<i>Blended US Fixed Index²</i>	0.6	59	2.8	65	6.0	70	7.6	46	7.3	63	6.6	63	5.5	73
<i>IF All DB US Fix Inc Gross Median</i>	0.7		3.4		7.8		7.4		7.8		7.1		6.1	
CORE FIXED⁶	0.7		3.4		7.8		7.8							
<i>Barclays Aggregate Index</i>	0.2		1.8		4.2		6.0							
Pyramis Bond - Gross	0.6	32	2.8	44	6.6	34	7.3	33	7.8	21	7.3	26		
Pyramis Bond - Net	0.6		2.7		6.4		7.1		7.6		7.1			
Western Asset - Gross	0.9	12	4.2	8	9.1	6	8.3	8	9.3	4	7.3	26		
Western Asset - Net	0.9		4.0		8.8	7	8.0		9.0		7.0			
<i>Barclays Aggregate Index</i>	0.2	82	1.8	87	4.2	90	6.0	84	6.2	84	5.9	85		
TIPS														
Brown Brothers Harriman - Gross	0.9	31	3.4	21	7.8	20	10.9	15						
Brown Brothers Harriman - Net	0.8		3.3		7.6		10.8							
<i>Barclays US TIPS Index</i>	0.7	66	2.8	69	7.0	66	10.2	52						

² See Appendix for Benchmark History.

⁴ Eaton Vance and Pyramis Global Advisors funded in March 2012. Artio Global transitioned to Baillie Gifford in March 2012.

⁵ Total Fixed Income aggregate is ranked against the eA Global Fixed Inc Unhedged universe.

⁶ Aberdeen Asset was terminated in October 2012.

Performance Summary

Periods Ending December 31, 2012

	1 Qtr		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank ⁷	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
OPPORTUNISTIC CREDIT	3.8		11.8		24.2		11.0							
<i>Barclays Credit BAA</i>	1.7		6.7		11.3		10.4							
Angelo Gordon PPIP - Net ⁷	5.7		19.6		40.6		12.9		21.5					
Angelo Gordon STAR - Net ^{7,8}														
<i>Barclays Aggregate Index</i>	0.2		1.8		4.2		6.0		6.2					
Brigade Capital - Gross	3.5	28	8.4	30	16.1	36	11.0	18						
Brigade Capital - Net	3.5		8.4		15.9		10.5							
<i>Barclays Credit BAA Index</i>	1.7	96	6.7	87	11.3	91	10.4	37						
<i>50% Barclays HY / 50% Bank Loan Index</i>	2.4	85	6.3	85	12.6	86	7.9	92						
GLOBAL FIXED INCOME	4.8	1	12.6	1	20.8	1	9.2	25						
<i>Barclays Multi-verse Index</i>	-0.3	76	3.1	80	4.8	82	5.2	88						
<i>IF All DB Gbl Fix Inc Gross Median</i>	2.0		5.8		10.6		8.2							
Franklin Templeton - Gross	4.8	8	12.6	5	20.8	3	9.2	24						
Franklin Templeton - Net	4.7		12.5		20.5		8.9							
<i>Barclays Multi-verse Index</i>	-0.3	88	3.1	80	4.8	83	5.2	78						
ALTERNATIVES	0.1		7.1		12.6									
<i>Alternatives Allocation Index</i>	-1.0		4.7		7.5									
PRIVATE EQUITY	-0.5	97	-0.8	95	16.3	5	-60.3	99						
<i>Russell 3000 + 3% Index</i>	1.1	50	8.4	6	19.4	2	11.5	34						
<i>IF All DB Private Eq Net Median</i>	1.0		3.3		8.8		10.3							
RISK PARITY														
AQR Global Risk Premium III - Gross	1.8		10.1		15.8									
AQR Global Risk Premium III - Net	1.7		9.9		15.3									
<i>60/40 R3000/Barclays Aggregate Index</i>	0.2		4.6		11.6									
HEDGE FUND	3.3	6	3.9	74	6.0	65								
<i>Libor 1 Month +4% Index</i>	1.1	83	2.1	91	4.2	86								
<i>IF All DB Hedge Funds Gross Median</i>	2.1		4.9		6.9									

⁷ Returns are reported net of management fees only.

⁸ Funded in November 2012.

San Mateo County Employees' Retirement Association

Performance Summary

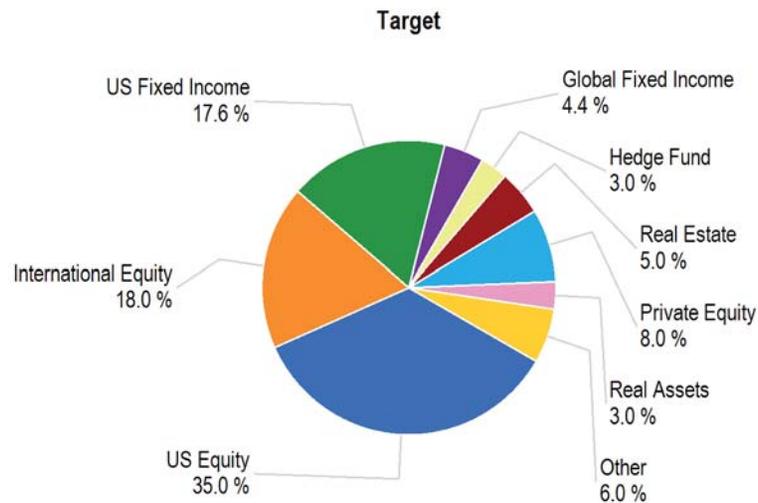
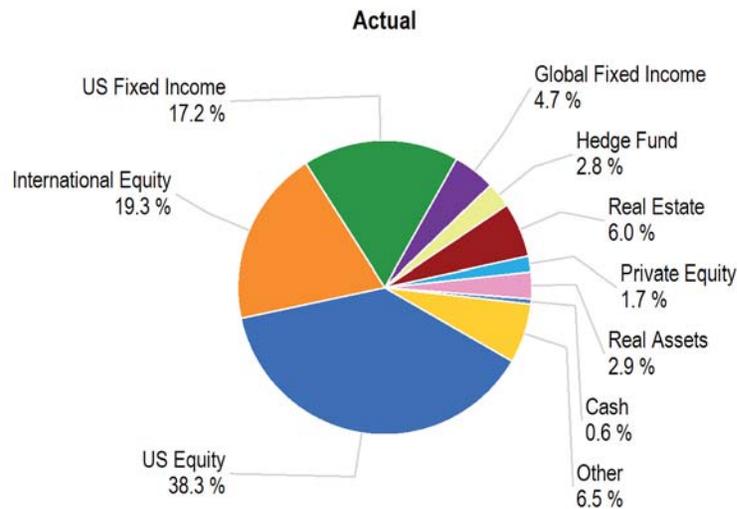
Periods Ending December 31, 2012

	1 Qtr		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		10 Year	
	Return	Rank*	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<i>AQR DELTA Fund II - Gross</i>	3.3		3.9		6.0									
<i>AQR DELTA Fund II - Net⁹</i>	3.1	29	3.4	61	4.9	61								
<i>Libor 1 Month +4% Index</i>	1.1	61	2.1	73	4.2	66								
COMMODITY														
<i>SSgA Multisource Commodity - Gross</i>	-5.7		7.0		13.5									
<i>SSgA Multisource Commodity - Net</i>	-5.7		6.9		13.0									
<i>DJ UBS Commodity Index</i>	-6.3		2.7		-1.1									
<i>S&P Goldman Sachs Commodity Index</i>	-3.3		7.9		0.1									
REAL ESTATE														
<i>NCREIF ODCE Index</i>	2.1	45	5.0	40	8.6	73	12.7	56	14.0	46	-0.8	37	7.6	18
<i>IF All DB Real Estate Gross Median</i>	2.4	36	5.2	34	10.9	46	13.4	41	14.4	38	-0.3	30	7.1	22
<i>IF All DB Real Estate Gross Median</i>	2.0		4.7		10.7		13.1		13.4		-1.2		6.1	
<i>Invesco - Gross</i>	2.1		5.0		8.6		12.7		14.0		-0.8			
<i>Invesco - Net</i>	2.0		4.8		8.2		12.2		13.5		-1.3			
<i>NCREIF ODCE Index</i>	2.4		5.2		10.9		13.4		14.4		-0.3			
CASH														
<i>General Account</i>	0.0		0.1		0.2		0.3		0.3		0.8		2.0	
<i>Treasury & LAIF</i>	0.2		0.4		0.8		0.9		1.0		0.3		1.8	
CASH COMPOSITE														
<i>91 Day T-Bills Index</i>	0.1		0.3		0.7		0.7		0.8		0.4		1.8	
<i>91 Day T-Bills Index</i>	0.0		0.0		0.1		0.1		0.1		0.3		1.7	

⁹ AQR Delta II is ranked against a net of fee universe.

Asset Allocation Analysis

As of December 31, 2012

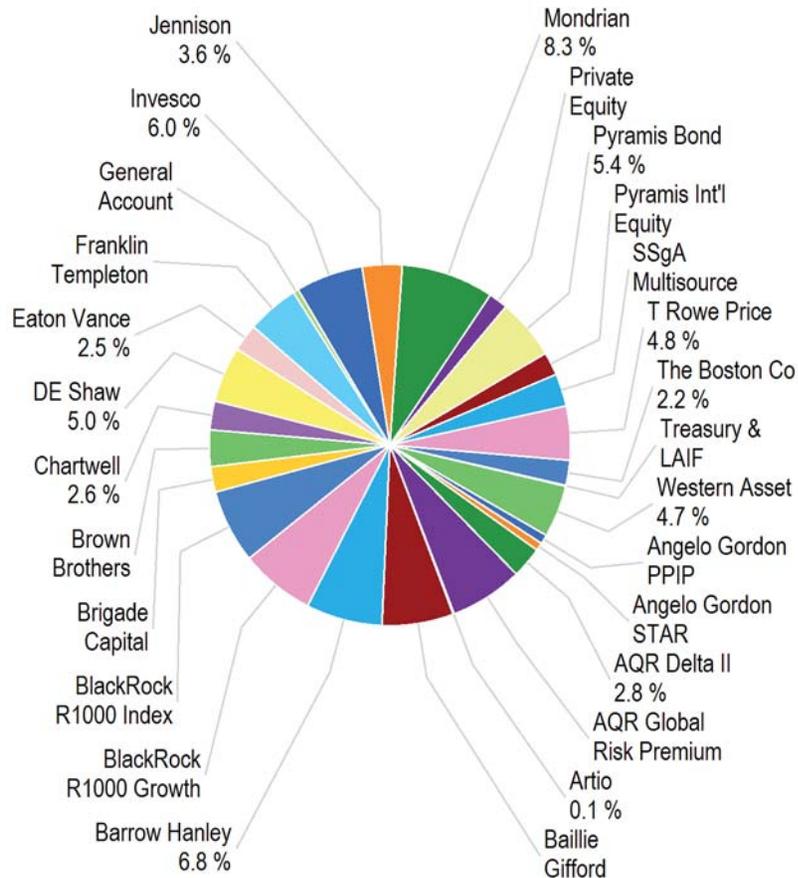


	Current Balance	Current Allocation
US Equity	\$982,446,533	38.3%
International Equity	\$494,832,103	19.3%
US Fixed Income	\$440,040,206	17.2%
Global Fixed Income	\$119,457,627	4.7%
Hedge Fund	\$71,327,118	2.8%
Real Estate	\$153,983,862	6.0%
Private Equity	\$43,909,997	1.7%
Real Assets	\$74,824,869	2.9%
Cash	\$14,693,123	0.6%
Other	\$167,743,634	6.5%
Total	\$2,563,259,072	100.0%

	Policy	Current Allocation	Difference
US Equity	35.0%	38.3%	3.3%
International Equity	18.0%	19.3%	1.3%
US Fixed Income	17.6%	17.2%	-0.4%
Global Fixed Income	4.4%	4.7%	0.3%
Hedge Fund	3.0%	2.8%	-0.2%
Real Estate	5.0%	6.0%	1.0%
Private Equity	8.0%	1.7%	-6.3%
Real Assets	3.0%	2.9%	-0.1%
Cash	--	0.6%	0.6%
Other	6.0%	6.5%	0.5%
Total	100.0%	100.0%	

Manager Allocation Analysis - Total Plan

As of December 31, 2012



	Actual \$	Actual %
Aberdeen Asset	\$1,877	0.0%
Angelo Gordon PPIP	\$21,035,785	0.8%
Angelo Gordon STAR	\$18,375,000	0.7%
AQR Delta II	\$71,327,118	2.8%
AQR Global Risk Premium III	\$167,743,634	6.5%
Artio	\$2,758,475	0.1%
Baillie Gifford	\$163,745,583	6.4%
Barrow Hanley	\$175,256,047	6.8%
BlackRock LG	\$8	0.0%
BlackRock R1000 Growth Index	\$171,334,382	6.7%
BlackRock R1000 Index	\$168,898,894	6.6%
Brigade Capital	\$58,306,680	2.3%
Brown Brothers Harriman	\$83,795,586	3.3%
Chartwell	\$66,173,220	2.6%
DE Shaw	\$127,980,461	5.0%
Eaton Vance	\$62,808,491	2.5%
Franklin Templeton	\$119,457,627	4.7%
General Account	\$12,462,456	0.5%
Invesco	\$153,983,862	6.0%
Jennison	\$91,650,265	3.6%
Mondrian	\$212,345,816	8.3%
Private Equity	\$43,909,997	1.7%
Pyramis Bond	\$138,940,597	5.4%
Pyramis Int'l Equity	\$53,173,738	2.1%
SSgA Multisource Commodity	\$74,824,869	2.9%
T Rowe Price	\$123,818,824	4.8%
The Boston Co	\$57,334,433	2.2%
Transition Account	\$0	0.0%
Treasury & LAIF	\$2,230,666	0.1%
Western Asset	\$119,584,681	4.7%
Total	\$2,563,259,072	

Statistics Summary

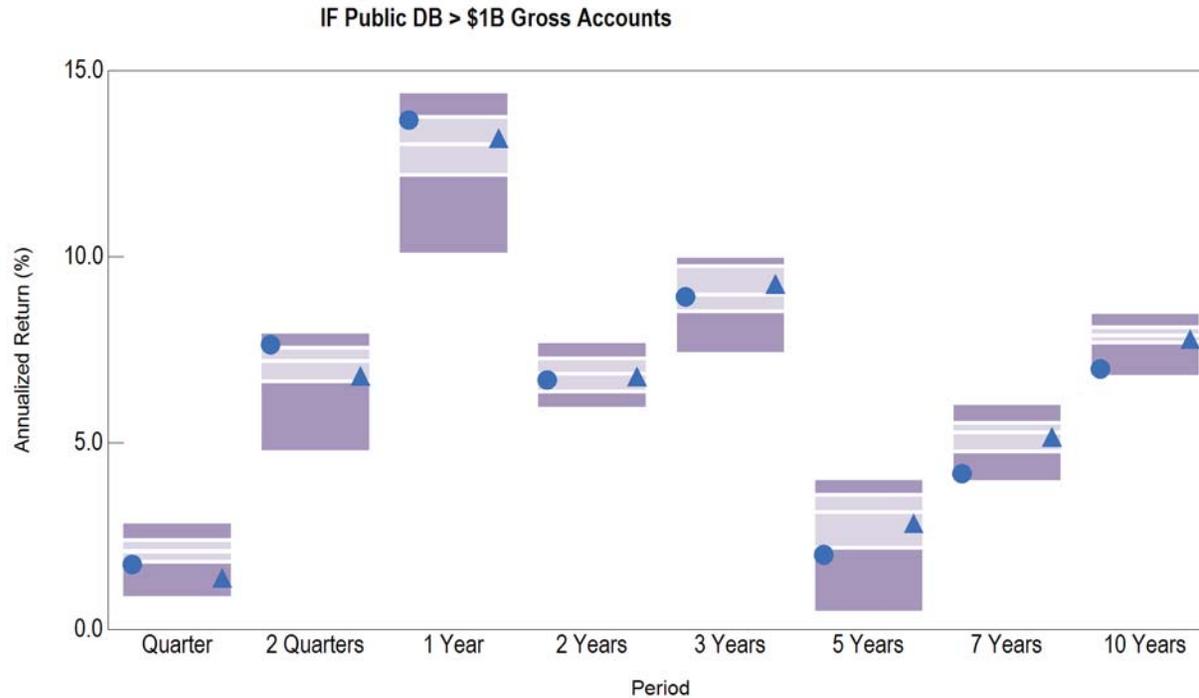
3 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fund	8.9%	10.8%	0.8	-0.3	1.2%
Policy Index	9.3%	11.3%	0.8	--	0.0%

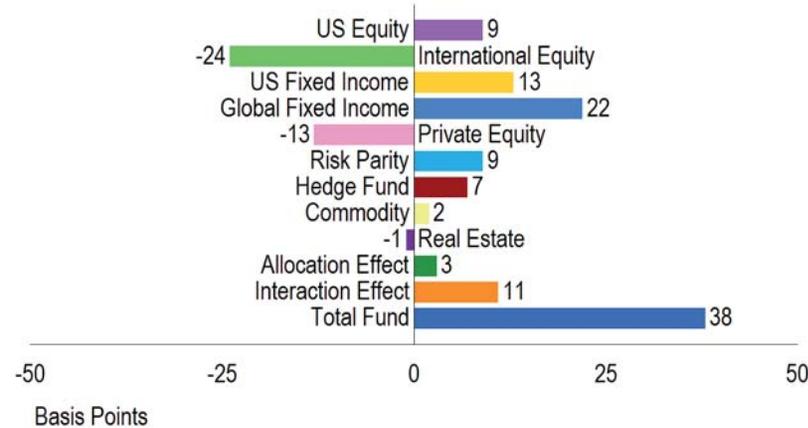
Statistics Summary

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fund	2.0%	13.5%	0.1	-0.5	1.6%
Policy Index	2.8%	14.3%	0.2	--	0.0%



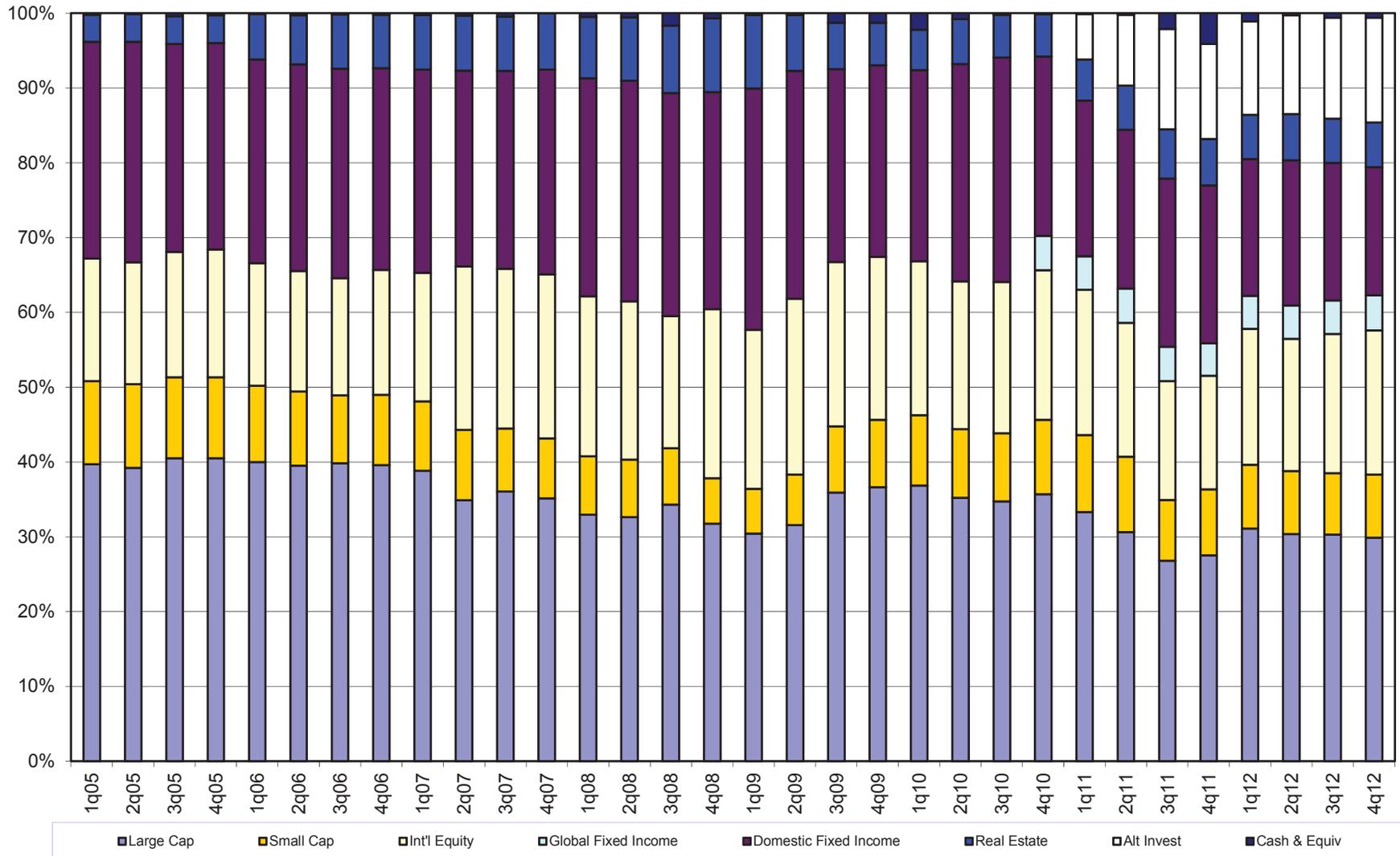
	Return (Rank)							
5th Percentile	2.9	8.0	14.4	7.7	10.0	4.0	6.1	8.5
25th Percentile	2.4	7.6	13.8	7.3	9.8	3.6	5.6	8.1
Median	2.1	7.2	13.0	6.9	9.0	3.1	5.3	7.9
75th Percentile	1.8	6.7	12.2	6.4	8.5	2.2	4.8	7.7
95th Percentile	0.9	4.8	10.1	5.9	7.4	0.5	4.0	6.8
# of Portfolios	36	36	36	34	33	32	32	31
● Total Fund	1.7 (80)	7.6 (23)	13.7 (29)	6.7 (61)	8.9 (57)	2.0 (78)	4.2 (91)	7.0 (94)
▲ Policy Index	1.4 (92)	6.8 (67)	13.2 (37)	6.8 (52)	9.3 (34)	2.8 (60)	5.2 (58)	7.8 (64)



	Actual Return	Target Return	Relative Return	Selection Effect	Asset Allocation Effect	Interaction Effects	Total Effects
US Equity	0.71%	0.47%	0.24%	0.09%	-0.03%	0.01%	0.06%
International Equity	4.55%	5.89%	-1.35%	-0.24%	0.04%	-0.01%	-0.21%
US Fixed Income	1.30%	0.57%	0.73%	0.13%	0.01%	0.00%	0.14%
Global Fixed Income	4.82%	-0.29%	5.11%	0.22%	-0.01%	0.01%	0.23%
Private Equity	-0.48%	1.07%	-1.55%	-0.13%	0.02%	0.10%	-0.01%
Risk Parity	1.79%	0.24%	1.55%	0.09%	-0.01%	0.01%	0.10%
Hedge Fund	3.31%	1.06%	2.25%	0.07%	0.00%	-0.01%	0.06%
Commodity	-5.70%	-6.33%	0.63%	0.02%	-0.01%	0.00%	0.01%
Real Estate	2.11%	2.35%	-0.24%	-0.01%	0.01%	0.00%	0.00%
Total	1.74%	1.36%	0.38%	0.24%	0.03%	0.11%	0.38%

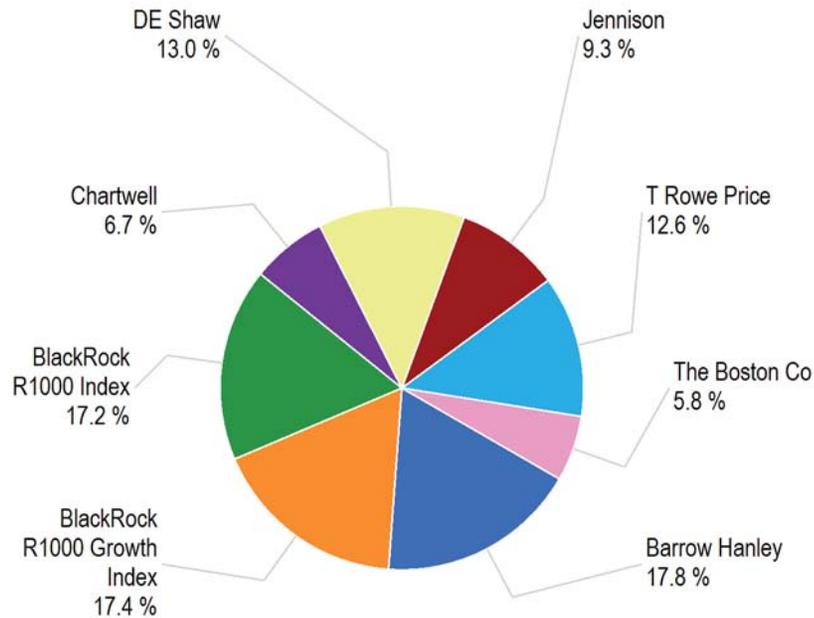
Asset Allocation History - Quarterly

Periods Ending December 31, 2012



Manager Allocation Analysis - US Equity

As of December 31, 2012



	Actual \$	Actual %
Barrow Hanley	\$175,256,047	17.8%
BlackRock LG	\$8	0.0%
BlackRock R1000 Growth Index	\$171,334,382	17.4%
BlackRock R1000 Index	\$168,898,894	17.2%
Chartwell	\$66,173,220	6.7%
DE Shaw	\$127,980,461	13.0%
Jennison	\$91,650,265	9.3%
T Rowe Price	\$123,818,824	12.6%
The Boston Co	\$57,334,433	5.8%
Total	\$982,446,533	

Statistics Summary

3 Years

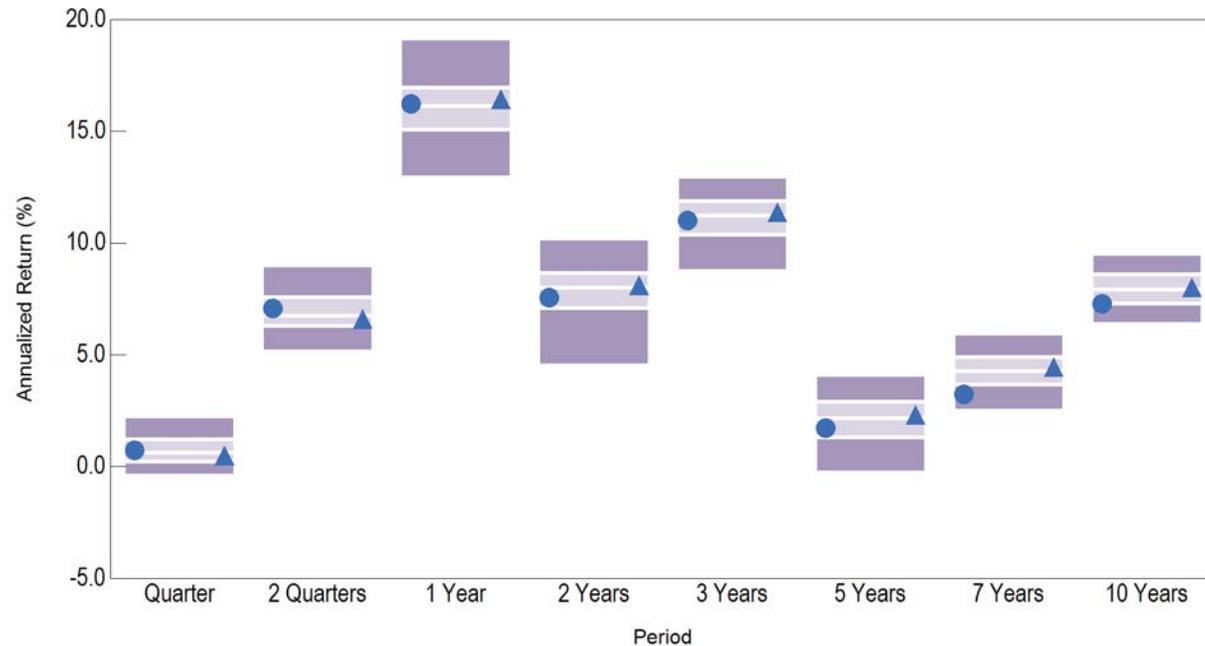
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	11.0%	17.0%	0.6	-0.3	1.1%
80% R1000/ 20% R2000	11.4%	16.5%	0.7	--	0.0%
Large Cap Equity	10.1%	16.3%	0.6	-1.0	1.1%
Russell 1000	11.1%	15.6%	0.7	--	0.0%
Barrow Hanley	10.9%	16.5%	0.7	0.0	2.4%
Russell 1000 Value	10.9%	15.7%	0.7	--	0.0%
BlackRock R1000 Index	11.2%	15.6%	0.7	3.6	0.0%
Russell 1000	11.1%	15.6%	0.7	--	0.0%
DE Shaw	11.5%	16.1%	0.7	0.2	1.8%
Russell 1000	11.1%	15.6%	0.7	--	0.0%
T Rowe Price	10.8%	15.6%	0.7	-0.1	0.8%
S&P 500	10.9%	15.3%	0.7	--	0.0%
Small Cap Equity	14.8%	19.8%	0.7	0.8	3.0%
Russell 2000	12.2%	20.5%	0.6	--	0.0%
The Boston Co	12.5%	20.1%	0.6	0.3	3.1%
Russell 2000 Value	11.6%	20.2%	0.6	--	0.0%
Chartwell	17.2%	21.0%	0.8	1.0	4.6%
Russell 2000 Growth	12.8%	21.0%	0.6	--	0.0%
Jennison	14.4%	19.3%	0.7	0.6	3.8%
Russell 2000	12.2%	20.5%	0.6	--	0.0%

Statistics Summary

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
US Equity	1.7%	20.7%	0.1	-0.5	1.2%
80% R1000/ 20% R2000	2.3%	20.3%	0.1	--	0.0%
Large Cap Equity	1.3%	19.7%	0.0	-0.5	1.2%
Russell 1000	1.9%	19.4%	0.1	--	0.0%
BlackRock R1000 Index	2.0%	19.4%	0.1	2.9	0.0%
Russell 1000	1.9%	19.4%	0.1	--	0.0%
Small Cap Equity	3.2%	25.6%	0.1	-0.1	4.4%
Russell 2000	3.6%	24.6%	0.1	--	0.0%
Chartwell	3.3%	24.7%	0.1	0.0	5.3%
Russell 2000 Growth	3.5%	24.8%	0.1	--	0.0%

IF All DB US Eq Gross Accounts



	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	2.2	9.0	19.2	10.2	13.0	4.1	5.9	9.5
25th Percentile	1.2	7.6	17.0	8.7	11.9	2.9	4.9	8.6
Median	0.6	6.8	16.2	8.0	11.3	2.2	4.3	7.9
75th Percentile	0.2	6.3	15.1	7.1	10.4	1.3	3.7	7.3
95th Percentile	-0.4	5.2	13.0	4.5	8.7	-0.3	2.5	6.4
# of Portfolios	556	552	542	513	454	422	380	287
● US Equity	0.7 (46)	7.1 (37)	16.2 (48)	7.6 (65)	11.0 (60)	1.7 (64)	3.2 (85)	7.3 (77)
▲ 80% R1000/ 20% R2000	0.5 (57)	6.6 (55)	16.4 (41)	8.1 (48)	11.4 (43)	2.3 (45)	4.4 (44)	8.0 (46)

Equity Only Summary Statistics - US Equity

Quarter Ending December 31, 2012

Characteristics

	Portfolio	Russell 3000
Number of Holdings	1,398	2,969
Weighted Avg. Market Cap. (\$B)	63.7	84.8
Median Market Cap. (\$B)	5.1	1.0
Price To Earnings	17.5	18.0
Price To Book	3.2	2.9
Price To Sales	2.2	2.2
Return on Equity (%)	17.2	17.6
Yield (%)	2.0	2.1
Beta (holdings; domestic)	1.2	1.1

Top Holdings

APPLE	2.1%
EXXON MOBIL	1.5%
PFIZER	1.3%
JP MORGAN CHASE & CO.	1.3%
GENERAL ELECTRIC	1.2%
CHEVRON	1.2%
JOHNSON & JOHNSON	1.1%
AT&T	1.1%
WELLS FARGO & CO	1.1%
MICROSOFT	1.1%

Best Performers

	Return %
CLEARWIRE 'A' (CLWR)	115.7%
GREEN MNT.COF.ROASTERS (GMCR)	74.1%
NETFLIX (NFLX)	70.1%
LOUISIANA PACIFIC (LPX)	54.6%
FARMER BROS. (FARM)	51.7%
ALPHA NATURAL RESOURCES (ANR)	48.2%
QUESTCOR PHARMS. (QCOR)	47.0%
EHEALTH (EHTH)	46.4%
GEOSPACE TECHNOLOGIES (GEOS)	45.2%
GENWORTH FINANCIAL (GNW)	43.6%

Worst Performers

	Return %
LODGENET INTACT. (LNETQ)	-91.9%
ACTIVE NETWORK (ACTV)	-60.8%
ITT EDUCATIONAL SVS. (ESI)	-46.3%
SERVICOURCE INTL. (SREV)	-43.1%
OCLARO (OCLR)	-41.6%
BLYTH (BTH)	-40.2%
DYNAVAX TECHNOLOGIES (DVAX)	-40.1%
ARC DOCUMENT SOLUTIONS (ARC)	-40.0%
PACIFIC SUNWEAR OF CAL. (PSUN)	-36.4%
AMARIN ADR 1:1 (AMRN)	-35.7%

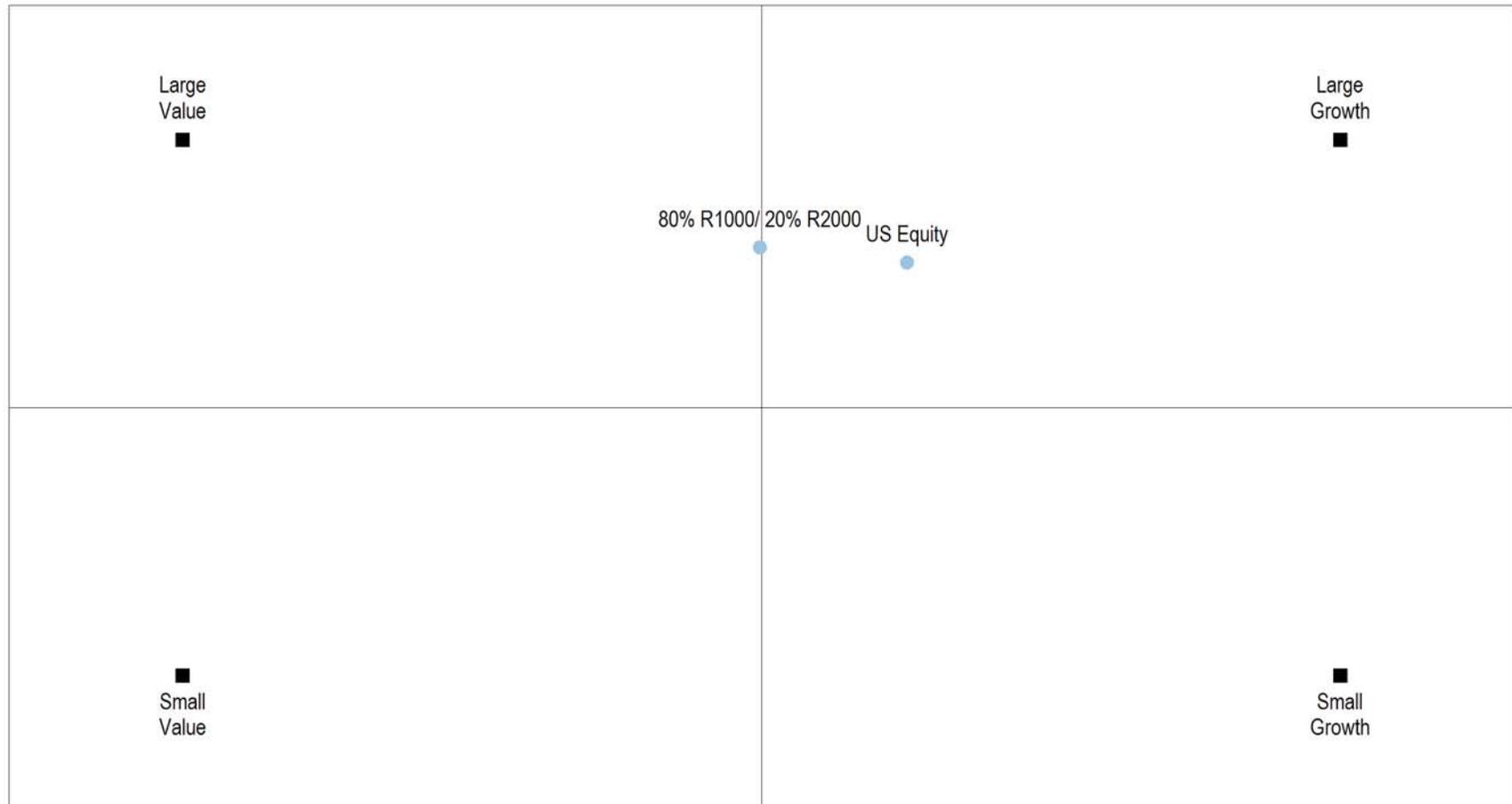
Equity Sector Attribution - US Equity

Quarter Ending December 31, 2012

US Equity Performance Attribution vs. Russell 3000

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	0.1%	0.0%	0.0%	-1.4%	-2.6%	8.5%	10.2%			
Materials	0.0%	0.0%	0.0%	0.0%	4.7%	3.5%	3.0%	3.9%			
Industrials	0.3%	0.2%	0.1%	0.0%	6.7%	5.2%	13.0%	10.7%			
Cons. Disc.	0.0%	0.0%	0.0%	0.0%	2.6%	2.9%	13.1%	12.2%			
Cons. Staples	0.0%	0.0%	0.0%	0.0%	-1.9%	-1.6%	7.6%	9.5%			
Health Care	0.0%	0.0%	0.0%	0.0%	-0.3%	-0.6%	12.8%	11.9%			
Financials	0.0%	0.0%	0.0%	0.0%	4.8%	4.9%	15.6%	16.0%			
Info. Tech	0.0%	0.1%	0.0%	0.0%	-4.4%	-4.8%	19.7%	19.1%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-5.0%	-5.6%	2.5%	2.9%			
Utilities	0.0%	0.0%	0.0%	0.0%	-2.9%	-2.4%	2.2%	3.5%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	1.8%	0.0%			
Portfolio	0.5%	=	0.3%	+	0.2%	+	0.0%	0.7%	0.2%	99.9%	100.0%

U.S. Effective Style Map



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

Quarter Ending December 31, 2012

Characteristics

	Portfolio	Russell 1000
Number of Holdings	1,170	991
Weighted Avg. Market Cap. (\$B)	85.5	91.7
Median Market Cap. (\$B)	7.1	5.7
Price To Earnings	17.6	18.4
Price To Book	3.2	3.3
Price To Sales	2.1	2.2
Return on Equity (%)	18.8	18.3
Yield (%)	2.3	2.2
Beta (holdings; domestic)	1.1	1.1

Top Holdings

APPLE	2.9%
EXXON MOBIL	2.1%
PFIZER	1.8%
JP MORGAN CHASE & CO.	1.7%
GENERAL ELECTRIC	1.6%
CHEVRON	1.6%
JOHNSON & JOHNSON	1.5%
AT&T	1.5%
WELLS FARGO & CO	1.5%
MICROSOFT	1.5%

Best Performers

	Return %
CLEARWIRE 'A' (CLWR)	115.7%
GREEN MNT.COF.ROASTERS (GMCR)	74.1%
NETFLIX (NFLX)	70.1%
LOUISIANA PACIFIC (LPX)	54.6%
FARMER BROS. (FARM)	51.7%
ALPHA NATURAL RESOURCES (ANR)	48.2%
QUESTCOR PHARMS. (QCOR)	47.0%
EHEALTH (EHTH)	46.4%
GENWORTH FINANCIAL (GNW)	43.6%
ABERCROMBIE & FITCH 'A' (ANF)	42.0%

Worst Performers

	Return %
LODGENET INTACT. (LNETQ)	-91.9%
ITT EDUCATIONAL SVS. (ESI)	-46.3%
BLYTH (BTH)	-40.2%
ARC DOCUMENT SOLUTIONS (ARC)	-40.0%
PACIFIC SUNWEAR OF CAL. (PSUN)	-36.4%
XENOPORT (XNPT)	-32.1%
PAIN THERAPEUTICS (PTIE)	-30.4%
MICROSTRATEGY (MSTR)	-30.3%
BEST BUY (BBY)	-30.1%
HERBALIFE (HLF)	-30.1%

Equity Sector Attribution - Large Cap Equity

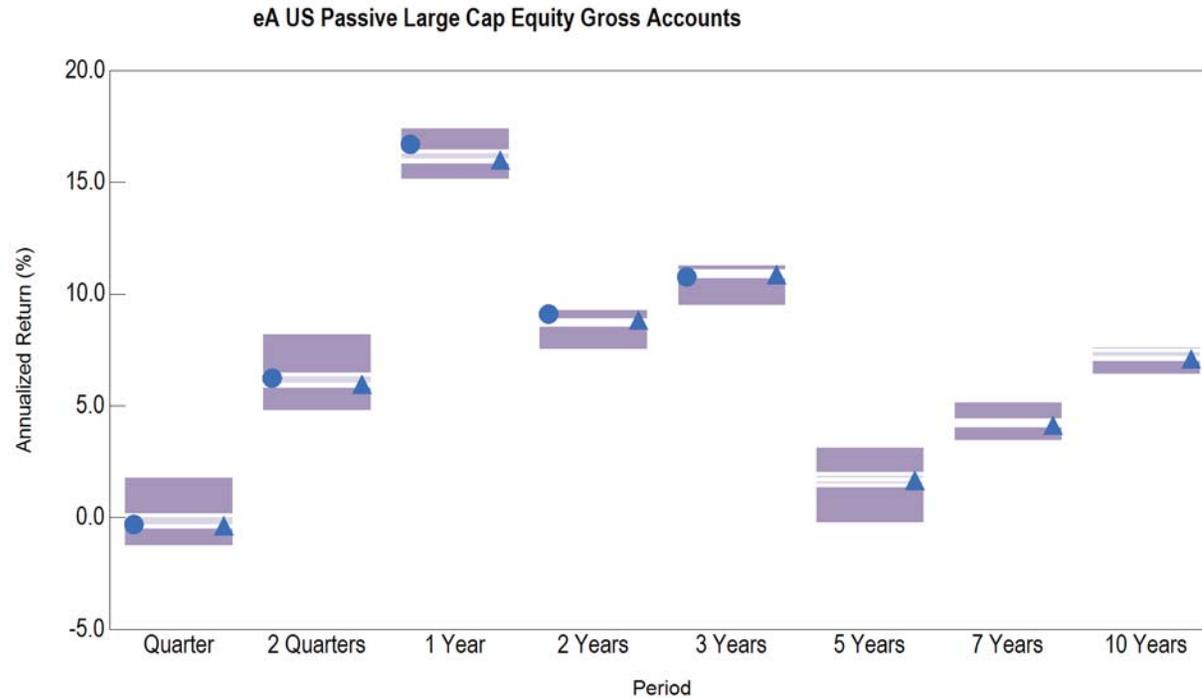
Quarter Ending December 31, 2012

Large Cap Equity Performance Attribution vs. Russell 1000

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.1%	0.1%	0.0%	0.0%	-1.7%	-2.6%	9.2%	10.5%			
Materials	0.0%	0.1%	0.0%	0.0%	4.9%	3.3%	2.9%	3.9%			
Industrials	0.2%	0.1%	0.1%	0.0%	5.2%	4.7%	12.4%	10.4%			
Cons. Disc.	-0.1%	-0.1%	0.0%	0.0%	2.4%	2.9%	12.0%	12.1%			
Cons. Staples	0.0%	0.0%	0.0%	0.0%	-1.6%	-1.6%	8.8%	10.0%			
Health Care	0.0%	0.0%	0.0%	0.0%	0.4%	0.1%	12.9%	11.8%			
Financials	-0.1%	-0.1%	0.0%	0.0%	4.7%	5.1%	14.9%	15.5%			
Info. Tech	-0.2%	-0.1%	-0.1%	0.0%	-5.9%	-5.2%	20.4%	19.3%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-6.1%	-5.6%	2.7%	3.0%			
Utilities	0.0%	0.0%	0.0%	0.0%	-3.0%	-2.4%	2.5%	3.5%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	1.3%	0.0%			
Portfolio	0.0%	=	0.0%	+	0.1%	+	0.0%	0.1%	0.1%	99.9%	100.0%

Total Returns - Passive Large Cap Equity

Periods Ending December 31, 2012



	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	1.8	8.3	17.5	9.4	11.4	3.2	5.2	7.7
25th Percentile	0.1	6.4	16.4	8.9	11.0	2.0	4.4	7.5
Median	-0.4	6.0	16.0	8.8	10.9	1.7	4.2	7.2
75th Percentile	-0.4	5.9	16.0	8.6	10.8	1.4	4.1	7.1
95th Percentile	-1.3	4.7	15.1	7.5	9.4	-0.3	3.4	6.4
# of Portfolios	36	36	36	36	36	35	34	30
● T Rowe Price	-0.3 (37)	6.2 (32)	16.7 (18)	9.1 (10)	10.8 (79)	-- (--)	-- (--)	-- (--)
▲ S&P 500	-0.4 (62)	6.0 (53)	16.0 (64)	8.8 (44)	10.9 (56)	1.7 (69)	4.1 (78)	7.1 (82)

Equity Only Summary Statistics - T Rowe Price

Quarter Ending December 31, 2012

Characteristics

	Portfolio	S&P 500
Number of Holdings	265	500
Weighted Avg. Market Cap. (\$B)	105.0	103.2
Median Market Cap. (\$B)	18.6	12.3
Price To Earnings	18.8	18.2
Price To Book	3.7	3.3
Price To Sales	2.3	2.1
Return on Equity (%)	21.7	19.0
Yield (%)	2.1	2.3
Beta (holdings; domestic)	1.1	1.1

Top Holdings

APPLE	4.3%
EXXON MOBIL	3.3%
MICROSOFT	1.9%
AT&T	1.9%
PROCTER & GAMBLE	1.7%
CHEVRON	1.7%
GOOGLE 'A'	1.7%
PFIZER	1.6%
GENERAL ELECTRIC	1.5%
JP MORGAN CHASE & CO.	1.5%

Best Performers

	Return %
GREEN MNT.COF.ROASTERS (GMCR)	74.1%
CARMAX (KMX)	32.7%
BANK OF AMERICA (BAC)	31.6%
GENERAL MOTORS (GM)	26.7%
US.STEEL (X)	25.4%
ATMEL (ATML)	24.5%
TRW AUTV.HDG. (TRW)	22.6%
CITIGROUP (C)	20.9%
ROBERT HALF INTL. (RHI)	20.1%
UNITED CONTINENTAL HDG. (UAL)	19.9%

Worst Performers

	Return %
WESTERN UNION (WU)	-24.6%
MARVELL TECH.GROUP (MRVL)	-20.1%
APPLE (AAPL)	-19.8%
ALEXION PHARMS. (ALXN)	-18.1%
NEWMONT MINING (NEM)	-16.5%
ROSS STORES (ROST)	-16.0%
EDWARDS LIFESCIENCES (EW)	-16.0%
KOHL'S (KSS)	-15.5%
EXELON (EXC)	-14.9%
NEWFIELD EXPLORATION (NFX)	-14.5%

Equity Sector Attribution - T Rowe Price

Quarter Ending December 31, 2012

T Rowe Price Performance Attribution vs. S&P 500

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.1%	-0.1%	0.0%	0.0%	-3.7%	-2.7%	11.4%	11.3%			
Materials	0.1%	0.1%	0.0%	0.0%	5.6%	2.7%	4.0%	3.5%			
Industrials	0.0%	0.0%	0.0%	0.0%	3.8%	3.5%	9.9%	9.7%			
Cons. Disc.	0.0%	0.0%	0.0%	0.0%	1.8%	2.2%	12.2%	11.1%			
Cons. Staples	0.1%	0.1%	0.0%	0.0%	-1.1%	-2.0%	10.1%	10.9%			
Health Care	0.0%	0.0%	0.0%	0.0%	-0.2%	0.1%	11.9%	12.0%			
Financials	-0.1%	-0.1%	0.0%	0.0%	5.0%	5.9%	14.7%	14.6%			
Info. Tech	0.1%	0.0%	0.0%	0.0%	-5.5%	-5.8%	19.4%	20.2%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-5.7%	-6.0%	3.1%	3.3%			
Utilities	0.0%	0.0%	0.0%	0.0%	-1.9%	-2.9%	2.8%	3.5%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.6%	0.0%			
Portfolio	0.1%	=	0.0%	+	0.1%	+	0.0%	-0.3%	-0.4%	100.0%	100.0%

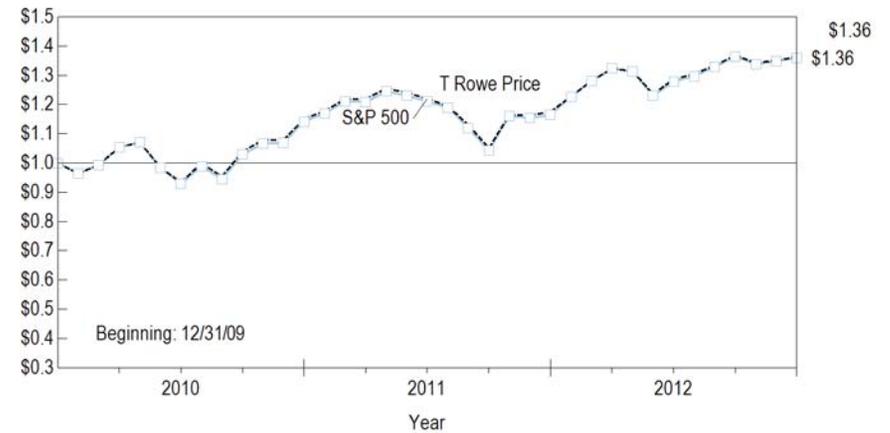
Return Based Style Analysis - T Rowe Price

3 Years Ending December 31, 2012

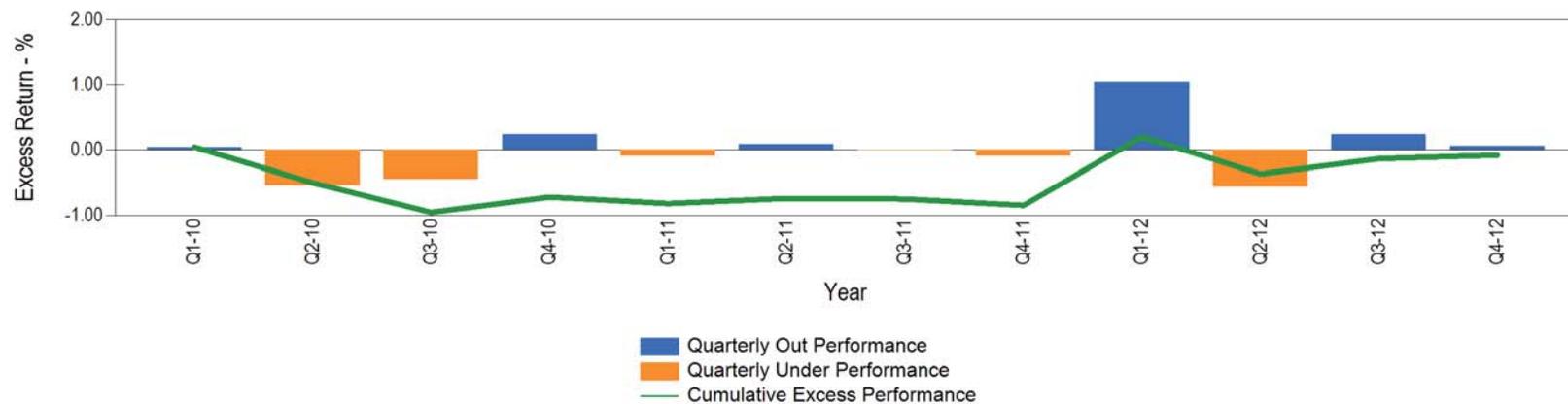
U.S. Effective Style Map



GROWTH OF A DOLLAR

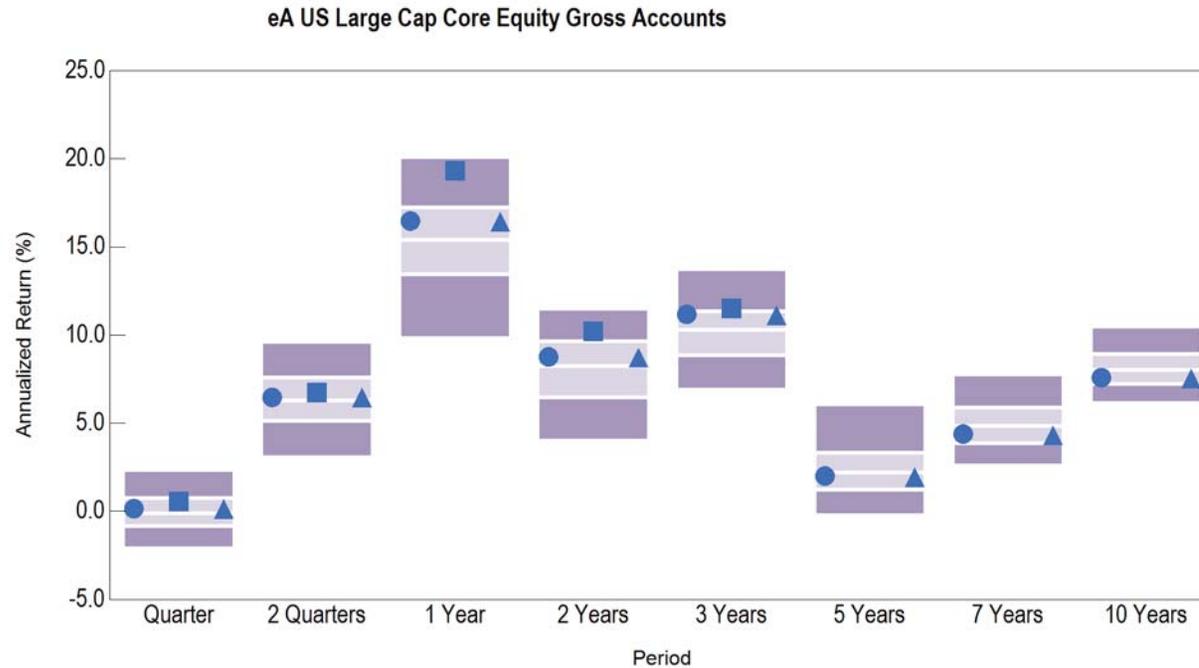


Quarterly and Cumulative Excess Performance



Total Returns - Large Cap Core Equity

Periods Ending December 31, 2012



	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	2.3	9.6	20.1	11.5	13.7	6.0	7.7	10.5
25th Percentile	0.8	7.6	17.2	9.6	11.3	3.3	5.9	9.0
Median	-0.1	6.3	15.4	8.2	10.3	2.2	4.8	8.0
75th Percentile	-0.8	5.1	13.4	6.5	8.9	1.2	3.9	7.2
95th Percentile	-2.1	3.1	9.8	4.0	6.9	-0.2	2.6	6.2
# of Portfolios	254	254	254	251	250	234	217	182
● BlackRock R1000 Index	0.1 (43)	6.5 (47)	16.5 (34)	8.8 (41)	11.2 (32)	2.0 (56)	4.4 (60)	7.6 (66)
■ DE Shaw	0.6 (34)	6.7 (41)	19.3 (8)	10.2 (20)	11.5 (23)	-- (--)	-- (--)	-- (--)
▲ Russell 1000	0.1 (44)	6.4 (47)	16.4 (34)	8.7 (41)	11.1 (33)	1.9 (58)	4.3 (63)	7.5 (67)

Equity Only Summary Statistics - BlackRock R1000 Index

Quarter Ending December 31, 2012

Characteristics

	Portfolio	Russell 1000
Number of Holdings	990	991
Weighted Avg. Market Cap. (\$B)	91.7	91.7
Median Market Cap. (\$B)	5.7	5.7
Price To Earnings	18.4	18.4
Price To Book	3.6	3.3
Price To Sales	2.4	2.2
Return on Equity (%)	21.4	18.3
Yield (%)	2.2	2.2
Beta (holdings; domestic)	1.1	1.1

Top Holdings

APPLE	3.4%
EXXON MOBIL	2.8%
GENERAL ELECTRIC	1.5%
CHEVRON	1.5%
INTERNATIONAL BUS.MCHS.	1.4%
MICROSOFT	1.4%
AT&T	1.4%
JOHNSON & JOHNSON	1.3%
PFIZER	1.3%
PROCTER & GAMBLE	1.3%

Best Performers

	Return %
CLEARWIRE 'A' (CLWR)	115.7%
GREEN MNT.COF.ROASTERS (GMCR)	74.1%
NETFLIX (NFLX)	70.1%
ALPHA NATURAL RESOURCES (ANR)	48.2%
GENWORTH FINANCIAL (GNW)	43.6%
ABERCROMBIE & FITCH 'A' (ANF)	42.0%
UNITED RENTALS (URI)	39.2%
JEFFERIES GP. (JEF)	36.9%
LIBERTY VENTURES 'A' (LVNTA)	36.5%
CREE (CREE)	33.2%

Worst Performers

	Return %
ITT EDUCATIONAL SVS. (ESI)	-46.3%
BEST BUY (BBY)	-30.1%
HERBALIFE (HLF)	-30.1%
ADVANCED MICRO DEVC. (AMD)	-28.8%
APOLLO GP.'A' (APOL)	-28.0%
TIBCO SOFTWARE (TIBX)	-27.3%
VERTEX PHARMS. (VRTX)	-25.0%
WESTERN UNION (WU)	-24.6%
FUSION-IO (FIO)	-24.2%
ALSP.HLTHCR.SLTN. (MDRX)	-24.2%

Equity Only Summary Statistics - DE Shaw

Quarter Ending December 31, 2012

Characteristics

	Portfolio	Russell 1000
Number of Holdings	586	991
Weighted Avg. Market Cap. (\$B)	96.4	91.7
Median Market Cap. (\$B)	5.0	5.7
Price To Earnings	18.0	18.4
Price To Book	3.1	3.3
Price To Sales	2.5	2.2
Return on Equity (%)	17.8	18.3
Yield (%)	2.0	2.2
Beta (holdings; domestic)	1.1	1.1

Top Holdings

APPLE	4.7%
PFIZER	2.8%
EXXON MOBIL	2.7%
GENERAL ELECTRIC	2.3%
PROCTER & GAMBLE	2.2%
PHILIP MORRIS INTL.	2.2%
WELLS FARGO & CO	2.1%
VISA 'A'	2.0%
JP MORGAN CHASE & CO.	2.0%
AMERICAN INTL.GP.	1.6%

Best Performers

	Return %
LOUISIANA PACIFIC (LPX)	54.6%
FARMER BROS. (FARM)	51.7%
ALPHA NATURAL RESOURCES (ANR)	48.2%
QUESTCOR PHARMS. (QCOR)	47.0%
EHEALTH (EHTH)	46.4%
GENWORTH FINANCIAL (GNW)	43.6%
ABERCROMBIE & FITCH 'A' (ANF)	42.0%
FIRST SOLAR (FSLR)	39.3%
NCI BUILDING SYS. (NCS)	38.6%
DYCOM INDS. (DY)	37.7%

Worst Performers

	Return %
LODGENET INTACT. (LNETQ)	-91.9%
BLYTH (BTH)	-40.2%
ARC DOCUMENT SOLUTIONS (ARC)	-40.0%
PACIFIC SUNWEAR OF CAL. (PSUN)	-36.4%
XENOPORT (XNPT)	-32.1%
PAIN THERAPEUTICS (PTIE)	-30.4%
MICROSTRATEGY (MSTR)	-30.3%
BEST BUY (BBY)	-30.1%
APOLLO GP.'A' (APOL)	-28.0%
FURNITURE BRANDS INTL. (FBN)	-26.9%

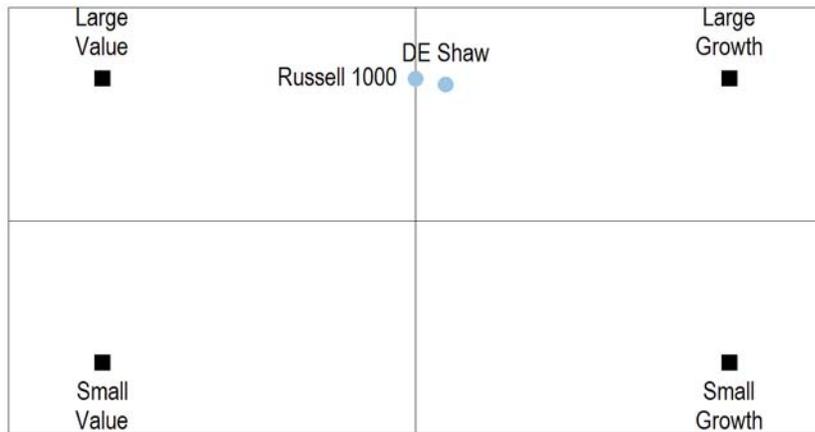
DE Shaw Performance Attribution vs. Russell 1000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.3%	0.3%	0.0%	0.0%	0.0%	-2.6%	11.0%	10.5%			
Materials	0.1%	0.1%	0.0%	0.0%	5.6%	3.3%	3.7%	3.9%			
Industrials	0.0%	-0.1%	0.0%	0.0%	4.2%	4.7%	10.6%	10.4%			
Cons. Disc.	0.0%	0.0%	0.0%	0.0%	3.1%	2.9%	12.0%	12.1%			
Cons. Staples	0.0%	0.0%	0.0%	0.0%	-1.5%	-1.6%	8.2%	10.0%			
Health Care	0.2%	0.2%	0.0%	0.0%	1.9%	0.1%	10.8%	11.8%			
Financials	0.0%	-0.1%	0.0%	0.0%	4.7%	5.1%	16.1%	15.5%			
Info. Tech	-0.2%	-0.1%	-0.1%	0.0%	-5.7%	-5.2%	21.4%	19.3%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	-6.9%	-5.6%	2.6%	3.0%			
Utilities	0.1%	0.1%	0.0%	0.0%	-0.7%	-2.4%	3.0%	3.5%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.1%	0.0%			
Portfolio	0.4%	=	0.4%	+	0.0%	+	0.0%	0.4%	0.1%	99.5%	100.0%

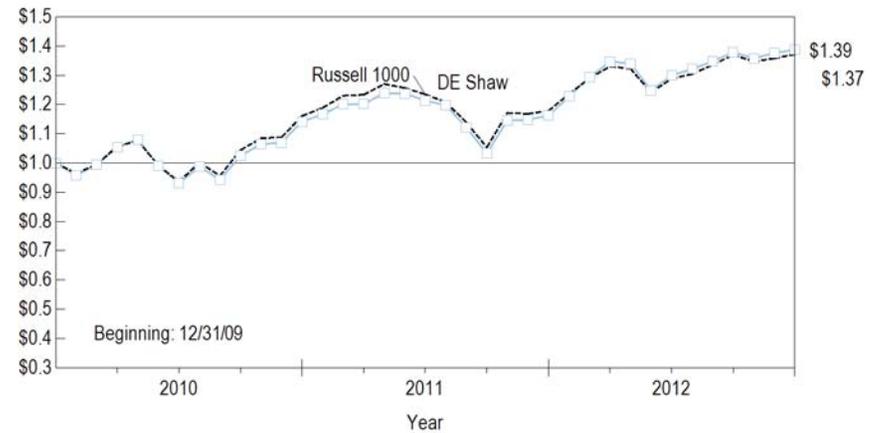
Return Based Style Analysis - DE Shaw

3 Years Ending December 31, 2012

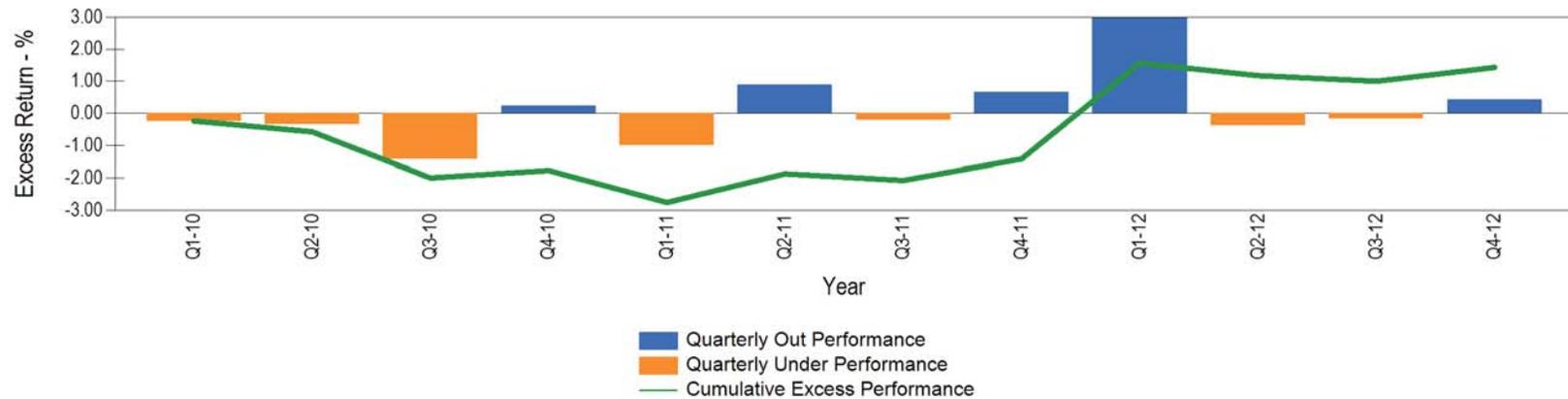
U.S. Effective Style Map



GROWTH OF A DOLLAR



Quarterly and Cumulative Excess Performance



Total Returns - Large Cap Value Equity

Periods Ending December 31, 2012



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	4.1	12.0	21.5	12.7	13.9	5.8	7.5	11.1
25th Percentile	2.5	9.2	18.0	9.8	11.8	3.3	5.5	9.0
Median	1.3	7.6	15.7	8.3	10.4	1.6	4.5	8.2
75th Percentile	0.2	6.1	13.0	6.3	8.7	0.6	3.4	7.4
95th Percentile	-1.5	3.5	9.6	2.5	6.6	-1.6	1.3	6.0
# of Portfolios	303	303	303	303	299	285	267	210
● Barrow Hanley	1.8 (38)	8.1 (44)	16.0 (48)	8.5 (46)	10.9 (40)	-- (--)	-- (--)	-- (--)
▲ Russell 1000 Value	1.5 (45)	8.1 (43)	17.5 (30)	8.6 (43)	10.9 (41)	0.6 (74)	3.3 (76)	7.4 (76)

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

Quarter Ending December 31, 2012

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	80	696
Weighted Avg. Market Cap. (\$B)	57.4	86.0
Median Market Cap. (\$B)	21.9	5.0
Price To Earnings	15.7	16.7
Price To Book	2.4	1.9
Price To Sales	1.5	1.6
Return on Equity (%)	15.0	12.9
Yield (%)	2.9	2.5
Beta (holdings; domestic)	1.3	1.2

Top Holdings

CAPITAL ONE FINL.	3.3%
STANLEY BLACK & DECKER	2.6%
SLM	2.5%
JP MORGAN CHASE & CO.	2.2%
PENTAIR	2.1%
JOHNSON & JOHNSON	2.0%
CHEVRON	2.0%
UNITEDHEALTH GP.	1.8%
BANK OF AMERICA	1.8%
PFIZER	1.8%

Best Performers

	Return %
BANK OF AMERICA (BAC)	31.6%
CITIGROUP (C)	20.9%
NEWELL RUBBERMAID (NWL)	17.5%
ITT (ITT)	16.9%
MURPHY OIL (MUR)	16.6%
EATON (ETN)	15.6%
PHILLIPS 66 (PSX)	15.2%
CIGNA (CI)	13.3%
ROYAL CARIBBEAN CRUISES (RCL)	12.9%
TEXAS INSTS. (TXN)	12.9%

Worst Performers

	Return %
WESTERN UNION (WU)	-24.6%
ANNALY CAPITAL MAN. (NLY)	-14.0%
CA (CA)	-13.7%
ST.JUDE MEDICAL (STJ)	-13.7%
ONEOK (OKE)	-10.9%
OCCIDENTAL PTL. (OXY)	-10.3%
VODAFONE GP.SPN.ADR 1:10 (VOD)	-9.8%
AT&T (T)	-9.5%
MICROSOFT (MSFT)	-9.5%
TEVA PHARM.INDS.ADR 1:1 (TEVA)	-9.2%

Equity Sector Attribution - Barrow Hanley

Quarter Ending December 31, 2012

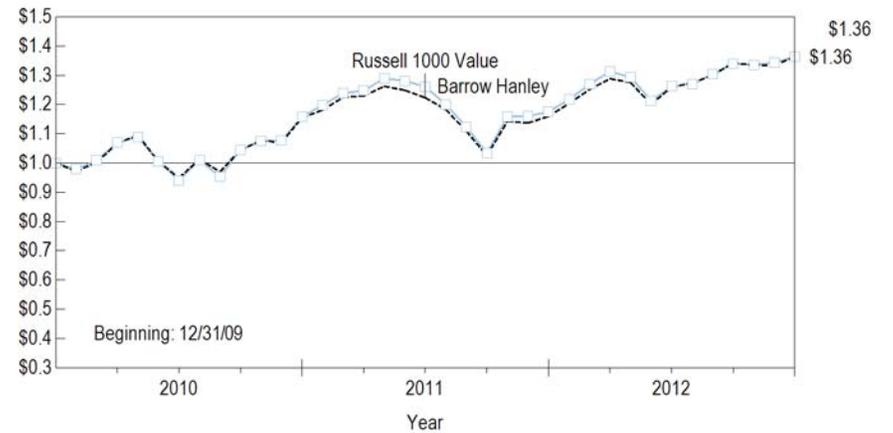
Barrow Hanley Performance Attribution vs. Russell 1000 Value

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.6%	0.4%	0.3%	-0.2%	-0.3%	-2.9%	10.5%	16.9%			
Materials	-0.1%	-0.2%	0.0%	0.2%	-3.1%	2.5%	0.8%	3.9%			
Industrials	0.5%	0.3%	0.0%	0.2%	4.7%	2.0%	16.1%	9.1%			
Cons. Disc.	-0.2%	-0.2%	0.0%	0.0%	4.4%	6.9%	8.2%	7.9%			
Cons. Staples	-0.2%	-0.1%	0.0%	0.0%	-1.9%	-0.2%	8.1%	7.3%			
Health Care	0.4%	0.3%	0.0%	0.1%	3.2%	0.4%	14.7%	11.7%			
Financials	-0.5%	-0.5%	-0.1%	0.0%	3.3%	5.2%	24.9%	26.4%			
Info. Tech	-0.6%	-0.5%	0.0%	-0.1%	-4.7%	2.6%	8.3%	6.4%			
Telecomm.	0.1%	0.0%	0.1%	0.0%	-8.4%	-8.0%	3.0%	3.8%			
Utilities	0.0%	-0.2%	0.1%	0.1%	-5.8%	-2.3%	3.3%	6.8%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	2.0%	0.0%			
Portfolio	-0.1%	=	-0.7%	+	0.4%	+	0.3%	1.4%	1.4%	100.0%	100.0%

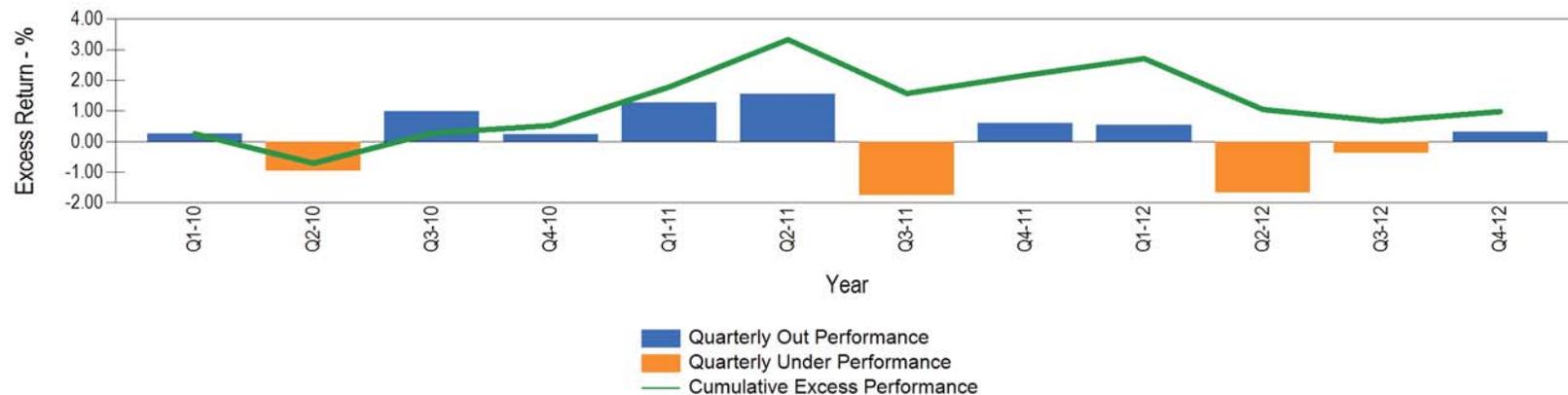
U.S. Effective Style Map



GROWTH OF A DOLLAR



Quarterly and Cumulative Excess Performance



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

Quarter Ending December 31, 2012

Characteristics

	Portfolio	Russell 2000
Number of Holdings	320	1,978
Weighted Avg. Market Cap. (\$B)	1.9	1.3
Median Market Cap. (\$B)	1.4	0.5
Price To Earnings	17.2	15.5
Price To Book	3.0	2.4
Price To Sales	2.5	2.1
Return on Equity (%)	12.3	9.6
Yield (%)	0.9	1.2
Beta (holdings; domestic)	1.5	1.4

Top Holdings

NETGEAR	1.3%
GENESEE & WYOMING 'A'	1.2%
PIER 1 IMPORTS	1.0%
RBC BEARINGS	1.0%
VAIL RESORTS	1.0%
CHEESECAKE FACTORY	1.0%
AIR METHODS	0.9%
PROTECTIVE LIFE	0.9%
ROSETTA RESOURCES	0.9%
FEI	0.8%

Best Performers

	Return %
LOUISIANA PACIFIC (LPX)	54.6%
QUESTCOR PHARMS. (QCOR)	47.0%
GEOSPACE TECHNOLOGIES (GEOS)	45.2%
WARNACO GP. (WRC)	37.9%
DYCOM INDS. (DY)	37.7%
M/I HOMES (MHO)	37.0%
BIG 5 SPTG.GOODS (BGFV)	31.7%
POLYPORE INTERNATIONAL (PPO)	31.5%
STEELCASE 'A' (SCS)	30.4%
PINNACLE ENTM. (PNK)	29.3%

Worst Performers

	Return %
ACTIVE NETWORK (ACTV)	-60.8%
SERVICOURCE INTL. (SREV)	-43.1%
OCLARO (OCLR)	-41.6%
DYNAVAX TECHNOLOGIES (DVAX)	-40.1%
AMARIN ADR 1:1 (AMRN)	-35.7%
NUVASIVE (NUVA)	-32.5%
CHILDRENS PLACE RET. STORES (PLCE)	-26.2%
UNIVERSAL DISPLAY (PANL)	-25.4%
ALIGN TECH. (ALGN)	-24.9%
TRULIA (TRLA)	-24.2%

Equity Sector Attribution - Small Cap Equity

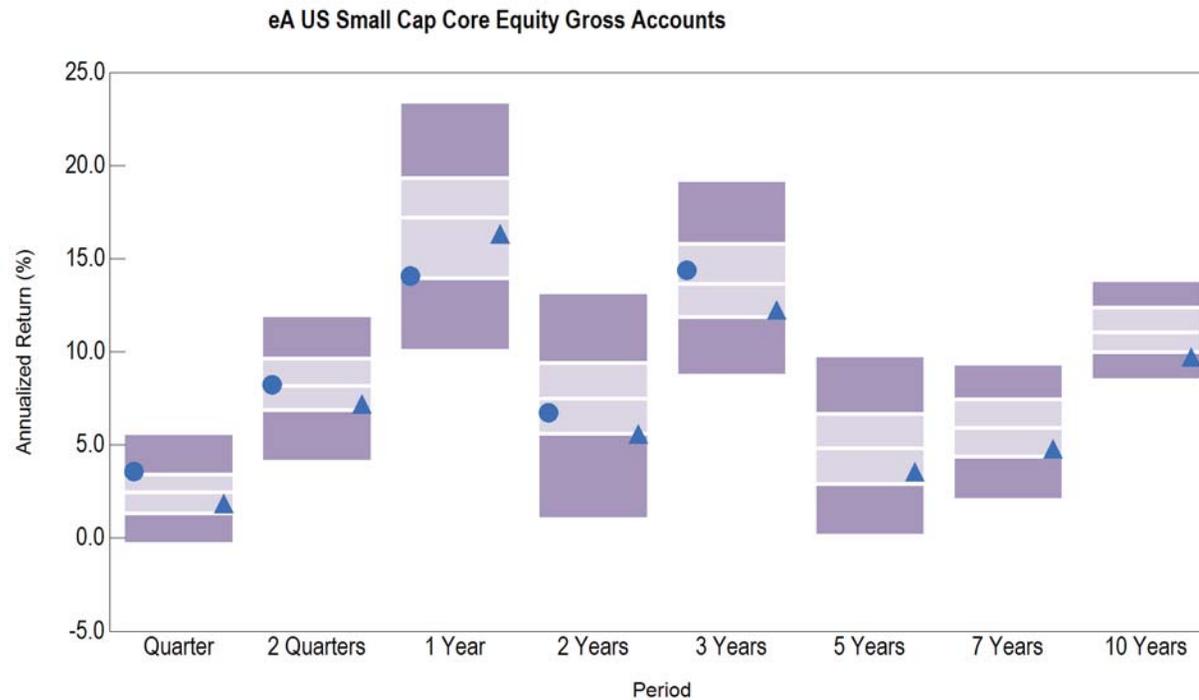
Quarter Ending December 31, 2012

Small Cap Equity Performance Attribution vs. Russell 2000

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.0%	0.0%	0.0%	0.0%	-0.3%	-0.8%	6.2%	6.1%			
Materials	-0.1%	-0.1%	-0.1%	0.0%	4.3%	5.6%	3.5%	5.1%			
Industrials	0.3%	0.2%	0.1%	0.0%	11.1%	9.5%	15.3%	14.4%			
Cons. Disc.	0.0%	0.0%	0.0%	0.0%	3.1%	3.1%	17.0%	13.9%			
Cons. Staples	-0.1%	-0.1%	0.0%	0.0%	-5.1%	-1.6%	3.1%	3.7%			
Health Care	0.7%	0.6%	0.1%	0.0%	-3.0%	-7.6%	12.3%	13.2%			
Financials	0.4%	0.6%	0.0%	-0.1%	5.1%	2.6%	18.5%	22.4%			
Info. Tech	0.0%	0.0%	0.0%	0.0%	2.0%	1.8%	17.3%	16.8%			
Telecomm.	0.0%	0.1%	-0.1%	0.1%	1.2%	-5.6%	1.8%	0.8%			
Utilities	0.1%	0.0%	0.1%	0.0%	-2.2%	-2.9%	1.2%	3.6%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	3.8%	0.0%			
Portfolio	1.4%	=	1.3%	+	0.1%	+	0.0%	3.1%	1.7%	100.0%	100.0%

Total Returns - Small Cap Core Equity

Periods Ending December 31, 2012



	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	5.6	12.0	23.4	13.2	19.2	9.8	9.3	13.9
25th Percentile	3.4	9.6	19.4	9.4	15.8	6.7	7.5	12.4
Median	2.5	8.2	17.2	7.5	13.7	4.8	5.9	11.1
75th Percentile	1.3	6.9	14.0	5.6	11.9	2.9	4.4	10.0
95th Percentile	-0.3	4.1	10.1	1.0	8.7	0.2	2.0	8.5
# of Portfolios	127	127	127	125	124	115	101	82
● Jennison	3.6 (22)	8.2 (49)	14.1 (75)	6.7 (61)	14.4 (41)	-- (--)	-- (--)	-- (--)
▲ Russell 2000	1.9 (66)	7.2 (69)	16.3 (59)	5.6 (76)	12.2 (71)	3.6 (66)	4.8 (66)	9.7 (80)

Equity Only Summary Statistics - Jennison

Quarter Ending December 31, 2012

Characteristics

	Portfolio	Russell 2000
Number of Holdings	125	1,978
Weighted Avg. Market Cap. (\$B)	2.1	1.3
Median Market Cap. (\$B)	1.5	0.5
Price To Earnings	14.8	15.5
Price To Book	3.5	2.4
Price To Sales	2.8	2.1
Return on Equity (%)	11.5	9.6
Yield (%)	1.1	1.2
Beta (holdings; domestic)	1.4	1.4

Top Holdings

AIR METHODS	2.1%
ROSETTA RESOURCES	2.1%
TW TELECOM 'A'	2.0%
WHITE MOUNTAINS IN.GP.	2.0%
BIOMARIN PHARM.	1.9%
RBC BEARINGS	1.9%
WEX	1.8%
CHEESECAKE FACTORY	1.6%
HEARTLAND EXPRESS	1.5%
MFA FINANCIAL	1.5%

Best Performers

	Return %
WARNACO GP. (WRC)	37.9%
POLYPORE INTERNATIONAL (PPO)	31.5%
PINNACLE ENTM. (PNK)	29.3%
LUMOS NETWORKS (LMOS)	29.3%
MOBILE MINI (MINI)	24.8%
FTI CONSULTING (FCN)	23.7%
BIOMARIN PHARM. (BMRN)	22.2%
CHICAGO BDG.&IO. (CBI)	21.8%
CHENIERE EN. (LNG)	20.9%
STANCORP FINL.GP. (SFG)	20.7%

Worst Performers

	Return %
SERVICESTOURCE INTL. (SREV)	-43.1%
OCLARO (OCLR)	-41.6%
AMARIN ADR 1:1 (AMRN)	-35.7%
TRULIA (TRLA)	-24.2%
NTELOS HOLDINGS (NTLS)	-22.2%
LAREDO PETROLEUM HDG. (LPI)	-17.4%
BERRY PTL.A (BRY)	-17.2%
CARRIZO O&G. (CRZO)	-16.4%
FLUIDIGM (FLDM)	-15.8%
ADECOAGRO (AGRO)	-15.7%

Equity Sector Attribution - Jennison

Quarter Ending December 31, 2012

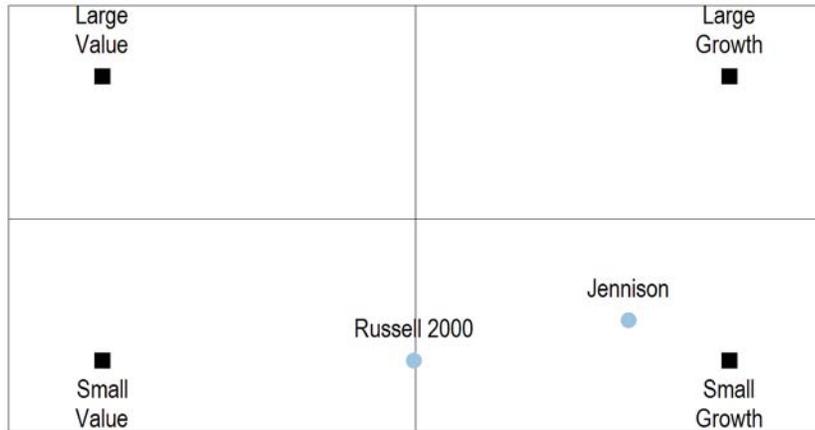
Jennison Performance Attribution vs. Russell 2000

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.2%	-0.2%	0.0%	0.0%	-3.5%	-0.8%	6.9%	6.1%			
Materials	-0.1%	-0.1%	0.0%	0.0%	3.2%	5.6%	3.8%	5.1%			
Industrials	0.0%	-0.1%	0.2%	0.0%	8.5%	9.5%	16.9%	14.4%			
Cons. Disc.	0.2%	0.2%	0.0%	0.0%	4.6%	3.1%	12.9%	13.9%			
Cons. Staples	-0.2%	-0.2%	0.0%	0.0%	-7.8%	-1.6%	3.2%	3.7%			
Health Care	1.1%	1.1%	-0.1%	0.1%	0.8%	-7.6%	13.9%	13.2%			
Financials	0.3%	0.4%	0.0%	-0.1%	4.4%	2.6%	19.4%	22.4%			
Info. Tech	0.3%	0.4%	0.0%	0.0%	3.9%	1.8%	14.6%	16.8%			
Telecomm.	0.0%	0.1%	-0.2%	0.2%	1.2%	-5.6%	4.2%	0.8%			
Utilities	0.2%	--	0.2%	--	--	-2.9%	0.0%	3.6%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	4.2%	0.0%			
Portfolio	1.6%	=	1.5%	+	-0.1%	+	0.2%	3.3%	1.7%	100.0%	100.0%

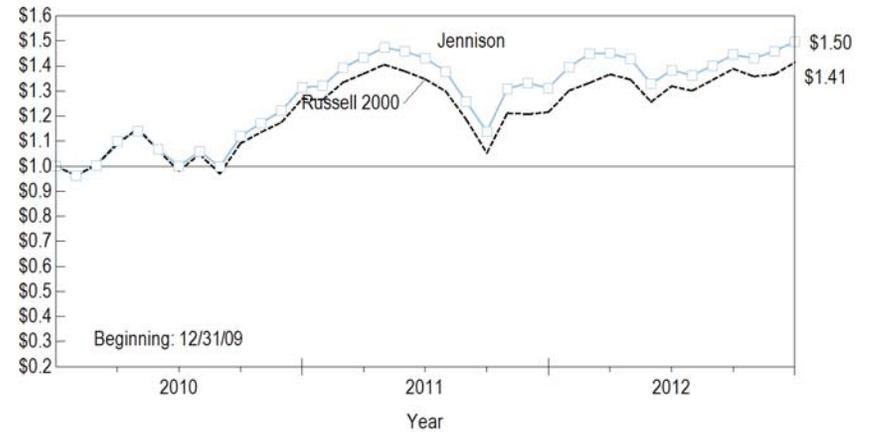
Return Based Style Analysis - Jennison

3 Years Ending December 31, 2012

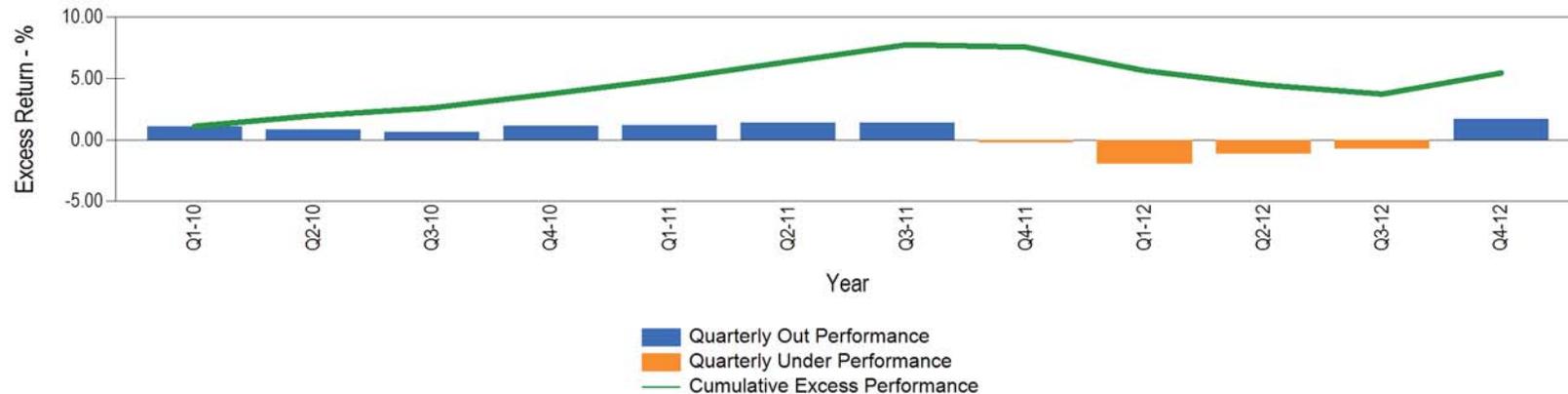
U.S. Effective Style Map



GROWTH OF A DOLLAR

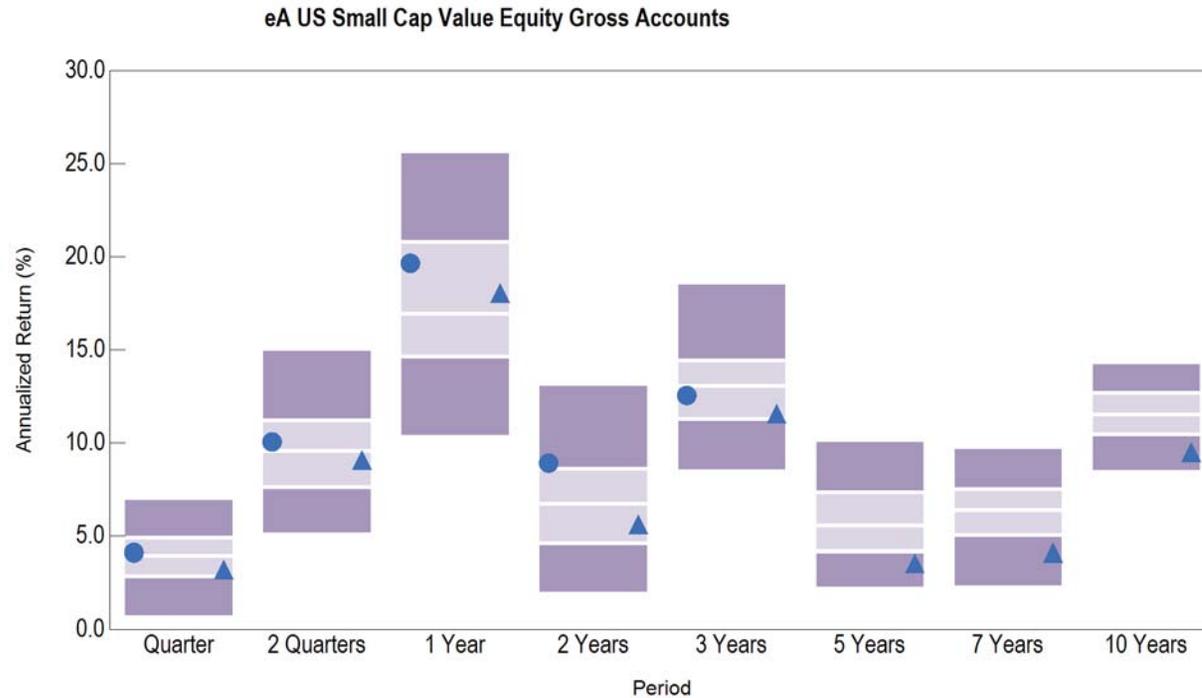


Quarterly and Cumulative Excess Performance



Total Returns - Small Cap Value Equity

Periods Ending December 31, 2012



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	7.0	15.0	25.7	13.2	18.6	10.1	9.8	14.3
25th Percentile	4.9	11.2	20.8	8.6	14.4	7.4	7.5	12.7
Median	4.0	9.6	16.9	6.7	13.1	5.6	6.4	11.5
75th Percentile	2.9	7.6	14.7	4.6	11.3	4.2	5.1	10.5
95th Percentile	0.7	5.1	10.3	1.9	8.5	2.2	2.3	8.5
# of Portfolios	187	187	187	186	184	172	152	132
● The Boston Co	4.1 (46)	10.1 (43)	19.7 (32)	8.9 (21)	12.5 (60)	-- (--)	-- (--)	-- (--)
▲ Russell 2000 Value	3.2 (67)	9.1 (55)	18.0 (43)	5.6 (68)	11.6 (72)	3.5 (86)	4.1 (89)	9.5 (89)

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

Quarter Ending December 31, 2012

Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	142	1,422
Weighted Avg. Market Cap. (\$B)	1.5	1.2
Median Market Cap. (\$B)	1.3	0.5
Price To Earnings	15.8	13.1
Price To Book	2.0	1.5
Price To Sales	1.6	1.7
Return on Equity (%)	10.6	6.6
Yield (%)	1.2	1.8
Beta (holdings; domestic)	1.4	1.4

Top Holdings

CORELOGIC	1.4%
CYTEC INDS.	1.4%
FIRST AMER.FINL.	1.4%
E*TRADE FINANCIAL	1.3%
DANA HOLDING	1.3%
GRANITE CON.	1.3%
STEELCASE 'A'	1.2%
CARPENTER TECH.	1.2%
VISHAY INTERTECHNOLOGY	1.2%
WINTRUST FINANCIAL	1.1%

Best Performers

	Return %
LOUISIANA PACIFIC (LPX)	54.6%
GEOSPACE TECHNOLOGIES (GEOS)	45.2%
WARNACO GP. (WRC)	37.9%
M/I HOMES (MHO)	37.0%
BIG 5 SPTG.GOODS (BGFV)	31.7%
STEELCASE 'A' (SCS)	30.4%
BRUNSWICK (BC)	28.8%
DANA HOLDING (DAN)	27.4%
FREIGHTCAR AMERICA (RAIL)	26.4%
PIPER JAFFRAY (PJC)	26.2%

Worst Performers

	Return %
CHILDRENS PLACE RET. STORES (PLCE)	-26.2%
DOLE FOOD (DOLE)	-18.2%
APPROACH RESOURCES (AREX)	-17.0%
FINISH LINE 'A' (FINL)	-16.5%
COEUR D'ALENE MINES (CDE)	-14.7%
NATUS MEDICAL (BABY)	-14.6%
ATLAS AIR WWD.HDG.WNI. (AAWW)	-14.2%
DREAMWORKS ANIMATION SKG 'A' (DWA)	-13.8%
FARO TECHS. (FARO)	-13.6%
WEBSTER FINANCIAL (WBS)	-12.9%

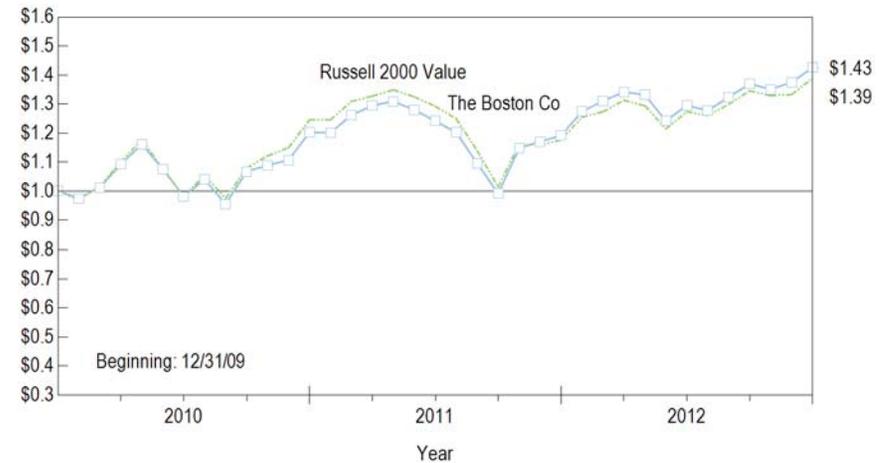
The Boston Co Performance Attribution vs. Russell 2000 Value

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.5%	0.6%	0.0%	0.0%	9.1%	0.6%	6.3%	6.5%			
Materials	-0.1%	-0.1%	0.1%	0.0%	5.3%	7.2%	7.0%	5.6%			
Industrials	0.0%	0.0%	0.0%	0.0%	9.2%	9.2%	12.1%	12.5%			
Cons. Disc.	0.3%	0.1%	0.2%	0.0%	6.2%	5.6%	18.8%	11.8%			
Cons. Staples	0.0%	0.1%	0.0%	0.0%	1.5%	-0.5%	4.0%	2.7%			
Health Care	0.0%	0.1%	-0.1%	0.0%	-4.7%	-6.1%	6.4%	4.9%			
Financials	0.0%	-0.1%	0.1%	0.0%	2.0%	2.3%	26.1%	36.7%			
Info. Tech	0.4%	0.4%	0.0%	0.1%	7.2%	4.2%	13.9%	12.1%			
Telecomm.	0.1%	--	0.1%	--	--	-6.8%	0.0%	0.6%			
Utilities	0.2%	0.0%	0.1%	0.0%	-2.2%	-2.9%	4.3%	6.7%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	1.1%	0.0%			
Portfolio	1.4%	=	0.9%	+	0.3%	+	0.1%	4.4%	3.0%	100.0%	100.0%

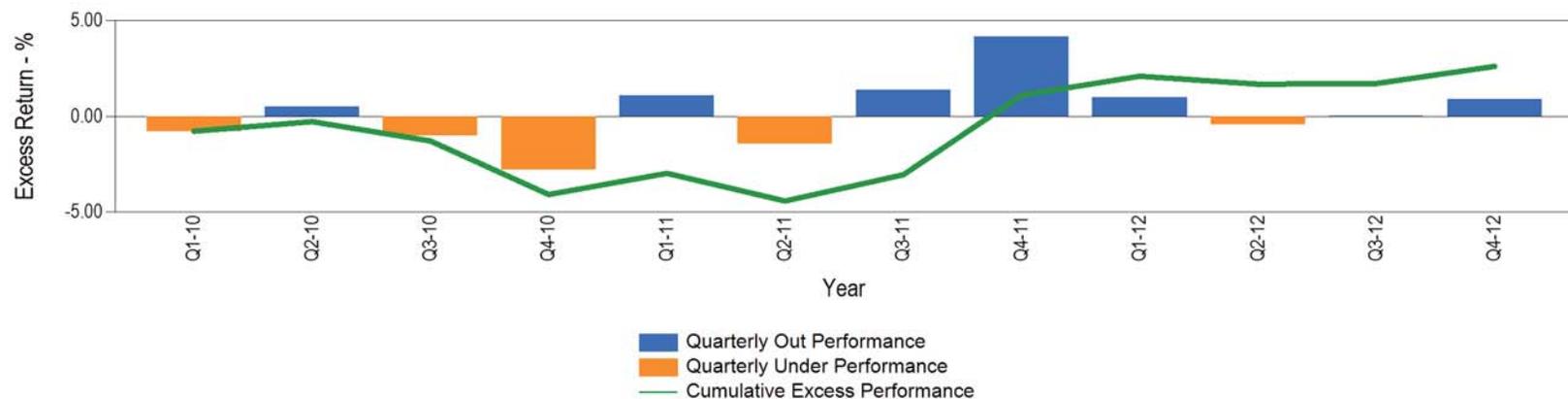
U.S. Effective Style Map



GROWTH OF A DOLLAR



Quarterly and Cumulative Excess Performance



Total Returns - Small Cap Growth Equity

Periods Ending December 31, 2012



	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	3.7	10.8	23.8	12.9	19.0	8.6	9.5	14.7
25th Percentile	1.5	7.8	18.0	9.2	15.7	5.8	7.6	12.1
Median	0.2	5.4	14.3	7.0	14.2	3.8	6.1	11.0
75th Percentile	-1.8	3.2	11.6	4.0	11.9	1.3	4.7	9.9
95th Percentile	-4.8	-0.9	5.4	-2.2	8.0	-1.8	1.5	7.9
# of Portfolios	162	162	162	160	156	142	130	111
● Chartwell	2.6 (14)	8.4 (22)	17.7 (27)	10.9 (10)	17.2 (11)	3.3 (56)	6.2 (50)	-- (--)
▲ Russell 2000 Growth	0.4 (45)	5.3 (51)	14.6 (48)	5.5 (62)	12.8 (66)	3.5 (54)	5.3 (68)	9.8 (77)
× Russell 2000	1.9 (20)	7.2 (32)	16.3 (34)	5.6 (62)	12.2 (73)	3.6 (53)	4.8 (71)	9.7 (78)

Equity Only Summary Statistics - Chartwell

Quarter Ending December 31, 2012

Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	93	1,120
Weighted Avg. Market Cap. (\$B)	1.9	1.5
Median Market Cap. (\$B)	1.5	0.6
Price To Earnings	21.9	18.3
Price To Book	3.4	4.0
Price To Sales	2.8	2.6
Return on Equity (%)	14.9	13.6
Yield (%)	0.4	0.4
Beta (holdings; domestic)	1.6	1.4

Top Holdings

GENESEE & WYOMING 'A'	2.7%
TRIMAS	2.6%
CATHAY GEN.BANCORP	2.3%
FEI	2.2%
HFF CLASS A	2.0%
AVIS BUDGET GROUP	2.0%
WESCO INTL.	1.9%
HEARTLAND PAYMENT SYS.	1.8%
CARDINAL FINL.	1.8%
OCWEN FINL.	1.8%

Best Performers

	Return %
QUESTCOR PHARMS. (QCOR)	47.0%
DYCOM INDS. (DY)	37.7%
AVIS BUDGET GROUP (CAR)	28.9%
BRUNSWICK (BC)	28.8%
OCWEN FINL. (OCN)	26.2%
GULFPORT EN. (GPOR)	22.3%
FLEETCOR TECHNOLOGIES (FLT)	19.8%
TEAM (TISI)	19.4%
ULTRATECH (UTEK)	18.9%
KRISPY KREME DOUGHNUTS (KKD)	18.3%

Worst Performers

	Return %
ACTIVE NETWORK (ACTV)	-60.8%
DYNAVAX TECHNOLOGIES (DVAX)	-40.1%
NUVASIVE (NUVA)	-32.5%
UNIVERSAL DISPLAY (PANL)	-25.4%
ALIGN TECH. (ALGN)	-24.9%
VOLTERRA SEMICON. (VLTR)	-21.5%
IMPAX LABS. (IPXL)	-21.1%
CARDTRONICS (CATM)	-20.2%
OXFORD INDS. (OXM)	-17.6%
GENESCO (GCO)	-17.6%

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%	-0.1%	0.0%	0.0%	-4.2%	-2.4%	5.1%	5.8%			
Materials	-0.1%	--	-0.1%	--	--	3.5%	0.0%	4.6%			
Industrials	0.9%	1.0%	0.0%	0.0%	16.0%	9.9%	16.0%	16.4%			
Cons. Disc.	-0.3%	-0.3%	0.0%	-0.1%	-0.6%	1.1%	21.2%	16.1%			
Cons. Staples	-0.1%	-0.4%	0.1%	0.2%	-10.0%	-2.2%	2.2%	4.7%			
Health Care	0.7%	0.2%	0.5%	-0.1%	-7.2%	-8.0%	15.3%	21.9%			
Financials	1.1%	0.7%	0.1%	0.3%	13.2%	4.0%	10.9%	7.6%			
Info. Tech	-0.6%	-0.6%	0.0%	-0.1%	-2.3%	0.5%	23.9%	21.7%			
Telecomm.	0.0%	--	0.0%	--	--	-4.7%	0.0%	0.9%			
Utilities	0.0%	--	0.0%	--	--	-4.0%	0.0%	0.3%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	5.5%	0.0%			
Portfolio	1.5%	=	0.5%	+	0.7%	+	0.3%	1.8%	0.3%	100.0%	100.0%

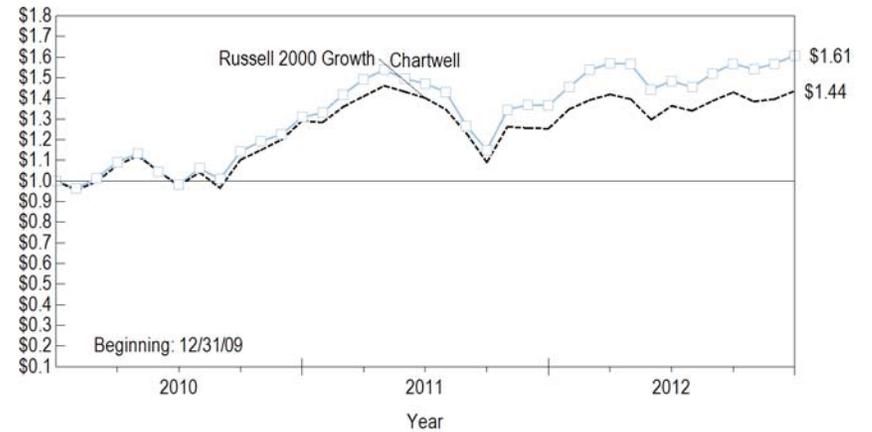
Return Based Style Analysis - Chartwell

3 Years Ending December 31, 2012

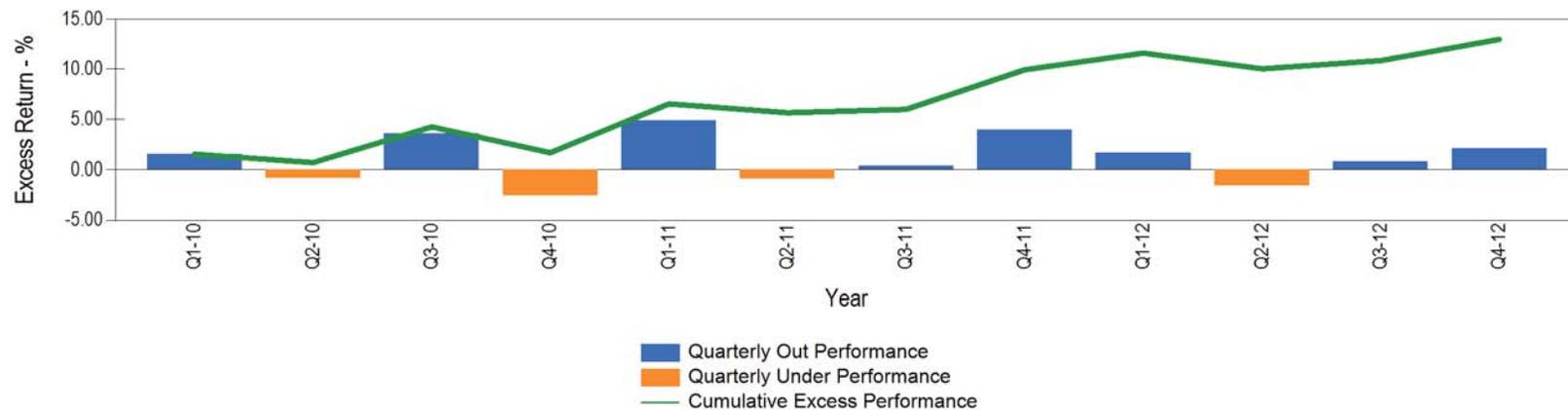
U.S. Effective Style Map



GROWTH OF A DOLLAR

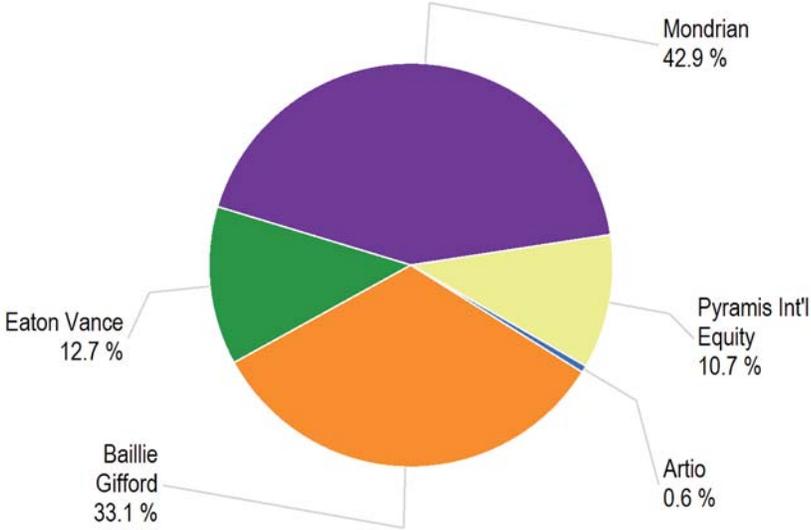


Quarterly and Cumulative Excess Performance



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

As of December 31, 2012



	Actual \$	Actual %
Artio	\$2,758,475	0.6%
Baillie Gifford	\$163,745,583	33.1%
Eaton Vance	\$62,808,491	12.7%
Mondrian	\$212,345,816	42.9%
Pyramis Int'l Equity	\$53,173,738	10.7%
Total	\$494,832,103	

Periods Ending December 31, 2012

Statistics Summary**3 Years**

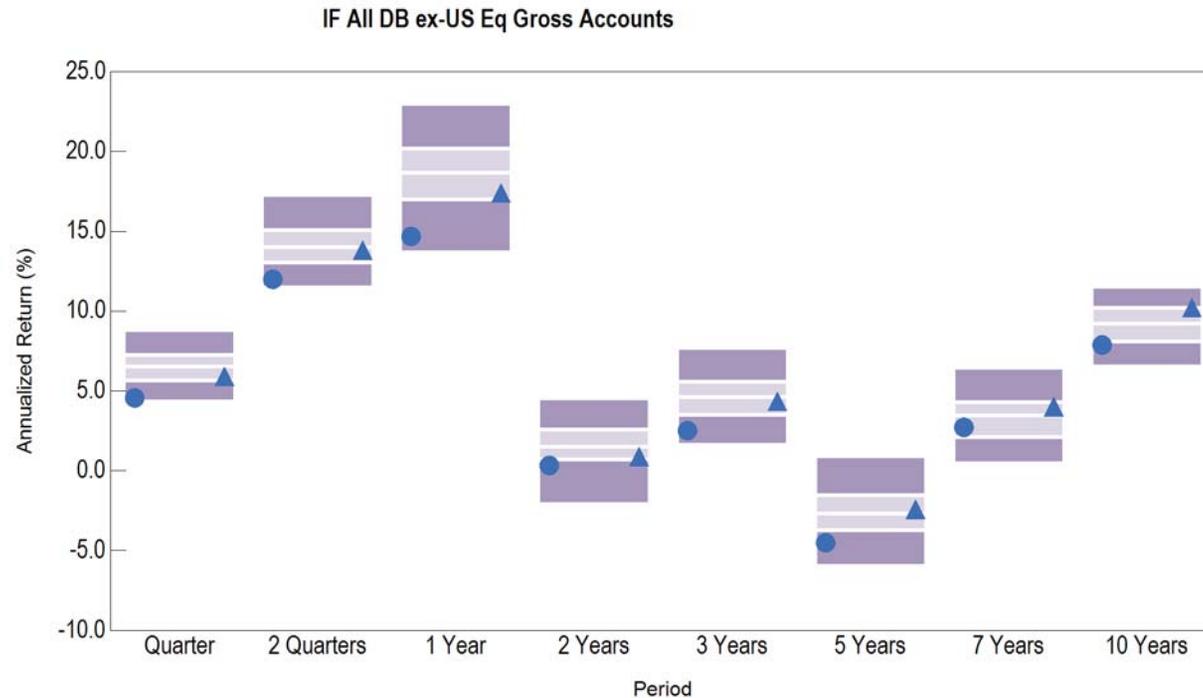
	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	2.5%	17.9%	0.1	-0.7	2.5%
MSCI ACWI ex US	4.3%	19.5%	0.2	--	0.0%
Mondrian	3.8%	17.2%	0.2	0.0	4.7%
MSCI ACWI ex USA Value Gross	3.7%	19.9%	0.2	--	0.0%

Statistics Summary**5 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
International Equity	-4.5%	21.8%	-0.2	-0.6	3.8%
MSCI ACWI ex US	-2.4%	24.3%	-0.1	--	0.0%
Mondrian	-2.4%	20.7%	-0.1	0.0	6.2%
MSCI ACWI ex USA Value Gross	-2.4%	25.1%	-0.1	--	0.0%

Total Returns - International Equity

Periods Ending December 31, 2012



	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	8.8	17.2	23.0	4.5	7.7	0.9	6.4	11.5
25th Percentile	7.2	15.1	20.2	2.6	5.6	-1.5	4.3	10.2
Median	6.6	14.0	18.7	1.5	4.6	-2.7	3.5	9.2
75th Percentile	5.7	13.1	17.0	0.7	3.5	-3.7	2.1	8.1
95th Percentile	4.4	11.5	13.7	-2.1	1.6	-5.9	0.5	6.5
# of Portfolios	358	355	351	326	285	255	216	143
● International Equity	4.5 (94)	12.0 (92)	14.7 (94)	0.3 (83)	2.5 (88)	-4.5 (86)	2.7 (66)	7.9 (80)
▲ MSCI ACWI ex US	5.9 (68)	13.8 (55)	17.4 (70)	0.9 (66)	4.3 (60)	-2.4 (45)	4.0 (33)	10.2 (26)

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

Quarter Ending December 31, 2012

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	902	1,827
Weighted Avg. Market Cap. (\$B)	39.7	47.7
Median Market Cap. (\$B)	5.6	6.2
Price To Earnings	15.6	16.0
Price To Book	2.9	2.2
Price To Sales	1.8	1.7
Return on Equity (%)	17.5	15.2
Yield (%)	3.4	3.1
Beta (holdings; global)	0.9	1.0

Top Holdings

DELAWARE POOLED TRUST EMERGING MARKETS PORTFOLIO	11.3%
UNILEVER (UK)	1.8%
TOTAL	1.8%
CANON	1.4%
KAO	1.3%
ROCHE HOLDING	1.3%
IBERDROLA	1.2%
NOVARTIS 'R'	1.2%
UNITED OVERSEAS BANK	1.2%
TESCO	1.2%

Excludes Pyramis Int'l Equity.

Best Performers

	Return %
NINE DRAGONS PAPER HDG. (K:NDRA)	81.3%
SUNTECH PWR.HDG.ADR 1:1 (STP)	77.9%
BYD 'H' (K:BYD)	72.0%
TURK HAVA YOLLARI (TK:THY)	67.5%
STANDARD CHT.BANK GHANA (GH:SCB)	61.7%
B2W VAREJO ON (BR:B2W)	58.2%
LONKING HOLDINGS (K:CINF)	57.0%
TURK TKTR.VE ZIRAAT MKE. (TK:TTR)	52.2%
CHONGQING CHANGAN AUTMB. 'B' (CN:CHO)	51.6%
THANACHART CAPITAL FB (Q:NFSF)	50.9%

Worst Performers

	Return %
SADOVAYA (PO:SGR)	-48.6%
LUPATECH (BR:LPT)	-48.4%
ELETRORBRAS ON (BR:EL3)	-48.2%
ELETRORBRAS PNB (BR:EL6)	-43.0%
TNK-BP HOLDINGS PF. (RS:TBP)	-39.1%
TMB BANK FB (Q:TMBF)	-37.6%
NCSOFT (KO:NCT)	-34.2%
INDAH KIAT PULP & PAPER (ID:IKP)	-33.8%
BAKRIE SUMATERA PLTNS. (ID:BAS)	-33.6%
KNM GROUP (L:KNMG)	-32.6%

Equity Sector Attribution - International Equity

Quarter Ending December 31, 2012

International Equity Performance Attribution vs. MSCI ACWI ex USA Gross

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.0%	-0.1%	0.0%	0.1%	-0.6%	-0.5%	10.9%	11.0%			
Materials	0.1%	0.0%	0.0%	0.0%	6.3%	5.9%	5.0%	10.9%			
Industrials	0.3%	0.1%	0.0%	0.3%	10.8%	7.9%	11.5%	10.4%			
Cons. Disc.	-0.5%	-0.5%	0.1%	-0.1%	5.4%	10.4%	10.9%	9.1%			
Cons. Staples	-0.2%	0.1%	-0.1%	-0.2%	3.4%	4.1%	14.4%	10.4%			
Health Care	-0.3%	0.0%	-0.2%	-0.1%	1.0%	2.2%	11.6%	7.4%			
Financials	-0.7%	-0.7%	-0.4%	0.4%	7.8%	10.3%	16.4%	24.7%			
Info. Tech	0.0%	0.2%	0.0%	-0.2%	7.4%	7.6%	5.3%	6.3%			
Telecomm.	-0.2%	-0.1%	-0.1%	0.1%	-3.5%	-2.5%	7.4%	5.9%			
Utilities	0.1%	0.1%	0.0%	0.1%	5.6%	1.5%	4.3%	3.7%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	2.4%	0.0%			
Portfolio	-1.6%	=	-0.9%	+	-0.8%	+	0.2%	4.3%	5.9%	100.0%	100.0%

Excludes Pyramis Int'l Equity.

Equity Performance Attribution - International Equity

Quarter Ending December 31, 2012

International Equity Performance Attribution
Versus 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	--	19.1%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Belgium	13.4%	6.1%	0.2%	0.8%	0.1%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	-0.7%	-3.2%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Denmark	4.5%	3.3%	2.0%	0.8%	0.0%	-0.1%	0.0%	0.0%	0.0%
Finland	9.1%	13.1%	0.7%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
France	10.4%	11.0%	7.3%	6.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Germany	-4.6%	8.1%	3.4%	5.8%	-0.7%	0.0%	-0.1%	0.3%	-0.5%
Greece	--	28.1%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Hungary*	-1.9%	-0.9%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Ireland	--	3.0%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Italy	8.8%	9.5%	2.1%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	5.3%	9.6%	2.7%	1.7%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Norway	-2.2%	1.0%	0.4%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	12.2%	11.9%	0.5%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	14.2%	10.8%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	3.9%	2.6%	1.3%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Spain	13.6%	9.9%	2.7%	2.0%	0.1%	0.0%	0.0%	0.0%	0.1%
Sweden	6.8%	5.1%	3.0%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Switzerland	7.2%	8.0%	6.0%	5.9%	0.0%	0.0%	0.0%	0.0%	0.0%
United Kingdom	1.9%	4.2%	15.1%	15.8%	-0.4%	0.0%	0.0%	0.0%	-0.3%

Excludes Pyramis Int'l Equity.

Equity Performance Attribution - International Equity

Quarter Ending December 31, 2012

International Equity Performance Attribution
Versus 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%	6.9%	4.7%	6.1%	-0.2%	0.0%	0.0%	0.0%	-0.2%
China*	9.9%	12.8%	3.8%	4.1%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Hong Kong	8.3%	5.7%	1.7%	2.1%	0.1%	0.0%	0.0%	0.0%	0.0%
India*	3.4%	0.8%	2.6%	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Indonesia*	1.5%	1.3%	1.2%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	-1.4%	5.9%	13.7%	13.5%	-1.1%	0.0%	0.1%	0.0%	-1.0%
Korea*	7.7%	4.8%	2.3%	3.7%	0.1%	0.1%	-0.1%	-0.1%	0.1%
Malaysia*	3.4%	3.8%	0.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	--	4.8%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Philippines*	2.6%	11.4%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	3.1%	3.2%	2.4%	1.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	3.2%	1.5%	1.7%	2.7%	0.1%	0.1%	0.0%	0.0%	0.1%
Thailand*	3.5%	6.7%	0.9%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Brazil*	4.2%	3.2%	2.7%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Canada	-1.3%	0.9%	0.6%	8.3%	-0.2%	0.3%	0.1%	0.2%	0.4%
Chile*	4.0%	-0.5%	0.8%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	11.7%	12.7%	0.3%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	9.9%	5.4%	1.8%	1.2%	0.1%	0.0%	0.0%	0.0%	0.1%
Peru*	12.7%	7.5%	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	4.6%	-0.4%	1.2%	0.0%	0.0%	-0.1%	0.0%	0.1%	0.0%

Excludes Pyramis Int'l Equity.

Equity Performance Attribution - International Equity

Quarter Ending December 31, 2012

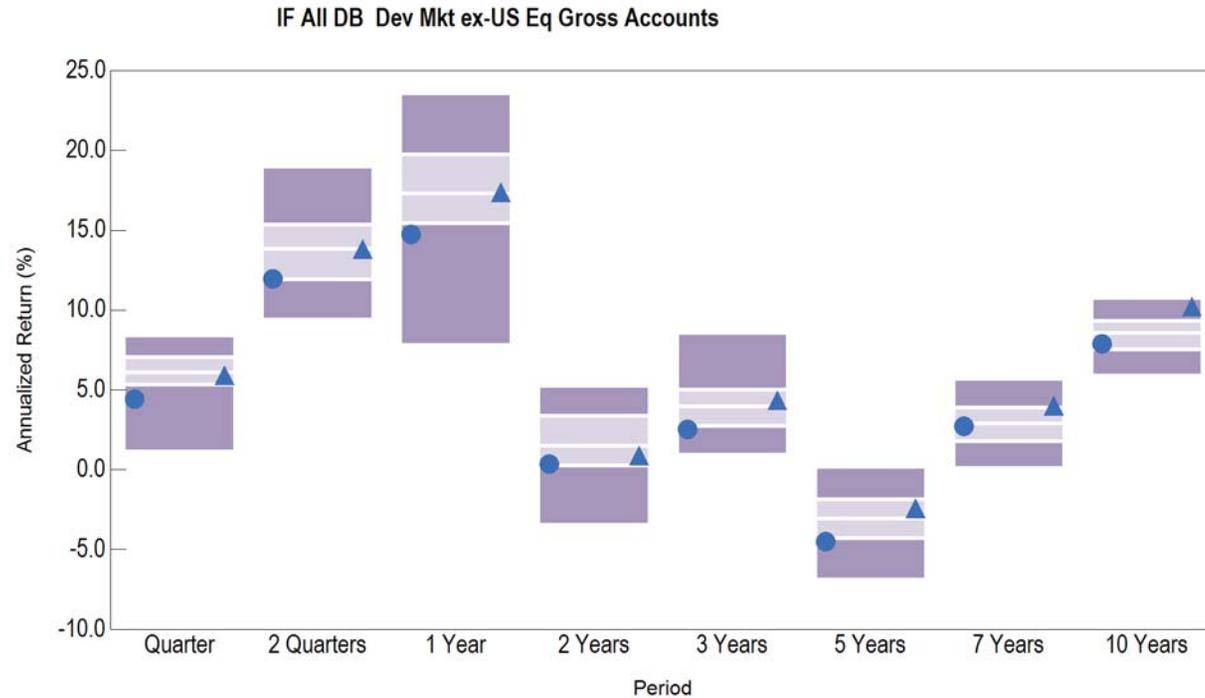
**International Equity Performance Attribution
Versus MSCI ACWI ex USA Gross**

	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*	-5.8%	-9.8%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Israel	-9.2%	-3.8%	0.9%	0.4%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Morocco*	-0.4%	1.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
South Africa*	6.8%	6.2%	1.7%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	21.4%	18.7%	1.5%	0.4%	0.0%	0.1%	0.0%	0.0%	0.2%
Other Countries*	-7.4%	5.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Totals									
Americas	5.9%	2.1%	8.0%	13.4%	0.4%	0.2%	0.1%	-0.2%	0.6%
Europe	5.2%	6.9%	48.0%	46.3%	-0.8%	0.0%	0.0%	0.0%	-0.8%
Asia/Pacific	2.7%	6.0%	36.1%	37.5%	-1.1%	0.0%	0.0%	0.0%	-1.2%
Other	6.8%	6.0%	5.6%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	2.4%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
Unclassified	--	--	--	0.0%	--	0.0%	0.0%	--	0.0%
Total	4.3%	5.9%	100.0%	100.0%	-1.5%	0.0%	0.1%	-0.2%	-1.6%
Totals									
Developed	3.6%	6.0%	72.1%	76.1%	-2.0%	0.0%	0.2%	0.1%	-1.7%
Emerging*	6.8%	5.6%	25.4%	23.9%	0.4%	0.0%	-0.1%	0.0%	0.3%
Other	-7.4%	--	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	2.4%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
Unclassified	--	--	--	0.0%	--	0.0%	0.0%	--	0.0%

Excludes Pyramis Int'l Equity.

Total Returns - Developed Markets

Periods Ending December 31, 2012



	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Return (Rank)								
5th Percentile	8.4	19.0	23.6	5.2	8.5	0.1	5.7	10.7
25th Percentile	7.1	15.4	19.8	3.4	5.0	-1.9	3.9	9.4
Median	6.1	13.9	17.4	1.5	4.0	-3.0	2.9	8.6
75th Percentile	5.3	11.9	15.5	0.3	2.8	-4.3	1.8	7.5
95th Percentile	1.2	9.4	7.8	-3.5	0.9	-6.9	0.1	5.9
# of Portfolios	121	121	120	115	103	93	71	51
● Developed Markets	4.4 (86)	12.0 (75)	14.7 (77)	0.3 (75)	2.5 (81)	-4.5 (78)	2.7 (59)	7.9 (71)
▲ MSCI ACWI ex USA Gross	5.9 (58)	13.8 (51)	17.4 (50)	0.9 (66)	4.3 (42)	-2.4 (42)	4.0 (22)	10.2 (13)

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

Quarter Ending December 31, 2012

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	149	1,827
Weighted Avg. Market Cap. (\$B)	42.7	47.7
Median Market Cap. (\$B)	14.2	6.2
Price To Earnings	15.5	16.0
Price To Book	2.9	2.2
Price To Sales	1.6	1.7
Return on Equity (%)	17.1	15.2
Yield (%)	3.5	3.1
Beta (holdings; global)	0.9	1.0

Top Holdings

DELAWARE POOLED TRUST EMERGING MARKETS PORTFOLIO	13.1%
UNILEVER (UK)	2.1%
TOTAL	2.1%
CANON	1.6%
KAO	1.5%
ROCHE HOLDING	1.5%
IBERDROLA	1.4%
NOVARTIS 'R'	1.4%
UNITED OVERSEAS BANK	1.4%
TESCO	1.4%

Excludes Pyramis Int'l Equity.

Best Performers

	Return %
AGORA (PO:AGO)	43.5%
CHINA GAS HOLDINGS (K:IWAI)	43.2%
GRUPO AEROPORTUARIO DEL PACIFICO SR.B ADR 1:10 (PAC)	36.1%
SOCIETE GENERALE (F:SGE)	31.4%
KETY (PO:KET)	31.1%
ACCIONA (E:ANA)	30.1%
UBS 'R' (S:UBSN)	28.0%
TUPRAS TKI.PEL.RFNE. (TK:TUP)	26.4%
YAMAHA MOTOR (J:YM@N)	25.9%
BUZZI UNICEM VINCOLI (I:BZU)	25.4%

Worst Performers

	Return %
ELETROBRAS ON (BR:EL3)	-48.2%
ELETROBRAS PNB (BR:EL6)	-43.0%
TNK-BP HOLDINGS PF. (RS:TBP)	-39.1%
NAMCO BANDAI HDG. (J:N@MB)	-24.0%
RAKUTEN (J:RAKT)	-23.7%
TELEKOMUNIKACJA POLSKA (PO:TP)	-23.0%
MESOBLAST (A:MSBX)	-21.3%
BG GROUP (UKIR:BG.)	-18.5%
NINTENDO (J:NND0)	-17.9%
QBE INSURANCE GROUP (A:QBEX)	-16.0%

Equity Sector Attribution - Developed Markets

Quarter Ending December 31, 2012

Developed Markets Performance Attribution vs. MSCI ACWI ex USA Gross

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.1%	-0.1%	0.0%	0.1%	-1.1%	-0.5%	10.8%	11.0%			
Materials	0.1%	0.1%	0.0%	-0.1%	6.8%	5.9%	4.0%	10.9%			
Industrials	0.4%	0.1%	0.0%	0.3%	11.3%	7.9%	11.8%	10.4%			
Cons. Disc.	-0.5%	-0.5%	0.1%	-0.2%	5.2%	10.4%	11.3%	9.1%			
Cons. Staples	-0.3%	0.0%	-0.1%	-0.2%	2.9%	4.1%	15.3%	10.4%			
Health Care	-0.4%	0.0%	-0.3%	-0.2%	1.0%	2.2%	13.1%	7.4%			
Financials	-0.8%	-0.7%	-0.4%	0.4%	7.5%	10.3%	15.1%	24.7%			
Info. Tech	0.0%	0.4%	0.0%	-0.3%	8.9%	7.6%	4.9%	6.3%			
Telecomm.	-0.2%	-0.2%	-0.1%	0.1%	-4.4%	-2.5%	6.8%	5.9%			
Utilities	0.2%	0.1%	0.0%	0.1%	6.6%	1.5%	4.2%	3.7%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	2.7%	0.0%			
Portfolio	-1.7%	=	-0.8%	+	-0.9%	+	0.0%	4.2%	5.9%	100.0%	100.0%

Excludes Pyramis Int'l Equity.

Equity Performance Attribution - Developed Markets

Quarter Ending December 31, 2012

Developed Markets Performance Attribution
Versus 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	--	19.1%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Belgium	13.4%	6.1%	0.3%	0.8%	0.1%	0.0%	0.0%	0.0%	0.0%
Czech Republic*	--	-3.2%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	4.5%	3.3%	2.4%	0.8%	0.0%	-0.1%	0.0%	0.0%	0.0%
Finland	9.1%	13.1%	0.8%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
France	10.4%	11.0%	8.5%	6.3%	0.0%	0.0%	0.1%	0.0%	0.0%
Germany	-4.6%	8.1%	4.0%	5.8%	-0.7%	0.0%	-0.1%	0.2%	-0.5%
Greece	--	28.1%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Hungary*	--	-0.9%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Ireland	--	3.0%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Italy	8.8%	9.5%	2.4%	1.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	5.3%	9.6%	3.1%	1.7%	-0.1%	0.0%	0.0%	-0.1%	-0.1%
Norway	-2.2%	1.0%	0.5%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	0.2%	11.9%	0.0%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Portugal	14.2%	10.8%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%
Russia*	5.2%	2.6%	0.6%	1.4%	0.1%	0.1%	0.0%	0.0%	0.1%
Spain	13.6%	9.9%	3.1%	2.0%	0.1%	0.0%	0.0%	0.0%	0.2%
Sweden	6.8%	5.1%	3.5%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Switzerland	7.2%	8.0%	6.9%	5.9%	0.0%	0.0%	0.0%	0.0%	0.0%
United Kingdom	1.8%	4.2%	17.3%	15.8%	-0.4%	0.0%	0.0%	0.0%	-0.5%

Excludes Pyramis Int'l Equity.

Equity Performance Attribution - Developed Markets

Quarter Ending December 31, 2012

Developed Markets Performance Attribution
Versus 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%	6.9%	5.4%	6.1%	-0.2%	0.0%	0.0%	0.0%	-0.2%
China*	9.1%	12.8%	2.9%	4.1%	-0.2%	-0.1%	0.0%	0.0%	-0.2%
Hong Kong	8.2%	5.7%	1.9%	2.1%	0.1%	0.0%	0.0%	0.0%	0.1%
India*	5.1%	0.8%	1.8%	1.7%	0.1%	0.0%	0.0%	0.0%	0.1%
Indonesia*	1.6%	1.3%	0.9%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	-1.4%	5.9%	15.8%	13.5%	-1.1%	0.3%	-0.1%	-0.2%	-1.2%
Korea*	9.8%	4.8%	1.6%	3.7%	0.2%	0.1%	-0.1%	-0.1%	0.1%
Malaysia*	-2.8%	3.8%	0.1%	0.9%	-0.1%	0.0%	0.0%	0.1%	0.0%
New Zealand	--	4.8%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Philippines*	-7.1%	11.4%	0.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Singapore	3.2%	3.2%	2.8%	1.3%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Taiwan*	5.7%	1.5%	0.9%	2.7%	0.1%	0.1%	0.0%	-0.1%	0.1%
Thailand*	2.0%	6.7%	0.5%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Brazil*	4.4%	3.2%	2.1%	3.0%	0.0%	0.0%	0.0%	0.0%	0.1%
Canada	-1.3%	0.9%	0.7%	8.3%	-0.2%	0.3%	0.1%	0.2%	0.4%
Chile*	6.5%	-0.5%	0.4%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	12.2%	12.7%	0.1%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	12.9%	5.4%	1.0%	1.2%	0.1%	0.0%	0.0%	0.0%	0.1%
Peru*	17.0%	7.5%	0.3%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	5.8%	-0.4%	1.3%	0.0%	0.0%	-0.1%	0.0%	0.1%	0.0%

Excludes Pyramis Int'l Equity.

Equity Performance Attribution - Developed Markets

Quarter Ending December 31, 2012

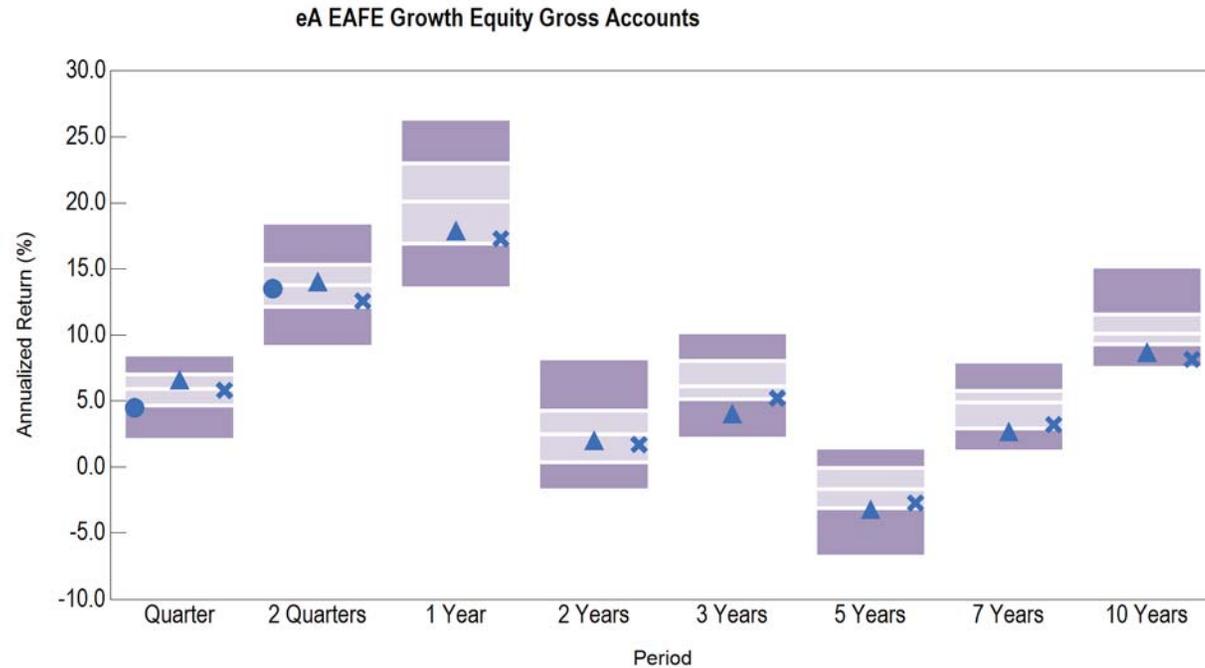
Developed Markets Performance Attribution
Versus MSCI ACWI ex USA Gross

	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*	--	-9.8%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Israel	-9.2%	-3.8%	1.0%	0.4%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Morocco*	--	1.3%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
South Africa*	7.6%	6.2%	1.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	22.6%	18.7%	1.2%	0.4%	0.0%	0.1%	0.0%	0.0%	0.1%
Other Countries*		0.0%		0.0%					
Totals									
Americas	6.3%	2.1%	5.9%	13.4%	0.5%	0.3%	0.1%	-0.3%	0.6%
Europe	5.2%	6.9%	53.2%	46.3%	-0.8%	-0.1%	0.1%	-0.1%	-0.9%
Asia/Pacific	2.3%	6.0%	34.8%	37.5%	-1.0%	-0.1%	-0.3%	0.1%	-1.3%
Other	7.1%	6.0%	3.4%	2.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Cash	0.0%	--	2.7%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
Unclassified	--	--	--	0.0%	--	0.0%	0.0%	--	0.0%
Total	4.2%	5.9%	100.0%	100.0%	-1.3%	-0.1%	0.0%	-0.3%	-1.7%
Totals									
Developed	3.6%	6.0%	81.8%	76.1%	-2.0%	0.0%	0.1%	-0.1%	-2.0%
Emerging*	8.1%	5.6%	15.5%	23.9%	0.7%	0.1%	-0.1%	-0.3%	0.5%
Cash	0.0%	--	2.7%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
Unclassified	--	--	--	0.0%	--	0.0%	0.0%	--	0.0%

Excludes Pyramis Int'l Equity.

Total Returns - EAFE Growth Equity

Periods Ending December 31, 2012



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	8.5	18.5	26.4	8.2	10.2	1.4	8.0	15.2
25th Percentile	7.0	15.3	23.0	4.3	8.0	0.0	5.8	11.6
Median	5.9	13.8	20.1	2.5	6.1	-1.7	4.9	10.1
75th Percentile	4.7	12.1	16.9	0.4	5.2	-3.1	2.9	9.3
95th Percentile	2.1	9.1	13.6	-1.7	2.2	-6.7	1.2	7.5
# of Portfolios	51	51	51	51	49	46	42	36
● Baillie Gifford	4.5 (80)	13.5 (54)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI EAFE Gross	6.6 (36)	14.0 (44)	17.9 (69)	2.0 (60)	4.0 (86)	-3.2 (76)	2.7 (78)	8.7 (85)
✕ MSCI EAFE Growth Gross	5.8 (58)	12.6 (73)	17.3 (73)	1.7 (64)	5.2 (72)	-2.7 (65)	3.2 (73)	8.1 (88)

Quarter Ending December 31, 2012

Characteristics

	Portfolio	MSCI EAFE Gross
Number of Holdings	83	909
Weighted Avg. Market Cap. (\$B)	30.9	52.9
Median Market Cap. (\$B)	8.9	7.4
Price To Earnings	19.0	16.0
Price To Book	3.9	1.9
Price To Sales	2.1	1.5
Return on Equity (%)	21.7	13.5
Yield (%)	2.4	3.3
Beta (holdings; global)	1.0	1.0

Top Holdings

ROCHE HOLDING	3.4%
ATLAS COPCO 'B'	2.8%
NESTLE 'R'	2.7%
CARLSBERG 'B'	2.6%
COCHLEAR	2.6%
SVENSKA HANDBKN.'A'	2.5%
MS&AD INSURANCE GP.HDG.	2.1%
KONE 'B'	2.0%
BHP BILLITON	2.0%
JOHNSON MATTHEY	1.8%

Best Performers

	Return %
UBS 'R' (S:UBSN)	28.0%
YAMAHA MOTOR (J:YM@N)	25.9%
TKI.GARANTI BKSI. (TK:GAR)	24.2%
CORPORACION FINCA.ALBA (E:ALB)	23.7%
ASOS (UKIR:ASC)	23.3%
INVESTOR 'B' (W:ISBF)	18.5%
ARISTOCRAT LEISURE (A:ALLX)	17.7%
COCHLEAR (A:COHX)	17.6%
SCHINDLER 'P' (S:SCHP)	17.2%
SAMSUNG ELTN.GDR (XSQ) (UKIR:SMSN)	17.1%

Worst Performers

	Return %
NAMCO BANDAI HDG. (J:N@MB)	-24.0%
RAKUTEN (J:RAKT)	-23.7%
MESOBLAST (A:MSBX)	-21.3%
BG GROUP (UKIR:BG.)	-18.5%
SANKYO (J:SAGU)	-15.2%
ASAHI GROUP HOLDINGS (J:ASBR)	-13.4%
PTRO.BRAO.ADR 1:2 (PBRA)	-12.5%
INPEX (J:INPX)	-11.6%
AMEC (UKIR:AMEC)	-10.9%
KAO (J:KA@N)	-10.8%

Equity Sector Attribution - Baillie Gifford

Quarter Ending December 31, 2012

Baillie Gifford Performance Attribution vs. MSCI EAFE Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.5%	-0.5%	0.0%	0.0%	-7.4%	-0.7%	7.9%	8.3%			
Materials	-0.3%	-0.4%	-0.1%	0.3%	5.9%	9.4%	5.3%	9.4%			
Industrials	0.4%	0.0%	0.2%	0.2%	10.5%	8.4%	18.1%	12.4%			
Cons. Disc.	-1.4%	-1.1%	0.5%	-0.8%	1.6%	12.3%	16.0%	10.2%			
Cons. Staples	-0.3%	0.1%	-0.3%	-0.1%	2.6%	3.0%	17.3%	12.0%			
Health Care	0.2%	0.3%	-0.2%	0.1%	4.7%	2.1%	13.5%	10.3%			
Financials	-0.9%	-1.1%	-0.3%	0.5%	7.5%	11.4%	16.6%	23.6%			
Info. Tech	0.0%	-0.2%	-0.1%	0.2%	9.7%	9.9%	2.7%	4.3%			
Telecomm.	0.7%	--	0.6%	--	--	-4.7%	0.0%	5.4%			
Utilities	0.3%	--	0.2%	--	--	1.4%	0.0%	4.0%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	2.7%	0.0%			
Portfolio	-2.1%	=	-3.0%	+	0.4%	+	0.5%	4.5%	6.6%	100.0%	100.0%

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	19.1%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Belgium	13.4%	6.1%	0.6%	1.2%	0.1%	0.0%	0.0%	0.0%	0.1%
Czech Republic*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Denmark	4.5%	3.3%	5.5%	1.2%	0.0%	-0.3%	0.1%	0.0%	-0.1%
Finland	9.1%	13.1%	1.9%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
France	6.3%	11.0%	3.2%	9.2%	-0.4%	0.0%	-0.2%	0.3%	-0.3%
Germany	1.3%	8.1%	2.5%	8.6%	-0.6%	0.1%	-0.2%	0.4%	-0.2%
Greece	--	28.1%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Hungary*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Ireland	--	3.0%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Italy	4.5%	9.5%	2.0%	2.2%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Netherlands	--	9.6%	0.0%	2.5%	--	0.0%	-0.1%	--	0.0%
Norway	-2.2%	1.0%	1.2%	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Poland*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Portugal	--	10.8%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Russia*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Spain	18.2%	9.9%	1.9%	2.9%	0.2%	0.0%	0.0%	-0.1%	0.1%
Sweden	6.8%	5.1%	8.0%	3.2%	0.1%	-0.2%	0.0%	0.1%	0.0%
Switzerland	8.6%	8.0%	9.0%	8.6%	0.1%	0.0%	0.0%	0.0%	0.1%
United Kingdom	4.4%	4.2%	21.2%	23.3%	0.0%	0.1%	0.0%	0.0%	0.1%

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

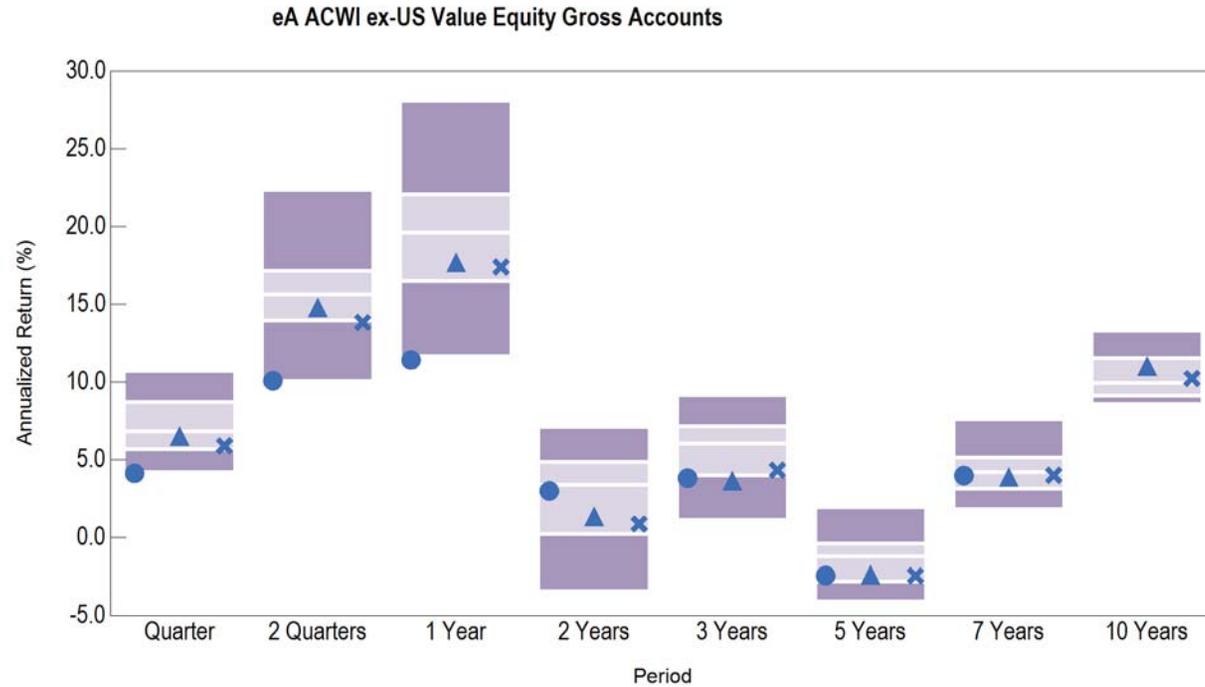
	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	6.5%	6.9%	8.0%	8.9%	0.0%	0.0%	0.0%	0.0%	0.0%
China*	-2.7%	12.9%	1.1%	0.0%	0.0%	0.1%	0.0%	-0.2%	-0.1%
Hong Kong	6.4%	5.7%	3.8%	3.1%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	4.1%	0.5%	0.9%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Indonesia*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Japan	-4.2%	5.9%	14.9%	19.9%	-2.2%	-0.5%	0.7%	0.5%	-1.4%
Korea*	17.1%	4.8%	1.1%	0.0%	0.0%	-0.1%	0.0%	0.2%	0.1%
Malaysia*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
New Zealand	--	4.8%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Philippines*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Singapore	3.0%	3.2%	3.1%	1.9%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Taiwan*	8.5%	1.5%	1.1%	0.0%	0.0%	-0.1%	0.0%	0.1%	0.0%
Thailand*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Americas									
Brazil*	-2.2%	3.5%	0.9%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Canada	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Chile*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Colombia*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Mexico*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Peru*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
United States	5.8%	-0.4%	3.1%	0.0%	0.0%	-0.2%	0.0%	0.2%	-0.1%

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Egypt*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Israel	--	-3.8%	0.0%	0.6%	--	0.1%	0.0%	--	0.1%
Morocco*	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
South Africa*	9.1%	6.2%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	24.2%	18.4%	1.2%	0.0%	0.0%	0.1%	0.0%	0.1%	0.2%
Other Countries*		0.0%		0.0%					
Totals									
Americas	3.9%	--	4.0%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%
Europe	6.0%	7.0%	57.0%	65.4%	-0.6%	0.2%	-0.3%	0.1%	-0.6%
Asia/Pacific	1.6%	6.0%	34.0%	34.0%	-2.3%	0.0%	0.7%	0.0%	-1.5%
Other	16.8%	-3.8%	2.4%	0.6%	0.2%	-0.3%	-0.1%	0.5%	0.3%
Cash	0.0%	--	2.7%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%
Total	4.5%	6.6%	100.0%	100.0%	-2.7%	-0.3%	0.4%	0.4%	-2.1%
Totals									
Developed	4.2%	6.6%	89.8%	100.0%	-2.7%	0.0%	0.4%	0.3%	-2.0%
Emerging*	9.0%	--	7.5%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%
Cash	0.0%	--	2.7%	0.0%	0.0%	-0.2%	0.0%	0.0%	-0.2%

Total Returns - ACWI ex-US Value Equity

Periods Ending December 31, 2012



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	10.7	22.3	28.1	7.1	9.1	1.9	7.6	13.3
25th Percentile	8.7	17.2	22.1	4.9	7.2	-0.4	5.2	11.6
Median	6.8	15.6	19.6	3.4	6.1	-1.2	4.2	10.0
75th Percentile	5.7	14.0	16.5	0.3	4.0	-2.8	3.1	9.1
95th Percentile	4.2	10.1	11.7	-3.4	1.2	-4.1	1.8	8.6
# of Portfolios	32	32	32	32	31	28	23	14
● Mondrian	4.1 (96)	10.1 (96)	11.4 (97)	3.0 (62)	3.8 (77)	-2.4 (73)	4.0 (60)	-- (--)
▲ MSCI ACWI ex USA Value Gross	6.5 (59)	14.8 (57)	17.7 (73)	1.4 (73)	3.7 (78)	-2.4 (72)	3.9 (60)	11.0 (30)
✕ MSCI ACWI ex USA Gross	5.9 (71)	13.8 (77)	17.4 (73)	0.9 (74)	4.3 (71)	-2.4 (73)	4.0 (60)	10.2 (39)

Equity Only Summary Statistics - Mondrian

Quarter Ending December 31, 2012

Characteristics

	Portfolio	MSCI ACWI ex USA Value Gross
Number of Holdings	60	1,014
Weighted Avg. Market Cap. (\$B)	54.2	50.0
Median Market Cap. (\$B)	29.1	5.8
Price To Earnings	12.1	12.3
Price To Book	1.9	1.4
Price To Sales	1.2	1.3
Return on Equity (%)	12.7	11.8
Yield (%)	4.5	4.0
Beta (holdings: global)	0.8	1.1

Top Holdings

DELAWARE POOLED TRUST EMERGING MARKETS PORTFOLIO	23.1%
CANON	2.8%
IBERDROLA	2.5%
NOVARTIS 'R'	2.5%
TOTAL	2.5%
TESCO	2.4%
UNILEVER (UK)	2.4%
RWE	2.3%
SANOFI	2.3%
GLAXOSMITHKLINE	2.2%

Best Performers

	Return %
CHINA GAS HOLDINGS (K:IWAI)	43.2%
GRUPO AEROPORTUARIO DEL PACIFICO SR.B ADR 1:10 (PAC)	36.1%
SOCIETE GENERALE (F:SGE)	31.4%
TUPRAS TKI.PEL.RFNE. (TK:TUP)	26.4%
JIANGSU EXPRESSWAY 'H' (K:JEXP)	24.3%
TKI.GARANTI BKSI. (TK:GAR)	24.2%
CANON (J:CN@N)	23.0%
CARREFOUR (F:CRFR)	22.8%
VALLOUREC (F:VLR)	22.8%
IBERDROLA (E:IBE)	21.9%

Worst Performers

	Return %
BG GROUP (UKIR:BG.)	-18.5%
NINTENDO (J:NND0)	-17.9%
QBE INSURANCE GROUP (A:QBEX)	-16.0%
WISTRON (TW:WST)	-13.7%
PETROBRAS PN (BR:POB)	-13.5%
HUABAO INTL.HDG. (K:SILV)	-12.9%
ASTELLAS PHARMA (J:YP@N)	-12.1%
QUANTA COMPUTER (TW:QUM)	-11.5%
HOYA (J:HQ@N)	-11.3%
KAO (J:KA@N)	-10.8%

Equity Sector Attribution - Mondrian

Quarter Ending December 31, 2012

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	0.3%	0.0%	0.1%	0.1%	1.7%	0.4%	13.2%	14.3%			
Materials	-0.2%	0.0%	-0.2%	0.0%	7.9%	10.0%	3.1%	8.6%			
Industrials	0.3%	0.1%	0.0%	0.3%	12.8%	8.4%	7.2%	8.0%			
Cons. Disc.	0.1%	-0.1%	0.1%	0.1%	10.8%	10.0%	7.9%	5.6%			
Cons. Staples	-0.4%	0.0%	-0.3%	-0.2%	3.3%	4.2%	13.9%	2.9%			
Health Care	-0.8%	-0.1%	-0.3%	-0.4%	-2.0%	1.7%	13.0%	6.3%			
Financials	-1.2%	-0.9%	-0.9%	0.6%	7.4%	10.4%	14.2%	37.3%			
Info. Tech	0.1%	0.2%	0.1%	-0.2%	8.6%	8.1%	6.6%	3.1%			
Telecomm.	-0.5%	-0.2%	-0.4%	0.1%	-4.4%	-3.6%	12.2%	8.3%			
Utilities	0.3%	0.2%	-0.1%	0.2%	6.6%	1.1%	7.4%	5.6%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	1.4%	0.0%			
Portfolio	-2.2%	=	-0.8%	+	-2.0%	+	0.5%	4.0%	6.2%	100.0%	100.0%

Equity Performance Attribution - Mondrian

Quarter Ending December 31, 2012

Mondrian Performance Attribution
Versus MSCI ACWI ex USA Value Gross

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	20.3%	0.0%	0.3%	--	0.0%	0.0%	--	0.0%
Belgium	--	14.0%	0.0%	0.5%	--	0.0%	0.0%	--	0.0%
Czech Republic*	--	-2.2%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Denmark	--	3.2%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Finland	--	16.9%	0.0%	0.6%	--	0.0%	0.0%	--	-0.1%
France	11.1%	11.0%	12.6%	7.2%	0.0%	0.1%	0.1%	0.0%	0.2%
Germany	-6.9%	6.0%	5.1%	6.0%	-0.8%	0.0%	0.0%	0.1%	-0.7%
Greece	--	38.4%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
Hungary*	--	2.0%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Ireland	--	4.5%	0.0%	0.2%	--	0.0%	0.0%	--	0.0%
Italy	11.2%	11.4%	2.7%	2.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Netherlands	5.3%	11.0%	5.4%	1.6%	-0.1%	0.1%	0.1%	-0.2%	-0.2%
Norway	--	4.2%	0.0%	0.5%	--	0.0%	0.0%	--	0.0%
Poland*	--	18.0%	0.0%	0.4%	--	0.0%	0.0%	--	0.0%
Portugal	--	14.3%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Russia*	5.3%	0.2%	1.0%	1.5%	0.1%	0.0%	0.0%	0.0%	0.1%
Spain	11.9%	9.9%	4.1%	3.2%	0.1%	0.0%	0.0%	0.0%	0.1%
Sweden	--	2.8%	0.0%	1.8%	--	0.1%	0.0%	--	0.1%
Switzerland	5.5%	7.9%	5.5%	5.2%	-0.1%	0.0%	0.0%	0.0%	-0.1%
United Kingdom	-1.1%	5.3%	14.6%	15.2%	-1.0%	0.0%	0.0%	0.0%	-0.9%

Equity Performance Attribution - Mondrian

Quarter Ending December 31, 2012

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	-1.1%	7.0%	3.6%	6.3%	-0.5%	0.0%	0.0%	0.2%	-0.3%
China*	11.4%	14.6%	4.3%	4.0%	-0.1%	0.0%	0.0%	0.0%	-0.1%
Hong Kong	17.3%	3.8%	0.6%	2.2%	0.3%	0.1%	0.0%	-0.2%	0.1%
India*	5.4%	-2.2%	2.6%	1.6%	0.1%	-0.1%	0.0%	0.1%	0.1%
Indonesia*	1.6%	-0.8%	1.5%	0.7%	0.0%	-0.1%	0.0%	0.0%	0.0%
Japan	0.5%	6.2%	16.6%	13.3%	-0.8%	0.4%	-0.3%	-0.2%	-1.0%
Korea*	6.7%	3.0%	2.0%	3.6%	0.1%	0.1%	-0.1%	-0.1%	0.1%
Malaysia*	-2.8%	2.7%	0.1%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	--	10.2%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Philippines*	-7.1%	9.8%	0.4%	0.2%	0.0%	0.0%	0.0%	0.0%	-0.1%
Singapore	3.3%	3.9%	2.6%	1.4%	0.0%	0.0%	0.0%	0.0%	-0.1%
Taiwan*	2.5%	-0.1%	0.7%	2.6%	0.1%	0.1%	0.0%	0.0%	0.1%
Thailand*	2.0%	4.4%	0.9%	0.5%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Brazil*	6.0%	-0.9%	3.1%	3.0%	0.2%	0.0%	0.0%	0.0%	0.2%
Canada	-1.3%	3.8%	1.3%	8.0%	-0.4%	0.1%	0.1%	0.3%	0.1%
Chile*	6.5%	2.3%	0.7%	0.4%	0.0%	0.0%	0.0%	0.0%	0.0%
Colombia*	12.2%	11.1%	0.1%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	12.9%	5.4%	1.8%	1.2%	0.1%	0.0%	0.0%	0.0%	0.1%
Peru*	17.0%	5.2%	0.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.1%
United States	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%

Equity Performance Attribution - Mondrian

Quarter Ending December 31, 2012

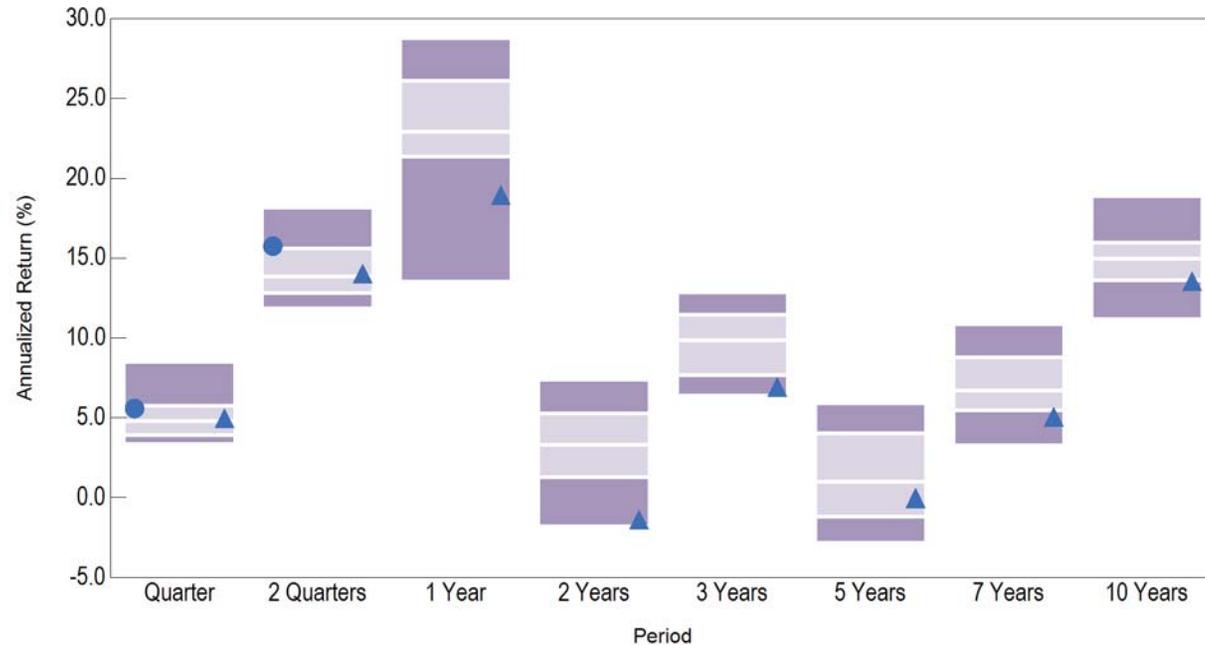
**Mondrian Performance Attribution
Versus MSCI ACWI ex USA Value Gross**

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Egypt*	--	-7.8%	0.0%	0.1%	--	0.0%	0.0%	--	0.0%
Israel	-9.2%	1.8%	1.8%	0.4%	0.0%	-0.1%	0.0%	-0.1%	-0.3%
Morocco*	--	3.8%	0.0%	0.0%	--	0.0%	0.0%	--	0.0%
South Africa*	6.0%	6.6%	0.8%	1.8%	0.0%	0.0%	0.0%	0.0%	0.0%
Turkey*	21.2%	18.2%	1.2%	0.4%	0.0%	0.1%	0.0%	0.0%	0.1%
Other Countries*		0.0%		0.0%					
Totals									
Americas	7.3%	3.0%	7.5%	13.1%	0.5%	0.2%	0.1%	-0.2%	0.5%
Europe	4.5%	7.5%	51.0%	46.9%	-1.4%	-0.1%	0.1%	-0.1%	-1.5%
Asia/Pacific	2.9%	5.7%	35.9%	37.3%	-0.6%	0.0%	-0.4%	0.0%	-1.0%
Other	2.8%	7.1%	4.2%	2.7%	-0.1%	0.0%	0.0%	-0.1%	-0.2%
Cash	0.0%	--	1.4%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Total	4.0%	6.2%	100.0%	100.0%	-1.7%	0.0%	-0.2%	-0.4%	-2.2%
Totals									
Developed	3.0%	6.8%	76.8%	76.6%	-2.8%	0.0%	-0.1%	0.0%	-2.9%
Emerging*	7.8%	4.5%	21.8%	23.4%	0.9%	0.0%	-0.1%	-0.1%	0.8%
Cash	0.0%	--	1.4%	0.0%	0.0%	-0.1%	0.0%	0.0%	-0.1%

Total Returns - ACWI ex-US Small Cap Equity

Periods Ending December 31, 2012

eA ACWI ex-US Small Cap Equity Gross Accounts



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	8.5	18.2	28.8	7.3	12.8	5.9	10.8	18.9
25th Percentile	5.7	15.6	26.1	5.3	11.5	4.0	8.8	16.0
Median	4.8	13.9	22.9	3.3	9.9	1.0	6.7	15.0
75th Percentile	3.9	12.8	21.4	1.3	7.7	-1.2	5.5	13.6
95th Percentile	3.4	11.8	13.5	-1.8	6.4	-2.8	3.3	11.2
# of Portfolios	24	24	24	24	22	20	18	13
● Pyramis Int'l Equity	5.6 (31)	15.7 (24)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)	-- (-)
▲ MSCI ACWI ex US Small Cap Gross	4.9 (47)	14.0 (43)	19.0 (85)	-1.4 (94)	6.9 (85)	0.0 (56)	5.0 (79)	13.5 (76)

Equity Only Summary Statistics – Pyramis Global Advisors

Quarter Ending December 31, 2012

Characteristics

	Portfolio	MSCI ACWI ex-US Small Cap
No. of Securities	221	4,196
Wgt. Avg. Market Cap (000's)	2,210	1,600
Price to Book Ratio	1.6	1.3
Return on Equity	13.1%	11.5%

Ten Holdings

ELRINGKLINGER AG	1.4
INFORMA PLC	1.4
CHIYODACORP	1.3
HIKMA PHARMACEUTICALS PLC	1.3
AKER SOLUTIONS ASA	1.3
NIHON PARKERIZING CO LTD	1.2
KINETETSU WORLD EXPRESS INC	1.1
NIPPON SHOKUBAI CO LTD	1.0
TRAVIS PERKINS PLC	1.0
THROMBOGENICS NV	1.0

Best Performers

TEXWINCAHLDGS LTD	48.5
CHINA AUTOMATION GROUP LIMITED	38.3
THROMBOGENICS NV	38.2
SHENZHOU INTL GROUP	31.6
DAH SING FINANCIAL HOLDINGS	30.5
EULER HERMES SA	29.4
LARGAN PRECISION CO LTD	29.4
PZ CUSSONS PLC	28.6
BRAMMER PLC	28.1
ICA(EMPRESAS ICA SAB DE CV)	28.0

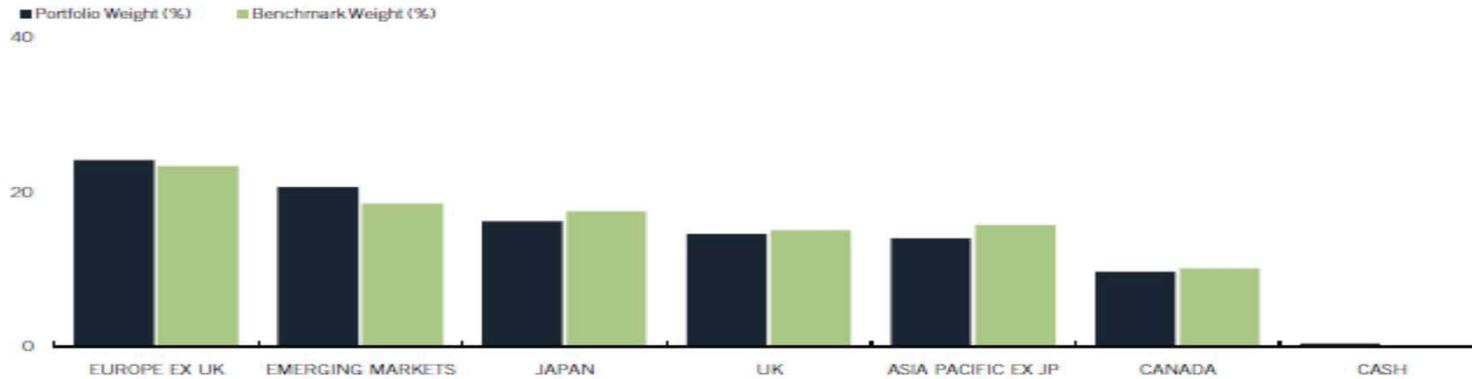
Worst Performers

MINERAL DEPOSITS LTD	-34.5
KINGSGATE CONSOLIDATED LTD	-27.2
TROY RESOURCES LTD	-27.0
CAPCOM CO LTD	-26.7
ROHTO PHARMACEUTICAL	-23.2
SDL INTERNATIONAL PLC	-22.6
ILUKA RESOURCES LIMITED	-21.7
MODERN TIMES GRP MTG AB SER B	-21.3
BANK ST PETERSBURG (USD)	-20.0
NETIA HOLDINGS SA	-19.4

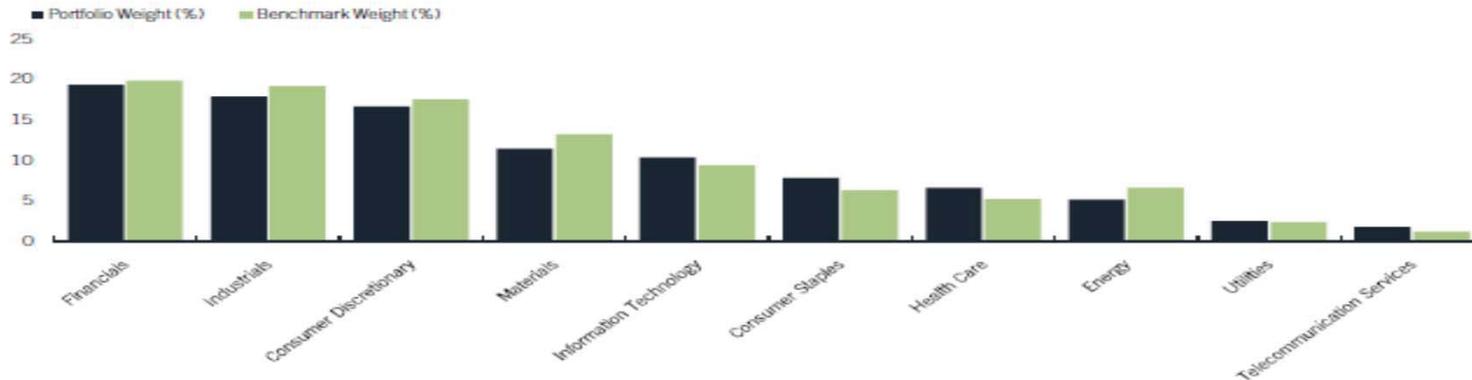
Regional and Sector Weights – Pyramis Global Advisors

Quarter Ending December 31, 2012

Regional Weights



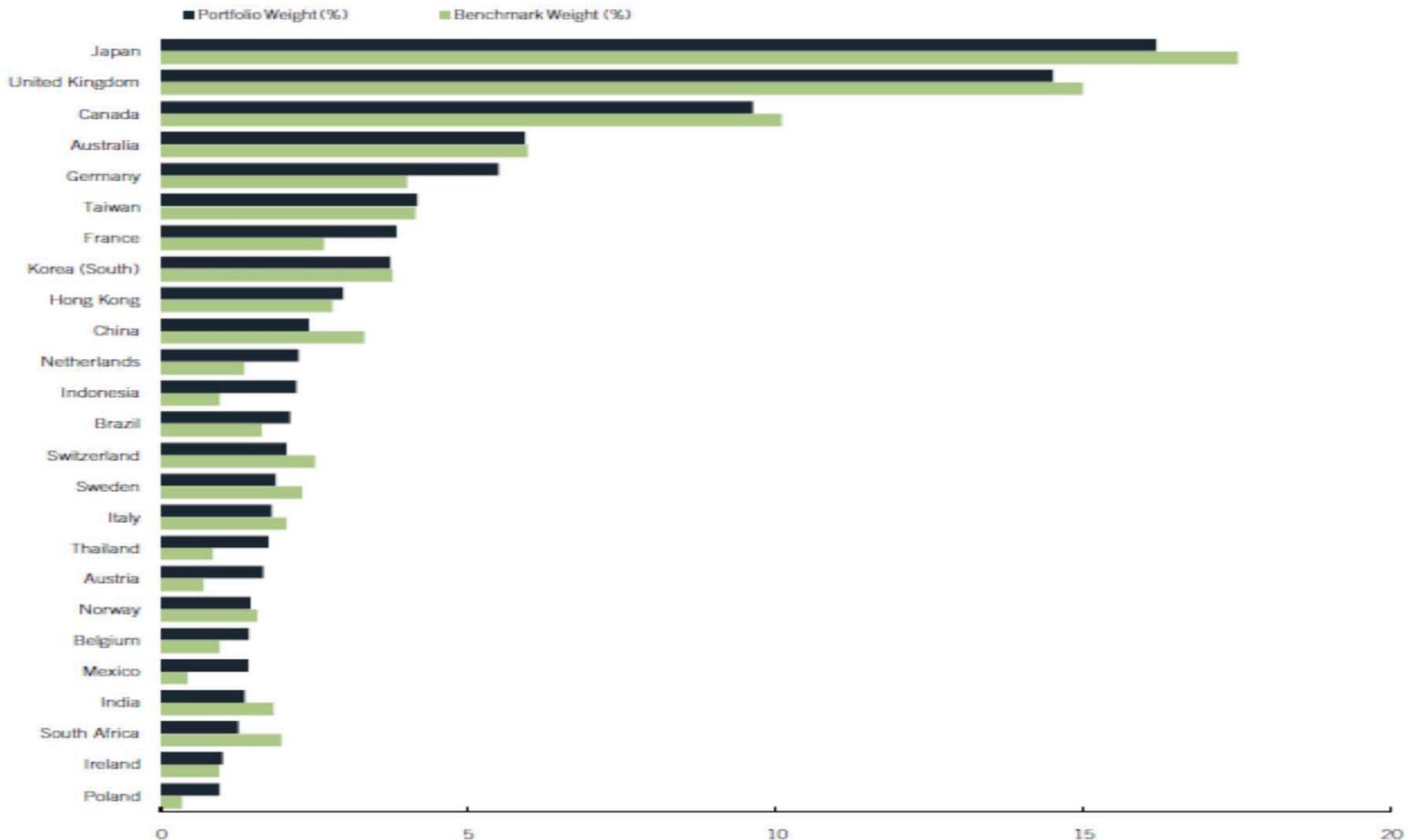
Sector Weights



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

Benchmark: MSCI AC Wld Sm Cap xUS(N)

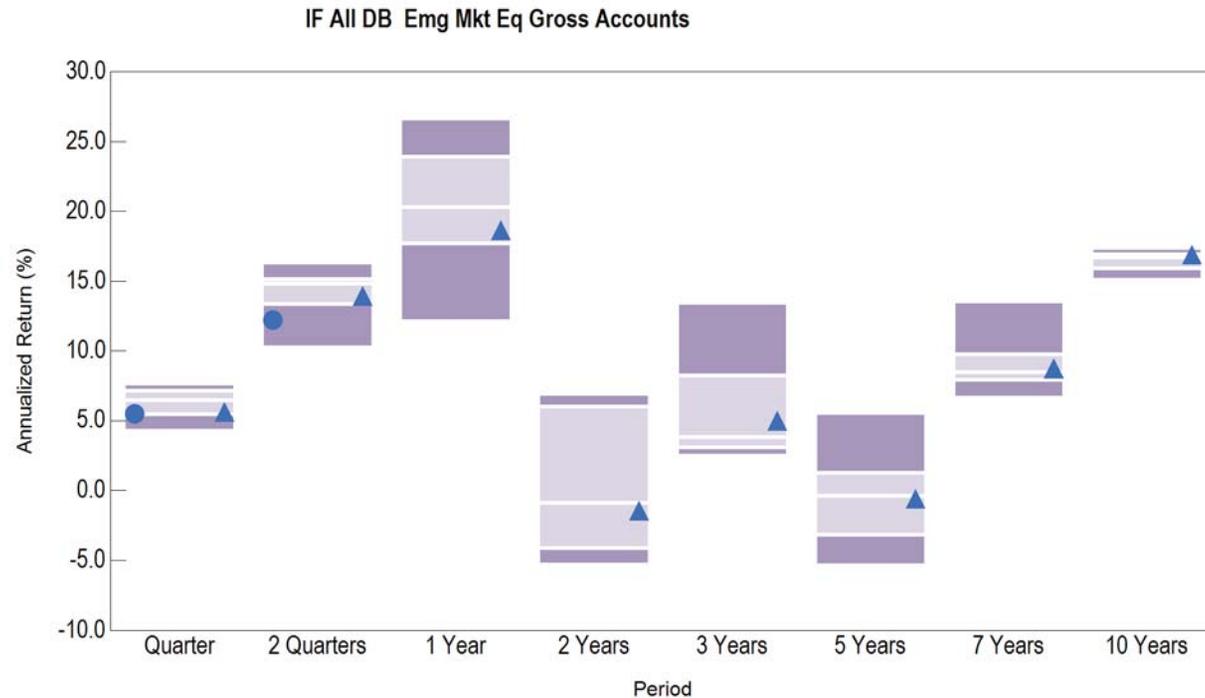
Top 25 Country Weights



Benchmark: MSCI AC Wid Sm Cap xUS(N)

Total Returns - Emerging Markets Equity

Periods Ending December 31, 2012



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	7.6	16.3	26.6	6.9	13.4	5.5	13.5	17.4
25th Percentile	7.2	15.2	23.9	6.0	8.3	1.3	9.8	17.0
Median	6.5	14.9	20.3	-0.9	3.8	-0.4	8.5	16.7
75th Percentile	5.5	13.4	17.7	-4.1	3.1	-3.1	8.0	15.9
95th Percentile	4.3	10.3	12.1	-5.3	2.5	-5.3	6.7	15.1
# of Portfolios	62	61	57	40	23	17	12	6
● Emerging Markets	5.5 (76)	12.2 (93)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI Emerging Markets Gross	5.6 (72)	13.9 (69)	18.6 (72)	-1.5 (56)	5.0 (44)	-0.6 (52)	8.7 (43)	16.9 (42)

Total Returns - Emerging Markets Equity

Periods Ending December 31, 2012



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	9.0	18.8	28.4	5.1	12.8	6.7	14.6	21.1
25th Percentile	7.5	15.8	23.0	1.7	8.7	2.4	10.7	19.1
Median	6.5	14.6	20.9	-0.5	6.3	-0.1	9.5	18.1
75th Percentile	5.3	13.2	17.3	-3.8	3.5	-1.9	8.0	16.9
95th Percentile	3.4	10.9	13.7	-6.5	1.0	-4.2	6.2	15.2
# of Portfolios	155	155	155	145	131	111	84	64
● Eaton Vance	5.5 (71)	12.4 (88)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI Emerging Markets Gross	5.6 (70)	13.9 (63)	18.6 (68)	-1.5 (58)	5.0 (60)	-0.6 (56)	8.7 (61)	16.9 (75)

Equity Only Summary Statistics - Eaton Vance

Quarter Ending December 31, 2012

Characteristics

	Portfolio	MSCI Emerging Markets Gross
Number of Holdings	761	821
Weighted Avg. Market Cap. (\$B)	23.1	37.8
Median Market Cap. (\$B)	4.9	4.7
Price To Earnings	16.1	16.0
Price To Book	2.8	2.5
Price To Sales	2.1	2.0
Return on Equity (%)	20.0	18.7
Yield (%)	3.1	2.6
Beta (holdings: global)	1.1	1.1

Top Holdings

SAMSUNG ELECTRONICS	1.2%
MTN GROUP	1.2%
AMX 'L'	1.2%
SBERBANK RUSSIA ADR 1:4	1.1%
CHINA MOBILE	1.0%
OAQ GAZPROM SPN.ADR 1:2	1.0%
PTRO.BRAO.ADR 1:2	0.7%
VALE ON ADR 1:1	0.7%
TAIWAN SEMICON.MNFG.	0.7%
LUKOIL OAO SPN.ADR 1:1	0.6%

Best Performers

	Return %
NINE DRAGONS PAPER HDG. (K:NDRA)	81.3%
SUNTECH PWR.HDG.ADR 1:1 (STP)	77.9%
BYD 'H' (K:BYD)	72.0%
TURK HAVA YOLLARI (TK:THY)	67.5%
STANDARD CHT.BANK GHANA (GH:SCB)	61.7%
B2W VAREJO ON (BR:B2W)	58.2%
LONKING HOLDINGS (K:CINF)	57.0%
TURK TKTR.VE ZIRAAT MKE. (TK:TTR)	52.2%
CHONGQING CHANGAN AUTMB. 'B' (CN:CHO)	51.6%
THANACHART CAPITAL FB (Q:NFSF)	50.9%

Worst Performers

	Return %
SADOVAYA (PO:SGR)	-48.6%
LUPATECH (BR:LPT)	-48.4%
ELETRORBRAS PNB (BR:EL6)	-43.0%
TMB BANK FB (Q:TMBF)	-37.6%
NCSOFT (KO:NCT)	-34.2%
INDAH KIAT PULP & PAPER (ID:IKP)	-33.8%
BAKRIE SUMATERA PLTNS. (ID:BAS)	-33.6%
KNM GROUP (L:KNMG)	-32.6%
JSC KAZKOMMERTSBANK GDR (REGS) (UKIR:KKB)	-32.0%
E INK HOLDINGS (TW:PVI)	-30.1%

Equity Sector Attribution - Eaton Vance

Quarter Ending December 31, 2012

Eaton Vance Performance Attribution vs. MSCI Emerging Markets Gross

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.3%	0.3%	0.1%	-0.1%	3.2%	1.0%	11.1%	13.3%			
Materials	-0.1%	-0.1%	0.0%	0.0%	5.3%	6.0%	12.0%	12.0%			
Industrials	0.2%	0.2%	0.0%	0.0%	7.0%	5.3%	9.1%	6.4%			
Cons. Disc.	0.3%	0.3%	0.0%	0.0%	7.4%	4.1%	7.9%	7.9%			
Cons. Staples	0.1%	0.0%	0.0%	0.0%	8.1%	7.5%	8.9%	8.5%			
Health Care	-0.1%	0.0%	0.0%	0.0%	2.0%	5.0%	1.9%	1.3%			
Financials	-0.3%	-0.3%	0.0%	0.1%	8.9%	9.9%	24.6%	25.0%			
Info. Tech	-0.3%	-0.4%	0.1%	0.0%	1.6%	5.5%	8.0%	14.0%			
Telecomm.	-0.2%	-0.1%	-0.1%	0.0%	0.1%	0.7%	11.0%	8.1%			
Utilities	-0.1%	-0.1%	-0.1%	0.0%	0.0%	1.5%	5.0%	3.6%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	0.6%	0.0%			
Portfolio	-0.3%	=	-0.2%	+	0.0%	+	0.0%	5.3%	5.6%	100.0%	100.0%

Equity Performance Attribution - Eaton Vance

Quarter Ending December 31, 2012

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Europe									
Austria	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Belgium	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Czech Republic*	-0.7%	-3.2%	1.6%	0.3%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Denmark	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Finland	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
France	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Germany	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Greece	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Hungary*	-1.9%	-0.9%	1.7%	0.3%	0.0%	-0.1%	0.0%	0.0%	-0.1%
Ireland	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Italy	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Netherlands	-5.2%	9.4%	0.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Norway	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Poland*	12.2%	11.9%	3.4%	1.5%	0.0%	0.1%	0.1%	0.0%	0.1%
Portugal	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Russia*	3.2%	2.6%	6.2%	6.1%	0.1%	0.0%	-0.1%	0.0%	0.0%
Spain	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Sweden	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Switzerland	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
United Kingdom	12.0%	4.2%	0.8%	0.0%	0.0%	0.0%	0.0%	0.1%	0.1%

Equity Performance Attribution - Eaton Vance

Quarter Ending December 31, 2012

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
AsiaPacific									
Australia	27.8%	6.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
China*	11.5%	12.8%	9.9%	17.3%	-0.2%	-0.6%	0.0%	0.1%	-0.7%
Hong Kong	26.7%	5.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
India*	0.7%	0.8%	7.5%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Indonesia*	1.3%	1.3%	3.4%	2.7%	0.0%	0.0%	0.0%	0.0%	0.0%
Japan	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Korea*	4.6%	4.8%	7.0%	15.6%	0.0%	0.4%	-0.3%	0.0%	0.0%
Malaysia*	4.2%	3.8%	3.4%	3.6%	0.0%	0.0%	0.0%	0.0%	0.0%
New Zealand	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Philippines*	11.6%	11.4%	1.7%	0.9%	0.0%	0.0%	0.0%	0.0%	0.1%
Singapore	-1.9%	3.2%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Taiwan*	1.2%	1.5%	7.2%	11.1%	0.0%	0.2%	0.0%	0.0%	0.1%
Thailand*	4.9%	6.7%	3.4%	2.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Americas									
Brazil*	3.8%	3.2%	6.3%	12.6%	0.1%	0.1%	0.1%	0.0%	0.2%
Canada	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Chile*	2.3%	-0.5%	3.5%	1.9%	0.1%	-0.1%	0.0%	0.0%	0.0%
Colombia*	11.6%	12.7%	1.7%	1.2%	0.0%	0.0%	0.0%	0.0%	0.0%
Mexico*	7.2%	5.4%	6.9%	4.9%	0.1%	0.0%	0.0%	0.0%	0.1%
Peru*	7.6%	7.5%	1.7%	0.7%	0.0%	0.0%	0.0%	0.0%	0.0%
United States	-10.6%	-0.4%	0.7%	0.0%	0.0%	0.0%	0.0%	-0.1%	-0.1%

Equity Performance Attribution - Eaton Vance

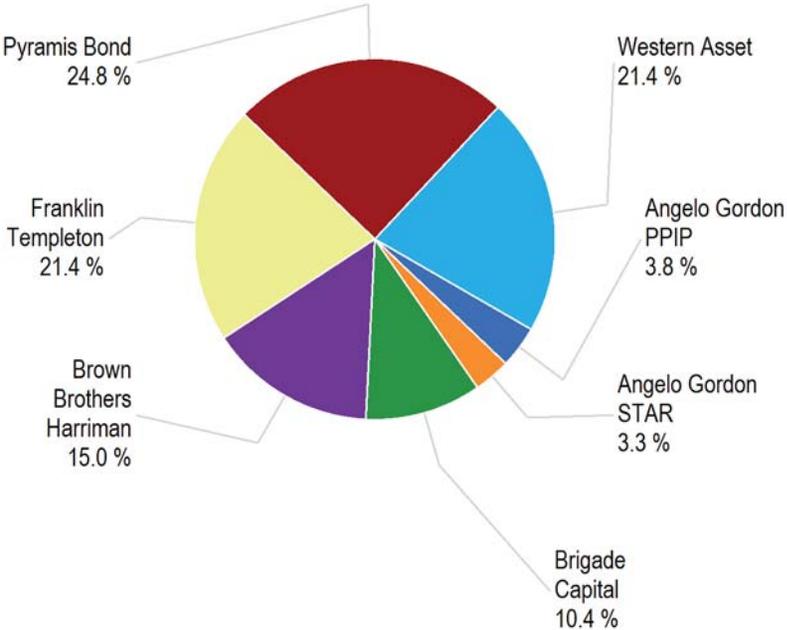
Quarter Ending December 31, 2012

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

	Returns and Weights				Attribution Effects				Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Interaction Effect	
Other									
Egypt*	-5.8%	-9.8%	1.8%	0.4%	0.0%	-0.2%	-0.1%	0.1%	-0.1%
Israel	--	--	0.0%	0.0%	--	--	0.0%	--	0.0%
Morocco*	-0.4%	1.3%	1.7%	0.1%	0.0%	-0.1%	0.0%	0.0%	-0.1%
South Africa*	6.1%	6.2%	6.5%	7.9%	0.0%	-0.1%	0.0%	0.0%	0.0%
Turkey*	18.6%	18.7%	3.4%	1.7%	0.0%	0.2%	0.0%	0.0%	0.2%
Other Countries*	-7.4%	5.6%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Totals									
Americas	5.3%	4.0%	21.3%	21.3%	0.2%	0.0%	0.0%	0.0%	0.3%
Europe	4.7%	3.9%	13.8%	8.2%	0.1%	-0.2%	0.1%	0.1%	0.0%
Asia/Pacific	4.9%	6.0%	44.4%	60.5%	-0.3%	0.0%	-0.4%	0.1%	-0.6%
Other	6.6%	7.7%	20.0%	10.0%	-0.3%	0.5%	0.1%	-0.3%	0.0%
Cash	0.0%	--	0.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	5.3%	5.6%	100.0%	100.0%	-0.2%	0.3%	-0.2%	-0.1%	-0.3%
Totals									
Developed	5.8%	--	8.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Emerging*	5.3%	5.6%	90.5%	100.0%	0.0%	0.0%	-0.2%	0.0%	-0.3%
Other	-7.4%	--	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
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, 2012



	Actual \$	Actual %
Aberdeen Asset	\$1,877	0.0%
Angelo Gordon PPIP	\$21,035,785	3.8%
Angelo Gordon STAR	\$18,375,000	3.3%
Brigade Capital	\$58,306,680	10.4%
Brown Brothers Harriman	\$83,795,586	15.0%
Franklin Templeton	\$119,457,627	21.4%
Pyramis Bond	\$138,940,597	24.8%
Transition Account	\$0	0.0%
Western Asset	\$119,584,681	21.4%
Total	\$559,497,833	

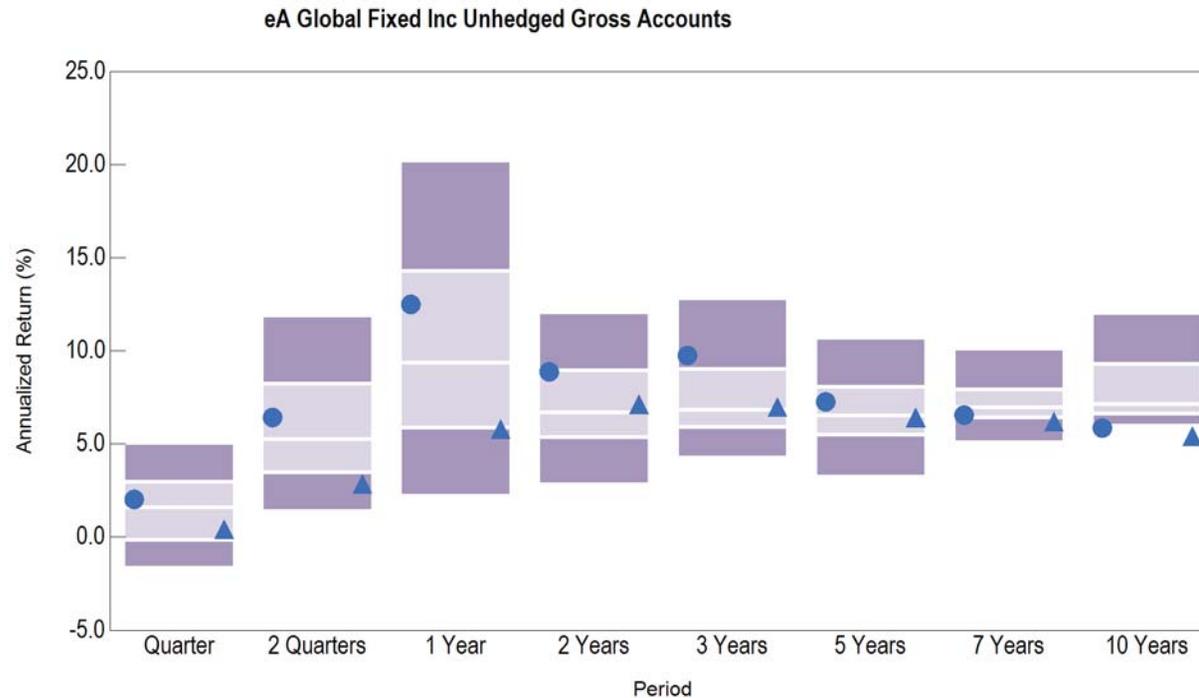
Statistics Summary**3 Years**

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fixed Income	9.75%	3.39%	2.85	1.06	2.63%
Blended Fixed Index	6.97%	2.78%	2.48	--	0.00%
US Fixed Income	9.64%	2.62%	3.65	1.16	2.03%
Blended US Fixed Index	7.29%	2.69%	2.68	--	0.00%
Pyramis Bond	7.83%	2.41%	3.22	2.10	0.78%
Barclays Aggregate	6.19%	2.42%	2.53	--	0.00%
Western Asset	9.28%	3.67%	2.50	0.91	3.40%
Barclays Aggregate	6.19%	2.42%	2.53	--	0.00%

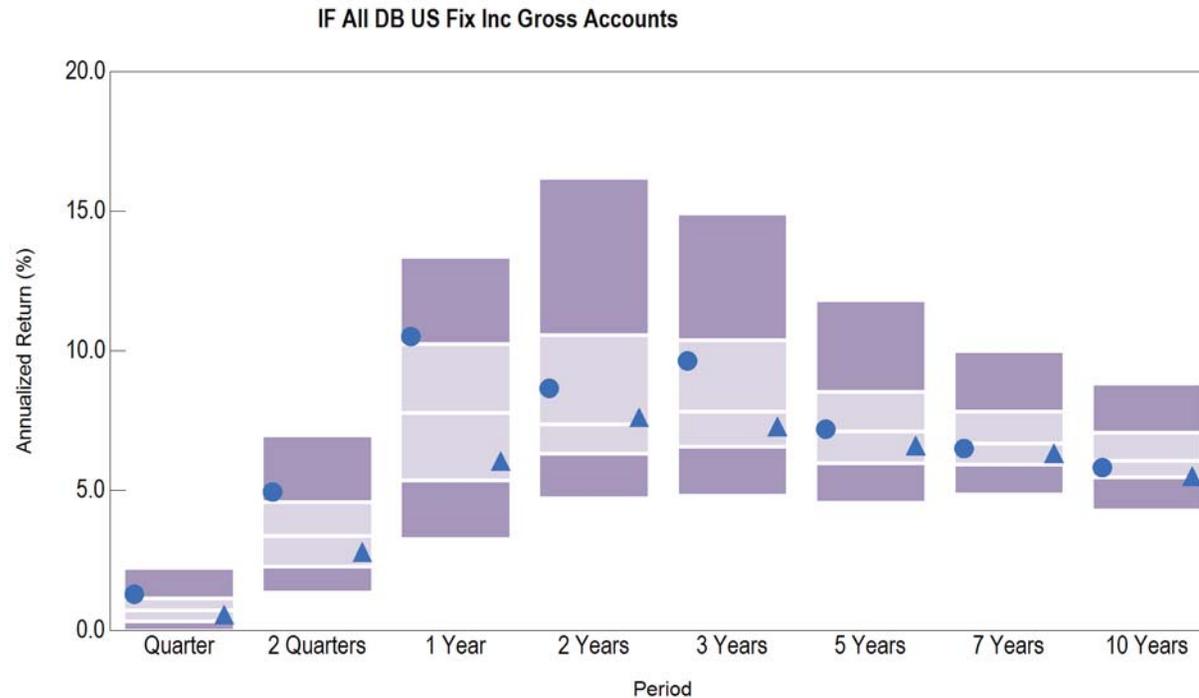
Statistics Summary

5 Years

	Anlzd Return	Anlzd Standard Deviation	Sharpe Ratio	Information Ratio	Tracking Error
Total Fixed Income	7.25%	5.39%	1.28	0.20	4.17%
Blended Fixed Index	6.42%	3.69%	1.65	--	0.00%
US Fixed Income	7.19%	5.12%	1.34	0.15	3.96%
Blended US Fixed Index	6.61%	3.65%	1.72	--	0.00%
Pyramis Bond	7.27%	4.13%	1.68	0.50	2.65%
Barclays Aggregate	5.95%	3.53%	1.59	--	0.00%
Western Asset	7.27%	6.09%	1.14	0.29	4.62%
Barclays Aggregate	5.95%	3.53%	1.59	--	0.00%



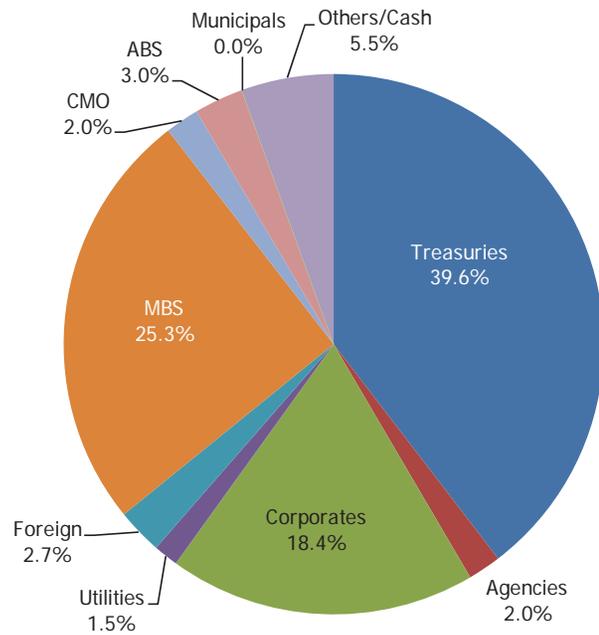
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	5.0	11.9	20.2	12.1	12.8	10.7	10.1	12.0
25th Percentile	3.0	8.2	14.3	9.0	9.1	8.1	8.0	9.3
Median	1.6	5.3	9.4	6.7	6.9	6.6	7.0	7.2
75th Percentile	-0.1	3.5	5.9	5.4	5.9	5.5	6.4	6.7
95th Percentile	-1.6	1.4	2.2	2.8	4.3	3.3	5.1	6.0
# of Portfolios	118	118	118	115	106	91	71	57
● Total Fixed Income	2.0 (44)	6.4 (43)	12.5 (36)	8.9 (26)	9.8 (23)	7.3 (38)	6.5 (70)	5.8 (97)
▲ Blended Fixed Index	0.4 (62)	2.9 (83)	5.8 (77)	7.1 (47)	7.0 (48)	6.4 (56)	6.2 (84)	5.4 (97)



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	2.2	7.0	13.4	16.2	14.9	11.8	10.0	8.8
25th Percentile	1.2	4.6	10.3	10.6	10.4	8.6	7.8	7.1
Median	0.7	3.4	7.8	7.4	7.8	7.1	6.7	6.1
75th Percentile	0.3	2.3	5.4	6.3	6.6	6.0	5.9	5.5
95th Percentile	0.0	1.4	3.3	4.7	4.8	4.6	4.9	4.3
# of Portfolios	427	424	414	381	332	313	272	224
● US Fixed Income	1.3 (20)	4.9 (19)	10.5 (23)	8.7 (31)	9.6 (29)	7.2 (49)	6.5 (57)	5.8 (58)
▲ Blended US Fixed Index	0.6 (59)	2.8 (65)	6.0 (70)	7.6 (46)	7.3 (63)	6.6 (63)	6.3 (65)	5.5 (73)

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

As of December 31, 2012



Sector*	Account Weight	BC Aggregate Weight	Difference
Treasuries	39.6%	36.4%	3.2%
Agencies	2.0%	4.8%	-2.8%
Corporates	18.4%	19.1%	-0.7%
Utilities	1.5%	2.4%	-0.9%
Foreign	2.7%	4.5%	-1.8%
MBS	25.3%	31.4%	-6.1%
CMO	2.0%	0.0%	2.0%
ABS	3.0%	0.4%	2.6%
Municipals	0.0%	1.0%	-1.0%
Others/Cash	5.5%	0.0%	5.5%
TOTAL	100.0%	100.0%	0.0%

* Sector Allocation exclude Angelo Gordon PPIP & STAR Funds and Brigade Capital Management.

Bond Summary Statistics – US Fixed Income

As of December 31, 2012

Portfolio Characteristics*		Portfolio
Total Number of Securities		
Total Market Value	\$	342,320,864
Current Coupon		3.29
Yield to Maturity		1.84
Average Life		5.31
Duration		5.71
Quality		AA-

BC Aggregate	
Current Coupon	3.61
Yield to Maturity	1.50
Average Life	6.39
Duration	4.55
Quality	Aa2

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

Average Life	
Range	% Held
0.0 - 1.0	6.9
1.0 - 3.0	13.8
3.0 - 5.0	24.6
5.0 - 10.0	31.3
10.0 - 20.0	7.0
20.0+	16.3
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	15.7
1.0 - 3.0	24.2
3.0 - 5.0	25.0
5.0 - 7.0	20.7
7.0 - 10.0	7.9
10.0+	7.5
Unclassified	-1.0

Quality	
Range	% Held
Govt (10)	40.2
Aaa (10)	32.7
Aa (9)	3.3
A (8)	4.0
Baa (7)	10.2
Below Baa (6-1)	3.7
Other	6.0

Coupon	
Range	% Held
0.0 - 5.0	74.2
5.0 - 7.0	21.3
7.0 - 9.0	3.9
9.0 - 11.0	0.5
11.0 - 13.0	0.1
13.0+	0.0
Unclassified	0.0

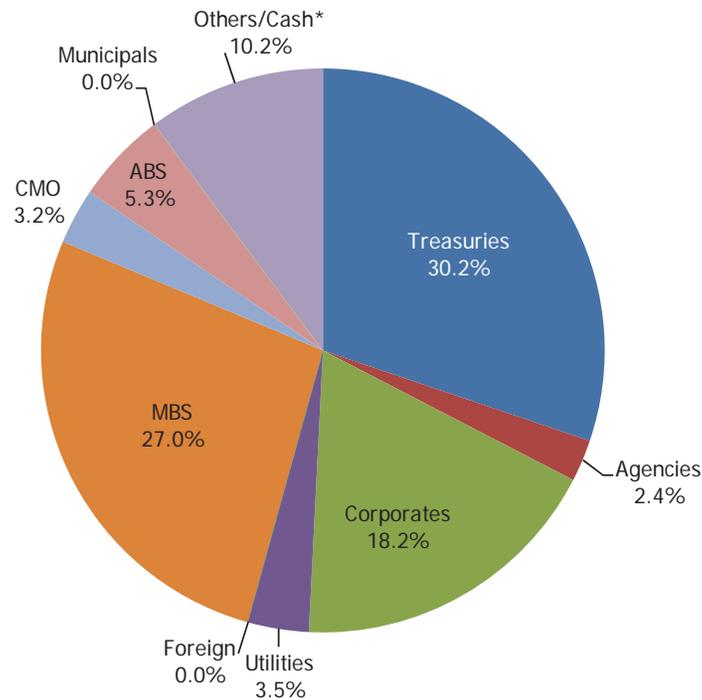
* Characteristics exclude Angelo Gordon PPIP & STAR Funds and Brigade Capital Management.



	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	1.3	4.6	9.4	8.6	9.1	8.2	7.6	6.7
25th Percentile	0.7	3.1	7.0	7.5	7.7	7.3	6.8	6.1
Median	0.5	2.7	5.9	6.9	7.1	6.8	6.4	5.7
75th Percentile	0.3	2.1	4.9	6.3	6.5	6.3	6.1	5.4
95th Percentile	0.0	1.4	3.7	5.2	5.4	4.9	5.1	4.9
# of Portfolios	228	228	228	227	225	217	207	187
● Pyramis Bond	0.6 (32)	2.8 (44)	6.6 (34)	7.3 (33)	7.8 (21)	7.3 (26)	-- (--)	-- (--)
■ Western Asset	0.9 (12)	4.2 (8)	9.1 (6)	8.3 (8)	9.3 (4)	7.3 (26)	6.6 (35)	-- (--)
▲ Barclays Aggregate	0.2 (82)	1.8 (87)	4.2 (90)	6.0 (84)	6.2 (84)	5.9 (85)	5.9 (84)	5.2 (88)

Fixed Income Sector Allocation – Pyramis Broad Market Duration Pool

As of December 31, 2012



Sector	Account Weight	BC Aggregate Weight	Difference
Treasuries	30.2%	36.4%	-6.2%
Agencies	2.4%	4.8%	-2.4%
Corporates	18.2%	19.1%	-0.9%
Utilities	3.5%	2.4%	1.1%
Foreign	0.0%	4.5%	-4.5%
MBS	27.0%	31.4%	-4.4%
CMO	3.2%	0.0%	3.2%
ABS	5.3%	0.4%	5.0%
Municipals	0.0%	1.0%	-1.0%
Others/Cash*	10.2%	0.0%	10.2%
TOTAL	100.0%	100.0%	0.0%

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

Bond Summary Statistics – Pyramis Broad Market Duration Pool

As of December 31, 2012

Portfolio Characteristics		Portfolio
Total Number of Securities		
Total Market Value	\$	138,940,597
Current Coupon		3.47
Yield to Maturity		2.74
Average Life		6.81
Duration		4.85
Quality		AA

BC Aggregate	
	3.61
	1.50
	6.39
	4.55
	Aa2

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

Average Life	
Range	% Held
0.0 - 1.0	9.8
1.0 - 3.0	7.1
3.0 - 5.0	19.0
5.0 - 10.0	23.0
10.0 - 20.0	6.0
20.0+	35.1
Unclassified	0.0

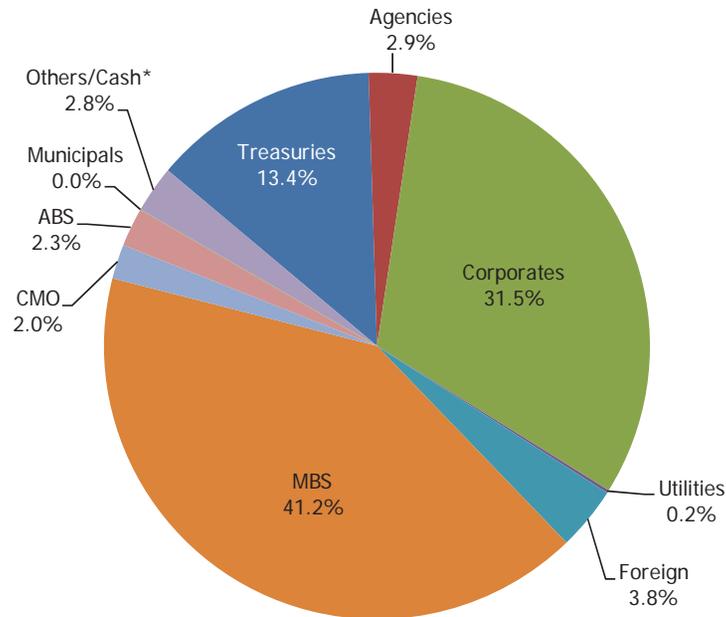
Duration	
Range	% Held
0.0 - 1.0	18.8
1.0 - 3.0	28.0
3.0 - 5.0	25.0
5.0 - 7.0	13.4
7.0 - 10.0	6.9
10.0+	10.4
Unclassified	-2.4

Quality	
Range	% Held
Govt (10)	0.0
Aaa (10)	73.2
Aa (9)	1.5
A (8)	8.9
Baa (7)	15.3
Below Baa (6-1)	0.0
Other	1.0

Coupon	
Range	% Held
0.0 - 5.0	70.9
5.0 - 7.0	25.5
7.0 - 9.0	3.3
9.0 - 11.0	0.4
11.0 - 13.0	0.0
13.0+	0.0
Unclassified	0.0

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

As of December 31, 2012



Sector	Account Weight	BC Aggregate Weight	Difference
Treasuries	13.4%	36.4%	-22.9%
Agencies	2.9%	4.8%	-1.9%
Corporates	31.5%	19.1%	12.4%
Utilities	0.2%	2.4%	-2.2%
Foreign	3.8%	4.5%	-0.8%
MBS	41.2%	31.4%	9.8%
CMO	2.0%	0.0%	2.0%
ABS	2.3%	0.4%	2.0%
Municipals	0.0%	1.0%	-1.0%
Others/Cash*	2.8%	0.0%	2.8%
TOTAL	100.0%	100.0%	0.1%

* Commingled funds (2.3% Western Asset Floating Rate High Income Fund LLC, 3.8% Western Asset Opportunistic Emerging Markets, 2.6% Western Asset Opportunistic US High Yield LLC 2.0% Western Asset Opportunistic Invest Grade, 0.8% Short Term Securities

Bond Summary Statistics – Western Asset

As of December 31, 2012

Portfolio Characteristics		
	Portfolio	
Total Number of Securities		500
Total Market Value	\$	119,584,681
Current Coupon		3.99
Yield to Maturity		2.70
Average Life		7.3
Duration		4.86
Quality		AA-

BC Aggregate	
	3.61
	1.50
	6.39
	4.55
	Aa2

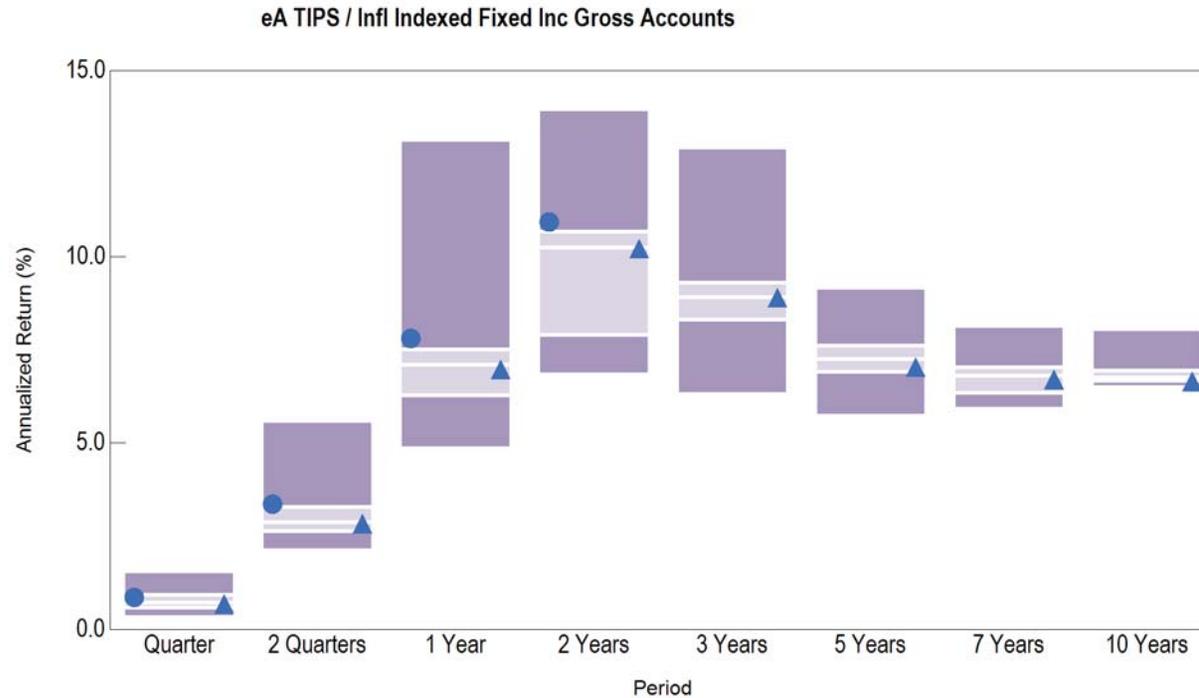
Yield to Maturity	
Range	% Held
0.0 - 5.0	n/a
5.0 - 7.0	n/a
7.0 - 9.0	n/a
9.0 - 11.0	n/a
11.0 - 13.0	n/a
13.0+	n/a
Unclassified	n/a

Average Life	
Range	% Held
0.0 - 1.0	3.4
1.0 - 3.0	12.6
3.0 - 5.0	28.7
5.0 - 10.0	45.9
10.0 - 20.0	3.2
20.0+	6.1
Unclassified	0.0

Duration	
Range	% Held
0.0 - 1.0	18.0
1.0 - 3.0	18.0
3.0 - 5.0	22.9
5.0 - 7.0	22.5
7.0 - 10.0	9.2
10.0+	9.4
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	50.2
Aaa (10)	4.4
Aa (9)	7.7
A (8)	1.1
Baa (7)	11.3
Below Baa (6-1)	10.5
Other	14.8

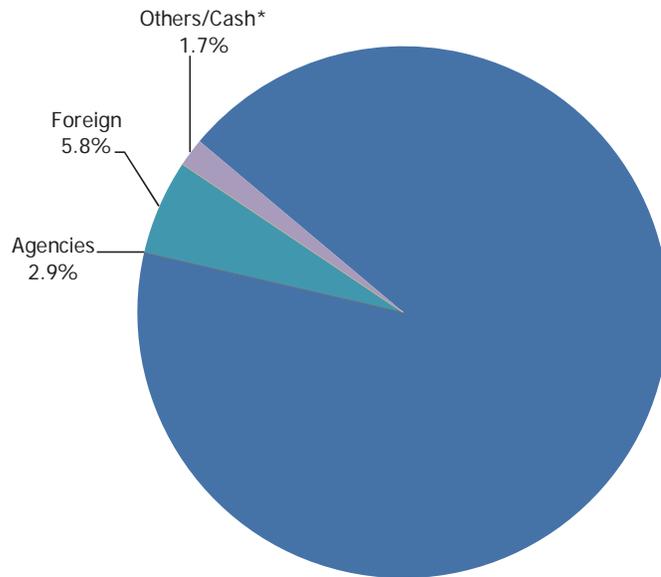
Coupon	
Range	% Held
0.0 - 5.0	60.1
5.0 - 7.0	31.4
7.0 - 9.0	7.4
9.0 - 10.0	1.0
10.0+	0.2
Unclassified	0.0



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	1.6	5.6	13.1	14.0	12.9	9.2	8.1	8.1
25th Percentile	0.9	3.3	7.5	10.7	9.3	7.6	7.0	7.0
Median	0.7	2.9	7.1	10.3	8.9	7.3	6.8	6.8
75th Percentile	0.6	2.6	6.3	7.9	8.3	6.9	6.4	6.7
95th Percentile	0.3	2.1	4.9	6.8	6.3	5.7	5.9	6.5
# of Portfolios	44	44	43	43	39	36	29	17
● Brown Brothers Harriman	0.9 (31)	3.4 (21)	7.8 (20)	10.9 (15)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Barclays US TIPS	0.7 (66)	2.8 (69)	7.0 (66)	10.2 (52)	8.9 (54)	7.0 (72)	6.7 (65)	6.7 (82)

Fixed Income Sector Allocation – Brown Brothers Harriman

As of December 31, 2012



Sector	Account Weight	ML TIPS Index	Difference
Treasuries	92.5%	100.0%	-7.4%
Agencies	0.0%	0.0%	0.0%
Corporates	0.0%	0.0%	0.0%
Utilities	0.0%	0.0%	0.0%
Foreign	5.8%	0.0%	5.8%
MBS	0.0%	0.0%	0.0%
CMO	0.0%	0.0%	0.0%
ABS	0.0%	0.0%	0.0%
Municipals	0.0%	0.0%	0.0%
Others/Cash*	1.7%	0.0%	1.7%
TOTAL	100.0%	100.0%	0.1%

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

Bond Summary Statistics – Brown Brothers Harriman

As of December 31, 2012

Portfolio Characteristics		
	Portfolio	
Total Number of Securities		12
Total Market Value	\$	83,795,586
Current Coupon		1.99
Yield to Maturity		-0.86
Average Life		
Duration		8.35
Quality		AAA

ML TIPS	
Total Number of Securities	33
Current Coupon	1.59
Yield to Maturity	-0.91
Average Life	
Duration	8.69
Quality	AAA

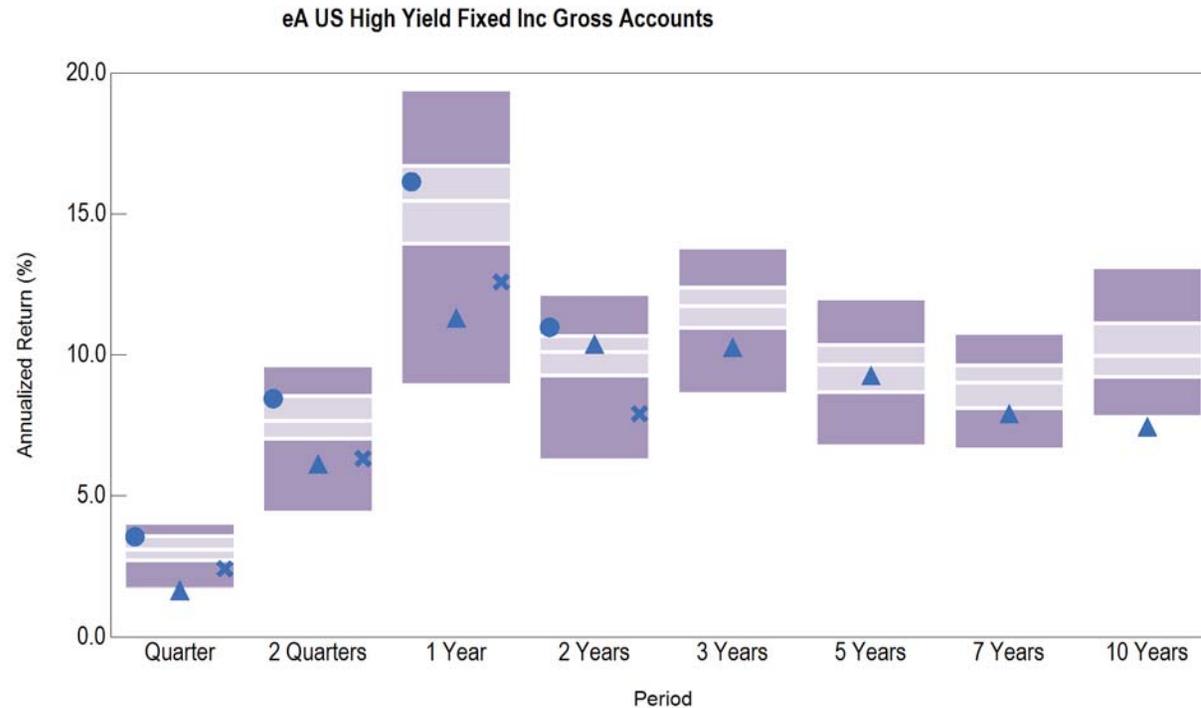
Yield to Maturity	
Range	% Held
0.0 - 5.0	100.0
5.0 - 7.0	n/a
7.0 - 9.0	n/a
9.0 - 11.0	n/a
11.0 - 13.0	n/a
13.0+	n/a
Unclassified	n/a

Average Life	
Range	% Held
0.0 - 3.0	7.2
3.0 - 5.0	26.7
5.0 - 10.0	28.1
10.0- 15.0	24.1
15.0+	14.0
Unclassified	0.0

Duration	
Range	% Held
0.0 - 3.0	7.2
3.0 - 5.0	26.7
5.0 - 10.0	28.1
10.0- 15.0	30.4
15.0+	7.6
Unclassified	0.0

Quality	
Range	% Held
Govt (10)	92.5
Aaa (10)	5.8
Aa (9)	0.0
A (8)	0.0
Baa (7)	0.0
Below Baa (6-1)	0.0
Other	1.7

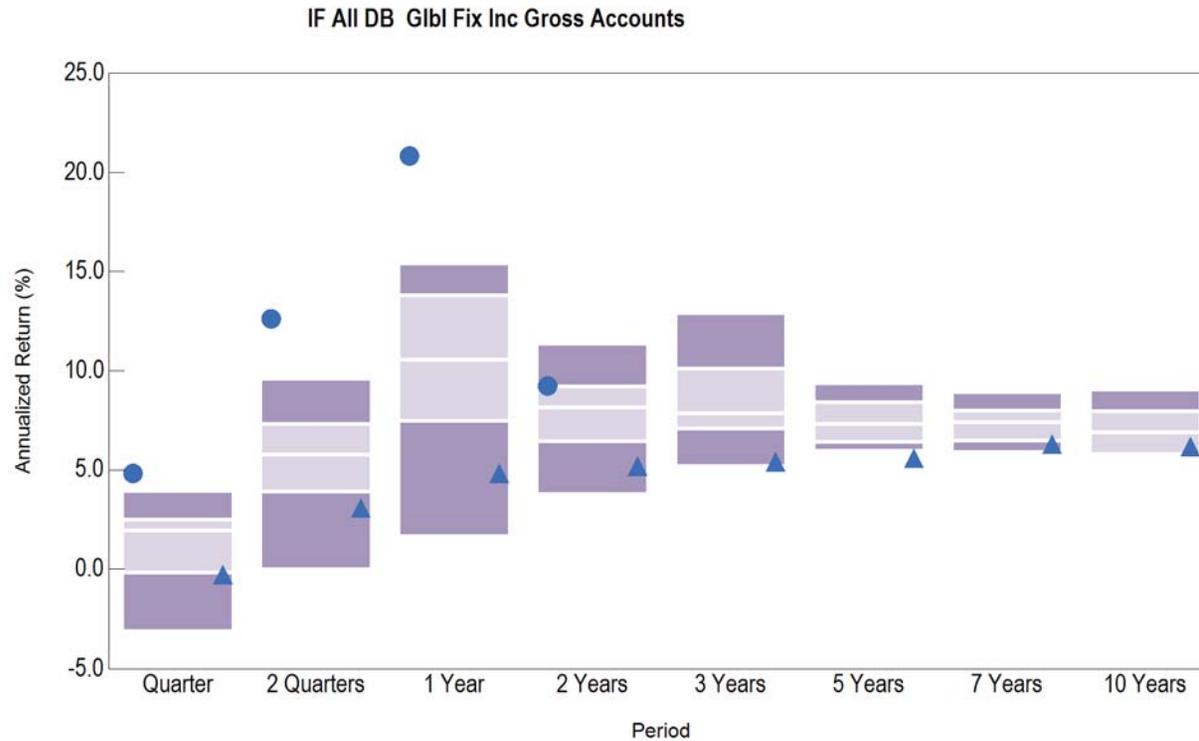
Coupon	
Range	% Held
0.0 - 5.0	100.0
5.0 - 7.0	0.0
7.0 - 9.0	0.0
9.0 - 11.0	0.0
11.0 - 13.0	0.0
13.0+	0.0
Unclassified	0.0



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	4.0	9.6	19.4	12.1	13.8	12.0	10.8	13.1
25th Percentile	3.6	8.6	16.7	10.7	12.4	10.4	9.6	11.1
Median	3.1	7.7	15.5	10.1	11.7	9.7	9.0	10.0
75th Percentile	2.7	7.0	14.0	9.3	11.0	8.7	8.1	9.2
95th Percentile	1.7	4.4	8.9	6.3	8.6	6.8	6.7	7.8
# of Portfolios	129	129	129	128	125	116	112	95
● Brigade Capital	3.5 (28)	8.4 (30)	16.1 (36)	11.0 (18)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Barclays Credit BAA	1.7 (96)	6.1 (87)	11.3 (91)	10.4 (37)	10.3 (85)	9.3 (57)	7.9 (84)	7.5 (97)
✕ 50% Barclays HY/ 50% Bank Loan	2.4 (85)	6.3 (85)	12.6 (86)	7.9 (92)	-- (--)	-- (--)	-- (--)	-- (--)

Total Returns - Global Fixed Income

Periods Ending December 31, 2012



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	3.9	9.6	15.4	11.4	12.9	9.4	8.9	9.0
25th Percentile	2.5	7.3	13.8	9.2	10.1	8.4	8.0	8.0
Median	2.0	5.8	10.6	8.2	7.9	7.3	7.4	6.9
75th Percentile	-0.2	3.9	7.5	6.5	7.1	6.4	6.5	5.8
95th Percentile	-3.1	0.0	1.7	3.8	5.2	6.0	5.9	5.7
# of Portfolios	40	39	37	33	26	22	16	11
● Global Fixed Income	4.8 (1)	12.6 (1)	20.8 (1)	9.2 (25)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Barclays Multi-verse	-0.3 (76)	3.1 (80)	4.8 (82)	5.2 (88)	5.4 (92)	5.6 (99)	6.3 (89)	6.2 (57)

Total Returns - Global Fixed Income

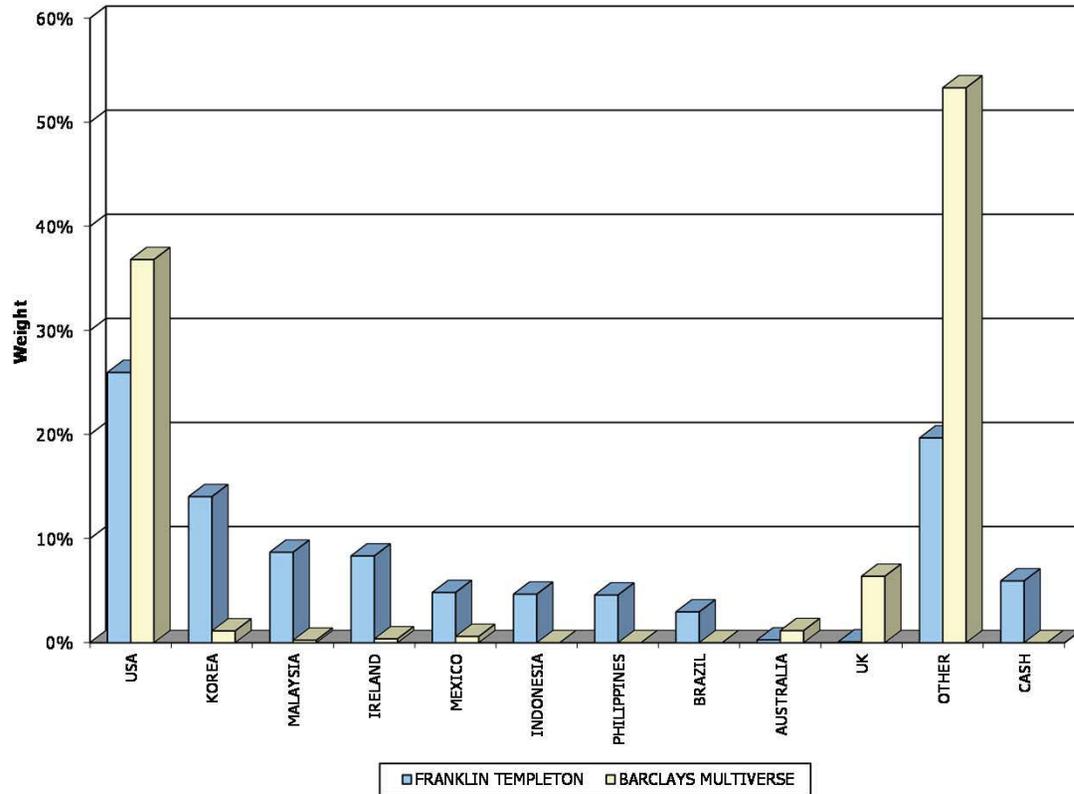
Periods Ending December 31, 2012



	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	5.4	12.3	19.7	12.0	12.6	10.0	9.7	11.6
25th Percentile	3.1	8.3	14.3	9.0	9.1	8.0	7.9	8.8
Median	1.9	5.6	9.5	7.1	6.9	6.6	6.8	7.1
75th Percentile	0.3	3.5	5.9	5.4	5.7	5.5	6.2	6.4
95th Percentile	-1.4	1.4	2.5	2.0	1.7	2.3	4.6	5.1
# of Portfolios	197	197	197	192	178	152	120	87
● Franklin Templeton	4.8 (8)	12.6 (5)	20.8 (3)	9.2 (24)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Barclays Multi-verse	-0.3 (88)	3.1 (80)	4.8 (83)	5.2 (78)	5.4 (81)	5.6 (71)	6.3 (72)	6.2 (78)

Portfolio Country Weights – Franklin Templeton

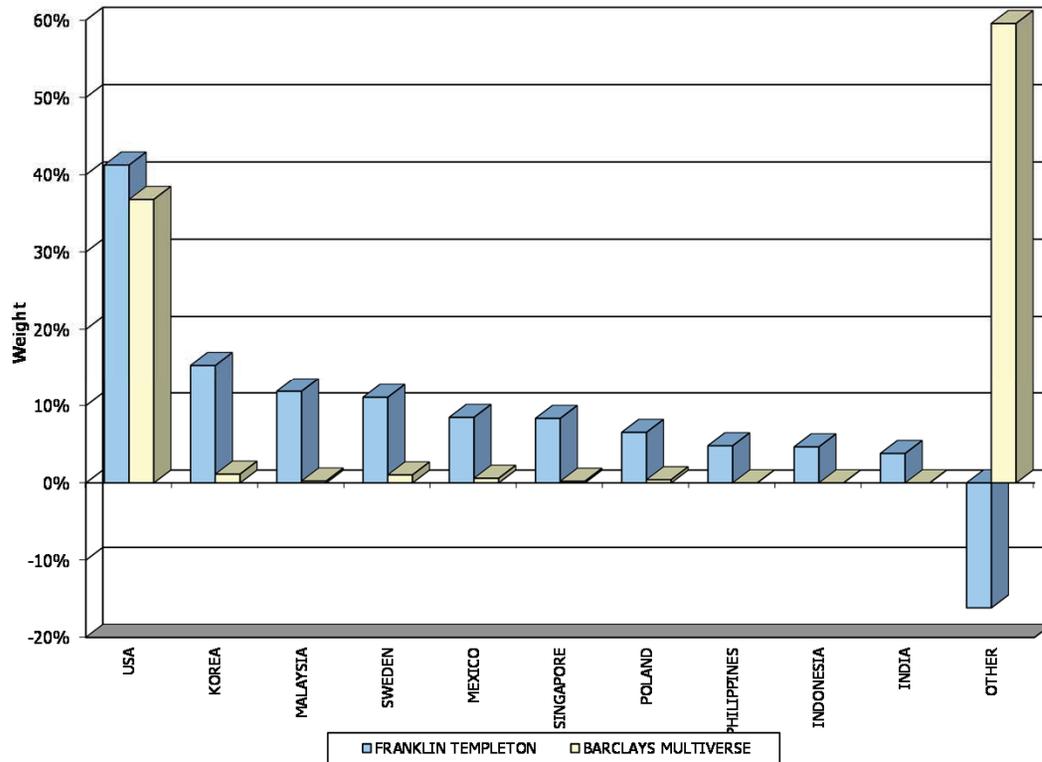
As of December 31, 2012



COUNTRY	MARKET VALUE	FRANKLIN TEMPLETON	BARCLAYS MULTIVERSE	DIFF
USA	\$ 31,014	26.0%	36.8%	-10.8%
KOREA	\$ 16,765	14.0%	1.1%	+12.9%
MALAYSIA	\$ 10,381	8.7%	0.2%	+8.4%
IRELAND	\$ 9,957	8.3%	0.4%	+8.0%
MEXICO	\$ 5,766	4.8%	0.6%	+4.2%
INDONESIA	\$ 5,568	4.7%		+4.7%
PHILIPPINES	\$ 5,471	4.6%		+4.6%
BRAZIL	\$ 3,536	3.0%		+3.0%
AUSTRALIA	\$ 317	0.3%	1.2%	-0.9%
UK	\$ 98	0.1%	6.4%	-6.3%
OTHER	\$ 23,495	19.7%	53.3%	-33.6%
CASH	\$ 7,090	5.9%	0.0%	+5.9%
	\$ 119,458	100.0%	100.0%	0.0%

Portfolio Currency Exposures – Franklin Templeton

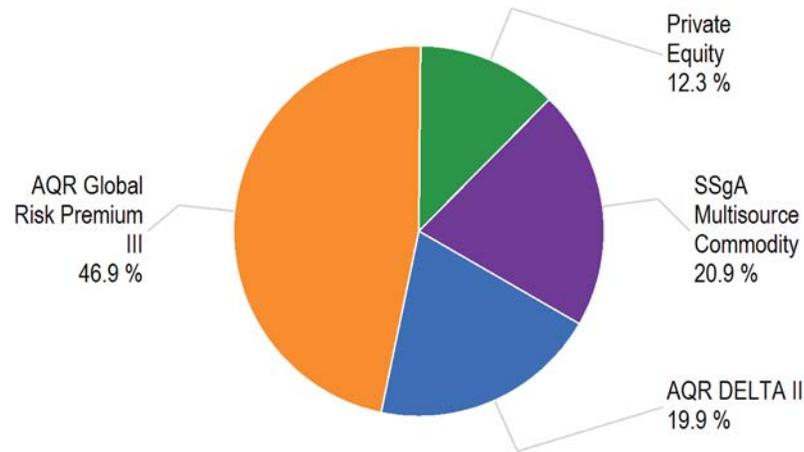
As of December 31, 2012



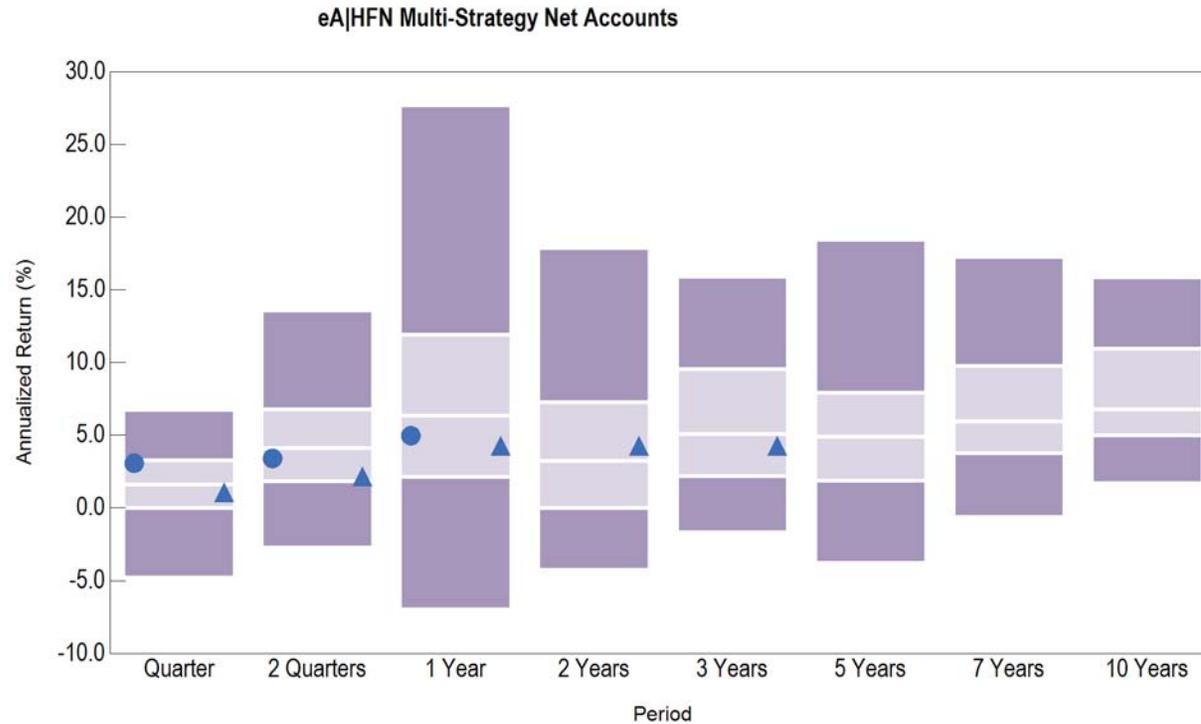
CURRENCY	MARKET VALUE	FRANKLIN TEMPLETON	BARCLAYS MULTIVERSE	DIFF
USA	\$ 49,288	41.3%	36.8%	+4.4%
KOREA	\$ 18,296	15.3%	1.1%	+14.2%
MALAYSIA	\$ 14,179	11.9%	0.2%	+11.6%
SWEDEN	\$ 13,243	11.1%	1.0%	+10.1%
MEXICO	\$ 10,131	8.5%	0.6%	+7.9%
SINGAPORE	\$ 9,971	8.3%	0.2%	+8.1%
POLAND	\$ 7,809	6.5%	0.4%	+6.1%
PHILIPPINES	\$ 5,742	4.8%		+4.8%
INDONESIA	\$ 5,568	4.7%		+4.7%
INDIA	\$ 4,548	3.8%		+3.8%
OTHER	\$ (19,317)	-16.2%	59.6%	-75.7%
	\$ 119,458	100.0%	100.0%	0.0%

Manager Allocation Analysis - Alternatives

As of December 31, 2012



	Actual \$	Actual %
AQR DELTA II	\$71,327,118	19.9%
AQR Global Risk Premium III	\$167,743,634	46.9%
Private Equity	\$43,909,997	12.3%
SSgA Multisource Commodity	\$74,824,869	20.9%
Total	\$357,805,618	

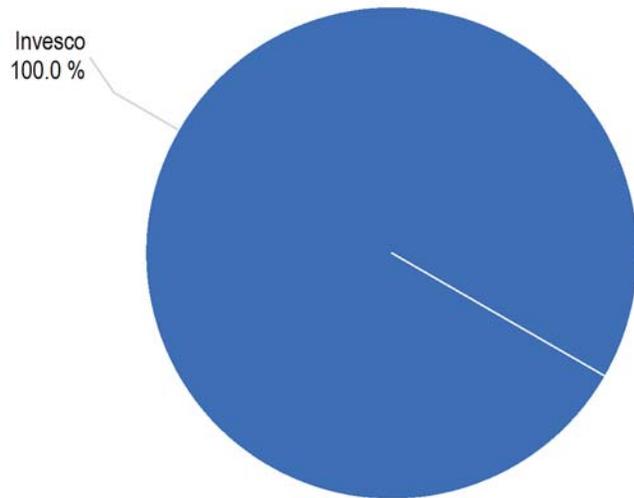


	Return (Rank)							
	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	6.7	13.5	27.6	17.8	15.9	18.4	17.2	15.8
25th Percentile	3.3	6.8	11.9	7.3	9.6	7.9	9.8	11.0
Median	1.6	4.1	6.3	3.2	5.1	4.9	6.0	6.8
75th Percentile	0.0	1.9	2.2	0.0	2.2	1.9	3.8	5.0
95th Percentile	-4.8	-2.7	-6.9	-4.3	-1.7	-3.8	-0.6	1.7
# of Portfolios	122	120	117	104	93	66	48	27
● AQR DELTA II	3.1 (29)	3.4 (61)	4.9 (61)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ Libor 1 month +4%	1.1 (61)	2.1 (73)	4.2 (66)	4.2 (40)	4.3 (63)	-- (--)	-- (--)	-- (--)

Manager Allocation Analysis - Real Estate

As of December 31, 2012

	Actual \$	Actual %
Invesco	\$153,983,862	100.0%
Total	\$153,983,862	

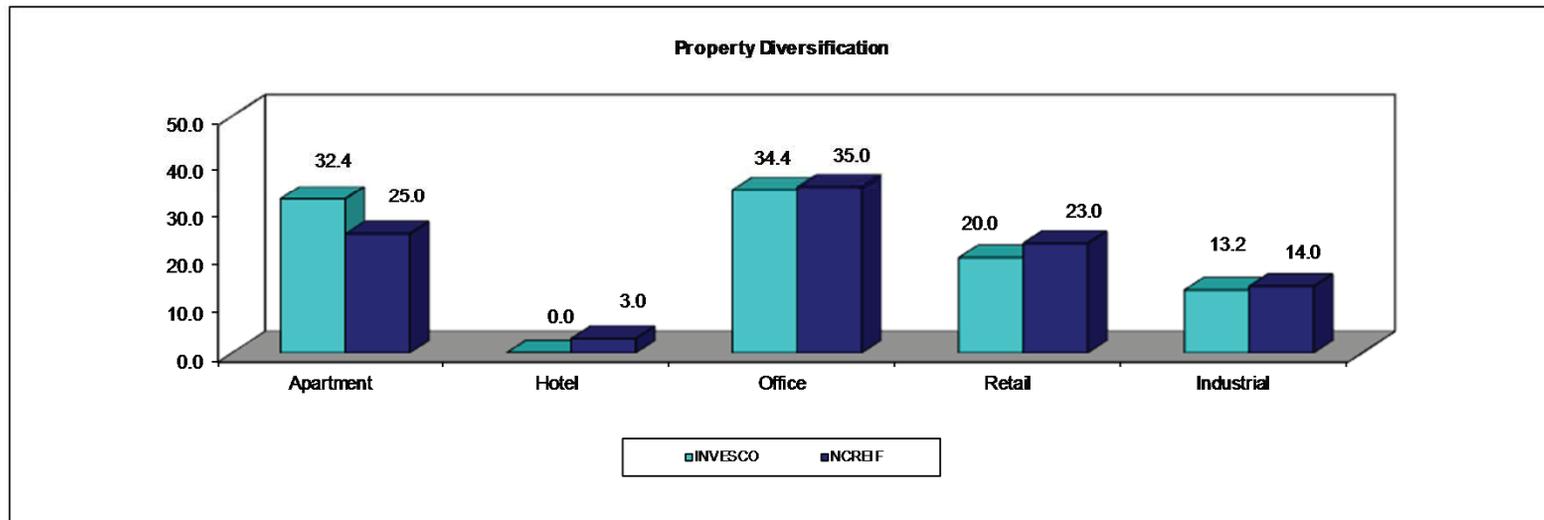
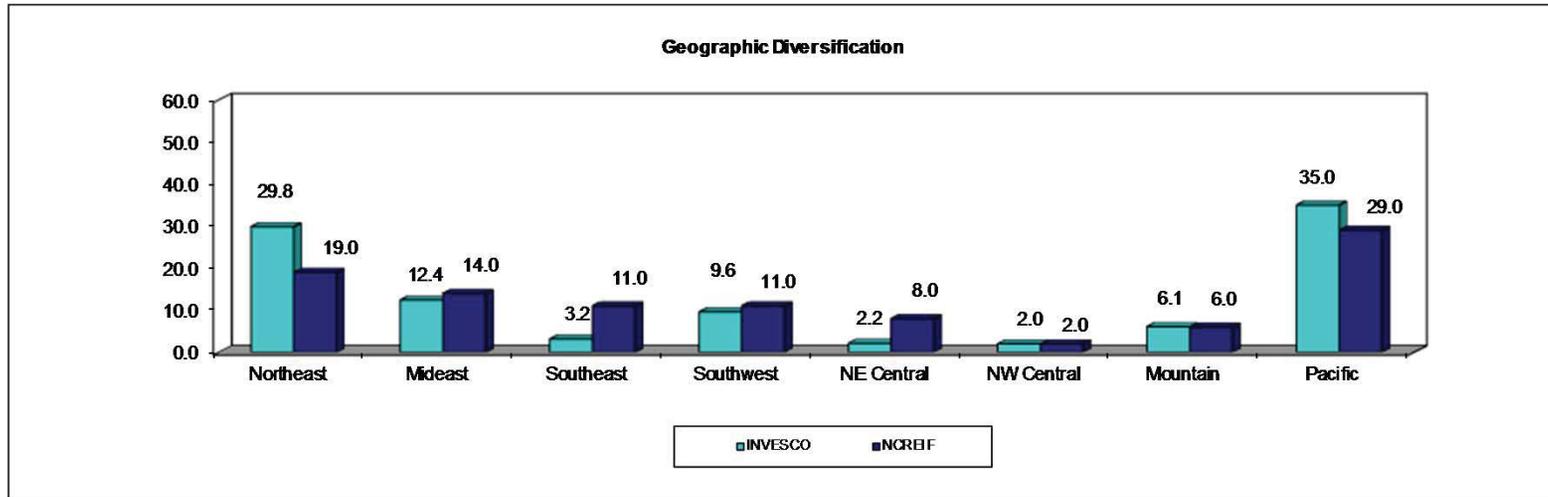




	Quarter	2 Quarters	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	5.1	10.9	23.8	16.7	17.3	2.6	5.6	10.9
25th Percentile	2.5	5.7	12.8	14.7	15.4	0.1	3.8	6.8
Median	2.0	4.7	10.7	13.1	13.4	-1.2	2.8	6.1
75th Percentile	0.8	2.8	8.4	11.3	11.7	-2.1	2.3	5.3
95th Percentile	0.0	1.3	4.2	7.2	4.6	-5.2	0.5	3.1
# of Portfolios	123	121	116	112	105	96	77	35
● Real Estate	2.1 (45)	5.0 (40)	8.6 (73)	12.7 (56)	14.0 (46)	-0.8 (37)	3.8 (26)	7.6 (18)
▲ NCREIF ODCE	2.4 (36)	5.2 (34)	10.9 (46)	13.4 (41)	14.4 (38)	-0.3 (30)	4.1 (23)	7.1 (22)

Real Estate Diversification Analysis – INVESCO Core Real Estate

As of December 31, 2012



Real Estate Valuation Analysis – INVESCO Core Real Estate

Fourth Quarter 2012

Property Name	MSA	Prior Quarter Carry Value	Current Quarter Carry Value	Net Market Value	Date Added to Fund	Last Valuation Date	SamCERA ownership as of 12/31/2012 (3.66%)
APARTMENTS							
Seneca Village	Portland-Vancouver OR-WA		\$40,800,000	\$40,800,000		December	\$1,491,998
Grandville at the Commons	South Kingstown, RI		\$46,900,000	\$46,900,000		December	\$1,715,066
Broadstone at Foothills	San Bernardino, CA		\$25,600,000	\$25,600,000		December	\$936,156
Milestone Apt. Portfolio	Various States - South				2Q06	December	\$3,775,245
Meridie	Pleasanton		\$159,500,000	\$159,500,000		December	\$5,832,688
Merlin Parc Apartments	Edar Hills		\$87,000,000	\$87,000,000		December	\$3,181,466
Millington at Merrill Cree	Everett		\$67,200,000	\$67,200,000		December	\$2,457,409
Executive Residences at the Lens Pond	Easton		\$90,300,000	\$90,300,000		December	\$3,302,143
Island Park	Seattle Bellevue Everett			\$25,521,016		December	\$933,267
Willow Creek at Foothills	Windsor		\$73,800,000	\$31,556,797	1Q08	December	\$1,153,987
Metropolitan at Penton City	Irving		\$155,300,000	\$93,358,737	3Q10	December	\$3,413,996
Madison	Portland		\$92,600,000	\$92,600,000	4Q10	December	\$3,386,250
Executive Mountain Plaza	San Jose		\$108,500,000	\$108,500,000	1Q11	December	\$3,967,691
Executive	Seattle		\$146,000,000	\$76,000,000	1Q11	December	\$2,779,212
Clinton Street	Portland		\$56,100,000	\$56,100,000	1Q12	December	\$2,051,497
Glenn	Orange County		\$120,800,000	\$120,800,000	3Q12	December	\$4,417,484
Madison	Atlanta		\$76,000,000	\$76,000,000	4Q12	December	\$2,779,212
		\$1,628,004,447	\$1,727,564,407	\$1,300,973,940			\$47,574,769
INDUSTRIAL							
Arjona	San Diego CA	\$28,000,000	\$28,000,000	\$28,000,000	2Q04	December	\$1,023,920
Garland Gateway East	Dallas TX	\$10,000,000	\$10,000,000	\$10,000,000	2Q04	December	\$365,686
Gateway Business Park	Dallas TX	\$8,800,000	\$9,000,000	\$9,000,000	2Q04	December	\$329,117
Hayward Industrial	Oakland CA	\$85,300,000	\$85,200,000	\$85,200,000	3Q04-3Q07	December	\$3,115,643
Lackman	Kansas City MO-KS	\$20,900,000	\$21,000,000	\$21,000,000	2Q04	December	\$767,940
Crossroads Industrial	Kansas City MO-KS	\$8,300,000	\$8,300,000	\$8,300,000	1Q06	December	\$303,519
Oakdale Commerce Center	Seattle - Bellevue - Everett WA	\$34,800,000	\$34,900,000	\$34,900,000	1Q06	December	\$1,276,243
South Bay Industrial	Los Angeles, CA	\$66,900,000	\$70,450,000	\$70,450,000		December	\$2,576,256
VIP Holdings I	Chicago, IL	\$72,659,904	\$72,651,242	\$25,143,842	2Q06	December	\$919,475
Executive Commerce	Phoenix Mesa	\$51,100,000	\$51,800,000	\$51,800,000		December	\$1,894,252
Executive Lease International Business Park	Atlanta	\$21,700,000	\$21,700,000	\$21,700,000		December	\$793,538
Executive Trade Center III	Dallas	\$30,000,000	\$31,000,000	\$31,000,000		December	\$1,133,626
Executive Logistics	San Bernardino	\$103,200,000	\$104,100,000	\$104,100,000		December	\$3,806,789
Executive Office Industrial	Dallas	\$59,700,000	\$59,600,000	\$59,600,000		December	\$2,179,487
Executive Office	San Jose	\$27,527,000	\$28,300,000	\$28,300,000		December	\$1,034,891
Executive Logistics Center	San Jose	\$0	\$67,387,022	\$67,387,022	4Q12	December	\$2,464,248
		\$628,886,904	\$703,388,264	\$655,880,864			\$23,984,631

Real Estate Valuation Analysis – INVESCO Core Real Estate

Fourth Quarter 2012

Property Name	MSA	Prior Quarter Carry Value	Current Quarter Carry Value	Net Market Value	Date Added to Fund	Last Valuation Date	SamCERA ownership as of 12/31/2012 (3.66%)
OFFICE							
55 Cambridge	Boston MA - NH	\$145,000,000	\$150,000,000	\$96,448,926	4Q06	December-12	\$3,527,000
One Liberty	Boston MA - NH	\$43,100,000	\$42,300,000	\$42,300,000	2Q07	December-12	\$1,546,851
Gainey Center II	Scottsdale - AZ	\$30,500,000	\$30,500,000	\$30,500,000	3Q07	December-12	\$1,115,342
Valencia Town Center	Valencia, CA	\$145,900,000	\$147,000,000	\$147,000,000	3Q07	December-12	\$5,375,581
Park Ten Plaza	Houston, TX	\$29,600,000	\$30,000,000	\$30,000,000	1Q05	December-12	\$1,097,057
Westport Corporate Center	Fairfield County, CT	\$15,200,000	\$14,600,000	\$14,600,000	4Q07	December-12	\$533,901
Parkside Towers	San Francisco, CA	\$101,300,601	\$100,319,779	\$56,849,726	1Q08	December-12	\$2,078,914
The Executive Building	Washington DC	\$156,000,000	\$158,000,000	\$158,000,000	2Q08	December-12	\$5,777,836
Brill Building	New York, NY	\$71,280,000	\$71,775,000	\$31,922,471	4Q07	December-12	\$1,167,359
10 Brookline Place	Brookline, MA	\$128,000,000	\$128,000,000	\$128,000,000	2Q10	December-12	\$4,680,778
1111 Pennsylvania Avenue	Washington, D.C.	\$255,600,000	\$255,600,000	\$255,600,000	4Q10	December-12	\$9,346,929
1800 Larimer	Denver, CO	\$225,300,000	\$224,000,000	\$224,000,000	1Q11	December-12	\$8,191,362
230 Park Avenue	New York, NY	\$417,697,097	\$430,555,656	\$245,503,487	2Q11	December-12	\$8,977,714
3450 & 3460 Hillview Ave	San Jose, CA	\$51,000,000	\$51,000,000	\$51,000,000	3Q12	December-12	\$1,864,998
		\$1,815,477,698	\$1,833,650,435	\$1,511,724,610			\$55,281,621
RETAIL							
Broadway at Surf	Chicago IL	\$24,400,000	\$24,700,000	\$24,700,000	2Q04	December-12	\$903,244
Carriagetown Marketplace	Boston MA - NH	\$21,000,000	\$21,000,000	\$21,000,000	2Q04	December-12	\$767,940
Chandler Pavilions	Phoenix - Mesa AZ	\$18,200,000	\$18,100,000	\$18,100,000	2Q04	December-12	\$661,891
Matthews Township	Charlotte - G - RH NC-SC	\$23,100,000	\$23,100,000	\$23,100,000	2Q04	December-12	\$844,734
Windward Commons	Atlanta GA	\$20,800,000	\$20,900,000	\$20,900,000	2Q04	December-12	\$764,283
Cityline at Tenley	Washington, D.C.	\$47,100,000	\$47,200,000	\$47,200,000	4Q05	December-12	\$1,726,037
Ridgehaven Mall	Minnetonka, MN	\$32,200,000	\$33,100,000	\$33,100,000	4Q05	December-12	\$1,210,420
The Beacon Retail	San Francisco, CA	\$44,900,000	\$46,200,000	\$46,200,000	1Q06	December-12	\$1,689,468
The Beacon Garage	San Francisco, CA	\$27,500,000	\$27,500,000	\$27,500,000	1Q06	December-12	\$1,005,636
Oak Brook Court	Chicago, IL	\$18,400,000	\$18,300,000	\$18,300,000	4Q07	December-12	\$669,205
Hawthorne Plaza	Overland Park, KS	\$29,000,000	\$29,200,000	\$29,200,000	4Q07	December-12	\$1,067,803
Deerwood Lake Commons	Jacksonville, FL	\$10,200,000	\$10,100,000	\$10,100,000	4Q07	December-12	\$369,343
Heath Brook Commons	Ocala, FL	\$11,100,000	\$11,000,000	\$11,000,000	4Q07	December-12	\$402,254
Park View Square	Miramar, FL	\$11,500,000	\$11,600,000	\$11,600,000	4Q07	December-12	\$424,196
St. John's Commons	Jacksonville, FL	\$10,300,000	\$10,300,000	\$10,300,000	4Q07	December-12	\$376,656
West Creek Commons	Coconut Creek, FL	\$10,600,000	\$10,600,000	\$10,600,000	4Q07	December-12	\$387,627
The Loop	Boston MA - NH	\$92,500,000	\$92,200,000	\$92,200,000	1Q08	December-12	\$3,371,623
Westbank Marketplace	Austin, TX	\$44,700,000	\$44,800,000	\$20,775,753	3Q10	December-12	\$759,740
910 Lincoln Road	Miami, FL	\$17,500,000	\$17,600,000	\$17,600,000	4Q10	December-12	\$643,607
Lake Pointe Village	Houston, TX	\$59,000,000	\$59,300,000	\$59,300,000	4Q11	December-12	\$2,168,517
Safeway Kapahulu	Hawaii	\$75,900,000	\$76,000,000	\$39,235,909	4Q11	December-12	\$1,434,801
Safeway Burlingame	San Francisco, CA	\$44,700,000	\$44,700,000	\$21,646,275	4Q11	December-12	\$791,574
Shamrock Plaza	Oakland, CA	\$32,600,000	\$32,600,000	\$16,096,782	4Q11	December-12	\$588,636
Pavilions Marketplace	West Hollywood, CA	\$50,000,000	\$50,000,000	\$24,940,499	1Q12	December-12	\$912,039
130 Prince	New York, NY	\$144,000,000	\$148,000,000	\$148,000,000	2Q12	December-12	\$5,412,150
Pleasanton Gateway	Pleasanton, CA	\$0	\$71,733,575	\$71,733,575	4Q12	Acq 4Q12	\$2,623,195
Liberty Wharf	Boston, MA	\$0	\$64,905,722	\$28,967,705	4Q12	Acq 4Q12	\$1,059,308
		\$920,200,000	\$1,064,739,297	\$903,396,498			\$33,035,927
Portfolio Total		\$4,992,569,049	\$5,329,342,403	\$4,371,975,911			\$159,876,948

Angelo, Gordon & Co. – AG GECC Public-Private Investment Fund, L.P. (PPIP)

Angelo, Gordon (AG) and GE Capital Corporation (GECC) jointly manage this fund, which targets investments in legacy non-Agency residential mortgage-backed securities (RMBS) and commercial mortgage-backed securities (CMBS) originally rated AAA. The strategy is primarily long-term buy-and-hold, although tactical trading based on more short-term technical factors is also incorporated. The allocation between RMBS and CMBS is flexible and will be managed opportunistically, although the initial focus is expected to be on RMBS. The fund utilizes up to 2:1 leverage (i.e., assets: equity) provided by the US Treasury under the Public-Private Investment Program (PPIP). The fund, structured as a closed-end private partnership, has a term of 8 years with two potential 1-year extensions and no early withdrawal rights. Annual distributions of up to 8% may be made, pending cash flow realizations from the underlying securities and scheduled repayment of the UST leverage facility. AG/GECC's approach utilizes top-down analysis to project macroeconomic factors (e.g., unemployment, interest rates), real estate prices and trends, default frequencies, recovery rates, etc. In addition, detailed bottom-up analysis covering the underlying collateral, loan originator, loan servicer and structural features (e.g., cash flow hierarchy, covenants) is conducted on each individual security in the investment universe. In addition to absolute value considerations, an assessment of relative value is made between the various sectors (e.g., RMBS vs. CMBS, Alt-A RMBS vs. Subprime RMBS) as well as individual securities within the same sector. Extensive stress testing and scenario analysis is also performed to determine worst-case loss if the underlying collateral pool (i.e., mortgages) suffers a high number of defaults and/or severe loss severities, the goal being to purchase securities with a significant margin of safety.

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.

Artio Global Investors – International Equity

Artio's investment philosophy is that a well diversified international equity portfolio provides better risk-adjusted returns than a concentrated portfolio. Overall, the approach can be characterized as flexible with regard to style, market cap, country and sector weightings, and cash exposure; but disciplined with regard to security diversification. The investment process is based on fundamental assessment of companies, sectors and macroeconomic influences on regions and countries. The process is both top down and bottom up. In emerging countries and, to some degree in Japan, investment ideas are driven by the team's view of factors such as GDP growth rates, political issues, interest rates and currencies. However, in the developed markets, traditional fundamental security analysis and industry analysis are the primary drivers of stock selection. The analysts employ multiple valuation metrics depending on what is most appropriate for a given sector. They also consider growth factors at a country, industry and stock level. The portfolio typically invests 5%-15% in emerging markets and 10% in smaller capitalization stocks but at any given time the exposure to these asset classes can vary substantially. While the managers do not entirely ignore the benchmark, country and sector weightings can also diverge quite sharply from the index. The main risk control is diversification at the security level with the number of portfolio holdings at approximately 300 names. This product is closed to new investors.

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 – Russell 1000 Index

BlackRock uses a full replication approach. They hold each stock in the same proportion in which it is represented in the Russell 1000 Index. BGI monitors the funds daily to ensure that additions and deletions to the Russell 1000, mergers and acquisitions, restructurings and other capitalization changes are made to the fund in such a way to minimize tracking error and transactions costs.

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 Brothers Harriman – Inflation Indexed Securities

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

Chartwell Investment Partners – Small Cap Growth

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

D.E. Shaw – Broad Market Core Enhanced Plus Strategy

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

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.

Jennison Associates – US Small Cap

Jennison's approach is based on the premise that bottom up fundamental research can add significant value by uncovering inefficiencies in the small cap asset class. They seek out companies that they believe have attractive valuations, and should experience superior earnings growth on an intermediate term basis. In addition, Jennison looks for companies with the following attributes: strong competitive position, quality management team, demonstrated growth in sales and earnings, balance sheet flexibility and strength. The portfolio contains 110-135 stocks with a maximum position size of 4%, with actual positions rarely exceeding 2.5%. Industry weights are normally limited to 20% and sector weights are typically within 5%-7% of the benchmark, though they may be higher. Positions are

scaled to reflect market cap and trading volume. According to Jennison, their expected tracking error is 6%-8%, but historically it has been lower. They seek to add 3%-4% of excess return over a market cycle.

Mondrian Investment Partners – International Equity

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

Pyramis Global Advisors – Broad Market Duration Commingled Pool

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

SSgA Global Multisector Plus – Commodities

SSARIS operates the Multisource Commodity ("MAC") strategy. SSARIS is a joint venture between State Street Global Advisors ("SSgA") and the executive team of RXR Capital. SSgA owns 60% of the venture with the remaining 40% held by RXR Capital's executives. SSgA believes that the commodities markets are not fully efficient, and that a disciplined, quantitative investment process can identify and exploit futures contract mispricings. They believe in taking a small number of large active positions in order to capitalize on these mispricings in a timely manner, utilizing a systematic 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.

T. Rowe Price – U.S. Structured Research Strategy

T. Rowe Price believes that fundamental, bottom-up stock selection performed by specialized research analysts can produce more consistent alpha than quantitative approaches using computer models. T. Rowe Price's U.S. Structured Research Strategy is an enhanced index strategy that combines fundamental security selection with risk controls designed to neutralize sector and industry bets relative to the S&P 500 Index. As a low tracking error enhanced index strategy, U.S. Structured Research is relatively unusual in relying exclusively on fundamental analyst research and employing neither a quantitative model nor an optimization process. The portfolio is managed by 30+ sector analysts responsible for selecting stocks within their areas of expertise. Each analyst determines relative industry weights and timing of trades within their coverage universe. They seek to add value through deviations from index weights, stock avoidance, and selecting stocks not held in the index. The analysts' aggregate buy and sell decisions result in a 250- to 300-stock portfolio with industry-, sector-, style-, and capitalization-characteristics quite close to the benchmark. Relative to the S&P 500, sector exposures range +/- 150 basis points, industry exposures range +/- 100 basis points, and the maximum active position size will typically range +/- 100 basis points around the benchmark weight. For stocks representing more than 3% of the S&P 500 Index, active position sizes can range +/- 150 basis points.

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 Benchmark

As of:

	1/1/2011	10/1/2010	1/1/2009	5/1/2007	6/1/2000	3/1/1999	9/1/1998	7/1/1996
Russell 1000	28.0%	28.0%	37.0%	37.0%	40.0%	22.0%	20.0%	20.0%
S & P 500	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%
Russell 1000 Value	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	5.0%	0.0%
Russell 2000	7.0%	7.0%	9.0%	9.0%	10.0%	15.0%	15.0%	15.0%
MSCI AC World ex-US	18.0%	18.0%	21.0%	21.0%	15.0%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	0.0%	0.0%	20.0%	20.0%	20.0%
Barclays Aggregate	11.0%	12.9%	27.0%	27.0%	29.0%	25.0%	21.0%	21.0%
Barclays BBB	3.3%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Barclays Tips	3.3%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Barclays Multiverse	4.4%	4.5%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Citigroup Non-US WGBI unhedged	0.0%	0.0%	0.0%	0.0%	0.0%	5.0%	9.0%	9.0%
NCREIF NFI ODCE	5.0%	5.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%
NCREIF Property	0.0%	0.0%	0.0%	6.0%	6.0%	0.0%	0.0%	0.0%
10 YR Treasury plus 2%	0.0%	0.0%	0.0%	0.0%	0.0%	8.0%	10.0%	10.0%
Russell 3000 + 300 basis points	8.0%	8.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
60% Russell 3000/40% BC Aggregate	6.0%	6.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Libor + 4%	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Dow Jones UBS Commodity	3.0%	3.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
	100%	100%	100%	100%	100%	100%	100%	100%

Total Equity Benchmark

As of:

	10/1/2010	5/1/2007	6/1/2000	3/1/1999	9/1/1998	1/1/1996
Russell 1000	50.9%	55.2%	61.5%	35.5%	33.3%	33.3%
S & P 500	0.0%	0.0%	0.0%	0.0%	0.0%	8.4%
Russell 1000 Value	0.0%	0.0%	0.0%	8.0%	8.3%	0.0%
Russell 2000	15.1%	13.5%	15.4%	24.2%	25.0%	25.0%
MSCI AC World ex-US	34.0%	31.3%	23.1%	0.0%	0.0%	0.0%
MSCI EAFE	0.0%	0.0%	0.0%	32.3%	33.3%	33.3%
	100%	100%	100%	100%	100%	100%

Domestic Equity Benchmark

As of:

	6/1/2000	3/1/1999	9/1/1998	7/1/1996	1/1/1995
Russell 1000	80.00%	52.00%	50.00%	50.00%	69.00%
S & P 500	0.00%	0.00%	0.00%	12.50%	17.00%
Russell 1000 Value	0.00%	12.00%	12.50%	0.00%	0.00%
Russell 2000	20.00%	36.00%	37.50%	37.50%	14.00%
	100%	100%	100%	100%	100%

International Equity Benchmark

As of:

	6/1/2000	1/1/1996
MSCI AC World ex-US	100%	0%
MSCI EAFE	0%	100%

Total Fixed Income Benchmark

As of:

	1/1/2011	10/1/2010	6/1/2000	3/1/1999	7/1/1996
Barclays Aggregate	50.00%	58.60%	100.00%	83.33%	70.00%
Barclays BBB	15.00%	7.30%	0.00%	0.00%	0.00%
Barclays Tips	15.00%	13.60%	0.00%	0.00%	0.00%
Barclays Multiverse	20.00%	20.50%	0.00%	0.00%	0.00%
Citigroup Non-US WGBI unhedged	0.00%	0.00%	0.00%	16.67%	30.00%
	100.0%	100.0%	100.0%	100.0%	100.0%

Domestic Fixed Income Benchmark

As of:

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

International Fixed Income Benchmark

As of:

	10/1/2010
Barclays Multiverse	100.00%

SamCERA's Real Estate Benchmark

As of:

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

Alternative Investment Benchmark

As of:

	10/1/2010
Russell 3000 + 300 basis points	100%
60% Russell 3000/40% BC Aggregate	100%
Libor + 4%	100%
Dow Jones UBS Commodity	100%
50% Barclays HY/50% Bank Loan	100%

BlackRock-R1000 Index Fund

First \$1 million:	0.324% per annum
Next \$1 million:	0.288% per annum
Next \$3 million:	0.0865% per annum
Next \$45 million:	0.072% per annum
Next \$50 million:	0.0465% per annum
Balance of fund:	0.0215% per annum

Marginal pricing will apply. The Board receives the benefit of asset aggregation across funds when invested in more than one commingled fund. The Board pays the top of the fee schedules on the first fund, moving down the graduated fee structure for additional funds.

Aberdeen Asset Management

First \$25 million:	0.38% per annum
Next \$100 million:	0.30% per annum
Next \$500 million:	0.20% per annum
Therafter:	0.18% 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
Therafter	0.09% per annum

Chartwell Investment Partners

On all assets:	0.75% per annum
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Jennison Associates

First \$50 million:	0.90% per annum
Next \$50 million:	0.70% per annum
Balance of fund:	0.60% 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

Mondrian Investment Partners

First \$20 million:	1.00% per annum
Thereafter:	0.33% per annum
For Assets Over \$190 Million	
First \$50 million:	1.00% per annum
Next \$150 million:	0.19% per annum
Thereafter	0.33% per annum

Fees received by Delaware Mgmt. Co. for the DPT Emerging Markets Fund in connection with SamCERA assets invested therein shall be deducted from the above schedule

Western Asset Management

First \$100 million: 0.30% per annum
 Balance of fund: 0.15% per annum

Barrow, Hanley, Mewhinney & Strauss

First \$15 million 0.75% per annum
 Next \$10 million 0.55% per annum
 Next \$75 million 0.45% per annum
 Next \$100 million 0.35% per annum
 Next \$800 million 0.25% per annum
 Over \$1 billion 0.15% per annum

T. Rowe Price Associates

First \$50 million 0.40% per annum
 Next \$50 million 0.35% per annum
 When assets exceed \$100 million 0.35% on all assets
 When assets exceed \$200 million 0.30% on all assets

The Boston Company Asset Management

First \$25 million 0.90% per annum
 Thereafter: 0.80% per annum

Angelo Gordon

0.20% per annum of the lesser of (a) US Treasury's Capital Commitment as of the last day of the period and (b) the US Treasury Interest Value as of the last day of the period.
 Thereafter: 0.30% per annum

Pyramis Select International

On All Assets: 0.90% per annum

INVESCO

On Property Assets: 7.0% of NOI
 The property portfolio is on a performance basis.

BlackRock Capital Management

First \$50 million 0.55% per annum
 Next \$50 million 0.45% per annum
 Next \$100 million 0.40% per annum
 Thereafter: 0.30% per annum

D.E. Shaw Investment Management

First \$100 million 0.51% per annum
 Next \$100 million 0.46% per annum
 Thereafter: 0.41% per annum

Brown Brother Harriman

On All Assets: 0.15% per annum

Brigade Capital Management

On All Assets: 0.80% per annum

Franklin Templeton Investment

First \$50 million 0.45% per annum
 Next \$50 million 0.35% per annum
 Thereafter 0.30% 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	
BLACKROCK- R1000 INDEX FUND Benchmark: R1000 Index	YES	YES	YES	YES	YES	YES	YES	YES	NO	YES
DW SHAW Benchmark: R1000 Index	NO	N/A	YES	N/A	YES	N/A	YES	YES	N/A	YES
T ROWE PRICE Benchmark: S&P 500 Index	NO	N/A	NO	N/A	YES	N/A	YES	NO	N/A	YES
BARROW HANLEY Benchmark: R1000 Value Index	NO	N/A	YES	N/A	YES	N/A	YES	YES	N/A	YES
JENNISON Benchmark: R2000 Index	YES	N/A	YES	N/A	YES	N/A	NO	YES	N/A	YES
THE BOSTON COMPANY Benchmark: R2000 Value Index	YES	N/A	YES	N/A	YES	N/A	YES	NO	N/A	YES
CHARTWELL Benchmark: R2000 Growth Index	YES	NO	YES	NO	YES	YES	YES	YES	NO	YES
MONDRIAN Benchmark: MSCI ACWI -ex US Index	NO	YES	YES	YES	YES	YES	NO	NO	NO	YES
PYRAMIS Bond Benchmark: BC Aggregate	YES	YES	YES	YES	YES	NO	YES	YES	YES	YES
WESTERN ASSET Benchmark: BC Aggregate	YES	YES	YES	YES	NO	NO	YES	YES	YES	YES
INVESCO REAL ESTATE Benchmark: NCREIF Property Index	NO	NO	NO	NO	N/A	N/A	NO	YES	YES	YES

San Mateo County Employees' Retirement Association

Manager Performance Comparison

As of December 31, 2012

	Oct	Nov	Dec	4th Qtr.	Difference	3rd Qtr.	Difference	2nd Qtr.	Difference	1st Qtr.	Difference
				2012		2012		2012		2012	
SIS	-1.69%	0.80%	1.04%	0.13%		7.92%		-3.10%		12.91%	
BlackRock-R1000 Fund	-1.69%	0.80%	1.04%	0.13%	0.00%	7.91%	0.01%	-3.10%	0.00%	12.91%	0.00%
Russell 1000 Index	-1.69%	0.79%	1.04%	0.12%		6.11%		-3.12%		12.90%	
SIS	-1.53%	1.36%	0.75%	0.55%		6.13%		-3.50%		15.88%	
D.E. Shaw	-1.53%	1.36%	0.74%	0.55%	0.00%	6.13%	0.00%	-3.50%	0.00%	15.88%	0.00%
Russell 1000 Index	-1.69%	0.79%	1.04%	0.12%		6.31%		-3.12%		12.90%	
SIS	-1.89%	0.74%	0.85%	-0.32%		6.58%		-3.32%		13.63%	
T. Rowe Price	-1.89%	0.75%	0.85%	-0.31%	-0.01%	6.52%	0.06%	-3.33%	0.02%	13.64%	-0.01%
S&P 500 Index	-1.85%	0.58%	0.91%	-0.38%		6.35%		-2.75%		12.58%	
SIS	-0.24%	0.60%	1.47%	1.83%		6.12%		-3.86%		11.65%	
Barrow Hanley	-0.23%	0.59%	1.47%	1.83%	0.00%	6.13%	-0.01%	-3.86%	0.00%	11.66%	-0.01%
Russell 1000 Value Index	-0.49%	-0.04%	2.07%	1.53%		6.49%		-2.20%		11.12%	
SIS	-1.07%	2.03%	2.60%	3.57%		4.51%		-4.63%		10.52%	
Jennison	-1.06%	2.03%	2.60%	3.57%	-0.01%	4.48%	0.03%	-4.63%	0.00%	10.47%	0.05%
Russell 2000 Index	-2.17%	0.53%	3.56%	1.85%		5.25%		-3.47%		12.44%	
SIS	-1.36%	1.78%	3.70%	4.12%		5.70%		-3.42%		12.58%	
The Boston Company	-1.35%	1.78%	3.70%	4.12%	0.00%	5.70%	0.00%	-3.42%	0.00%	12.57%	0.01%
Russell 2000 Value Index	-1.25%	0.31%	4.21%	3.23%		5.66%		-3.01%		11.59%	
SIS	-1.68%	1.71%	2.57%	2.57%		5.65%		-5.50%		14.94%	
Chartwell	-1.68%	1.71%	2.58%	2.58%	-0.01%	5.65%	0.00%	-5.51%	0.00%	14.93%	0.01%
Russell 2000 Growth Index	-3.11%	0.77%	2.88%	0.45%		4.84%		-3.94%		13.27%	
SIS	0.78%	1.74%	1.90%	4.47%		8.64%					
Baillie Gifford	0.82%	1.74%	1.89%	4.51%	-0.04%	8.73%	-0.09%				
MSCI EAFE	0.84%	2.43%	3.21%	6.61%		6.99%					
MSCI EAFE Growth Index	0.39%	2.93%	2.39%	5.80%		6.41%					

San Mateo County Employees' Retirement Association
Manager Performance Comparison

As of December 31, 2012

	Oct	Nov	Dec	4th Qtr. 2012	Difference	3rd Qtr. 2012	Difference	2nd Qtr. 2012	Difference	1st Qtr. 2012	Difference
SIS	-0.22%	0.40%	5.29%	5.49%		6.51%		-7.57%			
Eaton Vance Management	-0.22%	0.40%	5.29%	5.48%	0.01%	6.51%	0.00%	-7.35%	-0.22%		
MSCI EM Market Index	-0.60%	1.28%	4.90%	5.61%		7.88%		-8.77%			
SIS	0.23%	0.93%	2.93%	4.13%		5.72%		-6.25%		7.96%	
Mondrian	0.22%	0.94%	2.93%	4.13%	0.00%	5.77%	-0.05%	-6.28%	0.03%	8.01%	-0.05%
MSCI ACWI -ex US Value Index	0.67%	1.52%	4.21%	6.50%		7.76%		-7.50%		10.83%	
MSCI ACWI -ex US	0.40%	1.92%	3.49%	5.90%		7.49%		-7.38%		11.36%	
SIS	0.20%	1.51%	3.78%	5.56%		9.65%		-8.60%			
Pyramis Int'l Equity	0.20%	1.51%	3.78%	5.56%	0.00%	9.66%	-0.01%	-8.60%	0.00%		
MSCI ACWI -ex US Small Cap Index	0.05%	0.81%	4.05%	4.95%		8.64%		-8.78%			
SIS	1.79%	2.00%	1.83%	5.73%		13.14%		2.16%		15.04%	
AG PPI Fund	1.79%	2.00%	1.83%	5.73%	0.00%	13.14%	0.00%	2.15%	0.00%	15.04%	0.00%
BC Aggregate Index	0.20%	0.16%	-0.14%	0.22%		1.59%		2.06%		0.31%	
SIS	0.35%	0.37%	-0.10%	0.62%		2.17%		2.49%		1.16%	
Pyramis Bond	0.35%	0.37%	-0.10%	0.62%	0.00%	2.17%	0.00%	2.49%	0.00%	1.16%	0.00%
BC Aggregate Index	0.20%	0.16%	-0.14%	0.22%		1.59%		2.06%		0.31%	
SIS	1.01%	0.76%	1.73%	3.54%		4.74%		1.79%		5.22%	
Brigade Capital	0.99%	0.73%	1.74%	3.50%	0.04%	4.79%	-0.06%	1.85%	-0.06%	5.10%	0.11%
BC BBB Credit	1.59%	-0.12%	0.19%	1.66%		4.40%		2.41%		2.43%	
SIS	0.85%	0.59%	-0.57%	0.86%		2.47%		3.43%		0.85%	
Brown Brothers Harriman	0.88%	0.58%	-0.58%	0.88%	-0.02%	2.44%	0.03%	3.43%	0.00%	0.90%	-0.05%
BC U.S Tips	0.87%	0.48%	-0.65%	0.70%		2.12%		3.14%		0.86%	

San Mateo County Employees' Retirement Association

Manager Performance Comparison

As of December 31, 2012

	Oct	Nov	Dec	4th Qtr. 2012	Difference	3rd Qtr. 2012	Difference	2nd Qtr. 2012	Difference	1st Qtr. 2012	Difference
SIS	0.49%	0.31%	0.14%	0.94%		3.20%		2.28%		2.44%	
Western Asset	0.50%	0.35%	0.14%	0.99%	-0.06%	3.03%	0.17%	2.50%	-0.22%	2.38%	0.05%
BC Aggregate Index	0.20%	0.16%	-0.14%	0.22%		1.59%		2.06%		0.31%	
SIS	1.46%	1.49%	1.80%	4.82%		7.44%		-1.34%		8.65%	
Franklin Templeton Investments	1.64%	1.58%	1.77%	5.07%	-0.25%	7.20%	0.24%	-1.34%	-0.01%	8.76%	-0.11%
BC Multiverse	-0.09%	0.04%	-0.24%	-0.29%		3.38%		0.61%		1.09%	
SIS	-1.09%	2.32%	0.59%	1.79%		8.18%		0.06%		5.08%	
AQR Global Risk Premium III (Net)	-1.13%	2.28%	0.55%	1.68%	0.11%	8.08%	0.10%	-0.04%	0.10%	4.98%	0.11%
40% R3000/ 60% BC Agg	-0.96%	0.53%	0.68%	0.24%		4.36%		0.08%		7.72%	
SIS	1.42%	0.86%	1.00%	3.31%		0.57%		2.03%		0.00%	
AQR DELTA Fund II (Net)	1.33%	0.77%	0.91%	3.04%	0.26%	0.31%	0.25%	1.78%	0.25%	-0.26%	0.25%
Libor + 4%	0.35%	0.35%	0.35%	1.06%		1.09%		1.11%		1.05%	
SIS	-3.98%	0.09%	-1.90%	-5.72%		13.53%		-2.73%		9.02%	
SSgA Multisource Commodity	-3.98%	0.09%	-1.90%	-5.72%	0.00%	13.53%	0.00%	-2.73%	0.00%	9.02%	0.00%
DJ UBS Commodity	-3.87%	0.05%	-2.61%	-6.33%		9.70%		2.06%		0.88%	
SIS				2.12%		2.80%		1.70%		1.77%	
INVESCO Real Estate				2.12%	0.00%	2.80%	0.00%	1.70%	0.00%	1.77%	0.00%
NCREIF NFI ODCE Index				2.35%		2.70%		2.66%		2.82%	

MARKET SUMMARY

Equity Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
S&P 500	-0.4	16.0	10.9
Dow Jones Industrial Average	-1.7	10.2	10.9
NASDAQ	-3.1	15.9	10.0
Russell 1000	0.1	16.4	11.1
Russell 2000	1.9	16.3	12.2
Russell 3000	0.2	16.4	11.2
MSCI EAFE (Net)	6.6	17.3	3.6
MSCI Emerging Markets (Net)	5.6	18.2	4.7
MSCI All Country World ex US	5.8	16.8	3.9

Bond Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
Barclays Capital Aggregate	0.2	4.2	6.2
Barclays Capital Gov/Credit	0.4	4.8	6.7
Barclays Capital Universal	0.6	5.5	6.7
Barclays Capital Corp. High Yield	3.3	15.8	11.9
CG Non-US World Govt.	-2.4	1.5	3.9

Non-Public Markets

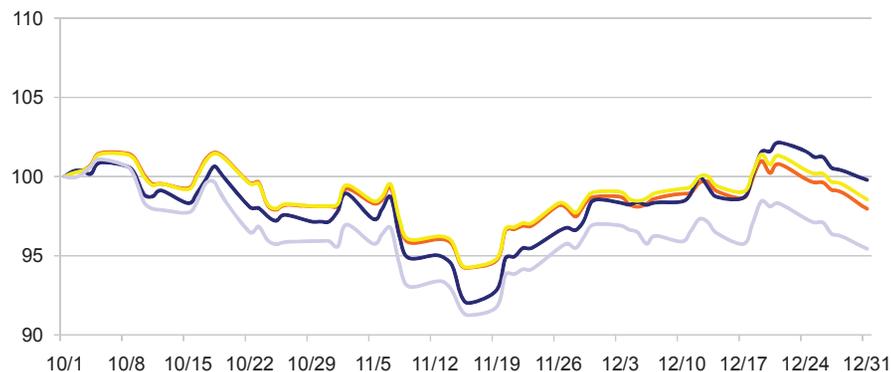
lagged quarterly

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
NCREIF Property	2.3	11.0	10.9
State Street Private Equity Index	2.5	11.3	13.0

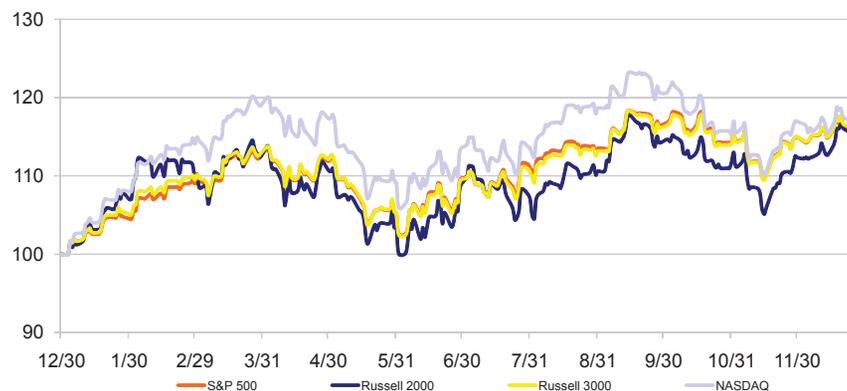
U.S. Equity Market

- U.S. equities, as measured by the S&P 500 total return index, fell 0.4% during the quarter as uncertainty over the fiscal cliff at year end outweighed the impact of more Federal Reserve action.
- Small cap stocks outperformed the broader market, returning 1.9% in Q4.
- Stronger economic data, including higher than expected November non-farm payrolls, helped boost appetite for smaller stocks.

Equity Index – Quarterly Growth Rate



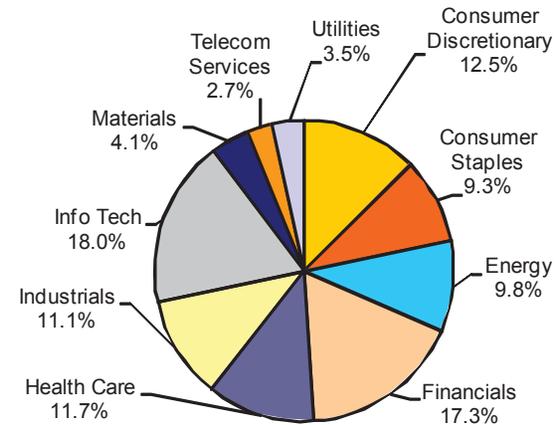
Equity Index – 1-Year Growth Rate



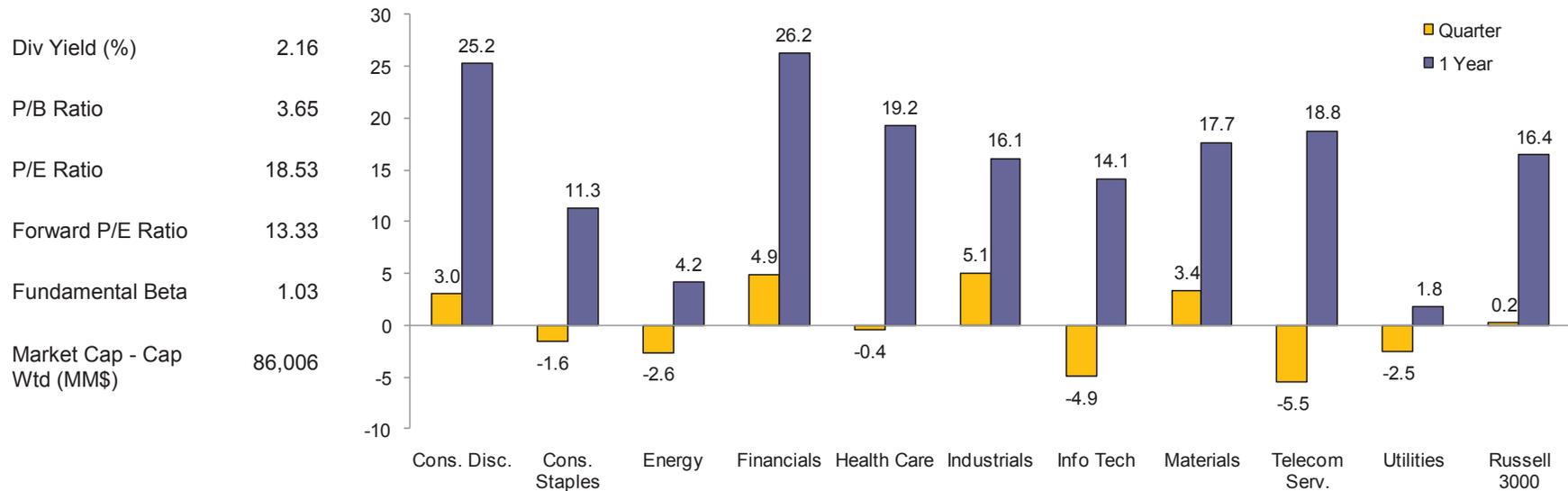
U.S. Equity – Russell 3000

- Quantitative easing throughout the developed world helped improve the performance of higher beta sectors; the industrials sector returned 5.1 percent in the fourth quarter, while materials stocks rose 3.4%.
- The pickup in risk-seeking behavior left the more defensive consumer staples and utilities sectors with returns of -1.6% and -2.5% in the fourth quarter, respectively.
- Overall, the Russell 3000 index returned 0.2% during the quarter; the yearly return was 16.4%.

Ending Sector Weights



Characteristics



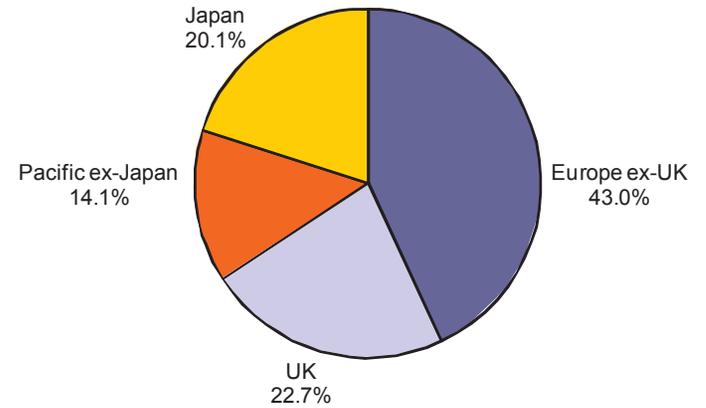
Contribution to Return:

	Cons. Disc.	Cons. Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Serv.	Utilities	Russell 3000
Qtr	0.4	-0.1	-0.3	0.8	-0.1	0.5	-0.9	0.1	-0.2	-0.1	0.2
1 Year	2.9	1.1	0.5	3.9	2.3	1.8	2.6	0.7	0.5	0.1	16.4

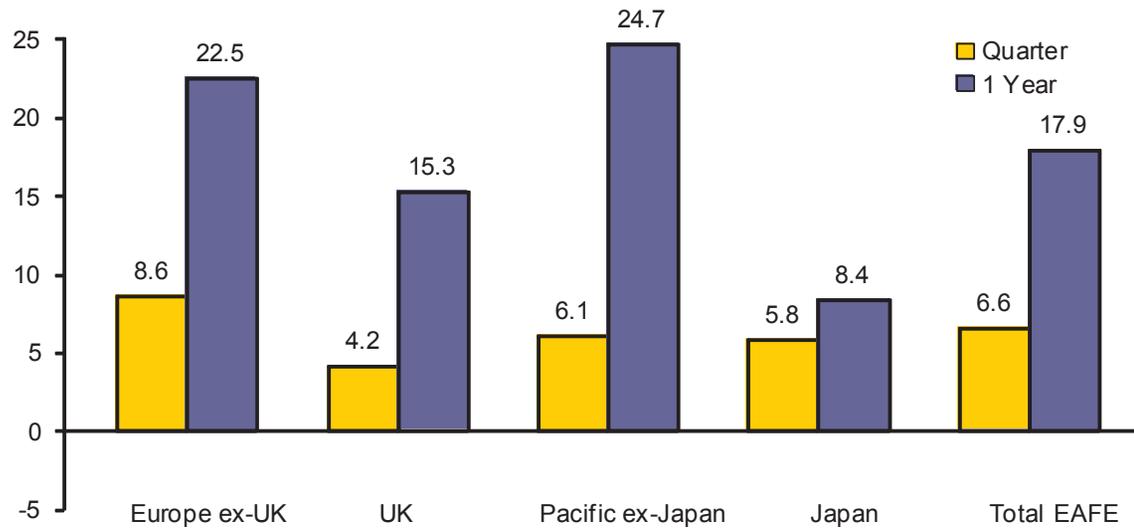
Developed Equity – MSCI EAFE (Net)

- Continued accommodative policy in Europe and Asia helped boost sentiment across markets. Overall, the MSCI EAFE index increased 6.6% in the fourth quarter.
- Europe ex-UK equities increased 8.6% in the fourth quarter as the ECB's OMT program continued to firm sentiment for the region's equities.
- The election of the dovish Shinzo Abe as Japanese Prime Minister and a weaker yen increased appetite for equities in Japan, where stocks rose 5.8% in the fourth quarter.

Ending Regional Weights



Regional Returns (%)



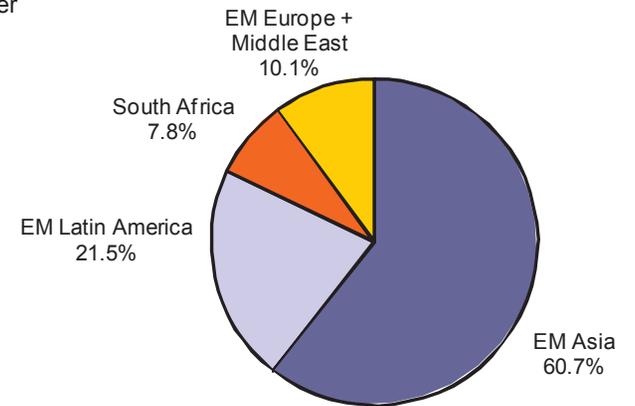
Contribution to Return:

Qtr	3.7	0.9	0.9	1.2	6.6
1 Yr	9.7	3.5	3.5	1.7	17.9

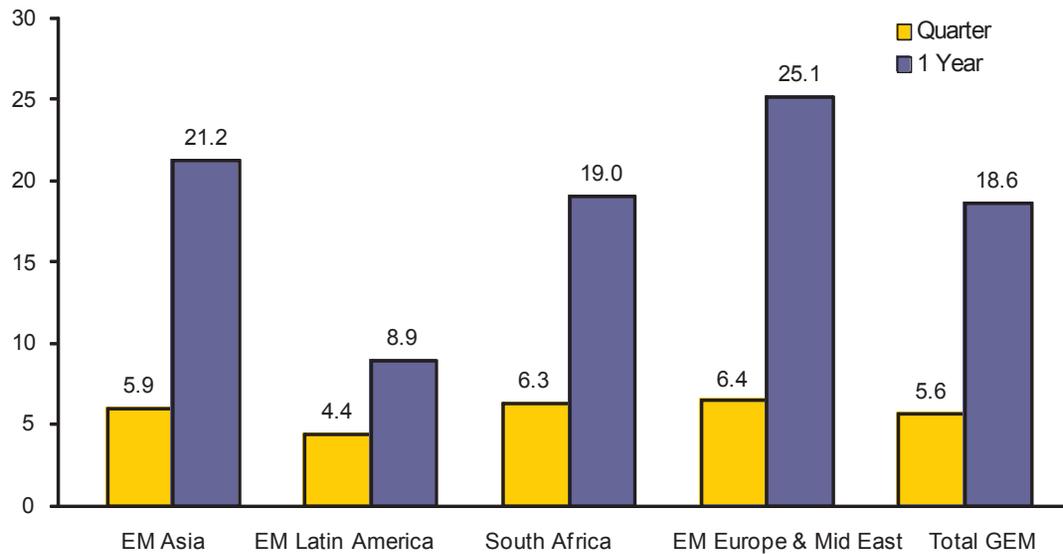
Emerging Markets Equity – MSCI EM (Net)

- The decline in risk aversion continued in the fourth quarter, helping to elevate the MSCI EM index a further 5.6% to 18.6% for the year.
- On a regional basis, Emerging Markets Europe and the Mid East outperformed, rising 6.4% in the fourth quarter as the ECB's OMT program continued to boost sentiment.
- Emerging Markets Asia rose 5.9% on a quarterly basis, supported by optimism over Chinese growth and renewed stimulus after the Chinese leadership transition.

Ending Regional Weights



Regional Returns (%)



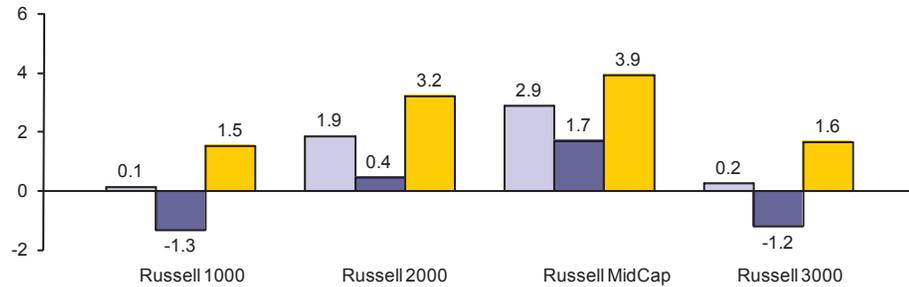
Contribution to Return:

	EM Asia	EM Latin America	South Africa	EM Europe & Mid East	Total GEM
Qtr	3.6	0.9	0.5	0.6	5.6
1 Yr	12.9	1.9	1.5	2.5	18.6

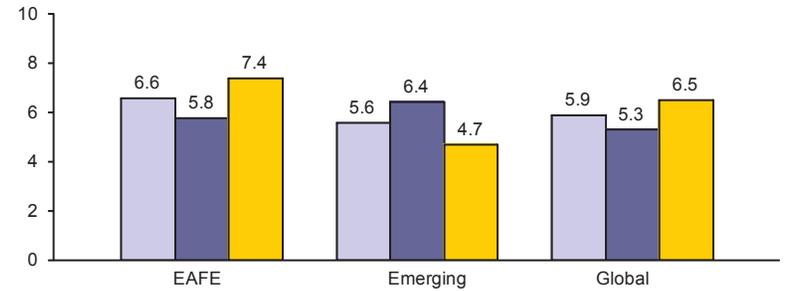
Style & Capitalization Returns

- Emerging market equities posted gains in the fourth quarter as the central banks maintained easy monetary policy. Growth stocks in emerging markets outperformed, returning 6.4% in the same period.
- Value stocks in the U.S. outperformed, reflected by the higher returns across the size dimension.
- Overall, non-U.S. equities returned 5.9% in the fourth quarter.

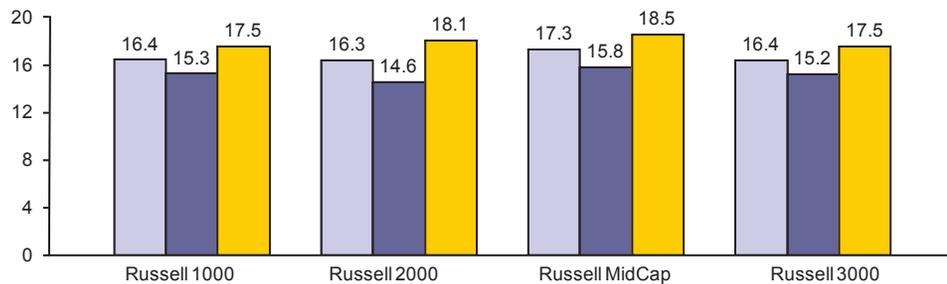
Russell US Style Returns (%) – Quarter



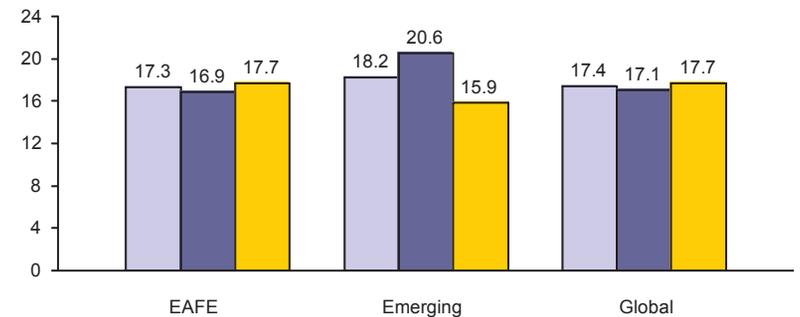
MSCI Non-US Style Returns (%) – Quarter



Russell US Style Returns (%) – 1 Year



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

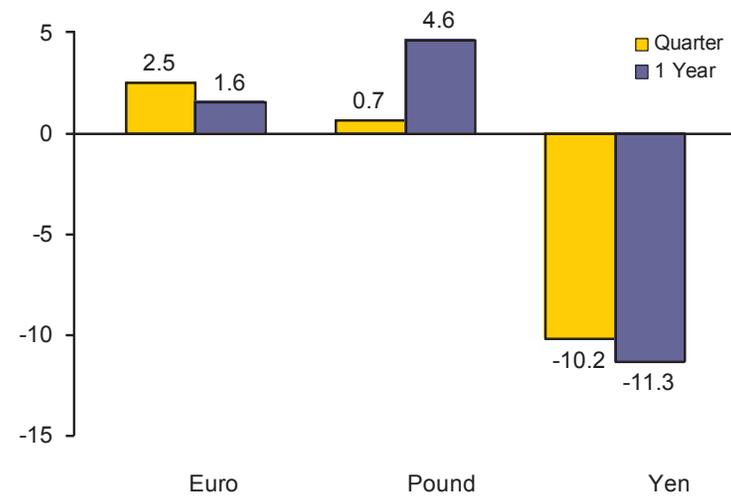


□ Neutral ■ Growth ■ Value

Currency Markets

- The euro rose 2.5% against the dollar in the fourth quarter as fears of tail risk were eased by the ECB's OMT program.
- The election of the dovish Shinzo Abe led to declines in the yen, which fell 10.2% against the dollar in the 4th quarter.
- The U.S. dollar trade-weighted index, which measures the dollar's movement against a basket of currencies, fell 0.16% in the fourth quarter as the risk environment improved.

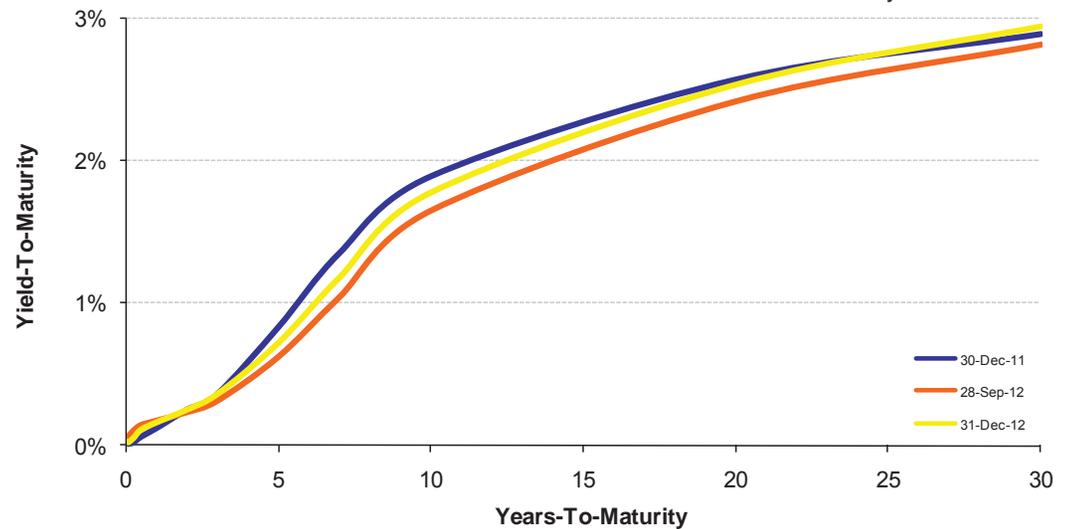
Currency Returns (%)



Yield Curve

- With uncertainty over the U.S. elections resolved and an improvement in sentiment, U.S. rates steepened.
- Thirty-year yields rose thirteen basis points during the fourth quarter, while rates for securities with maturities between one month and one year fell between one and five basis points.

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

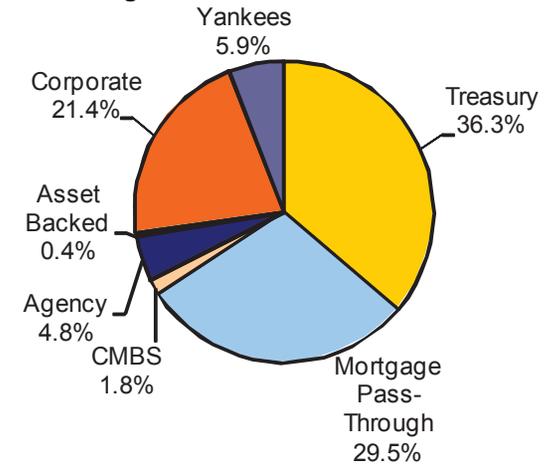


BOND MARKETS

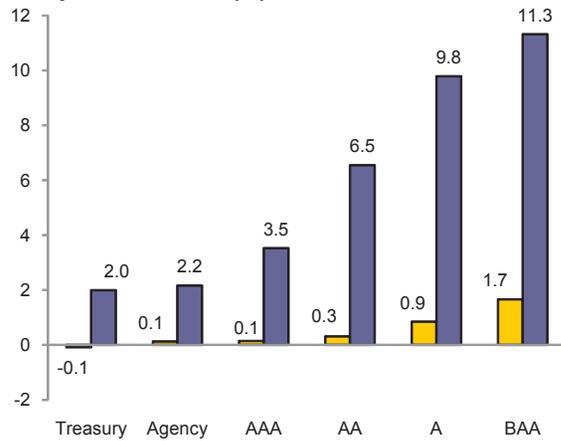
U.S. Bond Market Returns – Barclays Capital Aggregate

- With financial repression in the developed world, investors sought higher yield by taking on more risk. Corporate bonds outperformed, returning 9.8% in 2012, while CMBS returned 9.6%. The demand for lower quality fixed income instruments could be an indication of frothy fixed income markets.
- Lower-rated corporate bonds outperformed as institutions sought higher yields.

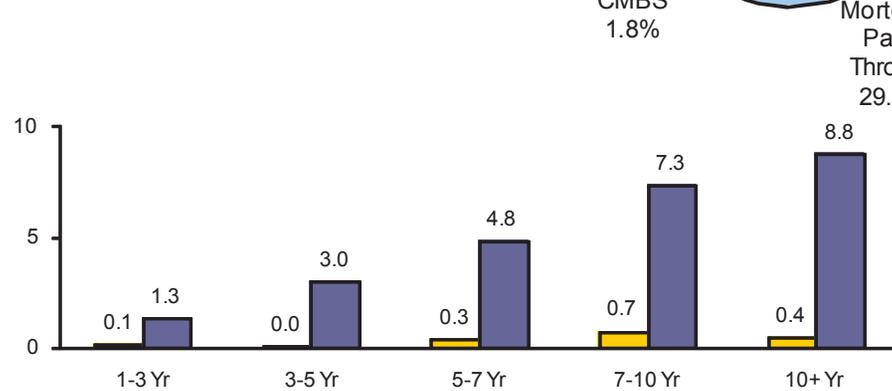
Sector Weights



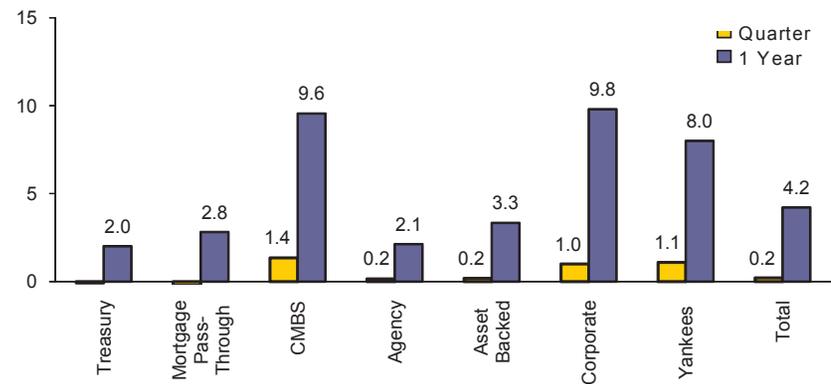
Quality Performance (%)



Duration Performance (%)



Sector Performance (%)



SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 6.6

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer



SUBJECT: Approval of Overlay Manager Request for Proposal Questions

Staff Recommendation:

Approve the attached sample Request for Proposal (RFP) questions for overlay management services from SIS and authorize SIS to submit the RFP to a number of overlay management service providers.

Background:

During the January 2013 Board meeting, SIS presented a summary of the different services that an overlay manager can perform for SamCERA, including cash equitization (both manager-held cash and portfolio-level cash), portfolio rebalancing, expressing tactical allocation shifts, and hedging interest rate and currency risks. During the February Board meeting additional follow-up work was presented that estimated the impact of SamCERA's residual cash and the potential benefit of a cash equitization program.

Discussion:

SIS identified five primary providers of overlay manager services (Blackrock, Clifton, Mellon, Russell, and State Street) in their presentation to the Board in January, and Staff and SIS recommend those five providers receive the RFP questionnaire.

Attachments:

- A. *SIS Overlay Manager RFP Questions*

REQUEST FOR PROPOSAL: STRATEGIC OVERLAY

Strategic Investment Solutions, Inc. (SIS) is issuing this Request for Proposal (RFP) on behalf of our client.

Please provide the requested information in a comprehensive yet succinct fashion and in the format provided. All data should be as of 12/31/2012.

The deadline for your firm's response to this RFP is X/XX/2012.

Please submit **one hard copy and one electronic copy** to the person listed below. **Note:** All electronic submissions should be consolidated into one document.

Strategic Investment Solutions
333 Bush Street, Ste 2000
San Francisco, CA. 94104
(415-362-3484)

ATTESTATION: Please have the lead portfolio manager sign the cover letter attesting to having read the firm's response to this RFP.

NOTE: Where noted, exhibits are to be completed in the attached Excel document.

I. BACKGROUND & GENERAL INFORMATION

A. Contact information:

Firm Name:	
Address:	
Telephone Number:	
Fax Number:	
Website:	
<i>Primary Contact</i>	
Name:	
Title:	
Telephone Number:	
Email:	

- B. Provide a brief overview of the firm, its history and main lines of business. Specify any lines of business other than investment management and provide the approximate percentage of firm revenues that each comprises.
- C. Attach an organizational chart depicting the firm's distinct business units as **Appendix A - Firm Organizational Chart** and provide the total number of employees within each business unit.
- D. List the firm's office locations and the main functional responsibilities of each. In addition, indicate the location(s) of the investment team responsible managing the proposed strategy.
- E. List any subsidiaries, affiliates or joint ventures and briefly describe each relationship.
- F. Provide a breakdown of ownership of your firm, including minority ownership. Particularly, we are interested in the information relating to active employee ownership of the firm. How much of the owner's net worth is invested in the business? In the firm's underlying products?

- G. Provide a timeline of any past changes to the firm's legal, organizational or ownership structure, or if possible, those presently contemplated.
- H. Outline your firm's strategic focus and growth targets over the next three years, including new investment strategies or products currently under consideration.
- I. Describe your succession and continuity plans for management of the firm.
- J. Please list turnover among senior staff (Officers, Managing Directors, etc.) over the past three years.
- K. How many strategic overlay clients do you have as of 12/31/12? Please list out by client type (e.g. public pension, corp pension, endowment/foundation, etc.) What was the notional value of strategic overlay assets under management as of 12/31/12?

II. TOTAL PLAN MANAGEMENT OVERLAY INVESTMENT PHILOSOPHY

- A. Briefly describe the investment philosophy/strategy and distinguishing characteristics of your total plan management overlay product.
- B. State typical benchmark(s) used to measure the total plan management overlay performance. Which does your firm believe is best?
- C. Does the firm have experience working with State Street, the Pension Fund's custodian? How many total plan management overlay accounts does the firm have where State Street is the custodian?
- D. Explain your firm's process for gathering information. What ongoing communication is necessary to maintain a derivative overlay strategy?
- E. Describe in detail the process the firm employs to establish and run a total plan management overlay investment portfolio.
- F. Provide an example of how you would securitize fund level and investment manager cash.
- G. How does your firm assess the liquidity of the applicable markets?
- H. How does the firm assess the risk of its total plan management overlay investment program? How does the firm mitigate such risk(s)?
- I. What unique features of your approach do you feel set you apart from your competition?
- J. Please describe your client servicing and reporting capabilities. Please provide samples of these reports.

III. TOTAL PLAN MANAGEMENT OVERLAY RESEARCH PROCESS

- A. Describe the firm's process for identifying instruments to use in the total plan management overlay process.
- B. What are the types of instruments regularly followed by the total plan management overlay team? How is their valuation analyzed?
- C. Describe in detail the total plan management overlay portfolio construction and management process. If a team approach is used, state the names of the team members and explain the role(s) of each team member.
- D. What are the typical types of instruments used in the product? How has this varied over time?
- E. Describe the portfolio trading process. Describe any recent changes to the trading process. What is the firm's average annual total plan management overlay trading costs? How does your firm add value in the security trading process? Demonstrate the firm's trading capability in the types of securities that it might use to implement a total plan management overlay program.
- F. Do you assist your clients in deciding how to set rebalance ranges and timing? Please describe assistance provided.

IV. TRADING AND EXECUTION

- A. Is your firm in the position where it may be on the other side of any given transaction? If so, what safeguards can you provide to ensure you are providing the best price to a client's account? Please list any conflicts this activity creates and how your firm manages those conflicts?
- B. How are you compensated for your activities? Are commissions fully disclosed? Do you make a spread on any transactions? Do you have any arrangements with other funds or firms whereby you are compensated for trading with those firms?
- C. How would margin requirements be handled (initial and variation)?

V. SERVICE FEES

- A. Provide your fee schedule for the total plan management overlay product. Are investment management fees negotiable?
- B. Has the firm entered into incentive fee arrangements? If so, provide details.
- C. Does your firm use any service, information, or merchandise paid for with directed commissions? If yes, please list the services received from such commissions.

VI. LEGAL & REGULATORY ISSUES

- A. Is your firm registered as an investment advisor under the Investment Advisors Act of 1940? If so, please attach your firm's ADV Part II as **Appendix F - ADV Part II**. If exempt, please describe the exemption.
- B. Has your firm or any officer, director, partner, principal or employee ever been involved in any past or pending civil or criminal litigation or legal proceeding concerning the management of institutional assets? If so, describe each instance.
- C. Has your firm or any officer, director, partner, principal or employee ever been the subject of any past or pending non-routine investigation or inquiry by a federal or state agency or self-regulatory body regarding fiduciary responsibilities or other investment-related matters? If so, describe each instance and indicate if any directives, letters or opinions were issued concerning said inquiry.
- D. Has any officer, director, partner, principal or employee of your firm ever been convicted of, pled guilty to, or pled *nolo contendere* to a felony? If so, describe each instance.
- E. Summarize the coverage for errors and omissions, professional liability, fiduciary insurance or fidelity bonds held by your firm (i.e., amounts and respective carriers).
- F. Has your firm ever submitted a claim to your errors and omissions, liability, fiduciary or fidelity bond carrier(s)? If so, describe each instance.
- G. Has your firm ever filed, voluntarily or involuntarily, for bankruptcy protection or otherwise been subject to the appointment of a receiver, trustee, or assignee for the benefit of creditors? If so, describe each instance.
- H. What is your firm's soft dollar policy?

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 6.7

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer

SUBJECT: Approval of DE Shaw 130/30 Strategy



Staff Recommendation:

Approve transition of SamCERA's current long-only strategy with D.E. Shaw to a 130/30 strategy pending the results of the upcoming due diligence visit with DE Shaw.

Background:

At the January 2013 Board meeting, the Board reviewed performance data on the universe of 130/30 managers in order to see how D.E. Shaw compared to their competitors. D.E. Shaw's 130/30 strategy compared favorably to the universe. At the February 2013 Board meeting, the Investment Committee reviewed more in-depth product information contained in D.E. Shaw's RFP responses and other attachments, which covered the firm, team, investment process, risk controls, and performance data for the D.E. Shaw 130/30 strategy.

Discussion:

Staff and SIS are scheduled to visit D.E. Shaw's NYC office on March 20th. Depending on how this meeting goes, a recommendation for transitioning SamCERA's current long-only strategy to D.E. Shaw's 130/30 strategy will be provided in the Day-of Folder.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 6.8

TO: Board of Retirement

FROM: Michael Coultrip, Chief Investment Officer



SUBJECT: Approval of Resolution Authorizing Contract Extension for Strategic Investment Solutions, Inc.

Staff Recommendation:

Approve a resolution authorizing the Chief Executive Officer to execute a First Amendment to the agreement with Strategic Investment Solutions, Inc. ("SIS") for investment consulting services, extending the term by one year to August 31, 2014.

Background:

In August of 2001, after undertaking a Request for Proposal process for investment consulting services, the Board selected SIS as its investment consultant and entered into a three year agreement. This agreement was renewed in 2004 and 2007. In late 2009, the Board undertook another Request for Proposal process for consulting services, including alternative asset consulting, and in March 2010, SIS was selected. SIS's current service agreement ends August 31, 2013.

Discussion:

In December 2012, the Board performed an annual review of SIS. Both the Board and Staff are generally pleased with their services. However, it is anticipated that SamCERA will undertake an asset-liability study later this year which will allow Staff more opportunities to assess the quantitative services of SIS more fully. As a result, Staff believes that an annual renewal is prudent.

The proposed agreement extends the term 1 year from August 31, 2013 until August 31, 2014. The fees and required services would remain the same. The agreement may be terminated by the Board or SIS with thirty days written notice.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

RESOLUTION 12-13-__

**RESOLUTION AUTHORIZING THE CHIEF EXECUTIVE OFFICER TO EXECUTE A
FIRST AMENDMENT TO THE AGREEMENT WITH STRATEGIC INVESTMENT SOLUTIONS, INC.
FOR INVESTMENT CONSULTING SERVICES**

WHEREAS, Article XVI, §17 of the Constitution of the State of California and Government Code §31595 vests the Board of Retirement ("Board") with "plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system"; and

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

WHEREAS, In August of 2001, after undertaking a Request for Proposal process, the Board selected Strategic Investment Solutions, Inc. ("SIS") as its investment consultant and entered into a three-year agreement which was renewed in 2004 and 2007; and

WHEREAS, After another Request for Proposal process, on March 23, 2010, the Board selected SIS and its current service agreement ends August 31, 2013; and

WHEREAS, the Board has determined that it is in the best interest of SamCERA to extend the agreement with SIS by 1 year through August 31, 2014; and

RESOLVED, that the Chief Executive Officer be and is hereby authorized and directed to execute said First Amendment to the Agreement with Strategic Investment Solutions, Inc. for investment consulting services.

* * * * *

Regularly passed and adopted, by the San Mateo County Employees' Retirement Association, Board of Retirement, on March 26, 2013.

Ayes, Trustees:

Noes, Trustees:

Absent, Trustees:

Abstain, Trustees:

Lauryl Agnew, Board Secretary

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 7.1

To: Board of Retirement



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

Subject: Preliminary Monthly Financial Report for the Period Ending February 28, 2013

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

Statement of Fiduciary Net Assets

SamCERA's Net Assets Held in Trust for Pension Benefits as of month end totaled \$2,703,306,674.

Statement of Changes in Fiduciary Net Assets

Net assets held in trust for pension benefits decreased by approximately \$1 million, month over month. This month's expenses exceeded the month's relatively flat return in investment and contributions.

The following reports are attached to this agenda item:

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

San Mateo County Employees' Retirement Association
Statement of Fiduciary Net Assets - YTD Comparative
February 2013
PRELIMINARY

	February 2013	February 2012
ASSETS		
CASH AND CASH EQUIVALENTS	61,458,727	83,499,982
SECURITIES LENDING CASH COLLATERAL	114,621,033	184,315,176
TOTAL CASH	<u>176,079,760</u>	<u>267,815,158</u>
RECEIVABLES		
Contributions	0	0
Due from Broker for Investments Sold	130,134,627	168,534,602
Investment Income	4,492,108	5,792,754
Securities Lending Income	24,679	43,700
Other Receivable	113,187	113,762
TOTAL ACCOUNTS RECEIVABLES	<u>134,764,601</u>	<u>174,484,817</u>
PREPAID EXPENSE	7,669	169,565
INVESTMENTS AT FAIR VALUE		
Domestic Fixed Income Securities	433,335,112	495,321,018
International Fixed Income Securities	113,966,672	101,297,072
Domestic Equities	1,077,221,419	945,984,814
International Equities	501,014,075	367,127,969
Real Estate	153,983,862	142,552,672
Private Equities	56,294,318	12,275,323
Risk Parity	168,982,503	154,371,698
Hedge Funds	72,236,589	69,636,864
Commodities	74,243,182	71,972,730
Held for Securities Lending	0	0
Other Investment	0	0
	<u>2,651,277,732</u>	<u>2,360,540,159</u>
FIXED ASSETS	0	0
LESS ACCUMULATED DEPRECIATION	0	0
	<u>0</u>	<u>0</u>
TOTAL ASSETS	<u>2,962,129,761</u>	<u>2,803,009,700</u>
LIABILITIES		
Investment Management Fees	2,342,458	2,120,550
Due to Broker for Investments Purchased	141,117,491	188,511,697
Collateral Payable for Securities Lending	114,621,033	184,315,176
Other	742,106	730,147
TOTAL LIABILITIES	<u>258,823,087</u>	<u>375,677,571</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	2,703,306,674	2,427,332,128

San Mateo County Employees' Retirement Association
Statement of Changes in Fiduciary Net Assets - YTD Comparative
February 2013
Preliminary

	February 2013	February 2012	
ADDITIONS			
CONTRIBUTIONS			
Employer Contribution	144,596,256	149,081,958	(4,485,703)
Employee Contribution	36,996,236	30,402,805	6,593,431
TOTAL CONTRIBUTIONS	<u>181,592,492</u>	<u>179,484,763</u>	<u>2,107,728</u>
INVESTMENT INCOME			
Interest and Dividends	39,741,931	37,246,205	2,495,726
Net Appreciation (Depreciation) in fair value of investments	240,452,690	232,743	240,219,947
Less Investment Expense	(14,382,242)	(11,359,416)	(3,022,826)
Less Asset Management Expense	0	0	0
NET INVESTMENT INCOME	<u>265,812,379</u>	<u>26,119,533</u>	<u>239,692,846</u>
SECURITIES LENDING INCOME			
Earnings	301,324	279,188	22,137
Less: Securities Lending Expenses	120,967	155,824	(34,858)
NET SECURITIES LENDING INCOME	<u>422,291</u>	<u>435,012</u>	<u>(12,721)</u>
OTHER ADDITIONS	<u>53,209</u>	<u>1,909</u>	<u>51,299</u>
TOTAL ADDITIONS	<u>447,880,370</u>	<u>206,041,217</u>	<u>241,839,153</u>
DEDUCTIONS			
ASSOCIATION BENEFITS			
Service Retirement Allowance	86,455,639	80,145,133	6,310,505
Disability Retirement Allowance	10,880,128	10,153,296	726,832
Survivor, Death and Other Benefits	456,960	477,000	(20,040)
TOTAL ASSOCIATION BENEFITS	<u>97,792,726</u>	<u>90,775,429</u>	<u>7,017,297</u>
REFUND OF MEMBER CONTRIBUTIONS	<u>4,042,046</u>	<u>2,447,036</u>	<u>1,595,011</u>
ADMINISTRATIVE EXPENSE	<u>2,985,795</u>	<u>3,188,313</u>	<u>(202,519)</u>
OTHER EXPENSE	<u>56,783</u>	<u>74,139</u>	<u>(17,357)</u>
TOTAL DEDUCTIONS	<u>104,877,350</u>	<u>96,484,917</u>	<u>8,392,432</u>
NET INCREASE	343,003,020	109,556,300	233,446,721
Net Assets Held in Trust for Pension Benefits:			
Beginning of Period	2,360,303,654	2,317,775,829	
End of Period	2,703,306,674	2,427,332,128	

3/26/2013

San Mateo County Employees' Retirement Association
 CHANGES IN FIDUCIARY NET ASSETS - TRAILING SEVEN MONTHS
 For the Month Ending February 28, 2013
 PRELIMINARY

	July 2012	August 2012	September 2012	October 2012	November 2012	December 2012	YTD
ADDITIONS							
CONTRIBUTIONS							
Employee Contribution	2,820,513	4,100,889	3,467,750	4,916,326	7,120,469	4,621,415	27,047,362
Employer Contributions - Regular	5,227,912	6,787,153	6,846,971	6,826,372	10,356,330	6,786,582	42,831,320
Employer Contributions - COLA	3,066,756	4,108,293	4,143,138	4,134,035	6,264,565	4,101,038	25,817,824
Employer Prefunded Contribution	63,167,221	(10,867,076)	(10,947,830)	(10,933,964)	(16,578,687)	(9,451,316)	4,388,348
TOTAL CONTRIBUTIONS	74,282,402	4,129,259	3,510,029	4,942,769	7,162,677	6,057,719	100,084,854
INVESTMENT INCOME							
Interest and Dividends	3,439,690	5,715,491	4,884,033	5,951,485	3,875,252	7,924,991	31,790,942
Net Appreciation (Depreciation) in fair value of investments	31,115,382	43,176,516	47,969,515	(6,552,825)	21,817,462	17,267,789	154,793,840
Securities Lending Income	46,312	41,612	47,442	42,561	35,489	33,057	246,473
Other Additions							
Other Investment Related Expense	(705,036)	(291,493)	(408,480)	(1,358,210)	(477,837)	(618,751)	(3,859,807)
Securities Lending Expense	13,766	11,940	50,541	15,602	6,219	14,341	112,409
TOTAL ADDITIONS	108,192,516	52,783,324	56,053,080	3,041,382	32,419,262	30,679,146	283,168,711
DEDUCTIONS							
ASSOCIATION BENEFITS							
Retiree Annuity	2,806,579	2,818,038	2,832,582	2,825,523	2,831,978	2,845,850	16,960,550
Retiree Pension	6,585,517	6,636,640	6,644,559	6,627,254	6,635,446	6,652,992	39,782,408
Retiree COLA	2,764,110	2,755,009	2,753,454	2,739,947	2,727,935	2,717,032	16,457,486
Retiree Death and Modified Work Benefit	3,579	3,579	3,579	3,579	3,371	2,886	20,573
Active Member Death Benefit	0	0	0	0	0	0	0
Voids and Reissue	0	0	0	0	0	0	0
TOTAL ASSOCIATION BENEFITS	12,159,785	12,213,266	12,234,174	12,196,303	12,198,730	12,218,759	73,221,017
REFUND OF MEMBER CONTRIBUTIONS							
	360,892	630,225	1,329,046	204,720	198,893	555,853	3,279,629
ACTUARIAL FEES							
CONSULTANT FEES - INVESTMENT (SIS)	1,250	1,250	11,250	50,850	1,250	1,250	67,100
CUSTODIAN FEES - STATE STREET	33,333	33,333	33,333	33,333	36,425	33,333	203,092
OTHER PROFESSIONAL FEES	14,968	18,000	18,000	11,297	14,014	9,799	86,077
INVESTMENT MANAGEMENT FEE - R1000 INDEX	0	0	0	0	0	22,500	22,500
INVESTMENT MANAGEMENT FEE - ABERDEEN	6,182	6,631	6,482	6,984	7,093	7,082	40,453
INVESTMENT MANAGEMENT FEE - PYRAMIS	25,974	26,091	26,147	16,316	(2,405)	6,087	98,210
INVESTMENT MANAGEMENT FEE - ANGELO GORDON STAR	14,584	14,611	14,645	21,233	16,426	18,829	100,327
INVESTMENT MANAGEMENT FEE - ANGELO GORDON PPIP	116,667	29,167	29,167	(58,333)	29,167	29,167	175,000
INVESTMENT MANAGEMENT FEE - BROWN BROTHERS	0	0	0	0	0	43,750	43,750
INVESTMENT MANAGEMENT FEE - BRIGADE CAPITAL	10,342	10,319	10,391	10,473	10,555	10,454	62,534
INVESTMENT MANAGEMENT FEE - FRANKLIN TEMPLETON	35,844	35,844	35,844	37,542	37,542	34,236	216,853
INVESTMENT MANAGEMENT FEE - CHARTWELL	35,509	36,313	36,730	37,238	37,813	38,054	221,658
INVESTMENT MANAGEMENT FEE - D E SHAW	37,402	39,705	39,747	39,644	40,547	41,133	238,179
INVESTMENT MANAGEMENT FEE - T ROWE PRICE	50,916	52,172	52,644	52,212	53,080	53,009	314,032
INVESTMENT MANAGEMENT FEE - BLACKROCK	34,450	35,590	35,947	35,546	35,896	36,026	213,455
INVESTMENT MANAGEMENT FEE - BARROW HANLEY	63,847	66,697	66,900	110	(86)	(25)	197,444
INVESTMENT MANAGEMENT FEE - THE BOSTON COMPANY	60,540	62,216	62,695	62,995	63,393	63,933	375,771
INVESTMENT MANAGEMENT FEE - JENNISON ASSOCIATES	36,320	38,004	38,374	38,297	39,158	40,091	230,245
INVESTMENT MANAGEMENT FEE - MONDRIAN	57,011	58,841	59,498	59,405	60,789	61,450	356,994
INVESTMENT MANAGEMENT FEE - ARTIO	28,186	0	0	0	0	0	(369)
INVESTMENT MANAGEMENT FEE - PYRAMIS SELECT	(369)	0	0	0	0	0	0
INVESTMENT MANAGEMENT FEE - EATON VANCE	24,396	37,770	36,108	37,856	37,894	39,689	213,713
INVESTMENT MANAGEMENT FEE - BAILLIE GIFFORD	45,207	50,619	50,627	53,150	50,800	54,569	304,973
INVESTMENT MANAGEMENT FEE - WESTERN ASSET	57,923	61,928	61,660	62,960	64,287	64,694	373,452
INVESTMENT MANAGEMENT FEE - INVESCO CORE	22,985	23,094	23,217	23,358	32,022	27,730	152,405
INVESTMENT MANAGEMENT FEE - SHERIDAN PRODUCTION	51,345	51,345	51,345	64,580	52,344	51,937	322,896
INVESTMENT MANAGEMENT FEE - ABRV ADVANCED	25,008	25,000	25,000	25,000	25,000	25,000	150,008
INVESTMENT MANAGEMENT FEE - ABRV PARTNERS	72,320	0	51,514	0	100,000	0	223,834
INVESTMENT MANAGEMENT FEE - REGIMENT	98,470	0	34,461	11,487	11,487	20,986	176,891
INVESTMENT MANAGEMENT FEE - GENERAL CATALYST	0	0	73,551	0	75,000	0	148,551
INVESTMENT MANAGEMENT FEE - SYCAMORE PARTNERS	37,500	37,500	37,500	37,500	37,500	43,500	231,000
INVESTMENT MANAGEMENT FEE - AQR GLOBAL RISK PARIT	31,250	31,250	31,250	31,250	31,250	31,250	187,500
INVESTMENT MANAGEMENT FEE - AQR DELTA FUND	171	171	171	171	171	171	1,025
INVESTMENT MANAGEMENT FEE - SSGA MULTISOURCE	50,876	53,213	53,930	54,985	54,365	55,606	322,975
TOTAL PROFESSIONAL FEE	58,053	59,396	58,058	57,730	58,588	59,095	350,920
ADMIN EXPENSE - SALARIES & BENEFITS	32,976	37,445	36,158	37,943	16,881	56,328	217,730
ADMIN EXPENSE - SERVICES & SUPPLIES	1,271,436	1,062,307	1,229,556	975,961	1,154,621	1,106,168	6,800,049
ADMIN EXPENSE - SALARIES & BENEFITS	166,062	221,855	228,953	236,156	344,149	231,462	1,428,637
ADMIN EXPENSE - SERVICES & SUPPLIES	148,663	106,051	149,640	142,041	140,926	136,250	823,570
TOTAL ADMINISTRATIVE EXPENSES	314,724	327,906	378,593	378,196	485,075	367,712	2,252,207
INTEREST FOR PREPAID CONTRIBUTION							
	0	0	0	0	0	1,406,879	1,406,879
OTHER DEDUCTIONS							
	6,067	1,589	10,619	21,416	12,161	4,477	56,330
TOTAL DEDUCTIONS	14,112,905	14,235,294	15,181,987	13,776,597	14,049,479	15,659,849	87,016,110
NET INCREASE	94,079,611	38,548,031	40,871,093	(10,735,214)	18,369,783	15,019,297	196,152,601

3/26/2013

**San Mateo County Employees' Retirement Association
CHANGES IN FIDUCIARY NET ASSETS - TRAILING EIGHT MONTHS
For the Month Ending February 28, 2013
PRELIMINARY**

	December YTD 2011	January 2013	February 2013	YTD
ADDITIONS				
CONTRIBUTIONS				
Employee Contribution	27,047,362	5,659,399	4,289,476	36,996,236
Employer Contributions - Regular	42,831,320	7,113,810	6,995,487	56,940,617
Employer Contributions - COLA	25,817,824	4,287,832	4,214,426	34,320,082
Employer Prefunded Contribution	4,388,348	60,128,195	(11,180,986)	53,335,557
TOTAL CONTRIBUTIONS	100,084,854	77,189,235	4,318,402	181,592,492
INVESTMENT INCOME				
Interest and Dividends	31,790,942	5,274,389	2,676,600	39,741,931
Net Appreciation (Depreciation) in fair value of investments	154,793,840	79,701,706	6,010,353	240,505,899
Securities Lending Income	246,473	31,661	23,191	301,324
Other Additions	0	0	0	0
Other Investment Related Expense	(3,859,807)	(235,248)	(52,179)	(4,147,234)
Securities Lending Expense	112,409	4,794	3,763	120,967
TOTAL ADDITIONS	283,168,711	161,966,538	12,980,130	458,115,379
DEDUCTIONS				
ASSOCIATION BENEFITS				
Retiree Annuity	16,960,550	2,865,592	2,876,427	22,702,568
Retiree Pension	39,782,408	6,710,872	6,709,279	53,202,559
Retiree COLA	16,457,486	2,709,513	2,694,254	21,861,254
Retiree Death and Modified Work Benefit	20,573	2,886	2,886	26,345
Active Member Death Benefit	0	0	0	0
Voids and Reissue	0	0	0	0
TOTAL ASSOCIATION BENEFITS	73,221,017	12,288,863	12,282,846	97,792,726
REFUND OF MEMBER CONTRIBUTIONS	3,279,629	587,496	174,921	4,042,046
ACTUARIAL FEES	67,100	1,250	16,250	84,600
CONSULTANT FEES - INVESTMENT (SIS)	203,092	33,333	33,333	269,758
CUSTODIAN FEES - STATE STREET	86,077	14,740	14,345	115,162
OTHER PROFESSIONAL FEES	22,500	7,500	0	30,000
INVESTMENT MANAGEMENT FEE - R1000 INDEX	40,453	3,516	19,275	63,244
INVESTMENT MANAGEMENT FEE - ABERDEEN	98,210	0	825	99,035
INVESTMENT MANAGEMENT FEE - PYRAMIS	100,327	19,643	16,214	136,185
INVESTMENT MANAGEMENT FEE - ANGELO GORDON PPIP	175,000	29,167	29,167	233,333
INVESTMENT MANAGEMENT FEE - ANGELO GORDON STAR	43,750	43,750	43,750	131,250
INVESTMENT MANAGEMENT FEE - BROWN BROTHERS	62,534	10,395	10,428	83,357
INVESTMENT MANAGEMENT FEE - BRIGADE CAPITAL	216,853	38,883	38,883	294,618
INVESTMENT MANAGEMENT FEE - FRANKLIN TEMPLETON	221,658	38,785	39,264	299,707
INVESTMENT MANAGEMENT FEE - CHARTWELL	238,179	44,111	62,321	344,610
INVESTMENT MANAGEMENT FEE - D E SHAW	314,032	55,888	57,049	426,968
INVESTMENT MANAGEMENT FEE - T ROWE PRICE	213,455	105	26,725	240,285
INVESTMENT MANAGEMENT FEE - BLACKROCK	197,444	0	0	197,444
INVESTMENT MANAGEMENT FEE - BARROW HANLEY	375,771	53,230	54,064	483,065
INVESTMENT MANAGEMENT FEE - THE BOSTON COMPANY	230,245	42,734	71,404	344,383
INVESTMENT MANAGEMENT FEE - JENNISON ASSOCIATES	356,994	214	0	357,207
INVESTMENT MANAGEMENT FEE - MONDRIAN	158,872	26,381	25,762	211,015
INVESTMENT MANAGEMENT FEE - ARTIO	(369)	0	0	(369)
INVESTMENT MANAGEMENT FEE - PYRAMIS SELECT INTL	213,713	41,103	41,154	295,969
INVESTMENT MANAGEMENT FEE - EATON VANCE	304,973	57,305	57,305	419,584
INVESTMENT MANAGEMENT FEE - BAILLIE GIFFORD	373,452	67,776	68,441	509,669
INVESTMENT MANAGEMENT FEE - WESTERN ASSET	152,405	25,728	29,984	208,116
INVESTMENT MANAGEMENT FEE - INVESCO CORE	322,896	49,855	51,493	424,243
INVESTMENT MANAGEMENT FEE - SHERIDAN PRODUCTIONS	150,008	25,000	25,000	200,008
INVESTMENT MANAGEMENT FEE - ABRY ADVANCED	223,834	0	0	223,834
INVESTMENT MANAGEMENT FEE - ABRY PARTNERS	176,891	11,487	11,487	199,865
INVESTMENT MANAGEMENT FEE - REGIMENT CAPITAL	148,551	0	0	148,551
INVESTMENT MANAGEMENT FEE - GENERAL CATALYST	231,000	37,500	37,500	306,000
INVESTMENT MANAGEMENT FEE - SYCAMORE PARTNERS	187,500	31,250	31,250	250,000
INVESTMENT MANAGEMENT FEE - SYCAMORE SIDECAR	1,025	171	171	1,367
INVESTMENT MANAGEMENT FEE - AQR GLOBAL RISK PARITY	322,975	55,915	55,915	434,805
INVESTMENT MANAGEMENT FEE - AQR DELTA FUND	350,920	59,701	59,701	470,322
INVESTMENT MANAGEMENT FEE - SSGA MULTISOURCE	217,730	36,604	36,604	290,938
TOTAL PROFESSIONAL FEE	6,800,049	963,018	1,065,063	8,828,129
ADMIN EXPENSE - SALARIES & BENEFITS	1,428,637	248,335	257,006	1,933,978
ADMIN EXPENSE - SERVICES & SUPPLIES	823,570	120,637	107,609	1,051,816
TOTAL ADMINISTRATIVE EXPENSES	2,252,207	368,972	364,616	2,985,795
INTEREST FOR PREPAID CONTRIBUTION	1,406,879	0	0	1,406,879
OTHER DEDUCTIONS	56,330	(4,946)	5,399	56,783
TOTAL DEDUCTIONS	87,016,110	14,203,403	13,892,845	115,112,358
NET INCREASE	196,152,601	147,763,135	(912,716)	343,003,021

February 2013 Financials Prelim.xls

3/26/2013

**San Mateo County Employees' Retirement Association
Statement of Fiduciary Net Assets - Monthly Comparative
For the Month Ending February 28, 2013**

	February 2013	January 2013	Increase/(Decrease)	% of Incr/Decr
ASSETS				
CASH AND CASH EQUIVALENTS	61,458,727	105,500,866	(44,042,139)	-41.75%
SECURITIES LENDING CASH COLLATERAL	114,621,033	114,621,033	0	0.00%
TOTAL CASH	176,079,760	220,121,899	(44,042,139)	-20.01%
RECEIVABLES				
Contributions	0	0	0	N/A
Due from Broker for Investments Sold	130,134,627	580,099,190	(449,964,563)	-77.57%
Investment Income	4,492,108	4,074,678	417,430	10.24%
Securities Lending Income	24,679	34,180	(9,501)	-27.80%
Other Receivable	113,187	113,237	(50)	-0.04%
TOTAL ACCOUNTS RECEIVABLES	134,764,601	584,321,285	(449,556,685)	-76.94%
PREPAID EXPENSE	7,669	7,669	0	0.00%
INVESTMENTS AT FAIR VALUE				
Domestic Fixed Income Securities	433,335,112	442,951,302	(9,616,190)	-2.17%
International Fixed Income Securities	113,966,672	107,829,221	6,137,451	5.69%
Domestic Equities	1,077,221,419	1,028,215,229	49,006,191	4.77%
International Equities	501,014,075	506,019,273	(5,005,198)	-0.99%
Real Estate	153,983,862	153,983,862	0	0.00%
Private Equity	56,294,318	44,644,318	11,650,000	26.10%
Risk Parity	168,982,503	168,982,503	0	0.00%
Hedge Funds	72,236,589	72,236,589	0	0.00%
Commodities	74,243,182	77,101,576	(2,858,394)	-3.71%
Held for Securities Lending	0	0	0	N/A
Other Investment	0	0	0	N/A
	2,651,277,732	2,601,963,872	49,313,860	1.90%
FIXED ASSETS	0	0	0	N/A
LESS ACCUMULATED DEPRECIATION	0	0	0	N/A
	0	0	0	0.00%
TOTAL ASSETS	2,962,129,761	3,406,414,725	(444,284,964)	-13.04%
LIABILITIES				
Investment Management Fees	2,342,458	2,122,035	220,423	10.39%
Due to Broker for Investments Purchased	141,117,491	584,727,635	(443,610,145)	-75.87%
Collateral Payable for Securities Lending	114,621,033	114,621,033	0	0.00%
Other	742,106	724,633	17,474	2.41%
TOTAL LIABILITIES	258,823,087	702,195,335	(443,372,248)	-63.14%
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	2,703,306,674	2,704,219,390	(912,716)	-0.03%

San Mateo County Employees' Retirement Association
Statement of Changes in Fiduciary Net Assets - Monthly Comparative
For the Month Ending February 28, 2013

	February 2013	January 2013	
ADDITIONS			
CONTRIBUTIONS			
Employer Contribution	144,596,256	144,567,329	28,926
Employee Contribution	36,996,236	32,706,760	4,289,476
TOTAL CONTRIBUTIONS	<u>181,592,492</u>	<u>177,274,090</u>	<u>4,318,402</u>
INVESTMENT INCOME			
Interest and Dividends	39,741,931	37,065,331	2,676,600
Net Appreciation (Depreciation) in fair value of investments	240,452,690	234,437,808	6,014,882
Less Investment Expense	(14,382,242)	(13,265,001)	(1,117,242)
Less Asset Management Expense	0	0	0
NET INVESTMENT INCOME	<u>265,812,379</u>	<u>258,238,139</u>	<u>7,574,240</u>
SECURITIES LENDING INCOME			
Earnings	301,324	278,134	23,191
Less: Securities Lending Expenses	120,967	117,203	3,763
NET SECURITIES LENDING INCOME	<u>422,291</u>	<u>395,337</u>	<u>26,954</u>
OTHER ADDITIONS			
	53,209	57,738	(4,529)
TOTAL ADDITIONS	<u>447,880,370</u>	<u>435,965,303</u>	<u>11,915,067</u>
DEDUCTIONS			
ASSOCIATION BENEFITS			
Service Retirement Allowance	86,455,639	75,577,964	10,877,674
Disability Retirement Allowance	10,880,128	9,531,669	1,348,460
Survivor, Death and Other Benefits	456,960	400,247	56,713
TOTAL ASSOCIATION BENEFITS	<u>97,792,726</u>	<u>85,509,880</u>	<u>12,282,846</u>
REFUND OF MEMBER CONTRIBUTIONS	4,042,046	3,867,125	174,921
ADMINISTRATIVE EXPENSE	2,985,795	2,621,179	364,616
OTHER EXPENSE	56,783	51,383	5,399
TOTAL DEDUCTIONS	<u>104,877,350</u>	<u>92,049,567</u>	<u>12,827,783</u>
NET INCREASE	343,003,020	343,915,736	(912,716)
Net Assets Held in Trust for Pension Benefits:			
Beginning of Period	2,704,219,390	2,360,303,654	
End of Period	2,703,306,674	2,704,219,390	

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 7.2

TO: Board of Retirement
FROM: David Bailey, Chief Executive Officer 
SUBJECT: Report on the Status of SamCERA's Annual Board-Staff Retreat

Staff Recommendation

This is a report only. No action is required.

Background

Attached is what we believe will be the final agenda for the annual Board-Staff Retreat. In addition to the other items on the agenda, we have scheduled:

Economist. Dr. John L. Bellows is an Investment Management Strategy Analyst with Western Asset Management Co. Prior to joining the firm in 2012, Dr. Bellows served at the U.S. Department of the Treasury, most recently as the Acting Assistant Secretary for Economic Policy. He holds a Bachelor of Arts degree in Economics from Dartmouth College, and a PhD in Economics from the University of California, Berkeley.

Governance and Responsible Investing Speaker. Chad Spitler is Global Chief Operating Officer for BlackRock's Corporate Governance & Responsible Investment team within the Portfolio Management Group. He is responsible for the daily operations of the team worldwide and strategic planning. Mr. Spitler works with the International Standards Organization (ISO) Securities Evaluation Group, and is a member of the International Corporate Governance Network's (ICGN) Shareholders Responsibility Committee.

Other key retreat information:

Dates: Tuesday and Wednesday, April 23 & 24, 2013.
Times: 8:30 a.m. to approx. 5 p.m. each day.
Coffee and Refreshments from 8:30 to 9 a.m.
Location: SamCERA Boardroom.
Meals: Coffee and Refreshments each morning. Lunch provided both days.
Second Day lunch with SamCERA staff.
Regular Business: Conduct Board's regular business during the afternoon on Tuesday.

Agenda & Presenters

Board / Staff Retreat

April 23 & 24, 2013



San Mateo County Employees' Retirement Association
SamCERA

BOARD / STAFF RETREAT AGENDA
Day One—Tuesday, April 23, 2013

<u>TIME</u>	<u>TOPIC</u>	<u>SPEAKER</u>
8:30 a.m.	Coffee and Refreshments	
9:00 a.m.	Welcome	David Bailey, Chief Executive Officer, SamCERA
9:15 a.m.	Expectations for the US and World Economies	John L. Bellows, Investment Management Strategy Analyst, Western Asset Management Company
10:15 a.m.	Break	
10:30 a.m.	Asset-Liability Study Overview. When would be the best time to conduct an asset-liability study of the fund and what would be involved in the process?	Patrick Thomas, Vice President, Strategic Investment Solutions, Mike Coultrip, Chief Investment Officer, <i>SamCERA</i>
11:30 a.m.	Open Discussion	
12 Noon	Lunch	
1:15 p.m.	Real Assets. Should real assets be considered for the SamCERA portfolio? If so, how should it be structured? Role of liquid vs. illiquid strategies.	<i>John Nicolini, Strategic Investment Solutions</i> Michael Coultrip, Chief Investment Officer, SamCERA
2:15 p.m.	Break	
2:30 p.m.	Beginning of Regular Board Meeting Agenda	

BOARD / STAFF RETREAT AGENDA

DAY TWO—WEDNESDAY, APRIL 24, 2013

<u>TIME</u>	<u>TOPIC</u>	<u>SPEAKER</u>
8:30 a.m.	Coffee and Refreshments	
9 a.m.	Ethics and California Public Pension Plans	Brenda Carlson, Chief Legal Counsel, SamCERA
10:15 a.m.	Break	
10:30 a.m.	Ready to Retire. SamCERA Retirement Analyst, Elizabeth LeNguyen will give the presentation that she provides to members planning to soon retire. She'll also talk about who attends, what the evaluations show, and what we may change in future presentations.	Elizabeth LeNguyen, SamCERA Retirement Analyst
11:30 a.m.	Open Discussion	
12 noon	Lunch (Board and SamCERA Staff)	
9:15 a.m.	Risk Analysis. Looking at different ways to view the risks of the fund. Economic risk factors, leverage, liquidity, etc.	Mike Coultrip, Chief Investment Officer, SamCERA Patrick Thomas, Vice President, Strategic Investment Solutions
2:15 p.m.	Break	
2:30 p.m.	Annual Assessment of the Portfolio: Compare total fund performance against investment objectives; Compare each investment manager's performance against their stated benchmark, evaluate risk exposures, evaluate portfolio rebalancing activity for the year, and evaluate the fund's liquidity requirements.	Mike Coultrip, Chief Investment Officer, SamCERA CIO, Patrick Thomas, SIS
3:30 p.m.	Open Discussion	
4:00 p.m.	Evaluating Non-Traditional Investment Guidelines. Should non-traditional investment guidelines, such as Environmental, Social, Governance (ESG), United Nations Guidelines, or other factors play a role in SamCERA's investment approach, and, if so, how? What is the Board's fiduciary duty in this area?	Chad E. Spitler Managing Director PMG - Corporate Governance & Responsible Investment BlackRock
5:00 p.m.	End of Retreat	

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item: 7.3

To: Board of Retirement

From: Gladys Smith, Acting Assistant Chief Executive Officer



Subject: Report on June 2013 Trustee Election for the Third (general member), Eighth (retiree), and Eighth Alternate (retiree) positions on the Board of Retirement.

STAFF RECOMMENDATION:

Accept this report of the June 2013 Trustee Election for the Third (general member), Eighth (retiree), and Eighth Alternate (retiree) trustee positions on the Board of Retirement.

BACKGROUND:

Government Code sections 31520.1 and 31520.5 provide that the Third (general member), Eighth (retiree) and Eighth Alternate (retiree) trustee positions on the Board of Retirement are elected. Trustee elections are administered by the County's Elections Division and held in accordance with the procedures set forth in Article III of the Board's regulations.

DISCUSSION:

The terms for the Third, Eighth and Eighth Alternate trustee positions end on June 30, 2013. The election to fill those seats will be held on June 10th, 2013. Candidates for the Third seat must be SamCERA active general members and nominated by a petition signed by not less than ten active general members. The candidates for the two retiree seats must be SamCERA retirees. The retiree candidates may nominate themselves.

The attached Notice of Election will be distributed on April 1. The nomination period will open on April 15, 2013 and continue through May 6, 2013. Any election for a contested seat would be held either by mail or by electronic voting. We will give the Board an update of the status of the election at its May board meeting. A complete listing of the election deadlines is attached.

The candidates elected on June 10th shall serve for a term commencing July 1, 2013 for a period of three years ending June 30, 2016.

Attachments:

Notice of Election
Election Calendar

IMPORTANT NOTICE – PLEASE POST

**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (SamCERA)
NOTICE OF ELECTION
TO ELECT THREE MEMBERS TO THE BOARD OF RETIREMENT**

Notice is hereby given that one **GENERAL MEMBER** is to be elected to fill the third position, one **RETIRED MEMBER** is to be elected to fill the eighth position, and one **RETIRED MEMBER** is to be elected to fill the eighth position alternate on SamCERA's Board of Retirement.

General Member Eligibility: Candidates must be active SamCERA General members. Each candidate for the General member position shall be nominated by a petition signed by not less than ten (10) active SamCERA General members and must file a Declaration of Candidacy.

Retired Member Eligibility: Candidates must be a retired SamCERA member and must file a Declaration of Candidacy.

Retired Member Alternate Eligibility: Candidates must be a retired SamCERA member and must file a Declaration of Candidacy.

Member Terms: The General member, the Retired member and the Retired member alternate shall serve from July 2013 – June 2016.

Required Nomination Petitions & Declarations of Candidacy: These forms will be available and can be circulated beginning **Monday, April 15, 2013 through Monday, May 6, 2013**. Qualified Candidates may obtain petitions in person at:

**SAN MATEO COUNTY
REGISTRATION & ELECTIONS DIVISION
40 TOWER ROAD IN SAN MATEO**

Completed Nomination Petitions & Declarations of Candidacy: These completed forms must be filed in person with the San Mateo County Registration & Elections Division **no later than 5:00 p.m. on May 6, 2013**.

Please call the San Mateo County Registration & Elections Division at 312-5222, if you have any questions or wish to make an appointment to take out Candidacy Papers.

The election will be held on Monday, JUNE 10, 2013 and will be conducted in accordance with Article 3 of the *Regulations of the Board of Retirement*. These regulations are available at the San Mateo County Registration & Elections Division or SamCERA's website at: www.samcera.org.

Mark Church
Chief Elections Officer &
Assessor-County Clerk-Recorder

MARK CHURCH
CHIEF ELECTIONS OFFICER & ASSESSOR-COUNTY CLERK-RECORDER
SamCERA ELECTION
3rd GENERAL MEMBER, 8th RETIRED & 8th Retired Alternate MEMBERS

Monday, June 10, 2013

<u>DAYS PRIOR</u>	<u>DATE</u>	<u>ACTION TAKEN</u>
70	Monday, April 1	No later than this date, Notice of Election shall be distributed to all County work sites.
56 35	Monday, April 15 Monday, May 6	Nomination period. Nomination petitions, Declaration of Candidacy, Election Regulations, Code of Fair Campaign Practices and County Policy Memo will be issued to all eligible candidates seeking election. Forms available at 40 Tower Road, San Mateo. All required documents and Candidate Statements due by 5 p.m. on May 6th §3.4 - 3.7, §3.21
35	Monday, May 6	Last day a candidate may withdraw from the election by filing a written statement with the Chief Elections Officer. §3.6, §3.21
34	Tuesday, May 7	Chief Elections Officer will determine the order of names on the ballot by lot. §3.11
32	Thursday, May 9	Last day for a candidate to challenge the decision of the Chief Elections Officer regarding candidates' statements. Challenge will be by writ of mandate or court injunction. §3.10, §3.21
24 0	Friday, May 17 Monday, June 10	Replacement ballots available upon request to any eligible member who lost or did not receive his or her ballot. Requests may be made in person, in writing, by e-mail, fax or by telephone. Replacement ballots are not to be given to anyone other than the person requesting. §3.11
0	Monday, June 10	Election Day. Last day to receive voted ballots in person or by Pony Mail. §3.11
<u>DAYS AFTER</u>	<u>DATE</u>	<u>ACTION TAKEN</u>
4	Friday, June 14	Last day to receive voted ballots by US Mail that are postmarked no later than election day and received by 5:00 p.m. this date. §3.11
4	Friday, June 14	No later than this date, the Chief Elections Officer shall canvass and certify the results of the election. §3.16
9	Wednesday, June 19	Last day (within 5 days of certification) for a candidate to file written application with the Chief Elections Officer to request a recount of votes cast. Candidate must agree to pay for the actual cost, unless recount shows a change in results. §3.18
15	Tuesday, June 25	Last day (within 15 days of issuance of certified results) a candidate may file a petition with the Superior Court to contest the election. Court's decision shall be based on clear and convincing proof. §3.19
180	Saturday, December 7	No earlier than this date, the Election Officer may discard all retained ballots from the election. §3.17

All references to Election Procedures are from the Regulations of the Board of Retirement, Article 3 - Election of Trustees

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 7.4

TO: Board of Retirement
FROM: Mabel Wong, Finance Officer *Mabel Wong*
SUBJECT: Introduction of SamCERA's Sources, Uses, and Budget Report for FY 2013-2014

Staff Recommendation

This is a report only. No action is required.

Comment

Staff has begun working on the FY2013-2014 budget. SamCERA's budget consists of three components: an administrative budget for salaries and benefits, services and supplies, county department service charges, and capital assets; a technology budget, which includes computers, programs, maintenance, and all technology modernization projects; a professional budget for investment managers, consultant, custodian, and the actuary. The administrative and technology budgets are incorporated in the County budget, whereas the professional budget is not.

This year the County is implementing a two-year budget for FY 2013-14 and FY 2014-15 to increase efficiency of the budget process and allow time to conduct performance review of County programs during the off years. The County's budget, including SamCERA's from FY 2012-13, will be temporarily rolled over to create sufficient appropriations in FY 2013-14 until the two-year budget is finalized in September.

SamCERA will continue with the annual budget process as required by Government Code Section 31580.2. We will submit a preliminary second year administrative and technology budget to the County for FY 2014-15 which we will bring back to the Board with revisions for approval next spring along with the professional budget for FY 2014-15.

Staff will present the FY 2013-14 full budget and preliminary FY 2014-15 administrative and technology budgets for Board approval in May.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 7.5

To: Board of Retirement


From: Mabel Wong, Finance Officer

Subject: Acceptance of Report on the Prepayment of the County's Contribution for Fiscal Year 2013-2014

STAFF RECOMMENDATION: Staff recommends the Retirement Board accept the report on the prepayment of \$145,138,538 employer contributions for fiscal year 2013/2014.

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

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

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

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

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

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

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

The contribution rate recommended in the annual actuarial valuation report anticipates that the employer and member contributions would be paid on a biweekly basis, including interest charges at the annual actuarial interest rate (changed from 7.75% to 7.50% in FY 2013-14). By paying the biweekly employer contributions in one lump sum and before the normal biweekly contribution due dates, the advance payment amount is calculated by netting the interest charges built into the biweekly contributions. In other words, the advance payment is discounted by the actuarial interest rate.

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

Attachment One is County payroll staff's estimate of the 2013/2014 payroll by plan type (General, Safety and Probation/Safety). The estimate is based on the most recent pay roll for pay period ending 3/2/2013 and includes no salary increase. The Memoranda of Understanding (MOU) for some employee unions will be negotiated during the fiscal year and the estimate does not include an increase in current pay levels. Using the most recent payroll and projecting it forward, we arrive at an estimate of \$420,540,627 for next fiscal year's total payroll. This payroll estimate is approximately \$16 million lower than that for the current fiscal year.

Attachment Two utilizes the payroll estimate and the adopted 2013/2014 actuarial contribution rates, by plan type, to determine the Average Earnings, Normal Cost and Unfunded Actuarial Accrued Liability (UAAL) based on the proportion of eligible compensation by plan.

Attachment Three is the schedule used to estimate the required contributions and discounts them to the first pay date. Normal Cost and UAAL contribution rates are discounted by 7.50%, which reflects the earnings rate recommended by the actuary and approved by the Retirement Board based on the June 30, 2012, Actuarial Valuation. **The calculations result in an advance payment estimate of \$145,138,538 due on 07/12/2013. This contribution is marginally less than the estimated contribution of \$145.5 million for the current fiscal year.** This information will be provided to the Controller who in turn will recommend to the Board of Supervisors that it transfer \$145,138,538 on July 12, 2013, from the County general fund to the San Mateo County Employees' Retirement Association Trust Fund as an advance payment of the required county contributions for fiscal year 2013/2014.

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

March 26, 2013

Attachment One

Agenda Item 7.5

ESTIMATE OF BI-WEEKLY PAYROLL *

Schedule	G1	G2	G3	G4	G5	G7	CNA-G1A	CNA-G2A	CNA-G4A	CNA-G4B	CNA-G5	CNA-G7
2013												
014	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73	-	-
015	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
016	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
017	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
018	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
019	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
020	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
021	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
022	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
023	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
024	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
025	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
026	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
2014												
001	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
002	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
003	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
004	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
005	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
006	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
007	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
008	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
009	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
010	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
011	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
012	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
013	145,922.08	2,872,153.15	401,228.75	7,441,819.08	779,349.92	105,826.80	14,201.28	414,424.51	928,056.67	38,111.73		
TOTAL	3,793,974.08	74,675,981.90	10,431,947.50	193,487,296.08	20,263,097.92	2,751,496.80	369,233.28	10,775,037.26	24,129,473.42	990,904.98	-	-

*Notes: Base estimates for Sch 014 of 2013, PPE 07/06/13, are based on actual payroll for Sch005 PPE 03/2/13.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March :March 26, 2013

Attachment One

Agenda Item 7.5

ESTIMATE OF BI-WEEKLY PAYROLL *

FOR SCHEDULE 013-14 TO SCHEDULE 014-13													
Schedule	P1	P2	P4	P5	P6	P7	S1	S2	S4	S5	S6	S7	TOTAL
<u>2013</u>													
014	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80	-	29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
015	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
016	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
017	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
018	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
019	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
020	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
021	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
022	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
023	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
024	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
025	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
026	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
<u>2014</u>													
001	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
002	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
003	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
004	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
005	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
006	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
007	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
008	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
009	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
010	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
011	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
012	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
013	3,357.30	233,264.79	691,465.41	22,308.92	4,156.80		29,356.75	564,041.49	1,332,382.73	125,591.89	5,711.28	21,908.16	16,174,639.49
TOTAL	87,289.80	6,064,884.54	17,978,100.66	580,031.92	108,076.80	-	763,275.50	14,665,078.74	34,641,950.98	3,265,389.14	148,493.28	569,612.16	420,540,626.74

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

March 26, 2013

Attachment Two

Agenda Item 7.5

**Employer Contribution Rate Detail
County Only**

Recommended Rates

3.25% inflation, 7.50% interest, and a 4.95% salary increase assumption

GENERAL

	<u>Tier 1</u>		<u>Tier 2</u>		<u>Tier 3</u>		<u>Tier 4</u>		<u>Tier 5</u>		<u>Tier 7</u>	
	<u>% of Payroll</u>	<u>Annual Amount</u>										
Normal Cost	10.75%	\$ 408,000	10.65%	\$ 7,953,000	7.94%	\$ 828,000	9.84%	\$ 19,039,000	9.35%	\$ 1,895,000	7.65%	\$ 210,000
Contribution to UAAL	20.17%	\$ 765,000	20.17%	\$ 15,062,000	20.17%	\$ 2,104,000	20.17%	\$ 39,026,000	20.17%	\$ 4,087,000	20.17%	\$ 555,000
Total	30.92%	\$ 1,173,000	30.82%	\$ 23,015,000	28.11%	\$ 2,932,000	30.01%	\$ 58,065,000	29.52%	\$ 5,982,000	27.82%	\$ 765,000
Payroll		\$ 3,794,000		\$ 74,676,000		\$ 10,432,000		\$ 193,487,000		\$ 20,263,000		\$ 2,751,000

CNA

	<u>Tier 1</u>		<u>Tier 2</u>		<u>Tier 3</u>		<u>Tier 4</u>	
	<u>% of Payroll</u>	<u>Annual Amount</u>						
Normal Cost	9.32%	\$ 34,000	9.46%	\$ 1,019,000	7.94%	\$ -	9.01%	\$ 2,263,000
Contribution to UAAL	20.17%	\$ 74,000	20.17%	\$ 2,173,000	20.17%	\$ -	20.17%	\$ 5,067,000
Total	29.49%	\$ 108,000	29.63%	\$ 3,192,000	28.11%	\$ -	29.18%	\$ 7,330,000
Payroll		\$ 369,000		\$ 10,775,000		\$ -		\$ 25,120,000

SAFETY

	<u>Tier 1</u>		<u>Tier 2</u>		<u>Tier 4</u>		<u>Tier 5</u>		<u>Tier 6</u>		<u>Tier 7</u>	
	<u>% of Payroll</u>	<u>Annual Amount</u>										
Normal Cost	26.69%	\$ 204,000	20.08%	\$ 2,945,000	18.65%	\$ 6,461,000	16.48%	\$ 538,000	15.98%	\$ 24,000	13.22%	\$ 75,000
Contribution to UAAL	48.51%	\$ 370,000	48.51%	\$ 7,114,000	48.51%	\$ 16,805,000	48.51%	\$ 1,584,000	48.51%	\$ 72,000	48.51%	\$ 277,000
Total	75.20%	\$ 574,000	68.59%	\$ 10,059,000	67.16%	\$ 23,266,000	64.99%	\$ 2,122,000	64.49%	\$ 96,000	61.73%	\$ 352,000
Payroll		\$ 763,000		\$ 14,665,000		\$ 34,642,000		\$ 3,265,000		\$ 148,000		\$ 570,000

PROBATION

	<u>Tier 1</u>		<u>Tier 2</u>		<u>Tier 4</u>		<u>Tier 5</u>		<u>Tier 6</u>		<u>Tier 7</u>	
	<u>% of Payroll</u>	<u>Annual Amount</u>										
Normal Cost	30.20%	\$ 26,000	20.41%	\$ 1,238,000	17.87%	\$ 3,213,000	14.92%	\$ 87,000	16.04%	\$ 17,000	14.76%	\$ -
Contribution to UAAL	26.71%	\$ 23,000	26.71%	\$ 1,620,000	26.71%	\$ 4,802,000	26.71%	\$ 155,000	26.71%	\$ 29,000	26.71%	\$ -
Total	56.91%	\$ 49,000	47.12%	\$ 2,858,000	44.58%	\$ 8,015,000	41.63%	\$ 242,000	42.75%	\$ 46,000	41.47%	\$ -
Payroll		\$ 87,000		\$ 6,065,000		\$ 17,978,000		\$ 580,000		\$ 108,000		\$ -

Average Rate for the total group:	35.73%	Normal Cost:	11.53%	UAAL:	24.20%	Total:	35.73%
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**SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement**

March 26, 2013

Attachment Three

Agenda Item 7.3

Prepayment of Employer Contributions
(County Only)
2013-2014 Fiscal Year
PRE-PAYMENT MADE AT THE END OF THE 1st PAY PERIOD

Discount Rate = 7.50% Inflation Rate = 3.25%

Pay Period	Biweekly Payroll Estimate(1)	Normal Cost Contribution Rate	UAAL Rate	Discount Factor	Total Biweekly Normal Cost Discounted	Total Biweekly UAAL Contrib. Discounted	Total Biweekly Contribution Discounted	Total Prepayment	Date Pay Period Ends
1	\$16,174,640	11.5273%	24.1984%	1.00000000	\$1,864,500	\$3,914,000	\$5,778,500	145,138,538	07/06/13
2	\$16,174,640	11.5273%	24.1984%	0.99722230	\$1,859,321	\$3,903,128	\$5,762,449		07/20/13
3	\$16,174,640	11.5273%	24.1984%	0.99445232	\$1,854,156	\$3,892,286	\$5,746,443		08/03/13
4	\$16,174,640	11.5273%	24.1984%	0.99169003	\$1,849,006	\$3,881,475	\$5,730,481		08/17/13
5	\$16,174,640	11.5273%	24.1984%	0.98893541	\$1,843,870	\$3,870,693	\$5,714,563		08/31/13
6	\$16,174,640	11.5273%	24.1984%	0.98618845	\$1,838,748	\$3,859,942	\$5,698,690		09/14/13
7	\$16,174,640	11.5273%	24.1984%	0.98344911	\$1,833,641	\$3,849,220	\$5,682,861		09/28/13
8	\$16,174,640	11.5273%	24.1984%	0.98071739	\$1,828,548	\$3,838,528	\$5,667,075		10/12/13
9	\$16,174,640	11.5273%	24.1984%	0.97799325	\$1,823,468	\$3,827,866	\$5,651,334		10/26/13
10	\$16,174,640	11.5273%	24.1984%	0.97527668	\$1,818,403	\$3,817,233	\$5,635,636		11/09/13
11	\$16,174,640	11.5273%	24.1984%	0.97256765	\$1,813,352	\$3,806,630	\$5,619,982		11/23/13
12	\$16,174,640	11.5273%	24.1984%	0.96986615	\$1,808,315	\$3,796,056	\$5,604,372		12/07/13
13	\$16,174,640	11.5273%	24.1984%	0.96717216	\$1,803,292	\$3,785,512	\$5,588,804		12/21/13
14	\$16,174,640	11.5273%	24.1984%	0.96448564	\$1,798,283	\$3,774,997	\$5,573,280		01/04/14
15	\$16,174,640	11.5273%	24.1984%	0.96180659	\$1,793,288	\$3,764,511	\$5,557,799		01/18/14
16	\$16,174,640	11.5273%	24.1984%	0.95913498	\$1,788,307	\$3,754,054	\$5,542,362		02/01/14
17	\$16,174,640	11.5273%	24.1984%	0.95647080	\$1,783,340	\$3,743,627	\$5,526,966		02/15/14
18	\$16,174,640	11.5273%	24.1984%	0.95381401	\$1,778,386	\$3,733,228	\$5,511,614		03/01/14
19	\$16,174,640	11.5273%	24.1984%	0.95116460	\$1,773,446	\$3,722,858	\$5,496,305		03/15/14
20	\$16,174,640	11.5273%	24.1984%	0.94852255	\$1,768,520	\$3,712,517	\$5,481,038		03/29/14
21	\$16,174,640	11.5273%	24.1984%	0.94588784	\$1,763,608	\$3,702,205	\$5,465,813		04/12/14
22	\$16,174,640	11.5273%	24.1984%	0.94326045	\$1,758,709	\$3,691,921	\$5,450,631		04/26/14
23	\$16,174,640	11.5273%	24.1984%	0.94064036	\$1,753,824	\$3,681,666	\$5,435,490		05/10/14
24	\$16,174,640	11.5273%	24.1984%	0.93802754	\$1,748,952	\$3,671,440	\$5,420,392		05/24/14
25	\$16,174,640	11.5273%	24.1984%	0.93542198	\$1,744,094	\$3,661,242	\$5,405,336		06/07/14
26	\$16,174,640	11.5273%	24.1984%	0.93282366	\$1,739,250	\$3,651,072	\$5,390,322		06/21/14
Total Rate Contribution	\$420,540,627	11.5273% \$48,477,000 (Undiscounted)	24.1984% \$101,764,000 (Undiscounted)		\$46,830,631 (Discounted)	\$98,307,906 (Discounted)	\$145,138,538 (Discounted)		

Average Discount Factor 0.96603815 0.96603815 0.96603815

(1) County only payroll. Excludes Special District.

20-Mar-13

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 26, 2013

Agenda Item 7.6

TO: Board of Retirement

FROM: David Bailey, Chief Executive Officer 

SUBJECT: Approval of SACRS Voting Delegate and Alternates for the SACRS Spring 2013 Business Meeting

Staff Recommendation

Staff recommends the Board designate **Sandie Arnott**, Vice Chair, as the Voting Delegate, **Lauryn Agnew**, Secretary, as the First Delegate Alternate, and **David Bailey**, CEO, as the Second Delegate Alternate to cast SamCERA's votes at the SACRS Spring 2013 Conference.

Summary

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

Background

SamCERA normally selects the highest-ranking board officer who will attend the conference as the voting delegate. Delegates can be either trustees or staff. For this SACRS conference, Board Chair Sandie Arnott will be the highest-ranking board officer in attendance. As Secretary, Lauryn Agnew is next. We typically recommend the CEO be the final alternate.

The business meeting will occur on the last morning of the conference, at 10:00 a.m., Friday, May 17, 2013.