



Sacramento Regional Transit District Agenda

**COMBINED QUARTERLY MEETING OF THE RETIREMENT BOARDS FOR THE
EMPLOYEES AND RETIREES OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT**
9:00 A.M., WEDNESDAY, JUNE 14, 2017
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: Li, Morin, Niz, De La Torre Alternates: Jennings, Lee
IBEW Retirement Board:	Directors: Li, Morin, Ohlson, Bibbs Alternates: Jennings, Flanders
AEA Retirement Board:	Directors: Li, Morin, Devorak, Robison Alternates: Jennings, McGoldrick
AFSCME Retirement Board:	Directors: Li, Morin, Mallonee, Parks Alternates: Jennings
MCEG Retirement Board:	Directors: Li, Morin, Lonergan, 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 March 22, 2017 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 March 31, 2017 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:	Approving the Minutes for the March 22, 2017 Quarterly Retirement Board Meeting (AFSCME). (Bonnel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Motion:	Receive and File Administrative Reports for the Quarter Ended March 31, 2017 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"/>
5. Motion:	Approving the Minutes for the March 22, 2017 Quarterly Retirement Board Meeting (ATU). (Bonnel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Motion:	Receive and File Administrative Reports for the Quarter Ended March 31, 2017 for the ATU Pension Plan (ATU). (Bernegger)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Motion:	Approving the Minutes for the March 22, 2017 Quarterly Retirement Board Meeting (IBEW). (Bonnel)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Motion:	Receive and File Administrative Reports for the Quarter Ended March 31, 2017 for the IBEW Pension Plan (IBEW). (Bernegger)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Motion:	Approving the Minutes for the March 22, 2017 Quarterly Retirement Board Meeting (MCEG). (Bonnel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10. Motion:	Receive and File Administrative Reports for the Quarter Ended March 31, 2017 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"/>

NEW BUSINESS

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
11. Information:	Investment Performance Review by AQR for the ATU, IBEW and Salaried Funds for the International Small Capitalization Equity Asset Class for the Quarter Ended March 31, 2017 (ALL). (Bernegger)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
12. Motion:	Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2017 (ALL). (Bernegger)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
13. Motion:	Receive and File Asset Allocation Study Review for the ATU, IBEW and Salaried Employees' Retirement Plans (ALL). (Bernegger)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
14. 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"/>
15. Resolution:	Adopting Amended Retirement Board Member and Staff Education and Travel Policy (ALL). (Bonnel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" 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
AEA Retirement Board Meeting
Wednesday, March 22, 2017
MEETING SUMMARY**

ROLL CALL

The Retirement Board was brought to order at 9:03 a.m. A quorum was present comprised as follows: Directors Li, Devorak, Robison and Alternate McGoldrick. Director Morin and Alternate Jennings were absent.

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

By AEA Resolution No. 16-12-186 for calendar year 2017, the Governing Board Member in attendance served as Common Chair of this Retirement Board meeting.

PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA

None.

Consent Calendar:

1. Motion: Approving the Minutes for the December 14, 2016 Quarterly Retirement Board Meeting (AEA). (Bonnel)
2. Motion: Approving the Minutes for the February 1, 2017 Special Retirement Board Meeting (AEA). (Bonnel)
3. Motion: Receive and File Administrative Reports for the Quarter Ended December 31, 2016 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Bernegger)
4. Motion: Receive and File the Independent Auditor's Report for the Twelve Month Period Ended June 30, 2016 (ALL). (Bernegger)
5. Motion: Receive and File the Fiscal Year 2016 State Controller's Report for the Retirement Plan for Sacramento Regional Transit District Salaried Employees (AEA/AFSCME/MCEG). (Bernegger)

Director Li moved to adopt AEA Retirement Board Items 1 through 5. Director Devorak seconded the motion. Items 1 through 5 were carried unanimously by roll call vote: Ayes: Directors Li, Devorak and Robison. Noes: None.

Director Andy Morin arrived at 9:06 a.m.

New Business:

27. Information: Investment Performance Review by Met West for the ATU, IBEW and Salaried Funds for the Domestic Fixed Income Asset Class for the Quarter Ended December 31, 2016 (ALL). (Bernegger)

Jamie Adelman introduced Jamie Franco from Met West/TCW, who provided the performance results for the Domestic Fixed Income Asset Class for the Quarter Ended December 31, 2016 and was available for questions.

28. Motion: Receive and File the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended December 31, 2016 (ALL). (Bernegger)

Jamie Adelman introduced Uvan Tseng from Callan Associates, who provided a market overview for the Quarter Ended December 31, 2016 and was available for questions.

VP of Finance/CFO, Brent Bernegger noted that it was mentioned that Brian Smith left Atlanta Capital and asked if there were any other staffing changes at Atlanta Capital. Mr. Tseng noted there were no other changes.

Director Morin moved to adopt Item 28. Director Li seconded the motion. Item 28 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Devorak and Robison. Noes: None.

The order of New Business items was adjusted. Item 32 was moved up on the agenda to be presented before Item 30.

32. Resolution: Accept Actuarial Valuation Study and Approve the Actuarially Determined Contribution Rate for Salaried Employees' Retirement Plan for Fiscal Year 2018 (AEA/AFSCME/MCEG). (Bonnel)

Donna Bonnel introduced Graham Schmidt, from Cheiron, who provided an overview of the Actuarial Valuation Study for Fiscal Year 2018 for AEA/AFSCME/MCEG employees and was available for questions.

Director Morin moved to accept the actuarial valuation study and approve the actuarially determined contribution rate of 32.52% of the payroll for the Salaried Employees, effective July 1, 2017. Director Li seconded the motion. Item 32 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Devorak and Robison. Noes: None.

33. Information: Update on Roles and Responsibilities Related to 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.

34. Resolution: Authorizing Execution of a Contract or Contract Renewal for Fiduciary Insurance for All Retirement Boards (ALL). (Bonnel) – REVISED

Donna Bonnel presented Item 34 for approval.

Ms. Bonnel noted that there was an error in the issue paper title, the title reflects “Approving the Contract Renewal with Federal Insurance Company (CHUBB) for Fiduciary Insurance for All Retirement Boards”. This week, Staff received information from our insurance broker that it is considering bids from three providers: Chubb, Hudson Insurance Company, and RLI Insurance Company. The issue paper has been revised to reflect “Authorizing Execution of a Contract or Contract Renewal for Fiduciary Insurance for All Retirement Boards” (Staff distributed the revised issue paper). The Boards are not expected to have another meeting before May 6. Therefore, staff recommends that the Boards delegate authority for the District’s General Manager/CEO to bind a one-year policy with whichever of the above-listed insurers Alliant recommends upon completion of negotiations, so long as the policy will provide \$10 million of coverage, with a \$25,000 deductible, and other terms consistent with those described, at a cost not to exceed \$60,484.

Director Sue Robison asked if the \$25,000 deductible was normal for this type of claim and who would pay the \$25,000 deductible. Ms. Bonnel noted that this is a normal deductible cost. Legal Counsel Shayna van Hoften noted that the deductible would have to be paid by the Plans, not RT.

Legal Counsel Shayna van Hoften provided background information on fiduciary liability insurance for board members.

Staff distributed the revised issue paper.

Director Morin moved to adopt Item 34. Director Li seconded the motion. Item 34 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Devorak and Robison. Noes: None.

REPORTS FROM COMMITTEES

None.

REPORTS, IDEAS AND COMMUNICATIONS

None.

The meeting was adjourned by Assistant Secretary Bonnel at 10:15 a.m.

Russel Devorak, Chair

ATTEST:

Sue Robison, Secretary

By: _____
Donna Bonnel, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	06/14/17	Retirement	Action	05/08/17

Subject: Receive and File Administrative Reports for the Quarter Ended March 31, 2017 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Bernegger)

ISSUE

Receive and File Administrative Reports for the Quarter Ended March 31, 2017 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Bernegger)

RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended March 31, 2017 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Bernegger)

FISCAL IMPACT

None

DISCUSSION

Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended March 31, 2017. The financial statements are presented on an accrual basis and consist of a Statement of Fiduciary Net Position (balance sheet) (Attachment 1), a Statement of Changes in Fiduciary Net Position (income statement) for the quarter ended March 31, 2017 (Attachment 2), and a year-to-date Statement of Changes in Fiduciary Net Position (Attachment 3).

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

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

Asset Rebalancing

Pursuant to Section IV, Asset Rebalancing Policy of the Statement of Investment Objectives and Policy Guidelines for the ATU, IBEW and Salaried Employees' Retirement Funds, the Retirement Boards have delegated authority to manage pension plan assets in accordance with the approved rebalancing policy to the District's Director of Finance/Treasury. The

Approved:

Presented:

FINAL 05/31/17

VP of Finance/CFO

Senior Accountant

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	06/14/17	Retirement	Action	05/08/17

Subject: Receive and File Administrative Reports for the Quarter Ended March 31, 2017 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Bernegger)

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:

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

Attached hereto as Attachment 4 is the Salaried Plan’s Schedule of Cash Activities for the three months ended March 31, 2017. The schedule of cash activities includes a summary of Plan activities showing the amounts in the following categories: District’s pension contributions to the Plan, payments to retirees, and the Pension Plan’s cash expenditures paid. This schedule also lists the rebalancing activity that occurred for the three months ended March 31, 2017. The Salaried Plan reimbursed \$70,946.52 to the District as the result of the net cash activity between the pension plan expenses and the required pension contributions.

Attached hereto as Attachment 5 is the Salaried Plan’s Asset Allocation as of March 31, 2017. This statement shows the Salaried Plan’s asset allocation as compared to targeted allocation percentages as defined in the Statement of Investment Objectives and Policy Guidelines.

Attached hereto as Attachment 6 is a reconciliation between the Callan Performance Report and the ATU, IBEW and Salaried Pension Plans’ unaudited financial statements. The reports differ in that the unaudited financial statements reflect both investment activities and the pension fund’s inflows and outflows. Callan’s report only reflects the investment activities. The “Net Difference” amounts shown are the results of Callan and 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 Plan’s unaudited Statement of Changes in Fiduciary Net Position as “Other Income,” which is combined in the category of “Interest, Dividend, & Other Inc”.

Attached hereto as Attachment 8 is a schedule reflecting Fund Managers’ quarterly investment returns and their investment fees. Additionally, the schedule reflects annual rates of return on investment net of investment fees for the one-year and three-year periods ended March 31, 2017 as compared to their benchmarks.

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	06/14/17	Retirement	Action	05/08/17

Subject: Receive and File Administrative Reports for the Quarter Ended March 31, 2017 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Bernegger)

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 or IBEW Plan to the Salaried Plan during the three months ended March 31, 2017.

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

Accrual Basis

As of March 31, 2017

	Mar 31, 17
ASSETS	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	82,396,633.50
Total Long-Term Investments	82,396,633.50
Total Checking/Savings	82,396,633.50
Accounts Receivable	
1110104 · Other Rec - Due from RT	33,174.09
Total Accounts Receivable	33,174.09
Other Current Assets	
1110120 · Prepaids	2,436.50
Total Other Current Assets	2,436.50
Total Current Assets	82,432,244.09
TOTAL ASSETS	82,432,244.09
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	27,940.50
3110122 · MetWest	18,769.59
3110124 · Boston Partners	18,510.29
3110125 · Callan	3,240.26
3110126 · State Street	16,578.10
3110127 · JP Morgan	5,286.58
3110128 · Atlanta Capital	14,977.21
3110129 · S&P Index - SSgA	1,751.89
3110130 · EAFE - SSgA	782.66
Total Accounts Payable	107,837.08
Total Current Liabilities	107,837.08
Total Liabilities	107,837.08
Equity	
3340101 · Retained Earnings	75,337,018.65
Net Income	6,987,388.36
Total Equity	82,324,407.01
TOTAL LIABILITIES & EQUITY	82,432,244.09

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

January through March 2017

Accrual Basis

	Jan - Mar 17	% of Income
Income		
Interest, Dividend, & Other Inc	260,592.44	4.8%
Investment Income	3,269,152.89	59.8%
RT Required Contribution	1,916,624.91	35.1%
6630110 · Employee Contribution	17,939.73	0.3%
Total Income	5,464,309.97	100.0%
Cost of Goods Sold		
8531210 · AEA - Retirement Benefits Paid	839,407.94	15.4%
8531211 · AFSCME-Retirement Benefits Paid	354,461.35	6.5%
8531212 · MCEG - Retirement Benefits Paid	616,840.05	11.3%
8532004 · Invest Exp - MetropolitanWest	18,769.59	0.3%
8532013 · Invest Exp - Boston Partners	18,510.29	0.3%
8532020 · Invest Exp - Callan	9,708.54	0.2%
8532021 · Invest Exp - State Street	10,188.22	0.2%
8532023 · Invest Exp - JP Morgan	2,643.29	0.0%
8532024 · Invest Exp - Atlanta Capital	14,977.21	0.3%
8532025 · Invest Exp - S&P Index SSgA	1,751.89	0.0%
8532026 · Invest Exp - EAFE SSgA	782.66	0.0%
8532027 · Invest Exp - AQR	8,685.85	0.2%
Total COGS	1,896,726.88	34.7%
Gross Profit	3,567,583.09	65.3%
Expense		
8533002 · Admin Exp - EFI	6,699.90	0.1%
8533007 · CALPRS Dues & courses	166.66	0.0%
8533010 · Admin Exp - Travel	12.79	0.0%
8533014 · Admin Exp - Fiduciary Insurance	7,309.50	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	333.33	0.0%
8533026 · Admin Exp - Hanson Bridgett Leg	20,263.88	0.4%
8533029 · Admin Exp - Administrator	27,959.12	0.5%
8533050 · Admin Exp - Misc Exp	14.19	0.0%
Total Expense	62,759.37	1.1%
Net Income	<u>3,504,823.72</u>	<u>64.1%</u>

**Sacto Regional Transit District Retirement Plan - Salaried
Statement of Changes in Fiduciary Net Position
July 2016 through March 2017**

Accrual Basis

	Jul '16 - Mar 17	% of Income
Income		
Interest, Dividend, & Other Inc	843,245.79	6.6%
Investment Income	6,346,201.23	49.6%
RT Required Contribution	5,567,345.34	43.5%
6630110 · Employee Contribution	35,945.83	0.3%
Total Income	12,792,738.19	100.0%
Cost of Goods Sold		
8531210 · AEA - Retirement Benefits Paid	2,526,588.39	19.8%
8531211 · AFSCME-Retirement Benefits Paid	987,551.88	7.7%
8531212 · MCEG - Retirement Benefits Paid	1,818,846.24	14.2%
8532004 · Invest Exp - MetropolitanWest	56,223.35	0.4%
8532013 · Invest Exp - Boston Partners	53,536.24	0.4%
8532020 · Invest Exp - Callan	29,008.43	0.2%
8532021 · Invest Exp - State Street	25,147.73	0.2%
8532023 · Invest Exp - JP Morgan	17,660.02	0.1%
8532024 · Invest Exp - Atlanta Capital	43,475.89	0.3%
8532025 · Invest Exp - S&P Index SSgA	5,018.64	0.0%
8532026 · Invest Exp - EAFE SSgA	2,200.25	0.0%
8532027 · Invest Exp - AQR	23,631.28	0.2%
Total COGS	5,588,888.34	43.7%
Gross Profit	7,203,849.85	56.3%
Expense		
8533002 · Admin Exp - EFI	38,371.58	0.3%
8533007 · CALPRS Dues & courses	166.66	0.0%
8533009 · Admin Exp - Shipping	5.87	0.0%
8533010 · Admin Exp - Travel	12.79	0.0%
8533014 · Admin Exp - Fiduciary Insurance	21,928.50	0.2%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	333.33	0.0%
8533026 · Admin Exp - Hanson Bridgett Leg	53,614.83	0.4%
8533029 · Admin Exp - Administrator	90,667.08	0.7%
8533050 · Admin Exp - Misc Exp	164.19	0.0%
8533051 · Admin Exp - Audit	11,196.66	0.1%
Total Expense	216,461.49	1.7%
Net Income	6,987,388.36	54.6%

**Sacramento Regional Transit District
Retirement Fund - Salaried
Schedule of Cash Activities
For the Three Months Period Ended March 31, 2017**

	January 2017	February 2017	March 2017	Quarter Totals
Beginning Balance:				
Due (from)/to District - December 31, 2016	20,230.14	(9,126.00)	59,842.38	20,230.14
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 27.73 to 31.48%	620,744.21	600,987.73	694,892.97	1,916,624.91
Employee Pension Contributions	4,566.06	5,505.15	7,868.52	17,939.73
Total Deposits	625,310.27	606,492.88	702,761.49	1,934,564.64
<u>Expenses</u>				
Payout to Retirees:				
AEA	(280,818.26)	(279,294.84)	(279,294.84)	(839,407.94)
AFSCME	(110,007.77)	(114,206.75)	(130,246.83)	(354,461.35)
MCEG	(205,066.47)	(205,066.47)	(206,707.11)	(616,840.05)
Payout to Retirees Subtotal	(595,892.50)	(598,568.06)	(616,248.78)	(1,810,709.34)
Fund Investment Management Expenses:				
Atlanta Capital	-	(14,659.44)	-	(14,659.44)
Metropolitan West	-	(18,520.82)	-	(18,520.82)
Boston Partners	-	(17,998.93)	-	(17,998.93)
JPMorgan	-	-	-	-
SSgA S&P 500 Index	-	(1,635.80)	-	(1,635.80)
SSgA EAFE MSCI	-	(705.01)	-	(705.01)
Callan	(3,227.71)	-	(6,468.28)	(9,695.99)
State Street	-	(3,343.08)	(6,845.14)	(10,188.22)
Fund Invest. Mgmt Exp. Subtotal	(3,227.71)	(56,863.08)	(13,313.42)	(73,404.21)
Administrative Expenses				
Cheiron	(8,098.96)	(2,056.25)	(4,018.75)	(14,173.96)
CALAPRS Dues	(166.66)	-	-	(166.66)
Travel	-	-	(12.79)	(12.79)
Investigation Information Services	(250.00)	-	(83.33)	(333.33)
Hanson Bridgett Legal Services	-	-	(25,333.33)	(25,333.33)
Pension Administration	(8,548.44)	(8,847.87)	(10,562.81)	(27,959.12)
Miscellaneous	-	-	(14.19)	(14.19)
Administrative Exp. Subtotal	(17,064.06)	(10,904.12)	(40,025.20)	(67,993.38)
Total Expenses	(616,184.27)	(666,335.26)	(669,587.40)	(1,952,106.93)
Monthly Net Owed from/(to) District	9,126.00	(59,842.38)	33,174.09	(17,542.29)
Payment from/(to) the District	(20,230.14)	9,126.00	(59,842.38)	(70,946.52)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	(9,126.00)	59,842.38	(33,174.09)	(33,174.09)

RT Combined Pension Plans - ATU, IBEW and Salaried
Asset Allocation *
As of 3/31/2017

Asset Class	Net Asset Market Value 03/31/2017	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
FUND MANAGERS:						
Domestic Equity:						
Large Cap Value - Boston Partners - Z8	\$ 44,660,344	16.97%	16.00%	0.97%	\$ 2,549,931	
Large Cap Growth - SSgA S&P 500 Index - XH	45,309,773	17.22%	16.00%	1.22%	3,199,360	
Total Large Cap Domestic Equity	89,970,118	34.18%	32.00%	2.18%	5,749,292	\$ 84,220,826
Small Cap - Atlanta Capital - XB	23,920,446	9.09%	8.00%	1.09%	2,865,240	21,055,206
International Equity:						
Large Cap Growth:						
JPMorgan - Z9	24,652,383	9.37%	9.50%	-0.13%	(350,675)	
Large Cap Core:						
SSgA MSCI EAFE - XG	9,862,013	3.75%				
Value - Brandes - XE	8,942	0.00%				
Total Core	9,870,956	3.75%	4.50%	-0.75%	(1,972,598)	
Small Cap:						
AQR - ZB	12,813,469	4.87%	5.00%	-0.13%	(346,035)	
Emerging Markets						
DFA - ZA	14,757,549	5.61%	6.00%	-0.39%	(1,033,856)	
Total International Equity	62,094,356	23.59%	25.00%	-1.41%	(3,703,164)	65,797,520
Fixed Income:						
Met West - XD	87,205,161	33.13%	35.00%	-1.87%	(4,911,367)	92,116,528
Total Combined Net Asset	\$ 263,190,081	100.00%	100.00%	0.00%	\$ 1	\$ 263,190,081

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

* Per the Statement of Investment Objectives and Policy Guidelines as of 6/15/2016.

**Reconciliation between Callan Report
and
Consolidated Pension Fund Balance Sheet
As of March 31, 2017**

Per Both Pension Fund Balance Sheets:	
ATU Allocated Custodial Assets	131,756,437
IBEW Allocated Custodial Assets	49,037,010
Salaried Allocated Custodial Assets	<u>82,396,634</u>
Total Consolidated Net Asset	<u><u>263,190,081</u></u>
Per Callan Report:	
Total Investments	<u><u>263,189,626</u></u>
Net Difference	<u><u>455</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 March 31, 2017**

Per Both Pension Fund Income Statements:	
ATU - Interest, Dividends, and Other Income	422,445
ATU - Investment Income	5,011,609
IBEW - Interest, Dividends, and Other Income	155,897
IBEW - Investment Income	1,852,374
Salaried - Interest, Dividends, and Other Income	248,835
Salaried - Investment Income	<u>3,269,153</u>
Total Investment Income	<u><u>10,960,313</u></u>
Per Callan Report:	
Investment Returns	<u><u>10,960,646</u></u>
Net Difference	<u><u>(333)</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 March 31, 2017**

	<u>January</u>	<u>February</u>	<u>March</u>	<u>Total</u>
Payments from/(to) the District				
Boston Partners - ATU	(258,521)		(386,365)	(644,886)
Boston Partners - IBEW	1,999		4,136	6,135
Boston Partners - Salaried	(20,230)		(59,842)	(80,072)
S&P 500 Index - ATU		(257,621)		(257,621)
S&P 500 Index - IBEW		37,157		37,157
S&P 500 Index - Salaried		9,126		9,126
Total Payments from/(to) the District	<u>(276,752)</u>	<u>(211,338)</u>	<u>(442,071)</u>	<u>(930,161)</u>
Transfers In/(Out) of Investment Funds				
Boston Partners	(276,752)	-	(442,071)	(718,823)
S&P 500 Index	-	(211,338)	-	(211,338)
Total Transfers In/(Out) of Investment Funds	<u>(276,752)</u>	<u>(211,338)</u>	<u>(442,071)</u>	<u>(930,161)</u>
Variance between Payments and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Per Callan Report:				
Net New Investment/(Withdrawals)				<u>(930,161)</u>
Net Difference				<u><u>-</u></u>

**Consolidated Schedule of Cash Activities
For the 12-Months March 31, 2017**

	<u>2Q16</u>	<u>3Q16</u>	<u>4Q16</u>	<u>1Q17</u>	<u>Total</u>
Payments from/(to) the District					
Boston Partners - ATU			(323,598)	(644,886)	(968,484)
Boston Partners - IBEW			(37,279)	6,135	(31,144)
Boston Partners - Salaried	-	-	(109,213)	(80,072)	(189,285)
S&P 500 Index - ATU		(563,941)	(250,612)	(257,621)	(1,072,174)
S&P 500 Index - IBEW		(75,751)	(28,278)	37,157	(66,872)
S&P 500 Index - Salaried	-	102,128	(43,168)	9,126	68,086
Atlanta Capital - ATU/IBEW	(450,701)	-	-	-	(450,701)
Atlanta Capital - ATU		(234,429)	(242,374)	-	(476,803)
Atlanta Capital - IBEW		(25,776)	(24,357)	-	(50,133)
Atlanta Capital - Salaried	-	-	(80,132)	-	(80,132)
EAFE - ATU		(6,178,332)	-	-	(6,178,332)
EAFE - IBEW		(2,258,554)	-	-	(2,258,554)
EAFE - Salaried	-	(3,764,715)	-	-	(3,764,715)
AQR - ATU		6,178,332	-	-	6,178,332
AQR - IBEW		2,258,554	-	-	2,258,554
AQR - Salaried		3,764,715	-	-	3,764,715
DFA - Salaried	262,195	137,839	-	-	400,034
Metropolitan West - ATU/IBEW	(496,034)	-	-	-	(496,034)
Metropolitan West - ATU		(248,710)	-	-	(248,710)
Metropolitan West - IBEW		(29,127)	-	-	(29,127)
Total Payments from/(to) the District	<u>(684,540)</u>	<u>(937,767)</u>	<u>(1,139,011)</u>	<u>(930,161)</u>	<u>(3,691,479)</u>

**Sacramento Regional Transit District
ATU, IBEW and Salaried Retirement Plans
Schedule of Fund Investment Returns and Expenses
03/31/17**

			1 Year			3 Years		3 Years		
	1 Year	%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts		%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts
Boston Partners										
Investment Returns	7,506,757	100.00%				9,034,088	100.00%			
Investment Expenses	(225,974)	3.01%				(645,800)	7.15%			
Net Gain/(Loss)	7,280,783	96.99%	19.04%	19.22%	(18.00)	8,388,288	92.85%	7.14%	8.67%	(153.00)
S&P 500										
Investment Returns	6,744,720	100.00%				11,991,726	100.00%			
Investment Expenses	(52,474)	0.78%				(90,969)	0.76%			
Net Gain/(Loss)	6,692,246	99.22%	17.17%	17.17%	0.00	11,900,757	99.24%	10.38%	10.37%	1.00
Atlanta Capital										
Investment Returns	3,447,902	100.00%				6,065,847	100.00%			
Investment Expenses	(183,266)	5.32%				(498,091)	8.21%			
Net Gain/(Loss)	3,264,636	94.68%	15.78%	26.22%	(1044.00)	5,567,756	91.79%	9.25%	7.22%	203.00
JPMorgan										
Investment Returns	3,342,537	100.00%				1,107,048	100.00%			
Investment Expenses	(94,634)	2.83%				(406,576)	36.73%			
Net Gain/(Loss)	3,247,903	97.17%	14.88%	11.67%	321.00	700,472	63.27%	1.16%	0.50%	66.00
EAFE										
Investment Returns	1,250,678	100.00%				(739,029)	100.00%			
Investment Expense	(12,325)	0.99%				(54,473)	-7.37%			
Net Gain/(Loss)	1,238,353	99.01%	12.00%	11.67%	33.00	(793,502)	107.37%	73.00%	0.50%	7,250.00
Brandes										
Investment Returns	(2,621)	100.00%				(3,916)	100.00%			
Investment Expenses	-	0.00%				-	0.00%			
Net Gain/(Loss)	(2,621)	100.00%	N/A	N/A	N/A	(3,916)	100.00%	N/A	N/A	N/A
AQR										
Investment Returns	631,010	100.00%				631,010	100.00%			
Investment Expenses	(76,859)	12.18%				(76,859)	12.18%			
Net Gain/(Loss)	554,151	87.82%	N/A	N/A	N/A	554,151	87.82%	N/A	N/A	N/A
DFA										
Investment Returns	2,351,676	100.00%				979,767	100.00%			
Investment Expense	(88,159)	3.75%				(236,432)	24.13%			
Net Gain/(Loss)	2,263,517	96.25%	19.01%	17.65%	136.00	743,335	75.87%	2.29%	1.55%	74.00
Metropolitan West										
Investment Returns	1,125,329	100.00%				7,776,914	100.00%			
Investment Expenses	(240,859)	21.40%				(740,492)	9.52%			
Net Gain/(Loss)	884,470	78.60%	1.05%	0.44%	61.00	7,036,422	90.48%	2.59%	2.68%	(9.00)
Total Fund										
Investment Returns	26,397,988	100.00%				36,843,455	100.00%			
Investment Expenses	(974,550)	3.69%				(2,749,692)	7.46%			
Net Gain/(Loss)	25,423,438	96.31%	10.67%	10.88%	(21.00)	34,093,763	92.54%	4.73%	5.14%	(41.00)
CPI:				2.38%					1.06%	
Core CPI:				2.00%					2.02%	

**Sacramento Regional Transit District
 Schedule of Transfers and Retirements
 For the Time Period: January 1, 2017 to March 31, 2017**

Transfers:

Employee #	Transferred From Position	Transferred To Position	Transferred From ATU or IBEW	Transferred To ATU or IBEW	Plan Assets Transferred To/(From) Salaried Plan	Plan Assets Transferred To/(From) ATU or IBEW Plan
------------	---------------------------	-------------------------	------------------------------	----------------------------	---	--

N/A

Retirements:

Employee #	Previous Position	Pension Group	Retirement Date
1213	Senior Planner	AEA	01/01/2017
2836	Bus Service Worker	IBEW	01/01/2017
3349	Chief Financial Officer	MCEG	01/01/2017
3011	Bus Operator	ATU	01/06/2017
3977	QDRO	ATU	01/06/2017
450	Bus Operator	ATU	01/11/2017
662	Bus Operator	ATU	02/01/2017
1147	Finance Administrator	AEA	02/01/2017
1509	Maintenance Supervisor	AFSC	02/01/2017
2261	Maintenance Supervisor	AFSC	02/01/2017
2288	Facilities Maint Mechanic	IBEW	02/01/2017
2290	Lineworker Tech	IBEW	02/01/2017
3973	QDRO	AFSC	02/01/2017

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	06/14/17	Retirement	Information	05/08/17

Subject: Investment Performance Review by AQR for the ATU, IBEW and Salaried Funds for the International Small Capitalization Equity Asset Class for the Quarter Ended March 31, 2017 (ALL). (Bernegger)

ISSUE

Investment Performance Review by AQR for the ATU, IBEW and Salaried Funds for the International Small Capitalization Equity Asset Class for the Quarter Ended March 31, 2017 (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). Under the Policy, the Boards meet at least once every eighteen (18) months with each investment manager to review the performance of the manager's investment, the manager's adherence to the Policy, and any material changes to the manager's organization. The Policy also establishes the Retirement Funds' asset allocation policy and the asset classes in which the Plans funds are invested. The asset classes established by the Policy are (1) Domestic Large Capitalization Equity, (2) Domestic Small Capitalization Equity, (3) International Large Capitalization Equity, (4) International Small Capitalization Equity, (5) International Emerging Markets, and (6) Domestic Fixed-Income.

AQR is the Retirement Boards' International Small Capitalization Equity fund manager. AQR will be presenting performance results for the quarter ended March 31, 2017, shown in Attachment 1, and answering any questions.

Approved:

Presented:

FINAL 05/31/17

VP of Finance, CFO

Senior Accountant



AQR International Small Cap Q1 2017 Review

Prepared exclusively for Sacramento Regional Transit District

Private and Confidential

June 14, 2017

FOR INSTITUTIONAL INVESTORS USE ONLY

AQR Capital Management, LLC

Two Greenwich Plaza

Greenwich, CT 06830

p: +1.203.742.3600 | www.aqr.com

Disclosures

The information set forth herein has been obtained or derived from sources believed by AQR Capital Management, LLC ("AQR") to be reliable. However, AQR does not make any representation or warranty, express or implied, as to the information's accuracy or completeness, nor does AQR recommend that the attached information serve as the basis of any investment decision. This document has been provided to you solely for information purposes and does not constitute an offer or solicitation of an offer, or any advice or recommendation, to purchase any securities or other financial instruments, and may not be construed as such. This document is intended exclusively for the use of the person to whom it has been delivered by AQR and it is not to be reproduced or redistributed to any other person. Please refer to the Appendix for more information on general terms, risks and fees. For one-on-one presentation use only. **Past performance is not a guarantee of future performance.**

This presentation is not research and should not be treated as research. This presentation does not represent valuation judgments with respect to any financial instrument, issuer, security or sector that may be described or referenced herein and does not represent a formal or official view of AQR.

The views expressed reflect the current views as of the date hereof and neither the speaker nor AQR undertakes to advise you of any changes in the views expressed herein. It should not be assumed that the speaker or AQR will make investment recommendations in the future that are consistent with the views expressed herein, or use any or all of the techniques or methods of analysis described herein in managing client accounts. AQR and its affiliates may have positions (long or short) or engage in securities transactions that are not consistent with the information and views expressed in this presentation.

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

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

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

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

Neither AQR nor the speaker assumes any duty to, nor undertakes to update forward looking statements. No representation or warranty, express or implied, is made or given by or on behalf of AQR, the speaker or any other person as to the accuracy and completeness or fairness of the information contained in this presentation, and no responsibility or liability is accepted for any such information. By accepting this presentation in its entirety, the recipient acknowledges its understanding and acceptance of the foregoing statement.



Our Firm

AQR is a global investment management firm built at the intersection of financial theory and practical application. We strive to deliver superior, long-term results for our clients by looking past market noise to identify and isolate what matters most, and by developing ideas that stand up to rigorous testing. Our focus on practical insights and analysis has made us leaders in alternative and traditional strategies since 1998.

At a Glance

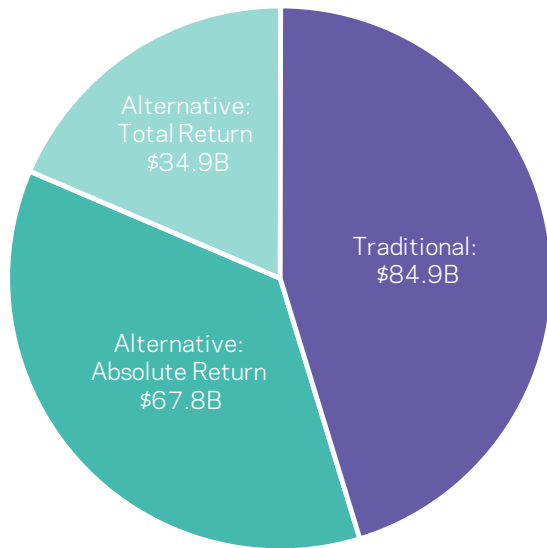
- AQR takes a systematic, research-driven approach to managing alternative and traditional strategies
- We apply quantitative tools to process fundamental information and manage risk
- Our clients include institutional investors, such as pension funds, defined contribution plans, insurance companies, endowments, foundations, family offices and sovereign wealth funds, as well as RIAs, private banks and financial advisors
- The firm has 30 principals and 793 employees; nearly half of employees hold advanced degrees
- AQR is based in Greenwich, Connecticut, with offices in Boston, Chicago, Hong Kong, London, Los Angeles, and Sydney
- Approximately \$187.6 billion in assets under management as of March 31, 2017*

* Approximate as of 3/31/2017, includes assets managed by CNH Partners, an affiliate of AQR.

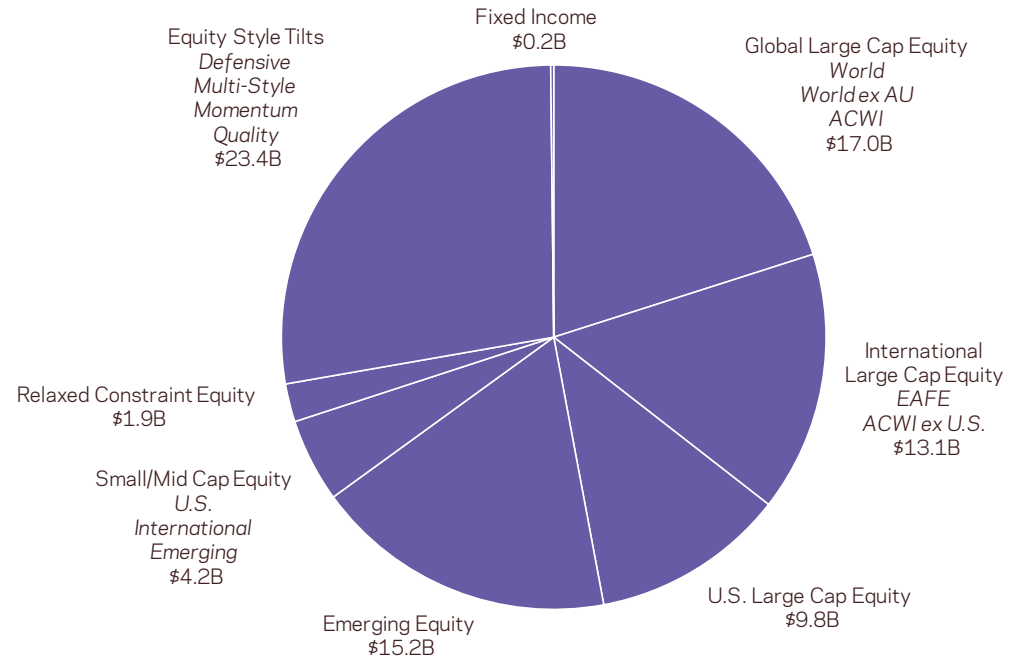


Assets Under Management

Total Assets \$187.6B*



Traditional Strategies \$84.9B*



* Approximate as of 3/31/2017, includes assets managed by CNH Partners, an affiliate of AQR.

Who We Are

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

Portfolio Management, Research and Trading

(Total Team: 288)

John Liew, Ph.D.*
Founding Principal

Portfolio Management and Research

Michele Aghassi, Ph.D.
Principal

Andrea Frazzini, Ph.D.
Principal

Jacques Friedman*
Principal

Brian Hurst*
Principal

Ronen Israel*
Principal

Michael Katz, Ph.D.
Principal

Hoon Kim, Ph.D., CFA
Principal

Oktay Kurbanov
Principal

Ari Levine
Principal

Michael Mendelson*
Principal

Tobias Moskowitz, Ph.D.
Principal

Yao Hua Ooi
Principal

Lasse Pedersen, Ph.D.
Principal

Scott Richardson, Ph.D.
Principal

Mark Mitchell, Ph.D.
Principal (CNH)

Todd Pulvino, Ph.D.
Principal (CNH)

Rocky Bryant
Principal (CNH)

Trading

Isaac Chang
Managing Director

Brian Hurst*
Principal

Risk Management

(Total Team: 17)

Risk Management

Lars Nielsen*
Principal
Chief Risk Officer

Business Development

(Total Team: 156)

David Kabiller, CFA*
Founding Principal

Client Solutions

Gregor Andrade, Ph.D.*
Principal

Bill Cashel
Principal

Jeff Dunn
Principal

Jeremy Getson, CFA*
Principal

Marco Hanig, Ph.D.
Principal

Chris Palazzolo, CFA
Principal

Portfolio Solutions

Antti Ilmanen, Ph.D.
Principal

Strategy

Ted Pyne, Ph.D.
Managing Director
Chief Strategy Officer

Marketing

Suzanne Escousse
Managing Director
Chief Marketing Officer

Corporate Infrastructure

(Total Team: 276)

Finance

John Howard*
Principal
Chief Finance Officer and
Chief Operating Officer

Accounting, Operations and Client Administration

Steve Mellas
Principal

Systems Development and IT

Neal Pawar
Principal
Chief Technology Officer

Human Resources

Jen Frost
Managing Director
Chief Human Resources
Officer

Compliance and Legal

(Total Team: 56)

Compliance

H.J. Willcox
Principal
Chief Compliance
Officer

Legal

Bradley Asness
Principal
Chief Legal Officer



Global Stock Selection Team

Portfolio Management and Research

(Total Team: 32)

Jacques Friedman
Principal

Andrea Frazzini, Ph.D.
Principal

Michele Aghassi, Ph.D., CFA
Principal

Hoon Kim, Ph.D., CFA
Principal

Ronen Israel
Principal

Tobias Moskowitz, Ph.D.
Principal

Scott Richardson, Ph.D.
Principal

Tarun Gupta, Ph.D.
Managing Director

Lukasz Pomorski, Ph.D.
Managing Director

Nathan Sosner, Ph.D.
Managing Director

Shaun Fitzgibbons
Vice President

Greg McIntire, CFA
Vice President

Adrienne Ross
Vice President

Laura Serban, Ph.D.
Vice President

Portfolio Implementation

(Total Team: 15)

Michael Katz, Ph.D.
Principal

Oktay Kurbanov
Principal

Hoon Kim, Ph.D., CFA
Principal

Alla Markova
Managing Director

Jessica Yeh
Vice President

Total Global Stock Selection Team: 47

Risk Management

(Total Team: 17)

Lars Nielsen
Principal

Lauralyn Pestritto
Managing Director

Trading

(Total Team: 41)

Brian Hurst
Principal

Isaac Chang
Managing Director

Front Office Technology

(Total Team: 73)

Neal Pawar
Principal



Personnel as of 3/31/2017

Investment Philosophy

Quantitative Investing Based on Fundamental Economic Analysis

- Markets are not perfectly efficient, but they are difficult to outperform
- Inefficiencies can be exploited through a diversified and disciplined approach
- We believe fundamentals drive stock returns — look for companies with good properties
 - Attractive valuations relative to industry peers
 - Showing signs of improvement (catalysts, technical or fundamental)
 - Sound accounting practices
 - Management behavior favorable to stockholders
 - Healthy balance sheets
 - Not fighting the sentiment of the “smart” investor base
- “Cheap with a Catalyst” — combining Value and Momentum is central to AQR’s investment philosophy

Please read important disclosures in the Appendix.



Investment Philosophy

Fundamental Investors Using Quantitative Tools

Research

- Built upon sound economic ideas
- Fundamental research applied globally
- Systematic coverage of a large universe of stocks
- Avoid the pitfalls of data mining — don't fit the past

Implementation

- Diversified portfolios — power of many small positions
- Proprietary, robust optimization techniques
- Algorithmic trading seeks to lower transaction costs and improve net alpha
- Risk management — tracking error and guidelines built into optimization methods



Source: AQR. Diversification does not eliminate the risk of experiencing investment losses.

Investment Process

Overview of International Small Cap Strategy

Summary

- Long-Term Average Tracking Error Target: 3%
- Number of Holdings: >400
- Average Turnover: 80%-100%
- Benchmark: MSCI EAFE Small Cap or MSCI World ex US Small Cap
- Active Weighting: Stock and Industry Selection, no active country or currency bets

Active Weights vs. the Benchmark

Sector	Typically a maximum \pm 7.0%
Stock	Typically a maximum \pm 2.5%
Country	Minimal



Source: AQR. Investment process, tracking error and portfolio holdings are subject to change at any time without notice. Please read important disclosures in the Appendix.

Investment Process

Multistep Process

Step 1: Determine Strategy Risk Allocations

- Based on liquidity, correlations and forecasted model efficacy

Step 2: Select Investment Universe for Each Strategy

- In each strategy, investment universe is based on liquidity considerations and screens to exclude certain stocks

Step 3: Evaluate Attractiveness of the Stocks

- Rate each stock on an industry relative basis
- Rate each industry
- Combine into final rating

Step 4: Portfolio Construction

- Modified optimization process seeks to mitigate some optimization pitfalls
- Constraints imposed based on live trading experience

Step 5: Trading and Rebalancing

- Conditional rebalancing based on alpha decay
- Customized liquidity-providing algorithms help minimize transaction costs

Source: AQR. Investment process is subject to change at any time without notice.



Investable Universe

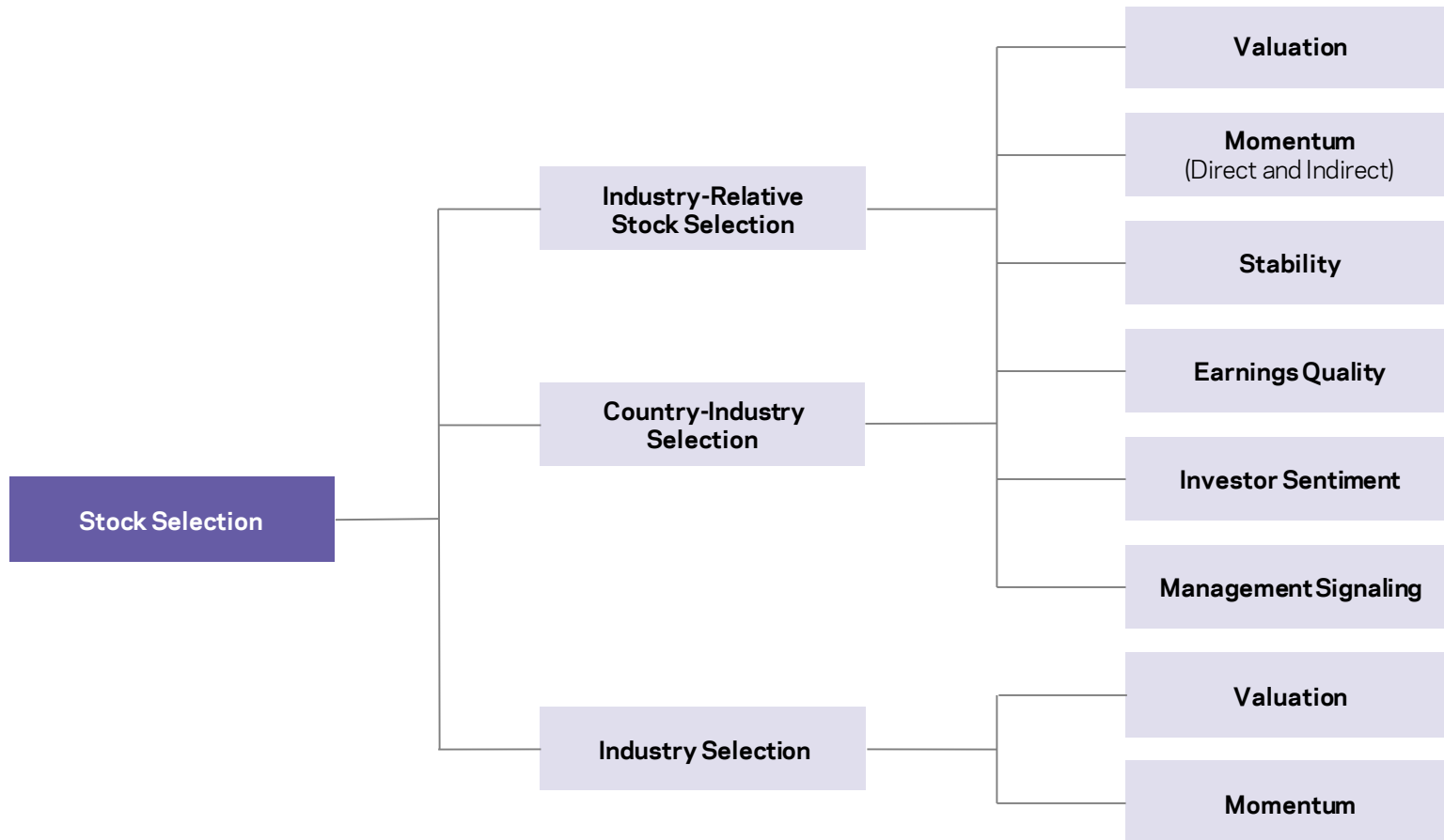
Investment Breakdown for Each Regional Model

Region	MSCI EAFE Small Cap Benchmark Weight	Approx. Number of Names
Continental Europe	39.7%	750
Japan	30.9%	900
U.K.	17.6%	250
Australia	7.8%	150
Asia ex-Japan	4.1%	150
Total	100%	~2200

Data is as of March 31, 2017. Investment universe is subject to change at any time without notice. Please read important disclosures in the Appendix.



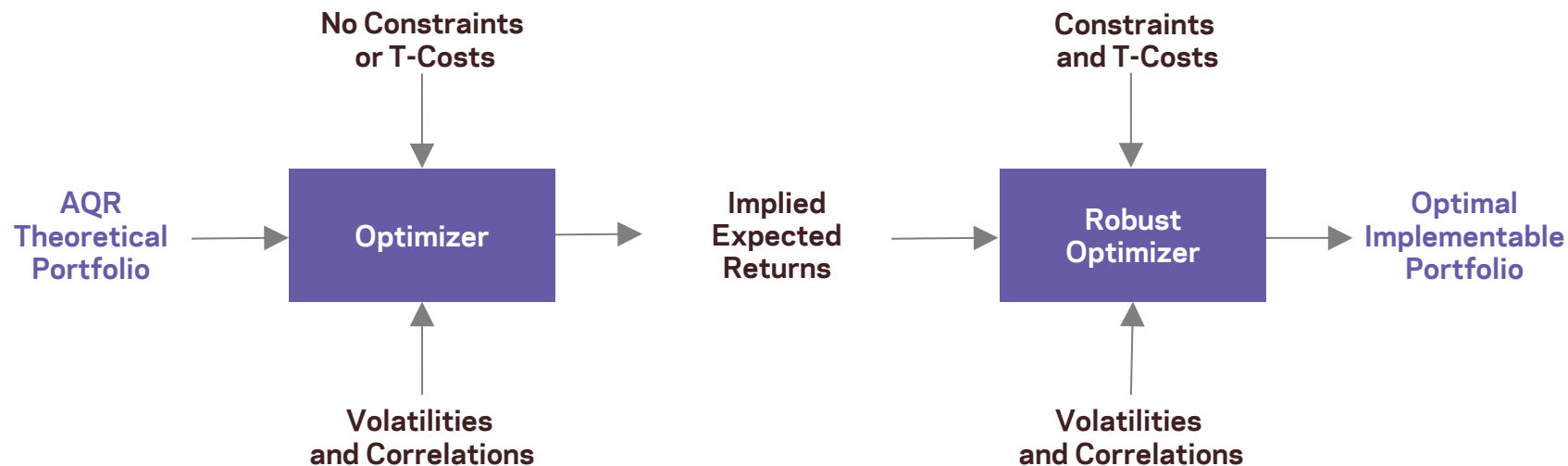
Stock Selection



Source: AQR. The investment process above is for illustrative purposes and is subject to change at any time without notice. Please read important disclosures in the Appendix.

Optimization

AQR Optimization: Anchor Solution to Unconstrained View



- We first derive **implied expected returns**, explicitly calculated to be consistent with both our risk model and with our unconstrained view
- AQR's implied expected returns seek to stabilize the problem, anchoring the optimizer to not deviate far from our model
- Robust optimization technology, developed at AQR, may lead to a more stable, less concentrated optimal portfolio

Source: AQR. The investment process above is for illustrative purposes and is subject to change without notice. Please read important disclosures at the end of this document.



Implementation

Trading and Rebalancing

Investment process is research driven not only in the positions we take, but also in how we implement those decisions

- Two primary objectives are to execute at the lowest possible cost and to understand those costs, on average and in their cross section

Customized liquidity-providing algorithms seek to help maximize net returns

- Lower direct and indirect costs — between 80-90+% savings in commissions* in US and International Developed markets and large reductions in slippage
- Substantial investment in the development and ongoing improvement of this technology

Analysis of our executions enables us to better optimize our investment process

- Seek to build better portfolios that capture more net alpha
- Synchronize the speed of execution to the speed of our alpha decay

We tune our trading systems in efforts to:

- Avoid aggressive trading approaches that may be too costly
- Become less transparent to the market and reduce the number of orders that are fully displayed



* Source: AQR. Analysis conducted by AQR Trading team based on peer data provided by Abel/Noser for 2015.

Performance Review

Since Inception Performance

AQR International Small Cap Equity Fund, L.P.

	Portfolio Return (Gross)	MSCI EAFE Small Cap	Gross Excess Return	Contribution to Gross Excess Return			
				Europe	UK	Japan	Australia & Asia ex-Japan
January-17	3.8%	3.5%	0.3%	-0.3%	0.3%	-0.1%	0.3%
February-17	2.2%	2.2%	0.0%	0.2%	0.0%	-0.3%	0.0%
March-17	1.9%	2.0%	-0.1%	0.0%	0.0%	0.1%	-0.2%
Q1 2017	8.1%	8.0%	0.1%	-0.1%	0.2%	-0.2%	0.1%

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

Since Inception (Cuml)	5.8%	7.4%	-1.5%	-1.0%	-0.3%	-1.1%	0.8%
------------------------	------	------	-------	-------	-------	-------	------

Summary (since August 1, 2007)

1 year	9.0%	11.0%	-2.0%	-1.2%	-0.1%	-1.7%	1.1%
3 years (Annl)	4.2%	3.6%	0.6%	0.5%	0.2%	-0.5%	0.4%
5 years (Annl)	10.3%	9.2%	1.1%	0.5%	0.6%	-0.4%	0.3%
7 years (Annl)	10.3%	8.3%	2.0%	0.9%	0.8%	0.0%	0.3%
Since Inception (Cuml)	62.2%	29.8%	32.4%	14.4%	12.9%	2.6%	2.4%
Since Inception (Annl)	5.1%	2.7%	2.4%	1.1%	1.0%	0.2%	0.2%
Tracking Error			2.1%				
Information Ratio*			1.1				

Period	Initial Contribution (\$K)	Contributions (\$K)	Withdrawals (\$K)	Investment Earnings (\$K)	Ending Balance (\$K)
Since Inception	\$ 12,202	-	-	\$ 612	\$ 12,813



Data reflects the August 1, 2007 to March 31, 2017 period.

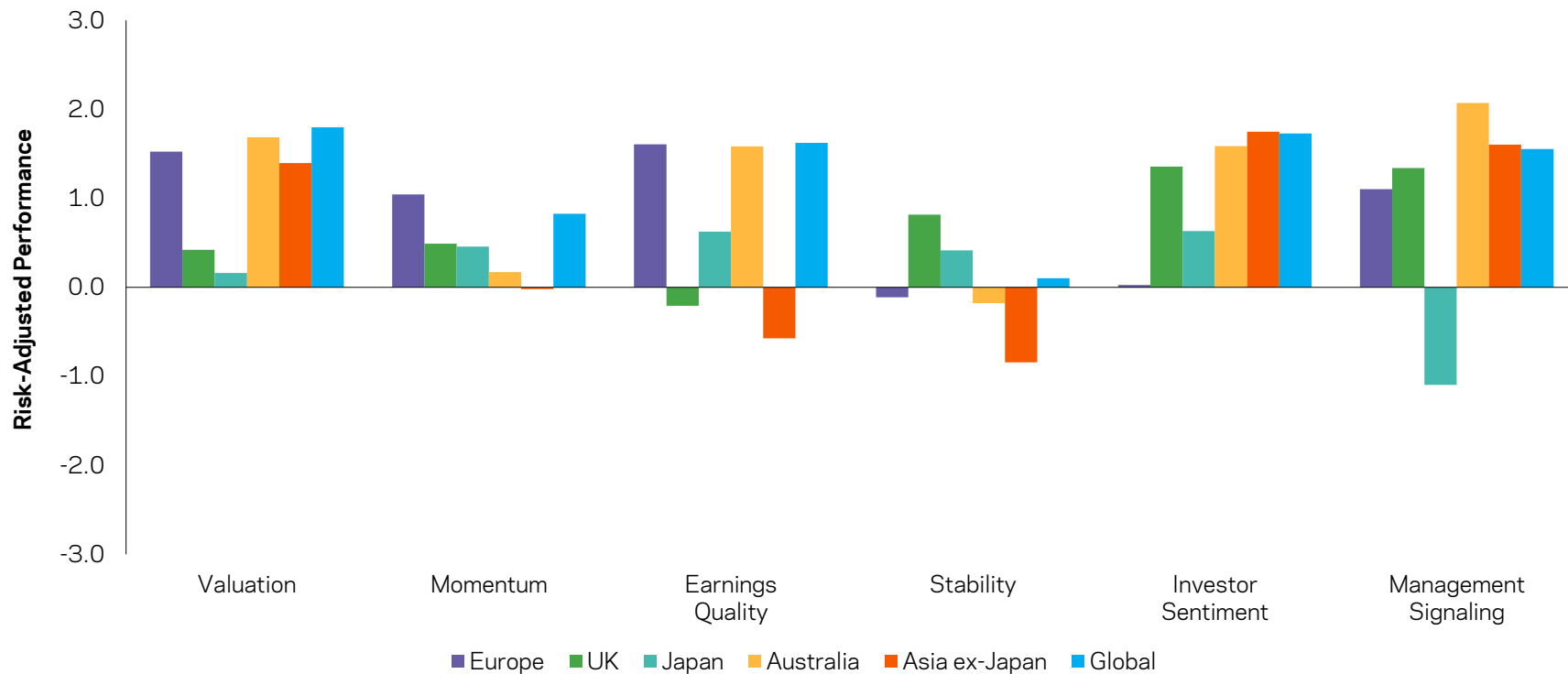
Source: AQR. Please see the Appendix for important risk and performance disclosures. Excess returns are calculated as portfolio returns minus the benchmark. Benchmark: MSCI EAFE Small Cap. Past performance is not a guarantee of future performance.

* Information Ratio is calculated as the Annualized Excess Return divided by Tracking Error. Please see the Appendix for important risk and performance disclosures.

Performance Review

Q1 2017 Investment Theme Performance

Stock Selection



Data reflects the January 1, 2017 to March 31, 2017 period.
 Factor returns for unconstrained, long-short portfolios representing investment themes. Risk-adjusted performance is calculated as the ratio of model gross returns to forecasted volatility. Please see additional performance disclosures in the Appendix.

Performance Review

Q1 2017 Sector Attribution

Stock Selection

	Average Sector Weight			Excess Return		
	Portfolio	Benchmark	Active	Sector Selection	Stock Selection	Total
Consumer Discretionary	17.1%	15.9%	1.1%	0.0%	0.1%	0.1%
Consumer Staples	7.7%	6.8%	0.9%	0.0%	-0.2%	-0.3%
Energy	1.8%	2.9%	-1.1%	0.1%	0.1%	0.2%
Financials	9.9%	11.5%	-1.6%	0.0%	0.0%	0.0%
Health Care	6.7%	7.0%	-0.3%	0.0%	-0.1%	-0.1%
Industrials	20.8%	22.0%	-1.2%	0.0%	-0.3%	-0.3%
Information Technology	13.7%	10.5%	3.2%	0.2%	0.0%	0.2%
Materials	11.0%	9.5%	1.5%	0.0%	0.3%	0.3%
Real Estate	9.9%	10.8%	-0.9%	0.0%	0.0%	0.0%
Telecom Services	0.2%	1.1%	-0.9%	0.0%	0.0%	-0.1%
Utilities	1.1%	1.9%	-0.8%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	0.0%	0.2%	-0.2%	0.1%



Data reflects the January 1, 2017 to March 31, 2017 period. Please see additional performance disclosures in the Appendix. Contributions to Excess Returns are in USD, gross of fees, and based on AQR's internal profit and loss reporting system.

Portfolio Characteristics

Portfolio Characteristics: Equity Exposures

Portfolio Characteristics

Stock Selection Portfolio

	Portfolio	Benchmark
Number of Stocks	658	2211
Average Market Cap (\$M)	2,182	2,420
Median Market Cap (\$M)	1,440	1,022
P/B	1.5	1.6
P/E (forecast)	13.9	15.9
P/E (trailing)	15.0	17.5
P/CF	9.4	10.9
Sales/EV	1.0	0.8
Earnings Growth (1yr trailing)	36.6	29.5
Return on Equity (5yr trailing)	10.6	10.8
Debt to Equity	0.5	0.6
12 Month Return of Holdings*	29.3%	18.4%

Sector Exposure

Stock Selection Portfolio

	Portfolio	Benchmark	Active Weight	Mar-17	Dec-16	Sep-16	Jun-16	Mar-16
Consumer Discretionary	18.2%	15.8%	2.4%					
Consumer Staples	6.6%	6.7%	0.0%					
Energy	1.5%	2.8%	-1.3%					
Financials	10.5%	11.3%	-0.9%					
Health Care	6.4%	7.2%	-0.8%					
Industrials	20.8%	22.1%	-1.3%					
Information Technology	14.3%	10.8%	3.5%					
Materials	10.8%	9.4%	1.5%					
Real Estate	9.8%	10.8%	-0.9%					
Telecommunication Services	0.2%	1.1%	-1.0%					
Utilities	0.9%	2.0%	-1.1%					
Total	100.0%	100.0%	0.0%					

Data as of March 31, 2017.

Sources: AQR, Compustat, Datastream, Bloomberg, Worldscope and IBES. Characteristics may not be fully representative of other portfolios AQR may manage. Average P/E ratios of the stocks in the portfolios exclude individual stock price-to-earnings ratios that are negative and the top and bottom 1 percentile of the remaining. Average P/B ratios of the stocks in the portfolios exclude individual stock price-to-book ratios that are negative and the top and bottom 1 percentile of the remaining. Average Sales/EV ratios of the portfolios exclude individual stocks that have sales-to-enterprise values that are negative and the top and bottom 1 percentile of the remaining. Portfolio holdings are subject to change. Benchmark: MSCI EAFE Small Cap.

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

Performance Disclosures

This document has been provided to you solely for information purposes and does not constitute an offer or solicitation of an offer or any advice or recommendation to purchase any securities or other financial instruments and may not be construed as such. The factual information set forth herein has been obtained or derived from sources believed to be reliable but it is not necessarily all-inclusive and is not guaranteed as to its accuracy and is not to be regarded as a representation or warranty, express or implied, as to the information's accuracy or completeness, nor should the attached information serve as the basis of any investment decision. This document is intended exclusively for the use of the person to whom it has been delivered and it is not to be reproduced or redistributed to any other person.

There is no guarantee, express or implied, that long-term return and/or volatility targets will be achieved. Realized returns and/or volatility may come in higher or lower than expected.

Performance figures contained herein reflect the reinvestment of dividends and all other earnings and represent unaudited estimates of realized and unrealized gains and losses prepared by AQR. There is no guarantee as to the above information's accuracy or completeness. PAST PERFORMANCE IS NOT A GUARANTEE OF FUTURE PERFORMANCE. Diversification does not eliminate the risk of experiencing investment losses.

There is a risk of substantial loss associated with trading commodities, futures, options and leverage. Before investing carefully consider your financial position and risk tolerance to determine if the proposed trading style is appropriate. Investors should realize that when engaging in leverage, trading futures, commodities and/or granting/writing options one could lose the full balance of their account. It is also possible to lose more than the initial deposit when engaging in leverage, trading futures and/or granting/writing options. All funds committed should be purely risk capital.

AQR Capital Management (Europe) LLP, a U.K. limited liability partnership, is authorized by the U.K. Financial Conduct Authority ("FCA") for advising on investments (except on Pension Transfers and Pension Opt Outs), arranging (bringing about) deals in investments, dealing in investments as agent, managing a UCITS, managing an unauthorized AIF and managing investments. This material has been approved to satisfy UK FCA COBS 4.

AQR Capital Management, LLC is exempt from the requirement to hold an Australian Financial Services License under the Corporations Act 2001 (Cth). AQR Capital Management, LLC is regulated by the Securities and Exchange Commission ("SEC") under United States of America laws, which differ from Australian laws. Please note that this document has been prepared in accordance with SEC requirements and not Australian laws.



REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12	06/14/17	Retirement	Action	05/08/17

Subject: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2017 (ALL). (Bernegger)

ISSUE

Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2017 (ALL). (Bernegger)

RECOMMENDED ACTION

Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2017 (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 First Quarter 2017 Market Update (Attachment 1) and the second is the Investment Measurement Service Quarterly Review as of March 31, 2017 (Attachment 2). These reports provide a detailed analysis of the performance of each of the investment managers retained by the Retirement Boards to manage the Retirement Funds for the quarter ended March 31, 2017. The second report compares the performance of each investment manager with benchmark indices, other fund managers of similarly invested portfolios and other indices.

At the February 1, 2017 Special Retirement Board meeting, the Boards made the decision to terminate fund manager JP Morgan and invest in the New Hampshire Investment Trust vehicle offered by Pyrford International PLC (Pyrford). Staff and legal counsel have completed all subscription documents. Funds were transferred out of JP Morgan on 5/15/2017 and transferred into Pyrford on 5/31/2017. During the time period 5/16/17 to 5/30/17, the funds were held in a Short Term Investment Fund (STIF) by State Street Bank and Trust, the Plans' custodian.

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 March 31, 2017, there were no compliance warnings or alerts to be reported;

Approved:

Presented:

Final 5/31//2017

VP of Finance/CFO

Senior Accountant

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12	06/14/17	Retirement	Action	05/08/17

Subject: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2017 (ALL). (Bernegger)

therefore, the investments are in compliance with the Investment Policy. The final attached report includes the monitoring summary (Attachment 3).

The table below provides an overview of the quarter performance, quarter ending March 31, 2017 – 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	3.27%	4.01%	\$1,738,725	\$(718,823)
S&P 500 Index (large cap value) S&P 500	6.07%	6.07%	\$2,603,212	\$(211,338)
Atlanta Capital (small cap) Russell 2000	2.47%	1.77%	\$416,588	-
Brandes (international equities) MSCI EAFE*	-	-	\$135	-
JPMorgan (international equities) MSCI EAFE	7.25%	8.85%	\$2,003,650	-
MSCI EAFE Index (international equities) MSCI EAFE	7.25%	7.36%	\$676,299	-
AQR (small cap international equities) MSCI EAFE SC	7.97%	8.03%	\$924,976	-
Dimensional Fund Advisors (emerging markets) MSCI EM	11.49%	13.85%	\$1,775,796	-
Metropolitan West (fixed income) Barclays Agg.	0.82%	0.95%	\$821,264	-
Totals	4.50%	4.35%	\$10,960,646	\$(930,161)

Bold – fund exceeding respective benchmark

*The investments held in Brandes are foreign tax reclaim receivables. Currently, staff and the custodian do not have an estimated time of receipt. Until receipt of funds, Brandes will remain as a fund manager.

The table below provides an overview of the year to date performance, as of March 31, 2017 – 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	19.22%	19.04%	\$7,280,783	\$(1,188,913)
S&P 500 Index (large cap value) S&P 500	17.17%	17.17%	\$6,692,246	\$(1,070,960)
Atlanta Capital (small cap) Russell 2000	26.22%	15.78%	\$3,264,636	\$(1,057,769)
Brandes (international equities) MSCI EAFE	-	-	\$(2,621)	-
JPMorgan (international equities) MSCI EAFE	11.67%	14.88%	\$3,247,903	-
MSCI EAFE Index (international equities) MSCI EAFE	11.67%	12.00%	\$1,238,353	\$(12,201,601)
AQR (small cap international equities) MSCI EAFE SC**	-	-	\$554,151	\$12,201,601
Dimensional Fund Advisors (emerging markets) MSCI EM	17.65%	19.01%	\$2,263,517	\$400,034
Metropolitan West (fixed income) Barclays Agg.	0.44%	1.02%	\$884,470	\$(773,871)
Totals	10.88%	10.67%	\$25,423,438	\$(3,691,479)

Bold – fund exceeding respective benchmark

**AQR was added as a fund manager on August 1, 2016. Information about returns will be included here when a full year of performance history is available.

June 14, 2017



Sacramento Regional Transit District

First Quarter 2017
Market Update

Anne Heaphy

SF Fund Sponsor Consulting

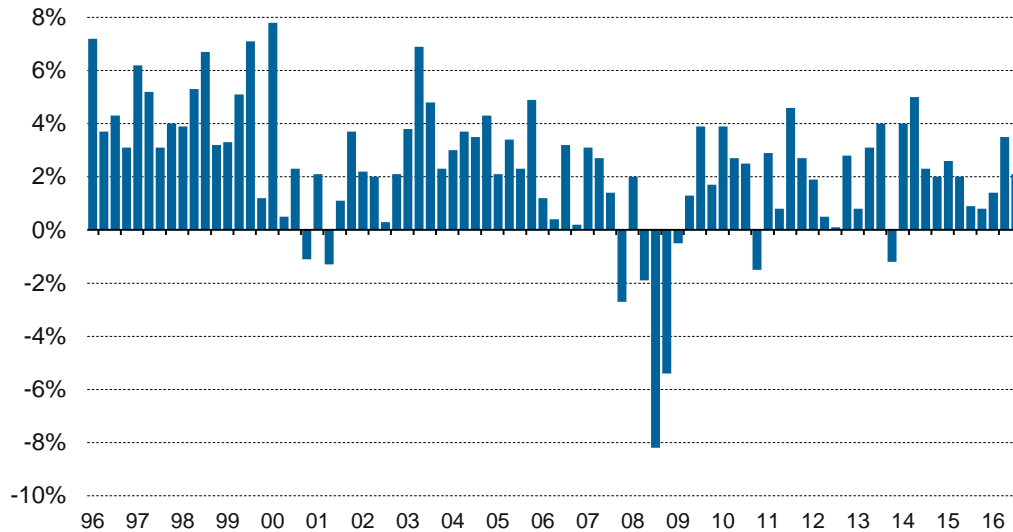
Uvan Tseng, CFA

SF Fund Sponsor Consulting

Economic Commentary

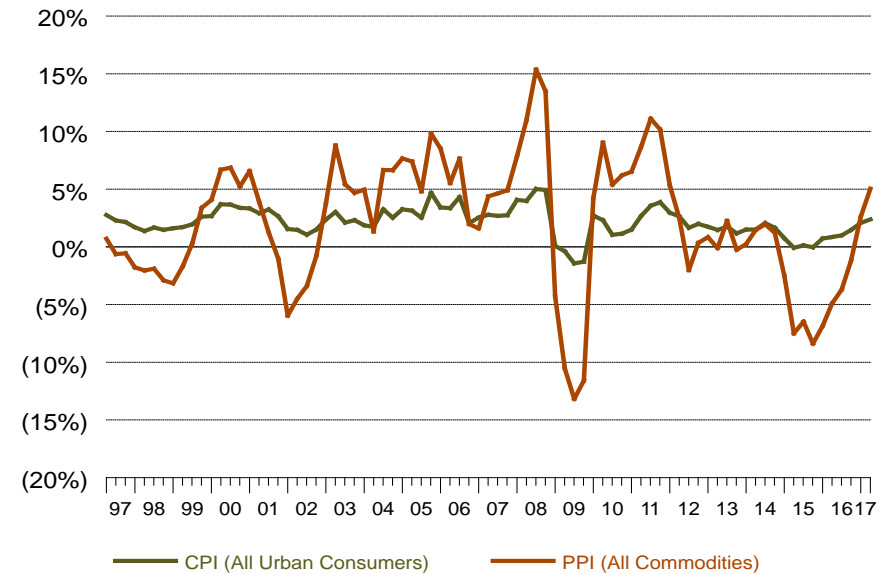
First Quarter 2017

Quarterly Real GDP Growth (20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



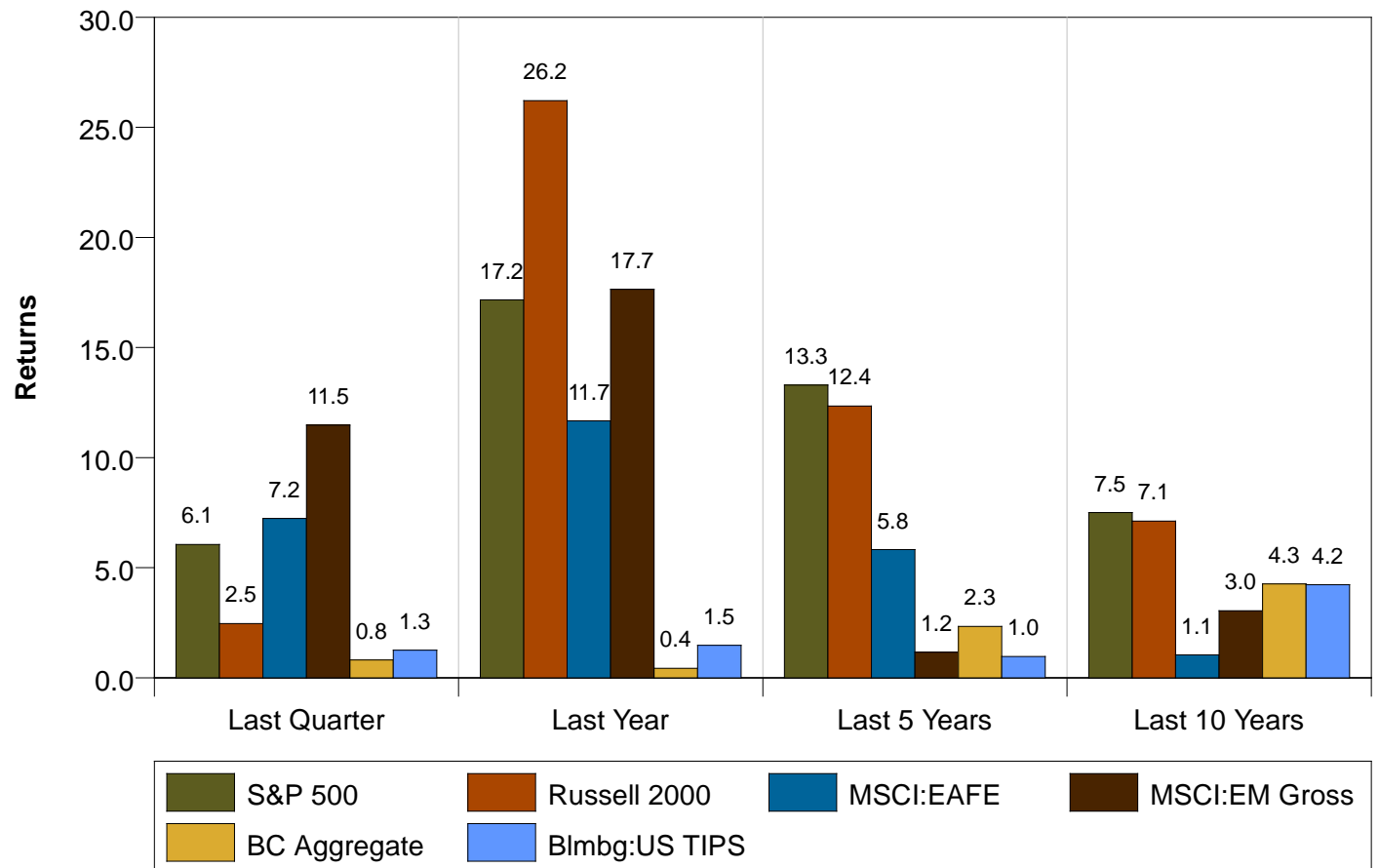
Source: Bureau of Labor Statistics

- Growth in the U.S. continues to be positive but low. Real U.S. GDP slowed more than expected in the first quarter, coming in at 0.7% lower than the 1% estimate.
- Unemployment reached 4.5%--the lowest level since 2007. Strengthened further in April to 4.4%.
- Headline inflation rose at the fastest rate in 5 years.
- Rising stock piles in the U.S. drive oil prices down Commodities (except for Gold) lost ground Consumer Confidence hit its highest level since December 2000 but consumer spending remained very low.

Asset Class Performance

Periods Ended March 31, 2017

**Asset Class Performance
for Periods Ended March 31, 2017**



YTD as of 06/13/17:

S&P 500:

Russell 2000:

MSCI EAFE:

MSCI EM:

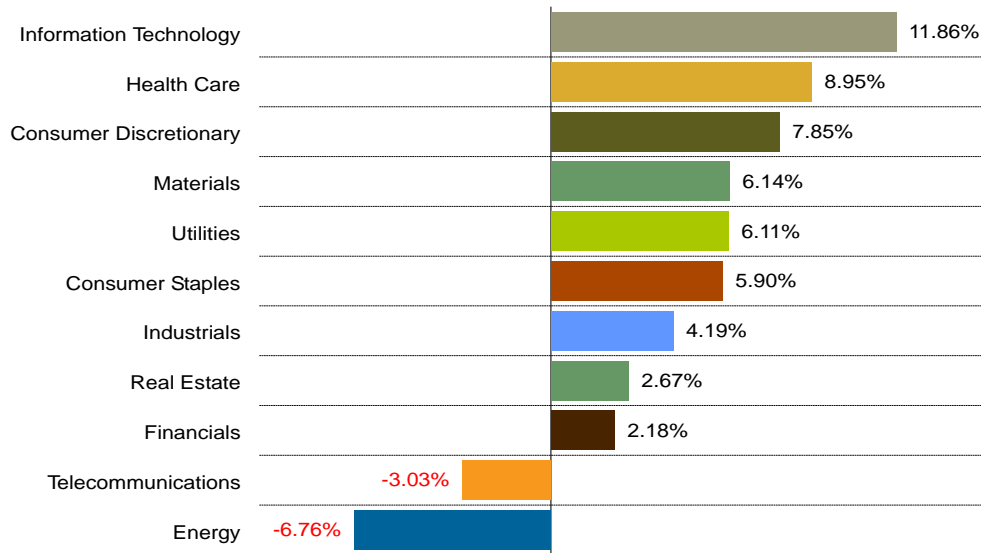
BC Aggregate:

BC TIPS:

U.S. Equity

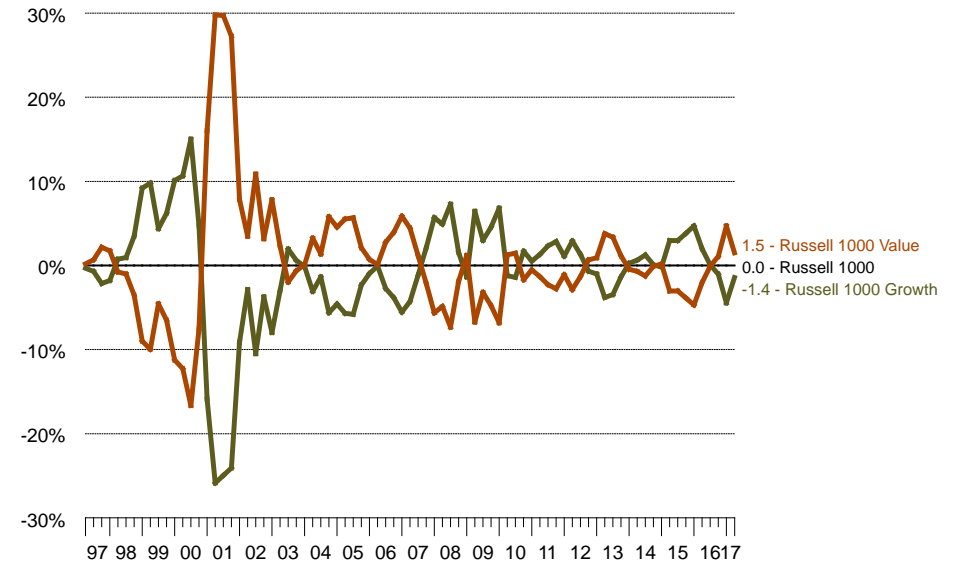
First Quarter 2017

Russell 3000 Sector Returns



Source: Russell Investment Group

Rolling One-Year Relative Returns (versus Russell:1000 Index)



First Quarter Index Returns

Russell 3000:	5.7%
S&P 500:	6.1%
Russell Mid Cap:	5.2%
Russell 2000:	2.5%

Source: Russell Investment Group

U.S. Equity Style Returns

Periods Ended March 31, 2017

	1Q 2017			Annualized 1 Year Returns		
	Value	Core	Growth	Value	Core	Growth
Large	3.1%	6.4%	9.6%	19.0%	17.6%	16.3%
Mid	3.8%	5.2%	6.9%	19.8%	17.0%	14.1%
Small	-0.1%	2.5%	5.4%	29.4%	26.2%	23.0%

- For the quarter, growth outperformed value by a wide margin across the capitalization spectrum; the most pronounced difference was in large cap stocks.
- The opposite was true for the trailing year where value was stronger than growth and small cap was the clear winner.

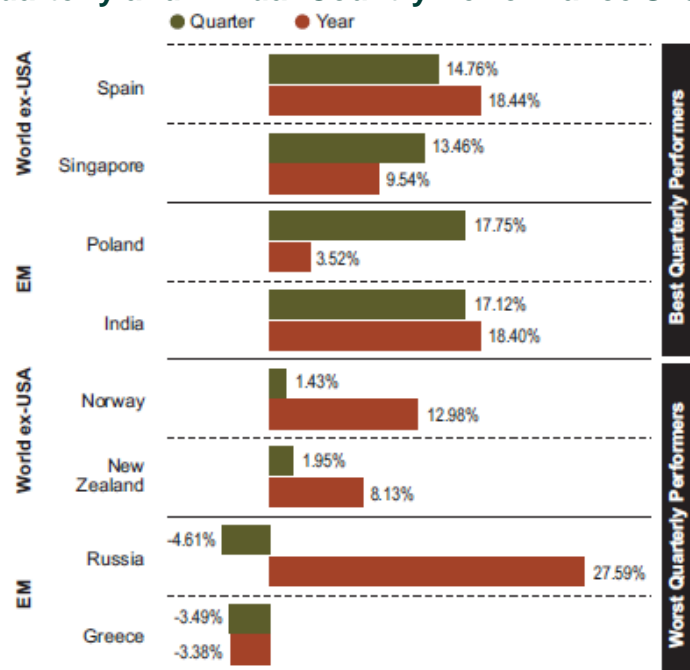
Large Cap Core is represented by the Russell Top 200 Index, Large Cap Value is represented by the Russell Top 200 Value Index and Large Cap Growth is represented by the Russell Top 200 Growth Index. Mid Cap Core is represented by the Russell Mid Cap Index, Mid Cap Value is represented by the Russell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

Non-U.S. Equity

For the Periods Ended March 31, 2017

- Non-U.S. developed equity outperformed U.S. as improving economic data fueled Europe
- A weaker U.S. Dollar bolstered results by about 2.5%
- Gains spanned multiple countries including Spain (+14.8%), Germany (+8.4%), and France (+7.3%).
- Emerging markets outperformed developed markets and were also helped by a weaker U.S. Dollar, returning +11.4% for the first quarter.

Quarterly and Annual Country Performance Snapshot



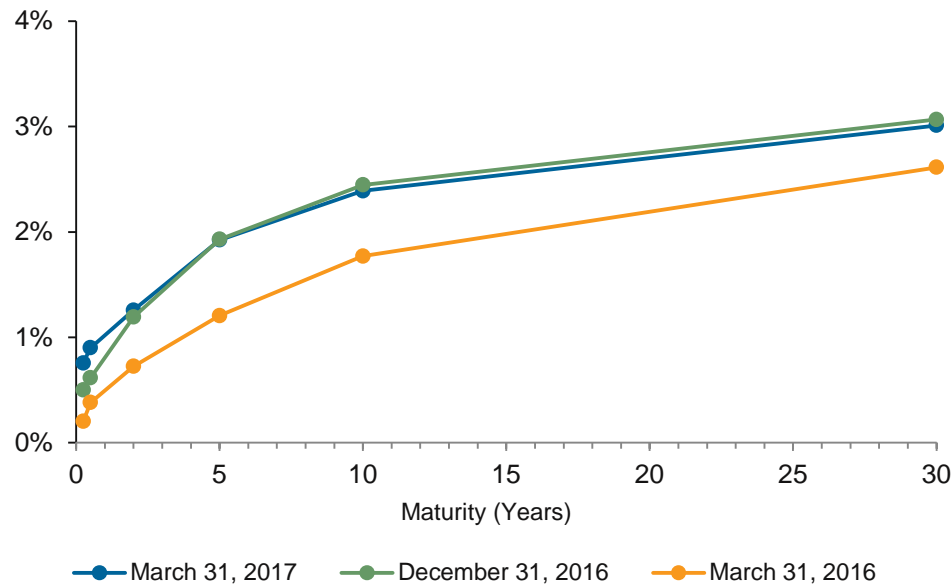
Non-U.S. Equity	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 15 Years
MSCI ACWI ex USA	7.86	13.13	0.56	4.36	1.35	6.30
MSCI ACWI ex USA Growth	9.13	9.63	1.55	4.84	1.97	6.08
MSCI ACWI ex USA Value	6.68	16.68	-0.51	3.81	0.68	6.45
MSCI EAFE	7.25	11.67	0.50	5.83	1.05	5.74
MSCI EAFE (local)	4.71	18.00	7.26	10.70	2.33	4.44
Regional Equity						
MSCI Europe	7.44	9.76	-1.51	5.63	0.70	5.49
MSCI Europe (local)	6.02	19.56	7.02	10.27	3.12	4.55
MSCI Japan	4.49	14.44	6.02	6.82	0.63	4.89
MSCI Japan (local)	-0.17	13.46	8.85	13.50	0.05	3.68
MSCI Pacific ex Japan	11.76	18.39	2.17	5.34	4.36	9.96
MSCI Pacific ex Japan (loc)	7.93	19.45	6.77	9.67	4.48	7.85
Emerging/Frontier Markets						
MSCI Emerging Markets	11.44	17.21	1.18	0.81	2.72	9.51
MSCI Emerging Markets (loc)	7.76	15.06	5.61	5.07	4.90	9.75
MSCI Frontier Markets	8.89	12.86	-1.65	5.82	-0.56	--
Non-U.S. Small Cap Equity						
MSCI EAFE Small Cap	7.97	10.99	3.60	9.20	3.03	9.68
MSCI Em Mkts Small Cap	13.02	14.49	1.66	2.87	3.91	10.92

Sources: Callan, MSCI

Fixed Income

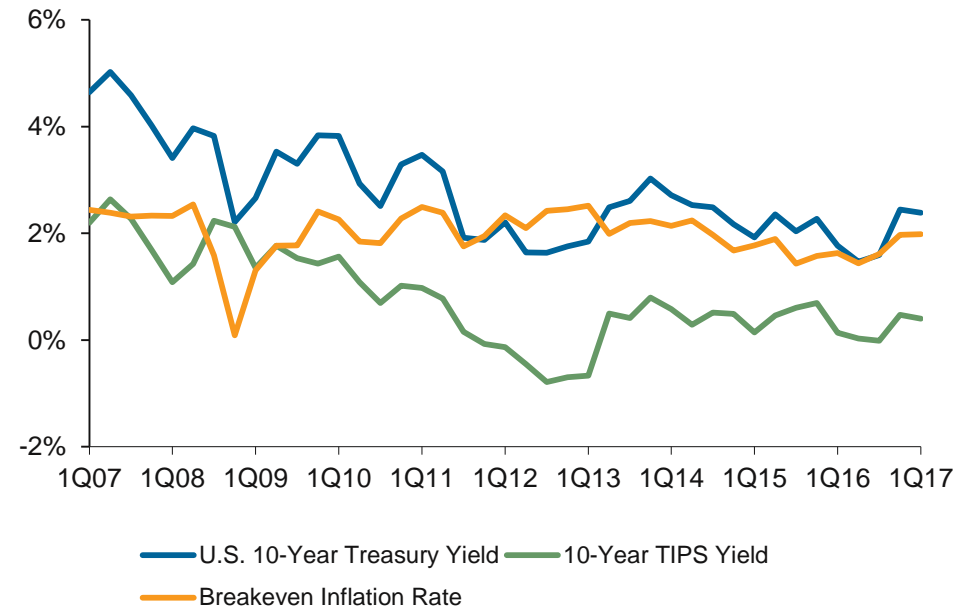
First Quarter 2017

U.S. Treasury Yield Curves




Source: Bloomberg

Historical 10-Year Yields



Source: Bloomberg

- The Fed increased rates by 25 basis points in March, to a range of 0.75% – 1.00%, as U.S. economic indicators continued to signal growth; two additional hikes are expected over the rest of the year.
- The Treasury yield curve flattened during the quarter as short-term Treasuries rose while longer-term issues fell.
- Despite hitting an intra-quarter high of 2.62%, the benchmark 10-year Treasury note ended the quarter at 2.39%, 5 bps lower than the yield at the end of 2016. At the end of the quarter, the 10-year breakeven inflation rate, a market-based gauge of investors' expectations for future inflation, stood at 1.97%



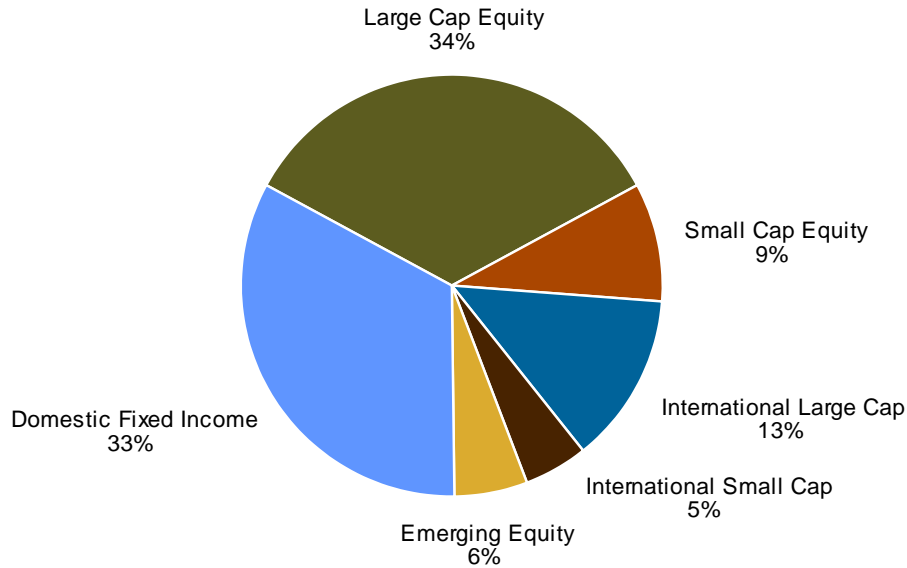
**Sacramento Regional
Transit District**

Total Fund Overview

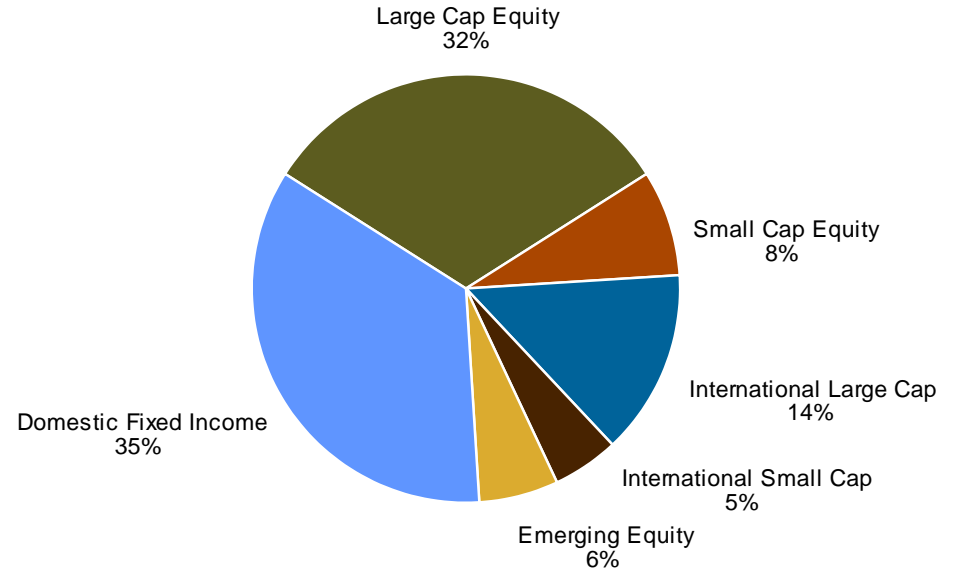
RT Asset Allocation

As of March 31, 2017

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	89,970	34.2%	32.0%	2.2%	5,749
Small Cap Equity	23,920	9.1%	8.0%	1.1%	2,865
International Large Cap	34,523	13.1%	14.0%	(0.9%)	(2,323)
International Small Cap	12,813	4.9%	5.0%	(0.1%)	(346)
Emerging Equity	14,758	5.6%	6.0%	(0.4%)	(1,034)
Domestic Fixed Income	87,205	33.1%	35.0%	(1.9%)	(4,911)
Total	263,190	100.0%	100.0%		

Total Fund

Performance Attribution

Relative Attribution Effects for Quarter ended March 31, 2017

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	5.03%	6.07%	(0.35%)	0.03%	(0.32%)
Small Cap Equity	9%	8%	1.77%	2.47%	(0.07%)	(0.02%)	(0.09%)
International Large Cap	13%	14%	8.42%	7.25%	0.15%	(0.04%)	0.11%
International Small Cap	5%	5%	8.03%	7.97%	0.00%	(0.01%)	(0.01%)
Emerging Equity	5%	6%	13.85%	11.49%	0.12%	(0.05%)	0.07%
Domestic Fixed Income	34%	35%	0.95%	0.82%	0.05%	0.04%	0.09%
Total			4.35%	4.50%	+ (0.10%)	+ (0.05%)	(0.15%)

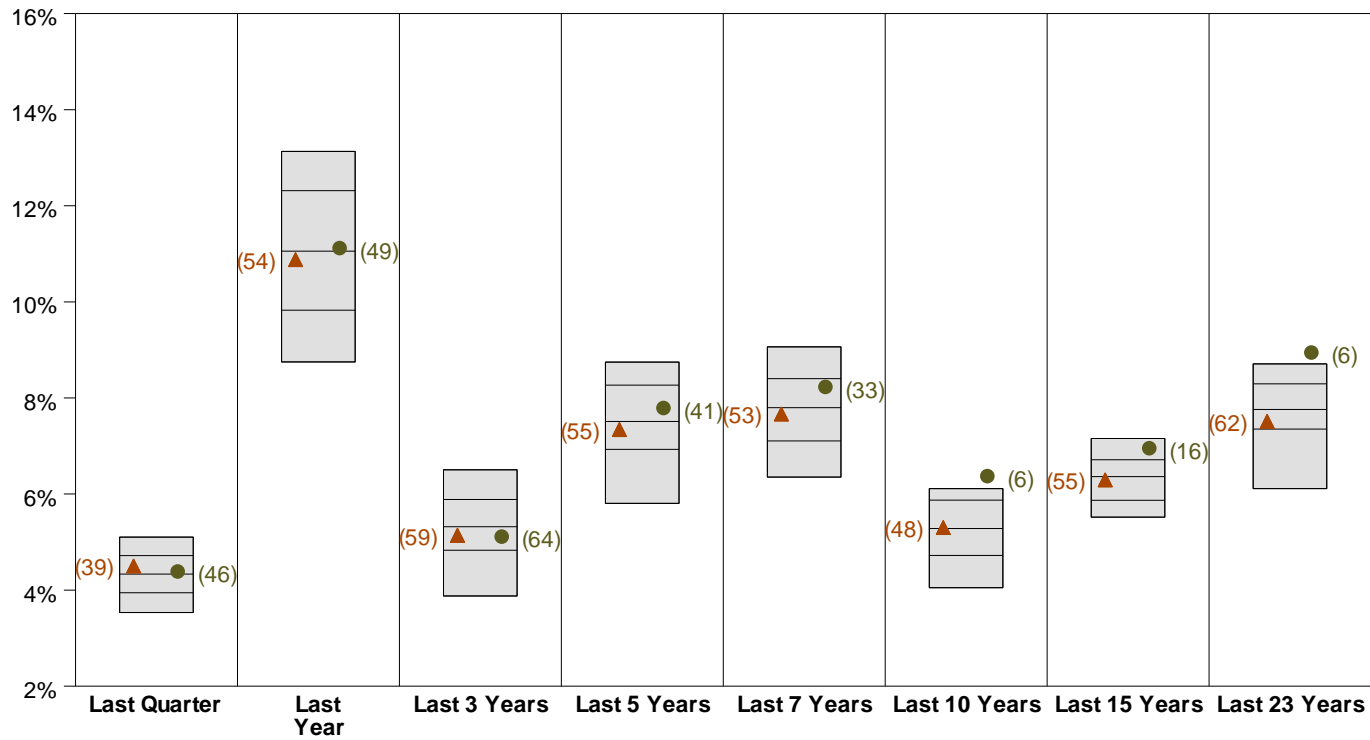
One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	18.43%	17.17%	0.39%	0.06%	0.46%
Small Cap Equity	9%	8%	16.71%	26.22%	(0.81%)	0.09%	(0.72%)
International Large Cap	14%	16%	13.90%	11.67%	0.31%	(0.07%)	0.23%
International Small Cap	3%	3%	-	-	(0.08%)	(0.01%)	(0.10%)
Emerging Equity	5%	6%	19.75%	17.65%	0.10%	(0.08%)	0.02%
Domestic Fixed Income	35%	35%	1.30%	0.44%	0.33%	(0.01%)	0.31%
Total			11.09%	10.88%	+ 0.23%	+ (0.03%)	0.21%

Total Fund

Performance as of March 31, 2017

Performance vs CAI Public Fund Sponsor - Mid (100M-1B) (Gross)



10th Percentile	5.10	13.13	6.50	8.75	9.06	6.11	7.16	8.71
25th Percentile	4.72	12.32	5.89	8.27	8.40	5.87	6.71	8.29
Median	4.33	11.05	5.32	7.51	7.80	5.28	6.36	7.76
75th Percentile	3.95	9.83	4.83	6.93	7.11	4.72	5.87	7.35
90th Percentile	3.53	8.75	3.88	5.81	6.35	4.05	5.52	6.11
Total Fund ●	4.35	11.09	5.08	7.76	8.19	6.34	6.92	8.91
Target ▲	4.50	10.88	5.14	7.34	7.67	5.30	6.30	7.51

Total Fund

Manager Asset Allocation

	March 31, 2017 Market Value	Net New Inv.	Inv. Return	December 31, 2016 Market Value
Consolidated Plan				
Domestic Equity	\$113,890,109	\$(930,161)	\$4,758,526	\$110,061,744
Large Cap	\$89,969,663	\$(930,161)	\$4,341,937	\$86,557,887
Boston Partners	44,659,889	(718,823)	1,738,725	43,639,988
SSgA S&P 500	45,309,773	(211,338)	2,603,212	42,917,899
Small Cap	\$23,920,446	\$0	\$416,588	\$23,503,858
Atlanta Capital	23,920,446	0	416,588	23,503,858
International Equity	\$62,094,356	\$0	\$5,380,856	\$56,713,500
International Large Cap	\$34,523,338	\$0	\$2,680,084	\$31,843,255
Brandes	8,942	0	135	8,808
JP Morgan	24,652,383	0	2,003,650	22,648,733
SSgA EAFE	9,862,013	0	676,299	9,185,714
International Small Cap	\$12,813,469	\$0	\$924,976	\$11,888,493
AQR	12,813,469	0	924,976	11,888,493
Emerging Equity	\$14,757,549	\$0	\$1,775,796	\$12,981,753
DFA Emerging Markets	14,757,549	0	1,775,796	12,981,753
Fixed Income	\$87,205,161	\$0	\$821,264	\$86,383,897
Metropolitan West	87,205,161	0	821,264	86,383,897
Total Plan - Consolidated	\$263,189,626	\$(930,161)	\$10,960,646	\$253,159,141

Total Fund

Manager Returns as of March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Net of Fee Returns					
Domestic Equity	4.23%	17.60%	-	-	-
Large Cap Equity	4.95%	18.11%	-	-	-
Boston Partners	3.87%	19.04%	7.14%	12.76%	12.21%
Russell 1000 Value Index	3.27%	19.22%	8.67%	13.13%	12.18%
SSgA S&P 500	6.05%	17.17%	10.38%	13.94%	-
S&P 500 Index	6.07%	17.17%	10.37%	13.30%	12.94%
Small Cap Equity	1.57%	15.78%	-	-	-
Atlanta Capital	1.57%	15.78%	9.25%	13.08%	13.63%
Russell 2000 Index	2.47%	26.22%	7.22%	12.35%	12.27%
International Equity	9.41%	13.32%	-	-	-
International Large Cap	8.28%	13.35%	-	-	-
JP Morgan	8.66%	14.88%	1.16%	5.13%	4.75%
SSgA EAFE	7.34%	12.00%	0.73%	7.53%	-
MSCI EAFE Index	7.25%	11.67%	0.50%	5.83%	4.72%
International Small Cap	7.78%	-	-	-	-
AQR	7.78%	-	-	-	-
MSCI EAFE Small Cap Index	7.97%	10.99%	3.60%	9.20%	8.29%
Emerging Markets Equity	13.68%	19.01%	-	-	-
DFA Emerging Markets	13.68%	19.01%	2.29%	-	-
MSCI Emerging Mkts Index	11.49%	17.65%	1.55%	1.17%	2.04%
Domestic Fixed Income	0.88%	1.02%	-	-	-
Met West	0.88%	1.02%	2.59%	2.97%	4.37%
Blmbg Aggregate Index	0.82%	0.44%	2.68%	2.34%	3.48%
Total Plan	4.25%	10.67%	4.73%	7.37%	7.76%
Target*	4.50%	10.88%	5.14%	7.34%	7.67%

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

March 31, 2017



Sacramento Regional Transit District Retirement Plans

**Investment Measurement Service
Quarterly Review**

The following report was prepared by Callan Associates Inc. ("CAI") using information from sources that include the following: fund trustee(s); fund custodian(s); investment manager(s); CAI computer software; CAI investment manager and fund sponsor database; third party data vendors; and other outside sources as directed by the client. CAI assumes no responsibility for the accuracy or completeness of the information provided, or methodologies employed, by any information providers external to CAI. Reasonable care has been taken to assure the accuracy of the CAI database and computer software. Callan does not provide advice regarding, nor shall Callan be responsible for, the purchase, sale, hedge or holding of individual securities, including, without limitation securities of the client (i.e., company stock) or derivatives in the client's accounts. In preparing the following report, CAI has not reviewed the risks of individual security holdings or the conformity of individual security holdings with the client's investment policies and guidelines, nor has it assumed any responsibility to do so. Advice pertaining to the merits of individual securities and derivatives should be discussed with a third party securities expert. Copyright 2017 by Callan Associates Inc.

Table of Contents

March 31, 2017

Executive Summary	1
Capital Markets Review	3
Combined Plan	
Actual vs Target Asset Allocation	23
Quarterly Total Plan Attribution	24
Cumulative Total Plan Attribution	25
Total Fund Performance	27
Historical Asset Allocation	28
Asset Growth Summary	30
Investment Manager Performance	31
Domestic Equity	
Domestic Equity	37
Large Cap	41
SSgA S&P 500	45
Boston Partners	49
Atlanta Capital	58
International Equity	
International Equity	68
SSgA EAFE	73
JP Morgan	79
AQR	87
DFA Emerging Markets	95
Domestic Fixed Income	
Metropolitan West Asset Management	104
Definitions	109
Callan Research/Education	112
Disclosures	115

Sacramento Regional Transit District
Executive Summary for Period Ending March 31, 2017

Asset Allocation



Performance

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Total Plan	4.35%	11.09%	5.08%	7.76%	8.19%
Target*	4.50%	10.88%	5.14%	7.34%	7.67%

Recent Developments

N/A

Organizational Issues

N/A

Manager Performance

Manager	Peer Group Ranking		
	Last Year	Last 3 Years	Last 7 Years
Boston Partners	41	73	28
Atlanta Capital	93	17	[14]
JP Morgan	7	45	63
AQR	[66]	[42]	[47]
DFA	49	[16]	[29]
MetWest	100	85	55

Brackets indicate performance linked with manager's composite

Watch List

- JP Morgan was on the watch list. They are being replaced by Pyrford.

Items Outstanding

N/A

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



First Quarter 2017

'Hitch in Our Git-Along'?

ECONOMY

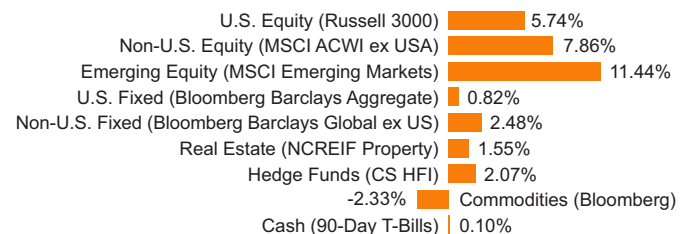
2 GDP growth disappointed in the first quarter for the fourth straight year. But other measures such as consumer confidence held up during the quarter. The question is whether this is a hitch—or a problem with the GDP metric.

No Homefield Advantage

FUND SPONSOR

4 Strong equity results helped boost institutional funds. The median return for all fund types was +4.31%; endowments and foundations did best, jumping 4.58%. Taft-Hartley plans had the lowest return at +3.93%. The key difference was exposure to non-U.S. equities.

Broad Market Quarterly Returns



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

Steady as She Goes

U.S. EQUITY

6 The **S&P 500 Index** hit a high during the first quarter and ended with a 6.07% jump, continuing last year's gains. But in a reversal from the previous quarter, small cap stocks fell behind large cap and growth overtook value.

Profits Trump Populism

NON-U.S. EQUITY

8 Despite political turmoil in Europe and choppy growth in Asia, non-U.S. markets advanced in the first quarter. The dollar's weakness bolstered returns for U.S. investors. Emerging markets outpaced their developed peers, and non-U.S. growth stocks bested their value counterparts.

Up, Up, and Away

U.S. FIXED INCOME

10 Strong economic data and upbeat investors drove U.S. bond returns higher. High yield securities performed the best, but returns were up for all fixed income sectors. The Treasury yield curve flattened as short-term Treasuries rose while longer-term issues fell.

Separation Anxiety

NON-U.S. FIXED INCOME

12 Sovereign debt performed strongly amid policy uncertainty in the European Union, and emerging market debt outperformed developed market debt for the third straight quarter. Returns were bolstered by the U.S. dollar's broad-based decline against most currencies.

New Year, New Lows

REAL ESTATE

14 The **NCREIF Property Index** turned in its worst performance (+1.55%) since 2010, while the **NCREIF Open End Diversified Core Equity Index** also set a new seven-year low (+1.77%). U.S. REITs underperformed global REITs, but still managed to generate positive returns.

On a Roll

PRIVATE EQUITY

16 Private equity stayed healthy in the first quarter. Buyout M&A exits dropped significantly, while venture capital-backed M&A exits were mixed. Both buyout and VC-backed IPOs raised more money than in the previous quarter.

Dollops of Alpha with Beta

HEDGE FUNDS

17 Most hedge fund strategies reported positive returns in the first quarter, amid a broad rally in global markets. The **Credit Suisse Hedge Fund Index** advanced 2.07% and the median manager in the **Callan Hedge Fund-of-Funds Database** appreciated 2.29%.

Eventful Year, but TDFs Still Rule

DEFINED CONTRIBUTION

18 The **Callan DC Index™** increased 7.99% during 2016, its best year since 2013. But it trailed the **Age 45 Target Date Fund**, which gained 8.59% in 2016. For the year, DC plan balances increased 8.31%, mostly attributable to market performance.

‘Hitch in Our Git-Along’?

ECONOMY | Jay Kloepfer

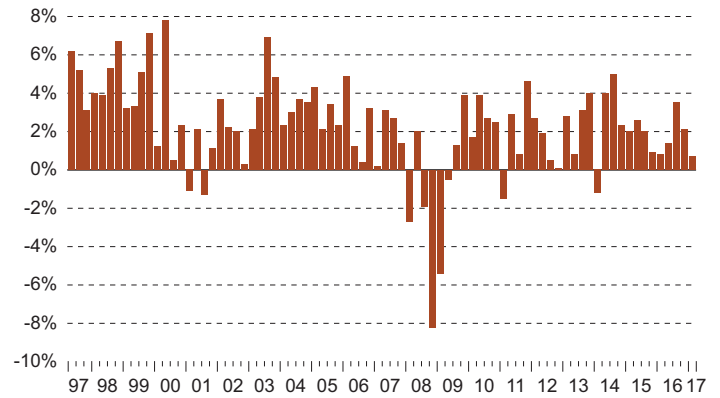
For the fourth year in a row, reported GDP growth disappointed in the first quarter, coming in at just 0.7%, down from a 2.1% rate in the fourth quarter. This paltry gain was the weakest in three years and was concentrated in consumer spending on autos and utilities (reflecting unseasonably warm weather in states with typically cold winters), a drop in defense spending, and a sharp slowdown in the accumulation of inventories. “Softer” measures of economic activity like consumer confidence and the ISM Report on Business, which records the forward-looking purchasing intentions of industry, held up through the first quarter, countering the weakening of GDP as the quarter unfolded. Business and consumer confidence rose after the U.S. presidential election, likely in anticipation of changes to policy and taxes, and without any reference to the strength of the underlying economy.

The question is whether we really have an annual “hitch in our git-along” each January, or is something else going on? Four years in a row with an unexpected drop in growth during the first quarter, which is then typically made up with an offsetting increase in the second quarter—although the GDP numbers are supposed to be seasonally adjusted—suggests perhaps a problem with this metric of evaluating the volume of our economic activity. GDP has come under increasing scrutiny as an outdated measure of the modern U.S. (and global) economy, predicated more on the flow of traditional goods and services, particularly agriculture and manufacturing. It may be very challenged to measure the output and economic impact of industries such as software, social media, and electronic commerce.

Inventory buildup usually signals confidence in the prospects for the economy. For several years prior to 2016, inventory “decumulation” was a clear drag on growth, as firms were reluctant to maintain output in the face of soft demand. The U.S. economy shifted toward inventory accumulation in the third and fourth quarters of 2016, only to reverse in the first quarter. That reversal subtracted almost 1% from GDP growth. Total personal

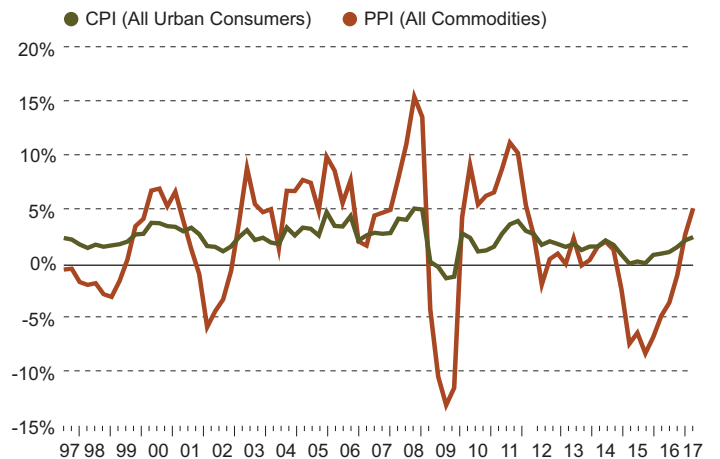
Quarterly Real GDP Growth

(20 Years)



Source: Bureau of Economic Analysis

Inflation Year-Over-Year



Source: Bureau of Labor Statistics

consumption expenditures led broad economic growth in 2016, averaging gains of well over 3% during each of the last three quarters of the year, only to drop to just 0.3% growth during the first quarter.

The U.S. job market enjoyed a robust 2016, adding 2.2 million new jobs. The economy entered 2017 with two strong months in January and February, adding more than 200,000 net new jobs each month, before the rate of job creation halved in March

to 98,000. Retail jobs took a serious hit in both February and March (seasonally adjusted), with the continuing advance of e-commerce challenging retail establishments, particularly shopping malls. Signs now point to further softness in the job market as the second quarter begins.

In spite of this potential softening, the unemployment rate dipped to 4.5% in March, the lowest in the current cycle, and many urban regions report very tight job markets, with unemployment rates as low as 2% to 3%. In response, the growth in average hourly earnings, which had been stuck in a narrow range below a 2% annual rate for five years following the Global Financial Crisis, rose above 2.5% annual growth during 2016 and continued at this rate through the first quarter.

The minutes of the past several Federal Reserve Open Market Committee meetings show a continuing split among members about whether or not an acceleration of inflation is a looming concern. The data suggest inflation remains low, and futures markets indicate expectations are still anchored at or below the Fed's long-term target of 2% for core inflation. While the Fed uses the consumption deflator in its targeting, the CPI is still a useful measure of price activity. The headline CPI All-Urban index rose 2.4% year-over-year through March, although the measure actually declined between February and March. The energy portion of the Index rose 10.9% over the last 12 months, even after a 3.2% drop in March, reflecting a return toward normal in energy prices after the sharp drop in 2015. The core measure of CPI—which excludes food and energy—rose 2.0% over the 12 months ended in March, the smallest 12-month increase since the end of 2015.

The Long-Term View

Index	2017 1st Qtr	Periods ended Dec. 31, 2016			
		Year	5 Yrs	10 Yrs	25 Yrs
U.S. Equity					
Russell 3000	5.74	12.74	14.67	7.07	9.29
S&P 500	6.07	11.96	14.66	6.95	9.15
Russell 2000	2.47	21.31	14.46	7.07	9.69
Non-U.S. Equity					
MSCI EAFE	7.25	1.00	6.53	0.75	4.95
MSCI Emerging Markets	11.44	11.19	1.28	1.84	--
MSCI ACWI ex USA Small Cap	8.78	3.91	7.74	2.89	--
Fixed Income					
Bloomberg Barclays Agg	0.82	2.65	2.23	4.34	5.63
90-Day T-Bill	0.10	0.33	0.12	0.80	2.71
Bloomberg Barclays Long G/C	1.58	6.67	4.07	6.85	7.58
Bloomberg Barclays GI Agg ex US	2.48	1.49	-1.39	2.44	4.73
Real Estate					
NCREIF Property	1.55	7.97	10.91	6.93	8.63
FTSE NAREIT Equity	1.16	8.52	12.01	5.08	11.13
Alternatives					
CS Hedge Fund	2.07	1.25	4.34	3.75	--
Cambridge PE*	--	9.17	13.05	10.59	15.53
Bloomberg Commodity	-2.33	11.77	-8.95	-5.57	2.55
Gold Spot Price	8.64	8.63	-5.97	6.08	4.82
Inflation – CPI-U	0.98	2.07	1.36	1.81	2.26

*Private equity returns show pooled horizon IRRs for periods ended September 30, 2016. Most recent quarterly data not available.
Sources: Bloomberg Barclays, Bloomberg, Citigroup, Credit Suisse, FTSE, MSCI, NCREIF, Russell Investment Group, Standard & Poor's, Thomson/Cambridge, Bureau of Economic Analysis.

Recent Quarterly Economic Indicators

	1Q17	4Q16	3Q16	2Q16	1Q16	4Q15	3Q15	2Q15
Employment Cost–Total Compensation Growth	2.4%	2.2%	2.3%	2.3%	1.9%	2.0%	2.0%	2.0%
Nonfarm Business–Productivity Growth	-0.6%*	1.3%	3.3%	-0.1%	-0.6%	-2.0%	1.8%	1.0%
GDP Growth	0.7%	2.1%	3.5%	1.4%	0.8%	0.9%	2.0%	2.6%
Manufacturing Capacity Utilization	75.4%	75.1%	74.9%	75.1%	75.4%	75.4%	75.7%	75.5%
Consumer Sentiment Index (1966=100)	97.2	93.2	90.3	92.4	91.5	91.3	90.8	94.2

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

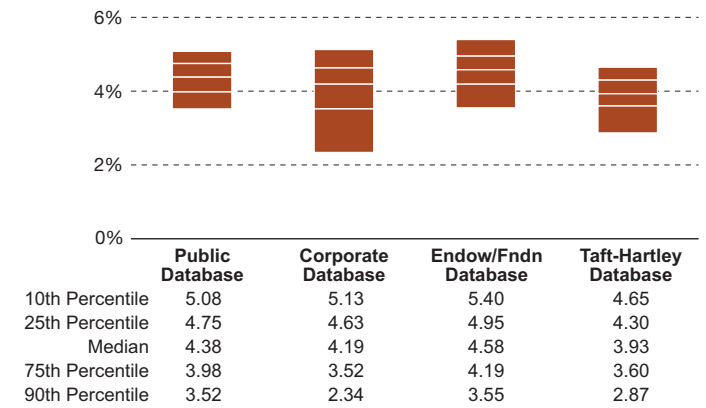
No Homefield Advantage

FUND SPONSOR | Kitty Lin

A post-election rally, higher interest rates, and political uncertainty in Europe and Asia left global markets unfazed as stocks and bonds rallied. Both U.S. and non-U.S. stocks delivered stellar returns in the first three months of 2017. That put some juice into the performance of institutional funds tracked by Callan, which did far better than they had in the last quarter of 2016.

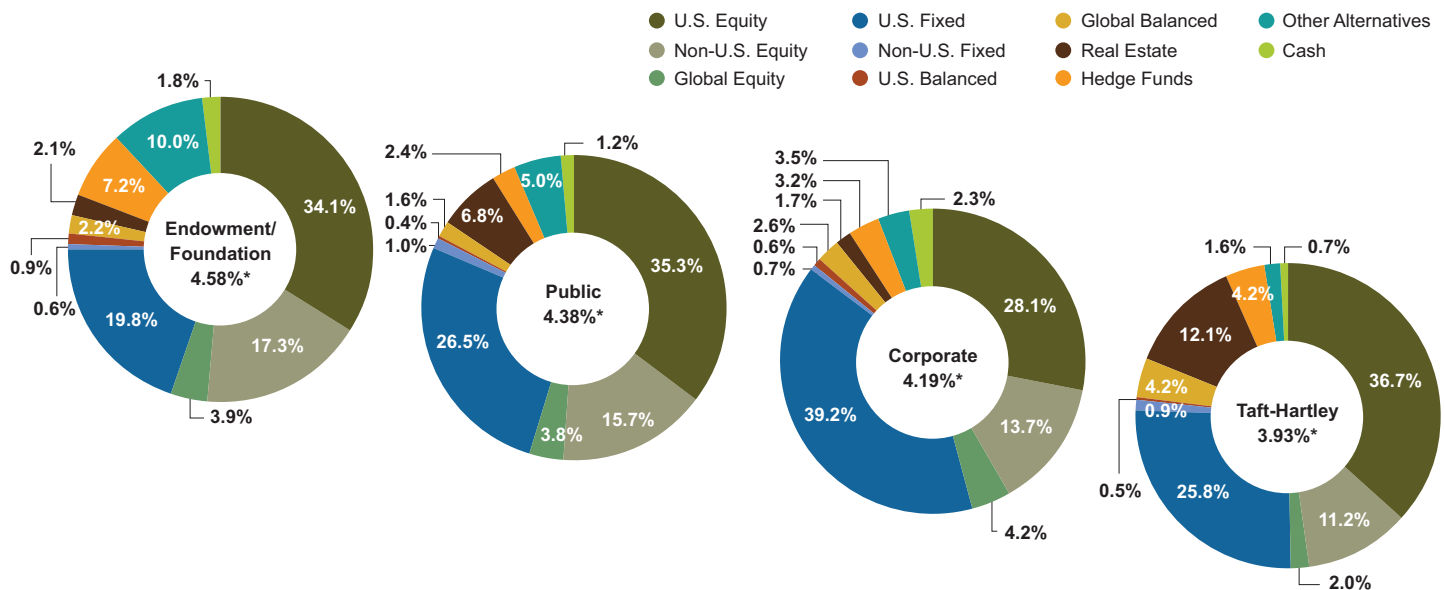
The median return for all fund types for the first quarter clocked in at +4.31%, compared to only +0.65% in the fourth quarter. Endowment and foundation funds bested all other fund types and jumped 4.58%, while Taft-Hartley plans slipped in the ranks and had the lowest median return, up only 3.93%.

Callan Fund Sponsor Returns for the Quarter



Source: Callan

Callan Fund Sponsor Average Asset Allocation



*Latest median quarter return.
 Note: charts may not sum to 100% due to rounding.
 Source: Callan

How funds did depended in large part on where they had their money. Endowment and foundation plans have the highest exposure to non-U.S. equity, which performed quite well despite an ousted South Korean president and an unpredictable French election. The **MSCI ACWI ex USA Index** rose 7.86%, the **MSCI EAFE Index** gained 7.25%, and the **MSCI Emerging Markets Index** jumped 11.44%.

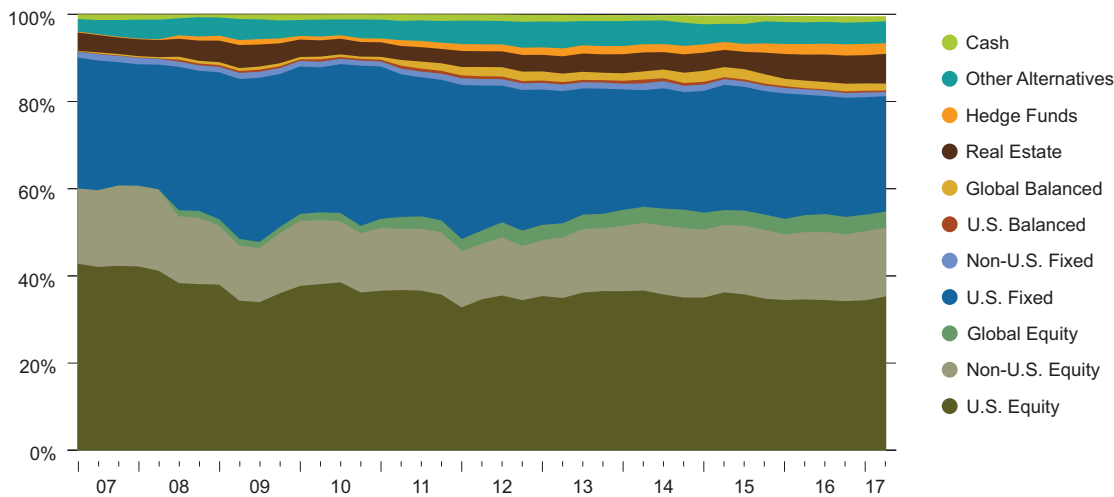
On the other end of the spectrum, Taft-Hartley plans had the most exposure to U.S. equity and the lowest to non-U.S. and global equity. While U.S. equities delivered strong returns, they

lagged their overseas counterparts; the **S&P 500 Index** surged 6.07% and the **Russell 1000 Index** rose 6.02%. Taft-Hartley plans had an average allocation of 11.2% to non-U.S. equity, which was the lowest of all fund types.

Although Taft-Hartley plans had the worst performance in the first quarter, they had the best returns over the last three (+5.99%) and five years (+8.22%) due to their home country bias in equities and the dominance of U.S. versus non-U.S. stocks. Endowment and foundation funds had the best performance in the first quarter (+4.58%) and last year (+11.32%).

Callan Public Fund Database Average Asset Allocation

(10 Years)



Source: Callan. Callan's database includes the following groups: public defined benefit, corporate defined benefit, endowments/foundations, and Taft-Hartley plans. Approximately 10% to 15% of the database constituents are Callan's clients. All database group returns presented gross of fees. Past performance is no guarantee of future results. Reference to or inclusion in this report of any product, service, or entity should not be construed as a recommendation, approval, affiliation, or endorsement of such product, service, or entity by Callan.

Steady as She Goes

U.S. EQUITY | Lauren Mathias, CFA

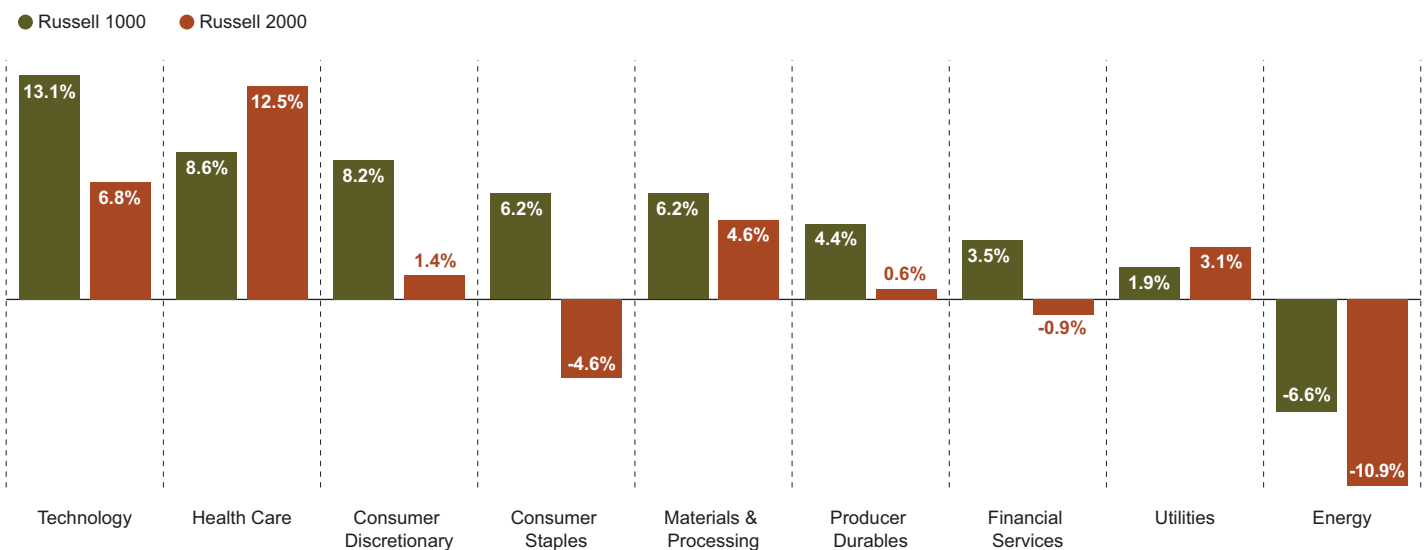
Despite concerns over the Trump administration’s ability to follow through on promises of lower taxes and decreased regulation, the market accelerated higher in the first quarter. The **S&P 500 Index** hit a peak (2,396) in March and notched a 6.07% gain over the full three-month period. But the quarter was marked by reversals from the previous one—small cap fell behind large cap (**Russell 2000 Index**: +2.47% vs. **Russell 1000 Index**: +6.03%) and growth overtook value (**Russell 1000 Growth Index**: +8.91% vs. **Russell 1000 Value Index**: +3.27%).

The broader U.S. economy reflected the market’s optimism, and to no one’s surprise the Fed raised rates a quarter-point in mid-March. Wages continued to grow, consumer confidence was up, inflation moved closer to the Fed’s 2% target, and unemployment fell to 4.7%. Yet some headwinds persisted in the U.S., with slowing GDP growth (the fourth quarter trailed the third, 2.1% vs. 3.5%), and significant issues abroad: elections

and Brexit in Europe, the Syrian war in the Middle East, and South Korea’s presidential impeachment in Asia. Valuations in the U.S. remain high by various measures, but investors appear unfazed—for now.

Technology shares were especially strong; the FANG stocks—Facebook, Amazon, Netflix, and Google—hit record highs during the quarter. (Technically it should be the FANA stocks because Google is officially Alphabet—but FANG sounds better!) Micro and small cap companies ran out of steam after a strong 2016, while mid and large cap stocks charged ahead (**Russell Microcap Index**: +0.38%, **Russell 2000 Index**: +2.47%, **Russell Midcap Index**: +5.15%, and **Russell 1000 Index**: +6.03%). Value lost its lead over growth in all capitalizations (**Russell 2000 Value Index**: -0.13% vs. **Russell 2000 Growth Index**: +5.35%). The dispersion in style returns was broad across market capitalizations.

Economic Sector Quarterly Performance



Source: Russell Investment Group

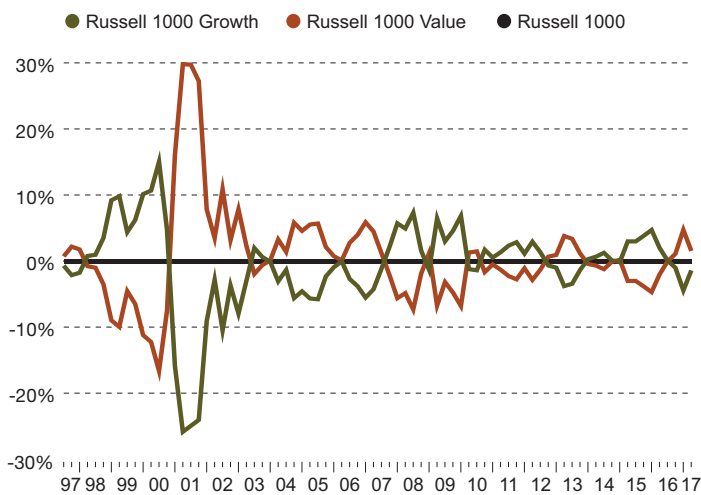
Note: As of the fourth quarter of 2015, the Capital Market Review reports sector-specific returns using the Russell Global Sectors (RGS) classification system rather than the Global Industry Classification Standard (GICS) system. RGS uses a three-tier classification system containing nine sectors; GICS uses a four-tier system containing 11 sectors.

Reflecting the reversal in investor preference, the best-performing sectors in the S&P 500 Index during the quarter were growth-oriented; Technology (+12.57%) was No. 1, followed by Consumer Discretionary (+8.45%) and Health Care (+8.37%). After leading in the fourth quarter, Financials (+2.53%) and Energy (-6.68%) trailed the broad market in the first. Both Health Care and Financials traded on President Donald Trump's failure to amend the Affordable Care Act—Health Care stocks gained on the certainty of the status quo and Financials dropped on fear the administration may fall short on deregulation and tax reform as well. Energy was the worst-performing sector during the quarter as last year's agreement by the Organization of the

Petroleum Exporting Countries (OPEC) has not reduced fears of oversupply or meaningfully increased the price of oil.

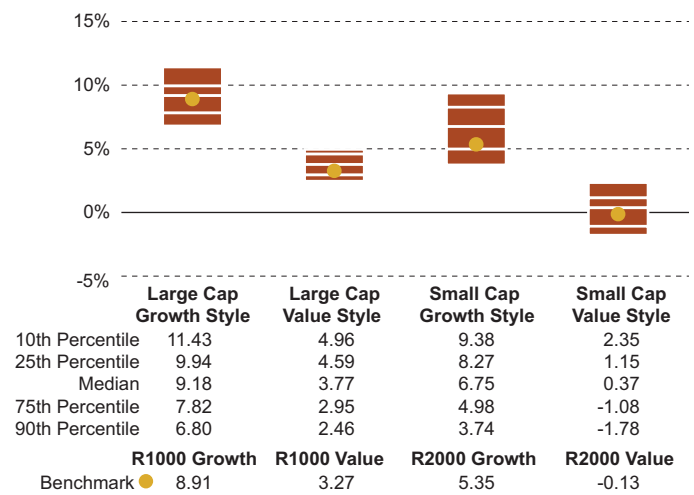
As the U.S. equity market powered on, valuations across indices traded at historically high levels—the S&P 500 Index NTM (next 12 months) P/E was 17.5x versus the 25-year average of 14x as of March 31, 2017. Correlation among stocks (measured by S&P 500 stocks) ended the quarter below average and at levels not seen in 10 years, a positive for active management. Volatility (as measured by the **CBOE Market Volatility Index**, or VIX) also tracked below its average, seemingly unfazed by geopolitical uncertainty.

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 March 31, 2017

	S&P 500	Rus 3000	Rus 1000	Rus Midcap	Rus 2500	Rus 2000
Number of Issues	507	2,941	995	792	2,438	1,946
Wtd Avg Mkt Cap (\$bn)	151.6	127.6	137.9	13.7	4.6	2.2
Price/Book Ratio	2.9	2.8	2.9	2.6	2.3	2.1
Forward P/E Ratio	17.7	18.2	18	19.3	20.4	21.1
Dividend Yield	2.0%	1.9%	2.0%	1.7%	1.5%	1.4%
5-Yr Earnings (forecasted)	12.6%	12.5%	12.5%	11.8%	11.8%	12.4%

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

Profits Trump Populism

NON-U.S. EQUITY | Irina Sushch

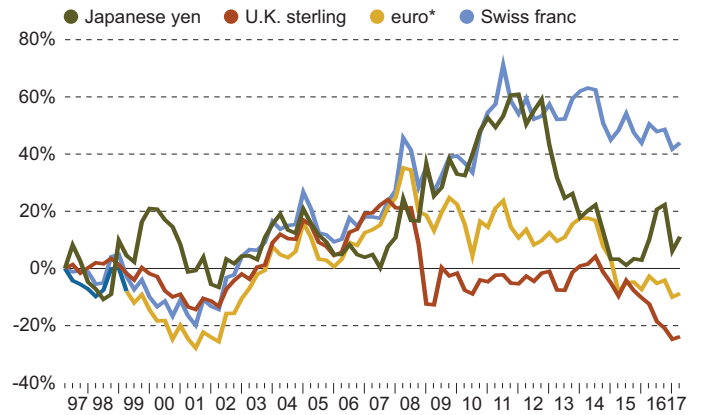
A flurry of political skirmishes and uneven growth in Asia failed to deter non-U.S. equity investors, and the “risk-on” theme of last year continued into 2017. The weak U.S. dollar also bolstered overseas returns for U.S. investors.

The **MSCI ACWI ex USA Index** jumped 7.86% during the quarter. All of its sectors were in the black, with the exception of Energy (-0.91%), which was hurt by falling oil prices. Economically sensitive sectors led the pack: Information Technology contributed 14.59% and Industrials added 9.48%. Defensive and cyclical sectors such as Telecommunications (+5.98%) and Real Estate (+6.72%) lagged.

Helped by a weaker dollar, emerging markets (**MSCI Emerging Markets Index**: +11.44%) outperformed their developed peers (**MSCI World ex USA Index**: +6.81% and **MSCI EAFE Index**: +7.25%). The **MSCI ACWI ex USA Growth Index** (+9.13%) resumed dominance over the **MSCI ACWI ex USA Value Index** (+6.68%). Small cap stocks also performed well (**MSCI ACWI ex USA Small Cap Index**: +8.78%).

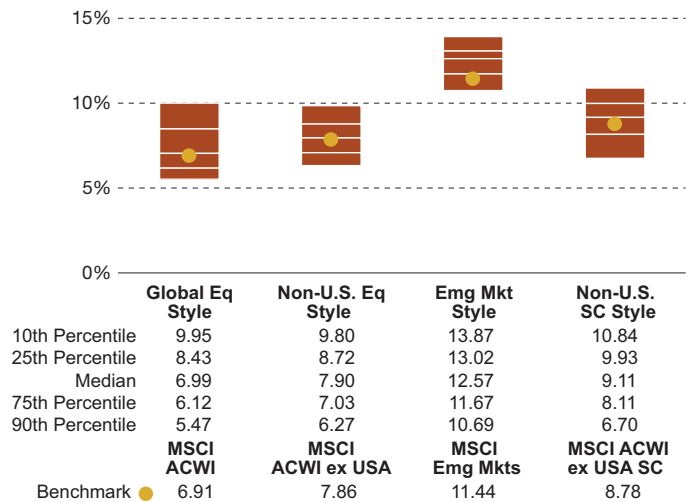
Politics continued to roil Europe. Most notably, British Prime Minister Theresa May triggered Article 50 of the Lisbon Treaty on March 29, giving the U.K. two years to negotiate an exit from the European Union. The negotiations are likely to be arduous, particularly concerning trade and immigration. And France’s presidential elections weighed on investors during the quarter. (A runoff is slated for May. Marine Le Pen, the far right contender and opponent of the EU, finished second in the first round of voting but is widely expected to lose to Emmanuel Macron, a more centrist leader and supporter of the EU.) On the other hand, the economic outlook brightened in the euro zone. Inflation hit a four-year high (2%) in February. Fourth quarter GDP was 1.7% (year-over-year) and positive in each country except Greece (-1.2%). The **MSCI Europe Index** jumped 7.44% in the first quarter; all of the countries posted positive returns. Spain (+14.76%) and the Netherlands (+11.33%) contributed most, while Ireland (+3.75%) and Norway (+1.43%) lagged.

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



* German mark returns before 1Q99
Source: MSCI

Callan Style Group Quarterly Returns



Sources: Callan, MSCI

Information Technology (+12.89%) and Industrials (+10.39%) rallied, while Energy stocks (-3.10%) brought up the rear.

In Southeast Asia and the Pacific, Japan’s economy grew at a meager (yet notably positive) annualized 1.2% in the fourth quarter. Industrial output and inflation rose and unemployment fell. But the stronger yen (+5%) dampened exporters’ returns, and Japan ended the quarter up just 4.49%; only New Zealand

NON-U.S. EQUITY (Continued)

posted worse returns (+1.95%) in the region, owing to a faltering Materials sector (-19.33%). Singapore (+13.46%) and Hong Kong (+13.41%) fared best, thanks to thriving real estate markets. Australia advanced 10.98%, propped up by currency strength. The **MSCI Pacific Index** was up 6.92% and the **MSCI Pacific ex Japan Index** jumped 11.76%.

Emerging market returns were boosted by a weaker U.S. dollar, economic growth in China, and rising industrial metal prices. Poland (+17.75%) and India (+17.12%) were the top performers. The party of India's prime minister, Narendra Modi, won a key regional election despite an abrupt currency recall last year, and the central bank predicted strong economic growth for the next 12 months. Gains in IT stocks bolstered Korean returns. China, which makes up more than a quarter of the MSCI Emerging Markets Index, also experienced growth in its IT sector, as well as in Manufacturing and Real Estate. Its fourth

quarter GDP came in at 6.8%, and China ended the quarter up 12.93%. Mexico was among the top performers (+16.03%) as the peso rebounded 9%. Russia (-4.61%) and Greece (-3.49%) were the region's poorest performers. Russia was hurt by falling oil prices, and Greece by negative GDP growth.

Quarterly Returns for Non-U.S. Developed Countries

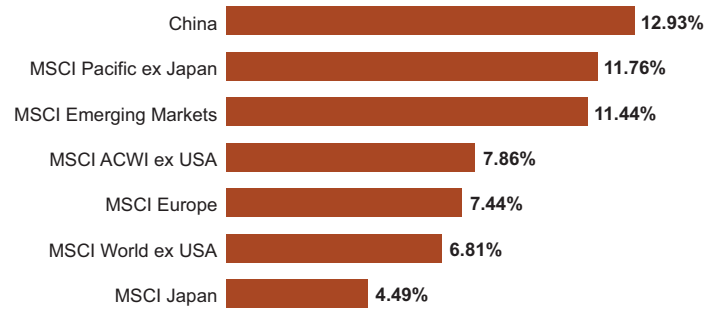
Country	Equity Index		Currency Return	Weight*
	(US\$)	(Local Currency)		
Australia	10.98%	5.34%	5.35%	5.30%
Austria	8.96%	7.45%	1.40%	0.14%
Belgium	5.13%	3.68%	1.40%	0.81%
Canada	2.51%	1.94%	0.55%	6.85%
Denmark	6.11%	4.65%	1.39%	1.14%
Finland	7.31%	5.83%	1.40%	0.67%
France	7.28%	5.80%	1.40%	7.10%
Germany	8.36%	6.87%	1.40%	6.62%
Hong Kong	13.41%	13.65%	-0.24%	2.44%
Ireland	3.75%	2.32%	1.40%	0.32%
Israel	5.53%	3.28%	6.01%	0.47%
Italy	6.17%	4.70%	1.40%	1.51%
Japan	4.49%	-0.17%	4.67%	16.29%
Netherlands	11.33%	9.92%	1.40%	2.41%
New Zealand	1.95%	1.69%	0.25%	0.12%
Norway	1.43%	1.21%	0.22%	0.44%
Portugal	8.25%	6.75%	1.40%	0.11%
Singapore	13.46%	9.79%	3.39%	0.92%
Spain	14.76%	13.18%	1.40%	2.34%
Sweden	9.46%	7.58%	1.75%	2.01%
Switzerland	8.34%	6.70%	1.54%	6.08%
U.K.	5.04%	3.80%	1.20%	12.44%

*Weight in the MSCI ACWI ex USA Index

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

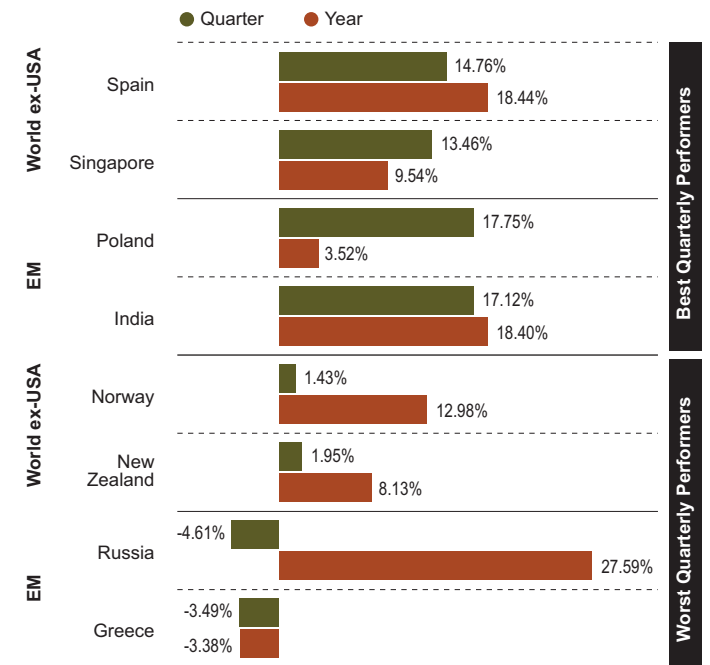
Regional Quarterly Performance

(U.S. Dollar)



Source: MSCI

Quarterly and Annual Country Performance Snapshot



Source: MSCI

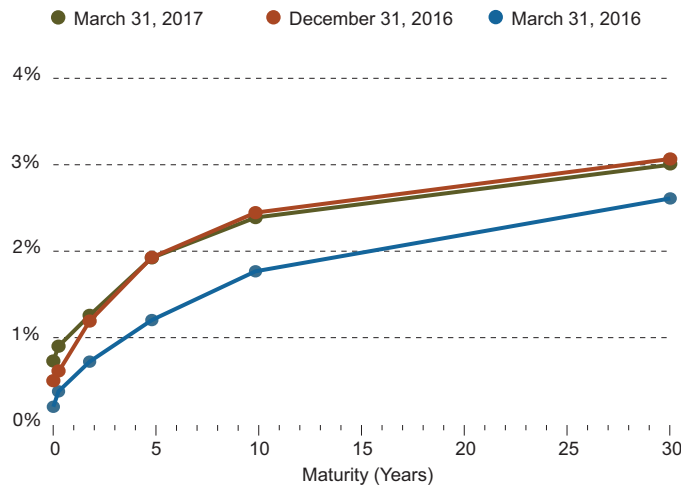
Up, Up, and Away

U.S. FIXED INCOME | Rufash Lama

During the first quarter, the U.S. bond market generated positive returns across the board due in part to strong economic data and upbeat investors compressing spreads. U.S. fourth quarter GDP grew at an annualized rate of 2.1%, consumer spending rose 3.5%, and the unemployment rate fell to 4.7%. High yield bonds performed best; the **Bloomberg Barclays High Yield Index** climbed 2.70% for the quarter.

The Fed increased rates by 25 basis points in March, to a range of 0.75% – 1.00%, as U.S. economic indicators continued to signal growth; two additional hikes are expected over the rest of the year. The Treasury yield curve flattened during the quarter as short-term Treasury yields rose while longer-term Treasury yields fell. Despite hitting an intra-quarter high of 2.62%, the benchmark 10-year Treasury note ended the quarter at 2.39%, 5 bps lower than the yield at the end of 2016. For the quarter, U.S. Treasuries returned 0.67%; long Treasuries (+1.40%) outperformed intermediate ones (+0.54%). TIPS were up 1.26% as expectations for future inflation rose. At the end of the quarter, the 10-year breakeven inflation rate, a market-based gauge of investors' expectations for future inflation, stood at 1.97%.

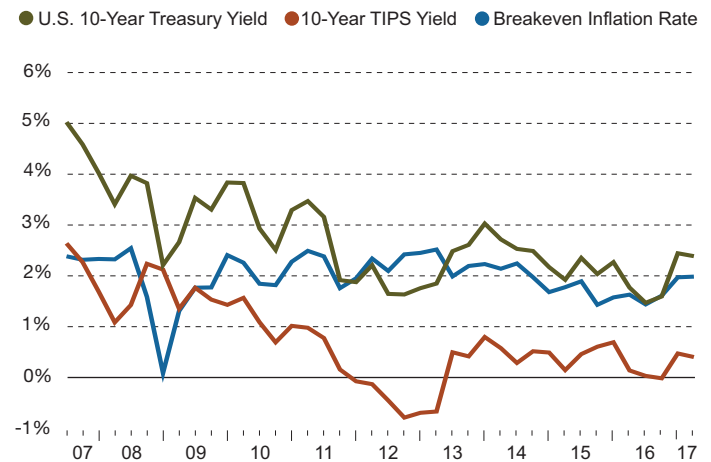
U.S. Treasury Yield Curves



Source: Bloomberg

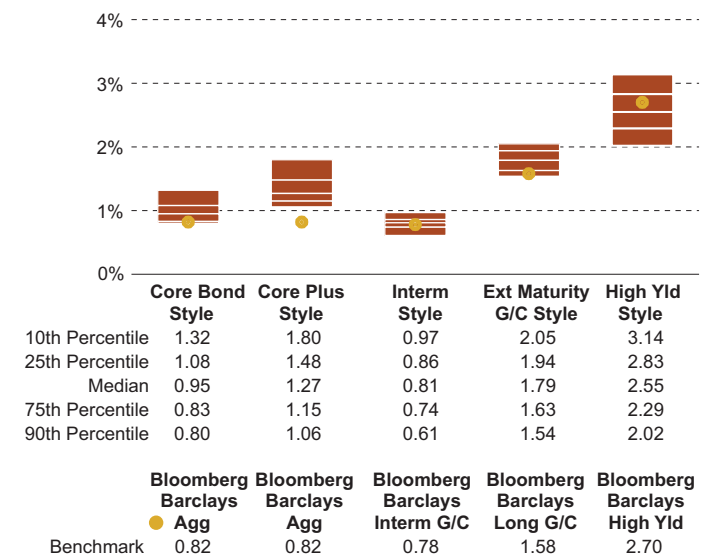
All fixed income sectors reported returns in the black as both the corporate credit market and the structured-debt market benefited from strong investor demand; the **Bloomberg Barclays U.S. Aggregate Bond Index** rose 0.82%. Issuance in the investment-grade primary market totaled \$390 billion, easily surpassing the prior record of \$357 billion in the second quarter

Historical 10-Year Yields



Source: Bloomberg

Callan Style Group Quarterly Returns



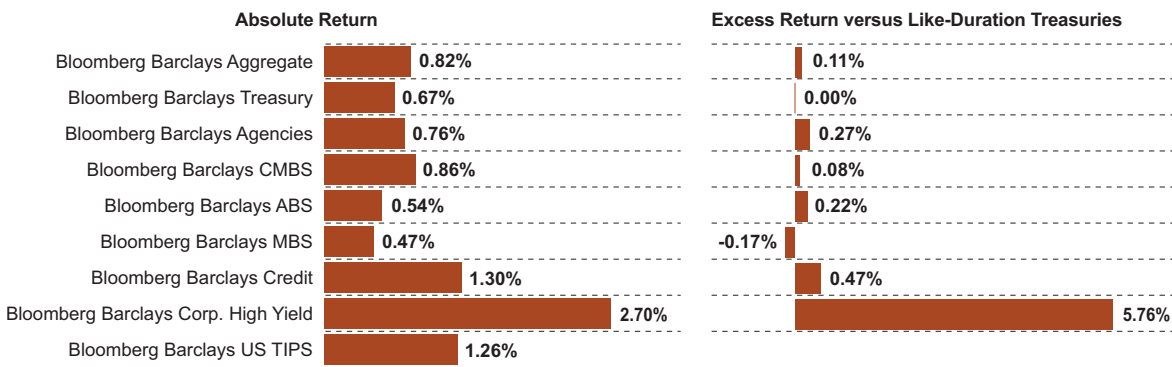
Source: Bloomberg Barclays, Callan

of 2015. Overall, spreads tightened and investor appetite for bonds remained strong despite the headwind of higher rates. High yield spreads over comparable Treasuries tightened by 26 bps and delivered the strongest return. Lower-rated bonds outperformed higher-rated issues; BBB-rated securities generated an excess return of 85 bps and outperformed AAA securities by 70 bps. ABS and investment-grade corporate spreads tightened by 5 bps and rose 1.22% and 0.54%, respectively.

Mortgage-backed securities (MBS) (+0.47%) underperformed duration-matched Treasuries by 17 bps. Commercial mortgage-backed securities (CMBS) rose 0.86% for the quarter and benefited from strong demand.

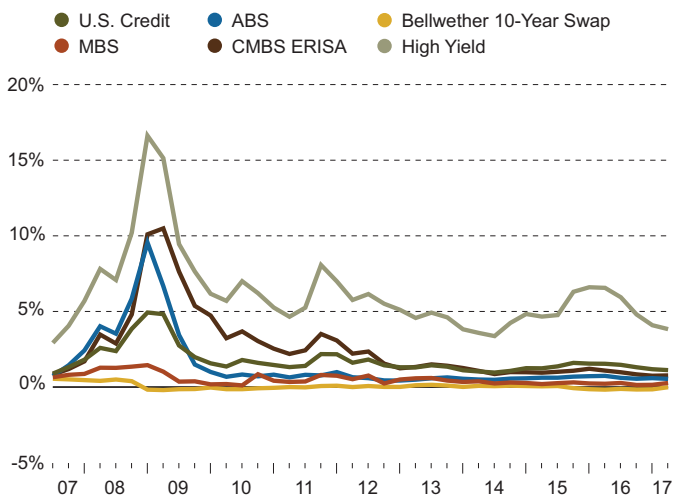
Municipal bonds also delivered a strong quarter as expectations for U.S. tax reform fell and new issuance remained light. The **Bloomberg Barclays Municipal Bond Index** jumped 1.58%.

Fixed Income Index Quarterly Returns



Source: Bloomberg Barclays

Effective Yield Over Treasuries



Source: Bloomberg Barclays

U.S. Fixed Income Index Characteristics as of March 31, 2017

Bloomberg Barclays Indices	Yield to Worst	Mod Adj Duration	Avg Maturity
Bloomberg Barclays Aggregate	2.61	6.00	8.22
Bloomberg Barclays Universal	2.95	5.78	7.99
Bloomberg Barclays Gov/Credit	2.49	6.47	8.70
1-3 Year	1.50	1.94	2.00
Intermediate	2.10	4.06	4.41
Long-Term	3.88	15.15	24.19
Bloomberg Barclays Long Credit	4.51	13.71	23.76
Bloomberg Barclays Corp High Yield	5.84	4.03	6.24
Bloomberg Barclays TIPS	2.27	5.72	8.31
Bloomberg Barclays Municipal	2.46	6.40	12.85
1-5 Year	1.46	2.65	3.13
1-10 Year	1.86	4.03	5.77

Source: Bloomberg Barclays

Separation Anxiety

NON-U.S. FIXED INCOME | Kyle Fekete

Sovereign debt performed well in the first quarter amid political uncertainty about the future of the European Union (EU). Emerging market debt outperformed developed market debt for the third straight quarter as the **JPM GBI-EM Global Diversified Index** advanced 6.50% versus the **Bloomberg Barclays Global Aggregate ex-US Index's** 2.48% gain. Returns were bolstered by the U.S. dollar's drop against most currencies.

European sovereign bond yields rose in the midst of critical elections and debate over the future of the EU. The safe-haven German 10-year bond yield climbed 12 basis points to

Quarterly Returns for Non-U.S. Government Indices

Country	Country Debt*	Country Debt**	Currency Return	Weight***
Australia	6.66%	1.24%	5.35%	2.64%
Austria	0.60%	-0.80%	1.40%	1.75%
Belgium	-0.31%	-1.69%	1.40%	2.99%
Canada	1.05%	0.50%	0.55%	2.54%
Denmark	0.79%	-0.59%	1.39%	0.71%
Finland	0.65%	-0.75%	1.40%	0.74%
France	-0.92%	-2.29%	1.40%	11.85%
Germany	0.64%	-0.75%	1.40%	8.62%
Ireland	0.05%	-1.34%	1.40%	0.96%
Italy	-0.60%	-1.98%	1.40%	11.24%
Japan	4.15%	-0.50%	4.67%	33.21%
Malaysia	2.94%	1.56%	1.37%	0.50%
Mexico	13.62%	3.88%	9.38%	1.11%
Netherlands	0.50%	-0.90%	1.40%	2.75%
Norway	1.44%	1.22%	0.22%	0.33%
Poland	7.16%	1.71%	5.36%	0.81%
Singapore	5.69%	2.22%	3.39%	0.50%
South Africa	4.42%	2.38%	1.99%	0.66%
Spain	0.60%	-0.79%	1.40%	6.70%
Sweden	1.31%	-0.43%	1.75%	0.55%
Switzerland	1.07%	-0.46%	1.54%	0.23%
U.K.	2.85%	1.63%	1.20%	8.63%

*U.S. dollar-denominated.

**Local currency-denominated.

***Weight in the Citi Non-U.S. World Government Bond Index.

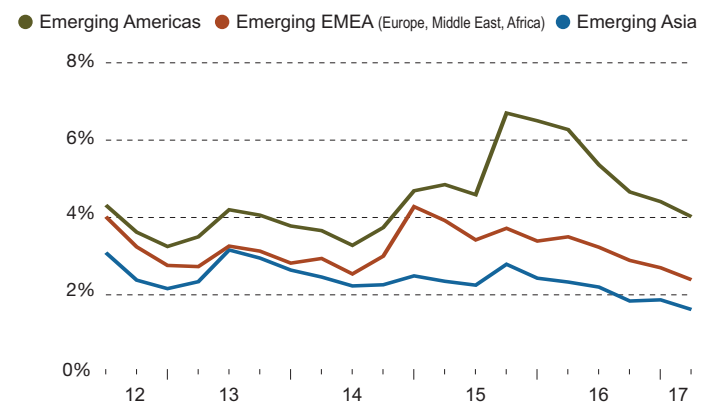
Source: Citigroup

0.33%, steepening the yield curve to its highest since 2014. France's 10-year bonds sold off in the middle of the quarter as the markets priced in the risk of a potential victory by presidential candidate Marine Le Pen, who wants the French to vote on whether to leave the EU. The Italian 10-year yield jumped 50 bps to 2.32% as an air of political risk also loomed over Europe's third-largest economy.

The European Central Bank continued its stimulus efforts, extending its bond-buying program until December 2017 and maintaining interest rates near record lows. Yet there was renewed confidence in the region's economic health as a result of solid manufacturing data, strength in the region's labor market, and encouraging inflation news. The euro strengthened against the U.S. dollar, providing some headwind to the hedged Bloomberg Barclays Global Aggregate ex-US Index, which increased only slightly (+0.06%).

In the Asia-Pacific region, Japan's 10-year yield edged up 2 bps to 0.07%, in line with the Bank of Japan's goal of maintaining its yield at approximately zero. The Reserve Bank of Australia left rates unchanged despite rapid growth in household debt. The Australian 10-year yield declined 6 bps to 2.70%. Both countries' currencies advanced roughly 5% against the U.S. dollar.

Emerging Spreads Over Developed (By Region)



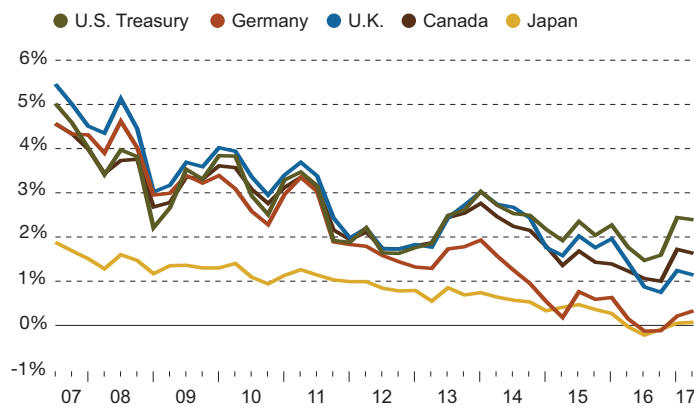
Source: Bloomberg Barclays

NON-U.S. FIXED INCOME (Continued)

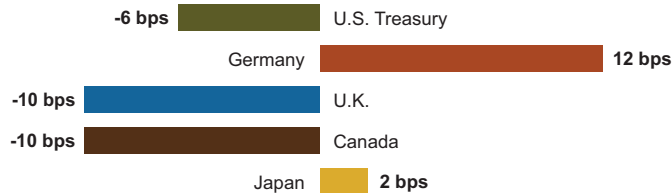
Emerging markets performed quite well. The U.S. dollar-denominated **JPM EMBI Global Diversified Index** rose 3.87%, and only three countries out of 65 posted negative returns for the quarter. Mexico, the most heavily weighted in the Index, was the strongest performer (+5.46%). Venezuela was the worst, falling 1.29%. Emerging market currencies also

generally appreciated versus the U.S. dollar, accounting for the JPM GBI-EM Global Diversified Index's 6.50% rise. Argentina reentered the Index in February, and its debt posted the strongest return (+15.60%). Mexico (+13.60%) and Brazil (+9.69%) were also top performers, while Turkey (-0.68%) was the only country in the index to deliver a negative return.

10-Year Global Government Bond Yields

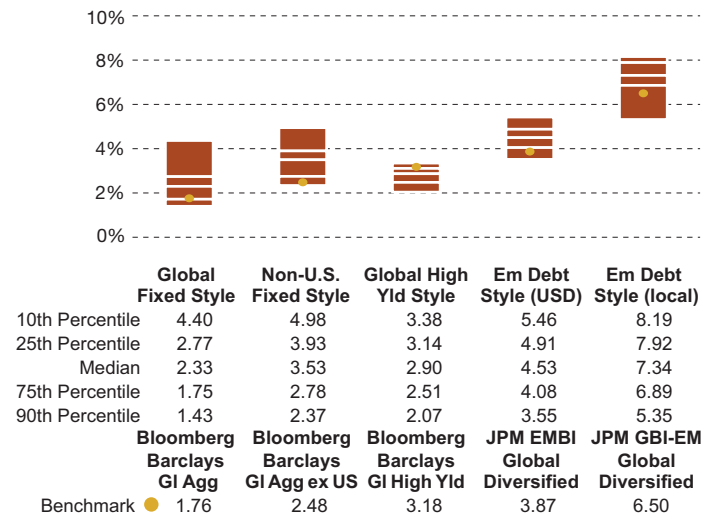


Change in 10-Year Yields from 4Q16 to 1Q17



Source: Bloomberg

Callan Style Group Quarterly Returns



Sources: Bloomberg Barclays, Callan, JPMorgan Chase

New Year, New Lows

REAL ESTATE | Kevin Nagy

The **NCREIF Property Index** advanced 1.55% during the first quarter (1.15% from income and 0.40% from appreciation). This was the lowest return since 2010, eclipsing the fourth quarter's mark of 1.73%. Appreciation fell for the eighth consecutive quarter and made up less than a third of total return.

Industrial (+2.83%) was the best-performing sector for the fourth consecutive quarter with Retail (+1.56%) and Apartments (+1.30%) also posting positive returns; Hotels (-0.16%) fared the worst and the was only property sector to fall during the quarter. All property sectors posted lower results than the previous quarter.

The West surpassed all other regions for the second quarter in a row, rising 1.96%; the East was the weakest, up only 0.95%. Transaction volume fell steeply to \$6.6 billion, a 53% decline from last quarter's all-time high. This also represented a drop of 13% from the first quarter of 2016. Appraisal capitalization rates stayed mostly flat, increasing to 4.44%, 1 basis point above last quarter's all-time low of 4.43%. Transaction capitalization rates recovered from the precipitous decline of the fourth quarter and rose from 5.7% to 6.3%. The spread between appraisal and transactional rates increased to 183 bps.

Occupancy rates dropped slightly from the 15-year high in the fourth quarter to 92.96%. Apartment occupancy rates increased slightly while Industrial, Office, and Retail rates decreased.

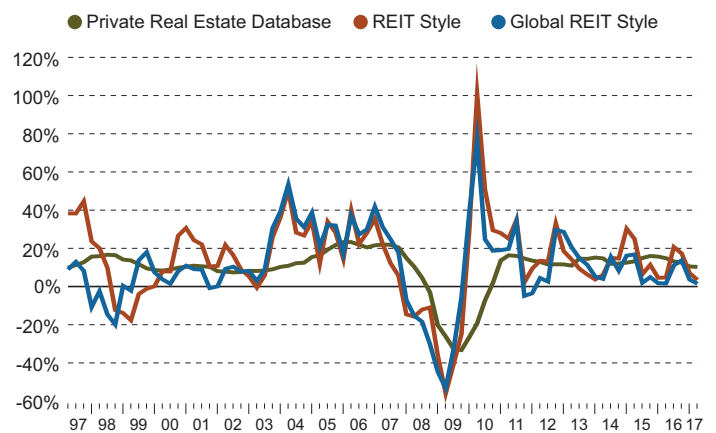
The **NCREIF Open End Diversified Core Equity Index** rose 1.54%. This marked a 34 basis point decrease from the fourth quarter return of 1.88%, and was the lowest for the index since 2010. Income accounted for 0.84% of the return, moderating slightly; appreciation (+0.71%, with rounding accounting for the slight discrepancy) fell to a new seven-year low.

Global real estate investment trusts (REITs), tracked by the **FTSE EPRA/NAREIT Developed REIT Index (USD)**, outperformed their U.S. counterparts and rose 2.29%. U.S. REITs, as measured by the **FTSE NAREIT Equity REITs Index**, gained 1.16% for the quarter.

In the U.S., REITs enjoyed two months of positive returns to start the quarter before giving some of the gains back with a poor showing in March. Retail (-4.75%) fared the worst, hurt by weak earnings results from large retailers and the fear of store closings because of the emergence of e-commerce. Hotel (-1.90%) and Self Storage (-1.42%) also did poorly. Health Care (+6.92%) recovered from a sharp decline in the fourth quarter on the back of the failure of the new administration to fulfill its promise to repeal the Affordable Care Act. Specialty (+13.23%), Timber (+12.85%), Infrastructure (+12.25%), and Data Centers (+11.45%) all experienced double-digit gains.

Europe, as represented by the **FTSE EPRA/NAREIT Europe Index**, bested the U.S. in both local currency and U.S. dollar terms, buoyed by a weakening greenback and improving

Rolling One-Year Returns



Source: Callan

*Index subreturns are calculated separately from index return and may not total.

REAL ESTATE (Continued)

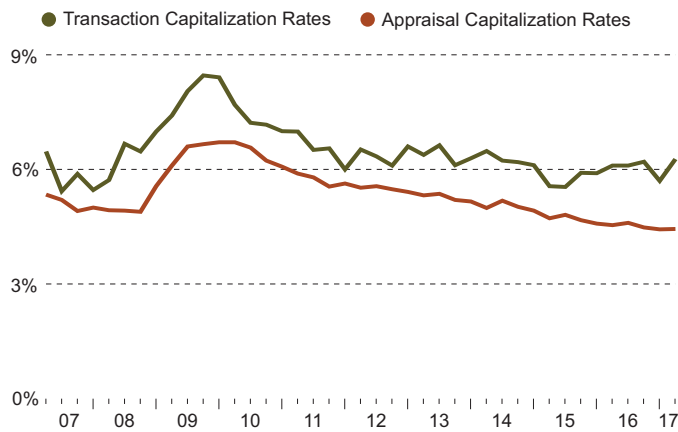
economic data. Markets also reacted positively to the failure of populist politicians to gain power in the Netherlands. As in the U.S., Retail lagged the broader index as e-commerce continued to take market share from traditional retailers.

The Asia-Pacific region beat all others with the **FTSE EPRA/NAREIT Asia Index** jumping 5.94% during the first quarter in U.S. dollar terms. Singapore and Hong Kong were the major

winners, up 17.4% and 16.2%, respectively. In both countries this was mainly attributed to strong performance by their residential sectors.

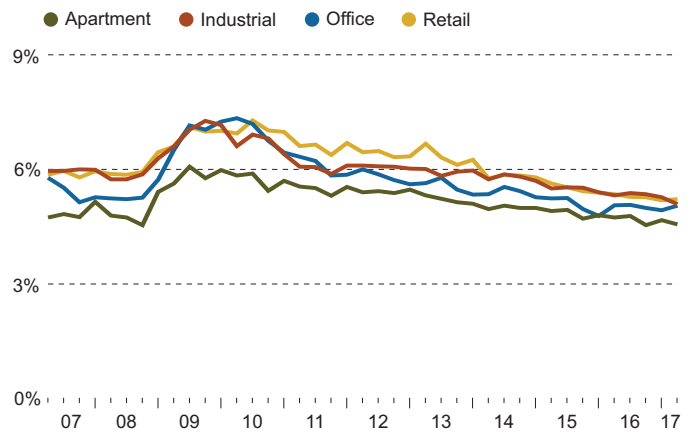
Commercial mortgage-backed securities (CMBS) issuance for the quarter was down sharply, by 58%, to \$11.3 billion from the \$26.9 billion in the fourth quarter of 2016. This represents a 42% decrease from the first quarter of 2016 (\$19.4 billion).

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.

On a Roll

PRIVATE EQUITY | Gary Robertson

New private equity partnership commitments totaled \$80.0 billion in the first quarter, with 310 new partnerships formed, according to preliminary data from *Private Equity Analyst*. The number of partnerships jumped 75% from 177 in the first quarter of 2016, and the dollar volume rose 51% from \$53.1 billion. KKR Americas Fund XII raised the most money in the quarter, \$3.1 billion, and its final close of \$13.9 billion exceeded its \$12 billion target.

Investments by funds into companies totaled 379 deals, up 18% from 322 in the prior quarter, according to *Buyouts* newsletter. The announced total volume was \$35.0 billion, up 24% from \$28.3 billion in the fourth quarter. The \$6.0 billion take-private of hospital staffing firm Team Health Holdings was the quarter's largest buyout. Nine deals with announced values of \$1 billion or more closed in the quarter.

According to the National Venture Capital Association, new investments in VC companies totaled 1,808 rounds with \$16.5 billion of announced value. The number of rounds fell by 5% from 1,898 in the fourth quarter, but disclosed value increased 15% from \$14.3 billion.

Buyout M&A exits fell steeply; there were just 117 in the first quarter, down 25% from the prior quarter's 157, according to

Funds Closed January 1 to March 31, 2017

Strategy	No. of Funds	Amt (\$mm)	Percent
Venture Capital	145	7,505	9%
Buyouts	108	54,622	68%
Subordinated Debt	13	3,038	4%
Distressed Debt	7	4,526	6%
Secondary and Other	7	5,162	6%
Fund-of-funds	30	5,178	6%
Totals	310	80,031	100%

Source: Private Equity Analyst
Figures may not total due to rounding.

Buyouts. Announced deal value also dropped: 30 deals totaling \$14.4 billion, off 47% from \$27.0 billion in the fourth. Three buyout-backed IPOs in the first quarter raised an aggregate \$2.4 billion. The number of IPOs was the same as the prior quarter, but the proceeds increased from \$2.0 billion.

Venture-backed M&A exits totaled 132 and disclosed value hit \$10.4 billion. The number of exits declined 19% but the dollar volume increased 53% from the fourth quarter, which had 162 sales totaling \$6.8 billion. There were seven VC-backed IPOs in the first quarter with a combined float of \$4 billion. The fourth quarter also had seven but they only raised \$684 million.

Please see our upcoming issue of *Private Markets Trends* for more in-depth coverage.

Private Equity Performance Database (%) (Pooled Horizon IRRs through September 30, 2016*)

Strategy	3 Months	Year	3 Years	5 Years	10 Years	15 Years	20 Years
All Venture	3.33	3.35	17.77	14.78	10.51	6.72	20.92
Growth Equity	3.82	8.77	11.95	12.28	11.20	10.92	13.62
All Buyouts	3.91	11.48	11.97	13.68	10.41	12.96	12.60
Mezzanine	2.92	9.19	8.75	10.32	9.38	8.96	9.17
Distressed	4.22	7.72	7.30	11.93	9.42	10.71	10.67
All Private Equity	3.80	9.08	12.24	13.41	10.37	11.06	13.23
S&P 500	3.85	15.43	11.16	16.37	7.24	7.15	7.91
Russell 3000	4.40	14.96	10.44	16.36	7.37	7.61	8.03

Private equity returns are net of fees.
Sources: Standard & Poor's, Thomson Reuters/Cambridge
*Most recent data available at time of publication.

Note: Transaction count and dollar volume figures across all private equity measures are preliminary figures and are subject to update in subsequent versions of *Capital Market Review* and other Callan publications.

Dollops of Alpha with Beta

HEDGE FUNDS | Jim McKee

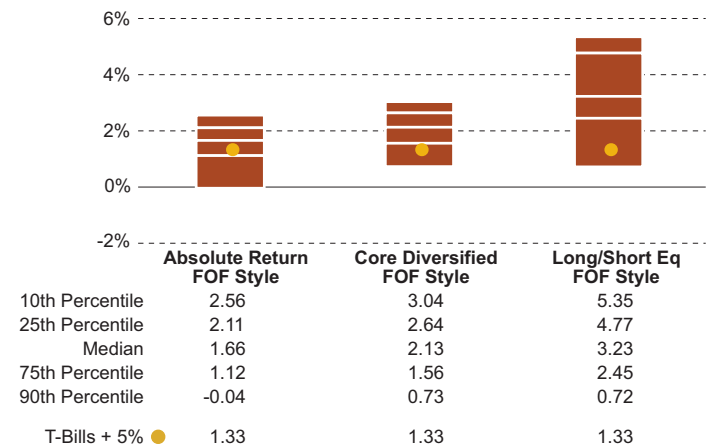
The U.S. economy moved steadily forward with revived animal spirits in the first quarter. Tangible evidence of growth and inflation emerged in the euro zone, soothing market worries globally. Amid geopolitical anxieties testing the Trump administration, the **S&P 500 Index** cleared 6.07% with very little market volatility. With more upbeat expectations abroad, **MSCI EAFE** climbed 7.25% while **MSCI Emerging Markets** soared 11.44%. After being beaten down in the prior quarter, the **Citi 10-Year Treasury** (+0.79%) held steady.

With global risk appetites encouraged by improving fundamentals, most hedge fund strategies generated positive returns. The **Credit Suisse Hedge Fund Index (CS HFI)**, a proxy of unmanaged hedge fund interests gross of fees, advanced 2.07%. Representing live hedge fund portfolios net of all fees, the median manager in the **Callan Hedge Fund-of-Funds Database** appreciated 2.29%.

Within CS HFI, *Long-Short Equity* (+3.46%) was particularly strong in the first quarter compared to 2016, even after adjusting for equity beta. Lack of market volatility and distinct trends left *Managed Futures* (-1.02%) and *Global Macro* (+0.24%) struggling.

Within the **Callan Hedge Fund-of-Funds Database**, market exposures differentiated performance. Supported by the stock market rallies around the globe, the median *Callan Long/Short Equity FOF* (+3.23%) outpaced the *Callan Absolute Return FOF* (+1.66%). With exposures to both non-directional and directional styles, the *Core Diversified FOF* gained 2.13%.

Callan Style Group Quarterly Returns



Sources: Callan, Merrill Lynch

Callan Database Median and Index Returns* for Periods ended March 31, 2017

	Quarter	YTD	Year	3 Years	5 Years	10 Years	15 Years
Hedge Fund-of-Funds Database	2.29	2.29	8.04	2.00	4.66	3.24	4.83
CS Hedge Fund Index	2.07	2.07	5.67	1.92	3.95	3.62	5.83
CS Equity Market Neutral	2.13	2.13	-2.19	-0.62	1.26	-2.99	0.55
CS Convertible Arbitrage	2.25	2.25	9.43	1.78	3.33	3.61	4.74
CS Fixed Income Arbitrage	2.32	2.32	8.02	3.15	4.64	3.43	4.23
CS Multi-Strategy	2.76	2.76	7.92	5.05	6.9	5.09	6.98
CS Distressed	2.23	2.23	10.91	0.82	5.28	3.75	6.94
CS Risk Arbitrage	1.21	1.21	4.94	1.78	2.33	3.18	3.74
CS Event-Driven Multi-Strategy	2.88	2.88	10.33	-1.48	3.53	3.4	6.11
CS Long/Short Equity	3.46	3.46	3.91	2.44	5.35	3.99	6.29
CS Global Macro	0.24	0.24	6.2	2.57	2.87	5.53	7.88
CS Managed Futures	-1.02	-1.02	-11.63	4.15	0.59	3.06	5.02
CS Emerging Markets	4.27	4.27	10.28	4.04	4.55	3.79	7.59

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

Eventful Year, but TDFs Still Rule

DEFINED CONTRIBUTION | Tom Szkwarla

The Callan DC Index™ increased 7.99% during the wild year that was 2016, its best year since 2013. And the Index did not suffer a single negative quarter, ending with a fourth quarter return of 1.59%. But the Index trailed the average Age 45 Target Date Fund, which gained 8.59% in 2016.

For the year, DC plan balances increased 8.31%. Almost all of the growth is attributable to market performance. Inflows (participant and plan sponsor contributions) added only 32 basis points to total growth.

Turnover (i.e., net transfer activity levels within DC plans) in 2016 reached 2.31%, the highest since 2012.

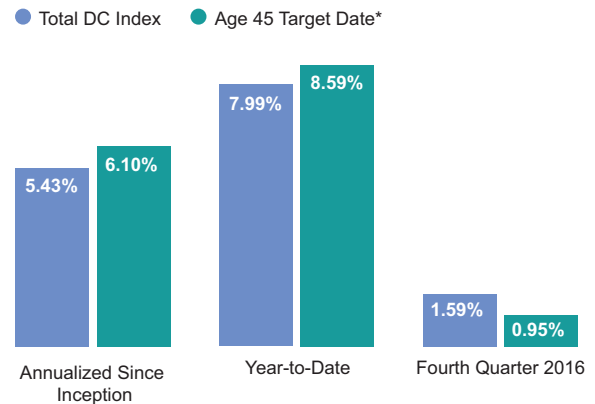
Last year, flows retreated from equities into stable value, money market, and domestic fixed income funds. As usual, TDFs dominated net inflows for the quarter and the year. For the year, roughly 61 cents of every dollar flowed to TDFs. The fourth quarter of 2016 saw a significant spike in TDF assets, increasing 1.3% from the third quarter to make up 29.0% of the average DC plan.

The Callan DC Index's equity allocation ended the quarter at 69%, below the equity allocation of the average Age 45 Target Date Fund (74%) but above the Index's historical average (67%).

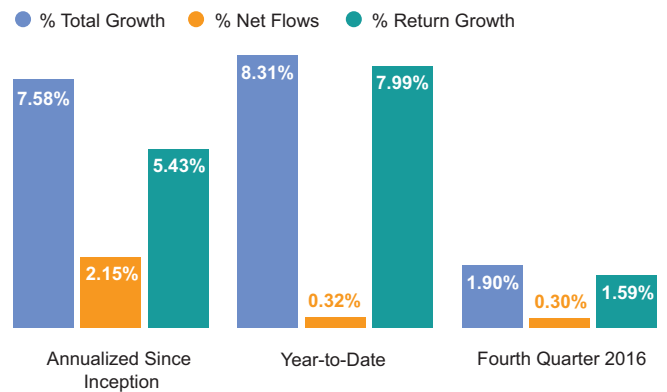
TDFs' dominance of the typical DC plan continues to grow. When TDFs are held within a DC plan, they now account for 35% of plan assets, up from 30% a year ago. The next largest plan holding, U.S. large cap equity funds, now account for 22.7% of plan assets. The fourth quarter of 2016 marks the highest level of TDF prevalence (91%) since the inception of the Callan DC Index™.

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 (Fourth Quarter 2016) (Top Two and Bottom Two Asset Gatherers)

Asset Class	Flows as % of Total Net Flows
Target Date Funds	68.47%
Stable Value	22.76%
U.S. Large Cap	-30.44%
Company Stock	-40.41%
Total Turnover**	0.50%

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

Source: Callan DC Index

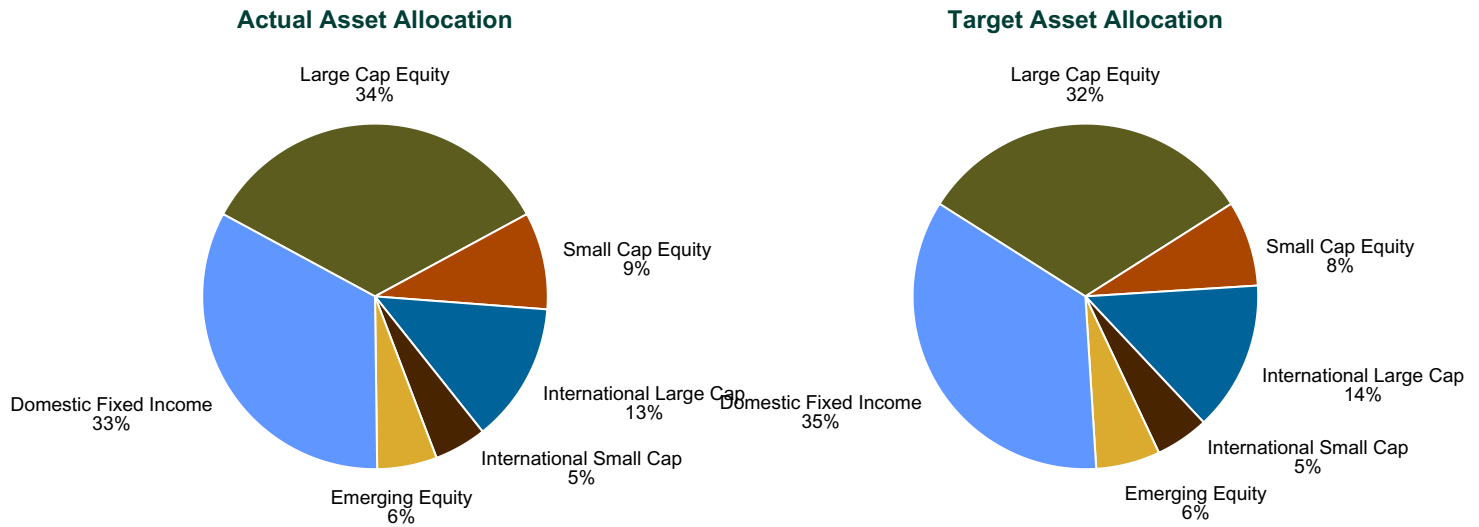
Note: DC Index inception date is January 2006.

* The Age 45 Fund transitioned from the average 2030 TDF to the 2035 TDF in June 2013.

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

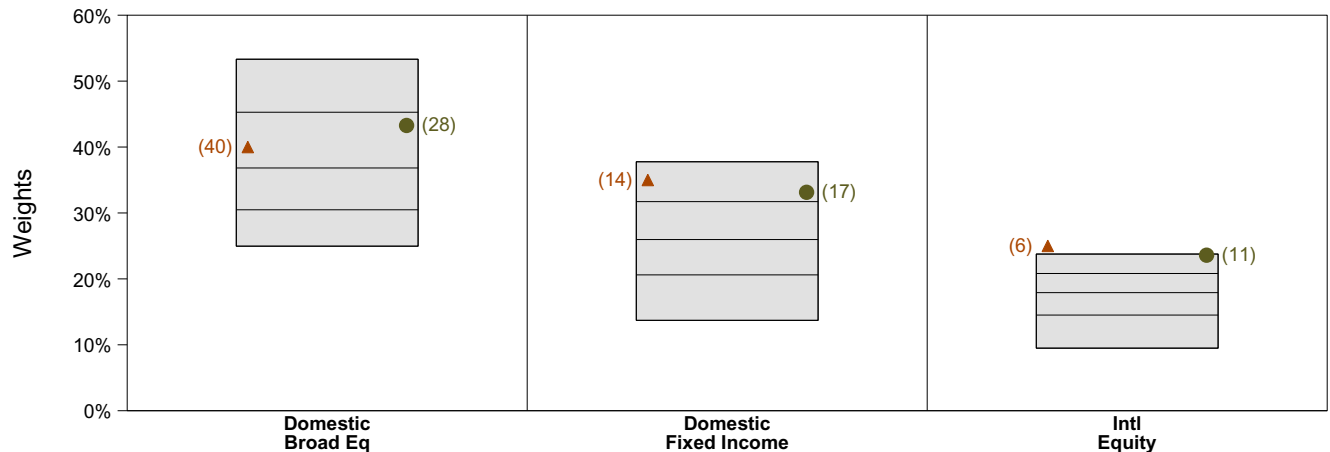
Actual vs Target Asset Allocation As of March 31, 2017

The top left chart shows the Fund's asset allocation as of March 31, 2017. 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 CAI Public Fund Sponsor - Mid (100M-1B).



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	89,970	34.2%	32.0%	2.2%	5,749
Small Cap Equity	23,920	9.1%	8.0%	1.1%	2,865
International Large Cap	34,523	13.1%	14.0%	(0.9%)	(2,323)
International Small Cap	12,813	4.9%	5.0%	(0.1%)	(346)
Emerging Equity	14,758	5.6%	6.0%	(0.4%)	(1,034)
Domestic Fixed Income	87,205	33.1%	35.0%	(1.9%)	(4,911)
Total	263,190	100.0%	100.0%		

Asset Class Weights vs CAI Public Fund Sponsor - Mid (100M-1B)



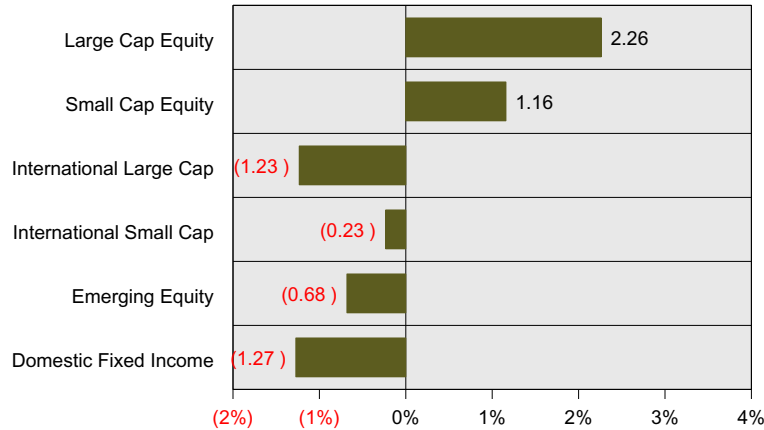
10th Percentile	53.32	37.77	23.77
25th Percentile	45.28	31.72	20.82
Median	36.83	25.97	17.91
75th Percentile	30.48	20.61	14.51
90th Percentile	24.96	13.71	9.49
Fund ●	43.27	33.13	23.59
Target ▲	40.00	35.00	25.00
% Group Invested	97.06%	97.06%	91.18%

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

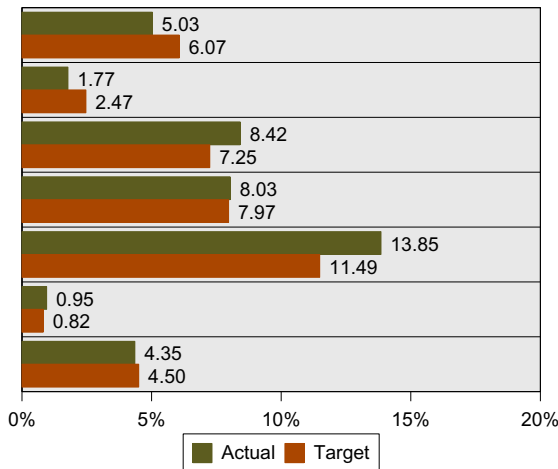
Quarterly Total Fund Relative Attribution - March 31, 2017

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

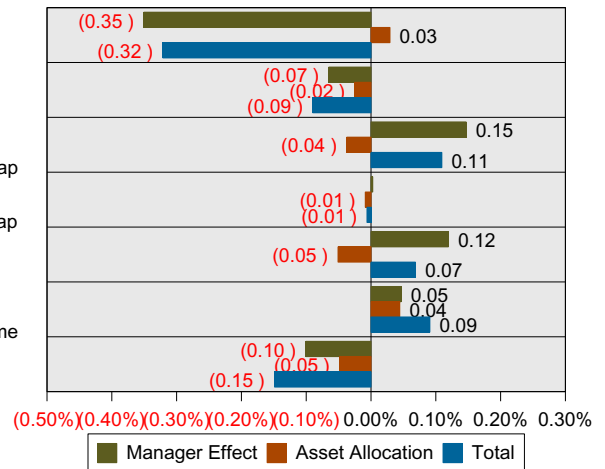
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended March 31, 2017

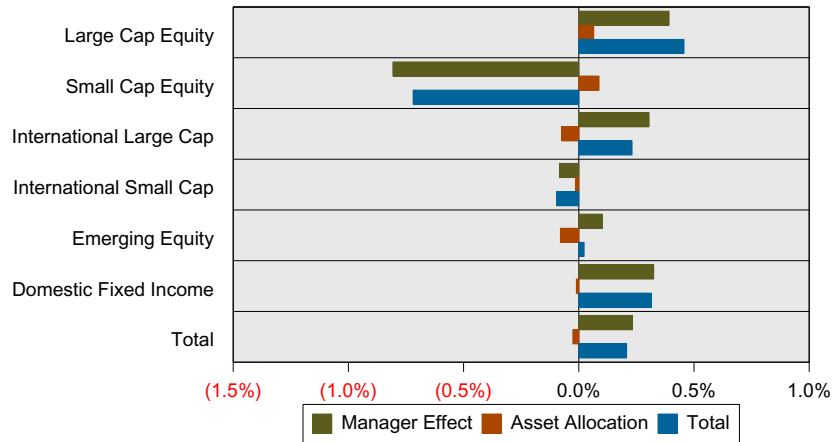
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	5.03%	6.07%	(0.35%)	0.03%	(0.32%)
Small Cap Equity	9%	8%	1.77%	2.47%	(0.07%)	(0.02%)	(0.09%)
International Large Cap	13%	14%	8.42%	7.25%	0.15%	(0.04%)	0.11%
International Small Cap	5%	5%	8.03%	7.97%	0.00%	(0.01%)	(0.01%)
Emerging Equity	5%	6%	13.85%	11.49%	0.12%	(0.05%)	0.07%
Domestic Fixed Income	34%	35%	0.95%	0.82%	0.05%	0.04%	0.09%
Total			4.35%	4.50%	(0.10%)	(0.05%)	(0.15%)

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

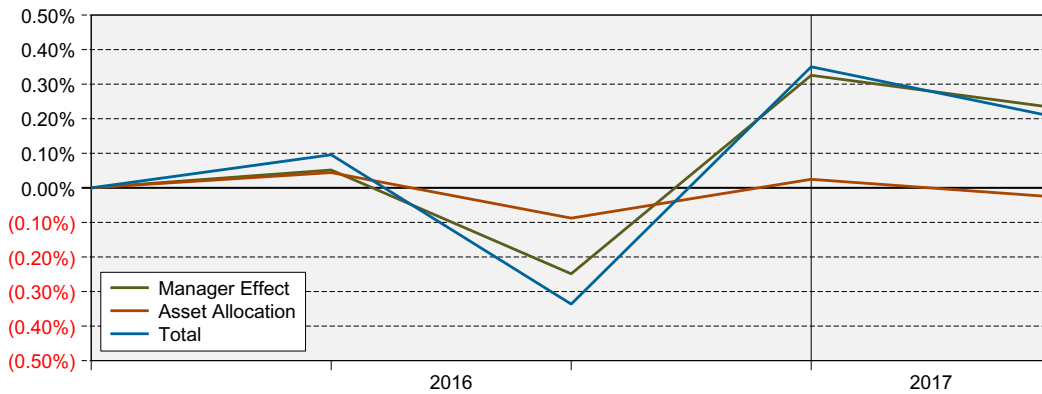
Cumulative Total Fund Relative Attribution - March 31, 2017

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

One Year Relative Attribution Effects



Cumulative Relative Attribution Effects



One Year Relative Attribution Effects

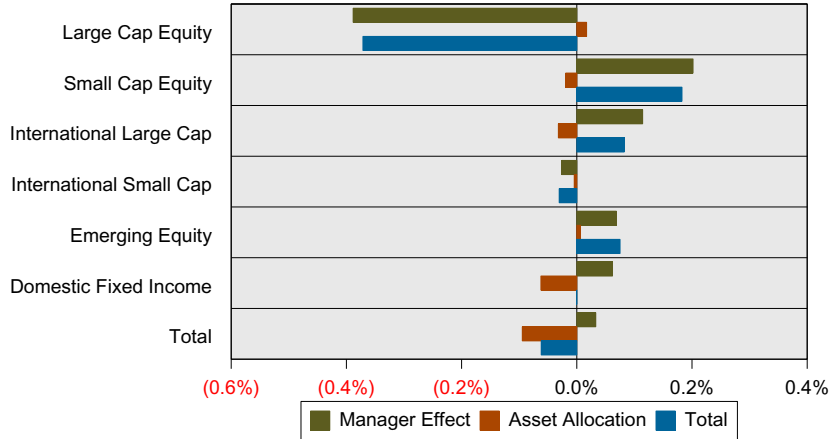
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	18.43%	17.17%	0.39%	0.06%	0.46%
Small Cap Equity	9%	8%	16.71%	26.22%	(0.81%)	0.09%	(0.72%)
International Large Cap	14%	16%	13.90%	11.67%	0.31%	(0.07%)	0.23%
International Small Cap	3%	3%	-	-	(0.08%)	(0.01%)	(0.10%)
Emerging Equity	5%	6%	19.75%	17.65%	0.10%	(0.08%)	0.02%
Domestic Fixed Income	35%	35%	1.30%	0.44%	0.33%	(0.01%)	0.31%
Total			11.09%	10.88%	+ 0.23%	+ (0.03%)	0.21%

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

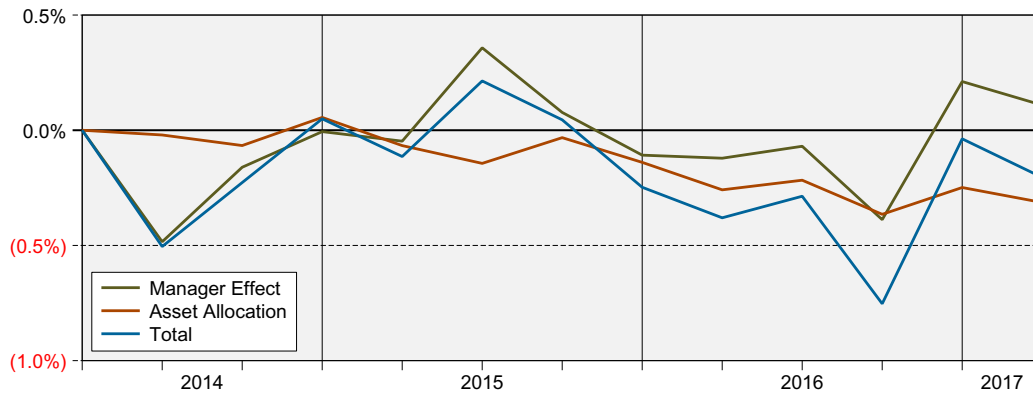
Cumulative Total Fund Relative Attribution - March 31, 2017

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%	9.07%	10.37%	(0.39%)	0.02%	(0.37%)
Small Cap Equity	8%	8%	10.12%	7.22%	0.20%	(0.02%)	0.18%
International Large Cap	17%	18%	1.28%	0.50%	0.11%	(0.03%)	0.08%
International Small Cap	1%	1%	-	-	(0.03%)	(0.00%)	(0.03%)
Emerging Equity	5%	6%	2.93%	1.55%	0.07%	0.01%	0.08%
Domestic Fixed Income	37%	37%	2.87%	2.68%	0.06%	(0.06%)	(0.00%)
Total			5.08%	5.14%	+ 0.03%	+ (0.09%)	(0.06%)

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

Total Fund Period Ended March 31, 2017

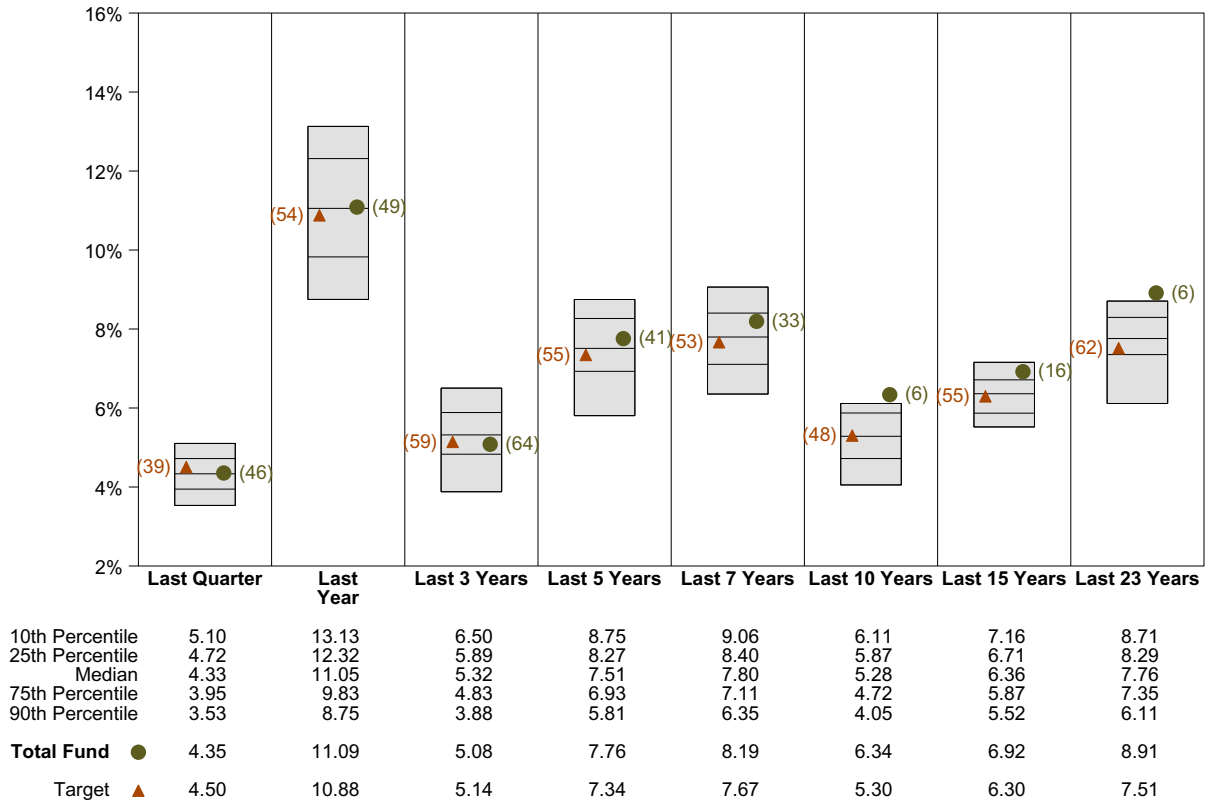
Investment Philosophy

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

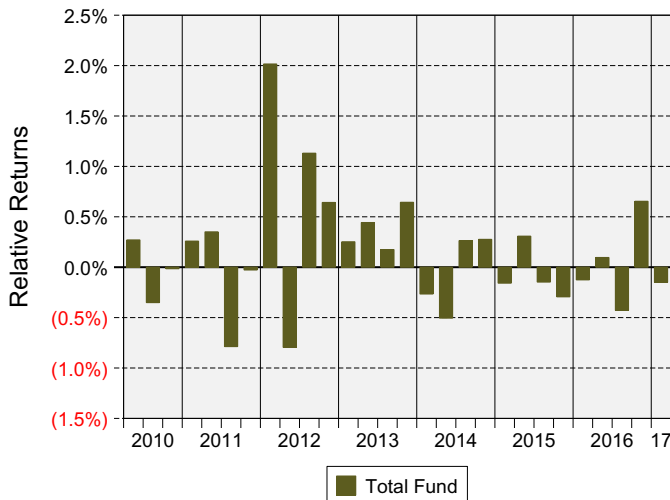
Quarterly Summary and Highlights

- Total Fund's portfolio posted a 4.35% return for the quarter placing it in the 46 percentile of the CAI Public Fund Sponsor - Mid (100M-1B) group for the quarter and in the 49 percentile for the last year.
- Total Fund's portfolio underperformed the Target by 0.15% for the quarter and outperformed the Target for the year by 0.21%.

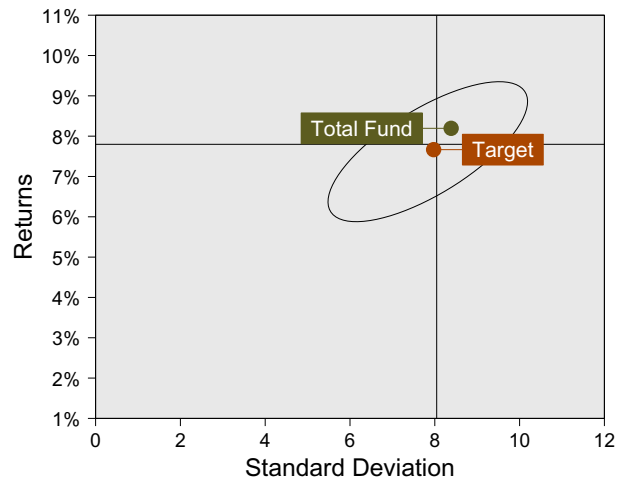
Performance vs CAI Public Fund Sponsor - Mid (100M-1B) (Gross)



Relative Return vs Target



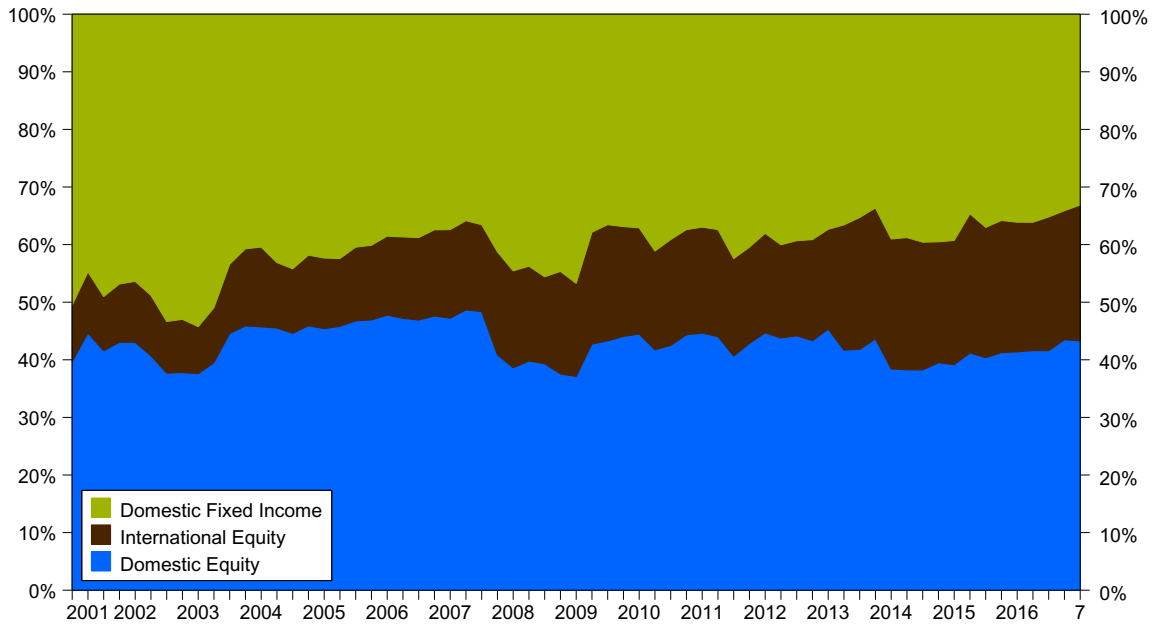
CAI Public Fund Sponsor - Mid (100M-1B) (Gross)
Annualized Seven Year Risk vs Return



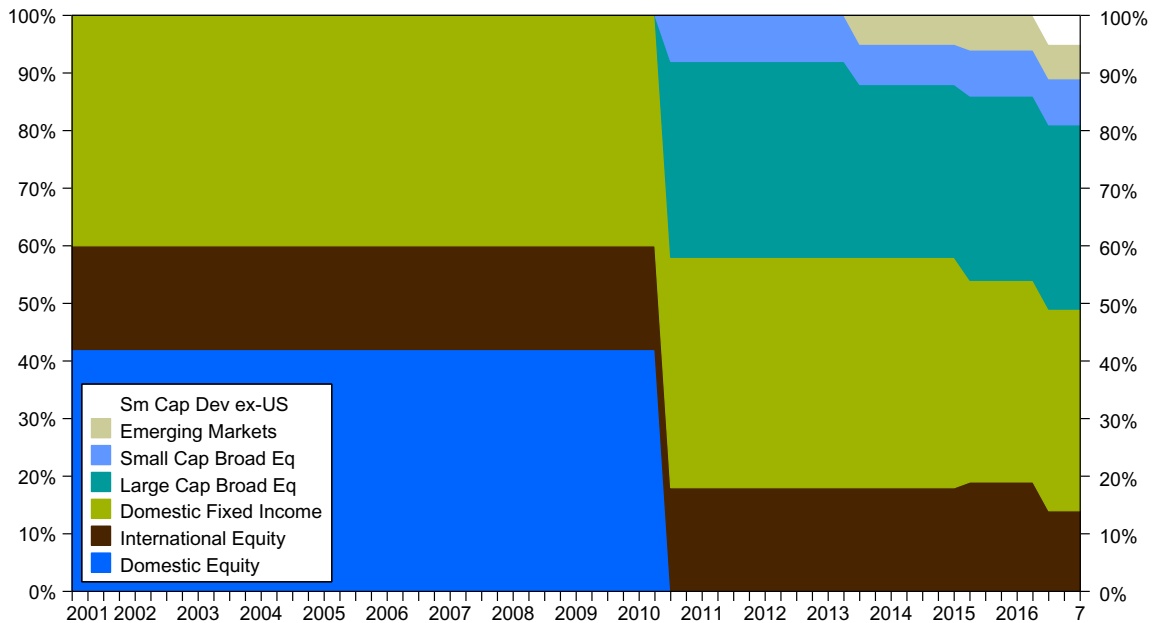
Actual vs Target Historical Asset Allocation

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

Actual Historical Asset Allocation



Target Historical Asset Allocation



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

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of March 31, 2017, with the distribution as of December 31, 2016. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

Asset Distribution Across Investment Managers

	March 31, 2017 Market Value	Net New Inv.	Inv. Return	December 31, 2016 Market Value
Consolidated Plan				
Domestic Equity	\$113,890,109	\$(930,161)	\$4,758,526	\$110,061,744
Large Cap	\$89,969,663	\$(930,161)	\$4,341,937	\$86,557,887
Boston Partners	44,659,889	(718,823)	1,738,725	43,639,988
SSgA S&P 500	45,309,773	(211,338)	2,603,212	42,917,899
Small Cap	\$23,920,446	\$0	\$416,588	\$23,503,858
Atlanta Capital	23,920,446	0	416,588	23,503,858
International Equity	\$62,094,356	\$0	\$5,380,856	\$56,713,500
International Large Cap	\$34,523,338	\$0	\$2,680,084	\$31,843,255
Brandes	8,942	0	135	8,808
JP Morgan	24,652,383	0	2,003,650	22,648,733
SSgA EAFE	9,862,013	0	676,299	9,185,714
International Small Cap	\$12,813,469	\$0	\$924,976	\$11,888,493
AQR	12,813,469	0	924,976	11,888,493
Emerging Equity	\$14,757,549	\$0	\$1,775,796	\$12,981,753
DFA Emerging Markets	14,757,549	0	1,775,796	12,981,753
Fixed Income	\$87,205,161	\$0	\$821,264	\$86,383,897
Metropolitan West	87,205,161	0	821,264	86,383,897
Total Plan - Consolidated	\$263,189,626	\$(930,161)	\$10,960,646	\$253,159,141

Sacramento Regional Transit District Asset Growth

Ending March 31, 2017 (\$ Thousands)	Ending Market Value	=	Beginning Market Value	+	Net New Investment	+	Investment Return
Total Plan							
1/4 Year Ended 3/2017	263,189.6		253,159.1		(930.2)		10,960.6
1/4 Year Ended 12/2016	253,159.1		251,635.0		(1,139.0)		2,663.2
1/4 Year Ended 9/2016	251,635.0		244,029.2		(937.8)		8,543.5
1/4 Year Ended 6/2016	244,029.2		240,502.3		(684.5)		4,211.5
1/4 Year Ended 3/2016	240,502.3		238,289.7		(450.0)		2,662.6
1/4 Year Ended 12/2015	238,289.7		232,085.4		(816.4)		7,020.7
1/4 Year Ended 9/2015	232,085.4		246,970.5		(534.9)		(14,350.2)
1/4 Year Ended 6/2015	246,970.5		247,920.3		(766.8)		(183.0)
1/4 Year Ended 3/2015	247,920.3		243,017.9		(295.4)		5,197.8
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)

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	4.33%	18.05%	9.30%	13.49%	13.38%
Domestic Equity Benchmark**	5.34%	19.00%	9.84%	13.18%	12.86%
Large Cap Equity	5.03%	18.43%	9.07%	13.38%	13.13%
Boston Partners	4.01%	19.64%	7.72%	13.36%	12.78%
Russell 1000 Value Index	3.27%	19.22%	8.67%	13.13%	12.18%
SSgA S&P 500	6.07%	17.22%	10.43%	-	-
S&P 500 Index	6.07%	17.17%	10.37%	13.30%	12.94%
Small Cap Equity	1.77%	16.71%	10.12%	13.97%	14.47%
Atlanta Capital	1.77%	16.71%	10.12%	13.97%	-
Russell 2000 Index	2.47%	26.22%	7.22%	12.35%	12.27%
International Equity	9.58%	13.90%	1.19%	4.82%	4.29%
Custom International Benchmark***	7.99%	13.05%	0.54%	5.35%	4.38%
International Large Cap	8.42%	13.90%	1.28%	-	-
JP Morgan	8.85%	15.69%	1.70%	5.76%	5.41%
SSgA EAFE	7.36%	12.11%	0.83%	-	-
MSCI EAFE Index	7.25%	11.67%	0.50%	5.83%	4.72%
International Small Cap	8.03%	-	-	-	-
AQR	8.03%	-	-	-	-
MSCI EAFE Small Cap Index	7.97%	10.99%	3.60%	9.20%	8.29%
Emerging Markets Equity	13.85%	19.75%	2.93%	-	-
DFA Emerging Markets	13.85%	19.75%	2.93%	-	-
MSCI Emerging Mkts Index	11.49%	17.65%	1.55%	1.17%	2.04%
Domestic Fixed Income	0.95%	1.30%	2.87%	3.25%	4.66%
Met West	0.95%	1.30%	2.87%	3.25%	4.66%
Blmbg Aggregate Index	0.82%	0.44%	2.68%	2.34%	3.48%
Total Plan	4.35%	11.09%	5.08%	7.76%	8.19%
Target*	4.50%	10.88%	5.14%	7.34%	7.67%

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

** Domestic Equity Benchmark = 80% S&P500, 20% Russell 2000 as of 5/1/2015

*** Custom International Benchmark = MSCI EAFE until 6/30/2013, MSCI ACWI ex US until 7/31/2016, and MSCI ACWI ex US IMI thereafter.

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2017

	Last 10 Years	Last 15 Years	Last 20 Years	Last 23 Years
Domestic Equity	8.52%	8.10%	8.36%	-
Domestic Equity Benchmark**	7.54%	7.50%	8.28%	9.86%
Russell 1000 Value Index	5.93%	7.35%	8.37%	9.89%
S&P 500 Index	7.51%	7.09%	7.86%	9.64%
Russell 2000 Index	7.12%	8.38%	8.67%	9.18%
International Equity	0.81%	6.09%	8.61%	-
MSCI EAFE Index	1.05%	5.74%	4.62%	4.86%
Domestic Fixed Income	5.83%	5.74%	6.13%	-
Met West	5.83%	5.74%	-	-
Bimbg Aggregate Index	4.27%	4.63%	5.36%	5.55%
Total Plan	6.34%	6.92%	7.85%	8.91%
Target*	5.30%	6.30%	6.76%	7.51%

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

** Domestic Equity Benchmark = 80% S&P500, 20% Russell 2000 as of 5/1/2015

Investment Manager Returns

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

	12/2016- 3/2017	2016	2015	2014	2013
Domestic Equity	4.33%	14.58%	0.06%	10.85%	36.44%
Domestic Equity Benchmark**	5.34%	13.85%	0.26%	12.07%	33.61%
Large Cap Equity	5.03%	13.38%	(1.17%)	12.81%	34.96%
Boston Partners	4.01%	14.71%	(3.75%)	11.87%	37.52%
Russell 1000 Value Index	3.27%	17.34%	(3.83%)	13.45%	32.53%
SSgA S&P 500	6.07%	12.03%	1.46%	13.77%	32.36%
S&P 500 Index	6.07%	11.96%	1.38%	13.69%	32.39%
Small Cap Equity	1.77%	19.17%	5.14%	3.49%	41.51%
Atlanta Capital	1.77%	19.17%	5.14%	3.49%	41.51%
Russell 2000 Index	2.47%	21.31%	(4.41%)	4.89%	38.82%
International Equity	9.58%	2.55%	(4.17%)	(3.72%)	16.66%
Custom International Benchmark***	7.99%	4.29%	(5.66%)	(3.87%)	20.07%
International Large Cap	8.42%	1.35%	(1.17%)	(4.41%)	20.27%
JP Morgan	8.85%	1.90%	(1.75%)	(4.28%)	18.12%
SSgA EAFE	7.36%	1.37%	(0.56%)	(4.55%)	22.80%
MSCI EAFE Index	7.25%	1.00%	(0.81%)	(4.90%)	22.78%
International Small Cap	8.03%	-	-	-	-
AQR	8.03%	-	-	-	-
MSCI EAFE Small Cap	7.97%	2.18%	9.59%	(4.95%)	29.30%
Emerging Markets Equity	13.85%	12.99%	(14.33%)	(0.28%)	-
DFA Emerging Markets	13.85%	12.99%	(14.33%)	(0.28%)	-
MSCI Emerging Mkts Index	11.49%	11.60%	(14.60%)	(1.82%)	(2.27%)
Domestic Fixed Income	0.95%	2.87%	0.51%	6.37%	(1.03%)
Met West	0.95%	2.87%	0.51%	6.37%	(1.03%)
Blmbg Aggregate Index	0.82%	2.65%	0.55%	5.97%	(2.02%)
Total Plan	4.35%	7.65%	(0.97%)	5.61%	17.71%
Target*	4.50%	7.43%	(0.69%)	5.84%	16.00%

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

Returns are for annualized calendar years.

** Domestic Equity Benchmark = 80% S&P500, 20% Russell 2000 as of 5/1/2015

*** Custom International Benchmark = MSCI EAFE until 6/30/2013, MSCI ACWI ex US until 7/31/2016, and MSCI ACWI ex US IMI thereafter.

Investment Manager Returns

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

	2012	2011	2010	2009	2008
Domestic Equity	19.19%	2.08%	15.93%	32.93%	(36.27%)
Domestic Equity Benchmark**	16.09%	0.94%	17.33%	28.02%	(36.92%)
Boston Partners	21.95%	1.27%	13.61%	27.06%	(32.69%)
Russell 1000 Value Index	17.51%	0.39%	15.51%	19.69%	(36.85%)
S&P 500 Index	16.00%	2.11%	15.06%	26.47%	(37.00%)
Russell 2000 Index	16.35%	(4.18%)	26.85%	27.17%	(33.79%)
International Equity	17.28%	(10.64%)	6.51%	28.99%	(39.41%)
MSCI EAFE Index	17.32%	(12.14%)	7.75%	31.78%	(43.38%)
Domestic Fixed Income	9.48%	6.10%	12.52%	19.88%	(3.11%)
Met West	9.48%	6.10%	12.52%	19.88%	(3.11%)
Blmbg Aggregate Index	4.21%	7.84%	6.54%	5.93%	5.24%
Total Plan	14.80%	1.22%	12.70%	26.91%	(23.45%)
Target*	11.68%	1.52%	11.85%	20.02%	(23.33%)

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

** Domestic Equity Benchmark = 80% S&P500, 20% Russell 2000 as of 5/1/2015

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended March 31, 2017. Negative returns are shown in red, positive returns in black. Returns for one year or greater are annualized. The first set of returns for each asset class represents the composite returns for all the fund's accounts for that asset class.

Returns for Periods Ended March 31, 2017

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Net of Fee Returns					
Domestic Equity	4.23%	17.60%	-	-	-
Large Cap Equity	4.95%	18.11%	-	-	-
Boston Partners	3.87%	19.04%	7.14%	12.76%	12.21%
Russell 1000 Value Index	3.27%	19.22%	8.67%	13.13%	12.18%
SSgA S&P 500	6.05%	17.17%	10.38%	13.94%	-
S&P 500 Index	6.07%	17.17%	10.37%	13.30%	12.94%
Small Cap Equity	1.57%	15.78%	-	-	-
Atlanta Capital	1.57%	15.78%	9.25%	13.08%	13.63%
Russell 2000 Index	2.47%	26.22%	7.22%	12.35%	12.27%
International Equity	9.41%	13.32%	-	-	-
International Large Cap	8.28%	13.35%	-	-	-
JP Morgan	8.66%	14.88%	1.16%	5.13%	4.75%
SSgA EAFE	7.34%	12.00%	0.73%	7.53%	-
MSCI EAFE Index	7.25%	11.67%	0.50%	5.83%	4.72%
International Small Cap	7.78%	-	-	-	-
AQR	7.78%	-	-	-	-
MSCI EAFE Small Cap Index	7.97%	10.99%	3.60%	9.20%	8.29%
Emerging Markets Equity	13.68%	19.01%	-	-	-
DFA Emerging Markets	13.68%	19.01%	2.29%	-	-
MSCI Emerging Mkts Index	11.49%	17.65%	1.55%	1.17%	2.04%
Domestic Fixed Income	0.88%	1.02%	-	-	-
Met West	0.88%	1.02%	2.59%	2.97%	4.37%
Blmbg Aggregate Index	0.82%	0.44%	2.68%	2.34%	3.48%
Total Plan	4.25%	10.67%	4.73%	7.37%	7.76%
Target*	4.50%	10.88%	5.14%	7.34%	7.67%

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

Domestic Equity Period Ended March 31, 2017

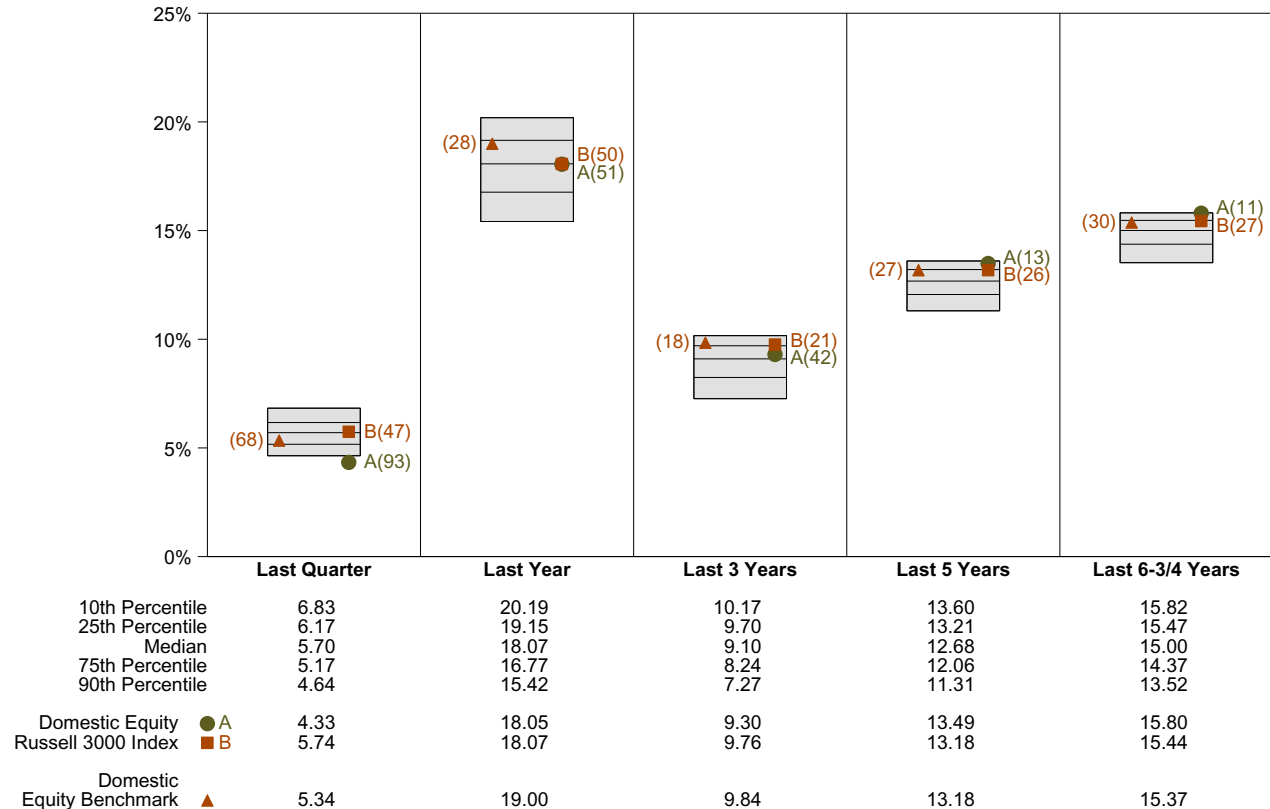
Investment Philosophy

Domestic Equity Benchmark = 80% S&P500, 20% Russell 2000 as of 5/1/2015

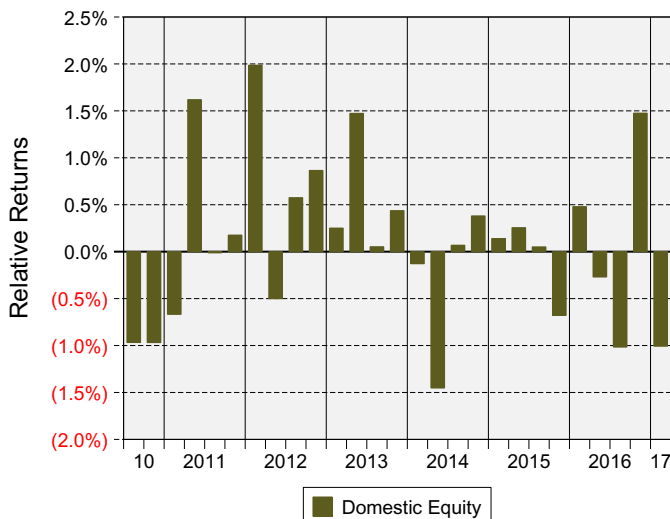
Quarterly Summary and Highlights

- Domestic Equity's portfolio posted a 4.33% return for the quarter placing it in the 93 percentile of the Fund Spnsr-Domestic Equity group for the quarter and in the 51 percentile for the last year.
- Domestic Equity's portfolio underperformed the Domestic Equity Benchmark by 1.01% for the quarter and underperformed the Domestic Equity Benchmark for the year by 0.95%.

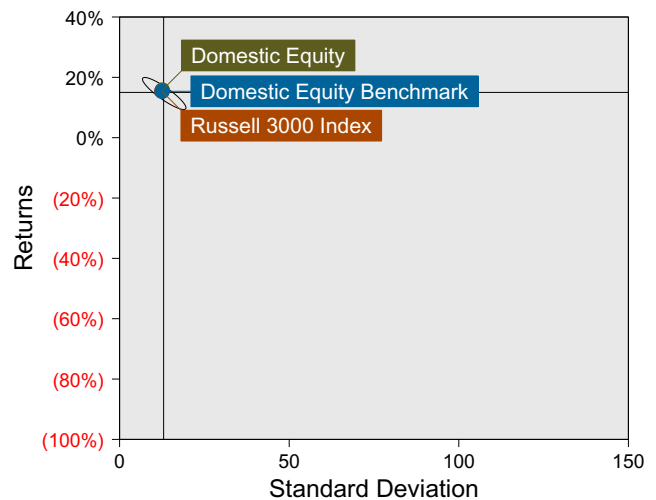
Performance vs Fund Spnsr- Domestic Equity (Gross)



Relative Returns vs Domestic Equity Benchmark



Fund Spnsr- Domestic Equity (Gross) Annualized Six and Three-Quarter Year Risk vs Return

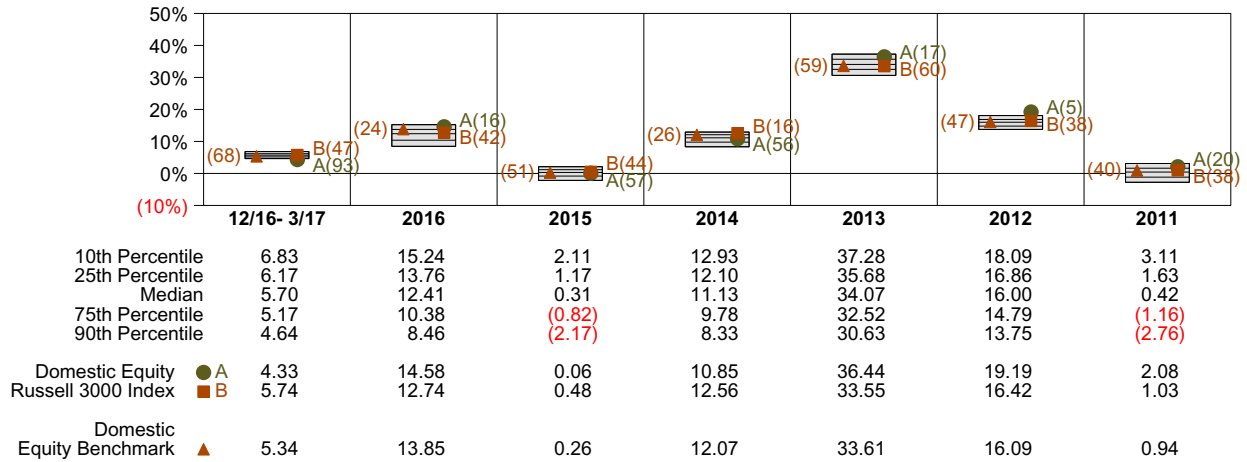


Domestic Equity Return Analysis Summary

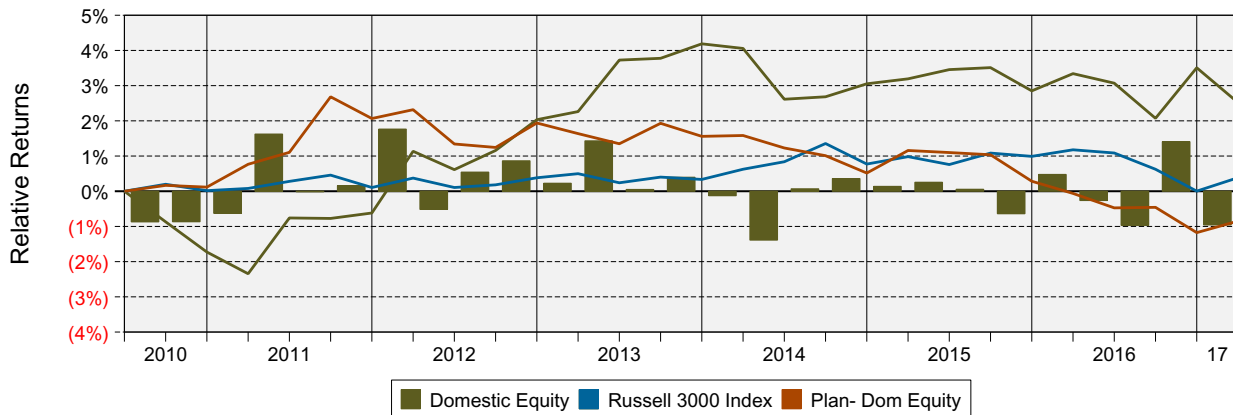
Return Analysis

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

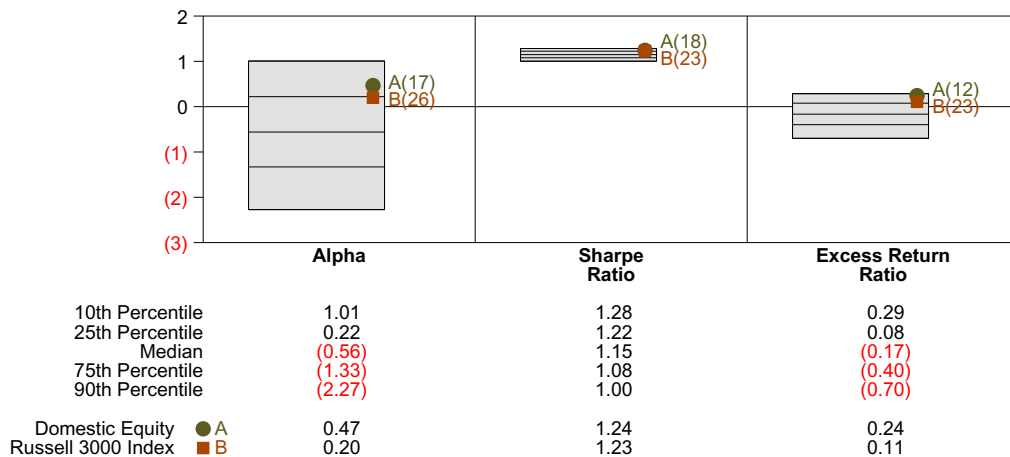
Performance vs Fund Spnsr- Domestic Equity (Gross)



Cumulative and Quarterly Relative Return vs Domestic Equity Benchmark



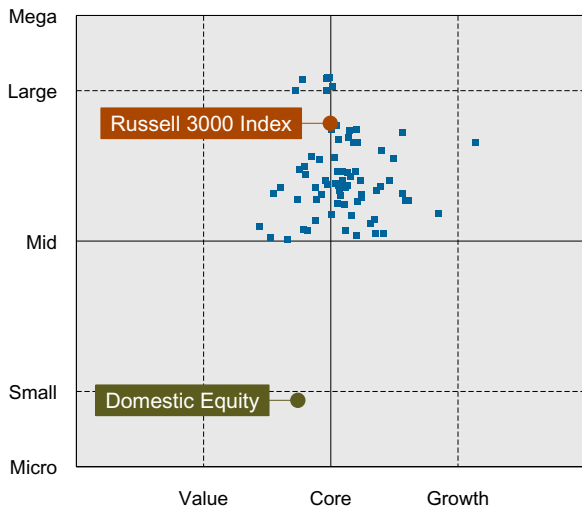
Risk Adjusted Return Measures vs Domestic Equity Benchmark Rankings Against Fund Spnsr- Domestic Equity (Gross) Six and Three-Quarter Years Ended March 31, 2017



Current Holdings Based Style Analysis Domestic Equity As of March 31, 2017

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

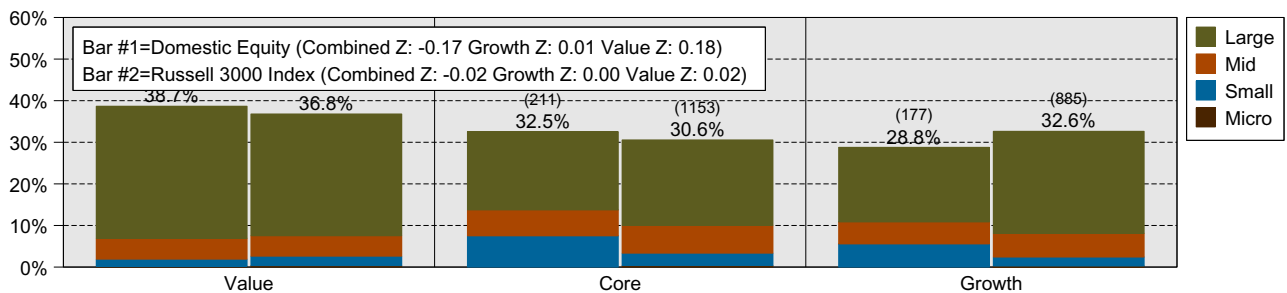
Style Map vs Plan- Dom Equity Holdings as of March 31, 2017



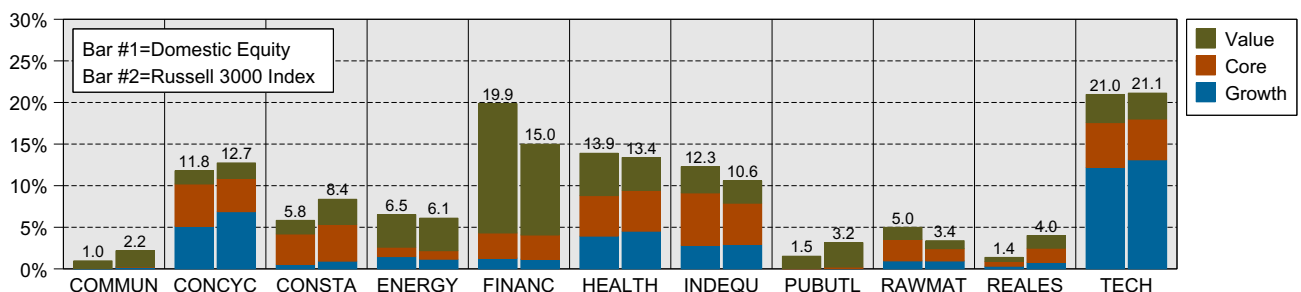
Style Exposure Matrix Holdings as of March 31, 2017

	Value	Core	Growth	Total
Large	31.7% (107)	18.8% (89)	17.9% (98)	68.5% (294)
	29.3% (105)	20.5% (89)	24.5% (98)	74.3% (292)
Mid	5.0% (80)	6.2% (97)	5.3% (64)	16.5% (241)
	4.9% (168)	6.7% (221)	5.7% (196)	17.3% (585)
Small	1.7% (8)	7.5% (25)	5.6% (15)	14.8% (48)
	2.3% (344)	3.0% (461)	2.2% (366)	7.4% (1171)
Micro	0.2% (2)	0.0% (0)	0.0% (0)	0.2% (2)
	0.4% (269)	0.4% (382)	0.3% (225)	1.0% (876)
Total	38.7% (197)	32.5% (211)	28.8% (177)	100.0% (585)
	36.8% (886)	30.6% (1153)	32.6% (885)	100.0% (2924)

Combined Z-Score Style Distribution Holdings as of March 31, 2017



Sector Weights Distribution Holdings as of March 31, 2017



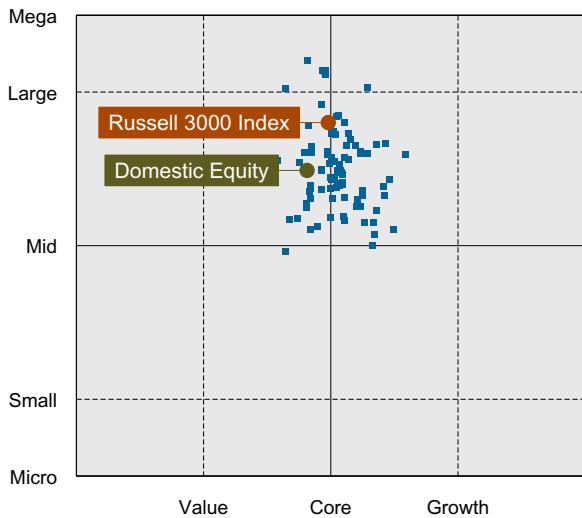
Historical Holdings Based Style Analysis

Domestic Equity

For Five Years Ended March 31, 2017

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

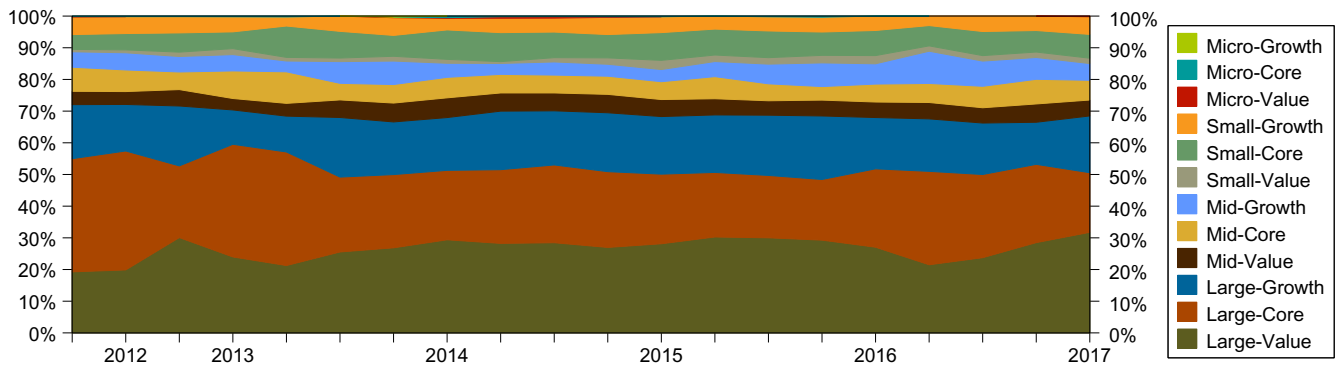
Average Style Map vs Plan- Dom Equity Holdings for Five Years Ended March 31, 2017



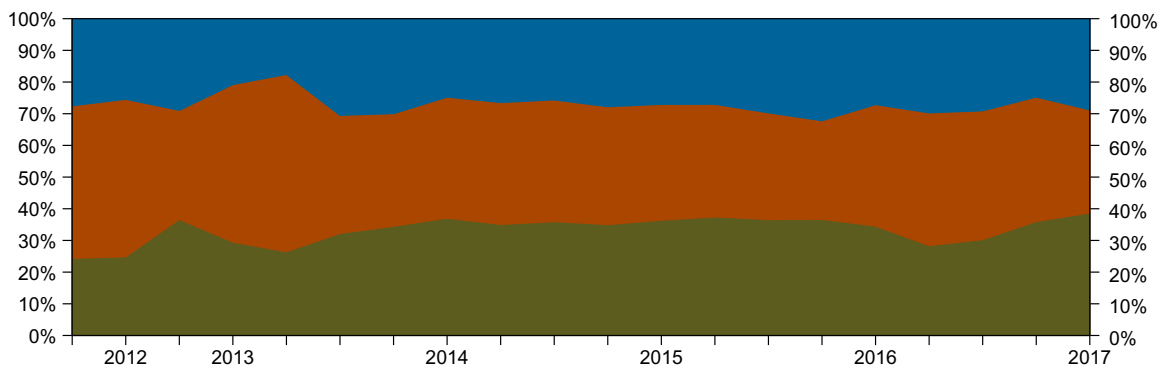
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2017

	Value	Core	Growth	Total
Large	26.5% (91)	25.6% (103)	16.7% (96)	68.9% (290)
	24.7% (91)	25.3% (104)	23.5% (103)	73.4% (298)
Mid	5.1% (89)	6.4% (87)	5.6% (63)	17.1% (239)
	5.3% (174)	6.3% (217)	6.3% (208)	17.9% (599)
Small	1.6% (10)	7.5% (27)	4.6% (15)	13.7% (52)
	2.3% (344)	3.0% (477)	2.3% (382)	7.6% (1203)
Micro	0.1% (1)	0.1% (1)	0.0% (0)	0.3% (2)
	0.4% (292)	0.4% (368)	0.3% (208)	1.0% (868)
Total	33.3% (191)	39.6% (218)	27.0% (174)	100.0% (583)
	32.7% (901)	35.0% (1166)	32.4% (901)	100.0% (2968)

Domestic Equity Historical Cap/Style Exposures



Domestic Equity Historical Style Only Exposures

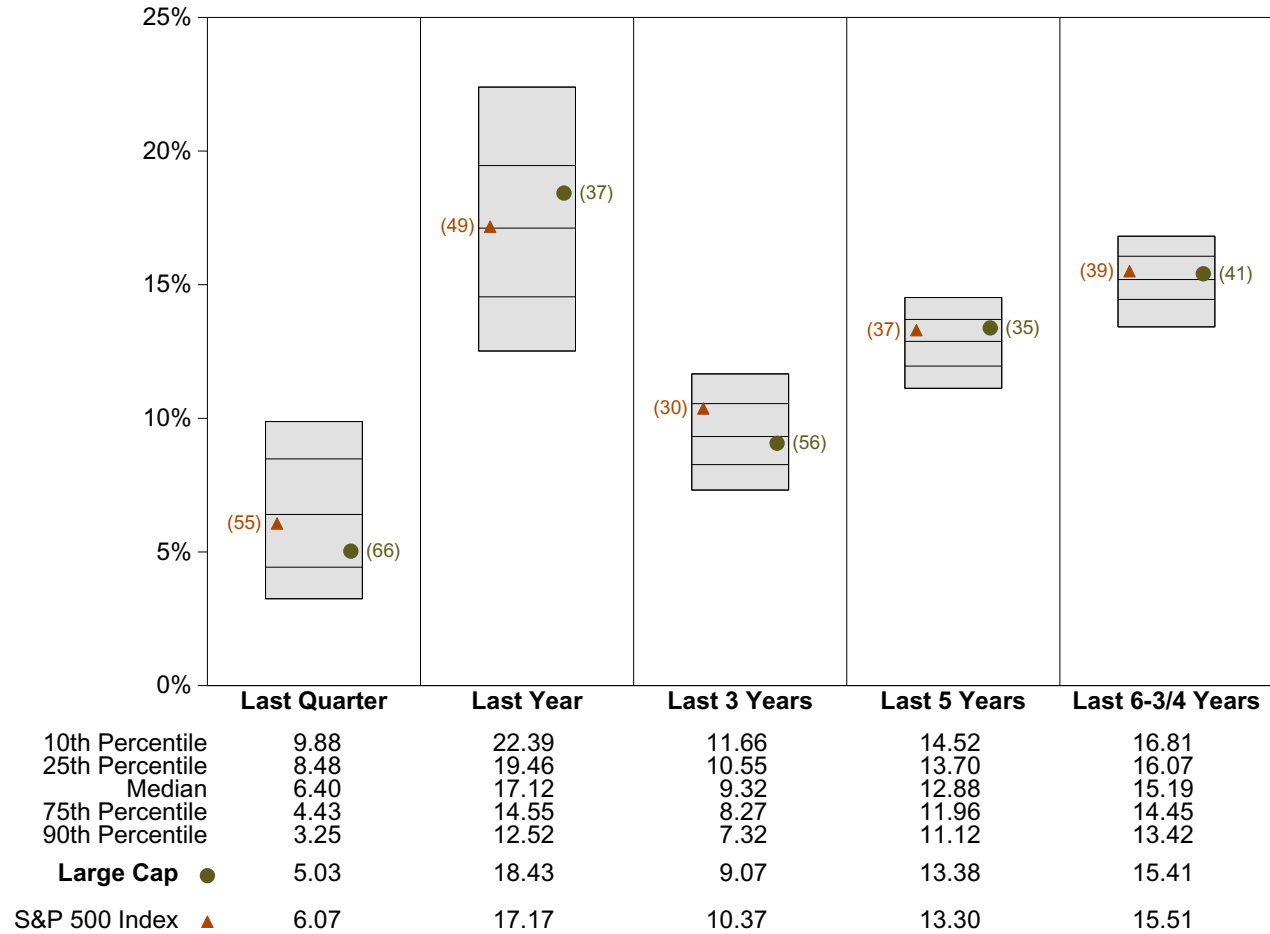


Large Cap Period Ended March 31, 2017

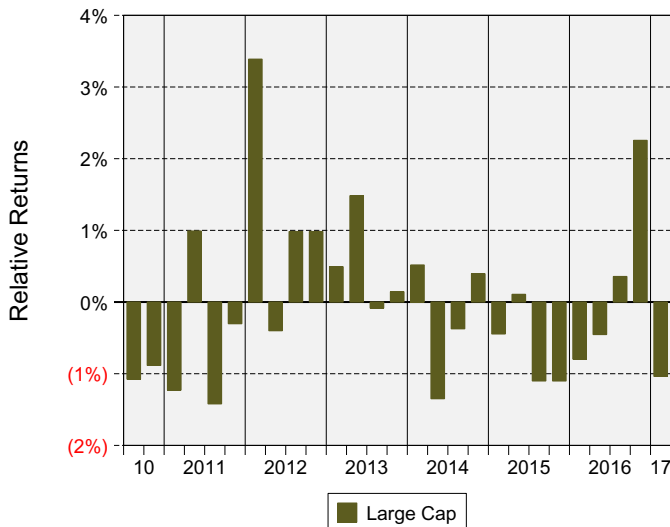
Quarterly Summary and Highlights

- Large Cap's portfolio posted a 5.03% return for the quarter placing it in the 66 percentile of the CAI Large Capitalization group for the quarter and in the 37 percentile for the last year.
- Large Cap's portfolio underperformed the S&P 500 Index by 1.04% for the quarter and outperformed the S&P 500 Index for the year by 1.26%.

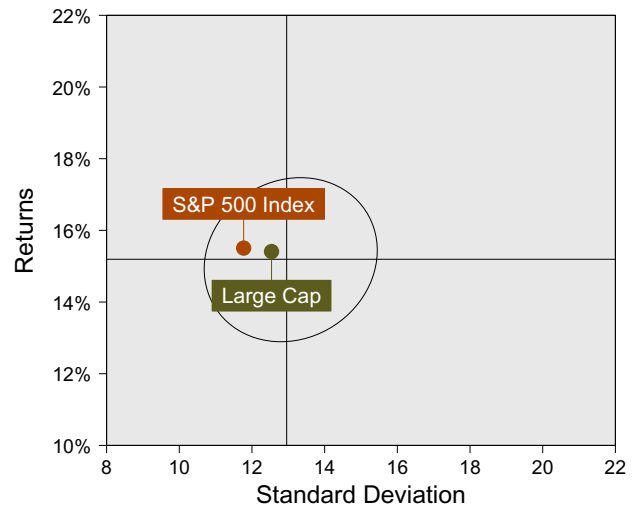
Performance vs CAI Large Capitalization (Gross)



Relative Return vs S&P 500 Index



CAI Large Capitalization (Gross)
Annualized Six and Three-Quarter Year Risk vs Return

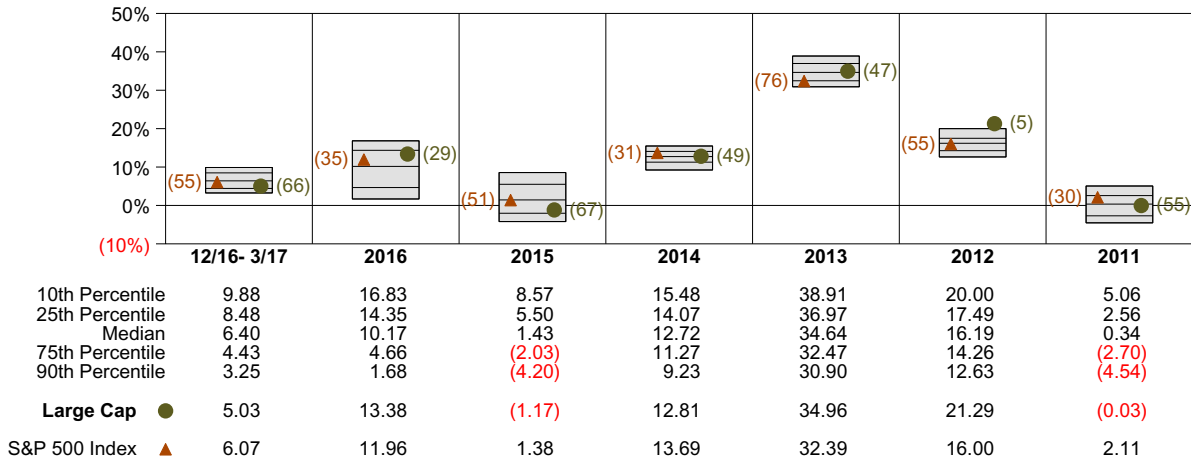


Large Cap Return Analysis Summary

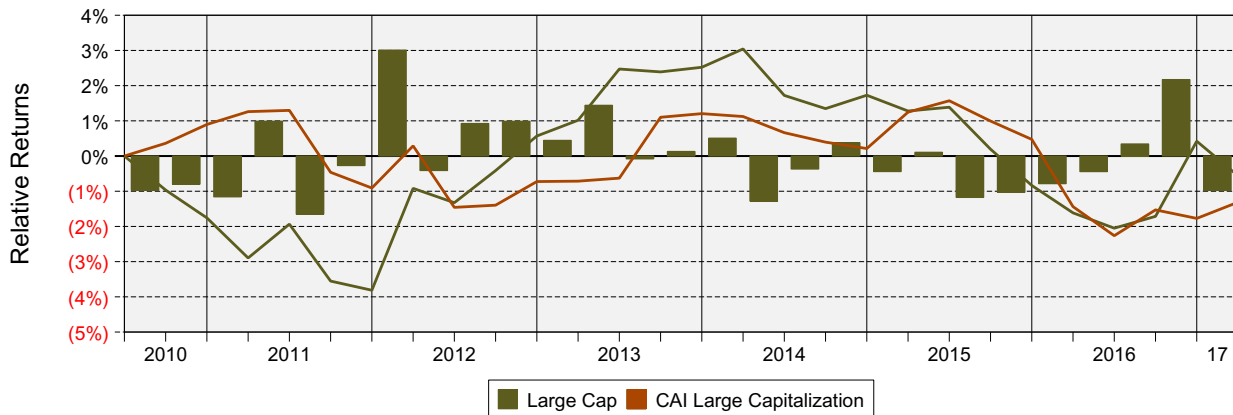
Return Analysis

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

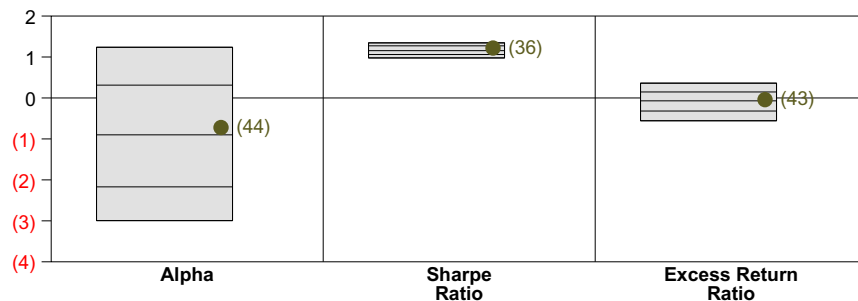
Performance vs CAI Large Capitalization (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI Large Capitalization (Gross) Six and Three-Quarter Years Ended March 31, 2017



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	1.24	1.35	0.36
25th Percentile	0.31	1.27	0.15
Median	(0.90)	1.15	(0.07)
75th Percentile	(2.17)	1.06	(0.32)
90th Percentile	(2.99)	0.98	(0.56)
Large Cap ●	(0.72)	1.22	(0.04)

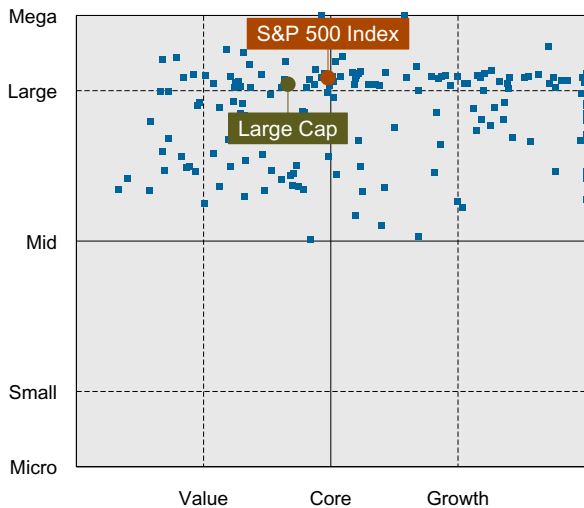
Current Holdings Based Style Analysis

Large Cap

As of March 31, 2017

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.

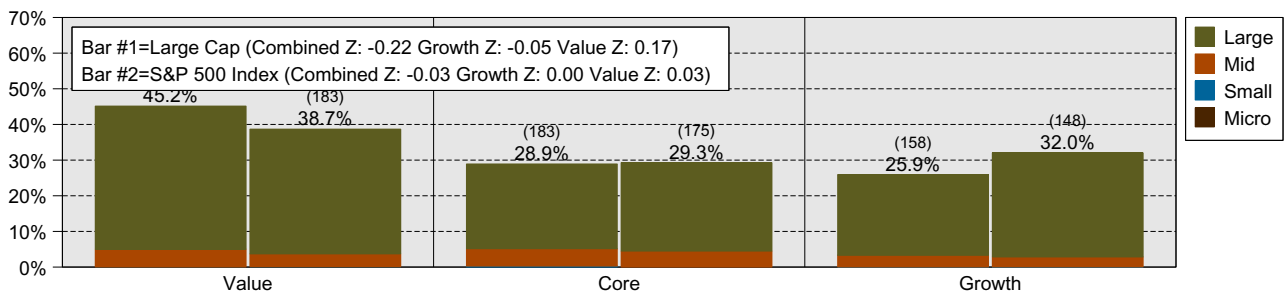
Style Map vs CAI Large Capitalization Holdings as of March 31, 2017



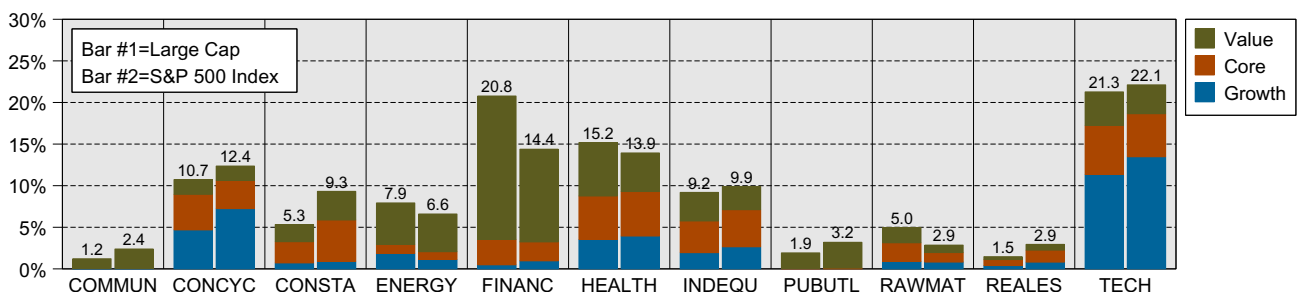
Style Exposure Matrix Holdings as of March 31, 2017

	Value	Core	Growth	Total
Large	40.1% (107)	23.8% (89)	22.6% (98)	86.5% (294)
	35.0% (105)	24.8% (87)	29.2% (92)	89.0% (284)
Mid	5.0% (77)	4.9% (92)	3.3% (58)	13.2% (227)
	3.6% (75)	4.5% (88)	2.8% (54)	10.9% (217)
Small	0.0% (2)	0.3% (2)	0.0% (2)	0.3% (6)
	0.0% (2)	0.0% (0)	0.0% (2)	0.0% (4)
Micro	0.0% (1)	0.0% (0)	0.0% (0)	0.0% (1)
	0.1% (1)	0.0% (0)	0.0% (0)	0.1% (1)
Total	45.2% (187)	28.9% (183)	25.9% (158)	100.0% (528)
	38.7% (183)	29.3% (175)	32.0% (148)	100.0% (506)

Combined Z-Score Style Distribution Holdings as of March 31, 2017



Sector Weights Distribution Holdings as of March 31, 2017



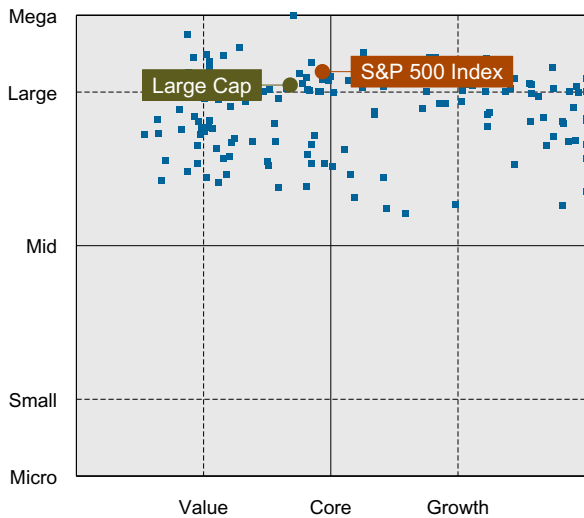
Historical Holdings Based Style Analysis

Large Cap

For Five Years Ended March 31, 2017

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.

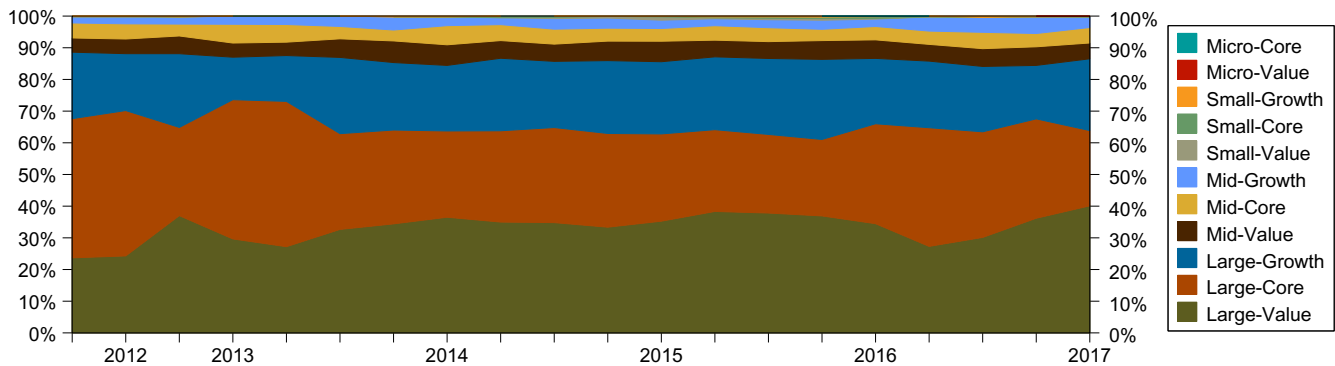
Average Style Map vs CAI Large Capitalization Holdings for Five Years Ended March 31, 2017



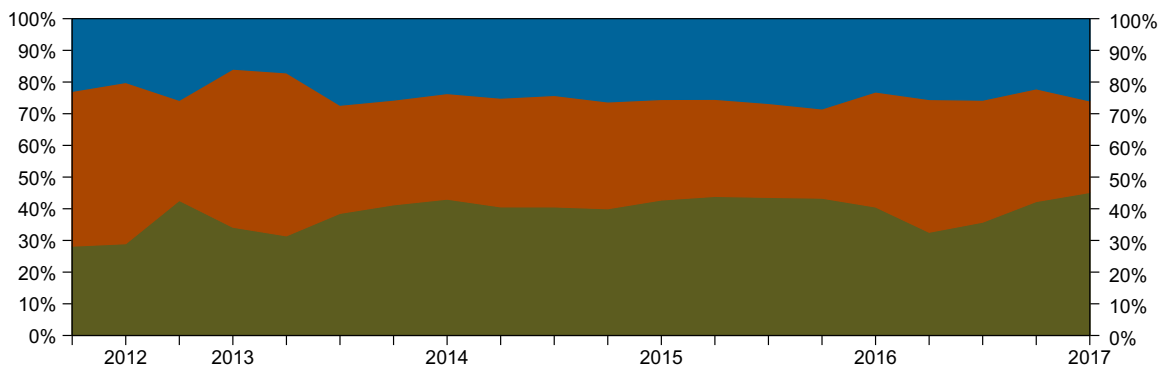
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2017

	33.3% (91)	32.1% (103)	21.0% (96)	86.4% (290)
Large	30.3% (90)	30.9% (101)	28.0% (94)	89.1% (285)
Mid	5.5% (87)	4.6% (81)	3.0% (55)	13.1% (223)
Small	0.2% (5)	0.2% (3)	0.1% (2)	0.5% (10)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	39.0% (183)	36.9% (187)	24.1% (153)	100.0% (523)
	Value	Core	Growth	Total

Large Cap Historical Cap/Style Exposures



Large Cap Historical Style Only Exposures



SSgA S&P 500

Period Ended March 31, 2017

Investment Philosophy

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

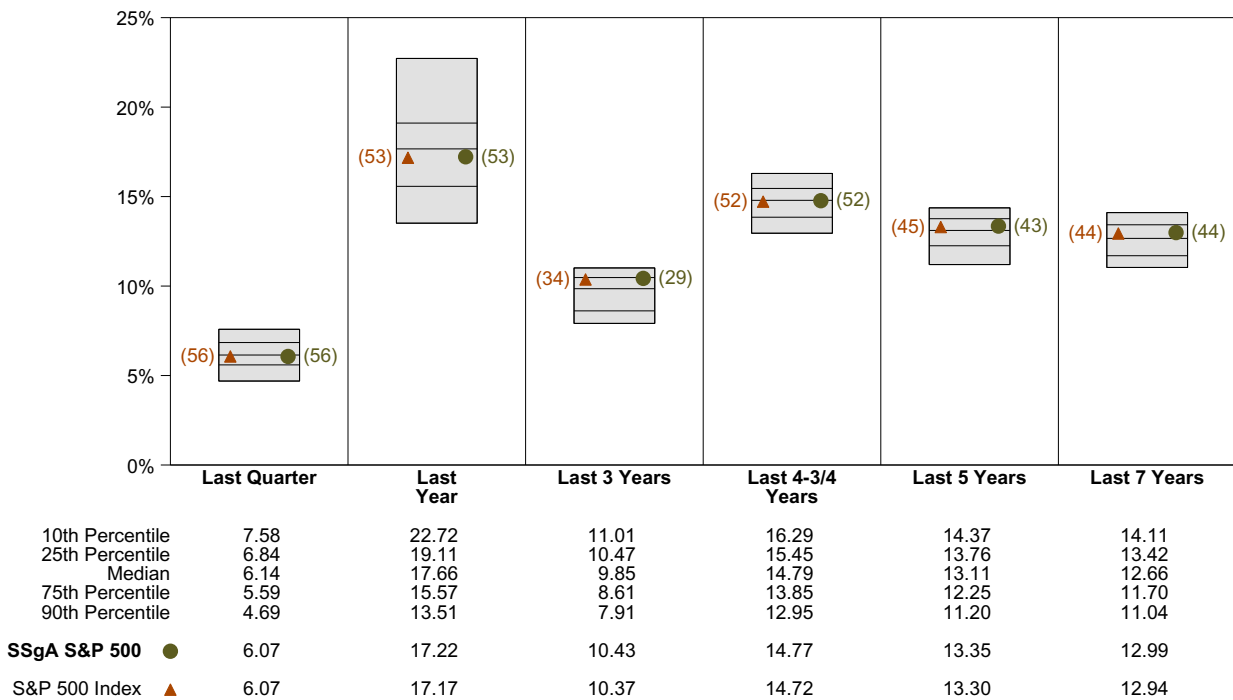
Quarterly Summary and Highlights

- SSgA S&P 500's portfolio posted a 6.07% return for the quarter placing it in the 56 percentile of the CAI Large Cap Core group for the quarter and in the 53 percentile for the last year.
- SSgA S&P 500's portfolio underperformed the S&P 500 Index by 0.00% for the quarter and outperformed the S&P 500 Index for the year by 0.05%.

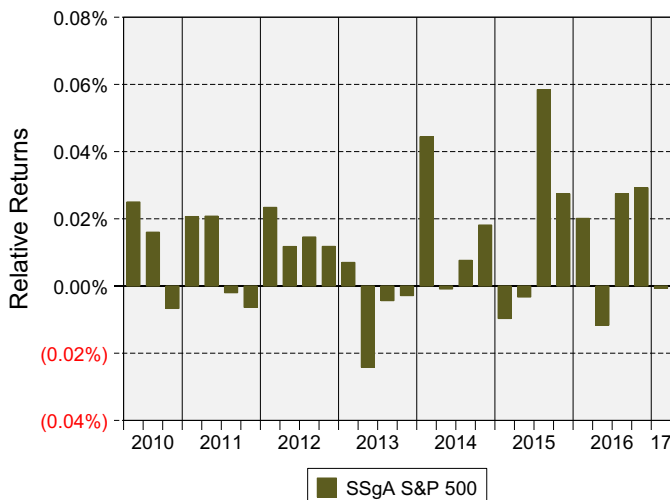
Quarterly Asset Growth

Beginning Market Value	\$42,917,899
Net New Investment	\$-211,338
Investment Gains/(Losses)	\$2,603,212
Ending Market Value	\$45,309,773

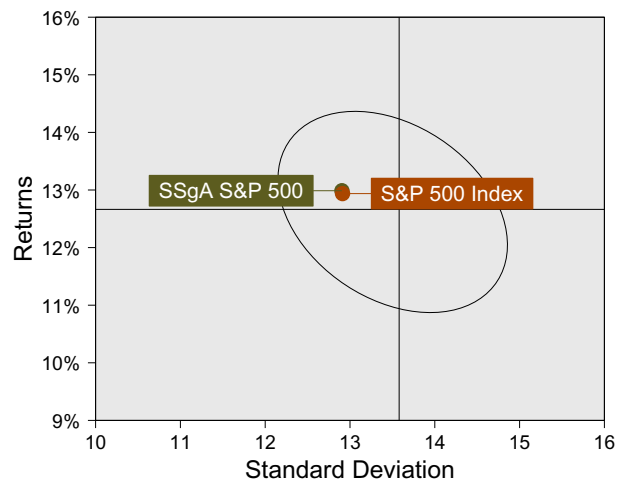
Performance vs CAI Large Cap Core (Gross)



Relative Return vs S&P 500 Index



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

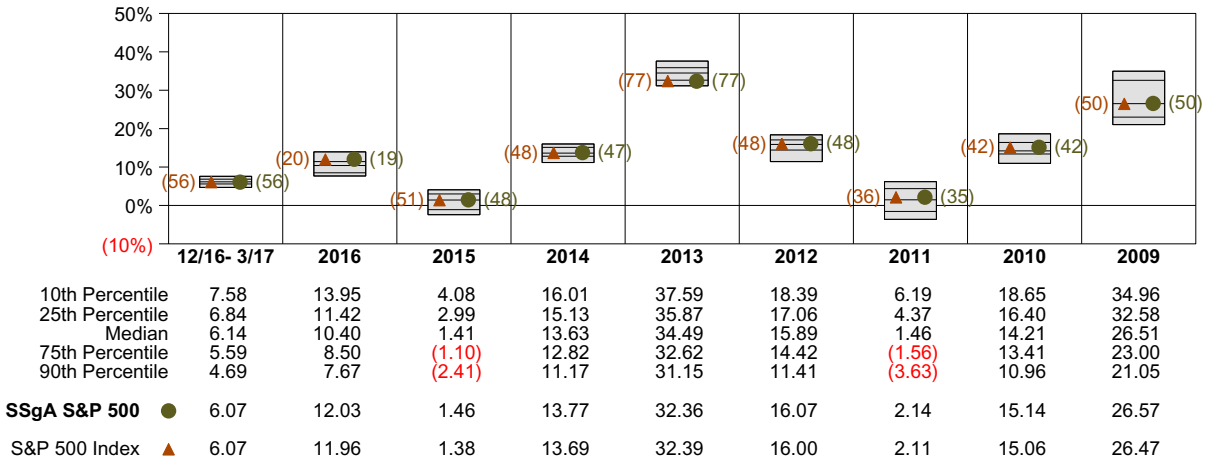


SSgA S&P 500 Return Analysis Summary

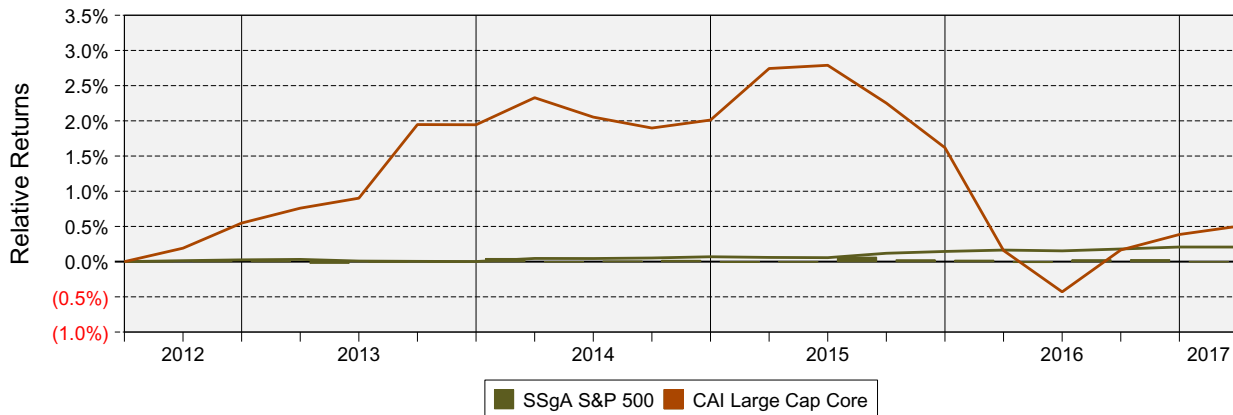
Return Analysis

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

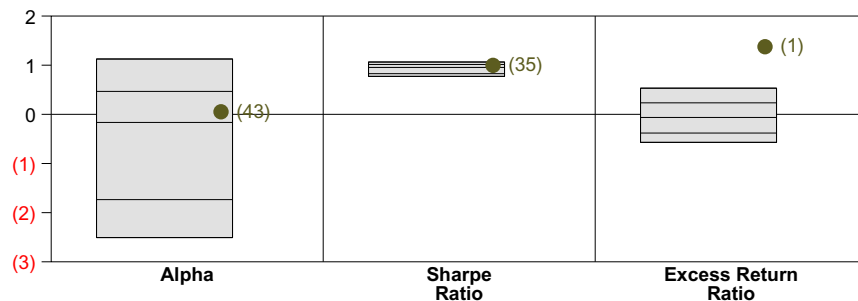
Performance vs CAI Large Cap Core (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against CAI Large Cap Core (Gross) Seven Years Ended March 31, 2017



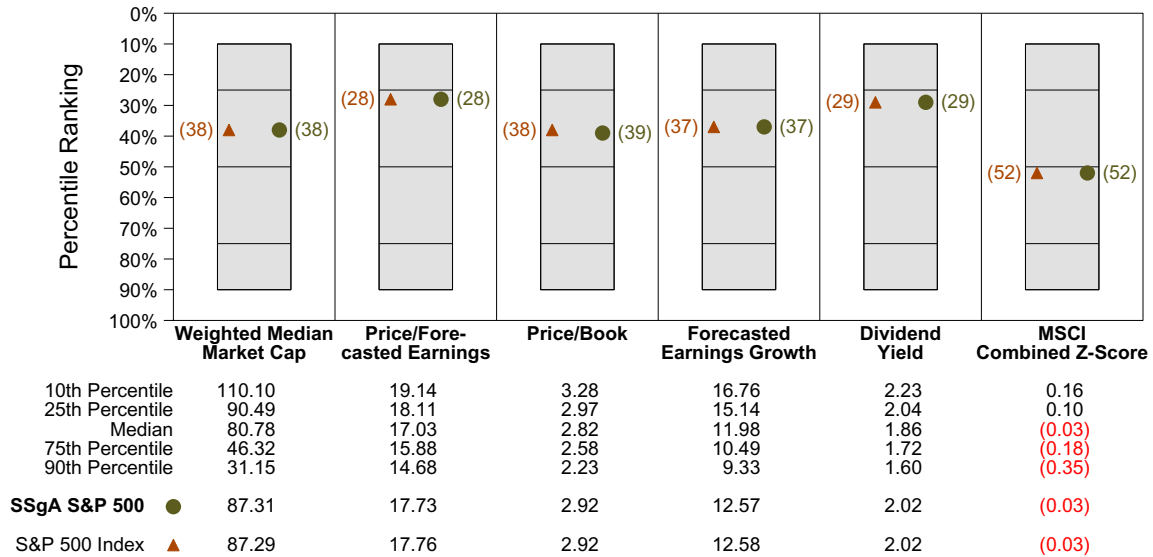
10th Percentile	1.13	1.06	0.53
25th Percentile	0.47	1.01	0.23
Median	(0.16)	0.95	(0.06)
75th Percentile	(1.73)	0.83	(0.38)
90th Percentile	(2.51)	0.77	(0.57)
SSgA S&P 500	0.05	1.00	1.38

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.

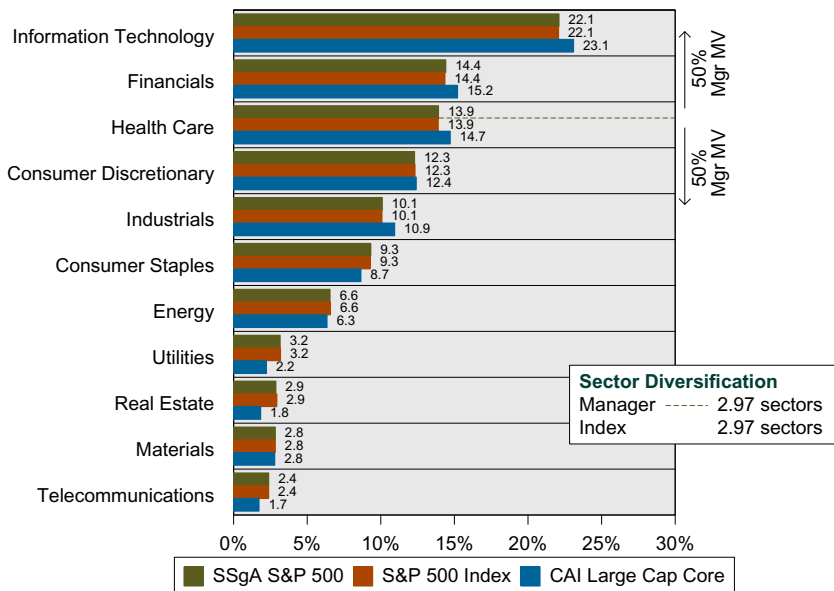
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Core as of March 31, 2017



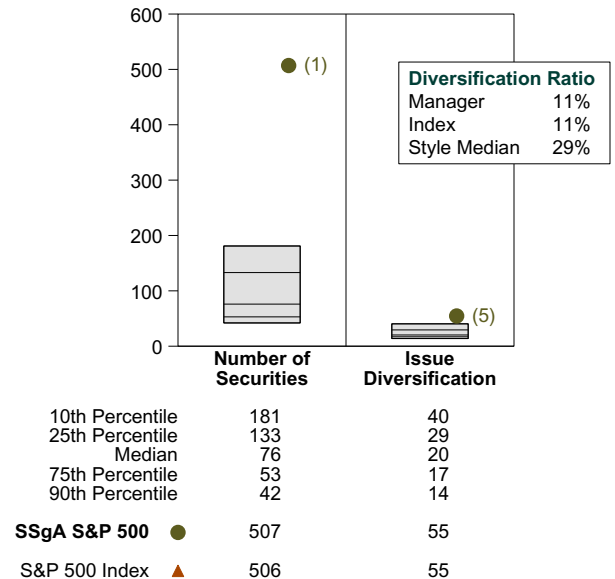
Sector Weights

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

Sector Allocation March 31, 2017



Diversification March 31, 2017



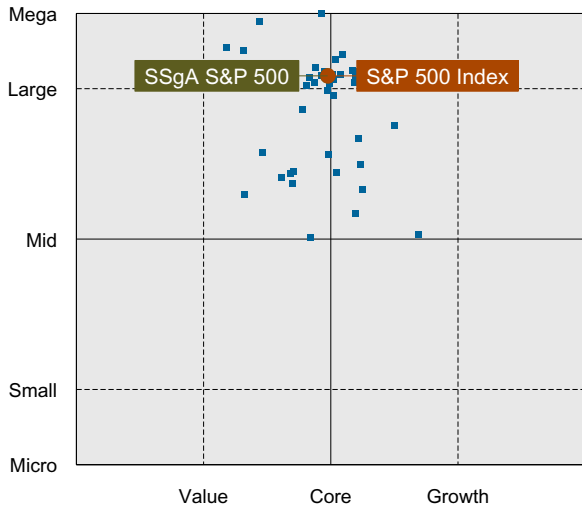
Current Holdings Based Style Analysis

SSgA S&P 500

As of March 31, 2017

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.

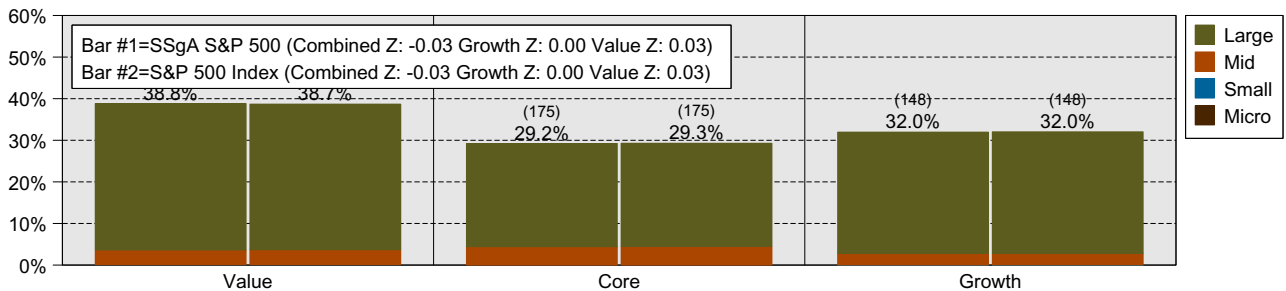
Style Map vs CAI Large Cap Core Holdings as of March 31, 2017



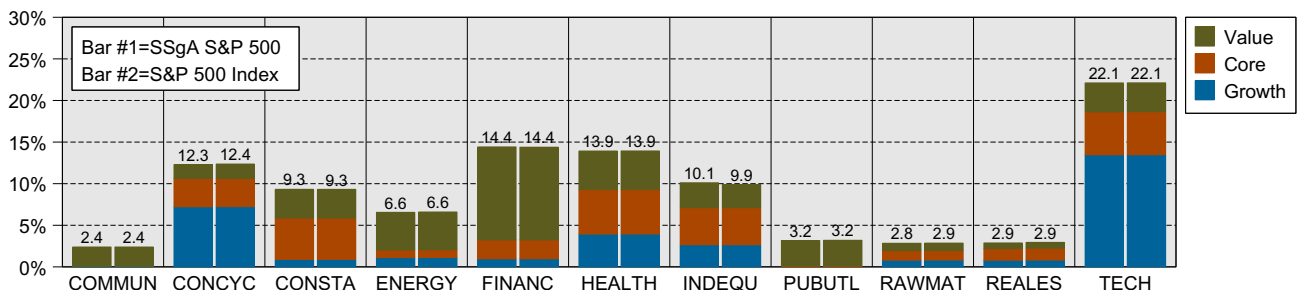
Style Exposure Matrix Holdings as of March 31, 2017

	Value	Core	Growth	Total
Large	35.2% (106)	24.8% (87)	29.2% (92)	89.2% (285)
Mid	3.5% (75)	4.4% (88)	2.8% (55)	10.7% (218)
Small	0.0% (2)	0.0% (0)	0.0% (1)	0.0% (3)
Micro	0.1% (1)	0.0% (0)	0.0% (0)	0.1% (1)
Total	38.8% (184)	29.2% (175)	32.0% (148)	100.0% (507)
	38.7% (183)	29.3% (175)	32.0% (148)	100.0% (506)

Combined Z-Score Style Distribution Holdings as of March 31, 2017



Sector Weights Distribution Holdings as of March 31, 2017



Boston Partners Period Ended March 31, 2017

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.

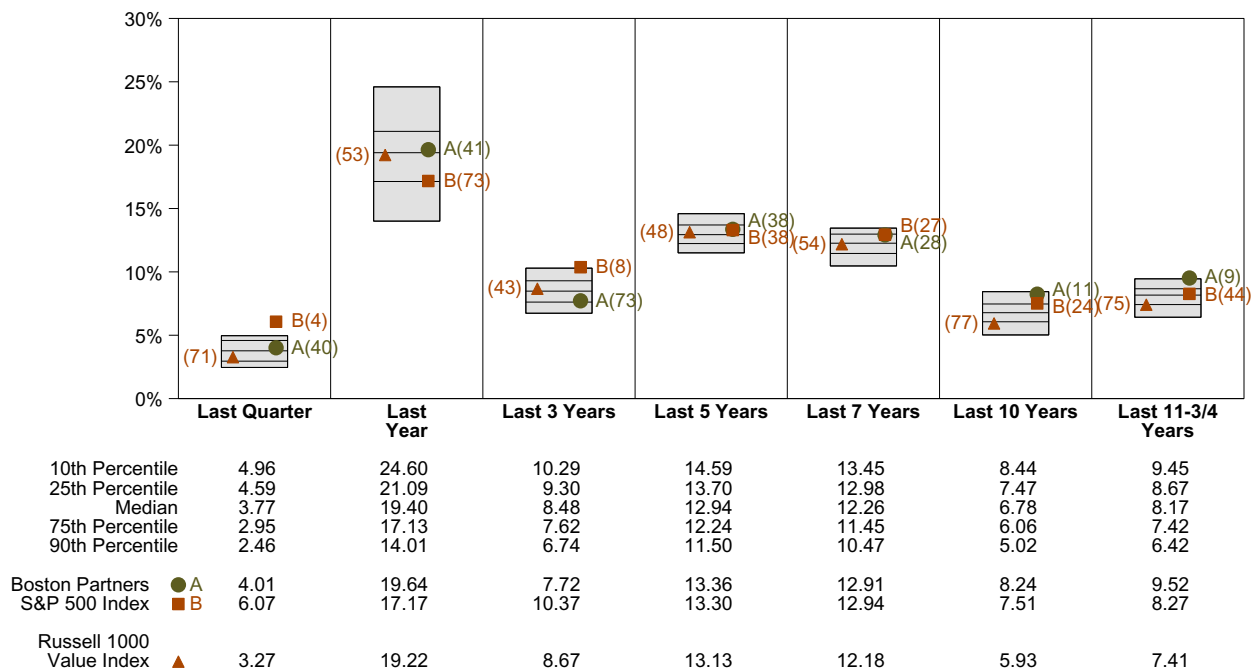
Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 4.01% return for the quarter placing it in the 40 percentile of the CAI Large Cap Value group for the quarter and in the 41 percentile for the last year.
- Boston Partners's portfolio outperformed the Russell 1000 Value Index by 0.74% for the quarter and outperformed the Russell 1000 Value Index for the year by 0.42%.

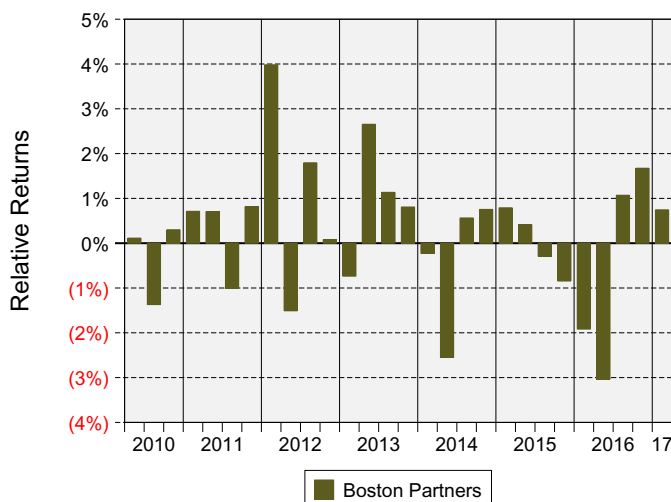
Quarterly Asset Growth

Beginning Market Value	\$43,639,988
Net New Investment	\$-718,823
Investment Gains/(Losses)	\$1,738,725
Ending Market Value	\$44,659,889

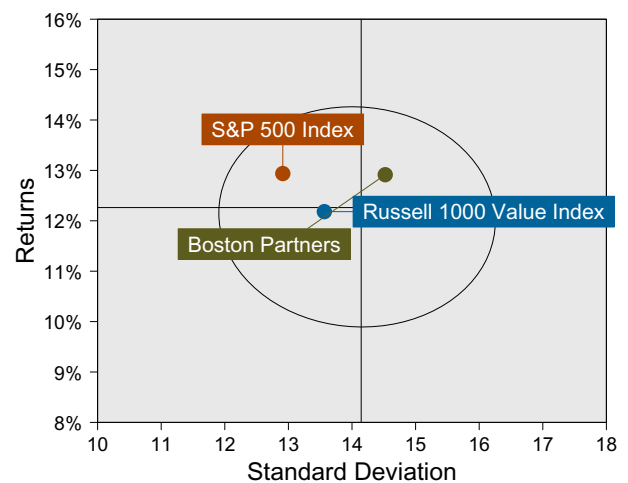
Performance vs CAI Large Cap Value (Gross)



Relative Return vs Russell 1000 Value Index



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

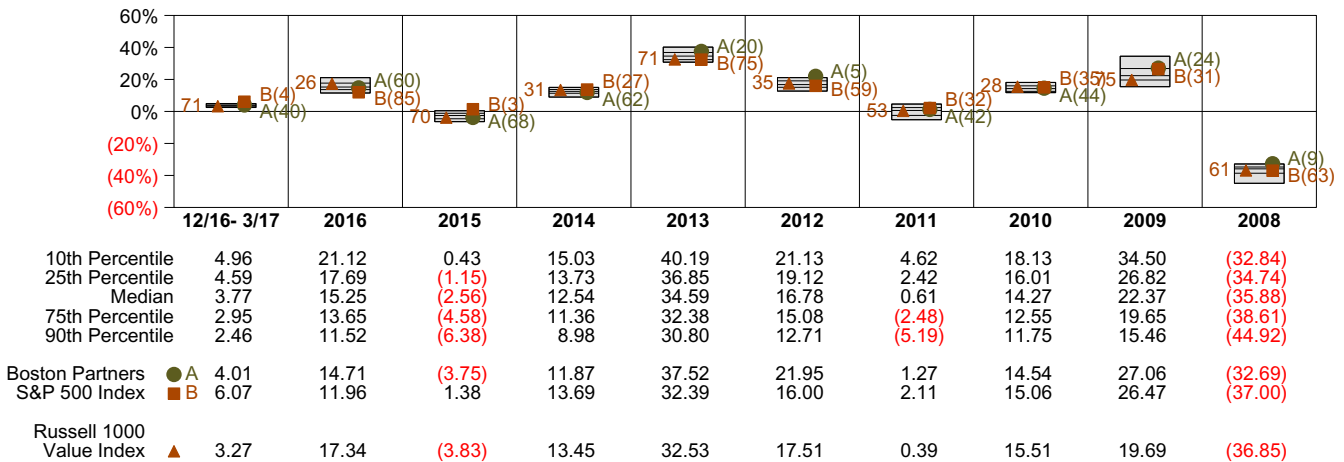


Boston Partners Return Analysis Summary

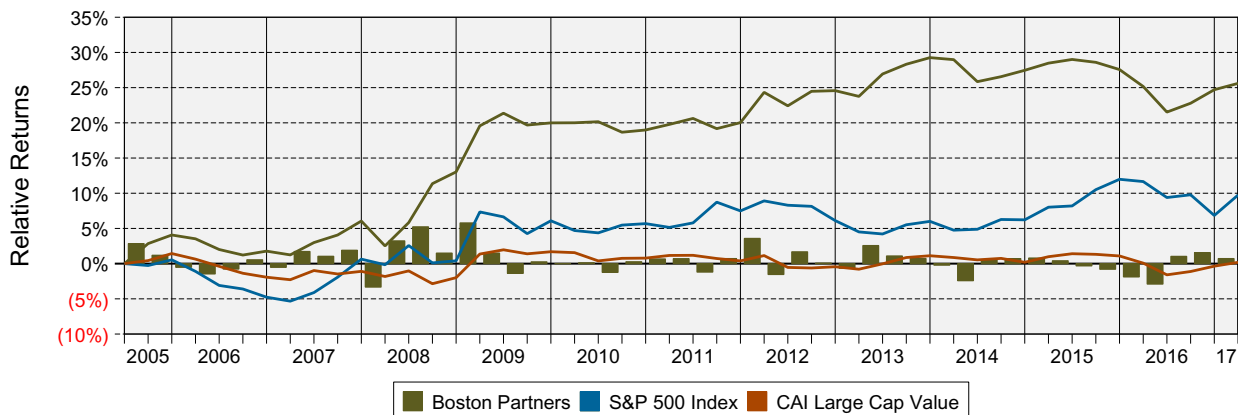
Return Analysis

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

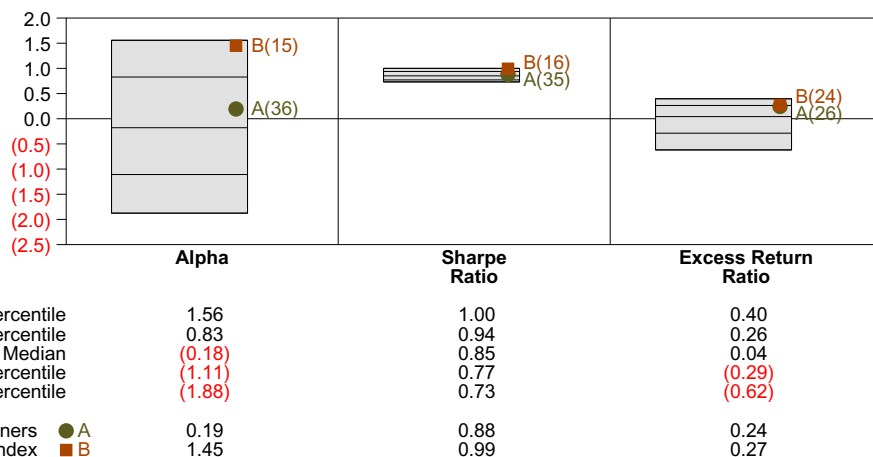
Performance vs CAI Large Cap Value (Gross)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against CAI Large Cap Value (Gross) Seven Years Ended March 31, 2017

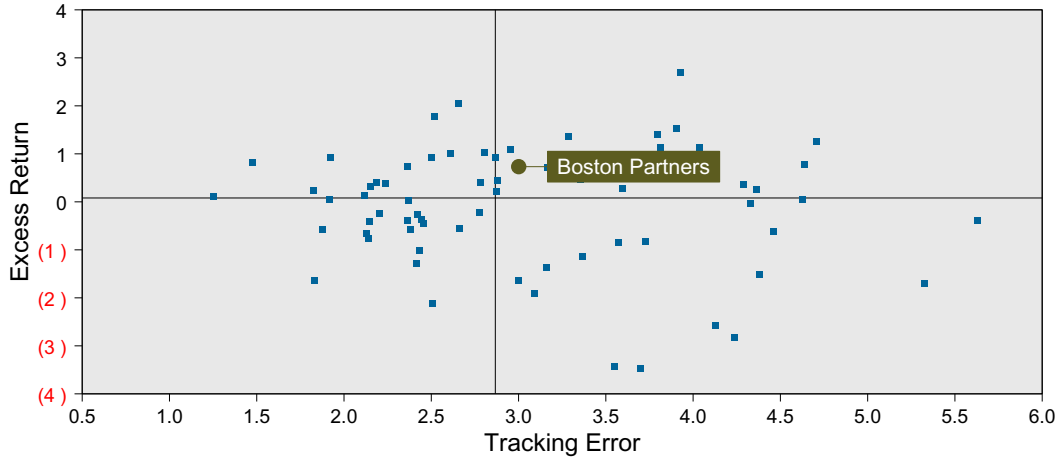


Boston Partners Risk Analysis Summary

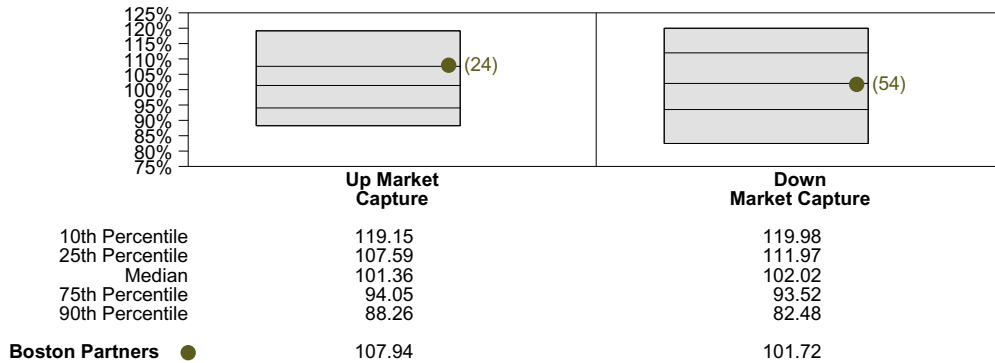
Risk Analysis

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

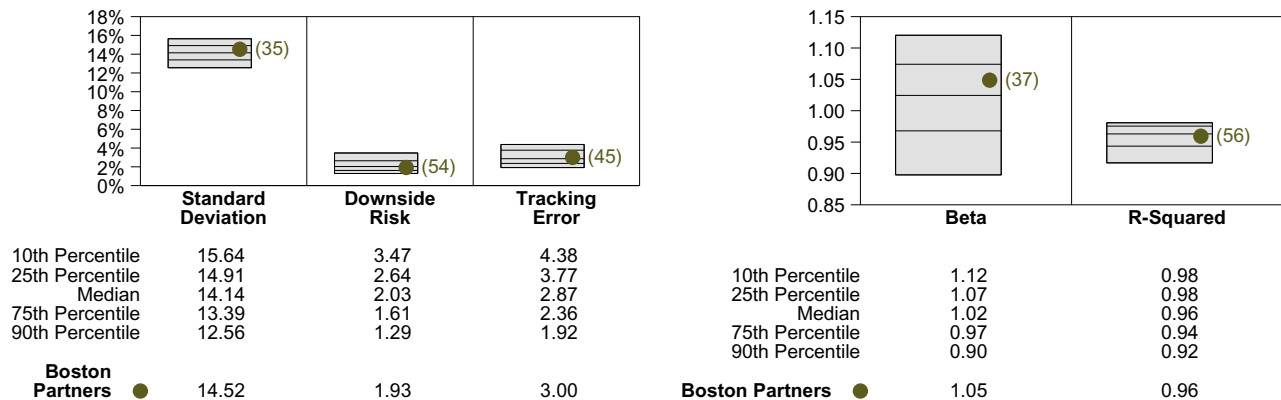
Risk Analysis vs CAI Large Cap Value (Gross) Seven Years Ended March 31, 2017



Market Capture vs Russell 1000 Value Index Rankings Against CAI Large Cap Value (Gross) Seven Years Ended March 31, 2017



Risk Statistics Rankings vs Russell 1000 Value Index Rankings Against CAI Large Cap Value (Gross) Seven Years Ended March 31, 2017

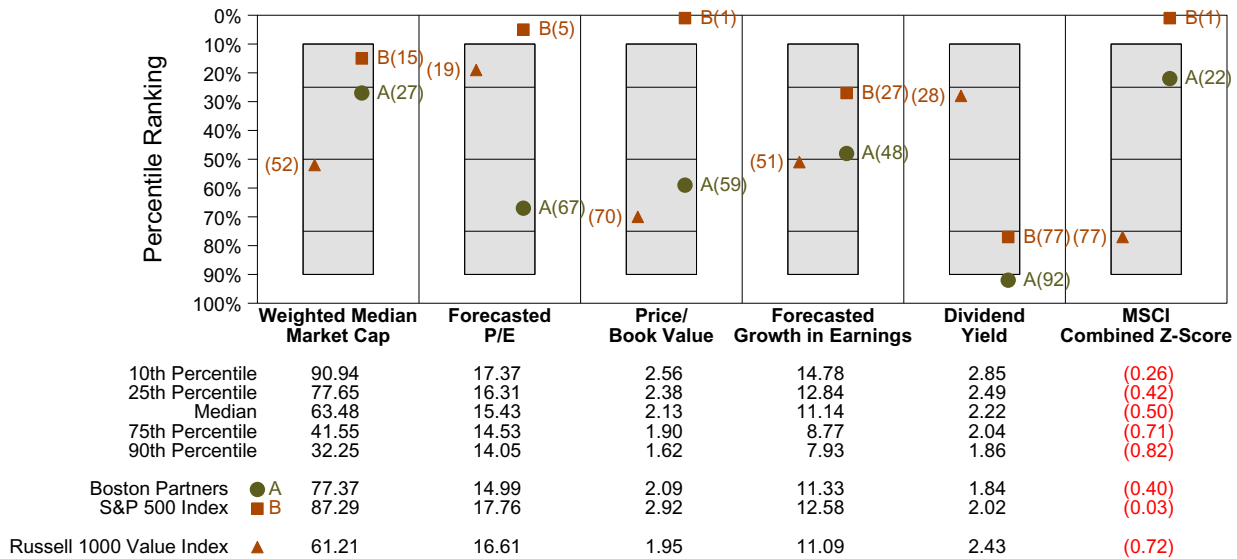


Boston Partners Equity Characteristics Analysis Summary

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.

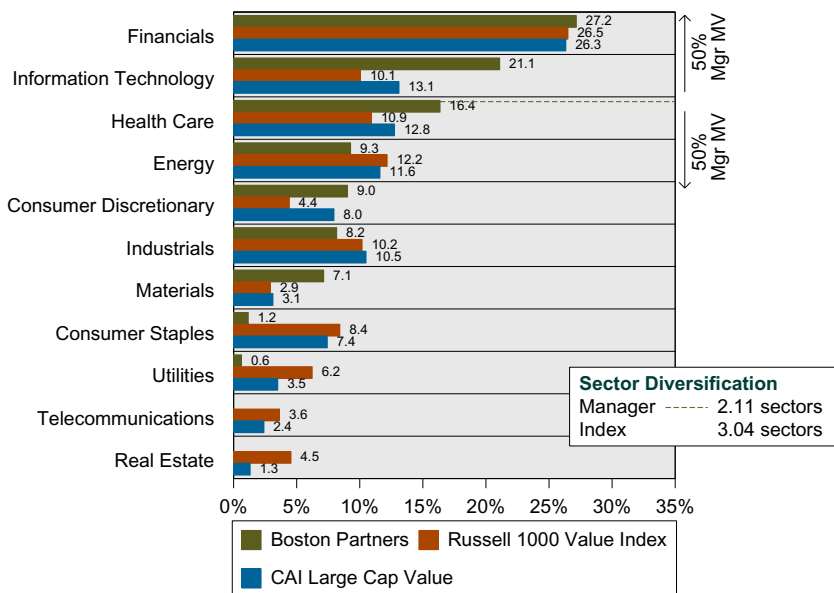
Portfolio Characteristics Percentile Rankings Rankings Against CAI Large Cap Value as of March 31, 2017



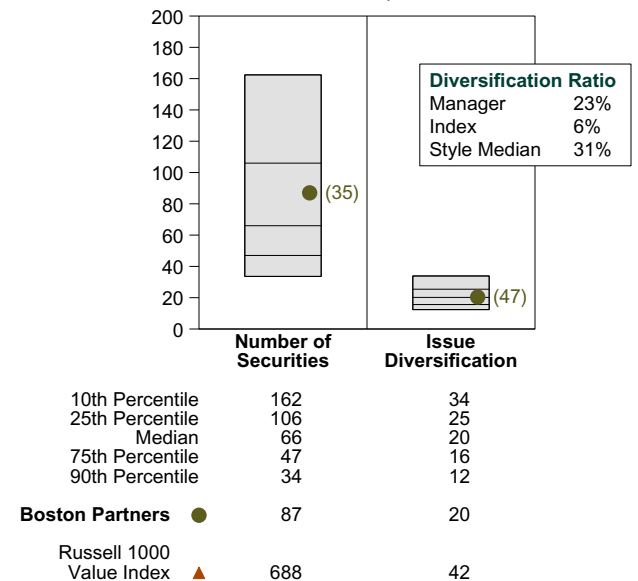
Sector Weights

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

Sector Allocation March 31, 2017



Diversification March 31, 2017



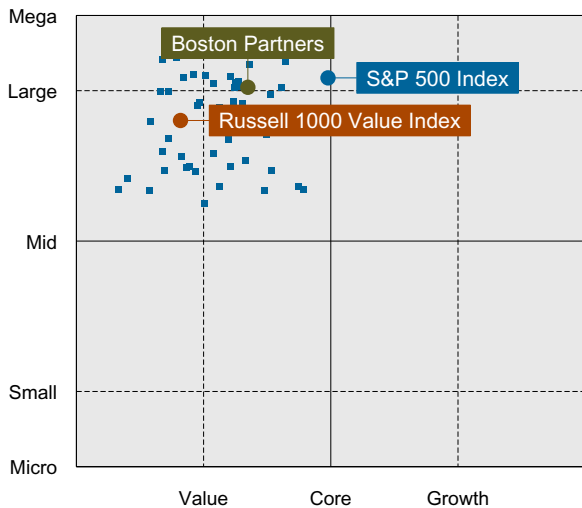
Current Holdings Based Style Analysis

Boston Partners

As of March 31, 2017

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.

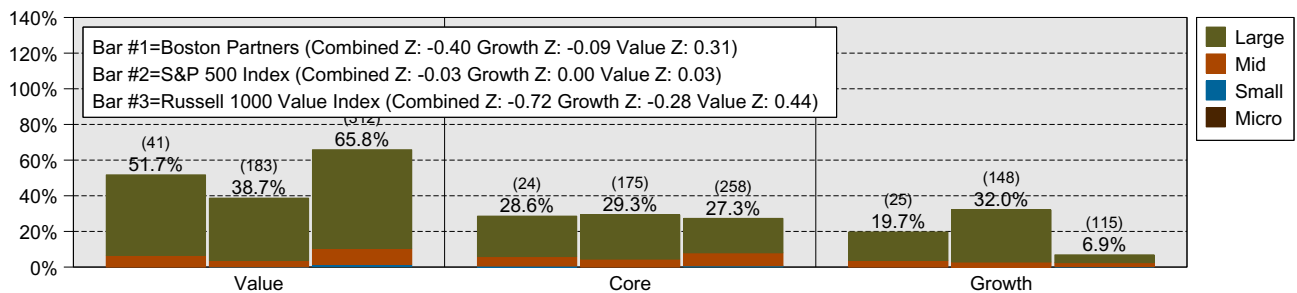
Style Map vs CAI Large Cap Value Holdings as of March 31, 2017



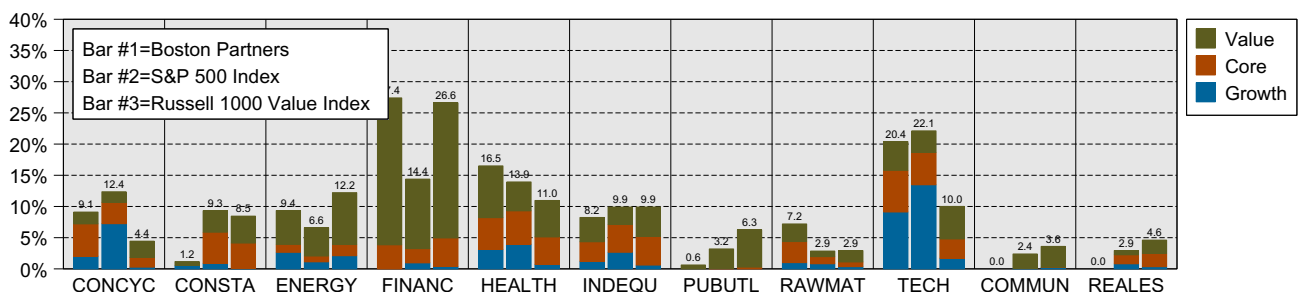
Style Exposure Matrix Holdings as of March 31, 2017

	Value	Core	Growth	Total
Large	45.2% (30)	22.7% (15)	15.9% (18)	83.8% (63)
	35.0% (105)	24.8% (87)	29.2% (92)	89.0% (284)
	55.4% (100)	19.3% (63)	4.4% (29)	79.0% (192)
Mid	6.5% (11)	5.3% (7)	3.8% (6)	15.7% (24)
	3.6% (75)	4.5% (88)	2.8% (54)	10.9% (217)
	9.1% (150)	7.3% (152)	2.2% (62)	18.6% (364)
Small	0.0% (0)	0.6% (2)	0.0% (1)	0.6% (3)
	0.0% (2)	0.0% (0)	0.0% (2)	0.0% (4)
	1.3% (60)	0.7% (42)	0.3% (22)	2.3% (124)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.1% (1)	0.0% (0)	0.0% (0)	0.1% (1)
	0.1% (2)	0.0% (1)	0.0% (2)	0.2% (5)
Total	51.7% (41)	28.6% (24)	19.7% (25)	100.0% (90)
	38.7% (183)	29.3% (175)	32.0% (148)	100.0% (506)
	65.8% (312)	27.3% (258)	6.9% (115)	100.0% (685)

Combined Z-Score Style Distribution Holdings as of March 31, 2017



Sector Weights Distribution Holdings as of March 31, 2017



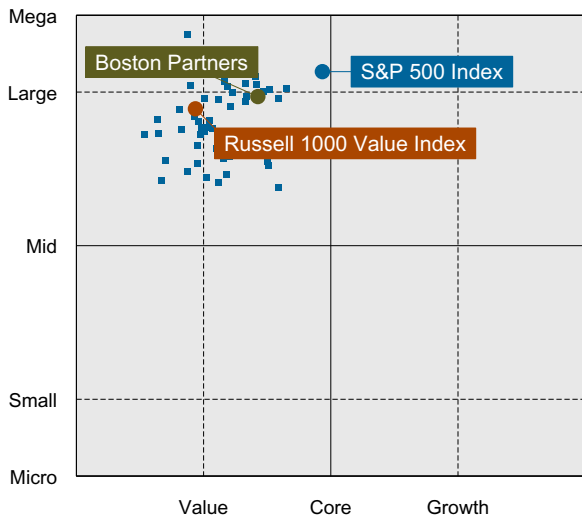
Historical Holdings Based Style Analysis

Boston Partners

For Five Years Ended March 31, 2017

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.

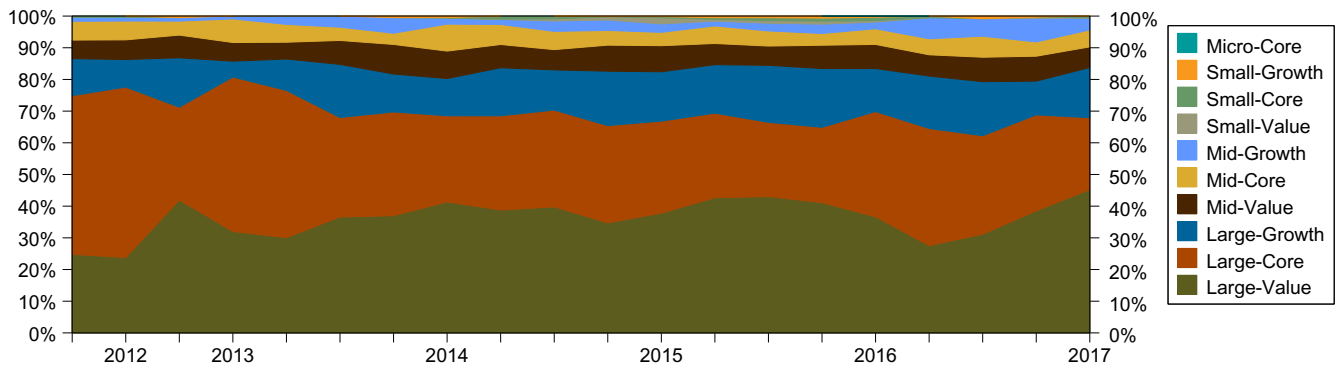
Average Style Map vs CAI Large Cap Value Holdings for Five Years Ended March 31, 2017



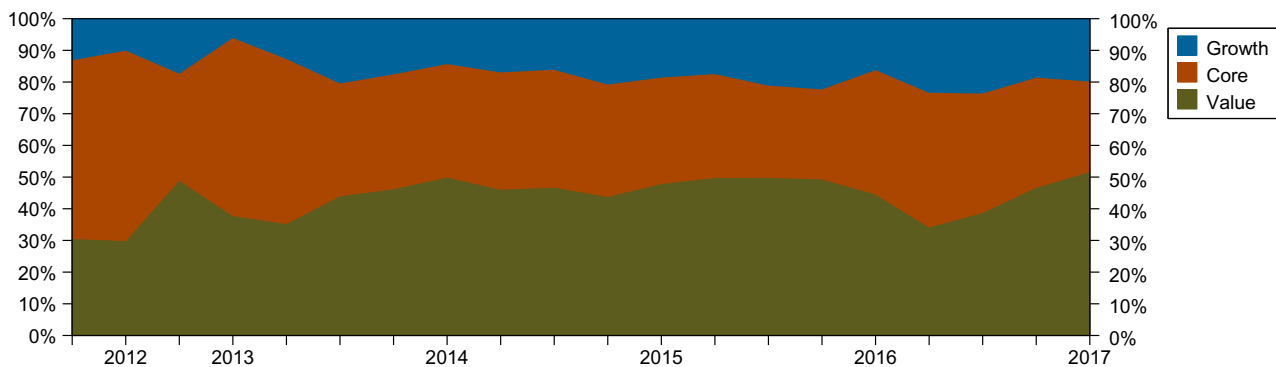
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2017

	Value	Core	Growth	Total
Large	36.2% (23)	33.4% (25)	13.9% (13)	83.5% (61)
	30.3% (90)	30.9% (101)	28.0% (94)	89.1% (285)
Mid	48.0% (87)	25.4% (76)	5.2% (29)	78.6% (192)
	7.1% (11)	5.4% (9)	3.0% (5)	15.5% (25)
Small	4.0% (82)	3.8% (77)	3.0% (53)	10.8% (212)
	10.1% (159)	6.7% (147)	2.1% (58)	18.9% (364)
Micro	0.3% (1)	0.4% (1)	0.2% (1)	1.0% (3)
	0.1% (3)	0.0% (1)	0.0% (1)	0.1% (5)
Total	1.4% (62)	0.9% (48)	0.2% (15)	2.5% (125)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (1)	0.0% (1)	0.0% (0)	0.0% (2)
Total	43.7% (35)	39.1% (35)	17.2% (19)	100.0% (89)
	34.3% (175)	34.7% (179)	31.0% (148)	100.0% (502)
Total	59.5% (309)	33.0% (272)	7.5% (102)	100.0% (683)

Boston Partners Historical Cap/Style Exposures



Boston Partners Historical Style Only Exposures

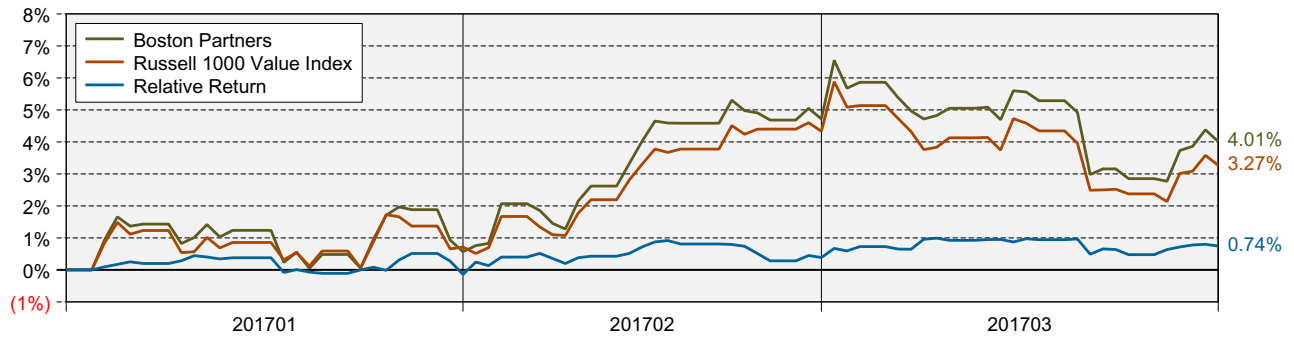


Boston Partners vs Russell 1000 Value Index Domestic Equity Daily Performance Attribution One Quarter Ended March 31, 2017

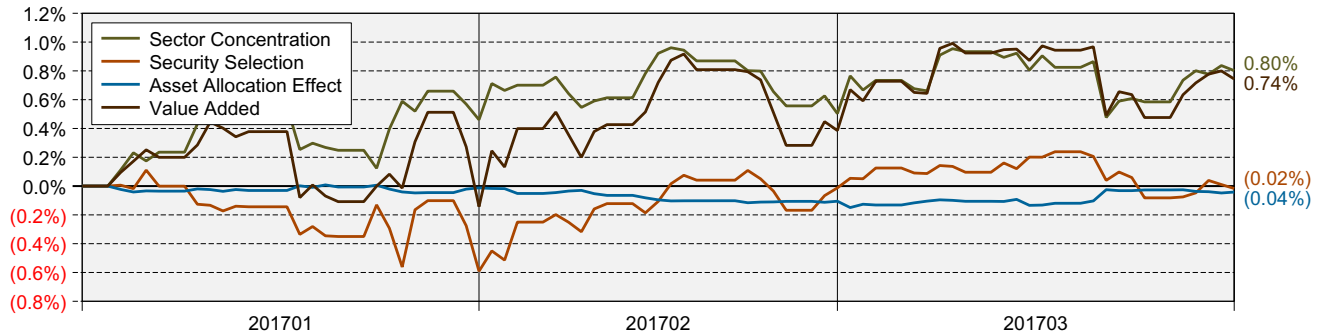
Return Sources and Timing

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 March 31, 2017

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Consumer Discretionary	7.65%	4.45%	8.95%	2.75%	0.01%	0.45%	-
Consumer Staples	1.32%	8.15%	6.68%	8.19%	(0.33)%	(0.01)%	-
Energy	12.33%	12.94%	(5.69)%	(6.48)%	(0.04)%	0.10%	-
Financials	27.46%	26.82%	1.45%	2.16%	(0.01)%	(0.20)%	-
Health Care	16.19%	10.54%	6.43%	9.27%	0.33%	(0.44)%	-
Industrials	8.24%	10.16%	2.48%	3.84%	0.02%	(0.14)%	-
Information Technology	18.78%	9.60%	11.60%	9.84%	0.62%	0.27%	-
Materials	7.17%	2.91%	6.40%	6.08%	0.08%	0.04%	-
Real Estate	0.00%	4.60%	0.00%	1.77%	0.07%	0.00%	-
Telecommunications	0.00%	3.75%	0.00%	(2.55)%	0.22%	0.00%	-
Utilities	0.86%	6.10%	(2.76)%	6.27%	(0.16)%	(0.08)%	-
Non Equity	2.57%	0.00%	-	-	-	-	(0.04)%
Total	-	-	4.01%	3.27%	0.80%	(0.02)%	(0.04)%

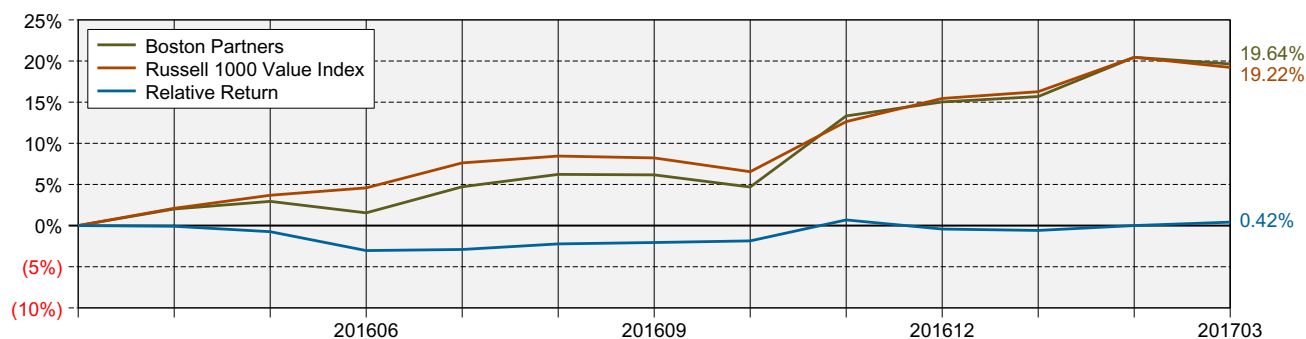
Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
4.01%		3.27%		0.80%		(0.02)%		(0.04)%

Boston Partners vs Russell 1000 Value Index Domestic Equity Daily Performance Attribution One Year Ended March 31, 2017

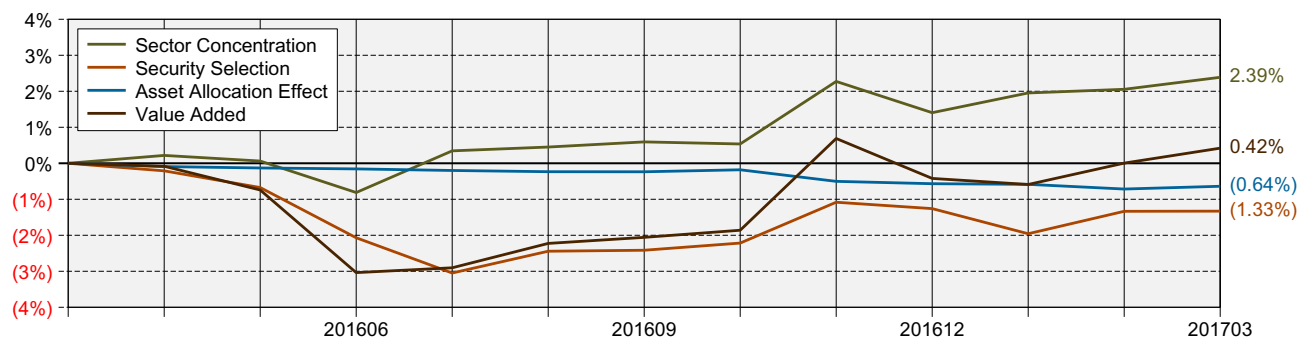
Return Sources and Timing

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 March 31, 2017

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Real Estate	0.04%	2.79%	(0.63)%	(3.08)%	0.71%	0.03%	-
Miscellaneous	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-
Consumer Discretionary	8.61%	4.73%	14.53%	7.91%	(0.50)%	0.48%	-
Consumer Staples	2.05%	8.26%	(8.57)%	11.39%	0.47%	(0.48)%	-
Energy	12.07%	13.17%	10.40%	13.87%	(0.13)%	(0.44)%	-
Financials	26.37%	26.68%	35.05%	33.79%	(0.01)%	0.26%	-
Health Care	16.06%	11.20%	7.82%	14.53%	(0.13)%	(1.28)%	-
Industrials	9.25%	10.03%	15.17%	21.61%	0.12%	(0.58)%	-
Information Technology	15.85%	10.04%	33.46%	26.74%	0.62%	1.06%	-
Materials	7.43%	2.87%	25.16%	26.76%	0.25%	(0.14)%	-
Telecommunications	1.22%	3.70%	(8.25)%	6.28%	0.35%	(0.17)%	-
Utilities	1.06%	6.52%	(1.48)%	7.58%	0.65%	(0.07)%	-
Non Equity	2.96%	0.00%	-	-	-	-	(0.64)%
Total	-	-	19.64%	19.22%	2.39%	(1.33)%	(0.64)%

Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
19.64%		19.22%		2.39%		(1.33)%		(0.64)%

Boston Partners vs Russell 1000 Value Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended March 31, 2017

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
Apple Inc	Information Technology	2.04%	90	0.51%	24.57%	24.57%	0.47%	0.30%
Bank Amer Corp	Financials	4.46%	90	2.13%	6.89%	7.06%	0.31%	0.08%
Johnson & Johnson	Health Care	3.61%	90	2.38%	8.81%	8.81%	0.29%	0.05%
Chevron Corp New	Energy	2.78%	90	1.92%	(7.93)%	(7.90)%	(0.22)%	(0.10)%
Oracle Corp	Information Technology	1.38%	90	0.97%	16.38%	16.47%	0.21%	0.05%
Merck & Co Inc	Health Care	2.42%	90	1.54%	8.72%	8.72%	0.21%	0.05%
Dow Chemical Co	Materials	1.76%	90	0.60%	11.84%	11.84%	0.20%	0.09%
Computer Sciences Corp	Information Technology	1.03%	90	0.08%	16.51%	16.38%	0.18%	0.12%
Flextronics Intl Ltd Ord	Information Technology	1.07%	90	-	16.91%	-	0.17%	0.13%
Ebay	Information Technology	1.36%	90	-	13.07%	-	0.17%	0.12%

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

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Index Perf	Contrib Excess Return
Exxon Mobil Corp	Energy	-	-	3.18%	-	(8.30)%	(0.28)%	0.39%
Philip Morris Intl Inc	Consumer Staples	-	-	1.23%	-	24.53%	0.28%	(0.24)%
Johnson & Johnson	Health Care	3.61%	90	2.38%	8.81%	8.81%	0.21%	0.05%
Cisco Sys Inc	Information Technology	1.60%	46	1.43%	4.10%	12.81%	0.18%	(0.12)%
Chevron Corp New	Energy	2.78%	90	1.92%	(7.93)%	(7.90)%	(0.16)%	(0.10)%
Oracle Corp	Information Technology	1.38%	90	0.97%	16.38%	16.47%	0.15%	0.05%
Procter & Gamble Co	Consumer Staples	-	-	2.01%	-	7.70%	0.15%	(0.08)%
Bank Amer Corp	Financials	4.46%	90	2.13%	6.89%	7.06%	0.15%	0.08%
Merck & Co Inc	Health Care	2.42%	90	1.54%	8.72%	8.72%	0.13%	0.05%
Medtronic Plc Shs	Health Care	-	-	0.96%	-	13.70%	0.12%	(0.09)%

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
Exxon Mobil Corp	Energy	-	-	3.18%	-	(8.30)%	-	0.39%
Apple Inc	Information Technology	2.04%	90	0.51%	24.57%	24.57%	0.47%	0.30%
General Electric Co	Industrials	-	-	2.02%	-	(4.94)%	-	0.17%
Flextronics Intl Ltd Ord	Information Technology	1.07%	90	-	16.91%	-	0.17%	0.13%
Ebay	Information Technology	1.36%	90	-	13.07%	-	0.17%	0.12%
Computer Sciences Corp	Information Technology	1.03%	90	0.08%	16.51%	16.38%	0.18%	0.12%
Verizon Communications Inc	Telecommunications	-	-	0.93%	-	(7.68)%	-	0.11%
At&t Inc	Telecommunications	-	-	2.32%	-	(1.15)%	-	0.10%
Schlumberger	Energy	-	-	1.03%	-	(6.40)%	-	0.10%
Qualcomm Inc	Information Technology	-	-	0.61%	-	(11.23)%	-	0.10%

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
Philip Morris Intl Inc	Consumer Staples	-	-	1.23%	-	24.53%	-	(0.24)%
Discover Finl Svcs	Financials	2.37%	90	0.17%	(4.72)%	(4.72)%	(0.11)%	(0.18)%
Gilead Sciences	Health Care	1.58%	90	-	(4.43)%	-	(0.07)%	(0.12)%
Cisco Sys Inc	Information Technology	1.60%	46	1.43%	4.10%	12.81%	0.06%	(0.12)%
Gulfport Energy Corp	Energy	0.39%	90	0.03%	(20.61)%	(20.56)%	(0.11)%	(0.11)%
Phillips 66	Energy	1.10%	90	0.33%	(7.66)%	(7.59)%	(0.11)%	(0.10)%
Chevron Corp New	Energy	2.78%	90	1.92%	(7.93)%	(7.90)%	(0.22)%	(0.10)%
Medtronic Plc Shs	Health Care	-	-	0.96%	-	13.70%	-	(0.09)%
Delta Air Lines Inc Del	Industrials	1.12%	90	0.07%	(6.27)%	(6.19)%	(0.07)%	(0.09)%
Canadian Nat Res Ltd	Energy	0.42%	62	-	(3.67)%	-	(0.05)%	(0.09)%

Atlanta Capital Period Ended March 31, 2017

Investment Philosophy

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

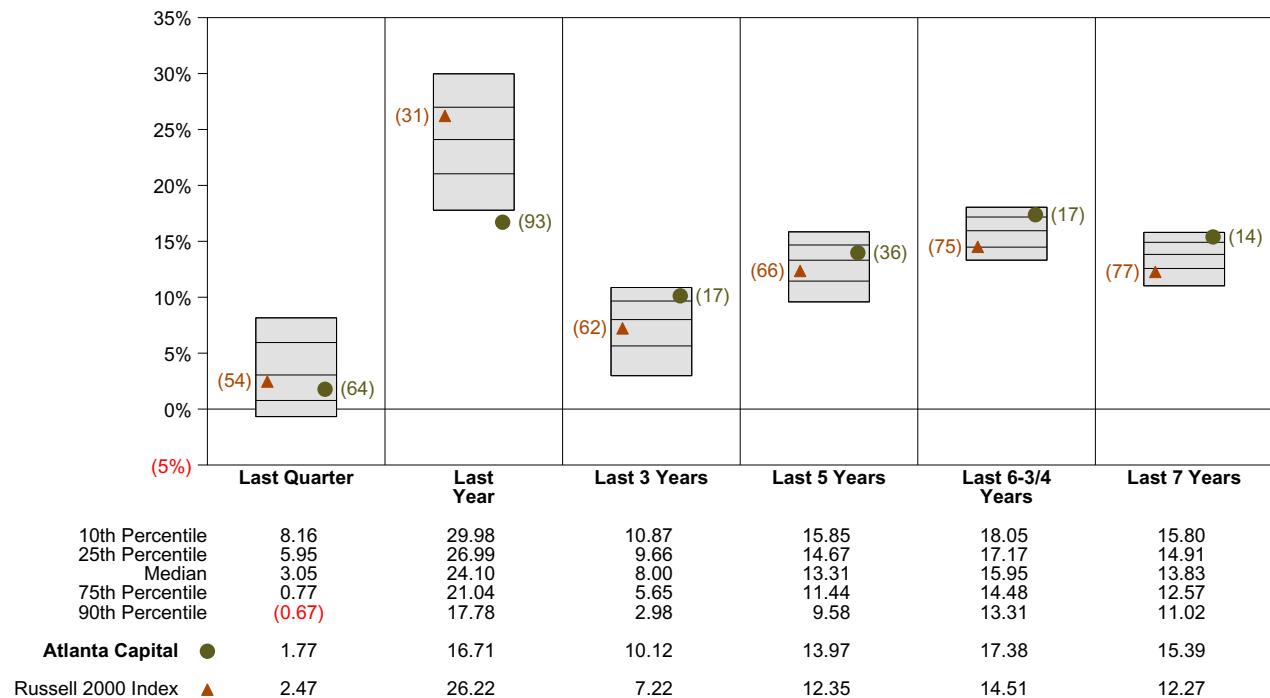
Quarterly Summary and Highlights

- Atlanta Capital's portfolio posted a 1.77% return for the quarter placing it in the 64 percentile of the CAI Small Capitalization group for the quarter and in the 93 percentile for the last year.
- Atlanta Capital's portfolio underperformed the Russell 2000 Index by 0.69% for the quarter and underperformed the Russell 2000 Index for the year by 9.51%.

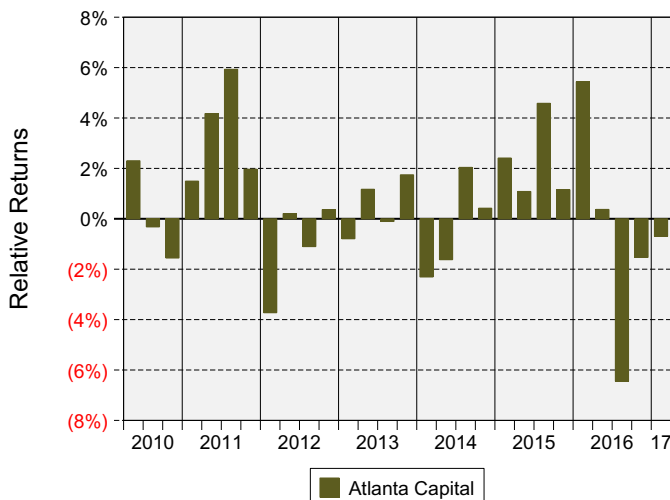
Quarterly Asset Growth

Beginning Market Value	\$23,503,858
Net New Investment	\$0
Investment Gains/(Losses)	\$416,588
Ending Market Value	\$23,920,446

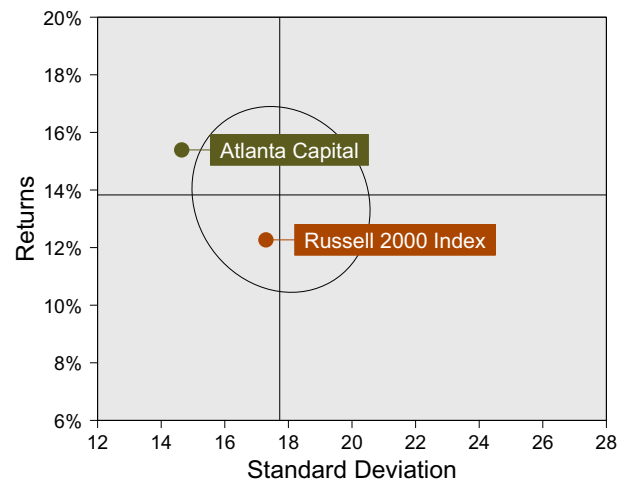
Performance vs CAI Small Capitalization (Gross)



Relative Return vs Russell 2000 Index



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

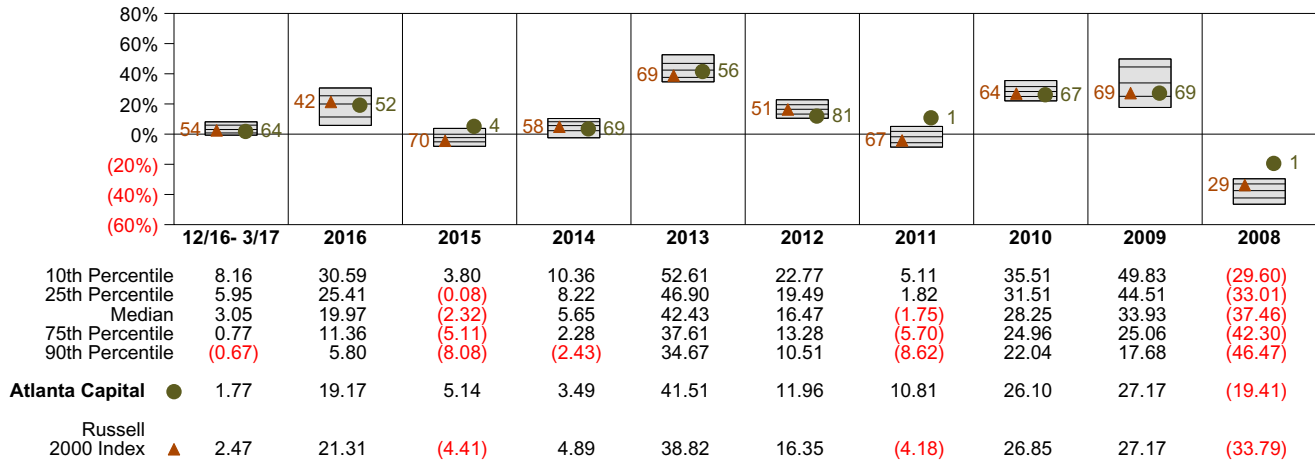


Atlanta Capital Return Analysis Summary

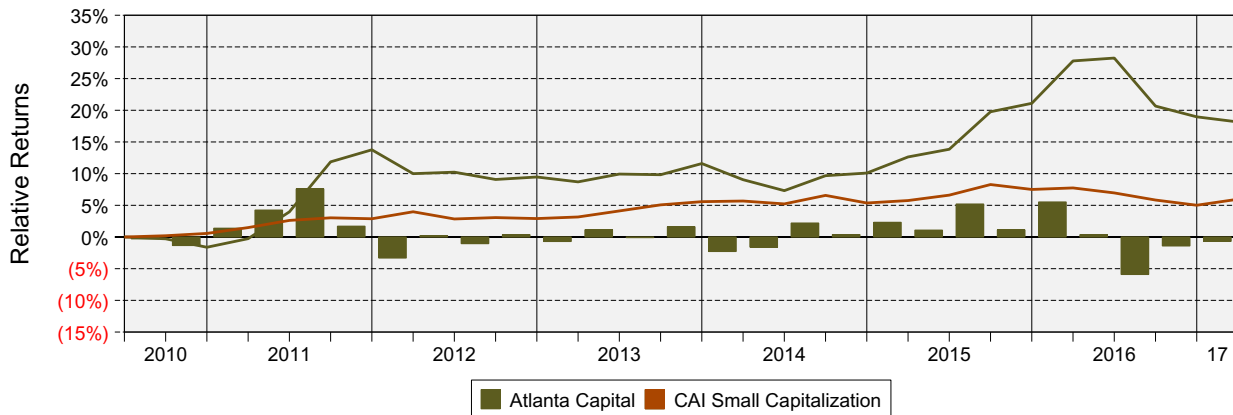
Return Analysis

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

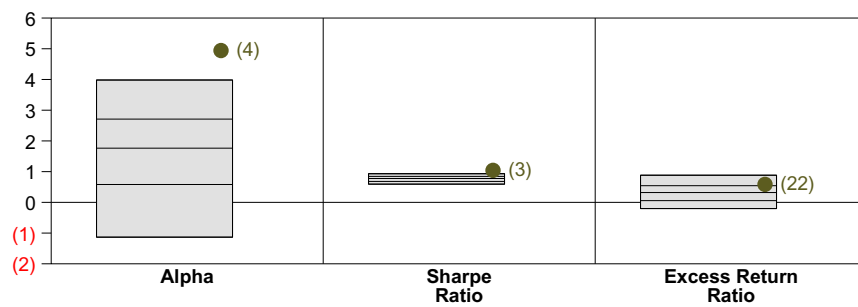
Performance vs CAI Small Capitalization (Gross)



Cumulative and Quarterly Relative Return vs Russell 2000 Index



Risk Adjusted Return Measures vs Russell 2000 Index Rankings Against CAI Small Capitalization (Gross) Seven Years Ended March 31, 2017



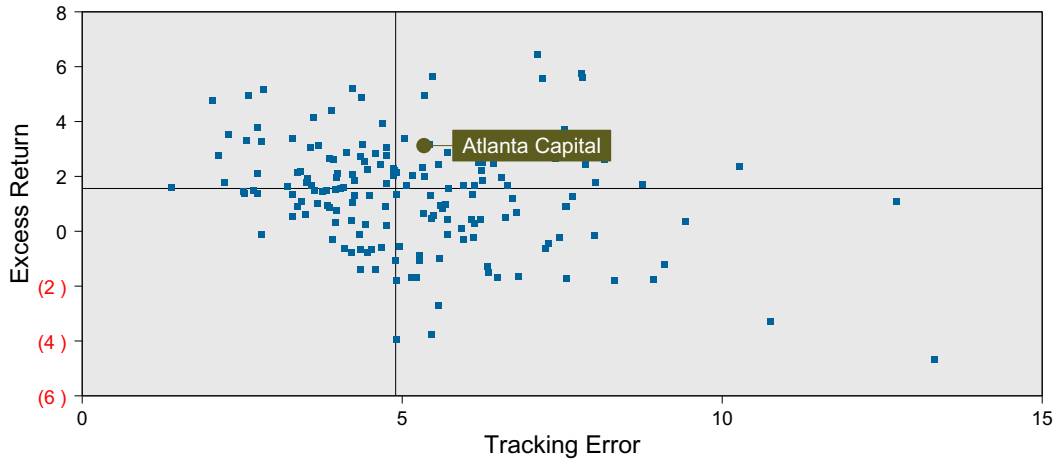
10th Percentile	3.98	0.93	0.88
25th Percentile	2.71	0.85	0.54
Median	1.76	0.78	0.32
75th Percentile	0.58	0.68	0.06
90th Percentile	(1.13)	0.59	(0.20)
Atlanta Capital	4.94	1.04	0.58

Atlanta Capital Risk Analysis Summary

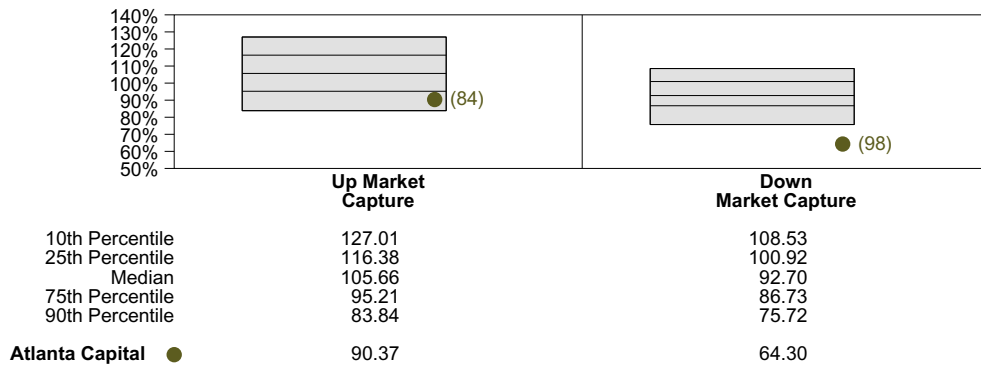
Risk Analysis

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

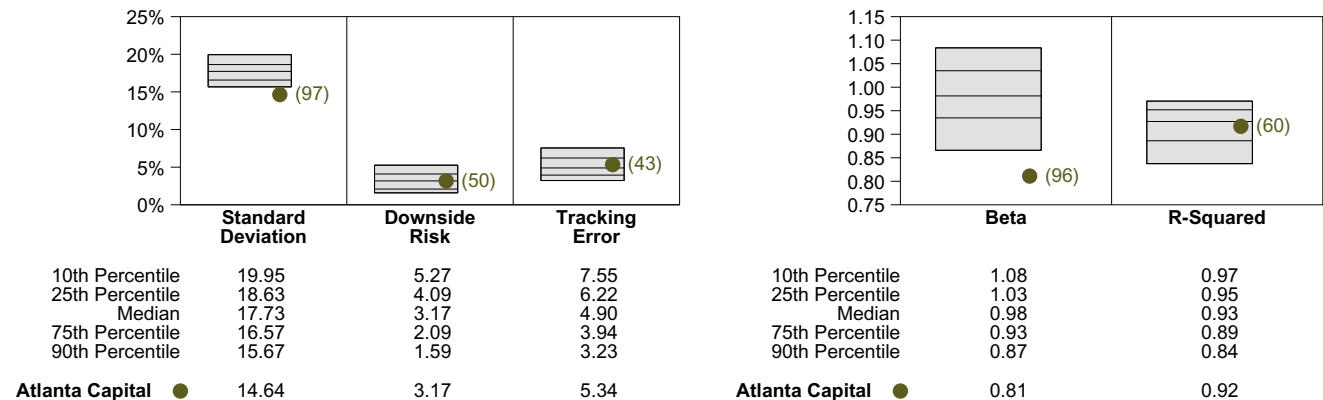
Risk Analysis vs CAI Small Capitalization (Gross) Seven Years Ended March 31, 2017



Market Capture vs Russell 2000 Index Rankings Against CAI Small Capitalization (Gross) Seven Years Ended March 31, 2017



Risk Statistics Rankings vs Russell 2000 Index Rankings Against CAI Small Capitalization (Gross) Seven Years Ended March 31, 2017

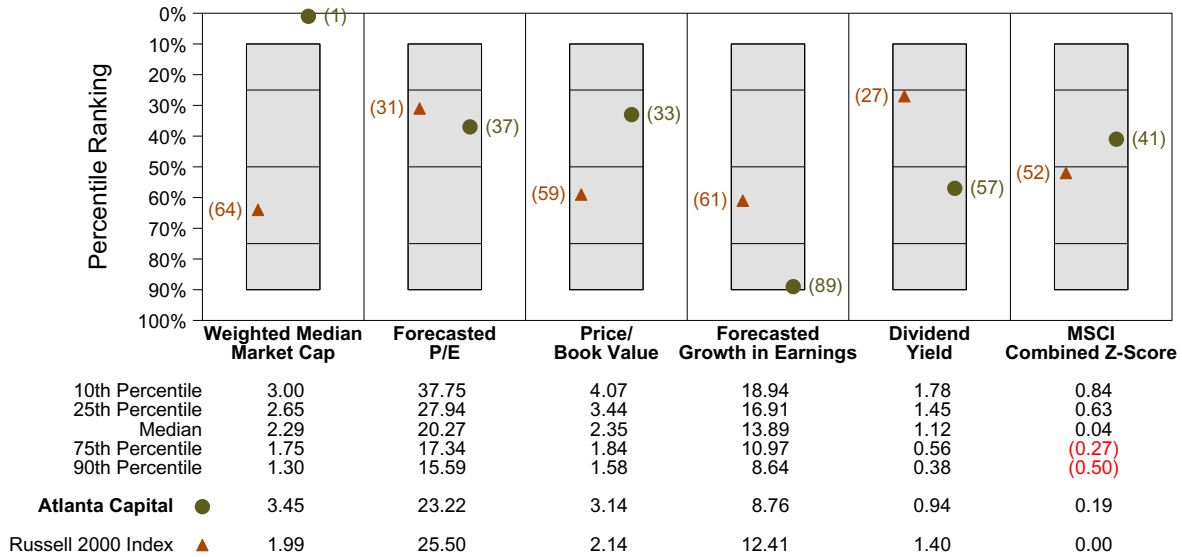


Atlanta Capital Equity Characteristics Analysis Summary

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.

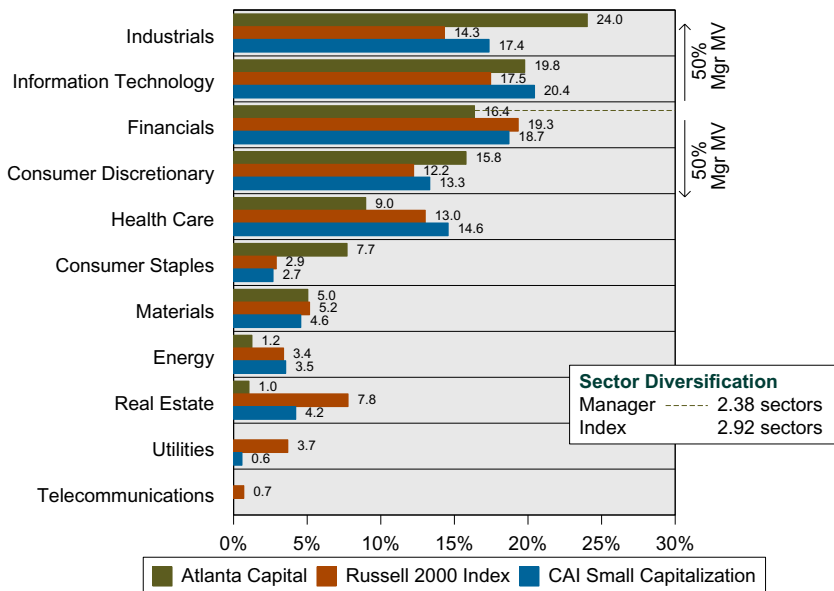
Portfolio Characteristics Percentile Rankings Rankings Against CAI Small Capitalization as of March 31, 2017



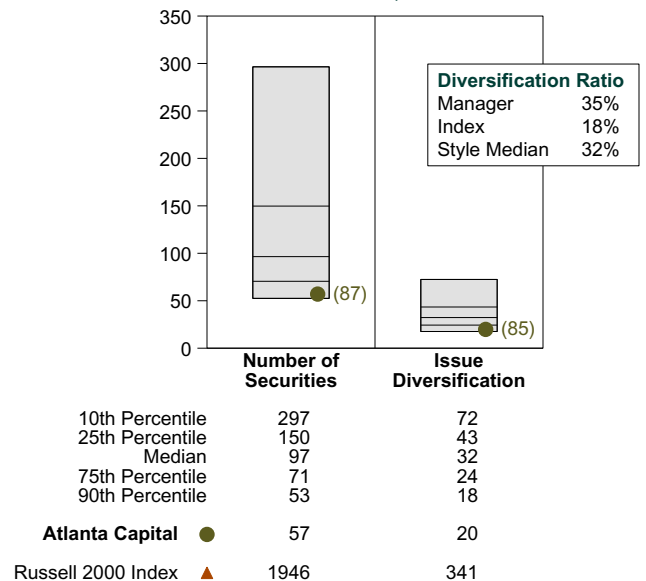
Sector Weights

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

Sector Allocation March 31, 2017



Diversification March 31, 2017



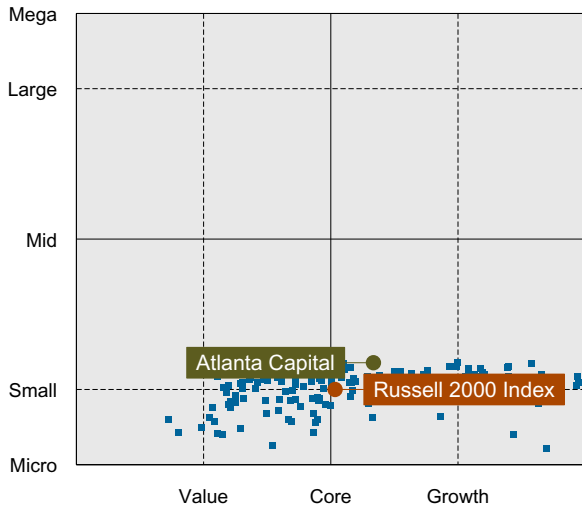
Current Holdings Based Style Analysis

Atlanta Capital

As of March 31, 2017

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.

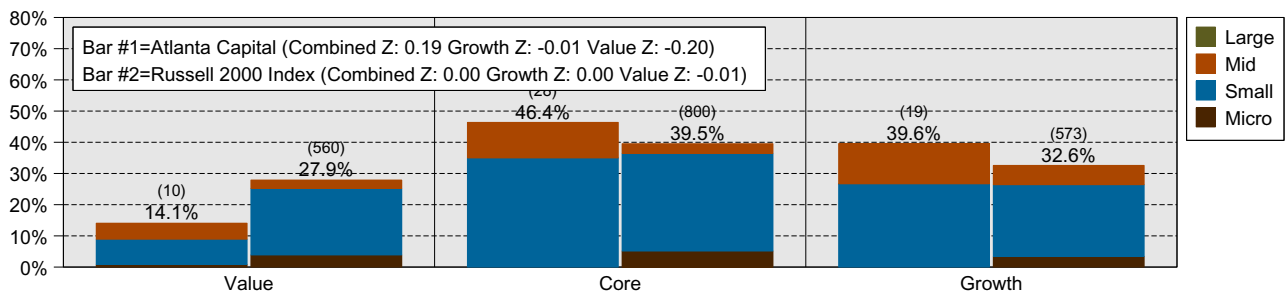
Style Map vs CAI Small Capitalization Holdings as of March 31, 2017



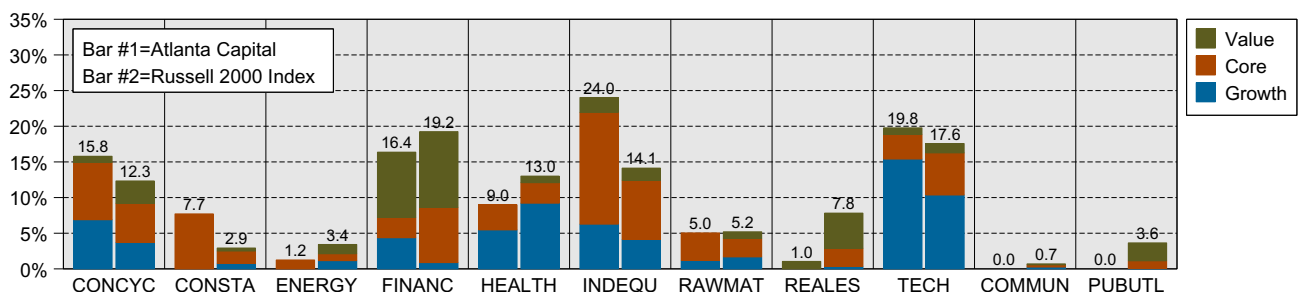
Style Exposure Matrix Holdings as of March 31, 2017

	Value	Core	Growth	Total
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	5.1% (3)	11.4% (5)	12.9% (6)	29.4% (14)
Small	8.1% (6)	35.0% (23)	26.7% (13)	69.8% (42)
Micro	0.9% (1)	0.0% (0)	0.0% (0)	0.9% (1)
Total	14.1% (10)	46.4% (28)	39.6% (19)	100.0% (57)

Combined Z-Score Style Distribution Holdings as of March 31, 2017



Sector Weights Distribution Holdings as of March 31, 2017



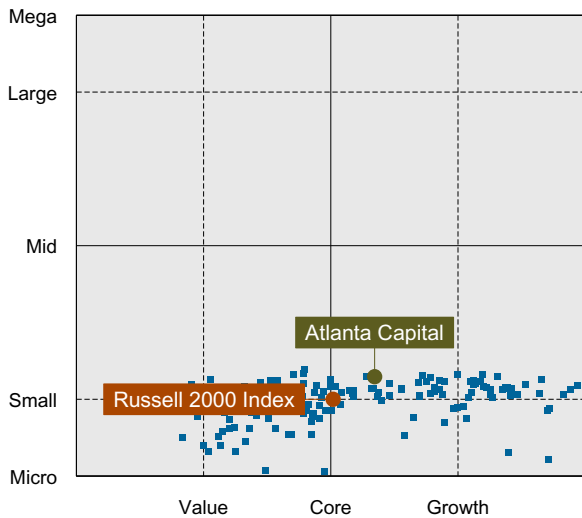
Historical Holdings Based Style Analysis

Atlanta Capital

For Five Years Ended March 31, 2017

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.

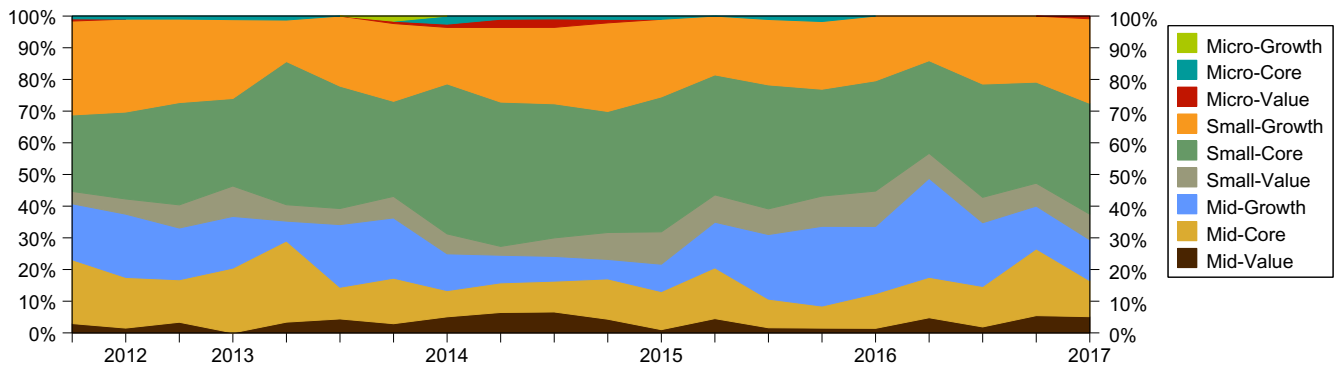
Average Style Map vs CAI Small Capitalization Holdings for Five Years Ended March 31, 2017



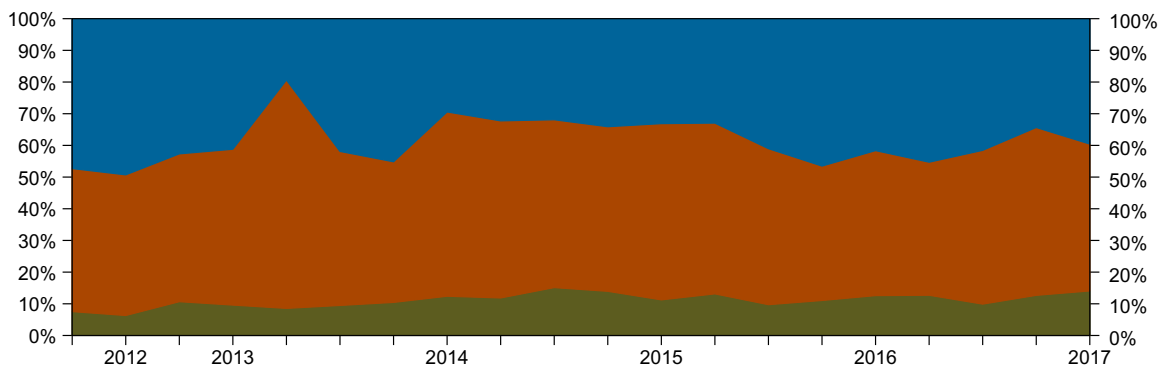
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2017

	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	3.4% (2)	13.7% (7)	15.9% (7)	32.9% (16)
Small	7.2% (5)	35.9% (24)	22.6% (14)	65.8% (43)
Micro	0.5% (0)	0.7% (1)	0.1% (0)	1.3% (1)
Total	11.1% (7)	50.3% (32)	38.5% (21)	100.0% (60)
	26.9% (579)	39.0% (798)	34.1% (583)	100.0% (1960)
	Value	Core	Growth	Total

Atlanta Capital Historical Cap/Style Exposures



Atlanta Capital Historical Style Only Exposures

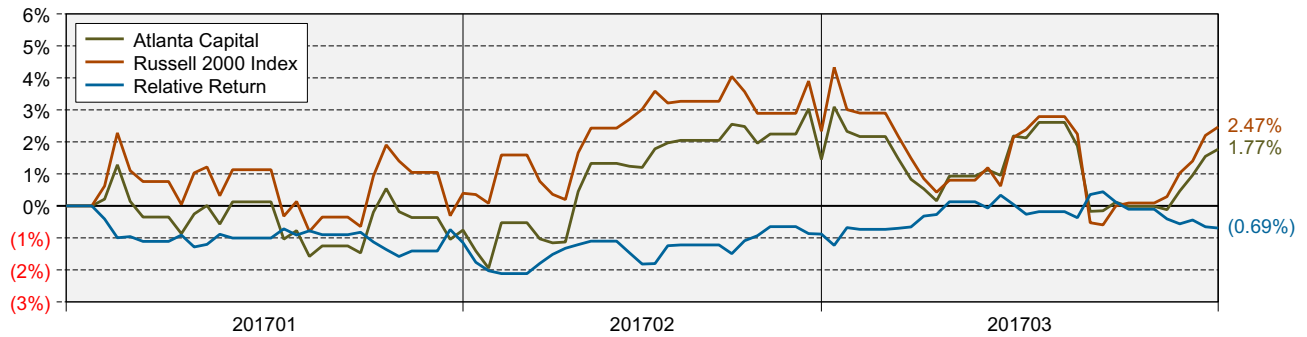


Atlanta Capital vs Russell 2000 Index Domestic Equity Daily Performance Attribution One Quarter Ended March 31, 2017

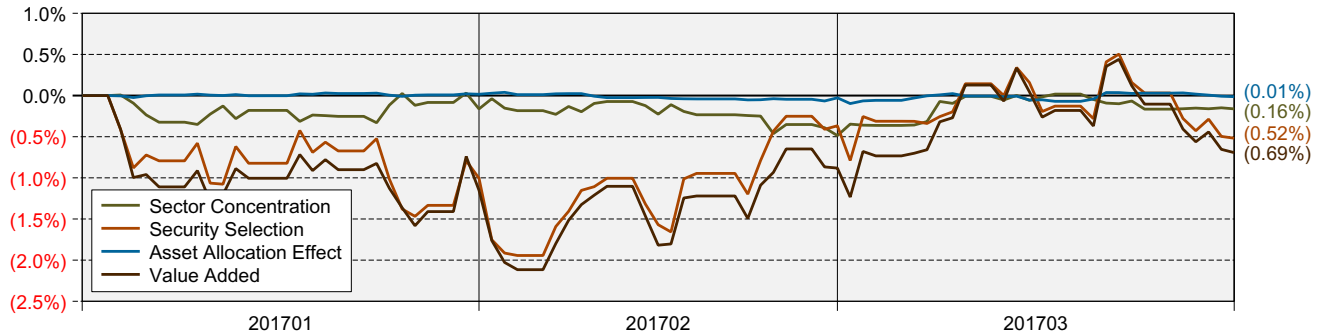
Return Sources and Timing

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 March 31, 2017

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Consumer Discretionary	15.79%	12.22%	0.46%	1.12%	(0.03)%	(0.12)%	-
Consumer Staples	7.78%	2.90%	(0.04)%	(1.39)%	(0.18)%	0.10%	-
Energy	1.43%	3.68%	(9.16)%	(10.73)%	0.30%	0.03%	-
Financials	17.00%	19.69%	(3.03)%	(1.54)%	0.12%	(0.27)%	-
Health Care	8.35%	12.52%	8.61%	12.51%	(0.41)%	(0.32)%	-
Industrials	25.00%	14.53%	3.88%	1.09%	(0.14)%	0.67%	-
Information Technology	18.75%	17.25%	3.47%	5.85%	0.05%	(0.43)%	-
Materials	4.85%	5.02%	1.86%	5.79%	0.00%	(0.19)%	-
Real Estate	1.05%	7.86%	(0.60)%	0.20%	0.15%	(0.01)%	-
Telecommunications	0.00%	0.73%	0.00%	(5.45)%	0.06%	0.00%	-
Utilities	0.00%	3.61%	0.00%	4.67%	(0.08)%	0.00%	-
Non Equity	2.50%	0.00%	-	-	-	-	(0.01)%
Total	-	-	1.77%	2.47%	(0.16)%	(0.52)%	(0.01)%

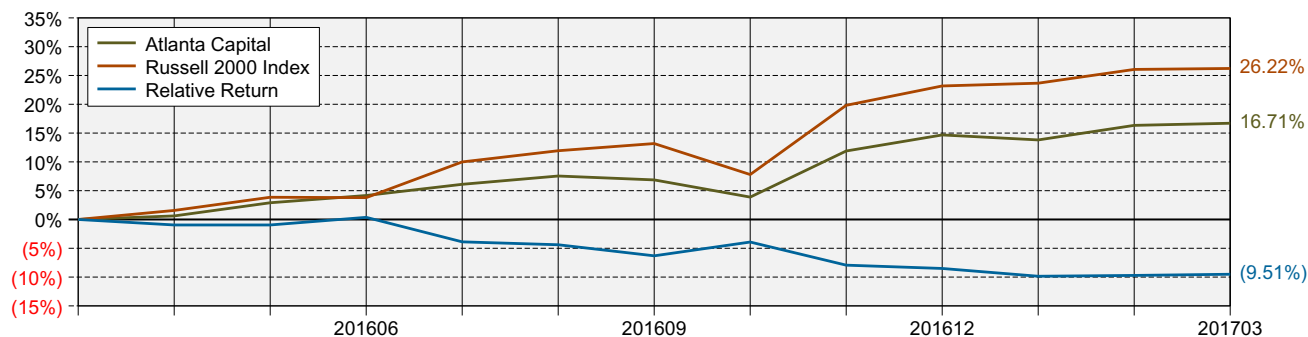
Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
1.77%		2.47%		(0.16%)		(0.52%)		(0.01%)

Atlanta Capital vs Russell 2000 Index Domestic Equity Daily Performance Attribution One Year Ended March 31, 2017

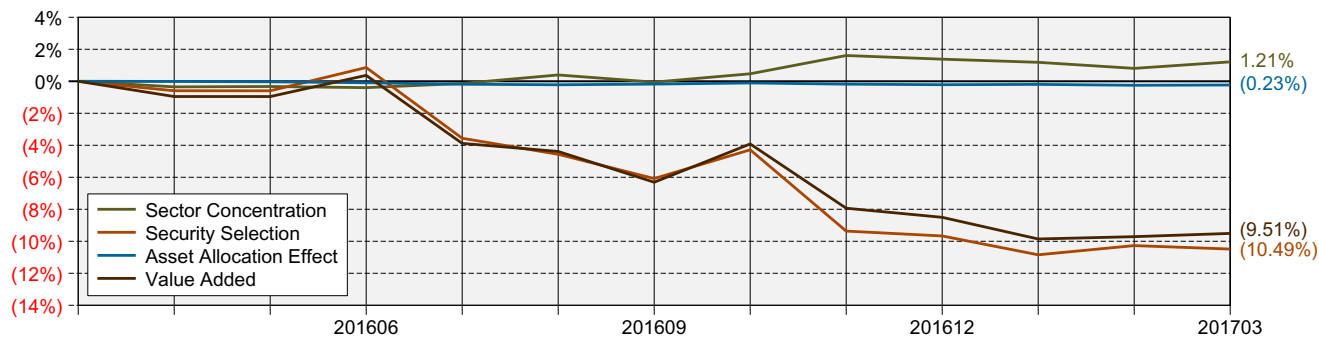
Return Sources and Timing

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 March 31, 2017

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Real Estate	0.61%	4.68%	8.16%	1.27%	0.96%	0.08%	-
Consumer Discretionary	16.05%	13.02%	2.82%	11.26%	(0.39)%	(1.52)%	-
Consumer Staples	8.01%	3.14%	14.49%	16.93%	(0.47)%	(0.22)%	-
Energy	1.41%	3.19%	(10.22)%	24.87%	0.08%	(0.57)%	-
Financials	17.00%	21.80%	19.04%	36.69%	(0.27)%	(2.84)%	-
Health Care	8.07%	13.35%	32.81%	25.83%	0.25%	0.38%	-
Industrials	25.04%	14.02%	26.50%	27.82%	0.27%	(0.44)%	-
Information Technology	19.05%	17.42%	11.81%	32.73%	0.11%	(3.78)%	-
Materials	4.74%	4.64%	14.32%	48.95%	0.11%	(1.57)%	-
Telecommunications	0.00%	0.82%	0.00%	10.01%	0.15%	0.00%	-
Utilities	0.00%	3.91%	0.00%	16.03%	0.42%	0.00%	-
Non Equity	2.53%	0.00%	-	-	-	-	(0.23)%
Total	-	-	16.71%	26.22%	1.21%	(10.49)%	(0.23)%

Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
16.71%		26.22%		1.21%		(10.49)%		(0.23)%

Atlanta Capital vs Russell 2000 Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended March 31, 2017

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
Sally Beauty Hldgs Inc	Consumer Discretionary	2.23%	90	-	(22.63)%	-	(0.55)%	(0.61)%
Blackbaud Inc	Information Technology	2.76%	90	0.17%	20.01%	19.99%	0.53%	0.43%
Vca Inc	Health Care	1.69%	90	-	33.28%	-	0.46%	0.42%
Advisory Brd Co	Industrials	1.10%	90	0.09%	40.75%	40.75%	0.36%	0.31%
Choice Hotels Intl Inc	Consumer Discretionary	2.48%	90	-	12.07%	-	0.29%	0.23%
Pool Corporation	Consumer Discretionary	1.87%	90	-	14.66%	-	0.27%	0.22%
Corelogic Inc	Information Technology	2.33%	90	-	10.44%	-	0.26%	0.19%
Dorman Products Inc	Consumer Discretionary	1.94%	90	0.10%	12.41%	12.41%	0.24%	0.18%
Hibbett Sports Inc	Consumer Discretionary	0.96%	90	0.04%	(20.91)%	(20.91)%	(0.23)%	(0.24)%
Graco Inc	Industrials	1.71%	90	-	13.69%	-	0.22%	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
Chemours Co Com	Materials	-	-	0.27%	-	74.44%	0.16%	(0.15)%
Advanced Micro Devices Inc	Information Technology	-	-	0.48%	-	28.31%	0.13%	(0.12)%
Ariad Pharmaceuticals Inc	Health Care	-	-	0.13%	-	92.93%	0.11%	(0.11)%
Coherent Inc	Information Technology	-	-	0.20%	-	49.68%	0.09%	(0.08)%
Nektar Therapeutics	Health Care	-	-	0.09%	-	91.28%	0.08%	(0.08)%
Exelixis Inc	Health Care	-	-	0.22%	-	45.34%	0.08%	(0.08)%
Kite Pharma Inc	Health Care	-	-	0.12%	-	75.04%	0.07%	(0.07)%
Universal Display Corp	Information Technology	-	-	0.15%	-	52.99%	0.07%	(0.06)%
Olin Corp	Materials	-	-	0.24%	-	29.23%	0.07%	(0.06)%
Bluebird Bio Inc	Health Care	-	-	0.16%	-	47.33%	0.06%	(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	2.76%	90	0.17%	20.01%	19.99%	0.53%	0.43%
Vca Inc	Health Care	1.69%	90	-	33.28%	-	0.46%	0.42%
Advisory Brd Co	Industrials	1.10%	90	0.09%	40.75%	40.75%	0.36%	0.31%
Choice Hotels Intl Inc	Consumer Discretionary	2.48%	90	-	12.07%	-	0.29%	0.23%
Pool Corporation	Consumer Discretionary	1.87%	90	-	14.66%	-	0.27%	0.22%
Corelogic Inc	Information Technology	2.33%	90	-	10.44%	-	0.26%	0.19%
Dorman Products Inc	Consumer Discretionary	1.94%	90	0.10%	12.41%	12.41%	0.24%	0.18%
Graco Inc	Industrials	1.71%	90	-	13.69%	-	0.22%	0.18%
Inter Parfums Inc	Consumer Staples	1.80%	90	0.03%	12.11%	12.11%	0.21%	0.16%
Bio Rad Labs Inc Cl A	Health Care	2.28%	90	-	9.36%	-	0.21%	0.15%

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
Sally Beauty Hldgs Inc	Consumer Discretionary	2.23%	90	-	(22.63)%	-	(0.55)%	(0.61)%
Hibbett Sports Inc	Consumer Discretionary	0.96%	90	0.04%	(20.91)%	(20.91)%	(0.23)%	(0.24)%
Wex Inc	Information Technology	2.32%	90	-	(7.17)%	-	(0.16)%	(0.23)%
Huron Consulting Group Inc	Industrials	1.11%	90	0.05%	(16.88)%	(16.88)%	(0.20)%	(0.22)%
Caseys General Stores	Consumer Staples	2.61%	90	-	(5.38)%	-	(0.14)%	(0.21)%
Westamerica Bancorporation	Financials	1.38%	90	0.08%	(10.65)%	(10.65)%	(0.16)%	(0.18)%
Manhattan Associates	Information Technology	3.94%	90	-	(1.85)%	-	(0.08)%	(0.18)%
Dril-Quip Inc	Energy	1.39%	90	-	(9.16)%	-	(0.12)%	(0.16)%
Chemours Co Com	Materials	-	-	0.27%	-	74.44%	-	(0.15)%
Cass Information Sys Inc	Information Technology	1.20%	90	0.04%	(9.84)%	(9.84)%	(0.13)%	(0.15)%

International Equity Period Ended March 31, 2017

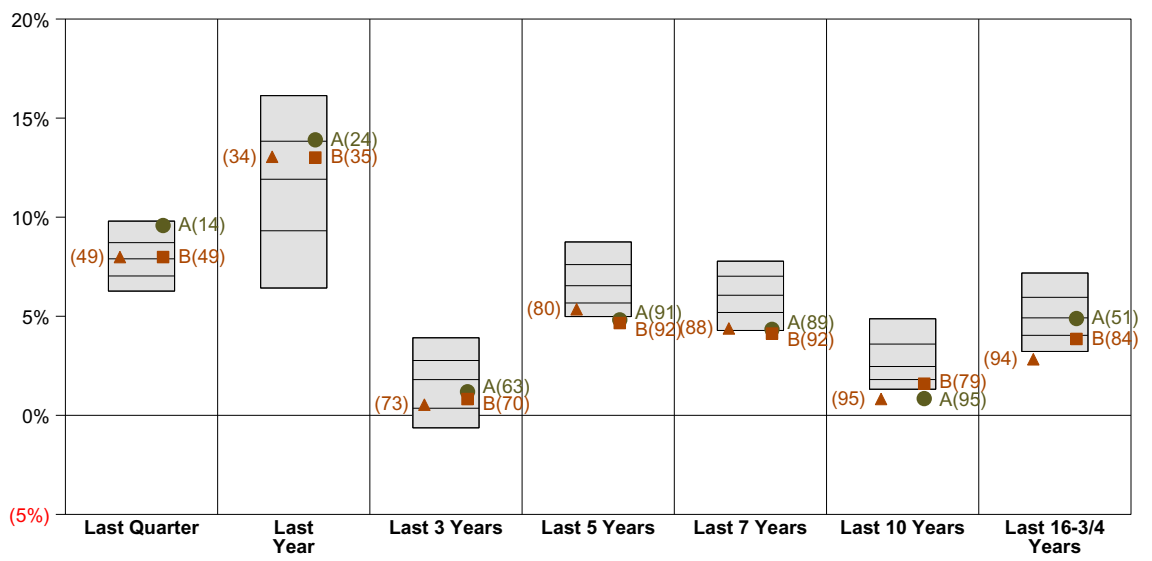
Investment Philosophy

*** Custom International Benchmark = MSCI EAFE until 6/30/2013, MSCI ACWI ex US until 7/31/2016, and MSCI ACWI ex US IMI thereafter.

Quarterly Summary and Highlights

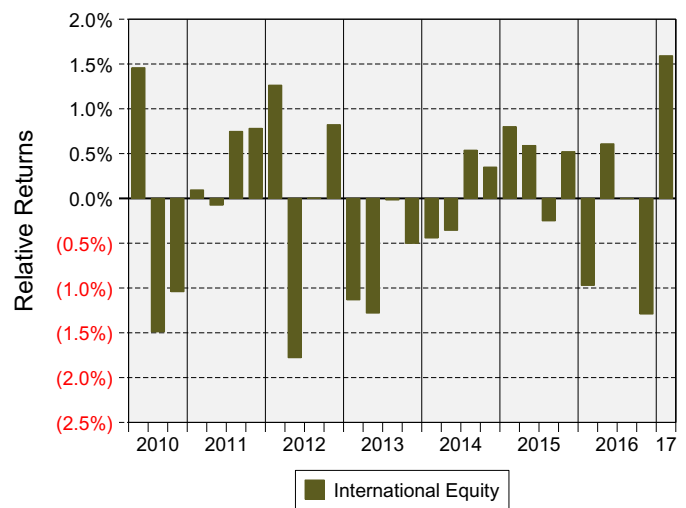
- International Equity's portfolio posted a 9.58% return for the quarter placing it in the 14 percentile of the CAI Non-US Equity group for the quarter and in the 24 percentile for the last year.
- International Equity's portfolio outperformed the Custom International Benchmark by 1.59% for the quarter and outperformed the Custom International Benchmark for the year by 0.85%.

Performance vs CAI Non-US Equity (Gross)

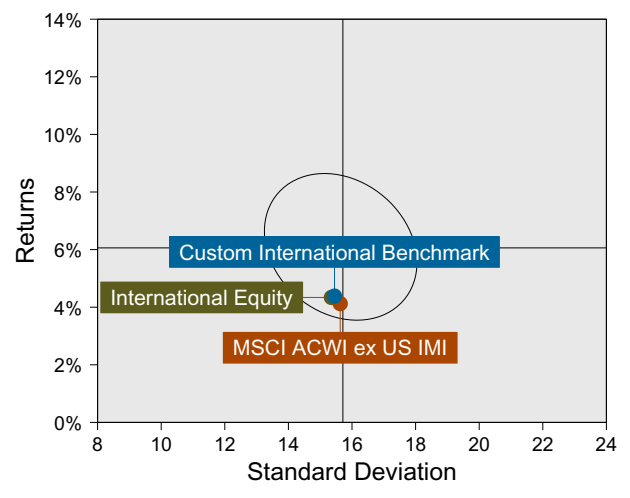


		Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 16-3/4 Years
10th Percentile		9.80	16.13	3.91	8.75	7.78	4.87	7.18
25th Percentile		8.72	13.83	2.77	7.61	7.02	3.60	5.96
Median		7.90	11.91	1.80	6.54	6.06	2.46	4.92
75th Percentile		7.03	9.31	0.36	5.67	5.19	1.81	4.04
90th Percentile		6.27	6.42	(0.63)	4.99	4.28	1.32	3.22
International Equity	● A	9.58	13.90	1.19	4.82	4.34	0.84	4.88
MSCI ACWI ex US IMI	■ B	7.99	13.01	0.82	4.66	4.13	1.59	3.85
Custom International Benchmark	▲	7.99	13.05	0.54	5.35	4.38	0.82	2.83

Relative Returns vs Custom International Benchmark



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

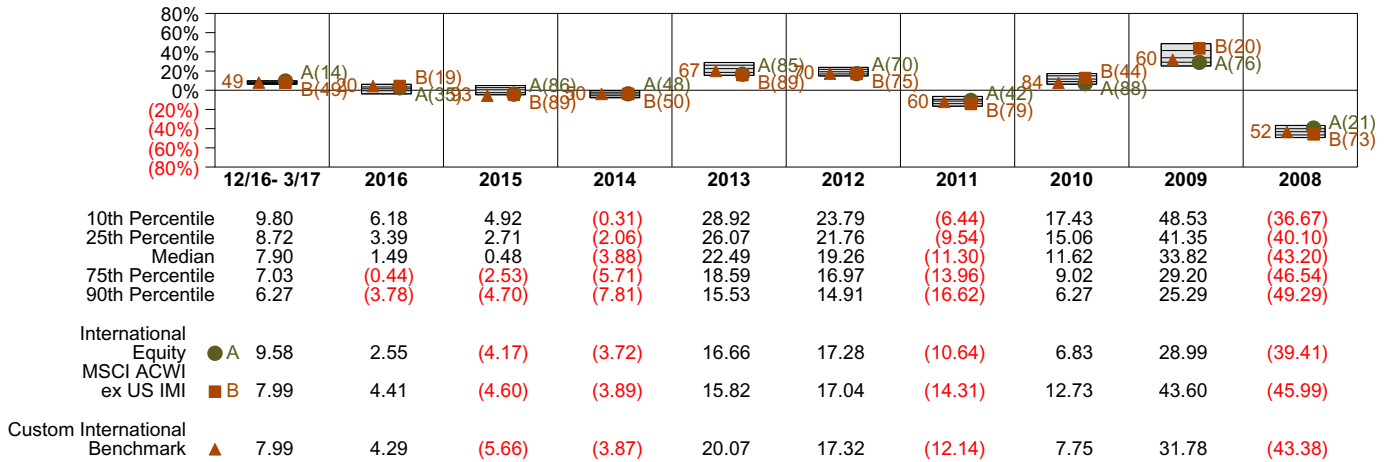


International Equity Return Analysis Summary

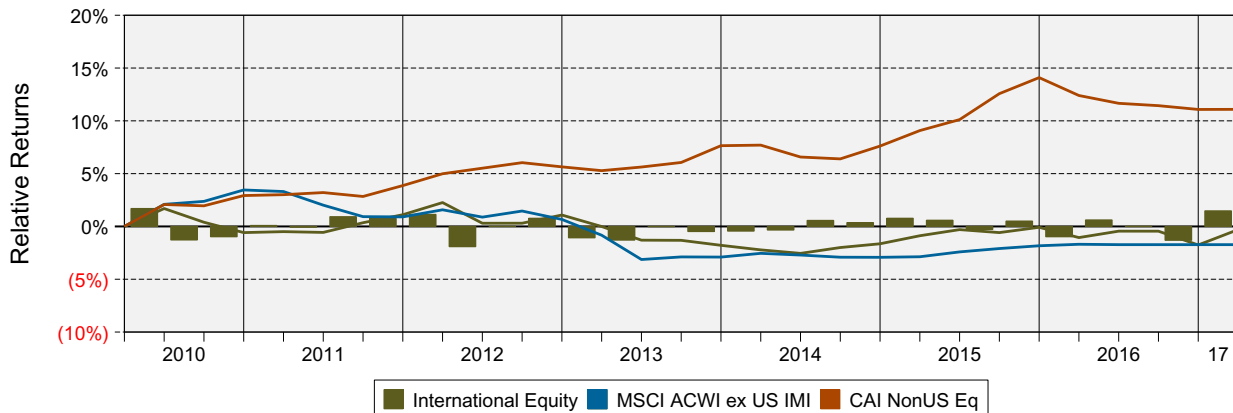
Return Analysis

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

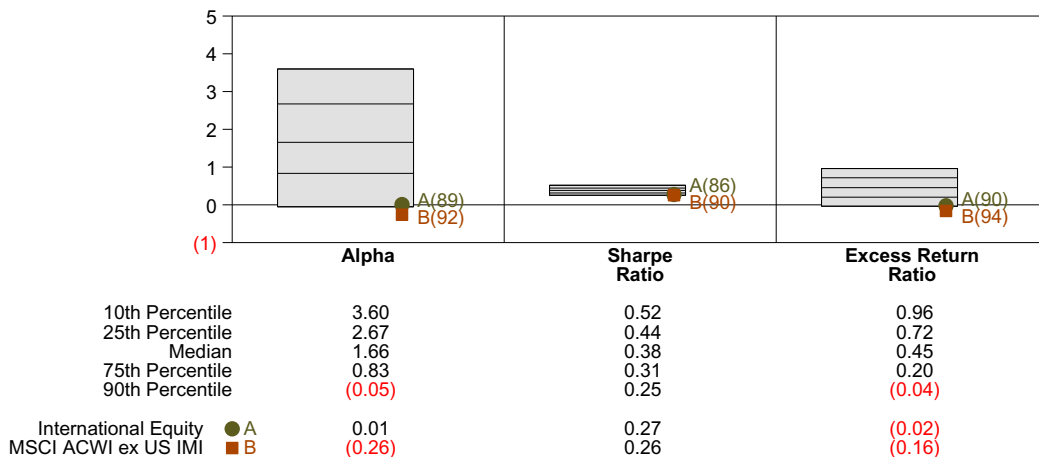
Performance vs CAI Non-US Equity (Gross)



Cumulative and Quarterly Relative Return vs Custom International Benchmark



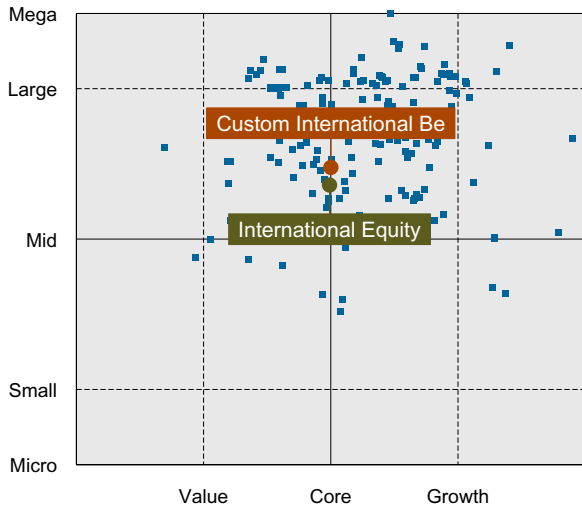
Risk Adjusted Return Measures vs Custom International Benchmark Rankings Against CAI Non-US Equity (Gross) Seven Years Ended March 31, 2017



Current Holdings Based Style Analysis International Equity As of March 31, 2017

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.

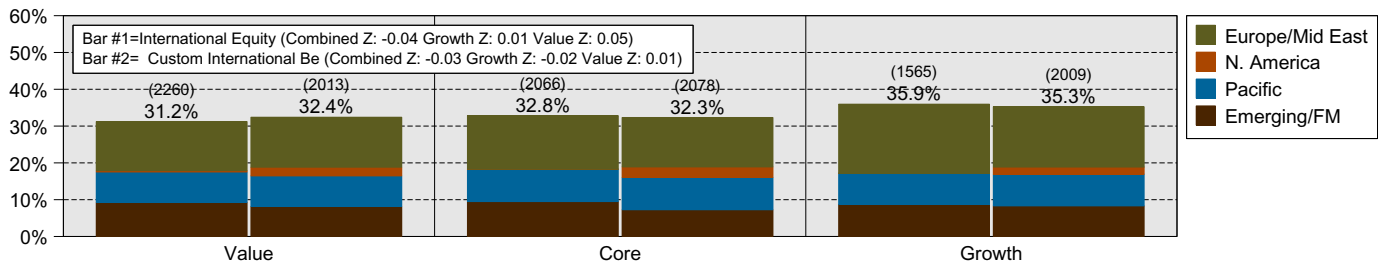
Style Map vs CAI NonUS Eq Holdings as of March 31, 2017



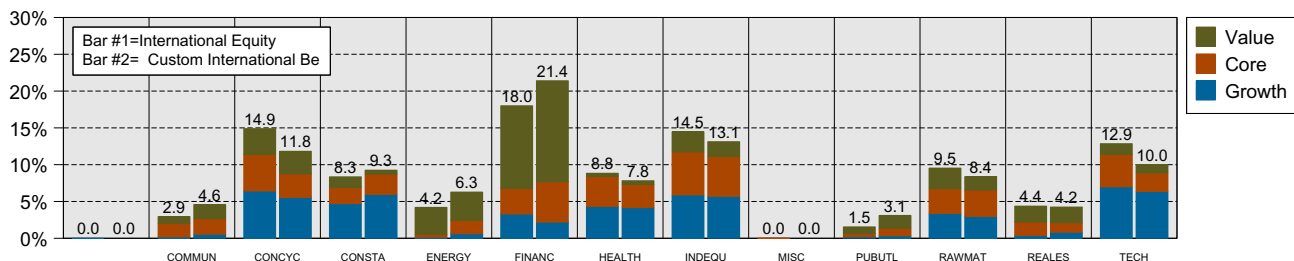
Style Exposure Matrix Holdings as of March 31, 2017

	Value	Core	Growth	Total
Europe/ Mid East	13.3% (250) 13.6% (448)	14.6% (250) 13.4% (498)	18.8% (275) 16.4% (503)	46.7% (775) 43.4% (1449)
N. America	0.4% (3) 2.4% (103)	0.0% (8) 2.9% (120)	0.0% (1) 1.9% (95)	0.4% (12) 7.2% (318)
Pacific	8.2% (283) 8.3% (555)	8.8% (306) 8.8% (589)	8.5% (256) 8.6% (543)	25.5% (845) 25.7% (1687)
Emerging/ FM	9.3% (1724) 8.1% (907)	9.5% (1502) 7.3% (871)	8.7% (1033) 8.3% (868)	27.5% (4259) 23.7% (2646)
Total	31.2% (2260) 32.4% (2013)	32.8% (2066) 32.3% (2078)	35.9% (1565) 35.3% (2009)	100.0% (5891) 100.0% (6100)

Combined Z-Score Style Distribution Holdings as of March 31, 2017



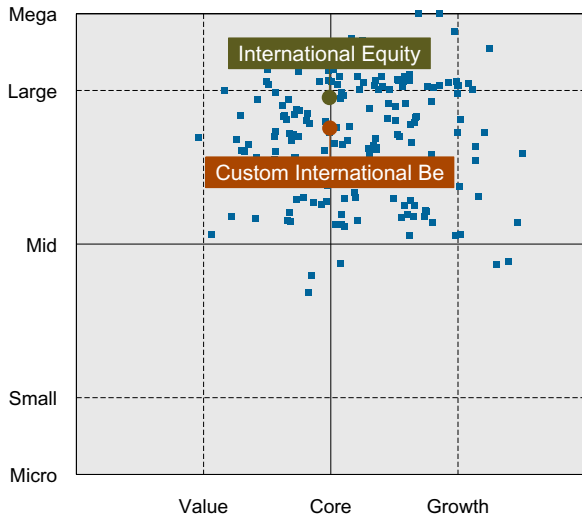
Sector Weights Distribution Holdings as of March 31, 2017



Historical Holdings Based Style Analysis International Equity For Five Years Ended March 31, 2017

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.

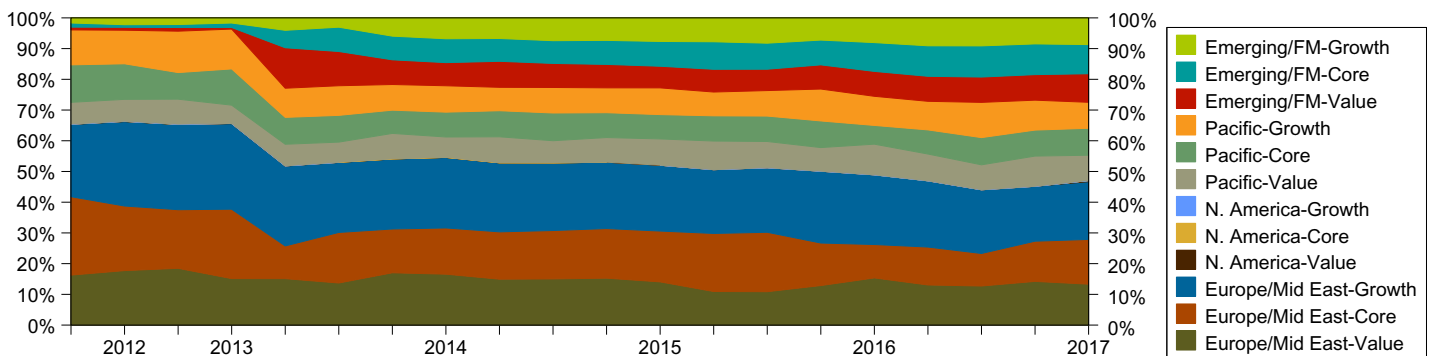
Average Style Map vs CAI NonUS Eq Holdings for Five Years Ended March 31, 2017



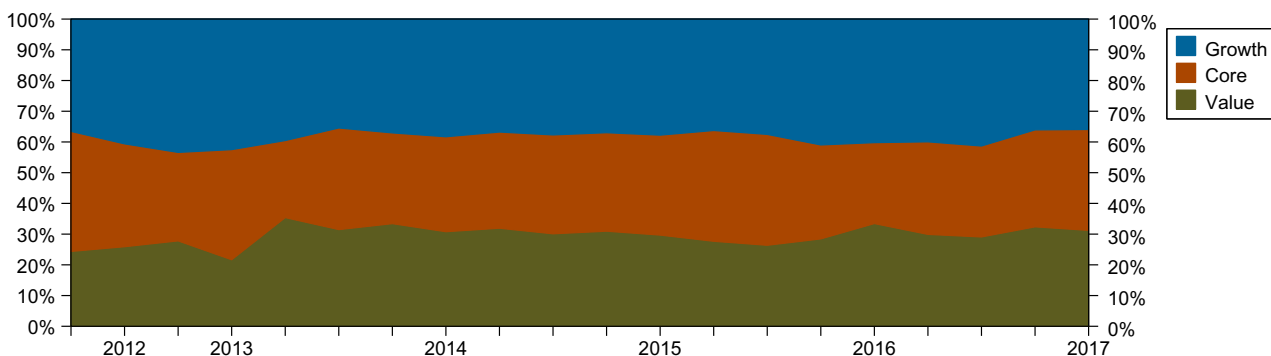
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2017

	Value	Core	Growth	Total
Europe/ Mid East	14.6% (141)	16.1% (152)	22.8% (208)	53.5% (501)
N. America	0.0% (1)	0.0% (2)	0.0% (1)	0.1% (4)
Pacific	8.0% (159)	8.8% (190)	9.6% (188)	26.4% (537)
Emerging/ FM	6.9% (1030)	6.9% (1094)	6.2% (616)	20.0% (2740)
Total	29.6% (1331)	31.9% (1438)	38.6% (1013)	100.0% (3782)

International Equity Historical Region/Style Exposures



International Equity Historical Style Only Exposures



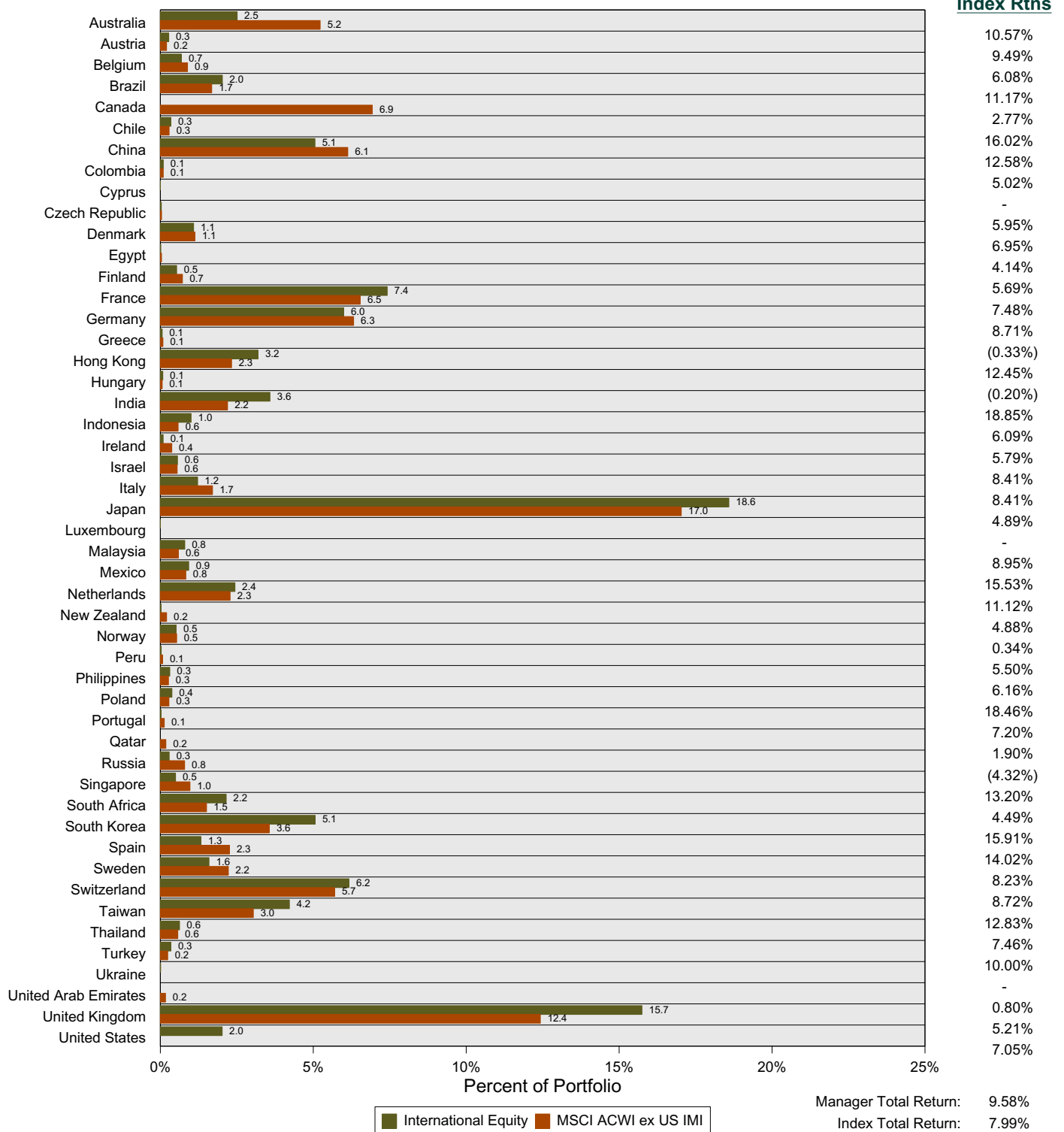
Country Allocation

International Equity VS MSCI ACWI ex US IMI Index (USD Net Div)

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2017. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2017



SSgA EAFE

Period Ended March 31, 2017

Investment Philosophy

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

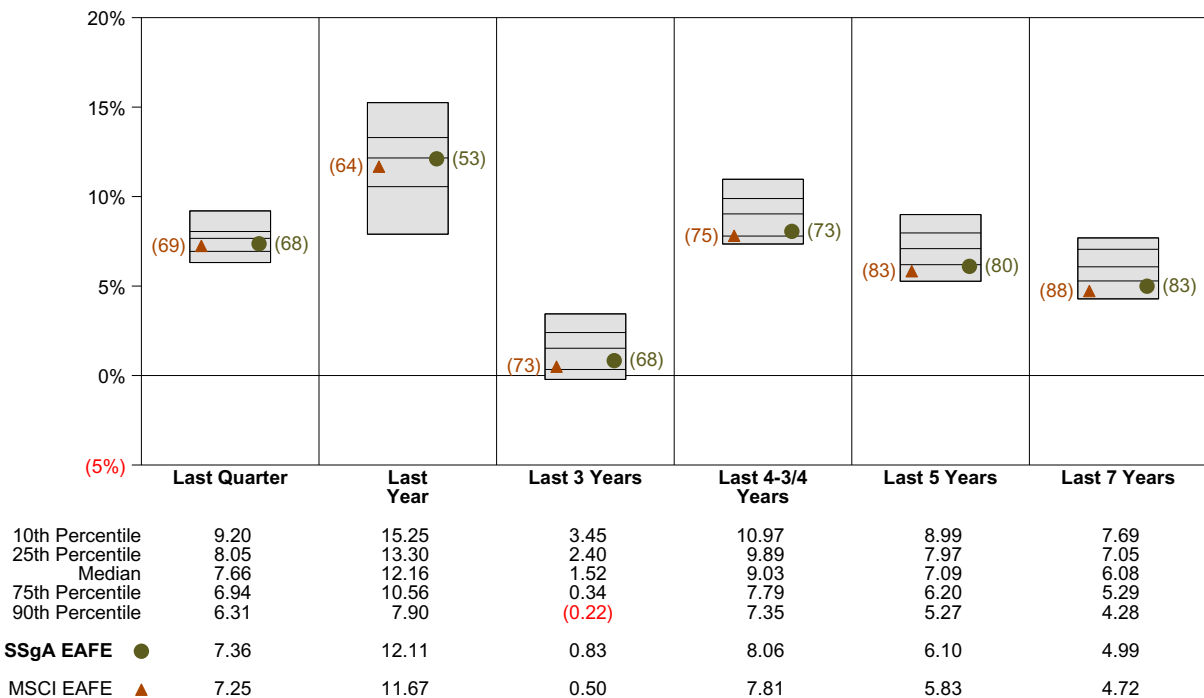
Quarterly Summary and Highlights

- SSgA EAFE's portfolio posted a 7.36% return for the quarter placing it in the 68 percentile of the CAI Non-US Developed Core Equity group for the quarter and in the 53 percentile for the last year.
- SSgA EAFE's portfolio outperformed the MSCI EAFE by 0.12% for the quarter and outperformed the MSCI EAFE for the year by 0.44%.

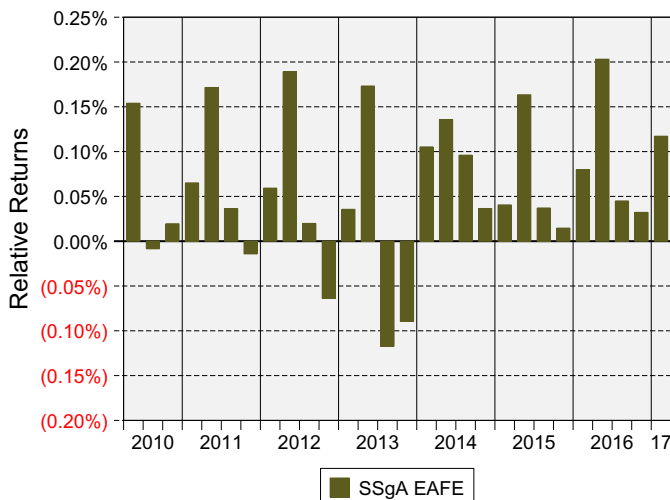
Quarterly Asset Growth

Beginning Market Value	\$9,185,714
Net New Investment	\$0
Investment Gains/(Losses)	\$676,299
Ending Market Value	\$9,862,013

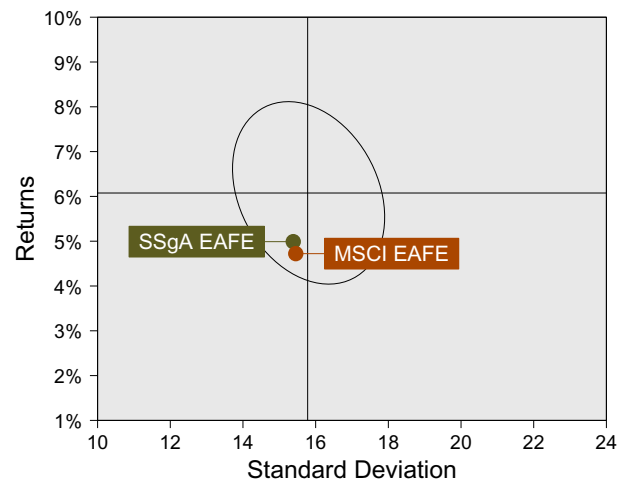
Performance vs CAI Non-US Developed Core Equity (Gross)



Relative Return vs MSCI EAFE



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

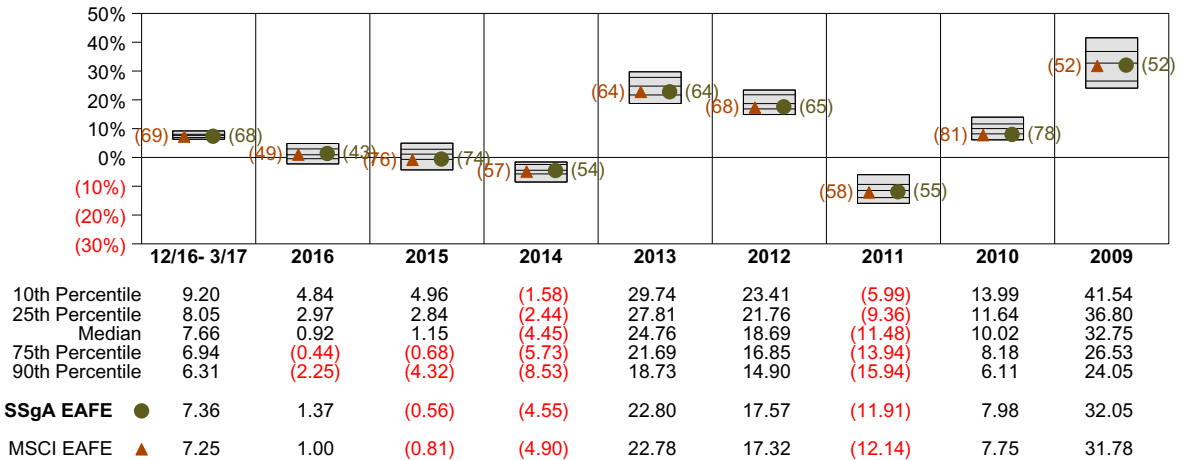


SSgA EAFE Return Analysis Summary

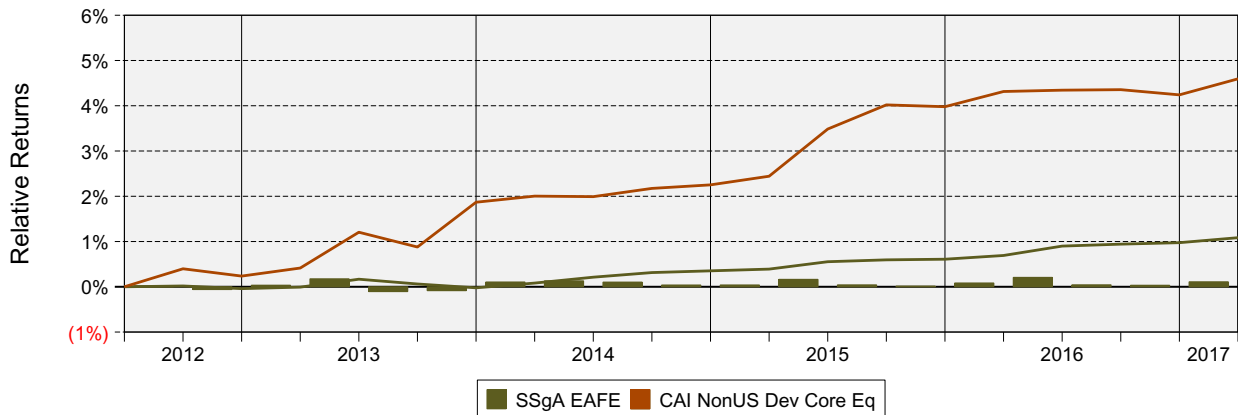
Return Analysis

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

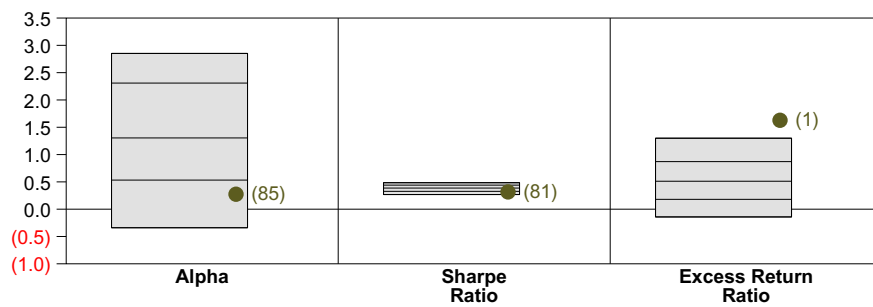
Performance vs CAI Non-US Developed Core Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE



Risk Adjusted Return Measures vs MSCI EAFE Rankings Against CAI Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2017

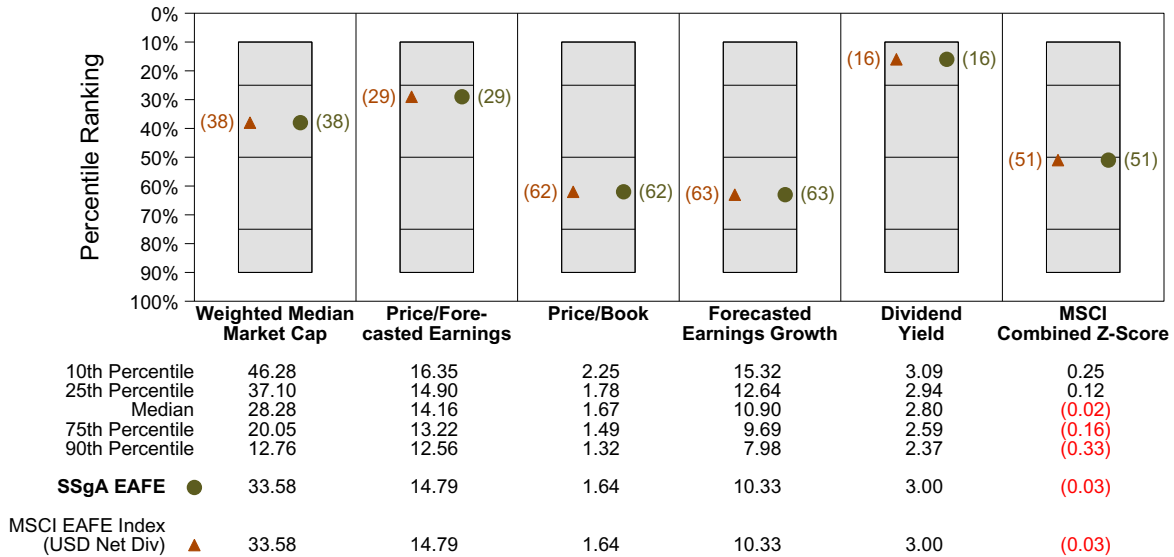


SSgA EAFE Equity Characteristics Analysis Summary

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.

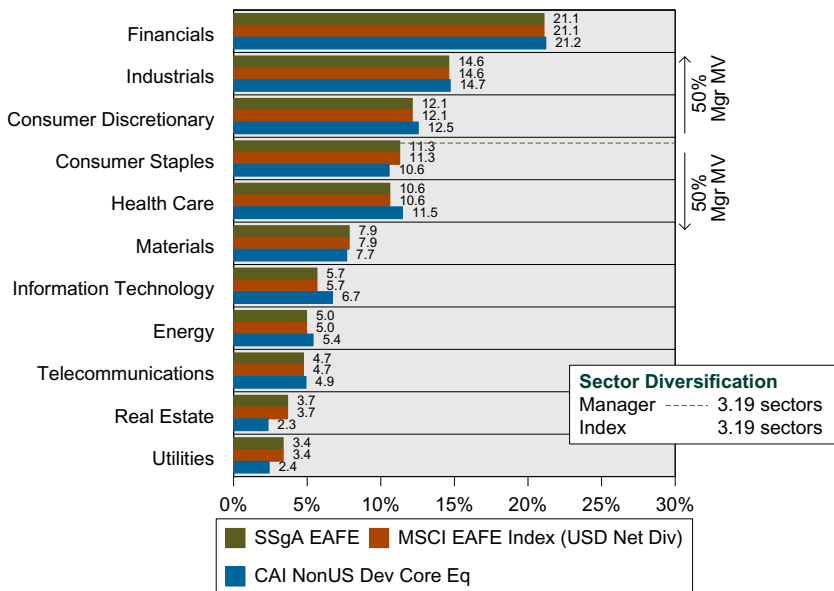
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-US Developed Core Equity as of March 31, 2017



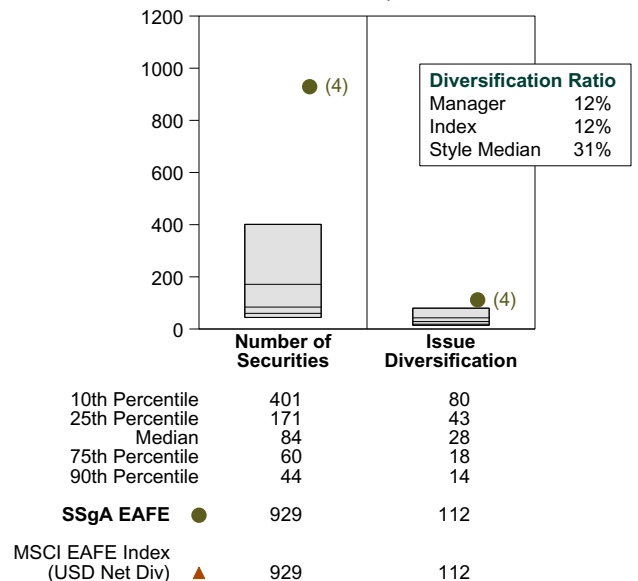
Sector Weights

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

Sector Allocation March 31, 2017



Diversification March 31, 2017



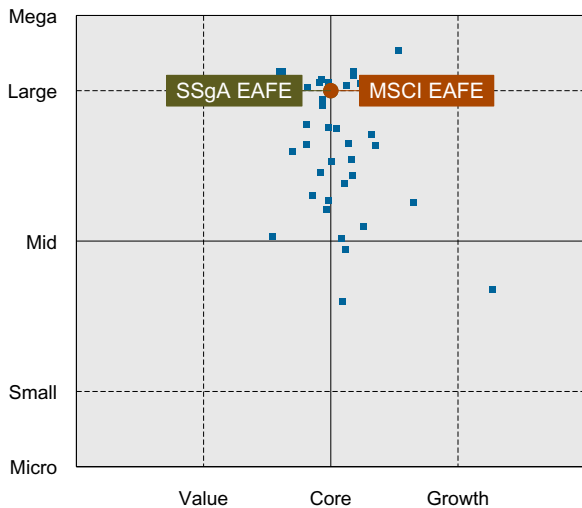
Current Holdings Based Style Analysis

SSgA EAFE

As of March 31, 2017

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.

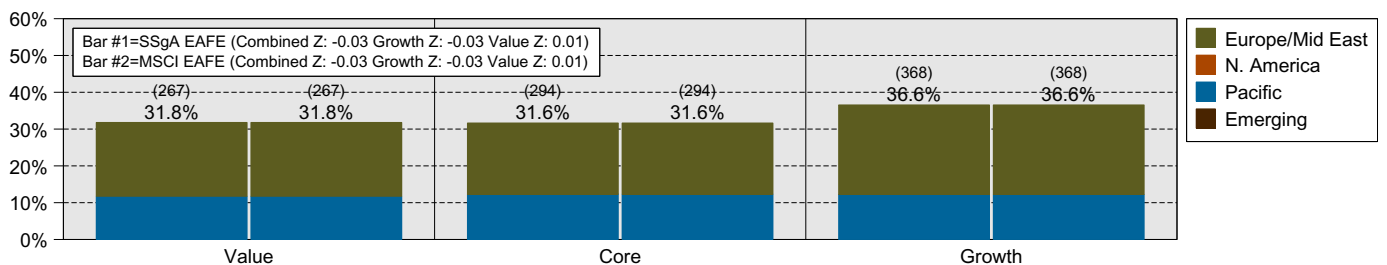
Style Map vs CAI NonUS Dev Core Eq Holdings as of March 31, 2017



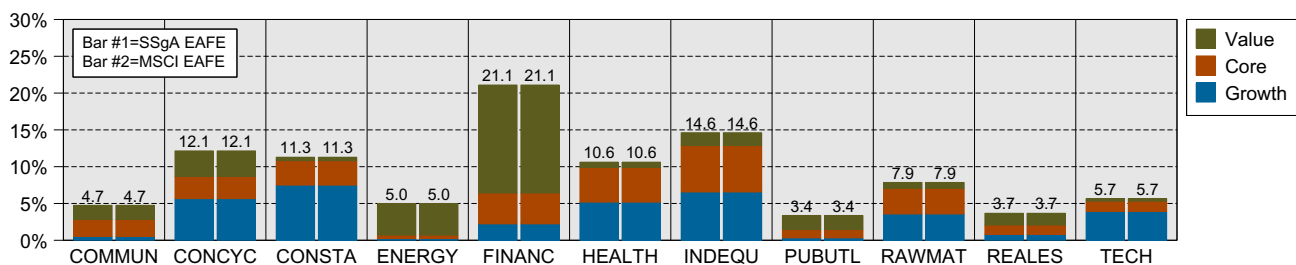
Style Exposure Matrix Holdings as of March 31, 2017

	20.1% (133)	19.3% (135)	24.3% (191)	63.7% (459)
Europe/ Mid East	20.1% (133)	19.3% (135)	24.3% (191)	63.7% (459)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	11.7% (134)	12.3% (159)	12.2% (177)	36.3% (470)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	31.8% (267)	31.6% (294)	36.6% (368)	100.0% (929)
	Value	Core	Growth	Total

Combined Z-Score Style Distribution Holdings as of March 31, 2017



Sector Weights Distribution Holdings as of March 31, 2017

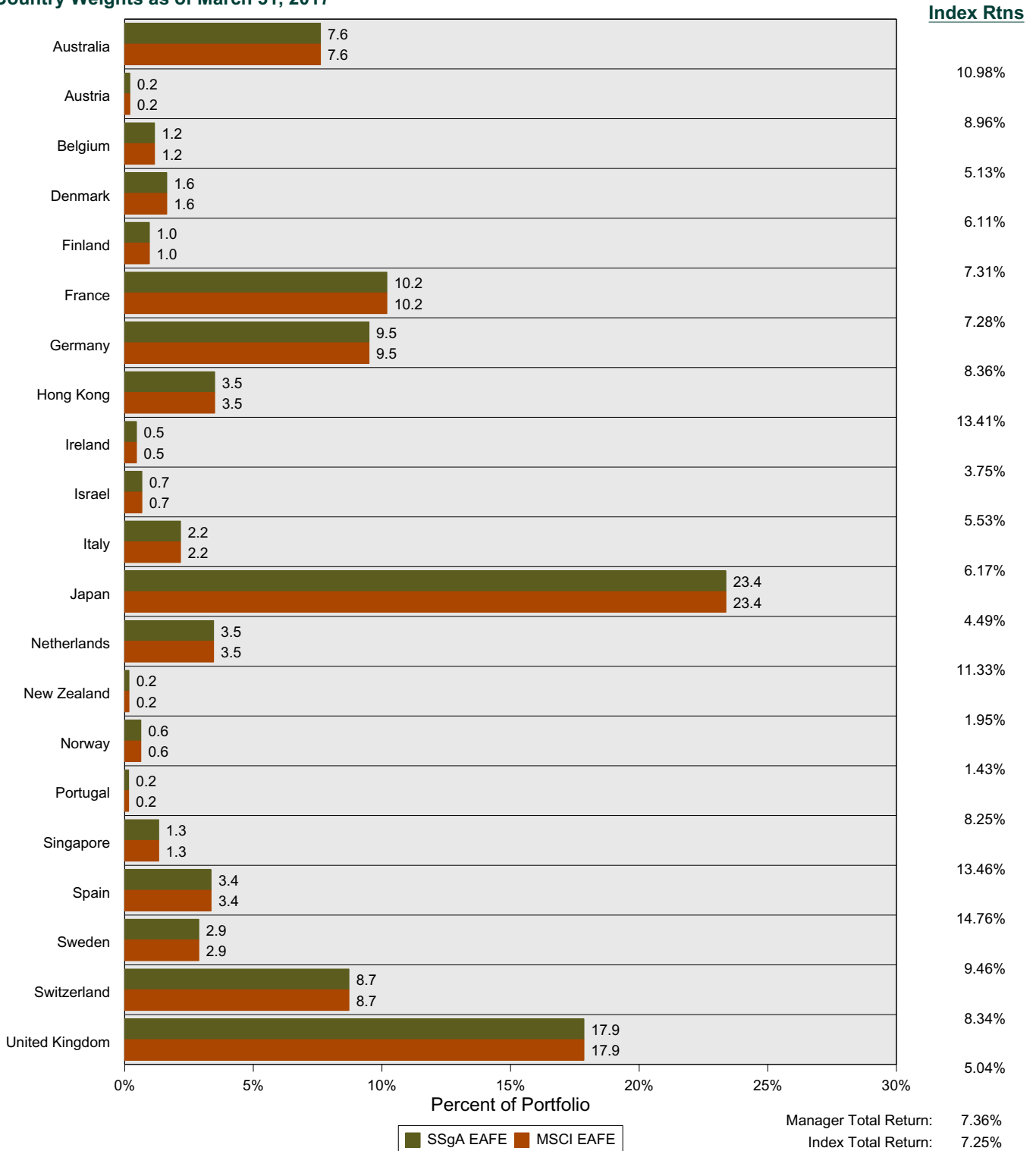


Country Allocation SSgA EAFE VS MSCI EAFE Index (USD Net Div)

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2017. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2017



SSgA EAFE Top 10 Portfolio Holdings Characteristics as of March 31, 2017

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	\$179,364	1.8%	6.82%	238.95	21.46	2.99%	5.16%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$134,777	1.4%	15.30%	179.55	16.22	3.21%	7.68%
Novartis	Health Care	\$124,512	1.3%	5.58%	195.15	15.36	3.70%	5.80%
Hsbc Holdings (Gb)	Financials	\$120,955	1.2%	2.84%	161.44	13.17	4.91%	8.30%
Toyota Motor Corp	Consumer Discretionary	\$106,250	1.1%	(8.05)%	176.93	9.04	3.48%	4.12%
British American Tobacco	Consumer Staples	\$92,751	0.9%	18.72%	123.56	18.04	3.20%	11.13%
Total Sa Act	Energy	\$86,628	0.9%	(0.01)%	124.42	11.64	5.17%	11.78%
Royal Dutch Shell A Shs	Energy	\$85,976	0.9%	(2.24)%	117.85	13.85	7.00%	11.05%
Commonwealth Bank of Austral Shs	Financials	\$84,773	0.9%	12.44%	112.93	14.85	4.90%	3.89%
Bp Plc Shs	Energy	\$81,268	0.8%	(9.12)%	112.60	14.82	7.06%	52.43%

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
Sharp Corp Osaka Shs	Consumer Discretionary	\$4,733	0.0%	82.08%	21.02	102.93	0.00%	49.04%
Mobileye N V Amstelveen Ord Shs	Information Technology	\$8,083	0.1%	61.07%	13.61	52.39	0.00%	49.35%
Yangzijiang Shipbu	Industrials	\$1,165	0.0%	43.37%	3.10	11.72	3.98%	(21.25)%
Minebea Ltd Ord	Industrials	\$3,808	0.0%	42.27%	5.69	15.03	1.14%	27.31%
Wheelock Co Ltd Ord	Real Estate	\$4,831	0.0%	40.45%	16.11	10.10	2.12%	1.53%
Shangri La Asia Ltd Ord	Consumer Discretionary	\$1,370	0.0%	38.07%	5.21	32.38	1.15%	(14.32)%
Stmicroelectronics N V Shs	Information Technology	\$7,333	0.1%	35.30%	13.96	21.80	1.78%	43.47%
Mixi Inc Tokyo Shs New	Information Technology	\$1,626	0.0%	33.33%	3.94	9.03	2.48%	(9.37)%
Rwe Ag Neu Essen Germany Act A	Utilities	\$6,104	0.1%	33.26%	9.55	9.01	0.00%	(14.90)%
Akzo Nobel	Materials	\$15,738	0.2%	32.71%	20.96	18.18	2.12%	4.47%

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
Aryzta Ag	Consumer Staples	\$2,103	0.0%	(25.72)%	2.95	11.24	0.00%	3.20%
Brambles Ltd Npv	Industrials	\$8,503	0.1%	(20.00)%	11.33	17.31	3.10%	5.70%
Asics Corp Shs	Consumer Discretionary	\$1,927	0.0%	(19.78)%	3.21	21.51	1.31%	17.51%
Saipem Spa San Donato Milane Ord	Energy	\$2,072	0.0%	(19.35)%	4.60	20.69	0.00%	4.70%
Fletcher Building Ltd Nz Shs	Materials	\$3,030	0.0%	(18.63)%	4.04	12.99	4.81%	2.97%
Iida Group Holding Co Ltd	Consumer Discretionary	\$1,694	0.0%	(17.89)%	4.51	6.52	2.69%	(4.99)%
Cobham	Industrials	\$2,132	0.0%	(17.78)%	2.84	17.11	8.01%	(13.08)%
Kakaku.Com	Information Technology	\$1,447	0.0%	(17.22)%	2.97	20.18	2.31%	12.47%
Nec Corp	Information Technology	\$4,703	0.0%	(15.66)%	6.26	18.83	2.24%	3.51%
Pearson Plc Ord	Consumer Discretionary	\$5,267	0.1%	(15.62)%	7.02	13.76	7.62%	(6.60)%

JP Morgan Period Ended March 31, 2017

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. Returns prior to 12/31/2007 are linked to a composite history.

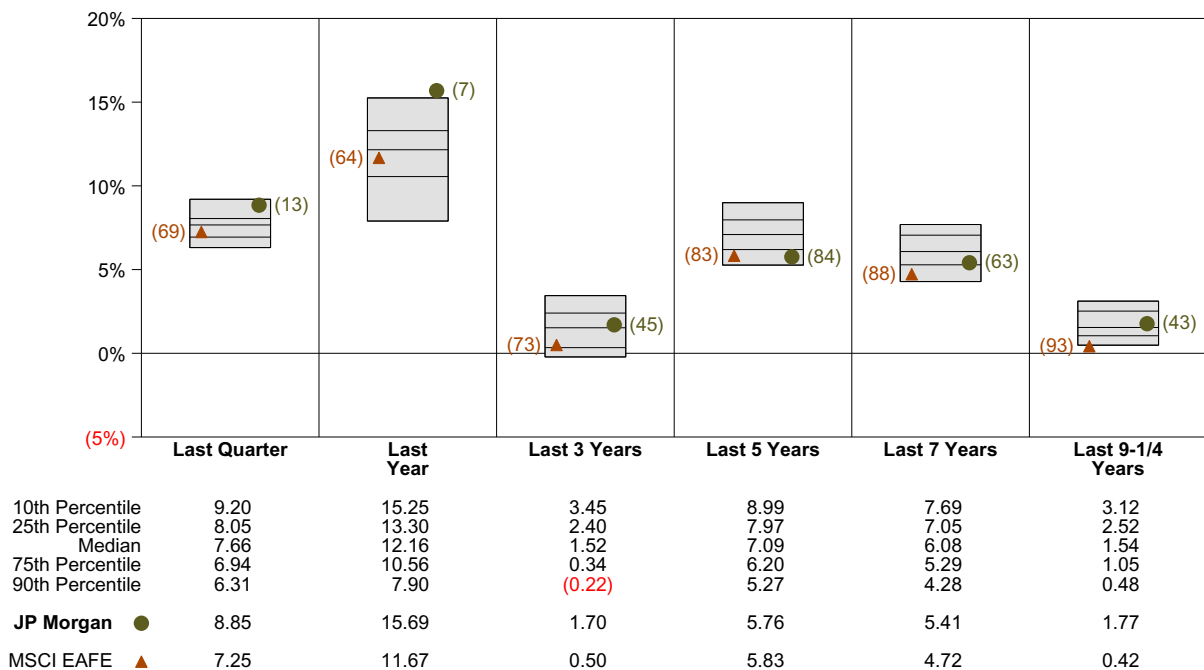
Quarterly Summary and Highlights

- JP Morgan's portfolio posted a 8.85% return for the quarter placing it in the 13 percentile of the CAI Non-US Developed Core Equity group for the quarter and in the 7 percentile for the last year.
- JP Morgan's portfolio outperformed the MSCI EAFE by 1.60% for the quarter and outperformed the MSCI EAFE for the year by 4.01%.

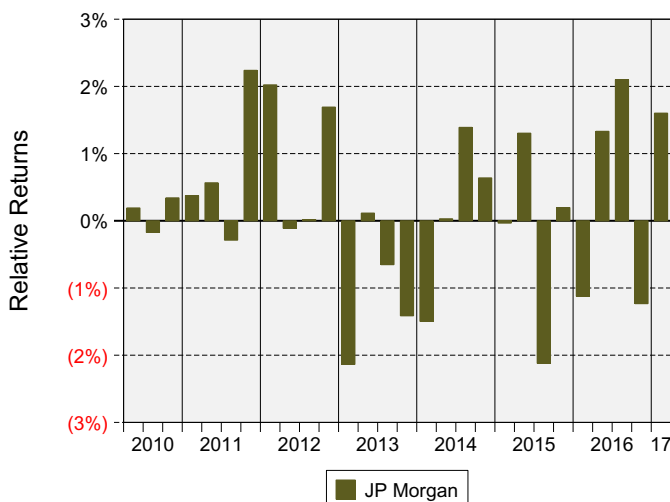
Quarterly Asset Growth

Beginning Market Value	\$22,648,733
Net New Investment	\$0
Investment Gains/(Losses)	\$2,003,650
Ending Market Value	\$24,652,383

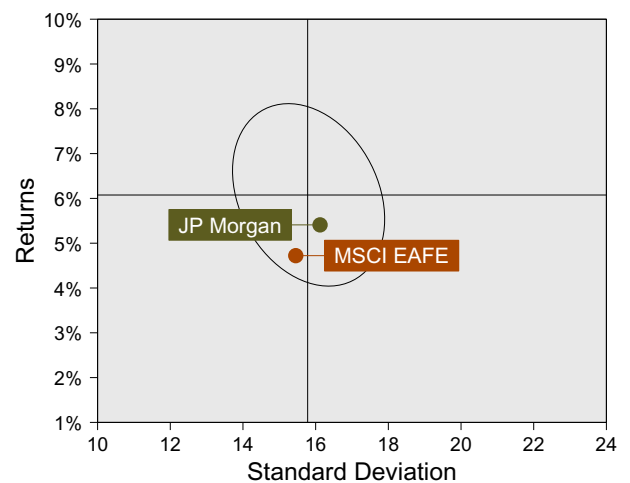
Performance vs CAI Non-US Developed Core Equity (Gross)



Relative Return vs MSCI EAFE



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

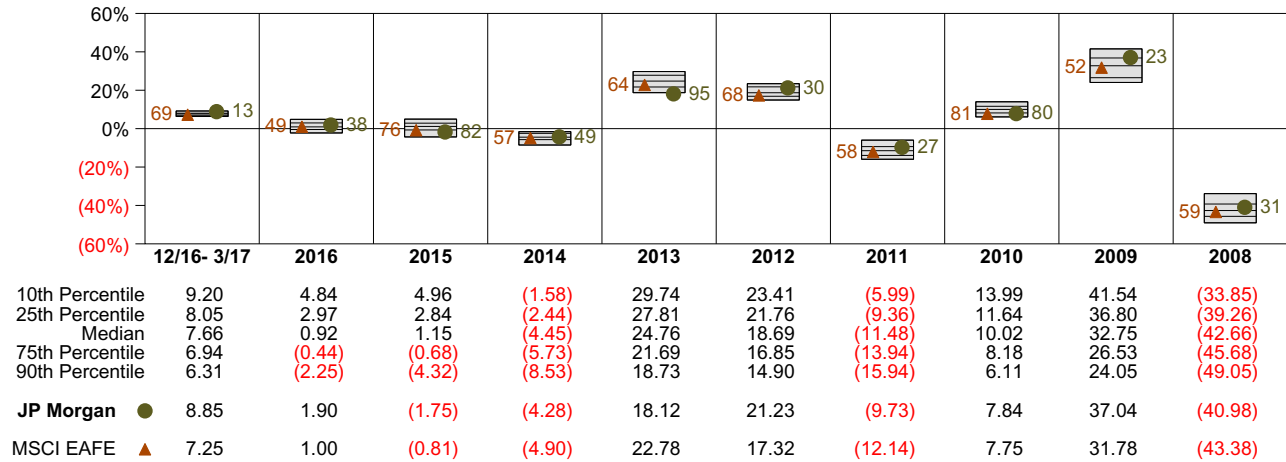


JP Morgan Return Analysis Summary

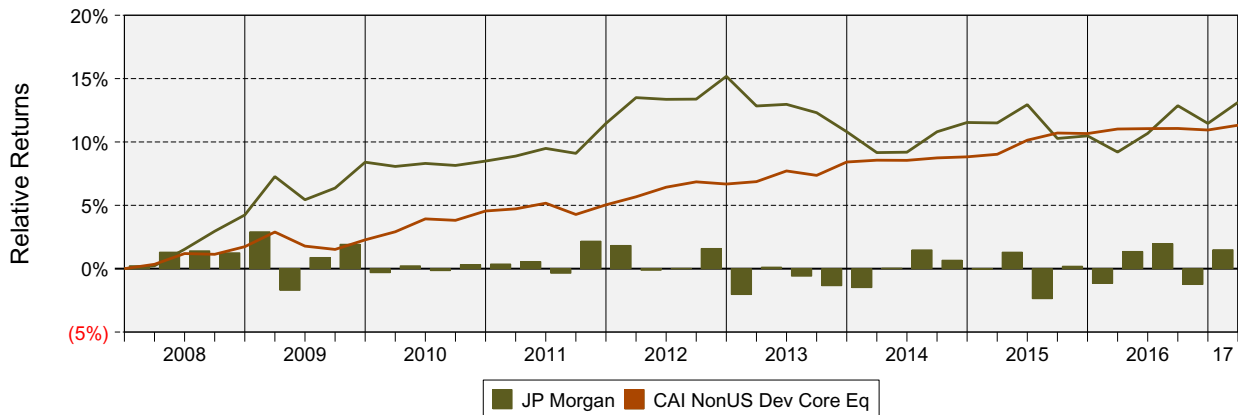
Return Analysis

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 chart illustrates the manager's ranking relative to their style using various risk-adjusted return measures.

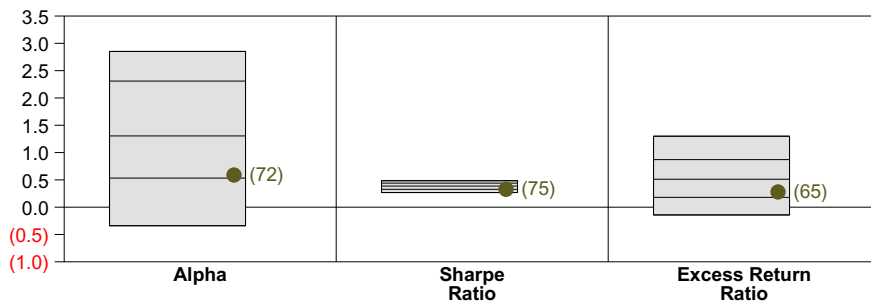
Performance vs CAI Non-US Developed Core Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE



Risk Adjusted Return Measures vs MSCI EAFE Rankings Against CAI Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2017

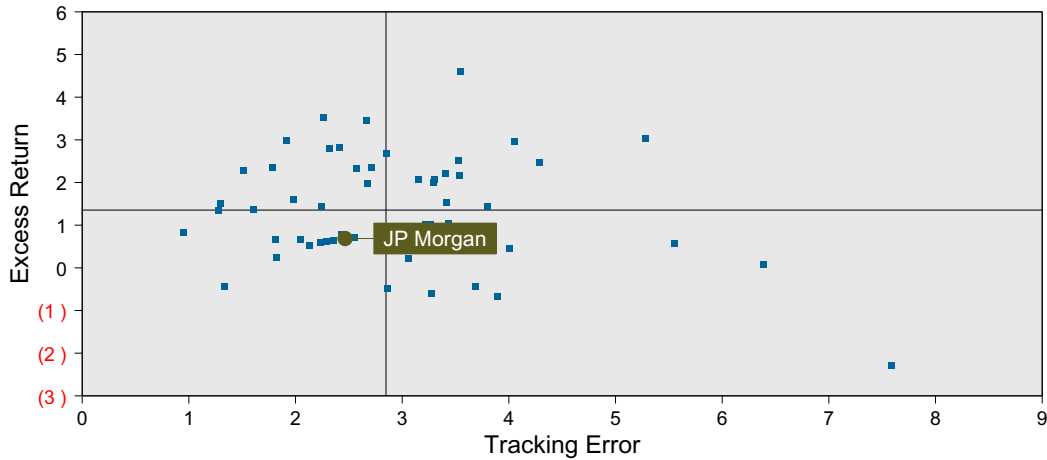


JP Morgan Risk Analysis Summary

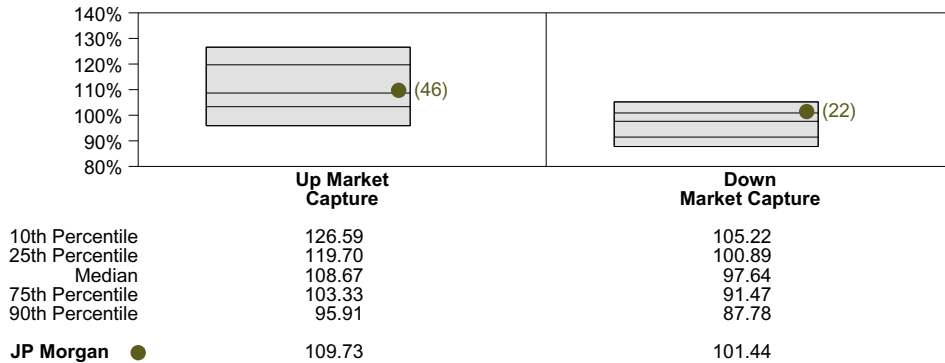
Risk Analysis

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 chart shows Up and Down Market Capture. The last two charts show the ranking of the manager's risk statistics versus the peer group.

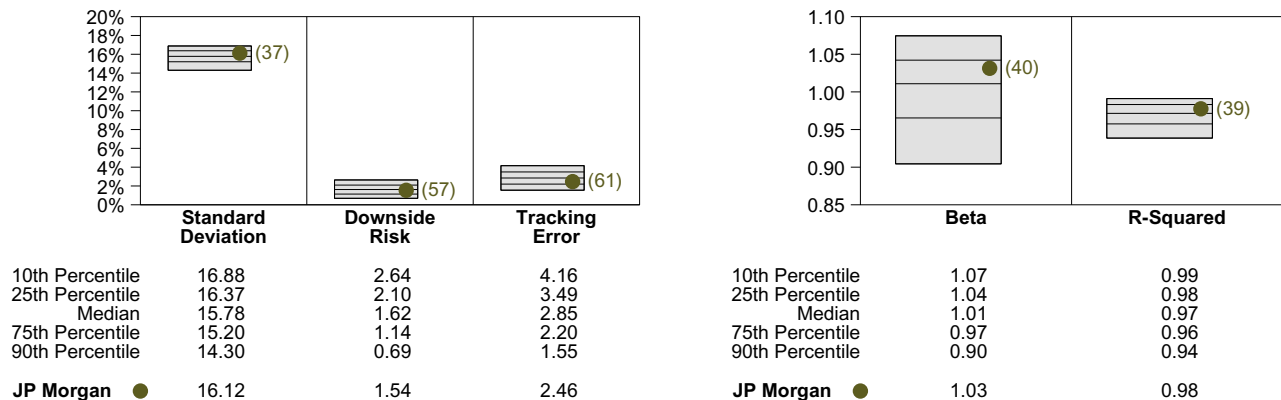
Risk Analysis vs CAI Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2017



Market Capture vs MSCI EAFE Index (USD Net Div) Rankings Against CAI Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2017



Risk Statistics Rankings vs MSCI EAFE Index (USD Net Div) Rankings Against CAI Non-US Developed Core Equity (Gross) Seven Years Ended March 31, 2017

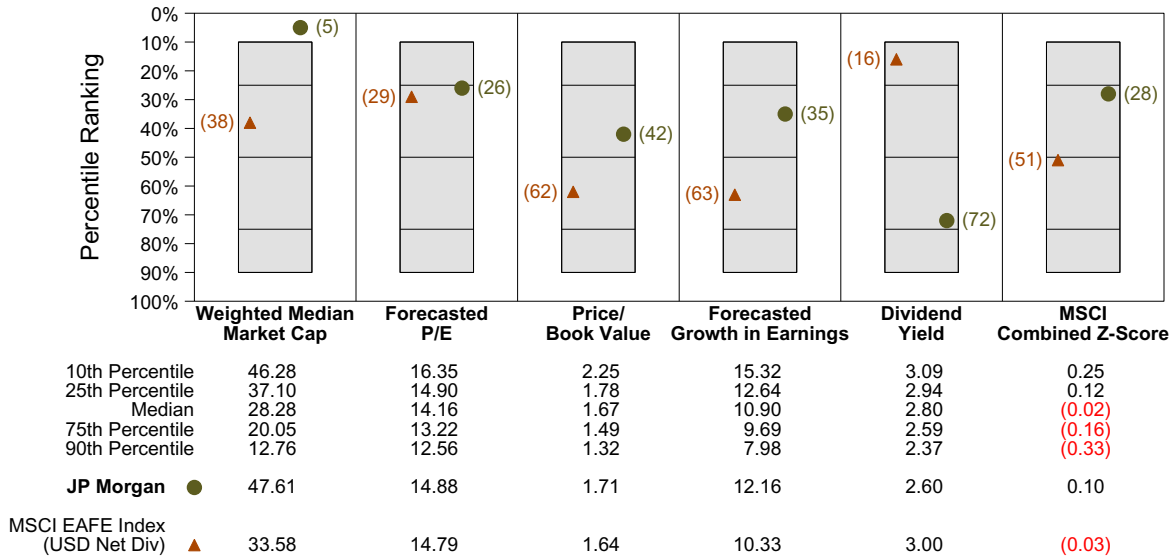


JP Morgan Equity Characteristics Analysis Summary

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.

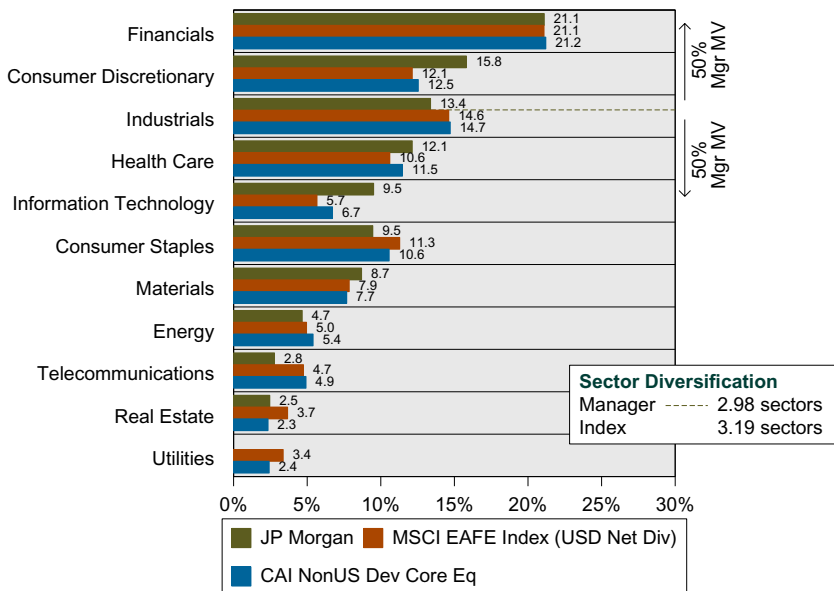
Portfolio Characteristics Percentile Rankings Rankings Against CAI Non-US Developed Core Equity as of March 31, 2017



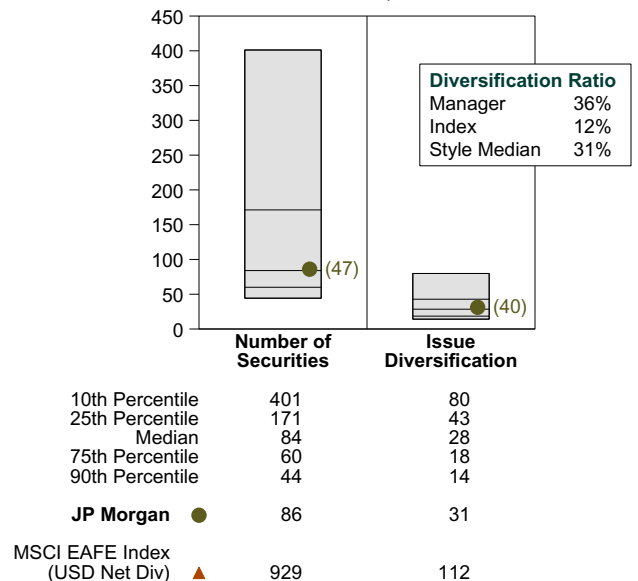
Sector Weights

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

Sector Allocation March 31, 2017



Diversification March 31, 2017

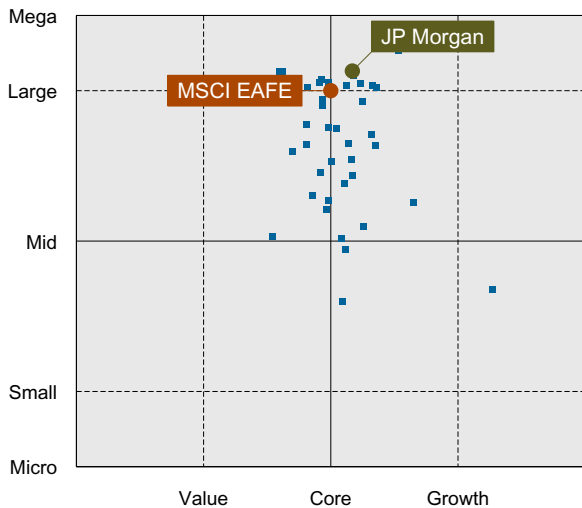


Current Holdings Based Style Analysis

JP Morgan As of March 31, 2017

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.

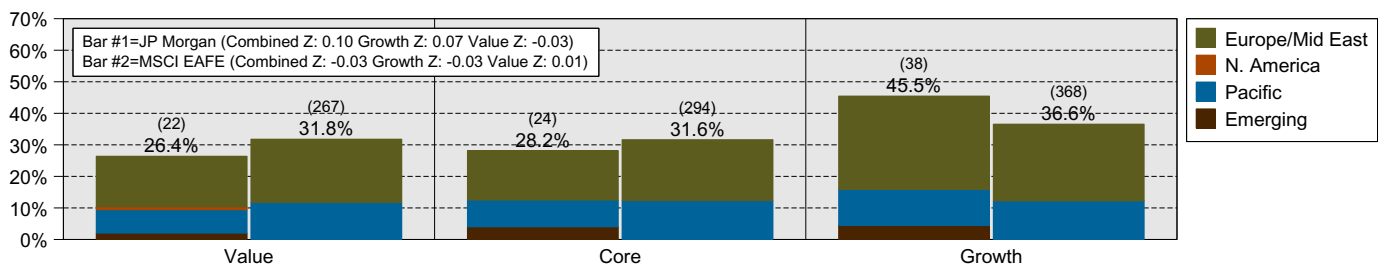
Style Map vs CAI NonUS Dev Core Eq Holdings as of March 31, 2017



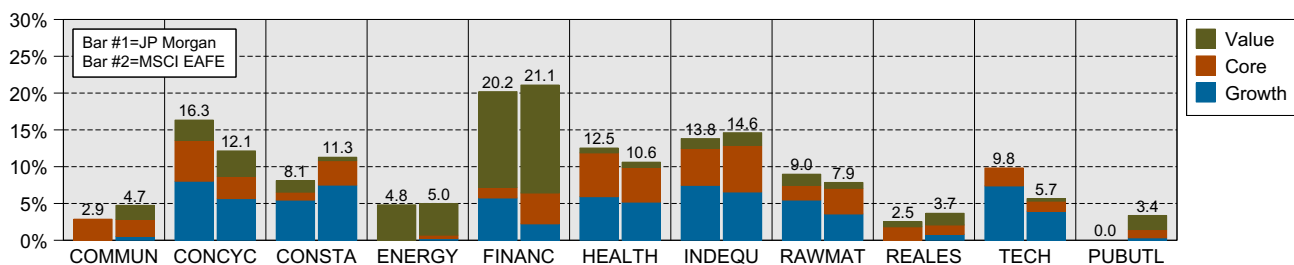
Style Exposure Matrix Holdings as of March 31, 2017

	Value	Core	Growth	Total
Europe/ Mid East	16.0% (12) 20.1% (133)	15.7% (13) 19.3% (135)	29.6% (23) 24.3% (191)	61.3% (48) 63.7% (459)
N. America	0.9% (1) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.9% (1) 0.0% (0)
Pacific	7.4% (6) 11.7% (134)	8.5% (8) 12.3% (159)	11.4% (11) 12.2% (177)	27.3% (25) 36.3% (470)
Emerging	2.0% (3) 0.0% (0)	4.0% (3) 0.0% (0)	4.4% (4) 0.0% (0)	10.5% (10) 0.0% (0)
Total	26.4% (22) 31.8% (267)	28.2% (24) 31.6% (294)	45.5% (38) 36.6% (368)	100.0% (84) 100.0% (929)

Combined Z-Score Style Distribution Holdings as of March 31, 2017



Sector Weights Distribution Holdings as of March 31, 2017



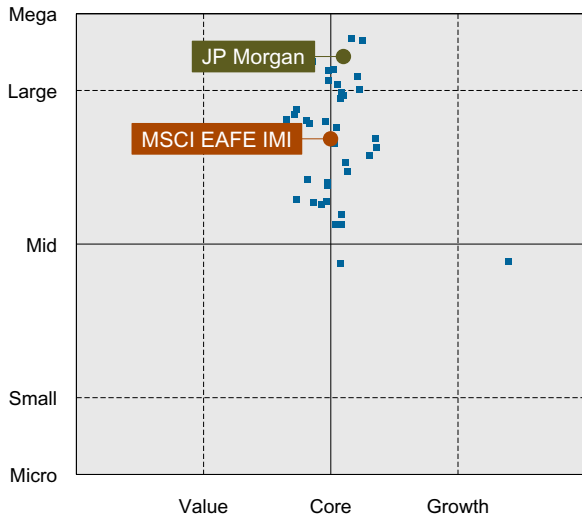
Historical Holdings Based Style Analysis

JP Morgan

For Five Years Ended March 31, 2017

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.

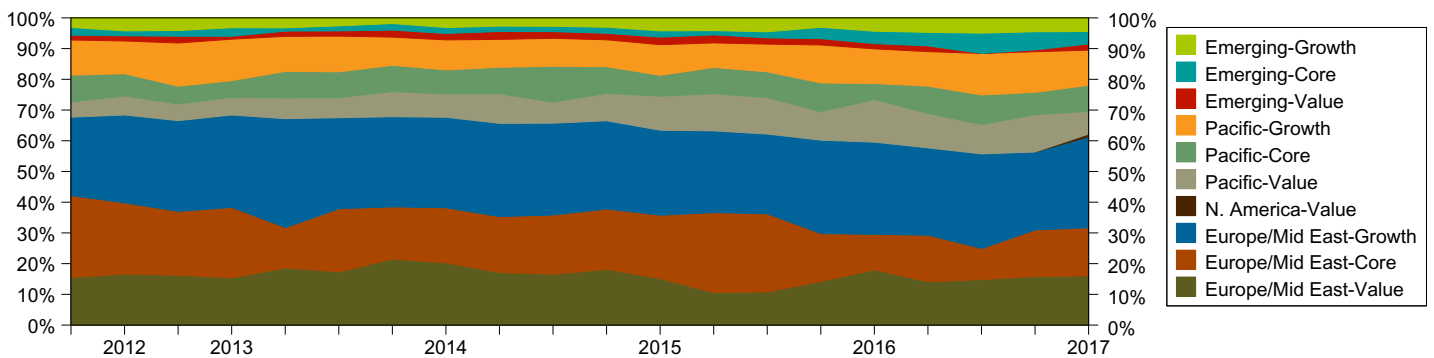
Average Style Map vs CAI NonUS Dev Core Eq Holdings for Five Years Ended March 31, 2017



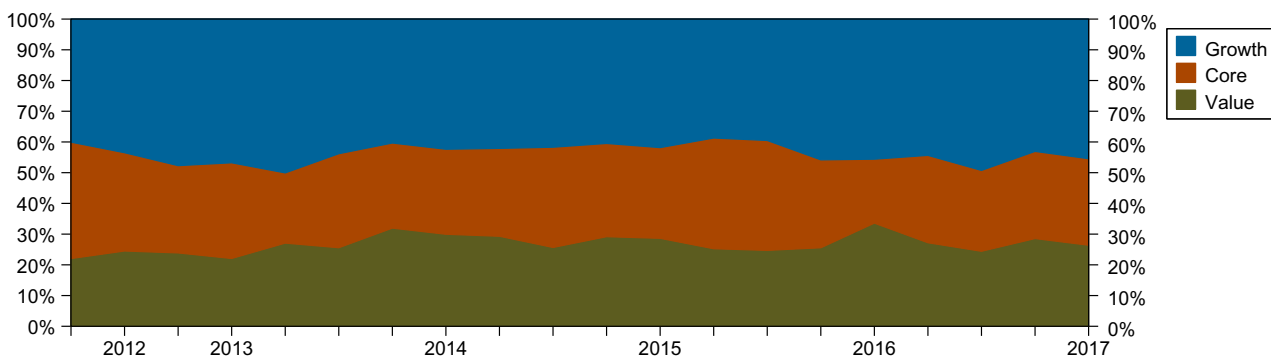
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2017

	Value	Core	Growth	Total
Europe/Mid East	16.1% (13)	18.7% (16)	29.1% (25)	63.9% (54)
	18.7% (435)	19.4% (481)	25.5% (500)	63.6% (1416)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.1% (1)	0.0% (0)	0.0% (0)	0.1% (1)
Pacific	8.8% (7)	8.1% (7)	10.9% (11)	27.8% (25)
	10.9% (550)	13.0% (588)	12.3% (532)	36.2% (1670)
Emerging	1.8% (3)	2.8% (3)	3.6% (4)	8.2% (10)
	0.0% (5)	0.0% (4)	0.0% (3)	0.1% (12)
Total	26.8% (23)	29.6% (26)	43.6% (40)	100.0% (89)
	29.7% (991)	32.5% (1073)	37.8% (1035)	100.0% (3099)

JP Morgan Historical Region/Style Exposures



JP Morgan Historical Style Only Exposures

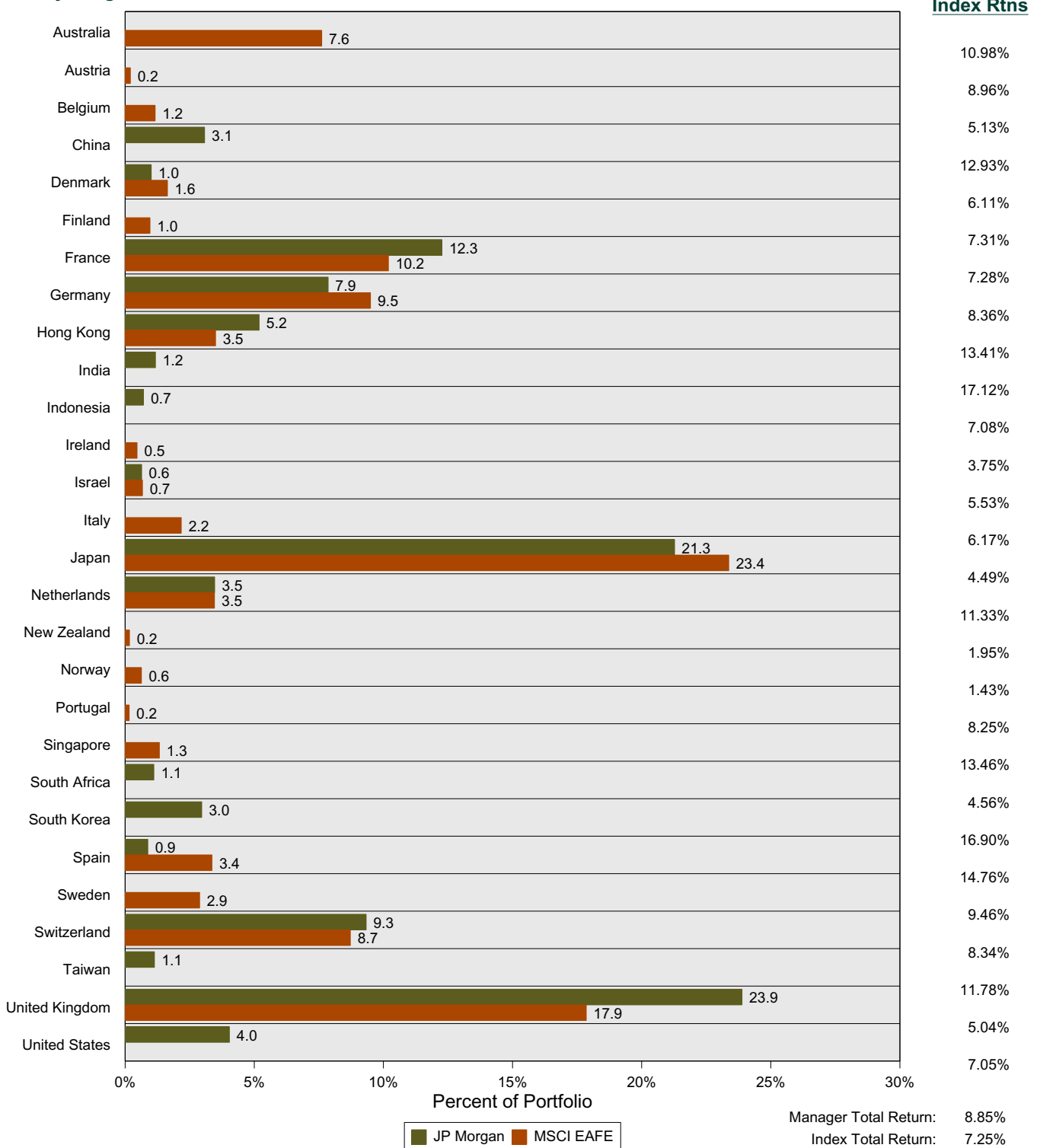


Country Allocation JP Morgan VS MSCI EAFE Index (USD Net Div)

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2017. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2017



JP Morgan Top 10 Portfolio Holdings Characteristics as of March 31, 2017

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	\$577,391	2.3%	25.36%	259.14	8.78	1.38%	17.37%
Hsbc Holdings (Gb)	Financials	\$544,111	2.2%	2.84%	161.44	13.17	4.91%	8.30%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$541,238	2.2%	15.30%	179.55	16.22	3.21%	7.68%
Prudential	Financials	\$503,833	2.0%	6.74%	54.51	12.03	2.58%	11.50%
Novartis	Health Care	\$474,731	1.9%	5.58%	195.15	15.36	3.70%	5.80%
Vodafone Group Plc New Shs New	Telecommunications	\$455,737	1.8%	5.39%	69.28	32.10	5.68%	16.70%
Royal Dutch Shell A Shs	Energy	\$449,521	1.8%	(2.24)%	117.85	13.85	7.00%	11.05%
Allianz Ag Muenchen Namen Akt Vink	Financials	\$432,193	1.8%	12.45%	84.80	10.93	4.38%	2.10%
British American Tobacco	Consumer Staples	\$431,195	1.7%	18.72%	123.56	18.04	3.20%	11.13%
Sap Se Shs	Information Technology	\$430,181	1.7%	12.87%	120.88	21.45	1.36%	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
Akzo Nobel	Materials	\$351,296	1.4%	32.71%	20.96	18.18	2.12%	4.47%
Wynn Macau Ltd Hkd0.001	Consumer Discretionary	\$181,407	0.7%	27.86%	10.58	26.10	2.65%	14.84%
Samsung Electronics Co Ltd Ord	Information Technology	\$577,391	2.3%	25.36%	259.14	8.78	1.38%	17.37%
Hdfc Bank Ltd Adr Reps 3 Shs	Financials	\$286,960	1.2%	23.96%	56.93	21.04	0.66%	19.34%
Smc Corp Shs	Industrials	\$299,806	1.2%	23.95%	19.90	20.06	0.61%	9.40%
Hang Lung Properties Limited Shs	Real Estate	\$59,518	0.2%	22.58%	11.69	17.10	3.71%	(0.37)%
Unilever Plc Shs	Consumer Staples	\$337,479	1.4%	22.09%	63.23	21.90	2.77%	11.53%
PERSimmon Plc Shs	Consumer Discretionary	\$167,104	0.7%	20.73%	8.08	9.78	6.45%	7.05%
Fanuc Ltd Shs	Industrials	\$287,757	1.2%	20.55%	41.79	32.04	1.73%	1.84%
British American Tobacco	Consumer Staples	\$431,195	1.7%	18.72%	123.56	18.04	3.20%	11.13%

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
Teva Pharmaceutical Inds Ltd Adr	Health Care	\$156,025	0.6%	(10.62)%	32.44	7.06	4.45%	(1.73)%
Toyota Motor Corp	Consumer Discretionary	\$337,770	1.4%	(8.05)%	176.93	9.04	3.48%	4.12%
Mitsui Fudosan Co Ltd Shs	Real Estate	\$201,789	0.8%	(7.56)%	21.12	16.71	1.35%	4.90%
Cnooc Ltd Shs	Energy	\$223,839	0.9%	(4.56)%	53.31	12.84	3.77%	18.51%
Astellas Pharma	Health Care	\$255,381	1.0%	(4.42)%	28.34	14.56	2.25%	3.92%
Sumitomo Mitsui Finl Grp Inc Shs	Financials	\$417,501	1.7%	(3.43)%	51.33	7.97	3.71%	4.46%
Novo Nordisk B	Health Care	\$246,809	1.0%	(2.76)%	69.33	15.32	3.17%	7.30%
Technip Fmc	Energy	\$215,801	0.9%	(2.46)%	15.16	22.00	0.00%	(9.00)%
Inpex Corp Tokyo Shs	Energy	\$250,778	1.0%	(2.38)%	14.36	24.31	1.64%	62.30%
Wpp Plc New Shs	Consumer Discretionary	\$309,288	1.3%	(2.37)%	28.02	13.61	3.23%	8.55%

AQR

Period Ended March 31, 2017

Investment Philosophy

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

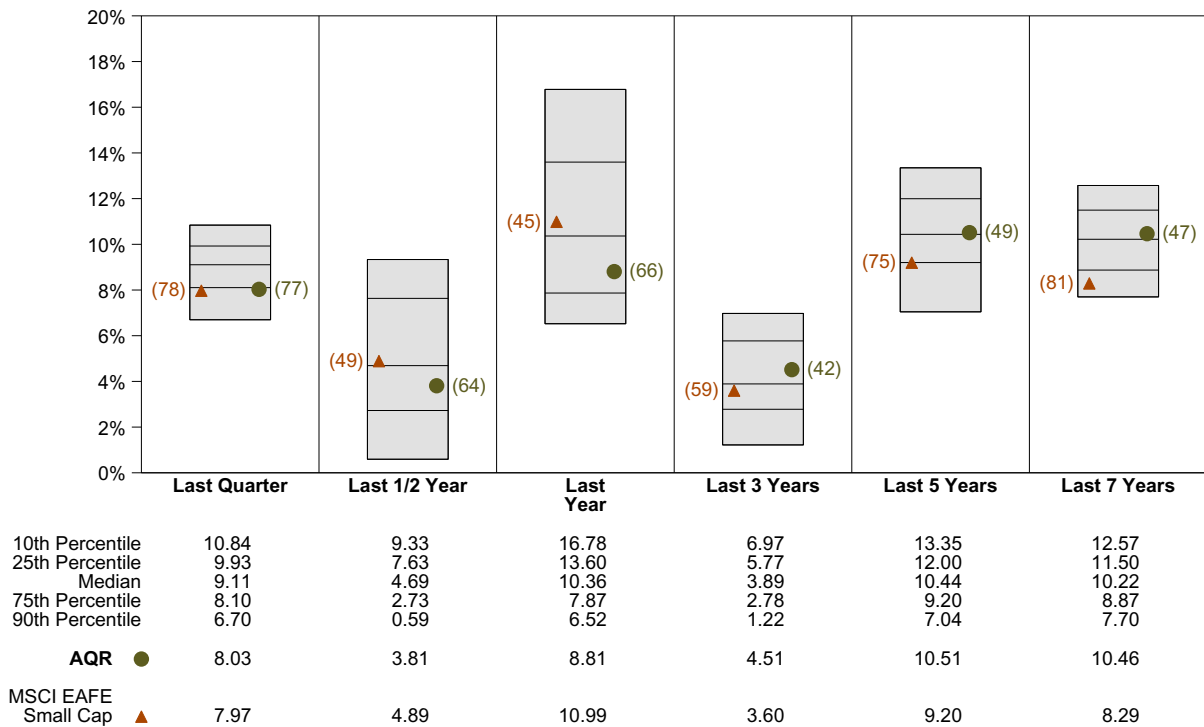
Quarterly Summary and Highlights

- AQR's portfolio posted a 8.03% return for the quarter placing it in the 77 percentile of the CAI International Small Cap group for the quarter and in the 66 percentile for the last year.
- AQR's portfolio outperformed the MSCI EAFE Small Cap by 0.06% for the quarter and underperformed the MSCI EAFE Small Cap for the year by 2.18%.

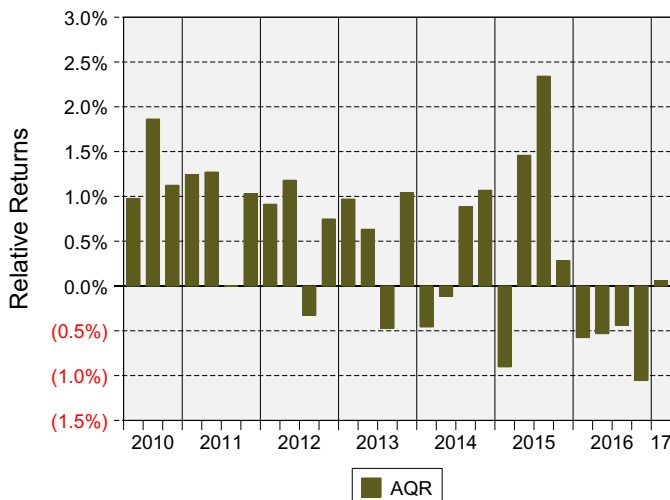
Quarterly Asset Growth

Beginning Market Value	\$11,888,493
Net New Investment	\$0
Investment Gains/(Losses)	\$924,976
Ending Market Value	\$12,813,469

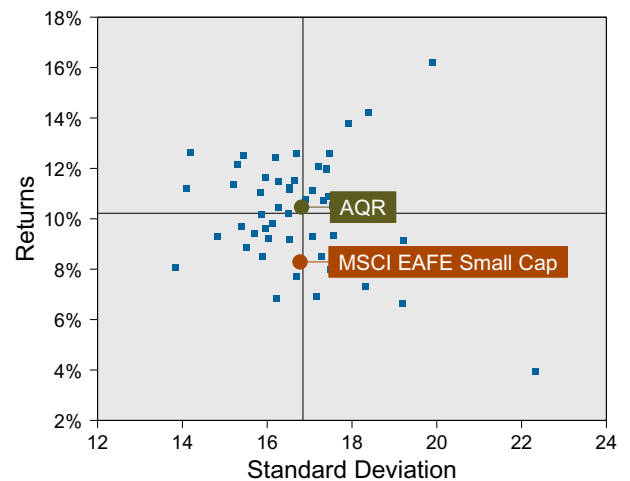
Performance vs CAI International Small Cap (Gross)



Relative Return vs MSCI EAFE Small Cap



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

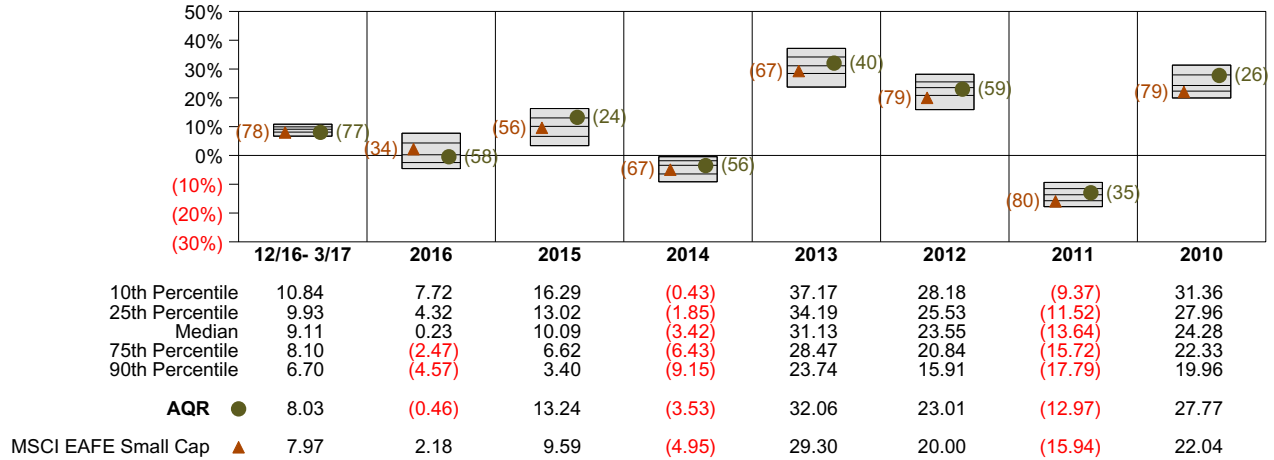


AQR Return Analysis Summary

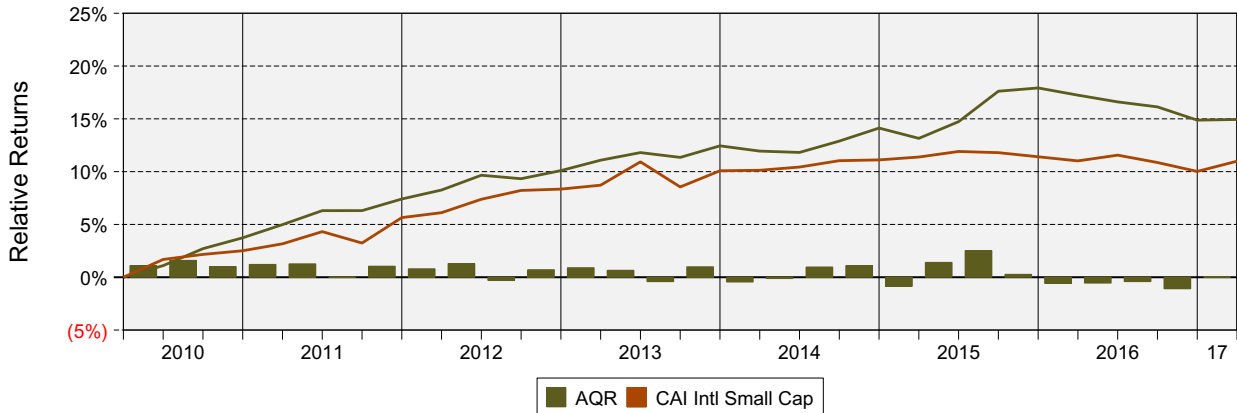
Return Analysis

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

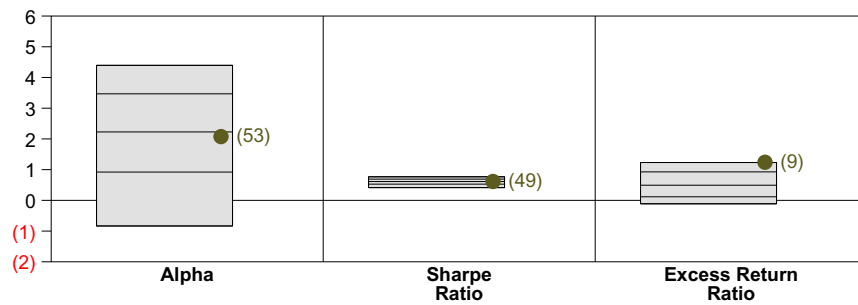
Performance vs CAI International Small Cap (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE Small Cap



Risk Adjusted Return Measures vs MSCI EAFE Small Cap Rankings Against CAI International Small Cap (Gross) Seven Years Ended March 31, 2017



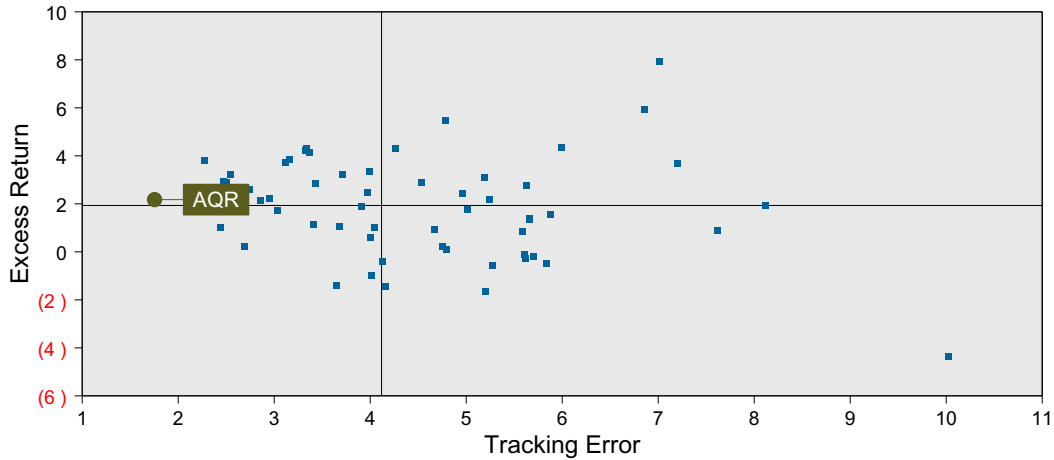
10th Percentile	4.40	0.77	1.23
25th Percentile	3.47	0.69	0.93
Median	2.23	0.61	0.49
75th Percentile	0.92	0.53	0.12
90th Percentile	(0.83)	0.42	(0.11)
AQR	2.08	0.61	1.24

AQR Risk Analysis Summary

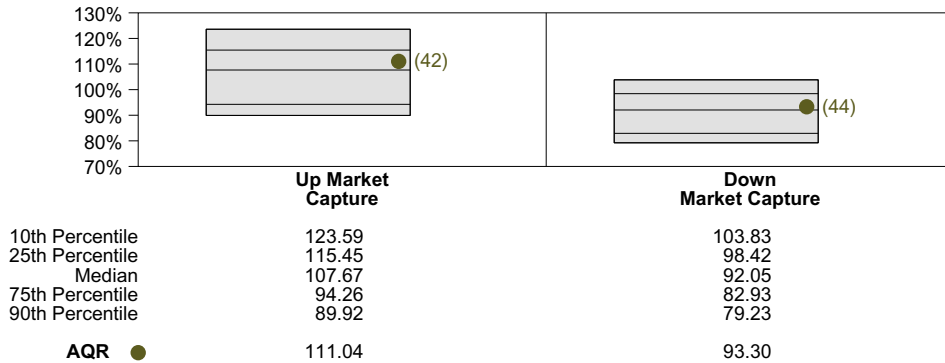
Risk Analysis

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

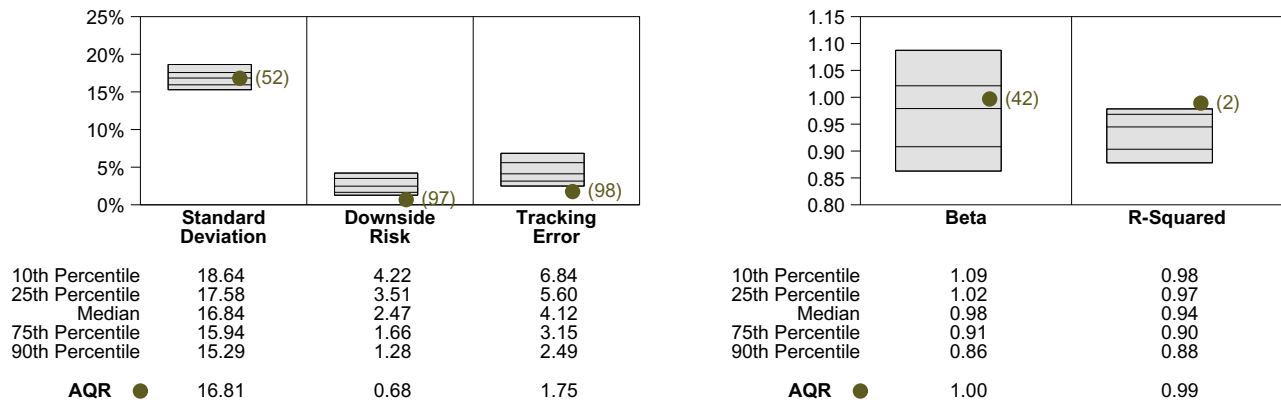
Risk Analysis vs CAI International Small Cap (Gross) Seven Years Ended March 31, 2017



Market Capture vs MSCI EAFE Small Cap Index (USD Net Div) Rankings Against CAI International Small Cap (Gross) Seven Years Ended March 31, 2017



Risk Statistics Rankings vs MSCI EAFE Small Cap Index (USD Net Div) Rankings Against CAI International Small Cap (Gross) Seven Years Ended March 31, 2017

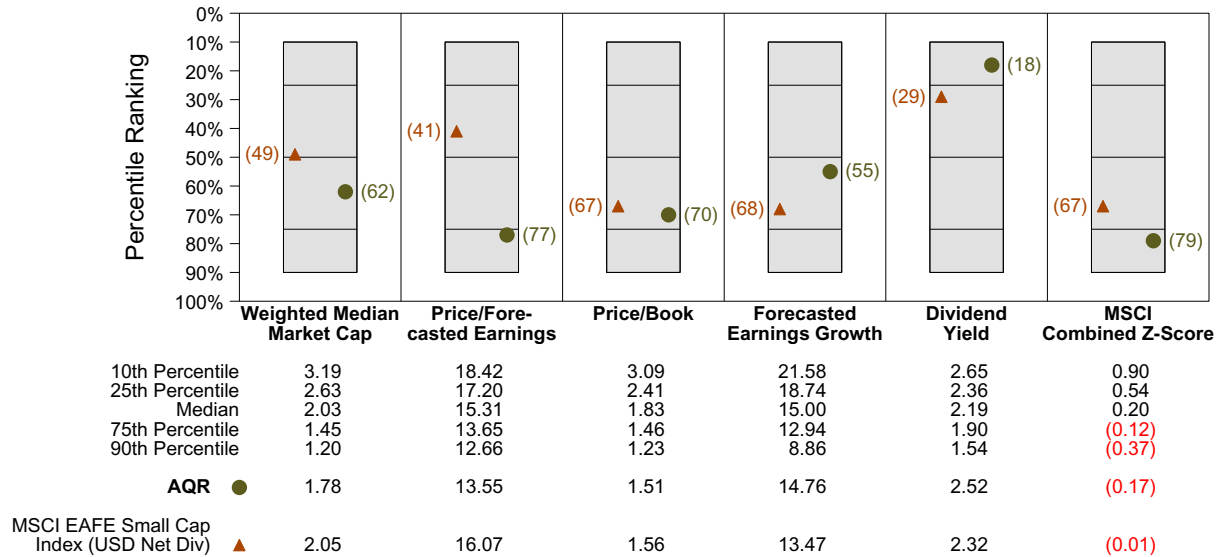


AQR Equity Characteristics Analysis Summary

Portfolio Characteristics

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

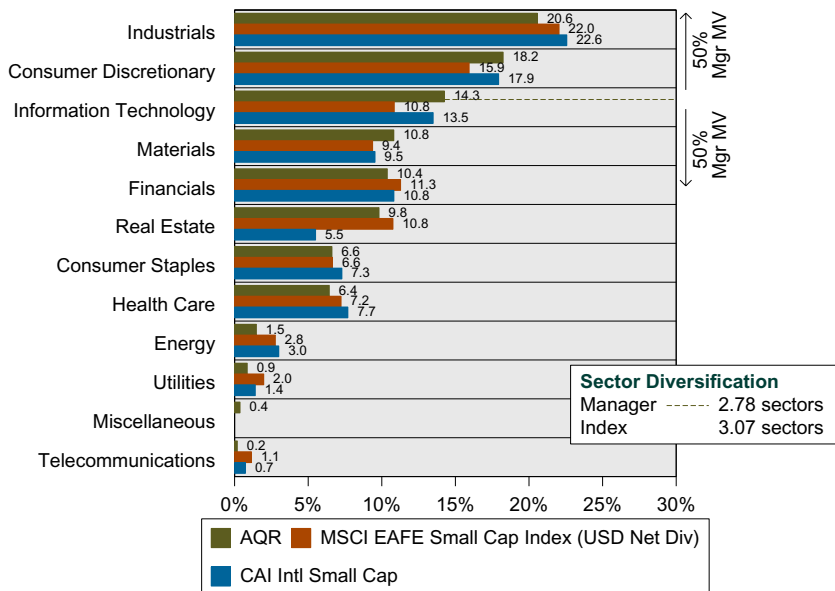
Portfolio Characteristics Percentile Rankings Rankings Against CAI International Small Cap as of March 31, 2017



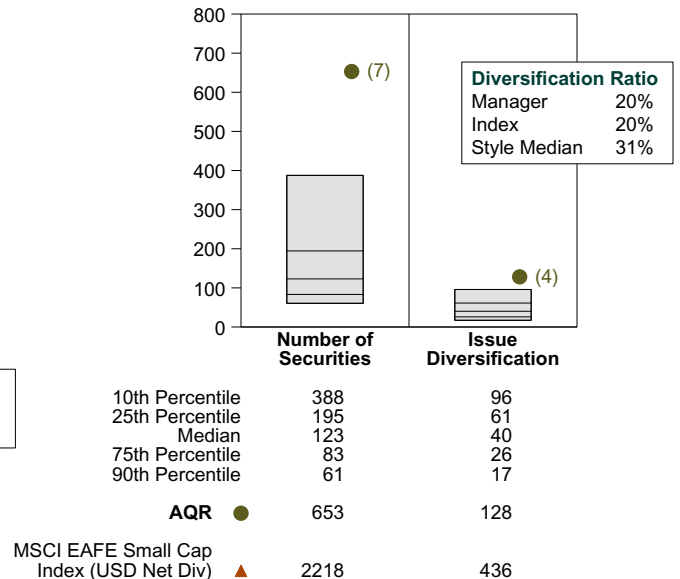
Sector Weights

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

Sector Allocation March 31, 2017



Diversification March 31, 2017



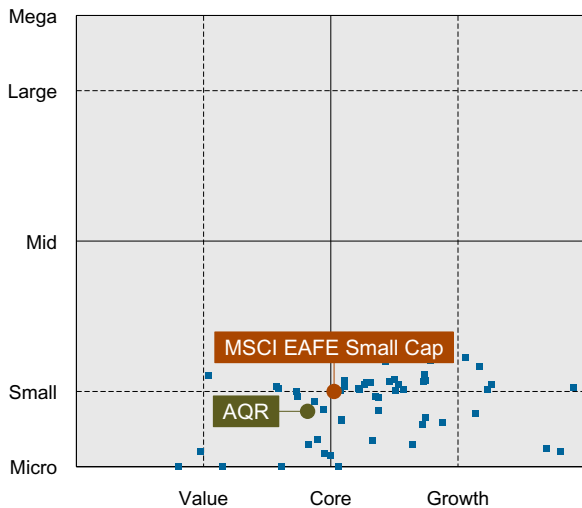
Current Holdings Based Style Analysis

AQR

As of March 31, 2017

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.

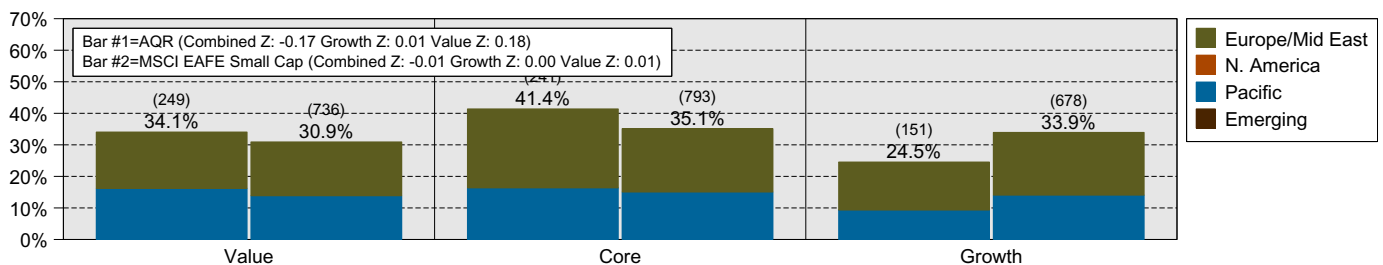
Style Map vs CAI Intl Small Cap Holdings as of March 31, 2017



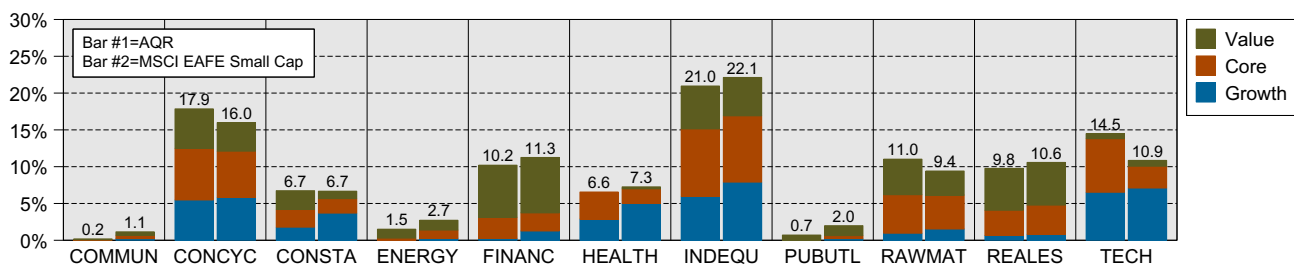
Style Exposure Matrix Holdings as of March 31, 2017

	Value	Core	Growth	Total
Europe/ Mid East	17.8% (117)	25.0% (114)	15.2% (84)	58.1% (315)
N. America	17.1% (315)	20.1% (363)	19.9% (312)	57.0% (990)
Pacific	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	34.1% (249)	41.4% (241)	24.5% (151)	100.0% (641)
	30.9% (736)	35.1% (793)	33.9% (678)	100.0% (2207)

Combined Z-Score Style Distribution Holdings as of March 31, 2017



Sector Weights Distribution Holdings as of March 31, 2017



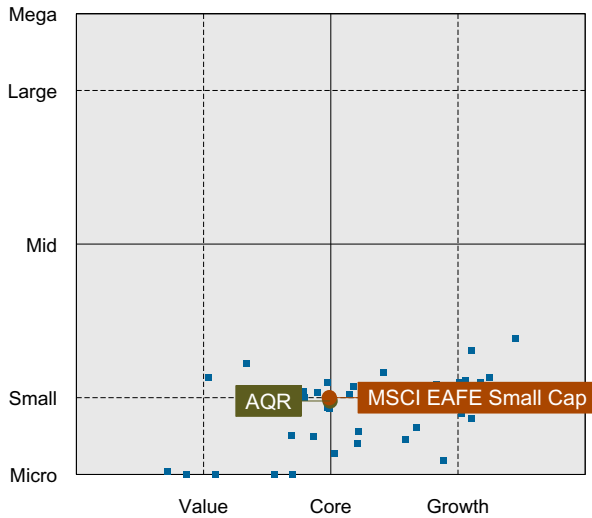
Historical Holdings Based Style Analysis

AQR

For Five Years Ended March 31, 2017

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.

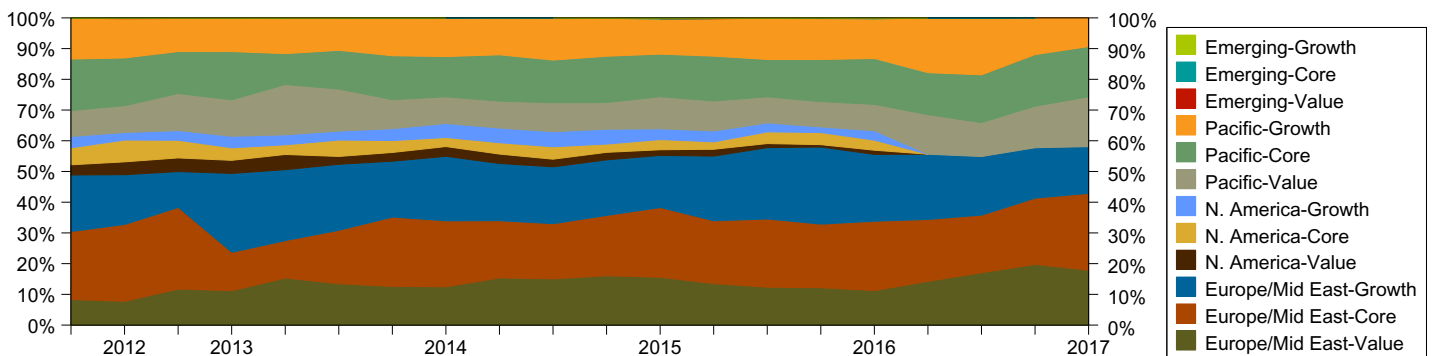
Average Style Map vs CAI Intl Small Cap Holdings for Five Years Ended March 31, 2017



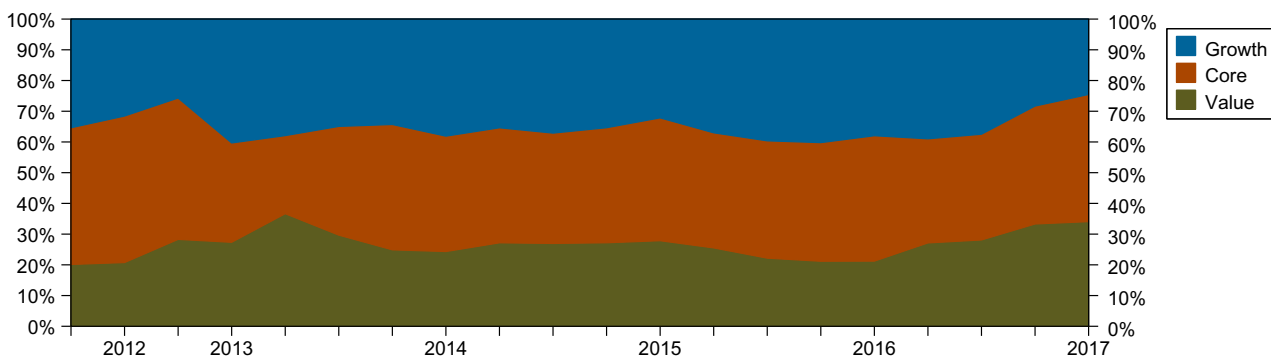
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2017

	13.6% (89)	20.5% (106)	19.5% (87)	53.7% (282)
Europe/ Mid East	15.2% (312)	21.7% (350)	20.8% (307)	57.7% (969)
N. America	2.3% (19)	3.2% (25)	2.8% (20)	8.4% (64)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	10.8% (117)	14.4% (121)	12.7% (90)	37.8% (328)
	12.9% (418)	15.1% (430)	14.0% (359)	42.0% (1207)
Emerging	0.0% (1)	0.0% (1)	0.1% (1)	0.1% (3)
	0.1% (5)	0.1% (4)	0.1% (3)	0.3% (12)
Total	26.7% (226)	38.2% (253)	35.1% (198)	100.0% (677)
	28.3% (735)	36.8% (784)	34.9% (669)	100.0% (2188)
	Value	Core	Growth	Total

AQR Historical Region/Style Exposures



AQR Historical Style Only Exposures

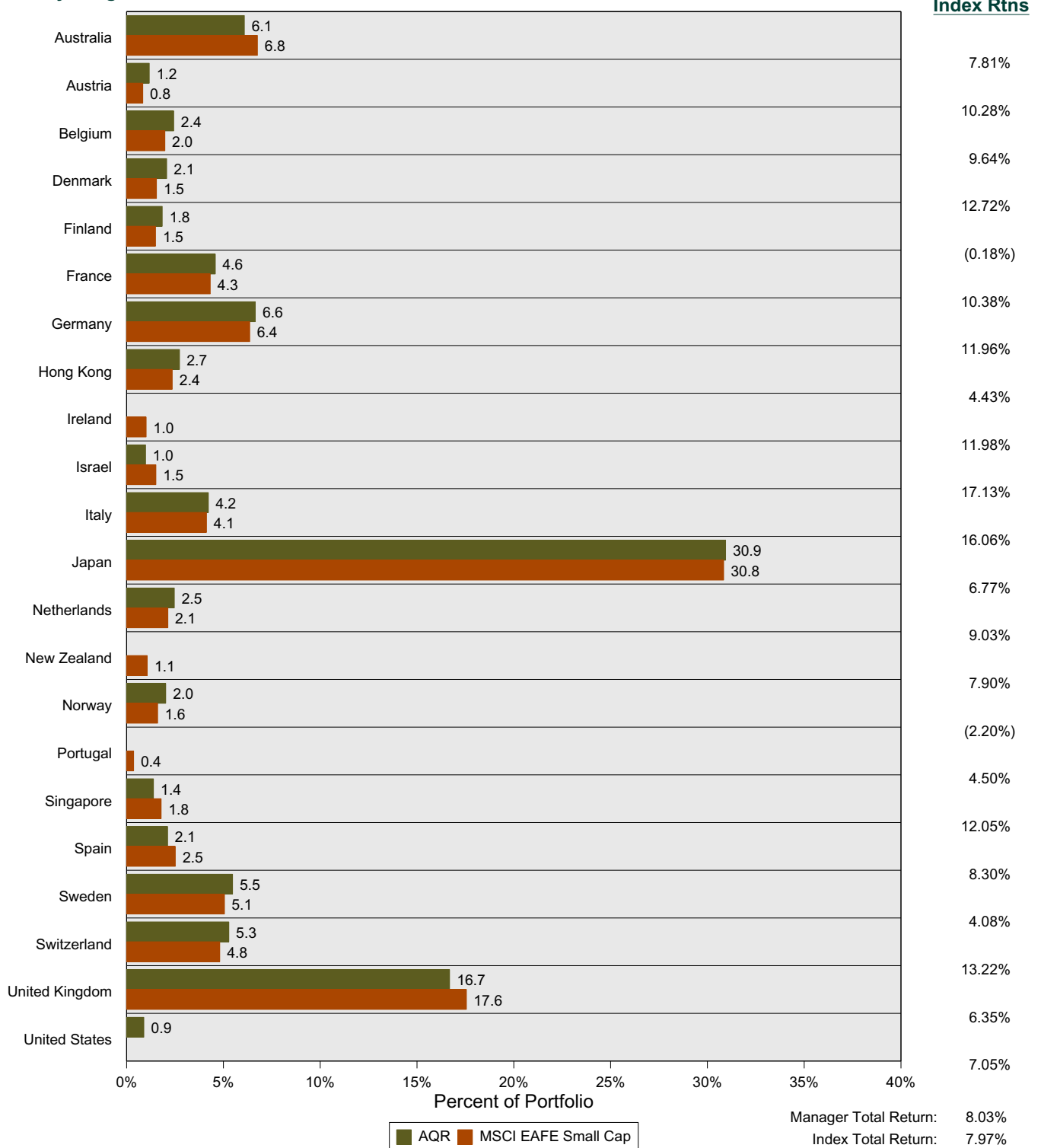


Country Allocation AQR VS MSCI EAFE Small Cap Index (USD Net Div)

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2017. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2017



AQR Top 10 Portfolio Holdings Characteristics as of March 31, 2017

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
Electrocomponent Plc Ord	Information Technology	\$138,726	1.1%	0.50%	2.61	21.14	2.48%	24.43%
Suedzucker Ag Mannheim/Ochse Akt	Consumer Staples	\$95,605	0.7%	5.08%	5.15	17.58	1.27%	31.10%
Be Semiconductor Inds NV Bes Shs	Information Technology	\$94,256	0.7%	22.54%	1.64	18.47	4.55%	52.02%
Bluescope Steel Ltd Shs New	Materials	\$93,272	0.7%	39.63%	5.37	10.45	0.57%	26.03%
Indivior Plc Ord Usd2	Health Care	\$92,506	0.7%	10.05%	2.90	12.75	0.00%	(2.80)%
Dialog Semicon.Nmbc	Information Technology	\$86,498	0.7%	21.39%	4.16	18.44	0.00%	9.01%
Bml	Health Care	\$82,240	0.6%	(7.66)%	0.97	16.00	1.33%	22.61%
Autoneum Holding Ag	Consumer Discretionary	\$81,813	0.6%	11.80%	1.37	14.49	2.21%	14.89%
Software	Information Technology	\$81,763	0.6%	8.87%	3.03	15.06	1.62%	4.51%
Seino Transportation Co	Industrials	\$79,981	0.6%	0.80%	2.33	13.34	2.24%	14.35%

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
Ulvac	Information Technology	\$34,730	0.3%	51.85%	2.30	11.28	0.58%	66.21%
Fincantieri	Industrials	\$4,120	0.0%	51.70%	1.28	18.46	0.00%	-
Information Svcs Int'l	Information Technology	\$10,997	0.1%	47.83%	0.74	16.92	1.98%	18.72%
Fuso Chemical	Materials	\$18,878	0.1%	46.31%	1.11	16.51	0.95%	12.42%
Jac Japan	Industrials	\$26,619	0.2%	44.22%	0.67	18.36	1.65%	30.40%
Yanlord Land Group	Real Estate	\$5,124	0.0%	42.17%	2.53	6.56	0.84%	8.26%
Interpump Group Spa Sant Az	Industrials	\$5,274	0.0%	42.15%	2.54	21.93	0.92%	14.85%
Banca Ifis	Financials	\$23,858	0.2%	40.13%	2.07	14.27	2.28%	69.64%
Koenig & Bauer	Industrials	\$24,738	0.2%	39.88%	1.04	14.71	0.85%	147.83%
Unione Di Banche Italiane Sc Ubi Ban	Financials	\$18,776	0.1%	39.66%	3.76	12.14	3.06%	(1.82)%

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
Lonmin Public Limited Compan Lonmin	Materials	\$3,688	0.0%	(39.21)%	0.30	(8.69)	0.00%	(21.50)%
Salmar	Consumer Staples	\$39,046	0.3%	(28.09)%	2.44	8.39	6.48%	35.10%
Tipp24 (Xet)	Consumer Discretionary	\$5,930	0.0%	(27.62)%	0.24	12.71	10.64%	(38.38)%
Austevoll Seafood Nok0.50	Consumer Staples	\$69,018	0.5%	(24.62)%	1.49	6.32	3.97%	48.60%
Tullow Oil Plc Shs	Energy	\$14,189	0.1%	(24.27)%	2.68	20.07	0.00%	(27.13)%
Cr.Card Dna Security Sys	Financials	\$1,803	0.0%	(23.53)%	0.51	3.80	2.99%	-
The Go Ahead Group Plc Shs	Industrials	\$23,974	0.2%	(20.65)%	0.93	8.22	5.66%	0.60%
Rpc Group Plc Shs	Materials	\$5,461	0.0%	(20.43)%	4.05	11.58	2.41%	22.02%
Global Brands Group Holding Lt	Consumer Discretionary	\$24,353	0.2%	(19.65)%	0.91	5.35	0.00%	-
Lifetec Group Ltd.	Consumer Discretionary	\$362	0.0%	(18.75)%	0.18	34.00	3.79%	-

DFA Emerging Markets Period Ended March 31, 2017

Investment Philosophy

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

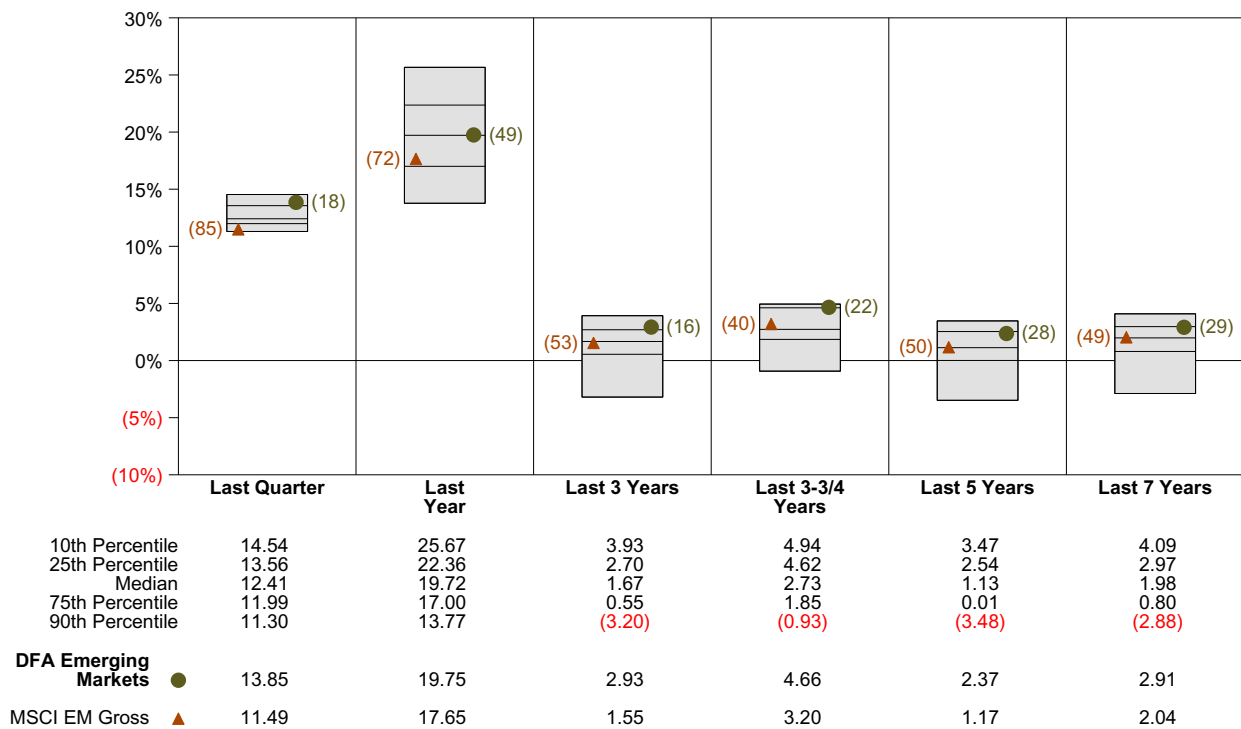
Quarterly Summary and Highlights

- DFA Emerging Markets's portfolio posted a 13.85% return for the quarter placing it in the 18 percentile of the CAI Emerging Markets Equity Mut Funds group for the quarter and in the 49 percentile for the last year.
- DFA Emerging Markets's portfolio outperformed the MSCI EM Gross by 2.36% for the quarter and outperformed the MSCI EM Gross for the year by 2.10%.

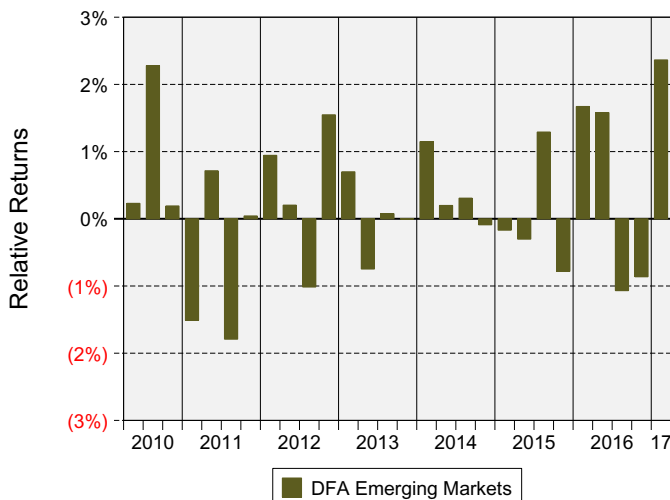
Quarterly Asset Growth

Beginning Market Value	\$12,981,753
Net New Investment	\$0
Investment Gains/(Losses)	\$1,775,796
Ending Market Value	\$14,757,549

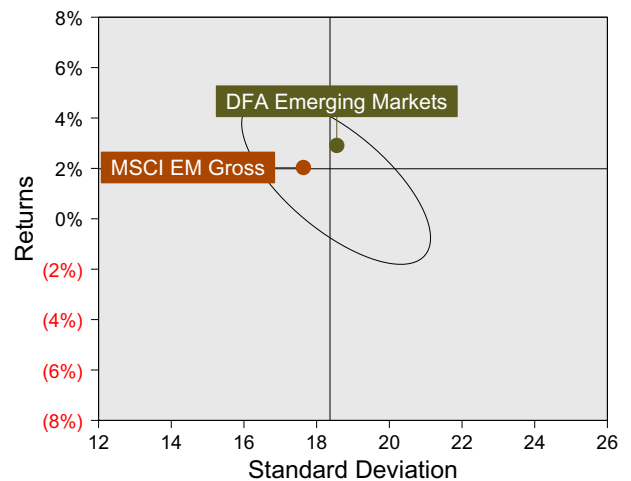
Performance vs CAI Emerging Markets Equity Mut Funds (Net)



Relative Return vs MSCI EM Gross



CAI Emerging Markets Equity Mut Funds (Net) Annualized Seven Year Risk vs Return

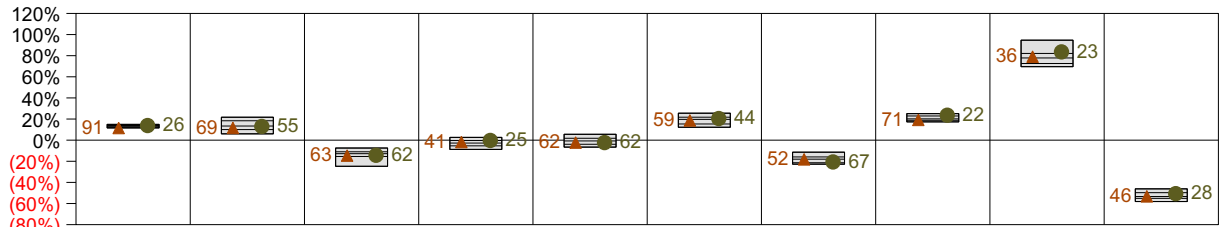


DFA Emerging Markets Return Analysis Summary

Return Analysis

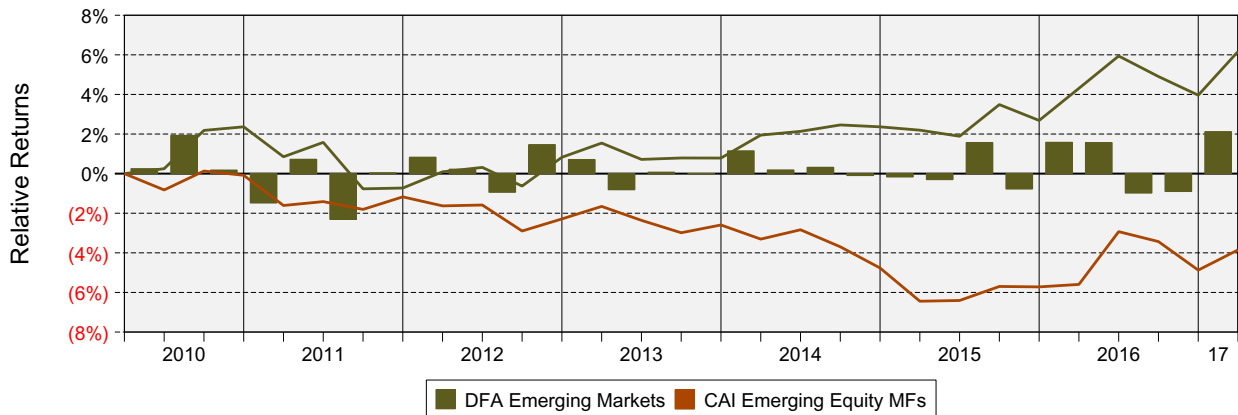
The graphs below analyze the manager's return on both a risk-adjusted and unadjusted basis. The first chart illustrates the manager's ranking over different periods versus the appropriate style group. The second chart shows the historical quarterly and cumulative manager returns versus the appropriate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

Performance vs CAI Emerging Markets Equity Mut Funds (Gross)

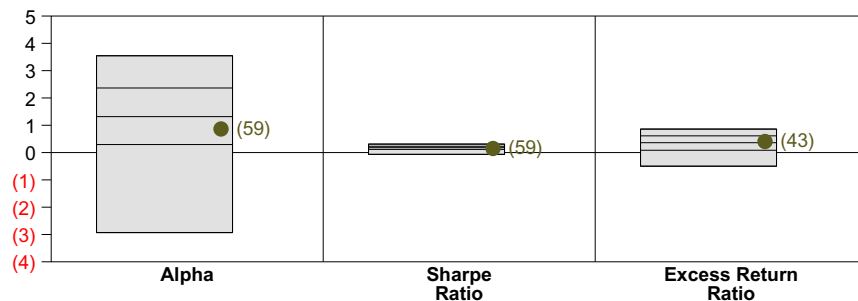


	12/16- 3/17	2016	2015	2014	2013	2012	2011	2010	2009	2008
10th Percentile	14.95	21.71	(7.46)	2.62	5.56	25.54	(11.40)	25.12	94.66	(46.12)
25th Percentile	13.86	18.36	(11.01)	(0.31)	1.80	21.75	(15.89)	22.90	82.12	(49.72)
Median	12.75	13.39	(12.79)	(2.75)	(0.74)	19.70	(18.02)	20.15	77.86	(53.38)
75th Percentile	12.22	10.02	(15.45)	(5.38)	(3.90)	15.32	(21.39)	18.81	72.60	(55.10)
90th Percentile	11.60	5.98	(24.74)	(8.77)	(6.59)	12.21	(22.72)	17.32	69.59	(58.13)
DFA Emerging Markets	● 13.85	12.99	(14.33)	(0.28)	(2.31)	20.49	(20.65)	23.62	83.58	(50.66)
MSCI EM Gross	▲ 11.49	11.60	(14.60)	(1.82)	(2.27)	18.63	(18.17)	19.20	79.02	(53.18)

Cumulative and Quarterly Relative Return vs MSCI EM Gross



Risk Adjusted Return Measures vs MSCI EM Gross Rankings Against CAI Emerging Markets Equity Mut Funds (Gross) Seven Years Ended March 31, 2017



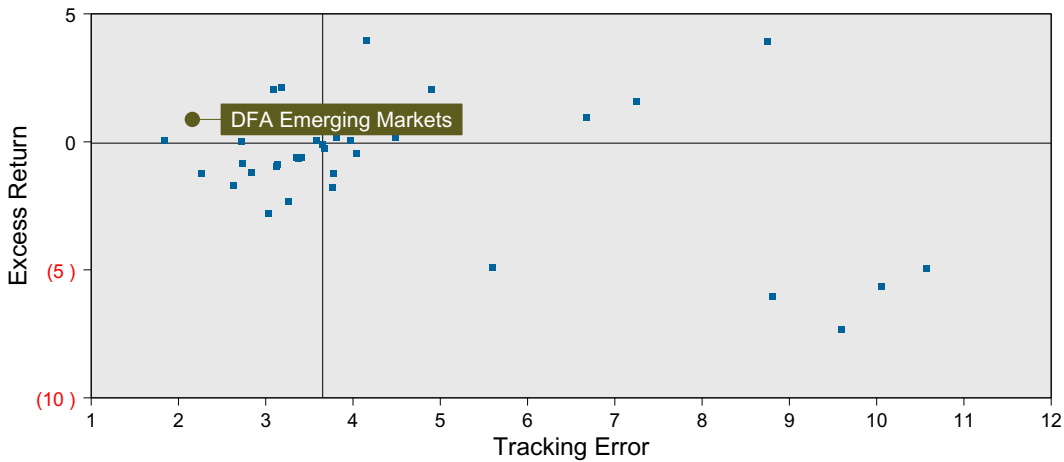
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	3.55	0.31	0.86
25th Percentile	2.37	0.23	0.61
Median	1.32	0.18	0.36
75th Percentile	0.29	0.12	0.08
90th Percentile	(2.93)	(0.07)	(0.50)
DFA Emerging Markets	● 0.86	0.15	0.41

DFA Emerging Markets Risk Analysis Summary

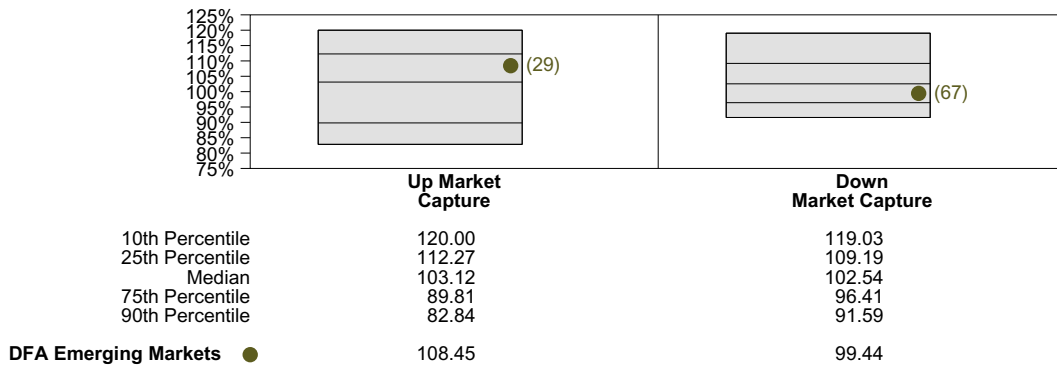
Risk Analysis

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

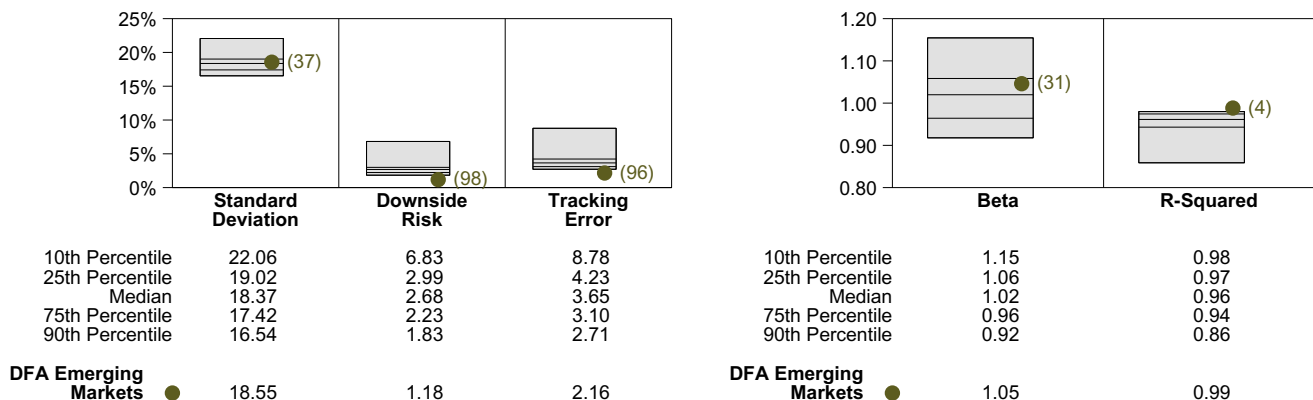
Risk Analysis vs CAI Emerging Markets Equity Mut Funds (Net) Seven Years Ended March 31, 2017



Market Capture vs MSCI EM - Emerging Mkts (USD Gross Div) Rankings Against CAI Emerging Markets Equity Mut Funds (Net) Seven Years Ended March 31, 2017



Risk Statistics Rankings vs MSCI EM - Emerging Mkts (USD Gross Div) Rankings Against CAI Emerging Markets Equity Mut Funds (Net) Seven Years Ended March 31, 2017

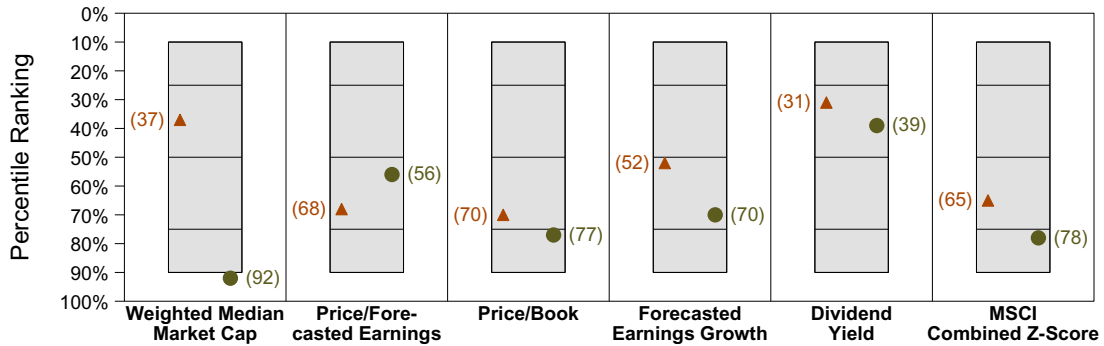


DFA Emerging Markets Equity Characteristics Analysis Summary

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 Emerging Markets Equity Mut Funds as of March 31, 2017

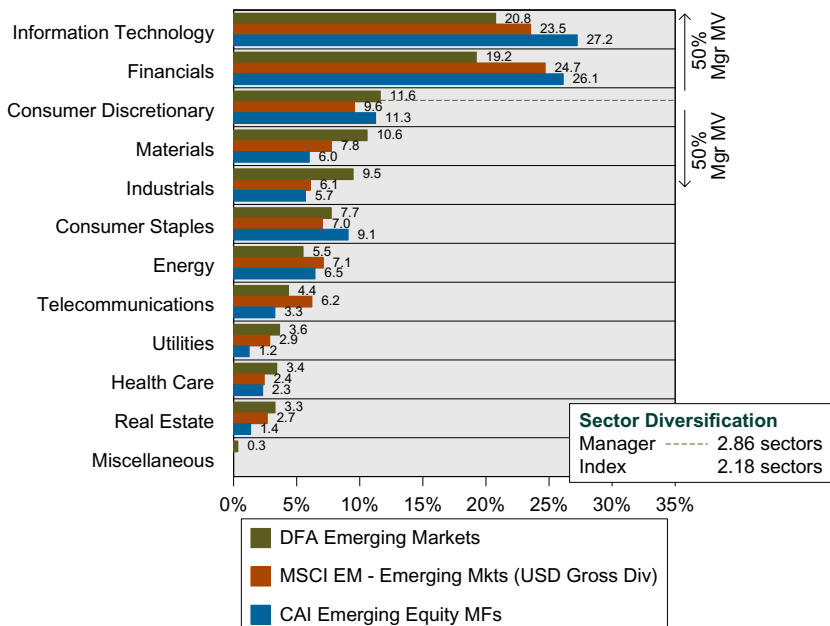


	Weighted Median Market Cap	Price/Forecasted Earnings	Price/Book	Forecasted Earnings Growth	Dividend Yield	MSCI Combined Z-Score
10th Percentile	31.13	17.45	2.91	18.73	3.07	0.77
25th Percentile	19.36	14.90	2.20	15.32	2.77	0.44
Median	15.98	13.16	1.90	13.72	2.20	0.12
75th Percentile	10.93	11.51	1.52	11.52	1.91	(0.12)
90th Percentile	5.93	10.56	1.22	9.49	1.61	(0.50)
DFA Emerging Markets	5.77	13.00	1.50	12.54	2.34	(0.17)
MSCI EM - Emerging Mkts (USD Gross Div)	18.22	12.01	1.60	13.67	2.46	(0.04)

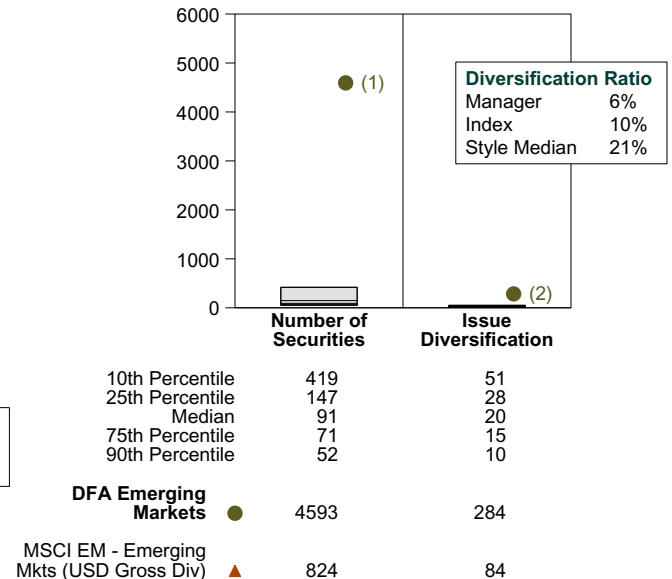
Sector Weights

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

Sector Allocation March 31, 2017



Diversification March 31, 2017



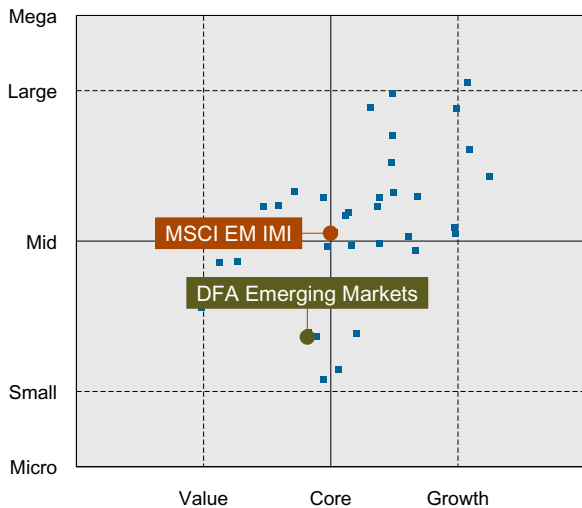
Current Holdings Based Style Analysis

DFA Emerging Markets

As of March 31, 2017

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.

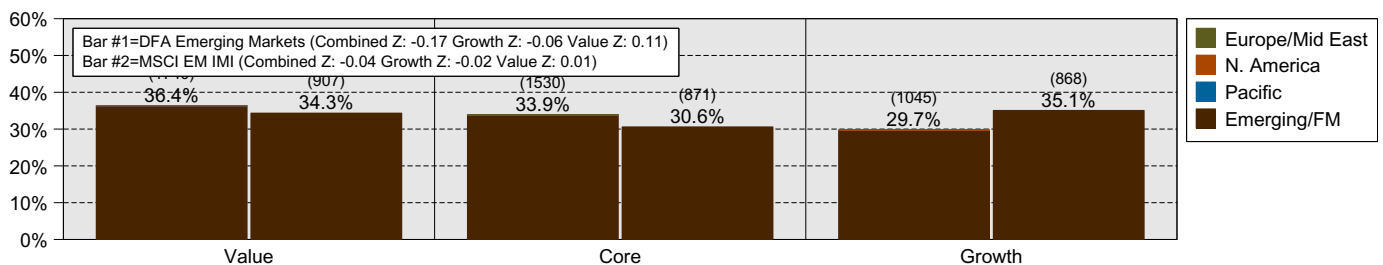
Style Map vs CAI Emerging Equity MFs Holdings as of March 31, 2017



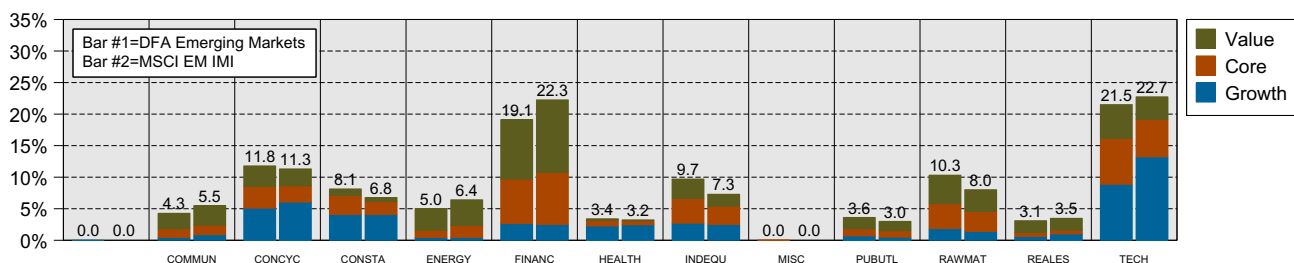
Style Exposure Matrix Holdings as of March 31, 2017

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (0) 0.0% (0)	0.0% (1) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (1) 0.0% (0)
N. America	0.0% (2) 0.0% (0)	0.0% (7) 0.0% (0)	0.0% (1) 0.0% (0)	0.1% (10) 0.0% (0)
Pacific	0.0% (17) 0.0% (0)	0.1% (22) 0.0% (0)	0.0% (12) 0.0% (0)	0.1% (51) 0.0% (0)
Emerging/ FM	36.3% (1721) 34.3% (907)	33.8% (1500) 30.6% (871)	29.7% (1032) 35.1% (868)	99.8% (4253) 100.0% (2646)
Total	36.4% (1740) 34.3% (907)	33.9% (1530) 30.6% (871)	29.7% (1045) 35.1% (868)	100.0% (4315) 100.0% (2646)

Combined Z-Score Style Distribution Holdings as of March 31, 2017



Sector Weights Distribution Holdings as of March 31, 2017



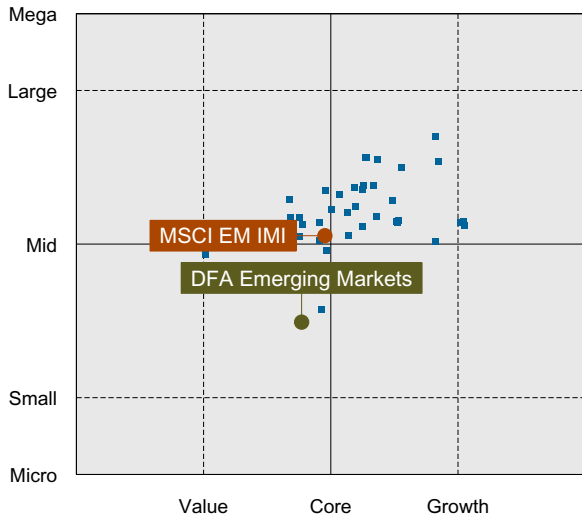
Historical Holdings Based Style Analysis

DFA Emerging Markets

For Five Years Ended March 31, 2017

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.

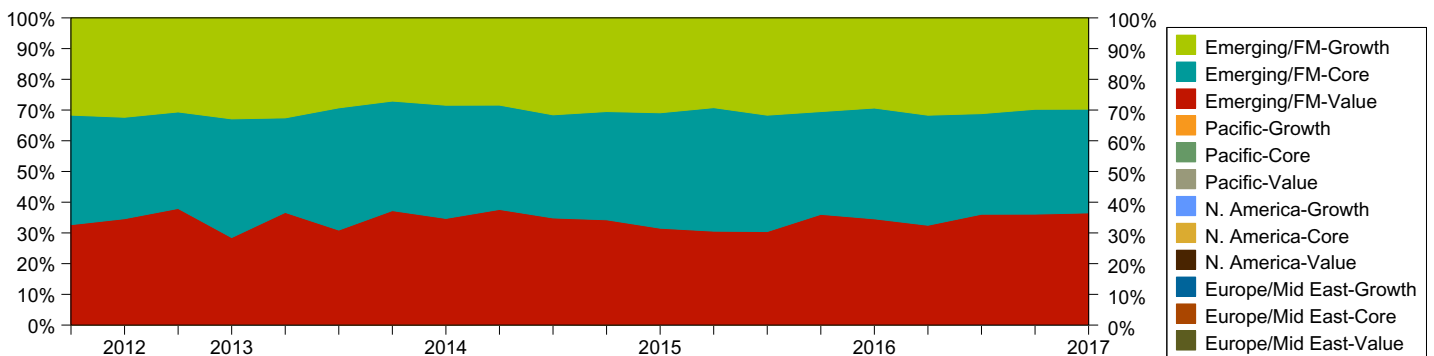
Average Style Map vs CAI Emerging Equity MFs Holdings for Five Years Ended March 31, 2017



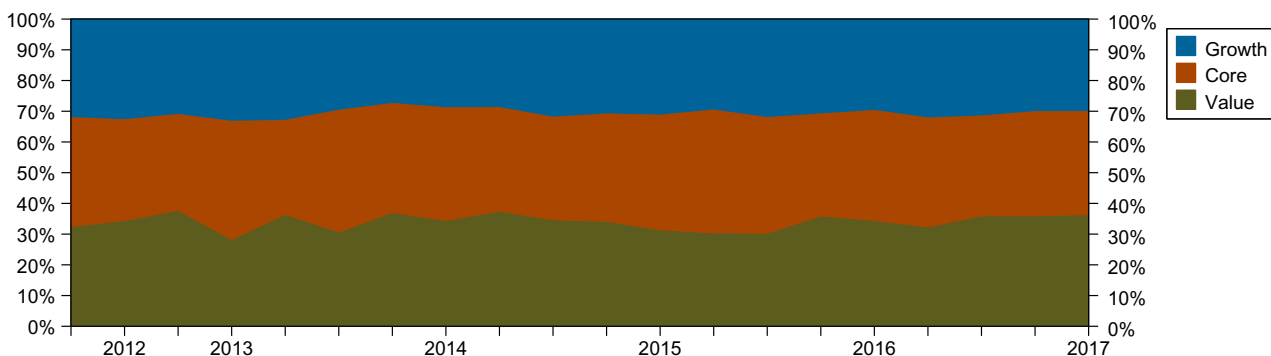
Average Style Exposure Matrix Holdings for Five Years Ended March 31, 2017

	0.0% (1)	0.1% (3)	0.0% (0)	0.1% (4)
Europe/ Mid East	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
N. America	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
Pacific	0.0% (12)	0.1% (18)	0.0% (6)	0.1% (36)
Emerging/ FM	34.0% (1297)	35.3% (1434)	30.5% (850)	99.8% (3581)
	31.3% (876)	32.8% (906)	35.8% (821)	99.9% (2603)
Total	34.1% (1310)	35.4% (1456)	30.5% (856)	100.0% (3622)
	31.4% (880)	32.8% (910)	35.8% (824)	100.0% (2614)
	Value	Core	Growth	Total

DFA Emerging Markets Historical Region/Style Exposures



DFA Emerging Markets Historical Style Only Exposures



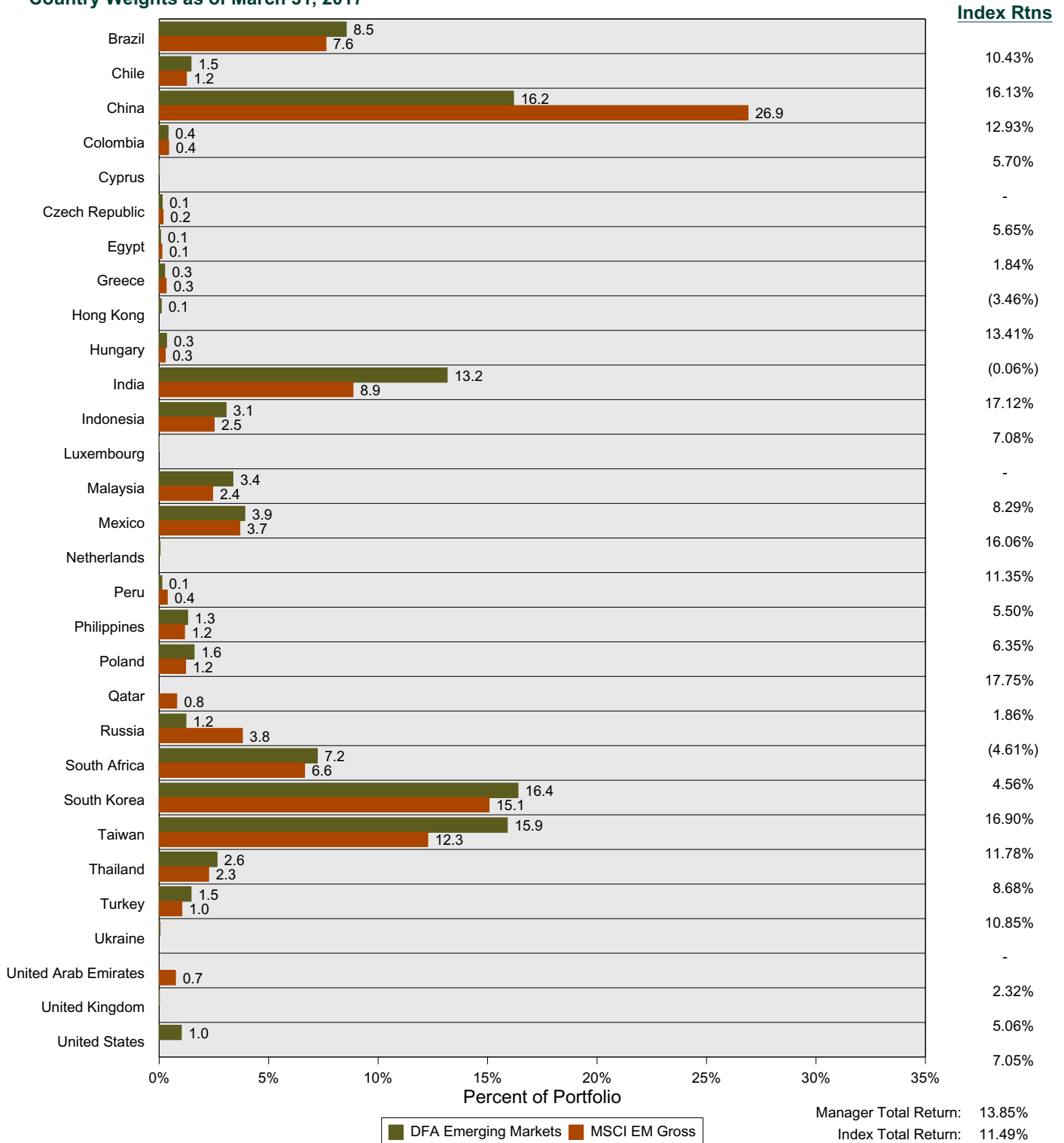
Country Allocation

DFA Emerging Markets VS MSCI EM - Emerging Mkts (USD Gross Div)

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of March 31, 2017. This chart is useful because large deviations in country allocation relative to the index are often good predictors of tracking error in the subsequent quarter. To the extent that the portfolio allocation is similar to the index, the portfolio should experience more "index-like" performance. In order to illustrate the performance effect on the portfolio and index of these country allocations, the individual index country returns are also shown.

Country Weights as of March 31, 2017



DFA Emerging Markets Top 10 Portfolio Holdings Characteristics as of March 31, 2017

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	\$546,286	3.7%	25.36%	259.14	8.78	1.38%	17.37%
Tencent Holdings Limited Shs Par Hkd	Information Technology	\$207,977	1.4%	17.17%	271.70	31.37	0.27%	28.00%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$178,158	1.2%	10.61%	161.52	13.26	3.17%	12.80%
Taiwan Semiconductor Mfg Co Ltd Spon	Information Technology	\$174,869	1.2%	14.23%	161.52	13.26	3.17%	12.80%
China Construction Bank Shs H	Financials	\$132,028	0.9%	4.45%	193.35	5.83	5.02%	1.85%
Hon Hai Precision Inds Ltd Ord	Information Technology	\$116,639	0.8%	14.80%	51.97	10.64	4.00%	(2.35)%
Sk Hynix Inc Shs	Information Technology	\$94,462	0.6%	0.00%	32.87	5.19	1.19%	11.81%
Itau Unibanco Holding Sa Pfd Shs	Financials	\$89,737	0.6%	17.05%	38.56	10.08	4.70%	12.30%
Industrial and Comm Bk of Cn Hkd Shs	Financials	\$78,247	0.5%	8.98%	56.73	5.69	5.20%	1.68%
China Mobile Limited Sponsored Adr	Telecommunications	\$76,703	0.5%	5.34%	224.08	13.08	3.21%	5.77%

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
Ocl India	Materials	\$452	0.0%	1271.73%	0.81	12.62	0.43%	9.40%
Jammu & Kashmir	Financials	\$1,545	0.0%	1075.34%	0.60	8.41	2.33%	13.27%
Kcp (Nse)	Materials	\$131	0.0%	346.54%	0.21	31.37	0.96%	-
Sundaram Finance (Nse)	Financials	\$1,151	0.0%	270.12%	2.76	31.68	0.71%	11.04%
Iskandar Waterfront City Bhd Shs	Industrials	\$1,716	0.0%	269.03%	0.55	(220.67)	0.00%	-
Jindal Steel & Power	Materials	\$6,107	0.0%	259.18%	1.71	(50.27)	1.24%	(38.23)%
T V S Srichakra	Consumer Discretionary	\$323	0.0%	237.88%	0.41	14.10	1.72%	-
Apollo Hospitals Entprs Ltd Shs Dema	Health Care	\$4,457	0.0%	213.83%	2.50	40.04	0.51%	23.95%
Indiabulls Securities Ltd Shs	Financials	\$78	0.0%	204.94%	0.29	37.50	5.14%	-
Polaris Sftw.Lab Ltd.	Information Technology	\$148	0.0%	203.08%	0.28	21.14	8.28%	-

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
China Huishan Dry Hldgs Co L Hkd Shs	Consumer Staples	\$224	0.0%	(86.09)%	0.73	4.50	3.45%	(22.54)%
Stride Arcolab Ltd Shs Dematerial	Health Care	\$2,940	0.0%	(84.95)%	1.51	19.79	0.36%	36.72%
Great New Wave Comming	Consumer Discretionary	\$698	0.0%	(69.23)%	0.17	(29.72)	0.00%	-
Alstom Power India	Industrials	\$737	0.0%	(64.43)%	0.61	26.70	1.70%	(7.54)%
Ramco Systems	Information Technology	\$38	0.0%	(63.16)%	0.18	36.54	0.00%	-
Jindal Polyester	Materials	\$825	0.0%	(59.07)%	0.27	8.91	0.25%	-
Grana Y Montero S A A Sponsored Adr	Industrials	\$400	0.0%	(56.24)%	0.41	9.54	2.26%	(70.79)%
Sy Panel	Industrials	\$158	0.0%	(54.44)%	0.12	58.05	0.00%	-
Bosung Power Tech.	Industrials	\$470	0.0%	(52.53)%	0.11	(2450.00)	0.00%	-
Homex	Consumer Discretionary	\$1	0.0%	(50.00)%	0.04	(0.06)	0.00%	(22.72)%

Metropolitan West Period Ended March 31, 2017

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.

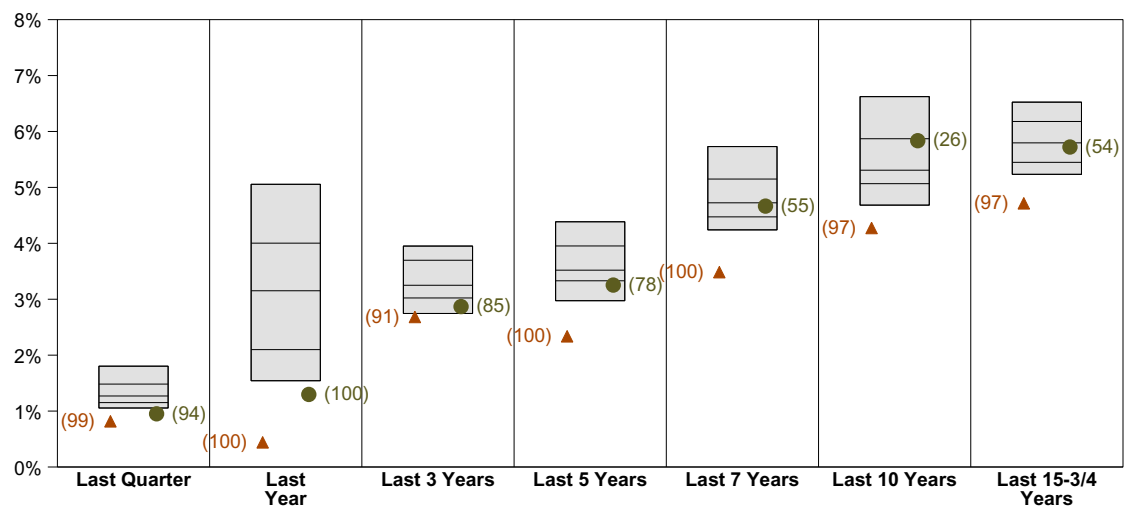
Quarterly Summary and Highlights

- Metropolitan West's portfolio posted a 0.95% return for the quarter placing it in the 94 percentile of the CAI Core Plus Fixed Income group for the quarter and in the 100 percentile for the last year.
- Metropolitan West's portfolio outperformed the Blmbg Aggregate by 0.13% for the quarter and outperformed the Blmbg Aggregate for the year by 0.86%.

Quarterly Asset Growth

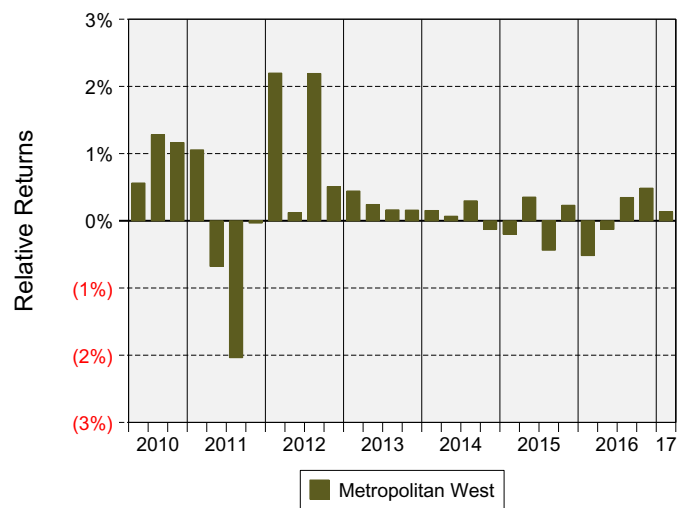
Beginning Market Value	\$86,383,897
Net New Investment	\$0
Investment Gains/(Losses)	\$821,264
Ending Market Value	\$87,205,161

Performance vs CAI Core Plus Fixed Income (Gross)

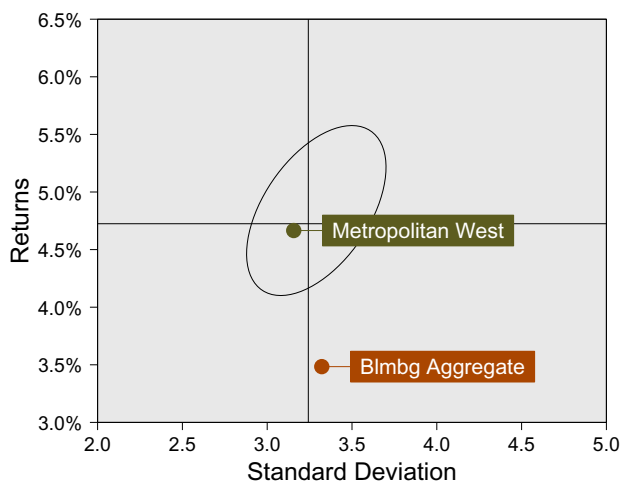


10th Percentile	1.80	5.06	3.95	4.39	5.73	6.62	6.52
25th Percentile	1.48	4.00	3.70	3.95	5.15	5.87	6.18
Median	1.27	3.15	3.25	3.52	4.72	5.31	5.80
75th Percentile	1.15	2.10	3.02	3.33	4.47	5.07	5.45
90th Percentile	1.05	1.54	2.75	2.97	4.24	4.68	5.23
Metropolitan West ●	0.95	1.30	2.87	3.25	4.67	5.84	5.72
Blmbg Aggregate ▲	0.82	0.44	2.68	2.34	3.48	4.27	4.72

Relative Return vs Blmbg Aggregate



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

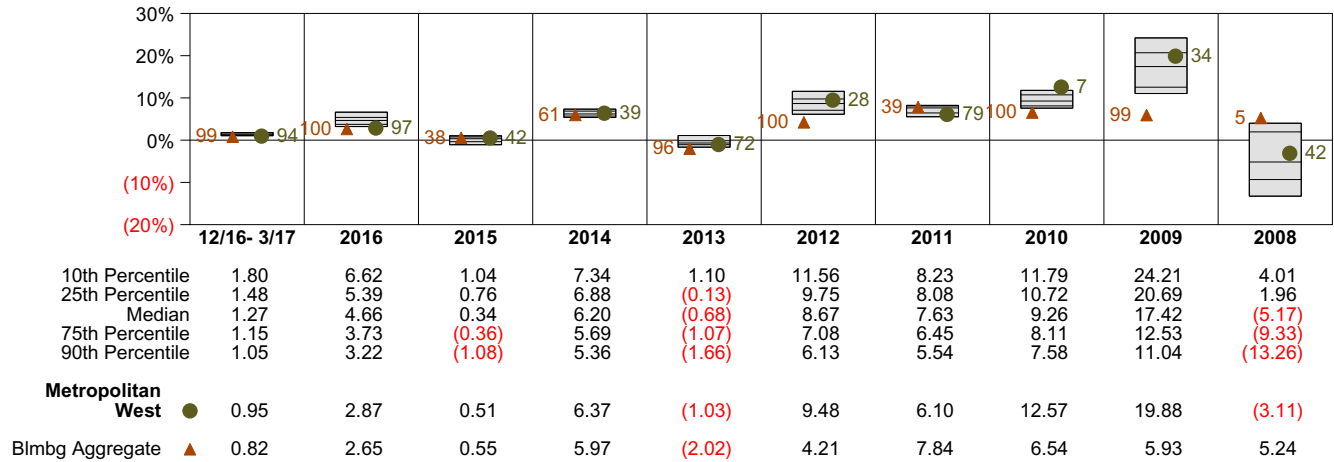


Metropolitan West Return Analysis Summary

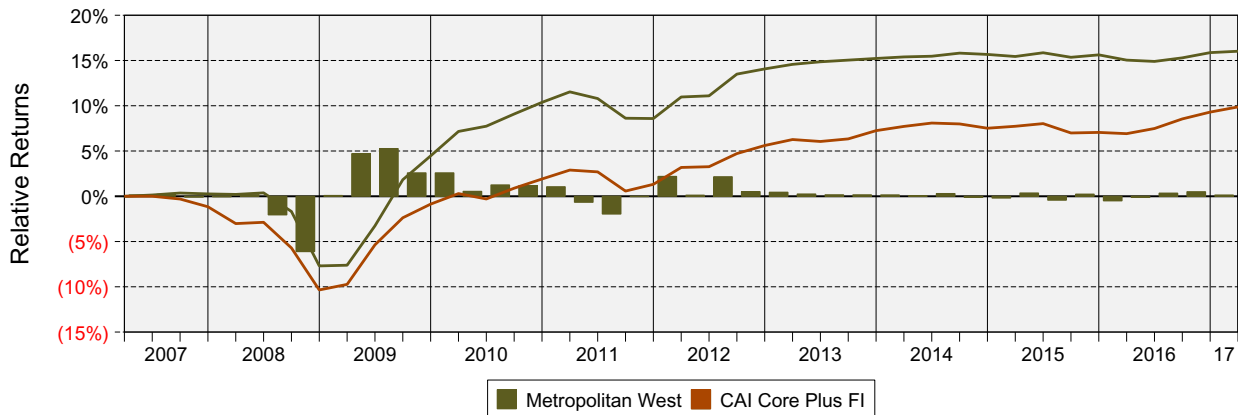
Return Analysis

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

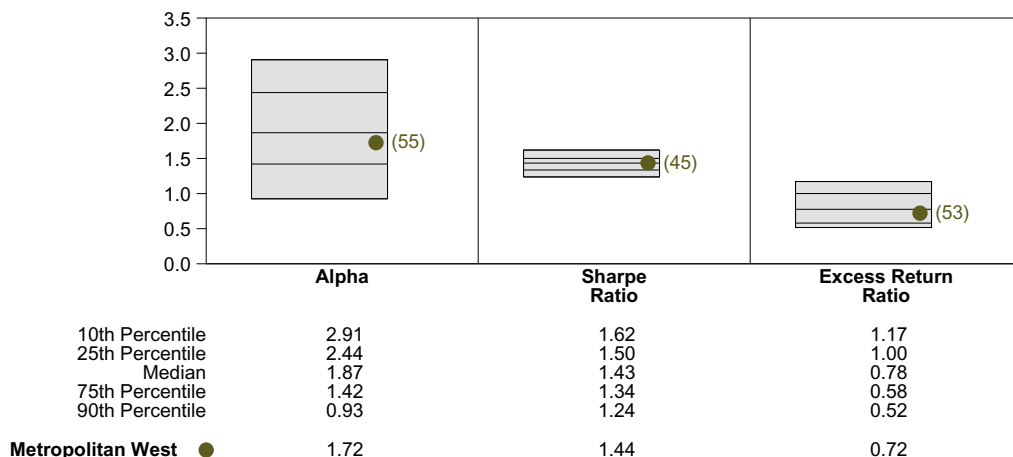
Performance vs CAI Core Plus Fixed Income (Gross)



Cumulative and Quarterly Relative Return vs Blmbg Aggregate



Risk Adjusted Return Measures vs Blmbg Aggregate Rankings Against CAI Core Plus Fixed Income (Gross) Seven Years Ended March 31, 2017

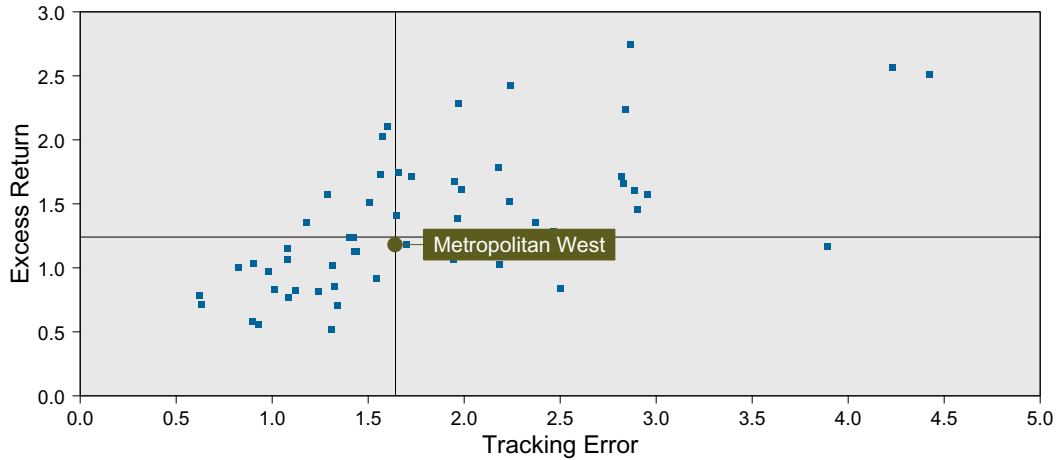


Metropolitan West Risk Analysis Summary

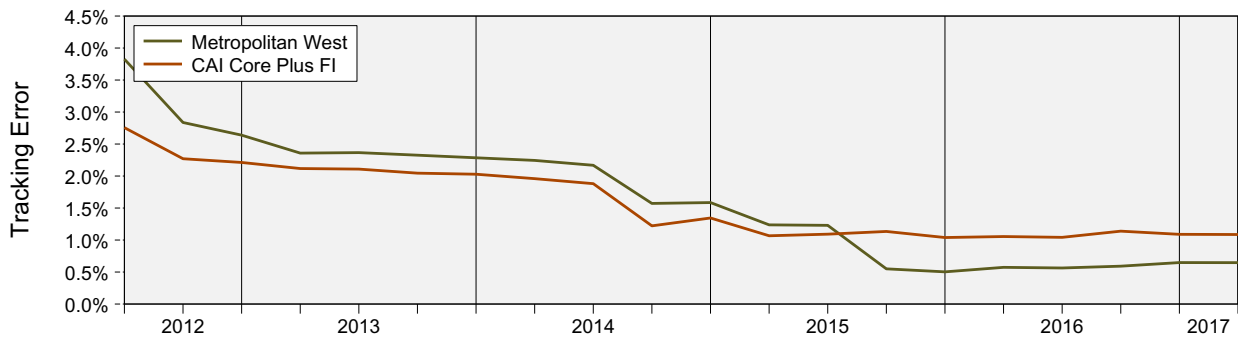
Risk Analysis

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

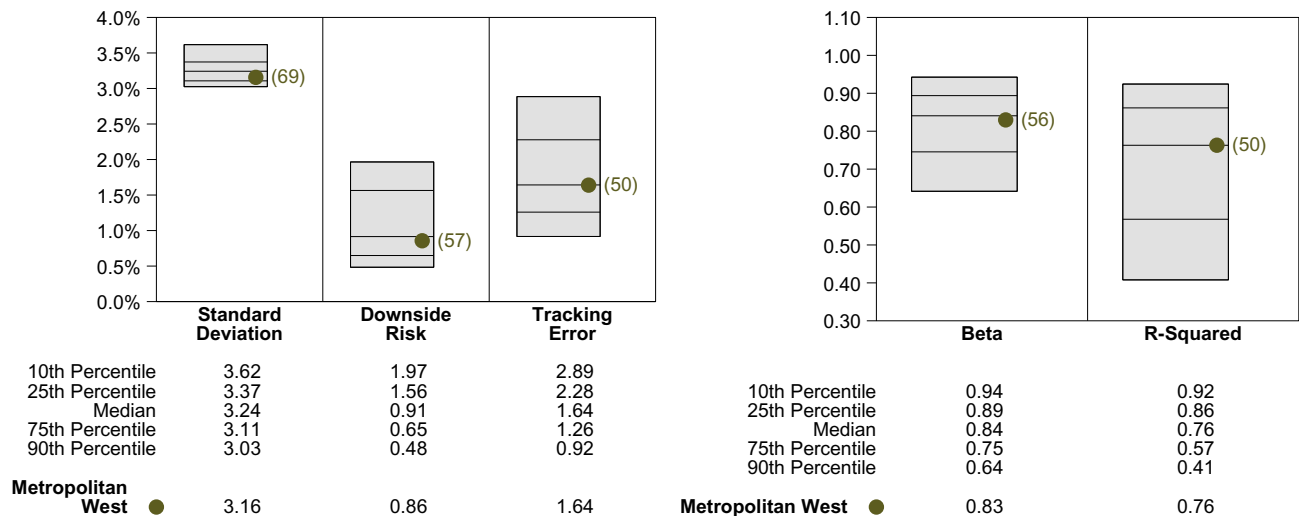
Risk Analysis vs CAI Core Plus Fixed Income (Gross) Seven Years Ended March 31, 2017



Rolling 12 Quarter Tracking Error vs Bloomberg Barclays Aggregate



Risk Statistics Rankings vs Bloomberg Barclays Aggregate Rankings Against CAI Core Plus Fixed Income (Gross) Seven Years Ended March 31, 2017

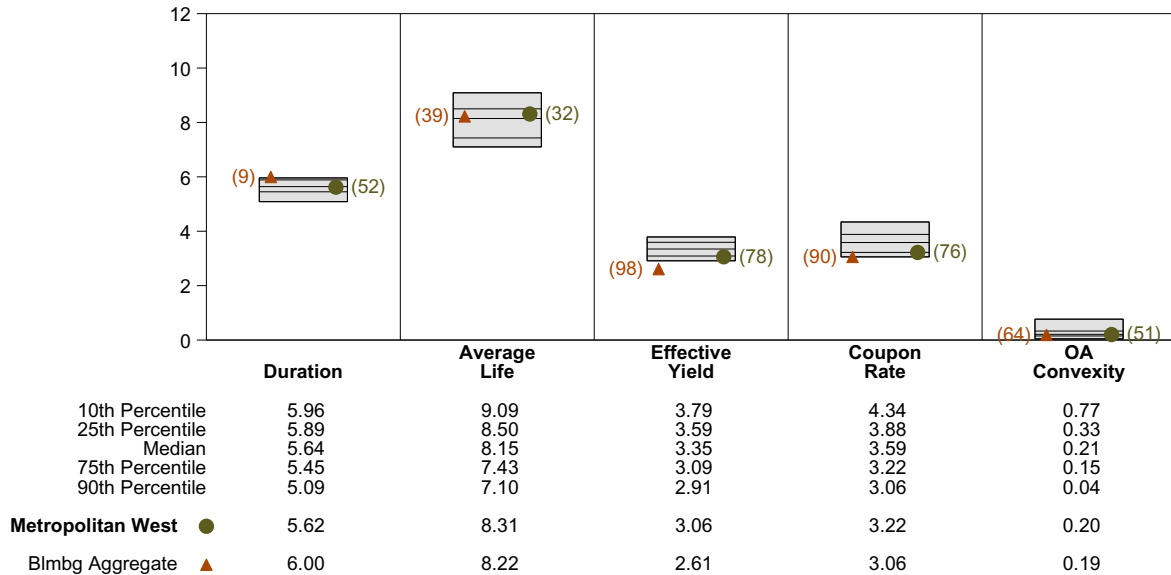


Metropolitan West Bond Characteristics Analysis Summary

Portfolio Characteristics

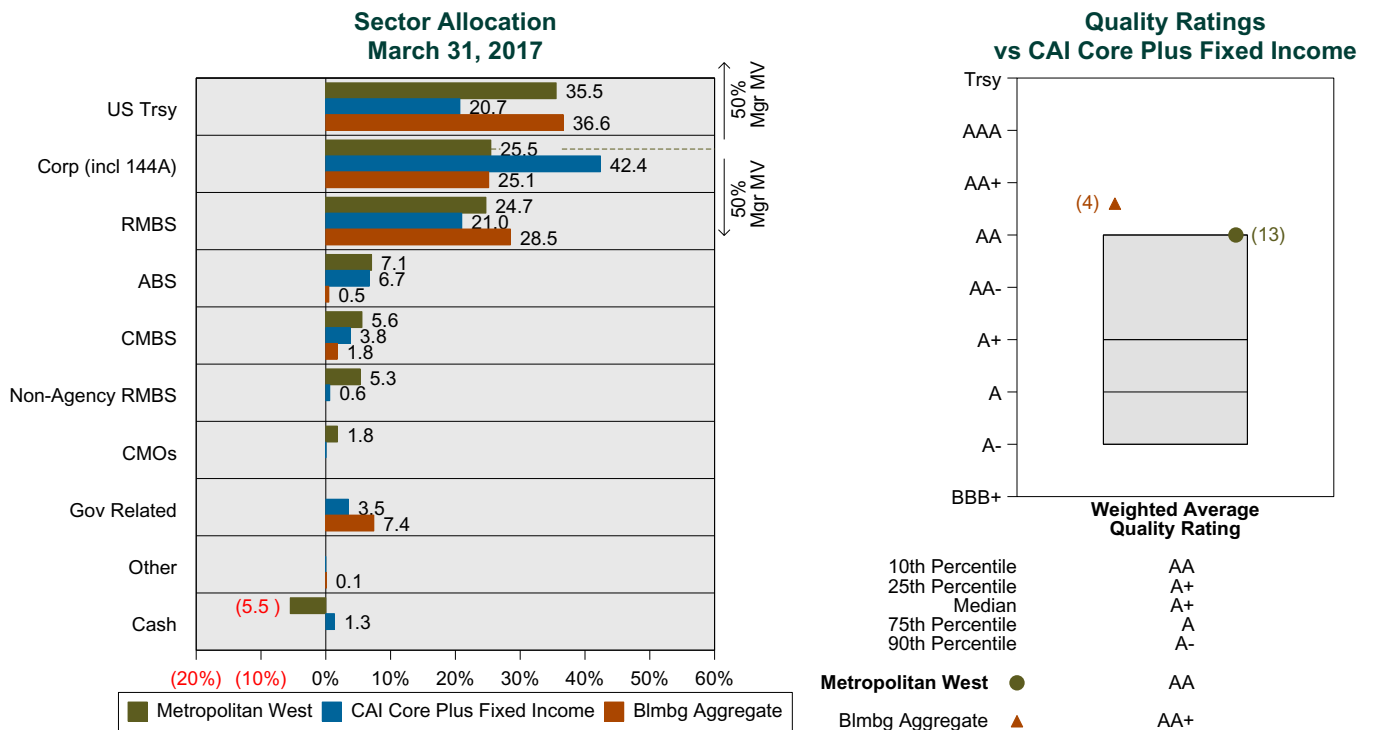
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against CAI Core Plus Fixed Income as of March 31, 2017



Sector Allocation and Quality Ratings

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

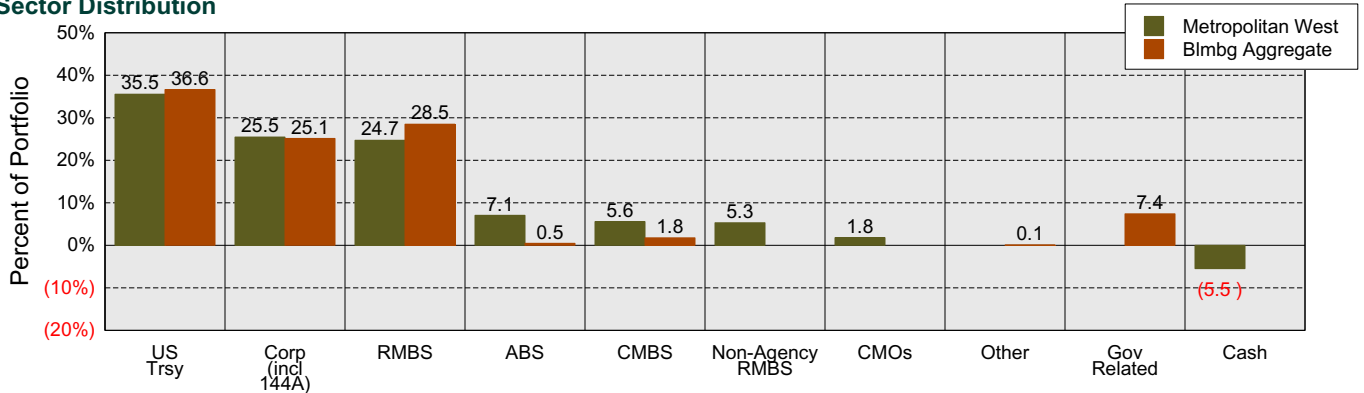


Metropolitan West Portfolio Characteristics Summary As of March 31, 2017

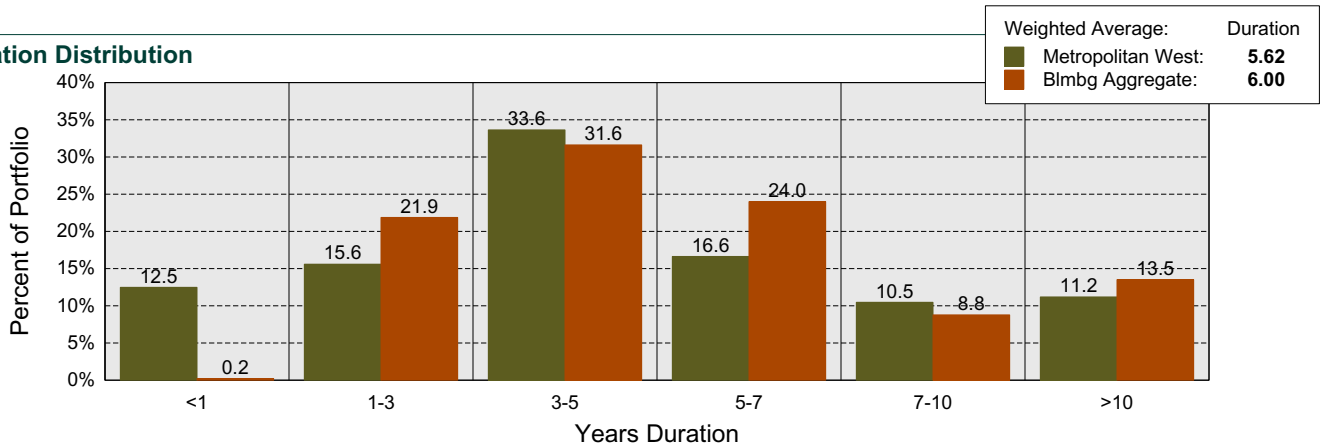
Portfolio Structure Comparison

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.

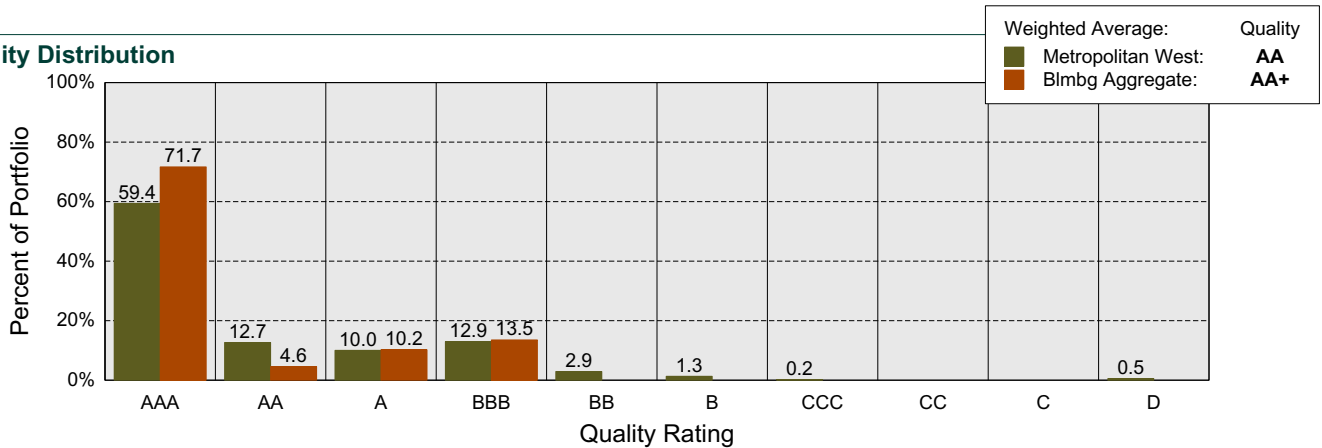
Sector Distribution



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.

Research and Educational Programs

The Callan Institute provides both research to update clients on the latest industry trends and carefully structured educational programs to enhance the knowledge of industry professionals. Visit www.callan.com/library to see all of our publications, and www.callan.com/blog to view our blog "Perspectives." For more information contact Anna West at 415.974.5060 / institute@callan.com.

New Research from Callan's Experts

Smart Beta Is the Gateway Drug to Factor Investing | In this paper, a reprint from the *Journal of Portfolio Management's* special issue on Factor Investing, author Eugene Podkaminer, CFA, of Callan's Capital Markets Research group describes the connection between alternative indices and more sophisticated risk premia strategies.

2017 National Conference: 'It's Private' | A summary of "It's Private: Real Estate Debt and Middle Market Direct Lending," a presentation from Callan experts Kristin Bradbury, Alex Browning, and Jay Nayak.

Capital Market Projections for 2017-2026 | Callan prepares capital market projections annually to help guide clients with their long-term strategic planning. We publish three pieces authored by the team that creates them: Jay Kloepfer, John Pirone, CFA, CAIA, and Jim Van Heuit. A **white paper** delves into the process and thinking behind the 2017 figures; a **Manifesto** outlines the reasons that Callan produces its annual capital market projections and the rigorous process behind it; and a "**charticle**" (chart+article) summarizes key figures from Callan's 2017 capital market projections.

It's a (Fiduciary) Trap! But You Don't Have to Fall In | Defined contribution (DC) plan sponsors often worry about landing in hot water for doing the wrong thing. However, many fiduciary issues crop up because plan sponsors have failed to take action. Author Lori Lucas, CFA, Callan's Defined Contribution Practice Leader, lists eight potential fiduciary traps and ways for plan sponsors to avoid falling into them in 2017.

The Callan Periodic Table of Investment Returns (Key Indices: 1997-2016) and Collection | The Periodic Table of Investment Returns depicts annual returns for 10 asset classes, ranked from

best to worst performance for each calendar year. The Collection includes 10 additional versions, such as the indices relative to inflation, real estate, and hedge fund sub-strategies.

Periodicals

Real Assets Reporter, Winter/Spring 2017 | Avery Robinson, CAIA, explores how we developed our Real Estate Indicators. We also cover the latest on the real estate market, and share charts and tables on the long-term performance of various real assets.

Private Markets Trends, Winter 2017 | Gary Robertson provides an overview of the environment for private equity in 2016 and a look ahead at 2017. He sees continued liquidity in the private equity market, and writes that distributions will continue to benefit investors.

Hedge Fund Monitor, 4th Quarter 2016 | Jim McKee provides a view of the hedge fund industry and detailed quarterly performance. This quarter's cover story: "Alternative Facts and the Evolving Role of Hedge Funds."

DC Observer, 1st Quarter 2017 | Lori Lucas discusses the best approach to crafting, implementing, and maintaining an investment policy statement for defined contribution plans.

Market Pulse Flipbook, Fourth Quarter 2016 | 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.

Capital Market Review, 4th Quarter 2016 | A quarterly macroeconomic newsletter providing thoughtful insights on the economy and recent performance in equity, fixed income, alternatives, international, real estate, and other capital markets.

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/>

'Why Diversify'

Our **June Regional Workshops**, June 27 in Atlanta and June 29 in San Francisco, will focus on diversification, which has turned out to be very expensive for U.S.-based investors, especially since the Global Financial Crisis. In this workshop, Callan experts Mark Andersen, Jay Kloepfer, and Brian Smith analyze diversification from multiple angles, answering the questions of whether investors erred in adopting diversified portfolios over the last 30 years, and what investors should do now.

Also mark your calendars for our **October Regional Workshops**, October 24 in New York and October 26 in Chicago.

For more information about events, please contact Barb Gerraty: 415.274.3093 / gerraty@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 sessions are:

Introduction to Investments

San Francisco, July 25-26, 2017

Chicago, October 24-25, 2017

This program 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

3,500

Total attendees of the "Callan College" since 1994

1980

Year the Callan 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 PLC
Acadian Asset Management LLC
AEGON USA Investment Management
Affiliated Managers Group, Inc.
Alcentra
AllianceBernstein
Allianz Global Investors
Allianz Life Insurance Company of North America
American Century Investments
Amundi Smith Breeden LLC
Angelo, Gordon & Co.
Apollo Global Management
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Aristotle Capital Management, LLC
Artisan Holdings
Atlanta Capital Management Co., LLC
Aviva Investors Americas
AXA Investment Managers
Baillie Gifford Overseas Limited
Baird Advisors
Bank of America
Barings LLC
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
BlackRock
BMO Global Asset Management
BNP Paribas Investment Partners
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
Brown Brothers Harriman & Company
BTG Pactual
Cambiar Investors, LLC

Manager Name
Campbell Global, LLC
Capital Group
CastleArk Management, LLC
Causeway Capital Management
Cavanal Hill Investment Management, Inc.
Chartwell Investment Partners
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.
Columbia Management Investment Advisers, LLC
Columbus Circle Investors
Cornerstone Capital Management
Cove Street Capital, LLC
Cramer Rosenthal McGlynn, LLC
Credit Suisse Asset Management
Crestline Investors, Inc.
DDJ Capital Management, LLC
D.E. Shaw Investment Management, L.L.C.
DePrince, Race & Zollo, Inc.
Deutsche Asset Management
Diamond Hill Capital Management, Inc.
Dimensional Fund Advisors LP
Doubleline
Duff & Phelps Investment Mgmt. Co.
Eagle Asset Management, Inc.
EARNEST Partners, LLC
Eaton Vance Management
Epoch Investment Partners, Inc.
Fayez Sarofim & Company
Federated Investors
Fidelity Institutional Asset Management
Fidelity Management & Research
Fiera Capital Corporation
First Eagle Investment Management, LLC
First Hawaiian Bank Wealth Management Division
Fisher Investments
Franklin Templeton
Franklin Templeton Institutional

Manager Name
Fred Alger Management, Inc.
Frost Investment Advisors, LLC
Fuller & Thaler Asset Management, Inc.
GAM (USA) Inc.
GlobeFlex Capital, L.P.
GMO
Goldman Sachs Asset Management
Great Lakes Advisors, LLC
Guggenheim Investments
GW&K Investment Management
Harbor Capital Group Trust
Hartford Funds
Hartford Investment Management Co.
Heitman LLC
Henderson Global Investors
Hotchkis & Wiley Capital Management, LLC
HSBC Global Asset Management
Income Research + Management, Inc.
Insight Investment Management Limited
INTECH Investment Management, LLC
Invesco
Investec Asset Management
Ivy Investments
Janus Capital Management, LLC
Jensen Investment Management
Jobs Peak Advisors
J.P. Morgan Asset Management
Kayne Anderson Capital Advisors LP
KeyCorp
Lazard Asset Management
Legal & General Investment Management America
Lincoln National Corporation
LMCG Investments, LLC
Longview Partners
Loomis, Sayles & Company, L.P.
Lord Abbett & Company
Los Angeles Capital Management
LSV Asset Management
MackKay Shields LLC
Man Investments Inc.
Manulife Asset Management
Macquarie Investment Management (formerly Delaware Investments)
McKinley Capital Management, LLC
MFS Investment Management
MidFirst Bank
Mondrian Investment Partners Limited
Montag & Caldwell, LLC
Morgan Stanley Investment Management
Mountain Lake Investment Management LLC
MUFG Union Bank, N.A.
Neuberger Berman
Newton Investment Management (fka Newton Capital Management)
Nikko Asset Management Co., Ltd.
Northern Trust Asset Management

Manager Name
Nuveen Investments, Inc.
OFI Global Asset Management
Old Mutual Asset Management
Opus Capital Management Inc.
O'Shaughnessy Asset Management, LLC
Pacific Investment Management Company
Peregrine Capital Management, Inc.
PGIM
PGIM Fixed Income
PineBridge Investments
Pioneer Investments
PNC Capital Advisors, LLC
Principal Global Investors
Private Advisors, LLC
Putnam Investments, LLC
QMA (Quantitative Management Associates)
RBC Global Asset Management
Regions Financial Corporation
Reinhart Partners, Inc.
RidgeWorth Capital Management, Inc.
Rockefeller & Co., Inc.
Rothschild Asset Management, Inc.
Russell Investments
Santa Barbara Asset Management
Santander Global Facilities
Schroder Investment Management North America Inc.
Smith, Graham & Co. Investment Advisors, L.P.
Smith Group Asset Management
Standard Life Investments Limited
Standish
State Street Global Advisors
Stone Harbor Investment Partners, L.P.
T. Rowe Price Associates, Inc.
Taplin, Canida & Habacht
The Boston Company Asset Management, LLC
The Hartford
The London Company
The TCW Group, Inc.
Thompson, Siegel & Walmsley LLC
Thornburg Investment Management, Inc.
Tri-Star Trust Bank
UBS Asset Management
Van Eck Global
Versus Capital Group
Victory Capital Management Inc.
Vontobel Asset Management, Inc.
Voya Financial
Voya Investment Management (fka ING)
Waterton Associates L.L.C.
WCM Investment Management
WEDGE Capital Management
Wellington Management Company, LLP
Wells Capital Management
Western Asset Management Company
William Blair & Company



Account Compliance Summary

Alerts:	0
Warnings:	0
Passes:	14

A5XB SACRT - ATLANTA CAPITAL MGMT

Production Date: 03/31/2017

Securities + Cash	23,961,184.38	Base Currency	USD	Net Assets	23,920,447
Rule Name		Limit Type	Limit Value	Result	Result Status
<u>144A and Private Placem</u>					
1	Private Placements are prohibited. (143653)	Maximum	0.00%	0.00 %	Pass
<u>Asset Measures</u>					
2	AssetMeasure: AssetMeasure_Funds_PREFERRED_Denominator (34662)			23,961,184.38 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 (143658)	Maximum	5.00%	0.00 %	Pass
4	Investments in commodities are prohibited (143655)	Maximum	0.00%	0.00 %	Pass
5	Margin Securities are prohibited. (143651)	Maximum	0.00%	0.00 %	Pass
6	Ownership of shares/debt issued limit 5% ex null (143652)	Maximum	5.00%	0.04 %	Pass
7	The Fund may not enter into short sales. (143654)	Maximum	0.00%	0.00 %	Pass
8	The Fund may not hold any Options. (143657)	Maximum	0.00%	0.00 %	Pass
9	The Fund may not hold more than 5% of the shares outstanding of any domestic equity security (143659)	Maximum	5.00%	0.04 %	Pass
<u>Cash</u>					
10	No more than 10% of the Fund in cash and cash equivalents. (143656)	Maximum	10.00%	2.41 %	Pass
<u>Exchange</u>					
11	Flag any non-US exchange traded futures (143670)	Maximum	0.00%	0.00 %	Pass
<u>Industry</u>					
12	Industry Sector GICS - Max 25% at cost (143660)	Maximum	25.00%	6.81 %	Pass
13	The Fund shall not invested in any security issued by a company in the Tobacco Sub-Industry as defined by GICS (143650)	Maximum	0.00%	0.00 %	Pass
<u>Issuer</u>					
14	Investments in a single domestic equity issuer shall not exceed 5% at cost (143661)	Maximum	5.00%	2.71 %	Pass



Account Compliance Summary

Alerts:	0
Warnings:	0
Passes:	8

A5XD SACRT - METWEST

Production Date: 03/31/2017

Securities + Cash	93,377,808.66	Base Currency	USD	Net Assets	87,206,577
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 (143666)	Maximum	0.00%	0.00 %	Pass
<u>Asset Measures</u>					
2	AssetMeasure: AssetMeasure_Funds_Preferred_Denominator (34662)			93,377,808.66 Value	Pass
<u>Asset Type</u>					
3	A5XD: Flag all prohibited security types (143665)	Maximum	0.00%	0.00 %	Pass
4	Asset-Backed Commercial Paper - Minimum Quality of A2/P2 (157603)	Maximum	0	0 Num Bkts	Pass
<u>Credit Quality</u>					
5	Minimum Quality must be at least 80% Baa or above (157604)	Minimum	80.00%	93.96 %	Pass
6	No Commercial Paper rated < A2/P2 at time of purchase (143662)	Maximum	0.00%	0.00 %	Pass
7	The Weighted Average Credit Rating of the Fund must be A or better (143663)	Minimum	20	22.86 Rank	Pass
<u>Industry</u>					
8	The Fund shall not invested in any security issued by a company in the Tobacco Sub-Industry as defined by GICS (143650)	Maximum	0.00%	0.00 %	Pass



Account Compliance Summary

Alerts:	0
Warnings:	0
Passes:	14

A5Z8 SACRT - ROBECO

Production Date: 03/31/2017

Securities + Cash	44,535,140.96	Base Currency	USD	Net Assets	44,660,345
Rule Name		Limit Type	Limit Value	Result	Result Status
<u>144A and Private Placem</u>					
1	Private Placements are prohibited. (143653)	Maximum	0.00%	0.00 %	Pass
<u>Asset Measures</u>					
2	AssetMeasure: AssetMeasure_Funds_PREFERRED_Denominator (34662)			44,535,140.96 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 (143658)	Maximum	5.00%	2.55 %	Pass
4	Investments in commodities are prohibited (143655)	Maximum	0.00%	0.00 %	Pass
5	Margin Securities are prohibited. (143651)	Maximum	0.00%	0.00 %	Pass
6	Ownership of shares/debt issued limit 5% ex null (143652)	Maximum	5.00%	0.01 %	Pass
7	The Fund may not enter into short sales. (143654)	Maximum	0.00%	0.00 %	Pass
8	The Fund may not hold any Options. (143657)	Maximum	0.00%	0.00 %	Pass
9	The Fund may not hold more than 5% of the shares outstanding of any domestic equity security (143659)	Maximum	5.00%	0.01 %	Pass
<u>Cash</u>					
10	No more than 10% of the Fund in cash and cash equivalents. (143656)	Maximum	10.00%	1.53 %	Pass
<u>Exchange</u>					
11	Flag any non-US exchange traded futures (143670)	Maximum	0.00%	0.00 %	Pass
<u>Industry</u>					
12	Industry Sector GICS - Max 25% at cost (143660)	Maximum	25.00%	9.45 %	Pass
13	The Fund shall not invested in any security issued by a company in the Tobacco Sub-Industry as defined by GICS (143650)	Maximum	0.00%	0.00 %	Pass
<u>Issuer</u>					
14	Investments in a single domestic equity issuer shall not exceed 5% at cost (143661)	Maximum	5.00%	2.84 %	Pass



Account Compliance Summary

Alerts:	
Warnings:	
Passes:	

A5Z8 SACRT - ROBECO

Production Date: 03/31/2017

Securities + Cash	44,535,140.96	Base Currency	USD	Net Assets	44,660,345
Rule Name		Limit Type	Limit Value	Result	Result Status

This report was prepared for you by State Street Bank and Trust Company (or its affiliates, "State Street") utilizing scenarios, assumptions and reporting formats as mutually agreed between you and State Street. While reasonable efforts have been made to ensure the accuracy of the information contained in this report, there is no guarantee, representation or warranty, express or implied, as to its accuracy or completeness. This information is provided "as-is" and State Street disclaims any and all liability and makes no guarantee, representation, or warranty with respect to your use of or reliance upon this information in making any decisions or taking (or not taking) any actions. State Street does not verify the accuracy or completeness of any data, including data provided by State Street for other purposes, or data provided by you or third parties. You should independently review the report (including, without limitation, the assumptions, market data, securities prices, securities valuations, tests and calculations used in the report), and determine that the report is suitable for your purposes.

State Street provides products and services to professional and institutional clients, which are not directed at retail clients. This report is for informational purposes only and it does not constitute investment research or investment, legal or tax advice, and it is not an offer or solicitation to buy or sell any product, service, or securities or any financial instrument, and it does not transfer rights of any kind (except the limited use and redistribution rights described below) or constitute any binding contractual arrangement or commitment of any kind. You may use this report for your internal business purposes and, if such report contains any data provided by third party data sources, including, but not limited to, market or index data, you may not redistribute this report, or an excerpted portion thereof, to any third party, including, without limitation, your investment managers, investment advisers, agents, clients, investors or participants, whether or not they have a relationship with you or have a reasonable interest in the report, without the prior written consent of each such third party data source. You are solely responsible and liable for any and all use of this report.

Copyright © 2016 State Street Corporation, All rights reserved.

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
13	06/14/17	Retirement	Action	05/08/17

Subject: Receive and File Asset Allocation Study Review for the ATU, IBEW, and Salaried Employees' Retirement Plans (ALL). (Bernegger)

ISSUE

Receive and File Asset Allocation Study Review for the ATU, IBEW, and Salaried Employees' Retirement Plans (ALL). (Bernegger)

RECOMMENDED ACTION

Motion: Receive and File Asset Allocation Study Review for the ATU, IBEW, and Salaried Employees' Retirement Plans (ALL). (Bernegger)

FISCAL IMPACT

None

DISCUSSION

In 2014, Callan Associates, Inc. performed an Asset/Liability Study for the ATU/IBEW and Salaried Employees Retirement Plans. This study takes an in-depth look at the current investment strategy used by the Pension Plans as well as the liabilities associated with the Plans. The Asset/Liability Study is only required once every three to five years, unless there is a significant change in market conditions or a significant change to the asset allocation mix.

Per the Statement of Investment Objectives and Policy Guidelines, an Asset Allocation Study is to be performed annually, and the Board is required to review and approve the study. The Asset Allocation Study is an evaluation of the Plans' investment goals, objectives, and risk tolerance (risk versus return). There have been no significant changes to the Plans' asset allocations, since the reduction of the fixed income allocation from 40% to 35%, approved by the Boards' on March 25, 2015. Staff recommends that the Boards approve the 2017 Asset Allocation Study with the understanding that the Boards can make modifications to the fund manager structure without having an impact to the study, as the study assumes passive management.

Callan Associates has completed the Asset Allocation Study Review, will be presenting the Study (see Attachment 1) and answering any questions.

Staff recommends that the Boards receive and file the Asset Allocation Study Review.

Approved:

Presented:

FINAL 05/31/17

VP of Finance/CFO

Senior Accountant

Callan



June 14, 2017

**Sacramento Regional
Transit District**

Asset Allocation Review

Anne Heaphy
Fund Sponsor Consulting

Gene Podkaminer, CFA
Capital Markets Research

Uvan Tseng, CFA
Fund Sponsor Consulting

Where Does Asset Allocation Fit In?

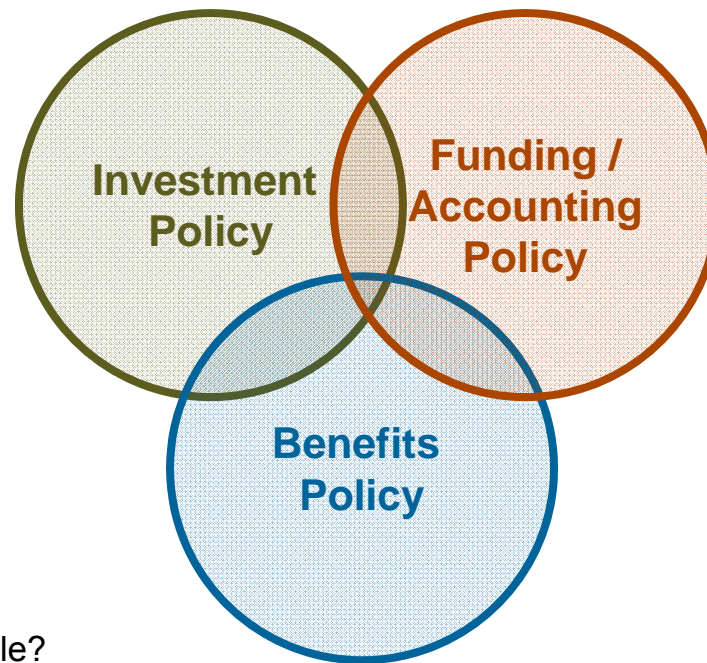
We evaluate the interaction of the three key policies that govern a pension plan with the goal of establishing the best investment policy

Investment Policy

- How will the assets supporting the benefits be invested?
- What risk and return objectives?
- How to manage cash flows?

Benefits Policy

- What type/kind of benefits?
- What level of benefit?
- When and to whom are they payable?



Funding / Accounting Policy

- How will the benefits be paid for (funded)?
- What actuarial discount rate?
- How will deficits be paid for?
- How will costs be recognized?

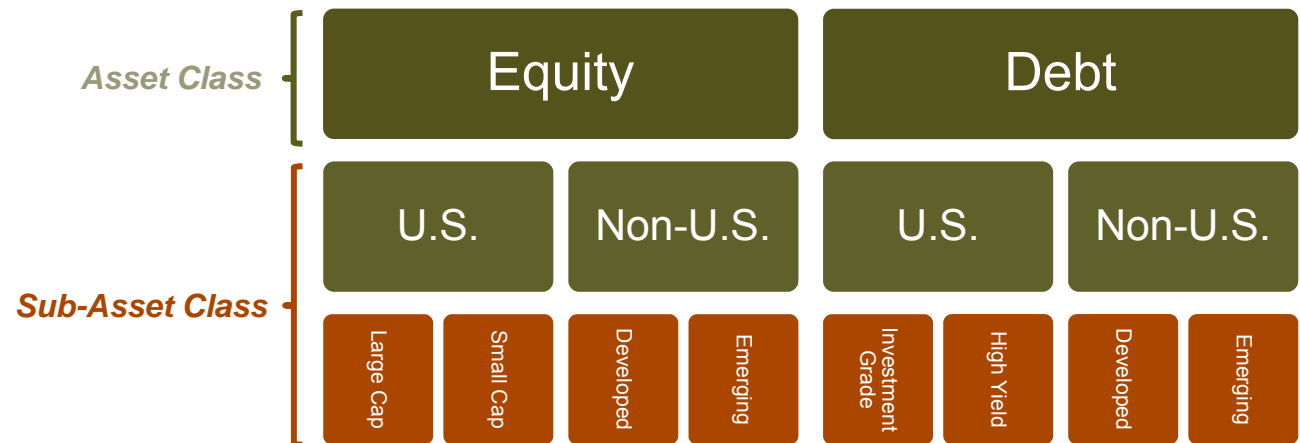
Investment Policy

Overview of Investment Goals

- The investment policy, or asset allocation, is one of the three key components of a benefit plan (along with contribution and benefit policy)
- Asset allocation is the process of determining the optimal allocation of a portfolio among broad asset classes based on several factors:
 - Capital market expectations
 - Cash flow considerations
 - Recent experience
 - Investment goals and objectives
 - Risk tolerance
 - Time horizon
- A well engineered asset allocation considers:
 - All appropriate asset classes for inclusion
 - Liquidity needs, asset class limitations, implementation challenges, administrative and legal burdens, size or capacity constraints
 - Rebalancing discipline

The Focus is on Broad Asset Classes

- Breakdowns between investment styles within asset classes (growth vs. value, large cap vs. small cap) are best addressed in a manager structure analysis
- Primary asset classes and important sub-asset classes include:
 - U.S. Stocks
 - U.S. Bonds
 - Non-U.S. Stocks
 - Non-U.S. Bonds
 - Real Estate
 - Alternative Investments
 - *Private equity*
 - *Absolute return*
 - Cash



Callan's Capital Market Projection Process

Economic Outlook Drives Our Projections

- Evaluate the current environment and economic outlook for the U.S. and other major industrial countries:
 - Business cycles, relative growth, inflation
- Examine the relationships between the economy and asset class performance patterns
- Consider recent and long-run trends in asset class performance
- Apply market insight:
 - Consultant experience – Plan Sponsor, Manager Search, Specialty
 - Industry consensus
 - Client Policy Review Committee
- Test the projections for reasonable results

Themes Explored in Setting the 2017 Expectations

- Wild swings in sentiment and confidence moved markets around the globe, without regard to the underlying economic data, which was reasonably positive.
- The U.S. economy shows modest strength.
 - Third quarter GDP growth came in strong at 3.5%, fourth quarter at 1.9%; annual growth for 2016 will average 1.6%, down from 2.6% in 2015.
 - Job growth has been consistent and strong. Unemployment rate is down to 4.7%, well below any Fed target. Are we approaching full employment?
 - Consumer spending is strong, driving GDP growth. However, inventories were built in anticipation of even stronger spending, which led to a weak start to 2016.
- Modest recovery slow to take shape in Europe in response to continued stimulus.
 - Progress on the recovery in Europe is clouded by refugee crisis, geopolitical change, fallout from Brexit.
- Fed is talking rate increases. Capital markets do not necessarily buy Fed's articulated pace of rate hikes: futures market predicts fewer hikes and a slower pace.
- Energy prices found a bottom, bringing inflation back to 2%.
- Uncertainty surrounding trade a major source of negative sentiment and market volatility.
 - Slowing growth in China, and context matters: China is now the second largest economy, slowing growth means dropping below 7%.
 - U.S. economic exposure to China is relatively small compared to Europe and emerging markets.
 - Trade wars?

Economic Outlook and Callan's Capital Market Projections

- **Broad market bond returns projected at 3.00%**

- Interest rates are expected to rise with most of the increase expected over the next 3 years. Our path is consistent with that forecast by the Fed.
- Yield curve expected to flatten, the yield curve is currently steep.
 - *Long rates are still expected to increase but not as much as short rates. Higher yields expected to be earned over most of the forecast horizon. Capital losses expected as yields increase in early years, those losses are consistent with moderate duration (historically about 5 but currently closer to 6) with little impact from changing credit spreads*
- Roll return expected to decline
- Cash returns held at 2.25%, reflecting an expected rise in Fed Funds rate

- **Domestic Equity returns projected at 6.85%, Global ex-U.S. Equity at 7.00%**

- Broad U.S. equity is represented by the Russell 3000 index which includes large, mid, and small cap stocks. Earnings growth likely to improve, coupled with stronger GDP growth and more expansive economic policies.
- Dividend yields are consistent with recent history and payout ratios close to historical norms.
- Small premium for Global ex-U.S. over U.S. largely due to Emerging Markets.

Callan's 2017 Capital Market Assumptions

- Summary of Callan's Long-Term Capital Market Projections (2017 – 2026)

Asset Class	Index	PROJECTED RETURN			PROJECTED RISK		Projected Yield
		1-Year Arithmetic	10-Year Geometric*	Real	Standard Deviation	Sharpe Ratio	
Equities							
Broad Domestic Equity	Russell 3000	8.30%	6.85%	4.60%	18.25%	0.332	2.00%
Large Cap	S&P 500	8.05%	6.75%	4.50%	17.40%	0.333	2.10%
Small/Mid Cap	Russell 2500	9.30%	7.00%	4.75%	22.60%	0.312	1.55%
Global ex-U.S. Equity	MSCI ACWI ex USA	8.95%	7.00%	4.75%	21.00%	0.319	3.10%
International Equity	MSCI World ex USA	8.45%	6.75%	4.50%	19.70%	0.315	3.25%
Emerging Markets Equity	MSCI Emerging Markets	10.50%	7.00%	4.75%	27.45%	0.301	2.65%
Fixed Income							
Short Duration	Barclays G/C 1-3	2.60%	2.60%	0.35%	2.10%	0.167	2.85%
Domestic Fixed	Barclays Aggregate	3.05%	3.00%	0.75%	3.75%	0.213	3.50%
Long Duration	Barclays Long G/C	3.75%	3.20%	0.95%	10.90%	0.138	4.50%
TIPS	Barclays TIPS	3.10%	3.00%	0.75%	5.25%	0.162	3.35%
High Yield	Barclays High Yield	5.20%	4.75%	2.50%	10.35%	0.285	7.75%
Non-U.S. Fixed	Barclays Global Aggregate ex US	1.80%	1.40%	-0.85%	9.20%	-0.049	2.50%
Emerging Market Debt	EMBI Global Diversified	4.85%	4.50%	2.25%	9.60%	0.271	5.75%
Other							
Real Estate	Callan Real Estate	6.90%	5.75%	3.50%	16.35%	0.284	4.75%
Private Equity	TR Post Venture Cap	12.45%	7.35%	5.10%	32.90%	0.310	0.00%
Hedge Funds	Callan Hedge FOF Database	5.35%	5.05%	2.80%	9.15%	0.339	2.25%
Commodities	Bloomberg Commodity	4.25%	2.65%	0.40%	18.30%	0.109	2.25%
Cash Equivalents	90-Day T-Bill	2.25%	2.25%	0.00%	0.90%	0.000	2.25%
Inflation	CPI-U		2.25%		1.50%		

- Most capital market expectations represent passive exposure (beta only); however, return expectations for private real estate, private equity, and hedge funds reflect active management because no effective market proxies exist
- All return expectations are net of fees

* Geometric returns are derived from arithmetic returns and the associated risk (standard deviation).

2017 Capital Market Expectations—Correlation Coefficient Matrix

Broad US Equity	1.000																			
Large Cap	0.996	1.000																		
Small/Mid Cap	0.966	0.940	1.000																	
Global ex-US Equity	0.874	0.872	0.839	1.000																
Non-US Equity	0.840	0.840	0.800	0.987	1.000															
Em Mkts Equity	0.866	0.860	0.845	0.936	0.865	1.000														
Short Duration	-0.250	-0.240	-0.270	-0.271	-0.250	-0.290	1.000													
US Fixed	-0.110	-0.100	-0.135	-0.130	-0.115	-0.160	0.870	1.000												
Long Duration	0.133	0.136	0.119	0.104	0.117	0.066	0.730	0.925	1.000											
TIPS	-0.054	-0.045	-0.080	-0.049	-0.030	-0.085	0.525	0.600	0.528	1.000										
High Yield	0.636	0.635	0.610	0.627	0.605	0.615	-0.140	0.020	0.217	0.060	1.000									
Non-US Fixed	0.013	0.050	-0.100	0.013	0.060	-0.090	0.480	0.510	0.542	0.340	0.120	1.000								
Em Mkt Debt	0.573	0.570	0.555	0.577	0.550	0.580	-0.040	0.100	0.157	0.180	0.600	0.010	1.000							
Real Estate	0.732	0.730	0.705	0.677	0.660	0.650	-0.165	-0.030	0.188	0.000	0.560	-0.050	0.440	1.000						
Private Equity	0.948	0.945	0.915	0.927	0.895	0.910	-0.260	-0.200	0.020	-0.110	0.640	-0.060	0.570	0.715	1.000					
Hedge Funds	0.802	0.800	0.770	0.760	0.730	0.755	-0.130	0.080	0.301	0.075	0.570	-0.080	0.540	0.605	0.780	1.000				
Commodities	0.152	0.150	0.150	0.161	0.155	0.160	-0.220	-0.100	-0.041	0.120	0.100	0.050	0.190	0.200	0.180	0.210	1.000			
Cash Equivalents	-0.043	-0.030	-0.080	-0.040	-0.010	-0.100	0.300	0.100	-0.048	0.070	-0.110	-0.090	-0.070	-0.060	0.000	-0.070	0.070	1.000		
Inflation	-0.010	-0.020	0.020	0.010	0.000	0.030	-0.200	-0.280	-0.285	0.180	0.070	-0.150	0.000	0.100	0.060	0.200	0.400	0.000	1.000	
	Broad US Eq	Large Cap	Sm/Mid Cap	Global ex-US	Non-US Equity	Em Mkt Eq	Sht Dur	US Fixed	Long Duration	TIPS	High Yield	Non-US Fixed	Em Mkt Debt	Real Estate	Private Equity	Hedge Funds	Comm	Cash Equiv	Inflation	

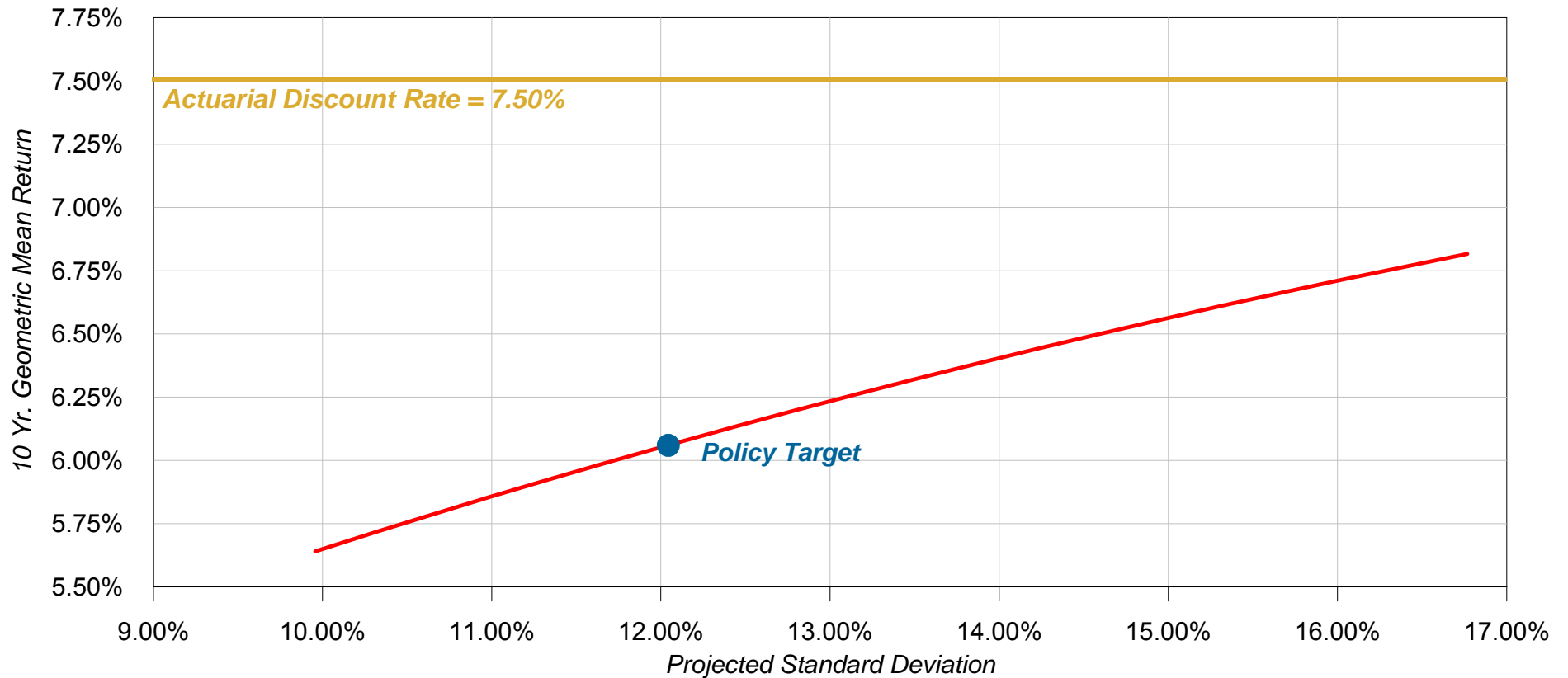
- Relationships between asset classes are as important, or more important, than the levels of individual asset class assumptions
- These relationships will have a large impact on the generation of efficient asset mixes using mean-variance optimization

Policy Target Allocation

Asset Class	Policy Target
Global Equity	65%
Large Cap U.S. Equity	32%
Small Cap U.S. Equity	8%
LC Non-U.S. Developed Equity	14%
SC Non-U.S. Developed Equity	5%
Emerging Markets Equity	6%
Fixed Income	35%
U.S. Fixed Income	35%
Expected Geometric Return	6.06%
Expected Standard Deviation	12.04%

- RT currently has an expected return assumption of 7.50% which is based on a 3.15% inflation expectation while Callan uses a 2.25% inflation expectation.
- Callan expects lower inflation to flow through the liabilities and result in a lower liability growth rate of 6.60% (vs. the actuarial discount rate of 7.50%).
- Expected returns assume passive implementation; however, roughly 75% of RT’s assets are actively managed.

The Efficient Frontier



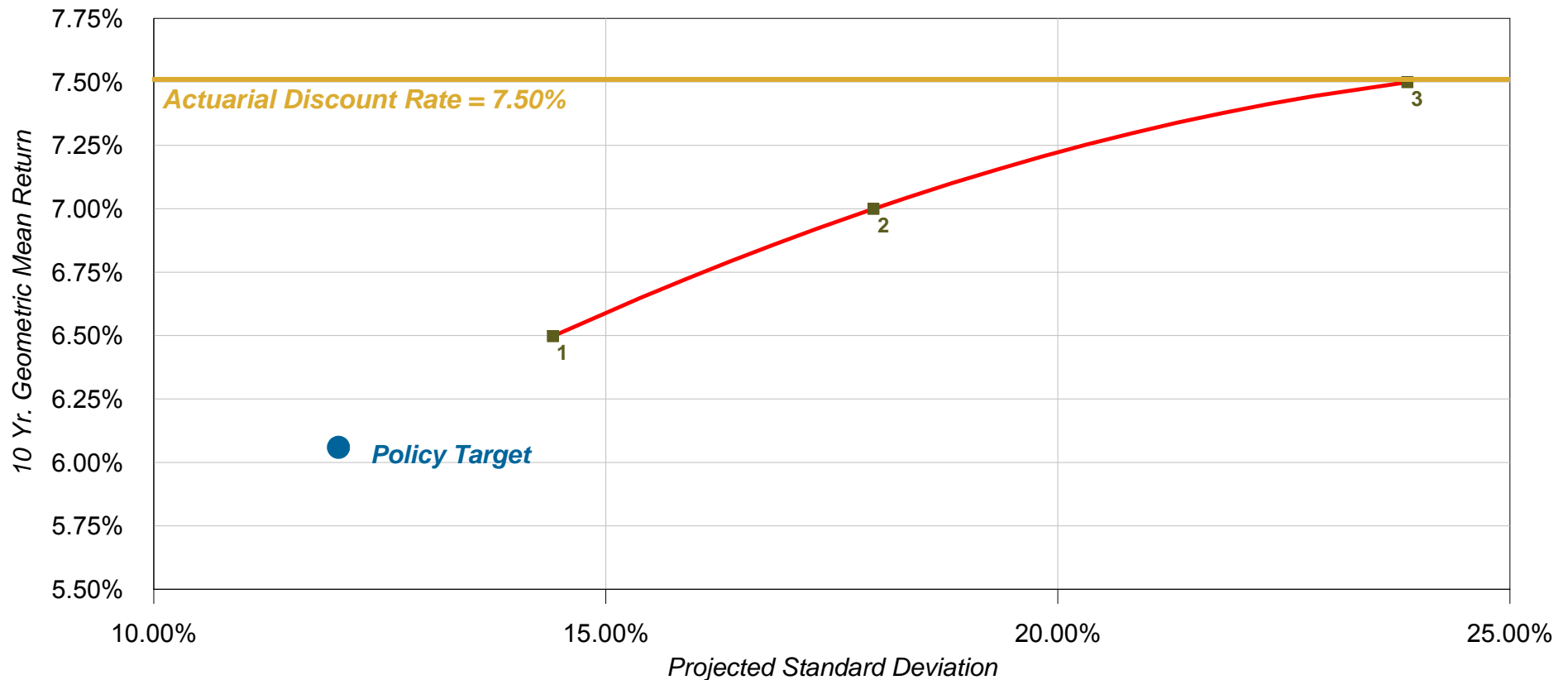
- The efficient frontier represents mixes which optimally trade off between expected return and expected risk.
- The efficient frontier demonstrates that Callan does not expect the capital markets to deliver a return close to the expected liability growth rate at a reasonable level of risk.

Sample Allocations

Asset Class	Policy Target	Example Mixes		
		Mix 1	Mix 2	Mix 3
Global Equity	65%	54%	67%	50%
Large Cap U.S. Equity	32%	24%	30%	8%
Small Cap U.S. Equity	8%	7%	8%	15%
LC Non-U.S. Developed Equity	14%	13%	15%	13%
SC Non-U.S. Developed Equity	5%	4%	6%	4%
Emerging Markets Equity	6%	6%	8%	10%
Fixed Income	35%	20%	1%	0%
U.S. Fixed Income	35%	20%	1%	0%
Alternative Assets	0%	26%	32%	50%
Real Estate	0%	11%	14%	13%
Hedge Funds	0%	8%	9%	0%
Private Equity	0%	7%	9%	37%
Expected Geometric Return	6.06%	6.50%	7.00%	7.50%
Expected Standard Deviation	12.04%	14.42%	17.96%	23.87%

- The optimal mixes are constructed with increasing expected returns (from 6.5% to 7.5%)
- As the expected return increases the fixed income allocation decreases until there is no fixed income in Mix 3 and annual portfolio risk reaches nearly 25%
 - Portfolios with less than 30% fixed income are likely not appropriate for the Fund

Sample Efficient Frontier



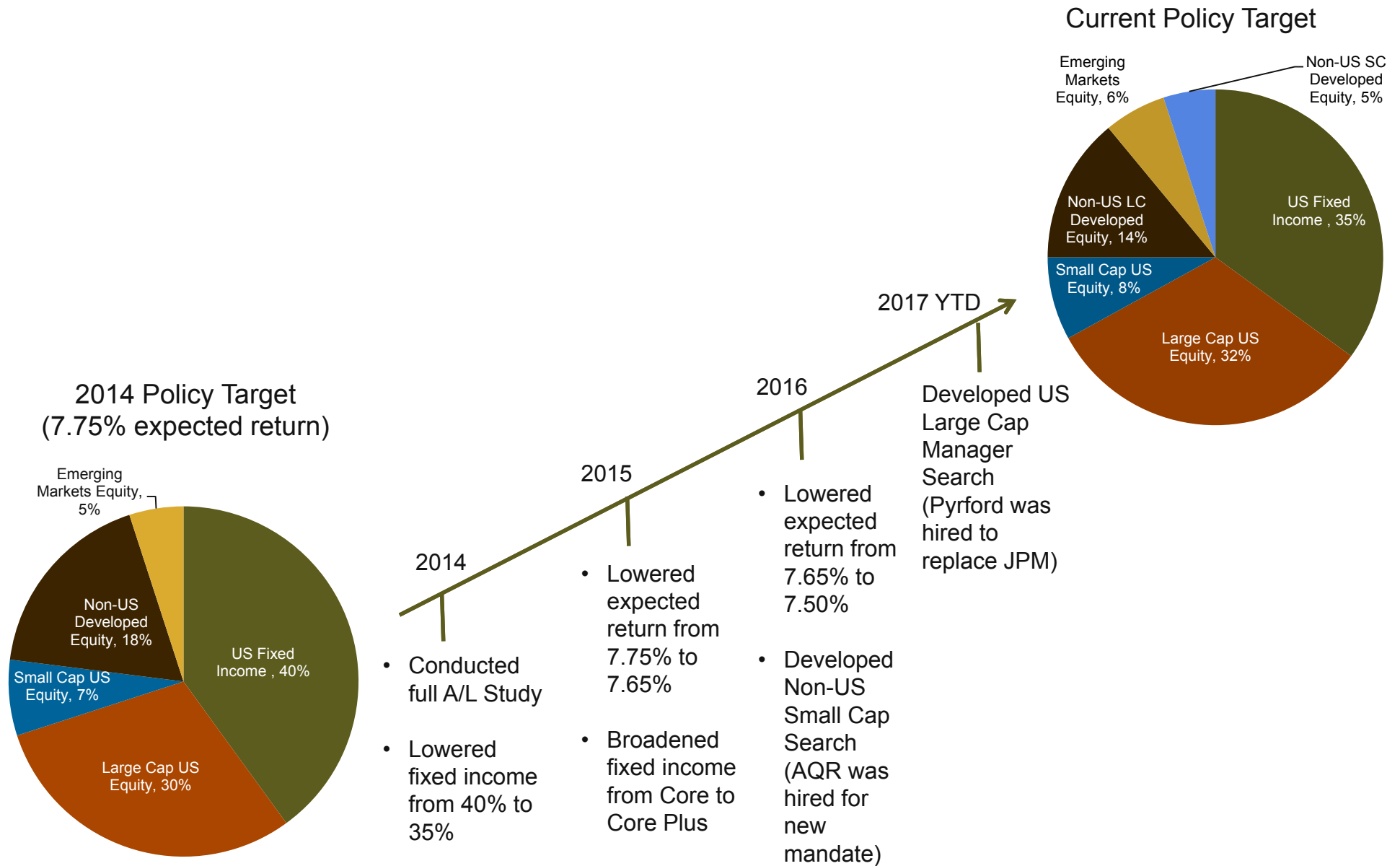
- The efficient frontier represents mixes that optimally trade off between expected return and expected risk
 - The numbered dots represent optimal mixes 1 – 3, detailed on the previous slide
- Mix 3 represents the allocation required to meet the 7.5% expected return assumption

Additional Asset Allocation Examples

<i>Asset Class</i>	<i>Policy Target</i>	<i>Mix 1</i>	<i>Mix 2</i>	<i>Mix 3</i>
Global Equity	65.0%	70.0%	75.0%	80.0%
Large Cap U.S. Equity	32.0%	34.0%	37.0%	39.0%
Small Cap U.S. Equity	8.0%	9.0%	9.0%	10.0%
Large Cap Non-U.S. Developed Equity	14.0%	16.0%	16.0%	18.0%
Small Cap Non-U.S. Developed Equity	5.0%	5.0%	6.0%	6.0%
Emerging Markets Equity	6.0%	6.0%	7.0%	7.0%
Fixed Income	35.0%	30.0%	25.0%	20.0%
U.S. Fixed Income	35.0%	30.0%	25.0%	20.0%
Expected Geometric Return	6.06%	6.23%	6.40%	6.54%
Expected Standard Deviation	12.04%	12.96%	13.92%	14.84%

- These mixes may not be appropriate for the Fund are not recommendations but we wanted to see what the expected return would be by only adjusting the allocations to the assets you currently have exposure to.
- Even an aggressive 80/20 mix would not yield an expected return close to 7.5%

What We Have Accomplished Since the 2014 A/L Study



Disclaimers

This report is for informational purposes only and should not be construed as legal or tax advice on any matter. Any decision you make on the basis of this content is your sole responsibility. You should consult with legal and tax advisers before applying any of this information to your particular situation.

This report may consist of statements of opinion, which are made as of the date they are expressed and are not statements of fact.

Reference to or inclusion in this report of any product, service or entity should not be construed as a recommendation, approval, affiliation or endorsement of such product, service or entity by Callan.

Past performance is no guarantee of future results.

The statements made herein may include forward-looking statements regarding future results. The forward-looking statements herein: (i) are best estimations consistent with the information available as of the date hereof and (ii) involve known and unknown risks and uncertainties such that actual results may differ materially from these statements. There is no obligation to update or alter any forward-looking statement, whether as a result of new information, future events or otherwise. Undue reliance should not be placed on forward-looking statements.

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	06/14/17	Retirement	Information	05/09/17

Subject: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Bonnel)

ISSUE

Presentation regarding the roles and responsibilities of various District staff members and Legal Counsel related to administration of the Pension Plans (ALL). (Bonnel)

RECOMMENDED ACTION

None associated with this matter.

FISCAL IMPACT

None associated with this matter.

DISCUSSION

This presentation by Donna Bonnel, Pension Plan Administrator, and 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)
Attributable (but Not Charged) to RT Pension Plans

Attachment C – Summary of Legal Services Provided for the Quarter Ending March 31, 2017

Approved:

06/05/2017

Director, Human Resources

Presented:

Director, Human Resources

Pension Administration Staff Roles and Responsibilities

Plan Administration

Customer Relations:

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

deductions, taxes		
-------------------	--	--

Plan Documents:

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

Vendor Administration:

Task	Primary Responsibility	Back Up Responsibility
Legal Services (Hanson Bridgett) Contract Procurement	PRSA and Sr. Accountant	Director, Human Resources and Director, Finance
Actuarial Services (Cheiron) Contract Procurement	PRSA and Sr. Accountant	Director, Human Resources and Director, Finance
Retirement Board Policy Development and Administration	PRSA and Senior Accountant Hanson Bridgett and Cheiron	Director, Human Resources or Director, Finance Hanson Bridgett and Cheiron

Retirement Board Administration:

Task	Primary Responsibility	Back Up Responsibility
Creation of Agenda/IPs	Staff Presenting Issue to Board	n/a
Creation and Distribution of Retirement Board Packages	PRSA	Director, Human Resources
Management of Retirement Board Meetings	Assistant Secretary to the Retirement Boards	PRSA
Training of Staff/Board Members	PRSA	Staff/Vendor SME
New Retirement Board Member Training	PRSA and/or Sr. Accountant	Staff/Vendor SME

Semi-Annual/Annual/Bi-Annual Administration:

Task	Primary Responsibility	Back Up Responsibility
Valuation Study	PRSA and Senior Accountant	Director, Finance and Director, Human Resources
Experience Study	PRSA and Senior Accountant	Director, Finance and Director, Human Resources
Fiduciary Liability Insurance	PSRA	Director, Human Resources
OPEB Valuation Study	PRSA and Senior Accountant	Director, Finance and Director, Human Resources
Responses to Public Records Act Requests	Director, Human Resources	PRSA
Statement of Investment Objectives and Policy Guidelines management	Sr. Accountant	Director, Finance

Contract Administration:

Task	Primary Responsibility	Back Up Responsibility
Adherence to contract provisions	PRSA and/or Sr. Accountant	Director, Human Resources or Director, Finance
Payment of Invoices	Sr. Accountant or Director, Human Resources	Director, Finance
Contract Management, including RFP process	PRSA and/or Sr. Accountant	Director, Human Resources or Director, Finance

Asset Management:

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

Attachment B

Pension administration costs charged to the Plans

Time Period: January 1, 2017 to March 31, 2017

Sum of Value TranCurr				
WBS Element	Source object name	Period	Total	
SAXXXX.PENATU	Finance And Treasury / Adelman, Jamie	8	137.34	
	Finance And Treasury / Gardner, Leona	7	76.99	
		8	461.94	
		9	404.20	
	Human Resources / Montung-Fuller, Mari	7	3,166.02	
		8	2,719.53	
		9	2,963.07	
	Human Resources / Ung, Elaine	9	53.19	
	Human Resources / Weekly, Valerie	7	2,856.50	
		8	2,324.60	
		9	3,388.40	
	Legal / Sanchez, Olga	8	98.76	
		9	164.58	
	SAXXXX.PENATU Total			18,815.12
	SAXXXX.PENIBEW	Finance And Treasury / Adelman, Jamie	8	137.34
Finance And Treasury / Gardner, Leona		7	230.97	
		8	346.46	
		9	230.98	
Human Resources / Montung-Fuller, Mari		7	1,542.42	
		8	1,501.83	
		9	1,055.34	
Human Resources / Ung, Elaine		7	53.20	
		9	17.73	
Human Resources / Weekly, Valerie		7	1,930.60	
		8	1,576.00	
		9	1,536.60	
Legal / Sanchez, Olga		8	131.68	
		9	32.92	
SAXXXX.PENIBEW Total			10,324.07	
SAXXXX.PENSALA	Finance And Treasury / Gardner, Leona	7	384.96	
		8	134.73	
		9	76.99	
	Human Resources / Montung-Fuller, Mari	7	1,095.93	
		8	1,583.01	
		9	933.57	
	Human Resources / Weekly, Valerie	7	1,930.60	
		8	1,733.60	
		9	2,009.40	
	Legal / Sanchez, Olga	7	65.83	
	8	65.83		

SAXXXX.PENSALA Total			10,014.45
SAXXXX.PENSION	Board Support / Brooks, Cynthia	7	76.52
		9	57.39
	Finance And Treasury / Adelman, Jamie	7	1,059.48
		8	1,236.06
		9	1,785.42
	Finance And Treasury / Bhullar, Harjeet	7	127.29
	Finance And Treasury / Gardner, Leona	7	1,039.37
		8	288.72
		9	943.13
	Finance And Treasury / Mata, Jennifer	7	1,339.52
		8	1,243.14
		9	1,449.57
	Human Resources / Bonnel, Donna	7	1,475.70
		8	1,180.56
		9	2,065.98
	Human Resources / Humphrey, Isis	7	1,844.31
		8	2,506.37
		9	3,428.52
	Human Resources / Montung-Fuller, Mari	7	5,520.24
		8	6,047.91
		9	8,402.13
	Human Resources / Weekly, Valerie	7	2,364.00
		8	3,073.20
		9	3,664.20
	VP Administration / Bernegger, Brent	7	366.93
	VP, Finance/CFO / Bernegger, Brent	8	416.12
		9	832.23
SAXXXX.PENSION Total			53,834.01
Grand Total			92,987.65

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

LEGAL SERVICES SUMMARY

Set forth below is a broad summary report of significant legal matters addressed by Hanson Bridgett LLP for the Sacramento Regional Transit District Retirement Boards during the Quarter ended March 31, 2017.

1. Weekly client conference calls and internal conferences on pending matters, upcoming Board meetings and follow-up from prior Board meetings.
2. Preparation for and participation in Special and Quarterly Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Support fund manager search, including review/drafting and negotiation of related agreements.
4. Prepare for and participate in new Retirement Board Member training.
5. Provide counsel on issues including, but not limited to:
 - a. Retirement Board Bylaws and Board Member transitions;
 - b. Pre-retirement survivor benefit provisions;
 - c. Pension garnishment rules;
 - d. Service bridging provisions;
 - e. Actuarial study, amortization and funding of Plans;
 - f. Fiduciary duties and fiduciary liability insurance coverage;
 - g. PEPRA;
 - h. Under- and Over-payments;
 - i. Calculation of benefits under various scenarios;
 - j. Interplay of disability and service retirement requirements;
 - k. ATU/IBEW asset split; and
 - l. Spousal consent rules for governmental plans.

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
15	06/14/17	Open	Action	03/23/17

Subject: Adopting Amended Retirement Board Member and Staff Education and Travel Policy (All). (Bonnel)

ISSUE

Amendment of Retirement Board Education and Travel Policy (ALL). (Bonnel)

RECOMMENDED ACTION

Adopt Resolution No. 17-06-_____ Amending the Retirement Board Member and Staff Education and Travel Policy.

FISCAL IMPACT

There is no fiscal impact associated with this action.

DISCUSSION

On November 20, 2006, the Retirement Boards approved resolutions approving an Education and Travel Policy for Retirement Board Members. The policy has not been revisited since the Boards originally adopted it in 2006. The attached amended Retirement Board Member Education and Travel Policy revises the education and training goals for Retirement Board Members, including expanding the types of training that count toward those goals, and also modernizes the overall process for Retirement Board Member education and travel.

The 2006 policy established a goal for each Retirement Board member “to attend at least one conference annually, which includes at least 5 hours of substantive educational content.” The proposed policy changes that goal to an hourly requirement that Retirement Board Members can satisfy in a greater number of ways. For example, under the proposed policy, reading listservs, participating in webinars, or watching recorded content from professional organizations would also be counted toward the achievement of educational goals. Board members are still welcome to attend conferences, but they are not required to do so as part of their continuing education goals.

In addition, the proposed policy modernizes the dissemination of training opportunities, the training approval process, and the tracking of completed trainings. The 2006 policy provides that training opportunities will be distributed to Retirement Board Members via Retirement Board packets. Under the proposed policy, available educational opportunities will be emailed to Retirement Board Members. This will include everything from articles to conferences. If there is a cost associated with the training, the Retirement Board Member will request the training using the proposed training approval process. The Assistant Secretary will be delegated authority to approve trainings that fall within his/her established procurement authority and under the \$1,500 annual training budget established by each of the Boards by resolution on June 6, 2011. If there

Approved:

Presented:

FINAL 6/6/2017

VP, Administration

Director, Human Resources

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
15	06/14/17	Open	Action	03/23/17

Subject: Adopting Amended Retirement Board Education and Travel Policy (All). (Bonnel)

is no cost associated with the training opportunity, the Retirement Board Members will complete the education or training and be responsible for notifying Retirement Board Staff of their completed training activity. Retirement Board Staff will notify Retirement Board Members of their progress toward their educational goals on a semi-annual basis. Retirement Board Staff will provide reports to the Retirement Boards regarding member participation in training activities on an annual basis.

Staff recommends adoption of the amended Retirement Board Member Education and Travel Policy set forth at Exhibit A.

Approved:

Presented:

FINAL 6/6/2017

VP, Administration

Director, Human Resources

RESOLUTION NO. 17-06-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees Who
Are Members of ATU Local Union 256 on this date:

June 14, 2017

**ADOPTING AN AMENDED RETIREMENT
BOARD MEMBER AND STAFF EDUCATION AND TRAVEL POLICY**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF THE ATU LOCAL
UNION 256 (RETIREMENT BOARD) AS FOLLOWS:

THAT, the Retirement Board Member and Staff Education and Travel Policy as set
forth in Exhibit A is hereby adopted.

RALPH NIZ, Chair

A T T E S T:

Corina De La Torre, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 17-06-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees Who
Are Members of AEA on this date:

June 14, 2017

**ADOPTING AN AMENDED RETIREMENT
BOARD MEMBER AND STAFF EDUCATION AND TRAVEL POLICY**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF AEA
(RETIREMENT BOARD) AS FOLLOWS:

THAT, the Retirement Board Member and Staff Education and Travel Policy as set
forth in Exhibit A is hereby adopted.

RUSSEL DEVORAK, Chair

A T T E S T:

Sue Robison, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 17-06-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees Who
Are Members of AFSCME on this date:

June 14, 2017

**ADOPTING AN AMENDED RETIREMENT
BOARD MEMBER AND STAFF EDUCATION AND TRAVEL POLICY**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF THE AFSCME
(RETIREMENT BOARD) AS FOLLOWS:

THAT, the Retirement Board Member and Staff Education and Travel Policy as set
forth in Exhibit A is hereby adopted.

CHARLES MALLONEE, Chair

A T T E S T:

Gary Parks, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 17-06-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees Who
Are Members of MCEG on this date:

June 14, 2017

**ADOPTING AN AMENDED RETIREMENT
BOARD MEMBER AND STAFF EDUCATION AND TRAVEL POLICY**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF THE ATU LOCAL
UNION 256 (RETIREMENT BOARD) AS FOLLOWS:

THAT, the Retirement Board Member and Staff Education and Travel Policy as set
forth in Exhibit A is hereby adopted.

MARK LONERGAN, Chair

A T T E S T:

Roger Thorn, Secretary

By: _____
Donna Bonnel, Assistant Secretary

RESOLUTION NO. 17-06-_____

Adopted by the Retirement Board for the Retirement Plan for RT Employees Who
Are Members of IBEW, Local Union 1245 on this date:

June 14, 2017

**ADOPTING AN AMENDED RETIREMENT
BOARD MEMBER AND STAFF EDUCATION AND TRAVEL POLICY**

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD FOR THE
RETIREMENT PLAN FOR RT EMPLOYEES WHO ARE MEMBERS OF THE IBEW
LOCAL UNION 1245 (RETIREMENT BOARD) AS FOLLOWS:

THAT, the Retirement Board Member and Staff Education and Travel Policy as set
forth in Exhibit A is hereby adopted.

ERIC OHLSON, Chair

A T T E S T:

Constance Bibbs, Secretary

By: _____
Donna Bonnel, Assistant Secretary

EXHIBIT A

RETIREMENT BOARD MEMBER AND STAFF EDUCATION AND TRAVEL POLICY

PREAMBLE

1. The Retirement Board's fiduciary duties of loyalty, skill, care and diligence extend across all facets of Plan administration, including the investment and management of public pension funds. Retirement Board Members acknowledge the need to acquire the necessary knowledge for prudently discharging their fiduciary duties in their roles as Retirement Board Members. Accordingly, the Retirement Board has adopted this Education and Travel Policy to provide Retirement Board Members with rules and guidelines for obtaining necessary education on matters related to public pension administration and investments.
2. This Policy will be implemented in compliance with the relevant provisions of the California Constitution, and applied consistently with the existing philosophy, objectives, policies and guidelines approved by the Retirement Board.

POLICY OBJECTIVES

3. The objectives of this Policy are to:
 - a. Ensure that all Retirement Board Members are provided with adequate opportunity and support to acquire the knowledge they need to effectively carry out their Retirement Board duties in a fiduciary capacity;
 - b. Raise awareness of the importance of fiduciary education for Retirement Board Members, and the level of expected Retirement Board Member commitment to that education;
 - c. Provide guidelines by which the Sacramento Regional Transit District (SacRT) will reimburse Retirement Board Members and Retirement Board Staff for qualifying travel expenditures; and
 - d. Ensure that travel expenditures incurred are prudent and cost effective.

POLICY GUIDELINES

General Provisions

4. Retirement Board Members agree to develop and maintain a sufficient level of knowledge and understanding of relevant issues pertaining to Plan administration throughout their terms on the Retirement Board.
5. Retirement Board Members agree to pursue appropriate education across a range of relevant pension-related topics designed to help them become proficient in performing their Retirement Board duties, rather than limiting their education to particular areas. The general topics include:

- a. Governance and fiduciary duty;
 - b. Ethics;
 - c. Investment policy and asset allocation;
 - d. Benefits administration;
 - e. Actuarial policies and funding;
 - f. Technology; and
 - g. Regulatory and legal issues.
6. Appropriate educational tools for Retirement Board Members include, but are not limited to:
- a. Conferences, seminars, webinars, workshops, roundtables, courses or similar events;
 - b. Association meetings or events;
 - c. In-house trainings such as the New Trustee Orientation program; and
 - d. Relevant periodicals, listservs, journals, textbooks or similar materials.
7. Retirement Board Staff will regularly identify appropriate educational opportunities and distribute information about those opportunities to Retirement Board Members. Retirement Board Members are also encouraged to suggest educational opportunities that provide value to the Retirement Board. If a Retirement Board Member requests overnight lodging or other significant travel-related expenses, the conference or seminar that the Retirement Board Member should include an average of at least five hours of substantive educational content per day.
8. Retirement Board Members will make every reasonable effort to satisfy the following minimum standards and goals:
- a. Acquire and maintain an appropriate level of knowledge and skill in each of the topic areas listed in Item 5 to ensure prudent Plan administration in accordance with the Retirement Board Members' fiduciary duties.
 - b. Attend the in-house New Trustee Orientation within three months of election or appointment, or before sitting at the first Retirement Board meeting as a voting member, whichever is earliest.
 - c. Attend Principles of Pension Management offered by California Association of Public Retirement Systems (CALAPRS), or similar introductory trustee training, as soon as reasonably possible following appointment or election, but no later than 24 months following appointment or election. The Retirement Board may waive this requirement if it is determined that the new Retirement Board Member received this education prior

to the member's election or appointment and a waiver would serve the best interests of the Plan.

- d. Obtain 24 hours of education within two years of assuming office and for every subsequent two-year period in which the Retirement Board Member continues to sit on the Retirement Board. The 24 hours of education can consist of any of the opportunities listed in Item 6.
 - e. Participate in any in-house educational seminars or trainings that may be offered from time to time.
9. A Sacramento Regional Transit District (SacRT) employee functioning as a Retirement Board Member will not suffer a loss of compensation while obtaining, or traveling to or from, training pursuant to this Policy during his or her regularly scheduled working hours.
 10. On an semi-annual basis, Retirement Board Staff will notify Retirement Board Members of their progress toward the educational goals established in this Policy.
 11. On an annual basis, Retirement Board Staff will submit a report to the Retirement Board on the educational activities of the Retirement Board Members. At a minimum, the report will summarize:
 - a. conference attendance;
 - b. attendance at in-house educational sessions held during the year; and
 - c. other educational activities.

Orientation Program

12. Retirement Board Staff will conduct an orientation program covering the general topics outlined in Item 5 above, for each new Retirement Board Member within three months of election or appointment or before the Retirement Board Member sits at the first Retirement Board meeting as a voting member, whichever is earliest. The aim of the orientation program will be to ensure that new Retirement Board Members are in a position to contribute fully to Retirement Board and committee deliberations, and effectively carry out their fiduciary duties while serving on the Retirement Board.
13. As soon as possible following their election or appointment to the Retirement Board, new Retirement Board Members will:
 - a. Be provided with a Retirement Board Member Handbook and any other documents that the Pension and Retiree Services Administrator deems necessary;
 - b. Be oriented by the Retirement Board Chairperson, or the Chairperson's designee, on current issues before the Retirement Board; and
 - c. Be introduced to other Retirement Board Members.

14. Prior to attending their first meeting of the Retirement Board as a trustee, new Retirement Board Members will endeavor to attend a meeting of the Retirement Board as an observer.

In-House Educational Seminars

15. Retirement Board Staff will coordinate at least two in-house educational seminars each year such as:
 - a. AB 1234 Public Sector Ethics training, which is a required 2-hour training every two years; and
 - b. One or more other trainings covering one or more of the topics listed in Item 5. Retirement Board Members may suggest topics.

In-house seminars may be added to regular Retirement Board meetings or organized as stand-alone sessions.

Approval and Reporting of Conference Attendance

16. The Assistant Secretary will approve trainings for Retirement Board Members or Retirement Board Staff that fall within the established procurement authority and under the \$1,500 annual training budget established by resolution on June 6, 2011. The \$1,500 budget does not cover costs associated with Principles of Pension Management offered by CALAPRS. Costs associated with Retirement Board members attending the annual CALAPRS training are not drawn down from this \$1,500 budget.
17. The Retirement Board must approve trainings that do not qualify under Item 16 above.
18. In authorizing attendance to a conference or seminar, priority will be given to Retirement Board Members who have not previously attended the same or a similar conference or seminar, so as to carry out the Retirement Board's intent to distribute conference and seminar opportunities on a fair and equitable basis.
19. If more than two members of a Retirement Board will be attending a training together outside of a noticed public meeting, the Retirement Board Members may not engage in discussions regarding the business of the Retirement Board while at the training. However, attendance at educational conference seminars and social activities by more than two members of Retirement Board is not a violation of this provision.
20. Board Members will inform Retirement Board Staff of all pension and investment-related conferences attended. This information will be used for education tracking purposes only.
21. Requests for reimbursement of travel-related expenses are subject to Sacramento Regional Transit District's Reimbursement of Expense Policy and Procedures.
22. Upon returning from a conference, attendees will submit oral or written reports to Retirement Board Staff and fellow Retirement Board members on the content and quality of the conference or other training opportunity attended. Attendees will also provide a copy of any materials distributed at the conference.

23. Retirement Board Staff will retain and catalogue all relevant conference materials submitted by Retirement Board Members. If appropriate, copies of the materials will be distributed to other Retirement Board Members.

Reporting of Other Training Opportunities

24. Retirement Board Staff will regularly notify Retirement Board Members of other educational opportunities, such as webinars and industry articles. These notifications will generally be via email.
25. Following participation in any other educational activity or training, Retirement Board Members will notify Retirement Board Staff of their activity for training tracking purposes.

Publication

26. A copy of this policy will be provided to Retirement Board Members and other interested parties upon request.

POLICY REVIEW

27. The Retirement Board will review this policy at least every three (3) years to ensure that it remains relevant and appropriate.

POLICY HISTORY

28. The Retirement Board adopted the original policy on November 20, 2006.
The Retirement Board adopted this revised policy on June 14, 2017.