

The Board of Retirement

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

Tuesday, March 24, 2020, at 8:30 A.M.

**In Accordance with the Governor's Executive Order N-29-20 (3)
The Members of the Board will be participating via teleconference.**

The public may listen and offer comment by calling:

[1-888-278-0296](tel:1-888-278-0296) and use Participant Code: 323278

PUBLIC SESSION – The Board will meet in Public Session at 8:30 a.m.

- 1. Call to Order, Roll Call and Miscellaneous Business**
- 2. Oral Communications**
 - 2.1 Oral Communications from the Board
 - 2.2 Oral Communications from the Public
- 3. Approval of the Minutes**
 - 3.1 Approval of Regular Board Meeting Minutes from February 25, 2020
- 4. Approval of the Consent Agenda***

4.1 Disability Retirements (3) <ul style="list-style-type: none">• Joyce Reese• Michael Rihm• Eric Sakuma	4.8 Member Account Redeposits
4.2 Survivor Death Benefits	4.9 Report of Trustee Education Received
4.3 Service Retirements	4.10 Reaffirmation of Placement Agent Policy
4.4 Continuances	4.11 Ratification of Portable Electronic Device Policy
4.5 Deferred Retirements	4.12 Report on Prepayment of Employer Contributions
4.6 Member Account Refunds	4.13 Report on Proxy Voting Summary for the Year Ended December 31, 2019
4.7 Member Account Rollovers	4.14 Authorization to Take Certain Action During a Declaration of Emergency
- 5. Benefit & Actuarial Services**
 - 5.1 Consideration of Agenda Items, if any, removed from the Consent Agenda
- 6. Investment Services**
 - 6.1 Preliminary Monthly Portfolio Performance Report for the Period Ended February 29, 2020
 - 6.2 Oral Report on the Status of the Portfolio
- 7. Board & Management Support**

No Items
- 8. Management Reports**
 - 8.1 Chief Executive Officer's Report
 - 8.2 Assistant Executive Officer's Report
 - 8.3 Chief Investment Officer's Report
 - 8.4 Chief Legal Counsel's Report

CLOSED SESSION – The Board will not meet in closed session

9. Adjournment in Memory of the Following Deceased Members:

Fujisawa, Alice	February 3, 2020	Public Health
Duignan, James	February 9, 2020	DPW
Schmidt, Carmen	February 10, 2020	Public Health
Gomez, Clarice	February 14, 2020	HOS - Materials Mgmt
Bernstein, Allen	February 17, 2020	Sheriff's Office
Finck, Peter	February 19, 2020	County Counsel
Shriberg, Gerald	February 19, 2020	Probation
Salo, Arolf	February 22, 2020	General Services
Stotereau, Thomas	February 22, 2020	General Services
Molina, Betty	February 22, 2020	Mental Health
Cabaj, Robert	February 24, 2020	Mental Health
Harris, Theodore	February 28, 2020	Assessor's
Wyman, Donald	February 29, 2020	General Services



Scott Hood, Chief Executive Officer

Posted: March 18, 2020

(* ALL ITEMS ON THE CONSENT AGENDA ARE APPROVED BY ONE ROLL CALL MOTION UNLESS A REQUEST IS MADE BY A BOARD MEMBER THAT AN ITEM BE WITHDRAWN OR TRANSFERRED TO THE REGULAR AGENDA. ALL ITEMS REMOVED FROM THE CONSENT AGENDA WILL BE TAKEN UP UNDER ITEM 5.1.)

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

FEBRUARY 25, 2020 – REGULAR BOARD MEETING MINUTES

2002.1 Call to Order, Roll Call and Miscellaneous Business

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

Roll Call:

Present: Sandie Arnott, Mark Battey, Al David, Kurt Hoefer, Katherine O'Malley, Robert Raw, Alma Salas (for Paul Hackleman) and Eric Tashman.

Absent: Ben Bowler and Paul Hackleman.

Alternates present: Susan Lee and Alma Salas

Staff: Brenda Carlson, Michael Coultrip, Lili Dames, Scott Hood, Elizabeth LeNguyen, JulieAnne Nagal, Doris Ng, Gladys Smith and Anne Trujillo.

Consultants and speakers: Joe Abdou, Marc Gesell, Margaret Jadallah and John Nicolini (via phone) (Verus).

2002.2.1 Oral Communications from the Board: None.

2002.2.2 Oral Communications from the Public: None.

2002.3.1 Approval of Regular Board Meeting Minutes from January 28, 2020: Mr. Hoefer asked if there were any changes or corrections, or objections, to the meeting minutes from the Board meeting held on January 28, 2020.

Action: Mr. David moved to approve the minutes from the Board meeting on January 28, 2020. The motion was seconded by Ms. O'Malley and carried with a vote of 5-0, with trustees David, Hoefer, O'Malley, Raw and Salas all in favor; Battey and Tashman abstained; none opposed.

2002.4.0 Approval of the Consent Agenda: Mr. Hoefer asked if there were any items to be removed for discussion from the Consent Agenda. Ms. Smith informed the Board that Rosa Marcello's disability application will be continued to next month's meeting. No additional items were removed.

Action: Mr. Raw moved to approve the remaining items on the Consent Agenda, and the motion was seconded by Ms. Salas. The motion carried with a vote of 7-0, with trustees Battey, David, Hoefer, O'Malley, Raw, Salas and Tashman all in favor; none opposed.

2001.4.1 Disability Retirements:

- a) The Board found that **Neali Cordano** (1) is permanently incapacitated from the performance of her usual and customary duties as a Sheriff's Correctional Officer, (2) found that her disability was the result of an injury arising out of and in the course of her employment and (3) granted her application for a service-connected disability retirement.

2002.4.2 Survivor Death Benefits: None.

2002.4.3 **Service Retirements:**

Name	Effective Retirement Date	Department
Aleman, Norman	December 21, 2019	Deferred from Superior Court
Arceo, Nuria	December 28, 2019	Deferred from Superior Court
Atkins, Kelly	December 31, 2019	Library
Barringer, Danielle	December 28, 2019	QDRO
Etcheto, Victoria	January 1, 2020	San Mateo Medical Center
Floendo, Ana Lourdes	December 24, 2019	Human Services Agency
Leonard, Kim	December 9, 2019	Sheriff's Office
Maninger, Gary	December 21, 2019	Sheriff's Office
Misener, Brian	December 18, 2019	Public Health
Neri, Stephen	December 17, 2019	Def'd from Assessor Recorder's Office
Ramirez, Mary	December 6, 2019	Assessor Recorder's Office
Rangel, Humberto	December 30, 2019	Deferred from Library
Sakumoto, Jinny	December 27, 2019	Superior Court
Scott, Janice	December 28, 2019	Dept. of Public Works
Scott, Willie	December 28, 2019	Sheriff's Office
Sherman, Chonne	January 1, 2020	Superior Court
Soletti, Virginia	December 28, 2019	Deferred from Controller's
Sutherland, Lynda	December 29, 2019	Mental Health
Taiby, Hussain	December 29, 2019	Def'd from San Mateo Medical Cntr
Zaru, Donna	December 12, 2019	Human Services Agency

2002.4.4 **Continuances:**

Survivor's Name	Beneficiary of:
Anderson, Bobby Joe	Anderson, Pamela

2002.4.5 **Deferred Retirements:**

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

Name	Retirement Plan Type
Aparicio-Mercado, Anapatricia	G4, Vested - Auto Defer - Code 31700
Arechiga, Theresa	G7, Vested - Auto Defer - Code 31700
Carlisle, Siwen	G7, Vested - Reciprocity
Degodoy, Rebecca	G7, Non-vested - Reciprocity
Escobar, Tanya	G4, Vested - Reciprocity
Gonzalez, Nidia	G4, Vested
Ko, Grace	G7, Non-vested - Reciprocity
Landa Zamora, Fernando	G7, Non-vested - Reciprocity
Macedo, Brenda	G4, Vested
Olshaskie, Robert	S4, Non-vested - Reciprocity
Pita, Sosefina	G4, Vested - Auto Defer - Code 31700
Salazar, Lissete	G4, Vested - Auto Defer - Code 31700
Williams, Danielle	G4, Vested - Reciprocity
Williams, Jacklyn	S4, Vested - Auto Defer - Code 31700

2002.4.6 **Member Account Refunds:**

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

Name	Retirement Plan Type
Cortes, Jose	S7, Non-vested
Du, Nang (FBO: Du, Phuong)	G4, Vested
Du, Nang (FBO: Vo, Nguyet)	G4, Vested
Ganapathy, Bhuvanewari	G7, Non-vested
Gottuso, Nicholas	G7, Non-vested
Hale, Nathan	G7, Non-vested
Heyer, Patrick	G7, Non-vested
Long, Brandi	G7, Non-vested
Seymour, Jeffrey	S4, Vested

2002.4.7 **Member Account Rollovers:**

Name	Retirement Plan Type
Kemberling, Paul (FBO: Willey, Vicky)	G2, Vested
Rozycki, Rhoda	G7, Non-vested
Seymour, Jeffrey	S4, Vested
Tan, Arnold	G4, Non-vested
Wong, Lauren	G7, Non-vested

2002.4.8 **Member Account Redeposits:** None.

2002.4.9 **Acceptance of Trustees' Reports of Educational Activities:** The Board accepted the submitted reports for educational activities attended by Mr. Raw.

2002.4.10 **Approval of Reinstatement of Retired Member to Active Status:**

Name	Retirement Plan Type
Halpern, Kent	Behavioral Health and Recovery Systems

2002.5.1 **Consideration of Agenda Items, if any, removed from the Consent Agenda:** None.

2002.6.1 **Report on Preliminary Monthly Portfolio Performance Report for the Period Ended January 31, 2020:** Mr. Coultrip informed the Board that due to accounting delays at Northern Trust, the January Performance Report was not ready in time for the February Board mailing and that a copy can now be found in Dropbox and in their Day of Folders. Mr. Coultrip reported that SamCERA's net preliminary return for January was down -0.3% bringing the preliminary trailing twelve month return ending January 2020 to 10.9% net. This item was informational and for discussion only, no action was taken.

Ms. Arnott arrived at 10:06 a.m. and took a seat at the dais.

2002.6.2 **Report on Quarterly Investment Performance Report for the Period Ended December 31, 2019:** Ms. Jadallah and Mr. Abdou reviewed the quarterly investment report with the Board and reported that the 4th quarter net total return was 3.9%, which was 80 bps lower than the 4.7% policy benchmark return. Mr. Coultrip, Ms. Jadallah and Mr. Abdou also answered questions from the Board. This item was informational only, no action was taken.

- 2002.6.3 **Report on SamCERA's Risk Dashboard:** Ms. Jadallah and Mr. Gesell presented SamCERA's risk dashboard using index level holdings highlighting various risk exposures of the plan from data as of December 31, 2019. This item was information only, no action was taken.
- 2002.6.4 **Report on Core Fixed Income Manager Structure:** Ms. Jadallah and Mr. Abdou reviewed the report on the core fixed income manager structure and answered questions from the Board. This item was informational only, no action was taken.
- 2002.6.5 **Approval of Proposed Alternative Investment (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26, see item C2):** The Board adjourned into Closed Session at 11:00 a.m. to hear item 6.5. Upon completion of the Closed Session, the Board took a 10 minute break at 11:31 a.m. then reconvened in Open Session at 11:42 a.m. See Closed Session report under C2.
- 2002.7.1 **Report on March 24, 2020 Board-Staff Retreat Planning:** Mr. Hood reviewed the proposed agenda on the upcoming Board-Staff Retreat in March and provided the Board a final opportunity to recommend additional topics. This item was informational and for discussion only, no action was taken.
- 2002.7.2 **Approval of Change to Start Time of the March 24, 2020 Regular Board Meeting:** Mr. Hood discussed staff's recommendation to formally set the start time of the March 24, 2020 meeting to 8:30 a.m. and cancel the March 25, 2020 meeting.
- Action:** Mr. David moved to approve the change in start time and cancel the March 25, 2020 meeting. The motion was seconded by Mr. Battey and carried with a vote of 8-0, with trustees Arnott, Battey, David, Hoefer, O'Malley, Raw, Salas and Tashman all in favor; none opposed.
- 2002.8.1 **Chief Executive Officer's Report:** Mr. Hood informed the Board of the upcoming CALAPRS Advanced Principles of Pension Governance for Trustees at UCLA. He called to attention a copy of the course agenda as well as the SACRS Election form found in the Trustees' Day of Folder. Mr. Hood informed the Board of additional upcoming education courses: CALAPRS General Assembly, Pension Bridge, SACRS Spring Conference and the Wharton Alternative Investment Strategies Course. Mr. Hood mentioned to the Board that Mr. Collier and Mr. Glyde of Milliman will be present at the April meeting to discuss actuarial assumptions prior to the approval of the actuarial valuation. Mr. Hood asked for the Board's thoughts on changing the September meeting from the 4th Tuesday to the 5th Tuesday to provide Cheiron and Milliman additional time to complete the actuarial valuation and actuarial audit. He mentioned that a survey will be sent out in the near future to obtain feedback. Mr. Hood reported that SamCERA staff will be holding their annual Staff Retreat the following day. Mr. Hood informed the Board that review of the Disclosure Placement Agent Policy and Portable Electronic Device Policy will be on next month's Board agenda.
- 2002.8.2 **Assistant Executive Officer's Report:** None.
- 2002.8.3 **Chief Investment Officer's Report:** Mr. Coultrip requested the Board's feedback on potentially condensing the quarterly performance reports. He also informed the Board that staff is in the process of updating the Investment Policy. He also reported that staff will be holding their first set of manager reviews for the year and will be meeting with Parametric and Northern Trust on March 5th.
- 2002.8.4 **Chief Legal Counsel's Report:** None.
- C1 **Consideration of Disability Items, if any, removed from the Consent Agenda:** Rosa Marcello's disability application will be moved to next month's meeting.

C2 **Approval of Proposed Alternative Investment (to be heard in Closed Session, Confidential Under Gov. Code §54956.81 and §6254.26):** Ms. Carlson reported that the Board approved a motion to invest \$30 million in the Brookfield Super Core Infrastructure fund. The motion passed a vote of 6-2, with trustees Arnott, Battey, David, Hoefer, O'Malley and Salas all in favor; Raw and Tashman opposed. No other reportable action was taken.

2002.10 **Adjournment:** Mr. Hoefer adjourned the meeting at 11:50 a.m. in memory of the deceased members listed below.

Rizzo, Richard	November 22, 2019	Food Services
Fox, James	January 9, 2020	District Attorney's Office
Stoia, Giordano	January 15, 2020	DPW
Shives, John	January 19, 2020	DPW
Liikane, Juhan	January 20, 2020	Mental Health
Timm, Elaine	January 23, 2020	Social Services
Buddress, Loren	January 24, 2020	Probation
Kaur, Seerada	January 24, 2020	HOS - Case Mgmt
Romano, Ethel	January 25, 2020	Sanatorium
Kramer, Mary	January 27, 2020	Controller's
Fristrup, Jean	February 6, 2020	Mental Health
Gomes-Baisden, Gladys	February 7, 2020	Child Health Services
Thomas, Nancy	February 13, 2020	Sheriff's Office

Kurt Hoefer
Board Chair

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 24, 2020

Agenda Items 4.1- 4.9

TO: Board of Retirement

FROM: Elizabeth LeNguyen, Retirement Benefits Manager



SUBJECT: Approval of Consent Agenda Items 4.1 – 4.9

4.1 Disability Retirements

- a) The Board find that **Joyce Reese** (1) is permanently incapacitated from the performance of her usual and customary duties as a Deputy Probation Officer III, (2) find that her disability was the result of an injury arising out of and in the course of her employment and (3) grant her application for a service-connected disability retirement.

- b) The Board find that **Michael Rihm** (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Public Guardian Conservator III, (2) find that his disability was not the result of an illness arising out of and in the course of his employment and (3) grant his application for a non-service-connected disability retirement.

- c) The Board find that **Eric Sakuma** (1) is permanently incapacitated from the performance of his usual and customary duties as a Deputy Sheriff, (2) find that his disability was the result of an injury arising out of and in the course of his employment and (3) grant his application for a service-connected disability retirement.

4.2 Survivor Death Benefits

None.

4.3 Service Retirements

The Board ratifies the service retirement for the individuals listed below as follows:

Name	Effective Retirement Date	Department
Carrasco, Gloria	January 4, 2020	District Attorney's Office
Collado, Dora	January 25, 2020	Human Services Agency
De La Rosa, Leila	January 11, 2020	Superior Court
Farabee, Susan	December 24, 2019	Behavioral Health & Recovery Services
Galanter, Victoria	January 6, 2020	San Mateo Medical Center
Gamba, Kathleen	February 1, 2020	Human Services Agency

Geller, Rita	January 11, 2020	Behavioral Health & Recovery Services
Higaki, Jean	January 4, 2020	Dept. of Public Work
Holechek, Timothy	February 1, 2020	Behavioral Health & Recovery Services
Joo, Grant	January 1, 2020	Agriculture Dept
Kanu, Gloria	January 4, 2020	Sheriff's Office
Klingler, Michael	January 6, 2020	Deferred from Probation Dept.
Lopez, Rita	January 18, 2020	Human Services Agency
Low, Theresa	January 16, 2020	San Mateo Medical Center
Matter, James	January 4, 2020	Behavioral Health & Recovery Services
Patten, Deborah	January 11, 2020	Human Services Agency
Ristow, Linda	January 31, 2020	San Mateo Medical Center
Romanini, Janice	January 11, 2020	Treasurer's Office
Rosales Tebo, Alba	January 25, 2020	Probation Dept.
Sheridan, Kyle	February 1, 2020	Deferred from Assessor's Office
Spears, Cheroyal	August 20, 2012	Deferred from Human Services Agency
Strachan, Lorna	February 1, 2020	Human Services Agency
Wilcox-Rittgers, Cynthia	February 1, 2020	QDRO

4.4 Continuances

The Board ratifies the granting of a continuance to the following individuals:

Survivor's Name	Beneficiary of:
Fox, Bonnie	Fox, James
Kramer, Everett	Kramer, Mary
Shives, Sheila	Shives, John
Stoia, Anna	Stoia, Giordano
Tarver, Donald	Lyman, Louise

4.5 Deferred Retirements

The Board ratifies the deferred retirements as listed below for the following individuals:

Name	Retirement Plan Type
Alexander Bac, Richard	G7, Vested - Auto Defer - Code 31700
Cox, Jennifer	G4, Vested - Auto Defer - Code 31700

Gomez, Britomar	G7, Vested - Auto Defer - Code 31700
Langlois, Jennifer	P7, Vested
Lau, Kristen	G4, Vested
Madlambayan, Adrian	G7, Vested
Romero, Gloria	G7, Non-vested - Reciprocity
Simon, Karen	G4, Vested - Auto Defer - Code 31700
Tran, Kim	G7, Vested

4.6 Member Account Refunds

The Board ratifies the refunds as listed below for the following individuals:

Name	Retirement Plan Type
Arbizu, Imelda (FBO: Galindo, Alberto)	G2, Vested
Costa, JoAnna	G5, Non-vested
Craig, Randolph	G7, Non-vested
Fiske, Lauren	G7, Non-vested
Green, Amber	G7, Non-vested
Pita, Sosefina	G4, Vested
Recinos Lopez, Maricriz	G7, Non-vested
Reimche, Danielle (QDRO)	G4, Non-vested
Richmond Pallavicini, Grethel	G7, Non-vested
Wong, Margaret	G7, Non-vested

4.7 Member Account Rollovers

The Board ratifies the rollovers as listed below for the following individuals:

Name	Retirement Plan Type
Bender, Alissa	G7, Non-vested
Le, Thao	G7, Non-vested
Williams, Talya	G7, Non-vested

4.8 Member Account Redeposits

None.

4.9 Acceptance of Trustees' Reports of Educational Activities Through Outside Provider

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 24, 2020

Agenda Item 4.9

TO: Board of Retirement
FROM: Anne Trujillo, Retirement Executive Secretary
SUBJECT: Trustee's Reports of Educational Activities



Recommendation

Accept the following reports from Board of Retirement trustees who have recently attended educational events.

Background

SamCERA's Education Policy Section 1D states "Prior to the next regularly scheduled meeting of the Board following the Board member's participation in an educational activity, the Board member shall submit for inclusion on the Consent Agenda, a summary written report on the content of educational activities. The report shall substantially reflect the information contained in the attached sample report."

Discussion

SamCERA Trustees attended the following educational events, and their reports are attached:

CALAPRS General Assembly - Rancho Mirage, CA
Katherine O'Malley

Attachments

Trustee's Education Proof of Participation Certificates and Summaries

SamCERA Board of Retirement Trustee Education
Proof of Participation Certificate and Summary



Trustee Name Katherine O'Malley		Date(s) of Event 3/7/20-3/10/20
Education Event Name General Assembly		
Event Provider CALAPRS		
Type of Participation: Attended Event <input checked="" type="checkbox"/> Listened to Audio/Watched Video <input type="checkbox"/>		Eligible Credit: Total hours for sessions you participated in: <u>12</u> <i>(Staff may adjust hours if the provider issues an education certificate that reflects different hours.)</i>

This event satisfies the following requirements of the Board of Retirement's Education Policy and Government Code section 31522.8:

Topic: (Check all that apply)

- | | |
|--|---|
| <input type="checkbox"/> Fiduciary responsibilities | <input type="checkbox"/> Disability evaluation |
| <input checked="" type="checkbox"/> Ethics | <input type="checkbox"/> Fair hearings |
| <input type="checkbox"/> Benefits administration | <input type="checkbox"/> Pension fund governance |
| <input checked="" type="checkbox"/> Actuarial matters | <input type="checkbox"/> New board member orientation |
| <input checked="" type="checkbox"/> Pension funding | <input type="checkbox"/> Other: _____ |
| <input checked="" type="checkbox"/> Pension fund investments and investment program management | |

Summary Report

What concepts or information did you learn about?

Ethics training, post-peppra results, simplicity
in investing, global economic outlook,
national trends disaster recovery

Would you recommend this event to other trustees?

- Yes No Maybe

You may provide additional comments to SamCERA's CEO.

By signing below, I certify that I participated in the activities described above and am entitled to claim the indicated amount of education credit hour(s).

Trustee Signature (print this form and sign) <i>Katherine O'Malley</i>	Date 3/11/20
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NOTE: Please return this completed form to SamCERA's Executive Secretary prior to the mailing of the Board packet, so it can be included in that month's Consent Agenda.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 24, 2020

Agenda Item 4.10

TO: Board of Retirement
FROM: Scott Hood, Chief Executive Officer
SUBJECT: Placement Agent Disclosure Policy



Recommendation

Reaffirm SamCERA's Placement Agent Disclosure Policy.

Background

A placement agent is, generally speaking, a person directly or indirectly retained by an external investment manager or an investment fund, who acts as a finder, solicitor, marketer, consultant, broker, or other intermediary in connection with the offer or sale of the investment to the Board.

Government Code section 7513.85 requires all public pension systems to adopt a policy requiring the disclosure of fees paid to placement agents and requires the disclosure of campaign contributions and gifts made by placement agents to retirement board members. It also prohibits a public pension system from entering into any agreement with an external investment manager that does not provide written consent to comply with the policy. An external investment manager or placement agent that violates the policy is prohibited from soliciting new investments from the system for 5 years from the time of violation, unless the Board reduces this time period.

Discussion

In 2010, SamCERA adopted its Placement Agent Disclosure Policy in compliance with Government Code section 7513.85. Since Board's adoption of the Policy, staff has ensured that every investment contract (e.g. public equities, private equity or alternatives) requires compliance with the Placement Agent Policy and that a completed Placement Agent Disclosure Form is timely submitted.

The Policy was amended in 2011 and 2017, to reflect minor implementation issues that arose in the administration of the policy. Staff is not recommending any changes to the policy at this time.

Attachment

Placement Agent Disclosure Policy



PLACEMENT AGENT DISCLOSURE POLICY

This amended policy is effective immediately upon adoption. This policy is intended to supplement any applicable provisions of state or federal law, which shall govern in the event of any inconsistency.

I. PURPOSE

This Policy is adopted pursuant to the requirements set forth in Government Code Section 7513.85 to help ensure that the San Mateo County Employees' Retirement Association (SamCERA) investment decisions are made solely on the merits of the investment opportunity. This Policy requires broad, timely, and updated disclosure of all Placement Agents, as that term is defined by Government Code section 7513.8, their relationships, compensation and fees.

II. APPLICATION

This Policy applies broadly to every type of SamCERA investment managers including general partners, sponsors of hedge funds, private equity funds, real estate funds and infrastructure funds, as well as public market investment managers.

This Policy as amended applies to all agreements with External Managers that are entered into after the date this Policy is adopted and all existing agreements if, after the date this amended Policy is adopted, the agreement is amended to continue, terminate, or extend the term of the agreement or the investment period, increase the commitment of funds by SamCERA or increase or accelerate the fees or compensation payable to the External Manager (Referred to hereafter as "Amendment".) In the case of an Amendment, the disclosure provisions of this Policy shall apply to the Amendment and not to the original agreement.

III. RESPONSIBILITIES

A. The Board is responsible for:

1. Not entering into any agreement with an External Manager that does not agree in writing to comply with this policy.
2. Not entering into any agreement with an External Manager who has violated this policy within the previous five years. However, this prohibition may be reduced by a majority vote of the Board at a public session upon a showing of good cause.

B. Each External Manager is responsible for:

1. Executing an agreement that provides the External Manager will comply with this policy.
2. Providing the following information to SamCERA Investment Staff within 45 days of the time investment discussions are initiated by the External Manager, but in any event, prior to the completion of due diligence. In the case of Amendments, the Placement Agent Information Disclosure is required prior to execution of the Amendment.
 - a. Disclosure of payments or compensation by the External Manager or any of its principals, employees, agents or affiliates, directly or indirectly, to any person or entity to act as a Placement Agent in connection with SamCERA investments.
 - b. A resume for each officer, partner, principal of the Placement Agent detailing the person's education, professional designations, regulatory licenses and investment and work experience. If any such person is a current or former SamCERA Board Member, employee or Consultant or a member of the immediate family of any such person, this fact shall be specifically noted.
 - c. A description of any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the nature, timing and value thereof. Compensation to Placement Agents shall include, but not be limited to, compensation to third parties as well as employees of the External Manager who solicit or market investments to SamCERA or who are paid based upon investment commitments secured by such employees.
 - d. A description of the services to be performed by the Placement Agent and a statement as to whether the Placement Agent is utilized by the External Manager with all prospective clients or only with a subset of the External Manager's prospective clients.

- e. A written copy of any and all agreements between the External Manager and the Placement Agent.
 - f. A statement whether the placement agent, or any of its affiliates, are registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, or any similar regulatory agent in a country other than the United States, and the details of that registration or explanation as to why no registration is required.
 - g. A statement whether the placement agent, or any of its affiliates, is registered as a lobbyist with any state or national government.
 - h. The names of any current or former SamCERA Board Members, employees, or Consultants who suggested the retention of the Placement Agent.
- 3. Providing an update of any changes to any of the information provided pursuant to section B.2 above within 30 calendar days of the date that the External Manager knew or should have known of the change in information.
 - 4. Representing and warranting the accuracy of the information described in section B.2 above.
 - 5. Causing its engaged Placement Agent to disclose, prior to acting as a Placement Agent to SamCERA:
 - a. All campaign contributions made by the Placement Agent to any publicly elected SamCERA Board Member during the prior 24-month period. Additionally, any subsequent campaign contribution made by the Placement Agent to any publicly elected SamCERA Board Member during the time the Placement Agent is receiving compensation in connection with a SamCERA investment shall also be disclosed.
 - b. All gifts, as defined in Government Code Section 82028, given by the Placement Agent to any SamCERA Board Member during the prior 24-month period. Additionally, any subsequent gift made by the Placement Agent to any SamCERA Board Member during the time the Placement Agent is receiving compensation in connection with a SamCERA investment shall also be disclosed.
 - 6. SamCERA reserves the right to deem the failure to disclose the information required by 5(a) and 5(b) as a material breach of the agreement with the External Manager.

C. SamCERA Investment Staff (“Staff”) are responsible for:

1. Providing External Managers with a copy of this Policy at the time that discussions are initiated with respect to a prospective investment or engagement.
2. Confirming that the information in section B above has been received within 45 days of the time the execution of the investment contract or Amendment.
3. For new contracts and amendments to contracts existing as of the date of the initial adoption of this Policy, securing the agreement of the External Manager in the final written agreement between SamCERA and the External Manager to provide in the event that there was or is an intentional material omission or inaccuracy in the Placement Agent Information Disclosure or any other violation of this Policy, SamCERA reserves the right to reimbursement of any management or advisory fees paid by SamCERA from the date of violation to the date of the imposition of the fees.
4. Prohibiting any External Manager or Placement Agent from soliciting new investments from SamCERA for five years after they have committed a material violation of this Policy; provided, however, that SamCERA’s Board, by majority vote at a noticed, public meeting, may reduce this prohibition upon a showing of good cause.
5. Providing the Board with Placement Agent information relating to each investment at the time the investment is brought to the Board for its decision.
6. Maintaining Placement Agent Information Disclosures as a public record and reporting to the Board any a material violation of this Policy.

Adopted December 14, 2010

Amended October 25, 2011


Amended March 28, 2017

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 24, 2020

Agenda Item 4.11

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: Ratification of SamCERA's Portable Electronic Devices Policy

Recommendation

Ratify SamCERA's Portable Electronic Devices Policy.

Background

In 2010, to reduce the amount of paper used in preparing Board packet materials, SamCERA commenced using an electronic format for Board materials and making the materials available to public on line. Board members were issued certain electronic devices to download and have the packet materials available to review prior to the meeting and at the meeting. Later that year, the Board approved a Portable Electronic Devices Policy to facilitate the use of these devices.

Discussion

In 2013, staff reviewed the policy and recommended that it should be updated to reflect the changes in technology since 2010. Those revisions, which the Board adopted, updated the technical references but did not affect the core of the policy which still provides:

- The equipment and software is for SamCERA business only, not personal use.
- The equipment is not solely assigned to individuals and is used on an as needed basis.
- No downloading or installing of any application or software onto the equipment.
- Persons who have SamCERA equipment are responsible for the security of the equipment and data. Any lost or stolen equipment or data must be reported immediately.

Staff has reviewed the Board's policy, as well as the County's similar policies, and does not have any recommended changes at this time.

Attachment

Portable Electronic Device Policy



Address: 100 Marine Parkway | Suite 125
Redwood City, CA 94065
Phone: (650) 599-1234
Toll-Free: (800) 339-0761
Fax: (650) 591-1488
PONY: RET 141
Web: www.samcera.org
Email: samcera@samcera.org

SamCERA Portable Electronic Device Policy

For purposes of this policy, “portable electronic devices” are defined to include cellular phones, personal digital assistants, laptops, e-readers, netbooks, notebooks or any other electronic device capable of displaying data or images.

Purpose:

This policy is intended to set forth the authorization and limitations of use of SamCERA portable electronic devices.

Scope:

These guidelines apply to all SamCERA board members and staff.

Background:

SamCERA board packet material is extensive. The copying, delivering and producing of the packet material is expensive and not in line with environmental policies and practices of SamCERA. SamCERA now makes available an electronic PDF version of the monthly board packet. SamCERA would like to facilitate the offsite access and usage of the electronic version by allowing board and staff to use SamCERA portable electronic devices to retrieve, store, edit and read the electronic board packet.

Portable electronic devices are a security risk because they may contain private, confidential or sensitive SamCERA member information, and being portable, are at risk for loss, theft, or other unauthorized access.

Portable electronic devices may be more vulnerable to viruses and other such threats because the user may not regularly use virus protection software and other safeguards available to SamCERA’s desktop computers.

Policy:

1. Board members and staff understand that their authorization to periodically use SamCERA portable electronic devices, associated equipment and software (“SamCERA portable electronic devices”) is limited to and for the sole purpose of conducting SamCERA business. Board members and staff further understand that they have no expectation of privacy with regard to their use of such devices.

2. SamCERA portable electronic devices are not solely assigned to individual Board Members and staff but are resources to be used on an as needed basis and will be rotated amongst Board Members and staff in accordance with SamCERA's business needs. SamCERA is entitled to and will require such devices to be returned to SamCERA for routine maintenance and to ensure that they are being used only in a manner that is consistent with these policies.
3. SamCERA portable electronic devices are not for the personal use of the Board member or staff employee or any other person or entity. Board members and staff will not permit anyone else including, but not limited to, the Board member or staff's family and/or associates, to use this SamCERA property.
4. Board members and staff may not download or install any software onto any SamCERA portable electronic devices without prior authorization by the SamCERA CEO or Chief Technology Officer (CTO).
5. Board members and staff who have an assigned portable electronic device are responsible for the security of the device, all associated equipment and all data. Board members and staff must report any lost or stolen portable electronic equipment or data to the CEO or CTO of SamCERA as soon as discovered.
6. Portable electronic devices may remotely access the SamCERA network only through remote access systems maintained by SamCERA.

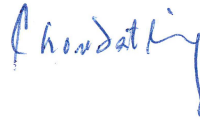
SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 24, 2020

Agenda Item 4.12

TO: Board of Retirement

FROM: Tat-Ling Chow, Finance Officer



SUBJECT: Report on the County Prepayment of Employer Pension Contributions for Fiscal Year 2020-2021

Recommendation

Accept the report on the County's prepayment of employer pension contributions totaling \$218,175,177 for fiscal year 2020-21.

Background

Milliman Inc. determined the County statutory contribution rates for fiscal year 2020-21 in its 2019 valuation. These rates were subsequently approved by the Board of Retirement and the County Board of Supervisors.

Discussion

The County prepayment of employer pension contributions for fiscal year 2020-21 is about \$218 million. This amount is based on the adopted contribution rates and the projected annual payroll. The County plans to pay this amount through two semi-annual installments, the first in July 2020 and the other in January 2021, respectively. Upon receipt by SamCERA, the installments will be put into the County Advance Contribution Account.

After each payroll period ended, the County Controller will notify SamCERA of the County's required contribution based on the actual payroll. SamCERA will then transfer the amount as notified from the County Advance Contribution Account (where the prepayment is temporarily held) to the Employer Contribution Account (where the actual required contribution is recorded). Any balance on the County Advance Contribution Account will receive interest at the assumed investment return of 6.5% per annum.

If the overall prepayment received is insufficient to satisfy the annual statutory required contribution, the County will pay the amount still owing. If the overall prepayment exceeds the annual statutory required contribution, the overage will be used either as a credit towards the prepayment of the following year or placed in the County Supplementary Contribution Account as directed by the County.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 24, 2020

Agenda Item 4.13

TO: Board of Retirement

FROM: Doris Ng, Investment Analyst



SUBJECT: Report on Proxy Voting Summary for the Year Ended December 31, 2019

Recommendation

Accept the Proxy Voting Summary Report for the year ended December 31, 2019.

Background

Consistent with SamCERA's Investment Policy, investment managers are delegated authority for the voting of proxies. Managers have been providing staff with quarterly reports on all proxies cast.

The summary report is a more streamlined and robust aggregation of the various reports and shows an overview of the proxy voting conducted by SamCERA's domestic and international equity managers on SamCERA's behalf for the period.

On the summary page, the first table shows statistics of the proposals voted and how they were voted relative to management's or proxy advisor's recommendations. The majority of proposals are typically cast in favor of management's recommendations. In the second table, we drill into the proposals cast against management's or proxy advisor's recommendations by proposal type.

Details of the subset of proposals voted against management's or proxy advisor's recommendations will be provided upon request.

Discussion

For the calendar year ended December 31, 2019, there were 32,352 proxy proposals. Of the total proposals, 5.6% were cast against management's recommendation, 90.4% with management's recommendation and 4% not voted. The top three categories of votes cast against management's recommendation were Boards and Directors (60%), Remuneration and Benefits (20%), and Capital Structure, Mergers, Asset Sales and Other Special Transactions (12%). Within the Boards and Directors category, independence, performance and capacity of the directors were some of the common concerns. Within the Remuneration and Benefits category, alignment of shareholder interests, structure of remuneration arrangements, and insufficient information disclosure were some of the common concerns cited in the voting rationales. Lastly, within the Capital Structure, Mergers, Asset Sales and Other Special Transactions category, potential dilution of shareholder interest, anti-takeover potential and giving the board excessive discretion on capital issuance were some of the common concerns.

Attachment

Proxy Voting Summary for Calendar Year Ended 12-31-2019

Year Ended 12/31/2019

Proxy Voting Summary Statistics

Investment Manager ¹	Strategy	Total Proposals	Proposals Not Voted	FOR AGAINST		AGAINST
				Mgmt Rec	Mgmt Rec	Proxy Advisor Rec ²
Acadian Asset Management	U.S. Managed Volatility	1,579	2	1,432	145	0
Baillie Gifford	International Growth	986	1	945	40	0
Passive Core	Russell 1000, EAFE	24,117	1,290	21,660	1,167	0
Mondrian ³	International Value	897	1	860	36	8
Mondrian ³	Emerging Markets Equity Fund, L.P.	866	2	760	104	104
Low Volatility Core	Defensive Equity U.S. Low Volatility	1,161	0	1,082	79	0
Quantitative Management Associates ⁴	Small Cap Core	2,746	11	2,496	239	231
Grand Total		32,352	1,307	29,235	1,810	343

¹ Note: Information not available for investment managers, D.E. Shaw and Eaton Vance Parametric, as related to the Large Cap Core 130/30 and Emerging Markets Core Equity portfolios, respectively.

² Information not available or applicable for all managers.

³ Voting rationale provided for only select proposals voted against management and/or proxy advisor due to manual process.

⁴ Voting rationale may not be provided for proposals voted against management, but consistent with manager's internal proxy voting policy.

Votes Against Management or Proxy Advisor


Count of Proposal Type	Investment Manager							Grand Total
	Baillie Gifford	Mondrian	Passive Core	Quantitative Management Associates	Acadian Asset Management	Low Volatility Core		
Boards and Directors	19	73	741	135	77	46	1091	
Capital Structure, Mergers, Asset Sales and Other Special Transactions	17	28	163	9			217	
General Corporate Governance Matters	3	10	41	8	24	13	99	
Remuneration and Benefits	1	31	208	85	23	12	360	
Social, Ethical and Environmental Issues				2	21	8	31	
Auditors and Audit-Related Issues		2	14				16	
Grand Total	40	144	1167	239	145	79	1814	

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 24, 2020

Agenda Item 4.14

TO: Board of Retirement

FROM: Scott Hood, Chief Executive Officer 

SUBJECT: Authorization to Take Certain Action During a Declaration of Emergency

Recommendation

Adopt a resolution approving the "Authorization for the Chief Executive Officer to take Necessary Action in the Best Interests of the Retirement Fund During a Declaration of Emergency."

Background

In an emergency, the Chief Executive Officer (CEO) is authorized to purchase certain goods or services on behalf of SamCERA subject to later ratification by the Board. Similar authority does not exist for investment decisions.

Discussion

Due to the rapid spread of the COVID-19 coronavirus, in January, the World Health Organization declared a global emergency and the Health and Human Services Secretary declared a public health emergency for the United States. Earlier in March, the Governor proclaimed a State of Emergency for California and a proclamation was made for San Mateo County and on March 13, the President declared a national emergency.

Because of this current health emergency, the Board may be not able to hold a public meeting due to illness, quarantine or other public health measures. Other emergencies may similarly arise in events, such as earthquakes or threats to national security, which may inhibit the Board's ability to meet in accordance with the Brown Act. The Governor may or may not suspend all or some of the requirements of the Brown Act in an Executive Order issued during an emergency.

If the Brown Act requirements are not suspended, and if a fire, flood, earthquake, or other emergency makes the usual meeting place unsafe, the Chair can designate another meeting place for the duration of the emergency and there can be a meeting via teleconferencing with certain requirements. Depending on the nature of the emergency, these current options under the Brown Act may: (1) not solve the Board's inability to meet and or (2) not be feasible to carry out. The impact of the emergency could have a swift and direct effect on the financial markets. Consequently, it would be in the best interest of the fund to make timely investment decisions before a public meeting can be held.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

The attached resolution provides that when such a situation arises, the CEO can make decisions in the best interest of the investment fund, and consistent with applicable Board policy, if those decisions must be promptly made and are made in consultation with the Board Chair, or if the Chair is not available, the Vice Chair, and one member of the Investment Committee, the Board's Investment Consultant, staff and legal counsel. All significant actions shall be reported to the Board at its next meeting.

Attachment

Resolution adopting Authorization for The Chief Executive Officer to Take Necessary Action in The Best Interests of The Retirement Fund During a Declaration of Emergency

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

**AUTHORIZATION FOR THE CHIEF EXECUTIVE OFFICER TO TAKE NECESSARY ACTION
IN THE BEST INTERESTS OF THE RETIREMENT FUND
DURING A DECLARATION OF EMERGENCY**

RESOLUTION - ____

WHEREAS, Article XVI, §17 of the Constitution of the State of California vests the Board with "plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system"; and

WHEREAS, Government Code §31595 vests in the Board ". . . exclusive control of the investment of the employees' retirement fund"; and

WHEREAS, on September 25, 2012, the Board adopted its "Authorization for the Chief Executive Officer to Execute Documentation For Investments As Required," authorizing the Chief Executive Officer (CEO), in consultation with the Board Chair, or if the Chair is not available, the Vice Chair, and one member of the Investment Committee, the Board's Investment Consultant, staff and legal counsel, to make investment decisions for those Alternative Investments of \$25 million or less if such decision must be made prior to the date of the next regularly scheduled Board meeting and as long as such decision is in the best interest of the investment fund and consistent with applicable Board policy; and

WHEREAS on April 28, 2015, the Board adopted its "Policy For Procurement And Contracting For Certain Goods And Services", which authorizes the CEO or designee to bind SamCERA for the purchase of certain goods or services or terminate such relationships, except in emergencies, and in cases of emergencies, the CEO is authorized to act on behalf of SamCERA without limitation, subject to later ratification by the Board; and

WHEREAS, this Board has determined that during those occasions when a federal or state or local emergency has been declared by the applicable authority, and if the condition that gave rise to the declaration of emergency is such that it prevents the Board from safely being able to attend a meeting due to either potential risks to the health and safety of Board members or limitations in ability to safely travel within the County and the Brown Act provisions regarding moving the site of the meeting or providing teleconferencing are not either helpful and or feasible; the CEO should have the authority to make decisions in the best interest of the investment fund and consistent with applicable Board policy if those decisions must be promptly made.

BE IT RESOLVED, that during those occasions when a federal or state or local emergency has been declared by the applicable authority, and if the condition that gave rise to the declaration of emergency is such that it prevents the Board from safely being able to attend a meeting due to either potential risks to the health and safety of Board members or limitations in ability to safely travel within the County and the Brown Act provisions regarding moving the site of the meeting or providing teleconferencing are not either helpful and or feasible:

- (1) The Board of Retirement authorizes the Chief Executive Officer to make decisions in the best interest of the retirement fund and consistent with applicable Board policy if those decisions must be promptly made and are made in consultation with the Board Chair, or if the Chair is not available, the Vice Chair, and one member of the Investment Committee, the Board's Investment Consultant, staff and legal counsel.

- (2) All significant actions of the Chief Executive Officer authorized by this resolution shall be reported to the Board at its next meeting.

Be it further RESOLVED that this resolution shall supersede provisions contained in resolutions previously adopted by the Board that are inconsistent with the provisions set forth in this resolution.

SAN MATEO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
Board of Retirement

March 24, 2020

Agenda Item 6.1

TO: Board of Retirement

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

SUBJECT: Preliminary Monthly Portfolio Performance Report for the Period Ended February 29, 2020

Recommendation

Accept the preliminary performance report dated February 29, 2020.

Background

This preliminary report is intended to provide a high-level view of the portfolio and its trends. It is not intended to provide short-term performance upon which the Board would act. As discussed previously, preliminary performance estimates are now included for AQR Risk Parity, AQR Delta, PanAgora Risk Parity, and Beach Point Select. The quarterly performance metrics are not yet available for our private equity, private credit, private real asset, and real estate portfolios. The performance for these portfolios will be reflected in the quarterly performance report generated by Verus.

The attached performance report shows both net and gross of fee returns for the total plan on page one, with net composite returns (pages 2-3) and net manager returns (pages 4-11) also shown.

Discussion

The fund's net preliminary return for February was -3.9%, bringing the preliminary trailing twelve-month return ending February 2020 to 5.2% net. The preliminary twelve-month net return is below SamCERA's Plan Benchmark return of 6.4% and SamCERA's Actuarial Assumed Earnings Rate of 6.5%.

The U.S. equity market (measured by the S&P 500 Index) reached an all-time high on February 19th, only to fall dramatically (over 10%) to end February down 8.2%. The correction (defined as a loss greater than 10% from its high) was the fastest on record. The spread of the COVID-19 virus and the resulting fear of its impact on global economic growth led to a global risk-off environment. International markets were negative on the month. Developed international equity (as measured by MSCI EAFE) was down 9.0%, while emerging markets were down 5.3%.

The general U.S. fixed income market was higher by 1.8% during the month, as interest rates were lower across the board. The 10-year U.S. Treasury yield decreased 36 basis points and ending at 1.15% by month-end. High Yield fixed income returns were down 1.4% as spreads widened in the risk-off environment.

Attachments

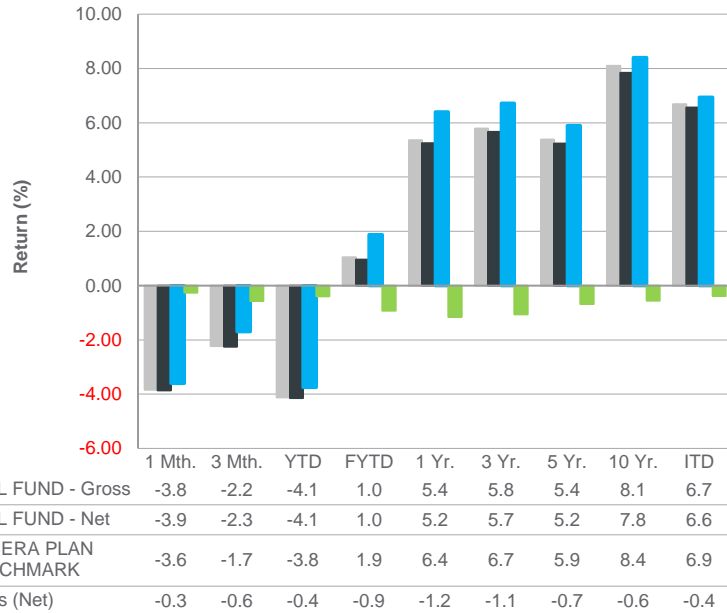
Northern Trust Monthly Preliminary Performance Report
Verus Capital Market Update

San Mateo County Composite Return Summary

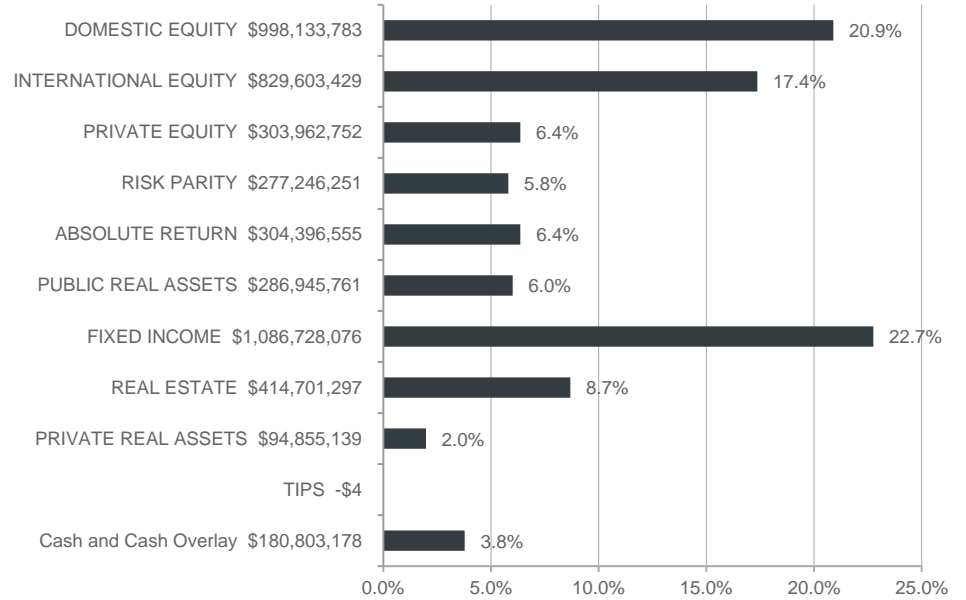
February 29, 2020



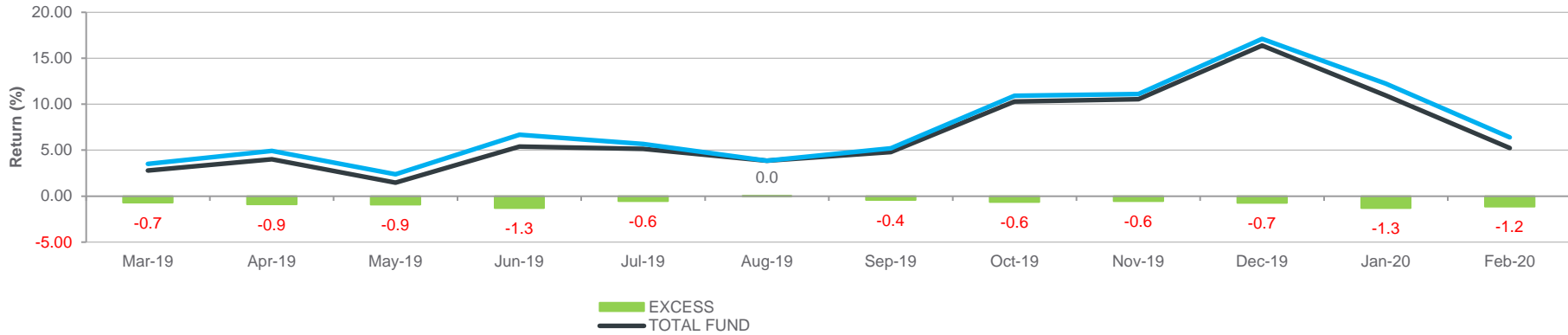
Total Fund Performance



Asset Allocation

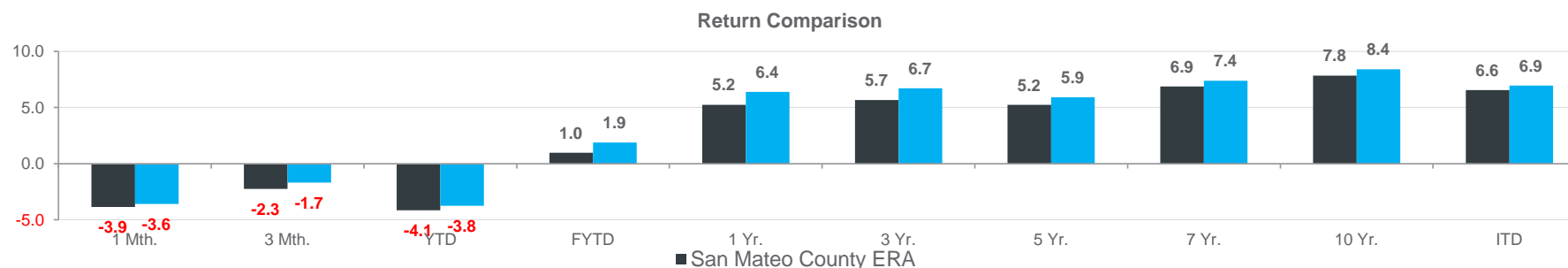


Rolling Month End Annual Returns



San Mateo County Composite Return Summary

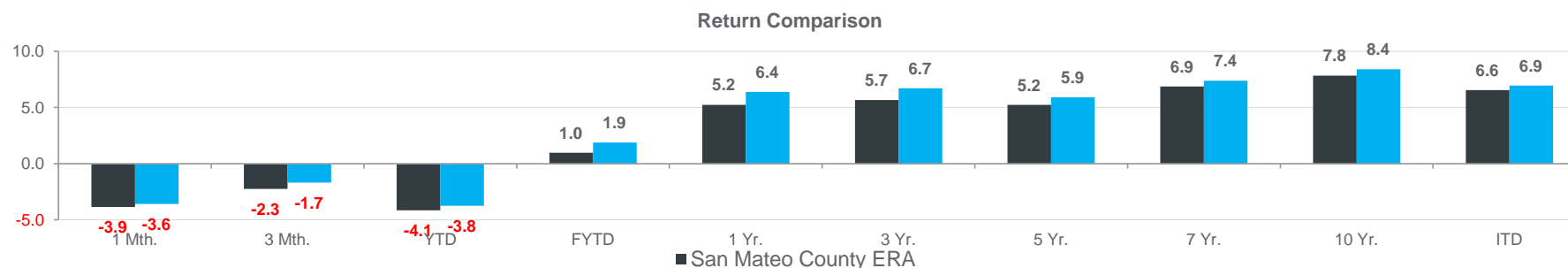
February 29, 2020



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
San Mateo County ERA	4,777,376,216	-3.9	-2.3	-4.1	1.0	5.2	5.7	5.2	6.9	7.8	6.6
Samcera Total Plan Benchmark		-3.6	-1.7	-3.8	1.9	6.4	6.7	5.9	7.4	8.4	6.9
Excess		-0.3	-0.6	-0.4	-0.9	-1.2	-1.1	-0.7	-0.5	-0.6	-0.4
San Mateo Ex-Clifton Overlay	4,755,787,875	-3.9	-2.2	-4.1	1.0	5.2	5.5	5.1	6.8	7.8	6.5
Samcera Total Plan Benchmark		-3.6	-1.7	-3.8	1.9	6.4	6.7	5.9	7.4	8.4	6.9
Excess		-0.3	-0.6	-0.4	-0.9	-1.2	-1.2	-0.8	-0.6	-0.6	-0.5
Total Equity	1,827,737,212	-7.9	-6.2	-9.1	-1.1	3.9	6.9	6.0	8.6	9.2	7.5
Samcera Total Equity Benchmark		-7.8	-5.9	-8.8	-0.6	4.0	7.2	6.8	9.5	10.1	8.1
Excess		-0.0	-0.3	-0.3	-0.6	-0.2	-0.3	-0.8	-0.9	-0.9	-0.6
Fixed Income	1,086,728,076	0.6	2.6	2.1	4.3	8.5	5.0	4.3	3.9	5.4	5.6
Samcera Fixed Income Benchmark		0.6	2.3	1.9	5.1	10.1	5.1	4.0	3.3	4.2	5.1
Excess		-0.1	0.3	0.1	-0.8	-1.6	-0.1	0.3	0.6	1.2	0.5
Risk Parity	277,246,251	-2.7	-0.3	-2.1	2.7	12.7	7.4	5.1	5.4	--	6.5
Samcera Risk Parity Benchmark		-4.8	-2.7	-4.7	1.0	6.2	6.3	6.0	7.9	--	7.9
Excess		2.1	2.4	2.6	1.7	6.5	1.1	-0.9	-2.5	--	-1.4

San Mateo County Composite Return Summary

February 29, 2020



Composite Returns (Net of Manager Fees)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Alternatives	608,359,306	-1.0	-0.7	-0.9	5.2	8.0	5.0	5.2	4.9	-3.0	-1.6
Samcera Alternatives Benchmark		2.3	5.0	3.7	8.9	12.7	10.4	8.5	9.0	9.6	8.0
Excess		-3.3	-5.6	-4.6	-3.8	-4.8	-5.4	-3.2	-4.1	-12.6	-9.6
Inflation Hedge	796,502,192	-3.4	-2.0	-4.1	-2.8	-1.4	2.8	--	--	--	5.2
SamCERA Inflation Hedge Index		-2.9	-1.4	-4.1	-1.3	2.0	4.4	--	--	--	5.4
Excess		-0.5	-0.5	-0.0	-1.5	-3.5	-1.6	--	--	--	-0.2
Cash	159,214,837	0.1	0.3	0.2	0.7	1.2	1.0	0.8	0.7	0.7	1.9
Samcera Cash Benchmark		0.1	0.4	0.3	1.3	2.2	1.7	1.1	0.8	0.6	1.9
Excess		-0.0	-0.2	-0.1	-0.6	-1.0	-0.8	-0.3	-0.1	0.1	0.0

San Mateo County Composite Return Summary

February 29, 2020



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Total Equity	1,827,737,212	-7.9	-6.2	-9.1	-1.1	3.9	6.9	6.0	8.6	9.2	7.5
Samcera Total Equity Benchmark		-7.8	-5.9	-8.8	-0.6	4.0	7.2	6.8	9.5	10.1	8.1
Excess		-0.0	-0.3	-0.3	-0.6	-0.2	-0.3	-0.8	-0.9	-0.9	-0.6
Domestic Equity	998,133,783	-8.4	-6.3	-8.8	-0.2	5.4	8.4	8.2	11.2	11.7	8.5
Samcera Dom. Equity Benchmark		-8.2	-5.6	-8.3	1.2	6.9	9.3	8.6	11.8	12.4	8.9
Excess		-0.2	-0.7	-0.5	-1.4	-1.5	-0.9	-0.4	-0.5	-0.7	-0.4
Large Cap Equity	919,091,328	-8.3	-5.8	-8.3	0.4	7.0	9.3	9.1	12.1	12.1	9.3
Russell 1000		-8.2	-5.4	-8.1	1.7	7.8	9.7	9.0	12.2	12.6	9.6
Excess		-0.1	-0.4	-0.3	-1.2	-0.8	-0.4	0.1	-0.0	-0.5	-0.3
Blackrock Russell 1000	489,918,184	-8.2	-5.4	-8.1	1.7	7.8	9.7	--	--	--	10.9
Russell 1000		-8.2	-5.4	-8.1	1.7	7.8	9.7	--	--	--	10.9
Excess		-0.0	-0.0	-0.0	0.0	-0.0	-0.0	--	--	--	0.1
DE Shaw Commingled Fund	146,260,794	-8.1	-6.6	-8.8	0.7	8.3	9.1	9.3	--	--	9.8
Russell 1000		-8.2	-5.4	-8.1	1.7	7.8	9.7	9.0	--	--	9.3
Excess		0.0	-1.1	-0.7	-1.0	0.5	-0.6	0.3	--	--	0.5
Acadian US MGD V-SL	138,116,663	-8.9	-7.0	-9.6	-2.2	2.6	--	--	--	--	12.9
Russell 1000		-8.2	-5.4	-8.1	1.7	7.8	--	--	--	--	18.3
Excess		-0.8	-1.6	-1.5	-3.8	-5.2	--	--	--	--	-5.4
Panagora Defuseq -SL	144,795,687	-8.1	-5.1	-7.6	-1.4	7.4	--	--	--	--	18.1
Russell 1000		-8.2	-5.4	-8.1	1.7	7.8	--	--	--	--	18.3
Excess		0.0	0.3	0.5	-3.1	-0.4	--	--	--	--	-0.1
Small Cap Equity	79,042,455	-9.8	-12.2	-14.1	-6.9	-9.7	0.4	1.6	5.6	8.7	5.5
Russell 2000		-8.4	-8.8	-11.4	-4.9	-4.9	3.5	5.1	8.6	10.4	7.3
Excess		-1.4	-3.4	-2.7	-2.0	-4.8	-3.1	-3.5	-3.0	-1.7	-1.7
QMA US Small Cap	79,042,455	-9.8	-12.2	-14.1	-6.9	-9.7	0.4	--	--	--	4.4
Russell 2000		-8.4	-8.8	-11.4	-4.9	-4.9	3.5	--	--	--	6.6
Excess		-1.4	-3.4	-2.7	-2.0	-4.8	-3.1	--	--	--	-2.2

San Mateo County Composite Return Summary

February 29, 2020



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
International Equity	829,603,429	-7.2	-6.0	-9.4	-2.2	2.1	5.1	3.0	4.3	4.7	5.2
SamCERA Custom Hedge Intl		-7.4	-6.2	-9.4	-2.7	0.6	4.5	2.6	3.7	4.7	4.7
Excess		0.2	0.2	0.0	0.5	1.5	0.5	0.4	0.6	-0.0	0.5
Developed Markets Equity	746,460,407	-7.1	-6.0	-9.1	-1.4	3.2	5.5	3.3	4.8	5.1	4.2
MS AC WldxUS IMI Nt		-8.1	-6.7	-10.6	-4.1	-0.9	4.0	2.3	3.5	4.5	4.4
Excess		0.9	0.7	1.5	2.7	4.1	1.6	1.0	1.3	0.5	-0.2
Baillie Gifford	242,589,926	-6.8	-4.2	-8.9	1.4	9.3	7.9	5.0	6.3	--	7.2
MSCI ACWI ex USA Growth		-7.3	-4.3	-8.2	-0.1	6.2	8.0	4.7	5.5	--	--
Excess		0.5	0.2	-0.7	1.5	3.1	-0.1	0.4	0.8	--	--
Blackrock EAFE Index Fund	230,362,498	-9.0	-8.0	-10.9	-4.6	-0.2	4.3	2.3	--	--	2.1
MSCI EAFE ND		-9.0	-8.0	-10.9	-4.7	-0.6	3.9	2.0	--	--	1.8
Excess		-0.0	0.0	0.0	0.1	0.3	0.4	0.3	--	--	0.3
Mondrian Investment Partners	232,006,088	-8.1	-7.3	-11.5	-4.7	-3.0	3.0	1.3	3.4	4.3	4.6
MSCI ACWI xUSA Value		-8.5	-8.6	-12.6	-7.8	-6.5	1.4	0.6	2.2	3.4	4.3
Excess		0.5	1.3	1.1	3.1	3.5	1.6	0.7	1.2	0.9	0.3
Parametriccurr Ovrla	41,501,896	9.3	3.0	21.9	30.5	36.8	--	--	--	--	42.2
--		--	--	--	--	--	--	--	--	--	--
Excess		--	--	--	--	--	--	--	--	--	--
Emerging Markets Equity	83,143,022	-7.7	-6.8	-12.1	-9.1	-7.2	0.9	0.4	0.1	--	0.6
MSCI Emerging Markets ND		-5.3	-3.0	-9.7	-3.3	-1.9	4.9	2.7	1.8	--	2.0
Excess		-2.5	-3.9	-2.4	-5.8	-5.3	-4.0	-2.3	-1.7	--	-1.4
EV Parametric EM	83,143,022	-7.7	-6.8	-12.1	-9.1	-7.2	0.9	--	--	--	2.3
MSCI Emerging Markets GD		-5.3	-2.9	-9.7	-3.1	-1.5	5.3	--	--	--	5.2
Excess		-2.5	-4.0	-2.4	-6.0	-5.7	-4.4	--	--	--	-2.9
Fixed Income	1,086,728,076	0.6	2.6	2.1	4.3	8.5	5.0	4.3	3.9	5.4	5.6
Samcera Fixed Income Benchmark		0.6	2.3	1.9	5.1	10.1	5.1	4.0	3.3	4.2	5.1
Excess		-0.1	0.3	0.1	-0.8	-1.6	-0.1	0.3	0.6	1.2	0.5

San Mateo County Composite Return Summary

February 29, 2020



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Core Fixed Income	693,594,307	0.8	2.8	2.3	4.9	9.2	4.5	3.7	3.6	4.8	5.4
BBG Barclays US Aggregate		1.8	3.7	3.8	6.3	11.7	5.0	3.6	3.3	3.9	5.1
Excess		-1.0	-0.9	-1.5	-1.4	-2.5	-0.5	0.1	0.3	0.8	0.3
FIAM Core Bond	299,103,352	1.3	3.5	3.4	6.3	11.9	5.2	4.0	3.7	4.6	4.9
BBG Barclays US Aggregate		1.8	3.7	3.8	6.3	11.7	5.0	3.6	3.3	3.9	4.5
Excess		-0.5	-0.2	-0.3	0.0	0.2	0.2	0.4	0.4	0.7	0.4
Western Total Return	140,239,743	-1.7	0.6	-1.5	2.6	5.5	4.2	--	--	--	4.3
BBG Barclays US Aggregate		1.8	3.7	3.8	6.3	11.7	5.0	--	--	--	4.0
Excess		-3.5	-3.1	-5.2	-3.7	-6.2	-0.8	--	--	--	0.2
Blackrock Inter Gov	254,251,212	1.6	3.1	3.1	4.4	8.2	3.6	--	--	--	3.6
BBG Barclays US Aggregate		1.8	3.7	3.8	6.3	11.7	5.0	--	--	--	5.1
Excess		-0.2	-0.6	-0.6	-1.9	-3.5	-1.4	--	--	--	-1.6
Opportunistic Credit	393,133,769	0.1	2.4	1.7	3.4	7.2	6.1	6.2	6.6	8.6	8.8
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	7.1	5.0	4.9	5.2	6.9	7.1
Excess		1.5	2.4	2.9	0.5	0.1	1.1	1.3	1.4	1.8	1.7
Pimco Private Income	27,263,219	0.0	1.6	1.6	4.7	--	--	--	--	--	4.7
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	--	--	--	--	--	5.9
Excess		1.4	1.7	2.8	1.8	--	--	--	--	--	-1.2
AG Opportunistic Whole Loan	3,943,977	0.0	0.0	0.0	10.0	11.7	20.9	14.1	--	--	11.3
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	7.1	5.0	4.9	--	--	4.9
Excess		1.4	0.1	1.2	7.1	4.5	15.9	9.2	--	--	6.4
Angelo Gordon	3,330,228	2.4	2.4	2.4	13.1	20.3	24.2	16.8	15.7	--	15.2
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	7.1	5.0	4.9	5.2	--	5.3
Excess		3.8	2.5	3.6	10.2	13.1	19.2	11.8	10.5	--	9.9
Blackrock Direct Lending Feede	1,758,242	0.0	-7.0	-7.0	-7.0	--	--	--	--	--	-7.0
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	--	--	--	--	--	5.5
Excess		1.4	-6.9	-5.8	-9.9	--	--	--	--	--	-12.5

San Mateo County Composite Return Summary

February 29, 2020



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Beach Point Select Fund	55,505,565	0.7	4.3	3.1	5.6	11.1	6.9	7.9	--	--	8.2
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	7.1	5.0	4.9	--	--	5.2
Excess		2.1	4.4	4.3	2.7	4.0	1.9	3.0	--	--	2.9
Brigade Cap Mngmt	81,885,775	0.0	3.5	3.7	3.3	7.6	4.6	4.7	4.7	--	6.3
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	7.1	5.0	4.9	5.2	--	6.5
Excess		1.4	3.6	4.9	0.4	0.5	-0.4	-0.2	-0.5	--	-0.2
White Oak Yield Spec	33,921,514	2.3	2.3	2.3	5.4	8.0	--	--	--	--	--
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	7.1	--	--	--	--	5.2
Excess		3.7	2.4	3.5	2.5	0.9	--	--	--	--	--
PIMCO Div. Income Fund	101,577,889	-0.1	2.2	1.4	4.3	9.6	--	--	--	--	5.6
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	7.1	--	--	--	--	4.6
Excess		1.2	2.3	2.6	1.4	2.5	--	--	--	--	1.0
TCP Direct Lending VIII	33,097,941	0.0	0.6	0.0	2.1	5.7	5.9	--	--	--	--
BB Barc BA Intermediate HY Ind		-1.4	-0.1	-1.2	2.9	7.1	5.0	--	--	--	6.0
Excess		1.4	0.7	1.2	-0.8	-1.4	0.9	--	--	--	--
Franklin Templeton	50,849,419	-1.2	0.7	-1.2	-3.3	-3.5	0.4	1.1	1.3	--	3.2
BB Barclays Multiverse Index		0.5	2.4	1.7	3.0	7.7	4.4	3.0	2.0	--	2.5
Excess		-1.7	-1.7	-2.9	-6.3	-11.2	-4.0	-1.9	-0.7	--	0.8
Risk Parity	277,246,251	-2.7	-0.3	-2.1	2.7	12.7	7.4	5.1	5.4	--	6.5
Samcera Risk Parity Benchmark		-4.8	-2.7	-4.7	1.0	6.2	6.3	6.0	7.9	--	7.9
Excess		2.1	2.4	2.6	1.7	6.5	1.1	-0.9	-2.5	--	-1.4
AQR Global Risk III	200,640,145	-3.2	-0.4	-3.4	2.1	12.3	7.7	4.5	4.3	--	5.7
Samcera Risk Parity Benchmark		-4.8	-2.7	-4.7	1.0	6.2	6.3	6.0	7.9	--	7.9
Excess		1.6	2.3	1.2	1.1	6.1	1.4	-1.5	-3.6	--	-2.3
Panagora	76,606,106	-1.7	0.3	-0.2	3.8	13.7	7.4	5.8	--	--	6.8
Samcera Risk Parity Benchmark		-4.8	-2.7	-4.7	1.0	6.2	6.3	6.0	--	--	6.4
Excess		3.1	3.0	4.5	2.8	7.5	1.1	-0.2	--	--	0.4

San Mateo County Composite Return Summary

February 29, 2020



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Alternatives	608,359,306	-1.0	-0.7	-0.9	5.2	8.0	5.0	5.2	4.9	-3.0	-1.6
Samcera Alternatives Benchmark		2.3	5.0	3.7	8.9	12.7	10.4	8.5	9.0	9.6	8.0
Excess		-3.3	-5.6	-4.6	-3.8	-4.8	-5.4	-3.2	-4.1	-12.6	-9.6
Private Equity	303,962,752	0.8	1.3	1.4	14.5	21.6	15.2	14.4	14.9	--	-14.0
Samcera PE Benchmark		-7.9	-4.9	-7.8	3.2	10.1	12.5	12.0	15.2	--	15.7
Excess		8.8	6.2	9.2	11.3	11.5	2.6	2.5	-0.3	--	-29.7
Absolute Return	304,396,555	-3.3	-3.1	-3.7	-5.5	-6.6	-5.4	-1.1	1.5	--	1.6
Samcera LIBOR + 4%		0.5	1.4	1.0	4.0	6.2	5.9	5.3	5.0	--	4.8
Excess		-3.8	-4.5	-4.7	-9.5	-12.8	-11.3	-6.3	-3.5	--	-3.2
AQR Delta XN	123,546,042	-4.6	-7.3	-7.3	-12.1	-15.8	-10.5	-4.0	-0.7	--	-0.1
Samcera LIBOR + 4%		0.5	1.4	1.0	4.0	6.2	5.9	5.3	5.0	--	4.8
Excess		-5.1	-8.7	-8.2	-16.1	-22.1	-16.3	-9.3	-5.6	--	-4.9
Aberdeen Std GARS	105,850,513	-2.0	2.0	0.4	3.3	6.8	2.2	--	--	--	1.1
Samcera LIBOR + 4%		0.5	1.4	1.0	4.0	6.2	5.9	--	--	--	5.4
Excess		-2.5	0.5	-0.5	-0.7	0.6	-3.6	--	--	--	-4.4
Graham Global Investment	75,000,000	-0.0	--	--	--	--	--	--	--	--	-0.0
Samcera LIBOR +4%		0.5	--	--	--	--	--	--	--	--	0.5
Excess		-0.5	--	--	--	--	--	--	--	--	-0.5
Inflation Hedge	796,502,192	-3.4	-2.0	-4.1	-2.8	-1.4	2.8	--	--	--	5.2
SamCERA Inflation Hedge Index		-2.9	-1.4	-4.1	-1.3	2.0	4.4	--	--	--	5.4
Excess		-0.5	-0.5	-0.0	-1.5	-3.5	-1.6	--	--	--	-0.2
Real Estate	414,701,297	0.0	2.1	2.1	4.2	6.6	7.7	--	--	--	8.1
Samcera NCREIF ODCE EW (gross)		0.0	1.5	0.0	2.9	6.1	7.4	--	--	--	7.4
Excess		0.0	0.5	2.1	1.2	0.5	0.3	--	--	--	0.8
Invesco Core Real Estate	275,735,841	0.0	2.2	2.2	4.1	6.2	7.7	9.3	10.4	11.3	7.8
Samcera NCREIF ODCE EW (gross)		0.0	1.5	0.0	2.9	6.1	7.4	9.3	10.3	11.5	7.6
Excess		0.0	0.7	2.2	1.1	0.1	0.4	-0.0	0.1	-0.2	0.2

San Mateo County Composite Return Summary

February 29, 2020



Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
Invesco US Val IV	14,544,147	0.0	4.7	4.7	11.1	16.0	12.8	--	--	--	13.0
Samcera NCREIF ODCE EW (gross)		0.0	1.5	0.0	2.9	6.1	7.4	--	--	--	8.2
Excess		0.0	3.1	4.7	8.2	9.9	5.4	--	--	--	4.8
PGIM Real Estate US Debt Fund	85,250,317	0.0	1.4	1.4	3.0	6.1	--	--	--	--	4.8
Samcera NCREIF ODCE EW (gross)		0.0	1.5	0.0	2.9	6.1	--	--	--	--	6.9
Excess		0.0	-0.1	1.4	0.1	-0.0	--	--	--	--	-2.1
Invesco US VAL V	9,170,992	0.0	4.9	4.9	11.3	6.3	--	--	--	--	6.1
Samcera NCREIF ODCE EW (gross)		0.0	1.5	0.0	2.9	6.1	--	--	--	--	--
Excess		0.0	3.3	4.9	8.4	0.2	--	--	--	--	--
Harrison Street Core Property	30,000,000	0.0	--	0.0	--	--	--	--	--	--	0.0
Samcera NCREIF ODCE EW (gross)		0.0	--	0.0	--	--	--	--	--	--	0.0
Excess		0.0	--	0.0	--	--	--	--	--	--	0.0
Public Real Assets	286,945,761	-9.1	-8.0	-13.2	-12.0	-9.6	-1.2	--	--	--	--
SamCera Liquid Real Asset Inde		-8.4	-7.4	-12.2	-9.4	-6.8	0.6	--	--	--	4.2
Excess		-0.7	-0.6	-0.9	-2.6	-2.8	-1.8	--	--	--	--
CUSHING MLP ALPHA TR	59,443,883	-11.6	-9.8	-16.4	-20.3	-18.0	--	--	--	--	-16.3
50% BC US TIPS/50% SamCERA CRA		-3.5	-1.7	-4.5	-1.9	2.0	--	--	--	--	0.9
Excess		-8.1	-8.1	-11.9	-18.4	-20.0	--	--	--	--	-17.2
SSGA CST REAL ASSET NL	227,501,878	-8.4	-7.5	-12.3	-9.6	-7.1	0.4	--	--	--	--
SamCera Liquid Real Asset Inde		-8.4	-7.4	-12.2	-9.4	-6.8	0.6	--	--	--	2.4
Excess		-0.0	-0.1	-0.0	-0.2	-0.3	-0.3	--	--	--	--
Private Real Assets	94,855,139	0.8	1.1	1.3	-0.4	-11.5	-3.2	--	--	--	7.8
SamCERA Private Real Asset Idx		0.1	1.9	0.6	1.6	6.7	5.4	--	--	--	6.7
Excess		0.7	-0.8	0.7	-2.1	-18.2	-8.6	--	--	--	1.0
Cash	159,214,837	0.1	0.3	0.2	0.7	1.2	1.0	0.8	0.7	0.7	1.9
Samcera Cash Benchmark		0.1	0.4	0.3	1.3	2.2	1.7	1.1	0.8	0.6	1.9
Excess		-0.0	-0.2	-0.1	-0.6	-1.0	-0.8	-0.3	-0.1	0.1	0.0

San Mateo County Composite Return Summary

February 29, 2020

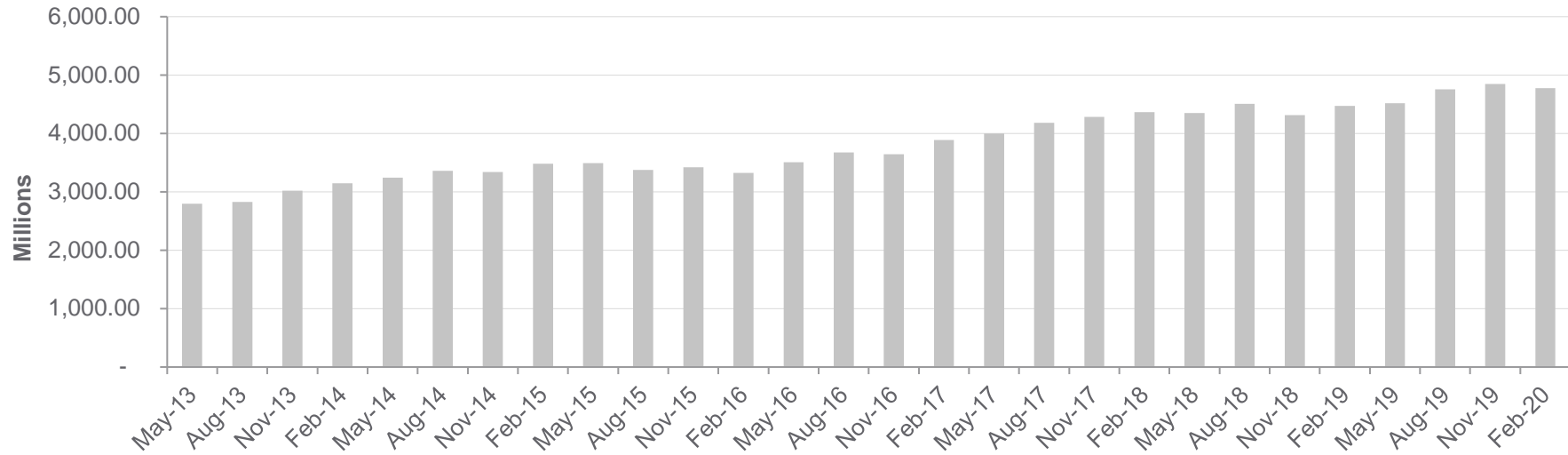


Composite Returns (NET)	Market Value (\$)	1 Mth.	3 Mth.	YTD	FYTD	1 Yr.	3 Yr.	5 Yr.	7 Yr.	10 Yr.	ITD
General Account	123,332,323	0.1	0.4	0.3	1.3	2.2	1.9	1.3	1.0	0.8	2.0
Transition Account	8	--	--	--	--	--	--	--	--	--	--
County Treasury Pool	35,882,506	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.1	0.4	2.4
Ex-Parametric MN Overlay	21,588,341	-2.6	-8.3	-16.2	-7.0	2.2	23.6	25.8	--	--	22.0
San Mateo County ERA	4,777,376,216	-3.9	-2.3	-4.1	1.0	5.2	5.7	5.2	6.9	7.8	6.6
Samcera Total Plan Benchmark		-3.6	-1.7	-3.8	1.9	6.4	6.7	5.9	7.4	8.4	6.9
Excess		-0.3	-0.6	-0.4	-0.9	-1.2	-1.1	-0.7	-0.5	-0.6	-0.4

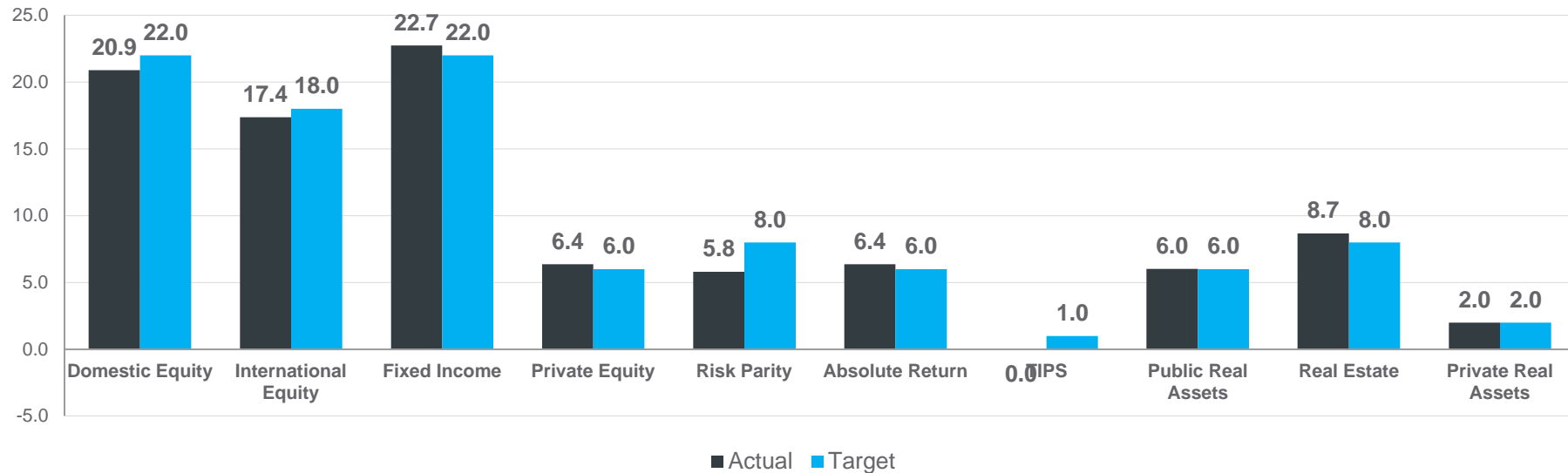
Record of Asset Growth

	Three Months	One Year
TOTAL FUND		
Beginning Market Value	4,846,002,321	4,473,822,236
Contributions	100,118,429	319,317,590
Withdrawals	-58,158,643	-254,116,249
Income Received	13,900,446	58,273,738
Gain/Loss	-124,155,573	181,281,411
Ending Market Value	4,777,376,216	4,777,376,216

Net Asset Values Over Time (\$000)

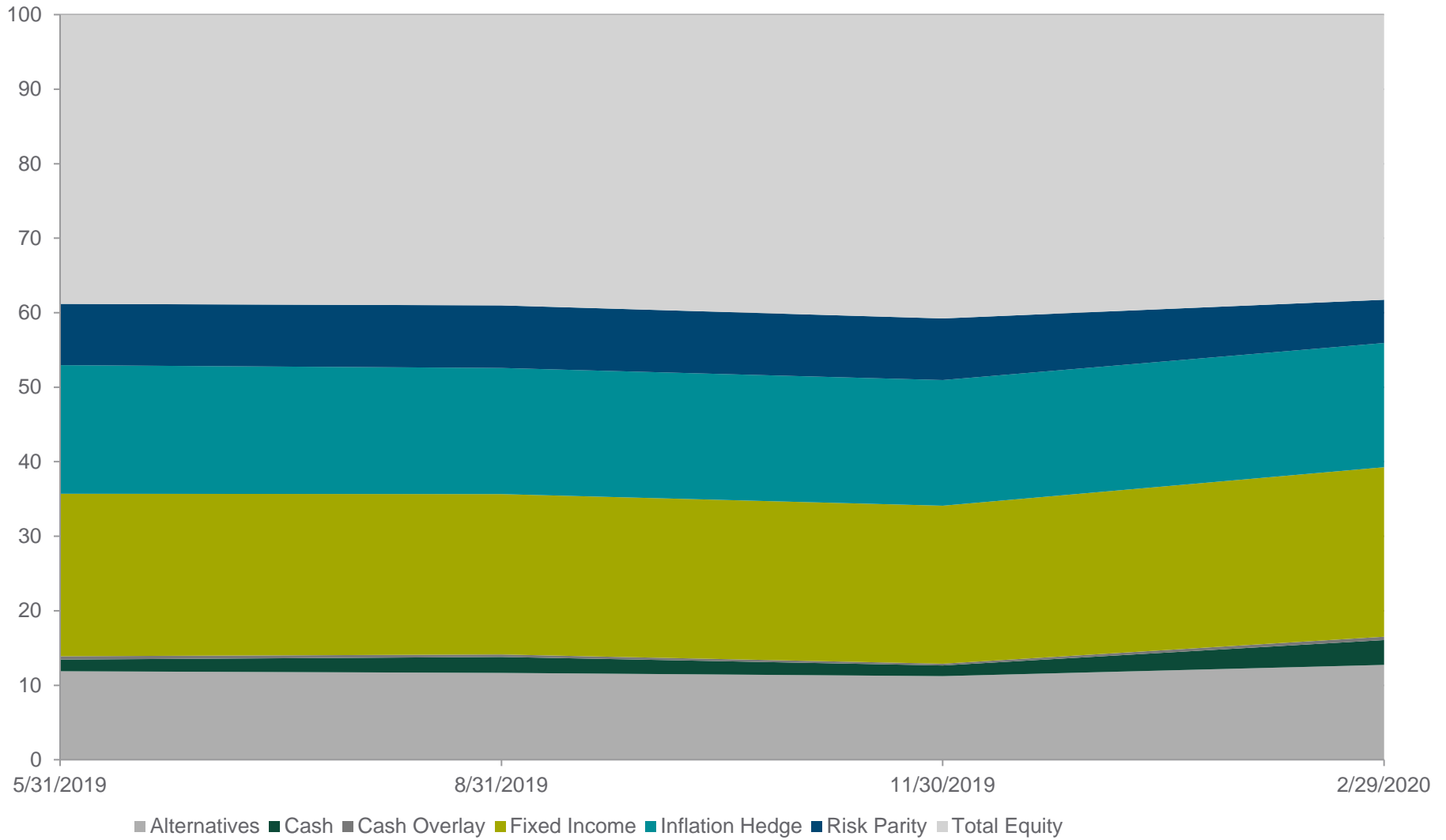


Actual vs Target Weights

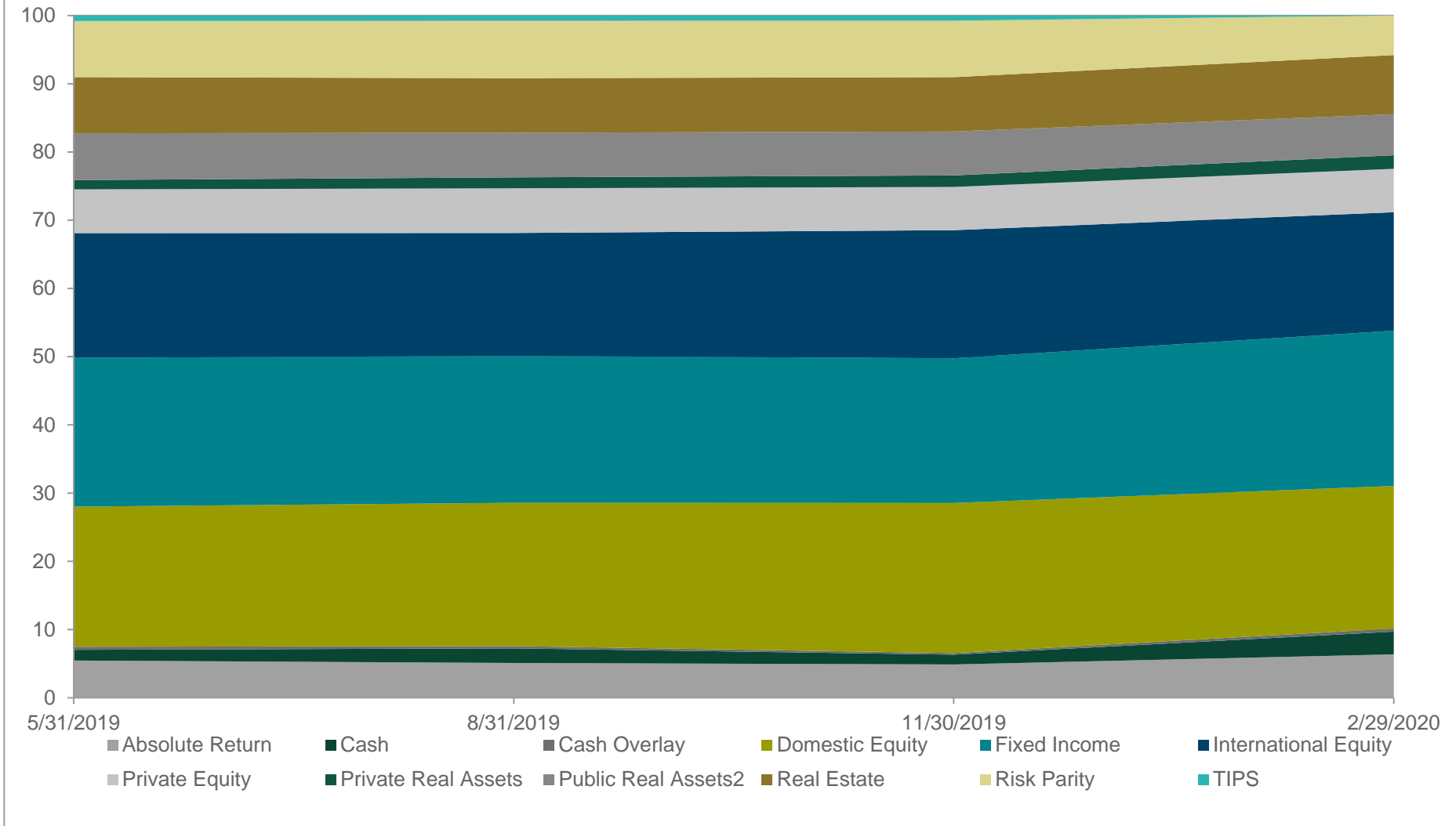


	Min	Actual	Target	Deviation	Max
Domestic Equity	20.0	20.9	22.0	-1.1	24.0
International Equity	16.0	17.4	18.0	-0.6	20.0
Fixed Income	20.0	22.7	22.0	0.7	24.0
Private Equity	4.0	6.4	6.0	0.4	8.0
Risk Parity	6.0	5.8	8.0	-2.2	10.0
Absolute Return	4.0	6.4	6.0	0.4	8.0
TIPS	0.0	0.0	1.0	-1.0	3.0
Public Real Assets	4.0	6.0	6.0	0.0	8.0
Real Estate	6.0	8.7	8.0	0.7	10.0
Private Real Assets	0.0	2.0	2.0	0.0	4.0

Asset Allocation over Time



Sub-Asset Class Allocation Over Time



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**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

FEBRUARY 2020
Capital Markets Update

Market commentary

U.S. ECONOMICS

- The U.S. labor market showed no signs of cracking in February. Non-farm payrolls expanded by +273,000 (exp. +175,000), bringing year-to-date additions just under a half a million jobs. Moreover, job additions over the prior two months were revised upward by +85,000.
- The ISM Services PMI rose from 55.5 to 57.3 (exp. 54.8), while the Markit Services PMI unexpectedly fell from 53.4 into contractionary territory below 50.0. The divergence between the two indicators of the health of the U.S. services economy is the largest in several years.
- Core PCE inflation, the Federal Reserve's preferred inflation gauge, grew +1.6% year-over-year in January, undershooting expectations (+1.7%). Fed officials have messaged they expect core PCE to move closer to their +2.0% target in the first few months of 2020.

U.S. EQUITIES

- The S&P 500 Price Index reached a new all-time high of 3386 on February 19th, and subsequently fell 12.8% by month-end. The correction (drop of 10% or more), was the fastest in the history of the S&P 500 Index and over the month, the index returned -8.2%.
- The CBOE VIX Index of implied volatility on the S&P 500 Index surged from 18.8 to 40.1, its highest level since August 2015. Heightened uncertainty surrounding the global economic and market impacts of the spreading coronavirus likely pushed the “fear gauge” higher.
- The term structure of the VIX Index inverted, implying that market participants were willing to pay more for insurance in the near-term than for insurance some time farther out in the future. Typically, the VIX curve is upward-sloping because providers of insurance require a term premium to insure a more uncertain period further in the future.

U.S. FIXED INCOME

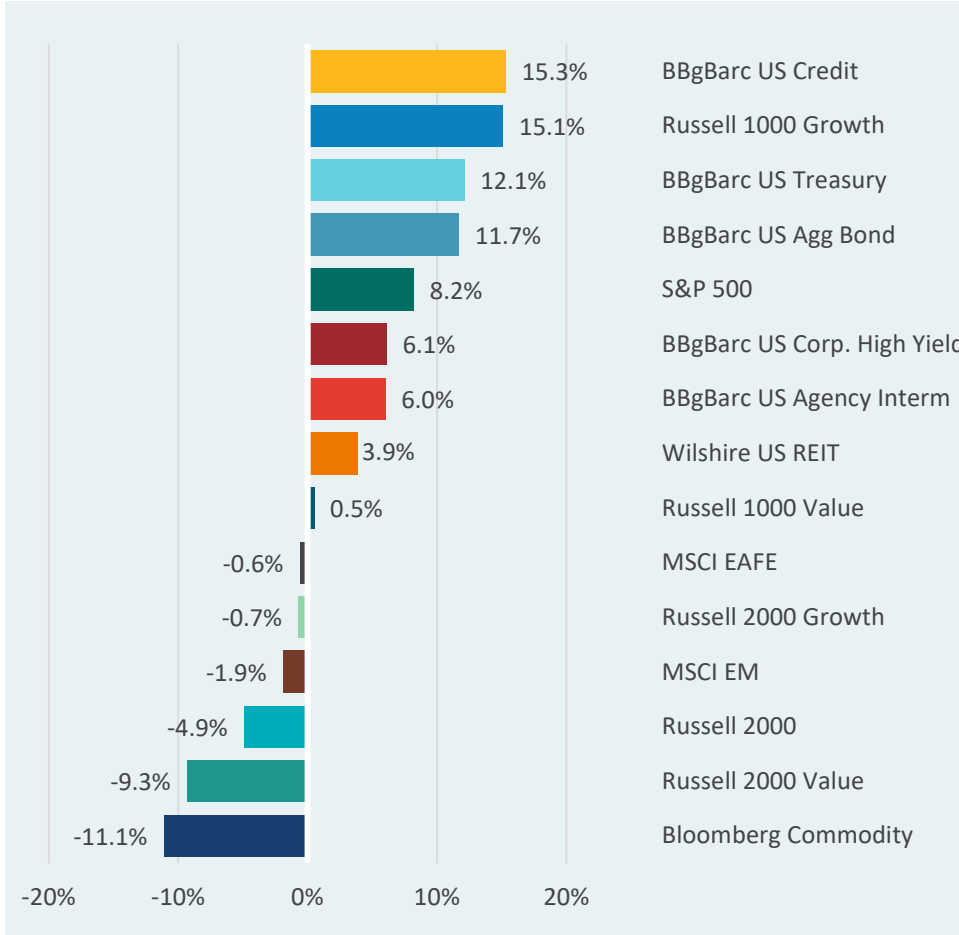
- On March 4th, the Federal Open Market Committee implemented an emergency, out-of-cycle 0.50% rate cut, bringing the range for federal funds to 1.00-1.25%. The cut was the first of its kind since the Global Financial Crisis, and the Fed noted the uncertainty regarding the impact of COVID-19 on the economy and markets as justification for an easing of monetary policy.
- The rally in U.S. Treasuries extended into February, and the 10-year Treasury yield fell from 1.51% to 1.15%, a fresh all-time low. Thirty-year Treasury yields dropped from 2.00% to 1.68%, also an all-time low, and only 6 bps above the effective fed funds rate.
- Interest rate duration exposure offered excellent diversification for equity market risk over the month as Treasury yields fell. The Bloomberg Barclays Long Term Treasury Index returned +6.7%.

INTERNATIONAL MARKETS

- The coronavirus spread at an exponential rate and global confirmed cases ballooned from 11,374 to 86,923. South Korea, Italy, and Iran saw material increases in infections, confirming that measures to contain the virus within China had proved ineffective.
- The spread of COVID-19 stoked risk-off sentiment and a incited trimming of global equity positions. Emerging market equities (-5.3%) fared slightly better than U.S. large cap equities (-8.2%) as well as international developed equities (-9.0%).
- China's official Manufacturing and Services PMIs fell from 50.0 to 35.7 and from 54.1 to 29.6 respectively in February (neutral level is 50.0), reflecting a jarring contraction in economic activity.

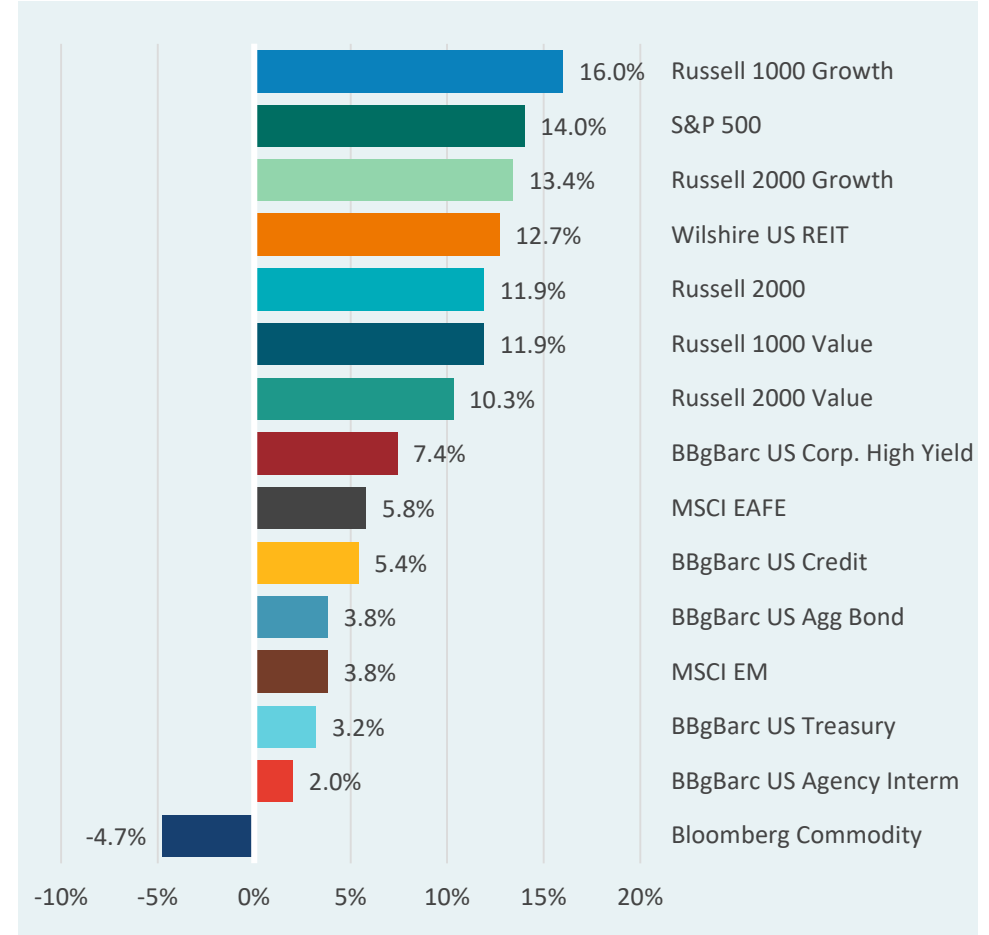
Major asset class returns

ONE YEAR ENDING FEBRUARY



Source: Morningstar, as of 2/29/20

TEN YEARS ENDING FEBRUARY



Source: Morningstar, as of 2/29/20

U.S. large cap equities

- The S&P 500 retraced much of its gains from the 4th quarter of 2019, and lost -8.2% of its value in February. Poor performance within the Energy (-14.6%) and Financials (-11.2%) sectors dragged the overall index to its worst month of performance since December 2018.
- According to FactSet, the forward P/E ratio of the S&P 500 Index fell to 16.7 from 18.1 following the equity market sell off. As a result, the current forward P/E ratio is in line with the 5-year average level, and still well above the 10-year average forward P/E of 15.0.
- The Communication Services (-6.4%) and Real Estate (-6.4%) sectors generated the best performance within the S&P 500 Index. Both sectors are highly sensitive to interest rates and often outperform in falling rate environments due to their relatively attractive yields.
- Per FactSet, analysts may be more sanguine than the broader market in their assessment of the impact of COVID-19 on corporate earnings. The bottom-up Q1 earnings estimate for the tech sector, which has the highest revenue exposure to China (13.4%), has increased by 1.6% since the beginning of the year.

Interest rate sensitive sectors outperformed

S&P 500 PRICE INDEX



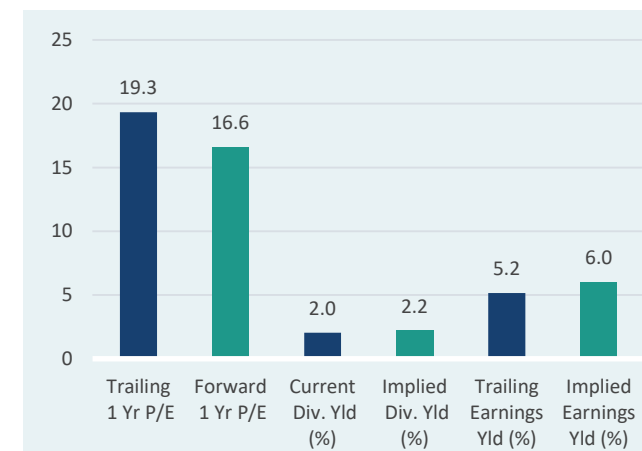
Source: Bloomberg, as of 2/29/20

IMPLIED VOLATILITY (VIX INDEX)



Source: CBOE, as of 2/29/20

S&P 500 VALUATION SNAPSHOT

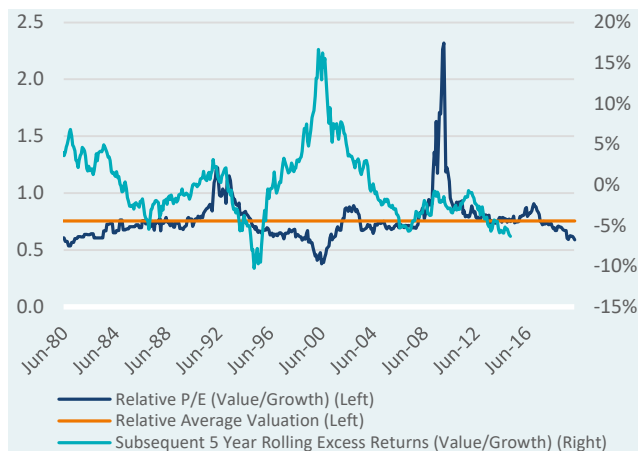


Source: Bloomberg, as of 2/29/20

Domestic equity size and style

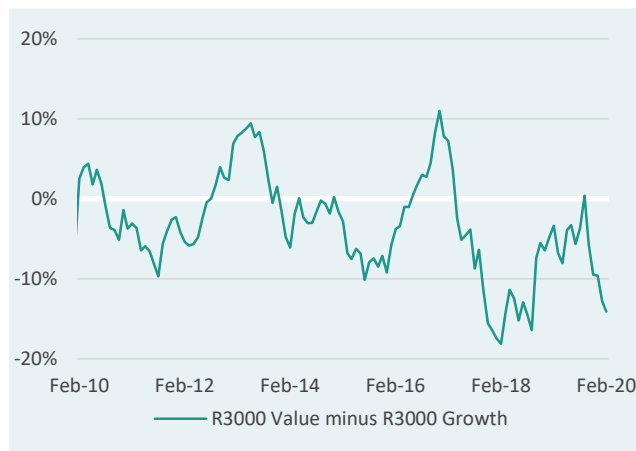
- The dominance of the growth factor over the value factor remained the story in February. The Russell 3000 Value Index declined -9.7% while the Russell 3000 Growth Index fell only -6.8%. The relatively higher proportion of Energy (-14.6%) and Financial (-11.2%) stocks within the Russell 3000 Value Index accounted for the majority of its underperformance.
- Large-cap equities (Russell 1000 Index) and small-cap equities (Russell 2000 Index) posted returns of -8.2% and -8.4% respectively. Over the trailing year, large-cap equities have outpaced small-cap equities by +12.7%.
- The MSCI USA Cyclical Sectors-Defensive Sectors Index delivered a total return of +0.4% in February, bringing its year-to-date performance to +3.6%. The index has posted positive returns in eight of the prior twelve months, and has delivered a total return of +10.6% since February of 2019.
- The S&P 500 Low Volatility High Dividend Index declined -9.5%, underperforming the S&P 500 Index (-8.2%). Many investors have positioned more defensively within their equity portfolios over the year-to-date, but that planning did not pay in February.

VALUE VS. GROWTH RELATIVE VALUATIONS



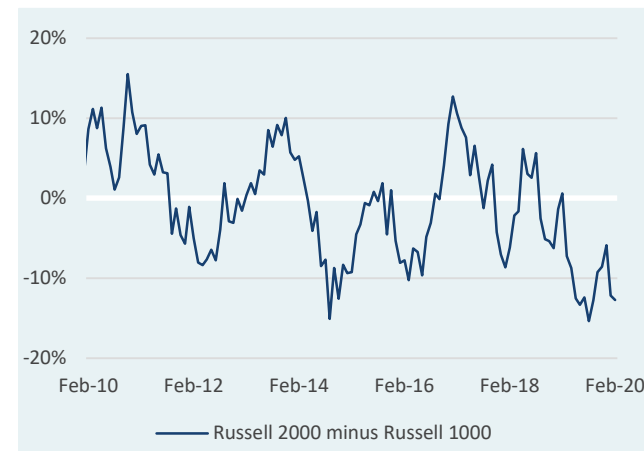
Source: Russell, Bloomberg, as of 2/29/20

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 2/29/20

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE, Bloomberg, as of 2/29/20

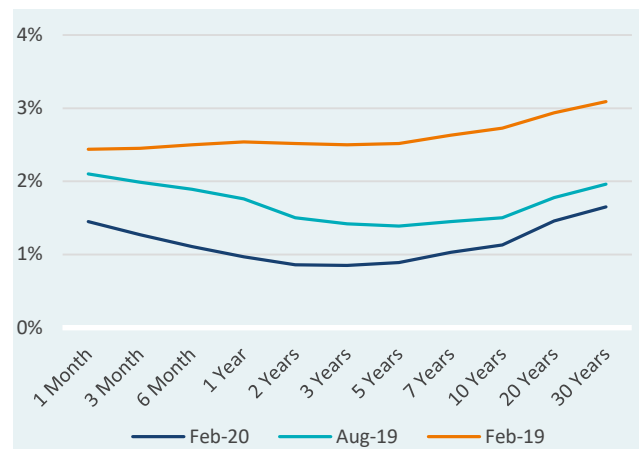
Fixed income

- U.S. Treasury yields across the curve plummeted as investors priced in an environment characterized by lower growth and inflation, as well as further cuts to the range for federal funds. At the end of the period, the entire U.S. Treasury curve was below 1.7%, and Treasury yields at many tenors were at all-time lows.
- Within the U.S. credit space, investors in core fixed income (+1.8%) outperformed those invested in high-yield fixed income (-1.4%). Higher exposure to interest rate duration, coupled with lower exposure to increasing credit spreads led to superior returns.

- Breakeven inflation rates continued to decline as expectations for subdued inflation and growth mounted. Ten-year breakeven inflation rates fell from 1.6% to 1.4%, and the five-year breakeven dropped from 1.3% to 0.9%. The last time the 10-year breakeven inflation rate touched 1.4% was back in June of 2016.
- Local currency denominated emerging market debt (-3.4%) underperformed hard-currency emerging market debt (-1.0%) as emerging market currency performance posed material headwinds. The J.P. Morgan Emerging Markets Currency Index declined -2.6%.

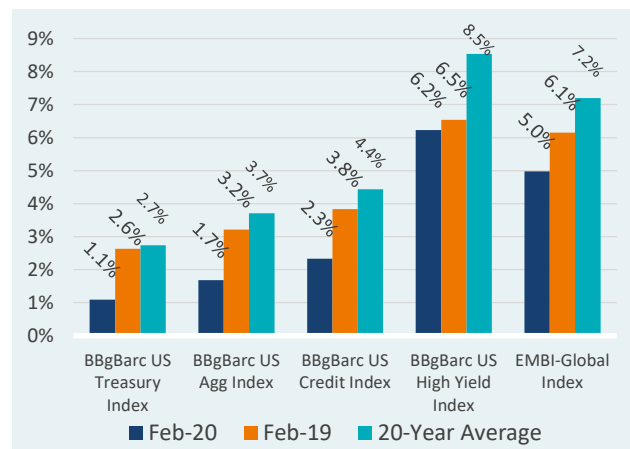
Global rates and growth expectations faded

U.S. TREASURY YIELD CURVE



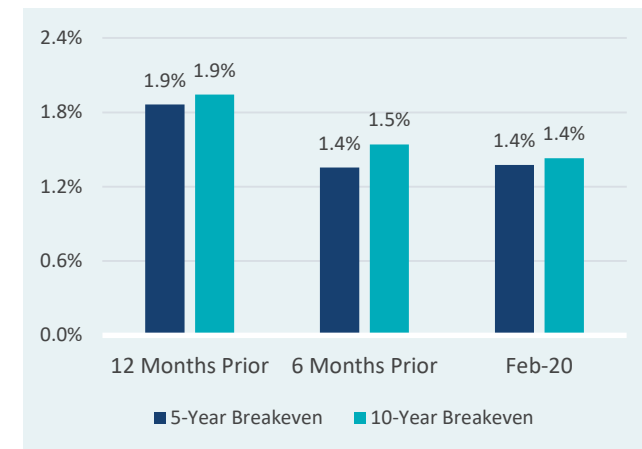
Source: Bloomberg, as of 2/29/20

NOMINAL YIELDS



Source: Morningstar, as of 2/29/20

BREAKEVEN INFLATION RATES

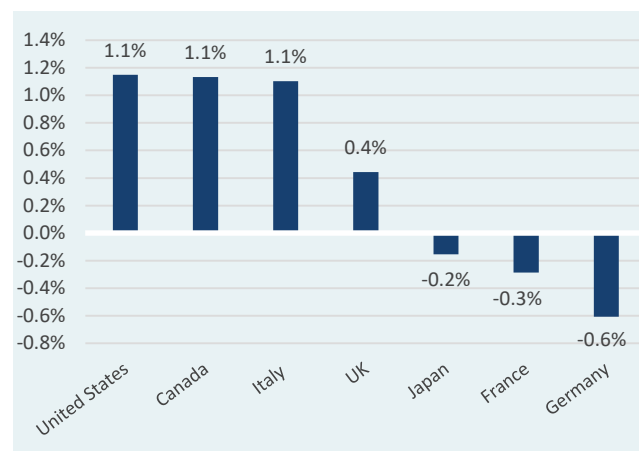


Source: Bloomberg, as of 2/29/20

Global markets

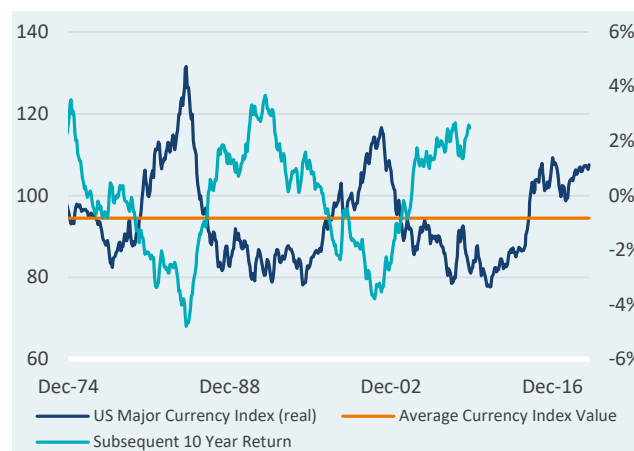
- All major equity indices declined over the month, and the global equity benchmark, the MSCI ACWI Index, fell -8.1%. International developed equities, specifically within the United Kingdom (-11.9%) and the Eurozone (-9.0%), were the largest detractors from performance.
- The MSCI Currency Factor Mix Index, Verus' preferred currency beta benchmark, returned -0.4%, bringing its one-year return to +2.4%. The MSCI Currency Factor Mix Index has outperformed the embedded currency portfolio of the MSCI ACWI ex USA Index by +5.3% over the trailing one-year period.
- Emerging market equities (MSCI EM Index -5.3%) outperformed U.S. and international developed equities in U.S. dollar terms. Emerging market currencies depreciated relative to the U.S. dollar and U.S. investors who hedged their currency exposure (-3.8%) outpaced those who left currency unhedged.
- Countries whose economies are heavily exposed to the price of oil saw significant depreciation in their domestic currencies relative to the U.S. dollar. The Canadian dollar, Russian ruble, South African rand and the Norwegian Krone all weakened against the dollar.

GLOBAL SOVEREIGN 10-YEAR YIELDS



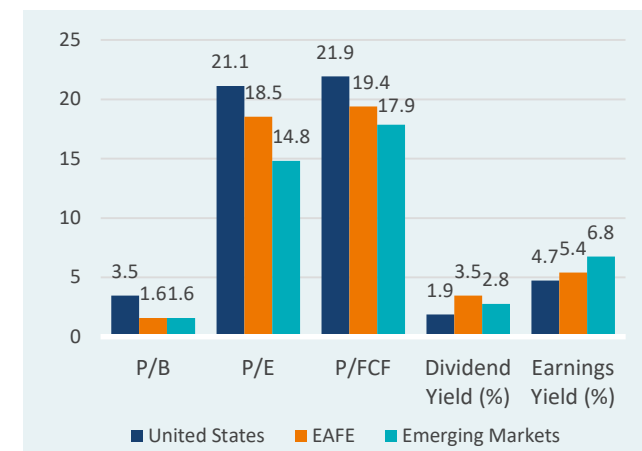
Source: Bloomberg, as of 2/29/20

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 2/29/20

MSCI VALUATION METRICS (3-MONTH AVG)



Source: Bloomberg, as of 2/29/20

Commodities

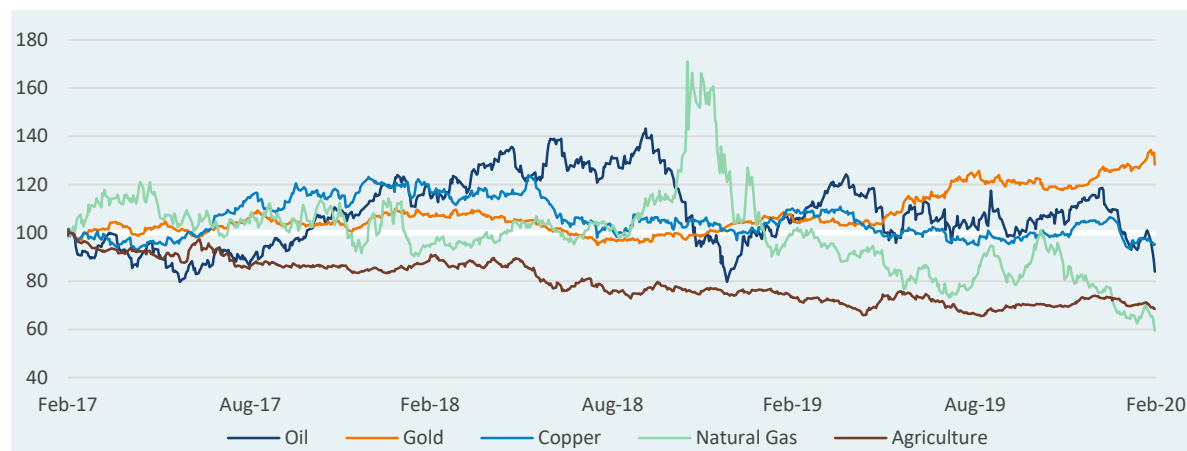
- The Bloomberg Commodity Index continued to sell off in February (-5.0%), bringing its year-to-date performance to -12.0%. Weakness was broad, and the largest detractor was the Energy sector (-24.7%) which suffered from further declines in crude oil and petroleum prices.
- West Texas Intermediate crude oil fell from \$51.58 to \$44.76 per barrel on concerns over the potential impact of the coronavirus on future economic activity. The WTI futures curve shifted downward, and into steeper contango as demand for crude oil delivery over the next few months declined most substantially along the curve.
- Gold continued to see haven in-flows throughout February and reached an intra-month high of \$1,659. However, gold price declines in the final days of February led to the commodity returning -0.2% for the month. Normal rebalancing activity, redemptions for cash flow management, as well as central bank selling to support desired exchange rates all contributed to the decline.
- The Bloomberg Livestock Index returned -6.7%, driven by plunging cattle (-9.3%) prices. Fears of further COVID-19 spread drove down demand for beef, the most important and costly meat protein in the U.S. foodservice sector.

INDEX AND SECTOR PERFORMANCE

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Bloomberg Commodity	(5.0)	(12.0)	(12.0)	(11.1)	(5.2)	(6.2)	(5.6)
Bloomberg Agriculture	(1.6)	(6.8)	(6.8)	(4.3)	(10.0)	(7.6)	(4.0)
Bloomberg Energy	(11.6)	(24.7)	(24.7)	(26.9)	(7.8)	(13.1)	(13.7)
Bloomberg Grains	(2.7)	(6.7)	(6.7)	(4.6)	(9.4)	(9.2)	(4.4)
Bloomberg Industrial Metals	(2.6)	(9.7)	(9.7)	(13.6)	(2.9)	(1.6)	(4.2)
Bloomberg Livestock	(6.7)	(16.9)	(16.9)	(20.7)	(6.5)	(6.8)	(3.9)
Bloomberg Petroleum	(12.1)	(24.9)	(24.9)	(18.2)	(2.5)	(9.2)	(8.4)
Bloomberg Precious Metals	(2.9)	0.3	0.3	15.0	4.0	3.1	2.0
Bloomberg Softs	(0.0)	(5.0)	(5.0)	(2.1)	(13.5)	(6.7)	(5.8)

Source: Morningstar, as of 2/29/20

COMMODITY PERFORMANCE



Source: Bloomberg, as of 2/29/20

Appendix

Periodic table of returns

BEST
↑

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	YTD	5-Year	10-Year
US Bonds	38.7	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	3.8	12.4	14.8
Hedge Funds of Funds	27.0	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	0.6	9.0	12.6
Cash	20.3	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	17.3	25.0	0.0	28.5	0.3	8.3	12.1
Real Estate	19.3	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	12.1	22.2	-1.5	26.5	0.0	6.5	10.4
60/40 Global Portfolio	16.2	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	11.8	21.7	-3.5	25.5	-4.7	5.5	10.4
Large Cap Growth	8.7	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	11.2	14.6	-6.0	22.4	-4.7	5.1	10.2
Large Cap Equity	15.6	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	11.3	17.1	-4.8	22.0	-8.1	4.7	8.7
Small Cap Growth	4.9	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	8.0	13.7	-8.3	18.6	-8.2	3.6	6.1
Emerging Markets Equity	1.2	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	7.1	7.8	-9.3	18.4	-9.7	3.6	4.8
International Equity	-2.5	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	5.7	7.7	-11.0	8.7	-10.9	2.7	3.9
Small Cap Equity	-5.1	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.6	7.0	-11.2	7.8	-11.4	2.5	3.2
Large Cap Value	-6.5	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	1.0	3.5	-12.9	7.7	-11.6	2.0	2.9
Commodities	-25.3	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	0.5	1.7	-13.8	6.4	-12.0	1.1	0.6
Small Cap Value	-27.0	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-14.6	-6.2	-5.6

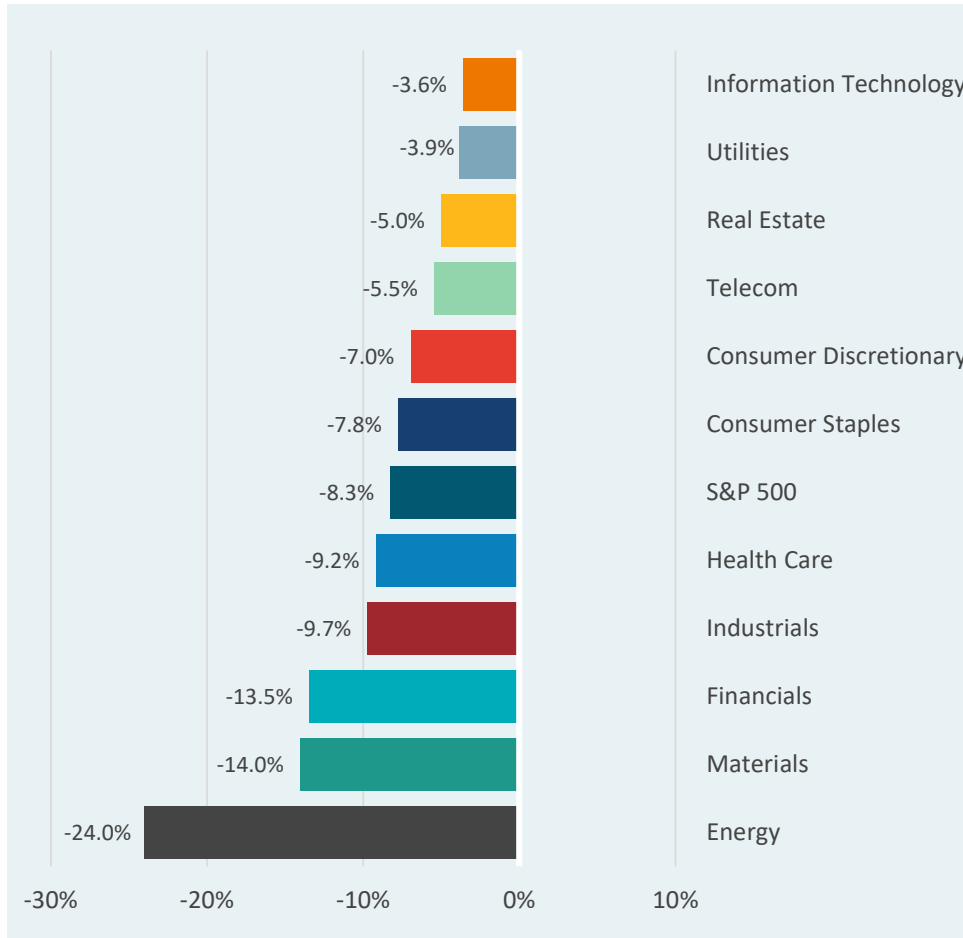
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WORST



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BBgBarc US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, BBgBarc Global Bond. NCREIF Property Index performance data as of 12/31/19.

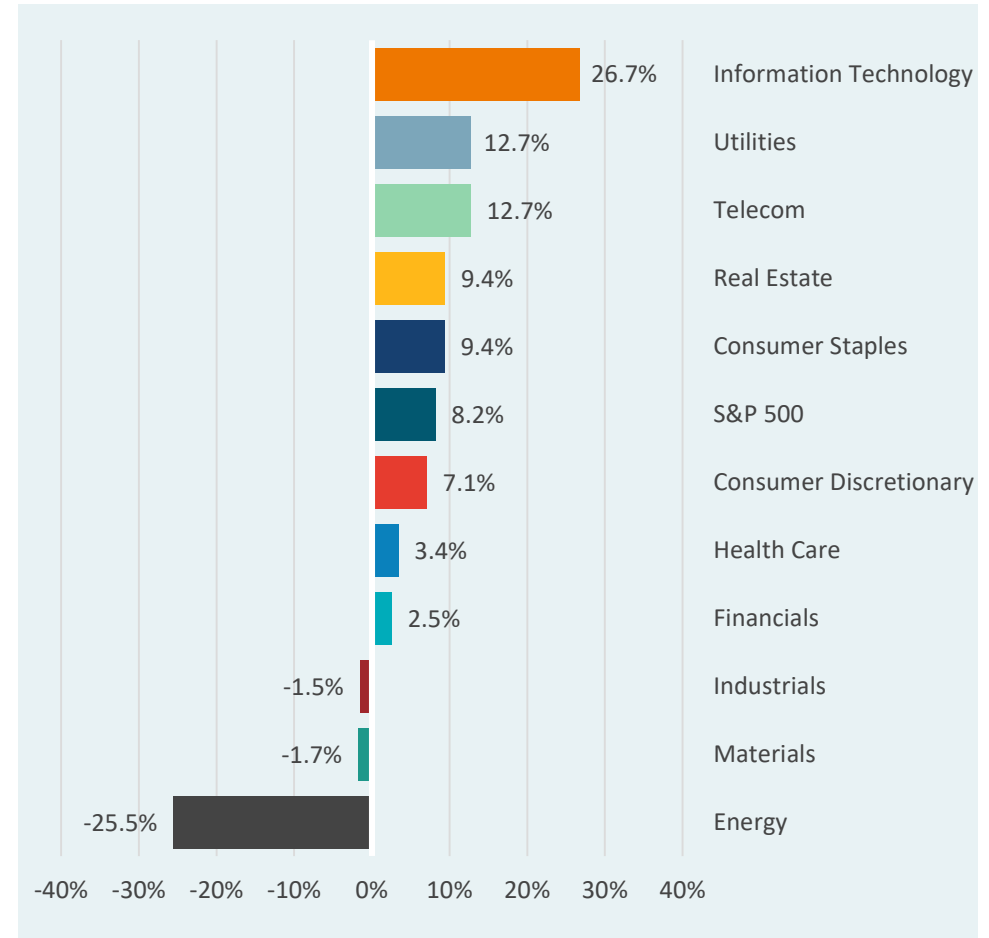
S&P 500 sector returns

QTD



Source: Morningstar, as of 2/29/20

ONE YEAR ENDING FEBRUARY



Source: Morningstar, as of 2/29/20

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	(8.2)	(8.3)	(8.3)	8.2	9.9	9.2	12.7
S&P 500 Equal Weighted	(9.0)	(10.6)	(10.6)	1.4	6.4	6.7	12.2
DJ Industrial Average	(9.8)	(10.6)	(10.6)	0.4	9.4	9.6	12.2
Russell Top 200	(8.0)	(7.6)	(7.6)	10.0	11.0	10.1	12.9
Russell 1000	(8.2)	(8.1)	(8.1)	7.8	9.7	9.0	12.6
Russell 2000	(8.4)	(11.4)	(11.4)	(4.9)	3.5	5.1	10.4
Russell 3000	(8.2)	(8.3)	(8.3)	6.9	9.3	8.7	12.5
Russell Mid Cap	(8.7)	(9.4)	(9.4)	2.3	6.6	6.4	11.9
Style Index							
Russell 1000 Growth	(6.8)	(4.7)	(4.7)	15.1	15.7	12.4	14.8
Russell 1000 Value	(9.7)	(11.6)	(11.6)	0.5	3.8	5.5	10.4
Russell 2000 Growth	(7.2)	(8.2)	(8.2)	(0.7)	7.9	6.5	12.1
Russell 2000 Value	(9.7)	(14.6)	(14.6)	(9.3)	(0.8)	3.6	8.7

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	(8.1)	(9.1)	(9.1)	3.9	7.0	5.5	8.1
MSCI ACWI ex US	(7.9)	(10.4)	(10.4)	(0.7)	4.2	2.2	4.3
MSCI EAFE	(9.0)	(10.9)	(10.9)	(0.6)	3.9	2.0	4.8
MSCI EM	(5.3)	(9.7)	(9.7)	(1.9)	4.9	2.7	3.2
MSCI EAFE Small Cap	(9.8)	(12.4)	(12.4)	(0.9)	4.1	4.6	7.6
Style Index							
MSCI EAFE Growth	(8.6)	(9.2)	(9.2)	5.5	7.3	4.2	6.4
MSCI EAFE Value	(9.5)	(12.7)	(12.7)	(6.6)	0.5	(0.4)	3.2
Regional Index							
MSCI UK	(11.9)	(15.3)	(15.3)	(7.4)	1.4	(1.1)	4.0
MSCI Japan	(9.1)	(10.4)	(10.4)	1.1	3.4	3.7	5.1
MSCI Euro	(9.0)	(11.9)	(11.9)	(1.4)	3.9	1.1	3.7
MSCI EM Asia	(2.9)	(7.2)	(7.2)	1.4	6.8	4.1	5.6
MSCI EM Latin American	(12.1)	(17.0)	(17.0)	(11.9)	0.4	0.8	(2.0)

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
BBgBarc US TIPS	1.4	3.5	3.5	10.8	4.1	2.9	3.7
BBgBarc US Treasury Bills	0.2	0.3	0.3	2.3	1.7	1.2	0.6
BBgBarc US Agg Bond	1.8	3.8	3.8	11.7	5.0	3.6	3.9
Duration							
BBgBarc US Treasury 1-3 Yr	0.9	1.5	1.5	4.7	2.3	1.6	1.3
BBgBarc US Treasury Long	6.7	14.0	14.0	31.6	11.0	6.3	8.1
BBgBarc US Treasury	2.7	5.2	5.2	12.1	4.8	3.2	3.4
Issuer							
BBgBarc US MBS	1.0	1.7	1.7	7.5	3.7	2.8	3.2
BBgBarc US Corp. High Yield	(1.4)	(1.4)	(1.4)	6.1	4.9	5.2	7.3
BBgBarc US Agency Interm	1.1	2.0	2.0	6.0	2.9	2.2	2.1
BBgBarc US Credit	1.4	3.7	3.7	15.3	6.5	4.8	5.5

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(5.0)	(12.0)	(12.0)	(11.1)	(5.2)	(6.2)	(5.6)
Wilshire US REIT	(7.8)	(7.1)	(7.1)	3.9	4.0	5.7	12.7
CS Leveraged Loans	(1.4)	(0.8)	(0.8)	3.2	3.8	4.6	5.0
Alerian MLP	(14.2)	(19.3)	(19.3)	(23.9)	(13.2)	(10.7)	2.0
Regional Index							
JPM EMBI Global Div	(1.0)	0.5	0.5	9.7	5.7	6.0	6.8
JPM GBI-EM Global Div	(3.4)	(4.7)	(4.7)	3.7	3.9	2.0	2.1
Hedge Funds							
HFRI Composite	(1.7)	(2.0)	(2.0)	3.2	3.1	2.8	3.8
HFRI FOF Composite	(1.5)	(1.2)	(1.2)	3.4	2.8	1.8	2.7
Currency (Spot)							
Euro	(0.9)	(2.1)	(2.1)	(3.5)	1.1	(0.4)	(2.2)
Pound	(3.1)	(3.6)	(3.6)	(4.0)	0.9	(3.7)	(1.7)
Yen	0.5	0.8	0.8	3.2	1.2	2.1	(1.9)

Source: Morningstar, HFR, as of 2/29/20

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