



Sacramento Regional Transit District

RETIREMENT BOARD MEETING NOTICE TO THE PUBLIC

In response to Governor's Executive Order N-25-20, the Sacramento Regional Transit District (SacRT) Retirement Board of Directors and other public meetings are closed to the public to follow state and federal guidelines on social distancing until further notice.

SacRT Retirement Board Meetings are being held via Webex online meetings 1-510-338-9438 Access Code: 1269313879 or Email Retirement@SacRT.com to make arrangements in advance to attend.

Members of the public are encouraged to submit written public comments relating to the attached Agenda no later than 2:00 p.m. on the day of the Retirement Board meeting at Retirement@sacrt.com

Please place the Item Number in the Subject Line of your correspondence.



Sacramento Regional Transit District Agenda

COMBINED QUARTERLY MEETING OF THE RETIREMENT BOARDS FOR THE EMPLOYEES AND RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT

9:00 A.M., WEDNESDAY, JUNE 10, 2020

via Webex Online Meeting: 1-510-338-9438 Access Code: 1269313879 or

Email Retirement@SacRT.com for a meeting invite

Website Address: www.sacrt.com

MEETING NOTE: *This is a joint and concurrent meeting of the five independent Retirement Boards for the pension plans for the employees and retirees of the Sacramento Regional Transit District. This single, combined agenda designates which items will be subject to action by which board(s). Members of each board may be present for the other boards' discussions and actions, except during individual closed sessions.*

ROLL CALL

ATU Retirement Board:	Directors: Li, Kennedy, Niz, McGee Lee Alternates: Jennings, TBD
IBEW Retirement Board:	Directors: Li, Kennedy, Bibbs, McCleskey Alternates: Jennings, Pickering
AEA Retirement Board:	Directors: Li, Kennedy, Devorak, McGoldrick Alternates: Jennings, Santhanakrisnan
AFSCME Retirement Board:	Directors: Li, Kennedy, Guimond, Thompson Alternates: Jennings, Salva
MCEG Retirement Board:	Directors: Li, Kennedy, Ham, Norman Alternates: Jennings, Flores

PUBLIC ADDRESSES BOARD ON MATTERS ON CONSENT AND MATTERS NOT ON THE AGENDA

At this time the public may address the Retirement Board(s) on subject matters pertaining to Retirement Board business listed on the Consent Calendar, any Closed Sessions or items not listed on the agenda. Remarks may be limited to 3 minutes subject to the discretion of the Common Chair. Members of the public wishing to address one or more of the Boards may submit a "Public Comment Speaker Request via e-mail to Retirement@SacRT.com. While the Retirement Boards encourage your comments, State law prevents the Boards from discussing items that are not set forth on this meeting agenda. The Boards and staff take your comments very seriously and, if appropriate, will follow up on them.

CONSENT CALENDAR

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
1. Motion:	Approving the Minutes for the March 11, 2020 Quarterly Retirement Board Meeting (ATU). (Weekly)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Motion:	Approving the Minutes for the March 11, 2020 Quarterly Retirement Board Meeting (IBEW). (Weekly)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Motion:	Approving the Minutes for the March 11, 2020 Quarterly Retirement Board Meeting (AEA). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
4. Motion:	Approving the Minutes for the March 11, 2020 Quarterly Retirement Board Meeting (AFSCME). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Motion:	Approving the Minutes for the March 11, 2020 Quarterly Retirement Board Meeting (MCEG). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Motion:	Approving the Minutes for the February 26, 2020 Special Retirement Board Meeting (ATU). (Weekly)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Motion:	Approving the Minutes for the February 26, 2020 Special Retirement Board Meeting (IBEW). (Weekly)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Motion:	Approving the Minutes for the February 26, 2020 Special Retirement Board Meeting (AEA). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Motion:	Approving the Minutes for the February 26, 2020 Special Retirement Board Meeting (AFSCME). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
10. Motion:	Approving the Minutes for the February 26, 2020 Special Retirement Board Meeting (MCEG). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
11. Motion:	Receive and File Administrative Reports for the Quarter Ended March 31, 2020 for the Pension Plans (ATU). (Adelman)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Motion:	Receive and File Administrative Reports for the Quarter Ended March 31, 2020 for the Pension Plans (IBEW). (Adelman)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Motion:	Receive and File Administrative Reports for the Quarter Ended March 31, 2020 for the Pension Plans (AEA, AFSCME, MCEG). (Adelman)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
14. Motion:	Update on Roles and Responsibilities Related to Pension Administration/new staff (ALL).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

NEW BUSINESS

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
15. Information:	Investment Performance Review by AQR for the ATU, IBEW and Salaried Employee Retirement Funds for the International Small Capitalization Equity Asset Class for Quarter Ended March 31, 2020 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
16. Information:	Investment Performance Review by Met West for the ATU, IBEW and Salaried Employee Retirement Funds for the Domestic Fixed Income Asset Class for Quarter Ended March 31, 2020 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
17. Motion:	Receive and File the Investment Performance Reports for the ATU, IBEW and Salaried Employee Funds for Quarter Ended March 31, 2020 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
18. Resolution:	Amend the Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
19. Resolution:	Election of Governing Board Officers of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of IBEW (IBEW). (Weekly)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
20. Resolution:	Approving a Disability Retirement Application for Donald	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Schreckengost (ATU). (Weekly)

REPORTS FROM COMMITTEES

REPORTS, IDEAS AND COMMUNICATIONS

ADJOURN

NOTICE TO THE PUBLIC

It is the policy of the Boards of Directors of the Sacramento Regional Transit District Retirement Plans to encourage participation in the meetings of the Boards of Directors. At each open meeting, members of the public shall be provided with an opportunity to directly address the Board on items of interest to the public that are within the subject matter jurisdiction of the Boards.

This agenda may be amended up to 72 hours prior to the meeting being held. An agenda, in final form, is located by the front door of Regional Transit's building at 1400 – 29th Street and posted to SacRT's website at www.sacrt.com.

Any individuals requesting special accommodation to attend and/or participate in this meeting, including person(s) requiring accessible formats of the agenda or assisted listening devices/sign language interpreters, should contact the Pension and Retiree Services Administrator at 916-556-0296 or TDD 916/483-4327 at least 72 business hours in advance of the Board Meeting.

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on file with the Human Resources Analyst at 916-556-0245 and/or Clerk to the Board of Directors of the Sacramento Regional Transit District and are available for public inspection at 1400 29th Street, Sacramento, CA. Any person who has questions concerning any agenda item may call the Human Resources Administrative Technician of Sacramento Regional Transit District to make inquiry.

**Sacramento Regional Transit District
Quarterly Retirement Board Meeting (MCEG)
Wednesday, March 11, 2020
MEETING SUMMARY**

ROLL CALL

This meeting was held as a common meeting of the five Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

MCEG

The Retirement Board was brought to order at 9:03 a.m. A quorum was present comprised as follows: Directors Li, Ham and Norman. Director Kennedy, Alternate Jennings and Alternate Flores were absent.

By MCEG Resolution for calendar year 2020, the Common Vice Chair presided over this Retirement Board meeting.

Following roll call Jamie Adelman addressed the group to explain that this meeting would have a slightly different format as the Board's investment advisors from Callan would be presenting via a phone conference. Callan representatives were reducing travel when possible due to the Covid-19 Virus. John Mirante, the fund manager with BMO Pyrford was present for the meeting.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

CONSENT CALENDAR

MCEG

- 4. Motion: Approving the Minutes for the December 11, 2019 Quarterly Retirement Board Meeting (MCEG). (Weekly)
- 5. Motion: Receive and File Administrative Reports for the Quarter Ended December 31, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
- 17. Motion: Accept the Actuarial Valuation and Approve the Actuarially Determined Contribution Rate for Fiscal Year 2021, for the Salaried Employees' Retirement Plan (AEA/AFSCME/MCEG). (Weekly)
- 18. Motion: Receive and file the independent auditor's report for the twelve month period ended June 30, 2019 (ALL). (Adelman)
- 21. Motion: Receive and file the Fiscal Year 2019 State Controllers Report for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

22. Motion: Receive and File Update on Staff Roles and Responsibilities related to Pension Administration Quarter ended December 31, 2019 (ALL). (Weekly)

Director Norman moved to adopt MCEG Retirement Board Items 4, 5, 17, 18, 21, and 22. Director Ham seconded the motion. Items 4, 5, 17, 18, 21, and 22 were carried unanimously by roll call vote: Ayes: Directors Li, Ham and Norman. Noes: None.

NEW BUSINESS

24. Information: Investment Performance Review by BMO Pyrford for the ATU, IBEW and Salaried Funds for the International Large Capital Equity Asset Class for the Quarter Ended December 30, 2019 (ALL). (Adelman)

Agenda Item 24 was presented out of order so that Callan would have an opportunity to address information provided by the BMO Pyrford Fund Manager. Jamie Adelman introduced John Mirante with BMO Pyrford, who provided the Pyrford International Equity Strategy results for the Quarter ended December 31, 2019 and an annual update on the Retirement Plan assets invested in the International Equity Large Cap Fund. There were no questions.

23. Receive/File: Receive and File Investment Performance Results for the ATU, IBEW, and Salaried Employee Retiree Plans for the Quarter Ended December 30, 2019 (ALL). (Adelman)

Uvan Tseng from Callan presented the 4th Quarter Market update and the Total Fund Overview for the Quarter ended December 31, 2019. There were no questions.

MCEG

Director Ham moved to adopt MCEG Retirement Board Item 23. Director Norman seconded the motion. Item 23 was carried unanimously by roll call vote: Ayes: Directors Li, Ham and Norman. Noes: None.

25. Resolution: Receive and File the Asset Allocation Review, Adjust Asset Allocations to Direct Funds to Real Estate Asset Class, and Select Two Real Estate Asset Class Fund Managers (ALL) (Adelman).

Jamie Adelman introduced Jay Clapper of Callan. She explained that he would discuss the asset allocation; the Retirement Plans' potential investment into real estate as discussed at the February special meeting, when the Boards considered proposals from real estate investment fund managers; and options for changing the asset allocation to move some funds into a new real estate asset class.

After reviewing the asset allocation, Mr. Clapper explained that the risk tolerance for the plan was the first consideration in potentially investing in real estate. A 10% allocation in

real estate would further diversify the portfolio and sources for funding could have an impact on the risk tolerance. The Retirement Plan funds have been invested a little bit more conservatively than peers' funds, and 75% of the peer group has an allocation in real estate.

Director Li asked if it was the right time to do this since the stock market had recently crashed 20% - 30% (due to COVID-19).

Mr. Clapper responded that the equity market was down 10%, but that this change should be viewed as a long term investment. He shared that it would take a while to implement the change, and that he believes this is a reasonable time to consider adding the real estate asset class as a long-term move for the Retirement Plans.

Ms. Adelman added that it is critical for the Retirement Boards to consider which asset class to reduce in order to fund a new real estate investment asset class, and to recognize that we are not trying to time the market. She agreed that it is reasonable to consider investing in real estate at this time. The recommendation presented to the Boards has two different options for funding the new asset class, pulling either 100% from fixed income or 70% from fixed income and 30% from equities, with the equities spread across domestic and international asset classes.

ATU Director Niz asked if the 70%-30% funding represented less risk.

Ms. Adelman responded that it was less risky to split the reduction of current asset classes based on an analysis of the standard deviation of risk. She explained what the peer group was doing and how the Retirement Plans are very conservative by comparison because the Retirement Boards traditionally have had a relatively low risk tolerance.

Director Li agreed with Ms. Adelman's statement regarding our tolerance level and how reducing the fixed-income allocation would be an opportunity to increase investment return without much additional risk. He is strongly leaning towards 100% fixed income.

Ms. Adelman explained that returns from real estate investments come from two sources: roughly 3% is from rental income and the rest is from appreciation of the assets.

ATU Director Niz noted that the Boards have been very good at making decisions and that the Retirement Plans will be fully funded in 10 more years. He reemphasized that the Boards must continue to make decisions that will not harm the Plans, and he expressed that he didn't want to make decisions that included major risk.

Mr. Clapper responded that, in order for the Retirement Plans to be fully funded in 10 years, investment returns must meet the 7.27% goal annually.

Ms. Adelman asked the Boards if they supported investing in a new real estate asset class, with 100% of the funds being re-allocated from fixed income and all agreed that this was their preferred approach. Ms. Adelman explained that the resolution prepared

for their consideration includes three actions: 1) receive and file the asset allocation review, 2) adjusting the asset allocation to add 10% in real estate, to be funded entirely from the fixed income asset class and 3) select Clarion and Morgan Stanley Real as the Real Estate Asset Class Fund Managers, split the 10% allocation evenly between Clarion's Lion Property Fund and Morgan Stanley's Prime Property Fund, and authorize SacRT's General Manager/CEO to execute related agreements to effectuate the Boards' actions.

MCEG

Director Ham moved to adopt MCEG Retirement Board Item 25. Director Norman seconded the motion. Item 25 was carried unanimously by roll call vote: Ayes: Directors Li, Ham and Norman. Noes: None.

26. Resolution: Authorizing the SacRT GM/CEO to Amend the Memorandum of Understanding with SACOG for Funding and Performance of Annual Audits (ALL) (Adelman).

Ms. Adelman explained that the Staff Report didn't indicate what the audit fees would be because the procurement of audit services is still in process. She estimated fees were likely to represent a 5% increase in the first year and 2% increase each year after. This would be an average 3% increase in audit fees.

MCEG

Director Ham moved to adopt MCEG Retirement Board Item 26. Director Norman seconded the motion. Item 26 was carried unanimously by roll call vote: Ayes: Directors Li, Ham and Norman. Noes: None.

REPORTS, IDEAS AND COMMUNICATIONS

Update on Northern Trust (Adelman) – Ms. Adelman reported that the transition to the Retirement Plans' new custodian of funds, Northern Trust, from State Street was completed and reconciled; all of the assets held by State Street have successfully moved to Northern Trust.

With no further business to discuss, the MCEG Retirement Board adjourned at 10:16 a.m.

Laura Ham, Chair

ATTEST:

Henry Li, Secretary

By: _____
Valerie Weekly, Assistant Secretary

**Sacramento Regional Transit District
Special Retirement Board Meeting
Wednesday February 26, 2020**

MEETING SUMMARY-MCEG

ROLL CALL:

This meeting was held as a common meeting of the five Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG).

MCEG - The Retirement Board was brought to order at 9:04 a.m. A quorum was present comprised as follows: Directors Li, Kennedy, Ham and Norman. Alternates Jennings and Flores were absent.

The Common Chair presided over this Retirement Board meeting.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON AGENDA

None

CONSENT CALENDAR

None

NEW BUSINESS

1-3. Resolution: Election of Governing Board Officers of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of AEA, AFSCME and MCEG. (Weekly)

Ms. Weekly explained that, due to recent changes in Board membership, Staff recommends that the Board elect a new Chair, Vice Chair and Secretary in accordance with the Retirement Board's Bylaws.

MCEG

Director Norman moved to elect Director Ham as Chair, Director Norman as Vice Chair and Director Li as Secretary. Director Ham seconded the motion. Item 3 was carried unanimously by roll call vote: Ayes: Directors Li, Kennedy, Ham and Norman. Noes: None.

6.Information: Receive Information on Status of the Salaried Retirement Plan Valuation Study and Actuarially Determined Contribution Rates (AEA, AFSCME, MCEG). (Weekly)

Ms. Weekly introduced Graham Schmidt of Cheiron to present the preliminary actuarial valuation for the Salaried Plan for the 2019 Plan Year, including a contribution rate increase of 1.05%. Mr. Schmidt explained that this presentation was a brief overview and that a more detailed report would be provided with the final Actuarial Valuation at the March meeting.

7. Information Real Estate Fund Manager Search Candidate Presentations – Clarion Partners, Morgan Stanley Investment Management and PGIM Real Estate (ALL) (Adelman)

Ms. Adelman introduced Anne Heaphy from Callan LLC (Callan) who explained Callan's recommendation that the Board select two Real Estate Fund Managers out of the three firms presenting today to evenly split an allocation to a new real estate asset class.

Ms. Heaphy explained that Callan would discuss funding for the new asset class at the March Quarterly Retirement Board Meeting. Ms. Heaphy introduced Avery Robinson, Callan's real estate manager group leader, who gave a brief overview of the real estate asset class and each of the three candidates.

Ms. Heaphy introduced John Gelb and Karen Castile from Clarion Partners who gave an overview of Clarion Partners and the key highlights of the Clarion Lion Properties Fund, including assets under management, investment by other public pension plans, research and diversification strategies, and firm values.

In response to a question from ATU Director McGee-Lee, Ms. Castile confirmed that 18% of the company is employee-owned.

In response to a question from ATU Director Niz regarding decision-making with respect to high-risk investments such as strip malls, Mr. Gelb explained that he and a team of managers set the strategy, and an eight-person investment committee reviews all investments.

In response to a question from AEA Director Devorak regarding the effect of rent control on investments in multi-family dwellings, Mr. Gelb explained that this risk is mitigated by diversification of building type, markets, and rent level.

AEA Director Devorak asked whether the fund has any exposure to WeWork or similar co-working entities as tenants. Mr. Gelb explained that the fund has only one WeWork tenant and that most tenants are large capitalization companies.

In response to questions from VP Finance/CFO Bernegger regarding whether the Boards would have the ability to put any restrictions on investments, Mr. Gelb responded that the Boards would not be able to restrict the fund's investments, that the Boards could redeem their interest in the fund with 90 days' advanced notice in response to a change in the fund's strategy, and that the asset allocation is reviewed quarterly and updated.

ATU Director McGee-Lee asked whether retail properties in Chicago were purchased with the hope that industry will increase. Mr. Gelb explained that Clarion reviews the fiscal health of states, job prospects and growth potential in making geographical decisions, but that its investments in Chicago are actually underweight compared to the benchmark.

In response to a question from AEA Director McGoldrick regarding asset allocation by geography, Mr. Gelb explained that the fund is overweight in innovative markets, such as the West Coast and underweight in the Mid-West.

Ms. Adelman asked whether the fund has holdings outside of the U.S., and Mr. Gelb responded that the fund invests only in properties in the U.S.

The Boards thanked Mr. Robinson and Ms. Castile for their presentation.

Ms. Heaphy noted that Clarion is a stable and conservative manager. The liquidity issue and likelihood of a redemption queue in the event of unsatisfactory performance with one of the funds is one reason Callan is recommending that the Boards select two managers.

ATU Director Niz asked Ms. Heaphy to clarify Callan's recommendation that the Boards select two of the three candidates, and asked why Callan recommended that the Boards invest with more than one fund.

Ms. Heaphy responded that because real estate is not a highly liquid investment, two fund managers may present a better opportunity to realize the expected return on investment. She explained that the total amount of the recommended allocation (\$30 million) would be split 50% each between the two managers selected by the Boards.

Ms. Adelman introduced Clayburn Johnston and Josh Myerberg from Morgan Stanley Investments, who gave an overview of Morgan Stanley's Prime Property Fund. Mr. Johnston explained that the Prime Property Fund represents approximately 90% of the Morgan Stanley assets under management within the real estate asset class.

Mr. Myerberg reviewed the fund's asset types, personnel, and historical returns, and explained that there is currently a one- to two-quarter queue to invest in the fund.

AEA Director Devorak asked about the potential effect on the fund of rent control and whether the fund has any exposure to WeWork. Mr. Myerberg explained that the fund has very little exposure to WeWork and that the fund mitigates the risk of rent control by diversifying by asset type, age and geography.

In response to a question from Mr. Bernegger. Mr. Myerberg explained that, of the three components of returns, asset appreciation represented approximately 34% over one year, and about 8.2% over 10 years. Mr. Bernegger asked about the fund's appraisal process. Mr. Myerberg explained that appraisals are completed with a third party every quarter and appraisers are rotated every three years.

ATU Director McGee-Lee asked how many Morgan Stanley employees were invested in the Prime Property Fund. Mr. Myerberg replied that no employees are directly invested, but 35-40 employees are part of the Prime Incentive Program, which is distributed to employees in the form of synthetic shares that vest over time.

The Boards thanked Mr. Johnston and Mr. Myerberg for their presentation.

Ms. Heaphy introduced Dennis Martin and Frank Garcia from PGIM. Mr. Martin gave a brief overview of the firm. Mr. Garcia gave an overview of the PRISA fund, including key personnel, asset types, returns, and the current entry queue.

The Boards thanked Mr. Garcia and Mr. Martin for their presentation.

Mr. Robinson recapped the three managers: all three fund managers are in the ODCE index; all have quarterly liquidity with the exception of entry queue delays; all use leverage, to a lower degree than the index, of approximately 20%. All three managers have been outperforming the index. Mr. Robinson reviewed the fee proposals for the three managers, and noted that he is not concerned about the current entry queues for two of the managers. He explained that the Morgan Stanley fund is about twice the size of the other two, but that the Clarion fund has access to the same types of properties, except for regional malls.

Director Li asked whether Mr. Robinson believed it is significant that the performance of the three funds was similar over the last 10 years but very different over the last five years.

Mr. Robinson explained that it is difficult to rely on historical positions that are more than 10 years old because the market is very different, the strategy may have been updated and the key personnel may change.

Mr. Bernegger asked which of the fund managers have performance that is based on producing income versus appraisal value, which would be affected if the market changes and appraisals become flat. Mr. Robinson noted that the outperformance by the Morgan Stanley fund has been somewhat driven by appreciation, meaning the performance would be affected if the market becomes slower.

Ms. Adelman asked whether the Boards could at this point eliminate one of the candidates.

Mr. Tseng noted that Callan is a member of the of the PGIM Advisory Board as a non-paid consultant, and explained that there is no conflict of interest because it is an advisory board and the members do not vote, or assist in making investment decisions.

In response to a request from AEA Director McGoldrick, Mr. Robinson explained that, for all three funds, the income component usually represents anywhere from 70% – 80% of the return, which can be paid as dividends or reinvested. He also noted that all three funds are similar with investments in strong, primary markets. Callan is not concerned that Clarion was recently purchased as a passive investment by Franklin Templeton.

Director Li recommended that the Boards select the Clarion and Morgan Stanley Funds. All five Boards agreed. Ms. Adelman explained that the next step will be a review of the asset allocation at the March Quarterly Retirement Board Meeting to determine from which asset classes the real estate allocation is to be funded.

8. Resolution: Amend Contract with State Street Global Advisors Trust Company to Reduce Fees for the S&P 500 and MSCI EAFE Index Funds (ALL) (Adelman)

Ms. Adelman explained that the Retirement Board's investment advisor, Callan LLC, recently negotiated reduced fees for the S&P 500 and MSCI EAFE Index funds, currently managed by State Street Global Advisors. Staff recommends that the Board retain State Street as the manager for these funds and authorize SacRT's General Manager to amend the State Street contract to reflect the lower fees.

MCEG

Director Ham moved to adopt MCEG Retirement Board Item 8. Director Norman seconded the motion. Item 8 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Ham and Norman. Noes: None.

REPORTS FROM COMMITTEES

None.

REPORTS, IDEAS AND COMMUNICATIONS

None

The Retirement Boards adjourned at 12:00 PM.

Laura Ham, Chair

ATTEST:

Henry Li, Secretary

By: _____
Valerie Weekly, Assistant Secretary



RETIREMENT BOARD STAFF REPORT

DATE: June 10, 2020 Agenda Item: 13

TO: Sacramento Regional Transit Retirement Boards – AEA/AFSCME/MCEG

FROM: Jamie Adelman, AVP Finance & Treasury

SUBJ: RECEIVE AND FILE ADMINISTRATIVE REPORTS FOR THE QUARTER ENDED MARCH 31, 2020 FOR THE SALARIED PENSION PLAN (AEA/AFSCME/MCEG). (ADELMAN)

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended March 31, 2020 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Table 1 below shows the employer and employee contribution rates for all of the Sacramento Regional Transit District Retirement Plans, by Plan and tier, as of the date indicated.

Table 1

**Employer Contribution Rates
As of March 31, 2020**

	ATU	IBEW	Salary
	Contribution Rate	Contribution Rate	Contribution Rate
Classic	27.78%	24.73%	35.41%
Classic w/Contribution*	24.78%		
PEPRA**	20.53%	18.73%	30.16%

*Includes members hired during calendar year 2015, employee rate 3%

**PEPRA employee rates: ATU – 7.25%, IBEW 6.0% and Salary 5.75%

Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended March 31, 2020. The financial statements are presented on an accrual basis and consist of a Statement of Fiduciary Net Position (balance sheet) (Attachment 1), a Statement of Changes in Fiduciary Net Position (income statement) for the quarter ended March 31, 2020 (Attachment 2), and a year-to-date Statement of Changes in Fiduciary Net Position (Attachment 3).

The Statement of Fiduciary Net Position includes a summary of fund assets showing the amounts in the following categories: investments, prepaid assets, and other receivables. This statement also provides amounts due from/to the District and Total Fund Equity (net position).

The Statement of Changes in Fiduciary Net Position includes activities in the following categories: investment gains/losses, dividends, interest income, unrealized gains/losses, benefit contributions/payouts, and investment management and administrative expenses.

Asset Rebalancing

Pursuant to Section IV, Asset Rebalancing Policy of the Statement of Investment Objectives and Policy Guidelines for the ATU, IBEW and Salaried Employees' Retirement Funds, the Retirement Boards have delegated authority to manage pension plan assets in accordance with the approved rebalancing policy to the District's AVP of Finance and Treasury. The AVP of Finance and Treasury is required to report asset rebalancing activity to the Boards at their quarterly meetings. Rebalancing can occur for one or more of the following reasons:

1. The Pension Plan ended the month with an accounts receivable or payable balance due to the District. A payable or receivable is the net amount of the monthly required contribution (required contribution is the percentage of covered payroll determined by the annual actuarial valuation) less the Plan's actual expenses.
2. The Pension Plan hires or removes a Fund Manager, in which case securities must be moved to a new fund manager.
3. The Pension Plan investment mix is under or over the minimum or maximum asset allocation as defined in the Statement of Investment Objectives and Policy Guidelines.

Attached hereto as Attachment 4 is the Salaried Plan's Schedule of Cash Activities for the three months ended March 31, 2020. The schedule of cash activities includes a summary of Plan activities showing the amounts in the following categories: District's pension contributions to the Plan, payments to retirees, and the Pension Plan's cash expenditures paid. This schedule also lists the rebalancing activity that occurred for the three months ended March 31, 2020. The Salaried Plan reimbursed \$6,994.45 to the

District as the result of the net cash activity between the pension plan expenses and the required pension contributions.

Attached hereto as Attachment 5 is the Salaried Plan's Asset Allocation as of March 31, 2020. This statement shows the Salaried Plan's asset allocation as compared to targeted allocation percentages as defined in the Statement of Investment Objectives and Policy Guidelines.

Attached hereto as Attachment 6 is a reconciliation between the Callan Performance Report and the ATU, IBEW and Salaried Pension Plans' unaudited financial statements. The reports differ in that the unaudited financial statements reflect both investment activities and the pension fund's inflows and outflows. Callan's report only reflects the investment activities. The "Net Difference" amounts shown are the results of Callan and Northern Trust Company using different valuations for the same securities and/or litigation settlements received by the Plans.

Included also as Attachment 7 is a reconciliation between the Callan Performance Report and the Schedule of Cash Activities for payments made from/to the District. Callan's report classifies gains from trades and litigation income as "net new investments." Finance staff classifies gains from trades and litigation income in the Pension Plan's unaudited Statement of Changes in Fiduciary Net Position as "Other Income," which is combined in the category of "Interest, Dividend, & Other Inc".

Attached hereto as Attachment 8 is a schedule reflecting Fund Managers' quarterly investment returns and their investment fees. Additionally, the schedule reflects annual rates of return on investment net of investment fees for the one-year and three-year periods ended March 31, 2020 as compared to their benchmarks.

Attached hereto as Attachment 9 is a schedule reflecting employee transfers from one union/employee group to another, as well as any transfers of plan assets from the ATU Plan to the Salaried Plan, all retirements, and retiree deaths during the three months ended March 31, 2020.

Sacto Regional Transit District Retirement Plan - Salaried Statement of Fiduciary Net Position

Accrual Basis

As of March 31, 2020

	Mar 31, 20
ASSETS	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	89,428,676.23
Total Long-Term Investments	89,428,676.23
Total Checking/Savings	89,428,676.23
Accounts Receivable	
1110104 · Other Rec - Due from RT	128,226.92
Total Accounts Receivable	128,226.92
Other Current Assets	
1110120 · Prepaids	1,126.25
Total Other Current Assets	1,126.25
Total Current Assets	89,558,029.40
TOTAL ASSETS	89,558,029.40
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	36,789.43
3110122 · MetWest	24,776.49
3110124 · Boston Partners	19,775.17
3110125 · Callan	3,583.75
3110126 · State Street	102.37
3110128 · Atlanta Capital	13,843.95
3110129 · S&P Index - SSgA	2,071.68
3110130 · EAFE - SSgA	896.80
3110132 · Pyrford	32,518.24
3110133 · Northern Trust	10,667.91
Total Accounts Payable	145,025.79
Total Current Liabilities	145,025.79
Total Liabilities	145,025.79
Equity	
3340101 · Retained Earnings	99,186,092.24
Net Income	-9,773,088.63
Total Equity	89,413,003.61
TOTAL LIABILITIES & EQUITY	89,558,029.40

Sacto Regional Transit District Retirement Plan - Salaried
Statement of Changes in Fiduciary Net Position
 January through March 2020

Accrual Basis

	<u>Jan - Mar 20</u>	<u>% of Income</u>
Income		
Interest, Dividend, & Other Inc	449,049.91	-3.3%
Investment Income	-16,732,574.49	122.6%
RT Required Contribution	2,523,293.55	-18.5%
6630110 · Employee Contribution	107,170.50	-0.8%
Total Income	-13,653,060.53	100.0%
Cost of Goods Sold		
8531210 · AEA - Retirement Benefits Paid	838,107.35	-6.1%
8531211 · AFSCME-Retirement Benefits Paid	624,613.26	-4.6%
8531212 · MCEG - Retirement Benefits Paid	867,135.53	-6.4%
8531213 · Employee Contribution Refunds	36,328.73	-0.3%
8532004 · Invest Exp - MetropolitanWest	24,776.49	-0.2%
8532013 · Invest Exp - Boston Partners	19,775.17	-0.1%
8532020 · Invest Exp - Callan	10,779.00	-0.1%
8532021 · Invest Exp - State Street	-3,825.72	0.0%
8532024 · Invest Exp - Atlanta Capital	13,843.95	-0.1%
8532025 · Invest Exp - S&P Index SSgA	2,071.68	-0.0%
8532026 · Invest Exp - EAFE SSgA	896.80	-0.0%
8532027 · Invest Exp - AQR	9,635.57	-0.1%
8532028 · Invest Exp - Pyrford	15,841.29	-0.1%
8532029 · Invest Exp - Northern Trust	8,001.24	-0.1%
Total COGS	2,467,980.34	-18.1%
Gross Profit	-16,121,040.87	118.1%
Expense		
8533002 · Admin Exp - Actuary	7,968.91	-0.1%
8533007 · Admin Exp - CALPRS Dues/Courses	166.66	-0.0%
8533008 · Admin Exp - Accounting Software	666.66	-0.0%
8533010 · Admin Exp - Travel	0.00	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,353.75	-0.0%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	2.24	-0.0%
8533026 · Admin Exp - Legal Services	21,372.39	-0.2%
8533029 · Admin Exp - Administrator	21,782.75	-0.2%
8533050 · Admin Exp - Misc Exp	0.00	0.0%
8533051 · Admin Exp - Audit	-4,426.66	0.0%
Total Expense	50,886.70	-0.4%
Net Income	<u>-16,171,927.57</u>	<u>118.4%</u>

Sacto Regional Transit District Retirement Plan - Salaried Statement of Changes in Fiduciary Net Position

July 2019 through March 2020

Accrual Basis

	Jul '19 - Mar 20	% of Income
Income		
Interest, Dividend, & Other Inc	1,318,404.31	-59.0%
Investment Income	-10,739,043.47	480.4%
RT Required Contribution	6,929,855.67	-310.0%
6630110 · Employee Contribution	255,200.63	-11.4%
Total Income	-2,235,582.86	100.0%
Cost of Goods Sold		
8531210 · AEA - Retirement Benefits Paid	2,516,541.85	-112.6%
8531211 · AFSCME-Retirement Benefits Paid	1,854,951.78	-83.0%
8531212 · MCEG - Retirement Benefits Paid	2,553,311.61	-114.2%
8531213 · Employee Contribution Refunds	89,586.95	-4.0%
8532004 · Invest Exp - MetropolitanWest	73,770.52	-3.3%
8532013 · Invest Exp - Boston Partners	63,064.11	-2.8%
8532020 · Invest Exp - Callan	51,664.05	-2.3%
8532021 · Invest Exp - State Street	19,774.58	-0.9%
8532024 · Invest Exp - Atlanta Capital	49,596.85	-2.2%
8532025 · Invest Exp - S&P Index SSgA	6,393.75	-0.3%
8532026 · Invest Exp - EAFE SSgA	2,826.71	-0.1%
8532027 · Invest Exp - AQR	28,340.78	-1.3%
8532028 · Invest Exp - Pyrford	48,246.25	-2.2%
8532029 · Invest Exp - Northern Trust	10,667.91	-0.5%
Total COGS	7,368,737.70	-329.6%
Gross Profit	-9,604,320.56	429.6%
Expense		
8533002 · Admin Exp - Actuary	23,029.55	-1.0%
8533007 · Admin Exp - CALPRS Dues/Courses	3,166.66	-0.1%
8533008 · Admin Exp - Accounting Software	696.65	-0.0%
8533009 · Admin Exp - Shipping	16.27	-0.0%
8533010 · Admin Exp - Travel	850.88	-0.0%
8533014 · Admin Exp - Fiduciary Insurance	10,111.25	-0.5%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	252.24	-0.0%
8533026 · Admin Exp - Legal Services	63,295.17	-2.8%
8533029 · Admin Exp - Administrator	70,692.35	-3.2%
8533050 · Admin Exp - Misc Exp	60.39	-0.0%
8533051 · Admin Exp - Audit	-3,403.34	0.2%
Total Expense	168,768.07	-7.5%
Net Income	-9,773,088.63	437.2%

**Sacramento Regional Transit District
Retirement Fund - Salaried
Schedule of Cash Activities
For the Three Months Period Ended March 31, 2020**

	January 2020	February 2020	March 2020	Quarter Totals
Beginning Balance:				
Due (from)/to District - December 31, 2019	11,753.86	6,994.45	25,930.25	11,753.86
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 29.66 to 35.41%	800,942.47	814,073.68	908,277.40	2,523,293.55
Employee Pension Contributions	33,989.21	35,787.14	37,394.15	107,170.50
Total Deposits	834,931.68	849,860.82	945,671.55	2,630,464.05
<u>Expenses</u>				
Payout to Retirees:				
AEA	(279,424.06)	(279,942.28)	(278,741.01)	(838,107.35)
AFSCME	(205,502.41)	(209,993.26)	(209,117.59)	(624,613.26)
MCEG	(286,946.41)	(286,946.41)	(293,242.71)	(867,135.53)
Employee Contribution Refunds	(3,867.70)	(32,461.03)	-	(36,328.73)
Payout to Retirees Subtotal	(775,740.58)	(809,342.98)	(781,101.31)	(2,366,184.87)
Fund Investment Management Expenses:				
Atlanta Capital	(18,283.69)	-	-	(18,283.69)
Boston Partners	-	(22,152.28)	-	(22,152.28)
SSgA S&P 500 Index	-	(2,215.47)	-	(2,215.47)
SSgA EAFE MSCI	-	(997.02)	-	(997.02)
Metropolitan West	-	(24,393.53)	-	(24,393.53)
State Street	(7,843.56)	-	-	(7,843.56)
Callan	(3,487.55)	(3,599.72)	(3,595.53)	(10,682.80)
Fund Invest. Mgmt Exp. Subtotal	(29,614.80)	(53,358.02)	(3,595.53)	(86,568.35)
Administrative Expenses				
Legal Services	(13,974.26)	-	-	(13,974.26)
Pension Administration	(7,565.63)	(7,374.58)	(6,842.54)	(21,782.75)
Actuarial Services	(3,110.34)	(5,046.59)	-	(8,156.93)
CALAPRS Dues	(166.66)	-	-	(166.66)
Fiduciary Insurance	-	-	25.00	25.00
Investigation Information Services	-	(2.24)	-	(2.24)
Accounting Software	-	(666.66)	-	(666.66)
Administrative Exp. Subtotal	(24,816.89)	(13,090.07)	(6,817.54)	(44,724.50)
Total Expenses	(830,172.27)	(875,791.07)	(791,514.38)	(2,497,477.72)
Monthly Net Owed from/(to) District	4,759.41	(25,930.25)	154,157.17	132,986.33
Payment from/(to) the District	-	(6,994.45)	-	(6,994.45)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	6,994.45	25,930.25	(128,226.92)	(128,226.92)

**RT Combined Pension Plans - ATU, IBEW and Salaried
Asset Allocation *
As of March 31, 2020**

Asset Class	Net Asset Market Value 3/31/2020	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
FUND MANAGERS:						
Domestic Equity:						
Large Cap Value - Boston Partners - Z8	\$ 36,060,548	13.44%	16.00%	-2.56%	\$ (6,860,200)	
Large Cap Growth - SSgA S&P 500 Index - XH	43,807,999	16.33%	16.00%	0.33%	887,250	
Total Large Cap Domestic Equity	79,868,547	29.77%	32.00%	-2.23%	(5,972,950)	\$ 85,841,497
Small Cap - Atlanta Capital - XB	20,763,986	7.74%	8.00%	-0.26%	(696,388)	21,460,374
International Equity:						
Large Cap Growth:						
Pyrford - ZD	24,190,299	9.02%	9.50%	-0.48%	(1,293,895)	
Large Cap Core:						
SSgA MSCI EAFE - XG	9,443,653	3.52%				
Total Core	9,443,653	3.52%	4.50%	-0.98%	(2,627,808)	
Small Cap:						
AQR - ZB	10,348,132	3.86%	5.00%	-1.14%	(3,064,602)	
Emerging Markets						
DFA - ZA	12,498,505	4.66%	6.00%	-1.34%	(3,596,776)	
Total International Equity	56,480,589	21.05%	25.00%	-3.95%	(10,583,081)	67,063,670
Fixed Income:						
Met West - XD	111,141,556	41.43%	35.00%	6.43%	17,252,419	93,889,138
Total Combined Net Asset	\$ 268,254,679	100.00%	100.00%	0.00%	\$ -	\$ 268,254,679

Asset Allocation Policy Ranges*:	Minimum	Target	Maximum
Domestic Equity	35%	40%	45%
Large Cap (50/50 value/growth)	28%	32%	36%
Small Cap	5%	8%	11%
International Equity	20%	25%	30%
Large Cap Developed Markets	10%	14%	18%
Small Cap Developed Markets	3%	5%	7%
Emerging Markets	4%	6%	8%
Domestic Fixed Income	30%	35%	40%

* Per the Statement of Investment Objectives and Policy Guidelines as of 6/20/2018.

**Reconciliation between Callan Report
and
Consolidated Pension Fund Balance Sheet
As of March 31, 2020**

Per Both Pension Fund Balance Sheets:	
ATU Allocated Custodial Assets	124,435,187.88
IBEW Allocated Custodial Assets	54,390,815.72
Salaried Allocated Custodial Assets	<u>89,428,676.23</u>
Total Consolidated Net Asset	<u><u>268,254,680</u></u>
Per Callan Report:	
Total Investments	<u><u>268,251,148</u></u>
Net Difference	<u><u>3,532</u></u> *

* The "Net Difference" amounts shown are the results of Callan and State Street using different valuations for the same securities and a timing difference on the AQR statement.

**Reconciliation between Callan Report
and
Consolidated Pension Fund Income Statement
For the Quarter Ended March 31, 2020**

Per Both Pension Fund Income Statements:	
ATU - Interest, Dividends, and Other Income	613,039
ATU - Investment Income	(21,600,902)
IBEW - Interest, Dividends, and Other Income	268,344
IBEW - Investment Income	(9,586,984)
Salaried - Interest, Dividends, and Other Income	436,078
Salaried - Investment Income	<u>(16,732,574)</u>
Total Investment Income	<u><u>(46,603,000)</u></u>
Per Callan Report:	
Investment Returns	<u><u>(46,606,533)</u></u>
Net Difference	<u><u>3,533</u></u> **

** The "Net Difference" amounts shown are the results of Callan and State Street using different valuations for the same securities and a timing difference on the AQR statement.

Reconciliation between Callan Report and Consolidated Schedule of Cash Activities For the Quarter Ended March 31, 2020				
	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>
Payments from/(to) the District				
Boston Partners - ATU	-	-	-	-
Boston Partners - IBEW	-	-	-	-
Boston Partners - Salaried	-	-	-	-
S&P 500 Index - ATU	-	(202,575)	(251,888)	(454,463)
S&P 500 Index - IBEW	-	(57,612)	(48,000)	(105,612)
S&P 500 Index - Salaried	-	(6,994)	-	(6,994)
Atlanta Capital - ATU	-	-	-	-
Atlanta Capital - IBEW	-	-	-	-
Atlanta Capital - Salaried	-	-	-	-
Pyrford - ATU	-	-	-	-
Pyrford - IBEW	-	-	-	-
Pyrford - Salaried	-	-	-	-
EAFE - ATU	-	-	-	-
EAFE - IBEW	-	-	-	-
EAFE - Salaried	-	-	-	-
Brandes - ATU	-	-	-	-
Brandes - IBEW	-	-	-	-
Brandes - Salaried	-	-	-	-
AQR - ATU	-	-	-	-
AQR - IBEW	-	-	-	-
AQR - Salaried	-	-	-	-
DFA - ATU	-	-	-	-
DFA - IBEW	-	-	-	-
DFA - Salaried	-	-	-	-
Metropolitan West - ATU	-	-	-	-
Metropolitan West - IBEW	-	-	-	-
Metropolitan West - Salaried	-	-	-	-
Total Payments from/(to) the District	<u>-</u>	<u>(267,181)</u>	<u>(299,888)</u>	<u>(567,069)</u>
Transfers In/(Out) of Investment Funds				
Boston Partners	-	-	-	-
S&P 500 Index	-	(267,181)	(299,888)	(567,069)
Atlanta Capital	-	-	-	-
Pyrford	-	-	-	-
EAFE	-	-	-	-
Brandes	-	-	-	-
AQR	-	-	-	-
DFA	-	-	-	-
Metropolitan West	-	-	-	-
Total Transfers In/(Out) of Investment Funds	<u>-</u>	<u>(267,181)</u>	<u>(299,888)</u>	<u>(567,069)</u>
Variance between Payments and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Per Callan Report:				
Net New Investment/(Withdrawals)				<u>(567,069)</u>
Net Difference				<u>(0)</u>

Consolidated Schedule of Cash Activities For the 12-Months March 31, 2020					
	<u>2Q19</u>	<u>3Q19</u>	<u>4Q19</u>	<u>1Q20</u>	<u>Total</u>
Payments from/(to) the District					
Boston Partners - ATU	(54,258)	-	-	-	(54,258)
Boston Partners - IBEW	-	-	-	-	-
Boston Partners - Salaried	54,258	-	-	-	54,258
S&P 500 Index - ATU	(58,610)	(336,261)	(275,649)	(454,463)	(1,124,983)
S&P 500 Index - IBEW	-	(74,527)	(80,610)	(105,612)	(260,748)
S&P 500 Index - Salaried	58,610	6,616	(108,983)	(6,994)	(50,752)
Atlanta Capital - ATU	(30,314)	(609,201)	-	-	(639,515)
Atlanta Capital - IBEW	-	(186,668)	-	-	(186,668)
Atlanta Capital - Salaried	30,314	(122,140)	-	-	(91,826)
Pyrford - ATU	(31,780)	-	-	-	(31,780)
Pyrford - IBEW	-	-	-	-	-
Pyrford - Salaried	31,780	-	-	-	31,780
EAFE - ATU	(13,150)	-	-	-	(13,150)
EAFE - IBEW	-	-	-	-	-
EAFE - Salaried	13,150	-	-	-	13,150
Brandes - ATU	-	-	-	-	-
Brandes - IBEW	-	-	-	-	-
Brandes - Salaried	-	-	-	-	-
AQR - ATU	(15,314)	-	-	-	(15,314)
AQR - IBEW	-	-	-	-	-
AQR - Salaried	15,314	-	-	-	15,314
DFA - ATU	(19,252)	-	-	-	(19,252)
DFA - IBEW	-	-	-	-	-
DFA - Salaried	19,252	-	-	-	19,252
Metropolitan West - ATU	(999,082)	-	(624,602)	-	(1,623,684)
Metropolitan West - IBEW	(204,136)	-	(199,847)	-	(403,983)
Metropolitan West - Salaried	91,813	-	(189,348)	-	(97,535)
Total Payments from/(to) the District	<u>(1,111,404)</u>	<u>(1,322,181)</u>	<u>(1,479,039)</u>	<u>(567,069)</u>	<u>(4,479,694)</u>

Sacramento Regional Transit District
ATU, IBEW and Salaried Retirement Plans
Schedule of Fund Investment Returns and Expenses
03/31/20

	1 Year		1 Year			3 Years		3 Years		
	1 Year	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts	3 Years	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts
Boston Partners										
Investment Returns	(8,845,452)	100.00%				(1,906,914)	100.00%			
Investment Expense	(250,719)	-2.83%				(746,187)	-39.13%			
Net Gain/(Loss)	(9,096,171)	102.83%	-19.71%	-17.17%	(254.00)	(2,653,101)	139.13%	-2.66%	-2.18%	(48.00)
S&P 500										
Investment Returns	(3,130,854)	100.00%				7,193,960	100.00%			
Investment Expense	(25,302)	-0.81%				(72,477)	1.01%			
Net Gain/(Loss)	(3,156,156)	100.81%	-7.02%	-6.98%	(4.00)	7,121,483	98.99%	5.06%	5.10%	(4.00)
Atlanta Capital										
Investment Returns	(3,160,188)	100.00%				3,166,560	100.00%			
Investment Expense	(201,148)	-6.37%				(598,180)	18.89%			
Net Gain/(Loss)	(3,361,336)	106.37%	-14.03%	-23.99%	996.00	2,568,380	81.11%	2.87%	-4.64%	751.00
Pyrford										
Investment Returns	(2,300,083)	100.00%				(1,763,519)	100.00%			
Investment Expense	(191,323)	-8.32%				(496,373)	-28.15%			
Net Gain/(Loss)	(2,491,406)	108.32%	-9.26%	-14.38%	512.00	(2,259,892)	128.15%	N/A	N/A	N/A
EAFE										
Investment Returns	(1,534,490)	100.00%				(418,361)	100.00%			
Investment Expense	(11,249)	-0.73%				(33,221)	-7.94%			
Net Gain/(Loss)	(1,545,739)	100.73%	-14.06%	-14.38%	32.00	(451,582)	107.94%	-1.53%	-1.82%	29.00
Brandes										
Investment Returns	-	0.00%				(2,481)	100.00%			
Investment Expense	-	0.00%				-	0.00%			
Net Gain/(Loss)	-	0.00%	N/A	N/A	N/A	(2,481)	100.00%	N/A	N/A	N/A
AQR										
Investment Returns	(2,638,605)	100.00%				(1,761,772)	100.00%			
Investment Expense	(112,320)	-4.26%				(380,470)	-21.60%			
Net Gain/(Loss)	(2,750,925)	104.26%	-20.32%	-18.15%	(217.00)	(2,142,242)	121.60%	-5.43%	-2.88%	(255.00)
DFA										
Investment Returns	(3,818,537)	100.00%				(2,259,043)	100.00%			
Investment Expense	(107,423)	-2.81%				(326,262)	-14.44%			
Net Gain/(Loss)	(3,925,960)	102.81%	-23.40%	-17.69%	(571.00)	(2,585,305)		-5.39%	-1.62%	(377.00)
Metropolitan West										
Investment Returns	9,139,037	100.00%				15,761,141	100.00%			
Investment Expense	(292,795)	3.20%				(824,695)	5.23%			
Net Gain/(Loss)	8,846,242	96.80%	8.68%	8.93%	(25.00)	14,936,446	94.77%	4.99%	4.82%	17.00
Total Fund										
Investment Returns	(16,289,172)	100.00%				19,311,007	100.00%			
Investment Expense	(1,192,279)	-7.32%				(3,482,102)	18.03%			
Net Gain/(Loss)	(17,481,451)	107.32%	-6.00%	-5.05%	(95.00)	15,828,905	81.97%	2.05%	2.80%	(75.00)

**Sacramento Regional Transit District, Retirements and Deaths
For the Time Period: January 1, 2020 to March 31, 2020**

Retirement

Emp#	Previous Position	Pension Group	Retirement Date
1758	IT	MCEG	01/01/20
3369	Procurement	ATU	01/01/20
700	Operator	ATU	01/04/20
691	Operator	ATU	01/09/20
2831	Light Rail Operator	ATU	01/15/20
3005	Bus Operator	ATU	01/22/20
801	Bus Operator	ATU	01/25/20
2686	Bus Maintenance	IBEW	02/01/20
2140	Maintenance	IBEW	02/01/20
2285	LineWrkTech	IBEW	03/01/20
815	Transportation Supervisor	AFSC	03/01/20
3614	Lightrail MT	IBEW	03/01/20
604	AFSCME Sup	AFSC	03/01/20
1560	DEBLO	AEA	03/01/20
1014	EHSS Chief	MCEG	03/01/20
770	Operator	ATU	03/17/20
2979	Bus Operator	ATU	03/19/20
2951	Operator	ATU	03/23/20
2939	Operator	ATU	03/28/20

Deaths

Emp#	Pension Group	Type	Date of Death
1281	ATU (Survivor)	Survivor Beneficiary	01/03/20
260	ATU	50% J&S	01/14/20
21	ATU	50% J&S	02/11/20
2038	AFSC	Life Alone	02/18/20
3928	ATU	Not Vested-No Election	03/01/20
1448	ATU	Life Alone	03/11/20

DATE: June 10, 2020

Agenda Item: 14

TO: Sacramento Regional Transit Retirement Board – ALL

FROM: Valerie Weekly, Pension and Retirement Services Manager

SUBJ: UPDATED ROLES AND RESPONSIBILITIES RELATED TO PENSION ADMINISTRATION FOR QUARTER ENDED MARCH 31, 2020.

RECOMMENDATION

No recommended action.

RESULT OF RECOMMENDED ACTION

No recommended action

FISCAL IMPACT

There is no fiscal impact associated with this action.

DISCUSSION

The attached documents are provided quarterly to keep the Retirement Boards informed about the various duties of RT staff and consultants (including the Retirement Boards' Legal Counsel) relative to administration and management of the pension plans and assets, and associated costs.

Attachment A – Pension Administration Staff Roles and Responsibilities

Attachment B – RT Staff Costs Attributable and Charged to RT Pension Plans

Attachment C – Summary of Legal Services Provided for the Quarter Ending March 31, 2020

Pension Administration Staff Roles and Responsibilities

Plan Administration

Customer Relations:

Task	Primary Responsibility	Back Up Responsibility
Retirement Meetings	Pension and Retirement Services Administrator (PRSA)	Pension Analyst
Research and address benefit discrepancies	PRSA	Pension Analyst
Disability Retirements	PRSA	Pension Analyst
Conduct Educational Sessions	PRSA	Pension Analyst
Respond to all Employee and Retiree inquiries	Pension Analyst	PRSA
Creation of Pension Estimates	Pension Analyst	PRSA
Processing Employee and Retiree Deaths	Pension Analyst	PRSA
Administration of Active and Term Vested (TV) Retirement Process, including: <ul style="list-style-type: none">) Notifications) Lost Participant Process (TV)) Collection of all required documents) Legal/Compliance Review) Approval by General Manager 	Pension Analyst	PRSA
Converting Employees to Retirees in SAP	Pension Analyst	Sr. HR Analyst - HRIS
Lost participant process for returned checks/stubs	Pension Analyst	PRSA
48-Month Salary Calculations	Pension Analyst	Payroll Supervisor and PRSA
Distribution of employee required contributions (per contract or PEPRA): <ul style="list-style-type: none">) Send notification) Collect documentation) Lost participant process) Apply interest) Process check 	Pension Analyst	PRSA
Conduct Lost Participant Searches	Pension Analyst	PRSA
Administer Retiree Medical	Sr. HR Analyst	Sr. HR Analyst
Managing Stale Dated and Lost Check Replacement	Payroll Analyst and Treasury Controller	Payroll Supervisor
Copies of Retiree Pay Stubs and 1099R's	Payroll Analyst	Payroll Supervisor
Printing, Stuffing, and Mailing Pay Stubs	Payroll Analyst	Payroll Supervisor
Verification of Retiree Wages: gross pay, net wages, no pre-tax deductions, taxes	Pension Analyst (HR) and Payroll Analyst	Pension Analyst and/or Payroll Supervisor

Process Retirement Board Vendor Invoices	Pension Analyst	PRSA
Collection of Form 700 from Retirement Board Vendors	Pension Analyst	PRSA

Plan Documents:

Task	Primary Responsibility	Back Up Responsibility
Negotiation of Benefits, Provisions	Director, Labor Relations	To be determined
Incorporate Negotiated Benefits/Provisions into Plan Documents	Deputy Chief Counsel, RT	Chief Counsel, RT
Interpretation of Provisions	PRSA and Deputy Chief Counsel, RT	Chief Counsel, RT
Guidance to Staff regarding legal changes that affect Plans	PRSA and Deputy Chief Counsel, RT	Chief Counsel, RT

Vendor Administration:

Task	Primary Responsibility	Back Up Responsibility
Legal Services (Hanson Bridgett) Contract Procurement	PRSA and Treasury Controller	VP Treasury/CFO
Actuarial Services (Cheiron) Contract Procurement	PRSA and Treasury Controller	VP Treasury/CFO
Retirement Board Policy Development and Administration	PRSA and Treasury Controller Hanson Bridgett and Cheiron	VP Treasury/CFO Hanson Bridgett and Cheiron

Retirement Board Administration:

Task	Primary Responsibility	Back Up Responsibility
Creation of Agenda/IPs	Staff Presenting Issue to Board	n/a
Creation and Distribution of Retirement Board Packages	PRSA	Treasury Controller
Management of Retirement Board Meetings	PRSA	Treasury Controller
Moderate Retirement Board Meeting	Pension Analyst	PRSA
Preparation and Process Travel Arrangements for Retirement Board Members for Training	Pension Analyst	PRSA
Training of Staff/Board Members	PRSA and Treasury Controller	Staff/Vendor SME
New Retirement Board Member Training	PRSA and Treasury Controller	Staff/Vendor SME
Collection of Fiduciary Insurance Payments from Retirement Board Members	Pension Analyst	PRSA
Coordinate Retirement Board Agenda Development and Posting	Pension Analyst	PRSA

Semi-Annual/Annual/Bi-Annual Administration:

Task	Primary Responsibility	Back Up Responsibility
Valuation Study	PRSA and Treasury Controller	VP Treasury/CFO
Experience Study	PRSA and Treasury Controller	VP Treasury/CFO
Fiduciary Liability Insurance	PRSA	Treasury Controller
Responses to Public Records Act Requests	PRSA	Treasury Controller
Statement of Investment Objectives and Policy Guidelines management	Treasury Controller	VP Treasury/CFO

Contract Administration:

Task	Primary Responsibility	Back Up Responsibility
Adherence to contract provisions	PRSA and Treasury Controller	VP Treasury/CFO
Payment of Invoices	Treasury Controller or PRSA	VP Treasury/CFO
Contract Management, including RFP process	PRSA and Treasury Controller	VP Treasury/CFO

Asset Management:

Task	Primary Responsibility	Back Up Responsibility
Asset Rebalancing	Treasury Controller	VP Treasury/CFO
Account Reconciliations	Treasury Controller	VP Treasury/CFO
Cash Transfers	Treasury Controller	VP Treasury/CFO
Fund Accounting	Treasury Controller	VP Treasury/CFO
Investment Management	Treasury Controller	VP Treasury/CFO
Financial Statement Preparation	Treasury Controller	VP Treasury/CFO
Annual Audit	Treasury Controller	VP Treasury/CFO
State Controller's Office Reporting	Treasury Controller	VP Treasury/CFO
U.S. Census Bureau Reporting	Treasury Controller	VP Treasury/CFO
Work with Contractors (Investment advisors (Callan), Custodian (State Street), Fund Managers, Auditors, and Actuary (Cheiron))	Treasury Controller	VP Treasury/CFO
Review Monthly Asset Rebalancing	Treasury Controller	VP Treasury/CFO

Pension Administration Costs
For the Time Period: January 1, 2020 to March 31, 2020

Sum of Value TranCurr WBS Element	Source object name	Per	Total
SAXXXX.PENATU	Finance And Treasury / Weekly, Valerie	007	1,888.94
		009	1,553.10
		008	1,511.15
	Finance And Treasury / Matthews, Rosalie	007	841.67
		009	561.11
		008	739.65
SAXXXX.PENATU Total			7,095.62
SAXXXX.PENIBEW	Finance And Treasury / Weekly, Valerie	007	965.48
		009	1,091.40
		008	755.60
	Finance And Treasury / Matthews, Rosalie	007	178.54
		009	357.07
		008	306.06
SAXXXX.PENIBEW Total			3,654.15
SAXXXX.PENSALA	Finance And Treasury / Weekly, Valerie	007	1,217.39
		009	1,007.47
		008	839.59
	Finance And Treasury / Matthews, Rosalie	009	153.03
		008	229.55
SAXXXX.PENSALA Total			3,447.03
SAXXXX.PENSION	Finance And Treasury / Adelman, Jamie	007	557.94
		009	939.68
		008	939.68
	Finance And Treasury / Gardner, Leona	007	1,397.57
		009	3,288.42
		008	390.50
	Finance And Treasury / Mata, Jennifer	007	1,319.10
		009	1,204.93
		008	1,507.34
	Human Resources / Montung-Fuller, Mari	008	424.05
		007	1,349.56
	Finance And Treasury / Volk, Lynda	009	3,061.66
		008	4,270.24
		007	9,906.16
	Finance And Treasury / Weekly, Valerie	009	4,113.58
		008	7,303.70
		007	4,514.39
Finance And Treasury / Matthews, Rosalie	009	4,437.87	
	008	4,080.81	
SAXXXX.PENSION Total			55,007.18
(blank)			
Grand Total			69,203.98

**HANSON BRIDGETT LLP &
SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS**

LEGAL SERVICES SUMMARY

Set forth below is a broad summary report of significant legal matters addressed by Hanson Bridgett LLP for the Sacramento Regional Transit District Retirement Boards during the Quarter ended March 31, 2020.

1. Weekly client conference calls and internal conferences on pending matters, upcoming Board meetings and follow-up from prior Board meetings.
2. Preparation for and participation in Special and Quarterly Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Preparation for and participation in new Board Member training.
4. Review and analyze issues regarding correction of errors in benefit calculations identified in operations audit.
5. Review and revise investment management documentation for new real estate fund managers.
6. Review and analyze issues regarding adopted SacRT document retention policy and schedule.
7. Provide counsel on issues including, but not limited to:
 - a. Financial reporting;
 - b. Calculation of benefits under various scenarios;
 - c. Fiduciary duties.

Respectfully Submitted,

/s/ Shayna M. van Hoften



RETIREMENT BOARD STAFF REPORT

DATE: June 10, 2020

Agenda Item: 15

TO: Sacramento Regional Transit Retirement Boards – ALL

FROM: Jamie Adelman, AVP Finance & Treasury

SUBJ: Investment Performance Review by AQR for the ATU, IBEW and Salaried Retirement Funds for the International Small Capitalization Equity Asset Class for the Quarter Ended March 31, 2020 (ALL). (Adelman)

RECOMMENDATION

No Recommendation – For Information Only.

RESULT OF RECOMMENDED ACTION

Information Only

FISCAL IMPACT

None.

DISCUSSION

Retirement funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines (Policy) adopted by each Retirement Board (Board). Under the Policy, the Boards meet at least once every eighteen (18) months with each investment manager to review the performance of the manager's investment, the manager's adherence to the Policy, and any material changes to the manager's organization. The Policy also establishes the Retirement Funds' asset allocation policy and the asset classes in which the Plans funds are invested. The asset classes established by the Policy are (1) Domestic Large Capitalization Equity, (2) Domestic Small Capitalization Equity, (3) International Large Capitalization Equity, (4) International Small Capitalization Equity, (5) International Emerging Markets, and (6) Domestic Fixed-Income.

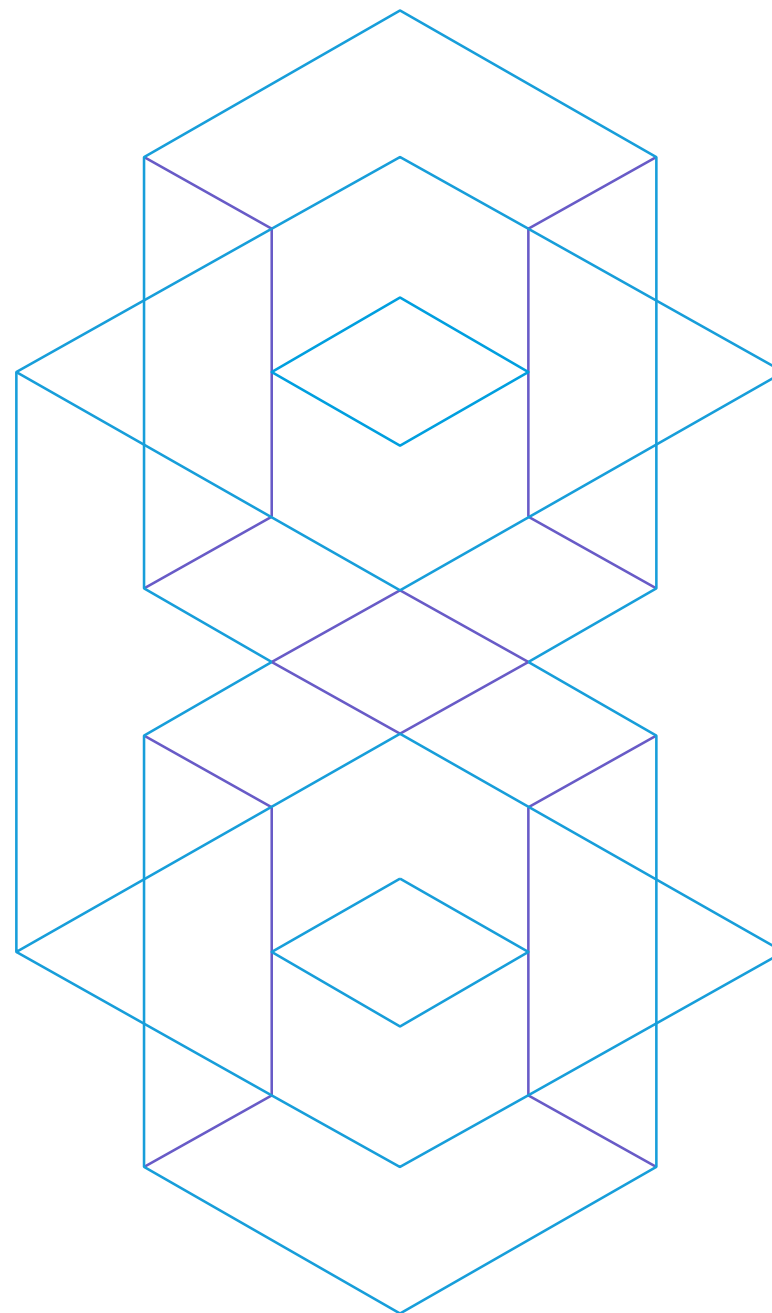
AQR is the Retirement Boards' International Small Capitalization Equity fund manager. AQR will be presenting performance results for the quarter ended March 31, 2020, shown in Attachment 1, and answering any questions.

AQR International Small Cap April 2020 TTM Review

Prepared exclusively for Sacramento
Regional Transit District

Private and Confidential
FOR CLIENT REVIEW USE ONLY
For Due Diligence Purposes Only

June 2020



Disclosures

You have requested certain performance information in connection with your due diligence review of the AQR International Small Cap Equity Fund, L.P. (the "Fund"). All information disclosed by AQR to you will be deemed Confidential Information and may be used only for informational, due diligence purposes. In consideration of AQR's making the Confidential Information available to you, you agree that you will not: (i) reproduce, summarize or otherwise use any Confidential Information for any purpose other than for Recipient's internal evaluation of establishing a relationship with AQR or investing in the Fund; or (ii) disclose the Confidential Information to any third party. You agree and acknowledge that the Confidential Information is and shall remain the property of AQR and AQR has not granted and will not grant you any license, copyright or similar right with respect to any of the Confidential Information.

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The information contained herein is only as current as of the date indicated, and may be superseded by subsequent market events or for other reasons. Charts and graphs provided herein are for illustrative purposes only. The information in this presentation has been developed internally and/or obtained from sources believed to be reliable; however, neither AQR nor the speaker guarantees the accuracy, adequacy or completeness of such information. Nothing contained herein constitutes investment, legal, tax or other advice nor is it to be relied on in making an investment or other decision.

There can be no assurance that an investment strategy will be successful. Historic market trends are not reliable indicators of actual future market behavior or future performance of any particular investment which may differ materially, and should not be relied upon as such. Target allocations contained herein are subject to change. There is no assurance that the target allocations will be achieved, and actual allocations may be significantly different than that shown here. This presentation should not be viewed as a current or past recommendation or a solicitation of an offer to buy or sell any securities or to adopt any investment strategy.

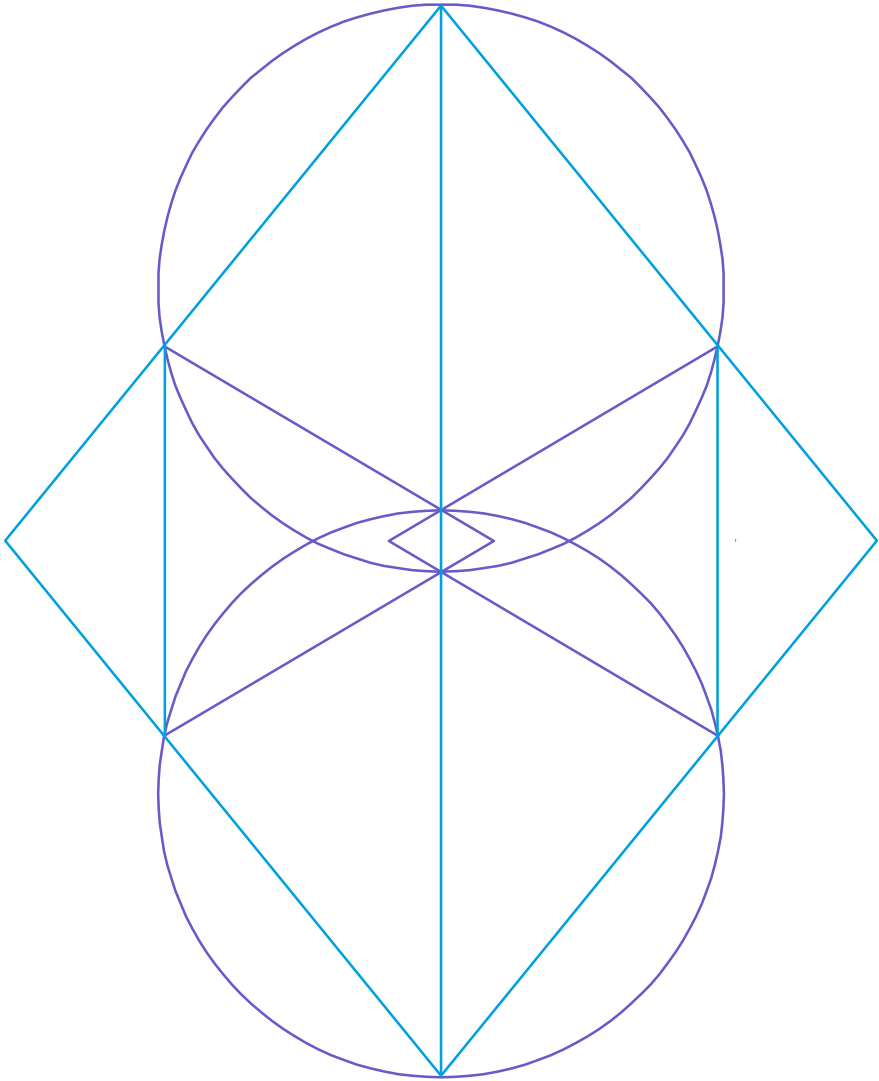
The information in this presentation may contain projections or other forward-looking statements regarding future events, targets, forecasts or expectations regarding the strategies described herein, and is only current as of the date indicated. There is no assurance that such events or targets will be achieved, and may be significantly different from that shown here. The information in this presentation, including statements concerning financial market trends, is based on current market conditions, which will fluctuate and may be superseded by subsequent market events or for other reasons. Performance of all cited indices is calculated on a total return basis with dividends reinvested.

The investment strategy and themes discussed herein may be unsuitable for investors depending on their specific investment objectives and financial situation. Please note that changes in the rate of exchange of a currency may affect the value, price or income of an investment adversely.

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Firm Overview



Our Firm

Systematic investing grounded in economic theory

Investment innovation at the nexus of economics, behavioral finance, data and technology

- Dedicated to the pursuit of investment excellence for our clients
- Pioneer in quantitative investing through applied research
- Leading provider of long-only and liquid alternative strategies
- Clients representing some of the largest and most sophisticated investors across the globe



Our Approach

Fundamental investors pursuing advantages at every step

Fundamental Investing

We rely on sound economic theory and analysis to help us deliver long-term, repeatable results.

Systematically Applied

A disciplined methodology underlies everything we do. Our models, built over 20 years, are based on a continuous process of design, test, refine, repeat.

Thoughtfully Designed

In portfolio construction, risk management and trading we seek additional value for our clients. Using both qualitative and quantitative tools, we're meticulous in every detail of the investment process.



Industry-Leading Research

Committed to advancing financial knowledge

Academic Engagement

- Nearly half of employees hold advanced degrees
- Approximately 20 current and former professors work at AQR
- AQR Asset Management Institute at London Business School established to promote excellence in asset management
- AQR Insight Award: annual \$100,000 prize honoring unpublished papers that provide the most significant investment insights
- Online research library with more than 300 AQR papers, journal articles, books and periodicals, as well as our data sets

Awards and Prizes

60 Research Awards

Notable awards include¹:

- 10 Bernstein Fabozzi JPM Awards
- 9 Graham & Dodd Awards
- 6 Smith Breeden Awards²
- 4 DFA Prizes²
- 4 Michael Brennan Awards²
- 1 Fischer Black Prize
- 1 Bernacer Prize
- 1 Markowitz JOIM Award

Widely-Cited Financial Research³

Top Journal Article Citations

1. University of Chicago
2. New York University (NYU)
3. Dartmouth College
4. **AQR Capital Management**
5. University of Pennsylvania

SSRN Downloads

1. New York University (NYU)
2. University of Chicago
3. Harvard University
4. Stanford University
5. Cornell University
6. University of Pennsylvania
7. **AQR Capital Management**
8. University of Navarra
9. Columbia University
10. University of Oxford

As of 3/31/2020. Source: AQR, SSRN and Google Scholar.

¹Graham & Dodd Awards won in 2018, 2015, 2011, 2005, 2004, 2003, 2000, 1998, 1991; Bernstein Fabozzi Awards won in 2020, 2018, 2015, 2014, 2013, 2012, 2005, 2004, 2003; Smith Breeden Awards won in 2010, 2008, 2002, 2000, 1998; DFA Awards won in 2016, 2014, 2008, 2005; Michael Brennan Awards won in 2014, 2013, 2005 and 2004; Fischer Black Prize won in 2007; Bernacer Prize won in 2011; Markowitz Award won in 2015.

²Three Smith Breeden awards were second place mentions; two DFA awards were second place mentions; one Michael Brennan award was a second place mention.

³Social Science Research Network (SSRN) Finance Economic Network ranked by total new downloads of papers in the last 3 Years. SSRN List is as of 3/02/2020, Google Scholar list as of 7/23/2019.



Our Focus in the Current Environment

How AQR is navigating unprecedented times



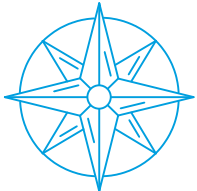
In Service of Our Clients

- AQR remains ever-focused on our clients—providing transparent insights into portfolios and access to our resources
- Biweekly [Macro Wrap Up](#), including a March 2020 Special Edition on the current environment with a deeper dive into fixed income markets to help investors stay informed
- [Webinar Series: Navigating through Uncertainty](#) to share our observations on a variety of topics including asset allocation, implications of the current environment on fixed income, and alternative risk premia



In Service of Our People

- Employee health and well-being remain a top priority
- AQR successfully implemented our Business Continuity Management (BCM) infrastructure without material impact on our day-to-day operations
- Retaining talent and fostering connectivity continue to be areas of intense focus



Commitment to Investment Beliefs

- AQR has always encouraged diversification and a long-term investing outlook, and these tenets are even more important during this time of extreme uncertainty
- We remain steadfast in employing our systematic, research-driven approach to investing with robust risk management
- We will continue to publish academic thought pieces inspired by client questions and market events, including our recently published “Chasing Your Own Tail (Risk), Revisited”



Our Offerings

Diversified strategies across asset classes

Asset Class	Strategies	Target Beta Range	\$143 B AUM*
Equity	<ul style="list-style-type: none"> • 3 Alpha • Defensive • Enhanced • Styles • Relaxed Constraint • Tax Aware 	0.7 – 1.0	\$80 B
Fixed Income	<ul style="list-style-type: none"> • Core Plus • Emerging Markets • Global Aggregate • Global Government • High Yield Corporates • Investment Grade Corporates 	1.0	\$5 B
Alternatives: Total Return	<ul style="list-style-type: none"> • Adaptive Multi-Asset • Delphi • Global Risk Premium • Long/Short Equity • Multi-Strategy Total Return • Tax Aware 	0.1 – 0.7	\$28 B
Alternatives: Absolute Return	<ul style="list-style-type: none"> • Alpha <ul style="list-style-type: none"> – Absolute Return – Absolute Return Credit – Churchill – Equity Market Neutral – Global Macro – Tax Aware • Alternative Risk Premia <ul style="list-style-type: none"> – DELTA – Event Driven – Managed Futures – Style Premia – Volatility Risk Premium 	0.0	\$30 B

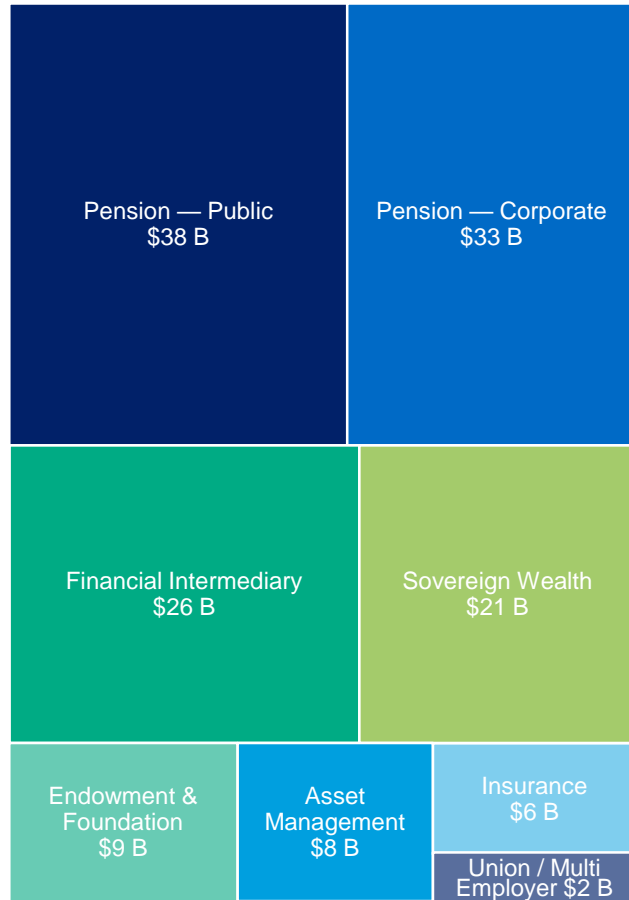


Source: AQR. There is no guarantee that target returns will be achieved. Actual results may come in higher or lower than expected.
 *Approximate as of 3/31/2020, includes assets managed by AQR and its advisory affiliates

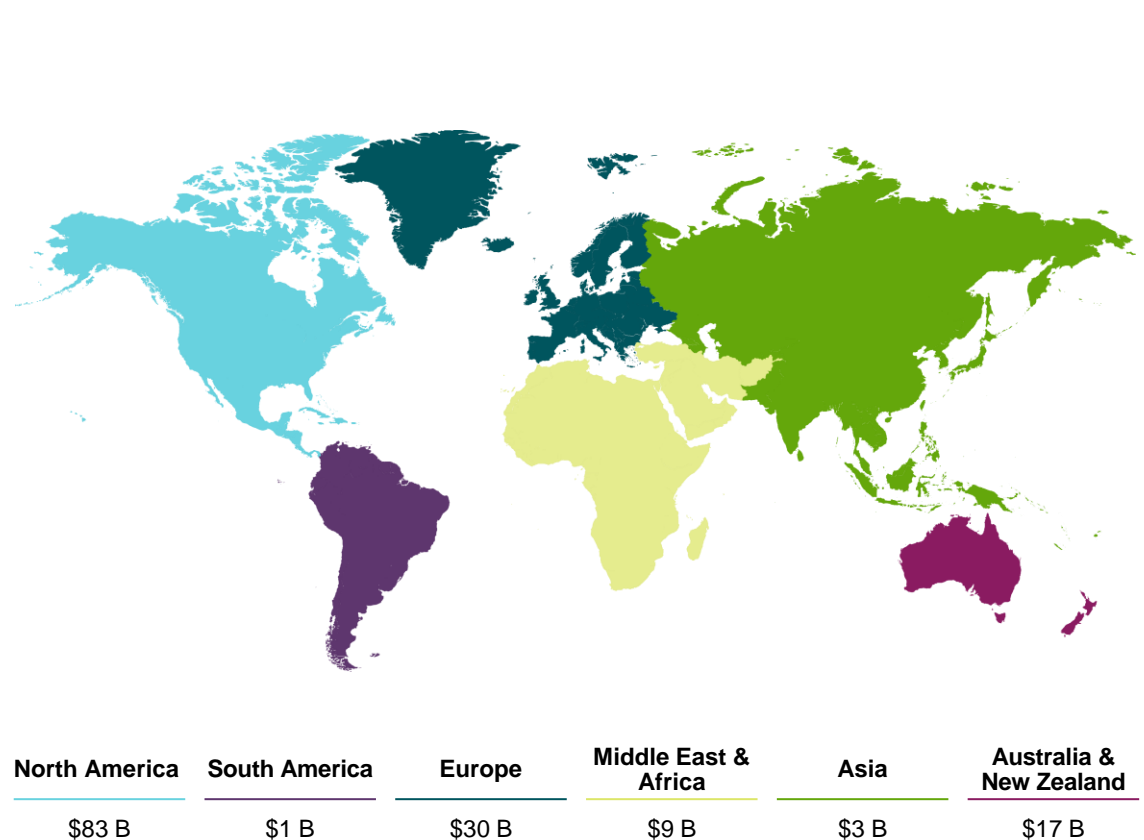
Assets Under Management

Our assets are diversified by client type and across regions

By Type



By Region



Source: AQR.
Approximate as of 3/31/2020, includes assets managed by AQR and its advisory affiliates.

Our Team

Experienced leadership across disciplines

John Liew, Ph.D.*
Founding Principal

Cliff Asness, Ph.D.*
Managing and Founding Principal

David Kabiller, CFA*
Founding Principal

Portfolio Management, Research, Risk, Trading and Financing

Ronen Israel*
Principal

Lars Nielsen*
Principal

Portfolio Management and Research

Michele Aghassi, Ph.D.
Principal

Yao Hua Ooi
Principal

Jordan Brooks, Ph.D.
Principal

Lasse Pedersen, Ph.D.
Principal

Andrea Frazzini, Ph.D.
Principal

Scott Richardson, Ph.D.
Principal

John Huss
Principal

Nathan Sosner, Ph.D.
Principal

Michael Katz, Ph.D.
Principal

Ashwin Thapar
Principal

David Kupersmith
Principal

Mark Mitchell, Ph.D.
Principal (CNH)

Ari Levine
Principal

Todd Pulvino, Ph.D.
Principal (CNH)

Scott Metchick
Principal

Rocky Bryant
Principal (CNH)

Tobias Moskowitz, Ph.D.
Principal

Trading and Financing

Scott Carter**
Principal

Risk Management

Michael Patchen, CFA
Principal
Chief Risk Officer

Business Development

Client Solutions

Gregor Andrade, Ph.D.
Principal

Bill Cashel
Principal

Matthew Chilewich
Principal

Jeff Dunn
Principal

Jeremy Getson, CFA
Principal

Marketing

Suzanne Escousse
Principal
Chief Marketing Officer

Joey Lee
Principal

Michael Mendelson*
Principal

Chris Palazzolo, CFA
Principal

Ted Pyne, Ph.D.
Principal

Portfolio Solutions

Antti Ilmanen, Ph.D.
Principal

Daniel Villalon, CFA
Managing Director

Corporate Infrastructure

Finance

John Howard*
Principal
Chief Finance Officer
Co-Chief Operating Officer

Bradley Asness
Principal
Co-Chief Operating Officer

Patrick Ryan
Principal

Systems Development and IT

Stephen Mock
Principal
Co-Chief Technology Officer

Ian Roche
Principal
Co-Chief Technology Officer

Legal and Compliance

H.J. Willcox
Principal
Chief Legal Officer
Global Head of Compliance

Human Resources

Jen Frost
Principal
Chief Human Resources Officer

Accounting, Operations, and Client Administration

Steve Mellas
Principal



Personnel as of 4/15/2020

*Member of Executive Committee

**Effective 4/15/2020, Scott Carter will serve as Head of Trading and Financing

Global Stock Selection Team

Portfolio Management and Research

Andrea Frazzini, Ph.D.
Principal

Michele Aghassi, Ph.D., CFA
Principal

John Huss
Principal

Ronen Israel
Principal

Lars Nielsen
Principal

Tobias Moskowitz, Ph.D.
Principal

Scott Richardson, Ph.D.
Principal

Nathan Sosner, Ph.D.
Principal

Chris Doheny, CFA
Managing Director

Shaun Fitzgibbons
Managing Director

Alla Markova
Managing Director

Lukasz Pomorski, Ph.D.
Managing Director

Laura Serban, Ph.D.
Managing Director

Michael Wegener, Ph.D.
Managing Director

Lei Xie, Ph.D.
Managing Director

Alberto Botter
Executive Director

Greg Hall
Executive Director

David Kershner, CFA
Executive Director

Adrienne Ross, CFA
Executive Director

Patrick Kazley
Vice President

Ken LeStrange, CFA
Vice President

Trading and Financing

Scott Carter
Principal

Portfolio Implementation

Michael Katz, Ph.D.
Principal

Risk Management

Mike Patchen
Principal

Front Office Technology

Stephen Mock
Principal

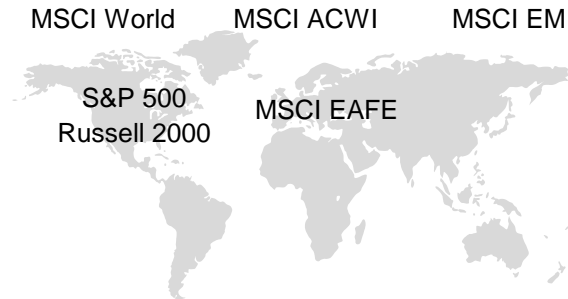
Ian Roche
Principal



Investment Process

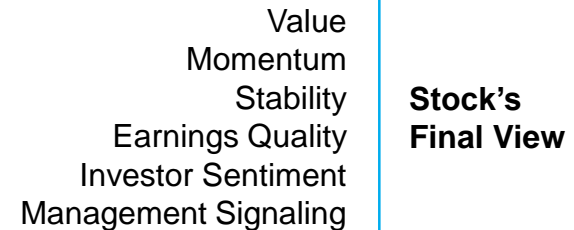
Consistent process across AQR Enhanced Equity Strategies

1. Select Investment Universe

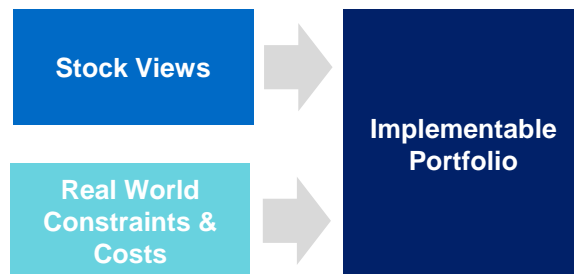


We use broad investment universes and generally do not stray from benchmark names.

2. Evaluate Attractiveness of Each Stock



3. Portfolio Construction

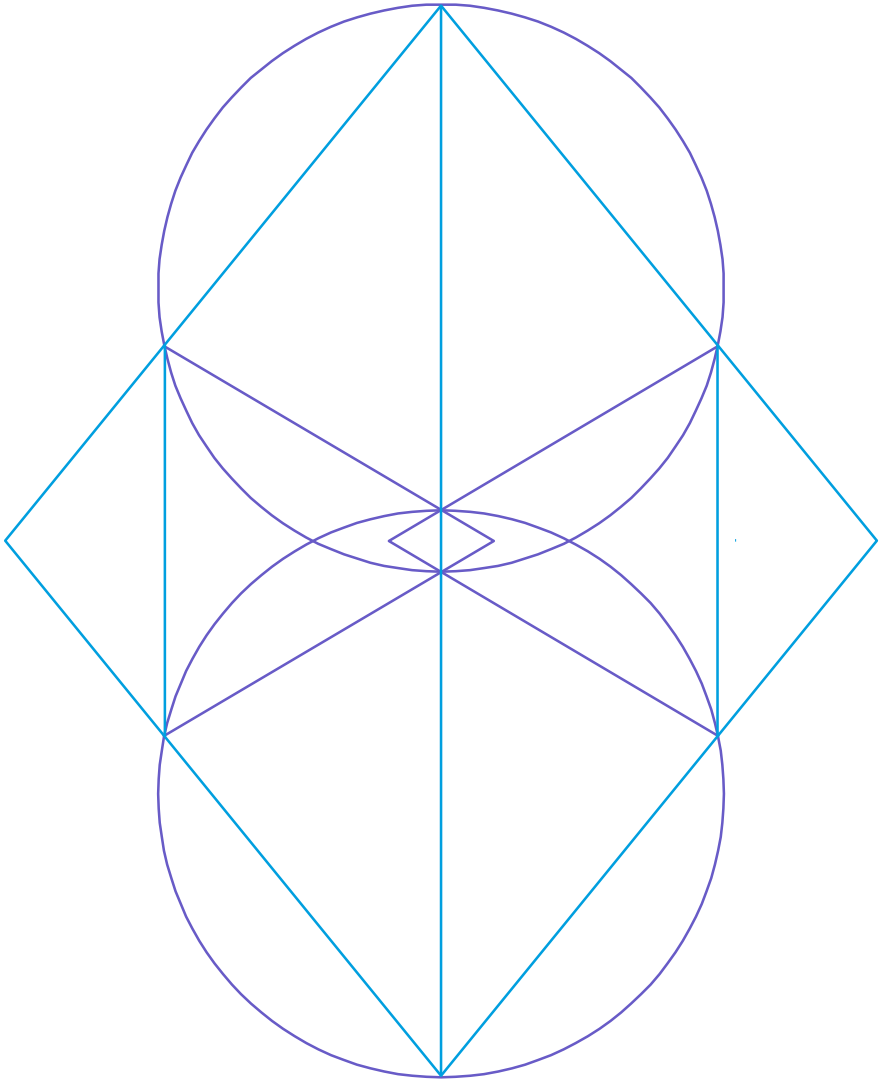


4. Trading



Source: AQR. Investment process is subject to change at any time without notice. Please read important disclosures in the Appendix. In equities and futures markets, AQR utilizes broker's infrastructure to access electronic trading venues. In FX markets, AQR connects directly to dealers and electronic trading venues.

Performance Review



Performance Review

Since inception performance

AQR International Small Cap Equity Fund, L.P.

August 1, 2007 - April 30, 2020

	Portfolio Return (Gross)	Benchmark*	Gross Excess Return	Contribution to Gross Excess Return			
				Europe	UK	Japan	Australia & Asia ex- Japan
Q2 2019	0.23%	1.71%	-1.48%	-1.1%	-0.4%	0.4%	-0.3%
Q3 2019	-1.13%	-0.44%	-0.70%	0.2%	-0.2%	-0.4%	-0.3%
Q4 2019	12.72%	11.52%	1.20%	0.2%	0.1%	0.7%	0.2%
Q1 2020	-27.93%	-27.52%	-0.41%	0.3%	-0.1%	-0.3%	-0.4%
April-20	9.36%	10.40%	-1.03%	-1.1%	0.2%	0.1%	-0.3%

Summary Sacramento Regional Transit District (since August 1, 2016)

Since Inception (Cuml)	0.82%	8.59%	-7.77%	-5.3%	0.1%	-1.5%	-1.1%
Since Inception (Annl)	0.22%	2.22%	-2.00%	-1.4%	0.0%	-0.4%	-0.3%

Summary (since August 1, 2007)

Trailing 1 Year	-13.14%	-12.28%	-0.85%	-0.7%	0.3%	0.7%	-1.2%
3 Years (Annl)	-3.02%	-1.01%	-2.01%	-1.4%	0.1%	-0.1%	-0.6%
5 Years (Annl)	1.12%	2.07%	-0.95%	-0.7%	0.2%	-0.4%	0.0%
7 Years (Annl)	3.59%	4.25%	-0.65%	-0.4%	0.3%	-0.5%	-0.1%
10 Years (Annl)	6.30%	5.67%	0.63%	0.2%	0.6%	-0.1%	0.0%
Since Inception (Cuml)	54.55%	31.29%	23.26%	8.1%	13.3%	2.0%	-0.1%
Since Inception (Annl)	3.47%	2.16%	1.31%	0.5%	0.8%	0.1%	0.0%
Tracking Error			2.23%				
Information Ratio**			0.6				

Period	Initial Contribution (\$K)	Contributions (\$K)	Withdrawals (\$K)	Investment Earnings (\$K)	Ending Balance (\$K)
Since Inception	\$ 12,202	-	\$ 704	\$ -189	\$ 11,309



Source: AQR. Performance figures herein represent unaudited estimates of realized and unrealized gains and losses prepared by AQR. Gross performance does not reflect the deduction of investment advisory fees. Please see the Appendix for important risk and performance disclosures. Excess returns are calculated as portfolio returns minus the benchmark. *Benchmark: MSCI EAFE Small Cap Net Index USD End of Day. Past performance is not a guarantee of future performance. Please refer to the monthly statements provided by your custodian or administrator for actual returns. Attributions are subject to change without notice.

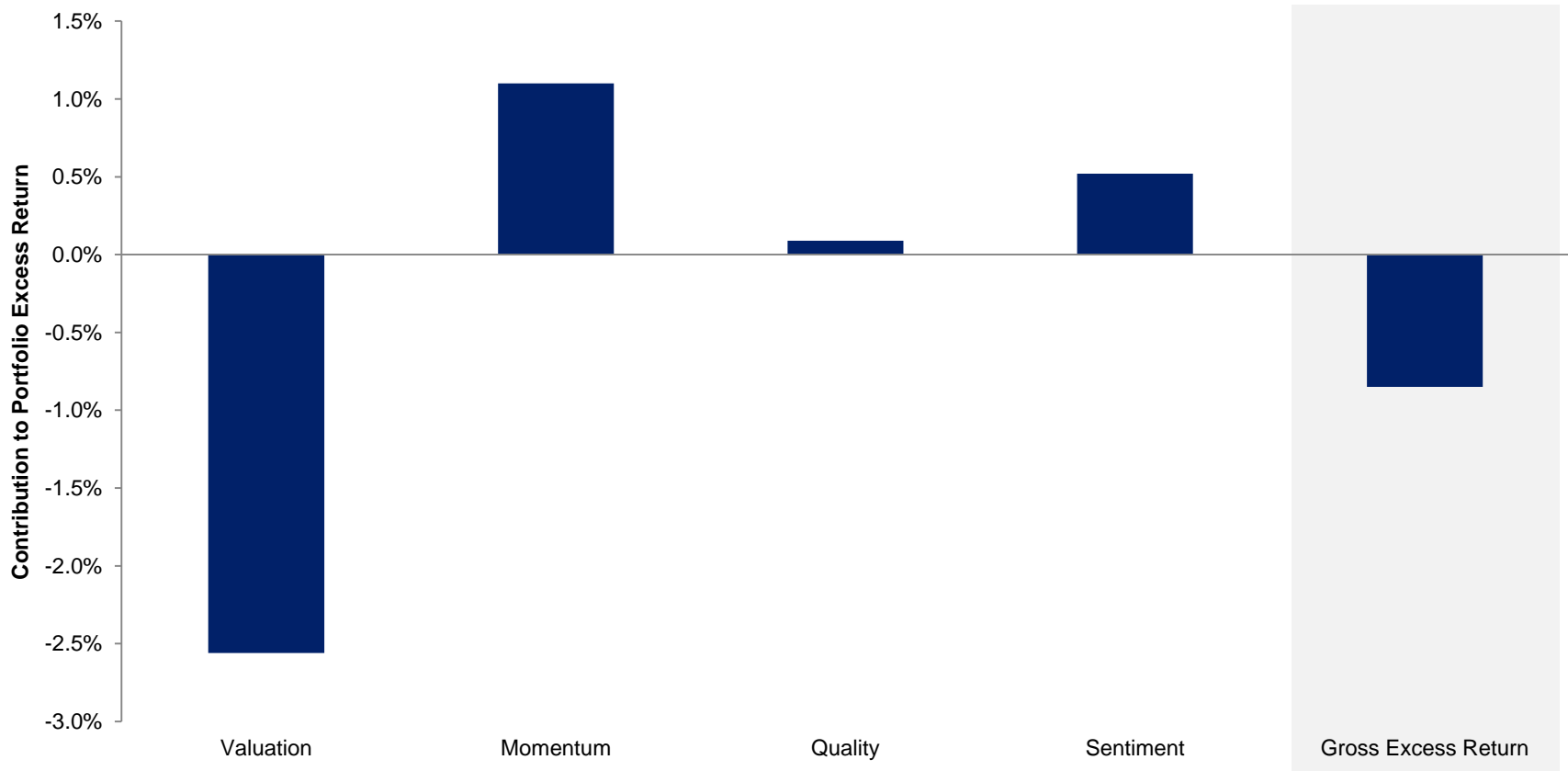
**Information Ratio is calculated as the Annualized Excess Return divided by Tracking Error.

Performance Review

Trailing One Year Investment theme performance

Stock Selection

May 1, 2019 – April 30, 2020



Source: AQR. Investment theme performance is expressed as contributions to excess return above the account's stated benchmark by theme. Past performance is not a guarantee of future performance. The above analysis is specific to the client's account. Gross performance does not reflect the deduction of investment advisory fees. Attribution is subject to change at any time without notice. Please see additional performance disclosures in the Appendix.

Performance Review

Trailing One Year Sector attribution

Stock Selection

May 1, 2019 - April 30, 2020

	Average Sector Weight			Excess Return		
	Portfolio	Benchmark	Active	Sector Selection	Stock Selection	Total
Communication Services	2.3%	4.9%	-2.7%	0.0%	-0.6%	-0.6%
Consumer Discretionary	12.4%	12.4%	0.1%	-0.2%	-0.2%	-0.4%
Consumer Staples	5.1%	6.4%	-1.2%	-0.2%	0.2%	0.0%
Energy	1.5%	2.4%	-1.0%	0.6%	-0.5%	0.1%
Financials	8.2%	10.7%	-2.5%	0.2%	0.3%	0.5%
Health Care	10.9%	7.7%	3.2%	0.7%	-0.4%	0.3%
Industrials	20.4%	21.2%	-0.8%	0.1%	-0.8%	-0.8%
Information Technology	15.7%	10.0%	5.6%	0.9%	-0.8%	0.1%
Materials	4.8%	8.0%	-3.2%	0.0%	-0.6%	-0.6%
Real Estate	13.9%	13.7%	0.2%	0.0%	0.1%	0.1%
Utilities	4.8%	2.5%	2.3%	0.4%	-0.1%	0.3%
Total	100.0%	100.0%	0.0%	2.6%	-3.4%	-0.9%



Source: AQR. Performance figures herein represent unaudited estimates of realized and unrealized gains and losses prepared by AQR. Gross performance does not reflect the deduction of investment advisory fees. Past performance is not a guarantee of future performance. Please see the Appendix for important risk and performance disclosures. Excess returns are calculated excess of designated benchmark: MSCI EAFE Small Cap Net Index USD End of Day. Please refer to the monthly statements provided by your custodian or administrator for actual returns. Attributions are subject to change without notice.

Performance Review

Portfolio characteristics: Equity exposure

Portfolio Characteristics

Stock Selection Exposure

April 30, 2020

	Portfolio	Benchmark
Number of Stocks	536	2,308
Weighted Avg Market Cap (\$M)	1,838	2,466
Median Market Cap (\$M)	1,122	869
P/E (trailing)	10.0	13.8
P/E (forward)	11.8	15.4
P/B	1.0	1.2
P/CF	6.0	8.0
ROE (5-yr)	12.8	12.3
Debt/EQ	0.5	0.7
Sales/EV	1.3	0.8
Earnings Growth (5 yr trailing)	10.3	10.4
12 Month Return of Holdings*	-1.7%	-2.4%

Sector Exposure

Stock Selection Exposure

April 30, 2020

	Portfolio	Benchmark	Active Weight	Active Weight					
				Under	Over	Apr-20	Mar-20	Dec-19	Sep-19
Communication Services	1.7%	4.7%	-3.0%						
Consumer Discretionary	12.9%	11.6%	1.4%						
Consumer Staples	5.2%	7.0%	-1.8%						
Energy	0.8%	1.8%	-1.0%						
Financials	8.9%	10.2%	-1.3%						
Health Care	14.5%	8.8%	5.7%						
Industrials	16.1%	20.7%	-4.6%						
Information Technology	16.9%	11.1%	5.9%						
Materials	5.5%	8.4%	-3.0%						
Real Estate	13.2%	13.1%	0.2%						
Utilities	4.3%	2.8%	1.5%						
Total	100.0%	100.0%	0.0%						

Sources: AQR, Compustat, Datastream, Bloomberg, Worldscope and IBES. Average P/E ratios of the stocks in the portfolios exclude individual stock price-to-earnings ratios that are negative and the top and bottom 1 percentile of the remaining. Average P/B ratios of the stocks in the portfolios exclude individual stock price-to-book ratios that are negative and the top and bottom 1 percentile of the remaining. Average Sales/EV ratios of the portfolios exclude individual stocks that have sales-to-enterprise values that are negative and the top and bottom 1 percentile of the remaining. Portfolio characteristics are subject to change. Past performance is not a guarantee of future performance. Benchmark: MSCI EAFE Small Cap Net Index USD End of Day.

*12 Month Return of Holdings is representative of how stocks held in the account or benchmark would have performed over the previous 12 months in USD, gross of fees and weighted as of the date reported. This performance is not representative of the actual performance of the benchmark, account, or any other portfolio that AQR manages.

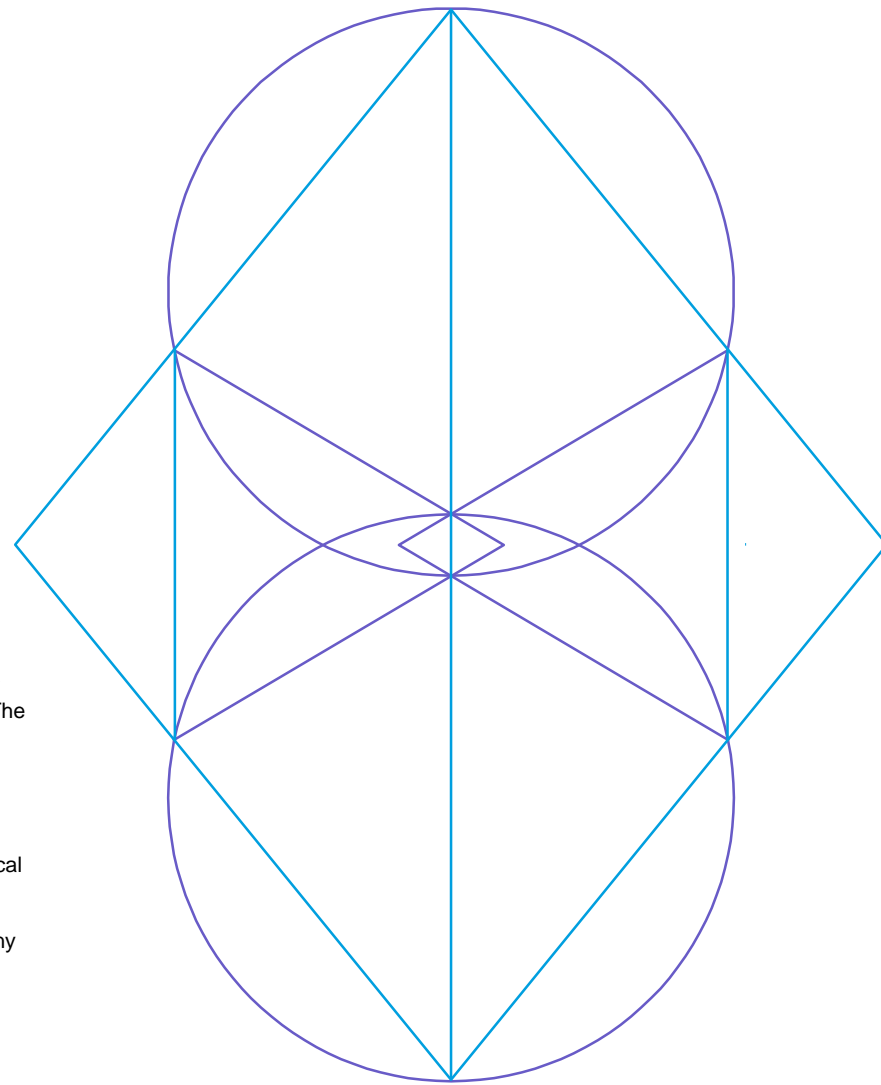


Additional Strategy Details

To supplement your understanding of how the International Small Cap Fund operates, the following slides include additional information about how certain attributes of the Strategies performed over different periods of time.

The performance shown is not the performance of the International Small Cap Fund and is not an indication of how the Fund would have performed in the past or will perform in the future. The performance presented utilizes a strategy substantially similar to that which is utilized for the Fund. However, the Fund and its performance differ from the International Small Cap strategy due to factors including, but not limited to, volatility targets, differences in cash flows, fees, expenses, performance calculation methods, and portfolio sizes and composition.

The following slides may include, for illustrative, informational or diligence purposes, hypothetical or projected returns of the Strategy. This information is speculative in nature and no representation or guarantee can be made or is being made as to whether the Strategy will perform in line with the estimates provided herein. Hypothetical performance results have many inherent limitations and AQR does not represent that any investor will, or is likely to achieve, performance similar to that shown. Therefore, the returns presented herein should not be considered indicative of the possible return of the Strategy or any of its investments. Actual results likely will vary significantly.

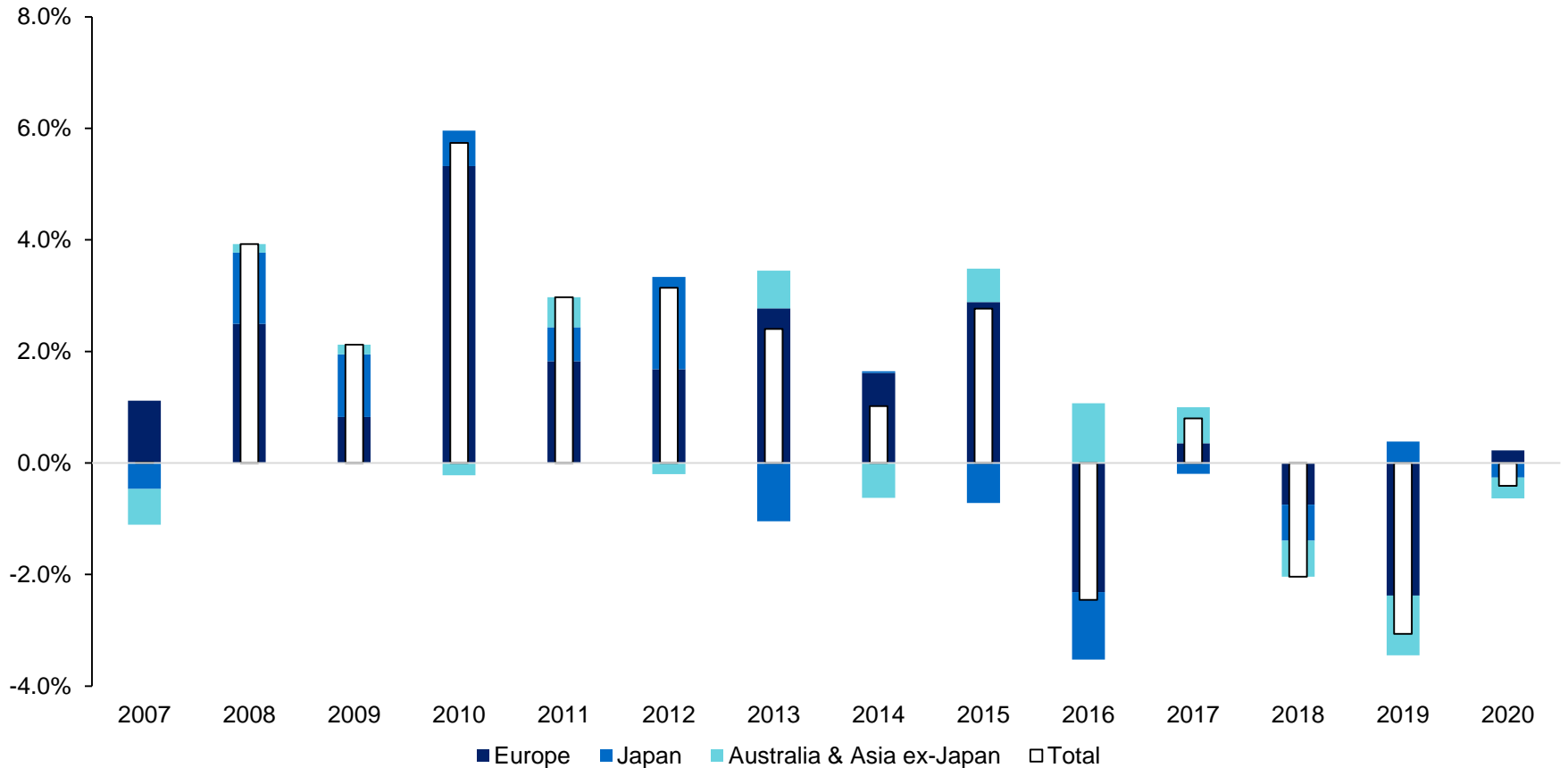


Performance Review

Outperformance in most years, with diversification benefits across regions

Yearly Gross Excess Return Attribution

August 1, 2007 – March 31, 2020



Source: AQR. Performance from August 1, 2007 through March 31, 2020, of the International Small Cap Equity EAFE Composite in USD. Performance for the month ending March 31, 2020 is estimated and subject to change. Gross performance does not reflect the deduction of investment advisory fees. Gross excess returns are calculated as composite returns minus the benchmark (MSCI EAFE Small Cap Net Index USD End of Day). Past performance is not a guarantee of future performance. Benchmark: MSCI EAFE Small Cap Net Index USD End of Day. The data presented herein is supplemental to the GIPS® compliant presentation for the International Small Cap Equity EAFE Composite included in the Appendix. Please read important disclosures in the Appendix. Gross performance results do not reflect the deduction of investment advisory fees, which would reduce an investor's actual return.

Fundamentals

As value has sold off, spreads have moved significantly

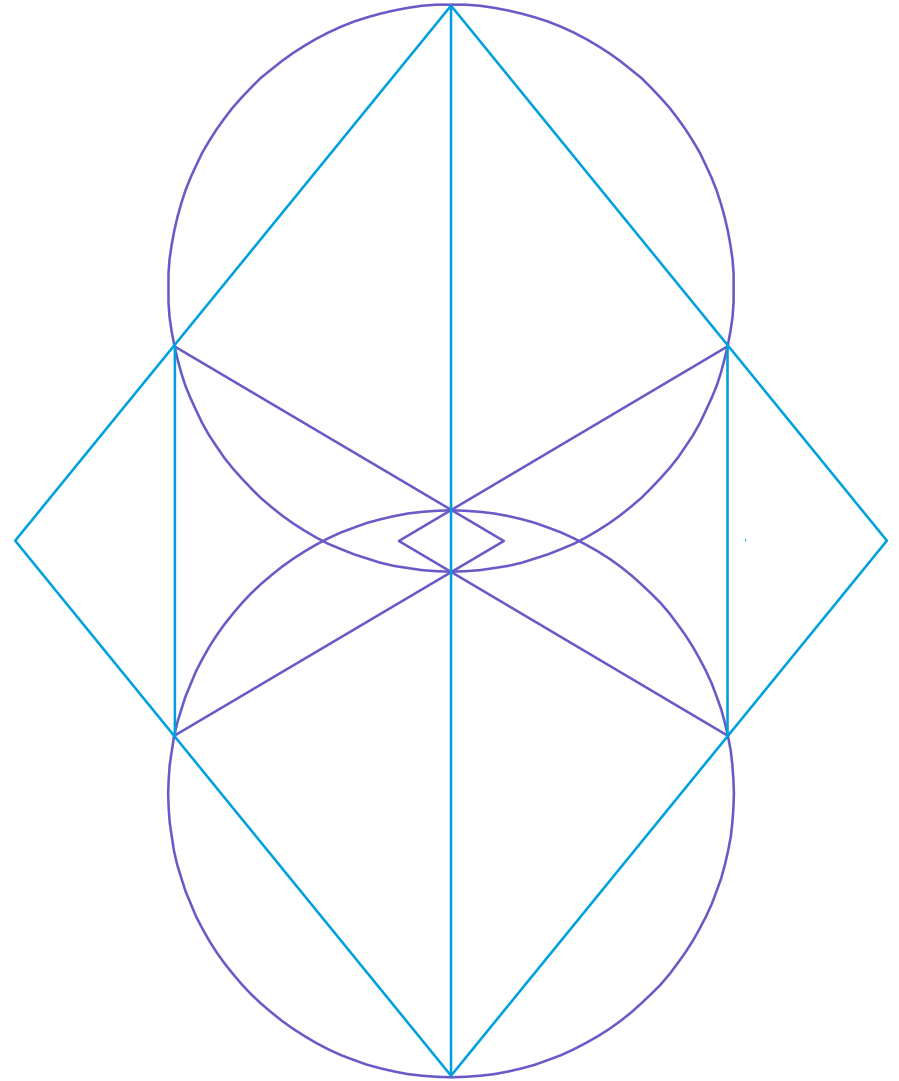
Hypothetical Industry-Neutral Portfolio International Small Cap Value Spread

June 1, 1994 – March 31, 2020



Source: AQR. Value composite includes four value measures: book-to-price, earnings-to-price, forecast earnings-to-price, and sales-to-enterprise value; spreads are measured based on ratios. To construct industry-neutrality, the value spreads are constructed by comparing the aforementioned value measures within each industry, which are then aggregated up to represent an entire portfolio. Hypothetical data has inherent limitations, some of which are disclosed in the Appendix. Please see the Hypothetical AQR International Small Cap Value Backtest Description in the appendix. Please read the Appendix for important disclosures.

Investment Philosophy and Process



Evaluating Stocks

AQR's evaluation criteria are based on economic signals

- We form a view on each stock through a model developed and improved over the past 20+ years.
- Stocks are evaluated based on the below signals, relative to other stocks in the below peer groups, both regionally and globally.

Signal Groups

Valuation:	Attractive prices
Momentum:	Improving prices and fundamentals
Stability:	Stable and high quality financials
Earnings Quality:	Sound accounting practices
Investor Sentiment:	Support of high conviction investors
Management Signaling:	Shareholder-friendly management

Peer Groups

Within Industries

Across Industries

Economically-Linked Groups

Country-Industry Pairs



Evaluating Stocks

Example: local auto components stock (tires & rubber)

Below is a stylized example of our model's view on a single stock (ranks/percentiles), highlighting a small subset of our signals.

Within Industry (Example Stock vs. Auto Stock Peers)			
Signal	Example	Data Value	Percentile
Valuation:	Adjusted Price / Earnings	14.5x	31%
Momentum:	Adjusted 12 Month Return*	20.8%	77%
Earnings Quality:	Change in Accounts Receivable	0.9%	69%
Stability:	3-year Return on Equity	12.7%	55%
Investor Sentiment	Change in % of Shares Shorted	0.7%	54%
Management Signaling:	% Change in Shares Outstanding	-2.4%	91%

Percentile Score:
92%
Based on
weighted-average
signal scores

Across Industry (Auto Industry vs. Other Industries)			
Signal Example	Data Value	Percentile	
Industry Price Change Last 12 Months	-1.2%	24%	

Economically-Linked Groups (Example's Linked Peers vs. Other Stocks' Linked Peers)			
Signal Example	Data Value	Percentile	
Momentum of Customer Supplier Pairs	16.6%	88%	

Country-Industry Pairs (Local Auto Components Stocks vs. Other Countries')			
Signal Example	Data Value	Percentile	
3-year Return on Equity	17.5%	81%	

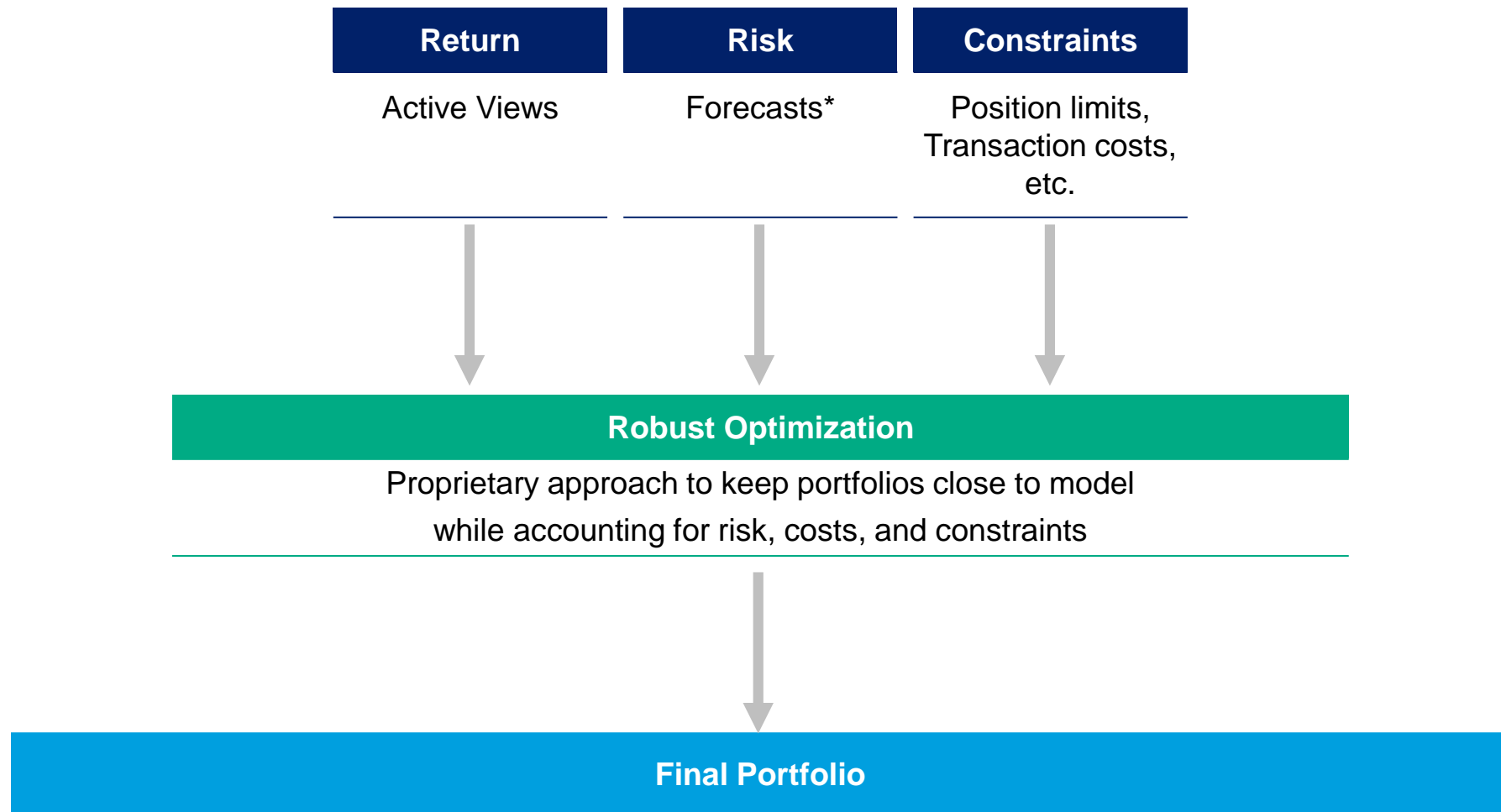


*Does not include most recent month's return.

Source: AQR. Example is for illustrative purposes only. For Percentile score, the higher the score, the better. The elements of AQR's investment process presented herein do not indicate the possibility of profits or losses within a portfolio and are subject to change at any time. Holdings are subject to change. These representative security signals were randomly selected merely to illustrate our investment process. The securities presented herein are for illustrative purposes only and not a representation that they will or are likely to achieve profits or losses. Not to be construed as investment advice or a recommendation.

Portfolio Construction

Proprietary rebalancing process



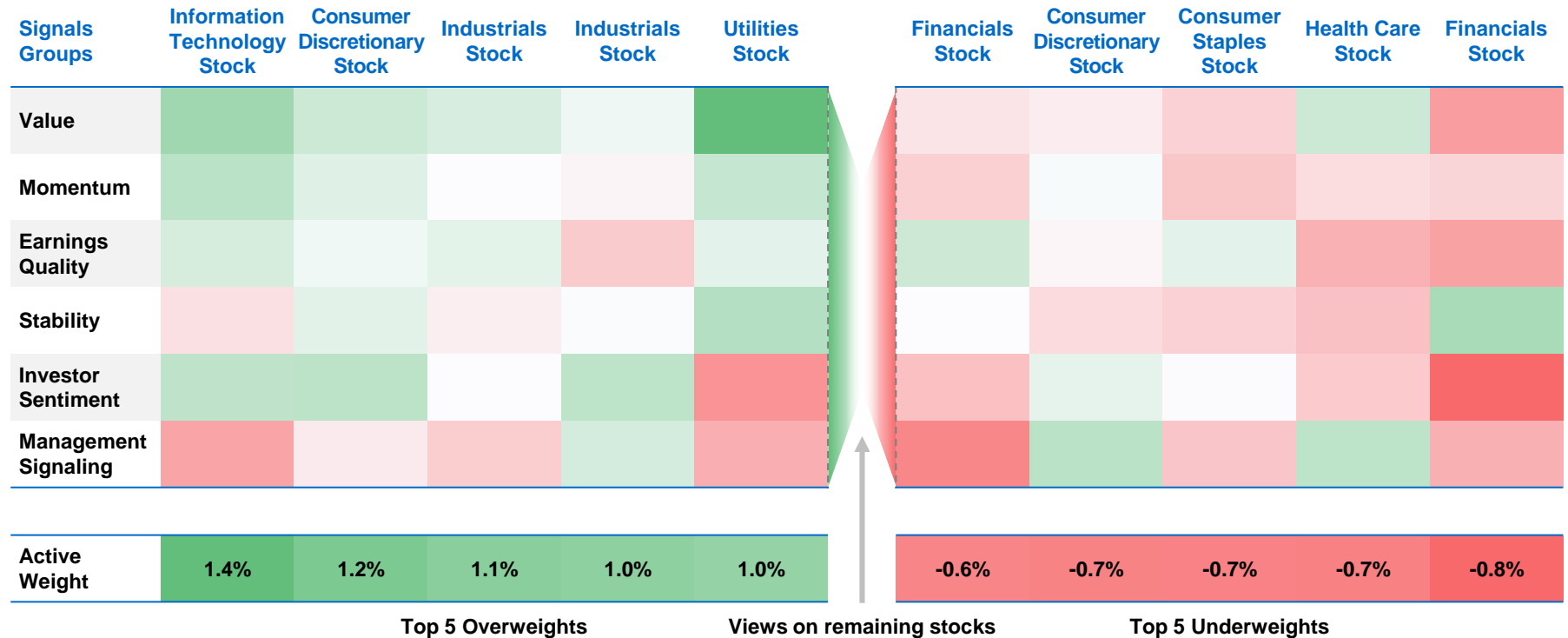
* We utilize BARRA models as our source of risk forecasts
Source: AQR. For illustrative purposes only. Investment process is subject to change at any time without notice. Please read important disclosures in the Appendix.

Portfolio Construction

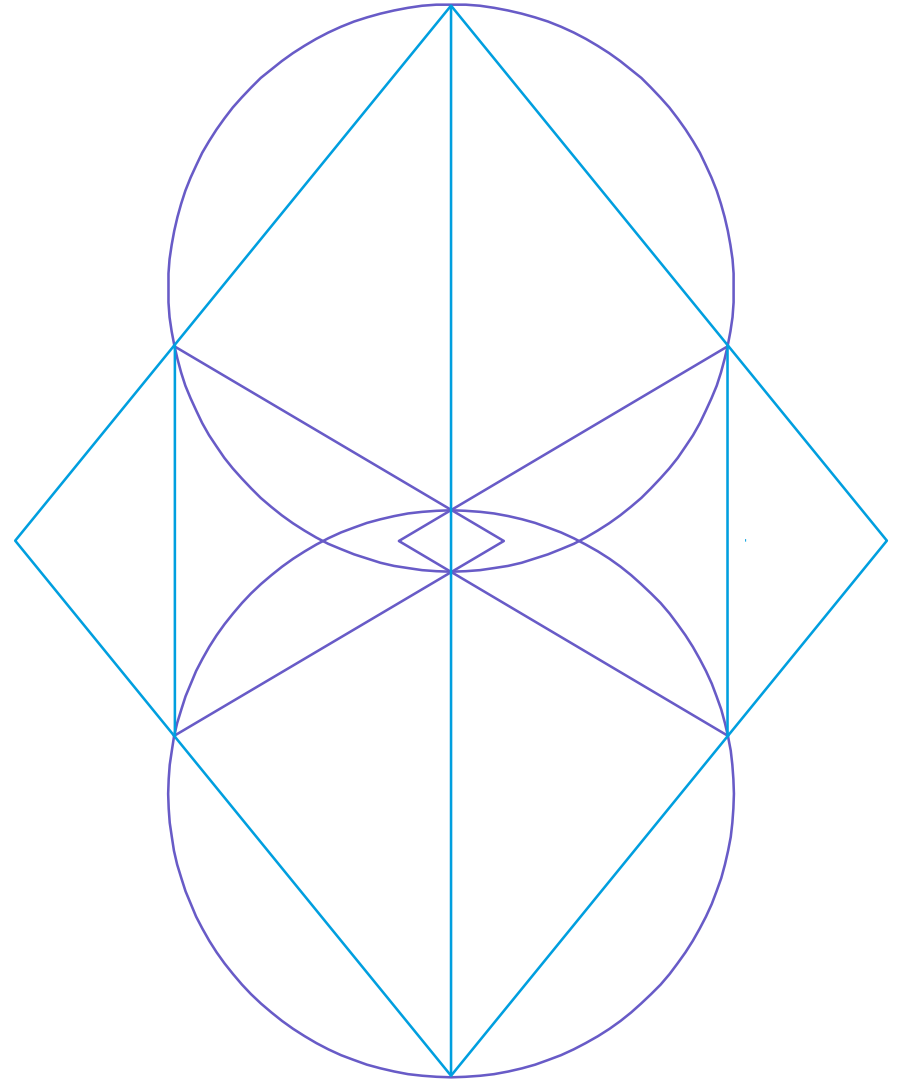
Sample portfolio

- Model views drive active weights
- Avoid concentration in any single name

Top Active Positions



Appendices



Performance Disclosures

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All performance figures contained herein reflect the reinvestment of dividends and all other earnings and represent unaudited estimates of realized and unrealized gains and losses prepared by AQR Capital Management, LLC. There is no guarantee as to the above information's accuracy or completeness. Past performance is not an indication of future performance. Existing Investors, please refer to the monthly statements provided by your custodian or administrator for actual returns.

The interests in the fund referenced herein (the "Fund") have not been approved or disapproved by the U.S. Securities and Exchange Commission (the "SEC") or by the securities regulatory authority of any state or of any other jurisdiction. The interests have not been registered under the Securities Act of 1933, as amended (the "Securities Act"), the securities laws of any other state or the securities laws of any other jurisdiction, nor is such registration contemplated. The following information includes risks, tax considerations and other important disclosures related to an investment in the Fund. This information is not exhaustive and is subject to the more complete disclosures in the Fund's offering documents, which must be reviewed carefully prior to making an investment decision.

The Investment Manager has total trading authority over the Fund and the Fund is not registered as an investment company under 1940 Act, and therefore, will not be required to adhere to certain operational restrictions and requirements under the Company Act. The Fund's investment activities will be carried out in the manner deemed advisable by the Investment Manager. The trading methods employed on behalf of the Fund are proprietary to the Investment Manager, therefore an investor will not be able to determine any details of such methods or whether they are being followed. There are no material limitations or restrictions on the particular categories or the magnitude of the Fund's investments, or on the investment strategies, techniques and financial instruments to be utilized by the Investment Manager, which may from time to time differ from those which are described herein.

The Fund's investment program is speculative and entails substantial risks, including a complete loss of capital. There can be no assurance that the Fund's investment objectives will be achieved or that significant losses will not be incurred. The Fund may utilize a variety of investment techniques, each of which can involve substantial volatility and can, in certain circumstances, substantially increase the adverse impact to which the Fund's investment portfolio may be subject. The Fund may be deemed to be a highly speculative investment, involving a high degree of risk and is not suitable or desirable for all investors. The Fund is designed for sophisticated investors who can bear the economic risk of the loss of their investment in the Fund, and who have a limited need for liquidity in their investment. The Fund has a limited operating history upon which prospective investors can evaluate its performance.

Request ID: **291345**



Performance Disclosures

There are significant restrictions on withdrawals and transfers from the Fund (which may be settled in securities rather than cash). The net asset value of the Fund may be determined by its administrator in consultation with its Investment Manager, and may include valuations for unrealized investments. Actual performance may differ substantially from the unrealized values presented; no interests will be listed on an exchange, there is no secondary market for an investor's investment in the Fund and none is expected to develop. Consequently, investors may not be able to liquidate their investment readily in the event of an emergency or for any other reason.

The success of the Fund's activities will be affected by general economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws (including laws relating to taxation of the Fund's investments), currency exchange controls, and national and international political circumstances (including wars, terrorist acts or security operations). These factors may affect the level and volatility of securities prices and the liquidity of the Fund's investments. Volatility or illiquidity could impair the Fund's profitability or result in losses. The Fund could incur material losses even if the Investment Manager reacts quickly to difficult market conditions, and there can be no assurance that the Fund will not suffer material losses and other adverse effects from broad and rapid changes in market conditions in the future.

The investment program of the Fund involves numerous risks including, without limitation, risks associated with concentration, leverage, the use of speculative investment strategies and techniques, interest rates, volatility, systems risks and other risks inherent in the Fund's activities. Certain investment techniques of the Investment Manager (e.g., use of direct leverage or indirectly through leveraged investments) can, in certain circumstances, magnify the impact of adverse market moves to which the Fund may be subject.

Although diversification is considered by the Investment Manager as part of its overall portfolio risk management process, the Fund may not be fully diversified at all times. In addition, the Investment Manager is not restricted as to the percentage of the Fund's assets that may be invested in any particular issuer, industry, instrument, market or strategy. hedge Funds may involve a complex tax structure, which should be reviewed carefully, and may involve structures or strategies that may cause delays in important tax information being sent to investors or cause investors to incur tax liabilities during a year in which they have not received a distribution of any cash from the Fund.

A hedge fund's fees and expenses—which may be substantial regardless of any positive return—can offset trading profits. Hedge funds are not required to provide periodic pricing or valuation information to investors. Although AQR will attempt to limit its transactions to counterparties which are established, well-capitalized and creditworthy, the Fund will be subject to the risk of the inability of counterparties to perform with respect to transactions, whether due to insolvency, bankruptcy or other causes, which could subject the Fund to substantial losses.

The Investment Manager is subject to various conflicts of interest that are further disclosed in the Fund's offering documents and AQR's Form ADV.



Performance Disclosures

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Hypothetical AQR International Small Cap Model Description: The AQR Model Backtest represent the full-set alpha signals within AQR's Global Stock Selection strategy to evaluate stocks and create a long-short, market-neutral and industry-neutral equity portfolio based exclusively on these signals. The model employs various investment themes, including Value, Momentum, Quality, and Sentiment with the intention of overweighting stocks that exhibit characteristics consistent with these themes, and shorting those that do not. Backtest returns are gross of advisory fees and transaction costs from January 1, 1990 – December 31, 2019. The backtest utilizes a monthly rebalancing schedule and targets 7% annual volatility. The investment universe includes a broad subset of liquid tradeable small cap stocks roughly equivalent to the MSCI Small Cap World ex-US Index. The risk model used is the Barra Developed Equity Risk Model (BIMDEV).

Hypothetical AQR International Small Cap Valuation Theme Backtest Descriptions:

The AQR Valuation Theme Backtests utilize the full set of underlying factors that compose the Valuation theme within AQR's Global Stock Selection strategy to evaluate stocks and create a long-short, market-neutral and industry-neutral equity portfolio based exclusively on these signals within each of the identified regions. The Valuation Theme is designed to capture the tendency for relatively cheap assets to outperform relatively expensive ones. Backtest returns are gross of advisory fees and transaction costs from February 1, 1984 – December 31, 2019 (when data is available by region). The backtests utilize a monthly rebalancing schedule and target 7% annual volatility. The investment universes include a broad subset of liquid tradeable large cap stocks within the various regions, except for Small Cap which exclusively includes small caps. The risk models used are the Barra U.S. Equity Risk Model (USE3L), Barra Developed Equity Risk Model (BIMDEV_noCURR_301L), and Barra Global Equity Risk Model (GEM2L_noCurr).



Performance Disclosures

AQR Capital Management, LLC
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Firm Information: AQR Capital Management, LLC (“AQR”) is a Connecticut based investment advisor registered with the Securities and Exchange Commission under the Investment Advisors Act of 1940. AQR conducts trading and investment activities involving a broad range of instruments, including, but not limited to, individual equity and debt securities, currencies, futures, commodities, fixed income products and other derivative securities. For purposes of firm-wide compliance and firm-wide total assets, AQR defines the “Firm” as entities controlled by or under common control with AQR (including voting right). The Firm is comprised of AQR and its advisory affiliates, including CNH Partners, LLC (“CNH”).

Upon request, AQR will make available a complete list and description of all Firm composites, as well as additional information regarding the policies for valuing portfolios, calculating performance, and preparing compliant presentations.

GIPS Compliance: AQR claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. AQR has been independently verified for the period August 1, 1998 through December 31, 2017. The verification reports are available upon request. Verification assesses whether (1) the Firm has complied with all 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.

Composite Characteristics: New accounts that fit a composite definition are added at the start of the first full calendar month after the assets come under management, or after it is deemed that the investment decisions made by the investment advisor fully reflect the intended investment strategy of the portfolio. A composite will exclude terminated accounts after the last full calendar month performance measurement period that the assets were under management. The composite will continue to include the performance results for all periods prior to termination. For periods beginning July 1, 2010 through February 28, 2015, AQR defined a significant cash flow as an external cash flow within a portfolio of 50%. Additional information is available upon request.

Calculation Methodology: All portfolios are valued daily, weekly, intra-monthly or monthly as defined by Firm policy. The Modified Dietz calculation methodology is used when calculating monthly and intra-month returns. Mutual funds and UCITS are valued daily and performance is calculated on a daily basis. Gross of fees returns are calculated gross of management and performance fees, administrative and custodial costs, and net of transaction costs beginning January 1, 2010. Prior to January 1, 2010, gross of fees returns are gross of management and performance fees, and net of administrative, custodial, and transaction costs. Additional information regarding fees and the calculation of gross and net performance is available upon request.

The dispersion measure is the equal-weighted standard deviation of accounts in a composite for the entire year. Dispersion is not considered meaningful for periods shorter than one year or for periods during which a composite contains five or fewer accounts for the full period. The three-year annualized ex-post standard deviation measure is inapplicable when 36 monthly returns are not available.

Returns are calculated net of all withholding taxes on foreign dividends. Accruals for fixed income and equity securities are included in calculations. AQR’s management or advisory fees are described in Part 2A of its Form ADV. In addition, AQR funds may have a redemption charge up to 2.00% based on gross redemption proceeds that may be charged upon early withdrawals. Consultants supplied with gross results are to use this data in accordance with SEC, CFTC and NFA guidelines.

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Past performance is not an indication of future performance.



Performance Disclosures

AQR Capital Management, LLC
 International Small Cap Equity EAFE Composite
 8/1/2007 – 12/31/2018

Year	Gross Return %	Net Return %	Benchmark * Return %	Number of Portfolios	Composite 3-Yr StDev %	Benchmark * 3-Yr StDev %	Composite Assets (\$M)	Total Firm Assets (\$M)	% Non-Fee Paying Portfolios
2007	-8.76	-9.14	-8.77	1	N/A	N/A	4.54	34,495.05	100
2008	-43.09	-43.68	-47.01	1	N/A	N/A	2.58	19,207.22	100
2009	48.91	47.47	46.78	1	N/A	N/A	3.84	23,571.55	100
2010	27.78	26.53	22.04	1	28.10	28.86	4.91	32,701.21	100
2011	-12.97	-13.85	-15.94	1	22.98	23.01	4.28	43,540.99	100
2012	23.01	21.80	20.00	1	19.99	19.84	198.85	71,122.42	-
2013	32.07	30.78	29.30	2	16.29	16.14	420.93	98,302.69	-
2014	-3.53	-4.49	-4.95	4	13.34	13.32	755.29	122,655.99	-
2015	13.24	12.12	9.59	4	10.99	11.26	844.04	142,173.39	-
2016	-0.51	-1.50	2.18	4	11.66	12.11	809.03	175,089.36	-
2017	34.10	32.80	33.01	3	11.32	11.60	1,067.09	223,432.52	-
2018	-19.96	-20.66	-17.89	3	12.68	12.86	779.56	193,554.78	-

*MSCI EAFE Small Cap Index

Composite Description: The International Small Cap Equity EAFE Composite (the "Composite") was created in January 2016. Accounts included invest, hold, and trade in securities of developed small cap markets outside of the U.S. and Canada. The Composite strategy utilizes a set of valuation, momentum and economic factors based on proprietary Security Selection models geared to assist the underlying portfolios in meeting their investment objective. Accounts included will generally be managed by both underweighting and overweighting securities relative to the Benchmark. The Composite is denominated in USD.

Benchmark: The Composite benchmark is the MSCI EAFE Small Cap Index (the "Benchmark"). The Benchmark is designed to measure the equity market performance of small cap indices across the world, excluding the U.S. and Canada.

Fees: Composite net of fees returns are calculated by deducting the maximum model management or advisory fee AQR could charge from the composite monthly gross returns. Effective February 2018, AQR's asset-based fees for portfolios within the Composite may range up to 0.85% of assets under management. Prior to February 2018, the Composite's model fee schedule was 1.00% management fee per annum. Fees are generally billed monthly or quarterly at the commencement of the calendar month or quarter during which AQR will perform the services to which the fees relate. Composite assets may have been exposed to the impact of performance fees.

Past performance is not an indication of future performance.







RETIREMENT BOARD STAFF REPORT

DATE: June 10, 2020

Agenda Item: 16

TO: Sacramento Regional Transit Retirement Boards – ALL

FROM: Jamie Adelman, AVP Finance & Treasury

SUBJ: Investment Performance Review by Met West for the ATU, IBEW and Salaried Funds for the Domestic Fixed Income Asset Class for the Quarter Ended March 31, 2020 (ALL). (Adelman)

RECOMMENDATION

No Recommendation – For Information Only.

RESULT OF RECOMMENDED ACTION

Information Only

FISCAL IMPACT

None.

DISCUSSION

Retirement funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines (Policy) adopted by each Retirement Board (Board). Under the Policy, the Boards meet at least once every eighteen (18) months with each investment manager to review the performance of the manager's investment, the manager's adherence to the Policy, and any material changes to the manager's organization. The Policy also establishes the Retirement Funds' asset allocation policy and the asset classes in which the Plans funds are invested. The asset classes established by the Policy are (1) Domestic Large Capitalization Equity, (2) Domestic Small Capitalization Equity, (3) International Large Capitalization Equity, (4) International Small Capitalization Equity, (5) International Emerging Markets, and (6) Domestic Fixed-Income.

Met West is the Retirement Boards' Domestic Fixed Income fund manager. Met West will be presenting performance results for the quarter ended March 31, 2020, shown in Attachment 1, and answering any questions.

FOR INVESTMENT PROFESSIONAL USE ONLY



Fixed Income Review

TCW Core and Core Plus Fixed Income Strategies

PRESENTATION TO:

Sacramento Regional Transit District

JUNE 10, 2020

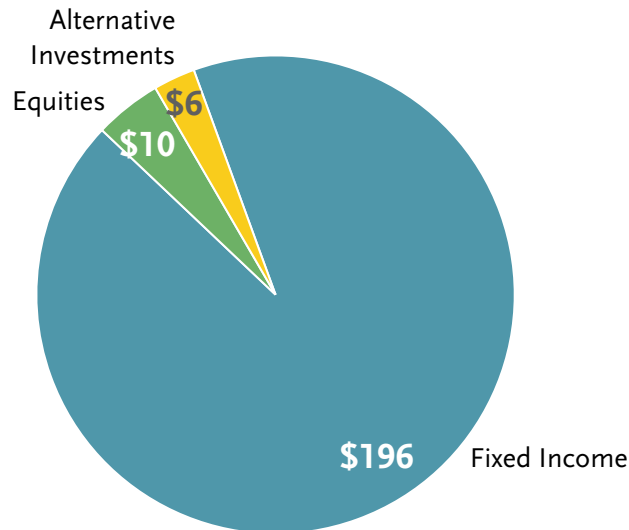
Presented by:

Jamie Franco | Senior Vice President | Client Services – Fixed Income

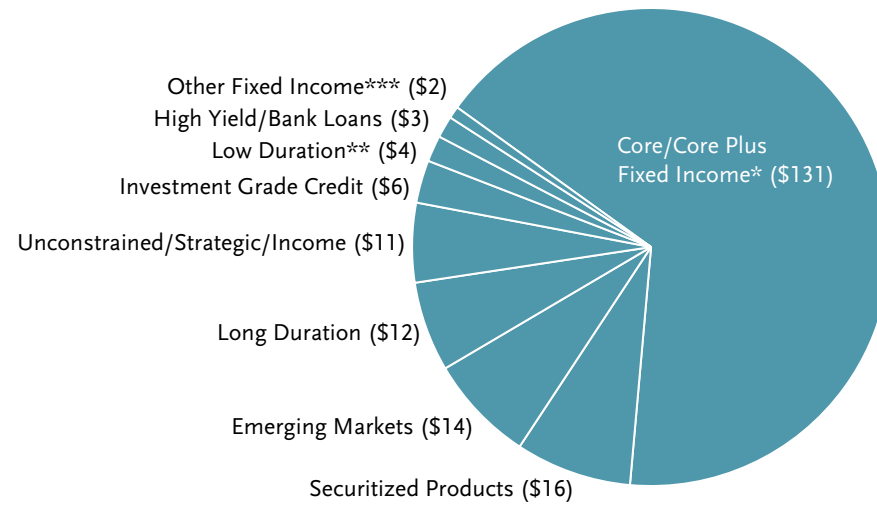
TCW Assets Under Management

AS OF MARCH 31, 2020

Firm AUM¹: \$212 Billion



Total Fixed Income Assets²: \$197 Billion by Product



Source: TCW

Note: Totals may not reconcile due to rounding.

Comprises the assets under management, or committed to management, of The TCW Group, Inc. and its subsidiaries.

1 Includes respective allocations for multi-asset products.

2 AUM totals may not reconcile due to cross-held assets.

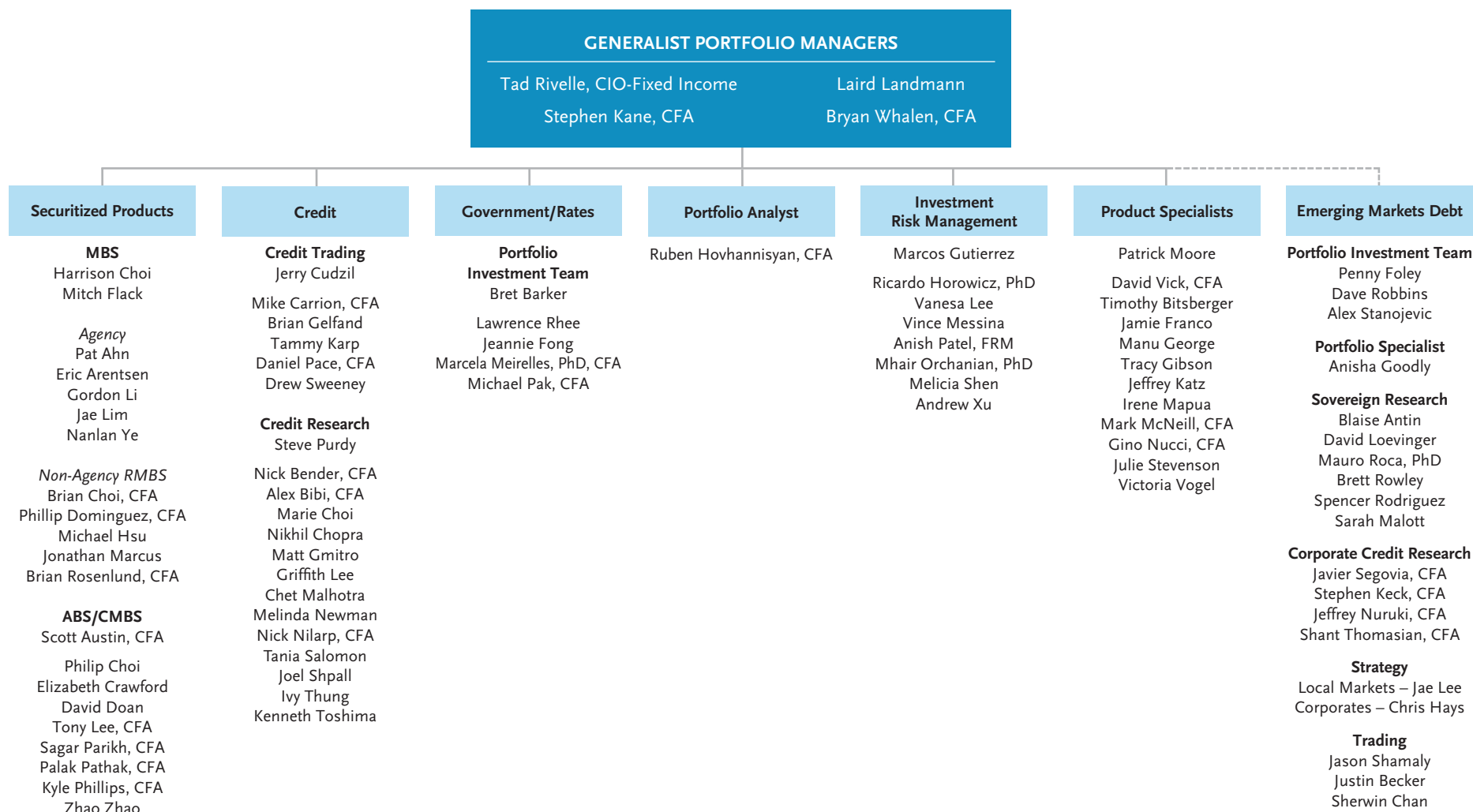
* Includes Core, Core Plus, Intermediate, and Opportunistic Core Plus Fixed Income.

** Includes Low Duration and Ultra Short/Cash Management.

*** Includes U.S. Government, Government/Credit, Global, and Other Fixed Income.

Fixed Income Expertise

AS OF APRIL 2020



Sacramento Regional Transit District - Contract Employees

CORE PLUS FIXED INCOME (ACCOUNT #: SMS670) / BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE

AS OF APRIL 30, 2020

Executive Summary

Base Currency: US Dollar

Ending Market Value

113,735,389.78

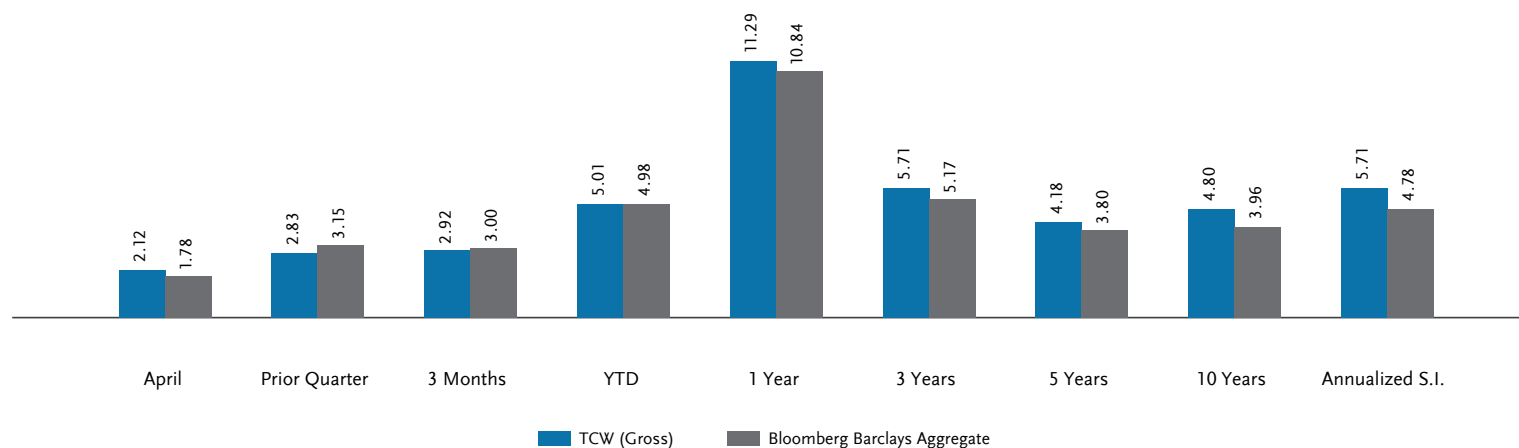
Portfolio Characteristics

	Portfolio	Index
Yield To Worst	2.00%	1.31%
Duration	5.08 yrs	5.72 yrs
Spread Duration	4.28 yrs	3.45 yrs
Quality	AA	AA+
Government / Cash	19.99%	39.65%
Credit	31.38%	30.61%
Mortgage Backed	44.40%	29.34%
Asset Backed	4.19%	0.40%
Other	0.05%	0.00%

Sector Allocation Highlights

	Portfolio	Index
Mortgage Backed	44.40%	29.34%
Agency MBS	36.10%	27.17%
Non-Agency MBS	5.25%	0.00%
CMBS	3.06%	2.17%
Credit	31.38%	30.61%
Corporate Credit	30.29%	25.88%
Investment Grade	25.54%	25.88%
HY / Bank Loans	4.75%	0.00%
Non Corp Credit	0.71%	3.22%
Emerging Markets	0.38%	1.50%
Other	0.00%	0.00%

Total Rate of Return (%)



Returns are annualized for periods greater than one year.

Inception Date: 04/03/2001

Sacramento Regional Transit District

CORE PLUS FIXED INCOME (ACCOUNT #: SMS670)

CONTRIBUTIONS & WITHDRAWALS

AS OF APRIL 30, 2020

Period	Initial Contribution	Contributions	Withdrawals	Investment Earnings*	Ending Balance
Since Inception (04/03/2001)	\$42,403,084.61	\$55,714,794.69	(\$51,629,405.09)	\$67,246,915.57	\$113,735,389.78

*Gross Gains: \$35,215,376.48 / Gross Losses: \$18,532,329.14 / Earned Interest: \$50,898,435.54 + unrealized gain/loss, accrued interest and other accounting items
Source: TCW

1Q 2020: Market Returns

Fixed Income	1Q 2020 Total Return	1Q 2020 Excess Return*	1 Year Total Return	1 Year Excess Return*	Yield-to-Maturity	OAS (bps)
Treasury	8.2%	0.0%	13.2%	0.0%	0.6%	-
3 mo T-Bills	0.6%	0.0%	2.3%	0.0%	0.1%	-
1-3 Year	2.8%	0.0%	5.4%	0.0%	0.3%	-
TIPS	1.7%	0.0%	6.8%	0.0%	0.9%	-
Non U.S. DM Treasury	-1.0%	0.0%	2.2%	0.0%	0.2%	-
Corporate	-3.6%	-13.5%	5.0%	-10.6%	3.4%	272
AA-Rated	1.4%	-8.0%	8.1%	-6.5%	2.3%	163
BBB-Rated	-7.1%	-16.9%	2.2%	-13.5%	4.3%	353
High Yield	-12.7%	-17.0%	-6.9%	-14.8%	9.5%	880
Agency MBS	2.8%	-0.8%	7.0%	-0.5%	1.3%	60
Commercial MBS	1.2%	-5.9%	6.1%	-5.6%	2.4%	188
Asset Backed	-0.2%	-3.2%	2.8%	-3.0%	2.4%	213
Emerging Markets (USD)	-9.5%	-17.4%	-2.9%	-15.7%	7.2%	660

Source: Bloomberg Barclays

* Excess return represents each index's return in excess of return of duration matched U.S. Treasury securities.

Equity	1Q 2020 Total Return	1 Year Total Return	Yield-to-Maturity	OAS (bps)
S&P 500 Index	-19.60%	-6.99%	-	-
DJIA Index	-22.73%	-13.38%	-	-
NASDAQ Index	-13.91%	0.78%	-	-

Source: Bloomberg

For period ending 3/31/2020

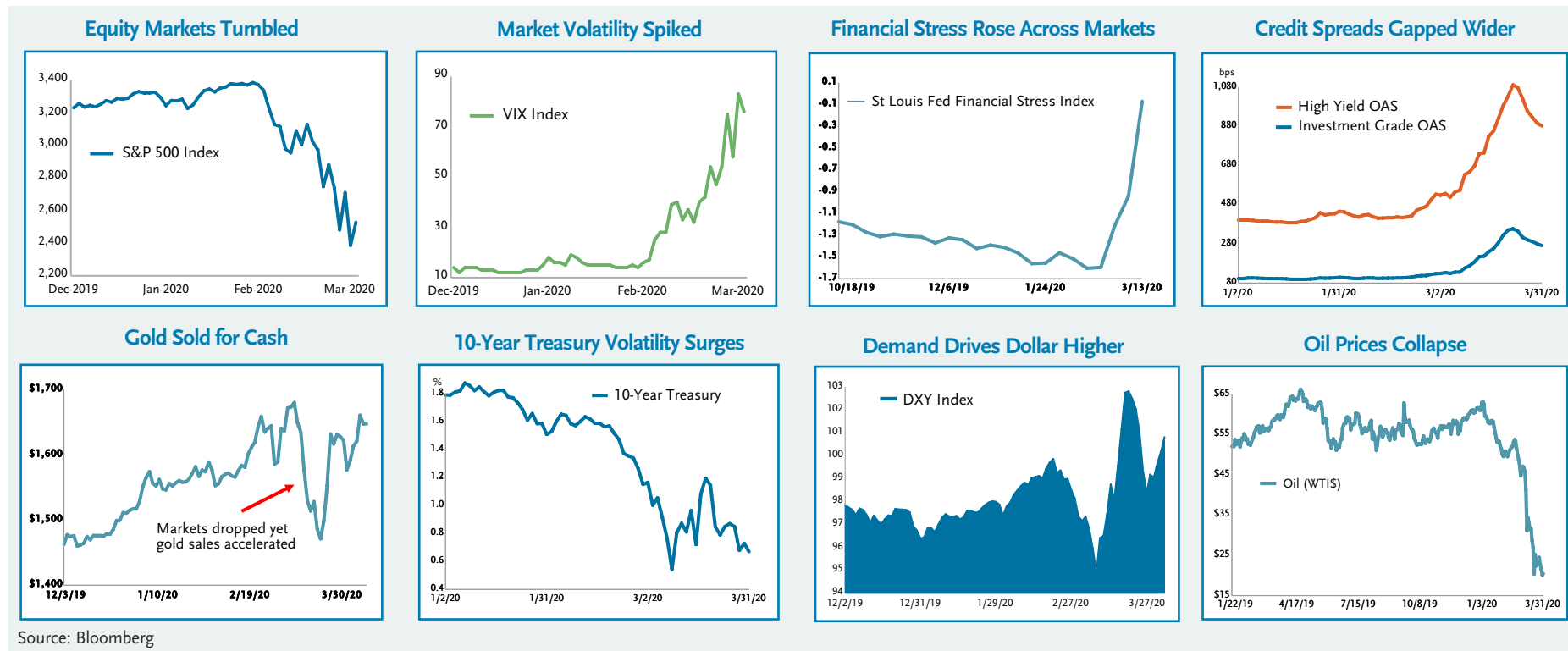
1Q 2020: Core and Core Plus Fixed Income Performance Attribution*

	Positioning	Market Action	Results
Duration	The duration position was trimmed from roughly neutral to almost 0.65 years short relative to the Index when Treasury rates hit historic lows, before ending the quarter 0.4 years short	The Treasury yield curve collapsed to historically low levels with the 10-Year ending the quarter down 125 bps to 0.67% and the 30-Year down 107 bps to 1.32% (after briefly breaching the 1.0% threshold for the first time ever)	Negative
Yield Curve	Moved from roughly neutral to underweight the 5-year part of the curve	The yield curve steepened as short rates declined more than longer rates	Neutral
Sector	<ul style="list-style-type: none"> Underweight governments given low yields Added significantly to corporates during the quarter at attractive entry points, bringing the overall allocation from a large underweight to a modest overweight High yield, where permitted, was increased modestly but still represents a small allocation. Added substantially to agency MBS as spreads widened to levels not seen since 2008 CMBS exposure (particularly agency issues) was trimmed meaningfully to fund corporate credit purchases Within ABS, emphasis remained on non-traditional ABS sectors such as student loans and AAA-rated CLOs 	<ul style="list-style-type: none"> Treasuries outpaced all spread sectors as investors sought safe haven assets during the quarter, with the overall Aggregate Index trailing Treasuries by 415 bps Corporate credit spreads widened by nearly 180 bps as coronavirus concerns filtered into debt markets, with energy credits the worst performer High Yield corporates sold off substantially amid the market volatility, down 12.7% and trailing duration-matched Treasuries by over 17%. Agency spreads recovered meaningfully by the end of the quarter given massive Fed buying. Among CMBS, non-agency issues fell 0.8% and trailed Treasuries by nearly 760 bps, while agency-backed CMBS were one of the best fixed income performers with a total return of 4.1% (though they still underperformed Treasuries by 323 bps). ABS spreads widened by nearly 170 bps, with particular weakness for auto loans while student loan ABS generally fared better 	Positive
Issue Selection	<ul style="list-style-type: none"> Corporate additions were focused on longer-dated bonds from issuers with “fortress balance sheets” with attractive yield premiums. Meanwhile, industrial positioning favors regulated and less cyclical sectors such as communications, healthcare, and pharmaceuticals Added modestly to emerging market debt exposure on weakness, though allocations are still on the lower end of the allowable range with caution toward commodity-oriented credits subject to heightened volatility Among securitized products, favor non-agency MBS, ABS, and CMBS more senior in the capital structure Small position in TIPS, focused on longer maturities 	<ul style="list-style-type: none"> Corporate additions made early in the month on weakness weighed on returns as volatility persisted into the end of the quarter; however, that was partially offset given modest recovery late in the month Emerging market fixed income was weighed down by overall risk-off tone during the quarter, while facing the additional headwinds of a strong U.S. dollar and considerable outflows as global growth concerns escalated Non-agency MBS holdings experienced considerable pricing dislocation amid market volatility, with markdowns on even high quality issues with strong fundamentals, on little to no volume. A higher quality focus helped returns as subordinate parts of ABS and CMBS capital structures experienced large price declines TIPS trailed nominal Treasuries considerably during the quarter given collapse in inflation expectations 	Large Negative

*Attribution based on gross performance. Realized performance will be reduced by fees and expenses. Portfolio characteristics and holdings are subject to change at any time. Past performance is no guarantee of future results.

1Q 2020: Market Review – A Covid-19 Black Swan

- In the span of two months the coronavirus spread rapidly from China to the rest of the world, with severe health-related, as well as economic and financial implications. The knock-on effects of the virus have revealed the fragility of equity asset pricing as well as investment instruments and vehicles that involve leverage (both explicit and implied through structure). The high degree of economic uncertainty combined with extreme demands for liquidity lead to an unprecedented downdraft in asset prices as investors sold both high risk asset types (e.g. equities, high yield, and subordinate areas of securitized and emerging markets) as well as perceived high quality investments (agency MBS, AAA-rated securitized and even long-term Treasuries). This revealed for the first significant time period since the 2008 Global Financial Crisis how quickly liquidity can evaporate for all asset classes. The market reaction to the pandemic has been simply staggering.

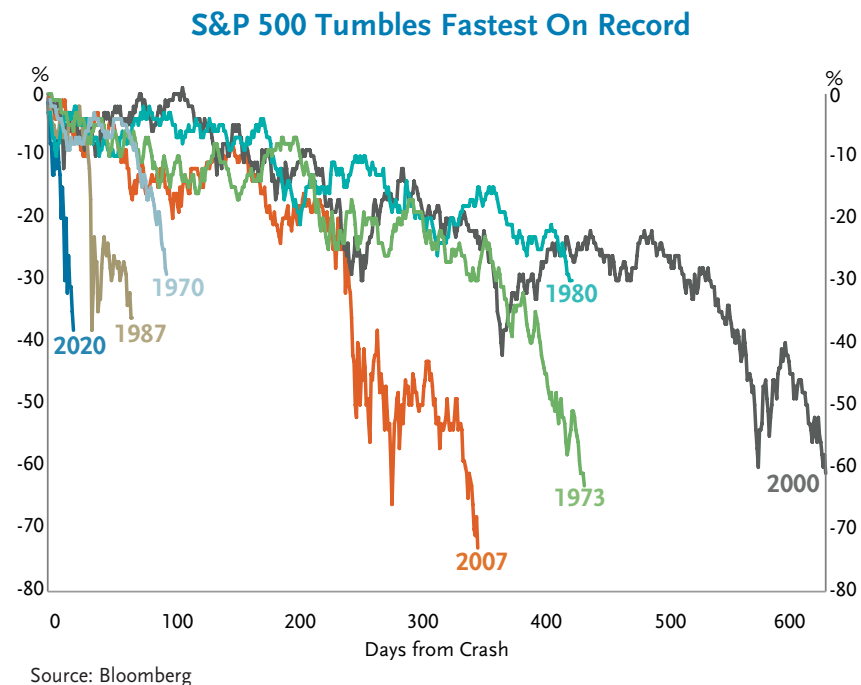


Our View: The nature of this shock is unprecedented in modern economic history. Never before have governments across the globe shut down large sections of their economies at the same time, with billions of people being directed to stay at home. We have been concerned about the buildup of leverage and the unsustainability of asset prices over the past few years, and anticipated that an end of cycle deleveraging could be quite painful for many asset classes and investors. It is safe to say that Q1 2020 exceeded even our pessimistic assumptions. However, with volatility comes opportunity and the dramatic moves have created excellent opportunities, albeit ones that require selectivity.

1Q 2020: Market Review – Panic Selling in the Market

The market response to the rapid spread of the virus was extreme. All asset classes fell, in a simultaneous sell-off as investors rushed to raise cash, including highly liquid, usually safe asset classes, which traditionally act as a hedge to risk assets.

- **Equity Markets:** Equity market indices fell as much as 30% from February peaks, the fastest pace on record. The CBOE VIX volatility index hit a post-crisis high of 82.6. The S&P 500 either rose or fell at least 4% in eight consecutive sessions, the longest streak in history. The Dow was down 10% in one session, the first since October 1987. Circuit breakers were engaged on nearly a daily basis, as markets struggled to find a clearing level.
- **Bond Markets:** While at one point, the entire Treasury curve traded below 1% for the first time, this quickly reversed in the rush for cash. As stocks fell on March 18, the yield on the 10-Year Treasury rose to 1.25% from 0.99%. From mid-February, credit spreads widened across high yield and investment grade at the fastest pace on record, by over 680 basis points and 250 basis points, respectively. Emerging market dollar denominated debt spreads rose over 400 bps.
- **Currency Markets:** The dollar appreciated against all currencies, rising 8% over the course of eight days, also the fastest on record. This drove up the cost to buy dollars in the cross currency basis market, with the three-month euro/dollar cross-currency basis swap spreads rising as high as 120 basis points, the widest since the euro crisis in 2011.
- **Commodity Markets:** The significant decline in economic activity created a negative demand shock at the same time there was a massive supply shock due to a fight over production between Saudi Arabia and Russia, which drove the price of oil down over 60% to \$20 per barrel. In addition, the price of gold fell as much as 12% as equity markets sold off.
- **Money Markets:** Short-term money markets were strained as large companies drew down cash and investors sold corporate paper. Prime Funds saw outflows of \$140 billion in the first quarter, with government money funds gaining a record \$345 billion.



Our View: Despite the significant market correction, we think it is too early to turn uniformly positive. Market stress is likely to continue, as investors struggle to reduce risk, raise cash, and price in the economic damage, much of which is unknown at this point. In addition, we believe that large portions of the high yield and emerging markets will be permanently impaired by bankruptcies and restructurings. However, high quality parts of the market that are backed by the Fed or the federal government and debt of investment grade companies that are strong enough to weather the current storm look very compelling at severely dislocated prices. Further, if one can be a provider of liquidity and acquire those assets from those who need to sell at additional discounts, attractive potential returns can be realized over time.

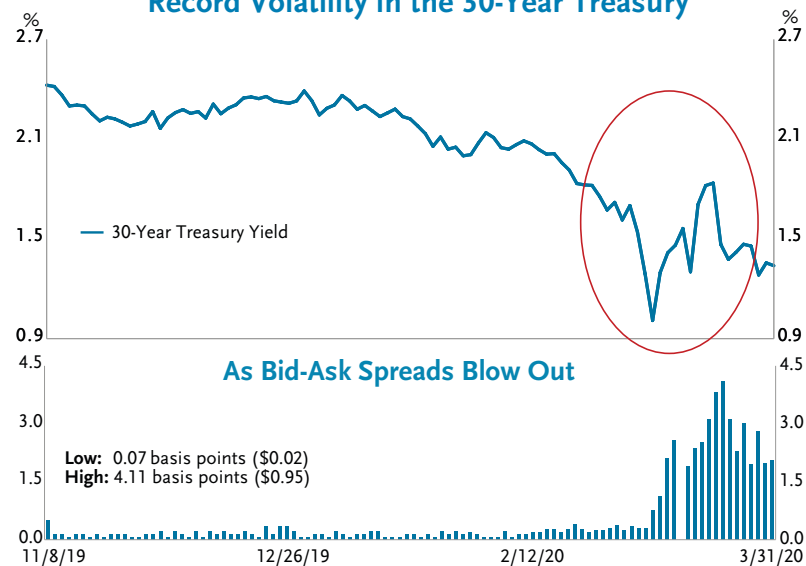
1Q 2020: Market Review – Even Treasury Market Liquidity Deteriorates

- Under stressed market conditions, investors generally flock to Treasury securities as safe haven assets. However, in the panic selling over March, even the Treasury market suffered from liquidity challenges, particularly for Treasuries with a maturity greater than one year. The spread between bid and ask prices widened to levels last seen during the 2008 financial crisis, while at the same time average market depth for the 10-Year bond dropped as much as 75%.

- Stress was manifest across Treasury markets:

- ➔ Volatility and market liquidity stress was extreme for 30-Year bonds, resulting in massive pricing swings. In one week, the range on the 30yr was 67.6 bps (1.25% to 1.92%). Over March, 30-Years registered a record one-day decline, while several trading days later saw their largest single-day rise since 1982. The volatility caused the CME to halt trading in 30-Year futures contracts multiple times over the month.
- ➔ As a result of unwinding cash- futures trades, the price of cash Treasuries widened significantly vs. equivalent Treasury futures. For example, in March, we saw as much as a 7 basis point gulf between 5-Year Treasuries and the equivalent futures contract. Additionally, some dealers refused to bid on older, less liquid cash Treasuries.
- ➔ Select Treasury Bills began trading negative given the huge demand for safe collateral. The yield on the one-month Treasury Bill maturing in April fell to minus 0.003% and the yield on a note maturing in May fell to minus 0.02%.
- ➔ TIPS investors ignored the stronger February CPI report as 10-Year inflation expectations, measured by the difference between nominal 10-Years and 10-Year TIPS, fell nearly 100 basis points over the month from 1.5% to 0.5%. Liquidity challenges added to these steep declines.

Record Volatility in the 30-Year Treasury



Source: Bloomberg

- Disruptions in the Treasury market forced the Federal Reserve to commit to unlimited purchases to keep strains from worsening (see page 4 for additional details on Fed actions). Since March 23, the Fed has purchased over \$630 billion in Treasury securities, with an additional \$300 billion in overnight and term repo operations outstanding. By point of comparison, the Fed has purchased more Treasury securities in a several week period that it did under the entire QE2 program during the last crisis, which amounted to \$600 billion of both Treasury and Agency MBS purchases from November 2010 – June 2011.

Our View: The level of volatility and strains in the Treasury market underscore how broader market liquidity has deteriorated and affirms our previous commitment to having ample liquidity in portfolios. The magnitude of the selling pressure in the Treasury markets, as investors rush to raise cash and unwind trades, has overwhelmed dealers that have little to no balance sheet to commit. However, with unlimited potential purchases, we are confident the Fed will ultimately be successful at restoring normal functioning to the Treasury and agency MBS markets.

1Q 2020: Market Review – An Aggressive Policy Response

- Policy makers have taken unprecedented actions, from both a monetary and fiscal perspective, in an attempt to contain the economic fallout from the global pandemic. In the U.S., the Fed ramped up support swiftly, providing more overall liquidity than in 2008, while lawmakers in Washington passed a stimulus package of spending and tax breaks that totals over \$2 trillion, roughly 10% of GDP.

Fed Easing and Liquidity Measures

Measure	Description	Who Does It Help?	Rate
Monetary Policy			
Cut Fed Funds	Rates cut 150 bps to zero	Economy	0-0.25%
Forward Guidance	Rates at zero until economy is back on track	Anchors 0-5y curve	n/a
QE	Unlimited Treasury/Agency MBS purchases	Treasury, MBS	n/a
Liquidity Measures			
Discount Window	Lowered Cost on 90-day Loans	Depository Institutions	25bps
FX Swap Lines	Lowered cost and extended the term of 08 swap lines.	G7 + EM Foreign Banks	OIS + 25bps
Repo	Repo operations ~ \$1.5 bn/day on offer	Primary Dealers	n/a
13(3) Emergency Facilities			
CP Funding Facility	Purchase 3m CP from bank/non-bank issuers	CP Issuers	OIS + 120bps
Primary Dealer Credit Facility	90 day loans to PDs, collateralized by IG debt and equities	Primary Dealers	25bps
MMF Liquidity Facility	Prime MMFs to sell CP, CDs, muni VRDNs, to banks, who finance it at the Fed (exempt from regulation)	Money Market Funds	125bps for CP/50bps for Munis
Primary Market Corporate Credit Facility	Purchases US IG bonds <4yrs from issuers and provides loans to eligible issuers	IG Issuers	Market rate + 100bp fee
Secondary Market Corporate Credit Facility	Secondary market buying of US IG bonds < 5 years and ETFs	IG Market	Market Rates
TALF	Funding backstop for U.S. ABS issuance, capped initially at \$100bn	ABS Market, Issuers	2y swaps + 100bps, 3y swaps + 100bps, 10bp fee

U.S. Government Interventions

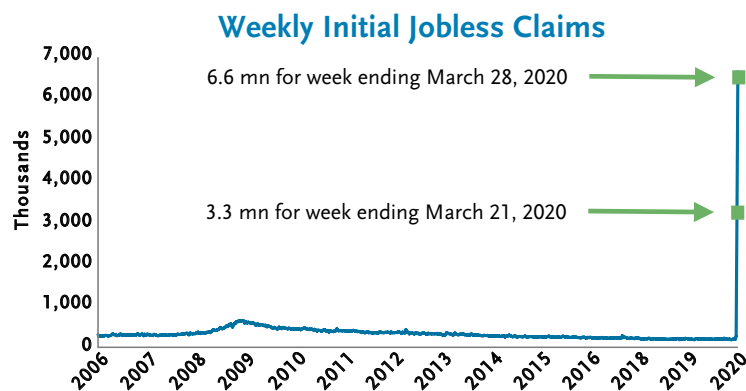
Amount (US\$)	Description
Emergency Spending Packages	
\$8.3 Billion	Vaccine development and prevention efforts
	2 weeks paid sick and family leave to qualified workers. Workers get 100% of salary
	12 weeks paid leave to those with children whose schools have closed. Workers get 67% of salary
	Bolsters Unemployment Insurance, food assistance (SNAP), and Medicaid
	Covid testing costs
\$40-\$50	National Emergency declaration under Stafford Act
CARES Act (\$2 trillion)	
\$500 billion	Loans to companies (with \$50bn of loans to airlines)
\$340 billion	State and Local governments
\$377 billion	Small Business grants
\$150 billion	Hospitals and Health-Care Providers for equipment/supplies
\$26 billion	Extended unemployment benefits
\$43.7 billion	Education/Other
\$560 billion	Direct payments to individuals

Source: TCW, Federal Reserve, Bloomberg

Our View: Despite the significant market correction, we think it is too early to turn uniformly positive. Market stress is likely to continue, as investors struggle to reduce risk, raise cash, and price in the economic damage, much of which is unknown at this point. In addition, we believe that large portions of the high yield and emerging markets will be permanently impaired by bankruptcies and restructurings. However, high quality parts of the market that are backed by the Fed or the federal government and debt of investment grade companies that are strong enough to weather the current storm look very compelling at severely dislocated prices. Further, if one can be a provider of liquidity and acquire those assets from those who need to sell at additional discounts, very attractive potential returns can be realized over time.

1Q 2020: U.S. Economic Outlook – Headed for a Deep Recession

- As the virus spreads and containment measures rise, it is clear that the U.S. economy will contract sharply in the first half of this year. Wall Street firms are forecasting that growth will decline anywhere from -12% to -30% at an annualized rate in Q2, with unemployment rising to an average of 12.8%. To put this in context, the greatest quarter-over-quarter decline in 2008 was 8.4%, with the jobless rate peaking at 10%.

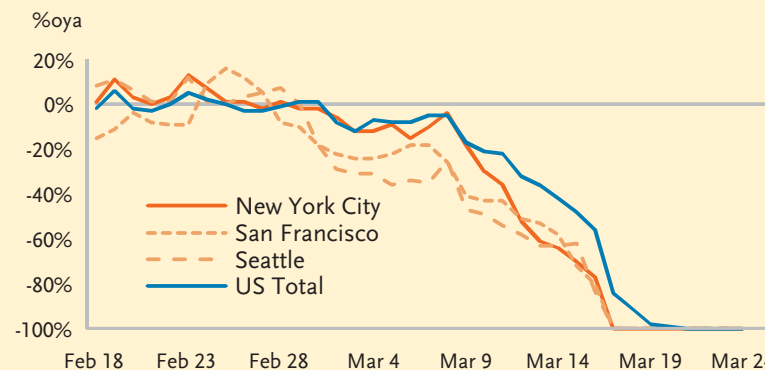


Source: Bloomberg

- While it is still too early to see the full effects of the virus in many traditional economic indicators, several real-time indicators show rapid declines across the hardest-hit sectors. Restaurant attendance across the globe has fallen dramatically as restrictions have been put in place to contain the virus. Data on city-level road congestion shows sharp declines in road travel times in many cities. Air traffic is only 10% of average levels, hotel occupancy rates have fallen by over 60%, and some sectors are simply shut down.
- Early economic data is beginning to capture some of the effects of government restrictions and declines in economic activity. The Philadelphia Fed Manufacturing survey dropped to -12.7 from +36.7, a record monthly decline. Initial jobless claims for the week of March 21 surged to 3.28 million, as economic activity ground to a halt with businesses closing to slow the spread of the virus. This is over four times the previous record high of 695,000 in 1982, according to Labor Department figures. The St. Louis Fed estimates a Q2 unemployment rate of 32.1% with total unemployed of nearly 53 million.

Our View: We believe the coronavirus pandemic coupled with the collapse in oil prices and subsequent negative impact on the U.S. oil sector have pushed the U.S. economy into a recession. Unprecedented declines in economic activity are only just beginning to be captured in the data. There will be second and third order impacts that have not yet been fully realized. Multiple quarters of poor economic data and corporate earnings yet to be seen suggest a protracted period of weakness and market volatility, rather than a quick V-shaped recovery once the lockdown is lifted.

Seated Restaurant Diners Tracked By OpenTable



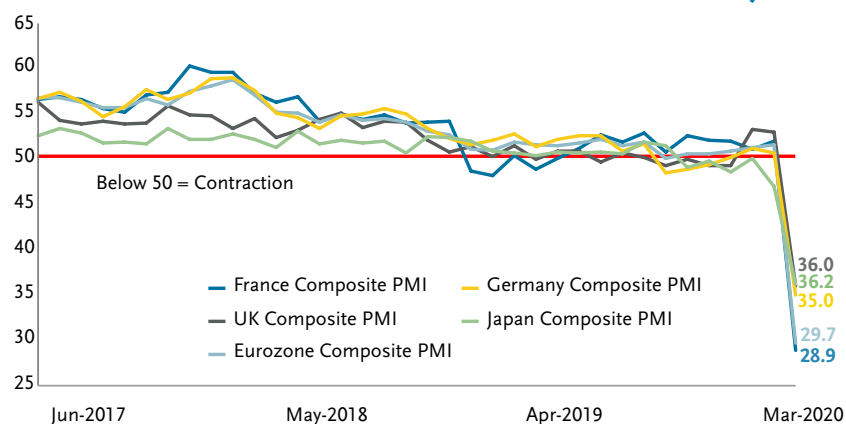
Source: OpenTable.com, J.P. Morgan

- Economic data in the near-term is likely to deteriorate materially and there are too many unanswered questions to form a clear view on the longer-term outlook. Key questions include:
 - Virus/Healthcare:** How long will the outbreak last? Will there be a second wave in the fall or after containment measures are lifted? When will a vaccine become available? Will the healthcare system be able to manage the surge in cases? Will social distances be effective in slowing the pace of infections? What is the impact of healthcare workers becoming sick?
 - Economic:** How long will the U.S. and other countries be forced to quarantine? How deep and long will the recession be? Will fiscal stimulus prevent economic collapse? Will growth resume as normal or will there be lasting behavior and economic effects?
 - Unknown Consequences:** Does forbearance really help leveraged borrowers in the long-run? If some income is permanently low, who takes the hit? How will the U.S. finance a massive increase in debt/deficits?

1Q 2020: Global Outlook – Covid-19 Shuts Down Global Economic Activity

- The global policy response to the pandemic has been substantial as policy makers across a number of economies introduce both fiscal and monetary policies in order to contain the economic and financial market fallout. Notable among these efforts is the ECB announcement to purchase €750bn of public and private-sector assets through the end of 2020 and beyond if necessary. This amounts to nearly €120 billion a month of Eurozone debt for the rest of the year, which exceeds support provided in 2008 and 2009.

Material Contraction In Global Economic Activity

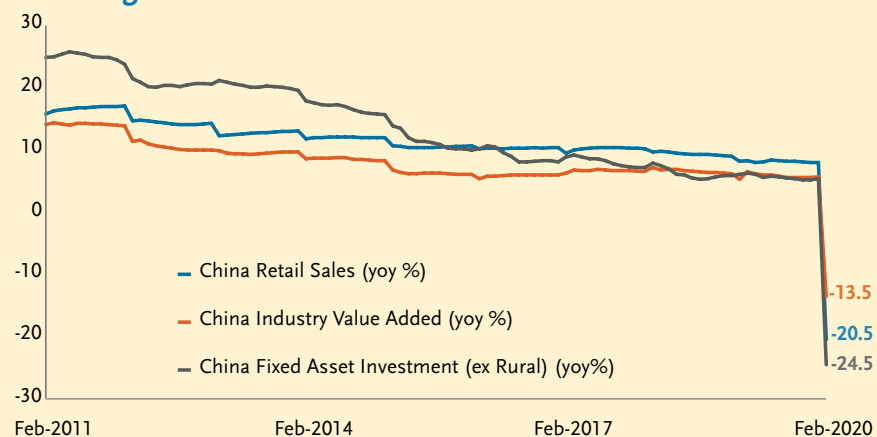


Source: Markit, Bloomberg

- Initial survey data in February began to record the significant hit to global activity that early containment measures were having across the globe. Composite Purchasing Managers Index (PMI) readings plunged to record lows in France, Germany, the UK, and the Eurozone, registering substantial declines in manufacturing and service activity. The services sector in Japan saw the fastest monthly decline in services activity on record. PMI readings across the board were in the 30s-40s, with anything below 50 signifying a contraction.

- The pandemic and associated economic and market stresses are taking their toll on emerging markets. Distressed emerging market dollar-debt is on the rise, as over 15 countries now have dollar-bond spreads of at least 1,000 basis points over U.S. Treasuries. This excludes Lebanon, which defaulted this month, along with Argentina. Adding to the difficulties, Emerging Markets have seen capital outflows so far that are over twice as large as outflows experienced during the global financial crisis.
- The virus and measures to contain its spread had significant, record-breaking implications for the Chinese economy. They also underscore the difficulty that economists and market participants have in forecasting the impact. Retail sales were down -20.5% vs consensus of -4%, Industrial Production was down -13% vs -3% expectation, and fixed asset investment was down -24.5% vs -2%. While China is starting to resume production and end the lockdown, a second wave of infections cannot yet be ruled out.

Significant Deterioration in Chinese Economic Data



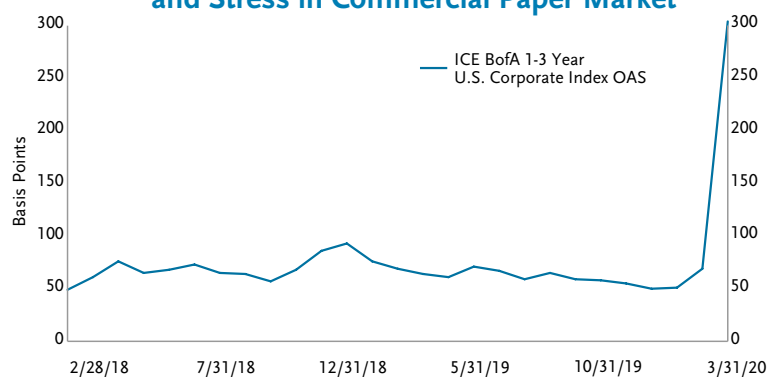
Source: Bloomberg

Our View: Facing an economic shock that is almost without historic precedent, global policymakers are trying to deliver a robust fiscal and monetary response to mitigate some of the impact of the outbreak on corporations and households. Like in the U.S., the combined actions will likely help to blunt the worst damage from the global lockdown even if they can't completely offset it. Even with the support, emerging markets are expected to see further stress amid a strong dollar and a global demand slowdown, suggesting further volatility and wider spreads in that part of the market.

1Q 2020: U.S. Credit Outlook – The Beginning of the End

- In March, corporate securities experienced their worst month of relative performance since Lehman Brothers collapsed. Yield spreads across the credit spectrum widened sharply over several weeks at the fastest pace on record with investment grade spreads nearly reaching 360 basis points and high yield spreads topping 1090 basis points. Spreads tightened slightly following the announced Fed measures and fiscal stimulus, though they remain at levels consistent with most prior recessions. Additionally, both investment grade and high yield bond funds saw record outflows as panic selling and losses accelerated over March.

Short IG Spreads Hit Hard By Selling and Stress in Commercial Paper Market



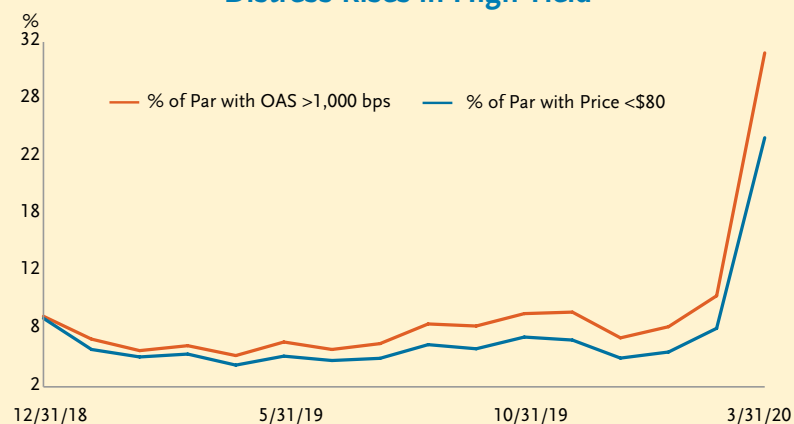
Source: Bank of America

- Outflows were particularly meaningful in short-dated investment grade. In the rush for cash, investors sold more liquid, shorter dated securities, driving spreads in the 1-3 year maturities out nearly 200 basis points vs 156 basis points in the longer dated maturities. Compounding problems, money market mutual funds were liquidating short-dated assets, including commercial paper, just as companies were trying to raise cash through the commercial paper market. At one point, the highest rated non-financial borrowers were paying 1.24% over the benchmark government overnight indexed swap (OIS) rate vs 0.24% at the beginning of March.

Our View: Recent market stresses have created opportunities, particularly for those companies with “fortress balance sheets” – companies that are not reliant on government assistance with enough liquidity and flexibility to enable them to meet all liabilities, even in a stressed economic environment. For issuers such as these, the ability to buy long-dated bonds at spreads dramatically wider than historical averages suggests the return potential is attractive. That said, caution is warranted as markets will almost certainly see a significant wave of downgrades and defaults in the coming quarters.

- Despite the magnitude of the recent sell off, investment grade companies have retained access to markets, albeit at much wider spreads, though not dramatically higher costs given the big drop in Treasury yields. March has seen over \$250 billion in investment grade issuance, an all-time record, as companies rush to fortify balance sheets, and raise cash. In addition, companies have also increasingly tapped credit revolvers.

Distress Rises in High Yield



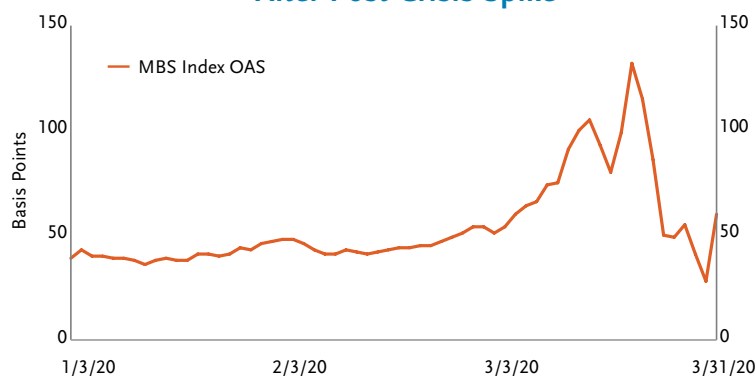
Source: Bloomberg Barclays U.S. Corporate High Yield Index

- Funding costs and market access are very different for high yield issuers. The amount of debt trading at distressed levels (i.e. the share of high yield debt trading above 1000 basis points) nearly topped \$1 trillion this month. This represents almost a quadrupling over the course of only a week and a level not seen since 2008 as both the oil price drop and the market sell-off weighed on high yield issuers. S&P Global Ratings projects that the default rate for high yield bonds is heading to 10% over the next 12 months, more than triple the rate of 3.1% that closed out 2019.

1Q 2020: Securitized Outlook – Forced Selling and Continued Weakness

- Securitized sectors were not immune to the market volatility in March as investors sold everything, including high quality senior securitized bonds, to raise cash. The agency MBS market saw average spreads widen out over 80 basis points to 132 basis points, the widest yield spread to Treasuries since 2008. Spreads subsequently normalized following the Fed's announcement that it would purchase unlimited amounts of Treasuries and agency MBS, tightening back to 60 basis points as investors began pricing in Fed support. In the third week of March alone, the Fed purchased over \$250 billion of agency MBS - to put this in context, the largest weekly purchase of agency MBS during the financial crisis was \$33 billion.

Fed Purchases Support Agency MBS Market After Post-Crisis Spike

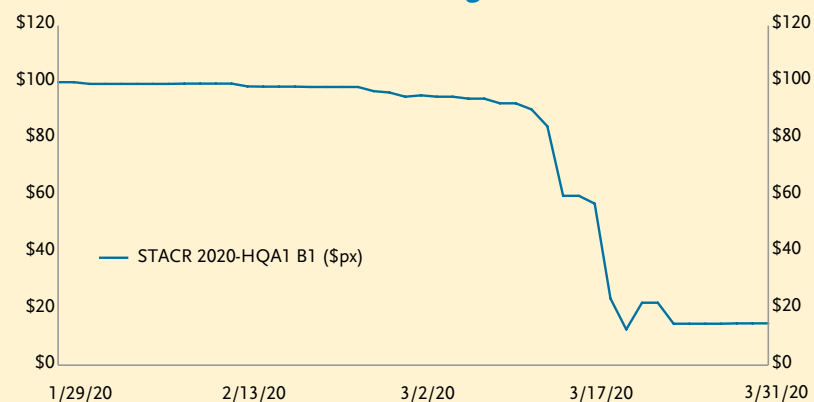


Source: Bloomberg

- Panic selling in the market has put significant strain on levered investors, especially mortgage REITs. REITs, which own roughly \$500 billion of mortgage backed securities, have come under substantial pressure as they were required to post more margin against their mortgage collateral when mortgage spreads widened. According to JP Morgan, REITs may still need to sell \$40-80 billion of mortgage securities, putting additional pressure on mortgage sectors that are not currently eligible for direct purchases or posted collateral for Fed liquidity facilities such as the Term Asset Securitization Lending Facility (TALF) or the Primary Dealer Credit Facility.

- Within mortgages, Credit Risk Transfer (CRT) securities have been particularly hard hit. These securities were created in 2013 to transfer risk associated with credit losses within pools of conventional residential mortgage loans from the GSEs to the private sector. While bond tranches are structured to reflect risk, even some CRT tranches were trading 40-50 points lower than their mid-February prices, with yield spreads widening to more than 2,000 basis points.

CRT B-Tranche Prices Plunge To Record Lows



Source: Bloomberg

- ABS sectors were not immune from the market sell-off. Poor liquidity and market volatility drove spreads to new post-crisis wide levels and the new issue market effectively shut down. The Fed's announced TALF 2.0 for new issue ABS, helped prices recover somewhat though spreads are over 200 basis points wider over the quarter. The likelihood of a recession, along with support to business and households to mitigate the impact such as, student loan interest waivers, delayed tax filing, suspended mortgage payments and foreclosures, makes it challenging to fully value the impact on prepayment speeds, default rates, and loss severities across outstanding consumer credit. While credit enhancements are robust across several high quality ABS sectors, further price weakness is likely, particularly for more junior parts of the ABS and MBS securitization structure.

Our View: Despite better underwriting and stronger fundamentals across most parts of the securitized products markets, liquidity driven selling in the first quarter drove significant spread widening even in government backed sectors. It also revealed weakness down the capital structure where the risks of actual impairment are material. With the support of the Fed and easing liquidity conditions, we expect senior bonds to recover based on solid fundamentals while better opportunities are anticipated to arise in lower quality parts of the market as forced sellers materialize down the road.

1Q 2020: Core and Core Plus Fixed Income Positioning Summary

Given our late cycle concerns, our portfolios were defensively positioned going into this crisis, providing us with ample flexibility to respond to rapidly changing market valuations. Our approach has been to add risk aggressively in high quality sectors that either benefit directly from Fed activity or that are robust enough to survive without assistance. As those sectors recover, we will look to migrate down the quality spectrum to take advantage of expected further dislocation in more credit sensitive sectors.

Characteristics	Positioning	Comments
Duration	▶ Ended the quarter approximately four-tenths of a year short versus the benchmark	▶ Remain shorter than the index with yields hovering near historically low levels, with a propensity to add duration faster on a rate backup than reduced on a fall in rates
Curve	▶ Underweight the 5 year part of the curve	▶ The curve is likely to flatten as the Fed keeps rates on hold while growth and inflation are both dragged lower
Governments	▶ Large underweight, with an emphasis on on-the-run securities	▶ <ul style="list-style-type: none"> • On-the-run Treasury securities provide much greater liquidity • Small position in TIPS given attractive breakeven inflation rates
MBS	▶ <ul style="list-style-type: none"> • Agency MBS – large overweight, bias to trim • Non-Agency MBS – maintain allocation, with bias to add on pricing dislocations 	▶ <ul style="list-style-type: none"> • Added significantly to the agency MBS position over the first quarter of 2020 as spreads widened; the sector remains attractive given explicit Fed support and potential for tighter spreads due to the sheer size of Fed buying. The position will be trimmed as spreads tighten • Maintain emphasis on higher quality, shorter duration, currently amortizing non-agency MBS bonds • Look to add exposure in heavily discounted longer spread duration securities
ABS	▶ Overweight, bias to reduce	▶ <ul style="list-style-type: none"> • Modest trimming, but still prefer government guaranteed student loans, and AAA rated CLOs given robust structures. • Avoid more vulnerable collateral types such as credit card loans.
CMBS	▶ Slight overweight, with bias to trim further	▶ <ul style="list-style-type: none"> • Exposure to agency CMBS was reduced substantially in 1Q to fund relative value additions in corporate credit • In non-agency, favor single asset single borrower deals and select IO issues where there is attractive upside potential
Credit	▶ Overweight, with ongoing bias to add on attractive entry points	▶ <ul style="list-style-type: none"> • Positioning among corporate credit is concentrated among high conviction names and defensive sectors like non-cyclicals, communications, and pharmaceuticals/healthcare • Corporate additions in this cheapening phase are focused on long-dated bonds from issuers with “fortress balance sheets” at now attractive yield premiums as well as Fed-supported assets such as financials given potential for very strong returns if spreads tighten • Underweight cyclical credit sectors and non-corporate credit, with the exception of municipals
High Yield	▶ Small allocation, with a bias to add selectively	▶ Anticipate further opportunities to add more substantially to high yield exposures as downgrades swell the volume of available debt and distressed sellers appear, while still preferring defensive, relatively high quality credits and larger, more liquid credits for the time being
International	▶ Small allocation, with a bias to add high quality names on weakness	▶ Like high yield, expectations are for ongoing stress in markets and a strong dollar to create more attractive entry points in the future, particularly if and when forced sellers emerge

Portfolio characteristics and holdings are subject to change at any time. The views and forecasts expressed in this quarterly review are as of March 2020, are subject to change without notice and may not come to pass. TCW reserves the right to change its investment perspective and outlook without notice as market conditions dictate. Source: Bloomberg, TCW

1Q 2020 Sector Highlight: Fixed Income Liquidity

Due to financial regulations stemming from the financial crisis, Wall Street banks have essentially abandoned their role as market makers resulting in historically poor liquidity conditions across all sectors of the fixed income market, some of which are highlighted below.

Impact to Bid/Ask Spreads

- Average bid/ask spreads across all sectors of the fixed income market widened significantly, as market seized up.
- The table below represents an estimate of average levels, with some specific securities or sectors much wider still.

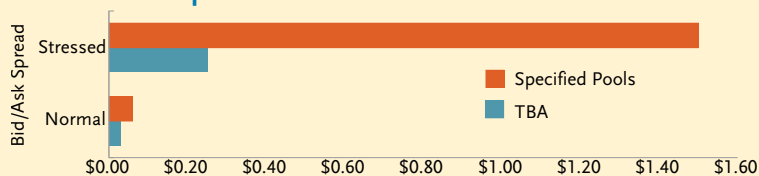
Sector	Bid/Ask Spreads Normal Markets	Bid/Ask Spreads Stressed Markets	Sector	Bid/Ask Spreads Normal Markets	Bid/Ask Spreads Stressed Markets
U.S. Treasuries	\$0.03	\$0.1	Sr FFELP	\$0.5	\$3
Agency MBS – pools	\$0.06	\$1.5	AAA CLOs	\$0.5	\$3.5
Non-agency MBS	\$0.5	\$6	IG Credit	\$0.25	\$4
Agency CMBS	\$0.25	\$3	HY Credit	\$0.5	\$4
Sr Conduit CMBS	\$0.50	\$2.5	Bank Loans	\$1	\$5

Source: TCW

Impact to Agency MBS

- Typically, agency mortgage pools and TBAs trade with similar bid/ask spreads. The wide divergence in March demonstrates the scarcity of balance sheet as TBAs, which do not require cash outlays, require far less balance sheet to hold.
- The depth of the TBA market was much greater as well with trade sizes of \$500m to \$700m readily doable while pools struggled with trade sizes much above \$100mm.

Specified Pools Trade Wide of TBAs

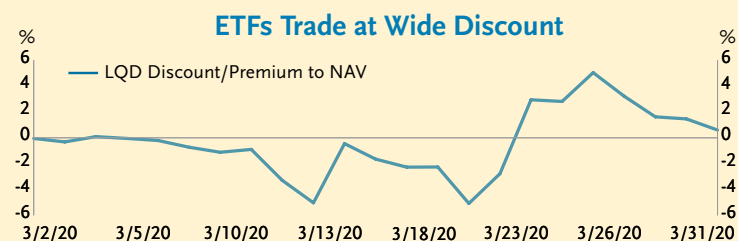


Source: TCW

Our View: Liquidity in fixed income markets is worse than it has ever been. It is especially difficult if you need to sell bonds, however if you are a buyer and can provide needed liquidity, opportunities are abundant. Our defensive posture and focus on maintaining liquidity leading up to the crisis has allowed us to extract value for clients in several sectors. For example, we have purchased corporate bonds from ETFs 10 to 20 bps cheaper than we could buy the same bonds through regular secondary markets and we were able to purchase legacy non-agency MBS bonds at significant price discounts from funds facing high levels of redemptions.

Impact to Fixed Income ETFs

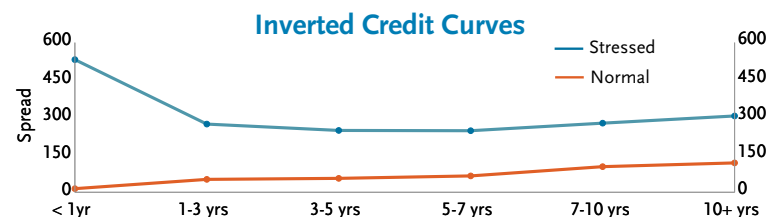
- LQD, an investment grade corporate ETF, traded at a >5% discount in March, illustrating a disconnect between ETF pricing and the prices of the underlying bonds, while also highlighting the inability of normal market mechanisms to keep that spread narrow.
- The illiquidity worked both ways, as market sentiment shifted later in the month and demand for the ETF drove >5% premiums versus the underlying bond prices.



Source: Bloomberg

Impact to Investment Grade Credit Curves

- Investors need for cash led to heavy selling in the most liquid, shortest maturity bonds whose price drops less for a given move in spread than a longer dated bond.
- This led to inverted credit curves where spreads on short maturity bonds widened more than long maturity bonds as investors sold what they could.



Source: Bloomberg, credit curve for investment grade telecom company

Biography



Jamie Franco
Senior Vice President
Client Services – Fixed Income

Ms. Franco is a Senior Account Manager and Product Specialist where she is responsible for communicating investment strategies, performance, and outlook to fixed income clients. Prior to joining TCW in 2014, she spent the past decade with the U.S. Department of the Treasury. Throughout her tenure, she served as a Senior Advisor to the Assistant Secretary for Financial Markets, International Economist, and Deputy Director of the International Banking and Securities Markets Office. Ms. Franco also served as an Advisor to the U.S. Executive Director at the International Monetary Fund for several years. Ms. Franco holds a BA in Political Science from The Johns Hopkins University and an MA in International Economics from Johns Hopkins School of Advanced International Studies. Additionally, she holds Series 7 and 63 licenses.

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An investment in the strategy described herein has risks, including the risk of losing some or all of the invested capital. An investor should carefully consider the risks and suitability of an investment strategy based on their own investment objectives and financial position. There is no assurance that the investment objectives and/or trends will come to pass or be maintained. The information contained herein may include preliminary information and/or “forward-looking statements.” Due to numerous factors, actual events may differ substantially from those presented herein. TCW assumes no duty to update any forward-looking statements or opinions in this document. This material comprises the assets under management of The TCW Group, Inc. and its subsidiaries, including TCW Investment Management Company LLC, TCW Asset Management Company LLC, and Metropolitan West Asset Management, LLC. Any opinions expressed herein are current only as of the time made and are subject to change without notice. The investment processes described herein are illustrative only and are subject to change. Past performance is no guarantee of future results. © 2020 TCW



RETIREMENT BOARD STAFF REPORT

DATE: June 10, 2020

Agenda Item: 17

TO: Sacramento Regional Transit Retirement Boards – ALL

FROM: Jamie Adelman, AVP Finance & Treasury

SUBJ: RECEIVE AND FILE INVESTMENT PERFORMANCE RESULTS FOR THE ATU, IBEW AND SALARIED EMPLOYEE RETIREMENT PLANS FOR THE QUARTER ENDED MARCH 31, 2020 (ALL). (ADELMAN)

RECOMMENDATION

Motion to Approve.

RESULT OF RECOMMENDED ACTION

Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2020 (ALL). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Pension funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines adopted by each Retirement Board. Attached are the two investment performance reports prepared by the Boards' pension investment consultants. The first report is the First Quarter 2020 Market Update (Attachment 1) and the second is the Investment Measurement Service Quarterly Review as of March 31, 2020 (Attachment 2). These reports provide a detailed analysis of the performance of each of the investment managers retained by the Retirement Boards to manage the Retirement Funds for the quarter ended March 31, 2020. The second report compares the performance of each investment manager with benchmark indices, other fund managers of similarly invested portfolios and other indices.

Investment Compliance Monitoring

In accordance with the Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (Investment Policy),

Northern Trust Company performs daily investment compliance monitoring on the Plans' three (3) actively managed funds. As of March 31, 2020, there were no compliance warnings or alerts to be reported; therefore, the investments are in compliance with the Investment Policy. The final attached report includes the monitoring summary (Attachment 3).

The table below provides an overview of the quarter performance, quarter ending March 31, 2020 – gross of investment management fees:

Investment Manager - Description - Benchmark	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/ (Losses)	Pension Fund Contributions/ (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	(26.73%)	(28.75%)	\$(14,800,600)	-
S&P 500 Index (large cap value) S&P 500	(19.60%)	(19.61%)	\$(10,699,456)	\$(567,069)
Atlanta Capital (small cap) Russell 2000	(30.61%)	(23.96%)	\$(6,541,898)	-
Pyrford (international equities) MSCI EAFE	(22.83%)	(19.16%)	\$(5,734,588)	-
MSCI EAFE Index (international equities) MSCI EAFE	(22.83%)	(22.67%)	\$(2,769,236)	-
AQR (small cap international equities) MSCI EAFE SC	(23.60%)	(28.21%)	\$(4,049,378)	-
Dimensional Fund Advisors (emerging markets) MSCI EM	(3.15%)	(2.70%)	\$(4,934,992)	-
Metropolitan West (fixed income) Bloomberg Agg.	14.12%	14.73%	\$2,923,615	-
Totals	(26.73%)	(28.75%)	\$(46,606,533)	\$(567,069)

Bold – fund exceeding respective benchmark

The table below provides an overview of the year to date performance, as of March 31, 2020 – net of investment management fees:

Investment Manager - Description - Benchmark	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/(Loss)	Pension Fund Contributions / (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	(17.17%)	(19.71%)	\$(9,096,171)	-
S&P 500 Index (large cap value) S&P 500	(6.98%)	(7.02%)	\$(3,156,156)	\$(1,436,483)
Atlanta Capital (small cap) Russell 2000	(23.99%)	(14.03%)	\$(3,361,336)	\$(918,009)
Pyrford (international equities) MSCI EAFE	(14.38%)	(9.26%)	\$(2,491,406)	-
MSCI EAFE Index (international equities) MSCI EAFE	(14.38%)	(14.06%)	\$(1,545,739)	-
AQR (small cap international equities) MSCI EAFE SC	(18.15%)	(20.32%)	\$(2,750,925)	-
Dimensional Fund Advisors (emerging markets) MSCI EM	(17.69%)	(23.40%)	\$(3,925,960)	-
Metropolitan West (fixed income) Bloomberg Agg.	8.93%	8.68%	\$8,846,242	\$(2,125,202)
Totals	(5.05%)	(6.00%)	\$(17,481,451)	\$(4,479,694)

Bold – fund exceeding respective benchmark

Callan

June 10, 2020



Sacramento Regional Transit District

First Quarter 2020
Market Update

Anne Heaphy

Fund Sponsor Consulting

Uvan Tseng, CFA

Fund Sponsor Consulting

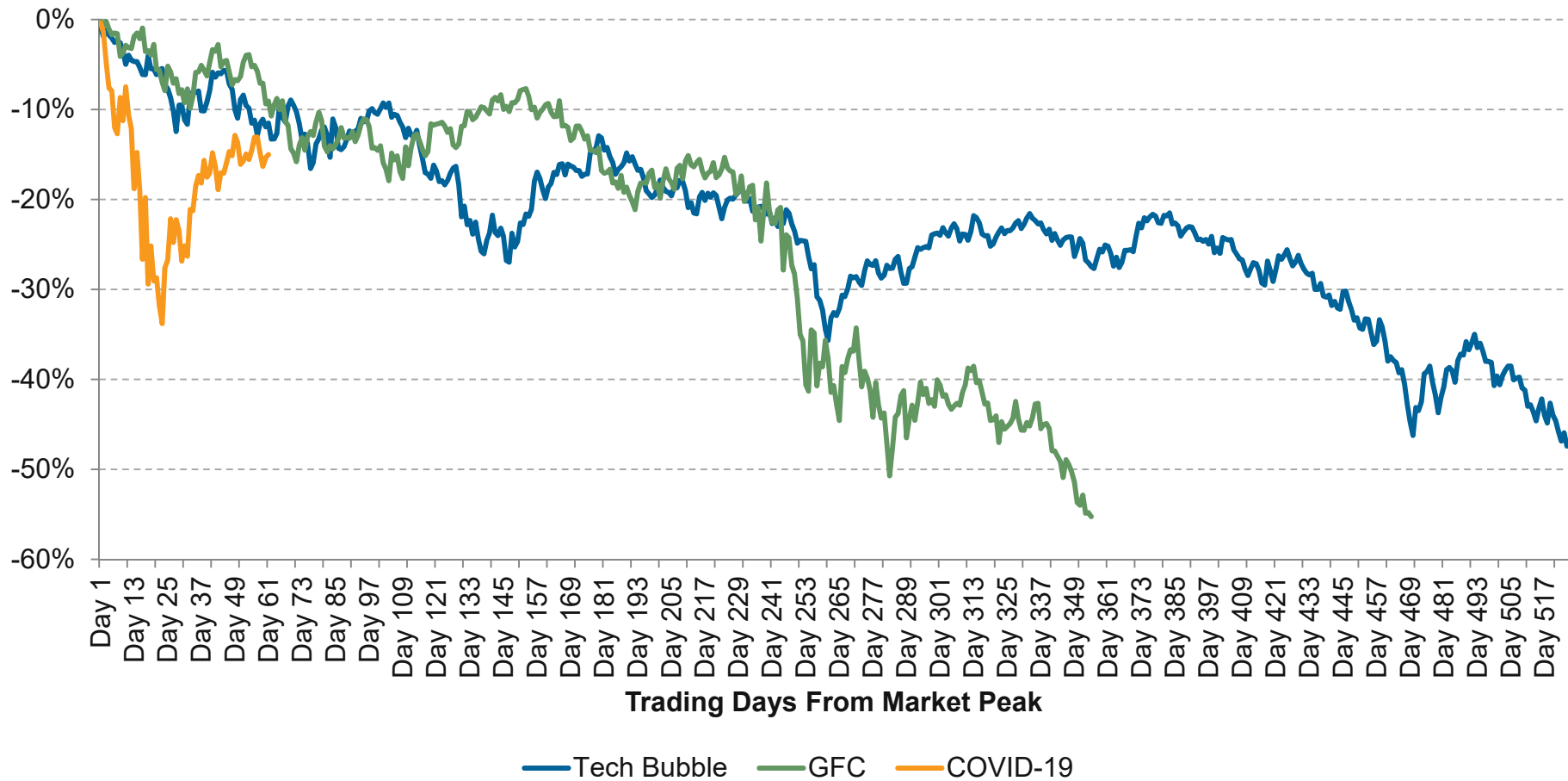
What Just Happened?

A 'Global Hurricane' in the form of a pandemic

The sharpest and fastest equity market decline ever: 16 trading days to reach bear market; -33% after just 23 days

S&P 500 Index Cumulative Returns

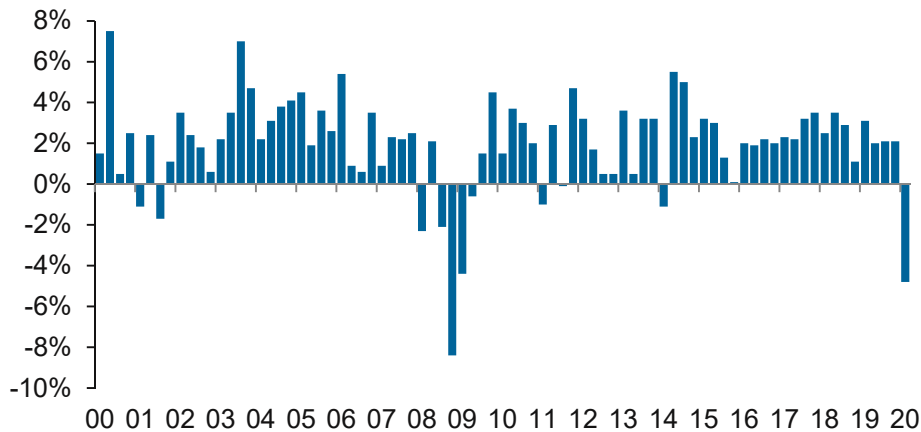
Market Peak-to-Trough for Last Two Corrections vs. Current Path of COVID-19 Correction Through 5/15/20



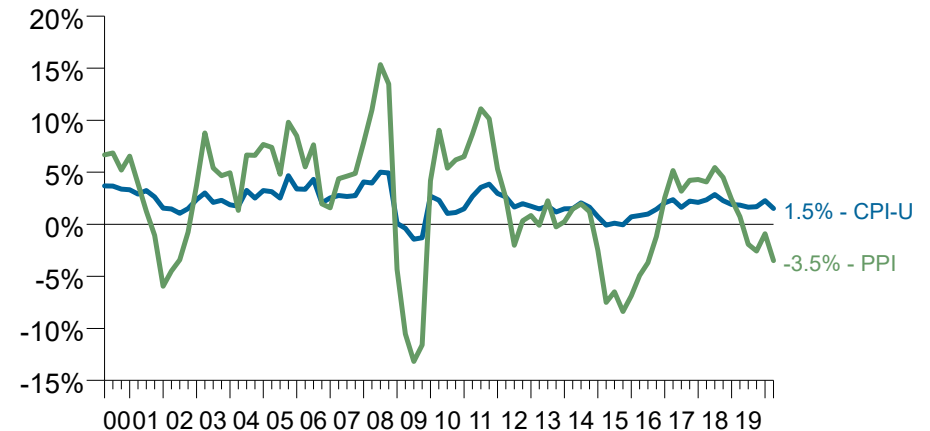
Economic Commentary

First Quarter 2020

Quarterly Real GDP Growth



Inflation Year-Over-Year



A “Global Hurricane” in the form of a pandemic; unprecedented economic impact from a global shutdown

- Dominant fear over last few years: an equity market downturn, which was realized at the end of February
- Breathtaking speed and depth of the three-week economic decline

Governments stepped in quickly with immediate monetary response, fiscal stimulus

- Fed Chairman Powell: “We’ll do whatever it takes.” Able to leverage policy playbook following GFC.
- Monetary response important, but not the solution to this crisis
- Massive fiscal policy required to address economic dislocation: companies, industries, individuals
- Tremendous uncertainty remains. Who gets rescued next?

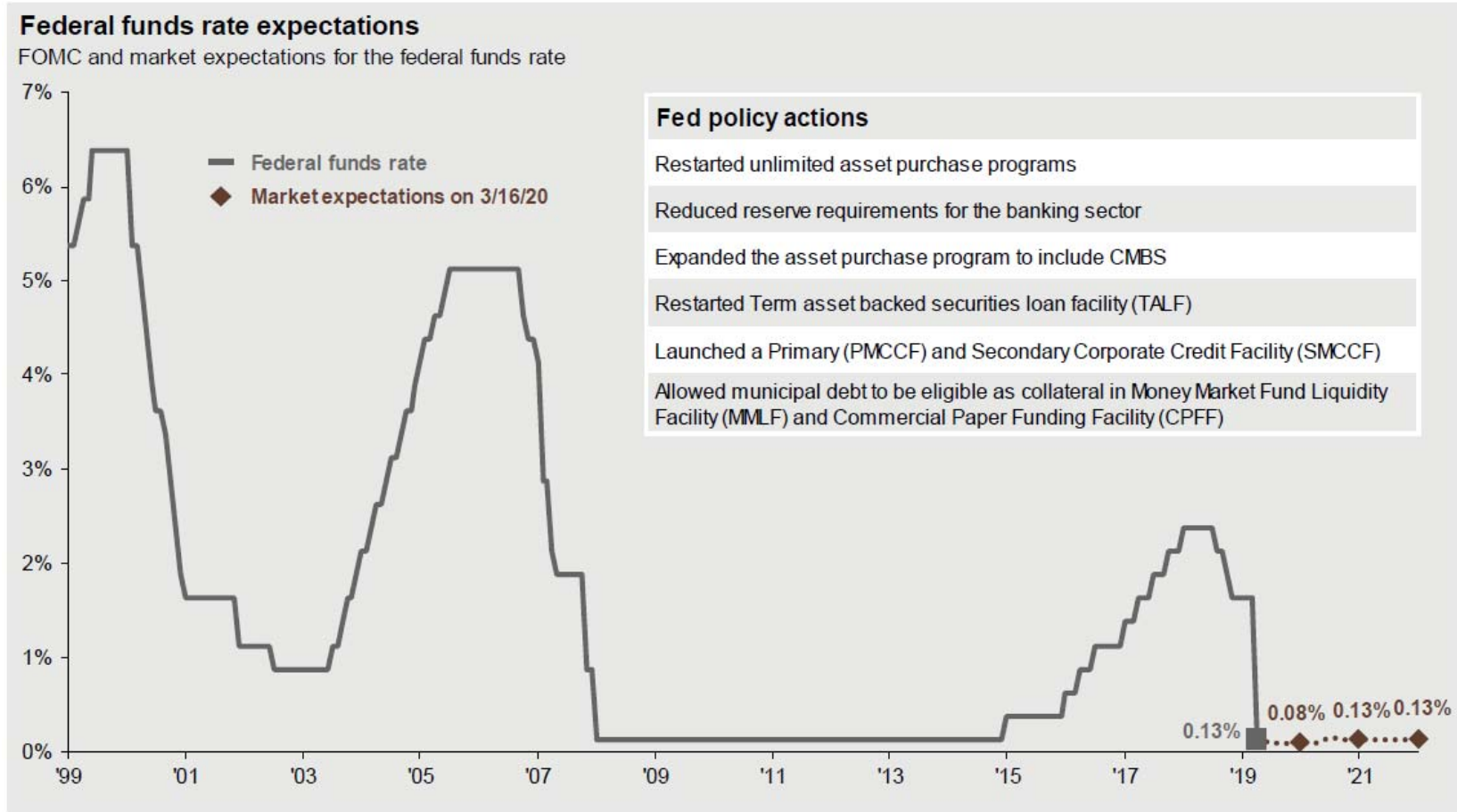
Broad economic impact

- Companies/Organizations: Stresses to revenue, earnings, economic viability, access to capital, recovery
- Individuals: Unemployment, income, wealth, retirement savings
- Governments: Increasing service burden, declining tax revenues
- Need a new method of evaluating economic data: When do levels of GDP, income, employment, and unemployment return to normal?

Source: Bureau of Economic Analysis, Bureau of Labor Statistics

Government Intervention

US Monetary Policy



Source: Bloomberg, FactSet, Federal Reserve, J.P. Morgan Asset Management.
Market expectations are the federal funds rates priced into the fed futures market as of the following date of the March 15, 2020 emergency cut and are through December 2022.

- The Fed cut rates repeatedly and quickly; Fed funds now near zero
- Markets do not expect the Fed to raise rates in the near future

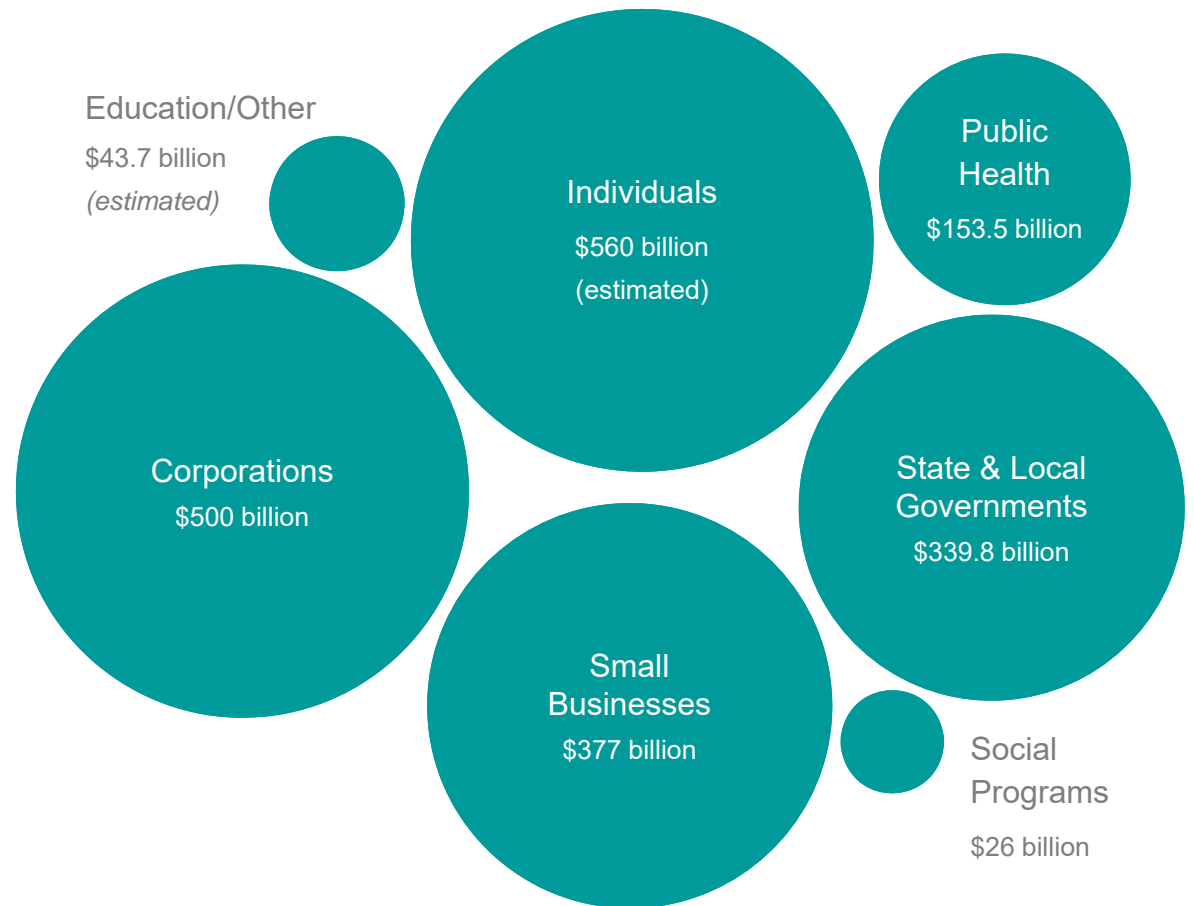
Source: Federal Reserve, J.P. Morgan Guide to the Markets U.S.

2020 CARES Act Injects \$2 Trillion in Fiscal Stimulus

Equates to roughly 10% of GDP

- Expanded unemployment benefits
 - New benefits for those who exhausted eligibility
 - Additional \$600/week for up to four months
 - Potential for 13 weeks of federal benefits after state benefits exhausted
- Cash distributions
 - Up to \$1,200 for individuals, scaled by income level
 - Advance refundable tax credit against 2020 income taxes
- Student loan relief
 - Suspended payments and interest for some federal student loans
 - More flexibility for federal education grants
 - Tax-free employer loan payments
- Defined contribution plan liquidity
 - Relaxation of distribution taxes
 - Expansion of loan amounts
- \$58 billion in airline industry relief
- \$377 billion for small businesses
 - Relaxed credit reporting
 - Federally backed home loan forbearance

Distribution of the \$2 Trillion from the CARES Act

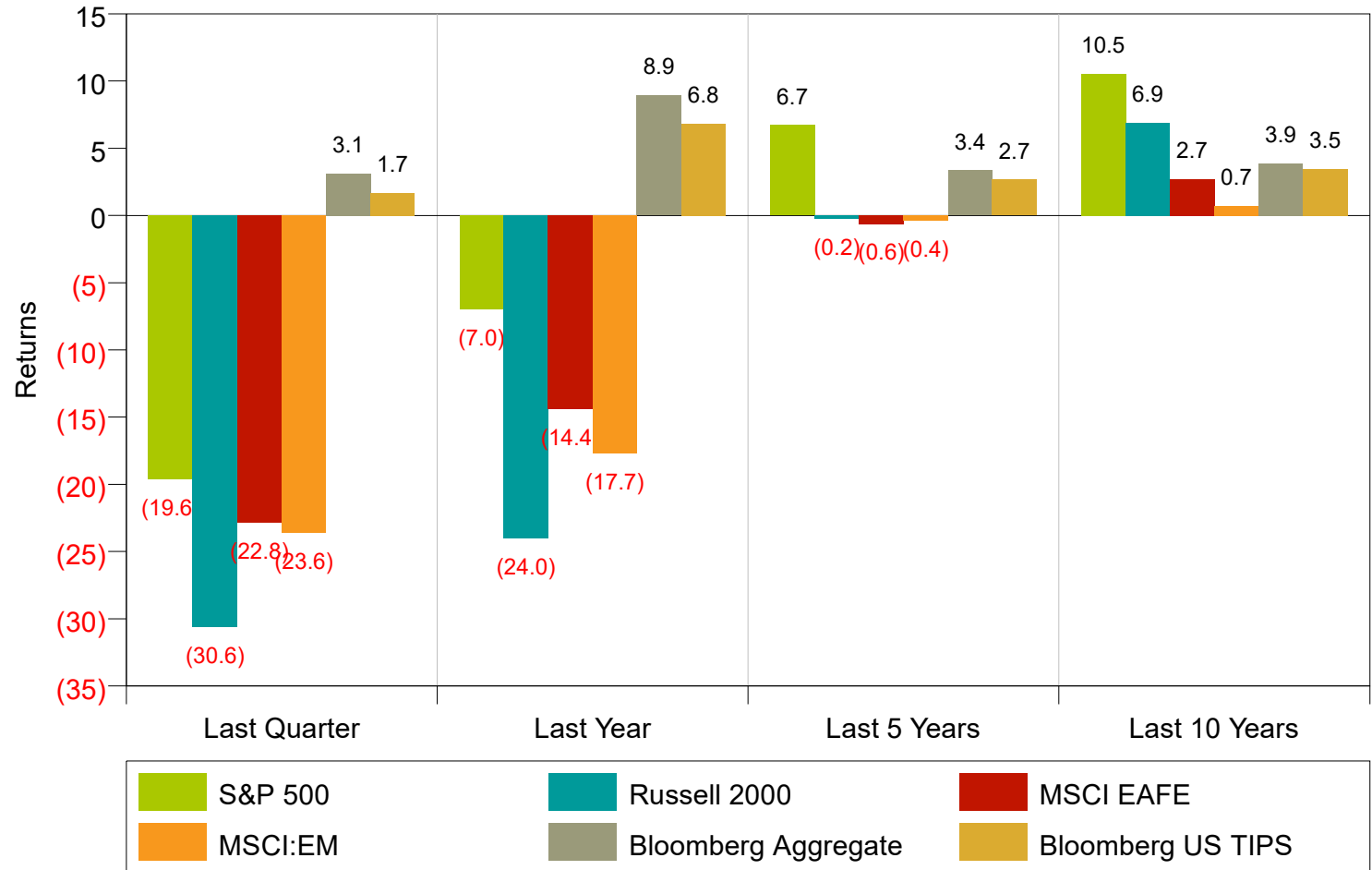


Source: NPR.org

Asset Class Performance

Periods Ended March 31, 2020

Asset Class Performance
for Periods Ended March 31, 2020



YTD as of 06/09/2020:

S&P 500:

Russell 2000:

MSCI EAFE:

MSCI Emerging Markets:

Bloomberg Aggregate:

Bloomberg TIPS:

U.S. Equity: COVID-19 Decimates U.S. Equity Returns

Cyclicals punished; Tech, Staples, and Health Care more resilient

- Energy fell as demand declined and OPEC and Russia refused to cut production, driving down oil prices globally.
- Financials and Industrials plunged as interest rates were cut by the Fed compounded by expectations of a GDP decline due to COVID-19.
- Tech fared the best— “FAAMG” stocks averaged -7.9% led by Amazon (+5.5%) and Microsoft (+0.3%).

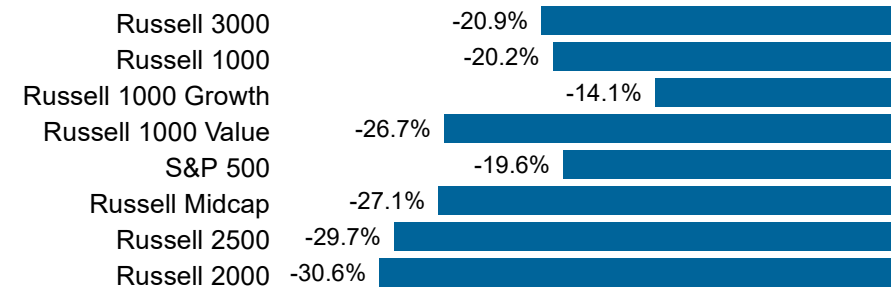
Large cap outpaces small cap for quarter

- Russell 2000 (-30.6%) experienced worst quarter on record.
- Perceived safety of larger companies combined with more acute exposure to COVID-19 impact (restaurants, hotels, airlines) drove sell-off .
- Russell 2000 Value exposure to Energy (especially E&P companies) and Financials (banks) drove results.

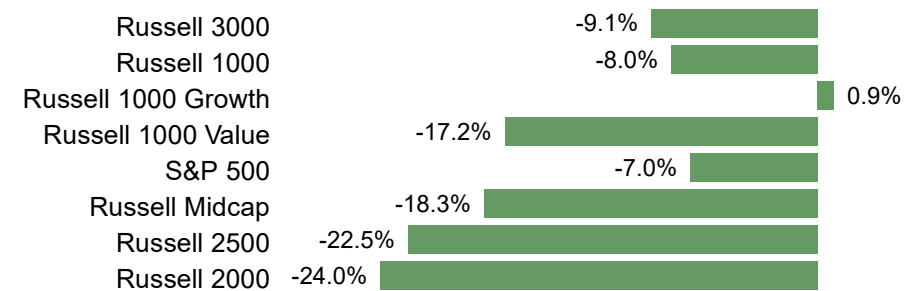
Growth outpaces value across market capitalizations

- Spread between Russell 1000 Growth (-14.1%) and Russell 2000 Value (-35.7%) one of widest on record

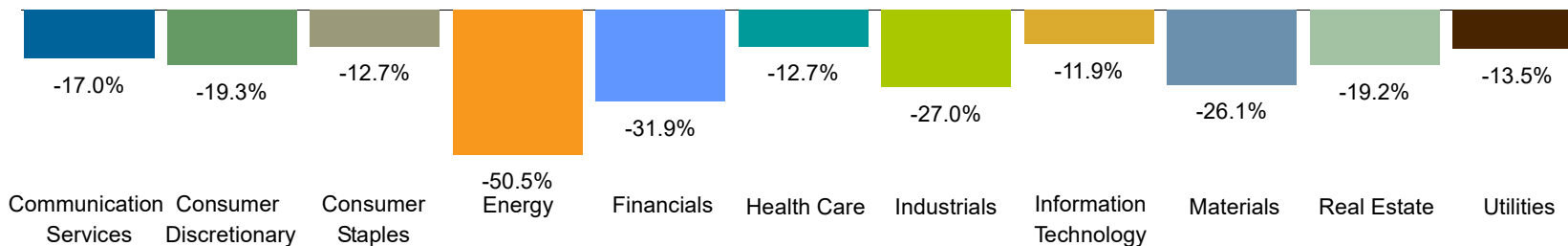
U.S. Equity: Quarterly Returns



U.S. Equity: One-Year Returns



Economic Sector Quarterly Performance (S&P 500)



Sources: FTSE Russell, S&P Dow Jones Indices

U.S. Equity Style Returns

Periods Ended March 31, 2020

	1Q 2020			Annualized 1 Year Returns		
	Value	Core	Growth	Value	Core	Growth
Large	-24.2%	-17.7%	-12.5%	-13.6%	-4.1%	3.7%
Mid	-31.7%	-27.1%	-20.0%	-24.1%	-18.3%	-9.5%
Small	-35.7%	-30.6%	-25.8%	-29.6%	-24.0%	-18.6%

Growth outpaced value.

– Growth continued its dominance over value during the massive sell off in the first quarter and has led the rebound as well

Performance by size flowed down capitalization with large cap holding up best and small cap performing the worst

Large Cap Core is represented by the Russell Top 200 Index, Large Cap Value is represented by the Russell Top 200 Value Index and Large Cap Growth is represented by the Russell Top 200 Growth Index. Mid Cap Core is represented by the Russell Mid Cap Index, Mid Cap Value is represented by the Russell Mid Cap Value Index and Mid Cap Growth is represented by the Russell Mid Cap Growth Index. Small Cap Core is represented by the Russell 2000 Index, Small Cap Value is represented by the Russell 2000 Value Index and Small Cap Growth is represented by the Russell 2000 Growth Index.

Non-U.S. Equity Performance

Worst sell-off since 2008

- Global economic activity halted with shelter-in-place response to COVID-19.
- Oil price war between Saudi Arabia and Russia further exacerbated market meltdown.
- Decisive actions to contain the outbreak and stimulate the economy allowed China to outperform every developed and developing country.

Cyclical sectors imploded

- Energy, Financial, and travel-related industries derailed by pandemic, looming global recession, and oil price war.
- Factor performance favored risk aversion, including beta, size and volatility, reflecting “risk-off” market environment.

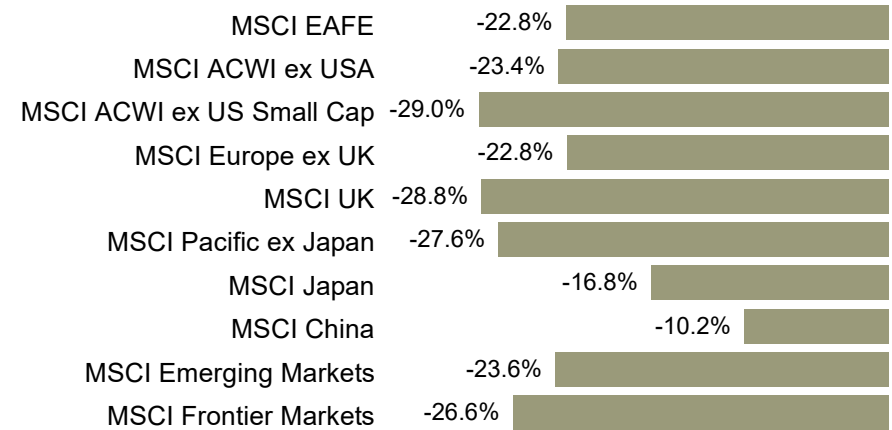
U.S. dollar vs. other currencies

- Safe-haven currencies (U.S. dollar, Swiss franc, and yen) were bid up as market volatility peaked and outperformed other major currencies.

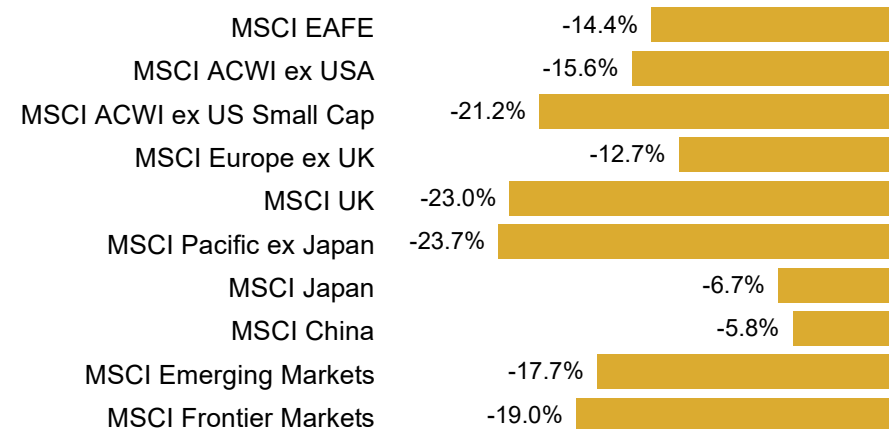
Growth vs. value

- Growth continued to outperform value within markets and capitalizations, supported by Health Care, Consumer Staples, and Tech.

Global Equity: Quarterly Returns



Global Equity: Annual Returns



Source: MSCI

U.S. Fixed Income Performance

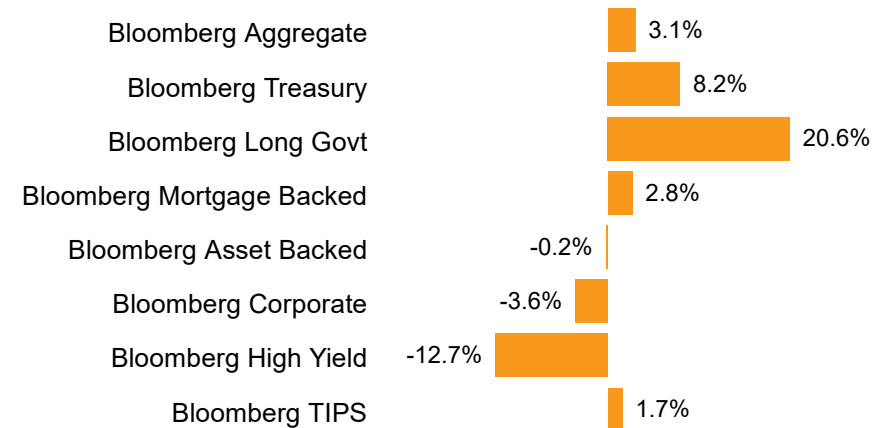
Treasuries rallied as investors sought safety

- The 10-year U.S. Treasury yield reached a low in March of 0.31% before closing the quarter at 0.70%, down sharply from the 2019 year-end level of 1.92%.
- The Treasury yield curve steepened as the Fed cut rates to 0% - 0.25%.
- TIPS underperformed nominal Treasuries as expectations for inflation sank. The 10-year breakeven spread ended the quarter at 87 bps, down sharply from 177 bps at year-end.

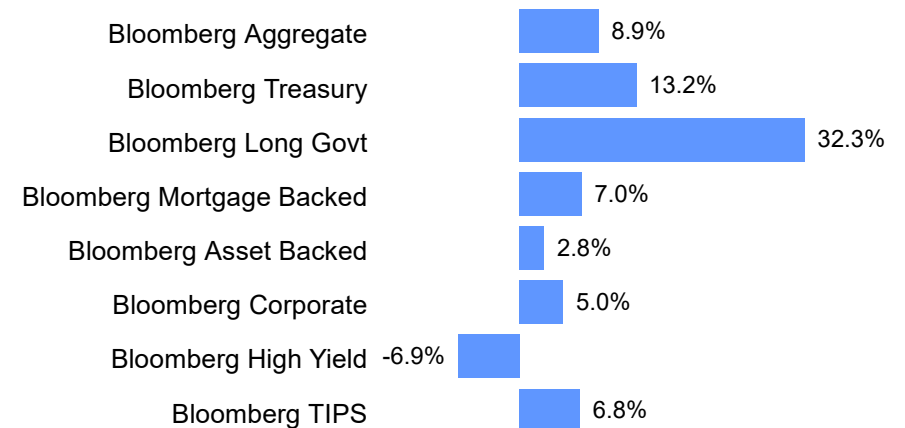
Investors spurned credit risk

- Investment grade and high yield funds saw record outflows as investors flocked to cash.
- Investment grade corporate spreads widened by 149 bps to 272 bps, representing hardest-hit sector in Bloomberg Aggregate Index; several well-known Industrials issuers downgraded to below-investment grade, including Occidental Petroleum and Ford.
- Quality bias was evident as BBB-rated credit (-7.4%) underperformed single A or higher (+0.5%).
- CCC-rated high yield corporates (-20.6%) lagged BB-rated corporates (-10.2%).
- Energy (-38.9%) was the lowest-performing high yield bond sub-sector as oil prices collapsed.

U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: One-Year Returns



Sources: Bloomberg Barclays, S&P Dow Jones Indices

Callan Periodic Table of Investment Returns

Annual Returns								Monthly Returns				
2012	2013	2014	2015	2016	2017	2018	2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	YTD 2020
Real Estate 27.73%	Small Cap Equity 38.82%	Real Estate 15.02%	Large Cap Equity 1.38%	Small Cap Equity 21.31%	Emerging Market Equity 37.28%	Large Cap Equity 31.49%	Large Cap Equity 31.49%	U.S. Fixed Income 1.92%	U.S. Fixed Income 1.80%	U.S. Fixed Income -0.59%	Small Cap Equity 13.74%	U.S. Fixed Income 4.98%
Emerging Market Equity 18.23%	Large Cap Equity 32.39%	Large Cap Equity 13.69%	U.S. Fixed Income 0.55%	High Yield 17.13%	Dev ex-U.S. Equity 24.21%	Small Cap Equity 25.52%	Small Cap Equity 25.52%	Real Estate 0.84%	Global ex-U.S. Fixed Income -0.20%	Global ex-U.S. Fixed Income -3.22%	Large Cap Equity 12.82%	Global ex-U.S. Fixed Income -0.69%
Dev ex-U.S. Equity 16.41%	Dev ex-U.S. Equity 21.02%	U.S. Fixed Income 5.97%	Real Estate -0.79%	Large Cap Equity 11.96%	Large Cap Equity 21.83%	Dev ex-U.S. Equity 22.49%	Dev ex-U.S. Equity 22.49%	Global ex-U.S. Fixed Income 0.76%	High Yield -1.41%	High Yield -11.46%	Emerging Market Equity 9.16%	High Yield -8.75%
Small Cap Equity 16.35%	High Yield 7.44%	Small Cap Equity 4.89%	Dev ex-U.S. Equity -3.04%	Emerging Market Equity 11.19%	Small Cap Equity 14.65%	Real Estate 21.91%	Real Estate 21.91%	High Yield 0.03%	Emerging Market Equity -5.27%	Large Cap Equity -12.35%	Real Estate 7.06%	Large Cap Equity -9.29%
Large Cap Equity 16.00%	Real Estate 3.67%	High Yield 2.45%	Small Cap Equity -4.41%	Real Estate 4.06%	Global ex-U.S. Fixed Income 10.51%	Emerging Market Equity 18.44%	Emerging Market Equity 18.44%	Large Cap Equity -0.04%	Large Cap Equity -8.23%	Dev ex-U.S. Equity -14.12%	Dev ex-U.S. Equity 6.97%	Emerging Market Equity -16.60%
High Yield 15.81%	U.S. Fixed Income -2.02%	Emerging Market Equity -2.19%	High Yield -4.47%	Dev ex-U.S. Equity 2.75%	Real Estate 10.36%	High Yield 14.32%	High Yield 14.32%	Dev ex-U.S. Equity -1.94%	Real Estate -8.24%	Emerging Market Equity -15.40%	High Yield 4.51%	Dev ex-U.S. Equity -17.91%
U.S. Fixed Income 4.21%	Emerging Market Equity -2.60%	Global ex-U.S. Fixed Income -3.08%	Global ex-U.S. Fixed Income -6.02%	U.S. Fixed Income 2.65%	High Yield 7.50%	U.S. Fixed Income 8.72%	U.S. Fixed Income 8.72%	Small Cap Equity -3.21%	Small Cap Equity -8.42%	Small Cap Equity -21.73%	Global ex-U.S. Fixed Income 2.04%	Small Cap Equity -21.08%
Global ex-U.S. Fixed Income 4.09%	Global ex-U.S. Fixed Income -3.08%	Dev ex-U.S. Equity -4.32%	Emerging Market Equity -14.92%	Global ex-U.S. Fixed Income 1.49%	U.S. Fixed Income 3.54%	Global ex-U.S. Fixed Income 5.09%	Global ex-U.S. Fixed Income 5.09%	Emerging Market Equity -4.66%	Dev ex-U.S. Equity -8.88%	Real Estate -22.76%	U.S. Fixed Income 1.78%	Real Estate -23.48%

Sources: ● Bloomberg Barclays Aggregate ● Bloomberg Barclays Corp High Yield ● Bloomberg Barclays Global Aggregate ex US
● FTSE EPRA Nareit Developed ● MSCI World ex USA ● MSCI Emerging Markets ● Russell 2000 ● S&P 500



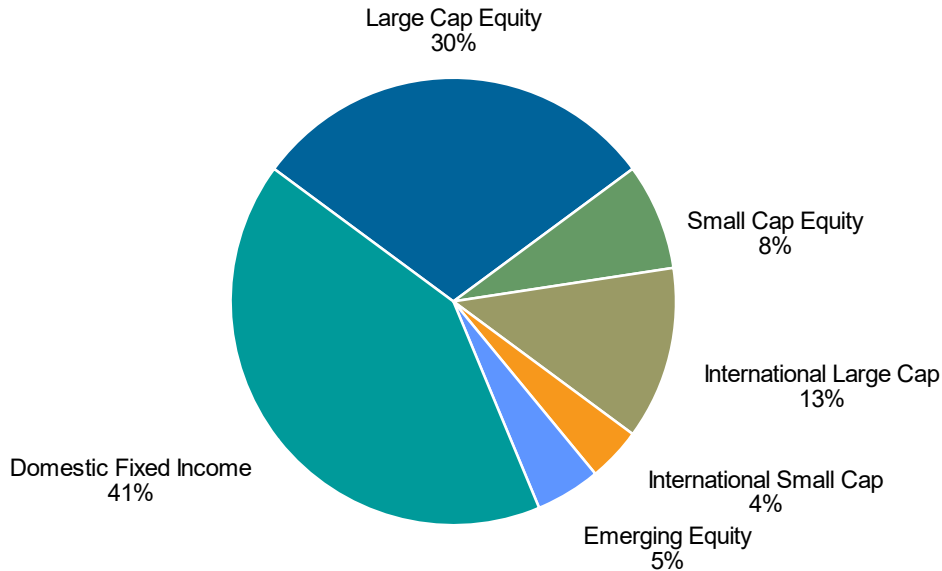
**Sacramento Regional
Transit District**

Total Fund Overview

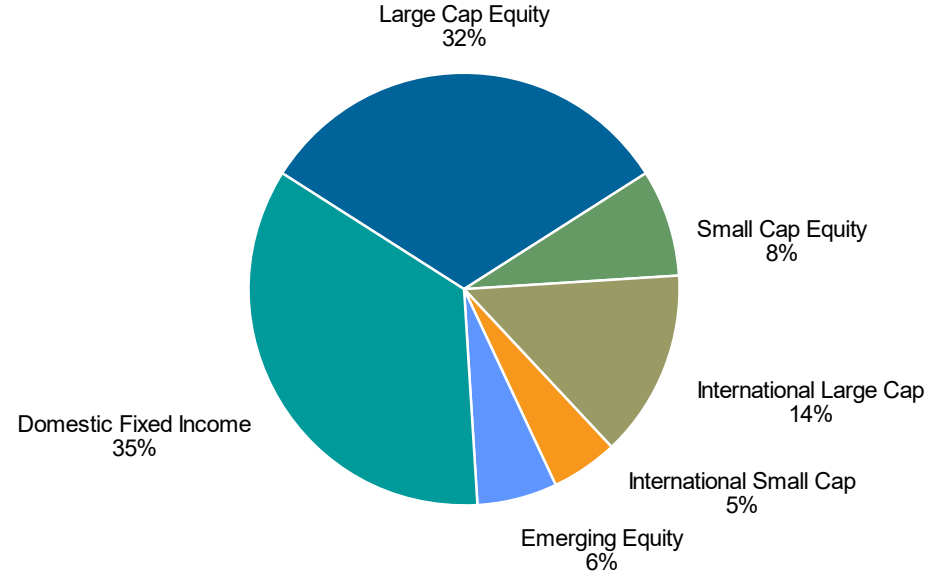
RT Asset Allocation

As of March 31, 2020

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	79,865	29.8%	32.0%	(2.2%)	(5,975)
Small Cap Equity	20,764	7.7%	8.0%	(0.3%)	(696)
International Large Cap	33,634	12.5%	14.0%	(1.5%)	(3,921)
International Small Cap	10,348	3.9%	5.0%	(1.1%)	(3,064)
Emerging Equity	12,499	4.7%	6.0%	(1.3%)	(3,597)
Domestic Fixed Income	111,142	41.4%	35.0%	6.4%	17,254
Total	268,251	100.0%	100.0%		

Total Fund

Performance Attribution

Relative Attribution Effects for Quarter ended March 31, 2020

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	(24.02%)	(19.60%)	(1.52%)	(0.02%)	(1.55%)
Small Cap Equity	9%	8%	(23.96%)	(30.61%)	0.61%	(0.07%)	0.53%
International Large Cap	13%	14%	(20.18%)	(22.83%)	0.36%	0.08%	0.45%
International Small Cap	4%	5%	(27.96%)	(27.52%)	(0.02%)	0.09%	0.07%
Emerging Equity	5%	6%	(28.21%)	(23.60%)	(0.26%)	0.07%	(0.20%)
Domestic Fixed Income	36%	35%	2.70%	3.15%	(0.16%)	0.24%	0.08%
Total			(14.73%)	(14.12%)	+ (1.00%)	+ 0.38%	(0.61%)

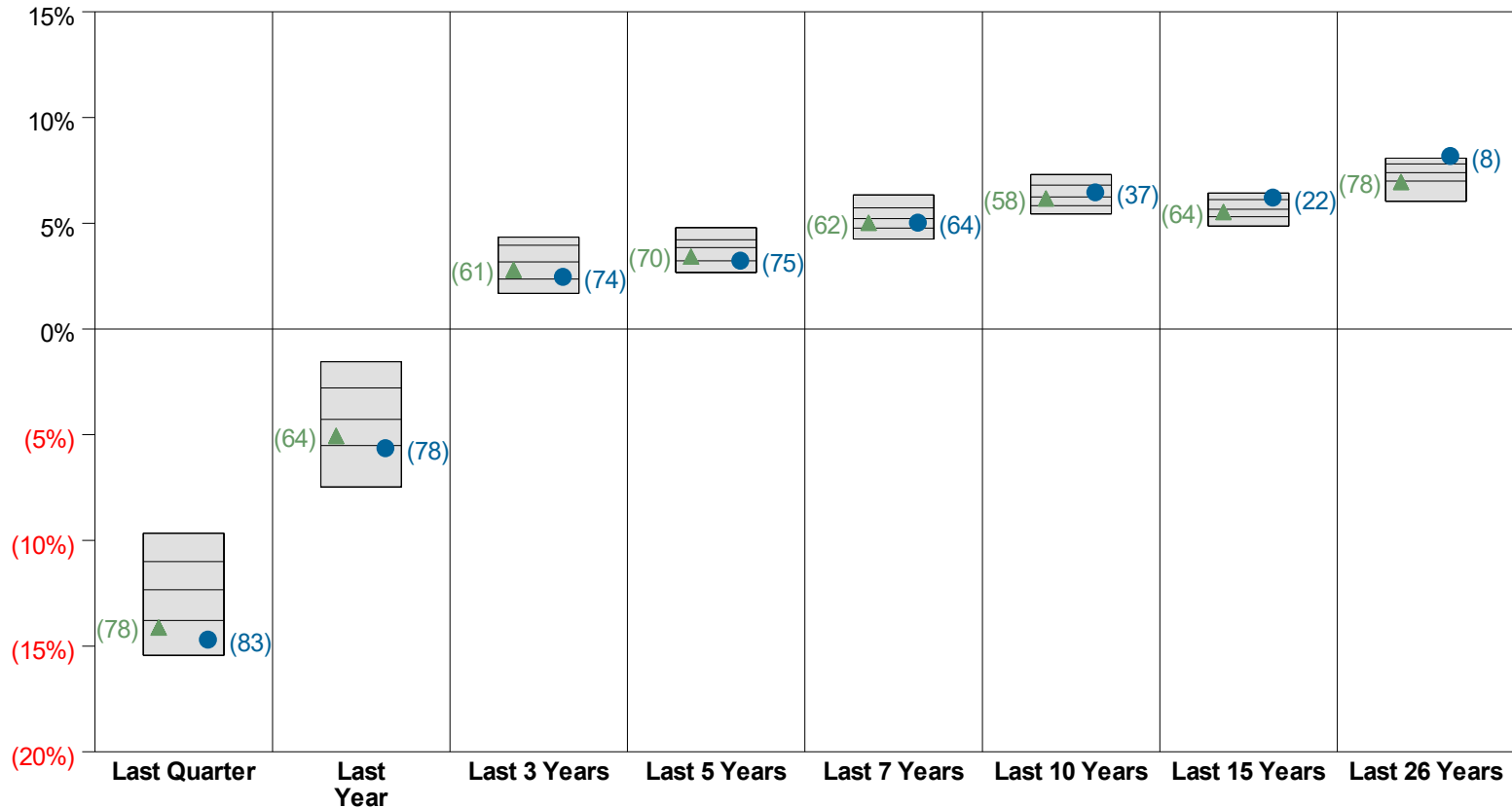
One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	(12.98%)	(6.98%)	(1.99%)	(0.03%)	(2.02%)
Small Cap Equity	9%	8%	(13.39%)	(23.99%)	1.00%	(0.11%)	0.89%
International Large Cap	13%	14%	(10.23%)	(14.38%)	0.57%	0.08%	0.65%
International Small Cap	4%	5%	(19.63%)	(18.15%)	(0.07%)	0.08%	0.01%
Emerging Equity	5%	6%	(23.00%)	(17.69%)	(0.31%)	0.07%	(0.25%)
Domestic Fixed Income	36%	35%	8.88%	8.93%	(0.04%)	0.15%	0.11%
Total			(5.67%)	(5.05%)	+ (0.86%)	+ 0.24%	(0.62%)

Total Fund

Performance as of March 31, 2020

Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)



10th Percentile	(9.66)	(1.55)	4.34	4.79	6.34	7.30	6.43	8.08
25th Percentile	(11.00)	(2.79)	3.96	4.22	5.72	6.81	6.12	7.80
Median	(12.33)	(4.27)	3.17	3.86	5.22	6.24	5.66	7.39
75th Percentile	(13.78)	(5.51)	2.36	3.22	4.77	5.83	5.31	6.99
90th Percentile	(15.43)	(7.48)	1.69	2.67	4.26	5.44	4.86	6.04
Total Fund	● (14.73)	(5.67)	2.43	3.20	4.99	6.43	6.17	8.14
Target	▲ (14.12)	(5.05)	2.80	3.42	5.03	6.17	5.53	6.95

Total Fund

Manager Asset Allocation

	March 31, 2020 Market Value	Net New Inv.	Inv. Return	December 31, 2019 Market Value
Consolidated Plan				
Domestic Equity	\$100,629,002	\$(567,069)	\$(32,041,953)	\$133,238,025
Large Cap	\$79,865,019	\$(567,069)	\$(25,500,055)	\$105,932,144
Boston Partners	36,057,008	0	(14,800,600)	50,857,608
SSgA S&P 500	43,808,011	(567,069)	(10,699,456)	55,074,536
Small Cap	\$20,763,983	\$0	\$(6,541,898)	\$27,305,881
Atlanta Capital	20,763,983	0	(6,541,898)	27,305,881
International Equity	\$56,480,589	\$0	\$(17,488,193)	\$73,968,783
International Large Cap	\$33,633,952	\$0	\$(8,503,824)	\$42,137,776
SSgA EAFE	9,443,653	0	(2,769,236)	12,212,889
Pyrford	24,190,299	0	(5,734,588)	29,924,887
International Small Cap	\$10,348,132	\$0	\$(4,049,378)	\$14,397,510
AQR	10,348,132	0	(4,049,378)	14,397,510
Emerging Equity	\$12,498,505	\$0	\$(4,934,992)	\$17,433,497
DFA Emerging Markets	12,498,505	0	(4,934,992)	17,433,497
Fixed Income	\$111,141,556	\$0	\$2,923,615	\$108,217,941
Metropolitan West	111,141,556	0	2,923,615	108,217,941
Total Plan - Consolidated	\$268,251,148	\$(567,069)	\$(46,606,532)	\$315,424,749

Total Fund

Manager Returns as of March 31, 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	(24.01%)	(13.05%)	2.04%	4.55%	8.13%
Domestic Equity Benchmark**	(21.85%)	(10.55%)	3.16%	5.38%	8.60%
Large Cap Equity	(24.02%)	(12.98%)	1.59%	4.19%	7.79%
Boston Partners	(28.75%)	(19.30%)	(2.15%)	1.46%	5.79%
Russell 1000 Value Index	(26.73%)	(17.17%)	(2.18%)	1.90%	5.56%
SSgA S&P 500	(19.61%)	(6.98%)	5.11%	6.76%	9.65%
S&P 500 Index	(19.60%)	(6.98%)	5.10%	6.73%	9.62%
Small Cap Equity	(23.96%)	(13.39%)	3.67%	5.89%	9.31%
Atlanta Capital	(23.96%)	(13.39%)	3.67%	5.89%	9.31%
Russell 2000 Index	(30.61%)	(23.99%)	(4.64%)	(0.25%)	4.21%
International Equity	(23.59%)	(15.17%)	(2.39%)	(0.80%)	1.13%
International Benchmark***	(23.94%)	(15.88%)	(1.93%)	(0.63%)	1.48%
International Large Cap	(20.18%)	(10.23%)	(0.66%)	0.30%	2.35%
SSgA EAFE	(22.67%)	(13.98%)	(1.44%)	(0.25%)	2.08%
Pyrford	(19.16%)	(8.68%)	-	-	-
MSCI EAFE Index	(22.83%)	(14.38%)	(1.82%)	(0.62%)	1.75%
International Small Cap	(27.96%)	(19.63%)	(4.56%)	-	-
AQR	(27.96%)	(19.63%)	(4.56%)	-	-
MSCI EAFE Small Cap Index	(27.52%)	(18.15%)	(2.88%)	0.97%	3.31%
Emerging Markets Equity	(28.21%)	(23.00%)	(4.88%)	(1.47%)	-
DFA Emerging Markets	(28.21%)	(23.00%)	(4.88%)	(1.47%)	-
MSCI Emerging Markets Index	(23.60%)	(17.69%)	(1.62%)	(0.36%)	(0.40%)
Domestic Fixed Income	2.70%	8.88%	5.22%	3.70%	3.54%
Met West	2.70%	8.88%	5.22%	3.70%	3.54%
Bloomberg Aggregate Index	3.15%	8.93%	4.82%	3.36%	3.19%
Total Plan	(14.73%)	(5.67%)	2.43%	3.20%	4.99%
Target*	(14.12%)	(5.05%)	2.80%	3.42%	5.03%

* Current Quarter Target = 35.0% Bloomberg Aggregate Index, 32.0% S&P 500 Index, 14.0% MSCI EAFE Index, 8.0% Russell 2000 Index, 6.0% MSCI Emerging Markets Index, and 5.0% MSCI EAFE Small Cap Index.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

*** International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Total Fund

Manager Calendar Year Returns

	12/2019- 3/2020	2019	2018	2017	2016
Domestic Equity	(24.01%)	27.71%	(4.64%)	19.78%	14.58%
Domestic Equity Benchmark**	(21.85%)	30.32%	(5.69%)	20.41%	13.85%
Large Cap Equity	(24.02%)	27.77%	(6.33%)	21.10%	13.38%
Boston Partners	(28.75%)	23.91%	(8.27%)	20.32%	14.71%
Russell 1000 Value Index	(26.73%)	26.54%	(8.27%)	13.66%	17.34%
SSgA S&P 500	(19.61%)	31.50%	(4.39%)	21.86%	12.03%
S&P 500 Index	(19.60%)	31.49%	(4.38%)	21.83%	11.96%
Small Cap Equity	(23.96%)	27.38%	1.78%	15.01%	19.17%
Atlanta Capital	(23.96%)	27.38%	1.78%	15.01%	19.17%
Russell 2000 Index	(30.61%)	25.52%	(11.01%)	14.65%	21.31%
International Equity	(23.59%)	20.83%	(13.93%)	28.25%	2.55%
International Benchmark***	(23.94%)	21.78%	(14.76%)	29.51%	3.26%
International Large Cap	(20.18%)	22.34%	(11.25%)	22.63%	1.35%
SSgA EAFE	(22.67%)	22.49%	(13.49%)	25.47%	1.37%
Pyrford	(19.16%)	22.30%	(10.31%)	-	-
MSCI EAFE Index	(22.83%)	22.01%	(13.79%)	25.03%	1.00%
International Small Cap	(27.96%)	21.73%	(19.94%)	33.76%	-
AQR	(27.96%)	21.73%	(19.94%)	33.76%	-
MSCI EAFE Small Cap Index	(27.52%)	24.96%	(17.89%)	33.01%	2.18%
Emerging Markets Equity	(28.21%)	16.64%	(14.80%)	37.32%	12.99%
DFA Emerging Markets	(28.21%)	16.64%	(14.80%)	37.32%	12.99%
MSCI Emerging Markets Index	(23.60%)	18.44%	(14.57%)	37.28%	11.19%
Domestic Fixed Income	2.70%	9.41%	0.75%	3.89%	2.87%
Met West	2.70%	9.41%	0.75%	3.89%	2.87%
Bloomberg Aggregate Index	3.15%	8.72%	0.01%	3.54%	2.65%
Total Plan	(14.73%)	19.25%	(5.05%)	16.14%	7.65%
Target*	(14.12%)	20.58%	(5.82%)	16.39%	7.40%

* Current Quarter Target = 35.0% Bloomberg Aggregate Index, 32.0% S&P 500 Index, 14.0% MSCI EAFE Index, 8.0% Russell 2000 Index, 6.0% MSCI Emerging Markets Index, and 5.0% MSCI EAFE Small Cap Index.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

*** International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Callan

March 31, 2020



Sacramento Regional Transit District Retirement Plans

**Investment Measurement Service
Quarterly Review**

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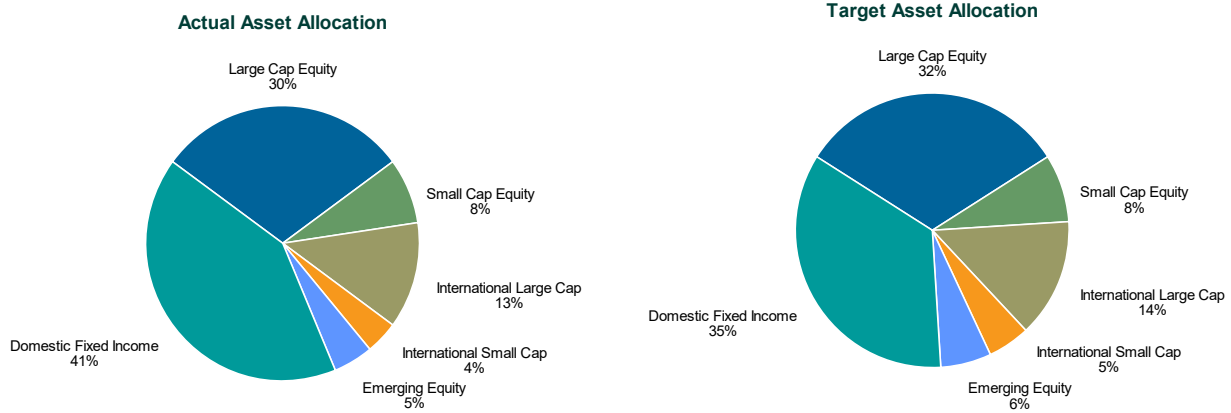
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Sacramento Regional Transit District
Executive Summary for Period Ending March 31, 2020

Asset Allocation



Performance

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Total Plan	(14.73%)	(5.67%)	2.43%	3.20%	4.99%
Target*	(14.12%)	(5.05%)	2.80%	3.42%	5.03%

Recent Developments

N/A

Organizational Issues

N/A

Manager Performance

Manager	Peer Group Ranking		
	Last Year	Last 3 Years	Last 7 Years
Boston Partners	62	50	52
Atlanta Capital	11	18	11
Pyrford	4	[15]	[45]
AQR	58	62	[65]
DFA	94	90	[87]
MetWest	4	4	32

Brackets indicate performance linked with manager's composite

Watch List

AQR and DFA should be added to the watch list as performance now lags both their respective benchmarks and peer groups over mid-to-longer term periods.

Items Outstanding

N/A

*Current quarter target = 35% Bloomberg Barclays Aggregate Index, 32% S&P 500 Index, 8% Russell 2000 Index, 14% MSCI EAFE Index, 5% MSCI EAFE Small Cap Index, and 6% MSCI Emerging Markets Index.

U.S. EQUITY

During the 1st quarter of 2020, the COVID-19 pandemic coupled with an oil price war between Saudi Arabia and Russia spurred extreme global market volatility, which was further exacerbated by the realization that a shelter-in-place mandate was required to overcome the spread of the disease, subsequently inducing an all-but-certain global recession.

Large cap (S&P 500: -19.6%; Russell 1000: -20.2%)

- Cyclical were punished while Technology, Staples, and Health Care were more resilient.
- Energy (-50.5%) plunged as demand declined and OPEC and Russia refused to cut production, driving down oil prices globally.
- Financials (-31.9%) and Industrials (-27.1%) fell sharply as interest rates were cut by the Fed in an emergency session, and due to expectations of a steep GDP decline because of COVID-19.
- Technology fared the best (-11.9%). The FAAMG stocks had an average return of -7.9% in Q1, led by Amazon (+5.5%) and Microsoft (+0.3%); Health Care (-12.7%) and Consumer Staples (-12.7%) also held up better than the index average.

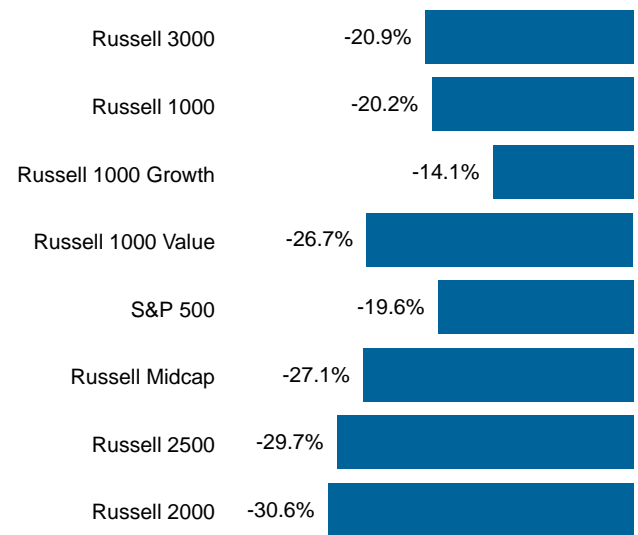
Large cap outpaced small cap for the quarter

- The Russell 2000 (-30.6%) experienced its worst quarter on record.
- The perceived safety of larger companies combined with more acute exposure to COVID-19 impact (e.g., restaurants, hotels, airlines, REITs) drove the sell-off.
- The performance of the Russell 2000 Value (-35.7%) was driven by its exposure to Energy (especially exploration and production companies) and Financials (banks).

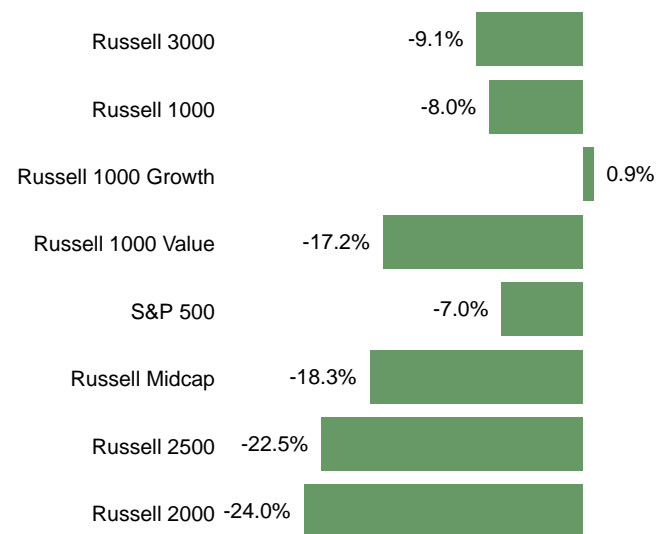
Growth outpaces value across market capitalizations

- The spread between Russell 1000 Growth (-14.1%) and Russell 2000 Value (-35.7%) was one of the widest ever.
- Russell MidCap Value (-0.8%) and Russell 2000 Value (-2.4%) now have negative annualized returns over a trailing five-year time period.

U.S. Equity: Quarterly Returns

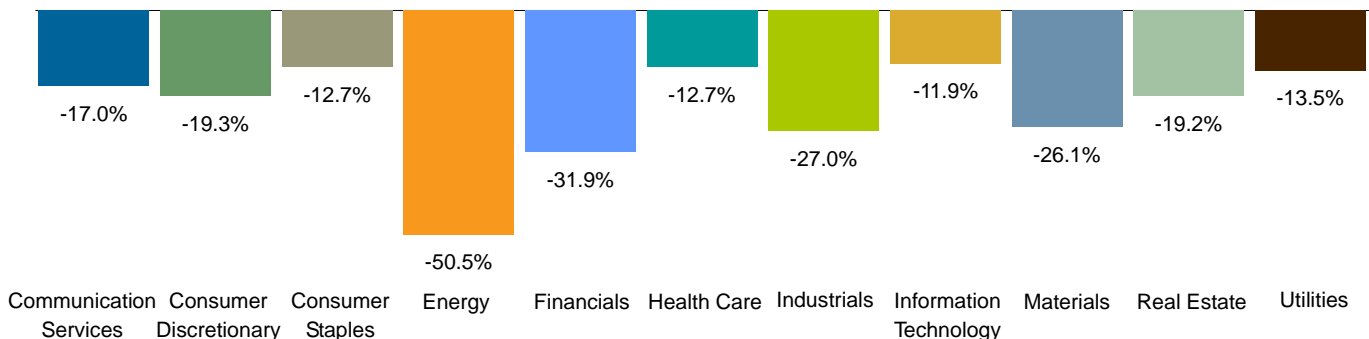


U.S. Equity: One-Year Returns



Sources: FTSE Russell, Standard & Poor's

S&P Sector Returns, Quarter Ended March 31, 2020



Source: Standard & Poor's

GLOBAL/GLOBAL EX-U.S. EQUITY

The COVID-19 pandemic coupled with the oil price war between Saudi Arabia and Russia injected significant volatility into the global equity markets, with most major indices entering bear market territory.

Global/Developed ex-U.S. (MSCI EAFE: -22.8%; MSCI World ex USA: -23.3%; MSCI ACWI ex USA: -23.4%; MSCI Japan: -16.8%; MSCI Pacific ex Japan: -27.6%)

- Fears of the pandemic and a global recession stoked the worst quarterly sell off since 2008 as economic activity halted worldwide.
- The oil price war further exacerbated the market meltdown, bidding up safe-haven assets and currencies.
- The U.S. dollar outperformed the euro, the British pound, and other major currencies, while underperforming the Swiss franc and yen.
- Every sector posted negative returns, led by cyclicals like travel-related industries, Energy, and Financials given the state of the economy and oil prices.
- Defensive sectors generally were under less pressure as demand for basic necessities to function (i.e., e-commerce and mobility) and combat the pandemic (i.e., diagnostics and treatment) helped stabilize Health Care, Consumer Staples, and Information Technology.
- Factor performance in developed ex-U.S. markets reflected risk aversion, including beta, size, and volatility.

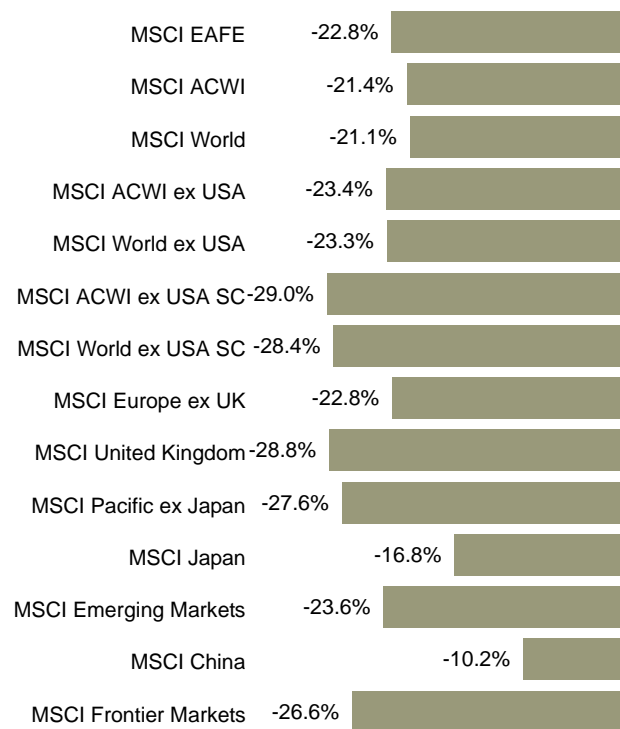
Emerging Markets (MSCI Emerging Markets Index: -23.6%)

- Decisive actions to contain the pandemic and stimulate the economy allowed China to outperform every developed and developing country.
- A looming global recession and the collapse in oil prices decimated commodities-levered economies like Brazil, South Africa, and Russia.
- Every sector posted negative returns, led by cyclicals such as travel-related industries, Energy, and Financials.
- Defensive sectors generally were under less pressure as demand for basic necessities and for diagnostics and treatment helped stabilize Health Care, Consumer Staples, and Information Technology.

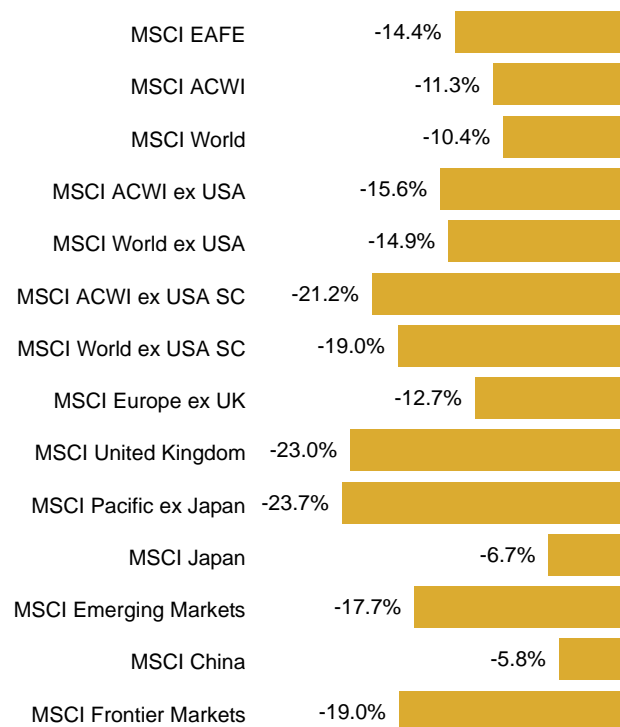
Global ex-U.S. Small Cap (MSCI World ex USA Small Cap: -28.4%; MSCI EM Small Cap: -31.4%; MSCI ACWI ex USA Small Cap: -29.0%)

- "Risk-off" market environment challenged small cap relative to large cap in both developed and emerging markets.
- Growth significantly outperformed value both within developed and emerging markets, supported by strong performance in Health Care, Consumer Staples, and Information Technology.

Global Equity: Quarterly Returns



Global Equity: One-Year Returns



Source: MSCI

U.S. FIXED INCOME

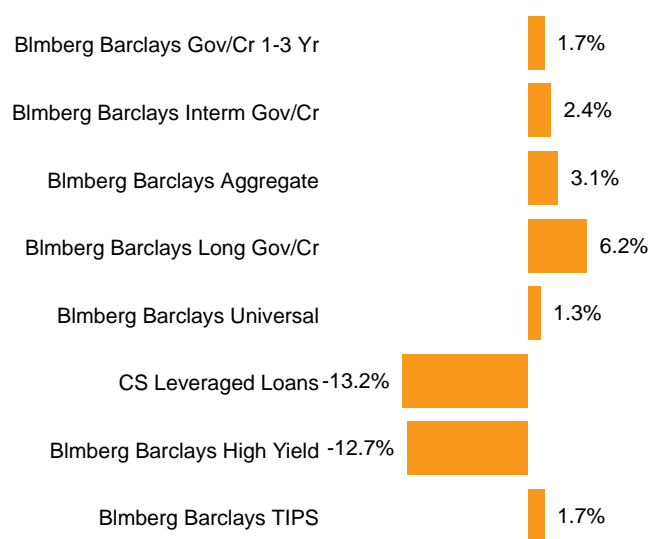
Treasuries rallied as investors sought safety

- The 10-year U.S. Treasury yield reached a low in March of 0.31% before closing the quarter at 0.70%, down sharply from the 2019 year-end level of 1.92%.
- The Treasury yield curve steepened as the Fed cut rates to 0%-0.25%.
- TIPS underperformed nominal Treasuries as expectations for inflation sank. The 10-year breakeven spread ended the quarter at 87 bps, down sharply from 177 bps at year-end.

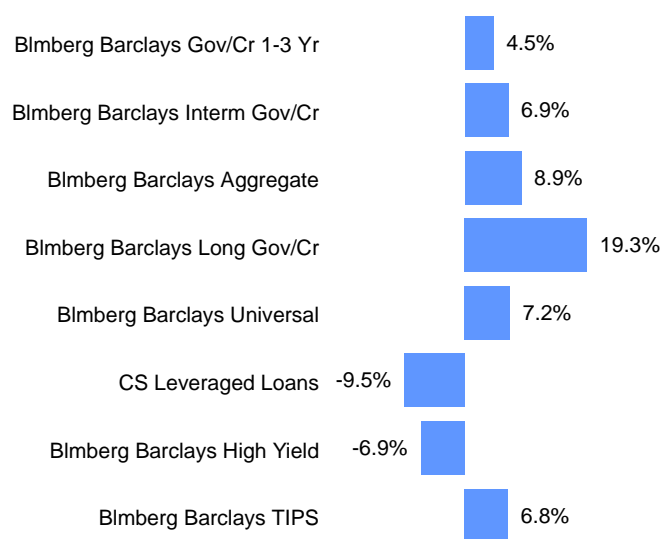
Investors spurned credit risk

- Investment grade and high yield bond funds experienced record outflows as investors flocked to cash.
- Investment grade corporate spreads widened by 149 bps to 272 bps, representing the hardest hit sector in the Bloomberg Barclays US Aggregate Bond Index, particularly within Industrials, where several well-known issuers were downgraded to below investment grade, including Occidental Petroleum and Ford.
- The quality bias was evident as BBB-rated credit (-7.4%) underperformed single A or higher (+0.5%).
- CCC-rated high yield corporates (-20.6%) lagged BB-rated corporates (-10.2%).
- Energy (-38.9%) was the lowest-performing high yield bond sub-sector as oil prices collapsed.

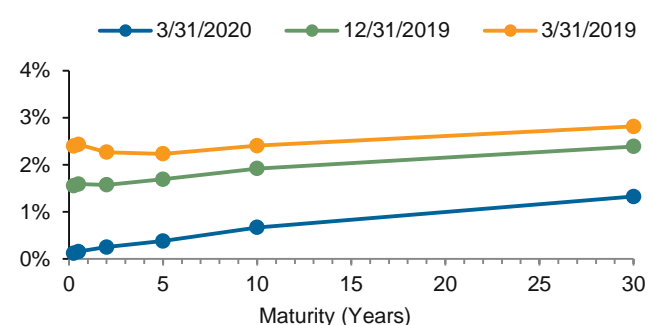
U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: One-Year Returns



U.S. Treasury Yield Curves



Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

GLOBAL FIXED INCOME

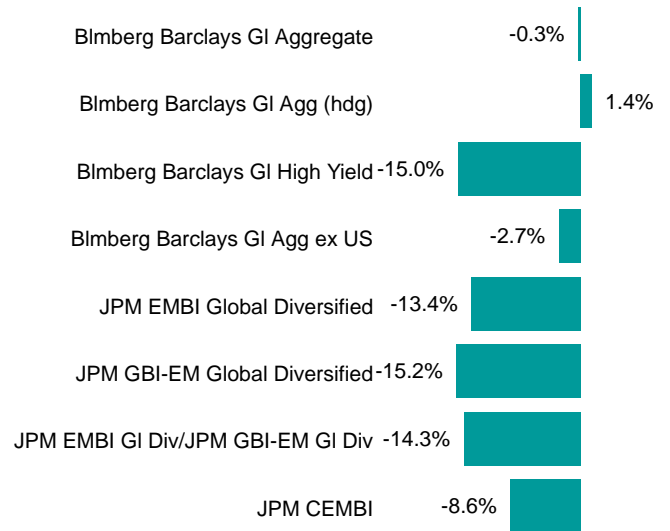
Global ex-U.S. fixed income ended slightly down

- Developed market sovereign bond yields ended the quarter slightly higher even as central banks stepped in to provide support to their economies; the European Central Bank launched a €750 billion stimulus program and the Bank of England cut interest rates.
- The U.S. dollar rose against the Australian dollar, British pound, and euro as investors sought safety within the greenback.

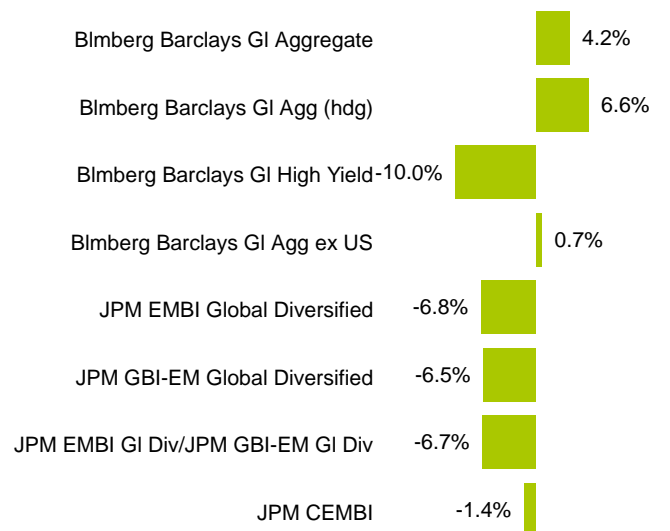
Emerging market debt plummeted in the risk-off environment

- Within the dollar-denominated benchmark, returns were mixed amongst its 60+ constituents.
- Within the local currency-denominated benchmark, several local market returns in Latin America dropped about 20% (Brazil, Mexico, and Colombia) and South Africa dropped 29% as oil-sensitive economies suffered from the drop in oil prices.

Global Fixed Income: Quarterly Returns

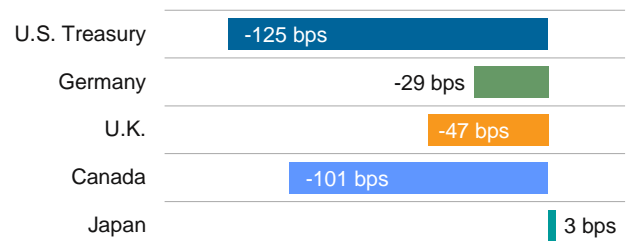


Global Fixed Income: One-Year Returns



Change in 10-Year Global Government Bond Yields

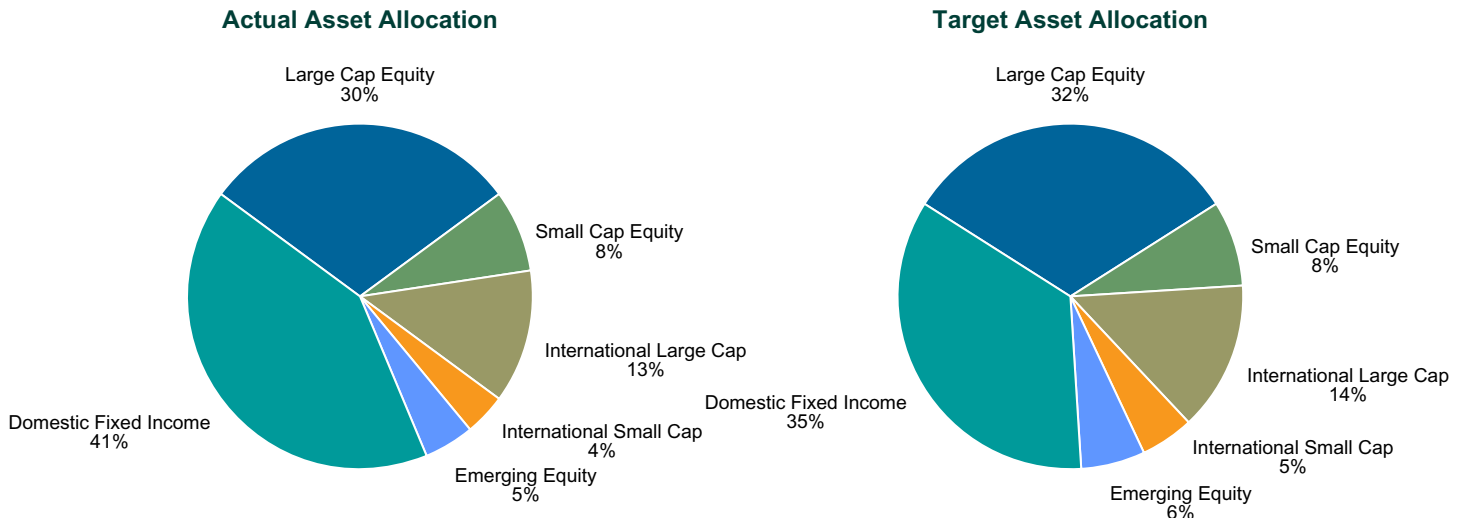
4Q19 to 1Q20



Sources: Bloomberg, Bloomberg Barclays, JP Morgan

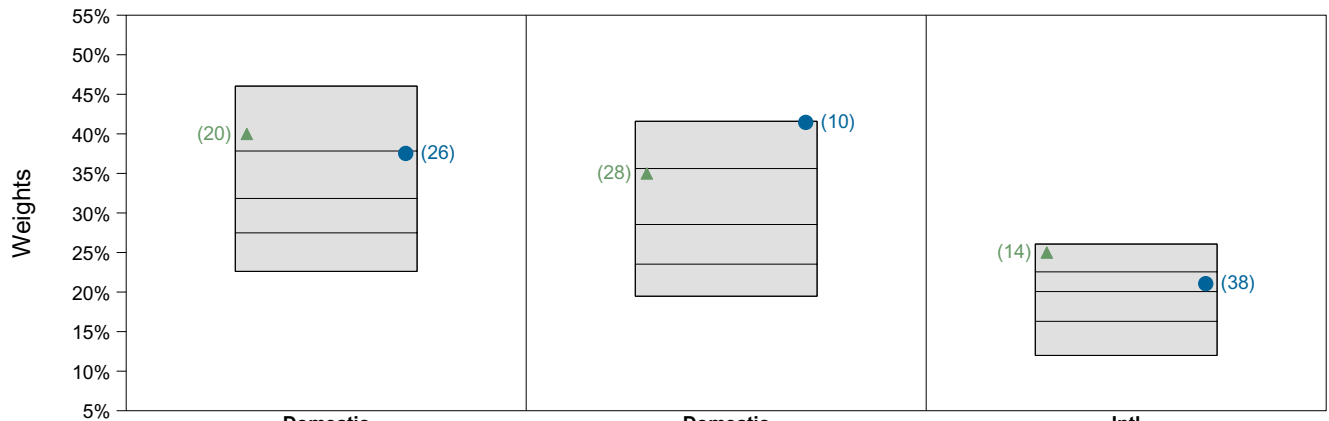
Actual vs Target Asset Allocation As of March 31, 2020

The top left chart shows the Fund's asset allocation as of March 31, 2020. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Callan Public Fund Spons- Mid (100M-1B).



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	79,865	29.8%	32.0%	(2.2%)	(5,975)
Small Cap Equity	20,764	7.7%	8.0%	(0.3%)	(696)
International Large Cap	33,634	12.5%	14.0%	(1.5%)	(3,921)
International Small Cap	10,348	3.9%	5.0%	(1.1%)	(3,064)
Emerging Equity	12,499	4.7%	6.0%	(1.3%)	(3,597)
Domestic Fixed Income	111,142	41.4%	35.0%	6.4%	17,254
Total	268,251	100.0%	100.0%		

Asset Class Weights vs Callan Public Fund Spons- Mid (100M-1B)



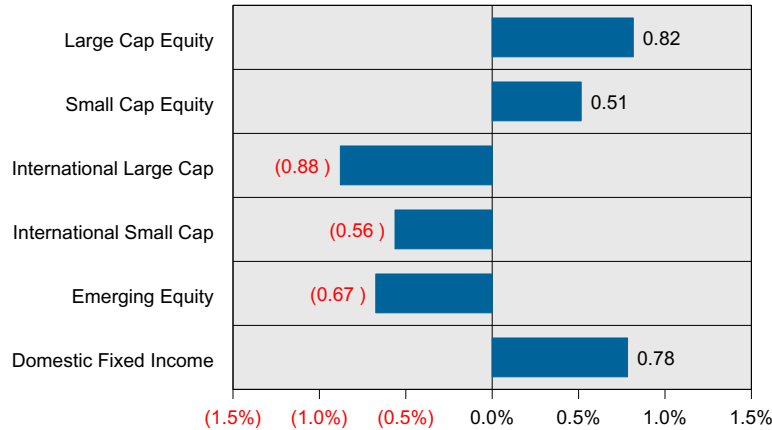
	Domestic Broad Eq	Domestic Fixed Income	Intl Equity
10th Percentile	46.03	41.59	26.07
25th Percentile	37.83	35.61	22.55
Median	31.83	28.54	20.06
75th Percentile	27.49	23.53	16.30
90th Percentile	22.62	19.47	11.99
Fund ●	37.51	41.43	21.06
Target ▲	40.00	35.00	25.00
% Group Invested	98.11%	100.00%	96.23%

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

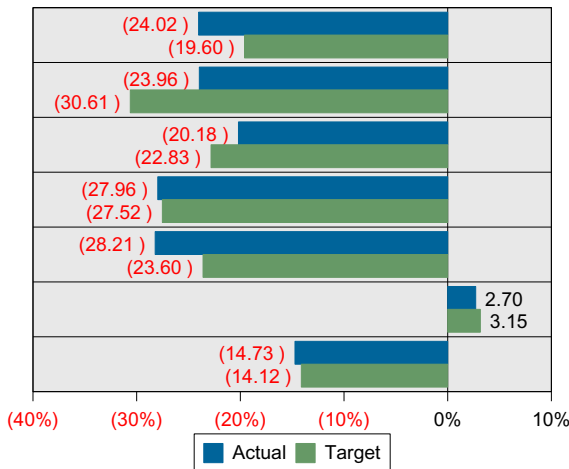
Quarterly Total Fund Relative Attribution - March 31, 2020

The following analysis approaches Total Fund Attribution from the perspective of relative return. Relative return attribution separates and quantifies the sources of total fund excess return relative to its target. This excess return is separated into two relative attribution effects: Asset Allocation Effect and Manager Selection Effect. The Asset Allocation Effect represents the excess return due to the actual total fund asset allocation differing from the target asset allocation. Manager Selection Effect represents the total fund impact of the individual managers excess returns relative to their benchmarks.

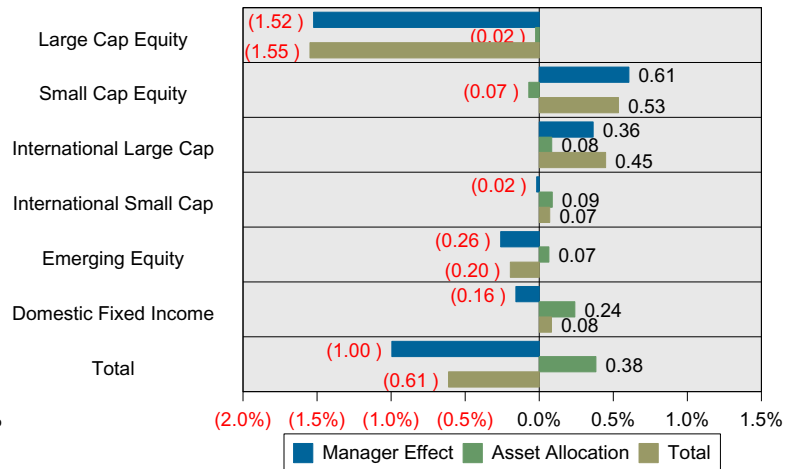
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended March 31, 2020

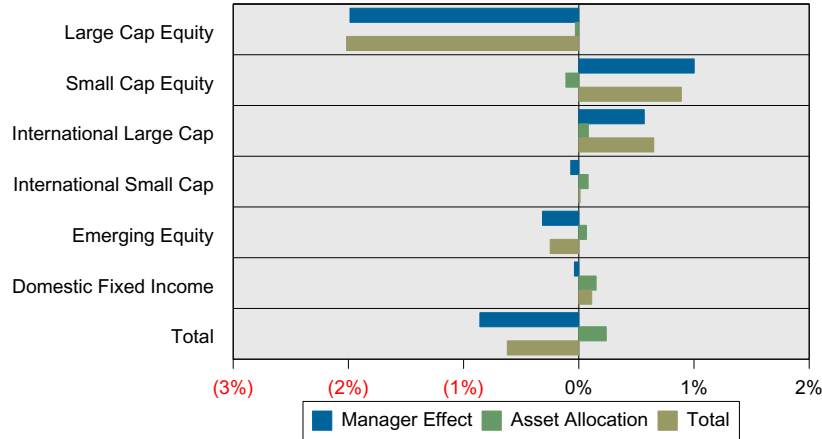
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	(24.02%)	(19.60%)	(1.52%)	(0.02%)	(1.55%)
Small Cap Equity	9%	8%	(23.96%)	(30.61%)	0.61%	(0.07%)	0.53%
International Large Cap	13%	14%	(20.18%)	(22.83%)	0.36%	0.08%	0.45%
International Small Cap	4%	5%	(27.96%)	(27.52%)	(0.02%)	0.09%	0.07%
Emerging Equity	5%	6%	(28.21%)	(23.60%)	(0.26%)	0.07%	(0.20%)
Domestic Fixed Income	36%	35%	2.70%	3.15%	(0.16%)	0.24%	0.08%
Total			(14.73%)	(14.12%)	(1.00%)	0.38%	(0.61%)

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

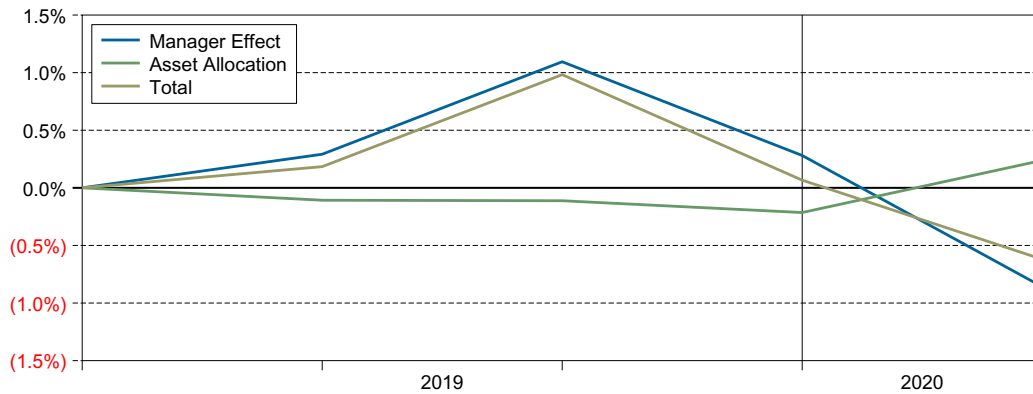
Cumulative Total Fund Relative Attribution - March 31, 2020

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

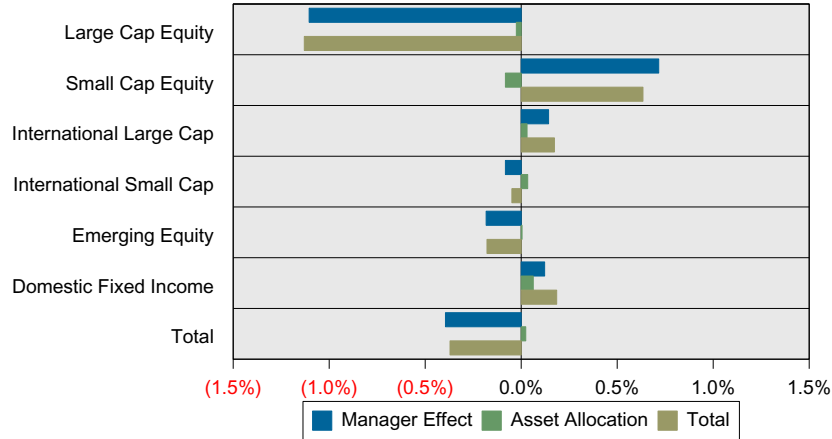
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	(12.98%)	(6.98%)	(1.99%)	(0.03%)	(2.02%)
Small Cap Equity	9%	8%	(13.39%)	(23.99%)	1.00%	(0.11%)	0.89%
International Large Cap	13%	14%	(10.23%)	(14.38%)	0.57%	0.08%	0.65%
International Small Cap	4%	5%	(19.63%)	(18.15%)	(0.07%)	0.08%	0.01%
Emerging Equity	5%	6%	(23.00%)	(17.69%)	(0.31%)	0.07%	(0.25%)
Domestic Fixed Income	36%	35%	8.88%	8.93%	(0.04%)	0.15%	0.11%
Total			(5.67%)	(5.05%)	(0.86%)	0.24%	(0.62%)

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

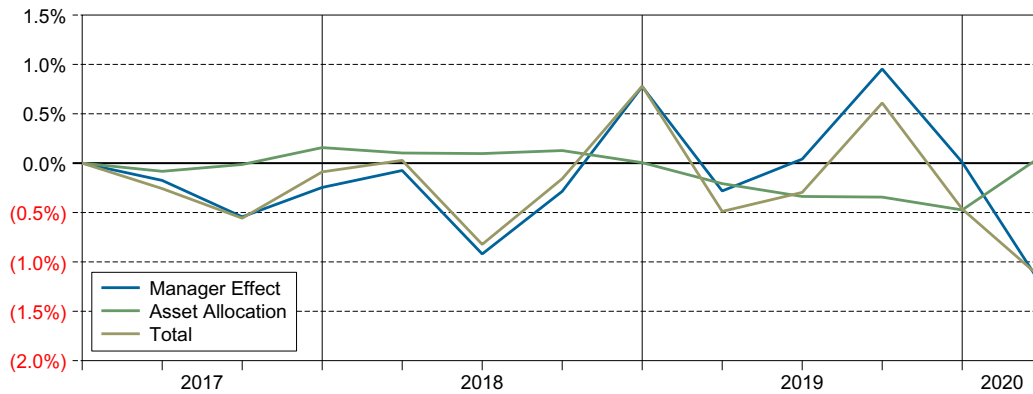
Cumulative Total Fund Relative Attribution - March 31, 2020

The charts below accumulate the Total Fund Attribution Analysis (shown earlier) over multiple periods to examine the cumulative sources of excess total fund performance relative to target. These cumulative results quantify the longer-term sources of total fund excess return relative to target by asset class. These relative attribution effects separate the cumulative sources of total fund excess return into Asset Allocation Effect and Manager Selection Effect.

Three Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Three Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	1.59%	5.10%	(1.10%)	(0.03%)	(1.13%)
Small Cap Equity	9%	8%	3.67%	(4.64%)	0.72%	(0.08%)	0.63%
International Large Cap	13%	14%	(0.66%)	(1.82%)	0.14%	0.03%	0.17%
International Small Cap	5%	5%	(4.56%)	(2.88%)	(0.08%)	0.03%	(0.05%)
Emerging Equity	6%	6%	(4.88%)	(1.62%)	(0.18%)	0.00%	(0.18%)
Domestic Fixed Income	34%	35%	5.22%	4.82%	0.12%	0.06%	0.18%
Total			2.43%	2.80%	(0.39%)	0.02%	(0.37%)

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

Total Fund Period Ended March 31, 2020

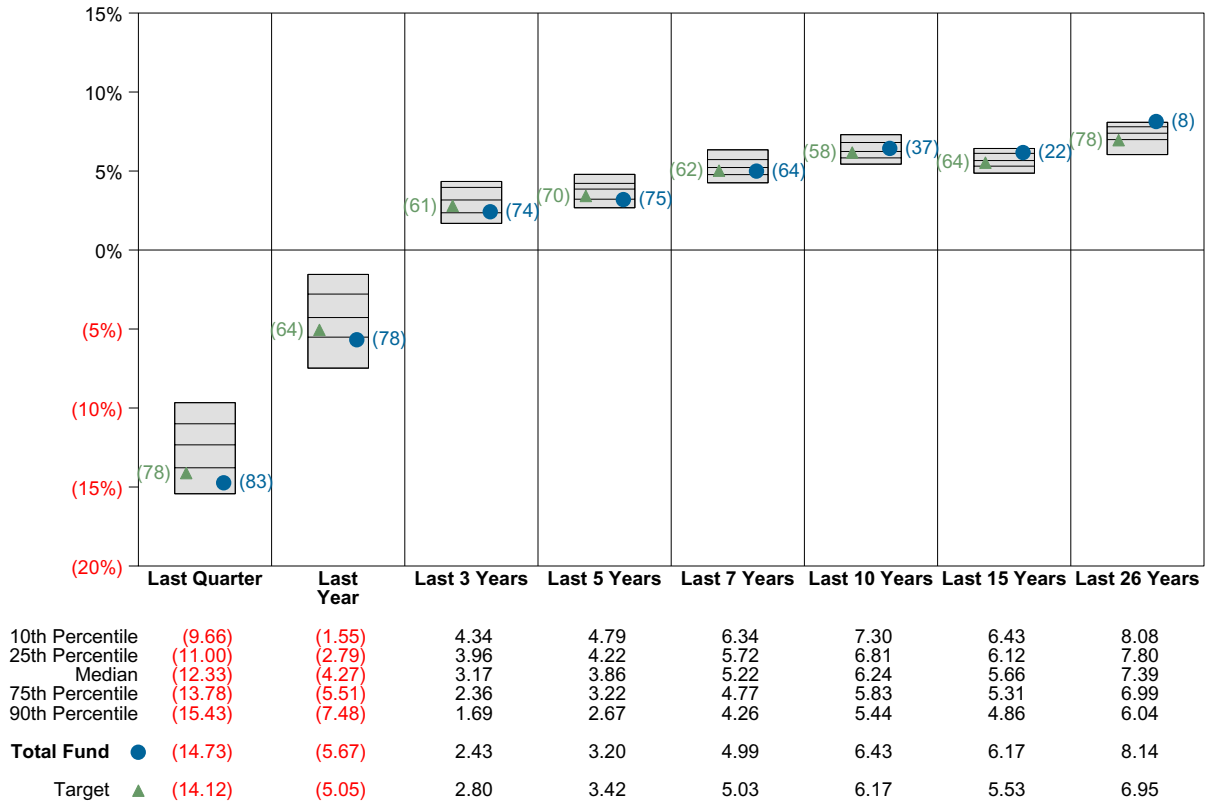
Investment Philosophy

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

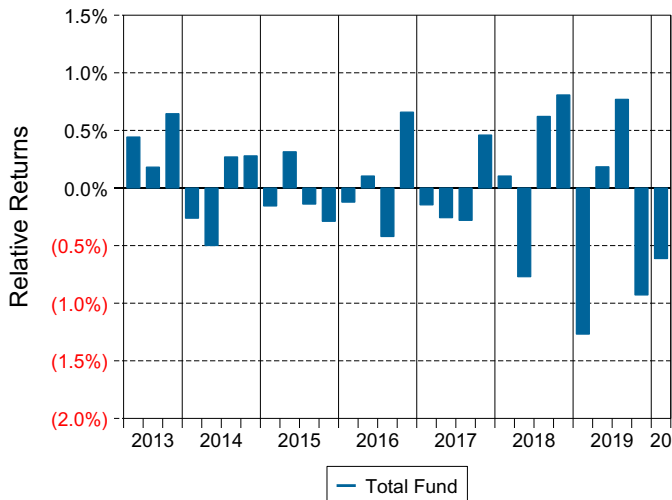
Quarterly Summary and Highlights

- Total Fund's portfolio posted a (14.73)% return for the quarter placing it in the 83 percentile of the Callan Public Fund Spons- Mid (100M-1B) group for the quarter and in the 78 percentile for the last year.
- Total Fund's portfolio underperformed the Target by 0.61% for the quarter and underperformed the Target for the year by 0.62%.

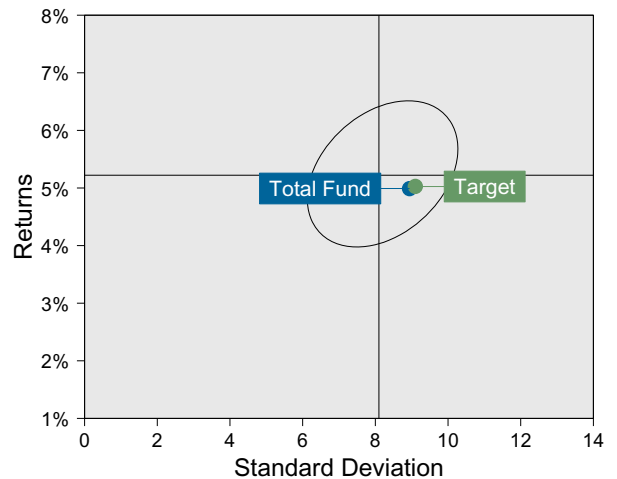
Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)



Relative Return vs Target



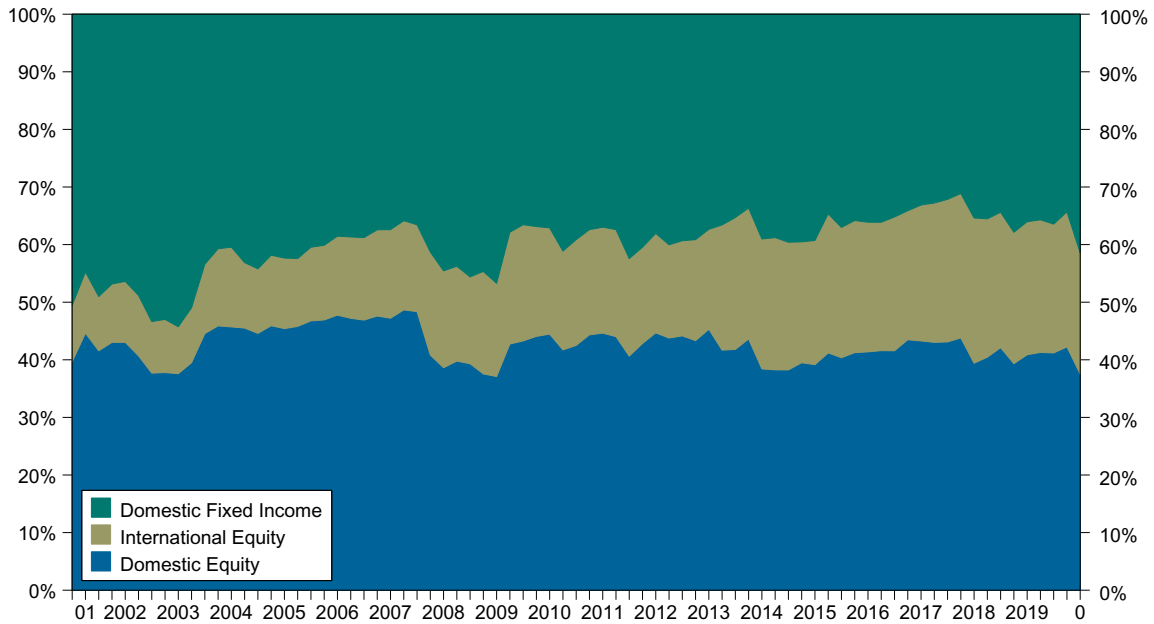
Callan Public Fund Spons- Mid (100M-1B) (Gross) Annualized Seven Year Risk vs Return



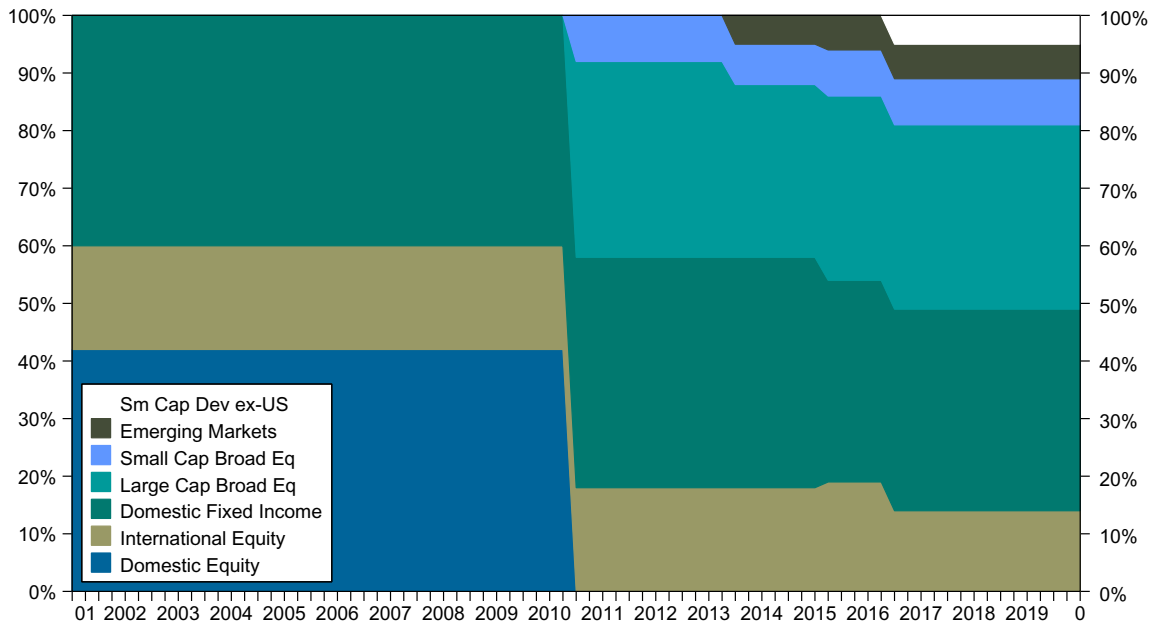
Actual vs Target Historical Asset Allocation

The Historical asset allocation for a fund is by far the largest factor explaining its performance. The charts below show the fund's historical actual asset allocation, and the fund's historical target asset allocation.

Actual Historical Asset Allocation



Target Historical Asset Allocation



* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2020, with the distribution as of December 31, 2019. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	March 31, 2020 Market Value	Net New Inv.	Inv. Return	December 31, 2019 Market Value
Consolidated Plan				
Domestic Equity	\$100,629,002	\$(567,069)	\$(32,041,953)	\$133,238,025
Large Cap	\$79,865,019	\$(567,069)	\$(25,500,055)	\$105,932,144
Boston Partners	36,057,008	0	(14,800,600)	50,857,608
SSgA S&P 500	43,808,011	(567,069)	(10,699,456)	55,074,536
Small Cap	\$20,763,983	\$0	\$(6,541,898)	\$27,305,881
Atlanta Capital	20,763,983	0	(6,541,898)	27,305,881
International Equity	\$56,480,589	\$0	\$(17,488,193)	\$73,968,783
International Large Cap	\$33,633,952	\$0	\$(8,503,824)	\$42,137,776
SSgA EAFE	9,443,653	0	(2,769,236)	12,212,889
Pyrford	24,190,299	0	(5,734,588)	29,924,887
International Small Cap	\$10,348,132	\$0	\$(4,049,378)	\$14,397,510
AQR	10,348,132	0	(4,049,378)	14,397,510
Emerging Equity	\$12,498,505	\$0	\$(4,934,992)	\$17,433,497
DFA Emerging Markets	12,498,505	0	(4,934,992)	17,433,497
Fixed Income	\$111,141,556	\$0	\$2,923,615	\$108,217,941
Metropolitan West	111,141,556	0	2,923,615	108,217,941
Total Plan - Consolidated	\$268,251,148	\$(567,069)	\$(46,606,532)	\$315,424,749

Sacramento Regional Transit District Asset Growth

Ending March 31, 2020 (\$ Thousands)	Ending Market Value	=	Beginning Market Value	+	Net New Investment	+	Investment Return
Total Plan							
1/4 Year Ended 3/2020	268,251.1		315,424.7		(567.1)		(46,606.5)
1/4 Year Ended 12/2019	315,424.7		301,283.6		(1,479.0)		15,620.2
1/4 Year Ended 9/2019	301,283.6		298,139.2		(1,322.2)		4,466.6
1/4 Year Ended 6/2019	298,139.2		289,020.0		(1,111.4)		10,230.6
1/4 Year Ended 3/2019	289,020.0		269,114.0		(1,021.9)		20,927.9
1/4 Year Ended 12/2018	269,114.0		292,722.5		(1,066.5)		(22,541.9)
1/4 Year Ended 9/2018	292,722.5		284,083.7		(1,081.0)		9,719.8
1/4 Year Ended 6/2018	284,083.7		284,995.0		(1,267.6)		356.3
1/4 Year Ended 3/2018	284,995.0		288,314.8		(1,183.4)		(2,136.5)
1/4 Year Ended 12/2017	288,314.8		277,835.6		(1,419.7)		11,899.0
1/4 Year Ended 9/2017	277,835.6		270,017.7		(1,582.3)		9,400.2
1/4 Year Ended 6/2017	270,017.7		263,189.7		(1,149.1)		7,977.1
1/4 Year Ended 3/2017	263,189.7		253,159.1		(930.2)		10,960.7
1/4 Year Ended 12/2016	253,159.1		251,635.0		(1,139.0)		2,663.2
1/4 Year Ended 9/2016	251,635.0		244,029.2		(937.8)		8,543.5
1/4 Year Ended 6/2016	244,029.2		240,502.3		(684.5)		4,211.5
1/4 Year Ended 3/2016	240,502.3		238,289.7		(450.0)		2,662.6
1/4 Year Ended 12/2015	238,289.7		232,085.4		(816.4)		7,020.7
1/4 Year Ended 9/2015	232,085.4		246,970.5		(534.9)		(14,350.2)
1/4 Year Ended 6/2015	246,970.5		247,920.3		(766.8)		(183.0)

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	(24.01%)	(13.05%)	2.04%	4.55%	8.13%
Domestic Equity Benchmark**	(21.85%)	(10.55%)	3.16%	5.38%	8.60%
Large Cap Equity	(24.02%)	(12.98%)	1.59%	4.19%	7.79%
Boston Partners	(28.75%)	(19.30%)	(2.15%)	1.46%	5.79%
Russell 1000 Value Index	(26.73%)	(17.17%)	(2.18%)	1.90%	5.56%
SSgA S&P 500	(19.61%)	(6.98%)	5.11%	6.76%	9.65%
S&P 500 Index	(19.60%)	(6.98%)	5.10%	6.73%	9.62%
Small Cap Equity	(23.96%)	(13.39%)	3.67%	5.89%	9.31%
Atlanta Capital	(23.96%)	(13.39%)	3.67%	5.89%	9.31%
Russell 2000 Index	(30.61%)	(23.99%)	(4.64%)	(0.25%)	4.21%
International Equity	(23.59%)	(15.17%)	(2.39%)	(0.80%)	1.13%
International Benchmark***	(23.94%)	(15.88%)	(1.93%)	(0.63%)	1.48%
International Large Cap	(20.18%)	(10.23%)	(0.66%)	0.30%	2.35%
SSgA EAFE	(22.67%)	(13.98%)	(1.44%)	(0.25%)	2.08%
Pyrford	(19.16%)	(8.68%)	-	-	-
MSCI EAFE Index	(22.83%)	(14.38%)	(1.82%)	(0.62%)	1.75%
International Small Cap	(27.96%)	(19.63%)	(4.56%)	-	-
AQR	(27.96%)	(19.63%)	(4.56%)	-	-
MSCI EAFE Small Cap Index	(27.52%)	(18.15%)	(2.88%)	0.97%	3.31%
Emerging Markets Equity	(28.21%)	(23.00%)	(4.88%)	(1.47%)	-
DFA Emerging Markets	(28.21%)	(23.00%)	(4.88%)	(1.47%)	-
MSCI Emerging Markets Index	(23.60%)	(17.69%)	(1.62%)	(0.36%)	(0.40%)
Domestic Fixed Income	2.70%	8.88%	5.22%	3.70%	3.54%
Met West	2.70%	8.88%	5.22%	3.70%	3.54%
Bloomberg Aggregate Index	3.15%	8.93%	4.82%	3.36%	3.19%
Total Plan	(14.73%)	(5.67%)	2.43%	3.20%	4.99%
Target*	(14.12%)	(5.05%)	2.80%	3.42%	5.03%

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

*** International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2020

	Last 10 Years	Last 15 Years	Last 20 Years	Last 26 Years
Domestic Equity	9.85%	7.77%	5.01%	-
Domestic Equity Benchmark**	9.86%	7.30%	5.04%	9.07%
Russell 1000 Value Index	7.67%	5.41%	5.36%	8.42%
S&P 500 Index	10.53%	7.58%	4.79%	9.11%
Russell 2000 Index	6.90%	5.71%	5.28%	7.49%
International Equity	2.24%	2.92%	4.07%	-
MSCI EAFE Index	2.72%	3.06%	1.99%	4.07%
Domestic Fixed Income	4.83%	5.62%	5.95%	-
Met West	4.83%	5.62%	-	-
Bloomberg Aggregate Index	3.88%	4.40%	5.08%	5.47%
Total Plan	6.43%	6.17%	4.88%	8.14%
Target*	6.17%	5.53%	4.72%	6.95%

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	12/2019- 3/2020	2019	2018	2017	2016
Domestic Equity	(24.01%)	27.71%	(4.64%)	19.78%	14.58%
Domestic Equity Benchmark**	(21.85%)	30.32%	(5.69%)	20.41%	13.85%
Large Cap Equity	(24.02%)	27.77%	(6.33%)	21.10%	13.38%
Boston Partners	(28.75%)	23.91%	(8.27%)	20.32%	14.71%
Russell 1000 Value Index	(26.73%)	26.54%	(8.27%)	13.66%	17.34%
SSgA S&P 500	(19.61%)	31.50%	(4.39%)	21.86%	12.03%
S&P 500 Index	(19.60%)	31.49%	(4.38%)	21.83%	11.96%
Small Cap Equity	(23.96%)	27.38%	1.78%	15.01%	19.17%
Atlanta Capital	(23.96%)	27.38%	1.78%	15.01%	19.17%
Russell 2000 Index	(30.61%)	25.52%	(11.01%)	14.65%	21.31%
International Equity	(23.59%)	20.83%	(13.93%)	28.25%	2.55%
International Benchmark***	(23.94%)	21.78%	(14.76%)	29.51%	3.26%
International Large Cap	(20.18%)	22.34%	(11.25%)	22.63%	1.35%
SSgA EAFE	(22.67%)	22.49%	(13.49%)	25.47%	1.37%
Pyrford	(19.16%)	22.30%	(10.31%)	-	-
MSCI EAFE Index	(22.83%)	22.01%	(13.79%)	25.03%	1.00%
International Small Cap	(27.96%)	21.73%	(19.94%)	33.76%	-
AQR	(27.96%)	21.73%	(19.94%)	33.76%	-
MSCI EAFE Small Cap Index	(27.52%)	24.96%	(17.89%)	33.01%	2.18%
Emerging Markets Equity	(28.21%)	16.64%	(14.80%)	37.32%	12.99%
DFA Emerging Markets	(28.21%)	16.64%	(14.80%)	37.32%	12.99%
MSCI Emerging Markets Index	(23.60%)	18.44%	(14.57%)	37.28%	11.19%
Domestic Fixed Income	2.70%	9.41%	0.75%	3.89%	2.87%
Met West	2.70%	9.41%	0.75%	3.89%	2.87%
Bloomberg Aggregate Index	3.15%	8.72%	0.01%	3.54%	2.65%
Total Plan	(14.73%)	19.25%	(5.05%)	16.14%	7.65%
Target*	(14.12%)	20.58%	(5.82%)	16.39%	7.40%

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

Returns are for annualized calendar years.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

*** International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Investment Manager Returns

The table below details the rates of return for the Sponsor's investment managers over various time periods. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	2015	2014	2013	2012	2011
Domestic Equity	0.06%	10.85%	36.44%	19.19%	2.08%
Domestic Equity Benchmark**	0.26%	12.07%	33.61%	16.09%	0.94%
Boston Partners	(3.75%)	11.87%	37.52%	21.95%	1.27%
Russell 1000 Value Index	(3.83%)	13.45%	32.53%	17.51%	0.39%
S&P 500 Index	1.38%	13.69%	32.39%	16.00%	2.11%
Russell 2000 Index	(4.41%)	4.89%	38.82%	16.35%	(4.18%)
International Equity	(4.17%)	(3.72%)	16.66%	17.28%	(10.64%)
MSCI EAFE Index	(0.81%)	(4.90%)	22.78%	17.32%	(12.14%)
Domestic Fixed Income	0.51%	6.37%	(1.03%)	9.48%	6.10%
Met West	0.51%	6.37%	(1.03%)	9.48%	6.10%
Bloomberg Aggregate Index	0.55%	5.97%	(2.02%)	4.21%	7.84%
Total Plan	(0.97%)	5.61%	17.71%	14.80%	1.22%
Target*	(0.71%)	5.82%	15.99%	11.68%	1.52%

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

Returns are for annualized calendar years.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2020. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

	Returns for Periods Ended March 31, 2020				
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Net of Fee Returns					
Domestic Equity	(24.09%)	(13.37%)	1.66%	-	-
Domestic Equity Benchmark**	(21.85%)	(10.55%)	3.16%	5.38%	8.60%
Large Cap Equity	(24.08%)	(13.21%)	1.32%	-	-
Boston Partners	(28.86%)	(19.71%)	(2.66%)	0.93%	5.24%
Russell 1000 Value Index	(26.73%)	(17.17%)	(2.18%)	1.90%	5.56%
SSgA S&P 500	(19.63%)	(7.02%)	5.06%	6.71%	9.60%
S&P 500 Index	(19.60%)	(6.98%)	5.10%	6.73%	9.62%
Small Cap Equity	(24.12%)	(14.03%)	2.87%	-	-
Atlanta Capital	(24.12%)	(14.03%)	2.87%	5.06%	8.45%
Russell 2000 Index	(30.61%)	(23.99%)	(4.64%)	(0.25%)	4.21%
International Equity	(23.70%)	(15.65%)	(2.97%)	-	-
International Equity Benchmark***	(23.94%)	(15.88%)	(1.93%)	(0.63%)	1.48%
International Large Cap	(20.29%)	(10.67%)	(1.16%)	-	-
SSgA EAFE	(22.69%)	(14.06%)	(1.53%)	(0.35%)	1.98%
Pyrford	(19.31%)	(9.26%)	-	-	-
MSCI EAFE Index	(22.83%)	(14.38%)	(1.82%)	(0.62%)	1.75%
International Small Cap	(28.13%)	(20.32%)	(5.43%)	-	-
AQR	(28.13%)	(20.32%)	(5.43%)	-	-
MSCI EAFE Small Cap Index	(27.52%)	(18.15%)	(2.88%)	0.97%	3.31%
Emerging Markets Equity	(28.31%)	(23.40%)	(5.39%)	-	-
DFA Emerging Markets	(28.31%)	(23.40%)	(5.39%)	(2.02%)	-
MSCI Emerging Markets Index	(23.60%)	(17.69%)	(1.62%)	(0.36%)	(0.40%)
Domestic Fixed Income	2.63%	8.68%	4.99%	-	-
Met West	2.63%	8.68%	4.99%	3.45%	3.28%
Bloomberg Aggregate Index	3.15%	8.93%	4.82%	3.36%	3.19%
Total Plan	(14.81%)	(6.00%)	2.05%	2.83%	4.62%
Target*	(14.12%)	(5.05%)	2.80%	3.42%	5.03%

* Current Quarter Target = 35.0% Blmbg Aggregate, 32.0% S&P 500 Index, 14.0% MSCI EAFE, 8.0% Russell 2000 Index, 6.0% MSCI EM and 5.0% MSCI EAFE Small Cap.

** Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

*** International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Domestic Equity Period Ended March 31, 2020

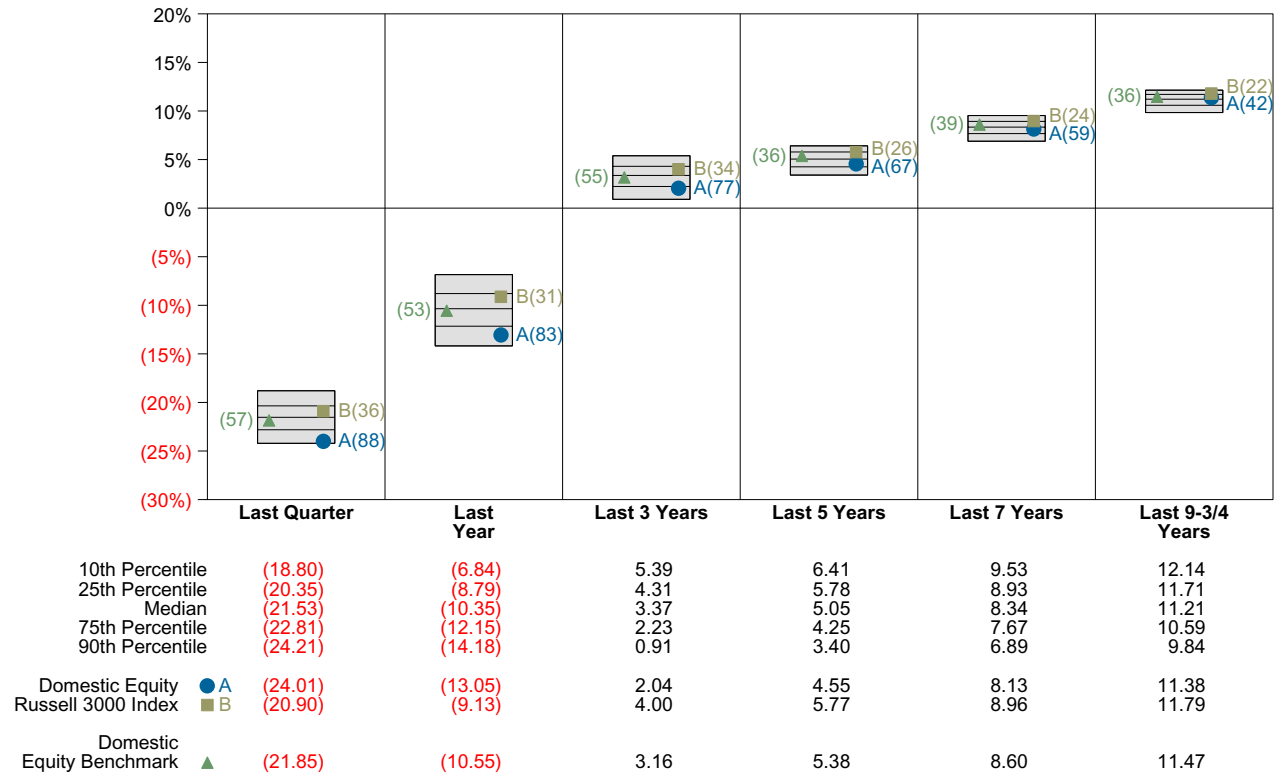
Investment Philosophy

Domestic Equity Benchmark = 80.95% S&P500 + 19.05% Russell 2000 until 6/30/2010, 80.95% S&P500 + 19.05% Russell 2500 until 6/30/2013, 81.08% S&P500 + 18.92% Russell 2000 until 4/30/2015, and 80% S&P500 + 20% Russell 2000 thereafter.

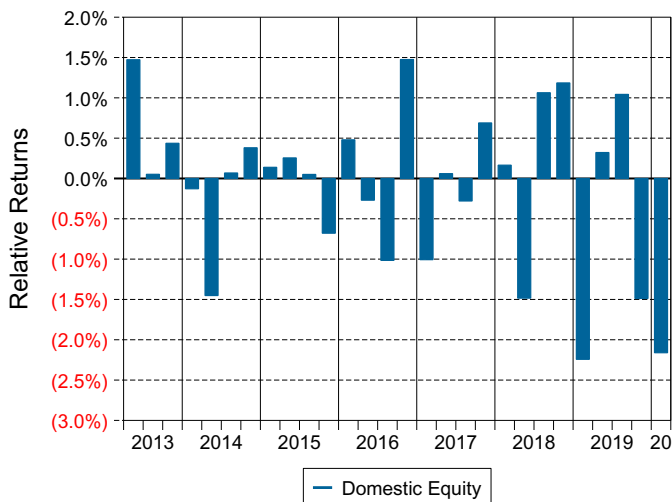
Quarterly Summary and Highlights

- Domestic Equity's portfolio posted a (24.01)% return for the quarter placing it in the 88 percentile of the Fund Sponsor - Domestic Equity group for the quarter and in the 83 percentile for the last year.
- Domestic Equity's portfolio underperformed the Domestic Equity Benchmark by 2.16% for the quarter and underperformed the Domestic Equity Benchmark for the year by 2.50%.

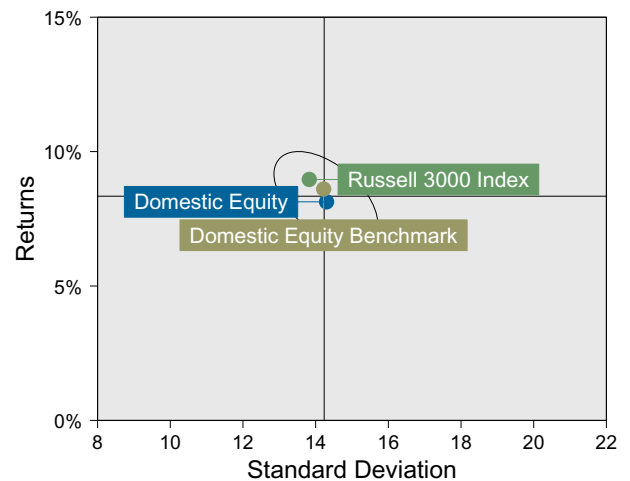
Performance vs Fund Sponsor - Domestic Equity (Gross)



Relative Returns vs Domestic Equity Benchmark



Fund Sponsor - Domestic Equity (Gross) Annualized Seven Year Risk vs Return

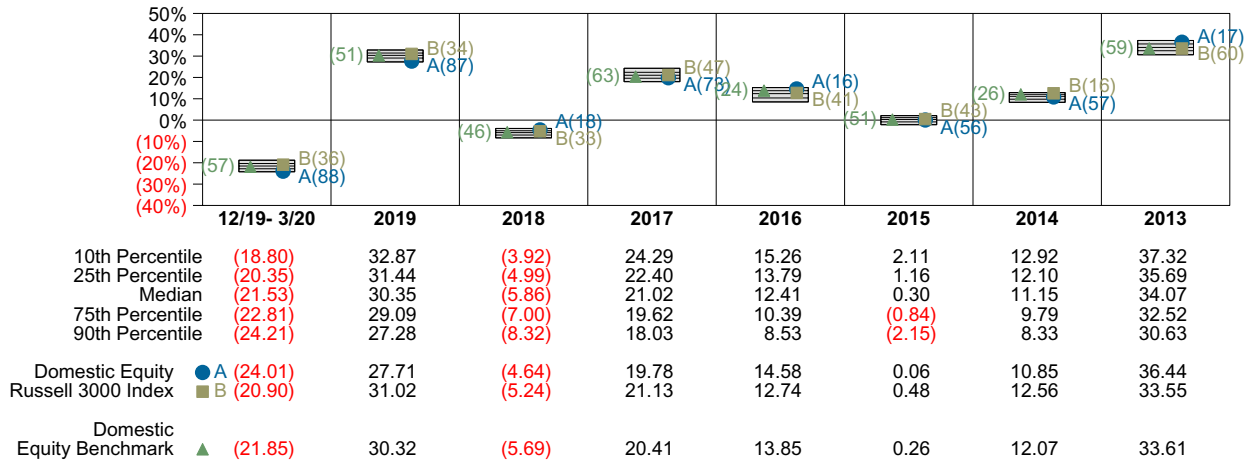


Domestic Equity Return Analysis Summary

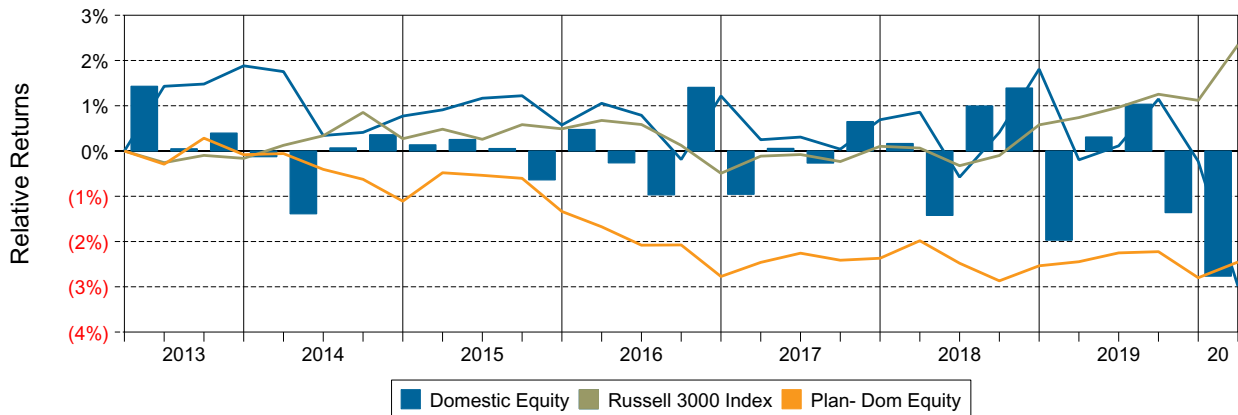
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

Performance vs Fund Sponsor - Domestic Equity (Gross)

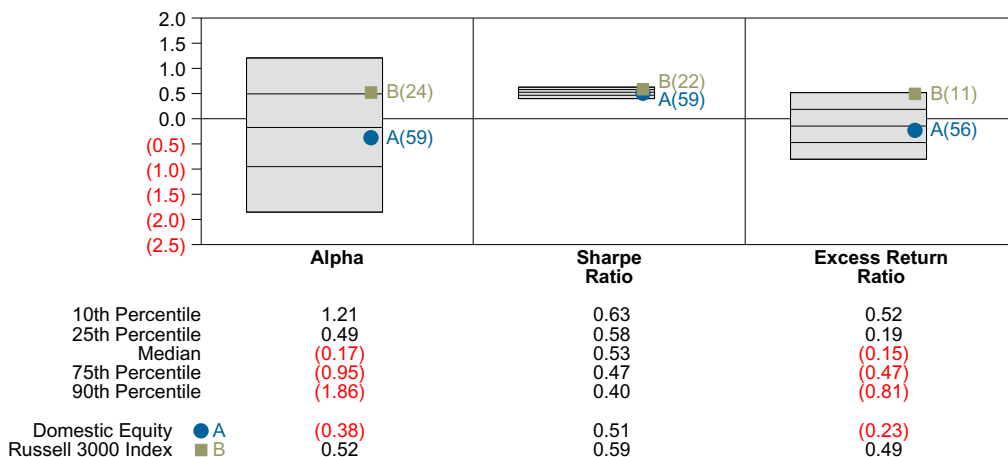


Cumulative and Quarterly Relative Return vs Domestic Equity Benchmark



Risk Adjusted Return Measures vs Domestic Equity Benchmark

Rankings Against Fund Sponsor - Domestic Equity (Gross) Seven Years Ended March 31, 2020



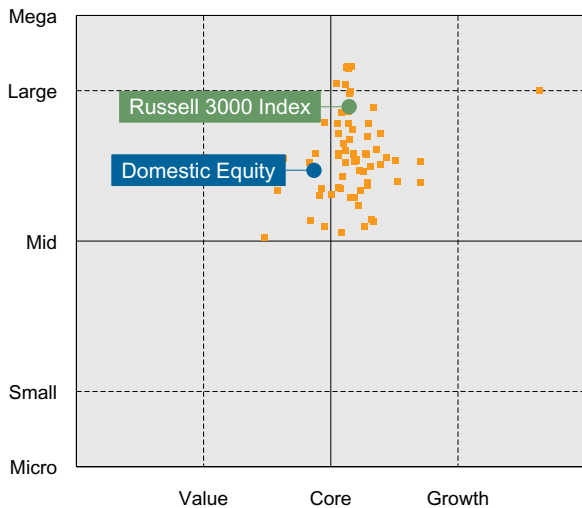
Current Holdings Based Style Analysis

Domestic Equity

As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

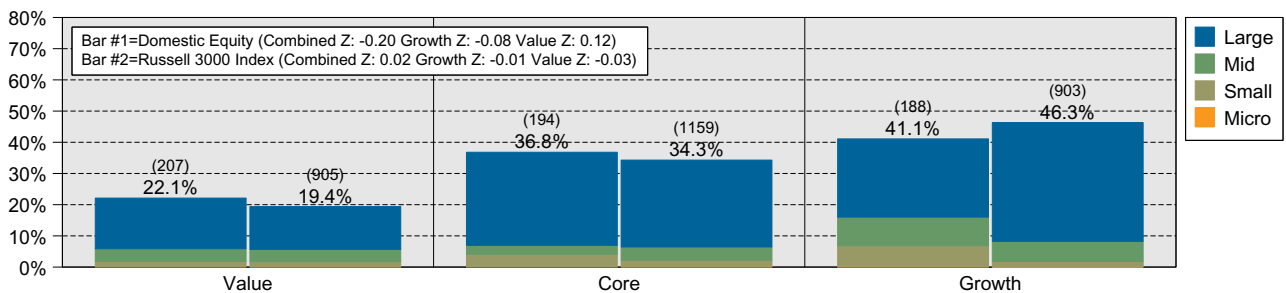
Style Map vs Plan- Dom Equity Holdings as of March 31, 2020



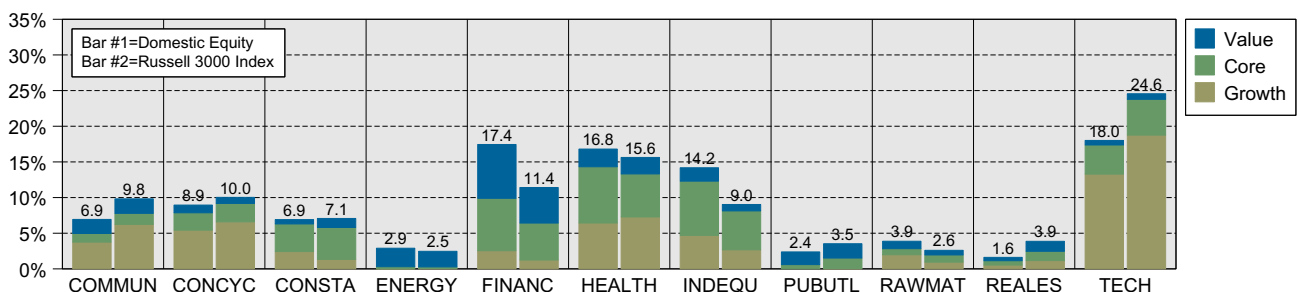
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Large	16.2% (72)	29.8% (110)	25.1% (104)	71.1% (286)
	13.7% (73)	27.8% (109)	38.1% (114)	79.6% (296)
Mid	4.1% (110)	2.9% (63)	9.2% (64)	16.1% (237)
	4.0% (151)	4.2% (175)	6.5% (268)	14.6% (594)
Small	1.8% (24)	4.1% (21)	6.6% (19)	12.5% (64)
	1.5% (336)	2.0% (480)	1.7% (371)	5.2% (1187)
Micro	0.0% (1)	0.0% (0)	0.2% (1)	0.2% (2)
	0.2% (345)	0.2% (395)	0.1% (150)	0.5% (890)
Total	22.1% (207)	36.8% (194)	41.1% (188)	100.0% (589)
	19.4% (905)	34.3% (1159)	46.3% (903)	100.0% (2967)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



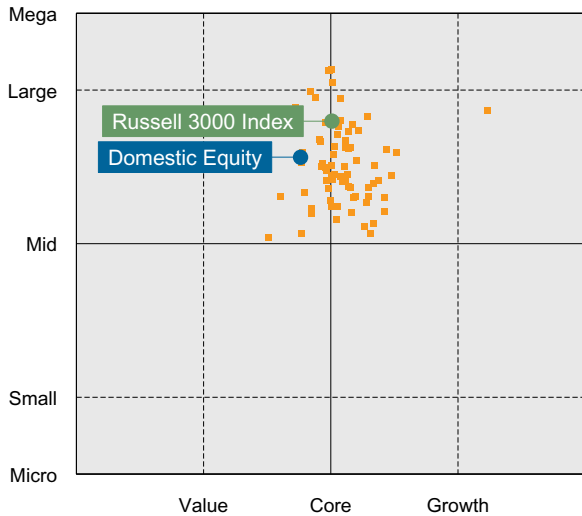
Sector Weights Distribution Holdings as of March 31, 2020



Historical Holdings Based Style Analysis Domestic Equity For Five Years Ended March 31, 2020

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

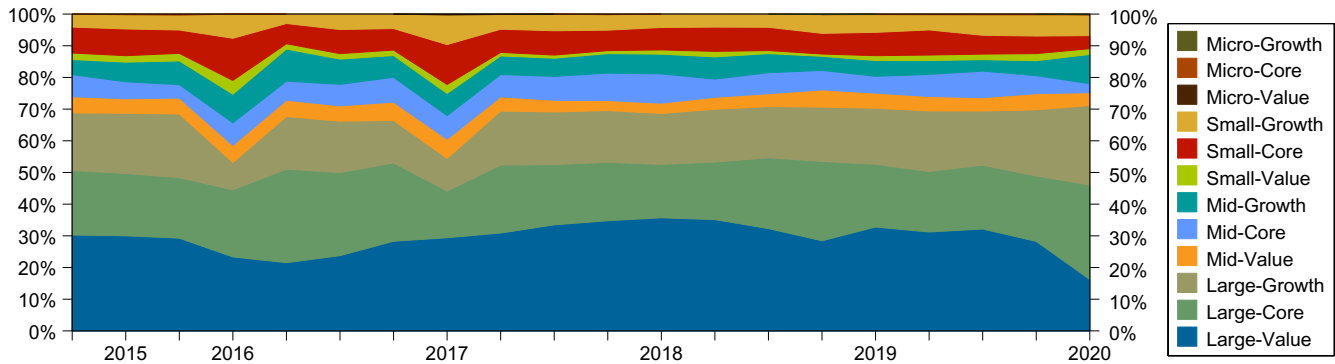
Average Style Map vs Plan- Dom Equity Holdings for Five Years Ended March 31, 2020



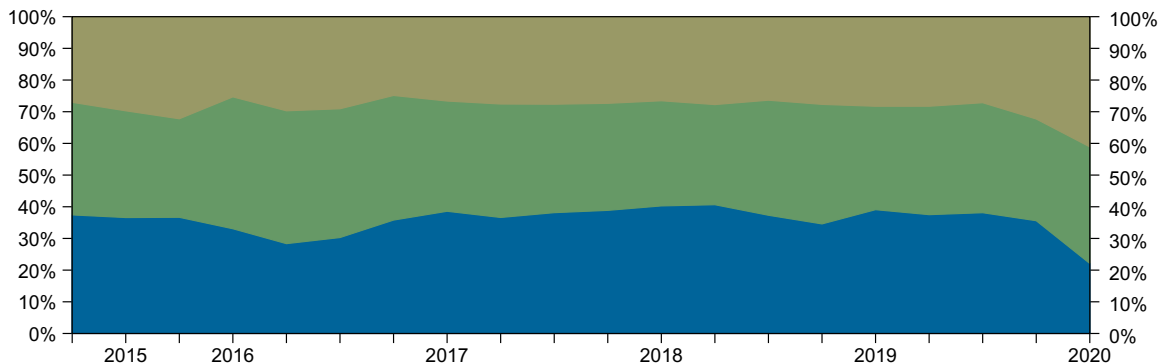
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2020

	29.4% (95)	21.3% (90)	16.9% (85)	67.6% (270)
Large	25.6% (101)	22.5% (98)	26.8% (99)	74.9% (298)
Mid	4.6% (83)	6.6% (80)	6.4% (56)	17.6% (219)
Small	5.0% (173)	6.1% (215)	5.9% (208)	17.1% (596)
Micro	1.8% (10)	7.6% (25)	5.3% (15)	14.7% (50)
	2.1% (335)	2.8% (483)	2.2% (378)	7.1% (1196)
Micro	0.0% (0)	0.1% (1)	0.0% (0)	0.1% (1)
	0.3% (285)	0.4% (382)	0.2% (210)	0.9% (877)
Total	35.8% (188)	35.6% (196)	28.6% (156)	100.0% (540)
	33.0% (894)	31.8% (1178)	35.1% (895)	100.0% (2967)
	Value	Core	Growth	Total

Domestic Equity Historical Cap/Style Exposures



Domestic Equity Historical Style Only Exposures

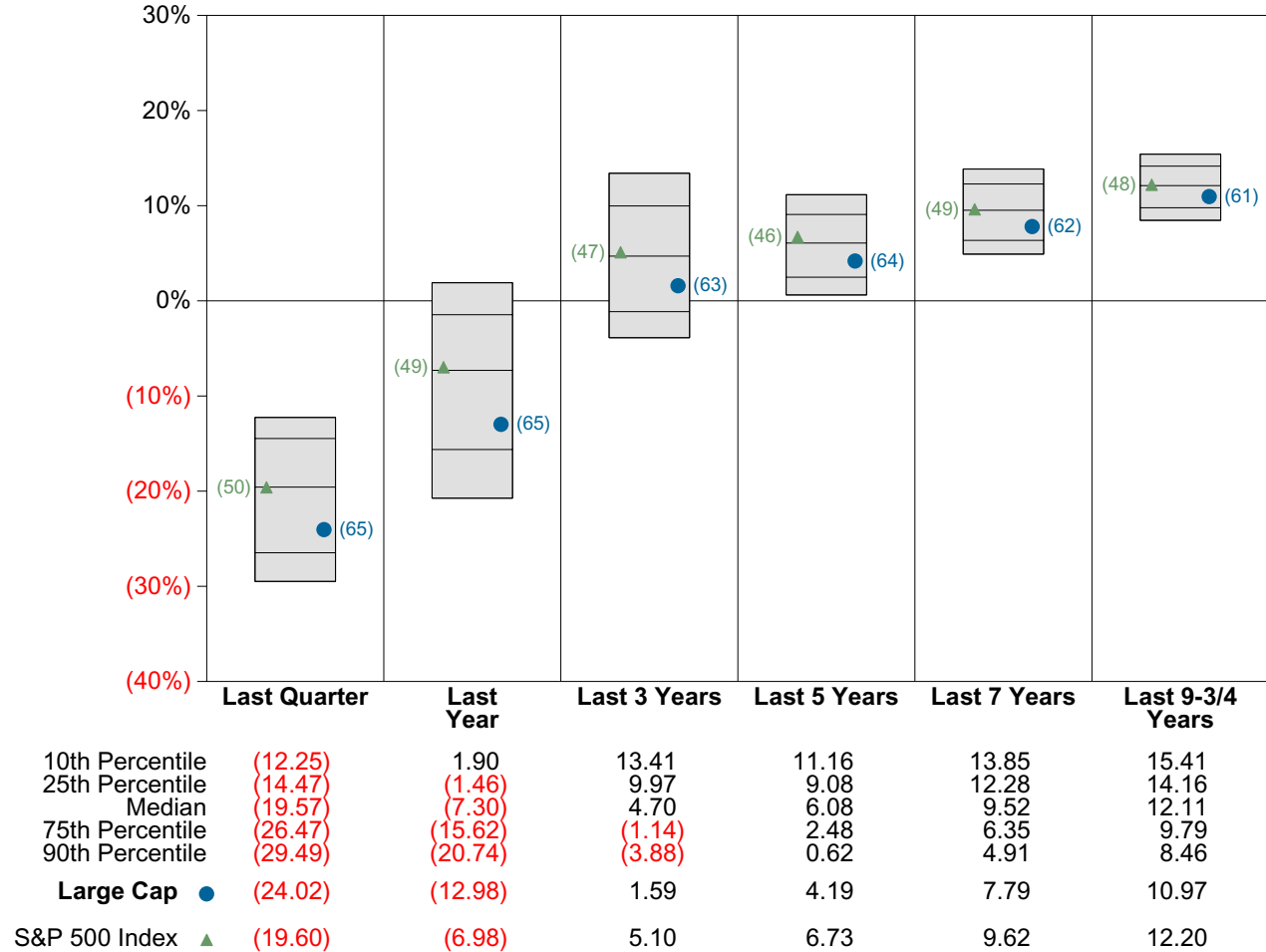


Large Cap Period Ended March 31, 2020

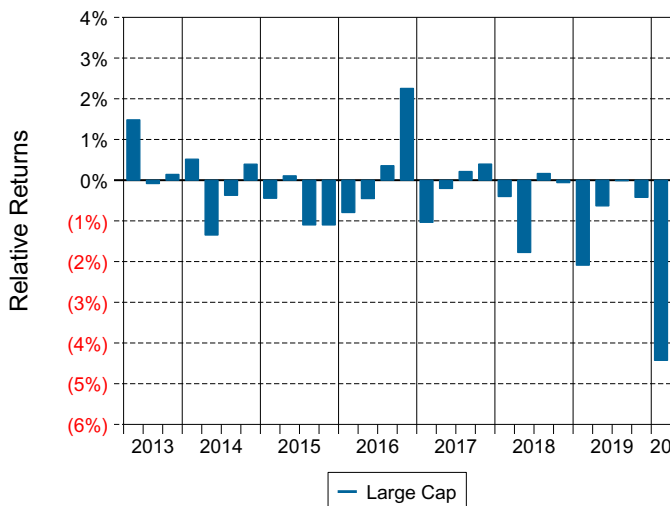
Quarterly Summary and Highlights

- Large Cap's portfolio posted a (24.02)% return for the quarter placing it in the 65 percentile of the Callan Large Capitalization group for the quarter and in the 65 percentile for the last year.
- Large Cap's portfolio underperformed the S&P 500 Index by 4.43% for the quarter and underperformed the S&P 500 Index for the year by 6.01%.

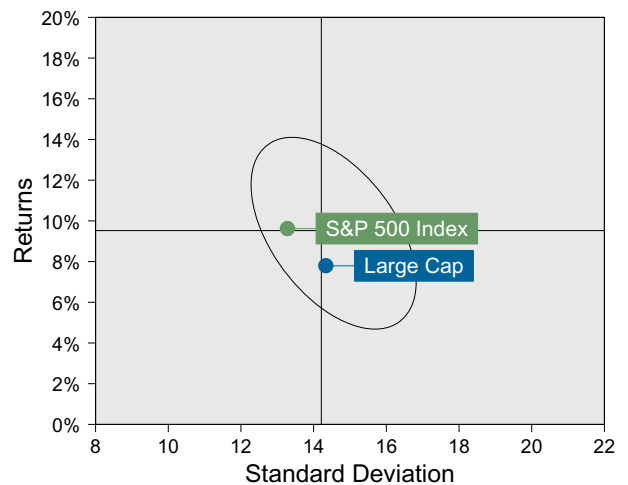
Performance vs Callan Large Capitalization (Gross)



Relative Return vs S&P 500 Index



Callan Large Capitalization (Gross)
Annualized Seven Year Risk vs Return

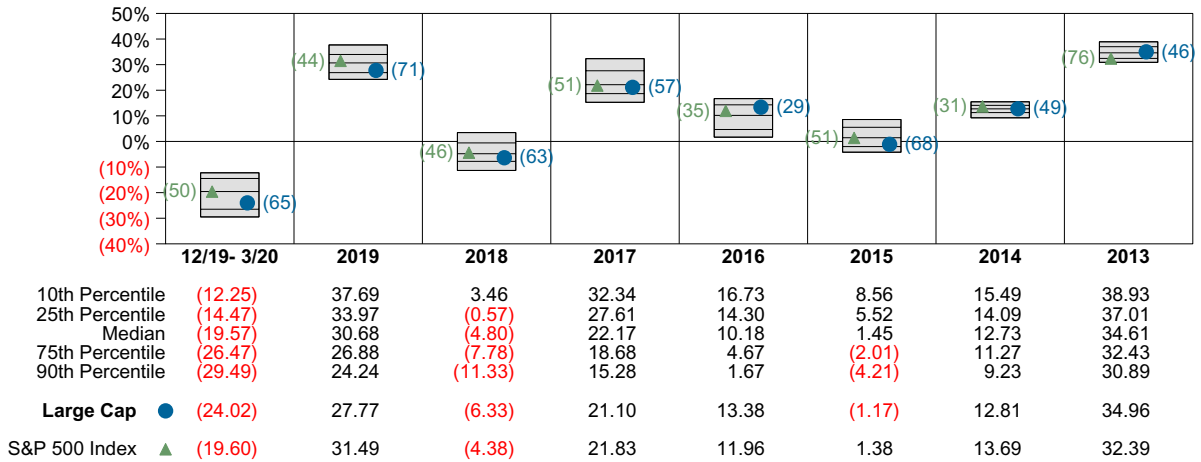


Large Cap Return Analysis Summary

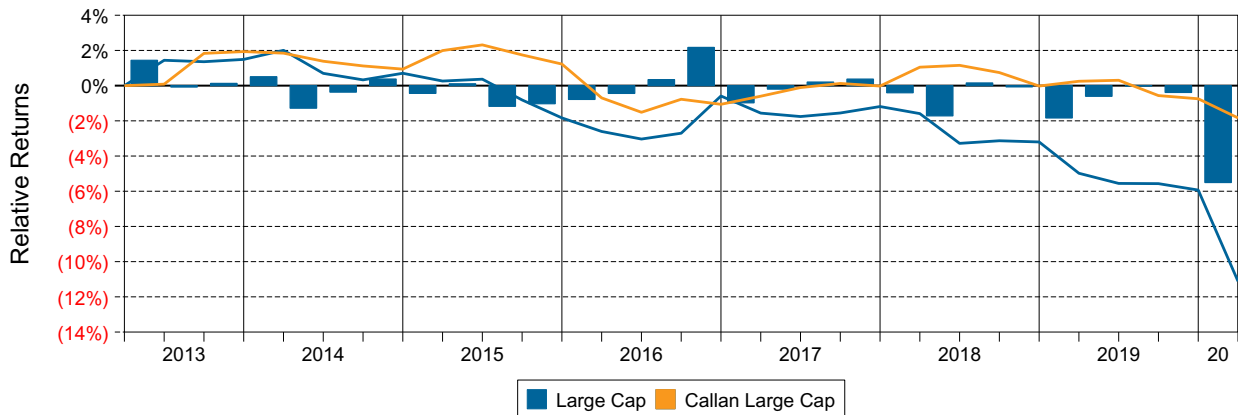
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

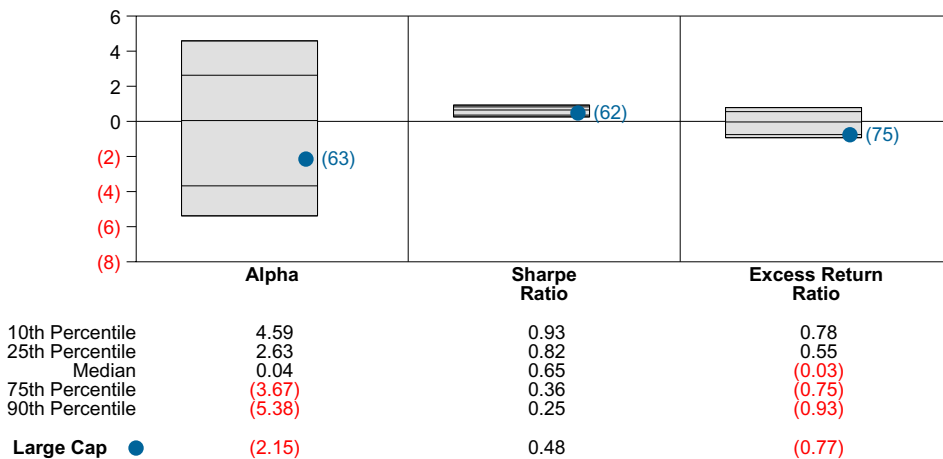
Performance vs Callan Large Capitalization (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Capitalization (Gross) Seven Years Ended March 31, 2020

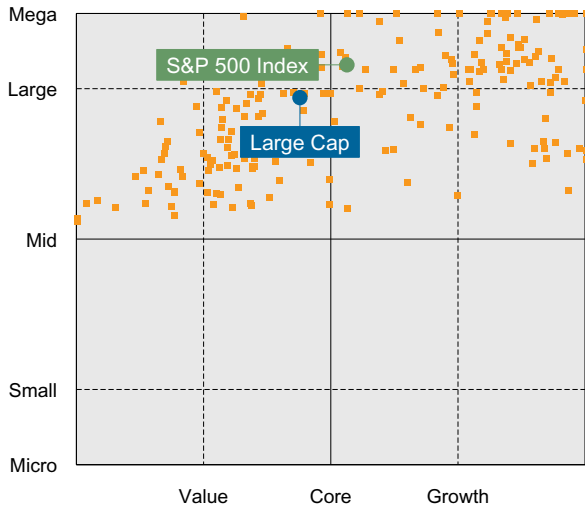


Current Holdings Based Style Analysis

Large Cap As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

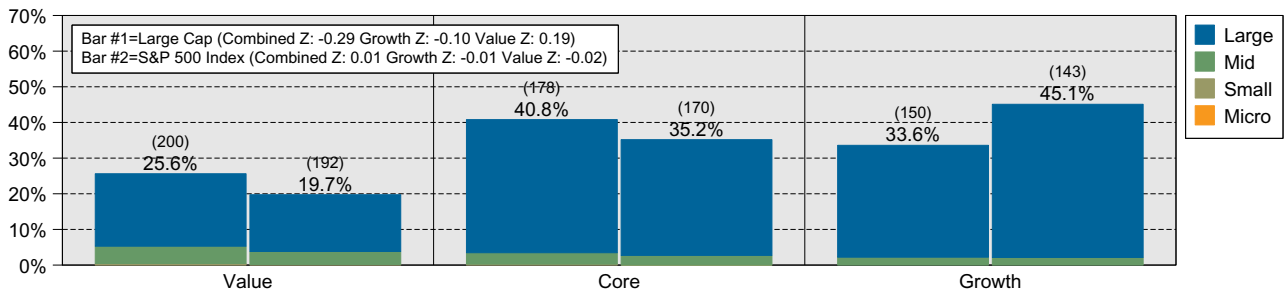
Style Map vs Callan Large Cap Holdings as of March 31, 2020



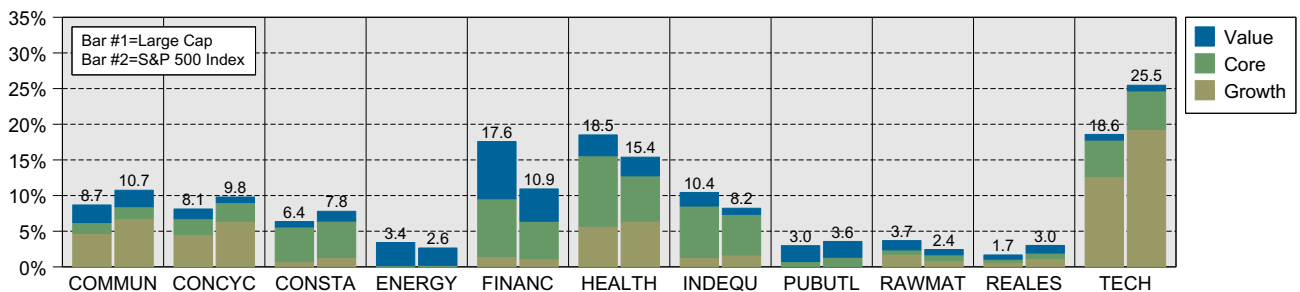
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Large	20.3% (72)	37.3% (110)	31.4% (104)	89.0% (286)
	15.9% (71)	32.5% (107)	43.0% (98)	91.3% (276)
Mid	4.9% (109)	3.2% (62)	2.2% (46)	10.3% (217)
	3.7% (105)	2.7% (60)	2.1% (45)	8.5% (210)
Small	0.4% (18)	0.3% (6)	0.0% (0)	0.7% (24)
	0.2% (16)	0.0% (3)	0.0% (0)	0.2% (19)
Micro	0.0% (1)	0.0% (0)	0.0% (0)	0.0% (1)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	25.6% (200)	40.8% (178)	33.6% (150)	100.0% (528)
	19.7% (192)	35.2% (170)	45.1% (143)	100.0% (505)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



Sector Weights Distribution Holdings as of March 31, 2020



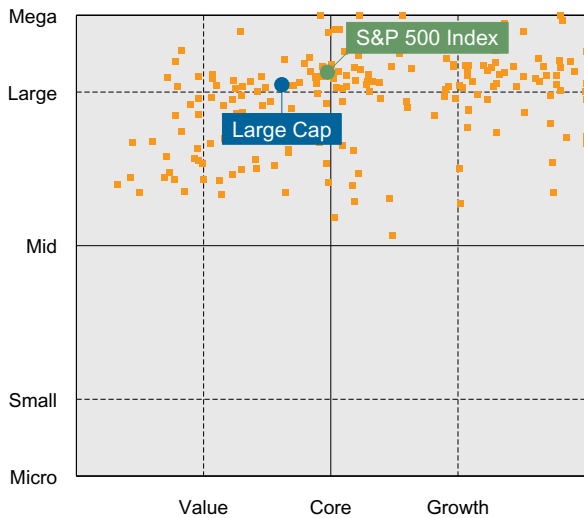
Historical Holdings Based Style Analysis

Large Cap

For Five Years Ended March 31, 2020

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

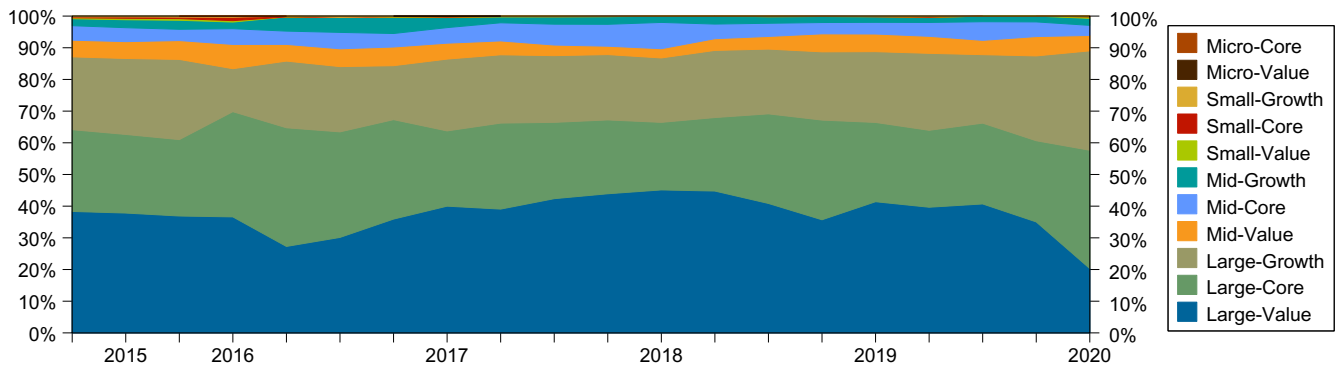
Average Style Map vs Callan Large Cap Holdings for Five Years Ended March 31, 2020



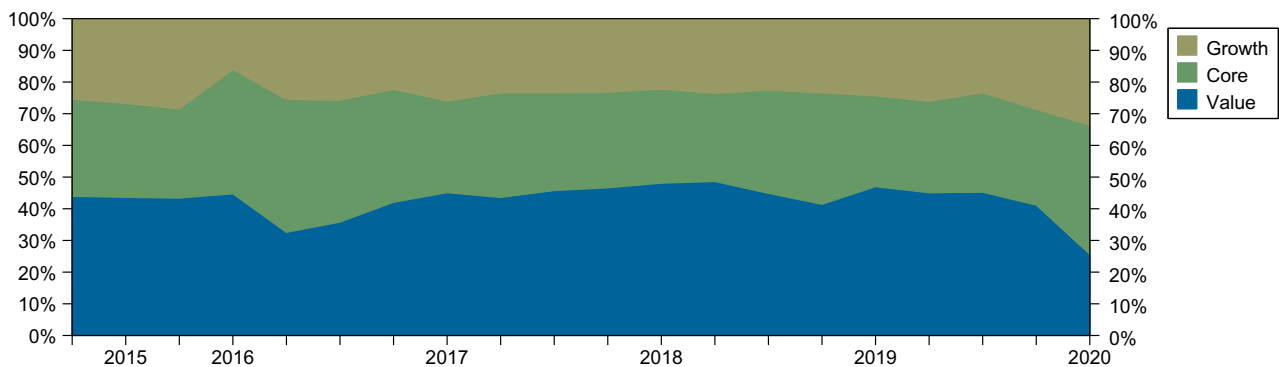
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2020

	Value	Core	Growth	Total
Large	37.6% (98)	27.5% (94)	22.0% (88)	87.1% (280)
	30.9% (100)	27.2% (95)	31.5% (89)	89.5% (284)
Mid	5.0% (84)	4.9% (79)	2.6% (50)	12.4% (213)
	3.9% (86)	3.9% (78)	2.6% (50)	10.4% (214)
Small	0.1% (4)	0.2% (2)	0.1% (2)	0.5% (8)
	0.0% (4)	0.0% (1)	0.0% (1)	0.1% (6)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	42.7% (186)	32.6% (175)	24.7% (140)	100.0% (501)
	34.8% (190)	31.1% (174)	34.1% (140)	100.0% (504)

Large Cap Historical Cap/Style Exposures



Large Cap Historical Style Only Exposures



SSgA S&P 500

Period Ended March 31, 2020

Investment Philosophy

SSGA believes that their passive investment strategy can provide market-like returns with minimal transaction costs. Returns prior to 6/30/2012 are linked to a composite history.

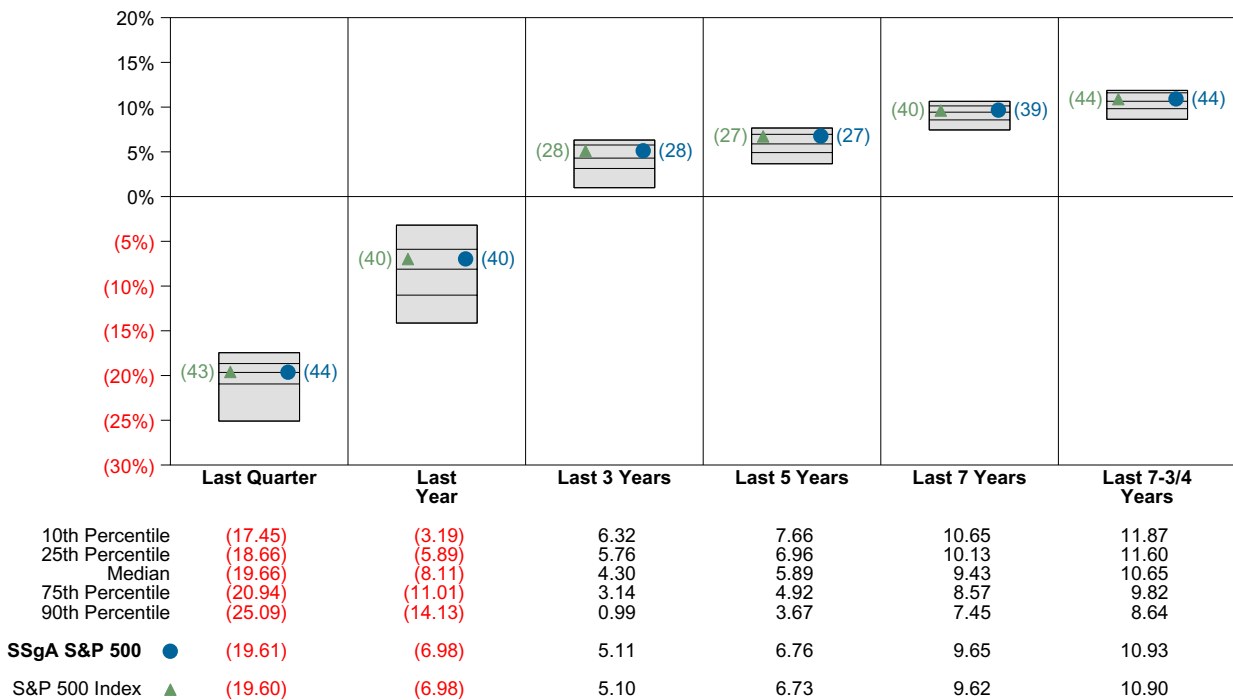
Quarterly Summary and Highlights

- SSgA S&P 500's portfolio posted a (19.61)% return for the quarter placing it in the 44 percentile of the Callan Large Cap Core group for the quarter and in the 40 percentile for the last year.
- SSgA S&P 500's portfolio underperformed the S&P 500 Index by 0.02% for the quarter and underperformed the S&P 500 Index for the year by 0.00%.

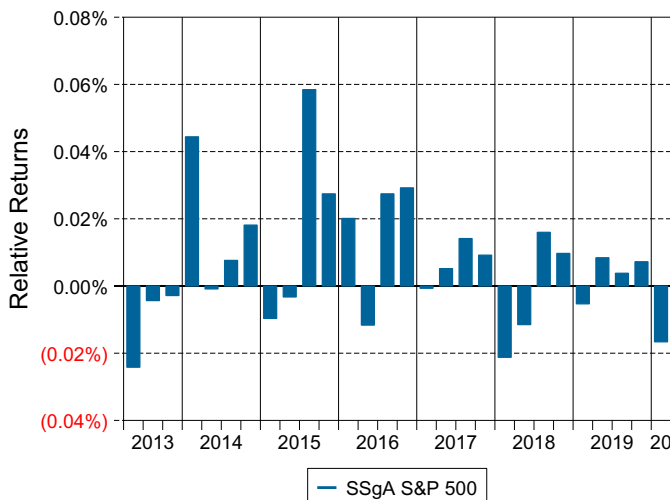
Quarterly Asset Growth

Beginning Market Value	\$55,074,536
Net New Investment	\$-567,069
Investment Gains/(Losses)	\$-10,699,456
Ending Market Value	\$43,808,011

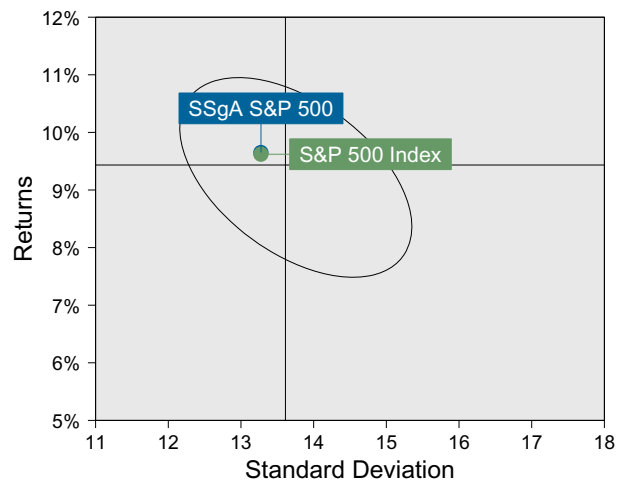
Performance vs Callan Large Cap Core (Gross)



Relative Return vs S&P 500 Index



Callan Large Cap Core (Gross) Annualized Seven Year Risk vs Return

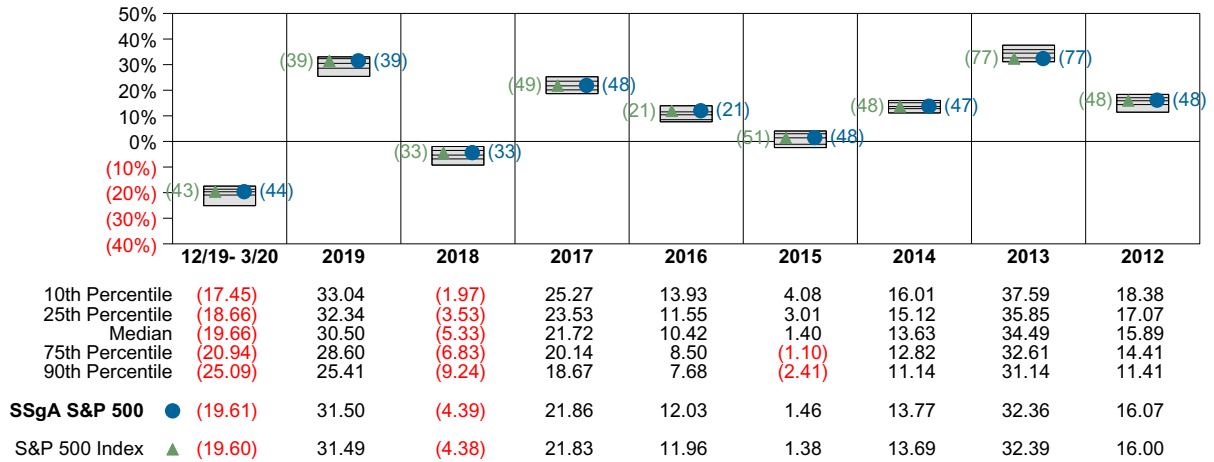


SSgA S&P 500 Return Analysis Summary

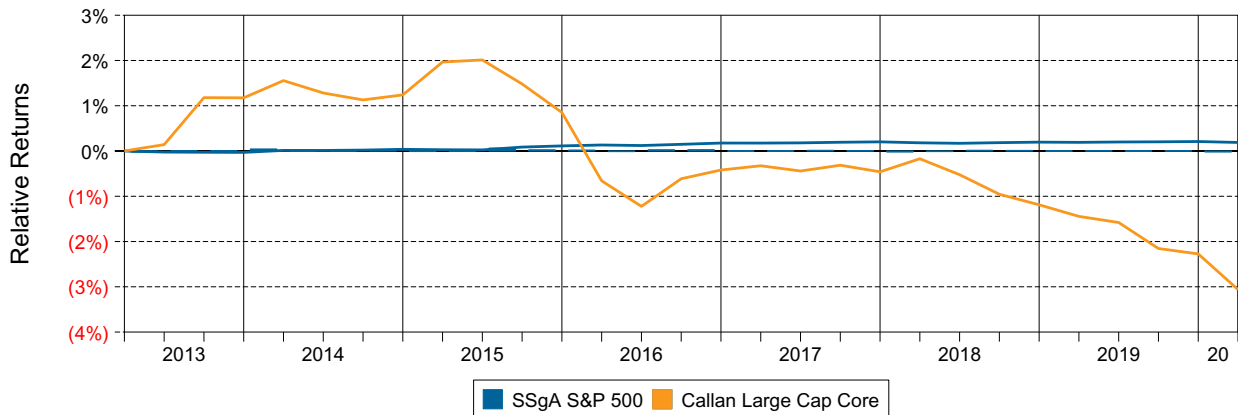
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

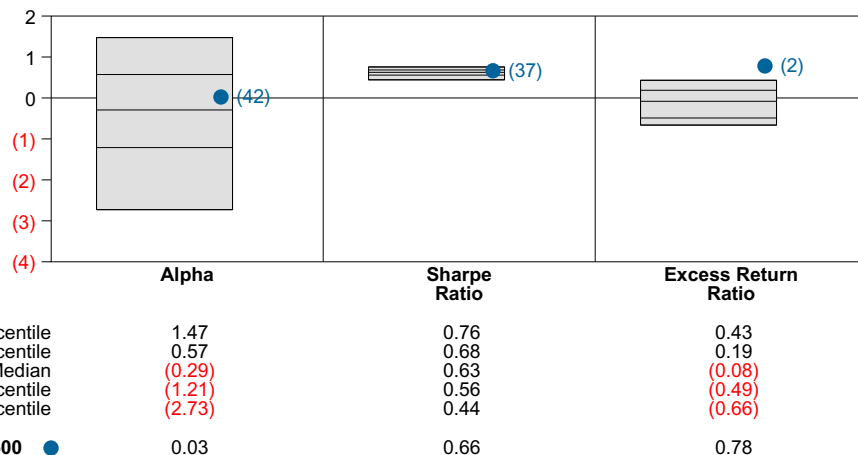
Performance vs Callan Large Cap Core (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Cap Core (Gross) Seven Years Ended March 31, 2020

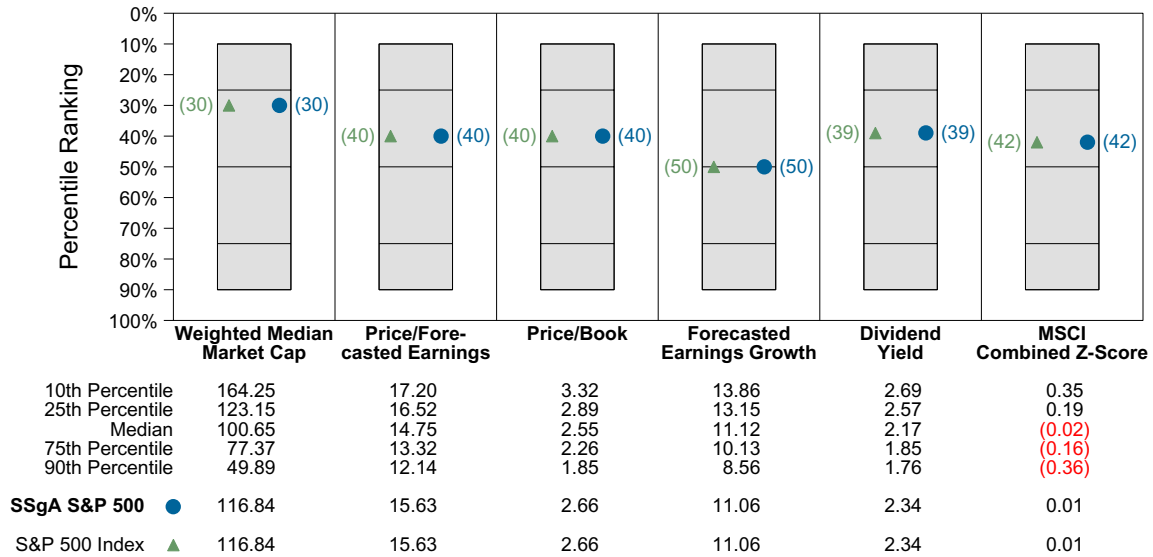


SSgA S&P 500 Equity Characteristics Analysis Summary

Portfolio Characteristics

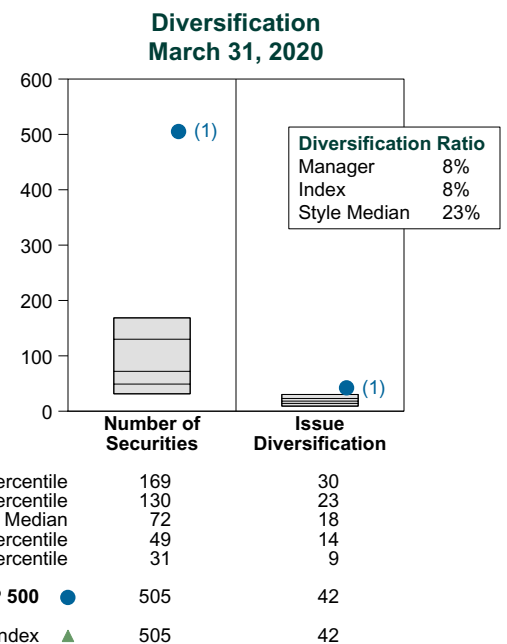
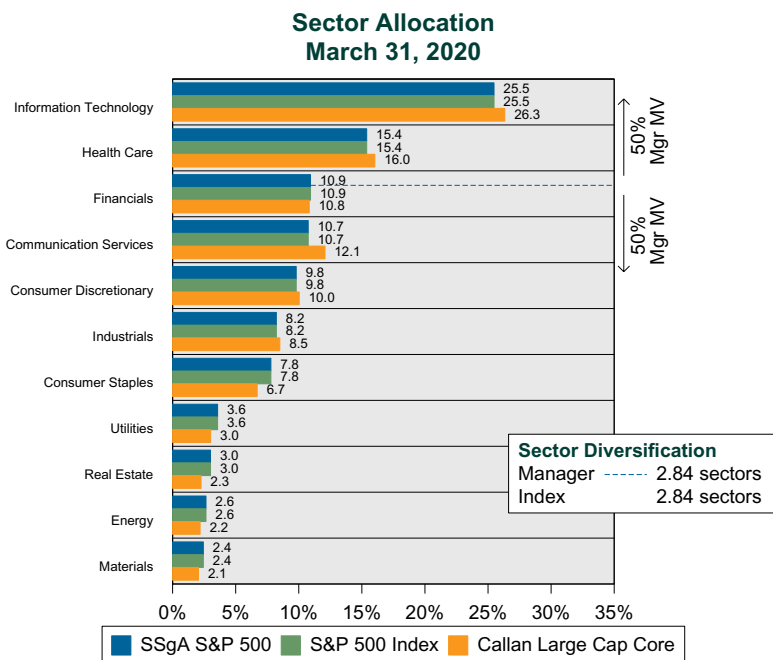
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Core as of March 31, 2020



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



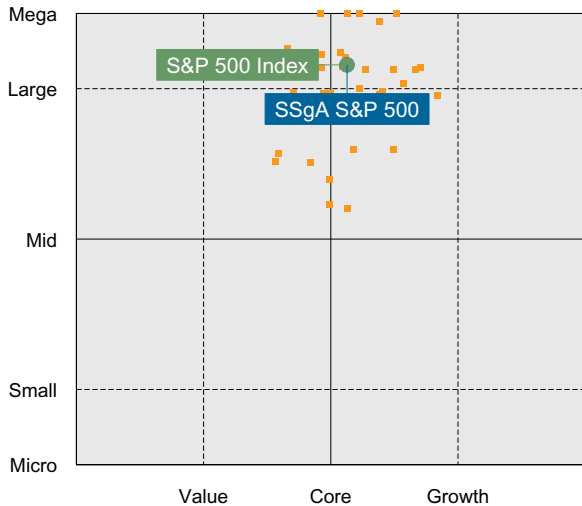
Current Holdings Based Style Analysis

SSgA S&P 500

As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

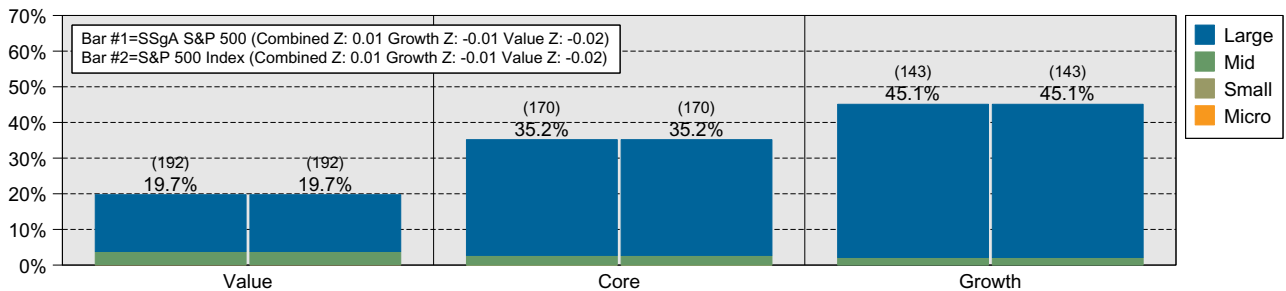
Style Map vs Callan Large Cap Core Holdings as of March 31, 2020



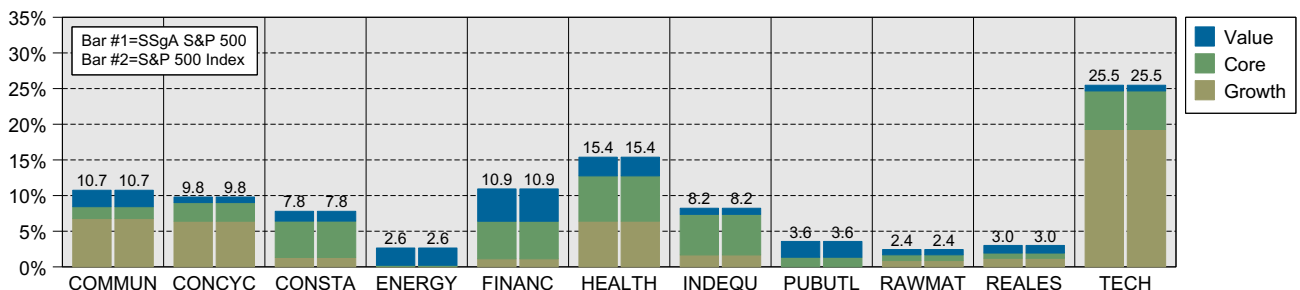
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Large	15.9% (71)	32.5% (107)	43.0% (98)	91.3% (276)
	15.9% (71)	32.5% (107)	43.0% (98)	91.3% (276)
Mid	3.7% (105)	2.7% (60)	2.1% (45)	8.5% (210)
	3.7% (105)	2.7% (60)	2.1% (45)	8.5% (210)
Small	0.2% (16)	0.0% (3)	0.0% (0)	0.2% (19)
	0.2% (16)	0.0% (3)	0.0% (0)	0.2% (19)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	19.7% (192)	35.2% (170)	45.1% (143)	100.0% (505)
	19.7% (192)	35.2% (170)	45.1% (143)	100.0% (505)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



Sector Weights Distribution Holdings as of March 31, 2020



Boston Partners Period Ended March 31, 2020

Investment Philosophy

Boston Partners attempts to implement a disciplined investment process designed to find undervalued securities issued by companies with sound fundamentals and positive business momentum. Boston Partners was funded 6/27/05. The first full quarter for this portfolio is 3rd quarter 2005.

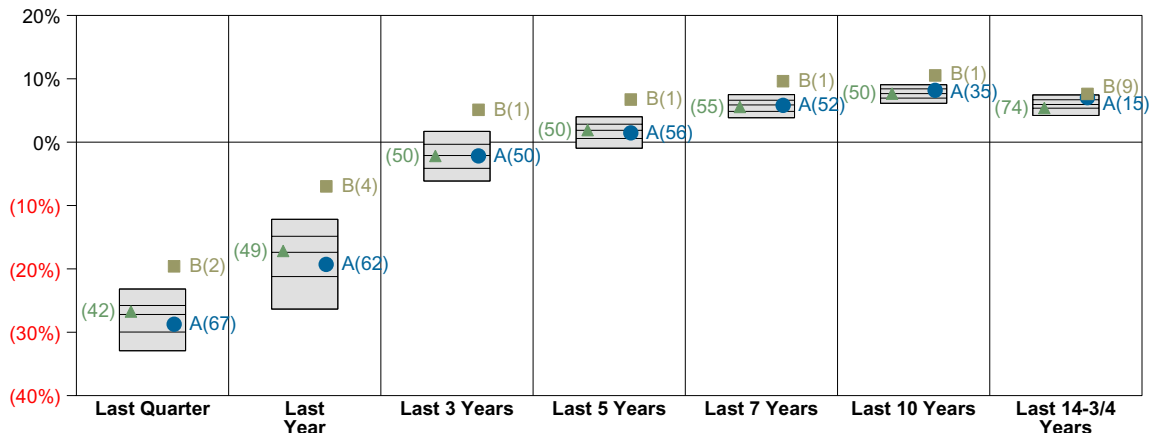
Quarterly Summary and Highlights

- Boston Partners's portfolio posted a (28.75)% return for the quarter placing it in the 67 percentile of the Callan Large Cap Value group for the quarter and in the 62 percentile for the last year.
- Boston Partners's portfolio underperformed the Russell 1000 Value Index by 2.02% for the quarter and underperformed the Russell 1000 Value Index for the year by 2.14%.

Quarterly Asset Growth

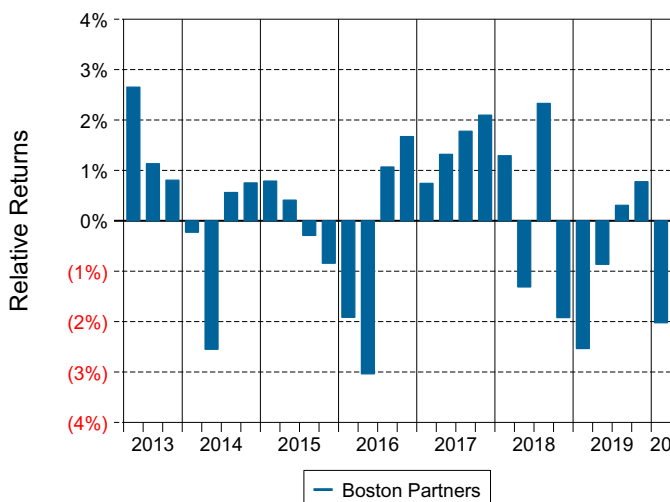
Beginning Market Value	\$50,857,608
Net New Investment	\$0
Investment Gains/(Losses)	\$-14,800,600
Ending Market Value	\$36,057,008

Performance vs Callan Large Cap Value (Gross)

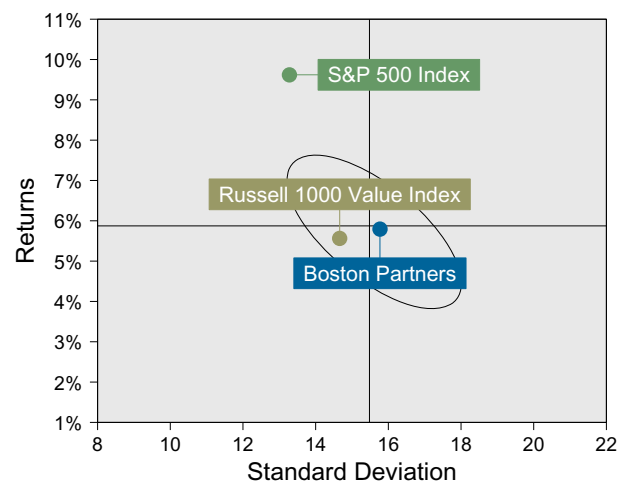


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 14-3/4 Years
10th Percentile	(23.18)	(12.17)	1.70	4.01	7.50	9.07	7.46
25th Percentile	(25.78)	(14.85)	(0.34)	2.83	6.62	8.41	6.69
Median	(27.20)	(17.39)	(2.11)	1.87	5.87	7.66	5.94
75th Percentile	(29.97)	(21.21)	(4.13)	0.58	4.86	6.95	5.36
90th Percentile	(32.92)	(26.34)	(6.14)	(0.96)	3.85	6.13	4.21
Boston Partners	● A (28.75)	(19.30)	(2.15)	1.46	5.79	8.16	7.04
S&P 500 Index	■ B (19.60)	(6.98)	5.10	6.73	9.62	10.53	7.61
Russell 1000 Value Index	▲ (26.73)	(17.17)	(2.18)	1.90	5.56	7.67	5.39

Relative Return vs Russell 1000 Value Index



Callan Large Cap Value (Gross) Annualized Seven Year Risk vs Return

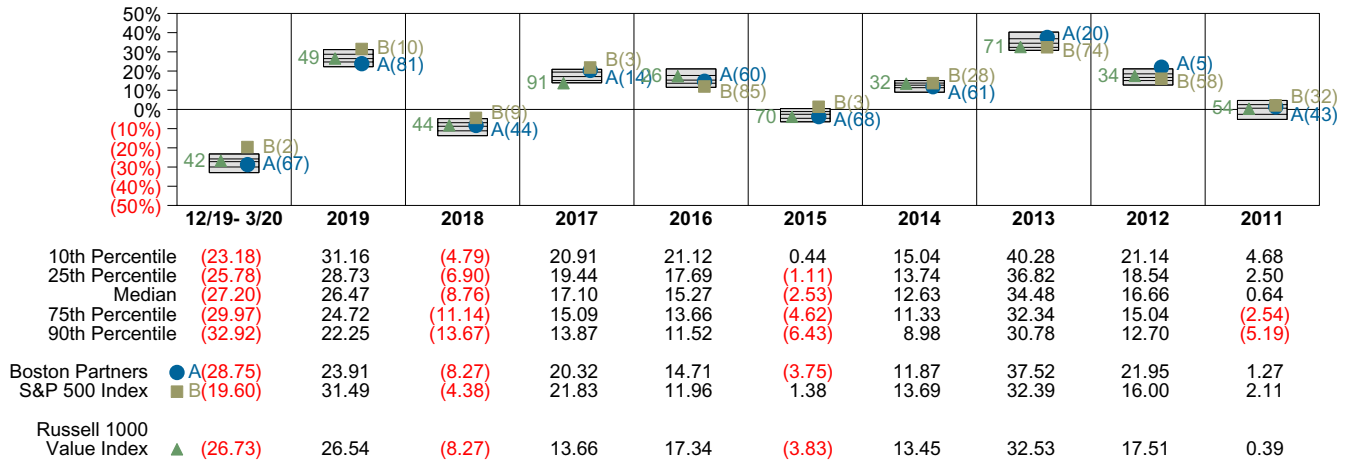


Boston Partners Return Analysis Summary

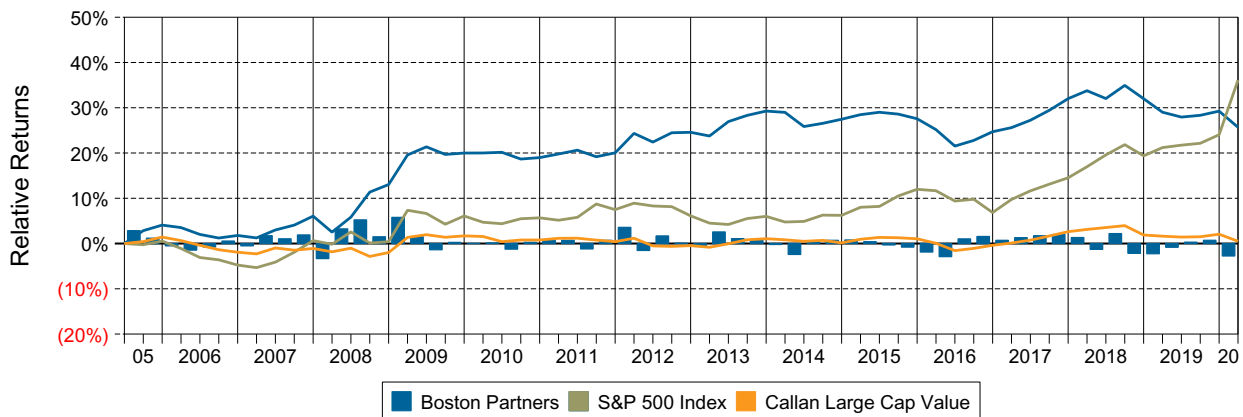
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

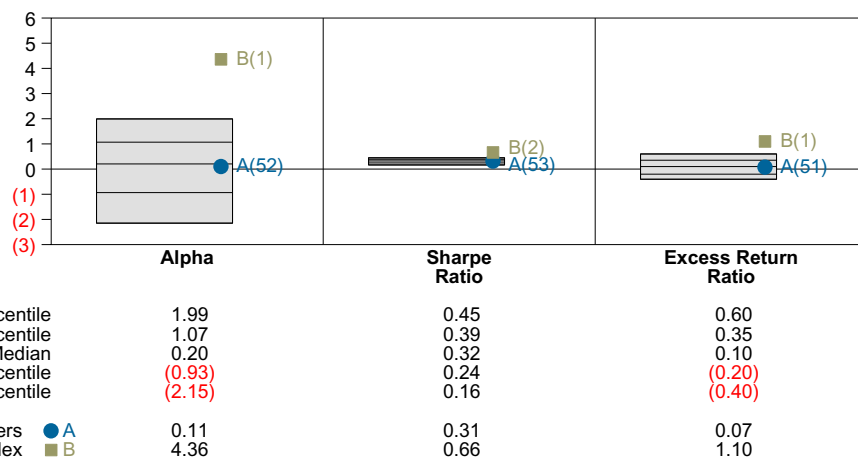
Performance vs Callan Large Cap Value (Gross)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended March 31, 2020

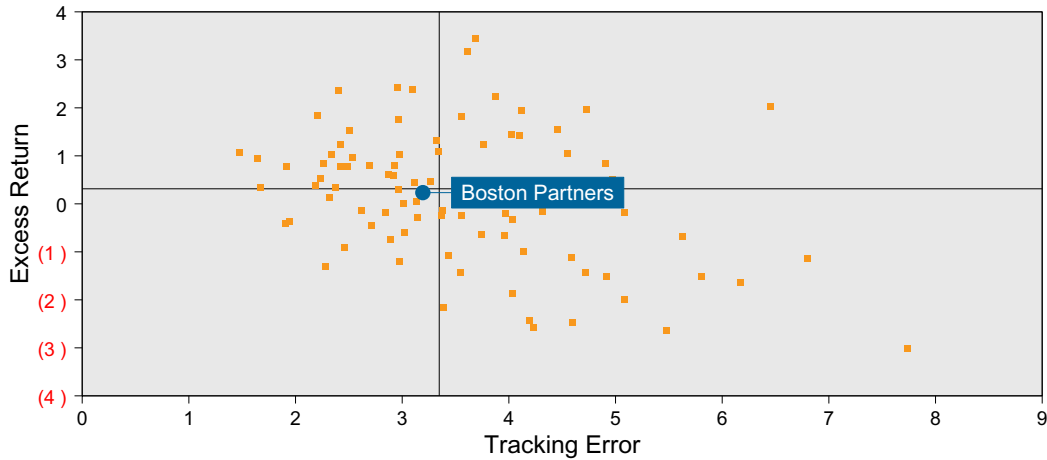


Boston Partners Risk Analysis Summary

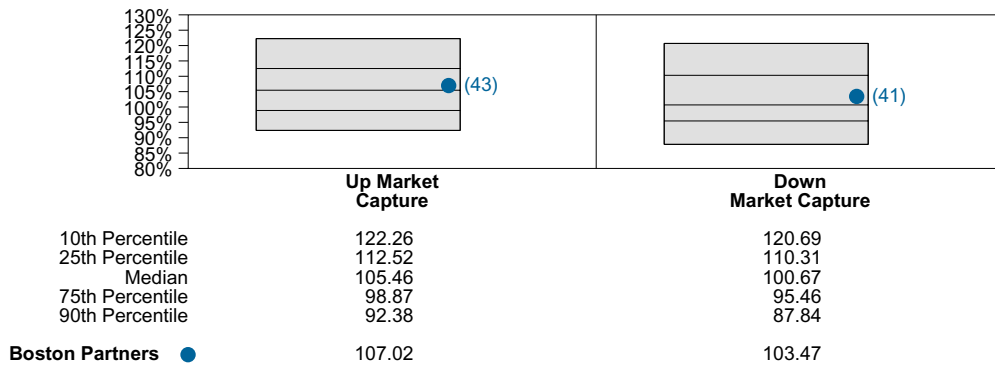
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

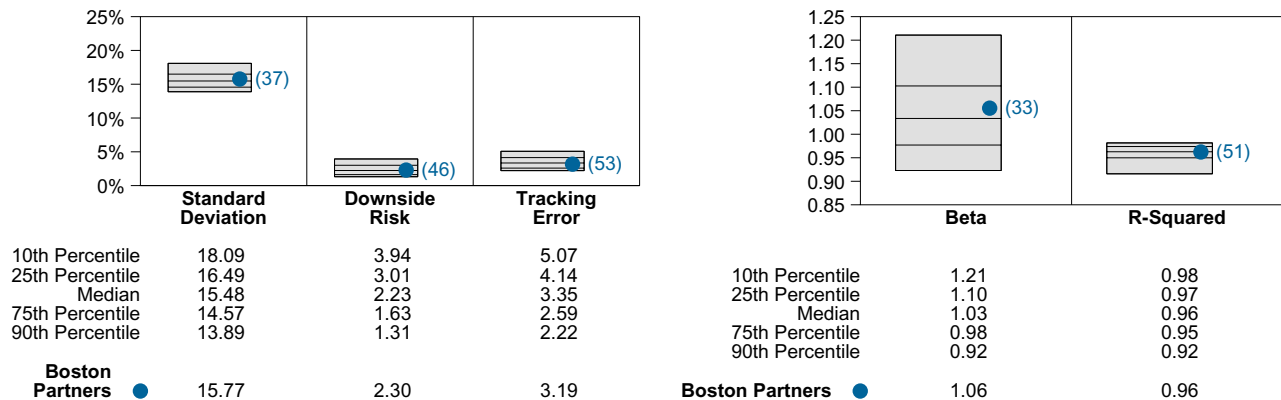
Risk Analysis vs Callan Large Cap Value (Gross) Seven Years Ended March 31, 2020



Market Capture vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended March 31, 2020



Risk Statistics Rankings vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended March 31, 2020

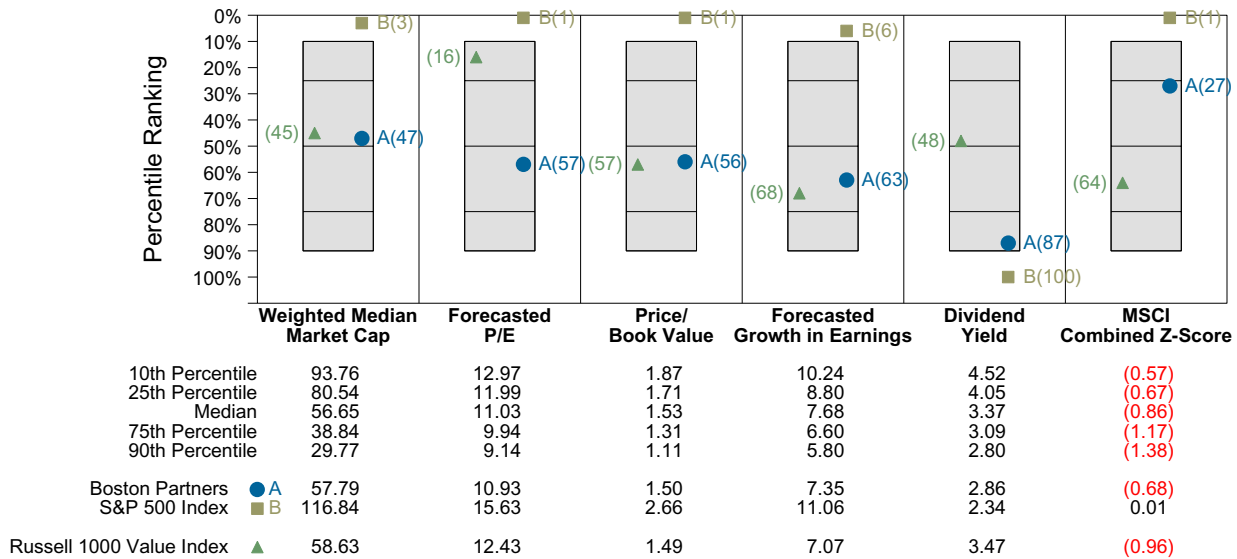


Boston Partners Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

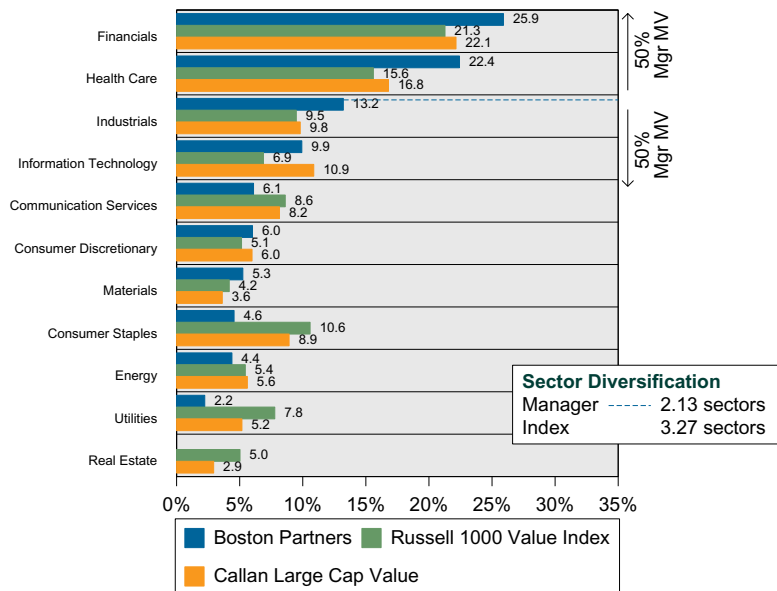
Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Value as of March 31, 2020



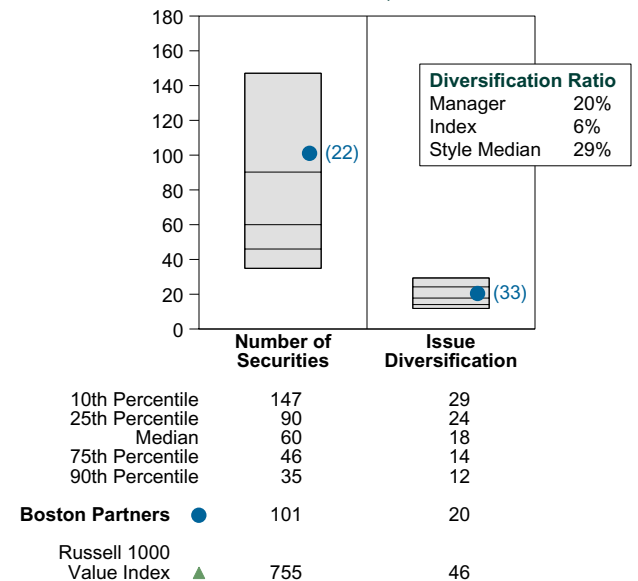
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation March 31, 2020



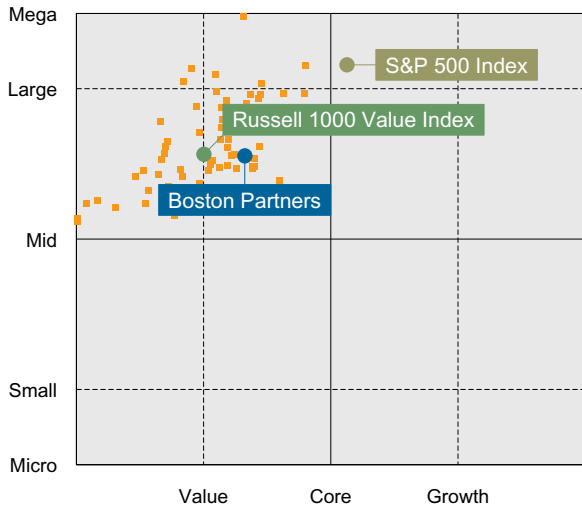
Diversification March 31, 2020



Current Holdings Based Style Analysis Boston Partners As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

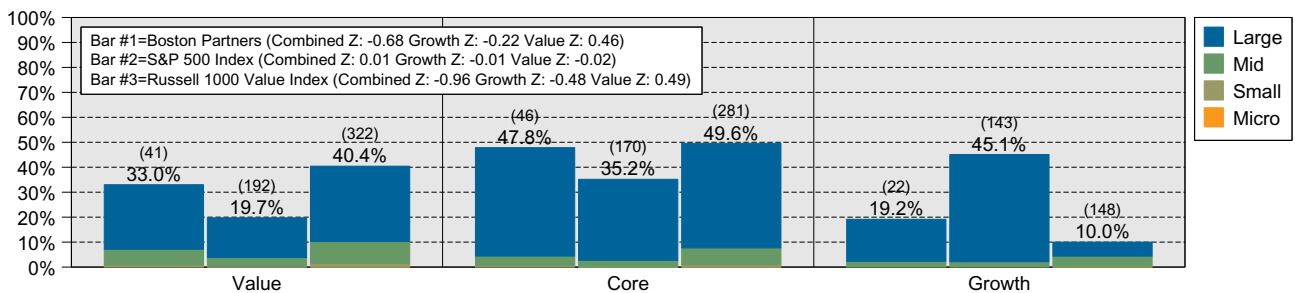
Style Map vs Callan Large Cap Value Holdings as of March 31, 2020



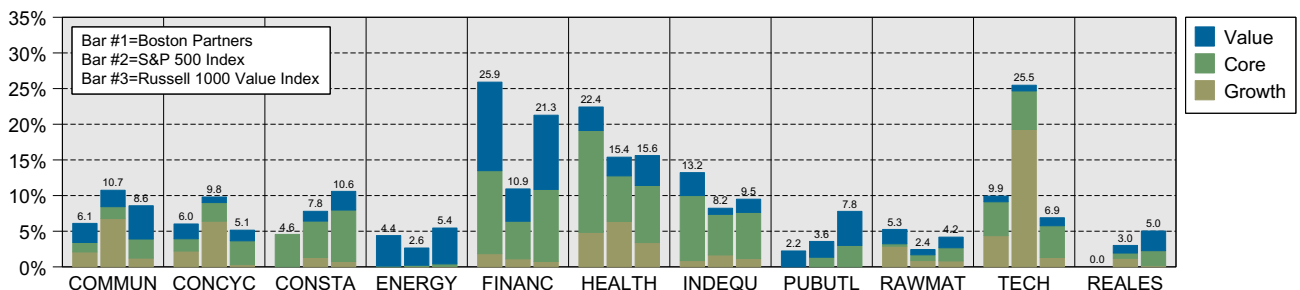
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Large	25.8% (22)	43.4% (32)	16.8% (18)	86.1% (72)
	15.9% (71)	32.5% (107)	43.0% (98)	91.3% (276)
	30.2% (72)	41.9% (90)	5.6% (28)	77.7% (190)
Mid	6.4% (16)	3.8% (11)	2.3% (4)	12.5% (31)
	3.7% (105)	2.7% (60)	2.1% (45)	8.5% (210)
	8.7% (148)	6.8% (127)	4.2% (107)	19.7% (382)
Small	0.8% (2)	0.6% (3)	0.0% (0)	1.4% (5)
	0.2% (16)	0.0% (3)	0.0% (0)	0.2% (19)
	1.5% (101)	0.9% (62)	0.2% (12)	2.6% (175)
Micro	0.0% (1)	0.0% (0)	0.0% (0)	0.0% (1)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (1)	0.0% (2)	0.0% (1)	0.0% (4)
Total	33.0% (41)	47.8% (46)	19.2% (22)	100.0% (109)
	19.7% (192)	35.2% (170)	45.1% (143)	100.0% (505)
	40.4% (322)	49.6% (281)	10.0% (148)	100.0% (751)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



Sector Weights Distribution Holdings as of March 31, 2020



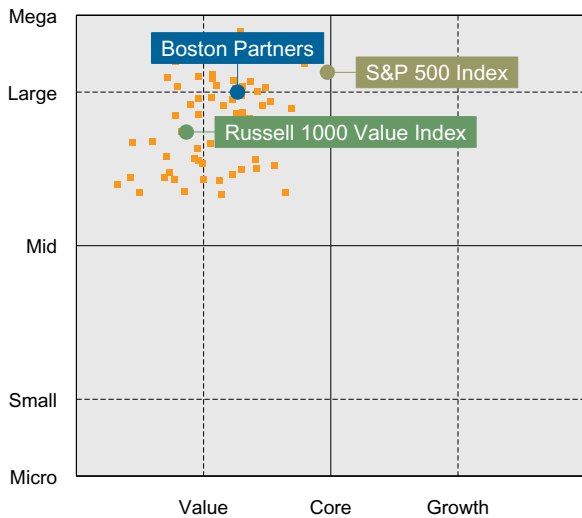
Historical Holdings Based Style Analysis

Boston Partners

For Five Years Ended March 31, 2020

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

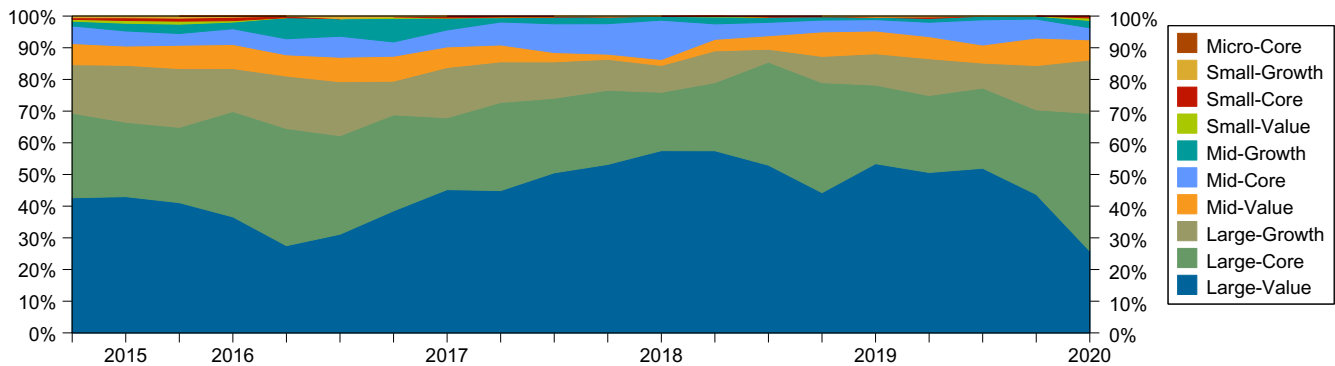
Average Style Map vs Callan Large Cap Value Holdings for Five Years Ended March 31, 2020



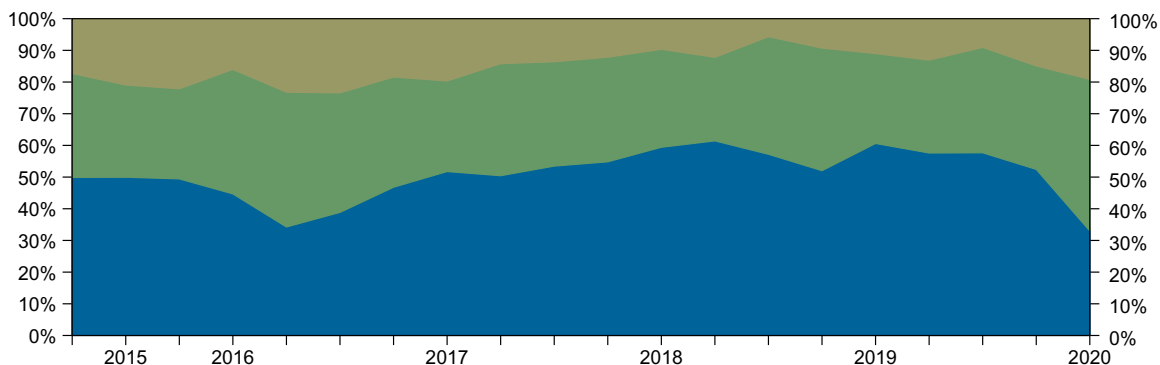
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2020

	Value	Core	Growth	Total
Large	44.6% (29)	27.7% (21)	12.5% (13)	84.9% (63)
	30.9% (100)	27.2% (95)	31.5% (89)	89.5% (284)
Mid	49.9% (99)	24.3% (73)	3.7% (26)	77.8% (198)
	5.9% (9)	5.9% (10)	2.5% (4)	14.3% (23)
Small	3.9% (86)	3.9% (78)	2.6% (50)	10.4% (214)
	9.9% (161)	7.5% (156)	2.5% (70)	19.9% (387)
Micro	0.2% (1)	0.3% (1)	0.2% (1)	0.8% (3)
	0.0% (4)	0.0% (1)	0.0% (1)	0.1% (6)
Total	1.3% (63)	0.8% (44)	0.2% (17)	2.3% (124)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
Total	50.8% (39)	34.0% (32)	15.3% (18)	100.0% (89)
	34.8% (190)	31.1% (174)	34.1% (140)	100.0% (504)
Total	61.0% (323)	32.5% (274)	6.5% (113)	100.0% (710)

Boston Partners Historical Cap/Style Exposures



Boston Partners Historical Style Only Exposures



Boston Partners vs Russell 1000 Value Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended March 31, 2020

Manager Holdings with Largest (+ or -) Contribution to Performance

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Bank Amer Corp	Financials	4.17%	91	1.91%	(39.21)%	(39.32)%	(1.85)%	(0.35)%
JPMorgan Chase & Co	Financials	3.71%	91	2.94%	(35.00)%	(35.00)%	(1.43)%	(0.08)%
Marathon Pete Corp	Energy	1.84%	91	0.25%	(60.15)%	(60.39)%	(1.32)%	(0.62)%
Citigroup Inc	Financials	2.41%	91	1.15%	(46.37)%	(46.92)%	(1.30)%	(0.25)%
American Intl Group Inc	Financials	2.07%	91	0.30%	(52.26)%	(52.23)%	(1.27)%	(0.56)%
Wells Fargo & Co New	Financials	2.34%	91	1.31%	(46.09)%	(46.09)%	(1.25)%	(0.27)%
ConocoPhillips	Energy	1.97%	91	0.46%	(52.25)%	(52.30)%	(1.22)%	(0.48)%
Noble Energy Inc	Energy	0.97%	78	0.07%	(87.43)%	(75.54)%	(1.14)%	(0.61)%
Valero Energy Corp New	Energy	1.81%	91	0.24%	(50.32)%	(51.00)%	(1.11)%	(0.48)%
Berkshire Hathaway Inc Del Cl B New	Financials	4.70%	91	3.14%	(19.54)%	(19.28)%	(0.98)%	0.12%

Index Holdings with Largest (+ or -) Contribution to Performance

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Index Perf	Contrib Excess Return
JPMorgan Chase & Co	Financials	3.71%	91	2.94%	(35.00)%	(35.00)%	(1.13)%	(0.08)%
Exxon Mobil Corp	Energy	-	-	1.88%	-	(44.80)%	(0.97)%	0.46%
Bank Amer Corp	Financials	4.17%	91	1.91%	(39.21)%	(39.32)%	(0.84)%	(0.35)%
Wells Fargo & Co New	Financials	2.34%	91	1.31%	(46.09)%	(46.09)%	(0.70)%	(0.27)%
Chevron Corp New	Energy	0.43%	91	1.49%	(39.17)%	(39.17)%	(0.66)%	0.18%
Berkshire Hathaway Inc Del Cl B New	Financials	4.70%	91	3.14%	(19.54)%	(19.28)%	(0.64)%	0.12%
Disney Walt Co Com Disney	Communication Services	-	-	1.70%	-	(33.21)%	(0.62)%	0.14%
Citigroup Inc	Financials	2.41%	91	1.15%	(46.37)%	(46.92)%	(0.62)%	(0.25)%
At&t Inc	Communication Services	-	-	1.99%	-	(24.41)%	(0.52)%	(0.06)%
Raytheon Technologies Corp	Industrials	2.42%	91	0.85%	(36.71)%	(36.71)%	(0.34)%	(0.18)%

Positions with Largest Positive Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Nortonlifelock Inc	Information Technology	0.46%	70	0.09%	65.85%	25.38%	0.48%	0.53%
Exxon Mobil Corp	Energy	-	-	1.88%	-	(44.80)%	-	0.46%
Cigna Corp New	Health Care	2.61%	91	0.36%	(13.34)%	(13.34)%	(0.36)%	0.34%
McKesson Corp	Health Care	1.30%	91	0.16%	(2.12)%	(1.93)%	(0.03)%	0.32%
Amerisourcebergen	Health Care	0.61%	68	-	0.41%	-	0.03%	0.29%
Alphabet Inc Cl A	Communication Services	1.63%	91	-	(13.02)%	-	(0.20)%	0.27%
Barrick Gold Corp	Materials	0.93%	91	-	(1.20)%	-	(0.01)%	0.27%
Progressive Corp Ohio	Financials	0.92%	89	0.22%	0.85%	5.30%	(0.06)%	0.23%
Oracle Corp	Information Technology	1.01%	91	-	(8.37)%	-	(0.09)%	0.21%
Microsoft Corp	Information Technology	0.69%	91	-	(0.64)%	-	0.01%	0.20%

Positions with Largest Negative Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Marathon Pete Corp	Energy	1.84%	91	0.25%	(60.15)%	(60.39)%	(1.32)%	(0.62)%
Noble Energy Inc	Energy	0.97%	78	0.07%	(87.43)%	(75.54)%	(1.14)%	(0.61)%
American Intl Group Inc	Financials	2.07%	91	0.30%	(52.26)%	(52.23)%	(1.27)%	(0.56)%
Cimarex Energy Co	Energy	0.92%	91	0.03%	(67.78)%	(67.78)%	(0.78)%	(0.52)%
Valero Energy Corp New	Energy	1.81%	91	0.24%	(50.32)%	(51.00)%	(1.11)%	(0.48)%
ConocoPhillips	Energy	1.97%	91	0.46%	(52.25)%	(52.30)%	(1.22)%	(0.48)%
Intel Corp	Information Technology	-	-	1.90%	-	(9.13)%	-	(0.38)%
Bank Amer Corp	Financials	4.17%	91	1.91%	(39.21)%	(39.32)%	(1.85)%	(0.35)%
Walmart Inc	Consumer Staples	-	-	1.17%	-	(3.96)%	-	(0.30)%
Dowdupont Inc	Materials	1.20%	91	0.28%	(46.53)%	(46.53)%	(0.68)%	(0.27)%

Atlanta Capital Period Ended March 31, 2020

Investment Philosophy

Atlanta believes that high quality companies produce consistently increasing earnings and dividends, thereby providing attractive returns with moderate risk over the long-term. Returns prior to 6/30/2010 are linked to a composite history.

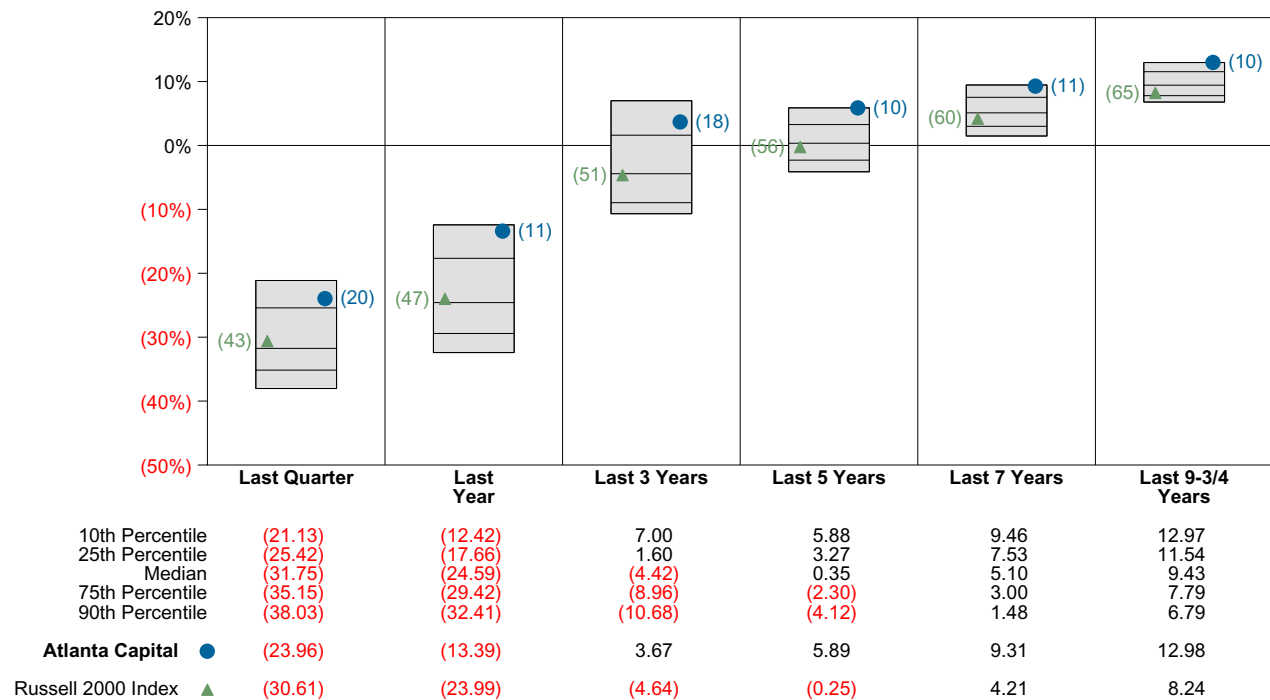
Quarterly Summary and Highlights

- Atlanta Capital's portfolio posted a (23.96)% return for the quarter placing it in the 20 percentile of the Callan Small Capitalization group for the quarter and in the 11 percentile for the last year.
- Atlanta Capital's portfolio outperformed the Russell 2000 Index by 6.66% for the quarter and outperformed the Russell 2000 Index for the year by 10.60%.

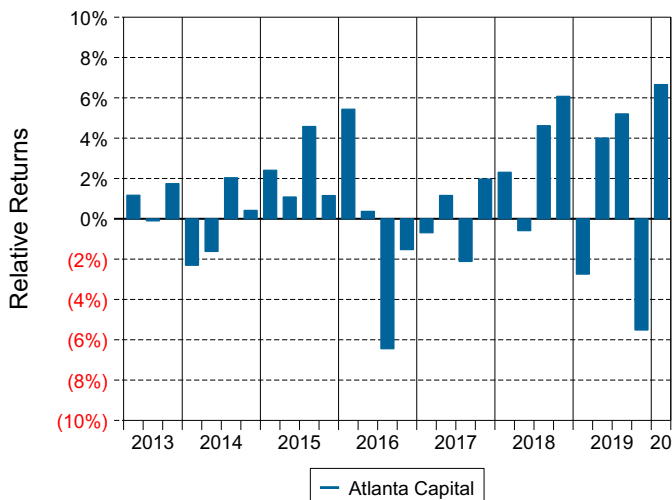
Quarterly Asset Growth

Beginning Market Value	\$27,305,881
Net New Investment	\$-0
Investment Gains/(Losses)	\$-6,541,898
Ending Market Value	\$20,763,983

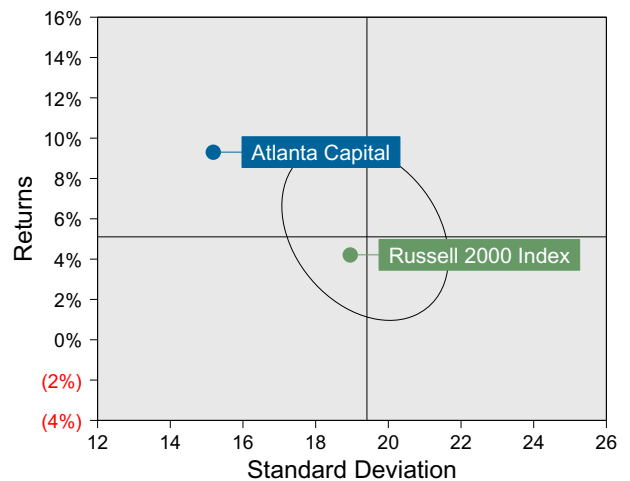
Performance vs Callan Small Capitalization (Gross)



Relative Return vs Russell 2000 Index



Callan Small Capitalization (Gross) Annualized Seven Year Risk vs Return

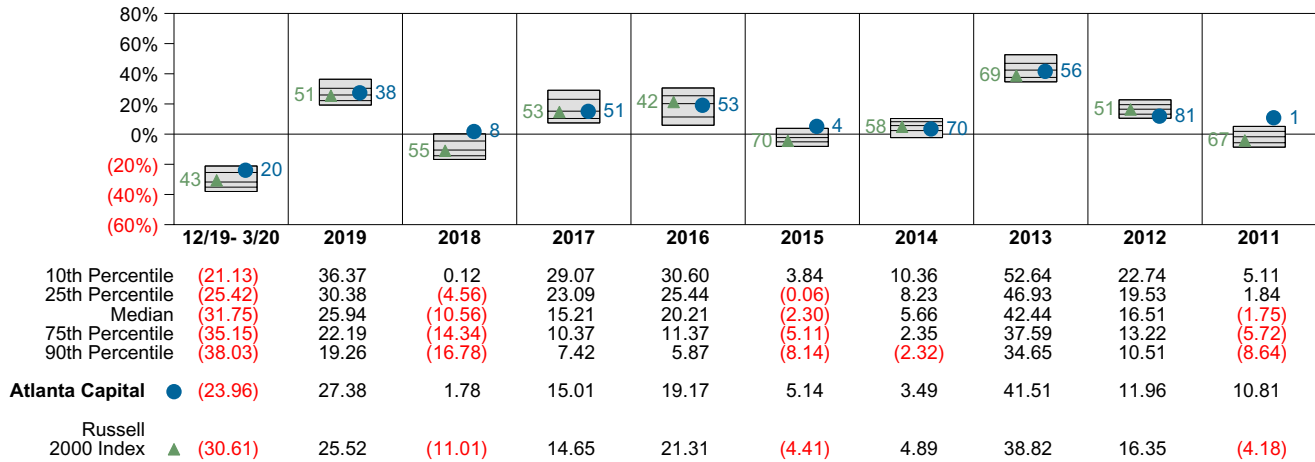


Atlanta Capital Return Analysis Summary

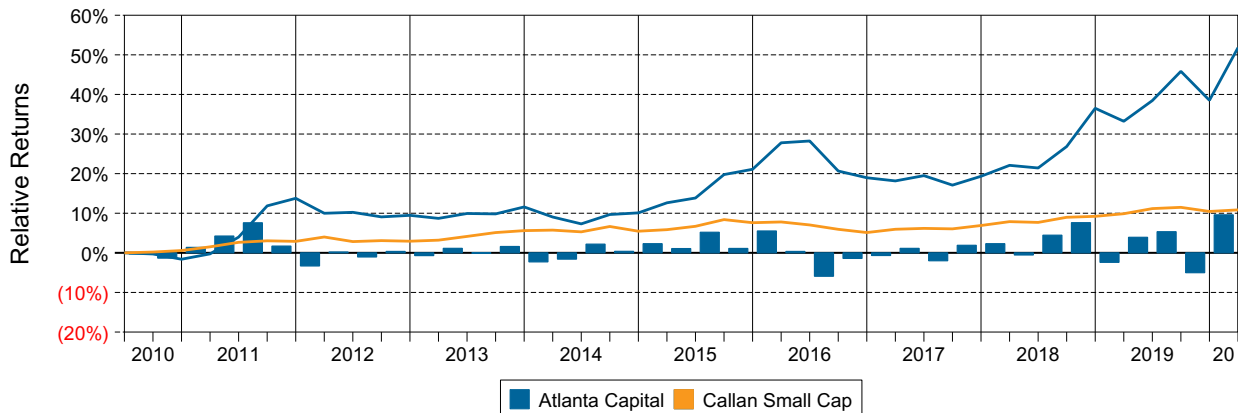
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

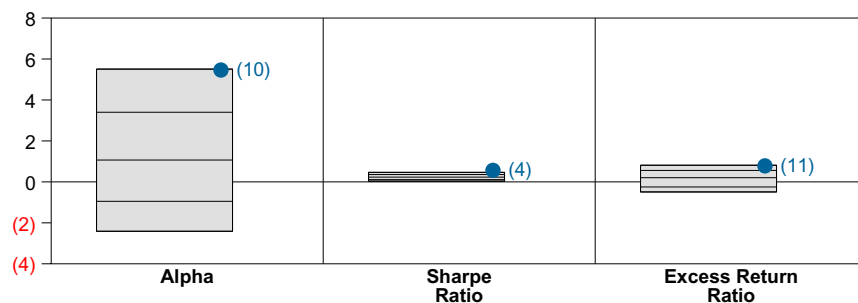
Performance vs Callan Small Capitalization (Gross)



Cumulative and Quarterly Relative Return vs Russell 2000 Index



Risk Adjusted Return Measures vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended March 31, 2020



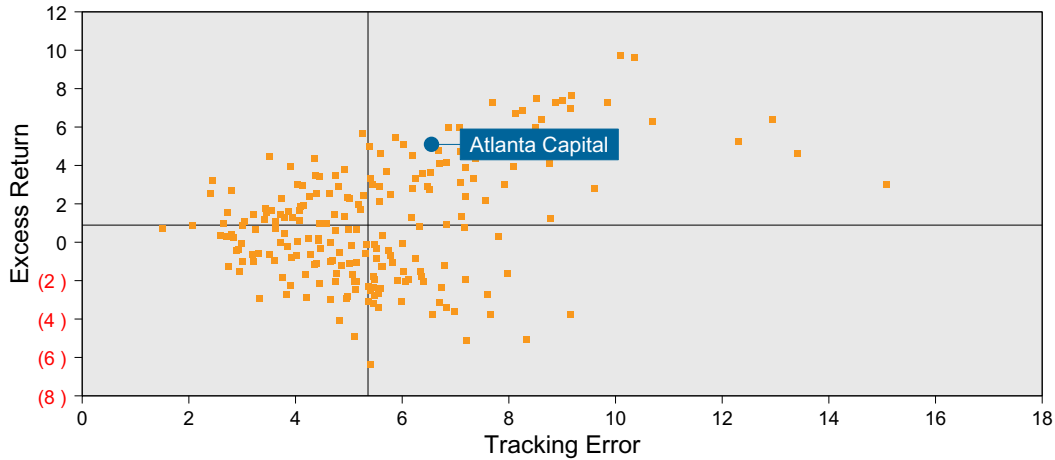
10th Percentile	5.51	0.47	0.81
25th Percentile	3.40	0.36	0.56
Median	1.07	0.23	0.21
75th Percentile	(0.95)	0.11	(0.25)
90th Percentile	(2.41)	0.03	(0.49)
Atlanta Capital	5.46	0.56	0.78

Atlanta Capital Risk Analysis Summary

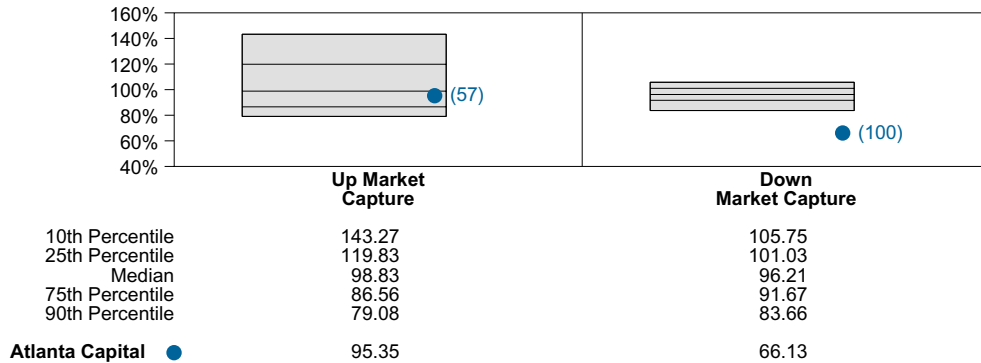
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

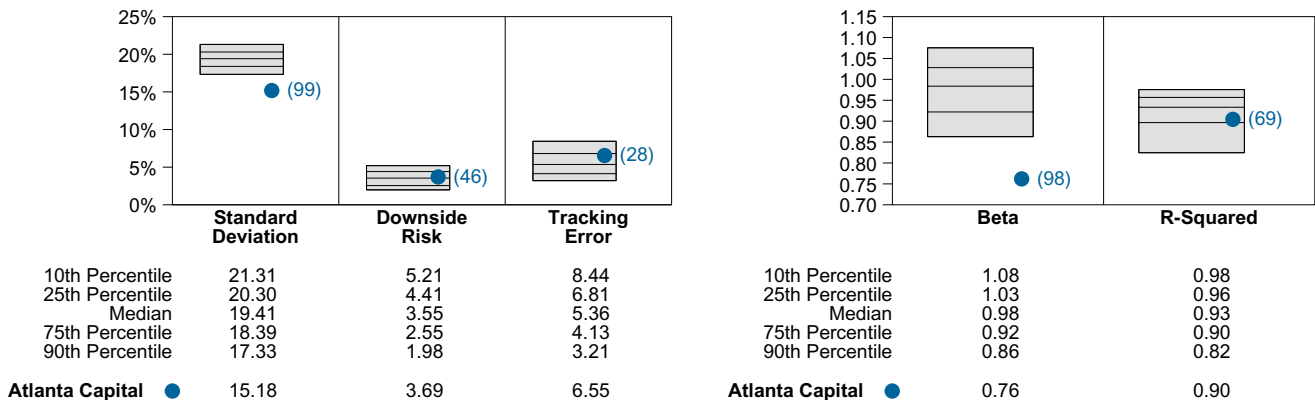
Risk Analysis vs Callan Small Capitalization (Gross) Seven Years Ended March 31, 2020



Market Capture vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended March 31, 2020



Risk Statistics Rankings vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended March 31, 2020

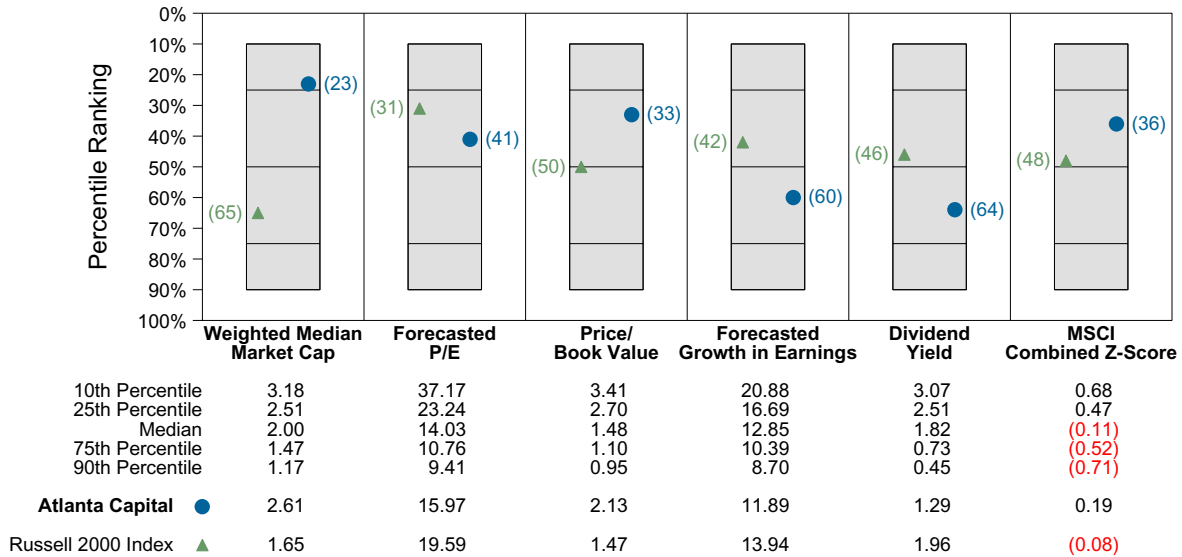


Atlanta Capital Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

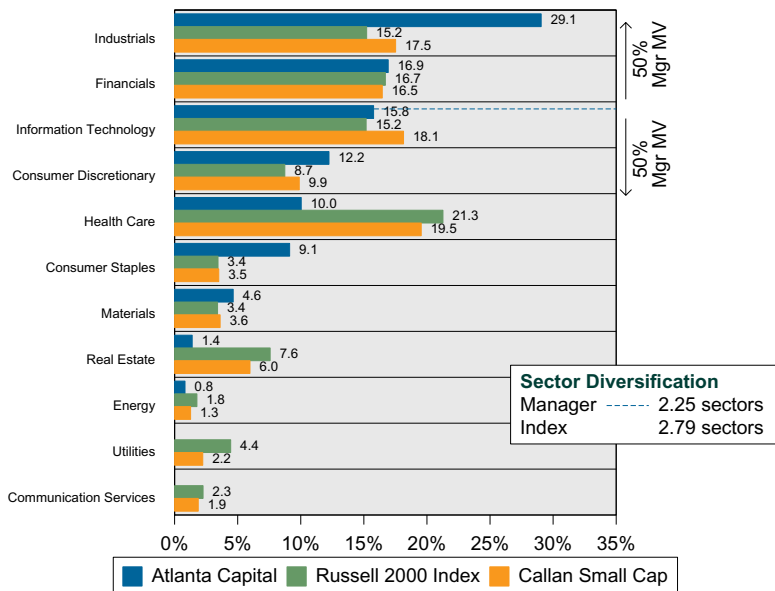
Portfolio Characteristics Percentile Rankings Rankings Against Callan Small Capitalization as of March 31, 2020



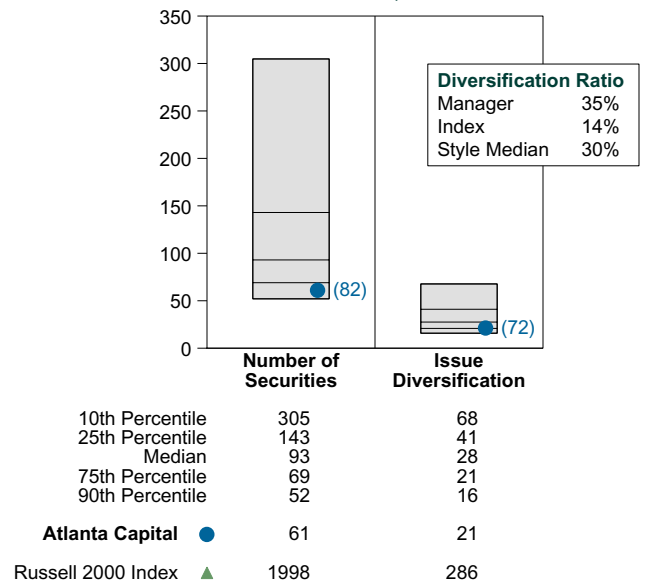
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation March 31, 2020



Diversification March 31, 2020



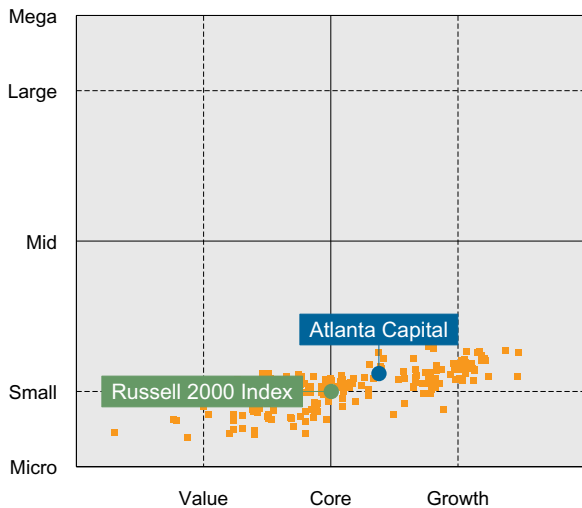
Current Holdings Based Style Analysis

Atlanta Capital

As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

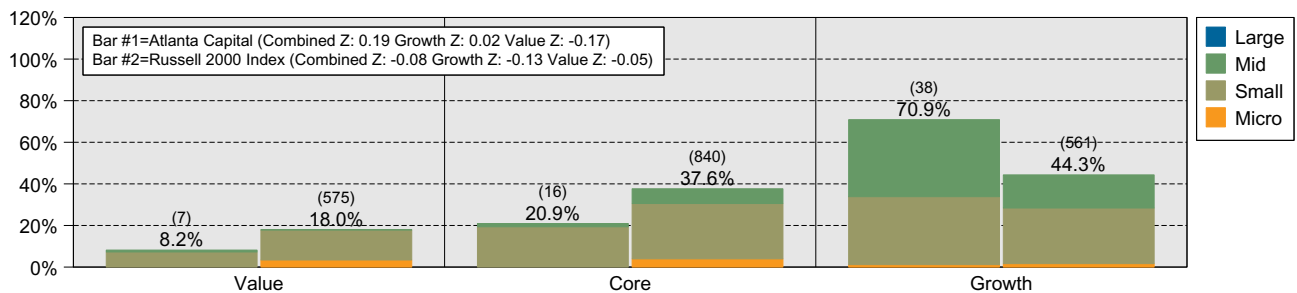
Style Map vs Callan Small Cap Holdings as of March 31, 2020



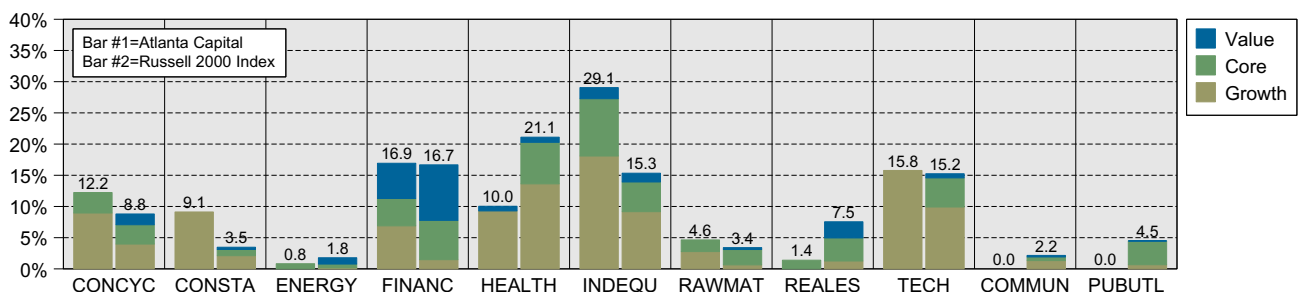
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	0.9% (1)	1.6% (1)	37.0% (18)	39.5% (20)
Small	7.3% (6)	19.4% (15)	32.7% (19)	59.3% (40)
Micro	0.0% (0)	0.0% (0)	1.2% (1)	1.2% (1)
Total	8.2% (7)	20.9% (16)	70.9% (38)	100.0% (61)
	18.0% (575)	37.6% (840)	44.3% (561)	100.0% (1976)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



Sector Weights Distribution Holdings as of March 31, 2020



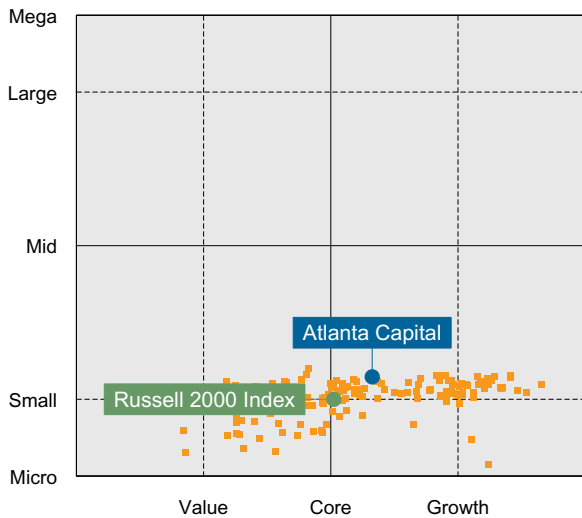
Historical Holdings Based Style Analysis

Atlanta Capital

For Five Years Ended March 31, 2020

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various market capitalization and style segments of the domestic equity market. The market is segmented quarterly by capitalization and style. The capitalization segments are dictated by capitalization decile breakpoints. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each capitalization/style segment of the market. The next two style exposure charts illustrate the actual quarterly cap/style and style only segment exposures of the portfolio through history.

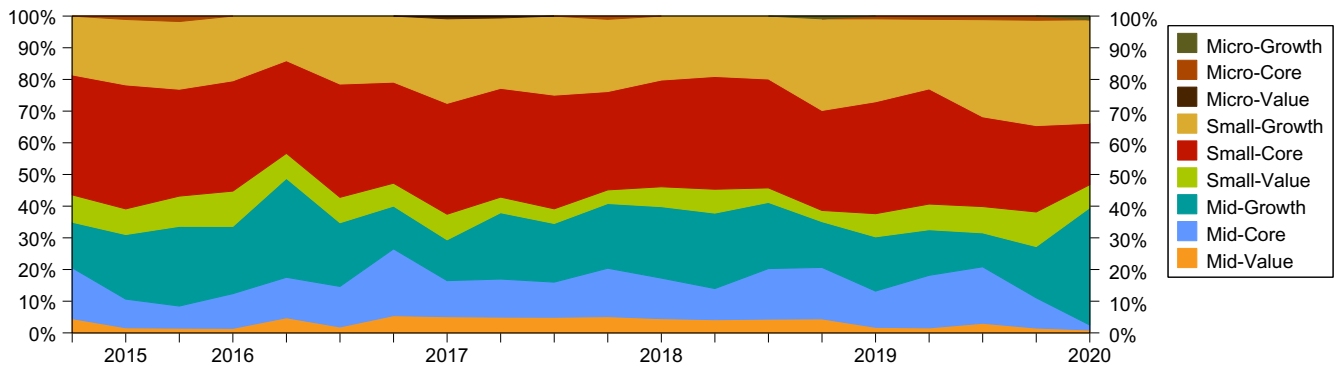
Average Style Map vs Callan Small Cap Holdings for Five Years Ended March 31, 2020



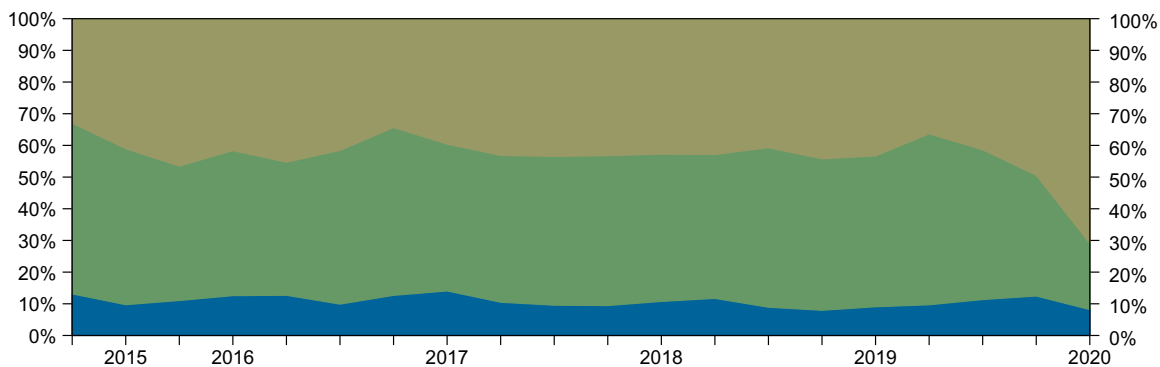
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2020

	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	3.4% (2)	12.6% (6)	19.8% (9)	35.7% (17)
Small	1.6% (8)	3.7% (18)	6.0% (27)	11.3% (53)
Micro	7.3% (6)	33.0% (23)	23.3% (13)	63.7% (42)
	19.6% (270)	31.4% (431)	25.8% (346)	76.8% (1047)
Micro	0.1% (0)	0.4% (0)	0.1% (0)	0.6% (0)
	4.0% (285)	4.9% (381)	3.0% (209)	11.9% (875)
Total	10.8% (8)	46.0% (29)	43.2% (22)	100.0% (59)
	25.2% (563)	40.0% (830)	34.8% (582)	100.0% (1975)
	Value	Core	Growth	Total

Atlanta Capital Historical Cap/Style Exposures



Atlanta Capital Historical Style Only Exposures



Atlanta Capital vs Russell 2000 Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended March 31, 2020

Manager Holdings with Largest (+ or -) Contribution to Performance

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Choice Hotels Intl Inc	Consumer Discretionary	3.28%	91	-	(40.78)%	-	(1.46)%	(0.37)%
Kirby Corp	Industrials	2.14%	91	-	(51.45)%	-	(1.32)%	(0.65)%
Manhattan Associates	Information Technology	3.34%	91	-	(37.55)%	-	(1.31)%	(0.25)%
Wolverine World Wide Inc	Consumer Discretionary	1.93%	91	0.12%	(54.15)%	(54.65)%	(1.15)%	(0.55)%
Beacon Roofing Supply Inc	Industrials	2.26%	91	0.11%	(48.51)%	(48.28)%	(1.13)%	(0.44)%
J & J Snack Foods Corp	Consumer Staples	2.46%	91	0.13%	(33.99)%	(33.99)%	(0.93)%	(0.11)%
Moog Inc Cl A	Industrials	2.30%	91	0.14%	(38.42)%	(40.63)%	(0.88)%	(0.17)%
Blackbaud Inc	Information Technology	2.37%	91	0.18%	(30.09)%	(30.09)%	(0.77)%	0.00%
Inter Parfums Inc	Consumer Staples	1.91%	91	0.06%	(35.83)%	(35.83)%	(0.76)%	(0.13)%
Corelogic Inc	Industrials	2.75%	91	-	(29.88)%	-	(0.74)%	0.13%

Index Holdings with Largest (+ or -) Contribution to Performance

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Index Perf	Contrib Excess Return
Teladoc Health Inc	Health Care	-	-	0.38%	-	85.15%	0.26%	(0.41)%
Arrowhead Pharmaceuticals Inc	Health Care	-	-	0.22%	-	(54.64)%	(0.16)%	0.10%
Eldorado Resorts Inc	Consumer Discretionary	-	-	0.19%	-	(75.86)%	(0.16)%	0.10%
Marriott Vacations Wrldwde C	Consumer Discretionary	-	-	0.24%	-	(56.59)%	(0.16)%	0.08%
Performance Food Group Co	Consumer Staples	-	-	0.25%	-	(51.98)%	(0.14)%	0.06%
Essent Group Ltd	Financials	-	-	0.23%	-	(49.13)%	(0.13)%	0.05%
Radian Group	Financials	-	-	0.24%	-	(48.26)%	(0.13)%	0.05%
Tenet Healthcare Corp	Health Care	-	-	0.16%	-	(62.14)%	(0.12)%	0.07%
Blackstone Mtg Tr Inc Com Cl A	Financials	-	-	0.24%	-	(48.38)%	(0.12)%	0.04%
Aarons Inc Com Par \$0.50	Consumer Discretionary	-	-	0.18%	-	(60.02)%	(0.12)%	0.07%

Positions with Largest Positive Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Icu Med Inc	Health Care	2.03%	91	-	7.83%	-	0.16%	0.87%
Kinsale Cap Group Inc	Financials	2.37%	91	0.12%	2.90%	2.90%	0.03%	0.84%
Emergent Biosolutions Inc	Health Care	1.67%	91	0.13%	7.50%	7.25%	0.13%	0.65%
Houlihan Lokey Inc Cl A	Financials	1.44%	91	0.11%	7.28%	7.28%	0.05%	0.59%
Exponent Inc	Industrials	1.74%	91	0.19%	3.95%	4.50%	0.03%	0.58%
Qualys Inc	Information Technology	1.32%	91	0.14%	3.90%	4.34%	0.08%	0.52%
Fti Consulting	Industrials	1.41%	91	0.21%	8.19%	8.23%	0.11%	0.52%
Caseys General Stores	Consumer Staples	2.98%	91	-	(17.90)%	-	(0.49)%	0.48%
Rli Corp	Financials	1.41%	91	0.18%	(2.20)%	(2.05)%	(0.02)%	0.39%
Silgan Holdings Inc	Materials	1.29%	91	-	(6.21)%	-	(0.08)%	0.35%

Positions with Largest Negative Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Kirby Corp	Industrials	2.14%	91	-	(51.45)%	-	(1.32)%	(0.65)%
Wolverine World Wide Inc	Consumer Discretionary	1.93%	91	0.12%	(54.15)%	(54.65)%	(1.15)%	(0.55)%
Beacon Roofing Supply Inc	Industrials	2.26%	91	0.11%	(48.51)%	(48.28)%	(1.13)%	(0.44)%
Teladoc Health Inc	Health Care	-	-	0.38%	-	85.15%	-	(0.41)%
Choice Hotels Intl Inc	Consumer Discretionary	3.28%	91	-	(40.78)%	-	(1.46)%	(0.37)%
Sally Beauty Hldgs Inc	Consumer Discretionary	1.00%	91	0.09%	(55.73)%	(55.73)%	(0.67)%	(0.33)%
Welbilt Inc	Industrials	0.85%	91	0.10%	(66.91)%	(67.14)%	(0.63)%	(0.28)%
Iberiabank Corp	Financials	1.27%	91	0.18%	(51.09)%	(51.09)%	(0.72)%	(0.27)%
Manhattan Associates	Information Technology	3.34%	91	-	(37.55)%	-	(1.31)%	(0.25)%
Monro Inc	Consumer Discretionary	1.18%	91	0.11%	(43.71)%	(43.71)%	(0.61)%	(0.22)%

International Equity Period Ended March 31, 2020

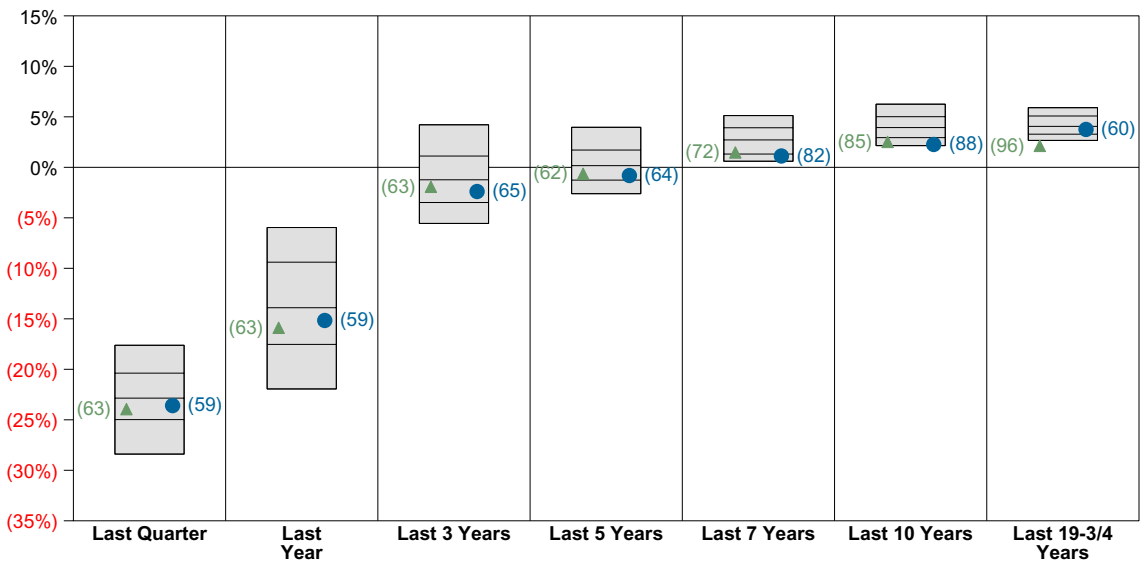
Investment Philosophy

International Benchmark = MSCI EAFE until 6/30/2013, 78.26% MSCI EAFE + 21.74% MSCI EM until 4/30/2015, 76% MSCI EAFE + 24% MSCI EM until 7/31/2016, and 56% MSCI EAFE + 24% MSCI EM + 20% MSCI EAFE Small Cap thereafter.

Quarterly Summary and Highlights

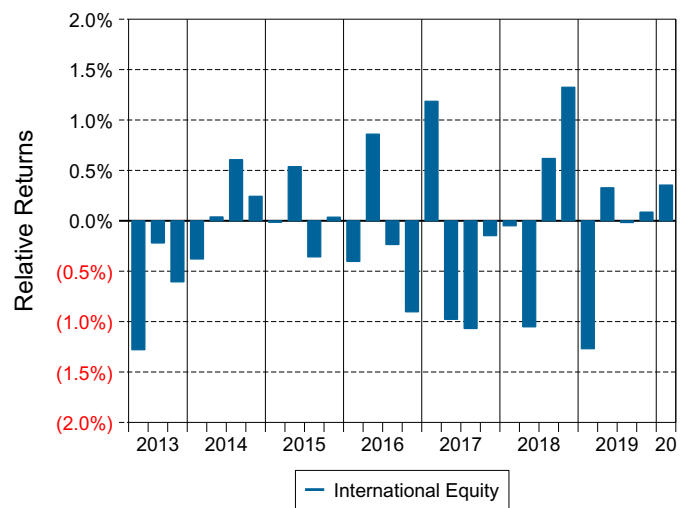
- International Equity's portfolio posted a (23.59)% return for the quarter placing it in the 59 percentile of the Callan Non-US Equity group for the quarter and in the 59 percentile for the last year.
- International Equity's portfolio outperformed the International Benchmark by 0.35% for the quarter and outperformed the International Benchmark for the year by 0.71%.

Performance vs Callan Non-US Equity (Gross)

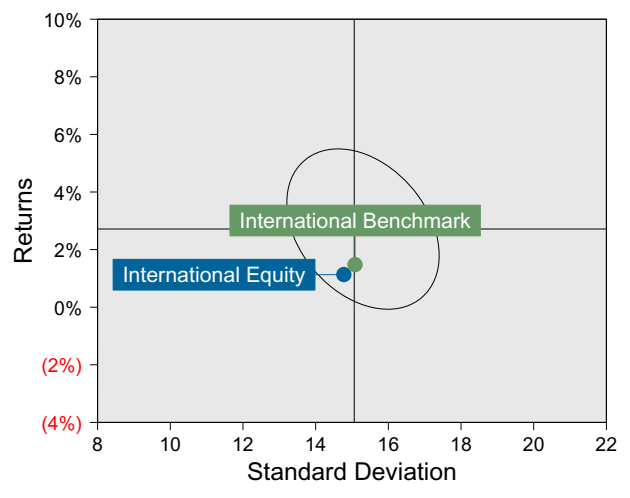


10th Percentile	(17.62)	(5.96)	4.21	3.96	5.12	6.25	5.91
25th Percentile	(20.38)	(9.39)	1.12	1.71	3.92	5.01	5.08
Median	(22.85)	(13.90)	(1.23)	0.17	2.72	3.94	4.06
75th Percentile	(24.98)	(17.53)	(3.48)	(1.27)	1.31	2.94	3.28
90th Percentile	(28.40)	(21.95)	(5.56)	(2.61)	0.60	2.15	2.66
International Equity	(23.59)	(15.17)	(2.39)	(0.80)	1.13	2.27	3.75
International Benchmark	(23.94)	(15.88)	(1.93)	(0.63)	1.48	2.52	2.13

Relative Return vs International Benchmark



Callan Non-US Equity (Gross)
Annualized Seven Year Risk vs Return

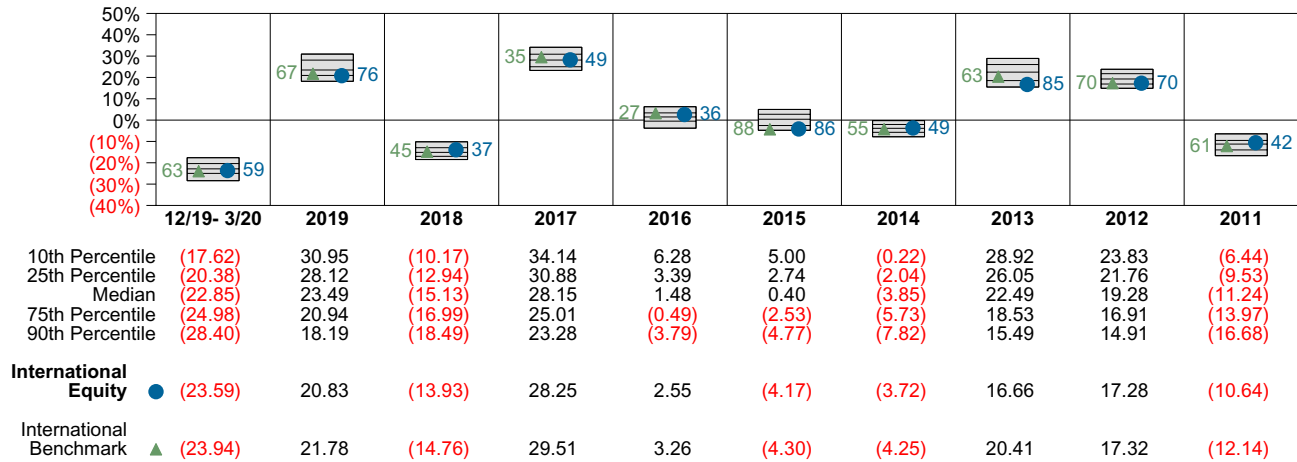


International Equity Return Analysis Summary

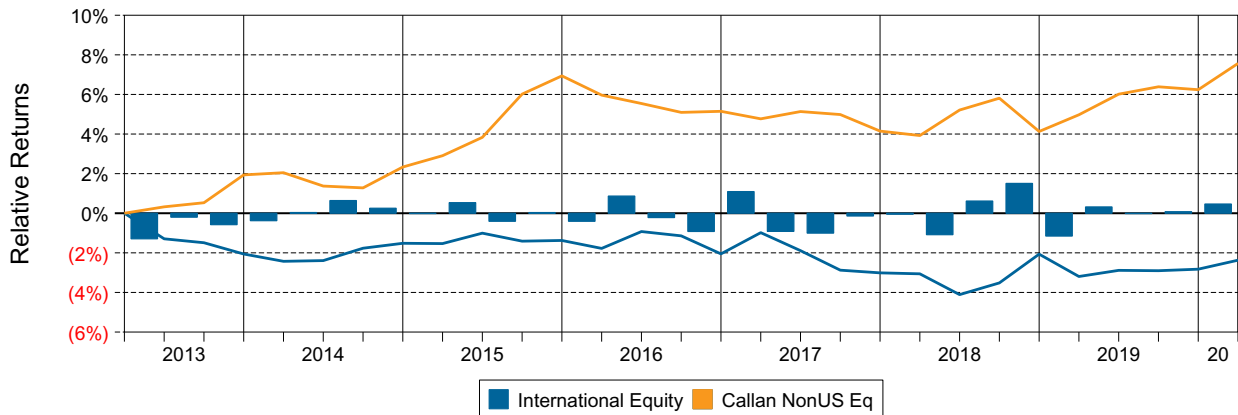
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

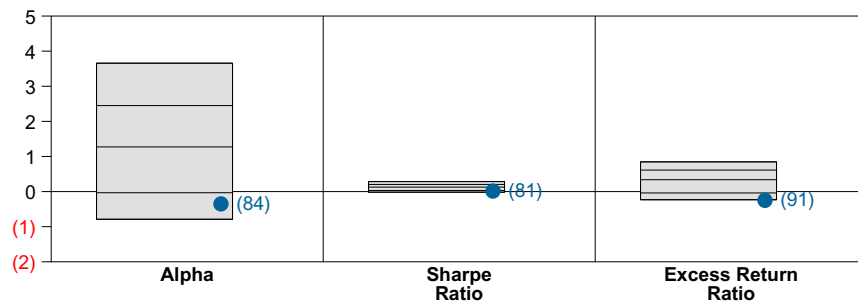
Performance vs Callan Non-US Equity (Gross)



Cumulative and Quarterly Relative Return vs International Benchmark



Risk Adjusted Return Measures vs International Benchmark Rankings Against Callan Non-US Equity (Gross) Seven Years Ended March 31, 2020



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	3.66	0.29	0.85
25th Percentile	2.45	0.20	0.61
Median	1.27	0.13	0.34
75th Percentile	(0.03)	0.03	(0.04)
90th Percentile	(0.79)	(0.02)	(0.23)
International Equity	● (0.35)	0.02	(0.25)

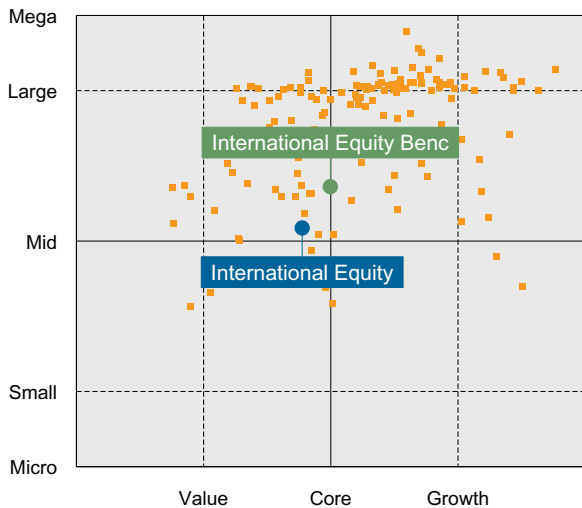
Current Holdings Based Style Analysis

International Equity

As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left chart illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right chart displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

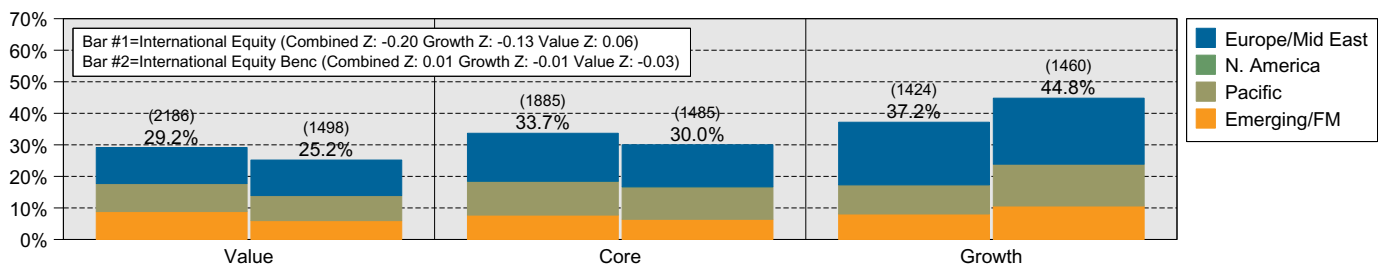
Style Map vs Callan NonUS Eq Holdings as of March 31, 2020



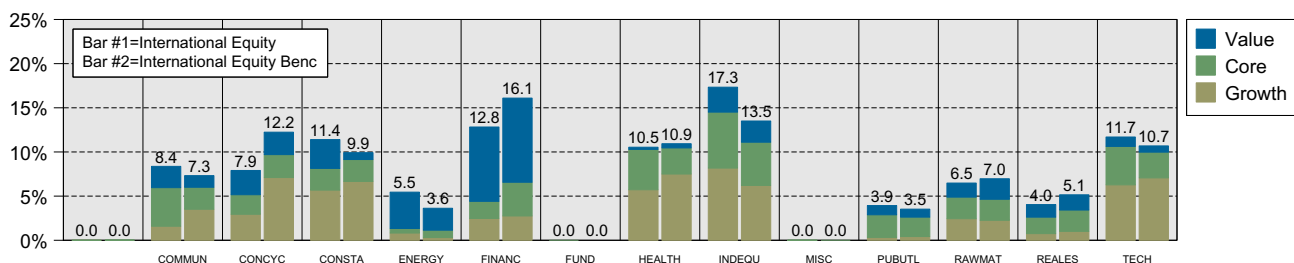
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Europe/ Mid East	11.4% (231)	15.2% (209)	19.9% (229)	46.5% (669)
N. America	11.3% (455)	13.3% (491)	20.9% (447)	45.5% (1393)
Pacific	0.0% (0)	0.0% (5)	0.0% (0)	0.0% (5)
Emerging/ FM	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
Total	29.2% (2186)	33.7% (1885)	37.2% (1424)	100.0% (5495)
	25.2% (1498)	30.0% (1485)	44.8% (1460)	100.0% (4443)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



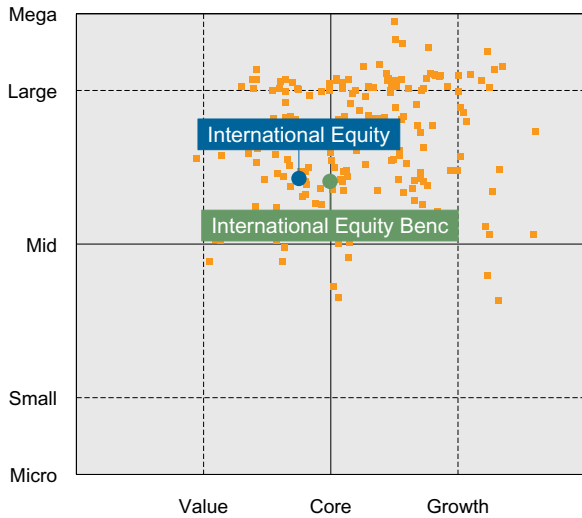
Sector Weights Distribution Holdings as of March 31, 2020



Historical Holdings Based Style Analysis International Equity For Five Years Ended March 31, 2020

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

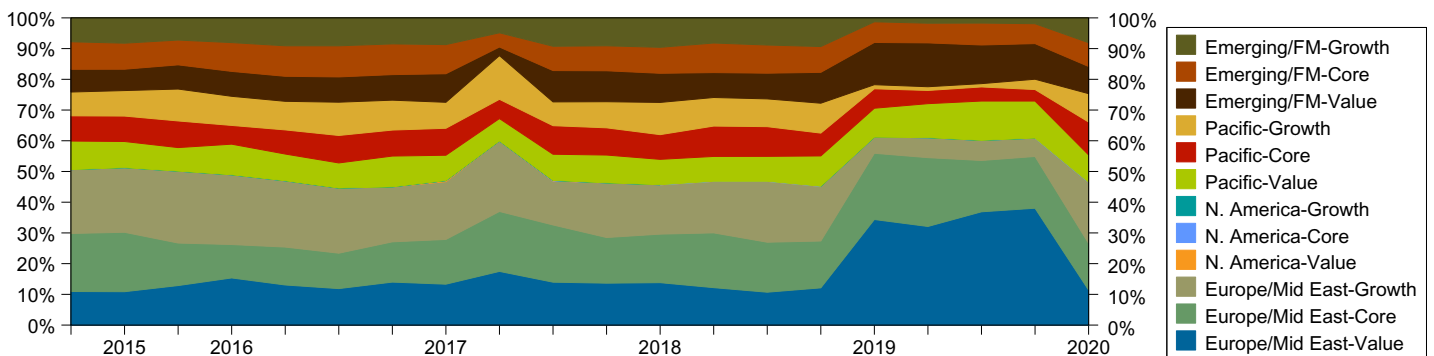
Average Style Map vs Callan NonUS Eq Holdings for Five Years Ended March 31, 2020



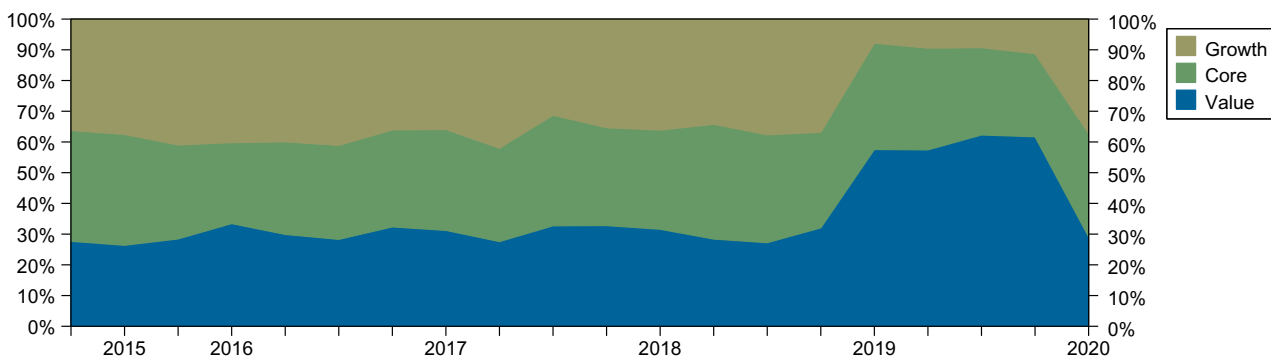
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2020

	Value	Core	Growth	Total
Europe/ Mid East	17.4% (204)	16.3% (216)	16.8% (242)	50.6% (662)
	14.2% (367)	14.4% (421)	19.0% (430)	47.6% (1218)
N. America	0.0% (2)	0.0% (5)	0.0% (1)	0.0% (8)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	9.2% (251)	7.7% (250)	8.0% (237)	24.9% (738)
	9.3% (475)	9.2% (469)	10.3% (468)	28.8% (1412)
Emerging/ FM	9.2% (1576)	8.3% (1510)	7.0% (1001)	24.5% (4087)
	7.4% (348)	7.3% (307)	8.9% (312)	23.6% (967)
Total	35.9% (2033)	32.3% (1981)	31.8% (1481)	100.0% (5495)
	30.8% (1190)	30.9% (1197)	38.3% (1210)	100.0% (3597)

International Equity Historical Region/Style Exposures



International Equity Historical Style Only Exposures



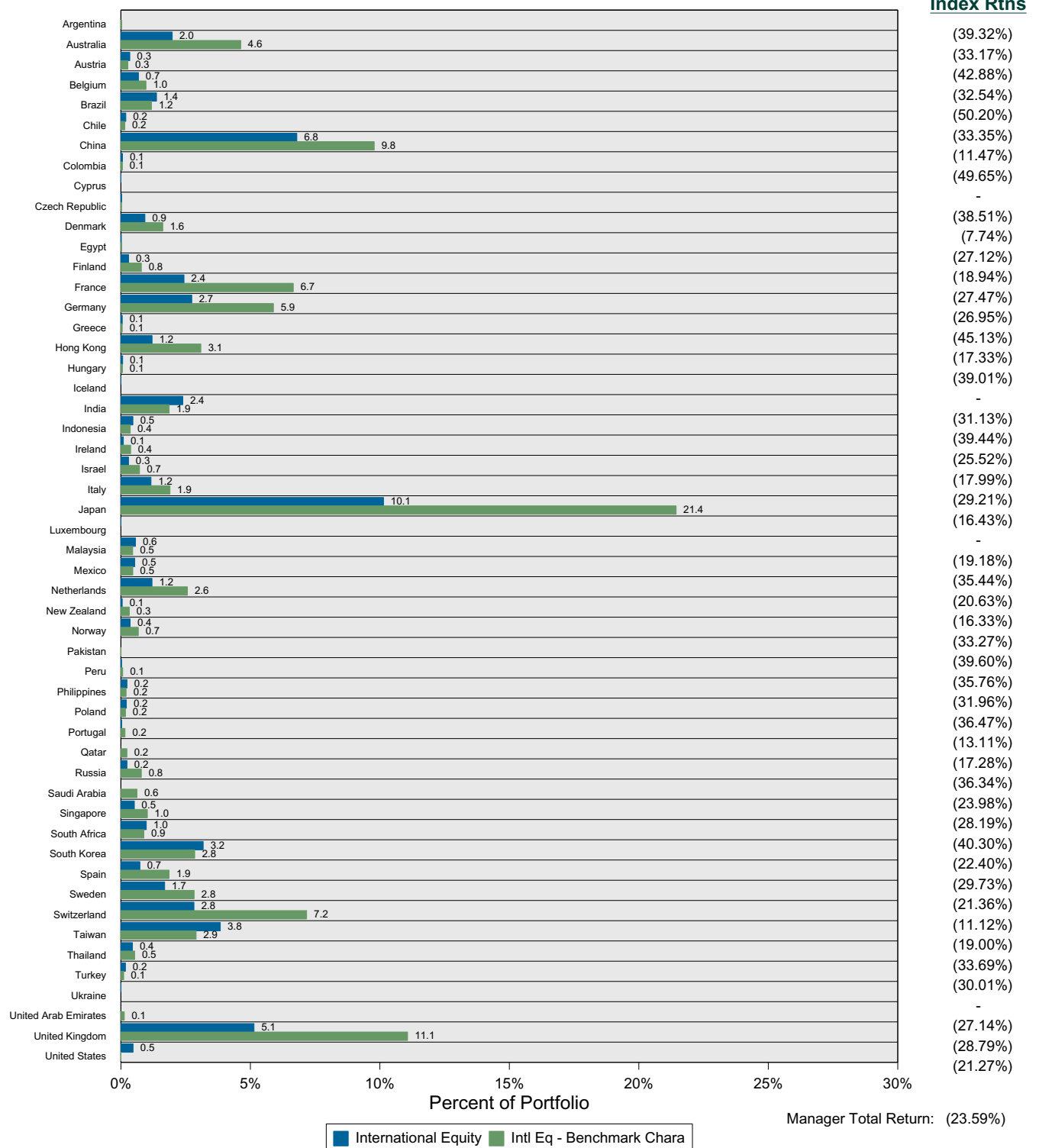
Country Allocation

International Equity VS Intl Eq - Benchmark Characteristics

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2020. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2020



SSgA EAFE

Period Ended March 31, 2020

Investment Philosophy

SSGA's objective is to provide the most cost-effective implementation of passive investing with stringent risk control and tracking requirements through a replication method. Returns prior to 6/30/2012 are linked to a composite history.

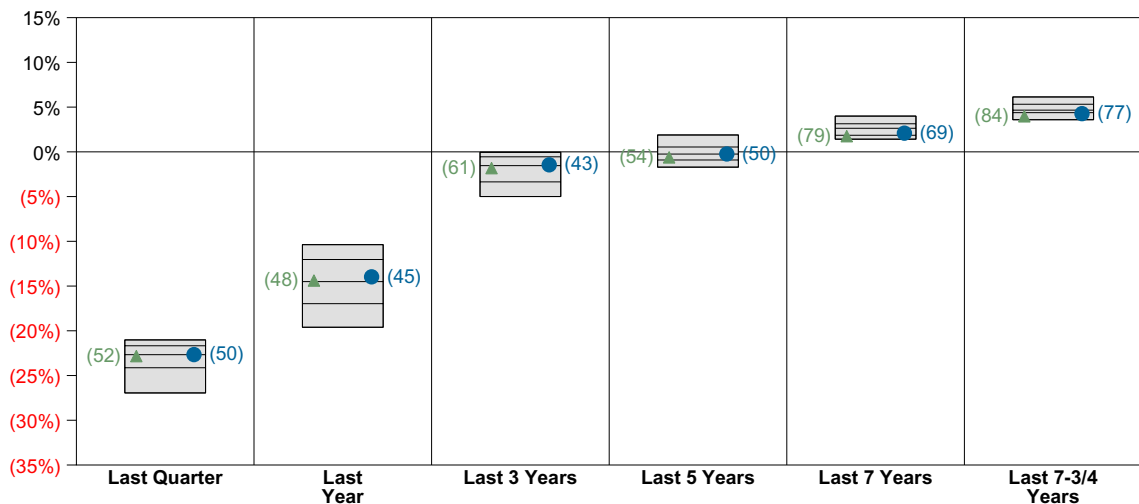
Quarterly Summary and Highlights

- SSgA EAFE's portfolio posted a (22.67)% return for the quarter placing it in the 50 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 45 percentile for the last year.
- SSgA EAFE's portfolio outperformed the MSCI EAFE Index by 0.15% for the quarter and outperformed the MSCI EAFE Index for the year by 0.40%.

Quarterly Asset Growth

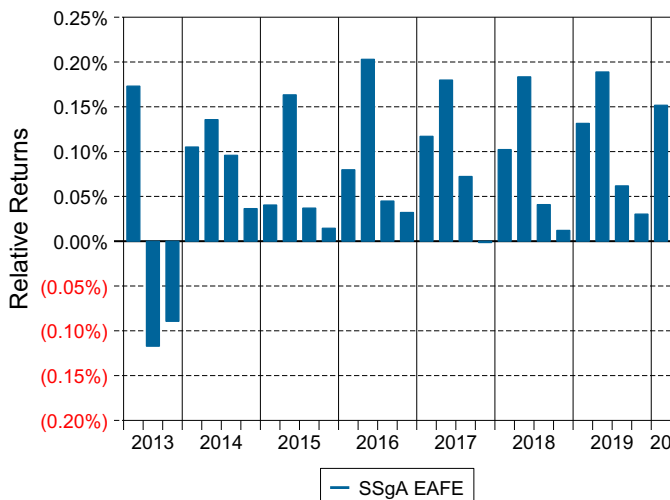
Beginning Market Value	\$12,212,889
Net New Investment	\$0
Investment Gains/(Losses)	\$-2,769,236
Ending Market Value	\$9,443,653

Performance vs Callan Non-US Developed Core Equity (Gross)

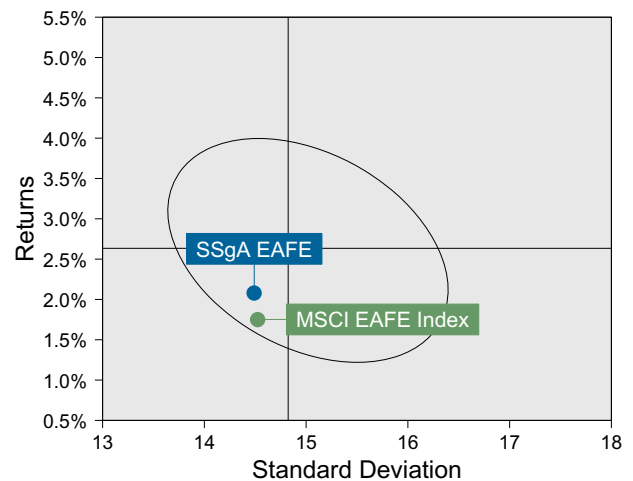


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 7-3/4 Years
10th Percentile	(21.02)	(10.37)	(0.05)	1.89	4.00	6.14
25th Percentile	(21.67)	(12.03)	(0.55)	0.54	3.14	5.32
Median	(22.67)	(14.50)	(1.54)	(0.25)	2.63	4.66
75th Percentile	(24.13)	(16.97)	(3.36)	(0.91)	1.85	4.38
90th Percentile	(26.95)	(19.61)	(5.00)	(1.71)	1.42	3.59
SSgA EAFE ●	(22.67)	(13.98)	(1.44)	(0.25)	2.08	4.28
MSCI EAFE Index ▲	(22.83)	(14.38)	(1.82)	(0.62)	1.75	3.98

Relative Return vs MSCI EAFE Index



Callan Non-US Developed Core Equity (Gross) Annualized Seven Year Risk vs Return

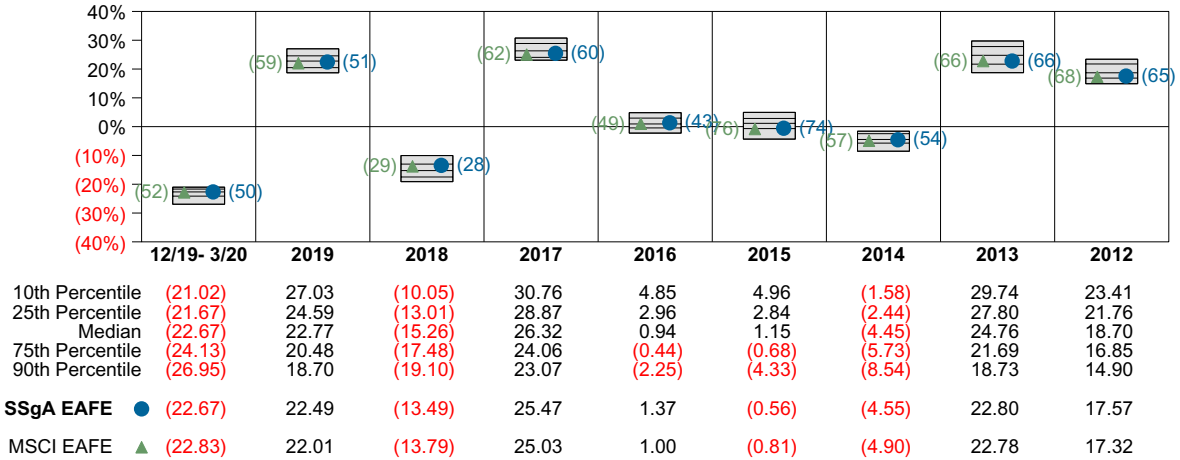


SSgA EAFE Return Analysis Summary

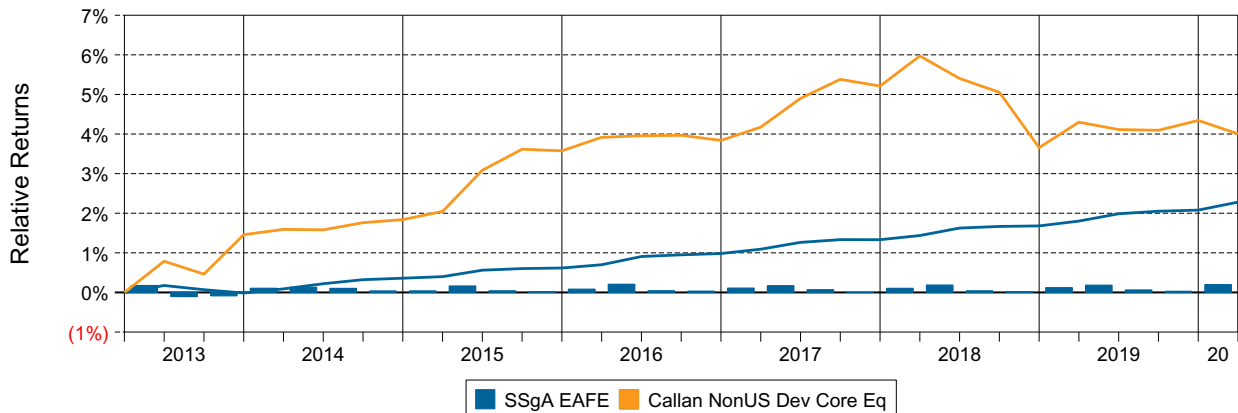
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

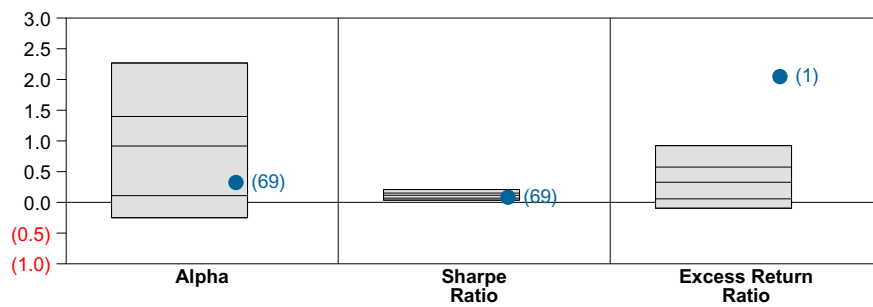
Performance vs Callan Non-US Developed Core Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE



Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2020



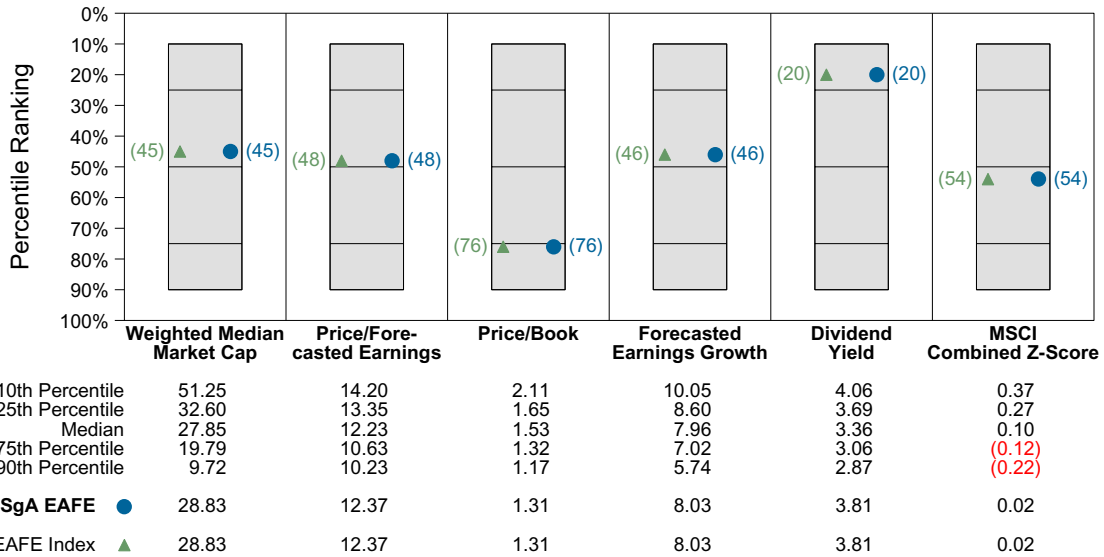
10th Percentile	2.27	0.21	0.92
25th Percentile	1.40	0.15	0.57
Median	0.92	0.12	0.33
75th Percentile	0.11	0.07	0.06
90th Percentile	(0.25)	0.04	(0.10)
SSgA EAFE	● 0.32	0.08	2.05

SSgA EAFE Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

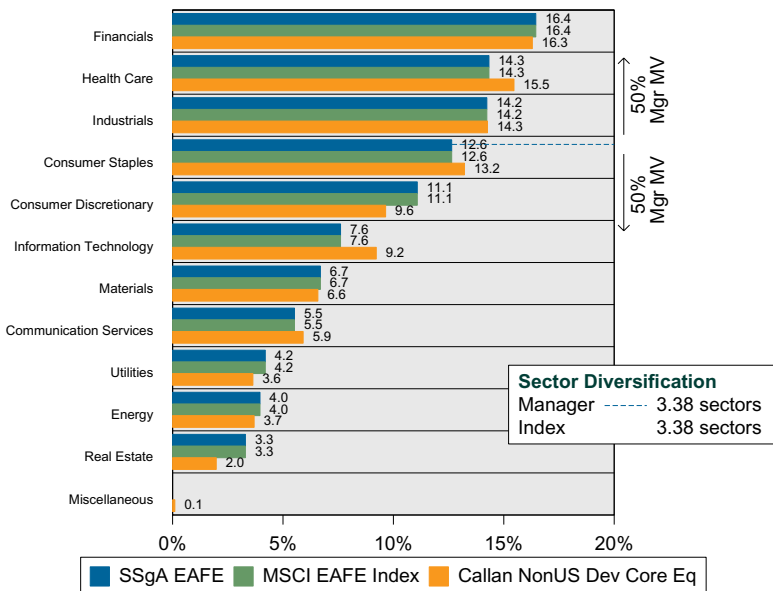
Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of March 31, 2020



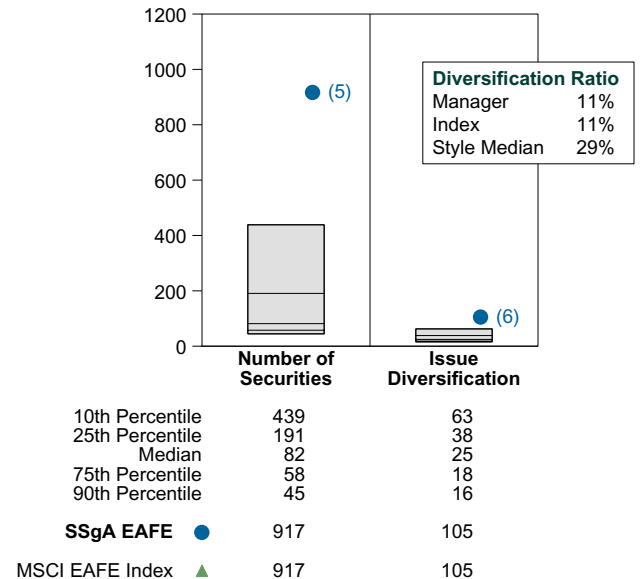
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation March 31, 2020



Diversification March 31, 2020



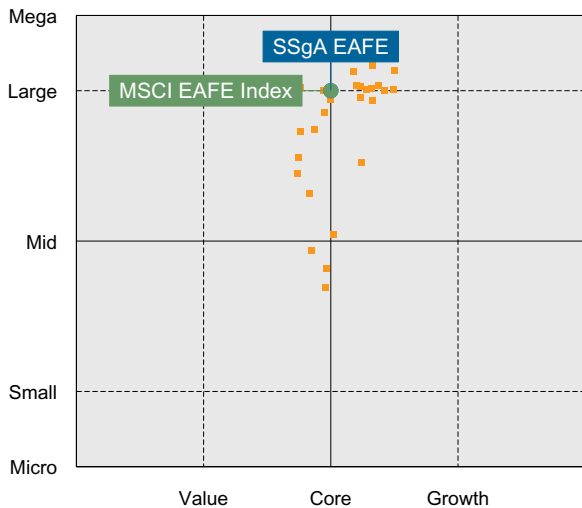
Current Holdings Based Style Analysis

SSgA EAFE

As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left chart illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

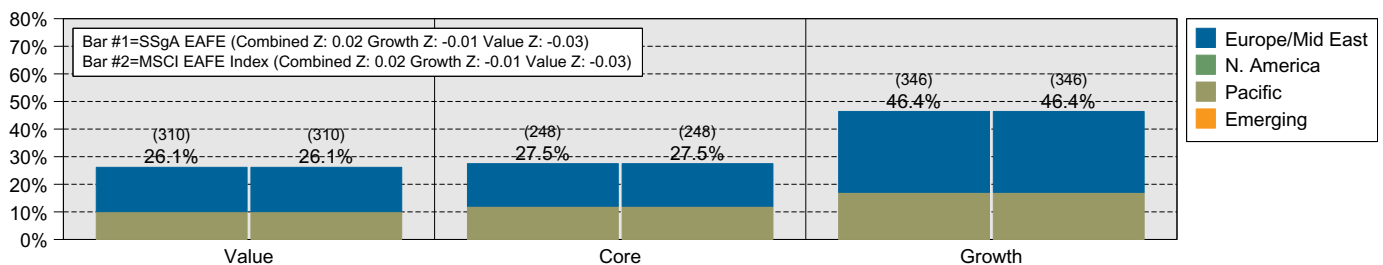
Style Map vs Callan NonUS Dev Core Eq Holdings as of March 31, 2020



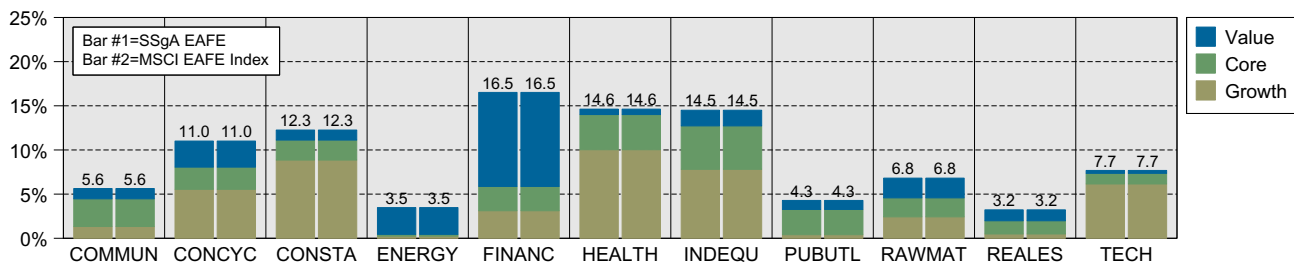
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Europe/ Mid East	16.1% (147)	15.4% (115)	29.3% (173)	60.8% (435)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	10.1% (163)	12.1% (133)	17.1% (173)	39.2% (469)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	26.1% (310)	27.5% (248)	46.4% (346)	100.0% (904)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



Sector Weights Distribution Holdings as of March 31, 2020

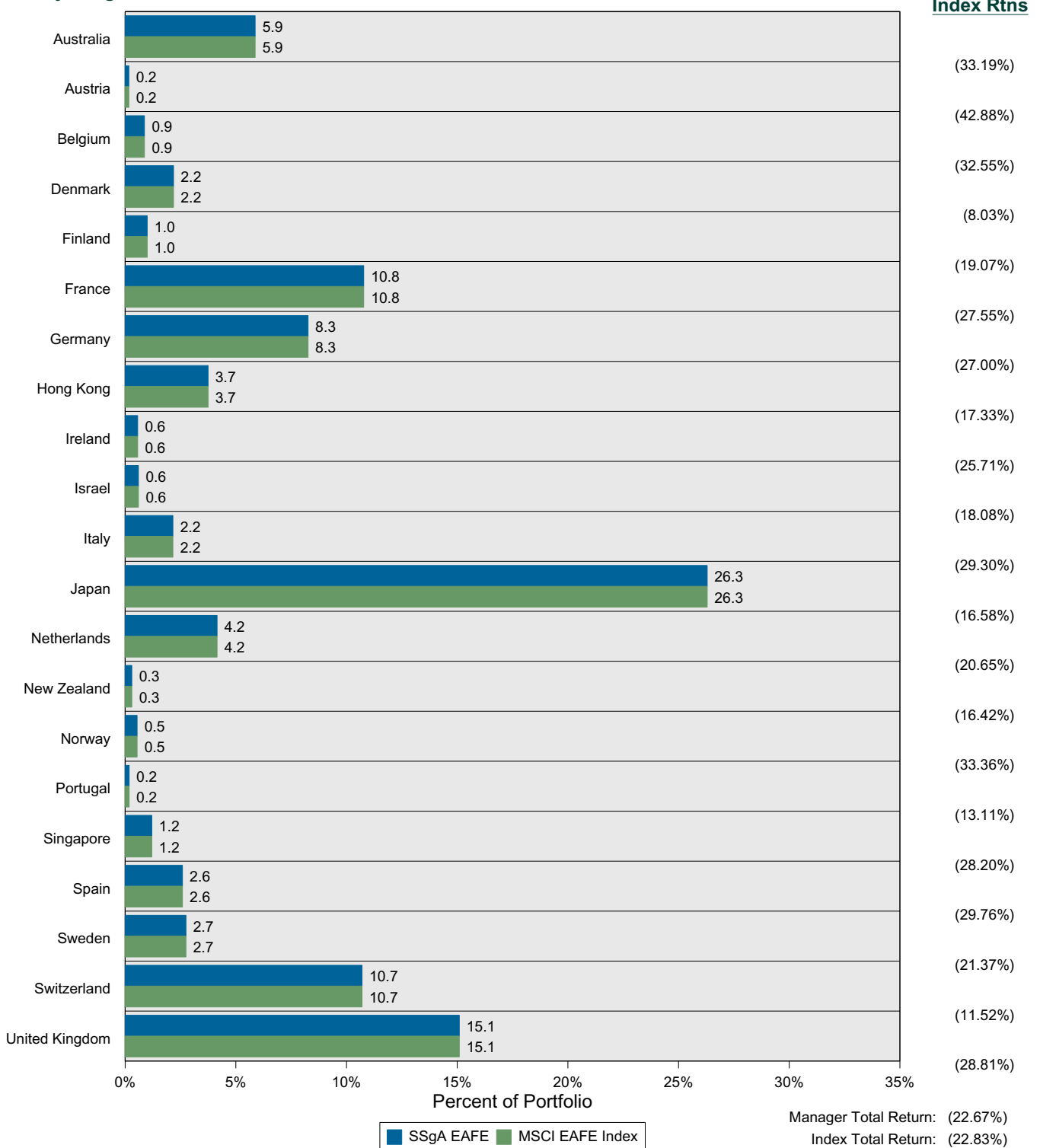


Country Allocation SSgA EAFE VS MSCI EAFE Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2020. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2020



SSgA EAFE Top 10 Portfolio Holdings Characteristics as of March 31, 2020

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Nestle S A Shs Nom New	Consumer Staples	\$253,703	2.7%	(5.01)%	305.89	21.60	2.71%	7.23%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$189,135	2.0%	3.02%	228.04	15.06	2.87%	5.30%
Novartis	Health Care	\$147,045	1.6%	(9.88)%	208.58	13.97	3.69%	7.01%
Toyota Motor Corp	Consumer Discretionary	\$114,081	1.2%	(15.16)%	196.50	8.58	3.38%	10.24%
Astrazeneca Plc Ord	Health Care	\$97,356	1.0%	(9.38)%	117.41	21.12	3.03%	15.90%
Hsbc Holdings (Gb)	Financials	\$94,891	1.0%	(22.85)%	114.71	8.84	8.76%	(1.86)%
Asml Holding N V Asml Rev Stk Spl	Information Technology	\$93,918	1.0%	(10.13)%	113.24	27.83	0.99%	23.20%
Sap Se Shs	Information Technology	\$91,945	1.0%	(17.56)%	136.79	18.42	1.56%	12.13%
Aia Group Ltd Com Par Usd 1	Financials	\$90,744	1.0%	(13.79)%	109.41	16.89	1.80%	14.64%
Novo Nordisk B	Health Care	\$88,291	0.9%	5.03%	112.06	21.55	2.04%	9.60%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Biomerieux 69 Marcy Letoile Ord	Health Care	\$3,868	0.0%	26.39%	13.32	40.15	0.37%	5.40%
Chugai Pharmaceutical Co Ltd Shs	Health Care	\$21,500	0.2%	25.97%	64.81	32.70	1.12%	17.65%
Qiagen NV Shs New	Health Care	\$7,546	0.1%	23.08%	9.60	26.91	0.00%	7.80%
Nexon	Communication Services	\$6,717	0.1%	22.74%	14.43	16.11	0.14%	22.62%
Sartorius Stedim Biotech Aub Ord	Health Care	\$4,605	0.0%	21.11%	18.51	51.72	0.37%	16.20%
Fisher & Paykel Healthcare C Ord	Health Care	\$8,580	0.1%	20.25%	10.35	54.58	0.84%	19.83%
Coloplast As Almindelig Aktie	Health Care	\$14,294	0.2%	16.86%	28.72	43.51	1.72%	9.91%
Yamazaki Baking Co	Consumer Staples	\$2,101	0.0%	16.58%	4.61	32.07	0.89%	12.85%
Toyo Suisan Kaisha Ltd Shs	Consumer Staples	\$3,557	0.0%	14.29%	5.36	23.29	1.53%	(0.11)%
Lonza Group Ag Zuerich Namen Akt	Health Care	\$25,675	0.3%	13.97%	30.96	28.75	0.34%	9.97%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Flight Centre Limited Shs	Consumer Discretionary	\$280	0.0%	(80.42)%	0.61	6.50	15.94%	(5.64)%
Carnival Plc Shs	Consumer Discretionary	\$1,584	0.0%	(74.47)%	1.91	2.70	16.19%	7.55%
Oil Search Ltd Ord	Energy	\$1,658	0.0%	(71.06)%	2.22	11.12	6.04%	12.30%
Dufry Ag Chf5 (Regd)	Consumer Discretionary	\$1,043	0.0%	(68.65)%	1.57	5.04	13.30%	2.10%
Aib Group Plc Ord	Financials	\$757	0.0%	(67.28)%	3.04	4.38	7.83%	(16.89)%
Bank Ireland Group Plc Ord Shs	Financials	\$1,519	0.0%	(65.03)%	2.03	3.13	10.15%	(5.19)%
Tui	Consumer Discretionary	\$1,648	0.0%	(64.96)%	2.62	4.23	13.30%	18.94%
Worley Ltd Shs	Energy	\$1,056	0.0%	(64.76)%	1.96	6.31	6.50%	20.09%
Melrose Inds Plc Shs	Industrials	\$4,572	0.0%	(64.33)%	5.51	6.61	1.86%	7.60%
Scentre Group	Real Estate	\$4,174	0.0%	(63.75)%	4.97	7.31	14.44%	2.43%

Pyrford

Period Ended March 31, 2020

Investment Philosophy

Pyrford's investment strategy is based on a value-driven, absolute return approach, with both top-down and bottom-up elements. At the country level they seek to invest in countries that offer an attractive market valuation relative to their long-term prospects. At the stock level they identify companies that offer excellent value relative to in-house forecasts of long-term (5 years) earnings growth. This approach is characterized by low absolute volatility and downside protection. Returns prior to 6/30/2017 are linked to a composite history.

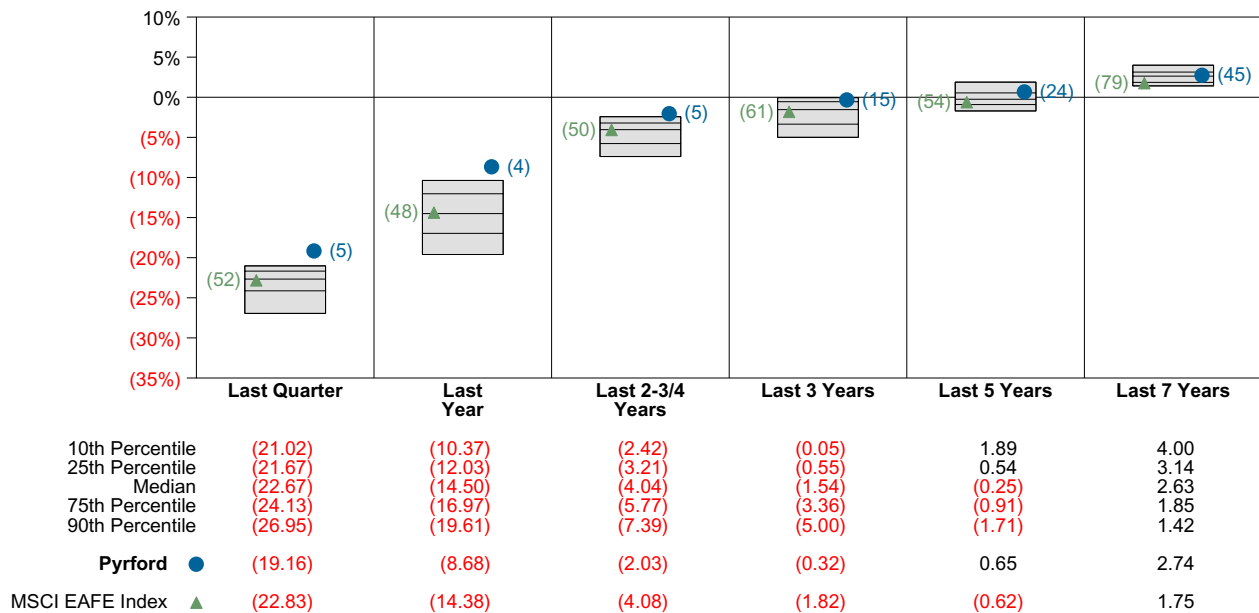
Quarterly Summary and Highlights

- Pyrford's portfolio posted a (19.16)% return for the quarter placing it in the 5 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 4 percentile for the last year.
- Pyrford's portfolio outperformed the MSCI EAFE Index by 3.66% for the quarter and outperformed the MSCI EAFE Index for the year by 5.70%.

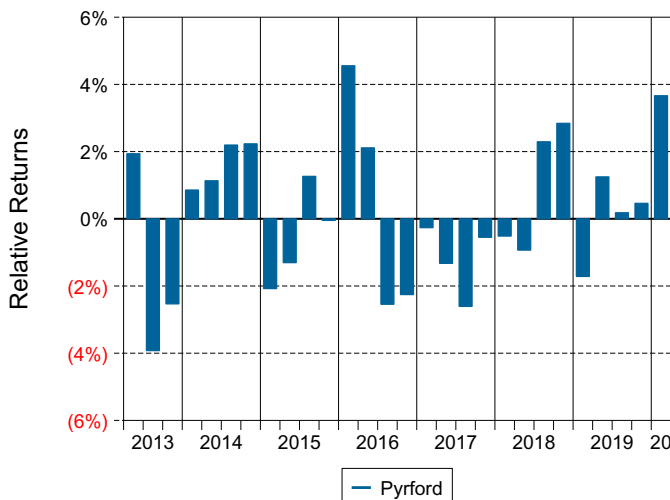
Quarterly Asset Growth

Beginning Market Value	\$29,924,887
Net New Investment	\$0
Investment Gains/(Losses)	\$-5,734,588
Ending Market Value	\$24,190,299

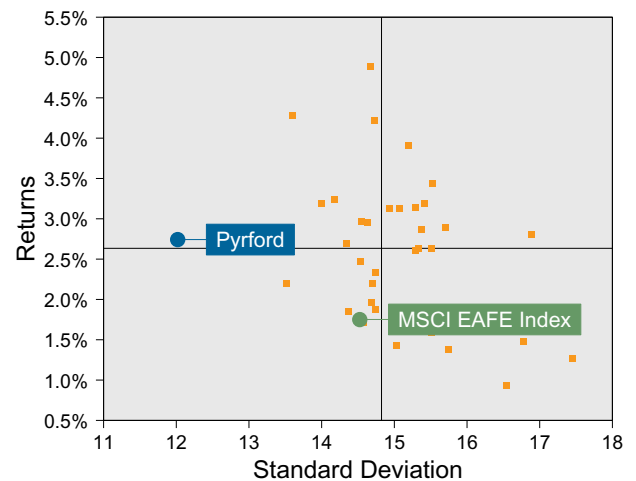
Performance vs Callan Non-US Developed Core Equity (Gross)



Relative Return vs MSCI EAFE Index



Callan Non-US Developed Core Equity (Gross) Annualized Seven Year Risk vs Return

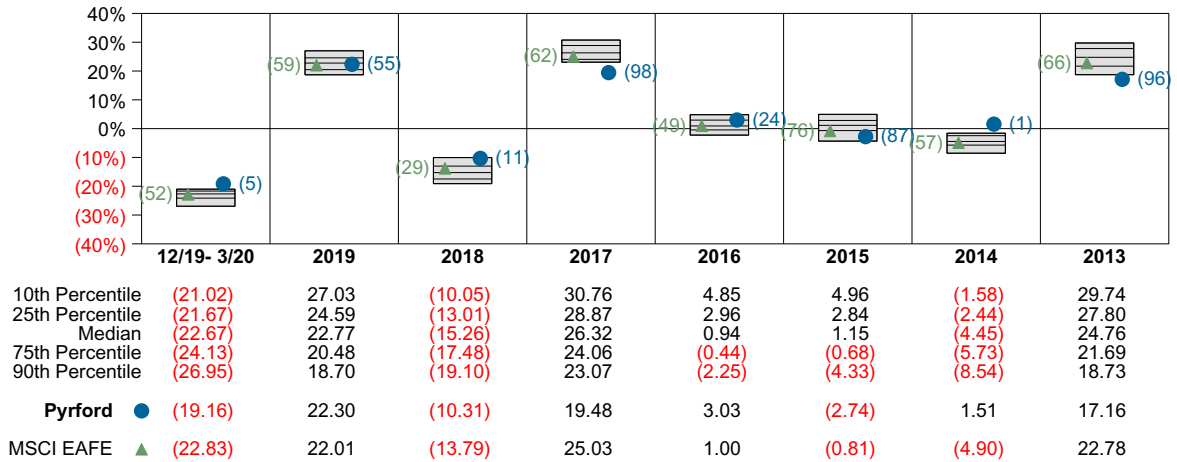


Pyrford Return Analysis Summary

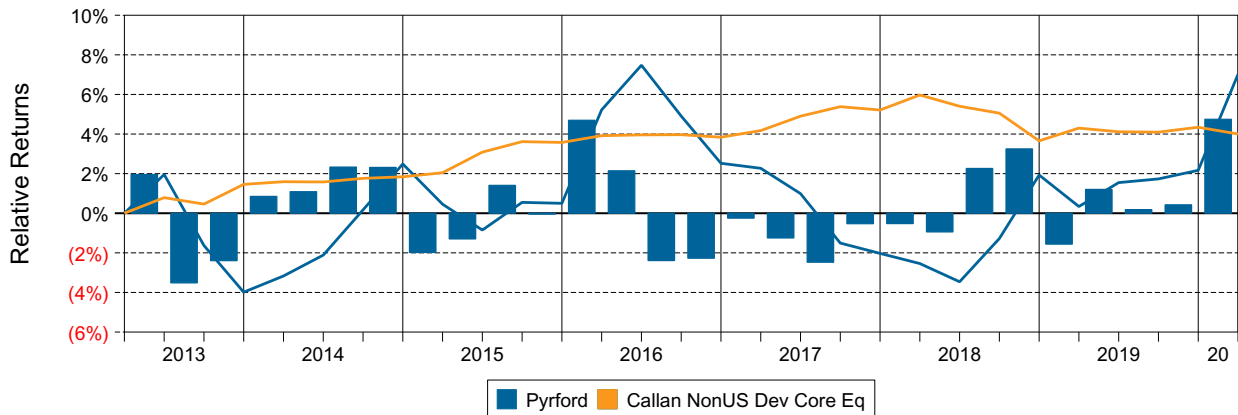
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

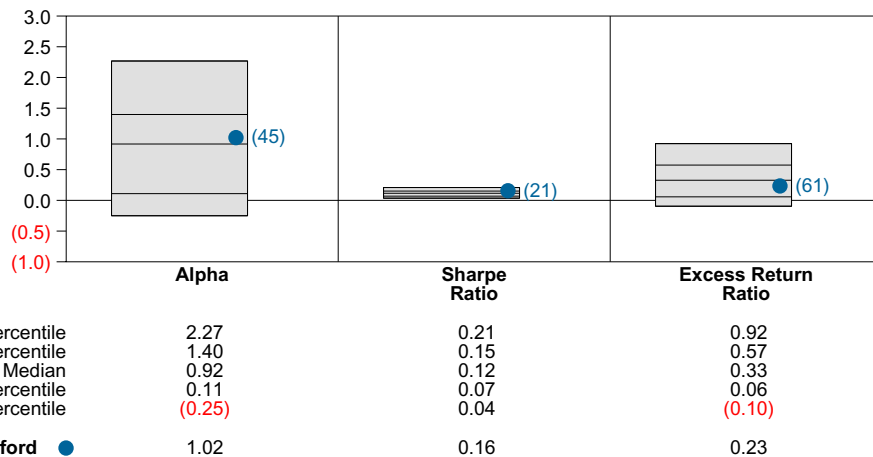
Performance vs Callan Non-US Developed Core Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE



Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2020

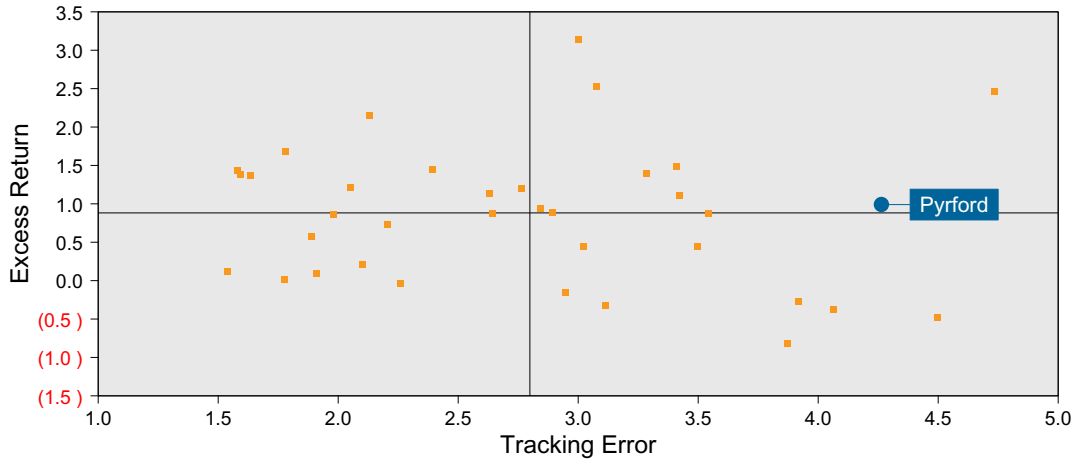


Pyrford Risk Analysis Summary

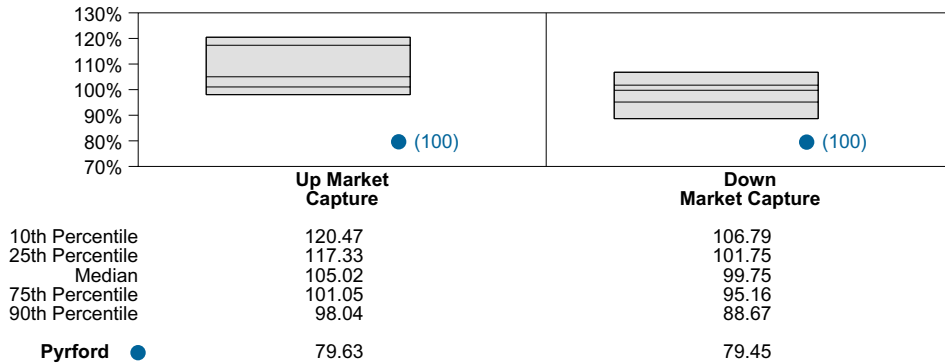
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

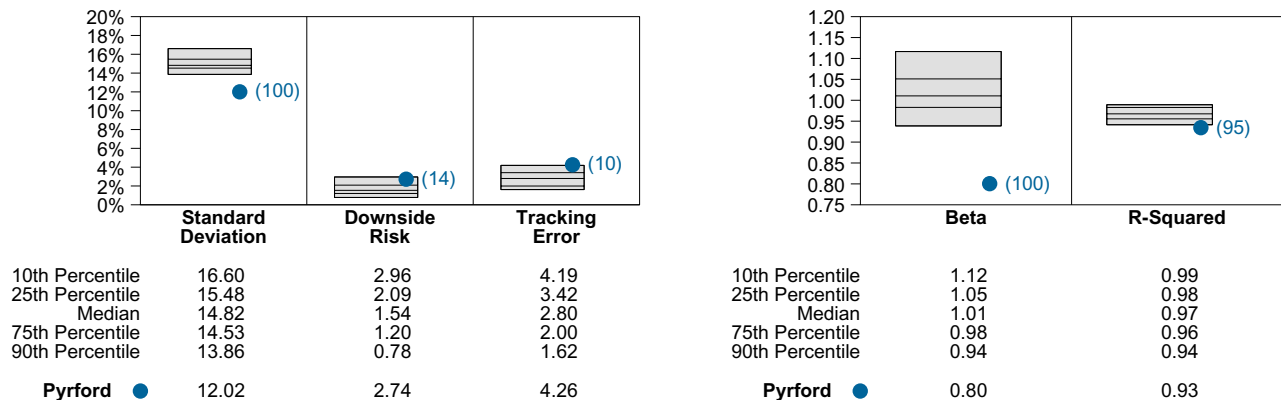
Risk Analysis vs Callan Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2020



Market Capture vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2020



Risk Statistics Rankings vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2020

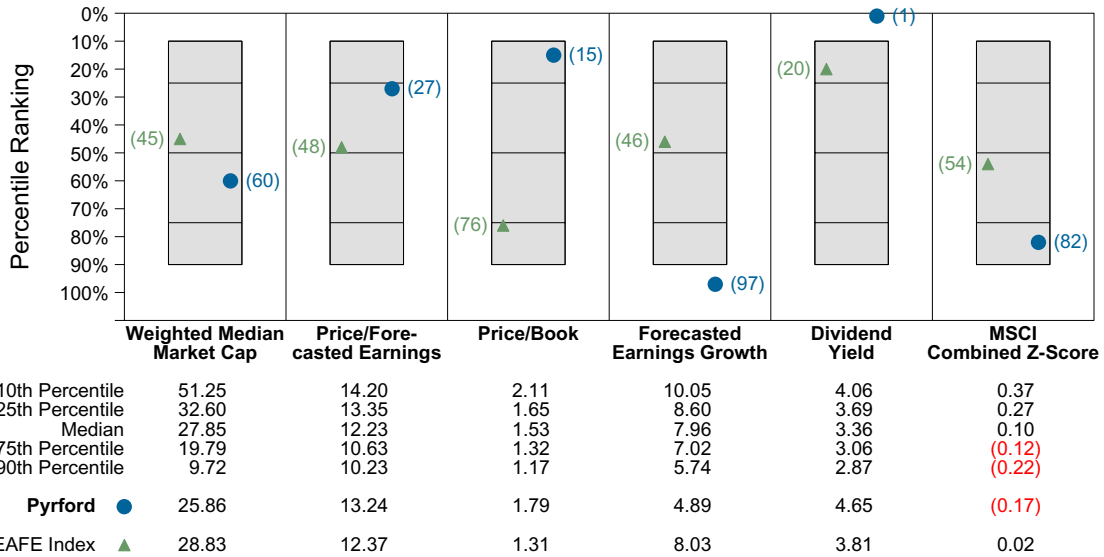


Pyrford Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

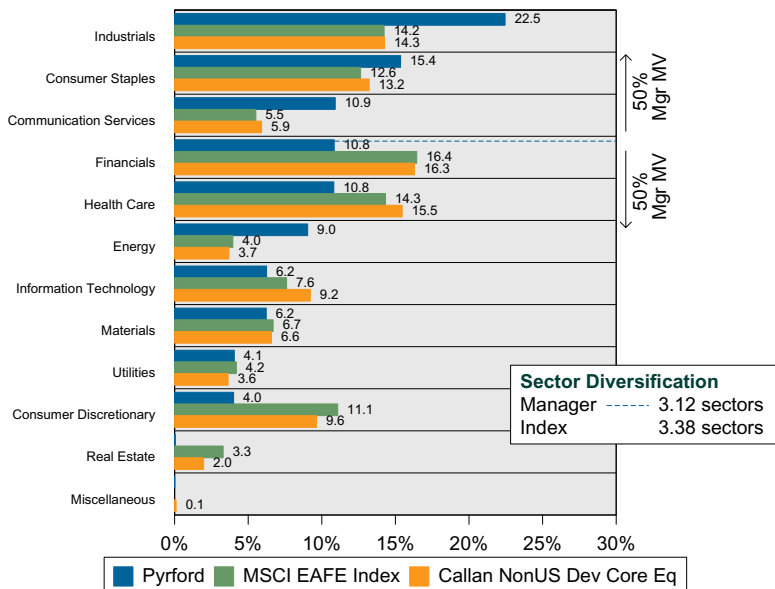
Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of March 31, 2020



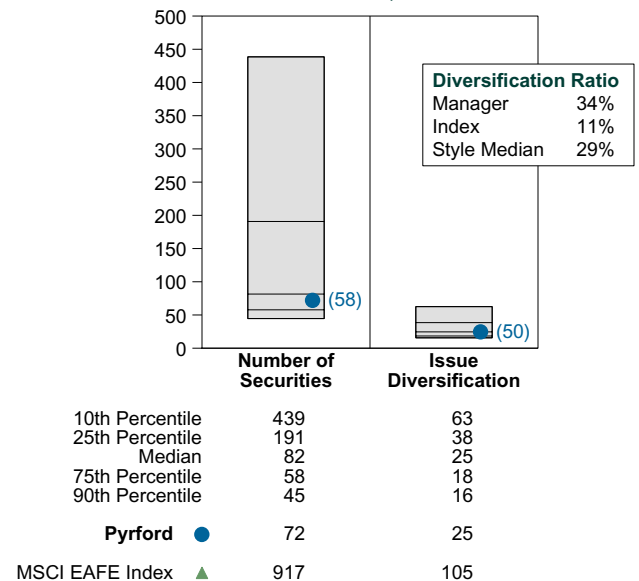
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation March 31, 2020



Diversification March 31, 2020



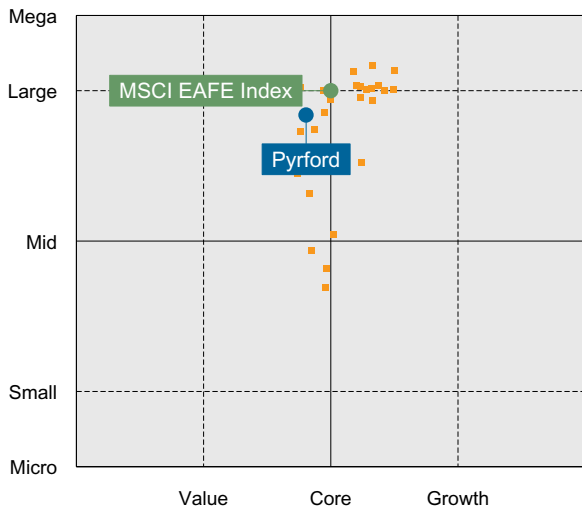
Current Holdings Based Style Analysis

Pyrford

As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

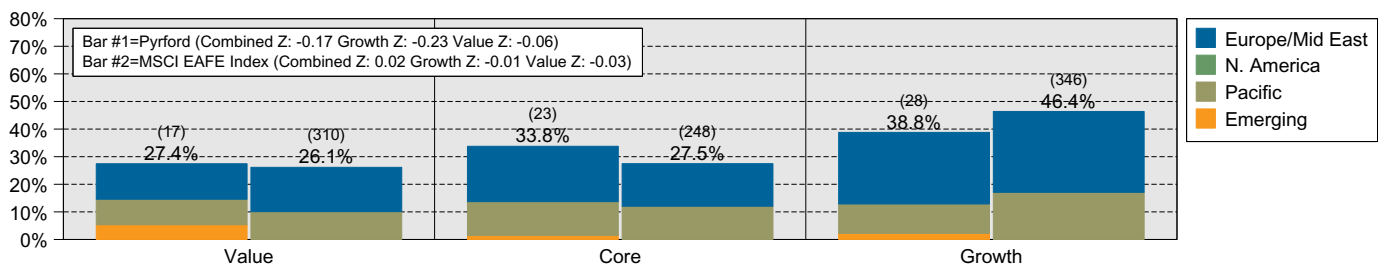
Style Map vs Callan NonUS Dev Core Eq Holdings as of March 31, 2020



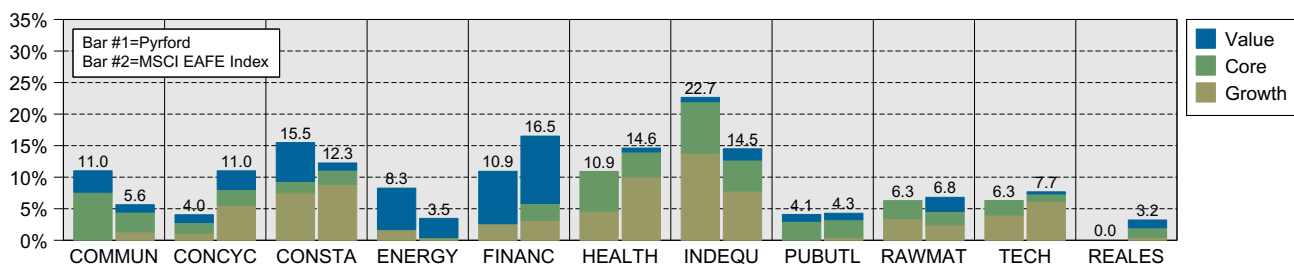
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Europe/ Mid East	12.9% (8) 16.1% (147)	20.1% (12) 15.4% (115)	25.9% (19) 29.3% (173)	58.8% (39) 60.8% (435)
N. America	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)
Pacific	9.3% (6) 10.1% (163)	12.3% (9) 12.1% (133)	10.7% (7) 17.1% (173)	32.2% (22) 39.2% (469)
Emerging	5.3% (3) 0.0% (0)	1.5% (2) 0.0% (0)	2.2% (2) 0.0% (0)	9.0% (7) 0.0% (0)
Total	27.4% (17) 26.1% (310)	33.8% (23) 27.5% (248)	38.8% (28) 46.4% (346)	100.0% (68) 100.0% (904)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



Sector Weights Distribution Holdings as of March 31, 2020



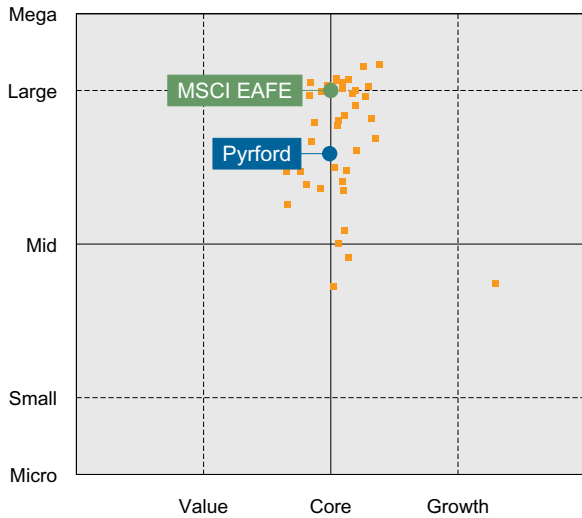
Historical Holdings Based Style Analysis

Pyrford

For Five Years Ended March 31, 2020

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

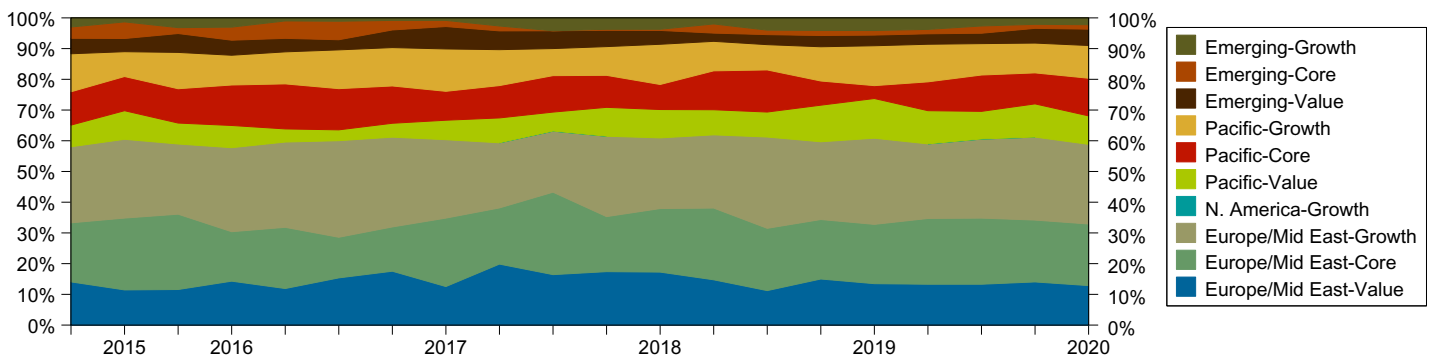
Average Style Map vs Callan NonUS Dev Core Eq Holdings for Five Years Ended March 31, 2020



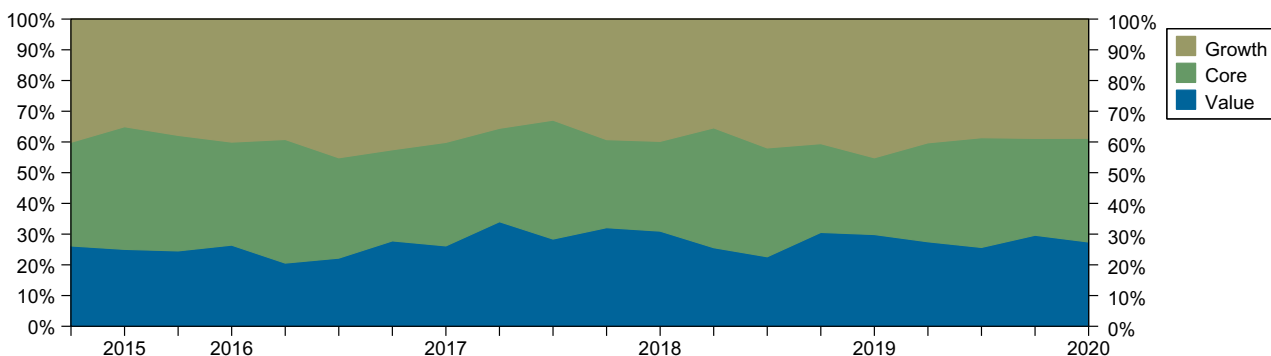
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2020

	14.4% (10)	20.1% (12)	25.7% (17)	60.2% (39)
Europe/ Mid East	19.4% (132)	18.0% (130)	25.9% (191)	63.3% (453)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	8.1% (6)	10.9% (8)	11.0% (8)	30.0% (22)
Emerging	4.6% (3)	2.4% (2)	2.7% (3)	9.7% (8)
Total	27.2% (19)	33.5% (22)	39.4% (28)	100.0% (69)
	31.6% (275)	29.2% (280)	39.2% (367)	100.0% (922)
	Value	Core	Growth	Total

Pyrford Historical Region/Style Exposures



Pyrford Historical Style Only Exposures

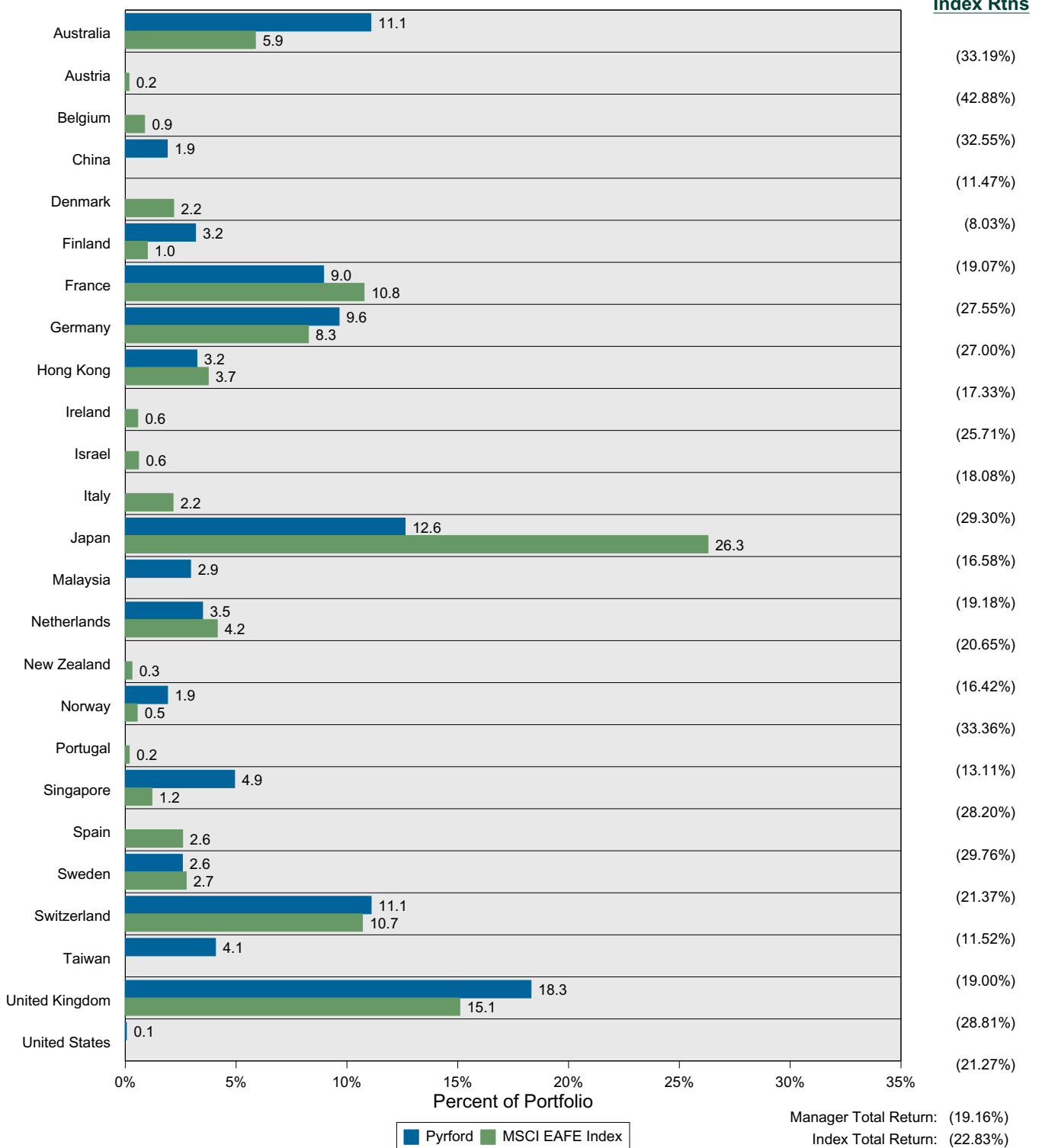


Country Allocation Pyrford VS MSCI EAFE Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2020. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2020



Pyrford Top 10 Portfolio Holdings Characteristics as of March 31, 2020

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Japan Tobacco Inc Ord	Consumer Staples	\$654,465	2.7%	(17.40)%	36.98	10.69	7.72%	(6.79)%
Nestle S A Shs Nom New	Consumer Staples	\$650,568	2.7%	(5.01)%	305.89	21.60	2.71%	7.23%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$618,506	2.6%	3.02%	228.04	15.06	2.87%	5.30%
Novartis	Health Care	\$558,918	2.3%	(9.88)%	208.58	13.97	3.69%	7.01%
Brambles Ltd Npv	Industrials	\$549,595	2.3%	(21.07)%	9.89	17.24	2.63%	9.04%
Woolworths Ltd	Consumer Staples	\$500,549	2.1%	(14.43)%	27.09	23.53	2.93%	4.62%
National Grid Ord	Utilities	\$491,220	2.0%	(6.17)%	41.18	15.43	5.05%	(0.58)%
Glaxosmithkline Plc Ord	Health Care	\$490,802	2.0%	(19.20)%	94.22	13.03	5.28%	4.10%
Mitsubishi Elec Corp Shs	Industrials	\$489,214	2.0%	(8.60)%	26.55	11.95	3.00%	5.07%
Nihon Kohden Corp Shs	Health Care	\$486,783	2.0%	35.45%	3.34	27.43	0.86%	(3.51)%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Nihon Kohden Corp Shs	Health Care	\$486,783	2.0%	35.45%	3.34	27.43	0.86%	(3.51)%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$618,506	2.6%	3.02%	228.04	15.06	2.87%	5.30%
Givaudan Ag Duebendorf Ord	Materials	\$128,255	0.5%	1.03%	28.58	30.83	2.07%	10.23%
Kddi	Communication Services	\$472,594	2.0%	0.56%	69.60	11.43	3.45%	5.90%
Chunghwa Telecom Co Ltd Shs	Communication Services	\$354,144	1.5%	(3.13)%	27.58	26.89	4.17%	(1.58)%
Koninklijke Vopak NV Rotterd Shs	Energy	\$403,990	1.7%	(4.09)%	6.65	17.04	2.43%	9.19%
Essity Ab	Consumer Staples	\$245,774	1.0%	(4.20)%	19.72	18.30	2.04%	3.65%
Nestle S A Shs Nom New	Consumer Staples	\$650,568	2.7%	(5.01)%	305.89	21.60	2.71%	7.23%
Reckitt Benckiser Group Plc	Consumer Staples	\$403,482	1.7%	(6.08)%	54.14	20.03	2.84%	(0.10)%
National Grid Ord	Utilities	\$491,220	2.0%	(6.17)%	41.18	15.43	5.05%	(0.58)%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Woodside Petroleum	Energy	\$470,360	1.9%	(53.23)%	10.64	15.00	7.49%	0.02%
Computershare Limited Cpu Shs	Information Technology	\$308,536	1.3%	(49.21)%	3.21	10.14	4.74%	(2.13)%
Qbe Insurance Group Ltd Shs	Financials	\$376,073	1.6%	(41.24)%	6.89	8.74	6.05%	7.80%
Imi Plc Shs New	Industrials	\$206,250	0.9%	(40.67)%	2.52	10.52	5.50%	4.57%
Royal Dutch Shell A Shs	Energy	\$414,791	1.7%	(40.66)%	73.39	11.40	10.29%	2.70%
Legal & General Group	Financials	\$456,684	1.9%	(40.12)%	14.34	5.96	9.06%	1.35%
Comfortdelgro Corporation Lt Shs	Industrials	\$333,850	1.4%	(39.69)%	2.31	11.61	6.44%	3.74%
Mg Technologies	Industrials	\$385,020	1.6%	(38.87)%	3.66	15.47	4.60%	18.93%
Merida Industry Co.	Consumer Discretionary	\$98,699	0.4%	(37.66)%	1.10	12.44	3.15%	(21.32)%
Newcrest Mng Ltd Ord	Materials	\$216,097	0.9%	(33.46)%	10.85	14.94	1.42%	10.03%

AQR

Period Ended March 31, 2020

Investment Philosophy

Returns prior to 9/30/2016 are linked to a composite history.

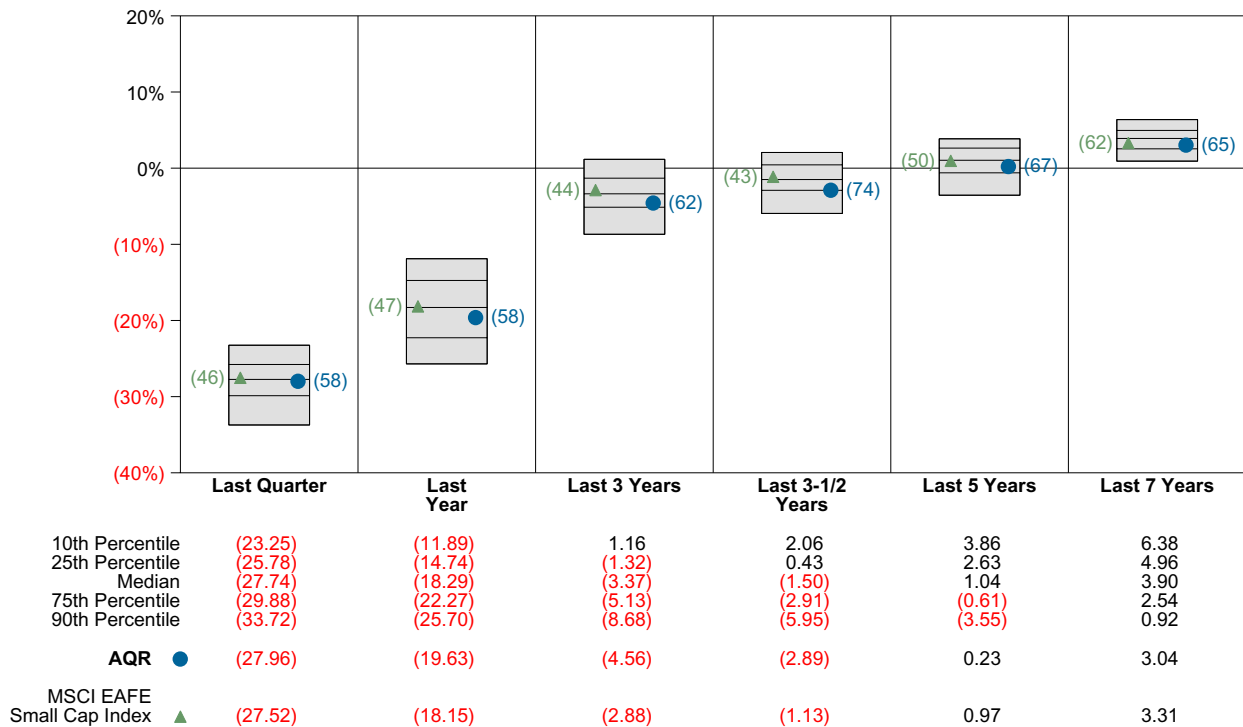
Quarterly Summary and Highlights

- AQR's portfolio posted a (27.96)% return for the quarter placing it in the 58 percentile of the Callan International Small Cap group for the quarter and in the 58 percentile for the last year.
- AQR's portfolio underperformed the MSCI EAFE Small Cap Index by 0.44% for the quarter and underperformed the MSCI EAFE Small Cap Index for the year by 1.48%.

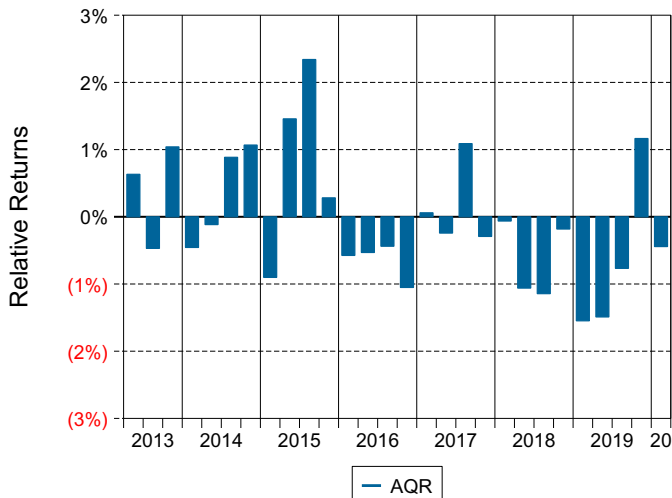
Quarterly Asset Growth

Beginning Market Value	\$14,397,510
Net New Investment	\$0
Investment Gains/(Losses)	\$-4,049,378
Ending Market Value	\$10,348,132

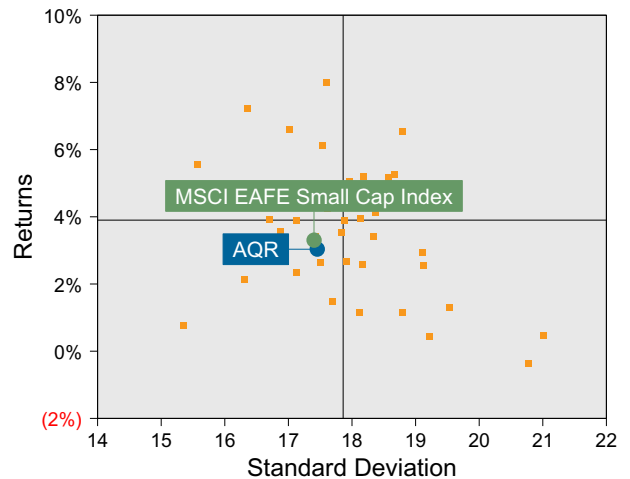
Performance vs Callan International Small Cap (Gross)



Relative Returns vs MSCI EAFE Small Cap Index



Callan International Small Cap (Gross) Annualized Seven Year Risk vs Return

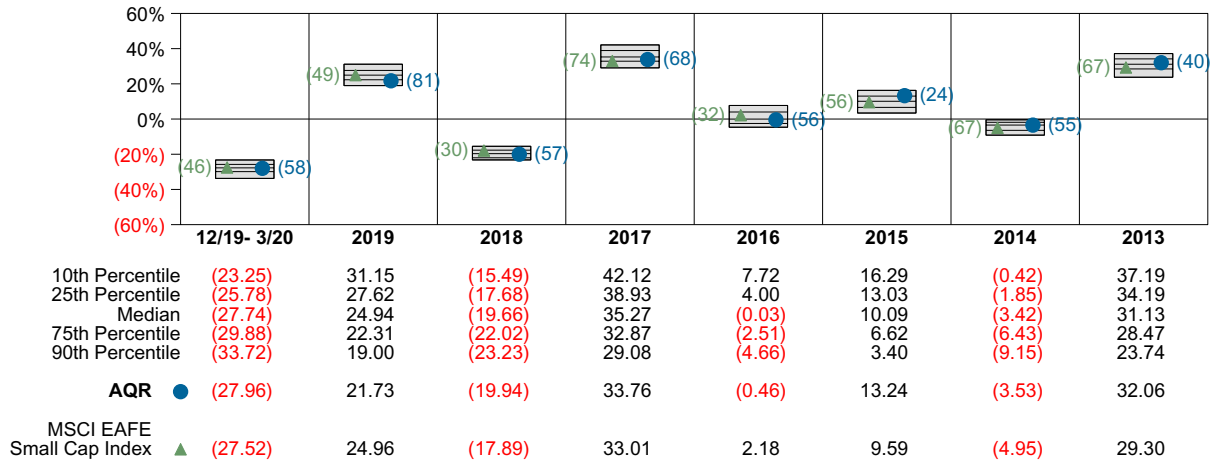


AQR Return Analysis Summary

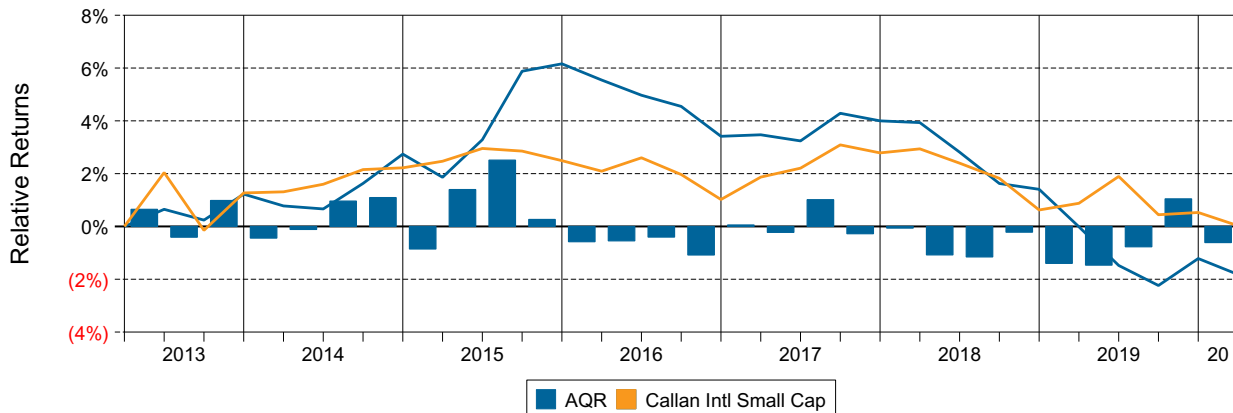
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

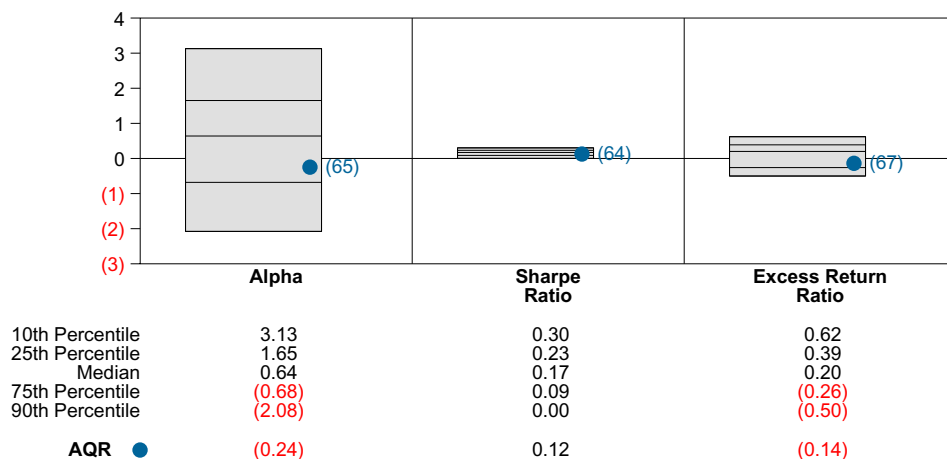
Performance vs Callan International Small Cap (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE Small Cap Index



Risk Adjusted Return Measures vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended March 31, 2020

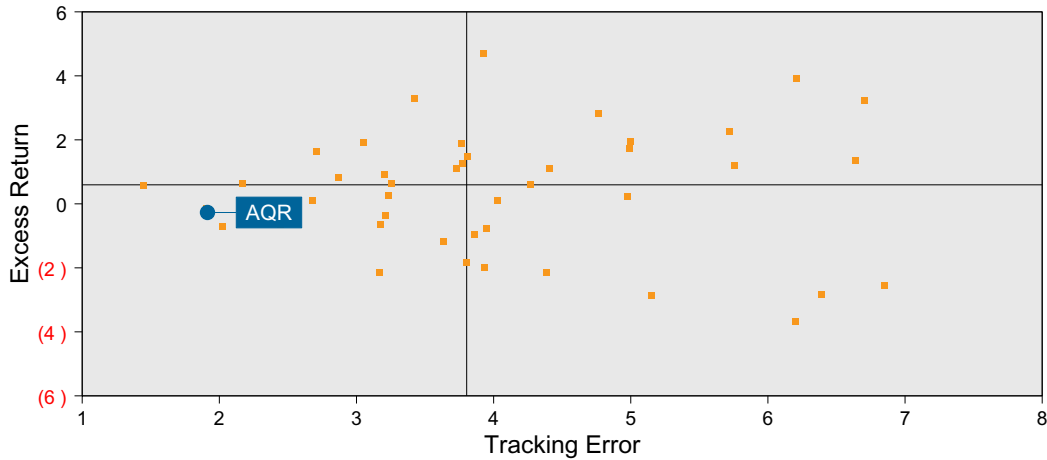


AQR Risk Analysis Summary

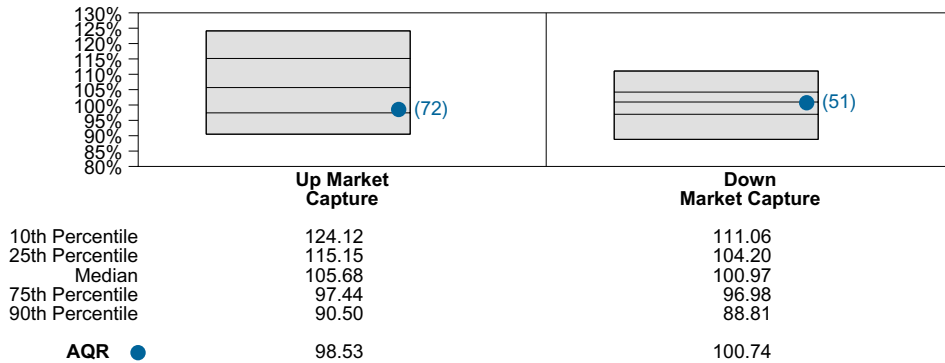
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

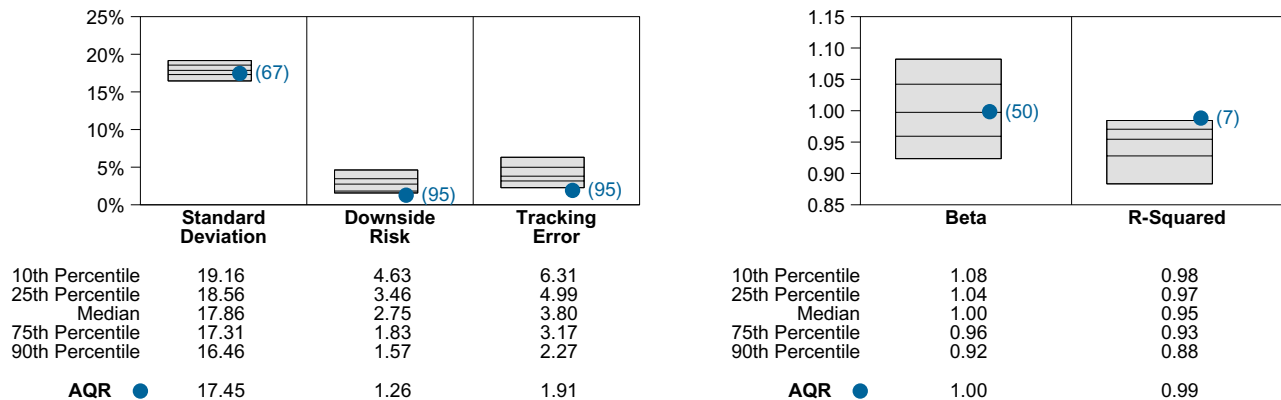
Risk Analysis vs Callan International Small Cap (Gross) Seven Years Ended March 31, 2020



Market Capture vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended March 31, 2020



Risk Statistics Rankings vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended March 31, 2020

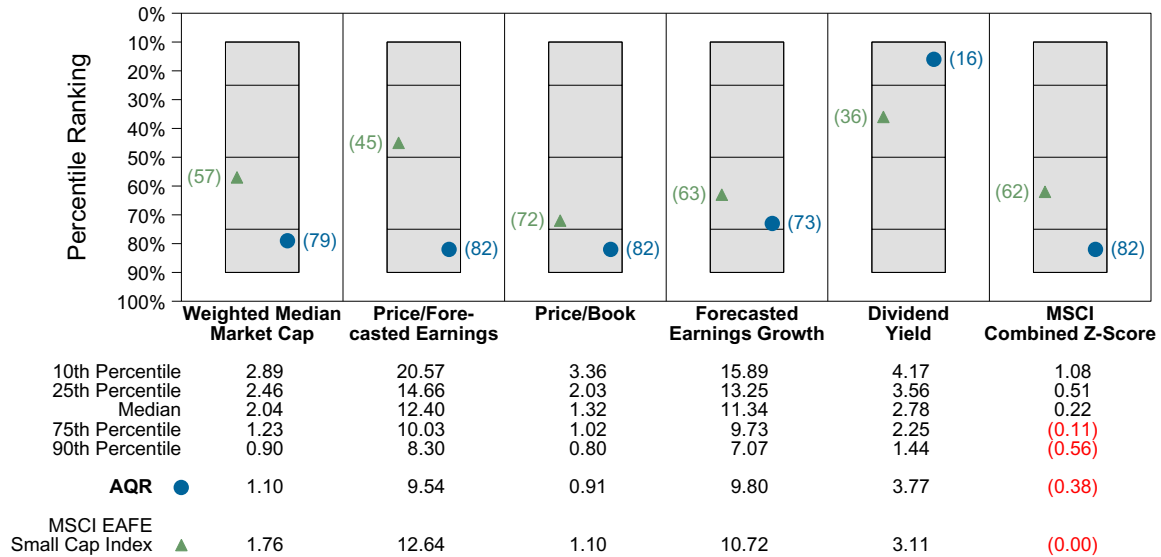


AQR Equity Characteristics Analysis Summary

Portfolio Characteristics

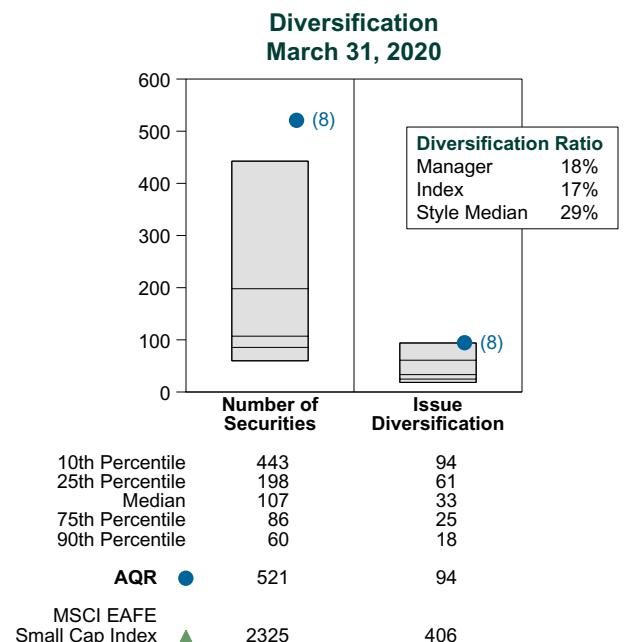
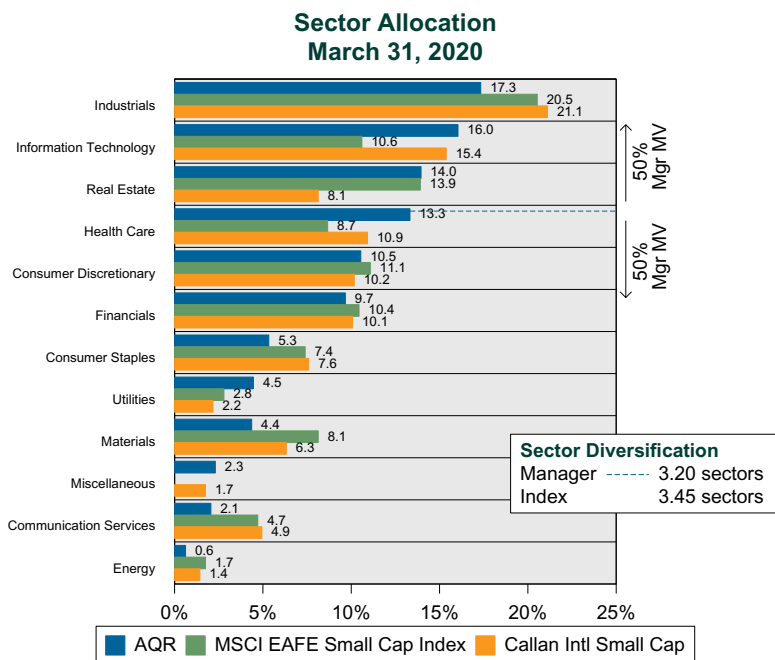
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan International Small Cap as of March 31, 2020



Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.



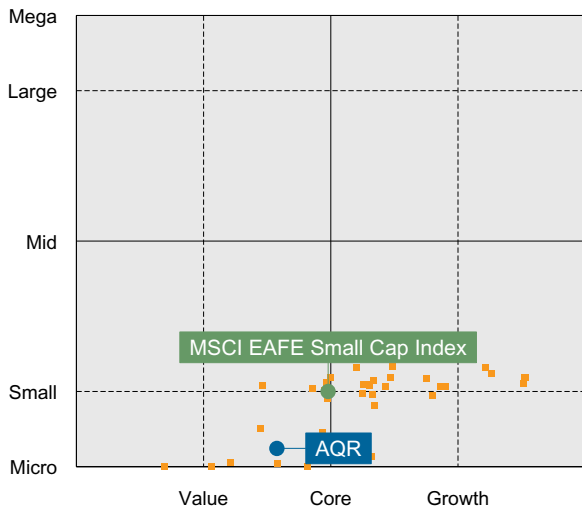
Current Holdings Based Style Analysis

AQR

As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

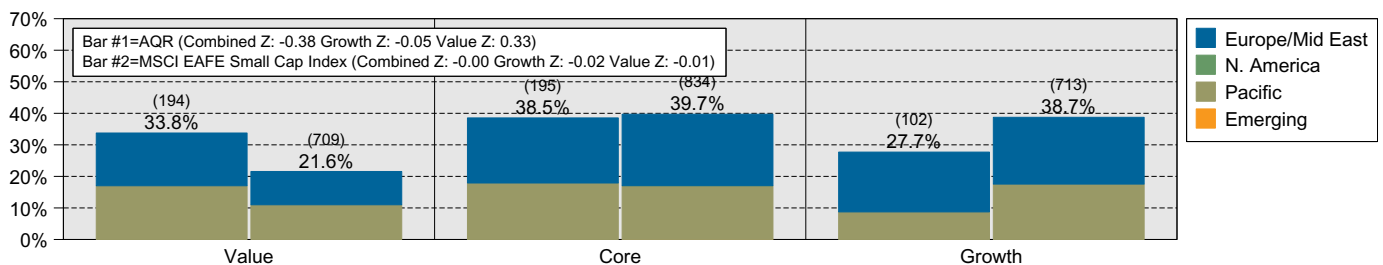
Style Map vs Callan Intl Small Cap Holdings as of March 31, 2020



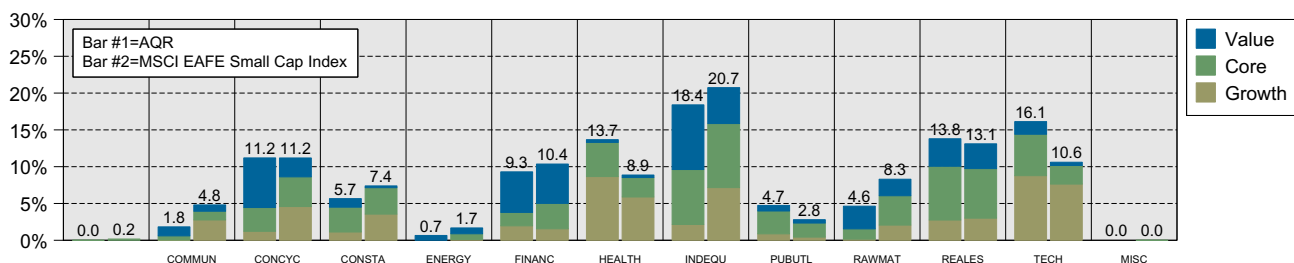
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Europe/ Mid East	16.7% (84)	20.6% (90)	19.0% (55)	56.3% (229)
N. America	10.6% (308)	22.7% (376)	21.2% (274)	54.4% (958)
Pacific	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
Emerging	17.0% (110)	17.9% (105)	8.7% (47)	43.7% (262)
	11.0% (401)	17.0% (456)	17.6% (439)	45.6% (1296)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
Total	33.8% (194)	38.5% (195)	27.7% (102)	100.0% (491)
	21.6% (709)	39.7% (834)	38.7% (713)	100.0% (2256)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



Sector Weights Distribution Holdings as of March 31, 2020



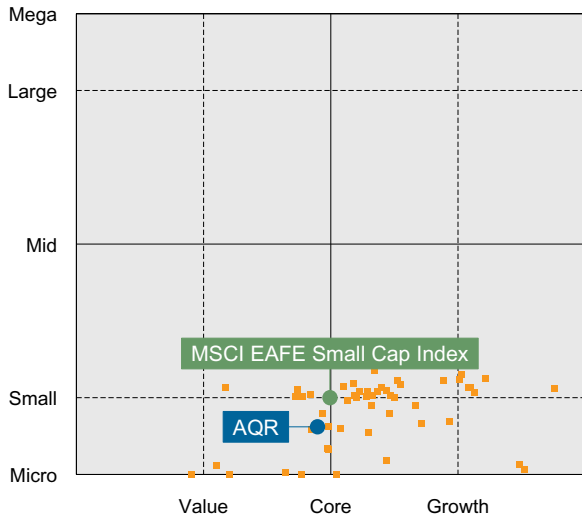
Historical Holdings Based Style Analysis

AQR

For Five Years Ended March 31, 2020

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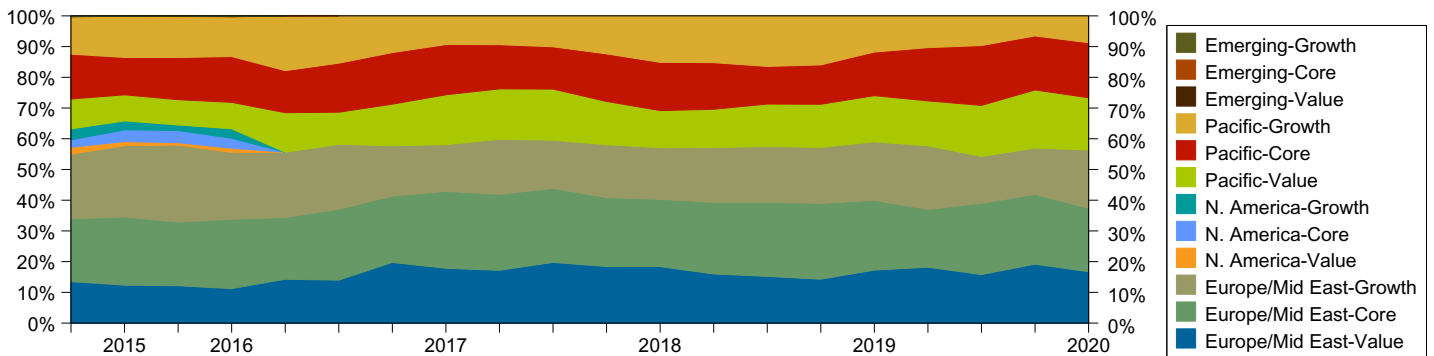
Average Style Map vs Callan Intl Small Cap Holdings for Five Years Ended March 31, 2020



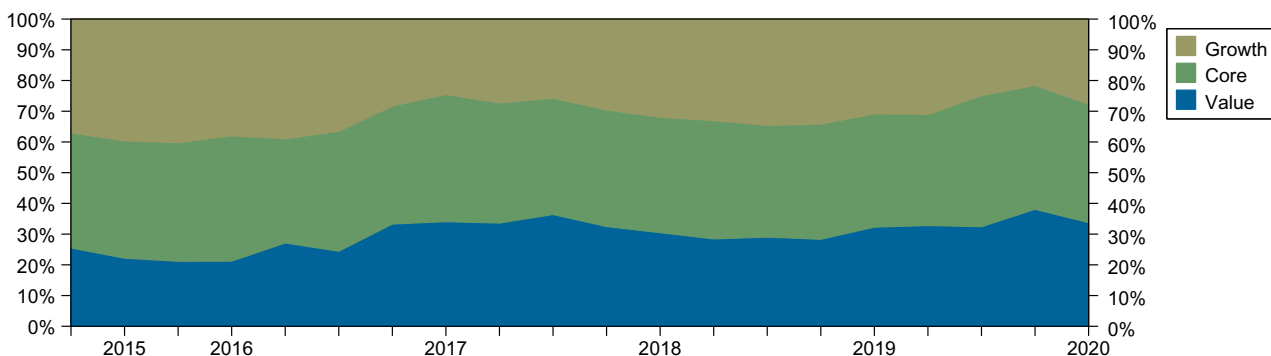
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2020

Europe/ Mid East	16.1% (101)	22.5% (117)	18.8% (81)	57.3% (299)
	14.7% (315)	22.2% (380)	20.3% (312)	57.2% (1007)
N. America	0.3% (3)	0.7% (5)	0.6% (4)	1.5% (12)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	13.5% (122)	15.2% (112)	12.4% (76)	41.1% (310)
	13.1% (437)	15.0% (427)	14.7% (381)	42.8% (1245)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (1)	0.0% (1)	0.0% (2)
Total	29.9% (226)	38.4% (234)	31.8% (161)	100.0% (621)
	27.8% (752)	37.2% (808)	35.0% (694)	100.0% (2254)
	Value	Core	Growth	Total

AQR Historical Region/Style Exposures



AQR Historical Style Only Exposures

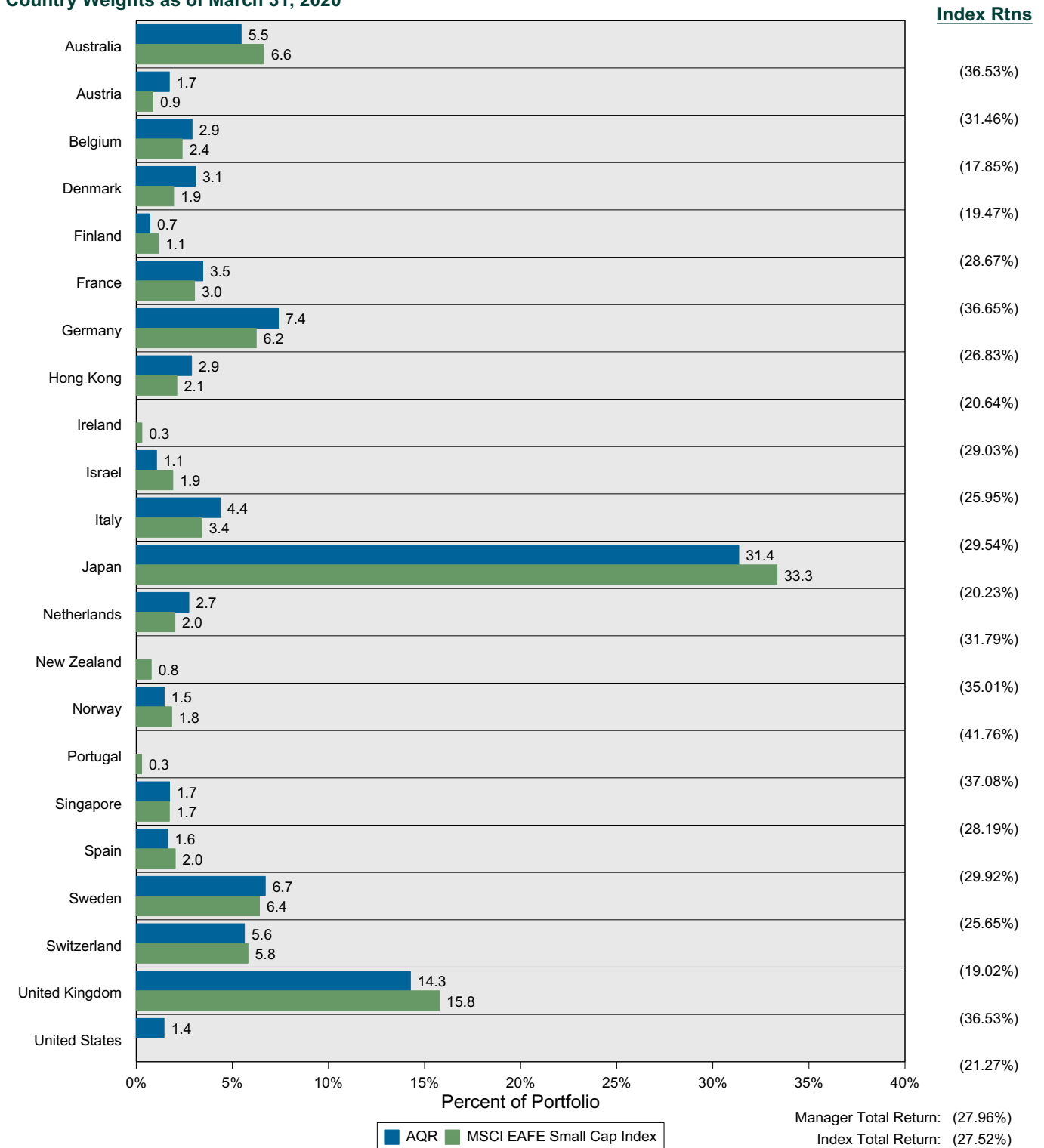


Country Allocation AQR VS MSCI EAFE Small Cap Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2020. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2020



AQR Top 10 Portfolio Holdings Characteristics as of March 31, 2020

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Computacenter Plc Shs Par 0.075555	Information Technology	\$131,186	1.3%	(24.51)%	2.02	16.22	2.59%	9.30%
Bkw Fmb Energie Ag Bern Namen Akt	Utilities	\$114,438	1.1%	11.30%	4.33	16.26	2.77%	15.00%
Galenica Sante	Health Care	\$112,308	1.1%	10.36%	3.41	22.51	2.73%	5.51%
Asm Intl N V Ny Register Sh	Information Technology	\$110,012	1.1%	(7.66)%	5.14	16.10	1.64%	12.92%
Scandinavian Tobacco Group A Common	Consumer Staples	\$105,205	1.0%	(10.26)%	1.01	6.60	8.91%	9.84%
Siltronic	Information Technology	\$84,541	0.8%	(26.23)%	2.24	12.47	4.42%	(8.14)%
Unipol Gruppo Finanziario Sp Shs	Financials	\$83,551	0.8%	(40.35)%	2.47	4.28	8.93%	13.20%
Getinge Ab Shs B	Health Care	\$83,549	0.8%	3.55%	4.89	23.45	0.79%	16.00%
T-Gaia Corp Shs	Consumer Discretionary	\$79,779	0.8%	(20.91)%	1.06	8.97	3.71%	19.87%
Bml	Health Care	\$79,582	0.8%	(6.20)%	1.18	16.63	1.34%	20.87%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Draegerwerk Ag & Co KgaA Pref Shs No	Health Care	\$76,133	0.7%	60.04%	0.76	32.98	0.21%	(20.37)%
Li & Fung Ltd Ord New	Consumer Discretionary	\$40,795	0.4%	20.63%	1.12	13.20	0.98%	(24.38)%
Zeltia Sa Vigo Shs	Health Care	\$39,615	0.4%	19.27%	1.06	6.52	0.00%	(22.54)%
Plus500 (Di)	Financials	\$52,102	0.5%	17.92%	1.43	8.54	4.79%	40.95%
Bkw Fmb Energie Ag Bern Namen Akt	Utilities	\$114,438	1.1%	11.30%	4.33	16.26	2.77%	15.00%
United Labs Int Hlds Ltd Shs	Health Care	\$12,844	0.1%	10.62%	1.33	12.59	1.09%	37.53%
Warehouses De Pauw Sca Wdp Shs	Real Estate	\$30,622	0.3%	10.40%	4.95	25.32	1.98%	9.61%
Galenica Sante	Health Care	\$112,308	1.1%	10.36%	3.41	22.51	2.73%	5.51%
Indivior Plc Ord Usd2	Health Care	\$78,243	0.8%	9.30%	0.41	35.00	0.00%	(37.78)%
Argo Graphics	Information Technology	\$4,953	0.0%	5.99%	0.73	16.39	1.41%	17.86%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Fin Finablr	Unknown	\$1,214	0.0%	(93.94)%	0.10	0.77	0.00%	38.50%
Tullow Oil Plc Shs	Energy	\$1,096	0.0%	(84.31)%	0.19	4.06	52.38%	0.90%
Premier Cons Oilfields Ltd Shs	Energy	\$934	0.0%	(83.57)%	0.18	7.50	0.00%	(14.94)%
Card Factory	Consumer Discretionary	\$6,101	0.1%	(79.21)%	0.14	2.37	8.83%	1.44%
Amigo Holdings	Financials	\$4,494	0.0%	(77.38)%	0.09	0.90	68.95%	-
Saga Ltd	Financials	\$4,640	0.0%	(70.04)%	0.24	2.47	13.56%	1.04%
Aryzta Ag	Consumer Staples	\$8,253	0.1%	(67.85)%	0.36	5.37	0.00%	2.22%
Perenti Global Ltd Shs	Materials	\$21,990	0.2%	(66.71)%	0.26	3.22	11.48%	10.62%
Wereldhave	Real Estate	\$6,019	0.1%	(66.38)%	0.29	2.83	34.93%	3.54%
Nrw Holdings	Industrials	\$25,587	0.2%	(66.17)%	0.33	4.71	3.59%	(11.21)%

DFA Emerging Markets Period Ended March 31, 2020

Investment Philosophy

Returns prior to 6/30/2013 are linked to a composite history.

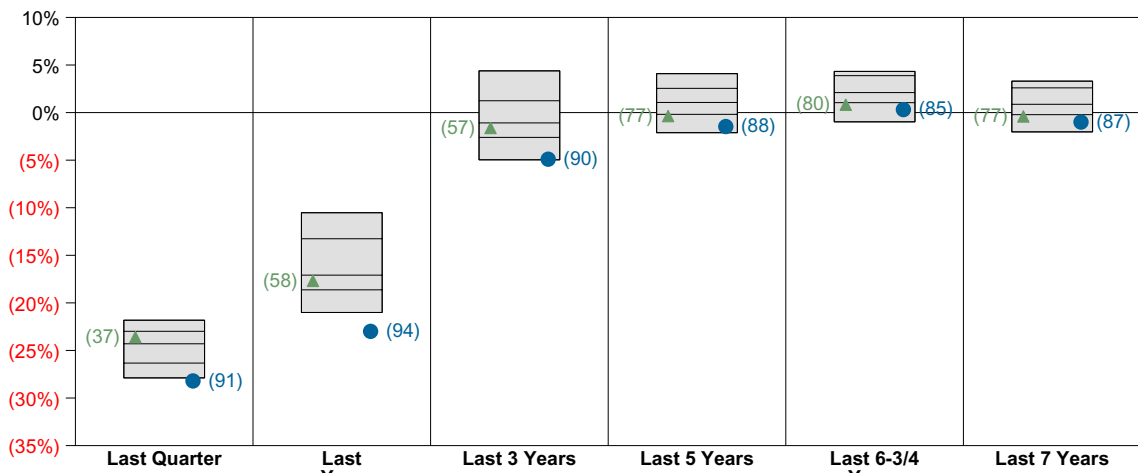
Quarterly Summary and Highlights

- DFA Emerging Markets's portfolio posted a (28.21)% return for the quarter placing it in the 91 percentile of the Callan Emerging Markets Equity Mut Funds group for the quarter and in the 94 percentile for the last year.
- DFA Emerging Markets's portfolio underperformed the MSCI Emerging Markets Index by 4.62% for the quarter and underperformed the MSCI Emerging Markets Index for the year by 5.32%.

Quarterly Asset Growth

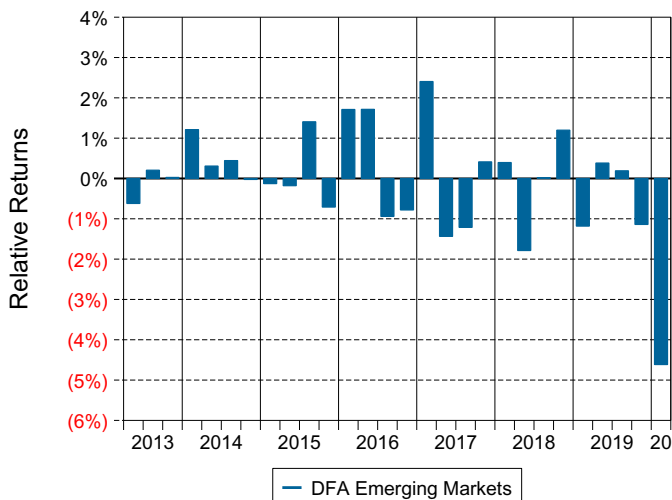
Beginning Market Value	\$17,433,497
Net New Investment	\$0
Investment Gains/(Losses)	\$-4,934,992
Ending Market Value	\$12,498,505

Performance vs Callan Emerging Markets Equity Mut Funds (Gross)

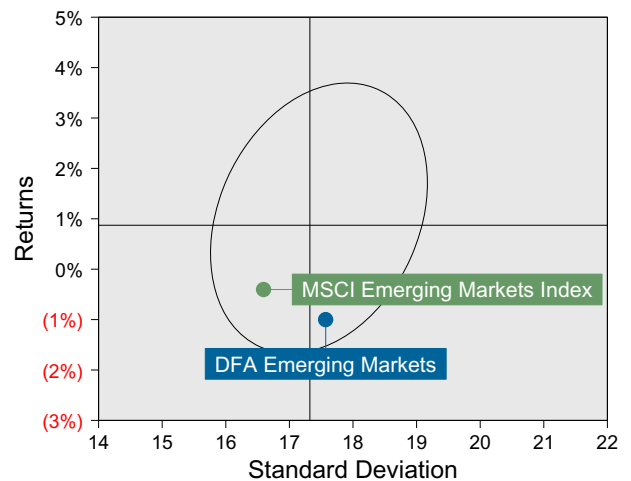


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 6-3/4 Years	Last 7 Years
10th Percentile	(21.82)	(10.52)	4.39	4.09	4.33	3.30
25th Percentile	(22.99)	(13.26)	1.24	2.55	3.88	2.60
Median	(24.30)	(17.09)	(1.09)	1.07	2.10	0.87
75th Percentile	(26.33)	(18.63)	(2.61)	(0.19)	1.04	(0.22)
90th Percentile	(27.88)	(21.01)	(4.96)	(2.11)	(0.97)	(2.03)
DFA Emerging Markets	(28.21)	(23.00)	(4.88)	(1.47)	0.30	(1.00)
MSCI Emerging Markets Index	(23.60)	(17.69)	(1.62)	(0.36)	0.83	(0.40)

Relative Returns vs MSCI Emerging Markets Index



Callan Emerging Markets Equity Mut Funds (Gross) Annualized Seven Year Risk vs Return

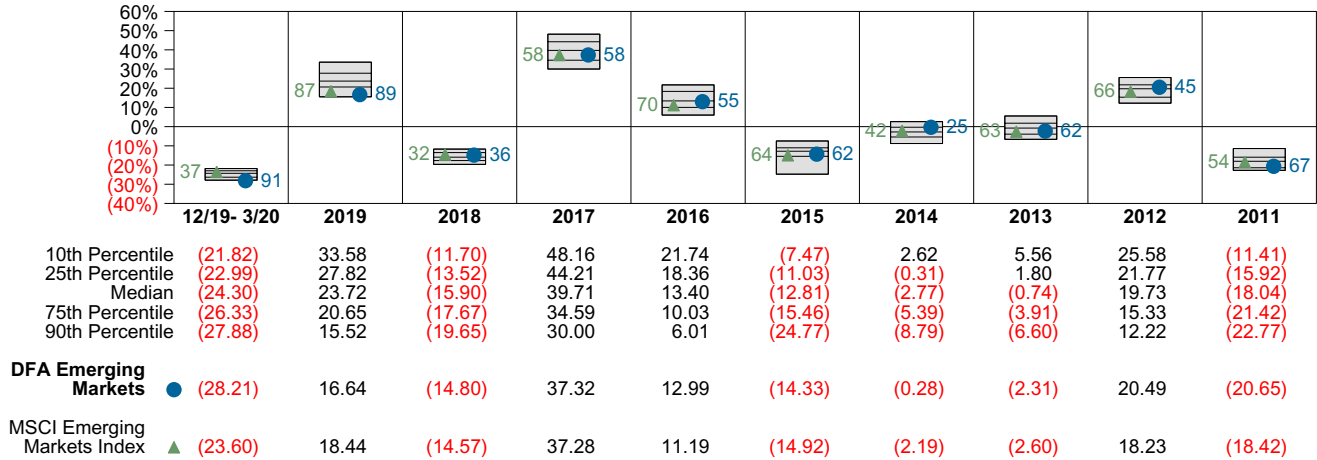


DFA Emerging Markets Return Analysis Summary

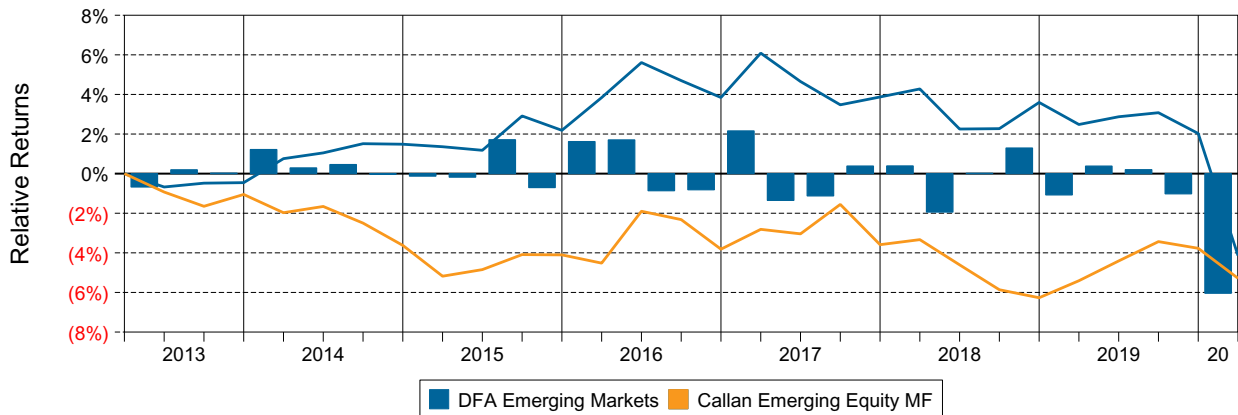
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

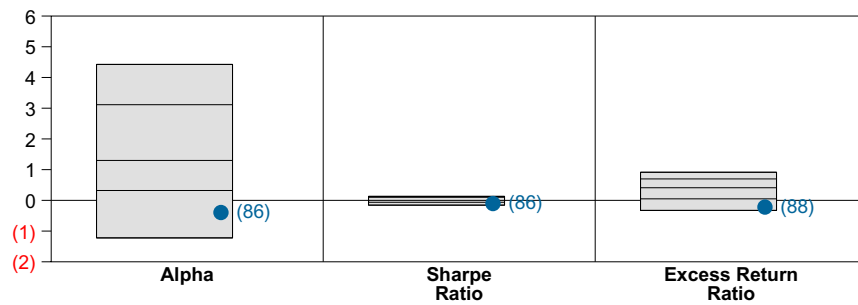
Performance vs Callan Emerging Markets Equity Mut Funds (Gross)



Cumulative and Quarterly Relative Return vs MSCI Emerging Markets Index



Risk Adjusted Return Measures vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended March 31, 2020



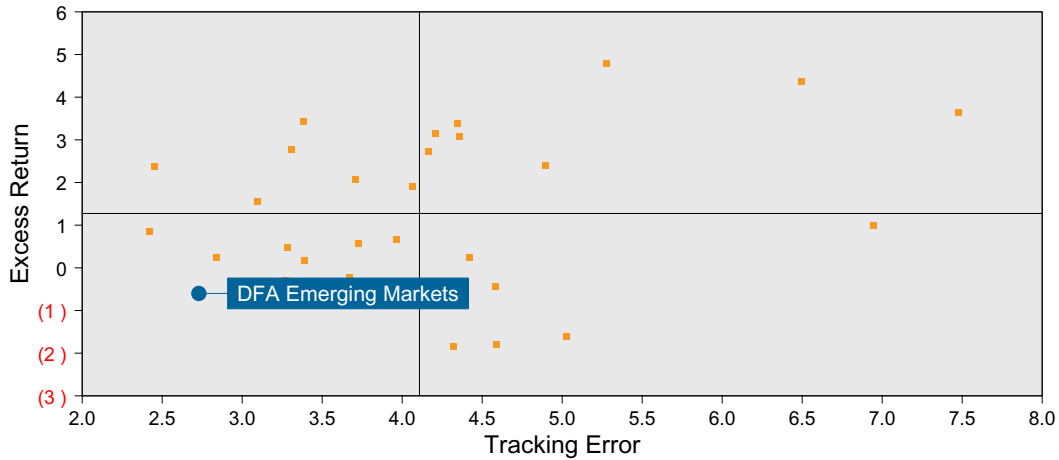
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	4.43	0.13	0.91
25th Percentile	3.11	0.10	0.70
Median	1.30	(0.00)	0.41
75th Percentile	0.32	(0.06)	0.05
90th Percentile	(1.22)	(0.16)	(0.33)
DFA Emerging Markets	● (0.40)	(0.11)	(0.22)

DFA Emerging Markets Risk Analysis Summary

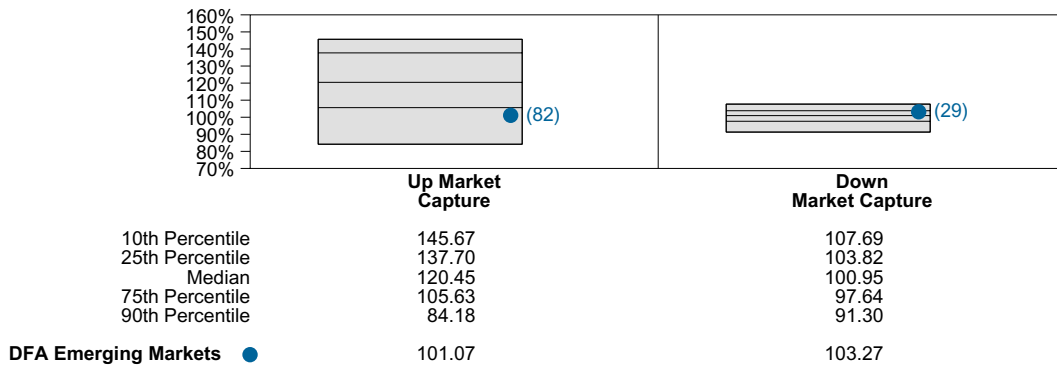
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

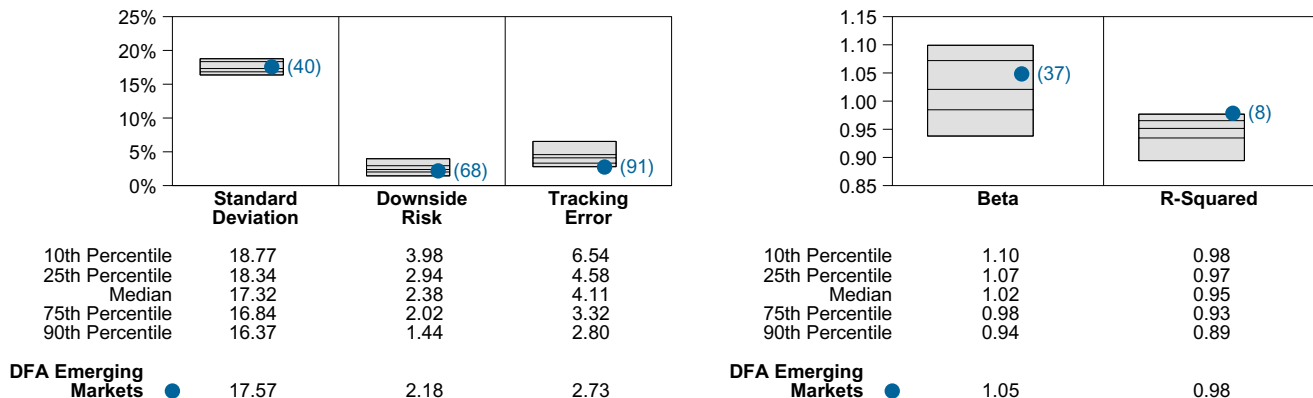
Risk Analysis vs Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended March 31, 2020



Market Capture vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended March 31, 2020



Risk Statistics Rankings vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended March 31, 2020

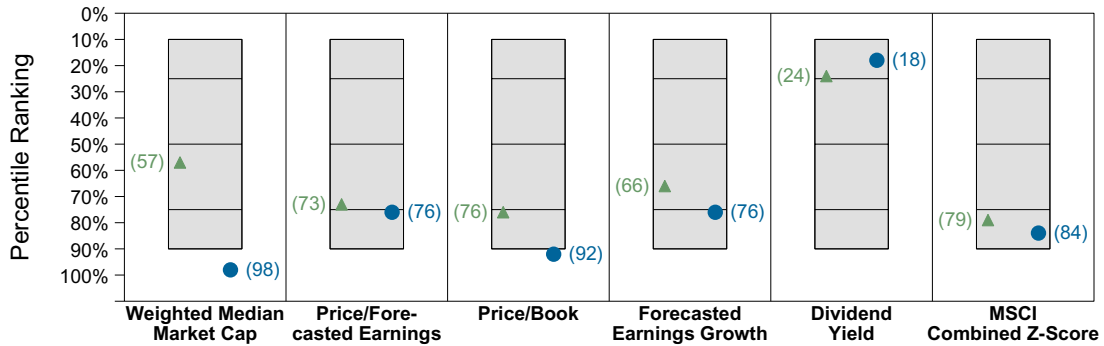


DFA Emerging Markets Equity Characteristics Analysis Summary

Portfolio Characteristics

This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

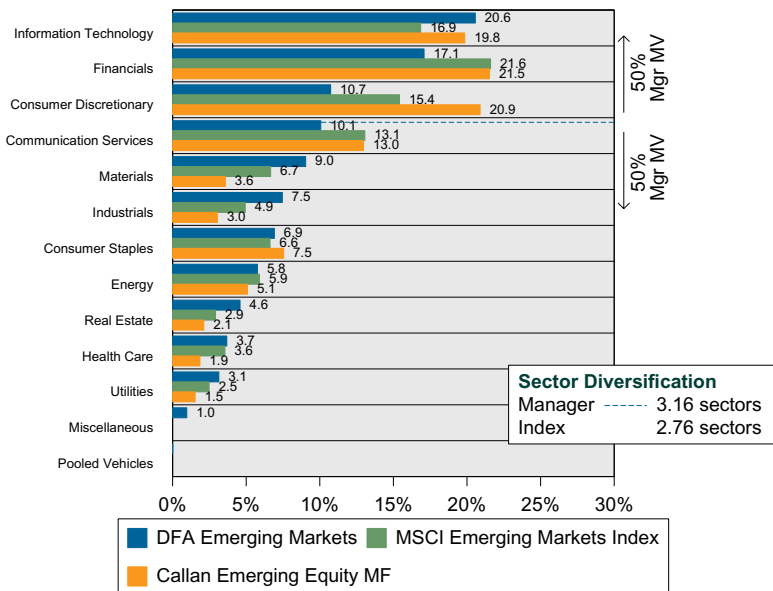
Portfolio Characteristics Percentile Rankings Rankings Against Callan Emerging Markets Equity Mut Funds as of March 31, 2020



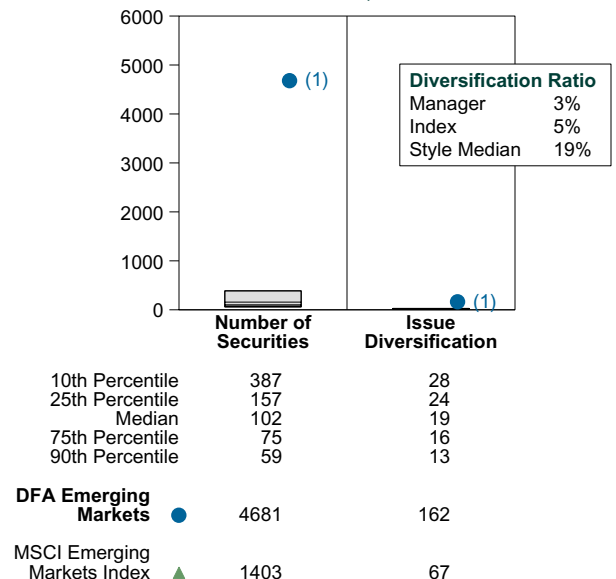
Sector Weights

The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration of holdings are also compared to the benchmark and peer group. Issue Diversification represents by count, and Diversification Ratio by percent, the number of holdings that account for half of the portfolio's market value.

Sector Allocation March 31, 2020



Diversification March 31, 2020



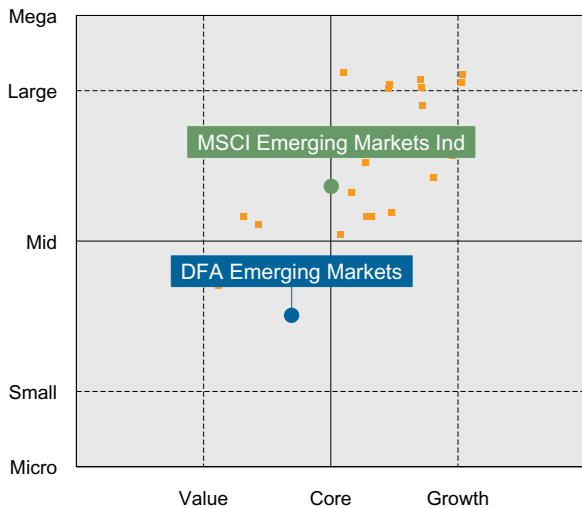
Current Holdings Based Style Analysis

DFA Emerging Markets

As of March 31, 2020

This page analyzes the current investment style of a portfolio utilizing a detailed holdings-based style analysis to determine actual exposures to various regional and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

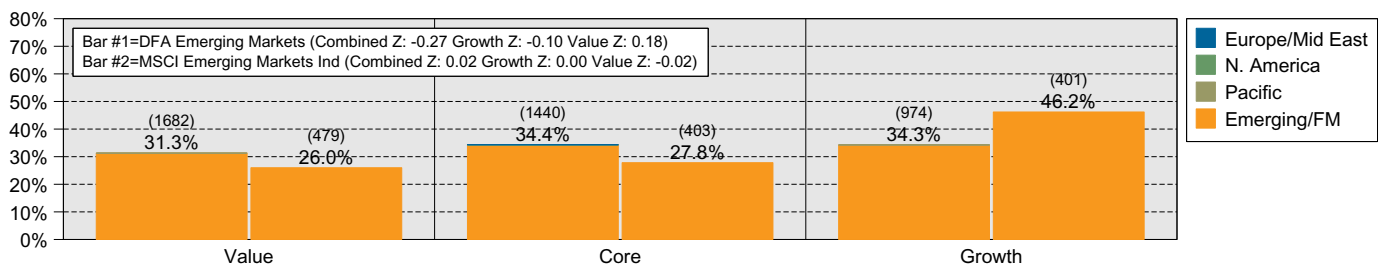
Style Map vs Callan Emerging Equity MF Holdings as of March 31, 2020



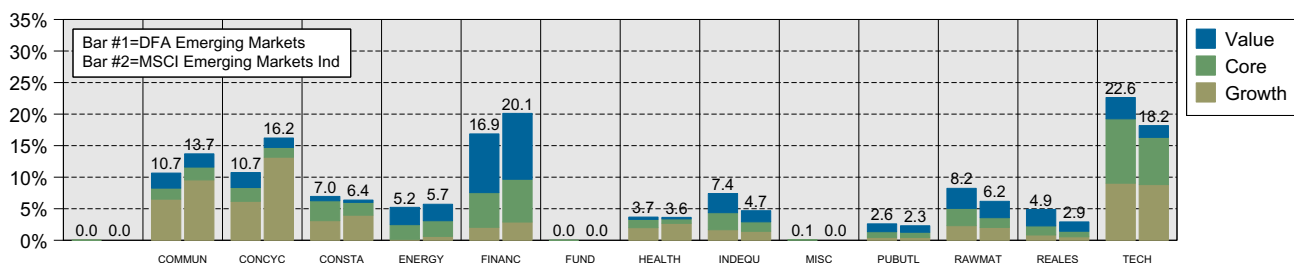
Style Exposure Matrix Holdings as of March 31, 2020

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
N. America	0.0% (0)	0.1% (5)	0.0% (0)	0.1% (5)
Pacific	0.0% (18)	0.1% (19)	0.2% (9)	0.2% (46)
Emerging/ FM	31.3% (1664)	34.2% (1415)	34.2% (965)	99.6% (4044)
	26.0% (479)	27.8% (403)	46.2% (401)	100.0% (1283)
Total	31.3% (1682)	34.4% (1440)	34.3% (974)	100.0% (4096)
	26.0% (479)	27.8% (403)	46.2% (401)	100.0% (1283)

Combined Z-Score Style Distribution Holdings as of March 31, 2020



Sector Weights Distribution Holdings as of March 31, 2020



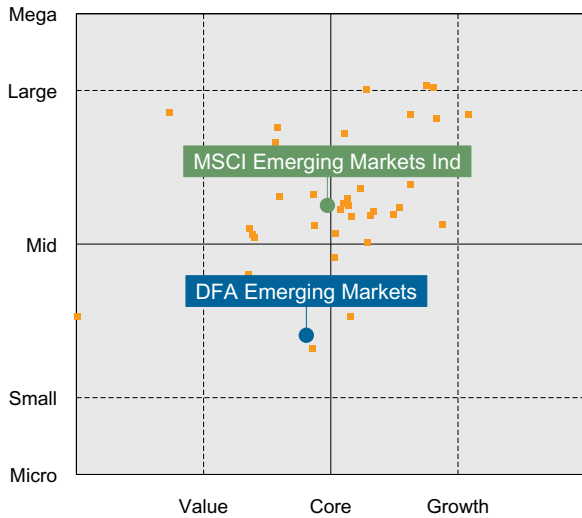
Historical Holdings Based Style Analysis

DFA Emerging Markets

For Five Years Ended March 31, 2020

This page analyzes the historical investment style of a portfolio utilizing a detailed holdings-based style analysis to determine average actual exposures to various region and style segments of the international/global equity market. The market is segmented quarterly by region and style. The style segments are determined using the "Combined Z Score", based on the eight fundamental factors used in the MSCI stock style scoring system. The upper-left style map illustrates the average historical market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the average historical portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The next two style exposure charts illustrate the actual quarterly region/style and style only segment exposures of the portfolio through history.

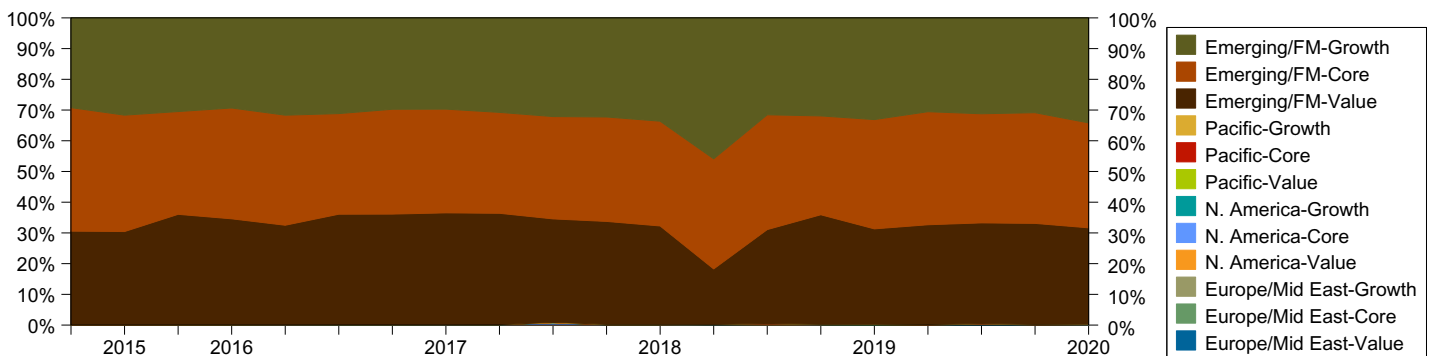
Average Style Map vs Callan Emerging Equity MF Holdings for Five Years Ended March 31, 2020



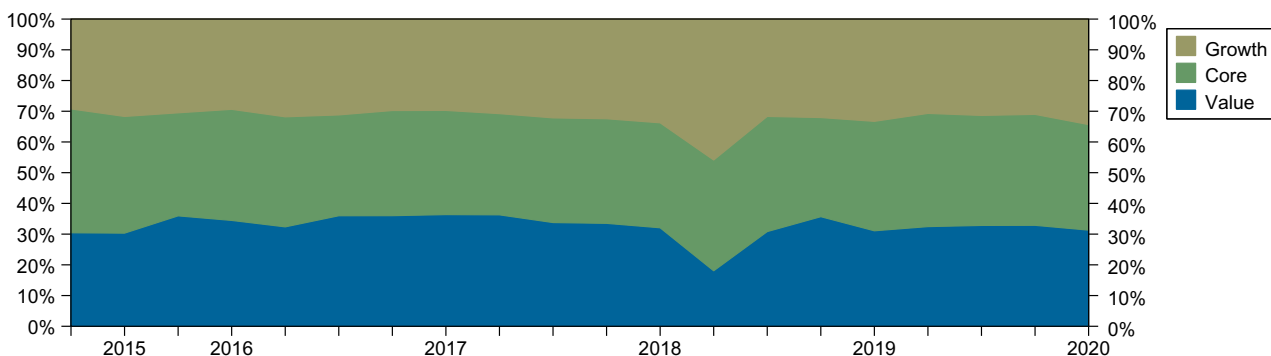
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2020

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (0) 0.0% (0)	0.1% (1) 0.0% (0)	0.0% (0) 0.0% (0)	0.1% (1) 0.0% (0)
N. America	0.0% (1) 0.0% (0)	0.1% (4) 0.0% (0)	0.0% (1) 0.0% (0)	0.1% (6) 0.0% (0)
Pacific	0.0% (15) 0.0% (0)	0.0% (20) 0.0% (0)	0.1% (11) 0.0% (0)	0.1% (46) 0.0% (0)
Emerging/ FM	32.6% (1483) 31.3% (348)	35.1% (1432) 30.9% (306)	32.1% (943) 37.9% (312)	99.7% (3858) 100.0% (966)
Total	32.6% (1499) 31.3% (348)	35.2% (1457) 30.9% (306)	32.1% (955) 37.9% (312)	100.0% (3911) 100.0% (966)

DFA Emerging Markets Historical Region/Style Exposures



DFA Emerging Markets Historical Style Only Exposures

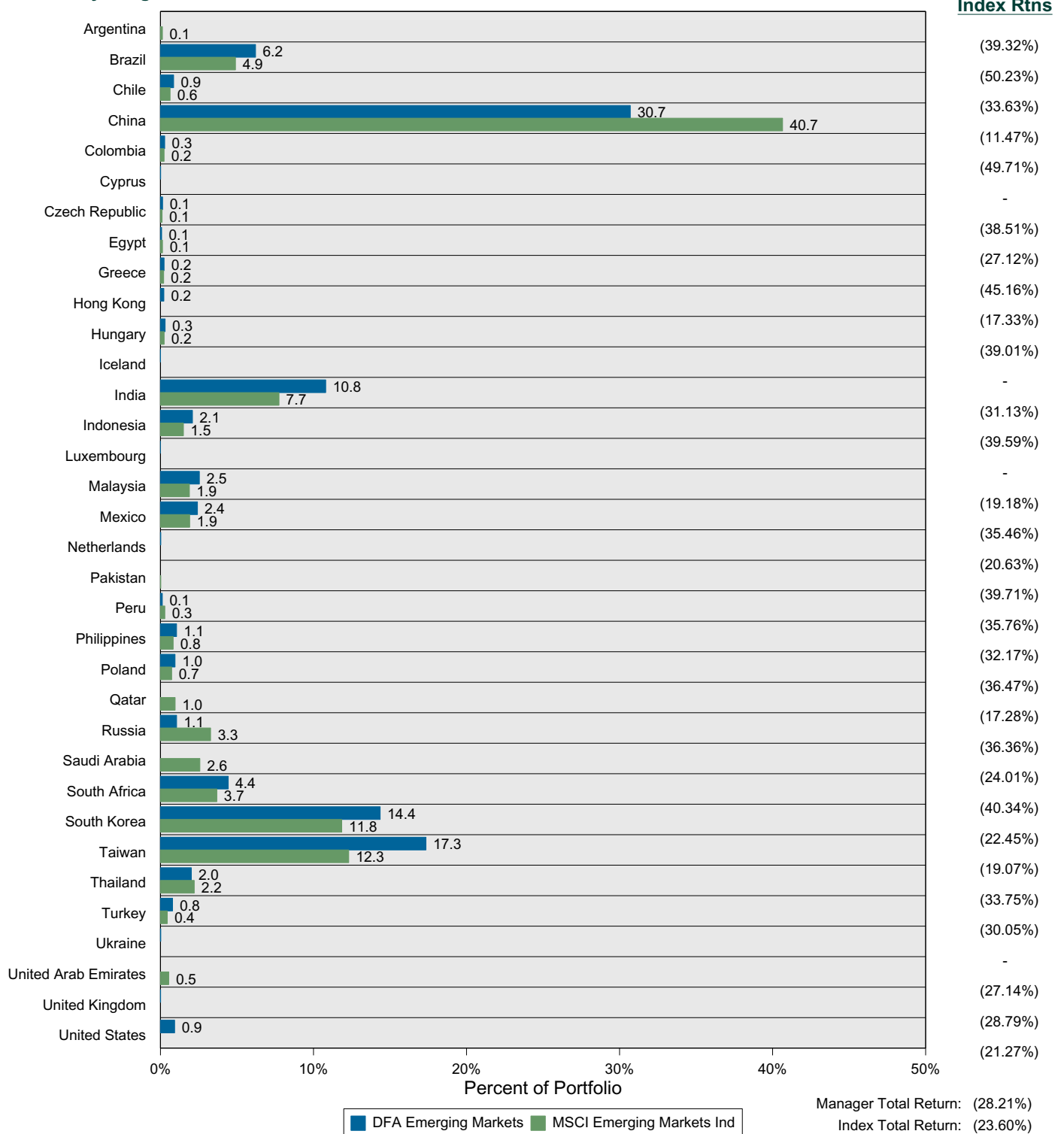


Country Allocation DFA Emerging Markets VS MSCI Emerging Markets Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2020. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2020



DFA Emerging Markets Top 10 Portfolio Holdings Characteristics as of March 31, 2020

10 Largest Holdings

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Samsung Electronics Co Ltd Ord	Information Technology	\$608,631	4.9%	(18.20)%	234.16	10.03	2.97%	(7.20)%
Tencent Holdings Limited Shs Par Hkd	Communication Services	\$522,093	4.2%	(0.53)%	468.60	27.50	0.32%	21.37%
Taiwan Semiconductor Mfg Co Ltd Spon	Information Technology	\$285,643	2.3%	(16.62)%	234.94	16.12	3.47%	12.68%
Alibaba Group Hldg Ltd Sponsored Ads	Consumer Discretionary	\$233,725	1.9%	(8.30)%	521.74	22.51	0.00%	23.00%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$232,167	1.9%	(17.12)%	234.94	16.12	3.47%	12.68%
Ping An Insurance H	Financials	\$183,467	1.5%	(18.75)%	73.17	7.72	2.99%	11.11%
China Construction Bank Shs H	Financials	\$166,076	1.3%	(7.43)%	196.65	5.18	5.52%	1.10%
Sk Hynix Inc Shs	Information Technology	\$112,637	0.9%	(15.04)%	49.82	9.53	1.20%	(18.03)%
Industrial and Comm Bk of Cn Hkd Shs	Financials	\$110,337	0.9%	(13.04)%	59.46	5.27	5.41%	1.10%
Reliance Industries Ltd Shs Demateri	Energy	\$98,648	0.8%	(30.59)%	93.33	12.23	0.58%	16.51%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Labgenomics	Health Care	\$364	0.0%	328.05%	0.21	367.31	0.00%	-
Seegene	Health Care	\$2,756	0.0%	244.34%	2.39	94.47	0.09%	41.99%
Yuhwa	Health Care	\$1,024	0.0%	130.50%	1.01	345.31	0.00%	-
Nh No.2 Spu.Acquisition	Health Care	\$724	0.0%	117.70%	0.42	55.77	0.23%	-
Silver Star	Consumer Discretionary	\$402	0.0%	112.12%	0.19	(42.08)	0.00%	-
Beijing Chunlizhengda Med.Insts.'h'	Health Care	\$51	0.0%	108.53%	0.48	41.29	0.34%	74.39%
Nac Information Sys.	Information Technology	\$259	0.0%	101.51%	0.19	3643.33	0.00%	-
Mediana Co Ltd	Health Care	\$35	0.0%	98.01%	0.12	17.94	0.00%	(6.02)%
Tarena Intl Inc Adr	Consumer Discretionary	\$356	0.0%	95.44%	0.18	-	3.13%	-
21vianet Group Inc Sponsored Adr	Information Technology	\$2,869	0.0%	91.18%	1.17	338.05	0.00%	(47.15)%

10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Sasol Ltd Sponsored Adr	Energy	\$1,403	0.0%	(90.50)%	1.29	2.26	37.37%	(14.30)%
Sasol	Materials	\$2,467	0.0%	(90.47)%	1.29	2.26	37.37%	(14.30)%
Gayatri Projects Limited	Industrials	\$13	0.0%	(89.89)%	0.02	0.55	0.00%	-
Nampak Ltd Shs	Materials	\$248	0.0%	(88.54)%	0.04	0.75	0.00%	(10.34)%
Tongaat Hulett Ltd Shs	Consumer Staples	\$91	0.0%	(87.02)%	0.02	(0.18)	0.00%	-
Totalindo Eka Persada Pt	Industrials	\$37	0.0%	(84.24)%	0.10	-	0.00%	-
Minna Padi Investama	Financials	\$0	0.0%	(84.00)%	0.03	0.00	0.45%	-
Enterprise Outsourcing	Information Technology	\$83	0.0%	(80.32)%	0.03	1.40	0.00%	21.50%
Future Retail (New)	Consumer Discretionary	\$518	0.0%	(78.38)%	0.55	4.50	0.00%	36.12%
Indusind Bank	Financials	\$2,406	0.0%	(78.05)%	3.22	3.50	2.13%	27.19%

Metropolitan West Period Ended March 31, 2020

Investment Philosophy

Metropolitan West Asset Management (MWAM) attempts to add value by limiting duration, managing the yield curve, rotating among bond market sectors and using proprietary quantitative valuation techniques.

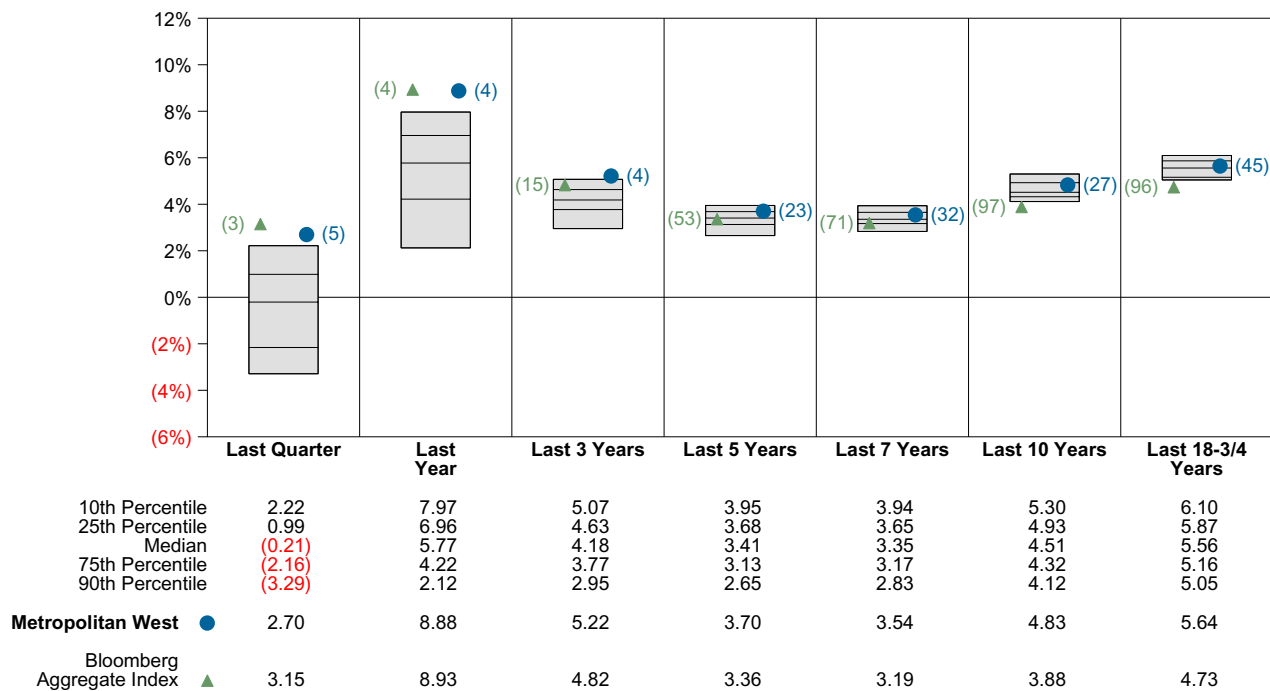
Quarterly Summary and Highlights

- Metropolitan West's portfolio posted a 2.70% return for the quarter placing it in the 5 percentile of the Callan Core Plus Fixed Income group for the quarter and in the 4 percentile for the last year.
- Metropolitan West's portfolio underperformed the Bloomberg Aggregate Index by 0.45% for the quarter and underperformed the Bloomberg Aggregate Index for the year by 0.06%.

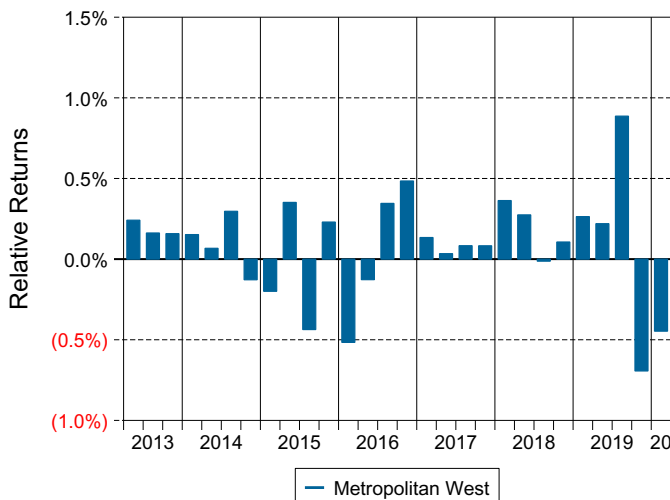
Quarterly Asset Growth

Beginning Market Value	\$108,217,941
Net New Investment	\$0
Investment Gains/(Losses)	\$2,923,615
Ending Market Value	\$111,141,556

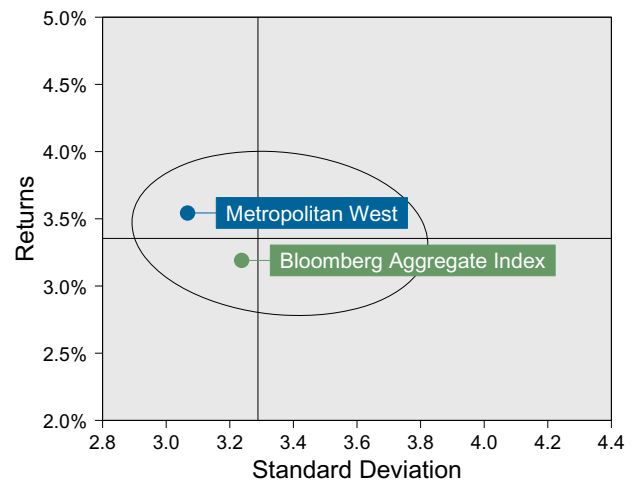
Performance vs Callan Core Plus Fixed Income (Gross)



Relative Returns vs Bloomberg Aggregate Index



Callan Core Plus Fixed Income (Gross) Annualized Seven Year Risk vs Return

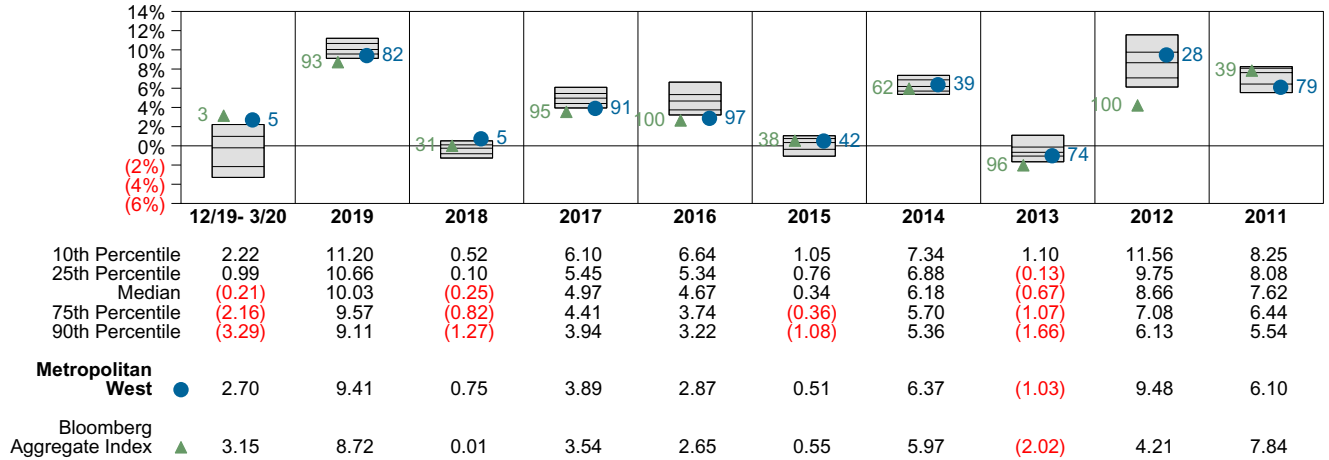


Metropolitan West Return Analysis Summary

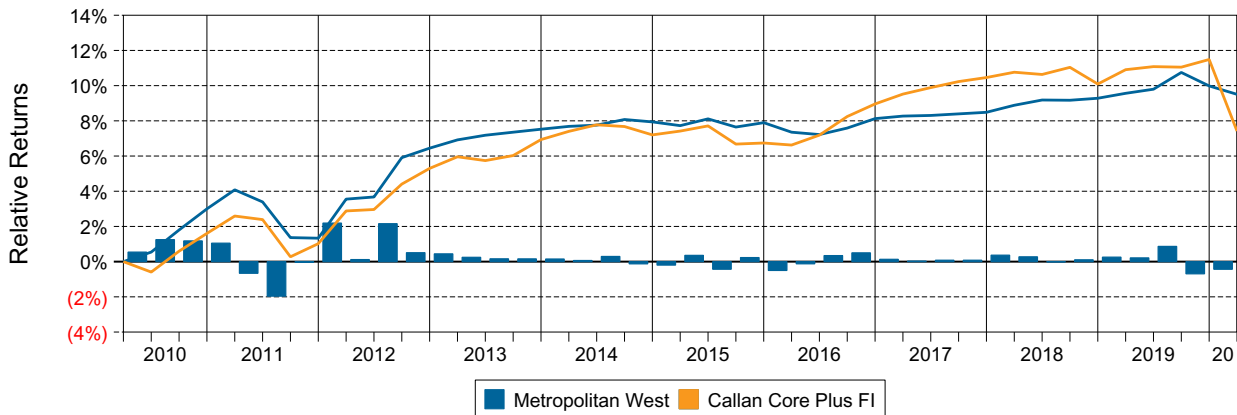
Return Analysis

The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate market benchmark. The last chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

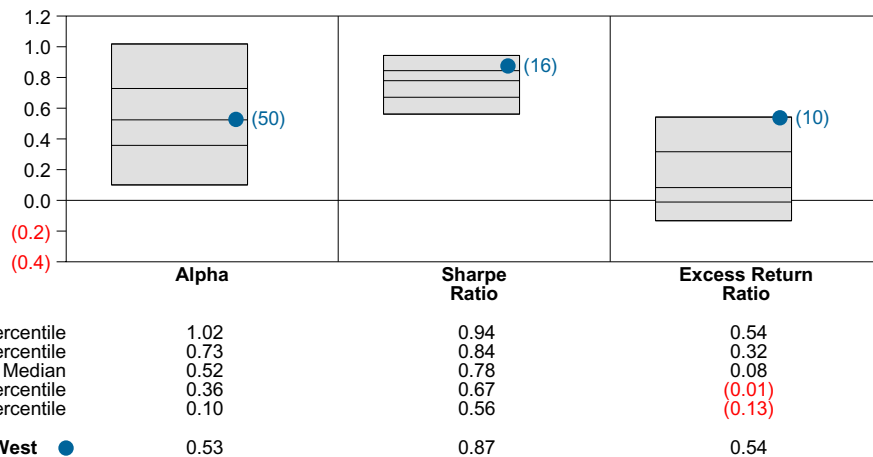
Performance vs Callan Core Plus Fixed Income (Gross)



Cumulative and Quarterly Relative Return vs Bloomberg Aggregate Index



Risk Adjusted Return Measures vs Bloomberg Aggregate Index Rankings Against Callan Core Plus Fixed Income (Gross) Seven Years Ended March 31, 2020

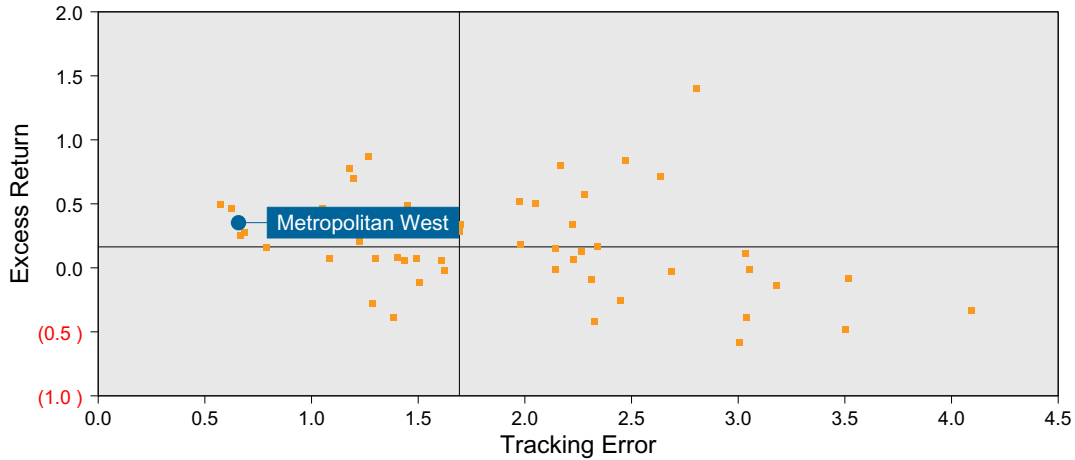


Metropolitan West Risk Analysis Summary

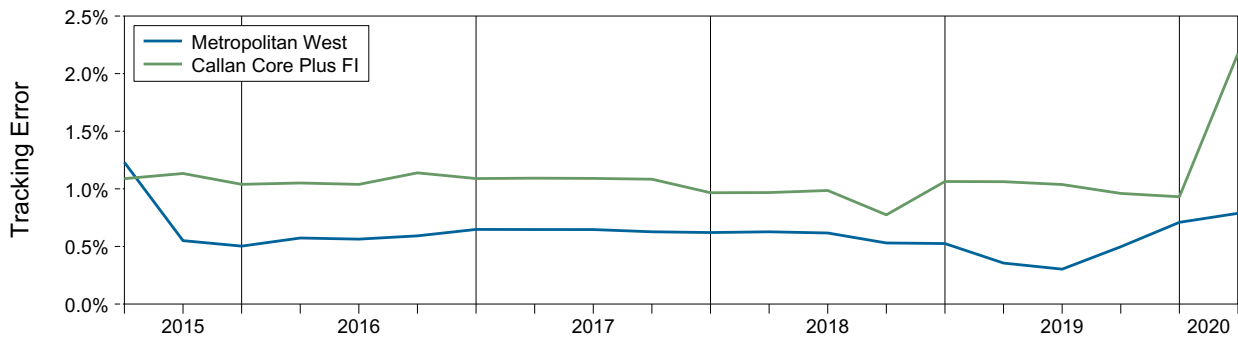
Risk Analysis

The graphs below analyze the risk or variation of a manager's return pattern. The first scatter chart illustrates the relationship, called Excess Return Ratio, between excess return and tracking error relative to the benchmark. The second chart shows tracking error patterns versus the benchmark over time. The last two charts show the ranking of the manager's risk statistics versus the peer group.

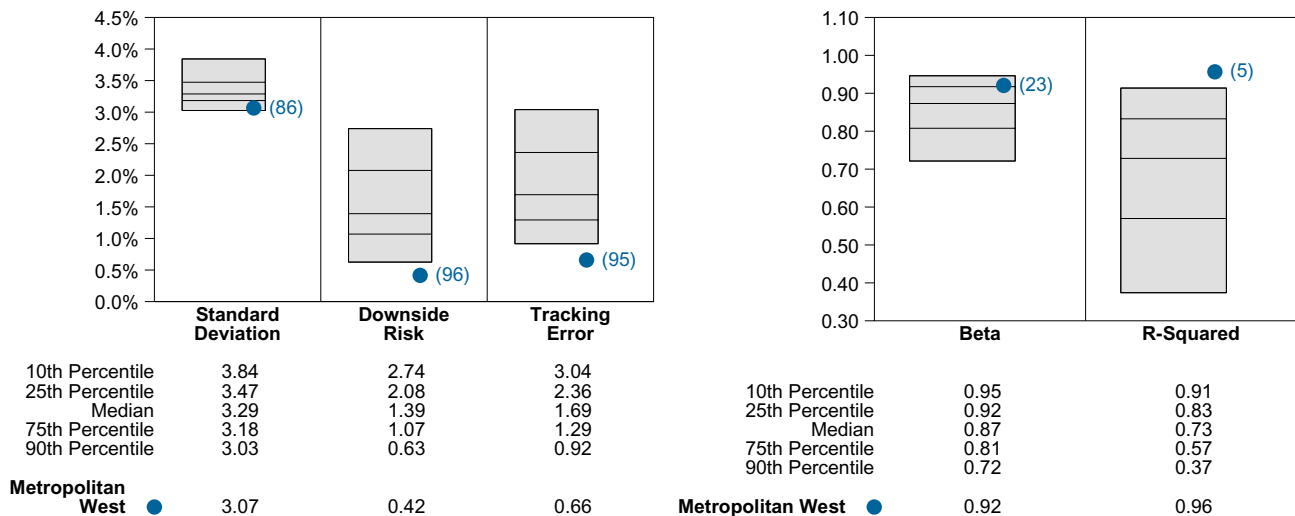
Risk Analysis vs Callan Core Plus Fixed Income (Gross) Seven Years Ended March 31, 2020



Rolling 12 Quarter Tracking Error vs Bloomberg Aggregate Index



Risk Statistics Rankings vs Bloomberg Aggregate Index Rankings Against Callan Core Plus Fixed Income (Gross) Seven Years Ended March 31, 2020

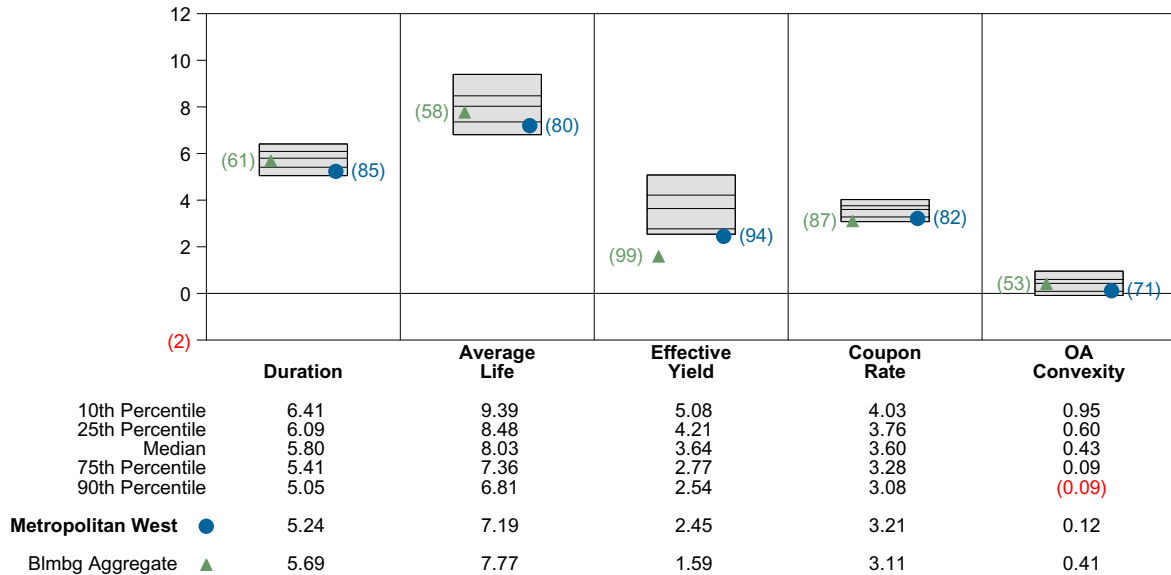


Metropolitan West Bond Characteristics Analysis Summary

Portfolio Characteristics

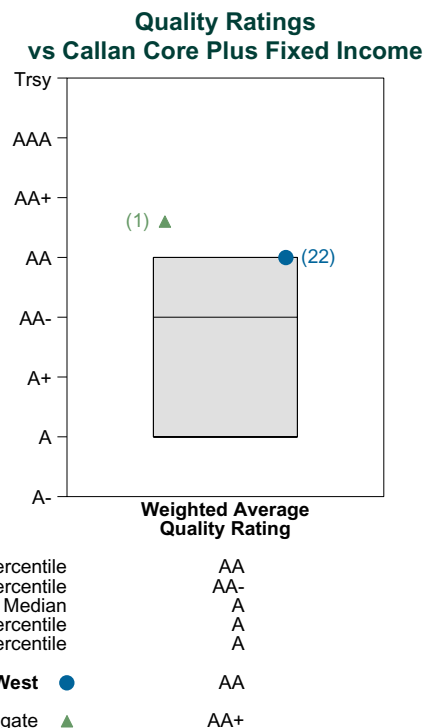
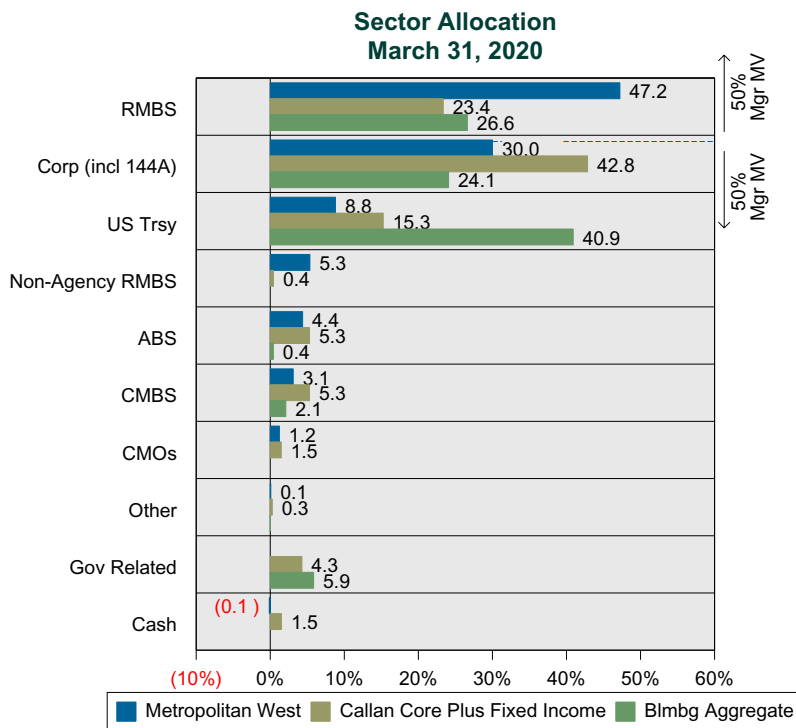
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against Callan Core Plus Fixed Income as of March 31, 2020



Sector Allocation and Quality Ratings

The first graph compares the manager's sector allocation with the average allocation across all the members of the manager's style. The second graph compares the manager's weighted average quality rating with the range of quality ratings for the style.

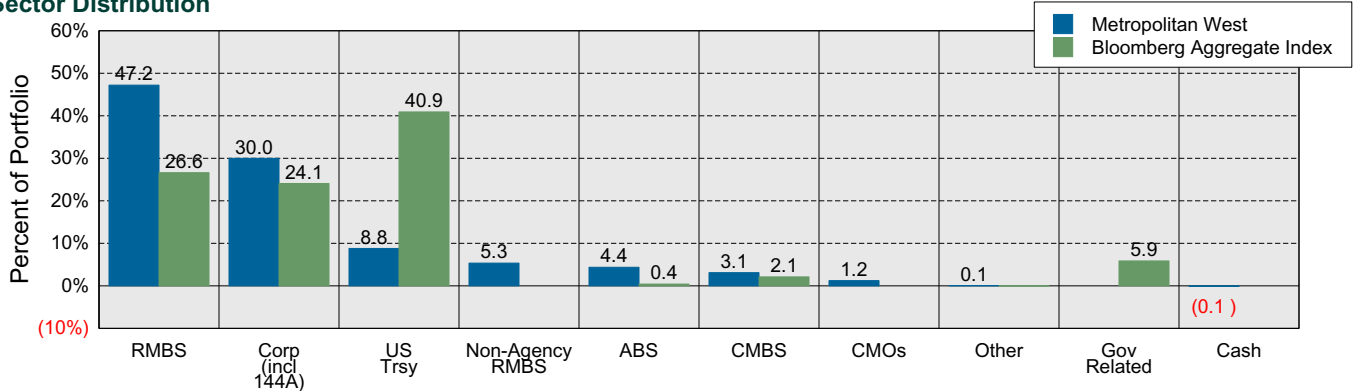


Metropolitan West Portfolio Characteristics Summary As of March 31, 2020

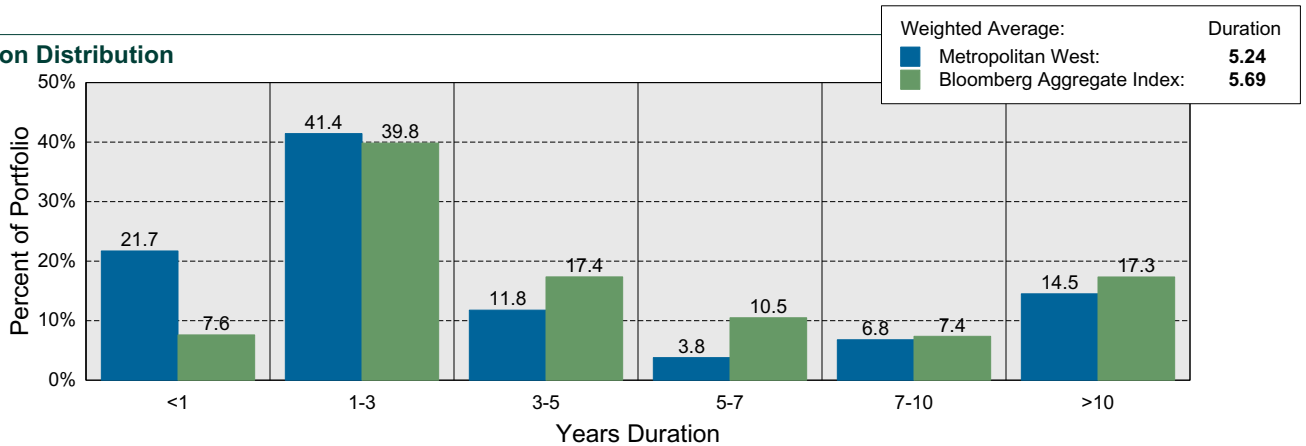
Portfolio Structure Comparison

The charts below compare the structure of the portfolio to that of the index from the three perspectives that have the greatest influence on return. The first chart compares the two portfolios across sectors. The second chart compares the duration distribution. The last chart compares the distribution across quality ratings.

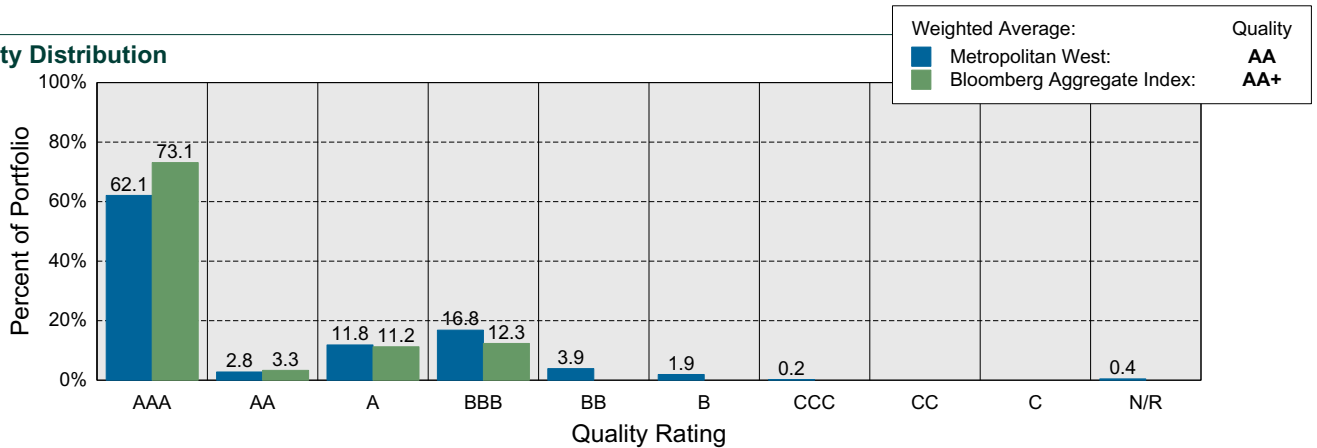
Sector Distribution



Duration Distribution



Quality Distribution



Risk/Reward Statistics

The risk statistics used in this report examine performance characteristics of a manager or a portfolio relative to a benchmark (market indicator) which assumes to represent overall movements in the asset class being considered. The main unit of analysis is the excess return, which is the portfolio return minus the return on a risk free asset (3 month T-Bill).

Alpha measures a portfolio's return in excess of the market return adjusted for risk. It is a measure of the manager's contribution to performance with reference to security selection. A positive alpha indicates that a portfolio was positively rewarded for the residual risk which was taken for that level of market exposure.

Beta measures the sensitivity of rates of portfolio returns to movements in the market index. A portfolio's beta measures the expected change in return per 1% change in the return on the market. If a beta of a portfolio is 1.5, a 1 percent increase in the return on the market will result, on average, in a 1.5 percent increase in the return on the portfolio. The converse would also be true.

Downside Risk stems from the desire to differentiate between "good risk" (upside volatility) and "bad risk" (downside volatility). Whereas standard deviation punishes both upside and downside volatility, downside risk measures only the standard deviation of returns below the target. Returns above the target are assigned a deviation of zero. Both the frequency and magnitude of underperformance affect the amount of downside risk.

Excess Return Ratio is a measure of risk adjusted relative return. This ratio captures the amount of active management performance (value added relative to an index) per unit of active management risk (tracking error against the index.) It is calculated by dividing the manager's annualized cumulative excess return relative to the index by the standard deviation of the individual quarterly excess returns. The Excess Return Ratio can be interpreted as the manager's active risk/reward tradeoff for diverging from the index when the index is mandated to be the "riskless" market position.

Information Ratio measures the manager's market risk-adjusted excess return per unit of residual risk relative to a benchmark. It is computed by dividing alpha by the residual risk over a given time period. Assuming all other factors being equal, managers with lower residual risk achieve higher values in the information ratio. Managers with higher information ratios will add value relative to the benchmark more reliably and consistently.

R-Squared indicates the extent to which the variability of the portfolio returns are explained by market action. It can also be thought of as measuring the diversification relative to the appropriate benchmark. An r-squared value of .75 indicates that 75% of the fluctuation in a portfolio return is explained by market action. An r-squared of 1.0 indicates that a portfolio's returns are entirely related to the market and it is not influenced by other factors. An r-squared of zero indicates that no relationship exists between the portfolio's return and the market.

Relative Standard Deviation is a simple measure of a manager's risk (volatility) relative to a benchmark. It is calculated by dividing the manager's standard deviation of returns by the benchmark's standard deviation of returns. A relative standard deviation of 1.20, for example, means the manager has exhibited 20% more risk than the benchmark over that time period. A ratio of .80 would imply 20% less risk. This ratio is especially useful when analyzing the risk of investment grade fixed-income products where actual historical durations are not available. By using this relative risk measure over rolling time periods one can illustrate the "implied" historical duration patterns of the portfolio versus the benchmark.

Residual Portfolio Risk is the unsystematic risk of a fund, the portion of the total risk unique to the fund (manager) itself and not related to the overall market. This reflects the "bets" which the manager places in that particular asset market. These bets may reflect emphasis in particular sectors, maturities (for bonds), or other issue specific factors which the manager considers a good investment opportunity. Diversification of the portfolio will reduce or eliminate the residual risk of that portfolio.

Risk/Reward Statistics

Rising Declining Periods refer to the sub-asset class cycles vis-a-vis the broader asset class. This is determined by evaluating the cumulative relative sub-asset class index performance to that of the broader asset class index. For example, to determine the Growth Style cycle, the S&P 500 Growth Index (sub-asset class) performance is compared to that of the S&P 500 Index (broader asset class).

Sharpe Ratio is a commonly used measure of risk-adjusted return. It is calculated by subtracting the "risk-free" return (usually 3 Month Treasury Bill) from the portfolio return and dividing the resulting "excess return" by the portfolio's risk level (standard deviation). The result is a measure of return gained per unit of risk taken.

Sortino Ratio is a downside risk-adjusted measure of value-added. It measures excess return over a benchmark divided by downside risk. The natural appeal is that it identifies value-added per unit of truly bad risk. The danger of interpretation, however, lies in these two areas: (1) the statistical significance of the denominator, and (2) its reliance on the persistence of skewness in return distributions.

Standard Deviation is a statistical measure of portfolio risk. It reflects the average deviation of the observations from their sample mean. Standard deviation is used as an estimate of risk since it measures how wide the range of returns typically is. The wider the typical range of returns, the higher the standard deviation of returns, and the higher the portfolio risk. If returns are normally distributed (ie. has a bell shaped curve distribution) then approximately 2/3 of the returns would occur within plus or minus one standard deviation from the sample mean.

Total Portfolio Risk is a measure of the volatility of the quarterly excess returns of an asset. Total risk is composed of two measures of risk: market (non-diversifiable or systematic) risk and residual (diversifiable or unsystematic) risk. The purpose of portfolio diversification is to reduce the residual risk of the portfolio.

Tracking Error is a statistical measure of a portfolio's risk relative to an index. It reflects the standard deviation of a portfolio's individual quarterly or monthly returns from the index's returns. Typically, the lower the Tracking Error, the more "index-like" the portfolio.

Treynor Ratio represents the portfolio's average excess return over a specified period divided by the beta relative to its benchmark over that same period. This measure reflects the reward over the risk-free rate relative to the systematic risk assumed.

Note: Alpha, Total Risk, and Residual Risk are annualized.

Research and Educational Programs

The Callan Institute provides research to update clients on the latest industry trends and carefully structured educational programs to enhance the knowledge of industry professionals. Visit www.callan.com/library to see all of our publications, and www.callan.com/blog to view our blog "Perspectives." For more information contact Barb Gerraty at 415-274-3093 / institute@callan.com.

New Research from Callan's Experts

[2020 National Workshop Summary: Turbocharging DC Plans](#)

In this workshop, Connie Lee, Jana Steele, and James Veneruso described ways in which defined contribution plan sponsors can improve participant outcomes, including plan design strategies and investment implementation steps.

[2019 Nuclear Decommissioning Funding Study](#) | Callan's annual study offers insights into the status of nuclear decommissioning funding to make peer comparisons more accurate and relevant.

[2020 National Workshop Summary: Diversifying Alternatives](#)

In this workshop, presenters Pete Keliuotis, Catherine Beard, and Ashley DeLuce discussed three lesser-known alternatives strategies: specialty lending, emerging market private equity, and insurance-linked strategies.

[2020 DC Trends Survey](#) | Callan's *2020 Defined Contribution Trends Survey* is designed to provide a benchmark for sponsors to evaluate their plans compared to peers, and to offer insights to help sponsors improve their plans and the outcomes for their participants.

[How Sponsors Can Harness DC Plan Data for Better Outcomes](#)

Defined contribution (DC) plans are designed to help participants achieve the most beneficial outcomes. But participants' choices may not necessarily reflect asset allocation best practices. Sponsors can help participants by analyzing how investment options are used and make adjustments based on those observations.

[The Callan Periodic Table of Investment Returns](#) | We offer our Periodic Table Collection and the Callan Periodic Table of Investment Returns (Key Indices: 2000-2019).

[Callan's 2020-2029 Capital Market Assumptions](#) | Callan develops capital market assumptions to help clients with their long-term strategic planning. This year, we reduced our fixed income

assumptions to reflect lower starting yields following the Fed pivot in policy, but we held constant our real equity return over inflation.

[2020 National Workshop Summary: Fee Study](#) | In this 2020 workshop, presenters Butch Cliff, Mark Stahl, and Brady O'Connell discussed the major themes of our *2019 Investment Management Fee Study* and their impact on the institutional investor community.

[An Introduction to Our New Hedge Fund Peer Group](#) | The Callan Institutional Hedge Fund Peer Group is designed to help institutional investors better understand alpha-oriented solutions that can diversify their existing stock and bond exposures, and it represents the available pool of hedge fund talent that investors will want to consider, or at least compare with their existing hedge fund portfolios.

Quarterly Periodicals

[Private Equity Trends, 4Q19](#) | A high-level summary of private equity activity in the quarter through all the investment stages

[Active vs. Passive Charts, 4Q19](#) | A comparison of active managers alongside relevant benchmarks over the long term

[Market Pulse Flipbook, 4Q19](#) | A quarterly market reference guide covering trends in the U.S. economy, developments for institutional investors, and the latest data on the capital markets

[Capital Market Review, 4Q19](#) | Analysis and a broad overview of the economy and public and private market activity each quarter across a wide range of asset classes

[Hedge Fund Quarterly, 4Q19](#) | Commentary on developments for hedge funds and multi-asset class (MAC) strategies

[Real Assets Reporter, 4Q19](#) | Data and insights on real estate and other real assets investment topics.

Events

Miss out on a Callan conference or workshop? Event summaries and speakers' presentations are available on our website: www.callan.com/library/

Please mark your calendar and look forward to upcoming invitations:

Upcoming Webinars

May 21 – Hedge Fund Overview

July 8 – China Update

For more information about events, please contact **Barb Gerraty**: 415-274-3093 / gerraty@callan.com

Education: By the Numbers

50+

Unique pieces of research the Institute generates each year

525

Attendees (on average) of the Institute's annual National Conference

3,700

Total attendees of the "Callan College" since 1994

Education

Through the "Callan College," the Callan Institute offers educational sessions for industry professionals involved in the investment decision-making process. It was founded in 1994 to provide both clients and non-clients with basic- to intermediate-level instruction.

Introduction to Investments for Institutional Investors

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities. Tuition is \$2,350 per person and includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Additional information including dates and registration can be found at: www.callan.com/callan-college-intro-2/

Alternative Investments for Institutional Investors

Alternative investments like private equity, hedge funds, and real estate can play a key role in any portfolio. In this one-day session, Callan experts will provide instruction about the importance of allocations to alternatives, and how to integrate, evaluate, and monitor them.

Learn from some of Callan's senior consultants and experts, including Pete Keliuotis, the head of Alternatives Consulting. The session will cover private equity, private credit, hedge funds, real estate, and real assets; why invest in alternatives; risk/return characteristics and liquidity; designing and implementing an alternatives program; and trends and case studies.

Tuition is \$2,000 per person and includes instruction, all materials, and breakfast and lunch with the instructors.

Additional information including dates and registration can be found at: <https://www.callan.com/callan-college-alternatives-2/>



"Research is the foundation of all we do at Callan, and sharing our best thinking with the investment community is our way of helping to foster dialogue to raise the bar across the industry."

Greg Allen, CEO and Chief Research Officer

List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

Callan takes its fiduciary and disclosure responsibilities to clients very seriously. We recognize that there are numerous potential conflicts of interest encountered in the investment consulting industry and that it is our responsibility to manage those conflicts effectively and in the best interest of our clients. At Callan, we employ a robust process to identify, manage, monitor and disclose potential conflicts on an on-going basis.

The list below is an important component of our conflicts management and disclosure process. It identifies those investment managers that pay Callan fees for educational, consulting, software, database or reporting products and services. We update the list quarterly because we believe that our fund sponsor clients should know the investment managers that do business with Callan, particularly those investment manager clients that the fund sponsor clients may be using or considering using. Please note that if an investment manager receives a product or service on a complimentary basis (e.g. attending an educational event), they are not included in the list below. Callan is committed to ensuring that we do not consider an investment manager's business relationship with Callan, or lack thereof, in performing evaluations for or making suggestions or recommendations to its other clients. Please refer to Callan's ADV Part 2A for a more detailed description of the services and products that Callan makes available to investment manager clients through our Institutional Consulting Group, Independent Adviser Group and Fund Sponsor Consulting Group. Due to the complex corporate and organizational ownership structures of many investment management firms, parent and affiliate firm relationships are not indicated on our list.

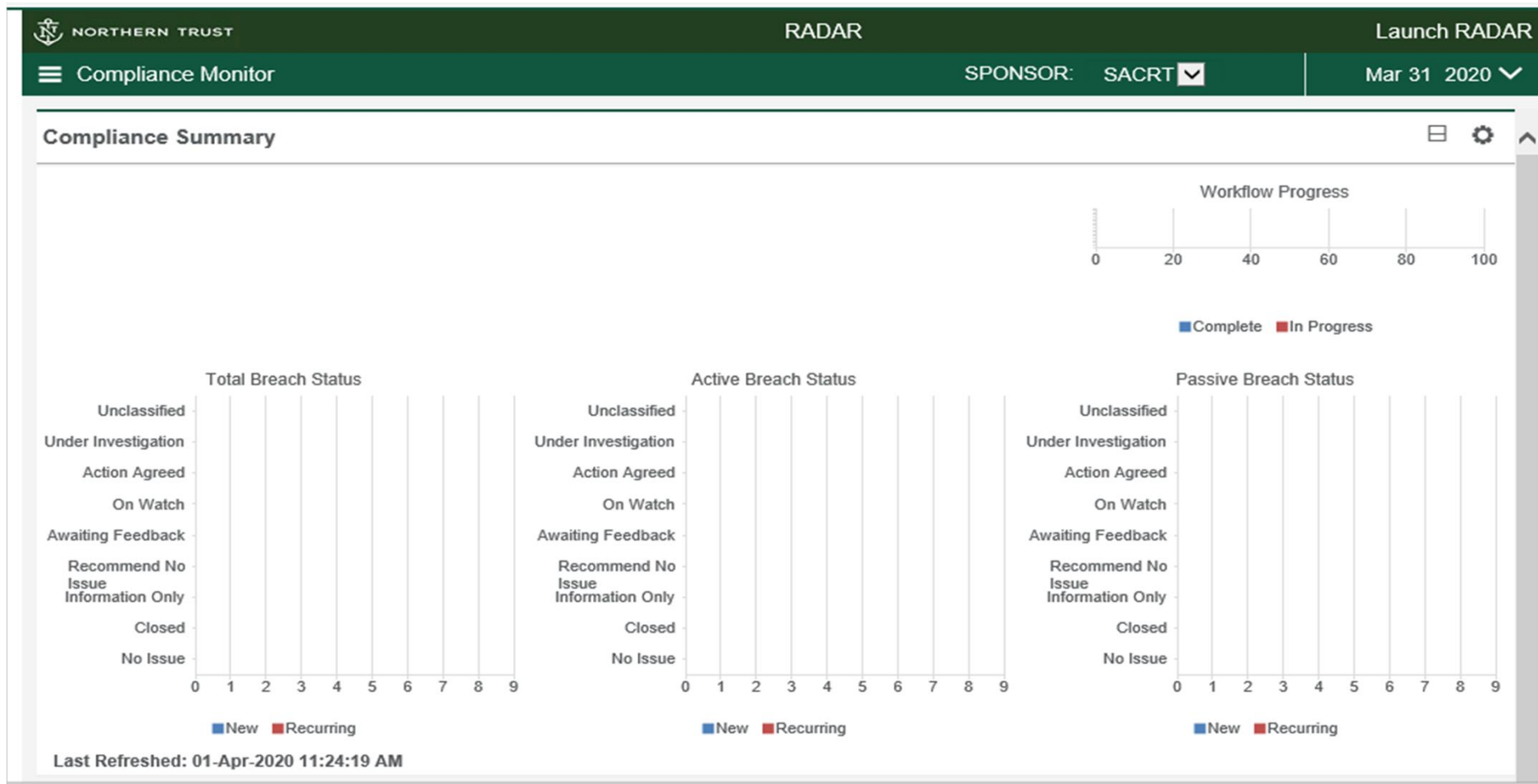
Fund sponsor clients may request a copy of the most currently available list at any time. Fund sponsor clients may also request specific information regarding the fees paid to Callan by particular fund manager clients. Per company policy, information requests regarding fees are handled exclusively by Callan's Compliance Department.

Manager Name
Aberdeen Standard Investments
Acadian Asset Management LLC
AEGON USA Investment Management Inc.
AllianceBernstein
Allianz
American Century Investments
Amundi Pioneer Asset Management
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Aristotle Capital Management, LLC
Atlanta Capital Management Co., LLC
Aviva Investors Americas
AXA Investment Managers
Baillie Gifford International, LLC
Baird Advisors
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
BlackRock
BMO Global Asset Management
BNP Paribas Asset Management
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
BrightSphere Investment Group
Brown Brothers Harriman & Company
Cambiar Investors, LLC
CapFinancial Partners, LLC
Capital Group
Carillon Tower Advisers
CastleArk Management, LLC
Causeway Capital Management LLC
Chartwell Investment Partners
ClearBridge Investments, LLC

Manager Name
Cohen & Steers Capital Management, Inc.
Columbia Threadneedle Investments
Columbus Circle Investors
Credit Suisse Asset Management
D.E. Shaw Investment Management, L.L.C.
DePrince, Race & Zollo, Inc.
Dimensional Fund Advisors LP
Doubleline
Duff & Phelps Investment Management Co.
DWS
EARNEST Partners, LLC
Eaton Vance Management
Epoch Investment Partners, Inc.
Fayez Sarofim & Company
Federated Hermes, Inc.
Fidelity Institutional Asset Management
Fiera Capital Corporation
First Hawaiian Bank Wealth Management Division
First State Investments
Fisher Investments
Franklin Templeton
Fred Alger Management, Inc.
GAM (USA) Inc.
GCM Grosvenor
Glenmeade Investment Management, LP
GlobeFlex Capital, L.P.
Goldman Sachs
Green Square Capital Advisors, LLC
Guggenheim Investments
GW&K Investment Management
Harbor Capital Group Trust
Hartford Investment Management Co.
Heitman LLC
Hotchkis & Wiley Capital Management, LLC
Income Research + Management, Inc.

Manager Name
Insight Investment Management Limited
Intech Investment Management, LLC
Intercontinental Real Estate Corporation
Invesco
Investec Asset Management North America, Inc.
Ivy Investments
J.P. Morgan
Janus
Jennison Associates LLC
Jobs Peak Advisors
KeyCorp
Lazard Asset Management
Legal & General Investment Management America
Lincoln National Corporation
Longview Partners
Loomis, Sayles & Company, L.P.
Lord Abbett & Company
Los Angeles Capital Management
LSV Asset Management
MacKay Shields LLC
Macquarie Investment Management (MIM)
Manulife Investment Management
Marathon Asset Management, L.P.
McKinley Capital Management, LLC
Mellon
MetLife Investment Management
MFS Investment Management
MidFirst Bank
Mondrian Investment Partners Limited
Montag & Caldwell, LLC
Morgan Stanley Investment Management
Mountain Pacific Advisors, LLC
MUFG Union Bank, N.A.
Natixis Investment Managers
Neuberger Berman
Newton Investment Management
Nikko Asset Management Co., Ltd.
Nile Capital Group LLC
Northern Trust Asset Management
Nuveen
P/E Investments
Pacific Investment Management Company
Parametric Portfolio Associates LLC

Manager Name
Pathway Capital Management
Peregrine Capital Management, LLC.
Perkins Investment Management
PFM Asset Management LLC
PGIM Fixed Income
PineBridge Investments
PNC Capital Advisors, LLC
Polen Capital Management
Principal Global Investors
Putnam Investments, LLC
QMA LLC
RBC Global Asset Management
Regions Financial Corporation
Robeco Institutional Asset Management, US Inc.
Rothschild & Co. Asset Management US
S&P Dow Jones Indices
Schroder Investment Management North America Inc.
SLC Management
Smith Graham & Co. Investment Advisors, L.P.
State Street Global Advisors
Stone Harbor Investment Partners L.P.
Strategic Global Advisors
T. Rowe Price Associates, Inc.
The TCW Group, Inc.
Thompson, Siegel & Walmsley LLC
Thornburg Investment Management, Inc.
Tri-Star Trust Bank
UBS Asset Management
USAA Real Estate
VanEck
Versus Capital Group
Victory Capital Management Inc.
Virtus Investment Partners, Inc.
Vontobel Asset Management, Inc.
Voya
WCM Investment Management
WEDGE Capital Management
Wellington Management Company LLP
Wells Fargo Asset Management
Western Asset Management Company LLC
Westfield Capital Management Company, LP
William Blair & Company LLC



NOTE: If the charts do not have populated bar graphs, there were no compliance violations.



RETIREMENT BOARD STAFF REPORT

DATE: June 10, 2020 Agenda Item: 18
TO: Sacramento Regional Transit Retirement Boards – ALL
FROM: Jamie Adelman, AVP Finance & Treasury
SUBJ: Adoption of Revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (ALL). (Adelman)

RECOMMENDATION

Adopt the Attached Resolutions No. 20

RESULT OF RECOMMENDED ACTION

Approve Revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans.

FISCAL IMPACT

None.

DISCUSSION

Pension funds are invested by and for the five Sacramento Regional Transit District (SacRT) Retirement Boards (Boards) consistent with the Pension Plans' Statement of Investment Objectives and Policy Guidelines (Policy). The Policy was last revised and approved by the Boards on June 20, 2018.

At the Special Retirement Board Meeting on February 26, 2020, the Boards heard presentations from three potential Real Estate Investment Managers and requested Staff to prepare for the Boards to enter into contracts with two of the managers. At the Quarterly Retirement Board Meeting on March 11, 2020, the Retirement Boards authorized the SacRT General Manager/CEO to execute each of those two contracts at an investment level of 5% of the total portfolio. This action requires an amendment to the Policy to provide for investment at a target level of 10% of the total portfolio in the new Real Estate Asset Class. As recommended by Callan Associates, Inc. (Callan), staff proposes the Policy be revised to fund the new asset class by reducing the target investment in the Fixed Income Asset Class by 10%.

The District's Finance Staff, Callan and Hanson Bridgett have prepared a restatement of the Policy. The restated Policy, which is proposed to be effective June 10, 2020, includes revisions reflecting the above described asset allocation changes, including the addition of objectives; policies, guidelines and restrictions; and a benchmark for the new Real Estate asset class, and other minor revisions to reflect the Plans' intended operation. The following is attached for your review:

Exhibit A – The proposed restatement of the Policy
Attachment 1 – Red-lined version of the Policy restatement showing the proposed changes to the current version of the Policy.

Staff recommends that the Retirement Boards approve the restated Policy by adopting the attached resolutions.

RESOLUTION NO. 20-

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **ATU Local Union 256** on this date:

June 10, 2020

Adoption of Revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans

WHEREAS, each Retirement Board is responsible for investing assets under its Retirement Plan and, as part of this responsibility, is authorized to modify the Statement of Investment Objectives and Policy Guidelines, as appropriate.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE ATU LOCAL UNION 256 AS FOLLOWS:

THAT, the Retirement Board hereby adopts the revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans, attached as Exhibit A.

RALPH NIZ, Chair

ATTEST:

Henry Li, Secretary

By: _____
Valerie Weekly, Assistant Secretary

RESOLUTION NO. 20

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **IBEW LOCAL UNION 1245** this date:

June 10, 2020

Adoption of Revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans

WHEREAS, each Retirement Board is responsible for investing assets under its Retirement Plan and, as part of this responsibility, is authorized to modify the Statement of Investment Objectives and Policy Guidelines, as appropriate.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE IBEW LOCAL UNION 1245 AS FOLLOWS:

THAT, the Retirement Board hereby adopts the revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans, attached as Exhibit A.

_____, Chair

ATTEST:

Henry Li, Secretary

By: _____
Valerie Weekly, Assistant Secretary

RESOLUTION NO. 20

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **AEA** on this date:

June 10, 2020

**Adoption of Revised Statement of Investment Objectives and Policy Guidelines
for the Sacramento Regional Transit District Retirement Plans**

WHEREAS, each Retirement Board is responsible for investing assets under its Retirement Plan and, as part of this responsibility, is authorized to modify the Statement of Investment Objectives and Policy Guidelines, as appropriate.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE AEA AS FOLLOWS:

THAT, the Retirement Board hereby adopts the revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans, attached as Exhibit A.

RUSSELL DEVORAK, Chair

ATTEST:

Henry Li, Secretary

By: _____
Valerie Weekly, Assistant Secretary

RESOLUTION NO. 20-

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of **AFSCME LOCAL UNION 146** on this date:

June 10, 2020

Adoption of Revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans

WHEREAS, each Retirement Board is responsible for investing assets under its Retirement Plan and, as part of this responsibility, is authorized to modify the Statement of Investment Objectives and Policy Guidelines, as appropriate.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF AFSCME LOCAL UNION 146 AS FOLLOWS:

THAT, the Retirement Board hereby adopts the revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans, attached as Exhibit A.

PETER GUIMOND, Chair

ATTEST:

Henry Li, Secretary

By: _____
Valerie Weekly, Assistant Secretary

RESOLUTION NO. 20-

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION

Agenda Item: 18

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of **MCEG** on this date:

June 10, 2020

**Adoption of Revised Statement of Investment Objectives and Policy Guidelines
for the Sacramento Regional Transit District Retirement Plans**

WHEREAS, each Retirement Board is responsible for investing assets under its Retirement Plan and, as part of this responsibility, is authorized to modify the Statement of Investment Objectives and Policy Guidelines, as appropriate.

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF MCEG AS FOLLOWS:

THAT, the Retirement Board hereby adopts the revised Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans, attached as Exhibit A.

LAURA HAM, Chair

ATTEST:

Henry Li, Secretary

By: _____
Valerie Weekly, Assistant Secretary

Sacramento Regional Transit District

Statement of Investment Objectives and Policy Guidelines For the Sacramento Regional Transit District Retirement Plans

Restated Effective June ~~1020~~, 20~~2018~~

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**Sacramento Regional Transit District
Statement Of Investment Objectives and Policy Guidelines
For the Sacramento Regional Transit District Retirement Plans**

I. Purpose

The Sacramento Regional Transit District (SacRT) sponsors three tax-qualified retirement plans for the benefit of its eligible employees: (1) the Sacramento Regional Transit District Retirement Plan for members of ATU, Local 256 ("ATU"), (2) the Sacramento Regional Transit District Retirement Plan for members of IBEW Local 1245 ("IBEW"), and (3) the Sacramento Regional Transit District Retirement Plan for Salaried Employees who are members of the Administrative Employees' Association ("AEA"), the Management and Confidential Employees Group ("MCEG"), and the American Federation of State, County and Municipal Employees ("AFSCME") (each a "Plan" and, collectively, the "Sacramento Regional Transit District Retirement Plans" or the "Plans").

There are five Retirement Boards (each a "Board" and, collectively, the "Boards"), one for the ATU Plan, another for the IBEW Plan, and three for the MCEG/AEA/AFSCME Plan. Each Board must operate and administer its respective Plan in accordance with such Plan's terms and applicable law.

Each Board is responsible for, among other things, investing assets under its respective Plan. Effective March 15, 2010, all the Boards directed that the assets under the three Plans be commingled for investment purposes.

This Statement of Investment Objectives and Policy Guidelines does the following:

- Governs the investment of the three Plans' commingled assets.
- Sets forth the investment policies and objectives that the Boards judge to be appropriate and prudent, in consideration of the needs of the Plans' participants;
- Establishes the criteria that the registered investment adviser(s) retained by the Plans are expected to meet and against which they are to be measured;
- Communicates the investment policies and objectives and performance criteria to the investment manager(s); and
- Serves as a review document to guide the Boards' ongoing supervision of the investment of Plans' assets.

II. Responsibilities of the Boards

As trustees of the Plans' assets, the Boards have a fiduciary duty to prudently establish an asset allocation policy, investment objectives and investment restrictions, and to monitor the performance of the Plans' investment managers and review the liabilities of SacRT to fund retirement benefits. The Boards are responsible for developing a sound and consistent investment strategy, in compliance with all applicable laws and regulations, which the investment managers can use in formulating investment decisions. This Statement of Investment Objectives and Policy Guidelines will be revised as needed to ensure that it reflects the Boards' philosophy regarding investment of the Plans' assets. The Boards have authority to select qualified investment managers, to monitor their performance on a regular basis, and to take appropriate action to replace an investment manager for failure to adhere to the provisions set forth herein.

Review of Statement of Investment Objectives and Policy Guidelines

This Statement of Investment Objectives and Policy Guidelines will be reviewed on an annual basis in conjunction with the annual asset allocation study conducted by the Boards' investment consultant. This review will focus on the continued feasibility of achieving, and the appropriateness of, the Plans' asset allocation policy, the Plans' investment objectives, these Investment Policies and Guidelines, and the Plans' investment restrictions. It is not expected that this Statement will change frequently; in particular, short-term changes in the financial markets should not require an adjustment to this Statement of Investment Objectives and Policy Guidelines.

Review of Investment Managers

The Boards will meet at least every eighteen (18) months with each investment manager and quarterly with its investment consultant (with or without the presence of the investment managers) to review the performance of its investment managers. The quarterly performance reviews will focus on:

- The investment manager's adherence to this Statement of Investment Objectives and Policy Guidelines;
- Comparison of the investment manager's results against funds using similar investment styles;

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- Comparison of the investment manager’s performance as measured against the applicable index;
- Material changes in the investment manager’s organization, such as philosophical and personnel changes, acquisitions or losses of major accounts, etc.

III. Asset Allocation Policy

On an annual basis, the Boards' investment consultant will complete an asset allocation study, and the Boards will review and approve the study. An asset allocation study is an evaluation of the Plans' investment goals, objectives, and risk tolerance (risk versus return). Upon completion of the study, the Boards will determine if changes are needed to the Plans' asset allocation policy.

The Boards have determined that the long-range asset allocation policy for the Plans is as follows:

<u>Asset Class</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Domestic Equity	35%	40%	45%
Large Capitalization Equity	28%	32%	36%
Small Capitalization Equity	5%	8%	11%
International Equity	20%	25%	30%
Developed Large Cap Equity	10%	14%	18%
Developed Small Cap Equity	3%	5%	7%
Emerging Markets Equity	4%	6%	8%
Domestic Fixed-Income	230%	235%	340%
Real Estate	6%	10%	14%

The asset allocation policy is to be pursued on a long-term strategic basis and will be revised if significant changes occur within the economic and/or capital market environment, or in the underlying liability assumptions. Capital market assumptions and projections are reviewed annually. If significant changes in projections occur, the Boards' intent is that the target asset mix should then be reviewed.

The Asset Allocation Policy is intended to provide a means for controlling the overall risk of the portfolio without unduly constraining the discretionary, tactical decision-making process of the investment manager(s).

IV. Asset Rebalancing Policy

The Boards established the aforementioned asset allocation policy to maintain the Plans' long-term strategic asset allocation. The Boards recognize that market forces or other events may periodically move the asset allocations outside of their target ranges. Thus, the purpose of the asset rebalancing policy is to allocate cash flows and/or move assets among funds or asset classes in such a manner as to move each asset class toward its target allocation.

When it is necessary to move assets from one asset class to another or one fund to another fund within an asset class, monies should first be taken from the highest percent funded managers and reallocated to the underfunded managers, with the goal of rebalancing the asset allocation percentages as close to the targets as possible.

The Boards also recognize that the pension plan rebalancing process requires timely implementation to be effective. Therefore, the Boards delegate authority to the Treasury ControllerAVP, Finance and Treasury to manage pension plan assets in accordance with the approved rebalancing policy. The Treasury ControllerAVP, Finance and Treasury shall report to the Boards on asset rebalancing at the quarterly performance review meetings.

V. Pension Plan Cost Reimbursements

It is understood that the Plans are required to pay benefits and reasonable administrative expenses. In an effort to minimize transactional banking and investment fees, all Plan expenses are initially paid for by SacRT and subsequently reimbursed by the Plans. Reimbursement for monthly Pension Plan Costs include benefit payments to retirees; compensation to fund managers, fund custodian, investment consultant, Plan legal counsel, and for actuarial services; expenses for fiduciary insurance, pension staff labor, and all other administrative expenses incurred by the Plans during the normal course of business.

Distributions for reimbursements of these costs that are equal to or less than 0.5% of total Plan assets will be transferred from the Domestic Equity or Domestic Fixed

Income asset classes, specifically the fund manager with the highest percent of funding over the target percentage, established in section III Asset Allocation Policy. Utilizing only the Domestic Equity and Domestic Fixed Income asset classes to fund reimbursements will reduce the cash flow burden on SacRT, given that Domestic Equity and Domestic Fixed Income fund managers are able to liquidate holdings more quickly than non-Domestic managers, and will ensure timely and regular cash flow out of the Plans to reimburse expenses being incurred. For any distribution greater than 0.5% of Plan assets, staff will consider ~~both~~ Domestic and International Equity and Domestic Fixed Income asset class weights when making a transfer to reimburse SacRT.

VI. Manager Search and Due Diligence Process

To implement the asset allocation policy, the Boards shall select and monitor appropriate money management professionals to invest the Plans' assets. This selection process shall include the establishment of specific search criteria; analysis and due diligence review of potential managers; and interviews when appropriate. Managers must meet the following minimum criteria:

- Registered Investment Advisor as defined in the 1940 Investment Advisors Act or be a bank or insurance company affiliate;
- Historical quarterly performance that complies with the parameters established in each search and consistent with the investment strategy under consideration; and
- Demonstrated financial and professional staff stability based on requisite historical company information.

At the direction of the Boards, the investment consultant will perform fund manager searches to replace or augment the Plans' existing fund managers.

VII. Investment Manager Discretion, Requirements, and Co-Fiduciary Status

It is not the intention of the Boards to be involved in day-to-day investment decisions. Investment of the Plans' assets will continue to be subject to the discretion of the professional investment managers in a manner consistent with the investment objectives set forth herein. Furthermore, investment managers shall acknowledge their co-fiduciary status as part of their contract with SacRT.

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Each investment manager selected is expected to operate within the Prudent Person Rule, Article XVI Section 17 of the California Constitution, and other governing state and federal laws, regulations, and rulings that relate to the investment process. The assets of the Plans shall be invested in a manner that is consistent with generally accepted standards of fiduciary responsibility, to ensure the security of principal and maximum yield on all pension fund investments through a mix of well diversified, high quality, fixed income and equity securities.

The investment program will be managed by one or more designated managers. The investment managers shall be given full discretion to manage the assets under their supervision, subject to the investment guidelines set forth herein. It is the responsibility of the investment managers, the investment consultant, and staff to notify the Boards of any changes necessary to the investment guidelines that would be consistent with the Boards' obligation to the beneficiaries of the Plans.

Brokerage commissions may be directed by the Boards to offset administrative costs of the Plans as long as such direction is in the best interest of the Plans' beneficiaries. The investment managers will secure best execution, and commissions paid shall be reasonable in relation to the value of the brokerage and other services received by the Plans.

VIII. Investment Objectives, Policies, Guidelines, and Restrictions

Evaluation Time Periods

It is the Boards' policy to review investment manager performance on a quarterly basis. The investment objectives for the total fund and for each investment manager are based on a time horizon of a minimum of three years, unless otherwise specified for a particular manager as determined by the Board.

While it is the Boards intention to maintain long standing relationships with their managers, the Boards reserve the right at any time to terminate a relationship with any manager for any reason including, but not limited to, changes to the Asset Allocation Policy and manager structure.

Set out below are the overall investment objectives, policies, guidelines, and restrictions for each plan.

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All Asset Class Objectives

The net of fee objectives of the overall portfolio are to:

- Achieve a rate of return which exceeds that of a target-weighted composite index based on the target asset allocation adopted in Section III; and
- Achieve a rate of return that meets or exceeds the Plans' actuarial discount rate as set in the annual actuarial valuation.

All Asset Policies, Guidelines and Restrictions

It is the responsibility of each manager to adhere to the guidelines stated below and elsewhere within this document and to report any violations immediately to both the Board and to the consultant.

- Tobacco Policy - Investments shall not be made in any security issued by a company in the Tobacco Sub-Industry as defined by the Global Industry Classification Standards (GICS). This restriction shall be subject to the prudent investor rule as set forth in Article XVI Section 17 of the California Constitution. All passive funds and commingled vehicles are excluded from this policy.

Domestic Equity Investments

Objectives:

- For the Total Domestic Equity Component, achieve a net of fee return which exceeds the Custom Domestic Equity Benchmark¹ and ranks in the top half of a broad comparative universe of domestic equity managers, gross of fees²;
- For Large Cap Value Equity Managers, achieve net of fee returns that exceed the Russell 1000 Value Index and ranks in the top half of a comparative universe of large cap value managers, gross of fees;

¹ The Custom Domestic Equity Benchmark currently consists of 80% S&P 500 Index and 20% Russell 2000 Index

² Because the comparative database is constructed with manager returns before management fees, objectives pertaining to the peer universes should be analyzed before investment manager fees to ensure an appropriate comparison.

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- For Large Cap Core Equity Index Fund achieve gross of fee returns which match the S&P 500 Index, with minimal tracking error versus the Index; and
- For Small Cap Equity Managers, achieve net of fee returns that exceed the Russell 2000 Index and rank in the top half of the comparative universe of small capitalization equity managers on a gross of fee basis.

Policies, Guidelines, and Restrictions:

- All Managers - Unless specifically authorized by the Boards, Domestic Equity managers shall not engage in investment transactions involving stock options, short sales, purchases on margin, letter stocks, private placement securities, or commodities;
- All Managers- The Domestic Equity managers are permitted to effect transactions in S&P 500 Stock Index (Large Cap Value and Core), ETF Index Futures (Large Cap Core) and Russell 2000 Index Futures (Small Cap). The purpose of holding futures is to obtain low cost temporary equity market exposure. Futures are not to be used to provide leveraged equity market exposure. As such, cash balances must be maintained by the manager at a level which eliminates the leverage implicit in the futures. Futures transactions must be completed on a major U.S. exchange which guarantees contract compliance;
- All Managers - The investment guidelines for any assets invested in mutual funds or other interests in collective and commingled funds will be determined by the respective fund's governing documents.
- All Managers - Each investment manager is expected to remain fully invested. The cash and cash equivalent holdings shall not exceed 10% of the market value in each active portfolio, and should be 0% in passive index portfolios. Cash is expected to be securitized within the passive index portfolios.
- Active Managers - Domestic equity securities shall be diversified by industry and in number so that investment in the securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or 5% of the company's total outstanding shares;

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- Active Managers - No more than 25% of the market value on a purchase cost basis of the total common stock portfolio shall be invested in any single industry at the time of purchase (industry groups as defined in the Russell 2000 index for the Small Cap fund);
- Active Managers - The use of international equity securities which trade on U.S.-based exchanges, including American Depository Receipts (ADRs), are acceptable as domestic equity investments but shall not constitute more than 5% of each plan's portfolio (at cost) for actively managed portfolios. For purposes of this restriction, the term "international equity security" is defined in Appendix A.
- Passive Managers - Securities shall be diversified by industry and in number in accordance with their stated indices ~~S&P 500 Index~~;

International Equity Investments

Objectives:

- For the Total International Equity Component, achieve a net of fee return which exceeds the Custom International Equity Benchmark³ and ranks in the top half of a broad comparative universe of non-U.S. equity managers, gross of fees⁴;
- For the Total Developed Markets Large Capitalization International Equity Component (Active and Passive), achieve a net of fee return which exceeds the Morgan Stanley Capital International (MSCI) EAFE Index and ranks in the top half of a broad comparative universe of non-U.S. equity managers, gross of fees;
- For the Total Developed Markets Small Capitalization International Equity Component, achieve a net-of-fee return which exceeds the Morgan Stanley Capital International (MSCI) EAFE Small Cap Index and ranks in the top

³ The Custom International Equity Benchmark currently consists of 56% MSCI EAFE Index, 20% MSCI EAFE Small Cap Index and 24% MSCI Emerging Markets Index.

⁴ Because the comparative database is constructed with manager returns before management fees, objectives pertaining to the peer universes should be analyzed before investment manager fees to ensure an appropriate comparison.

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half of a broad comparative universe of non-U.S. small cap equity managers, gross of fees;

- For the Emerging Markets Equity Component, achieve a net of fee return which exceeds the Morgan Stanley Capital International (MSCI) Emerging Market Index and ranks in the top half of a broad comparative universe of emerging markets equity managers, gross of fees.

Policies, Guidelines, and Restrictions:

- All Managers - International Equity securities shall be diversified by country, industry and in number so that investment in the securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or 5% of the company's total outstanding shares. Passive International Securities shall be diversified by country, industry and in number in accordance with the MSCI EAFE Index;
- All Managers - Unless specifically authorized by the Boards, International Equity managers shall not engage in investment transactions involving stock option, short sales, purchases on margin, letter stocks, private placement securities, or commodities;
- All Managers - International Equity managers are expected to remain fully invested. The cash holdings shall not exceed 10% of the market value in the active developed and emerging market funds, and should be minimal in the passive funds;
- All Managers - The investment guidelines for any assets invested in mutual funds or other interests in collective and commingled funds will be determined by the respective fund's governing documents.
- Active Developed and Emerging Markets Managers - The international equity portion of the Plans' portfolio shall be comprised of ADRs of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents. Refer to Appendix A for definition of the term "non-U.S.";

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- Active Developed and Emerging Markets Managers - No more than 25% of the market value on a purchase cost basis of the total common stock portfolio shall be invested in any single industry at the time of purchase;
- Active Developed and Emerging Markets Managers - Defensive currency hedging is permitted;
- Active Developed Managers - No more than 15% of the fund market value will be invested in emerging market countries;
- Emerging Markets Managers - Up to ten percent (10%) of the manager's portfolio (at cost) may be invested in countries not included in the MSCI Emerging Markets Index as defined in Appendix A; and
- Passive Managers – The International Equity index manager is permitted to effect transactions in MSCI EAFE Stock and ETF Index Futures. The purpose of holding futures is to obtain low cost temporary equity market exposure. Futures are not to be used to provide leveraged equity market exposure. As such, cash balances must be maintained by the manager at a level which eliminates the leverage implicit in the futures. Futures transactions must be completed on a major U.S. exchange which guarantees contract compliance;

Domestic Fixed-Income Investments

Objectives:

- For the Total Domestic Fixed-Income Component, achieve a net of fee return which exceeds the Bloomberg Barclays U.S. Aggregate Bond Index and ranks in the top half of a broad comparative universe of domestic fixed-income managers, gross of fees; and
- For Core Plus Bond Fixed-Income Managers, achieve net of fee returns greater than the Bloomberg Barclays U.S. Aggregate Bond Index and rank in the top half of a comparative universe of domestic core plus bond fixed-income managers, gross of fees.

Policies, Guidelines, and Restrictions:

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- The fixed-income portion of the Plans shall be invested in marketable, fixed-income securities;
- The fixed income portion of the Plans shall be limited in duration to between 75% and 125% of the Bloomberg Barclays U.S. Aggregate Bond Index;

The investment managers shall maintain a minimum overall portfolio quality rating of “A” equivalent or better at all times (based on a market-weighted portfolio average). Minimum Quality (at purchase) must be at least 80% Baa or above.

- The applicable rating for the portfolio will be equal to the middle rating of the three Nationally Recognized Statistical Rating Organizations (NRSRO), namely Moody’s Investors Service Inc. (Moody’s), Standard and Poor’s Financial Services LLC. (S&P), and Fitch Ratings (Fitch). In situations in which ratings are provided by only two agencies, the lower of the two ratings will apply;
- The investment guidelines for any assets invested in mutual funds or other interests in collective and commingled funds will be determined by the respective fund’s governing documents;
- The following instruments are acceptable at purchase:
 - Cash
 - U.S. Treasury Bills
 - Agency Discount Notes
 - Certificates of Deposit (CDs) and Bankers’ Acceptances (BAs)
 - Commercial Paper – Minimum Quality of A2/P2 (All CP under 4(2), 3(c)7 and other exemptive provisions is authorized.)
 - Asset-Backed Commercial Paper – Minimum Quality of A2/P2
 - Money Market Funds and Bank Short-Term Investment Funds (STIF)
 - Repurchase Agreements (Repo)
 - U.S. Government and Agency Securities
 - Credit Securities/Corporate Debt (both U.S. and Foreign issuers)
 - Debentures

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- Medium-Term Notes
- Capital Securities
- Trust Preferred Securities
- Yankee Bonds
- Eurodollar Securities
- Floating Rate Notes and Perpetual Floaters
- Structured Notes (with fixed income characteristics)
- Municipal Bonds
- Preferred Stock
- Private Placements
 - Bank Loans
 - 144(a) Securities
- EETCs

- Securitized Investments
 - Agency and Non-Agency Mortgage-Backed Securities (MBS)
 - Asset-Backed Securities (ABS)
 - 144(a) Securities
 - Commercial Mortgage-Backed Securities (CMBS)

- Emerging Markets Securities

- International Fixed Income Securities (including non-dollar denominated securities)

- Other
 - Fixed Income Commingled and Mutual Funds
 - Futures and Options (for duration/yield curve management or hedging purposes only)
 - Swap Agreements (for duration/yield curve management or hedging purposes only)
 - Reverse Repurchase Agreements (Reverse Repo)

Any fixed-income security not specifically authorized above is prohibited unless prior approval is received from the Boards.

Real Estate

Objectives:

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- For the Total Domestic Core Real Estate Component, achieve a positive real return through a combination of income and appreciation. The Total Domestic Real Estate Component will be evaluated against the NFI-ODCE Value Weighted Index (Gross) and be compared to broad comparative universe of domestic core real estate managers, gross of fees;
- For the Domestic Core Real Estate managers, achieve a positive real return greater than the NFI-ODCE Value Weighted Index (Gross) through a combination of income and appreciation and rank in the top half of a broad comparative universe of domestic core real estate managers, gross of fees.

Policies, Guidelines, and Restrictions:

- All Managers - The real estate managers will invest predominantly in income producing properties diversified by both geographical region and property type.
- All Managers - The investment guidelines for any assets invested in mutual funds or other interests in collective and commingled funds will be determined by the respective fund's governing documents.
- All managers – The real estate managers will invest primarily in properties located in the United States. Investments will be diversified by region (West, East, South, and Midwest).
- All managers – The real estate managers will invest primarily in the four main property types (office, apartment, industrial, and retail).
- All managers - The maximum amount of leverage permissible will be 50% of the real estate fund's gross asset value under normal market conditions.
- All managers – The real estate managers will predominantly invest in developed, well-leased properties, but may invest up to 15% of the fund's gross asset value in properties requiring significant enhancement or development.

IX. Manager “Watch List” or Termination “Guidelines”

The Boards may maintain a "Watch List" for managers that are not meeting prescribed objectives. If the Boards place a manager on the “Watch List”, the performance of the investment manager will be monitored by the Boards and the investment consultant on a quarterly and annual basis for a minimum of two years, unless the manager is terminated sooner. Notwithstanding the “Watch List” guidelines described herein, the Boards can choose to terminate a manager at any time based on the recommendation and/or consultation of the investment consultant, staff, or as deemed necessary by the Boards.

There are various factors that should be taken into account when considering placing a manager on a “Watch List” or terminating a manager. These can be separated into two broad categories - qualitative and quantitative factors. These factors include: personnel changes or other organizational issues, legal issues, violation of policy or investment guidelines, style deviations, underperformance relative to investment objectives, and asset allocation changes.

X. Proxy Voting Policy

The investment managers shall vote proxies in their discretion, unless otherwise instructed by the Boards. Investment managers shall maintain a proxy voting log for periodic review by the Boards. The Boards strongly believe that proxies must be voted in the best interest of the shareholders. The investment managers will vote in accordance with their fiduciary responsibilities and subject to their investment contract with SacRT. In determining the Boards’ vote, the investment manager should not subordinate the economic interests of SacRT or the Plans, or any other entity or interested party.

The investment managers shall provide a written copy of their proxy voting guidelines to the Boards. In addition, investment managers shall provide a report of all proxy votes when requested by the Boards.

XI. Investment Manager Reporting Requirements

Investment managers are expected to communicate with the Boards in writing at the end of each quarter or more frequently if requested. Quarterly reporting requirements include performance reports, a summary of the portfolio holdings, issue quality, and relative weightings at quarter end. Additionally, oral presentations shall be made to the Boards on a regular basis.

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Written quarterly reports should include:

- Current investment strategy;
- Recent investment performance;
- Demonstration of compliance with these guidelines;
- List of securities holdings in the portfolio, including at cost and at market values;
- Personnel changes;
- New/Lost accounts; and
- Pending litigation.

The Boards are interested in fostering healthy working relationships with its managers through a discipline of effective two-way communication. The information outlined above is intended to provide the Boards with an effective means of understanding their managers' specific management styles and strategies, and to effectively evaluate the results.

XII. Investment Consultant Responsibilities

The Boards' investment consultant will have the responsibilities set forth in its agreement with SacRT and will also be expected to take the actions set forth below or otherwise stated in this policy.

The investment consultant is responsible for providing to the Boards timely and accurate quarterly performance measurement reports for each individual investment manager and for the Plans. The investment consultant shall present the performance reports to the Boards at its quarterly meetings.

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When requested by the Boards, the investment consultant shall provide analysis to assist in the overall evaluation of the Plans' investment managers. In addition to preparing the quarterly performance measurement reports, the consultant will also provide written capital market updates (and other such research as generated by the consultant for use of all clients), perform investment manager searches at the direction of the Boards, perform the annual asset allocation study, and complete special projects when requested.

The consultant will assist in the monitoring of each investment manager's compliance with these guidelines. See Section VIII Manager "Watch List" or Termination "Guidelines".

APPENDIX A **Definitions**

Bloomberg Barclays U.S. Aggregate Bond Index - is a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least \$250 million par amount outstanding and with at least one year to final maturity. The Aggregate Index is comprised of the Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices. The Government/Credit Bond Index is an index that tracks the performance of U.S. Government and corporate bonds rated investment grade or better, with maturities of at least one year. The Mortgage-Backed Securities Index is a composite of 15- and 30-year fixed rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), and the Federal National Mortgage Association (FNMA). The U.S. Asset-Backed Securities includes pass-through, controlled-amortization and bullet-structured securities, which have a minimum average life of one year.

Commingled Fund – is a fund consisting of assets from multiple institutional investors that are blended together. Investors in commingled fund investments benefit from economies of scale, which allow for lower trading costs per dollar of investment, diversification and professional money management. A commingled fund is sometimes called a "pooled fund."

Emerging Markets – a financial market of a developing country, usually a small market with a short operating history. The Plans define emerging markets by the countries contained in the MSCI Emerging Markets Index.

Fitch Ratings - An international credit rating agency based out of New York City and London. The company's ratings are used as a guide to investors as to which investments are most likely going to yield a return. It is based on factors such as how small an economic shift would be necessary to affect the standing of the bond, and how much, and what kind of debt is held by the company. The Fitch scale is as follows: AAA, AA, A, BBB, BB, B, CCC, CC, C, and D. These symbols are used to designate least investment risk/highest investment quality (AAA) to greatest investment risk/lowest investment quality (D).

International Equity Security (Non-U.S.) - refers to an issue of an entity, which is not organized under the laws of the United States and does not have its principal place of business within the United States.

Market Cycles - Market cycles are defined to include both a rising and declining leg. Generally, a rising leg will be defined as a period of at least two consecutive quarters of rising total returns. A declining leg shall be defined as a period of two consecutive quarters of declining total returns.

Moody's Investors Rating Service - provide a universe of rating for corporate and municipal bonds as well as commercial paper. Moody's uses nine symbols to rate bonds: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C. These symbols are used to designate least investment risk/highest investment quality (Aaa) to greatest investment risk/lowest investment quality (C). Moody's offers three designations, all judged to be investment grade, to indicate credit quality for commercial paper: Prime-1 (P-1), Prime-2 (P-2), and Prime-3 (P-3). Prime-1 issuers have the highest ability for the payment of short-term debt obligations.

Morgan Stanley Capital International (MSCI) EAFE Index - is comprised of stocks traded in the developed markets of Europe, Asia, and the Far East. The index is capitalization weighted.

Morgan Stanley Capital International (MSCI) Emerging Markets Index – is comprised of stocks traded in the emerging markets of the world that are open to foreign investment. The index is capitalization weighted.

Morgan Stanley Capital International (MSCI) EAFE Small Cap Index – is an equity index which captures small cap representation across developed market in countries around the world, excluding the US and Canada.

Russell 2000 Index – is comprised of the 2000 smallest stocks in the Russell 3000 Index.

NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE) Index – is an index comprised of investment returns of core, open-end diversified real estate funds.

The Russell 3000 Index is comprised of the largest 3000 U.S. companies by market capitalization.

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Standard & Poor's 500 Index - is a composite of 500 U.S. common stocks. The index is capitalization-weighted with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

Standard & Poor's Rating Service - Similarly to Moody's, Standard & Poor's also provides a rating system for the assessment of corporate and municipal debt instruments. The Standard & Poor's scale is as follows: AAA, AA, A, BBB, BB, B, CCC, CC, C, and D. These symbols are used to designate least investment risk/highest investment quality (AAA) to greatest investment risk/lowest investment quality (D). Standard & Poor's also rates commercial paper as follows: A-1, A-2, A-3, B, C, and D. A-1 issuers have the highest ability for the payment of short-term debt obligations.

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**Sacramento Regional Transit District
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I. Purpose

The Sacramento Regional Transit District (SacRT) sponsors three tax-qualified retirement plans for the benefit of its eligible employees: (1) the Sacramento Regional Transit District Retirement Plan for members of ATU, Local 256 ("ATU"), (2) the Sacramento Regional Transit District Retirement Plan for members of IBEW Local 1245 ("IBEW"), and (3) the Sacramento Regional Transit District Retirement Plan for Salaried Employees who are members of the Administrative Employees' Association ("AEA"), the Management and Confidential Employees Group ("MCEG"), and the American Federation of State, County and Municipal Employees ("AFSCME") (each a "Plan" and, collectively, the "Sacramento Regional Transit District Retirement Plans" or the "Plans").

There are five Retirement Boards (each a "Board" and, collectively, the "Boards"), one for the ATU Plan, another for the IBEW Plan, and three for the MCEG/AEA/AFSCME Plan. Each Board must operate and administer its respective Plan in accordance with such Plan's terms and applicable law.

Each Board is responsible for, among other things, investing assets under its respective Plan. Effective March 15, 2010, all the Boards directed that the assets under the three Plans be commingled for investment purposes.

This Statement of Investment Objectives and Policy Guidelines does the following:

- Governs the investment of the three Plans' commingled assets.
- Sets forth the investment policies and objectives that the Boards judge to be appropriate and prudent, in consideration of the needs of the Plans' participants;
- Establishes the criteria that the registered investment adviser(s) retained by the Plans are expected to meet and against which they are to be measured;
- Communicates the investment policies and objectives and performance criteria to the investment manager(s); and
- Serves as a review document to guide the Boards' ongoing supervision of the investment of Plans' assets.

II. Responsibilities of the Boards

As trustees of the Plans' assets, the Boards have a fiduciary duty to prudently establish an asset allocation policy, investment objectives and investment restrictions, and to monitor the performance of the Plans' investment managers and review the liabilities of SacRT to fund retirement benefits. The Boards are responsible for developing a sound and consistent investment strategy, in compliance with all applicable laws and regulations, which the investment managers can use in formulating investment decisions. This Statement of Investment Objectives and Policy Guidelines will be revised as needed to ensure that it reflects the Boards' philosophy regarding investment of the Plans' assets. The Boards have authority to select qualified investment managers, to monitor their performance on a regular basis, and to take appropriate action to replace an investment manager for failure to adhere to the provisions set forth herein.

Review of Statement of Investment Objectives and Policy Guidelines

This Statement of Investment Objectives and Policy Guidelines will be reviewed on an annual basis in conjunction with the annual asset allocation study conducted by the Boards' investment consultant. This review will focus on the continued feasibility of achieving, and the appropriateness of, the Plans' asset allocation policy, the Plans' investment objectives, these Investment Policies and Guidelines, and the Plans' investment restrictions. It is not expected that this Statement will change frequently; in particular, short-term changes in the financial markets should not require an adjustment to this Statement of Investment Objectives and Policy Guidelines.

Review of Investment Managers

The Boards will meet at least every eighteen (18) months with each investment manager and quarterly with its investment consultant (with or without the presence of the investment managers) to review the performance of its investment managers. The quarterly performance reviews will focus on:

- The investment manager's adherence to this Statement of Investment Objectives and Policy Guidelines;
- Comparison of the investment manager's results against funds using similar investment styles;

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- Comparison of the investment manager’s performance as measured against the applicable index;
- Material changes in the investment manager’s organization, such as philosophical and personnel changes, acquisitions or losses of major accounts, etc.

III. Asset Allocation Policy

On an annual basis, the Boards' investment consultant will complete an asset allocation study, and the Boards will review and approve the study. An asset allocation study is an evaluation of the Plans' investment goals, objectives, and risk tolerance (risk versus return). Upon completion of the study, the Boards will determine if changes are needed to the Plans' asset allocation policy.

The Boards have determined that the long-range asset allocation policy for the Plans is as follows:

<u>Asset Class</u>	<u>Minimum</u>	<u>Target</u>	<u>Maximum</u>
Domestic Equity	35%	40%	45%
Large Capitalization Equity	28%	32%	36%
Small Capitalization Equity	5%	8%	11%
International Equity	20%	25%	30%
Developed Large Cap Equity	10%	14%	18%
Developed Small Cap Equity	3%	5%	7%
Emerging Markets Equity	4%	6%	8%
Domestic Fixed-Income	20%	25%	30%
Real Estate	6%	10%	14%

The asset allocation policy is to be pursued on a long-term strategic basis and will be revised if significant changes occur within the economic and/or capital market environment, or in the underlying liability assumptions. Capital market assumptions and projections are reviewed annually. If significant changes in projections occur, the Boards' intent is that the target asset mix should then be reviewed.

The Asset Allocation Policy is intended to provide a means for controlling the overall risk of the portfolio without unduly constraining the discretionary, tactical decision-making process of the investment manager(s).

IV. Asset Rebalancing Policy

The Boards established the aforementioned asset allocation policy to maintain the Plans' long-term strategic asset allocation. The Boards recognize that market forces or other events may periodically move the asset allocations outside of their target ranges. Thus, the purpose of the asset rebalancing policy is to allocate cash flows and/or move assets among funds or asset classes in such a manner as to move each asset class toward its target allocation.

When it is necessary to move assets from one asset class to another or one fund to another fund within an asset class, monies should first be taken from the highest percent funded managers and reallocated to the underfunded managers, with the goal of rebalancing the asset allocation percentages as close to the targets as possible.

The Boards also recognize that the pension plan rebalancing process requires timely implementation to be effective. Therefore, the Boards delegate authority to the AVP, Finance and Treasury to manage pension plan assets in accordance with the approved rebalancing policy. The AVP, Finance and Treasury shall report to the Boards on asset rebalancing at the quarterly performance review meetings.

V. Pension Plan Cost Reimbursements

It is understood that the Plans are required to pay benefits and reasonable administrative expenses. In an effort to minimize transactional banking and investment fees, all Plan expenses are initially paid for by SacRT and subsequently reimbursed by the Plans. Reimbursement for monthly Pension Plan Costs include benefit payments to retirees; compensation to fund managers, fund custodian, investment consultant, Plan legal counsel, and for actuarial services; expenses for fiduciary insurance, pension staff labor, and all other administrative expenses incurred by the Plans during the normal course of business.

Distributions for reimbursements of these costs that are equal to or less than 0.5% of total Plan assets will be transferred from the Domestic Equity or Domestic Fixed Income asset classes, specifically the fund manager with the highest percent of

funding over the target percentage, established in section III Asset Allocation Policy. Utilizing only the Domestic Equity and Domestic Fixed Income asset classes to fund reimbursements will reduce the cash flow burden on SacRT, given that Domestic Equity and Domestic Fixed Income fund managers are able to liquidate holdings more quickly than non-Domestic managers, and will ensure timely and regular cash flow out of the Plans to reimburse expenses being incurred. For any distribution greater than 0.5% of Plan assets, staff will consider Domestic and International Equity and Domestic Fixed Income asset class weights when making a transfer to reimburse SacRT.

VI. Manager Search and Due Diligence Process

To implement the asset allocation policy, the Boards shall select and monitor appropriate money management professionals to invest the Plans' assets. This selection process shall include the establishment of specific search criteria; analysis and due diligence review of potential managers; and interviews when appropriate. Managers must meet the following minimum criteria:

- Registered Investment Advisor as defined in the 1940 Investment Advisors Act or be a bank or insurance company affiliate;
- Historical quarterly performance that complies with the parameters established in each search and consistent with the investment strategy under consideration; and
- Demonstrated financial and professional staff stability based on requisite historical company information.

At the direction of the Boards, the investment consultant will perform fund manager searches to replace or augment the Plans' existing fund managers.

VII. Investment Manager Discretion, Requirements, and Co-Fiduciary Status

It is not the intention of the Boards to be involved in day-to-day investment decisions. Investment of the Plans' assets will continue to be subject to the discretion of the professional investment managers in a manner consistent with the investment objectives set forth herein. Furthermore, investment managers shall acknowledge their co-fiduciary status as part of their contract with SacRT.

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Each investment manager selected is expected to operate within the Prudent Person Rule, Article XVI Section 17 of the California Constitution, and other governing state and federal laws, regulations, and rulings that relate to the investment process. The assets of the Plans shall be invested in a manner that is consistent with generally accepted standards of fiduciary responsibility, to ensure the security of principal and maximum yield on all pension fund investments through a mix of well diversified, high quality, fixed income and equity securities.

The investment program will be managed by one or more designated managers. The investment managers shall be given full discretion to manage the assets under their supervision, subject to the investment guidelines set forth herein. It is the responsibility of the investment managers, the investment consultant, and staff to notify the Boards of any changes necessary to the investment guidelines that would be consistent with the Boards' obligation to the beneficiaries of the Plans.

Brokerage commissions may be directed by the Boards to offset administrative costs of the Plans as long as such direction is in the best interest of the Plans' beneficiaries. The investment managers will secure best execution, and commissions paid shall be reasonable in relation to the value of the brokerage and other services received by the Plans.

VIII. Investment Objectives, Policies, Guidelines, and Restrictions

Evaluation Time Periods

It is the Boards' policy to review investment manager performance on a quarterly basis. The investment objectives for the total fund and for each investment manager are based on a time horizon of a minimum of three years, unless otherwise specified for a particular manager as determined by the Board.

While it is the Boards intention to maintain long standing relationships with their managers, the Boards reserve the right at any time to terminate a relationship with any manager for any reason including, but not limited to, changes to the Asset Allocation Policy and manager structure.

Set out below are the overall investment objectives, policies, guidelines, and restrictions for each plan.

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All Asset Class Objectives

The net of fee objectives of the overall portfolio are to:

- Achieve a rate of return which exceeds that of a target-weighted composite index based on the target asset allocation adopted in Section III; and
- Achieve a rate of return that meets or exceeds the Plans' actuarial discount rate as set in the annual actuarial valuation.

All Asset Policies, Guidelines and Restrictions

It is the responsibility of each manager to adhere to the guidelines stated below and elsewhere within this document and to report any violations immediately to both the Board and to the consultant.

- Tobacco Policy - Investments shall not be made in any security issued by a company in the Tobacco Sub-Industry as defined by the Global Industry Classification Standards (GICS). This restriction shall be subject to the prudent investor rule as set forth in Article XVI Section 17 of the California Constitution. All passive funds and commingled vehicles are excluded from this policy.

Domestic Equity Investments

Objectives:

- For the Total Domestic Equity Component, achieve a net of fee return which exceeds the Custom Domestic Equity Benchmark¹ and ranks in the top half of a broad comparative universe of domestic equity managers, gross of fees²;

¹ The Custom Domestic Equity Benchmark currently consists of 80% S&P 500 Index and 20% Russell 2000 Index

² Because the comparative database is constructed with manager returns before management fees, objectives pertaining to the peer universes should be analyzed before investment manager fees to ensure an appropriate comparison.

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- For Large Cap Value Equity Managers, achieve net of fee returns that exceed the Russell 1000 Value Index and ranks in the top half of a comparative universe of large cap value managers, gross of fees;
- For Large Cap Core Equity Index Fund achieve gross of fee returns which match the S&P 500 Index, with minimal tracking error versus the Index; and
- For Small Cap Equity Managers, achieve net of fee returns that exceed the Russell 2000 Index and rank in the top half of the comparative universe of small capitalization equity managers on a gross of fee basis.

Policies, Guidelines, and Restrictions:

- All Managers - Unless specifically authorized by the Boards, Domestic Equity managers shall not engage in investment transactions involving stock options, short sales, purchases on margin, letter stocks, private placement securities, or commodities;
- All Managers- The Domestic Equity managers are permitted to effect transactions in S&P 500 Stock Index (Large Cap Value and Core), ETF Index Futures (Large Cap Core) and Russell 2000 Index Futures (Small Cap). The purpose of holding futures is to obtain low cost temporary equity market exposure. Futures are not to be used to provide leveraged equity market exposure. As such, cash balances must be maintained by the manager at a level which eliminates the leverage implicit in the futures. Futures transactions must be completed on a major U.S. exchange which guarantees contract compliance;
- All Managers - The investment guidelines for any assets invested in mutual funds or other interests in collective and commingled funds will be determined by the respective fund's governing documents.
- All Managers - Each investment manager is expected to remain fully invested. The cash and cash equivalent holdings shall not exceed 10% of the market value in each active portfolio, and should be 0% in passive index portfolios. Cash is expected to be securitized within the passive index portfolios.

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- Active Managers - Domestic equity securities shall be diversified by industry and in number so that investment in the securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or 5% of the company's total outstanding shares;
- Active Managers - No more than 25% of the market value on a purchase cost basis of the total common stock portfolio shall be invested in any single industry at the time of purchase (industry groups as defined in the Russell 2000 index for the Small Cap fund);
- Active Managers - The use of international equity securities which trade on U.S.-based exchanges, including American Depository Receipts (ADRs), are acceptable as domestic equity investments but shall not constitute more than 5% of each plan's portfolio (at cost) for actively managed portfolios. For purposes of this restriction, the term "international equity security" is defined in Appendix A.
- Passive Managers - Securities shall be diversified by industry and in number in accordance with their stated indices;

International Equity Investments

Objectives:

- For the Total International Equity Component, achieve a net of fee return which exceeds the Custom International Equity Benchmark³ and ranks in the top half of a broad comparative universe of non-U.S. equity managers, gross of fees⁴;
- For the Total Developed Markets Large Capitalization International Equity Component (Active and Passive), achieve a net of fee return which exceeds the Morgan Stanley Capital International (MSCI) EAFE Index and ranks in the top half of a broad comparative universe of non-U.S. equity managers, gross of fees;

³ The Custom International Equity Benchmark currently consists of 56% MSCI EAFE Index, 20% MSCI EAFE Small Cap Index and 24% MSCI Emerging Markets Index.

⁴ Because the comparative database is constructed with manager returns before management fees, objectives pertaining to the peer universes should be analyzed before investment manager fees to ensure an appropriate comparison.

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- For the Total Developed Markets Small Capitalization International Equity Component, achieve a net-of-fee return which exceeds the Morgan Stanley Capital International (MSCI) EAFE Small Cap Index and ranks in the top half of a broad comparative universe of non-U.S. small cap equity managers, gross of fees;
- For the Emerging Markets Equity Component, achieve a net of fee return which exceeds the Morgan Stanley Capital International (MSCI) Emerging Market Index and ranks in the top half of a broad comparative universe of emerging markets equity managers, gross of fees.

Policies, Guidelines, and Restrictions:

- All Managers - International Equity securities shall be diversified by country, industry and in number so that investment in the securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or 5% of the company's total outstanding shares. Passive International Securities shall be diversified by country, industry and in number in accordance with the MSCI EAFE Index;
- All Managers - Unless specifically authorized by the Boards, International Equity managers shall not engage in investment transactions involving stock option, short sales, purchases on margin, letter stocks, private placement securities, or commodities;
- All Managers - International Equity managers are expected to remain fully invested. The cash holdings shall not exceed 10% of the market value in the active developed and emerging market funds, and should be minimal in the passive funds;
- All Managers - The investment guidelines for any assets invested in mutual funds or other interests in collective and commingled funds will be determined by the respective fund's governing documents.
- Active Developed and Emerging Markets Managers - The international equity portion of the Plans' portfolio shall be comprised of ADRs of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including

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- debentures convertible to common stocks, and cash equivalents. Refer to Appendix A for definition of the term “non-U.S.”;
- Active Developed and Emerging Markets Managers - No more than 25% of the market value on a purchase cost basis of the total common stock portfolio shall be invested in any single industry at the time of purchase;
 - Active Developed and Emerging Markets Managers - Defensive currency hedging is permitted;
 - Active Developed Managers - No more than 15% of the fund market value will be invested in emerging market countries;
 - Emerging Markets Managers - Up to ten percent (10%) of the manager's portfolio (at cost) may be invested in countries not included in the MSCI Emerging Markets Index as defined in Appendix A; and
 - Passive Managers – The International Equity index manager is permitted to effect transactions in MSCI EAFE Stock and ETF Index Futures. The purpose of holding futures is to obtain low cost temporary equity market exposure. Futures are not to be used to provide leveraged equity market exposure. As such, cash balances must be maintained by the manager at a level which eliminates the leverage implicit in the futures. Futures transactions must be completed on a major U.S. exchange which guarantees contract compliance;

Domestic Fixed-Income Investments

Objectives:

- For the Total Domestic Fixed-Income Component, achieve a net of fee return which exceeds the Bloomberg Barclays U.S. Aggregate Bond Index and ranks in the top half of a broad comparative universe of domestic fixed-income managers, gross of fees; and
- For Core Plus Bond Fixed-Income Managers, achieve net of fee returns greater than the Bloomberg Barclays U.S. Aggregate Bond Index and rank in the top half of a comparative universe of domestic core plus bond fixed-income managers, gross of fees.

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Policies, Guidelines, and Restrictions:

- The fixed-income portion of the Plans shall be invested in marketable, fixed-income securities;
- The fixed income portion of the Plans shall be limited in duration to between 75% and 125% of the Bloomberg Barclays U.S. Aggregate Bond Index;

The investment managers shall maintain a minimum overall portfolio quality rating of “A” equivalent or better at all times (based on a market-weighted portfolio average). Minimum Quality (at purchase) must be at least 80% Baa or above.

- The applicable rating for the portfolio will be equal to the middle rating of the three Nationally Recognized Statistical Rating Organizations (NRSRO), namely Moody’s Investors Service Inc. (Moody’s), Standard and Poor’s Financial Services LLC. (S&P), and Fitch Ratings (Fitch). In situations in which ratings are provided by only two agencies, the lower of the two ratings will apply;
- The investment guidelines for any assets invested in mutual funds or other interests in collective and commingled funds will be determined by the respective fund’s governing documents;
- The following instruments are acceptable at purchase:
 - Cash
 - U.S. Treasury Bills
 - Agency Discount Notes
 - Certificates of Deposit (CDs) and Bankers’ Acceptances (BAs)
 - Commercial Paper – Minimum Quality of A2/P2 (All CP under 4(2), 3(c)7 and other exemptive provisions is authorized.)
 - Asset-Backed Commercial Paper – Minimum Quality of A2/P2
 - Money Market Funds and Bank Short-Term Investment Funds (STIF)
 - Repurchase Agreements (Repo)

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- U.S. Government and Agency Securities
- Credit Securities/Corporate Debt (both U.S. and Foreign issuers)
 - Debentures
 - Medium-Term Notes
 - Capital Securities
 - Trust Preferred Securities
 - Yankee Bonds
 - Eurodollar Securities
 - Floating Rate Notes and Perpetual Floaters
 - Structured Notes (with fixed income characteristics)
 - Municipal Bonds
 - Preferred Stock
 - Private Placements
 - Bank Loans
 - 144(a) Securities
 - EETCs
- Securitized Investments
 - Agency and Non-Agency Mortgage-Backed Securities (MBS)
 - Asset-Backed Securities (ABS)
 - 144(a) Securities
 - Commercial Mortgage-Backed Securities (CMBS)
- Emerging Markets Securities
- International Fixed Income Securities (including non-dollar denominated securities)
- Other
 - Fixed Income Commingled and Mutual Funds
 - Futures and Options (for duration/yield curve management or hedging purposes only)
 - Swap Agreements (for duration/yield curve management or hedging purposes only)
 - Reverse Repurchase Agreements (Reverse Repo)

Any fixed-income security not specifically authorized above is prohibited unless prior approval is received from the Boards.

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Real Estate

Objectives:

- For the Total Domestic Core Real Estate Component, achieve a positive real return through a combination of income and appreciation. The Total Domestic Real Estate Component will be evaluated against the NFI-ODCE Value Weighted Index (Gross) and be compared to broad comparative universe of domestic core real estate managers, gross of fees;
- For the Domestic Core Real Estate managers, achieve a positive real return greater than the NFI-ODCE Value Weighted Index (Gross) through a combination of income and appreciation and rank in the top half of a broad comparative universe of domestic core real estate managers, gross of fees.

Policies, Guidelines, and Restrictions:

- All Managers - The real estate managers will invest predominantly in income producing properties diversified by both geographical region and property type.
- All Managers - The investment guidelines for any assets invested in mutual funds or other interests in collective and commingled funds will be determined by the respective fund's governing documents.
- All managers – The real estate managers will invest primarily in properties located in the United States. Investments will be diversified by region (West, East, South, and Midwest).
- All managers – The real estate managers will invest primarily in the four main property types (office, apartment, industrial, and retail).
- All managers - The maximum amount of leverage permissible will be 50% of the real estate fund's gross asset value under normal market conditions.
- All managers – The real estate managers will predominantly invest in developed, well-leased properties, but may invest up to 15% of the fund's

gross asset value in properties requiring significant enhancement or development.

IX. Manager “Watch List” or Termination “Guidelines”

The Boards may maintain a "Watch List" for managers that are not meeting prescribed objectives. If the Boards place a manager on the “Watch List”, the performance of the investment manager will be monitored by the Boards and the investment consultant on a quarterly and annual basis for a minimum of two years, unless the manager is terminated sooner. Notwithstanding the “Watch List” guidelines described herein, the Boards can choose to terminate a manager at any time based on the recommendation and/or consultation of the investment consultant, staff, or as deemed necessary by the Boards.

There are various factors that should be taken into account when considering placing a manager on a “Watch List” or terminating a manager. These can be separated into two broad categories - qualitative and quantitative factors. These factors include: personnel changes or other organizational issues, legal issues, violation of policy or investment guidelines, style deviations, underperformance relative to investment objectives, and asset allocation changes.

X. Proxy Voting Policy

The investment managers shall vote proxies in their discretion, unless otherwise instructed by the Boards. Investment managers shall maintain a proxy voting log for periodic review by the Boards. The Boards strongly believe that proxies must be voted in the best interest of the shareholders. The investment managers will vote in accordance with their fiduciary responsibilities and subject to their investment contract with SacRT. In determining the Boards’ vote, the investment manager should not subordinate the economic interests of SacRT or the Plans, or any other entity or interested party.

The investment managers shall provide a written copy of their proxy voting guidelines to the Boards. In addition, investment managers shall provide a report of all proxy votes when requested by the Boards.

XI. Investment Manager Reporting Requirements

Investment managers are expected to communicate with the Boards in writing at the end of each quarter or more frequently if requested. Quarterly reporting requirements include performance reports, a summary of the portfolio holdings, issue quality, and relative weightings at quarter end. Additionally, oral presentations shall be made to the Boards on a regular basis.

Written quarterly reports should include:

- Current investment strategy;
- Recent investment performance;
- Demonstration of compliance with these guidelines;
- List of holdings in the portfolio, including at cost and at market values;
- Personnel changes;
- New/Lost accounts; and
- Pending litigation.

The Boards are interested in fostering healthy working relationships with its managers through a discipline of effective two-way communication. The information outlined above is intended to provide the Boards with an effective means of understanding their managers' specific management styles and strategies, and to effectively evaluate the results.

XII. Investment Consultant Responsibilities

The Boards' investment consultant will have the responsibilities set forth in its agreement with SacRT and will also be expected to take the actions set forth below or otherwise stated in this policy.

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The investment consultant is responsible for providing to the Boards timely and accurate quarterly performance measurement reports for each individual investment manager and for the Plans. The investment consultant shall present the performance reports to the Boards at its quarterly meetings.

When requested by the Boards, the investment consultant shall provide analysis to assist in the overall evaluation of the Plans' investment managers. In addition to preparing the quarterly performance measurement reports, the consultant will also provide written capital market updates (and other such research as generated by the consultant for use of all clients), perform investment manager searches at the direction of the Boards, perform the annual asset allocation study, and complete special projects when requested.

The consultant will assist in the monitoring of each investment manager's compliance with these guidelines. See Section VIII Manager "Watch List" or Termination "Guidelines".

APPENDIX A **Definitions**

Bloomberg Barclays U.S. Aggregate Bond Index - is a market value-weighted index that tracks the daily price, coupon, pay-downs, and total return performance of fixed-rate, publicly placed, dollar-denominated, and non-convertible investment grade debt issues with at least \$250 million par amount outstanding and with at least one year to final maturity. The Aggregate Index is comprised of the Government/Credit, the Mortgage-Backed Securities, and the Asset-Backed Securities indices. The Government/Credit Bond Index is an index that tracks the performance of U.S. Government and corporate bonds rated investment grade or better, with maturities of at least one year. The Mortgage-Backed Securities Index is a composite of 15- and 30-year fixed rate securities backed by mortgage pools of the Government National Mortgage Association (GNMA), Federal Home Loan Mortgage Corporation (FHLMC), and the Federal National Mortgage Association (FNMA). The U.S. Asset-Backed Securities includes pass-through, controlled-amortization and bullet-structured securities, which have a minimum average life of one year. **Commingled Fund** – is a fund consisting of assets from multiple institutional investors that are blended together. Investors in commingled fund investments benefit from economies of scale, which allow for lower trading costs per dollar of investment, diversification and professional money management. A commingled fund is sometimes called a "pooled fund."

Emerging Markets – a financial market of a developing country, usually a small market with a short operating history. The Plans define emerging markets by the countries contained in the MSCI Emerging Markets Index.

Fitch Ratings - An international credit rating agency based out of New York City and London. The company's ratings are used as a guide to investors as to which investments are most likely going to yield a return. It is based on factors such as how small an economic shift would be necessary to affect the standing of the bond, and how much, and what kind of debt is held by the company. The Fitch scale is as follows: AAA, AA, A, BBB, BB, B, CCC, CC, C, and D. These symbols are used to designate least investment risk/highest investment quality (AAA) to greatest investment risk/lowest investment quality (D).

International Equity Security (Non-U.S.) - refers to an issue of an entity, which is not organized under the laws of the United States and does not have its principal place of business within the United States.

Market Cycles - Market cycles are defined to include both a rising and declining leg. Generally, a rising leg will be defined as a period of at least two consecutive quarters of rising total returns. A declining leg shall be defined as a period of two consecutive quarters of declining total returns.

Moody's Investors Rating Service - provide a universe of rating for corporate and municipal bonds as well as commercial paper. Moody's uses nine symbols to rate bonds: Aaa, Aa, A, Baa, Ba, B, Caa, Ca, and C. These symbols are used to designate least investment risk/highest investment quality (Aaa) to greatest investment risk/lowest investment quality (C). Moody's offers three designations, all judged to be investment grade, to indicate credit quality for commercial paper: Prime-1 (P-1), Prime-2 (P-2), and Prime-3 (P-3). Prime-1 issuers have the highest ability for the payment of short-term debt obligations.

Morgan Stanley Capital International (MSCI) EAFE Index - is comprised of stocks traded in the developed markets of Europe, Asia, and the Far East. The index is capitalization weighted.

Morgan Stanley Capital International (MSCI) Emerging Markets Index – is comprised of stocks traded in the emerging markets of the world that are open to foreign investment. The index is capitalization weighted.

Morgan Stanley Capital International (MSCI) EAFE Small Cap Index – is an equity index which captures small cap representation across developed market in countries around the world, excluding the US and Canada.

Russell 2000 Index – is comprised of the 2000 smallest stocks in the Russell 3000 Index.

NCREIF Fund Index – Open End Diversified Core Equity (NFI-ODCE) Index – is an index comprised of investment returns of core, open-end diversified real estate funds.

The Russell 3000 Index is comprised of the largest 3000 U.S. companies by market capitalization.

Standard & Poor's 500 Index - is a composite of 500 U.S. common stocks. The index is capitalization-weighted with each stock weighted by its proportion of the total market value of all 500 issues. Thus, larger companies have a greater effect on the index.

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Standard & Poor's Rating Service - Similarly to Moody's, Standard & Poor's also provides a rating system for the assessment of corporate and municipal debt instruments. The Standard & Poor's scale is as follows: AAA, AA, A, BBB, BB, B, CCC, CC, C, and D. These symbols are used to designate least investment risk/highest investment quality (AAA) to greatest investment risk/lowest investment quality (D). Standard & Poor's also rates commercial paper as follows: A-1, A-2, A-3, B, C, and D. A-1 issuers have the highest ability for the payment of short-term debt obligations.