



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, SEPTEMBER 12, 2018

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, McGee Lee
IBEW Retirement Board:	Directors: Li, Morin, Ohlson, Bibbs Alternates: Jennings, McCleskey
AEA Retirement Board:	Directors: Li, Morin, Devorak, Robison Alternates: Jennings, McGoldrick
AFSCME Retirement Board:	Directors: Li, Morin, Mallonee, Parks Alternates: Jennings, Guimond
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 June 20, 2018 Quarterly Retirement Board Meeting (AEA). (Weekly)	<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 June 20, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)	<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:	Adopting Regional Transit Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Information:	Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Motion:	Approving the Minutes for the June 20, 2018 Quarterly Retirement Board Meeting (AFSCME). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
6. Motion:	Receive and File Administrative Reports for the Quarter Ended June 20, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
7. Motion:	Adopting Regional Transit Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
8. Information:	Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
9. Motion:	Approving the Minutes for the June 20, 2018 Quarterly Retirement Board Meeting (ATU). (Weekly)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Motion:	Receive and File Administrative Reports for the Quarter Ended June 20, 2018 for the ATU (ATU). (Adelman)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
11. Motion:	Adopting Regional Transit Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
12. Information:	Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
13. Motion:	Approving the Minutes for the June 20, 2018 Quarterly Retirement Board Meeting (IBEW). (Weekly)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
14. Motion:	Receive and File Administrative Reports for the Quarter Ended June 20, 2018 for the IBEW Pension Plan (IBEW). (Adelman)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
15. Motion:	Adopting Regional Transit Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
16. Information:	Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
17. Motion:	Approving the Minutes for the June 20, 2018 Quarterly Retirement Board Meeting (MCEG). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
18. Motion:	Receive and File Administrative Reports for the Quarter Ended June 20, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
19. Motion:	Adopting Regional Transit Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
20. Information:	Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)	<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>
21. Information: Investment Performance Review by Atlanta Capital for the ATU, IBEW, and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended June 30, 2018 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
22. Information: Investment Performance Review by Boston Partners for the ATU, IBEW and Salaried Retirement Funds for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2018 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
23. Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2018 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
24. Information: Educational Session on Hedge Funds and Multi-Asset Class Investments Presented by Callan LLC (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
25. Resolution: Approving a Contract with Callan LLC to Provide Retirement Fund Investment Performance Advisory and Evaluation Services for the ATU, IBEW, and Salaried Plans (ALL). (Adelman)	<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**

	<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
26. Information: Conference Report-Out: Callan College and CALAPRS (ALL).	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

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, June 20, 2018
MEETING SUMMARY**

ROLL CALL

The Retirement Board was brought to order at 9:01 a.m. A quorum was present comprised as follows: Directors Li, Morin, Devorak, and Alternate McGoldrick were present. Director Robison 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. 17-09-191 for calendar year 2018, 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 March 14, 2018 Quarterly Retirement Board Meeting (AEA). (Weekly)
- 2. Motion: Receive and File Administrative Reports for the Quarter Ended March 31, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
- 11. Information: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Director Morin moved to adopt AEA Retirement Board Items 1, 2 and 11. Director Li seconded the motion. Items 1, 2 and 11 were carried unanimously by roll call vote: Ayes: Directors Li, Morin, Devorak and Alternate McGoldrick. Noes: None.

NEW BUSINESS

- 12. 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, 2018 (ALL). (Adelman)

Jamie Adelman introduced Michael Porter from AQR, who provided the performance results for the International Small Capitalization Equity Asset Class for the Quarter Ended March 31, 2018 and was available for questions.

13. Motion: Receive and File the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 and was available for questions.

Director Morin moved to adopt Item 13. Director Li seconded the motion. Item 13 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Devorak and Alternate McGoldrick. Noes: None.

14. Motion: Receive and File the Asset Allocation Study and Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (ALL). (Adelman)

Jamie Adelman introduced Jay Kloepfer and Anne Heaphy with Callan LLC, who presented the revised Statement of Investment Policy Objectives and Policy Guidelines for the Retirement Plans and Asset Allocation Review.

Director Morin asked what are the typical allocations to real estate and hedge funds, for peers that include those investments in their portfolios. Mr. Kloepfer advised that the typical allocation to real estate ranges between 5-10% of a portfolio, and is typically funded 2/3 from equity and 1/3 from fixed income. There is no "typical" allocation for plans that include hedge fund investments, and the estimated range is between 5-15%.

ATU Director Niz asked if Callan was recommending a change in the current asset allocation. Mr. Kloepfer responded that, while Callan is not recommending a change to the current allocation, the Boards could consider further diversification into real estate and/or hedge funds as pension plans that are similar in size and complexity have done. Director Devorak suggested that the Boards request that Callan provide a more in-depth educational presentation about other investment options, such as real estate and private equity. ATU Director Niz agreed with Director Devorak.

Director Li asked how increased longevity of Plan participants is reflected in the Asset Allocation Review. Mr. Kloepfer responded that the actuarial valuation used in preparing the Asset Allocation Study reflects the Plans' mortality assumptions.

Ms. Adelman advised that staff will work with Callan to prepare educational presentations to the Board pertaining to real estate and hedge funds.

ATU Director Niz referred to Item 14, Exhibit A, page 4, Section V. Pension Plan Cost Reimbursement, paragraph 2 which provides that reimbursement to the District of Plan-related expenses shall be made "*Utilizing only the Domestic asset classes to fund reimbursements will reduce the cash flow burden on SacRT...*", and asked how that information will be tracked and reported to the Boards. Ms. Adelman responded that the information is provided in the Administrative reports received by the Boards at each quarterly meeting.

Director Morin moved to adopt Item 14. Director Li seconded the motion. Item 14 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Devorak and Alternate McGoldrick. Noes: None.

RECESS TO CLOSED SESSION

The joint meeting of the five Retirement Boards recessed to allow each Board, except the MCEG Board, to meet separately in closed sessions.

- 15. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Potential Case

The Retirement Board met in closed session.

RECONVENE IN OPEN SESSION

The joint meeting of the five Retirement Boards reconvened at 10:56 a.m.

CLOSED SESSION REPORT

Legal Counsel Shayna van Hoften stated that no reportable actions were taken in the closed sessions.

- 19. Resolution: Approving a Work Order with Hanson Bridgett for Legal Services Outside of the Core tasks of the Contract (ALL). (Weekly)

In 2016, the Retirement Boards entered into a contract with Hanson Bridgett LLP to provide legal services to all five retirement boards. As a part of the contract terms, Hanson Bridgett provides ongoing, day-to-day, legal counsel on a variety of issues considered “core tasks”. From time to time, however, issues arise that are not covered within those core tasks. When a non-core task arises, Hanson Bridgett provides staff with a Work Order proposal.

Staff recommended approval of the Hanson Bridgett work order for services outside of the core tasks to facilitate and provide counsel associated with an operational audit of the ATU, IBEW, and Salaried Pension Plans.

Director Morin moved to adopt Item 19. Director Li seconded the motion. Item 19 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Devorak and Alternate McGoldrick. Noes: None.

REPORTS FROM COMMITTEES

None.

REPORTS, IDEAS AND COMMUNICATIONS

None.

With no further business to discuss, the meeting was adjourned at 10:57 a.m.

Russel Devorak, Chair

ATTEST:

Sue Robison, Secretary

By: _____
Valerie Weekly, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

ISSUE

Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Table 1 below shows the employer and employee contribution rates for all of the Sacramento Regional Transit District Retirement Plans, by Plan and tier, as of the date indicated. This table is a new addition to the quarterly Administrative Reports for Board members' reference.

Table 1

Employer Contribution Rates As of June 30, 2018

	ATU	IBEW	Salary
	Contribution Rate	Contribution Rate	Contribution Rate
Classic	27.04%	25.31%	32.52%
Classic w/ Contribution*	24.04%	-	-
PEPRA**	20.54%	20.06%	27.27%

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

**PEPRA employee rates: ATU - 6.5%, IBEW and Salary 5.25%

Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended June 30, 2018. 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

Approved:

Presented:

Final 09/04/18

VP of Finance/CFO

Treasury Controller

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REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

in Fiduciary Net Position (income statement) for the quarter ended June 30, 2018 (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 Treasury Controller. The Treasury Controller is required to report asset rebalancing activity to the Boards at their quarterly meetings. Rebalancing can occur for one or more of the following reasons:

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

Attached hereto as Attachment 4 is the Salaried Plan's Schedule of Cash Activities for the three months ended June 30, 2018. 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 June 30, 2018. The Salaried Plan reimbursed \$119,009 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 June 30, 2018. 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

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

“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 June 30, 2018 as compared to their benchmarks.

Attached hereto as Attachment 9 is a schedule reflecting employee transfers from one union/employee group to another, as well as any transfers of plan assets from the ATU Plan to the Salaried Plan, all retirements, and retiree deaths during the three months ended June 30, 2018.

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

Accrual Basis

As of June 30, 2018

	Jun 30, 18
ASSETS	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	93,148,330.98
Total Long-Term Investments	93,148,330.98
Total Checking/Savings	93,148,330.98
Accounts Receivable	
1110104 · Other Rec - Due from RT	75,846.18
Total Accounts Receivable	75,846.18
Other Current Assets	
1110120 · Prepays	10,748.89
Total Other Current Assets	10,748.89
Total Current Assets	93,234,926.05
TOTAL ASSETS	93,234,926.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	17,827.26
3110122 · MetWest	22,668.84
3110124 · Boston Partners	19,656.68
3110125 · Callan	3,523.28
3110126 · State Street	7,339.06
3110128 · Atlanta Capital	16,125.79
3110129 · S&P Index - SSgA	1,872.63
3110130 · EAFE - SSgA	934.74
3110132 · Pyrford	14,889.04
Total Accounts Payable	104,837.32
Total Current Liabilities	104,837.32
Total Liabilities	104,837.32
Equity	
3340101 · Retained Earnings	84,632,310.15
Net Income	8,497,778.58
Total Equity	93,130,088.73
TOTAL LIABILITIES & EQUITY	93,234,926.05

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

Accrual Basis

April through June 2018

	Apr - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc	387,551.15	17.6%
Investment Income	-264,958.86	-12.0%
RT Required Contribution	2,032,139.09	92.4%
6630110 · Employee Contribution	44,982.16	2.0%
Total Income	2,199,713.54	100.0%
Cost of Goods Sold		
8531001 · Arbitration Transfer	-207,645.00	-9.4%
8531210 · AEA - Retirement Benefits Paid	817,102.37	37.1%
8531211 · AFSCME-Retirement Benefits Paid	440,169.68	20.0%
8531212 · MCEG - Retirement Benefits Paid	706,572.65	32.1%
8532004 · Invest Exp - MetropolitanWest	22,668.84	1.0%
8532013 · Invest Exp - Boston Partners	19,656.68	0.9%
8532020 · Invest Exp - Callan	10,542.26	0.5%
8532021 · Invest Exp - State Street	11,008.59	0.5%
8532023 · Invest Exp - JP Morgan	0.00	0.0%
8532024 · Invest Exp - Atlanta Capital	16,125.79	0.7%
8532025 · Invest Exp - S&P Index SSgA	1,872.63	0.1%
8532026 · Invest Exp - EAFE SSgA	934.74	0.0%
8532027 · Invest Exp - AQR	10,468.93	0.5%
8532028 · Invest Exp - Pyrford	14,889.04	0.7%
Total COGS	1,864,367.20	84.8%
Gross Profit	335,346.34	15.2%
Expense		
8533002 · Admin Exp - Actuary	7,408.05	0.3%
8533007 · Admin Exp - CALPRS Dues/Courses	3,000.00	0.1%
8533008 · Admin Exp - Accounting Software	833.33	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,278.64	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	1.99	0.0%
8533026 · Admin Exp - Legal Services	19,760.00	0.9%
8533029 · Admin Exp - Administrator	22,452.43	1.0%
8533050 · Admin Exp - Misc Exp	0.00	0.0%
8533051 · Admin Exp - Audit	8,100.00	0.4%
Total Expense	64,834.44	2.9%
Net Income	270,511.90	12.3%

Sacto Regional Transit District Retirement Plan - Salaried
Statement of Changes in Fiduciary Net Position
July 2017 through June 2018

Accrual Basis

	Jul '17 - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc	1,359,280.79	9.5%
Investment Income	5,148,390.17	36.0%
RT Required Contribution	7,669,177.86	53.6%
6630110 · Employee Contribution	143,093.64	1.0%
Total Income	14,319,942.46	100.0%
Cost of Goods Sold		
8531001 · Arbitration Transfer	-2,638,467.00	-18.4%
8531210 · AEA - Retirement Benefits Paid	3,403,328.44	23.8%
8531211 · AFSCME-Retirement Benefits Paid	1,671,771.60	11.7%
8531212 · MCEG - Retirement Benefits Paid	2,704,265.75	18.9%
8532004 · Invest Exp - MetropolitanWest	84,632.35	0.6%
8532013 · Invest Exp - Boston Partners	81,713.46	0.6%
8532020 · Invest Exp - Callan	41,500.64	0.3%
8532021 · Invest Exp - State Street	46,573.22	0.3%
8532023 · Invest Exp - JP Morgan	234.77	0.0%
8532024 · Invest Exp - Atlanta Capital	65,203.13	0.5%
8532025 · Invest Exp - S&P Index SSgA	7,684.07	0.1%
8532026 · Invest Exp - EAFE SSgA	3,667.14	0.0%
8532027 · Invest Exp - AQR	43,237.63	0.3%
8532028 · Invest Exp - Pyrford	59,741.98	0.4%
Total COGS	5,575,087.18	38.9%
Gross Profit	8,744,855.28	61.1%
Expense		
8533002 · Admin Exp - Actuary	37,380.80	0.3%
8533007 · Admin Exp - CALPRS Dues/Courses	5,662.66	0.0%
8533008 · Admin Exp - Accounting Software	833.33	0.0%
8533010 · Admin Exp - Travel	1,123.86	0.0%
8533014 · Admin Exp - Fiduciary Insurance	12,927.65	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	251.99	0.0%
8533026 · Admin Exp - Legal Services	78,279.46	0.5%
8533028 · Admin Exp - Staff Training	44.28	0.0%
8533029 · Admin Exp - Administrator	98,162.26	0.7%
8533050 · Admin Exp - Misc Exp	4,310.41	0.0%
8533051 · Admin Exp - Audit	8,100.00	0.1%
Total Expense	247,076.70	1.7%
Net Income	8,497,778.58	59.3%

Sacramento Regional Transit District
Retirement Fund - Salaried
Schedule of Cash Activities
For the Three Months Period Ended June 30, 2018

	April 2018	May 2018	June 2018	Quarter Totals
Beginning Balance:				
Due (from)/to District - March 31, 2018	(15,541.91)	28,757.04	134,550.63	(15,541.91)
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 28.02 to 32.52%	640,512.89	636,839.48	754,786.72	2,032,139.09
Employee Pension Contributions	15,958.24	14,454.34	14,569.58	44,982.16
Total Deposits	656,471.13	651,293.82	769,356.30	2,077,121.25
<u>Expenses</u>				
Payout to Retirees:				
AEA	(272,640.35)	(272,640.35)	(271,821.67)	(817,102.37)
AFSCME	(144,149.54)	(144,149.54)	(151,870.60)	(440,169.68)
MCEG	(233,635.95)	(236,468.35)	(236,468.35)	(706,572.65)
Employee Contribution Refunds	-	-	-	-
Payout to Retirees Subtotal	(650,425.84)	(653,258.24)	(660,160.62)	(1,963,844.70)
Fund Investment Management Expenses:				
Boston Partners	-	(20,820.42)	-	(20,820.42)
SSgA S&P 500 Index	-	(1,994.57)	-	(1,994.57)
Atlanta Capital	-	(15,327.12)	-	(15,327.12)
Pyrford	-	(15,111.02)	-	(15,111.02)
SSgA EAFE MSCI	-	(951.85)	-	(951.85)
Metropolitan West	-	(22,555.82)	-	(22,555.82)
Callan	(3,508.68)	(3,509.28)	(3,509.70)	(10,527.66)
State Street	-	(7,380.56)	(3,669.53)	(11,050.09)
Fund Invest. Mgmt Exp. Subtotal	(3,508.68)	(87,650.64)	(7,179.23)	(98,338.55)
Administrative Expenses				
Actuarial Services	(3,791.91)	(2,576.21)	(1,691.25)	(8,059.37)
Legal Services	(6,586.67)	(6,586.67)	(13,173.33)	(26,346.67)
CALAPRS Training	-	-	(3,000.00)	(3,000.00)
Fiduciary Insurance	(13,148.66)	141.68	58.32	(12,948.66)
Investigation Information Services	-	(1.99)	-	(1.99)
Accounting Software	-	-	(833.33)	(833.33)
Pension Administration	(7,766.41)	(7,155.34)	(7,530.68)	(22,452.43)
Administrative Exp. Subtotal	(31,293.65)	(16,178.53)	(26,170.27)	(73,642.45)
Total Expenses	(685,228.17)	(757,087.41)	(693,510.12)	(2,135,825.70)
Monthly Net Owed from/(to) District	(28,757.04)	(105,793.59)	75,846.18	(58,704.45)
Due From ATU Plan- Custodian Error	116,866.20	-	(116,866.20)	-
Payment from/(to) the District	(101,324.29)	-	(17,684.43)	(119,008.72)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	28,757.04	134,550.63	(75,846.18)	(75,846.18)

RT Combined Pension Plans - ATU, IBEW and Salaried
 Asset Allocation *
 As of June 30, 2018

Asset Class	Net Asset Market Value 06/30/2018	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
FUND MANAGERS:						
Domestic Equity:						
Large Cap Value - Boston Partners - Z8	\$ 43,990,613	15.49%	16.00%	-0.51%	\$ (1,460,705)	
Large Cap Growth - SSgA S&P 500 Index - XH	46,292,642	16.30%	16.00%	0.30%	841,324	
Total Large Cap Domestic Equity	90,283,255	31.78%	32.00%	-0.22%	(619,381)	\$ 90,902,636
Small Cap - Atlanta Capital - XB	24,620,877	8.67%	8.00%	0.67%	1,895,218	22,725,659
International Equity:						
Large Cap Growth:						
Pyrford - ZD	26,142,476	9.20%	9.50%	-0.30%	(844,244)	
Large Cap Core:						
SSgA MSCI EAFE - XG	11,240,964	3.96%				
Value - Brandes - XE	9,257	0.00%				
Total Core	11,250,221	3.96%	4.50%	-0.54%	(1,532,963)	
Small Cap:						
AQR - ZB	14,589,347	5.14%	5.00%	0.14%	385,810	
Emerging Markets						
DFA - ZA	16,246,299	5.72%	6.00%	-0.28%	(797,945)	
Total International Equity	68,228,343	24.02%	25.00%	-0.98%	(2,789,341)	71,017,684
Fixed Income:						
Met West - XD	100,938,262	35.53%	35.00%	0.53%	1,513,504	99,424,758
Total Combined Net Asset	\$ 284,070,737	100.00%	100.00%	0.00%	\$ -	\$ 284,070,737

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

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Balance Sheet
As of June 30, 2018**

Per Both Pension Fund Balance Sheets:	
ATU Allocated Custodial Assets	133,639,084
IBEW Allocated Custodial Assets	57,283,322
Salaried Allocated Custodial Assets	<u>93,148,331</u>
Total Consolidated Net Asset	<u><u>284,070,737</u></u>
Per Callan Report:	
Total Investments	<u><u>284,083,708</u></u>
Net Difference	<u><u>(12,971) *</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Income Statement
For the Quarter Ended June 30, 2018**

Per Both Pension Fund Income Statements:	
ATU - Interest, Dividends, and Other Income	561,667
ATU - Investment Income	(422,580)
IBEW - Interest, Dividends, and Other Income	237,800
IBEW - Investment Income	(146,373)
Salaried - Interest, Dividends, and Other Income	364,994
Salaried - Investment Income	<u>(264,959)</u>
Total Investment Income	<u><u>330,549</u></u>
Per Callan Report:	
Investment Returns	<u><u>356,317</u></u>
Net Difference	<u><u>(25,768) **</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Schedule of Cash Activities
For the Quarter Ended June 30, 2018**

	April	May	June	Total
Payments from/(to) the District				
Boston Partners - ATU	-	-	(32,419)	(32,419)
Boston Partners - Salaried	-	-	32,419	32,419
S&P 500 Index - ATU	-	-	(32,760)	(32,760)
S&P 500 Index - Salaried	-	-	32,760	32,760
Atlanta Capital - ATU	-	-	(397,138)	(397,138)
Atlanta Capital - IBEW	-	-	(78,423)	(78,423)
Atlanta Capital - Salaried	-	-	(88,456)	(88,456)
Pyrford - ATU	-	-	(19,667)	(19,667)
Pyrford - Salaried	-	-	19,667	19,667
EAFE - ATU	-	-	(8,480)	(8,480)
EAFE - Salaried	-	-	8,480	8,480
Brandes - ATU	-	-	(7)	(7)
Brandes - Salaried	-	-	7	7
AQR - ATU	(294,828)	-	(291,485)	(586,313)
AQR - IBEW	(40,348)	-	(75,033)	(115,381)
AQR - Salaried	15,542	-	(17,413)	(1,871)
DFA - ATU	-	-	(12,970)	(12,970)
DFA - Salaried	-	-	12,970	12,970
Metropolitan West - ATU	-	-	(72,656)	(72,656)
Metropolitan West - Salaried	-	-	72,656	72,656
Total Payments from/(to) the District	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Transfers In/(Out) of Investment Funds				
Atlanta Capital	-	-	(564,017)	(564,017)
AQR	(319,634)	-	(383,931)	(703,565)
Total Transfers In/(Out) of Investment Funds	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Variance between Payments and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Per Callan Report:				
Net New Investment/(Withdrawals)				<u>(1,267,582)</u>
Net Difference				<u>-</u>

**Consolidated Schedule of Cash Activities
For the 12-Months June 30, 2018**

	3Q17	4Q17	1Q18	2Q18	Total
Payments from/(to) the District					
Boston Partners - ATU	(656,620)	(711,871)	(2,810,287)	(32,419)	(4,211,197)
Boston Partners - IBEW	(155,075)	(46,224)	(987,443)	-	(1,188,742)
Boston Partners - Salaried	(207,896)	333,215	(1,461,943)	32,419	(1,304,205)
S&P 500 Index - ATU	(382,811)	(1,056,615)	(1,770,269)	(32,760)	(3,242,455)
S&P 500 Index - IBEW	(95,328)	(151,776)	(804,753)	-	(1,051,857)
S&P 500 Index - Salaried	(84,552)	213,560	(1,395,393)	32,760	(1,233,625)
Atlanta Capital - ATU	-	(220,607)	(1,844,745)	(397,138)	(2,462,490)
Atlanta Capital - IBEW	-	-	(788,042)	(78,423)	(866,465)
Atlanta Capital - Salaried	-	220,607	(1,435,641)	(88,456)	(1,303,490)
Pyrford - ATU	-	(244,192)	-	(19,667)	(263,859)
Pyrford - Salaried	-	244,192	-	19,667	263,859
EAFE - ATU	-	(100,683)	-	(8,480)	(109,163)
EAFE - Salaried	-	100,683	-	8,480	109,163
AQR - ATU	-	(133,244)	-	(586,313)	(719,557)
AQR - Salaried	-	133,244	-	(1,871)	131,373
DFA - ATU	-	(133,058)	-	(12,970)	(146,028)
DFA - Salaried	-	133,058	-	12,970	146,028
Metropolitan West - ATU	-	(796,599)	5,485,262	(72,656)	4,616,007
Metropolitan West - IBEW	-	-	2,418,623	-	2,418,623
Metropolitan West - Salaried	-	796,599	4,211,226	72,656	5,080,481
Total Payments from/(to) the District	<u>(1,582,282)</u>	<u>(1,419,711)</u>	<u>(1,183,405)</u>	<u>(1,267,582)</u>	<u>(5,452,980)</u>

Sacramento Regional Transit District
ATU, IBEW and Salaried Retirement Plans
Schedule of Fund Investment Returns and Expenses
06/30/18

			1 Year					3 Years		
	1 Year	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts	3 Years	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts
Boston Partners										
Investment Returns	4,843,437	100.00%				11,701,624	100.00%			
Investment Expenses	(252,641)	5.22%				(698,188)	5.97%			
Net Gain/(Loss)	4,590,796	94.78%	10.19%	6.77%	342.00	11,003,436	94.03%	8.55%	8.26%	29.00
S&P 500										
Investment Returns	6,261,376	100.00%				15,034,345	100.00%			
Investment Expenses	(23,754)	0.38%				(96,522)	0.64%			
Net Gain/(Loss)	6,237,622	99.62%	14.31%	14.37%	(6.00)	14,937,823	99.36%	11.93%	11.93%	0.00
Atlanta Capital										
Investment Returns	4,466,413	100.00%				8,965,986	100.00%			
Investment Expenses	(201,628)	4.51%				(558,523)	6.23%			
Net Gain/(Loss)	4,264,785	95.49%	17.57%	18.52%	(95.00)	8,407,463	93.77%	12.48%	10.96%	152.00
Pyrford										
Investment Returns	545,633	100.00%				188,657	100.00%			
Investment Expenses	(184,687)	33.85%				(199,405)	105.70%			
Net Gain/(Loss)	360,946	66.15%	1.43%	6.84%	(541.00)	(10,748)	-5.70%	N/A	N/A	N/A
EAFE										
Investment Returns	757,630	100.00%				644,724	100.00%			
Investment Expense	(11,333)	1.50%				(42,057)	6.52%			
Net Gain/(Loss)	746,297	98.50%	7.13%	6.84%	29.00	602,667	93.48%	5.17%	4.90%	27.00
Brandes										
Investment Returns	(40)	100.00%				(2,350)	100.00%			
Investment Expenses	-	0.00%				-	0.00%			
Net Gain/(Loss)	(40)	100.00%	N/A	N/A	N/A	(2,350)	100.00%	N/A	N/A	N/A
AQR										
Investment Returns	1,518,466	100.00%				3,124,336	100.00%			
Investment Expenses	(150,359)	9.90%				(258,819)	8.28%			
Net Gain/(Loss)	1,368,107	90.10%	10.93%	12.45%	(152.00)	2,865,517	91.72%	N/A	N/A	N/A
DFA										
Investment Returns	797,953	100.00%				2,517,572	100.00%			
Investment Expense	(84,141)	10.54%				(254,922)	10.13%			
Net Gain/(Loss)	713,812	89.46%	5.17%	8.20%	(303.00)	2,262,650		5.35%	5.60%	(25.00)
Metropolitan West										
Investment Returns	328,116	100.00%				5,272,821	100.00%			
Investment Expenses	(261,483)	79.69%				(740,636)	14.05%			
Net Gain/(Loss)	66,633	20.31%	0.13%	-0.40%	53.00	4,532,185	85.95%	1.77%	1.72%	5.00
Total Fund										
Investment Returns	19,518,984	100.00%				49,226,656	100.00%			
Investment Expenses	(1,170,026)	5.99%				(3,063,005)	6.22%			
Net Gain/(Loss)	18,348,958	94.01%	6.93%	7.90%	(97.00)	46,163,651	93.78%	6.05%	6.84%	(79.00)

Sacramento Regional Transit District
 Schedule of Transfers and Retirements
 For the Time Period: April 1, 2018 to June 30, 2018

Transfers:

Employee #	Transferred From Position	Transferred To Position	Transferred From	Plan Assets	
				Transferred From ATU	Plan Assets
2647	Clerk II	Administrative Assistant II	ATU	(85,181)	85,181
3322	LR Operator	Transportation Supervisor	ATU	(62,118)	62,118
3570	Clerk	Human Resources Analyst I	ATU	(17,229)	17,229
3575	Bus Operator	Transportation Supervisor	ATU	(27,547)	27,547
3800	CBS Operator	Transportation Supervisor	ATU	(10,969)	10,969
3898	Transit Agent	Network Ops Technician	ATU	(4,600)	4,600
Total				(207,644)	207,644

Retirements:

Employee #	Previous Position	Pension Group	Retirement Date
2239	Mechanic A Body/Fender	IBEW	04/01/2018
1640	Sr. Paralegal	MCEG	04/01/2018
356	Bus Operator	ATU	04/14/2018
3122	Director, Human Resources	MCEG	05/01/2018
2392	LR Operator	ATU	05/02/2018
2980	LR Operator	ATU	05/18/2018
2711	Transportation Supervisor	AFSCME	06/01/2018
2796	Bus Operator	ATU	06/12/2018

Deaths:

Employee #	Pension Group	Type	Date of Death
1064	ATU	Survivor Beneficiary	04/04/2018
3002	ATU	Life Alone	05/16/2018
71	ATU	50% Joint & Survivor	06/23/2018
2926	AEA	Survivor Beneficiary	06/27/2018

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

ISSUE

Adoption of the Regional Transit District (RT) Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

RECOMMENDED ACTION

Adopt Resolution No. 18-09-____, Adopting the Regional Transit District Retirement Boards 2019 Meeting Calendar.

FISCAL IMPACT

None, as a result of this action.

DISCUSSION

The RT Retirement Boards have Regular meetings quarterly to review the performance of investments in RT's retirement funds by its fund managers and related business. Special meetings typically are called for items which require time for more lengthy discussions.

The proposed dates for Quarterly Retirement Board Meetings for the 2019 calendar year are:

- Wednesday, March 13th
- Wednesday, June 12th
- Wednesday, September 11th
- Wednesday, December 11th

In anticipation of several large projects and decisions coming before the Retirement Boards in 2019, staff is also proposing several tentative Special Meeting dates. If necessary, these dates can be utilized for in-depth discussion of items that require attention in addition or prior to regularly-scheduled Quarterly Retirement Board Meetings.

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\IP Adopting 2019 Retirement Board Calendar - Issue Paper.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
3	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

The proposed dates for tentative Special Meetings for the 2019 calendar year are:

- Wednesday, February 27th
- Wednesday, April 24th
- Wednesday, July 24th
- Wednesday, October 23rd

Staff recommends that the Board Members adopt a 9:00 a.m. start time for the 2019 meetings.

Staff recommends approval of the Regional Transit Retirement Boards 2019 Meeting Calendar, marked as Exhibit A.

RESOLUTION NO. 18-09-_____

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

September 12, 2018

**ADOPTING THE REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS 2019
MEETING CALENDAR**

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

THAT, the meeting schedule set out in attached Exhibit A for the meetings of the Regional Transit District AEA Retirement Board for calendar year 2019, is hereby adopted.

Russel Devorak, Chair

A T T E S T:

Sue Robison, Secretary

By: _____
Valerie Weekly, Assistant Secretary

2019 RETIREMENT BOARD CALENDAR

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD
REGIONAL TRANSIT AUDITORIUM (ROOM 114) – 1400 29TH STREET
SACRAMENTO, CALIFORNIA

9:00 AM

Wednesday.....Regular Meeting.....March 13, 2019
Wednesday.....Regular Meeting.....June 12, 2019
Wednesday.....Regular Meeting.....September 11, 2019
Wednesday.....Regular Meeting.....December 11, 2019

Wednesday.....Special Meeting.....*February 27, 2019
Wednesday.....Special Meeting.....*April 24, 2019
Wednesday.....Special Meeting.....*July 24, 2019
Wednesday.....Special Meeting.....*October 23, 2019

**Special Meeting dates are tentative. If necessary, these dates can be utilized for items that require attention prior to the scheduled quarterly Board Meeting.*

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	09/12/18	Retirement	Information	07/19/18

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

ISSUE

Presentation regarding the roles and responsibilities of various District staff members as well as updates on Staff costs and Legal Services related to administration of the Pension Plans (ALL).
(Weekly)

RECOMMENDED ACTION

None associated with this matter.

FISCAL IMPACT

None associated with this matter.

DISCUSSION

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

Attachment A – Pension Administration Staff Roles and Responsibilities

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

Attachment C – Summary of Legal Services Provided for the Quarter Ending June 30, 2018

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\Update on Roles and Responsibilities 7.19.18.doc

Pension Administration Staff Roles and Responsibilities

Plan Administration

Customer Relations:

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

Plan Documents:

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

Vendor Administration:

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

Retirement Board Administration:

Task	Primary Responsibility	Back Up Responsibility
Creation of Agenda/IPs	Staff Presenting Issue to Board	n/a
Creation and Distribution of Retirement Board Packages	PRSA	Treasury Controller
Management of Retirement Board Meetings	PRSA	Treasury Controller
Training of Staff/Board Members	PRSA and Treasury Controller	Staff/Vendor SME
New Retirement Board Member Training	PRSA and Treasury Controller	Staff/Vendor SME

Semi-Annual/Annual/Bi-Annual Administration:

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

Contract Administration:

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

Asset Management:

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

Pension Administration Costs
For the Time Period: April 1, 2018 to June 30, 2018

Sum of Value TranCurr			
WBS Element	Source object name	Period	Total
SAXXXX.PENATU	Finance And Treasury / Adelman, Jamie	12	96.12
	Finance And Treasury / Gardner, Leona	12	459.18
	Finance And Treasury / Montung-Fuller, Mari	10	1,987.78
		11	1,987.79
		12	2,266.06
	Finance And Treasury / Weekly, Valerie	10	1,536.40
		11	921.84
		12	921.84
	Human Resources / Martinelli, Christin	12	81.05
	Human Resources / Ung, Elaine	10	71.60
	Legal / Sanchez, Olga	11	68.46
		12	102.69
	SAXXXX.PENATU Total		
SAXXXX.PENIBEW	Finance And Treasury / Montung-Fuller, Mari	10	715.63
		11	1,073.42
		12	596.36
	Finance And Treasury / Weekly, Valerie	10	1,267.53
		11	537.74
		12	845.02
	Human Resources / Martinelli, Christin	12	81.05
	Human Resources / Ung, Elaine	10	17.90
	Legal / Sanchez, Olga	10	68.46
	SAXXXX.PENIBEW Total		
SAXXXX.PENSALA	Finance And Treasury / Adelman, Jamie	10	72.09
		12	96.12
	Finance And Treasury / Montung-Fuller, Mari	10	954.16
		11	914.39
		12	795.14
	Finance And Treasury / Weekly, Valerie	10	1,574.81
		11	537.74
		12	652.97
	Human Resources / Martinelli, Christin	12	81.05
	Legal / Sanchez, Olga	10	34.23
		11	68.46
		12	34.23
SAXXXX.PENSALA Total			5,815.39
SAXXXX.PENSION	Board Support / Brooks, Cynthia	12	56.25
	Finance And Treasury / Adelman, Jamie	10	2,186.73
		11	3,484.35
		12	2,523.15
	Finance And Treasury / Gardner, Leona	10	707.91
11		344.39	

SAXXXX.PENSION	Finance And Treasury / Gardner, Leona	12	727.05
	Finance And Treasury / Mata, Jennifer	10	1,517.71
		11	1,018.28
		12	969.16
	Finance And Treasury / Montung-Fuller, Mari	10	8,388.34
		11	8,507.60
		12	7,792.00
	Finance And Treasury / Weekly, Valerie	10	2,074.14
		11	1,920.50
		12	2,074.14
	Human Resources / Humphrey, Isis	10	518.54
		11	905.94
		12	2,667.49
	Human Resources / Martinelli, Christin	12	81.05
	VP, Finance/CFO / Bernegger, Brent	11	723.20
		12	723.20
SAXXXX.PENSION Total			49,911.12
Grand Total			71,430.43

**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 June 30, 2018.

1. Weekly client conference calls and internal conferences on pending matters, upcoming Board meetings and follow-up from prior Board meetings.
2. Preparation for and participation in Quarterly Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Assist with investment consultant services procurement, contract drafting, negotiation, compliance requirements and oversight.
4. Conduct procurement to retain expert for operational audit.
5. Review and comment on employee/beneficiary notices.
6. Provide counsel on issues including, but not limited to:
 - a. Pension Plan documents and updates;
 - b. Financial reporting;
 - c. Benefit eligibility determinations;
 - d. Calculation of benefits under various scenarios;
 - e. PEPRA compliance;
 - f. Fiduciary duties;
 - g. Domestic Relation Orders.

Respectfully Submitted,

/s/ Shayna M. van Hoften

**Sacramento Regional Transit District
AFSCME Retirement Board Meeting
Wednesday, June 20, 2018
MEETING SUMMARY**

ROLL CALL

The Retirement Board was brought to order at 9:01 a.m. A quorum was present comprised as follows: Directors Li, Morin, Mallonee and Alternate Guimond were present. Director Parks and Alternate Jennings were absent.

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

By AFSCME Resolution No. 17-09-158 for calendar year 2018, 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

- 3. Motion: Approving the Minutes for the March 14, 2018 Quarterly Retirement Board Meeting (AFSCME). (Weekly)
- 4. Motion: Receive and File Administrative Reports for the Quarter Ended March 31, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
- 11. Information: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Director Morin moved to adopt AFSCME Retirement Board Items 3, 4 and 11. Director Li seconded the motion. Items 3, 4 and 11 were carried unanimously by roll call vote: Ayes: Directors Morin, Li and Mallonee and Alternate Guimond. Noes: None.

NEW BUSINESS

- 12. 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, 2018 (ALL). (Adelman)

Jamie Adelman introduced Michael Porter from AQR, who provided the performance results for the International Small Capitalization Equity Asset Class for the Quarter Ended March 31, 2018 and was available for questions.

13. Motion: Receive and File the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 and was available for questions.

Director Morin moved to adopt Item 13. Director Li seconded the motion. Item 13 was carried unanimously by roll call vote: Ayes: Directors Li, Morin and Mallonee and Alternate Guimond. Noes: None.

14. Motion: Receive and File the Asset Allocation Study and Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (ALL). (Adelman)

Jamie Adelman introduced Jay Kloepfer and Anne Heaphy with Callan LLC, who presented the revised Statement of Investment Policy Objectives and Policy Guidelines for the Retirement Plans and Asset Allocation Review.

Director Morin asked what are the typical allocations to real estate and hedge funds, for peers that include those investments in their portfolios. Mr. Kloepfer advised that the typical allocation to real estate ranges between 5-10% of a portfolio, and is typically funded 2/3 from equity and 1/3 from fixed income. There is no "typical" allocation for plans that include hedge fund investments, and the estimated range is between 5-15%.

ATU Director Niz asked if Callan was recommending a change in the current asset allocation. Mr. Kloepfer responded that, while Callan is not recommending a change to the current allocation, the Boards could consider further diversification into real estate and/or hedge funds as pension plans that are similar in size and complexity have done. AEA Director Devorak suggested that the Boards request that Callan provide a more in-depth educational presentation about other investment options, such as real estate and private equity. ATU Director Niz agreed with AEA Director Devorak.

Director Li asked how increased longevity of Plan participants is reflected in the Asset Allocation Review. Mr. Kloepfer responded that the actuarial valuation used in preparing the Asset Allocation Study reflects the Plans' mortality assumptions.

Ms. Adelman advised that staff will work with Callan to prepare educational presentations to the Board pertaining to real estate and hedge funds.

ATU Director Niz referred to Item 14, Exhibit A, page 4, Section V. Pension Plan Cost Reimbursement, paragraph 2 which provides that reimbursement to the District of Plan-related expenses shall be made *"Utilizing only the Domestic asset classes to fund reimbursements will reduce the cash flow burden on SacRT..."*, and asked how that information will be tracked and reported to the Boards. Ms. Adelman responded that the information is provided in the Administrative reports received by the Boards at each quarterly meeting.

Director Morin moved to adopt Item 14. Director Li seconded the motion. Item 14 was carried unanimously by roll call vote: Ayes: Directors Li, Morin and Mallonee and Alternate Guimond. Noes: None.

RECESS TO CLOSED SESSION

The joint meeting of the five Retirement Boards recessed to allow each Board, except the MCEG Board, to meet separately in closed sessions.

- 16. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Potential Case

The Retirement Board met in closed session.

RECONVENE IN OPEN SESSION

The joint meeting of the five Retirement Boards reconvened at 10:56 a.m.

CLOSED SESSION REPORT

Legal Counsel Shayna van Hoften stated that no reportable actions were taken in the closed sessions.

- 19. Resolution: Approving a Work Order with Hanson Bridgett for Legal Services Outside of the Core tasks of the Contract (ALL). (Weekly)

In 2016, the Retirement Boards entered into a contract with Hanson Bridgett LLP to provide legal services to all five retirement boards. As a part of the contract terms, Hanson Bridgett provides ongoing, day-to-day, legal counsel on a variety of issues considered “core tasks”. From time to time, however, issues arise that are not covered within those core tasks. When a non-core task arises, Hanson Bridgett provides staff with a Work Order proposal.

Staff recommended approval of the Hanson Bridgett work order for services outside of the core tasks to facilitate and provide counsel associated with an operational audit of the ATU, IBEW, and Salaried Pension Plans.

Director Morin moved to adopt Item 19. Director Li seconded the motion. Item 19 was carried unanimously by roll call vote: Ayes: Directors Li, Morin and Mallonee and Alternate Guimond. Noes: None.

REPORTS FROM COMMITTEES

None.

REPORTS, IDEAS AND COMMUNICATIONS

None.

With no further business to discuss, the meeting was adjourned at 10:57 a.m.

Charles Mallonee, Chair

ATTEST:

Gary Parks, Secretary

By: _____
Valerie Weekly, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

ISSUE

Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Table 1 below shows the employer and employee contribution rates for all of the Sacramento Regional Transit District Retirement Plans, by Plan and tier, as of the date indicated. This table is a new addition to the quarterly Administrative Reports for Board members' reference.

Table 1

Employer Contribution Rates As of June 30, 2018

	ATU	IBEW	Salary
	Contribution Rate	Contribution Rate	Contribution Rate
Classic	27.04%	25.31%	32.52%
Classic w/ Contribution*	24.04%	-	-
PEPRA**	20.54%	20.06%	27.27%

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

**PEPRA employee rates: ATU - 6.5%, IBEW and Salary 5.25%

Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended June 30, 2018. 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

Approved:

Presented:

Final 09/04/18

VP of Finance/CFO

Treasury Controller

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\FI IPs\09-12-18 Administrative Reports - Salary.docx

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

in Fiduciary Net Position (income statement) for the quarter ended June 30, 2018 (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 Treasury Controller. The Treasury Controller is required to report asset rebalancing activity to the Boards at their quarterly meetings. Rebalancing can occur for one or more of the following reasons:

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

Attached hereto as Attachment 4 is the Salaried Plan's Schedule of Cash Activities for the three months ended June 30, 2018. 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 June 30, 2018. The Salaried Plan reimbursed \$119,009 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 June 30, 2018. 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

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

“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 June 30, 2018 as compared to their benchmarks.

Attached hereto as Attachment 9 is a schedule reflecting employee transfers from one union/employee group to another, as well as any transfers of plan assets from the ATU Plan to the Salaried Plan, all retirements, and retiree deaths during the three months ended June 30, 2018.

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

Accrual Basis

As of June 30, 2018

	Jun 30, 18
ASSETS	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	93,148,330.98
Total Long-Term Investments	93,148,330.98
Total Checking/Savings	93,148,330.98
Accounts Receivable	
1110104 · Other Rec - Due from RT	75,846.18
Total Accounts Receivable	75,846.18
Other Current Assets	
1110120 · Prepays	10,748.89
Total Other Current Assets	10,748.89
Total Current Assets	93,234,926.05
TOTAL ASSETS	93,234,926.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	17,827.26
3110122 · MetWest	22,668.84
3110124 · Boston Partners	19,656.68
3110125 · Callan	3,523.28
3110126 · State Street	7,339.06
3110128 · Atlanta Capital	16,125.79
3110129 · S&P Index - SSgA	1,872.63
3110130 · EAFE - SSgA	934.74
3110132 · Pyrford	14,889.04
Total Accounts Payable	104,837.32
Total Current Liabilities	104,837.32
Total Liabilities	104,837.32
Equity	
3340101 · Retained Earnings	84,632,310.15
Net Income	8,497,778.58
Total Equity	93,130,088.73
TOTAL LIABILITIES & EQUITY	93,234,926.05

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

Accrual Basis

April through June 2018

	Apr - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc	387,551.15	17.6%
Investment Income	-264,958.86	-12.0%
RT Required Contribution	2,032,139.09	92.4%
6630110 · Employee Contribution	44,982.16	2.0%
Total Income	2,199,713.54	100.0%
Cost of Goods Sold		
8531001 · Arbitration Transfer	-207,645.00	-9.4%
8531210 · AEA - Retirement Benefits Paid	817,102.37	37.1%
8531211 · AFSCME-Retirement Benefits Paid	440,169.68	20.0%
8531212 · MCEG - Retirement Benefits Paid	706,572.65	32.1%
8532004 · Invest Exp - MetropolitanWest	22,668.84	1.0%
8532013 · Invest Exp - Boston Partners	19,656.68	0.9%
8532020 · Invest Exp - Callan	10,542.26	0.5%
8532021 · Invest Exp - State Street	11,008.59	0.5%
8532023 · Invest Exp - JP Morgan	0.00	0.0%
8532024 · Invest Exp - Atlanta Capital	16,125.79	0.7%
8532025 · Invest Exp - S&P Index SSgA	1,872.63	0.1%
8532026 · Invest Exp - EAFE SSgA	934.74	0.0%
8532027 · Invest Exp - AQR	10,468.93	0.5%
8532028 · Invest Exp - Pyrford	14,889.04	0.7%
Total COGS	1,864,367.20	84.8%
Gross Profit	335,346.34	15.2%
Expense		
8533002 · Admin Exp - Actuary	7,408.05	0.3%
8533007 · Admin Exp - CALPRS Dues/Courses	3,000.00	0.1%
8533008 · Admin Exp - Accounting Software	833.33	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,278.64	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	1.99	0.0%
8533026 · Admin Exp - Legal Services	19,760.00	0.9%
8533029 · Admin Exp - Administrator	22,452.43	1.0%
8533050 · Admin Exp - Misc Exp	0.00	0.0%
8533051 · Admin Exp - Audit	8,100.00	0.4%
Total Expense	64,834.44	2.9%
Net Income	270,511.90	12.3%

Sacto Regional Transit District Retirement Plan - Salaried
Statement of Changes in Fiduciary Net Position
July 2017 through June 2018

Accrual Basis

	Jul '17 - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc	1,359,280.79	9.5%
Investment Income	5,148,390.17	36.0%
RT Required Contribution	7,669,177.86	53.6%
6630110 · Employee Contribution	143,093.64	1.0%
Total Income	14,319,942.46	100.0%
Cost of Goods Sold		
8531001 · Arbitration Transfer	-2,638,467.00	-18.4%
8531210 · AEA - Retirement Benefits Paid	3,403,328.44	23.8%
8531211 · AFSCME-Retirement Benefits Paid	1,671,771.60	11.7%
8531212 · MCEG - Retirement Benefits Paid	2,704,265.75	18.9%
8532004 · Invest Exp - MetropolitanWest	84,632.35	0.6%
8532013 · Invest Exp - Boston Partners	81,713.46	0.6%
8532020 · Invest Exp - Callan	41,500.64	0.3%
8532021 · Invest Exp - State Street	46,573.22	0.3%
8532023 · Invest Exp - JP Morgan	234.77	0.0%
8532024 · Invest Exp - Atlanta Capital	65,203.13	0.5%
8532025 · Invest Exp - S&P Index SSgA	7,684.07	0.1%
8532026 · Invest Exp - EAFE SSgA	3,667.14	0.0%
8532027 · Invest Exp - AQR	43,237.63	0.3%
8532028 · Invest Exp - Pyrford	59,741.98	0.4%
Total COGS	5,575,087.18	38.9%
Gross Profit	8,744,855.28	61.1%
Expense		
8533002 · Admin Exp - Actuary	37,380.80	0.3%
8533007 · Admin Exp - CALPRS Dues/Courses	5,662.66	0.0%
8533008 · Admin Exp - Accounting Software	833.33	0.0%
8533010 · Admin Exp - Travel	1,123.86	0.0%
8533014 · Admin Exp - Fiduciary Insurance	12,927.65	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	251.99	0.0%
8533026 · Admin Exp - Legal Services	78,279.46	0.5%
8533028 · Admin Exp - Staff Training	44.28	0.0%
8533029 · Admin Exp - Administrator	98,162.26	0.7%
8533050 · Admin Exp - Misc Exp	4,310.41	0.0%
8533051 · Admin Exp - Audit	8,100.00	0.1%
Total Expense	247,076.70	1.7%
Net Income	8,497,778.58	59.3%

Sacramento Regional Transit District
Retirement Fund - Salaried
Schedule of Cash Activities
For the Three Months Period Ended June 30, 2018

	April 2018	May 2018	June 2018	Quarter Totals
Beginning Balance:				
Due (from)/to District - March 31, 2018	(15,541.91)	28,757.04	134,550.63	(15,541.91)
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 28.02 to 32.52%	640,512.89	636,839.48	754,786.72	2,032,139.09
Employee Pension Contributions	15,958.24	14,454.34	14,569.58	44,982.16
Total Deposits	656,471.13	651,293.82	769,356.30	2,077,121.25
<u>Expenses</u>				
Payout to Retirees:				
AEA	(272,640.35)	(272,640.35)	(271,821.67)	(817,102.37)
AFSCME	(144,149.54)	(144,149.54)	(151,870.60)	(440,169.68)
MCEG	(233,635.95)	(236,468.35)	(236,468.35)	(706,572.65)
Employee Contribution Refunds	-	-	-	-
Payout to Retirees Subtotal	(650,425.84)	(653,258.24)	(660,160.62)	(1,963,844.70)
Fund Investment Management Expenses:				
Boston Partners	-	(20,820.42)	-	(20,820.42)
SSgA S&P 500 Index	-	(1,994.57)	-	(1,994.57)
Atlanta Capital	-	(15,327.12)	-	(15,327.12)
Pyrford	-	(15,111.02)	-	-
SSgA EAFE MSCI	-	(951.85)	-	(951.85)
Metropolitan West	-	(22,555.82)	-	(22,555.82)
Callan	(3,508.68)	(3,509.28)	(3,509.70)	(10,527.66)
State Street	-	(7,380.56)	(3,669.53)	(11,050.09)
Fund Invest. Mgmt Exp. Subtotal	(3,508.68)	(87,650.64)	(7,179.23)	(98,338.55)
Administrative Expenses				
Actuarial Services	(3,791.91)	(2,576.21)	(1,691.25)	(8,059.37)
Legal Services	(6,586.67)	(6,586.67)	(13,173.33)	(26,346.67)
CALAPRS Training	-	-	(3,000.00)	(3,000.00)
Fiduciary Insurance	(13,148.66)	141.68	58.32	(12,948.66)
Investigation Information Services	-	(1.99)	-	(1.99)
Accounting Software	-	-	(833.33)	-
Pension Administration	(7,766.41)	(7,155.34)	(7,530.68)	(22,452.43)
Administrative Exp. Subtotal	(31,293.65)	(16,178.53)	(26,170.27)	(73,642.45)
Total Expenses	(685,228.17)	(757,087.41)	(693,510.12)	(2,135,825.70)
Monthly Net Owed from/(to) District	(28,757.04)	(105,793.59)	75,846.18	(58,704.45)
Due From ATU Plan- Custodian Error	116,866.20	-	(116,866.20)	-
Payment from/(to) the District	(101,324.29)	-	(17,684.43)	(119,008.72)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	28,757.04	134,550.63	(75,846.18)	(75,846.18)

RT Combined Pension Plans - ATU, IBEW and Salaried
 Asset Allocation *
 As of June 30, 2018

Asset Class	Net Asset Market Value 06/30/2018	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
FUND MANAGERS:						
Domestic Equity:						
Large Cap Value - Boston Partners - Z8	\$ 43,990,613	15.49%	16.00%	-0.51%	\$ (1,460,705)	
Large Cap Growth - SSgA S&P 500 Index - XH	46,292,642	16.30%	16.00%	0.30%	841,324	
Total Large Cap Domestic Equity	90,283,255	31.78%	32.00%	-0.22%	(619,381)	\$ 90,902,636
Small Cap - Atlanta Capital - XB	24,620,877	8.67%	8.00%	0.67%	1,895,218	22,725,659
International Equity:						
Large Cap Growth:						
Pyrford - ZD	26,142,476	9.20%	9.50%	-0.30%	(844,244)	
Large Cap Core:						
SSgA MSCI EAFE - XG	11,240,964	3.96%				
Value - Brandes - XE	9,257	0.00%				
Total Core	11,250,221	3.96%	4.50%	-0.54%	(1,532,963)	
Small Cap:						
AQR - ZB	14,589,347	5.14%	5.00%	0.14%	385,810	
Emerging Markets						
DFA - ZA	16,246,299	5.72%	6.00%	-0.28%	(797,945)	
Total International Equity	68,228,343	24.02%	25.00%	-0.98%	(2,789,341)	71,017,684
Fixed Income:						
Met West - XD	100,938,262	35.53%	35.00%	0.53%	1,513,504	99,424,758
Total Combined Net Asset	\$ 284,070,737	100.00%	100.00%	0.00%	\$ -	\$ 284,070,737

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

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Balance Sheet
As of June 30, 2018**

Per Both Pension Fund Balance Sheets:	
ATU Allocated Custodial Assets	133,639,084
IBEW Allocated Custodial Assets	57,283,322
Salaried Allocated Custodial Assets	<u>93,148,331</u>
Total Consolidated Net Asset	<u><u>284,070,737</u></u>
Per Callan Report:	
Total Investments	<u><u>284,083,708</u></u>
Net Difference	<u><u>(12,971) *</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Income Statement
For the Quarter Ended June 30, 2018**

Per Both Pension Fund Income Statements:	
ATU - Interest, Dividends, and Other Income	561,667
ATU - Investment Income	(422,580)
IBEW - Interest, Dividends, and Other Income	237,800
IBEW - Investment Income	(146,373)
Salaried - Interest, Dividends, and Other Income	364,994
Salaried - Investment Income	<u>(264,959)</u>
Total Investment Income	<u><u>330,549</u></u>
Per Callan Report:	
Investment Returns	<u><u>356,317</u></u>
Net Difference	<u><u>(25,768) **</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Schedule of Cash Activities
For the Quarter Ended June 30, 2018**

	April	May	June	Total
Payments from/(to) the District				
Boston Partners - ATU	-	-	(32,419)	(32,419)
Boston Partners - Salaried	-	-	32,419	32,419
S&P 500 Index - ATU	-	-	(32,760)	(32,760)
S&P 500 Index - Salaried	-	-	32,760	32,760
Atlanta Capital - ATU	-	-	(397,138)	(397,138)
Atlanta Capital - IBEW	-	-	(78,423)	(78,423)
Atlanta Capital - Salaried	-	-	(88,456)	(88,456)
Pyrford - ATU	-	-	(19,667)	(19,667)
Pyrford - Salaried	-	-	19,667	19,667
EAFE - ATU	-	-	(8,480)	(8,480)
EAFE - Salaried	-	-	8,480	8,480
Brandes - ATU	-	-	(7)	(7)
Brandes - Salaried	-	-	7	7
AQR - ATU	(294,828)	-	(291,485)	(586,313)
AQR - IBEW	(40,348)	-	(75,033)	(115,381)
AQR - Salaried	15,542	-	(17,413)	(1,871)
DFA - ATU	-	-	(12,970)	(12,970)
DFA - Salaried	-	-	12,970	12,970
Metropolitan West - ATU	-	-	(72,656)	(72,656)
Metropolitan West - Salaried	-	-	72,656	72,656
Total Payments from/(to) the District	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Transfers In/(Out) of Investment Funds				
Atlanta Capital	-	-	(564,017)	(564,017)
AQR	(319,634)	-	(383,931)	(703,565)
Total Transfers In/(Out) of Investment Funds	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Variance between Payments and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Per Callan Report:				
Net New Investment/(Withdrawals)				<u>(1,267,582)</u>
Net Difference				<u>-</u>

**Consolidated Schedule of Cash Activities
For the 12-Months June 30, 2018**

	3Q17	4Q17	1Q18	2Q18	Total
Payments from/(to) the District					
Boston Partners - ATU	(656,620)	(711,871)	(2,810,287)	(32,419)	(4,211,197)
Boston Partners - IBEW	(155,075)	(46,224)	(987,443)	-	(1,188,742)
Boston Partners - Salaried	(207,896)	333,215	(1,461,943)	32,419	(1,304,205)
S&P 500 Index - ATU	(382,811)	(1,056,615)	(1,770,269)	(32,760)	(3,242,455)
S&P 500 Index - IBEW	(95,328)	(151,776)	(804,753)	-	(1,051,857)
S&P 500 Index - Salaried	(84,552)	213,560	(1,395,393)	32,760	(1,233,625)
Atlanta Capital - ATU	-	(220,607)	(1,844,745)	(397,138)	(2,462,490)
Atlanta Capital - IBEW	-	-	(788,042)	(78,423)	(866,465)
Atlanta Capital - Salaried	-	220,607	(1,435,641)	(88,456)	(1,303,490)
Pyrford - ATU	-	(244,192)	-	(19,667)	(263,859)
Pyrford - Salaried	-	244,192	-	19,667	263,859
EAFE - ATU	-	(100,683)	-	(8,480)	(109,163)
EAFE - Salaried	-	100,683	-	8,480	109,163
AQR - ATU	-	(133,244)	-	(586,313)	(719,557)
AQR - Salaried	-	133,244	-	(1,871)	131,373
DFA - ATU	-	(133,058)	-	(12,970)	(146,028)
DFA - Salaried	-	133,058	-	12,970	146,028
Metropolitan West - ATU	-	(796,599)	5,485,262	(72,656)	4,616,007
Metropolitan West - IBEW	-	-	2,418,623	-	2,418,623
Metropolitan West - Salaried	-	796,599	4,211,226	72,656	5,080,481
Total Payments from/(to) the District	<u>(1,582,282)</u>	<u>(1,419,711)</u>	<u>(1,183,405)</u>	<u>(1,267,582)</u>	<u>(5,452,980)</u>

Sacramento Regional Transit District
ATU, IBEW and Salaried Retirement Plans
Schedule of Fund Investment Returns and Expenses
06/30/18

			1 Year					3 Years		
	1 Year	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts	3 Years	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts
Boston Partners										
Investment Returns	4,843,437	100.00%				11,701,624	100.00%			
Investment Expenses	(252,641)	5.22%				(698,188)	5.97%			
Net Gain/(Loss)	4,590,796	94.78%	10.19%	6.77%	342.00	11,003,436	94.03%	8.55%	8.26%	29.00
S&P 500										
Investment Returns	6,261,376	100.00%				15,034,345	100.00%			
Investment Expenses	(23,754)	0.38%				(96,522)	0.64%			
Net Gain/(Loss)	6,237,622	99.62%	14.31%	14.37%	(6.00)	14,937,823	99.36%	11.93%	11.93%	0.00
Atlanta Capital										
Investment Returns	4,466,413	100.00%				8,965,986	100.00%			
Investment Expenses	(201,628)	4.51%				(558,523)	6.23%			
Net Gain/(Loss)	4,264,785	95.49%	17.57%	18.52%	(95.00)	8,407,463	93.77%	12.48%	10.96%	152.00
Pyrford										
Investment Returns	545,633	100.00%				188,657	100.00%			
Investment Expenses	(184,687)	33.85%				(199,405)	105.70%			
Net Gain/(Loss)	360,946	66.15%	1.43%	6.84%	(541.00)	(10,748)	-5.70%	N/A	N/A	N/A
EAFE										
Investment Returns	757,630	100.00%				644,724	100.00%			
Investment Expense	(11,333)	1.50%				(42,057)	6.52%			
Net Gain/(Loss)	746,297	98.50%	7.13%	6.84%	29.00	602,667	93.48%	5.17%	4.90%	27.00
Brandes										
Investment Returns	(40)	100.00%				(2,350)	100.00%			
Investment Expenses	-	0.00%				-	0.00%			
Net Gain/(Loss)	(40)	100.00%	N/A	N/A	N/A	(2,350)	100.00%	N/A	N/A	N/A
AQR										
Investment Returns	1,518,466	100.00%				3,124,336	100.00%			
Investment Expenses	(150,359)	9.90%				(258,819)	8.28%			
Net Gain/(Loss)	1,368,107	90.10%	10.93%	12.45%	(152.00)	2,865,517	91.72%	N/A	N/A	N/A
DFA										
Investment Returns	797,953	100.00%				2,517,572	100.00%			
Investment Expense	(84,141)	10.54%				(254,922)	10.13%			
Net Gain/(Loss)	713,812	89.46%	5.17%	8.20%	(303.00)	2,262,650		5.35%	5.60%	(25.00)
Metropolitan West										
Investment Returns	328,116	100.00%				5,272,821	100.00%			
Investment Expenses	(261,483)	79.69%				(740,636)	14.05%			
Net Gain/(Loss)	66,633	20.31%	0.13%	-0.40%	53.00	4,532,185	85.95%	1.77%	1.72%	5.00
Total Fund										
Investment Returns	19,518,984	100.00%				49,226,656	100.00%			
Investment Expenses	(1,170,026)	5.99%				(3,063,005)	6.22%			
Net Gain/(Loss)	18,348,958	94.01%	6.93%	7.90%	(97.00)	46,163,651	93.78%	6.05%	6.84%	(79.00)

Sacramento Regional Transit District
 Schedule of Transfers and Retirements
 For the Time Period: April 1, 2018 to June 30, 2018

Transfers:

Employee #	Transferred From Position	Transferred To Position	Transferred From	Plan Assets	
				Transferred From ATU	Plan Assets
2647	Clerk II	Administrative Assistant II	ATU	(85,181)	85,181
3322	LR Operator	Transportation Supervisor	ATU	(62,118)	62,118
3570	Clerk	Human Resources Analyst I	ATU	(17,229)	17,229
3575	Bus Operator	Transportation Supervisor	ATU	(27,547)	27,547
3800	CBS Operator	Transportation Supervisor	ATU	(10,969)	10,969
3898	Transit Agent	Network Ops Technician	ATU	(4,600)	4,600
Total				(207,644)	207,644

Retirements:

Employee #	Previous Position	Pension Group	Retirement Date
2239	Mechanic A Body/Fender	IBEW	04/01/2018
1640	Sr. Paralegal	MCEG	04/01/2018
356	Bus Operator	ATU	04/14/2018
3122	Director, Human Resources	MCEG	05/01/2018
2392	LR Operator	ATU	05/02/2018
2980	LR Operator	ATU	05/18/2018
2711	Transportation Supervisor	AFSCME	06/01/2018
2796	Bus Operator	ATU	06/12/2018

Deaths:

Employee #	Pension Group	Type	Date of Death
1064	ATU	Survivor Beneficiary	04/04/2018
3002	ATU	Life Alone	05/16/2018
71	ATU	50% Joint & Survivor	06/23/2018
2926	AEA	Survivor Beneficiary	06/27/2018

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

ISSUE

Adoption of the Regional Transit District (RT) Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

RECOMMENDED ACTION

Adopt Resolution No. 18-09-____, Adopting the Regional Transit District Retirement Boards 2019 Meeting Calendar.

FISCAL IMPACT

None, as a result of this action.

DISCUSSION

The RT Retirement Boards have Regular meetings quarterly to review the performance of investments in RT's retirement funds by its fund managers and related business. Special meetings typically are called for items which require time for more lengthy discussions.

The proposed dates for Quarterly Retirement Board Meetings for the 2019 calendar year are:

- Wednesday, March 13th
- Wednesday, June 12th
- Wednesday, September 11th
- Wednesday, December 11th

In anticipation of several large projects and decisions coming before the Retirement Boards in 2019, staff is also proposing several tentative Special Meeting dates. If necessary, these dates can be utilized for in-depth discussion of items that require attention in addition or prior to regularly-scheduled Quarterly Retirement Board Meetings.

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\IP Adopting 2019 Retirement Board Calendar - Issue Paper.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
7	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

The proposed dates for tentative Special Meetings for the 2019 calendar year are:

- Wednesday, February 27th
- Wednesday, April 24th
- Wednesday, July 24th
- Wednesday, October 23rd

Staff recommends that the Board Members adopt a 9:00 a.m. start time for the 2019 meetings.

Staff recommends approval of the Regional Transit Retirement Boards 2019 Meeting Calendar, marked as Exhibit A.

2019 RETIREMENT BOARD CALENDAR

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD
REGIONAL TRANSIT AUDITORIUM (ROOM 114) – 1400 29TH STREET
SACRAMENTO, CALIFORNIA

9:00 AM

Wednesday.....Regular Meeting.....March 13, 2019
Wednesday.....Regular Meeting.....June 12, 2019
Wednesday.....Regular Meeting.....September 11, 2019
Wednesday.....Regular Meeting.....December 11, 2019

Wednesday.....Special Meeting.....*February 27, 2019
Wednesday.....Special Meeting.....*April 24, 2019
Wednesday.....Special Meeting.....*July 24, 2019
Wednesday.....Special Meeting.....*October 23, 2019

**Special Meeting dates are tentative. If necessary, these dates can be utilized for items that require attention prior to the scheduled quarterly Board Meeting.*

RESOLUTION NO. 18-09-_____

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

September 12, 2018

**ADOPTING THE REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS 2019
MEETING CALENDAR**

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

THAT, the meeting schedule set out in attached Exhibit A for the meetings of the Regional Transit District AFSCME Retirement Board for calendar year 2019, is hereby adopted.

Charles Mallonee, Chair

A T T E S T:

Gary Parks, Secretary

By: _____
Valerie Weekly, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	09/12/18	Retirement	Information	07/19/18

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

ISSUE

Presentation regarding the roles and responsibilities of various District staff members as well as updates on Staff costs and Legal Services related to administration of the Pension Plans (ALL).
(Weekly)

RECOMMENDED ACTION

None associated with this matter.

FISCAL IMPACT

None associated with this matter.

DISCUSSION

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

Attachment A – Pension Administration Staff Roles and Responsibilities

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

Attachment C – Summary of Legal Services Provided for the Quarter Ending June 30, 2018

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\Update on Roles and Responsibilities 7.19.18.doc

Pension Administration Staff Roles and Responsibilities

Plan Administration

Customer Relations:

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

Plan Documents:

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

Vendor Administration:

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

Retirement Board Administration:

Task	Primary Responsibility	Back Up Responsibility
Creation of Agenda/IPs	Staff Presenting Issue to Board	n/a
Creation and Distribution of Retirement Board Packages	PRSA	Treasury Controller
Management of Retirement Board Meetings	PRSA	Treasury Controller
Training of Staff/Board Members	PRSA and Treasury Controller	Staff/Vendor SME
New Retirement Board Member Training	PRSA and Treasury Controller	Staff/Vendor SME

Semi-Annual/Annual/Bi-Annual Administration:

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

Contract Administration:

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

Asset Management:

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

Pension Administration Costs
For the Time Period: April 1, 2018 to June 30, 2018

Sum of Value TranCurr				
WBS Element	Source object name	Period	Total	
SAXXXX.PENATU	Finance And Treasury / Adelman, Jamie	12	96.12	
	Finance And Treasury / Gardner, Leona	12	459.18	
	Finance And Treasury / Montung-Fuller, Mari		10	1,987.78
			11	1,987.79
			12	2,266.06
	Finance And Treasury / Weekly, Valerie		10	1,536.40
			11	921.84
			12	921.84
	Human Resources / Martinelli, Christin	12	81.05	
	Human Resources / Ung, Elaine	10	71.60	
	Legal / Sanchez, Olga		11	68.46
			12	102.69
	SAXXXX.PENATU Total			10,500.81
SAXXXX.PENIBEW	Finance And Treasury / Montung-Fuller, Mari	10	715.63	
		11	1,073.42	
		12	596.36	
	Finance And Treasury / Weekly, Valerie	10	1,267.53	
		11	537.74	
		12	845.02	
	Human Resources / Martinelli, Christin	12	81.05	
	Human Resources / Ung, Elaine	10	17.90	
	Legal / Sanchez, Olga	10	68.46	
	SAXXXX.PENIBEW Total			5,203.11
SAXXXX.PENSALA	Finance And Treasury / Adelman, Jamie	10	72.09	
		12	96.12	
	Finance And Treasury / Montung-Fuller, Mari	10	954.16	
		11	914.39	
		12	795.14	
	Finance And Treasury / Weekly, Valerie	10	1,574.81	
		11	537.74	
		12	652.97	
	Human Resources / Martinelli, Christin	12	81.05	
	Legal / Sanchez, Olga		10	34.23
			11	68.46
			12	34.23
SAXXXX.PENSALA Total			5,815.39	
SAXXXX.PENSION	Board Support / Brooks, Cynthia	12	56.25	
	Finance And Treasury / Adelman, Jamie	10	2,186.73	
		11	3,484.35	
		12	2,523.15	
Finance And Treasury / Gardner, Leona	10	707.91		
	11	344.39		

SAXXXX.PENSION	Finance And Treasury / Gardner, Leona	12	727.05
	Finance And Treasury / Mata, Jennifer	10	1,517.71
		11	1,018.28
		12	969.16
	Finance And Treasury / Montung-Fuller, Mari	10	8,388.34
		11	8,507.60
		12	7,792.00
	Finance And Treasury / Weekly, Valerie	10	2,074.14
		11	1,920.50
		12	2,074.14
	Human Resources / Humphrey, Isis	10	518.54
		11	905.94
		12	2,667.49
	Human Resources / Martinelli, Christin	12	81.05
	VP, Finance/CFO / Bernegger, Brent	11	723.20
		12	723.20
SAXXXX.PENSION Total			49,911.12
Grand Total			71,430.43

**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 June 30, 2018.

1. Weekly client conference calls and internal conferences on pending matters, upcoming Board meetings and follow-up from prior Board meetings.
2. Preparation for and participation in Quarterly Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Assist with investment consultant services procurement, contract drafting, negotiation, compliance requirements and oversight.
4. Conduct procurement to retain expert for operational audit.
5. Review and comment on employee/beneficiary notices.
6. Provide counsel on issues including, but not limited to:
 - a. Pension Plan documents and updates;
 - b. Financial reporting;
 - c. Benefit eligibility determinations;
 - d. Calculation of benefits under various scenarios;
 - e. PEPRA compliance;
 - f. Fiduciary duties;
 - g. Domestic Relation Orders.

Respectfully Submitted,

/s/ Shayna M. van Hoften

**Sacramento Regional Transit District
ATU Retirement Board Meeting
Wednesday, June 20, 2018
MEETING SUMMARY**

ROLL CALL

The Retirement Board was brought to order at 9:01 a.m. A quorum was present comprised as follows: Directors Li, Morin, Niz and De La Torre were present. Alternate McGee-Lee also was present. Alternate Jennings was absent.

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

By ATU Resolution 17-09-0297 for calendar year 2018, 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

- 5. Motion: Approving the Minutes for the March 14, 2018 Quarterly Retirement Board Meeting (ATU). (Weekly)
- 6. Motion: Receive and File Administrative Reports for the Quarter Ended March 31, 2018 for the ATU (ATU). (Adelman)
- 11. Information: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Director Morin moved to adopt ATU Retirement Board Items 5, 6 and 11. Director Li seconded the motion. Items 5, 6 and 11 were carried unanimously by roll call vote: Ayes: Morin, Li, Niz and De La Torre. Noes: None.

NEW BUSINESS

- 12. 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, 2018 (ALL). (Adelman)

Jamie Adelman introduced Michael Porter from AQR, who provided the performance results for the International Small Capitalization Equity Asset Class for the Quarter Ended March 31, 2018 and was available for questions.

Alternate McGee-Lee departed at 9:28 a.m..

13. Motion: Receive and File the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 and was available for questions.

Director Morin moved to adopt Item 13. Director Li seconded the motion. Item 13 was carried unanimously by roll call vote: Ayes: Li, Morin, Niz and De La Torre. Noes: None.

14. Motion: Receive and File the Asset Allocation Study and Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (ALL). (Adelman)

Jamie Adelman introduced Jay Kloepfer and Anne Heaphy with Callan LLC, who presented the revised Statement of Investment Policy Objectives and Policy Guidelines for the Retirement Plans and Asset Allocation Review.

Director Morin asked what are the typical allocations to real estate and hedge funds, for peers that include those investments in their portfolios. Mr. Kloepfer advised that the typical allocation to real estate ranges between 5-10% of a portfolio, and is typically funded 2/3 from equity and 1/3 from fixed income. There is no "typical" allocation for plans that include hedge fund investments, and the estimated range is between 5-15%.

Director Niz asked if Callan was recommending a change in the current asset allocation. Mr. Kloepfer responded that, while Callan is not recommending a change to the current allocation, the Boards could consider further diversification into real estate and/or hedge funds as pension plans that are similar in size and complexity have done. AEA Director Devorak suggested that the Boards request that Callan provide a more in-depth educational presentation about other investment options, such as real estate and private equity. Director Niz agreed with AEA Director Devorak.

Director Li asked how increased longevity of Plan participants is reflected in the Asset Allocation Review. Mr. Kloepfer responded that the actuarial valuation used in preparing the Asset Allocation Study reflects the Plans' mortality assumptions.

Ms. Adelman advised that staff will work with Callan to prepare educational presentations to the Board pertaining to real estate and hedge funds.

Director Niz referred to Item 14, Exhibit A, page 4, Section V. Pension Plan Cost Reimbursement, paragraph 2 which provides that reimbursement to the District of Plan-related expenses shall be made *"Utilizing only the Domestic asset classes to fund reimbursements will reduce the cash flow burden on SacRT..."*, and asked how that information will be tracked and reported to the Boards. Ms. Adelman responded that the information is provided in the Administrative reports received by the Boards at each quarterly meeting.

Director Morin moved to adopt Item 14. Director Li seconded the motion. Item 14 was carried unanimously by roll call vote: Ayes: Li, Morin, Niz and De La Torre. Noes: None.

RECESS TO CLOSED SESSION

The joint meeting of the five Retirement Boards recessed to allow each Board, except the MCEG Board, to meet separately in closed sessions.

- 17. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Potential Case

The Retirement Board met in closed session.

RECONVENE IN OPEN SESSION

The joint meeting of the five Retirement Boards reconvened at 10:56 a.m.

CLOSED SESSION REPORT

Legal Counsel Shayna van Hoften stated that no reportable actions were taken in the closed sessions.

- 19. Resolution: Approving a Work Order with Hanson Bridgett for Legal Services Outside of the Core tasks of the Contract (ALL). (Weekly)

In 2016, the Retirement Boards entered into a contract with Hanson Bridgett LLP to provide legal services to all five retirement boards. As a part of the contract terms, Hanson Bridgett provides ongoing, day-to-day, legal counsel on a variety of issues considered “core tasks”. From time to time, however, issues arise that are not covered within those core tasks. When a non-core task arises, Hanson Bridgett provides staff with a Work Order proposal.

Staff recommended approval of the Hanson Bridgett work order for services outside of the core tasks to facilitate and provide counsel associated with an operational audit of the ATU, IBEW, and Salaried Pension Plans.

Director Morin moved to adopt Item 19. Director Li seconded the motion. Item 19 was carried unanimously by roll call vote: Ayes: Li, Morin, Niz and De La Torre. Noes: None.

REPORTS FROM COMMITTEES

None.

REPORTS, IDEAS AND COMMUNICATIONS

None.

With no further business to discuss, the meeting was adjourned at 10:57 a.m.

Ralph Niz, Chair

ATTEST:

Corina De La Torre, Secretary

By: _____
Valerie Weekly, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the ATU Pension Plan (ATU). (Adelman)

ISSUE

Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the ATU Pension Plan (ATU). (Adelman)

RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the ATU Pension Plan (ATU). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Table 1 below shows the employer and employee contribution rates for all of the Sacramento Regional Transit District Retirement Plans, by Plan and tier, as of the date indicated. This table is a new addition to the quarterly Administrative Reports for Board members' reference.

Table 1

Employer Contribution Rates As of June 30, 2018

	ATU	IBEW	Salary
	Contribution Rate	Contribution Rate	Contribution Rate
Classic	27.04%	25.31%	32.52%
Classic w/ Contribution*	24.04%	-	-
PEPRA**	20.54%	20.06%	27.27%

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

**PEPRA employee rates: ATU - 6.5%, IBEW and Salary 5.25%

Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended June 30, 2018. 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

Approved:

Presented:

Final 09/04/18

VP of Finance/CFO

Treasury Controller

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\FI IP's\09-12-18 Administrative Reports - ATU.docx

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the ATU Pension Plan (ATU). (Adelman)

in Fiduciary Net Position (income statement) for the quarter ended June 30, 2018 (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 Treasury Controller. The Treasury Controller is required to report asset rebalancing activity to the Boards at their quarterly meetings. Rebalancing can occur for one or more of the following reasons:

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

Attached hereto as Attachment 4 is the ATU Plan's Schedule of Cash Activities for the three months ended June 30, 2018. 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 June 30, 2018. The ATU Plan reimbursed \$954,765 to the District as the result of the net cash activity between the pension plan expenses and the required pension contributions.

Attached hereto as Attachment 5 is the ATU Plan's Asset Allocation as of June 30, 2018. This statement shows the ATU 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

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the ATU Pension Plan (ATU). (Adelman)

“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 Plan’s Fund’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 June 30, 2018 as compared to their benchmarks.

Attached hereto as Attachment 9 is a schedule reflecting employee transfers from one union/employee group to another, as well as any transfers of plan assets from the ATU Plan to the Salaried Plan, all retirements, and retiree deaths during the three months ended June 30, 2018.

Sacramento Regional Transit District Retirement Plan - ATU
Statement of Fiduciary Net Position
As of June 30, 2018

Accrual Basis

	Jun 30, 18
ASSETS	
Current Assets	
Checking/Savings	
100000 · Long-Term Investments	133,639,084.18
Total Checking/Savings	133,639,084.18
Other Current Assets	
1110120 · Prepays	10,748.88
Total Other Current Assets	10,748.88
Total Current Assets	133,649,833.06
TOTAL ASSETS	133,649,833.06
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	18,660.99
3110110 · Other Pay - Due to RT	327,866.49
3110122 · MetWest	32,597.82
3110124 · Boston Partners	28,266.32
3110125 · Callan	5,066.49
3110126 · State Street	10,629.60
3110128 · Atlanta Capital	23,188.92
3110129 · SSgA - S&P Index	2,692.87
3110130 · SSgA - EAFE	1,344.17
3110132 · Pyrford	21,410.74
Total Accounts Payable	471,724.41
Total Current Liabilities	471,724.41
Total Liabilities	471,724.41
Equity	
3340100 · Retained Earning	122,948,269.10
3340101 · Retained Earnings	7,640,185.60
Net Income	2,589,653.95
Total Equity	133,178,108.65
TOTAL LIABILITIES & EQUITY	133,649,833.06

Sacramento Regional Transit District Retirement Plan - ATU
Statement of Changes in Fiduciary Net Position

Accrual Basis

April through June 2018

	Apr - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc		
6830101 · Dividend	165,791.49	7.5%
6830102 · Interest	409,405.96	18.4%
6830103 · Other Income	2,448.46	0.1%
Total Interest, Dividend, & Other Inc	577,645.91	26.0%
Investment Income		
6530900 · Gains/(Losses) - All	244,855.91	11.0%
6530915 · Increase(Decrease) in FV	-667,435.77	-30.0%
Total Investment Income	-422,579.86	-19.0%
RT Required Contribution		
6630101 · Employer Contributions	1,974,583.14	88.8%
6630110 · Employee Contributions	95,106.88	4.3%
Total RT Required Contribution	2,069,690.02	93.0%
Total Income	2,224,756.07	100.0%
Cost of Goods Sold		
8531200 · ATU - Retirement Benefits Paid	2,821,700.43	126.8%
8531201 · EE Contribution Refunds	16,455.34	0.7%
8531202 · Arbitration Transfers	207,645.00	9.3%
8532004 · Invest Exp - Metropolitan West	32,597.82	1.5%
8532013 · Invest Exp - Boston Partners	28,266.32	1.3%
8532020 · Invest Exp - Callan	15,231.21	0.7%
8532021 · Invest Exp - State Street	21,285.92	1.0%
8532023 · Invest Exp - JP Morgan	0.00	0.0%
8532024 · Invest Exp - Atlanta Capital	23,188.92	1.0%
8532025 · Invest Exp - S&P Index - SSgA	2,692.87	0.1%
8532026 · Invest Exp - EAFE - SSgA	1,344.17	0.1%
8532027 · Invest Exp - AQR	15,977.64	0.7%
8532028 · Invest Exp - Pyrford	21,410.74	1.0%
Total COGS	3,207,796.38	144.2%
Gross Profit	-983,040.31	-44.2%
Expense		
8533002 · Admin Exp - Actuary	9,167.73	0.4%
8533012 · Admin Exp - Travel	0.00	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,224.69	0.1%
8533021 · Admin Exp - Legal Services	19,759.99	0.9%
8533025 · Admin Exp - Information Service	1.98	0.0%
8533029 · Admin Exp - Administrator	27,137.86	1.2%
8533030 · Admin Exp - Audit	8,100.00	0.4%
8533031 · Admin Exp - CAFR Online	833.34	0.0%
Total Expense	68,225.59	3.1%
Net Income	-1,051,265.90	-47.3%

Sacramento Regional Transit District Retirement Plan - ATU
Statement of Changes in Fiduciary Net Position
July 2017 through June 2018

Accrual Basis

	Jul '17 - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc		
6830101 · Dividend	682,042.67	3.9%
6830102 · Interest	1,414,201.19	8.1%
6830103 · Other Income	-3,731.46	-0.0%
Total Interest, Dividend, & Other Inc	2,092,512.40	12.0%
Investment Income		
6530900 · Gains/(Losses) - All	4,319,035.25	24.8%
6530915 · Increase(Decrease) in FV	2,823,682.93	16.2%
Total Investment Income	7,142,718.18	41.0%
RT Required Contribution		
6630101 · Employer Contributions	7,863,419.50	45.1%
6630110 · Employee Contributions	337,009.11	1.9%
Total RT Required Contribution	8,200,428.61	47.0%
Total Income	17,435,659.19	100.0%
Cost of Goods Sold		
8531200 · ATU - Retirement Benefits Paid	11,279,645.98	64.7%
8531201 · EE Contribution Refunds	24,465.85	0.1%
8531202 · Arbitration Transfers	2,638,467.00	15.1%
8532004 · Invest Exp - Metropolitan West	124,210.92	0.7%
8532013 · Invest Exp - Boston Partners	120,070.36	0.7%
8532020 · Invest Exp - Callan	61,623.50	0.4%
8532021 · Invest Exp - State Street	69,371.31	0.4%
8532023 · Invest Exp - JP Morgan	378.33	0.0%
8532024 · Invest Exp - Atlanta Capital	95,837.14	0.5%
8532025 · Invest Exp - S&P Index - SSgA	11,287.53	0.1%
8532026 · Invest Exp - EAFE - SSgA	5,384.69	0.0%
8532027 · Invest Exp - AQR	67,489.65	0.4%
8532028 · Invest Exp - Pyrford	87,767.15	0.5%
Total COGS	14,585,999.41	83.7%
Gross Profit	2,849,659.78	16.3%
Expense		
8533002 · Admin Exp - Actuary	39,395.98	0.2%
8533003 · Admin Exp - Med Center	450.00	0.0%
8533007 · Admin Exp - CALPRS Dues/Courses	2,666.67	0.0%
8533009 · Admin Exp - Shipping	23.75	0.0%
8533012 · Admin Exp - Travel	166.96	0.0%
8533014 · Admin Exp - Fiduciary Insurance	12,898.70	0.1%
8533021 · Admin Exp - Legal Services	78,279.94	0.4%
8533025 · Admin Exp - Information Service	251.98	0.0%
8533028 · Admin Exp - Staff Training	44.28	0.0%
8533029 · Admin Exp - Administrator	115,319.26	0.7%
8533030 · Admin Exp - Audit	8,100.00	0.0%
8533031 · Admin Exp - CAFR Online	833.34	0.0%
8533050 · Miscellaneous	1,574.97	0.0%
Total Expense	260,005.83	1.5%
Net Income	2,589,653.95	14.9%

Sacramento Regional Transit District
Retirement Fund - ATU
Schedule of Cash Activities
For the Three Months Period Ended June 30, 2018

	April 2018	May 2018	June 2018	Quarter Totals
Beginning Balance:				
Due (from)/to District - March 31, 2018	294,828.09	280,137.20	659,936.89	294,828.09
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 20.54 - 27.04%	660,963.33	689,351.58	624,268.23	1,974,583.14
Employee Pension Contributions	31,550.91	32,806.12	30,749.85	95,106.88
Total Deposits	692,514.24	722,157.70	655,018.08	2,069,690.02
<u>Expenses</u>				
Payout to Retirees	(932,391.88)	(942,566.49)	(946,742.06)	(2,821,700.43)
Employee Contribution Refunds	(2,411.26)	(14,044.08)	-	(16,455.34)
Payout to Retirees Subtotal	(934,803.14)	(956,610.57)	(946,742.06)	(2,838,155.77)
Fund Investment Management Expenses:				
Boston Partners	-	(30,164.64)	-	(30,164.64)
SSgA S&P 500 Index	-	(2,889.74)	-	(2,889.74)
Atlanta Capital	-	(22,205.93)	-	(22,205.93)
Pyrford	-	(21,892.85)	-	(21,892.85)
SSgA EAFE MSCI	-	(1,379.05)	-	(1,379.05)
Metropolitan West	-	(32,678.87)	-	(32,678.87)
Callan	(5,083.39)	(5,082.69)	(5,082.03)	(15,248.11)
State Street	-	(10,699.05)	(5,314.80)	(16,013.85)
Fund Invest. Mgmt Exp. Subtotal	(5,083.39)	(126,992.82)	(10,396.83)	(142,473.04)
Administrative Expenses				
Actuarial Services	(4,452.67)	(3,194.15)	(1,999.25)	(9,646.07)
Legal Services	(6,586.66)	(6,586.66)	(13,173.33)	(26,346.65)
Fiduciary Insurance	(12,998.67)	41.64	58.34	(12,898.69)
Investigation Information Services	-	(1.98)	-	(1.98)
Accounting Software	-	-	(833.34)	(833.34)
Pension Administration	(8,726.91)	(8,612.85)	(9,798.10)	(27,137.86)
Administrative Exp. Subtotal	(32,764.91)	(18,354.00)	(25,745.68)	(76,864.59)
Total Expenses	(972,651.44)	(1,101,957.39)	(982,884.57)	(3,057,493.40)
Monthly Net Owed from/(to) District	(280,137.20)	(379,799.69)	(327,866.49)	(987,803.38)
Due To IBEW and Salaried Plans - Custodian Error	(140,187.56)	0.00	140,187.56	0.00
Payment from/(to) the District	(154,640.53)	-	(800,124.45)	(954,764.98)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	280,137.20	659,936.89	327,866.49	327,866.49

**RT Combined Pension Plans - ATU, IBEW and Salaried
Asset Allocation *
As of June 30, 2018**

Asset Class	Net Asset Market Value 06/30/2018	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
FUND MANAGERS:						
Domestic Equity:						
Large Cap Value - Boston Partners - Z8	\$ 43,990,613	15.49%	16.00%	-0.51%	\$ (1,460,705)	
Large Cap Growth - SSgA S&P 500 Index - XH	46,292,642	16.30%	16.00%	0.30%	841,324	
Total Large Cap Domestic Equity	90,283,255	31.78%	32.00%	-0.22%	(619,381)	\$ 90,902,636
Small Cap - Atlanta Capital - XB	24,620,877	8.67%	8.00%	0.67%	1,895,218	22,725,659
International Equity:						
Large Cap Growth:						
Pyrford - ZD	26,142,476	9.20%	9.50%	-0.30%	(844,244)	
Large Cap Core:						
SSgA MSCI EAFE - XG	11,240,964	3.96%				
Value - Brandes - XE	9,257	0.00%				
Total Core	11,250,221	3.96%	4.50%	-0.54%	(1,532,963)	
Small Cap:						
AQR - ZB	14,589,347	5.14%	5.00%	0.14%	385,810	
Emerging Markets						
DFA - ZA	16,246,299	5.72%	6.00%	-0.28%	(797,945)	
Total International Equity	68,228,343	24.02%	25.00%	-0.98%	(2,789,341)	71,017,684
Fixed Income:						
Met West - XD	100,938,262	35.53%	35.00%	0.53%	1,513,504	99,424,758
Total Combined Net Asset	\$ 284,070,737	100.00%	100.00%	0.00%	\$ -	\$ 284,070,737

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

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Balance Sheet
As of June 30, 2018**

Per Both Pension Fund Balance Sheets:	
ATU Allocated Custodial Assets	133,639,084
IBEW Allocated Custodial Assets	57,283,322
Salaried Allocated Custodial Assets	<u>93,148,331</u>
Total Consolidated Net Asset	<u><u>284,070,737</u></u>
Per Callan Report:	
Total Investments	<u><u>284,083,708</u></u>
Net Difference	<u><u>(12,971) *</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Income Statement
For the Quarter Ended June 30, 2018**

Per Both Pension Fund Income Statements:	
ATU - Interest, Dividends, and Other Income	561,667
ATU - Investment Income	(422,580)
IBEW - Interest, Dividends, and Other Income	237,800
IBEW - Investment Income	(146,373)
Salaried - Interest, Dividends, and Other Income	364,994
Salaried - Investment Income	<u>(264,959)</u>
Total Investment Income	<u><u>330,549</u></u>
Per Callan Report:	
Investment Returns	<u><u>356,317</u></u>
Net Difference	<u><u>(25,768) **</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Schedule of Cash Activities
For the Quarter Ended June 30, 2018**

	April	May	June	Total
Payments from/(to) the District				
Boston Partners - ATU	-	-	(32,419)	(32,419)
Boston Partners - Salaried	-	-	32,419	32,419
S&P 500 Index - ATU	-	-	(32,760)	(32,760)
S&P 500 Index - Salaried	-	-	32,760	32,760
Atlanta Capital - ATU	-	-	(397,138)	(397,138)
Atlanta Capital - IBEW	-	-	(78,423)	(78,423)
Atlanta Capital - Salaried	-	-	(88,456)	(88,456)
Pyrford - ATU	-	-	(19,667)	(19,667)
Pyrford - Salaried	-	-	19,667	19,667
EAFE - ATU	-	-	(8,480)	(8,480)
EAFE - Salaried	-	-	8,480	8,480
Brandes - ATU	-	-	(7)	(7)
Brandes - Salaried	-	-	7	7
AQR - ATU	(294,828)	-	(291,485)	(586,313)
AQR - IBEW	(40,348)	-	(75,033)	(115,381)
AQR - Salaried	15,542	-	(17,413)	(1,871)
DFA - ATU	-	-	(12,970)	(12,970)
DFA - Salaried	-	-	12,970	12,970
Metropolitan West - ATU	-	-	(72,656)	(72,656)
Metropolitan West - Salaried	-	-	72,656	72,656
Total Payments from/(to) the District	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Transfers In/(Out) of Investment Funds				
Atlanta Capital	-	-	(564,017)	(564,017)
AQR	(319,634)	-	(383,931)	(703,565)
Total Transfers In/(Out) of Investment Funds	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Variance between Payments and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Per Callan Report:				
Net New Investment/(Withdrawals)				<u>(1,267,582)</u>
Net Difference				<u><u>-</u></u>

**Consolidated Schedule of Cash Activities
For the 12-Months June 30, 2018**

	3Q17	4Q17	1Q18	2Q18	Total
Payments from/(to) the District					
Boston Partners - ATU	(656,620)	(711,871)	(2,810,287)	(32,419)	(4,211,197)
Boston Partners - IBEW	(155,075)	(46,224)	(987,443)	-	(1,188,742)
Boston Partners - Salaried	(207,896)	333,215	(1,461,943)	32,419	(1,304,205)
S&P 500 Index - ATU	(382,811)	(1,056,615)	(1,770,269)	(32,760)	(3,242,455)
S&P 500 Index - IBEW	(95,328)	(151,776)	(804,753)	-	(1,051,857)
S&P 500 Index - Salaried	(84,552)	213,560	(1,395,393)	32,760	(1,233,625)
Atlanta Capital - ATU	-	(220,607)	(1,844,745)	(397,138)	(2,462,490)
Atlanta Capital - IBEW	-	-	(788,042)	(78,423)	(866,465)
Atlanta Capital - Salaried	-	220,607	(1,435,641)	(88,456)	(1,303,490)
Pyrford - ATU	-	(244,192)	-	(19,667)	(263,859)
Pyrford - Salaried	-	244,192	-	19,667	263,859
EAFE - ATU	-	(100,683)	-	(8,480)	(109,163)
EAFE - Salaried	-	100,683	-	8,480	109,163
AQR - ATU	-	(133,244)	-	(586,313)	(719,557)
AQR - Salaried	-	133,244	-	(1,871)	131,373
DFA - ATU	-	(133,058)	-	(12,970)	(146,028)
DFA - Salaried	-	133,058	-	12,970	146,028
Metropolitan West - ATU	-	(796,599)	5,485,262	(72,656)	4,616,007
Metropolitan West - IBEW	-	-	2,418,623	-	2,418,623
Metropolitan West - Salaried	-	796,599	4,211,226	72,656	5,080,481
Total Payments from/(to) the District	<u>(1,582,282)</u>	<u>(1,419,711)</u>	<u>(1,183,405)</u>	<u>(1,267,582)</u>	<u>(5,452,980)</u>

Sacramento Regional Transit District
ATU, IBEW and Salaried Retirement Plans
Schedule of Fund Investment Returns and Expenses
06/30/18

	1 Year		1 Year			3 Years		3 Years		
	1 Year	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts	3 Years	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts
Boston Partners										
Investment Returns	4,843,437	100.00%				11,701,624	100.00%			
Investment Expenses	(252,641)	5.22%				(698,188)	5.97%			
Net Gain/(Loss)	4,590,796	94.78%	10.19%	6.77%	342.00	11,003,436	94.03%	8.55%	8.26%	29.00
S&P 500										
Investment Returns	6,261,376	100.00%				15,034,345	100.00%			
Investment Expenses	(23,754)	0.38%				(96,522)	0.64%			
Net Gain/(Loss)	6,237,622	99.62%	14.31%	14.37%	(6.00)	14,937,823	99.36%	11.93%	11.93%	0.00
Atlanta Capital										
Investment Returns	4,466,413	100.00%				8,965,986	100.00%			
Investment Expenses	(201,628)	4.51%				(558,523)	6.23%			
Net Gain/(Loss)	4,264,785	95.49%	17.57%	18.52%	(95.00)	8,407,463	93.77%	12.48%	10.96%	152.00
Pyrford										
Investment Returns	545,633	100.00%				188,657	100.00%			
Investment Expenses	(184,687)	33.85%				(199,405)	105.70%			
Net Gain/(Loss)	360,946	66.15%	1.43%	6.84%	(541.00)	(10,748)	-5.70%	N/A	N/A	N/A
EAFE										
Investment Returns	757,630	100.00%				644,724	100.00%			
Investment Expense	(11,333)	1.50%				(42,057)	6.52%			
Net Gain/(Loss)	746,297	98.50%	7.13%	6.84%	29.00	602,667	93.48%	5.17%	4.90%	27.00
Brandes										
Investment Returns	(40)	100.00%				(2,350)	100.00%			
Investment Expenses	-	0.00%				-	0.00%			
Net Gain/(Loss)	(40)	100.00%	N/A	N/A	N/A	(2,350)	100.00%	N/A	N/A	N/A
AQR										
Investment Returns	1,518,466	100.00%				3,124,336	100.00%			
Investment Expenses	(150,359)	9.90%				(258,819)	8.28%			
Net Gain/(Loss)	1,368,107	90.10%	10.93%	12.45%	(152.00)	2,865,517	91.72%	N/A	N/A	N/A
DFA										
Investment Returns	797,953	100.00%				2,517,572	100.00%			
Investment Expense	(84,141)	10.54%				(254,922)	10.13%			
Net Gain/(Loss)	713,812	89.46%	5.17%	8.20%	(303.00)	2,262,650		5.35%	5.60%	(25.00)
Metropolitan West										
Investment Returns	328,116	100.00%				5,272,821	100.00%			
Investment Expenses	(261,483)	79.69%				(740,636)	14.05%			
Net Gain/(Loss)	66,633	20.31%	0.13%	-0.40%	53.00	4,532,185	85.95%	1.77%	1.72%	5.00
Total Fund										
Investment Returns	19,518,984	100.00%				49,226,656	100.00%			
Investment Expenses	(1,170,026)	5.99%				(3,063,005)	6.22%			
Net Gain/(Loss)	18,348,958	94.01%	6.93%	7.90%	(97.00)	46,163,651	93.78%	6.05%	6.84%	(79.00)

Sacramento Regional Transit District
 Schedule of Transfers and Retirements
 For the Time Period: April 1, 2018 to June 30, 2018

Transfers:

Employee #	Transferred From Position	Transferred To Position	Transferred From	Plan Assets		Plan Assets
				Transferred To	Transferred From	
2647	Clerk II	Administrative Assistant II	ATU	(85,181)	85,181	
3322	LR Operator	Transportation Supervisor	ATU	(62,118)	62,118	
3570	Clerk	Human Resources Analyst I	ATU	(17,229)	17,229	
3575	Bus Operator	Transportation Supervisor	ATU	(27,547)	27,547	
3800	CBS Operator	Transportation Supervisor	ATU	(10,969)	10,969	
3898	Transit Agent	Network Ops Technician	ATU	(4,600)	4,600	
Total				(207,644)	207,644	

Retirements:

Employee #	Previous Position	Pension Group	Retirement Date
2239	Mechanic A Body/Fender	IBEW	04/01/2018
1640	Sr. Paralegal	MCEG	04/01/2018
356	Bus Operator	ATU	04/14/2018
3122	Director, Human Resources	MCEG	05/01/2018
2392	LR Operator	ATU	05/02/2018
2980	LR Operator	ATU	05/18/2018
2711	Transportation Supervisor	AFSCME	06/01/2018
2796	Bus Operator	ATU	06/12/2018

Deaths:

Employee #	Pension Group	Type	Date of Death
1064	ATU	Survivor Beneficiary	04/04/2018
3002	ATU	Life Alone	05/16/2018
71	ATU	50% Joint & Survivor	06/23/2018
2926	AEA	Survivor Beneficiary	06/27/2018

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

ISSUE

Adoption of the Regional Transit District (RT) Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

RECOMMENDED ACTION

Adopt Resolution No. 18-09-____, Adopting the Regional Transit District Retirement Boards 2019 Meeting Calendar.

FISCAL IMPACT

None, as a result of this action.

DISCUSSION

The RT Retirement Boards have Regular meetings quarterly to review the performance of investments in RT's retirement funds by its fund managers and related business. Special meetings typically are called for items which require time for more lengthy discussions.

The proposed dates for Quarterly Retirement Board Meetings for the 2019 calendar year are:

- Wednesday, March 13th
- Wednesday, June 12th
- Wednesday, September 11th
- Wednesday, December 11th

In anticipation of several large projects and decisions coming before the Retirement Boards in 2019, staff is also proposing several tentative Special Meeting dates. If necessary, these dates can be utilized for in-depth discussion of items that require attention in addition or prior to regularly-scheduled Quarterly Retirement Board Meetings.

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\IP Adopting 2019 Retirement Board Calendar - Issue Paper.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

The proposed dates for tentative Special Meetings for the 2019 calendar year are:

- Wednesday, February 27th
- Wednesday, April 24th
- Wednesday, July 24th
- Wednesday, October 23rd

Staff recommends that the Board Members adopt a 9:00 a.m. start time for the 2019 meetings.

Staff recommends approval of the Regional Transit Retirement Boards 2019 Meeting Calendar, marked as Exhibit A.

2019 RETIREMENT BOARD CALENDAR

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD
REGIONAL TRANSIT AUDITORIUM (ROOM 114) – 1400 29TH STREET
SACRAMENTO, CALIFORNIA

9:00 AM

Wednesday.....Regular Meeting.....March 13, 2019
Wednesday.....Regular Meeting.....June 12, 2019
Wednesday.....Regular Meeting.....September 11, 2019
Wednesday.....Regular Meeting.....December 11, 2019

Wednesday.....Special Meeting.....*February 27, 2019
Wednesday.....Special Meeting.....*April 24, 2019
Wednesday.....Special Meeting.....*July 24, 2019
Wednesday.....Special Meeting.....*October 23, 2019

**Special Meeting dates are tentative. If necessary, these dates can be utilized for items that require attention prior to the scheduled quarterly Board Meeting.*

RESOLUTION NO. 18-09-_____

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

September 12, 2018

**ADOPTING THE REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS 2019
MEETING CALENDAR**

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

THAT, the meeting schedule set out in attached Exhibit A for the meetings of the Regional Transit District ATU Local Union 256 Retirement Board for calendar year 2019, is hereby adopted.

Ralph Niz, Chair

A T T E S T:

Corina DeLaTorre, Secretary

By: _____
Valerie Weekly, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12	09/12/18	Retirement	Information	07/19/18

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

ISSUE

Presentation regarding the roles and responsibilities of various District staff members as well as updates on Staff costs and Legal Services related to administration of the Pension Plans (ALL).
(Weekly)

RECOMMENDED ACTION

None associated with this matter.

FISCAL IMPACT

None associated with this matter.

DISCUSSION

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

Attachment A – Pension Administration Staff Roles and Responsibilities

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

Attachment C – Summary of Legal Services Provided for the Quarter Ending June 30, 2018

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\Update on Roles and Responsibilities 7.19.18.doc

Pension Administration Staff Roles and Responsibilities

Plan Administration

Customer Relations:

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

Plan Documents:

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

Vendor Administration:

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

Retirement Board Administration:

Task	Primary Responsibility	Back Up Responsibility
Creation of Agenda/IPs	Staff Presenting Issue to Board	n/a
Creation and Distribution of Retirement Board Packages	PRSA	Treasury Controller
Management of Retirement Board Meetings	PRSA	Treasury Controller
Training of Staff/Board Members	PRSA and Treasury Controller	Staff/Vendor SME
New Retirement Board Member Training	PRSA and Treasury Controller	Staff/Vendor SME

Semi-Annual/Annual/Bi-Annual Administration:

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

Contract Administration:

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

Asset Management:

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

Pension Administration Costs
For the Time Period: April 1, 2018 to June 30, 2018

Sum of Value TranCurr				
WBS Element	Source object name	Period	Total	
SAXXXX.PENATU	Finance And Treasury / Adelman, Jamie	12	96.12	
	Finance And Treasury / Gardner, Leona	12	459.18	
	Finance And Treasury / Montung-Fuller, Mari		10	1,987.78
			11	1,987.79
			12	2,266.06
	Finance And Treasury / Weekly, Valerie		10	1,536.40
			11	921.84
			12	921.84
	Human Resources / Martinelli, Christin	12	81.05	
	Human Resources / Ung, Elaine	10	71.60	
	Legal / Sanchez, Olga		11	68.46
			12	102.69
	SAXXXX.PENATU Total			10,500.81
SAXXXX.PENIBEW	Finance And Treasury / Montung-Fuller, Mari	10	715.63	
		11	1,073.42	
		12	596.36	
	Finance And Treasury / Weekly, Valerie	10	1,267.53	
		11	537.74	
		12	845.02	
	Human Resources / Martinelli, Christin	12	81.05	
	Human Resources / Ung, Elaine	10	17.90	
	Legal / Sanchez, Olga	10	68.46	
	SAXXXX.PENIBEW Total			5,203.11
SAXXXX.PENSALA	Finance And Treasury / Adelman, Jamie	10	72.09	
		12	96.12	
	Finance And Treasury / Montung-Fuller, Mari	10	954.16	
		11	914.39	
		12	795.14	
	Finance And Treasury / Weekly, Valerie	10	1,574.81	
		11	537.74	
		12	652.97	
	Human Resources / Martinelli, Christin	12	81.05	
	Legal / Sanchez, Olga	10	34.23	
		11	68.46	
		12	34.23	
SAXXXX.PENSALA Total			5,815.39	
SAXXXX.PENSION	Board Support / Brooks, Cynthia	12	56.25	
	Finance And Treasury / Adelman, Jamie	10	2,186.73	
		11	3,484.35	
		12	2,523.15	
	Finance And Treasury / Gardner, Leona	10	707.91	
11		344.39		

SAXXXX.PENSION	Finance And Treasury / Gardner, Leona	12	727.05
	Finance And Treasury / Mata, Jennifer	10	1,517.71
		11	1,018.28
		12	969.16
	Finance And Treasury / Montung-Fuller, Mari	10	8,388.34
		11	8,507.60
		12	7,792.00
	Finance And Treasury / Weekly, Valerie	10	2,074.14
		11	1,920.50
		12	2,074.14
	Human Resources / Humphrey, Isis	10	518.54
		11	905.94
		12	2,667.49
	Human Resources / Martinelli, Christin	12	81.05
	VP, Finance/CFO / Bernegger, Brent	11	723.20
		12	723.20
SAXXXX.PENSION Total			49,911.12
Grand Total			71,430.43

**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 June 30, 2018.

1. Weekly client conference calls and internal conferences on pending matters, upcoming Board meetings and follow-up from prior Board meetings.
2. Preparation for and participation in Quarterly Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Assist with investment consultant services procurement, contract drafting, negotiation, compliance requirements and oversight.
4. Conduct procurement to retain expert for operational audit.
5. Review and comment on employee/beneficiary notices.
6. Provide counsel on issues including, but not limited to:
 - a. Pension Plan documents and updates;
 - b. Financial reporting;
 - c. Benefit eligibility determinations;
 - d. Calculation of benefits under various scenarios;
 - e. PEPRA compliance;
 - f. Fiduciary duties;
 - g. Domestic Relation Orders.

Respectfully Submitted,

/s/ Shayna M. van Hoften

**Sacramento Regional Transit District
IBEW Retirement Board Meeting
Wednesday, June 20, 2018
MEETING SUMMARY**

ROLL CALL

The Retirement Board was brought to order at 9:01 a.m. A quorum was present comprised as follows: Directors Li, Morin, Ohlson, and Bibbs were present. Alternate Jennings was absent.

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

By IBEW Resolution No. 17-09-192 for calendar year 2018, 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

- 7. Motion: Approving the Minutes for the March 14, 2018 Quarterly Retirement Board Meeting (IBEW). (Weekly)
- 8. Motion: Receive and File Administrative Reports for the Quarter Ended March 31, 2018 for the IBEW Pension Plan (IBEW). (Adelman)
- 11. Information: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Director Morin moved to adopt IBEW Retirement Board Items 7, 8 and 11. Director Li seconded the motion. Items 7, 8 and 11 were carried unanimously by roll call vote: Ayes: Directors Li, Morin, Ohlson and Bibbs. Noes: None.

NEW BUSINESS

- 12. 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, 2018 (ALL). (Adelman)

Jamie Adelman introduced Michael Porter from AQR, who provided the performance results for the International Small Capitalization Equity Asset Class for the Quarter Ended March 31, 2018 and was available for questions.

13. Motion: Receive and File the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 and was available for questions.

Director Morin moved to adopt Item 13. Director Li seconded the motion. Item 13 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Ohlson and Bibbs. Noes: None.

14. Motion: Receive and File the Asset Allocation Study and Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (ALL). (Adelman)

Jamie Adelman introduced Jay Kloepfer and Anne Heaphy with Callan LLC, who presented the revised Statement of Investment Policy Objectives and Policy Guidelines for the Retirement Plans and Asset Allocation Review.

Director Morin asked what are the typical allocations to real estate and hedge funds, for peers that include those investments in their portfolios. Mr. Kloepfer advised that the typical allocation to real estate ranges between 5-10% of a portfolio, and is typically funded 2/3 from equity and 1/3 from fixed income. There is no "typical" allocation for plans that include hedge fund investments, and the estimated range is between 5-15%.

ATU Director Niz asked if Callan was recommending a change in the current asset allocation. Mr. Kloepfer responded that, while Callan is not recommending a change to the current allocation, the Boards could consider further diversification into real estate and/or hedge funds as pension plans that are similar in size and complexity have done. AEA Director Devorak suggested that the Boards request that Callan provide a more in-depth educational presentation about other investment options, such as real estate and private equity. ATU Director Niz agreed with AEA Director Devorak.

Director Li asked how increased longevity of Plan participants is reflected in the Asset Allocation Review. Mr. Kloepfer responded that the actuarial valuation used in preparing the Asset Allocation Study reflects the Plans' mortality assumptions.

Ms. Adelman advised that staff will work with Callan to prepare educational presentations to the Board pertaining to real estate and hedge funds.

ATU Director Niz referred to Item 14, Exhibit A, page 4, Section V. Pension Plan Cost Reimbursement, paragraph 2 which provides that reimbursement to the District of Plan-related expenses shall be made *"Utilizing only the Domestic asset classes to fund reimbursements will reduce the cash flow burden on SacRT..."*, and asked how that information will be tracked and reported to the Boards. Ms. Adelman responded that the information is provided in the Administrative reports received by the Boards at each quarterly meeting.

Director Morin moved to adopt Item 14. Director Li seconded the motion. Item 14 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Ohlson and Bibbs. Noes: None.

RECESS TO CLOSED SESSION

The joint meeting of the five Retirement Boards recessed to allow each Board, except the MCEG Board, to meet separately in closed sessions.

- 18. Conference with Legal Counsel – Anticipated Litigation Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2): One Potential Case

The Retirement Board met in closed session.

RECONVENE IN OPEN SESSION

The joint meeting of the five Retirement Boards reconvened at 10:56 a.m.

CLOSED SESSION REPORT

Legal Counsel Shayna van Hoften stated that no reportable actions were taken in the closed sessions.

- 19. Resolution: Approving a Work Order with Hanson Bridgett for Legal Services Outside of the Core tasks of the Contract (ALL). (Weekly)

In 2016, the Retirement Boards entered into a contract with Hanson Bridgett LLP to provide legal services to all five retirement boards. As a part of the contract terms, Hanson Bridgett provides ongoing, day-to-day, legal counsel on a variety of issues considered “core tasks”. From time to time, however, issues arise that are not covered within those core tasks. When a non-core task arises, Hanson Bridgett provides staff with a Work Order proposal.

Staff recommended approval of the Hanson Bridgett work order for services outside of the core tasks to facilitate and provide counsel associated with an operational audit of the ATU, IBEW, and Salaried Pension Plans.

Director Morin moved to adopt Item 19. Director Li seconded the motion. Item 19 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Ohlson and Bibbs. Noes: None.

REPORTS FROM COMMITTEES

None.

REPORTS, IDEAS AND COMMUNICATIONS

None.

With no further business to discuss, the meeting was adjourned at 10:57 a.m.

Eric Ohlson, Chair

ATTEST:

Constance Bibbs, Secretary

By: _____
Valerie Weekly, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the IBEW Pension Plan (IBEW). (Adelman)

ISSUE

Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the IBEW Pension Plan (IBEW). (Adelman)

RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the IBEW Pension Plan (IBEW). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Table 1 below shows the employer and employee contribution rates for all of the Sacramento Regional Transit District Retirement Plans, by Plan and tier, as of the date indicated. This table is a new addition to the quarterly Administrative Reports for Board members' reference.

Table 1

Employer Contribution Rates As of June 30, 2018

	ATU	IBEW	Salary
	Contribution Rate	Contribution Rate	Contribution Rate
Classic	27.04%	25.31%	32.52%
Classic w/ Contribution*	24.04%	-	-
PEPRA**	20.54%	20.06%	27.27%

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

**PEPRA employee rates: ATU - 6.5%, IBEW and Salary 5.25%

Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended June 30, 2018. 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

Approved:

Presented:

Final 09/04/18

VP of Finance/CFO

Treasury Controller

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\FI IP's\09-12-18 Administrative Reports - IBEW.docx

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the IBEW Pension Plan (IBEW). (Adelman)

in Fiduciary Net Position (income statement) for the quarter ended June 30, 2018 (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 Treasury Controller. The Treasury Controller is required to report asset rebalancing activity to the Boards at their quarterly meetings. Rebalancing can occur for one or more of the following reasons:

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

Attached hereto as Attachment 4 is the IBEW Plan's Schedule of Cash Activities for the three months ended June 30, 2018. 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 June 30, 2018. The IBEW Plan reimbursed \$193,804 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 IBEW Plan's Asset Allocation as of June 30, 2018. This statement shows the IBEW Plan's asset allocation as compared to targeted allocation percentages as defined in the Statement of Investment Objectives and Policy Guidelines.

Attached hereto as Attachment 6 is a reconciliation between the Callan Performance Report and the ATU, IBEW and Salaried Pension Plans' unaudited financial statements. The reports differ in that the unaudited financial statements reflect both investment activities and the pension fund's inflows and outflows. Callan's report only reflects the investment activities. The

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the IBEW Pension Plan (IBEW). (Adelman)

“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 June 30, 2018 as compared to their benchmarks.

Attached hereto as Attachment 9 is a schedule reflecting employee transfers from one union/employee group to another, as well as any transfers of plan assets from the ATU Plan to the Salaried Plan, all retirements, and retiree deaths during the three months ended June 30, 2018.

Sacramento Regional Transit District Retirement Plan - IBEW
Statement of Fiduciary Net Position
As of June 30, 2018

Accrual Basis

	Jun 30, 18
ASSETS	
Current Assets	
Checking/Savings	
100000 · Long-Term Investments	57,283,321.67
Total Checking/Savings	57,283,321.67
Other Current Assets	
1110120 · Prepays	10,748.89
Total Other Current Assets	10,748.89
Total Current Assets	57,294,070.56
TOTAL ASSETS	57,294,070.56
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	17,519.25
3110110 · Other Pay - Due to RT	56,406.69
3110122 · MetWest	13,952.47
3110124 · Boston Partners	12,098.51
3110125 · Callan	2,168.56
3110126 · State Street	4,530.58
3110128 · Atlanta Capital	9,925.29
3110129 · SSgA - S&P Index	1,152.60
3110130 · SSgA - EAFE	575.33
3110132 · Pyrford	9,164.08
Total Accounts Payable	127,493.36
Total Current Liabilities	127,493.36
Total Liabilities	127,493.36
Equity	
3340100 · Retained Earning	45,066,750.96
3340101 · Retained Earnings	9,018,367.73
Net Income	3,081,458.51
Total Equity	57,166,577.20
TOTAL LIABILITIES & EQUITY	57,294,070.56

**Sacramento Regional Transit District Retirement Plan - IBEW
Statement of Changes in Fiduciary Net Position**

Accrual Basis

April through June 2018

	Apr - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc		
6830101 · Dividend	72,797.43	7.8%
6830102 · Interest	170,533.56	18.2%
6830103 · Other Income	1,046.71	0.1%
Total Interest, Dividend, & Other Inc	244,377.70	26.1%
Investment Income		
6530900 · Gains/(Losses) - All	111,448.47	11.9%
6530915 · Increase(Decrease) in FV	(257,821.22)	(27.5)%
Total Investment Income	(146,372.75)	(15.6)%
RT Required Contribution		
6630110 · Employee Contributions	44,704.37	4.8%
RT Required Contribution - Other	793,351.89	84.8%
Total RT Required Contribution	838,056.26	89.5%
Total Income	936,061.21	100.0%
Cost of Goods Sold		
8531201 · IBEW - Retirement Benefits Paid	915,275.90	97.8%
8531203 · EE Contribution Refunds	0.00	0.0%
8532004 · Invest Exp - Metropolitan West	13,952.47	1.5%
8532013 · Invest Exp - Boston Partners	12,098.51	1.3%
8532020 · Invest Exp - Callan	6,501.52	0.7%
8532021 · Invest Exp - State Street	6,795.87	0.7%
8532023 · Invest Exp - JP Morgan	0.00	0.0%
8532024 · Invest Exp - Atlanta Capital	9,925.29	1.1%
8532025 · Invest Exp - S&P Index - SSgA	2,384.05	0.3%
8532026 · Invest Exp - EAFE - SSgA	(656.12)	(0.1)%
8532027 · Invest Exp - AQR	6,578.43	0.7%
8532028 · Invest Exp - Pyrford	9,164.08	1.0%
Total COGS	982,020.00	104.9%
Gross Profit	(45,958.79)	(4.9)%
Expense		
8533002 · Admin Exp - Actuary	6,721.72	0.7%
8533007 · Admin Exp - CALPRS Dues/Courses	3,000.00	0.3%
8533008 · Admin Exp - Accounting Software	833.33	0.1%
8533014 · Admin Exp - Fiduciary Insurance	3,224.64	0.3%
8533021 · Admin Exp - Legal Services	19,760.01	2.1%
8533025 · Admin Exp - Information Service	1.99	0.0%
8533029 · Admin Exp - Administrator	21,840.14	2.3%
8533030 · Admin Exp - Audit	8,100.00	0.9%
Total Expense	63,481.83	6.8%
Net Income	(109,440.62)	(11.7)%

Sacramento Regional Transit District Retirement Plan - IBEW
Statement of Changes in Fiduciary Net Position
July 2017 through June 2018

Accrual Basis

	Jul '17 - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc		
6830101 · Dividend	292,390.02	4.1%
6830102 · Interest	581,114.61	8.1%
6830103 · Other Income	-1,499.34	-0.0%
Total Interest, Dividend, & Other Inc	872,005.29	12.1%
Investment Income		
6530900 · Gains/(Losses) - All	1,899,943.15	26.4%
6530915 · Increase(Decrease) in FV	1,128,778.09	15.7%
Total Investment Income	3,028,721.24	42.1%
RT Required Contribution		
6630110 · Employee Contributions	103,415.05	1.4%
RT Required Contribution - Other	3,195,911.51	44.4%
Total RT Required Contribution	3,299,326.56	45.8%
Total Income	7,200,053.09	100.0%
Cost of Goods Sold		
8531201 · IBEW - Retirement Benefits Paid	3,617,195.28	50.2%
8531203 · EE Contribution Refunds	4,489.30	0.1%
8532004 · Invest Exp - Metropolitan West	52,639.99	0.7%
8532013 · Invest Exp - Boston Partners	50,856.74	0.7%
8532020 · Invest Exp - Callan	25,975.82	0.4%
8532021 · Invest Exp - State Street	29,174.29	0.4%
8532023 · Invest Exp - JP Morgan	139.71	0.0%
8532024 · Invest Exp - Atlanta Capital	40,587.73	0.6%
8532025 · Invest Exp - S&P Index - SSgA	6,013.08	0.1%
8532026 · Invest Exp - EAFE - SSgA	1,050.05	0.0%
8532027 · Invest Exp - AQR	27,542.72	0.4%
8532028 · Invest Exp - Pyrford	37,178.16	0.5%
Total COGS	3,892,842.87	54.1%
Gross Profit	3,307,210.22	45.9%
Expense		
8533002 · Admin Exp - Actuary	30,826.22	0.4%
8533007 · Admin Exp - CALPRS Dues/Courses	5,666.67	0.1%
8533008 · Admin Exp - Accounting Software	833.33	0.0%
8533012 · Admin Exp - Travel	386.22	0.0%
8533014 · Admin Exp - Fiduciary Insurance	12,898.65	0.2%
8533021 · Admin Exp - Legal Services	78,280.00	1.1%
8533025 · Admin Exp - Information Service	251.99	0.0%
8533028 · Admin Exp - Staff Training	44.28	0.0%
8533029 · Admin Exp - Administrator	86,018.93	1.2%
8533030 · Admin Exp - Audit	8,100.00	0.1%
8533050 · Miscellaneous	2,445.42	0.0%
Total Expense	225,751.71	3.1%
Net Income	3,081,458.51	42.8%

Sacramento Regional Transit District
Retirement Fund - IBEW
Schedule of Cash Activities
For the Three Months Period Ended June 30, 2018

	April 2018	May 2018	June 2018	Quarter Totals
Beginning Balance:				
Due (from)/to District - March 31, 2018	40,348.27	75,033.01	153,456.21	40,348.27
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 20.81 to 25.31%	251,109.13	279,769.62	262,473.14	793,351.89
Employee Pension Contributions	14,354.09	15,364.26	14,986.02	44,704.37
Total Deposits	<u>265,463.22</u>	<u>295,133.88</u>	<u>277,459.16</u>	<u>838,056.26</u>
<u>Expenses</u>				
Payout to Retirees	(308,424.32)	(303,425.79)	(303,425.79)	(915,275.90)
Employee Contribution Refunds	-	-	-	-
Payout to Retirees Subtotal	<u>(308,424.32)</u>	<u>(303,425.79)</u>	<u>(303,425.79)</u>	<u>(915,275.90)</u>
Fund Investment Management Expenses:				
Boston Partners	-	(12,854.51)	-	(12,854.51)
SSgA S&P 500 Index	-	(1,231.45)	-	(1,231.45)
Atlanta Capital	-	(9,462.95)	-	(9,462.95)
Pyrford	-	(9,329.53)	-	(9,329.53)
SSgA EAFE MSCI	-	(587.68)	-	(587.68)
Metropolitan West	-	(13,925.94)	-	(13,925.94)
Callan	(2,166.26)	(2,166.36)	(2,166.60)	(6,499.22)
State Street	-	(4,557.09)	(2,265.29)	(6,822.38)
Fund Invest. Mgmt Exp. Subtotal	<u>(2,166.26)</u>	<u>(54,115.51)</u>	<u>(4,431.89)</u>	<u>(60,713.66)</u>
Administrative Expenses				
Actuarial Services	(3,119.67)	(2,197.89)	(1,691.25)	(7,008.81)
Legal Services	(6,586.67)	(6,586.67)	(13,173.34)	(26,346.68)
CALAPRS Training	-	-	(3,000.00)	(3,000.00)
Fiduciary Insurance	(12,998.67)	16.68	83.34	(12,898.65)
Investigation Information Services	-	(1.99)	-	(1.99)
Accounting Software	-	-	(833.33)	(833.33)
Pension Administration	(7,200.64)	(7,245.91)	(7,393.59)	(21,840.14)
Administrative Exp. Subtotal	<u>(29,905.65)</u>	<u>(16,015.78)</u>	<u>(26,008.17)</u>	<u>(71,929.60)</u>
Total Expenses	<u>(340,496.23)</u>	<u>(373,557.08)</u>	<u>(333,865.85)</u>	<u>(1,047,919.16)</u>
Monthly Net Owed from/(to) District	(75,033.01)	(78,423.20)	(56,406.69)	(209,862.90)
Due From ATU Plan - Custodian Error	23,321.36	-	(23,321.36)	-
Payment from/(to) the District	<u>(63,669.63)</u>	<u>-</u>	<u>(130,134.85)</u>	<u>(193,804.48)</u>
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	<u>75,033.01</u>	<u>153,456.21</u>	<u>56,406.69</u>	<u>56,406.69</u>

RT Combined Pension Plans - ATU, IBEW and Salaried
 Asset Allocation *
 As of June 30, 2018

Asset Class	Net Asset Market Value 06/30/2018	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
FUND MANAGERS:						
Domestic Equity:						
Large Cap Value - Boston Partners - Z8	\$ 43,990,613	15.49%	16.00%	-0.51%	\$ (1,460,705)	
Large Cap Growth - SSgA S&P 500 Index - XH	46,292,642	16.30%	16.00%	0.30%	841,324	
Total Large Cap Domestic Equity	90,283,255	31.78%	32.00%	-0.22%	(619,381)	\$ 90,902,636
Small Cap - Atlanta Capital - XB	24,620,877	8.67%	8.00%	0.67%	1,895,218	22,725,659
International Equity:						
Large Cap Growth:						
Pyrford - ZD	26,142,476	9.20%	9.50%	-0.30%	(844,244)	
Large Cap Core:						
SSgA MSCI EAFE - XG	11,240,964	3.96%				
Value - Brandes - XE	9,257	0.00%				
Total Core	11,250,221	3.96%	4.50%	-0.54%	(1,532,963)	
Small Cap:						
AQR - ZB	14,589,347	5.14%	5.00%	0.14%	385,810	
Emerging Markets						
DFA - ZA	16,246,299	5.72%	6.00%	-0.28%	(797,945)	
Total International Equity	68,228,343	24.02%	25.00%	-0.98%	(2,789,341)	71,017,684
Fixed Income:						
Met West - XD	100,938,262	35.53%	35.00%	0.53%	1,513,504	99,424,758
Total Combined Net Asset	\$ 284,070,737	100.00%	100.00%	0.00%	\$ -	\$ 284,070,737

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

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Balance Sheet
As of June 30, 2018**

Per Both Pension Fund Balance Sheets:	
ATU Allocated Custodial Assets	133,639,084
IBEW Allocated Custodial Assets	57,283,322
Salaried Allocated Custodial Assets	<u>93,148,331</u>
Total Consolidated Net Asset	<u><u>284,070,737</u></u>
Per Callan Report:	
Total Investments	<u><u>284,083,708</u></u>
Net Difference	<u><u>(12,971) *</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Income Statement
For the Quarter Ended June 30, 2018**

Per Both Pension Fund Income Statements:	
ATU - Interest, Dividends, and Other Income	561,667
ATU - Investment Income	(422,580)
IBEW - Interest, Dividends, and Other Income	237,800
IBEW - Investment Income	(146,373)
Salaried - Interest, Dividends, and Other Income	364,994
Salaried - Investment Income	<u>(264,959)</u>
Total Investment Income	<u><u>330,549</u></u>
Per Callan Report:	
Investment Returns	<u><u>356,317</u></u>
Net Difference	<u><u>(25,768) **</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Schedule of Cash Activities
For the Quarter Ended June 30, 2018**

	April	May	June	Total
Payments from/(to) the District				
Boston Partners - ATU	-	-	(32,419)	(32,419)
Boston Partners - Salaried	-	-	32,419	32,419
S&P 500 Index - ATU	-	-	(32,760)	(32,760)
S&P 500 Index - Salaried	-	-	32,760	32,760
Atlanta Capital - ATU	-	-	(397,138)	(397,138)
Atlanta Capital - IBEW	-	-	(78,423)	(78,423)
Atlanta Capital - Salaried	-	-	(88,456)	(88,456)
Pyrford - ATU	-	-	(19,667)	(19,667)
Pyrford - Salaried	-	-	19,667	19,667
EAFE - ATU	-	-	(8,480)	(8,480)
EAFE - Salaried	-	-	8,480	8,480
Brandes - ATU	-	-	(7)	(7)
Brandes - Salaried	-	-	7	7
AQR - ATU	(294,828)	-	(291,485)	(586,313)
AQR - IBEW	(40,348)	-	(75,033)	(115,381)
AQR - Salaried	15,542	-	(17,413)	(1,871)
DFA - ATU	-	-	(12,970)	(12,970)
DFA - Salaried	-	-	12,970	12,970
Metropolitan West - ATU	-	-	(72,656)	(72,656)
Metropolitan West - Salaried	-	-	72,656	72,656
Total Payments from/(to) the District	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Transfers In/(Out) of Investment Funds				
Atlanta Capital	-	-	(564,017)	(564,017)
AQR	(319,634)	-	(383,931)	(703,565)
Total Transfers In/(Out) of Investment Funds	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Variance between Payments and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Per Callan Report:				
Net New Investment/(Withdrawals)				(1,267,582)
Net Difference				<u>-</u>

**Consolidated Schedule of Cash Activities
For the 12-Months June 30, 2018**

	3Q17	4Q17	1Q18	2Q18	Total
Payments from/(to) the District					
Boston Partners - ATU	(656,620)	(711,871)	(2,810,287)	(32,419)	(4,211,197)
Boston Partners - IBEW	(155,075)	(46,224)	(987,443)	-	(1,188,742)
Boston Partners - Salaried	(207,896)	333,215	(1,461,943)	32,419	(1,304,205)
S&P 500 Index - ATU	(382,811)	(1,056,615)	(1,770,269)	(32,760)	(3,242,455)
S&P 500 Index - IBEW	(95,328)	(151,776)	(804,753)	-	(1,051,857)
S&P 500 Index - Salaried	(84,552)	213,560	(1,395,393)	32,760	(1,233,625)
Atlanta Capital - ATU	-	(220,607)	(1,844,745)	(397,138)	(2,462,490)
Atlanta Capital - IBEW	-	-	(788,042)	(78,423)	(866,465)
Atlanta Capital - Salaried	-	220,607	(1,435,641)	(88,456)	(1,303,490)
Pyrford - ATU	-	(244,192)	-	(19,667)	(263,859)
Pyrford - Salaried	-	244,192	-	19,667	263,859
EAFE - ATU	-	(100,683)	-	(8,480)	(109,163)
EAFE - Salaried	-	100,683	-	8,480	109,163
AQR - ATU	-	(133,244)	-	(586,313)	(719,557)
AQR - Salaried	-	133,244	-	(1,871)	131,373
DFA - ATU	-	(133,058)	-	(12,970)	(146,028)
DFA - Salaried	-	133,058	-	12,970	146,028
Metropolitan West - ATU	-	(796,599)	5,485,262	(72,656)	4,616,007
Metropolitan West - IBEW	-	-	2,418,623	-	2,418,623
Metropolitan West - Salaried	-	796,599	4,211,226	72,656	5,080,481
Total Payments from/(to) the District	<u>(1,582,282)</u>	<u>(1,419,711)</u>	<u>(1,183,405)</u>	<u>(1,267,582)</u>	<u>(5,452,980)</u>

Sacramento Regional Transit District
ATU, IBEW and Salaried Retirement Plans
Schedule of Fund Investment Returns and Expenses
06/30/18

	1 Year		1 Year			3 Years		3 Years		
	Net of Fees Returns	%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts	Net of Fees Returns	%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts
Boston Partners										
Investment Returns	4,843,437	100.00%				11,701,624	100.00%			
Investment Expenses	(252,641)	5.22%				(698,188)	5.97%			
Net Gain/(Loss)	4,590,796	94.78%	10.19%	6.77%	342.00	11,003,436	94.03%	8.55%	8.26%	29.00
S&P 500										
Investment Returns	6,261,376	100.00%				15,034,345	100.00%			
Investment Expenses	(23,754)	0.38%				(96,522)	0.64%			
Net Gain/(Loss)	6,237,622	99.62%	14.31%	14.37%	(6.00)	14,937,823	99.36%	11.93%	11.93%	0.00
Atlanta Capital										
Investment Returns	4,466,413	100.00%				8,965,986	100.00%			
Investment Expenses	(201,628)	4.51%				(558,523)	6.23%			
Net Gain/(Loss)	4,264,785	95.49%	17.57%	18.52%	(95.00)	8,407,463	93.77%	12.48%	10.96%	152.00
Pyrford										
Investment Returns	545,633	100.00%				188,657	100.00%			
Investment Expenses	(184,687)	33.85%				(199,405)	105.70%			
Net Gain/(Loss)	360,946	66.15%	1.43%	6.84%	(541.00)	(10,748)	-5.70%	N/A	N/A	N/A
EAFE										
Investment Returns	757,630	100.00%				644,724	100.00%			
Investment Expense	(11,333)	1.50%				(42,057)	6.52%			
Net Gain/(Loss)	746,297	98.50%	7.13%	6.84%	29.00	602,667	93.48%	5.17%	4.90%	27.00
Brandes										
Investment Returns	(40)	100.00%				(2,350)	100.00%			
Investment Expenses	-	0.00%				-	0.00%			
Net Gain/(Loss)	(40)	100.00%	N/A	N/A	N/A	(2,350)	100.00%	N/A	N/A	N/A
AQR										
Investment Returns	1,518,466	100.00%				3,124,336	100.00%			
Investment Expenses	(150,359)	9.90%				(258,819)	8.28%			
Net Gain/(Loss)	1,368,107	90.10%	10.93%	12.45%	(152.00)	2,865,517	91.72%	N/A	N/A	N/A
DFA										
Investment Returns	797,953	100.00%				2,517,572	100.00%			
Investment Expense	(84,141)	10.54%				(254,922)	10.13%			
Net Gain/(Loss)	713,812	89.46%	5.17%	8.20%	(303.00)	2,262,650		5.35%	5.60%	(25.00)
Metropolitan West										
Investment Returns	328,116	100.00%				5,272,821	100.00%			
Investment Expenses	(261,483)	79.69%				(740,636)	14.05%			
Net Gain/(Loss)	66,633	20.31%	0.13%	-0.40%	53.00	4,532,185	85.95%	1.77%	1.72%	5.00
Total Fund										
Investment Returns	19,518,984	100.00%				49,226,656	100.00%			
Investment Expenses	(1,170,026)	5.99%				(3,063,005)	6.22%			
Net Gain/(Loss)	18,348,958	94.01%	6.93%	7.90%	(97.00)	46,163,651	93.78%	6.05%	6.84%	(79.00)

Sacramento Regional Transit District
 Schedule of Transfers and Retirements
 For the Time Period: April 1, 2018 to June 30, 2018

Transfers:

Employee #	Transferred From Position	Transferred To Position	Transferred From	Plan Assets		Transferred to Salaried
				Transferred From ATU	Plan Assets	
2647	Clerk II	Administrative Assistant II	ATU	(85,181)	85,181	
3322	LR Operator	Transportation Supervisor	ATU	(62,118)	62,118	
3570	Clerk	Human Resources Analyst I	ATU	(17,229)	17,229	
3575	Bus Operator	Transportation Supervisor	ATU	(27,547)	27,547	
3800	CBS Operator	Transportation Supervisor	ATU	(10,969)	10,969	
3898	Transit Agent	Network Ops Technician	ATU	(4,600)	4,600	
Total				(207,644)	207,644	

Retirements:

Employee #	Previous Position	Pension Group	Retirement Date
2239	Mechanic A Body/Fender	IBEW	04/01/2018
1640	Sr. Paralegal	MCEG	04/01/2018
356	Bus Operator	ATU	04/14/2018
3122	Director, Human Resources	MCEG	05/01/2018
2392	LR Operator	ATU	05/02/2018
2980	LR Operator	ATU	05/18/2018
2711	Transportation Supervisor	AFSCME	06/01/2018
2796	Bus Operator	ATU	06/12/2018

Deaths:

Employee #	Pension Group	Type	Date of Death
1064	ATU	Survivor Beneficiary	04/04/2018
3002	ATU	Life Alone	05/16/2018
71	ATU	50% Joint & Survivor	06/23/2018
2926	AEA	Survivor Beneficiary	06/27/2018

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
15	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

ISSUE

Adoption of the Regional Transit District (RT) Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

RECOMMENDED ACTION

Adopt Resolution No. 18-09-____, Adopting the Regional Transit District Retirement Boards 2019 Meeting Calendar.

FISCAL IMPACT

None, as a result of this action.

DISCUSSION

The RT Retirement Boards have Regular meetings quarterly to review the performance of investments in RT's retirement funds by its fund managers and related business. Special meetings typically are called for items which require time for more lengthy discussions.

The proposed dates for Quarterly Retirement Board Meetings for the 2019 calendar year are:

- Wednesday, March 13th
- Wednesday, June 12th
- Wednesday, September 11th
- Wednesday, December 11th

In anticipation of several large projects and decisions coming before the Retirement Boards in 2019, staff is also proposing several tentative Special Meeting dates. If necessary, these dates can be utilized for in-depth discussion of items that require attention in addition or prior to regularly-scheduled Quarterly Retirement Board Meetings.

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\IP Adopting 2019 Retirement Board Calendar - Issue Paper.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
15	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

The proposed dates for tentative Special Meetings for the 2019 calendar year are:

- Wednesday, February 27th
- Wednesday, April 24th
- Wednesday, July 24th
- Wednesday, October 23rd

Staff recommends that the Board Members adopt a 9:00 a.m. start time for the 2019 meetings.

Staff recommends approval of the Regional Transit Retirement Boards 2019 Meeting Calendar, marked as Exhibit A.

2019 RETIREMENT BOARD CALENDAR

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD
REGIONAL TRANSIT AUDITORIUM (ROOM 114) – 1400 29TH STREET
SACRAMENTO, CALIFORNIA

9:00 AM

Wednesday.....Regular Meeting.....March 13, 2019
Wednesday.....Regular Meeting.....June 12, 2019
Wednesday.....Regular Meeting.....September 11, 2019
Wednesday.....Regular Meeting.....December 11, 2019

Wednesday.....Special Meeting.....*February 27, 2019
Wednesday.....Special Meeting.....*April 24, 2019
Wednesday.....Special Meeting.....*July 24, 2019
Wednesday.....Special Meeting.....*October 23, 2019

**Special Meeting dates are tentative. If necessary, these dates can be utilized for items that require attention prior to the scheduled quarterly Board Meeting.*

RESOLUTION NO. 18-09-_____

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

September 12, 2018

**ADOPTING THE REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS 2019
MEETING CALENDAR**

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

THAT, the meeting schedule set out in attached Exhibit A for the meetings of the Regional
Transit District IBEW Local Union 1245 Retirement Board for calendar year 2019, is hereby
adopted.

Eric Ohlson, Chair

A T T E S T:

Constance Bibbs, Secretary

By: _____
Valerie Weekly, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
16	09/12/18	Retirement	Information	07/19/18

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

ISSUE

Presentation regarding the roles and responsibilities of various District staff members as well as updates on Staff costs and Legal Services related to administration of the Pension Plans (ALL).
(Weekly)

RECOMMENDED ACTION

None associated with this matter.

FISCAL IMPACT

None associated with this matter.

DISCUSSION

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

Attachment A – Pension Administration Staff Roles and Responsibilities

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

Attachment C – Summary of Legal Services Provided for the Quarter Ending June 30, 2018

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\Update on Roles and Responsibilities 7.19.18.doc

Pension Administration Staff Roles and Responsibilities

Plan Administration

Customer Relations:

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

Plan Documents:

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

Vendor Administration:

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

Retirement Board Administration:

Task	Primary Responsibility	Back Up Responsibility
Creation of Agenda/IPs	Staff Presenting Issue to Board	n/a
Creation and Distribution of Retirement Board Packages	PRSA	Treasury Controller
Management of Retirement Board Meetings	PRSA	Treasury Controller
Training of Staff/Board Members	PRSA and Treasury Controller	Staff/Vendor SME
New Retirement Board Member Training	PRSA and Treasury Controller	Staff/Vendor SME

Semi-Annual/Annual/Bi-Annual Administration:

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

Contract Administration:

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

Asset Management:

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

Pension Administration Costs
For the Time Period: April 1, 2018 to June 30, 2018

Sum of Value TranCurr			
WBS Element	Source object name	Period	Total
SAXXXX.PENATU	Finance And Treasury / Adelman, Jamie	12	96.12
	Finance And Treasury / Gardner, Leona	12	459.18
	Finance And Treasury / Montung-Fuller, Mari	10	1,987.78
		11	1,987.79
		12	2,266.06
	Finance And Treasury / Weekly, Valerie	10	1,536.40
		11	921.84
		12	921.84
	Human Resources / Martinelli, Christin	12	81.05
	Human Resources / Ung, Elaine	10	71.60
	Legal / Sanchez, Olga	11	68.46
		12	102.69
	SAXXXX.PENATU Total		
SAXXXX.PENIBEW	Finance And Treasury / Montung-Fuller, Mari	10	715.63
		11	1,073.42
		12	596.36
	Finance And Treasury / Weekly, Valerie	10	1,267.53
		11	537.74
		12	845.02
	Human Resources / Martinelli, Christin	12	81.05
	Human Resources / Ung, Elaine	10	17.90
	Legal / Sanchez, Olga	10	68.46
	SAXXXX.PENIBEW Total		
SAXXXX.PENSALA	Finance And Treasury / Adelman, Jamie	10	72.09
		12	96.12
	Finance And Treasury / Montung-Fuller, Mari	10	954.16
		11	914.39
		12	795.14
	Finance And Treasury / Weekly, Valerie	10	1,574.81
		11	537.74
		12	652.97
	Human Resources / Martinelli, Christin	12	81.05
	Legal / Sanchez, Olga	10	34.23
		11	68.46
		12	34.23
SAXXXX.PENSALA Total			5,815.39
SAXXXX.PENSION	Board Support / Brooks, Cynthia	12	56.25
	Finance And Treasury / Adelman, Jamie	10	2,186.73
		11	3,484.35
		12	2,523.15
	Finance And Treasury / Gardner, Leona	10	707.91
11		344.39	

SAXXXX.PENSION	Finance And Treasury / Gardner, Leona	12	727.05
	Finance And Treasury / Mata, Jennifer	10	1,517.71
		11	1,018.28
		12	969.16
	Finance And Treasury / Montung-Fuller, Mari	10	8,388.34
		11	8,507.60
		12	7,792.00
	Finance And Treasury / Weekly, Valerie	10	2,074.14
		11	1,920.50
		12	2,074.14
	Human Resources / Humphrey, Isis	10	518.54
		11	905.94
		12	2,667.49
	Human Resources / Martinelli, Christin	12	81.05
	VP, Finance/CFO / Bernegger, Brent	11	723.20
		12	723.20
SAXXXX.PENSION Total			49,911.12
Grand Total			71,430.43

**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 June 30, 2018.

1. Weekly client conference calls and internal conferences on pending matters, upcoming Board meetings and follow-up from prior Board meetings.
2. Preparation for and participation in Quarterly Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Assist with investment consultant services procurement, contract drafting, negotiation, compliance requirements and oversight.
4. Conduct procurement to retain expert for operational audit.
5. Review and comment on employee/beneficiary notices.
6. Provide counsel on issues including, but not limited to:
 - a. Pension Plan documents and updates;
 - b. Financial reporting;
 - c. Benefit eligibility determinations;
 - d. Calculation of benefits under various scenarios;
 - e. PEPRA compliance;
 - f. Fiduciary duties;
 - g. Domestic Relation Orders.

Respectfully Submitted,

/s/ Shayna M. van Hoften

**Sacramento Regional Transit District
MCEG Retirement Board Meeting
Wednesday, June 20, 2018
MEETING SUMMARY**

ROLL CALL

The Retirement Board was brought to order at 9:01 a.m. A quorum was present comprised as follows: Directors Li, Morin, Lonergan and Thorn were present. Alternate Sanchez-Ochoa and Alternate Jennings were absent.

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

By MCEG Resolution No. 17-09-194 for calendar year 2018, 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

- 9. Motion: Approving the Minutes for the March 14, 2018 Quarterly Retirement Board Meeting (MCEG). (Weekly)
- 10. Motion: Receive and File Administrative Reports for the Quarter Ended March 31, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
- 11. Information: Update on Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Director Morin moved to adopt MCEG Retirement Board Items 9 through 11. Director Li seconded the motion. Items 9 through 11 were carried unanimously by roll call vote: Ayes: Li, Morin, Lonergan and Thorn. Noes: None.

NEW BUSINESS

- 12. 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, 2018 (ALL). (Adelman)

Jamie Adelman introduced Michael Porter from AQR, who provided the performance results for the International Small Capitalization Equity Asset Class for the Quarter Ended March 31, 2018 and was available for questions.

13. Motion: Receive and File the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended March 31, 2018 and was available for questions.

Director Morin moved to adopt Item 13. Director Li seconded the motion. Item 13 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Lonergan and Thorn. Noes: None.

14. Motion: Receive and File the Asset Allocation Study and Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (ALL). (Adelman)

Jamie Adelman introduced Jay Kloepfer and Anne Heaphy with Callan LLC, who presented the revised Statement of Investment Policy Objectives and Policy Guidelines for the Retirement Plans and Asset Allocation Review.

Director Morin asked what are the typical allocations to real estate and hedge funds, for peers that include those investments in their portfolios. Mr. Kloepfer advised that the typical allocation to real estate ranges between 5-10% of a portfolio, and is typically funded 2/3 from equity and 1/3 from fixed income. There is no "typical" allocation for plans that include hedge fund investments, and the estimated range is between 5-15%.

ATU Director Niz asked if Callan was recommending a change in the current asset allocation. Mr. Kloepfer responded that, while Callan is not recommending a change to the current allocation, the Boards could consider further diversification into real estate and/or hedge funds as pension plans that are similar in size and complexity have done. AEA Director Devorak suggested that the Boards request that Callan provide a more in-depth educational presentation about other investment options, such as real estate and private equity. ATU Director Niz agreed with AEA Director Devorak.

Director Li asked how increased longevity of Plan participants is reflected in the Asset Allocation Review. Mr. Kloepfer responded that the actuarial valuation used in preparing the Asset Allocation Study reflects the Plans' mortality assumptions.

Ms. Adelman advised that staff will work with Callan to prepare educational presentations to the Board pertaining to real estate and hedge funds.

ATU Director Niz referred to Item 14, Exhibit A, page 4, Section V. Pension Plan Cost Reimbursement, paragraph 2 which provides that reimbursement to the District of Plan-related expenses shall be made *"Utilizing only the Domestic asset classes to fund reimbursements will reduce the cash flow burden on SacRT..."*, and asked how that information will be tracked and reported to the Boards. Ms. Adelman responded that the information is provided in the Administrative reports received by the Boards at each quarterly meeting.

Director Morin moved to adopt Item 14. Director Li seconded the motion. Item 14 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Lonergan and Thorn. Noes: None.

RECESS

The joint meeting of the five Retirement Boards recessed to allow the other four Boards to meet separately in closed sessions.

RECONVENE

The joint meeting of the five Retirement Boards reconvened at 10:56 a.m.

19. Resolution: Approving a Work Order with Hanson Bridgett for Legal Services Outside of the Core tasks of the Contract (ALL). (Weekly)

In 2016, the Retirement Boards entered into a contract with Hanson Bridgett LLP to provide legal services to all five retirement boards. As a part of the contract terms, Hanson Bridgett provides ongoing, day-to-day, legal counsel on a variety of issues considered “core tasks”. From time to time, however, issues arise that are not covered within those core tasks. When a non-core task arises, Hanson Bridgett provides staff with a Work Order proposal.

Staff recommended approval of the Hanson Bridgett work order for services outside of the core tasks to facilitate and provide counsel associated with an operational audit of the ATU, IBEW, and Salaried Pension Plans.

Director Morin moved to adopt Item 19. Director Li seconded the motion. Item 19 was carried unanimously by roll call vote: Ayes: Directors Li, Morin, Lonergan and Thorn. Noes: None.

REPORTS FROM COMMITTEES

None.

REPORTS, IDEAS AND COMMUNICATIONS

None.

With no further business to discuss, the meeting was adjourned at 10:57 a.m.

Mark Lonergan, Chair

ATTEST:

Roger Thorn, Secretary

By: _____
Valerie Weekly, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
18	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

ISSUE

Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Table 1 below shows the employer and employee contribution rates for all of the Sacramento Regional Transit District Retirement Plans, by Plan and tier, as of the date indicated. This table is a new addition to the quarterly Administrative Reports for Board members' reference.

Table 1

Employer Contribution Rates As of June 30, 2018

	ATU	IBEW	Salary
	Contribution Rate	Contribution Rate	Contribution Rate
Classic	27.04%	25.31%	32.52%
Classic w/ Contribution*	24.04%	-	-
PEPRA**	20.54%	20.06%	27.27%

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

**PEPRA employee rates: ATU - 6.5%, IBEW and Salary 5.25%

Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended June 30, 2018. 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

Approved:

Presented:

Final 09/04/18

VP of Finance/CFO

Treasury Controller

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\FI IP's\09-12-18 Administrative Reports - Salary.docx

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
18	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

in Fiduciary Net Position (income statement) for the quarter ended June 30, 2018 (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 Treasury Controller. The Treasury Controller is required to report asset rebalancing activity to the Boards at their quarterly meetings. Rebalancing can occur for one or more of the following reasons:

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

Attached hereto as Attachment 4 is the Salaried Plan's Schedule of Cash Activities for the three months ended June 30, 2018. 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 June 30, 2018. The Salaried Plan reimbursed \$119,009 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 June 30, 2018. 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

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
18	09/12/18	Retirement	Action	08/10/18

Subject: Receive and File Administrative Reports for the Quarter Ended June 30, 2018 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

“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 June 30, 2018 as compared to their benchmarks.

Attached hereto as Attachment 9 is a schedule reflecting employee transfers from one union/employee group to another, as well as any transfers of plan assets from the ATU Plan to the Salaried Plan, all retirements, and retiree deaths during the three months ended June 30, 2018.

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

Accrual Basis

As of June 30, 2018

	Jun 30, 18
ASSETS	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	93,148,330.98
Total Long-Term Investments	93,148,330.98
Total Checking/Savings	93,148,330.98
Accounts Receivable	
1110104 · Other Rec - Due from RT	75,846.18
Total Accounts Receivable	75,846.18
Other Current Assets	
1110120 · Prepays	10,748.89
Total Other Current Assets	10,748.89
Total Current Assets	93,234,926.05
TOTAL ASSETS	93,234,926.05
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	17,827.26
3110122 · MetWest	22,668.84
3110124 · Boston Partners	19,656.68
3110125 · Callan	3,523.28
3110126 · State Street	7,339.06
3110128 · Atlanta Capital	16,125.79
3110129 · S&P Index - SSgA	1,872.63
3110130 · EAFE - SSgA	934.74
3110132 · Pyrford	14,889.04
Total Accounts Payable	104,837.32
Total Current Liabilities	104,837.32
Total Liabilities	104,837.32
Equity	
3340101 · Retained Earnings	84,632,310.15
Net Income	8,497,778.58
Total Equity	93,130,088.73
TOTAL LIABILITIES & EQUITY	93,234,926.05

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

Accrual Basis

April through June 2018

	Apr - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc	387,551.15	17.6%
Investment Income	-264,958.86	-12.0%
RT Required Contribution	2,032,139.09	92.4%
6630110 · Employee Contribution	44,982.16	2.0%
Total Income	2,199,713.54	100.0%
Cost of Goods Sold		
8531001 · Arbitration Transfer	-207,645.00	-9.4%
8531210 · AEA - Retirement Benefits Paid	817,102.37	37.1%
8531211 · AFSCME-Retirement Benefits Paid	440,169.68	20.0%
8531212 · MCEG - Retirement Benefits Paid	706,572.65	32.1%
8532004 · Invest Exp - MetropolitanWest	22,668.84	1.0%
8532013 · Invest Exp - Boston Partners	19,656.68	0.9%
8532020 · Invest Exp - Callan	10,542.26	0.5%
8532021 · Invest Exp - State Street	11,008.59	0.5%
8532023 · Invest Exp - JP Morgan	0.00	0.0%
8532024 · Invest Exp - Atlanta Capital	16,125.79	0.7%
8532025 · Invest Exp - S&P Index SSgA	1,872.63	0.1%
8532026 · Invest Exp - EAFE SSgA	934.74	0.0%
8532027 · Invest Exp - AQR	10,468.93	0.5%
8532028 · Invest Exp - Pyrford	14,889.04	0.7%
Total COGS	1,864,367.20	84.8%
Gross Profit	335,346.34	15.2%
Expense		
8533002 · Admin Exp - Actuary	7,408.05	0.3%
8533007 · Admin Exp - CALPRS Dues/Courses	3,000.00	0.1%
8533008 · Admin Exp - Accounting Software	833.33	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,278.64	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	1.99	0.0%
8533026 · Admin Exp - Legal Services	19,760.00	0.9%
8533029 · Admin Exp - Administrator	22,452.43	1.0%
8533050 · Admin Exp - Misc Exp	0.00	0.0%
8533051 · Admin Exp - Audit	8,100.00	0.4%
Total Expense	64,834.44	2.9%
Net Income	270,511.90	12.3%

Sacto Regional Transit District Retirement Plan - Salaried
Statement of Changes in Fiduciary Net Position
July 2017 through June 2018

Accrual Basis

	Jul '17 - Jun 18	% of Income
Income		
Interest, Dividend, & Other Inc	1,359,280.79	9.5%
Investment Income	5,148,390.17	36.0%
RT Required Contribution	7,669,177.86	53.6%
6630110 · Employee Contribution	143,093.64	1.0%
Total Income	14,319,942.46	100.0%
Cost of Goods Sold		
8531001 · Arbitration Transfer	-2,638,467.00	-18.4%
8531210 · AEA - Retirement Benefits Paid	3,403,328.44	23.8%
8531211 · AFSCME-Retirement Benefits Paid	1,671,771.60	11.7%
8531212 · MCEG - Retirement Benefits Paid	2,704,265.75	18.9%
8532004 · Invest Exp - MetropolitanWest	84,632.35	0.6%
8532013 · Invest Exp - Boston Partners	81,713.46	0.6%
8532020 · Invest Exp - Callan	41,500.64	0.3%
8532021 · Invest Exp - State Street	46,573.22	0.3%
8532023 · Invest Exp - JP Morgan	234.77	0.0%
8532024 · Invest Exp - Atlanta Capital	65,203.13	0.5%
8532025 · Invest Exp - S&P Index SSgA	7,684.07	0.1%
8532026 · Invest Exp - EAFE SSgA	3,667.14	0.0%
8532027 · Invest Exp - AQR	43,237.63	0.3%
8532028 · Invest Exp - Pyrford	59,741.98	0.4%
Total COGS	5,575,087.18	38.9%
Gross Profit	8,744,855.28	61.1%
Expense		
8533002 · Admin Exp - Actuary	37,380.80	0.3%
8533007 · Admin Exp - CALPRS Dues/Courses	5,662.66	0.0%
8533008 · Admin Exp - Accounting Software	833.33	0.0%
8533010 · Admin Exp - Travel	1,123.86	0.0%
8533014 · Admin Exp - Fiduciary Insurance	12,927.65	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	251.99	0.0%
8533026 · Admin Exp - Legal Services	78,279.46	0.5%
8533028 · Admin Exp - Staff Training	44.28	0.0%
8533029 · Admin Exp - Administrator	98,162.26	0.7%
8533050 · Admin Exp - Misc Exp	4,310.41	0.0%
8533051 · Admin Exp - Audit	8,100.00	0.1%
Total Expense	247,076.70	1.7%
Net Income	8,497,778.58	59.3%

Sacramento Regional Transit District
Retirement Fund - Salaried
Schedule of Cash Activities
For the Three Months Period Ended June 30, 2018

	April 2018	May 2018	June 2018	Quarter Totals
Beginning Balance:				
Due (from)/to District - March 31, 2018	(15,541.91)	28,757.04	134,550.63	(15,541.91)
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 28.02 to 32.52%	640,512.89	636,839.48	754,786.72	2,032,139.09
Employee Pension Contributions	15,958.24	14,454.34	14,569.58	44,982.16
Total Deposits	656,471.13	651,293.82	769,356.30	2,077,121.25
<u>Expenses</u>				
Payout to Retirees:				
AEA	(272,640.35)	(272,640.35)	(271,821.67)	(817,102.37)
AFSCME	(144,149.54)	(144,149.54)	(151,870.60)	(440,169.68)
MCEG	(233,635.95)	(236,468.35)	(236,468.35)	(706,572.65)
Employee Contribution Refunds	-	-	-	-
Payout to Retirees Subtotal	(650,425.84)	(653,258.24)	(660,160.62)	(1,963,844.70)
Fund Investment Management Expenses:				
Boston Partners	-	(20,820.42)	-	(20,820.42)
SSgA S&P 500 Index	-	(1,994.57)	-	(1,994.57)
Atlanta Capital	-	(15,327.12)	-	(15,327.12)
Pyrford	-	(15,111.02)	-	(15,111.02)
SSgA EAFE MSCI	-	(951.85)	-	(951.85)
Metropolitan West	-	(22,555.82)	-	(22,555.82)
Callan	(3,508.68)	(3,509.28)	(3,509.70)	(10,527.66)
State Street	-	(7,380.56)	(3,669.53)	(11,050.09)
Fund Invest. Mgmt Exp. Subtotal	(3,508.68)	(87,650.64)	(7,179.23)	(98,338.55)
Administrative Expenses				
Actuarial Services	(3,791.91)	(2,576.21)	(1,691.25)	(8,059.37)
Legal Services	(6,586.67)	(6,586.67)	(13,173.33)	(26,346.67)
CALAPRS Training	-	-	(3,000.00)	(3,000.00)
Fiduciary Insurance	(13,148.66)	141.68	58.32	(12,948.66)
Investigation Information Services	-	(1.99)	-	(1.99)
Accounting Software	-	-	(833.33)	(833.33)
Pension Administration	(7,766.41)	(7,155.34)	(7,530.68)	(22,452.43)
Administrative Exp. Subtotal	(31,293.65)	(16,178.53)	(26,170.27)	(73,642.45)
Total Expenses	(685,228.17)	(757,087.41)	(693,510.12)	(2,135,825.70)
Monthly Net Owed from/(to) District	(28,757.04)	(105,793.59)	75,846.18	(58,704.45)
Due From ATU Plan- Custodian Error	116,866.20	-	(116,866.20)	-
Payment from/(to) the District	(101,324.29)	-	(17,684.43)	(119,008.72)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	28,757.04	134,550.63	(75,846.18)	(75,846.18)

RT Combined Pension Plans - ATU, IBEW and Salaried
 Asset Allocation *
 As of June 30, 2018

Asset Class	Net Asset Market Value 06/30/2018	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
FUND MANAGERS:						
Domestic Equity:						
Large Cap Value - Boston Partners - Z8	\$ 43,990,613	15.49%	16.00%	-0.51%	\$ (1,460,705)	
Large Cap Growth - SSgA S&P 500 Index - XH	46,292,642	16.30%	16.00%	0.30%	841,324	
Total Large Cap Domestic Equity	90,283,255	31.78%	32.00%	-0.22%	(619,381)	\$ 90,902,636
Small Cap - Atlanta Capital - XB	24,620,877	8.67%	8.00%	0.67%	1,895,218	22,725,659
International Equity:						
Large Cap Growth:						
Pyrford - ZD	26,142,476	9.20%	9.50%	-0.30%	(844,244)	
Large Cap Core:						
SSgA MSCI EAFE - XG	11,240,964	3.96%				
Value - Brandes - XE	9,257	0.00%				
Total Core	11,250,221	3.96%	4.50%	-0.54%	(1,532,963)	
Small Cap:						
AQR - ZB	14,589,347	5.14%	5.00%	0.14%	385,810	
Emerging Markets						
DFA - ZA	16,246,299	5.72%	6.00%	-0.28%	(797,945)	
Total International Equity	68,228,343	24.02%	25.00%	-0.98%	(2,789,341)	71,017,684
Fixed Income:						
Met West - XD	100,938,262	35.53%	35.00%	0.53%	1,513,504	99,424,758
Total Combined Net Asset	\$ 284,070,737	100.00%	100.00%	0.00%	\$ -	\$ 284,070,737

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

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Balance Sheet
As of June 30, 2018**

Per Both Pension Fund Balance Sheets:	
ATU Allocated Custodial Assets	133,639,084
IBEW Allocated Custodial Assets	57,283,322
Salaried Allocated Custodial Assets	<u>93,148,331</u>
Total Consolidated Net Asset	<u><u>284,070,737</u></u>
Per Callan Report:	
Total Investments	<u><u>284,083,708</u></u>
Net Difference	<u><u>(12,971) *</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Pension Fund Income Statement
For the Quarter Ended June 30, 2018**

Per Both Pension Fund Income Statements:	
ATU - Interest, Dividends, and Other Income	561,667
ATU - Investment Income	(422,580)
IBEW - Interest, Dividends, and Other Income	237,800
IBEW - Investment Income	(146,373)
Salaried - Interest, Dividends, and Other Income	364,994
Salaried - Investment Income	<u>(264,959)</u>
Total Investment Income	<u><u>330,549</u></u>
Per Callan Report:	
Investment Returns	<u><u>356,317</u></u>
Net Difference	<u><u>(25,768) **</u></u>

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

**Reconciliation between Callan Report
and
Consolidated Schedule of Cash Activities
For the Quarter Ended June 30, 2018**

	April	May	June	Total
Payments from/(to) the District				
Boston Partners - ATU	-	-	(32,419)	(32,419)
Boston Partners - Salaried	-	-	32,419	32,419
S&P 500 Index - ATU	-	-	(32,760)	(32,760)
S&P 500 Index - Salaried	-	-	32,760	32,760
Atlanta Capital - ATU	-	-	(397,138)	(397,138)
Atlanta Capital - IBEW	-	-	(78,423)	(78,423)
Atlanta Capital - Salaried	-	-	(88,456)	(88,456)
Pyrford - ATU	-	-	(19,667)	(19,667)
Pyrford - Salaried	-	-	19,667	19,667
EAFE - ATU	-	-	(8,480)	(8,480)
EAFE - Salaried	-	-	8,480	8,480
Brandes - ATU	-	-	(7)	(7)
Brandes - Salaried	-	-	7	7
AQR - ATU	(294,828)	-	(291,485)	(586,313)
AQR - IBEW	(40,348)	-	(75,033)	(115,381)
AQR - Salaried	15,542	-	(17,413)	(1,871)
DFA - ATU	-	-	(12,970)	(12,970)
DFA - Salaried	-	-	12,970	12,970
Metropolitan West - ATU	-	-	(72,656)	(72,656)
Metropolitan West - Salaried	-	-	72,656	72,656
Total Payments from/(to) the District	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Transfers In/(Out) of Investment Funds				
Atlanta Capital	-	-	(564,017)	(564,017)
AQR	(319,634)	-	(383,931)	(703,565)
Total Transfers In/(Out) of Investment Funds	<u>(319,634)</u>	<u>-</u>	<u>(947,948)</u>	<u>(1,267,582)</u>
Variance between Payments and Transfers	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Per Callan Report:				
Net New Investment/(Withdrawals)				<u>(1,267,582)</u>
Net Difference				<u>-</u>

**Consolidated Schedule of Cash Activities
For the 12-Months June 30, 2018**

	3Q17	4Q17	1Q18	2Q18	Total
Payments from/(to) the District					
Boston Partners - ATU	(656,620)	(711,871)	(2,810,287)	(32,419)	(4,211,197)
Boston Partners - IBEW	(155,075)	(46,224)	(987,443)	-	(1,188,742)
Boston Partners - Salaried	(207,896)	333,215	(1,461,943)	32,419	(1,304,205)
S&P 500 Index - ATU	(382,811)	(1,056,615)	(1,770,269)	(32,760)	(3,242,455)
S&P 500 Index - IBEW	(95,328)	(151,776)	(804,753)	-	(1,051,857)
S&P 500 Index - Salaried	(84,552)	213,560	(1,395,393)	32,760	(1,233,625)
Atlanta Capital - ATU	-	(220,607)	(1,844,745)	(397,138)	(2,462,490)
Atlanta Capital - IBEW	-	-	(788,042)	(78,423)	(866,465)
Atlanta Capital - Salaried	-	220,607	(1,435,641)	(88,456)	(1,303,490)
Pyrford - ATU	-	(244,192)	-	(19,667)	(263,859)
Pyrford - Salaried	-	244,192	-	19,667	263,859
EAFE - ATU	-	(100,683)	-	(8,480)	(109,163)
EAFE - Salaried	-	100,683	-	8,480	109,163
AQR - ATU	-	(133,244)	-	(586,313)	(719,557)
AQR - Salaried	-	133,244	-	(1,871)	131,373
DFA - ATU	-	(133,058)	-	(12,970)	(146,028)
DFA - Salaried	-	133,058	-	12,970	146,028
Metropolitan West - ATU	-	(796,599)	5,485,262	(72,656)	4,616,007
Metropolitan West - IBEW	-	-	2,418,623	-	2,418,623
Metropolitan West - Salaried	-	796,599	4,211,226	72,656	5,080,481
Total Payments from/(to) the District	<u>(1,582,282)</u>	<u>(1,419,711)</u>	<u>(1,183,405)</u>	<u>(1,267,582)</u>	<u>(5,452,980)</u>

Sacramento Regional Transit District
ATU, IBEW and Salaried Retirement Plans
Schedule of Fund Investment Returns and Expenses
06/30/18

			1 Year					3 Years		
	1 Year	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts	3 Years	%	Net of Fees Returns	Bench-Mark Returns	Favorable/ (Unfavor) Basis Pts
Boston Partners										
Investment Returns	4,843,437	100.00%				11,701,624	100.00%			
Investment Expenses	(252,641)	5.22%				(698,188)	5.97%			
Net Gain/(Loss)	4,590,796	94.78%	10.19%	6.77%	342.00	11,003,436	94.03%	8.55%	8.26%	29.00
S&P 500										
Investment Returns	6,261,376	100.00%				15,034,345	100.00%			
Investment Expenses	(23,754)	0.38%				(96,522)	0.64%			
Net Gain/(Loss)	6,237,622	99.62%	14.31%	14.37%	(6.00)	14,937,823	99.36%	11.93%	11.93%	0.00
Atlanta Capital										
Investment Returns	4,466,413	100.00%				8,965,986	100.00%			
Investment Expenses	(201,628)	4.51%				(558,523)	6.23%			
Net Gain/(Loss)	4,264,785	95.49%	17.57%	18.52%	(95.00)	8,407,463	93.77%	12.48%	10.96%	152.00
Pyrford										
Investment Returns	545,633	100.00%				188,657	100.00%			
Investment Expenses	(184,687)	33.85%				(199,405)	105.70%			
Net Gain/(Loss)	360,946	66.15%	1.43%	6.84%	(541.00)	(10,748)	-5.70%	N/A	N/A	N/A
EAFE										
Investment Returns	757,630	100.00%				644,724	100.00%			
Investment Expense	(11,333)	1.50%				(42,057)	6.52%			
Net Gain/(Loss)	746,297	98.50%	7.13%	6.84%	29.00	602,667	93.48%	5.17%	4.90%	27.00
Brandes										
Investment Returns	(40)	100.00%				(2,350)	100.00%			
Investment Expenses	-	0.00%				-	0.00%			
Net Gain/(Loss)	(40)	100.00%	N/A	N/A	N/A	(2,350)	100.00%	N/A	N/A	N/A
AQR										
Investment Returns	1,518,466	100.00%				3,124,336	100.00%			
Investment Expenses	(150,359)	9.90%				(258,819)	8.28%			
Net Gain/(Loss)	1,368,107	90.10%	10.93%	12.45%	(152.00)	2,865,517	91.72%	N/A	N/A	N/A
DFA										
Investment Returns	797,953	100.00%				2,517,572	100.00%			
Investment Expense	(84,141)	10.54%				(254,922)	10.13%			
Net Gain/(Loss)	713,812	89.46%	5.17%	8.20%	(303.00)	2,262,650		5.35%	5.60%	(25.00)
Metropolitan West										
Investment Returns	328,116	100.00%				5,272,821	100.00%			
Investment Expenses	(261,483)	79.69%				(740,636)	14.05%			
Net Gain/(Loss)	66,633	20.31%	0.13%	-0.40%	53.00	4,532,185	85.95%	1.77%	1.72%	5.00
Total Fund										
Investment Returns	19,518,984	100.00%				49,226,656	100.00%			
Investment Expenses	(1,170,026)	5.99%				(3,063,005)	6.22%			
Net Gain/(Loss)	18,348,958	94.01%	6.93%	7.90%	(97.00)	46,163,651	93.78%	6.05%	6.84%	(79.00)

Sacramento Regional Transit District
 Schedule of Transfers and Retirements
 For the Time Period: April 1, 2018 to June 30, 2018

Transfers:

Employee #	Transferred From Position	Transferred To Position	Transferred From	Plan Assets	
				Transferred From ATU	Plan Assets
2647	Clerk II	Administrative Assistant II	ATU	(85,181)	85,181
3322	LR Operator	Transportation Supervisor	ATU	(62,118)	62,118
3570	Clerk	Human Resources Analyst I	ATU	(17,229)	17,229
3575	Bus Operator	Transportation Supervisor	ATU	(27,547)	27,547
3800	CBS Operator	Transportation Supervisor	ATU	(10,969)	10,969
3898	Transit Agent	Network Ops Technician	ATU	(4,600)	4,600
Total				(207,644)	207,644

Retirements:

Employee #	Previous Position	Pension Group	Retirement Date
2239	Mechanic A Body/Fender	IBEW	04/01/2018
1640	Sr. Paralegal	MCEG	04/01/2018
356	Bus Operator	ATU	04/14/2018
3122	Director, Human Resources	MCEG	05/01/2018
2392	LR Operator	ATU	05/02/2018
2980	LR Operator	ATU	05/18/2018
2711	Transportation Supervisor	AFSCME	06/01/2018
2796	Bus Operator	ATU	06/12/2018

Deaths:

Employee #	Pension Group	Type	Date of Death
1064	ATU	Survivor Beneficiary	04/04/2018
3002	ATU	Life Alone	05/16/2018
71	ATU	50% Joint & Survivor	06/23/2018
2926	AEA	Survivor Beneficiary	06/27/2018

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
19	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

ISSUE

Adoption of the Regional Transit District (RT) Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

RECOMMENDED ACTION

Adopt Resolution No. 18-09-____, Adopting the Regional Transit District Retirement Boards 2019 Meeting Calendar.

FISCAL IMPACT

None, as a result of this action.

DISCUSSION

The RT Retirement Boards have Regular meetings quarterly to review the performance of investments in RT's retirement funds by its fund managers and related business. Special meetings typically are called for items which require time for more lengthy discussions.

The proposed dates for Quarterly Retirement Board Meetings for the 2019 calendar year are:

- Wednesday, March 13th
- Wednesday, June 12th
- Wednesday, September 11th
- Wednesday, December 11th

In anticipation of several large projects and decisions coming before the Retirement Boards in 2019, staff is also proposing several tentative Special Meeting dates. If necessary, these dates can be utilized for in-depth discussion of items that require attention in addition or prior to regularly-scheduled Quarterly Retirement Board Meetings.

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\IP Adopting 2019 Retirement Board Calendar - Issue Paper.doc

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
19	09/12/18	Open	Action	08/22/18

Subject: Adoption of the Regional Transit District Retirement Boards 2019 Meeting Calendar (ALL). (Weekly)

The proposed dates for tentative Special Meetings for the 2019 calendar year are:

- Wednesday, February 27th
- Wednesday, April 24th
- Wednesday, July 24th
- Wednesday, October 23rd

Staff recommends that the Board Members adopt a 9:00 a.m. start time for the 2019 meetings.

Staff recommends approval of the Regional Transit Retirement Boards 2019 Meeting Calendar, marked as Exhibit A.

2019 RETIREMENT BOARD CALENDAR

SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD
REGIONAL TRANSIT AUDITORIUM (ROOM 114) – 1400 29TH STREET
SACRAMENTO, CALIFORNIA

9:00 AM

Wednesday.....Regular Meeting.....March 13, 2019
Wednesday.....Regular Meeting.....June 12, 2019
Wednesday.....Regular Meeting.....September 11, 2019
Wednesday.....Regular Meeting.....December 11, 2019

Wednesday.....Special Meeting.....*February 27, 2019
Wednesday.....Special Meeting.....*April 24, 2019
Wednesday.....Special Meeting.....*July 24, 2019
Wednesday.....Special Meeting.....*October 23, 2019

**Special Meeting dates are tentative. If necessary, these dates can be utilized for items that require attention prior to the scheduled quarterly Board Meeting.*

RESOLUTION NO. 18-09-_____

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

September 12, 2018

**ADOPTING THE REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS 2019
MEETING CALENDAR**

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

THAT, the meeting schedule set out in attached Exhibit A for the meetings of the
Regional Transit District MCEG Retirement Board for calendar year 2019, is hereby
adopted.

Mark Lonergan, Chair

A T T E S T:

Roger Thorn, Secretary

By: _____
Valerie Weekly, Assistant Secretary

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
20	09/12/18	Retirement	Information	07/19/18

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

ISSUE

Presentation regarding the roles and responsibilities of various District staff members as well as updates on Staff costs and Legal Services related to administration of the Pension Plans (ALL).
(Weekly)

RECOMMENDED ACTION

None associated with this matter.

FISCAL IMPACT

None associated with this matter.

DISCUSSION

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

Attachment A – Pension Administration Staff Roles and Responsibilities

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

Attachment C – Summary of Legal Services Provided for the Quarter Ending June 30, 2018

Approved:

Presented:

Final 09/04/18

Treasury Controller

Pension & Retiree Services Administrator

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\Update on Roles and Responsibilities 7.19.18.doc

Pension Administration Staff Roles and Responsibilities

Plan Administration

Customer Relations:

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

Plan Documents:

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

Vendor Administration:

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

Retirement Board Administration:

Task	Primary Responsibility	Back Up Responsibility
Creation of Agenda/IPs	Staff Presenting Issue to Board	n/a
Creation and Distribution of Retirement Board Packages	PRSA	Treasury Controller
Management of Retirement Board Meetings	PRSA	Treasury Controller
Training of Staff/Board Members	PRSA and Treasury Controller	Staff/Vendor SME
New Retirement Board Member Training	PRSA and Treasury Controller	Staff/Vendor SME

Semi-Annual/Annual/Bi-Annual Administration:

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

Contract Administration:

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

Asset Management:

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

Pension Administration Costs
For the Time Period: April 1, 2018 to June 30, 2018

Sum of Value TranCurr				
WBS Element	Source object name	Period	Total	
SAXXXX.PENATU	Finance And Treasury / Adelman, Jamie	12	96.12	
	Finance And Treasury / Gardner, Leona	12	459.18	
	Finance And Treasury / Montung-Fuller, Mari		10	1,987.78
			11	1,987.79
			12	2,266.06
	Finance And Treasury / Weekly, Valerie		10	1,536.40
			11	921.84
			12	921.84
	Human Resources / Martinelli, Christin	12	81.05	
	Human Resources / Ung, Elaine	10	71.60	
	Legal / Sanchez, Olga		11	68.46
			12	102.69
	SAXXXX.PENATU Total			10,500.81
SAXXXX.PENIBEW	Finance And Treasury / Montung-Fuller, Mari	10	715.63	
		11	1,073.42	
		12	596.36	
	Finance And Treasury / Weekly, Valerie	10	1,267.53	
		11	537.74	
		12	845.02	
	Human Resources / Martinelli, Christin	12	81.05	
	Human Resources / Ung, Elaine	10	17.90	
	Legal / Sanchez, Olga	10	68.46	
	SAXXXX.PENIBEW Total			5,203.11
SAXXXX.PENSALA	Finance And Treasury / Adelman, Jamie	10	72.09	
		12	96.12	
	Finance And Treasury / Montung-Fuller, Mari	10	954.16	
		11	914.39	
		12	795.14	
	Finance And Treasury / Weekly, Valerie	10	1,574.81	
		11	537.74	
		12	652.97	
	Human Resources / Martinelli, Christin	12	81.05	
	Legal / Sanchez, Olga	10	34.23	
		11	68.46	
	12	34.23		
SAXXXX.PENSALA Total			5,815.39	
SAXXXX.PENSION	Board Support / Brooks, Cynthia	12	56.25	
	Finance And Treasury / Adelman, Jamie	10	2,186.73	
		11	3,484.35	
		12	2,523.15	
Finance And Treasury / Gardner, Leona	10	707.91		
	11	344.39		

SAXXXX.PENSION	Finance And Treasury / Gardner, Leona	12	727.05
	Finance And Treasury / Mata, Jennifer	10	1,517.71
		11	1,018.28
		12	969.16
	Finance And Treasury / Montung-Fuller, Mari	10	8,388.34
		11	8,507.60
		12	7,792.00
	Finance And Treasury / Weekly, Valerie	10	2,074.14
		11	1,920.50
		12	2,074.14
	Human Resources / Humphrey, Isis	10	518.54
		11	905.94
		12	2,667.49
	Human Resources / Martinelli, Christin	12	81.05
	VP, Finance/CFO / Bernegger, Brent	11	723.20
		12	723.20
SAXXXX.PENSION Total			49,911.12
Grand Total			71,430.43

**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 June 30, 2018.

1. Weekly client conference calls and internal conferences on pending matters, upcoming Board meetings and follow-up from prior Board meetings.
2. Preparation for and participation in Quarterly Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Assist with investment consultant services procurement, contract drafting, negotiation, compliance requirements and oversight.
4. Conduct procurement to retain expert for operational audit.
5. Review and comment on employee/beneficiary notices.
6. Provide counsel on issues including, but not limited to:
 - a. Pension Plan documents and updates;
 - b. Financial reporting;
 - c. Benefit eligibility determinations;
 - d. Calculation of benefits under various scenarios;
 - e. PEPRA compliance;
 - f. Fiduciary duties;
 - g. Domestic Relation Orders.

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
21	09/12/18	Retirement	Information	08/10/18

Subject: Investment Performance Review by Atlanta Capital for the ATU, IBEW, and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended June 30, 2018 (ALL). (Adelman)

ISSUE

Investment Performance Review by Atlanta Capital for the ATU, IBEW, and Salaried Retirement Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended June 30, 2018 (ALL). (Adelman)

RECOMMENDED ACTION

Information only.

FISCAL IMPACT

None.

DISCUSSION

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

Atlanta Capital is the Retirement Boards' Domestic Small Capitalization Equity fund manager. Atlanta Capital will be presenting performance results for the quarter ended June 30, 2018, shown in Attachment 1, and answering any questions.

Approved:

Presented:

Final 09/04/18

VP of Finance/CFO

Treasury Controller

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\FI IP's\09-12-18 Fund Manager Review - Atlanta Capital.docx

Sacramento Regional Transit District

High Quality Small Cap

Second Quarter 2018
Portfolio Review

September 12, 2018

1075 Peachtree Street NE | Suite 2100 | Atlanta | GA | 30309

Your Atlanta Capital Team

Michael Jaje, CFA
Investment Specialist & Principal
(404) 682-2498
michael.jaje@atlcap.com

Robert Allen, CFA
Senior Portfolio Administrator
(404) 682-2430
robert.allen@atlcap.com



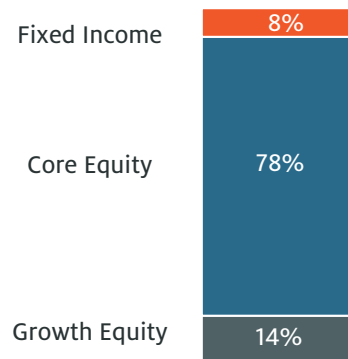
Atlanta Capital Management Co., LLC

As of June 30, 2018

- Founded in 1969 in Atlanta, Georgia
- Singular focus on High Quality stocks and bonds
- Owned by employees & Eaton Vance Corporation
- Employ 40 professionals (17 are equity partners)

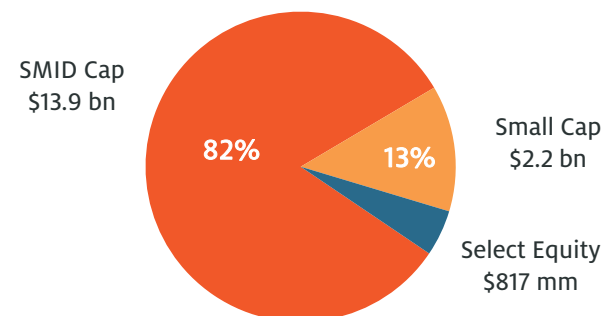
Investment Franchises

(\$21.7 Billion)



Core Equity Management

(\$17.0 Billion)



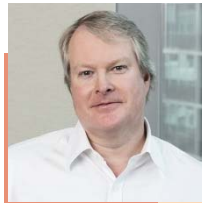
Seasoned & Stable Investment Team

A focused team that combines the benefit of conducting independent fundamental research with the ability to make timely investment decisions.

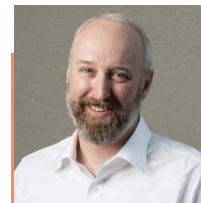
Portfolio Managers



Chip Reed, CFA
29 Yrs | 1998



Matt Hereford, CFA
23 Yrs | 2002



Bill Bell, CFA
23 Yrs | 1999

Investment Specialist



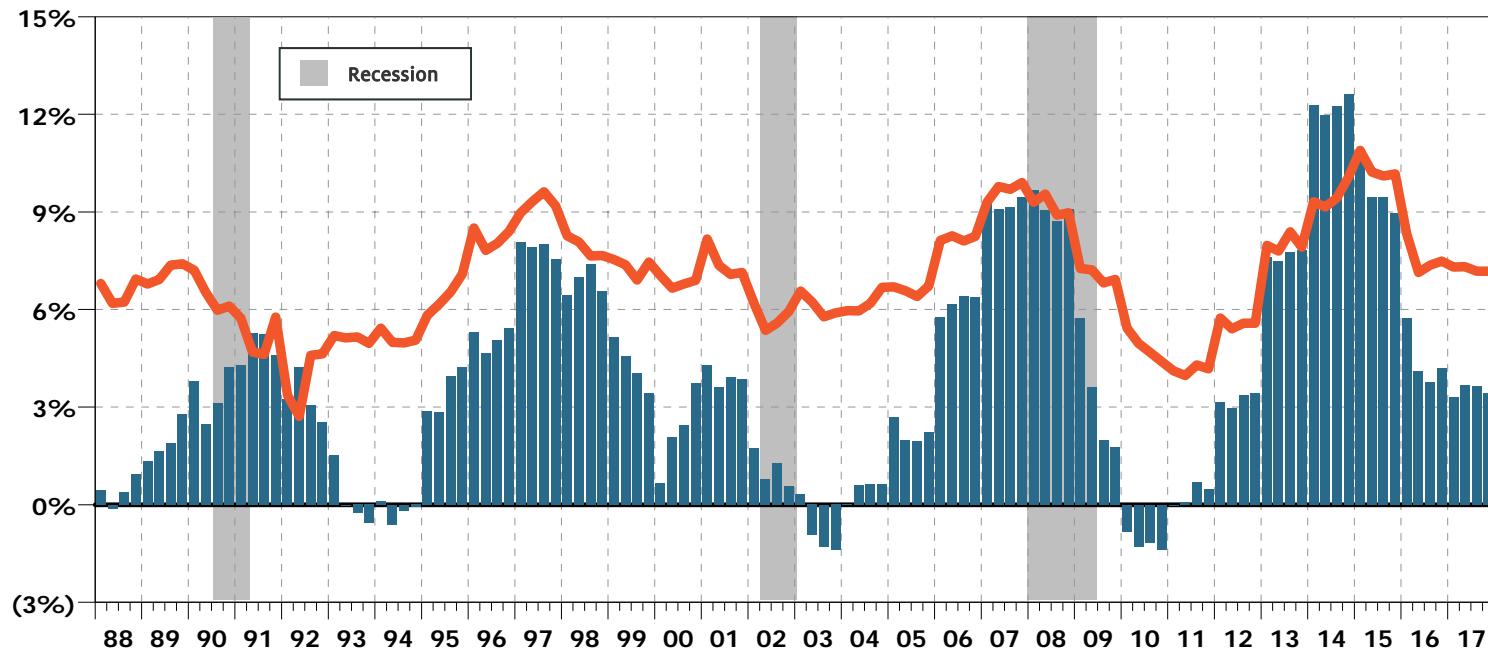
Michael Jaje, CFA
23 Yrs | 2014

- Portfolio managers are generalists and serve as both research analyst and portfolio manager
- Our team does not rely on a research staff to generate ideas or perform fundamental research
- Each portfolio manager conducts his own research while decisions are made on a consensus basis

Consistent Growth & Stability in Earnings

Key Tenet of Our Investment Philosophy

Five-Year Rolling CAGR of As Reported Earnings
Russell 2000® Index by Earnings Stability



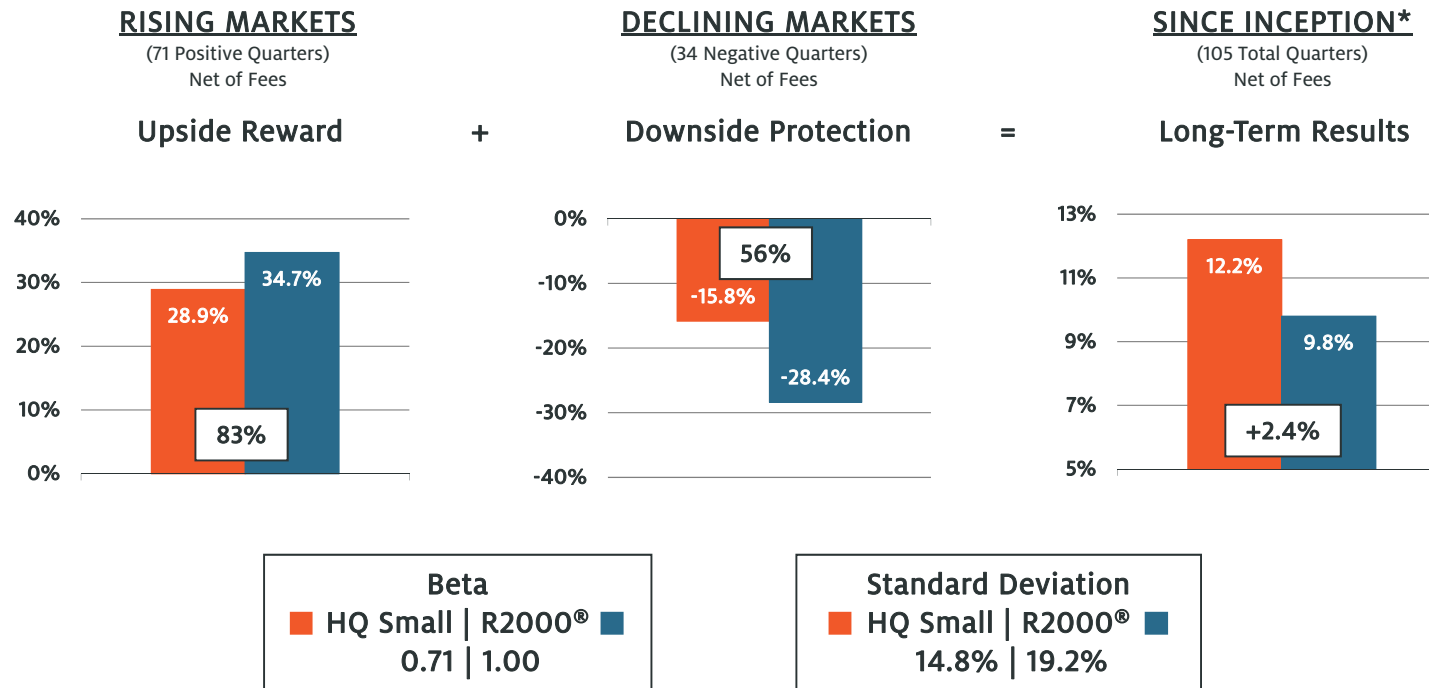
	<u>Earnings Stability</u>	<u>Avg. 5-Year CAGR</u>	<u>Earnings Variability</u>	<u># Positive Periods</u>	<u># Negative Periods</u>
■ Above-Average	6.9%	1.7%	120 or 100%	0 or 0%	
■ Below-Average	3.9%	3.4%	105 or 88%	15 or 12%	

*Time period: January 1, 1988 – December 31, 2017. The Earnings Stability portfolios are model portfolios formed and rebalanced monthly by Atlanta Capital based on the stocks in the Russell 2000® Index sorted by quality rankings. This information is provided for illustrative purposes only and does not reflect the results of any strategy managed by Atlanta Capital. The Above-Average Earnings Stability and Below-Average Earnings Stability portfolios are provided to compare the aggregate of all companies in the index with High Quality S&P Rankings (B+ or Better) to those with Low Quality S&P Rankings (B or Below). The universe includes all Russell 2000® Index constituents with S&P Quality Rankings and prices greater than \$1. Five-year historical earnings growth rates are calculated using a market capitalization-weighted methodology. The Russell 2000® Index is a widely-accepted measure of the U.S. small cap stock market. Indexes are unmanaged and it is not possible to directly invest in an index. The Above-Average Earnings Stability and Below-Average Earnings Stability portfolios were derived in part from the Russell Index Data and Frank Russell Company remains the source and owner of the Russell Index Data contained or reflected and all trademarks and copyrights. Sources: Russell, Standard & Poor's, Wilshire Atlas, Atlanta Capital. The material is based upon information that Russell, S&P, Wilshire and Atlanta Capital considers to be reliable, but neither Russell, S&P, Wilshire nor Atlanta Capital warrants its completeness, accuracy or adequacy and it should not be relied upon as such. The material should not be considered investment advice or a recommendation to invest in a particular strategy. Reproduction or redistribution of this page in any form without express permission from Atlanta Capital is prohibited. Above-average earnings stability does not guarantee outperformance. **Past performance does not predict future results.**

Small Cap Investment Objective

April 1, 1992 – June 30, 2018

Our objective is to participate in rising markets, protect capital during declining markets, and outperform over the long term...



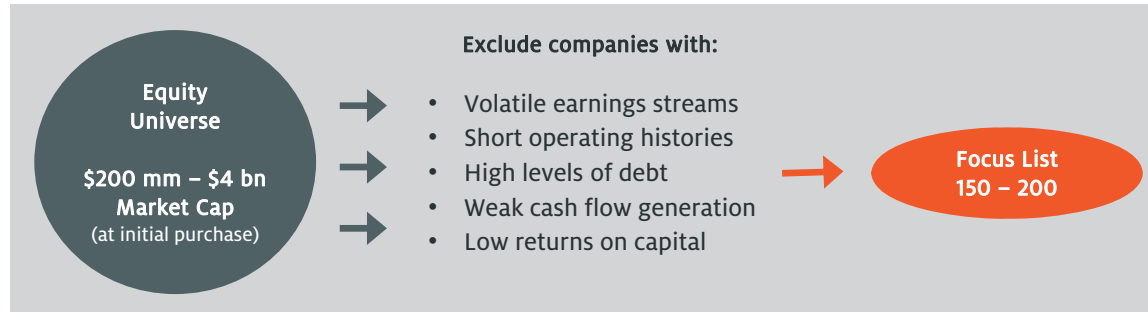
...without the volatility typically associated with small cap investing.

*Inception date of the High Quality Small Capitalization Composite is April 1, 1992. For illustrative purposes only. The charts above illustrate the average (annualized) return of the High Quality Small Capitalization Composite during both rising and declining markets since inception. Results for other time periods may differ from the long-term trend shown above. Rising markets are defined as quarters where the return of the Russell 2000® index was positive. Declining markets are defined as quarters where the return of the Russell 2000® index was negative. These positive and negative quarters are separated out from the intervening quarters, cumulated across the period, and annualized. Long-term investment returns include both rising and declining periods. Composite performance is shown in US dollars and reflects reinvestment of all income and capital gains. Composite performance is shown net of investment advisory fees using a maximum annual investment management fee of 0.80% applied monthly; client results will be reduced by custody fees and other client expenses. Performance during certain periods reflects strong stock market performance that is not typical and may not be repeated. Individual client returns will vary due to fees, client-imposed investment constraints and client inception date. Beta measures the historical sensitivity of portfolio excess returns to movements in the excess return of the market index. Standard Deviation is a measure of absolute volatility of returns. The Russell 2000® index is unmanaged and does not incur management fees or other expenses associated with managed accounts. It is not possible to directly invest in an index. This material is supplemental to the GIPS® presentation included at the end of this presentation. Please see the GIPS® composite presentation for important additional information and disclosure. Past performance does not predict or guarantee future results. Source: eVestment and Atlanta Capital.

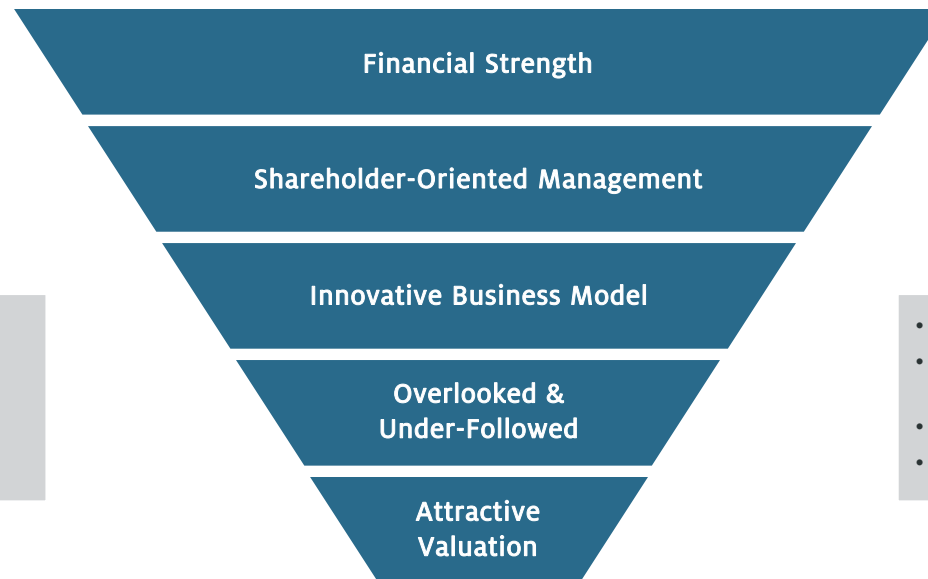
Disciplined Investment Process

High Quality Small Cap Equity

Step 1 Create a 'Focus List' of High Quality Companies



Step 2 Conduct 'Onsite' Fundamental Research



Step 3 Construct a Focused Yet Well-Diversified Portfolio

- Generally 60 – 70 holdings
- 5% max position sizes
- 30% absolute sector weights
- 10 – 15% turnover*
- Russell 2000® Index

Step 4 Monitor Holdings & Review Focus List

- Prudent profit taking
- Change in management or business strategy
- Deterioration of financial quality
- Excessive valuation

* 3-year average turnover based on a single representative client portfolio and subject to change; individual client results may vary.

Summary of Guidelines

Sacramento Regional Transit District

Objective

- The objective is to provide small capitalization exposure for the two commingled retirement plans.
- Achieve a net of fee return which exceeds the Russell 2000 Index over a minimum three year period
- Achieve a gross of fee return which places above the median manager in a comparative universe of small capitalization equity managers.

Guidelines

- No more than 5% (at cost) may be invested in a single issuer of the portfolio and/or no more than 5% of a company's total outstanding shares may be purchased.
- Tobacco Policy - Investments shall not be made in any security issued by a company in the Tobacco Sub-Industry as defined by the Global Industry Classification Standards (GICS).
- No more than 25% of the market value of the portfolio will be invested in any single industry.
- Unless specifically authorized, the manager must not engage in transactions with stock option derivatives, short sales, purchases on margin, letter stocks, private placements, or commodities
- The manager is permitted to effect transactions in Russell 2000 Index Futures for the purpose of obtaining low cost temporary market exposure.
- No more than 5% (at cost) of the portfolio may invest in American Depository Receipts (ADR's). The use of other non-U.S. equity securities is prohibited.
- Investments in real estate investment trusts (REIT's) is permitted.
- The cash holdings must not exceed 10% of the portfolio's market value.

Trading

- Best execution.

Proxy Voting

- The manager has sole responsibility for voting proxies of shares of companies in the portfolio.

Annualized Performance

As of June 30, 2018

Sacramento Regional Transit District

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs* (%)	5 Yrs* (%)	7 Yrs* (%)	Since Inception*	
							4/22/2010 (%)	4/30/2010 (%)
High Quality Small Cap (Gross)	7.14	9.65	19.57	13.38	14.75	14.32	15.18	15.44
High Quality Small Cap (Net)	6.93	9.22	18.63	12.49	13.84	13.42	N/A	14.54
Russell 2000® Index	7.75	7.66	17.57	10.96	12.46	11.83	11.84	12.21

Account Summary

Performance Inception Date:	April 22, 2010
Net Investment Contributions:	\$1,714,765
Investment Dollars Earned:	\$22,905,200
Market Value (06/30/18):	\$24,619,965

*Time periods greater than one year are annualized.

Performance reflects reinvestment of all income and capital gains (realized and unrealized).
Results are based on the accrual method of accounting as well as trade date valuation.
Returns are gross of fees unless otherwise noted.

Gross of fee returns do not reflect the deduction of management and custodial fees. Net of fee returns reflect the deduction of the management fee accrued on a monthly basis.
Returns are based on the total assets of the client's account, calculated on a daily basis, and geometrically linked to calculate returns for longer periods of time.
The unmanaged indexes shown for comparative purposes do not reflect the subtraction of any fees or transaction costs. It is not possible to directly invest in an index.
Past performance does not guarantee or predict future results.



Portfolio Transactions

Last 12 Months Ending June 30, 2018

Sacramento Regional Transit District
High Quality Small Cap

New Purchases

Sector

Second Quarter 2018

None

First Quarter 2018

Kinsale Capital Group (KNSL)

Financials

Fourth Quarter 2017

None

Third Quarter 2017

Investnet (ENV)
ePlus (PLUS)
Patterson Companies (PDCO)
Sensient Technologies Corp. (SXT)
Sonic Corp. (SONC)
South State Corporation (SSB)

Technology
Technology
Health Care
Materials
Discretionary
Financials

New Sales

Sector

Second Quarter 2018

None

First Quarter 2018

None

Fourth Quarter 2017

Advisory Board Company (ABCO)
Bio-Rad Laboratories CL A (BIO)
Graco (GGG)
HEICO Corporation CL A (HEI.A)
Knight-Swift Transportation CL A (KNX)

Health Care
Health Care
Industrials
Industrials
Industrials

Third Quarter 2017

Hibbett Sports (HIBB)

Discretionary

Portfolio Characteristics

As of June 30, 2018

Sacramento Regional Transit District
High Quality Small Cap

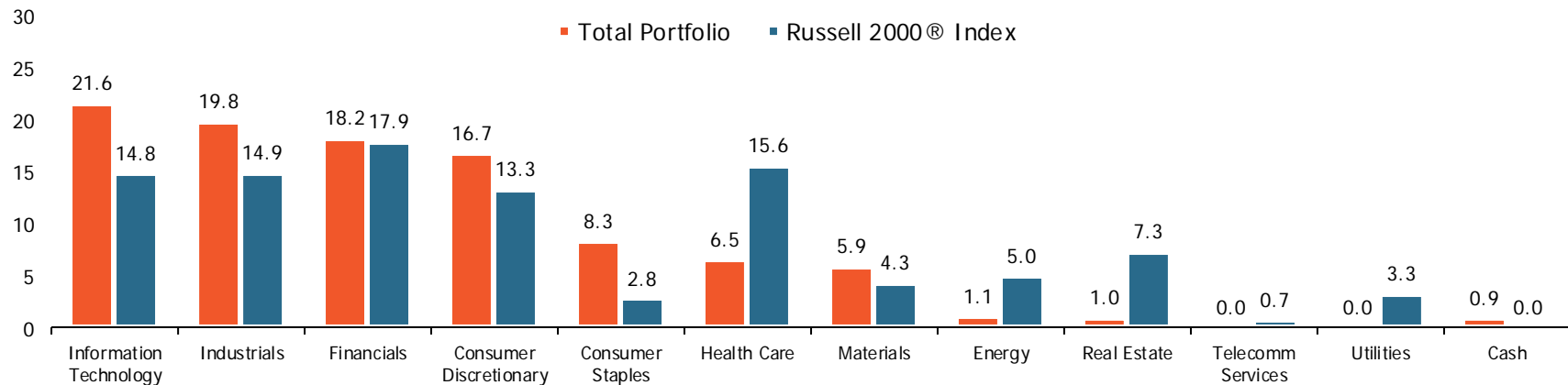
Top Ten Equity Holdings

	%
Manhattan Associates	3.6
CoreLogic	3.4
Exponent	3.3
Fair Isaac Corp.	3.3
Morningstar	3.2
AptarGroup	3.0
Blackbaud	3.0
Columbia Sportswear	2.9
Choice Hotels Int'l	2.6
Bio-Techne	2.4

Portfolio Metrics

Metrics	Russell 2000® Index	Total Portfolio
# of Holdings	2,021	57
Wtd. Avg. Mkt. Cap (billions)	\$2.2	\$3.6
Historical Earnings Growth	8%	7%
Forecasted Earnings Growth	14%	13%
Return on Equity	6%	17%
Price/Earnings (NTM)	16.6x	20.6x
Dividend Yield	1.3%	1.0%

Sector Exposure



Source: FactSet.

Current Portfolio Holdings

As of June 30, 2018

Sacramento Regional Transit District High Quality Small Cap

Sector	Ending Weight	
Consumer Discretionary	16.7%	13.4%
Bright Horizons (BFAM)	1.4%	
Choice Hotels Int'l (CHH)	2.6%	
Columbia Sportswear (COLM)	2.9%	
Dorman Products (DORM)	2.0%	
Monro (MNRO)	1.4%	
Pool Corp. (POOL)	2.2%	
Sally Beauty Hldgs. (SBH)	1.4%	
Sonic Corp. (SONC)	1.4%	
Wolverine World Wide (WWW)	1.2%	
Consumer Staples	8.3%	2.8%
Casey's General Stores (CASY)	2.3%	
Inter Parfums (IPAR)	2.4%	
J&J Snack Foods Corp. (JJSF)	1.9%	
Lancaster Colony Corp. (LANC)	1.6%	
Energy	1.1%	5.0%
Dril-Quip (DRQ)	1.1%	
Financials	18.2%	18.0%
Artisan Partners (APAM)	1.1%	
IBERIABANK Corp. (IBKC)	1.4%	
Kinsale Capital Group Inc. (KNSL)	1.0%	
Morningstar (MORN)	3.2%	
Navigators Group (NAVG)	1.7%	
Pinnacle Fin'l Partners (PNFP)	1.4%	
Prosperity Bancshares (PB)	1.6%	
RLI Corp. (RLI)	1.3%	
South State Corp. (SSB)	1.5%	
State Bank Financial (STBZ)	1.9%	
Umpqua Holdings Corp. (UMPQ)	1.2%	
Westamerica Bancorp. (WABC)	1.1%	

Health Care	6.5%	15.6%
Bio-Techne (TECH)	2.4%	
ICU Medical (ICUI)	1.7%	
Integra LifeSciences (IART)	1.8%	
Patterson Companies (PDCO)	0.7%	
Industrials	19.8%	14.9%
AAON (AAON)	1.0%	
Beacon Roofing Supply (BECN)	2.3%	
Exponent (EXPO)	3.3%	
Forward Air (FWRD)	2.0%	
Huron Consulting Group (HURN)	1.1%	
Kirby Corp. (KEX)	2.4%	
Landstar System (LSTR)	1.9%	
Moog (MOG.A)	1.8%	
Raven Industries (RAVN)	1.0%	
UniFirst Corp. (UNF)	1.9%	
US Ecology (ECOL)	1.1%	

High Quality Small Cap

Russell 2000® Index

Information Technology	21.6%	14.9%
Blackbaud (BLKB)	3.0%	
Cass Information Sys (CASS)	1.1%	
CoreLogic (CLGX)	3.4%	
Envestnet (ENV)	1.1%	
ePlus (PLUS)	1.3%	
Fair Isaac Corp. (FICO)	3.3%	
Manhattan Associates (MANH)	3.6%	
National Instruments (NATI)	1.2%	
Power Integrations (POWI)	1.3%	
ScanSource (SCSC)	0.9%	
WEX (WEX)	1.6%	
Materials	5.9%	4.3%
AptarGroup (ATR)	3.0%	
Balchem Corp. (BCPC)	1.1%	
Sensient Technologies Corp. (SXT)	1.0%	
Stepan Co. (SCL)	0.9%	
Real Estate	1.0%	7.3%
Universal Health Realty (UHT)	1.0%	
Telecommunication Services	0.0%	0.7%
Utilities	0.0%	3.3%
Cash	0.9%	0.0%

Source: FactSet.



Performance Drivers & Detractors

As of June 30, 2018

Sacramento Regional Transit District

	Last 3-Mos. Attribution (%)	Last 12-Mos. Attribution (%)
Total Portfolio vs. Russell 2000® Index	Sector Allocation	-1.0
	Stock Selection	0.4
	Excess Return	-0.6
Top Contributors to Relative Results	<ul style="list-style-type: none"> + Positive stock selection in Industrials, Technology, Financials, and Materials + Overweight in Consumer Staples and Consumer Discretionary 	<ul style="list-style-type: none"> + Positive stock selection in Industrials, Financials, Consumer Staples, and Discretionary + Underweight in Real Estate, and Utilities + Overweight Industrials and Technology
	<ul style="list-style-type: none"> - Negative stock selection in Consumer Discretionary, Staples, Health Care, Energy, and Real Estate - Underweight to Energy, Real Estate, and Health Care - Overweight Industrials 	<ul style="list-style-type: none"> - Negative stock selection in Health Care, Materials, Real Estate, and Energy. - Underweight in Health Care and Energy - Overweight in Consumer Staples

Stock Selection + Sector Allocation = Excess Return

Source: Factset

The above attribution results are based on each day's ending holdings, and linked to generate attribution over longer periods. Cash in the portfolio is included in the analysis. Portfolio returns do not reflect applicable expenses and trading costs, or variations in transaction prices from end of day values.

Investment Outlook & Strategy

As of June 30, 2018

High Quality Small Cap

Outlook

- Markets had a lot of news to digest during the quarter including tariffs, a presidential summit with North Korea, historically low unemployment rates, rising oil prices, a stronger dollar, and another fed funds rate hike.
- Small cap U.S. markets (represented by the Russell 2000[®] Index) increased +7.75% during the quarter.
- Market bulls continue to focus on good news like positive U.S. economic growth, accommodative interest rates, and fiscal stimulus while bears point to inflationary pressures, trade wars, and more restrictive interest rate policy.

Portfolio Positioning

- During the quarter, there were no new purchase or sales.
- At quarter end, the portfolio held 57 stocks representing nine of the eleven economic sectors in the Russell 2000[®].
- Relative to the benchmark, the portfolio was overweight Technology, Consumer Staples, Industrials, Consumer Discretionary, Materials, and Financials.
- The portfolio was underweight Health Care, Real Estate, and Energy. There were no positions in Utilities or Telecom Services.

GIPS® Performance Information and Disclosure

High Quality Small Capitalization Composite

As of June 30, 2018

Period	Composite Gross Return (%)	Composite Net Return (%)	Russell 2000® Return (%)	Composite 3-yr Std. Dev. (%)	Russell 2000® 3-yr Std. Dev. (%)	Number of Portfolios	Internal Dispersion (%)	Composite Assets (\$mil)	Firm Assets (\$mil)
2018 ¹	9.08	8.65	7.66	10.23	13.86	47	0.29	1,574	21,698
2017	14.77	13.87	14.65	10.95	13.91	49	0.21	1,551	20,606
2016	19.00	18.07	21.31	12.69	15.76	53	0.19	1,544	17,646
2015	5.12	4.29	-4.41	12.68	13.96	54	0.16	1,259	16,054
2014	3.60	2.78	4.89	10.52	13.12	56	0.24	1,235	16,707
2013	42.34	41.24	38.82	12.80	16.45	57	0.51	1,294	18,082
2012	12.24	11.36	16.35	16.63	20.20	60	0.22	996	14,235
2011	10.31	9.44	-4.18	21.88	24.99	60	0.25	1,023	11,964
2010	25.98	24.99	26.86	24.41	27.69	49	0.19	737	9,845
2009	27.17	26.18	27.17	21.69	24.83	36	0.34	639	7,748
2008	-19.41	-20.06	-33.79	16.62	19.85	38	0.34	494	6,199

¹Period 01/01/2018 through 06/30/2018. Past performance does not predict or guarantee future results.

Atlanta Capital Management Company, LLC claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS Standards. Atlanta Capital Management has been independently verified for the periods January 1, 1999 through December 31, 2017.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The High Quality Small Capitalization Composite has been examined for the periods January 1, 1999 through December 31, 2017. The verification and performance examination reports are available upon request.

Firm Definition: Atlanta Capital Management Company, LLC (Atlanta Capital or the Firm) is an SEC-registered investment adviser located in Atlanta, Georgia. The Firm became a majority-owned subsidiary of Eaton Vance Corp. in 2001. Atlanta Capital operates as an independent subsidiary of Eaton Vance and provides professional investment advisory services to a broad range of institutional and individual clients, and sub-advisory investment management to mutual funds and separately managed sub-advisory account programs. Atlanta Capital includes all discretionary accounts under management in its composites; total firm assets include discretionary and nondiscretionary accounts for which the firm has investment responsibility.

Composite Description: The investment objective of this style is to seek long-term capital growth. Accounts in this composite invest in common stocks of companies having market capitalizations within the range of companies comprising the Russell 2000®. Management seeks to invest in quality companies in strong financial condition whose equities are priced below their estimate of fair value. Characteristics of high quality companies include a history of sustained growth in earnings and operating cash flow, high returns on capital, attractive profit margins and leading industry positions. Investments are determined based primarily on fundamental analysis of a company's financial trends, products and services, and other factors. Financial quality rankings provided by nationally-recognized rating services may be utilized as part of the investment analysis but are not solely relied upon. The portfolios are broadly diversified. All fully discretionary accounts that are managed in this style and do not pay a bundled or SMA wrap fee are eligible for inclusion in the composite.

Benchmark: The composite's benchmark is the Russell 2000® Index, a widely accepted measure of the small-cap segment of the U.S. equity universe. The index includes the smallest 2000 companies in the Russell 3000®. Prior to July 1, 2005, the composite was also compared to the Russell 2000® Value Index as the portfolio construction process produced both core and value characteristics. Our high quality investment philosophy tends to be defensive in nature and does consider valuation metrics, but it is more consistent with the philosophy and process of a core manager than a value manager. As of July 1, 2015, to clarify our process for potential clients, we determined that it was most appropriate to benchmark our performance results against the Russell 2000® Index only. The investment process for this strategy is not limited by the relative weights of a benchmark. Strategy deviations from the benchmark may include but are not limited to such factors as active management, exclusion/inclusion of securities held/not held in the index, over/underweighting specific sectors or securities, limitations in market cap, and/or client constraints. Indexes include the reinvestment of dividends and earnings, are unmanaged, and do not incur management fees, transaction costs or other expenses associated with separately managed accounts. It is not possible to directly invest in an index.



Gross and Net Returns: Performance reflects reinvestment of all income and capital gains. Composite returns and market values are reported in U.S. dollars. Gross-of-fees performance returns are presented before management and custodial fees but after all trading expenses. Returns are presented net of withholding taxes. Net-of-fees performance returns are calculated by deducting the highest management fee of 0.80% from the monthly gross-of-fees returns. Other expenses will reduce a client's returns. The annual fee schedule for this composite is as follows: 0.80% on the first \$50 million in assets; 0.70% on the next \$50 million in assets; 0.60% on the next \$150 million. Actual management fees incurred by clients may vary.

Composite Dispersion: The annual internal composite dispersion is calculated using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the entire year. Internal dispersion is shown only for composites that held at least six accounts for the entire year. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

Notes to Composite: The creation date of this composite is July 1992. Effective July 1, 2010, the composite was redefined to include both taxable and tax-exempt institutional accounts. The composite up to that time included only tax-exempt institutional accounts. The change provides increased transparency to prospective clients by reducing the number of separate composites maintained for this strategy. There has been no change in investment objective or management style. Clients or prospective clients should not assume that they will have an investment experience similar to that indicated by past performance results, as shown on the Schedule. Returns may vary based upon differences in account size, timing of transactions and market conditions at the time of investment. Performance during certain time periods reflects the strong stock market performance and/or the strong performance of stocks held during those periods. This performance is not typical and may not be repeated. Investing entails risks and there is always the possibility of loss.

Other Matters: The Firm's list of composite descriptions and policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. To request any additional information, please contact the Atlanta Capital Management Performance Department at 404-876-9411 or write to Atlanta Capital Management Company, LLC, 1075 Peachtree Street NE, Suite 2100, Atlanta, Georgia 30309, Attention Performance Department. **Past performance does not predict future results.**

Atlanta Capital High Quality Small Capitalization Composite	Annualized Returns (%) for Periods Ending June 30, 2018						Cumulative (%)	
	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception*	Since Inception*	
Composite Gross of Fees	18.87	13.09	14.64	14.31	14.77	13.07	2413.72	
Composite Net of Fees	17.94	12.20	13.74	13.41	13.87	12.17	1939.67	
Russell 2000® Index	17.57	10.96	12.46	11.83	10.60	9.78	1058.44	

*Inception date is April 1, 1992.
E7.07.11.18

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
22	09/12/18	Retirement	Information	08/10/18

Subject: Investment Performance Review by Boston Partners for the ATU/IBEW and Salaried Retirement Funds for the Domestic Large Cap Equity Class for the Quarter Ended June 30, 2018 (ALL). (Adelman)

ISSUE

Investment Performance Review by Boston Partners for the ATU/IBEW and Salaried Retirement Funds for the Domestic Large Cap Equity Class for the Quarter Ended June 30, 2018 (ALL). (Adelman)

RECOMMENDED ACTION

Information only.

FISCAL IMPACT

None.

DISCUSSION

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

Boston Partners is one of the Retirement Boards' Domestic Large Capitalization Equity fund managers. Boston Partners will be presenting performance results for the quarter ended June 30, 2018, shown in Attachment 1, and answering any questions.

Approved:

Presented:

Final 09/04/18

VP of Finance/CFO

Treasury Controller

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\FI IP's\09-12-18 Fund Manager Review - Boston Partners.docx



September 12, 2018

Boston Partners Large Cap Value Equity

Prepared for Sacramento Regional Transit District



Carolyn M. Margiotti, CFA
Portfolio Research or
Relationship Manager
cmargiotti@boston-partners.com
+1 (415) 464-2882



Who We Are

A Focused Investment Organization

- Founded in 1995
- One philosophy and investment process that pre-dates our founding and has been in place for 30 years
- All established disciplines have outperformed their benchmark since inception²
- 152 employees: Boston, New York, California, and London



\$96.7 Billion Assets Under Management¹

¹ Data as of June 30, 2018.

Assets Under Management include: Boston Partners (\$94.9 B); WPG Partners (\$1.7 B); and Redwood (\$0.1 B).

² Boston Partners' established disciplines are defined as the disciplines that started the year the firm was founded (1995): Large Cap Value Equity; Premium Equity; Mid Cap Value Equity; and Small Cap Value Equity.

Organizational information can be found in the appendix.

Portfolio Management and Portfolio Research

Mark Donovan, CFA
Large Cap Value Equity
37 years experience

David Pyle, CFA
Large Cap Value Equity
23 years experience

Martin MacDonnell, CFA
130/30 Large Cap Value
27 years experience

Duilio Ramallo, CFA
Premium Equity
23 years experience

Steven Pollack, CFA
Mid Cap Value
34 years experience

David Dabora, CFA
Small/SMID Value
31 years experience

George Gumpert, CFA
Small/SMID Value
19 years experience

Robert Jones, CFA
Long/Short Equity
30 years experience

Christopher Hart, CFA
Global, International, Global
Long/Short
27 years experience

Joshua Jones, CFA
Global, International, Global
Long/Short
14 years experience

Paul Korngiebel, CFA
Emerging Markets,
Emerging Markets Long/Short
18 years experience

Joseph Feeney, Jr., CFA
Chief Investment Officer
Long/Short Research
33 years experience

John Forelli, CFA
Director of Portfolio Research
34 years experience

Carolyn Margiotti, CFA
Portfolio Research
24 years experience

Michael McCune, CFA
Portfolio Research
24 years experience

Brandon Smith, CFA, CAIA
Portfolio Research
12 years experience

Christopher Eagan
Global Markets Analyst
33 years experience

Michael Mullaney
Director of Global Markets Research
37 years experience

Harry Rosenbluth, CFA
Senior Advisor
37 years experience

Fundamental and Quantitative Research

Todd Knightly
Director of Fundamental Research

Brian Boyden, CFA
Property REITs, Utilities

Scott Burgess, CFA
Technology, Electronics

Lawrence Chan, CFA
Internet Services, Payment
Services, Recreational Products

Charles Clapp
Global Generalist

David Cohen, CFA
Energy, Engineering &
Construction, Metals & Mining

Tim Collard
Aerospace & Defense,
Transportation, Housing & Autos

Paul Donovan, CFA
Paper & Packaging, Cable &
Telecom, Gaming & Lodging,
Chemicals

Kevin Duggan, CFA
Banks, Money Center

Trevor Frankel, CFA
Global Generalist

Volkan Gulen, CFA
Consumer Products, Business
Services, Tobacco, Agriculture,
Media & Advertising

Andrew Hatem, CFA
Healthcare Therapeutics

David Hinton, CFA
Small Cap Generalist

Tim Horan
Industrials & Manufacturing,
Home & Office Furnishings

Ross Klein, CFA
Long/Short Generalist

Stephanie McGirr
Health Care Services, Insurance,
Restaurants, Retail

Edward Odre, CFA
Financial Services,
Life Insurance

Patrick Regan, CFA
Long/Short Generalist

Joshua White, CFA
Global Generalist

Bruce Wimberly
Long/Short Generalist

Eric Connerly, CFA
Director of Quantitative
Research

Jason Bartlett, CFA
Quantitative Strategies

Pete Cady
Quantitative Strategies

Leo Fochtman
Quantitative Strategies

Rubina Moin
Quantitative Strategies

Maggy Pietropaolo, CFA
Quantitative Strategies

Joseph Urick
Quantitative Strategies

Carissa Wong, CFA
Quantitative Strategies

Trading

Mark Kuzminskas
Director of Equity Trading

Christopher Bowker
Senior Equity Trader

Thomas Walsh
Senior Equity Trader

Matthew Ender
Equity Trader

Ian Sylvetsky
Equity Trader

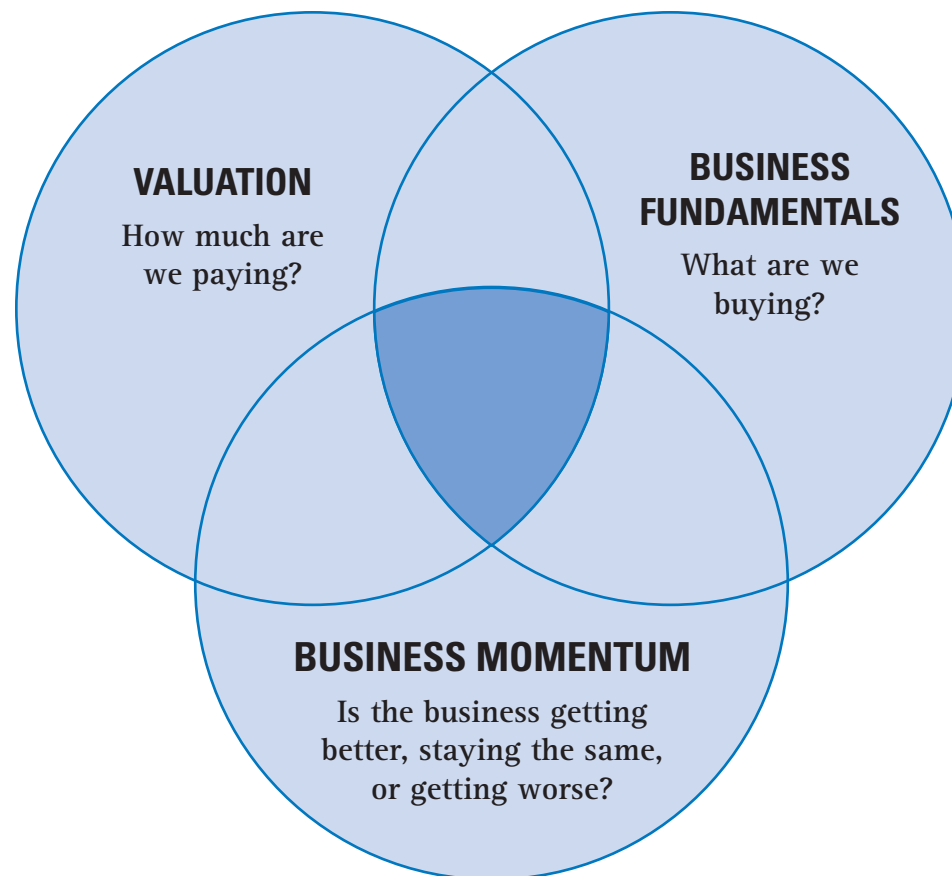
Christopher Spaziani
Equity Trading Assistant

We buy stocks that exhibit:

- Attractive value characteristics
and,
- Strong business fundamentals
and,
- Catalyst for change

We sell stocks based on:

- Valuation: Appreciation to price target
or
- Weakening business fundamentals
or
- Reversal of momentum



Portfolios with all three characteristics tend to outperform over time

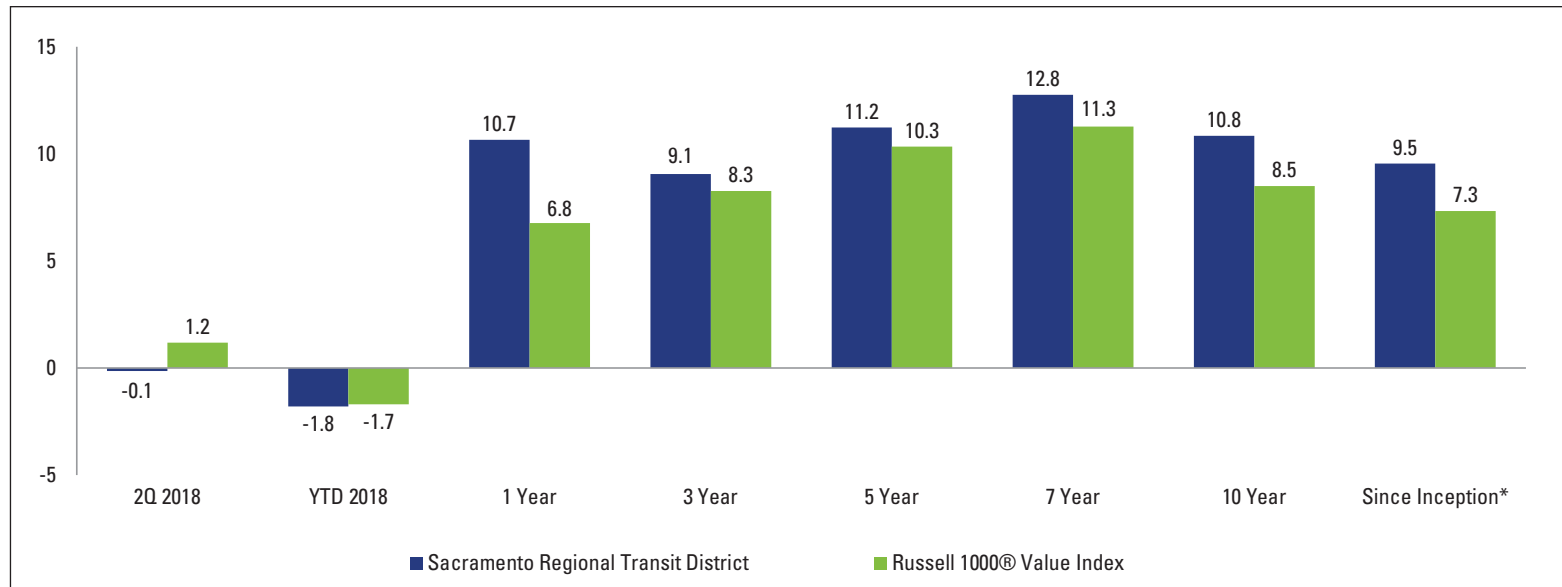
Sacramento Regional Transit District

Statement of Changes: Since Inception through June 30, 2018

Beginning Assets (6/29/05)	\$26.0 M
Contributions	\$6.4 M
Withdrawals	(\$34.1 M)
Capital Appreciation	\$45.7 M
Ending Assets (6/30/18)	\$44.0 M

Sacramento Regional Transit District

Investment Performance through June 30, 2018



Annualized Performance (%)								
	2Q 2018	YTD 2018	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception*
Sacramento Regional Transit District	-0.1	-1.8	10.7	9.1	11.2	12.8	10.8	9.5
Russell 1000® Value Index	1.2	-1.7	6.8	8.3	10.3	11.3	8.5	7.3
Relative Performance	-1.3	-0.1	3.9	0.8	0.9	1.5	2.3	2.2

* Inception date is July 1, 2005.

Performance returns are gross of fees. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Boston Partners Market Observations

As of June 30, 2018

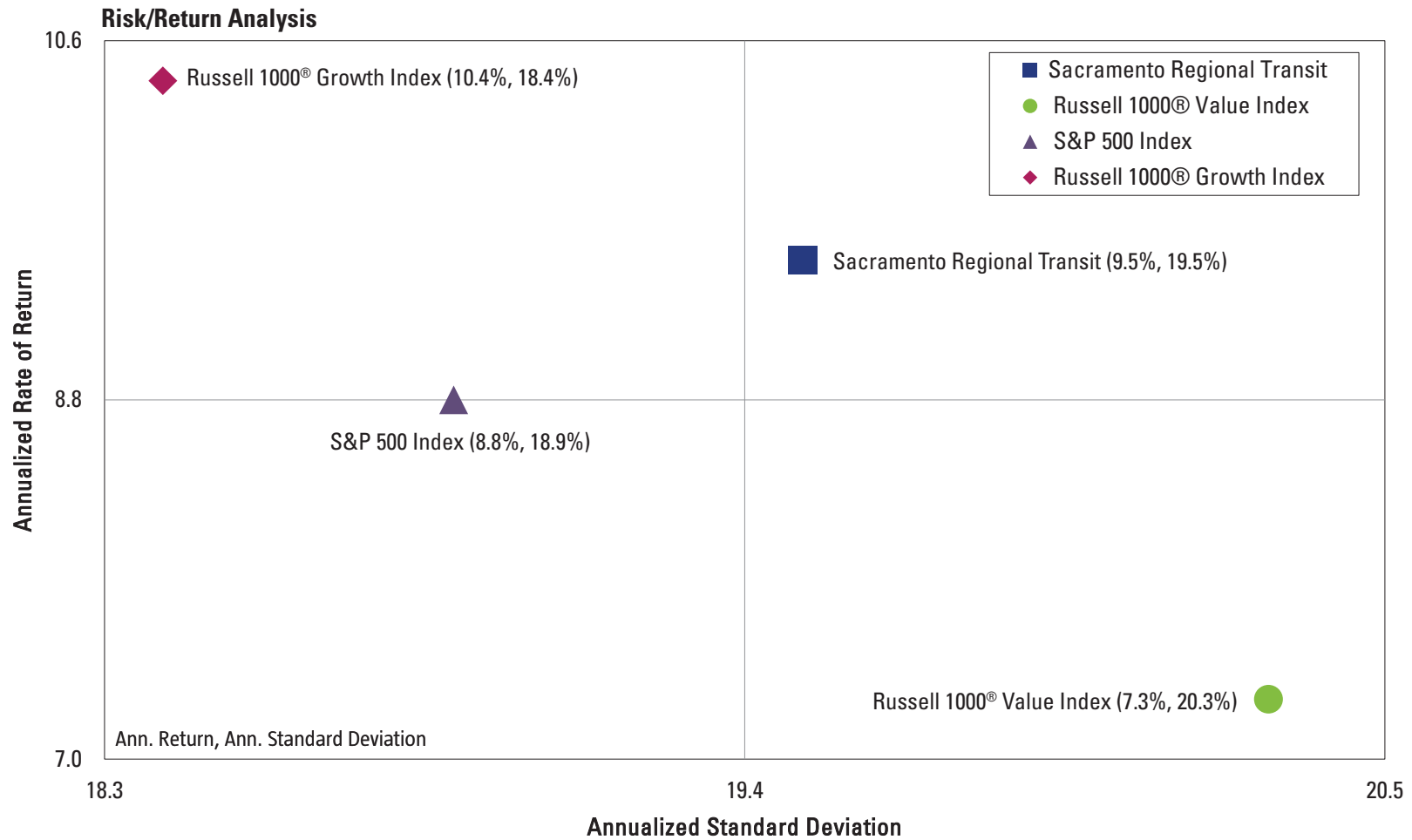
- The U.S Equity markets experienced a sharp reversal during the quarter as pro-cyclical sectors continued their leadership in the first half of the quarter while defensives led in the second half
 - REITs, Utilities and Communications assumed leadership from late May onwards after negative returns in the first part of the quarter
 - Capital Goods, Finance and Basic Industries lagged in last part of the quarter
- Investors are losing confidence in future economic growth despite very strong current data due to:
 - Trade War concerns
 - Flattening yield curve and potential for the Fed tightening too much
 - “Peak” economic conditions and accelerating inflation
 - Mid-term elections and European political issues
- We continue to see accelerating economic growth in the U.S. and most regions abroad
 - U.S. Economic activity remains very strong
 - Current wage inflation and yield curve are far away from historical recession signals
 - Benefits from tax reform far outweigh the potential drag from increased tariffs
 - S&P 500 earnings growth expected to exceed 20% this year
- Value equity valuations have returned to “a good deal” as earnings have accelerated and value returns have stagnated year to date
 - Russell 3000® Value Index trades at a reasonable 14.6x expected 2018 earnings compared to 21.4x for the Russell 3000® Growth Index
 - U.S. equity market continues to be more attractive than U.S. fixed income market

The U.S. Equity markets refers to the S&P 500 Index.

Discussions of securities returns and trends are not intended to be a forecast of future events or returns. The specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that investments in these sectors or securities were or will be profitable. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Sacramento Regional Transit District

Attractive Risk Adjusted Performance: Since Inception* as of June 30, 2018

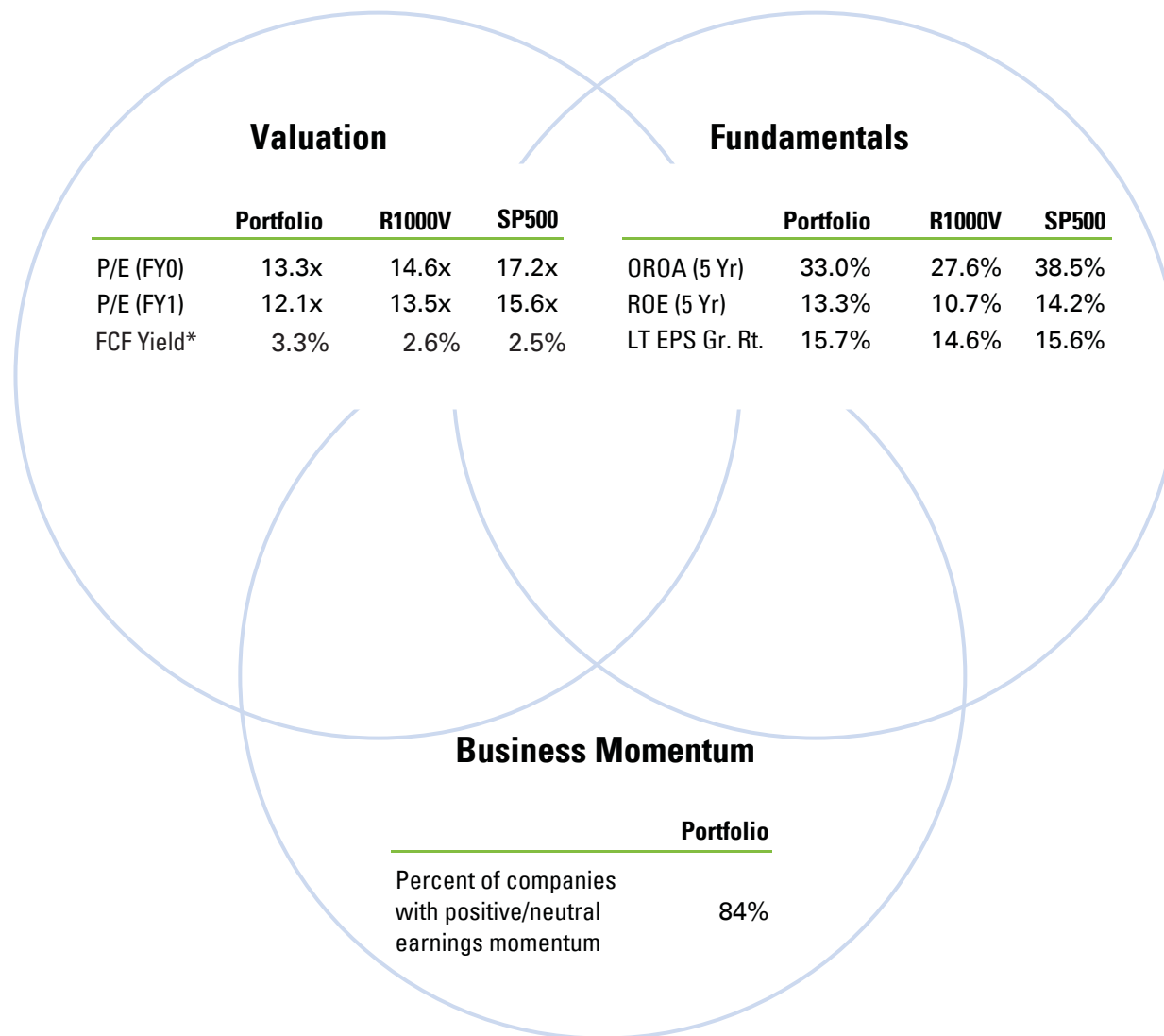
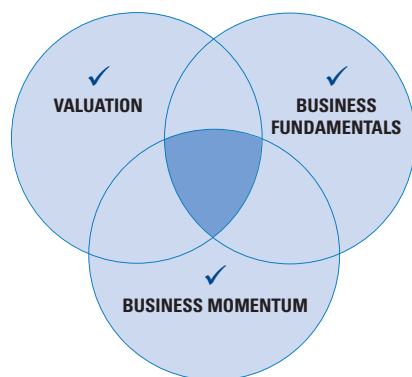


* Inception data is July 1, 2005.

Returns are gross of fees and calculated on a monthly basis. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

"Three Circles"

An attractive valuation, strong business fundamentals, and positive business momentum. Portfolios with all three characteristics tend to outperform over time.



* FCF Yield is reported as median excluding financials.

Portfolio characteristics are subject to change. Please refer to the last appendix for other important disclosures.

Sacramento Regional Transit District

Portfolio Characteristics: June 30, 2018

Largest Stock Holdings (%)

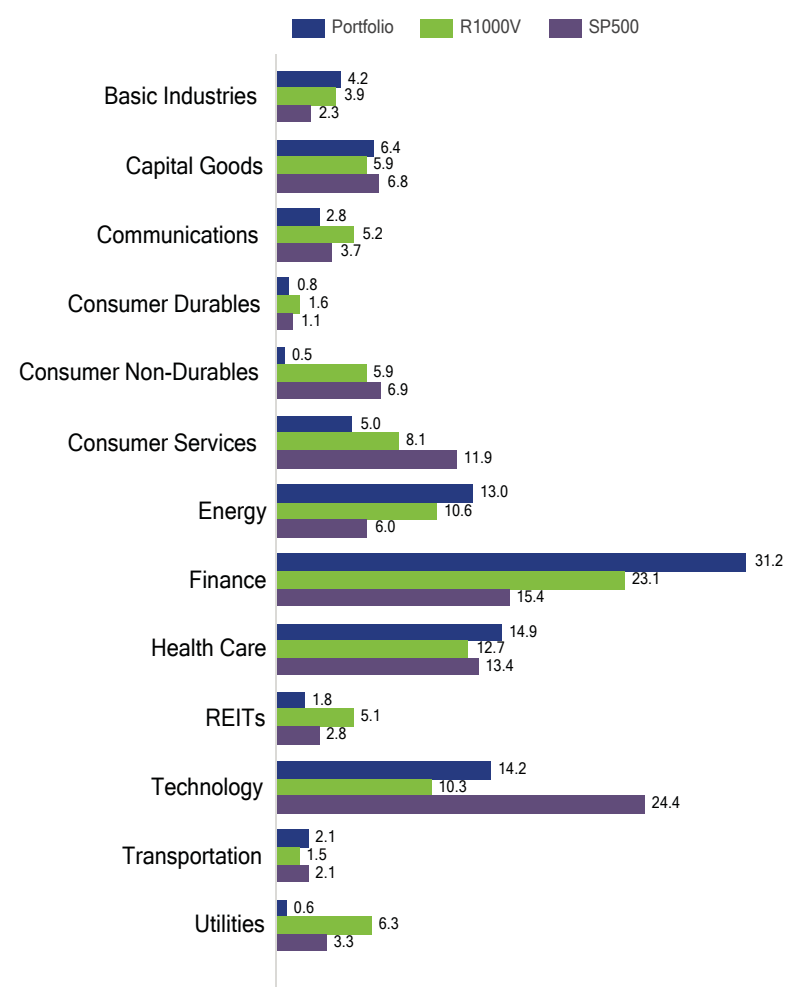
Bank of America Corp	4.3
Berkshire Hathaway Inc Cl B	4.1
Johnson & Johnson	4.0
JPMorgan Chase & Co	3.8
Citigroup Inc	3.7
Cisco Systems Inc	3.3
Wells Fargo & Co	3.2
Chevron Corp	3.0
Pfizer Inc	2.6
Oracle Corp	2.0
Total	34.0

Market Capitalization

Weighted Average

Sacramento Regional Transit	\$134.9 B
Russell 1000® Value Index	\$110.7 B
S&P 500 Index	\$198.9 B

Sector Weightings (%)



The specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that investments in these sectors or securities were or will be profitable. Please refer to the last appendix for other important disclosures.

Boston Partners Large Cap Value Equity

Largest Active Positions: June 30, 2018

What We Own

Stock	LCV % Portfolio	Russell 1000® Value Index % Benchmark	Active Weight Percentage
Citigroup Inc.	3.6	1.3	2.3
Bank of America Corporation	4.3	2.1	2.2
Royal Dutch Shell Plc	2.2	0.0	2.2
TE Connectivity Ltd.	1.8	0.0	1.8
Cisco Systems, Inc.	3.3	1.6	1.7
Andeavor Corporation	1.8	0.1	1.7
Johnson & Johnson	3.7	2.1	1.6
NetApp, Inc.	1.5	0.0	1.5
Berkshire Hathaway Inc.	3.9	2.4	1.5
Wells Fargo & Company	3.2	1.9	1.3
Total	29.3%	11.5%	17.8%

What We Do Not Own

Stock	Russell 1000® Value Index % Benchmark
Exxon Mobil Corporation	2.7
AT&T Inc.	1.8
Intel Corporation	1.8
The Procter & Gamble Company	1.5
DowDuPont Inc.	1.2
Philip Morris International Inc.	1.0
Wal-Mart Stores Inc.	0.9
General Electric Company	0.9
Medtronic, Inc.	0.9
Abbott Laboratories	0.8
Total	13.5%

**Portfolio Active Share %
Versus:**

Russell 1000® Value
Index

69%

S&P 500
Index

77%

Source: Boston Partners Quantitative Research Group.

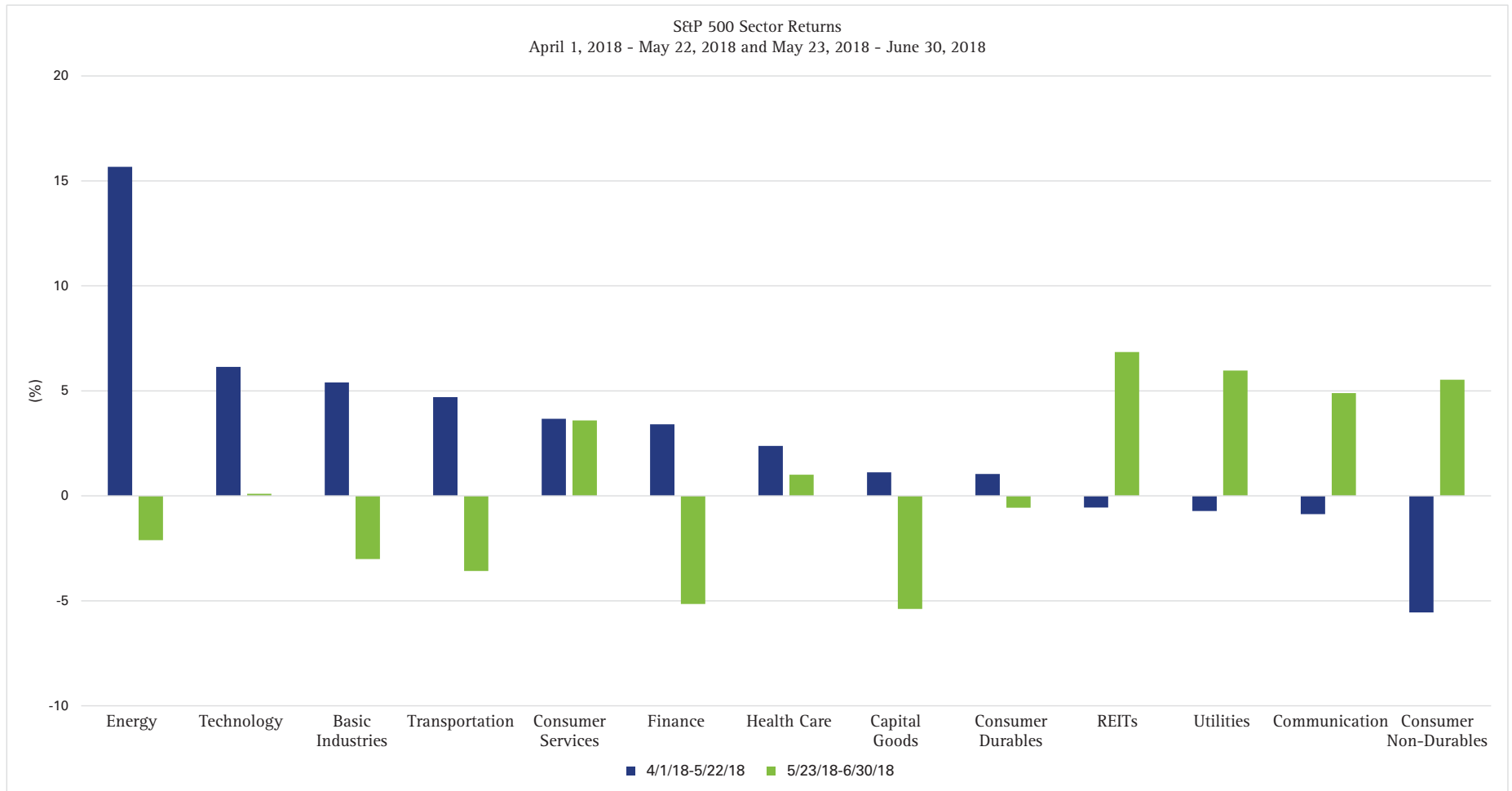
Active weight is the absolute value of the portfolio's weight as compared to the Index's weight for a given stock. The stocks listed as not held reflect the largest holdings in the Russell 1000® Value Index not held by the portfolio. Portfolio holdings are based upon a representative account in the composite and are subject to change. Individual portfolio characteristics may vary. The specific securities identified and described do not represent all of the securities purchased, sold or recommended for advisory clients. It should not be assumed that investments in these sectors or securities were or will be profitable. This information is supplemental to the GIPS® compliant presentation herein. Please refer to the last appendix for other important disclosures.



Boston Partners

Appendix

Market Reversal: Pro-cyclical Sectors Lead in First Half of the Quarter While Defensives Assume Leadership After Tariff Rhetoric Picks Up



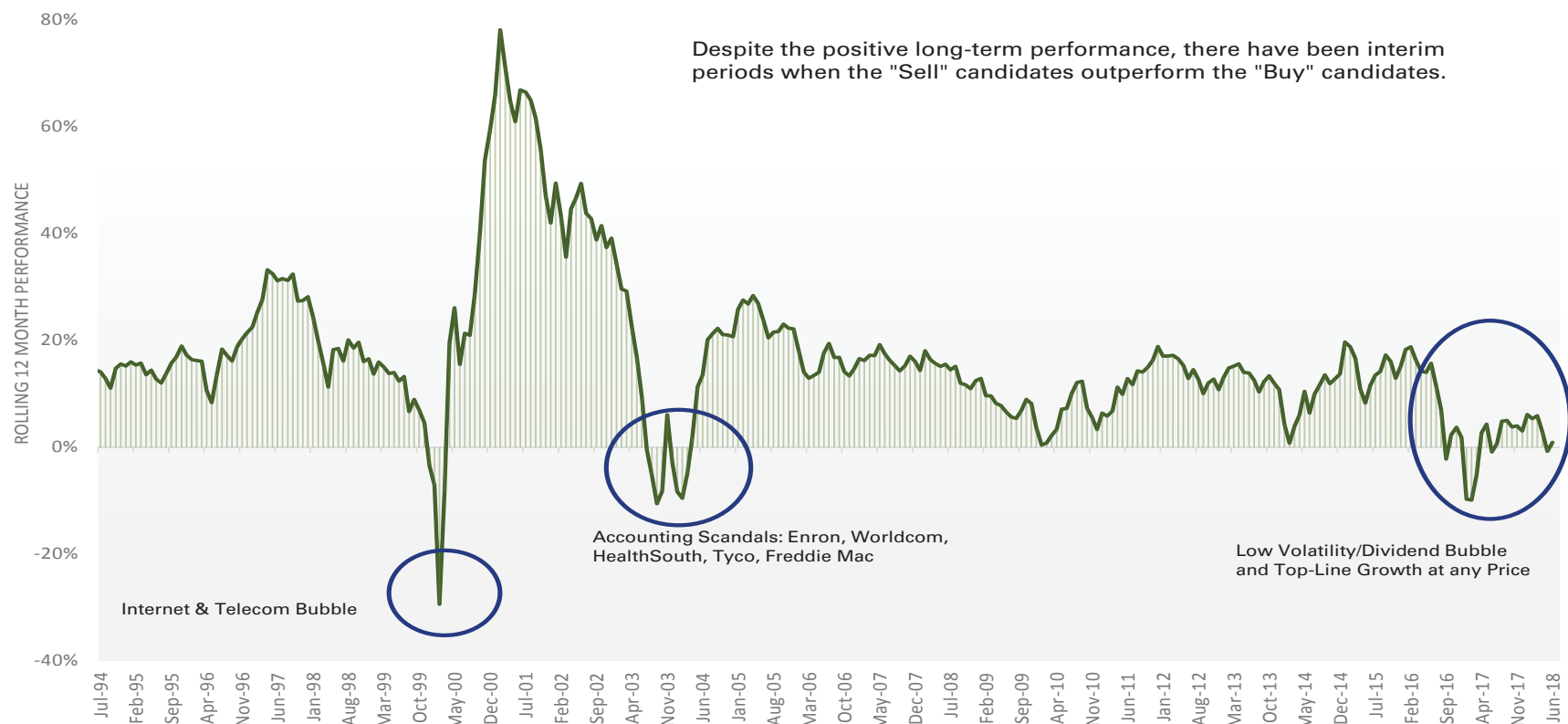
Source: Boston Partners.

Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Boston Partners U.S. All Cap Stock Selection Model

Rolling 12-Month Top Ranking less Worst Ranking Stock Performance

July 1993 through June 30, 2018



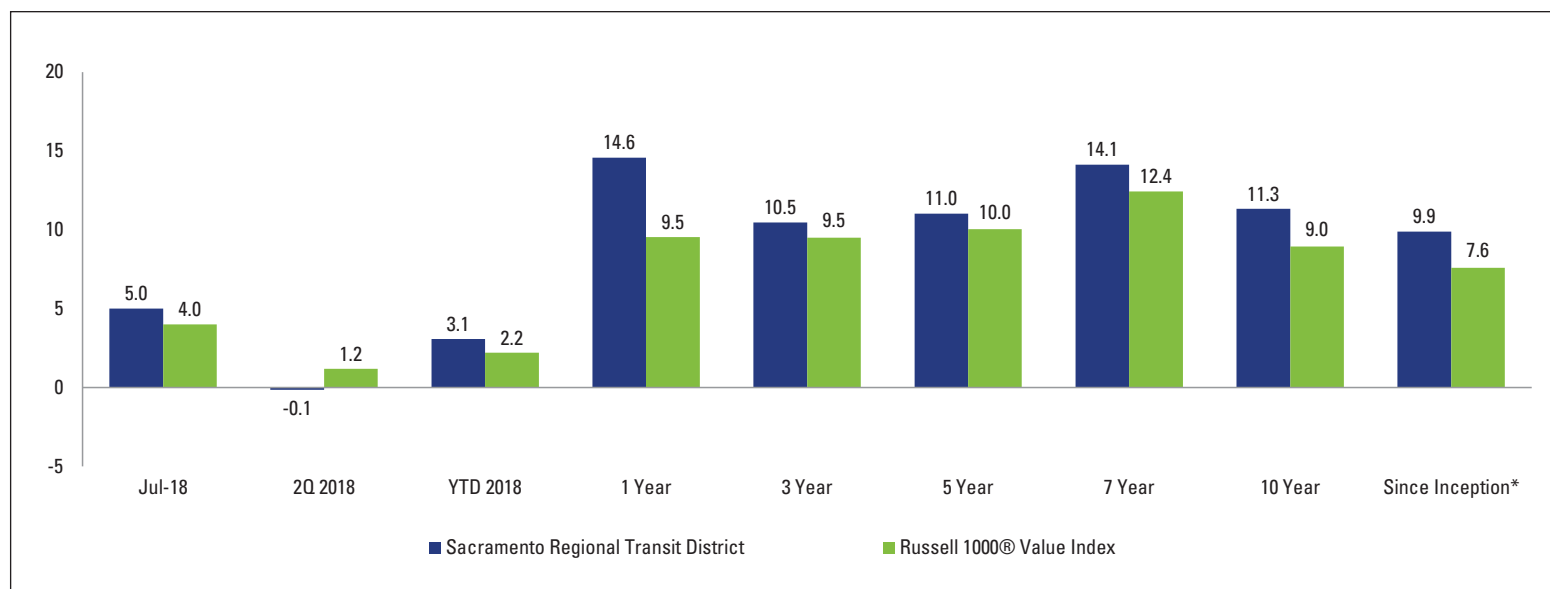
Best-Ranked Stocks and Worst-Ranked Stocks

Annualized as of June 30, 2018	2Q 2018	YTD 2018	1 year	3 year	5 year	10 year
Difference between Best- and Worst-Ranked Stocks	-4.9%	-3.1%	0.9%	6.4%	7.5%	9.1%

The chart above illustrates the monthly rolling 12-month performance spread which is calculated by subtracting the equal-weighted performance of the worst-ranked stocks (deciles 8-10) from the equal-weighted performance of the best-ranked stocks (deciles 1-3) as ranked by the Boston Partners Quantitative Equity Team. The investment universe – all U.S. traded stocks with a market capitalization greater than \$200 million – is deciled based on quality, valuation, and business momentum factors and rebalanced monthly. While we have been utilizing a derivation of this model since the firm's inception in 1995, significant model revisions went into effect on December 31, 2012. Performance prior to that date is hypothetical back-test returns, while data displayed beyond this date is not back-tested, but is still generated by the model. All data shown above does not represent the results of actual trading, and in fact, actual results could differ substantially, and there is the potential for loss as well as profit. The performance does not reflect management fees, transaction costs, and other fees and expenses a client would have to pay, which reduce returns. Past performance is not an indication of future results.

Sacramento Regional Transit District

Investment Performance through July 31, 2018



Annualized Performance (%)

	July 2018	2Q 2018	YTD 2018	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception*
Sacramento Regional Transit District	5.0	-0.1	3.1	14.6	10.5	11.0	14.1	11.3	9.9
Russell 1000® Value Index	4.0	1.2	2.2	9.5	9.5	10.0	12.4	9.0	7.6
Relative Performance	1.0	-1.3	0.9	5.1	1.0	1.0	1.7	2.3	2.3

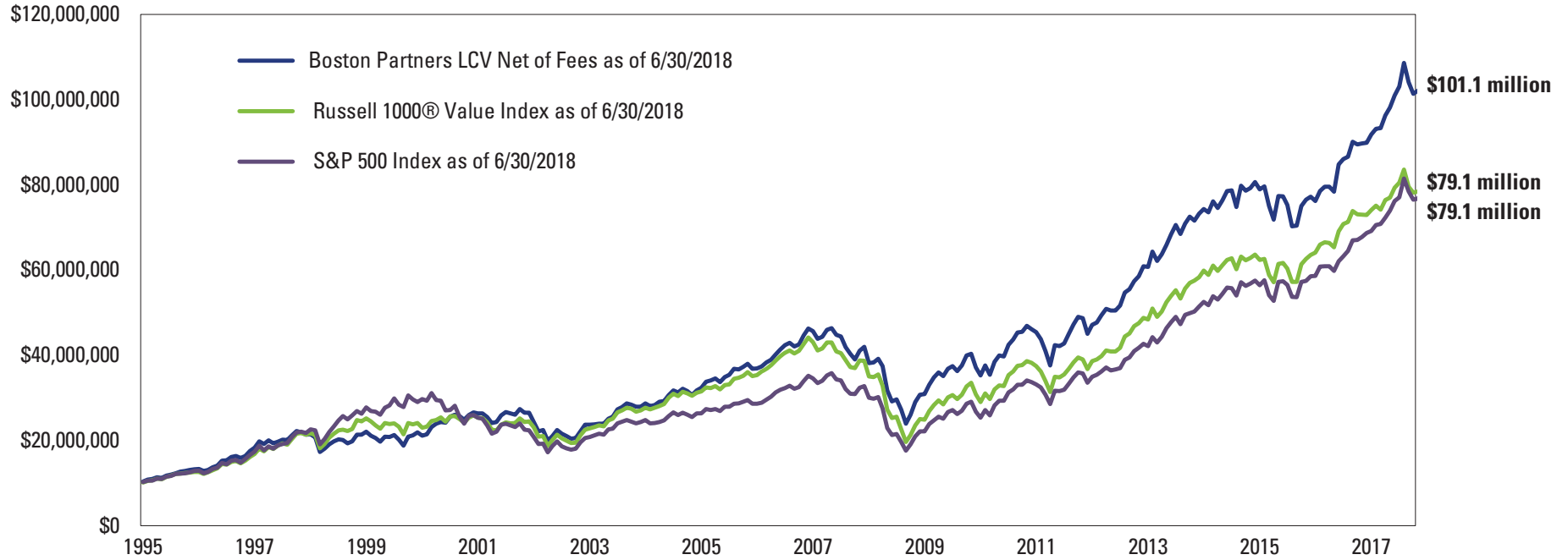
* Inception date is July 1, 2005.

Past performance is not an indication of future results. Please refer to the appendix for other important disclosures.

The Case for Active Management

Boston Partners Large Cap Value Equity

Cumulative Growth of a \$10 Million Investment June 1, 1995 to June 30, 2018 (Net of Fees)

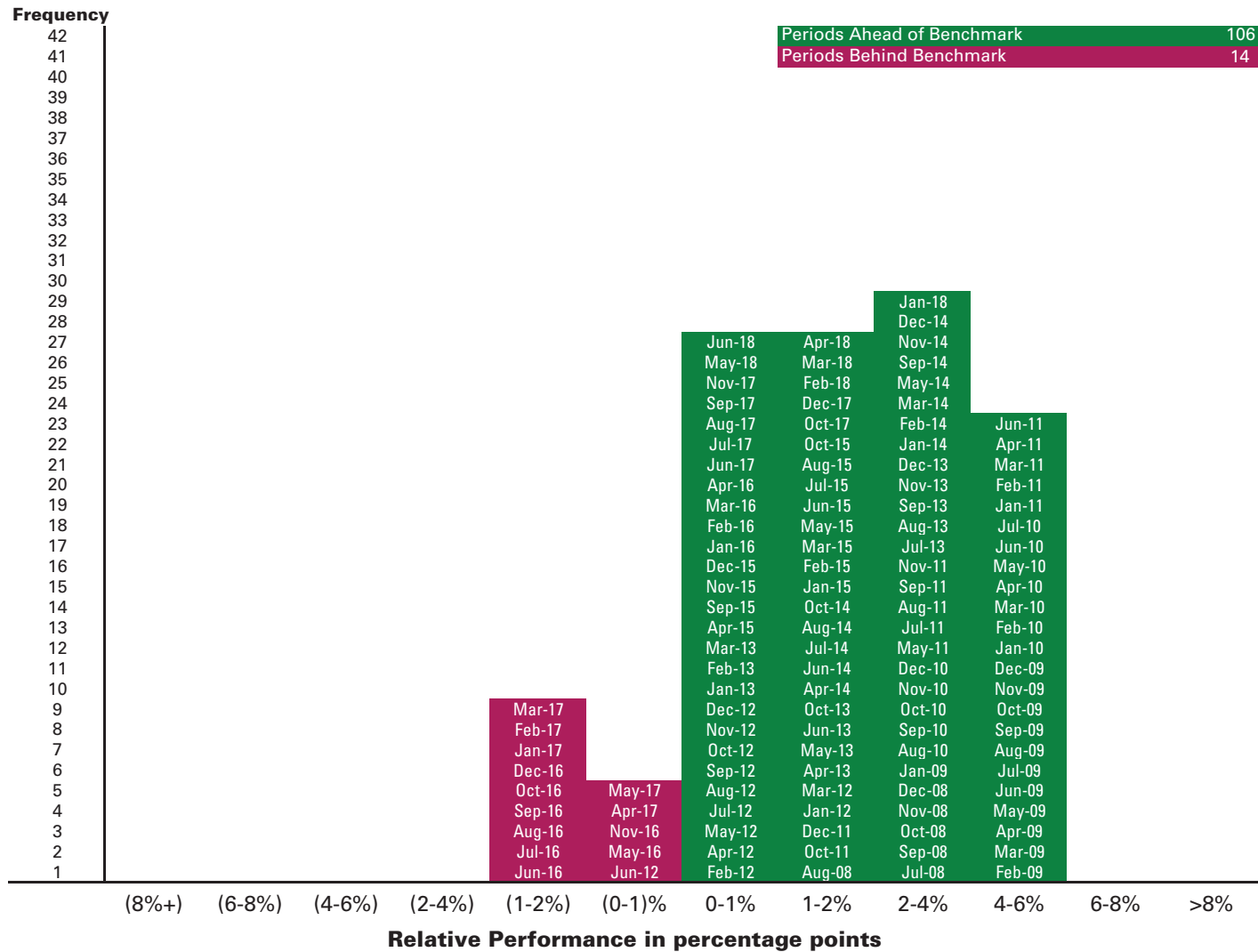


This is a hypothetical illustration of \$10 million had it been invested in the Boston Partners Large Cap Value strategy since inception on June 1, 1995. The results of this illustration may be changed depending on investment guidelines and cash flow. This illustration is net of investment management fees. A GIPS® compliant presentation is contained herein. Past performance is not an indication of future results. Please refer to the appendix for other important disclosures.

Tilting the Probabilities in Your Favor — The Results

Distribution of Rolling Three-Year Excess Returns as of June 30, 2018

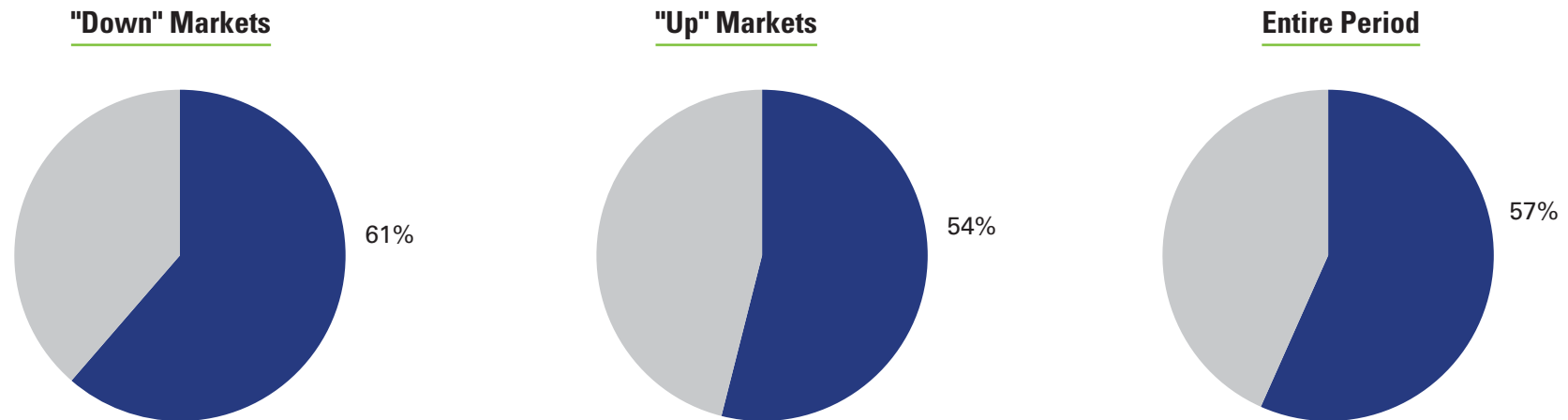
Boston Partners Large Cap Value Equity



The chart reflects a ten-year time period.

Relative performance of the BP Large Cap Value is versus the Russell 1000® Value Index. Returns reflect composite results gross of fees and individual portfolio results may vary. This information is supplemental to the GIPS® compliant presentation herein. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Large Cap Value Equity Has Preserved Capital and Compounded Returns for Favorable 10-Year Performance



■ Percentage of the time that Large Cap Value Equity Composite has outperformed the Russell 1000[®] Value Index

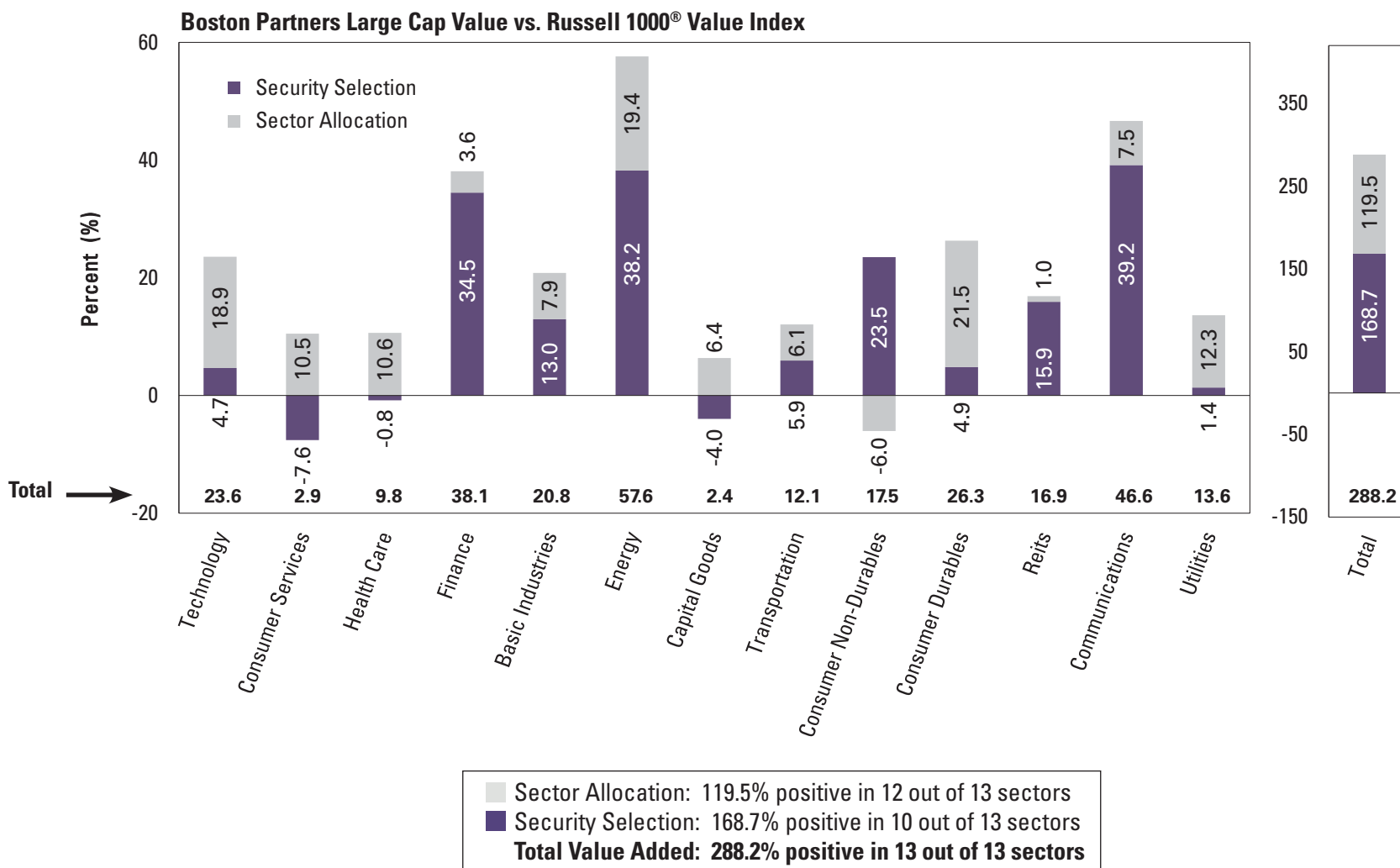
- There have been 44 months in which the market has produced a negative return.
- Composite has outperformed the Index 61% of the time.
- There have been 76 months in which the market has produced a positive return.
- Composite has outperformed the Index 54% of the time.
- The entire period is 120 months.
- Composite has outperformed the Index 57% of the time.

Data as of June 30, 2018 for 10-year period.

Returns reflect composite results and individual portfolio results may vary. This information is supplemental to the GIPS[®] compliant presentation herein. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Boston Partners Large Cap Value Equity

Performance Attribution: June 1, 1995 through June 30, 2018



Sectors are sorted from largest (+) overweight sector to largest (-) underweight sector relative to benchmark. Overweights and underweights represent averages over entire attribution period. Attribution is calculated using end of day security prices and returns shown are equity only and exclude cash. Results are from a representative account in the composite and are gross of fees. Individual portfolio results may vary. The information is supplemental to the GIPS® compliant presentation herein. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Investment Profile

- Value equity expertise founded in the early 1980s*
- Consistent and repeatable investment philosophy across all disciplines
- Integrated bottom-up, fundamental and quantitative research
- Expertise of a boutique with the depth of a global firm

\$96.7 Billion Assets Under Management

Disciplines	Assets (\$ Millions)
Large Cap Value, Concentrated Large Cap Value, 130/30 Large Cap Value	\$34,030
Premium Equity (U.S. All-Cap Value)	\$13,930
Mid Cap Value	\$23,453
Small Cap, Small Cap II, Small/Mid Cap	\$5,066
U.S. Long/Short	\$7,880
Global, International, Concentrated International	\$8,801
Global Long/Short, International Long/Short	\$1,556
Emerging Markets Long/Short, Emerging Markets	\$209

* Key investment professionals have worked together since the founding of Boston Partners in 1995 and years before at a prior firm, where the investment philosophy was established. Assets Under Management include: Boston Partners (\$94.9 B); WPG Partners (\$1.7 B); and Redwood (\$0.1 B). Organizational information can be found in the appendix.

Value Discipline anchored in Three "Fundamental Truths":

- Low valuation stocks outperform high valuation stocks
- Companies with strong fundamentals (high returns on invested capital) outperform companies with poor fundamentals
- Stocks with positive business momentum (improving trends/rising earnings) outperform stocks with negative momentum

"Characteristics-Based" Investment Approach:

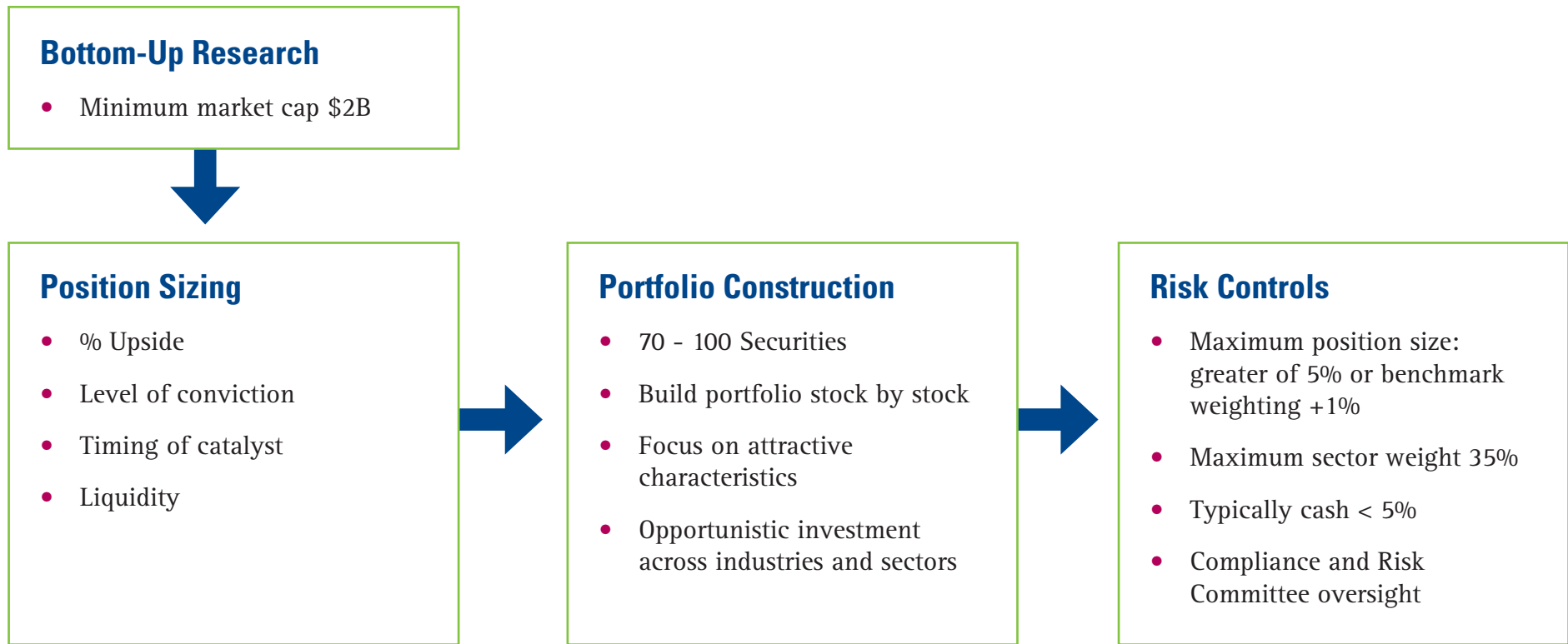
- Valuation, fundamentals and momentum are analyzed using a bottom-up blend of qualitative and quantitative inputs

Preservation of Capital:

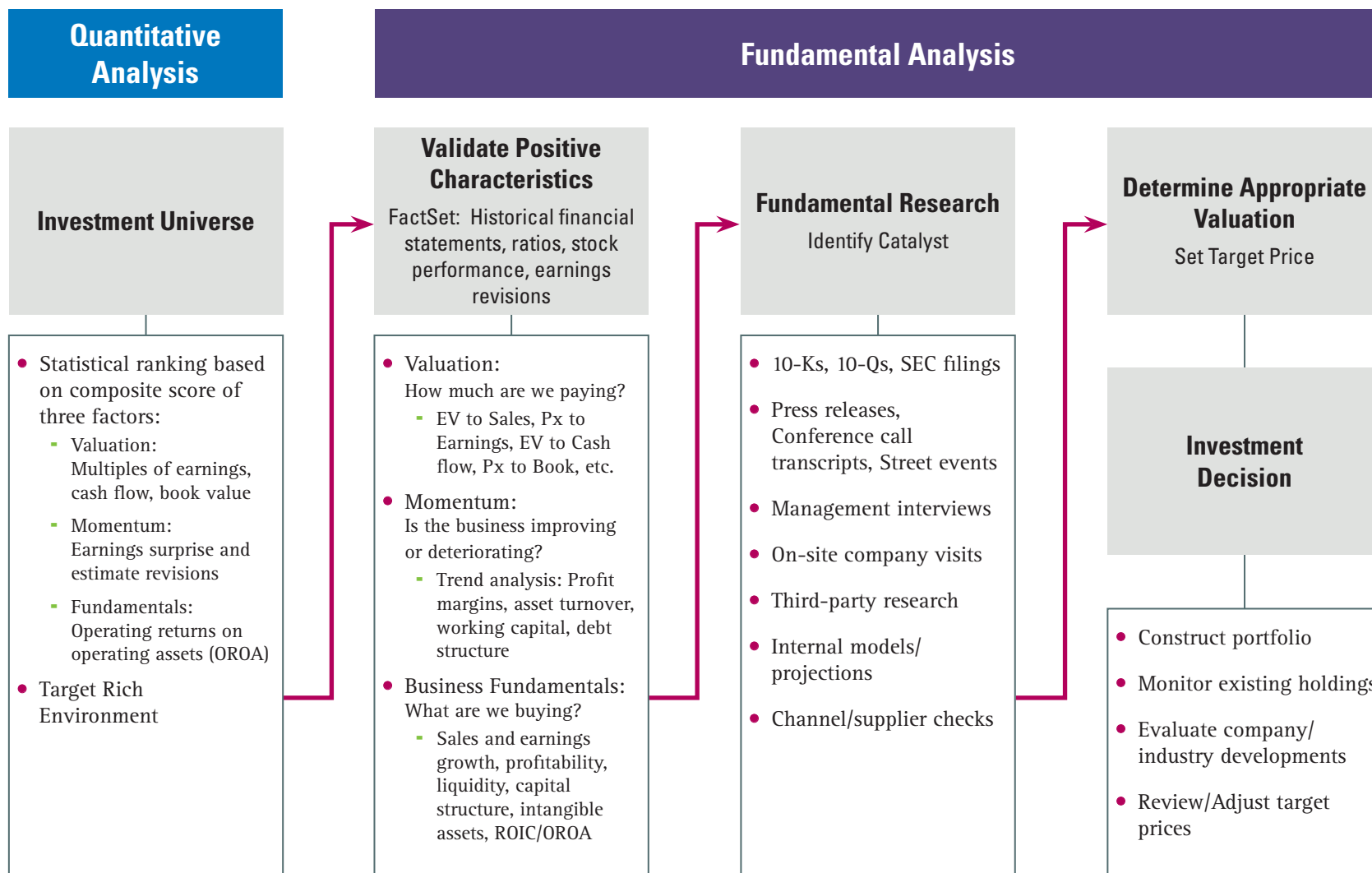
- Laws of compounding mathematically dictate that protecting capital is the only risk that matters
- “Win by not losing”: Keep pace in rising markets, outperform in falling markets and diversify your exposure

Constructing Your Total Portfolio - Large Cap Value Equity

Portfolio Characteristics Consistent with the Fundamental Truths



Portfolio risk controls can be customized to meet specific client guidelines.



Your Boston Partners Team

Biographical and Contact Information for Sacramento Regional Transit District Relationship

<p>Mark E. Donovan, CFA Co-Chief Executive Officer and Lead Portfolio Manager mdonovan@boston-partners.com +1 (617) 832-8246</p>	<p>Mr. Donovan is Co-Chief Executive Officer of Boston Partners and lead portfolio manager for BP Large Cap Value portfolios. He is responsible for strategic and tactical operating decisions affecting the firm. He was one of the founding partners of Boston Partners Asset Management in 1995. He joined the firm from The Boston Company where he was Senior Vice President and equity portfolio manager. He also spent five years as a consulting associate with Kaplan, Smith & Associates, and two years as a securities analyst for Value Line Inc. Mr. Donovan holds a B.S. degree in management from Rensselaer Polytechnic Institute. He holds the Chartered Financial Analyst® designation. He has thirty-seven years of investment experience.</p>
<p>David J. Pyle, CFA Portfolio Manager dpyle@boston-partners.com +1 (415) 464-2892</p>	<p>Mr. Pyle is a portfolio manager for Boston Partners Large Cap Value portfolios. Prior to assuming this role, he was a research analyst covering the utility, insurance, leisure & lodging, packaging, publishing, and computer equipment & services sectors. Mr. Pyle joined the firm from State Street Research where he was a research analyst and associate portfolio manager in their equity value group. Prior to that, he spent five years with Price Waterhouse. Mr. Pyle holds a B.S. degree in business administration from California State University, Chico, and an M.B.A. degree from the Kenan-Flagler School of Business at the University of North Carolina. Mr. Pyle holds the Chartered Financial Analyst® designation. He has twenty-three years of investment experience.</p>
<p>Carolyn M. Margiotti, CFA Senior Portfolio Analyst cmargiotti@boston-partners.com +1 (415) 464-2882</p>	<p>Ms. Margiotti is a senior portfolio analyst for Boston Partners and has extensive experience with all of the firm's strategies. Ms. Margiotti also serves as a member of the relationship management team managing a number of the firm's key relationships. Prior to joining the firm in 2005, Ms. Margiotti was the manager of investments for PG&E Corporation where she managed over \$12 billion in pension, 401(k) and taxable trust assets. Her primary responsibilities included strategic asset allocation, investment strategy recommendations and investment manager selection and oversight. Ms. Margiotti is a member of the Financial Women of San Francisco, serving as Scholarship Committee team leader for many years. She has been an adjunct professor at the University of San Francisco and an instructor for the CFA review program. Ms. Margiotti holds a B.S. degree in industrial management and finance from Purdue University and an M.B.A. degree from the McLaren School of Business at the University of San Francisco. She holds the Chartered Financial Analyst® designation, FINRA licenses 7 and 63, and has twenty-four years of industry experience.</p>
<p>Kristin Butner Client Service Associate kbutner@boston-partners.com +1 (213) 687-1676</p>	<p>Ms. Butner is a Client Service Associate at Boston Partners. She works with many of our key domestic and internationally focused clients. Prior to joining the firm in 2017, she was a Client Service Manager with Institutional Shareholder Services. She holds a B.A. degree in liberal arts from the University of Oklahoma. Ms. Butner has three years of industry experience.</p>

Sacramento Regional Transit District

Investment Guidelines and Objectives

Performance Objectives	<ul style="list-style-type: none">✓ Over a minimum time horizon of three years, achieve a net of fee return that exceeds the Russell 1000® Value Index and a gross of fee return that ranks in the top half of a comparative universe of large cap value managers
Guidelines	<p>Investable Universe</p> <ul style="list-style-type: none">✓ U.S. equity securities✓ International equity instruments* which trade on U.S.-based exchanges, including ADRs✓ S&P 500 Stock Index Futures to obtain low cost temporary equity market exposure (not to be used to provide leveraged equity market exposure). Futures transactions must be completed on a major U.S. exchange which guarantees contract compliance✓ No stock options, short sales, purchases on margin, letter stocks, private placement securities or commodities✓ No investment in securities issued by companies in the Tobacco Sub-Industry as defined by the Global Industry Classification Standards (GICS), subject to the prudent investor rule as set forth in Article XVI Section 17 of the California Constitution <p>Diversification</p> <ul style="list-style-type: none">✓ Investment in the securities of a single issuer shall not exceed 5% (at cost) of the portfolio✓ Investment in the securities of a single issuer shall not exceed 5% of the company's total outstanding shares✓ No individual economic sector will represent more than 35% of the portfolio (BP)✓ No single industry shall represent more than 25% (at cost) of the portfolio market value✓ International equity instruments and ADR's will not comprise more than 5% of the total portfolio (at cost)✓ Cash shall not exceed 10% of the portfolio market value

* International Equity Security (Non-U.S.) - refers to an issue of an entity, which is not organized under the laws of the United States and does not have its principal place of business within the United States.

Boston Partners Large Cap Value Equity

Investment Performance through June 30, 2018

Annualized Performance (%)

	2Q 2018	YTD 2018	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception*
Large Cap Value - Gross of Fees	-0.18	-1.77	10.35	8.93	11.08	12.50	10.62	10.92
Large Cap Value - Net of Fees	-0.26	-1.92	10.01	8.60	10.73	12.10	10.22	10.54
Russell 1000® Value Index	1.18	-1.69	6.77	8.26	10.34	11.27	8.49	9.37
S&P 500 Index	3.43	2.65	14.37	11.93	13.42	13.23	10.17	9.37

Calendar Year Performance (%)

	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Large Cap Value - Gross of Fees	20.07	14.74	-4.08	11.85	37.14	21.27	1.29	13.75	26.75	-32.95
Large Cap Value - Net of Fees	19.71	14.40	-4.37	11.49	36.64	20.66	0.82	13.36	26.30	-33.17
Russell 1000® Value Index	13.66	17.34	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85
S&P 500 Index	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00

* Inception date is June 1, 1995.

Boston Partners has prepared and presented this report in compliance with the GIPS®. Returns reflect composite results and individual portfolio results will vary. Past performance is not an indication of future results. Please refer to the appendix for other important disclosures.

Performance (%)																		
	2Q 2018	YTD 2018	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception*	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Large Cap Value - Gross of Fees	-0.18	-1.77	10.35	8.93	11.08	12.50	10.62	10.92	20.07	14.74	-4.08	11.85	37.14	21.27	1.29	13.75	26.75	-32.95
Large Cap Value - Net of Fees	-0.26	-1.92	10.01	8.60	10.73	12.10	10.22	10.54	19.71	14.40	-4.37	11.49	36.64	20.66	0.82	13.36	26.30	-33.17
Russell 1000® Value Index	1.18	-1.69	6.77	8.26	10.34	11.27	8.49	9.37	13.66	17.34	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85
S&P 500 Index	3.43	2.65	14.37	11.93	13.42	13.23	10.17	9.37	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00
130/30 Large Cap Value - Gross of Fees	-1.88	-4.44	7.93	8.50	11.23	13.14	11.28	8.83	21.82	14.05	-3.69	14.52	38.71	21.67	2.06	12.90	25.46	-29.44
130/30 Large Cap Value - Net of Fees	-1.94	-4.55	7.68	8.25	10.99	12.90	10.89	8.36	21.53	13.79	-3.90	14.31	38.46	21.40	1.82	12.37	24.24	-30.16
Russell 1000® Value Index	1.18	-1.69	6.77	8.26	10.34	11.27	8.49	6.09	13.66	17.34	-3.83	13.45	32.53	17.51	0.39	15.51	19.69	-36.85
Premium Equity - Gross of Fees	0.20	-0.05	9.69	10.58	13.16	13.36	11.97	13.17	18.91	15.73	1.71	13.22	39.73	16.27	-1.01	14.78	33.16	-26.62
Premium Equity - Net of Fees	0.06	-0.34	9.05	9.95	12.54	12.75	11.37	12.61	18.22	15.08	1.15	12.65	39.04	15.72	-1.55	14.18	32.45	-27.05
Russell 3000® Value Index	1.71	-1.16	7.25	8.48	10.40	11.25	8.60	9.43	13.19	18.40	-4.13	12.70	32.69	17.55	-0.10	16.23	19.76	-36.25
S&P 500 Index	3.43	2.65	14.37	11.93	13.42	13.23	10.17	9.37	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00
Mid Cap Value - Gross of Fees	-0.51	-0.77	8.34	10.26	13.74	13.74	13.55	13.58	16.55	16.29	2.84	14.37	41.04	19.78	1.68	24.79	42.04	-31.84
Mid Cap Value - Net of Fees	-0.60	-0.95	7.97	9.88	13.35	13.24	12.96	12.90	16.16	15.90	2.49	14.00	40.48	18.90	0.88	23.93	41.13	-32.36
Russell Midcap® Value Index	2.41	-0.16	7.60	8.80	11.27	11.70	10.06	11.40	13.34	20.00	-4.78	14.75	33.46	18.51	-1.38	24.75	34.21	-38.45
Small/Mid Cap Value - Gross of Fees	2.52	0.49	9.61	9.62	11.81	12.26	11.95	11.63	13.64	25.35	-3.06	5.34	35.33	23.97	-1.57	18.07	43.89	-30.65
Small/Mid Cap Value - Net of Fees	2.36	0.16	8.89	8.91	11.07	11.50	11.13	10.82	12.90	24.51	-3.71	4.65	34.37	23.08	-2.31	17.05	42.69	-31.31
Russell 2500™ Value Index	5.80	3.00	11.49	9.76	10.78	11.07	10.10	10.37	10.36	25.20	-5.49	7.11	33.32	19.21	-3.36	24.82	27.67	-31.99
Russell 2500™ Index	5.71	5.46	16.24	10.30	12.29	11.85	10.74	10.05	16.81	17.59	-2.90	7.07	36.80	17.88	-2.51	26.71	34.38	-36.79

* Inception dates are as follows: Large Cap Value is June 1, 1995; 130/30 Large Cap Value is March 1, 2007; Premium Equity is June 1, 1995; Mid Cap Value is May 1, 1995; and Small/Mid Cap Value is April 1, 1999.

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Performance (%)																		
	2Q 2018	YTD 2018	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception ¹	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Small Cap Value - Gross of Fees	3.39	1.62	9.68	9.24	11.64	11.80	12.26	13.36	11.29	25.63	-3.77	4.76	35.27	22.85	-2.13	22.50	44.74	-30.18
Small Cap Value - Net of Fees	3.21	1.27	8.92	8.43	10.80	10.93	11.36	12.45	10.49	24.69	-4.53	3.93	34.21	21.85	-2.93	21.45	43.49	-30.82
Russell 2000 [®] Value Index	8.30	5.44	13.10	11.22	11.18	11.10	9.88	10.44	7.84	31.74	-7.47	4.22	34.52	18.05	-5.50	24.50	20.56	-28.92
Russell 2000 [®] Index	7.75	7.66	17.57	10.96	12.46	11.83	10.60	9.39	14.65	21.31	-4.41	4.89	38.82	16.35	-4.18	26.85	27.16	-33.79
Small Cap Value Equity II - Gross of Fees	4.37	2.85	11.41	10.36	12.37	12.73	12.75	12.80	11.05	27.35	-3.27	5.35	36.53	24.54	-2.29	20.32	49.82	-33.80
Small Cap Value Equity II - Net of Fees	4.13	2.37	10.40	9.35	11.34	11.68	11.65	11.64	10.05	26.21	-4.19	4.37	35.28	23.42	-3.45	19.09	48.31	-34.53
Russell 2000 [®] Value Index	8.30	5.44	13.10	11.22	11.18	11.10	9.88	8.67	7.84	31.74	-7.47	4.22	34.52	18.05	-5.50	24.50	20.56	-28.92
Long/Short Equity - Gross of Fees	-0.26	-4.95	3.22	9.09	7.03	8.85	14.19	12.99	5.41	25.71	1.15	7.16	10.37	15.40	8.68	29.54	85.95	-20.03
Long/Short Equity - Net of Fees	-0.50	-5.45	2.11	7.86	5.87	7.65	12.61	10.42	4.30	24.03	0.17	6.04	9.17	14.06	7.39	26.55	81.74	-21.71
S&P 500 Index	3.43	2.65	14.37	11.93	13.42	13.23	10.17	7.13	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00
Long/Short Research - Gross of Fees	-2.35	-2.78	4.03	4.73	7.39	8.18	8.26	7.82	11.63	5.21	3.02	8.68	19.70	14.73	5.35	9.33	18.67	-8.46
Long/Short Research - Net of Fees	-2.66	-3.39	2.75	3.44	6.07	6.85	6.93	6.49	10.27	3.91	1.74	7.34	18.23	13.32	4.05	7.98	17.22	-9.60
S&P 500 Index	3.43	2.65	14.37	11.93	13.42	13.23	10.17	7.62	21.83	11.96	1.38	13.69	32.39	16.00	2.11	15.06	26.46	-37.00
Emerging Markets Long/Short - Gross of Fees	-5.46	-5.65	4.08	7.50	—	—	—	7.09	27.89	8.08	-3.67¹	—	—	—	—	—	—	—
Emerging Markets Long/Short - Net of Fees²	-5.82	-6.34	2.59	5.42	—	—	—	4.99	25.69	5.69	-5.47¹	—	—	—	—	—	—	—
MSCI Emerging Markets Index - Net ³	-7.96	-6.66	8.20	5.60	—	—	—	4.79	37.29	11.18	-17.97 ¹	—	—	—	—	—	—	—

¹ Inception dates are as follows: Inception dates are as follows: Small Cap Value is July 1, 1995; Small Cap Value Equity II is July 1, 1998; Long/Short Equity is August 1, 1997; Long/Short Research is April 1, 2002; and Emerging Markets Long/Short Equity is March 1, 2015.

² Net of fees is calculated using a model fee of 2.25% annually calculated on a month-end basis.

³ Net total return indexes reinvest dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Boston Partners has prepared and presented this report in compliance with the GIPS[®]. Returns reflect composite results and individual portfolio results will vary. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Performance (%)																		
	2Q 2018	YTD 2018	1 Year	3 Year	5 Year	7 Year	10 Year	Since Inception ¹	2017	2016	2015	2014	2013	2012	2011	2010	2009	2008
Global Equity - Gross of Fees	-0.74	-1.95	8.29	7.68	11.11	10.58	8.35	8.35	21.53	9.47	1.89	5.54	35.12	17.26	-1.77	13.46	29.62	-30.51¹
Global Equity - Net of Fees	-0.91	-2.29	7.55	6.90	10.29	9.76	7.53	7.53	20.67	8.65	1.11	4.74	34.11	16.37	-2.56	12.56	28.60	-30.81¹
MSCI World Index - Net ²	1.73	0.43	11.09	8.48	9.94	8.84	6.26	6.26	22.40	7.51	-0.87	4.94	26.68	15.83	-5.54	11.76	29.99	-33.71 ¹
MSCI World Value Index - Net ²	-0.20	-3.39	5.56	6.46	7.74	7.29	5.20	5.20	17.10	12.33	-4.82	3.69	26.62	15.51	-5.62	9.02	26.68	-30.56 ¹
MSCI ACWI Index - Net ²	0.53	-0.43	10.77	8.20	9.42	7.96	5.80	5.80	24.01	7.87	-2.36	4.16	22.80	16.13	-7.35	12.67	34.63	-35.26 ¹
International Equity - Gross of Fees	-1.73	-4.43	6.76	5.18	8.06	7.49	4.78	4.78	26.38	0.76	3.54	-3.65	31.47	18.67	-6.20	10.63	27.88	-36.51¹
International Equity - Net of Fees	-1.91	-4.77	5.99	4.41	7.27	6.69	3.99	3.99	25.49	0.01	2.77	-4.37	30.51	17.79	-6.89	9.73	26.87	-36.79¹
MSCI EAFE Index - Net ²	-1.24	-2.75	6.84	4.90	6.44	4.89	2.84	2.84	25.03	1.00	-0.81	-4.90	22.78	17.32	-12.14	7.75	31.78	-36.41 ¹
MSCI EAFE Value Index - Net ²	-2.64	-4.61	4.25	3.30	5.37	3.90	2.17	2.17	21.44	5.02	-5.68	-5.39	22.95	17.69	-12.17	3.25	34.23	-35.16 ¹
MSCI ACWI Ex US Index - Net ²	-2.61	-3.77	7.28	5.07	5.99	3.81	2.54	2.54	27.19	4.50	-5.66	-3.87	15.29	16.83	-13.71	11.15	41.45	-39.36 ¹
Global Long/Short - Gross of Fees	-1.81	-3.59	2.48	4.18	6.39	—	—	6.39	9.60	4.34	8.73	4.36	8.96¹	—	—	—	—	—
Global Long/Short - Net of Fees	-2.30	-4.56	0.45	2.12	4.37	—	—	4.37	7.44	2.28	6.59	2.55	8.02¹	—	—	—	—	—
MSCI World Index - Net ²	1.73	0.43	11.09	8.48	9.94	—	—	9.94	22.40	7.51	-0.87	4.94	16.83 ¹	—	—	—	—	—
MSCI World Value Index - Net ²	-0.20	-3.39	5.56	6.46	7.74	—	—	7.74	17.10	12.33	-4.82	3.69	15.74 ¹	—	—	—	—	—

¹ Inception dates are as follows: Global Equity USA is July 1, 2008; International Equity is July 1, 2008; and Global Long/Short Equity is July 1, 2013.

² Net total return indexes reinvest dividends after the deduction of withholding taxes, using (for international indexes) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

Boston Partners has prepared and presented this report in compliance with the GIPS®. Returns reflect composite results and individual portfolio results will vary. Returns are shown in USD. Past performance is not an indication of future results. Please refer to the last appendix for other important disclosures.

Boston Partners Global Investors, Inc. ("Boston Partners") is an Investment Adviser registered with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

Registration does not imply a certain level of skill or training. Boston Partners is an indirect, wholly owned subsidiary of ORIX Corporation of Japan ("ORIX"). Boston Partners updated its firm description as of January 1, 2015 to reflect changes in its divisional structure. Boston Partners is comprised of three divisions, Boston Partners, Weiss, Peck & Greer Partners ("WPG"), and Redwood Equity ("Redwood").

Boston Partners claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS® standards. Boston Partners has been independently verified for the periods 2007 through 2016. Verification assesses whether (1) the Firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the Firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards.

The composites have been examined per the following periods: Boston Partners Large Cap Value Equity, 1995 to 2016; Boston Partners Alpha Extension Large Cap Value Equity, 2012 to 2016; Boston Partners Premium Equity, 1995 to 2016; Boston Partners Mid Cap Value Equity, 1995 to 2006 and 2010 to 2016; Boston Partners Small/Mid Cap Value Equity, 1999 to 2016; Boston Partners Small Cap Value Equity, 1995 to 2016; Boston Partners Small Cap Value II Equity, 1998 to 2016; Boston Partners Long/Short Research, 2011 to 2016; Boston Partners Global Equity II, 2012 to 2016; Boston Partners International Equity II, 2008 to 2016; Boston Partners Global Long/Short, 2013 to 2016; and Boston Partners Emerging Markets Long/Short Equity, 2016. The verification and performance examination reports are available upon request.

Past performance is not indicative of future results. This document is not an offering of securities nor is it intended to provide investment advice. It is intended for information purposes only.

Composite Construction(s)

Performance results attained at Boston Partners have been linked to the results achieved at Boston Partners Asset Management, the previous entity name, beginning on January 1, 2007 in compliance with the GIPS® standards on performance record portability. Composites include all separately managed and commingled vehicles, fully discretionary, fee-paying accounts under management with a similar investment mandate and an account market value greater than \$1 million with the exception of Boston Partners Small Cap Value Equity and Small Cap Value II Equity which have an account market value greater than \$5

million. Prior to January 1, 2007 the minimum account size for inclusion in the composite was \$5 million. The composites contain proprietary assets.

The inception and creation date of the Boston Partners Large Cap Value Equity composite is June 1, 1995. The strategy is composed of securities with market capitalizations primarily greater than \$3 billion and is benchmarked against the S&P 500 Index and the Russell 1000® Value Index. Prior to December 1, 1995, there was no minimum market value requirement for inclusion in the Boston Partners Large Cap Value Equity composite. Accounts that did not meet the newly established minimum balance requirement were removed on that date.

The inception date and creation date of the Boston Partners Alpha Extension Large Cap Value Equity composite is March 1, 2007. The strategy is an actively managed Large Cap Value strategy that utilized long and short equity position to generate alpha. The strategy is permitted to short 30% of the portfolio and reinvests the proceeds of those shorts into the securities that the manager finds attractive, creating a 130% long portfolio and a 30% short portfolio. The strategy is benchmarked against the Russell 1000® Value Index.

The inception and creation date of the Boston Partners Premium Equity composite is June 1, 1995. The strategy is a hybrid of Boston Partners' other equity products. It has the flexibility to invest across the capitalization spectrum and to invest in securities with equity-like return and risk profiles. Boston Partners Premium Equity is benchmarked against the S&P 500 Index and the Russell 3000® Value Index.

The inception and creation date of the Boston Partners Mid Cap Value Equity composite is May 1, 1995. Effective March 1, 2006, the Mid Cap Value Equity strategy is composed of securities primarily in the same market capitalization range, at time of purchase, as the Russell Midcap® Value Index. Effective January 1, 2005 the Boston Partners Mid Cap Value composite revised its benchmark from the Russell 2500™ Value Index to the Russell Midcap® Value Index. The Russell Midcap® Value Index has less of a bias toward smaller capitalization stocks and thus more accurately reflects the composition of Boston Partners holdings. The inception and creation date of the Boston Partners Small/Mid Cap Value Equity composite is April 1, 1999. The strategy is composed of securities primarily in the \$100 million to \$10 billion market capitalization range and is benchmarked against the Russell 2500™ Value Index.

The inception and creation date of the Boston Partners Small Cap Value Equity composite is July 1, 1995. The strategy is composed of securities primarily in the \$100 million to \$1.5 billion market capitalization range and is benchmarked against the Russell 2000® Value Index.

The inception date of the Boston Partners Small Cap Value II Equity composite is July 1, 1998. The composite was created in 2000. The strategy is composed of securities primarily in the \$10 million to \$1 billion market capitalization range and is benchmarked against the Russell 2000® Value Index.

The inception date and creation date of the Boston Partners Long/Short Equity composite is August 1, 1997. The strategy is an absolute return product that balances long and short portfolio strategies and seeks to achieve stable absolute returns with approximately half the risk of the S&P 500. However, this product is not risk neutral. It is exposed to style, capitalization, sector and short-implementation risks. Use of the S&P 500 Index is for comparative purposes only since investment returns are not correlated to equity market returns. Prior to October 1, 1998, the composite was managed on a non-fee paying basis. Participant results would have been substantially different if fee waivers were not applied. Commencing on October 1, 1998 and continuing each quarter thereafter, the net of fee calculation includes a model fee for each commingled account included in the composite, and when applicable, the actual fees assessed for each separately managed portfolio included in the composite. The model fee, which is comprised of an investment management fee and performance fee, represents the deduction of the highest fee that could have been earned based on actual results during the performance period. In addition, other expenses typically borne by the commingled accounts, as defined in the applicable offering documents, have been applied. However, from time-to-time the commingled accounts may have placed a ceiling on the amount of expenses it had incurred. Although performance fees are paid annually when earned, for presentation of net returns, performance fees, similar to management fees and expenses, are accrued for on a monthly basis. Actual fees may vary. The composite is benchmarked against the S&P 500 Index and the Russell 3000® Value/Russell 3000® Growth for comparative purposes only since the strategy is not correlated to equity market returns.

The inception and creation date of the Boston Partners Research Equity composite is April 1, 2002. This strategy is an absolute return product that balances long and short portfolio strategies and seeks to achieve stable absolute returns with approximately half the risk of the S&P 500 Index. The strategy is benchmarked against the S&P 500 Index.

The inception and creation date of the Boston Partners Global Equity II composite is July 1, 2008. This strategy is unconstrained and primarily invests in equity securities in the global market without using hedges on currency.

The inception date and creation date of the Boston Partners International Equity II composite is July 1, 2008. This strategy is

unconstrained and primarily invests in non-us markets without using currency hedges. The strategy is benchmarked against the MSCI EAFE Index. From July 1, 2008 to June 30, 2010 the primary benchmarks was MSCI EAFE Value Index and on July 1, 2010 the primary benchmark change to the MSCI EAFE. This change to the MSCI EAFE Index was made retroactively to July 1, 2008.

The inception and creation date of the Boston Partners Global Long/Short Equity composite is July 1, 2013. The strategy is composed of securities with market capitalizations primarily greater than \$50 million and is benchmarked against the MSCI World Index.

The inception and creation of the Boston Partners Emerging Markets Long/Short composite is March 1, 2015. The strategy is composed of securities with market capitalizations primarily greater than \$250 million and is benchmarked against the MSCI Emerging Markets Index.

The inception and creation of the Boston Partners Emerging Markets Equity composite is July 1, 2017. The strategy is composed of securities with market capitalizations primarily greater than \$250 million and is benchmarked against the MSCI Emerging Markets Index.

Benchmarks

Index returns are provided for comparison purposes only to show how the composite's returns compare to a broad-based index of securities, as the indices do not have costs, fees, or other expenses associated with their performance.

In addition, securities held in either index may not be similar to securities held in the composite's accounts. The S&P 500 Index is an unmanaged index of the common stocks of 500 widely held U.S. companies. All Russell® Indices are registered trademarks of the Frank Russell Company. The Russell® Value Indices typically measure the performance of universes of stocks displaying low price-to-book ratios and low forecasted growth values. The Russell® Growth Indices typically measure the performance of universes of stocks displaying high price-to-book ratios and high forecasted growth values. The Russell 1000® Index measures the performance of the 1,000 largest companies in the Russell 3000® Index. The Russell 3000® Index measures performance of the 3,000 largest U.S. companies based on total market capitalization. The Russell 2500™, and 2000® Indices measure performance of the 2,500 and 2,000 smallest companies in the Russell 3000® Index respectively. The Russell Midcap® Index measures the performance of the 800 smallest companies in the Russell 1000® Index. The MSCI World Index covers the full range of developed, emerging and All Country MSCI International Equity Indices across all size segmentations. MSCI uses a

two-dimensional framework for style segmentation in which value securities are categorized using a multi-factor approach, which uses three variables to define the value investment style characteristics and five variables to define the growth investment style characteristics including forward looking variables. The objective of the index design is to divide constituents of an underlying MSCI Equity Index into respective value and growth indices, each targeting 50% of the free float adjusted market capitalization of the underlying market index. The MSCI EAFE Index is broadly recognized as the pre-eminent benchmark for U.S. investors to measure international equity performance. It comprises the MSCI country indexes capturing large and mid-cap equities across developed markets in Europe, Australasia and the Far East, excluding the U.S. and Canada.

The MSCI World Index represents large and mid-cap equity performance across 23 developed markets countries, covering approximately 85% of the free float-adjusted market capitalization in each. This index offers a broad global equity benchmark, without emerging markets exposure.

MSCI Emerging Markets Standard Index (net return): The MSCI Emerging Markets indices are designed to measure the type of returns foreign portfolio investors might receive from investing in emerging market stocks that are legally and practically available to them. Constituents for the MSCI series are drawn from the MSCI stock universe based on size, liquidity, and their legal and practical availability to foreign institutional investors.

The MSCI ACWI (All Country World Index) is a market capitalization weighted index designed to provide a broad measure of equity-market performance throughout the world. The MSCI ACWI is maintained by Morgan Stanley Capital International, and is comprised of stocks from both developed and emerging markets.

Calculation Methodology

Account returns are market value weighted and calculated on a total return basis using trade date valuations. Returns reflect the reinvestment of dividends and other earnings, and are net of commissions and transaction costs. Performance is expressed in U.S. Dollars. Short sales are an integral part of the investment strategy and constitute the use of leverage. Accounts are temporarily removed from the composite when a significant cash flow occurs, which is typically defined as a flow that is greater than 10% of the account value that exceeds a threshold of +/- 20 basis points from daily performance of the representative account and a similar account of the same strategy. An account is generally added back to the composite as of the first full month following the significant cash flow. Additional

information regarding policies for valuing portfolios, calculating performance, and presenting compliant presentations is available upon request.

Fees and Expenses

Composite returns are provided on a gross and net of fees basis. Account returns will be reduced by any fees and expenses incurred in the management of the account. In general, actual fees may vary depending on the applicable fee schedule and portfolio size. Net of fees returns for commingled vehicles that are members of a composite are calculated using a model fee that is the highest tier in the separate account fee schedule for the strategy. Fees are applied to gross returns at month end. Returns reflect the reinvestment of dividends and other earnings, and are net of commissions and transaction costs. Performance is expressed in U.S. Dollars. Additional information regarding policies for valuing portfolios, calculating performance, and presenting compliant presentations is available upon request.

Investment advisory fees are listed herein and are fully described in Boston Partners' Form ADV, Part 2.

Composite Dispersion

The measurement of composite dispersion is calculated by the weighted average standard deviation of the annual account returns within the composite. Dispersion in composites with less than five accounts included for the entire year is not considered meaningful and is denoted with "N/A". Prior to January 1, 2007, the measurement of composite dispersion was calculated by determining the difference between the highest and lowest annual account returns within the composite. The three-year annualized standard deviation measures the variability of the composite and the benchmark returns over the preceding 36-month period.

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Performance Disclosures (continued)

Large Cap Value Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	156	\$25.3 bn	29%	0.23%
2015:	167	\$24.6 bn	31%	0.16%
2014:	151	\$25.2 bn	34%	0.11%
2013:	129	\$16.5 bn	32%	0.62%
2012:	105	\$8.6 bn	30%	0.24%
2011:	99	\$5.1 bn	24%	0.23%
2010:	89	\$4.8 bn	26%	0.15%
2009:	83	\$3.5 bn	20%	0.38%
2008:	70	\$2.1 bn	18%	0.21%
2007:	68	\$3.4 bn	13%	0.14%

130/30 Large Cap Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	2	\$877 mm	1%	N/A
2015:	2	\$933 mm	1%	N/A
2014:	2	\$1.2 bn	2%	N/A
2013:	1	\$845 mm	2%	N/A
2012:	3	\$636 mm	2%	N/A
2011:	3	\$463 mm	2%	N/A
2010:	1	\$17 mm	0%	N/A
2009:	1	\$6 mm	0%	N/A
2008:	1	\$5 mm	0%	N/A
2007:	1	\$7 mm	0%	N/A

Premium Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	35	\$3.4 bn	4%	0.10%
2015:	35	\$3.3 bn	4%	0.09%
2014:	29	\$3.1 bn	4%	0.14%
2013:	29	\$2.7 bn	5%	0.53%
2012:	26	\$2.2 bn	7%	0.17%
2011:	24	\$2.0 bn	9%	0.19%
2010:	27	\$2.1 bn	12%	0.43%
2009:	26	\$2.1 bn	12%	0.49%
2008:	23	\$1.3 bn	11%	0.30%
2007:	15	\$677 mm	3%	0.12%

Mid Cap Value Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	35	\$18.5 b	21%	0.09%
2015:	37	\$15.3 b	20%	0.01%
2014:	29	\$11.6 b	16%	0.12%
2013:	16	\$7.6 b	15%	0.24%
2012:	9	\$2.9 b	10%	0.01%
2011:	4	\$1.0 b	5%	N/A
2010:	3	\$306 mm	2%	N/A
2009:	3	\$127 mm	1%	N/A
2008:	3	\$85 mm	1%	N/A
2007:	2	\$86 mm	0%	N/A

Small/Mid Cap Value Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	18	\$1.0 bn	1%	0.14%
2015:	13	\$814 mm	1%	0.14%
2014:	10	\$499 mm	1%	0.08%
2013:	7	\$481 mm	1%	0.13%
2012:	7	\$367 mm	1%	0.08%
2011:	7	\$327 mm	2%	0.10%
2010:	7	\$384 mm	2%	0.04%
2009:	7	\$350 mm	2%	0.32%
2008:	5	\$200 mm	2%	0.18%
2007:	5	\$299 mm	1%	0.02%

Small Cap Value Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	19	\$1.2 bn	1%	0.21%
2015:	19	\$1.0 bn	1%	0.19%
2014:	18	\$1.1 bn	2%	0.26%
2013:	16	\$1.1 bn	2%	0.56%
2012:	16	\$957 mm	3%	0.20%
2011:	17	\$923 mm	4%	0.08%
2010:	16	\$682 mm	4%	0.16%
2009:	14	\$698 mm	4%	0.90%
2008:	14	\$560 mm	5%	0.20%
2007:	15	\$856 mm	3%	0.10%

Small Cap Value Equity II:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	4	\$878 mm	1%	N/A
2015:	3	\$478 mm	1%	N/A
2014:	4	\$444 mm	1%	N/A
2013:	4	\$370 mm	1%	N/A
2012:	4	\$304 mm	1%	N/A
2011:	5	\$272 mm	1%	0.10%
2010:	6	\$300 mm	2%	0.24%
2009:	6	\$239 mm	1%	0.98%
2008:	7	\$161 mm	1%	0.20%
2007:	7	\$320 mm	1%	0.06%

Long/Short Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	2	\$1.1 bn	1%	N/A
2015:	2	\$687 mm	1%	N/A
2014:	2	\$958 mm	1%	N/A
2013:	2	\$965 mm	2%	N/A
2012:	2	\$829 mm	3%	N/A
2011:	2	\$626 mm	3%	N/A
2010:	2	\$440 mm	2%	N/A
2009:	2	\$189 mm	1%	N/A
2008:	2	\$36 mm	0%	N/A
2007:	2	\$75 mm	0%	N/A

Long/Short Research:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	2	\$6.9 bn	8%	N/A
2015:	1	\$7.2 bn	9%	N/A
2014:	1	\$6.0 bn	8%	N/A
2013:	1	\$2.9 bn	6%	N/A
2012:	1	\$492 mm	2%	N/A
2011:	1	\$97 mm	0%	N/A
2010:	1	\$9 mm	0%	N/A
2009:	1	\$5 mm	0%	N/A
2008:	1	\$3 mm	0%	N/A
2007:	1	\$4 mm	0%	N/A

Global Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	4	\$699 mm	1%	N/A
2015:	3	\$438 mm	1%	N/A
2014:	1	\$27 mm	0%	N/A
2013:	2	\$66 mm	0%	N/A
2012:	2	\$18 mm	0%	N/A
2011:	1	\$8 mm	0%	N/A
2010:	1	\$9 mm	0%	N/A
2009:	1	\$8 mm	0%	N/A
*2008:	1	\$6mm	0%	N/A

* 2008 performance period is from July 1.

International Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	3	\$603 mm	1%	N/A
2015:	1	\$261 mm	0%	N/A
2014:	2	\$33 mm	0%	N/A
2013:	2	\$20 mm	0%	N/A
2012:	2	\$18 mm	0%	N/A
2011:	1	\$6 mm	0%	N/A
2010:	1	\$6 mm	0%	N/A
2009:	1	\$6 mm	0%	N/A
*2008:	1	\$4 mm	0%	N/A

* 2008 performance period is from July 1.

Global Long/Short Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	1	\$868 mm	1%	N/A
2015:	1	\$629 mm	1%	N/A
2014:	1	\$125 mm	0%	N/A
*2013:	1	\$3 mm	0%	N/A

* 2013 performance period is from July 1.

Emerging Markets Long/Short Equity:

	# of Portfolios in Composite	Total Assets in Composite	% of Firm AUM	Composite Dispersion
2016:	1	\$11 mm	0%	N/A
*2015:	1	\$3 mm	0%	N/A

* 2015 performance period is from March 1.

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Performance Disclosures (continued)

Firm Assets:

Year	Assets (mm)	Year	Assets (mm)
2016:	\$87,222	2011:	\$21,098
2015:	\$78,363	2010:	\$18,419
2014:	\$73,250	2009:	\$17,207
2013:	\$52,334	2008:	\$11,540
2012:	\$29,023	2007:	\$26,554

Other Disclosures

Boston Partners has adjusted the S&P and Russell sector classifications to group stocks according to similar business product lines and correlation of stock returns. Boston Partners' classifications are similar to the major market indices in terms of breadth but may differ in terms of composition. All product characteristics and sector weightings are calculated using a representative portfolio.

Risk statistics are calculated using composite data. Portfolio composition is subject to change and information contained in this publication may not be representative of the current portfolio. Effective January 1, 2011; Boston Partners adopted a significant cash flow policy for this composite in accordance with the Global Investment Performance Standards. If an external cash flow is greater than or equal to 10.0% of the beginning market value of the portfolio on the day of the flow, and greater than or equal to 10.0% of the beginning market value of the composite for that month then the portfolio is removed from the composite for the month that the flow occurred. The portfolio is then placed back into the composite in accordance with Firm's inclusion policies and procedures.

Boston Partners changed the names of its composites in August 2016 after the firm changed its name.

Boston Partners participates in Initial Public Offerings (IPOs) as described in its Form ADV, Part 2. IPO contributions to performance vary from year to year depending on availability and prevailing market conditions. IPO contributions may have a significant positive effect on performance when initially purchased. Such positive performance should not be expected for future performance periods.

Annual Fee Schedules

Large Cap: 70 basis points ("bp") on the first \$10 million in assets; 50 bp on the next \$40 million; 40 bp on the next \$50 million; 30 bp thereafter. **130/30 Large Cap:** 100 basis points ("bp") on the first \$10 million in assets; 80 bp on the next \$40 million; 70 bp on the next \$50 million; 60 bp thereafter. **Premium Equity:** 80 bp on the first \$25 million of assets; 60 bp on the next \$25 million; 50 bp on the next \$50 million; 40 bp thereafter. **Mid Cap:** 80 bp on the first \$25 million of assets; 60 bp thereafter. **Small/Mid Cap, Small Cap, and Small Cap II:** 100 bp on the first \$25 million of assets; 80 bp thereafter. **Long/Short:** 100 bp on total assets under management; plus 20% profit participation. **Long/Short Research:** 150 basis points.

Global Equity and International Equity are: 75 basis points ("bp") on the first \$25 million in assets; 65 bp on the next \$25 million; 55 bp on the next \$50 million; 50 bp thereafter. **Global Long/Short:** 200 bp on total assets under management. **Emerging Markets Long/Short:** 225 bp on total assets under management. **Emerging Markets Equity are:** 95 basis points ("bp") on the first \$25 million in assets; 85 bp on the next \$25 million; 75 bp on the next \$50 million; 70 bp thereafter.

Corporate Information

Boston Partners Global Investors, Inc. ("Boston Partners") is affiliated with listed corporations through common ownership. ORIX Corporation Europe N.V. services may be offered in the U.S. through Robeco Institutional Asset Management, U.S., an SEC Registered Investment Adviser registered under the Investment Advisers Act of 1940. Transtrend products may be offered in the U.S. through Boston Partners Securities, LLC, member FINRA, SiPC. Harbor Capital Advisers products are distributed by Harbor Funds Distributors, Inc. Boston Partners is authorized to transact as an Investment Adviser and maintains a Securities License by the Government of Guam Department of Revenue and Taxation. It also maintains a Certificate of Authority to transact business on Guam as a Foreign Corporation. In addition, Boston Partners is registered in Korea with the Financial Services Commission (FSC).

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
23	09/12/18	Retirement	Action	08/11/18

Subject: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2018 (ALL). (Adelman)

ISSUE

Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2018 (ALL). (Adelman)

RECOMMENDED ACTION

Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2018 (ALL). (Adelman)

FISCAL IMPACT

None.

DISCUSSION

Pension funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines adopted by each Retirement Board. Attached are the two investment performance reports prepared by the Boards' pension investment consultants. The first report is the Second Quarter 2018 Market Update (Attachment 1) and the second is the Investment Measurement Service Quarterly Review as of June 30, 2018 (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 June 30, 2018. The second report compares the performance of each investment manager with benchmark indices, other fund managers of similarly invested portfolios and other indices.

Investment Compliance Monitoring

In accordance with the Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans (Investment Policy), State Street Bank performs daily investment compliance monitoring on the Plans' three (3) actively managed funds. As of June 30, 2018, there were no compliance warnings or alerts to be reported; therefore, the investments are in compliance with the Investment Policy. The final attached report includes the monitoring summary (Attachment 3).

Approved:

Presented:

Final 09/04/18

Treasury Controller

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\FI IP's\09-12-18 Investment Performance.docx

REGIONAL TRANSIT ISSUE PAPER

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The table below provides an overview of the quarter performance, quarter ending June 30, 2018 – 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	1.18%	(0.14%)	\$(60,583)	-
S&P 500 Index (large cap value) S&P 500	3.43%	3.42%	\$1,531,881	-
Atlanta Capital (small cap) Russell 2000	7.75%	7.17%	\$1,685,060	\$(564,016)
Brandes (international equities) MSCI EAFE*	-	-	\$(394)	-
Pyrford (international equities) MSCI EAFE	(1.24%)	(2.17%)	\$(579,842)	-
MSCI EAFE Index (international equities) MSCI EAFE	(1.24%)	(1.05%)	\$(119,736)	-
AQR (small cap international equities) MSCI EAFE SC	(1.57%)	(2.63%)	\$(438,440)	\$(703,656)
Dimensional Fund Advisors (emerging markets) MSCI EM	(7.96%)	(9.75%)	\$(1,778,628)	-
Metropolitan West (fixed income) Barclays Agg.	(0.16%)	0.12%	\$117,000	-
Totals	0.92%	0.15%	\$356,317	\$(1,267,582)

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 June 30, 2018 – 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	6.77%	10.19%	\$5,840,298	\$(6,704,144)
S&P 500 Index (large cap value) S&P 500	14.37%	14.31%	\$6,104,234	\$(6,676,996)
Atlanta Capital (small cap) Russell 2000	17.57%	18.52%	\$3,445,854	\$(4,068,428)
Brandes (international equities) MSCI EAFE*	-	-	\$709	-
JPMorgan (international equities) MSCI EAFE	-	-	\$1,297,198	\$(25,953,819)
Pyrford (international equities) MSCI EAFE	6.84%	1.43%	\$614,558	\$25,953,819
MSCI EAFE Index (international equities) MSCI EAFE	6.84%	7.13%	\$1,487,707	-
AQR (small cap international equities) MSCI EAFE SC	12.45%	10.93%	\$2,794,920	-
Dimensional Fund Advisors (emerging markets) MSCI EM	8.20%	5.17%	\$3,186,646	-
Metropolitan West (fixed income) Barclays Agg.	(0.40)%	0.13%	\$1,247,885	\$12,115,111
Totals	7.90%	6.93%	\$26,020,009	\$(5,334,457)

Bold – fund exceeding respective benchmark

September 12, 2018



**Sacramento Regional
Transit District**

Second Quarter 2018
Market Update

Anne Heaphy

Fund Sponsor Consulting

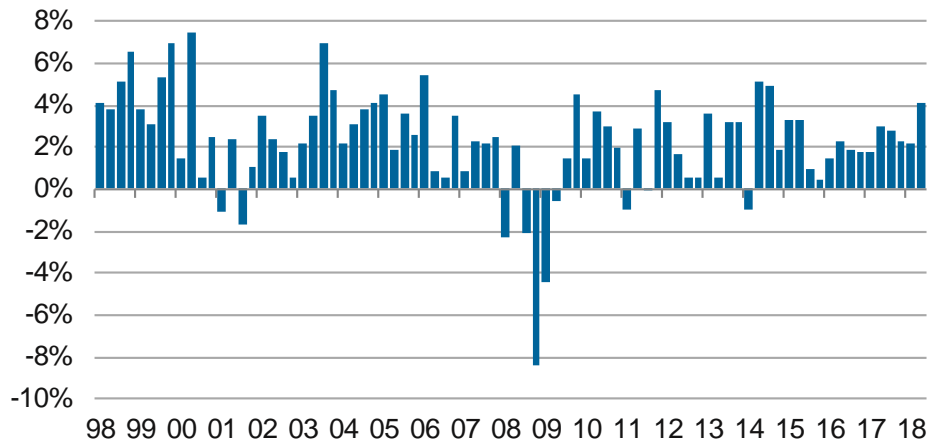
Uvan Tseng, CFA

Fund Sponsor Consulting

Economic Commentary

Second Quarter 2018

Quarterly Real GDP Growth (20 Years)



Inflation Year-Over-Year



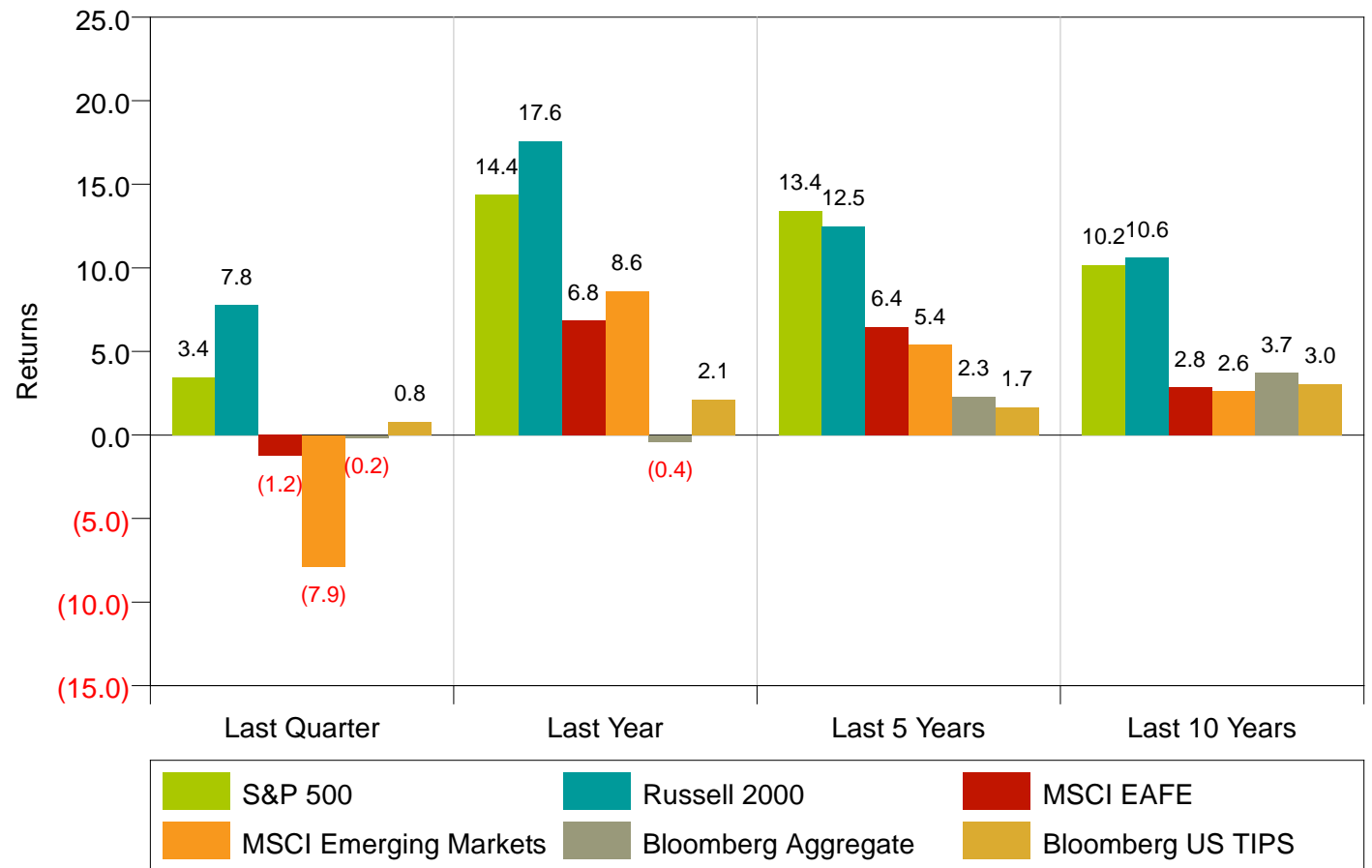
- GDP was revised down slightly to 2.0% in the first quarter, but second quarter GDP clocked a very solid 4.1% gain .The U.S. economy continues to thrive.
- Labor market continues to tighten.
 - In the U.S., unemployment fell to 3.8% in May 2018, a generational low. The U.S. is showing clear signs it is reaching the limits of full employment.
 - Initial claims for unemployment insurance have fallen to the lowest level since 1969.
- Inflation may finally be perking up, after years of a perplexing absence. Headline CPI rose 2.9% during the quarter, continuing a gradual rise, and core CPI (ex-food and energy) rose 2.3%, slightly above the Fed's 2% target.

Source: Bureau of Economic Analysis, Bureau of Labor Statistics

Asset Class Performance

Periods Ended June 30, 2018

Asset Class Performance
for Periods Ended June 30, 2018



YTD as of 09/11/18:

S&P 500:

Russell 2000:

MSCI EAFE:

MSCI Emerging Markets:

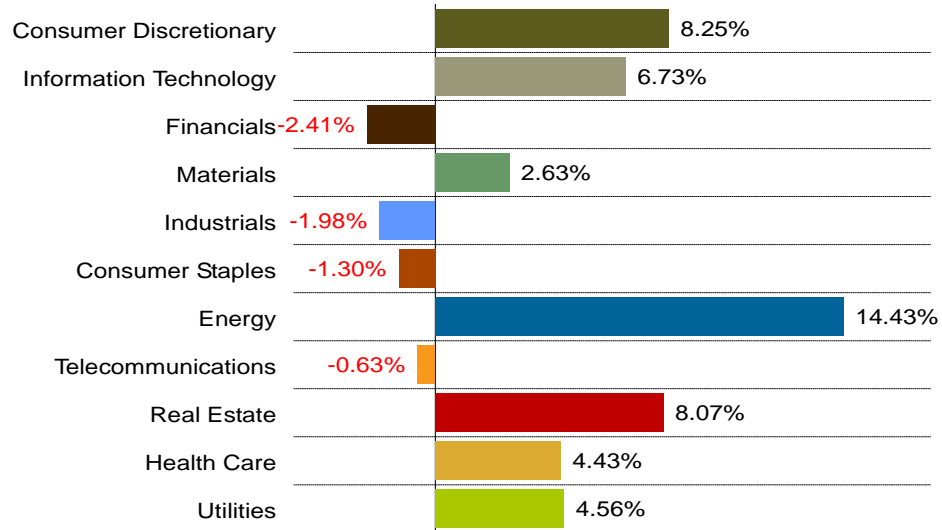
Bloomberg Aggregate:

Bloomberg TIPS:

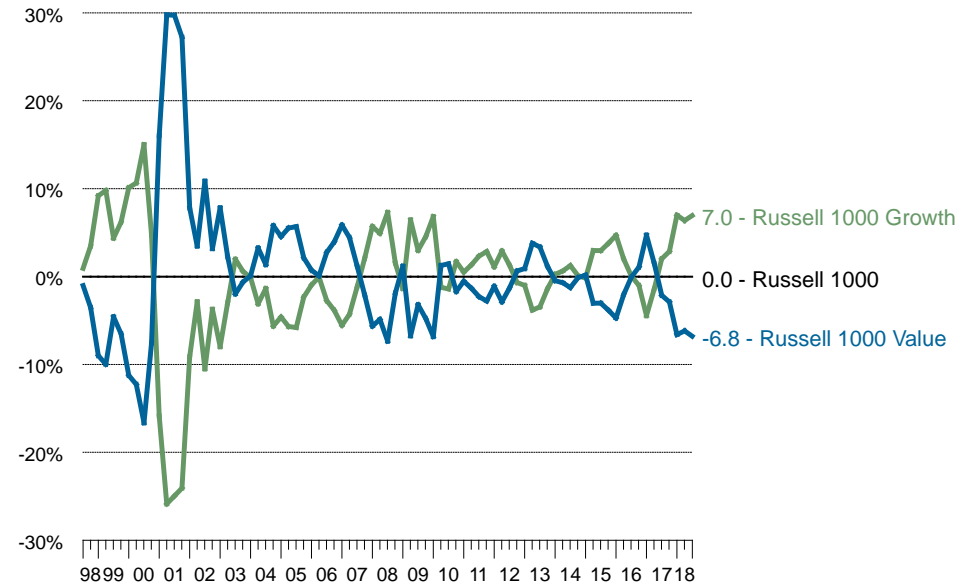
U.S. Equity

Second Quarter 2018

Russell 3000 Sector Returns



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



Second Quarter Index Returns

Russell 3000:	3.89
S&P 500:	3.43
Russell Mid Cap:	2.82
Russell 2000:	7.75

Source: Russell Investment Group

U.S. Equity Style Returns

Periods Ended June 30, 2018

	2Q 2018				Annualized 1 Year Returns		
	Value	Core	Growth		Value	Core	Growth
Large	0.6%	3.9%	6.6%	Large	6.4%	15.4%	23.8%
Mid	2.4%	2.8%	3.2%	Mid	7.6%	12.3%	18.5%
Small	8.3%	7.8%	7.2%	Small	13.1%	17.6%	21.9%

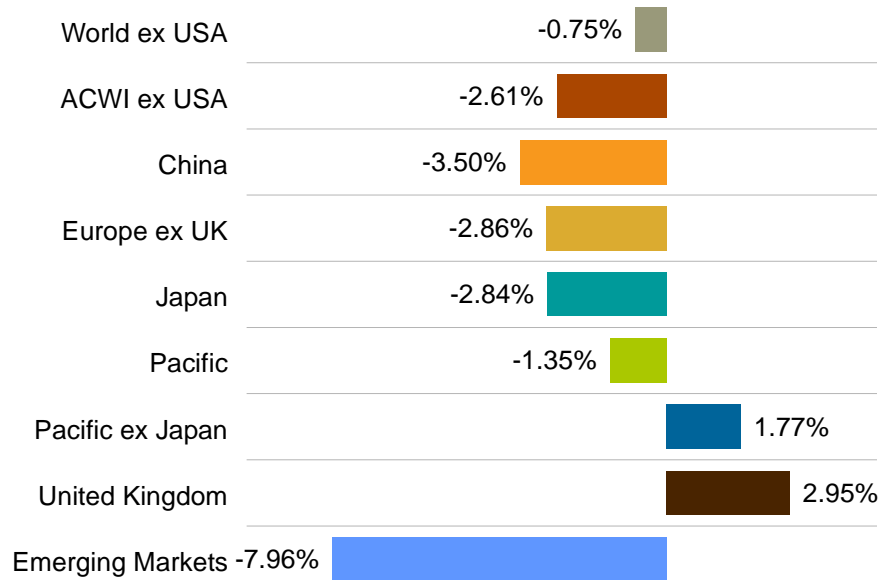
- U.S. equities (S&P 500 +3.4%) rose on a strong earnings season and positive economic data.
 - Energy was the best-performing sector (+13.5%) as oil prices trended higher after U.S. withdrew from Iran nuclear accord.
- Small cap stocks outperformed large cap on trade war fears. Large cap companies derive big portion of revenues from foreign markets (S&P 500 aggregate is ~40%) and are more negatively impacted compared to their domestically focused small cap peers.
- Growth continued to outperform Value due to strong results in Tech (+7.1%) and Consumer Discretionary (+8.2%).
- Concentration of returns within broad indexes remains a concern. Excluding FAANG (Facebook, Apple, Amazon, Netflix, and Google) stock performance, S&P 500 performance was negative.

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

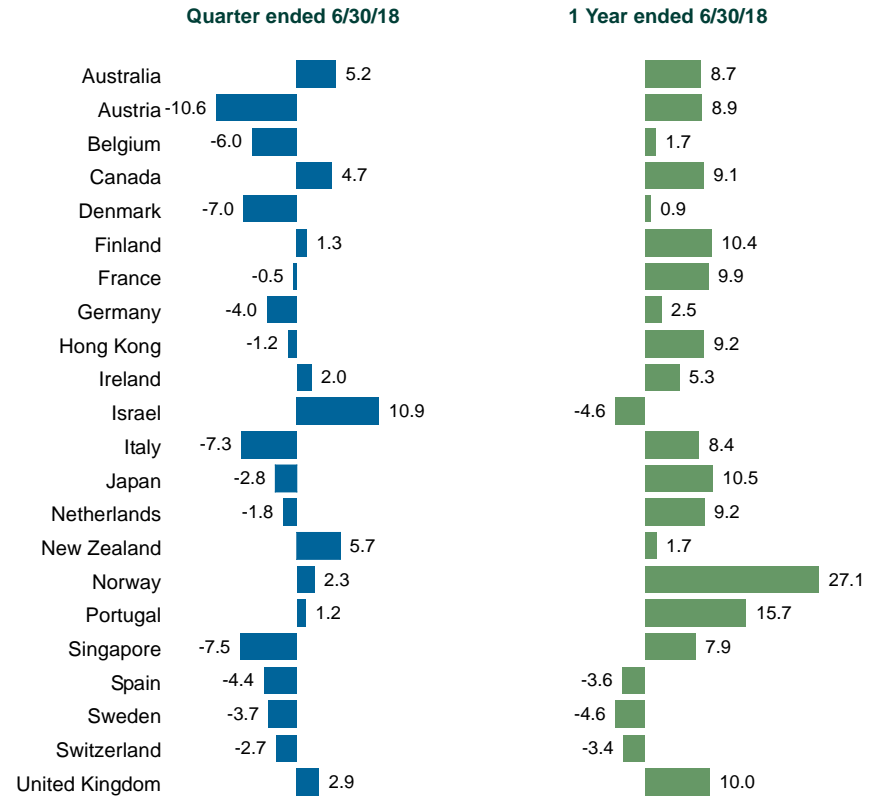
Non-US Equity

Second Quarter 2018

Non-U.S. Quarterly Performance (U.S. Dollar)
as of June 30, 2018



Developed Country Returns



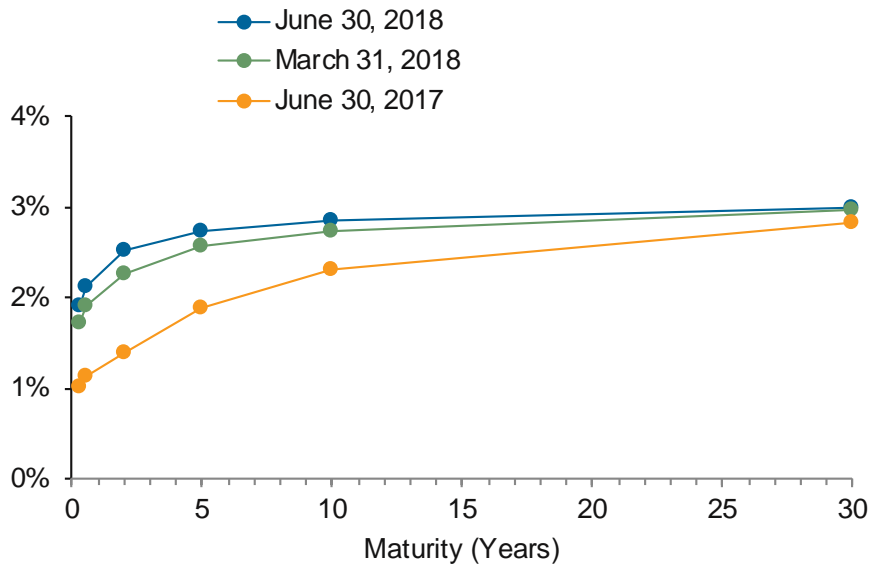
- Non-U.S. markets ended in the red as trade war talk moved into action. Although initial tariffs levied by the U.S. were targeted, retaliatory actions and supply chain disruptions broadened their effects. Cyclical sectors were hurt later in the quarter as the prospect of slower growth led to reduced expectations. The U.S. dollar was up, hurting non-U.S. returns. The euro and British pound were hit especially hard with the rise of populism and Brexit turmoil.
- Emerging markets were among the hardest hit with Latin America taking the brunt of the sell-off. In May, Brazil's central bank unexpectedly left rates unchanged, while a trucking strike and growing concern about October elections weighed on markets. The Brazilian real fell 14% in the quarter versus the U.S. dollar.

Source: MSCI, Callan

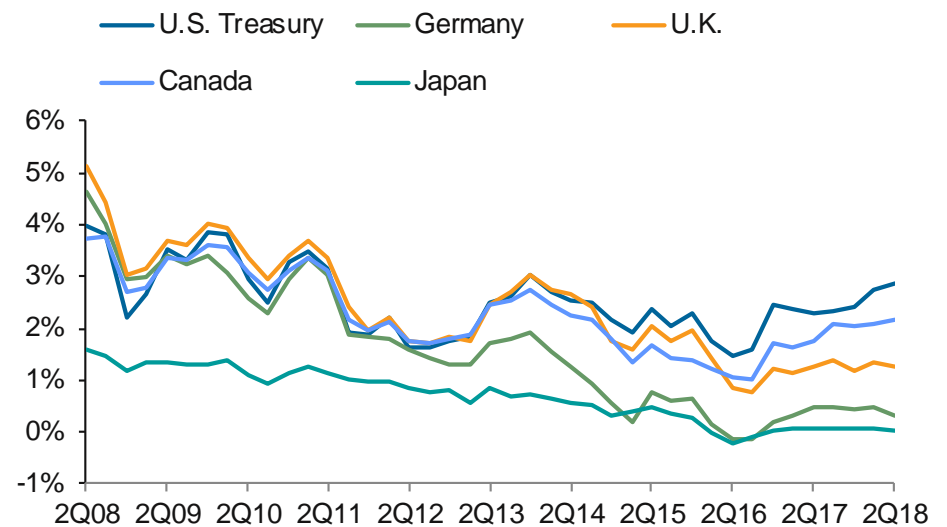
Fixed Income

Second Quarter 2018

U.S. Treasury Yield Curves




10-Year Global Government Bond Yields



- Fixed Income markets grappled with multiple issues, resulting in continued volatility.
 - Trade conflicts due to imposition of tariffs, EM elections, and rising U.S. dollar contributed to the unstable environment.
- U.S. rates rose in the second quarter and the yield curve continued its flattening trend.
 - The spread between the 2-year and 10-year ended at its lowest level (33 bps) in more than 10 years.
- Investment grade corporates faced increased headwinds during the quarter, dragging returns lower.
 - Concerns over potential trade wars and rising rates increasingly weighed on IG credit despite rising earnings and revenues.
- High yield corporates rebounded in Q2 pushing year-to-date returns into positive territory.
 - CCC-rated credits continued to outperform higher-rated credits within high yield.
 - Earnings growth remains strong and defaults remain benign amid positive economic outlook.

Source: Bloomberg



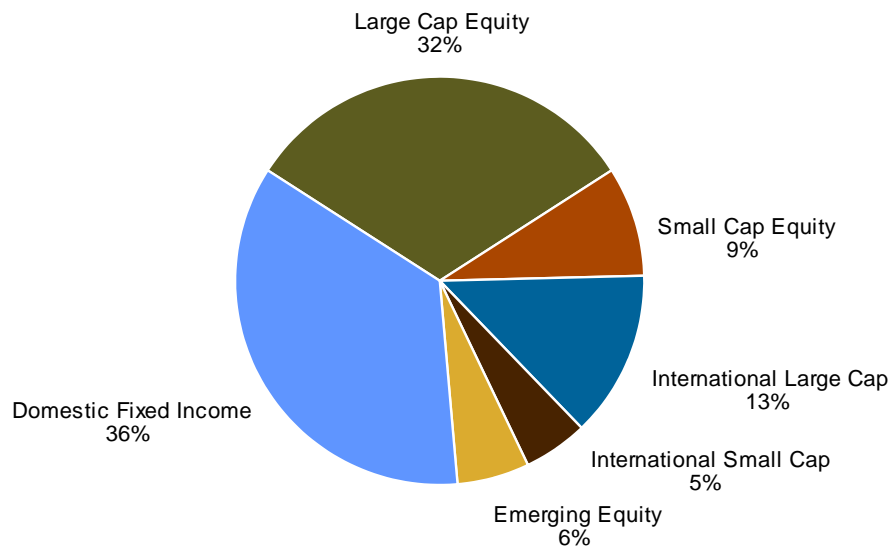
**Sacramento Regional
Transit District**

Total Fund Overview

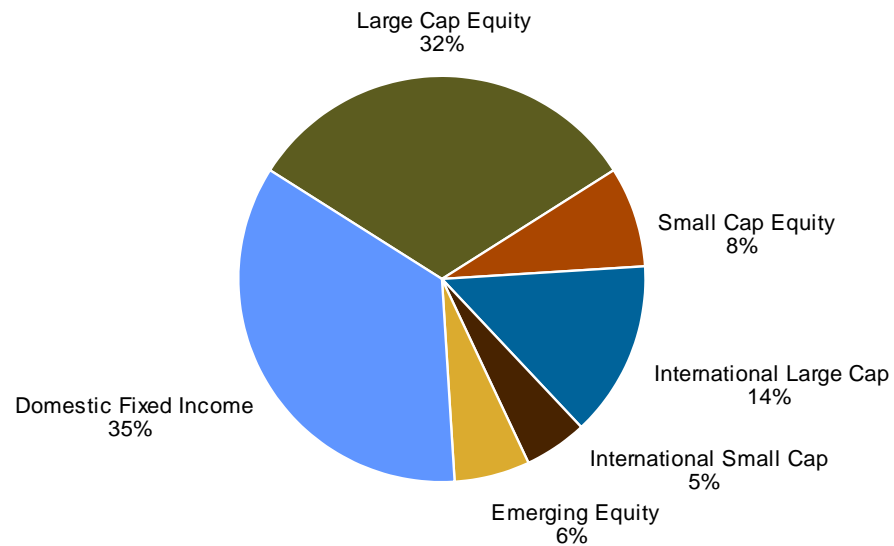
RT Asset Allocation

As of June 30, 2018

Actual Asset Allocation



Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	90,282	31.8%	32.0%	(0.2%)	(624)
Small Cap Equity	24,621	8.7%	8.0%	0.7%	1,894
International Large Cap	37,393	13.2%	14.0%	(0.8%)	(2,379)
International Small Cap	14,603	5.1%	5.0%	0.1%	399
Emerging Equity	16,246	5.7%	6.0%	(0.3%)	(799)
Domestic Fixed Income	100,938	35.5%	35.0%	0.5%	1,509
Total	284,084	100.0%	100.0%		

Total Fund

Performance Attribution

Relative Attribution Effects for Quarter ended June 30, 2018

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	31%	32%	1.66%	3.43%	(0.55%)	(0.01%)	(0.57%)
Small Cap Equity	8%	8%	7.17%	7.75%	(0.05%)	0.03%	(0.02%)
International Large Cap	13%	14%	(1.84%)	(1.24%)	(0.09%)	0.01%	(0.08%)
International Small Cap	5%	5%	(2.63%)	(1.57%)	(0.06%)	(0.01%)	(0.07%)
Emerging Equity	6%	6%	(9.75%)	(7.96%)	(0.12%)	(0.01%)	(0.13%)
Domestic Fixed Income	35%	35%	0.12%	(0.16%)	0.10%	(0.00%)	0.09%
Total			0.15%	= 0.92%	+ (0.76%)	+ (0.01%)	(0.77%)

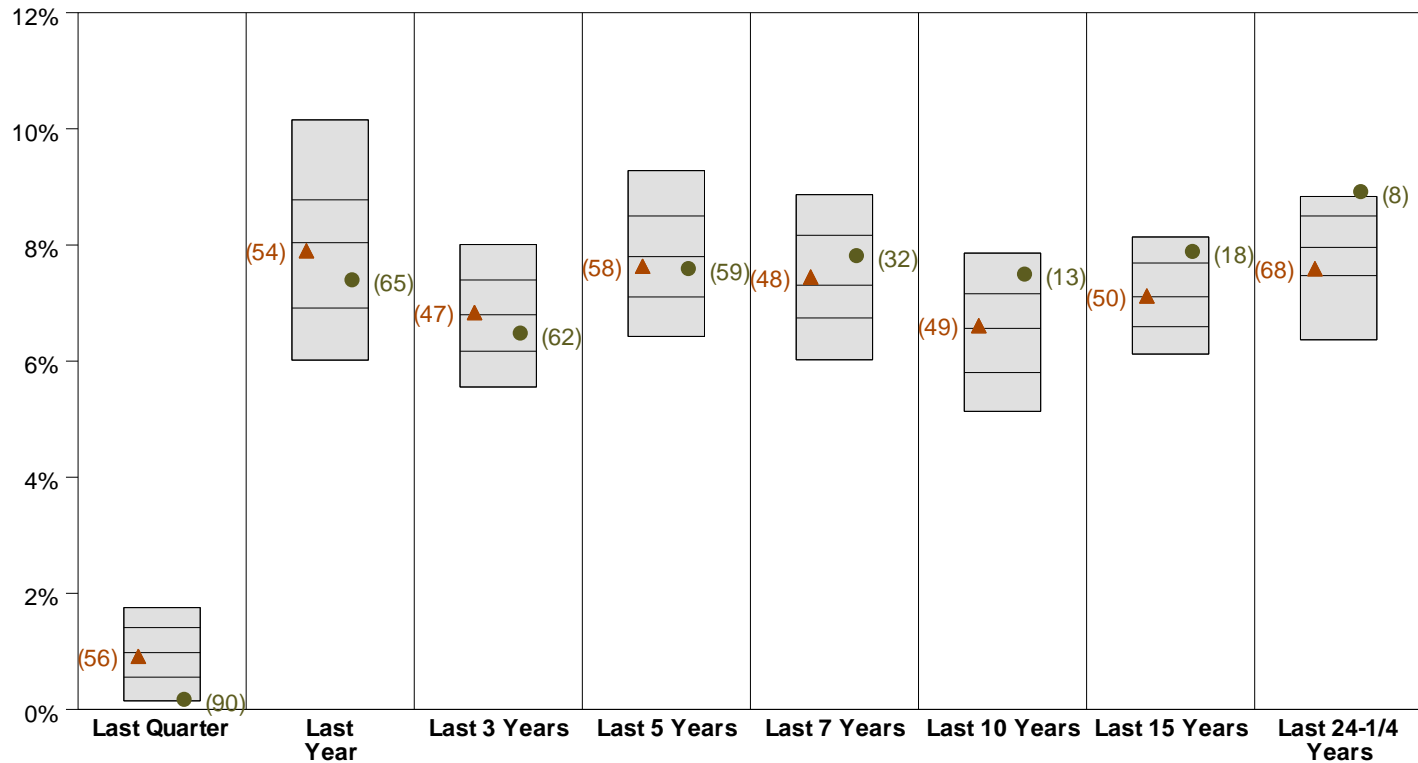
One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	12.60%	14.37%	(0.53%)	0.03%	(0.50%)
Small Cap Equity	9%	8%	19.46%	17.57%	0.16%	0.02%	0.18%
International Large Cap	13%	14%	3.61%	6.84%	(0.45%)	(0.00%)	(0.45%)
International Small Cap	5%	5%	11.98%	12.45%	(0.03%)	0.01%	(0.02%)
Emerging Equity	6%	6%	5.72%	8.20%	(0.15%)	(0.03%)	(0.18%)
Domestic Fixed Income	33%	35%	0.41%	(0.40%)	0.28%	0.16%	0.45%
Total			7.37%	= 7.90%	+ (0.71%)	+ 0.18%	(0.53%)

Total Fund

Performance as of June 30, 2018

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



10th Percentile	1.75	10.16	8.01	9.28	8.87	7.86	8.14	8.84	
25th Percentile	1.41	8.78	7.40	8.50	8.17	7.16	7.69	8.50	
Median	0.98	8.04	6.80	7.80	7.31	6.56	7.11	7.96	
75th Percentile	0.56	6.91	6.17	7.11	6.74	5.80	6.59	7.47	
90th Percentile	0.15	6.02	5.55	6.42	6.02	5.13	6.12	6.37	
Total Fund	●	0.15	7.37	6.45	7.56	7.79	7.47	7.86	8.89
Target	▲	0.92	7.90	6.84	7.63	7.45	6.61	7.12	7.59

Total Fund

Manager Asset Allocation

	June 30, 2018 Market Value	Net New Inv.	Inv. Return	March 31, 2018 Market Value
Consolidated Plan				
Domestic Equity	\$114,903,221	\$(564,016)	\$3,156,358	\$112,310,879
Large Cap	\$90,282,343	\$0	\$1,471,298	\$88,811,045
Boston Partners	43,989,701	0	(60,583)	44,050,284
SSgA S&P 500	46,292,642	0	1,531,881	44,760,761
Small Cap	\$24,620,877	\$(564,016)	\$1,685,060	\$23,499,833
Atlanta Capital	24,620,877	(564,016)	1,685,060	23,499,833
International Equity	\$68,242,226	\$(703,565)	\$(2,917,041)	\$71,862,832
International Large Cap	\$37,392,697	\$0	\$(699,973)	\$38,092,670
Brandes	9,257	0	(394)	9,651
SSgA EAFE	11,240,964	0	(119,736)	11,360,700
Pyrford	26,142,476	0	(579,842)	26,722,319
International Small Cap	\$14,603,230	\$(703,565)	\$(438,440)	\$15,745,235
AQR	14,603,230	(703,565)	(438,440)	15,745,235
Emerging Equity	\$16,246,299	\$0	\$(1,778,628)	\$18,024,927
DFA Emerging Markets	16,246,299	0	(1,778,628)	18,024,927
Fixed Income	\$100,938,262	\$0	\$117,000	\$100,821,262
Metropolitan West	100,938,262	0	117,000	100,821,262
Total Plan - Consolidated	\$284,083,708	\$(1,267,582)	\$356,317	\$284,994,972

Total Fund

Manager Returns as of June 30, 2018

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	2.81%	14.05%	11.15%	12.86%	13.42%
Domestic Equity Benchmark**	4.29%	15.06%	11.80%	13.31%	13.03%
Large Cap Equity	1.66%	12.60%	10.56%	12.35%	13.17%
Boston Partners	(0.14%)	10.79%	9.10%	11.22%	12.71%
Russell 1000 Value Index	1.18%	6.77%	8.26%	10.34%	11.27%
SSgA S&P 500	3.42%	14.36%	11.98%	13.47%	-
S&P 500 Index	3.43%	14.37%	11.93%	13.42%	13.23%
Small Cap Equity	7.17%	19.46%	13.37%	14.72%	14.34%
Atlanta Capital	7.17%	19.46%	13.37%	14.72%	14.34%
Russell 2000 Index	7.75%	17.57%	10.96%	12.46%	11.83%
International Equity	(3.99%)	5.88%	4.51%	5.87%	4.38%
International Benchmark***	(2.94%)	8.33%	5.63%	6.49%	4.92%
International Large Cap	(1.84%)	3.61%	3.63%	5.69%	-
SSgA EAFE	(1.05%)	7.22%	5.27%	6.75%	-
Pyrford	(2.17%)	2.13%	-	-	-
MSCI EAFE Index	(1.24%)	6.84%	4.90%	6.44%	4.89%
International Small Cap	(2.63%)	11.98%	-	-	-
AQR	(2.63%)	11.98%	-	-	-
MSCI EAFE Small Cap Index	(1.57%)	12.45%	10.09%	11.32%	8.37%
Emerging Markets Equity	(9.75%)	5.72%	5.97%	5.63%	-
DFA Emerging Markets	(9.75%)	5.72%	5.97%	5.63%	-
MSCI Emerging Markets Index	(7.96%)	8.20%	5.60%	5.01%	1.43%
Domestic Fixed Income	0.12%	0.41%	2.05%	2.65%	3.37%
Met West	0.12%	0.41%	2.05%	2.65%	3.37%
Bloomberg Aggregate Index	(0.16%)	(0.40%)	1.72%	2.27%	2.57%
Total Plan	0.15%	7.37%	6.45%	7.56%	7.79%
Target*	0.92%	7.90%	6.84%	7.63%	7.45%

* Current Quarter Target = 35.0% Bloomberg Aggregate Index, 32.0% S&P500 Index, 14.0% MSCI EAFE Index, 8.0% Russell 2000 Index, 6.0% MSCI Emerging Markets Index, and 5.0% MSCI EAFE Small Cap Index.

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

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

Callan

June 30, 2018



Sacramento Regional Transit District Retirement Plans

**Investment Measurement Service
Quarterly Review**

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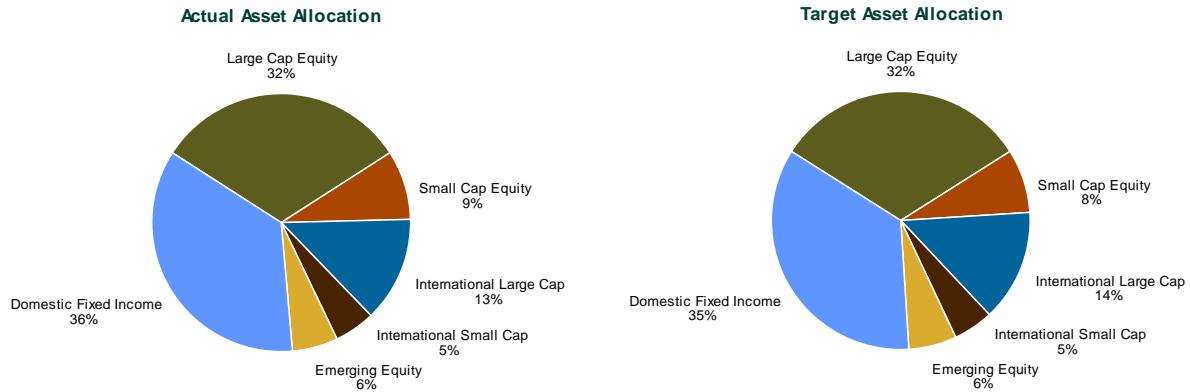
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Sacramento Regional Transit District
Executive Summary for Period Ending June 30, 2018

Asset Allocation



Performance

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Total Plan	0.15%	7.37%	6.45%	7.56%	7.79%
Target*	0.92%	7.90%	6.84%	7.63%	7.45%

Recent Developments

N/A

Organizational Issues

N/A

Manager Performance

Manager	Peer Group Ranking		
	Last Year	Last 3 Years	Last 7 Years
Boston Partners	36	55	20
Atlanta Capital	41	16	21
Pyrford	95	[82]	[81]
AQR	56	[54]	[56]
DFA	65	71	[81]
MetWest	42	87	74

Brackets indicate performance linked with manager's composite

Watch List

N/A

Items Outstanding

N/A

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

U.S. EQUITY

U.S. equities (S&P 500: +3.4%) rose on a strong earnings season and positive economic data. Energy was the best-performing sector (+13.5%) as oil prices trended higher after the U.S. withdrew from the Iran nuclear accord.

Small cap (+7.8%) outperformed large cap (+3.6%) on trade war fears. Large cap companies derive a big portion of revenues from foreign markets (S&P 500 aggregate is approximately 40%) and are more negatively impacted compared to domestically focused small cap firms.

Growth (+5.8%) continued to outperform value (+1.2%) due to strong results in Consumer Discretionary (+8.2%) and Tech (+7.1%).

The concentration of returns within broad indices remains a concern. Excluding the performance of the FAANG stocks (Facebook, Amazon, Apple, Netflix, Google), S&P 500 performance was negative.

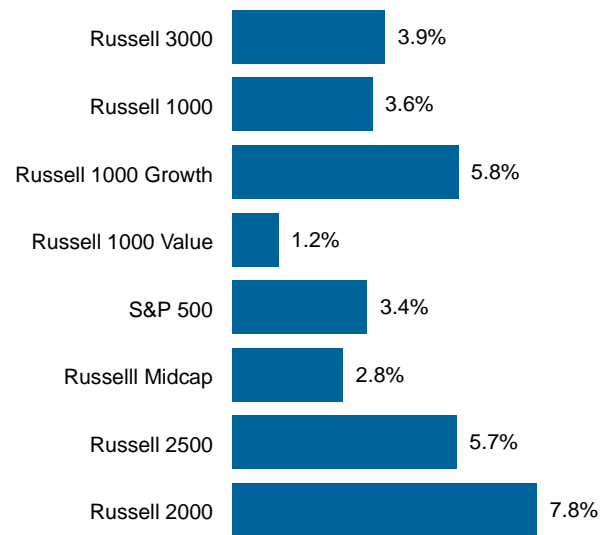
Large Cap Trails Small Cap Amid Trade War Concerns

- Retaliatory tariffs hit the U.S. agriculture, auto, and industrial metals sectors, among others. The ongoing decline of U.S. export market share is exacerbating the impact on large caps, which may continue to face macro headwinds in the coming quarters.
- Large cap (+2.9% YTD) is significantly trailing small cap (+7.7% YTD) as investors view small companies as more insulated against potential trade wars/looming tariffs. S&P 500 companies generate 38% of revenue overseas versus 20% for the S&P SmallCap 600.
- The rising dollar and concerns over the divergence between the strong U.S. economy and slower global growth are also driving investors to the relative safety of smaller companies.

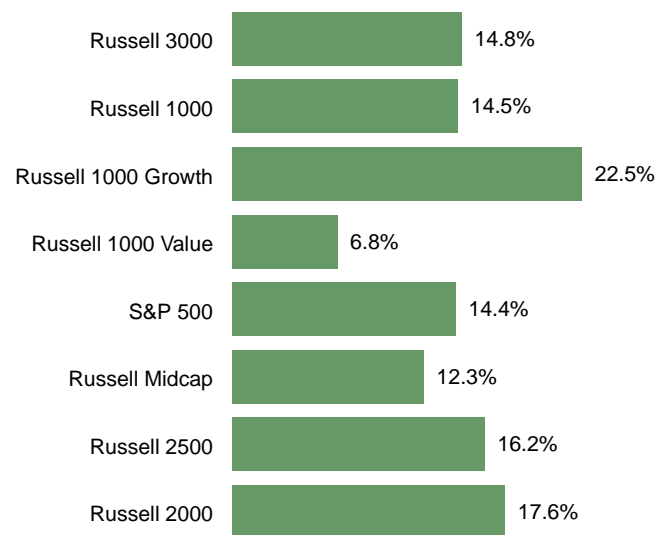
Large Growth Continues to Dominate

- Large value trailed large growth by nearly 900 bps in the first half of 2018 (-1.7% vs. +7.3%), driven by ongoing outperformance of the Tech sector and Tech-exposed Consumer Discretionary companies.

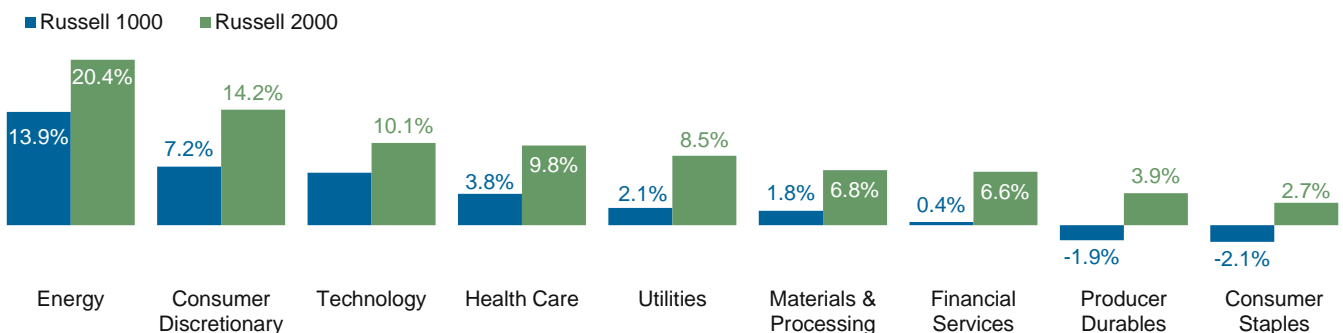
U.S. Equity: Quarterly Returns



U.S. Equity: One-Year Returns



Russell Sector Returns, Quarter ended June 30, 2018



Sources: FTSE Russell, Standard & Poor's

Concentration Risk

- FAANG stocks continue to drive an outsized proportion of returns within equity indices.
- Biotech represents half of the Health Care weight of the Russell 2000 Growth (12% vs. 25%), and many small growth managers have struggled in selecting biotech names given the binary outcomes of research and depth of resources needed to do it well.

Amazon Effect Continues

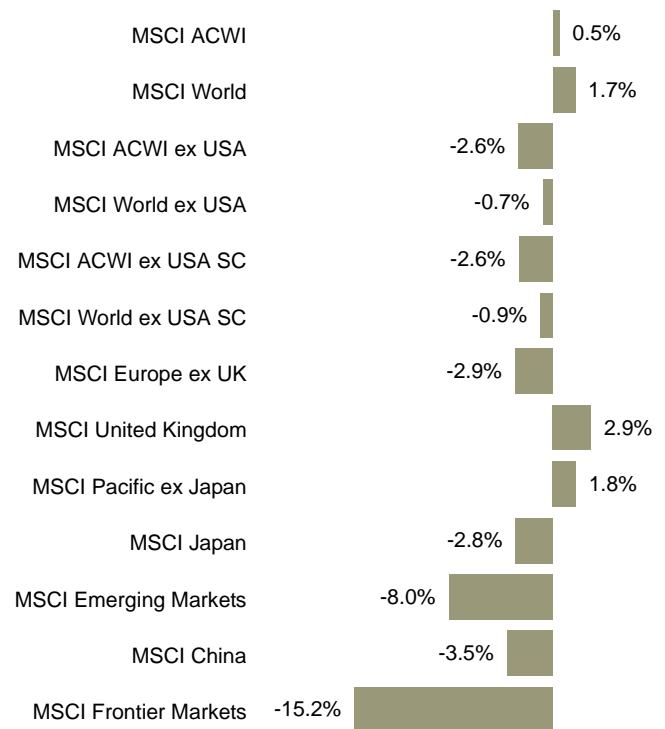
- Amazon (+17%) increased in size by over 69% since last year's Russell reconstitution with continued market share expansion in the retailing space (including food) and now into Health Care.
- Active large cap managers with underweight positions to Amazon will likely continue to lag their benchmarks given Amazon's looming presence in large cap indices.

NON-U.S./GLOBAL EQUITY

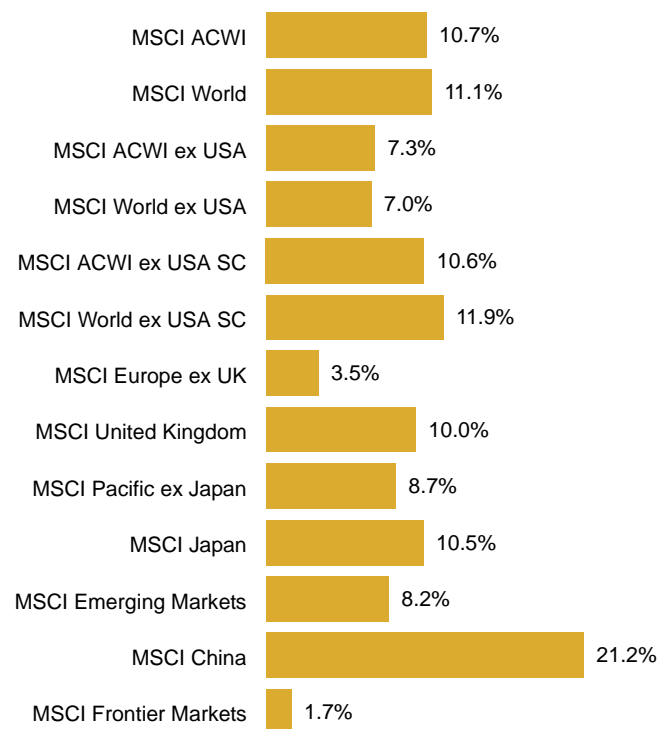
Non-U.S. markets ended in the red as trade war talk moved into action. Although initial tariffs levied by the U.S. were targeted, retaliatory actions and supply chain disruptions broadened their effects.

- Growth outpaced value—although no factor category showed significant strength.
- Cyclical sectors were hurt later in the quarter as the prospect of slower growth led to reduced expectations.
- The U.S. dollar was up, hurting non-U.S. returns. The euro and British pound were hit especially hard with the rise of populism and Brexit turmoil.
- Emerging markets sold off significantly, led by China and Latin America.
- Fears of increasing debt burdens and trade war effects impacted China.
- Brazil was affected by slower global growth, and falling sentiment hit energy and financials hard.
- Frontier markets were singed by Argentina (-42%) on continuing political unrest, severe drought, and a devaluing currency.
- Emerging markets were among the hardest hit with Latin America taking the brunt of the sell-off. In May, Brazil's central bank unexpectedly left rates unchanged, while a trucking strike and growing concern about October elections weighed on markets. The Brazilian real fell 14% in the quarter versus the U.S. dollar.
- China reversed a five-quarter rally on concerns surrounding growing debt burdens, slower growth, and trade uncertainty.

Global Equity: Quarterly Returns



Global Equity: One-Year Returns



Source: MSCI

U.S. FIXED INCOME

Fixed income markets grappled with multiple issues, resulting in continued volatility. Trade conflicts due to the imposition of tariffs, emerging market elections, and the rising U.S. dollar contributed to the unstable environment.

U.S. rates rose in the second quarter and the yield curve continued its flattening trend.

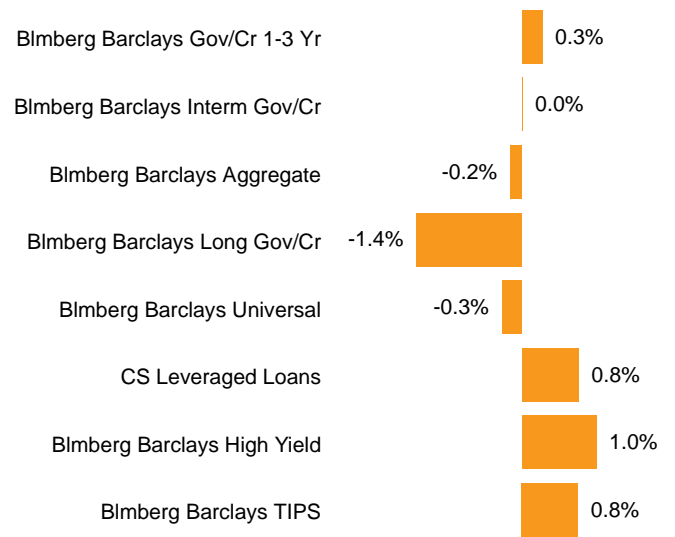
Treasury Spreads Tighten

- The spread between the 2-year and 10-year ended at its lowest level (33 bps) in more than 10 years.
- The Bloomberg Barclays U.S. Aggregate Bond Index fell 0.2%.
- Investment-grade (IG) corporates faced increased headwinds during the quarter, dragging returns lower. Concerns over potential trade wars and rising rates increasingly weighed on IG credit despite rising earnings and revenues.
- High yield corporates (Bloomberg Barclays High Yield Index: +1.0%) rebounded in the second quarter, pushing year-to-date returns into positive territory.
- CCC-rated credits continued to outperform higher-rated credits within high yield.
- Earnings growth remains strong and defaults remain benign amid the positive economic outlook.

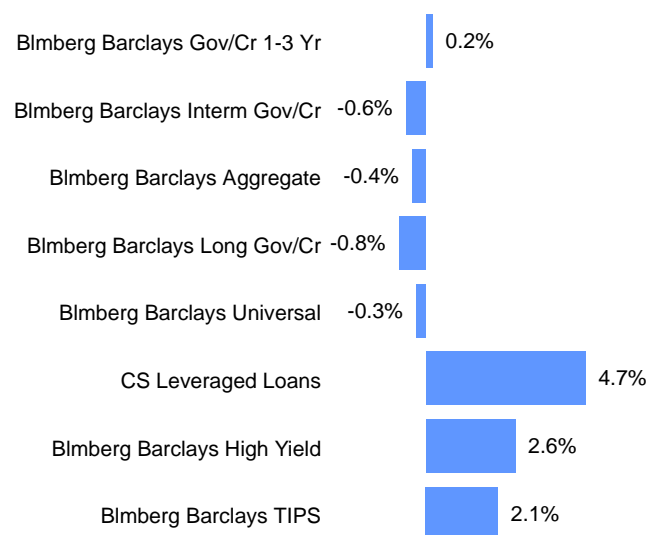
Yield Curve Nears Inversion

- The Fed's preferred measure of inflation, personal consumption expenditures (PCE), is on the precipice of its 2% target.
- The impact of increased tariffs and fiscal policy may lead to even higher levels.
- Only the recent strength of the U.S. dollar and a drop in energy prices have curtailed the dramatic rise over the past year.
- With two more hikes forecasted for this year and three more next year, the curve is inching closer to inversion.
- While not an immediate cause of recession, an inverted curve has been a reliable signal of recession in the past.

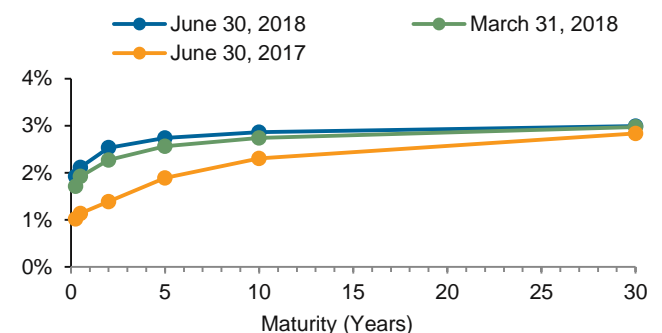
U.S. Fixed Income: Quarterly Returns



U.S. Fixed Income: One-Year Returns



U.S. Treasury Yield Curves



Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

NON-U.S. FIXED INCOME

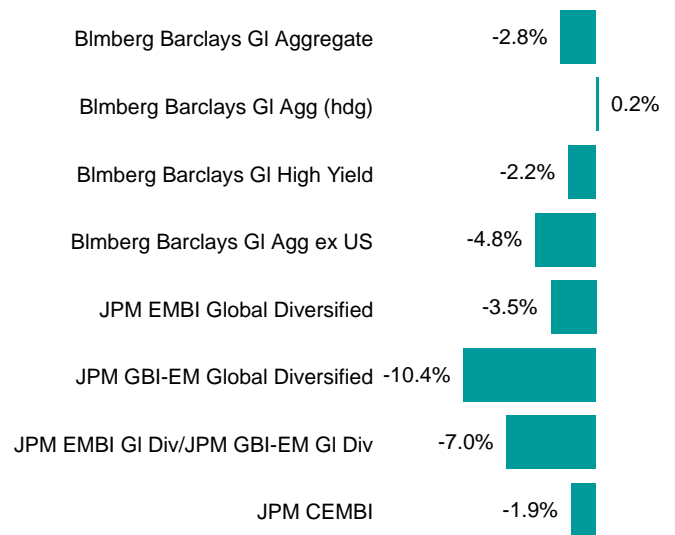
Most Indices Fell in Second Quarter

- The Bloomberg Barclays Global Aggregate Bond Index dropped 2.8%.
- The ex-US version of the Index fell even more, declining 4.8%.
- Emerging market indices were especially hard hit (JPM GBI-EM Global Diversified Index: -10.4%).
- For the last year, broad indices were narrowly positive but EM indices were lower.

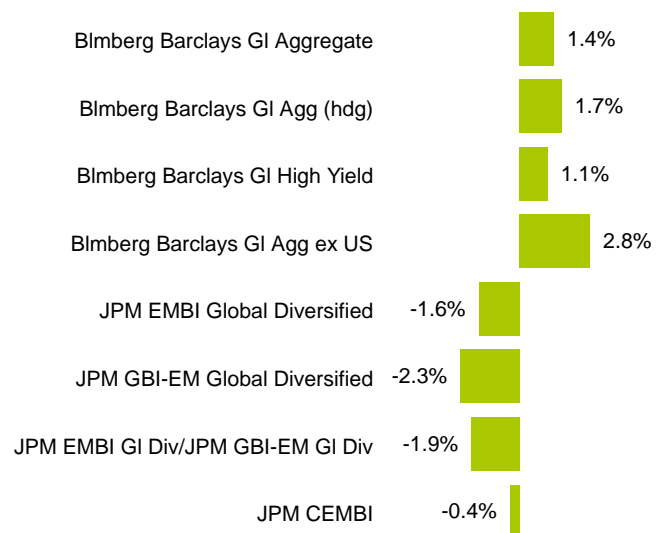
Uncertainty of Trade War May Have Biggest Impact

- Announced tariffs aren't expected to have a meaningful impact on growth; however, the extent of the costs ultimately depends on the degree to which other countries counter.
- An OECD study that looks at the far larger shock of a 10% across-the-board increase in tariffs by the U.S., euro zone, and China finds that global GDP would fall by 1.4%.
- The more impactful result may be an increase in uncertainty, which tends to precede weaker economic activity.
- These effects will take time to ultimately play out and are even more difficult to cap and quantify.

Global Fixed Income: Quarterly Returns

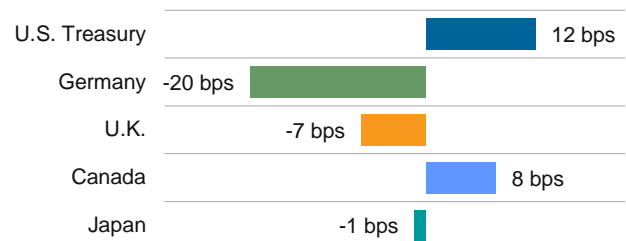


Global Fixed Income: One-Year Returns



Change in 10-Year Global Government Bond Yields

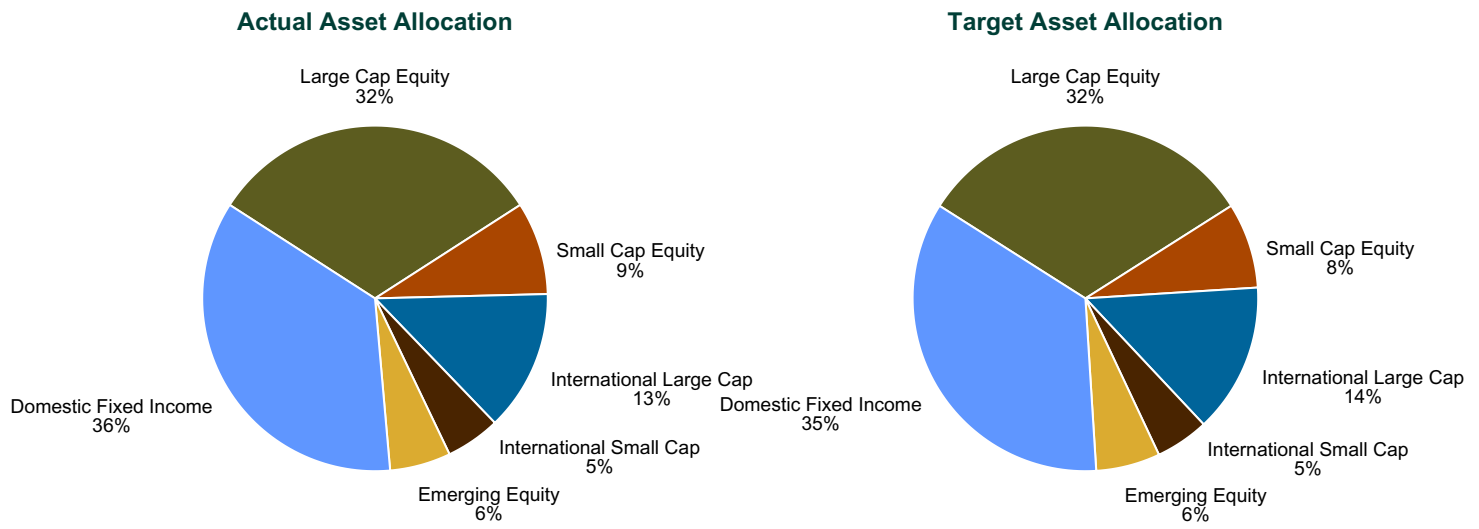
1Q18 to 2Q18



Sources: Bloomberg, Bloomberg Barclays, JP Morgan

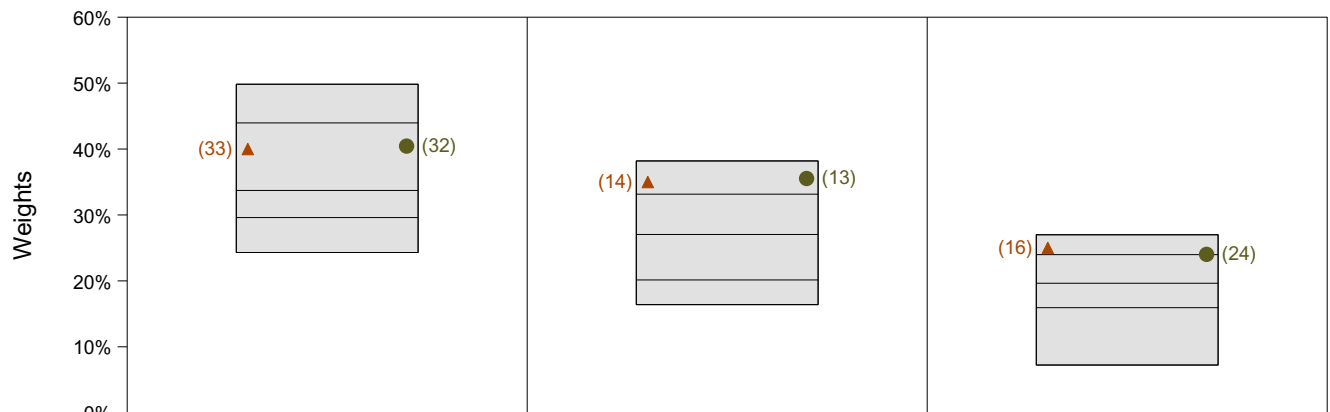
Actual vs Target Asset Allocation As of June 30, 2018

The top left chart shows the Fund's asset allocation as of June 30, 2018. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Callan Public Fund Spons- Mid (100M-1B).



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	90,282	31.8%	32.0%	(0.2%)	(624)
Small Cap Equity	24,621	8.7%	8.0%	0.7%	1,894
International Large Cap	37,393	13.2%	14.0%	(0.8%)	(2,379)
International Small Cap	14,603	5.1%	5.0%	0.1%	399
Emerging Equity	16,246	5.7%	6.0%	(0.3%)	(799)
Domestic Fixed Income	100,938	35.5%	35.0%	0.5%	1,509
Total	284,084	100.0%	100.0%		

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



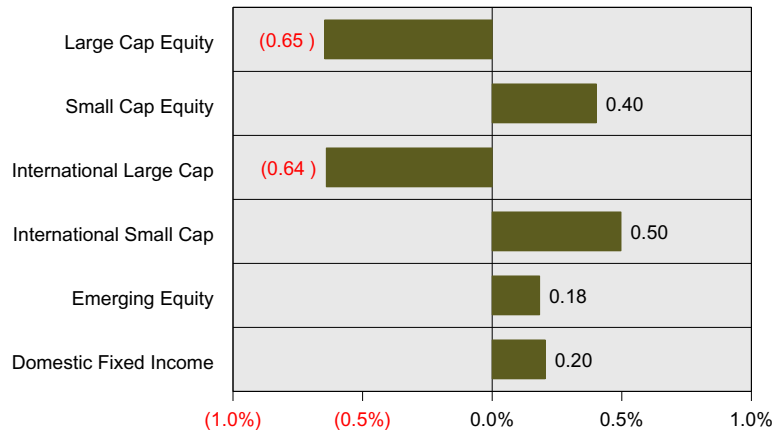
10th Percentile	49.83	38.20	27.00
25th Percentile	43.96	33.15	23.98
Median	33.72	27.04	19.64
75th Percentile	29.60	20.14	15.94
90th Percentile	24.31	16.40	7.23
Fund ●	40.45	35.53	24.02
Target ▲	40.00	35.00	25.00
% Group Invested	96.43%	96.43%	85.71%

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

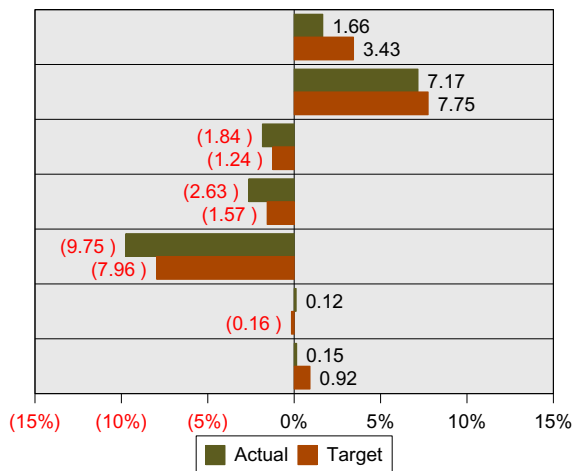
Quarterly Total Fund Relative Attribution - June 30, 2018

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.

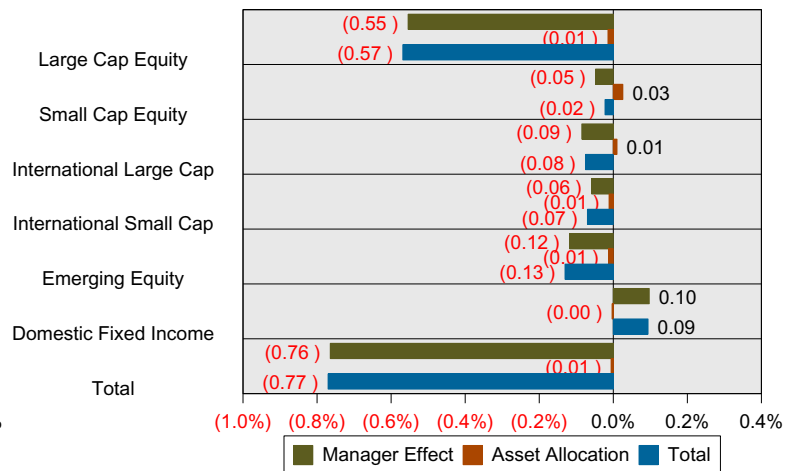
Asset Class Under or Overweighting



Actual vs Target Returns



Relative Attribution by Asset Class



Relative Attribution Effects for Quarter ended June 30, 2018

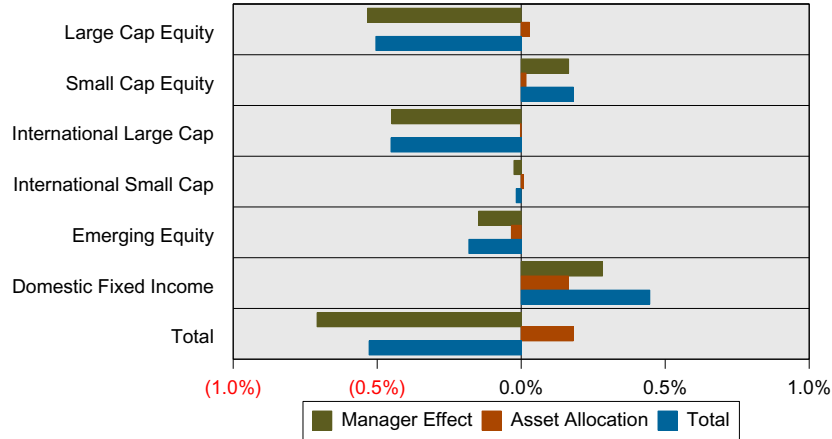
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	31%	32%	1.66%	3.43%	(0.55%)	(0.01%)	(0.57%)
Small Cap Equity	8%	8%	7.17%	7.75%	(0.05%)	0.03%	(0.02%)
International Large Cap	13%	14%	(1.84%)	(1.24%)	(0.09%)	0.01%	(0.08%)
International Small Cap	5%	5%	(2.63%)	(1.57%)	(0.06%)	(0.01%)	(0.07%)
Emerging Equity	6%	6%	(9.75%)	(7.96%)	(0.12%)	(0.01%)	(0.13%)
Domestic Fixed Income	35%	35%	0.12%	(0.16%)	0.10%	(0.00%)	0.09%
Total			0.15%	0.92%	(0.76%)	(0.01%)	(0.77%)

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

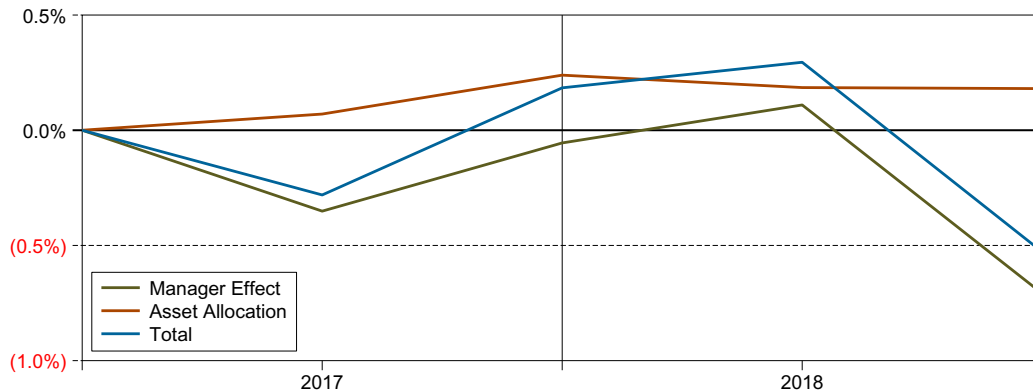
Cumulative Total Fund Relative Attribution - June 30, 2018

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

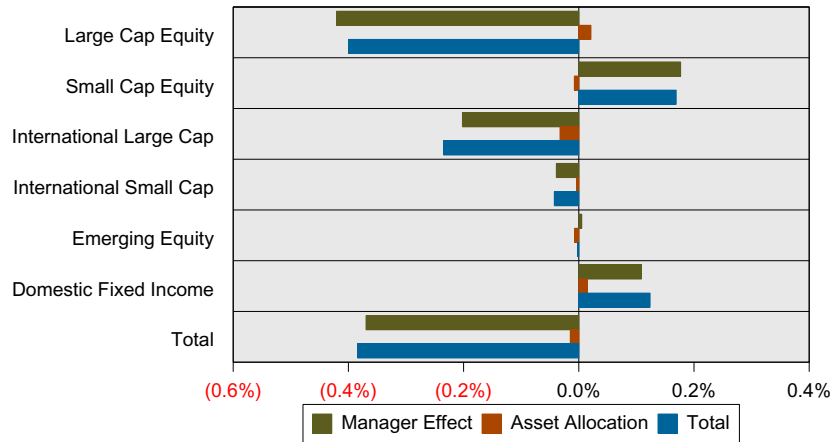
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	12.60%	14.37%	(0.53%)	0.03%	(0.50%)
Small Cap Equity	9%	8%	19.46%	17.57%	0.16%	0.02%	0.18%
International Large Cap	13%	14%	3.61%	6.84%	(0.45%)	(0.00%)	(0.45%)
International Small Cap	5%	5%	11.98%	12.45%	(0.03%)	0.01%	(0.02%)
Emerging Equity	6%	6%	5.72%	8.20%	(0.15%)	(0.03%)	(0.18%)
Domestic Fixed Income	33%	35%	0.41%	(0.40%)	0.28%	0.16%	0.45%
Total			7.37%	7.90%	(0.71%)	0.18%	(0.53%)

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

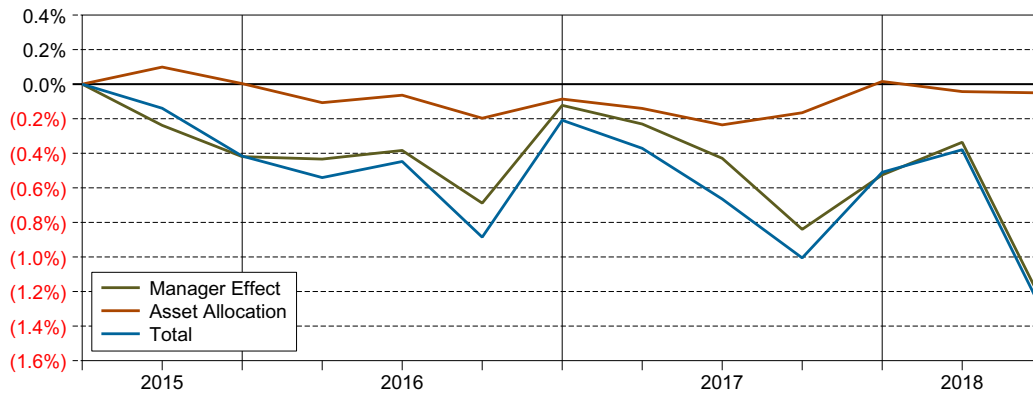
Cumulative Total Fund Relative Attribution - June 30, 2018

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

Three Year Annualized Relative Attribution Effects



Cumulative Relative Attribution Effects



Three Year Annualized Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	10.56%	11.93%	(0.42%)	0.02%	(0.40%)
Small Cap Equity	9%	8%	13.37%	10.96%	0.18%	(0.01%)	0.17%
International Large Cap	15%	16%	3.63%	4.90%	(0.20%)	(0.03%)	(0.23%)
International Small Cap	3%	3%	8.48%	9.29%	(0.04%)	(0.00%)	(0.04%)
Emerging Equity	5%	6%	5.97%	5.60%	0.01%	(0.01%)	(0.00%)
Domestic Fixed Income	34%	35%	2.05%	1.72%	0.11%	0.02%	0.12%
Total			6.45%	6.84%	(0.37%)	(0.01%)	(0.38%)

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

Total Fund Period Ended June 30, 2018

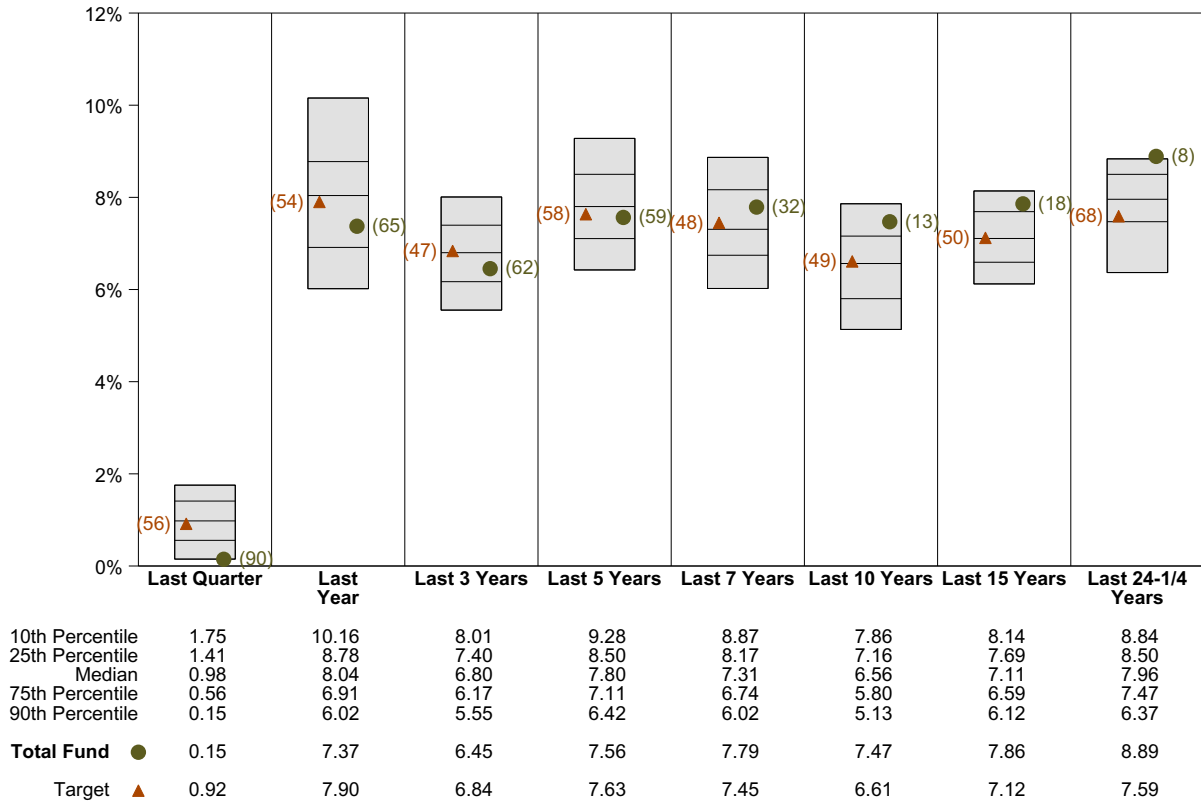
Investment Philosophy

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

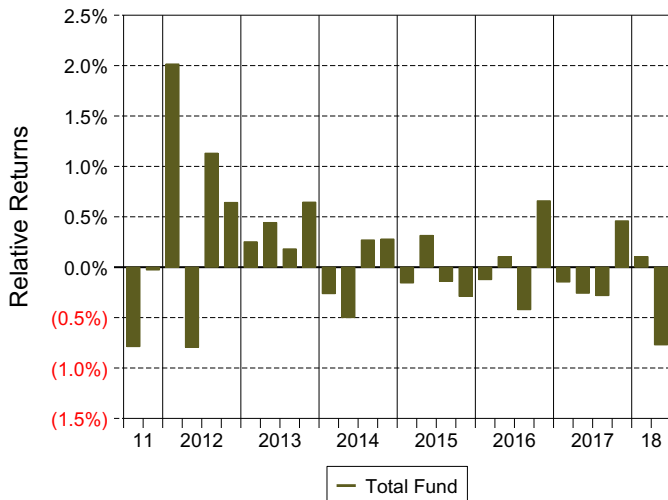
Quarterly Summary and Highlights

- Total Fund's portfolio posted a 0.15% return for the quarter placing it in the 90 percentile of the Callan Public Fund Spons- Mid (100M-1B) group for the quarter and in the 65 percentile for the last year.
- Total Fund's portfolio underperformed the Target by 0.77% for the quarter and underperformed the Target for the year by 0.53%.

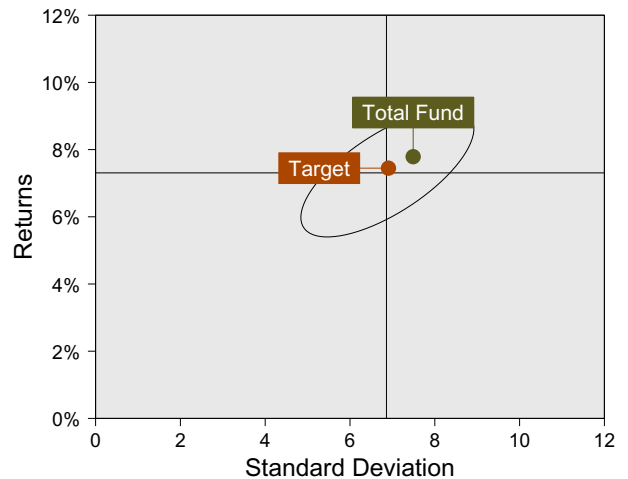
Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)



Relative Return vs Target



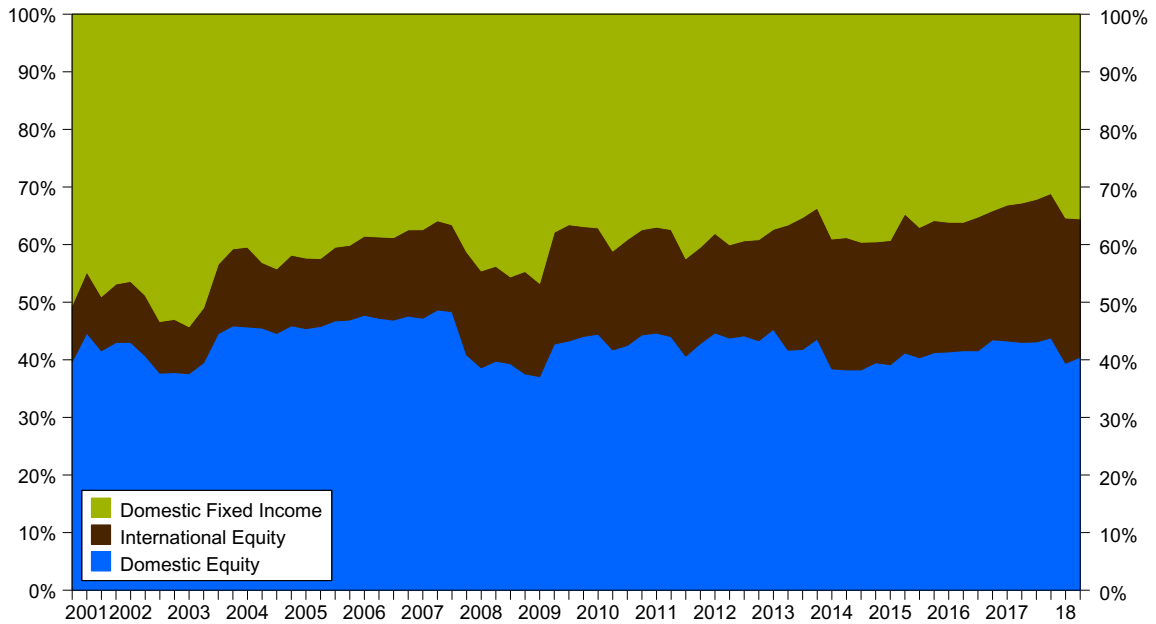
Callan Public Fund Spons- Mid (100M-1B) (Gross)
Annualized Seven Year Risk vs Return



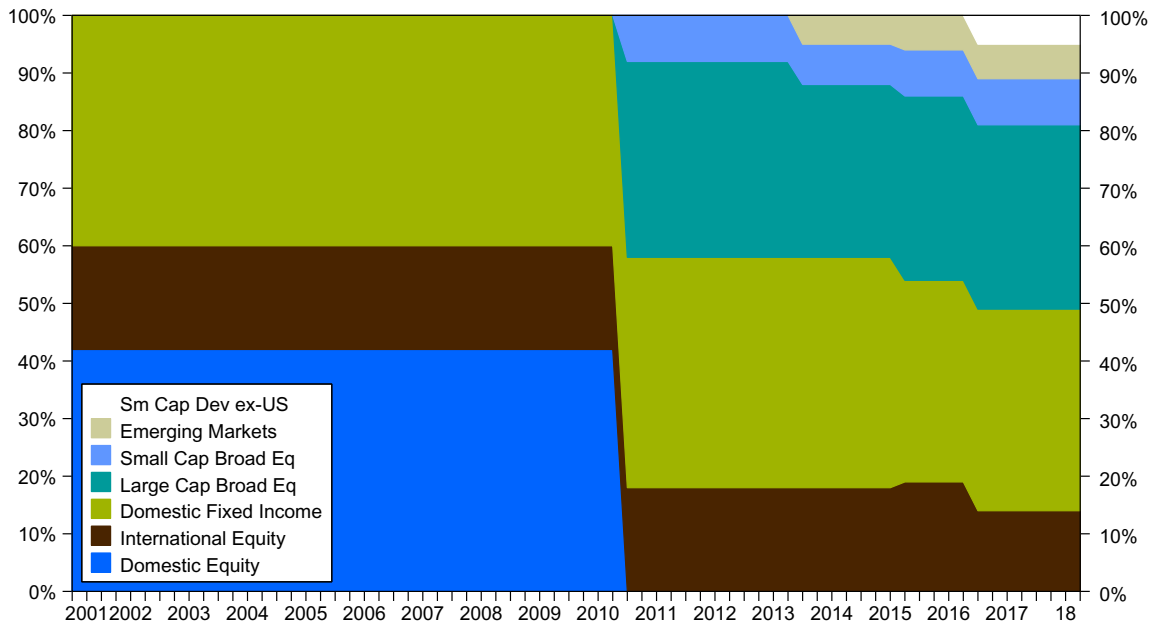
Actual vs Target Historical Asset Allocation

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

Actual Historical Asset Allocation



Target Historical Asset Allocation



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

Investment Manager Asset Allocation

The table below contrasts the distribution of assets across the Fund's investment managers as of June 30, 2018, with the distribution as of March 31, 2018. 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

	June 30, 2018 Market Value	Net New Inv.	Inv. Return	March 31, 2018 Market Value
Consolidated Plan				
Domestic Equity	\$114,903,221	\$(564,016)	\$3,156,358	\$112,310,879
Large Cap	\$90,282,343	\$0	\$1,471,298	\$88,811,045
Boston Partners	43,989,701	0	(60,583)	44,050,284
SSgA S&P 500	46,292,642	0	1,531,881	44,760,761
Small Cap	\$24,620,877	\$(564,016)	\$1,685,060	\$23,499,833
Atlanta Capital	24,620,877	(564,016)	1,685,060	23,499,833
International Equity	\$68,242,226	\$(703,565)	\$(2,917,041)	\$71,862,832
International Large Cap	\$37,392,697	\$0	\$(699,973)	\$38,092,670
Brandes	9,257	0	(394)	9,651
SSgA EAFE	11,240,964	0	(119,736)	11,360,700
Pyrford	26,142,476	0	(579,842)	26,722,319
International Small Cap	\$14,603,230	\$(703,565)	\$(438,440)	\$15,745,235
AQR	14,603,230	(703,565)	(438,440)	15,745,235
Emerging Equity	\$16,246,299	\$0	\$(1,778,628)	\$18,024,927
DFA Emerging Markets	16,246,299	0	(1,778,628)	18,024,927
Fixed Income	\$100,938,262	\$0	\$117,000	\$100,821,262
Metropolitan West	100,938,262	0	117,000	100,821,262
Total Plan - Consolidated	\$284,083,708	\$(1,267,582)	\$356,317	\$284,994,972

Sacramento Regional Transit District Asset Growth

Ending June 30, 2018 (\$ Thousands)	Ending Market Value	=	Beginning Market Value	+	Net New Investment	+	Investment Return
Total Plan							
1/4 Year Ended 6/2018	284,083.7		284,995.0		(1,267.6)		356.3
1/4 Year Ended 3/2018	284,995.0		288,314.8		(1,183.4)		(2,136.5)
1/4 Year Ended 12/2017	288,314.8		277,835.6		(1,419.7)		11,899.0
1/4 Year Ended 9/2017	277,835.6		270,017.7		(1,582.3)		9,400.2
1/4 Year Ended 6/2017	270,017.7		263,189.7		(1,149.1)		7,977.1
1/4 Year Ended 3/2017	263,189.7		253,159.1		(930.2)		10,960.7
1/4 Year Ended 12/2016	253,159.1		251,635.0		(1,139.0)		2,663.2
1/4 Year Ended 9/2016	251,635.0		244,029.2		(937.8)		8,543.5
1/4 Year Ended 6/2016	244,029.2		240,502.3		(684.5)		4,211.5
1/4 Year Ended 3/2016	240,502.3		238,289.7		(450.0)		2,662.6
1/4 Year Ended 12/2015	238,289.7		232,085.4		(816.4)		7,020.7
1/4 Year Ended 9/2015	232,085.4		246,970.5		(534.9)		(14,350.2)
1/4 Year Ended 6/2015	246,970.5		247,920.3		(766.8)		(183.0)
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 6/2018	284,083.7		284,995.0		(1,267.6)		356.3

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2018. 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 June 30, 2018

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Domestic Equity	2.81%	14.05%	11.15%	12.86%	13.42%
Domestic Equity Benchmark**	4.29%	15.06%	11.80%	13.31%	13.03%
Large Cap Equity	1.66%	12.60%	10.56%	12.35%	13.17%
Boston Partners	(0.14%)	10.79%	9.10%	11.22%	12.71%
Russell 1000 Value Index	1.18%	6.77%	8.26%	10.34%	11.27%
SSgA S&P 500	3.42%	14.36%	11.98%	13.47%	-
S&P 500 Index	3.43%	14.37%	11.93%	13.42%	13.23%
Small Cap Equity	7.17%	19.46%	13.37%	14.72%	14.34%
Atlanta Capital	7.17%	19.46%	13.37%	14.72%	14.34%
Russell 2000 Index	7.75%	17.57%	10.96%	12.46%	11.83%
International Equity	(3.99%)	5.88%	4.51%	5.87%	4.38%
International Benchmark***	(2.94%)	8.33%	5.63%	6.49%	4.92%
International Large Cap	(1.84%)	3.61%	3.63%	5.69%	-
SSgA EAFE	(1.05%)	7.22%	5.27%	6.75%	-
Pyrford	(2.17%)	2.13%	-	-	-
MSCI EAFE Index	(1.24%)	6.84%	4.90%	6.44%	4.89%
International Small Cap	(2.63%)	11.98%	-	-	-
AQR	(2.63%)	11.98%	-	-	-
MSCI EAFE Small Cap Index	(1.57%)	12.45%	10.09%	11.32%	8.37%
Emerging Markets Equity	(9.75%)	5.72%	5.97%	5.63%	-
DFA Emerging Markets	(9.75%)	5.72%	5.97%	5.63%	-
MSCI Emerging Markets Index	(7.96%)	8.20%	5.60%	5.01%	1.43%
Domestic Fixed Income	0.12%	0.41%	2.05%	2.65%	3.37%
Met West	0.12%	0.41%	2.05%	2.65%	3.37%
Bloomberg Aggregate Index	(0.16%)	(0.40%)	1.72%	2.27%	2.57%
Total Plan	0.15%	7.37%	6.45%	7.56%	7.79%
Target*	0.92%	7.90%	6.84%	7.63%	7.45%

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

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

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

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2018. 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 June 30, 2018

	Last 10 Years	Last 15 Years	Last 20 Years	Last 24-1/4 Years
Domestic Equity	10.74%	10.16%	7.07%	-
Domestic Equity Benchmark**	10.31%	9.65%	7.02%	10.10%
Russell 1000 Value Index	8.49%	8.63%	6.69%	9.71%
S&P 500 Index	10.17%	9.30%	6.46%	9.86%
Russell 2000 Index	10.60%	10.50%	8.03%	9.53%
International Equity	3.09%	7.89%	7.48%	-
MSCI EAFE Index	2.84%	7.26%	4.33%	5.15%
Domestic Fixed Income	5.32%	5.37%	5.52%	-
Met West	5.32%	5.37%	-	-
Bloomberg Aggregate Index	3.72%	3.77%	4.70%	5.30%
Total Plan	7.47%	7.86%	6.93%	8.89%
Target*	6.61%	7.12%	5.95%	7.59%

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

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

Investment Manager Returns

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

	12/2017- 6/2018	2017	2016	2015	2014
Domestic Equity	2.36%	19.78%	14.58%	0.06%	10.85%
Domestic Equity Benchmark**	3.66%	20.41%	13.85%	0.26%	12.07%
Large Cap Equity	0.48%	21.10%	13.38%	(1.17%)	12.81%
Boston Partners	(1.68%)	20.32%	14.71%	(3.75%)	11.87%
Russell 1000 Value Index	(1.69%)	13.66%	17.34%	(3.83%)	13.45%
SSgA S&P 500	2.62%	21.86%	12.03%	1.46%	13.77%
S&P 500 Index	2.65%	21.83%	11.96%	1.38%	13.69%
Small Cap Equity	9.55%	15.01%	19.17%	5.14%	3.49%
Atlanta Capital	9.55%	15.01%	19.17%	5.14%	3.49%
Russell 2000 Index	7.66%	14.65%	21.31%	(4.41%)	4.89%
International Equity	(4.49%)	28.25%	2.55%	(4.17%)	(3.72%)
International Benchmark***	(3.40%)	29.51%	3.26%	(4.30%)	(4.25%)
International Large Cap	(3.67%)	22.63%	1.35%	(1.17%)	(4.41%)
SSgA EAFE	(2.47%)	25.47%	1.37%	(0.56%)	(4.55%)
MSCI EAFE Index	(2.75%)	25.03%	1.00%	(0.81%)	(4.90%)
International Small Cap	(2.45%)	33.76%	-	-	-
AQR	(2.45%)	33.76%	-	-	-
MSCI EAFE Small Cap Index	(1.33%)	33.01%	2.18%	9.59%	(4.95%)
Emerging Markets Equity	(8.11%)	37.32%	12.99%	(14.33%)	(0.28%)
DFA Emerging Markets	(8.11%)	37.32%	12.99%	(14.33%)	(0.28%)
MSCI Emerging Markets Index	(6.66%)	37.28%	11.19%	(14.92%)	(2.19%)
Domestic Fixed Income	(0.98%)	3.89%	2.87%	0.51%	6.37%
Met West	(0.98%)	3.89%	2.87%	0.51%	6.37%
Bloomberg Aggregate Index	(1.62%)	3.54%	2.65%	0.55%	5.97%
Total Plan	(0.56%)	16.14%	7.65%	(0.97%)	5.61%
Target*	0.10%	16.39%	7.40%	(0.71%)	5.82%

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

Returns are for annualized calendar years.

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

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

Investment Manager Returns

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

	2013	2012	2011	2010	2009
Domestic Equity	36.44%	19.19%	2.08%	15.93%	32.93%
Domestic Equity Benchmark**	33.61%	16.09%	0.94%	17.33%	28.02%
Boston Partners	37.52%	21.95%	1.27%	13.61%	27.06%
Russell 1000 Value Index	32.53%	17.51%	0.39%	15.51%	19.69%
S&P 500 Index	32.39%	16.00%	2.11%	15.06%	26.47%
Russell 2000 Index	38.82%	16.35%	(4.18%)	26.85%	27.17%
International Equity	16.66%	17.28%	(10.64%)	6.51%	28.99%
MSCI EAFE Index	22.78%	17.32%	(12.14%)	7.75%	31.78%
Domestic Fixed Income	(1.03%)	9.48%	6.10%	12.52%	19.88%
Met West	(1.03%)	9.48%	6.10%	12.52%	19.88%
Bloomberg Aggregate Index	(2.02%)	4.21%	7.84%	6.54%	5.93%
Total Plan	17.71%	14.80%	1.22%	12.70%	26.91%
Target*	15.99%	11.68%	1.52%	11.85%	20.02%

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

Returns are for annualized calendar years.

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

Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended June 30, 2018. 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 June 30, 2018					
	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
Net of Fee Returns					
Domestic Equity	2.71%	13.59%	-	-	-
Domestic Equity Benchmark**	4.29%	15.06%	11.80%	13.31%	13.03%
Large Cap Equity	1.58%	12.27%	-	-	-
Boston Partners	(0.27%)	10.19%	8.55%	10.64%	12.14%
Russell 1000 Value Index	1.18%	6.77%	8.26%	10.34%	11.27%
SSgA S&P 500	3.41%	14.31%	11.93%	13.41%	-
S&P 500 Index	3.43%	14.37%	11.93%	13.42%	13.23%
Small Cap Equity	6.95%	18.52%	-	-	-
Atlanta Capital	6.95%	18.52%	12.48%	13.82%	13.47%
Russell 2000 Index	7.75%	17.57%	10.96%	12.46%	11.83%
International Equity	(4.14%)	5.23%	-	-	-
International Equity Benchmark***	(2.94%)	8.33%	5.63%	6.49%	4.92%
International Large Cap	(1.96%)	3.08%	-	-	-
SSgA EAFE	(1.08%)	7.13%	5.17%	6.64%	-
Pyrford	(2.34%)	1.43%	-	-	-
MSCI EAFE Index	(1.24%)	6.84%	4.90%	6.44%	4.89%
International Small Cap	(2.86%)	10.93%	-	-	-
AQR	(2.86%)	10.93%	-	-	-
MSCI EAFE Small Cap Index	(1.57%)	12.45%	10.09%	11.32%	8.37%
Emerging Markets Equity	(9.87%)	5.17%	-	-	-
DFA Emerging Markets	(9.87%)	5.17%	5.35%	4.99%	-
MSCI Emerging Markets Index	(7.96%)	8.20%	5.60%	5.01%	1.43%
Domestic Fixed Income	0.05%	0.13%	-	-	-
Met West	0.05%	0.13%	1.77%	2.37%	3.09%
Bloomberg Aggregate Index	(0.16%)	(0.40%)	1.72%	2.27%	2.57%
Total Plan	0.04%	6.93%	6.05%	7.18%	7.38%
Target*	0.92%	7.90%	6.84%	7.63%	7.45%

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

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

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

Domestic Equity Period Ended June 30, 2018

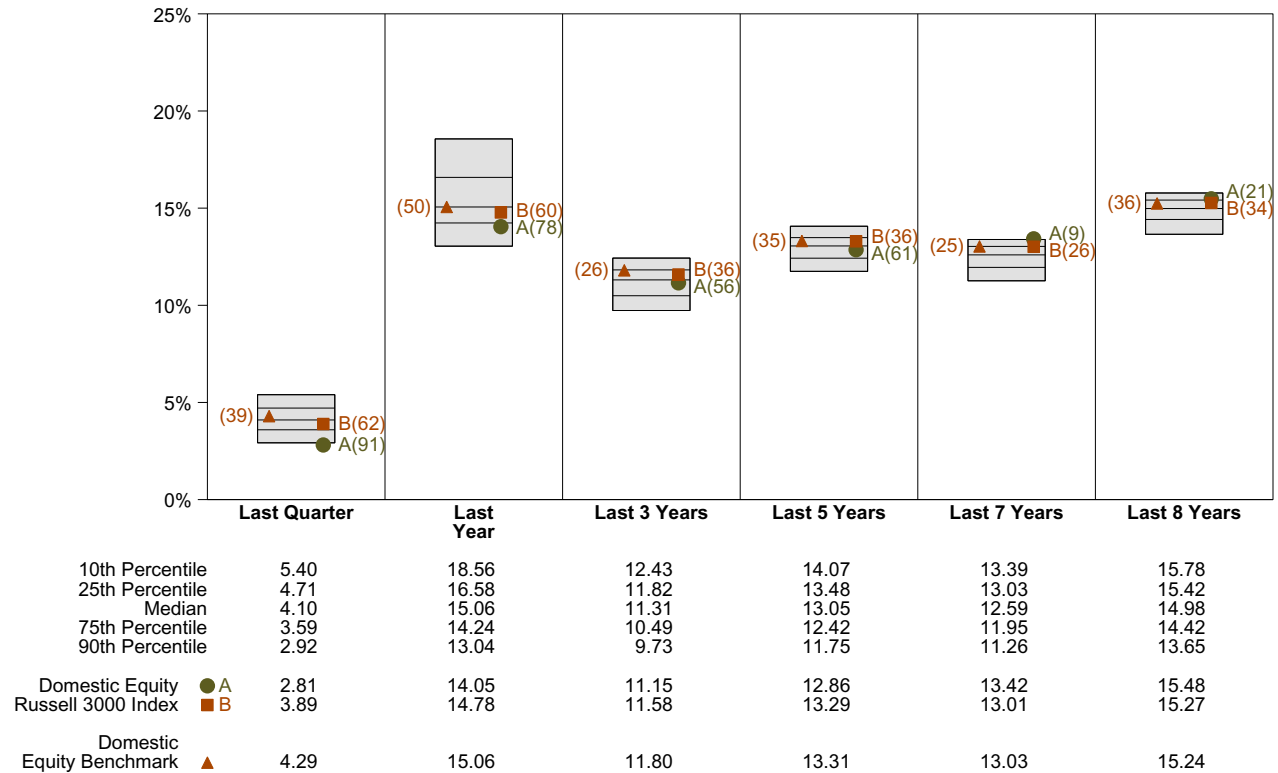
Investment Philosophy

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

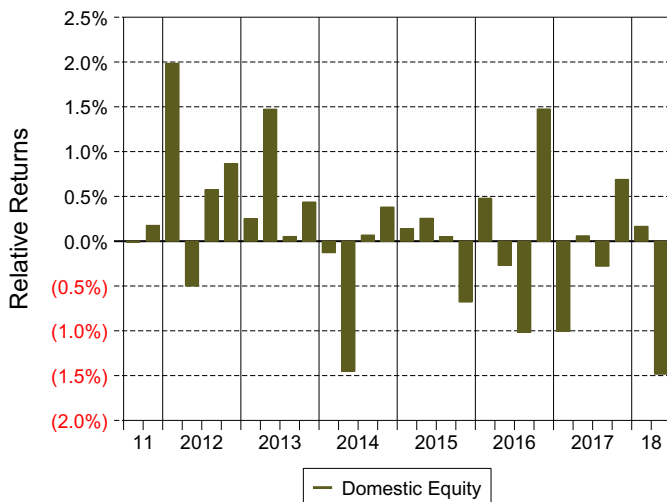
Quarterly Summary and Highlights

- Domestic Equity's portfolio posted a 2.81% return for the quarter placing it in the 91 percentile of the Fund Sponsor - Domestic Equity group for the quarter and in the 78 percentile for the last year.
- Domestic Equity's portfolio underperformed the Domestic Equity Benchmark by 1.48% for the quarter and underperformed the Domestic Equity Benchmark for the year by 1.01%.

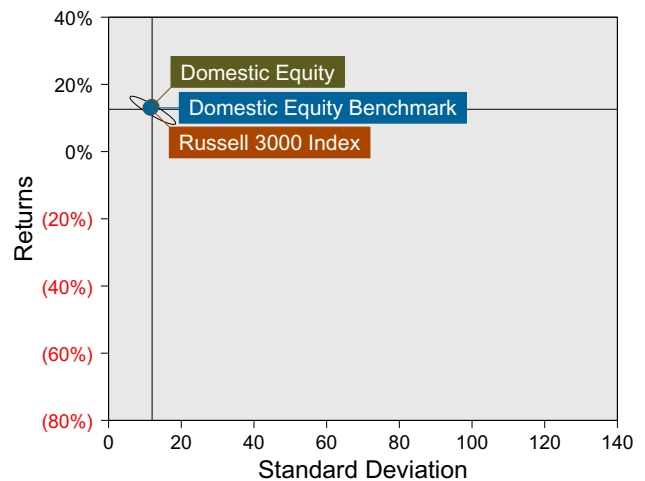
Performance vs Fund Sponsor - Domestic Equity (Gross)



Relative Returns vs Domestic Equity Benchmark



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

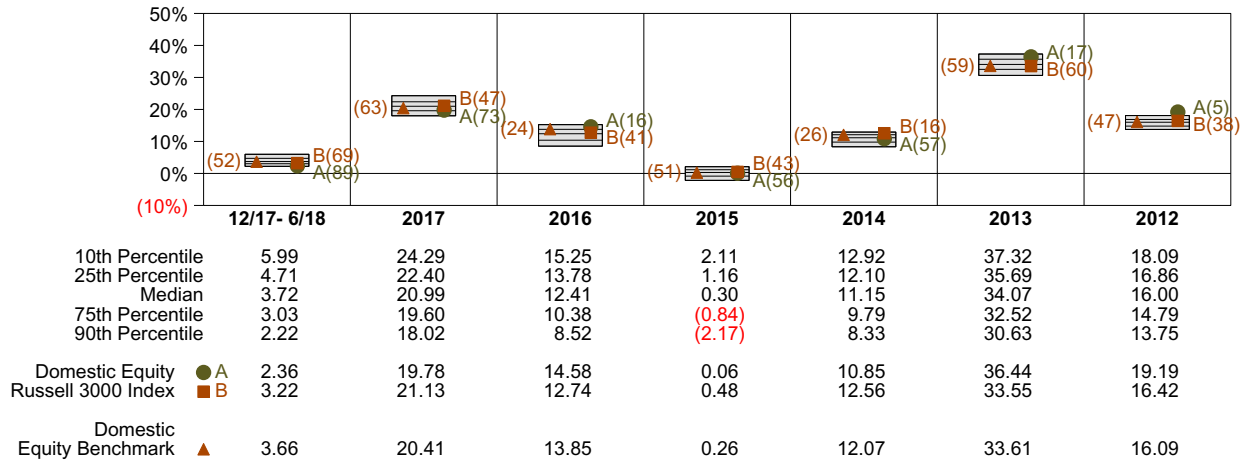


Domestic Equity Return Analysis Summary

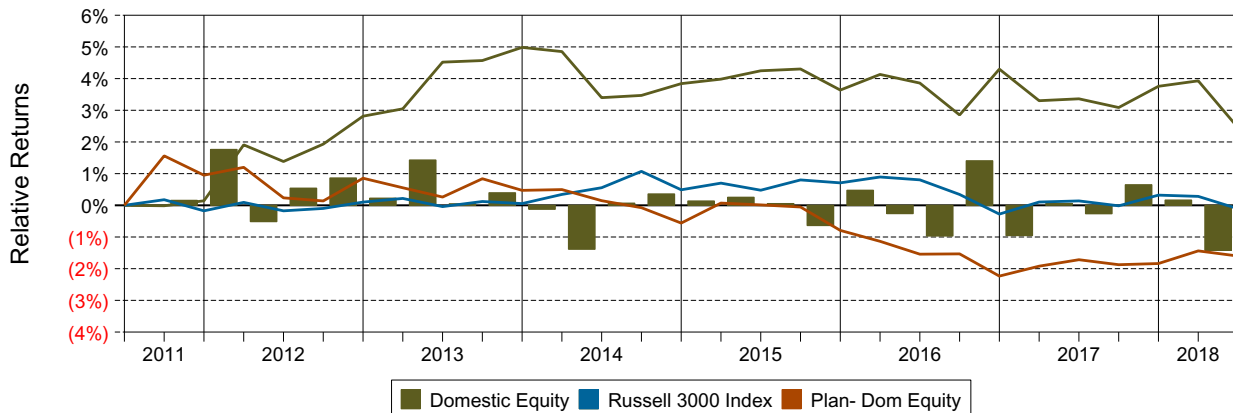
Return Analysis

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

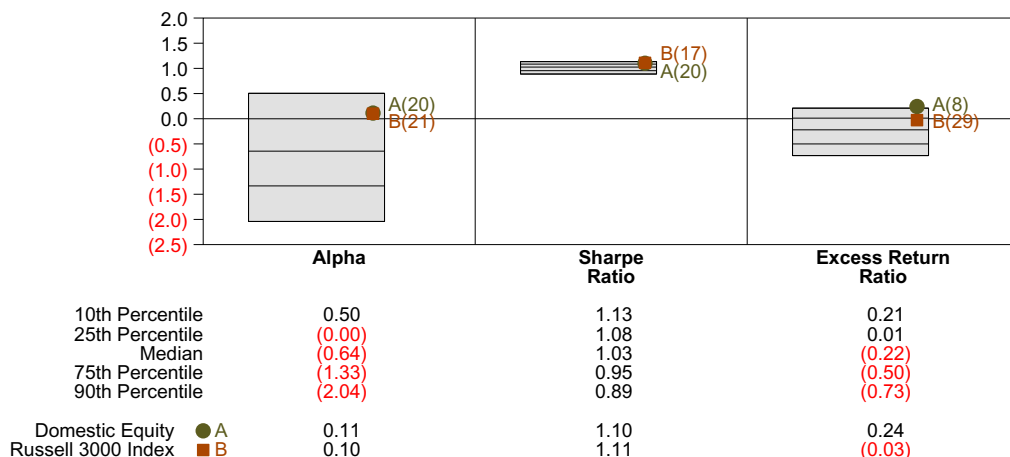
Performance vs Fund Sponsor - Domestic Equity (Gross)



Cumulative and Quarterly Relative Return vs Domestic Equity Benchmark



Risk Adjusted Return Measures vs Domestic Equity Benchmark Rankings Against Fund Sponsor - Domestic Equity (Gross) Seven Years Ended June 30, 2018



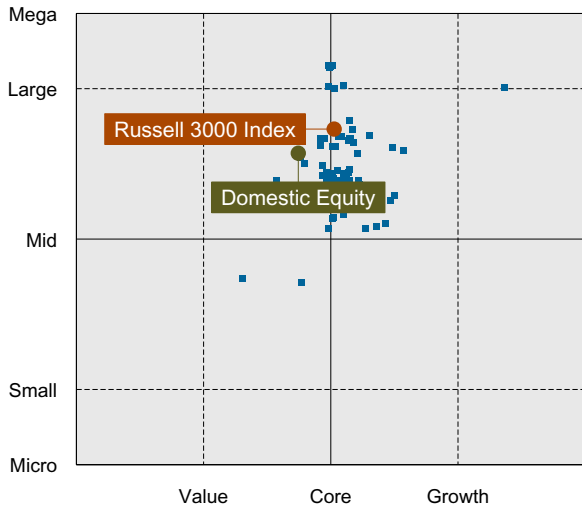
Current Holdings Based Style Analysis

Domestic Equity

As of June 30, 2018

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.

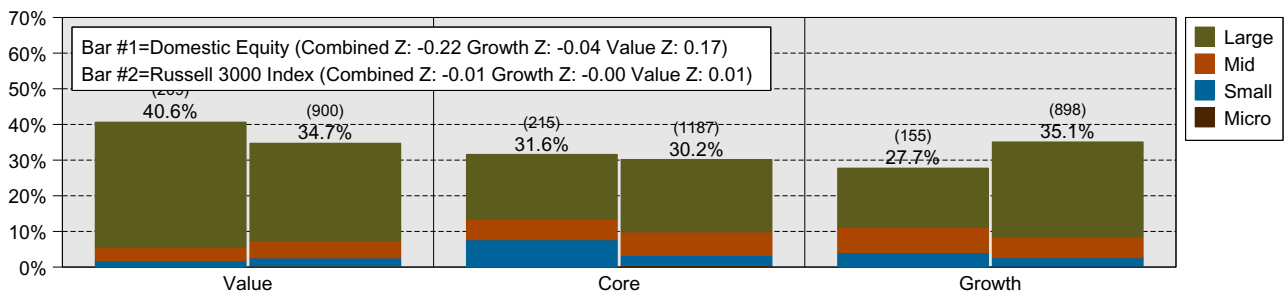
Style Map vs Plan- Dom Equity Holdings as of June 30, 2018



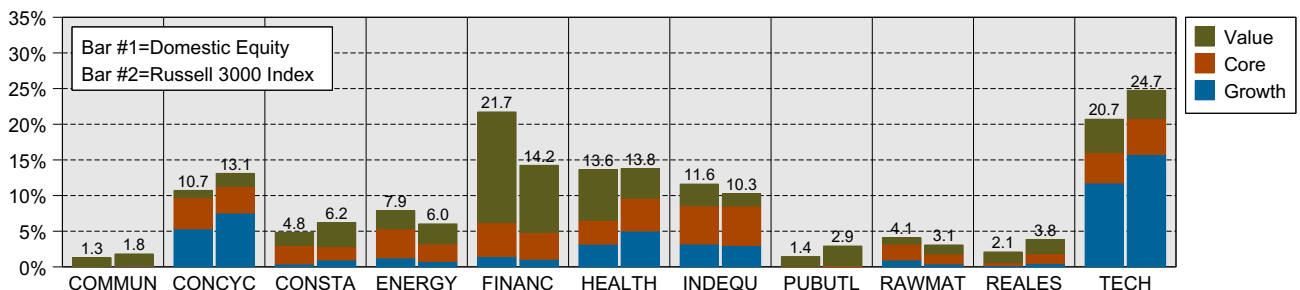
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Large	35.1% (111)	18.2% (99)	16.6% (83)	70.0% (293)
	27.3% (110)	20.3% (99)	26.6% (89)	74.2% (298)
Mid	3.8% (89)	5.7% (92)	7.0% (62)	16.5% (243)
	4.8% (177)	6.5% (215)	5.9% (205)	17.3% (597)
Small	1.7% (9)	7.7% (23)	4.1% (10)	13.5% (42)
	2.3% (340)	2.9% (481)	2.4% (374)	7.5% (1195)
Micro	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
	0.3% (273)	0.4% (392)	0.3% (230)	1.0% (895)
Total	40.6% (209)	31.6% (215)	27.7% (155)	100.0% (579)
	34.7% (900)	30.2% (1187)	35.1% (898)	100.0% (2985)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



Sector Weights Distribution Holdings as of June 30, 2018



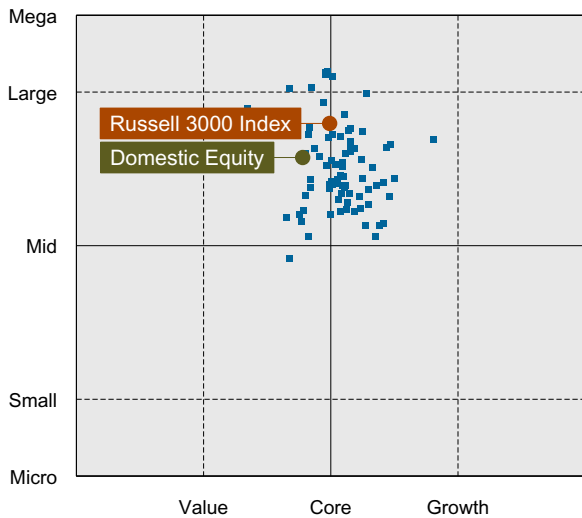
Historical Holdings Based Style Analysis

Domestic Equity

For Five Years Ended June 30, 2018

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.

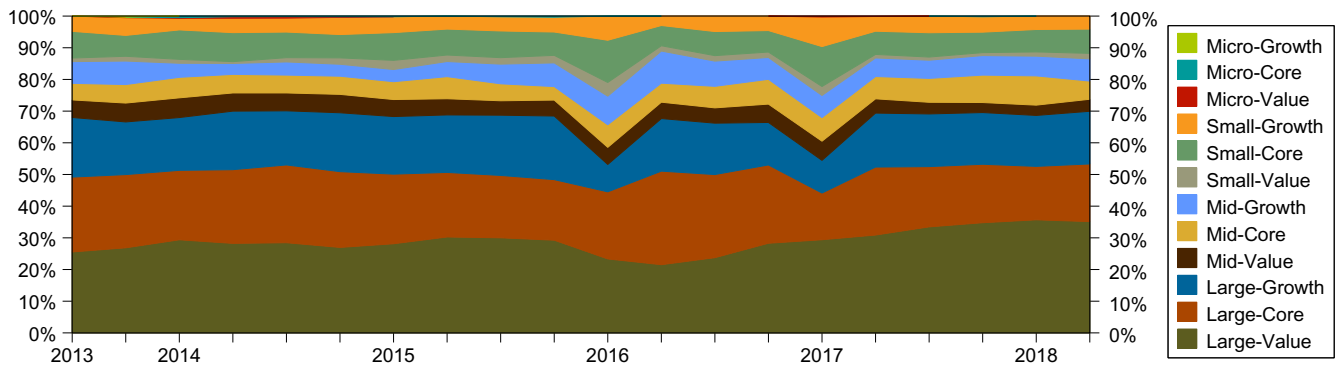
Average Style Map vs Plan- Dom Equity Holdings for Five Years Ended June 30, 2018



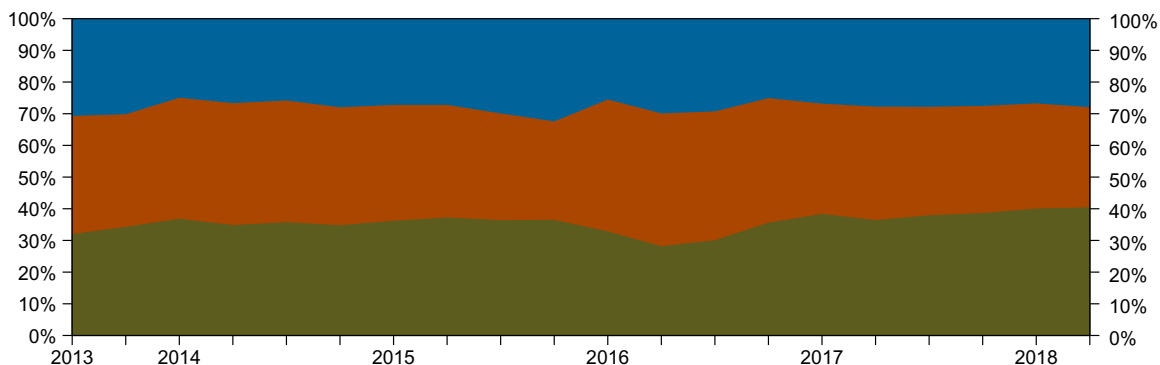
Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2018

	29.0% (90)	21.6% (89)	16.5% (89)	67.0% (268)
Large	26.3% (97)	22.7% (97)	24.6% (104)	73.6% (298)
Mid	5.0% (83)	6.5% (80)	6.2% (57)	17.8% (220)
Small	1.8% (10)	8.2% (27)	5.0% (14)	15.0% (51)
Micro	0.1% (1)	0.1% (1)	0.0% (0)	0.2% (2)
Total	35.9% (184)	36.4% (197)	27.7% (160)	100.0% (541)
	34.3% (900)	32.4% (1168)	33.3% (903)	100.0% (2971)
	Value	Core	Growth	Total

Domestic Equity Historical Cap/Style Exposures



Domestic Equity Historical Style Only Exposures



Large Cap Period Ended June 30, 2018

Quarterly Summary and Highlights

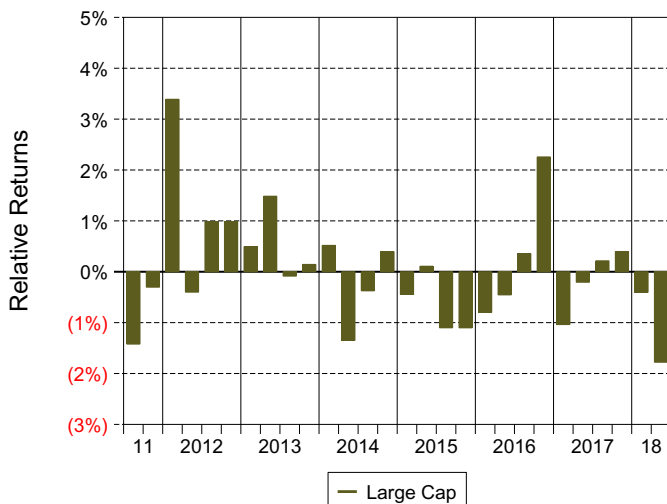
- Large Cap's portfolio posted a 1.66% return for the quarter placing it in the 78 percentile of the Callan Large Capitalization group for the quarter and in the 64 percentile for the last year.
- Large Cap's portfolio underperformed the S&P 500 Index by 1.78% for the quarter and underperformed the S&P 500 Index for the year by 1.77%.

Performance vs Callan Large Capitalization (Gross)

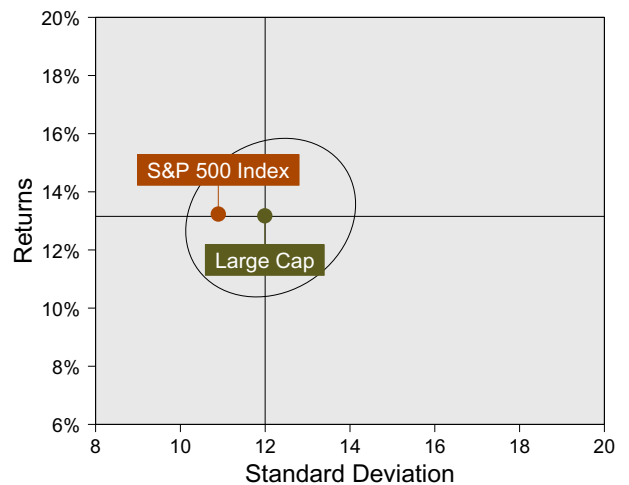


10th Percentile	6.76	26.92	15.38	17.18	15.16	17.66
25th Percentile	4.89	20.10	13.28	15.53	14.15	16.47
Median	3.29	14.59	11.20	13.46	13.15	15.32
75th Percentile	1.91	10.83	9.58	11.68	11.83	13.99
90th Percentile	0.63	7.60	8.13	10.60	10.95	13.25
Large Cap ●	1.66	12.60	10.56	12.35	13.17	14.95
S&P 500 Index ▲	3.43	14.37	11.93	13.42	13.23	15.28

Relative Return vs S&P 500 Index



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

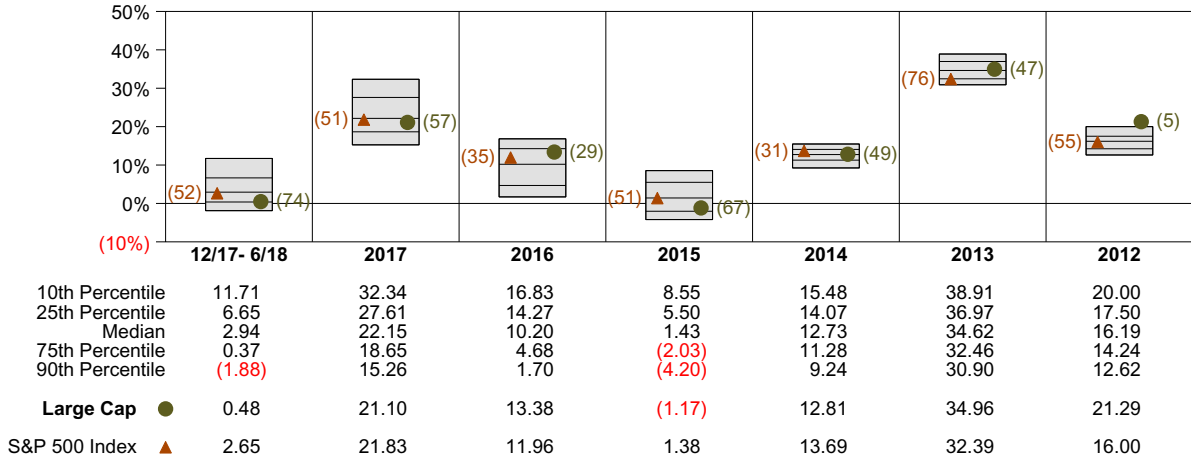


Large Cap Return Analysis Summary

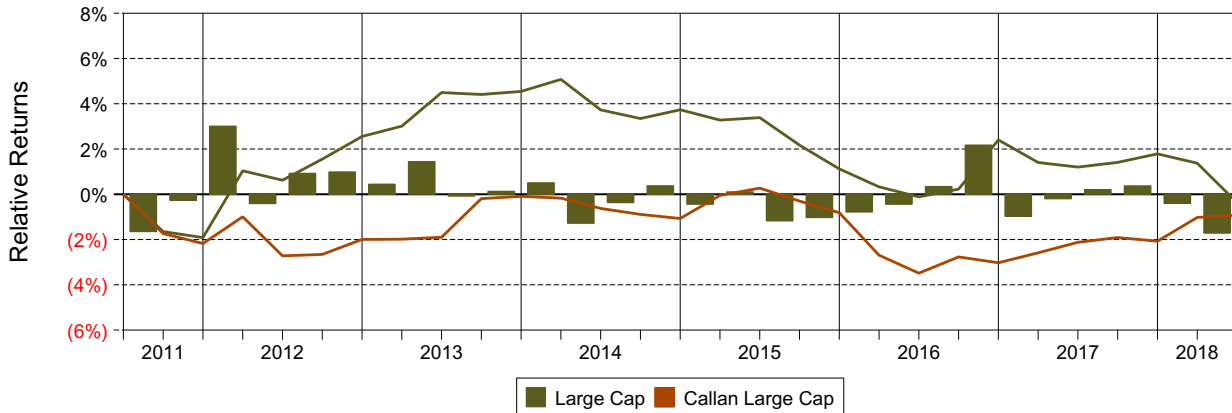
Return Analysis

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

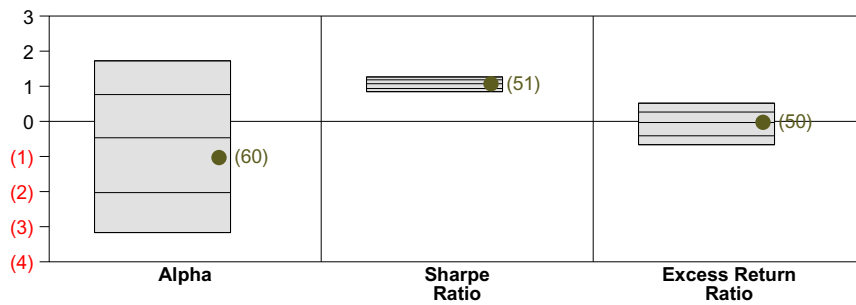
Performance vs Callan Large Capitalization (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Capitalization (Gross) Seven Years Ended June 30, 2018



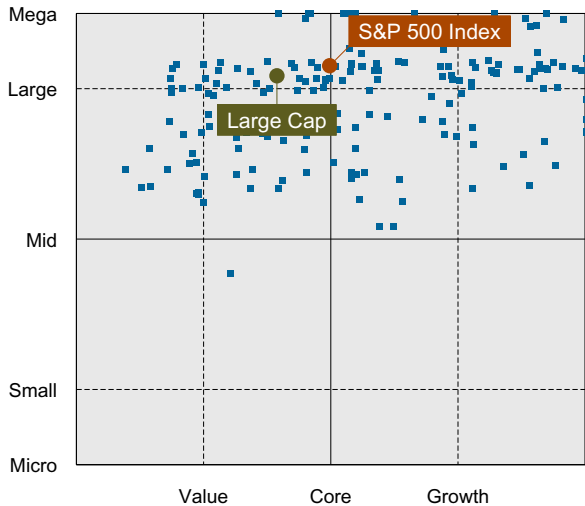
Current Holdings Based Style Analysis

Large Cap

As of June 30, 2018

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

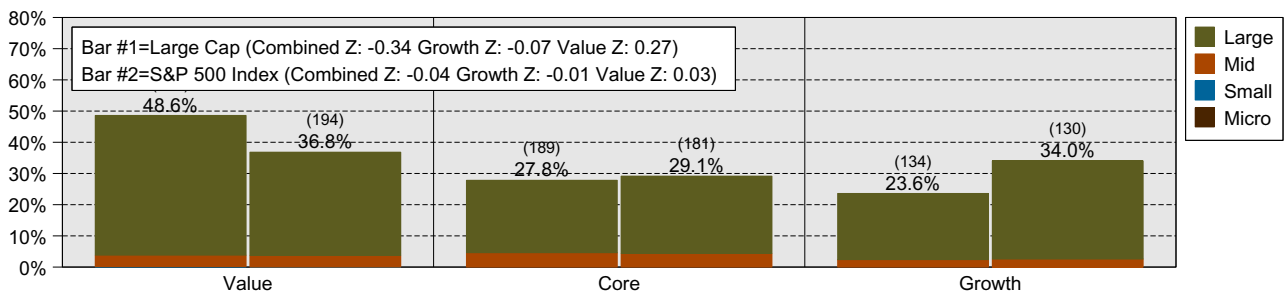
Style Map vs Callan Large Cap Holdings as of June 30, 2018



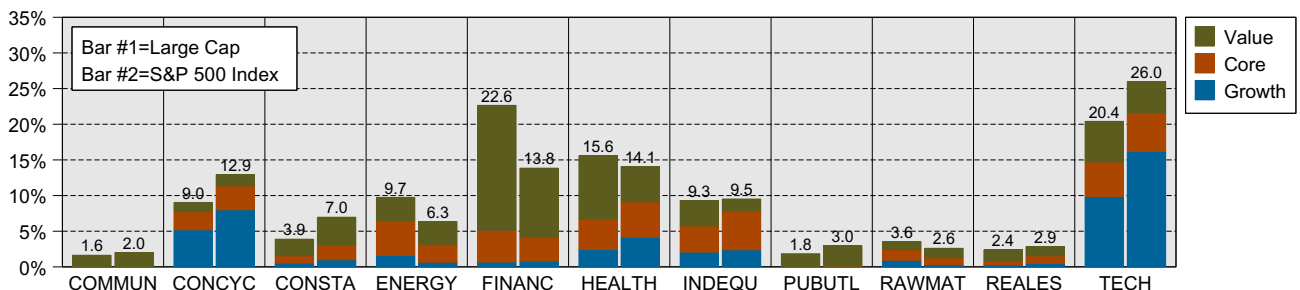
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Large	44.8% (111)	23.2% (99)	21.2% (83)	89.2% (293)
	33.1% (109)	24.8% (97)	31.4% (80)	89.3% (286)
Mid	3.7% (86)	4.6% (88)	2.4% (51)	10.7% (225)
	3.7% (84)	4.4% (84)	2.6% (50)	10.7% (218)
Small	0.1% (2)	0.0% (1)	0.0% (0)	0.1% (3)
	0.0% (1)	0.0% (0)	0.0% (0)	0.0% (1)
Micro	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	48.6% (199)	27.8% (189)	23.6% (134)	100.0% (522)
	36.8% (194)	29.1% (181)	34.0% (130)	100.0% (505)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



Sector Weights Distribution Holdings as of June 30, 2018



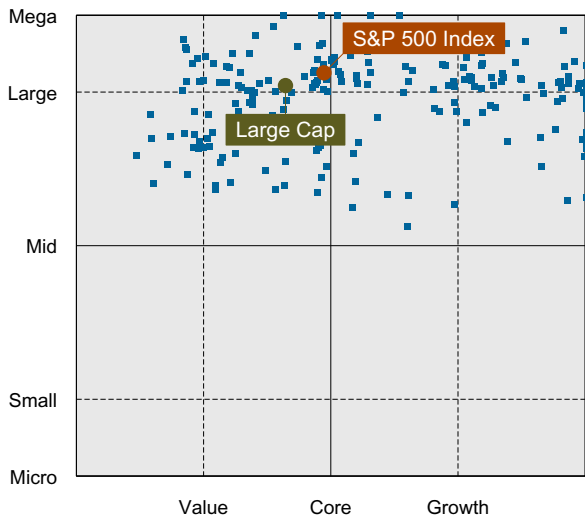
Historical Holdings Based Style Analysis

Large Cap

For Five Years Ended June 30, 2018

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

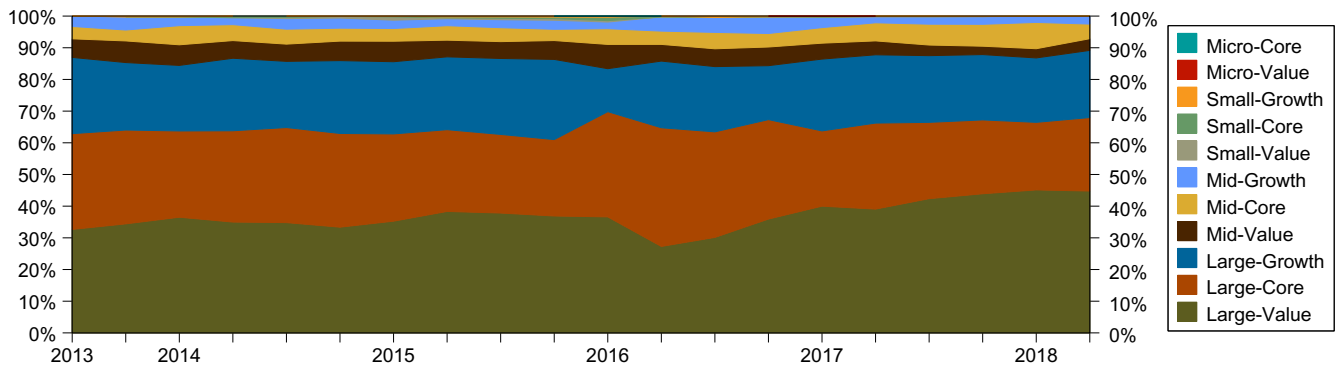
Average Style Map vs Callan Large Cap Holdings for Five Years Ended June 30, 2018



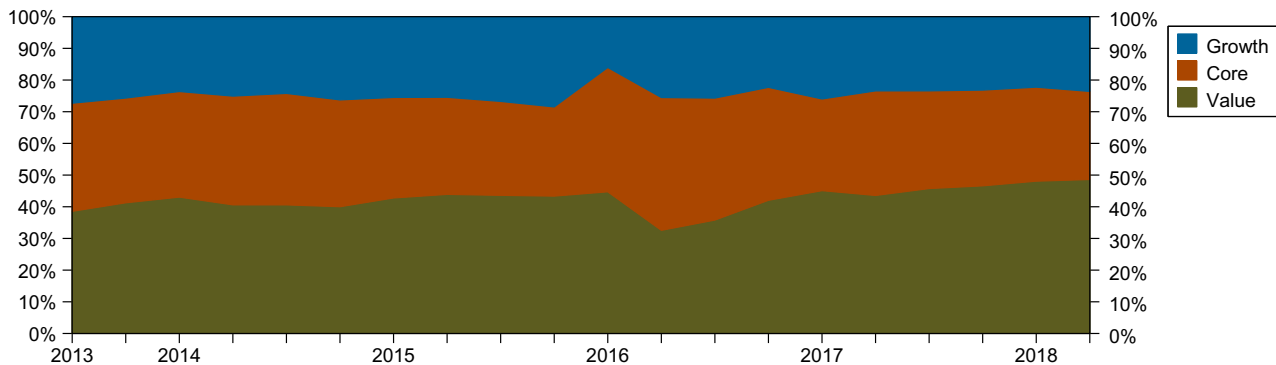
Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2018

Large	37.0% (94)	27.8% (93)	21.4% (93)	86.2% (280)
	32.1% (97)	27.7% (95)	29.3% (95)	89.1% (287)
Mid	5.3% (84)	5.0% (78)	3.0% (52)	13.2% (214)
	4.1% (84)	3.9% (77)	2.9% (52)	10.8% (213)
Small	0.2% (4)	0.2% (2)	0.1% (2)	0.6% (8)
	0.0% (3)	0.0% (1)	0.0% (1)	0.1% (5)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	42.5% (182)	33.0% (173)	24.5% (147)	100.0% (502)
	36.2% (184)	31.6% (173)	32.2% (148)	100.0% (505)
	Value	Core	Growth	Total

Large Cap Historical Cap/Style Exposures



Large Cap Historical Style Only Exposures



SSgA S&P 500

Period Ended June 30, 2018

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.

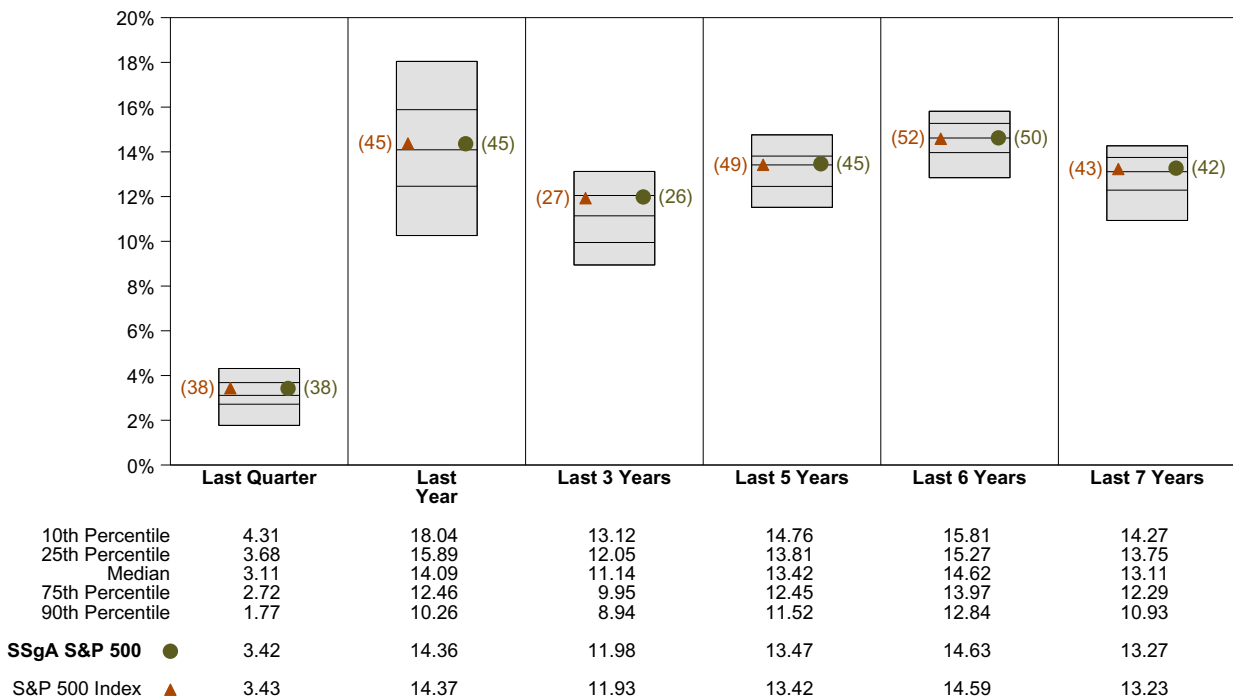
Quarterly Summary and Highlights

- SSgA S&P 500's portfolio posted a 3.42% return for the quarter placing it in the 38 percentile of the Callan Large Cap Core group for the quarter and in the 45 percentile for the last year.
- SSgA S&P 500's portfolio underperformed the S&P 500 Index by 0.01% for the quarter and underperformed the S&P 500 Index for the year by 0.01%.

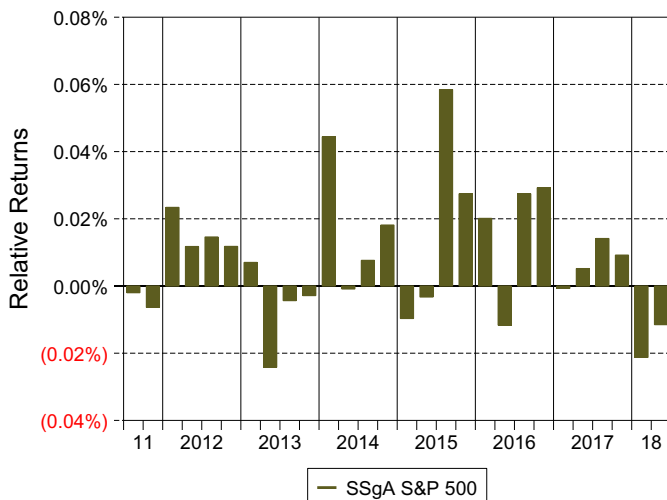
Quarterly Asset Growth

Beginning Market Value	\$44,760,761
Net New Investment	\$0
Investment Gains/(Losses)	\$1,531,881
Ending Market Value	\$46,292,642

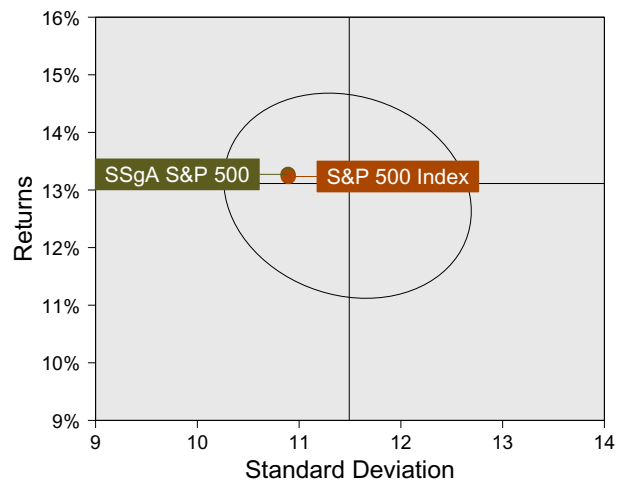
Performance vs Callan Large Cap Core (Gross)



Relative Return vs S&P 500 Index



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

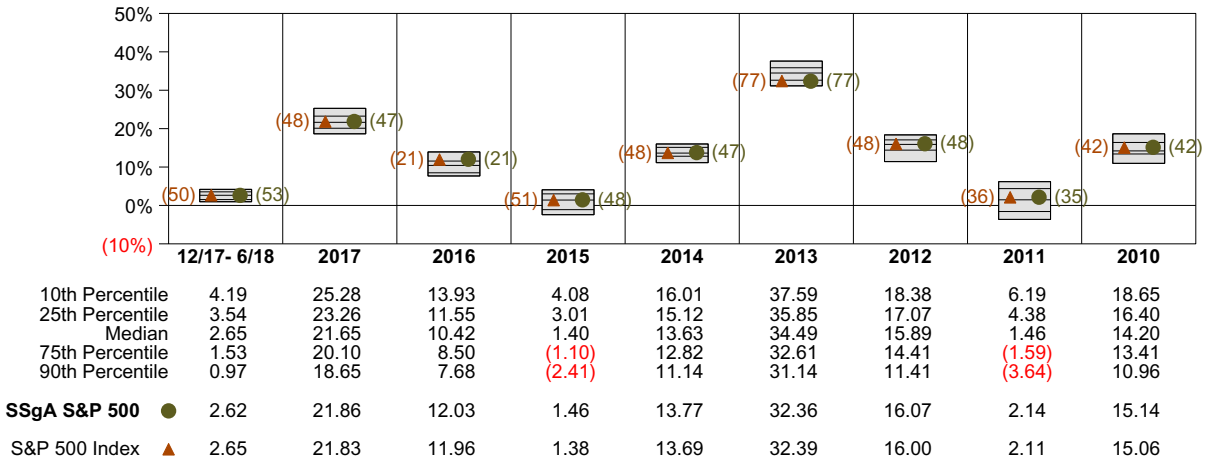


SSgA S&P 500 Return Analysis Summary

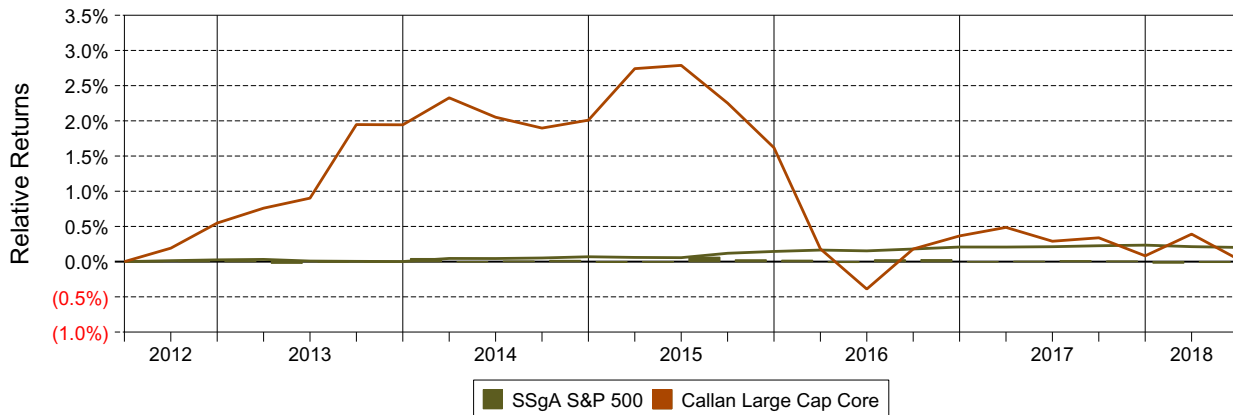
Return Analysis

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

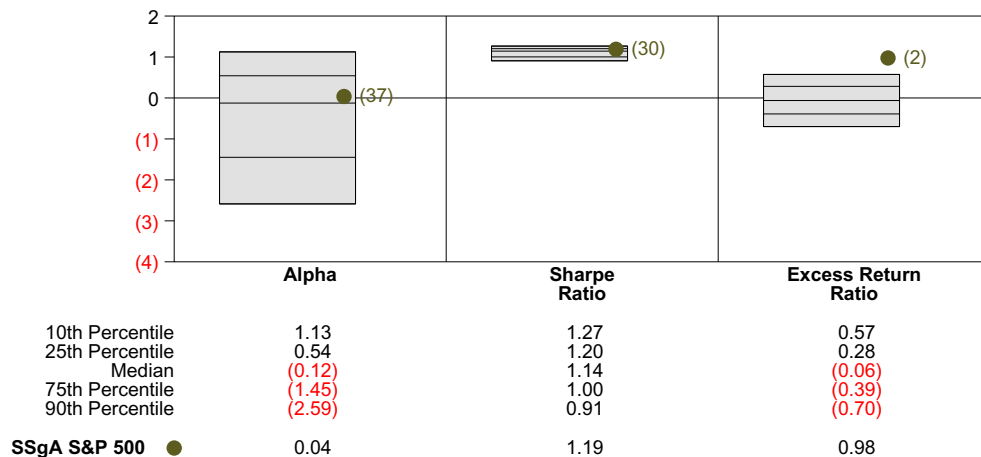
Performance vs Callan Large Cap Core (Gross)



Cumulative and Quarterly Relative Return vs S&P 500 Index



Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Cap Core (Gross) Seven Years Ended June 30, 2018

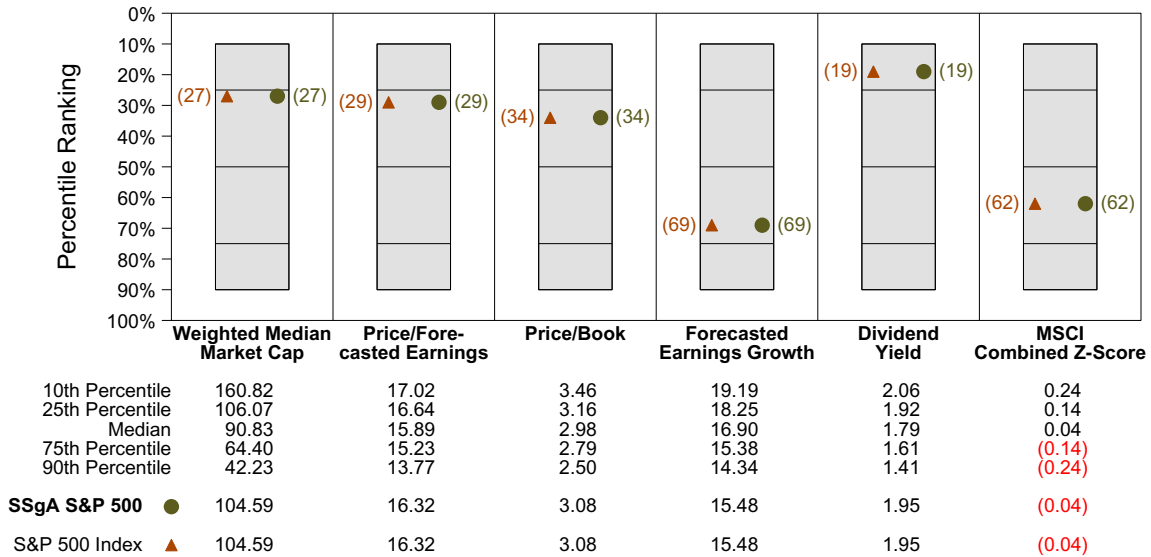


SSgA S&P 500 Equity Characteristics Analysis Summary

Portfolio Characteristics

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

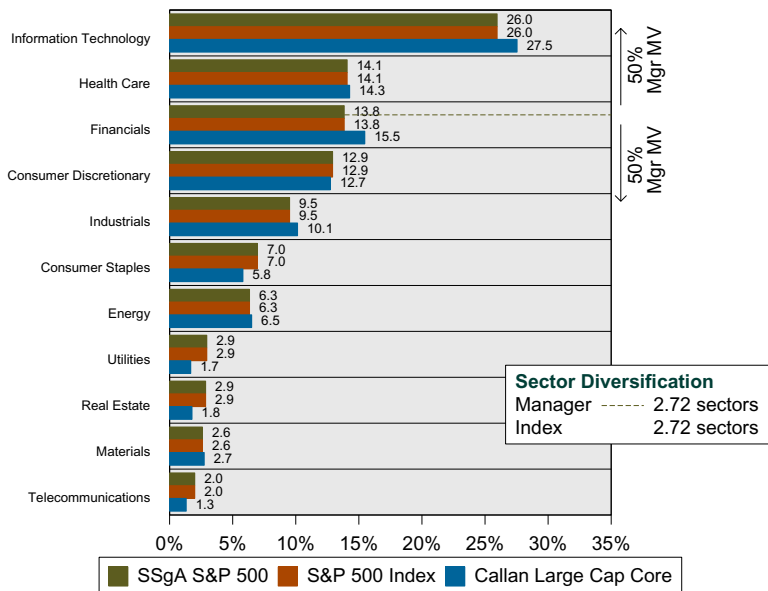
Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Core as of June 30, 2018



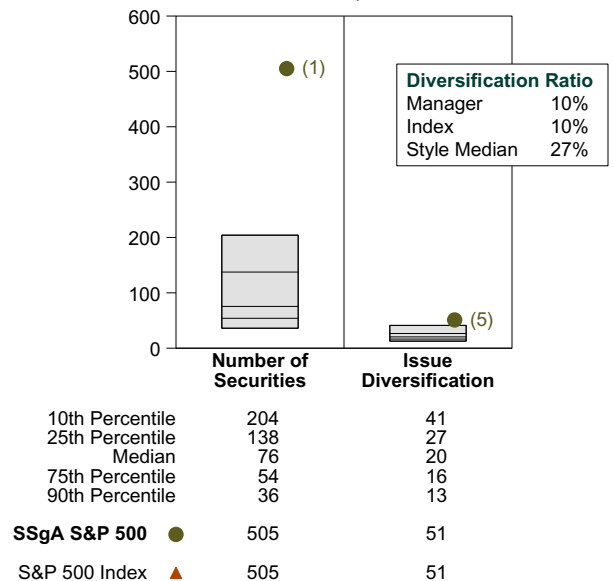
Sector Weights

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 June 30, 2018



Diversification June 30, 2018



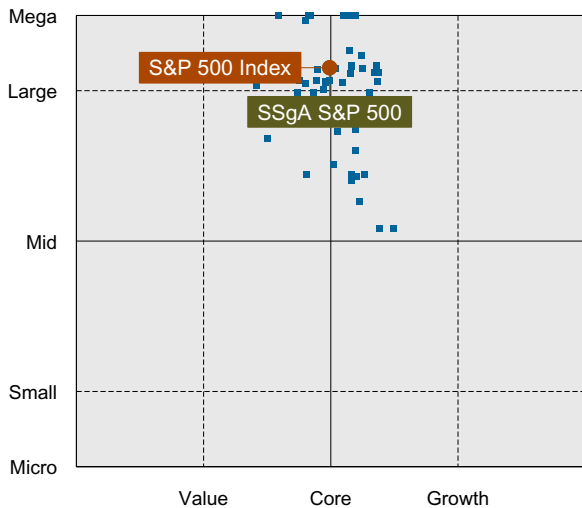
Current Holdings Based Style Analysis

SSgA S&P 500

As of June 30, 2018

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

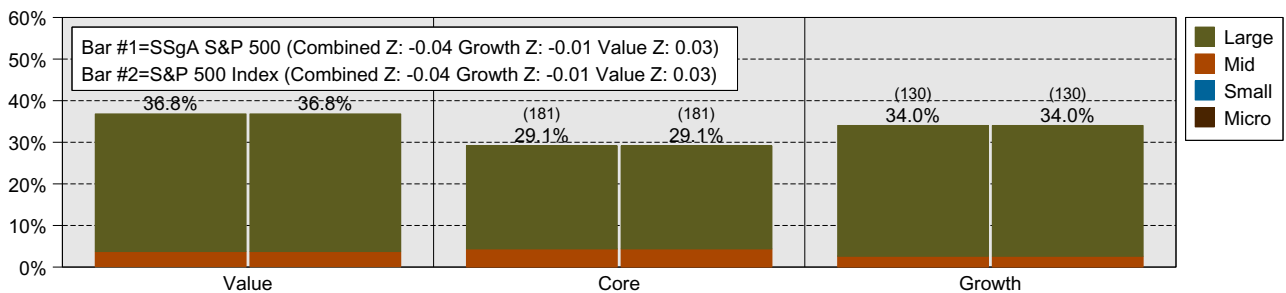
Style Map vs Callan Large Cap Core Holdings as of June 30, 2018



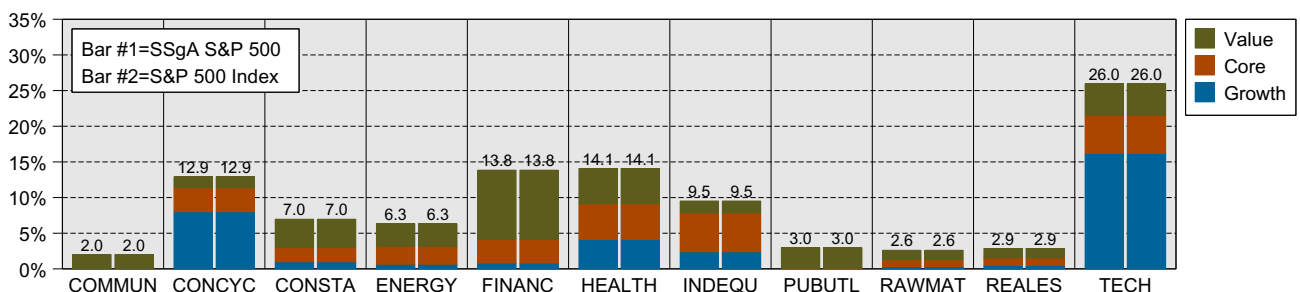
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Large	33.1% (109)	24.8% (97)	31.4% (80)	89.3% (286)
Mid	3.7% (84)	4.4% (84)	2.6% (50)	10.7% (218)
Small	0.0% (1)	0.0% (0)	0.0% (0)	0.0% (1)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	36.8% (194)	29.1% (181)	34.0% (130)	100.0% (505)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



Sector Weights Distribution Holdings as of June 30, 2018



Boston Partners Period Ended June 30, 2018

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.

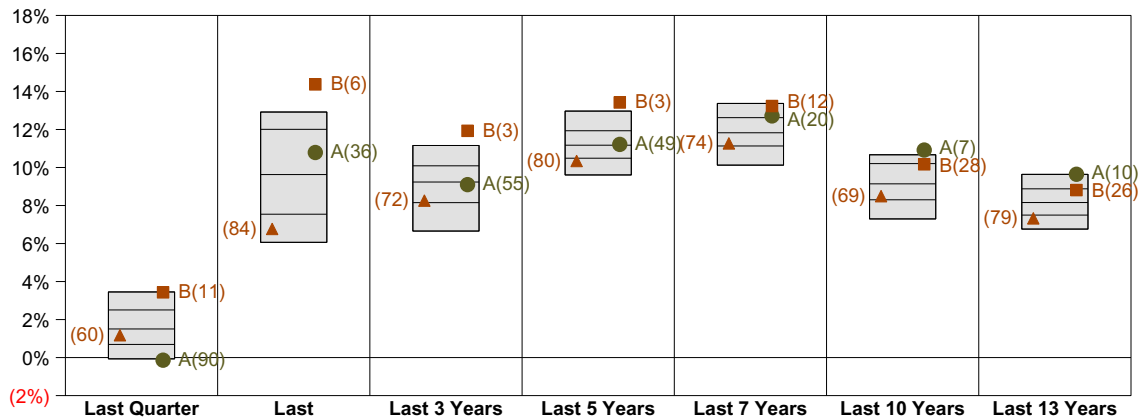
Quarterly Summary and Highlights

- Boston Partners's portfolio posted a (0.14)% return for the quarter placing it in the 90 percentile of the Callan Large Cap Value group for the quarter and in the 36 percentile for the last year.
- Boston Partners's portfolio underperformed the Russell 1000 Value Index by 1.31% for the quarter and outperformed the Russell 1000 Value Index for the year by 4.02%.

Quarterly Asset Growth

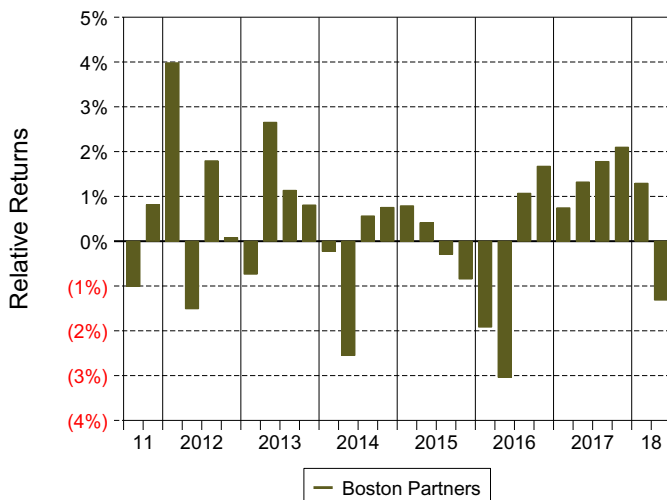
Beginning Market Value	\$44,050,284
Net New Investment	\$0
Investment Gains/(Losses)	-\$60,583
Ending Market Value	\$43,989,701

Performance vs Callan Large Cap Value (Gross)

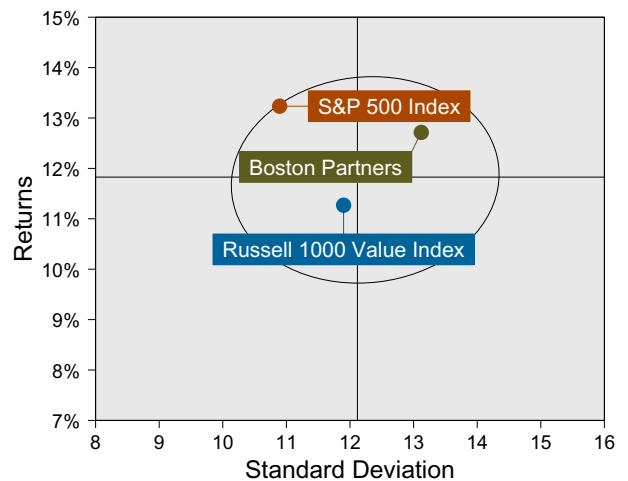


10th Percentile	3.45	12.92	11.16	12.97	13.37	10.67	9.64
25th Percentile	2.51	12.01	10.09	11.93	12.62	10.21	8.88
Median	1.51	9.63	9.24	11.17	11.83	9.14	8.16
75th Percentile	0.69	7.54	8.15	10.49	11.13	8.30	7.50
90th Percentile	(0.07)	6.06	6.66	9.61	10.12	7.29	6.76
Boston Partners	● A (0.14)	10.79	9.10	11.22	12.71	10.92	9.64
S&P 500 Index	■ B 3.43	14.37	11.93	13.42	13.23	10.17	8.81
Russell 1000 Value Index	▲ 1.18	6.77	8.26	10.34	11.27	8.49	7.33

Relative Return vs Russell 1000 Value Index



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

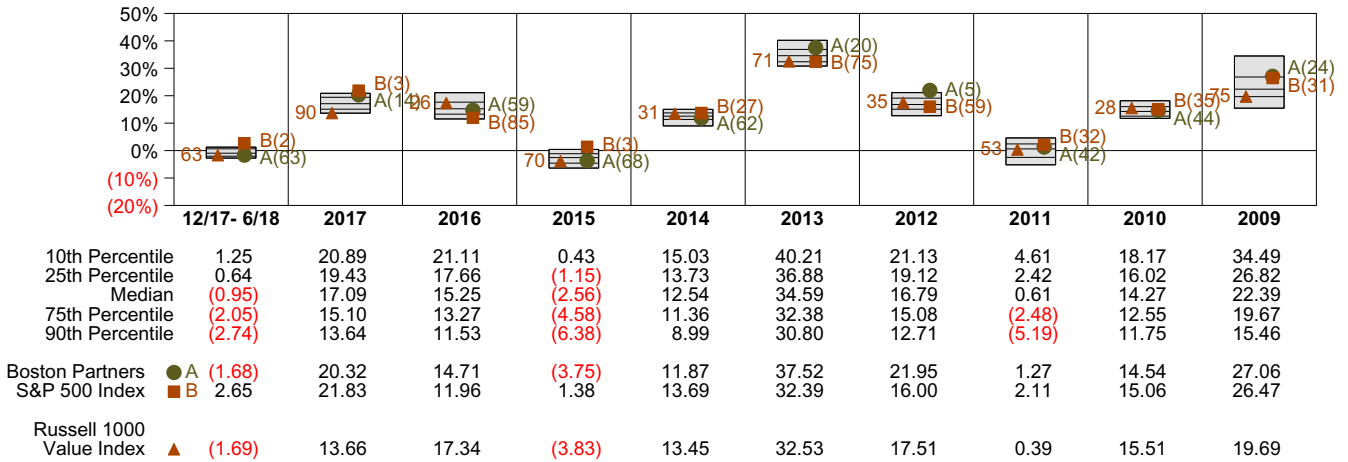


Boston Partners Return Analysis Summary

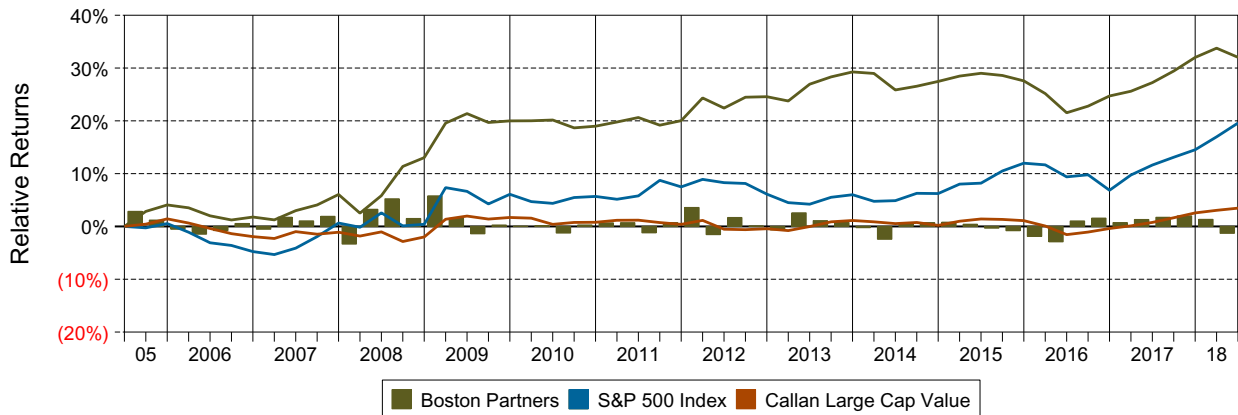
Return Analysis

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

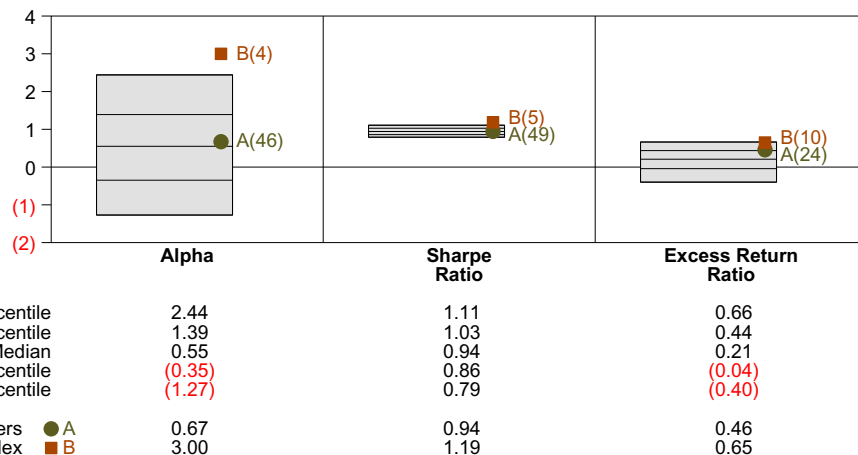
Performance vs Callan Large Cap Value (Gross)



Cumulative and Quarterly Relative Return vs Russell 1000 Value Index



Risk Adjusted Return Measures vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended June 30, 2018

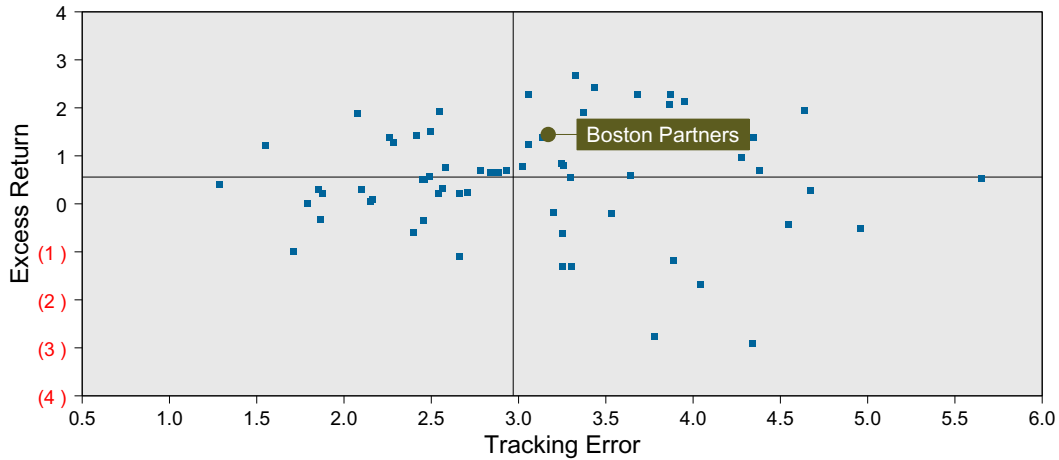


Boston Partners Risk Analysis Summary

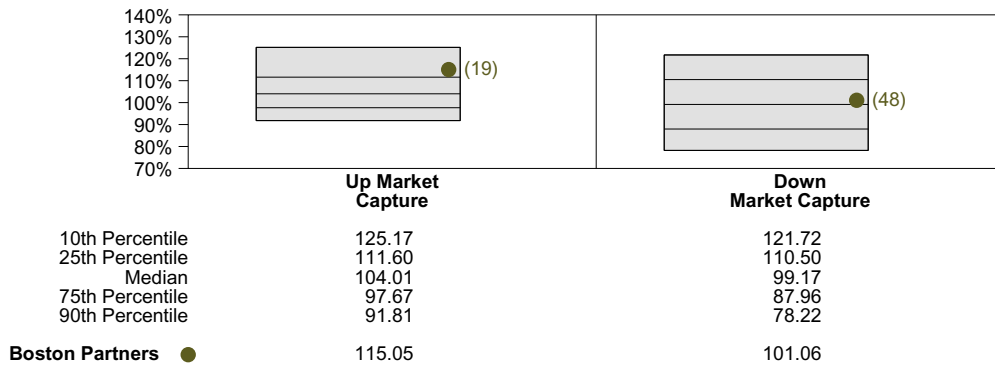
Risk Analysis

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

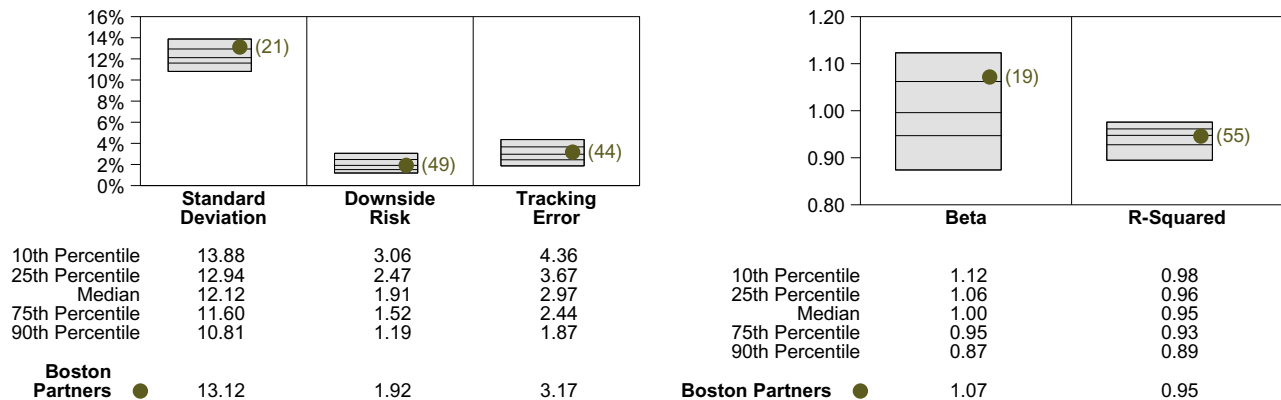
Risk Analysis vs Callan Large Cap Value (Gross) Seven Years Ended June 30, 2018



Market Capture vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended June 30, 2018



Risk Statistics Rankings vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended June 30, 2018

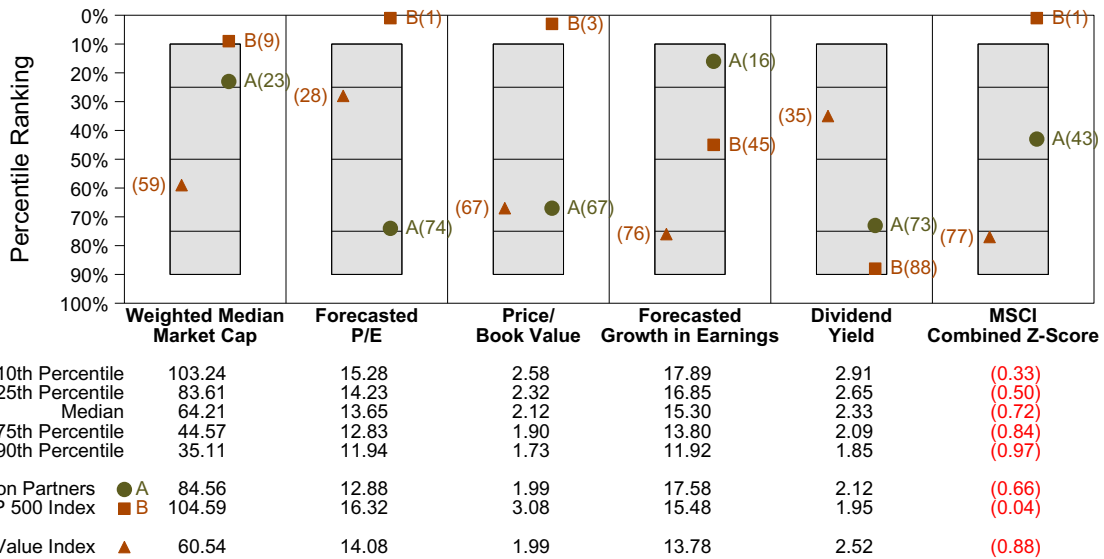


Boston Partners Equity Characteristics Analysis Summary

Portfolio Characteristics

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

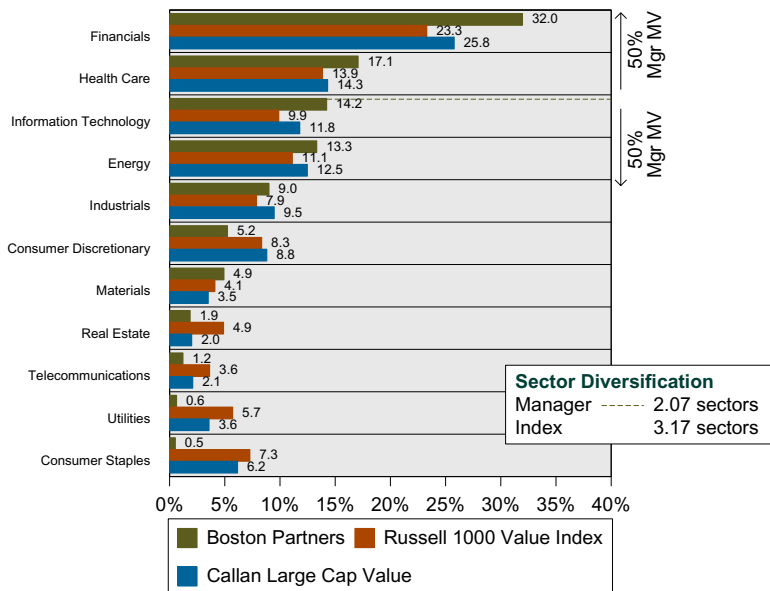
Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Value as of June 30, 2018



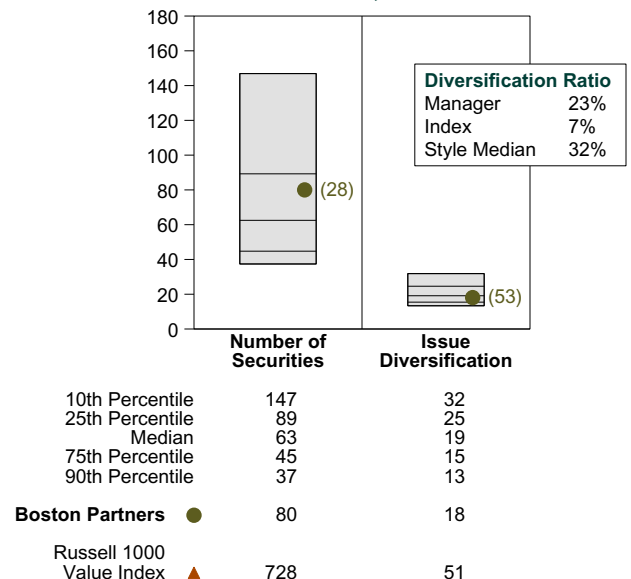
Sector Weights

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 June 30, 2018



Diversification June 30, 2018



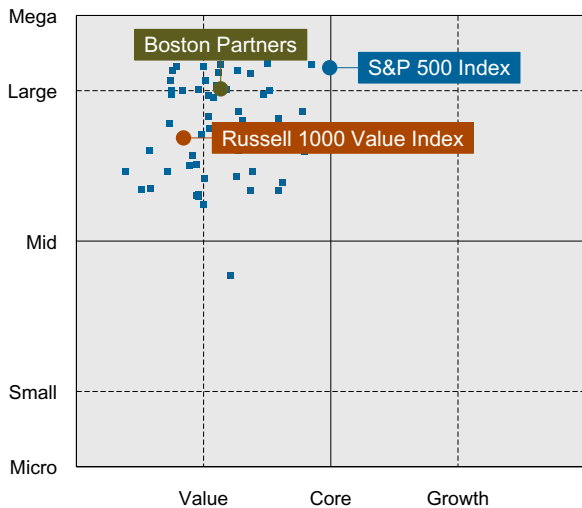
Current Holdings Based Style Analysis

Boston Partners

As of June 30, 2018

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

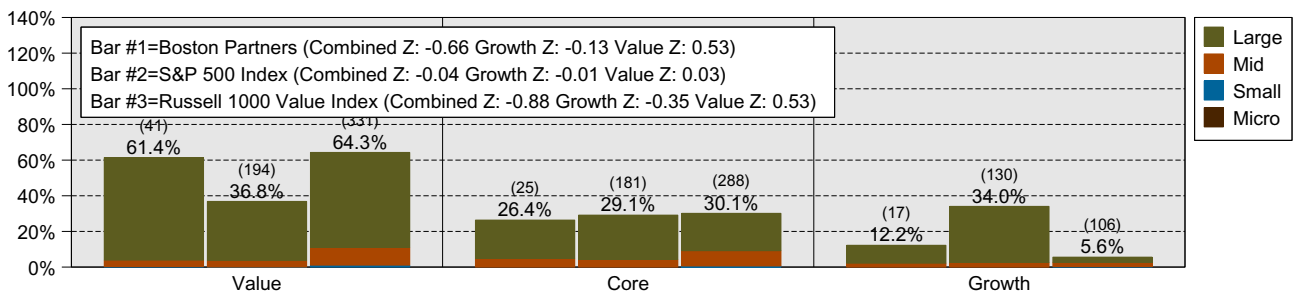
Style Map vs Callan Large Cap Value Holdings as of June 30, 2018



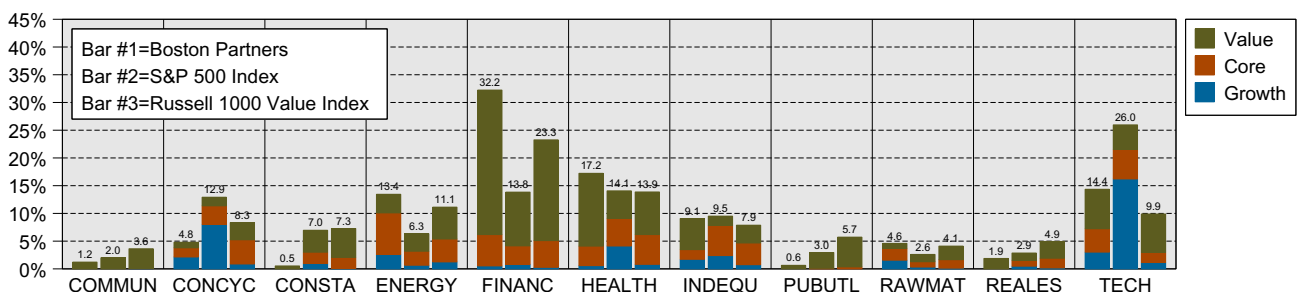
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Large	57.5% (34)	21.5% (15)	10.0% (14)	89.0% (63)
	33.1% (109)	24.8% (97)	31.4% (80)	89.3% (286)
	53.3% (109)	20.9% (80)	2.9% (22)	77.1% (211)
Mid	3.7% (6)	4.9% (8)	2.2% (3)	10.7% (17)
	3.7% (84)	4.4% (84)	2.6% (50)	10.7% (218)
	9.9% (171)	8.6% (177)	2.4% (68)	20.9% (416)
Small	0.3% (1)	0.0% (1)	0.0% (0)	0.3% (2)
	0.0% (1)	0.0% (0)	0.0% (0)	0.0% (1)
	1.1% (51)	0.6% (31)	0.3% (16)	2.0% (98)
Micro	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	61.4% (41)	26.4% (25)	12.2% (17)	100.0% (83)
	36.8% (194)	29.1% (181)	34.0% (130)	100.0% (505)
	64.3% (331)	30.1% (288)	5.6% (106)	100.0% (725)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



Sector Weights Distribution Holdings as of June 30, 2018



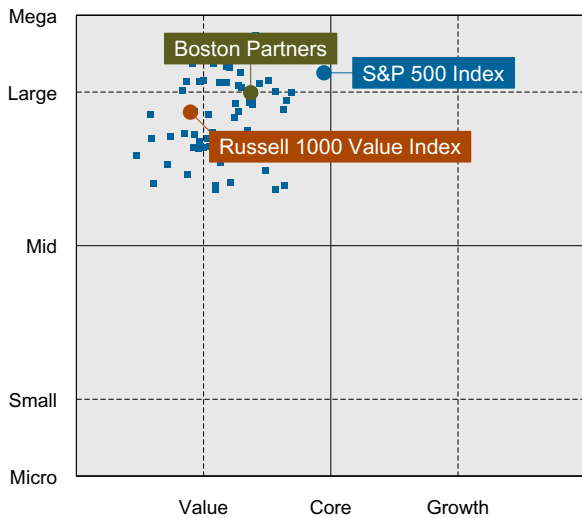
Historical Holdings Based Style Analysis

Boston Partners

For Five Years Ended June 30, 2018

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

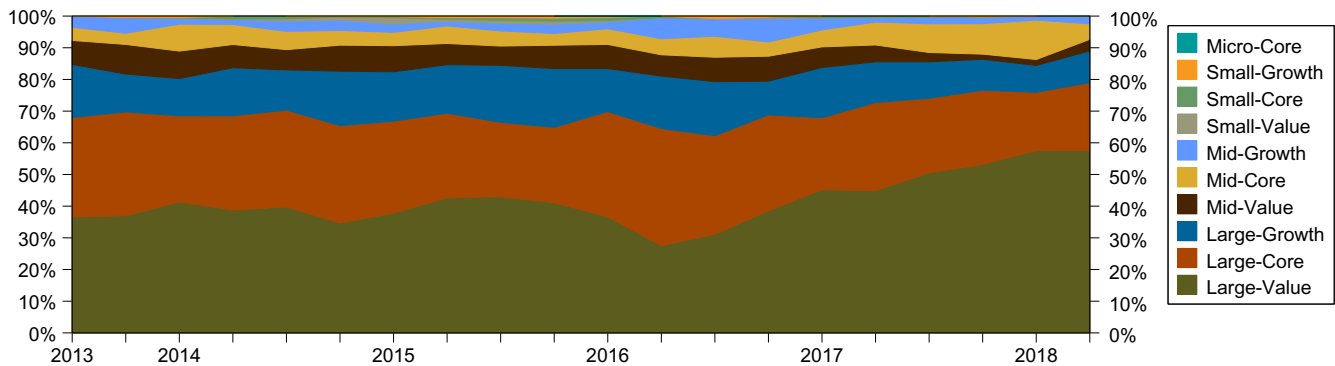
Average Style Map vs Callan Large Cap Value Holdings for Five Years Ended June 30, 2018



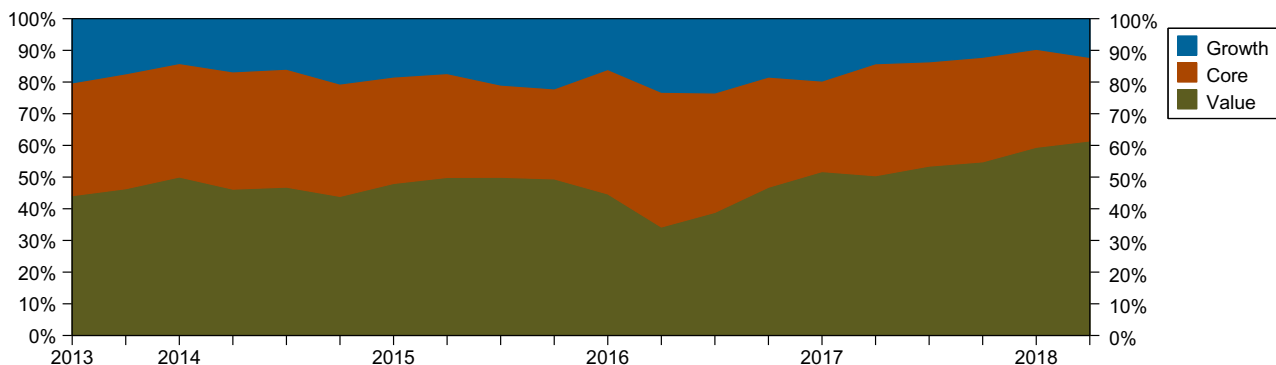
Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2018

	Value	Core	Growth	Total
Large	41.8% (26)	27.7% (21)	14.0% (14)	83.4% (61)
	32.1% (97)	27.7% (95)	29.3% (95)	89.1% (287)
	51.2% (93)	22.4% (71)	4.8% (30)	78.4% (194)
Mid	6.4% (10)	6.0% (9)	3.1% (5)	15.6% (24)
	4.1% (84)	3.9% (77)	2.9% (52)	10.8% (213)
	10.3% (164)	6.6% (146)	2.2% (59)	19.2% (369)
Small	0.4% (1)	0.4% (1)	0.2% (1)	1.0% (3)
	0.0% (3)	0.0% (1)	0.0% (1)	0.1% (5)
	1.4% (62)	0.8% (45)	0.2% (16)	2.4% (123)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
Total	48.5% (37)	34.1% (31)	17.3% (20)	100.0% (88)
	36.2% (184)	31.6% (173)	32.2% (148)	100.0% (505)
	62.9% (319)	29.9% (263)	7.2% (105)	100.0% (687)

Boston Partners Historical Cap/Style Exposures



Boston Partners Historical Style Only Exposures

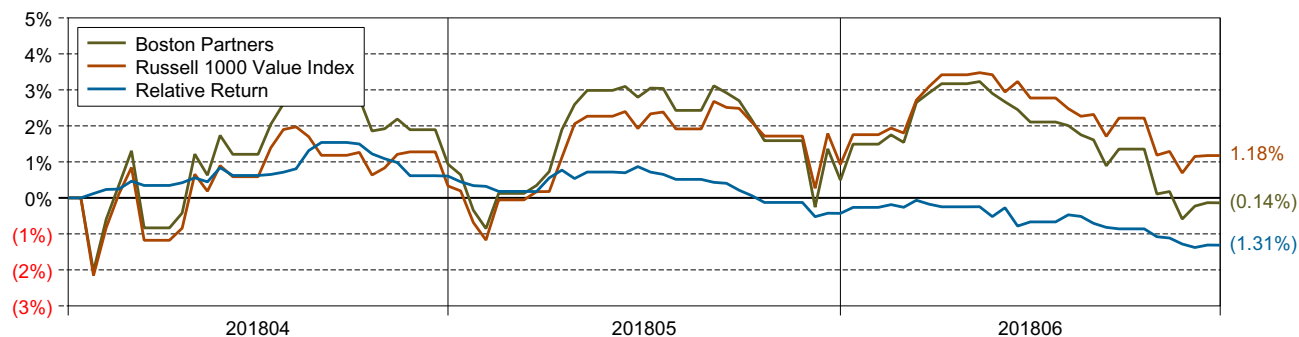


Boston Partners vs Russell 1000 Value Index Domestic Equity Daily Performance Attribution One Quarter Ended June 30, 2018

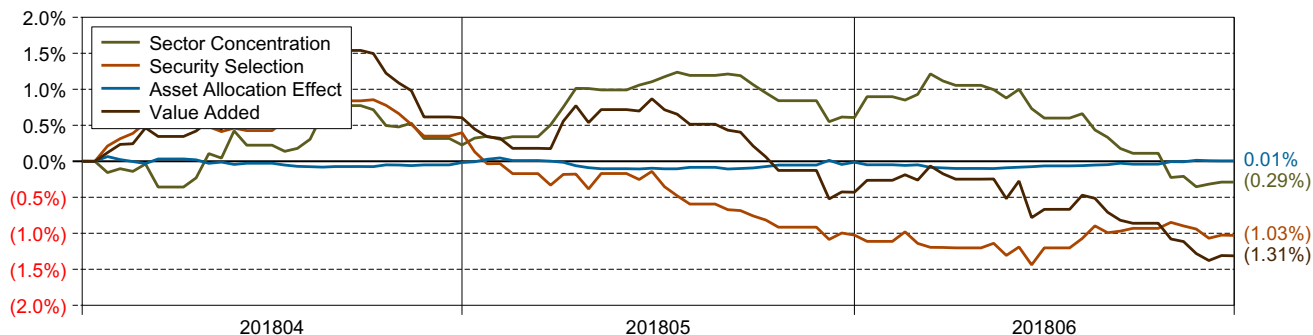
Return Sources and Timing

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 June 30, 2018

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Consumer Discretionary	5.35%	6.85%	(0.75)%	3.19%	(0.00)%	(0.23)%	-
Consumer Staples	0.51%	7.60%	(1.67)%	(3.34)%	0.36%	0.01%	-
Energy	12.75%	11.48%	13.36%	14.55%	0.14%	(0.13)%	-
Financials	32.86%	26.73%	(3.33)%	(3.45)%	(0.29)%	0.04%	-
Health Care	16.83%	13.88%	1.65%	2.42%	0.01%	(0.13)%	-
Industrials	9.33%	8.11%	(11.02)%	(2.84)%	(0.08)%	(0.83)%	-
Information Technology	14.50%	9.40%	(0.13)%	(0.95)%	(0.10)%	0.12%	-
Materials	4.91%	2.48%	2.89%	1.42%	0.01%	0.08%	-
Real Estate	1.16%	4.67%	3.85%	8.56%	(0.24)%	(0.05)%	-
Telecommunications	1.16%	2.89%	6.53%	(3.07)%	0.05%	0.11%	-
Utilities	0.64%	5.92%	0.35%	4.21%	(0.15)%	(0.02)%	-
Non Equity	3.14%	0.00%	-	-	-	-	0.01%
Total	-	-	(0.14)%	1.18%	(0.29)%	(1.03)%	0.01%

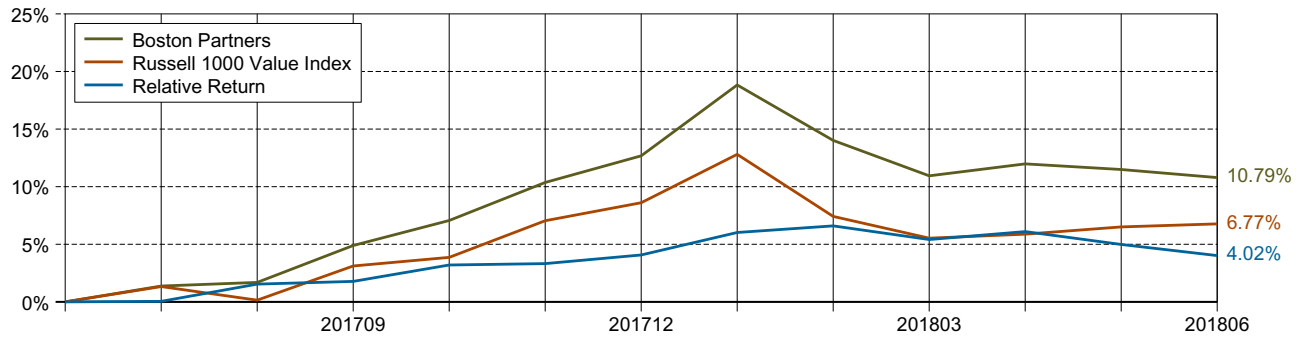
Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
(0.14%)		1.18%		(0.29%)		(1.03%)		0.01%

Boston Partners vs Russell 1000 Value Index Domestic Equity Daily Performance Attribution One Year Ended June 30, 2018

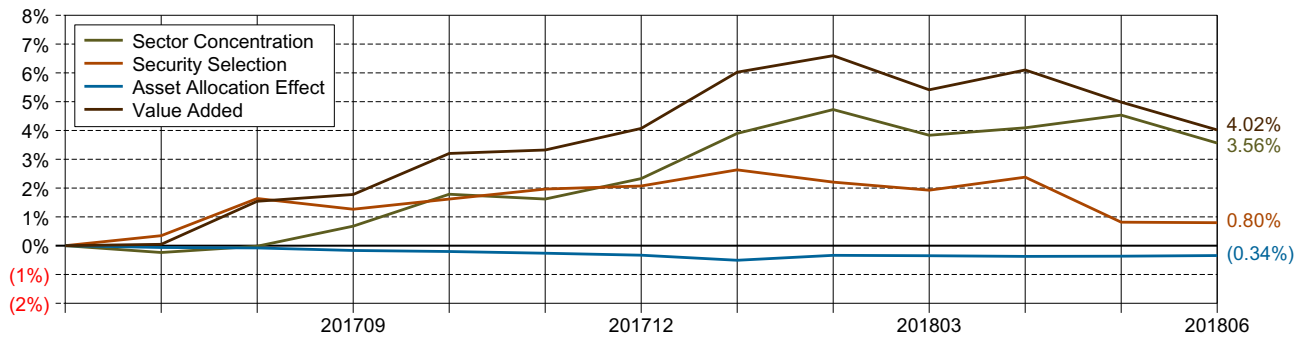
Return Sources and Timing

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 June 30, 2018

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Consumer Discretionary	7.19%	6.85%	3.40%	7.82%	0.02%	(0.29)%	-
Consumer Staples	1.56%	8.45%	(15.81)%	(8.36)%	1.20%	(0.18)%	-
Energy	10.46%	10.92%	36.11%	22.72%	0.12%	1.04%	-
Financials	32.38%	26.59%	10.01%	8.52%	0.05%	0.50%	-
Health Care	16.12%	13.89%	2.44%	3.15%	(0.14)%	(0.02)%	-
Industrials	8.67%	8.38%	(3.28)%	(5.26)%	(0.06)%	0.05%	-
Information Technology	16.18%	8.74%	22.11%	21.97%	1.19%	0.02%	-
Materials	6.08%	2.39%	14.07%	16.71%	0.40%	(0.20)%	-
Real Estate	0.29%	4.77%	4.22%	2.43%	0.32%	(0.06)%	-
Telecommunications	0.66%	2.98%	0.59%	(3.48)%	0.25%	0.06%	-
Utilities	0.40%	6.04%	(7.22)%	4.39%	0.23%	(0.13)%	-
Non Equity	2.75%	0.00%	-	-	-	-	(0.34)%
Total	-	-	10.79%	6.77%	3.56%	0.80%	(0.34)%

Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
10.79%		6.77%		3.56%		0.80%		(0.34)%

Boston Partners vs Russell 1000 Value Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended June 30, 2018

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
Andeavor	Energy	1.79%	91	0.16%	30.98%	30.98%	0.44%	0.38%
Netapp Inc	Information Technology	1.26%	91	0.02%	27.70%	25.15%	0.33%	0.31%
Chevron Corp New	Energy	2.83%	91	1.89%	11.82%	11.82%	0.32%	0.09%
Cummins	Industrials	1.54%	91	0.14%	(17.67)%	(17.34)%	(0.31)%	(0.29)%
ConocoPhillips	Energy	1.85%	91	0.62%	18.04%	17.90%	0.30%	0.19%
Berkshire Hathaway Inc Del Cl B New	Financials	4.23%	91	3.07%	(6.43)%	(6.43)%	(0.28)%	(0.09)%
Bank Amer Corp	Financials	4.47%	91	2.34%	(5.61)%	(5.61)%	(0.25)%	(0.15)%
Merck & Co Inc	Health Care	1.87%	91	1.23%	12.31%	12.31%	0.22%	0.07%
Te Connectivity Ltd Reg Shs	Information Technology	1.95%	91	-	(9.43)%	-	(0.19)%	(0.22)%
Johnson & Johnson	Health Care	4.05%	91	2.35%	(4.61)%	(4.61)%	(0.19)%	(0.10)%

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

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Index Perf	Contrib Excess Return
Exxon Mobil Corp	Energy	-	-	2.72%	-	12.00%	0.31%	(0.28)%
Chevron Corp New	Energy	2.83%	91	1.89%	11.82%	11.82%	0.21%	0.09%
Philip Morris Intl Inc	Consumer Staples	-	-	1.02%	-	(17.61)%	(0.21)%	0.22%
Berkshire Hathaway Inc Del Cl B New	Financials	4.23%	91	3.07%	(6.43)%	(6.43)%	(0.20)%	(0.09)%
At&t Inc	Telecommunications	-	-	1.75%	-	(8.65)%	(0.17)%	0.18%
JPMorgan Chase & Co	Financials	3.96%	91	3.09%	(4.77)%	(4.77)%	(0.15)%	(0.05)%
Merck & Co Inc	Health Care	1.87%	91	1.23%	12.31%	12.31%	0.15%	0.07%
Bank Amer Corp	Financials	4.47%	91	2.34%	(5.61)%	(5.61)%	(0.13)%	(0.15)%
Occidental Petroleum	Energy	-	-	0.48%	-	29.98%	0.12%	(0.12)%
Wells Fargo & Co New	Financials	2.69%	91	1.93%	6.26%	6.58%	0.12%	0.03%

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
Andeavor	Energy	1.79%	91	0.16%	30.98%	30.98%	0.44%	0.38%
Netapp Inc	Information Technology	1.26%	91	0.02%	27.70%	25.15%	0.33%	0.31%
Philip Morris Intl Inc	Consumer Staples	-	-	1.02%	-	(17.61)%	-	0.22%
ConocoPhillips	Energy	1.85%	91	0.62%	18.04%	17.90%	0.30%	0.19%
At&t Inc	Telecommunications	-	-	1.75%	-	(8.65)%	-	0.18%
Royal Dutch Shell Plc Spon ADR A	Energy	1.88%	91	-	9.93%	-	0.18%	0.16%
Methanex Corp	Materials	0.77%	91	-	17.24%	-	0.13%	0.12%
Intel Corp	Information Technology	-	-	2.06%	-	(4.01)%	-	0.10%
Chevron Corp New	Energy	2.83%	91	1.89%	11.82%	11.82%	0.32%	0.09%
Tjx Cos	Consumer Discretionary	0.56%	91	-	17.29%	-	0.08%	0.08%

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
Cummins	Industrials	1.54%	91	0.14%	(17.67)%	(17.34)%	(0.31)%	(0.29)%
Exxon Mobil Corp	Energy	-	-	2.72%	-	12.00%	-	(0.28)%
Te Connectivity Ltd Reg Shs	Information Technology	1.95%	91	-	(9.43)%	-	(0.19)%	(0.22)%
Bank Amer Corp	Financials	4.47%	91	2.34%	(5.61)%	(5.61)%	(0.25)%	(0.15)%
Arconic Inc	Industrials	0.39%	41	0.07%	(20.68)%	(25.91)%	(0.16)%	(0.14)%
Dxc Technology Co	Information Technology	1.45%	91	0.03%	(7.08)%	(0.30)%	(0.11)%	(0.13)%
Occidental Petroleum	Energy	-	-	0.48%	-	29.98%	-	(0.12)%
Southwest Airline Co	Industrials	0.92%	91	0.01%	(10.89)%	(1.98)%	(0.11)%	(0.12)%
Delta Air Lines Inc Del	Industrials	1.33%	91	0.28%	(9.09)%	(9.09)%	(0.12)%	(0.11)%
Goldman Sachs Group Inc	Financials	1.48%	91	0.69%	(12.12)%	(12.12)%	(0.19)%	(0.11)%

Atlanta Capital Period Ended June 30, 2018

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.

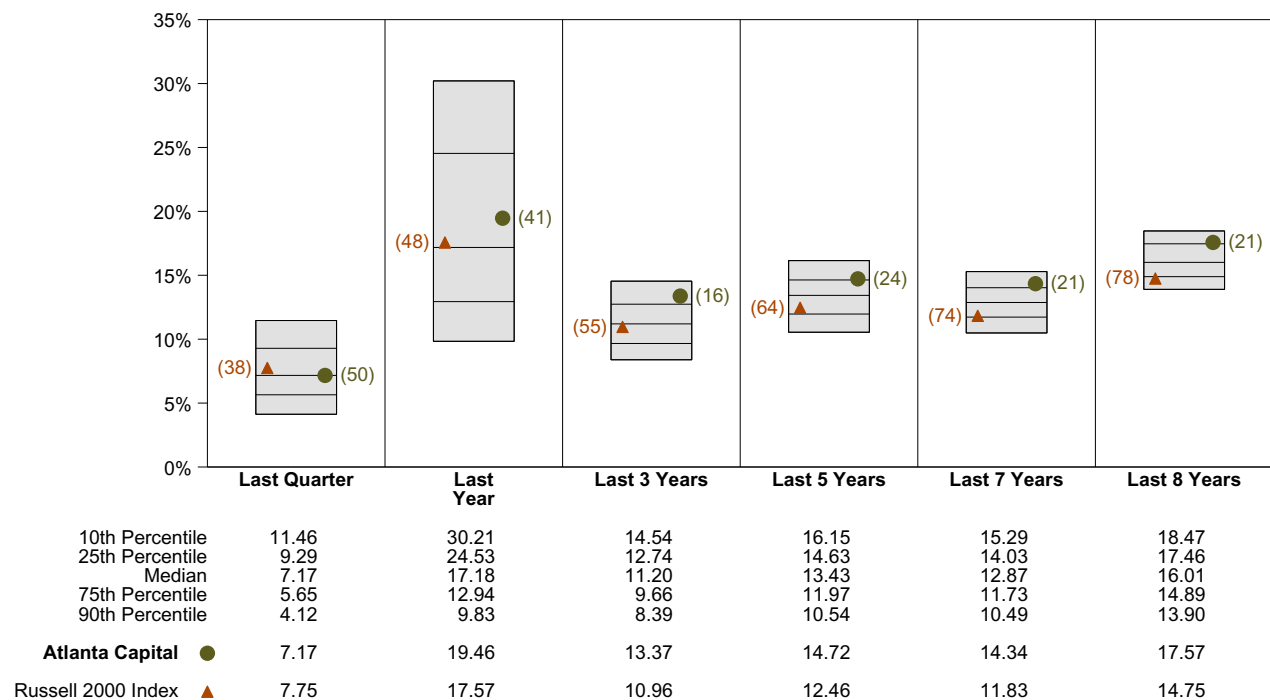
Quarterly Summary and Highlights

- Atlanta Capital's portfolio posted a 7.17% return for the quarter placing it in the 50 percentile of the Callan Small Capitalization group for the quarter and in the 41 percentile for the last year.
- Atlanta Capital's portfolio underperformed the Russell 2000 Index by 0.59% for the quarter and outperformed the Russell 2000 Index for the year by 1.90%.

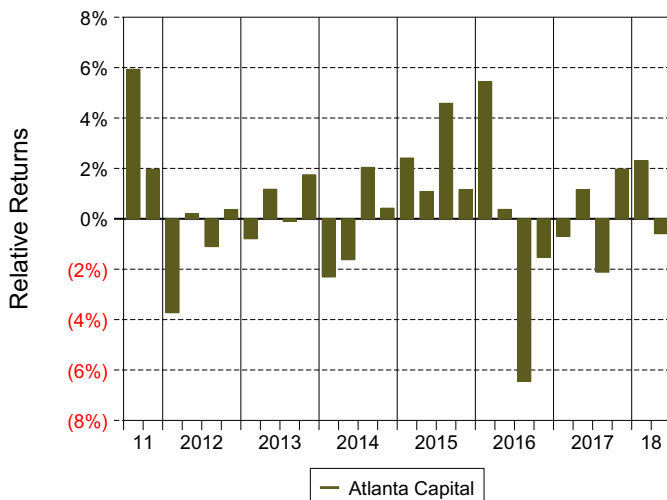
Quarterly Asset Growth

Beginning Market Value	\$23,499,833
Net New Investment	\$-564,016
Investment Gains/(Losses)	\$1,685,060
Ending Market Value	\$24,620,877

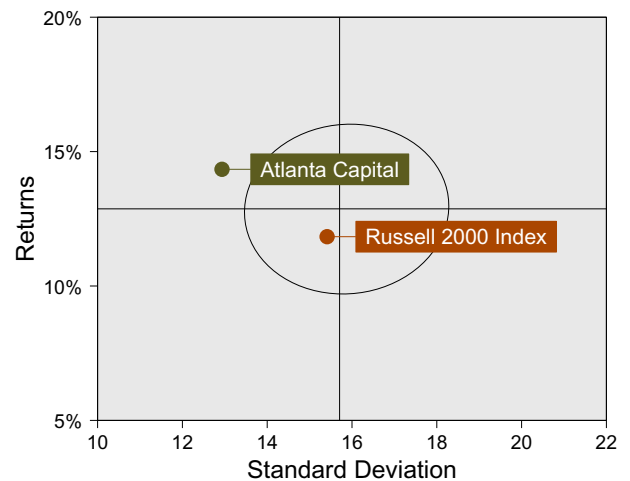
Performance vs Callan Small Capitalization (Gross)



Relative Return vs Russell 2000 Index



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

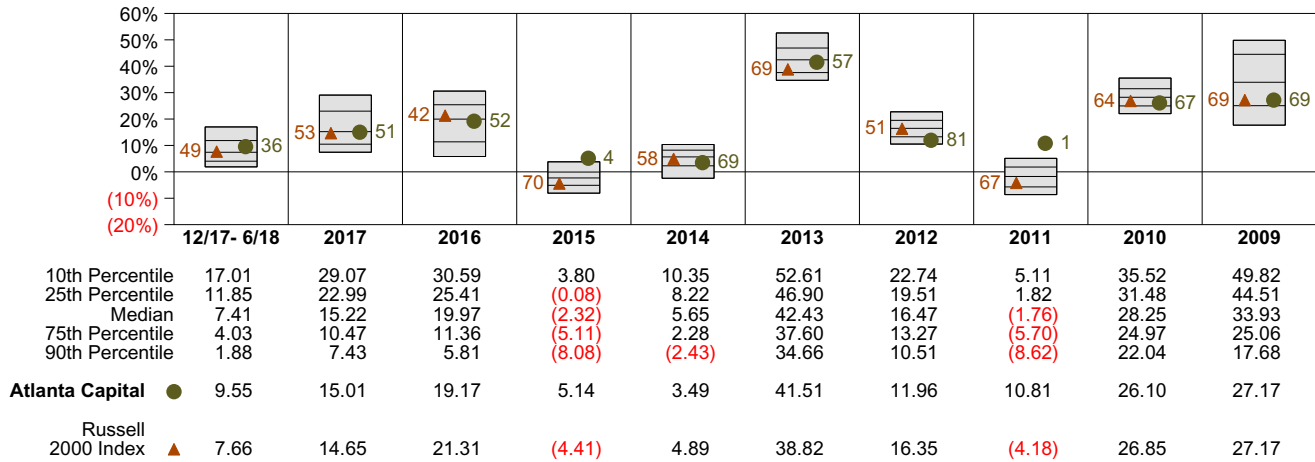


Atlanta Capital Return Analysis Summary

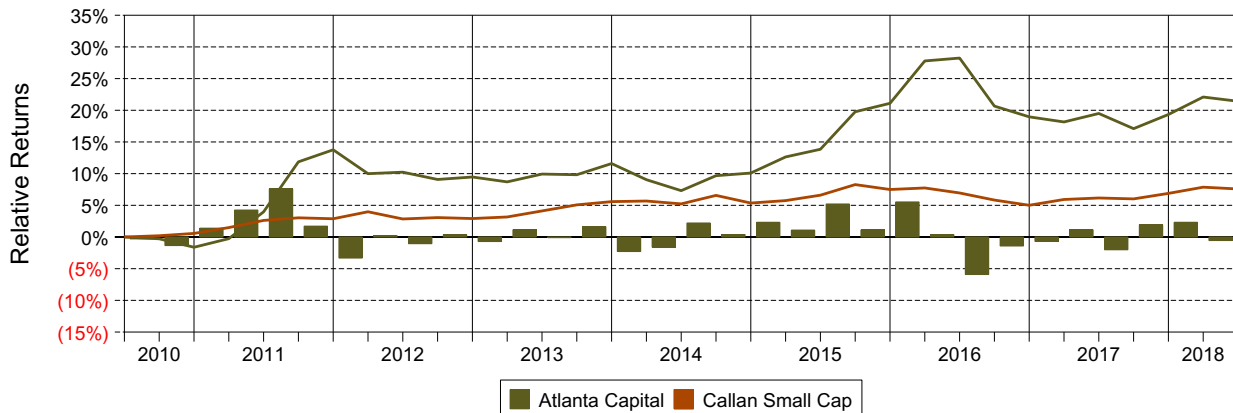
Return Analysis

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

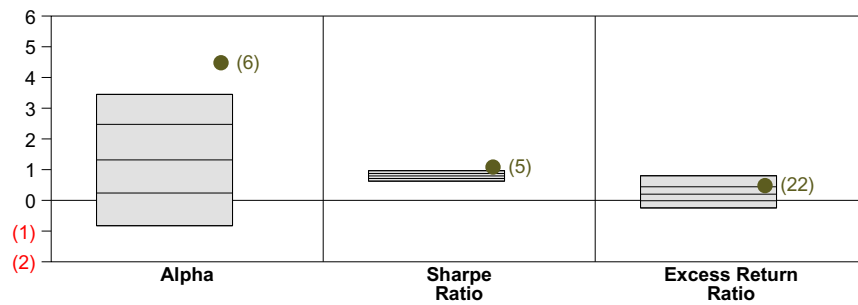
Performance vs Callan Small Capitalization (Gross)



Cumulative and Quarterly Relative Return vs Russell 2000 Index



Risk Adjusted Return Measures vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended June 30, 2018



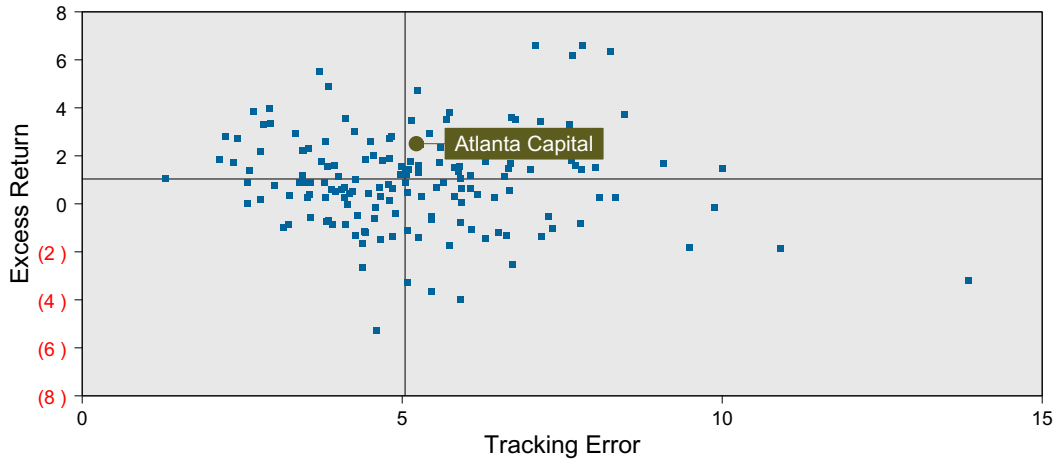
10th Percentile	3.45	0.97	0.80
25th Percentile	2.47	0.87	0.44
Median	1.32	0.80	0.20
75th Percentile	0.24	0.71	(0.01)
90th Percentile	(0.83)	0.62	(0.25)
Atlanta Capital	● 4.48	1.08	0.48

Atlanta Capital Risk Analysis Summary

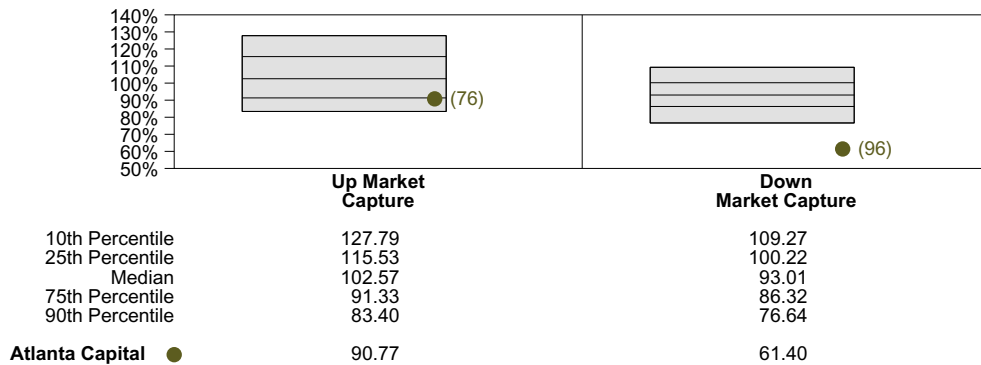
Risk Analysis

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

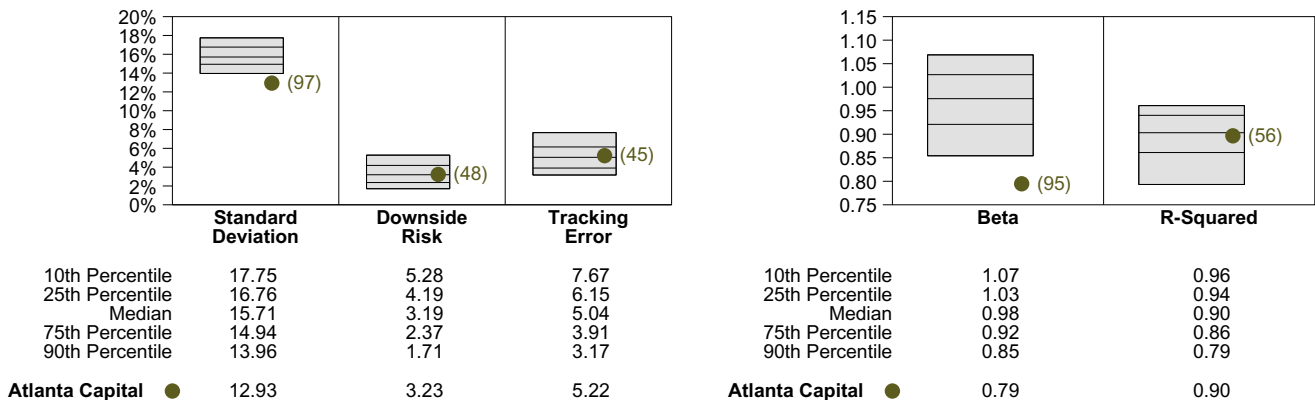
Risk Analysis vs Callan Small Capitalization (Gross) Seven Years Ended June 30, 2018



Market Capture vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended June 30, 2018



Risk Statistics Rankings vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended June 30, 2018

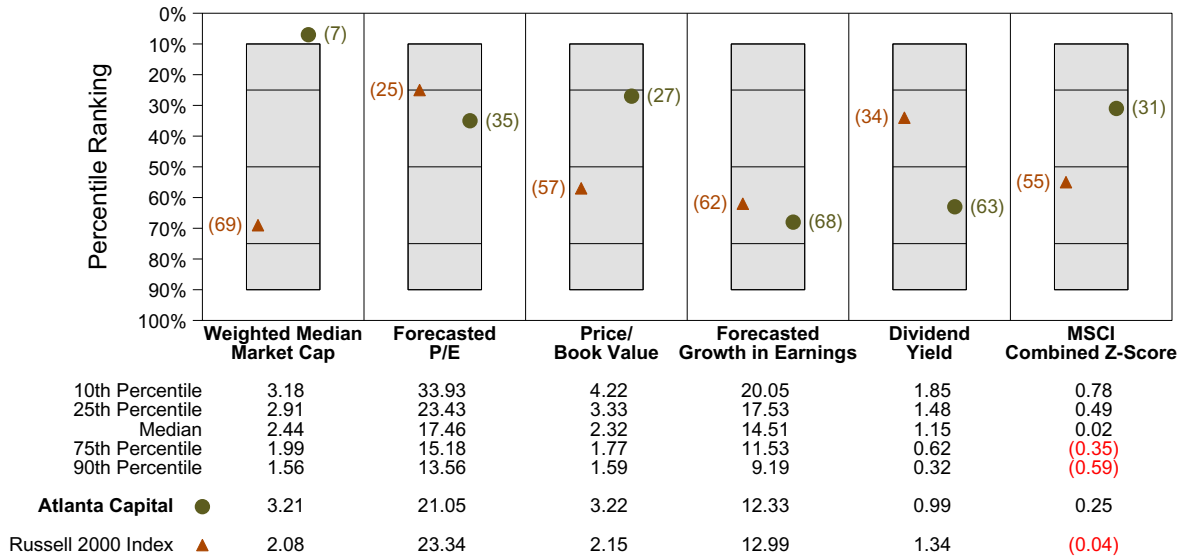


Atlanta Capital Equity Characteristics Analysis Summary

Portfolio Characteristics

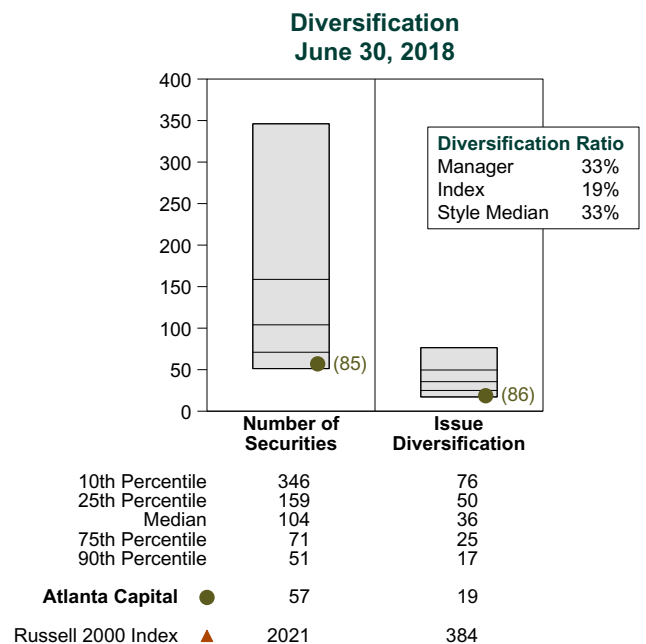
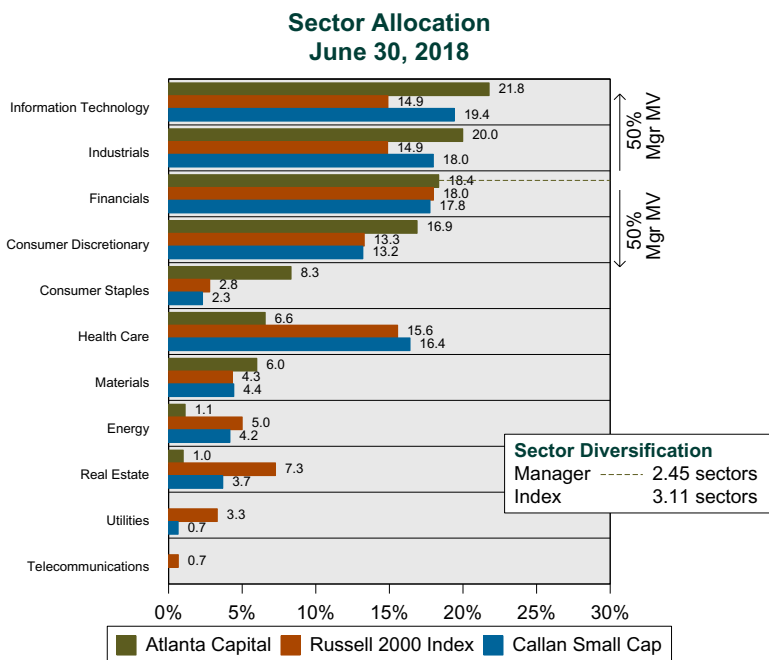
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Portfolio Characteristics Percentile Rankings Rankings Against Callan Small Capitalization as of June 30, 2018



Sector Weights

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



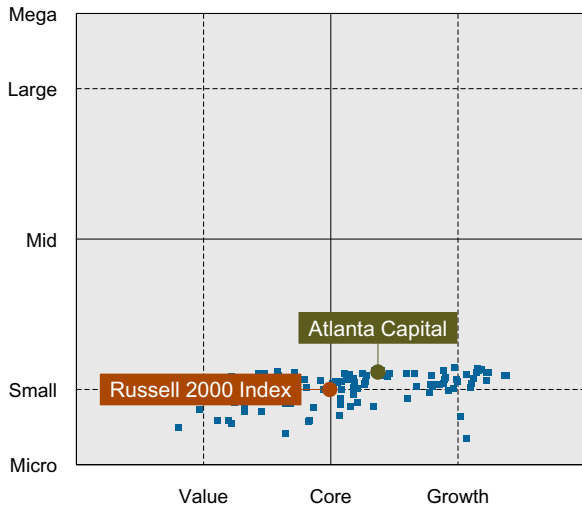
Current Holdings Based Style Analysis

Atlanta Capital

As of June 30, 2018

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

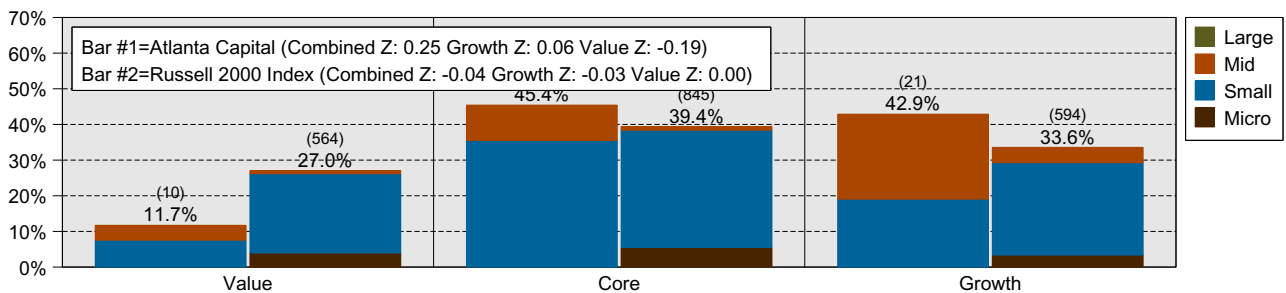
Style Map vs Callan Small Cap Holdings as of June 30, 2018



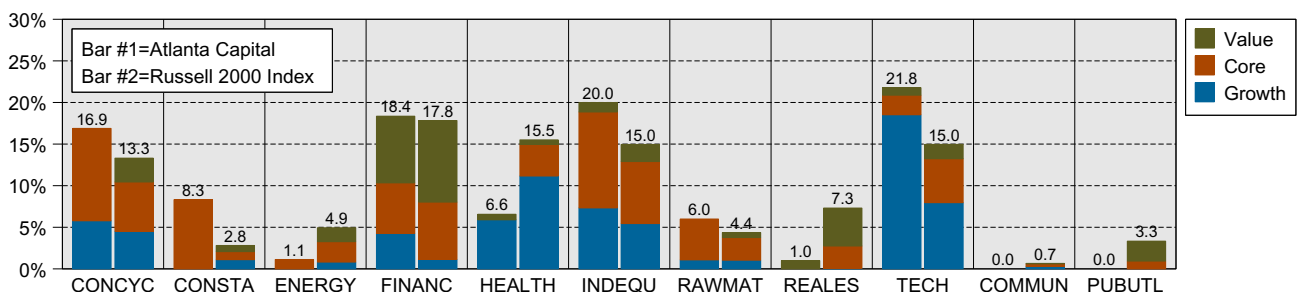
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	4.2% (3)	9.8% (4)	23.8% (11)	37.8% (18)
Small	7.5% (7)	35.6% (22)	19.1% (10)	62.2% (39)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	11.7% (10)	45.4% (26)	42.9% (21)	100.0% (57)
	27.0% (564)	39.4% (845)	33.6% (594)	100.0% (2003)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



Sector Weights Distribution Holdings as of June 30, 2018



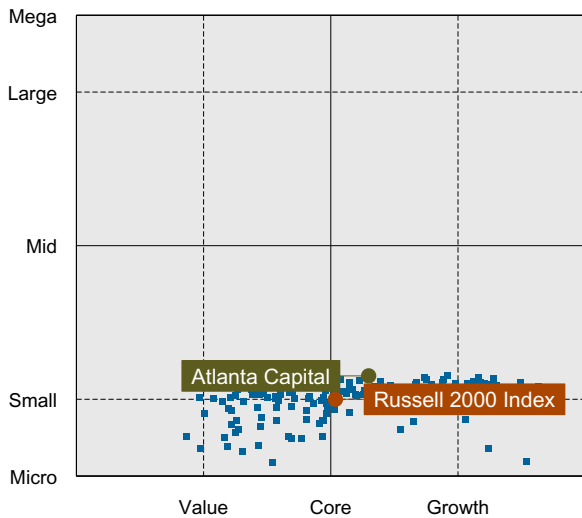
Historical Holdings Based Style Analysis

Atlanta Capital

For Five Years Ended June 30, 2018

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

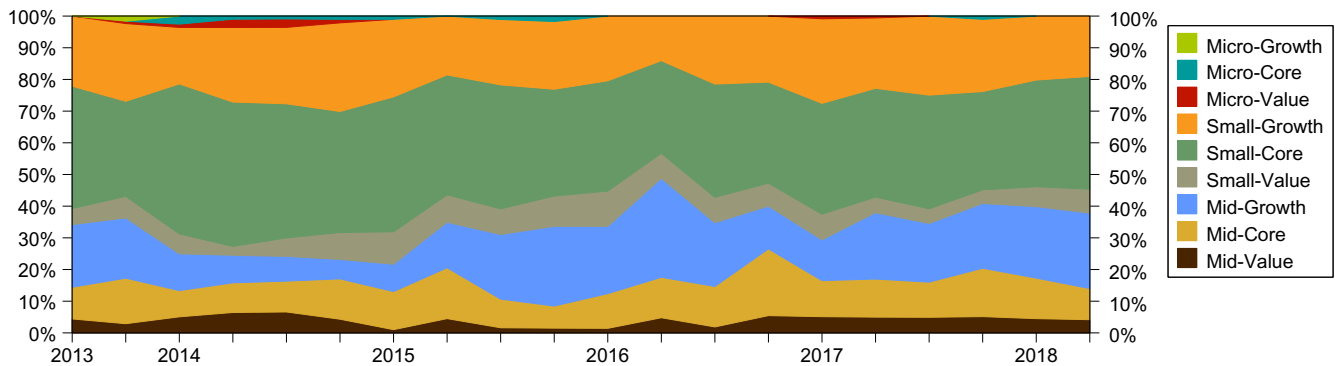
Average Style Map vs Callan Small Cap Holdings for Five Years Ended June 30, 2018



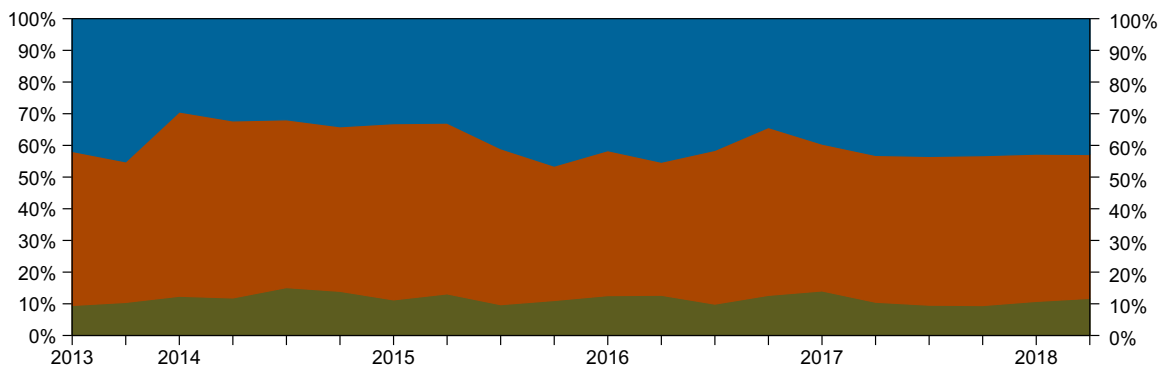
Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2018

	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	4.0% (3)	11.9% (6)	17.3% (8)	33.3% (17)
Small	7.1% (5)	36.6% (25)	21.9% (13)	65.6% (43)
Micro	0.5% (0)	0.5% (1)	0.1% (0)	1.1% (1)
Total	11.6% (8)	49.1% (32)	39.3% (21)	100.0% (61)
	26.3% (568)	39.8% (813)	33.9% (586)	100.0% (1967)
	Value	Core	Growth	Total

Atlanta Capital Historical Cap/Style Exposures



Atlanta Capital Historical Style Only Exposures

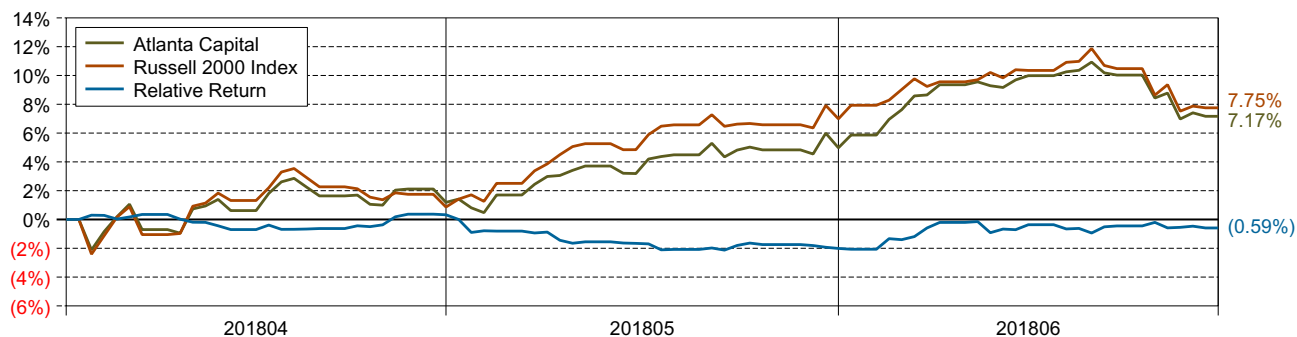


Atlanta Capital vs Russell 2000 Index Domestic Equity Daily Performance Attribution One Quarter Ended June 30, 2018

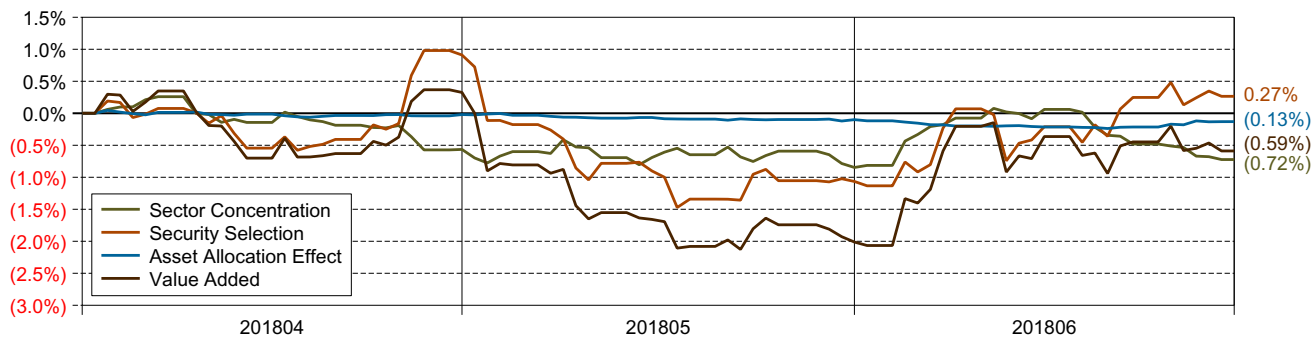
Return Sources and Timing

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 June 30, 2018

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Consumer Discretionary	16.59%	12.14%	7.73%	9.62%	0.10%	(0.31)%	-
Consumer Staples	7.61%	2.41%	7.94%	12.06%	0.24%	(0.30)%	-
Energy	1.02%	4.11%	14.73%	19.67%	(0.32)%	(0.05)%	-
Financials	18.85%	18.01%	5.75%	4.19%	(0.01)%	0.29%	-
Health Care	6.70%	16.63%	7.76%	10.17%	(0.23)%	(0.17)%	-
Industrials	19.56%	14.85%	5.51%	4.25%	(0.12)%	0.23%	-
Information Technology	22.61%	17.26%	9.86%	7.24%	(0.02)%	0.57%	-
Materials	6.08%	4.32%	4.92%	3.60%	(0.05)%	0.07%	-
Real Estate	0.98%	6.41%	7.54%	13.30%	(0.30)%	(0.06)%	-
Telecommunications	0.00%	0.61%	0.00%	11.49%	(0.01)%	0.00%	-
Utilities	0.00%	3.25%	0.00%	8.22%	(0.00)%	0.00%	-
Non Equity	2.11%	0.00%	-	-	-	-	(0.13)%
Total	-	-	7.17%	7.75%	(0.72)%	0.27%	(0.13)%

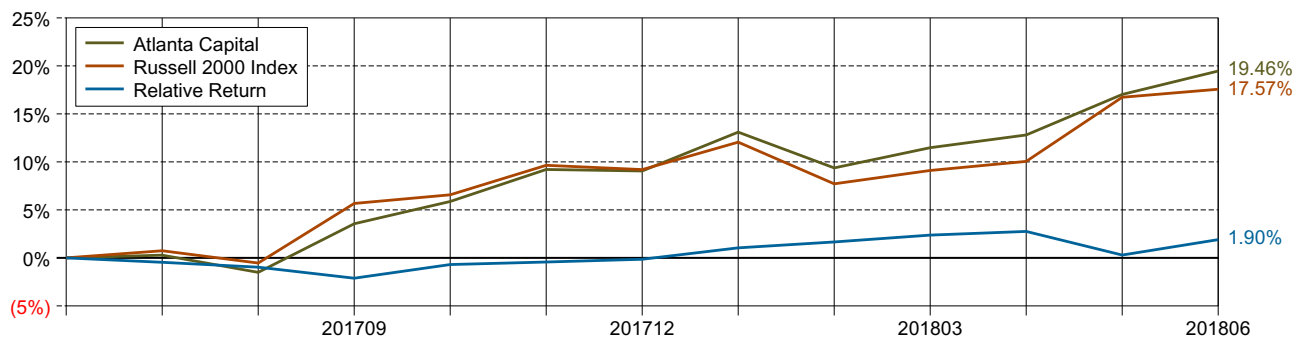
Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
7.17%		7.75%		(0.72)%		0.27%		(0.13)%

Atlanta Capital vs Russell 2000 Index Domestic Equity Daily Performance Attribution One Year Ended June 30, 2018

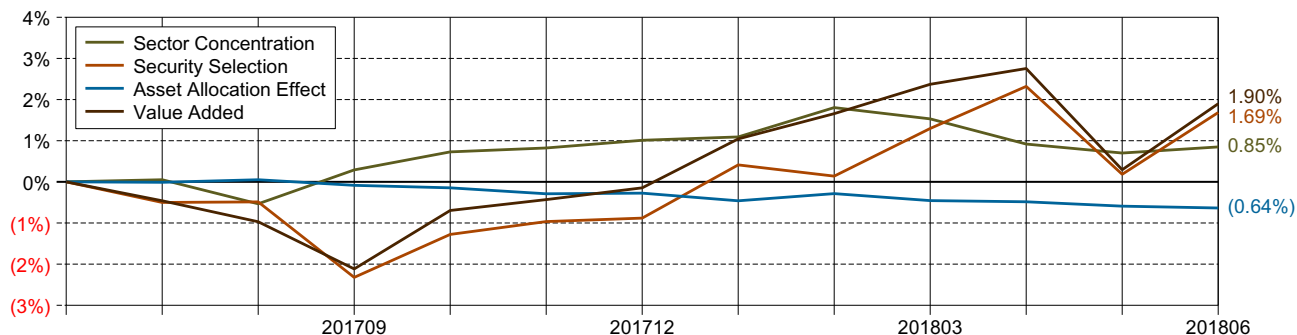
Return Sources and Timing

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 June 30, 2018

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Consumer Discretionary	15.71%	12.20%	20.05%	19.06%	0.11%	0.19%	-
Consumer Staples	7.63%	2.59%	20.10%	17.08%	0.06%	0.18%	-
Energy	0.98%	3.80%	5.33%	19.71%	(0.08)%	(0.16)%	-
Financials	17.90%	18.04%	18.79%	12.65%	(0.02)%	1.16%	-
Health Care	6.88%	15.73%	22.74%	29.50%	(1.03)%	(0.50)%	-
Industrials	21.03%	14.98%	22.58%	17.43%	0.31%	0.96%	-
Information Technology	22.98%	17.14%	23.28%	21.23%	0.31%	0.43%	-
Materials	5.83%	4.44%	6.62%	11.50%	(0.07)%	(0.30)%	-
Real Estate	1.07%	6.83%	(16.36)%	5.24%	0.76%	(0.29)%	-
Telecommunications	0.00%	0.75%	0.00%	3.29%	0.14%	0.00%	-
Utilities	0.00%	3.51%	0.00%	7.71%	0.37%	0.00%	-
Non Equity	3.24%	0.00%	-	-	-	-	(0.64)%
Total	-	-	19.46%	17.57%	0.85%	1.69%	(0.64)%

Manager Return	=	Index Return	+	Sector Concentration	+	Security Selection	+	Asset Allocation
19.46%		17.57%		0.85%		1.69%		(0.64)%

Atlanta Capital vs Russell 2000 Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended June 30, 2018

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
Morningstar Inc	Financials	3.03%	91	-	34.66%	-	0.94%	0.70%
Exponent Inc	Industrials	3.02%	91	0.11%	23.13%	23.13%	0.64%	0.39%
Wex Inc	Information Technology	2.64%	91	-	21.31%	-	0.56%	0.29%
Columbia Sportswear Co	Consumer Discretionary	2.77%	91	0.10%	19.98%	19.40%	0.52%	0.30%
Corelogic Inc	Information Technology	3.43%	91	-	14.75%	-	0.48%	0.21%
Fair Isaac Corp	Information Technology	3.06%	91	0.23%	14.14%	15.49%	0.42%	0.17%
Manhattan Associates	Information Technology	3.40%	91	-	12.25%	-	0.40%	0.14%
Sonic Corp	Consumer Discretionary	1.08%	91	0.04%	37.29%	37.29%	0.39%	0.29%
Beacon Roofing Supply Inc	Industrials	1.93%	91	0.15%	(19.53)%	(19.69)%	(0.33)%	(0.46)%
Inter Parfums Inc	Consumer Staples	2.33%	91	0.04%	13.92%	13.92%	0.31%	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
Nektar Therapeutics	Health Care	-	-	0.59%	-	(50.26)%	(0.37)%	0.37%
Sarepta Therapeutics Inc	Health Care	-	-	0.21%	-	89.40%	0.19%	(0.14)%
Chicago Bridge & Iron Co N V	Industrials	-	-	0.04%	-	238.38%	0.16%	(0.02)%
Exact Sciences Corp	Health Care	-	-	0.25%	-	64.47%	0.14%	(0.11)%
Avexis Inc	Health Care	-	-	0.23%	-	76.40%	0.13%	(0.11)%
Etsy Inc	Information Technology	-	-	0.17%	-	50.36%	0.08%	(0.07)%
World Wrestling Entmt Inc Cl A	Consumer Discretionary	-	-	0.09%	-	102.61%	0.07%	(0.07)%
Oasis Pete Inc New	Energy	-	-	0.13%	-	60.12%	0.06%	(0.05)%
Loxo Oncology Inc	Health Care	-	-	0.15%	-	50.37%	0.06%	(0.05)%
Axon Enterprise Inc	Industrials	-	-	0.12%	-	60.72%	0.06%	(0.05)%

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
Morningstar Inc	Financials	3.03%	91	-	34.66%	-	0.94%	0.70%
Exponent Inc	Industrials	3.02%	91	0.11%	23.13%	23.13%	0.64%	0.39%
Nektar Therapeutics	Health Care	-	-	0.59%	-	(50.26)%	-	0.37%
Columbia Sportswear Co	Consumer Discretionary	2.77%	91	0.10%	19.98%	19.40%	0.52%	0.30%
Wex Inc	Information Technology	2.64%	91	-	21.31%	-	0.56%	0.29%
Sonic Corp	Consumer Discretionary	1.08%	91	0.04%	37.29%	37.29%	0.39%	0.29%
Corelogic Inc	Information Technology	3.43%	91	-	14.75%	-	0.48%	0.21%
Fair Isaac Corp	Information Technology	3.06%	91	0.23%	14.14%	15.49%	0.42%	0.17%
Manhattan Associates	Information Technology	3.40%	91	-	12.25%	-	0.40%	0.14%
Eplus Inc	Information Technology	1.13%	91	0.05%	21.11%	21.11%	0.23%	0.13%

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
Beacon Roofing Supply Inc	Industrials	1.93%	91	0.15%	(19.53)%	(19.69)%	(0.33)%	(0.46)%
Choice Hotels Intl Inc	Consumer Discretionary	2.88%	91	-	(5.41)%	-	(0.15)%	(0.37)%
National Instrs Corp	Information Technology	1.27%	91	-	(16.53)%	-	(0.24)%	(0.34)%
Aaon Inc Com Par \$0.004	Industrials	1.08%	91	0.07%	(14.33)%	(14.33)%	(0.18)%	(0.25)%
Caseys General Stores	Consumer Staples	2.05%	91	-	(4.01)%	-	(0.10)%	(0.24)%
Bio-Techne Corp	Health Care	2.49%	91	-	(1.84)%	-	(0.04)%	(0.24)%
Moog Inc Cl A	Industrials	1.92%	91	0.12%	(5.12)%	(5.12)%	(0.10)%	(0.23)%
Prosperity Bancshares Inc	Financials	1.68%	91	-	(5.41)%	-	(0.09)%	(0.22)%
Blackbaud Inc	Information Technology	3.01%	91	0.23%	0.75%	0.75%	0.02%	(0.20)%
Artisan Partners Asset Mgmt Cl A	Financials	1.20%	91	0.07%	(7.79)%	(7.79)%	(0.09)%	(0.17)%

International Equity Period Ended June 30, 2018

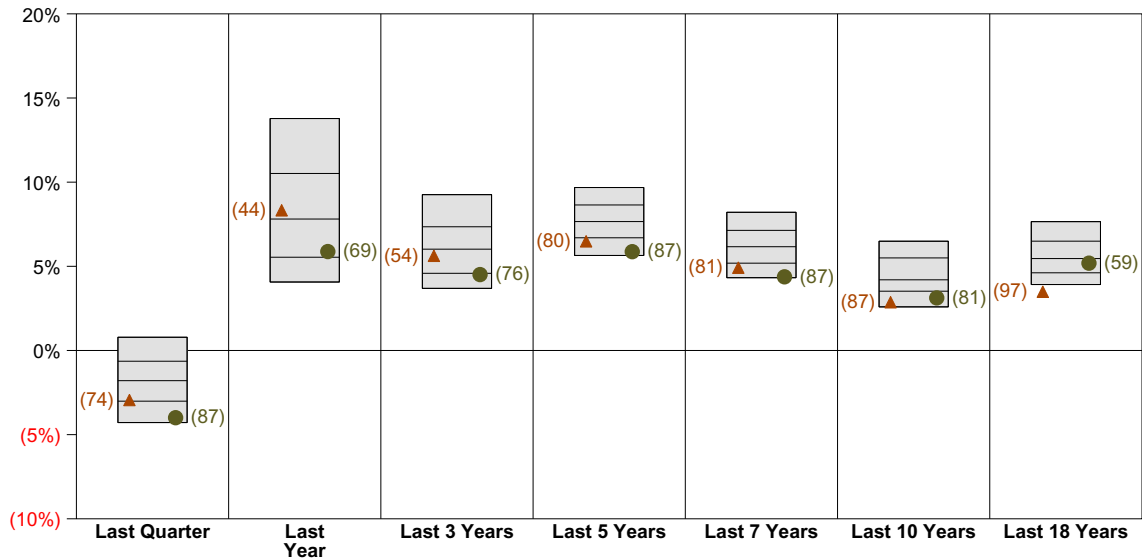
Investment Philosophy

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

Quarterly Summary and Highlights

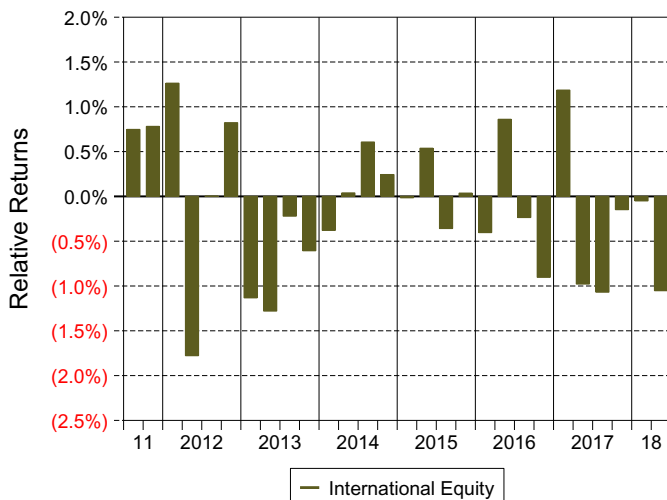
- International Equity's portfolio posted a (3.99)% return for the quarter placing it in the 87 percentile of the Callan Non-US Equity group for the quarter and in the 69 percentile for the last year.
- International Equity's portfolio underperformed the International Benchmark by 1.05% for the quarter and underperformed the International Benchmark for the year by 2.45%.

Performance vs Callan Non-US Equity (Gross)

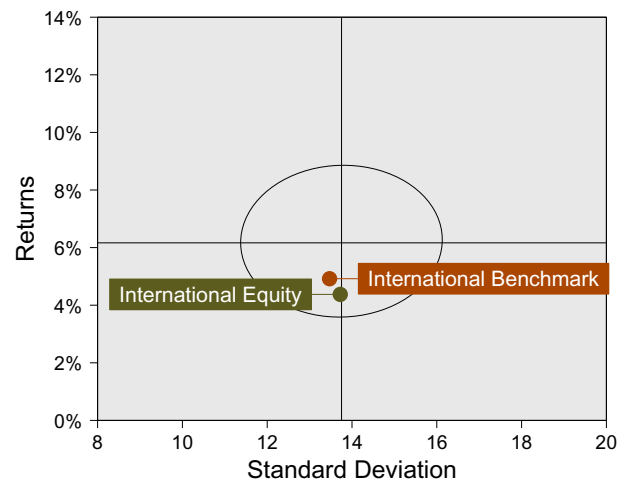


10th Percentile	0.79	13.78	9.26	9.68	8.21	6.49	7.66
25th Percentile	(0.64)	10.52	7.35	8.65	7.14	5.50	6.49
Median	(1.79)	7.81	6.02	7.66	6.16	4.20	5.46
75th Percentile	(3.01)	5.54	4.58	6.70	5.19	3.52	4.61
90th Percentile	(4.28)	4.07	3.69	5.64	4.32	2.59	3.92
International Equity	● (3.99)	5.88	4.51	5.87	4.38	3.12	5.19
International Benchmark	▲ (2.94)	8.33	5.63	6.49	4.92	2.87	3.49

Relative Return vs International Benchmark



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

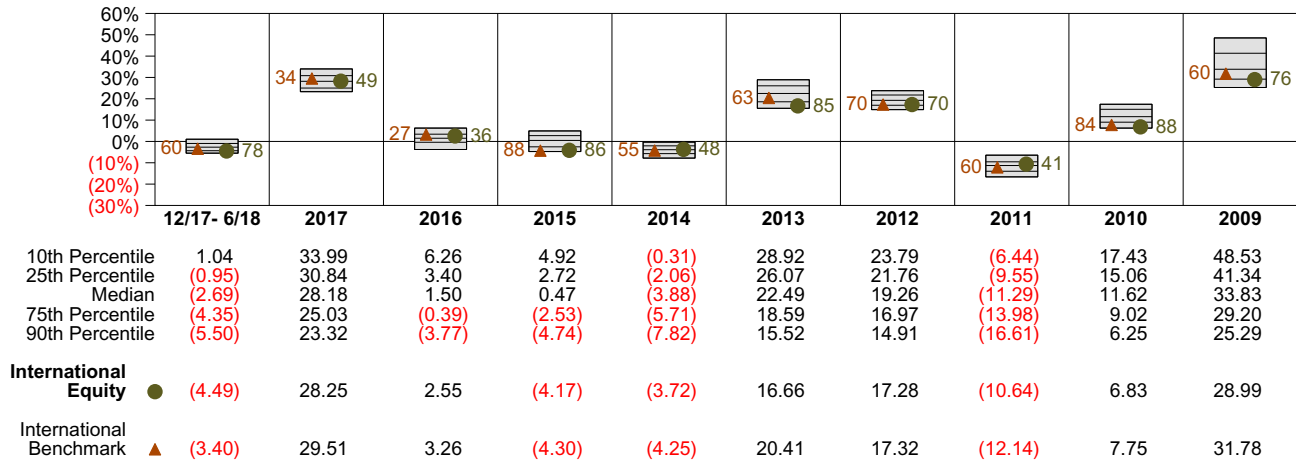


International Equity Return Analysis Summary

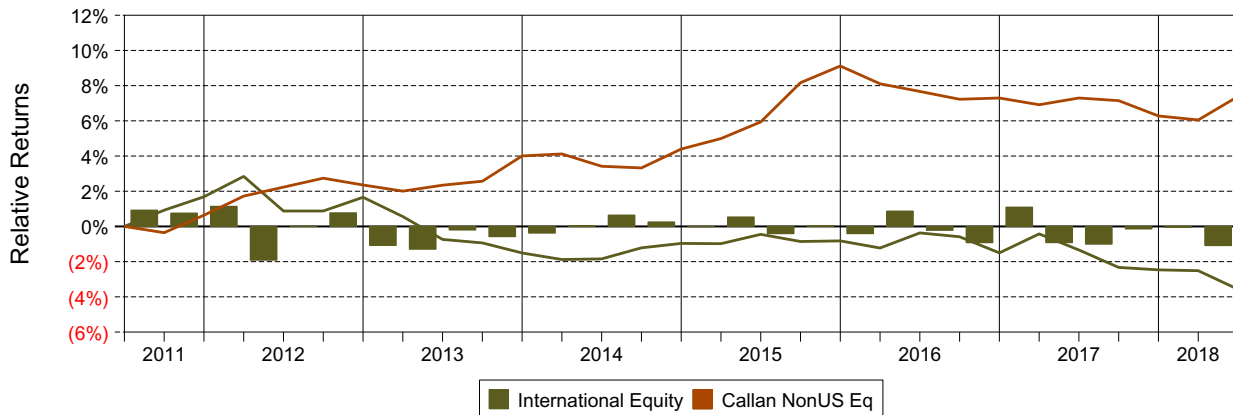
Return Analysis

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

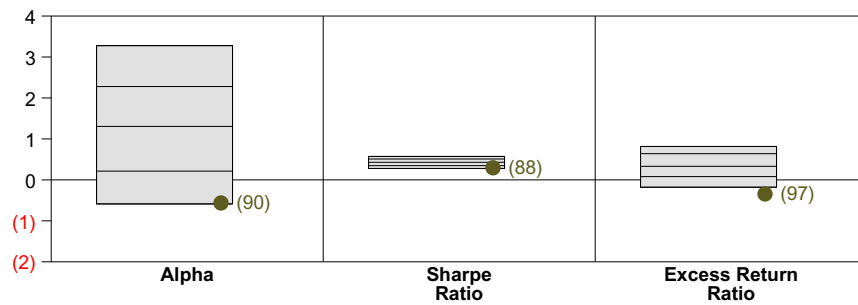
Performance vs Callan Non-US Equity (Gross)



Cumulative and Quarterly Relative Return vs International Benchmark



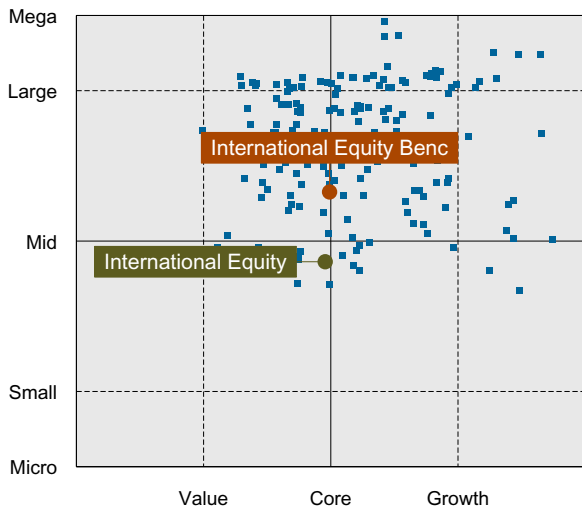
Risk Adjusted Return Measures vs International Benchmark Rankings Against Callan Non-US Equity (Gross) Seven Years Ended June 30, 2018



Current Holdings Based Style Analysis International Equity As of June 30, 2018

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

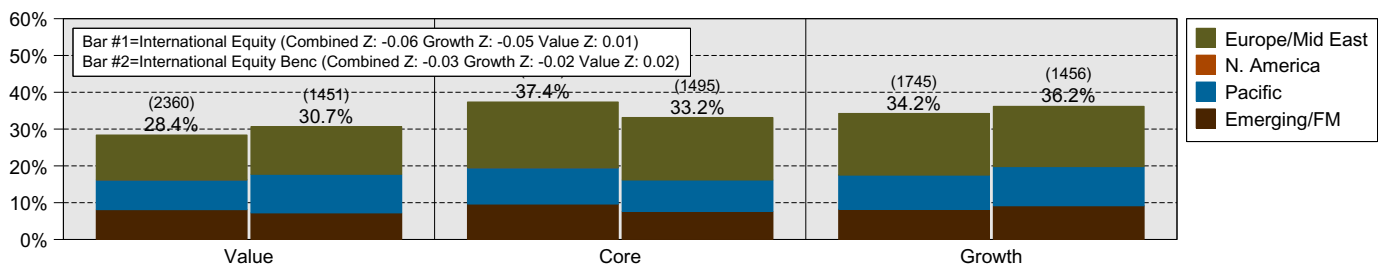
Style Map vs Callan NonUS Eq Holdings as of June 30, 2018



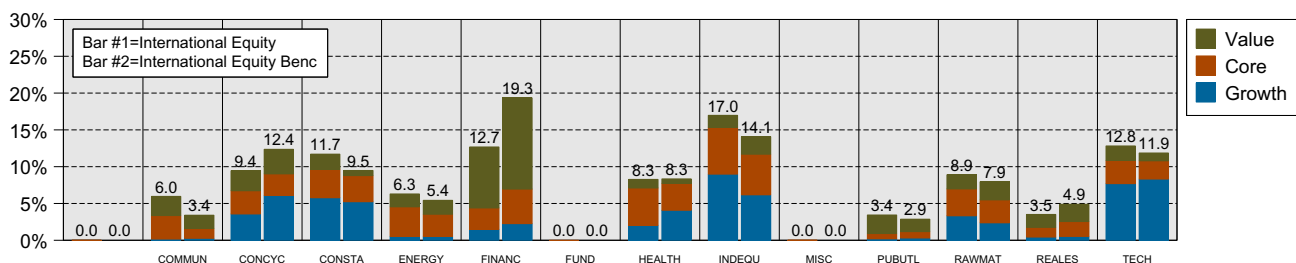
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Europe/ Mid East	12.2% (229)	17.8% (257)	16.8% (273)	46.8% (759)
N. America	13.0% (439)	17.0% (561)	16.4% (515)	46.3% (1515)
Pacific	0.0% (3)	0.0% (9)	0.0% (0)	0.0% (12)
Emerging/ FM	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	28.4% (2360)	37.4% (2115)	34.2% (1745)	100.0% (6220)
	30.7% (1451)	33.2% (1495)	36.2% (1456)	100.0% (4402)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



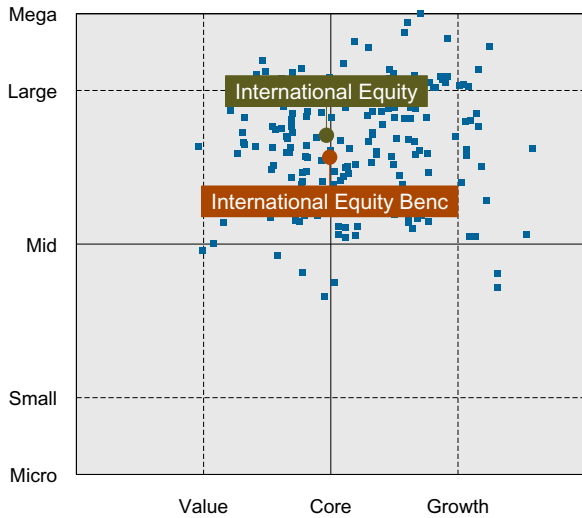
Sector Weights Distribution Holdings as of June 30, 2018



Historical Holdings Based Style Analysis International Equity For Five Years Ended June 30, 2018

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

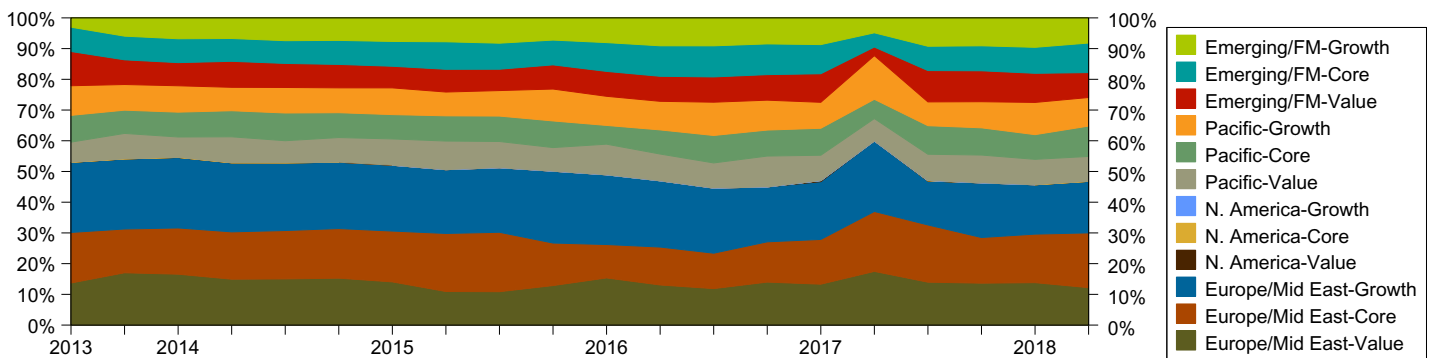
Average Style Map vs Callan NonUS Eq Holdings for Five Years Ended June 30, 2018



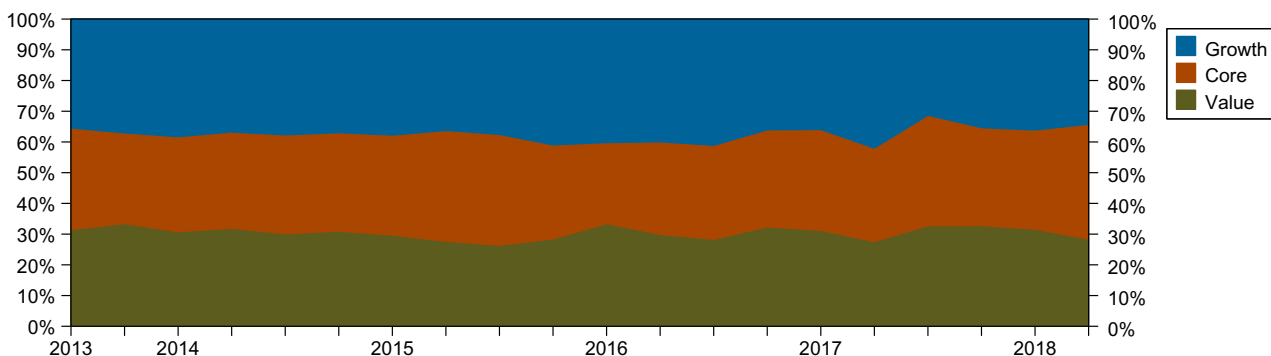
Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2018

	14.0% (168)	15.5% (186)	20.5% (233)	50.1% (587)
Europe/ Mid East	14.8% (246)	15.1% (288)	19.4% (326)	49.3% (860)
N. America	0.0% (2)	0.0% (3)	0.0% (1)	0.0% (6)
	0.0% (1)	0.0% (0)	0.0% (0)	0.0% (1)
Pacific	8.3% (208)	8.3% (217)	9.2% (215)	25.7% (640)
	8.9% (315)	9.1% (319)	9.6% (323)	27.7% (957)
Emerging/ FM	8.1% (1426)	8.4% (1436)	7.6% (877)	24.1% (3739)
	7.4% (295)	7.3% (262)	8.2% (282)	23.0% (839)
Total	30.4% (1804)	32.2% (1842)	37.4% (1326)	100.0% (4972)
	31.2% (857)	31.5% (869)	37.2% (931)	100.0% (2657)
	Value	Core	Growth	Total

International Equity Historical Region/Style Exposures



International Equity Historical Style Only Exposures



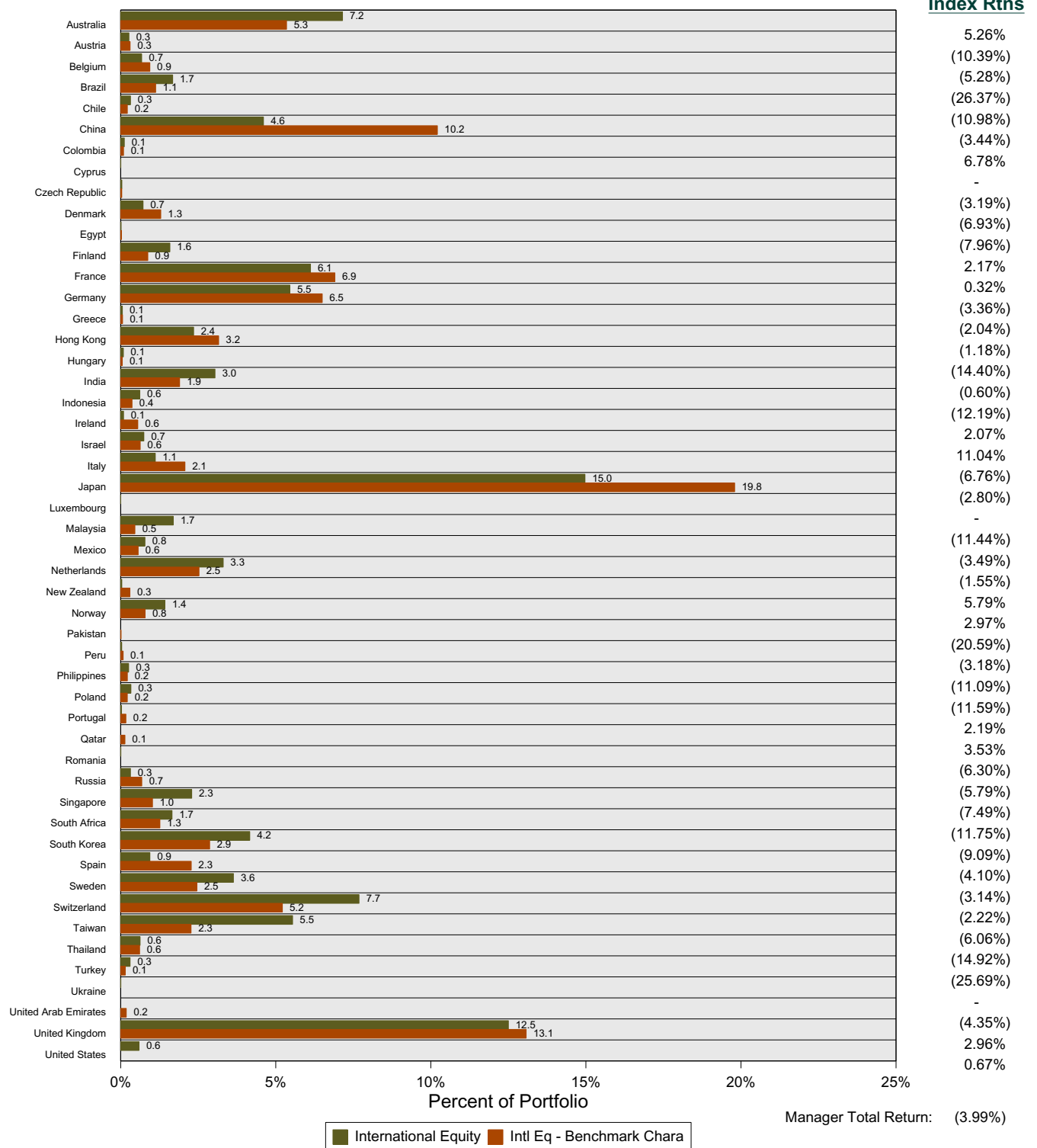
Country Allocation

International Equity VS Intl Eq - Benchmark Characteristics

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2018. 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 June 30, 2018



SSgA EAFE

Period Ended June 30, 2018

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.

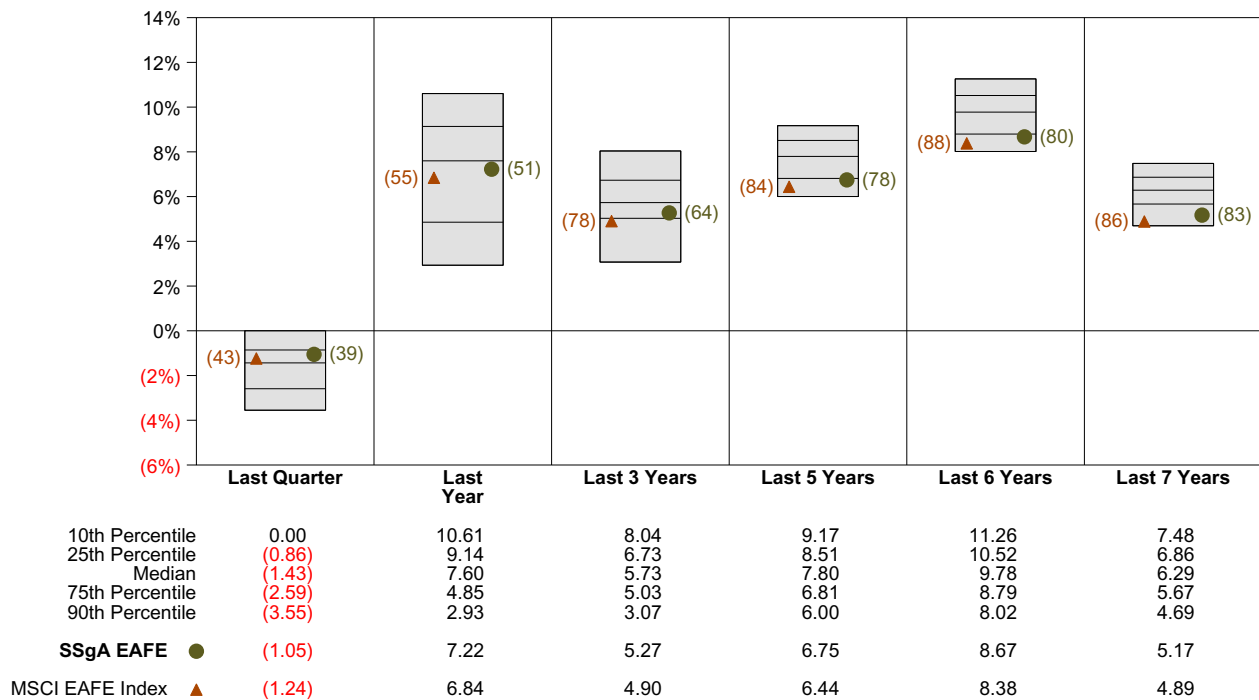
Quarterly Summary and Highlights

- SSgA EAFE's portfolio posted a (1.05)% return for the quarter placing it in the 39 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 51 percentile for the last year.
- SSgA EAFE's portfolio outperformed the MSCI EAFE Index by 0.18% for the quarter and outperformed the MSCI EAFE Index for the year by 0.38%.

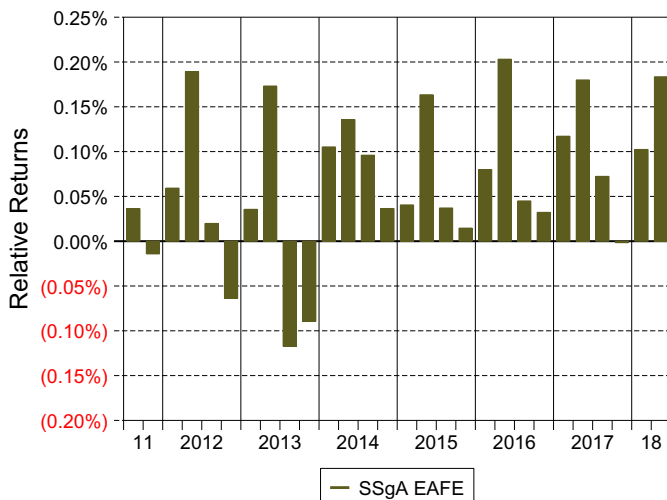
Quarterly Asset Growth

Beginning Market Value	\$11,360,700
Net New Investment	\$0
Investment Gains/(Losses)	\$-119,736
Ending Market Value	\$11,240,964

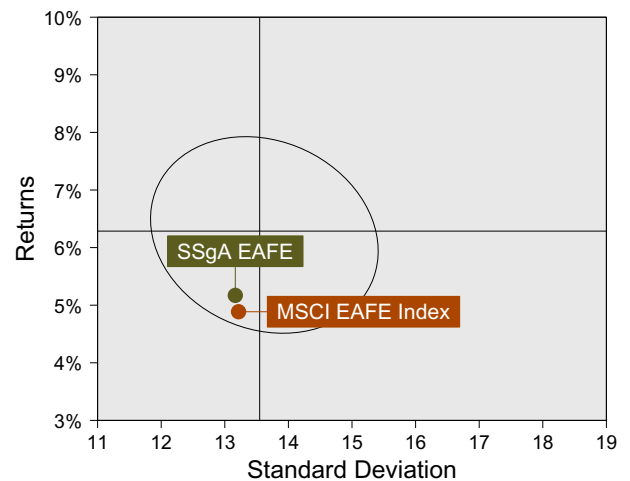
Performance vs Callan Non-US Developed Core Equity (Gross)



Relative Return vs MSCI EAFE Index



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

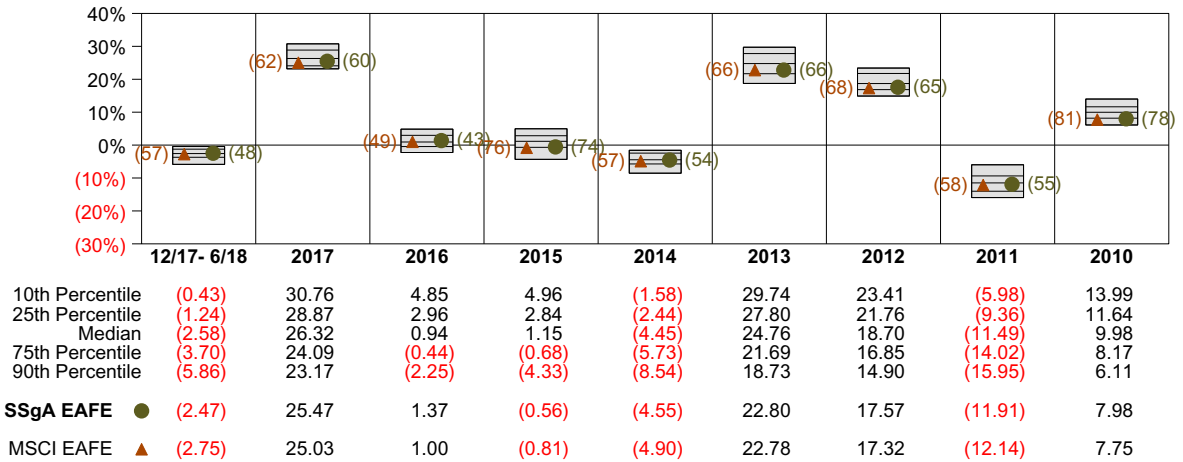


SSgA EAFE Return Analysis Summary

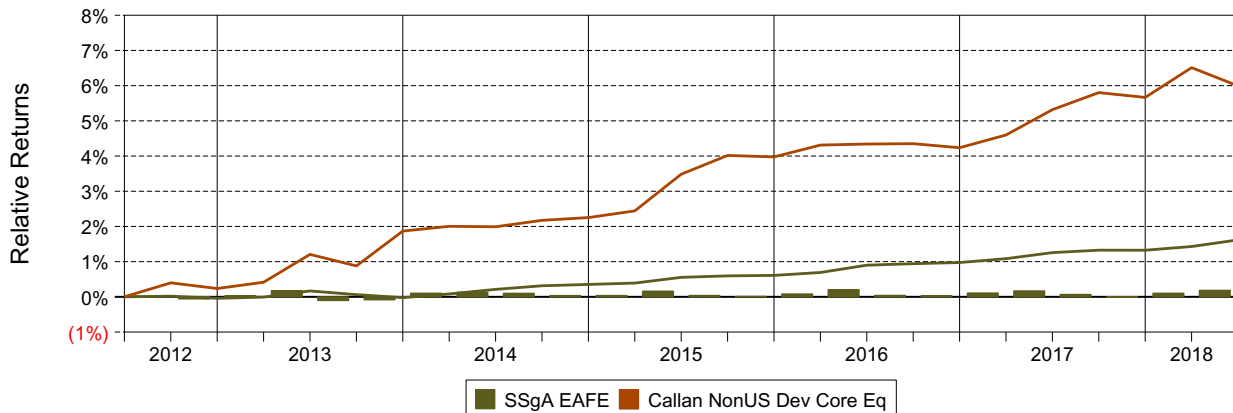
Return Analysis

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

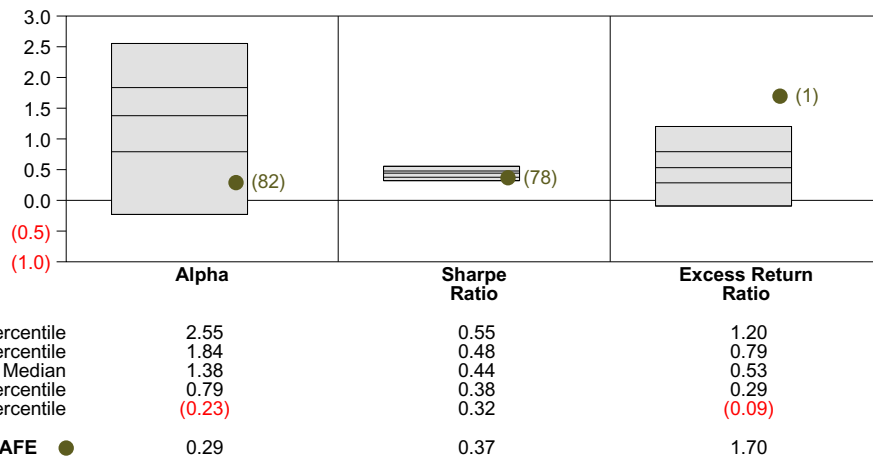
Performance vs Callan Non-US Developed Core Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE



Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2018

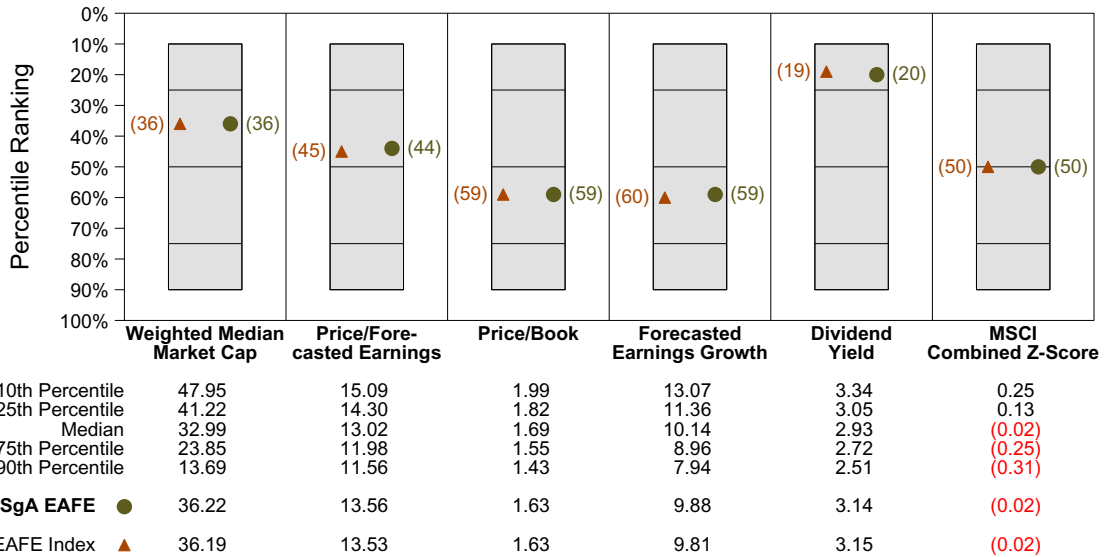


SSgA EAFE Equity Characteristics Analysis Summary

Portfolio Characteristics

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

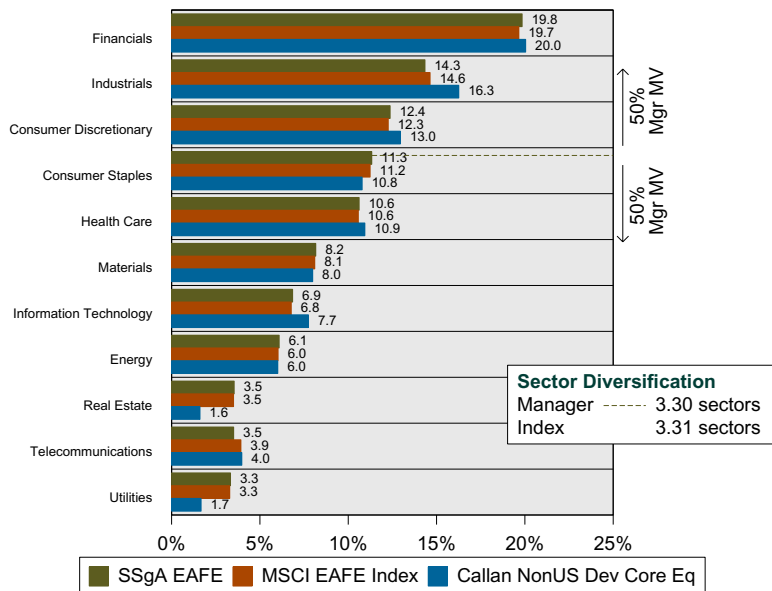
Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of June 30, 2018



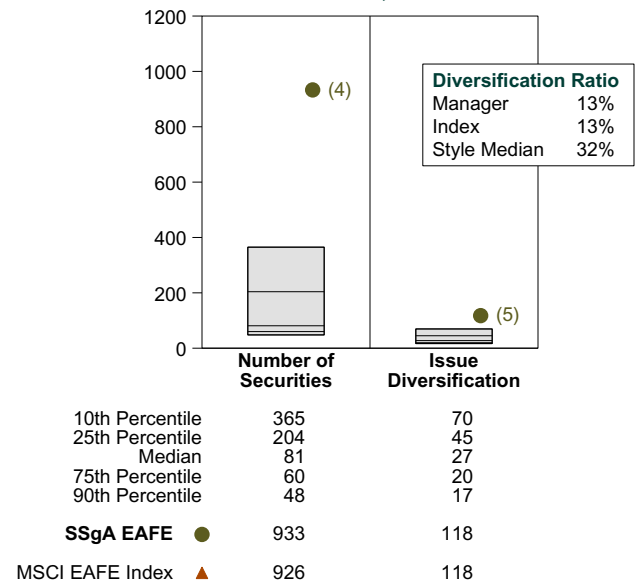
Sector Weights

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 June 30, 2018



Diversification June 30, 2018



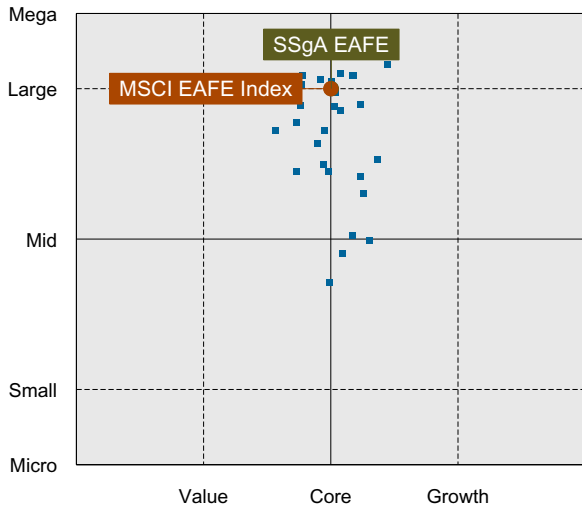
Current Holdings Based Style Analysis

SSgA EAFE

As of June 30, 2018

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

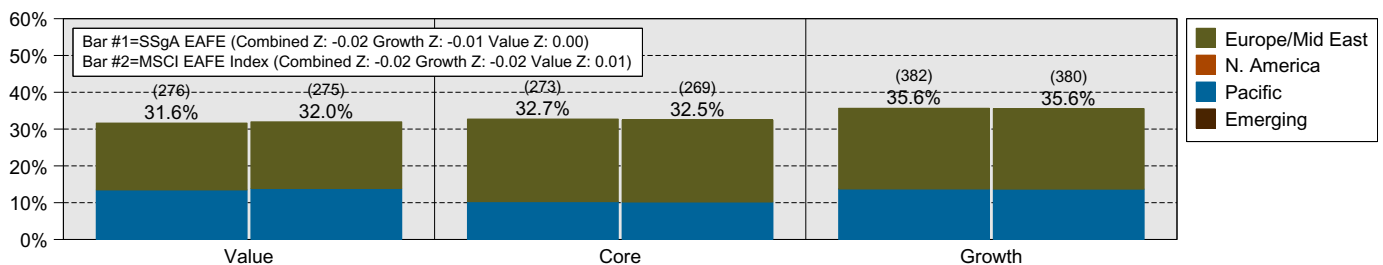
Style Map vs Callan NonUS Dev Core Eq Holdings as of June 30, 2018



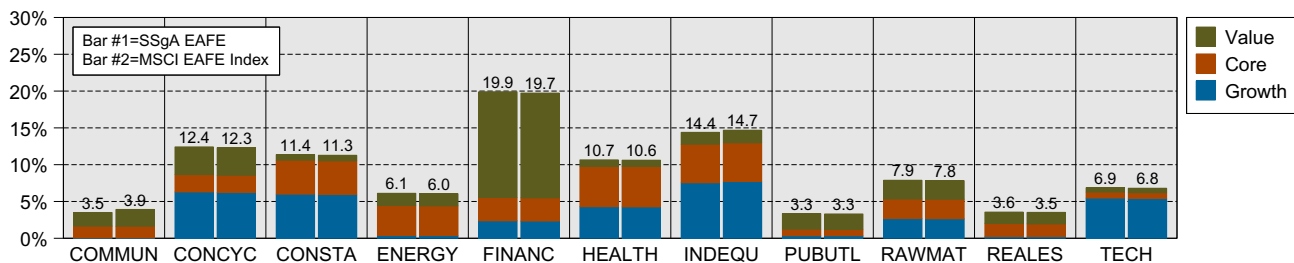
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Europe/ Mid East	18.2% (130)	22.5% (136)	21.9% (194)	62.5% (460)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	13.5% (145)	10.3% (137)	13.7% (187)	37.4% (469)
Emerging	0.0% (1)	0.0% (0)	0.0% (1)	0.0% (2)
Total	31.6% (276)	32.7% (273)	35.6% (382)	100.0% (931)
	32.0% (275)	32.5% (269)	35.6% (380)	100.0% (924)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



Sector Weights Distribution Holdings as of June 30, 2018

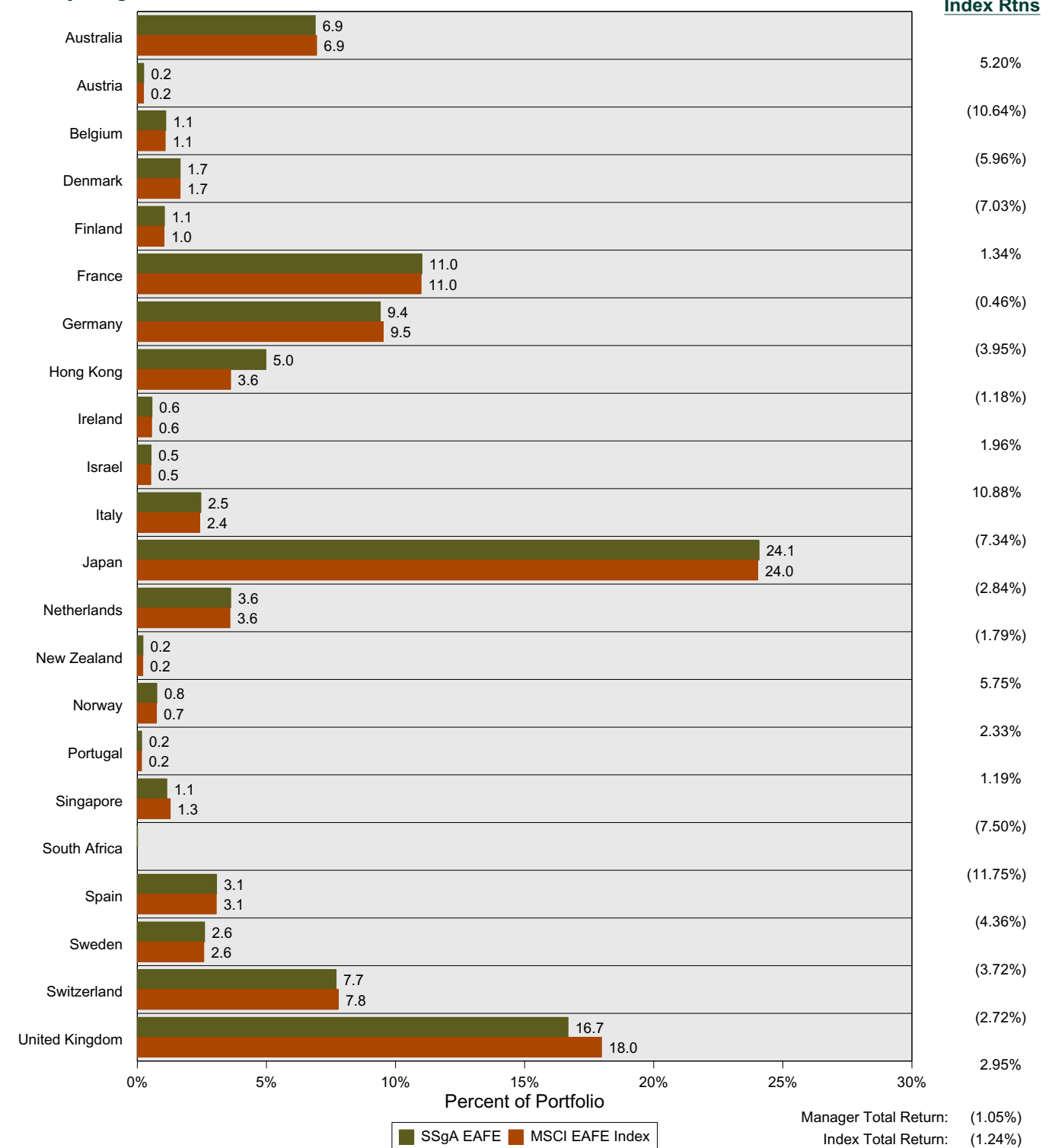


Country Allocation SSgA EAFE VS MSCI EAFE Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2018. 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 June 30, 2018



SSgA EAFE Top 10 Portfolio Holdings Characteristics as of June 30, 2018

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	\$186,989	1.7%	1.15%	237.21	19.19	3.06%	9.69%
Hsbc Holdings (Gb)	Financials	\$147,310	1.3%	2.58%	187.52	12.44	5.26%	5.76%
Novartis	Health Care	\$130,829	1.2%	(6.04)%	193.37	14.03	3.72%	6.58%
Royal Dutch Shell A Shs	Energy	\$125,185	1.1%	11.08%	159.79	11.89	5.29%	31.15%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$121,065	1.1%	(2.93)%	156.04	13.11	3.76%	5.78%
Bp Plc Shs	Energy	\$119,488	1.1%	15.07%	152.61	13.67	5.13%	28.30%
Toyota Motor Corp	Consumer Discretionary	\$116,108	1.0%	2.64%	211.22	9.11	3.07%	4.52%
Total Sa Act	Energy	\$115,410	1.0%	8.71%	162.41	11.11	4.83%	12.27%
Royal Dutch Shell 'b' Shs	Energy	\$105,400	0.9%	13.62%	134.18	11.96	5.17%	30.40%
Sap Se Shs	Information Technology	\$87,946	0.8%	12.04%	141.97	21.50	1.41%	7.60%

10 Best Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Sjm Holdings	Consumer Discretionary	\$1,957	0.0%	45.24%	7.04	24.88	2.05%	(2.37)%
Teva Pharmaceutical Industri Shs	Health Care	\$22	0.0%	43.70%	24.67	7.23	2.06%	(3.40)%
Teva Pharmaceutical Inds Ltd ADR	Health Care	\$18,754	0.2%	42.31%	24.67	7.23	2.06%	(3.40)%
Aker Bp Asa Shs	Energy	\$3,201	0.0%	37.75%	13.29	21.41	3.31%	36.19%
Ses Global Sa Cert Global	Consumer Discretionary	\$5,264	0.0%	37.14%	8.43	19.28	4.33%	(18.18)%
Infogenie Europe Nm	Information Technology	\$14,672	0.1%	36.94%	19.76	40.91	0.13%	30.07%
Start Today Co Ltd Chiba Shs	Consumer Discretionary	\$5,761	0.1%	35.63%	11.30	43.57	0.72%	20.68%
Ubisoft Entertainment	Information Technology	\$6,752	0.1%	30.21%	12.25	32.23	0.00%	31.30%
Lundin Petroleum Ab Shs	Energy	\$4,773	0.0%	29.67%	10.87	22.41	1.40%	20.50%
Sainsbury (J)	Consumer Staples	\$5,845	0.1%	29.55%	9.33	15.09	3.18%	6.38%

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
Osram Licht Ag	Industrials	\$3,159	0.0%	(44.45)%	4.28	11.74	3.14%	6.41%
Venture Corporation Ltd Shs	Information Technology	\$2,801	0.0%	(37.20)%	3.77	11.63	3.36%	6.42%
Suruga Bank Ltd Shs	Financials	\$1,136	0.0%	(35.24)%	2.08	7.35	2.12%	63.31%
Pandora A/S	Consumer Discretionary	\$6,172	0.1%	(34.84)%	7.69	8.07	6.06%	5.22%
Thk Co Ltd Shs	Industrials	\$2,733	0.0%	(30.91)%	3.84	10.57	2.35%	16.45%
Amp Ltd	Financials	\$5,987	0.1%	(30.03)%	7.68	10.52	8.15%	1.57%
Telenet	Consumer Discretionary	\$1,977	0.0%	(30.00)%	5.49	14.78	0.00%	51.67%
Shimamura Co	Consumer Discretionary	\$1,550	0.0%	(29.65)%	3.25	12.30	2.46%	(0.88)%
Metro Wholesale & Food Specialst Ag	Consumer Staples	\$1,734	0.0%	(29.52)%	4.48	9.71	6.57%	(8.80)%
Yahoo Japan Corp Tokyo Ord	Information Technology	\$3,730	0.0%	(28.47)%	18.93	17.66	2.41%	(2.38)%

Pyrford

Period Ended June 30, 2018

Investment Philosophy

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

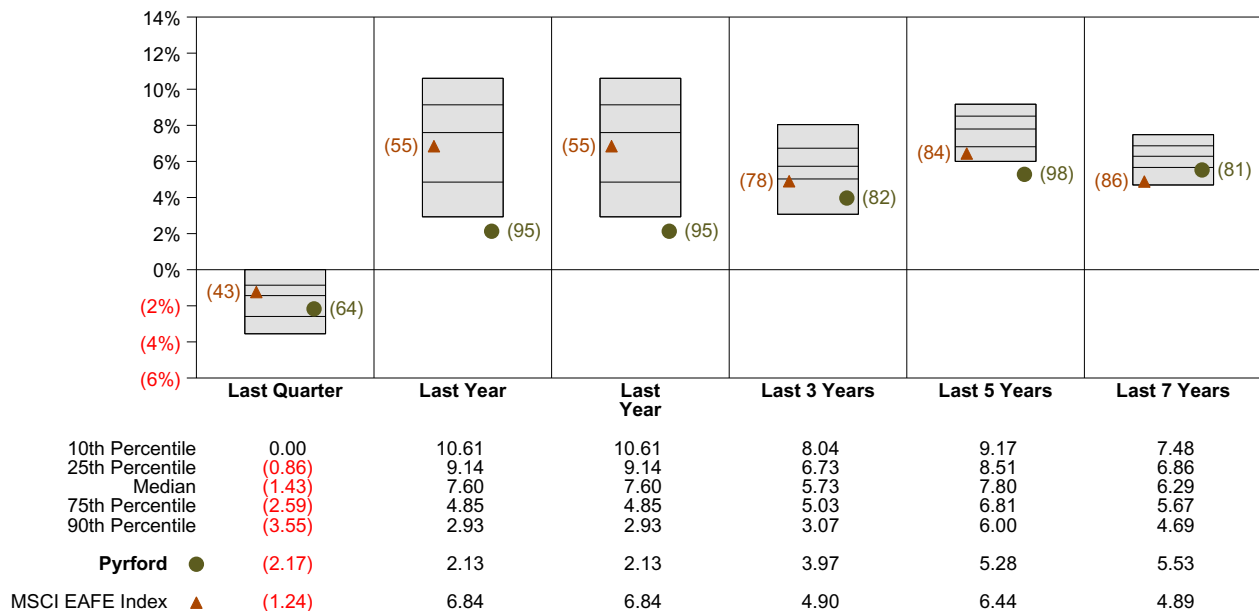
Quarterly Summary and Highlights

- Pyrford's portfolio posted a (2.17)% return for the quarter placing it in the 64 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 95 percentile for the last year.
- Pyrford's portfolio underperformed the MSCI EAFE Index by 0.93% for the quarter and underperformed the MSCI EAFE Index for the year by 4.71%.

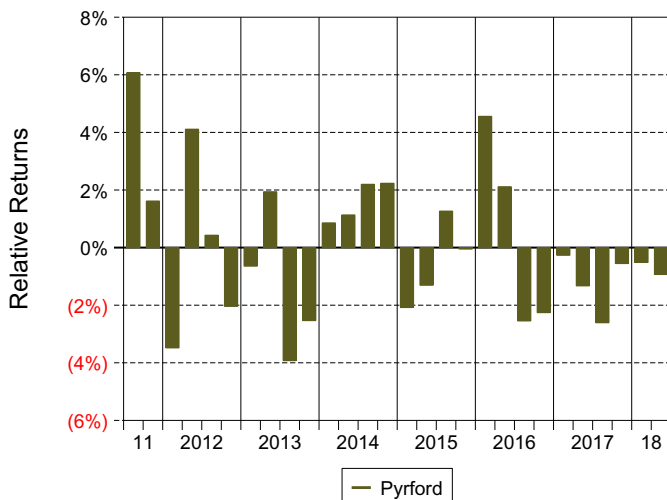
Quarterly Asset Growth

Beginning Market Value	\$26,722,319
Net New Investment	\$0
Investment Gains/(Losses)	\$-579,842
Ending Market Value	\$26,142,476

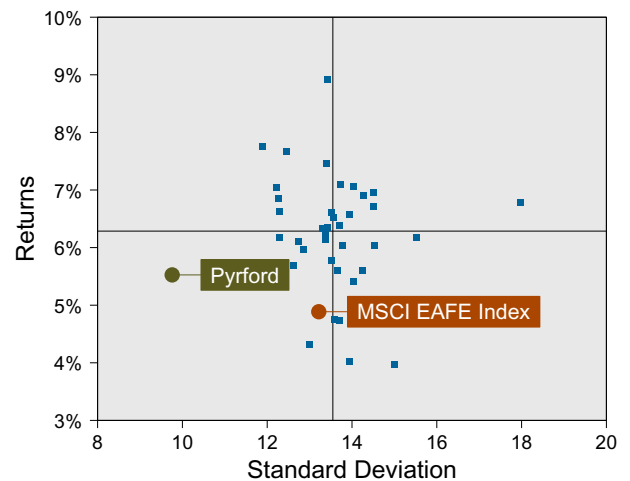
Performance vs Callan Non-US Developed Core Equity (Gross)



Relative Return vs MSCI EAFE Index



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

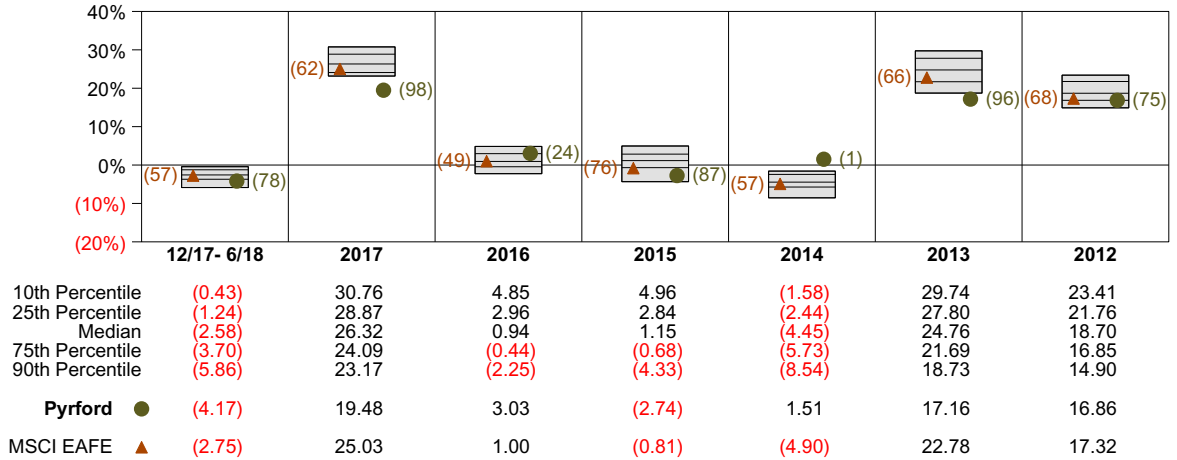


Pyrford Return Analysis Summary

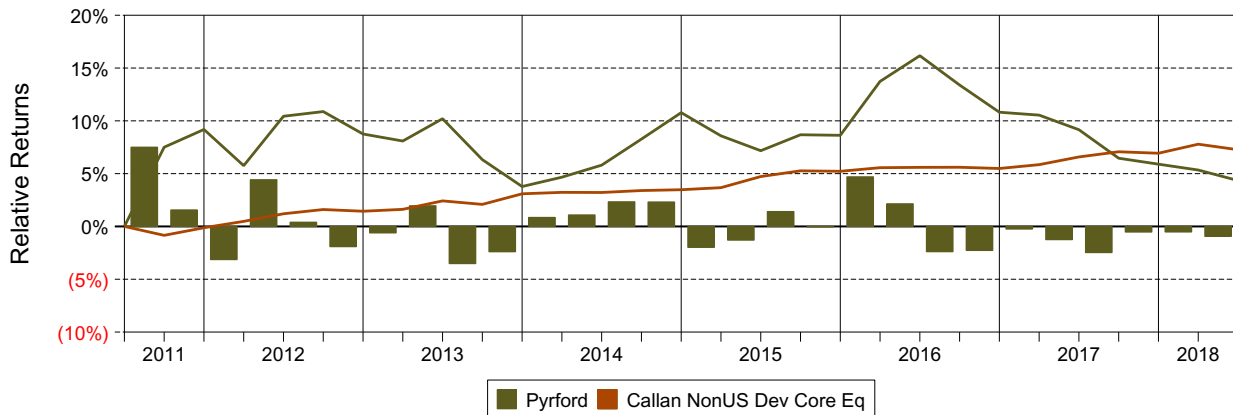
Return Analysis

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

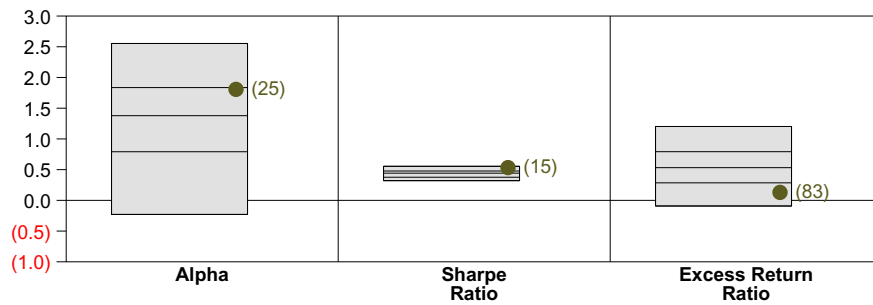
Performance vs Callan Non-US Developed Core Equity (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE



Risk Adjusted Return Measures vs MSCI EAFE Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2018

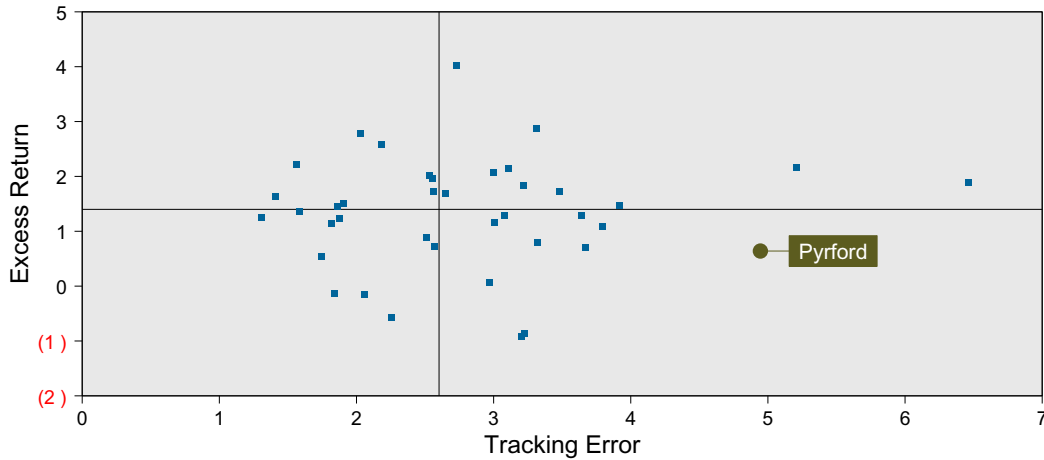


Pyrford Risk Analysis Summary

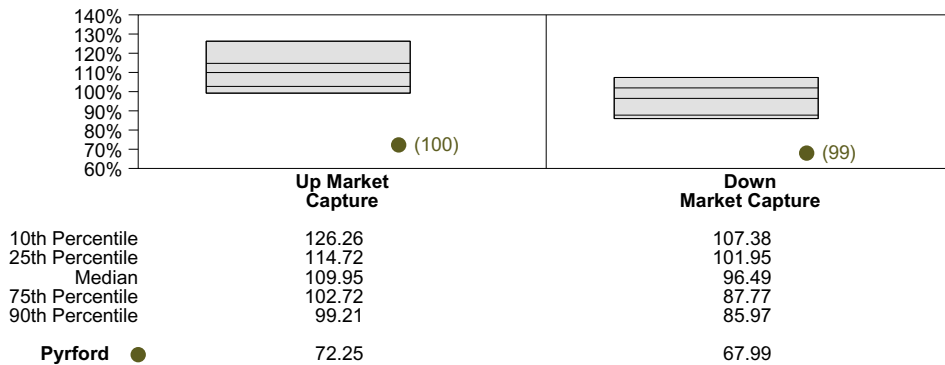
Risk Analysis

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

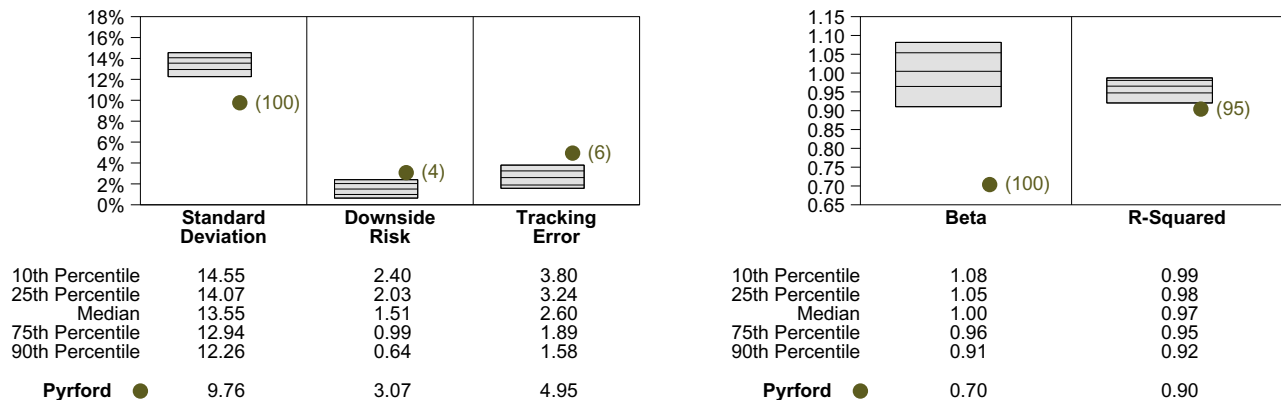
Risk Analysis vs Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2018



Market Capture vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2018



Risk Statistics Rankings vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended June 30, 2018

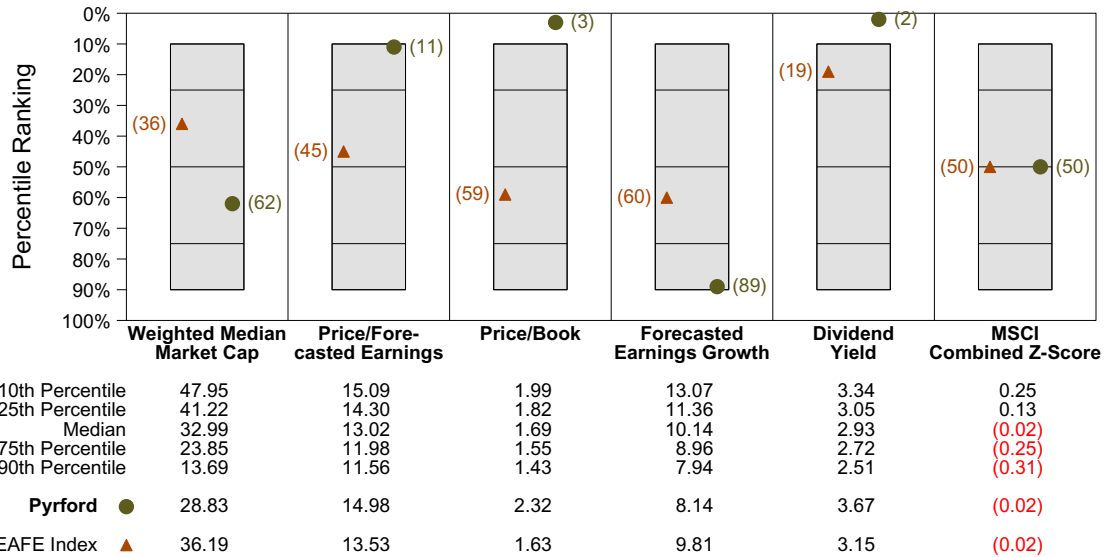


Pyrford Equity Characteristics Analysis Summary

Portfolio Characteristics

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

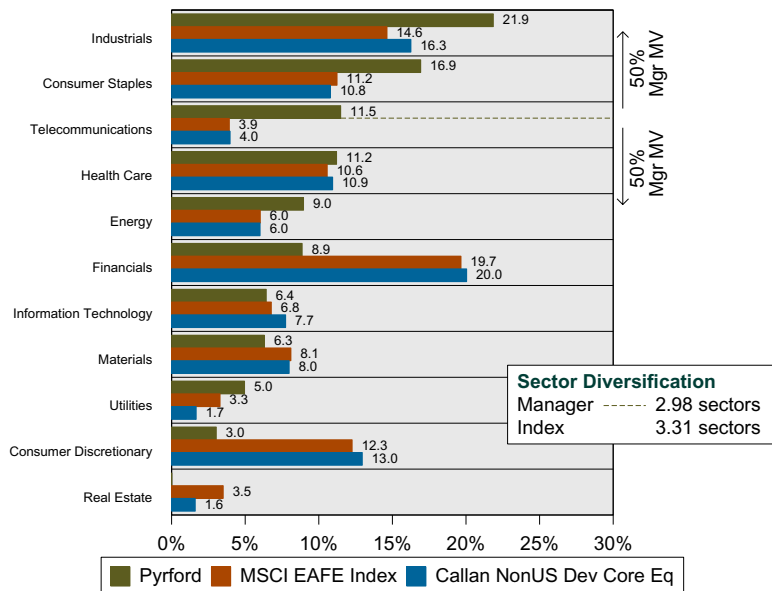
Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of June 30, 2018



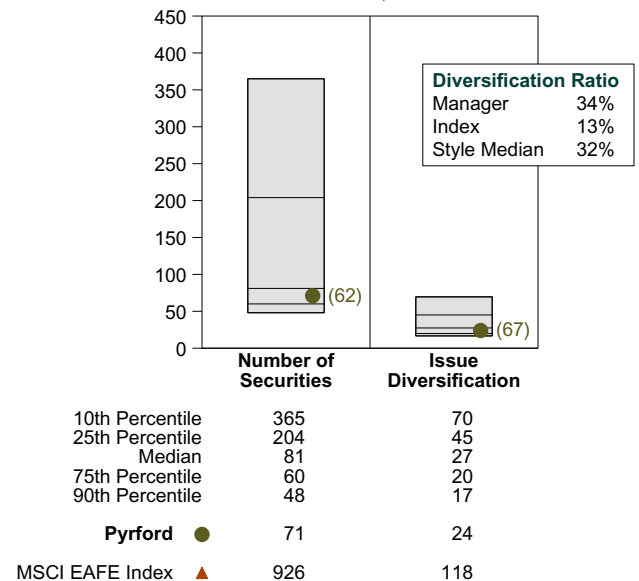
Sector Weights

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 June 30, 2018



Diversification June 30, 2018



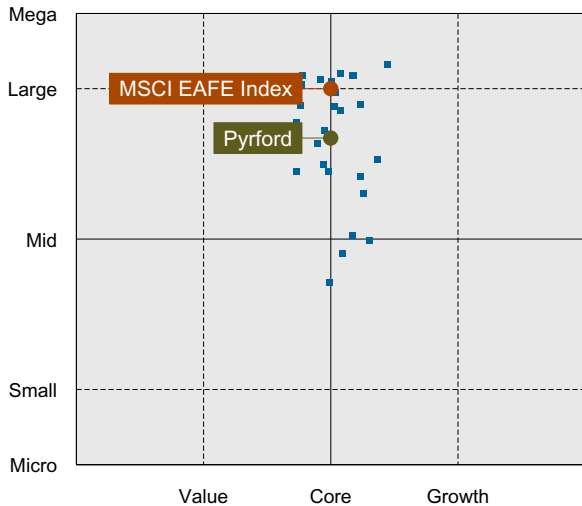
Current Holdings Based Style Analysis

Pyrford

As of June 30, 2018

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

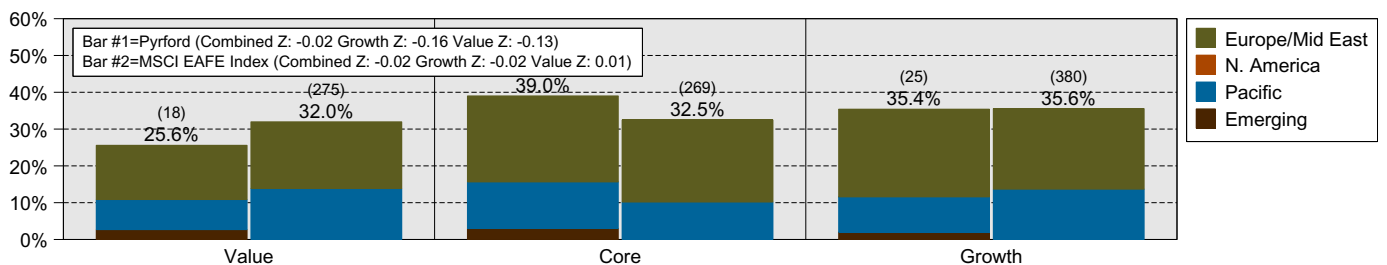
Style Map vs Callan NonUS Dev Core Eq Holdings as of June 30, 2018



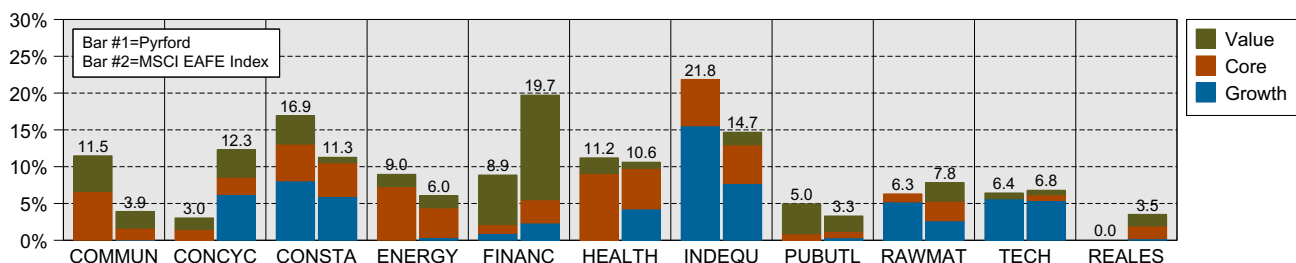
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Europe/Mid East	14.7% (10)	23.4% (14)	23.8% (17)	61.9% (41)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	8.2% (6)	12.7% (9)	9.6% (6)	30.4% (21)
Emerging	2.7% (2)	3.0% (3)	2.0% (2)	7.6% (7)
Total	25.6% (18)	39.0% (26)	35.4% (25)	100.0% (69)
	32.0% (275)	32.5% (269)	35.6% (380)	100.0% (924)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



Sector Weights Distribution Holdings as of June 30, 2018



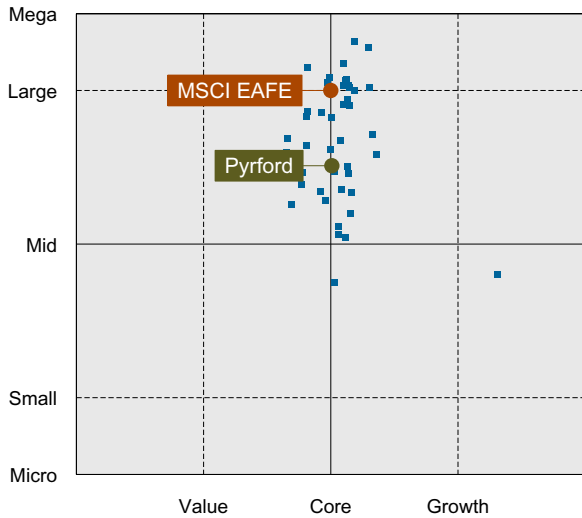
Historical Holdings Based Style Analysis

Pyrford

For Five Years Ended June 30, 2018

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

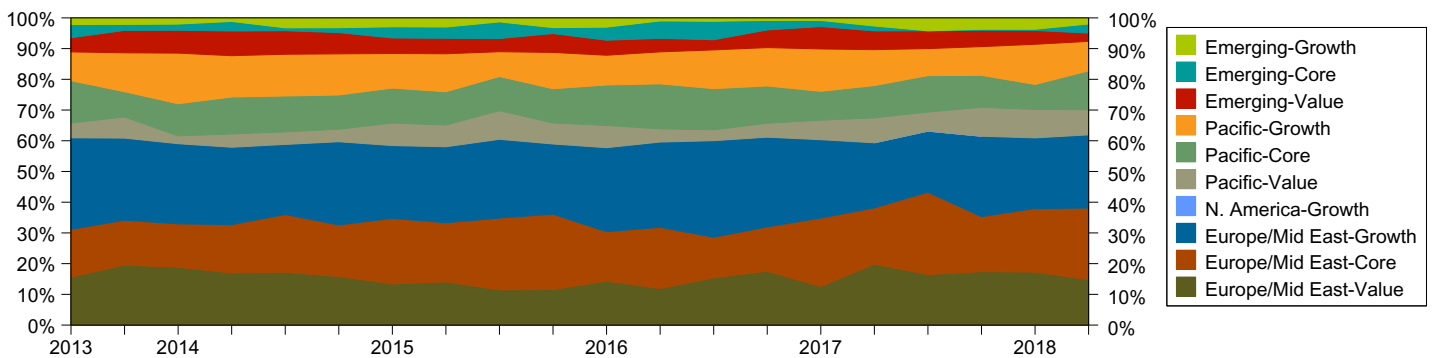
Average Style Map vs Callan NonUS Dev Core Eq Holdings for Five Years Ended June 30, 2018



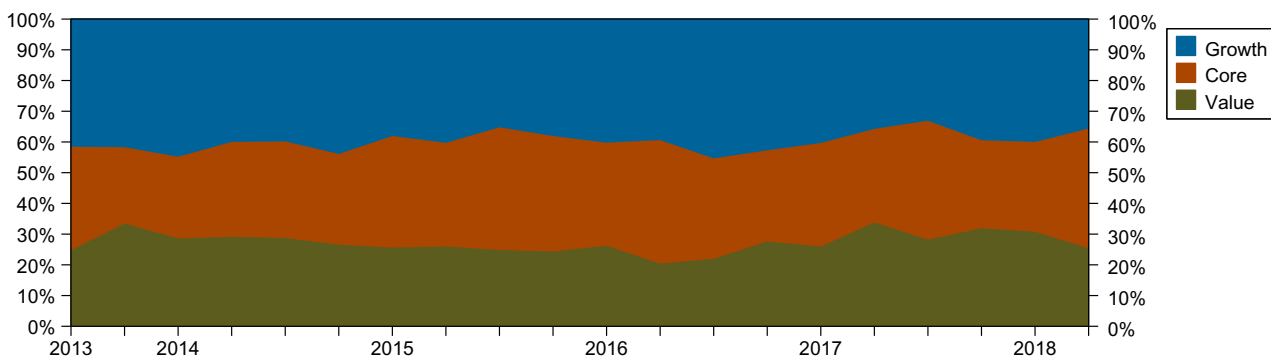
Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2018

	15.6% (11)	18.9% (11)	25.5% (18)	59.9% (40)
Europe/ Mid East	19.6% (122)	19.3% (133)	25.6% (196)	64.5% (451)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (1)	0.0% (0)	0.0% (0)	0.0% (1)
Pacific	6.2% (5)	11.4% (9)	11.7% (8)	29.3% (22)
	11.7% (140)	11.4% (150)	12.3% (175)	35.5% (465)
Emerging	5.6% (4)	2.7% (2)	2.4% (2)	10.7% (8)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	27.4% (20)	33.0% (22)	39.6% (28)	100.0% (70)
	31.4% (263)	30.7% (283)	37.9% (371)	100.0% (917)
	Value	Core	Growth	Total

Pyrford Historical Region/Style Exposures



Pyrford Historical Style Only Exposures

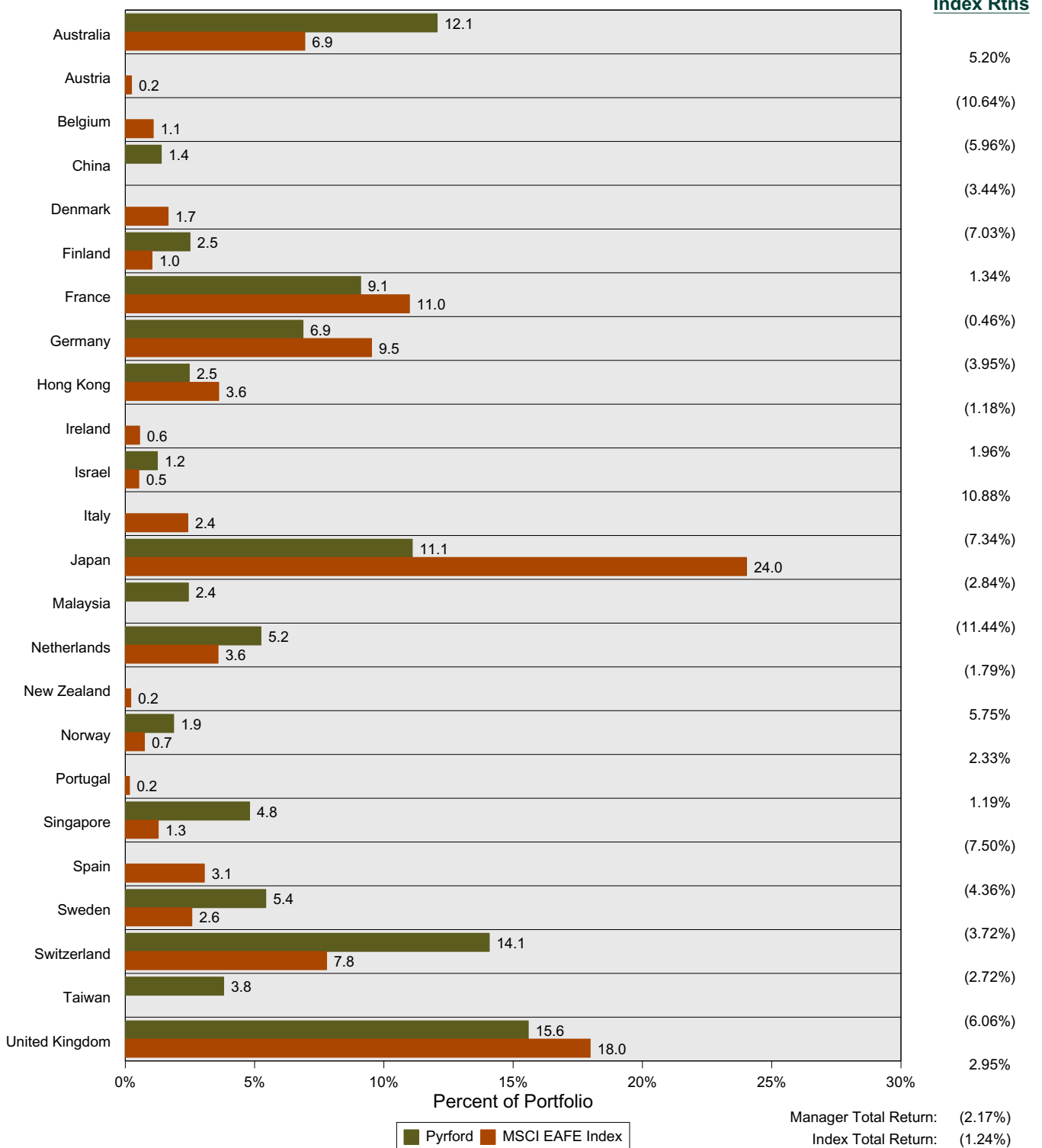


Country Allocation Pyrford VS MSCI EAFE Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2018. 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 June 30, 2018



Pyrford Top 10 Portfolio Holdings Characteristics as of June 30, 2018

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	\$910,976	3.5%	1.15%	237.21	19.19	3.06%	9.69%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$840,069	3.2%	(2.93)%	156.04	13.11	3.76%	5.78%
Novartis	Health Care	\$727,277	2.8%	(6.04)%	193.37	14.03	3.72%	6.58%
Japan Tobacco Inc Ord	Consumer Staples	\$722,120	2.8%	(0.78)%	55.88	13.43	4.52%	3.55%
Woolworths Ltd	Consumer Staples	\$608,554	2.3%	11.82%	29.62	21.23	3.05%	9.20%
Brambles Ltd Npv	Industrials	\$588,925	2.3%	(13.63)%	10.44	15.58	3.27%	5.65%
Kddi	Telecommunications	\$580,879	2.2%	7.24%	69.29	11.76	2.97%	5.15%
Unilever NV Cert of Shs	Consumer Staples	\$570,578	2.2%	(0.26)%	95.67	19.58	3.06%	7.87%
Essity Ab	Consumer Staples	\$551,366	2.1%	(7.82)%	15.78	16.35	2.60%	7.12%
Sanofi Shs	Health Care	\$546,987	2.1%	4.50%	100.11	12.14	4.41%	3.08%

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
Woodside Petroleum	Energy	\$539,946	2.1%	17.92%	24.53	15.12	3.47%	22.50%
Bp Plc Shs	Energy	\$251,544	1.0%	15.07%	152.61	13.67	5.13%	28.30%
Royal Dutch Shell 'b' Shs	Energy	\$285,638	1.1%	13.62%	134.18	11.96	5.17%	30.40%
Comfortdelgro Corporation Lt Shs	Industrials	\$392,435	1.5%	13.28%	3.73	16.26	4.43%	6.77%
Sap Se Shs	Information Technology	\$450,770	1.7%	12.04%	141.97	21.50	1.41%	7.60%
Woolworths Ltd	Consumer Staples	\$608,554	2.3%	11.82%	29.62	21.23	3.05%	9.20%
Rio Tinto Ltd Ord	Materials	\$284,793	1.1%	11.80%	25.43	12.89	4.39%	1.10%
Panalpina Welt Ag	Industrials	\$241,651	0.9%	11.08%	3.23	28.56	2.78%	29.90%
Royal Dutch Shell A Shs	Energy	\$444,682	1.7%	11.08%	159.79	11.89	5.29%	31.15%
Imperial Brands Plc Shs	Consumer Staples	\$283,550	1.1%	10.61%	35.53	10.51	6.23%	2.16%

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
Axiata Group Bhd Shs	Telecommunications	\$300,846	1.2%	(32.71)%	8.51	23.52	2.24%	12.30%
Deutsche Post Ag Bonn Namen Akt	Industrials	\$254,845	1.0%	(23.06)%	40.34	13.67	4.11%	5.00%
Mg Technologies	Industrials	\$214,354	0.8%	(17.95)%	6.15	14.93	2.91%	10.90%
Abc-Mart	Consumer Discretionary	\$279,985	1.1%	(16.96)%	4.52	16.00	2.15%	(0.83)%
Mitsubishi Elec Corp Shs	Industrials	\$321,206	1.2%	(16.77)%	28.58	11.39	2.71%	9.27%
Malayan Banking Bhd Maybank Shs	Financials	\$337,649	1.3%	(16.00)%	24.39	11.60	6.11%	8.93%
Brambles Ltd Npv	Industrials	\$588,925	2.3%	(13.63)%	10.44	15.58	3.27%	5.65%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$324,000	1.2%	(12.75)%	184.13	14.61	3.70%	11.55%
Singapore Telecom	Telecommunications	\$244,575	0.9%	(12.10)%	36.89	13.61	5.68%	2.66%
Sumitomo Rubber Ind	Consumer Discretionary	\$397,598	1.5%	(12.01)%	4.18	9.02	3.13%	6.03%

AQR

Period Ended June 30, 2018

Investment Philosophy

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

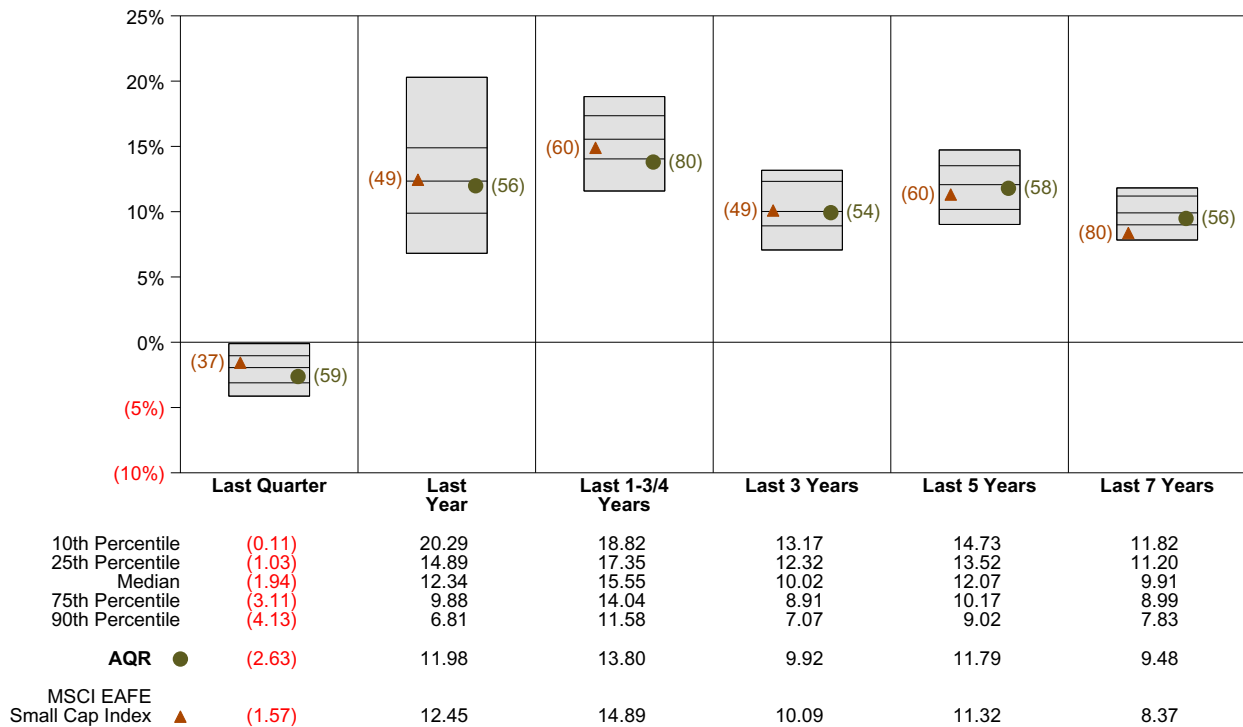
Quarterly Summary and Highlights

- AQR's portfolio posted a (2.63)% return for the quarter placing it in the 59 percentile of the Callan International Small Cap group for the quarter and in the 56 percentile for the last year.
- AQR's portfolio underperformed the MSCI EAFE Small Cap Index by 1.06% for the quarter and underperformed the MSCI EAFE Small Cap Index for the year by 0.47%.

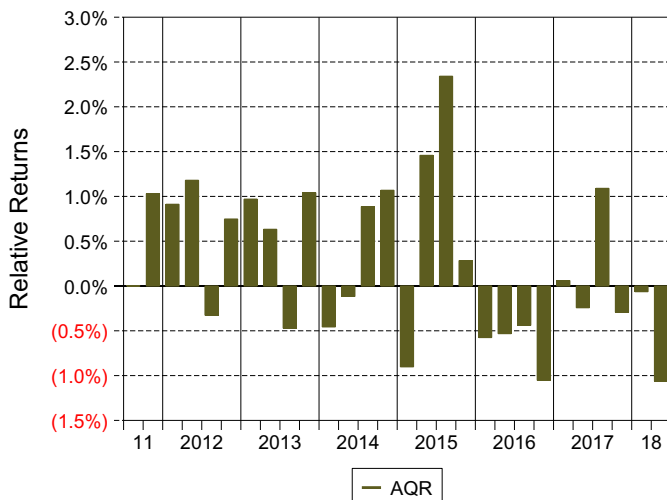
Quarterly Asset Growth

Beginning Market Value	\$15,745,235
Net New Investment	\$-703,565
Investment Gains/(Losses)	\$-438,440
Ending Market Value	\$14,603,230

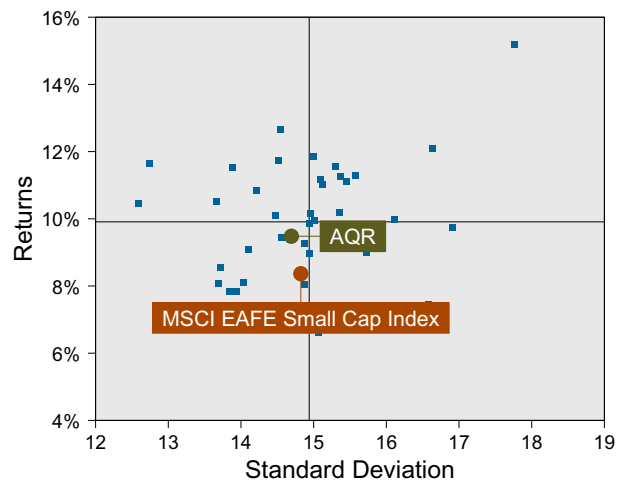
Performance vs Callan International Small Cap (Gross)



Relative Returns vs MSCI EAFE Small Cap Index



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

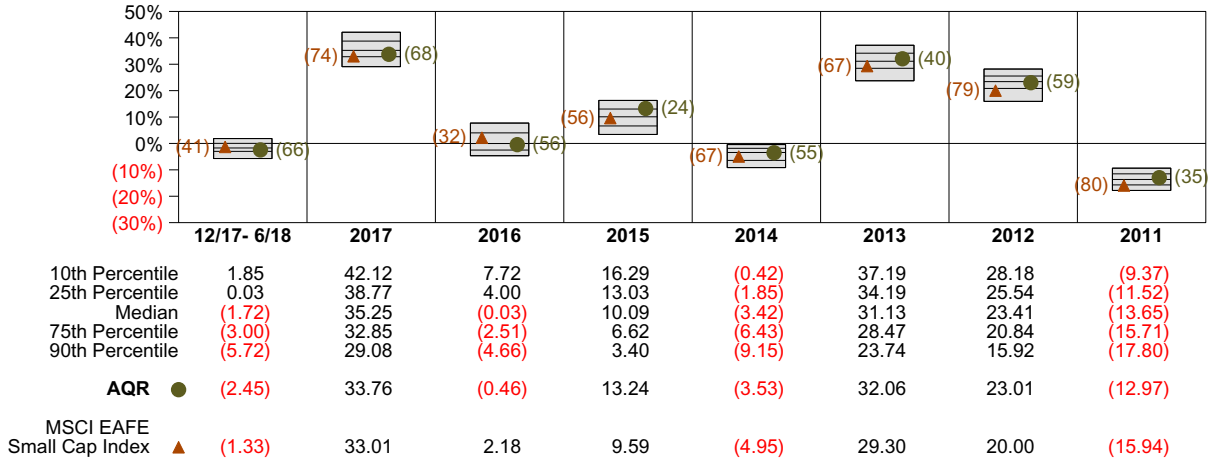


AQR Return Analysis Summary

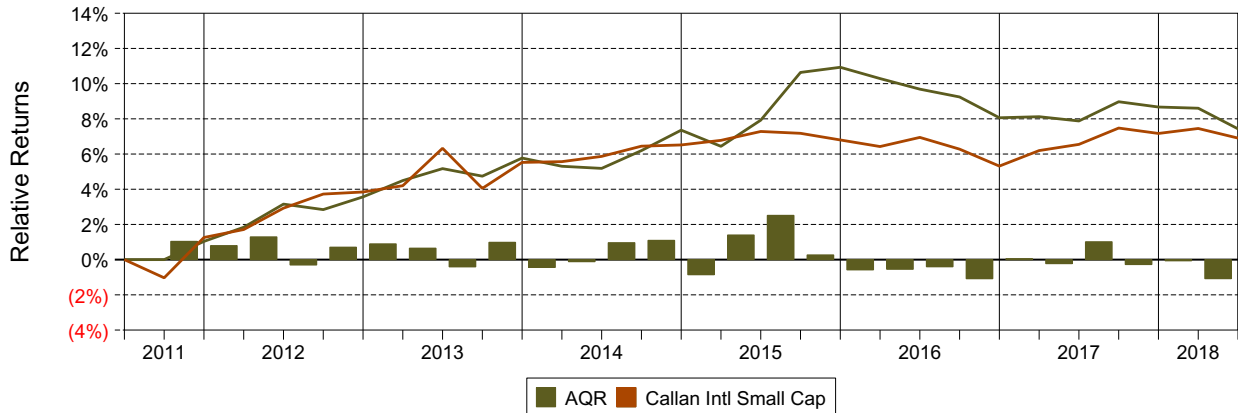
Return Analysis

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

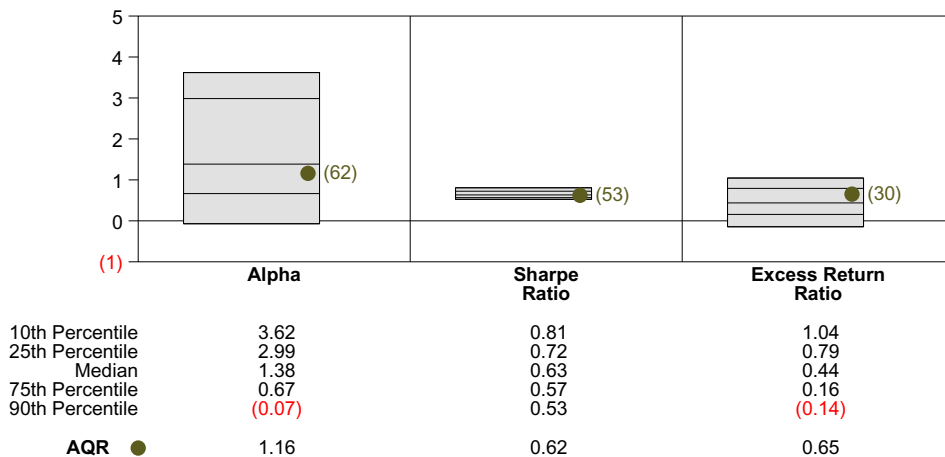
Performance vs Callan International Small Cap (Gross)



Cumulative and Quarterly Relative Return vs MSCI EAFE Small Cap Index



Risk Adjusted Return Measures vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended June 30, 2018

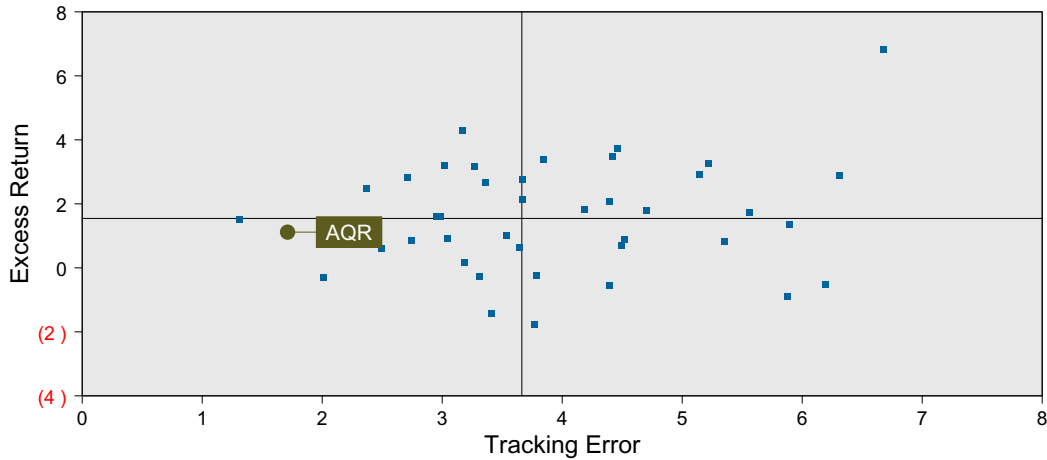


AQR Risk Analysis Summary

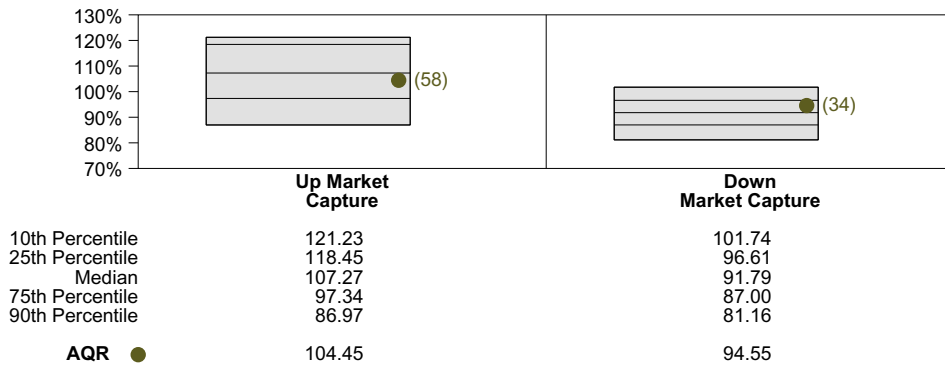
Risk Analysis

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

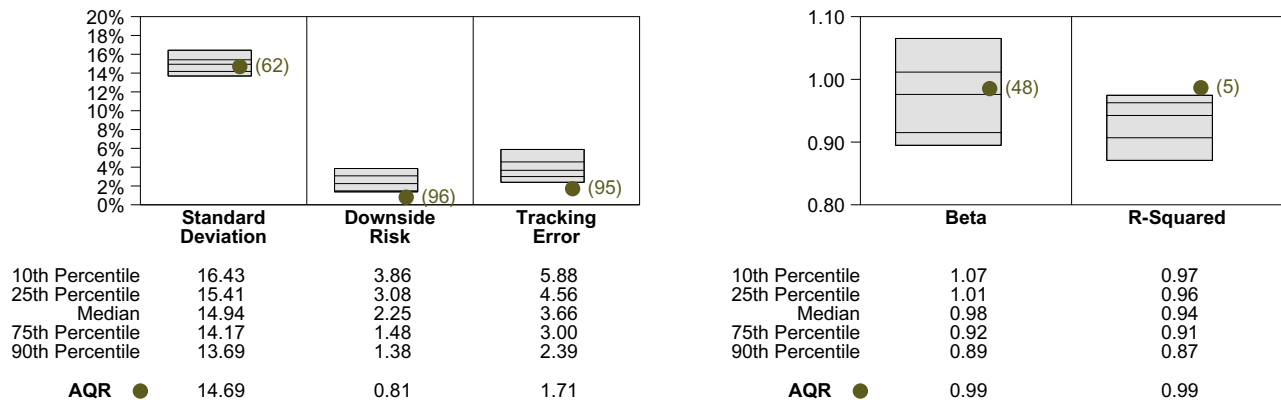
Risk Analysis vs Callan International Small Cap (Gross) Seven Years Ended June 30, 2018



Market Capture vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended June 30, 2018



Risk Statistics Rankings vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended June 30, 2018

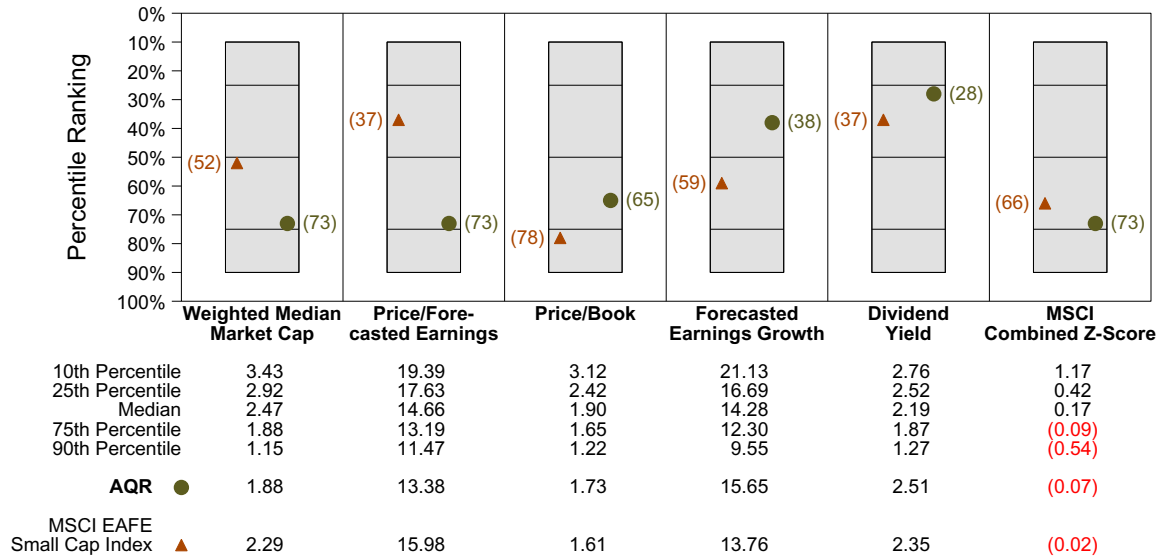


AQR Equity Characteristics Analysis Summary

Portfolio Characteristics

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

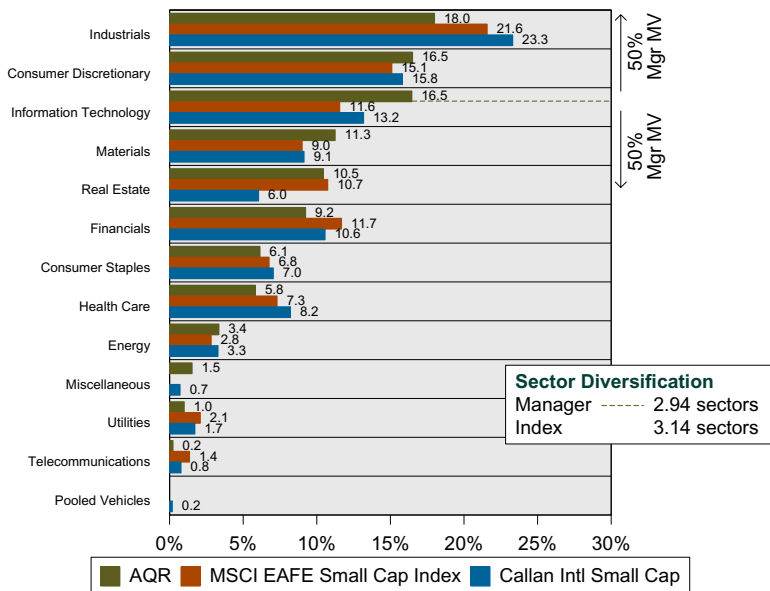
Portfolio Characteristics Percentile Rankings Rankings Against Callan International Small Cap as of June 30, 2018



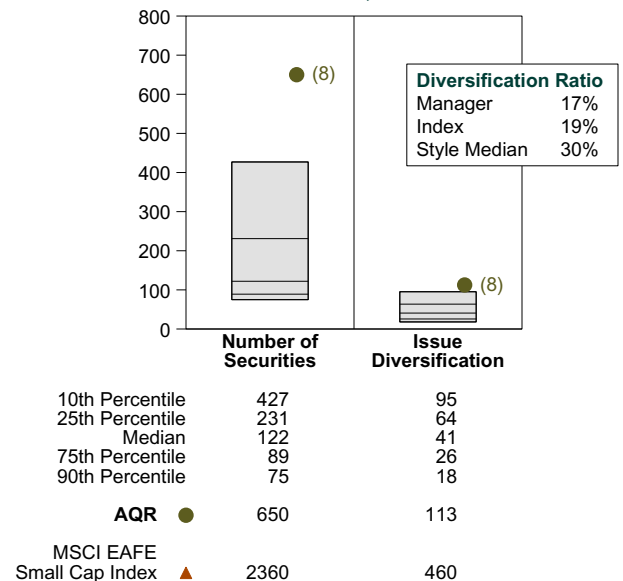
Sector Weights

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 June 30, 2018



Diversification June 30, 2018



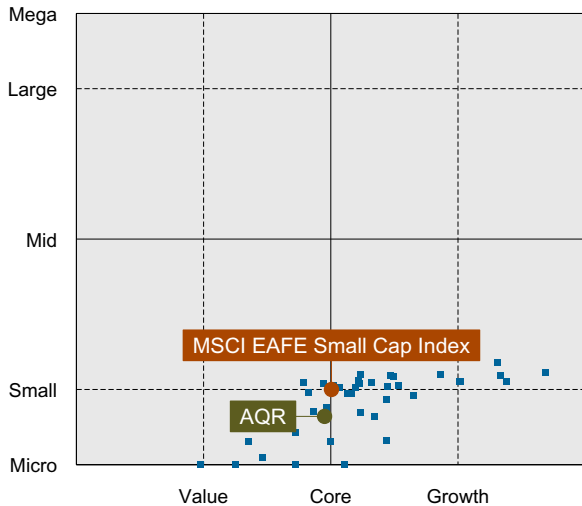
Current Holdings Based Style Analysis

AQR

As of June 30, 2018

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

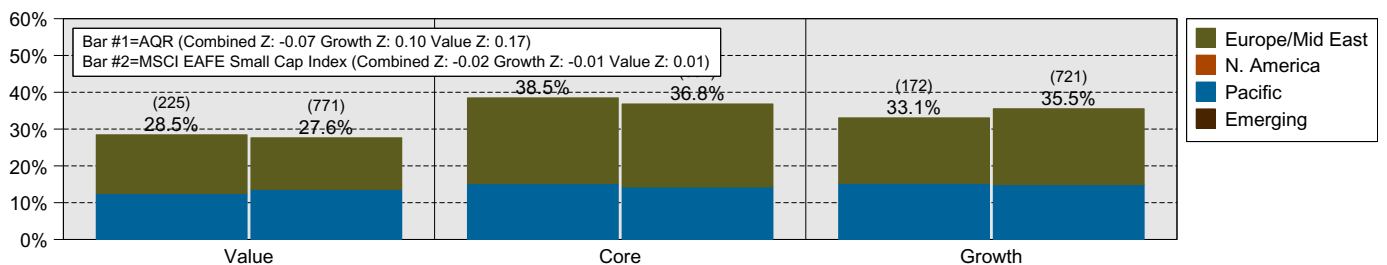
Style Map vs Callan Intl Small Cap Holdings as of June 30, 2018



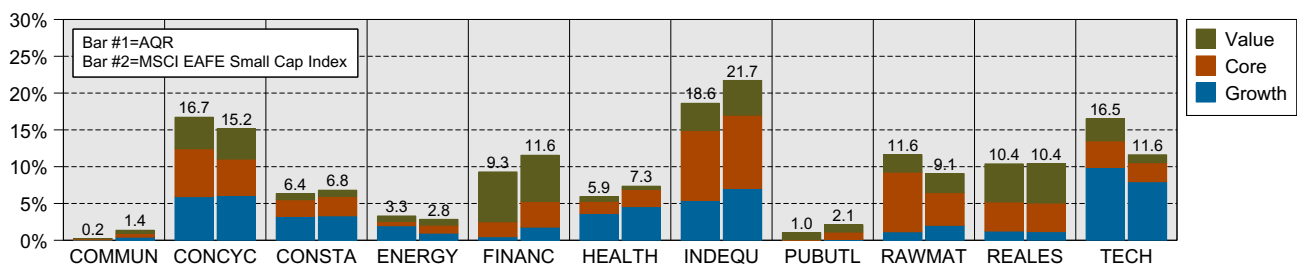
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Europe/ Mid East	16.0% (99)	23.3% (119)	17.8% (78)	57.1% (296)
N. America	14.0% (310)	22.6% (428)	20.6% (322)	57.2% (1060)
Pacific	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Emerging	12.5% (126)	15.2% (111)	15.2% (94)	42.9% (331)
	13.6% (461)	14.3% (423)	14.9% (399)	42.8% (1283)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	28.5% (225)	38.5% (230)	33.1% (172)	100.0% (627)
	27.6% (771)	36.8% (851)	35.5% (721)	100.0% (2343)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



Sector Weights Distribution Holdings as of June 30, 2018



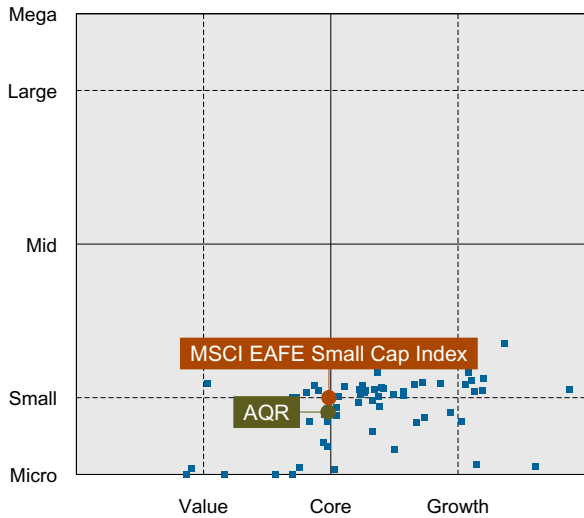
Historical Holdings Based Style Analysis

AQR

For Five Years Ended June 30, 2018

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

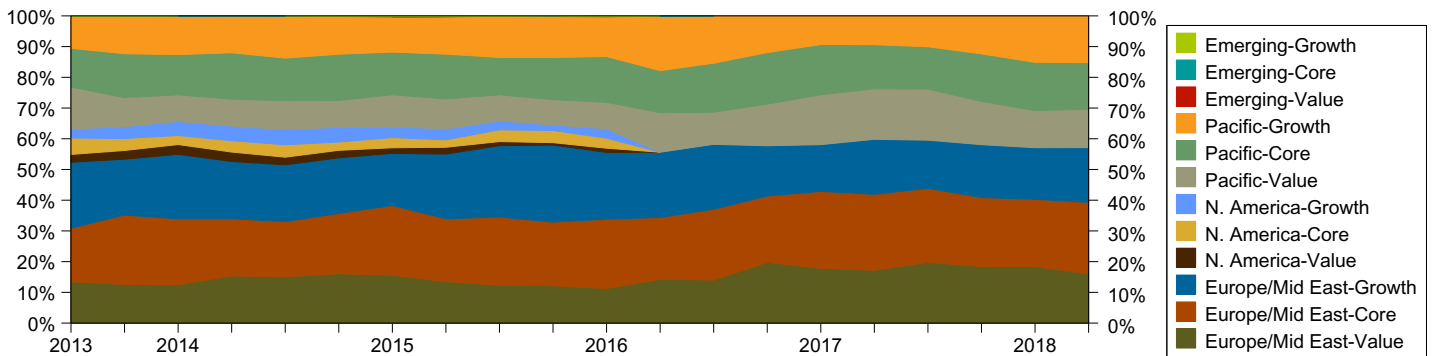
Average Style Map vs Callan Intl Small Cap Holdings for Five Years Ended June 30, 2018



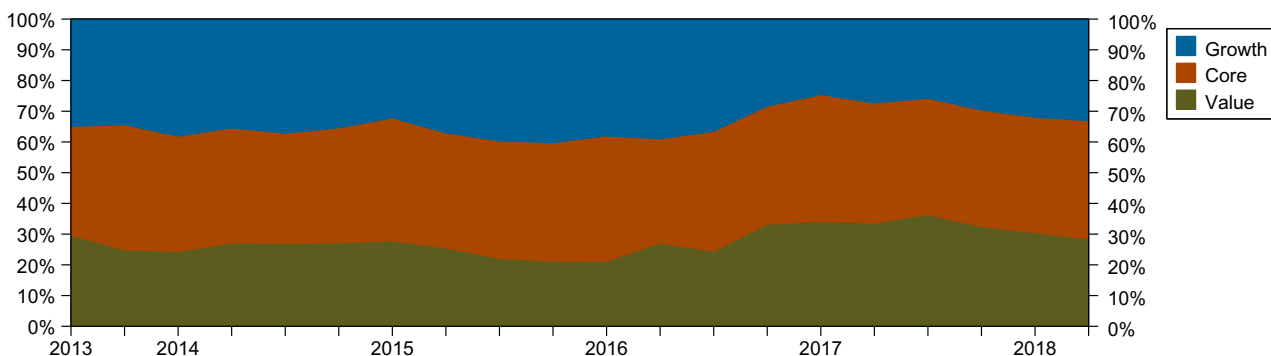
Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2018

	15.3% (100)	21.6% (115)	19.2% (88)	56.1% (303)
Europe/ Mid East	15.5% (307)	22.4% (364)	20.3% (308)	58.1% (979)
N. America	1.2% (12)	2.0% (15)	2.0% (13)	5.2% (40)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	11.4% (121)	14.5% (119)	12.7% (88)	38.6% (328)
	13.2% (431)	14.7% (426)	13.9% (362)	41.8% (1219)
Emerging	0.0% (0)	0.0% (1)	0.1% (0)	0.1% (1)
	0.0% (1)	0.1% (2)	0.0% (1)	0.1% (4)
Total	27.9% (233)	38.2% (250)	33.9% (189)	100.0% (672)
	28.7% (739)	37.1% (792)	34.2% (671)	100.0% (2202)
	Value	Core	Growth	Total

AQR Historical Region/Style Exposures



AQR Historical Style Only Exposures



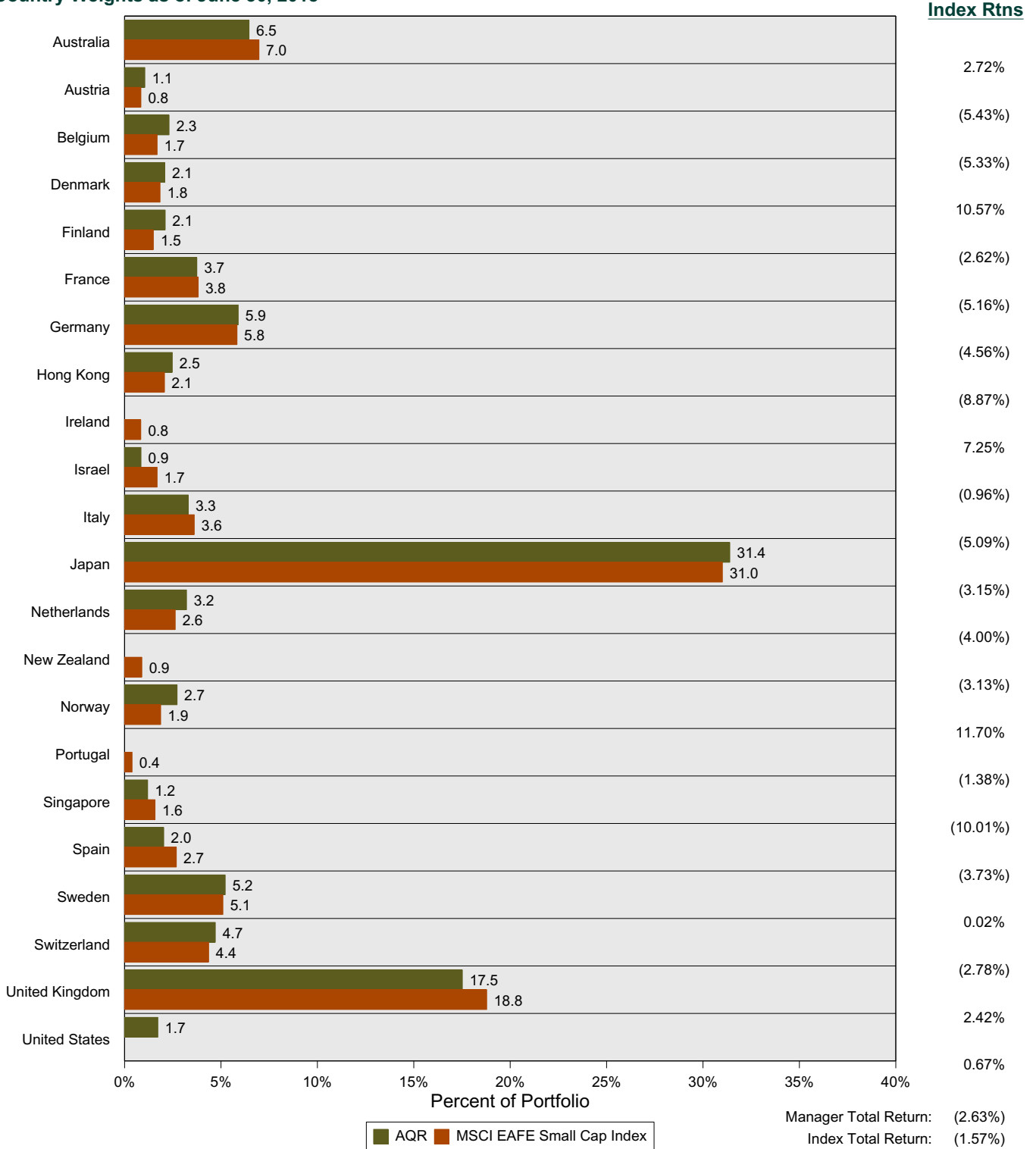
Country Allocation

AQR VS MSCI EAFE Small Cap Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2018. 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 June 30, 2018



AQR Top 10 Portfolio Holdings Characteristics as of June 30, 2018

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
Dno Asa Shs A	Energy	\$205,897	1.4%	17.48%	2.00	7.43	0.00%	(3.12)%
Plus500 (Di)	Financials	\$174,759	1.2%	33.33%	2.43	9.10	469.16%	31.86%
Sandfire Resources NI Shs	Materials	\$155,407	1.1%	21.27%	1.07	8.96	2.29%	27.19%
Electrocomponent Plc Ord	Information Technology	\$152,736	1.0%	20.13%	4.43	21.53	1.75%	14.32%
Evraz Plc	Materials	\$150,735	1.0%	12.20%	9.69	7.95	6.32%	13.21%
Moneysupermarket Com Group P Shs	Information Technology	\$142,241	1.0%	6.07%	2.23	18.01	3.32%	5.90%
Be Semiconductor Inds NV Bes Ord Shs	Information Technology	\$138,923	1.0%	(42.72)%	2.17	9.94	10.01%	10.40%
Siltronic	Information Technology	\$130,015	0.9%	(15.72)%	4.32	10.04	2.03%	26.20%
Unibet Group Sdb	Consumer Discretionary	\$128,622	0.9%	(2.42)%	2.90	16.02	5.46%	30.51%
Ferrexpo Plc London Shs	Materials	\$111,833	0.8%	(28.61)%	1.42	5.05	2.56%	(10.13)%

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
Premier Cons Oilfields Ltd Shs	Energy	\$4,377	0.0%	75.04%	1.31	7.42	0.00%	(16.55)%
Biotage Ab Publ Shs A	Health Care	\$8,702	0.1%	52.90%	0.83	38.18	1.22%	33.02%
Seven West Media Ltd Shs	Consumer Discretionary	\$7,090	0.0%	52.08%	0.94	9.13	4.76%	(47.60)%
Inmarsat Plc London Shs	Telecommunications	\$18,782	0.1%	46.27%	3.35	25.12	4.41%	(11.20)%
Aker Asa Shs A	Financials	\$22,786	0.2%	41.24%	5.68	26.97	2.89%	(40.08)%
Beach Petroleum	Energy	\$4,826	0.0%	39.56%	2.95	9.00	1.13%	14.19%
Paradox Interactive	Information Technology	\$10,494	0.1%	39.39%	2.20	41.01	0.54%	-
Infomart	Information Technology	\$9,593	0.1%	38.80%	1.72	83.58	0.44%	10.71%
Fancl Corp Yokohama Ord	Consumer Staples	\$58,264	0.4%	36.87%	3.27	45.80	0.61%	11.98%
Rockwool B	Industrials	\$42,117	0.3%	33.57%	4.20	26.82	0.97%	17.81%

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
Be Semiconductor Inds NV Bes Ord Shs	Information Technology	\$138,923	1.0%	(42.72)%	2.17	9.94	10.01%	10.40%
Venture Corporation Ltd Shs	Information Technology	\$18,145	0.1%	(37.20)%	3.77	11.63	3.36%	6.42%
Leopalace21 Corp Shs	Real Estate	\$8,477	0.1%	(36.84)%	1.38	10.50	3.62%	(16.84)%
Dialog Semicon.Nmbc	Information Technology	\$7,147	0.0%	(35.94)%	1.16	5.94	0.00%	(4.47)%
Pinguin	Consumer Staples	\$3,836	0.0%	(35.45)%	0.64	15.37	1.14%	13.02%
Japan Tissue Engineering	Health Care	\$4,849	0.0%	(35.27)%	0.45	244.44	0.00%	-
Ausdrill	Materials	\$6,446	0.0%	(34.17)%	0.49	10.93	3.00%	(18.25)%
Tullow Oil Plc Shs	Energy	\$15,708	0.1%	(33.46)%	3.60	-	0.00%	-
Biesse Spa Pesaro Az	Industrials	\$45,020	0.3%	(33.38)%	1.07	19.78	1.43%	59.92%
Elal	Industrials	\$2,984	0.0%	(32.74)%	0.11	(4.28)	26.62%	(9.70)%

DFA Emerging Markets Period Ended June 30, 2018

Investment Philosophy

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

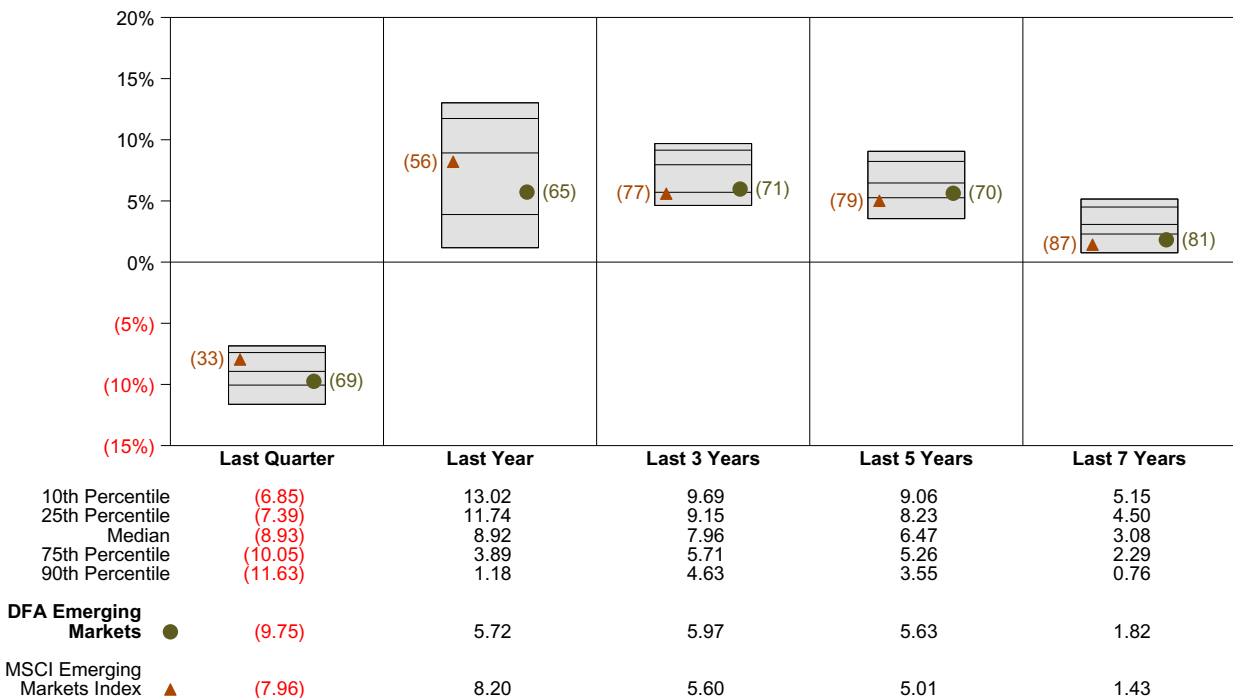
Quarterly Summary and Highlights

- DFA Emerging Markets's portfolio posted a (9.75)% return for the quarter placing it in the 69 percentile of the Callan Emerging Markets Equity Mut Funds group for the quarter and in the 65 percentile for the last year.
- DFA Emerging Markets's portfolio underperformed the MSCI Emerging Markets Index by 1.79% for the quarter and underperformed the MSCI Emerging Markets Index for the year by 2.48%.

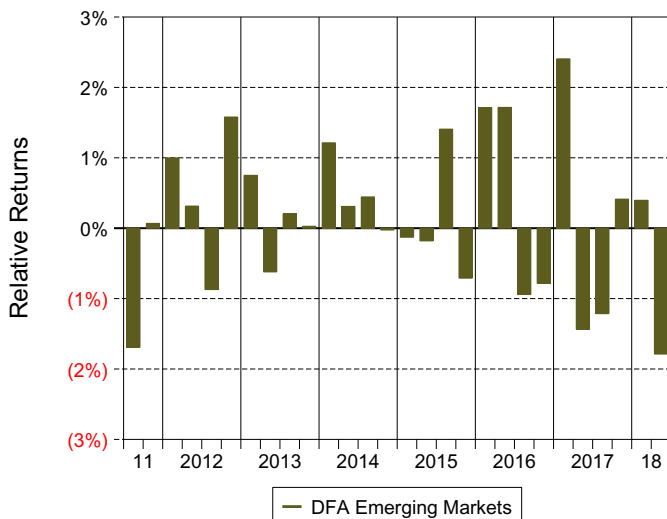
Quarterly Asset Growth

Beginning Market Value	\$18,024,927
Net New Investment	\$0
Investment Gains/(Losses)	-\$1,778,628
Ending Market Value	\$16,246,299

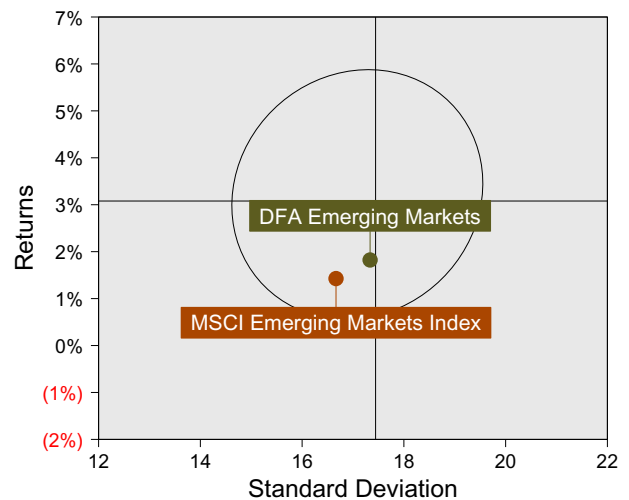
Performance vs Callan Emerging Markets Equity Mut Funds (Gross)



Relative Returns vs MSCI Emerging Markets Index



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

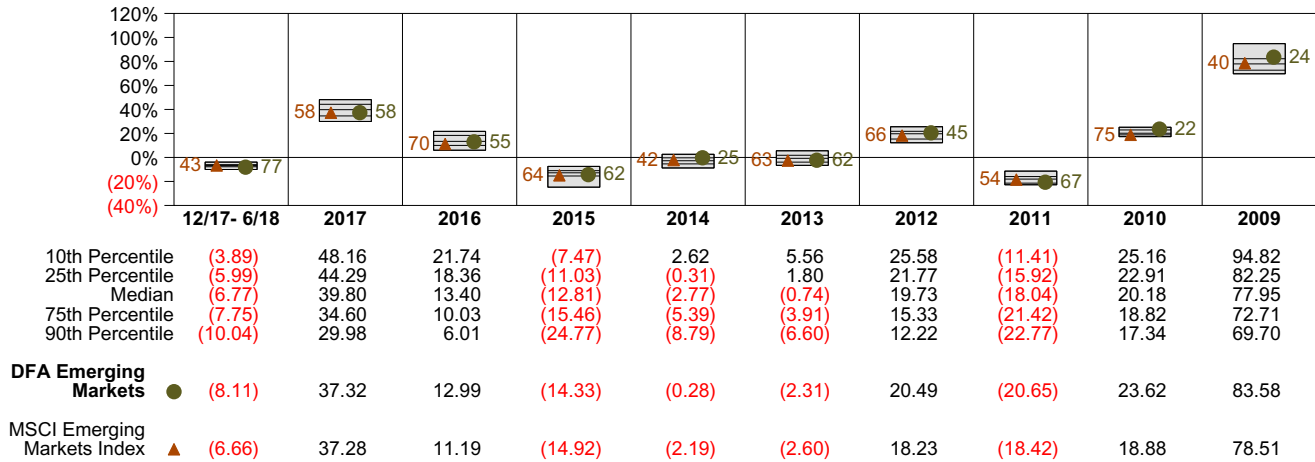


DFA Emerging Markets Return Analysis Summary

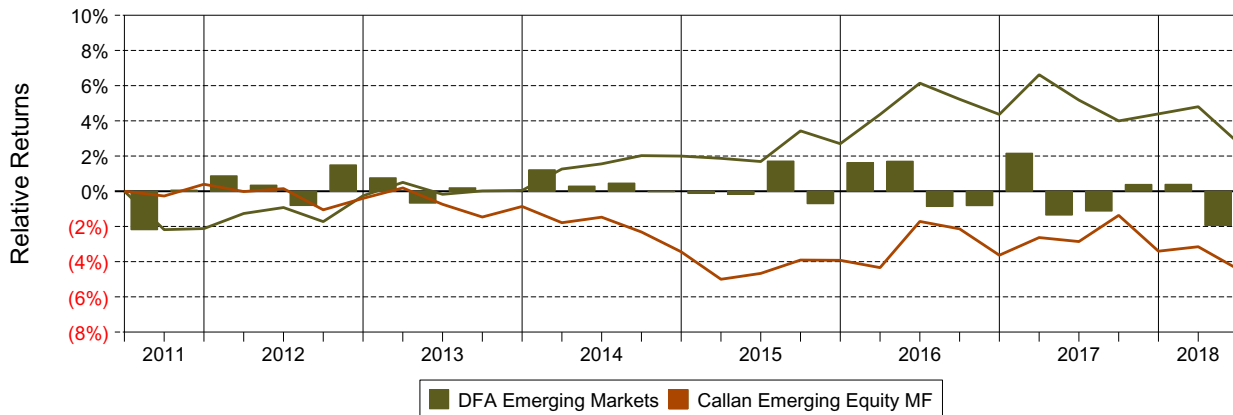
Return Analysis

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

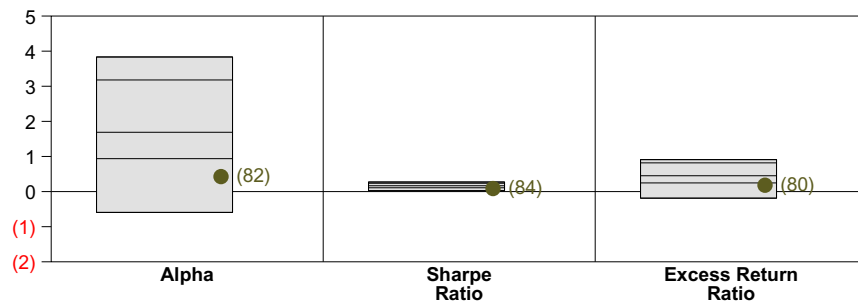
Performance vs Callan Emerging Markets Equity Mut Funds (Gross)



Cumulative and Quarterly Relative Return vs MSCI Emerging Markets Index



Risk Adjusted Return Measures vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended June 30, 2018



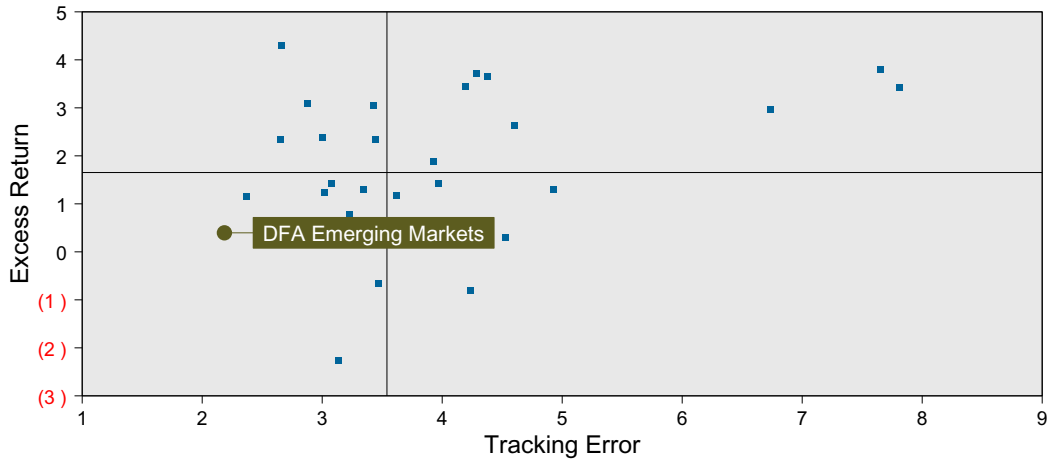
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	3.83	0.27	0.91
25th Percentile	3.18	0.24	0.82
Median	1.69	0.17	0.45
75th Percentile	0.94	0.11	0.25
90th Percentile	(0.59)	0.02	(0.19)
DFA Emerging Markets	● 0.43	0.09	0.18

DFA Emerging Markets Risk Analysis Summary

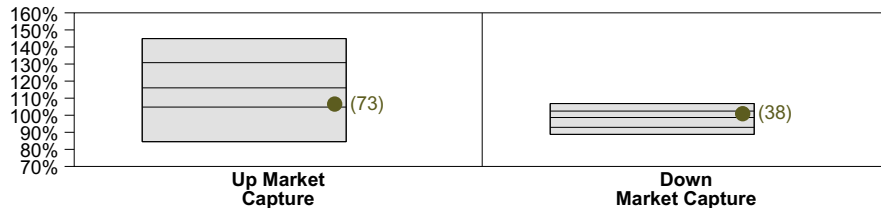
Risk Analysis

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

Risk Analysis vs Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended June 30, 2018

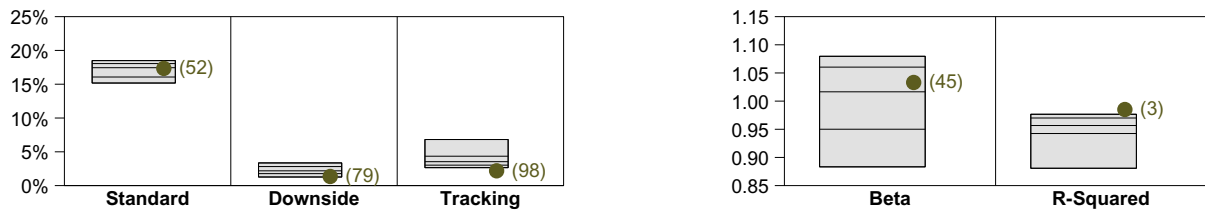


Market Capture vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended June 30, 2018



	Up Market Capture	Down Market Capture
10th Percentile	144.90	106.85
25th Percentile	130.82	102.43
Median	116.05	98.67
75th Percentile	104.78	92.91
90th Percentile	84.51	88.78
DFA Emerging Markets	106.54	100.89

Risk Statistics Rankings vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended June 30, 2018



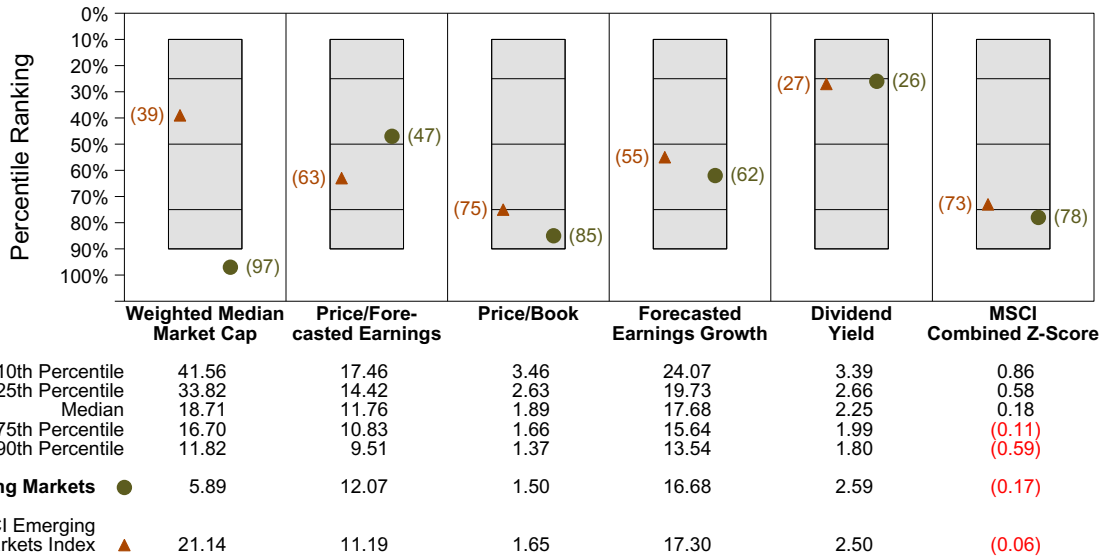
	Standard Deviation	Downside Risk	Tracking Error	Beta	R-Squared
10th Percentile	18.50	3.36	6.82	1.08	0.98
25th Percentile	18.05	2.82	4.35	1.06	0.97
Median	17.44	2.18	3.54	1.02	0.96
75th Percentile	16.07	1.77	3.02	0.95	0.94
90th Percentile	15.17	1.27	2.65	0.88	0.88
DFA Emerging Markets	17.34	1.35	2.19	1.03	0.99

DFA Emerging Markets Equity Characteristics Analysis Summary

Portfolio Characteristics

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

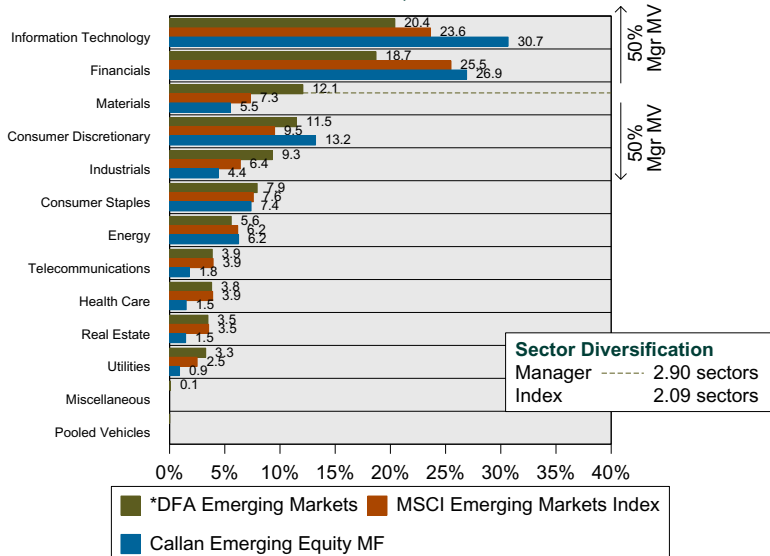
Portfolio Characteristics Percentile Rankings Rankings Against Callan Emerging Markets Equity Mut Funds as of June 30, 2018



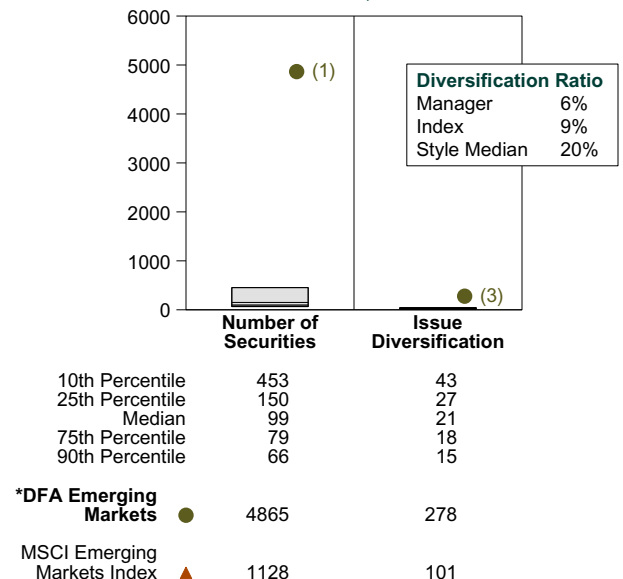
Sector Weights

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 June 30, 2018



Diversification June 30, 2018



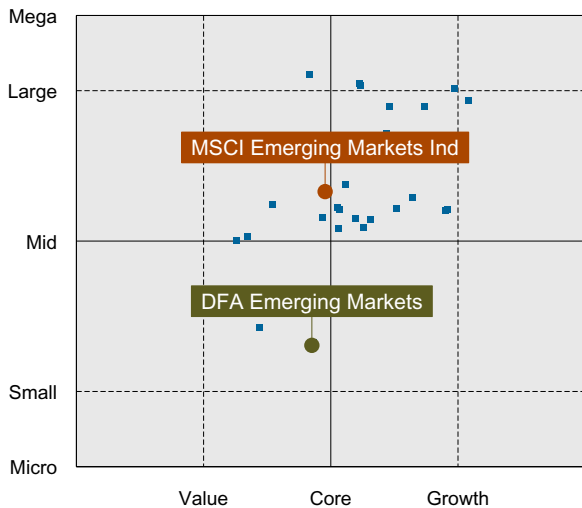
Current Holdings Based Style Analysis

DFA Emerging Markets

As of June 30, 2018

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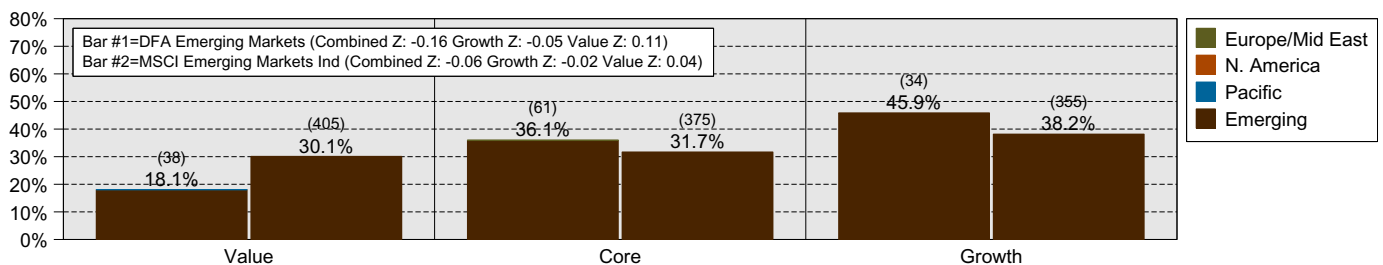
Style Map vs Callan Emerging Equity MF Holdings as of June 30, 2018



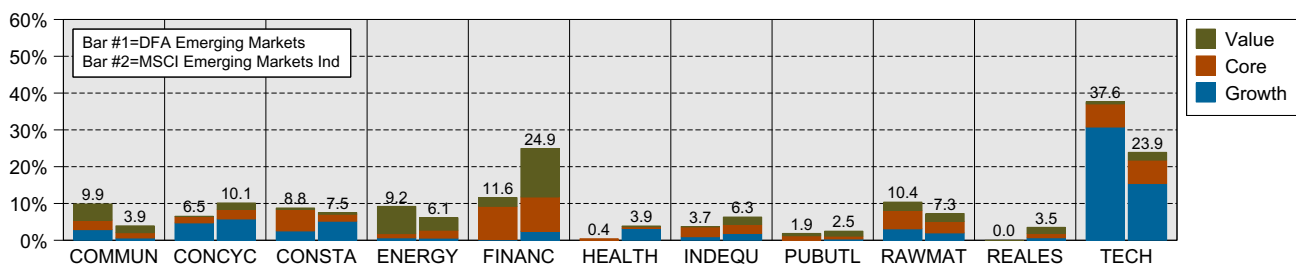
Style Exposure Matrix Holdings as of June 30, 2018

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (0) 0.0% (0)	0.2% (1) 0.0% (0)	0.0% (0) 0.0% (0)	0.2% (1) 0.0% (0)
N. America	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)
Pacific	0.0% (1) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (1) 0.0% (0)
Emerging	18.0% (37) 30.1% (405)	35.8% (60) 31.7% (375)	45.9% (34) 38.2% (355)	99.7% (131) 100.0% (1135)
Total	18.1% (38) 30.1% (405)	36.1% (61) 31.7% (375)	45.9% (34) 38.2% (355)	100.0% (133) 100.0% (1135)

Combined Z-Score Style Distribution Holdings as of June 30, 2018



Sector Weights Distribution Holdings as of June 30, 2018



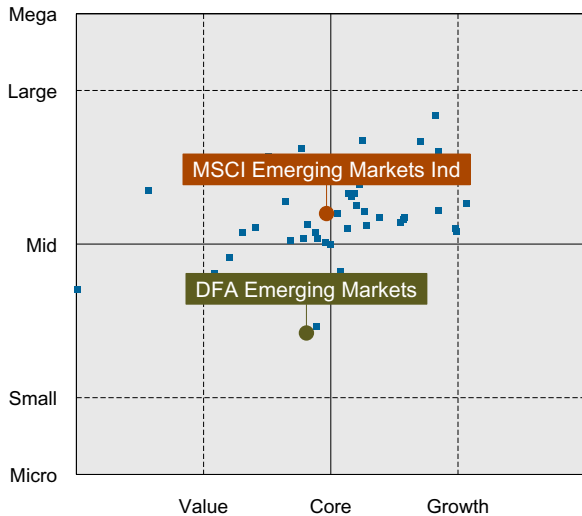
Historical Holdings Based Style Analysis

DFA Emerging Markets

For Five Years Ended June 30, 2018

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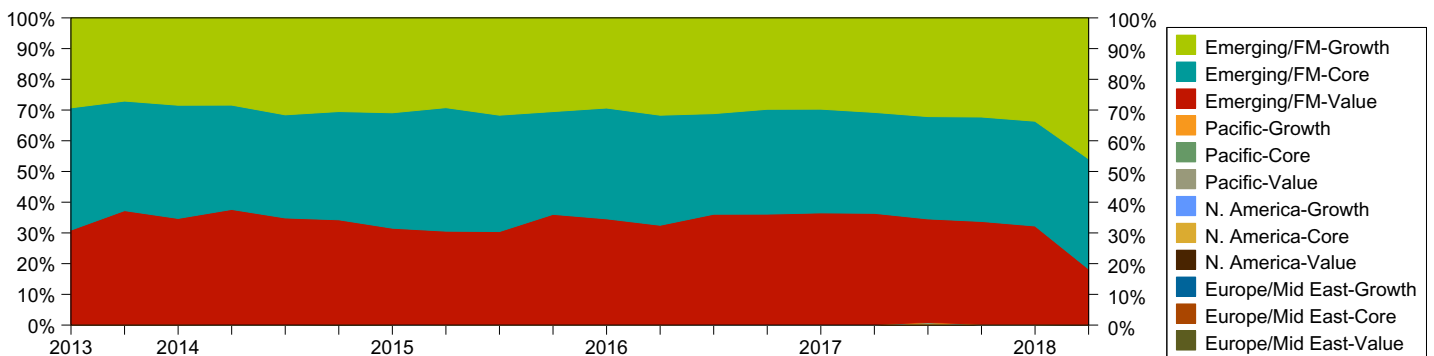
Average Style Map vs Callan Emerging Equity MF Holdings for Five Years Ended June 30, 2018



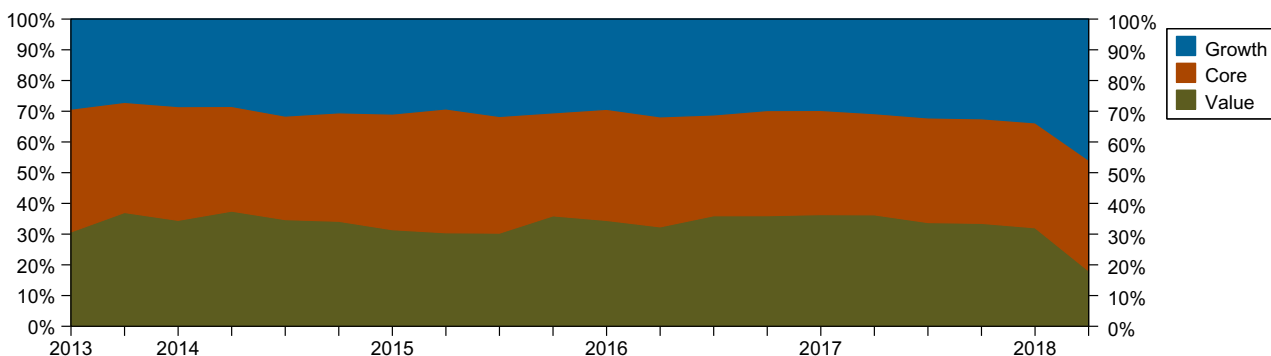
Average Style Exposure Matrix Holdings for Five Years Ended June 30, 2018

	0.0% (0)	0.1% (2)	0.0% (0)	0.1% (2)
Europe/ Mid East	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
N. America	0.0% (1)	0.0% (2)	0.0% (1)	0.1% (4)
Pacific	0.0% (13)	0.0% (18)	0.0% (7)	0.1% (38)
Emerging/ FM	32.3% (1349)	35.3% (1390)	31.2% (851)	99.8% (3590)
	32.3% (294)	31.9% (261)	35.8% (281)	100.0% (836)
Total	33.3% (1363)	35.5% (1412)	31.2% (859)	100.0% (3634)
	32.3% (294)	31.9% (261)	35.8% (281)	100.0% (836)
	Value	Core	Growth	Total

DFA Emerging Markets Historical Region/Style Exposures



DFA Emerging Markets Historical Style Only Exposures



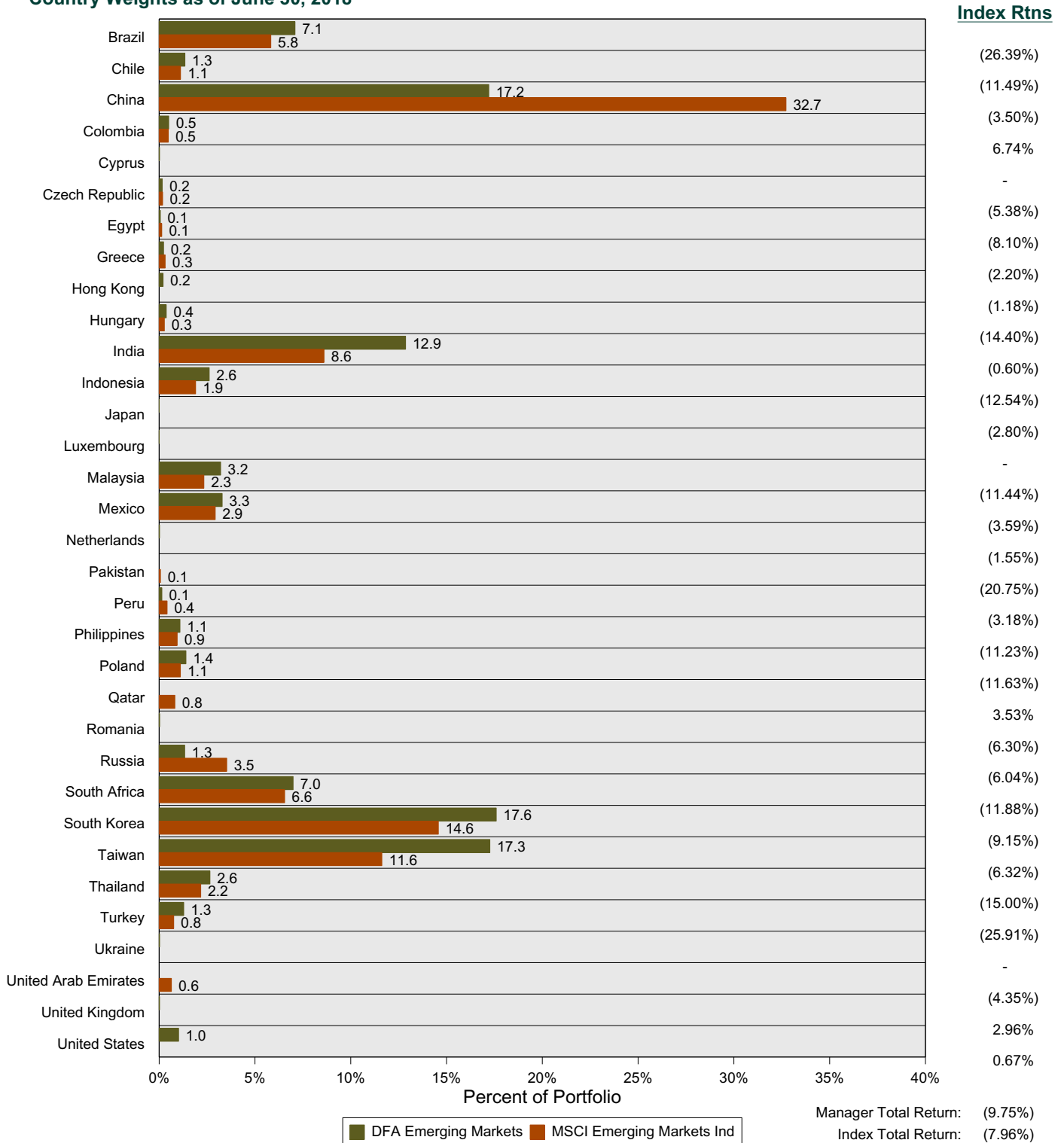
Country Allocation

DFA Emerging Markets VS MSCI Emerging Markets Index

Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of June 30, 2018. 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 June 30, 2018



DFA Emerging Markets Top 10 Portfolio Holdings Characteristics as of June 30, 2018

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	\$609,759	3.8%	(8.70)%	268.70	6.37	2.28%	10.43%
Tencent Holdings Limited Shs Par Hkd	Information Technology	\$312,776	1.9%	(3.62)%	477.06	32.47	0.22%	33.56%
Taiwan Semiconductor Mfg Co Ltd Spon	Information Technology	\$234,734	1.4%	(13.37)%	184.13	14.61	3.70%	11.55%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$174,460	1.1%	(12.75)%	184.13	14.61	3.70%	11.55%
Alibaba Group Hldg Ltd Sponsored Ads	Information Technology	\$147,571	0.9%	1.08%	475.17	27.38	0.00%	30.21%
Sk Hynix Inc Shs	Information Technology	\$144,256	0.9%	0.00%	55.98	4.13	1.17%	9.05%
Vale Sa Shs	Materials	\$132,775	0.8%	1.49%	68.11	8.79	1.32%	3.90%
China Construction Bank Shs H	Financials	\$124,782	0.8%	(10.01)%	222.17	5.57	5.02%	6.35%
Ping An Insurance H	Financials	\$97,442	0.6%	(7.82)%	68.54	9.98	2.57%	13.11%
Nasionale PERS Beperk Ord Cl H	Consumer Discretionary	\$94,340	0.6%	4.18%	111.53	26.08	0.17%	55.16%

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
Hyundai Cement	Materials	\$176	0.0%	323.08%	0.93	4.10	0.00%	29.24%
Walsin Tech	Information Technology	\$24,201	0.1%	235.13%	6.64	17.49	0.30%	72.43%
Ta-I Tech.Co.	Information Technology	\$2,842	0.0%	231.20%	0.75	145.19	0.67%	17.26%
Ritek Corp	Information Technology	\$5,634	0.0%	155.75%	0.85	32.00	0.00%	23.99%
Darfon Electronics	Information Technology	\$3,610	0.0%	152.17%	0.74	17.62	2.47%	-
Cha Diostech	Information Technology	\$678	0.0%	133.33%	0.15	(8.81)	0.00%	-
Indiabulls Wholesale Services	Miscellaneous	\$107	0.0%	129.95%	0.63	(72.35)	0.21%	-
Tjiwi Kimia	Materials	\$2,589	0.0%	125.00%	3.55	49.57	0.18%	-
Cuckoo Electronics	Consumer Discretionary	\$672	0.0%	120.00%	1.13	1.63	2.31%	37.12%
Prosperity Dielectrics	Information Technology	\$1,775	0.0%	119.54%	0.67	57.21	1.27%	77.66%

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
Wuzhou Intl.Hdg.	Real Estate	\$4	0.0%	(91.77)%	0.04	(0.44)	0.00%	-
Hosa International	Consumer Discretionary	\$49	0.0%	(89.48)%	0.06	4.62	21.03%	(5.28)%
Group Five	Industrials	\$42	0.0%	(85.36)%	0.01	1.16	0.00%	19.11%
China Packaging Hdg.Dev.	Materials	\$52	0.0%	(82.42)%	0.07	(4.08)	0.00%	-
Uniply Industries	Industrials	\$23	0.0%	(79.57)%	0.17	25.65	1.23%	-
Aveng Ltd Shs	Industrials	\$20	0.0%	(71.86)%	0.06	0.83	0.00%	15.00%
Vakrangee Sftw.	Information Technology	\$1,621	0.0%	(71.25)%	1.03	5.63	1.50%	50.88%
Folli Follie Reg Shs	Consumer Discretionary	\$525	0.0%	(71.23)%	0.38	1.37	0.00%	9.02%
George Kent(Mal.)	Industrials	\$837	0.0%	(70.74)%	0.17	4.92	7.85%	6.90%
My Eg Services	Information Technology	\$2,882	0.0%	(68.08)%	0.86	12.58	1.76%	18.78%

Metropolitan West Period Ended June 30, 2018

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.

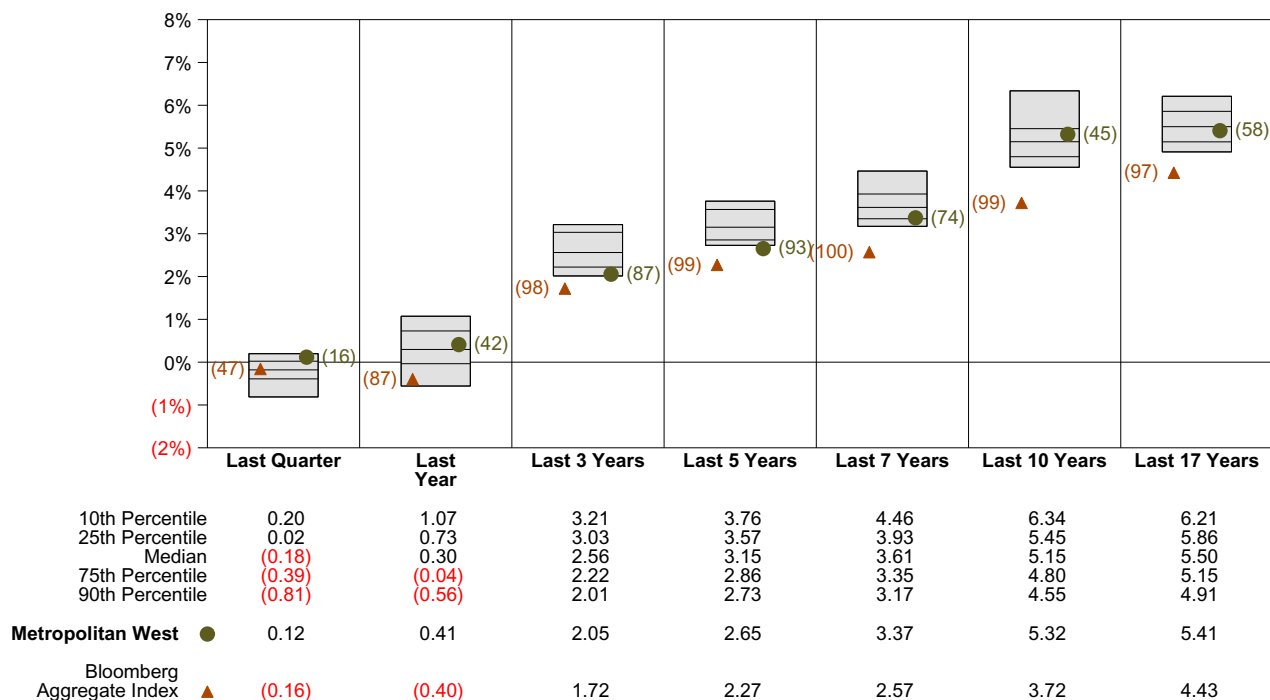
Quarterly Summary and Highlights

- Metropolitan West's portfolio posted a 0.12% return for the quarter placing it in the 16 percentile of the Callan Core Plus Fixed Income group for the quarter and in the 42 percentile for the last year.
- Metropolitan West's portfolio outperformed the Bloomberg Aggregate Index by 0.27% for the quarter and outperformed the Bloomberg Aggregate Index for the year by 0.81%.

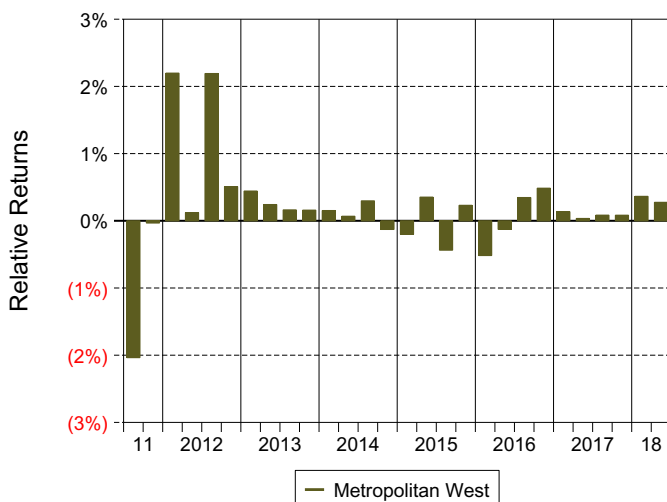
Quarterly Asset Growth

Beginning Market Value	\$100,821,262
Net New Investment	\$0
Investment Gains/(Losses)	\$117,000
Ending Market Value	\$100,938,262

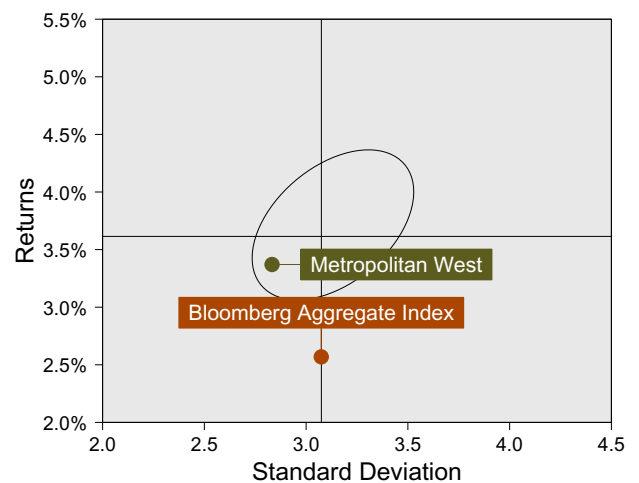
Performance vs Callan Core Plus Fixed Income (Gross)



Relative Returns vs Bloomberg Aggregate Index



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

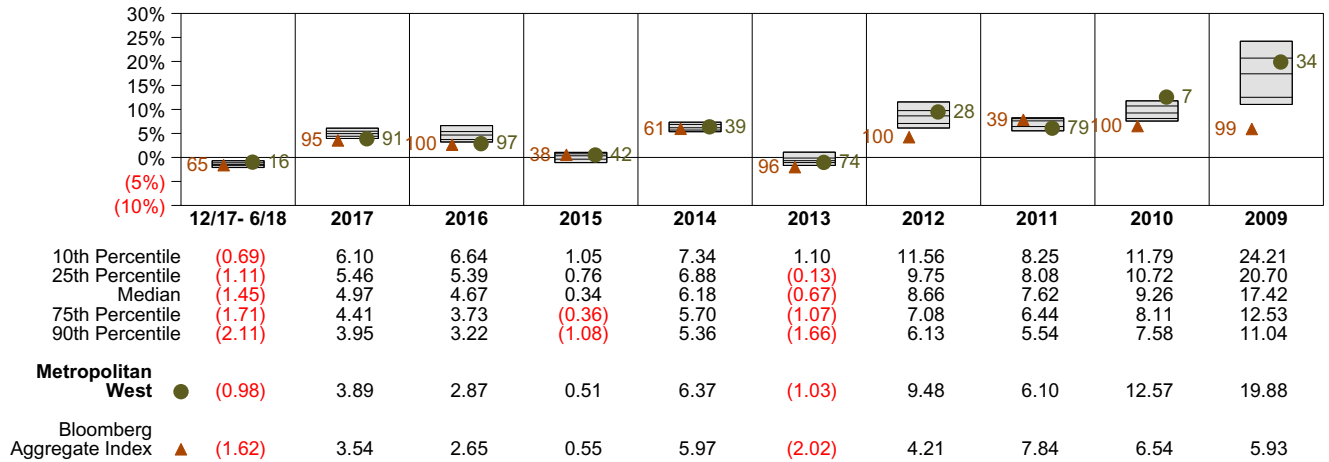


Metropolitan West Return Analysis Summary

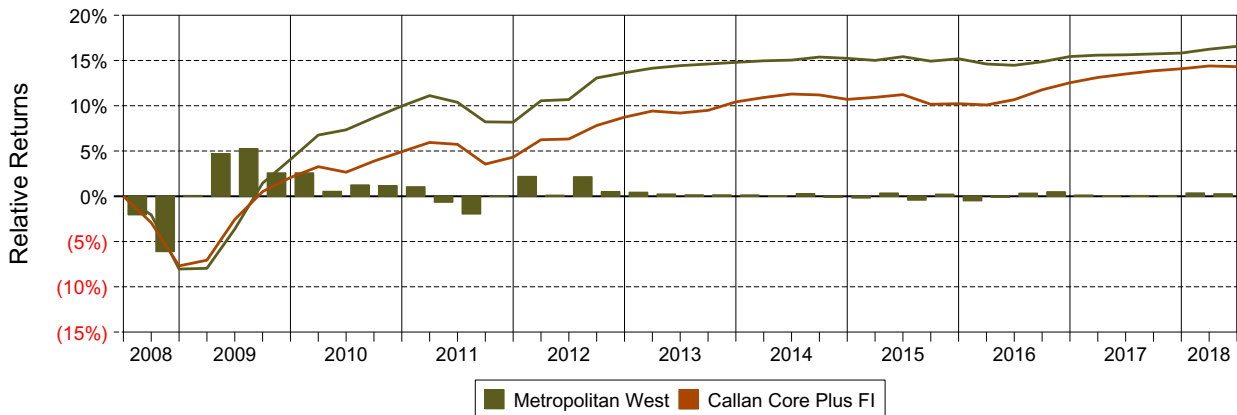
Return Analysis

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

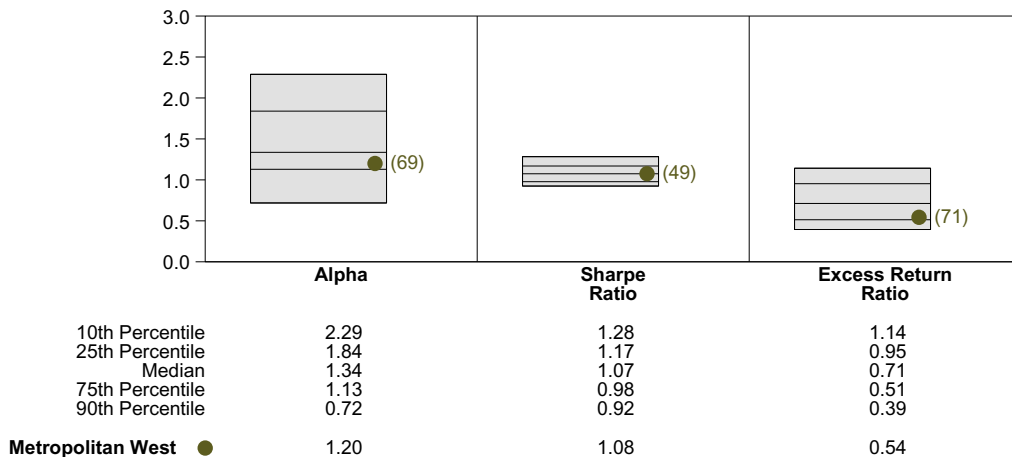
Performance vs Callan Core Plus Fixed Income (Gross)



Cumulative and Quarterly Relative Return vs Bloomberg Aggregate Index



Risk Adjusted Return Measures vs Bloomberg Aggregate Index Rankings Against Callan Core Plus Fixed Income (Gross) Seven Years Ended June 30, 2018

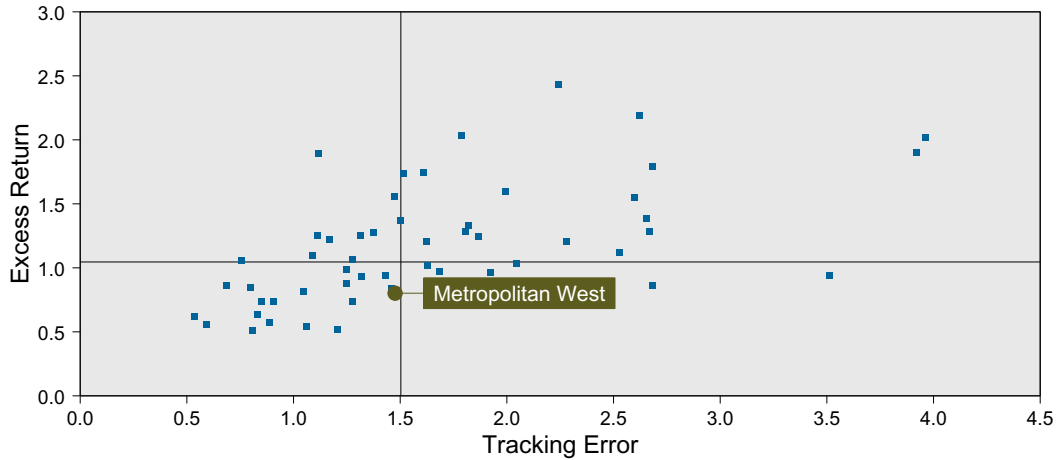


Metropolitan West Risk Analysis Summary

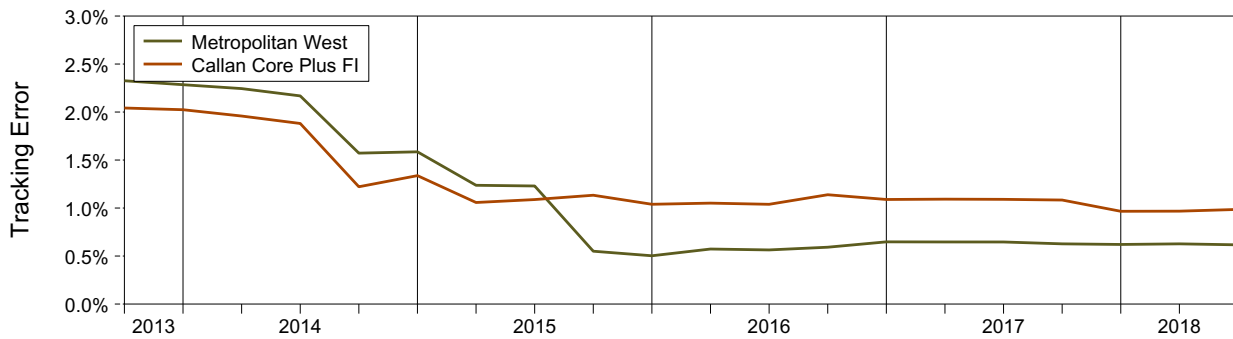
Risk Analysis

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

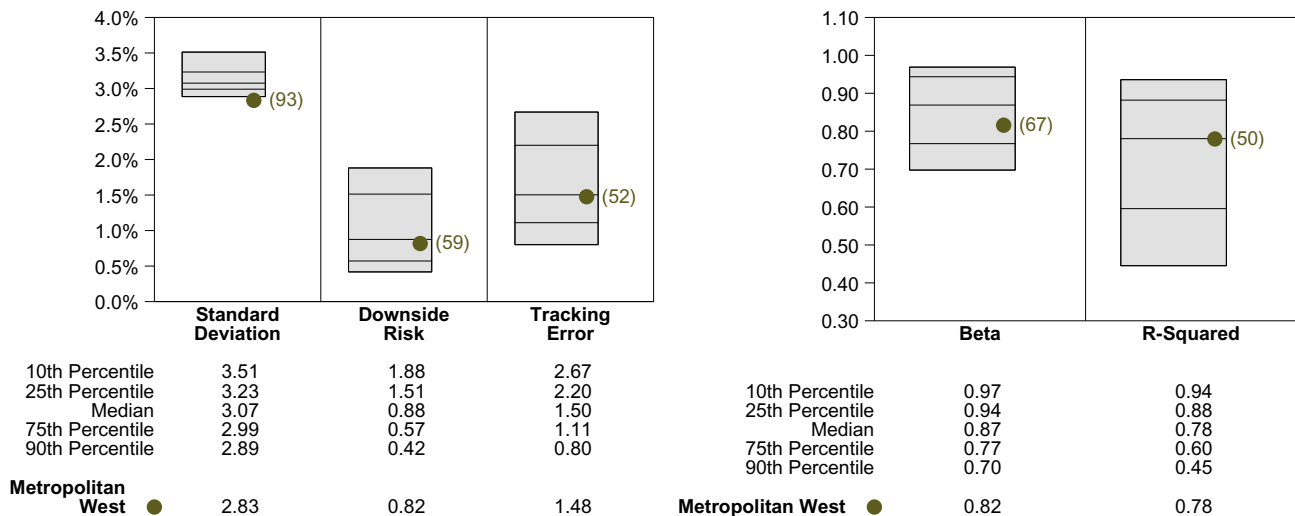
Risk Analysis vs Callan Core Plus Fixed Income (Gross) Seven Years Ended June 30, 2018



Rolling 12 Quarter Tracking Error vs Bloomberg Aggregate Index



Risk Statistics Rankings vs Bloomberg Aggregate Index Rankings Against Callan Core Plus Fixed Income (Gross) Seven Years Ended June 30, 2018

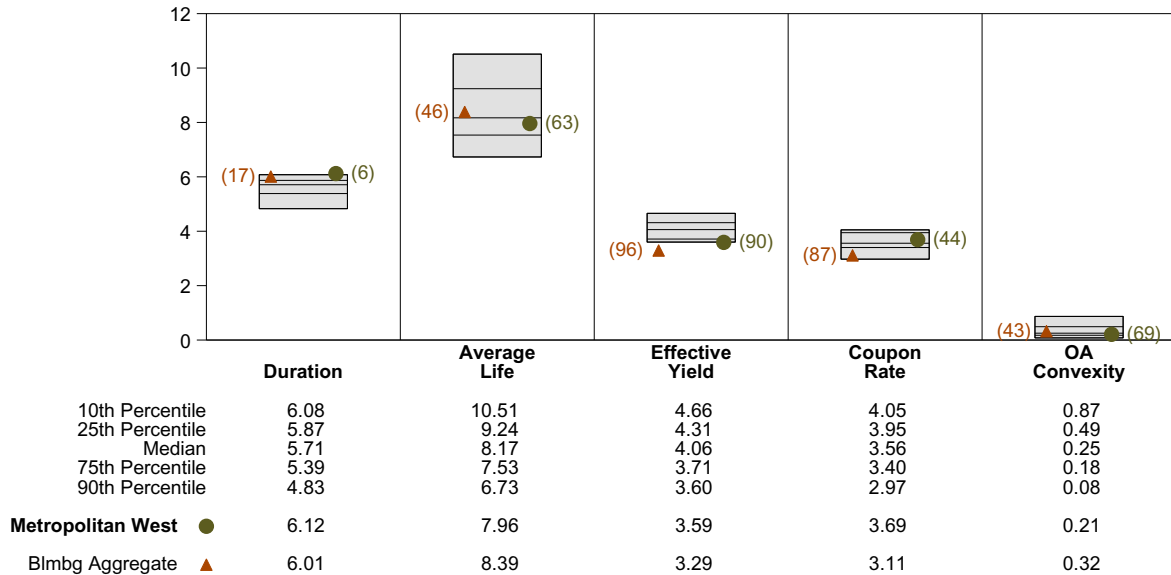


Metropolitan West Bond Characteristics Analysis Summary

Portfolio Characteristics

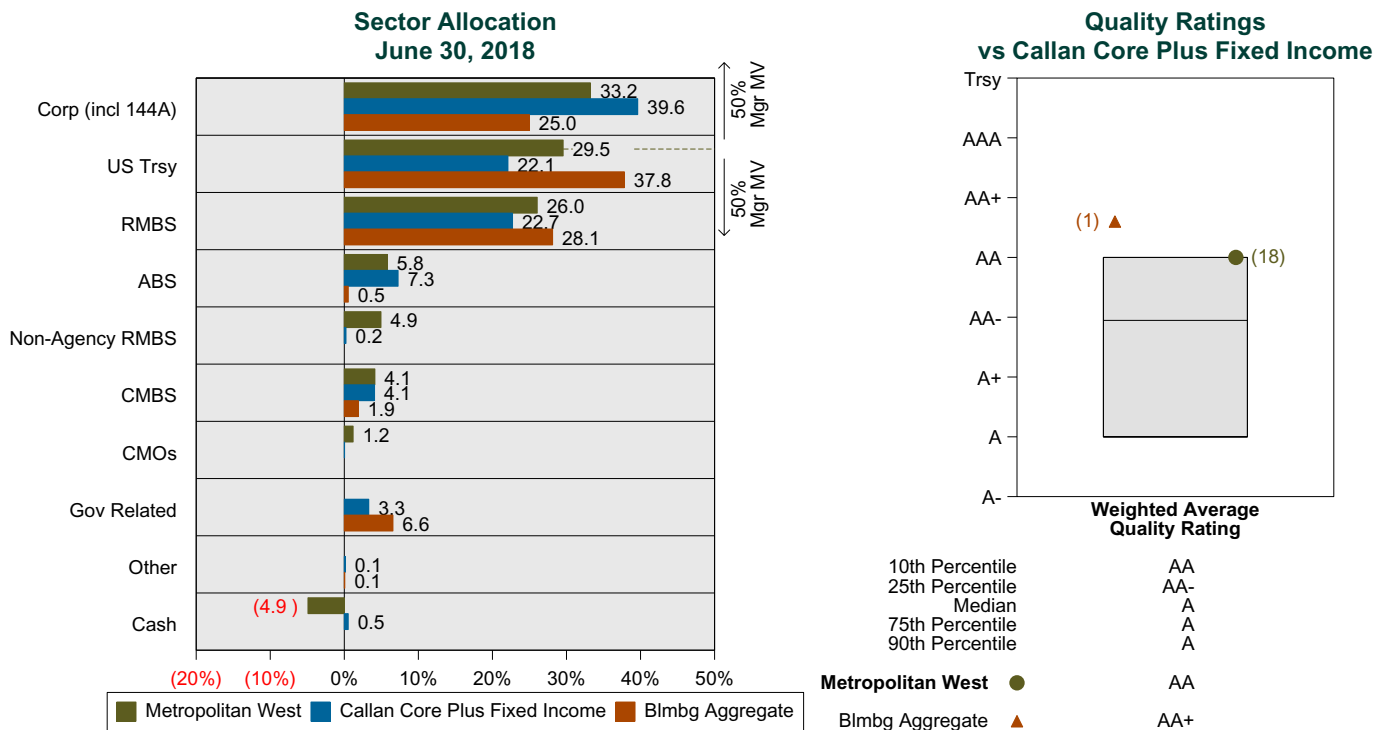
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

Fixed Income Portfolio Characteristics Rankings Against Callan Core Plus Fixed Income as of June 30, 2018



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.

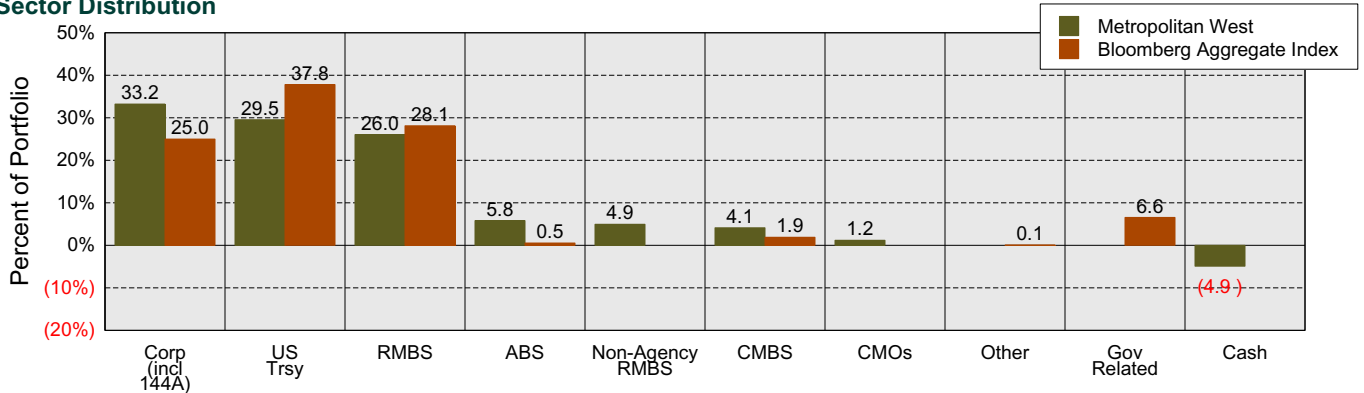


Metropolitan West Portfolio Characteristics Summary As of June 30, 2018

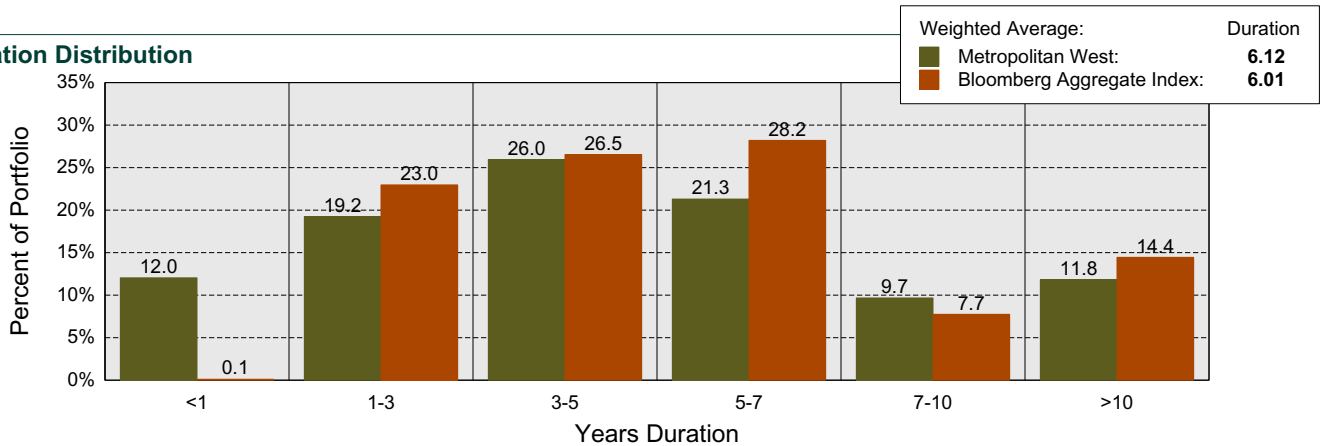
Portfolio Structure Comparison

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.

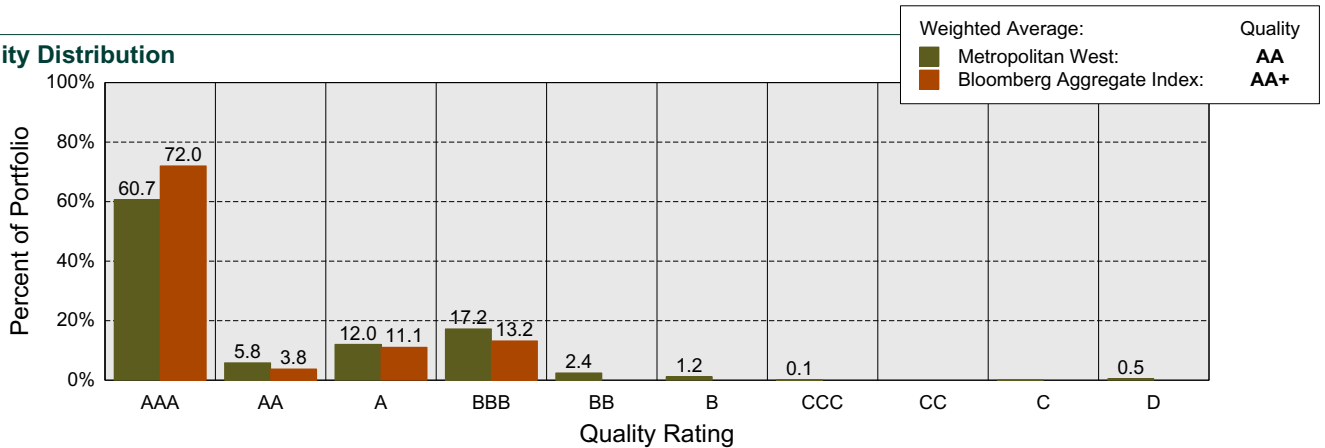
Sector Distribution



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).

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.

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

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

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

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

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

Risk/Reward Statistics

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

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

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

Research and Educational Programs

The Callan Institute provides research to update clients on the latest industry trends and carefully structured educational programs to enhance the knowledge of industry professionals. Visit www.callan.com/library to see all of our publications, and www.callan.com/blog to view our blog “Perspectives.” For more information contact Corry Walsh at 312.346.3536 / institute@callan.com.

New Research from Callan’s Experts



Handle With Extreme Care: Callan’s Take on Cryptocurrencies | In this paper, author Mark Wood provides a brief overview of cryptocurrencies and addresses primary considerations for potential investors.

He describes why Callan does not currently recommend our clients allocate to cryptocurrency investment strategies, and where we see the greatest future potential in this space.

Risk Parity: Silver Bullet or a Bridge Too Far? | In this chapter from the CFA Institute’s book “Multi-Asset Strategies: The Future of Investment Management,” Callan’s Greg Allen describes risk parity strategies, a category of investment strategies in which capital is allocated across asset classes so that each contributes an equal amount of volatility to the portfolio’s total volatility.

China A-Shares: Key Issues for Investors to Consider | China is opening up its securities markets to more non-Chinese institutional investors. In particular, expanded access to China A-shares creates new opportunities for investors. But investing in China presents a set of risks that range from the country’s slowing GDP growth to stock trading suspensions. Although China A-shares present an attractive opportunity, implementation is challenged by a shallow manager universe and high fees.

June 2018 Regional Workshop Summary: Governance Alpha | Investment committees face complex challenges overseeing institutional investment funds. They must navigate myriad laws and regulations, select the right managers and strategies, monitor their portfolios, and ensure their funds can deliver the returns needed for their beneficiaries. Governance describes the policies and practices established to guide these decisions. What if implementing the

astute governance required to meet these challenges also resulted in better portfolio performance? At this workshop, Callan experts described the most effective institutional fund governance practices and explored new research that connects strong plan governance with performance (i.e., governance alpha), and reviewed how investment managers fit into this framework.

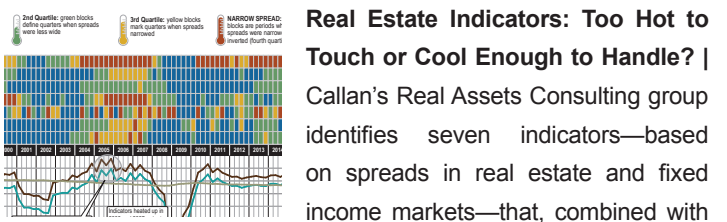
Quarterly Periodicals

Private Markets Trends | This newsletter offers the latest data on activity in private equity fundraising, buyouts, venture capital, and returns for this asset class.

Market Pulse Flipbook | 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 | This quarterly publication provides analysis and a broad overview of the economy and public and private market activity each quarter across a wide range of asset classes.

Active vs. Passive Report | This series of charts maps active managers alongside relevant benchmarks over the last two decades.



an understanding of prevailing market dynamics, have helped signal when the institutional real estate market is overheated or cooled.

Events

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

Callan's **October Regional Workshops** will be held on October 16 in New York and October 18 in Atlanta. Please visit the Events page on our website (www.callan.com/events/) for additional information.

Callan's **2019 National Conference** will be held January 28-30, 2019. Mark your calendars for this upcoming event!

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

Chicago, October 2-3, 2018

Atlanta, October 23-24, 2018

This program familiarizes fund sponsor trustees, staff, and asset management advisers 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 www.callan.com/events/callan-college-intro or contact Kathleen Cunnie: 415.274.3029 / cunnie@callan.com

Education: By the Numbers

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

50+ Unique pieces of research the Institute generates each year

3,700 Total attendees of the "Callan College" since 1994

1980 Year the Callan Institute was founded



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

Greg Allen, CEO and CRO

List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

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

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

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

Manager Name
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
Apollo Global Management
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Atlanta Capital Management Co., LLC
Aviva Investors Americas
AXA Investment Managers
Baillie Gifford International, LLC
Baird Advisors
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC
BlackRock
BMO Global Asset Management
BNP Paribas Asset Management
BNY Mellon Asset Management
Boston Partners
Brandes Investment Partners, L.P.
Brandywine Global Investment Management, LLC
BrightSphere Investment Group (FKA Old Mutual Asset)
Brown Brothers Harriman & Company
Cambiar Investors, LLC
Capital Group
Carillon Tower Advisers
CastleArk Management, LLC
Causeway Capital Management
Chartwell Investment Partners

Manager Name
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.
Columbia Threadneedle Investments
Columbus Circle Investors
Credit Suisse Asset Management
DePrince, Race & Zollo, Inc.
Deutsche Asset Management
Diamond Hill Capital Management, Inc.
Dimensional Fund Advisors LP
Doubleline
Duff & Phelps Investment Management Co.
EARNEST Partners, LLC
Eaton Vance Management
Epoch Investment Partners, Inc.
Fayez Sarofim & Company
Federated Investors
Fidelity Institutional Asset Management
Fiera Capital Corporation
First Eagle Investment Management, LLC
First Hawaiian Bank Wealth Management Division
Fisher Investments
Franklin Templeton
Fred Alger Management, Inc.
GAM (USA) Inc.
Global Evolution USA
GlobeFlex Capital, L.P.
GMO
Goldman Sachs Asset Management
Green Square Capital LLC
Guggenheim Investments
GW&K Investment Management
Harbor Capital Group Trust
Hartford Funds
Hartford Investment Management Co.

Manager Name
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
J.P. Morgan
Janus Henderson Investors
Jennison Associates LLC
Jensen Investment Management
Jobs Peak Advisors
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
MacKay Shields LLC
Macquarie Investment Management (MIM)
Manulife Asset Management
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.
Natixis Investment Managers
Neuberger Berman
Newton Investment Management
Nikko Asset Management Co., Ltd.
Northern Trust Asset Management
Nuveen Investments, Inc.
OFI Global Asset Management
O'Shaughnessy Asset Management, LLC
P/E Investments
Pacific Investment Management Company
Pathway Capital Management
Peregrine Capital Management, Inc.
Perkins Investment Management

Manager Name
PGIM
PGIM Fixed Income
PineBridge Investments
Pioneer Investments
PNC Capital Advisors, LLC
Principal Global Investors
Private Advisors, LLC
Putnam Investments, LLC
QMA
RBC Global Asset Management
Regions Financial Corporation
Robeco Institutional Asset Management, US Inc.
Rockefeller & Co., Inc.
Rothschild Asset Management, Inc.
Russell Investments
Santander Global Facilities
Schroder Investment Management North America Inc.
Smith Graham & Co. Investment Advisors, L.P.
Smith Group Asset Management
South Texas Money Management, Ltd.
Standard Life Investments Limited
State Street Global Advisors
Stone Harbor Investment Partners, L.P.
Sun Life Investment Management
T. Rowe Price Associates, Inc.
The Boston Company Asset Management, LLC
The London Company
The TCW Group, Inc.
Thompson, Siegel & Walmsley LLC
Thornburg Investment Management, Inc.
Tri-Star Trust Bank
UBS Asset Management
VanEck
Velanne Asset Management Ltd.
Versus Capital Group
Victory Capital Management Inc.
Virtus Investment Partners, Inc.
Vontobel Asset Management, Inc.
Voya
WCM Investment Management
WEDGE Capital Management
Wellington Management Company, LLP
Wells Capital Management
Western Asset Management Company
Westfield Capital Management Company, LP
Westwood Holdings Group
William Blair & Company



Account Compliance Summary

Alerts:	0
Warnings:	0
Passes:	14

A5XB SACRT - ATLANTA CAPITAL MGMT

Production Date: 06/29/2018

Securities + Cash	24,611,048.19	Base Currency	USD	Net Assets	24,620,941
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)			24,611,048.19 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%	0.90 %	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%	7.35 %	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%	2.36 %	Pass

A5XD SACRT - METWEST
Production Date: 06/29/2018

Securities + Cash	118,130,944.03	Base Currency	USD	Net Assets	102,049,470
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)			118,130,944.03 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 lest 80% Baa or above (157604)	Minimum	80.00%	86.23 %	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	22.55 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

A5Z8 SACRT - ROBECO

Production Date: 06/29/2018

Securities + Cash	44,077,593.24	Base Currency	USD	Net Assets	43,990,613
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)			44,077,593.24 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%	0.56 %	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%	2.72 %	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%	11.55 %	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%	3.21 %	Pass

Alerts:	
Warnings:	
Passes:	

A5Z8 SACRT - ROBECO
Production Date: 06/29/2018

Securities + Cash	44,077,593.24	Base Currency	USD	Net Assets	43,990,613
Rule Name		Limit Type	Limit Value	Result	Result Status

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REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
24	09/12/18	Retirement	Information	08/10/18

Subject: Educational Session on Hedge Funds and Multi-Asset Class Investments Presented by Callan LLC (All). (Adelman)

ISSUE

Educational Session on Hedge Funds and Multi-Asset Class Investments Presented by Callan LLC (All). (Adelman)

RECOMMENDED ACTION

Information only.

FISCAL IMPACT

None.

DISCUSSION

At the June 20, 2018 Quarterly Retirement Board meeting Callan LLC (Callan) presented the annual Asset Allocation Review required under the Retirement Plan' Investment Policy. As part of the presentation, Callan discussed asset classes that are not currently part of the Retirement Plans' portfolio, including hedge funds, private equity, and real estate. The Retirement Boards expressed an interest in receiving additional information about those asset classes and requested that Callan provide an educational presentation to the Boards.

Callan will be providing three educational sessions. Each session will focus on a specific asset class and will describe the potential risks and returns, liquidity features, and diversification roles in a pension plan's investment portfolio. During the first training Callan will focus on Hedge Funds and Multi-Asset Class Investments. The two subsequent trainings will focus on private equity and real estate.

Attachment 1 is the educational materials, provided by Callan, for Hedge Funds and Multi-Asset Class investments.

Approved:

Presented:

Final 09/04/18

VP of Finance/CFO

Treasury Controller

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\FI IP's\09-12-18 Educational Session - Hedge Funds and Multi-Asset Class.docx

Callan



September 12, 2018

**Sacramento Regional
Transit District**

Hedge Fund & Multi-Asset Class
Strategies Education

Anne Heaphy
Fund Sponsor Consulting

Kevin Machiz, CFA, FRM
Global Manager Research

Uvan Tseng, CFA
Fund Sponsor Consulting



Hedge Fund Strategies

What is a Hedge Fund?

- Hedge funds are unconstrained in terms of investment strategies and guidelines to achieve better risk-adjusted returns.
- Hedge funds can use a wide variety of asset classes and their derivatives, as well as varying degrees of leverage or illiquidity.
- Hedge fund managers typically have significant alignment of interests with investors via side-by-side capital and incentive fee structures based on performance.
- Hedge funds are usually private placement vehicles (e.g., limited partnerships or limited liability companies) that are exempt from SEC registration and therefore not readily available to the public.

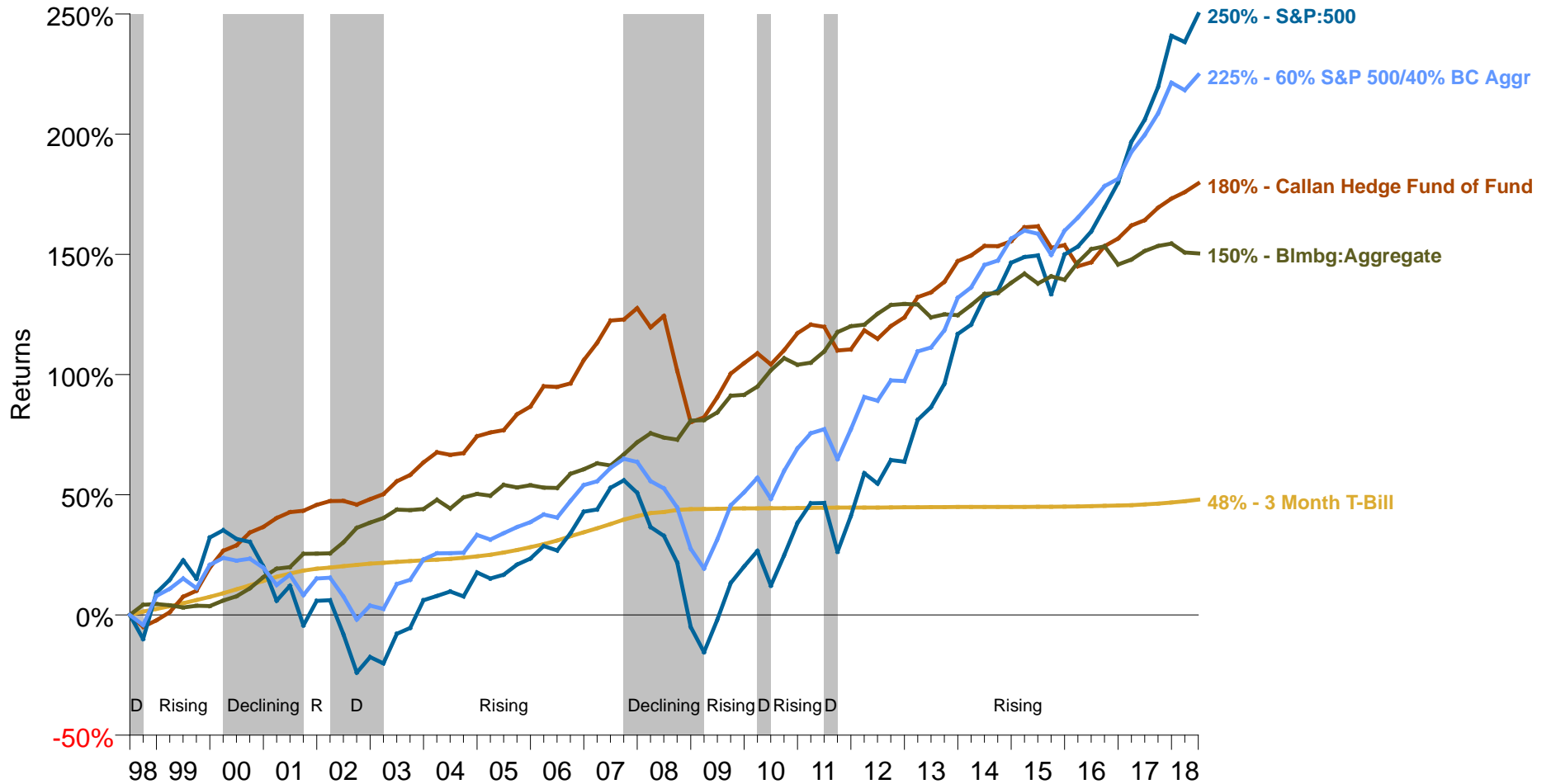
What is the Opportunity?

- Why hedge funds?
 - Higher risk-adjusted return
 - Manager and/or strategy diversification
 - Less sensitive to equity market risk
 - Alternative to lower expected returns from stocks and bonds
- Do you believe all of the following?
 - A portfolio of stocks and bonds benefits from additional diversification to smooth a fund's path to meet long-term return objectives.
 - Given manager skills and investment tools not available to traditional portfolio management, hedge funds can provide value-added returns from inefficiencies in public capital markets.
 - The various risks of hedge funds, including concerns of liquidity and capacity constraints, are manageable with proper due diligence and oversight given available resources.

Hedge Fund Performance

Cumulative Returns throughout Market Cycles

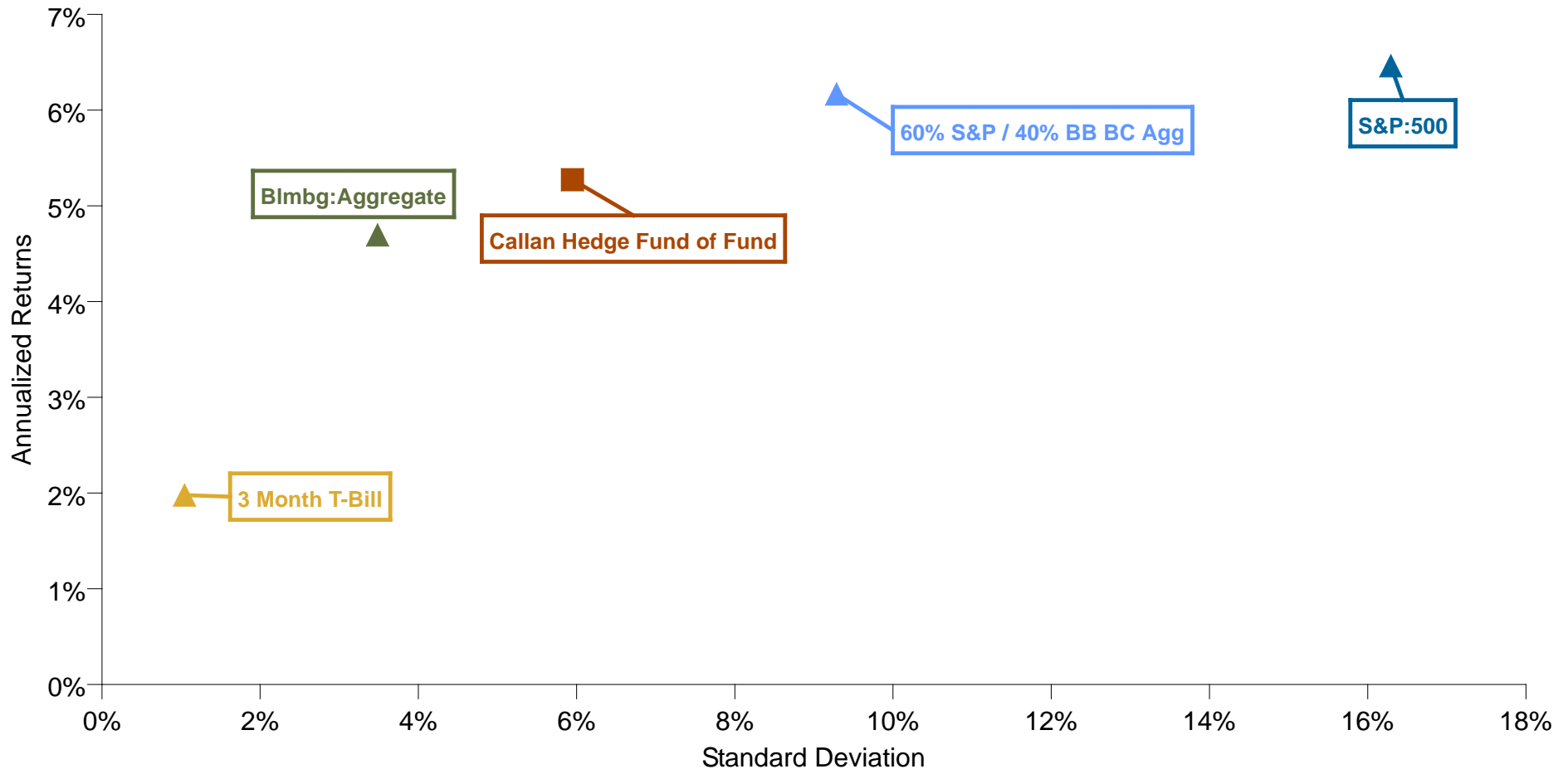
Cumulative Returns (over Rising/Declining Periods)
from July 1, 1998 to June 30, 2018



Hedge Fund Performance

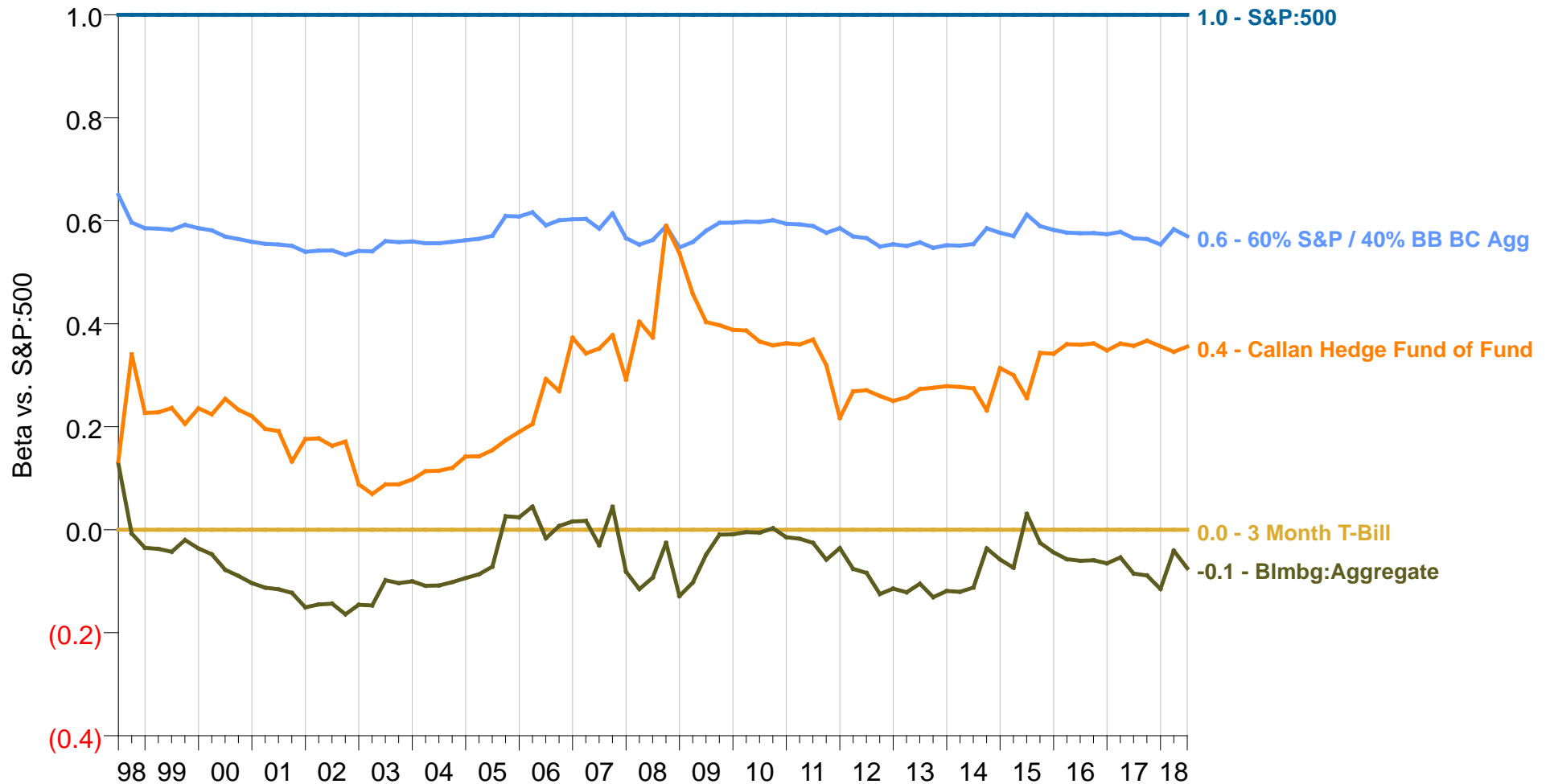
Risk Adjusted Return versus Traditional Assets

Scatter Chart
for 20 Years ended June 30, 2018



Sensitivity to Equity Market Risk

Rolling 12 Quarter Beta vs. S&P:500
for 20 Years ended June 30, 2018



Types of Hedge Fund Strategies

Hedge Fund Strategy Classifications			
Equity Hedge	Event Driven	Macro	Relative Value
Long / Short Equity	Activist	Global Macro	Fixed Income Arbitrage
Short-Biased	Distressed / Restructuring	Managed Futures	Convertible Arbitrage
Emerging Markets	Merger Arbitrage		Capital Structure Arbitrage
	Credit Arbitrage / Special Situations		Equity Market Neutral
Multi-Strategy			

* Definitions of Strategies are located in the Appendix.

Hedge Fund Market Overview

Current Universe of Hedge Fund Strategies*

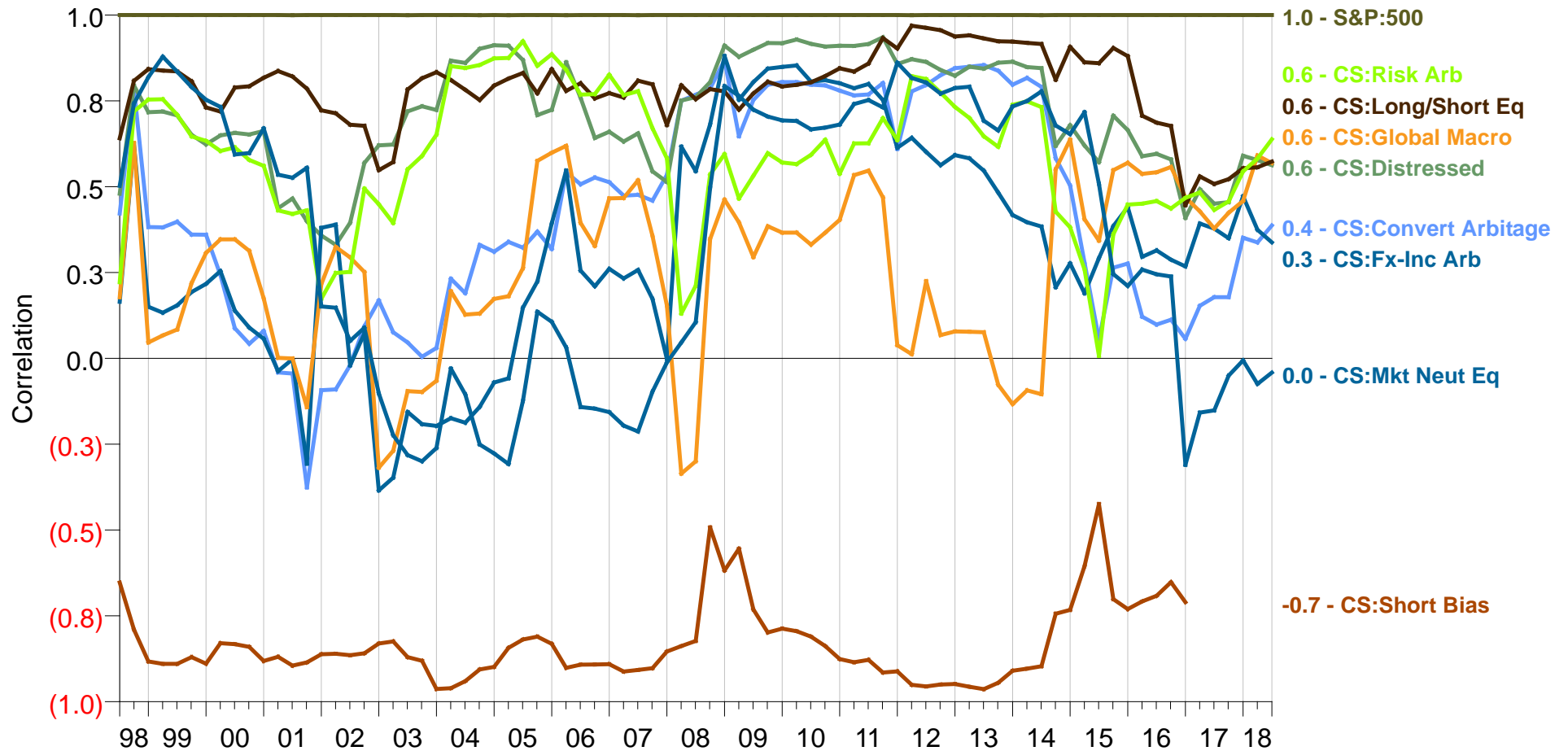


- Total assets: \$3.2 trillion (estimated)
 - Largest strategies are Event Driven and Global Macro

* Source: Credit Suisse; HFRI as of December 31, 2017

Strong Case for Building Diversified Hedge Fund Exposure

Rolling 12 Quarter Correlation vs. S&P:500
for 20 Years ended June 30, 2018



Source: CS Hedge Fund Index website @ www.hedgeindex.com, since index inception (net of fees)

Hedge Funds Summary

Pros

- Dynamic investment process
 - Leverage, shorting, and derivatives
- Provides diversification to traditional asset allocations without giving up all equity-like returns
 - Access to risk premia not always targeted by traditional long-only investing
 - Opportunistic strategies may invest in assets that are less liquid with longer holding periods
- Strong alignment of interest due to side-by-side capital investing and incentive fees.

Cons

- Historically has had high fees
 - 2% flat fee and 20% of profits
- Not transparent
- Downside protection is not guaranteed
 - High manager risk
 - Execution is key
- Will typically lag public markets in strong rallies
- More complex than long-only strategies
 - Benchmarking is difficult
 - Performance evaluations are focused on years, not quarters

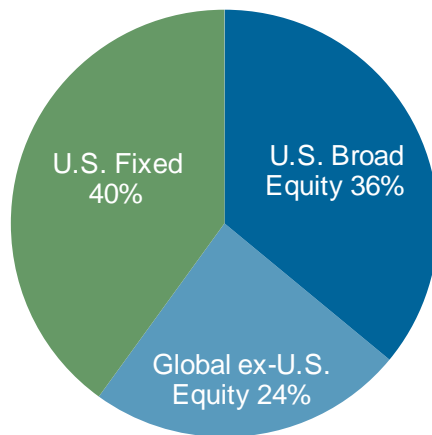


Multi-Asset Class Strategies

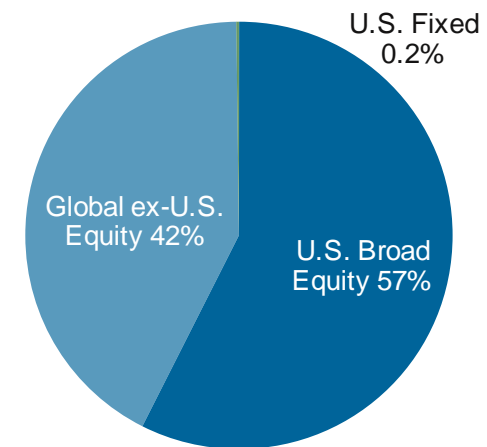
Why the Interest?

Asset Allocation vs. Risk Allocation

Asset Allocation



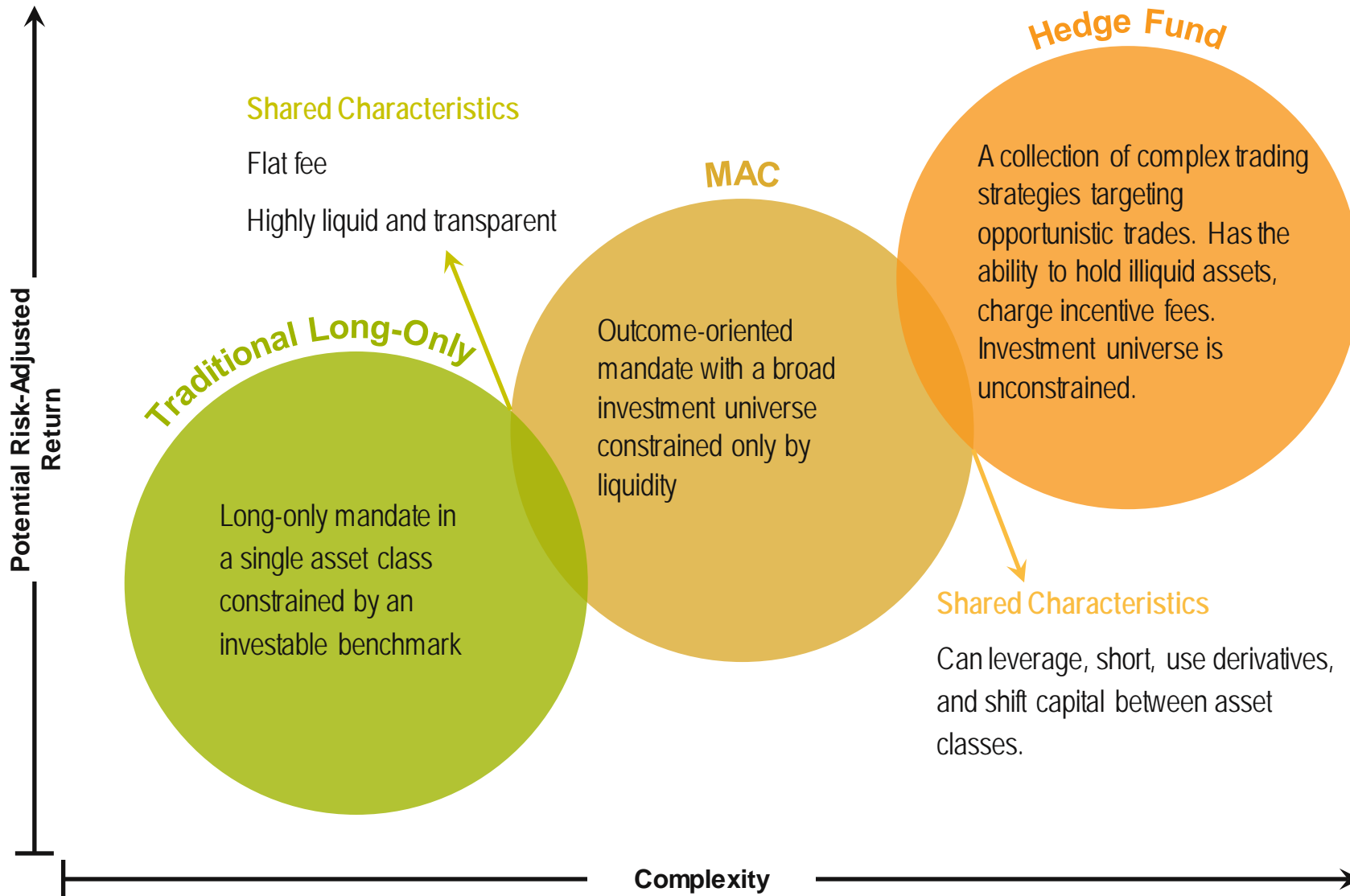
Risk Allocation



- While many portfolios *appear* to be well diversified, equity risk typically drives volatility

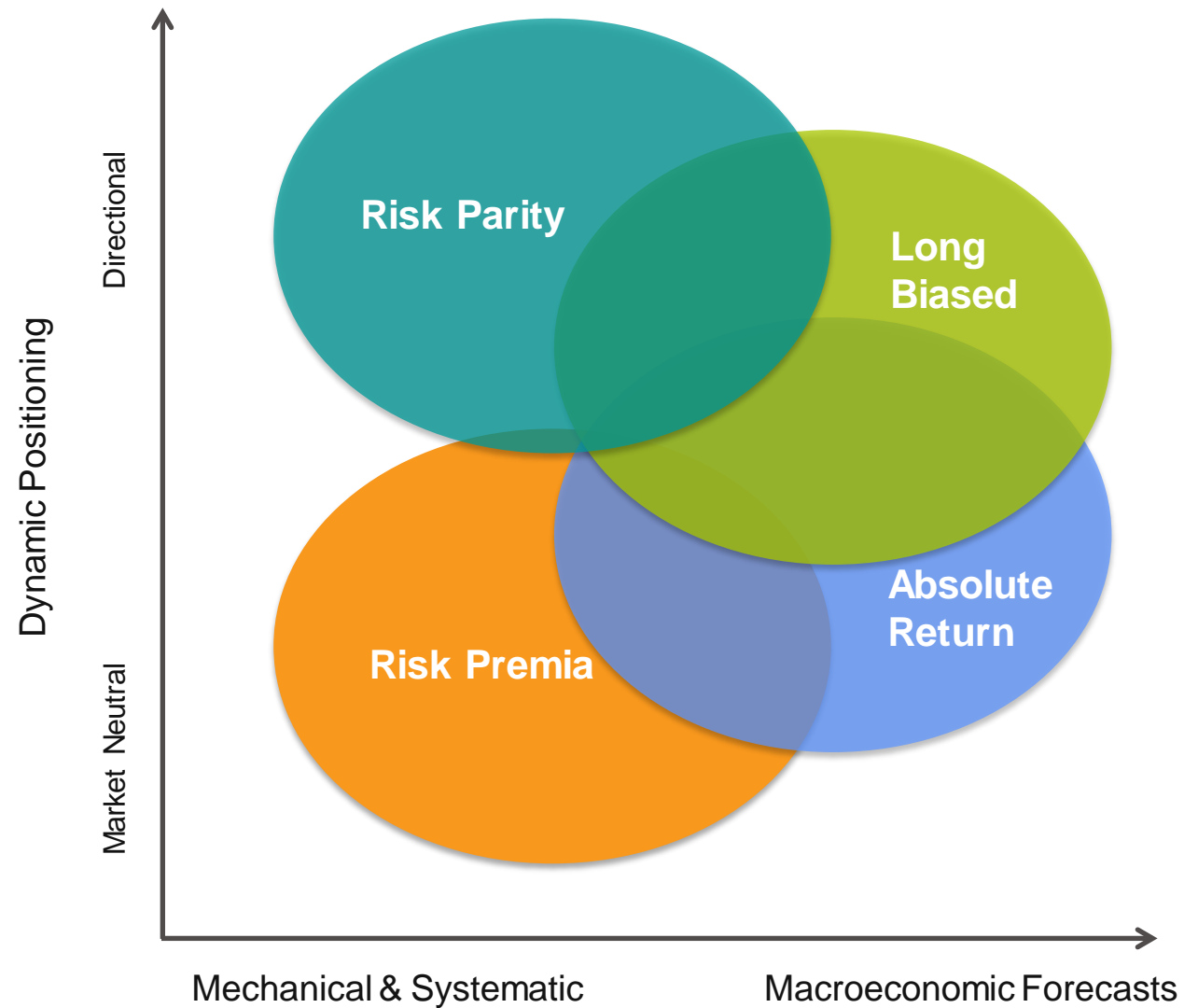
Defining Multi-Asset Class (MAC) Strategies

Bridging The Gap



Categorizing the MAC Universe

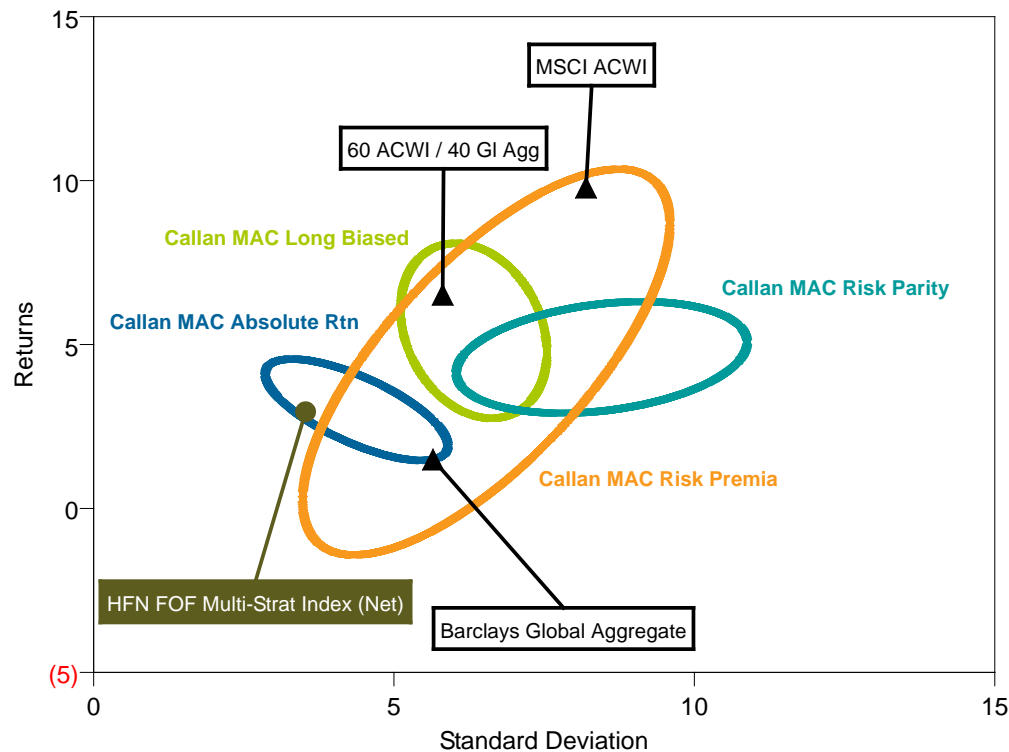
- MACs do not fit nicely into homogeneous “style groups”
- Overlap between groups is inescapable



Return vs. Risk

- Peer groups have no product overlap, yet outcomes are dispersed
- What causes dispersion:
 - Varying investment approaches – amount of leverage, dynamic asset allocation, wide opportunity set
 - Manager skill
 - Few constituents

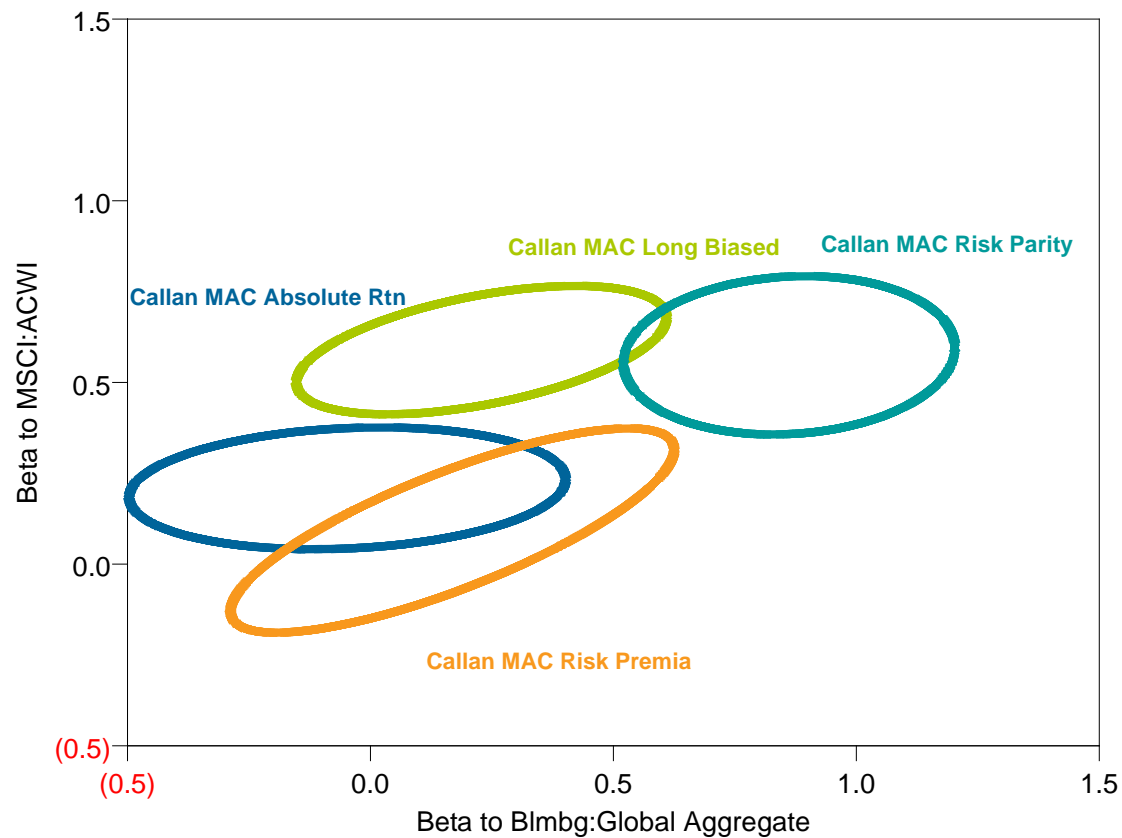
Scatter Chart for 5 Years ended March 31, 2018



Sources of Risk

- Peer groups have very different sources of risk

Scatter Chart for 5 Years ended March 31, 2018



MACs Summary

Pros

- Dynamic investment process
 - Leverage, shorting, and derivatives
- Outcome oriented objectives
 - Helps determine role in portfolio
 - Focus on drawdown protection
- Many applications depending on objectives and risk tolerance
- Liquidity
- Transparency
- Flat fee
 - 70-120 bps

Cons

- Short track records
 - Few have faced a prolonged distressed market environment
- Downside protection is not guaranteed
 - High manager risk
 - Execution is key
- More complex than long-only strategies
 - Benchmarking is difficult
 - Performance evaluations are focused on years, not quarters



Appendix

Callan Categorization of MAC Strategies

Risk Parity

- Equal risk-weighted (or close to) exposure to major asset classes/risk factors/economic regimes
- Exposure implemented through long positions with lower volatility holdings levered to meet desired risk target
- Common benchmarks: T-bills + 5-8%, Global 60/40, Risk Parity Index

Risk Premia

- Non-directional/market neutral exposures
- Often with risk balancing between factors
- Implemented systematically with high gross leverage applied to reach volatility target between 5-15%.
- Common benchmarks: T-bills + 3-10%, Global 60/40, Various ARP Indices
 - *Targeted volatility must be considered in benchmarking*



Long Biased

- Bias to directional asset class exposure
- Higher volatility than absolute return
- Shorting and derivatives may be employed but to a lesser extent
- Macroeconomic forecasting typically central to portfolio positioning
- Dynamic risk management
- Common benchmarks: T-bills + 5-8%; CPI + 4-6%

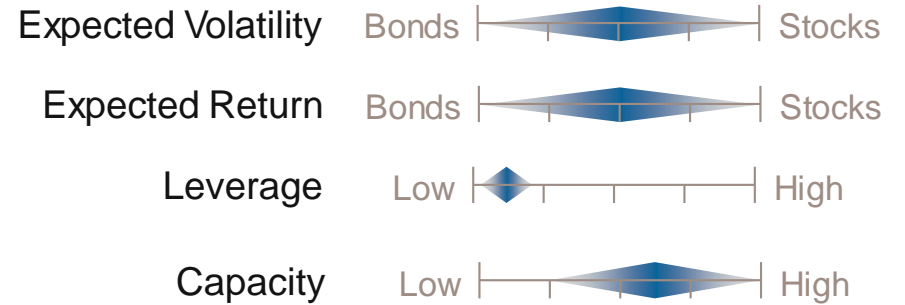
Absolute Return

- Bias to relative value exposures
- Emphasis on downside protection via derivatives and diversifying or long/short positions
- Macroeconomic forecasting central to idea generation and portfolio positioning
- Common benchmarks: T-bills + 3-7%; CPI + 3-5%

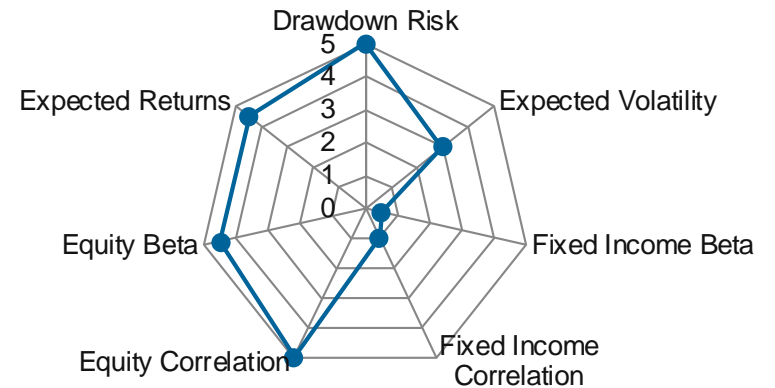
Balanced Fund

The Original MAC

- Observed Characteristics
 - Moderate Volatility
 - Moderate Expected Returns
 - No Leverage
 - Low Fixed Income Correlation and Beta
 - Moderate Drawdown risk
 - High Equity Correlation and Beta



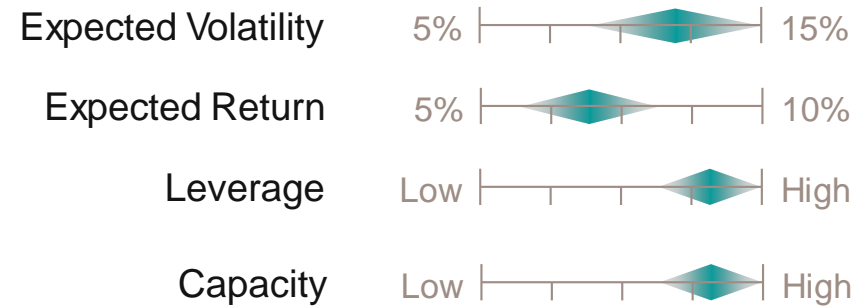
60/40



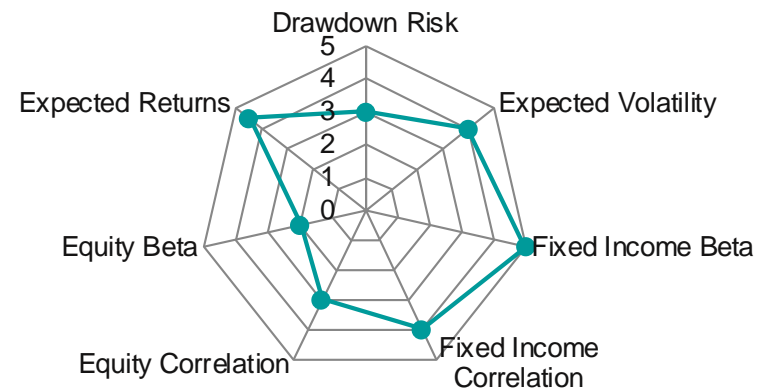
MAC Risk Parity

Strategy Characteristics

- Observed Characteristics
 - Modest Equity Correlation and Beta
 - High Volatility
 - High Fixed Income Correlation and Beta
 - High Leverage
 - Moderate Drawdown risk



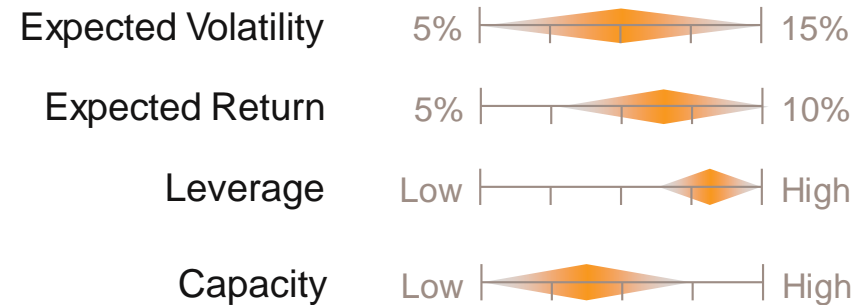
Risk Parity



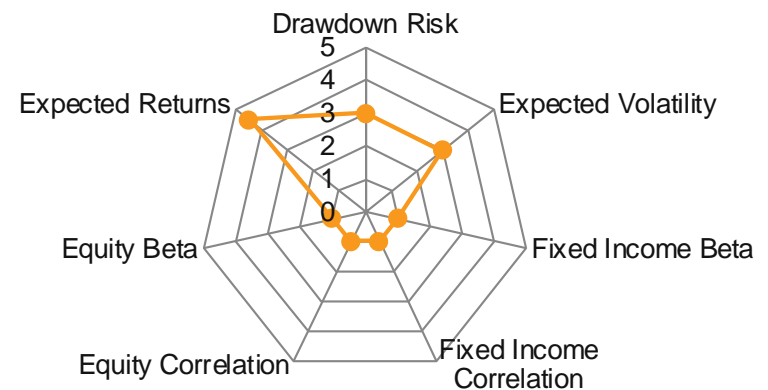
MAC Risk Premia

Strategy Characteristics

- Observed Characteristics
 - High volatility*
 - High drawdown risk
 - Low Equity and Fixed Income Beta
 - Low Equity and Fixed Income Correlation
 - Low to Modest Capacity
 - High Expected Return*
 - High Drawdown Risk*



Risk Premia

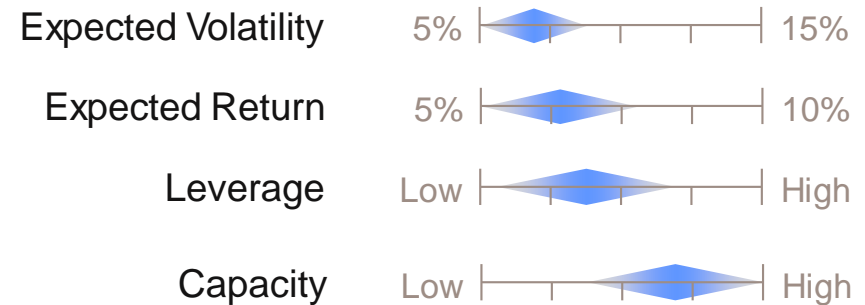


*Funded vs. Overlay

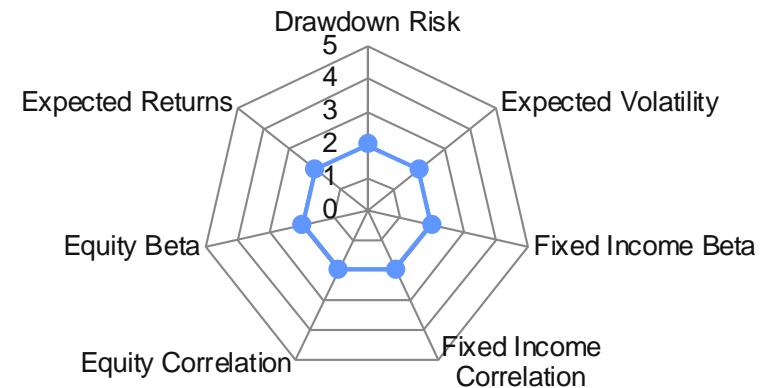
MAC Absolute Return

Strategy Characteristics

- Observed Characteristics
 - Low to Modest Fixed Income and Equity Beta
 - Modest Fixed Income and Equity Correlation
 - *Short term observations can be high*
 - Modest Expected Return and Volatility
 - High Capacity
 - *Capacity can be significantly impacted by inclusion of security selection in the process*
 - Potentially significant leverage



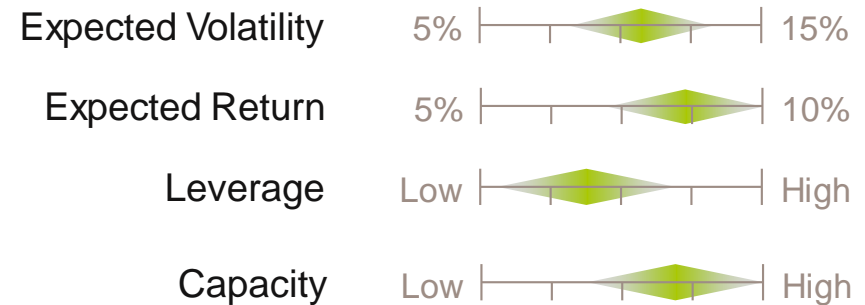
Absolute Return



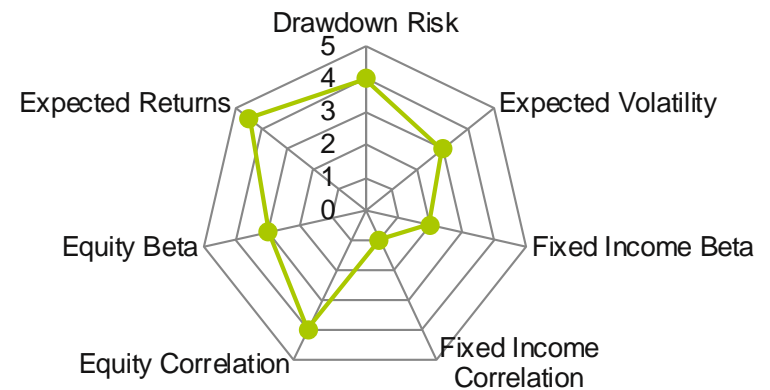
MAC Long Biased

Strategy Characteristics

- Observed Characteristics
 - Highest Equity Correlation and Drawdown Risk
 - *May be mitigated through hedging and opportunistic positioning*
 - *Subject to market regime*
 - High Expected Return and Capacity
 - *Capacity influenced by security selection exposure*
 - Low Fixed Income Beta and Correlation
 - Significant drawdown risk
 - Modest use of leverage



Long Biased



Hedge Fund Strategy Definitions

Based on Credit Suisse Hedge Fund Index

Convertible Arbitrage is identified by investment in the convertible securities of a company. A typical investment is to be long the convertible bond and short the common stock of the same company. Positions are designed to generate profits from the fixed income security as well as the short sale of stock, while protecting principal from market moves.

Dedicated Short Bias maintains net short as opposed to pure short exposure. Short biased managers take short positions in mostly equities and derivatives. The short bias of a manager's portfolio must be constantly greater than zero to be classified in this category.

Emerging Markets involves equity or fixed income investing in emerging markets around the world. Because many emerging markets do not allow short selling, nor offer viable futures or other derivative products with which to hedge, emerging market investing often employs a long-only strategy.

Equity Market Neutral is designed to exploit equity market inefficiencies and usually involves being simultaneously long and short matched equity portfolios of the same size within a country. Market neutral portfolios are designed to be either beta or currency neutral, or both. Well-designed portfolios typically control for industry, sector, market capitalization, and other exposures. Leverage is often applied to enhance returns.

Event Driven is defined as special situations investing designed to capture price movement generated by a significant pending corporate event such as a merger, corporate restructuring, liquidation, bankruptcy or reorganization. There are three popular sub-categories in event-driven strategies: risk arbitrage, distressed securities, and multi-strategy:

- **Risk Arbitrage** invests simultaneously in long and short positions in both companies involved in a merger or acquisition. Risk arbitrageurs are typically long the stock of the company being acquired and short the stock of the acquiring company. The principal risk is deal risk, should the deal fail to close.
- **Distressed** invests in the debt, equity or trade claims of companies in financial distress and general bankruptcy. The securities of companies in need of legal action or restructuring to revive financial stability typically trade at substantial discounts to par value and thereby attract investments when managers perceive a turn-around will materialize. Managers may also take arbitrage positions within a company's capital structure, typically by purchasing a senior debt tier and short-selling common stock, in the hopes of realizing returns from shifts in the spread between the two tiers.
- **Multi-strategy** draws upon multiple themes, including risk arbitrage, distressed securities, and occasionally others such as investments in micro and small capitalization public companies that are raising money in private capital markets. Hedge Fund managers often shift assets between strategies in response to market opportunities.

Fixed Income Arbitrage aims to profit from price anomalies between related interest rate securities. Most managers trade globally with a goal of generating steady returns with low volatility. This category includes interest rate swap arbitrage, US and non-US government bond arbitrage, forward yield curve arbitrage, and mortgage-backed securities arbitrage. The mortgage-backed market is primarily US-based, over-the-counter and particularly complex.

Global Macro managers carry long and short positions in any of the world's major capital or derivative markets. These positions reflect their views on overall market direction as influenced by major economic trends and or events. The portfolios of these Hedge Funds can include stocks, bonds, currencies, and commodities in the form of cash or derivatives instruments. Most Hedge Funds invest globally in both developed and emerging markets.

Hedge Fund Strategy Definitions (continued)

Long/Short Equity involves equity-oriented investing on both the long and short sides of the market. The objective is not to be market neutral. Managers have the ability to shift from value to growth, from small to medium to large capitalization stocks, and from a net long position to a net short position. Managers may use futures and options to hedge. The focus may be regional, such as long/short US or European equity, or sector specific, such as long and short technology or healthcare stocks.

Managed Futures invests in listed financial and commodity futures markets and currency markets around the world. The managers are usually referred to as Commodity Trading Advisors, or CTAs. Trading disciplines are generally systematic or discretionary. Systematic traders tend to use price and market specific information (often technical) to make trading decisions, while discretionary managers use a judgmental approach.

Multi-Strategy is characterized by its ability to dynamically allocate capital among strategies falling within several traditional Hedge Fund disciplines. The use of many strategies, and the ability to reallocate capital between strategies in response to market opportunities, means that such Hedge Funds are not easily assigned to any traditional category. The Multi-strategy category also includes Hedge Funds employing unique strategies that do not fall under any of the other descriptions.

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
25	09/12/18	Retirement	Action	08/11/18

Subject: Whether to Approve a Contract with Callan LLC to Provide Retirement Fund Investment Performance Advisory and Evaluation Services for the ATU, IBEW, and Salaried Plans (ALL). (Adelman)

ISSUE

Whether to Approve a Contract with Callan LLC to Provide Retirement Fund Investment Performance Advisory and Evaluation Services for the ATU, IBEW, and Salaried Plans for the Time Period from January 1, 2019 through December 31, 2024, with a Single Two-Year Option to Extend, for an Amount Not To Exceed \$725,000 for the Five-Year Base Term and \$270,000 for the Two-Year Option Term (ALL). (Adelman)

RECOMMENDED ACTION

Adopt Resolution No. 18-09-____, Approving a Contract with Callan LLC to Provide Retirement Fund Investment Performance Advisory and Evaluation Services for the ATU, IBEW, and Salaried Plans for the Time Period January 1, 2019 through December 31, 2024, with a Single Two-Year Option to Extend, for an Amount Not-To-Exceed \$725,000 for the for the First Five Year Term and \$270,000 for the Two-Year Option Term.

FISCAL IMPACT

Core services will be provided on a fixed-fee basis during the Base and Option Terms as follows:

<u>Core Services</u>	<u>Amount</u>	<u>Option Years</u>	<u>Amount</u>
Year 1	\$ 125,000	Year 6	\$ 133,000
Year 2	129,000	Year 7	137,000
Year 3	133,000		
Year 4	137,000	Total Option Years	<u>\$ 270,000</u>
Year 5	141,000		
Subtotal Years 1-5	665,000		
Custodian Procurement	<u>60,000</u>		
Total Years 1-5 and Custodian Procurement	<u>\$ 725,000</u>		

Costs will be shared proportionally by the Retirement Plans.

Additional services will be provided pursuant to separate work directives.

Approved:

Presented:

Final 09/04/18

VP of Finance/CFO

Treasury Controller

J:\Retirement Board\2018\IPs\Quarterly Meetings\September 12, 2018\FI IPs\09-12-18 Award Contract to Callan LLC for Retirement Fund Inv Perf Advisory and Evaluation Services.docx

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
25	09/12/18	Retirement	Action	08/11/18

Subject: Whether to Approve a Contract with Callan LLC to Provide Retirement Fund Investment Performance Advisory and Evaluation Services for the ATU, IBEW, and Salaried Plans (ALL). (Adelman)

DISCUSSION

The Retirement Boards' current contract with Callan LLC to provide investment consulting services to the Retirement Plans will expire on December 31, 2018. In May 2018, at the request of staff for the Retirement Plans, Sacramento Regional Transit District's (SacRT) Procurement Department issued a Request for Proposals (RFP) for Retirement Fund Investment Performance Advisory and Evaluation Services. On July 6, 2018, seven responses to the RFP were received. Six of the proposals were deemed responsive, met all of the RFP requirements, and were provided to an Evaluation Committee for review.

The Evaluation Committee was comprised of one non-Board member of each of the five bargaining groups (ATU, IBEW, AEA, AFSCME and MCEG), and SacRT's Treasury Controller and VP of Finance/CFO. The Evaluation Committee scored each of the six responsive proposals using the evaluation criteria set forth in the RFP. Callan LLC was ranked first by six of the seven Evaluation Committee members and had the highest total composite score. The Evaluation Committee concluded that no oral interviews were required. Staff and legal counsel have completed contract modification negotiations, and the Evaluation Committee recommends the Boards award the subject contract to Callan LLC as set forth above.

Core tasks included in the fixed fee arrangement will include:

Item	Item Description <small>(References Paragraph Number in Section VI, Contract Scope)</small>	Year 1	Year 2	Year 3	Year 4	Year 5
1.0	Performance Evaluation of Salaried, ATU and IBEW Retirement Plans	\$94,500	\$98,500	\$102,500	\$106,500	\$110,500
2.0	Asset Allocation Study (Assume 1 time each year)	Included	Included	Included	Included	Included
3.0	Asset Liability Study (assume 1 every five years)	\$18,500	\$18,500	\$18,500	\$18,500	\$18,500
4.0	Review of Investment Strategy	Included	Included	Included	Included	Included
5.0	Fund Manager Search (assume 2 in a five year period)	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
6.0	Monitoring RTRB Fund Managers	Included	Included	Included	Included	Included
7.0	Annual Training for RTRB members and staff	Included	Included	Included	Included	Included
	SUB-TOTAL <i>(Transfer to Table A below):</i>	\$125,000	\$129,000	\$133,000	\$137,000	\$141,000

The current annual fixed fee for the services listed above is \$129,100. Callan discounted the annual cost in year one by approximately 3% and then applied a 3% cost escalation factor year over year thereafter.

RESOLUTION NO. 18-09-_____

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

September 12, 2018

APPROVING A CONTRACT WITH CALLAN LLC TO PROVIDE RETIREMENT FUND INVESTMENT PERFORMANCE ADVISORY AND EVALUATION SERVICES FOR THE ATU, IBEW, AND SALARIED RETIREMENT PLANS

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

THAT the General Manager of the Sacramento Regional Transit District is authorized to execute a contract on behalf of the ATU Local Union 256 Retirement Board with Callan LLC for Investment Performance Advisory and Evaluation Services for a five-year term at a cost not to exceed \$725,000, with a two-year option term at a cost not to exceed \$270,000, in a form acceptable to Legal Counsel.

RALPH NIZ, Chair

A T T E S T:

Corina DeLaTorre, Secretary

By: _____
Valerie Weekly, Assistant Secretary

RESOLUTION NO. 18-09-_____

Adopted by the Board of Directors for the Retirement Plan for Sacramento Regional Transit District Employees Who Are Members of the IBEW Local Union 1245 on this date:

September 12, 2018

APPROVING A CONTRACT WITH CALLAN LLC TO PROVIDE RETIREMENT FUND INVESTMENT PERFORMANCE ADVISORY AND EVALUATION SERVICES FOR THE ATU, IBEW, AND SALARIED RETIREMENT PLANS

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

THAT the General Manager of the Sacramento Regional Transit District is authorized to execute a contract on behalf of the IBEW Local Union 1245 Retirement Board with Callan LLC for Investment Performance Advisory and Evaluation Services for a five-year term at a cost not to exceed \$725,000, with a two-year option term at a cost not to exceed \$270,000, in a form acceptable to Legal Counsel.

ERIC OHLSON, Chair

A T T E S T:

Constance Bibs, Secretary

By: _____
Valerie Weekly, Assistant Secretary

RESOLUTION NO. 18-09-_____

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

September 12, 2018

APPROVING A CONTRACT WITH CALLAN LLC TO PROVIDE RETIREMENT FUND INVESTMENT PERFORMANCE ADVISORY AND EVALUATION SERVICES FOR THE ATU, IBEW, AND SALARIED RETIREMENT PLANS

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

THAT the General Manager of the Sacramento Regional Transit District is authorized to execute a contract on behalf of the AEA Retirement Board with Callan LLC for Investment Performance Advisory and Evaluation Services for a five-year term at a cost not to exceed \$725,000, with a two-year option term at a cost not to exceed \$270,000, in a form acceptable to Legal Counsel.

Russel Devorak, Chair

A T T E S T:

Sue Robison, Secretary

By: _____
Valerie Weekly, Assistant Secretary

RESOLUTION NO. 18-09-_____

Adopted by the Board of Directors for the Retirement Plan for Sacramento Regional Transit District Employees Who Are Members of the AFSCME on this date:

September 12, 2018

APPROVING A CONTRACT WITH CALLAN LLC TO PROVIDE RETIREMENT FUND INVESTMENT PERFORMANCE ADVISORY AND EVALUATION SERVICES FOR THE ATU, IBEW, AND SALARIED RETIREMENT PLANS

BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS FOR THE RETIREMENT PLAN FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES WHO ARE MEMBERS OF THE AFSCME AS FOLLOWS:

THAT the General Manager of the Sacramento Regional Transit District is authorized to execute a contract on behalf of the AFSCME Retirement Board with Callan LLC for Investment Performance Advisory and Evaluation Services for a five-year term at a cost not to exceed \$725,000, with a two-year option term at a cost not to exceed \$270,000, in a form acceptable to Legal Counsel.

CHARLES MALLONEE, Chair

A T T E S T:

Gary Parks, Secretary

By: _____
Valerie Weekly, Assistant Secretary

RESOLUTION NO. 18-09-_____

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

September 12, 2018

APPROVING A CONTRACT WITH CALLAN LLC TO PROVIDE RETIREMENT FUND INVESTMENT PERFORMANCE ADVISORY AND EVALUATION SERVICES FOR THE ATU, IBEW, AND SALARIED RETIREMENT PLANS

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

THAT the General Manager of the Sacramento Regional Transit District is authorized to execute a contract on behalf of the MCEG Retirement Board with Callan LLC for Investment Performance Advisory and Evaluation Services for a five-year term at a cost not to exceed \$725,000, with a two-year option term at a cost not to exceed \$270,000, in a form acceptable to Legal Counsel.

Mark Lonergan, Chair

A T T E S T:

Roger Thorn, Secretary

By: _____
Valerie Weekly, Assistant Secretary