



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, MARCH 16, 2016

REGIONAL TRANSIT AUDITORIUM

1400 29TH STREET, SACRAMENTO, CALIFORNIA

Website Address: www.sacrt.com

(29th St. Light Rail Station/Bus 38, 67, 68)

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: Wiley, Morin, Niz, De La Torre
Alternates: Jennings, Muniz

IBEW Retirement Board: Directors: Wiley, Morin, Ohlson, Burdick
Alternates: Jennings, Gallow

AEA Retirement Board: Directors: Wiley, Morin, Drake, Devorak
Alternates: Jennings, Robison

AFSCME Retirement Board: Directors: Wiley, Morin, Mallonee, Hoslett
Alternates: Jennings, Kent

MCEG Retirement Board: Directors: Wiley, Morin, Masui, Thorn
Alternates: Jennings, Sanchez-Ochoa

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 Card" to the Assistant Secretary. 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 December 16, 2015 Quarterly Retirement Board Meeting (AEA). (Bonnel)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Motion:	Receive and File Administrative Reports for the Quarter Ended December 31, 2015 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Bernegger)	<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>
3. Motion:	Receive and File the Independent Auditor's Report for the Twelve Month Period Ended June 30, 2015 (ALL). (Bernegger)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Motion:	Receive and File the Fiscal Year 2015 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Salaried Employees (AEA/AFSCME/MCEG). (Bernegger)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Motion:	Approving the Minutes for the December 16, 2015 Quarterly Retirement Board Meeting (AFSCME). (Bonnel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Motion:	Receive and File Administrative Reports for the Quarter Ended December 31, 2015 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Bernegger)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Motion:	Receive and File the Independent Auditor's Report for the Twelve Month Period Ended June 30, 2015 (ALL). (Bernegger)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Motion:	Receive and File the Fiscal Year 2015 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Salaried Employees (AEA/AFSCME/MCEG). (Bernegger)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Motion:	Approving the Minutes for the December 16, 2015 Quarterly Retirement Board Meeting (ATU). (Bonnel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Motion:	Receive and File Administrative Reports for the Quarter Ended December 31, 2015 for the ATU/IBEW Pension Plan (ATU/IBEW). (Bernegger)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Motion:	Receive and File the Independent Auditor's Report for the Twelve Month Period Ended June 30, 2015 (ALL). (Bernegger)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Motion:	Receive and File the Fiscal Year 2015 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Employees Who are Members of ATU/IBEW (ATU/IBEW). (Bernegger)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Motion:	Approving the Minutes for the December 16, 2015 Quarterly Retirement Board Meeting (IBEW). (Bonnel)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Motion:	Receive and File Administrative Reports for the Quarter Ended December 31, 2015 for the ATU/IBEW Pension Plan (ATU/IBEW). (Bernegger)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Motion:	Receive and File the Independent Auditor's Report for the Twelve Month Period Ended June 30, 2015 (ALL). (Bernegger)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Motion:	Receive and File the Fiscal Year 2015 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Employees Who are Members of ATU/IBEW (ATU/IBEW). (Bernegger)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Motion:	Approving the Minutes for the December 16, 2015 Quarterly Retirement Board Meeting (MCEG). (Bonnel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18. Motion:	Receive and File Administrative Reports for the Quarter Ended December 31, 2015 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Bernegger)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19. Motion:	Receive and File the Independent Auditor's Report for the Twelve Month Period Ended June 30, 2015 (ALL). (Bernegger)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

20. Motion:	Receive and File the Fiscal Year 2015 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Salaried Employees (AEA/AFSCME/MCEG). (Bernegger)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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NEW BUSINESS

	<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
21. Information: Investment Performance Review by JP Morgan for the ATU/IBEW and Salaried Retirement Funds for the International Equity Asset Class for the Quarter Ended December 31, 2015 (ALL). (Bernegger)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
22. Motion: Receive and File the Investment Performance Results for the ATU/IBEW and Salaried Employee Retirement Plans for the Quarter Ended December 31, 2015 (ALL). (Bernegger)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
23. Information: Receive Updated Information on Status of Retirement Plans Experience and Valuation Studies and Resulting Actuarially Determined Contribution Rate (ALL). (Bonnel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
24. Information: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Bonnel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
25. Information: Update on Status of Trust Document (ALL). (Bernegger)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
26. Information: Staff Update on Status of Actuary and Legal Services Request for Proposals (ALL). (Bonnel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
27. Information: Update on 2016 Work Plan (ALL). (Bonnel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
28. Information: Addition of Second Staff Member to Support Pension Plan Activities (ALL). (Bonnel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
29. Resolution: Approving a Contract Renewal with Federal Insurance Company (CHUBB) for Fiduciary Insurance for All Retirement Boards (ALL). (Bonnel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
30. Resolution: Approving the First Amendment to the Agreement with Hanson Bridgett and Non-Core Task Work Orders with Hanson Bridgett for Legal Services Under the Principal Agreement (ALL). (Bonnel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
31. Resolution: Election and Appointment of Governing Board Officers of the Retirement Plan for Sacramento Regional Transit District (District) Employees who are members of the Administrative Employees Association Group (AEA). (Bonnel)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
32. Resolution: Election and Appointment of Governing Board Officers of the Retirement Plan for Sacramento Regional Transit District (District) Employees who are members of the Management and Confidential Employee Group (MCEG).	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>

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 RT's website at www.sacrt.com.

Any person(s) requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Human Resources Manager at 916-556-0280 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 Administrative Technician at 916-556-0298 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
IBEW Quarterly Retirement Board Meeting
Wednesday, December 16, 2015
MEETING SUMMARY**

ROLL CALL

The Retirement Board was brought to order at 9:04 a.m. A quorum was present comprised as follows: Directors Morin, Ohlson, Burdick and Alternate Gallow were present. Director Wiley was absent. Alternate Hansen was absent.

This meeting was held as a common meeting of the five Sacramento Regional Transit District Retirement Boards.

By IBEW Resolution No. 14-12-153 for calendar year 2015, the Governing Board Member in attendance served as Common Chair of this Retirement Board meeting.

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

None.

Consent Calendar:

- 7. Motion: Approving the Minutes for the September 16, 2015 Quarterly Retirement Board Meeting (IBEW). (Bonnel)
- 8. Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2015 for the ATU/IBEW Pension Plan (ATU/IBEW). (Bernegger)
- 11. Resolution: Adopting Regional Transit Retirement Boards 2016 Meeting Calendar (ALL). (Bonnel)

Director Ohlson moved to adopt Items 7, 8, and 11. Director Burdick seconded the motion. Items 7, 8, and 11 were carried unanimously by roll call vote: Ayes: Ohlson, Burdick, and Morin. Noes: None.

New Business:

The order of New Business items was adjusted to ensure all of the items requiring action would be addressed in case members had to leave resulting in loss of a quorum. The reordering was: 12-16, 18, 20, 21, 17, 19, 22.

- 12. Information Fiduciary Training provided by Hanson Bridgett (ALL).

Donna Bonnel introduced Lance Kjeldgaard, fiduciary counsel contracted through the board's Legal Counsel, Hanson Bridgett LLP to provide a fiduciary responsibility and liability training.

Alternate Gallow left the meeting at 10:04 a.m.

MCEG Alternate Thorn left the meeting at 10:04 a.m.

13. Information: Investment Performance Review by Dimensional Fund Advisors (DFA) for the ATU/IBEW and Salaried Retirement Funds for the International Emerging Markets Asset Class for the Quarter Ended September 30, 2015 (ALL). (Bernegger)

Jamie Adelman introduced Ted Simpson from DFA, who provided the performance results for the quarter ended September 30, 2015 for the international emerging markets asset class.

AEA Retirement Board Director Bennett noted that he would like a list of the stocks that are owned in the portfolio. Mr. Simpson noted that he would send the list to Brent Bernegger to distribute to the Boards.

14. Information: Investment Performance Review of the S&P 500 Index and MSCI EAFE Funds by State Street Global Advisors (SSgA) for the ATU/IBEW and Salaried Employee Retirement Funds for the Quarter Ended September 30, 2015 (ALL). (Bernegger)

Jamie Adelman introduced Linda Ng from State Street Global Advisors, who presented the performance results for the Domestic Large Capitalization and International Equity Index Funds for the quarter ended September 30, 2015.

AEA Director Bennett remarked that the Boards may want to modify having reports from index funds provided during the meeting.

Legal Counsel Shayna van Hoften with Hanson Bridgett noted that the fiduciary training provided earlier discussed the duty of care and being a prudent expert and the Boards' need to hear from all fund managers to be in a position to consider whether or not they are serving their purpose.

15. Motion: Receive and File the Investment Performance Results for the ATU/IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2015 (ALL). (Bernegger)

Jamie Adelman introduced Ann Heaphy and Uvan Tseng from Callan Associates, who provided a market overview for the Quarter Ended September 30, 2015.

Director Ohlson moved to adopt Item 15. Director Burdick seconded the motion. Item 15 was carried unanimously by roll call vote: Ayes: Ohlson, Burdick, and Morin. Noes: None.

16. Resolution: Authorizing Execution of Plan Trust Documents (ALL). (Bonnell)

Donna Bonnell provided information on the request to authorize the execution of plan trust documents. Ms. Bonnell noted that the plan trust documents were distributed to each Retirement Board Chair electronically.

AEA Retirement Board Director Bennett asked if the trust language presented for approval would result in losing the right to buy securities directly (Section 3.3) and if the Boards would be limited to investing in firms with a national reputation (Section 3.6). Director Bennett also asked if both points are in the final trust document the board is being asked to approve. Legal Counsel

Anne Hydorn with Hanson Bridgett responded that both issues were addressed in the trust document and the boards would be able to invest with firms of regional reputation and would not lose the ability to directly invest.

Director Ohlson moved to adopt Item 16. Director Burdick seconded the motion. Item 16 was carried unanimously by roll call vote: Ayes: Ohlson, Burdick, and Morin. Noes: None.

18. Resolution: Adopting Procurement Policy and Procedures (ALL). (Bonnel)

Donna Bonnel stated that an updated version of the Procurement Policy and Procedures was distributed at each board member's seat on the dais because some changes were made since distribution of the board packet, and that this revised version was the document recommended by staff for adoption.

Ms. Bonnel introduced Valerie Weekly to provide an update on the changes to the document. Valerie Weekly noted that the language provided in the prior version allowed for the Finance Department or Human Resources Department to complete some of the smaller procurements without going through the Procurement Department. The updated version reflects that all procurements will go through the Procurement Department.

Director Ohlson moved to approve Item 18 for adoption of the resolution and updated attachment provided at the meeting. Director Burdick seconded the motion. Item 18 was carried unanimously by roll call vote: Ayes: Ohlson, Burdick, and Morin. Noes: None.

20. Resolution: Adopting Policy on Allocation of Staff Costs (ALL). (Bonnel)

Donna Bonnel presented Jamie Adelman and Valerie Weekly to provide information on adopting a policy on the allocation of staff costs.

Jamie Adelman noted that in March 2015, Staff presented issue papers on the roles and responsibilities of various District staff related to the tasks associated with the overall administration of RT's Pension Plans. In June, Staff began tracking times associated with performance of those responsibilities. Staff also completed benchmarking on various similarly sized pension plans and determined the total number of staff needed to manage similarly sized plans.

Staff contacted Cheiron to see what the implications of charging additional administrative cost to the plans might be. Ms. Adelman noted that there would be no impact on staff members' employment status, employer identification, nor the funded status of any plan. There also would be no increase in employee contributions. The administrative costs are attributed to each plan after the contribution of the normal cost, which is what the employees contribute.

Based on the benchmarking results, Staff proposes that the Boards adopt the Policy on Allocation of Staff Costs.

ATU Retirement Board Director Niz asked how long the \$25,000 per quarter would be charged. Ms. Adelman responded that the cost allocation would continue for the rest of the life of the Plans. MCEG Retirement Board Director Mattos asked if the cost would be reflected as an increased expense when the actuarial contribution rate is determined. Ms. Adelman responded in the affirmative.

Director Ohlson moved to adopt Item 20. Director Burdick seconded the motion. Item 20 was carried unanimously by roll call vote: Ayes: Ohlson, Burdick, and Morin. Noes: None.

21. Resolution: Adopting Qualified Domestic Relations Order (QDRO) Policy and Procedure (ALL). (Bonnel)

Valerie Weekly presented information on adopting a policy for processing Qualified Domestic Relations Orders.

Legal Counsel has advised that it is in the best interest of the Retirement Plans and their participants for the Retirement Boards to adopt procedures that will help Staff efficiently and effectively process and implement the domestic relations orders it receives.

Legal Counsel and Staff recommend that all of the Boards adopt the proposed policy and procedures for processing Qualified Domestic Relations Orders (QDROs).

AEA Retirement Board Director Drake asked about the process if someone seeks a QDRO and the member in question is part of two different plans. Ms. Weekly confirmed that the QDRO has to address both plans, and both have to be named in the court records.

Director Ohlson moved to adopt Item 21. Director Burdick seconded the motion. Item 21 was carried unanimously by roll call vote: Ayes: Ohlson, Burdick, and Morin. Noes: None.

17. Information: Implementation of Electronic Distribution of Quarterly Retirement Board Packages (ALL). (Bonnel)

Donna Bonnel introduced Valerie Weekly to present information on the implementation of electronic distribution of quarterly retirement board packages.

Valerie Weekly noted that Staff has reviewed the current processes associated with the collation and distribution of the agenda packages for Quarterly and Special Retirement Board Meetings and has determined that there is the opportunity for potential cost and time savings by adopting an electronic distribution process similar to that of RT's governing Board. Staff anticipates having the changes in place for the March 2016 Quarterly Retirement Board Meeting.

ATU Retirement Board Director Niz asked if the board packages would still be available five or so days prior to the board meeting. Ms. Weekly noted that staff expects the time frame to remain the same.

19. Information: Update on Roles and Responsibilities for Pension Administration (ALL). (Bonnel)

Donna Bonnel provided an update on the roles and responsibilities of various District staff members and Legal Counsel related to the administration of the Pension Plans.

Legal Counsel Shayna van Hoften with Hanson Bridgett outlined the accomplishments of the Retirement Boards in 2015.

22. Resolution: Implementation of Amended Bylaws Governing the Retirement Boards and Election and Appointment of Officers (IBEW). (Bonnel)

Director Ohlson moved to approve a resolution appointing Director Ohlson as Chair, Director Burdick as Vice Chair and Director Wiley as Secretary. Director Burdick seconded the motion. Item 22 was carried unanimously by roll call vote: Ayes: Ohlson, Burdick, and Morin. Noes: None.

REPORTS FROM COMMITTEES

None.

REPORTS, IDEAS AND COMMUNICATIONS

None.

With no further business to discuss, the IBEW Retirement Board meeting was adjourned by Assistant Secretary Bonnel at 11:18 a.m.

Eric Ohlson, Chair

ATTEST:

Lorrin Burdick, Secretary

By: _____
Donna Bonnel, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	03/16/16	Retirement	Action	01/27/16

Subject: Receive and File Administrative Reports for the Quarter Ended December 31, 2015 for the ATU/IBEW Pension Plan (ATU/IBEW). (Bernegger)

ISSUE

Receive and File Administrative Reports for the Quarter Ended December 31, 2015 for the ATU/IBEW Pension Plan (ATU/IBEW). (Bernegger)

RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended December 31, 2015 for the ATU/IBEW Pension Plan (ATU/IBEW). (Bernegger)

FISCAL IMPACT

None.

DISCUSSION

Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended December 31, 2015. The financial statements are presented on an accrual basis and consist of a Statement of Plan Net Position (balance sheet) (Attachment 1), a Statement of Changes in Plan Net Position (income statement) for the quarter ended December 31, 2015 (Attachment 2), and a year-to-date Statement of Changes in Plan Net Position (Attachment 3).

The Statement of Plan Net Position includes a summary of fund assets showing the amounts in the following categories: cash, money market, and securities. This statement also provides amounts due from/to the District and Total Fund Equity (net position).

The Statement of Changes in Plan 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 Director of Finance/Treasury. The Director 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:

Approved:

Presented:

Final 02/26/16

Senior Accountant

Chief Financial Officer, Acting

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	03/16/16	Retirement	Action	01/27/16

Subject: Receive and File Administrative Reports for the Quarter Ended December 31, 2015 for the ATU/IBEW Pension Plan (ATU/IBEW). (Bernegger)
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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 ATU/IBEW Plan’s Schedule of Cash Activities for the three months ended December 31, 2015. 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 December 31, 2015. The ATU/IBEW Plan reimbursed \$896,673.05 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 ATU/IBEW Plan’s Asset Allocation as of December 31, 2015. This statement shows the ATU/IBEW 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 State Street 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 Fund’s unaudited Statement of Changes in Plan 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 December 31, 2015 as compared to their benchmarks.

Attached hereto as Attachment 9 is a schedule reflecting all retirements that occurred, as well as any transfer of employees or plan assets from the ATU/IBEW Plan to the Salaried Plan during the three months ended December 31, 2015.

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

Accrual Basis

As of December 31, 2015

	Dec 31, 15
ASSETS	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Allocated Custodial Assets	165,654,343.79
Total Long-Term Investments	165,654,343.79
Total Checking/Savings	165,654,343.79
Other Current Assets	
1110120 · Prepaids	9,696.82
Total Other Current Assets	9,696.82
Total Current Assets	165,664,040.61
TOTAL ASSETS	165,664,040.61
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	21,934.86
3110110 · Other Pay - Due to RT	217,446.49
3110122 · MetWest	40,791.45
3110124 · Boston Partners	36,124.19
3110125 · Callan	6,916.82
3110126 · State Street	23,444.84
3110127 · JP Morgan	27,442.68
3110128 · Atlanta Capital	28,805.26
3110129 · SSgA - S&P Index	3,471.85
3110130 · SSgA - EAFE	3,779.66
Total Accounts Payable	410,158.10
Total Current Liabilities	410,158.10
Total Liabilities	410,158.10
Equity	
3340101 · Retained Earnings	172,106,053.44
Net Income	-6,852,170.93
Total Equity	165,253,882.51
TOTAL LIABILITIES & EQUITY	165,664,040.61

Sacto Regional Transit District Retirement Plan - Contract
Statement of Changes in Fiduciary Net Position
 October through December 2015

Attachment 2

Accrual Basis

	Oct - Dec 15	% of Income
Income		
Interest, Dividend, & Other Inc	647,010.90	8.8%
Investment Income	4,176,900.30	56.6%
RT Required Contribution	2,548,107.11	34.5%
6630110 · Employee Contributions	10,679.65	0.1%
Total Income	7,382,697.96	100.0%
Cost of Goods Sold		
8531200 · ATU - Retirement Benefits Paid	2,386,674.50	32.3%
8531201 · IBEW - Retirement Benefits Paid	784,311.59	10.6%
8532001 · Invest Exp - Brandes	0.00	0.0%
8532004 · Invest Exp - Metropolitan West	40,791.45	0.6%
8532011 · Invest Exp - Goldman Sachs	0.00	0.0%
8532013 · Invest Exp - Boston Partners	36,124.19	0.5%
8532020 · Invest Exp - Callan	20,762.09	0.3%
8532021 · Invest Exp - State Street	23,444.84	0.3%
8532023 · Invest Exp - JP Morgan	27,442.68	0.4%
8532024 · Invest Exp - Atlanta Capital	28,805.26	0.4%
8532025 · Invest Exp - S&P Index - SSgA	3,471.85	0.0%
8532026 · Invest Exp - EAFE - SSgA	3,779.66	0.1%
Total COGS	3,355,608.11	45.5%
Gross Profit	4,027,089.85	54.5%
Expense		
8533002 · Admin Exp - EFI	28,441.25	0.4%
8533003 · Admin Exp - Med Center	1,128.00	0.0%
8533007 · CALPRS Dues & Courses	0.00	0.0%
8533014 · Admin Exp - Fiduciary Insurance	7,272.63	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533021 · Admin Exp - Hanson Bridgett Leg	29,246.48	0.4%
8533028 · Admin Exp - Staff Training	111.44	0.0%
8533029 · Admin Exp - Administrator	14,646.25	0.2%
8533050 · Miscellaneous	36.51	0.0%
Total Expense	80,882.56	1.1%
Net Income	3,946,207.29	53.5%

Sacto Regional Transit District Retirement Plan - Contract
Statement of Changes in Fiduciary Net Position
July through December 2015

Accrual Basis

	Jul - Dec 15	% of Income
Income		
Interest, Dividend, & Other Inc	1,303,089.41	1,086.9%
Investment Income	-6,356,113.60	-5,301.4%
RT Required Contribution	5,154,307.83	4,299.0%
6630110 · Employee Contributions	18,611.23	15.5%
Total Income	119,894.87	100.0%
Cost of Goods Sold		
8531200 · ATU - Retirement Benefits Paid	4,917,674.43	4,101.7%
8531201 · IBEW - Retirement Benefits Paid	1,549,538.91	1,292.4%
8532001 · Invest Exp - Brandes	0.00	0.0%
8532004 · Invest Exp - Metropolitan West	81,948.67	68.4%
8532011 · Invest Exp - Goldman Sachs	0.00	0.0%
8532013 · Invest Exp - Boston Partners	73,087.19	61.0%
8532020 · Invest Exp - Callan	41,576.13	34.7%
8532021 · Invest Exp - State Street	46,349.98	38.7%
8532023 · Invest Exp - JP Morgan	55,046.70	45.9%
8532024 · Invest Exp - Atlanta Capital	56,371.34	47.0%
8532025 · Invest Exp - S&P Index - SSgA	6,843.90	5.7%
8532026 · Invest Exp - EAFE - SSgA	7,571.82	6.3%
Total COGS	6,836,009.07	5,701.7%
Gross Profit	-6,716,114.20	-5,601.7%
Expense		
8533002 · Admin Exp - EFI	34,875.42	29.1%
8533003 · Admin Exp - Med Center	1,128.00	0.9%
8533007 · CALPRS Dues & Courses	3,000.00	2.5%
8533012 · Admin Exp - Travel	178.00	0.1%
8533014 · Admin Exp - Fiduciary Insurance	14,545.26	12.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533021 · Admin Exp - Hanson Bridgett Leg	51,181.34	42.7%
8533025 · Admin Exp - Information Service	375.00	0.3%
8533028 · Admin Exp - Staff Training	739.51	0.6%
8533029 · Admin Exp - Administrator	29,977.72	25.0%
8533050 · Miscellaneous	56.48	0.0%
Total Expense	136,056.73	113.5%
Net Income	-6,852,170.93	-5,715.1%

**Sacramento Regional Transit District
Retirement Fund - ATU/IBEW
Schedule of Cash Activities
For the Three Months Period Ended December 31, 2015**

	October 2015	November 2015	December 2015	Quarter Totals
Beginning Balance:				
Due (from)/to District - September 30, 2015	266,918.00	289,634.13	629,754.84	266,918.00
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 23.51 - 26.51%	847,944.44	810,400.99	889,761.68	2,548,107.11
Employee Pension Contributions	3,635.00	3,271.88	3,772.77	10,679.65
Total Deposits	851,579.44	813,672.87	893,534.45	2,558,786.76
<u>Expenses</u>				
Payout to Retirees:				
ATU	(697,619.75)	(854,948.90)	(834,105.85)	(2,386,674.50)
IBEW	(269,048.75)	(257,631.42)	(257,631.42)	(784,311.59)
Payout to Retirees Subtotal	(966,668.50)	(1,112,580.32)	(1,091,737.27)	(3,170,986.09)
Fund Investment Management Expenses:				
Atlanta Capital	(27,566.08)	-	-	(27,566.08)
Metropolitan West	(41,157.22)	-	-	(41,157.22)
Boston Partners	(36,963.00)	-	-	(36,963.00)
JPMorgan	(27,604.02)	-	-	(27,604.02)
SSgA S&P 500 Index	(3,372.05)	-	-	(3,372.05)
SSgA EAFE MSCl	(3,792.16)	-	-	(3,792.16)
Callan	(6,933.51)	(6,922.99)	(6,922.28)	(20,778.78)
State Street	(7,470.59)	-	-	(7,470.59)
Fund Invest. Mgmt Exp. Subtotal	(154,858.63)	(6,922.99)	(6,922.28)	(168,703.90)
Administrative Expenses				
Cheiron	-	(28,441.25)	-	(28,441.25)
Medical Evaluations	-	(1,128.00)	-	(1,128.00)
Hanson Bridgett Legal Services	(14,623.24)	-	(7,311.62)	(21,934.86)
Staff Training	(111.44)	-	-	(111.44)
Pension Administration	(4,951.87)	(4,721.02)	(4,973.36)	(14,646.25)
Miscellaneous	-	-	(36.51)	(36.51)
Administrative Exp. Subtotal	(19,686.55)	(34,290.27)	(12,321.49)	(66,298.31)
Total Expenses	(1,141,213.68)	(1,153,793.58)	(1,110,981.04)	(3,405,988.30)
Monthly Net Owed from/(to) District	(289,634.24)	(340,120.71)	(217,446.59)	(847,201.54)
Payment from/(to) the District	(266,918.11)	-	(629,754.94)	(896,673.05)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	289,634.13	629,754.84	217,446.49	217,446.49

RT Combined Pension Plans - ATU/IBEW and Salaried
Asset Allocation *
As of 12/31/2015

Asset Class	Net Asset Market Value 12/31/2015	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
FUND MANAGERS:						
Domestic Equity:						
Large Cap Value - Boston Partners - Z8	\$ 38,456,742	16.14%	16.00%	0.14%	\$ 329,153	
Large Cap Growth - SSgA S&P 500 Index - XH	39,101,122	16.41%	16.00%	0.41%	973,533	
Total Large Cap Domestic Equity	77,557,864	32.55%	32.00%	0.55%	1,302,685	\$ 76,255,178
Small Cap - Atlanta Capital - XB	20,718,491	8.69%	8.00%	0.69%	1,654,696	19,063,795
International Equity:						
Growth						
JPMorgan - Z9	22,227,405	9.33%	9.50%	-0.17%	(410,851)	
Emerging Markets						
DFA - ZA	10,990,533	4.61%	6.00%	-1.39%	(3,307,313)	
Core						
SSgA MSCI EAFE - XG	21,440,192	9.00%				
Value - Brandes - XE	11,088	0.00%				
Total Core	21,451,281	9.00%	9.50%	-0.50%	(1,186,975)	
Total International Equity	54,669,218	22.94%	25.00%	-2.06%	(4,905,140)	59,574,358
Fixed Income:						
Met West - XD	85,351,860	35.82%	35.00%	0.82%	1,947,758	83,404,101
Total Combined Net Asset	\$ 238,297,432	100.00%	100.00%	0.00%	\$ (1)	\$ 238,297,432

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%
Developed Markets	15%	19%	23%
Emerging Markets	4%	6%	8%
Domestic Fixed Income	30%	35%	40%

* Per the Statement of Investment Objectives and Policy Guidelines as of 6/17/2015.

**Reconciliation between Callan Report
and
Consolidated Pension Fund Balance Sheet
As of December 31, 2015**

Per Both Pension Fund Balance Sheets:	
ATU/IBEW Allocated Custodial Assets	165,654,344
Salaried Allocated Custodial Assets	<u>72,643,088</u>
Total Consolidated Net Asset	<u><u>238,297,432</u></u>
Per Callan Report:	
Total Investments	<u><u>238,289,276</u></u>
Net Difference	<u><u>8,156</u></u> *

* The "Net Difference" amounts shown are the results of Callan and State Street using different valuations for the same securities.

**Reconciliation between Callan Report
and
Consolidated Pension Fund Income Statement
For the Quarter Ended December 31, 2015**

Per Both Pension Fund Income Statements:	
ATU/IBEW - Interest, Dividends, and Other Income	647,011
ATU/IBEW - Investment Income	4,176,900
Salaried - Interest, Dividends, and Other Income	279,298
Salaried - Investment Income	<u>1,922,433</u>
Total Investment Income	<u><u>7,025,643</u></u>
Per Callan Report:	
Investment Returns	<u><u>7,020,246</u></u>
Net Difference	<u><u>5,397</u></u> **

** The "Net Difference" amounts shown are the results of Callan and State Street using different valuations for the same securities.

**Reconciliation between Callan Report
and
Consolidated Schedule of Cash Activities
For the Quarter Ended December 31, 2015**

	<u>October</u>	<u>November</u>	<u>December</u>	<u>Total</u>
Payments from/(to) the District				
Atlanta Capital - ATU/IBEW				-
Metropolitan West - ATU/IBEW	(266,918)	-	-	(266,918)
DFA - Salaried	96,899	-	69,307	166,206
S&P 500 Index - ATU/IBEW	-	-	(629,754)	(629,754)
S&P 500 Index - Salaried	-	-	(85,930)	(85,930)
Total Payments from/(to) the District	<u>(170,019)</u>	<u>-</u>	<u>(646,377)</u>	<u>(816,396)</u>
Transfers In/(Out) of Investment Funds				
Metropolitan West	(266,918)	-	-	(266,918)
DFA	96,899	-	69,307	166,206
S&P 500 Index	-	-	(715,684)	(715,684)
EAFE	-	-	-	-
Total Transfers In/(Out) of Investment Funds	<u>(170,019)</u>	<u>-</u>	<u>(646,377)</u>	<u>(816,396)</u>
Variance between Payments and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Per Callan Report:				
Net New Investment/(Withdrawals)				<u>(816,396)</u>
Net Difference				<u><u>-</u></u>

**Consolidated Schedule of Cash Activities
For the 12-Months December 31, 2015**

	<u>1Q15</u>	<u>2Q15</u>	<u>3Q15</u>	<u>4Q15</u>	<u>Total</u>
Payments from/(to) the District					
Boston Partners - ATU/IBEW	-	934,507	-	-	934,507
Boston Partners - Salaried	-	530,638	-	-	530,638
Atlanta Capital - ATU/IBEW	-	711,305	(243,158)	-	468,147
Atlanta Capital - Salaried	-	530,638	-	-	530,638
Metropolitan West - ATU/IBEW	-	(7,443,937)	(364,832)	(266,918)	(8,075,687)
Metropolitan West - Salaried	-	(3,183,827)	-	-	(3,183,827)
JP Morgan - ATU/IBEW	-	1,240,656	-	-	1,240,656
JP Morgan - Salaried	-	530,638	-	-	530,638
DFA - ATU/IBEW	-	1,240,656	-	-	1,240,656
DFA - Salaried	-	1,012,612	324,198	166,206	1,503,016
S&P 500 Index - ATU/IBEW	(542,795)	827,397	(251,113)	(629,754)	(596,265)
S&P 500 Index - Salaried	-	530,638	-	(85,930)	444,708
EAFE - ATU/IBEW	-	1,240,656	-	-	1,240,656
EAFE - Salaried	247,354	530,637	-	-	777,991
Total Payments from/(to) the District	<u>(295,441)</u>	<u>(766,786)</u>	<u>(534,905)</u>	<u>(816,396)</u>	<u>(2,413,528)</u>

Sacramento Regional Transit District
 Schedule of Transfers and Retirements
 For the Time Period: October 31, 2015 to December 31, 2015

Transfers:

Employee #	Transferred From Position	Transferred To Position	Transferred From ATU//IBEW	Transferred To ATU//IBEW	Plan Assets Transferred To/(From) Salaried Plan	Plan Assets Transferred To/(From) ATU//IBEW Plan
None to report						

Retirements:

Employee #	Previous Position	Pension Group	Retirement Date
910	Bus Operator	ATU	12/16/2015
525	Bus Operator	ATU	12/17/2015
2953	Bus Operator	ATU	12/18/2015
1606	Customer Service Rep	ATU	12/19/2015
1574	Term Vested	AEAS	11/01/2015
2038	Maintenance Supervisor	AFSCME	11/01/2015
2988	Bus Service Worker	IBEW	10/01/2015
1673	Term Vested	IBEW	10/01/2015
1697	Term Vested	AEAS	10/01/2015
1229	Term Vested	AEAS	10/01/2015

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
15	03/16/16	Retirement	Action	1/27/16

Subject: Receive and File the Independent Auditor's Report for the Twelve Month Period Ended June 30, 2015 (ALL). (Bernegger)

ISSUE

Receive and File the Independent Auditor's Report for the Twelve Month Period Ended June 30, 2015 (ALL). (Bernegger)

RECOMMENDED ACTION

Motion: Receive and File the Independent Auditor's Report for the Twelve Month Period Ended June 30, 2015 (ALL). (Bernegger)

FISCAL IMPACT

None

DISCUSSION

In accordance with California Government Code Section 7504, the Retirement Plans are required to have an annual audit performed. Gilbert Associates, Inc. conducted the Plans' audit in accordance with generally accepted auditing standards. The standards require that the auditors plan and perform the audit to obtain reasonable assurance that the Plans' financial statements are free of material misstatements.

For the fiscal year ended June 30, 2015, the investment assets for the ATU/IBEW and Salaried Plans were combined into one commingled investment portfolio. The balance of investments owned by the ATU/IBEW and Salaried Plans are calculated based on a percentage of ownership as determined by the ATU/IBEW and Salaried Plans' custodian.

The financial results are shown on a comparative basis. As noted in the report (Attachment 1), the combined net position held in trust for pension benefits increased \$5,379,733 or 2.18% from the beginning of year balance of \$241,322,621 to the end of year balance of \$246,702,354. The audit confirmed that the District made 100% of its actuarially determined contribution of \$17,682,871.

For the fiscal year ended June 30, 2015 labor negotiations resulted in a new tier of employees in each of the bargaining groups. Notes to the Financial Statement 1, Description of the Plans, pages 7 through 12, detail the changes to Plan provisions.

Approved:

Presented:

Final 02/26/16

Chief Financial Officer, Acting

Senior Accountant

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**FINANCIAL STATEMENTS WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

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**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES
MEMBERS OF THE RETIREMENT BOARD AND ADMINISTRATIVE STAFF**

Amalgamated Transit Union Local 256

Ralph Niz, Chairperson
Corina De La Torre, Member
Steve Muniz, Alternate

International Brotherhood of Electrical Workers Local 1245

Eric Ohlson, Chairperson
Lorrin Burdick, Member
Stevie Gallow, Alternate

Administrative Employees Association

James Drake, Chairperson
Mark Bennett, Member
Russel Devorak, Alternate

American Federation of State, County & Municipal Employees, Local 146, AFL-CIO

Charles Mallonee, Chairperson
Rob Hoslett, Member
Tim Kent, Alternate

Management and Confidential Employees

Mike Mattos, Chairperson
Alane Masui, Member
Roger Thorn, Alternate

Sacramento Regional Transit District

Andy Morin, Common Chairperson
Michael R. Wiley, Member
Steve Hansen, Alternate

Assistant Secretary, Acting

Donna Bonnel, Director of Human Resources

Legal Counsel

Shayna M. van Hoften, Partner
Anne C. Hydorn, Partner
Hanson Bridgett

Finance Department

Les Tyler, Chief Financial Officer, Acting
Brent Bernegger, Director of Finance/Treasury
Jamie Adelman, Senior Accountant

Human Resources Department

Valerie Weekly, Pension and Retiree Services Administrator

INDEPENDENT AUDITOR'S REPORT

Members of the Board of Directors
Sacramento Regional Transit District
Sacramento, California

Report on the Financial Statements

We have audited the accompanying financial statements of the ATU/IBEW Plan and Salaried Plan for the Sacramento Regional Transit District Employees, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the ATU/IBEW Plan's and Salaried Plan's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Plan's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the ATU/IBEW Plan and the Salaried Plan for the Sacramento Regional Transit District Employees as of June 30, 2015, and the respective changes in fiduciary net position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The basic financial statements of the ATU/IBEW Plan and the Salaried Plan as of June 30, 2014, were audited by other auditors whose report dated November 7, 2014, expressed an unmodified opinion on those financial statements.

(Continued)

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Schedules of Changes in the Net Pension Liability and Related Ratios, Schedules of District Contributions, and the Schedule of Investment Returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the ATU/IBEW Plan and the Salaried Plan basic financial statements. The accompanying supplemental Schedules of Investment and Administrative Expenses are presented for purposes of additional analysis and are not a required part of the financial statements.

The accompanying 2015 Schedules of Investment and Administrative Expenses are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the 2015 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 2015 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2015 basic financial statements or to the 2015 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedules of Investment and Administrative Expenses are fairly stated, in all material respects, in relation to the 2015 basic financial statements as a whole.

The accompanying 2014 Schedules of Investment and Administrative Expenses are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2014 basic financial statements. Such information has been subjected to the auditing procedures applied by other auditors in the audit of the 2014 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the 2014 basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and whose report dated November 7, 2014 expressed an opinion that such information was fairly stated in all material respects in relation to the 2014 basic financial statements as a whole.

Crowe Horwath LLP

Crowe Horwath LLP

Sacramento, California
December 30, 2015

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**STATEMENTS OF PLAN NET POSITION
JUNE 30, 2015**

	<u>ATU/IBEW</u>	<u>Salaried</u>	<u>Total</u>
Assets			
Investments, at fair value:			
Equity securities	\$ 110,296,011	\$ 49,875,031	\$ 160,171,042
Fixed income securities	67,050,762	26,496,478	93,547,240
Total investments	<u>177,346,773</u>	<u>76,371,509</u>	<u>253,718,282</u>
Cash and short-term investments	2,888,256	1,209,251	4,097,507
Receivables			
Securities sold	447,809	197,273	645,082
Interest and dividends	166,280	68,825	235,105
Other receivables and prepaids	58,825	165,256	224,081
Total receivables	<u>672,914</u>	<u>431,354</u>	<u>1,104,268</u>
Total assets	<u>180,907,943</u>	<u>78,012,114</u>	<u>258,920,057</u>
Liabilities			
Securities purchased payable	8,391,320	3,339,493	11,730,813
Accounts payable	410,569	76,321	486,890
Total liabilities	<u>8,801,889</u>	<u>3,415,814</u>	<u>12,217,703</u>
Net position restricted for pension benefits	<u>\$ 172,106,054</u>	<u>\$ 74,596,300</u>	<u>\$ 246,702,354</u>

(Schedules of Changes in Net Pension Liability and Related Ratios for the Plans are presented on pages 26 and 27.)

The accompanying notes are an integral part of these financial statements.

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**STATEMENTS OF PLAN NET POSITION
JUNE 30, 2014**

	<u>ATU/IBEW</u>	<u>Salaried</u>	<u>Total</u>
Assets			
Investments, at fair value:			
Equity securities	\$ 102,436,610	\$ 43,662,164	\$ 146,098,774
Fixed income securities	67,330,781	26,610,171	93,940,952
Total investments	<u>169,767,391</u>	<u>70,272,335</u>	<u>240,039,726</u>
Cash and short-term investments	9,766,996	3,926,522	13,693,518
Receivables			
Securities sold	1,412,085	563,042	1,975,127
Interest and dividends	290,759	116,727	407,486
Other receivables and prepaids	36,492	92,712	129,204
Total receivables	<u>1,739,336</u>	<u>772,481</u>	<u>2,511,817</u>
Total assets	<u>181,273,723</u>	<u>74,971,338</u>	<u>256,245,061</u>
Liabilities			
Securities purchased payable	10,226,692	4,041,748	14,268,440
Accounts payable	549,358	104,642	654,000
Total liabilities	<u>10,776,050</u>	<u>4,146,390</u>	<u>14,922,440</u>
Net position restricted for pension benefits	<u>\$ 170,497,673</u>	<u>\$ 70,824,948</u>	<u>\$ 241,322,621</u>

(Schedules of Changes in Net Pension Liability and Related Ratios for the Plans are presented on pages 26 and 27.)

The accompanying notes are an integral part of these financial statements.

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**STATEMENTS OF CHANGES IN PLAN NET POSITION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2015**

	<u>ATU/IBEW</u>	<u>Salaried</u>	<u>Total</u>
Additions			
Contributions:			
Employer	\$ 10,343,620	\$ 7,335,308	\$ 17,678,928
Member	3,682	261	3,943
Total contributions	<u>10,347,302</u>	<u>7,335,569</u>	<u>17,682,871</u>
Investment Income:			
Net appreciation in fair value of investments	3,147,172	1,523,789	4,670,961
Interest, dividends, and other income	2,208,131	925,197	3,133,328
Investment expenses	(745,797)	(316,850)	(1,062,647)
Net investment income	<u>4,609,506</u>	<u>2,132,136</u>	<u>6,741,642</u>
Total additions	<u>14,956,808</u>	<u>9,467,705</u>	<u>24,424,513</u>
Deductions			
Benefits paid to participants	13,157,985	5,502,144	18,660,129
Administrative expenses	190,442	194,209	384,651
Total deductions	<u>13,348,427</u>	<u>5,696,353</u>	<u>19,044,780</u>
Net increase in plan net position	1,608,381	3,771,352	5,379,733
Net position restricted for pension benefits - Beginning of fiscal year	<u>170,497,673</u>	<u>70,824,948</u>	<u>241,322,621</u>
Net position restricted for pension benefits - End of fiscal year	<u>\$ 172,106,054</u>	<u>\$ 74,596,300</u>	<u>\$ 246,702,354</u>

The accompanying notes are an integral part of these financial statements.

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**STATEMENTS OF CHANGES IN PLAN NET POSITION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2014**

	<u>ATU/IBEW</u>	<u>Salaried</u>	<u>Total</u>
Additions			
Contributions:			
Employer	\$ 9,711,107	\$ 6,609,083	\$ 16,320,190
Member	22,425	1,678	24,103
Total contributions	<u>9,733,532</u>	<u>6,610,761</u>	<u>16,344,293</u>
Investment Income:			
Net appreciation in fair value of investments	20,970,171	8,631,373	29,601,544
Interest, dividends, and other income	2,394,445	964,719	3,359,164
Investment expenses	(732,797)	(298,448)	(1,031,245)
Net investment income	<u>22,631,819</u>	<u>9,297,644</u>	<u>31,929,463</u>
Total additions	<u>32,365,351</u>	<u>15,908,405</u>	<u>48,273,756</u>
Deductions			
Benefits paid to participants	12,877,177	5,664,400	18,541,577
Administrative expenses	230,365	176,367	406,732
Total deductions	<u>13,107,542</u>	<u>5,840,767</u>	<u>18,948,309</u>
Transfers in/(out) of plans	<u>(174,166)</u>	<u>174,166</u>	<u>-</u>
Net increase in plan net position	19,083,643	10,241,804	29,325,447
Net position restricted for pension benefits - Beginning of fiscal year	<u>151,414,030</u>	<u>60,583,144</u>	<u>211,997,174</u>
Net position restricted for pension benefits - End of fiscal year	<u>\$ 170,497,673</u>	<u>\$ 70,824,948</u>	<u>\$ 241,322,621</u>

The accompanying notes are an integral part of these financial statements.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

1. DESCRIPTION OF THE PLANS

ATU/IBEW Plan

The Retirement Plan for Sacramento Regional Transit District Employees who are Members of Amalgamated Transit Union (ATU) Local 256 and International Brotherhood of Electrical Workers (IBEW) Local 1245 (the ATU/IBEW Plan) is a single employer defined benefit pension plan covering contract employees of Sacramento Regional Transit District (the District). Participants should refer to their respective ATU/IBEW Plan agreements for more complete information. The ATU Plan and the IBEW Plan are accounted for by the District as one Plan (collectively, the “ATU/IBEW Plan”). The ATU/IBEW Plan is reported as a pension trust fund in the District’s financial statements.

Salaried Plan

The Retirement Plan for Sacramento Regional Transit District Salaried Employees (the Salaried Plan) is a single employer defined benefit pension plan covering full or part-time employees in the following employee groups: Administrative Employees’ Association (AEA), Management and Confidential Employees’ Group (MCEG), and Members of the American Federation of State, County & Municipal Employees, Local 146, AFL-CIO (AFSCME). AFSCME is further split into two groups AFSCME-Technical and AFSCME-Supervisors. Participants should refer to the Salaried Plan agreement for more complete information. The Salaried Plan is reported as a pension trust fund in the District’s financial statements.

Plan Tier Definition – As a result of labor negotiations and the court ruling on the Public Employees’ Pension Reform Act, a new tier to both the ATU/IBEW and Salaried Pension Plans were created. The Tier effective date was directly affected by labor negotiations and whether the union/employee group was under a current Memorandum of Understanding (MOU). As of December 30, 2014 the ATU, IBEW, and AFSCME – Technical unions were bound by a current MOU. Whereas, the AEA, MCEG, and AFSCME – Supervisors had not settled negotiations and were not bound by a current MOU; therefore, PEPRRA was required to be implemented for these groups.

- ATU, IBEW, and AFSCME – Technical - Tier 1 for the ATU/IBEW Plan and AFSCME – Technical union consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015.
- AEA, MCEG, and AFSCME – Supervisors - Tier 1 for the AEA, MCEG, and AFSCME – Supervisors consists of all employees hired on or before December 30, 2014, Tier 2 consists of all employees hired on or after December 31, 2014.

Tier 1 is closed to new entrants as all newly hired employees will be placed into the respective Tier 2 plans.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

1. DESCRIPTION OF THE PLANS (Continued)

PEPRA Employees

The Public Employees’ Pension Reform Act (PEPRA) of 2013 created new pension rules for employees hired after January 1, 2013. ‘PEPRA employees’ were hired under both the ATU/IBEW Plan and the Salaried Plan and the employees are required to contribute 50% of the normal cost of their plan. The benefits under PEPRA were reduced in an effort to reduce the pension liability of local agencies in the state of California.

On October 4, 2013 Assembly Bill 1222 provided a temporary exemption to the January 1, 2013 PEPRA law for employees of Transit Agencies. Along with changes to employee retirement benefits, this exemption eliminated employee contributions through January 1, 2015. Therefore all contributions received were refunded in November 2013 and the employees hired between January 1, 2013 and October 4, 2013 were included in the Tier 1 Plans. On September 28, 2014 Assembly Bill 1783 was signed by Governor Brown which extended the Districts PEPRA exemption to January 1, 2016.

On December 30, 2014 a court ruling was released in which PEPRA became a requirement for Transit Agencies in the state of California. The ruling indicated that if a bargaining group was within a current MOU, PEPRA would not apply until the expiration of said MOU. As of December 30, 2014 the ATU, IBEW, and AFSCME – Technical groups were under a current MOU. For all other employee groups not under current contract (MCEG, AEA, and AFSCME – Supervisors), PEPRA applies to all new hires as of December 30, 2014.

General Provisions ATU/IBEW and Salaried Plans

Contributions to the ATU/IBEW and Salaried Plans are authorized or amended by the Retirement Board based on an actuarial basis. The authority under which benefit provisions are established and amended rests with the District’s Board of Directors as a result of labor negotiations. Assembly Bill 1064, effective January 1, 2004, mandates that the Retirement Boards be comprised of equal representation of management and Bargaining Group employees. The Retirement Board shall consist of not more than 4 members and 2 alternates. Two (2) voting members and one (1) alternate shall be appointed by the District’s Board of Directors and two (2) voting members and one (1) alternate shall be appointed by the ATU, IBEW, AEA, AFSCME, and MCEG member groups.

The ATU/IBEW and Salaried Plans provide defined pension, disability, and death benefits to employees who are members of the ATU, IBEW, AEA, MCEG, AFSCME-Technical, and AFSCME-Supervisors.

ATU/IBEW Plan membership for both Tier 1 and Tier 2, at June 30, consisted of:

	2015	2014
Retirees and beneficiaries currently receiving benefits	507	493
Terminated members entitled to but not yet collecting benefits	42	39
Current active members	696	708
	1,245	1,240

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

1. DESCRIPTION OF THE PLANS (Continued)

Salaried Plan membership for both Tier 1 and Tier 2, as of June 30, consisted of:

	2015	2014
Retirees and beneficiaries currently receiving benefits	227	221
Terminated members entitled to but not yet collecting benefits	45	47
Current active members	250	252
	522	520

RETIREMENT BENEFITS

Table 1 below presents a summary of the retirement benefits for Tier 1 employees for each of the employee groups represented by the ATU/IBEW and Salaried Plans.

Table 1

TIER 1	ATU/IBEW Plan		Salaried Plan			
Employee Unions/Groups	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	MOU	MOU	MOU	MOU	MOU	MOU
Vesting Period: Years of Service - % Vested	10 - 100%	5 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	9 - 100%	5 - 100%	5 - 100%
Employer Contribution	27.55%	27.55%	32.04%	32.04%	32.04%	32.04%
Employee Contribution	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Vacation sell back towards pension calculation	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
Sick leave sell back towards pension calculation	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
Retirement Age Eligible and Multiplier	See Table 3	See Table 3	See Table 3	See Table 3	See Table 3	See Table 3
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 2% if age and service are not met. Vesting required					

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

1. DESCRIPTION OF THE PLANS (Continued)

Table 2 below presents a summary of the retirement benefits for Tier 2 employees for each of the employee groups represented by the ATU/IBEW and Salaried Plans.

Table 2

TIER 2	ATU/IBEW Plan		Salaried Plan			
	ATU	IBEW	AFSCME - Technical	AFSCME - Supervisors	AEA	MCEG
Plan Terms	MOU	MOU	MOU	PEPRA	PEPRA	PEPRA
Vesting Period: Years of Service - % Vested	10 - 100%	10 - 100%	5 - 10% 6 - 30% 7 - 50% 8 - 70% 9 - 90% 10 - 100%	5 - 100%	5 - 100%	5 - 100%
Employer Contribution	24.55%	26.05%	30.54%	26.29%	26.29%	26.29%
Employee Contribution	3.0%	1.5% to 4.5%	1.5% to 4.5%	1/2 Normal Cost	1/2 Normal Cost	1/2 Normal Cost
Vacation sell back towards pension calculation	Allowable	Allowable	Allowable	Not Allowable	Not Allowable	Not Allowable
Sick sell back towards pension calculation	Allowable	Allowable	Allowable	Not Allowable	Not Allowable	Not Allowable
Retirement Age Eligible and Multiplier	See Table 4	See Table 4	See Table 4	See Table 4	See Table 4	See Table 4
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 2% if age and service are not met. Vesting required					

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

1. DESCRIPTION OF THE PLANS (Continued)

The retirement ages, years of service and pension calculation multipliers vary by employee union/group. The specific benefits for the ATU/IBEW and Salaried Plan Tier 1 and Tier 2 employees are outlined below in Table 3 and Table 4, respectively:

Table 3

Tier 1			
Employee Unions/ Groups	Age	Years of Service	Multiplier
ATU	55	25	2.00%
	56	26	2.10%
	57	27	2.20%
	58	28	2.30%
	59	29	2.40%
	60	30 or more	2.50%
IBEW	55-59	25-29 or more	2.00%
	60	30 or more	2.50%
Salaried (AEA, MCEG, and AFSCME)	55	25	2.00%
	56	26	2.10%
	57	27	2.20%
	58	28	2.30%
	59	29	2.40%
	60	30 or more	2.50%

Table 4

Tier 2			
Employee Unions/ Groups	Age	Years of Service	Multiplier
ATU	55	25	2.00%
	56	26	2.10%
	57	27	2.20%
	58	28	2.30%
	59	29	2.40%
	60	30 or more	2.50%
IBEW	55-62	N/A	2.00%
	63	N/A	2.10%
	64	N/A	2.20%
	65	N/A	2.30%
	66	N/A	2.40%
AFSCME- Technical	67	N/A	2.50%
	55	25	2.00%
	56	26	2.10%
	57	27	2.20%
	58	28	2.30%
	59	29	2.40%
AEA, MCEG, and AFSCME - Supervisors	60	30 or more	2.50%
	55	N/A	1.30%
	56	N/A	1.40%
	57	N/A	1.50%
	58	N/A	1.60%
	59	N/A	1.70%
	60	N/A	1.80%
	61	N/A	1.90%
	62	N/A	2.00%
	63	N/A	2.10%
	64	N/A	2.20%
65	N/A	2.30%	
66	N/A	2.40%	
67	N/A	2.50%	

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

1. DESCRIPTION OF THE PLANS (Continued)

The benefits for both Tier 1 and Tier 2 members begin at retirement and continue for the participant's life with no cost of living adjustment. The participant can elect to receive reduced benefits with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with the District, cannot be transferred to another job with the District, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members are required to be vested in their respective union or employee group to qualify for disability retirement. The disability benefit is equal to the retirement allowance, as defined by the ATU/IBEW or Salaried Plan, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant's life unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Pre-Retirement Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective bargaining agreements. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse or until remarriage.

Administration – The ATU/IBEW Plan is administered by the ATU/IBEW Plan's Retirement Board. All expenses incurred in the administration of the ATU/IBEW Plan are paid by the ATU/IBEW Plan. The Salaried Plan is administered by the Salaried Plan's Retirement Boards. All expenses incurred in the administration of the Salaried Plan are paid by the Salaried Plan.

Plan Termination – Should the ATU/IBEW or the Salaried Plan be terminated, the Plan's net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first both active and inactive, on the basis of the actuarial present value of their benefits.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The ATU/IBEW and Salaried Plans are reported as pension trust funds which report resources that are required to be held in trust for the members and beneficiaries of the defined benefit pension plans. The ATU/IBEW and Salaried Plans are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting.

The ATU/IBEW and Salaried Plans have adopted Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans – an amendment of GASB Statement No. 25*, as their source of accounting and reporting principles. The District's contributions to the ATU/IBEW and Salaried Plans are recognized in the period in which the contributions are due pursuant to formal commitments or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the ATU/IBEW and Salaried Plans' agreements.

Cash and Short-Term Investments – The ATU/IBEW and Salaried Plans consider all highly liquid investments with a maturity of three months or less to be short-term investments.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments – Investments are stated at fair value based on quoted market prices (or, if not available, at estimated fair value determined by third-party pricing services). Realized gains or losses on the sale of investments are recorded on the trade date as the difference between proceeds received and the fair value at the beginning of the year, or cost if acquired during the year. Net appreciation (depreciation) in fair value of investments includes net unrealized market appreciation and depreciation of investments and net realized gains and losses on the sale of investments during the period. Interest income includes dividends and interest paid on the ATU/IBEW and Salaried Plans' investments. The investment assets for the ATU/IBEW and the Salaried Plans are combined into one commingled investment portfolio. The balances of investments owned by the plans are calculated based on a percentage of ownership as determined by the Plans' custodian, State Street.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles requires the ATU/IBEW and Salaried Plans administrator to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

New Pronouncements – For the fiscal year ended June 30, 2015, the ATU/IBEW and Salaried Plans did not implement new GASB pronouncements as they did not apply to the ATU/IBEW and Salaried Plans' financial activity or were immaterial.

For the fiscal year ended June 30, 2014, the ATU/IBEW and Salaried Plans implemented GASB pronouncement 67, Financial Reporting for Pension Plans, an amendment of GASB 25. This statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans", and No. 50, "Pension Disclosures", as they relate to pension plans that are administered through trusts or equivalent arrangements. For defined benefit pension plans, this Statement establishes standards of financial reporting for separately issued financial reports and specifies the required approach to measuring the pension liability of employers and nonemployer contributing entities for benefits provided through the pension plan (the net pension liability), about which information is required to be presented. The implementation of the GASB statement resulted in certain changes in presentation but did not have a material impact on the Plans' financial Statements.

There are currently no future pronouncements that will be applicable to the ATU/IBEW and Salaried Retirement Plans financial statements.

3. CONTRIBUTION REQUIREMENTS

EMPLOYER CONTRIBUTIONS

The ATU/IBEW and Salaried Plans' funding policy provides for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method. During the fiscal years ended June 30, 2015 and June 30, 2014, the District made 100% of the actuarially determined contributions to the ATU/IBEW and Salaried Plans of \$17,678,928 and \$16,320,190, respectively, for all employees.

TIER 1 EMPLOYEES

For the fiscal year ended June 30, 2015 and 2014, the actuarially determined rate for the ATU/IBEW Plan was 27.55% and 26.27%, respectively, of covered payroll. For the fiscal year ended June 30, 2015 and 2014, the actuarially determined rate for the Salaried Plan was 32.04% and 29.95%, respectively, of covered payroll. No contributions are required by the ATU/IBEW and Salaried Plans' members pursuant to each respective bargaining agreement for employees hired before January 1, 2015.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

3. CONTRIBUTION REQUIREMENTS (Continued)

TIER 2 EMPLOYEES

As of January 1, 2015, all new employees were required to contribute to their pension based upon the terms of the bargaining groups MOU or based on PEPRA.

ATU employees are required to contribute 3.00% of their annual salary. The employer portion of the actuarially determined rate for the ATU members was 24.55% of covered payroll for the fiscal year ending June 30, 2015. IBEW employees are required to contribute 1.5% the first year of service increasing to 4.5% in the third year of service and beyond. The employer portion of the actuarially determined rate for the IBEW members was 26.05% of covered payroll for the fiscal year ending June 30, 2015. The total contribution by Tier 2 employees of the ATU/IBEW Plan as of June 30, 2015 was \$3,682.

AFSCME – Technical employees are required to contribute 1.5% the first year of service increasing to 4.5% in the third year of service and beyond. The employer portion of the actuarially determined rate for the AFSCME - Technical members was 30.54% of covered payroll for the fiscal year ending June 30, 2015. Members of AEA, MCEG, and AFSCME – Supervisors are required to contribute 50% of normal cost which is currently 5.75% of their annual salary. The employer portion of the actuarially determined rate for the AEA, MCEG, and AFSCME - Supervisors members was 26.29% of covered payroll for the fiscal year ending June 30, 2015. The total contribution by Tier 2 employees of the Salaried Plan as of June 30, 2015 was \$260.

For the fiscal year ended June 30, 2014 all new employees were required to contribute 50% of the normal cost of the pension benefit under the terms of PEPRA. The employee contributions for the fiscal year ending June 30, 2014 were 5.75% or \$22,425 and 4.75% or \$1,678, for the ATU/IBEW Plan and the Salaried Plan, respectively. The employer portion of the actuarially determined rate for the ATU/IBEW Plan and Salaried Plan was 18.18% and 21.61%, respectively, of covered payroll for the fiscal year ended June 30, 2014.

The PEPRA related contribution rates for June 30, 2015 and 2014 were actuarially determined on April 20, 2015 and July 9, 2013, respectively, using the member data from actuarial valuations of the Plans as of June 30, 2014 and 2012, respectively.

4. CASH AND INVESTMENTS

CASH AND SHORT-TERM INVESTMENTS

At June 30, 2015 and 2014, the reported amount of cash and short-term investments of the ATU/IBEW and Salaried Plans was \$4,097,507 and \$13,693,518, respectively. The amount was collateralized with securities held by the counterparty's trust department or agent in the District's name on behalf of the Retirement Plan.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

4. CASH AND INVESTMENTS (Continued)

INVESTMENTS

An annual Board-adopted policy, the Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (Policy), governs the ATU/IBEW and Salaried Plans' investments. This Policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies and Guidelines, and the Investment Restrictions. The Retirement Boards have the authority to amend the asset allocation targets as well as establish and amend investment policies. The following was the Plans adopted asset allocation policy as of June 30:

Asset Class	Target Allocation	
	2015	2014
Domestic Equity Large Cap	32%	30%
Domestic Equity Small Cap	8%	7%
International Equity Developed	19%	18%
International Equity Emerging Markets	6%	5%
Domestic Fixed Income	35%	40%

All of the ATU/IBEW and Salaried Plans' investments are reported at fair value measured by quoted market prices.

For the years ended June 30, 2015 and 2014, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 3.25% and 15.64%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

4. CASH AND INVESTMENTS (Continued)

The following table identifies the investment types that are authorized by the ATU/IBEW and Salaried Plans' Retirement Boards. The table also identifies certain provisions of the Investment Objectives and Policy that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity (1)	Minimum Rating (3)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Cash	None	N/A	None	None
U.S. Treasury Bills	None	N/A	None	None
Agency Discount Notes	None	N/A	None	None
Certificates of Deposit	None	N/A	None	None
Bankers Acceptances	None	N/A	None	None
Commercial Paper	None	A2/P2	None	None
Asset-Backed Commercial Paper	None	A2/P2	None	None
Money Market Funds and Bank Short-Term Investment Funds (STIF)	None	N/A	None	None
Repurchase Agreements	None	N/A	None	None
U.S. Government and Agency Securities	None	N/A	None	None
Credit Securities/Corporate Debt (4)	None	N/A	None	None
Securitized Investments (5)	None	N/A	None	None
Emerging Markets	None	N/A	None	None
International Fixed Income Securities	None	N/A	None	None
Other Fixed Income Securities (6)	None	N/A	None	None
Mutual Funds	N/A	N/A	25% (2)	5%
Real Estate Investment Trust	N/A	N/A	25% (2)	5%
Depository Receipt	N/A	N/A	25% (2)	5%
Stocks	N/A	N/A	25% (2)	5%

- (1) The fixed income portion of the ATU/IBEW and Salaried Plans shall be limited in duration to between 75% and 125% of the benchmark.
- (2) No more than 25% of the fair value on the purchase cost basis of the total common stock portfolio (equity securities) shall be invested in a single industry at the time of purchase.
- (3) The investment managers shall maintain a minimum overall portfolio quality rating of "A" equivalent or better at all times (based on market-weighted portfolio average). Minimum quality (at purchase) must be at least 80% Baa or above.
- (4) Credit Securities and Corporate Debt include: debentures, medium-term notes, capital securities, trust preferred securities, Yankee bonds, Eurodollar securities, floating rate notes and perpetual floaters, structured notes, municipal bonds, preferred stock, private placements (bank loans and 144(a) securities), and EETCs.
- (5) Securitized investments includes: agency and non-agency mortgage-backed securities, asset-backed securities (144(a) securities), and commercial mortgage-backed securities.
- (6) Other Fixed Income Securities includes: Fixed income commingled and mutual funds, futures and options, swap agreements, and reverse repurchase agreements.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

4. CASH AND INVESTMENTS (Continued)

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments. Such factors as interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk may affect both equity and fixed income securities.

INTEREST RATE RISK

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter duration.

The following table provides information about the interest rate risks associated with the ATU/IBEW and Salaried Plans' investments at June 30, 2015.

	Maturity in Years				Fair Value
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ -	\$ 934,271	\$ 3,333,281	\$ 6,468,937	\$ 10,736,489
Corporate Bonds	295,879	6,661,195	3,725,380	4,714,205	15,396,659
Municipal Bonds	-	-	476,583	246,142	722,725
U.S. Government Agency Obligations	-	254,983	2,199,814	19,363,859	21,818,656
U.S. Government Issued Obligations	9,188,966	11,542,035	6,288,225	4,259,693	31,278,919
Asset-Backed Securities	-	-	2,123,916	11,469,876	13,593,792
Total	\$ 9,484,845	\$ 19,392,484	\$ 18,147,199	\$ 46,522,712	\$ 93,547,240

The following table provides information about the interest rate risks associated with the ATU/IBEW and Salaried Plan's investments at June 30, 2014.

	Maturity in Years				Fair Value
	Less than 1	1 – 5	6 – 10	More than 10	
Collateralized Mortgage Obligations	\$ -	\$ 363,661	\$ 2,977,041	\$ 7,637,213	\$ 10,977,915
Corporate Bonds	1,139,096	6,470,913	3,527,154	3,763,174	14,900,337
Municipal Bonds	-	-	438,356	681,598	1,119,954
U.S. Government Agency Obligations	-	2,735	2,311,794	20,467,290	22,781,819
U.S. Government Issued Obligations	6,980,614	14,397,839	8,803,837	3,399,803	33,582,093
Asset-Backed Securities	-	-	1,513,343	9,065,491	10,578,834
Total	\$ 8,119,710	\$ 21,235,148	\$ 19,571,525	\$ 45,014,569	\$ 93,940,952

In accordance with the ATU/IBEW and Salaried Plans' investment policy, investments may include mortgage pass-through securities, collateralized mortgage obligations, asset-backed securities, callable bonds and corporate debts that are considered to be highly sensitive to changes in interest rates.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014

4. CASH AND INVESTMENTS (Continued)

COLLATERALIZED MORTGAGE OBLIGATIONS

Collateralized mortgage obligations (CMO's) are bonds that represent claims to specific cash flow from large pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests.

CMO's are often highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise pre-pay their loans. Investors in these securities may not only be subjected to such prepayment risk, but also exposed to significant market and liquidity risks.

CORPORATE DEBT – RANGE NOTES

Range notes are securities which pay two different interest rates depending on whether or not a benchmark index falls within a pre-determined range as structured per the note. If the benchmark index rate does not fall within the pre-determined range, the note will not earn the coupon rate for that time period. With this pre-determined range feature, range notes are highly sensitive to changes in interest rates. As of June 30, 2015, the ATU/IBEW and Salaried Plans held range notes with a fair value of \$422,100. As of June 30, 2014, the ATU/IBEW and Salaried Plans held range notes with a fair value of \$446,243.

MORTGAGE PASS-THROUGH SECURITIES

These securities are issued by Government Sponsored Enterprises (GSEs), which are a group of financial services corporations created by the United States Congress. The GSEs include: the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Association (Freddie Mac), and the Federal Home Loan Banks. Another institution that issues these securities is the Government National Mortgage Association (Ginnie Mae). These securities are highly sensitive to interest rate fluctuations because they are subject to early payment. In a period of declining interest rate, the resulting reduction in expected total cash flows affects the fair value of these securities.

ASSET-BACKED SECURITIES

Asset-backed securities generate a return based upon either the payment of interest or principal on obligations in an underlying pool. The relationship between interest rates and prepayments make the fair value highly sensitive to changes in interest rates.

CALLABLE BONDS

Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. The Plans must then replace the called bond with a bond that may have a lower yield than the original bond. The call feature causes the fair value to be highly sensitive to changes in interest rates. As of June 30, 2015, the ATU/IBEW and Salaried Plans held callable bonds with a fair value of \$4,008,874. As of June 30, 2014, the ATU/IBEW Plan and the Salaried Plan held callable bonds with a fair value of \$3,450,766.

CREDIT RISK

Fixed income securities are subject to credit risk, which is the risk that a bond issuer or other counterparty to a debt instrument will not fulfill its obligation to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

4. CASH AND INVESTMENTS (Continued)

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (Moody's). The lower the rating the greater the chance, in the rating agency's opinion, the bond issuer will default, or fail to meet their payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk.

For the fiscal years ending June 30, 2015 and 2014, the ATU/IBEW and Salaried Plans were in adherence with the credit risk provisions of the Statement of Investment Objectives and Policy Guidelines which require a minimum overall portfolio quality rating and a minimum credit rating at the time of purchase.

The following table provides information on the credit ratings and fair value associated with the ATU/IBEW and Salaried Plans' investments as of June 30, 2015.

<u>Investment Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Not Applicable	\$ 164,268,550	63.72%
Not Rated	56,033,893	21.73%
Aaa	16,157,305	6.27%
Aa1	458,580	0.18%
Aa2	1,216,262	0.47%
Aa3	351,245	0.14%
A1	1,384,654	0.54%
A2	2,328,805	0.90%
A3	3,630,204	1.41%
Baa1	3,776,868	1.46%
Baa2	2,901,380	1.13%
Baa3	2,492,310	0.97%
Ba1	807,401	0.31%
Ba2	671,768	0.26%
Ba3	98,024	0.04%
B1	127,875	0.05%
B2	610,069	0.24%
Caa3	441,415	0.17%
Ca	9,043	0.00%
WR	50,138	0.02%
	<u>\$ 257,815,789</u>	<u>100.00%</u>

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

4. CASH AND INVESTMENTS (Continued)

The following table provides information on the credit ratings and fair value associated with the ATU/IBEW and Salaried Plans' investments as of June 30, 2014.

<u>Investment Rating</u>	<u>Fair Value</u>	<u>Percentage of Portfolio</u>
Not applicable	\$ 159,792,291	62.98%
Not rated	57,905,099	22.82%
Aaa	14,259,652	5.62%
Aa1	977,535	0.39%
Aa2	1,771,440	0.70%
Aa3	354,555	0.14%
A1	1,448,258	0.57%
A2	1,520,943	0.60%
A3	2,409,478	0.95%
Baa1	4,660,839	1.84%
Baa2	4,642,177	1.83%
Baa3	1,235,670	0.49%
Ba1	116,350	0.05%
Ba2	161,895	0.06%
Ba3	827,823	0.33%
B1	616,190	0.24%
B2	132,728	0.05%
Caa1	503,608	0.20%
Caa3	386,167	0.15%
Ca	10,546	0.00%
Total Cash & Investments	<u>\$ 253,733,244</u>	<u>100.00%</u>

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer.

The investment policies of the ATU/IBEW and Salaried Plans state that an investment in each domestic or international equity fund managers' securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or of the total outstanding shares. As of June 30, 2015 and 2014, the ATU/IBEW and Salaried Plans did not have domestic or international equity fund managers' investments in a single issuer that exceeded 5% (at cost) of the value of the portfolios and/or of the total outstanding shares. As of June 30, 2015 and 2014, the Plans held more than 5% of the Plans' investments and more than 5% of the Plans' fiduciary net position in the following fixed-income securities investment.

	<u>2015</u>	<u>2014</u>
Federal National Mortgage Association	\$ 16,273,430	\$ 21,236,745
Federal Home Loan Bank	12,907,787	13,963,182
US Treasury	17,046,158	22,002,362

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

4. CASH AND INVESTMENTS (Continued)

CUSTODIAL CREDIT RISK

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The ATU/IBEW and Salaried Plans' investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The ATU/IBEW and Salaried Plans' investment securities are not exposed to custodial credit risk because all securities are held by the ATU/IBEW and Salaried Plans' custodian bank in the District's name.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The ATU/IBEW and Salaried Plans' investment policy states international equity securities shall be comprised of American Depository Receipts (ADR) 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.

The following table provides information on deposits and investments held in various foreign currencies, which are stated in U.S. dollars. The ATU/IBEW and Salaried Plans do have foreign currency deposits and investments which may be used for hedging purposes.

At June 30, 2015 and 2014, the U.S. dollar balances organized by investment type and currency denominations for the ATU/IBEW and Salaried Plans are as follows:

<u>Asset Class</u>	<u>Foreign Currency</u>	2015	2014
		<u>U.S. Dollars</u>	<u>U.S. Dollars</u>
Cash	EURO	\$ 430	\$ 528
	Japanese Yen	87	-
	Swiss Franc	6,367	-
	Total	<u>\$ 6,884</u>	<u>\$ 528</u>

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

5. NET PENSION LIABILITY

ATU/IBEW Plan

The components of the net pension liability of the ATU/IBEW Plan at June 30, 2015, were as follows:

Total pension liability	\$ 222,705,517
Plan fiduciary net position	(172,106,054)
ATU/IBEW net pension liability	<u>\$ 50,599,463</u>
 Plan fiduciary net position as a percentage of the total pension liability	 77.28%

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement, and using update procedures to roll forward the total pension liability to the pension plan's fiscal year-end:

Inflation	3.15%
Amortization growth rate	3.25%
Salary increases	3.25%, plus merit component
Investment Rate of Return	7.65%, net of investment expense
Post-retirement mortality	Sex distinct RP-2000 Combined Blue Collar Mortality, 3 year setback for females

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2006 through June 30, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity Large Cap	8.90%
Domestic Equity Small Cap	10.15%
International Equity Developed	9.80%
International Equity Emerging	11.45%
Domestic Fixed Income	3.05%

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

5. NET PENSION LIABILITY (continued)

The discount rate used to measure the Total Pension Liability was 7.65%. The discount rate was decreased during the fiscal year ended June 30, 2015 to 7.65% from 7.75% as of June 30, 2014. The reduction is due to a review of potential investment returns over the next ten to twenty year horizon. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the Plan based on an actuarially determined contribution, reflecting a payment equal to annual Normal Cost, the expected administrative expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level percentage of payroll over a closed period (18 years remaining as of the June 30, 2014 actuarial valuation).

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the ATU/IBEW Plan, calculated using the discount rate of 7.65 percent, as well as what the ATU/IBEW Plans net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease 6.65%	Discount Rate 7.65%	1% Increase 8.65%
Total pension liability	\$ 244,369,554	\$ 222,705,517	\$ 204,025,934
Plan fiduciary net position	(172,106,054)	(172,106,054)	(172,106,054)
Net pension liability	\$ 72,263,500	\$ 50,599,463	\$ 31,919,880
 Plan fiduciary net position as a percentage of the total pension liability	70.43%	77.28%	84.35%

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

5. NET PENSION LIABILITY (continued)

Salaried Plan

The components of the net pension liability of the Salaried Plan at June 30, 2015, were as follows:

Total pension liability	\$	116,410,752
Plan fiduciary net position		(74,596,300)
Salaried net pension liability	\$	<u>41,814,452</u>
Plan fiduciary net position as a percentage of the total pension liability		64.08%

The total pension liability was determined by an actuarial valuation as of June 30, 2014, using the following actuarial assumptions, applied to all periods included in the measurement, and using update procedures to roll forward the total pension liability to the pension plan's fiscal year-end:

Inflation	3.15%
Amortization growth rate	3.25%
Salary increases	3.25%, plus merit component
Investment Rate of Return	7.65%, net of investment expense
Post-retirement mortality	Sex distinct RP-2000 Combined White Collar Mortality, 3 year setback for females

The actuarial assumptions used in the June 30, 2014, valuation were based on the results of an actuarial experience study for the period July 1, 2006 through June 30, 2011.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2015, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity Large Cap	8.90%
Domestic Equity Small Cap	10.15%
International Equity Developed	9.80%
International Equity Emerging	11.45%
Domestic Fixed Income	3.05%

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FISCAL YEARS ENDED
JUNE 30, 2015 AND 2014**

5. NET PENSION LIABILITY (continued)

The discount rate used to measure the Total Pension Liability was 7.65%. The discount rate was decreased during the fiscal year ended June 30, 2015 to 7.65% from 7.75% as of June 30, 2014. The reduction is due to a review of potential investment returns over the next ten to twenty year horizon. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the Plan based on an actuarially determined contribution, reflecting a payment equal to annual Normal Cost, the expected administrative expenses, and an amount necessary to amortize the remaining Unfunded Actuarial Liability as a level percentage of payroll over a closed period (18 years remaining as of the June 30, 2014 actuarial valuation)

Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the Salaried Plan, calculated using the discount rate of 7.65 percent, as well as what the Salaried Plans net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.65%) or 1-percentage-point higher (8.65%) than the current rate:

	1% Decrease 6.65%	Discount Rate 7.65%	1% Increase 8.65%
Total pension liability	\$ 129,004,006	\$ 116,410,752	\$ 105,681,770
Plan fiduciary net position	(74,596,300)	(74,596,300)	(74,596,300)
Net pension liability	\$ 54,407,706	\$ 41,814,452	\$ 31,085,470
Plan fiduciary net position as a percentage of the total pension liability	57.82%	64.08%	70.59%

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation. Actuarial methods and assumptions used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effect of legal or contractual funding limitations.

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Total pension Liability		
Service Cost	\$ 5,753,143	\$ 5,599,479
Intrest	16,384,487	15,740,342
Difference between expected and actual returns	(2,941,777)	-
Changes of assumptions	1,621,574	-
Transfers out - Salaried Plan	-	(174,166)
Benefit payments, including refunds of member contributions	<u>(13,157,985)</u>	<u>(12,877,177)</u>
Net change in total pension liability	7,659,442	8,288,478
Total pension liability - beginning	<u>215,046,075</u>	<u>206,757,597</u>
Total pension liability - ending	<u>\$ 222,705,517</u>	<u>\$ 215,046,075</u>
Plan fiduciary net position		
Contributions - employer	\$ 10,343,620	\$ 9,711,107
Contributions - member	3,682	22,425
Net investment income	4,609,506	22,631,819
Transfers out - Salaried Plan	-	(174,166)
Benefit payments, including refunds of member contributions	(13,157,985)	(12,877,177)
Administrative expense	<u>(190,442)</u>	<u>(230,365)</u>
Net change in plan fiduciary net position	1,608,381	19,083,643
Plan fiduciary net position - beginning	<u>170,497,673</u>	<u>151,414,030</u>
Plan fiduciary net position - ending	<u>\$ 172,106,054</u>	<u>\$ 170,497,673</u>
Net pension liability - ending	<u>\$ 50,599,463</u>	<u>\$ 44,548,402</u>
Plan fiduciary net position as a percentage of the total pension liability	77.28%	79.28%
Covered employee payroll	\$ 37,950,269	\$ 38,857,668
Net pension liability as a percentage of covered employee payroll	133.33%	114.65%

Notes to schedule: In fiscal year 2015, amounts reported as changes of assumptions resulted from lowering the discount rate from 7.75% to 7.65%

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
SALARIED EMPLOYEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 AND 2014**

	<u>2015</u>	<u>2014</u>
Total pension Liability		
Service Cost	\$ 3,476,103	\$ 3,321,337
Transfers In - ATU/IBEW Plan	-	174,166
Interest (includes interest on service cost)	8,434,365	7,978,675
Difference between expected and actual returns	(753,076)	-
Changes of assumptions	930,863	-
Benefit payments, including refunds of member contributions	<u>(5,502,144)</u>	<u>(5,664,400)</u>
Net change in total pension liability	6,586,111	5,809,778
Total pension liability - beginning	<u>109,824,641</u>	<u>104,014,863</u>
Total pension liability - ending	<u>\$ 116,410,752</u>	<u>\$ 109,824,641</u>
Plan fiduciary net position		
Contributions - employer	\$ 7,335,308	\$ 6,609,083
Contributions - member	261	1,678
Transfers in - ATU/IBEW Plan	-	174,166
Net investment income	2,132,136	9,297,644
Benefit payments, including refunds of member contributions	<u>(5,502,144)</u>	<u>(5,664,400)</u>
Administrative expense	<u>(194,209)</u>	<u>(176,367)</u>
Net change in plan fiduciary net position	3,771,352	10,241,804
Plan fiduciary net position - beginning	<u>70,824,948</u>	<u>60,583,144</u>
Plan fiduciary net position - ending	<u>\$ 74,596,300</u>	<u>\$ 70,824,948</u>
Net pension liability - ending	<u>\$ 41,814,452</u>	<u>\$ 38,999,693</u>
Plan fiduciary net position as a percentage of the total pension liability	64.08%	64.49%
Covered employee payroll	\$ 23,022,281	\$ 22,008,809
Net pension liability as a percentage of covered employee payroll	181.63%	177.20%

Notes to schedule: In fiscal year 2015, amounts reported as changes of assumptions resulted from lowering the discount rate from 7.75% to 7.65%

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 10,344	\$ 9,711	\$ 8,694	\$ 7,885	\$ 6,809	\$ 7,426	\$ 6,937	\$ 7,681	\$ 7,088	\$ 6,227
Contributions in relation to the actuarially determined contribution	10,344	9,711	8,694	7,885	6,809	7,426	6,937	7,681	7,088	6,227
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	37,950	38,858	37,110	38,558	38,343	43,626	44,916	44,718	42,897	41,284
Contributions as a percentage of covered-employee payroll	27.26%	24.99%	23.43%	20.45%	17.76%	17.02%	15.44%	17.18%	16.52%	15.08%

Note: Beginning in FYE2015, payroll amounts are based on actual total payroll of the District. In previous years the schedule used covered payroll which is different than actual payroll and there contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule

Valuation Date 7/1/2013 (to determine FY14-15 contribution)
 Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age
 Amortization method Level percentage of payroll, closed 19 year period as of 6/30/2013
 Asset valuation method 5-year smoothed market
 Discount Rate 7.75%
 Amortization growth rate 3.25%
 Price inflation 3.25%
 Salary Increases 3.25%, plus merit component on employee classification and years of service
 Mortality Sex distinct RP-2000 Combined Blue Collar Mortality, 3 year setback for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2015, can be found in the July 1, 2013 actuarial valuation report.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULE OF DISTRICT CONTRIBUTIONS
SALARIED EMPLOYEES
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)**

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Actuarially determined contribution	\$ 7,335	\$ 6,609	\$ 5,800	\$ 4,580	\$ 3,718	\$ 4,269	\$ 3,820	\$ 4,132	\$ 3,694	\$ 2,564
Contributions in relation to the actuarially determined contribution	7,335	6,609	5,800	4,580	3,718	4,269	3,820	4,132	3,694	2,564
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll	23,022	22,009	19,627	19,105	19,466	22,602	21,115	21,929	21,363	21,217
Contributions as a percentage of covered-employee payroll	31.86%	30.03%	29.55%	23.97%	19.10%	18.89%	18.09%	18.84%	17.29%	12.08%

Note: Beginning in FYE2015, payroll amounts are based on actual total payroll of the District. In previous years the schedule used covered payroll which is different than actual payroll and there contributions as a percentage of covered payroll will differ from what was actually contributed.

Notes to Schedule

Valuation Date 7/1/2013(to determine FY14-15 contribution)
 Timing Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method Entry Age
 Amortization method Level percentage of payroll, closed 19 year period as of 6/30/2013
 Asset valuation method 5-year smoothed market
 Discount Rate 7.75%
 Amortization growth rate 3.25%
 Price inflation 3.25%
 Salary Increases 3.25%, plus merit component on employee classification and years of service
 Mortality Sex distinct RP-2000 Combined White Collar Mortality, 3 year setback for females

Other information:

A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2015, can be found in the July 1, 2013 actuarial valuation report.

**RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**SCHEDULE OF INVESTMENT RETURNS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
AND SALARIED EMPLOYEES
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)**

	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expense	3.25%	15.64%

Note: Information prior to 2014 was not available.

SUPPLEMENTAL SCHEDULES

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
FOR THE FISCAL YEARS ENDED JUNE 30, 2015 AND 2014**

Investment Expenses:

Vendor Names	Type of Services	2015	2014
Metropolitan West Asset Management, L.L.C.	Asset Management	\$ 180,559	\$ 169,601
Boston Partners Investment Management	Asset Management	147,872	146,791
Atlanta Capital Management Co.	Asset Management	108,578	113,462
JP Morgan Investment Management, Inc.	Asset Management	110,147	108,346
SSgA S&P 500	Asset Management	13,553	13,583
SSgA MSCI EAFE	Asset Management	14,749	13,472
Callan Associates, Inc.	Investment Advisor	80,658	78,529
State Street Bank and Trust Company	Custodian Services	89,681	89,013
Total		<u>\$ 745,797</u>	<u>\$ 732,797</u>

Administrative Expenses:

Vendor Names	Type of Services	2015	2014
Hanson Bridgett	Consulting Services	\$ 87,848	\$ 151,242
Sacramento Regional Transit District	Plan Administration	37,744	-
Cheiron EFI	Actuarial Services	34,805	44,649
AON Risk Services, Inc.	Fiduciary Insurance	29,126	23,603
Information Services	Technical Support	408	375
CALAPRS	Dues & Training Course	300	5,250
United Parcel Service	Shipping	13	18
Sacramento Occupational Medical Group	Medical Evaluation	-	3,010
Callan Associates	Training Workshop	-	1,081
Other	Misc	198	1,137
Total		<u>\$ 190,442</u>	<u>\$ 230,365</u>

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

**SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
SALARIED EMPLOYEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2015 AND 2014**

Investment Expenses:

Vendor Names	Type of Services	2015	2014
Metropolitan West Asset Management, L.L.C.	Asset Management	\$ 76,740	\$ 69,461
Boston Partners Investment Management	Asset Management	62,886	60,081
Atlanta Capital Management Co.	Asset Management	46,215	46,407
JP Morgan Investment Management, Inc.	Asset Management	46,848	44,327
SSgA S&P 500	Asset Management	5,759	5,560
SSgA MSCI EAFE	Asset Management	6,275	5,517
Callan Associates, Inc.	Investment Advisor	34,142	31,871
State Street Bank and Trust Company	Custodian Services	37,985	35,224
Total		<u>\$ 316,850</u>	<u>\$ 298,448</u>

Administrative Expenses:

Vendor Names	Type of Services	2015	2014
Hanson Bridgett	Consulting Services	\$ 107,517	\$ 117,416
Sacramento Regional Transit District	Pension Administration	37,744	-
AON Risk Services, Inc.	Fiduciary Insurance	29,013	23,603
Cheiron EFI	Actuarial Services	18,920	30,276
Information Services	Technical Support	406	-
CALAPRS	Dues & Training Course	300	2,750
United Parcel Service	Shipping	2	18
Callan Associates, Inc.	Training Workshop	-	1,081
Other	Miscellaneous	307	1,223
Total		<u>\$ 194,209</u>	<u>\$ 176,367</u>

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
16	03/16/16	Retirement	Action	01/29/16

Subject: Receive and File the Fiscal Year 2015 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Employees Who are Members of ATU Local 256 and IBEW Local 1245 (ATU/IBEW). (Bernegger)

ISSUE

Receive and File the Fiscal Year 2015 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Employees Who are Members of ATU Local 256 and IBEW Local 1245 (ATU/IBEW). (Bernegger)

RECOMMENDED ACTION

Motion: Receive and File the Fiscal Year 2015 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Employees Who are Members of ATU Local 256 and IBEW Local 1245 (ATU/IBEW). (Bernegger)

FISCAL IMPACT

None

DISCUSSION

The financial data for the annual State Controller's Public Retirement Systems Financial Transactions Report is prepared in accordance with California Government Code Section 7504. This statute requires all state and local retirement systems to annually submit audited financial statements of their Pension Plans to the State Controller's Office by the close of each calendar year. The State Controller's Public Retirement Systems Financial Transactions Report (Attachment 1) for the fiscal year ended June 30, 2015 was filed on December 30, 2015.

Approved:

Presented:

Final 02/26/16

Chief Financial Officer, Acting

Senior Accountant

PUBLIC RETIREMENT SYSTEMS FINANCIAL TRANSACTIONS REPORT

COVER PAGE

Sacramento Regional Transit District Contract Employees' Retirement Plan

SCO Reporting Year: **2015**ID Number: **16383440510**For the Fiscal Year Ended: 06/30/15 (MM/DD/YY)

Certification:

I hereby certify that, to the best of my knowledge and belief, the report forms fairly reflect the financial transactions of the agency in accordance with the requirements as prescribed by the California State Controller.

Fiscal Officer


Signature

Chief Financial Officer, Acting
Title

Brent Bernegger
Name (Please Print)

(916) 557-4671
Telephone Number

12/22/15
Date

Per Government Code section 7504, this report is due within six months after the end of the fiscal year. Public Employee Retirement Systems are also required to furnish an audited financial statement on an annual basis and, for defined benefit systems, an actuarial valuation report at least every three years. To meet the filing requirements, all portions must be received by the State Controller's Office, as

Please complete, sign, and mail this cover page to either address below.

Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
P. O. Box 942850
Sacramento, CA 94250

Express Mailing Address:

State Controller's Office
Division of Accounting and Reporting
Local Government Reporting Section
3301 C Street, Suite 740
Sacramento, CA 95816

Sacramento Regional Transit District Contract Employees Retirement Plan

Public Retirement Systems Financial Transactions Report

General Information

Fiscal Year System ID

Mailing Address		Retirement Administrator	<input type="text" value="Donna Bonnel"/>
Street1	<input type="text" value="PO Box 2110"/>	Email	<input type="text" value="dbonnel@sacrt.com"/>
Street2	<input type="text"/>		
City	<input type="text" value="Sacramento"/>		
State	<input type="text" value="CA"/>	Zip	<input type="text" value="95812-2110"/> <input type="checkbox"/> Is Address Changed?

Report Prepared By		Firm Name	<input type="text" value="Sacramento Regional Transit District"/>
First	<input type="text" value="Jamie"/>	Telephone	<input type="text" value="(916) 321-3823"/>
Middle Initial	<input type="text" value="R"/>	Fax No.	<input type="text" value="(916) 321-2820"/>
Last	<input type="text" value="Adelman"/>	Email	<input type="text" value="jadelman@sacrt.com"/>
Title	<input type="text" value="Senior Accountant"/>		

Independent Auditor		Street1	<input type="text" value="3815 River Crossing Parkway"/>
Firm Name	<input type="text" value="Crowe Horwath, LLP"/>	Street2	<input type="text" value="Suite 300"/>
First	<input type="text" value="Scott"/>	City	<input type="text" value="Indianapolic"/> State <input type="text" value="IN"/> Zip <input type="text" value="46240-"/>
Middle Initial	<input type="text"/>	Telephone	<input type="text" value="(317) 208-2551"/>
Last	<input type="text" value="Nickerson"/>	Email	<input type="text" value="scott.nickerson@crowehorwath.com"/>

Additional Information		Actuary/Actuary Firm	<input type="text" value="Cheiron, Inc"/>
Date of Valuation Report	<input type="text" value="07/01/2014"/>	Street1	<input type="text" value="1970 Broadway"/>
Type of Plan	<input type="text" value="Defined Benefit"/>	Street2	<input type="text" value="Suite 1220"/>
		P.O. Box	<input type="text"/>
		City	<input type="text" value="Oakland"/> State <input type="text" value="CA"/> Zip <input type="text" value="94612-"/>
		Telephone	<input type="text" value="(713) 893-1456"/>

**Sacramento Regional Transit District Contract Employees' Retirement Plan
Public Retirement Systems Annual Report - Statement of Plan Net Assets**

Assets

Fiscal Year 2015

System ID 16383440510

Assets

Cash and Cash Equivalents	2,888,256
Receivables	
Contributions	
Investments	614,089
Other	58,825
Investments, At Fair Value	
U.S. Government Obligations	38,058,130
International Bonds	
Municipal Bonds	518,018
Domestic Corporate Bonds	11,035,683
Domestic Stocks	68,117,255
International Stocks	41,953,979
Mortgages	7,695,469
Real Estate	0
Venture Capital	0
Short Term Investments	0
Other Investments	9,968,239
Fixed Assets (Net of Accumulated Depreciation)	0
Other Assets	0
Total Assets	\$180,907,943

Sacramento Regional Transit District Contract Employees' Retirement Plan

Public Retirement Systems Annual Report - Statement of Plan Net Assets

Liabilities

Fiscal Year 2015

System ID 16383440510

Liabilities

Accounts Payable	410,569
Investment Purchases Payable	8,391,320
Accrued Expenses	0
Other Liabilities	0
Total Liabilities	\$8,801,889
Net Assets Available for Benefits	\$172,106,054

**Sacramento Regional Transit District Contract Employees' Retirement Plan
Public Retirement Systems Annual Report - Statement of Changes in Plan Net Assets**

Additions

Fiscal Year **2015** System ID **16383440510**

Contributions

Employer

General	10,343,620
Safety	0
Combined	0

Employee

General	3,682
Safety	0
Combined	0

Other

General	0
Safety	0
Combined	0

Investments

Interest	1,410,441
Dividends	768,204
Net Appreciation (Depreciation) in Fair Value of Investments	3,147,172
Other Investment Revenue	29,486
(Investment Expense)	-745,797
Other Revenue	0

Total Additions **\$14,956,808**

Sacramento Regional Transit District Contract Employees' Retirement Plan
Public Retirement Systems Annual Report - Statement of Changes in Plan Net Assets

Deductions

Fiscal Year **2015**

System ID **16383440510**

Benefit Payments

Service Retirement

General 11,441,521

Safety 0

Combined 0

Disability

General 1,716,464

Safety 0

Combined 0

Other

General 0

Safety 0

Combined 0

Member Refunds

General 0

Safety 0

Combined 0

Administrative Expenses 190,442

Other Expenses 0

Total Deductions **\$13,348,427**

Net Increase(Decrease) in Plan Assets **\$1,608,381**

Beginning of the Year Net Assets Held in Trust for Pension Benefits **\$170,497,673**

Adjustment 1 0

Adjustment 2 0

End of the Year Net Assets Held in Trust for Pension Benefits **\$172,106,054**

Sacramento Regional Transit District Contract Employees' Retirement Plan

Plan Membership

System ID: 16383440510 **Fiscal Year:** 2015

Employee Members									
System Status	Active		Inactive		Retired Members			Survivors	Total
	Vested	Non-Vested	Vested	Service Retired	Service Disability	Ordinary Disability			
General Members									
Tier I	Open	435	261	42	358	91	0	58	1,245
Grand Total		435	261	42	358	91	0	58	1,245

Employer Members							
	State	Counties	Cities	Special Districts	School Districts	Other	Total Members
Number of Agencies				1			1
Number of Members				1,245			1,245

Members' Annual Payroll	
General Members	Annual Payroll
Tier I	\$37,950,000
Grand Total	\$37,950,000

Sacramento Regional Transit District Contract Employees' Retirement Plan

Contributions

System ID: 16383440510 Fiscal Year: 2015

Employer and Employee Rates - Recommended by Actuary

General Members

	Employer Rates			Employee Rates			
	Normal Cost	UAAL Amortization	Total	Age 25	Age 35	Age 45	Single Rate
Tier I	14.87	12.68	27.55	0.00	0.00	0.00	

Employer and Employee Rates - Adopted by Governing Body

General Members

	Employer Rates			Employee Rates			
	Normal Cost	UAAL Amortization	Total	Age 25	Age 35	Age 45	Single Rate
Tier I	14.87	12.68	27.55	0.00	0.00	0.00	0.00

Contribution Amounts

Annual Required Contributions (ARC)	10,343,620
Contributions Made	\$10,343,620
Percentage of ARC Recognized (%)	100.0

Sacramento Regional Transit District Contract Employees' Retirement Plan

Plan Identifications

System ID: 16383440510 **Fiscal Year:** 2015

Economic Assumption Rates

Select Plan	SINGLE-EMPLOYER PLAN
Return on Investments	
Real Rate of Return	4.50
Inflation Component	3.15
Total	7.65
Salary Scale	
Merit, Longevity, and Productivity	1.87
Inflation Component	3.15
Total	5.02

Rate of Return - Optional

	1 Year	3 Year	5 Year
Dollar-Weighted Rate of Return			
Time-Weighted Rate of Return	3.24	10.93	11.03

Sacramento Regional Transit District Contract Employees' Retirement Plan

Funding Position and UAAL Amortization Method

System ID: 16383440510

Fiscal Year: 2015

Funding Position

Valuation Date (MM/DD/YYYY)

Name of Actuary

Actuarial Accrued Liability

Actuarial Value of Assets

Unfunded Actuarial Accrued Liability (UAAL)

Funded Ratio (Rounded To Nearest Tenth, Example: 99.9) (%)

Annual Covered Payroll (ACP)

UAAL as a Percentage of ACP (%)

Select the Method Used to Determine Actuarial Accrued Liability

UAAL Amortization

Select Method Used to Amortize the Total Unfunded Actuarial Liability

Total Unfunded Actuarial Liability Amortization period (In Years)

Years Remaining in Total Unfunded Actuarial Liability Amortization Period

Year Which the Total Unfunded Actuarial Liability is Expected to be Fully Amortized

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
21	03/16/16	Retirement	Information	01/29/16

Subject: Investment Performance Review by JP Morgan for the ATU/IBEW and Salaried Funds for the International Equity Asset Class for the Quarter Ended December 31, 2015 (ALL). (Bernegger)

ISSUE

Investment Performance Review by JP Morgan for the ATU/IBEW and Salaried Funds for the International Equity Asset Class for the Quarter Ended December 31, 2015 (ALL). (Bernegger)

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). The Board shall meet at least every eighteen (18) months with each investment manager to review the performance of its investment, the adherence to the Policy, and any material changes to its 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 Equity, (4) International Emerging Markets, and (5) Domestic Fixed-Income.

JP Morgan is one of the Retirement Boards' International Equity fund managers. JP Morgan will be presenting performance results for the quarter ended December 31, 2015, shown in Attachment 1, and answering any questions.

Approved:

Presented:

Final 02/26/16

Chief Financial Officer, Acting

Senior Accountant



J.P. Morgan EAFE Plus Strategy

Portfolio Performance Review | March 2016

Executive Summary

Process

- Process pushes us towards faster growing companies with strong balance sheets at an attractive valuation
- Alpha is targeted from identifying stronger profitability than market estimates, together with rerating potential
- Avoiding the structural “destroyers of capital” should add alpha over time

Performance

- Our focus on growth, quality and valuation underpinned a period of out-performance beginning in the second quarter of 2007 through 2012.
- Over time, we believe our focus on growth, quality and valuation will generate superior results
- The strategy however, has struggled in periods when speculative pressures cause markets to disconnect from fundamentals.
 - 1st 4 months of 2013: Post Abe’s election, low-quality, ex-growth, domestic-facing Japanese names soared, though to this day, Japan’s economy continues to flirt with recession
 - Q1 2014: European peripheral stocks re-rated sharply despite their low quality and a lack of earnings.
 - Q3 2015: Concerns about the Fed raising rates and a sell-off in Chinese equities triggered a global market rout, prompting a flight to ‘expensive defensives’ and a sell-off of cyclicals and companies exposed to EM

Positioning

- Concerns about the global economy have prompted investors to bid up the valuations of companies with relative earnings visibility to levels that we would consider over priced
- The portfolio remains positioned for a market characterized by moderate but continued economic growth. We are finding value in companies, that have worked to improve efficiency and, consequently, possess significant operating leverage. These companies will require a bit more top-line growth to realize their full potential but should benefit as the recovery broadens out
- In this respect, there are encouraging signs : the European economic recovery is gaining breadth and domestic demand in the US remains solid. This should, should allow for growth to become more diversified, sectorally. In the emerging world, China’s economy is decelerating, but even as “old” manufacturing industries show signs of withering, others more service/consumer oriented industries are rising up to take their place.
- While we have undertaken a series of transactions to take advantage of price movements over the last 12 months, there has been little change to portfolio positioning, which continues to be a function of high conviction positions driven by bottom up stock selection

Past performance is not indicative of future results.

Investment Philosophy

What we believe

- Well managed companies experiencing stronger growth than peers with attractive valuations will outperform over a market cycle

What we do

- Leverage the insights of both regional teams and global sector specialists. We diversify both sector and country risk, seeking to deliver alpha through active stock selection

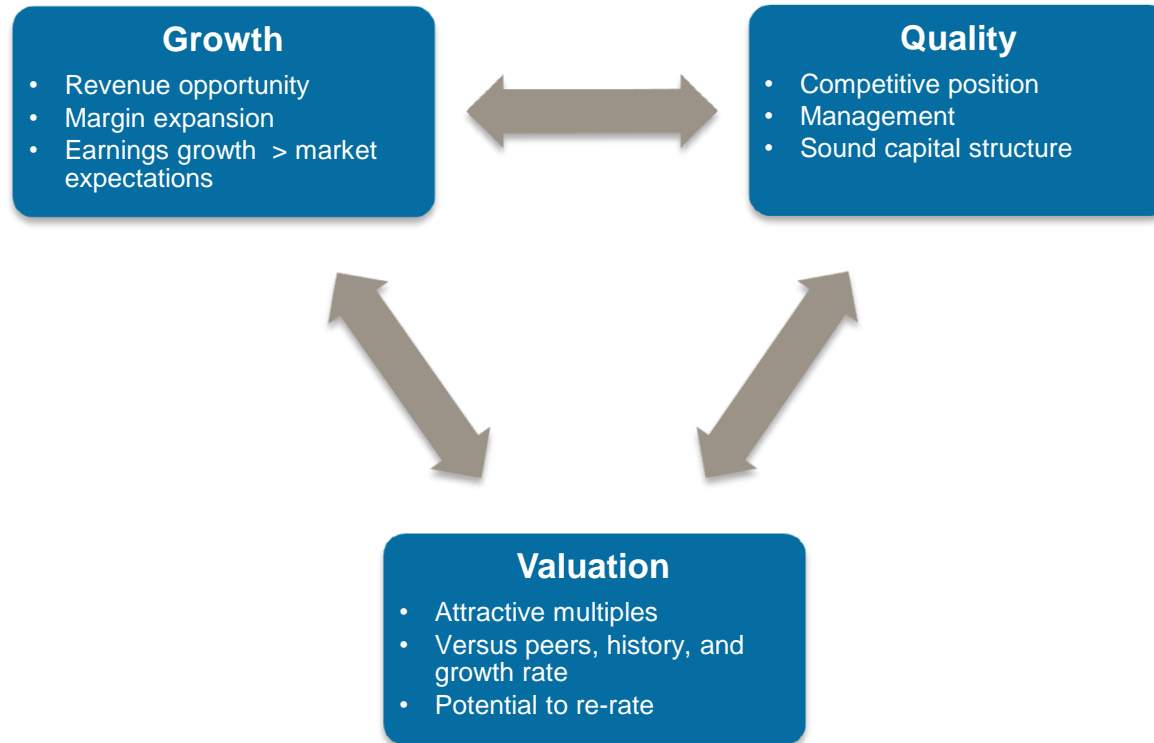
What we seek to deliver

- Portfolios of high conviction holdings, focusing on quality, sustainable earnings and valuations

The manager seeks to achieve the stated objectives. There can be no guarantee the objectives will be met.

What we look for

Faster growing companies with strong quality credentials purchased at attractive valuations will outperform over a market cycle...Our research focuses on three key factors:



For illustrative purposes only

EAFE Plus: Portfolio characteristics reflect adherence to our philosophy (1)

		12/31/2015		12/31/2012		12/31/2009		12/31/2007		12/31/2005		12/31/2003	
		EAFE Plus	Benchmark	EAFE Plus	Benchmark	EAFE Plus	Benchmark	EAFE Plus	Benchmark	EAFE Plus	Benchmark	EAFE Plus	Benchmark
Faster Growth	Historic sales growth (5 yr)	6.4%	5.1%	6.4%	3.5%	9.6%	8.3%	12.0%	9.8%	6.0%	6.1%	10.4%	9.7%
	Historic EPS growth (5 yr)	8.6%	6.4%	3.4%	0.3%	7.1%	6.0%	24.5%	24.6%	13.3%	12.1%	7.6%	8.5%
Higher Profitability	Operating margin	19.1%	16.2%	18.9%	16.7%	15.9%	14.1%	16.5%	15.7%	17.3%	15.9%	14.6%	13.0%
	Return on Equity	15.4%	15.3%	17.7%	15.9%	14.4%	11.4%	19.5%	19.4%	19.3%	17.0%	15.3%	13.0%
	Return on Invested Capital	10.4%	10.2%	10.7%	9.8%	9.0%	8.0%	14.7%	13.2%	12.0%	11.1%	9.7%	8.3%
Less Debt	LT Debt / capital	30.5%	32.9%	29.1%	33.5%	31.3%	34.0%	25.4%	29.9%	35.8%	38.5%	32.6%	36.2%
Attractive Valuation	Price / earnings (1 yr forward)	15.1x	15.5x	12.1x	12.7x	15.5x	15.3x	13.6x	13.8x	14.8x	15.4x	15.7x	17.5x
	Price / earnings (2 yr forward)	13.9x	14.5x	11.1x	11.6x	12.8x	13.4x	12.5x	12.8x	13.5x	14.2x	14.2x	15.6x

Source: JPMAM, characteristics of a representative account in the EAFE Plus composite

J. P. Morgan EAFE Plus: A stable, experienced team

Portfolio Managers		
International		
James Fisher Lead PM	Shane Duffy	Tom Murray
<i>Experience</i> • Industry: 30 • Firm: 30	<i>Experience</i> • Industry: 16 • Firm: 16	<i>Experience</i> • Industry: 18 • Firm: 18

Global Sector Specialists and Research Cluster Heads									
Financials		Consumer			Resources		Cyclicals		
Peter Kirkman		Shane Duffy			Neil Gregson		Tom Murray		
Jeremy Kelton (Banks)	Hugo Alexander (Non-banks)	James Andrew (Discretionary)	Stuart Price (Staples)	Premal Pajwani (Healthcare)	Chris Korpan (Materials)	Sam Witherow (Energy)	Niranjan Aiyagari (Industrials)	Marc Gration (S-ware,Svcs)	Paul Neoh (H-ware, Tcom)
<i>Average years industry experience¹: 18; Average years with firm¹: 10</i>									

Regional Teams
199 regional investment professionals Located around the world Managing local portfolios

Average years industry experience: 13
Average years with firm: 8

Client Portfolio Managers				
Tim Leask	Nigel Emmett	Kit Rodrigo	Tim Devlin	Jason Castelluccio

Average years industry experience: 21
Average years with firm: 10

As of December 31, 2015. Regional team experience shown as of September 30, 2015. There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

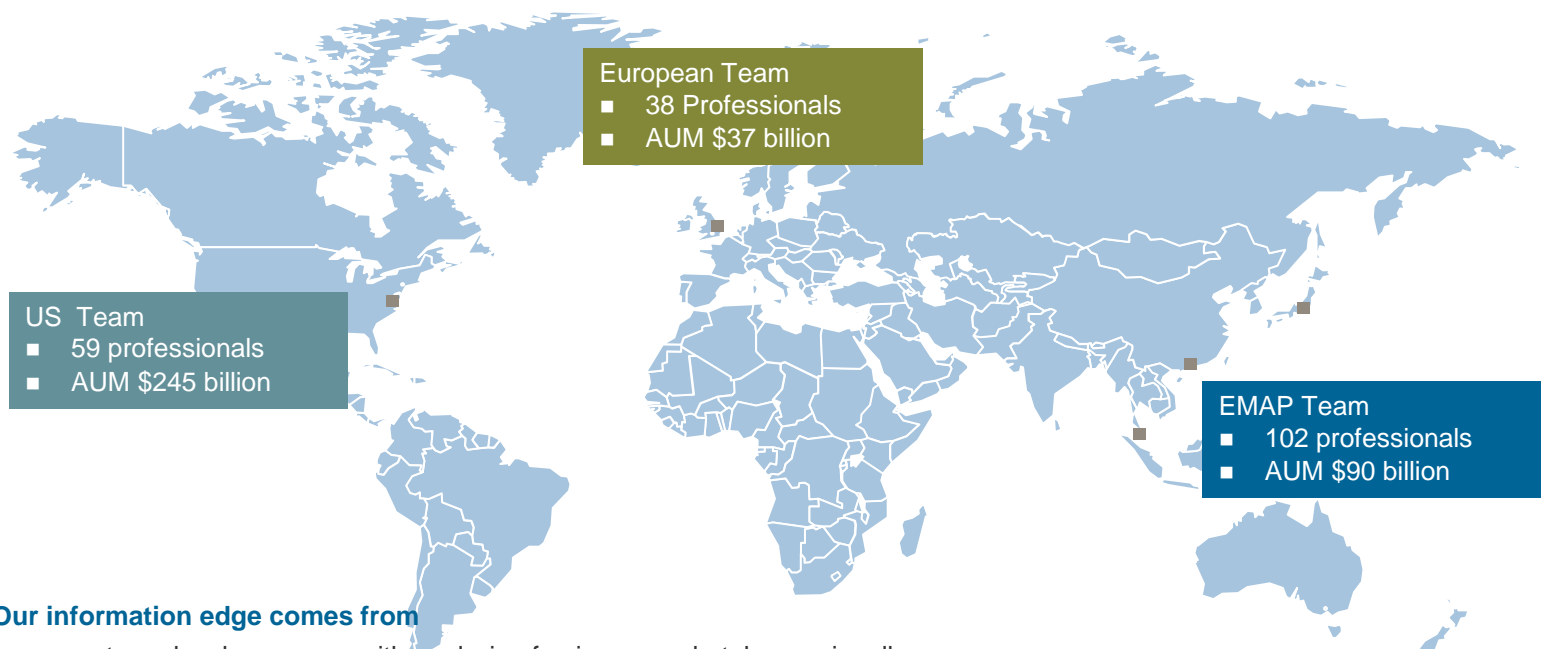
Investment process – three resources working collaboratively to deliver alpha



For illustrative purposes only

Our investment process

Having our own “feet on the ground” around the globe is a powerful competitive advantage



- **Our information edge comes from**
 - a strong local presence, with analysis of universe undertaken regionally
 - experienced and stable investment teams
 - investment processes relevant to local markets
- **Output from regional teams**
 - Company meetings and updates
 - Regular communication and ongoing relationships with Global team
 - Portfolios: Stock actives and transactions

As of June 30, 2015

Our investment process

Global Sector Specialists: Research Clusters

Consumer

Shane Duffy — Portfolio manager
James Andrew — Consumer discretionary
Stuart Price — Consumer staples
Premal Pajwani — Healthcare

Cyclicals

Tom Murray — Portfolio manager
Niranjan Aiyagari — Industrials
Marc Gration — Software, IT, business services, chemicals
Paul Neoh — Hardware and telecoms

Financials

Peter Kirkman — Portfolio manager
Jeremy Kelton — Financials - banks
Hugo Alexander — Financials - non banks

Resources

Neil Gregson — Portfolio manager
Christopher Korpan — Materials
Sam Witherow — Energy

- Enables idea generation through setting and management of research agenda
- Ensures research is relevant and consistent
- Facilitates sharing of best practice and collaborative work

As of September 30, 2014. There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

Our investment process

Global Sector Specialists

Their remit

- Deep global sector knowledge balanced with detailed stock level analysis
- Provide PMs with a universe of high conviction well-researched stock ideas through their ranks (A to D)

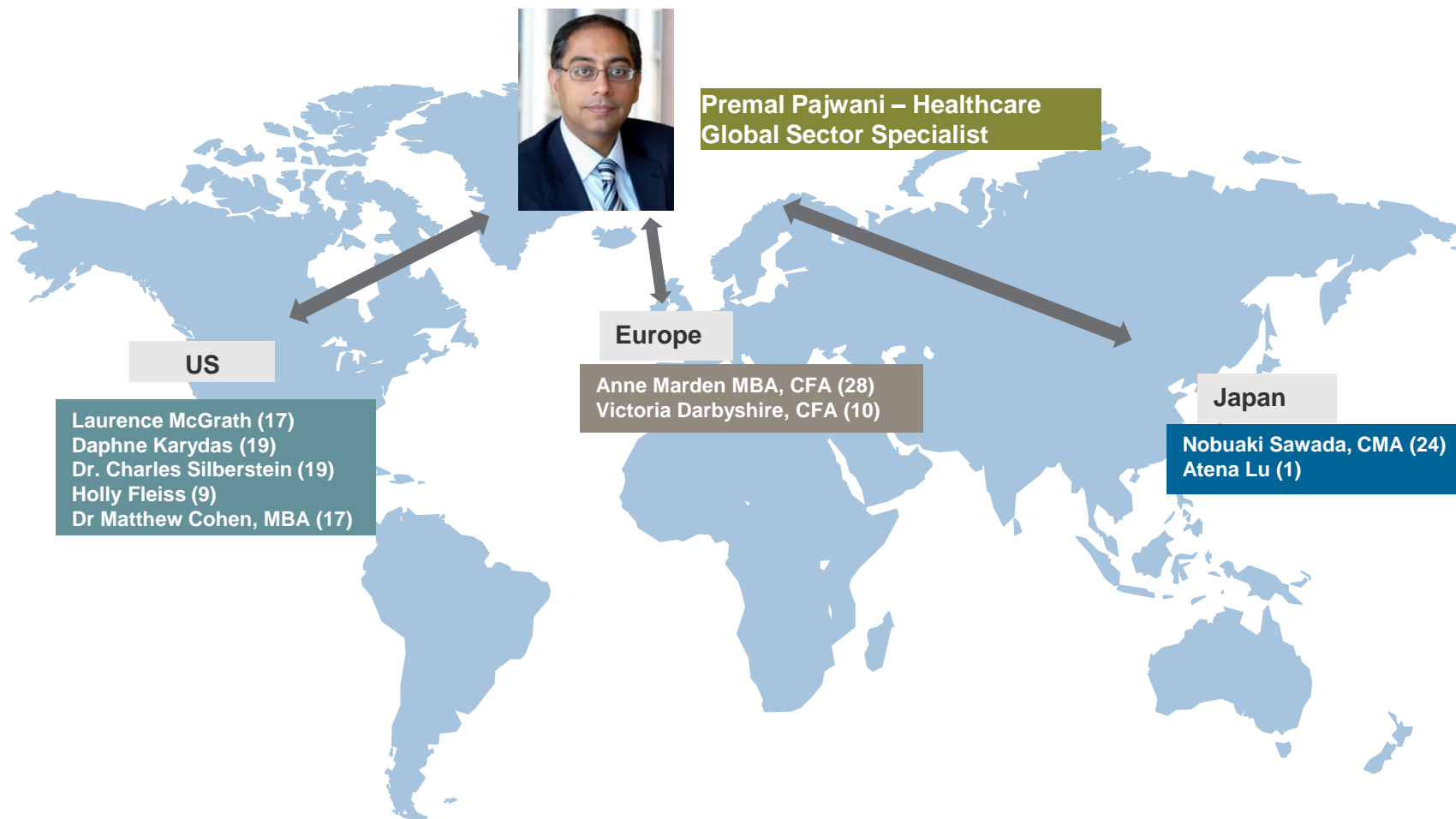
Their resources

- Access to local insights from regional investment teams: regional teams' portfolios and transactions, highly interactive dialogue, intranet enabled research database
- Company meetings
- External research sources – sell side research, industry experts

Their advantage

- Balance of local insight with global industry knowledge
- Focus on major value drivers over longer-term horizon rather than maintenance research
- Consistent investment criteria shaped by daily interaction with PMs

Global Sector Specialists – leveraging the internal network



(x) = x Years industry experience as at end March 2014. There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

Our investment process

Portfolio construction

Capture alpha

- Focus on highest conviction (A&B ranked) ideas from the research platform
- Look for balance of growth, quality and valuation
- Emphasize active share

Diversify risk

- Emphasize stock specific risk
- Focus on uncorrelated high conviction ideas
- Avoid single factor bets. Manage sector and region deviations

Sell discipline

- Change to fundamental thesis
- Valuation no longer attractive
- A more attractive opportunity exists

The manager seeks to achieve the stated objectives. There can be no guarantee that the objective will be met.

Stock example: Anheuser Busch InBev

Investment Process

- Leading global brewer
- Owned and supported by regional team
- Global rank 'A'

Investment Thesis

- Superior management with a strong track record executing integrations
- Strong market position in Europe and LatAm. Adding US dominance with AB deal.
- Cash flow sufficient to service debt and asset sales to be accelerated to strengthen balance sheet.
- Attractive valuation versus global peers

Source: Factset, J. P. Morgan Asset Management. December 31, 2012
The companies showed above are illustrative and discussion purposes only. It should not be assumed that recommendations made in the future will be profitable or will equal the performance of the securities listed above.

Peer group comparison

- Global sector specialist analyzes industry trends
- Compares growth, quality and valuation metrics across sector
- Ranks stock versus global peers

	ABI	SABMiller	Heineken	Kirin	Tsingtao
EM growth	✓	✓	x	x	✓✓
Consolidator	✓✓	✓✓	✓	x	x
Market position	✓✓	✓✓	x	x	✓
Margin improvement	✓	✓	x	x	x
Balance sheet	x	✓	x	✓	✓
Valuation	✓✓	x	✓	x	xx
Global Rank	A	B	C	D	C

Our investment process

Portfolio construction

Invest in
“high conviction” stocks
Ranked A & B



- Capture and preserve alpha from regional teams and global sector specialists
- Own stocks which are strongly sponsored

Apply comprehensive
risk management



- Ensure no single position can derail performance
- Build portfolios from a large set of uncorrelated positions

Achieve consistent,
competitive performance



- Concentrate majority of risk in stock selection
- Drive performance by stocks and not by a style, country, sector or currency bias

The manager seeks to achieve the stated objectives. There can be no guarantee that the objective will be met.

Portfolio managers deliver a well diversified portfolio

As of December 31, 2015

	Difference	Emerging Markets	United Kingdom	Europe ex UK	Japan	Pacific ex Japan
Cons. Discretionary	1.2	1.7	0.6	-0.1	-1.4	0.4
Consumer Staples	-2.4	0.0	0.2	-2.1	0.1	-0.6
Energy	-0.2	0.8	-0.3	-1.0	0.6	-0.3
Financials	2.7	3.3	1.6	0.7	-1.4	-1.5
Health Care	1.1	0.0	-2.0	4.1	-0.6	-0.5
Industrials	-1.8	0.0	-0.3	-4.6	3.9	-0.8
Information Technology	3.7	2.5	0.9	0.7	-0.3	-0.1
Materials	0.2	0.0	-0.2	-0.1	-0.1	0.7
Telecom Services	-1.6	0.0	1.1	-2.0	-0.3	-0.4
Utilities	-3.7	0.0	-0.9	-1.7	-0.6	-0.6
Cash	0.8					
		8.4	0.7	-6.1	-0.1	-3.7

Geographic and sector exposures driven by bottom-up considerations

Source: J.P. Morgan Asset Management, Factset, *Relative to MSCI EAFE Index

The characteristics above are taken from a representative J.P. Morgan EAFE Plus account. Actual account characteristics may differ. The manager seeks to achieve the stated objective. There can be no guarantee it will be achieved.

Our investment process

Idea Generation and Discussion



Working collaboratively to exploit breadth

The manager seeks to achieve the stated objectives. There can be no guarantee that the objective will be met.

Performance analysis

SACRT Portfolio market values and fees

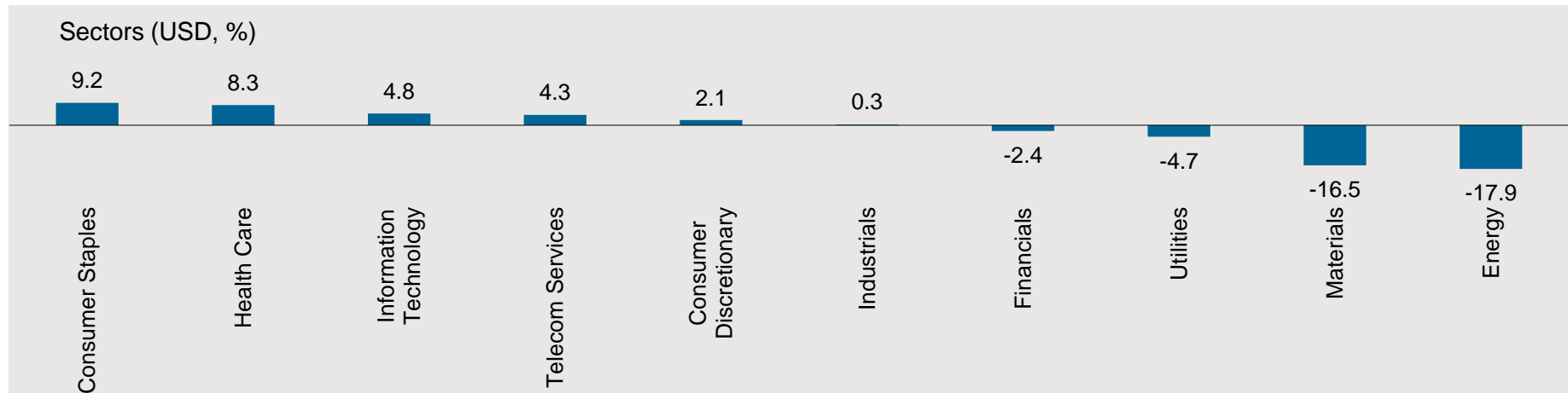
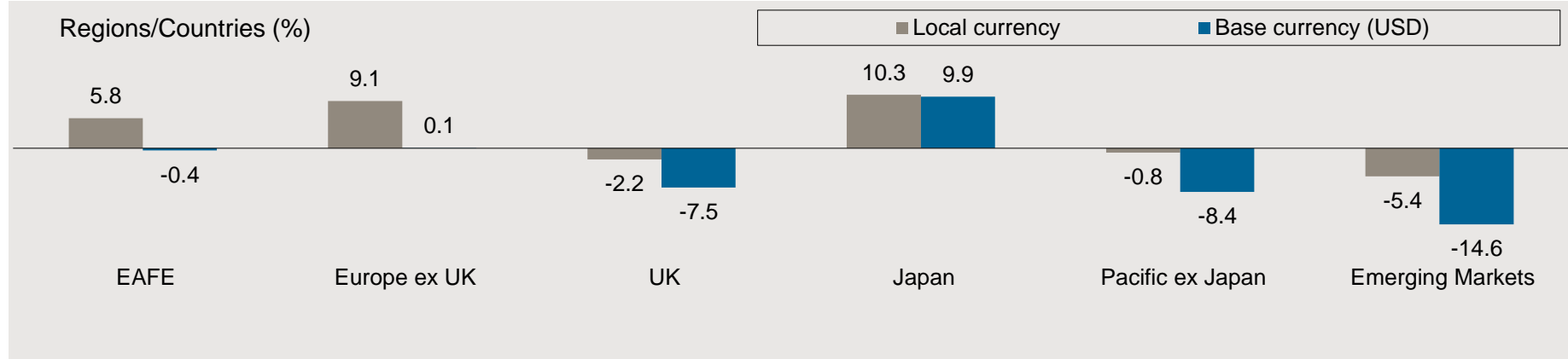
	Ending Balance	Fees		Contributions (Withdrawals)
1Q 2015	22,034,507	38,139	April, 2015	1,771,294
2Q 2015	24,174,877	42,366		
3Q 2015	21,188,128	39,613		
4Q 2015	22,227,405	39,477		

Source: JPMAM

Note: Withdrawals or additional contributions to the account are not shown.

Market environment and sector performance

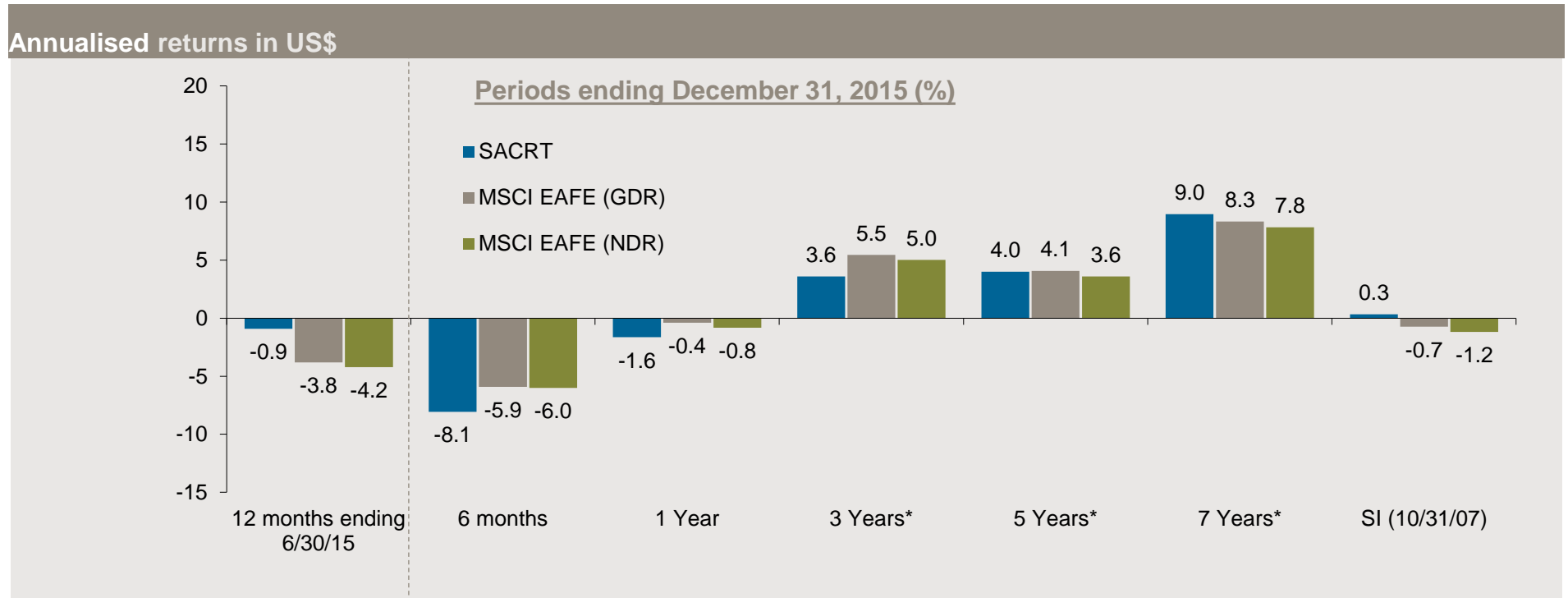
12 months ending December 31, 2015 (%)



MSCI EAFE GDR
Source: J. P. Morgan Asset Management, Factset

SACRT Performance

As of December 31, 2015



Source: JPMAM, Factset: *Annualized

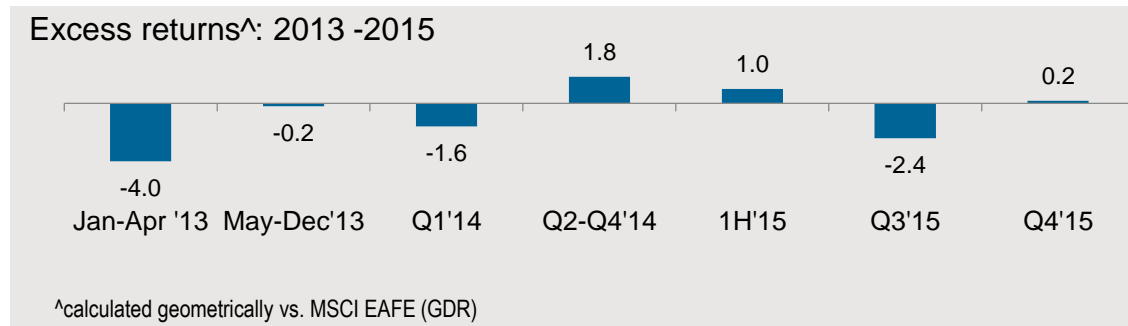
Past performance is not a guarantee of comparable future results. Total return assumes reinvestment of income. Performance results are gross of investment management fees. The deduction of an advisory fee reduces an investor's return.

SACRT

Performance for the last ten calendar years

Calendar year returns (%)

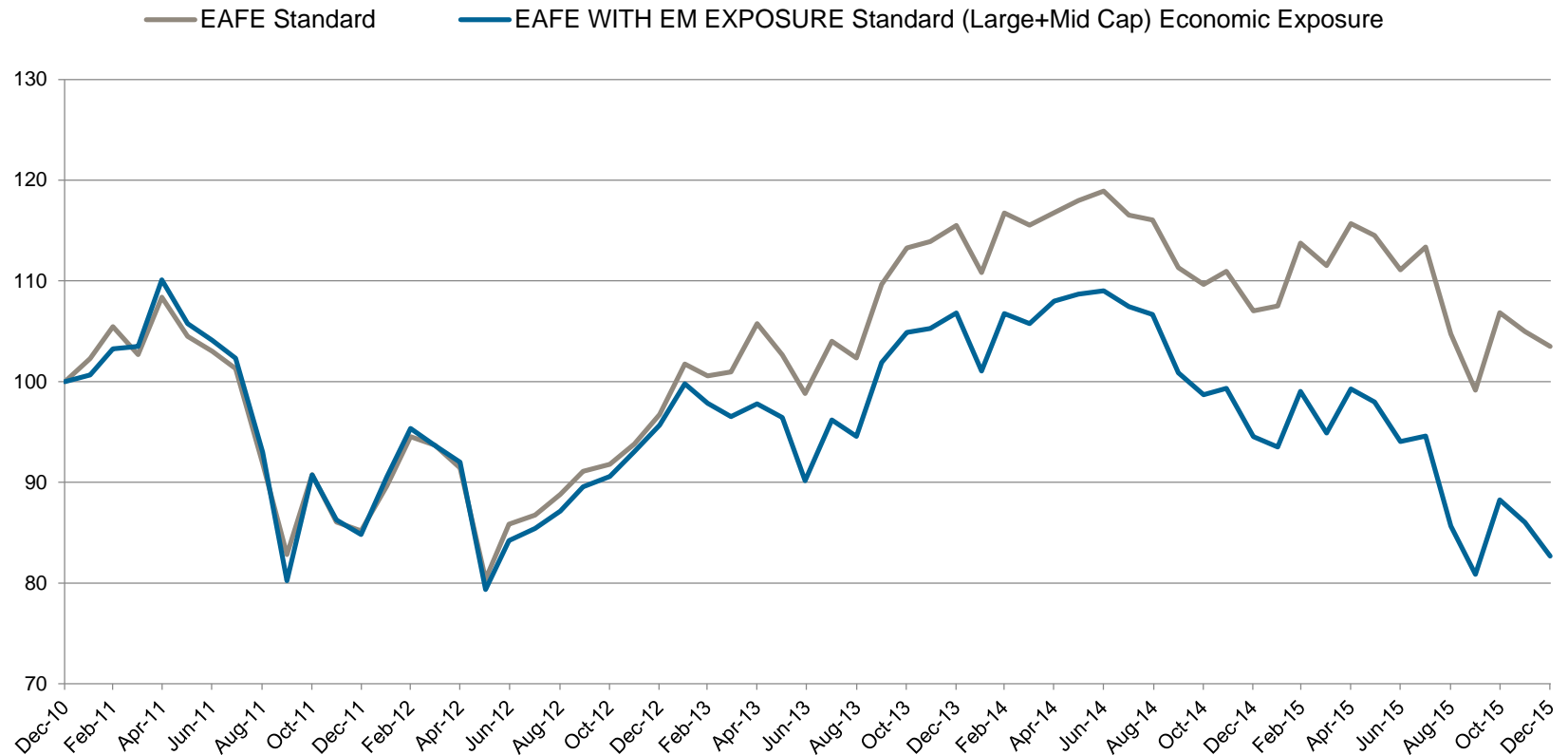
	2008	2009	2010	2011	2012	2013	2014	2015
SACRT	-41.6	39.0	7.8	-9.7	21.2	18.1	-4.3	-1.6
MSCI EAFE GDR	-43.1	32.5	8.2	-11.7	17.9	23.3	-4.5	-0.4
Excess Return	2.6	4.9	-0.4	2.3	2.8	-4.2	0.2	-1.3



Source: JPMAM. Gross excess return is calculated geometrically, in USD. Past performance is not an indication of future performance. Performance is shown gross of fees. This means that the actual performance will be less than that shown as Gross Performance does not reflect the effect on performance of fees and charges associated with investment in this strategy.

Developed market companies with high revenue exposure to emerging economies have lagged the broader EAFE Index

Performance of top 300 developed market listed companies with the highest emerging market (EM) exposure (defined by MSCI), and against the MSCI EAFE standard benchmark.



Source : MSCI Economic Exposure index, 5 years ending December 31, 2015 performance, rebased to 100, gross, in USD. Indices do not include fees or operating expenses and are not available for actual investment. Past performance is not an indication of future performance.

Our emerging market listed holdings held up relatively well

Performance attribution of emerging market holdings for calendar year 2015

Stock	Sector	Stock Return	Impact
HDFC Bank	Financials	22	0.20
China Overseas Land & Investment	Financials	21	0.15
Taiwan Semiconductor	Information Technology	4	0.07
Ping An Insurance	Financials	10	0.07
Naspers	Consumer Discretionary	2	0.03
Hyundai Mobis	Consumer Discretionary	-0	0.02
China Construction Bank	Financials	-12	-0.04
ICBC	Financials	-13	-0.05
Pt Astra International	Consumer Discretionary	-25	-0.11
Samsung Electronics	Information Technology	-12	-0.15
CNOOC	Energy	-18	-0.15

... during calendar year 2015, our EM holdings, on average, declined by 1% versus a 14.6% decline in the MSCI Emerging Markets index.

Source: JPMAM, FactSet. Data is based on a representative account for the EAFE PLUS strategy.

Attribution analysis is designed to be indicative of the sources of excess returns. Figures may not add up to actual performance. Performance data quoted represents past performance and does not guarantee future results. The companies/securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell.

SACRT

Notable contrast between 12m to 6/30/15 and 2H 2015

12m thru June 30 2015

Sector attribution

	Stock Selection (%)	Allocation (%)	Impact (%)
Financials (u)	2.62	0.02	2.64
Industrials (u)	0.61	-0.02	0.59
Health Care (o)	0.45	0.07	0.52
Cons. Staples (u)	0.47	-0.03	0.44
Utilities (u)	-0.11	0.29	0.18
Materials (o)	0.29	-0.19	0.10
Energy (n)	0.28	-0.21	0.08
Telecom Services (u)	0.21	-0.17	0.04
Information Tech. (o)	-0.26	0.17	-0.08
Cons. Discretionary (o)	-1.55	0.22	-1.33

Region attribution

	Stock Selection (%)	Allocation (%)	Impact (%)
Europe ex-Uk (u)	1.92	0.00	1.92
Emerging Markets (o)	0.00	1.15	1.15
United Kingdom (u)	0.92	-0.02	0.90
Japan (u)	0.27	-0.37	-0.10
Pacific Ex Japan (u)	-0.86	0.16	-0.70

Source: JPMAM, Factset

Performance data quoted represents past performance and does not guarantee future results.

2H 2015

Sector attribution

	Stock Selection (%)	Allocation (%)	Impact (%)
Information Tech. (o)	0.25	0.20	0.45
Cons. Staples (u)	0.12	-0.09	0.04
Energy (n)	-0.04	0.03	-0.01
Telecom Services (u)	-0.01	-0.03	-0.04
Utilities (u)	0.00	-0.15	-0.15
Health Care (o)	-0.38	0.06	-0.32
Industrials (u)	-0.32	-0.02	-0.34
Cons. Discretionary (o)	-0.41	0.00	-0.41
Materials (n)	-0.59	-0.09	-0.69
Financials (o)	-0.90	-0.06	-0.96

Region attribution

	Stock Selection (%)	Allocation (%)	Impact (%)
Japan (u)	0.21	0.04	0.25
Emerging Markets (o)	0.00	-0.16	-0.16
Pacific Ex Japan (u)	-0.68	0.10	-0.58
Europe ex-Uk (u)	-0.66	-0.01	-0.67
United Kingdom (n)	-1.25	-0.01	-1.26

(o) Indicates portfolio was (on average) overweight the sector or region during the period; (u) indicates it was underweight; (n) indicates a neutral position (i.e. within 0.5% of the benchmark)
 Attribution analysis is designed to be indicative of the sources of excess returns. Figures may not add up to actual performance

SACRT performance attribution

12 months ending December 31, 2015

Sector attribution

Attribution Summary	Stock: -1.45
	Alloc.: +0.15
	Total: -1.30
Benchmark	MSCI EAFE

	Stock Selection (%)	Allocation (%)	Impact (%)
Energy (n)	0.44	-0.05	0.39
Financials (o)	0.38	-0.03	0.35
Cons. Staples (u)	0.40	-0.11	0.30
Information Tech. (o)	-0.07	0.23	0.16
Utilities (u)	-0.05	0.13	0.07
Telecom Services (u)	0.00	-0.07	-0.07
Industrials (u)	-0.20	-0.03	-0.23
Health Care (o)	-0.36	0.08	-0.28
Materials (o)	-0.72	-0.15	-0.88
Cons. Discretionary (o)	-1.26	0.07	-1.19
Cash	--	0.06	0.06

Region attribution

Attribution Summary	Stock: -1.48
	Alloc.: +0.18
	Total: -1.30
Benchmark	MSCI EAFE

	Stock Selection (%)	Allocation (%)	Impact (%)
Japan (u)	0.34	-0.16	0.18
Emerging Markets (o)	0.00	0.03	0.03
Europe ex-Uk (u)	-0.44	-0.02	-0.46
Pacific Ex Japan (u)	-0.78	0.31	-0.47
United Kingdom (n)	-0.60	-0.04	-0.64
Cash	--	0.06	0.06

Source: JPMAM, Factset

Performance data quoted represents past performance and does not guarantee future results.

(o) Indicates portfolio was (on average) overweight the sector or region during the period; (u) indicates it was underweight; (n) indicates a neutral position (i.e. within 0.5% of the benchmark)

Attribution analysis is designed to be indicative of the sources of excess returns. Figures may not add up to actual performance

Top contributors and detractors

12 months to December 31, 2015 vs. MSCI EAFE

Stock attribution

Top 10 Contributors	Relative Weight (%) ¹	Stock Return (%)	Impact (%)
Japan Tobacco	1.4	38	0.41
Banco Santander	-0.7*	-38	0.33
Makita	0.9	30	0.22
Nitto Denko	0.6	33	0.22
BG Group	1.8	9	0.20
Axa	0.9	23	0.20
HDFC Bank	1.0	22	0.20
SAP	1.2	15	0.19
WPP	1.4	13	0.19
Tokyo Electron	0.4	5	0.18

Top 10 Detractors	Relative Weight (%) ¹	Stock Return (%)	Impact (%)
Glencore	0.5	-70	-0.46
Standard Chartered	1.0	-39	-0.40
Lafargeholcim	0.8	-24	-0.31
Volkswagen Pref	0.8	-32	-0.30
Burberry	0.9	-29	-0.28
Wynn Macau	0.3	-56	-0.24
Rio Tinto	0.7	-31	-0.22
Meggitt	0.7	-30	-0.21
Schneider Electric	1.0	-20	-0.21
BHP Billiton	0.5	-39	-0.20

Source: JPMAM, Factset. * Not held.

Performance data quoted represents past performance and does not guarantee future results. Attribution analysis is designed to be indicative of the sources of excess returns. Figures may not add up to actual performance. The companies/securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell.

¹ Average weight relative to benchmark.

Top detractors by sector and region

12 months ending December 31, 2015 vs MSCI EAFE (%)

By Sector

	Portfolio Wt.	Benchmark Wt.	USD Return	Contribution
Consumer Discretionary				
Volkswagen	1.1	0.3	-32	-0.30
Burberry	1.0	0.1	-29	-0.28
Wynn Macau	0.3	0.0	-56	-0.24
Materials				
Glencore	0.7	0.3	-70	-0.46
Lafargeholcim	1.0	0.2	-24	-0.31
Rio Tinto	1.2	0.5	-31	-0.22

By Region

	Portfolio Wt	Benchmark Wt.	USD Return	Contribution
United Kingdom				
Glencore	0.7	0.3	-70	-0.46
Standard Chartered	1.2	0.3	-39	-0.40
Burberry	1.0	0.1	-29	-0.28
Pacific ex-Japan				
BHP Billiton	1.3	0.5	-39	-0.32
Wynn Macau.	0.3	0.0	-56	-0.24
Meggitt	0.8	0.0	-30	-0.21

Source: JPMAM, FactSet. Data is based on the model portfolio for the Global Focus strategy. Attribution analysis is designed to be indicative of the sources of excess returns. Figures may not add up to actual performance. Performance data quoted represents past performance and does not guarantee future results. Should not be interpreted as a recommendation to buy or sell.

Top contributors by sector and region

Quarter ending December 31, 2015 vs MSCI EAFE (%)

By Sector

	Portfolio Wt.	Benchmark Wt.	USD Return	Contribution
Energy				
BG Group	2.2	0.4	9	0.20
Royal Dutch Shell	0.5	1.4	-29	0.17
BP	Not Held	0.9	-13	0.10
Financials				
Banco Santander	Not Held	0.7	-38	0.33
Axa	1.3	0.4	23	0.20
HDFC Bank	1.0	0.0	22	0.20

By Region

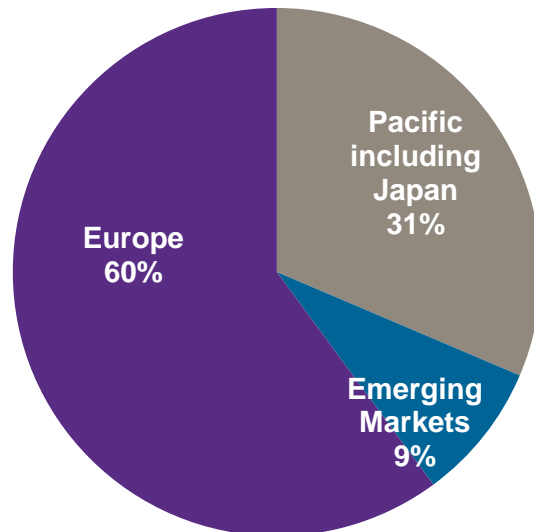
	Portfolio Wt	Benchmark Wt.	USD Return	Contribution
Japan				
Japan Tobacco	1.7	0.3	38	0.41
Makita	0.9	0.0	30	0.22
Nitto Denko	0.7	0.1	33	0.22

Source: JPMAM, FactSet. Data is based on the model portfolio for the Global Focus strategy. Attribution analysis is designed to be indicative of the sources of excess returns. Figures may not add up to actual performance. Performance data quoted represents past performance and does not guarantee future results. Should not be interpreted as a recommendation to buy or sell.

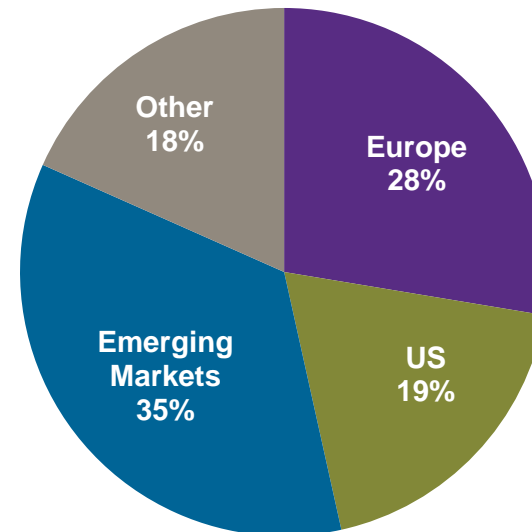
Our large cap portfolio reflects the evolution in the investment landscape with globally diversified sources of revenue

As of December 31, 2015

By region of listing



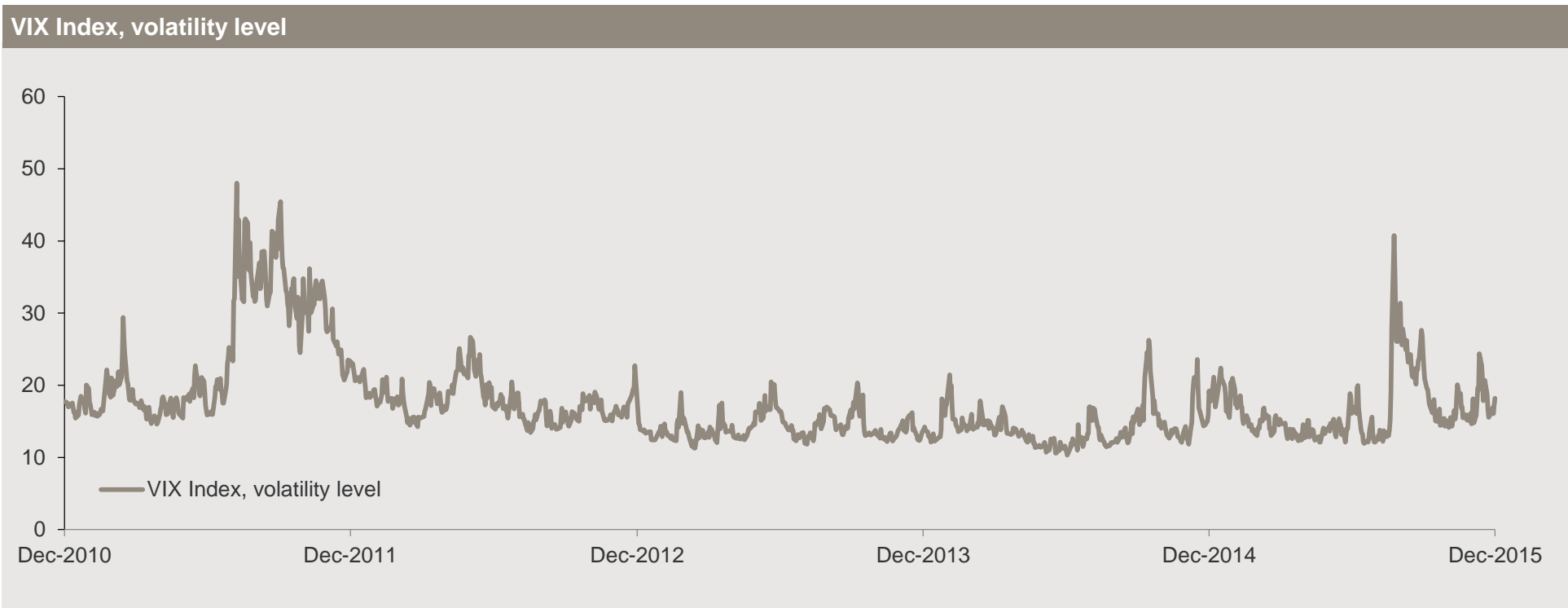
By revenue contribution



Source: J.P. Morgan Asset Management, Factset, J.P. Morgan Quant, MSCI, Thomson/Reuters, revenue exposure estimates as of as of 3/31/2015. Based on an EAFE Plus representative account.

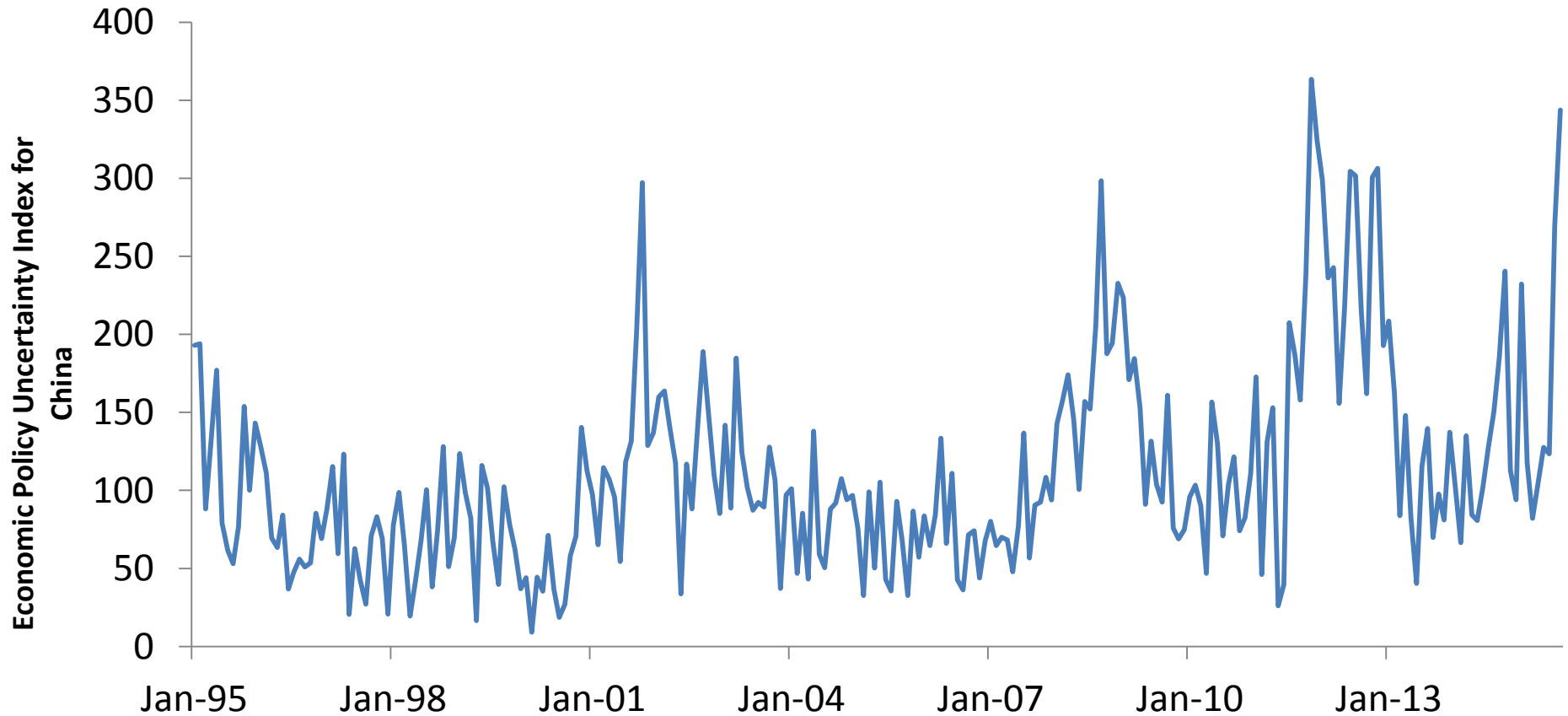
Our perspectives on the market

Following on from a period of relatively subdued volatility, the spike in volatility in Q3 2015 approached levels last seen in Q3 2011...



Source: J.P.Morgan Asset Management, Bloomberg as at December 2015.

... as policy uncertainty in China reached extreme levels



Source: JPMorgan Asset Management, Morgan Stanley as at 30th September 2015

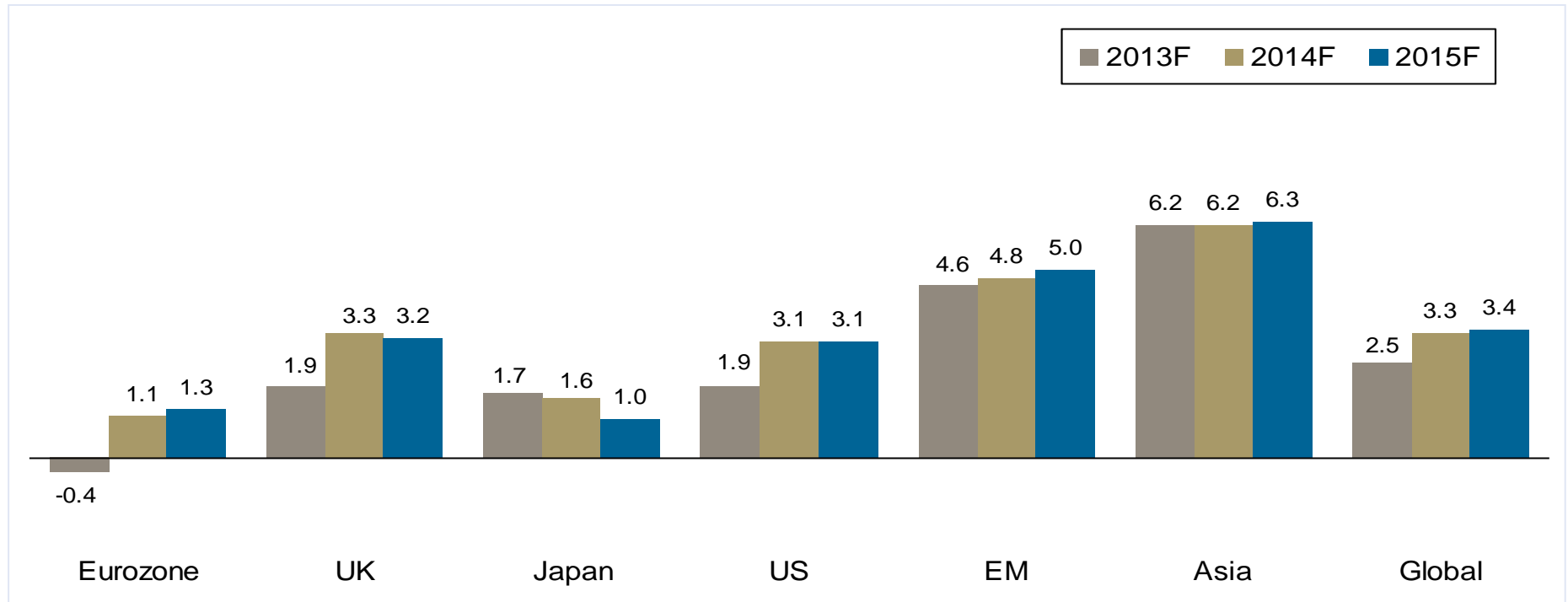
Clear divergence in economic momentum between the developed and developing worlds

Global Purchasing Managers' Index for manufacturing

	Jan'14	Feb'14	Mar'14	Apr'14	May'14	Jun'14	Jul'14	Aug'14	Sep'14	Oct'14	Nov'14	Dec'14	Jan'15	Feb'15	Mar'15	Apr'15	May'15	Jun'15	Jul'15	Aug'15	Sep'15	Oct'15	Nov'15	Dec'15
Global	52.9	53.1	52.4	51.9	52.2	52.6	52.4	52.5	52.2	52.2	51.8	51.5	51.7	51.9	51.7	51.0	51.3	51.0	51.1	50.7	50.7	51.3	51.2	50.9
Developed Markets	54.6	55.5	54.3	53.2	53.5	54.1	53.2	54.1	53.6	53.5	52.8	52.4	52.5	52.8	53.0	52.1	52.4	52.1	52.5	52.4	52.1	53.1	52.6	-
Emerging Markets	50.6	50.0	49.6	49.5	50.1	50.4	51.2	50.5	50.4	50.5	50.6	50.4	50.8	50.9	49.8	49.3	49.4	49.2	48.8	48.3	48.3	48.9	49.0	-
U.S.	53.7	57.1	55.5	55.4	56.4	57.3	55.8	57.9	57.5	55.9	54.8	53.9	53.9	55.1	55.7	54.1	54.0	53.6	53.8	53.0	53.1	54.1	52.8	51.2
Canada	51.7	52.9	53.3	52.9	52.2	53.5	54.3	54.8	53.5	55.3	55.3	53.9	51.0	48.7	48.9	49.0	49.8	51.3	50.8	49.4	48.6	48.0	48.6	47.5
U.K.	56.6	55.9	54.8	57.2	56.6	56.9	54.9	53.3	51.8	53.0	53.5	52.6	52.9	53.8	53.8	51.7	51.9	51.5	52.0	51.8	51.7	55.2	52.7	51.9
Euro Area	54.0	53.2	53.0	53.4	52.2	51.8	51.8	50.7	50.3	50.6	50.1	50.6	51.0	51.0	52.2	52.0	52.2	52.5	52.4	52.3	52.0	52.3	52.8	53.1
Germany	56.5	54.8	53.7	54.1	52.3	52.0	52.4	51.4	49.9	51.4	49.5	51.2	50.9	51.1	52.8	52.1	51.1	51.9	51.8	53.3	52.3	52.1	52.9	53.2
France	49.3	49.7	52.1	51.2	49.6	48.2	47.8	46.9	48.8	48.5	48.4	47.5	49.2	47.6	48.8	48.0	49.4	50.7	49.6	48.3	50.6	50.6	50.6	51.4
Italy	53.1	52.3	52.4	54.0	53.2	52.6	51.9	49.8	50.7	49.0	49.0	48.4	49.9	51.9	53.3	53.8	54.8	54.1	55.3	53.8	52.7	54.1	54.9	55.6
Spain	52.2	52.5	52.8	52.7	52.9	54.6	53.9	52.8	52.6	52.6	54.7	53.8	54.7	54.2	54.3	54.2	55.8	54.5	53.6	53.2	51.7	51.3	53.1	53.0
Greece	51.2	51.3	49.7	51.1	51.0	49.4	48.7	50.1	48.4	48.8	49.1	49.4	48.3	48.4	48.9	46.5	48.0	46.9	30.2	39.1	43.3	47.3	48.1	50.2
Ireland	52.8	52.9	55.5	56.1	55.0	55.3	55.4	57.3	55.7	56.6	56.2	56.9	55.1	57.5	56.8	55.8	57.1	54.6	56.7	53.6	53.8	53.6	53.3	54.2
Australia	46.7	48.6	47.9	44.8	49.2	48.9	50.7	47.3	46.5	49.4	50.1	46.9	49.0	45.4	46.3	48.0	52.3	44.2	50.4	51.7	52.1	50.2	52.5	51.9
Japan	56.6	55.5	53.9	49.4	49.9	51.5	50.5	52.2	51.7	52.4	52.0	52.0	52.2	51.6	50.3	49.9	50.9	50.1	51.2	51.7	51.0	52.4	52.6	52.6
China	49.5	48.5	48.0	48.1	49.4	50.7	51.7	50.2	50.2	50.4	50.0	49.6	49.7	50.7	49.6	48.9	49.2	49.4	47.8	47.3	47.2	48.3	48.6	48.2
Indonesia	51.0	50.5	50.1	51.1	52.4	52.7	52.7	49.5	50.7	49.2	48.0	47.6	48.5	47.5	46.4	46.7	47.1	47.8	47.3	48.4	47.4	47.8	46.9	47.8
Korea	50.9	49.8	50.4	50.2	49.5	48.4	49.3	50.3	48.8	48.7	49.0	49.9	51.1	51.1	49.2	48.8	47.8	46.1	47.6	47.9	49.2	49.1	49.1	50.7
Taiwan	55.5	54.7	52.7	52.3	52.4	54.0	55.8	56.1	53.3	52.0	51.4	50.0	51.7	52.1	51.0	49.2	49.3	46.3	47.1	46.1	46.9	47.8	49.5	51.7
India	51.4	52.5	51.3	51.3	51.4	51.5	53.0	52.4	51.0	51.6	53.3	54.5	52.9	51.2	52.1	51.3	52.6	51.3	52.7	52.3	51.2	50.7	50.3	49.1
Brazil	50.8	50.4	50.6	49.3	48.8	48.7	49.1	50.2	49.3	49.1	48.7	50.2	50.7	49.6	46.2	46.0	45.9	46.5	47.2	45.8	47.0	44.1	43.8	45.6
Mexico	54.0	52.0	51.7	51.8	51.9	51.8	51.5	52.1	52.6	53.3	54.3	55.3	56.6	54.4	53.8	53.8	53.3	52.0	52.9	52.4	52.1	53.0	53.0	52.4
Russia	48.0	48.5	48.3	48.5	48.9	49.1	51.0	51.0	50.4	50.3	51.7	48.9	47.6	49.7	48.1	48.9	47.6	48.7	48.3	47.9	49.1	50.2	50.1	48.7

Source: Markit, J.P. Morgan Asset Management.
 Heatmap colors are based on PMI relative to the 50 level, which indicates acceleration or deceleration of the sector, for the time period shown.
 Guide to the Markets – U.S. Data are as of December 31, 2015.

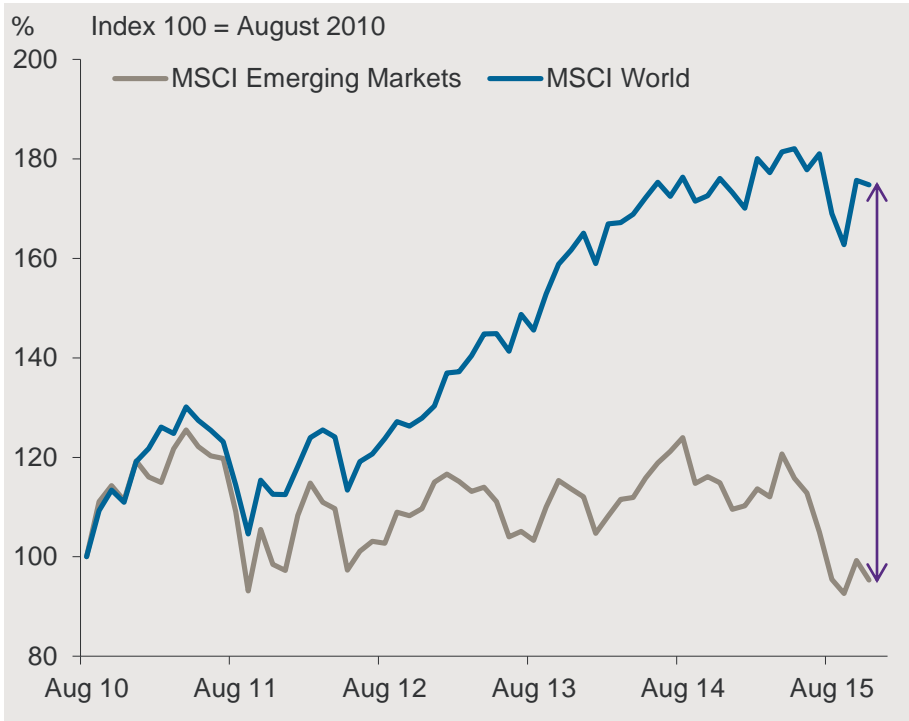
While emerging economic growth has slowed, they continue to enjoy stronger growth than their developed peers



Source: JPMAM

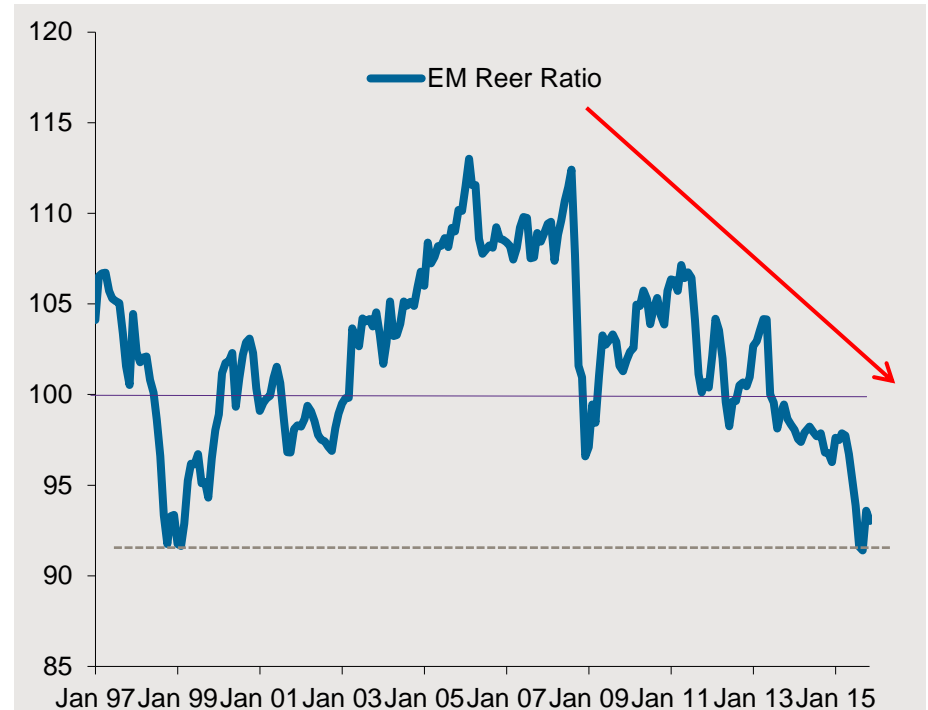
EM currency weakness has had a significant impact on the translation of earnings of developed market listed stocks

Performance over the last 5 years



Source: Bloomberg, MSCI. Data shown in USD. As of end November 2015

EM Equity Weight REER Ratio – Back to '98 levels

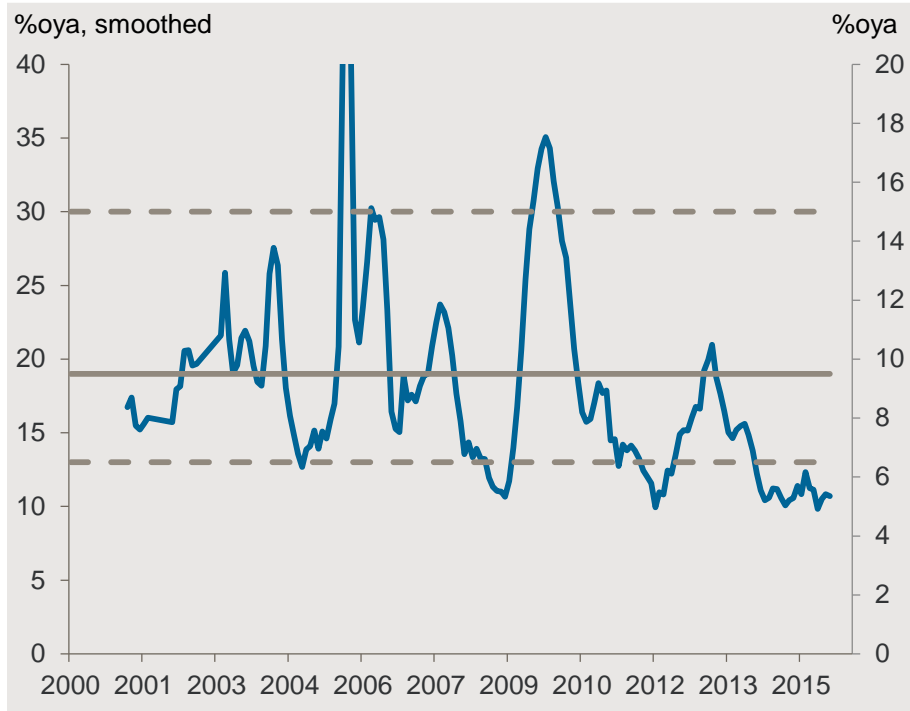


Source: J.P. Morgan Asset Management, data as of end November 2015.

China: A slowing economy consistent with a 5% run rate

Amid unreliable official GDP readings, our growth proxies show weak but stable Chinese growth

Real Demand Index* vs historical GDP range

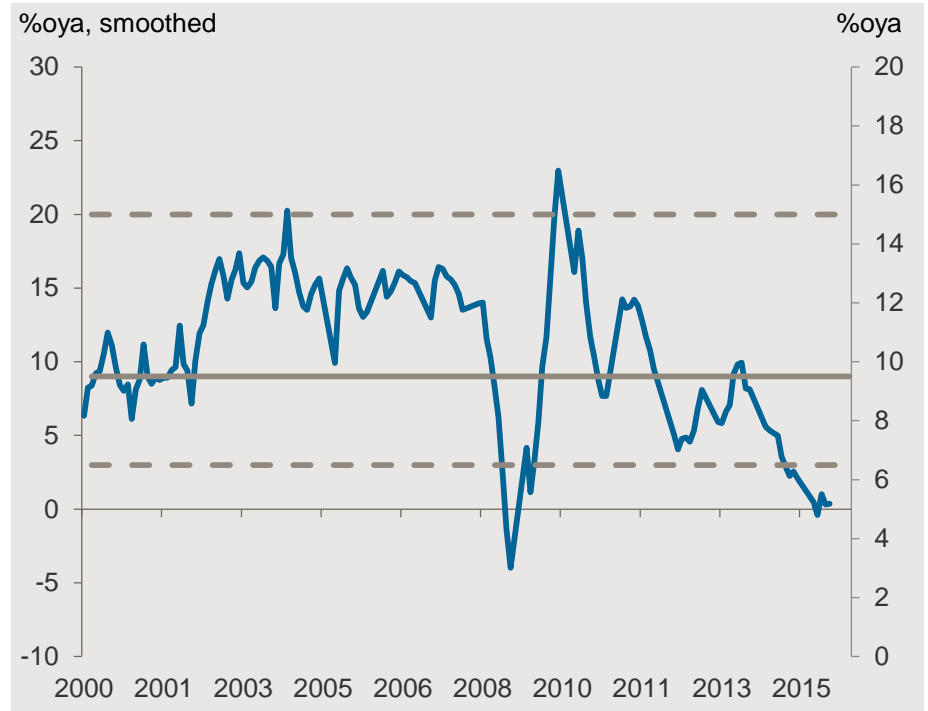


*Real Demand Index = .35*real retail sales+.1* residential floor space sold+.1*auto sales
+.35*real FAI +.1*real exports

Source: NBS, JPMAM calculations

Data as of August 2015

Real Supply Index* vs GDP range



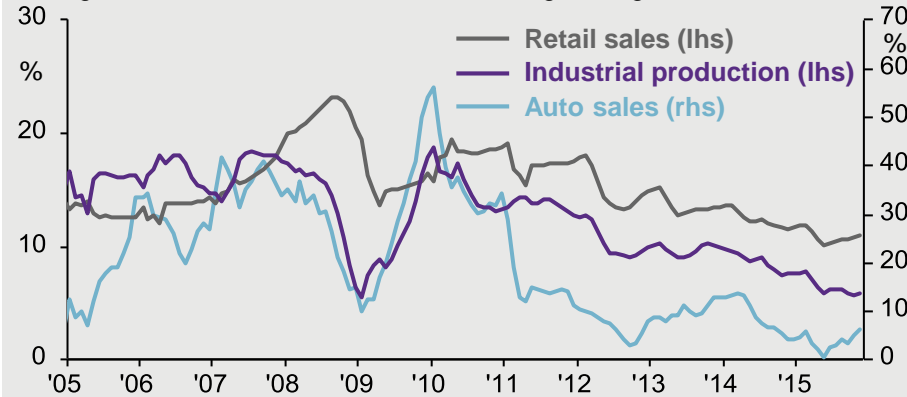
*Real Supply Index = .2*real industrial output+.1* crude steel production+.1*cement
production +.6*electricity production

Source: NBS, JPMAM calculations

Data as of August 2015

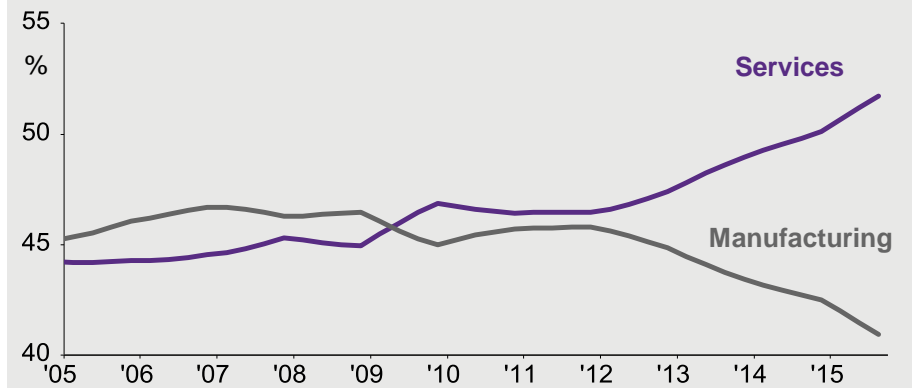
China industrial production, retail and auto sales

Change month on month, three-month moving average



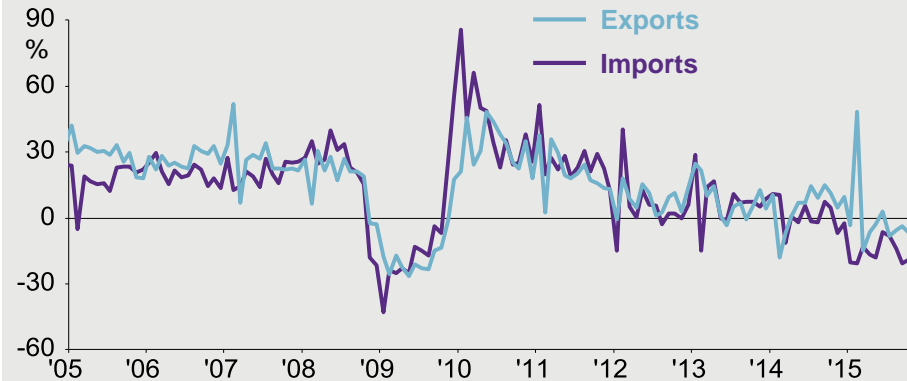
Manufacturing and services components of GDP

12-month moving average, % of nominal GDP



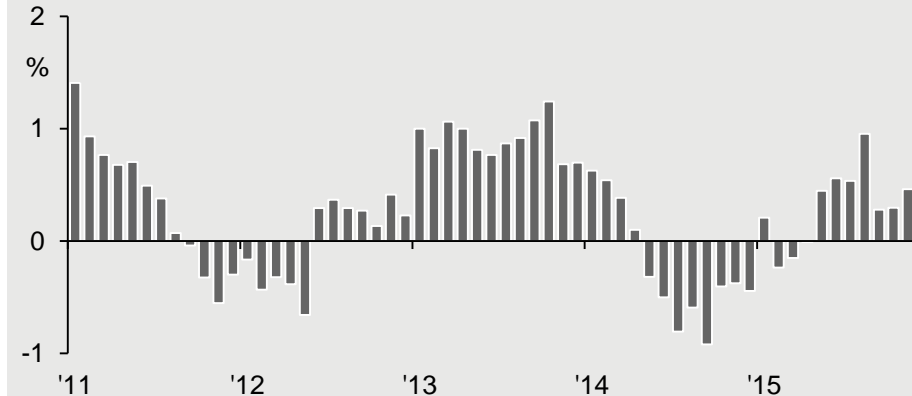
External account

Change year on year



Top 100 cities property prices

Change month on month



Source: (Top and bottom left, top right) FactSet, National Bureau of Statistics of China, J.P Morgan Asset Management. (Bottom right) Soufun, J.P. Morgan Asset Management. *Guide to the Markets - UK*. Data as of 31 December 2015.

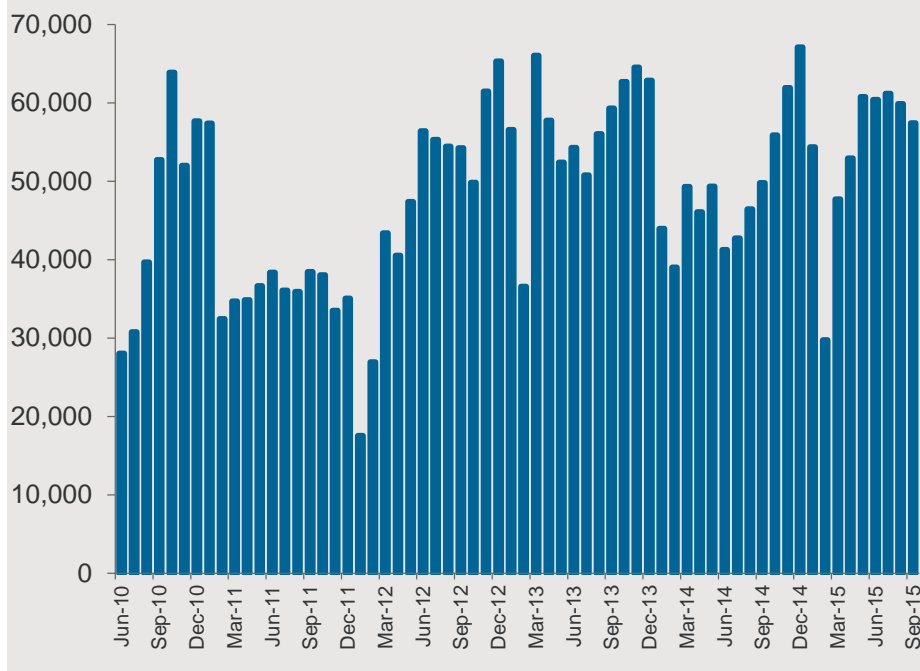
China: Real estate inventory starting to turn amid improving sales volumes

Normalizing inventory levels are a necessary condition to translate sales improvement into new construction

Real estate sales volumes

41 cities sales volume (ex. Harbin)

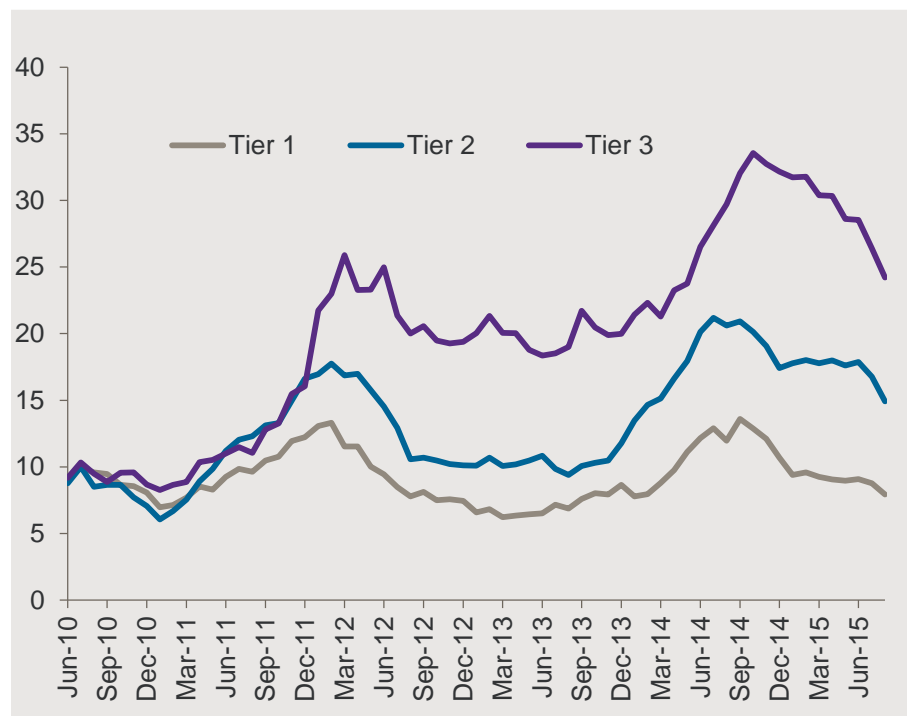
Weekly average/month



Source: CPREIS, UBS estimates. Top 41 cities, excluding Harbin
Data as of September 2015

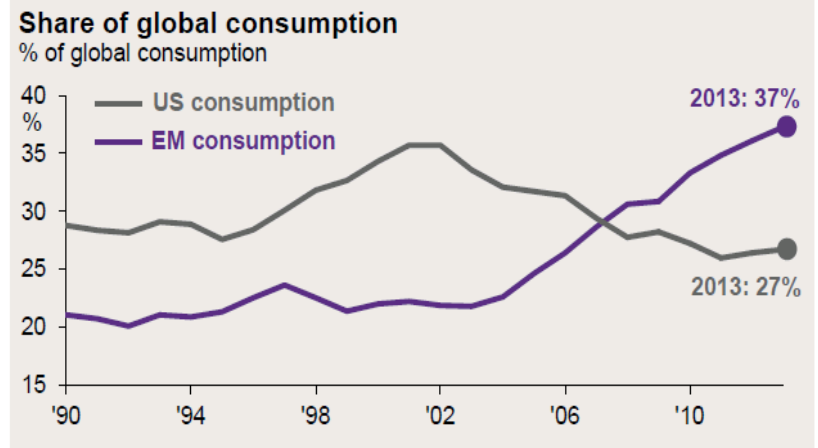
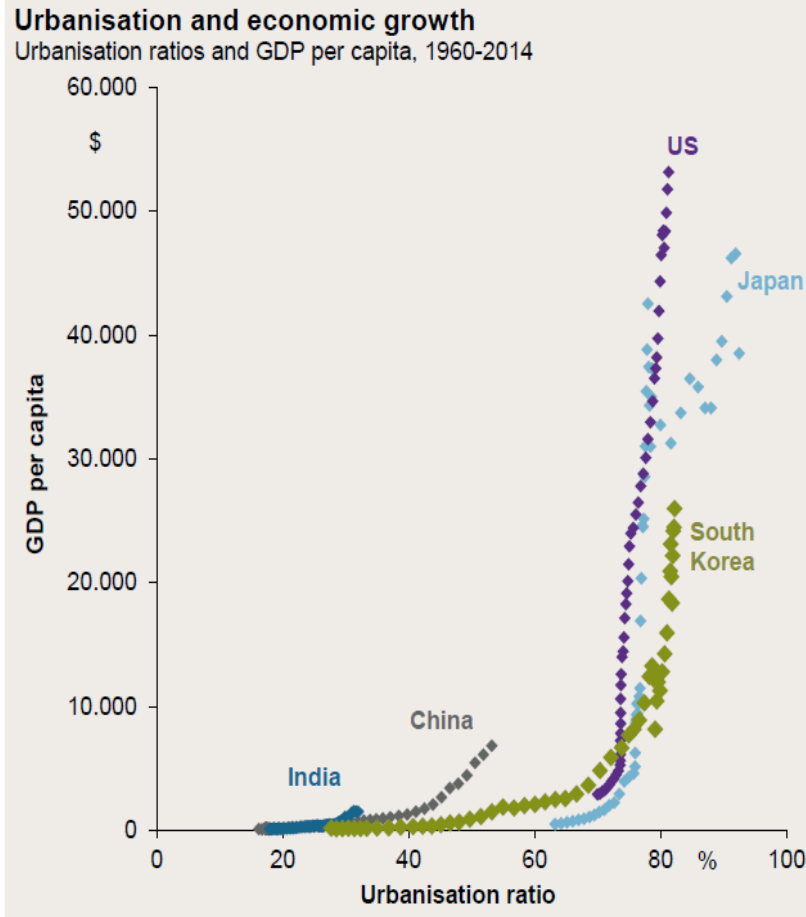
Inventory levels by city type

Average months of inventory



Source: CPREIS, UBS estimates.
Data as of August 2015

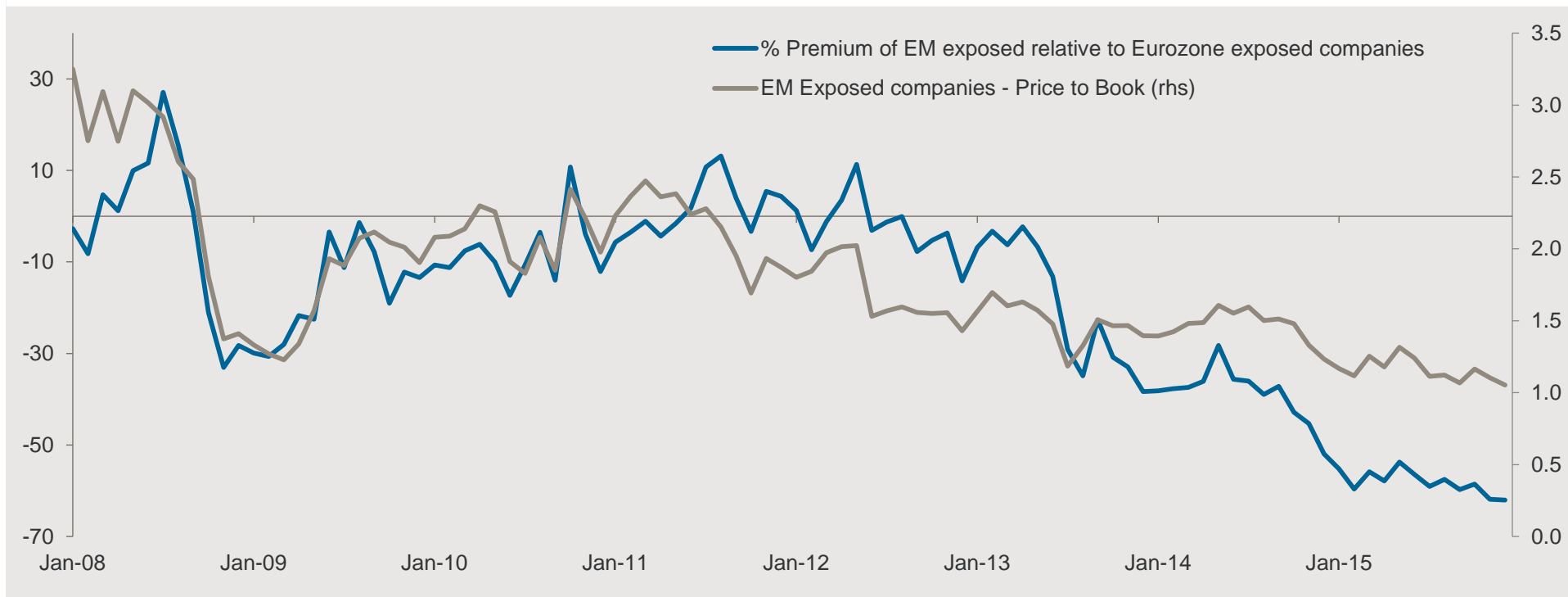
Emerging economies: The long term story remains intact



Source: Source: (Left) IMF, J.P. Morgan Asset Management. (Top right) United Nations, J.P. Morgan Asset Management. (Bottom right) IMF World Economic Outlook April 2015, J.P. Morgan Asset Management. Urbanisation ratio refers to the proportion of the total population living within an urban area defined by national statistical offices. *Forecast for 2014 from the IMF World Economic Outlook April 2015. Data as of 30 September 2015.

Attractive valuations of European stocks with higher emerging economy exposure

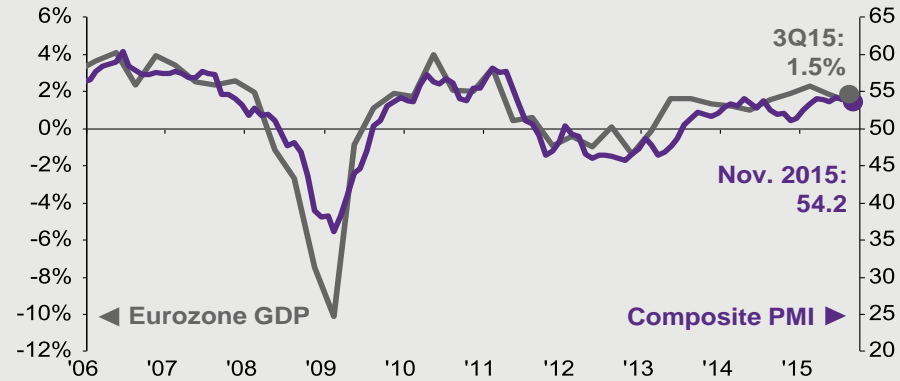
Emerging Market exposed European companies vs Eurozone exposed companies – Price to Book value



Source: J.P. Morgan Asset Management, Morgan Stanley, December 2015. Pan European companies. Eurozone basket consists of Top 50 Eurozone companies excluding Financials with the highest domestic revenue exposure (Threshold = ~50% Eurozone exposure). Emerging Market Basket consists of Top 50 European companies with the highest revenue exposure to EM (Threshold = ~57% EM exposure). The companies/securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell. J.P. Morgan Asset Management may or may not hold positions on behalf of its clients in any or all of the aforementioned securities. Past performance is not necessarily a reliable indicator for future performance.

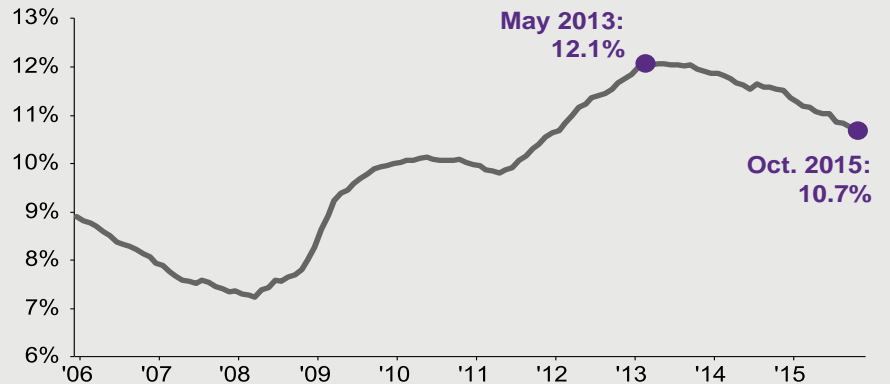
Markit PMI and GDP growth in the Eurozone

Markit Composite PMI Index and Eurozone GDP q/q SAAR



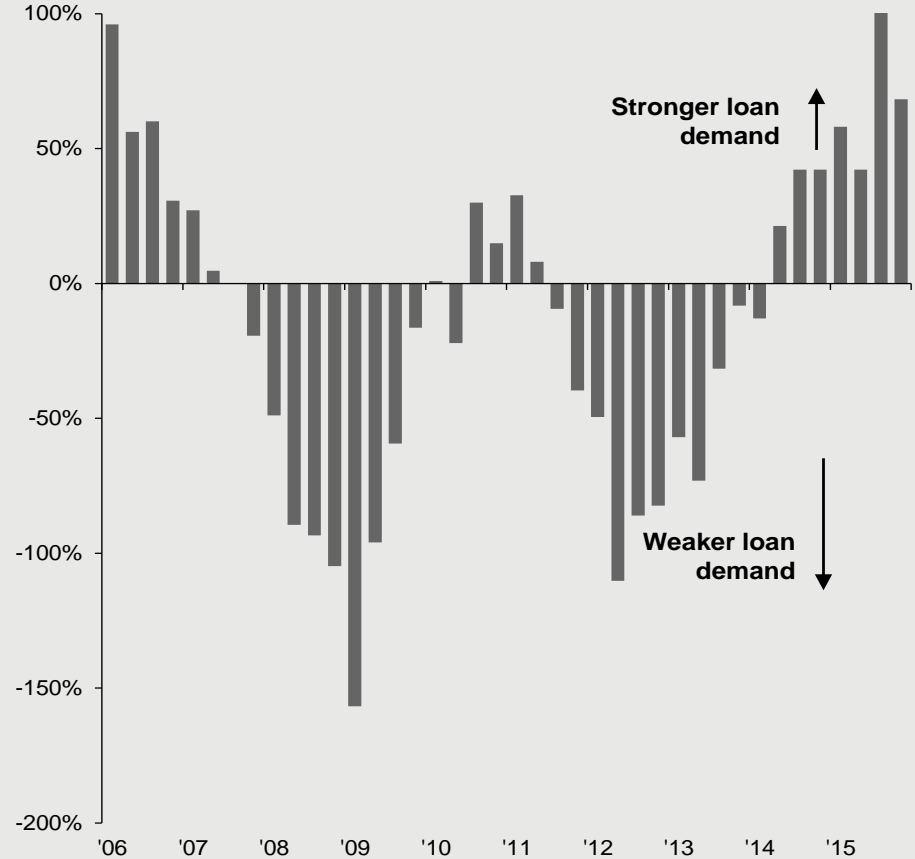
Eurozone unemployment

Persons unemployed as a percent of labor force, seasonally adjusted



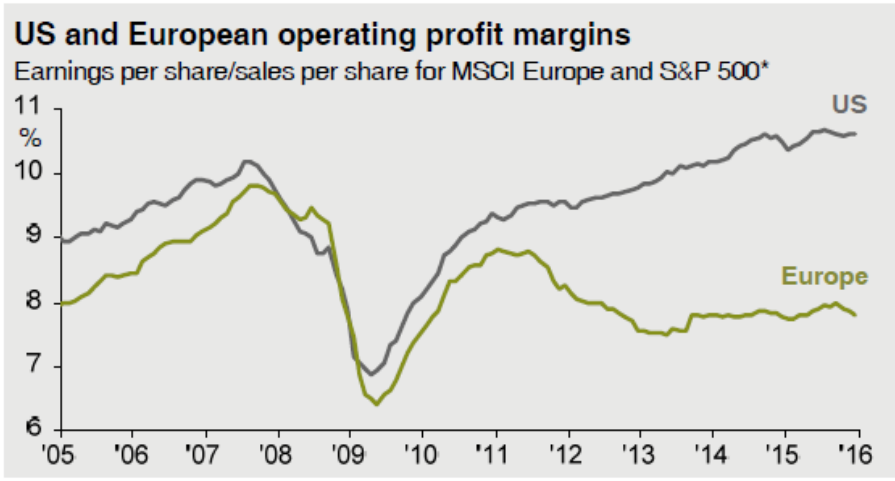
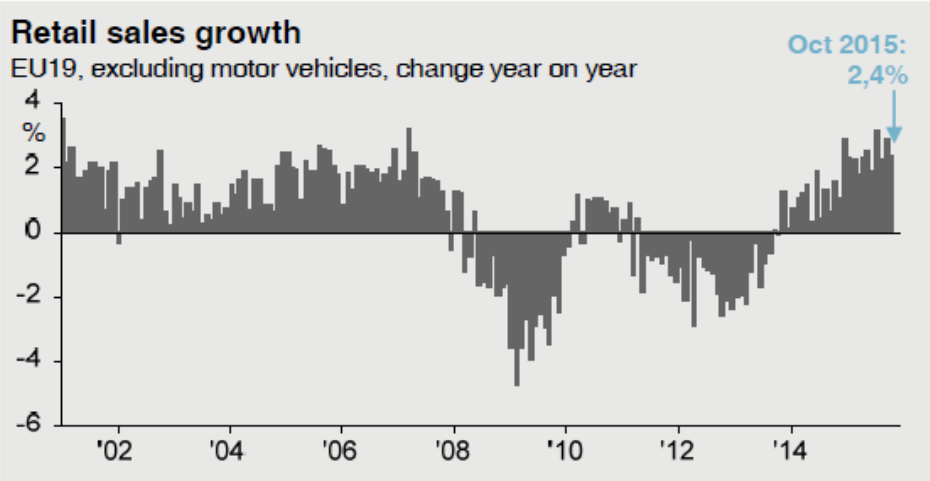
Eurozone credit demand

Net % of banks reporting positive loan demand



Source: FactSet, J.P. Morgan Asset Management; (Top left) Markit; (Top and bottom left) Eurostat; (Bottom right) ECB.
 Guide to the Markets – U.S. Data are as of December 31, 2015.

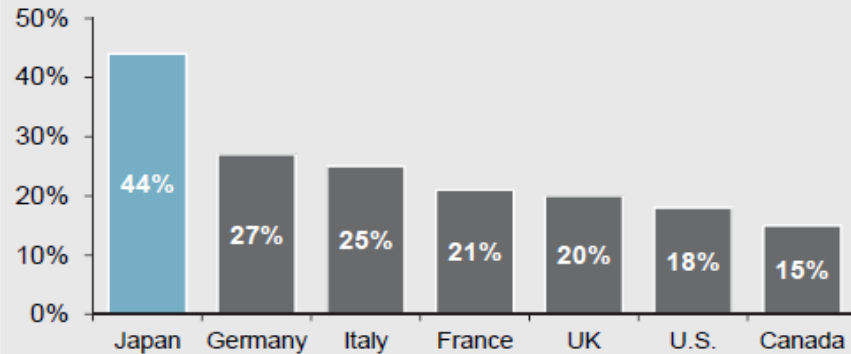
European sales are also picking up strongly which should bring operating leverage into play, helping European companies to narrow the margin gap versus their US counterparts



Source: ECB, Eurostat, FactSet, MSCI, J.P. Morgan Asset Management. *Guide to the Markets - Europe*. Data as of 31 December 2015.

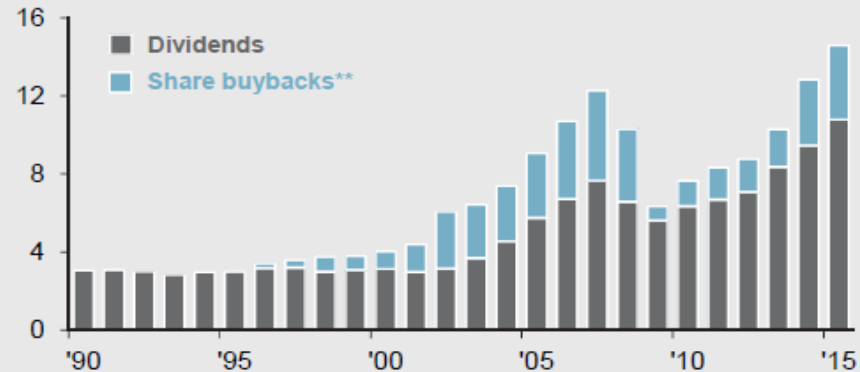
Listed companies' cash and cash-equivalent holdings*

% of market capitalization, average between 2004 and 2012



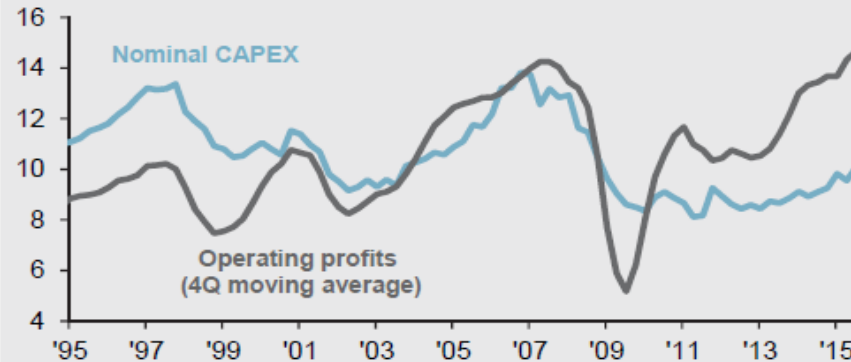
Listed companies' dividend payout and share buybacks

JPY trillions



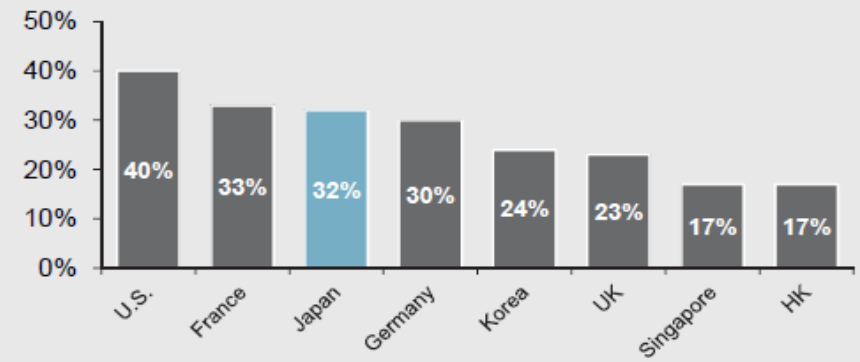
Capital expenditure (CAPEX) and operating profits

JPY trillions (Ministry of Finance Business Survey, ex-financials)



Corporate tax rate comparison

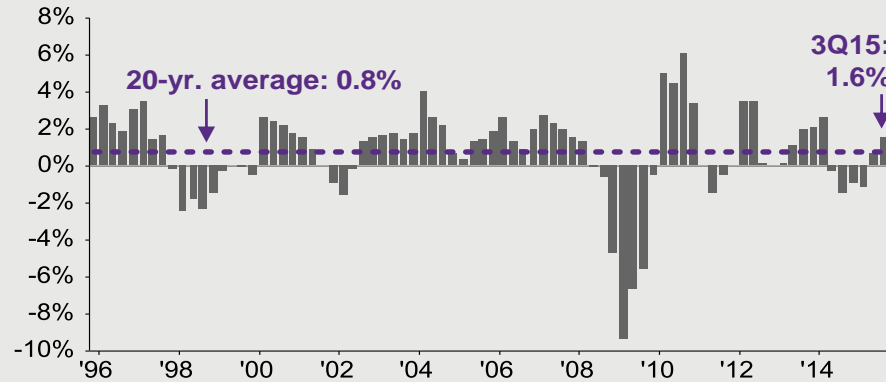
% in 2015



Source: (Top left) IMF, J.P. Morgan Asset Management. (Top right) Nomura, J.P. Morgan Asset Management. (Bottom left) FactSet, Ministry of Finance, Ministry of Internal Affairs & Communications, J.P. Morgan Asset Management. (Bottom right) Japanese Cabinet Office, KPMG, J.P. Morgan Asset Management. *Cash and cash-equivalent holdings derived from IMF's working paper, "Unstash the Cash! Corporate Governance Reform in Japan," written by Chie Aoyagi and Giovanni Ganelli. **Share buyback data are for repurchases of common stock, excluding repurchases from Resolution and Collection Corp and repurchases of preferred stock. FY14 (2015) dividend and share buyback amounts are Nomura estimates. Guide to the Markets - Asia 1Q 2016. Data reflect most recently available as of 31/12/15.

Japanese economic growth

Real GDP, y/y % change

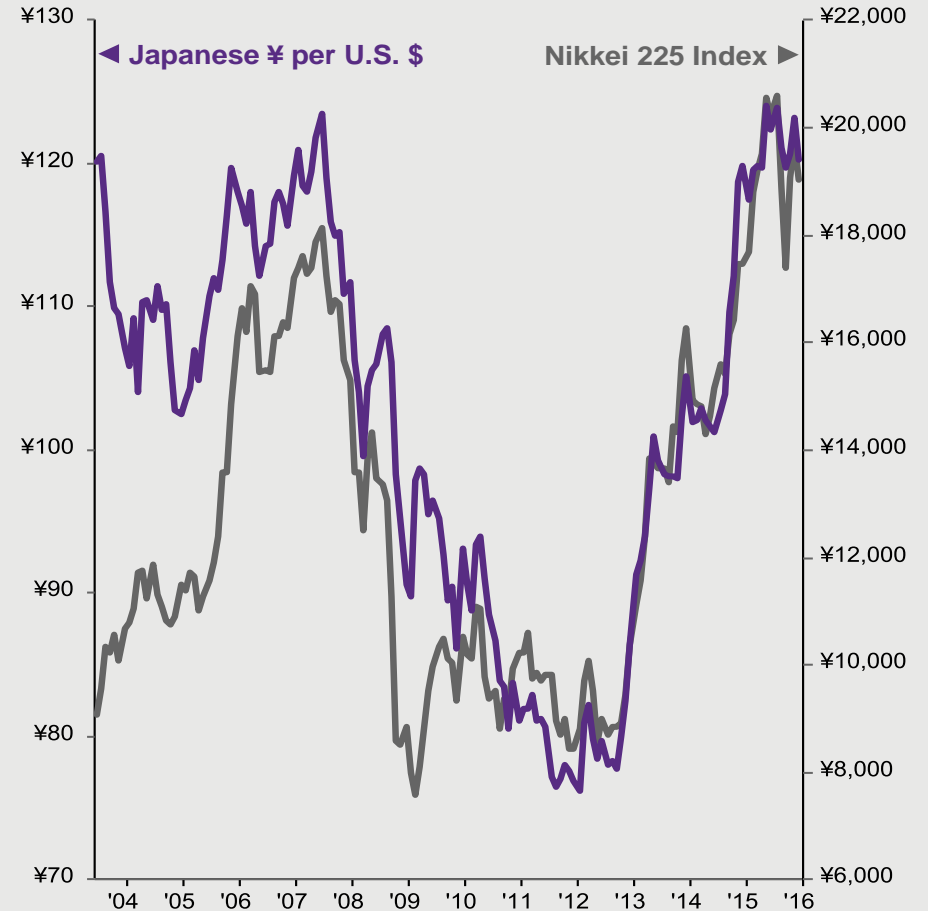


Japanese labor market

Unemployment, y/y % change in wages 3-month moving average



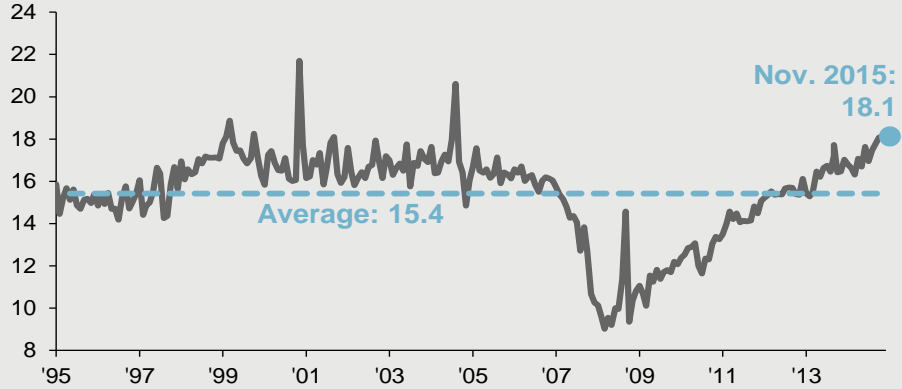
Japanese yen and the stock market



Source: FactSet, J.P. Morgan Asset Management; (Top and bottom left) Japanese Cabinet Office; (Right) Nikkei. Guide to the Markets – U.S. Data are as of December 31, 2015.

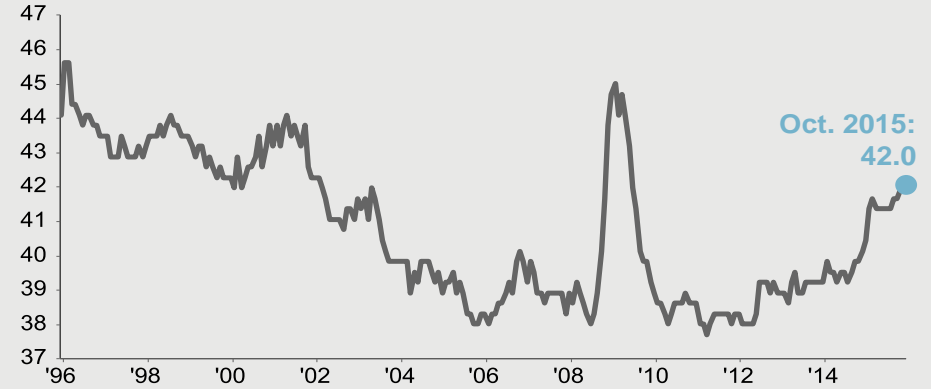
Light vehicle sales

Millions, seasonally adjusted annual rate



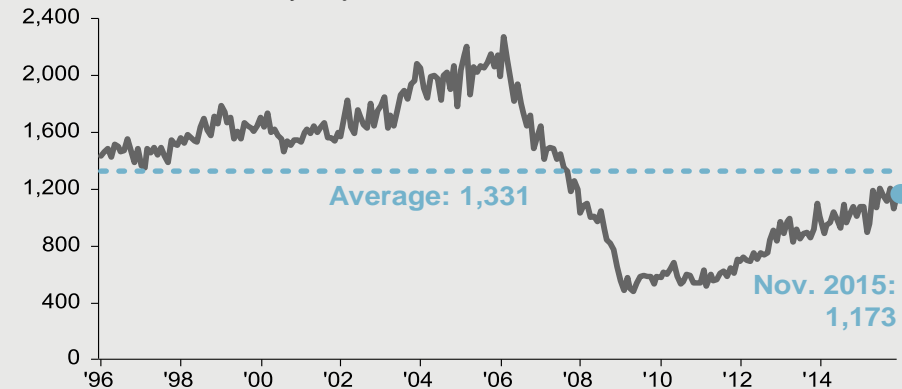
Manufacturing and trade inventories

Days of sales, SA



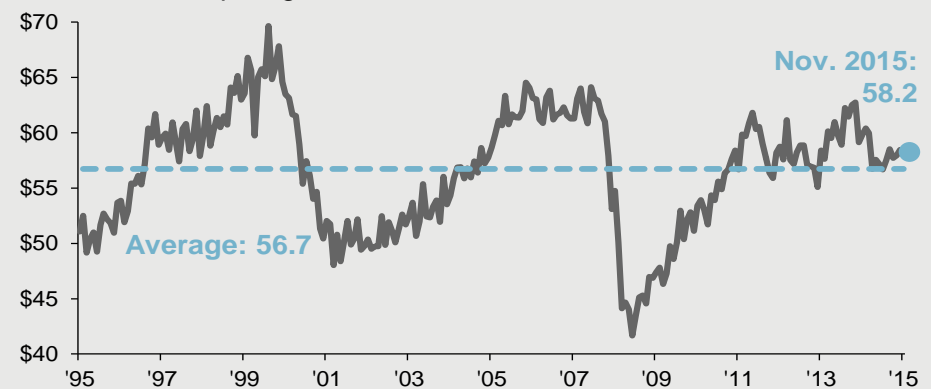
Housing starts

Thousands, seasonally adjusted annual rate



Real capital goods orders

Non-defense capital goods orders ex-aircraft, USD billions, SA



Source: J.P. Morgan Asset Management; (Top left) BEA; (Top and bottom right, bottom left) Census Bureau, FactSet.
 Capital goods orders deflated using the producer price index for capital goods with a base year of 2004. November real capital goods orders is an advance estimate.
 SA – seasonally adjusted.
 Guide to the Markets – U.S. Data are as of December 31, 2015.

Portfolio Positioning

EAFE PLUS

Major transactions for 2nd half 2015

New purchases

- Keyence

Absolute sales

- ABB
- Nestle
- Linde
- Volkswagen

Additions

- KDDI
- Astellas Pharma
- Inpex
- Mitsui Fudosan
- Accor
- Lloyds Bank
- Continental AG
- Schneider Electric
- SMC
- Tokyo Electron
- Henkel
- UBS
- SMFG

Reductions

- ING Groep
- Fresenius
- AB Inbev
- Imperial Tobacco
- BG Group

Source: JPMAM; Data is based on a representative account. Holdings and allocations are subject to change at the discretion of the Investment Manager without notice. Past performance is not an indication of future performance. The companies/securities above are shown for illustrative purposes only. Their inclusion should not be interpreted as a recommendation to buy or sell.

Top 10 over/underweights

SACRT as of December 31, 2015 vs. MSCI EAFE

Top ten overweights

Stock	Portfolio Weight (%)	Benchmark Weight (%)	Relative Position (%)
Sumitomo Mitsui Fin'l Grp	2.2	0.4	1.8
Vodafone	2.3	0.7	1.6
Japan Tobacco	1.9	0.3	1.6
BG Group	2.0	0.4	1.6
Prudential Plc	2.0	0.5	1.5
WPP	1.8	0.2	1.5
Samsung Electronics	1.5	0.0	1.5
UBS	2.0	0.6	1.4
Kubota	1.6	0.1	1.4
SAP	2.0	0.6	1.4
TOTAL	19.2	3.9	

Top ten underweights

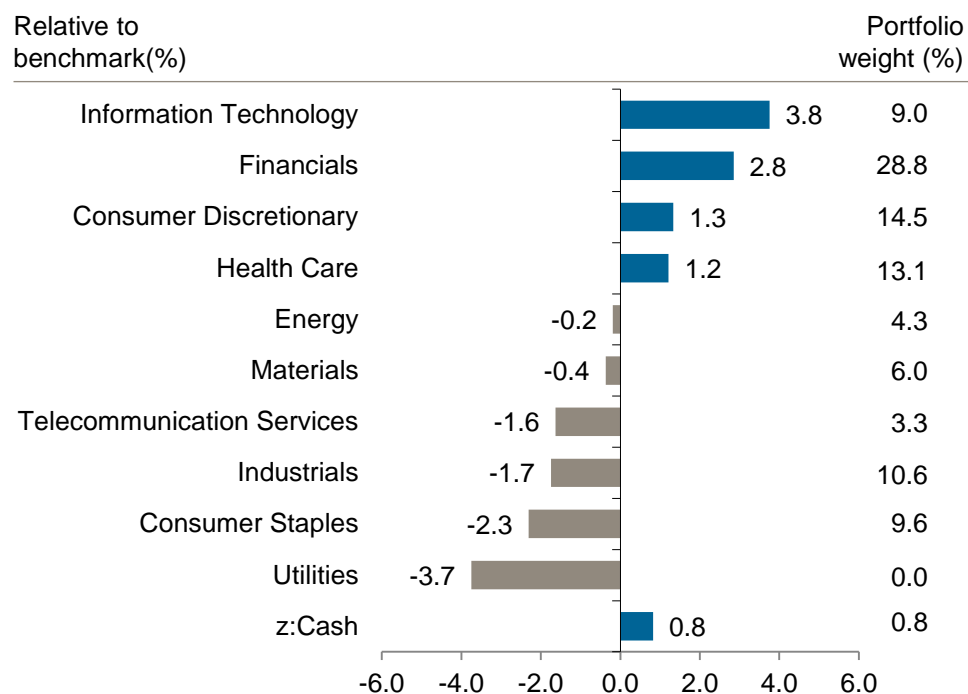
Stock	Portfolio Weight (%)	Benchmark Weight (%)	Relative Position (%)
Nestle	0.0	1.9	-1.9
Royal Dutch Shell	0.0	1.2	-1.2
CW Bank of Australia	0.0	0.9	-0.9
GlaxoSmithkline	0.0	0.8	-0.8
Total SA	0.0	0.8	-0.8
BP	0.0	0.8	-0.8
Astrazeneca	0.0	0.7	-0.7
Daimler	0.0	0.7	-0.7
Westpac Banking	0.0	0.7	-0.7
Mitsubishi UFJ Fin'l Grp	0.0	0.7	-0.7
TOTAL	0.0	9.0	

Source: JPMAM. Above examples are for illustrative purposes only, and are not to be considered buy or sell recommendations.

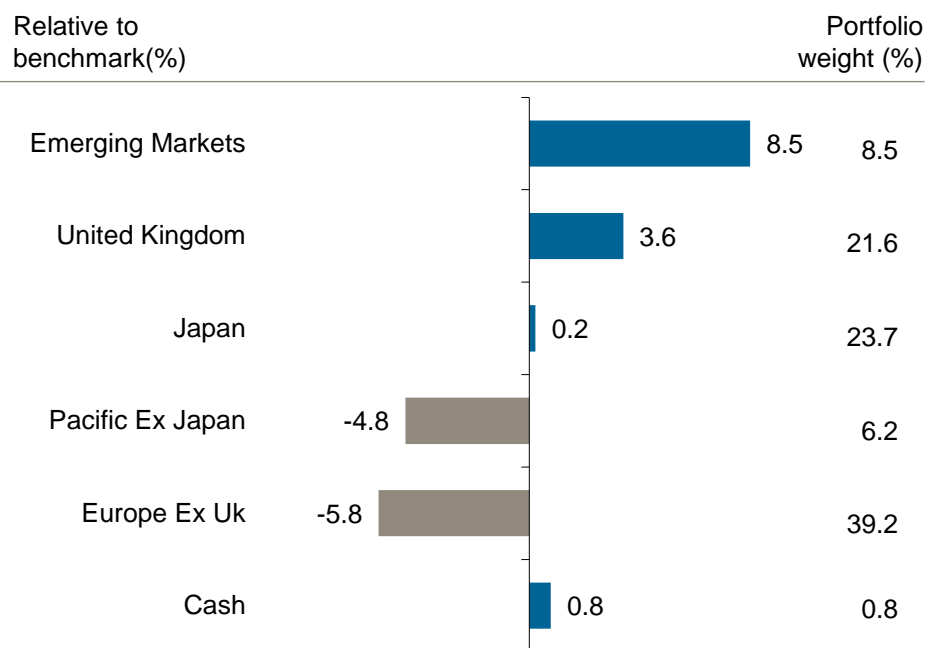
Region/country and sector positions

As of December 31, 2015 vs. MSCI EAFE

Absolute/Active sector positions



Absolute/Active region/country positions



Source: JPMAM, FactSet

Figures shown above are based on a representative account as of a specific date and are subject to change. For purposes of the regional breakdown, the portfolio's holdings of HSBC are classified under Pacific ex-Japan.

EAFE Plus: Risk and market cap breakdown

As of December 31, 2015 vs. MSCI EAFE

Number of stocks	87
Predicted tracking error*	2.48
Active Money	73%
Source: Factset, UBS-PAS	

Market cap breakdown vs. benchmark

	EAFE Plus (%)	MSCI EAFE index (%)
\$0 to \$2 bn	0	0
\$2 to \$5 bn	1	5
\$5 to \$10 bn	4	12
\$10 to \$30 bn	22	28
\$30 bn +	73	55
Source: JPMAM, FactSet,		

Source: JPMAM, Factset. For a representative account. *As of 11/30/2015.



Appendix



Biographies – Portfolio Managers

James Fisher, Managing Director, is a portfolio manager in the Global Equities Team, based in London and responsible for J.P.Morgan EAFE Plus funds. An employee since 1985, he was previously based in Hong Kong as a portfolio manager in the Global Group responsible for European markets and prior to this a portfolio manager investing in the UK. He joined the company as a trainee portfolio manager. James holds a BA (Hons) in Latin from Reading University and is an ASIP and a member of the CFA Institute..

Shane Duffy, Managing Director, is a portfolio manager in the Global Equities Team, based in London. Shane works on EAFE portfolios, in particular those in the Growth and Unconstrained strategies. Previously, Shane worked as a global sector specialist with responsibility for consumer discretionary stocks. Shane joined the team in 1999 as a graduate trainee, holds an MA in History from Cambridge University, and is a CFA charterholder.

Tom Murray, Managing Director, is a portfolio manager in Global Equities Team based in London. Tom works on EAFE portfolios, in particular those in the ACWI ex-US and Unconstrained strategies. An employee since 1996, Tom was previously the Global Sector specialist responsible for the Energy Sector. Tom holds a BA (Hons) in Classics from Bristol University and is a CFA charterholder.

There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

A stable, experienced investment team

Portfolio Managers

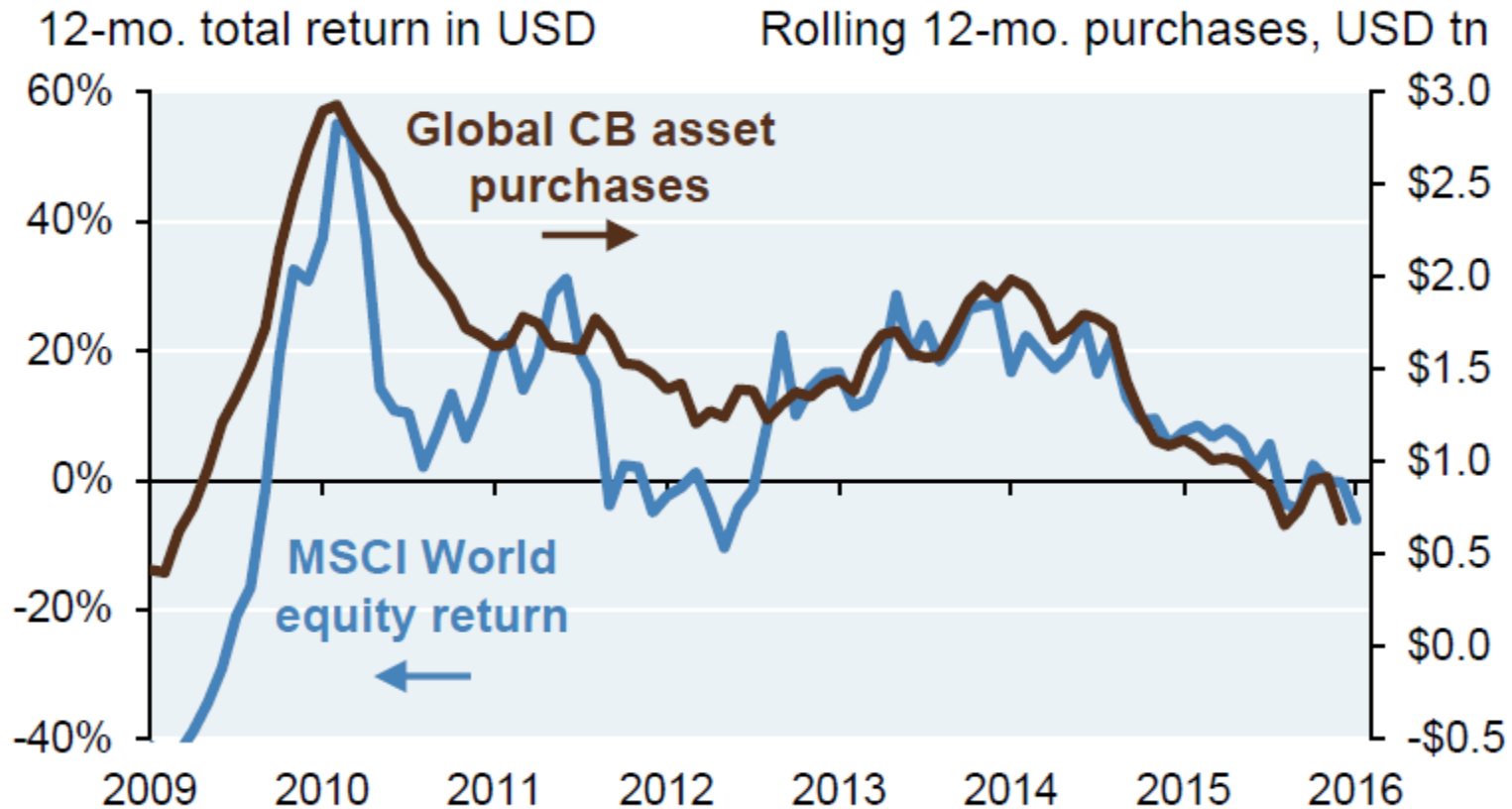
Name	Industry Experience (Years)	Firm Experience (Years)	Experience in current role (Years)
James Fisher – Lead PM	30	30	22
Tom Murray	18	18	11
Shane Duffy	16	16	9
Average Total – EAFE Plus PM Team	21	21	14

Global Sector Specialists

Name	Industry Experience (Years)	Firm Experience (Years)	Experience in current role (Years)
Niranjani Aiyagari	11	7	7
Hugo Alexander	23	23	16
James Andrew	12	8	8
Marc Gration	31	10	10
Jeremy Kelton	28	9	9
Chris Korpan	11	5	5
Paul Neoh	13	13	13
Premal Pajwani	24	4	4
Stuart Price	18	7	7
Sam Witherow	7	7	7
Average Total	18	9	9

As of September 2015. There can be no assurance that the professionals currently employed by J.P. Morgan Asset Management will continue to be employed by J.P. Morgan Asset Management or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

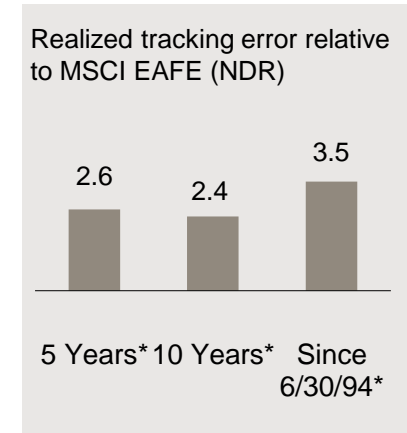
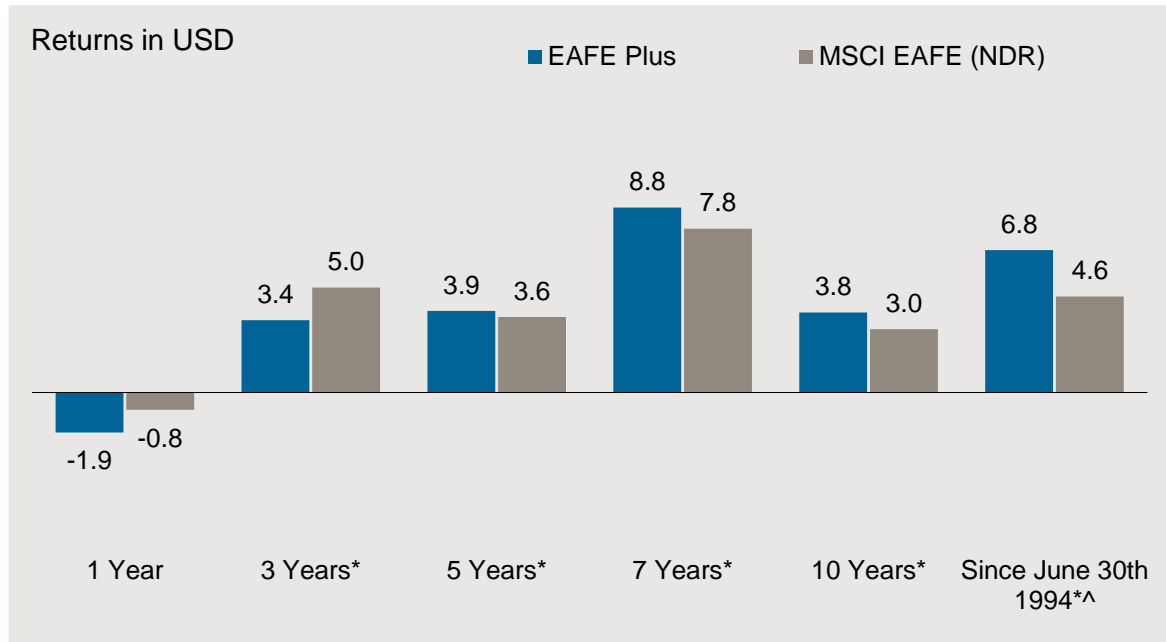
Global equity markets vs. central bank asset purchases



Source: Bloomberg, Citi Research. January 25, 2016

J.P.Morgan EAFE Plus: Composite performance

Periods ending December 31, 2015 (%)

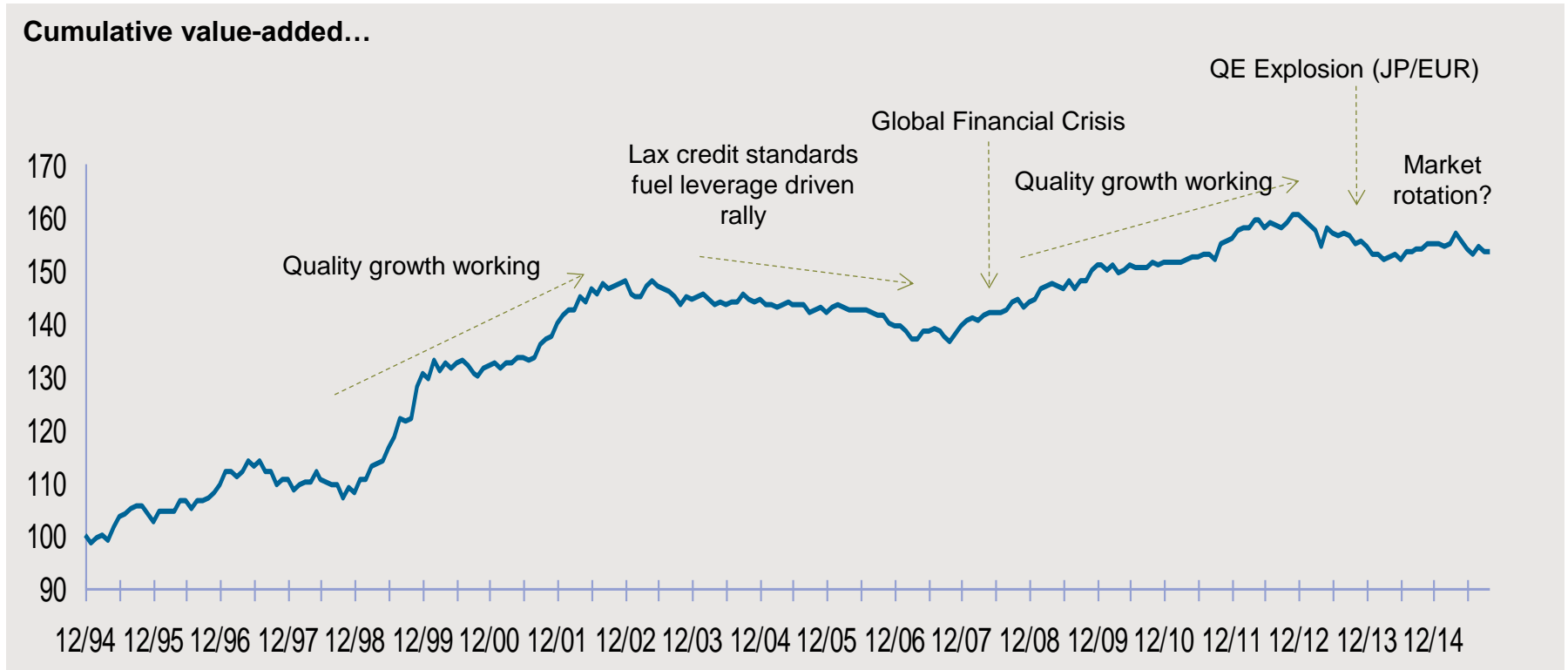


Source: JPMAM, Gross of fees, US\$. *^James Fisher has been managing the EAFE Plus strategy since June 30, 1994

*Annualized

Past performance is not a guarantee of comparable future results. Total return assumes reinvestment of income. Performance results are gross of investment management fees. The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule.

EAFE Plus Composite: A consistent approach to producing incremental excess returns over the long term



Source: JPMAM using monthly data geometric gross of fees for our EAFE Plus composite. Base year (100) is Dec 31, 1994 to December 2015 MSCI EAFE NDR;

Past performance is not indicative of future results.

Japan dominated the 1st 4 months of 2013

Returns by regional sector - 1st four months of 2013

	MSCI EAFE	Europe ex UK	UK	Japan	Pacific ex Japan	Emerging Markets
	10.8	8.5	5.6	21.5	11.4	-0.8
Financials	14.6	8.7	6.5	31.8	17.3	3.3
Telecommunication Services	14.9	4.7	20.2	29.4	18	-2.1
Health Care	18.5	17.5	16.4	28.2	12.1	6.4
Consumer Staples	14.9	14.5	10.3	27.2	19.5	5.3
Consumer Discretionary	13.2	5.0	7.9	25.0	9.3	-2.2
Utilities	8.4	3.6	9.7	18.7	10.5	3.8
Industrials	9.1	6.2	11.6	13.2	5.9	3.0
Materials	-4.6	1.6	-17.3	11.5	-9.3	-12.5
Information Technology	10	7.4	21.4	11.2	1.9	2.7
Energy	1.4	0.4	1.2	-0.2	9.6	-6.4

- Japan outperformed in 8 of 10 sectors, led by 'domestics'
- EM stocks trailed in 7 out of 10 sectors
- Being underweight Japan (esp. domestics) and exposure to EM and EM-facing names undermined performance in early '13

Source: JPMAM, Factset. (1) Index and sector performance on a GDR basis.

EAFE Plus Annual Performance Report

Annual Returns, US\$			As of December 31						
Year	Composite Return	Benchmark Return	Composite 3-Yr Ann St Dev	Benchmark 3-Yr Ann St Dev	Number of Portfolios (*throughout period)	Dispersion	Market Value at end of Period	Percentage of Firm Assets	Total Firm Assets
2005	11.72%	13.54%	12.08%	11.56%	21 (14)	0.28%	10,498	4.38%	239,417
2006	23.95%	26.34%	9.41%	9.47%	21 (20)	0.35%	10,661	3.49%	305,720
2007	11.33%	11.17%	9.08%	9.56%	19 (19)	0.49%	9,497	2.49%	381,609
2008	-41.66%	-43.38%	19.14%	19.51%	18 (18)	0.26%	5,117	2.22%	230,888
2009	38.39%	31.78%	23.74%	23.91%	17 (17)	0.70%	6,981	2.23%	313,153
2010	7.94%	7.75%	26.63%	26.61%	16 (15)	0.20%	7,430	2.46%	302,549
2011	-9.55%	-12.14%	23.24%	22.75%	14 (14)	0.26%	5,133	1.83%	279,893
2012	20.89%	17.32%	20.23%	19.65%	13(13)	0.26%	6,160	2.16%	285,186
2013	18.24%	22.78%	16.76%	16.48%	13 (13)	0.22%	6,286	1.85%	339,656
2014	-4.55%	-4.90%	12.84%	13.21%	12 (12)	0.35%	4,882	1.41%	346,370
2015	-1.91%	-0.81%	12.72%	12.64%	10 (10)	0.32%	4,228	n/a	n/a

Reporting Benchmark = MSCI EAFE USD (NDR)

Fee schedule as of 12/31/15

For separately managed accounts:

0.75% per annum on the first \$50 million

0.65% per annum on the next \$50 million

0.60% per annum on the balance

Minimum investment: \$50 million

The Firm

For the purpose of GIPS® compliance, the Firm is defined as the JPMorgan London, JPMorgan Japan, JPMorgan Hong Kong and JPMorgan Singapore investment processes of JPMorgan Asset Management. Robert Fleming Holdings was acquired by the Chase Manhattan Corporation on 1st August 2000. The Chase Manhattan Corporation and JP Morgan and Co Incorporated merged with effect from 1st January 2001. A list of business entities represented by the above investment processes, and also full details of the acquisition and merger and their impact on the investment processes are available upon request. The firm name was changed from JPMorgan Fleming Asset Management to JPMorgan Asset Management with effect from July 2005.

Verification
JPMorgan Asset Management claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. JPMorgan Asset Management has been independently verified for the periods 1st January 1996 to 31st December 2013. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation. HSBC Securities Services has verified JPMorgan Asset Management's claim of compliance with GIPS since 1st January 2001.

Definition of Composite

This composite consists of all equity portfolios invested within the EAFE region, according to the following rules. The portfolios are managed by the Global Equities Team; they are open-ended pooled or segregated funds; they follow a general mandate and are not constrained by tax considerations; they are managed with the objective of outperforming a published MSCI EAFE Net benchmark with a target of 3% excess return. The investment team comprises both active portfolio managers with final decision-making authority, as well as our global sector specialists. The composite is constructed from discretionary portfolios only. It does not contain any returns that have been carved out of other multi asset class portfolios. The minimum asset level for inclusion within a composite is USD 25 million (from September 2007). A complete list and description of all the firm's composites is available on request.

The benchmark of the composite has been revised from MSCI EAFE GDR to MSCI EAFE NDR from inception as this is considered to be a more appropriate benchmark since all accounts are subject to withholding tax. The composite benchmark is calculated net of withholding tax from a Luxembourg holding company's perspective. No portfolios in this composite are leveraged through the use of derivatives or other means. Portfolios may be permitted to use forward contracts for the purposes of hedging only. Additionally some portfolios are permitted to use security and currency futures and options for positioning, according to the guidelines. The writing of uncovered options for any purpose is not permitted.

Valuation and Calculation

The returns shown for this composite are the asset-weighted averages of the performance of all of the individual portfolios in the composite using beginning of period weightings. The performance results are time-weighted rates of return net of commissions, transaction costs and non-reclaimable withholding taxes. They have been presented gross of investment management fees (unless otherwise stated). All portfolios in this composite have been valued at least monthly to June 2005 and daily thereafter (excluding Hong Kong accounts which continue to be valued monthly), on a trade date basis using accrual accounting.

Additional information regarding policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request.

The dispersion is measured by the asset-weighted standard deviation of annual returns of those portfolios that are included in the composite for the full year. The dispersion of results are not shown where the number of accounts held during the period is less than five. Furthermore, there are no non-fee paying portfolios included within the composites and no known inconsistencies between the source of exchange rates used to calculate composite returns and those used to calculate the benchmark.

The three year annualised standard deviation measures the variability of the composite and benchmark returns over the preceding 36 month period. Standard deviation measures are not shown where there are less than 36 monthly observations available.

There are no known local laws and regulations which conflict with GIPS®.

Fee
JPMorgan Asset Management (JPMAM)'s typical schedule of management fees for an EAFE Equity Plus institutional client is 0.75% per annum.

Illustration showing impact of investment management fees:-

An investment of USD 1,000,000 under the management of JPMAM achieves a 10% compounded gross annual return for 10 years. If a management fee of 0.75% of average assets under management were charged per year for the 10 year period, the annual return would be 9.25% and the value of assets would be USD 2,422,225 net of fees and compared with USD 2,593,742 gross of fees. Therefore the investment management fee, and any other expenses incurred in the management of the portfolio, will reduce the client's return. Investment advisory fees are described in Part II of the advisor's Form ADV.

J.P. Morgan Asset Management

This document is intended solely to report on various investment views held by J.P. Morgan Asset Management. Opinions, estimates, forecasts, and statements of financial market trends that are based on current market conditions constitute our judgment and are subject to change without notice. We believe the information provided here is reliable but should not be assumed to be accurate or complete. The views and strategies described may not be suitable for all investors. References to specific securities, asset classes and financial markets are for illustrative purposes only and are not intended to be, and should not be interpreted as, recommendations. Indices do not include fees or operating expenses and are not available for actual investment. The information contained herein employs proprietary projections of expected returns as well as estimates of their future volatility. The relative relationships and forecasts contained herein are based upon proprietary research and are developed through analysis of historical data and capital markets theory. These estimates have certain inherent limitations, and unlike an actual performance record, they do not reflect actual trading, liquidity constraints, fees or other costs. References to future net returns are not promises or even estimates of actual returns a client portfolio may achieve. The forecasts contained herein are for illustrative purposes only and are not to be relied upon as advice or interpreted as a recommendation.

There can be no assurance that the professionals currently employed by JPMAM will continue to be employed by JPMAM or that the past performance or success of any such professional serves as an indicator of such professional's future performance or success.

Global Equity Risks: The strategy is subject to management risk and may not achieve its objective if the adviser's expectations regarding particular securities or markets are not met. The price of equity securities may rise or fall because of changes in the broad market or changes in a company's financial condition, sometimes rapidly or unpredictably. These price movements may result from factors affecting individual companies, sectors or industries selected for a portfolio or the securities market as a whole, such as changes in economic or political conditions. When the value of a portfolio's securities goes down, your investment will decrease in value. Investments in foreign issuers are subject to additional risks, including political and economic risks, greater volatility, currency fluctuations, higher transaction costs, delayed settlement, possible foreign controls on investment, and less stringent investor protection and disclosure standards of foreign markets. These risks are magnified in countries in "emerging markets." The manager may use derivatives in connection with its investment strategies. Derivatives may be riskier than other types of investments because they may be more sensitive to changes in economic or market conditions than other types of investments and could result in losses that significantly exceed the strategy's original investments. Certain derivatives may give rise to a form of leverage. As a result, the strategy may be more volatile than if the strategy had not been leveraged because the leverage tends to exaggerate the effect of any increase or decrease in the value of the portfolio's securities. Derivatives are also subject to the risk that changes in the value of a derivative may not correlate perfectly with the underlying asset, rate or index. The use of derivatives for hedging or risk management purposes or to increase income or gain may not be successful, resulting in losses to a portfolio, and the cost of such strategies may reduce a portfolio's returns. Derivatives would also expose a portfolio to the credit risk of the derivative counterparty.

In cases where performance results are presented gross of investment management fees. The deduction of an advisory fee reduces an investor's return. Actual account performance will vary depending on individual portfolio security selection and the applicable fee schedule. Fees are available upon request.

Illustration showing impact of investment management fees: An investment of USD \$1,000,000 under the management of JPMFAM achieves a 10% compounded gross annual return for 10 years. If a management fee of 0.75% of average assets under management were charged per year for the 10-year period, the annual return would be 9.25% and the value of assets would be USD \$2,422,225 net of fees, compared with USD \$2,593,742 gross of fees. Therefore, the investment management fee, and any other expenses incurred in the management of the portfolio, will reduce the client's return.

Any securities/portfolio holdings mentioned throughout the presentation are shown for illustrative purposes only and should not be interpreted as recommendations to buy or sell. A full list of firm recommendations for the past year are available upon request.

J.P. Morgan Asset Management is the marketing name for the asset management businesses of JPMorgan Chase & Co. Those businesses include, but are not limited to, J.P. Morgan Investment Management Inc., Security Capital Research & Management Incorporated and J.P. Morgan Alternative Asset Management, Inc.

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REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
22	03/16/16	Retirement	Action	01/27/16

Subject: Receive and File Investment Performance Results for the ATU/IBEW and Salaried Employee Retirement Plans for the Quarter Ended December 31, 2015 (ALL). (Bernegger)

ISSUE

Receive and File Investment Performance Results for the ATU/IBEW and Salaried Employee Retirement Plans for the Quarter Ended December 31, 2015 (ALL). (Bernegger)

RECOMMENDED ACTION

Motion: Receive and File Investment Performance Results for the ATU/IBEW and Salaried Employee Retirement Plans for the Quarter Ended December 31, 2015 (ALL). (Bernegger)

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 Fourth Quarter 2015 Market Update (Attachment 1) and the second is the Investment Measurement Service Quarterly Review as of December 31, 2015 (Attachment 2). These reports provide a detailed analysis of the performance of each of the seven investment managers retained by the Retirement Boards to manage the Retirement Funds for the quarter ended December 31, 2015. 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), State Street Bank performs daily investment compliance monitoring on the Plans' three (3) actively managed funds. As of December 31, 2015, 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).

Approved:

Presented:

Final 02/26/16

Chief Financial Officer, Acting

Senior Accountant

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
22	03/16/16	Retirement	Action	01/27/16

Subject: Receive and File Investment Performance Results for the ATU/IBEW and Salaried Employee Retirement Plans for the Quarter Ended December 31, 2015 (ALL). (Bernegger)

The table below provides an overview of the quarter performance, quarter ending December 31, 2015 – 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	5.64%	4.79%	\$1,758,056	-
S&P 500 Index	7.04%	7.07%	\$2,639,205	\$(715,684)
Atlanta Capital (small cap) Russell 2000	3.59%	4.75%	\$938,873	-
Brandes (international equities) MSCI EAFE	-	-	\$(254)	-
JPMorgan (international equities) MSCI EAFE	4.71%	4.90%	\$1,039,276	-
MSCI EAFE Index	4.71%	4.72%	\$967,149	-
Dimensional Fund Advisors (emerging markets) MSCI EM	0.73%	(0.03%)	\$(30,871)	\$166,206
Metropolitan West (fixed income) Barclays Agg.	(0.57%)	(0.34%)	\$(291,188)	\$(266,918)
Totals	3.32%	3.02%	\$7,020,246	\$(816,396)

Bold – fund exceeding respective benchmark

The table below provides an overview of the year to date performance, as of December 31, 2015 – 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	(3.83%)	(4.28%)	\$(1,740,488)	\$1,465,145
S&P 500 Index	1.38%	1.41%	\$546,457	\$(151,557)
Atlanta Capital (small cap) Russell 2000	(4.41%)	4.29%	\$796,947	\$998,785
Brandes (international equities) MSCI EAFE	-	-	\$(399)	-
JPMorgan (international equities) MSCI EAFE	(1.95%)	(0.81%)	\$(719,810)	\$1,771,294
MSCI EAFE Index	(0.81%)	(0.67%)	\$(298,886)	\$2,018,647
Dimensional Fund Advisors (emerging markets) MSCI EM	(14.60%)	(14.86%)	\$(2,113,538)	\$2,743,672
Metropolitan West (fixed income) Barclays Agg.	0.55%	0.24%	\$318,945	\$(11,259,514)
Totals	(0.69%)	(1.27%)	\$(3,210,772)	\$(2,413,528)

Bold – fund exceeding respective benchmark

March 16, 2016



**Sacramento Regional
Transit District**

Fourth Quarter 2015
Market Update

Anne Heaphy

Vice President

SF Fund Sponsor Consulting

Uvan Tseng, CFA

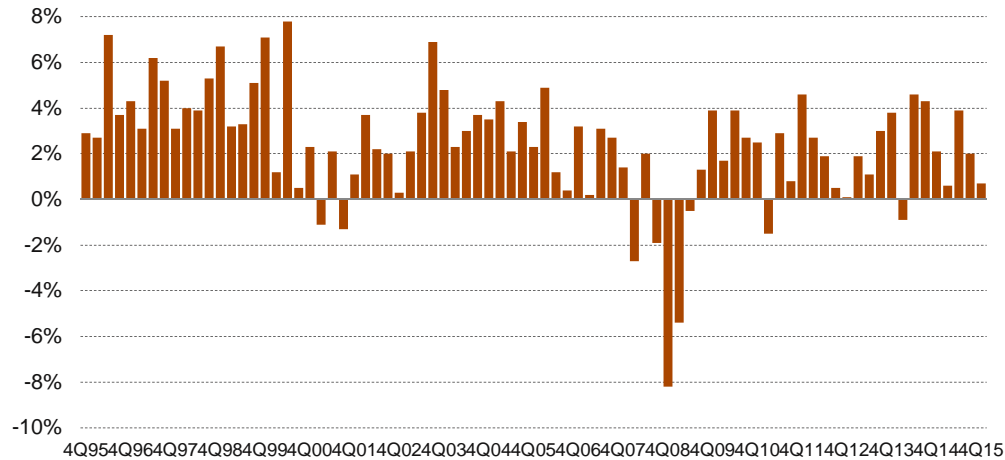
Vice President

SF Fund Sponsor Consulting

Economic Commentary

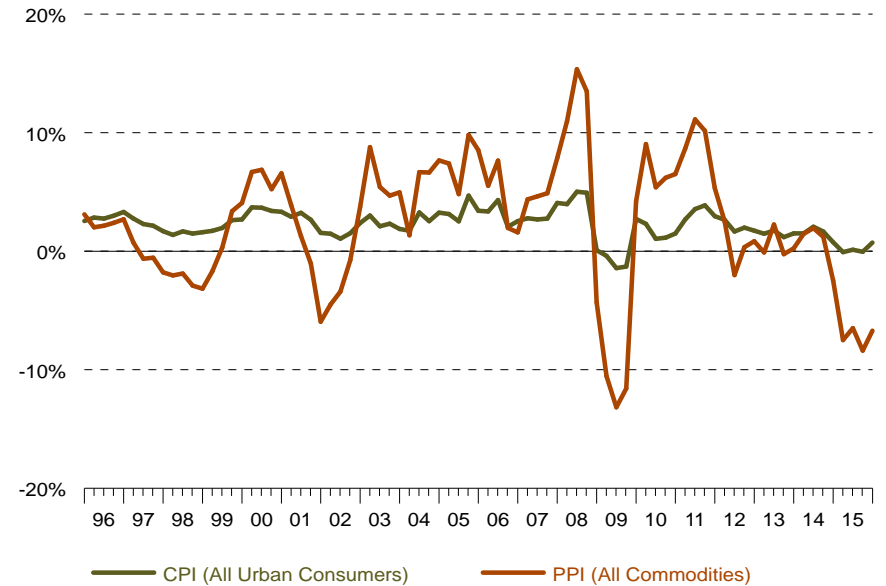
Fourth Quarter 2015

Quarterly Real GDP Growth (20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

The global economy seemed to improve as 2015 unfolded, but market sentiment turned sharply negative as the year drew to a close.

After a slow start to the year, real GDP in the U.S. grew 3.9% in the second quarter and 2.0% in the third. GDP growth slowed to just 0.7% in the fourth quarter, pulled down by an inventory cycle, the plunge in energy sector capital spending, and pain in the manufacturing sector and exports in general due to a strong dollar. Solid growth in consumer spending and housing provided enough of a sound foundation to fight these headwinds and keep the U.S. economy on a modest growth path. GDP grew 2.4% for the year, matching 2014.

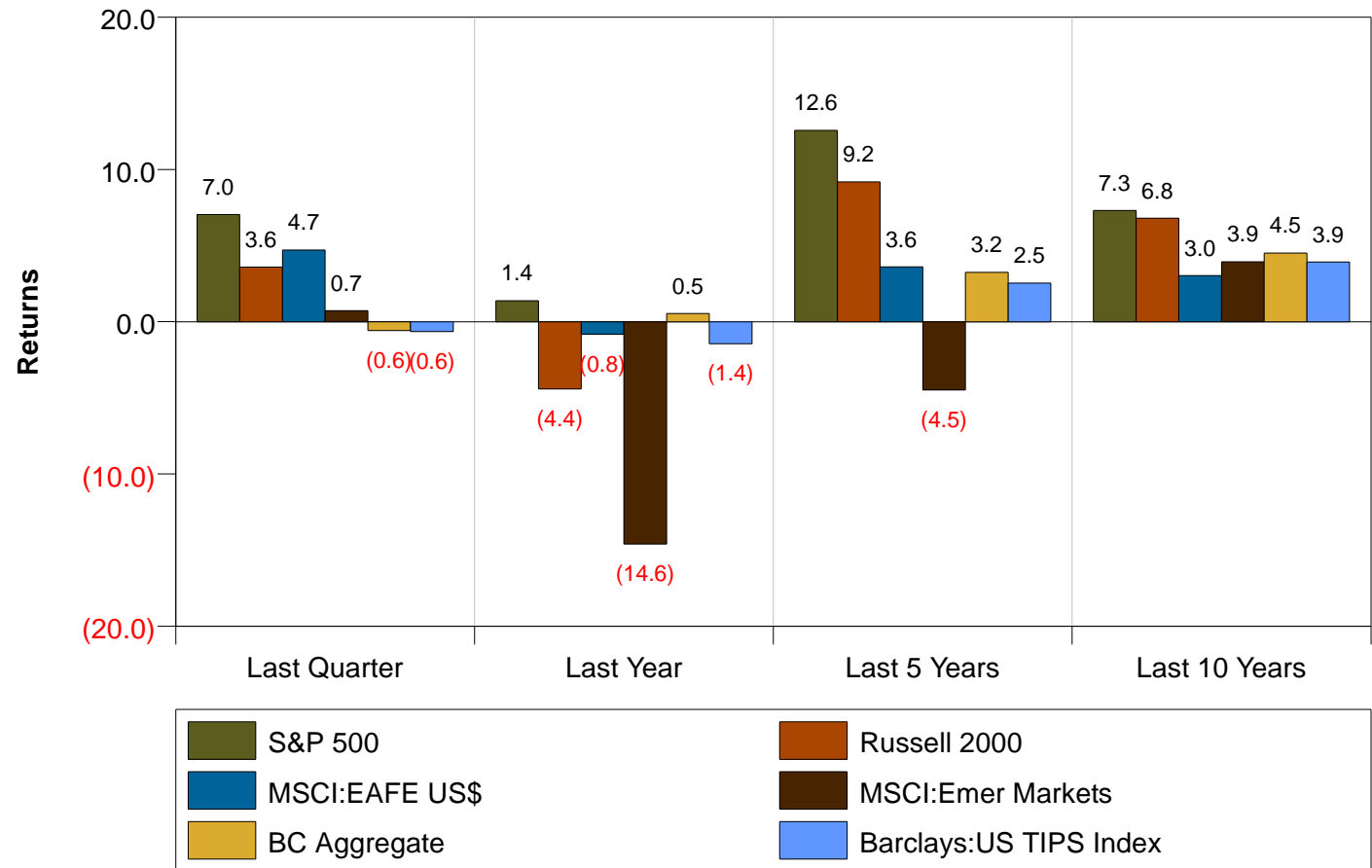
Unemployment fell to 5.0% in October and held steady through December, as the labor force surged.

The impact of energy on the measure of inflation is significant. U.S. Core CPI, which excludes energy and food, stood at 2.25% for December (measured year-over-year). Headline CPI, which includes energy, held near zero for most of the year.

Asset Class Performance

Periods Ended December 31, 2015

Asset Class Performance
for Periods Ended December 31, 2015



YTD as of 3/15/16:

S&P 500:

Russell 2000:

MSCI EAFE:

MSCI EM:

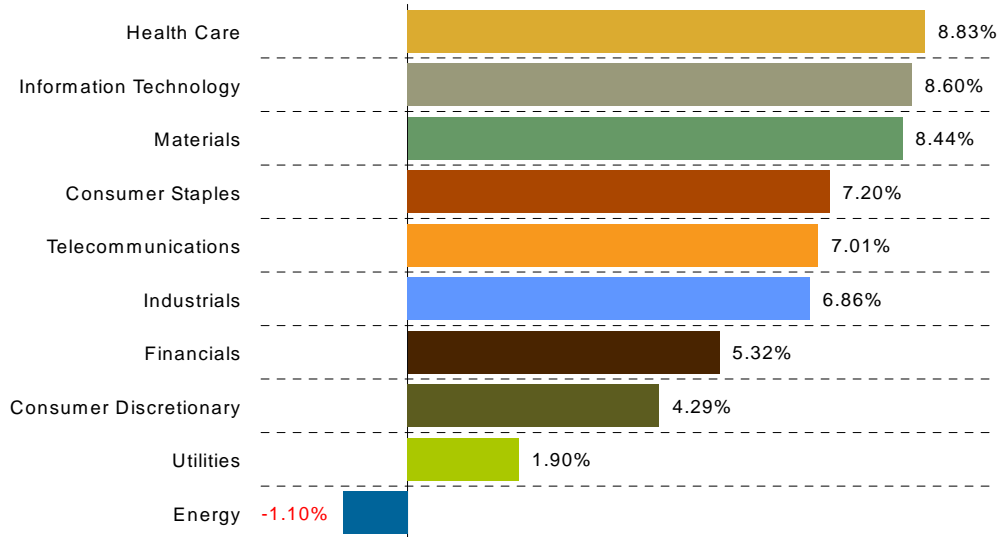
BC Aggregate:

BC TIPS:

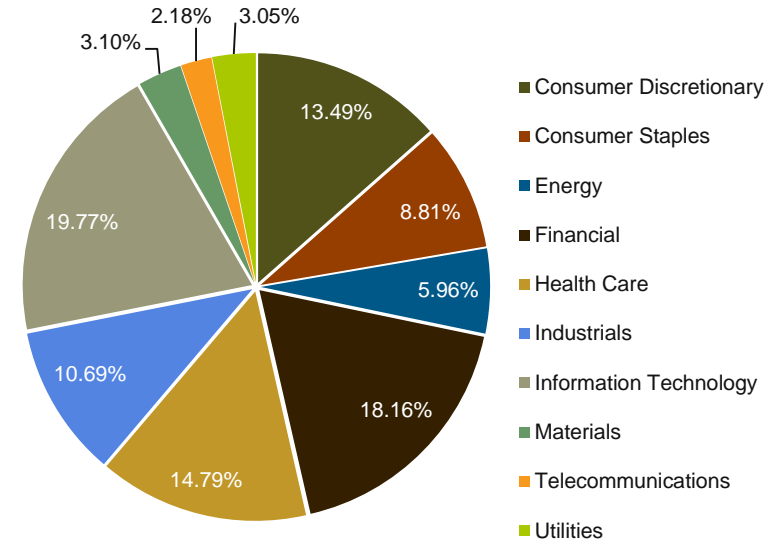
US Equity

Fourth Quarter 2015

Economic Sector Quarterly Returns (Russell 3000)



Economic Sector Exposure (Russell 3000)



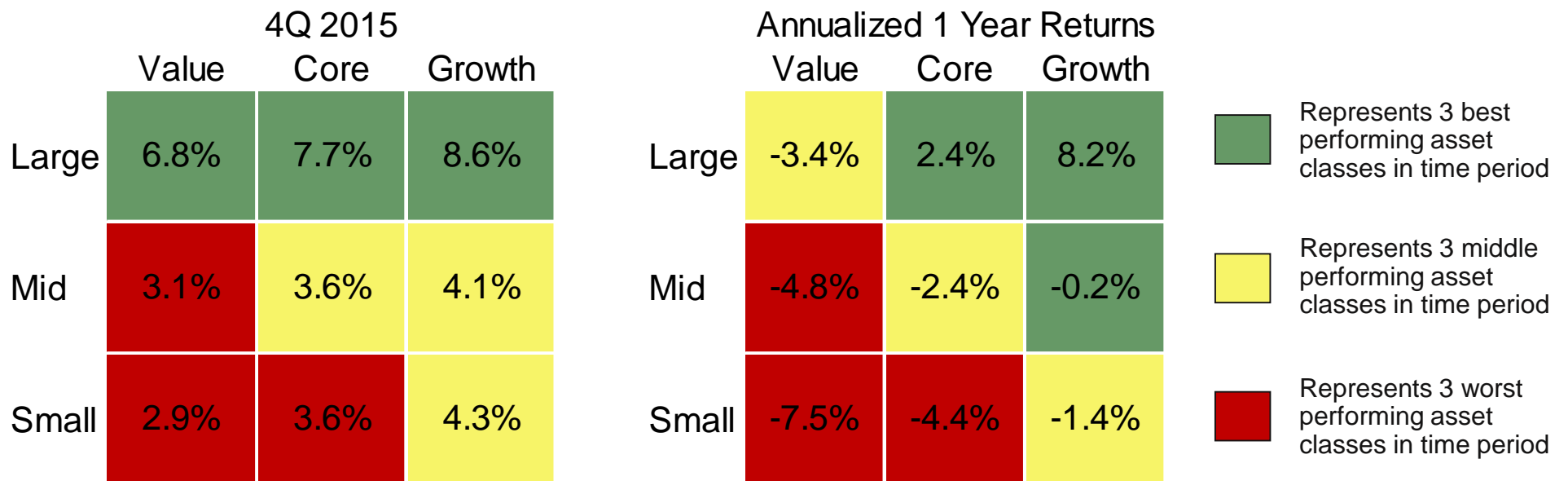
Fourth Quarter Index Returns

Russell 3000:	6.3%
S&P 500:	7.0%
Russell Mid Cap:	3.6%
Russell 2000:	3.6%

Source: Russell Investment Group

U.S. Equity Style Returns

Periods Ended December 31, 2015



Last Quarter: Large cap stocks outperformed smaller ones. Performance by style was mixed with growth generally holding up better than value.

Trailing Year: Large cap core and growth outperformed value across the cap spectrum.

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-US Equity

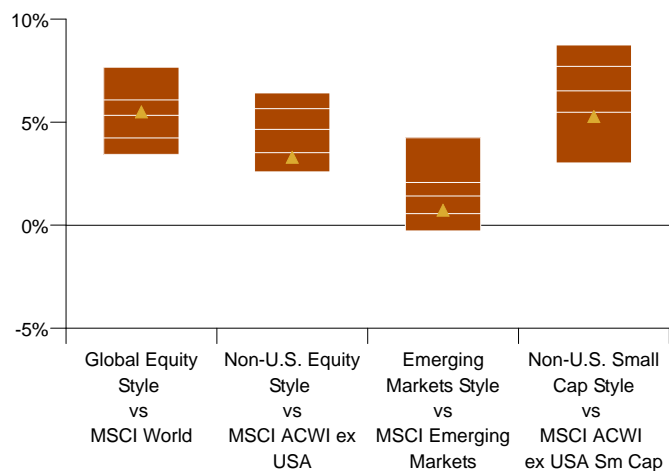
Fourth Quarter 2015

Surging merger activity, robust tech sector gains, and stronger-than-expected corporate profits drove a positive fourth quarter for non-U.S. markets (MSCI ACWI ex USA Index: +3.30%). The strong US dollar continued to dampen returns for US dollar investors as returns in local returns were much higher.

European stocks were up initially in the quarter due to investor expectations of amplified ECB stimulus efforts but sold off when the announced measures weren't as robust as expected, though the MSCI Europe Index still ended the quarter up 2.49%.

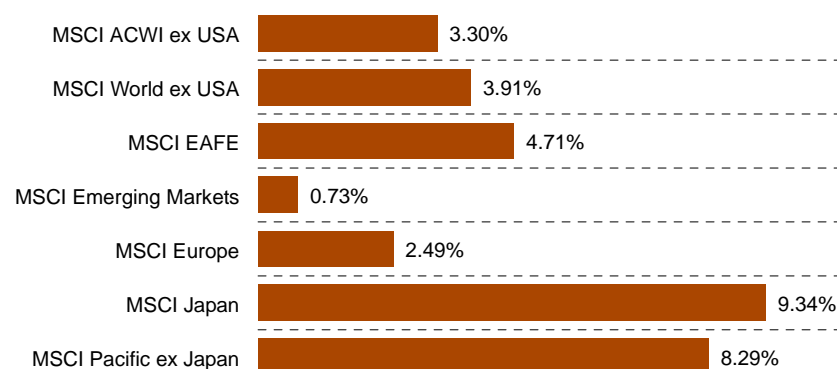
Japanese stocks closed the year on a high note (MSCI Japan: +9.34%; YTD: +9.57%). The weak yen boosted automobile companies, and health care companies fared well due to robust drug pipelines.

Callan Style Group Quarterly Returns



10th Percentile	7.67	6.42	4.24	8.75
25th Percentile	6.09	5.66	2.08	7.71
Median	5.34	4.65	1.42	6.53
75th Percentile	4.24	3.52	0.56	5.48
90th Percentile	3.44	2.59	-0.27	3.03
Benchmark ▲	5.50	3.30	0.73	5.28

Regional Quarterly Performance (U.S. Dollar)



Sources: Callan, MSCI

Source: MSCI

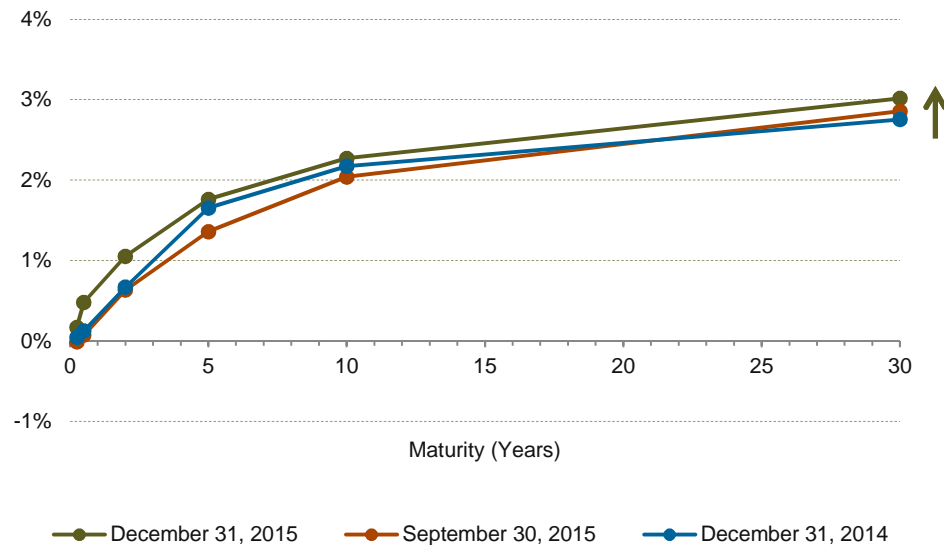
Fixed Income

Fourth Quarter 2015

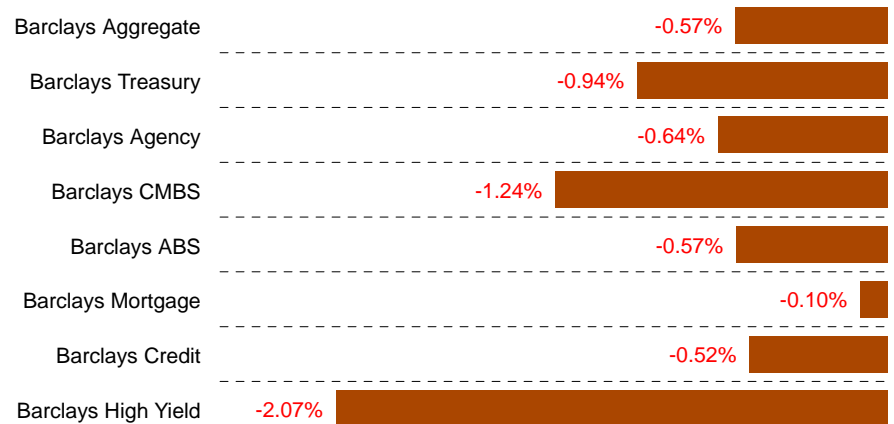
Yields rose during the quarter as investors grew increasingly certain that the Federal Reserve would hike interest rates before year-end. Sentiment proved correct as the Fed raised the Fed Funds target from its 7-year "near zero" target to 0.25% - 0.50% at its December meeting.

The Barclays Aggregate Index was down modestly for the quarter (-0.6%) but up slightly for the year (+0.5%), thanks to coupon payments. Investment grade credit and mortgages outperformed like-duration US Treasuries for the quarter but underperformed for the full year.

US Treasury Yield Curves



Absolute Returns for Quarter ended December 31, 2015



Source: Bloomberg



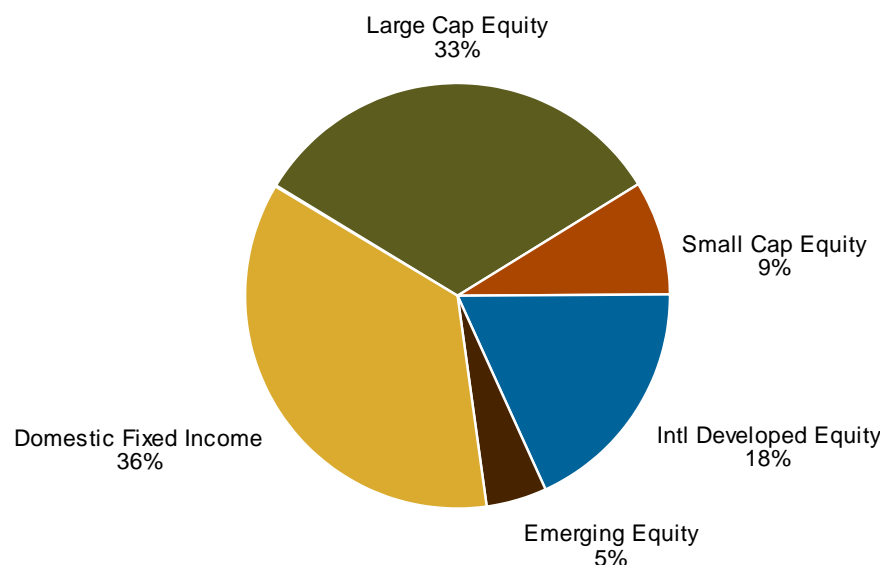
**Sacramento Regional
Transit District**

Total Fund Overview

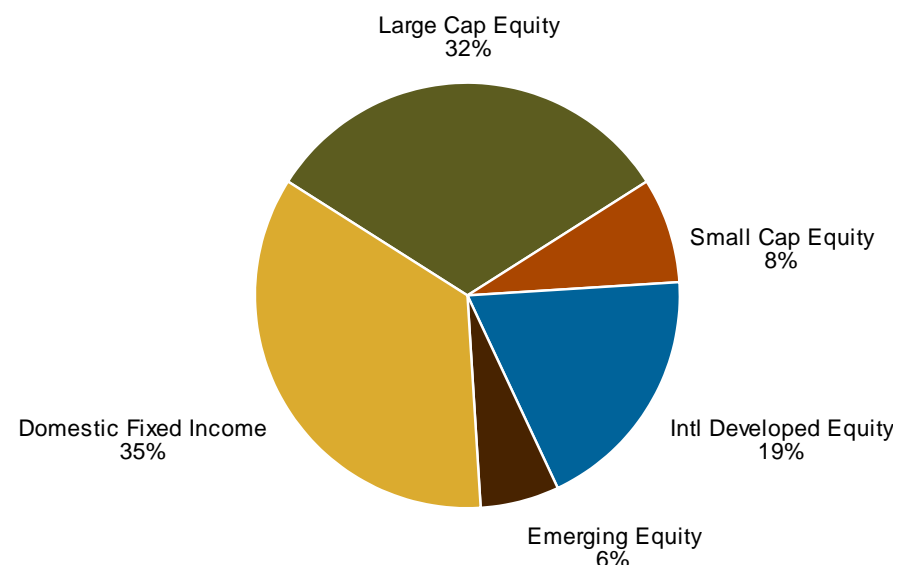
RT Asset Allocation

As of December 31, 2015

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	77,550	32.5%	32.0%	0.5%	1,297
Small Cap Equity	20,718	8.7%	8.0%	0.7%	1,655
Intl Developed Equity	43,679	18.3%	19.0%	(0.7%)	(1,596)
Emerging Equity	10,991	4.6%	6.0%	(1.4%)	(3,307)
Domestic Fixed Income	85,352	35.8%	35.0%	0.8%	1,951
Total	238,289	100.0%	100.0%		

Total Fund

Performance Attribution

Relative Attribution Effects for Quarter ended December 31, 2015

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return		
Large Cap Equity	33%	32%	5.94%	7.04%	(0.35%)	(0.00%)	(0.35%)		
Small Cap Equity	9%	8%	4.75%	3.59%	0.10%	(0.01%)	0.09%		
Domestic Fixed Income	36%	35%	(0.34%)	(0.57%)	0.08%	(0.10%)	(0.01%)		
International Developed	18%	19%	4.81%	4.71%	0.02%	(0.02%)	(0.00%)		
Emerging Equity	5%	6%	(0.20%)	0.73%	(0.05%)	0.03%	(0.02%)		
Total			3.02%	3.32%	+	(0.20%)	+	(0.10%)	(0.29%)

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	32%	31%	(1.17%)	1.38%	(0.81%)	(0.06%)	(0.86%)		
Small Cap Equity	8%	8%	5.14%	(4.41%)	0.80%	(0.08%)	0.72%		
Domestic Fixed Income	37%	37%	0.51%	0.55%	(0.02%)	(0.11%)	(0.13%)		
International Developed	18%	19%	(1.17%)	(0.81%)	(0.07%)	(0.07%)	(0.14%)		
Emerging Equity	5%	6%	(14.86%)	(14.60%)	(0.01%)	0.15%	0.14%		
Total			(0.97%)	(0.69%)	+	(0.12%)	+	(0.16%)	(0.28%)

Total Fund

Performance as of December 31, 2015

Performance vs Public Fund - Mid (100mm-1B) (Gross)



	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15 Years	Last 21-3/4 Years
10th Percentile	3.82	1.39	9.31	8.11	11.00	6.62	6.45	8.72
25th Percentile	3.47	0.84	8.23	7.70	10.41	6.05	5.96	8.24
Median	3.08	0.13	7.30	6.93	9.66	5.66	5.58	7.87
75th Percentile	2.58	(0.65)	6.41	6.29	8.71	5.23	5.20	7.32
90th Percentile	1.99	(1.58)	4.98	5.47	7.85	4.56	4.70	6.78
Total Fund ●	3.02	(0.97)	7.17	7.42	10.77	6.56	5.92	8.86
Target ▲	3.32	(0.69)	6.83	6.69	9.23	5.56	5.19	7.39

Total Fund

Manager Asset Allocation

	December 31, 2015			September 30, 2015
	Market Value	Net New Inv.	Inv. Return	Market Value
Consolidated Plan				
Domestic Equity	\$98,268,198	\$(715,684)	\$5,336,133	\$93,647,750
Large Cap	\$77,549,707	\$(715,684)	\$4,397,260	\$73,868,132
Boston Partners	38,448,586	1	1,758,055	36,690,530
SSgA S&P 500	39,101,122	(715,685)	2,639,205	37,177,602
Small Cap	\$20,718,491	\$0	\$938,873	\$19,779,618
Atlanta Capital	20,718,491	0	938,873	19,779,618
International Equity	\$54,669,218	\$166,206	\$1,975,301	\$52,527,711
International Developed Equity	\$43,678,685	\$0	\$2,006,172	\$41,672,514
Brandes	11,088	0	(254)	11,342
JP Morgan	22,227,405	0	1,039,276	21,188,128
SSgA EAFE	21,440,192	0	967,149	20,473,043
Emerging Equity	\$10,990,533	\$166,206	\$(30,871)	\$10,855,197
DFA Emerging Markets	10,990,533	166,206	(30,871)	10,855,197
Fixed Income	\$85,351,860	\$(266,918)	\$(291,188)	\$85,909,966
Metropolitan West	85,351,860	(266,918)	(291,188)	85,909,966
Total Plan - Consolidated	\$238,289,276	\$(816,396)	\$7,020,246	\$232,085,427

Total Fund

Manager Returns as of December 31, 2015

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	5.69%	0.06%	14.81%	12.98%	16.07%
Custom Benchmark**	6.39%	0.30%	14.51%	11.97%	14.71%
Large Cap Equity	5.94%	(1.17%)	14.59%	12.78%	-
Boston Partners	4.79%	(3.75%)	13.98%	12.83%	14.88%
Russell 1000 Value Index	5.64%	(3.83%)	13.08%	11.27%	13.04%
SSgA S&P 500	7.07%	1.46%	15.18%	-	-
S&P 500 Index	7.04%	1.38%	15.13%	12.57%	14.82%
Small Cap Equity	4.75%	5.14%	15.47%	13.82%	-
Atlanta Capital	4.75%	5.14%	15.47%	13.82%	-
Russell 2000 Index	3.59%	(4.41%)	11.65%	9.19%	14.01%
International Equity	3.77%	(4.17%)	2.47%	2.43%	6.45%
Custom International Benchmark***	3.84%	(3.91%)	3.50%	2.70%	7.16%
International Developed Equity	4.81%	(1.17%)	4.35%	-	-
JP Morgan	4.90%	(1.75%)	3.57%	3.98%	8.73%
SSgA EAFE	4.72%	(0.56%)	5.24%	-	-
MSCI EAFE Index	4.71%	(0.81%)	5.01%	3.60%	7.83%
Emerging Equity	(0.20%)	(14.86%)	-	-	-
DFA Emerging Markets	(0.03%)	(14.25%)	-	-	-
MSCI Emerging Mkts Idx	0.73%	(14.60%)	(6.42%)	(4.47%)	7.85%
Domestic Fixed Income	(0.34%)	0.51%	1.90%	4.21%	7.49%
Met West	(0.34%)	0.51%	1.90%	4.21%	7.49%
BC Aggregate Index	(0.57%)	0.55%	1.44%	3.25%	4.09%
Total Plan	3.02%	(0.97%)	7.17%	7.42%	10.77%
Target*	3.32%	(0.69%)	6.83%	6.69%	9.23%

*Current quarter target = 35% BC Agg, 32% S&P 500, 19% MSCI EAFE, 6% MSCI Emerging Markets Index and 8% Russell 2000

Callan

December 31, 2015



Sacramento Regional Transit District Retirement Plans

Investment Measurement Service
Quarterly Review

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Sacramento Regional Transit District
Executive Summary for Period Ending December 31, 2015

Asset Allocation



Performance

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Total Plan	3.02%	(0.97%)	7.17%	7.42%	10.77%
Target*	3.32%	(0.69%)	6.83%	6.69%	9.23%

Recent Developments

N/A

Organizational Issues

N/A

Manager Performance

Manager	Peer Group Ranking		
	Last Year	Last 3 Years	Last 7 Years
Boston Partners	68	40	12
Atlanta Capital	4	26	[33]
JP Morgan	70	83	60
DFA	49	[35]	[15]
MetWest	71	27	4

Brackets indicate performance linked with manager's composite

Watch List

- No managers are currently on Watch

Items Outstanding

N/A

Anne Heaphy
Vice President

Uvan Tseng, CFA
Vice President

*Current quarter target = 35% BC Agg, 32% S&P 500, 19% MSCI EAFE, 6% MSCI Emerging Markets Index and 8% Russell 2000



Unwarranted Pessimism?

ECONOMY

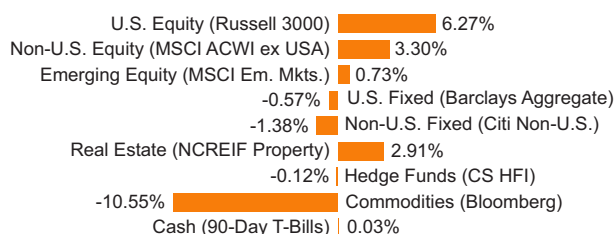
2 The global economy seemed to improve as 2015 unfolded, but market sentiment turned sharply negative as the year drew to a close. Moderate growth continued through the third and fourth quarters, particularly in the U.S., and GDP grew 2.4% for the year.

A Rocky Road to Revival

FUND SPONSOR

4 Despite preceding quarters marked with volatility, equities displayed a brief revival. Endowment/foundations and public funds performed well, ahead of other fund types. Corporate plans saw a small improvement in funded ratio over both the quarter and the year.

Broad Market Quarterly Returns



Sources: Barclays, Bloomberg, Citigroup, Credit Suisse Hedge Index, Merrill Lynch, MSCI, NCREIF, Russell Investment Group

Back in Black

U.S. EQUITY

6 With the strongest quarter of the year (+7.04%), the **S&P 500 Index** was able to finish 2015 in the black (+1.38%). All capitalization ranges advanced, though larger performed better for the second consecutive quarter (**Russell 1000 Index**: +6.50% and **Russell 2000 Index**: +3.59%).

Tech Takes Over

NON-U.S. EQUITY

9 Non-U.S. markets were propped by surging merger activity, robust tech sector gains, and stronger-than-expected corporate profits during the fourth quarter. Although the **MSCI Emerging Markets Index** (+0.73%) barely broke even, the developed **MSCI World ex USA Index** rose 3.91%.

Take It Easy

U.S. FIXED INCOME

12 Bond markets stuttered in the U.S. after the Federal Reserve announced a rate increase. The yield curve flattened and spreads were mixed. The **Barclays Aggregate Index** dropped 0.57%; the **Barclays Corporate High Yield Index** slumped 2.07%.

Slip 'n Slide

NON-U.S. FIXED INCOME

15 The U.S. dollar continued its appreciation as the benchmark's hedged equivalent returned 0.58% for the quarter and 1.55% for the year. The **Citi Non-U.S. World Government Bond Index** declined 1.38% for the quarter and 5.54% for the year.

A Straight but Bumpy Road

REAL ESTATE

17 The **NCREIF Property Index** advanced 2.91%. The quarter saw 210 asset trades, representing \$11.3 billion of transactional volume, comfortably ahead of the \$5.1 billion 10-year average and the prior 10-year peak of \$8.7 billion in the second quarter of 2007.

Level at 35,000 Feet

PRIVATE EQUITY

19 Decelerating from 2014's high-velocity market, most private equity measures were flat-to-down in 2015—albeit at relatively high absolute measures. While the first half of the year was strong, the second half showed a notable pullback.

Under Pressure

HEDGE FUNDS

20 Growing unease with economic change is evident in the capital markets. Commodity prices slid further, led by oil, as China struggled with its centrally planned shift to a consumer-driven economy.

Chasing the Market

DEFINED CONTRIBUTION

21 Almost three-fourths of the asset classes in the DC Index experienced net outflows in the third quarter. But for the first time in two years, stable value experienced net inflows.

Unwarranted Pessimism?

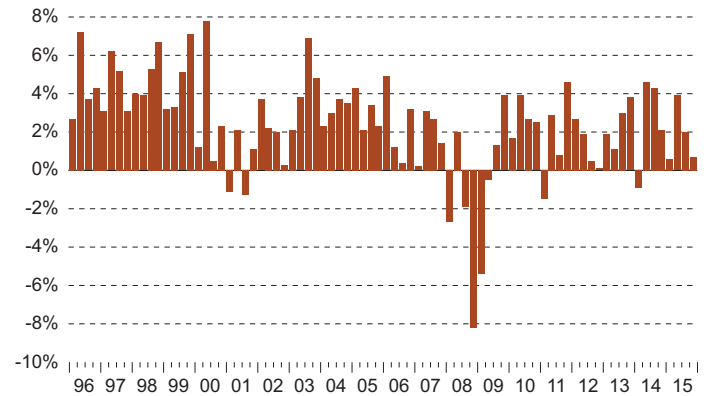
ECONOMY | Jay Kloepfer

The global economy seemed to improve as 2015 unfolded, but market sentiment turned sharply negative as the year drew to a close. Is this pessimism warranted? The data instead suggests that moderate growth continued through the third and fourth quarters, particularly in the U.S. After a slow start to the year, real GDP in the U.S. grew 3.9% in the second quarter and 2.0% in the third. GDP growth slowed to just 0.7% in the fourth quarter, pulled down by an inventory cycle, the plunge in energy-sector capital spending, and pain in the manufacturing sector and exports in general due to a strong dollar. Solid growth in consumer spending and housing provided enough of a sound foundation to fight these headwinds and keep the U.S. economy on a modest growth path. GDP grew 2.4% for the year, matching 2014. Growth in non-U.S. developed markets is relatively weak but continued to firm up; both Japan and Europe reported GDP growth of 1.6% in the third quarter.

Consumer spending in the U.S. has been supported by solid gains in the job market, real disposable income, and a recovery in housing asset values. December saw a gain of 292,000 jobs, the highest monthly gain in 2015. Payrolls climbed by 2.65 million over the year for an average of 221,000. Unemployment fell to 5.0% in October and held steady through December, as the labor force surged. With the Fed focused on unemployment and the labor force, the December jobs report certainly supported the Fed's decision to raise interest rates. As the year drew to a close, the outlook for consumers was positive, and will likely remain so. The University of Michigan's Index of Consumer Confidence slipped from a reading of 98 at the start of 2015 to 87 in the third quarter when global equity markets were roiled by China, but confidence surged back to a reading of 93 through the last three months of the year. For reference, a reading above 80 suggests a positive outlook by consumers. Real disposable (after-tax) income grew an estimated 3.6% in 2015, fueling a 2.2% rise in consumption spending. Auto sales surged to 17.4 million units in 2015, up from 16.4 million in 2014 and 14.4 million in 2012. Pent-up demand may finally be close to satisfied.

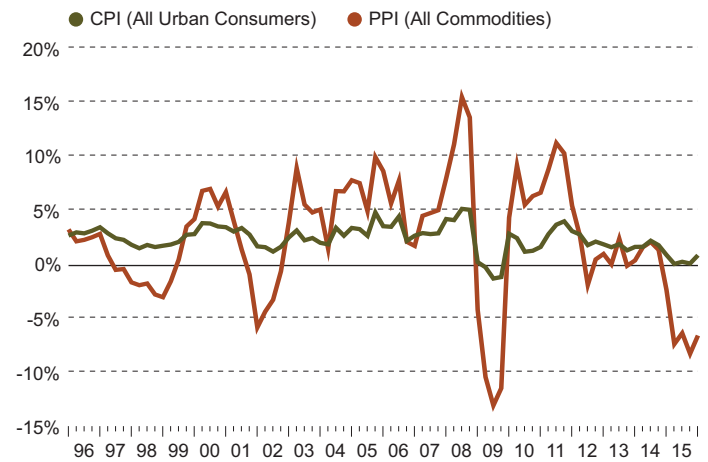
Quarterly Real GDP Growth

(20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

Consumers clearly benefitted from falling energy prices. Lower gasoline prices provide an effective boost to disposable income. Oil peaked at \$135 per barrel in July 2008, started 2015 at \$52, and closed the year at \$38 (the Brent crude spot price). The impact of energy on the measure of inflation is significant. U.S. Core CPI, which excludes energy and food, stood at 2.25% for December (measured year-over-year). Headline CPI, which includes energy, held near zero for most of the

year. Once energy prices stabilize, we expect they will cease to have the same disinflationary impact and will begin to add volatility to headline CPI. Similar forces are affecting Europe, where headline inflation is also close to zero; much of peripheral Europe is mired in deflation.

The rise in the value of the dollar has complicated the measure of price inflation for consumers. Versus a trade-weighted basket of major currencies, the dollar was up approximately 10% over the course of 2015. Prices of imports fell for consumers, adding to disinflationary pressures. On the other hand, exports become more expensive, and U.S. manufacturing has clearly suffered from the dollar's upward move. The ISM Index for manufacturing fell to 48.2 in December, its lowest level since June 2009. A reading below 50 suggests contraction in activity. Adding to the pressure on manufacturing from a strong dollar, inventories were built earlier in 2015 and in 2014 in anticipation of stronger global growth, and these inventories are now being worked down, further reducing the need for manufacturing output. The ISM Index for non-manufacturing remained above 50, with a reading of 55.3 in December, but this is the lowest level in almost two years.

On balance, the economic data show modest growth continuing in the U.S., although the rate is substantially below that of previous recoveries. GDP growth has averaged close to 2.2% since 2010, compared to the 3% or higher achieved in the past.

The Long-Term View

Index	2015 4th Qtr	Periods ended December 31, 2015			
		Year	5 Yrs	10 Yrs	25 Yrs
U.S. Equity					
Russell 3000	6.27	0.48	12.18	7.35	10.03
S&P 500	7.04	1.38	12.57	7.31	9.82
Russell 2000	3.59	-4.41	9.19	6.80	10.50
Non-U.S. Equity					
MSCI EAFE	4.71	-0.81	3.60	3.03	5.40
MSCI Emerging Markets	0.73	-14.60	-4.47	3.95	8.63
S&P ex-U.S. Small Cap	5.21	5.92	5.51	5.33	6.80
Fixed Income					
Barclays Aggregate	-0.57	0.55	3.25	4.51	6.15
90-Day T-Bill	0.03	0.05	0.07	1.24	2.93
Barclays Long G/C	-0.94	-3.30	6.98	6.45	8.08
Citi Non-U.S. Govt	-1.38	-5.54	-1.30	3.05	5.37
Real Estate					
NCREIF Property	2.91	13.33	12.18	7.76	8.05
FTSE NAREIT Equity	7.26	3.20	11.96	7.41	12.13
Alternatives					
CS Hedge Fund	-0.12	-0.71	3.55	4.97	-
Cambridge PE*	-	11.38	16.03	12.65	15.73
Bloomberg Commodity	-10.52	-24.66	-13.47	-6.43	-
Gold Spot Price	-4.93	-10.46	-5.70	7.41	4.02
Inflation – CPI-U	-0.60	0.73	1.53	1.86	2.30

*Private equity data is time-weighted return for periods ended June 30, 2015.

Sources: Barclays, Bloomberg, Citigroup, Credit Suisse, FTSE, MSCI, NCREIF, Russell Investment Group, Standard & Poor's, Thomson/Cambridge, Bureau of Economic Analysis.

Recent Quarterly Indicators

Economic Indicators	4Q15	3Q15	2Q15	1Q15	4Q14	3Q14	2Q14	1Q14
Employment Cost–Total Compensation Growth	2.0%	2.0%	2.0%	2.6%	2.2%	2.2%	2.0%	1.8%
Nonfarm Business–Productivity Growth	-0.5%*	2.2%	3.5%	-1.1%	-2.2%	3.1%	2.8%	-3.5%
GDP Growth	0.7%	2.0%	3.9%	0.6%	2.1%	4.3%	4.6%	-0.9%
Manufacturing Capacity Utilization	76.1%	76.3%	75.9%	75.9%	76.2%	75.7%	75.1%	74.2%
Consumer Sentiment Index (1966=100)	91.3	90.8	94.2	95.5	89.8	83.0	82.8	80.9

*Estimate.

Sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve, IHS Economics, Reuters/University of Michigan.

A Rocky Road to Revival

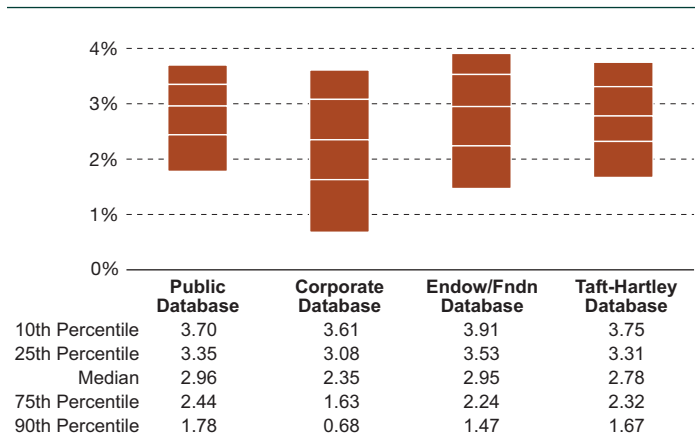
FUND SPONSOR | Rufash Lama

Despite preceding quarters marked with volatility, global equities displayed a brief revival, particularly in October. Central banks in Japan and Europe affirmed their decision to increase accommodative policies to support their respective economies. For the quarter, U.S. equity markets edged ahead of non-U.S. (**Russell 3000 Index: +6.27%, MSCI EAFE Index: +4.71%**) while both U.S. and non-U.S. fixed income markets retreated (**Barclays Aggregate Index: -0.57%, Citi Non-U.S. World Government Bond Index: -1.38%**).

Performance varied, albeit marginally, for the different fund types. Endowment/foundations and public funds performed well, leading across all percentiles. Corporate plans, although positive, trailed the other plan types. We have observed a continued divergence between different asset owners as corporate plans seek to de-risk. While performance dispersion was modest, in the 90th percentile public plans surpassed corporate plans by 1.10%.

Following December's interest rate hike, bond strategies saw substantial outflows on concerns about high-yield issuers, to the dismay of corporate plans. Corporate plans saw a small improvement in funded ratio over both the last quarter and the year. The median and average funded status of U.S. corporate defined

Callan Fund Sponsor Returns for the Quarter



Source: Callan

benefit plans were 82.7% and 83.0%, respectively, based on a peer group* of seven different funded ratio measures. Over the year, liabilities fell as interest rates rose, while asset returns in both equity and fixed income were flat.

Endowment/foundations performed well due to an overweight to U.S. stocks and relatively low exposure to U.S. fixed income. Despite trailing in the 10- and 15-year periods, Taft Hartley plans have performed best in the three- and five-year periods primarily due to their relatively high exposure to real estate and low exposure to non-U.S. equities.

Callan Database Median and Index Returns** for Periods ended December 31, 2015

Fund Sponsor	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Public Database	2.96	0.33	7.50	6.99	5.78	5.64
Corporate Database	2.35	-0.97	6.33	6.95	5.89	5.64
Endowments/Foundations Database	2.95	-0.75	6.58	6.21	5.55	5.46
Taft-Hartley Database	2.78	1.15	8.02	7.31	5.51	5.38
Diversified Manager	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Asset Allocator Style	3.04	-1.07	7.85	7.45	6.15	5.92
U.S. Balanced Database	2.98	-0.89	7.34	6.71	5.76	5.70
Global Balanced Database	1.67	-1.88	4.65	5.07	5.25	6.73
60% Russell 3000 + 40% Barclays Agg	3.53	0.66	9.40	8.82	6.65	5.70
60% MSCI World + 40% Barclays Gbl Agg	2.93	-1.61	5.05	5.02	4.76	4.62

* The peer group includes funded ratio measures provided by large, institutional investment and actuarial consultants, as well as investment management firms.

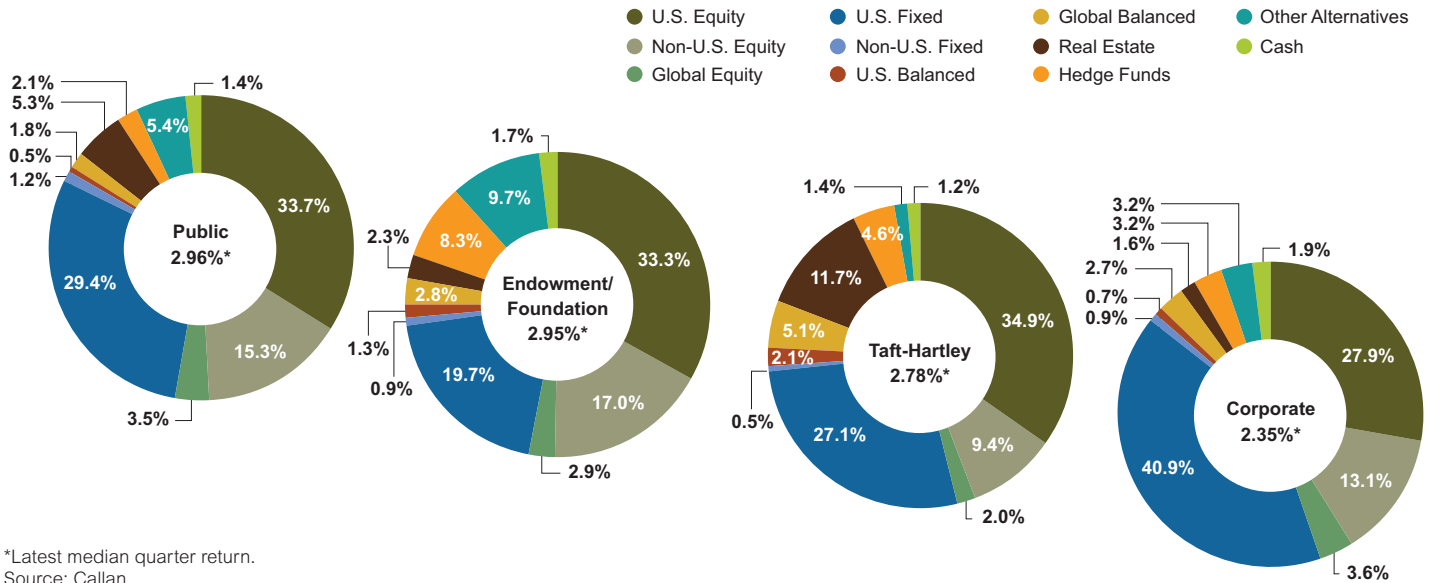
**Returns less than one year are not annualized.

Sources: Callan, Barclays, MSCI, Russell Investment Group.

As of the most recent quarter, all fund types have displayed performance within a 5–6% range over longer time frames. A U.S.-focused benchmark of 60% Russell 3000 + 40% Barclays Aggregate (+3.53%) now outperforms the broader, 60% MSCI

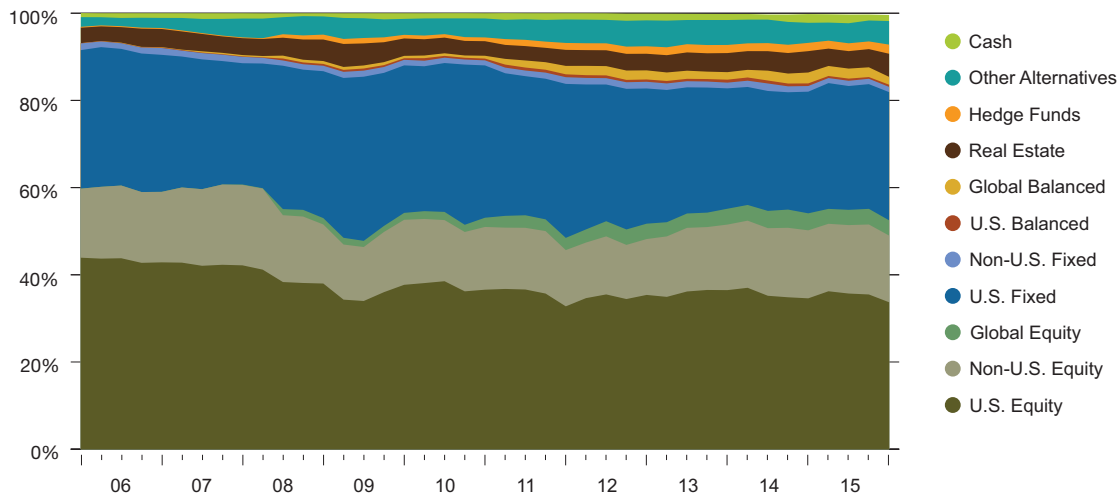
World + 40% Barclays Global Aggregate (+2.93%) benchmark over multiple time periods. Callan’s U.S. Balanced Database group has outperformed the Global Balanced Database group in all periods except 15 years.

Callan Fund Sponsor Average Asset Allocation



Callan Public Fund Database Average Asset Allocation

(10 Years)



Back in Black

U.S. EQUITY | Lauren Mathias, CFA

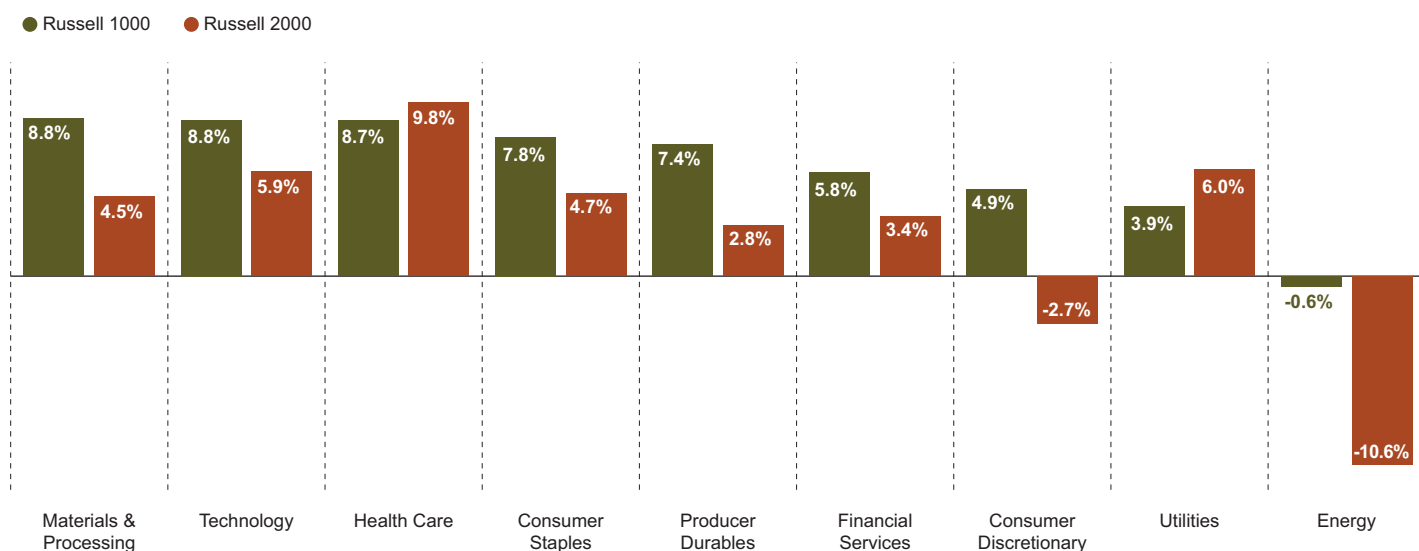
Although the fourth quarter was the strongest of the year, the journey was volatile. October proved to be a welcome turnaround after a stumbling third quarter as U.S. indices landed one of their strongest single months since the financial crisis (**S&P 500 Index**: +8.44% in October). Yet a slowing Chinese economy, other weak emerging markets, commodity price declines, and the strength of the U.S. dollar led to a middling November and disappointing December. Despite this, the U.S. Federal Reserve deemed the U.S. economy to be in a strong enough position for a rate increase, citing improved labor market conditions and subdued inflation. The price of oil continued to decline, and consumer confidence remained above average and provided a small tailwind to the market.

Growth continued to build its lead on value in the fourth quarter (**Russell 1000 Growth Index**: +7.32% and **Russell 1000 Value Index**: +5.64%); over the year the difference was profound

(+5.67% vs. -3.83%, respectively). All U.S. equity indices posted positive results, but larger proved better (**Russell Midcap Index**: +3.62%, **Russell 2000 Index**: +3.59%, and **Russell Microcap Index**: +3.74%). The **Russell Top 50 Index** led the way gaining 9.34%.

Large cap sectors continued their strong performance, led by Materials & Processing, Technology, and Health Care. In small cap, Energy trailed significantly, Health Care produced the strongest positive result, and only Consumer Discretionary showed a strong directional difference. Commodity price declines and slow global growth were major factors behind Energy's stumble. Biotech companies led small cap Health Care. Active managers struggled again in such a narrow market, especially in large cap where the S&P 500 Index total annual return (with dividends) would have been negative without three stocks: Amazon, Microsoft, and GE. Investors

Economic Sector Quarterly Performance



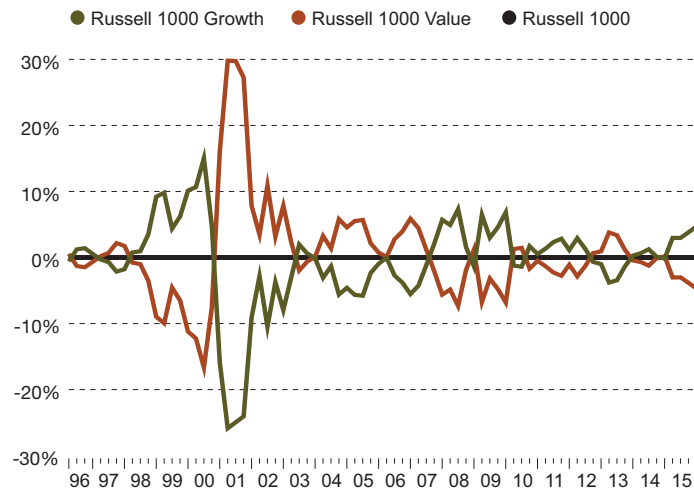
Source: Russell Investment Group

Note: As of the fourth quarter of 2015, the Capital Markets Review reports sector-specific return using the Russell Global Sectors (RGS) classification system rather than the Global Industry Classification Standard (GICS) system. RGS uses a three-tier classification system containing nine sectors; GICS uses a four-tier system containing ten sectors.

preferred the safety of these and other large-cap companies. Equity volatility as measured by the VIX increased during the quarter but ended the year below average. Assets continued to flow into passive funds and ETFs, further challenging active managers.

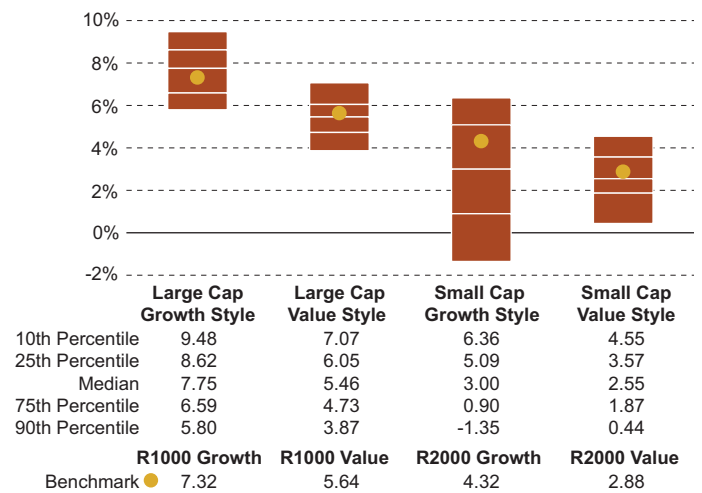
The U.S. equity market was generous in the fourth quarter, but for the full year four stocks were down for every three that rose (in the S&P 500). Despite this, broad market valuations remain above average, leading to questionable prospects as we enter 2016.

Rolling One-Year Relative Returns (vs. Russell 1000)



Source: Russell Investment Group

Callan Style Group Quarterly Returns



Sources: Callan, Russell Investment Group

U.S. Equity Index Characteristics as of December 31, 2015

	S&P 500	Rus 3000	Rus 1000	Rus Midcap	Rus 2500	Rus 2000
Cap Range Min (\$mm)	1,360	2	149	149	2	2
Cap Range Max (\$bn)	586.86	606.41	606.41	28.85	12.06	6.42
Number of Issues	504	2,968	1,018	818	2,460	1,988
% of Russell 3000	81%	100%	92%	27%	17%	8%
Wtd Avg Mkt Cap (\$bn)	128.44	106.38	115.12	12.09	4.06	1.88
Price/Book Ratio	2.7	2.6	2.6	2.3	2.0	1.9
Forward P/E Ratio	16.3	16.7	16.5	17.9	18.1	18.8
Dividend Yield	2.2%	2.1%	2.1%	1.9%	1.7%	1.6%
5-Yr Earnings (forecasted)	10.3%	10.9%	10.7%	10.9%	12.1%	13.2%

Sources: Russell Investment Group, Standard & Poor's.

U.S. EQUITY (Continued)

Callan Style Median and Index Returns* for Periods ended December 31, 2015

Large Cap Equity	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Large Cap Core Style	6.59	1.38	15.48	12.59	7.76	5.77
Large Cap Growth Style	7.75	6.43	17.03	13.23	8.65	4.82
Large Cap Value Style	5.46	-2.56	13.76	11.70	7.01	6.84
Aggressive Growth Style	5.12	5.53	16.47	11.59	8.71	5.30
Contrarian Style	4.90	-4.29	13.05	11.00	6.91	7.33
Yield-Oriented Style	5.78	-2.99	11.91	10.91	7.32	7.12
Russell 3000	6.27	0.48	14.74	12.18	7.35	5.39
Russell 1000	6.50	0.92	15.01	12.44	7.40	5.25
Russell 1000 Growth	7.32	5.67	16.83	13.53	8.53	4.33
Russell 1000 Value	5.64	-3.83	13.08	11.27	6.16	5.86
S&P Composite 1500	6.59	1.01	14.84	12.35	7.39	5.39
S&P 500	7.04	1.38	15.13	12.57	7.31	5.00
NYSE	4.11	-4.09	9.14	9.39	6.25	5.55
Dow Jones Industrials	7.70	0.21	12.66	11.30	7.75	5.80
Mid Cap Equity	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Mid Cap Core Style	3.61	0.15	15.13	12.33	8.31	9.28
Mid Cap Growth Style	3.04	0.28	14.04	11.02	8.69	6.88
Mid Cap Value Style	3.23	-2.95	13.46	11.02	8.46	10.13
Russell Midcap	3.62	-2.44	14.18	11.44	8.00	8.15
S&P MidCap 400	2.60	-2.18	12.76	10.68	8.18	8.32
Small Cap Equity	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Small Cap Core Style	3.23	-1.80	13.86	11.38	8.04	9.88
Small Cap Growth Style	3.00	-1.29	14.29	11.06	8.36	7.10
Small Cap Value Style	2.55	-3.82	12.43	10.30	7.87	10.68
Russell 2000	3.59	-4.41	11.65	9.19	6.80	7.28
S&P SmallCap 600	3.72	-1.97	13.57	11.48	8.00	8.92
NASDAQ	8.71	6.96	19.80	14.97	9.72	5.75
Smid Cap Equity	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Smid Cap Broad Style	2.86	-0.99	13.35	11.31	8.66	9.41
Smid Cap Growth Style	2.86	-0.37	13.99	11.70	8.61	8.03
Smid Cap Value Style	2.00	-3.85	11.96	9.99	8.13	10.42
Russell 2500	3.28	-2.90	12.46	10.32	7.56	8.08
S&P 1000	2.93	-2.11	13.02	10.92	8.11	8.48
Russell 3000 Sectors	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Consumer Discretionary	4.28	4.95	17.50	16.16	10.00	—
Consumer Staples	7.72	7.96	17.46	15.28	11.93	—
Energy	-0.93	-23.11	-4.56	-1.47	2.98	—
Financial Services	5.58	0.68	15.58	11.48	1.53	—
Health Care	8.81	7.14	24.32	20.51	11.22	—
Materials & Processing	8.32	-8.52	6.34	5.74	6.15	—
Producer Durables	6.99	-3.45	14.27	11.11	6.76	—
Technology	8.57	4.04	16.86	12.29	9.46	—
Utilities	4.06	-1.74	9.66	9.81	7.27	—

*Returns less than one year are not annualized.

Sources: Callan, Dow Jones & Company, Russell Investment Group, Standard & Poor's, The NASDAQ Stock Market.

Tech Takes Over

NON-U.S. EQUITY | Irina Sushch

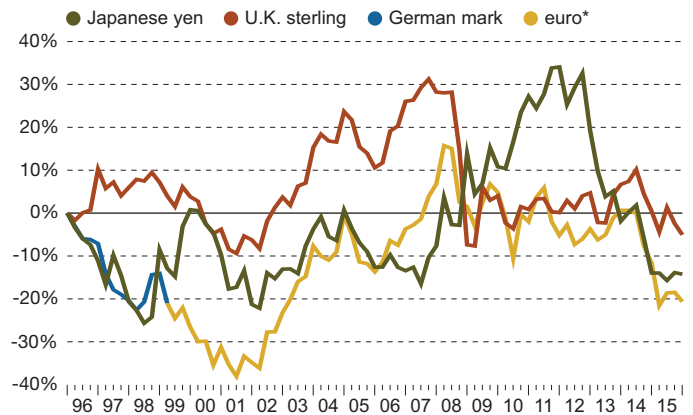
Surging merger activity, robust tech sector gains, and stronger-than-expected corporate profits drove a positive fourth quarter for non-U.S. markets (**MSCI ACWI ex USA Index**: +3.30%). Total global M&A volume in 2015 surpassed \$4.3 trillion, breaking the previous record set in 2007. Companies were persuaded to sign deals by the availability of cheap debt and the desire to stay competitive and efficient in a slow-growth environment. The strengthening dollar boosted returns of international export-oriented companies.

As in the U.S., growth (**MSCI ACWI ex USA Growth**: +5.04%) fared better than value (**MSCI ACWI ex USA Value**: +1.50%). **The MSCI Emerging Markets Index** (+0.73%) delivered paltry returns in comparison to its developed-market counterpart the **MSCI World ex USA Index** (+3.91%). Small cap outpaced large cap once again due to fewer Energy holdings (**MSCI ACWI ex USA Small Cap Index**: +5.28%). Among sectors, Information Technology (+8.40%) was the darling, while Industrials (+4.67%) and Consumer Discretionary (+4.59%) helped with high M&A activity. Energy (-0.43%) and Materials (+0.36%) have now lagged for two straight quarters. Crude oil ended the year below \$40 per barrel, down 17.85% for the quarter, due to unrelenting excess supply over global demand.

European stocks were up for the first two months of the quarter due to investor expectations of amplified European Central Bank (ECB) stimulus measures. Investors were disappointed in December when the central bank cut its deposit rate by only 0.10%, and extended the existing bond-buying program by six months. Returns faltered, yet the **MSCI Europe Index** ended the quarter up 2.49%.

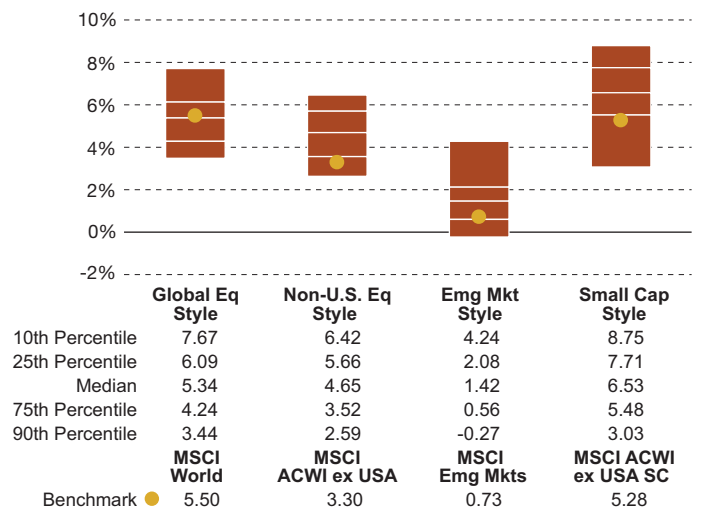
Japanese stocks closed the year on a high note (**MSCI Japan**: +9.34%; YTD: +9.57%). The weak yen boosted automobile companies, and health care companies fared well due to robust drug pipelines. The country also completed the largest state asset sale since 1987 with the privatization of Japan Post Holdings, accompanied by ramped up stimulus measures. The

Major Currencies' Cumulative Returns (vs. U.S. Dollar)



*euro returns from 1Q99
Source: MSCI

Callan Style Group Quarterly Returns



Sources: Callan, MSCI

remainder of Southeast Asia and the Pacific also enjoyed gains (**MSCI Pacific ex Japan Index**: +8.29%). New Zealand led the pack, up 18.15%, due to increased tourism and the positive impact of Industrials and Materials. Australia thrived (+9.96%) on a strong financial sector; the largest Aussie banks raised home-loan rates.

NON-U.S. EQUITY (Continued)

Emerging market countries produced a spectrum of returns, but collectively closed slightly ahead (+0.73%). Information Technology (+6.46%) buoyed returns. Insecurities about U.S. monetary policy were assuaged by the U.S. Federal Reserve raising rates. China (+4.03%) was more even-tempered than last quarter. Its central bank cut interest rates once again, part of an ongoing stream of stimulus measures to fuel consumption. China's currency, the renminbi, will join the dollar, euro, pound, and yen in the International Monetary Fund's basket of reserve currencies later in 2016. The rest of emerging Asia also had a positive quarter (**MSCI Emerging Markets Asia Index**: +3.53%). Indonesia gained 20.87%, with significant advances in all sectors, thanks to progressive policies and reforms pursued by the government.

On the negative end, Greece's financial woes continued (-18.99%). Russian stocks declined 3.99% as the economy deteriorated further. Emerging Europe sank 5.13%. The Middle East did not fare well amid ongoing political turbulence and declining

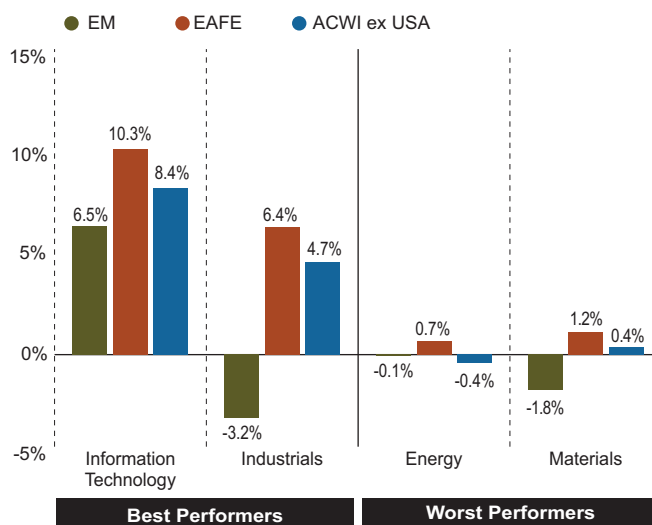
oil prices. South Africa plummeted 10.51% with losses in the financials sector and ongoing political instability. Latin America (-2.61%) had another miserable quarter. Brazil dropped 3.16%, and its debt rating was cut to below investment grade.

Quarterly Return Attribution for EAFE (U.S. Dollar)

Country	Total	Local	Currency	Wtg
Australia	9.96%	6.13%	3.60%	6.84%
Austria	6.85%	9.80%	-2.68%	0.18%
Belgium	13.64%	16.77%	-2.68%	1.43%
Denmark	6.69%	9.67%	-2.72%	1.90%
Finland	9.64%	12.67%	-2.68%	0.90%
France	1.67%	4.47%	-2.68%	9.74%
Germany	7.70%	10.67%	-2.68%	9.10%
Hong Kong	6.01%	6.01%	0.00%	3.09%
Ireland	6.99%	9.94%	-2.68%	0.40%
Israel	8.91%	7.90%	0.87%	0.76%
Italy	-2.32%	0.38%	-2.68%	2.36%
Japan	9.34%	9.83%	-0.44%	23.44%
Netherlands	3.14%	6.11%	-2.68%	2.88%
New Zealand	18.15%	10.40%	7.02%	0.16%
Norway	-0.52%	3.22%	-3.63%	0.55%
Portugal	4.23%	7.11%	-2.68%	0.15%
Singapore	4.24%	4.01%	0.23%	1.25%
Spain	-2.55%	0.14%	-2.68%	3.18%
Sweden	2.43%	2.96%	-0.52%	2.87%
Switzerland	2.04%	4.54%	-2.39%	9.41%
U.K.	0.73%	3.52%	-2.70%	19.39%

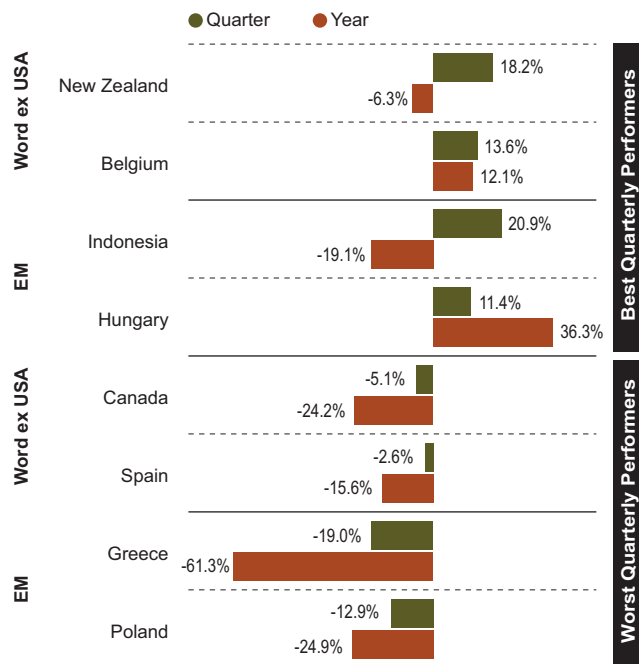
Sources: MSCI, Russell Investment Group, Standard & Poor's.

Quarterly Returns: Strong and Struggling Sectors



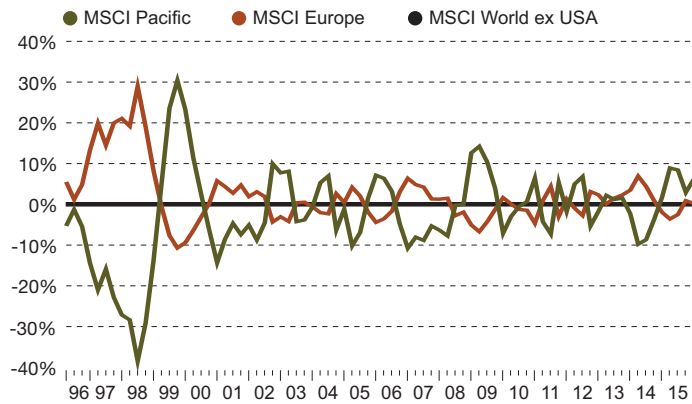
Source: MSCI

Quarterly and Annual Country Performance Snapshot



Source: MSCI

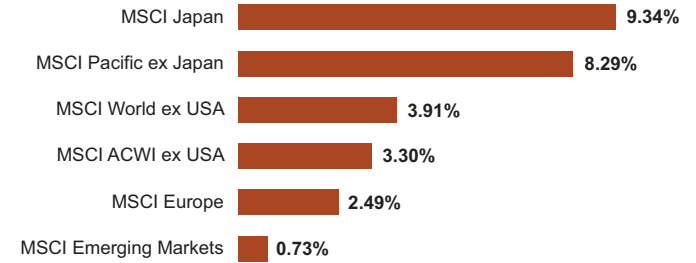
Rolling One-year Relative Returns (vs. MSCI World ex USA)



Source: MSCI

Regional Quarterly Performance

(U.S. Dollar)



Source: MSCI

Style Median and Index Returns* for Periods ended December 31, 2015

Non-U.S. Equity	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Non-U.S. Equity Style	4.65	0.62	5.82	4.70	4.24	5.42
MSCI EAFE	4.71	-0.81	5.01	3.60	3.03	3.54
MSCI EAFE (local)	6.34	5.33	12.30	7.85	3.22	2.67
MSCI ACWI ex USA	3.30	-5.25	1.94	1.51	3.38	4.46
MSCI ACWI ex USA Growth	5.04	-0.91	3.90	2.48	4.02	3.96
MSCI ACWI ex USA Value	1.50	-9.59	-0.08	0.49	2.68	4.87
Global Equity	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Global Equity Style	5.34	0.11	10.20	8.13	6.09	5.49
MSCI World	5.50	-0.87	9.63	7.59	4.98	4.04
MSCI World (local)	6.22	2.08	13.04	9.58	4.95	3.60
MSCI ACWI	5.15	-1.84	8.26	6.66	5.31	4.67
Regional Equity	Quarter	Year	3 Years	5 Years	10 Years	15 Years
MSCI Europe	2.49	-2.84	4.51	3.88	3.36	3.47
MSCI Europe (local)	5.17	4.91	10.10	6.94	3.94	2.56
MSCI Japan	9.34	9.57	10.17	4.38	0.91	2.12
MSCI Japan (local)	9.83	9.93	22.99	12.95	1.10	2.48
MSCI Pacific ex Japan	8.29	-8.47	-1.32	0.87	6.07	8.15
MSCI Pacific ex Japan (local)	5.90	-0.98	6.80	5.38	5.74	6.46
Emerging/Frontier Markets	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Emerging Market Style	1.42	-13.68	-4.91	-3.46	4.79	10.13
MSCI Emerging Markets	0.73	-14.60	-6.42	-4.47	3.95	8.87
MSCI Emerging Markets (local)	1.56	-5.40	1.20	1.27	6.36	10.22
MSCI Frontier Markets	-1.23	-14.46	4.79	0.36	-1.70	-
Non-U.S. Small Cap Equity	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Non-U.S. Small Cap Style	6.53	9.90	11.48	8.05	6.80	9.73
MSCI World ex USA Small Cap	5.82	5.46	7.82	4.39	4.09	7.35
MSCI ACWI ex USA Small Cap	5.28	2.60	5.64	2.63	4.95	8.24
MSCI Emerging Market Small Cap	3.27	-6.85	-1.67	-3.29	6.14	10.86

*Returns less than one year are not annualized.
Sources: Callan, MSCI.

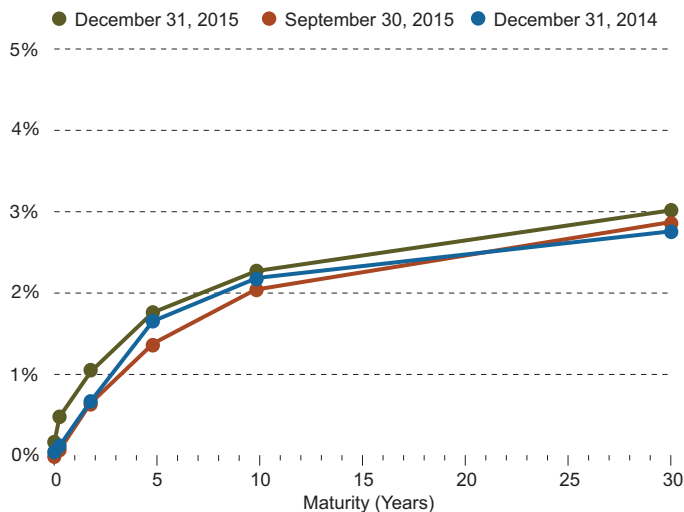
Take It Easy

U.S. FIXED INCOME | Kevin Nagy

Yields rose in the fourth quarter as the Federal Reserve raised interest rates for the first time in nearly a decade. The yield curve flattened, though the effect on spreads was mixed: investment grade credit and mortgage backed security (MBS) spreads tightened while asset-backed (ABS), commercial MBS, and high yield spreads widened. The **Barclays Aggregate Index** dropped 0.57%.

According to the Fed, the economy showed signs of moderate growth, driven by fixed investment from businesses, household spending, and a strengthening housing sector. So after months of restraint, the Fed raised the federal funds rate band by 0.25% to 0.25%–0.50%. The Fed specifically cited a strong labor market as a key reason behind the decision. The 10-year U.S. Treasury yield increased to 2.27%. The breakeven inflation rate (the difference between nominal and real yields) on 10-year Treasuries increased from 1.43% to 1.58% as TIPS outperformed nominal Treasuries. This measure rebounded from last quarter, when it reached its lowest level since 2008 (1.43%).

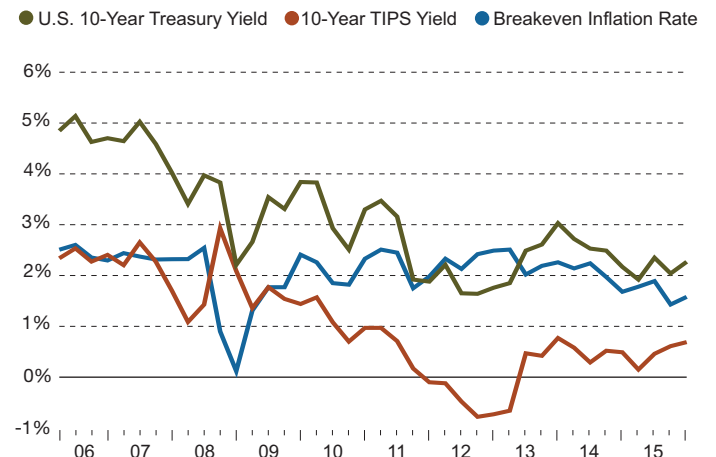
U.S. Treasury Yield Curves



Source: Bloomberg

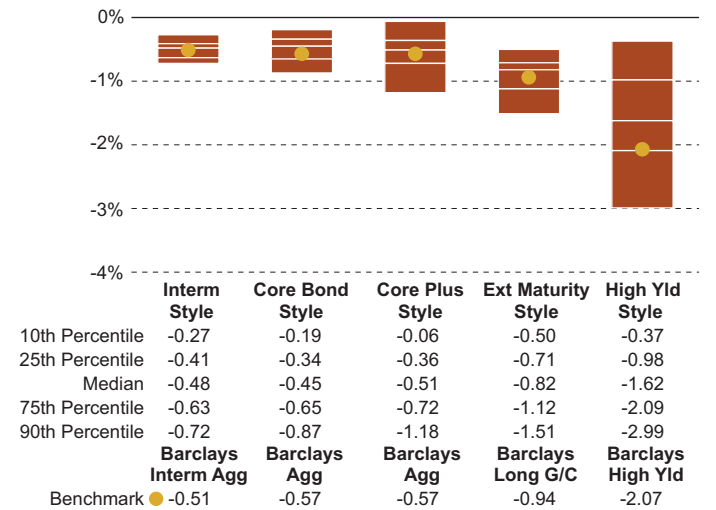
Every sector in the Barclays Aggregate posted negative quarterly returns. Relative to like-duration Treasuries, the strongest performer was U.S. MBS which, although down 0.10%, beat Treasuries by 0.61%. Credit (-0.52%) was the only other sector to outperform Treasuries (+0.50% relative to Treasuries), buoyed by strong performance in the Financials sector (+1.09% relative to Treasuries). Both ABS and U.S. agencies outperformed like-duration Treasuries for the year, despite trailing in the quarter.

Historical 10-Year Yields



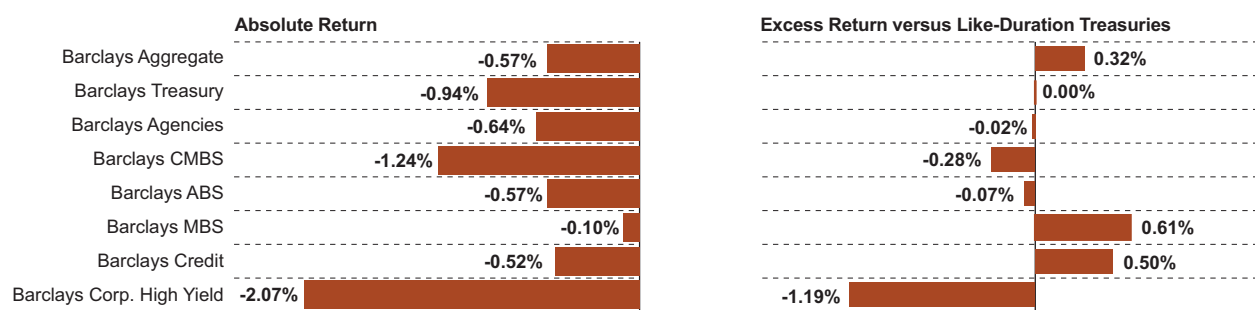
Source: Bloomberg

Callan Style Group Quarterly Returns



Sources: Barclays, Callan

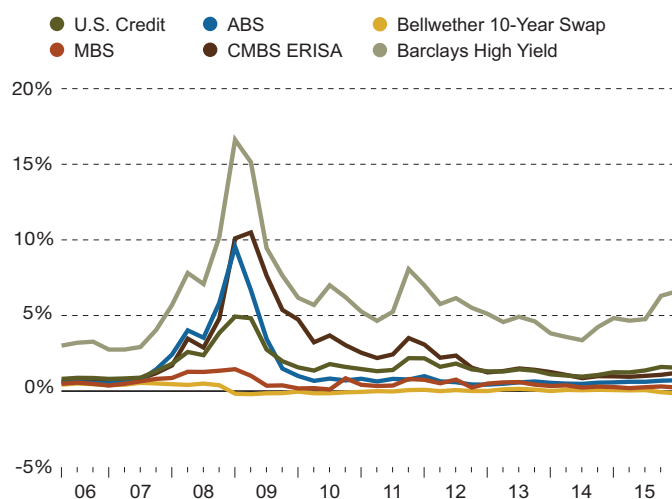
Fixed Income Index Quarterly Returns



Source: Barclays

High yield corporate bonds slumped as the **Barclays Corporate High Yield Index** ended the quarter down 2.07%. The Index receded 4.47% for the year and underperformed Treasuries by 5.77%. New issuance was \$35.6 billion for the quarter, down from \$42.8 billion. New issue activity for 2015 was \$260.5 billion, 16.3% lower than 2014.

Effective Yield Over Treasuries



Source: Barclays

U.S. Fixed Income Index Characteristics as of December 31, 2015

Barclays Indices	Yield to Worst	Mod Adj Duration	Avg Maturity	% of Barclays G/C	% of Barclays Agg
Barclays Aggregate	2.59	5.68	7.94		100.00
Barclays Govt/Credit	2.51	6.22	8.49	100.00	68.90
Intermediate	2.06	3.97	4.31	78.98	54.42
Long-Term	4.19	14.67	24.20	21.02	14.48
Barclays Govt	1.72	5.71	7.02	56.97	39.25
Barclays Credit	3.54	6.90	10.43	43.03	29.65
Barclays MBS	2.77	4.49	6.89		28.64
Barclays ABS	1.88	2.32	2.47		0.56
Barclays CMBS	2.97	4.99	5.62		1.83
Barclays Corp High Yield	8.74	4.34	6.19		

Source: Barclays

U.S. FIXED INCOME (Continued)

Callan Style Median and Index Returns* for Periods ended December 31, 2015

Broad Fixed Income	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Core Bond Style	-0.45	0.82	1.71	3.77	4.96	5.40
Core Bond Plus Style	-0.51	0.20	1.77	4.17	5.36	5.96
Barclays Aggregate	-0.57	0.55	1.44	3.25	4.51	4.97
Barclays Govt/Credit	-0.74	0.15	1.21	3.39	4.47	5.01
Barclays Govt	-0.91	0.86	1.01	2.77	4.10	4.53
Barclays Credit	-0.52	-0.77	1.49	4.38	5.18	5.82
Citi Broad Investment Grade	-0.53	0.53	1.41	3.23	4.60	5.04
Long-Term	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Extended Maturity Style	-0.82	-3.34	2.10	7.42	6.93	7.43
Barclays Long Govt/Credit	-0.94	-3.30	1.70	6.98	6.45	7.07
Barclays Long Govt	-1.38	-1.16	2.55	7.65	6.67	6.97
Barclays Long Credit	-0.66	-4.56	1.23	6.49	6.19	7.28
Citi Pension Discount Curve	0.77	-3.04	2.85	9.28	7.80	9.19
Intermediate-Term	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Intermediate Style	-0.48	1.26	1.32	2.93	4.54	4.94
Barclays Intermediate Aggregate	-0.51	1.21	1.41	2.74	4.26	4.67
Barclays Intermediate Govt/Credit	-0.69	1.07	1.10	2.58	4.04	4.53
Barclays Intermediate Govt	-0.84	1.18	0.81	2.02	3.71	4.07
Barclays Intermediate Credit	-0.45	0.90	1.61	3.63	4.82	5.35
Short-Term	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Defensive Style	-0.24	0.91	0.90	1.45	3.05	3.42
Active Duration Style	-0.42	1.17	1.53	3.28	4.60	5.27
Money Market Funds (net of fees)	0.00	0.01	0.01	0.01	1.17	1.41
ML Treasury 1–3-Year	-0.44	0.54	0.51	0.70	2.42	2.84
90-Day Treasury Bills	0.03	0.05	0.05	0.07	1.24	1.61
High Yield	Quarter	Year	3 Years	5 Years	10 Years	15 Years
High Yield Style	-1.62	-3.10	2.41	5.47	6.95	7.79
Barclays Corporate High Yield	-2.07	-4.47	1.69	5.04	6.96	7.59
ML High Yield Master	-2.09	-4.55	1.64	4.84	6.74	7.41
Mortgage/Asset-Backed	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Mortgage Style	-0.16	1.72	2.34	3.63	4.96	5.34
Barclays MBS	-0.10	1.51	2.01	2.96	4.64	4.90
Barclays ABS	-0.57	1.25	0.95	2.31	3.29	4.00
Barclays CMBS	-1.24	0.97	1.68	4.09	5.20	5.79
Municipal	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Barclays Muni	1.50	3.30	3.16	5.35	4.72	5.01
Barclays Muni 1–10-Year	0.79	2.45	2.24	3.56	4.08	4.25
Barclays Muni 3-Year	-0.01	1.18	1.24	1.81	3.01	3.24
TIPS	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Barclays TIPS Full Duration	-0.64	-1.44	-2.27	2.55	3.93	5.51
Barclays TIPS 1-10 Year	-0.70	-0.52	-1.77	1.64	3.51	4.84

*Returns for less than one year are not annualized.

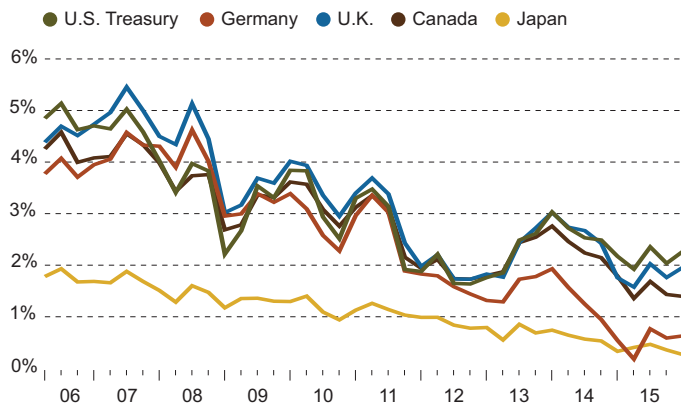
Sources: Barclays, Callan, Citigroup, Merrill Lynch.

Slip 'n Slide

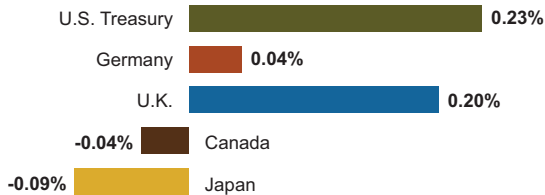
NON-U.S. FIXED INCOME | Kyle Fekete

The **Citi Non-U.S. World Government Bond Index** declined 1.38% for the quarter and 5.54% for the year. As the U.S. dollar continued to appreciate, the Index's hedged equivalent inched ahead 0.48% for the quarter and 1.52% for the year. The yield on 10-year German bunds was volatile throughout 2015: it started off the year at 0.54%, sank to 0.18% on March 31, climbed to 0.76% on June 30, and eventually ended year at 0.63%. Adding to the noise of 2015, German debt with maturities as far out as seven years provided negative yields, indicating bond investors would have to pay to own before adjusting for inflation. Approximately a third of the debt issued by European governments had negative yields at the end of the year. U.K. sovereigns lagged their European counterparts as the 10-year gilt fell 1.36%, pushing yields higher than the 10-year German bund. The Bank of England continued to battle weak inflation and held interest rates at an all-time low throughout the year.

10-Year Global Government Bond Yields



Change in 10-Year Yields from 3Q15 to 4Q15



Source: Bloomberg

The Japanese 10-year bond yield declined to 0.27%, the lowest since January. The country dodged a recession as GDP growth was revised upwards to 1% through September; the original calculation had it contracting by 0.8%.

In December, the ECB lowered its deposit rate to -0.3% and extended its quantitative easing program out to March 2017. Propelled by the ECB's monetary policy and investors' hunt for yield, European periphery countries outperformed their core-eurozone counterparts. Italian and Spanish 10-year bonds earned 1.82% and 1.43%, respectively. Both countries continued their recovery from record-long recessions as unemployment dropped to a three-year low.

Quarterly Return Attribution for Non-U.S. Gov't Indices (U.S. Dollar)

Country	Total	Local	Currency	Wtg
Australia	3.05%	-0.53%	3.60%	2.14%
Austria	-2.86%	-0.18%	-2.68%	1.83%
Belgium	-3.13%	-0.45%	-2.68%	2.98%
Canada	-2.79%	0.72%	-3.48%	2.35%
Denmark	-3.26%	-0.56%	-2.72%	0.72%
Finland	-2.70%	-0.02%	-2.68%	0.72%
France	-2.69%	-0.01%	-2.68%	11.25%
Germany	-3.03%	-0.35%	-2.68%	8.80%
Ireland	-2.09%	0.61%	-2.68%	0.93%
Italy	-1.07%	1.66%	-2.68%	11.43%
Japan	0.74%	1.18%	-0.44%	33.36%
Malaysia	4.27%	1.84%	2.38%	0.54%
Mexico	-0.89%	1.00%	-1.88%	1.14%
Netherlands	-2.77%	-0.09%	-2.68%	2.96%
Norway	-3.58%	0.05%	-3.63%	0.33%
Poland	-3.09%	0.64%	-3.71%	0.66%
Singapore	0.66%	0.43%	0.23%	0.42%
South Africa	-16.79%	-6.75%	-10.77%	0.48%
Spain	-1.48%	1.24%	-2.68%	6.41%
Sweden	-2.08%	-1.57%	-0.52%	0.57%
Switzerland	-2.75%	-0.37%	-2.39%	0.35%
U.K.	-3.99%	-1.33%	-2.70%	9.63%

Source: Citigroup

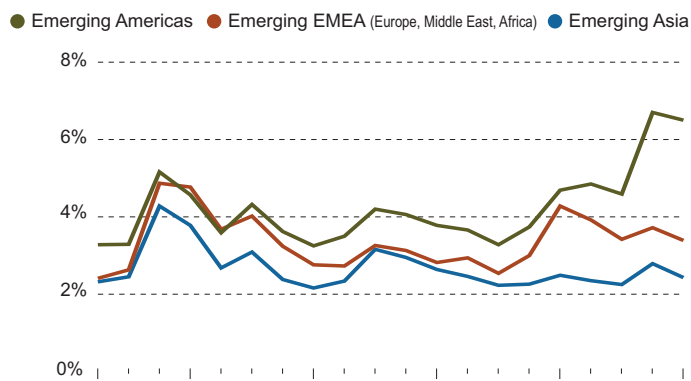
NON-U.S. FIXED INCOME (Continued)

Emerging markets were mired by political and economic strife. The dollar-denominated **JPM EMBI Global Diversified Index** gained 1.25%, outperforming emerging local currency-denominated sovereign debt. The negative currency effect pulled the **JPM GBI-EM Global Diversified Index** down (-0.01%).

The South African 10-year bond declined 7.26% (on a dollar-denominated basis) over worries that the country's political and economic turmoil could result in a downgrade to junk status. Investors responded harshly after President Jacob Zuma fired Finance Minister Nhlanelhla Nene and hired an unknown

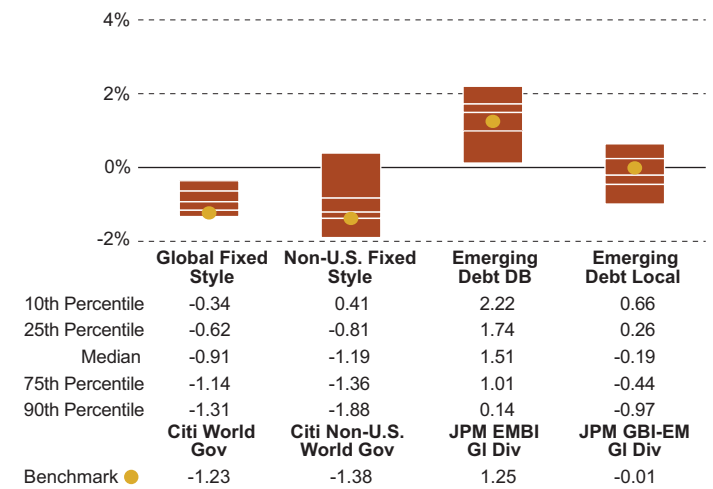
candidate for the job. Additionally, the rand's exchange rate dropped to record lows against major currencies. The local currency-denominated South African 10-year bond plummeted 28.22% in 2015. Brazilian debt declined 30.69% in 2015 on a local currency basis, in the midst of a corruption scandal and President Rousseff's possible impeachment. Brazil remains in a steep recession after being cut to below investment grade by Standard & Poor's earlier in the year.

Emerging Spreads Over Developed (By Region)



Source: Barclays

Callan Style Group Quarterly Returns



Sources: Callan, Citigroup, JPMorgan Chase

Callan Style Median and Index Returns* for Periods ended December 31, 2015

	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Global Fixed Income						
Global Style	-0.91	-3.31	-1.75	1.29	4.29	5.34
Citi World Govt	-1.23	-3.57	-2.70	-0.08	3.44	4.59
Citi World Govt (Local)	0.01	1.28	3.25	3.98	3.74	4.09
Barclays Global Aggregate	-0.92	-3.15	-1.74	0.90	3.74	4.75
Non-U.S. Fixed						
Non-U.S. Style	-1.19	-5.89	-3.85	-0.12	3.67	5.27
Citi Non-U.S. World Govt	-1.38	-5.54	-4.27	-1.30	3.05	4.43
Citi Non-U.S. World Govt (Local)	0.48	1.52	4.20	4.49	3.72	4.01
European Fixed						
Citi Euro Govt Bond	-2.23	-8.74	-1.05	1.73	3.77	6.28
Citi Euro Govt Bond (Local)	0.47	1.65	4.92	5.73	4.44	5.13
Emerging Markets Fixed						
JPM EMBI Global Diversified	1.25	1.18	0.99	5.36	6.86	8.99
JPM GBI-EM Global Diversified	-0.01	-14.92	-9.95	-3.48	4.31	-

*Returns less than one year are not annualized.

Sources: Callan, Citigroup, JPMorgan Chase.

A Straight but Bumpy Road

REAL ESTATE | Mike Pritts

The **NCREIF Property Index** advanced 2.91%, recording a 1.20% income return and a 1.72% appreciation return during the quarter. The NCREIF Property Index cash-flow return appreciated 0.64% for the quarter and 3.10% for the trailing four quarters. There were 210 asset trades, representing \$11.3 billion of overall transactional volume, comfortably ahead of the \$5.1 billion 10-year quarterly transaction average and the prior peak of \$8.7 billion in the second quarter of 2007.

Pricing remained stable as equal-weighted transactional capitalization rates decreased to 5.90%, a slight retreat from the 2015 high (+5.91%) during the third quarter. Over the course of the prior cycle, quarterly equal-weighted transactional capitalization rates dipped to a low of 5.46% in the fourth quarter of 2007 and expanded to a peak of 8.46% in the third quarter of 2009. During the fourth quarter of 2015, appraisal capitalization rates decreased from 4.67% to 4.58%. As markets peaked over the prior cycle, appraisal capitalization rates declined to a low of 4.89% in the third quarter of 2008.

The **NCREIF Open End Diversified Core Equity Index** notched a 3.11% total return, comprising a 1.14% income return and a 2.20% appreciation return. In the listed real estate market, the **FTSE EPRA/NAREIT Developed REIT Index (USD)** gained 4.40% and U.S. REITs tracked by the **FTSE NAREIT Equity REITs Index** advanced an impressive 7.26%.

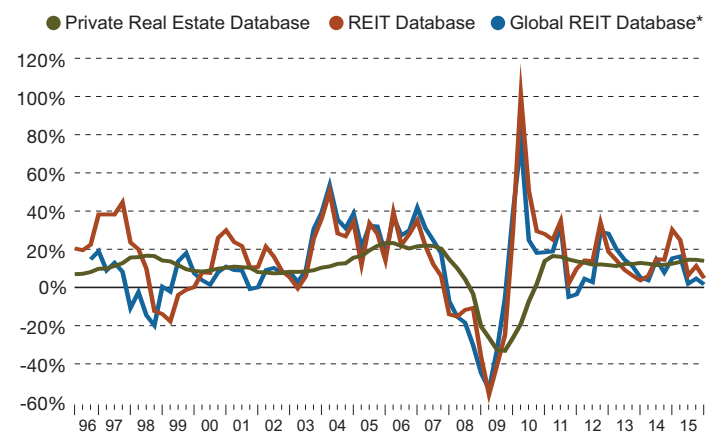
In the U.S., volatility continued as REIT sectors rebounded sharply. Positive sector performance was led by Self-Storage (+16.76%), followed by Industrial (+8.69%), Residential (+8.38%), Retail (+8.10%), Malls (+6.77%), and Health Care (+2.61%). The only negative was Lodging (-2.27%). For the year, Residential was the best performer of the primary real estate sectors (+10.22%), while Lodging lagged (-18.09%). U.S. REITs raised \$10.2 billion following the completion of 14 unsecured-debt offerings raising \$6.9 billion, 14 secondary offerings

raising \$3.1 billion, and two preferred-equity offerings raising \$117 million. There was one U.S. REIT IPO during the quarter. Public equity financing slightly increased from the third quarter's five-year low, but remained a challenge.

During 2015, MSCI and S&P Dow Jones announced that in August 2016, they will begin to break out real estate into a distinct sector rather than continuing to include it in the broader group of Financials. There are currently twenty-five companies included in the S&P 500 Index that will now be included in the new real estate sector. While most commercial real estate in the U.S. is traded in the private markets, this change indicates the increasing importance of publicly listed real estate.

In European core markets, pricing appears undeterred by volatility. Capital-raising remains robust and has consolidated. Several large, commingled vehicles are currently in the market with new funds. According to a survey produced by INREV, many (65%) European investors expect to increase their allocation to real estate over the next two years.

Rolling One-Year Returns



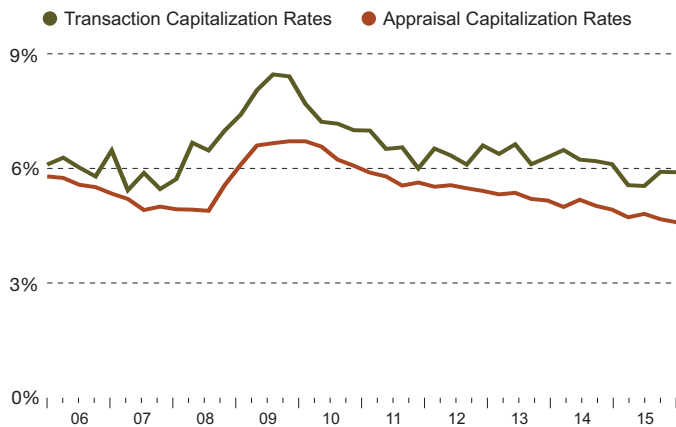
*Global REIT returns from 3Q96
Source: Callan

REAL ESTATE (Continued)

Asian Real Estate funds continue to raise capital despite a slowing Chinese GDP and record capital outflows in the stock market and pressure on the renminbi. The big question in early 2016 is whether continued market uncertainty in the Chinese economy will affect commercial property valuations in other parts of Asia and the world.

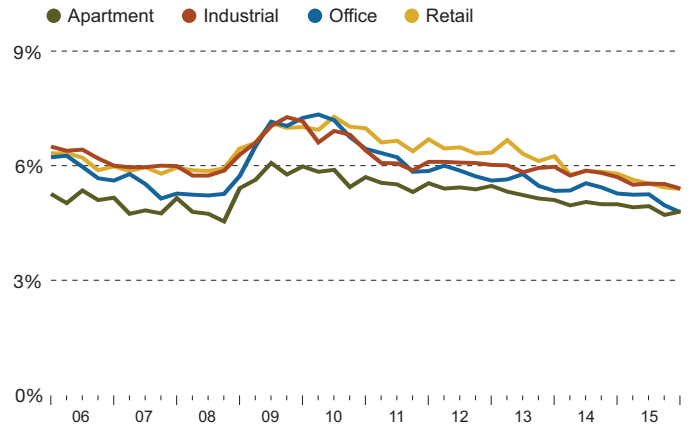
CMBS issuance reached \$23.4 billion, remaining steady since the third quarter and slightly down year-over-year (\$25.2 billion). Total issuance for the trailing-12 months was \$101.0 billion, a reduction from its second-quarter peak.

NCREIF Transaction and Appraisal Capitalization Rates



Source: NCREIF
Note: Transaction capitalization rate is equal-weighted.

NCREIF Capitalization Rates by Property Type



Source: NCREIF
Note: Capitalization rates are appraisal-based.

Callan Database Median and Index Returns* for Periods ended December 31, 2015

	Quarter	Year	3 Years	5 Years	10 Years	15 Years
Private Real Estate						
Real Estate Database (net of fees)	2.90	12.90	12.97	12.60	5.47	7.90
NCREIF Property	2.91	13.33	12.04	12.18	7.76	8.96
NFI-ODCE (value wtd. net)	3.11	13.95	12.77	12.60	5.55	6.94
Public Real Estate						
REIT Database	7.50	4.48	12.03	12.89	8.32	12.13
FTSE NAREIT Equity	7.26	3.20	11.23	11.96	7.41	11.16
Global Real Estate						
Global REIT Database	4.38	1.03	7.61	8.95	6.15	-
FTSE EPRA/NAREIT Developed REIT	4.40	0.05	6.59	7.97	5.39	9.20

*Returns for less than one year are not annualized.
All REIT returns are reported gross in USD.

Sources: Callan, NAREIT, NCREIF, The FTSE Group. NCREIF statistics are the product of direct queries and may fluctuate over time.

Level at 35,000 Feet

PRIVATE EQUITY | Gary Robertson

In fundraising, *Private Equity Analyst* reports that 2015's fund-raising total of \$257 billion is a modest decline from 2014 (-3.6% or \$10.5 billion). The number of funds formed declined by 83 (-10.8%) to 682 in 2015. The fourth quarter's new commitments totaled \$59.7 billion with 125 new partnerships formed. While the dollar volume increased by 11% compared to the prior quarter's \$53.7 billion, the number of funds formed fell by 20% from the third quarter's 179. The year's final quarter was surprisingly weak, likely due to the onset of public equity market volatility in mid-August.

According to *Buyouts* newsletter, announced and closed new-company acquisitions totaled 1,911 in 2015, up 4% from 1,836 in 2014. Announced and closed dollar volume was \$303.7 billion, up 47% from \$206.8 billion in 2014. The quarter generated 365 announced and closed transactions, down from 548. Disclosed dollar volume totaled \$77.2 billion, up from \$66.7 billion. According to S&P Capital IQ, in the second half of the year average purchase price multiples remained just over 10x EBITDA.

According to the National Venture Capital Association, the \$58.8 billion of new investment in venture capital companies is a 16% jump for the year, up from \$50.8 billion. The dollar volume in 2015 is the second highest year on record, although significantly shy of first place: \$105.0 billion in 2000. The year produced 4,380 rounds of investment, slightly down from last year's 4,441. Quarterly investment volume totaled \$11.3 billion in 962 rounds of financing, down from \$16.6 billion in 1,149 rounds.

Private Equity Performance Database (%)

(Pooled Horizon IRRs through June 30, 2015*)

Strategy	3 Months	Year	3 Years	5 Years	10 Years	15 Years	20 Years
All Venture	6.8	26.8	21.0	18.7	11.4	4.0	27.1
Growth Equity	5.0	11.0	15.3	14.6	12.7	9.9	14.9
All Buyouts	5.3	7.7	15.7	15.4	12.5	11.3	13.2
Mezzanine	3.6	8.5	11.3	11.8	10.7	7.8	10.0
Distressed	1.6	4.2	13.3	12.2	10.4	11.1	11.2
All Private Equity	5.1	10.7	16.1	15.4	12.1	9.2	14.4
S&P 500 Index	0.3	7.4	17.3	17.3	7.9	4.4	8.9

Private equity returns are net of fees.

Sources: Standard & Poor's, Thomson/Cambridge.

*Most recent data available at time of publication.

Funds Closed January 1 to December 31, 2015

Strategy	No. of Funds	Amt (\$mm)	Percent
Venture Capital	281	34,274	13%
Buyouts	263	169,694	66%
Subordinated Debt	28	12,535	5%
Distressed Debt	37	22,573	9%
Secondary and Other	15	6,637	3%
Fund-of-funds	58	10,961	4%
Totals	682	256,673	100%

Source: Private Equity Analyst

Regarding exits, *Buyouts* reports that 2015's aggregate disclosed M&A exit values of \$127.4 billion is up 13% from 2014's \$111.5 billion. The 513 private M&A exits of buyout-backed companies is down 35% from the 690 in 2014. Seven of the completed 99 M&A exits had values over \$1 billion, with the largest being Silver Lake's \$5.3 billion sale of Interactive Data Corp. to Intercontinental Exchange. There were only four buyout-backed IPOs, with a total value of \$774.4 million. The full year produced 31 IPOs, raising a total of \$9.1 billion.

Venture-backed M&A exits for the year total 372 with 84 announced values totaling \$16.2 billion, down from 385 exits and \$48.1 billion in announced value last year. The quarter had 91 exits with 26 announced values totaling \$3.6 billion. The total number of M&A deals and announced value both declined from the third quarter's 109 exits totaling \$6.9 billion. The year produced 77 venture-backed IPOs raising \$9.4 billion; for the quarter, there were 16 raising \$2.2 billion. The number and total float was up versus the third quarter's 15 IPOs raising \$1.9 billion.

Under Pressure

HEDGE FUNDS | Jim McKee

Growing unease with economic change is evident in the capital markets. Commodity prices slid further, led by oil, as China struggled with its centrally planned shift to a consumer-driven economy. Strong employment gains and record auto sales in the U.S. bolstered the Federal Reserve's confidence to raise short-term rates for the first time in almost a decade. Despite rebounding equities in developed markets, credit spreads widened, particularly among lower-rated bonds in the commodity sector.

As a proxy for hedge funds without implementation costs, the **Credit Suisse Hedge Fund Index (CS HFI)** slipped 0.12% in the fourth quarter. By contrast, the median manager in the **Callan Hedge Fund-of-Funds Database** edged ahead 0.40%, net of all fees.

Within the CS HFI, the major sector winner was *Long/Short Equity* (+1.58%). *Event-Driven Multi-Strategy* (-2.55%), which is typically more focused on soft catalysts, fell particularly hard as investors fled crowded trades in this space. *Distressed* (-1.76%) also lost ground with credit spreads widening, but outpaced the **Barclays High Yield Credit Index** (-2.07%).

Callan Style Group Quarterly Returns



Sources: Callan, Merrill Lynch

Within Callan's Hedge Fund-of-Funds Database, market exposures marginally affected performance. Aided by the U.S. equity market rally, the median *Callan Long/Short Equity FOF* (+0.85%) outpaced the *Callan Absolute Return FOF* (-1.15%). With diversifying exposures to both non-directional and directional styles, the *Core Diversified FOF* modestly gained 0.37%.

Callan Database Median and Index Returns* for Periods ended December 31, 2015

	Quarter	3 Quarters	Year	3 Years	5 Years	10 Years
Hedge Fund-of-Funds Database	0.40	-0.09	4.72	3.54	3.96	5.28
CS Hedge Fund Index	-0.12	-0.71	4.30	3.55	4.97	5.95
CS Equity Market Neutral	-0.04	1.69	3.16	2.96	-1.44	1.39
CS Convertible Arbitrage	-0.58	0.81	1.67	2.76	4.42	4.94
CS Fixed Income Arbitrage	0.03	0.59	2.90	4.84	3.84	4.50
CS Multi-Strategy	0.51	3.84	7.01	6.77	6.17	6.89
CS Distressed	-1.76	-5.30	4.05	3.81	4.82	7.80
CS Risk Arbitrage	0.81	0.41	1.30	1.50	3.55	3.65
CS Event-Driven Multi-Strategy	-2.55	-6.67	2.86	1.08	5.12	6.45
CS Long/Short Equity	1.58	3.56	8.77	5.23	5.80	5.98
CS Dedicated Short Bias	-4.29	2.38	-10.15	-9.72	-8.90	-7.19
CS Global Macro	0.62	0.17	2.52	3.70	6.79	9.04
CS Managed Futures	-1.05	-0.93	4.54	1.22	4.21	5.40
CS Emerging Markets	2.79	-0.22	3.30	2.55	5.17	8.06

*Returns less than one year are not annualized. Sources: Callan, Credit Suisse.

Chasing the Market

DEFINED CONTRIBUTION | Tom Szkwarla

The Callan DC Index™ declined 5.82% in the third quarter of 2015, reflecting widespread losses in global equity markets.

According to the Callan DC Index, the typical defined contribution (DC) plan trailed defined benefit (DB) plans by 1.83% in the third quarter of 2015. This is primarily because DC plans have little exposure to longer-term fixed income. Meanwhile, the average 2035 target date fund fared even worse—declining 7.34%—reflecting its higher allocation to equities (78% average allocation).

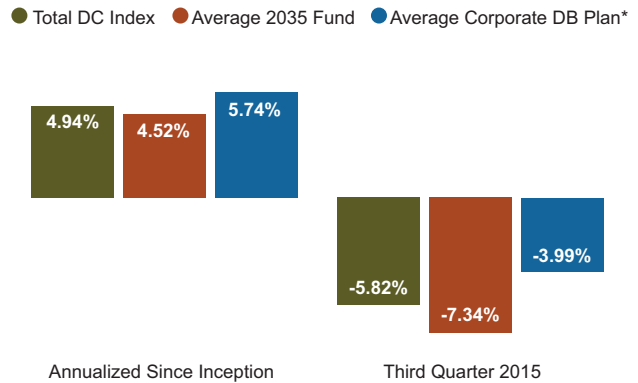
Driven almost entirely by investment losses, DC plan balances shrank by 5.97% in the third quarter. However, annualized total growth since inception remains steady at a respectable 7.33%. In the long term, participant contributions (net flows) added 2.39% annually, while market appreciation (return growth) contributed the remaining 4.94%.

Almost three-fourths of the asset classes in the DC Index experienced net outflows in the third quarter. Predictably, target date funds were among the only asset class to attract inflows. Despite weak performance, about 60 cents of every dollar that moved within DC plans ended up in target date funds.

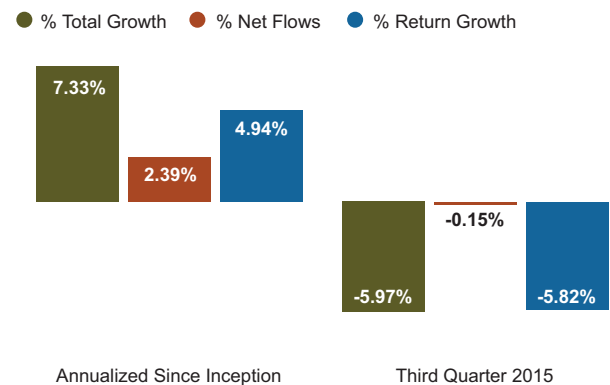
For the first time in two years, stable value experienced net inflows. Conversely, U.S. large cap and company stock saw significant outflows for the second consecutive quarter. Third-quarter turnover activity (i.e., net transfer activity levels) within DC plans came in at 0.38%, which is slightly higher than the second quarter (0.32%) but still well below the historical average of 0.65%.

The Callan DC Index is an equally weighted index tracking the cash flows and performance of nearly 90 plans, representing more than one million DC participants and over \$135 billion in assets. The Index is updated quarterly and is available on Callan's website, as is the quarterly DC Observer newsletter.

Investment Performance*



Growth Sources*



Net Cash Flow Analysis (Third Quarter 2015)*

(Top Two and Bottom Two Asset Gatherers)

Asset Class	Flows as % of Total Net Flows
Target Date Funds	60.70%
Stable Value	22.06%
U.S. Small/Mid Cap	-18.45%
U.S. Large Cap	-42.20%
Total Turnover**	0.38%

Source: Callan DC Index

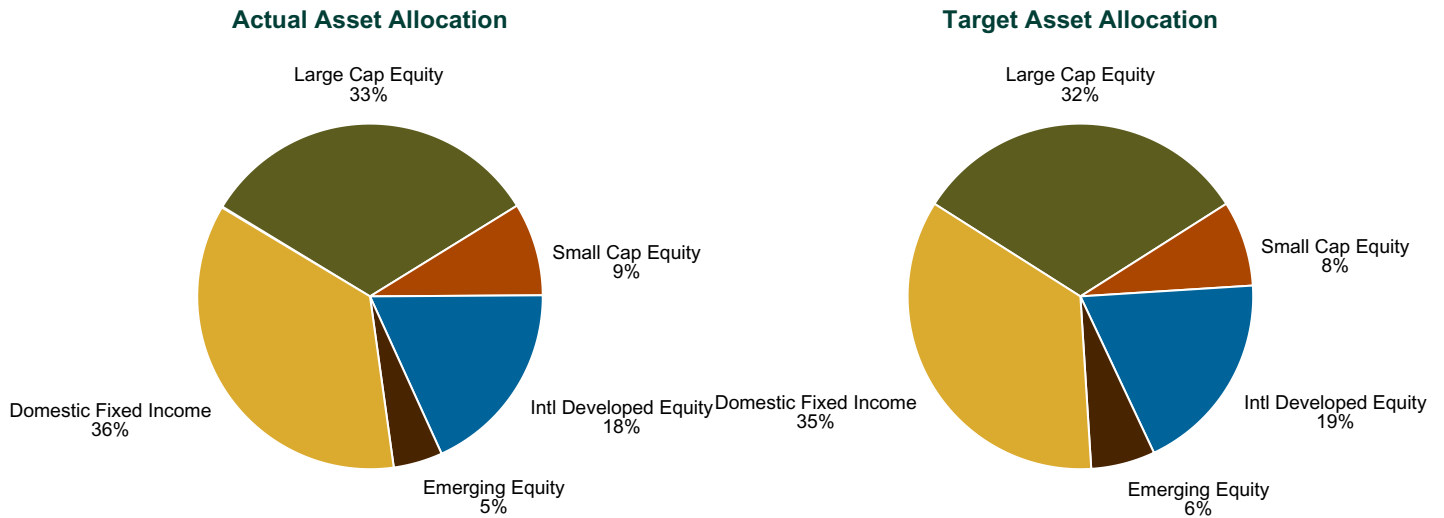
Data provided here is the most recent available at time of publication.

* DC Index inception date is January 2006. DB plan performance is gross of fees.

**Total Index "turnover" measures the percentage of total invested assets (transfers only, excluding contributions and withdrawals) that moved between asset classes.

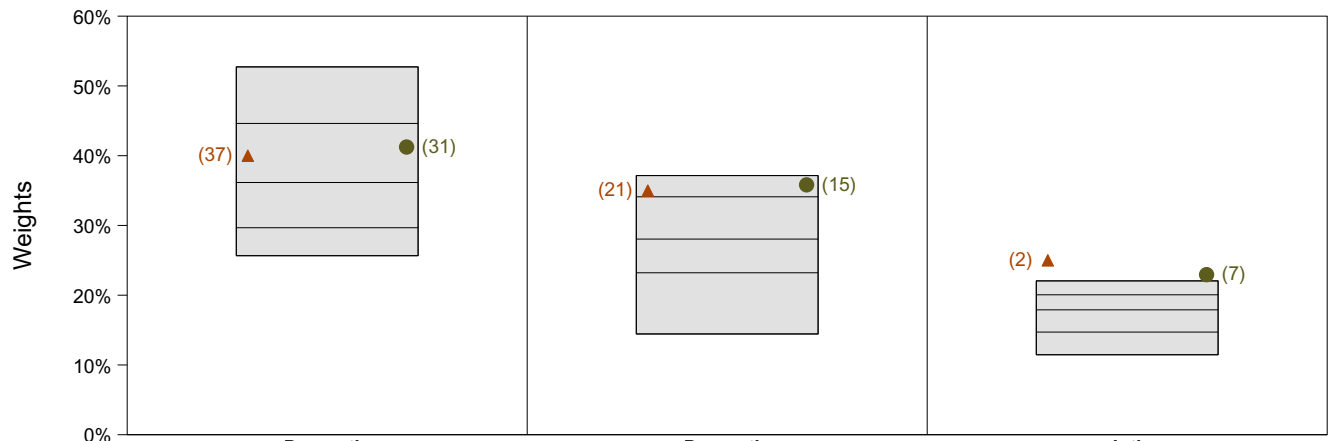
Actual vs Target Asset Allocation As of December 31, 2015

The top left chart shows the Fund's asset allocation as of December 31, 2015. 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 Public Fund - Mid (100mm-1B).



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	77,550	32.5%	32.0%	0.5%	1,297
Small Cap Equity	20,718	8.7%	8.0%	0.7%	1,655
Intl Developed Equity	43,679	18.3%	19.0%	(0.7%)	(1,596)
Emerging Equity	10,991	4.6%	6.0%	(1.4%)	(3,307)
Domestic Fixed Income	85,352	35.8%	35.0%	0.8%	1,951
Total	238,289	100.0%	100.0%		

Asset Class Weights vs Public Fund - Mid (100mm-1B)



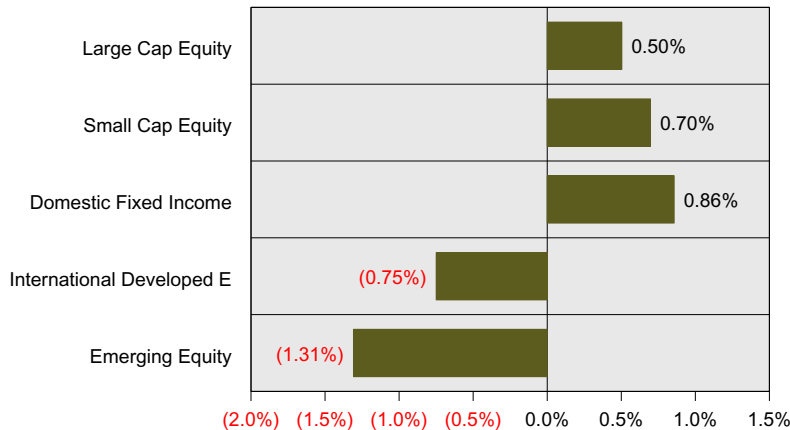
	Domestic Broad Eq	Domestic Fixed Income	Intl Equity
10th Percentile	52.73	37.15	22.05
25th Percentile	44.62	34.10	20.06
Median	36.15	28.04	17.90
75th Percentile	29.67	23.21	14.71
90th Percentile	25.66	14.44	11.46
Fund ●	41.24	35.82	22.94
Target ▲	40.00	35.00	25.00
% Group Invested	97.10%	97.10%	91.30%

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

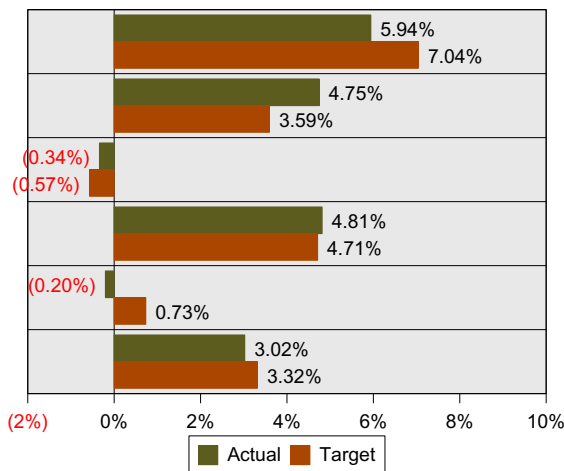
Quarterly Total Fund Relative Attribution - December 31, 2015

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.

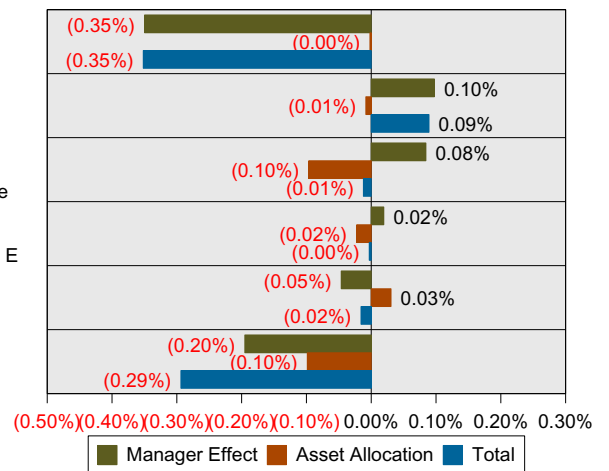
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended December 31, 2015

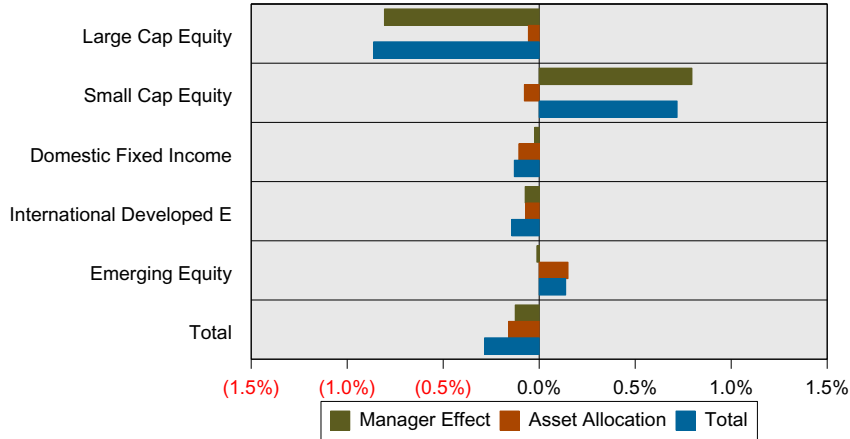
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	5.94%	7.04%	(0.35%)	(0.00%)	(0.35%)
Small Cap Equity	9%	8%	4.75%	3.59%	0.10%	(0.01%)	0.09%
Domestic Fixed Income	36%	35%	(0.34%)	(0.57%)	0.08%	(0.10%)	(0.01%)
International Developed E	18%	19%	4.81%	4.71%	0.02%	(0.02%)	(0.00%)
Emerging Equity	5%	6%	(0.20%)	0.73%	(0.05%)	0.03%	(0.02%)
Total			3.02%	3.32%	(0.20%)	(0.10%)	(0.29%)

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

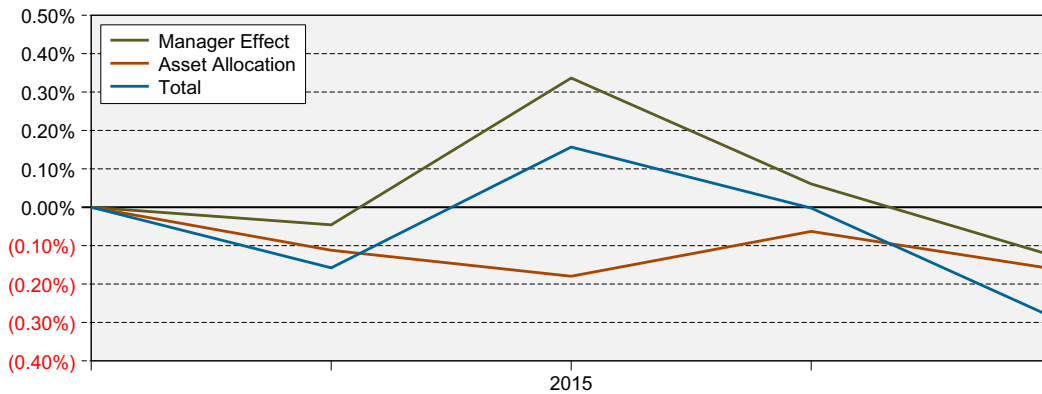
Cumulative Total Fund Relative Attribution - December 31, 2015

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

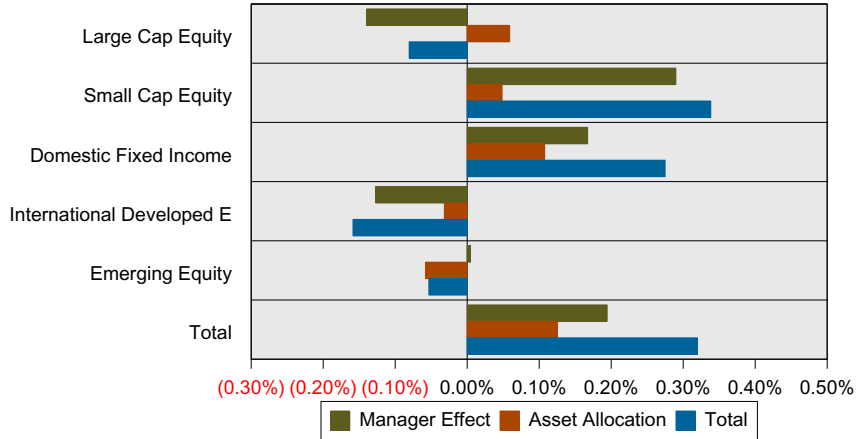
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	32%	31%	(1.17%)	1.38%	(0.81%)	(0.06%)	(0.86%)
Small Cap Equity	8%	8%	5.14%	(4.41%)	0.80%	(0.08%)	0.72%
Domestic Fixed Income	37%	37%	0.51%	0.55%	(0.02%)	(0.11%)	(0.13%)
International Developed E	18%	19%	(1.17%)	(0.81%)	(0.07%)	(0.07%)	(0.14%)
Emerging Equity	5%	6%	(14.86%)	(14.60%)	(0.01%)	0.15%	0.14%
Total			(0.97%)		(0.69%)	(0.12%)	(0.28%)

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

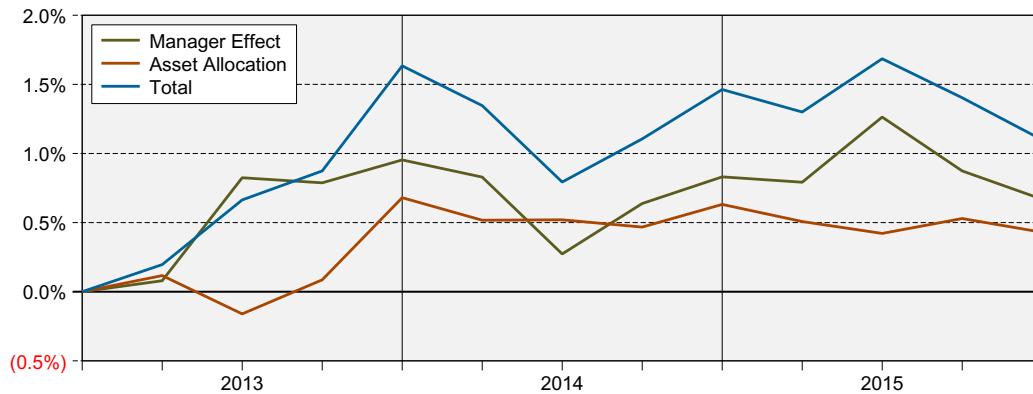
Cumulative Total Fund Relative Attribution - December 31, 2015

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	32%	31%	14.59%	15.13%	(0.14%)	0.06%	(0.08%)
Small Cap Equity	8%	7%	15.47%	11.65%	0.29%	0.05%	0.34%
Domestic Fixed Income	37%	39%	1.90%	1.44%	0.17%	0.11%	0.27%
International Developed E	18%	18%	4.35%	5.01%	(0.13%)	(0.03%)	(0.16%)
Emerging Equity	4%	4%	-	-	0.00%	(0.06%)	(0.05%)
Total			7.17%	6.85%	+ 0.19%	+ 0.13%	0.32%

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

Total Fund

Period Ended December 31, 2015

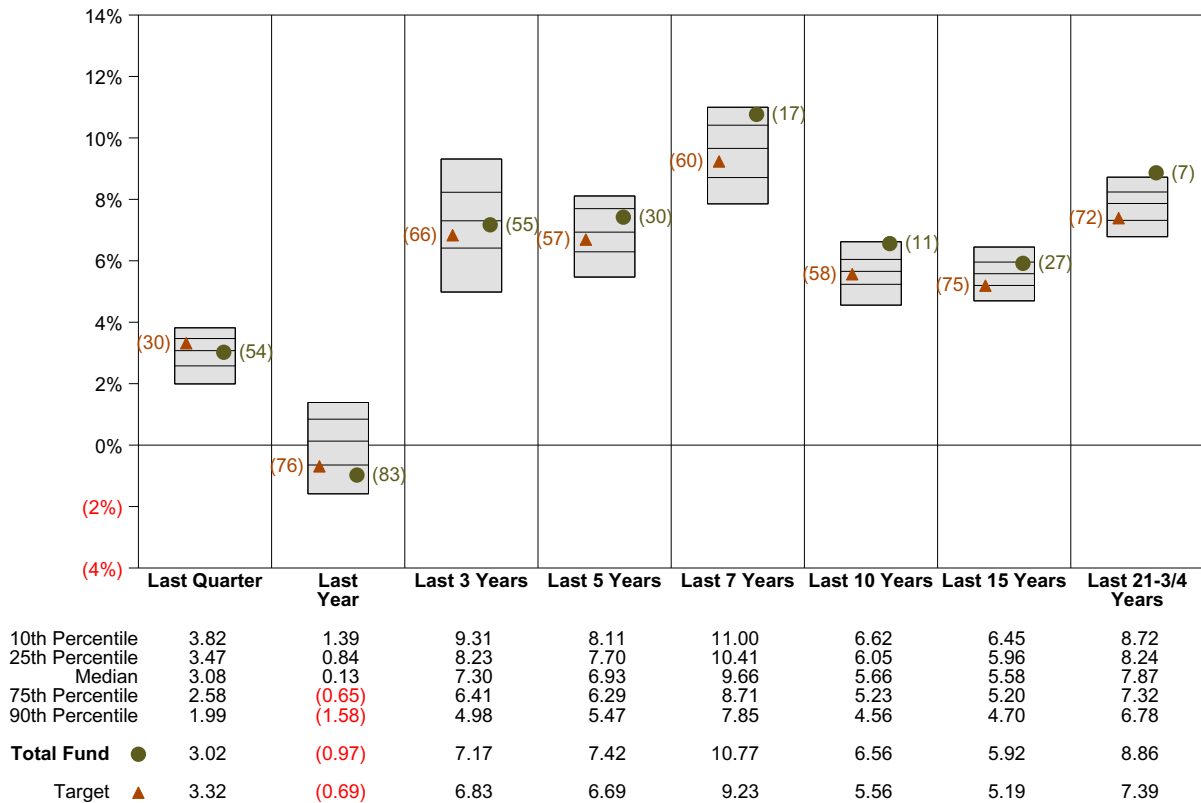
Investment Philosophy

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

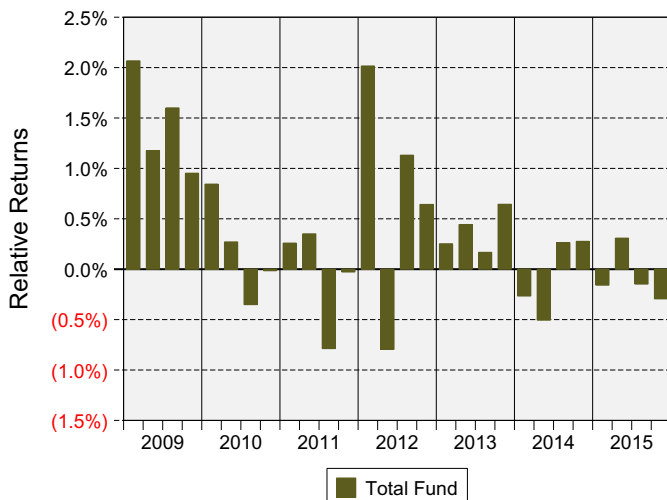
Quarterly Summary and Highlights

- Total Fund's portfolio posted a 3.02% return for the quarter placing it in the 54 percentile of the Public Fund - Mid (100mm-1B) group for the quarter and in the 83 percentile for the last year.
- Total Fund's portfolio underperformed the Target by 0.29% for the quarter and underperformed the Target for the year by 0.28%.

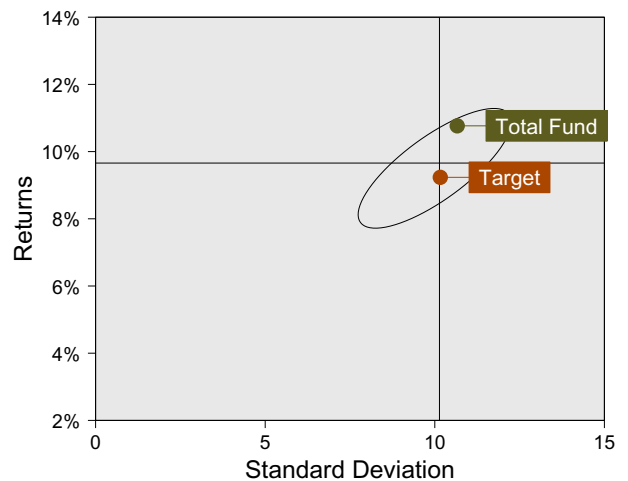
Performance vs Public Fund - Mid (100mm-1B) (Gross)



Relative Return vs Target



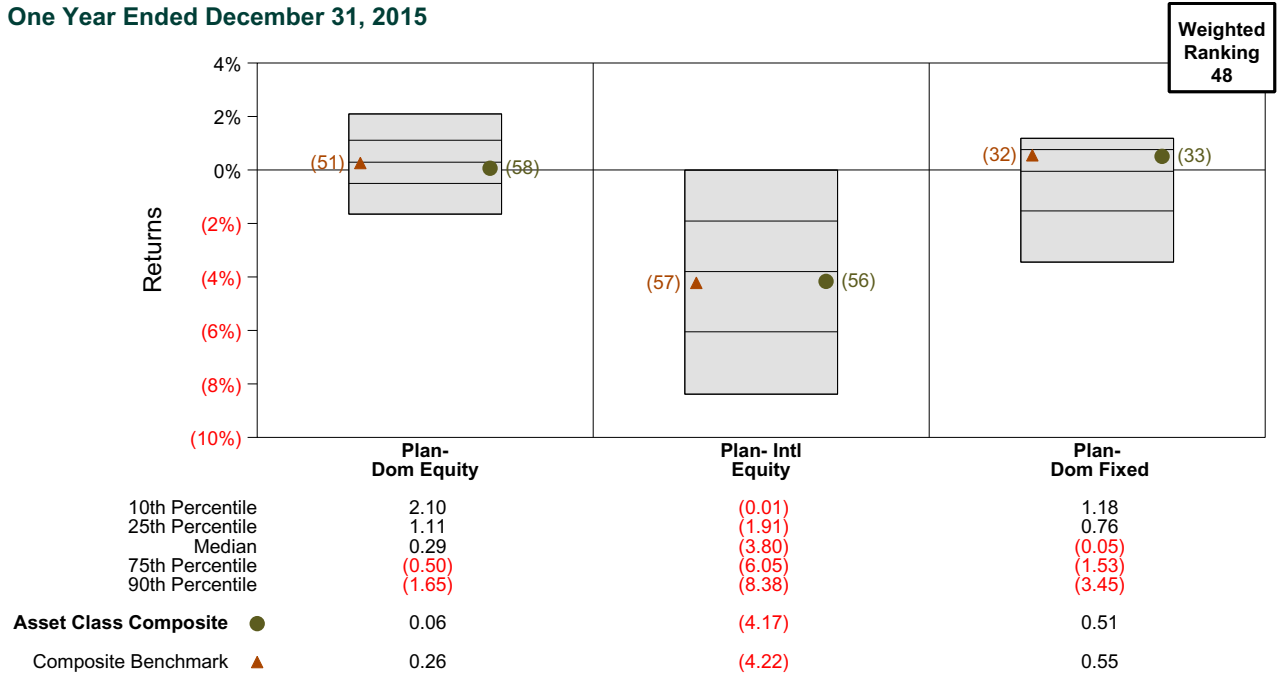
Public Fund - Mid (100mm-1B) (Gross) Annualized Seven Year Risk vs Return



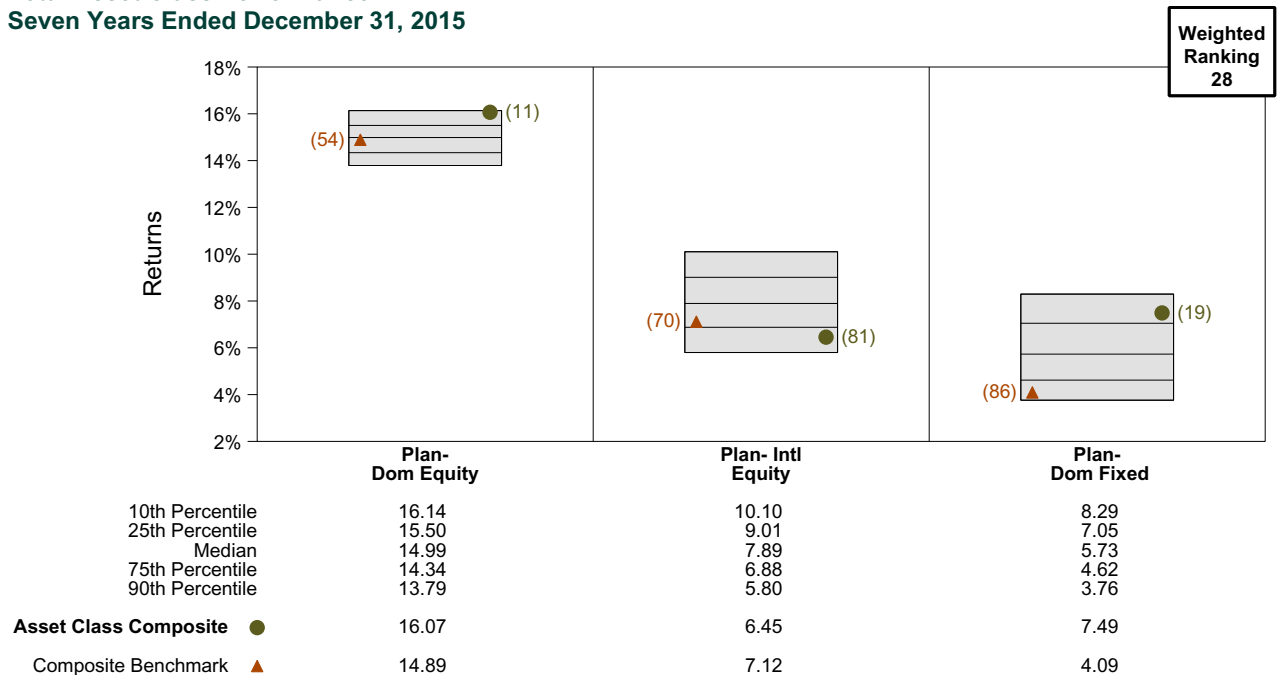
Asset Class Rankings

The charts below show the rankings of each asset class component of the Total Fund relative to appropriate comparative databases. In the upper right corner of each graph is the weighted average of the rankings across the different asset classes. The weights of the fund's actual asset allocation are used to make this calculation. The weighted average ranking can be viewed as a measure of the fund's overall success in picking managers and structuring asset classes.

Total Asset Class Performance One Year Ended December 31, 2015



Total Asset Class Performance Seven Years Ended December 31, 2015

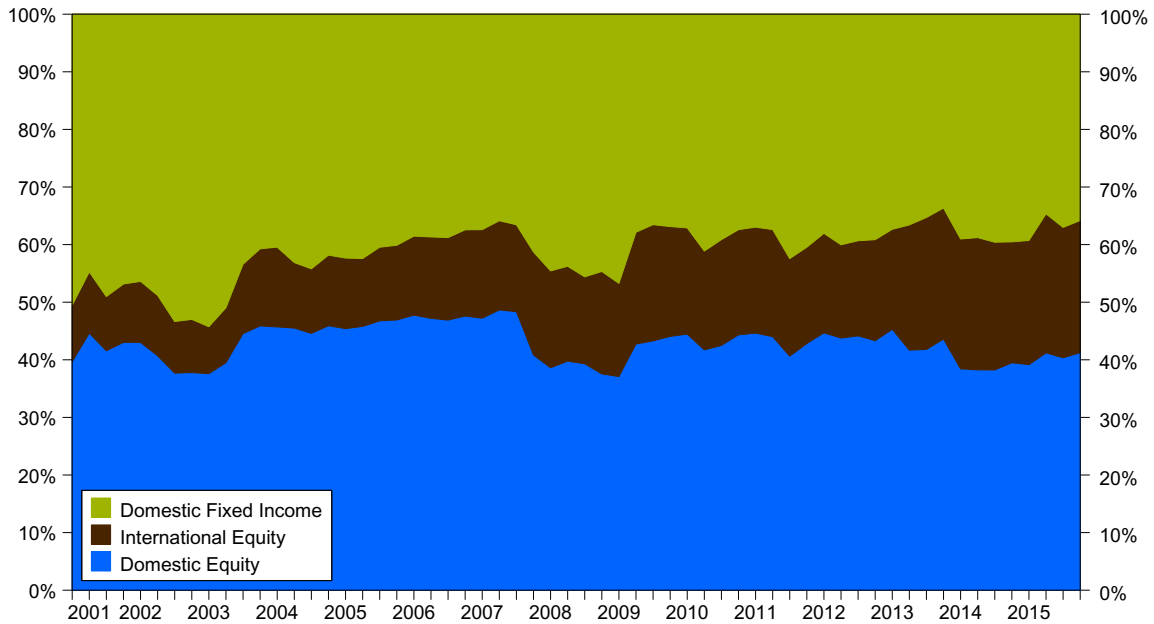


* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

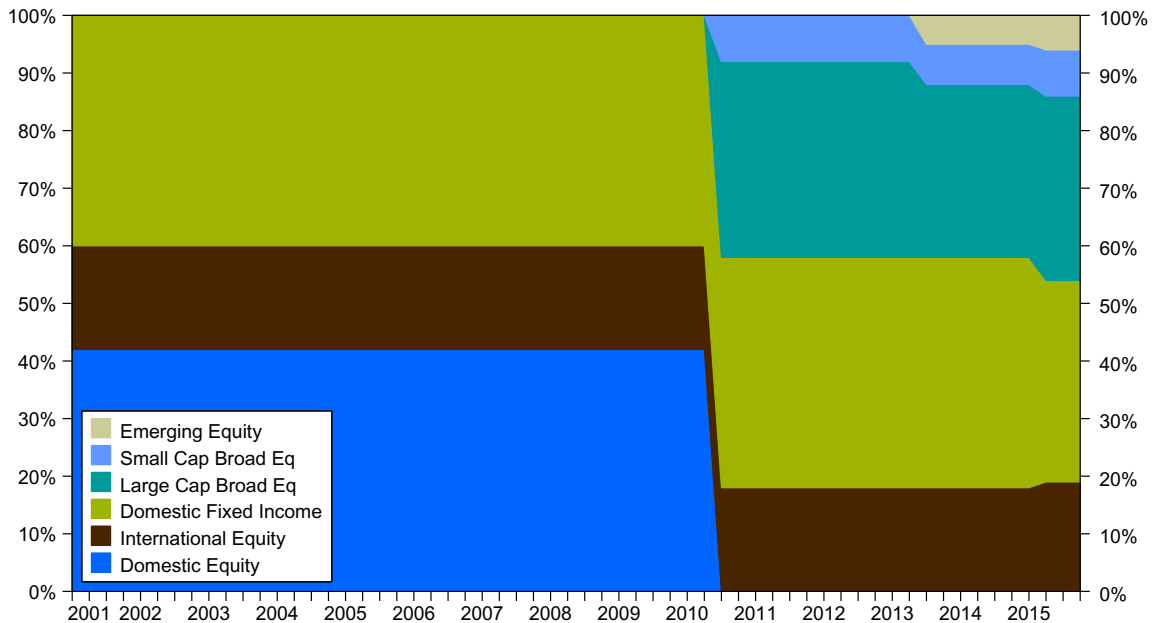
Actual vs Target Historical Asset Allocation

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% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of December 31, 2015, with the distribution as of September 30, 2015. 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

	December 31, 2015			September 30, 2015
	Market Value	Net New Inv.	Inv. Return	Market Value
Consolidated Plan				
Domestic Equity	\$98,268,198	\$(715,684)	\$5,336,133	\$93,647,750
Large Cap	\$77,549,707	\$(715,684)	\$4,397,260	\$73,868,132
Boston Partners	38,448,586	1	1,758,055	36,690,530
SSgA S&P 500	39,101,122	(715,685)	2,639,205	37,177,602
Small Cap	\$20,718,491	\$0	\$938,873	\$19,779,618
Atlanta Capital	20,718,491	0	938,873	19,779,618
International Equity	\$54,669,218	\$166,206	\$1,975,301	\$52,527,711
International Developed Equity	\$43,678,685	\$0	\$2,006,172	\$41,672,514
Brandes	11,088	0	(254)	11,342
JP Morgan	22,227,405	0	1,039,276	21,188,128
SSgA EAFE	21,440,192	0	967,149	20,473,043
Emerging Equity	\$10,990,533	\$166,206	\$(30,871)	\$10,855,197
DFA Emerging Markets	10,990,533	166,206	(30,871)	10,855,197
Fixed Income	\$85,351,860	\$(266,918)	\$(291,188)	\$85,909,966
Metropolitan West	85,351,860	(266,918)	(291,188)	85,909,966
Total Plan - Consolidated	\$238,289,276	\$(816,396)	\$7,020,246	\$232,085,427

Sacramento Regional Transit District Asset Growth

Ending December 31, 2015 (\$ Thousands)	Ending Market Value	=	Beginning Market Value	+	Net New Investment	+	Investment Return
Total Plan							
1/4 Year Ended 12/2015	238,289.3		232,085.4		(816.4)		7,020.2
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		247,920.7		(766.8)		(183.3)
1/4 Year Ended 3/2015	247,920.7		243,017.9		(295.4)		5,198.2
1/4 Year Ended 12/2014	243,017.9		238,642.3		(1,001.3)		5,377.0
1/4 Year Ended 9/2014	238,642.3		241,859.7		(632.5)		(2,584.9)
1/4 Year Ended 6/2014	241,859.7		235,305.8		(752.1)		7,306.0
1/4 Year Ended 3/2014	235,305.8		233,171.6		(781.9)		2,916.1
1/4 Year Ended 12/2013	233,171.6		222,071.8		(913.1)		12,012.9
1/4 Year Ended 9/2013	222,071.8		212,659.5		(1,311.0)		10,723.3
1/4 Year Ended 6/2013	212,659.5		212,527.3		(1,129.6)		1,261.9
1/4 Year Ended 3/2013	212,527.3		202,131.0		(1,047.2)		11,443.5
1/4 Year Ended 12/2012	202,131.0		199,766.3		(1,446.2)		3,810.9
1/4 Year Ended 9/2012	199,766.3		190,468.1		(1,283.9)		10,582.1
1/4 Year Ended 6/2012	190,468.1		196,081.9		(1,011.3)		(4,602.5)
1/4 Year Ended 3/2012	196,081.9		180,738.3		(1,404.0)		16,747.5
1/4 Year Ended 12/2011	180,738.3		171,355.1		(1,398.2)		10,781.4
1/4 Year Ended 9/2011	171,355.1		191,013.6		(1,609.4)		(18,049.0)
1/4 Year Ended 6/2011	191,013.6		190,138.2		(1,909.6)		2,785.0
1/4 Year Ended 3/2011	190,138.2		185,184.9		(1,829.2)		6,782.6

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2015. 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 December 31, 2015

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	5.69%	0.06%	14.81%	12.98%	16.07%
Custom Benchmark**	6.39%	0.30%	14.51%	11.97%	14.71%
Large Cap Equity	5.94%	(1.17%)	14.59%	12.78%	-
Boston Partners	4.79%	(3.75%)	13.98%	12.83%	14.88%
Russell 1000 Value Index	5.64%	(3.83%)	13.08%	11.27%	13.04%
SSgA S&P 500	7.07%	1.46%	15.18%	-	-
S&P 500 Index	7.04%	1.38%	15.13%	12.57%	14.82%
Small Cap Equity	4.75%	5.14%	15.47%	13.82%	-
Atlanta Capital	4.75%	5.14%	15.47%	13.82%	-
Russell 2000 Index	3.59%	(4.41%)	11.65%	9.19%	14.01%
International Equity	3.77%	(4.17%)	2.47%	2.43%	6.45%
Custom International Benchmark***	3.84%	(3.91%)	3.50%	2.70%	7.16%
International Developed Equity	4.81%	(1.17%)	4.35%	-	-
JP Morgan	4.90%	(1.75%)	3.57%	3.98%	8.73%
SSgA EAFE	4.72%	(0.56%)	5.24%	-	-
MSCI EAFE Index	4.71%	(0.81%)	5.01%	3.60%	7.83%
Emerging Equity	(0.20%)	(14.86%)	-	-	-
DFA Emerging Markets	(0.03%)	(14.25%)	-	-	-
MSCI Emerging Mkts Idx	0.73%	(14.60%)	(6.42%)	(4.47%)	7.85%
Domestic Fixed Income	(0.34%)	0.51%	1.90%	4.21%	7.49%
Met West	(0.34%)	0.51%	1.90%	4.21%	7.49%
BC Aggregate Index	(0.57%)	0.55%	1.44%	3.25%	4.09%
Total Plan	3.02%	(0.97%)	7.17%	7.42%	10.77%
Target*	3.32%	(0.69%)	6.83%	6.69%	9.23%

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

** Custom Benchmark = 81% S&P500, 19% Russell 2000

*** Custom International Benchmark = MSCI EAFE until 6/30/2013 when it becomes 78.261% MSCI EAFE, 21.739% MSCI Emerging Markets

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2015. 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 December 31, 2015

	Last 10 Years	Last 15 Years	Last 20 Years	Last 21-3/4 Years
Domestic Equity	8.15%	5.93%	8.24%	-
Custom Benchmark**	7.26%	5.49%	8.23%	9.29%
Russell 1000 Value Index	6.16%	5.86%	8.52%	9.51%
S&P 500 Index	7.31%	5.00%	8.19%	9.35%
Russell 2000 Index	6.80%	7.28%	8.03%	8.64%
International Equity	2.67%	4.71%	9.31%	-
MSCI EAFE Index	3.03%	3.54%	4.42%	4.77%
Domestic Fixed Income	6.17%	6.02%	6.14%	-
Met West	6.17%	-	-	-
BC Aggregate Index	4.51%	4.97%	5.34%	5.71%
Total Plan	6.56%	5.92%	7.80%	8.86%
Target*	5.56%	5.19%	6.74%	7.39%

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

** Custom Benchmark = 81% S&P500, 19% Russell 2000

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.

	2015	2014	2013	2012	2011
Domestic Equity	0.06%	10.85%	36.44%	19.19%	2.08%
Custom Benchmark**	0.30%	12.05%	33.61%	16.08%	0.97%
Large Cap Equity	(1.17%)	12.81%	34.96%	21.29%	(0.03%)
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%
SSgA S&P 500	1.46%	13.77%	32.39%	-	-
S&P 500 Index	1.38%	13.69%	32.39%	16.00%	2.11%
Small Cap Equity	5.14%	3.49%	41.51%	11.96%	10.81%
Atlanta Capital	5.14%	3.49%	41.51%	11.96%	10.81%
Russell 2000 Index	(4.41%)	4.89%	38.82%	16.35%	(4.18%)
International Equity	(4.17%)	(3.72%)	16.62%	17.28%	(10.64%)
International Developed Equity	(1.17%)	(4.41%)	20.27%	-	-
JP Morgan	(1.75%)	(4.28%)	18.12%	21.23%	(9.73%)
SSgA EAFE	(0.56%)	(4.55%)	22.80%	-	-
MSCI EAFE Index	(0.81%)	(4.90%)	22.78%	17.32%	(12.14%)
Emerging Equity	(14.86%)	(0.91%)	-	-	-
DFA Emerging Markets	(14.86%)	(0.91%)	-	-	-
MSCI Emerging Mkts Idx	(14.60%)	(1.82%)	(2.27%)	18.63%	(18.17%)
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%
BC Aggregate Index	0.55%	5.97%	(2.02%)	4.21%	7.84%
Total Plan	(0.97%)	5.61%	17.70%	14.80%	1.22%
Target*	(0.69%)	5.84%	16.00%	11.68%	1.52%

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.
Returns are for annualized calendar years.

** Custom Benchmark = 81% S&P500, 19% Russell 2000

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.

	2010	2009	2008	2007	2006
Domestic Equity	0.06%	32.93%	(36.27%)	6.46%	13.68%
Custom Benchmark**	0.30%	26.65%	(36.35%)	4.14%	16.39%
Boston Partners	(3.75%)	27.06%	(32.69%)	4.02%	19.46%
Russell 1000 Value Index	(3.83%)	19.69%	(36.85%)	(0.17%)	22.25%
S&P 500 Index	1.38%	26.47%	(37.00%)	5.49%	15.79%
Russell 2000 Index	(4.41%)	27.17%	(33.79%)	(1.57%)	18.37%
International Equity	(4.17%)	28.99%	(39.41%)	7.68%	28.72%
MSCI EAFE Index	(0.81%)	31.78%	(43.38%)	11.17%	26.34%
Domestic Fixed Income	0.51%	19.88%	(3.11%)	7.50%	5.43%
Met West	0.51%	19.88%	(3.11%)	7.50%	5.43%
BC Aggregate Index	0.55%	5.93%	5.24%	6.97%	4.33%
Total Plan	(0.97%)	26.91%	(23.45%)	7.29%	12.35%
Target*	(0.69%)	20.02%	(23.33%)	6.92%	12.98%

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.
Returns are for annualized calendar years.

** Custom Benchmark = 81% S&P500, 19% Russell 2000

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended December 31, 2015. 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 December 31, 2015				
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Net of Fee Returns					
Large Cap Equity					
Boston Partners	4.65%	(4.28%)	13.36%	12.21%	14.24%
Russell 1000 Value Index	5.64%	(3.83%)	13.08%	11.27%	13.04%
SSgA S&P 500	7.06%	1.41%	15.13%	-	-
S&P 500 Index	7.04%	1.38%	15.13%	12.57%	14.82%
Small Cap Equity					
Atlanta Capital	4.54%	4.29%	14.57%	12.96%	-
Russell 2000 Index	3.59%	(4.41%)	11.65%	9.19%	14.01%
International Developed Equity					
JP Morgan	4.72%	(1.95%)	3.02%	3.36%	8.10%
SSgA EAFE	4.69%	(0.67%)	5.13%	-	-
MSCI EAFE Index	4.71%	(0.81%)	5.01%	3.60%	7.83%
Emerging Equity					
DFA Emerging Markets	(0.20%)	(14.86%)	-	-	-
MSCI Emerging Mkts Idx	0.73%	(14.60%)	(6.42%)	(4.47%)	7.85%
Domestic Fixed Income					
Met West	(0.41%)	0.24%	1.62%	3.92%	7.19%
BC Aggregate Index	(0.57%)	0.55%	1.44%	3.25%	4.09%
Total Plan					
Target*	3.32%	(0.69%)	6.83%	6.69%	9.23%

* Current Quarter Target = 35.0% Barclays Aggregate Index, 32.0% S&P 500 Index, 19.0% MSCI EAFE Index, 8.0% Russell 2000 Index and 6.0% MSCI Emerging Mkts Idx.

** Custom International Benchmark = MSCI EAFE until 6/30/2013 when it becomes 78.261% MSCI EAFE, 21.739% MSCI Emerging Markets

Domestic Equity

Period Ended December 31, 2015

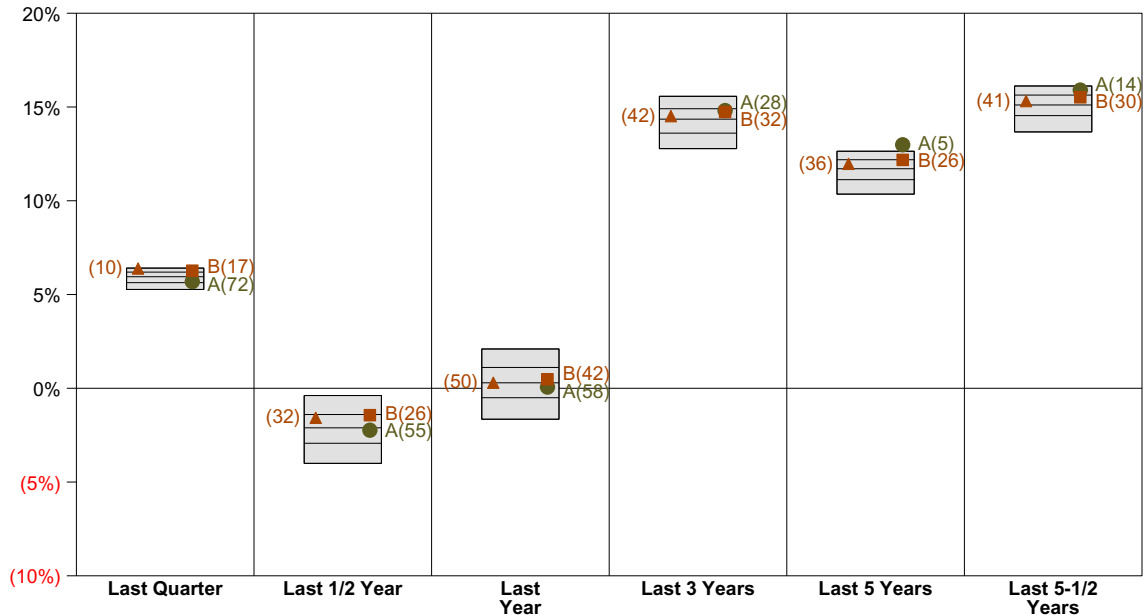
Investment Philosophy

The Custom Benchmark consists of 81.0% S&P 500 index and 19.0% Russell 2000 Index.

Quarterly Summary and Highlights

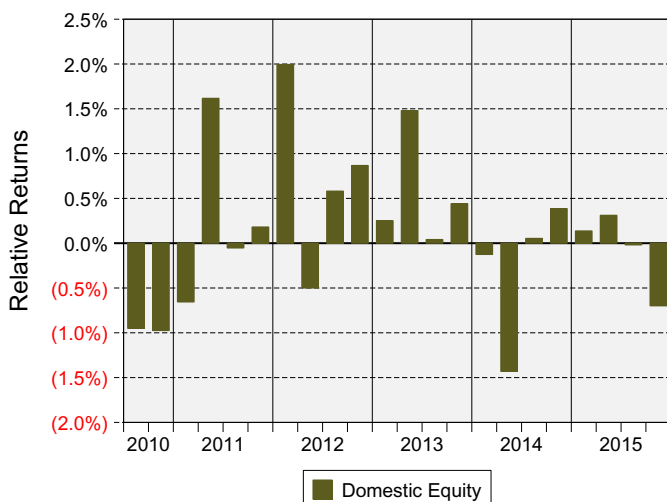
- Domestic Equity's portfolio posted a 5.69% return for the quarter placing it in the 72 percentile of the Fund Spnsr-Domestic Equity group for the quarter and in the 58 percentile for the last year.
- Domestic Equity's portfolio underperformed the Custom Benchmark by 0.70% for the quarter and underperformed the Custom Benchmark for the year by 0.24%.

Performance vs Fund Spnsr- Domestic Equity (Gross)

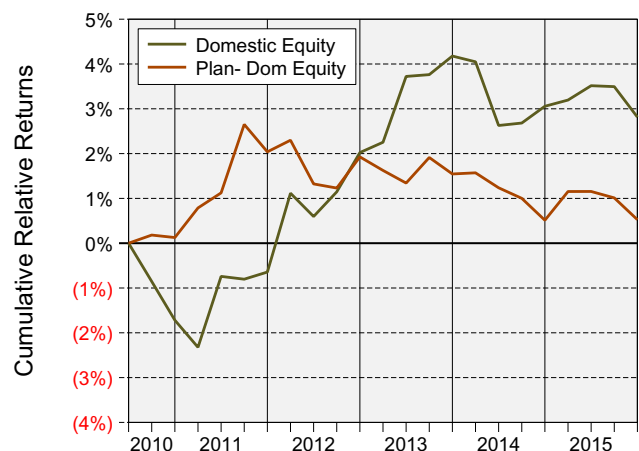


10th Percentile	6.41	(0.39)	2.10	15.57	12.64	16.12	
25th Percentile	6.20	(1.40)	1.11	14.91	12.19	15.64	
Median	5.95	(2.11)	0.29	14.35	11.71	15.11	
75th Percentile	5.63	(2.93)	(0.50)	13.61	11.12	14.54	
90th Percentile	5.27	(4.00)	(1.65)	12.78	10.35	13.67	
Domestic Equity	● A	5.69	(2.24)	0.06	14.81	12.98	15.90
Russell 3000 Index	■ B	6.27	(1.43)	0.48	14.74	12.18	15.52
Custom Benchmark	▲	6.39	(1.57)	0.30	14.51	11.97	15.32

Relative Return vs Custom Benchmark



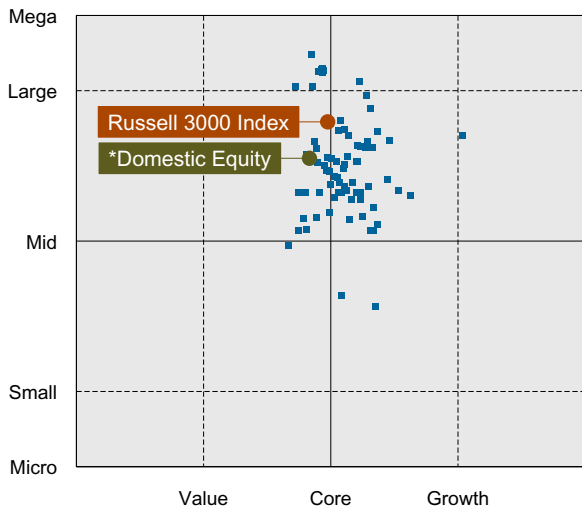
Cumulative Returns vs Custom Benchmark



Current Holdings Based Style Analysis Domestic Equity As of December 31, 2015

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.

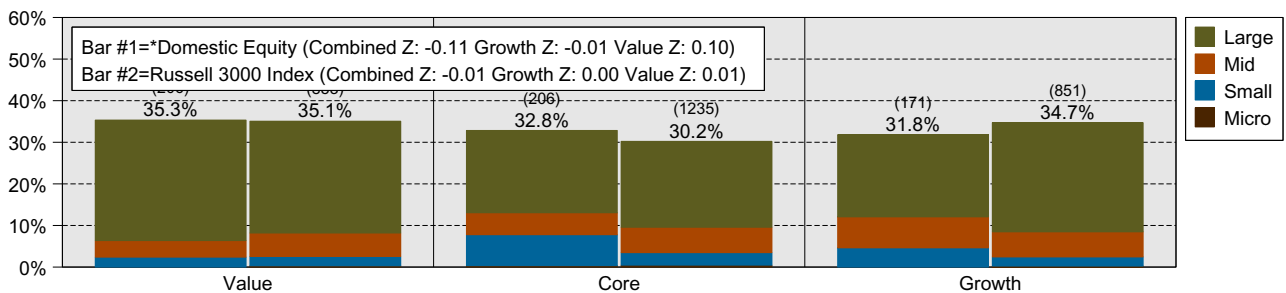
Style Map vs Plan- Dom Equity Holdings as of December 31, 2015



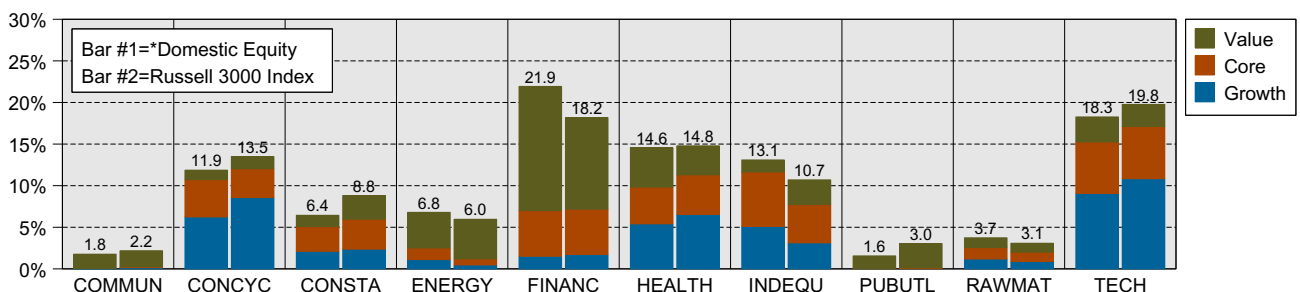
Style Exposure Matrix Holdings as of December 31, 2015

	Value	Core	Growth	Total
Large	29.0% (94)	19.8% (96)	19.8% (92)	68.5% (282)
	26.9% (94)	20.6% (95)	26.2% (104)	73.8% (293)
Mid	4.0% (93)	5.3% (79)	7.4% (64)	16.7% (236)
	5.6% (178)	6.1% (209)	6.0% (201)	17.8% (588)
Small	2.4% (19)	7.4% (29)	4.6% (14)	14.4% (62)
	2.2% (326)	3.0% (489)	2.2% (361)	7.5% (1176)
Micro	0.0% (0)	0.4% (2)	0.0% (1)	0.4% (3)
	0.3% (255)	0.5% (442)	0.2% (185)	1.0% (882)
Total	35.3% (206)	32.8% (206)	31.8% (171)	100.0% (583)
	35.1% (853)	30.2% (1235)	34.7% (851)	100.0% (2939)

Combined Z-Score Style Distribution Holdings as of December 31, 2015



Sector Weights Distribution Holdings as of December 31, 2015



* 12/31/15 portfolio characteristics generated using most recently available holdings (9/30/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

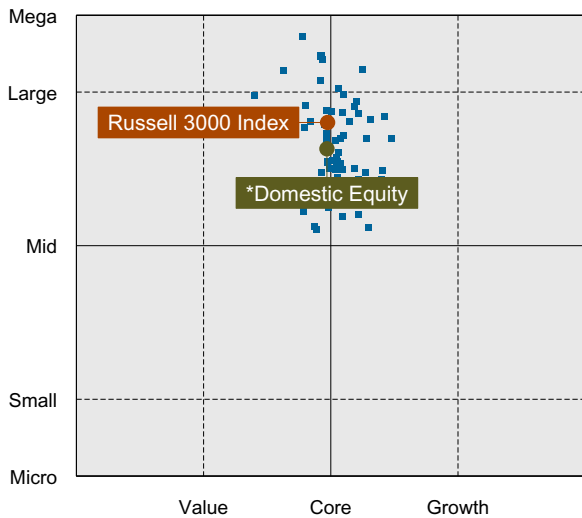
Historical Holdings Based Style Analysis

Domestic Equity

For Five and 1/2 Years Ended December 31, 2015

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.

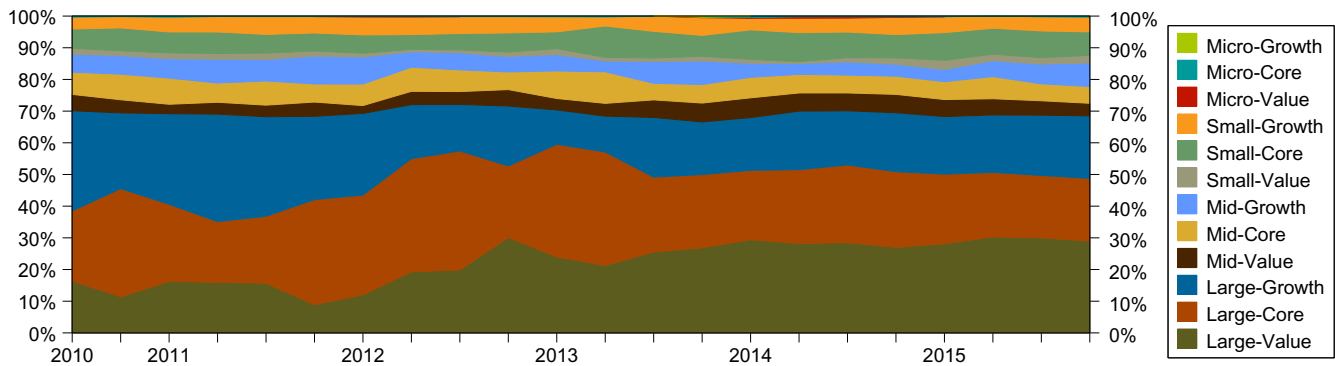
Average Style Map vs Plan- Dom Equity Holdings for Five and 1/2 Years Ended December 31, 2015



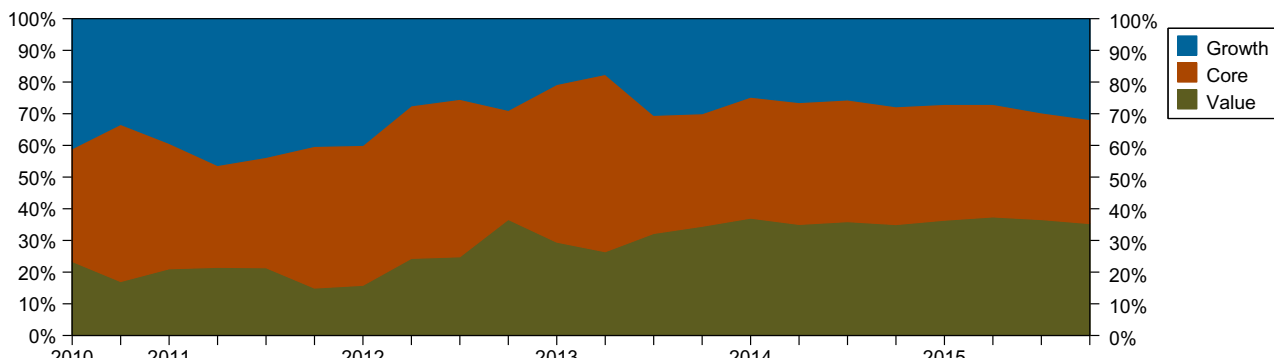
Average Style Exposure Matrix Holdings for Five and 1/2 Years Ended December 31, 2015

	Value	Core	Growth	Total
Large	22.4% (67)	26.1% (84)	20.7% (77)	69.3% (228)
	23.6% (86)	25.7% (107)	23.8% (105)	73.1% (298)
Mid	4.6% (65)	6.6% (66)	5.7% (47)	17.0% (178)
	5.4% (175)	6.2% (212)	6.5% (210)	18.1% (597)
Small	1.6% (9)	7.1% (26)	4.7% (16)	13.4% (51)
	2.3% (345)	3.0% (461)	2.4% (387)	7.7% (1193)
Micro	0.1% (0)	0.2% (1)	0.0% (0)	0.3% (1)
	0.4% (307)	0.4% (350)	0.3% (211)	1.1% (868)
Total	28.8% (141)	40.1% (177)	31.1% (140)	100.0% (458)
	31.7% (913)	35.3% (1130)	33.0% (913)	100.0% (2956)

***Domestic Equity Historical Cap/Style Exposures**



***Domestic Equity Historical Style Only Exposures**



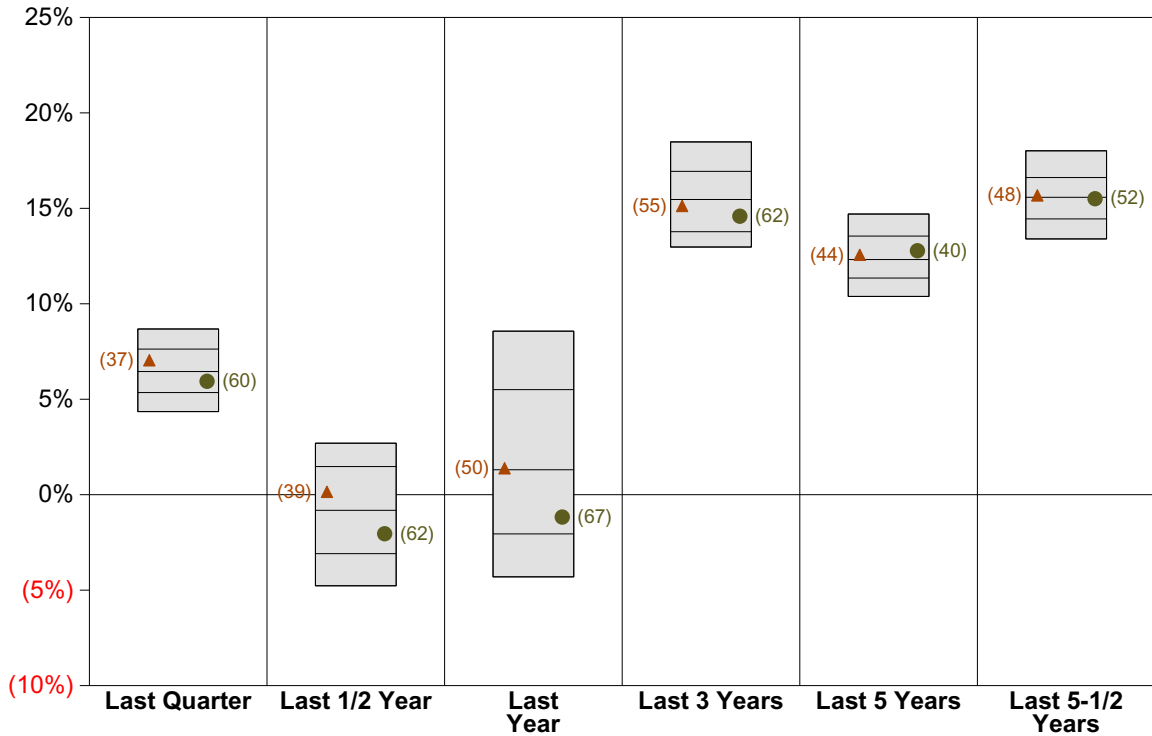
* 12/31/15 portfolio characteristics generated using most recently available holdings (9/30/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Large Cap Period Ended December 31, 2015

Quarterly Summary and Highlights

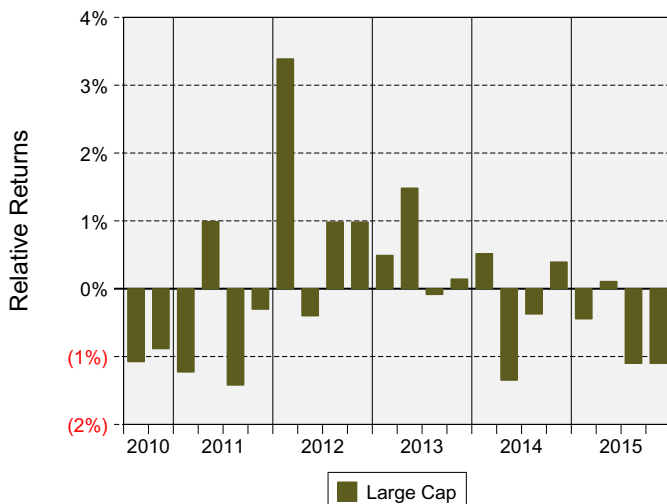
- Large Cap's portfolio posted a 5.94% return for the quarter placing it in the 60 percentile of the CAI Large Capitalization Style group for the quarter and in the 67 percentile for the last year.
- Large Cap's portfolio underperformed the S&P 500 Index by 1.10% for the quarter and underperformed the S&P 500 Index for the year by 2.55%.

Performance vs CAI Large Capitalization Style (Gross)

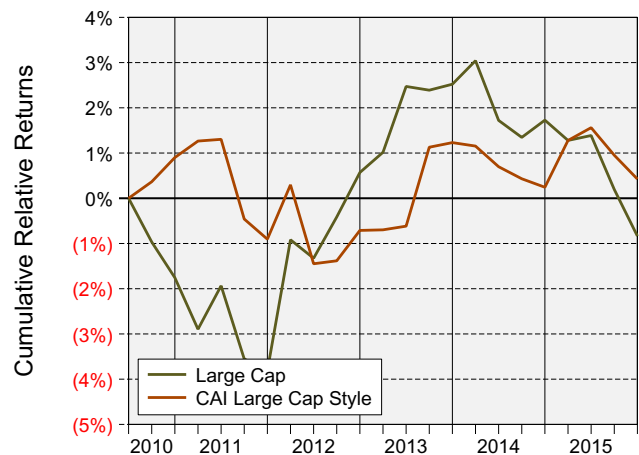


10th Percentile	8.68	2.70	8.57	18.48	14.70	18.01
25th Percentile	7.63	1.47	5.50	16.94	13.55	16.61
Median	6.45	(0.82)	1.31	15.46	12.32	15.58
75th Percentile	5.35	(3.09)	(2.05)	13.78	11.35	14.45
90th Percentile	4.35	(4.77)	(4.30)	12.97	10.39	13.40
Large Cap ●	5.94	(2.05)	(1.17)	14.59	12.78	15.50
S&P 500 Index ▲	7.04	0.15	1.38	15.13	12.57	15.68

Relative Return vs S&P 500 Index



Cumulative Returns vs S&P 500 Index



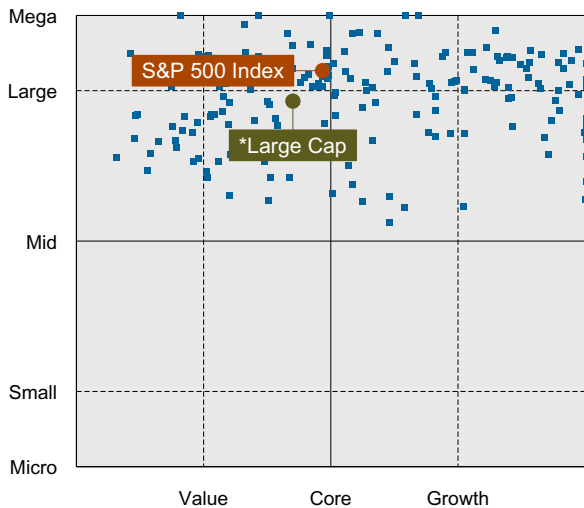
Current Holdings Based Style Analysis

Large Cap

As of December 31, 2015

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.

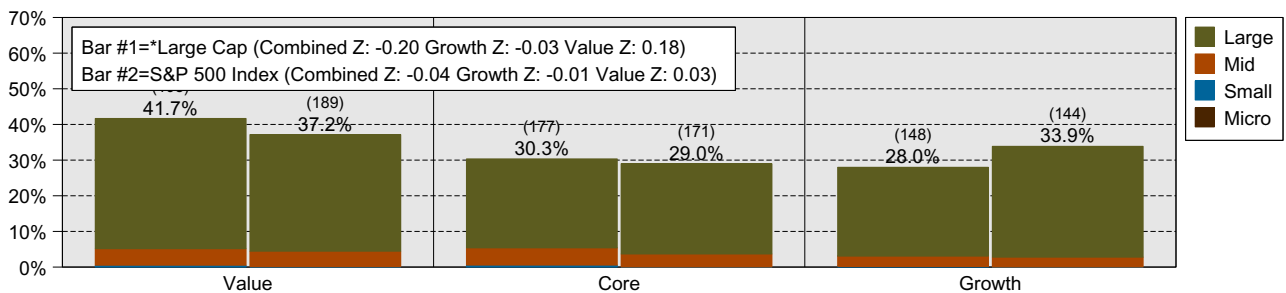
Style Map vs CAI Large Cap Style Holdings as of December 31, 2015



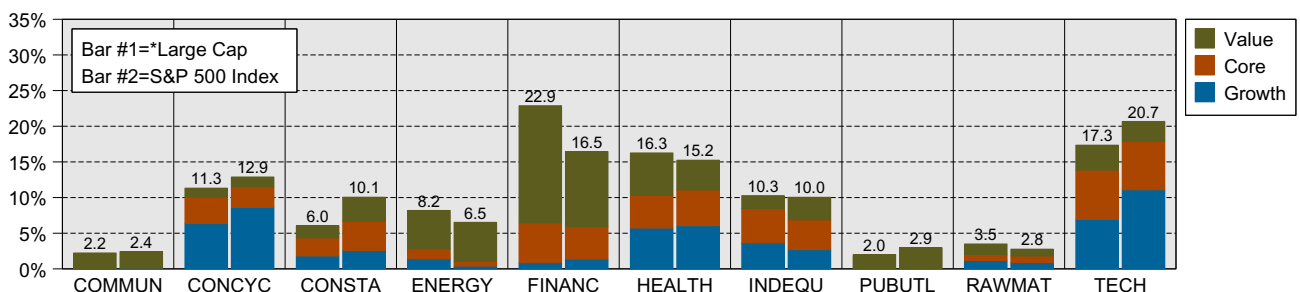
Style Exposure Matrix Holdings as of December 31, 2015

	Value	Core	Growth	Total
Large	36.5% (94)	24.9% (96)	24.9% (92)	86.4% (282)
	32.7% (93)	25.3% (95)	31.1% (93)	89.1% (281)
Mid	4.6% (92)	4.8% (76)	2.8% (53)	12.3% (221)
	4.4% (88)	3.7% (74)	2.8% (50)	10.8% (212)
Small	0.5% (12)	0.6% (5)	0.2% (2)	1.3% (19)
	0.1% (8)	0.0% (2)	0.0% (1)	0.1% (11)
Micro	0.0% (0)	0.0% (0)	0.0% (1)	0.0% (1)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	41.7% (198)	30.3% (177)	28.0% (148)	100.0% (523)
	37.2% (189)	29.0% (171)	33.9% (144)	100.0% (504)

Combined Z-Score Style Distribution Holdings as of December 31, 2015



Sector Weights Distribution Holdings as of December 31, 2015



* 12/31/15 portfolio characteristics generated using most recently available holdings (9/30/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

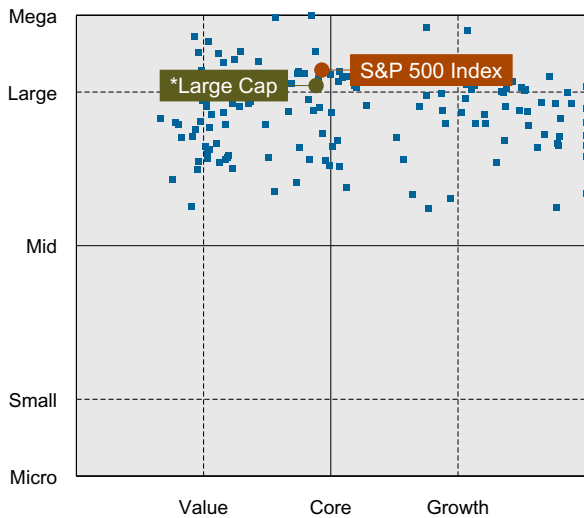
Historical Holdings Based Style Analysis

Large Cap

For Five and 1/2 Years Ended December 31, 2015

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.

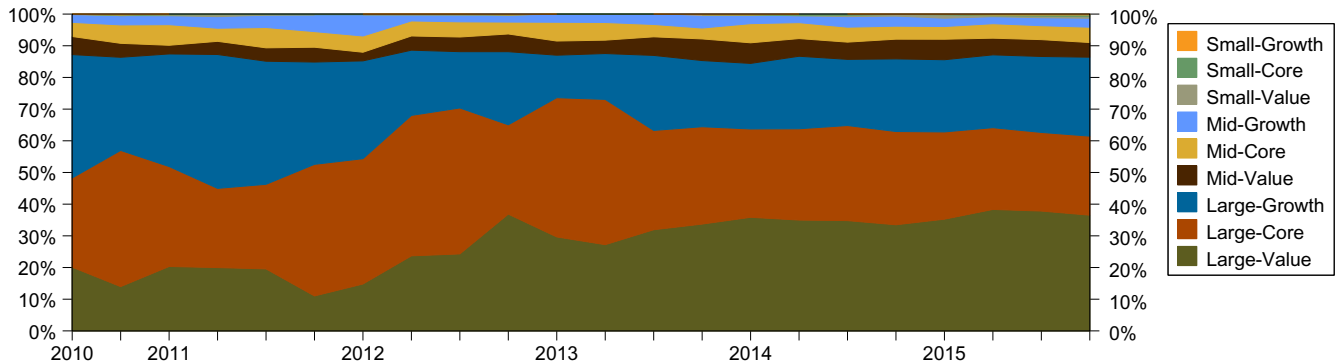
Average Style Map vs CAI Large Cap Style
Holdings for Five and 1/2 Years Ended December 31, 2015



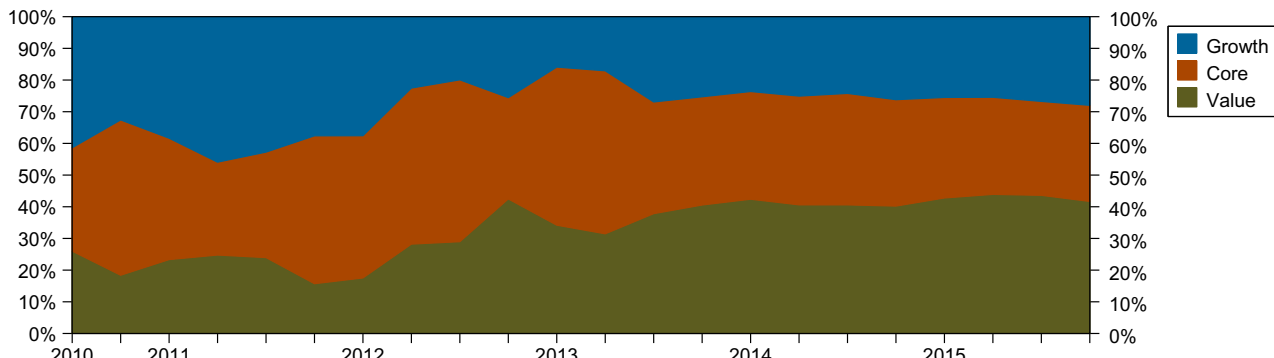
Average Style Exposure Matrix
Holdings for Five and 1/2 Years Ended December 31, 2015

	Value	Core	Growth	Total
Large	27.9% (66)	33.0% (85)	25.6% (76)	86.5% (227)
	29.1% (84)	31.5% (104)	28.4% (94)	89.0% (282)
Mid	5.0% (63)	4.9% (59)	3.1% (40)	13.0% (162)
	3.9% (81)	3.8% (76)	3.1% (54)	10.8% (211)
Small	0.2% (4)	0.2% (2)	0.1% (1)	0.5% (7)
	0.1% (4)	0.0% (2)	0.0% (1)	0.1% (7)
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	33.1% (133)	38.0% (146)	28.8% (117)	100.0% (396)
	33.1% (169)	35.3% (182)	31.6% (149)	100.0% (500)

***Large Cap Historical Cap/Style Exposures**



***Large Cap Historical Style Only Exposures**



* 12/31/15 portfolio characteristics generated using most recently available holdings (9/30/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

SSgA S&P 500

Period Ended December 31, 2015

Investment Philosophy

State Street 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.

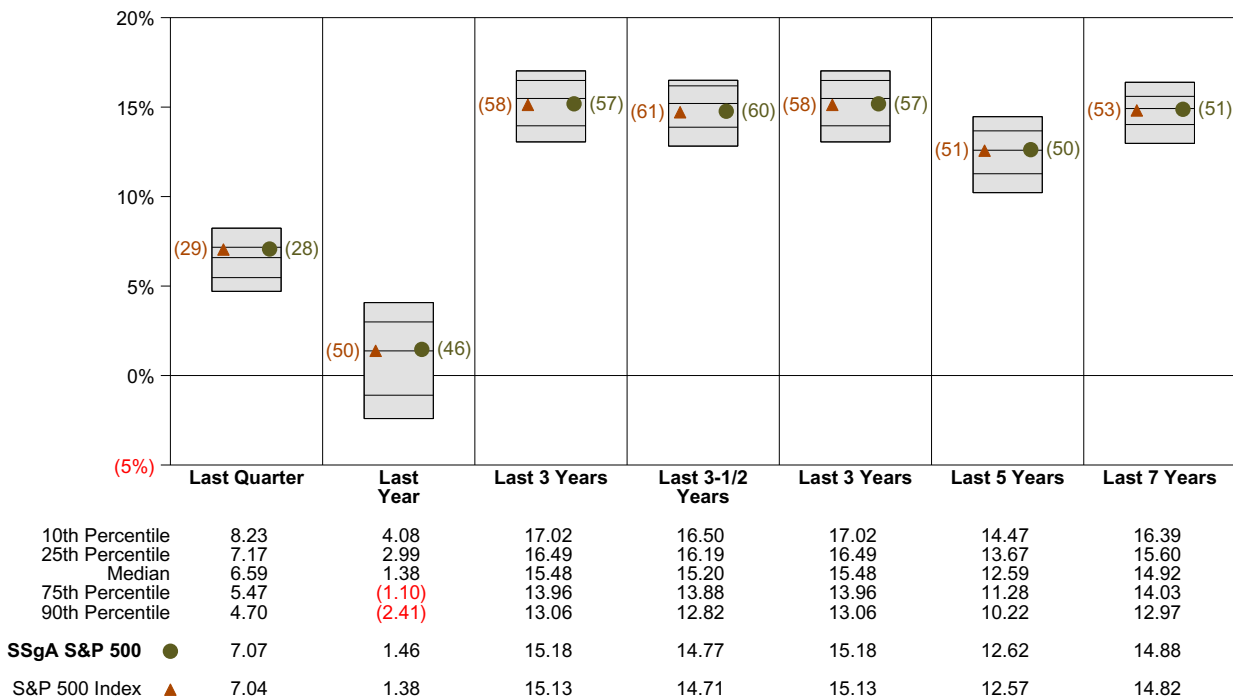
Quarterly Summary and Highlights

- SSgA S&P 500's portfolio posted a 7.07% return for the quarter placing it in the 28 percentile of the CAI Large Cap Core Style group for the quarter and in the 46 percentile for the last year.
- SSgA S&P 500's portfolio outperformed the S&P 500 Index by 0.03% for the quarter and outperformed the S&P 500 Index for the year by 0.08%.

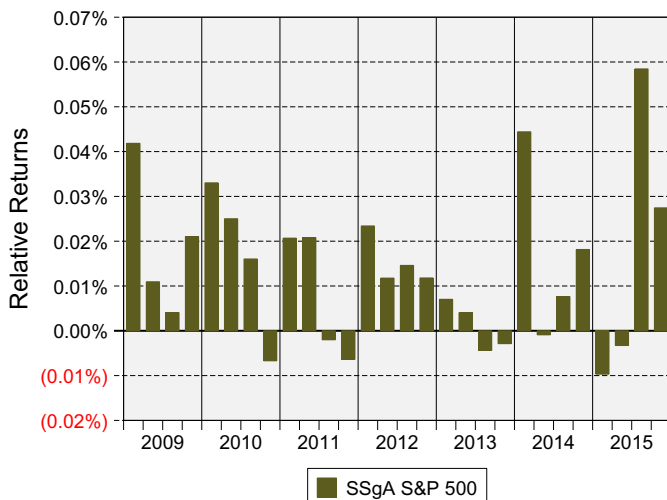
Quarterly Asset Growth

Beginning Market Value	\$37,177,602
Net New Investment	\$-715,685
Investment Gains/(Losses)	\$2,639,205
Ending Market Value	\$39,101,122

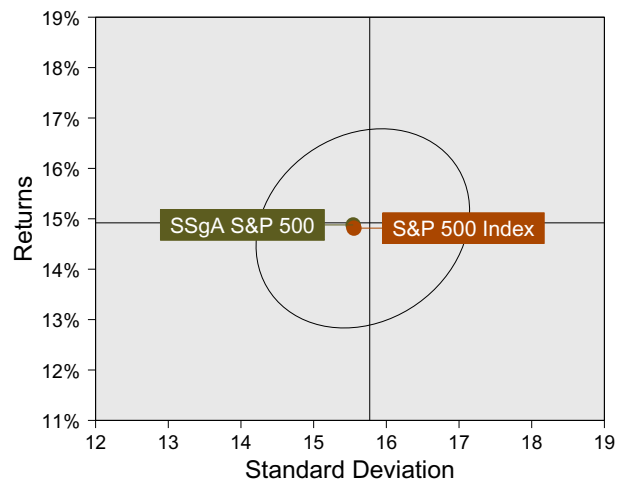
Performance vs CAI Large Cap Core Style (Gross)



Relative Return vs S&P 500 Index



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

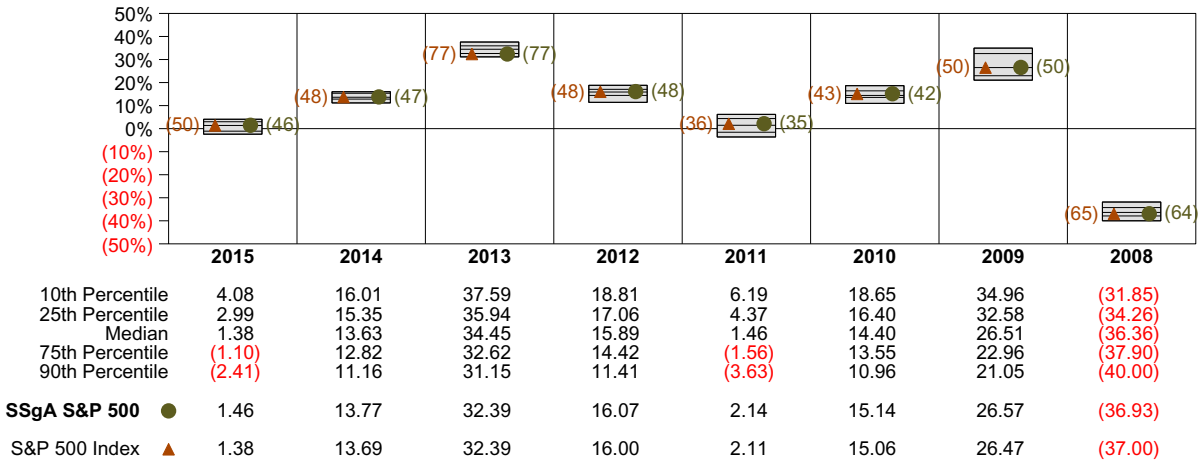


SSgA S&P 500 Return Analysis Summary

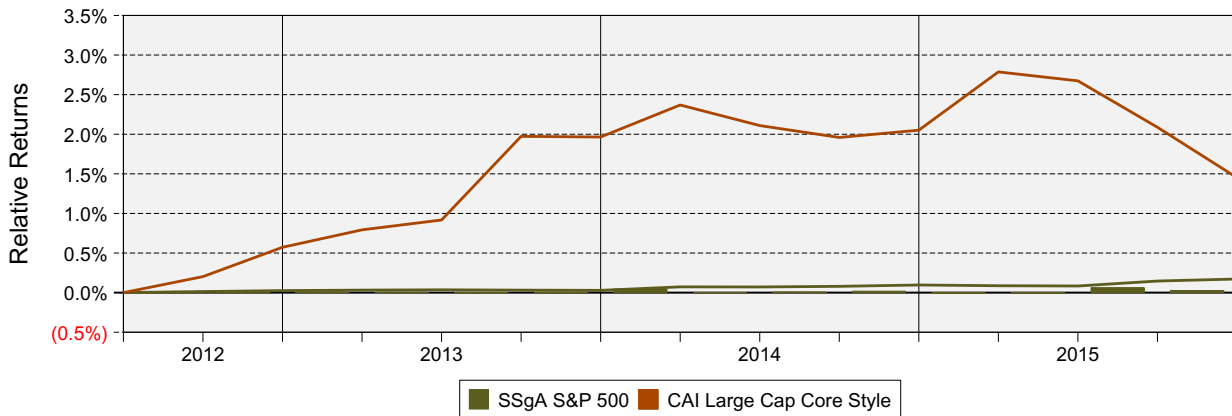
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

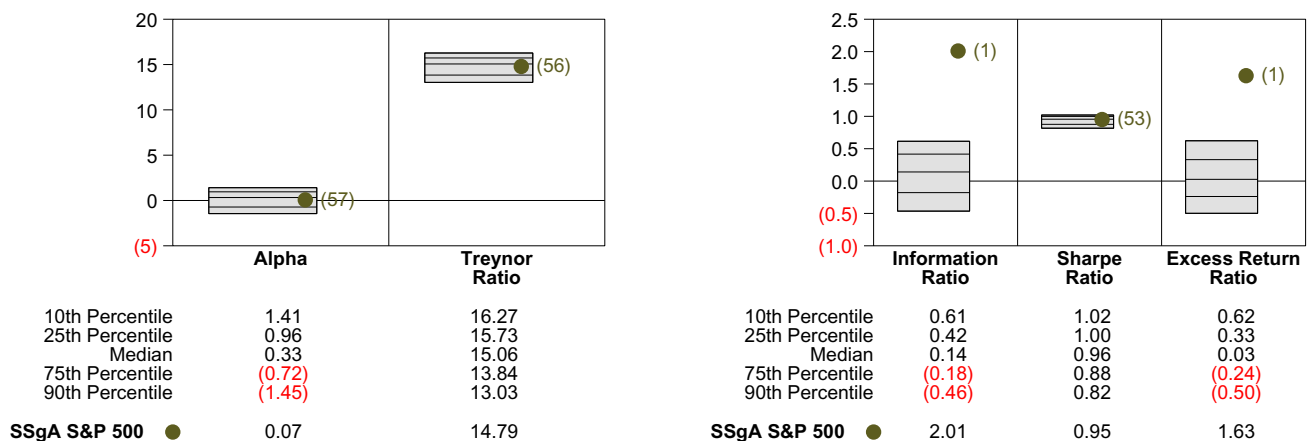
Performance vs CAI Large Cap Core Style (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI Large Cap Core Style (Gross) Seven Years Ended December 31, 2015

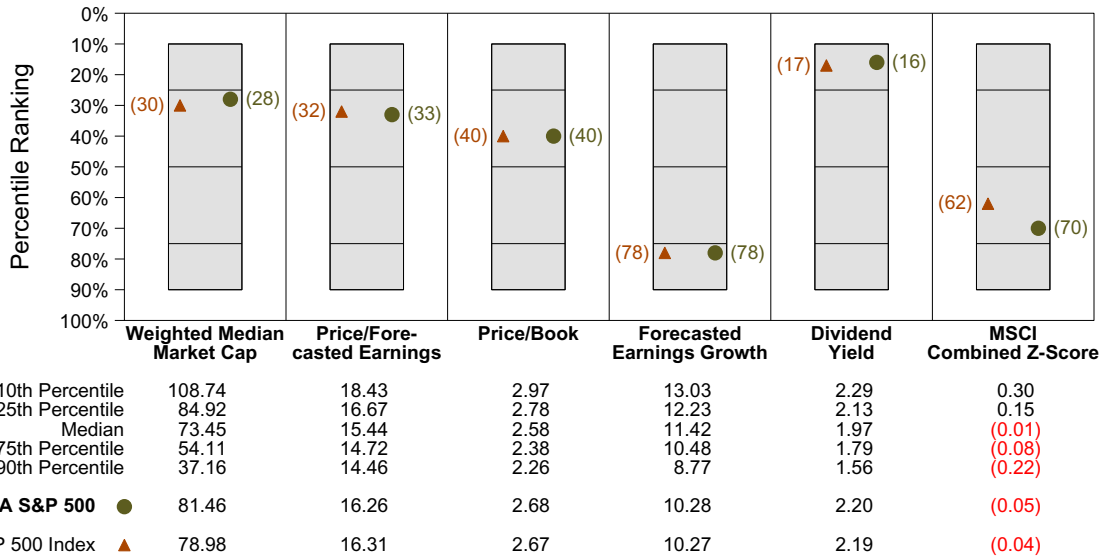


SSgA S&P 500 Equity Characteristics Analysis Summary

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.

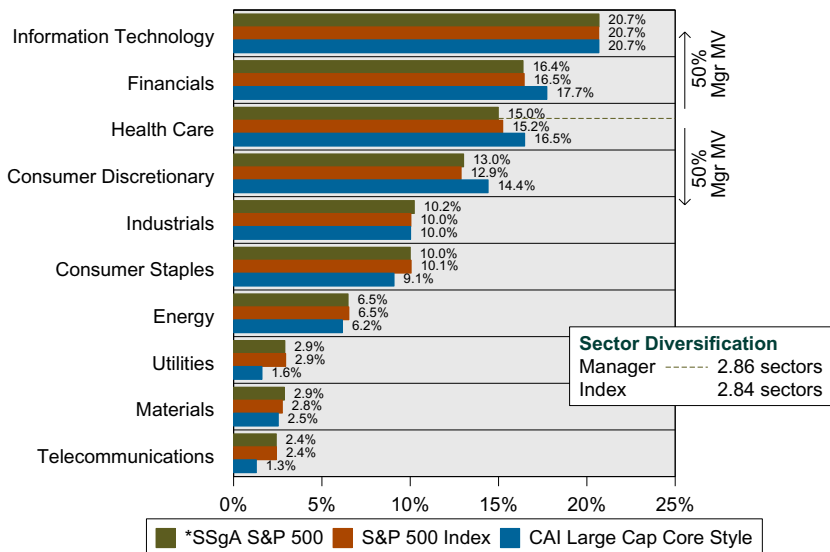
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Core Style as of December 31, 2015



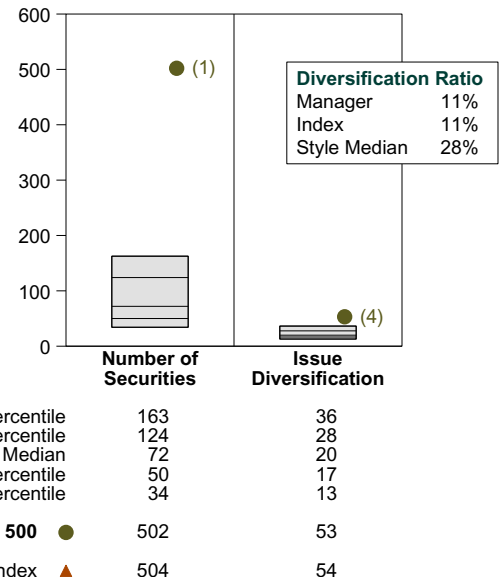
Sector Weights

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 December 31, 2015



Diversification December 31, 2015



*12/31/15 portfolio characteristics generated using most recently available holdings (9/30/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

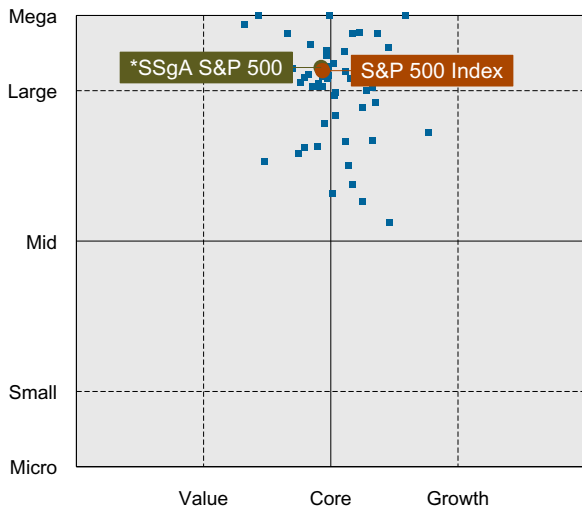
Current Holdings Based Style Analysis

SSgA S&P 500

As of December 31, 2015

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.

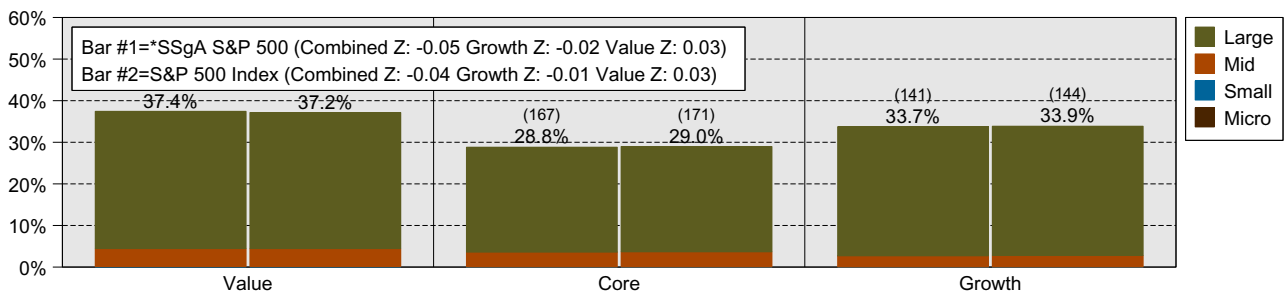
Style Map vs CAI Large Cap Core Style Holdings as of December 31, 2015



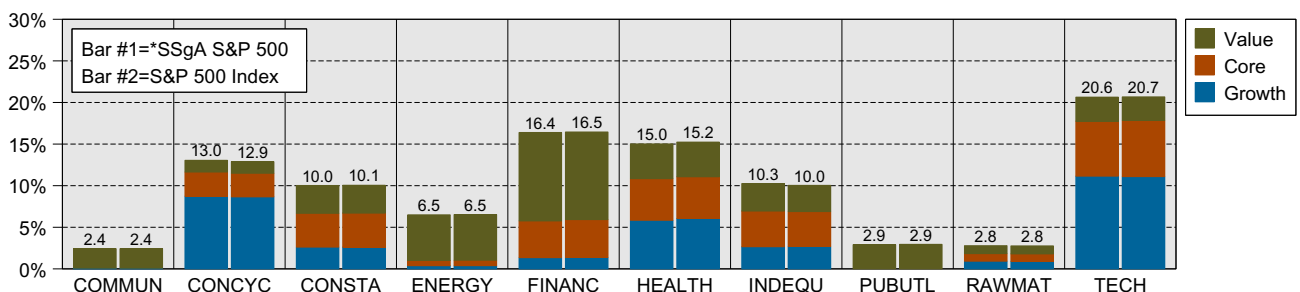
Style Exposure Matrix Holdings as of December 31, 2015

	Value	Core	Growth	Total
Large	33.0% (93)	25.2% (93)	31.0% (91)	89.2% (277)
Mid	32.7% (93)	25.3% (95)	31.1% (93)	89.1% (281)
Small	4.3% (89)	3.6% (72)	2.7% (49)	10.6% (210)
Micro	4.4% (88)	3.7% (74)	2.8% (50)	10.8% (212)
Total	0.1% (9)	0.0% (2)	0.0% (1)	0.1% (12)
	0.1% (8)	0.0% (2)	0.0% (1)	0.1% (11)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	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	37.4% (191)	28.8% (167)	33.7% (141)	100.0% (499)
	37.2% (189)	29.0% (171)	33.9% (144)	100.0% (504)

Combined Z-Score Style Distribution Holdings as of December 31, 2015



Sector Weights Distribution Holdings as of December 31, 2015



* 12/31/15 portfolio characteristics generated using most recently available holdings (9/30/15) modified based on a "buy-and-hold" assumption (repriced and adjusted for corporate actions). Analysis is then done using current market and company financial data.

Boston Partners Period Ended December 31, 2015

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.

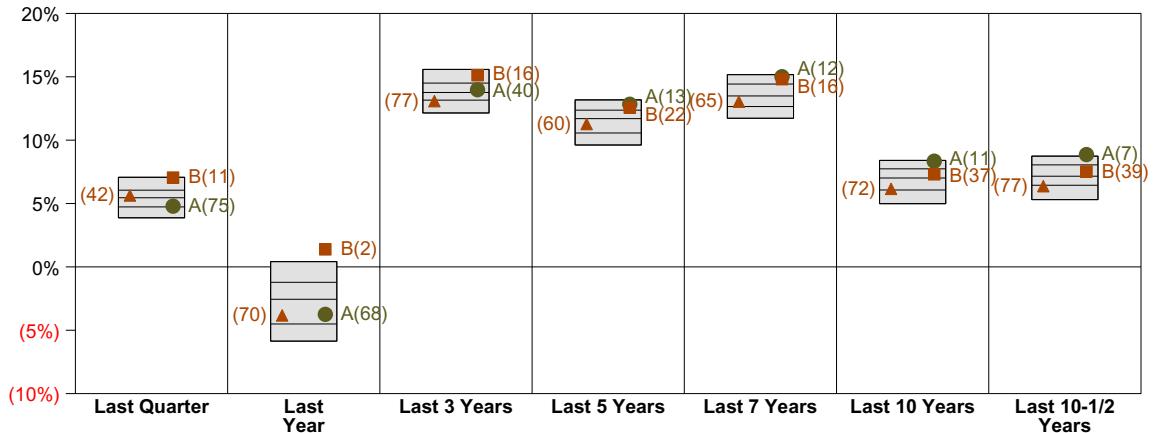
Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 4.79% return for the quarter placing it in the 75 percentile of the CAI Large Cap Value Style group for the quarter and in the 68 percentile for the last year.
- Boston Partners's portfolio underperformed the Russell 1000 Value Index by 0.84% for the quarter and outperformed the Russell 1000 Value Index for the year by 0.08%.

Quarterly Asset Growth

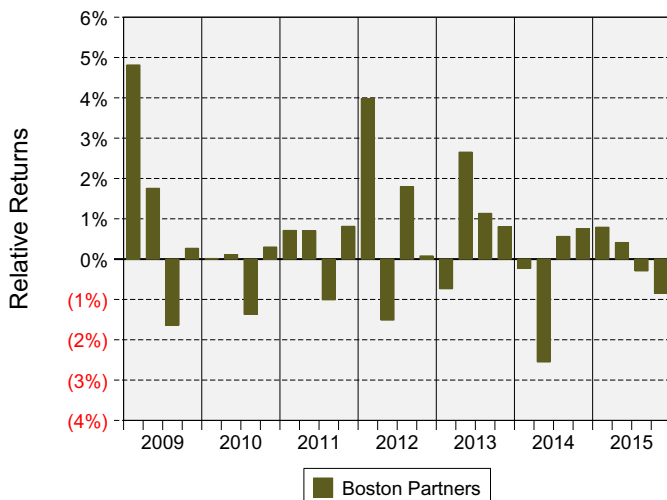
Beginning Market Value	\$36,690,530
Net New Investment	\$1
Investment Gains/(Losses)	\$1,758,055
Ending Market Value	\$38,448,586

Performance vs CAI Large Cap Value Style (Gross)

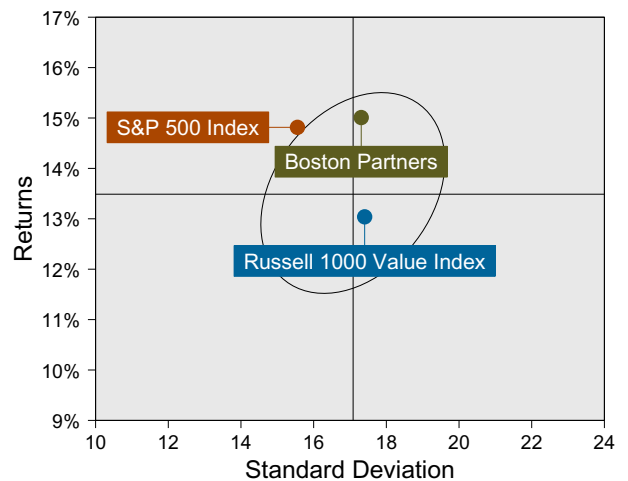


Percentile	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 10-1/2 Years
10th Percentile	7.07	0.41	15.58	13.18	15.17	8.40	8.74
25th Percentile	6.05	(1.22)	14.50	12.37	14.43	7.74	8.05
Median	5.45	(2.56)	13.76	11.70	13.49	7.01	7.16
75th Percentile	4.73	(4.51)	13.16	10.57	12.65	6.07	6.44
90th Percentile	3.87	(5.86)	12.14	9.62	11.73	4.99	5.31
Boston Partners (A)	4.79	(3.75)	13.98	12.83	15.01	8.34	8.86
S&P 500 Index (B)	7.04	1.38	15.13	12.57	14.82	7.31	7.52
Russell 1000 Value Index (▲)	5.64	(3.83)	13.08	11.27	13.04	6.16	6.37

Relative Return vs Russell 1000 Value Index



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

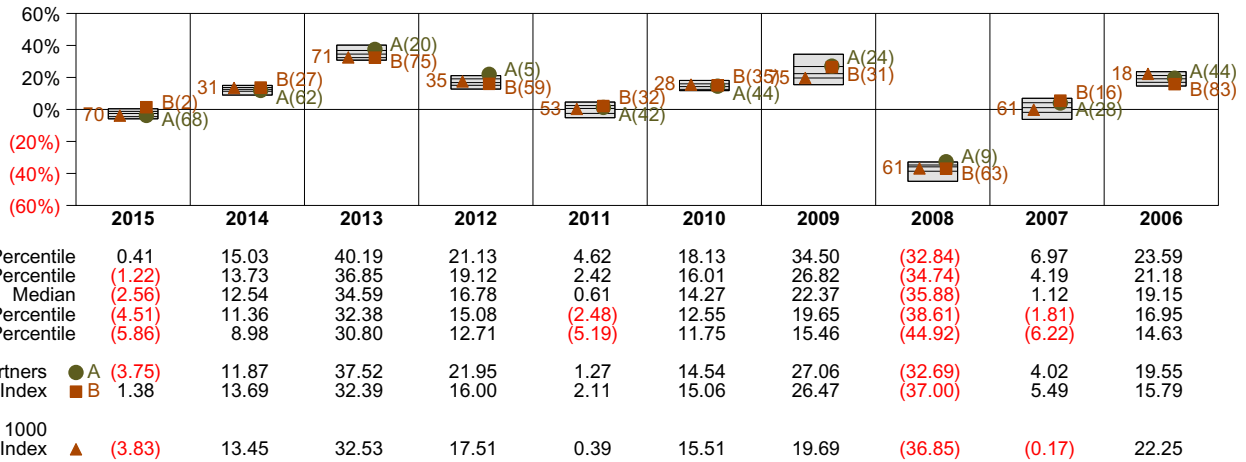


Boston Partners Return Analysis Summary

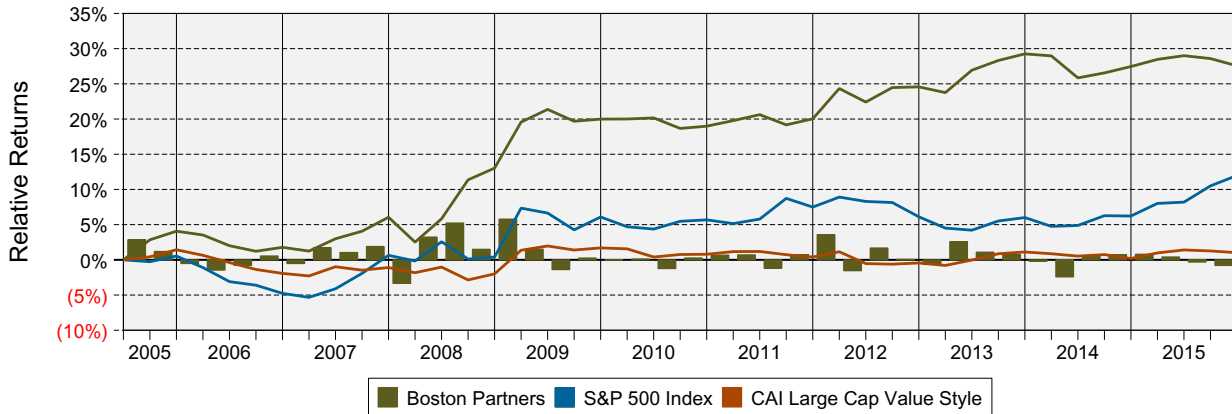
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

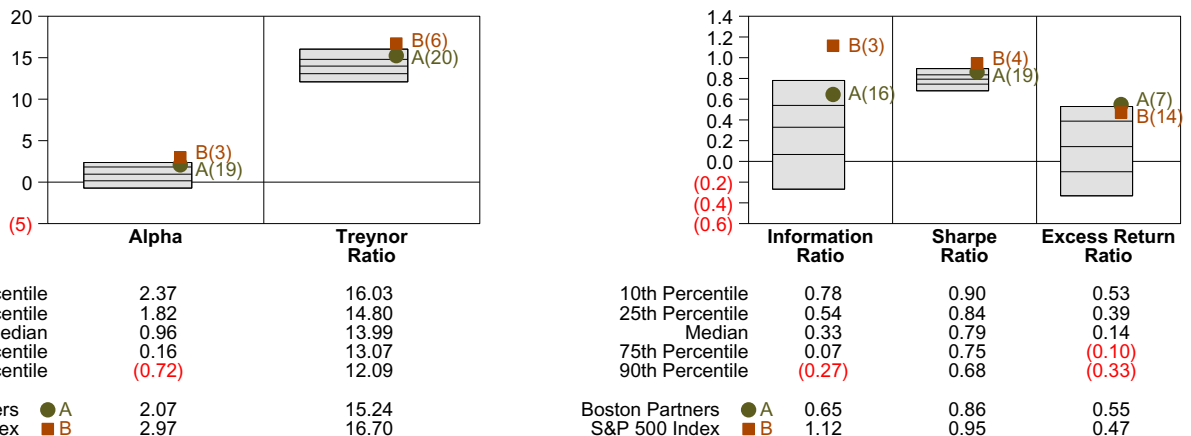
Performance vs CAI Large Cap Value Style (Gross)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI Large Cap Value Style (Gross) Seven Years Ended December 31, 2015

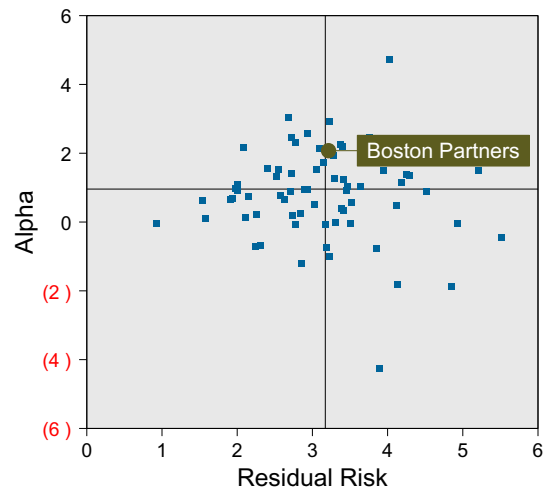
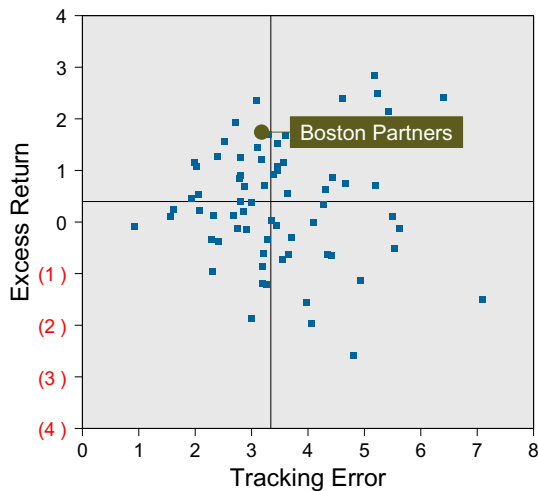


Boston Partners Risk Analysis Summary

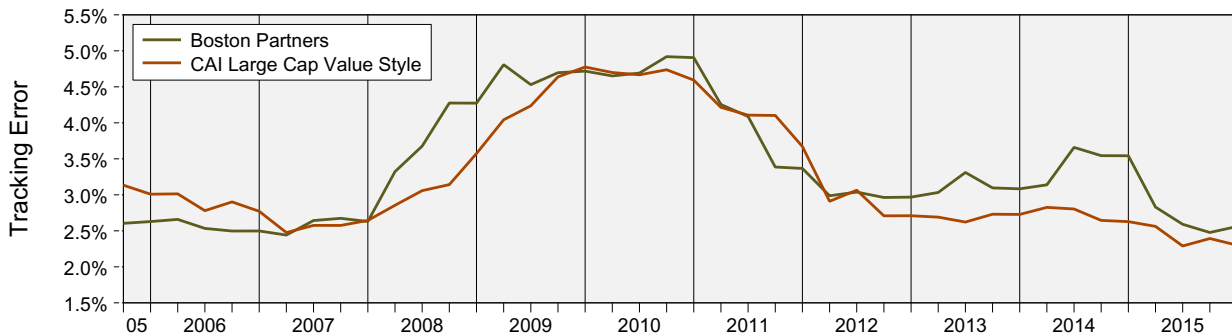
Risk Analysis

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 scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third 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.

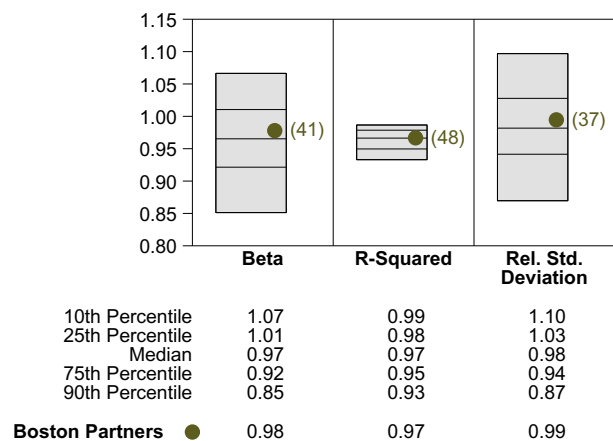
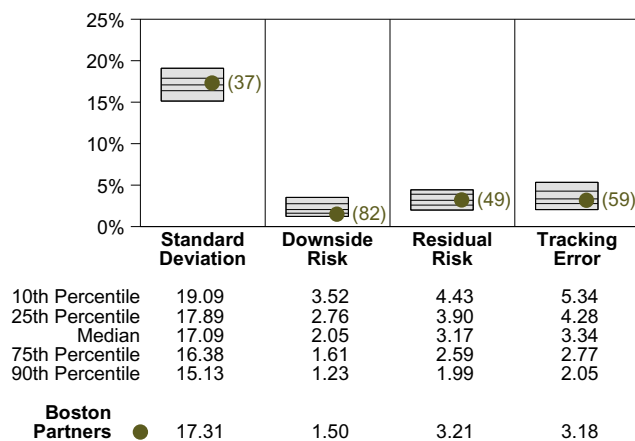
Risk Analysis vs CAI Large Cap Value Style (Gross) Seven Years Ended December 31, 2015



Rolling 12 Quarter Tracking Error vs Russell 1000 Value Index



Risk Statistics Rankings vs Russell 1000 Value Index Rankings Against CAI Large Cap Value Style (Gross) Seven Years Ended December 31, 2015

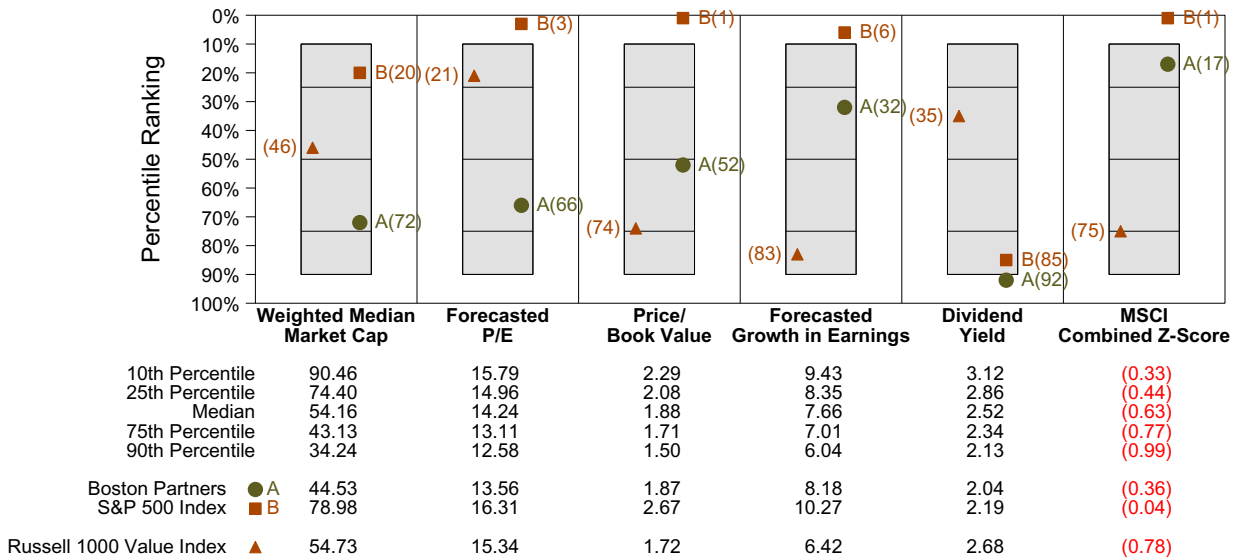


Boston Partners Equity Characteristics Analysis Summary

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.

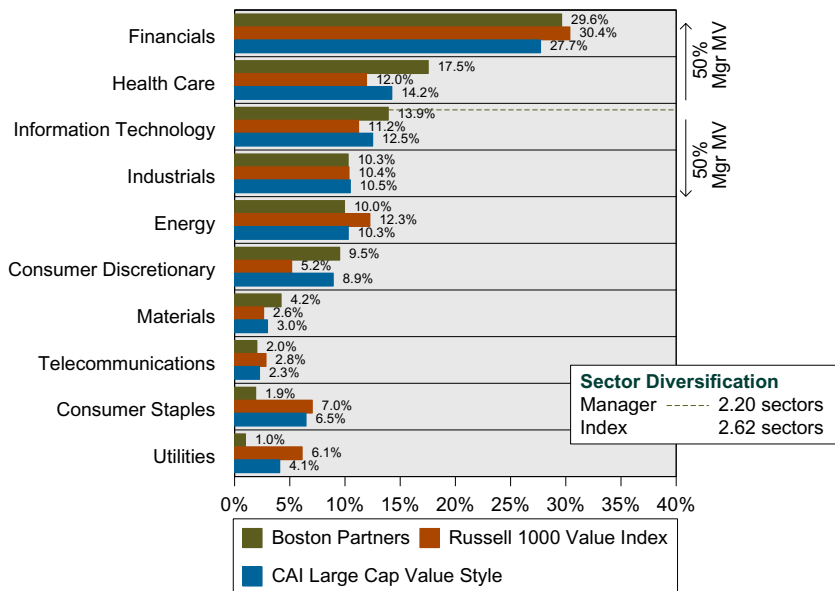
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Value Style as of December 31, 2015



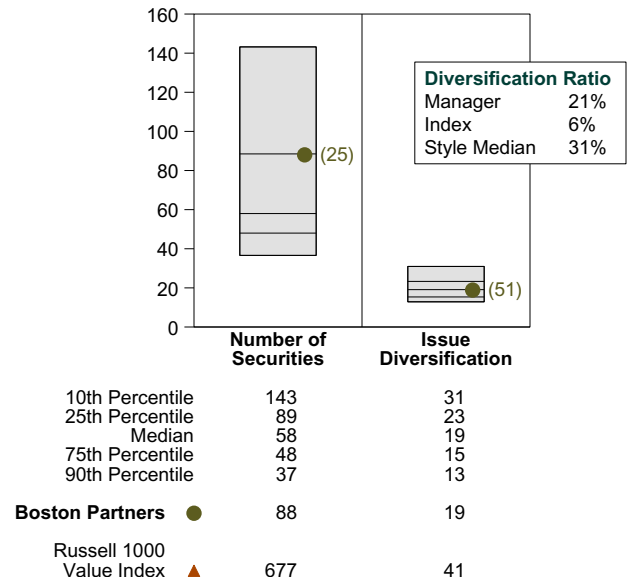
Sector Weights

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 December 31, 2015



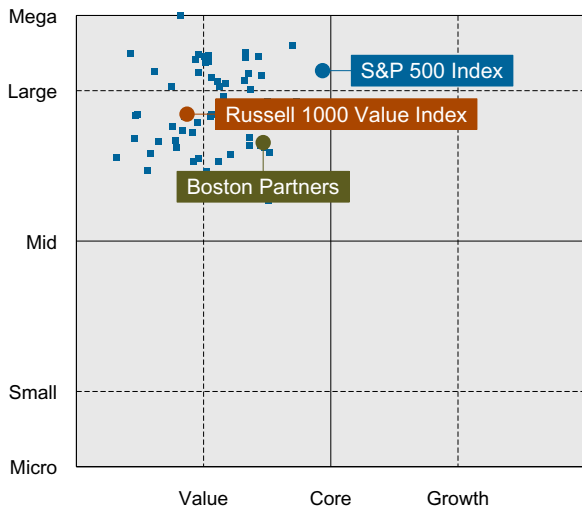
Diversification December 31, 2015



Current Holdings Based Style Analysis Boston Partners As of December 31, 2015

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.

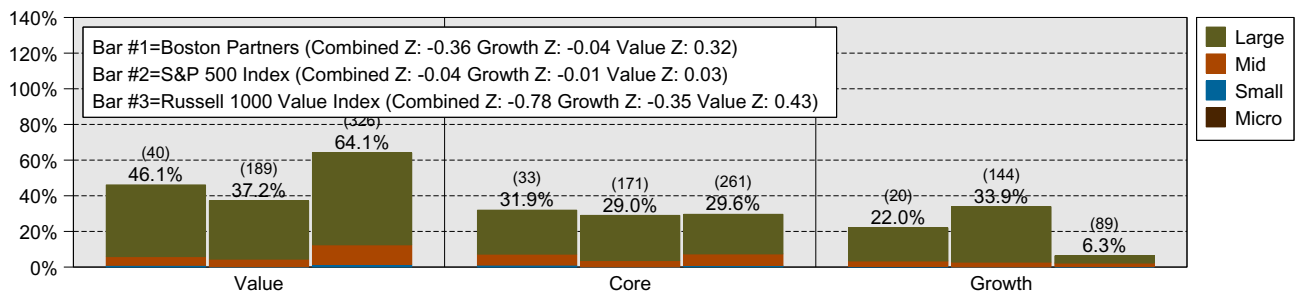
Style Map vs CAI Large Cap Value Style Holdings as of December 31, 2015



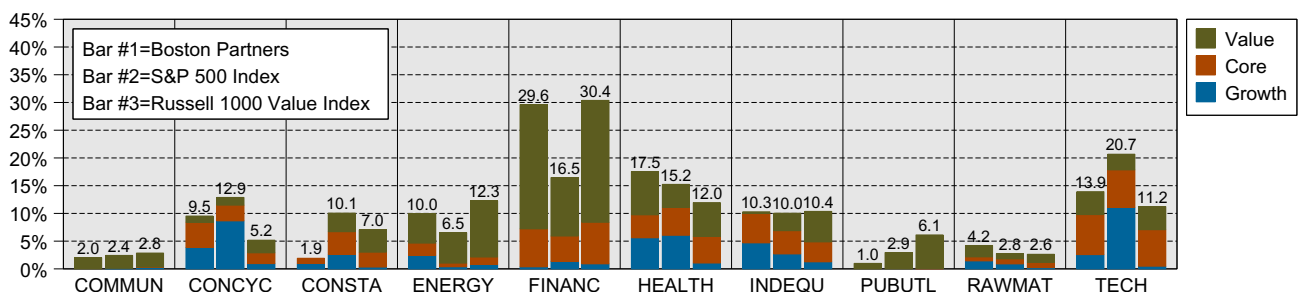
Style Exposure Matrix Holdings as of December 31, 2015

	Value	Core	Growth	Total
Large	40.2% (26)	24.7% (21)	18.5% (13)	83.4% (60)
	32.7% (93)	25.3% (95)	31.1% (93)	89.1% (281)
	51.6% (88)	22.2% (68)	4.0% (27)	77.9% (183)
Mid	4.9% (11)	6.1% (9)	3.0% (5)	14.0% (25)
	4.4% (88)	3.7% (74)	2.8% (50)	10.8% (212)
	10.9% (161)	6.5% (134)	2.0% (49)	19.4% (344)
Small	1.0% (3)	1.1% (3)	0.5% (1)	2.5% (7)
	0.1% (8)	0.0% (2)	0.0% (1)	0.1% (11)
	1.6% (76)	0.9% (57)	0.2% (13)	2.7% (146)
Micro	0.0% (0)	0.0% (0)	0.0% (1)	0.0% (1)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (1)	0.0% (2)	0.0% (0)	0.0% (3)
Total	46.1% (40)	31.9% (33)	22.0% (20)	100.0% (93)
	37.2% (189)	29.0% (171)	33.9% (144)	100.0% (504)
	64.1% (326)	29.6% (261)	6.3% (89)	100.0% (676)

Combined Z-Score Style Distribution Holdings as of December 31, 2015



Sector Weights Distribution Holdings as of December 31, 2015



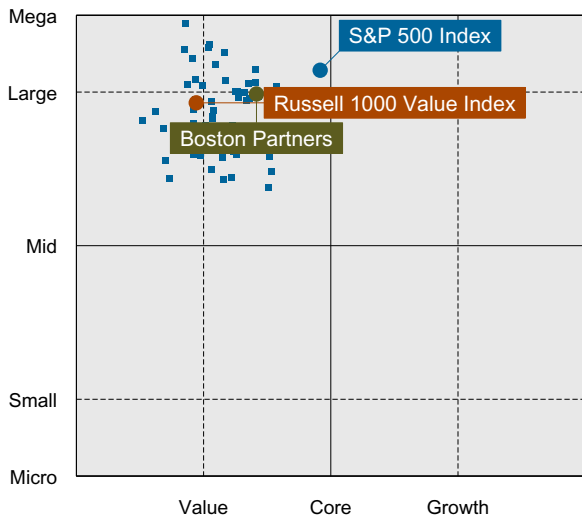
Historical Holdings Based Style Analysis

Boston Partners

For Three Years Ended December 31, 2015

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.

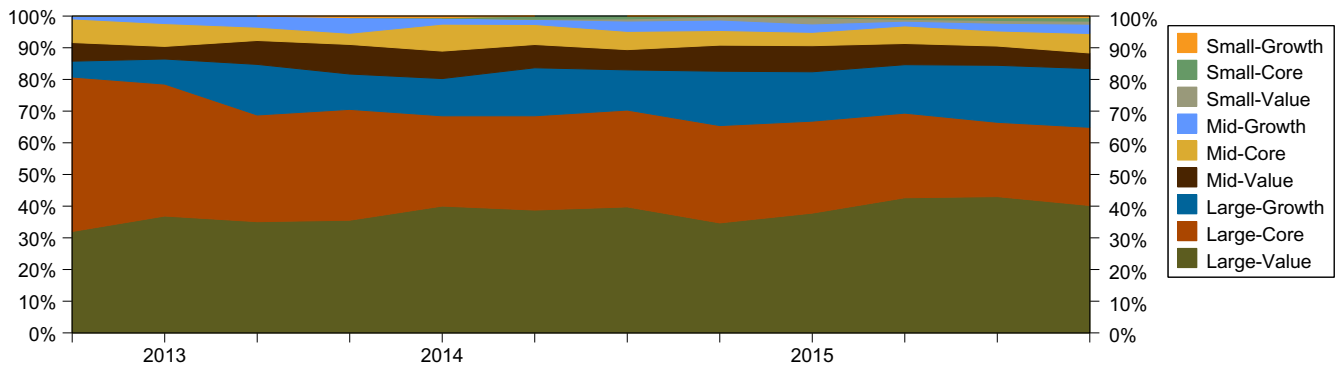
Average Style Map vs CAI Large Cap Value Style Holdings for Three Years Ended December 31, 2015



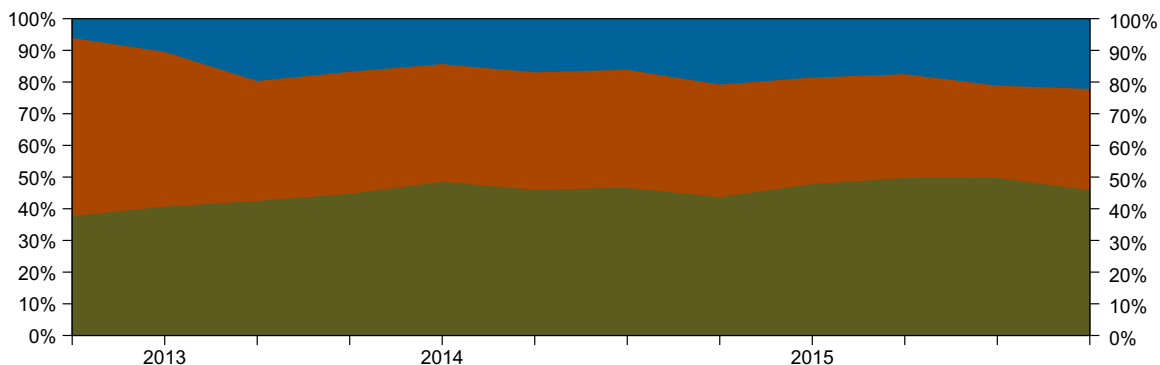
Average Style Exposure Matrix Holdings for Three Years Ended December 31, 2015

	Value	Core	Growth	Total
Large	38.0% (23)	31.9% (25)	13.7% (12)	83.6% (60)
	30.7% (87)	29.7% (100)	28.5% (96)	88.9% (283)
	48.7% (84)	23.7% (75)	5.9% (32)	78.3% (191)
Mid	6.9% (10)	5.7% (9)	2.6% (4)	15.2% (23)
	4.1% (83)	3.9% (78)	3.0% (52)	11.1% (213)
	10.5% (163)	6.4% (141)	2.1% (54)	19.0% (358)
Small	0.5% (2)	0.4% (1)	0.2% (1)	1.2% (4)
	0.1% (3)	0.0% (1)	0.0% (0)	0.1% (4)
	1.5% (63)	1.0% (54)	0.2% (13)	2.6% (130)
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)
	0.0% (1)	0.0% (1)	0.0% (0)	0.0% (2)
Total	45.5% (35)	38.0% (35)	16.5% (17)	100.0% (87)
	34.9% (173)	33.6% (179)	31.5% (148)	100.0% (500)
	60.7% (311)	31.2% (271)	8.1% (99)	100.0% (681)

Boston Partners Historical Cap/Style Exposures



Boston Partners Historical Style Only Exposures

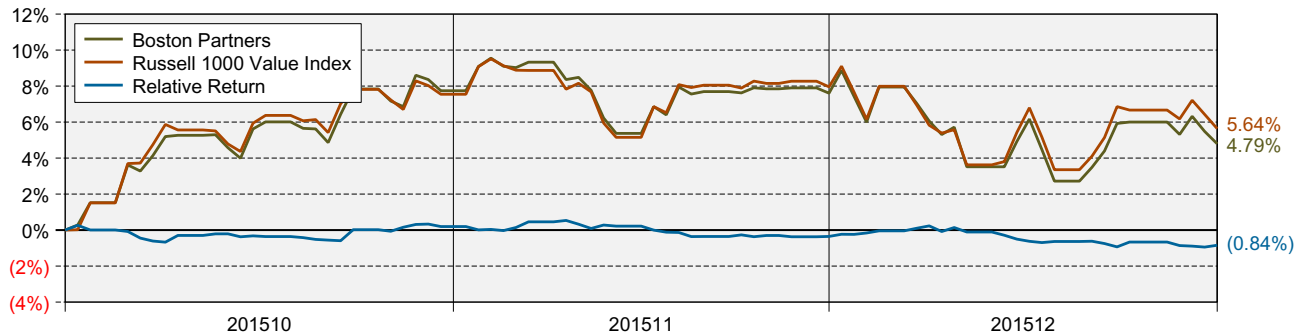


Boston Partners vs Russell 1000 Value Index Domestic Equity Daily Performance Attribution One Quarter Ended December 31, 2015

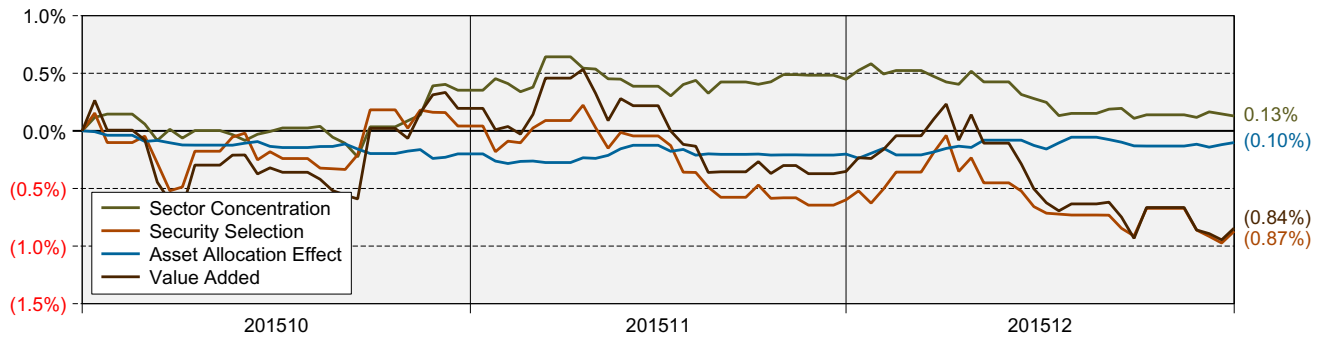
Return Sources and Timing

The charts below illustrate the timing and cumulative paths of the manager's performance, as well as attributing relative performance to three sources: Sector Concentration, Security Selection, and Asset Allocation. The first chart shows the cumulative absolute return paths for the manager and index. The second chart shows the cumulative relative return path of the manager and the attributed sources of that value-added. The bottom table breaks the annualized attribution factors down to the sector level for more insight into sources of return.

Cumulative Manager and Benchmark Returns



Cumulative Attribution Effects vs. Russell 1000 Value Index



Attribution Effects by Sector vs. Russell 1000 Value Index One Quarter Ended December 31, 2015

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Miscellaneous	0.00%	0.00%	(0.06)%	0.00%	(0.00)%	0.00%	-
Consumer Discretionary	9.00%	5.34%	(0.37)%	1.11%	(0.17)%	(0.13)%	-
Consumer Staples	2.36%	6.78%	13.98%	6.04%	(0.05)%	0.16%	-
Energy	11.59%	13.20%	(1.82)%	0.02%	(0.03)%	(0.20)%	-
Financials	29.87%	30.12%	4.91%	5.19%	0.02%	(0.09)%	-
Health Care	17.02%	11.59%	8.22%	7.87%	0.05%	0.07%	-
Industrials	9.77%	10.20%	8.39%	10.73%	(0.04)%	(0.22)%	-
Information Technology	13.68%	11.24%	8.17%	9.54%	0.11%	(0.20)%	-
Materials	3.90%	2.73%	2.24%	8.68%	0.03%	(0.26)%	-
Telecommunications	1.73%	2.76%	7.54%	6.77%	0.00%	0.02%	-
Utilities	1.06%	6.05%	(1.36)%	1.45%	0.21%	(0.03)%	-
Non Equity	2.86%	0.00%	-	-	-	-	(0.10)%
Total	-	-	4.79%	5.64%	0.13%	(0.87)%	(0.10)%

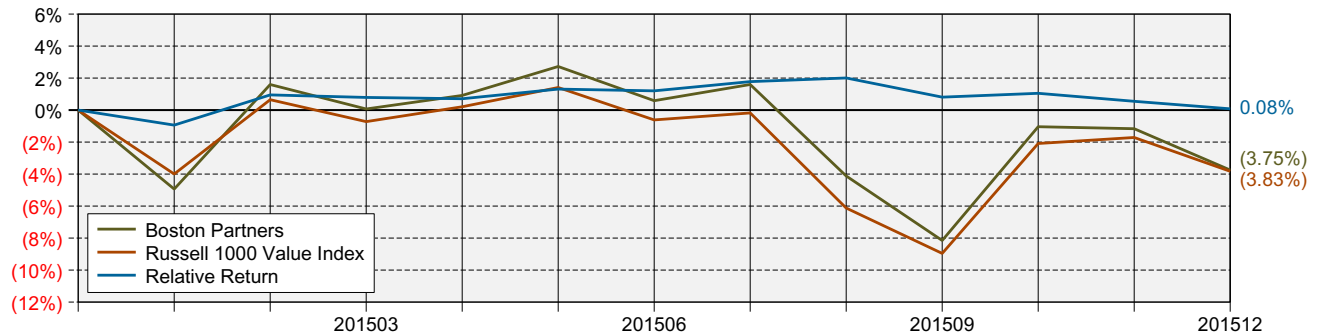
Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
4.79%		5.64%		0.13%		(0.87%)		(0.10%)

Boston Partners vs Russell 1000 Value Index Domestic Equity Daily Performance Attribution One Year Ended December 31, 2015

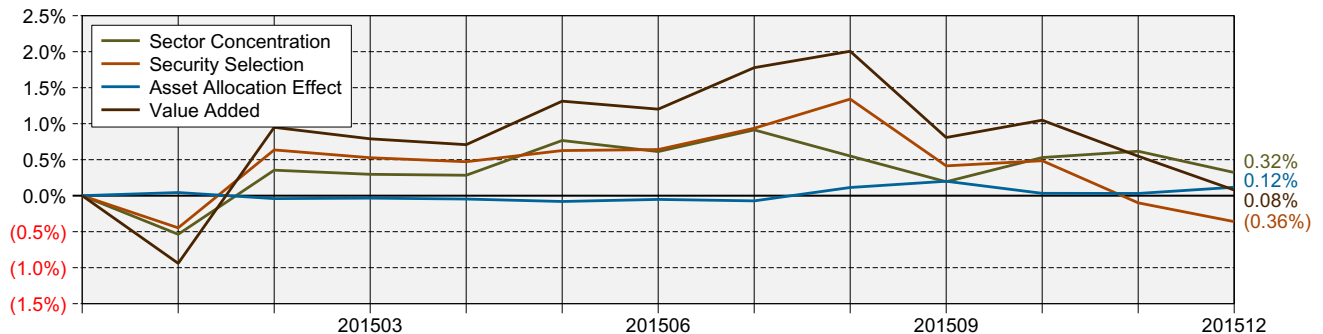
Return Sources and Timing

The charts below illustrate the timing and cumulative paths of the manager's performance, as well as attributing relative performance to three sources: Sector Concentration, Security Selection, and Asset Allocation. The first chart shows the cumulative absolute return paths for the manager and index. The second chart shows the cumulative relative return path of the manager and the attributed sources of that value-added. The bottom table breaks the annualized attribution factors down to the sector level for more insight into sources of return.

Cumulative Manager and Benchmark Returns



Cumulative Attribution Effects vs. Russell 1000 Value Index



Attribution Effects by Sector vs. Russell 1000 Value Index One Year Ended December 31, 2015

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Miscellaneous	0.00%	0.00%	(0.06)%	0.00%	(0.00)%	0.00%	-
Consumer Discretionary	9.31%	6.00%	(11.72)%	(5.95)%	(0.09)%	(0.58)%	-
Consumer Staples	3.46%	6.99%	18.60%	(2.51)%	(0.08)%	0.60%	-
Energy	9.58%	12.25%	(14.79)%	(23.33)%	0.60%	0.87%	-
Financials	28.92%	29.83%	(4.19)%	(0.91)%	(0.02)%	(0.97)%	-
Health Care	18.22%	13.05%	5.38%	7.85%	0.32%	(0.39)%	-
Industrials	8.90%	10.16%	1.02%	0.82%	0.01%	(0.01)%	-
Information Technology	15.54%	10.23%	0.99%	(5.07)%	(0.38)%	1.03%	-
Materials	3.67%	2.95%	(25.03)%	(11.31)%	(0.07)%	(0.61)%	-
Telecommunications	1.32%	2.42%	3.64%	4.33%	(0.06)%	(0.00)%	-
Utilities	1.08%	6.12%	(27.89)%	(5.42)%	0.10%	(0.29)%	-
Non Equity	2.08%	0.00%	-	-	-	-	0.12%
Total	-	-	(3.75)%	(3.83)%	0.32%	(0.36)%	0.12%

Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
(3.75)%		(3.83)%		0.32%		(0.36)%		0.12%

Boston Partners vs Russell 1000 Value Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended December 31, 2015

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
Microsoft Corp	Information Technology	2.92%	92	1.78%	26.20%	26.20%	0.69%	0.21%
JPMorgan Chase & Co	Financials	4.36%	92	2.40%	9.08%	9.08%	0.39%	0.06%
Johnson & Johnson	Health Care	3.06%	92	2.41%	10.79%	10.84%	0.34%	0.03%
Activision Blizzard Inc	Information Technology	1.34%	92	0.18%	25.32%	25.32%	0.31%	0.21%
Tyson Foods Inc Cl A	Consumer Staples	1.29%	92	0.13%	24.03%	24.10%	0.27%	0.14%
Wells Fargo & Co New	Financials	3.91%	92	2.52%	6.57%	6.59%	0.26%	0.01%
Medtronic Plc Shs	Health Care	1.55%	92	1.04%	15.54%	15.47%	0.26%	0.05%
Western Digital Corp	Information Technology	0.75%	92	0.16%	(23.64)%	(23.79)%	(0.23)%	(0.23)%
Raytheon	Industrials	1.58%	92	0.36%	14.63%	14.67%	0.23%	0.10%
Chubb Limited	Financials	1.63%	92	0.37%	13.64%	13.64%	0.22%	0.10%

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
General Electric Co	Industrials	-	-	2.76%	-	24.44%	0.63%	(0.47)%
Microsoft Corp	Information Technology	2.92%	92	1.78%	26.20%	26.20%	0.42%	0.21%
Johnson & Johnson	Health Care	3.06%	92	2.41%	10.79%	10.84%	0.25%	0.03%
Chevron Corp New	Energy	-	-	1.65%	-	15.38%	0.24%	(0.15)%
Procter & Gamble Co	Consumer Staples	-	-	2.04%	-	11.38%	0.23%	(0.11)%
Kinder Morgan Inc Del	Energy	-	-	0.47%	-	(45.09)%	(0.22)%	0.25%
JPMorgan Chase & Co	Financials	4.36%	92	2.40%	9.08%	9.08%	0.21%	0.06%
Intel Corp	Information Technology	-	-	1.47%	-	15.10%	0.21%	(0.13)%
Exxon Mobil Corp	Energy	-	-	3.36%	-	5.78%	0.20%	(0.01)%
Wells Fargo & Co New	Financials	3.91%	92	2.52%	6.57%	6.59%	0.16%	0.01%

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
Kinder Morgan Inc Del	Energy	-	-	0.47%	-	(45.09)%	-	0.25%
Microsoft Corp	Information Technology	2.92%	92	1.78%	26.20%	26.20%	0.69%	0.21%
Activision Blizzard Inc	Information Technology	1.34%	92	0.18%	25.32%	25.32%	0.31%	0.21%
Tyson Foods Inc Cl A	Consumer Staples	1.29%	92	0.13%	24.03%	24.10%	0.27%	0.14%
Delta Air Lines Inc Del	Industrials	1.58%	92	-	12.87%	-	0.20%	0.12%
Harris Corp Del	Information Technology	1.03%	92	0.08%	19.53%	19.53%	0.19%	0.12%
Wal-Mart Stores Inc	Consumer Staples	-	-	0.96%	-	(4.67)%	-	0.12%
Raytheon	Industrials	1.58%	92	0.36%	14.63%	14.67%	0.23%	0.10%
Chubb Limited	Financials	1.63%	92	0.37%	13.64%	13.64%	0.22%	0.10%
Qualcomm Inc	Information Technology	-	-	0.75%	-	(6.05)%	-	0.09%

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
General Electric Co	Industrials	-	-	2.76%	-	24.44%	-	(0.47)%
Western Digital Corp	Information Technology	0.75%	92	0.16%	(23.64)%	(23.79)%	(0.23)%	(0.23)%
Target Corp	Consumer Discretionary	1.76%	92	0.45%	(6.49)%	(6.98)%	(0.12)%	(0.16)%
Chevron Corp New	Energy	-	-	1.65%	-	15.38%	-	(0.15)%
Capital One Finl Corp	Financials	3.15%	92	0.42%	0.03%	0.03%	0.02%	(0.14)%
Eog Resources	Energy	2.21%	92	0.41%	(2.91)%	(2.57)%	(0.11)%	(0.14)%
Intel Corp	Information Technology	-	-	1.47%	-	15.10%	-	(0.13)%
Anadarko Petroleum Corp	Energy	0.87%	92	0.32%	(19.35)%	(19.15)%	(0.19)%	(0.12)%
Nxp Semiconductors	Information Technology	0.55%	29	-	(13.58)%	-	(0.08)%	(0.12)%
Cimarex Energy Co	Energy	0.45%	86	0.11%	(23.10)%	(12.66)%	(0.12)%	(0.11)%

Atlanta Capital Period Ended December 31, 2015

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. Performance prior to inception on 6/30/2010 is linked to the composite strategy.

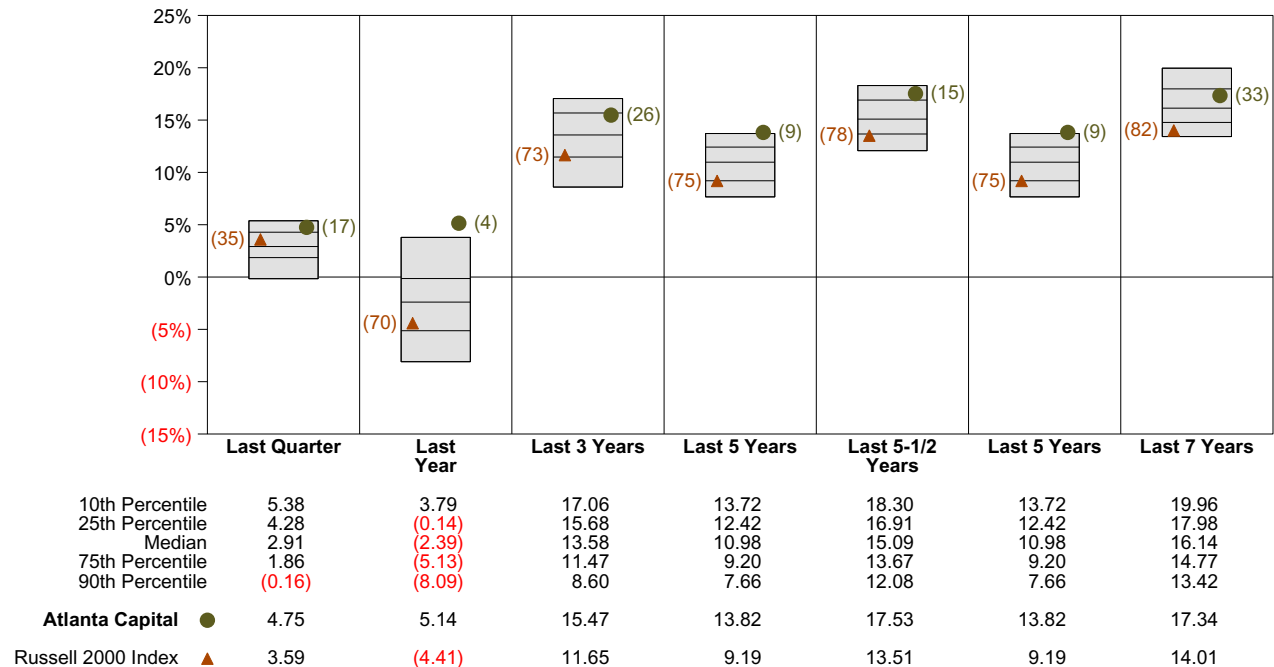
Quarterly Summary and Highlights

- Atlanta Capital's portfolio posted a 4.75% return for the quarter placing it in the 17 percentile of the CAI Small Capitalization Style group for the quarter and in the 4 percentile for the last year.
- Atlanta Capital's portfolio outperformed the Russell 2000 Index by 1.15% for the quarter and outperformed the Russell 2000 Index for the year by 9.56%.

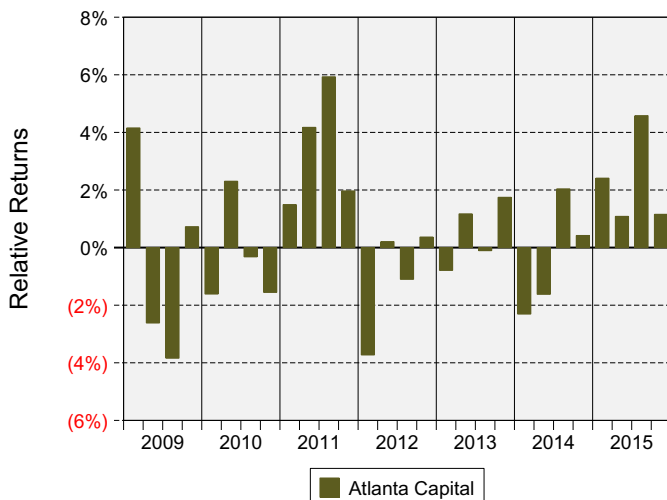
Quarterly Asset Growth

Beginning Market Value	\$19,779,618
Net New Investment	\$0
Investment Gains/(Losses)	\$938,873
Ending Market Value	\$20,718,491

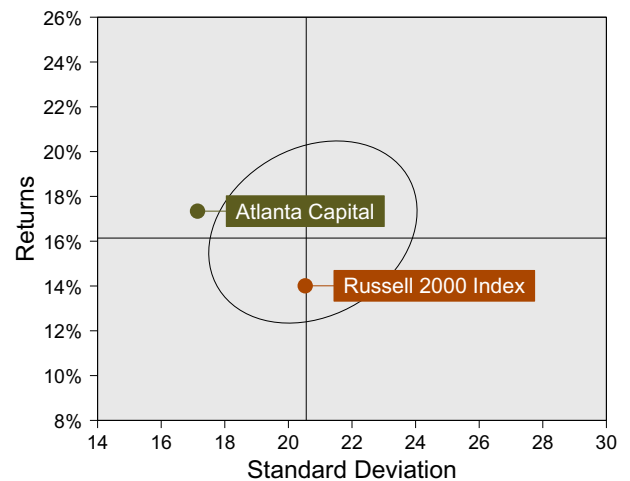
Performance vs CAI Small Capitalization Style (Gross)



Relative Return vs Russell 2000 Index



CAI Small Capitalization Style (Gross) Annualized Seven Year Risk vs Return

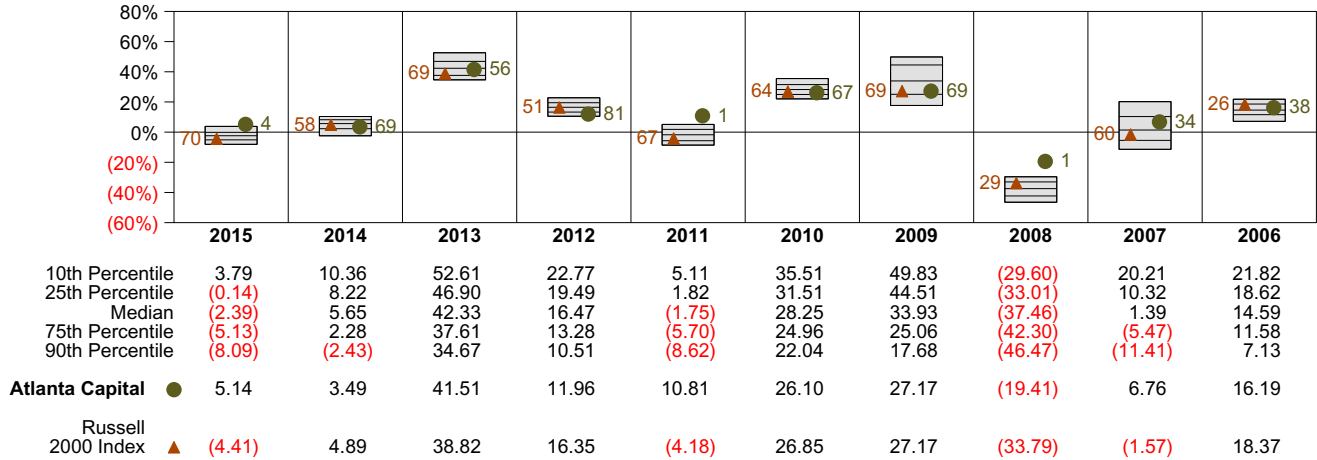


Atlanta Capital Return Analysis Summary

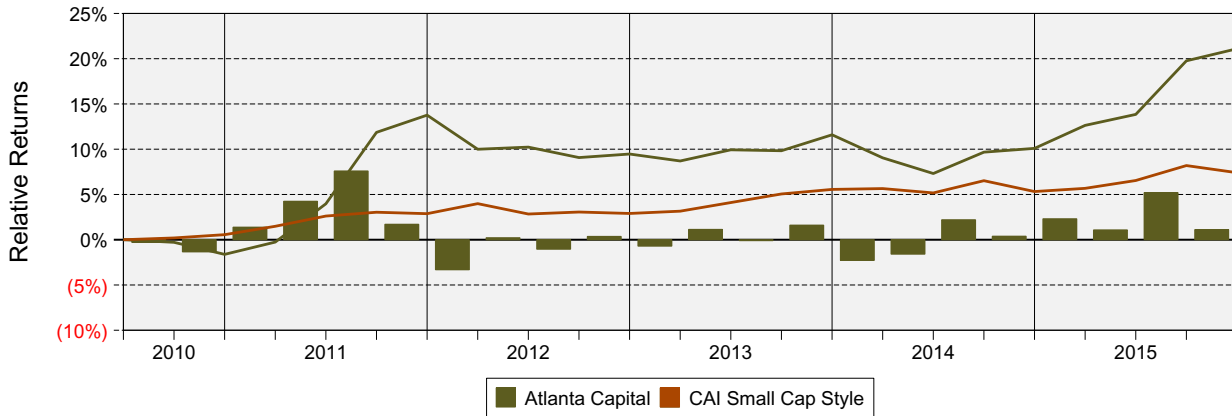
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

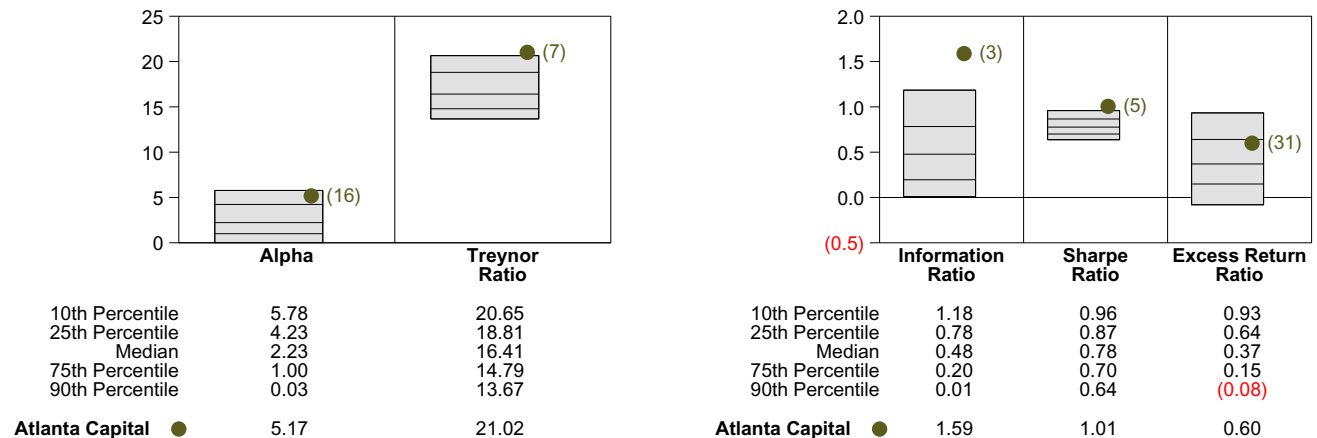
Performance vs CAI Small Capitalization Style (Gross)



Cumulative and Quarterly Relative Return vs Russell 2000 Index



Risk Adjusted Return Measures vs Russell 2000 Index Rankings Against CAI Small Capitalization Style (Gross) Seven Years Ended December 31, 2015

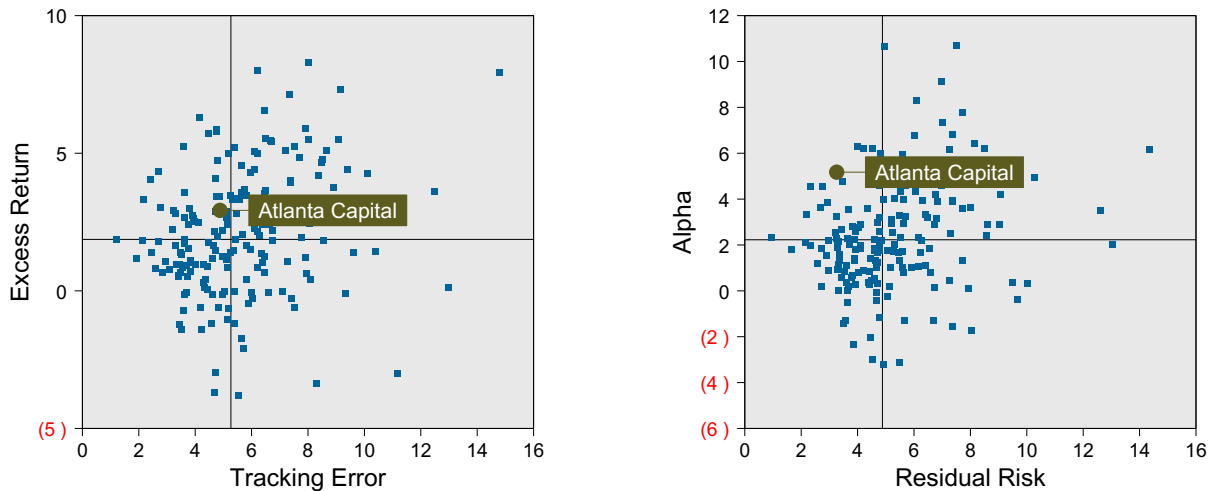


Atlanta Capital Risk Analysis Summary

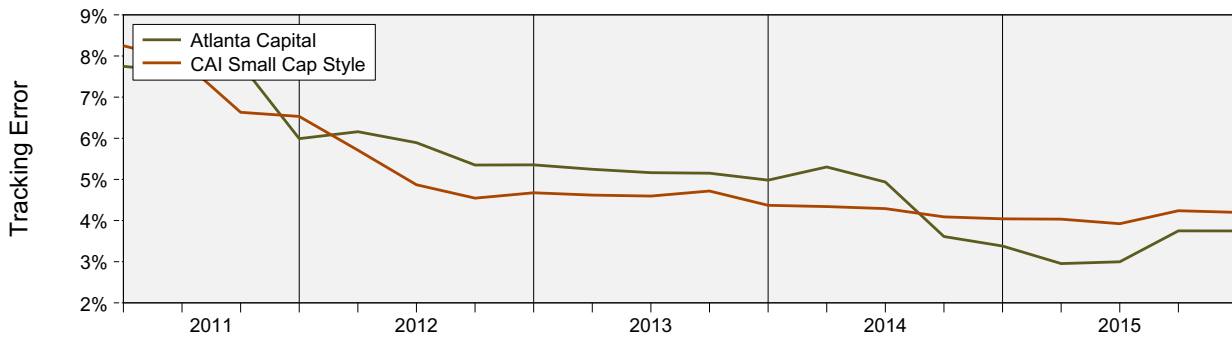
Risk Analysis

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 scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third 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.

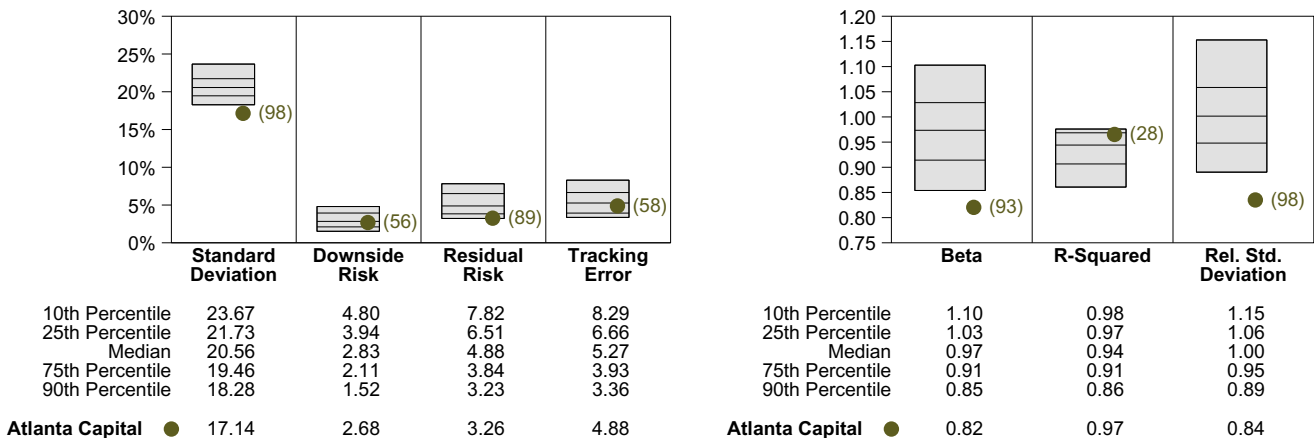
Risk Analysis vs CAI Small Capitalization Style (Gross) Seven Years Ended December 31, 2015



Rolling 12 Quarter Tracking Error vs Russell 2000 Index



Risk Statistics Rankings vs Russell 2000 Index Rankings Against CAI Small Capitalization Style (Gross) Seven Years Ended December 31, 2015

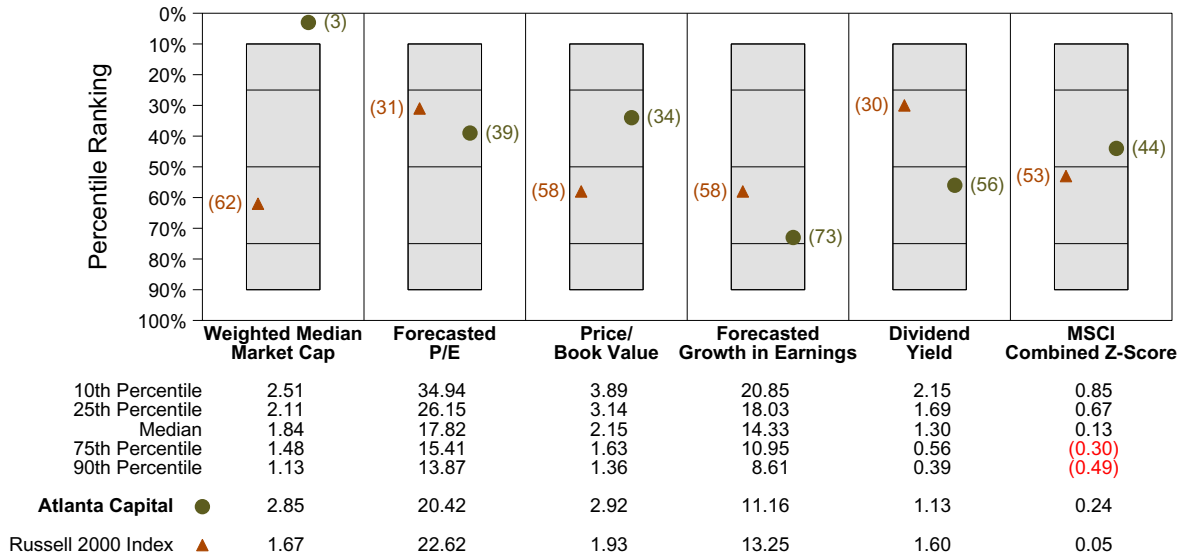


Atlanta Capital Equity Characteristics Analysis Summary

Portfolio Characteristics

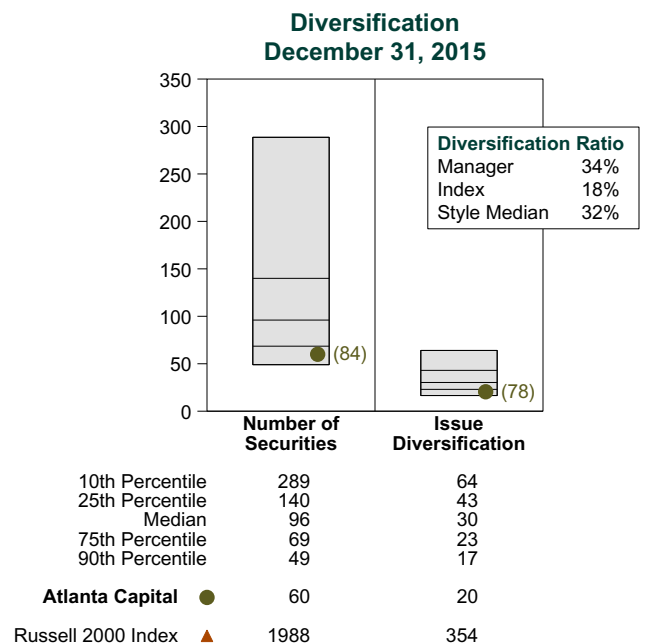
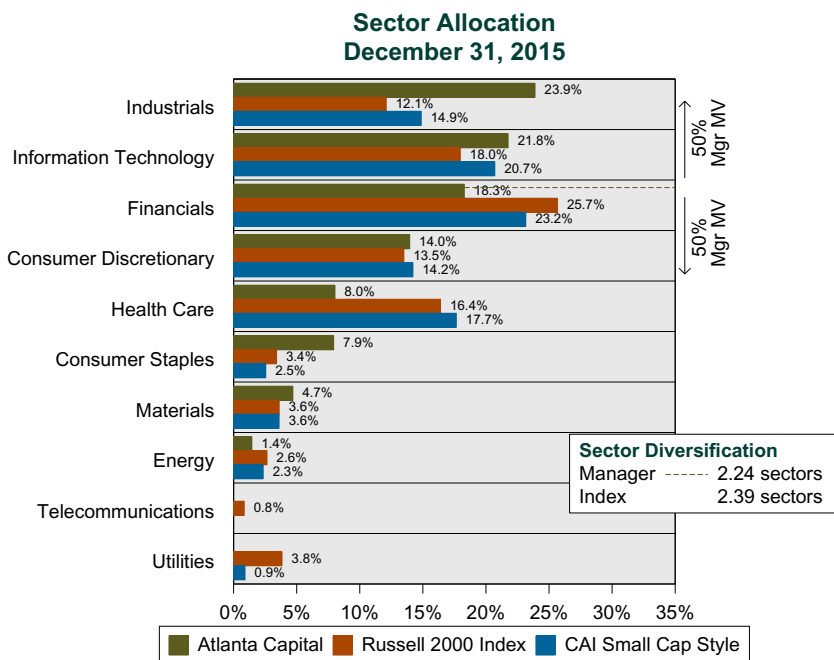
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Capitalization Style as of December 31, 2015



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.



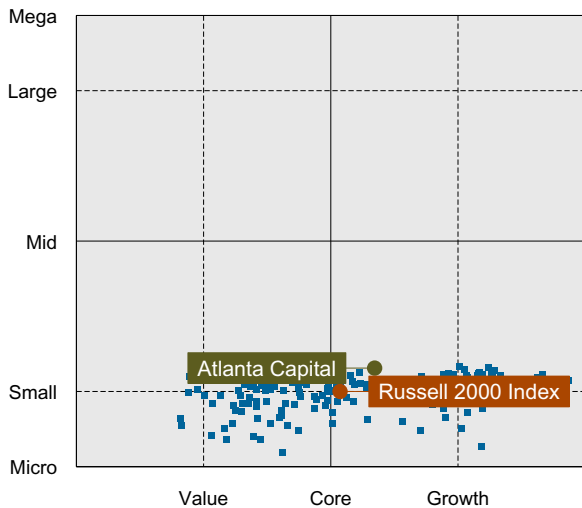
Current Holdings Based Style Analysis

Atlanta Capital

As of December 31, 2015

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.

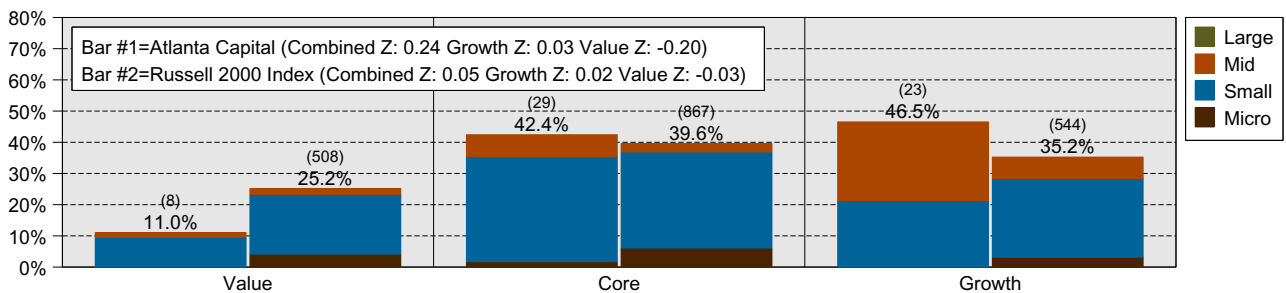
Style Map vs CAI Small Cap Style Holdings as of December 31, 2015



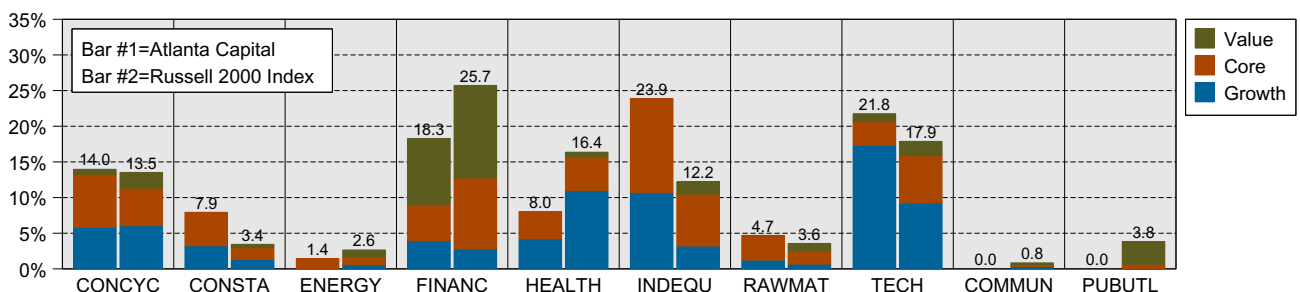
Style Exposure Matrix Holdings as of December 31, 2015

	Value	Core	Growth	Total
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	1.5% (1)	7.0% (3)	25.2% (11)	33.6% (15)
Small	9.5% (7)	33.7% (24)	21.4% (12)	64.7% (43)
Micro	0.0% (0)	1.7% (2)	0.0% (0)	1.7% (2)
Total	11.0% (8)	42.4% (29)	46.5% (23)	100.0% (60)

Combined Z-Score Style Distribution Holdings as of December 31, 2015



Sector Weights Distribution Holdings as of December 31, 2015



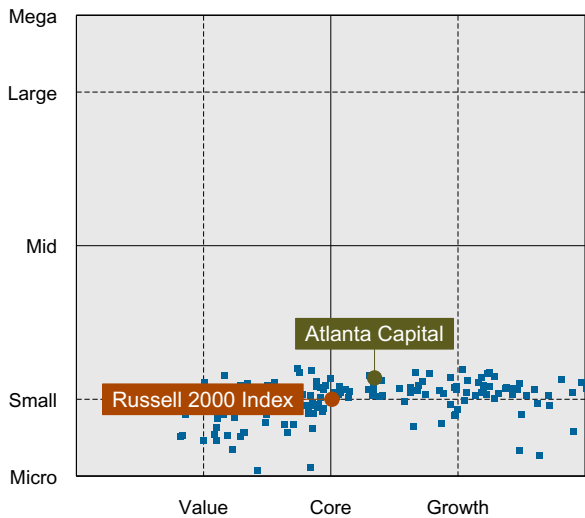
Historical Holdings Based Style Analysis

Atlanta Capital

For Five and 1/2 Years Ended December 31, 2015

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.

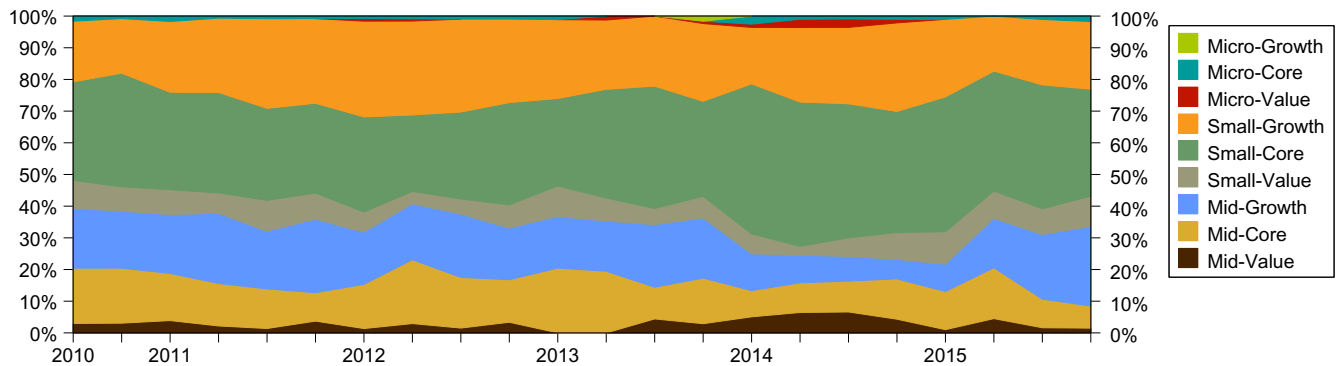
Average Style Map vs CAI Small Cap Style
Holdings for Five and 1/2 Years Ended December 31, 2015



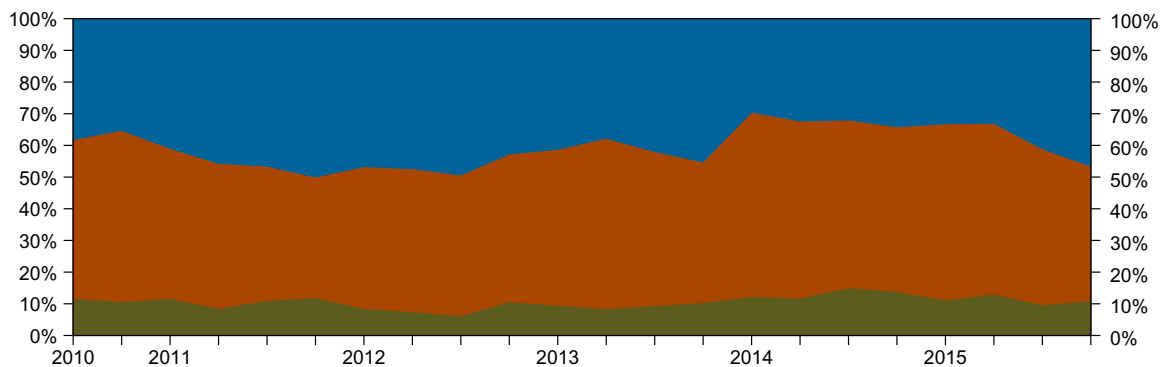
Average Style Exposure Matrix
Holdings for Five and 1/2 Years Ended December 31, 2015

	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	2.9% (2)	13.5% (7)	16.6% (7)	33.0% (16)
Small	7.3% (6)	34.5% (23)	23.8% (15)	65.5% (44)
Micro	0.5% (0)	0.9% (1)	0.1% (0)	1.5% (1)
Total	10.7% (8)	48.9% (31)	40.4% (22)	100.0% (61)
	27.4% (597)	37.2% (763)	35.4% (596)	100.0% (1956)
	Value	Core	Growth	Total

Atlanta Capital Historical Cap/Style Exposures



Atlanta Capital Historical Style Only Exposures

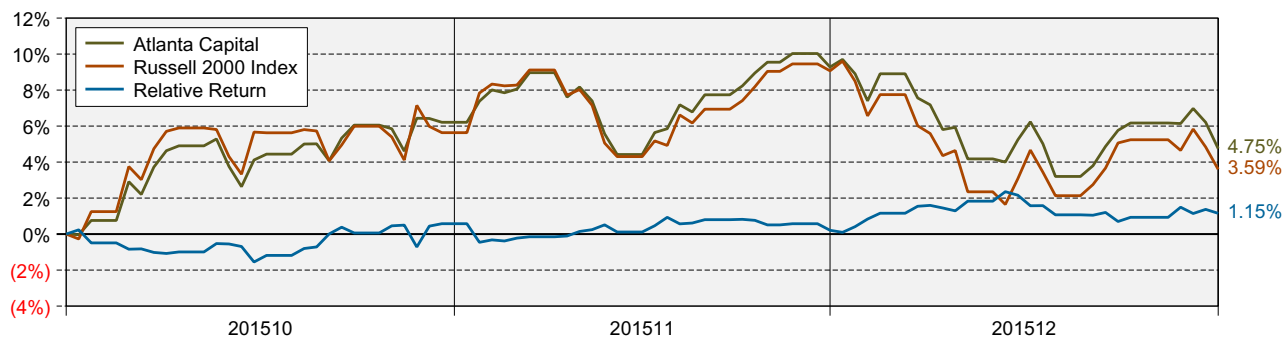


Atlanta Capital vs Russell 2000 Index Domestic Equity Daily Performance Attribution One Quarter Ended December 31, 2015

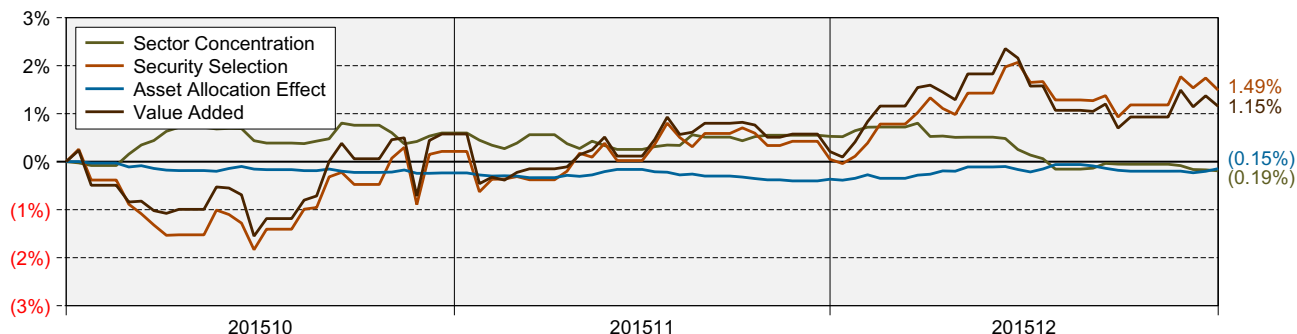
Return Sources and Timing

The charts below illustrate the timing and cumulative paths of the manager's performance, as well as attributing relative performance to three sources: Sector Concentration, Security Selection, and Asset Allocation. The first chart shows the cumulative absolute return paths for the manager and index. The second chart shows the cumulative relative return path of the manager and the attributed sources of that value-added. The bottom table breaks the annualized attribution factors down to the sector level for more insight into sources of return.

Cumulative Manager and Benchmark Returns



Cumulative Attribution Effects vs. Russell 2000 Index



Attribution Effects by Sector vs. Russell 2000 Index One Quarter Ended December 31, 2015

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Consumer Discretionary	14.13%	13.93%	(0.85)%	(3.07)%	0.00%	0.32%	-
Consumer Staples	7.67%	3.40%	10.57%	3.29%	(0.01)%	0.56%	-
Energy	1.49%	2.99%	1.73%	(7.76)%	0.19%	0.13%	-
Financials	18.50%	25.89%	3.64%	3.11%	0.05%	0.10%	-
Health Care	8.55%	15.41%	5.52%	9.87%	(0.42)%	(0.41)%	-
Industrials	22.79%	12.37%	4.82%	2.78%	(0.07)%	0.47%	-
Information Technology	22.15%	17.71%	7.02%	6.84%	0.16%	0.04%	-
Materials	4.73%	3.73%	9.21%	3.19%	(0.00)%	0.28%	-
Telecommunications	0.00%	0.86%	0.00%	6.35%	(0.01)%	0.00%	-
Utilities	0.00%	3.71%	0.00%	5.96%	(0.08)%	0.00%	-
Non Equity	3.82%	0.00%	-	-	-	-	(0.15)%
Total	-	-	4.75%	3.59%	(0.19)%	1.49%	(0.15)%

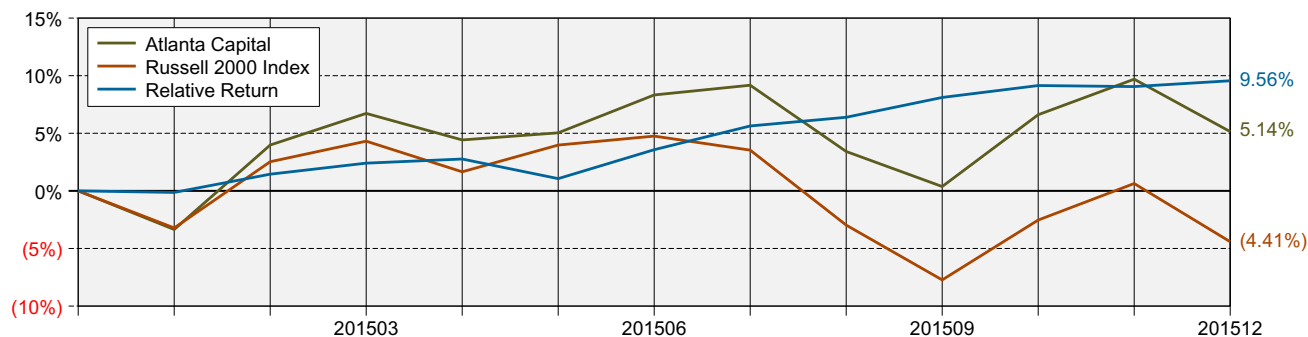
Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
4.75%		3.59%		(0.19)%		1.49%		(0.15)%

Atlanta Capital vs Russell 2000 Index Domestic Equity Daily Performance Attribution One Year Ended December 31, 2015

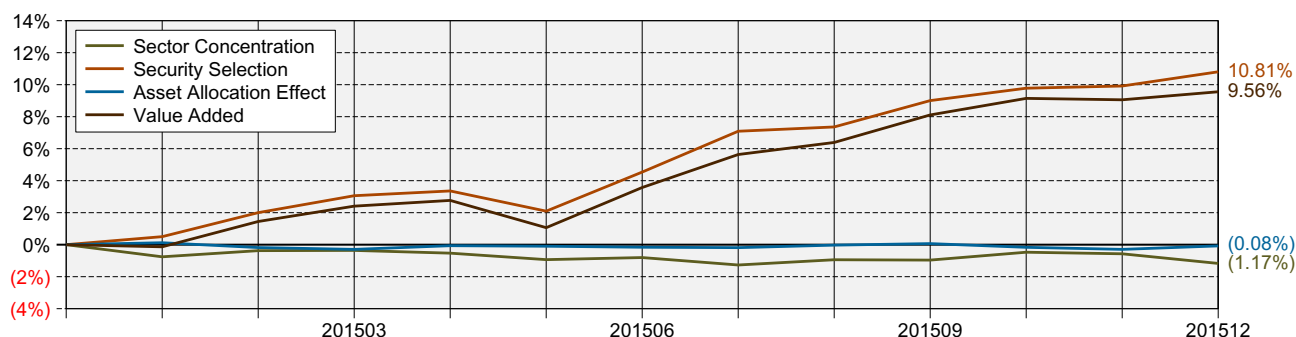
Return Sources and Timing

The charts below illustrate the timing and cumulative paths of the manager's performance, as well as attributing relative performance to three sources: Sector Concentration, Security Selection, and Asset Allocation. The first chart shows the cumulative absolute return paths for the manager and index. The second chart shows the cumulative relative return path of the manager and the attributed sources of that value-added. The bottom table breaks the annualized attribution factors down to the sector level for more insight into sources of return.

Cumulative Manager and Benchmark Returns



Cumulative Attribution Effects vs. Russell 2000 Index



Attribution Effects by Sector vs. Russell 2000 Index One Year Ended December 31, 2015

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Consumer Discretionary	16.96%	14.05%	(0.01)%	(10.53)%	0.02%	1.88%	-
Consumer Staples	7.18%	3.23%	18.00%	(3.01)%	0.15%	1.44%	-
Energy	1.73%	3.36%	(22.81)%	(39.20)%	0.77%	0.31%	-
Financials	17.32%	24.52%	4.67%	(0.31)%	(0.44)%	0.88%	-
Health Care	8.21%	15.75%	15.29%	8.04%	(0.90)%	0.51%	-
Industrials	23.51%	13.01%	(8.62)%	(12.77)%	(0.90)%	1.10%	-
Information Technology	20.87%	17.63%	20.90%	2.91%	0.30%	3.20%	-
Materials	4.22%	4.09%	7.63%	(23.06)%	(0.03)%	1.49%	-
Telecommunications	0.00%	0.80%	0.00%	(1.06)%	(0.02)%	0.00%	-
Utilities	0.00%	3.56%	0.00%	(0.81)%	(0.13)%	0.00%	-
Non Equity	3.30%	0.00%	-	-	-	-	(0.08)%
Total	-	-	5.14%	(4.41)%	(1.17)%	10.81%	(0.08)%

Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
5.14%		(4.41%)		(1.17%)		10.81%		(0.08%)

Atlanta Capital vs Russell 2000 Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended December 31, 2015

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
Blackbaud Inc	Information Technology	2.82%	92	0.16%	17.59%	17.59%	0.47%	0.34%
Caseys General Stores	Consumer Staples	2.80%	92	0.25%	17.27%	17.27%	0.46%	0.32%
Sally Beauty Hldgs Inc	Consumer Discretionary	2.26%	92	-	17.43%	-	0.37%	0.29%
Manhattan Associates	Information Technology	4.70%	92	0.30%	6.30%	6.21%	0.37%	0.19%
Rli Corp	Financials	1.78%	92	0.15%	19.50%	19.50%	0.33%	0.24%
Columbia Sportswear Co	Consumer Discretionary	1.68%	92	0.09%	(16.78)%	(16.76)%	(0.31)%	(0.38)%
Exponent Inc	Industrials	2.56%	92	0.07%	12.42%	12.42%	0.31%	0.21%
Beacon Roofing Supply Inc	Industrials	1.26%	92	0.11%	26.75%	26.75%	0.30%	0.25%
Lancaster Colony Corp	Consumer Staples	1.30%	92	0.12%	24.23%	24.23%	0.29%	0.22%
Fair Isaac Corp	Information Technology	2.54%	92	0.16%	11.48%	11.48%	0.28%	0.18%

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
Dyax Corp	Health Care	-	-	0.23%	-	97.07%	0.16%	(0.16)%
Clovis Oncology Inc	Health Care	-	-	0.12%	-	(61.94)%	(0.09)%	0.10%
Neurocrine Biosciences Inc	Health Care	-	-	0.24%	-	42.17%	0.09%	(0.08)%
Piedmont Nat Gas Inc	Utilities	-	-	0.24%	-	43.12%	0.08%	(0.08)%
Tailored Brands Inc	Consumer Discretionary	-	-	0.10%	-	(65.07)%	(0.08)%	0.09%
Pacira Pharmaceuticals Inc	Health Care	-	-	0.11%	-	86.84%	0.08%	(0.07)%
Chimerix Inc	Health Care	-	-	0.10%	-	(76.57)%	(0.08)%	0.08%
Heartland Pmt Sys Inc	Information Technology	-	-	0.15%	-	50.67%	0.07%	(0.06)%
Integrated Device Tech	Information Technology	-	-	0.21%	-	29.80%	0.05%	(0.05)%
Dynegy Inc New Del	Utilities	-	-	0.14%	-	(35.17)%	(0.05)%	0.06%

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
Blackbaud Inc	Information Technology	2.82%	92	0.16%	17.59%	17.59%	0.47%	0.34%
Caseys General Stores	Consumer Staples	2.80%	92	0.25%	17.27%	17.27%	0.46%	0.32%
Sally Beauty Hldgs Inc	Consumer Discretionary	2.26%	92	-	17.43%	-	0.37%	0.29%
Beacon Roofing Supply Inc	Industrials	1.26%	92	0.11%	26.75%	26.75%	0.30%	0.25%
Rli Corp	Financials	1.78%	92	0.15%	19.50%	19.50%	0.33%	0.24%
Lancaster Colony Corp	Consumer Staples	1.30%	92	0.12%	24.23%	24.23%	0.29%	0.22%
Exponent Inc	Industrials	2.56%	92	0.07%	12.42%	12.42%	0.31%	0.21%
Manhattan Associates	Information Technology	4.70%	92	0.30%	6.30%	6.21%	0.37%	0.19%
Fair Isaac Corp	Information Technology	2.54%	92	0.16%	11.48%	11.48%	0.28%	0.18%
Henry Jack & Assoc Inc	Information Technology	2.08%	92	-	12.49%	-	0.25%	0.18%

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
Columbia Sportswear Co	Consumer Discretionary	1.68%	92	0.09%	(16.78)%	(16.76)%	(0.31)%	(0.38)%
Dorman Products Inc	Consumer Discretionary	1.88%	92	0.08%	(6.72)%	(6.72)%	(0.14)%	(0.22)%
Wolverine World Wide Inc	Consumer Discretionary	0.78%	92	0.12%	(22.51)%	(22.51)%	(0.20)%	(0.20)%
Hibbett Sports Inc	Consumer Discretionary	1.12%	92	0.05%	(13.62)%	(13.62)%	(0.15)%	(0.20)%
Corelogic Inc	Information Technology	1.47%	92	-	(9.04)%	-	(0.12)%	(0.19)%
Dyax Corp	Health Care	-	-	0.23%	-	97.07%	-	(0.16)%
Us Ecology Inc	Industrials	0.67%	92	0.05%	(16.20)%	(16.20)%	(0.12)%	(0.14)%
Scansource	Information Technology	1.18%	92	0.06%	(9.14)%	(9.14)%	(0.10)%	(0.14)%
Huron Consulting Group Inc	Industrials	1.24%	92	0.08%	(5.01)%	(5.01)%	(0.09)%	(0.13)%
Morningstar Inc	Financials	3.06%	92	-	0.42%	-	0.02%	(0.11)%

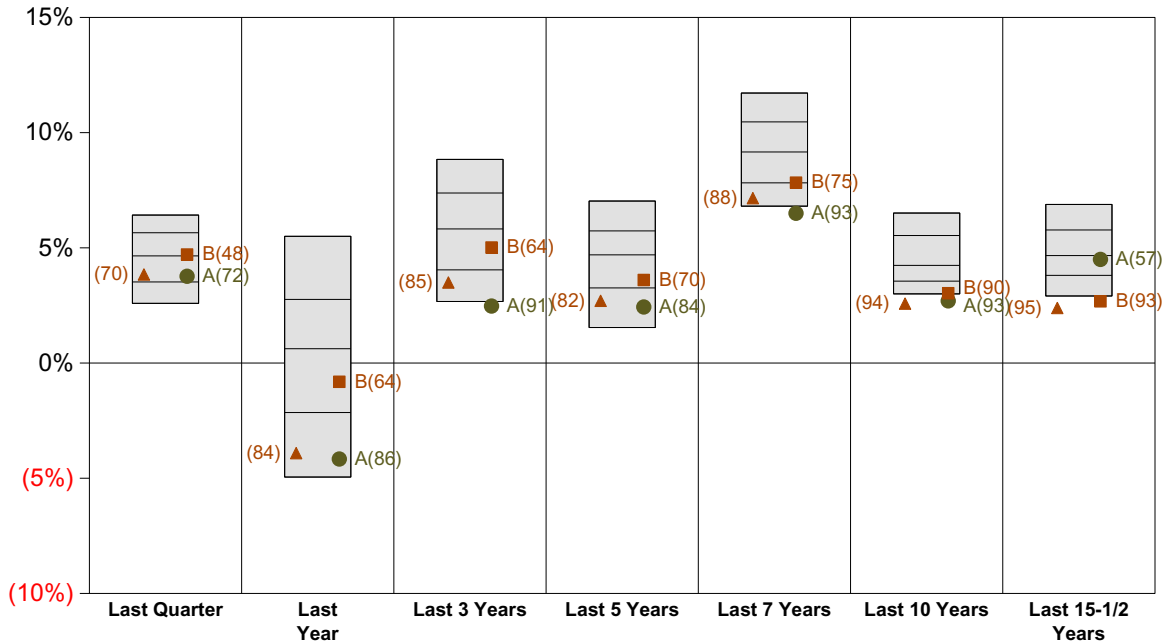
International Equity

Period Ended December 31, 2015

Quarterly Summary and Highlights

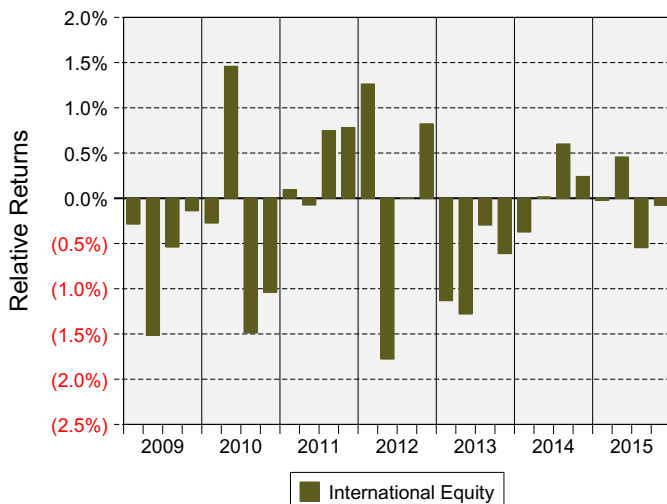
- International Equity's portfolio posted a 3.77% return for the quarter placing it in the 72 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 86 percentile for the last year.
- International Equity's portfolio underperformed the Custom International Benchmark by 0.08% for the quarter and underperformed the Custom International Benchmark for the year by 0.26%.

Performance vs CAI Non-U.S. Equity Style (Gross)

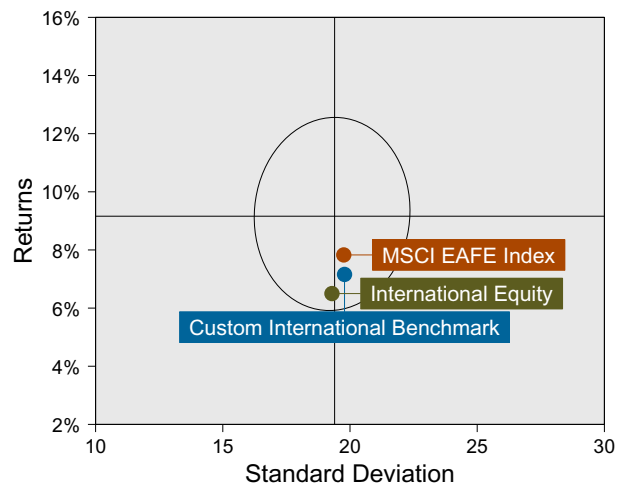


10th Percentile	6.42	5.50	8.84	7.03	11.72	6.51	6.88
25th Percentile	5.66	2.76	7.38	5.73	10.47	5.53	5.78
Median	4.65	0.62	5.82	4.70	9.16	4.24	4.66
75th Percentile	3.52	(2.15)	4.04	3.26	7.82	3.55	3.81
90th Percentile	2.59	(4.95)	2.67	1.54	6.81	3.00	2.91
International Equity MSCI	● A 3.77	(4.17)	2.47	2.43	6.50	2.70	4.50
EAFE Index	■ B 4.71	(0.81)	5.01	3.60	7.83	3.03	2.68
Custom International Benchmark	▲ 3.84	(3.91)	3.50	2.70	7.16	2.58	2.39

Relative Returns vs Custom International Benchmark



CAI Non-U.S. Equity Style (Gross) Annualized Seven Year Risk vs Return

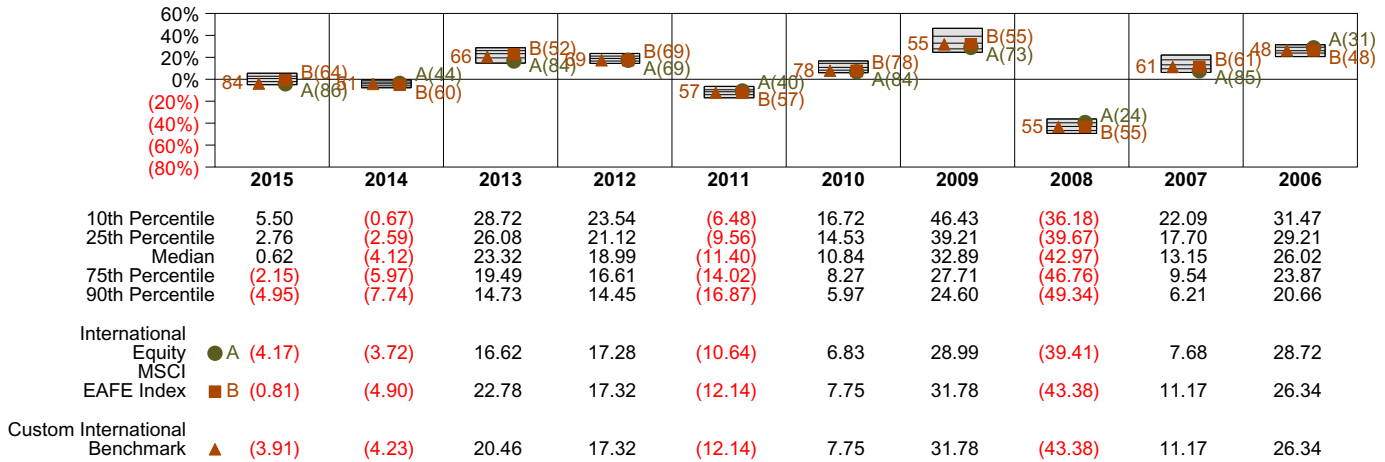


International Equity Return Analysis Summary

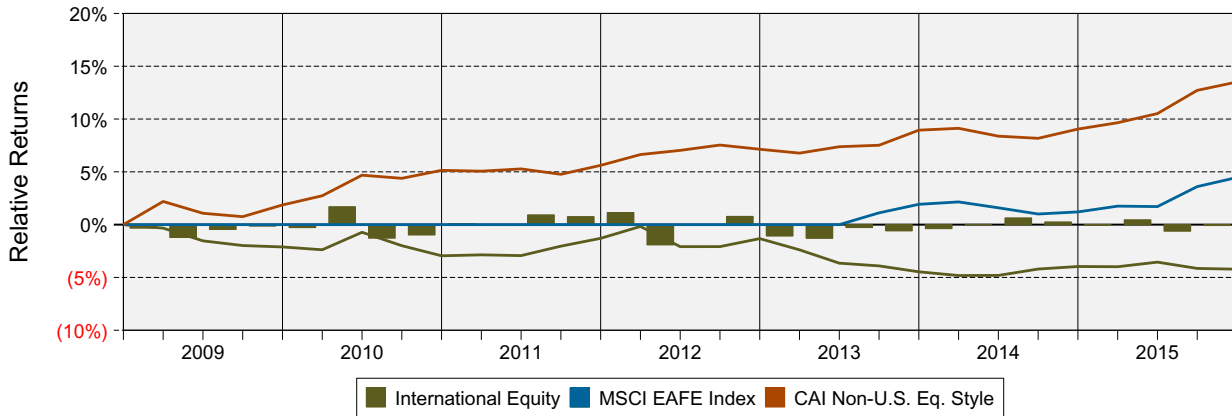
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

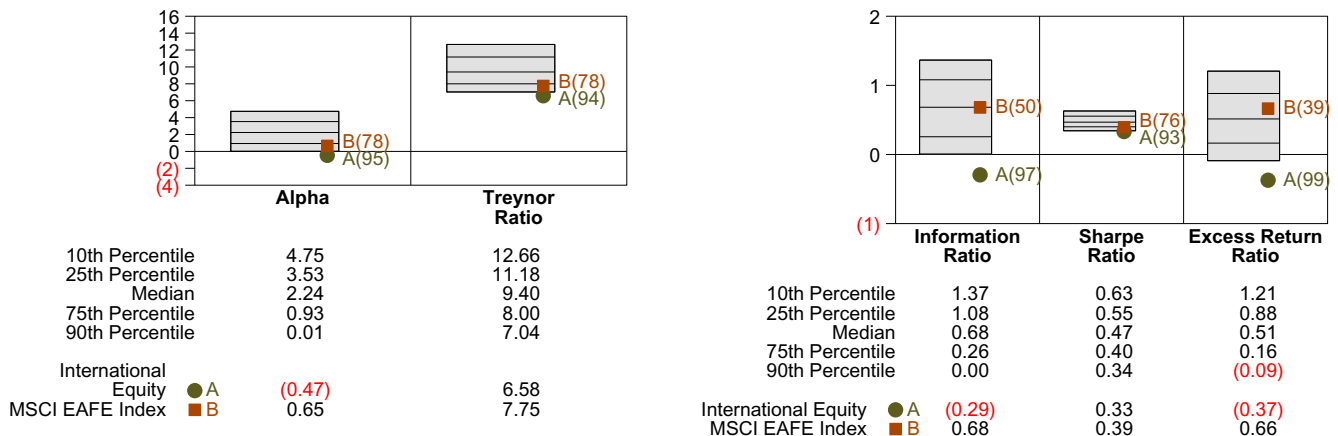
Performance vs CAI Non-U.S. Equity Style (Gross)



Cumulative and Quarterly Relative Return vs Custom International Benchmark



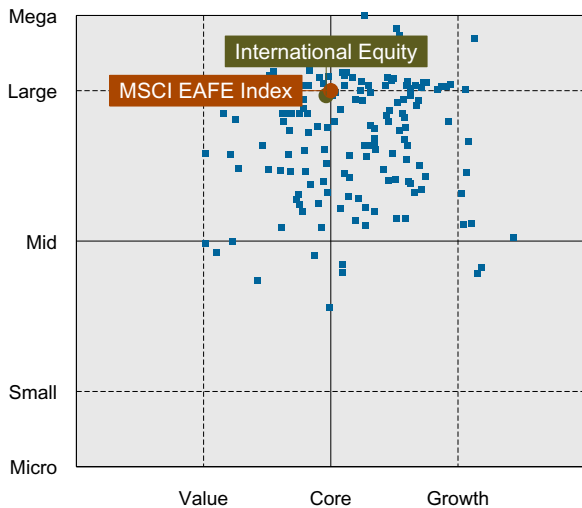
Risk Adjusted Return Measures vs Custom International Benchmark Rankings Against CAI Non-U.S. Equity Style (Gross) Seven Years Ended December 31, 2015



Current Holdings Based Style Analysis International Equity As of December 31, 2015

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.

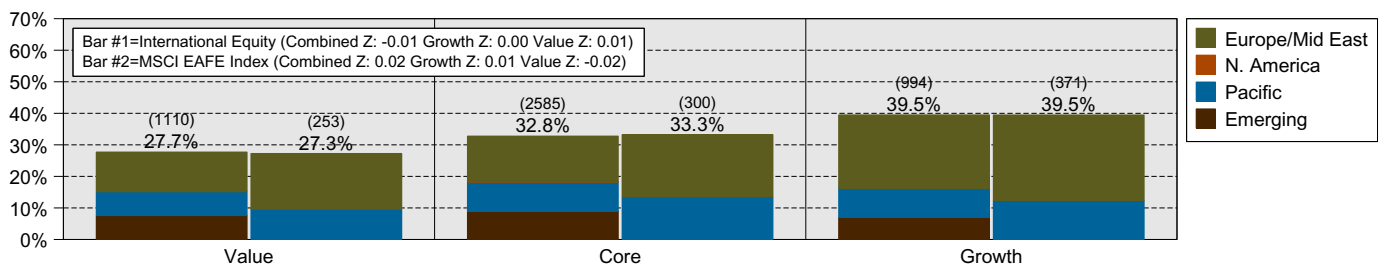
Style Map vs CAI Non-U.S. Eq. Style Holdings as of December 31, 2015



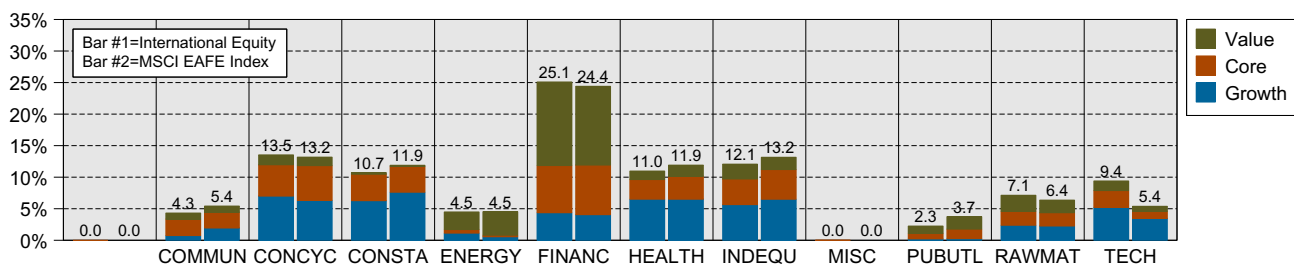
Style Exposure Matrix Holdings as of December 31, 2015

	Value	Core	Growth	Total
Europe/ Mid East	12.6% (122)	14.5% (143)	23.2% (194)	50.4% (459)
N. America	0.0% (0)	0.0% (5)	0.0% (0)	0.0% (5)
Pacific	7.5% (132)	9.3% (187)	9.3% (176)	26.1% (495)
Emerging	7.6% (856)	9.0% (2250)	7.0% (624)	23.5% (3730)
Total	27.7% (1110)	32.8% (2585)	39.5% (994)	100.0% (4689)
	27.3% (253)	33.3% (300)	39.5% (371)	100.0% (924)

Combined Z-Score Style Distribution Holdings as of December 31, 2015



Sector Weights Distribution Holdings as of December 31, 2015

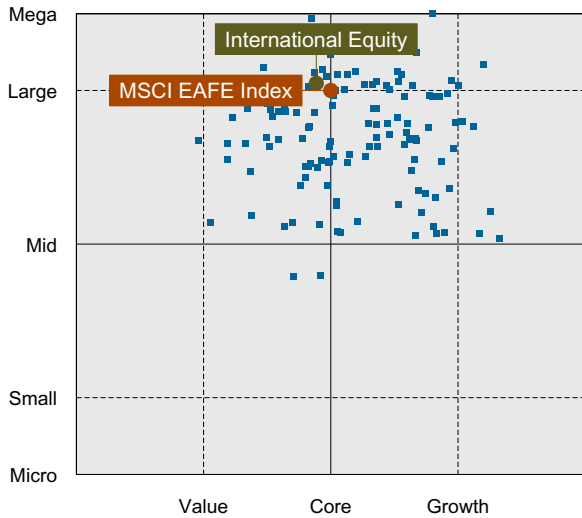


Historical Holdings Based Style Analysis International Equity For Five and 1/2 Years Ended December 31, 2015

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 CAI Non-U.S. Eq. Style

Holdings for Five and 1/2 Years Ended December 31, 2015

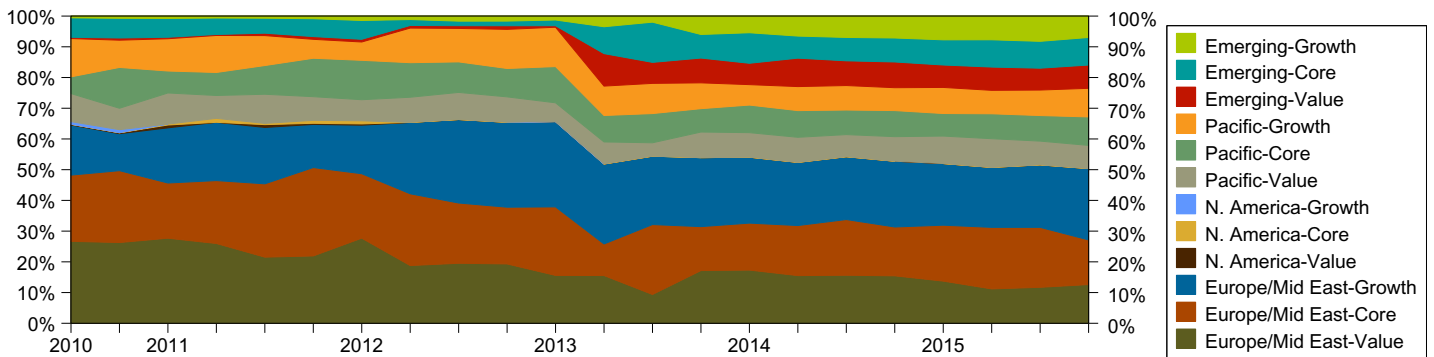


Average Style Exposure Matrix

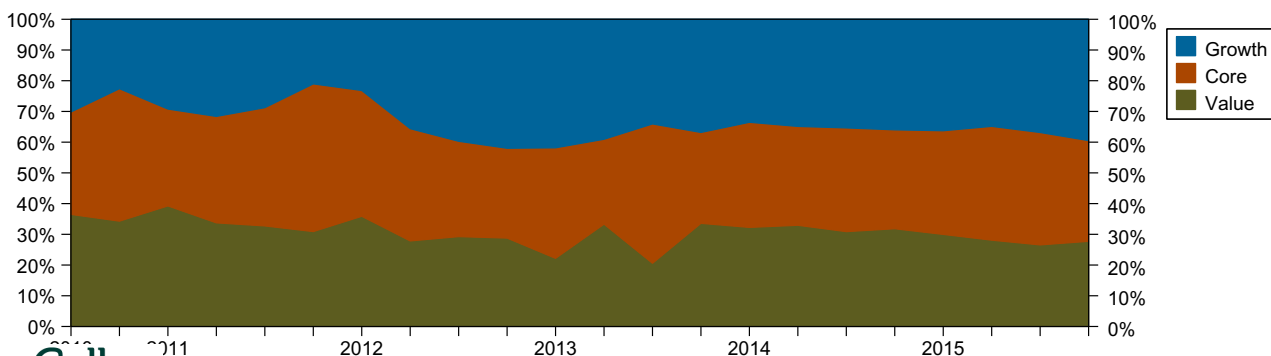
Holdings for Five and 1/2 Years Ended December 31, 2015

Europe/ Mid East	18.5% (99)	19.4% (100)	20.8% (139)	58.6% (338)
	20.2% (133)	20.1% (126)	24.6% (194)	64.9% (453)
N. America	0.1% (1)	0.2% (2)	0.1% (0)	0.4% (3)
	0.0% (0)	0.0% (0)	0.3% (1)	0.4% (1)
Pacific	7.9% (102)	9.2% (122)	9.3% (123)	26.5% (347)
	10.1% (136)	12.8% (162)	11.7% (167)	34.7% (465)
Emerging	4.3% (587)	6.6% (757)	3.6% (337)	14.5% (1681)
	0.0% (0)	0.0% (0)	0.0% (1)	0.1% (1)
Total	30.9% (789)	35.4% (981)	33.8% (599)	100.0% (2369)
	30.4% (269)	32.9% (288)	36.6% (363)	100.0% (920)
	Value	Core	Growth	Total

International Equity Historical Region/Style Exposures



International Equity Historical Style Only Exposures

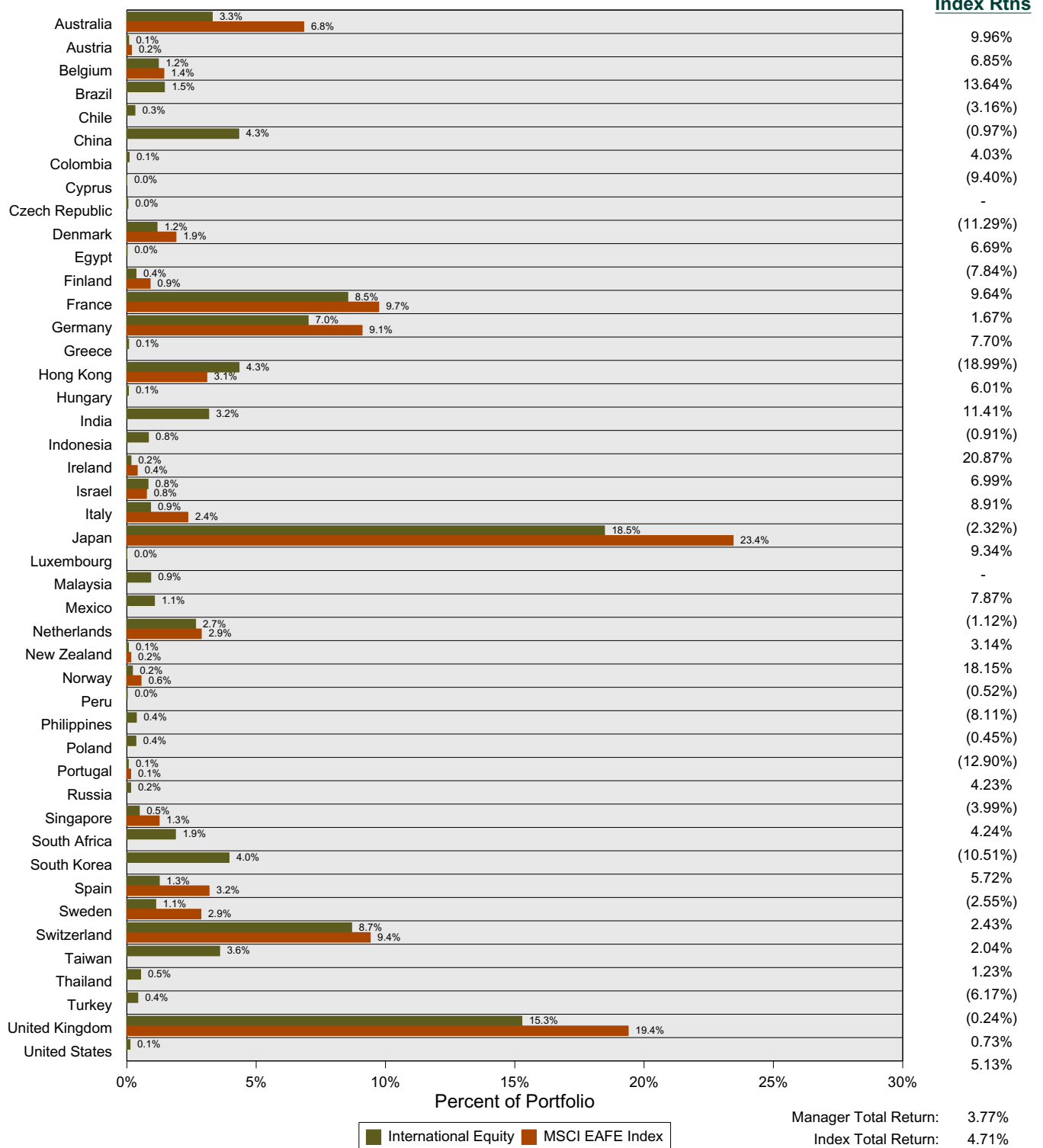


Country Allocation International Equity VS MSCI EAFE Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of December 31, 2015. 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 December 31, 2015



SSgA EAFE

Period Ended December 31, 2015

Investment Philosophy

State Street'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.

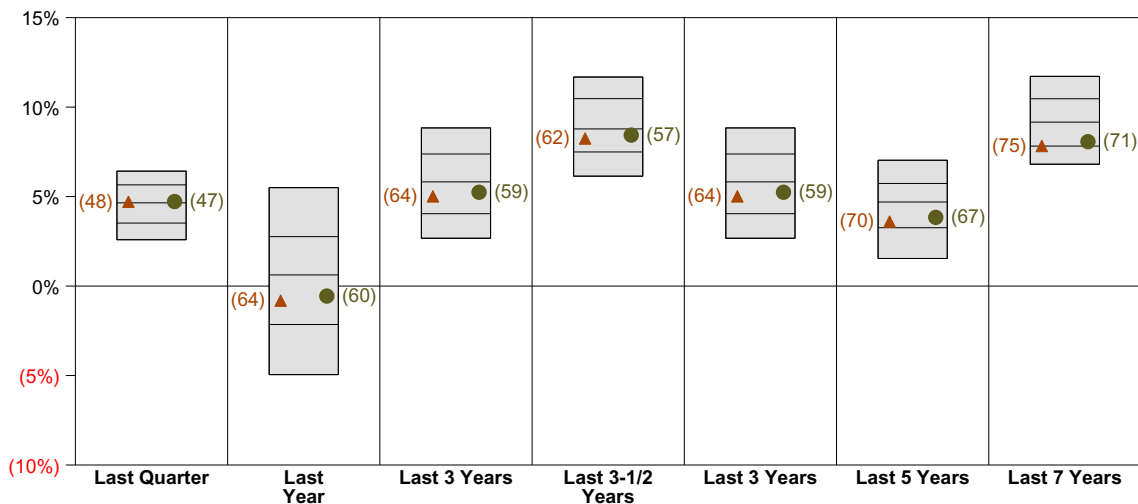
Quarterly Summary and Highlights

- SSgA EAFE's portfolio posted a 4.72% return for the quarter placing it in the 47 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 60 percentile for the last year.
- SSgA EAFE's portfolio outperformed the MSCI EAFE Index by 0.01% for the quarter and outperformed the MSCI EAFE Index for the year by 0.25%.

Quarterly Asset Growth

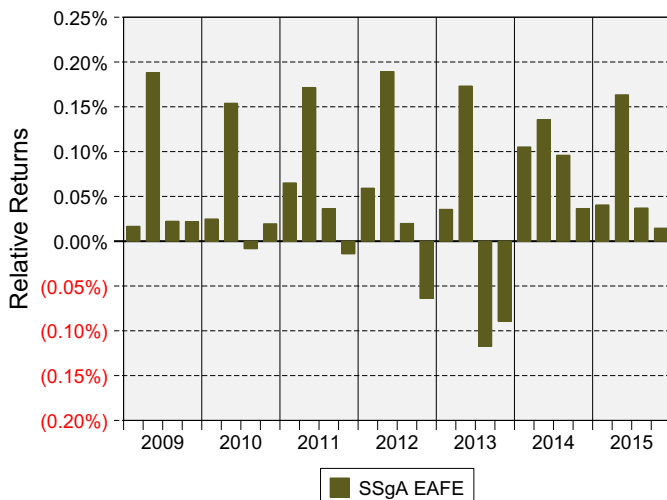
Beginning Market Value	\$20,473,043
Net New Investment	\$0
Investment Gains/(Losses)	\$967,149
Ending Market Value	\$21,440,192

Performance vs CAI Non-U.S. Equity Style (Gross)

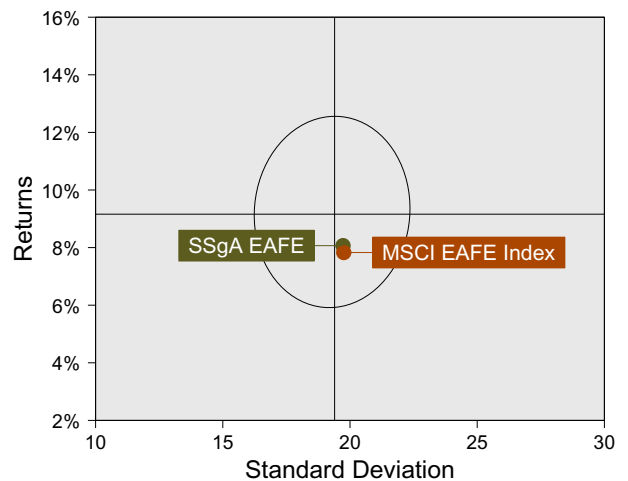


10th Percentile	6.42	5.50	8.84	11.68	8.84	7.03	11.72
25th Percentile	5.66	2.76	7.38	10.47	7.38	5.73	10.47
Median	4.65	0.62	5.82	8.78	5.82	4.70	9.16
75th Percentile	3.52	(2.15)	4.04	7.49	4.04	3.26	7.82
90th Percentile	2.59	(4.95)	2.67	6.14	2.67	1.54	6.81
SSgA EAFE ●	4.72	(0.56)	5.24	8.43	5.24	3.84	8.07
MSCI EAFE Index ▲	4.71	(0.81)	5.01	8.25	5.01	3.60	7.83

Relative Return vs MSCI EAFE Index



CAI Non-U.S. Equity Style (Gross) Annualized Seven Year Risk vs Return

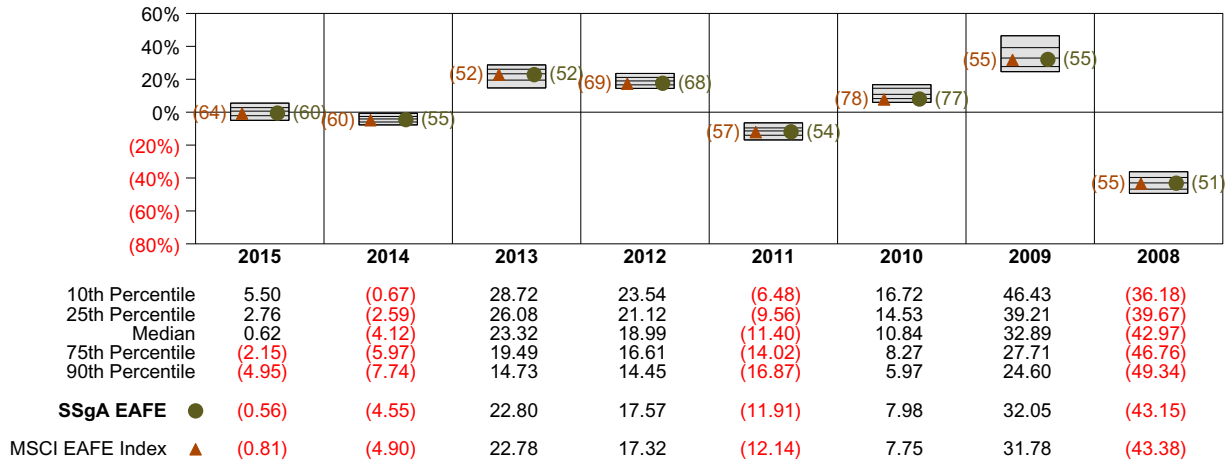


SSgA EAFE Return Analysis Summary

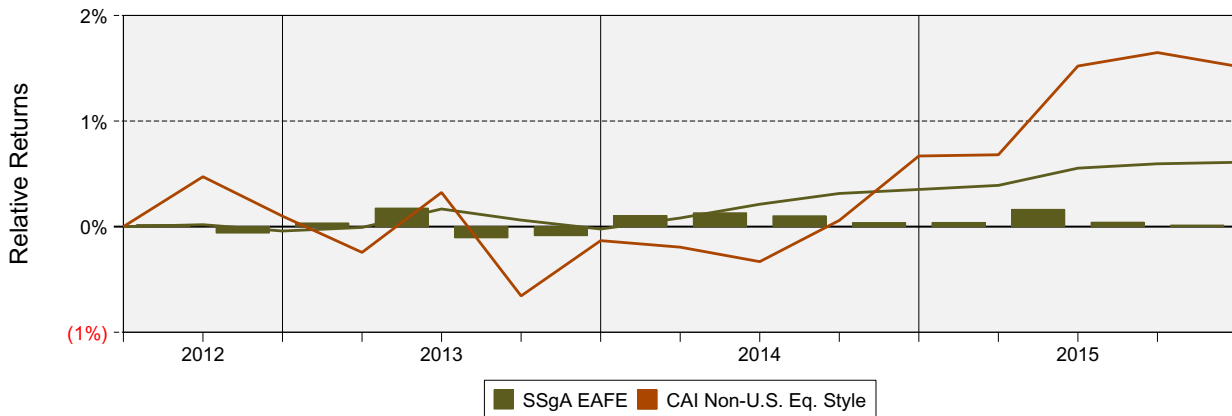
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

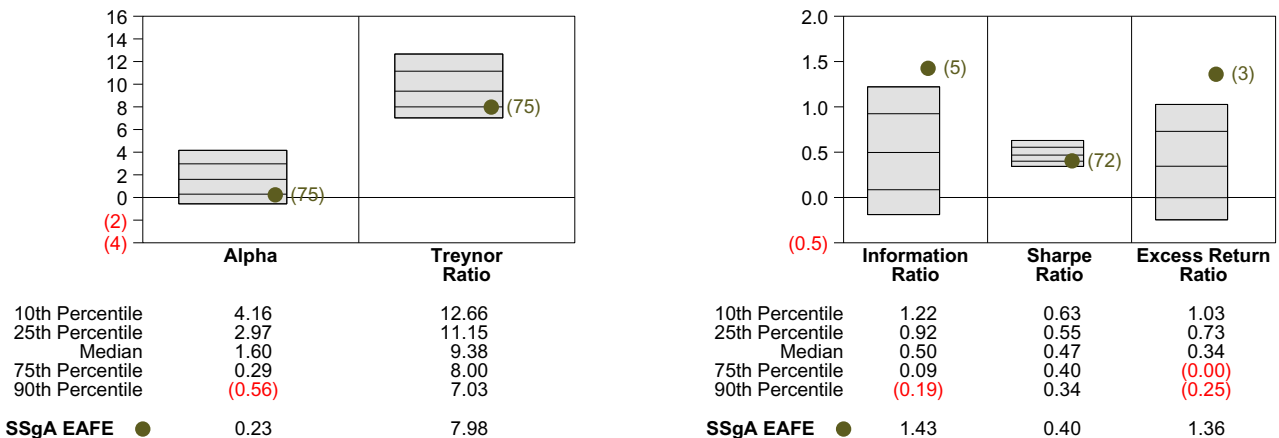
Performance vs CAI Non-U.S. Equity Style (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE Index



Risk Adjusted Return Measures vs MSCI EAFE Index Rankings Against CAI Non-U.S. Equity Style (Gross) Seven Years Ended December 31, 2015

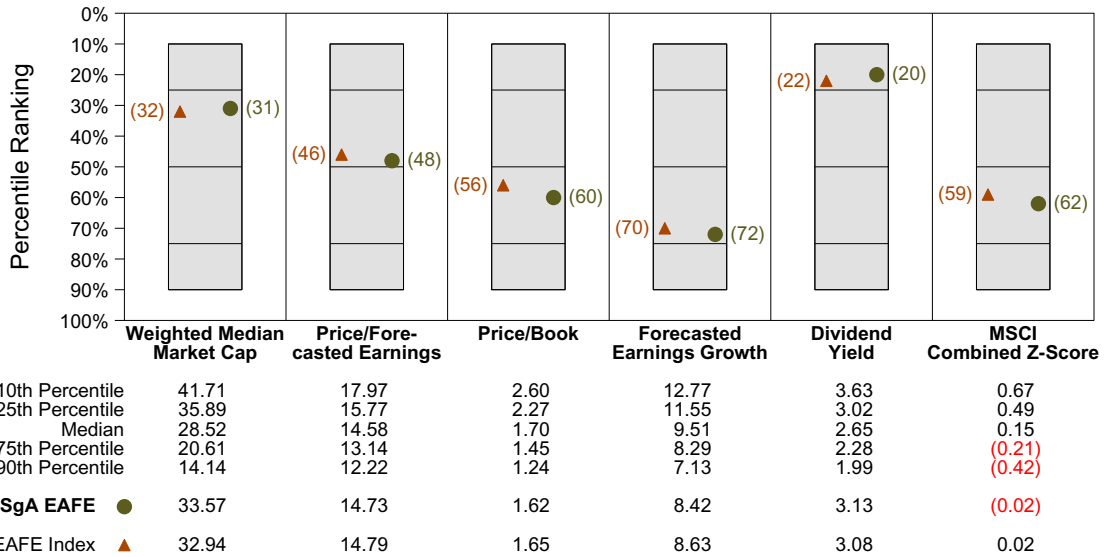


SSgA EAFE Equity Characteristics Analysis Summary

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.

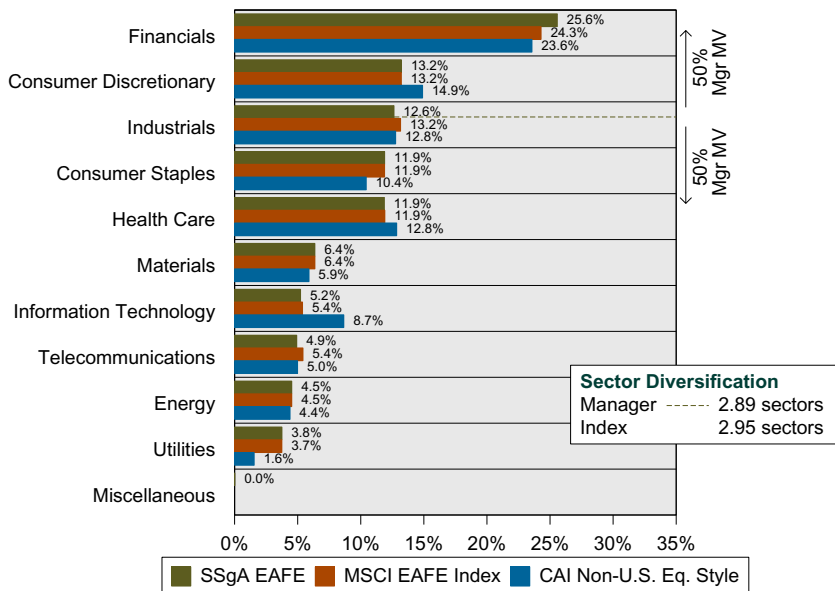
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-U.S. Equity Style as of December 31, 2015



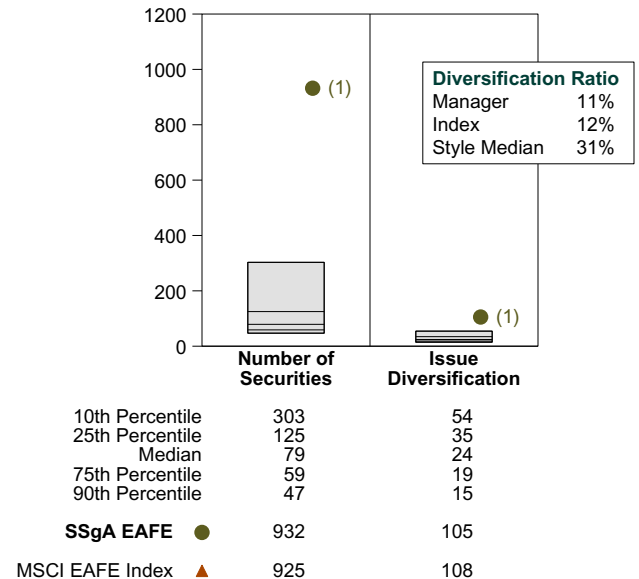
Sector Weights

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 December 31, 2015



Diversification December 31, 2015



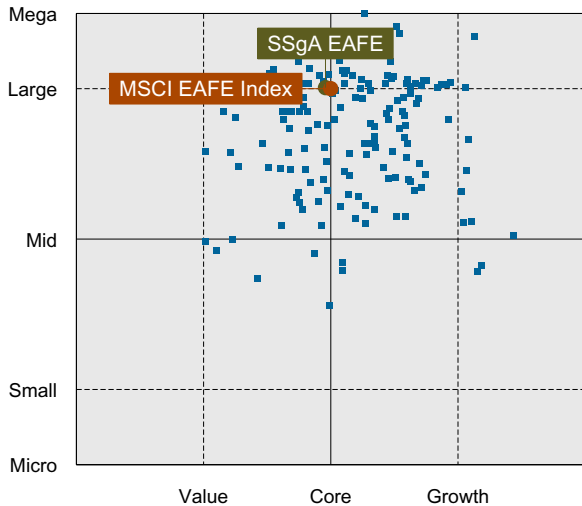
Current Holdings Based Style Analysis

SSgA EAFE

As of December 31, 2015

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.

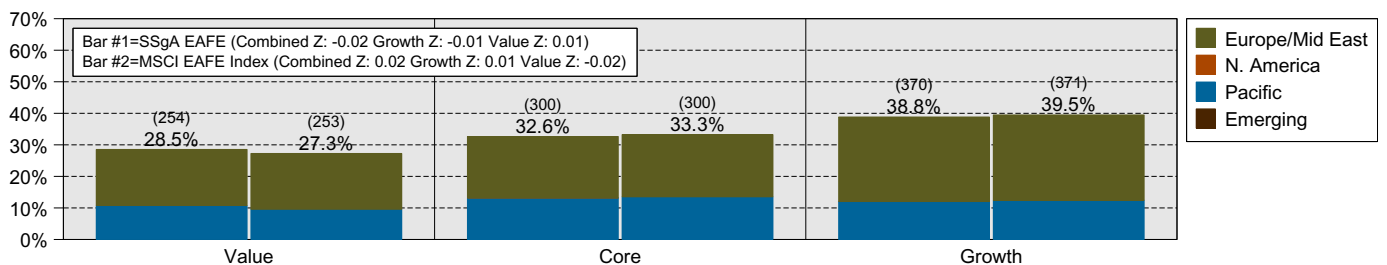
Style Map vs CAI Non-U.S. Eq. Style Holdings as of December 31, 2015



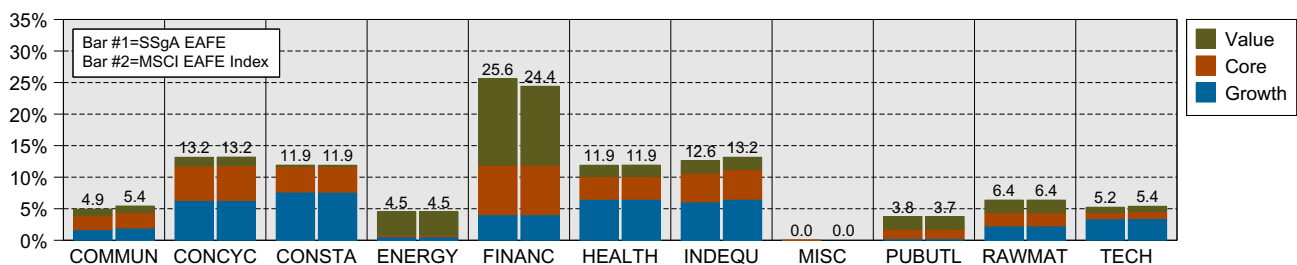
Style Exposure Matrix Holdings as of December 31, 2015

	Value	Core	Growth	Total
Europe/ Mid East	17.8% (122)	19.5% (138)	26.8% (194)	64.0% (454)
N. America	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
Pacific	10.8% (132)	13.2% (161)	12.0% (176)	36.0% (469)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	28.5% (254)	32.6% (300)	38.8% (370)	100.0% (924)
	27.3% (253)	33.3% (300)	39.5% (371)	100.0% (924)

Combined Z-Score Style Distribution Holdings as of December 31, 2015



Sector Weights Distribution Holdings as of December 31, 2015

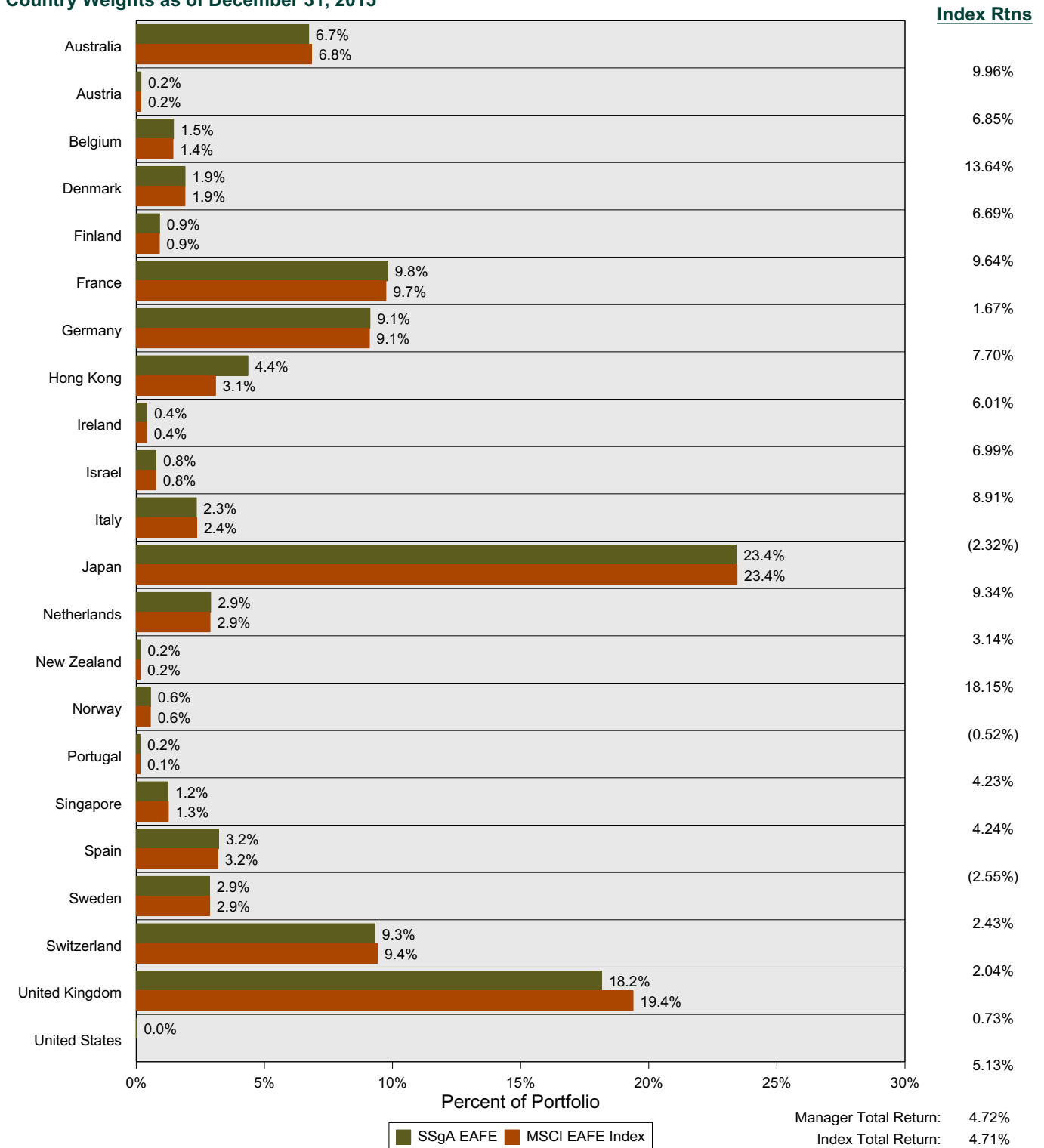


Country Allocation SSgA EAFE VS MSCI EAFE Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of December 31, 2015. 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 December 31, 2015



SSgA EAFE Top 10 Portfolio Holdings Characteristics as of December 31, 2015

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	\$403,266	1.9%	(0.86)%	237.45	21.32	2.95%	4.10%
Novartis	Health Care	\$335,085	1.6%	(4.98)%	232.13	16.24	3.00%	8.78%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$329,451	1.5%	4.66%	193.99	17.96	2.89%	6.80%
Toyota Motor Corp	Consumer Discretionary	\$291,810	1.4%	5.62%	207.78	9.20	3.00%	8.30%
Hsbc Holdings (Gb)	Financials	\$265,723	1.2%	5.96%	157.22	10.32	6.26%	4.43%
Novo Nordisk B	Health Care	\$196,180	0.9%	7.72%	120.06	25.32	1.25%	19.28%
Bayer A G Namen -Akt	Health Care	\$178,956	0.8%	0.14%	104.36	15.23	1.94%	11.00%
Commonwealth Bank of Austral Shs	Financials	\$178,641	0.8%	20.14%	106.26	15.09	4.91%	3.19%
British American Tobacco	Consumer Staples	\$178,085	0.8%	(0.20)%	103.61	16.93	3.98%	5.14%
Sanofi Shs	Health Care	\$174,353	0.8%	(8.34)%	111.48	14.07	3.63%	6.20%

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
Ono Pharmaceutical Co	Health Care	\$25,450	0.1%	52.82%	21.25	72.36	0.83%	63.20%
Yamazaki Baking Co	Consumer Staples	\$4,362	0.0%	49.29%	5.01	38.81	0.59%	(5.77)%
Kaneka Corp Ord	Materials	\$5,014	0.0%	43.35%	3.68	16.97	1.26%	34.71%
Jardine Cycle & Carriage	Consumer Discretionary	\$4,944	0.0%	42.67%	9.71	12.78	3.26%	(3.40)%
Renault Sa Shs Sicovam	Consumer Discretionary	\$33,434	0.2%	42.10%	29.76	7.72	2.05%	23.00%
Mitsui Chemicals Inc Shs	Materials	\$6,467	0.0%	42.04%	4.60	13.75	1.29%	39.59%
Nippon Paint Hldgs Co Ltd Shs	Materials	\$6,319	0.0%	41.78%	8.00	26.38	0.91%	17.30%
Marui Group Co Ltd Ord	Consumer Discretionary	\$6,281	0.0%	36.90%	4.58	24.32	1.06%	22.30%
Nitto Denko Corp Ord	Materials	\$20,916	0.1%	36.56%	12.87	15.68	1.51%	13.10%
Yaskawa Electric Corp Ord	Information Technology	\$5,774	0.0%	36.53%	3.69	16.63	1.20%	7.78%

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
Anglo American Plc Shs	Materials	\$10,621	0.0%	(42.78)%	6.19	10.84	19.13%	(26.40)%
Amec Foster Wheeler Plc Ord	Energy	\$4,279	0.0%	(41.79)%	2.47	7.68	10.10%	3.15%
K Plus S Ag Namen -Akt	Materials	\$8,449	0.0%	(36.61)%	4.92	11.28	3.80%	2.70%
Pearson Plc Ord	Consumer Discretionary	\$15,290	0.1%	(36.09)%	8.91	11.54	6.93%	(0.80)%
Altice NV B Common Stock	Consumer Discretionary	\$2,751	0.0%	(34.68)%	3.98	7.45	0.00%	-
Sports Direct International Shs	Consumer Discretionary	\$3,969	0.0%	(25.83)%	5.09	12.72	0.00%	7.90%
Meggitt Plc Ord	Industrials	\$7,354	0.0%	(23.96)%	4.28	11.52	3.76%	6.00%
Weir Group Plc Ord	Industrials	\$5,404	0.0%	(21.01)%	3.15	12.60	4.40%	(8.25)%
Tesco Plc Ord	Consumer Staples	\$30,801	0.1%	(20.44)%	17.94	18.33	0.00%	11.45%
Millicom Intl Cellular S A	Telecommunications	\$6,222	0.0%	(20.40)%	5.57	29.58	4.47%	(34.66)%

JP Morgan Period Ended December 31, 2015

Investment Philosophy

JPMorgan adds value by using the best ideas of their regional specialist teams, overlaid by global sector research, combined with the application of disciplined portfolio construction and formal risk control. The first full quarter of performance is 1Q 2008.

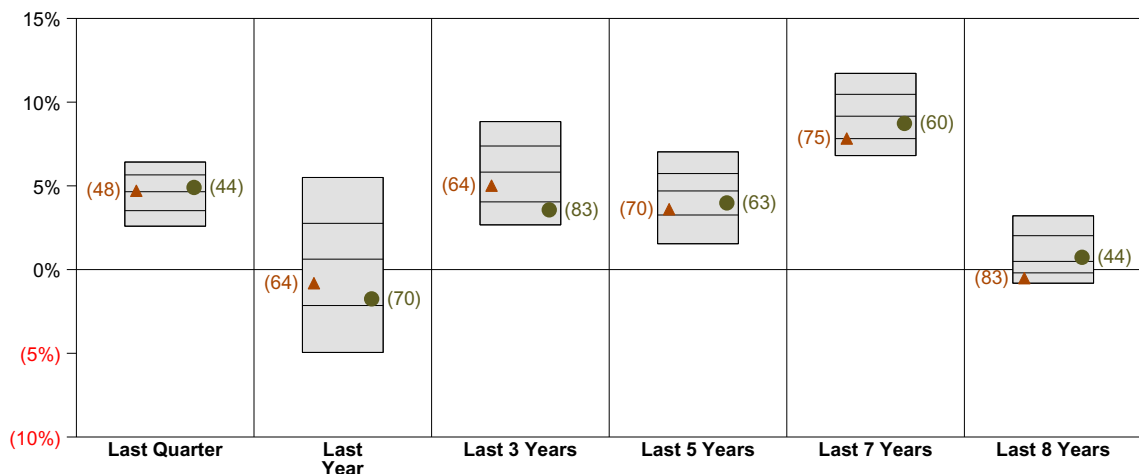
Quarterly Summary and Highlights

- JP Morgan's portfolio posted a 4.90% return for the quarter placing it in the 44 percentile of the CAI Non-U.S. Equity Style group for the quarter and in the 70 percentile for the last year.
- JP Morgan's portfolio outperformed the MSCI EAFE Index by 0.20% for the quarter and underperformed the MSCI EAFE Index for the year by 0.94%.

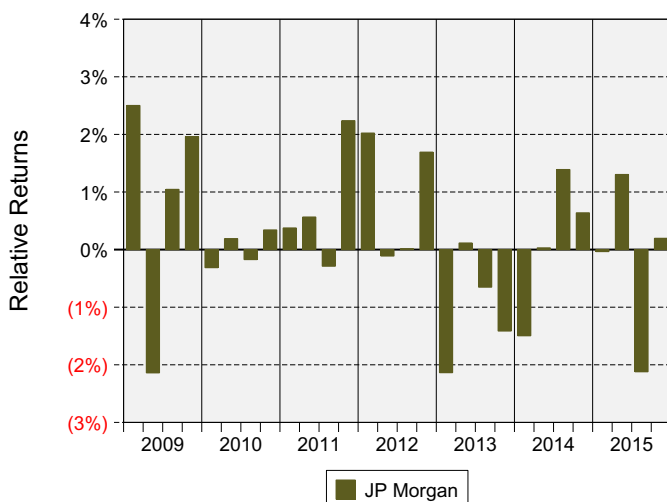
Quarterly Asset Growth

Beginning Market Value	\$21,188,128
Net New Investment	\$0
Investment Gains/(Losses)	\$1,039,276
Ending Market Value	\$22,227,405

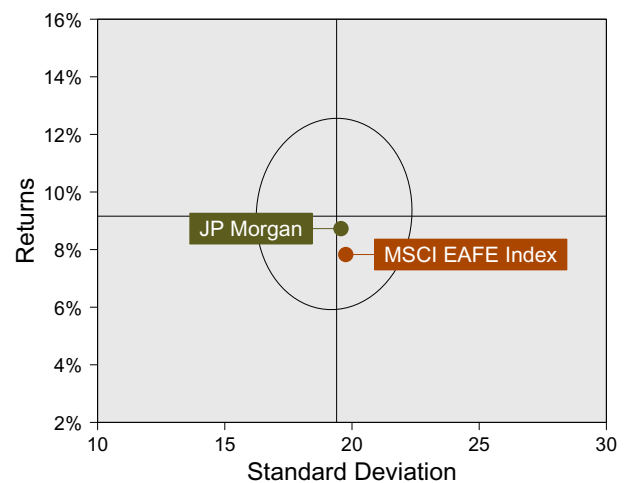
Performance vs CAI Non-U.S. Equity Style (Gross)



Relative Return vs MSCI EAFE Index



CAI Non-U.S. Equity Style (Gross) Annualized Seven Year Risk vs Return

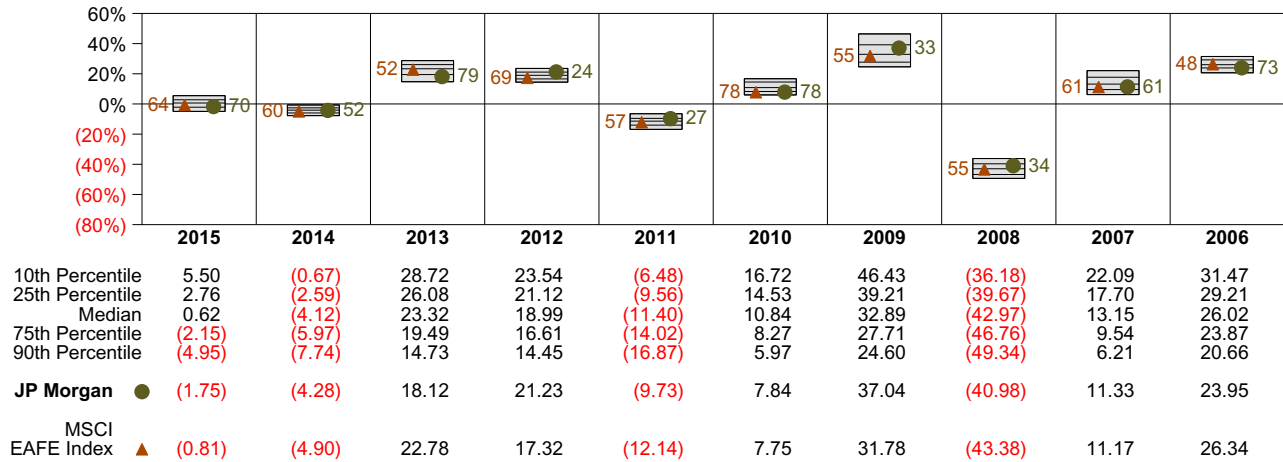


JP Morgan Return Analysis Summary

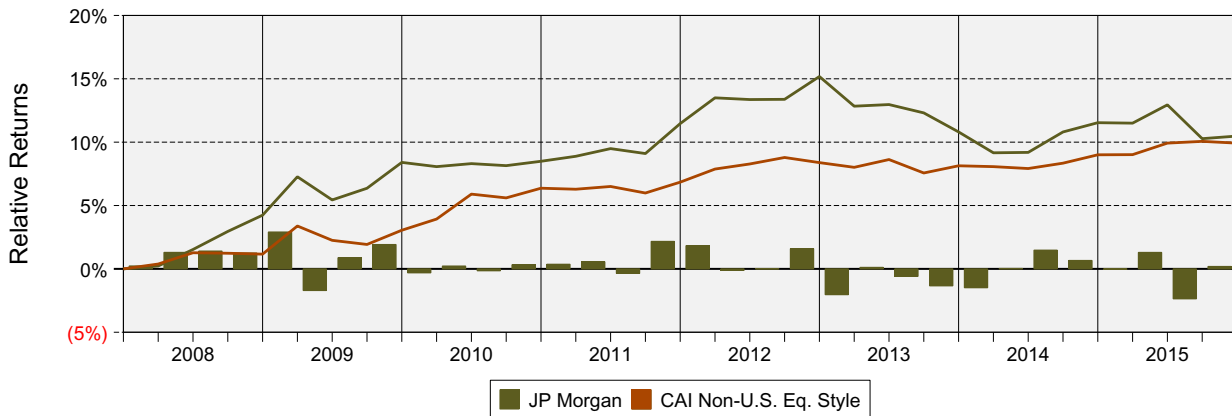
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

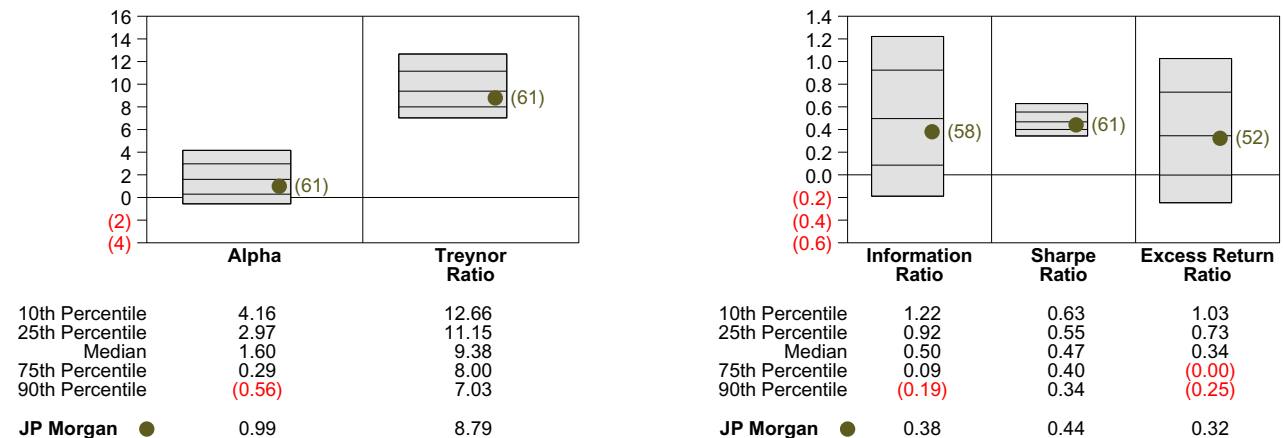
Performance vs CAI Non-U.S. Equity Style (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE Index



Risk Adjusted Return Measures vs MSCI EAFE Index Rankings Against CAI Non-U.S. Equity Style (Gross) Seven Years Ended December 31, 2015

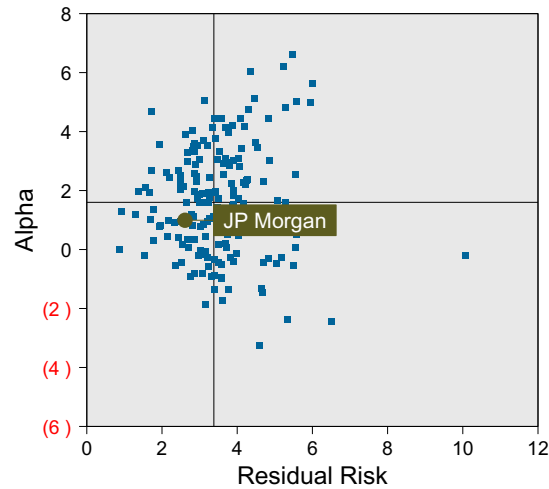
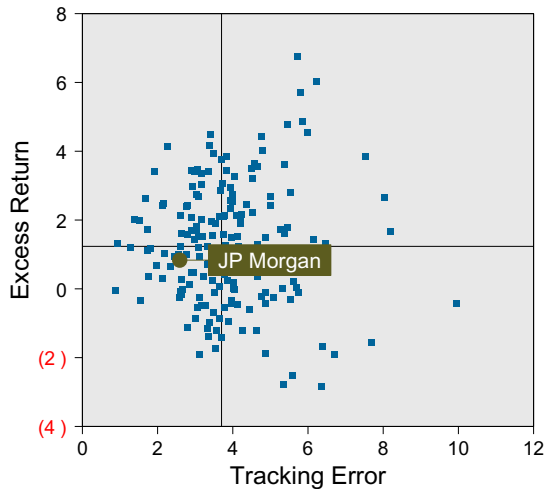


JP Morgan Risk Analysis Summary

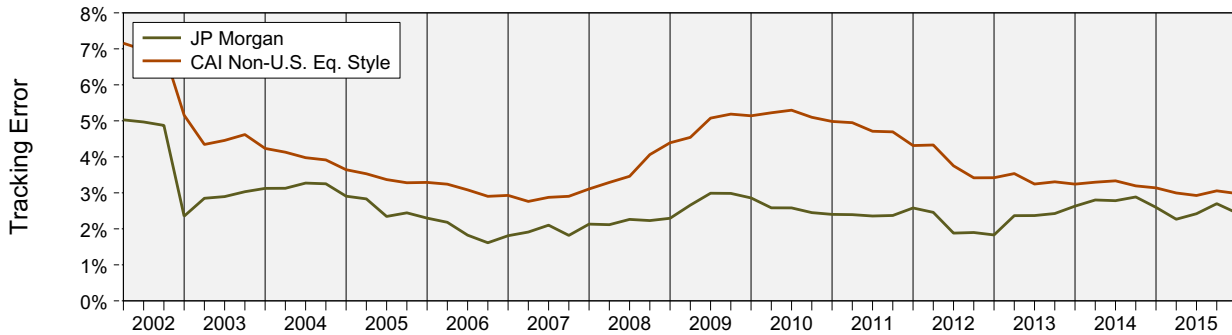
Risk Analysis

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 scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third 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.

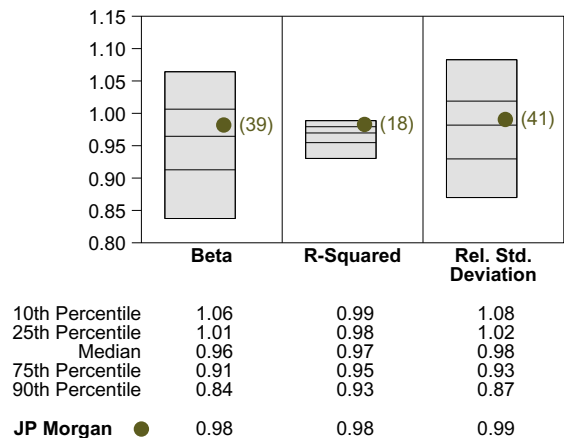
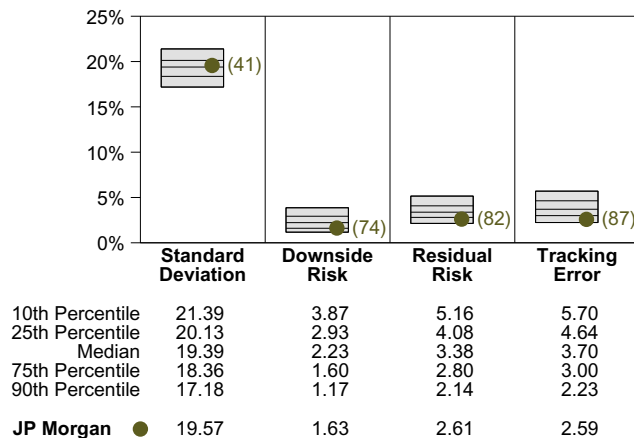
Risk Analysis vs CAI Non-U.S. Equity Style (Gross) Seven Years Ended December 31, 2015



Rolling 12 Quarter Tracking Error vs MSCI EAFE Index



Risk Statistics Rankings vs MSCI EAFE Index Rankings Against CAI Non-U.S. Equity Style (Gross) Seven Years Ended December 31, 2015

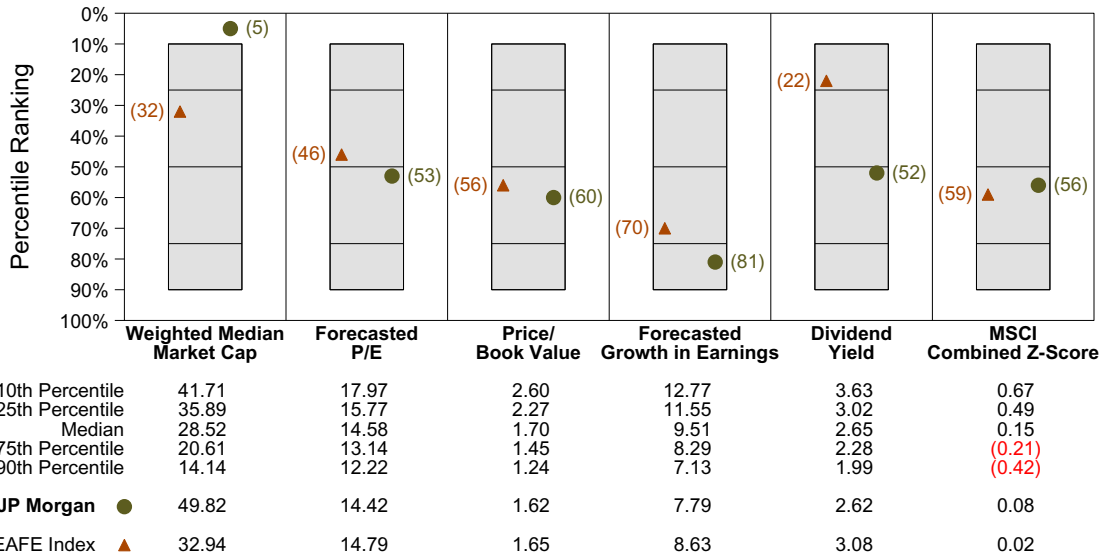


JP Morgan Equity Characteristics Analysis Summary

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.

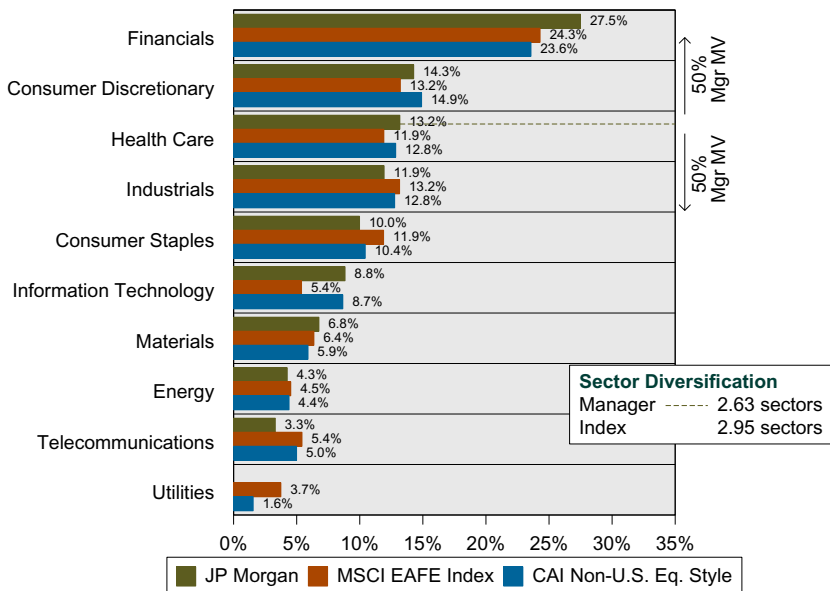
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-U.S. Equity Style as of December 31, 2015



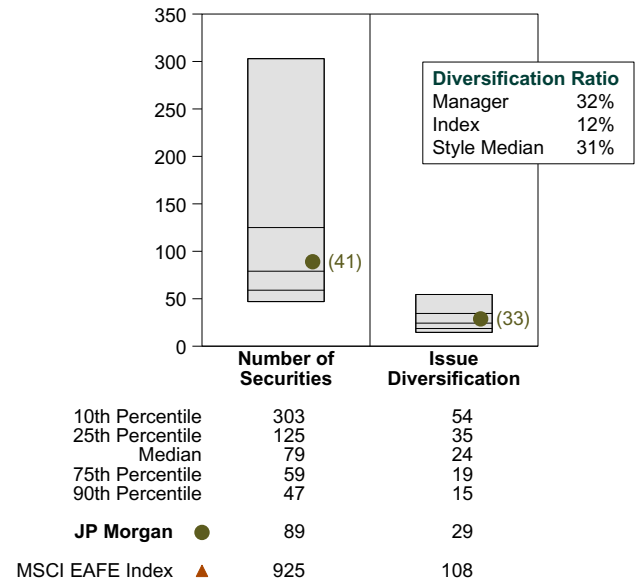
Sector Weights

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 December 31, 2015



Diversification December 31, 2015



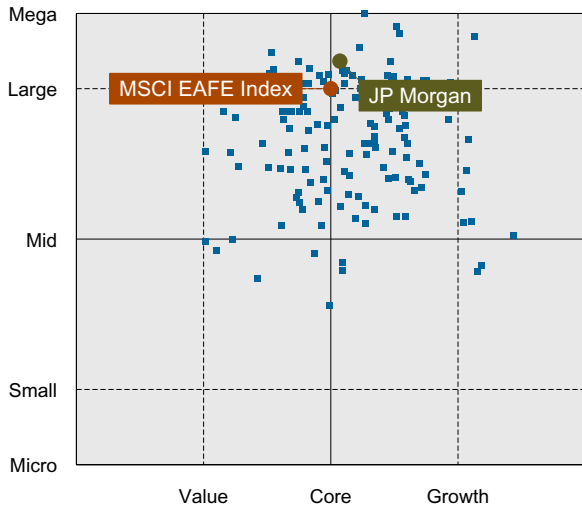
Current Holdings Based Style Analysis

JP Morgan

As of December 31, 2015

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.

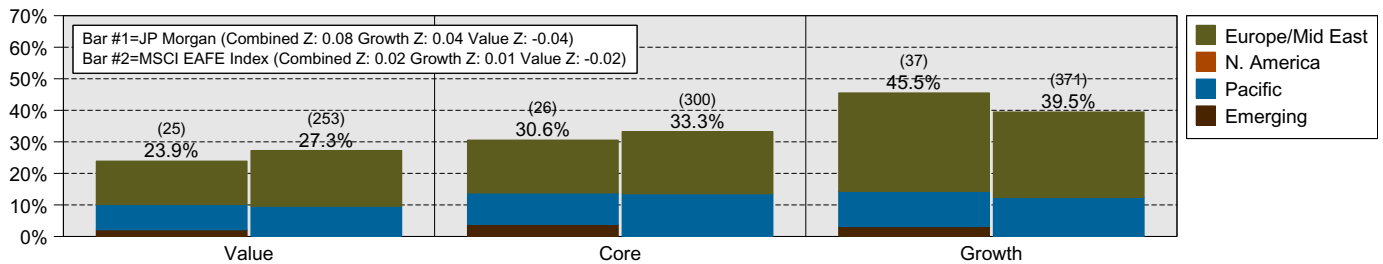
Style Map vs CAI Non-U.S. Eq. Style Holdings as of December 31, 2015



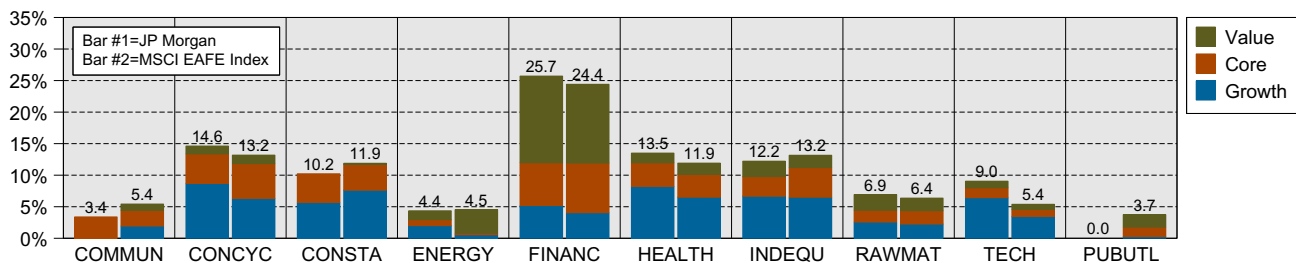
Style Exposure Matrix Holdings as of December 31, 2015

	Value	Core	Growth	Total
Europe/ Mid East	13.7% (12)	16.8% (14)	31.2% (23)	61.7% (49)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	8.1% (9)	10.0% (8)	11.2% (11)	29.3% (28)
Emerging	2.1% (4)	3.8% (4)	3.1% (3)	9.0% (11)
Total	23.9% (25)	30.6% (26)	45.5% (37)	100.0% (88)
	27.3% (253)	33.3% (300)	39.5% (371)	100.0% (924)

Combined Z-Score Style Distribution Holdings as of December 31, 2015



Sector Weights Distribution Holdings as of December 31, 2015



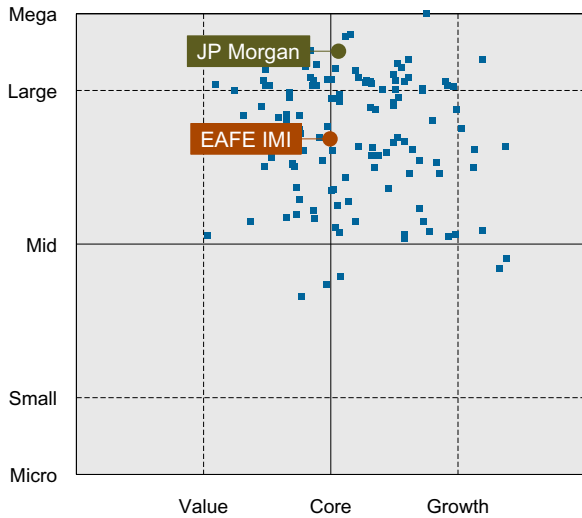
Historical Holdings Based Style Analysis

JP Morgan

For Three Years Ended December 31, 2015

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.

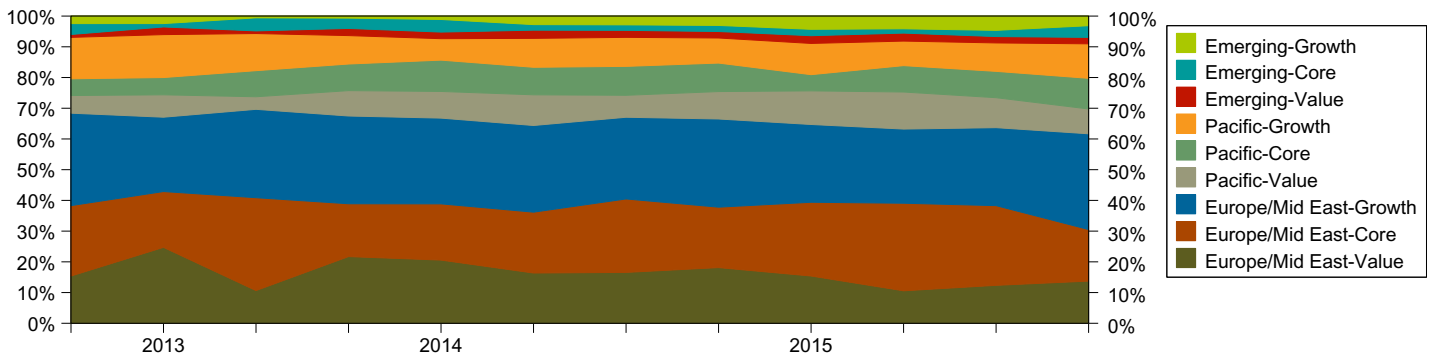
Average Style Map vs CAI Non-U.S. Eq. Style Holdings for Three Years Ended December 31, 2015



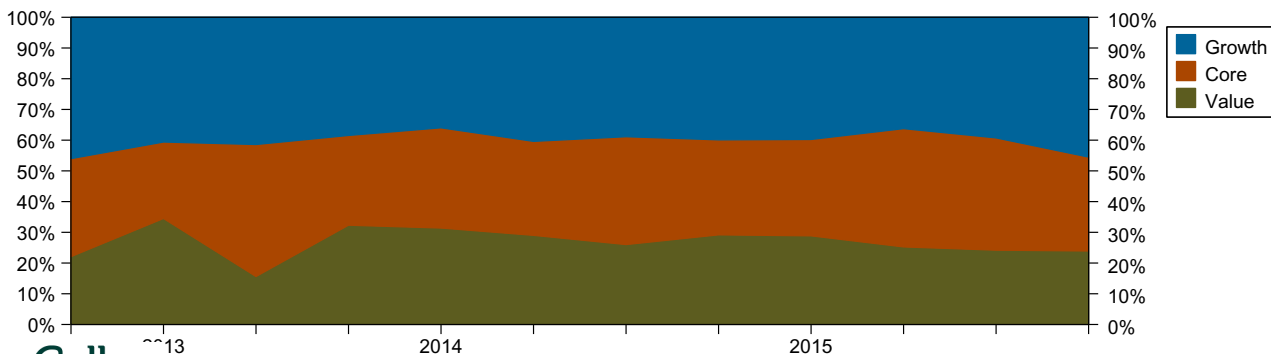
Average Style Exposure Matrix Holdings for Three Years Ended December 31, 2015

	Value	Core	Growth	Total
Europe/Mid East	16.3% (12)	22.1% (18)	27.4% (23)	65.9% (53)
	18.7% (430)	21.2% (478)	24.3% (486)	64.3% (1394)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (1)	0.0% (0)	0.1% (1)
Pacific	8.4% (8)	8.2% (7)	10.1% (11)	26.7% (26)
	10.7% (571)	13.3% (586)	11.6% (515)	35.7% (1672)
Emerging	2.1% (3)	2.6% (3)	2.7% (3)	7.4% (9)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	26.8% (23)	32.9% (28)	40.2% (37)	100.0% (88)
	29.5% (1001)	34.5% (1065)	36.0% (1001)	100.0% (3067)

JP Morgan Historical Region/Style Exposures



JP Morgan Historical Style Only Exposures



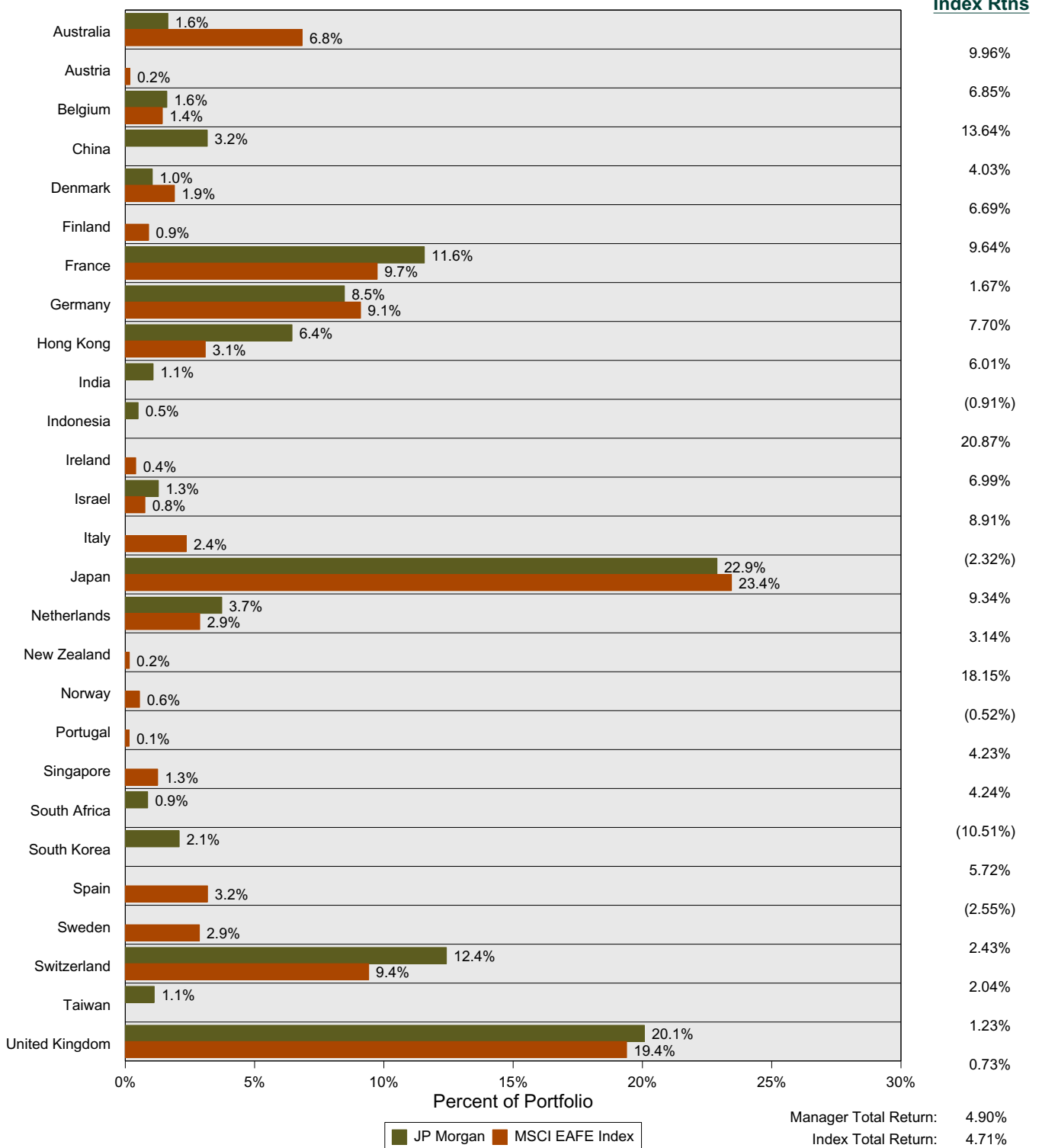
Country Allocation

JP Morgan VS MSCI EAFE Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of December 31, 2015. 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 December 31, 2015



JP Morgan Top 10 Portfolio Holdings Characteristics as of December 31, 2015

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
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$533,442	2.4%	4.66%	193.99	17.96	2.89%	6.80%
Novartis	Health Care	\$515,423	2.3%	(4.98)%	232.13	16.24	3.00%	8.78%
Vodafone Group Plc New Shs New	Telecommunications	\$511,692	2.3%	2.80%	86.50	40.25	5.11%	10.30%
Sumitomo Mitsui Finl Grp Inc Shs	Financials	\$471,526	2.1%	3.09%	54.14	7.91	3.37%	2.20%
Prudential	Financials	\$454,230	2.0%	7.08%	58.03	12.59	2.49%	11.75%
Ubs Ag Shs New	Financials	\$445,831	2.0%	5.70%	75.07	12.37	2.56%	18.50%
Bg Group	Energy	\$430,957	1.9%	(1.23)%	49.62	24.20	1.90%	(1.24)%
Sap Se Shs	Information Technology	\$422,856	1.9%	25.05%	98.62	18.44	1.49%	8.15%
Japan Tobacco Inc Ord	Consumer Staples	\$409,826	1.8%	24.30%	74.33	17.75	2.89%	12.39%
Toyota Motor Corp	Consumer Discretionary	\$408,617	1.8%	5.62%	207.78	9.20	3.00%	8.30%

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
Nitto Denko Corp Ord	Materials	\$92,188	0.4%	36.56%	12.87	15.68	1.51%	13.10%
Daikin Industries Ltd Shs	Industrials	\$169,750	0.8%	35.38%	21.69	17.80	1.29%	9.75%
Pt Astra International Tbk Shs New	Consumer Discretionary	\$109,574	0.5%	30.21%	17.62	13.33	3.60%	5.93%
Tokyo Electron	Information Technology	\$224,387	1.0%	29.56%	10.99	16.11	3.11%	8.00%
Keyence Corp Ord	Information Technology	\$241,488	1.1%	27.00%	33.90	26.35	0.30%	11.56%
Sap Se Shs	Information Technology	\$422,856	1.9%	25.05%	98.62	18.44	1.49%	8.15%
Japan Tobacco Inc Ord	Consumer Staples	\$409,826	1.8%	24.30%	74.33	17.75	2.89%	12.39%
Smc Corp Shs	Industrials	\$318,504	1.4%	20.11%	17.79	19.81	0.63%	2.53%
Kubota Corp	Industrials	\$314,029	1.4%	19.90%	19.54	13.74	1.59%	12.50%
China Overseas Land & inv	Financials	\$173,728	0.8%	19.51%	34.61	7.60	1.96%	14.30%

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
Meggitt Plc Ord	Industrials	\$155,732	0.7%	(23.96)%	4.28	11.52	3.76%	6.00%
South32 Ltd Common Stock Npv	Materials	\$12,281	0.1%	(19.16)%	4.13	15.50	0.00%	0.34%
Bhp Billiton Ltd Shs	Materials	\$194,091	0.9%	(15.22)%	41.73	20.30	9.83%	(5.60)%
Standard Chartered Plc Ord Usd .50	Financials	\$253,480	1.1%	(13.96)%	27.23	11.18	1.66%	(5.40)%
Burberry Group Plc Shs	Consumer Discretionary	\$207,074	0.9%	(12.76)%	7.84	15.75	2.99%	1.05%
Barclays Plc Shs	Financials	\$347,097	1.6%	(12.03)%	54.21	8.35	2.97%	13.90%
Credit Suisse Group Ord Cl D	Financials	\$339,834	1.5%	(11.00)%	42.41	10.57	3.23%	0.30%
Cheung Kong Property Holding Common	Financials	\$199,811	0.9%	(10.54)%	25.10	10.15	0.00%	8.98%
Rio Tinto Plc Ord	Materials	\$90,023	0.4%	(9.14)%	40.11	14.75	7.42%	(20.10)%
Sanofi Shs	Health Care	\$330,639	1.5%	(8.34)%	111.48	14.07	3.63%	6.20%

DFA Emerging Markets Period Ended December 31, 2015

Investment Philosophy

DFA Performance prior to 6/30/2013 is linked to published fund returns.

Quarterly Summary and Highlights

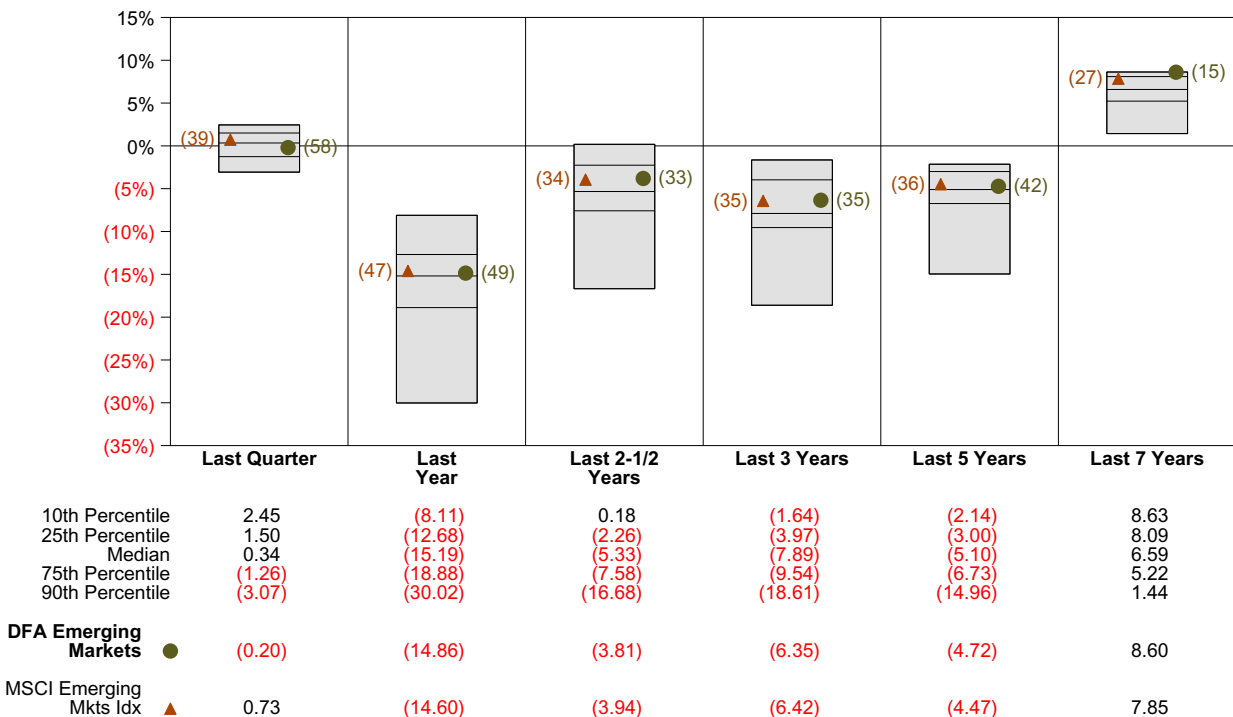
- DFA Emerging Markets's portfolio posted a (0.20)% return for the quarter placing it in the 58 percentile of the CAI MF - Emerging Markets Style group for the quarter and in the 49 percentile for the last year.
- DFA Emerging Markets's portfolio underperformed the MSCI Emerging Mkts Idx by 0.93% for the quarter and underperformed the MSCI Emerging Mkts Idx for the year by 0.26%.

Quarterly Asset Growth

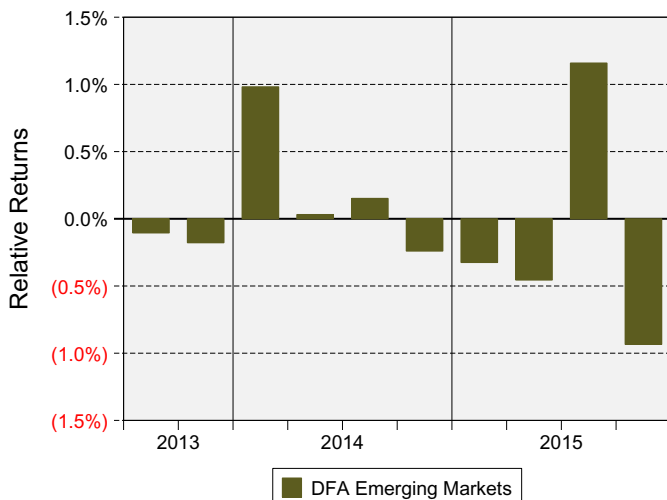
Beginning Market Value	\$10,855,197
Net New Investment	\$166,206
Investment Gains/(Losses)	\$-30,871
Ending Market Value	\$10,990,533

Percent Cash: 0.0%

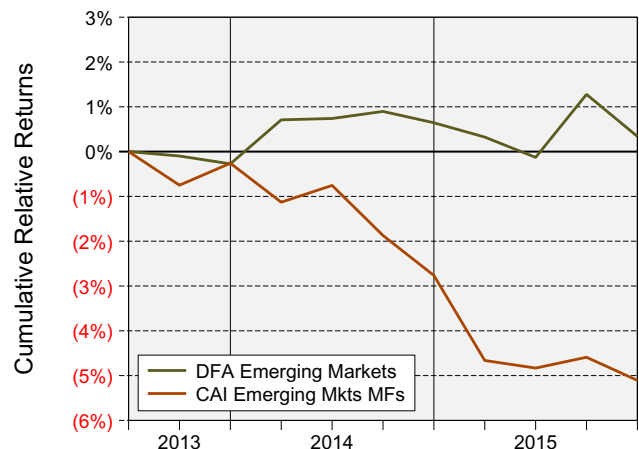
Performance vs CAI MF - Emerging Markets Style (Net)



Relative Return vs MSCI Emerging Mkts Idx



Cumulative Returns vs MSCI Emerging Mkts Idx

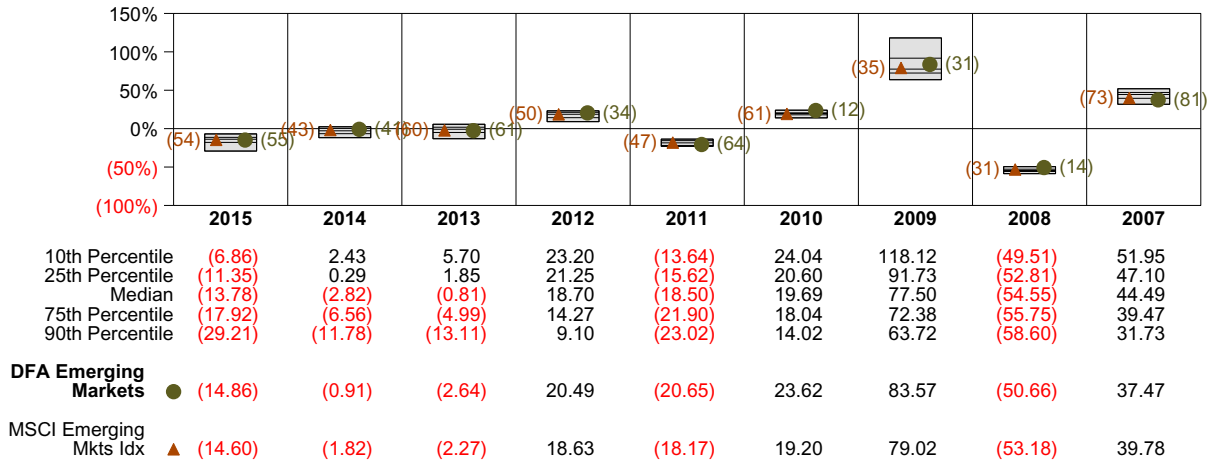


DFA Emerging Markets Return Analysis Summary

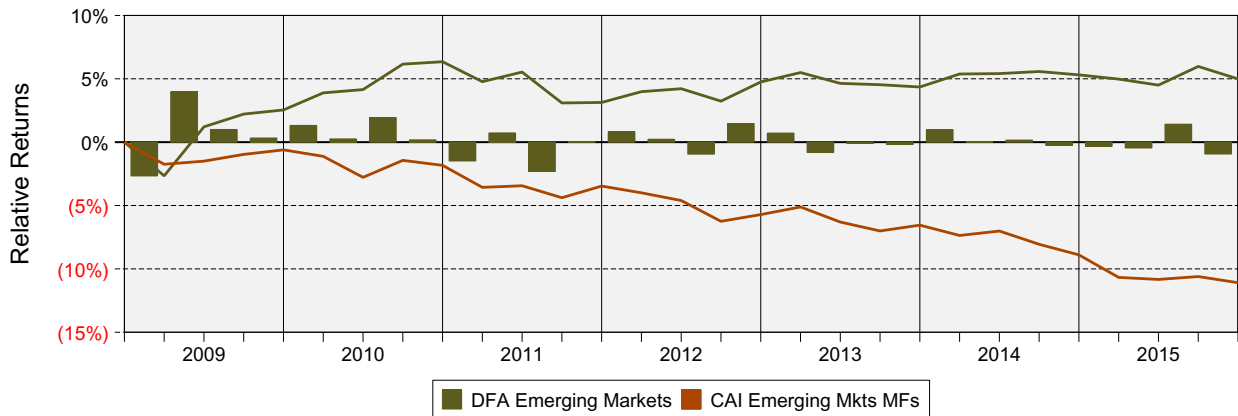
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

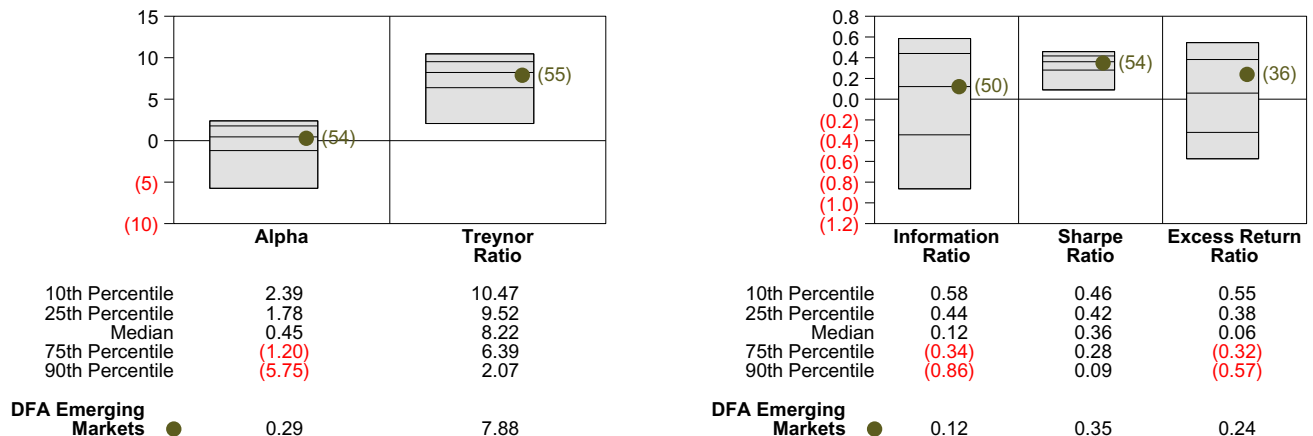
Performance vs CAI MF - Emerging Markets Style (Gross)



Cumulative and Quarterly Relative Return vs MSCI Emerging Mkts Idx



Risk Adjusted Return Measures vs MSCI Emerging Mkts Idx Rankings Against CAI MF - Emerging Markets Style (Gross) Seven Years Ended December 31, 2015

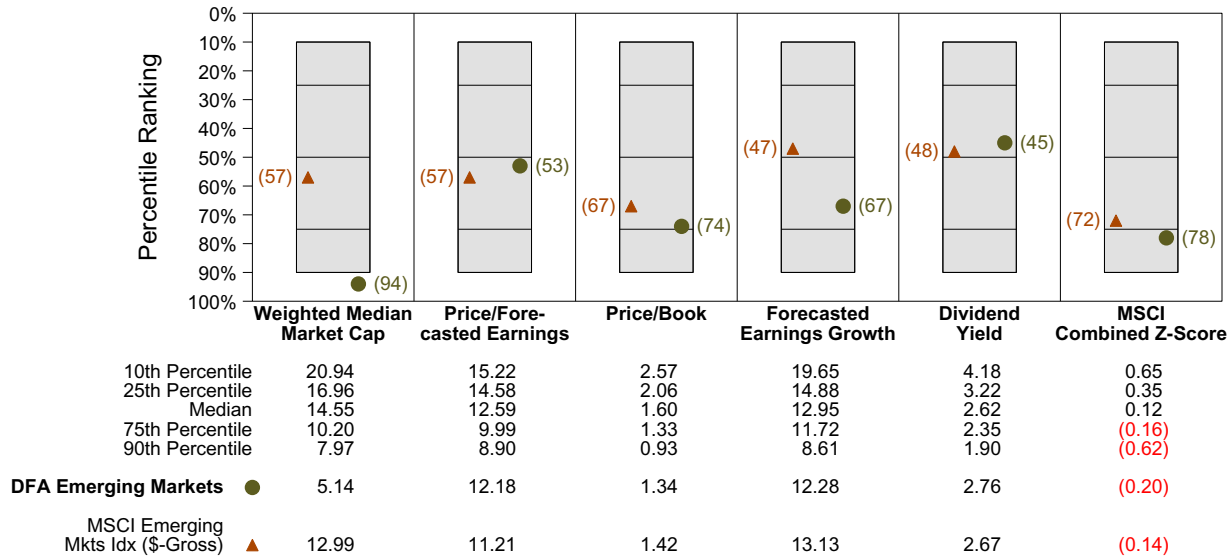


DFA Emerging Markets Equity Characteristics Analysis Summary

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.

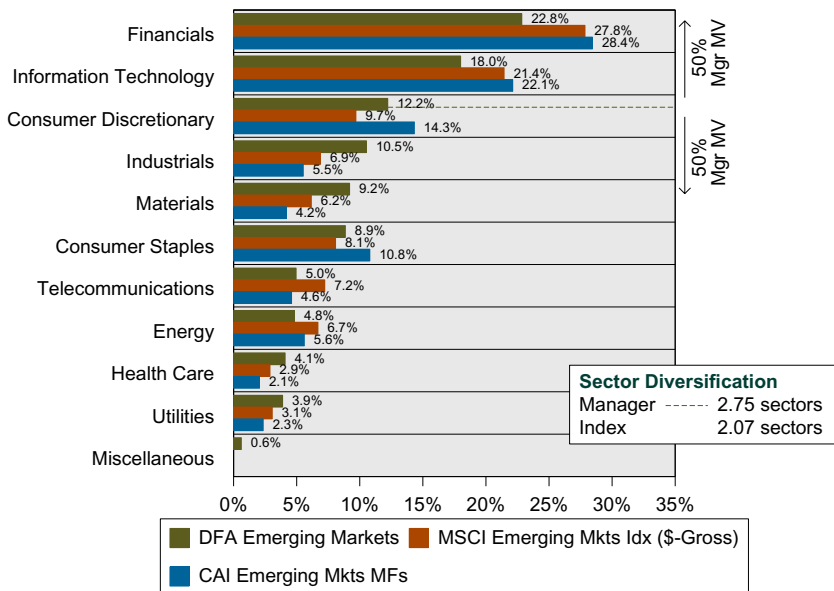
Portfolio Characteristics Percentile Rankings Rankings Against CAI MF - Emerging Markets Style as of December 31, 2015



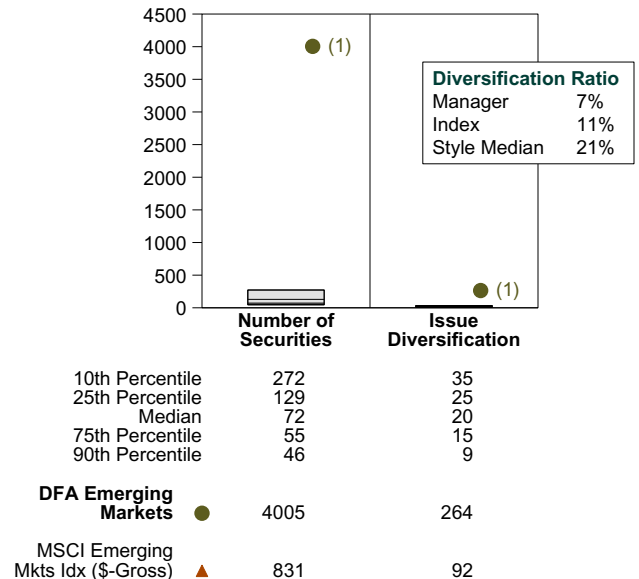
Sector Weights

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 December 31, 2015



Diversification December 31, 2015



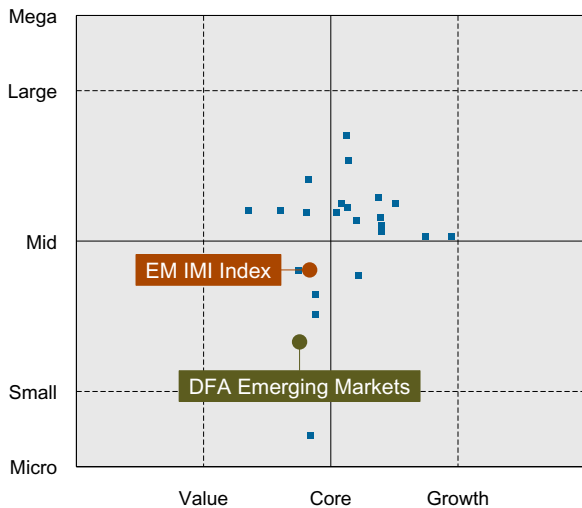
Current Holdings Based Style Analysis

DFA Emerging Markets

As of December 31, 2015

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.

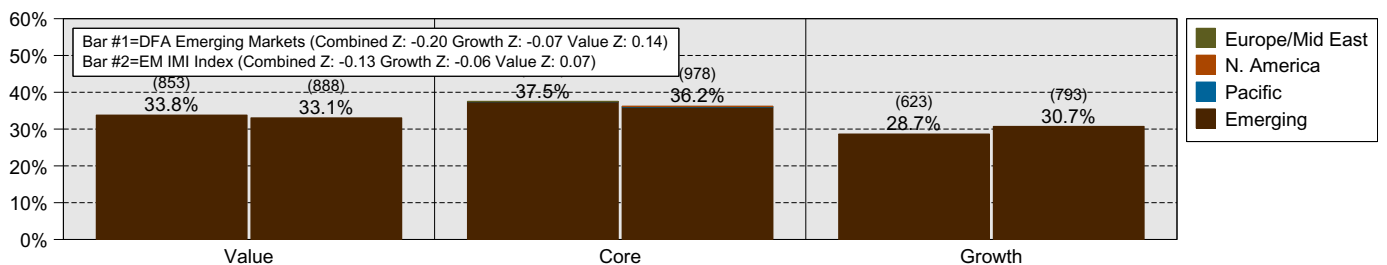
Style Map vs CAI Emerging Mkts MFs Holdings as of December 31, 2015



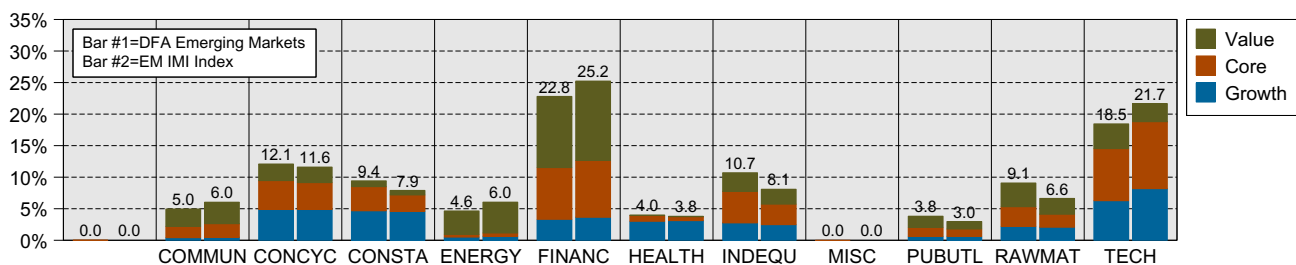
Style Exposure Matrix Holdings as of December 31, 2015

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (0) 0.0% (0)	0.0% (2) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (2) 0.0% (0)
N. America	0.0% (0) 0.0% (0)	0.0% (4) 0.1% (7)	0.0% (0) 0.0% (0)	0.0% (4) 0.1% (7)
Pacific	0.0% (0) 0.0% (0)	0.1% (26) 0.2% (25)	0.0% (0) 0.0% (0)	0.1% (26) 0.2% (25)
Emerging	33.8% (853) 33.1% (888)	37.4% (2250) 36.0% (946)	28.7% (623) 30.7% (793)	99.9% (3726) 99.8% (2627)
Total	33.8% (853) 33.1% (888)	37.5% (2282) 36.2% (978)	28.7% (623) 30.7% (793)	100.0% (3758) 100.0% (2659)

Combined Z-Score Style Distribution Holdings as of December 31, 2015



Sector Weights Distribution Holdings as of December 31, 2015

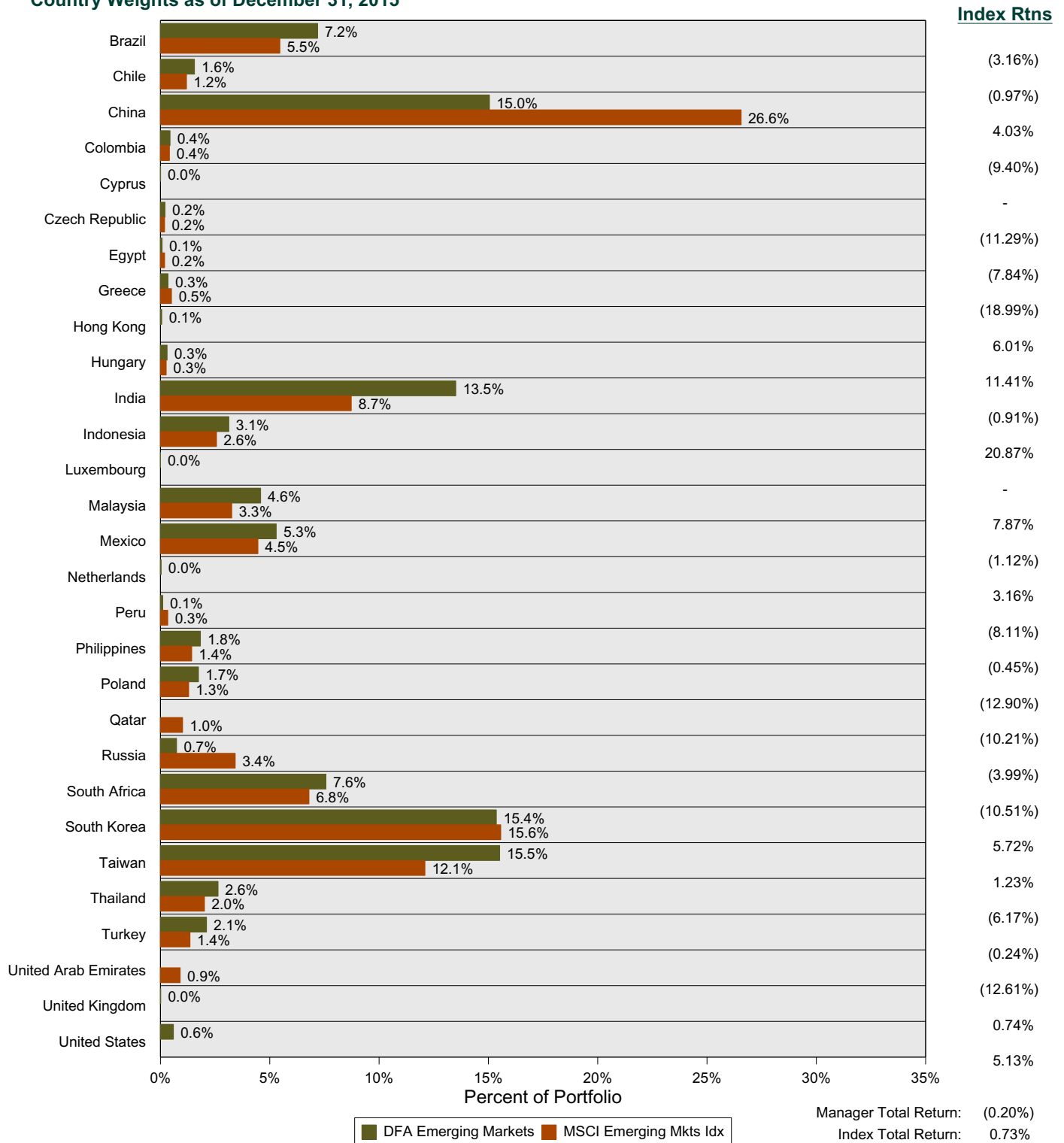


Country Allocation DFA Emerging Markets VS MSCI Emerging Mkts Idx (\$-Gross)

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of December 31, 2015. 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 December 31, 2015



DFA Emerging Markets Top 10 Portfolio Holdings Characteristics as of December 31, 2015

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	\$318,231	2.9%	12.34%	158.28	8.97	1.63%	3.70%
Tencent Holdings Limited Shs Par Hkd	Information Technology	\$144,380	1.3%	18.87%	185.02	30.37	0.24%	28.66%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$143,561	1.3%	10.27%	112.89	11.95	3.15%	9.81%
Hon Hai Precision Inds Ltd Ord	Information Technology	\$98,724	0.9%	(5.38)%	38.47	8.72	4.48%	5.57%
China Construction Bank Shs H	Financials	\$97,187	0.9%	(0.06)%	164.72	4.79	6.89%	7.33%
Industrial and Comm Bk of Cn Hkd Shs	Financials	\$84,855	0.8%	6.99%	52.41	4.99	6.81%	15.70%
China Mobile Limited Sponsored ADR	Telecommunications	\$83,338	0.8%	(5.33)%	231.17	12.42	4.03%	6.41%
Taiwan Semiconductor Mfg Co Ltd Spon	Information Technology	\$78,590	0.7%	9.64%	112.89	11.95	3.15%	9.81%
Mtn Group Ltd Shs	Telecommunications	\$68,182	0.6%	(34.19)%	15.83	9.13	9.63%	3.40%
Nasionale PERS Beperk Ord CI H	Consumer Discretionary	\$54,465	0.5%	5.17%	59.91	36.33	0.20%	50.60%

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
Cosco International Hldgs Lt Ord	Industrials	\$564	0.0%	1517.50%	0.81	16.56	4.14%	(8.74)%
Sunny Electronics	Information Technology	\$281	0.0%	204.17%	0.16	151.28	0.00%	-
Cha Diostech	Information Technology	\$147	0.0%	150.00%	0.12	(53.79)	0.00%	-
Gintech Energy Corp Shs	Information Technology	\$2,795	0.0%	116.00%	0.44	13.24	0.00%	22.34%
Godfrey Phillips (India)	Consumer Staples	\$537	0.0%	112.02%	1.08	-	0.58%	-
Accton Tech Corp Shs	Information Technology	\$2,030	0.0%	107.30%	0.52	10.00	3.37%	31.73%
Majesco Li	Unknown	\$26	0.0%	106.02%	0.22	-	0.00%	-
P-Two Industries	Information Technology	\$39	0.0%	105.56%	0.07	(46.15)	0.00%	-
Giantplus Tech.	Information Technology	\$679	0.0%	104.42%	0.26	29.00	0.00%	(41.83)%
Hanmi Pharm	Health Care	\$5,189	0.0%	102.44%	6.48	40.02	0.00%	20.10%

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
Piraeus Bk Sa Shs New	Financials	\$17	0.0%	(94.97)%	2.64	0.06	0.00%	(11.58)%
National Bk Greece S A Spn ADR Rep 1	Financials	\$15	0.0%	(93.28)%	3.41	0.15	0.00%	68.21%
Powszechny Zaklad Ubezpiecze Shs	Financials	\$11,250	0.1%	(91.59)%	7.44	11.43	8.82%	(5.44)%
Homex	Consumer Discretionary	\$9	0.0%	(87.27)%	0.01	0.11	0.00%	(36.05)%
National Bank of Greece Common Regst	Financials	\$39	0.0%	(86.77)%	3.41	0.15	0.00%	68.21%
Corporacion Geo B	Consumer Discretionary	\$6	0.0%	(71.25)%	0.23	6.92	0.00%	(8.03)%
Knowledge Plant	Information Technology	\$265	0.0%	(66.67)%	0.16	(22.40)	0.00%	-
Hibiscus Petroleum	Energy	\$31	0.0%	(65.12)%	0.06	(10.80)	0.00%	-
China Molybdenum Co Ltd H	Materials	\$666	0.0%	(59.33)%	0.74	15.58	5.06%	(38.10)%
Hawe	Financials	\$80	0.0%	(58.87)%	0.03	(2.39)	0.00%	-

Metropolitan West Period Ended December 31, 2015

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.

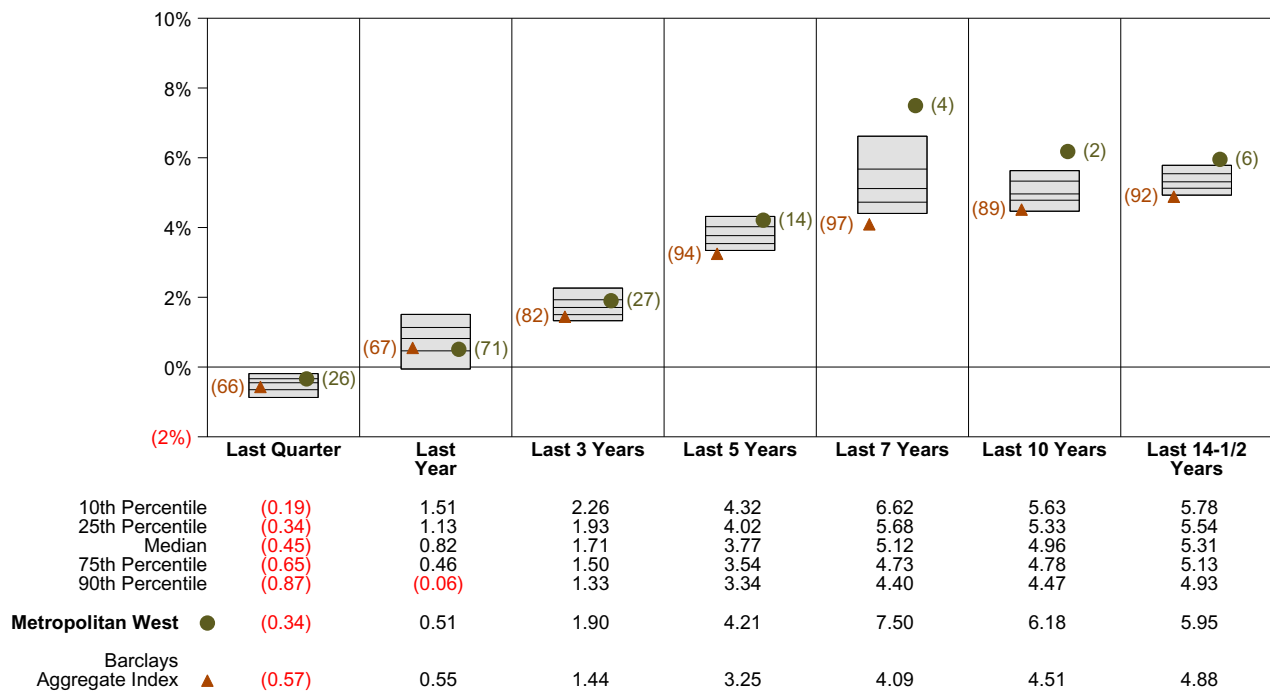
Quarterly Summary and Highlights

- Metropolitan West's portfolio posted a (0.34)% return for the quarter placing it in the 26 percentile of the CAI Core Bond Fixed-Inc Style group for the quarter and in the 71 percentile for the last year.
- Metropolitan West's portfolio outperformed the Barclays Aggregate Index by 0.23% for the quarter and underperformed the Barclays Aggregate Index for the year by 0.04%.

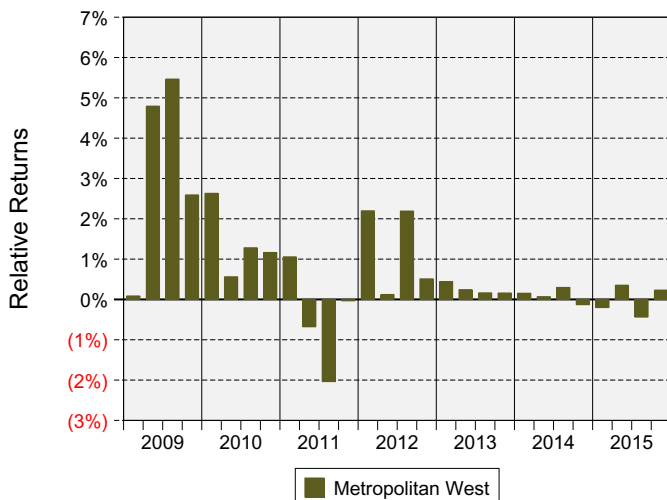
Quarterly Asset Growth

Beginning Market Value	\$85,909,966
Net New Investment	\$-266,918
Investment Gains/(Losses)	\$-291,188
Ending Market Value	\$85,351,860

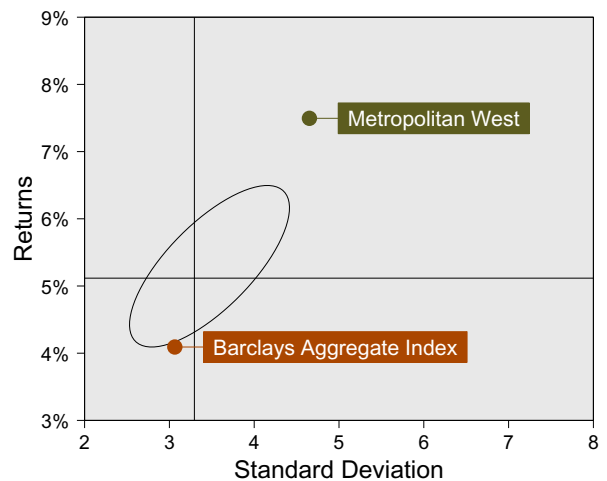
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Relative Return vs Barclays Aggregate Index



CAI Core Bond Fixed-Inc Style (Gross) Annualized Seven Year Risk vs Return

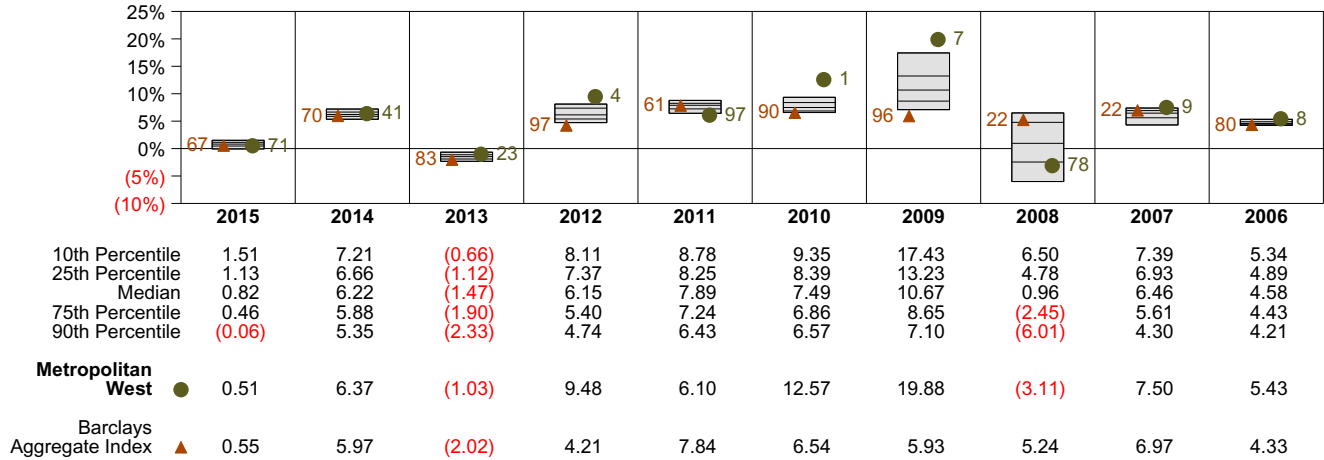


Metropolitan West Return Analysis Summary

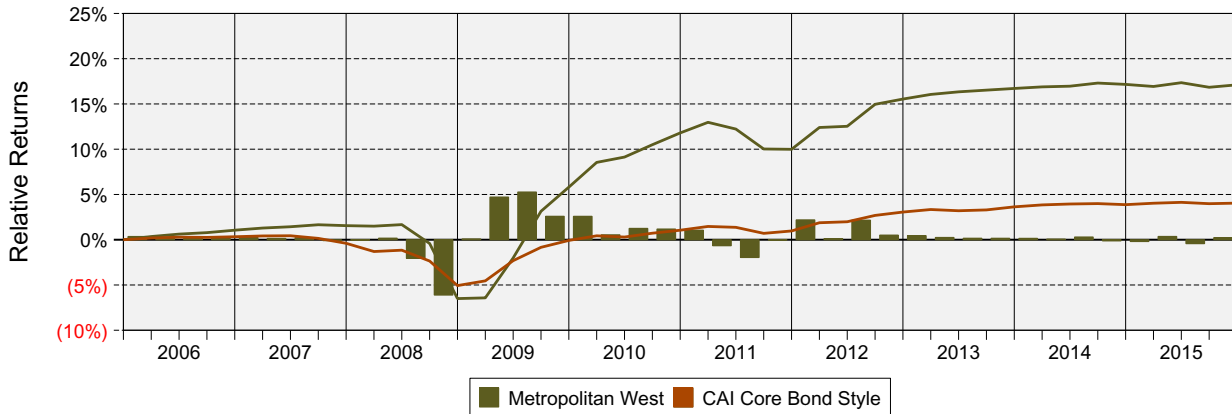
Return Analysis

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 two charts illustrate the manager's ranking relative to their style using various risk-adjusted return measures.

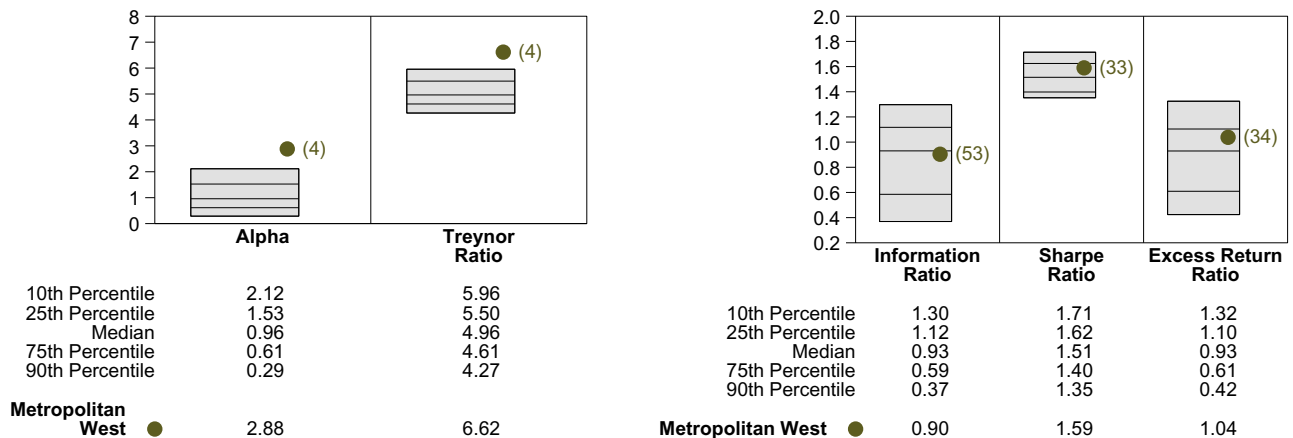
Performance vs CAI Core Bond Fixed-Inc Style (Gross)



Cumulative and Quarterly Relative Return vs Barclays Aggregate Index



Risk Adjusted Return Measures vs Barclays Aggregate Index Rankings Against CAI Core Bond Fixed-Inc Style (Gross) Seven Years Ended December 31, 2015

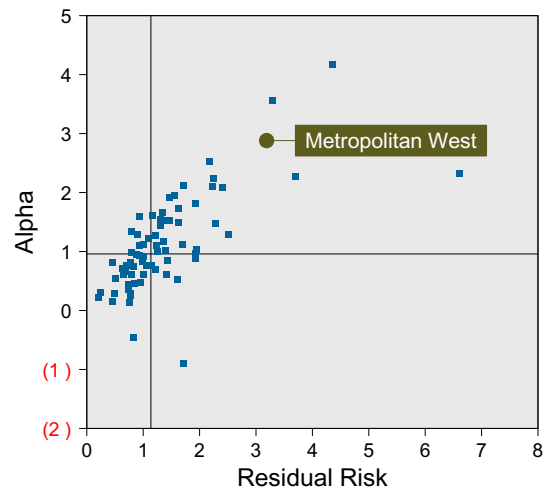
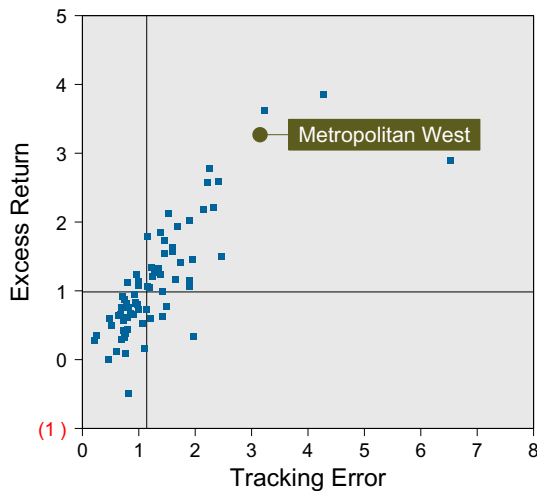


Metropolitan West Risk Analysis Summary

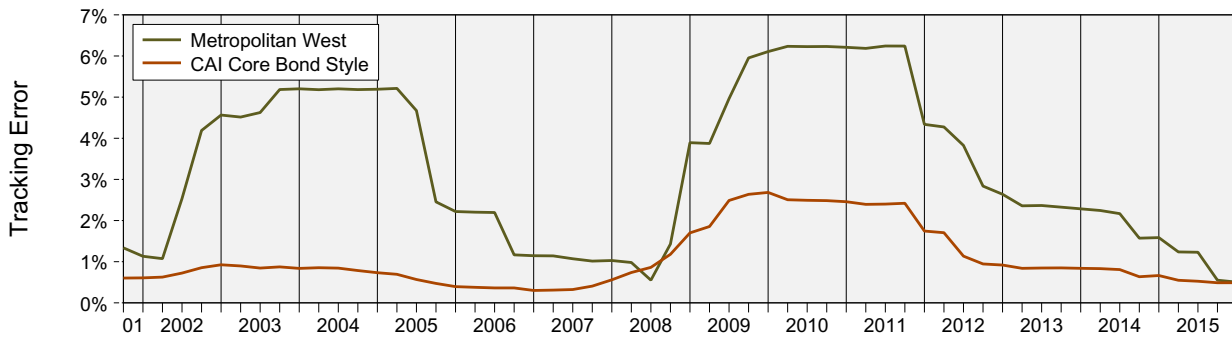
Risk Analysis

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 scatter chart displays the relationship, sometimes called Information Ratio, between alpha (market-risk or "beta" adjusted return) and residual risk (non-market or "unsystematic" risk). The third 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.

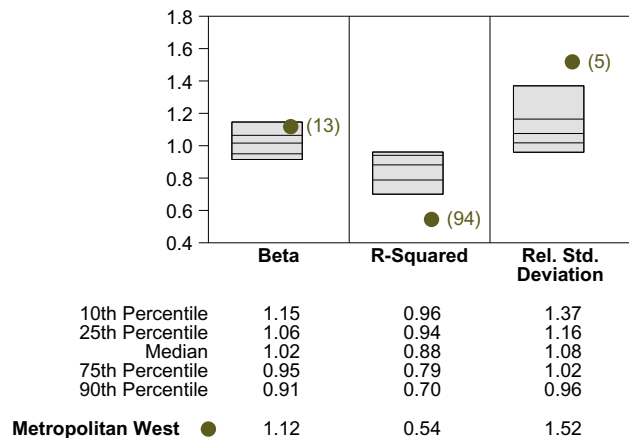
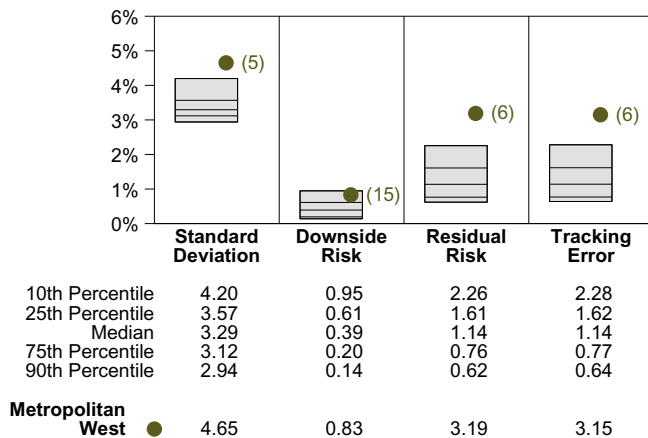
Risk Analysis vs CAI Core Bond Fixed-Inc Style (Gross) Seven Years Ended December 31, 2015



Rolling 12 Quarter Tracking Error vs Barclays Aggregate Index



Risk Statistics Rankings vs Barclays Aggregate Index Rankings Against CAI Core Bond Fixed-Inc Style (Gross) Seven Years Ended December 31, 2015

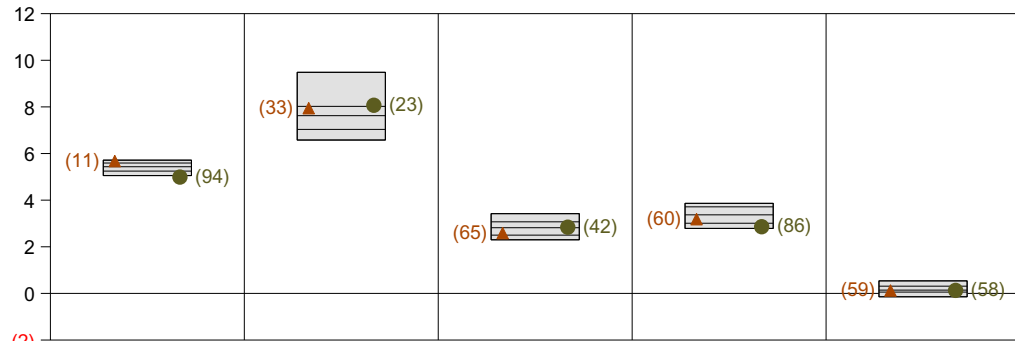


Metropolitan West Bond Characteristics Analysis Summary

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 CAI Core Bond Fixed-Inc Style as of December 31, 2015

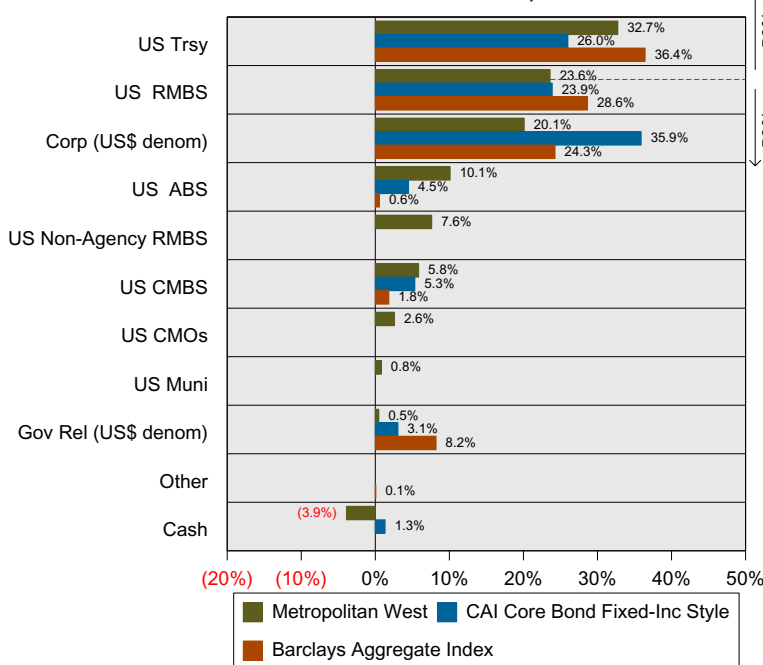


	Duration	Average Life	Effective Yield	Coupon Rate	OA Convexity
10th Percentile	5.72	9.48	3.42	3.86	0.54
25th Percentile	5.59	8.02	3.07	3.71	0.31
Median	5.43	7.62	2.82	3.37	0.14
75th Percentile	5.25	7.03	2.50	3.01	0.06
90th Percentile	5.05	6.58	2.30	2.79	(0.14)
Metropolitan West	4.99	8.07	2.84	2.86	0.13
Barclays Aggregate Index	5.68	7.94	2.59	3.18	0.13

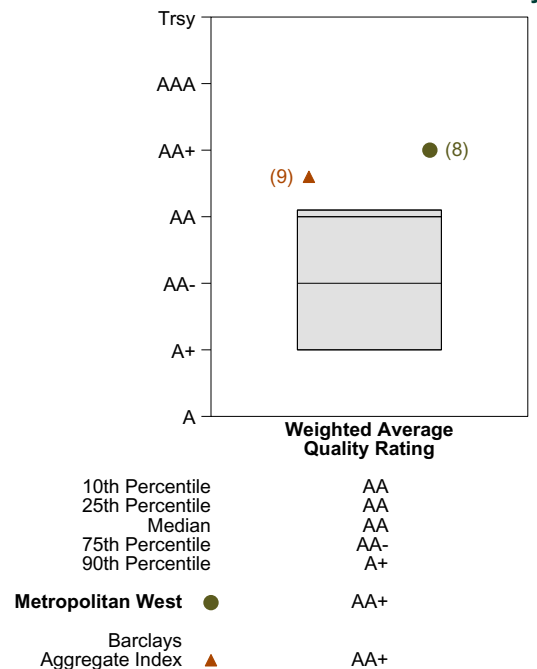
Sector Allocation and Quality Ratings

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.

Sector Allocation December 31, 2015



Quality Ratings vs CAI Core Bond Fixed-Inc Style

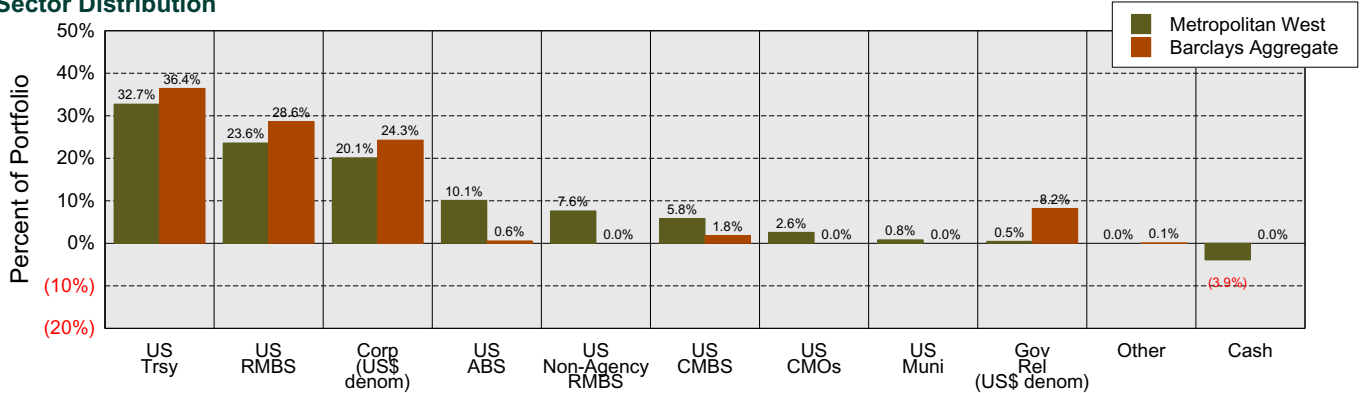


Metropolitan West Portfolio Characteristics Summary As of December 31, 2015

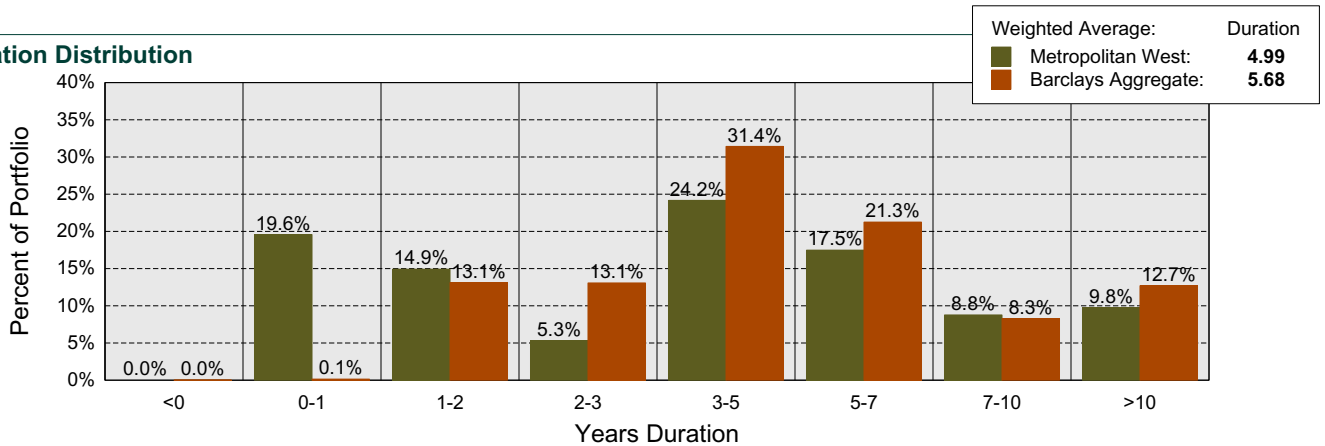
Portfolio Structure Comparison

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.

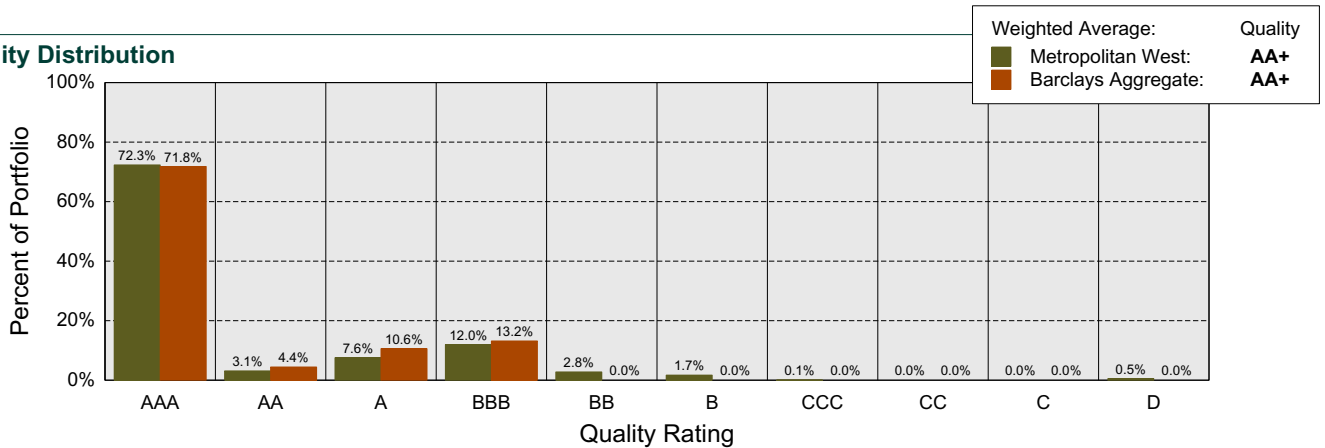
Sector Distribution



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

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.

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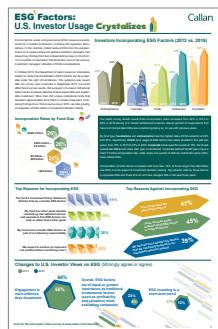


2015 Alternative Investments Survey Our 2015 Alternative Investments Survey provides institutional investors a current report on asset allocation trends and investor practices.

Inside Callan’s Database, 3rd Quarter 2015 This report graphs performance and risk data from Callan’s proprietary database alongside relevant market indices.

Capital Market Review, 3rd Quarter 2015 Insights on the economy and recent performance in equities, fixed income, alternatives, real estate, and more.

Market Pulse Flipbook, 3rd Quarter 2015 A quarterly market reference guide covering investment and fund sponsor trends in the U.S. economy, U.S. and non-U.S. equities and fixed income, alternatives, and defined contribution.



ESG Factors: U.S. Investor Usage Crystalizes This charticle looks at ESG from the perspectives of U.S. asset owners and global investment managers, revealing growing incorporation of ESG factors in investment decision making.

The Department of Labor Weighs in on ESG: Key Takeaways from Interpretive Bulletin 2015-01 A summary of the DOL’s Interpretive Bulletin 2015-011, relating to the fiduciary standard under ERISA considering economically targeted investments (ETIs), and the implications for investors.

Hedge Fund Monitor, 3rd Quarter 2015 Author Jim McKee provides quarterly performance and a snapshot of the asset class. This quarter’s cover story: “Beyond the Glitter and Regret: Reassessing Hedge Funds’ Role in Asset Allocation.”

Video: In the Spotlight-Target Date Funds Lori Lucas discusses some of the trends that are causing target date funds to have lower fees.

ESG Interest and Implementation Survey Results of Callan’s third annual survey to assess the status of ESG factor integration in the U.S. institutional market.

DC Observer, 3rd Quarter 2015 Cover story: Meeting the Challenge of Managed Account Selection and Evaluation.

Grading the Pension Protection Act, Ten Years Later: Success Stories and Near Misses Callan grades the performance of nine key PPA provisions over the past decade, listing them from least to most effective.

Private Markets Trends, Fall 2015 Gary Robertson summarizes the market environment, recent events, performance, and other issues involving private equity.

Events

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

The **National Conference**, to be held January 25–27 in San Francisco, consists of general sessions with presentations by world, political, arts, science, and investment industry speakers. The general sessions are followed by smaller breakout sessions on timely industry topics led by Callan specialists. Attendees include plan/fund sponsors, investment managers, and Callan associates.

Save the date for our **Regional Workshops**: June 28 in Atlanta, June 29 in San Francisco, October 25 in New York, and October 26 in Chicago. Also mark your calendars for our fall **Investment Manager Conference**, September 11-13.

For more information about research or educational events, please contact Anna West: 415.974.5060 / institute@callan.com

The Center for Investment Training Educational Sessions

The Center for Investment Training, better known as the “Callan College,” provides a foundation of knowledge for industry professionals who are involved in the investment decision-making process. It was founded in 1994 to provide clients and non-clients alike with basic- to intermediate-level instruction. Our next session is:

Introduction to Investments

Atlanta, GA, April 19–20, 2016

San Francisco, CA, July 19–20, 2016

Chicago, IL, October 18–19, 2016

This session familiarizes fund sponsor trustees, staff, and asset management advisors with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals who have less than two years of experience with asset-management oversight and/or support responsibilities. Tuition for the Introductory “Callan College” session is \$2,350 per person. Tuition includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Customized Sessions

The “Callan College” is equipped to customize a curriculum to meet the training and educational needs of a specific organization. These tailored sessions range from basic to advanced and can take place anywhere—even at your office.

Learn more at <https://www.callan.com/education/college/> or contact Kathleen Cunnie: 415.274.3029 / cunnie@callan.com

Education: By the Numbers

500

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

50+

Unique pieces of research the Institute generates each year

3,300

Total attendees of the “Callan College” since 1994

1980

Year the Callan Investments Institute was founded



“We think the best way to learn something is to teach it. Entrusting client education to our consultants and specialists ensures that they have a total command of their subject matter. This is one reason why education and research have been cornerstones of our firm for more than 40 years.”

Ron Peyton, Chairman and CEO

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 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
1607 Capital Partners, LLC
Aberdeen Asset Management
Acadian Asset Management, Inc.
Advisory Research
Affiliated Managers Group
AllianceBernstein
Allianz Global Investors U.S. LLC
Allianz Life Insurance Company of North America
AlphaOne Investment Services
American Century Investment Management
Analytic Investors
Apollo Global Management
AQR Capital Management
Ares Management
Ariel Investments
Aristotle Capital Management
Artisan Partners Limited
Atlanta Capital Management Co., L.L.C.
AXA Rosenberg Investment Management
Babson Capital Management LLC
Bailard
Baillie Gifford Overseas Limited
Baird Advisors
Bank of America
Baring Asset Management
Baron Capital Management
BlackRock
Blue Vista Capital Management
BMO Asset Management
BNP Paribas Investment Partners
BNY Mellon Asset Management
Boston Company Asset Management, LLC (The)
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
Brown Brothers Harriman & Company
Cadence Capital Management

Manager Name
Calamos Advisors
Capital Group
CastleArk Management, LLC
Causeway Capital Management
Champlain Investment Partners
Channing Capital Management, LLC
Charles Schwab Investment Management
Chartwell Investment Partners
ClearBridge Investments, LLC (fka ClearBridge Advisors)
Cohen & Steers
Columbia Management Investment Advisors, LLC
Columbus Circle Investors
Corbin Capital Partners
Cornerstone Investment Partners, LLC
Cramer Rosenthal McGlynn, LLC
Crawford Investment Council
Credit Suisse Asset Management
Crestline Investors
Cutwater Asset Management
DDJ Capital Management
DE Shaw Investment Management LLC
Delaware Investments
DePrince, Race & Zollo, Inc.
Deutsche Asset & Wealth Management
Diamond Hill Investments
Duff & Phelps Investment Mgmt.
Eagle Asset Management, Inc.
EARNEST Partners, LLC
Eaton Vance Management
EnTrust Capital Inc.
Epoch Investment Partners
Fayez Sarofim & Company
Federated Investors
Fidelity Institutional Asset Management
First Eagle Investment Management
First Hawaiian Bank Wealth Management Division
First State Investments

Manager Name
Fisher Investments
FLAG Capital Management
Fort Washington Investment Advisors, Inc.
Franklin Templeton
Fred Alger Management Co., Inc.
Fuller & Thaler Asset Management
GAM (USA) Inc.
GE Asset Management
Goldman Sachs Asset Management
Grand-Jean Capital Management
GMO (fka Grantham, Mayo, Van Otterloo & Co., LLC)
Gresham Investment Management, LLC
Guggenheim Investments Asset Management (fka Security Global)
Harbor Capital
Harding Loevner LP
Harrison Street Real Estate Capital
Hartford Funds
Hartford Investment Management Co.
Henderson Global Investors
Hotchkis & Wiley
HSBC Global Asset Management
Income Research & Management
Insight Investment Management
Institutional Capital LLC
INTECH Investment Management
Invesco
Investec Asset Management
Janus Capital Group (fka Janus Capital Management, LLC)
Jensen Investment Management
J.P. Morgan Asset Management
KeyCorp
Kopernik Global Investors
Lazard Asset Management
LMCG Investments (fka Lee Munder Capital Group)
Legal & General Investment Management America
Lincoln National Corporation
Logan Circle Partners, L.P.
The London Company
Longview Partners
Loomis, Sayles & Company, L.P.
Lord Abbett & Company
Los Angeles Capital Management
LSV Asset Management
Lyrical Partners
MackKay Shields LLC
Man Investments
Manulife Asset Management
Martin Currie
Marvin & Palmer Associates, Inc.
MFS Investment Management
MidFirst Bank
Millstreet Capital Management
Mondrian Investment Partners Limited
Montag & Caldwell, Inc.
Morgan Stanley Investment Management
Mountain Lake Investment Management LLC
MUFG Union Bank, N.A.
Neuberger Berman, LLC (fka, Lehman Brothers)
Newton Capital Management
Northern Lights Capital Group

Manager Name
Northern Trust Asset Management
Nuveen Investments Institutional Services Group LLC
Old Mutual Asset Management
OppenheimerFunds, Inc.
Pacific Investment Management Company
Palisade Capital Management LLC
PanAgora Asset Management
Paradigm Asset Management
Parametric Portfolio Associates
Peregrine Capital Management, Inc.
PineBridge Investments (formerly AIG)
Pinnacle Asset Management
Pioneer Investment Management, Inc.
PNC Capital Advisors, LLC (fka Allegiant Asset Mgmt)
Principal Global Investors
Private Advisors
Prudential Investment Management, Inc.
Putnam Investments, LLC
Pyramis Global Advisors
Pzena Investment Management, LLC
RBC Global Asset Management (U.S.) Inc.
Regions Financial Corporation
Riverbridge Partners LLC
Rothschild Asset Management, Inc.
Royce & Associates
RS Investments
Russell Investment Management
Santander Global Facilities
Schroder Investment Management North America Inc.
Scout Investments
SEI Investments
SEIX Investment Advisors, Inc.
Smith Graham and Company
Smith Group Asset Management
Standard Life Investments
Standish (fka, Standish Mellon Asset Management)
State Street Global Advisors
Stone Harbor Investment Partners, L.P.
Systematic Financial Management
T. Rowe Price Associates, Inc.
Taplin, Canida & Habacht
TIAA-CREF
TCW Asset Management Company
Tocqueville Asset Management
UBS Asset Management
Van Eck
Versus Capital Group
Victory Capital Management Inc.
Vontobel Asset Management
Voya Investment Management (fka ING)
Waddell & Reed Asset Management Group
WCM Investment Management
WEDGE Capital Management
Wellington Management Company, LLP
Wells Capital Management
Wells Fargo Private Bank
Western Asset Management Company
Westwood Management Corp.
William Blair & Co., Inc.



Account Compliance Summary

Alerts:	0
Warnings:	0
Passes:	15

A5XB SACRT - ATLANTA CAPITAL MGMT

Production Date: 12/31/2015

Securities + Cash	20,830,076.66	Base Currency	USD	Net Assets	20,718,492
Rule Name		Limit Type	Limit Value	Result	Result Status
<u>144A and Private Placem</u>					
1	Private Placements are prohibited (gap item 4a) (143653)	Maximum	0.00%	0.00 %	Pass
<u>Asset Measures</u>					
2	AssetMeasure: AssetMeasure_Funds_Preferred_Denominator (34662)			20,830,076.66 Value	Pass
<u>Asset Type</u>					
3	International equity securities which trade on U.S.-based exchanges, including American Depository Receipts (ADRs), shall not exceed 5% of the portfolio at cost (gap item 4g) (143658)	Maximum	5.00%	0.00 %	Pass
4	Investments in commodities are prohibited (gap item 4a) (143655)	Maximum	0.00%	0.00 %	Pass
5	Margin Securities are prohibited (gap item 4a) (143651)	Maximum	0.00%	0.00 %	Pass
6	Ownership of shares/debt issued limit 5% ex null (gap item 4e) (143652)	Maximum	5.00%	0.04 %	Pass
7	The Fund may not enter into short sales (gap item 4a) (143654)	Maximum	0.00%	0.00 %	Pass
8	The Fund may not hold any Options (144454)	Maximum	0	0 Num Bkts	Pass
9	The Fund may not hold any Options (gap item 4a) (143657)	Maximum	0.00%	0.00 %	Pass
10	The Fund may not hold more than 5% of the shares outstanding of any domestic equity security (gap item 4e) (143659)	Maximum	5.00%	0.04 %	Pass
<u>Cash</u>					
11	No more than 10% of the Fund in cash and cash equivalents (gap item 4d) (143656)	Maximum	10.00%	4.00 %	Pass
<u>Exchange</u>					
12	Flag any non-US exchange traded futures (gap item 4b) (143670)	Maximum	0.00%	0.00 %	Pass
<u>Industry</u>					
13	Industry Sector GICS - Max 25% at cost (gap item 4f) (143660)	Maximum	25.00%	7.93 %	Pass
14	The Fund shall not invested in any security issued by a company in the Tobacco Sub-Industry as defined by GICS (gap item 2) (143650)	Maximum	0.00%	0.00 %	Pass
<u>Issuer</u>					
15	Investments in a single domestic equity issuer shall not exceed 5% at cost (gap item 4e) (143661)	Maximum	5.00%	1.88 %	Pass



Account Compliance Summary

Alerts:	0
Warnings:	0
Passes:	10

A5XD SACRT - METWEST

Production Date: 12/31/2015

Securities + Cash	92,434,656.61	Base Currency	USD	Net Assets	85,338,742
Rule Name		Limit Type	Limit Value	Result	Result Status
<u>144A and Private Placem</u>					
1	The Fund is not permitted to hold any Private Placements excluding 144a (gap item 8a) (143666)	Maximum	0.00%	0.00 %	Pass
<u>Asset Measures</u>					
2	AssetMeasure: AssetMeasure_Funds_Preferred_Denominator (34662)			92,434,656.61 Value	Pass
<u>Asset Type</u>					
3	A5XD: Flag all prohibited security types (gap items 9 & 10) (143665)	Maximum	0.00%	0.00 %	Pass
4	Asset-Backed Commercial Paper - Minimum Quality of A2/P2 (157603)	Maximum	0	0 Num Bkts	Pass
5	Flag any Collateralized Mortgage Obligations that not guaranteed by US government and its agencies and corporate issues rated below AAA at time of purchase (gap item 9j) (143669)	Maximum	0.00%	0.00 %	Pass
<u>Credit Quality</u>					
6	Flag any Corporate Debt rated below Investment Grade at time of purchase (gap item 9f) (143667)	Maximum	0.00%	0.00 %	Pass
7	Minimum Quality must be at least 80% Baa or above (157604)	Minimum	80.00%	94.12 %	Pass
8	No Commercial Paper rated < A2/P2 at time of purchase (gap item 9a) (143662)	Maximum	0.00%	0.00 %	Pass
9	The Weighted Average Credit Rating of the Fund must be A or better (gap item 8c) (143663)	Minimum	20	23.08 Rank	Pass
<u>Industry</u>					
10	The Fund shall not invested in any security issued by a company in the Tobacco Sub-Industry as defined by GICS (gap item 2) (143650)	Maximum	0.00%	0.00 %	Pass



Account Compliance Summary

Alerts:	0
Warnings:	0
Passes:	15

A5Z8 SACRT - ROBECO

Production Date: 12/31/2015

Securities + Cash	38,415,330.59	Base Currency	USD	Net Assets	38,456,741
Rule Name		Limit Type	Limit Value	Result	Result Status
<u>144A and Private Placem</u>					
1	Private Placements are prohibited (gap item 4a) (143653)	Maximum	0.00%	0.00 %	Pass
<u>Asset Measures</u>					
2	AssetMeasure: AssetMeasure_Funds_PREFERRED_Denominator (34662)			38,415,330.59 Value	Pass
<u>Asset Type</u>					
3	International equity securities which trade on U.S.-based exchanges, including American Depository Receipts (ADRs), shall not exceed 5% of the portfolio at cost (gap item 4g) (143658)	Maximum	5.00%	3.21 %	Pass
4	Investments in commodities are prohibited (gap item 4a) (143655)	Maximum	0.00%	0.00 %	Pass
5	Margin Securities are prohibited (gap item 4a) (143651)	Maximum	0.00%	0.00 %	Pass
6	Ownership of shares/debt issued limit 5% ex null (gap item 4e) (143652)	Maximum	5.00%	0.01 %	Pass
7	The Fund may not enter into short sales (gap item 4a) (143654)	Maximum	0.00%	0.00 %	Pass
8	The Fund may not hold any Options (144454)	Maximum	0	0 Num Bkts	Pass
9	The Fund may not hold any Options (gap item 4a) (143657)	Maximum	0.00%	0.00 %	Pass
10	The Fund may not hold more than 5% of the shares outstanding of any domestic equity security (gap item 4e) (143659)	Maximum	5.00%	0.01 %	Pass
<u>Cash</u>					
11	No more than 10% of the Fund in cash and cash equivalents (gap item 4d) (143656)	Maximum	10.00%	2.36 %	Pass
<u>Exchange</u>					
12	Flag any non-US exchange traded futures (gap item 4b) (143670)	Maximum	0.00%	0.00 %	Pass
<u>Industry</u>					
13	Industry Sector GICS - Max 25% at cost (gap item 4f) (143660)	Maximum	25.00%	11.37 %	Pass
14	The Fund shall not invested in any security issued by a company in the Tobacco Sub-Industry as defined by GICS (gap item 2) (143650)	Maximum	0.00%	0.00 %	Pass
<u>Issuer</u>					
15	Investments in a single domestic equity issuer shall not exceed 5% at cost (gap item 4e) (143661)	Maximum	5.00%	3.19 %	Pass

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
23	03/16/16	Retirement	Information	02/01/16

Subject: Receive Updated Information on Status of Retirement Plans Experience and Valuation Studies and Resulting Actuarially Determined Contribution Rate (ALL). (Bonnel)

ISSUE

Receive Updated Information on Status of Retirement Plans Experience and Valuation Studies and Resulting Actuarially Determined Contribution Rate.

RECOMMENDED ACTION

There is no action associated with this matter.

FISCAL IMPACT

There is no fiscal impact associated with this update.

DISCUSSION

The purpose of the annual Actuarial Valuation is to compute the annual actuarially determined contribution rate required to fund the Plan according to actuarial principles and to present items required for disclosure under Statement No. 67 of the Governmental Accounting Standards Board (GASB). The purpose of the Experience Study is to align the Plans' mortality tables and mortality assumptions with the most up-to-date actuarial assumptions available.

Graham Schmidt from Cheiron attended the January 27, 2016 Special Retirement Board meeting and provided the Boards draft results of the Valuation and Experience studies as well as various options related to the Assumed Rate of Return, the Assumed Rate of Inflation and how to structure the Actuarially Determined Contribution Rate in a way that will benefit the plan, without significantly increasing costs to the District.

As a result of the Cheiron presentation, the Boards provided Cheiron instructions to lower the Assumed Rate of Interest to 7.5% while lowering the Assumed Inflation Rate to 3.15% and to smooth those lowered rates over a 3 year period. As a result of those instructions Cheiron will then apply the results of the Valuation and Experience studies to compute the final Actuarially Determined Contribution Rate for Fiscal Year 2017.

Cheiron indicated at the January 2016 meeting that the deadline to meet the distribution requirements associated with the March Quarterly Meeting would be difficult to achieve. After numerous discussions with Cheiron, staff made the decision that Cheiron should present the preliminary results on an information basis at the March Quarterly meeting, and will provide final results for adoption at the April 2016 Special Meeting.

Graham Schmidt will attend both meetings and will provide all information required for the Boards to review and adopt the Actuarially Determined Contribution Rate for the FY2017.

Approved:

Presented:

Final 03/07/16

Director, Human Resources

Director, Human Resources

J:\Retirement Board\2016\IP's\March 16, 2016\Combined Actuarial Valuation 3_7_16.docx

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
24	03/16/16	Retirement	Information	02/01/16

Subject: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Bonnel)

ISSUE

Presentation by Donna Bonnel, Pension Plan Administrator, regarding the roles and responsibilities of various District staff members and Legal Counsel related to administration of the Pension Plans.

RECOMMENDED ACTION

None associated with this matter.

FISCAL IMPACT

None associated with this matter.

DISCUSSION

At the December 16, 2015 Quarterly Retirement Board Meeting, all Boards adopted a Staff Cost Allocation Policy. In accordance with the adoption of that Policy, the attached documents are provided to ensure the Boards have a greater understanding of the various duties of RT staff and consultants (including the Retirement Boards' Legal Counsel) as related to administration of the Pension Plans.

Attachment A – Pension Administration Staff Roles and Responsibilities

Attachment B – RT Staff Costs (Excluding the Pension and Retiree Services Administrator)
Charged to RT Pension Plans

Attachment C – Summary of Legal Services Provided for the Quarter Ending December 31, 2015

Approved:

Presented:

Final 02/26/16

Director, Human Resources

Director, Human Resources

J:\Retirement Board\2016\IP's\March 16, 2016\Reference\Final Update from Staff on Pension Tasks.doc

Attachment A

**Pension Administration
Staff Roles and Responsibilities**

In order to ensure efficient management of the administration of the RT sponsored pension plans, the following roles and responsibilities have been established.

Plan Documents

Task	Primary Responsibility	Back Up Responsibility	Status
Negotiation of Benefits, Provisions	Director, Labor Relations	To be determined	Pending 2017 Negotiations
Incorporate Negotiated Benefits/Provisions into Plan Documents	Deputy Chief Counsel, RT	Chief Counsel, RT	ATU/IBEW and AFSCME A/T changes will be part of 2017 negotiations; AEA, AFSMCE Supv., and MCEG review/amendments will begin Summer 2015
Interpretation of Provisions	Deputy Chief Counsel, RT	Chief Counsel, RT	As needed
Guidance to Staff regarding legal changes that affect Plans	Deputy Chief Counsel, RT	Chief Counsel, RT	As needed

Plan Administration

Customer Relations:

Task	Primary Responsibility	Back Up Responsibility	Status
Creation of Pension Estimates	Pension and Retiree Services Administrator	Director, Human Resources	Ongoing
Retirement Meetings	Pension and Retiree Services Administrator	Director, Human Resources	Ongoing
Administration of Active and Term Vested Retirement Process, including: <ul style="list-style-type: none"> • Collection of all required documents • Legal/Compliance Review • Approval by General Manager 	Pension and Retiree Services Administrator	Director, Human Resources	Ongoing
48-Month Salary Calculations	Payroll Analyst and Pension and Retiree Services Administrator	Payroll Supervisor and Director, Human Resources	Ongoing

Customer Relations – continued:

Task	Primary Responsibility	Back Up Responsibility	Status
Enrollment/Changes in employee information including: <ul style="list-style-type: none"> • Medical benefits • W4P/DE4P • Addresses 	HR Analysts/Pension and Retiree Services Administrator	Sr. HR Analysts/Director, Human Resources	Ongoing
Copies of Retiree Pay Stubs and 1099R's	Payroll Analyst	Payroll Supervisor	Ongoing
Printing, Stuffing, and Mailing Pay Stubs	Payroll Analyst	Payroll Supervisor	Ongoing
Special Payouts, Direct Deposit Changes, Withholding Orders, Final Checks, Benefit Changes	Payroll Analyst	Payroll Supervisor	Ongoing
Verification of Retiree Wages: gross pay, net wages, no pre-tax deductions, taxes	Payroll Analyst	Payroll Supervisor	Ongoing
Managing Stale Dated and Lost Check Replacement	Payroll Analyst and Senior Accountant	Payroll Supervisor	Ongoing

Administration:

Task	Primary Responsibility	Back Up Responsibility	Status
Legal Services (Hanson Bridgett) Contract Procurement	Director, Finance and Director, Human Resources	Pension and Retiree Services Administrator, Senior Accountant	As needed
Actuarial Services (Cheiron) Contract Procurement	Pension and Retiree Services Administrator	Director, Human Resources	RFP Issue paper presented at June 2015 Quarterly Retirement Board Meeting
Retirement Board Policy Development and Administration	Pension and Retiree Services Administrator and Senior Accountant Hanson Bridgett and Cheiron	Director, Human Resources or Director, Finance Hanson Bridgett and Cheiron	As needed

Retirement Board Administration:

Task	Primary Responsibility	Back Up Responsibility	Status
Creation of Agenda/IPs	Staff Presenting Issue to Board	n/a	As needed, at least quarterly
Creation and Distribution of Retirement Board Packages	Pension and Retiree Services Administrator	Director, Human Resources	As needed, at least quarterly
Management of Retirement Board Meetings	Assistant Secretary to the Retirement Boards	Pension and Retiree Services Administrator	As needed, at least quarterly
Training of Staff/Board Members	Pension and Retiree Services Administrator		As needed
New Retirement Board Member Training	Director, Human Resources or Director, Finance	Pension and Retiree Services Administrator or Sr. Accountant	As needed

Semi-Annual/Annual/Bi-Annual Administration:

Task	Primary Responsibility	Back Up Responsibility	Status
Valuation Study	Director, Finance and Director, Human Resources	Pension and Retiree Services Administrator, Senior Accountant	Commences in July/August of each year with target completion date of November
Experience Study	Director, Finance and Director, Human Resources	Pension and Retiree Services Administrator, Senior Accountant	Will commence in conjunction with the Valuation Study (every 5 years)
Fiduciary Liability Insurance	Pension and Retiree Services Administrator	Director, Human Resources	Annual policy placement/renewal; Current policy period: 5/2015-5/2016
OPEB Valuation Study	Director, Finance and Director, Human Resources	Pension and Retiree Services Administrator, Senior Accountant	Completed; results pending from Actuary
Responses to Public Records Act Requests	Director, Human Resources	Pension and Retiree Services Administrator	As needed
Statement of Investment Objectives and Policy Guidelines management	Sr. Accountant	Director, Finance	Proposed revision to the Policy presented to the Board on June 17, 2015

Contract Administration:

Task	Primary Responsibility	Back Up Responsibility	Status
Adherence to contract provisions	Pension and Retiree Services Administrator or Sr. Accountant	Director, Human Resources or Director, Finance	On-going
Payment of Invoices	Sr. Accountant or Director, Human Resources	Director, Finance	On-going
Contract Management, including RFP process	Director, Human Resources or Director, Finance	Pension and Retiree Services Administrator or Sr. Accountant	On-going

Asset Management:

Task	Primary Responsibility	Back Up Responsibility	Status
Asset Rebalancing	Sr. Accountant	Director, Finance	On-going
Account Reconciliations	Sr. Accountant	Director, Finance	On-going
Cash Transfers	Sr. Accountant	Director, Finance	On-going
Fund Accounting	Sr. Accountant	Director, Finance	On-going
Investment Management	Sr. Accountant	Director, Finance	On-going
Financial Statement Preparation	Sr. Accountant	Director, Finance	On-going
Annual Audit	Sr. Accountant	Director, Finance	Commences each year during Sept/Oct
State Controller's Office Reporting	Sr. Accountant	Director, Finance	Commences each year during Nov/Dec
U.S. Census Bureau Reporting	Sr. Accountant	Director, Finance	Commences each year during Nov/Dec
Work with Contractors (Investment advisors (Callan), Custodian (State Street), Fund Managers, Auditors, and Actuary (Cheiron))	Sr. Accountant	Director, Finance	On-going
Review Monthly Asset Rebalancing	Director, Finance	CFO	On-going

Attachment B

Charagable to RT Pension Plans, but current paid for by the District
 Excluding Valerie Weekly, Pension and Retiree Services Administrator

Time Period: October 1, 2015 to December 31, 2015

Sum of Value TranCurr			
WBS Element	Source object name	Period	Total
SAXXXX.PENSION	Board Support / Brooks, Cynthia	4	73.19
		6	219.57
	Board Support / Brooks, Cynthia Total		292.76
	Chief Financial Off / Bernegger, Brent	4	56.93
		5	227.70
		6	796.95
	Chief Financial Off / Bernegger, Brent Total		1,081.58
	Finance And Treasury / Adelman, Jamie	4	1,807.20
		5	1,027.62
		6	2,728.51
	Finance And Treasury / Adelman, Jamie Total		5,563.33
	Finance And Treasury / Gardner, Leona	4	546.74
	Finance And Treasury / Gardner, Leona Total		546.74
	Finance And Treasury / Mata, Jennifer	4	1,043.76
		5	1,084.28
		6	1,314.99
	Finance And Treasury / Mata, Jennifer Total		3,443.03
	Human Resources / Bonnel, Donna	4	3,912.63
		5	3,721.77
		6	4,389.78
	Human Resources / Bonnel, Donna Total		12,024.18
SAXXXX.PENSION Total			22,951.62
Grand Total			22,951.62



**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 December 31, 2015.

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 Quarterly Retirement Board Meeting, including review and markup of agenda materials.
3. Quarterly Board Chair conference calls.
4. Draft/provide comments/confer on updated/new policies and procedures on:
 - a. Board and Staff Education and Travel;
 - b. Procurements;
 - c. Staff time allocation and expenses; and
 - d. Domestic Relations Orders (QDRO).
5. Assist with establishment of trusts.
6. Address director transitions.
7. Prepare and present fiduciary training.
8. Revise and advise on scope of work for actuarial services contract.
9. Provide counsel regarding questions on individual members' vesting and access to benefits, e.g., for former employee convicted of embezzling public funds.
10. Negotiate audit funding agreement with SACOG.

Respectfully Submitted,

/s/

Shayna M. van Hoften

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
25	03/16/16	Retirement	Information	02/01/16

Subject: Update on Status of Trust Documents (ALL). (Bonnel)

ISSUE

Receive Updated Information on Status of Retirement Plan Trust Documents.

RECOMMENDED ACTION

There is no action associated with this matter.

FISCAL IMPACT

There is no fiscal impact associated with this update.

DISCUSSION

The Internal Revenue Code requires that tax-qualified retirement plan funds be set aside and held in trust for the exclusive benefit of participants and beneficiaries. To ensure that the three Retirement Plans for employees of Sacramento Regional Transit District (Retirement Plans) adequately meet this legal requirement, both the District and the Retirement Boards took steps to ensure Declaration of Trust documents were put into place for all three Retirement Plans. Staff provided the initial documents to the Retirement Boards in March 2015. The Boards provided final comments to the District in July 2015. The Retirement Boards approved and adopted the final trust documents at the December 16, 2015 Retirement Board meeting.

Due to this diligence on the part of District Staff and the Retirement Boards, the trust documents were signed in time to be mailed to the IRS by January 31, 2016 as part of the District's application to the Internal Revenue Service (IRS) for a "Determination Letter" and a Voluntary Correction Program (VCP) for each of the three Retirement Plans. A Determination Letter from the IRS signifies that the IRS finds that a retirement plan document meets all of the requirements to receive favorable tax treatment – in other words, the plan is "tax-qualified" in form. The VCP application process allows plan sponsors to receive IRS approval for any required plan document or operational error corrections while retaining the plans' tax-qualified status. The District and Staff anticipate a response from the IRS with respect to these applications within the next six to nine months.

While the trust documents are now complete, there are two additional IRS requirements that must be accomplished related to the trust assets. Currently, the assets of all three Retirement Plans are commingled for investment purposes. Trusts that are a part of a tax-qualified retirement plan like the District's plans can "pool" their assets in a group trust for commingling investments like this without affecting the tax-exempt status of the separate plans and trusts,

Approved:

Presented:

Final 03/05/16

Director, Human Resources

Director, Human Resources

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Updated Trust IP.DOC

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
25	03/16/16	Retirement	Information	02/01/16

Subject: Update on Status of Trust Documents (ALL). (Bonnel)

provided the plans satisfy certain IRS requirements. One of these requirements is that each Retirement Plan also enter into a group trust agreement, in addition to its separate trust agreement. In other words, the pooled Retirement Plan assets must be administered pursuant to the terms of a group trust agreement that allows all Retirement Plan assets to be invested jointly, while each Retirement Plan also continues to maintain its separate trust agreement. Furthermore, the IRS requires that the assets of each Retirement Plan be accounted for and tracked separately.

District Finance staff is working toward implementing a group trust agreement and separate asset accounting for the ATU, IBEW and Salaried Retirement Plans, as the IRS requires, as soon as practicable. The IRS will provide a 150-day window following its issuance of a VCP compliance statement for each Retirement Plan to accomplish these tasks. Completion of these tasks will finalize full implementation of these corrections.

District legal counsel will provide an update on the status of the IRS Determination Letter process, as well as the IRS requirements for the group trust agreement and plan asset tracking requirements.

Finance staff will provide an update on the cost of the group trust agreement and the joint asset tracking requirements, as well as any other costs of compliance with the IRS requirements.

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
26	03/16/16	Retirement	Information	02/01/16

Subject: Staff Update on Status of Actuary and Legal Services Request for Proposals (ALL). (Bonnel)

ISSUE

Staff Update on Status of Actuary and Legal Services Request for Proposals (ALL). (Bonnel)

RECOMMENDED ACTION

None associated with this matter.

FISCAL IMPACT

None associated with this matter.

DISCUSSION

Donna Bonnel, Pension Plan Administrator, will provide an update on status of the Requests for Proposal both Actuarial and Legal Services.

Approved:

Final 02/26/16

Director, Human Resources

Presented:

Director, Human Resources

C:\Temp\Status Update on Actuary and Legal Services RFPs_9B4887.doc

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
27	03/16/16	Retirement	Information	2/15/16

Subject: Update on 2016 Work Plan (ALL). (Bonnel)

ISSUE

Staff will provide the Boards information on the 2016 Work Plan.

RECOMMENDED ACTION

None associated with this matter.

FISCAL IMPACT

None associated with this matter.

DISCUSSION

Each year, pension plan staff provides an update on various matters, projects, training, etc., that will be considered for the upcoming year. All projects under consideration for 2016 are listed on Attachment A. Valerie Weekly, Pension and Retiree Services Administrator will provide the Boards an overview of the projects and the tasks/plans associated with each.

Approved:

Presented:

Final 02/26/16

Director, Human Resources

Director, Human Resources

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**RT Retirement Boards
Task Tracking Sheet
As of: 2/15/2016**

Attachment A

Action Item	Relative Urgency	Assigned	Proposed Deadline/Notes
Overpayments <ul style="list-style-type: none"> • Program and test SAP to collect overpayments and correctly report on 1099R. • Finalize letters and election forms 	Hot	Valerie and Anne IT, HRIS Analyst and Payroll Manager	Draft letters and form to be provided to Anne by 5/8
Trust Documents, and Changes to the Pension Plan Documents including at least: <ul style="list-style-type: none"> • Escheatment • Disability retirement calculation clarification • Redefined disability retirement arbitration process 	Hot	Donna/Valerie with support from Anne	Various processes that need to be codified as well as incorporated into the Plan documents.
Actuary Procurement	Hot	Donna/Valerie with support from Jamie/Brent, Shayna	Underway; anticipate vendor selection in May.
Historic Plan transfers	Hot	Jamie	Jamie to send listing of all transfers to Cheiron week of 2/8/16 to complete calculations with existing actuary.
Hire and train new Pension Analyst	Hot	Valerie, Donna, Jamie	Estimated hire date 5/2016
Develop process and notices for felony forfeitures	Hot	Valerie and H&B	Required under PEPRA.
Finalize and implement Termed not vested process <ul style="list-style-type: none"> • Tracking process • Notices • Forms • Identify rollover provider 	Hot	Valerie, Payroll manager and H&B	

Action Item	Relative Urgency	Assigned	Proposed Deadline/Notes
New Plan Documents Implementation: <ul style="list-style-type: none"> • Disability Retirement process document • Summary document 	On hold	Valerie/Donna	Develop based on new Plan documents
Legal Services Procurement	Warm	Donna/Valerie with support from Jamie/Brent, Shayna	Underway; anticipate vendor selection no later than August 2016.
Group Trust Agreements	Warm	Jamie/Brent/Anne	Finance staff to work with Hanson Bridget to determine steps needed to establish Group Trust Agreements
Separate accounting and assets between ATU and IBEW	Warm	Jamie/Brent	In order to be in compliance with IRS requirements the assets and accounting for the ATU and IBEW Plans need to be separated. Finance staff will work with Cheiron to determine the appropriate asset split. Finance staff will then separate the financial accounting records.
Amend Pension Packets	Warm	Valerie	
Develop process and notices for communicating contribution changes	Warm	Valerie and Donna	

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
28	03/16/16	Retirement	Information	02/01/16

Subject: Addition of Second Staff Member to Support Pension Plan Activities (ALL). (Bonnel)

ISSUE

Addition of Second Staff Member to Support Pension Plan Activities.

RECOMMENDED ACTION

No action is required by this matter.

FISCAL IMPACT

Budgeted:	Yes, FY17	This FY:	\$	Approx. 20,000
Budget Source:	Pension Plans	Next FY:	\$	Approx. 80,000
Funding Source:	Pension Plans	Annualized:	\$	Approx. 80,000
Cost Cntr/GL Acct(s) or	210037	Total Amount:	\$	Approx. 80,000
Capital Project #:	210038			
Total Budget:	\$	Approx. 80,000		

DISCUSSION

At the December 2015 Quarterly Retirement Board Meeting, staff presented the Retirement Boards with staffing data associated with other agency plans that are a similar size to Sacramento Regional Transit District's (District) pension plans (Pension Plans). While the Boards approved the cost sharing policy and plan for District staff to charge expenses to the Pension Plans, the need for additional staff continues to grow. A review of the following data presented in December provides the Boards with insight into the staff necessary to administer Plans of a similar size:

Pension Plan	Assets & Participants	Staff Size
AC Transit	\$400M & 3,500	3 budgeted positions. Salaries of budgeted positions total \$297,400.
Imperial County	\$700M & 3,368	8 budgeted positions. Salaries of budgeted positions total \$451,769.
Mendocino County	\$360M & 2,803	5 budgeted positions. Salaries of budgeted positions total \$313,393.
Merced County	\$600M & 4,703	8 filled positions (6 budgeted). Salaries of filled positions total \$896,994.
Sacramento RT	\$241M & 2,008	1 budgeted position. Salary of budgeted position \$91,000.

Approved:

Presented:

Final 02/26/16

Director, Human Resources

Director, Human Resources

C:\Temp\Final Additional of Second Staff Member_1992EC.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
28	03/16/16	Retirement	Information	02/01/16

Subject: Addition of Second Staff Member to Support Pension Plan Activities (ALL).
(Bonnell)

Based on the upcoming District headcount growth a number of and the complexity of managing multiple Pension Plans, staff approached District leadership and has been given the approval to hire a second staff member solely dedicated to the administration of the Pension Plans. In accordance with the Cost Allocation Policy, the salary of the second employee will be charged to the Pension Plans.

Recruiting efforts will commence in the April/May timeframe, with an anticipated June or July 2016 hire date. As the recruitment progresses, staff will provide the Boards an update.

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
29	03/16/16	Retirement	Action	02/01/16

Subject: Approving a Contract Renewal with Federal Insurance Company (CHUBB) for Fiduciary Insurance for All Retirement Boards (ALL). (Bonnel)

ISSUE

Approving a Contract Renewal with Federal Insurance Company (CHUBB) for Fiduciary Insurance for All Retirement Boards (ALL).

RECOMMENDED ACTION

Adopt Resolution No. 16-03-_____, Approving Contract Renewal with Federal Insurance Company (CHUBB) for Fiduciary Insurance for All Retirement Boards (ALL).

FISCAL IMPACT

Budgeted:	Yes	This FY:	:	
Budget Source:	Retirement Fund	Next FY:	:	TBD
Funding Source:	Retirement Fund	Annualized:	:	
Cost Cntr/GL Acct(s) or	210037	Total Amount:	:	
Capital Project #:	210038			
Total Budget:				

DISCUSSION

Each year, staff contacts the District's insurance broker, AON, to secure fiduciary liability insurance for the Boards.

The Boards' current policy, which expires _____, provides a \$10 million limit, with a deductible of \$25,000, for an annual premium of \$_____. AON informed staff on _____ that CHUBB has agreed to renew coverage and write a policy for the next year with no changes from the current policy terms, including the coverage limit, deductible or premium.

The policy includes provisions governing how the policy would be applied in case of a claim implicating the deductible, including waivers in specific limited conditions, and including personal coverage for each member/alternate of the Retirement Boards who pays a nominal amount for their own coverage (\$25 each).

Staff seeks authorization to bind the policy, thereby providing continuous coverage for the Boards.

Approved:

Presented:

Final 3/5/16

Director, Human Resources

Director, Human Resources

RESOLUTION NO. 16-03-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees
Who Are Members of the AEA on this date:

March 16, 2016

**APPROVING CONTRACT RENEWAL WITH FEDERAL INSURANCE COMPANY
(CHUBB) FOR FIDUCIARY INSURANCE FOR ALL RETIREMENT BOARDS**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF THE AEA AS
FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional
Transit District Employees Who are Members of the AEA (Retirement Board) hereby
authorizes the General Manager/CEO of the Sacramento Regional Transit District to
execute an agreement with Federal Insurance Company (CHUBB) and take any other
steps necessary to secure fiduciary liability insurance coverage for the Boards through
_____, 2017, with a \$10 million policy limit and deductible of \$25,000 at an annual
premium of \$_____.

James Drake, Chair

A T T E S T:

Russell Devorak, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 16-03-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees
Who Are Members of AFSCME on this date:

March 16, 2016

**APPROVING CONTRACT RENEWAL WITH FEDERAL INSURANCE COMPANY
(CHUBB) FOR FIDUCIARY INSURANCE FOR ALL RETIREMENT BOARDS**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF AFSCME AS
FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees Who are Members of the AFSCME (Retirement Board) hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute an agreement with Federal Insurance Company (CHUBB) and take any other steps necessary to secure fiduciary liability insurance coverage for the Boards through _____, 2017, with a \$10 million policy limit and deductible of \$25,000 at an annual premium of \$_____.

Charles Mallonee, Chair

A T T E S T:

Rob Hoslett, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 16-03-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees
Who Are Members of the MCEG on this date:

March 16, 2016

**APPROVING CONTRACT RENEWAL WITH FEDERAL INSURANCE COMPANY
(CHUBB) FOR FIDUCIARY INSURANCE FOR ALL RETIREMENT BOARDS**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF THE MCEG AS
FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional
Transit District Employees Who are Members of the MCEG (Retirement Board) hereby
authorizes the General Manager/CEO of the Sacramento Regional Transit District to
execute an agreement with Federal Insurance Company (CHUBB) and take any other
steps necessary to secure fiduciary liability insurance coverage for the Boards through
_____, 2017, with a \$10 million policy limit and deductible of \$25,000 at an annual
premium of \$_____.

Roger Thorn, Chair

A T T E S T:

Alane Masui, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 16-03-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees
Who Are Members of IBEW, Local Union 1245 on this date:

March 16, 2016

**APPROVING CONTRACT RENEWAL WITH FEDERAL INSURANCE COMPANY
(CHUBB) FOR FIDUCIARY INSURANCE FOR ALL RETIREMENT BOARDS**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF THE IBEW,
LOCAL UNION 1245 AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional
Transit District Employees Who are Members of the IBEW, Local Union 1245 (Retirement
Board) hereby authorizes the General Manager/CEO of the Sacramento Regional Transit
District to execute an agreement with Federal Insurance Company (CHUBB) and take any
other steps necessary to secure fiduciary liability insurance coverage for the Boards
through _____, 2017, with a \$10 million policy limit and deductible of \$25,000 at an
annual premium of \$_____.

Eric Ohlson, Chair

A T T E S T:

Lorrin Burdick, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 16-03-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees
Who Are Members of ATU, Local Union 256 on this date:

March 16, 2016

**APPROVING CONTRACT RENEWAL WITH FEDERAL INSURANCE COMPANY
(CHUBB) FOR FIDUCIARY INSURANCE FOR ALL RETIREMENT BOARDS**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF ATU, LOCAL
UNION 256 AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional
Transit District Employees Who are Members of the ATU, Local Union 256 (Retirement
Board) hereby authorizes the General Manager/CEO of the Sacramento Regional Transit
District to execute an agreement with Federal Insurance Company (CHUBB) and take any
other steps necessary to secure fiduciary liability insurance coverage for the Boards
through _____, 2017, with a \$10 million policy limit and deductible of \$25,000 at an
annual premium of \$_____.

Ralph Niz, Chair

A T T E S T:

Corina De La Torre, Secretary

By: _____
Donna Bonnel, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
30	03/16/16	Retirement	Action	02/18/16

Subject: Approving the First Amendment to the Agreement with Hanson Bridgett and Non-Core Task Work Orders with Hanson Bridgett for Legal Services Under the Principal Agreement (ALL). (Bonnel)

ISSUE

Approving the First Amendment to the Agreement with Hanson Bridgett and Non-Core Task Work Orders with Hanson Bridgett for Legal Services under the Principal Agreement

RECOMMENDED ACTION

Adopt Resolution No. 16-03-____, Approving the First Amendment to the Agreement with Hanson Bridgett and Non-Core Task Work Orders with Hanson Bridgett for Legal Services under the Principal Agreement

FISCAL IMPACT

Budgeted:	Yes	This FY:	\$65,208.17
Budget Source:	Pension Funds	Next FY:	\$45,624.51
Funding Source:	Pension Funds	Annualized:	\$110,832.70
Cost Cntr/GL Acct(s) or	210037	Total Amount:	110,832.70
Capital Project #:	210038		
Total Budget:	\$110,832.70		

Contract Extension Amount: \$60,832.68

- June 2016 - \$15,208.17
- July 2016 - \$15,208.17
- August 2016 - \$15,208.17
- September 2016 - \$15,208.17

Work order amounts not to exceed:

International Fund Manager Search - \$25,000
Actuary Request for Proposal - \$25,000

Total contract consideration for the 5.5 year contact not to exceed \$1,100,000.00

Approved:

Presented:

Final 03/07/16

Director, Human Resources

Director, Human Resources

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REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
30	03/16/16	Retirement	Action	02/18/16

Subject: Approving the First Amendment to the Agreement with Hanson Bridgett and Non-Core Task Work Orders with Hanson Bridgett for Legal Services Under the Principal Agreement (ALL). (Bonnel)

DISCUSSION

Attorneys from the law firm of Hanson Bridgett LLP p serve as legal counsel to all five Retirement Boards under a five-year agreement (Principal Agreement) due to expire on June 30, 2016. Staff will work with the Retirement Boards to issue a new solicitation seeking proposals for Legal Service under the RFP process generally used by RT's Retirement Board to secure consultant services. , Staff does not believe that the process will be completed prior to the expiration of the term of the contract. Because the current agreement does not provide the Retirement Boards the right to exercise an option term, staff has approached Hanson Bridgett and asked for a short term contract extension to keep Hanson Bridgett on while the procurement is completed. Hanson Bridgett submitted a contract extension proposal that contains a 4 percent increase in the monthly retainer fee during the short term extension. The increase in the monthly retainer will cost the Plans approximately \$600 more per month.

The proposed extension will extend the contract through September 30, 2016, and is necessary to facilitate continued work on several ongoing and upcoming projects, including the conclusion of contract negotiations with the Internal Fund Manager, the actuarial RFP, the IRS determination letter process for the Trust as well as ongoing legal representation. Staff recommends that the Boards (1) approve an amendment to the agreement between the Retirement Boards and Hanson Bridgett and (2) authorize the Sacramento Regional Transit District's General Manager/CEO to execute the amendment and take any other actions necessary to give effect to this action.

In addition to approving the contract extension, the Boards need to consider the approval of Work Orders for two upcoming projects. During 2016, Pension Plan staff will administer two key RFPs, one for an International Fund Manager, Work Order #8 and pending Actuary search, Work Order #9 and subsequent contract. Hanson Bridgett staff will work on these projects until the contracts are successfully negotiated between the parties. The Boards' current contract with Hanson Bridgett does not include RFP and contract review as non-core tasks, thus requiring work orders to be completed and approved by the Boards before Hanson Bridgett can work on the projects.

Staff recommends that the Board approve the First Amendment to the Hanson Bridgett contract and Work Orders 8 and 9.

RESOLUTION NO. 16-03_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees who are Members of AEA on this date:

March 16, 2016

APPROVING THE FIRST AMENDMENT TO THE AGREEMENT WITH HANSON BRIDGETT AND NON CORE TASK WORK ORDERS WITH HANSON BRIDGETT FOR LEGAL SERVICES

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF AEA AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the AEA (Retirement Board) hereby approves the First Amendment to the agreement with Hanson Bridgett for Legal services and Non-Core Task Work Orders with Hanson Bridgett for Legal Services under the terms of the Principal Agreement.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment and Work Orders, subject to District Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

James Drake, Chair

A T T E S T:

Russel Devorak, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 16-03_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees who are Members of AFSCME on this date:

March 16, 2016

APPROVING THE FIRST AMENDMENT TO THE AGREEMENT WITH HANSON BRIDGETT AND NON CORE TASK WORK ORDERS WITH HANSON BRIDGETT FOR LEGAL SERVICES

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF AFSCME AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the AFSCME (Retirement Board) hereby approves the First Amendment to the agreement with Hanson Bridgett for Legal services and Non-Core Task Work Orders with Hanson Bridgett for Legal Services under the terms of the Principal Agreement.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment and Work Orders, subject to District Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

Charles Mallonee, Chair

A T T E S T:

Rob Hoslett, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 16-03_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees who are Members of ATU, Local Union 256 on this date:

March 16, 2016

APPROVING THE FIRST AMENDMENT TO THE AGREEMENT WITH HANSON BRIDGETT AND NON CORE TASK WORK ORDERS WITH HANSON BRIDGETT FOR LEGAL SERVICES

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF ATU, LOCAL UNION 256 AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the ATU, Local Union 256 (Retirement Board) hereby approves the First Amendment to the agreement with Hanson Bridgett for Legal services and Non-Core Task Work Orders with Hanson Bridgett for Legal Services under the terms of the Principal Agreement.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment and Work Orders, subject to District Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

Ralph Niz, Chair

A T T E S T:

Corina De La Torre, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 16-03_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees who are Members of IBEW, Local Union 1245 on this date:

March 16, 2016

APPROVING THE FIRST AMENDMENT TO THE AGREEMENT WITH HANSON BRIDGETT AND NON CORE TASK WORK ORDERS WITH HANSON BRIDGETT FOR LEGAL SERVICES

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF IBEW, LOCAL UNION 1245 AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the IBEW, Local Union 1245 (Retirement Board) hereby approves the First Amendment to the agreement with Hanson Bridgett for Legal services and Non-Core Task Work Orders with Hanson Bridgett for Legal Services under the terms of the Principal Agreement.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment and Work Orders, subject to District Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

Eric Ohlson, Chair

A T T E S T:

Lorrin Burdick, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 16-03_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees who are Members of MCEG on this date:

March 16, 2016

APPROVING THE FIRST AMENDMENT TO THE AGREEMENT WITH HANSON BRIDGETT AND NON CORE TASK WORK ORDERS WITH HANSON BRIDGETT FOR LEGAL SERVICES

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF MCEG AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the MCEG (Retirement Board) hereby approves the First Amendment to the agreement with Hanson Bridgett for Legal services and Non-Core Task Work Orders with Hanson Bridgett for Legal Services under the terms of the Principal Agreement.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment and Work Orders, subject to District Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

Eric Ohlson, Chair

A T T E S T:

Lorrin Burdick, Secretary

By: _____
Donna Bonnel, Assistant Secretary