



# 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, DECEMBER 11, 2019

REGIONAL TRANSIT AUDITORIUM

1400 29<sup>TH</sup> STREET, SACRAMENTO, CALIFORNIA

Website Address: [www.sacrt.com](http://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, Kennedy, Niz, McGee Lee  
Alternates: Jennings, Lucien

IBEW Retirement Board: Directors: Li, Kennedy, Ohlson, Bibbs  
Alternates: Jennings, McCleskey

AEA Retirement Board: Directors: Li, Kennedy, Devorak, Robison  
Alternates: Jennings, McGoldrick

AFSCME Retirement Board: Directors: Li, Kennedy, Guimond, Thompson  
Alternates: Jennings, \_\_\_\_\_

MCEG Retirement Board: Directors: Li, Kennedy, Ham, Norman  
Alternates: Jennings, Flores

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

At this time the public may address the Retirement Board(s) on subject matters pertaining to Retirement Board business listed on the Consent Calendar, any Closed Sessions or items not listed on the agenda. Remarks may be limited to 3 minutes subject to the discretion of the Common Chair. Members of the public wishing to address one or more of the Boards may submit a "Public Comment Speaker 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 September 11, 2019 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 September 30, 2019 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	Approving the Minutes for the September 11, 2019 Quarterly Retirement Board Meeting (AFSCME). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
4. Motion:	Receive and File Administrative Reports for the Quarter Ended September 30, 2019 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"/>
5. Motion:	Approving the Minutes for the September 11, 2019 Quarterly Retirement Board Meeting (ATU). (Weekly)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Motion:	Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the ATU Pension Plan (ATU). (Adelman)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Motion:	Approving the Minutes for the September 11, 2019 Quarterly Retirement Board Meeting (IBEW). (Weekly)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Motion:	Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the IBEW Pension Plan (IBEW). (Adelman)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Motion:	Approving the Minutes for the September 11, 2019 Quarterly Retirement Board Meeting (MCEG). (Weekly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
10. Motion:	Receive and File Administrative Reports for the Quarter Ended September 30, 2019 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"/>
11. Motion:	Receive and File Update on Staff Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

### **NEW BUSINESS**

		<u>ATU</u>	<u>IBEW</u>	<u>AEA</u>	<u>AFSCME</u>	<u>MCEG</u>
12. Information:	Investment Performance Review by Atlanta Capital for the ATU, IBEW and Salaried Funds for the Domestic Small Cap Equity Asset Class for the Quarter Ended September 30, 2019 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
13. Information:	Investment Performance Review of the S&P 500 Index and MSCI EAFE Funds by State Street Global Advisors (SSgA) for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended September 30, 2019 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
14. Motion	Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for Quarter Ended September 30, 2019 (ALL). (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
15. Information:	Emerging Markets Analysis and Review of Dimensional Fund Advisors (DFA) Investment Manager Performance (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**

Update on Potential Real Estate Asset Class Fund Manager Search

### **REPORTS, IDEAS AND COMMUNICATIONS**

Update on Custodial Services Transition

## **ADJOURN**

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### 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 – 29<sup>th</sup> Street and posted to SacRT's website at [www.sacrt.com](http://www.sacrt.com).

Any person(s) requiring accessible formats of the agenda or assisted listening devices/sign language interpreters should contact the Pension and Retiree Services Administrator at 916-556-0296 or TDD 916/483-4327 at least 72 business hours in advance of the Board Meeting.

Copies of staff reports or other written documentation relating to each item of business referred to on the agenda are on file with the Human Resources Analyst at 916-556-0245 and/or Clerk to the Board of Directors of the Sacramento Regional Transit District and are available for public inspection at 1400 29<sup>th</sup> 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, September 11, 2019  
MEETING SUMMARY**

**ROLL CALL**

The Retirement Board was brought to order at 9:02 a.m. A quorum was present comprised as follows: Directors Kennedy, Li, Devorak and Robison. Alternate McGoldrick 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 AEA Resolution No. 18-12-200 for calendar year 2019, 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 June 12, 2019 Quarterly Retirement Board Meeting (AEA). (Weekly)
2. Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
3. Motion: Approving the Minutes for the July 24, 2019 Special Retirement Board Meeting (AEA). (Adelman)

Director Devorak moved to adopt AEA Retirement Board Items 1-3. Director Robison seconded the motion. Items 1-3 were carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Devorak and Robison. Noes: None.

16. Motion: Adopting Regional Transit Retirement Boards 2020 Meeting Calendar (ALL). (Weekly)

Director Devorak moved to adopt Item 16. Director Robison seconded the motion. Item 20 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Devorak and Robison. Noes: None.

**NEW BUSINESS**

17. Information: Update on Staff Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Valerie Weekly provided an update on the roles and responsibilities of various District staff members and Legal Counsel related to the administration of the Pension Plans. Staff clarified that this was an informational item and no motion would be needed.

18. Information: Investment Performance Review by Dimensional Fund Advisors (DFA) for the ATU, IBEW and Salaried Employee Retirement Funds for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Chermaine Fullinck with DFA, who provided the investment performance results for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

19. Information: Investment Performance Review by Boston Partners for the ATU, IBEW and Salaried Employee Retirement Funds for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Carolyn Margiotti with Boston Partners, who provided the investment performance results for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

20. Motion Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy and Uvan Tseng with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2019 and were available for questions. In response to a question from Director Devorak regarding DFA's relative weighting of investments in China and whether or not to put DFA on watch, Ms. Heaphy responded that Callan will analyze the Emerging Markets allocations, possibly extract certain markets from the benchmark, and provide analysis at the next meeting.

Director Devorak moved to adopt Item 20. Director Robison seconded the motion. Item 20 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Devorak and Robison. Noes: None.

Prior to beginning discussion of agenda item 21, Director Robison stepped down from the dais recused herself from participation in the Boards' discussion and any resulting

action due to her work as the procurement analyst for the subject contract solicitation. Alternate McGoldrick was seated at the dais to participate in Director Robison's stead.

21. Resolution      Conditionally Award a Contract for Investment Custodial and Compliance Monitoring Services for the ATU, IBEW and Salaried Plans (ALL). (Adelman)

Jamie Adelman presented item 21 for approval. Jamie noted that three proposals came in: from Northern Trust, State Street and BMO. Staff recommended that Northern Trust be conditionally awarded the contract to allow the 10-day bid protest period to run and to allow for final negotiations of the services contract. Jamie noted that the new contract price came in at 30% less than the cost of services by the incumbent, State Street.

Jamie expressed appreciation to the Plans' advisors at Callan, legal counsel at Hanson Bridgett and the members of the evaluation committee for their assistance with the solicitation.

In response to question from MCEG Director Thorn regarding the transition process and plan, Jamie noted that Northern Trust has a special dedicated team during the transition process. She felt that between the dedicated team at Northern Trust and expert advice from Callan, there would be a smooth transition and there will be no delay or variance. Jamie added that the transition process will take approximately 90 days. Jamie added that there should be no changes in market value. Northern Trust will ensure that the balance for each investment will match State Street's close-of-month investment balances to the next month's opening balances.

ATU Director McGee-Lee asked what factors were key to determining the award of the contract to Northern Trust. Jamie mentioned that there were multiple factors, including customer service, accuracy and work product. She added that Northern Trust was technologically strong, and provides more clarity and transparency. Jamie also noted that Northern Trust has an online portal that provides information almost in real time. Price saving and feedback from Callan were additional factors.

Brent Bernegger noted that some clients from the incumbent custodian, State Street, have recently moved to other custodians. Jamie noted that since 2012, five relationship managers left State Street, which is a big turnover. She added that the level of service from State Street decreased every time a relationship manager left. She felt that this was the right time to go out and do an earnest search to make sure that the plans have a good custodian bank for a long time.

Director Devorak moved to adopt Item 21. Alternate McGoldrick seconded the motion. Item 21 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li and Devorak and Alternate McGoldrick. Noes: None.

Director Robison returned to her seat at the dais, replacing Alternate McGoldrick.

**REPORTS FROM COMMITTEES**

None.

**REPORTS, IDEAS AND COMMUNICATIONS**

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.

23.                   **Closed Session Item (AEA):**  
Conference with Legal Counsel – Anticipated Litigation  
Significant Exposure to Litigation Pursuant to Government Code  
Section 54956.9(d)(2): 14 Potential Cases

The AEA Retirement Board recessed to closed session at 10:10 a.m. and reconvened in open session at 10:30.

**CLOSED SESSION REPORT**

No reportable actions were taken in the closed session.

The AEA Retirement board adjourned at 10:31 a.m.

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Russel Devorak, Chair

ATTEST:

Henry Li, 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	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

## ISSUE

Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

## RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

## FISCAL IMPACT

None.

## DISCUSSION

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

**Table 1**

### **Employer Contribution Rates As of September 30, 2019**

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

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

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

## Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended September 30, 2019. The financial statements are presented on an accrual basis and consist of a Statement of Fiduciary Net Position (balance sheet) (Attachment 1), a Statement of Changes in Fiduciary Net Position (income statement) for the quarter ended September 30,

Approved:

Presented:

Final 11/27/19

VP of Finance/CFO

AVP of Finance and Treasury

J:\Retirement Board\2019\IP's\Quarterly Meetings\December 11, 2019\FI FINAL IPs



Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

2019 (Attachment 2), and a year-to-date Statement of Changes in Fiduciary Net Position (Attachment 3).

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

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

### Asset Rebalancing

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

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

Attached hereto as Attachment 4 is the Salaried Plan's Schedule of Cash Activities for the three months ended September 30, 2019. 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 September 30, 2019. The Salaried Plan reimbursed \$115,524.52 to the District as the result of the net cash activity between the pension plan expenses and the required pension contributions.

Attached hereto as Attachment 5 is the Salaried Plan's Asset Allocation as of September 30, 2019. 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

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
2	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
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differ in that the unaudited financial statements reflect both investment activities and the pension fund's inflows and outflows. Callan's report only reflects the investment activities. The "Net Difference" amounts shown are the results of Callan and State Street using different valuations for the same securities and/or litigation settlements received by the Plans.

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

Attached hereto as Attachment 8 is a schedule reflecting Fund Managers' quarterly investment returns and their investment fees. Additionally, the schedule reflects annual rates of return on investment net of investment fees for the one-year and three-year periods ended September 30, 2019 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 September 30, 2019.

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

Accrual Basis

As of September 30, 2019

	Sep 30, 19
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	100,639,863.53
Total Long-Term Investments	100,639,863.53
Total Checking/Savings	100,639,863.53
Other Current Assets	
1110120 · Prepays	7,883.75
Total Other Current Assets	7,883.75
Total Current Assets	100,647,747.28
<b>TOTAL ASSETS</b>	<b>100,647,747.28</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	29,924.42
3110110 · Other Pay - Due to RT	74,353.18
3110122 · MetWest	24,600.50
3110124 · Boston Partners	21,136.66
3110125 · Callan	3,479.50
3110126 · State Street	7,824.68
3110128 · Atlanta Capital	17,469.21
3110129 · S&P Index - SSgA	2,106.60
3110130 · EAFE - SSgA	932.89
3110132 · Pyrford	15,728.01
Total Accounts Payable	197,555.65
Total Current Liabilities	197,555.65
Total Liabilities	197,555.65
Equity	
3340101 · Retained Earnings	99,186,092.24
Net Income	1,264,099.39
Total Equity	100,450,191.63
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>100,647,747.28</b>

**Sacto Regional Transit District Retirement Plan - Salaried**  
**Statement of Changes in Fiduciary Net Position**  
 July through September 2019

Accrual Basis

	<u>Jul - Sep 19</u>	<u>% of Income</u>
<b>Income</b>		
Interest, Dividend, & Other Inc	755,192.89	20.1%
Investment Income	710,851.74	18.9%
RT Required Contribution	2,229,141.13	59.2%
6630110 · Employee Contribution	69,931.56	1.9%
<b>Total Income</b>	<u>3,765,117.32</u>	<u>100.0%</u>
<b>Cost of Goods Sold</b>		
8531210 · AEA - Retirement Benefits Paid	840,162.32	22.3%
8531211 · AFSCME-Retirement Benefits Paid	617,937.41	16.4%
8531212 · MCEG - Retirement Benefits Paid	825,336.85	21.9%
8531213 · Employee Contribution Refunds	22,470.10	0.6%
8532004 · Invest Exp - MetropolitanWest	24,600.50	0.7%
8532013 · Invest Exp - Boston Partners	21,136.66	0.6%
8532020 · Invest Exp - Callan	30,429.69	0.8%
8532021 · Invest Exp - State Street	11,828.65	0.3%
8532024 · Invest Exp - Atlanta Capital	17,469.21	0.5%
8532025 · Invest Exp - S&P Index SSgA	2,106.60	0.1%
8532026 · Invest Exp - EAFE SSgA	932.89	0.0%
8532027 · Invest Exp - AQR	9,163.15	0.2%
8532028 · Invest Exp - Pyrford	15,728.01	0.4%
<b>Total COGS</b>	<u>2,439,302.04</u>	<u>64.8%</u>
<b>Gross Profit</b>	<u>1,325,815.28</u>	<u>35.2%</u>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	4,154.71	0.1%
8533007 · Admin Exp - CALPRS Dues/Courses	3,000.00	0.1%
8533010 · Admin Exp - Travel	850.88	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,378.75	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533026 · Admin Exp - Legal Services	20,550.39	0.5%
8533029 · Admin Exp - Administrator	28,454.69	0.8%
8533050 · Admin Exp - Misc Exp	53.15	0.0%
8533051 · Admin Exp - Audit	1,023.32	0.0%
<b>Total Expense</b>	<u>61,715.89</u>	<u>1.6%</u>
<b>Net Income</b>	<u><u>1,264,099.39</u></u>	<u><u>33.6%</u></u>

**Sacto Regional Transit District Retirement Plan - Salaried  
Statement of Changes in Fiduciary Net Position  
July through September 2019**

Accrual Basis

	Jul - Sep 19	% of Income
<b>Income</b>		
Interest, Dividend, & Other Inc	755,192.89	20.1%
Investment Income	710,851.74	18.9%
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<b>Total Income</b>	<b>3,765,117.32</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531210 · AEA - Retirement Benefits Paid	840,162.32	22.3%
8531211 · AFSCME-Retirement Benefits Paid	617,937.41	16.4%
8531212 · MCEG - Retirement Benefits Paid	825,336.85	21.9%
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8532004 · Invest Exp - MetropolitanWest	24,600.50	0.7%
8532013 · Invest Exp - Boston Partners	21,136.66	0.6%
8532020 · Invest Exp - Callan	30,429.69	0.8%
8532021 · Invest Exp - State Street	11,828.65	0.3%
8532024 · Invest Exp - Atlanta Capital	17,469.21	0.5%
8532025 · Invest Exp - S&P Index SSgA	2,106.60	0.1%
8532026 · Invest Exp - EAFE SSgA	932.89	0.0%
8532027 · Invest Exp - AQR	9,163.15	0.2%
8532028 · Invest Exp - Pyrford	15,728.01	0.4%
<b>Total COGS</b>	<b>2,439,302.04</b>	<b>64.8%</b>
<b>Gross Profit</b>	<b>1,325,815.28</b>	<b>35.2%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	4,154.71	0.1%
8533007 · Admin Exp - CALPRS Dues/Courses	3,000.00	0.1%
8533010 · Admin Exp - Travel	850.88	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,378.75	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533026 · Admin Exp - Legal Services	20,550.39	0.5%
8533029 · Admin Exp - Administrator	28,454.69	0.8%
8533050 · Admin Exp - Misc Exp	53.15	0.0%
8533051 · Admin Exp - Audit	1,023.32	0.0%
<b>Total Expense</b>	<b>61,715.89</b>	<b>1.6%</b>
<b>Net Income</b>	<b>1,264,099.39</b>	<b>33.6%</b>

**Sacramento Regional Transit District**  
**Retirement Fund - Salaried**  
**Schedule of Cash Activities**  
**For the Three Months Period Ended September 30, 2019**

	July 2019	August 2019	September 2019	Quarter Totals
<b>Beginning Balance:</b>				
Due (from)/to District - June 30, 2019	(6,615.70)	104,451.56	17,688.66	(6,615.70)
<b>Monthly Activity:</b>				
<b>Deposits</b>				
District Pension Contributions @ 29.66 to 35.41%	773,878.68	728,982.54	726,279.91	2,229,141.13
Employee Pension Contributions	26,270.91	22,181.15	21,479.50	69,931.56
Total Deposits	800,149.59	751,163.69	747,759.41	2,299,072.69
<b>Expenses</b>				
Payout to Retirees:				
AEA	(282,638.76)	(278,761.78)	(278,761.78)	(840,162.32)
AFSCME	(209,824.01)	(194,313.34)	(213,800.06)	(617,937.41)
MCEG	(280,927.19)	(268,574.97)	(275,834.69)	(825,336.85)
Employee Contribution Refunds	(18,774.44)	(3,695.66)	-	(22,470.10)
Payout to Retirees Subtotal	(792,164.40)	(745,345.75)	(768,396.53)	(2,305,906.68)
Fund Investment Management Expenses:				
Atlanta Capital	(17,556.59)	-	-	(17,556.59)
Boston Partners	(20,635.94)	-	-	(20,635.94)
SSgA S&P 500 Index	(2,053.04)	-	-	(2,053.04)
SSgA EAFE MSCI	(928.72)	-	-	(928.72)
Metropolitan West	(23,969.55)	-	-	(23,969.55)
Pyrford	(15,552.02)	-	-	(15,552.02)
State Street	(3,859.62)	-	(11,723.21)	(15,582.83)
Callan	(3,469.38)	(3,475.99)	(23,474.20)	(30,419.57)
Fund Invest. Mgmt Exp. Subtotal	(88,024.86)	(3,475.99)	(35,197.41)	(126,698.26)
Administrative Expenses				
Legal Services	(6,850.13)	(6,850.13)	(6,850.13)	(20,550.39)
Pension Administration	(9,770.97)	(9,643.96)	(9,039.76)	(28,454.69)
Actuarial Services	(4,790.79)	(2,910.25)	(2,101.00)	(9,802.04)
Travel	-	(626.27)	(224.61)	(850.88)
Investigation Information Services	-	-	(250.00)	(250.00)
CALAPRS Training	(3,000.00)	-	-	(3,000.00)
Miscellaneous	-	-	(53.15)	(53.15)
Administrative Exp. Subtotal	(24,411.89)	(20,030.61)	(18,518.65)	(62,961.15)
<b>Total Expenses</b>	<b>(904,601.15)</b>	<b>(768,852.35)</b>	<b>(822,112.59)</b>	<b>(2,495,566.09)</b>
Monthly Net Owed from/(to) District	(104,451.56)	(17,688.66)	(74,353.18)	(196,493.40)
Payment from/(to) the District	6,615.70	(104,451.56)	(17,688.66)	(115,524.52)
<b>Ending Balance:</b>				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	104,451.56	17,688.66	74,353.18	74,353.18

RT Combined Pension Plans - ATU, IBEW and Salaried  
Asset Allocation \*  
As of September 30, 2019

Asset Class	Net Asset Market Value 9/30/2019	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
<b>FUND MANAGERS:</b>						
<b>Domestic Equity:</b>						
Large Cap Value - Boston Partners - Z8	\$ 47,014,494	15.60%	16.00%	-0.40%	\$ (1,191,575)	
Large Cap Growth - SSgA S&P 500 Index - XH	50,921,136	16.90%	16.00%	0.90%	2,715,068	
<b>Total Large Cap Domestic Equity</b>	<b>97,935,631</b>	<b>32.51%</b>	<b>32.00%</b>	<b>0.51%</b>	<b>1,523,493</b>	<b>\$ 96,412,138</b>
<b>Small Cap - Atlanta Capital - XB</b>	<b>26,149,362</b>	<b>8.68%</b>	<b>8.00%</b>	<b>0.68%</b>	<b>2,046,328</b>	<b>24,103,034</b>
<b>International Equity:</b>						
<b>Large Cap Growth:</b>						
Pyrford - ZD	27,548,449	9.14%	9.50%	-0.36%	(1,073,905)	
<b>Large Cap Core:</b>						
SSgA MSCI EAFE - XG	11,287,778	3.75%				
Value - Brandes - XE	0	0.00%				
<b>Total Core</b>	<b>11,287,778</b>	<b>3.75%</b>	<b>4.50%</b>	<b>-0.75%</b>	<b>(2,270,179)</b>	
<b>Small Cap:</b>						
AQR - ZB	12,803,407	4.25%	5.00%	-0.75%	(2,260,990)	
<b>Emerging Markets</b>						
DFA - ZA	15,769,098	5.23%	6.00%	-0.77%	(2,308,177)	
<b>Total International Equity</b>	<b>67,408,731</b>	<b>22.37%</b>	<b>25.00%</b>	<b>-2.63%</b>	<b>(7,913,251)</b>	<b>75,321,983</b>
<b>Fixed Income:</b>						
Met West - XD	109,794,206	36.44%	35.00%	1.44%	4,343,431	105,450,776
<b>Total Combined Net Asset</b>	<b>\$ 301,287,930</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$ 1</b>	<b>\$ 301,287,930</b>

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

\* 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 September 30, 2019**

<b>Per Both Pension Fund Balance Sheets:</b>	
ATU Allocated Custodial Assets	139,683,520
IBEW Allocated Custodial Assets	60,964,546
Salaried Allocated Custodial Assets	<u>100,639,864</u>
<b>Total Consolidated Net Asset</b>	<u><u>301,287,930</u></u>
<b>Per Callan Report:</b>	
Total Investments	<u><u>301,283,631</u></u>
<b>Net Difference</b>	<u><u>4,299</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 September 30, 2019**

<b>Per Both Pension Fund Income Statements:</b>	
ATU - Interest, Dividends, and Other Income	1,082,347
ATU - Investment Income	1,005,935
IBEW - Interest, Dividends, and Other Income	464,978
IBEW - Investment Income	459,844
Salaried - Interest, Dividends, and Other Income	746,030
Salaried - Investment Income	<u>710,852</u>
<b>Total Investment Income</b>	<u><u>4,469,985</u></u>
<b>Per Callan Report:</b>	
Investment Returns	<u><u>4,466,637</u></u>
<b>Net Difference</b>	<u><u>3,348</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 September 30, 2019				
	July	August	September	Total
<b>Payments from/(to) the District</b>				-
Boston Partners - ATU				-
Boston Partners - IBEW				-
Boston Partners - Salaried				-
S&P 500 Index - ATU	(336,261)			(336,261)
S&P 500 Index - IBEW	(74,527)			(74,527)
S&P 500 Index - Salaried	6,616			6,616
Atlanta Capital - ATU		(327,065)	(282,135)	(609,201)
Atlanta Capital - IBEW		(122,613)	(64,055)	(186,668)
Atlanta Capital - Salaried		(104,452)	(17,689)	(122,140)
Pyrford - ATU				-
Pyrford - IBEW				-
Pyrford - Salaried				-
EAFE - ATU				-
EAFE - IBEW				-
EAFE - Salaried				-
Brandes - ATU				-
Brandes - IBEW				-
Brandes - Salaried				-
AQR - ATU				-
AQR - IBEW				-
AQR - Salaried				-
DFA - ATU				-
DFA - IBEW				-
DFA - Salaried				-
Metropolitan West - ATU				-
Metropolitan West - IBEW				-
Metropolitan West - Salaried				-
<b>Total Payments from/(to) the District</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Transfers In/(Out) of Investment Funds</b>				-
Boston Partners				-
S&P 500 Index	(404,172)			(404,172)
Atlanta Capital		(554,130)	(363,880)	(918,009)
Pyrford				-
EAFE				-
Brandes				-
AQR				-
DFA				-
Metropolitan West				-
<b>Total Transfers In/(Out) of Investment Funds</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Variance between Payments and Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Per Callan Report:</b>				
Net New Investment/(Withdrawals)				<u>(1,322,181)</u>
<b>Net Difference</b>				<u>(0)</u>

Consolidated Schedule of Cash Activities For the 12-Months September 30, 2019					
	4Q18	1Q19	2Q19	3Q19	Total
<b>Payments from/(to) the District</b>					
Boston Partners - ATU	-	4	(54,258)	-	(54,254)
Boston Partners - IBEW	-	2	-	-	2
Boston Partners - Salaried	-	2	54,258	-	54,261
S&P 500 Index - ATU	(453,869)	-	(58,610)	(336,261)	(848,741)
S&P 500 Index - IBEW	(86,233)	-	-	(74,527)	(160,759)
S&P 500 Index - Salaried	(42,143)	-	58,610	6,616	23,084
Atlanta Capital - ATU	-	-	(30,314)	(609,201)	(639,515)
Atlanta Capital - IBEW	-	-	-	(186,668)	(186,668)
Atlanta Capital - Salaried	-	-	30,314	(122,140)	(91,826)
Pyrford - ATU	-	-	(31,780)	-	(31,780)
Pyrford - IBEW	-	-	-	-	-
Pyrford - Salaried	-	-	31,780	-	31,780
EAFE - ATU	-	-	(13,150)	-	(13,150)
EAFE - IBEW	-	-	-	-	-
EAFE - Salaried	-	-	13,150	-	13,150
Brandes - ATU	-	(4)	-	-	(4)
Brandes - IBEW	-	(2)	-	-	(2)
Brandes - Salaried	-	(2)	-	-	(2)
AQR - ATU	-	-	(15,314)	-	(15,314)
AQR - IBEW	-	-	-	-	-
AQR - Salaried	-	-	15,314	-	15,314
DFA - ATU	-	-	(19,252)	-	(19,252)
DFA - IBEW	-	-	-	-	-
DFA - Salaried	-	-	19,252	-	19,252
Metropolitan West - ATU	(299,003)	(800,166)	(999,082)	-	(2,098,251)
Metropolitan West - IBEW	(78,875)	(161,974)	(204,136)	-	(444,984)
Metropolitan West - Salaried	(106,423)	(59,788)	91,813	-	(74,397)
<b>Total Payments from/(to) the District</b>	<u>(1,066,545)</u>	<u>(1,021,928)</u>	<u>(1,111,404)</u>	<u>(1,322,181)</u>	<u>(4,522,058)</u>

**Sacramento Regional Transit District  
ATU, IBEW and Salaried Retirement Plans  
Schedule of Fund Investment Returns and Expenses  
09/30/19**

	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
<b>Boston Partners</b>										
Investment Returns	(521,526)	100.00%				14,189,056	100.00%			
Investment Expense	(244,303)	-46.84%				(738,606)	5.21%			
Net Gain/(Loss)	(765,829)	146.84%	-1.63%	4.00%	(563.00)	13,450,450	94.79%	10.48%	9.43%	105.00
<b>S&amp;P 500</b>										
Investment Returns	2,037,992	100.00%				17,476,540	100.00%			
Investment Expense	(24,033)	1.18%				(70,488)	0.40%			
Net Gain/(Loss)	2,013,959	98.82%	4.22%	4.25%	(3.00)	17,408,052	99.60%	13.36%	13.39%	(3.00)
<b>Atlanta Capital</b>										
Investment Returns	1,201,114	100.00%				10,559,006	100.00%			
Investment Expense	(199,113)	16.58%				(596,889)	5.65%			
Net Gain/(Loss)	1,002,001	83.42%	3.93%	-8.89%	1282.00	9,962,117	94.35%	14.37%	8.23%	614.00
<b>Pyrford</b>										
Investment Returns	452,332	100.00%				1,594,630	100.00%			
Investment Expense	(181,967)	40.23%				(398,829)	25.01%			
Net Gain/(Loss)	270,365	59.77%	0.97%	-1.34%	231.00	1,195,801	74.99%	N/A	N/A	N/A
<b>EAFE</b>										
Investment Returns	(110,075)	100.00%				2,039,034	100.00%			
Investment Expense	(10,868)	-9.87%				(32,315)	1.58%			
Net Gain/(Loss)	(120,943)	109.87%	-1.06%	-1.34%	28.00	2,006,719	98.42%	6.76%	6.48%	28.00
<b>Brandes</b>										
Investment Returns	(2,876)	100.00%				(2,831)	100.00%			
Investment Expense	-	0.00%				-	0.00%			
Net Gain/(Loss)	(2,876)	100.00%	N/A	N/A	N/A	(2,831)	100.00%	N/A	N/A	N/A
<b>AQR</b>										
Investment Returns	(1,470,278)	100.00%				1,105,307	100.00%			
Investment Expense	(109,815)	-7.47%				(380,655)	34.44%			
Net Gain/(Loss)	(1,580,093)	107.47%	-10.30%	-5.93%	(437.00)	724,652	65.56%	2.64%	5.94%	(330.00)
<b>DFA</b>										
Investment Returns	(280,854)	100.00%				2,090,348	100.00%			
Investment Expense	(106,819)	-38.03%				(318,937)	15.26%			
Net Gain/(Loss)	(387,673)	138.03%	-1.75%	-2.01%	26.00	1,771,411		4.85%	5.98%	(113.00)
<b>Metropolitan West</b>										
Investment Returns	11,775,726	100.00%				12,014,442	100.00%			
Investment Expense	(286,124)	2.43%				(796,858)	6.63%			
Net Gain/(Loss)	11,489,602	97.57%	11.74%	10.30%	144.00	11,217,584	93.37%	3.69%	2.92%	77.00
<b>Total Fund</b>										
Investment Returns	13,081,555	100.00%				63,921,201	100.00%			
Investment Expense	(1,163,042)	8.89%				(3,354,766)	5.25%			
Net Gain/(Loss)	11,918,513	91.11%	4.28%	3.95%	33.00	60,566,435	94.75%	7.70%	7.74%	(4.00)

**Sacramento Regional Transit District, Retirements and Deaths**  
**For the Time Period: July 1, 2019 to September 30, 2019**

**Retirement**

<b>Emp#</b>	<b>Previous Position</b>	<b>Pension Group</b>	<b>RetirementDate</b>
234	Bus Operator	ATU	7/1/2019
526	Bus Operator	ATU	7/20/2019
611	LR Operator	ATU	7/27/2019
1183	Transportation Supervisor	AFSCME Supervisor	8/1/2019
2609	Bus Operator	ATU	8/5/2019
1177	Director, Light Rail	MCEG	9/1/2019
4510	Maintenance Supervisor	AFSCME Supervisor	9/1/2019
773	Bus Operator	ATU	9/2/2019
342	Bus Operator	ATU	9/6/2019
1473	Fare Prepayment Clerk	ATU	9/11/2019
3390	Bus Operator	ATU	9/23/2019

**Deaths**

<b>Emp#</b>	<b>Pension Group</b>	<b>Type</b>	<b>Date of Death</b>
87	ATU	Life Alone	8/4/2019
233	ATU	Life Alone	8/19/2019

**Sacramento Regional Transit District  
AFSCME Retirement Board Meeting  
Wednesday, September 11, 2019  
MEETING SUMMARY**

**ROLL CALL**

The Retirement Board was brought to order at 9:02 a.m. A quorum was present comprised as follows: Directors Kennedy, Li, Guimond and Alternate Thompson. Alternate Jennings was absent.

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

By AFSCME Resolution No. 19-03-168 for calendar year 2019, 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**

- 4. Motion                    Approving the Minutes for the June 12, 2019 Quarterly Retirement Board Meeting (AFSCME). (Weekly)
  
- 5. Motion:                    Receive and File Administrative Reports for the Quarter Ended June 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
  
- 6. Motion:                    Approving the Minutes for the July 24, 2019 Special Retirement Board Meeting (AFSCME). (Adelman)

Director Guimond moved to adopt AFSCME Retirement Board Items 4-6. Alternate Thompson seconded the motion. Items 4-6 were carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Guimond and Alternate Thompson. Noes: None.

- 16. Motion:                    Adopting Regional Transit Retirement Boards 2020 Meeting Calendar (ALL). (Weekly)

Director Guimond moved to adopt Item 16. Alternate Thompson seconded the motion. Item 20 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Guimond and Alternate Thompson. Noes: None.

**NEW BUSINESS**

17. Information: Update on Staff Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Valerie Weekly provided an update on the roles and responsibilities of various District staff members and Legal Counsel related to the administration of the Pension Plans. Staff clarified that this was an informational item and no motion would be needed.

18. Information: Investment Performance Review by Dimensional Fund Advisors (DFA) for the ATU, IBEW and Salaried Employee Retirement Funds for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Chermaine Fullinck with DFA, who provided the investment performance results for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

19. Information: Investment Performance Review by Boston Partners for the ATU, IBEW and Salaried Employee Retirement Funds for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Carolyn Margiotti with Boston Partners, who provided the investment performance results for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

20. Motion Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy and Uvan Tseng with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2019 and were available for questions. In response to a question from AEA Director Devorak regarding DFA's relative weighting of investments in China and whether or not to put DFA on watch, Ms. Heaphy responded that Callan will analyze the Emerging Markets allocations, possibly extract certain markets from the benchmark, and provide analysis at the next meeting.

Director Guimond moved to adopt Item 20. Alternate Thompson seconded the motion. Item 20 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Guimond, and Alternate Thompson. Noes: None.

21. Resolution Conditionally Award a Contract for Investment Custodial and Compliance Monitoring Services for the ATU, IBEW and Salaried Plans (ALL). (Adelman)

Jamie Adelman presented item 21 for approval. Jamie noted that three proposals came in: from Northern Trust, State Street and BMO. Staff recommended that Northern Trust be conditionally awarded the contract to allow the 10-day bid protest period to run and to allow for final negotiations of the services contract. Jamie noted that the new contract price came in at 30% less than the cost of services by the incumbent, State Street.

Jamie expressed appreciation to the Plans' advisors at Callan, legal counsel at Hanson Bridgett and the members of the evaluation committee for their assistance with the solicitation.

In response to question from MCEG Director Thorn regarding the transition process and plan, Jamie noted that Northern Trust has a special dedicated team during the transition process. She felt that between the dedicated team at Northern Trust and expert advice from Callan, there would be a smooth transition and there will be no delay or variance. Jamie added that the transition process will take approximately 90 days. Jamie added that there should be no changes in market value. Northern Trust will ensure that the balance for each investment will match State Street's close-of-month investment balances to the next month's opening balances.

ATU Director McGee-Lee asked what factors were key to determining the award of the contract to Northern Trust. Jamie mentioned that there were multiple factors, including customer service, accuracy and work product. She added that Northern Trust was technologically strong, and provides more clarity and transparency. Jamie also noted that Northern Trust has an online portal that provides information almost in real time. Price saving and feedback from Callan were additional factors.

Brent Bernegger noted that some clients from the incumbent custodian, State Street, have recently moved to other custodians. Jamie noted that since 2012, five relationship managers left State Street, which is a big turnover. She added that the level of service from State Street decreased every time a relationship manager left. She felt that this was the right time to go out and do an earnest search to make sure that the plans have a good custodian bank for a long time.

Director Guimond moved to adopt Item 21. Alternate Thompson seconded the motion. Item 21 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Guimond and Alternate Thompson. Noes: None.

### **REPORTS FROM COMMITTEES**

None.

### **REPORTS, IDEAS AND COMMUNICATIONS**

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.

- 24. **Closed Session Item (AFSCME):**  
 Conference with Legal Counsel – Anticipated Litigation  
 Significant Exposure to Litigation Pursuant to Government Code  
 Section 54956.9(d)(2): 2 Potential Cases

The AFSCME Retirement Board recessed to closed session at 10:32 a.m. and reconvened in open session at 10:39.

**CLOSED SESSION REPORT**

No reportable actions were taken in the closed session.

The AFSCME Retirement board adjourned at 10:40 a.m.

\_\_\_\_\_  
, Chair

ATTEST:

Henry Li, Secretary

By: \_\_\_\_\_  
Valerie Weekly, Assistant Secretary

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

## ISSUE

Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

## RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

## FISCAL IMPACT

None.

## DISCUSSION

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

**Table 1**

### **Employer Contribution Rates As of September 30, 2019**

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

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

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

## Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended September 30, 2019. The financial statements are presented on an accrual basis and consist of a Statement of Fiduciary Net Position (balance sheet) (Attachment 1), a Statement of Changes in Fiduciary Net Position (income statement) for the quarter ended September 30,

Approved:

Presented:

Final 11/27/19

VP of Finance/CFO

AVP of Finance and Treasury

J:\Retirement Board\2019\IP's\Quarterly Meetings\December 11, 2019\FI FINAL IPs



Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

2019 (Attachment 2), and a year-to-date Statement of Changes in Fiduciary Net Position (Attachment 3).

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

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

### Asset Rebalancing

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

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

Attached hereto as Attachment 4 is the Salaried Plan's Schedule of Cash Activities for the three months ended September 30, 2019. 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 September 30, 2019. The Salaried Plan reimbursed \$115,524.52 to the District as the result of the net cash activity between the pension plan expenses and the required pension contributions.

Attached hereto as Attachment 5 is the Salaried Plan's Asset Allocation as of September 30, 2019. 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

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
4	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
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differ in that the unaudited financial statements reflect both investment activities and the pension fund's inflows and outflows. Callan's report only reflects the investment activities. The "Net Difference" amounts shown are the results of Callan and State Street using different valuations for the same securities and/or litigation settlements received by the Plans.

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

Attached hereto as Attachment 8 is a schedule reflecting Fund Managers' quarterly investment returns and their investment fees. Additionally, the schedule reflects annual rates of return on investment net of investment fees for the one-year and three-year periods ended September 30, 2019 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 September 30, 2019.

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

Accrual Basis

As of September 30, 2019

	Sep 30, 19
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	100,639,863.53
Total Long-Term Investments	100,639,863.53
Total Checking/Savings	100,639,863.53
Other Current Assets	
1110120 · Prepays	7,883.75
Total Other Current Assets	7,883.75
Total Current Assets	100,647,747.28
<b>TOTAL ASSETS</b>	<b>100,647,747.28</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	29,924.42
3110110 · Other Pay - Due to RT	74,353.18
3110122 · MetWest	24,600.50
3110124 · Boston Partners	21,136.66
3110125 · Callan	3,479.50
3110126 · State Street	7,824.68
3110128 · Atlanta Capital	17,469.21
3110129 · S&P Index - SSgA	2,106.60
3110130 · EAFE - SSgA	932.89
3110132 · Pyrford	15,728.01
Total Accounts Payable	197,555.65
Total Current Liabilities	197,555.65
Total Liabilities	197,555.65
Equity	
3340101 · Retained Earnings	99,186,092.24
Net Income	1,264,099.39
Total Equity	100,450,191.63
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>100,647,747.28</b>

**Sacto Regional Transit District Retirement Plan - Salaried**  
**Statement of Changes in Fiduciary Net Position**  
 July through September 2019

Accrual Basis

	<u>Jul - Sep 19</u>	<u>% of Income</u>
<b>Income</b>		
Interest, Dividend, & Other Inc	755,192.89	20.1%
Investment Income	710,851.74	18.9%
RT Required Contribution	2,229,141.13	59.2%
6630110 · Employee Contribution	69,931.56	1.9%
<b>Total Income</b>	<u>3,765,117.32</u>	<u>100.0%</u>
<b>Cost of Goods Sold</b>		
8531210 · AEA - Retirement Benefits Paid	840,162.32	22.3%
8531211 · AFSCME-Retirement Benefits Paid	617,937.41	16.4%
8531212 · MCEG - Retirement Benefits Paid	825,336.85	21.9%
8531213 · Employee Contribution Refunds	22,470.10	0.6%
8532004 · Invest Exp - MetropolitanWest	24,600.50	0.7%
8532013 · Invest Exp - Boston Partners	21,136.66	0.6%
8532020 · Invest Exp - Callan	30,429.69	0.8%
8532021 · Invest Exp - State Street	11,828.65	0.3%
8532024 · Invest Exp - Atlanta Capital	17,469.21	0.5%
8532025 · Invest Exp - S&P Index SSgA	2,106.60	0.1%
8532026 · Invest Exp - EAFE SSgA	932.89	0.0%
8532027 · Invest Exp - AQR	9,163.15	0.2%
8532028 · Invest Exp - Pyrford	15,728.01	0.4%
<b>Total COGS</b>	<u>2,439,302.04</u>	<u>64.8%</u>
<b>Gross Profit</b>	<u>1,325,815.28</u>	<u>35.2%</u>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	4,154.71	0.1%
8533007 · Admin Exp - CALPRS Dues/Courses	3,000.00	0.1%
8533010 · Admin Exp - Travel	850.88	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,378.75	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533026 · Admin Exp - Legal Services	20,550.39	0.5%
8533029 · Admin Exp - Administrator	28,454.69	0.8%
8533050 · Admin Exp - Misc Exp	53.15	0.0%
8533051 · Admin Exp - Audit	1,023.32	0.0%
<b>Total Expense</b>	<u>61,715.89</u>	<u>1.6%</u>
<b>Net Income</b>	<u><u>1,264,099.39</u></u>	<u><u>33.6%</u></u>

**Sacto Regional Transit District Retirement Plan - Salaried  
Statement of Changes in Fiduciary Net Position  
July through September 2019**

Accrual Basis

	Jul - Sep 19	% of Income
<b>Income</b>		
Interest, Dividend, & Other Inc	755,192.89	20.1%
Investment Income	710,851.74	18.9%
RT Required Contribution	2,229,141.13	59.2%
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<b>Total Income</b>	<b>3,765,117.32</b>	<b>100.0%</b>
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<b>Total COGS</b>	<b>2,439,302.04</b>	<b>64.8%</b>
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<b>Total Expense</b>	<b>61,715.89</b>	<b>1.6%</b>
<b>Net Income</b>	<b>1,264,099.39</b>	<b>33.6%</b>

**Sacramento Regional Transit District**  
**Retirement Fund - Salaried**  
**Schedule of Cash Activities**  
**For the Three Months Period Ended September 30, 2019**

	July 2019	August 2019	September 2019	Quarter Totals
<b>Beginning Balance:</b>				
Due (from)/to District - June 30, 2019	(6,615.70)	104,451.56	17,688.66	(6,615.70)
<b>Monthly Activity:</b>				
<u>Deposits</u>				
District Pension Contributions @ 29.66 to 35.41%	773,878.68	728,982.54	726,279.91	2,229,141.13
Employee Pension Contributions	26,270.91	22,181.15	21,479.50	69,931.56
Total Deposits	800,149.59	751,163.69	747,759.41	2,299,072.69
<u>Expenses</u>				
Payout to Retirees:				
AEA	(282,638.76)	(278,761.78)	(278,761.78)	(840,162.32)
AFSCME	(209,824.01)	(194,313.34)	(213,800.06)	(617,937.41)
MCEG	(280,927.19)	(268,574.97)	(275,834.69)	(825,336.85)
Employee Contribution Refunds	(18,774.44)	(3,695.66)	-	(22,470.10)
Payout to Retirees Subtotal	(792,164.40)	(745,345.75)	(768,396.53)	(2,305,906.68)
Fund Investment Management Expenses:				
Atlanta Capital	(17,556.59)	-	-	(17,556.59)
Boston Partners	(20,635.94)	-	-	(20,635.94)
SSgA S&P 500 Index	(2,053.04)	-	-	(2,053.04)
SSgA EAFE MSCI	(928.72)	-	-	(928.72)
Metropolitan West	(23,969.55)	-	-	(23,969.55)
Pyrford	(15,552.02)	-	-	(15,552.02)
State Street	(3,859.62)	-	(11,723.21)	(15,582.83)
Callan	(3,469.38)	(3,475.99)	(23,474.20)	(30,419.57)
Fund Invest. Mgmt Exp. Subtotal	(88,024.86)	(3,475.99)	(35,197.41)	(126,698.26)
Administrative Expenses				
Legal Services	(6,850.13)	(6,850.13)	(6,850.13)	(20,550.39)
Pension Administration	(9,770.97)	(9,643.96)	(9,039.76)	(28,454.69)
Actuarial Services	(4,790.79)	(2,910.25)	(2,101.00)	(9,802.04)
Travel	-	(626.27)	(224.61)	(850.88)
Investigation Information Services	-	-	(250.00)	(250.00)
CALAPRS Training	(3,000.00)	-	-	(3,000.00)
Miscellaneous	-	-	(53.15)	(53.15)
Administrative Exp. Subtotal	(24,411.89)	(20,030.61)	(18,518.65)	(62,961.15)
Total Expenses	(904,601.15)	(768,852.35)	(822,112.59)	(2,495,566.09)
Monthly Net Owed from/(to) District	(104,451.56)	(17,688.66)	(74,353.18)	(196,493.40)
Payment from/(to) the District	6,615.70	(104,451.56)	(17,688.66)	(115,524.52)
<b>Ending Balance:</b>				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	104,451.56	17,688.66	74,353.18	74,353.18

RT Combined Pension Plans - ATU, IBEW and Salaried  
Asset Allocation \*  
As of September 30, 2019

Asset Class	Net Asset Market Value 9/30/2019	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
<b>FUND MANAGERS:</b>						
<b>Domestic Equity:</b>						
Large Cap Value - Boston Partners - Z8	\$ 47,014,494	15.60%	16.00%	-0.40%	\$ (1,191,575)	
Large Cap Growth - SSgA S&P 500 Index - XH	50,921,136	16.90%	16.00%	0.90%	2,715,068	
<b>Total Large Cap Domestic Equity</b>	<b>97,935,631</b>	<b>32.51%</b>	<b>32.00%</b>	<b>0.51%</b>	<b>1,523,493</b>	<b>\$ 96,412,138</b>
<b>Small Cap - Atlanta Capital - XB</b>	<b>26,149,362</b>	<b>8.68%</b>	<b>8.00%</b>	<b>0.68%</b>	<b>2,046,328</b>	<b>24,103,034</b>
<b>International Equity:</b>						
<b>Large Cap Growth:</b>						
Pyrford - ZD	27,548,449	9.14%	9.50%	-0.36%	(1,073,905)	
<b>Large Cap Core:</b>						
SSgA MSCI EAFE - XG	11,287,778	3.75%				
Value - Brandes - XE	0	0.00%				
<b>Total Core</b>	<b>11,287,778</b>	<b>3.75%</b>	<b>4.50%</b>	<b>-0.75%</b>	<b>(2,270,179)</b>	
<b>Small Cap:</b>						
AQR - ZB	12,803,407	4.25%	5.00%	-0.75%	(2,260,990)	
<b>Emerging Markets</b>						
DFA - ZA	15,769,098	5.23%	6.00%	-0.77%	(2,308,177)	
<b>Total International Equity</b>	<b>67,408,731</b>	<b>22.37%</b>	<b>25.00%</b>	<b>-2.63%</b>	<b>(7,913,251)</b>	<b>75,321,983</b>
<b>Fixed Income:</b>						
Met West - XD	109,794,206	36.44%	35.00%	1.44%	4,343,431	105,450,776
<b>Total Combined Net Asset</b>	<b>\$ 301,287,930</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$ 1</b>	<b>\$ 301,287,930</b>

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

\* 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 September 30, 2019**

<b>Per Both Pension Fund Balance Sheets:</b>	
ATU Allocated Custodial Assets	139,683,520
IBEW Allocated Custodial Assets	60,964,546
Salaried Allocated Custodial Assets	<u>100,639,864</u>
<b>Total Consolidated Net Asset</b>	<u><u>301,287,930</u></u>
<b>Per Callan Report:</b>	
Total Investments	<u><u>301,283,631</u></u>
<b>Net Difference</b>	<u><u>4,299</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 September 30, 2019**

<b>Per Both Pension Fund Income Statements:</b>	
ATU - Interest, Dividends, and Other Income	1,082,347
ATU - Investment Income	1,005,935
IBEW - Interest, Dividends, and Other Income	464,978
IBEW - Investment Income	459,844
Salaried - Interest, Dividends, and Other Income	746,030
Salaried - Investment Income	<u>710,852</u>
<b>Total Investment Income</b>	<u><u>4,469,985</u></u>
<b>Per Callan Report:</b>	
Investment Returns	<u><u>4,466,637</u></u>
<b>Net Difference</b>	<u><u>3,348</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 September 30, 2019				
	July	August	September	Total
<b>Payments from/(to) the District</b>				-
Boston Partners - ATU	-	-	-	-
Boston Partners - IBEW	-	-	-	-
Boston Partners - Salaried	-	-	-	-
S&P 500 Index - ATU	(336,261)	-	-	(336,261)
S&P 500 Index - IBEW	(74,527)	-	-	(74,527)
S&P 500 Index - Salaried	6,616	-	-	6,616
Atlanta Capital - ATU	-	(327,065)	(282,135)	(609,201)
Atlanta Capital - IBEW	-	(122,613)	(64,055)	(186,668)
Atlanta Capital - Salaried	-	(104,452)	(17,689)	(122,140)
Pyrford - ATU	-	-	-	-
Pyrford - IBEW	-	-	-	-
Pyrford - Salaried	-	-	-	-
EAFE - ATU	-	-	-	-
EAFE - IBEW	-	-	-	-
EAFE - Salaried	-	-	-	-
Brandes - ATU	-	-	-	-
Brandes - IBEW	-	-	-	-
Brandes - Salaried	-	-	-	-
AQR - ATU	-	-	-	-
AQR - IBEW	-	-	-	-
AQR - Salaried	-	-	-	-
DFA - ATU	-	-	-	-
DFA - IBEW	-	-	-	-
DFA - Salaried	-	-	-	-
Metropolitan West - ATU	-	-	-	-
Metropolitan West - IBEW	-	-	-	-
Metropolitan West - Salaried	-	-	-	-
<b>Total Payments from/(to) the District</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Transfers In/(Out) of Investment Funds</b>				-
Boston Partners	-	-	-	-
S&P 500 Index	(404,172)	-	-	(404,172)
Atlanta Capital	-	(554,130)	(363,880)	(918,009)
Pyrford	-	-	-	-
EAFE	-	-	-	-
Brandes	-	-	-	-
AQR	-	-	-	-
DFA	-	-	-	-
Metropolitan West	-	-	-	-
<b>Total Transfers In/(Out) of Investment Funds</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Variance between Payments and Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Per Callan Report:</b>				
Net New Investment/(Withdrawals)				<u>(1,322,181)</u>
<b>Net Difference</b>				<u>(0)</u>

Consolidated Schedule of Cash Activities For the 12-Months September 30, 2019					
	4Q18	1Q19	2Q19	3Q19	Total
<b>Payments from/(to) the District</b>					
Boston Partners - ATU	-	4	(54,258)	-	(54,254)
Boston Partners - IBEW	-	2	-	-	2
Boston Partners - Salaried	-	2	54,258	-	54,261
S&P 500 Index - ATU	(453,869)	-	(58,610)	(336,261)	(848,741)
S&P 500 Index - IBEW	(86,233)	-	-	(74,527)	(160,759)
S&P 500 Index - Salaried	(42,143)	-	58,610	6,616	23,084
Atlanta Capital - ATU	-	-	(30,314)	(609,201)	(639,515)
Atlanta Capital - IBEW	-	-	-	(186,668)	(186,668)
Atlanta Capital - Salaried	-	-	30,314	(122,140)	(91,826)
Pyrford - ATU	-	-	(31,780)	-	(31,780)
Pyrford - IBEW	-	-	-	-	-
Pyrford - Salaried	-	-	31,780	-	31,780
EAFE - ATU	-	-	(13,150)	-	(13,150)
EAFE - IBEW	-	-	-	-	-
EAFE - Salaried	-	-	13,150	-	13,150
Brandes - ATU	-	(4)	-	-	(4)
Brandes - IBEW	-	(2)	-	-	(2)
Brandes - Salaried	-	(2)	-	-	(2)
AQR - ATU	-	-	(15,314)	-	(15,314)
AQR - IBEW	-	-	-	-	-
AQR - Salaried	-	-	15,314	-	15,314
DFA - ATU	-	-	(19,252)	-	(19,252)
DFA - IBEW	-	-	-	-	-
DFA - Salaried	-	-	19,252	-	19,252
Metropolitan West - ATU	(299,003)	(800,166)	(999,082)	-	(2,098,251)
Metropolitan West - IBEW	(78,875)	(161,974)	(204,136)	-	(444,984)
Metropolitan West - Salaried	(106,423)	(59,788)	91,813	-	(74,397)
<b>Total Payments from/(to) the District</b>	<u>(1,066,545)</u>	<u>(1,021,928)</u>	<u>(1,111,404)</u>	<u>(1,322,181)</u>	<u>(4,522,058)</u>

**Sacramento Regional Transit District  
ATU, IBEW and Salaried Retirement Plans  
Schedule of Fund Investment Returns and Expenses  
09/30/19**

	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
<b>Boston Partners</b>										
Investment Returns	(521,526)	100.00%				14,189,056	100.00%			
Investment Expense	(244,303)	-46.84%				(738,606)	5.21%			
Net Gain/(Loss)	(765,829)	146.84%	-1.63%	4.00%	(563.00)	13,450,450	94.79%	10.48%	9.43%	105.00
<b>S&amp;P 500</b>										
Investment Returns	2,037,992	100.00%				17,476,540	100.00%			
Investment Expense	(24,033)	1.18%				(70,488)	0.40%			
Net Gain/(Loss)	2,013,959	98.82%	4.22%	4.25%	(3.00)	17,408,052	99.60%	13.36%	13.39%	(3.00)
<b>Atlanta Capital</b>										
Investment Returns	1,201,114	100.00%				10,559,006	100.00%			
Investment Expense	(199,113)	16.58%				(596,889)	5.65%			
Net Gain/(Loss)	1,002,001	83.42%	3.93%	-8.89%	1282.00	9,962,117	94.35%	14.37%	8.23%	614.00
<b>Pyrford</b>										
Investment Returns	452,332	100.00%				1,594,630	100.00%			
Investment Expense	(181,967)	40.23%				(398,829)	25.01%			
Net Gain/(Loss)	270,365	59.77%	0.97%	-1.34%	231.00	1,195,801	74.99%	N/A	N/A	N/A
<b>EAFE</b>										
Investment Returns	(110,075)	100.00%				2,039,034	100.00%			
Investment Expense	(10,868)	-9.87%				(32,315)	1.58%			
Net Gain/(Loss)	(120,943)	109.87%	-1.06%	-1.34%	28.00	2,006,719	98.42%	6.76%	6.48%	28.00
<b>Brandes</b>										
Investment Returns	(2,876)	100.00%				(2,831)	100.00%			
Investment Expense	-	0.00%				-	0.00%			
Net Gain/(Loss)	(2,876)	100.00%	N/A	N/A	N/A	(2,831)	100.00%	N/A	N/A	N/A
<b>AQR</b>										
Investment Returns	(1,470,278)	100.00%				1,105,307	100.00%			
Investment Expense	(109,815)	-7.47%				(380,655)	34.44%			
Net Gain/(Loss)	(1,580,093)	107.47%	-10.30%	-5.93%	(437.00)	724,652	65.56%	2.64%	5.94%	(330.00)
<b>DFA</b>										
Investment Returns	(280,854)	100.00%				2,090,348	100.00%			
Investment Expense	(106,819)	-38.03%				(318,937)	15.26%			
Net Gain/(Loss)	(387,673)	138.03%	-1.75%	-2.01%	26.00	1,771,411		4.85%	5.98%	(113.00)
<b>Metropolitan West</b>										
Investment Returns	11,775,726	100.00%				12,014,442	100.00%			
Investment Expense	(286,124)	2.43%				(796,858)	6.63%			
Net Gain/(Loss)	11,489,602	97.57%	11.74%	10.30%	144.00	11,217,584	93.37%	3.69%	2.92%	77.00
<b>Total Fund</b>										
Investment Returns	13,081,555	100.00%				63,921,201	100.00%			
Investment Expense	(1,163,042)	8.89%				(3,354,766)	5.25%			
Net Gain/(Loss)	11,918,513	91.11%	4.28%	3.95%	33.00	60,566,435	94.75%	7.70%	7.74%	(4.00)

**Sacramento Regional Transit District, Retirements and Deaths**  
**For the Time Period: July 1, 2019 to September 30, 2019**

**Retirement**

<b>Emp#</b>	<b>Previous Position</b>	<b>Pension Group</b>	<b>RetirementDate</b>
234	Bus Operator	ATU	7/1/2019
526	Bus Operator	ATU	7/20/2019
611	LR Operator	ATU	7/27/2019
1183	Transportation Supervisor	AFSCME Supervisor	8/1/2019
2609	Bus Operator	ATU	8/5/2019
1177	Director, Light Rail	MCEG	9/1/2019
4510	Maintenance Supervisor	AFSCME Supervisor	9/1/2019
773	Bus Operator	ATU	9/2/2019
342	Bus Operator	ATU	9/6/2019
1473	Fare Prepayment Clerk	ATU	9/11/2019
3390	Bus Operator	ATU	9/23/2019

**Deaths**

<b>Emp#</b>	<b>Pension Group</b>	<b>Type</b>	<b>Date of Death</b>
87	ATU	Life Alone	8/4/2019
233	ATU	Life Alone	8/19/2019

**Sacramento Regional Transit District  
ATU Retirement Board Meeting  
Wednesday, September 11, 2019  
MEETING SUMMARY**

**ROLL CALL**

The Retirement Board was brought to order at 9:02 a.m. A quorum was present comprised as follows: Directors Kennedy, Li, Niz and McGee Lee. Alternate Lucien was also 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 No. 18-12-0308 for calendar year 2019, 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 June 12, 2019 Quarterly Retirement Board Meeting (ATU). (Weekly)
- 8. Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2019 for the ATU Pension Plan (ATU). (Adelman)
- 9. Motion: Approving the Minutes for the July 24, 2019 Special Retirement Board Meeting (ATU). (Adelman)

Director Niz moved to adopt ATU Retirement Board Items 7-9. Director Li seconded the motion. Items 7-9 were carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Niz and McGee Lee. Noes: None.

- 16. Motion: Adopting Regional Transit Retirement Boards 2020 Meeting Calendar (ALL). (Weekly)

Director Niz moved to adopt Item 16. Director McGee Lee seconded the motion. Item 16 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Niz and McGee Lee. Noes: None.

**NEW BUSINESS**

17. Information: Update on Staff Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Valerie Weekly provided an update on the roles and responsibilities of various District staff members and Legal Counsel related to the administration of the Pension Plans. Staff clarified that this was an informational item and no motion would be needed.

18. Information: Investment Performance Review by Dimensional Fund Advisors (DFA) for the ATU, IBEW and Salaried Employee Retirement Funds for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Chermaine Fullinck with DFA, who provided the investment performance results for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

19. Information: Investment Performance Review by Boston Partners for the ATU, IBEW and Salaried Employee Retirement Funds for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Carolyn Margiotti with Boston Partners, who provided the investment performance results for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

20. Motion Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy and Uvan Tseng with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2019 and were available for questions. In response to a question from AEA Director Devorak regarding DFA's relative weighting of investments in China and whether or not to put DFA on watch, Ms. Heaphy responded that Callan will analyze the Emerging Markets allocations, possibly extract certain markets from the benchmark, and provide analysis at the next meeting.

Director Niz moved to adopt Item 20. Director McGee Lee seconded the motion. Item 20 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Niz and McGee Lee. Noes: None.

21. Resolution Conditionally Award a Contract for Investment Custodial and Compliance Monitoring Services for the ATU, IBEW and Salaried Plans (ALL). (Adelman)

Jamie Adelman presented item 21 for approval. Jamie noted that three proposals came in: from Northern Trust, State Street and BMO. Staff recommended that Northern Trust be conditionally awarded the contract to allow the 10-day bid protest period to run and to allow for final negotiations of the services contract. Jamie noted that the new contract price came in at 30% less than the cost of services by the incumbent, State Street.

Jamie expressed appreciation to the Plans' advisors at Callan, legal counsel at Hanson Bridgett and the members of the evaluation committee for their assistance with the solicitation.

In response to question from MCEG Director Thorn regarding the transition process and plan, Jamie noted that Northern Trust has a special dedicated team during the transition process. She felt that between the dedicated team at Northern Trust and expert advice from Callan, there would be a smooth transition and there will be no delay or variance. Jamie added that the transition process will take approximately 90 days. Jamie added that there should be no changes in market value. Northern Trust will ensure that the balance for each investment will match State Street's close-of-month investment balances to the next month's opening balances.

Director McGee-Lee asked what factors were key to determining the award of the contract to Northern Trust. Jamie mentioned that there were multiple factors, including customer service, accuracy and work product. She added that Northern Trust was technologically strong, and provides more clarity and transparency. Jamie also noted that Northern Trust has an online portal that provides information almost in real time. Price saving and feedback from Callan were additional factors.

Brent Bernegger noted that some clients from the incumbent custodian, State Street, have recently moved to other custodians. Jamie noted that since 2012, five relationship managers left State Street, which is a big turnover. She added that the level of service from State Street decreased every time a relationship manager left. She felt that this was the right time to go out and do an earnest search to make sure that the plans have a good custodian bank for a long time.

Director Niz moved to adopt Item 21. Director McGee Lee seconded the motion. Item 21 was carried unanimously by roll call vote: Ayes: Kennedy, Li, Niz and McGee Lee. Noes: None.

## 22. Information Approving Disability Retirement Application for Carlos Rodriguez (ATU). (Weekly)

Valerie Weekly presented item 22 for approval.

Director Niz moved to adopt item 22. Director McGee Lee seconded the motion. Item 22 was carried unanimously by roll call vote: Ayes: Kennedy, Li, Niz and McGee Lee. Noes: None.

**REPORTS FROM COMMITTEES**

None.

**REPORTS, IDEAS AND COMMUNICATIONS**

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.

- 25.                   **Closed Session Item (ATU):**  
Conference with Legal Counsel – Anticipated Litigation  
Significant Exposure to Litigation Pursuant to Government Code  
Section 54956.9(d)(2): 20 Potential Cases

The ATU Retirement Board recessed to closed session at 10:52 a.m. and reconvened in open session at 11:03.

**CLOSED SESSION REPORT**

No reportable actions were taken in the closed session.

The ATU Retirement board adjourned at 11:04 a.m.

\_\_\_\_\_  
Ralph Niz, Chair

ATTEST:

Henry Li, 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	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the ATU Pension Plan (ATU). (Adelman)

## ISSUE

Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the ATU Pension Plan (ATU). (Adelman)

## RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 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.

**Table 1**

### **Employer Contribution Rates As of September 30, 2019**

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

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

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

## Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended September 30, 2019. The financial statements are presented on an accrual basis and consist of a Statement of Fiduciary Net Position (balance sheet) (Attachment 1), a Statement of Changes in Fiduciary Net Position (income statement) for the quarter ended September 30,

Approved:

Presented:

Final 11/27/19

VP of Finance/CFO

AVP of Finance and Treasury

J:\Retirement Board\2019\IP's\Quarterly Meetings\December 11, 2019\FI FINAL IPs



# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
6	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the ATU Pension Plan (ATU). (Adelman)

2019 (Attachment 2), and a year-to-date Statement of Changes in Fiduciary Net Position (Attachment 3).

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

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

## Asset Rebalancing

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

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

Attached hereto as Attachment 4 is the ATU Plan's Schedule of Cash Activities for the three months ended September 30, 2019. 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 September 30, 2019. The ATU Plan reimbursed \$945,461.84 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 September 30, 2019. 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
6	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 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 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 September 30, 2019 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 September 30, 2019.

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

Accrual Basis

As of September 30, 2019

	Sep 30, 19
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
100000 · Long-Term Investments	139,683,520.39
Total Checking/Savings	139,683,520.39
Other Current Assets	
1110120 · Prepays	7,883.75
Total Other Current Assets	7,883.75
Total Current Assets	139,691,404.14
<b>TOTAL ASSETS</b>	<b>139,691,404.14</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	29,805.95
3110110 · Other Pay - Due to RT	316,510.07
3110122 · MetWest	34,144.37
3110124 · Boston Partners	29,336.72
3110125 · Callan	4,829.39
3110126 · State Street	10,874.58
3110128 · Atlanta Capital	24,246.47
3110129 · SSgA - S&P Index	2,923.87
3110130 · SSgA - EAFE	1,294.81
3110132 · Pyrford	21,829.75
Total Accounts Payable	475,795.98
Total Current Liabilities	475,795.98
Total Liabilities	475,795.98
Equity	
3340100 · Retained Earning	122,948,269.10
3340101 · Retained Earnings	15,101,440.64
Net Income	1,165,898.42
Total Equity	139,215,608.16
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>139,691,404.14</b>

**Sacramento Regional Transit District Retirement Plan - ATU**  
**Statement of Changes in Fiduciary Net Position**  
**July through September 2019**

Accrual Basis

	Jul - Sep 19	% of Income
<b>Income</b>		
Interest, Dividend, & Other Inc		
6830101 · Dividend	226,907.89	5.0%
6830102 · Interest	821,855.13	18.1%
6830103 · Other Income	46,387.34	1.0%
<b>Total Interest, Dividend, &amp; Other Inc</b>	<b>1,095,150.36</b>	<b>24.1%</b>
Investment Income		
6530900 · Gains/(Losses) - All	1,379,763.69	30.4%
6530915 · Increase(Decrease) in FV	-373,828.56	-8.2%
<b>Total Investment Income</b>	<b>1,005,935.13</b>	<b>22.1%</b>
RT Required Contribution		
6630101 · Employer Contributions	2,269,337.52	49.9%
6630110 · Employee Contributions	174,951.06	3.8%
<b>Total RT Required Contribution</b>	<b>2,444,288.58</b>	<b>53.8%</b>
<b>Total Income</b>	<b>4,545,374.07</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531200 · ATU - Retirement Benefits Paid	3,059,556.72	67.3%
8531201 · EE Contribution Refunds	77,476.55	1.7%
8532004 · Invest Exp - Metropolitan West	34,144.37	0.8%
8532013 · Invest Exp - Boston Partners	29,336.72	0.6%
8532020 · Invest Exp - Callan	34,497.59	0.8%
8532021 · Invest Exp - State Street	16,410.36	0.4%
8532024 · Invest Exp - Atlanta Capital	24,246.47	0.5%
8532025 · Invest Exp - S&P Index - SSgA	2,923.87	0.1%
8532026 · Invest Exp - EAFE - SSgA	1,294.81	0.0%
8532027 · Invest Exp - AQR	12,803.51	0.3%
8532028 · Invest Exp - Pyrford	21,829.75	0.5%
<b>Total COGS</b>	<b>3,314,520.72</b>	<b>72.9%</b>
<b>Gross Profit</b>	<b>1,230,853.35</b>	<b>27.1%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	6,326.95	0.1%
8533003 · Admin Exp - Med Center	314.00	0.0%
8533012 · Admin Exp - Travel	310.35	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,378.75	0.1%
8533021 · Admin Exp - Legal Services	20,550.42	0.5%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533029 · Admin Exp - Administrator	32,747.97	0.7%
8533030 · Admin Exp - Audit	1,023.34	0.0%
8533050 · Miscellaneous	53.15	0.0%
<b>Total Expense</b>	<b>64,954.93</b>	<b>1.4%</b>
<b>Net Income</b>	<b>1,165,898.42</b>	<b>25.7%</b>

**Sacramento Regional Transit District Retirement Plan - ATU**  
**Statement of Changes in Fiduciary Net Position**  
**July through September 2019**

Accrual Basis

	Jul - Sep 19	% of Income
<b>Income</b>		
<b>Interest, Dividend, &amp; Other Inc</b>		
6830101 · Dividend	226,907.89	5.0%
6830102 · Interest	821,855.13	18.1%
6830103 · Other Income	46,387.34	1.0%
<b>Total Interest, Dividend, &amp; Other Inc</b>	<b>1,095,150.36</b>	<b>24.1%</b>
<b>Investment Income</b>		
6530900 · Gains/(Losses) - All	1,379,763.69	30.4%
6530915 · Increase(Decrease) in FV	-373,828.56	-8.2%
<b>Total Investment Income</b>	<b>1,005,935.13</b>	<b>22.1%</b>
<b>RT Required Contribution</b>		
6630101 · Employer Contributions	2,269,337.52	49.9%
6630110 · Employee Contributions	174,951.06	3.8%
<b>Total RT Required Contribution</b>	<b>2,444,288.58</b>	<b>53.8%</b>
<b>Total Income</b>	<b>4,545,374.07</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531200 · ATU - Retirement Benefits Paid	3,059,556.72	67.3%
8531201 · EE Contribution Refunds	77,476.55	1.7%
8532004 · Invest Exp - Metropolitan West	34,144.37	0.8%
8532013 · Invest Exp - Boston Partners	29,336.72	0.6%
8532020 · Invest Exp - Callan	34,497.59	0.8%
8532021 · Invest Exp - State Street	16,410.36	0.4%
8532024 · Invest Exp - Atlanta Capital	24,246.47	0.5%
8532025 · Invest Exp - S&P Index - SSgA	2,923.87	0.1%
8532026 · Invest Exp - EAFE - SSgA	1,294.81	0.0%
8532027 · Invest Exp - AQR	12,803.51	0.3%
8532028 · Invest Exp - Pyrford	21,829.75	0.5%
<b>Total COGS</b>	<b>3,314,520.72</b>	<b>72.9%</b>
<b>Gross Profit</b>	<b>1,230,853.35</b>	<b>27.1%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	6,326.95	0.1%
8533003 · Admin Exp - Med Center	314.00	0.0%
8533012 · Admin Exp - Travel	310.35	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,378.75	0.1%
8533021 · Admin Exp - Legal Services	20,550.42	0.5%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533029 · Admin Exp - Administrator	32,747.97	0.7%
8533030 · Admin Exp - Audit	1,023.34	0.0%
8533050 · Miscellaneous	53.15	0.0%
<b>Total Expense</b>	<b>64,954.93</b>	<b>1.4%</b>
<b>Net Income</b>	<b>1,165,898.42</b>	<b>25.7%</b>

**Sacramento Regional Transit District  
Retirement Fund - ATU  
Schedule of Cash Activities  
For the Three Months Period Ended September 30, 2019**

	July 2019	August 2019	September 2019	Quarter Totals
Beginning Balance:				
Due (from)/to District - June 30, 2019	336,261.10	327,065.33	282,135.44	336,261.10
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 20.53 - 27.78%	800,863.96	742,150.40	726,323.16	2,269,337.52
Employee Pension Contributions	60,208.92	56,754.58	57,987.56	174,951.06
Total Deposits	<u>861,072.88</u>	<u>798,904.98</u>	<u>784,310.72</u>	<u>2,444,288.58</u>
<u>Expenses</u>				
Payout to Retirees	(1,012,065.01)	(1,019,201.16)	(1,028,290.55)	(3,059,556.72)
Employee Contribution Refunds	(31,625.69)	(34,248.32)	(11,602.54)	(77,476.55)
Payout to Retirees Subtotal	<u>(1,043,690.70)</u>	<u>(1,053,449.48)</u>	<u>(1,039,893.09)</u>	<u>(3,137,033.27)</u>
Fund Investment Management Expenses:				
Atlanta Capital	(24,494.84)	-	-	(24,494.84)
Boston Partners	(28,791.15)	-	-	(28,791.15)
SSgA S&P 500 Index	(2,864.40)	-	-	(2,864.40)
SSgA EAFE MSCI	(1,295.75)	-	-	(1,295.75)
Metropolitan West	(33,442.18)	-	-	(33,442.18)
Pyrford	(21,698.10)	-	-	(21,698.10)
State Street	(5,427.94)	-	(16,391.66)	(21,819.60)
Callan	(4,840.45)	(4,833.46)	(24,834.74)	(34,508.65)
Fund Invest. Mgmt Exp. Subtotal	<u>(122,854.81)</u>	<u>(4,833.46)</u>	<u>(41,226.40)</u>	<u>(168,914.67)</u>
Administrative Expenses				
Legal Services	(6,850.14)	(6,850.14)	(6,850.14)	(20,550.42)
Pension Administration	(11,168.00)	(11,780.98)	(9,798.99)	(32,747.97)
Actuarial Services	(3,574.55)	(3,502.00)	(2,749.00)	(9,825.55)
Travel	-	(310.35)	-	(310.35)
Investigation Information Services	-	-	(250.00)	(250.00)
Medical Evaluations	-	(314.00)	-	(314.00)
Miscellaneous	-	-	(53.16)	(53.16)
Administrative Exp. Subtotal	<u>(21,592.69)</u>	<u>(22,757.47)</u>	<u>(19,701.29)</u>	<u>(64,051.45)</u>
Total Expenses	<u>(1,188,138.20)</u>	<u>(1,081,040.41)</u>	<u>(1,100,820.78)</u>	<u>(3,369,999.39)</u>
Monthly Net Owed from/(to) District	(327,065.32)	(282,135.43)	(316,510.06)	(925,710.81)
Payment from/(to) the District	<u>(336,261.09)</u>	<u>(327,065.32)</u>	<u>(282,135.43)</u>	<u>(945,461.84)</u>
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	<u>327,065.33</u>	<u>282,135.44</u>	<u>316,510.07</u>	<u>316,510.07</u>

RT Combined Pension Plans - ATU, IBEW and Salaried  
 Asset Allocation \*  
 As of September 30, 2019

Asset Class	Net Asset Market Value 9/30/2019	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
<b>FUND MANAGERS:</b>						
<b>Domestic Equity:</b>						
Large Cap Value - Boston Partners - Z8	\$ 47,014,494	15.60%	16.00%	-0.40%	\$ (1,191,575)	
Large Cap Growth - SSgA S&P 500 Index - XH	50,921,136	16.90%	16.00%	0.90%	2,715,068	
<b>Total Large Cap Domestic Equity</b>	<b>97,935,631</b>	<b>32.51%</b>	<b>32.00%</b>	<b>0.51%</b>	<b>1,523,493</b>	<b>\$ 96,412,138</b>
Small Cap - Atlanta Capital - XB	26,149,362	8.68%	8.00%	0.68%	2,046,328	24,103,034
<b>International Equity:</b>						
<b>Large Cap Growth:</b>						
Pyrford - ZD	27,548,449	9.14%	9.50%	-0.36%	(1,073,905)	
<b>Large Cap Core:</b>						
SSgA MSCI EAFE - XG	11,287,778	3.75%				
Value - Brandes - XE	0	0.00%				
<b>Total Core</b>	<b>11,287,778</b>	<b>3.75%</b>	<b>4.50%</b>	<b>-0.75%</b>	<b>(2,270,179)</b>	
<b>Small Cap:</b>						
AQR - ZB	12,803,407	4.25%	5.00%	-0.75%	(2,260,990)	
<b>Emerging Markets</b>						
DFA - ZA	15,769,098	5.23%	6.00%	-0.77%	(2,308,177)	
<b>Total International Equity</b>	<b>67,408,731</b>	<b>22.37%</b>	<b>25.00%</b>	<b>-2.63%</b>	<b>(7,913,251)</b>	<b>75,321,983</b>
<b>Fixed Income:</b>						
Met West - XD	109,794,206	36.44%	35.00%	1.44%	4,343,431	105,450,776
<b>Total Combined Net Asset</b>	<b>\$ 301,287,930</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$ 1</b>	<b>\$ 301,287,930</b>

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

\* 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 September 30, 2019**

<b>Per Both Pension Fund Balance Sheets:</b>	
ATU Allocated Custodial Assets	139,683,520
IBEW Allocated Custodial Assets	60,964,546
Salaried Allocated Custodial Assets	<u>100,639,864</u>
<b>Total Consolidated Net Asset</b>	<u><u>301,287,930</u></u>
<b>Per Callan Report:</b>	
Total Investments	<u><u>301,283,631</u></u>
<b>Net Difference</b>	<u><u>4,299</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 September 30, 2019**

<b>Per Both Pension Fund Income Statements:</b>	
ATU - Interest, Dividends, and Other Income	1,082,347
ATU - Investment Income	1,005,935
IBEW - Interest, Dividends, and Other Income	464,978
IBEW - Investment Income	459,844
Salaried - Interest, Dividends, and Other Income	746,030
Salaried - Investment Income	<u>710,852</u>
<b>Total Investment Income</b>	<u><u>4,469,985</u></u>
<b>Per Callan Report:</b>	
Investment Returns	<u><u>4,466,637</u></u>
<b>Net Difference</b>	<u><u>3,348</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 September 30, 2019				
	July	August	September	Total
<b>Payments from/(to) the District:</b>				-
Boston Partners - ATU				-
Boston Partners - IBEW				-
Boston Partners - Salaried				-
S&P 500 Index - ATU	(336,261)			(336,261)
S&P 500 Index - IBEW	(74,527)			(74,527)
S&P 500 Index - Salaried	6,616			6,616
Atlanta Capital - ATU		(327,065)	(282,135)	(609,201)
Atlanta Capital - IBEW		(122,613)	(64,055)	(186,668)
Atlanta Capital - Salaried		(104,452)	(17,689)	(122,140)
Pyrford - ATU				-
Pyrford - IBEW				-
Pyrford - Salaried				-
EAFE - ATU				-
EAFE - IBEW				-
EAFE - Salaried				-
Brandes - ATU				-
Brandes - IBEW				-
Brandes - Salaried				-
AQR - ATU				-
AQR - IBEW				-
AQR - Salaried				-
DFA - ATU				-
DFA - IBEW				-
DFA - Salaried				-
Metropolitan West - ATU				-
Metropolitan West - IBEW				-
Metropolitan West - Salaried				-
<b>Total Payments from/(to) the District</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Transfers In/(Out) of Investment Funds</b>				-
Boston Partners				-
S&P 500 Index	(404,172)			(404,172)
Atlanta Capital		(554,130)	(363,880)	(918,009)
Pyrford				-
EAFE				-
Brandes				-
AQR				-
DFA				-
Metropolitan West				-
<b>Total Transfers In/(Out) of Investment Funds</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Variance between Payments and Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Per Callan Report:</b>				
Net New Investment/(Withdrawals)				<u>(1,322,181)</u>
<b>Net Difference</b>				<u>(0)</u>

Consolidated Schedule of Cash Activities For the 12-Months September 30, 2019					
	4Q18	1Q19	2Q19	3Q19	Total
<b>Payments from/(to) the District</b>					
Boston Partners - ATU	-	4	(54,258)	-	(54,254)
Boston Partners - IBEW	-	2	-	-	2
Boston Partners - Salaried	-	2	54,258	-	54,261
S&P 500 Index - ATU	(453,869)	-	(58,610)	(336,261)	(848,741)
S&P 500 Index - IBEW	(86,233)	-	-	(74,527)	(160,759)
S&P 500 Index - Salaried	(42,143)	-	58,610	6,616	23,084
Atlanta Capital - ATU	-	-	(30,314)	(609,201)	(639,515)
Atlanta Capital - IBEW	-	-	-	(186,668)	(186,668)
Atlanta Capital - Salaried	-	-	30,314	(122,140)	(91,826)
Pyrford - ATU	-	-	(31,780)	-	(31,780)
Pyrford - IBEW	-	-	-	-	-
Pyrford - Salaried	-	-	31,780	-	31,780
EAFE - ATU	-	-	(13,150)	-	(13,150)
EAFE - IBEW	-	-	-	-	-
EAFE - Salaried	-	-	13,150	-	13,150
Brandes - ATU	-	(4)	-	-	(4)
Brandes - IBEW	-	(2)	-	-	(2)
Brandes - Salaried	-	(2)	-	-	(2)
AQR - ATU	-	-	(15,314)	-	(15,314)
AQR - IBEW	-	-	-	-	-
AQR - Salaried	-	-	15,314	-	15,314
DFA - ATU	-	-	(19,252)	-	(19,252)
DFA - IBEW	-	-	-	-	-
DFA - Salaried	-	-	19,252	-	19,252
Metropolitan West - ATU	(299,003)	(800,166)	(999,082)	-	(2,098,251)
Metropolitan West - IBEW	(78,875)	(161,974)	(204,136)	-	(444,984)
Metropolitan West - Salaried	(106,423)	(59,788)	91,813	-	(74,397)
<b>Total Payments from/(to) the District</b>	<u>(1,066,545)</u>	<u>(1,021,928)</u>	<u>(1,111,404)</u>	<u>(1,322,181)</u>	<u>(4,522,058)</u>

**Sacramento Regional Transit District**  
**ATU, IBEW and Salaried Retirement Plans**  
**Schedule of Fund Investment Returns and Expenses**  
**09/30/19**

	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
<b>Boston Partners</b>										
Investment Returns	(521,526)	100.00%				14,189,056	100.00%			
Investment Expense	(244,303)	-46.84%				(738,606)	5.21%			
Net Gain/(Loss)	(765,829)	146.84%	-1.63%	4.00%	(563.00)	13,450,450	94.79%	10.48%	9.43%	105.00
<b>S&amp;P 500</b>										
Investment Returns	2,037,992	100.00%				17,476,540	100.00%			
Investment Expense	(24,033)	1.18%				(70,488)	0.40%			
Net Gain/(Loss)	2,013,959	98.82%	4.22%	4.25%	(3.00)	17,406,052	99.60%	13.36%	13.39%	(3.00)
<b>Atlanta Capital</b>										
Investment Returns	1,201,114	100.00%				10,559,006	100.00%			
Investment Expense	(199,113)	16.58%				(596,889)	5.65%			
Net Gain/(Loss)	1,002,001	83.42%	3.93%	-8.89%	1282.00	9,962,117	94.35%	14.37%	8.23%	614.00
<b>Pyrford</b>										
Investment Returns	452,332	100.00%				1,594,630	100.00%			
Investment Expense	(181,967)	40.23%				(398,829)	25.01%			
Net Gain/(Loss)	270,365	59.77%	0.97%	-1.34%	231.00	1,195,801	74.99%	N/A	N/A	N/A
<b>EAFE</b>										
Investment Returns	(110,075)	100.00%				2,039,034	100.00%			
Investment Expense	(10,868)	-9.87%				(32,315)	1.58%			
Net Gain/(Loss)	(120,943)	109.87%	-1.06%	-1.34%	28.00	2,006,719	98.42%	6.76%	6.48%	28.00
<b>Brandes</b>										
Investment Returns	(2,876)	100.00%				(2,831)	100.00%			
Investment Expense	-	0.00%				-	0.00%			
Net Gain/(Loss)	(2,876)	100.00%	N/A	N/A	N/A	(2,831)	100.00%	N/A	N/A	N/A
<b>AQR</b>										
Investment Returns	(1,470,278)	100.00%				1,105,307	100.00%			
Investment Expense	(109,815)	-7.47%				(380,655)	34.44%			
Net Gain/(Loss)	(1,580,093)	107.47%	-10.30%	-5.93%	(437.00)	724,652	65.56%	2.64%	5.94%	(330.00)
<b>DFA</b>										
Investment Returns	(280,854)	100.00%				2,090,348	100.00%			
Investment Expense	(106,819)	-38.03%				(318,937)	15.26%			
Net Gain/(Loss)	(387,673)	138.03%	-1.75%	-2.01%	26.00	1,771,411		4.85%	5.98%	(113.00)
<b>Metropolitan West</b>										
Investment Returns	11,775,726	100.00%				12,014,442	100.00%			
Investment Expense	(286,124)	2.43%				(796,858)	6.63%			
Net Gain/(Loss)	11,489,602	97.57%	11.74%	10.30%	144.00	11,217,584	93.37%	3.69%	2.92%	77.00
<b>Total Fund</b>										
Investment Returns	13,081,555	100.00%				63,921,201	100.00%			
Investment Expense	(1,163,042)	8.89%				(3,354,766)	5.25%			
Net Gain/(Loss)	11,918,513	91.11%	4.28%	3.95%	33.00	60,566,435	94.75%	7.70%	7.74%	(4.00)

**Sacramento Regional Transit District, Retirements and Deaths**  
**For the Time Period: July 1, 2019 to September 30, 2019**

**Retirement**

<b>Emp#</b>	<b>Previous Position</b>	<b>Pension Group</b>	<b>RetirementDate</b>
234	Bus Operator	ATU	7/1/2019
526	Bus Operator	ATU	7/20/2019
611	LR Operator	ATU	7/27/2019
1183	Transportation Supervisor	AFSCME Supervisor	8/1/2019
2609	Bus Operator	ATU	8/5/2019
1177	Director, Light Rail	MCEG	9/1/2019
4510	Maintenance Supervisor	AFSCME Supervisor	9/1/2019
773	Bus Operator	ATU	9/2/2019
342	Bus Operator	ATU	9/6/2019
1473	Fare Prepayment Clerk	ATU	9/11/2019
3390	Bus Operator	ATU	9/23/2019

**Deaths**

<b>Emp#</b>	<b>Pension Group</b>	<b>Type</b>	<b>Date of Death</b>
87	ATU	Life Alone	8/4/2019
233	ATU	Life Alone	8/19/2019

**Sacramento Regional Transit District  
IBEW Retirement Board Meeting  
Wednesday, September 11, 2019  
MEETING SUMMARY**

**ROLL CALL**

The Retirement Board was brought to order at 9:02 a.m. A quorum was present comprised as follows: Directors Kennedy, Li, Ohlson and Bibbs. Alternate MCleskey was also 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. 18-12-201 for calendar year 2019, 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**

10. Motion: Approving the Minutes for the June 12, 2019 Quarterly Retirement Board Meeting (IBEW). (Weekly)

11. Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2019 for the IBEW Pension Plan (IBEW). (Adelman)

12. Motion: Approving the Minutes for the July 24, 2019 Special Retirement Board Meeting (IBEW). (Adelman)

Director Ohlson moved to adopt IBEW Retirement Board Items 10-12. Director Bibbs seconded the motion. Items 10-12 were carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Ohlson and Bibbs. Noes: None.

16. Motion: Adopting Regional Transit Retirement Boards 2020 Meeting Calendar (ALL). (Weekly)

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

**NEW BUSINESS**

17. Information: Update on Staff Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Valerie Weekly provided an update on the roles and responsibilities of various District staff members and Legal Counsel related to the administration of the Pension Plans. Staff clarified that this was an informational item and no motion would be needed.

18. Information: Investment Performance Review by Dimensional Fund Advisors (DFA) for the ATU, IBEW and Salaried Employee Retirement Funds for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Chermaine Fullinck with DFA, who provided the investment performance results for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

19. Information: Investment Performance Review by Boston Partners for the ATU, IBEW and Salaried Employee Retirement Funds for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Carolyn Margiotti with Boston Partners, who provided the investment performance results for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

20. Motion Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy and Uvan Tseng with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2019 and were available for questions. In response to a question from AEA Director Devorak regarding DFA's relative weighting of investments in China and whether or not to put DFA on watch, Ms. Heaphy responded that Callan will analyze the Emerging Markets allocations, possibly extract certain markets from the benchmark, and provide analysis at the next meeting.

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

21. Resolution      Conditionally Award a Contract for Investment Custodial and Compliance Monitoring Services for the ATU, IBEW and Salaried Plans (ALL). (Adelman)

Jamie Adelman presented item 21 for approval. Jamie noted that three proposals came in: from Northern Trust, State Street and BMO. Staff recommended that Northern Trust be conditionally awarded the contract to allow the 10-day bid protest period to run and to allow for final negotiations of the services contract. Jamie noted that the new contract price came in at 30% less than the cost of services by the incumbent, State Street.

Jamie expressed appreciation to the Plans' advisors at Callan, legal counsel at Hanson Bridgett and the members of the evaluation committee for their assistance with the solicitation.

In response to question from MCEG Director Thorn regarding the transition process and plan, Jamie noted that Northern Trust has a special dedicated team during the transition process. She felt that between the dedicated team at Northern Trust and expert advice from Callan, there would be a smooth transition and there will be no delay or variance. Jamie added that the transition process will take approximately 90 days. Jamie added that there should be no changes in market value. Northern Trust will ensure that the balance for each investment will match State Street's close-of-month investment balances to the next month's opening balances.

ATU Director McGee-Lee asked what factors were key to determining the award of the contract to Northern Trust. Jamie mentioned that there were multiple factors, including customer service, accuracy and work product. She added that Northern Trust was technologically strong, and provides more clarity and transparency. Jamie also noted that Northern Trust has an online portal that provides information almost in real time. Price saving and feedback from Callan were additional factors.

Brent Bernegger noted that some clients from the incumbent custodian, State Street, have recently moved to other custodians. Jamie noted that since 2012, five relationship managers left State Street, which is a big turnover. She added that the level of service from State Street decreased every time a relationship manager left. She felt that this was the right time to go out and do an earnest search to make sure that the plans have a good custodian bank for a long time.

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

**REPORTS FROM COMMITTEES**

None.

**REPORTS, IDEAS AND COMMUNICATIONS**

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.

26.                   **Closed Session Item (IBEW):**  
Conference with Legal Counsel – Anticipated Litigation  
Significant Exposure to Litigation Pursuant to Government Code  
Section 54956.9(d)(2): 6 Potential Cases

The IBEW Retirement Board recessed to closed session at 10:42 a.m. and reconvened in open session at 10:50.

**CLOSED SESSION REPORT**

No reportable actions were taken in the closed session.

The IBEW Retirement board adjourned at 10:51 a.m.

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Eric Ohlson, Chair

ATTEST:

Henry Li, 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	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the IBEW Pension Plan (IBEW). (Adelman)

## ISSUE

Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the IBEW Pension Plan (IBEW). (Adelman)

## RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 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.

**Table 1**

### **Employer Contribution Rates As of September 30, 2019**

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

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

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

## Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended September 30, 2019. The financial statements are presented on an accrual basis and consist of a Statement of Fiduciary Net Position (balance sheet) (Attachment 1), a Statement of Changes in Fiduciary Net Position (income statement) for the quarter ended September 30,

Approved:

Presented:

Final 11/27/19

VP of Finance/CFO

AVP of Finance and Treasury

J:\Retirement Board\2019\IP's\Quarterly Meetings\December 11, 2019\FI FINAL IPs



Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the IBEW Pension Plan (IBEW). (Adelman)

2019 (Attachment 2), and a year-to-date Statement of Changes in Fiduciary Net Position (Attachment 3).

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

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

### Asset Rebalancing

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

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

Attached hereto as Attachment 4 is the IBEW Plan's Schedule of Cash Activities for the three months ended September 30, 2019. 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 September 30, 2019. The IBEW Plan reimbursed \$261,195.00 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 September 30, 2019. 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

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
8	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the IBEW Pension Plan (IBEW). (Adelman)

differ in that the unaudited financial statements reflect both investment activities and the pension fund's inflows and outflows. Callan's report only reflects the investment activities. The "Net Difference" amounts shown are the results of Callan and State Street using different valuations for the same securities and/or litigation settlements received by the Plans.

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

Attached hereto as Attachment 8 is a schedule reflecting Fund Managers' quarterly investment returns and their investment fees. Additionally, the schedule reflects annual rates of return on investment net of investment fees for the one-year and three-year periods ended September 30, 2019 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 September 30, 2019.

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

Accrual Basis

As of September 30, 2019

	Sep 30, 19
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
100000 · Long-Term Investments	60,964,546.15
Total Checking/Savings	60,964,546.15
Other Current Assets	
1110120 · Prepays	7,883.75
Total Other Current Assets	7,883.75
Total Current Assets	60,972,429.90
<b>TOTAL ASSETS</b>	<b>60,972,429.90</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	28,833.93
3110110 · Other Pay - Due to RT	98,603.20
3110122 · MetWest	14,902.23
3110124 · Boston Partners	12,803.94
3110125 · Callan	2,107.78
3110126 · State Street	4,743.50
3110128 · Atlanta Capital	10,582.32
3110129 · SSgA - S&P Index	1,276.11
3110130 · SSgA - EAFE	565.12
3110132 · Pyrford	9,527.54
Total Accounts Payable	183,945.67
Total Current Liabilities	183,945.67
Total Liabilities	183,945.67
Equity	
3340100 · Retained Earning	45,066,750.96
3340101 · Retained Earnings	15,082,357.42
Net Income	639,375.85
Total Equity	60,788,484.23
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>60,972,429.90</b>

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

Accrual Basis

July through September 2019

	Jul - Sep 19	% of Income
<b>Income</b>		
Interest, Dividend, & Other Inc		
6830101 · Dividend	99,434.81	5.5%
6830102 · Interest	351,231.68	19.4%
6830103 · Other Income	19,833.88	1.1%
<b>Total Interest, Dividend, &amp; Other Inc</b>	<b>470,500.37</b>	<b>26.0%</b>
<b>Investment Income</b>		
6530900 · Gains/(Losses) - All	606,798.13	33.5%
6530915 · Increase(Decrease) in FV	(146,954.20)	(8.1)%
<b>Total Investment Income</b>	<b>459,843.93</b>	<b>25.4%</b>
<b>RT Required Contribution</b>		
6630110 · Employee Contributions	69,969.64	3.9%
RT Required Contribution - Other	810,517.24	44.8%
<b>Total RT Required Contribution</b>	<b>880,486.88</b>	<b>48.6%</b>
<b>Total Income</b>	<b>1,810,831.18</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531201 · IBEW - Retirement Benefits Paid	999,105.61	55.2%
8531203 · EE Contribution Refunds	28,845.28	1.6%
8532004 · Invest Exp - Metropolitan West	14,902.23	0.8%
8532013 · Invest Exp - Boston Partners	12,803.94	0.7%
8532020 · Invest Exp - Callan	26,322.73	1.5%
8532021 · Invest Exp - State Street	7,165.73	0.4%
8532024 · Invest Exp - Atlanta Capital	10,582.32	0.6%
8532025 · Invest Exp - S&P Index - SSgA	1,276.11	0.1%
8532026 · Invest Exp - EAFE - SSgA	565.12	0.0%
8532027 · Invest Exp - AQR	5,522.34	0.3%
8532028 · Invest Exp - Pyrford	9,527.54	0.5%
<b>Total COGS</b>	<b>1,116,618.95</b>	<b>61.7%</b>
<b>Gross Profit</b>	<b>694,212.23</b>	<b>38.3%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	3,921.34	0.2%
8533007 · Admin Exp - CALPRS Dues/Courses	0.00	0.0%
8533012 · Admin Exp - Travel	310.35	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,378.75	0.2%
8533021 · Admin Exp - Legal Services	20,550.39	1.1%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533029 · Admin Exp - Administrator	25,349.06	1.4%
8533030 · Admin Exp - Audit	1,023.34	0.1%
8533050 · Miscellaneous	53.15	0.0%
<b>Total Expense</b>	<b>54,836.38</b>	<b>3.0%</b>
<b>Net Income</b>	<b>639,375.85</b>	<b>35.3%</b>

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

Accrual Basis

July through September 2019

	Jul - Sep 19	% of Income
<b>Income</b>		
Interest, Dividend, & Other Inc		
6830101 · Dividend	99,434.81	5.5%
6830102 · Interest	351,231.68	19.4%
6830103 · Other Income	19,833.88	1.1%
<b>Total Interest, Dividend, &amp; Other Inc</b>	<b>470,500.37</b>	<b>26.0%</b>
<b>Investment Income</b>		
6530900 · Gains/(Losses) - All	606,798.13	33.5%
6530915 · Increase(Decrease) in FV	-146,954.20	-8.1%
<b>Total Investment Income</b>	<b>459,843.93</b>	<b>25.4%</b>
<b>RT Required Contribution</b>		
6630110 · Employee Contributions	69,969.64	3.9%
RT Required Contribution - Other	810,517.24	44.8%
<b>Total RT Required Contribution</b>	<b>880,486.88</b>	<b>48.6%</b>
<b>Total Income</b>	<b>1,810,831.18</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531201 · IBEW - Retirement Benefits Paid	999,105.61	55.2%
8531203 · EE Contribution Refunds	28,845.28	1.6%
8532004 · Invest Exp - Metropolitan West	14,902.23	0.8%
8532013 · Invest Exp - Boston Partners	12,803.94	0.7%
8532020 · Invest Exp - Callan	26,322.73	1.5%
8532021 · Invest Exp - State Street	7,165.73	0.4%
8532024 · Invest Exp - Atlanta Capital	10,582.32	0.6%
8532025 · Invest Exp - S&P Index - SSgA	1,276.11	0.1%
8532026 · Invest Exp - EAFE - SSgA	565.12	0.0%
8532027 · Invest Exp - AQR	5,522.34	0.3%
8532028 · Invest Exp - Pyrford	9,527.54	0.5%
<b>Total COGS</b>	<b>1,116,618.95</b>	<b>61.7%</b>
<b>Gross Profit</b>	<b>694,212.23</b>	<b>38.3%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	3,921.34	0.2%
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8533021 · Admin Exp - Legal Services	20,550.39	1.1%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533029 · Admin Exp - Administrator	25,349.06	1.4%
8533030 · Admin Exp - Audit	1,023.34	0.1%
8533050 · Miscellaneous	53.15	0.0%
<b>Total Expense</b>	<b>54,836.38</b>	<b>3.0%</b>
<b>Net Income</b>	<b>639,375.85</b>	<b>35.3%</b>

**Sacramento Regional Transit District**  
**Retirement Fund - IBEW**  
**Schedule of Cash Activities**  
**For the Three Months Period Ended September 30, 2019**

	July 2019	August 2019	September 2019	Quarter Totals
Beginning Balance:				
Due (from)/to District - June 30, 2019	74,526.74	122,612.85	64,055.44	74,526.74
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 18.73 to 24.73%	275,767.32	271,095.42	263,654.50	810,517.24
Employee Pension Contributions	23,178.28	23,470.07	23,321.29	69,969.64
Total Deposits	298,945.60	294,565.49	286,975.79	880,486.88
<u>Expenses</u>				
Payout to Retirees	(336,293.04)	(330,560.40)	(332,252.17)	(999,105.61)
Employee Contribution Refunds	(13,951.57)	(8,232.43)	(6,661.28)	(28,845.28)
Payout to Retirees Subtotal	(350,244.61)	(338,792.83)	(338,913.45)	(1,027,950.89)
Fund Investment Management Expenses:				
Atlanta Capital	(10,661.57)	-	-	(10,661.57)
Boston Partners	(12,531.57)	-	-	(12,531.57)
SSgA S&P 500 Index	(1,246.75)	-	-	(1,246.75)
SSgA EAFE MSCI	(563.98)	-	-	(563.98)
Metropolitan West	(14,555.97)	-	-	(14,555.97)
Pyrford	(9,444.27)	-	-	(9,444.27)
State Street	(2,353.32)	-	(7,128.87)	(9,482.19)
Callan	(2,106.84)	(2,107.22)	(22,107.73)	(26,321.79)
Fund Invest. Mgmt Exp. Subtotal	(53,464.27)	(2,107.22)	(29,236.60)	(84,808.09)
Administrative Expenses				
Legal Services	(6,850.13)	(6,850.13)	(6,850.13)	(20,550.39)
Pension Administration	(8,391.02)	(8,459.39)	(8,498.65)	(25,349.06)
Actuarial Services	(2,608.41)	(2,101.00)	(1,777.00)	(6,486.41)
Travel	-	(310.35)	-	(310.35)
Investigation Information Services	-	-	(250.00)	(250.00)
Miscellaneous	-	-	(53.15)	(53.15)
Administrative Exp. Subtotal	(17,849.56)	(17,720.87)	(17,428.93)	(52,999.36)
<b>Total Expenses</b>	<b>(421,558.44)</b>	<b>(358,620.92)</b>	<b>(385,578.98)</b>	<b>(1,165,758.34)</b>
Monthly Net Owed from/(to) District	(122,612.84)	(64,055.43)	(98,603.19)	(285,271.46)
Payment from/(to) the District	(74,526.73)	(122,612.84)	(64,055.43)	(261,195.00)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	122,612.85	64,055.44	98,603.20	98,603.20

RT Combined Pension Plans - ATU, IBEW and Salaried  
 Asset Allocation \*  
 As of September 30, 2019

Asset Class	Net Asset Market Value 9/30/2019	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
<b>FUND MANAGERS:</b>						
<b>Domestic Equity:</b>						
Large Cap Value - Boston Partners - Z8	\$ 47,014,494	15.60%	16.00%	-0.40%	\$ (1,191,575)	
Large Cap Growth - SSgA S&P 500 Index - XH	50,921,136	16.90%	16.00%	0.90%	2,715,068	
<b>Total Large Cap Domestic Equity</b>	<b>97,935,631</b>	<b>32.51%</b>	<b>32.00%</b>	<b>0.51%</b>	<b>1,523,493</b>	<b>\$ 96,412,138</b>
<b>Small Cap - Atlanta Capital - XB</b>	<b>26,149,362</b>	<b>8.68%</b>	<b>8.00%</b>	<b>0.68%</b>	<b>2,046,328</b>	<b>24,103,034</b>
<b>International Equity:</b>						
<b>Large Cap Growth:</b>						
Pyrford - ZD	27,548,449	9.14%	9.50%	-0.36%	(1,073,905)	
<b>Large Cap Core:</b>						
SSgA MSCI EAFE - XG	11,287,778	3.75%				
Value - Brandes - XE	0	0.00%				
<b>Total Core</b>	<b>11,287,778</b>	<b>3.75%</b>	<b>4.50%</b>	<b>-0.75%</b>	<b>(2,270,179)</b>	
<b>Small Cap:</b>						
AQR - ZB	12,803,407	4.25%	5.00%	-0.75%	(2,260,990)	
<b>Emerging Markets</b>						
DFA - ZA	15,769,098	5.23%	6.00%	-0.77%	(2,308,177)	
<b>Total International Equity</b>	<b>67,408,731</b>	<b>22.37%</b>	<b>25.00%</b>	<b>-2.63%</b>	<b>(7,913,251)</b>	<b>75,321,983</b>
<b>Fixed Income:</b>						
Met West - XD	109,794,206	36.44%	35.00%	1.44%	4,343,431	105,450,776
<b>Total Combined Net Asset</b>	<b>\$ 301,287,930</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$ 1</b>	<b>\$ 301,287,930</b>

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

\* 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 September 30, 2019**

<b>Per Both Pension Fund Balance Sheets:</b>	
ATU Allocated Custodial Assets	139,683,520
IBEW Allocated Custodial Assets	60,964,546
Salaried Allocated Custodial Assets	<u>100,639,864</u>
<b>Total Consolidated Net Asset</b>	<u><u>301,287,930</u></u>
<b>Per Callan Report:</b>	
Total Investments	<u><u>301,283,631</u></u>
<b>Net Difference</b>	<u><u>4,299</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 September 30, 2019**

<b>Per Both Pension Fund Income Statements:</b>	
ATU - Interest, Dividends, and Other Income	1,082,347
ATU - Investment Income	1,005,935
IBEW - Interest, Dividends, and Other Income	464,978
IBEW - Investment Income	459,844
Salaried - Interest, Dividends, and Other Income	746,030
Salaried - Investment Income	<u>710,852</u>
<b>Total Investment Income</b>	<u><u>4,469,985</u></u>
<b>Per Callan Report:</b>	
Investment Returns	<u><u>4,466,637</u></u>
<b>Net Difference</b>	<u><u>3,348</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 September 30, 2019				
	July	August	September	Total
<b>Payments from/(to) the District</b>				-
Boston Partners - ATU				-
Boston Partners - IBEW				-
Boston Partners - Salaried				-
S&P 500 Index - ATU	(336,261)			(336,261)
S&P 500 Index - IBEW	(74,527)			(74,527)
S&P 500 Index - Salaried	6,616			6,616
Atlanta Capital - ATU		(327,065)	(282,135)	(609,201)
Atlanta Capital - IBEW		(122,613)	(64,055)	(186,668)
Atlanta Capital - Salaried		(104,452)	(17,689)	(122,140)
Pyrford - ATU				-
Pyrford - IBEW				-
Pyrford - Salaried				-
EAFE - ATU				-
EAFE - IBEW				-
EAFE - Salaried				-
Brandes - ATU				-
Brandes - IBEW				-
Brandes - Salaried				-
AQR - ATU				-
AQR - IBEW				-
AQR - Salaried				-
DFA - ATU				-
DFA - IBEW				-
DFA - Salaried				-
Metropolitan West - ATU				-
Metropolitan West - IBEW				-
Metropolitan West - Salaried				-
<b>Total Payments from/(to) the District</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Transfers In/(Out) of Investment Funds</b>				-
Boston Partners				-
S&P 500 Index	(404,172)			(404,172)
Atlanta Capital		(554,130)	(363,880)	(918,009)
Pyrford				-
EAFE				-
Brandes				-
AQR				-
DFA				-
Metropolitan West				-
<b>Total Transfers In/(Out) of Investment Funds</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Variance between Payments and Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Per Callan Report:</b>				
Net New Investment/(Withdrawals)				<u>(1,322,181)</u>
<b>Net Difference</b>				<u>(0)</u>

Consolidated Schedule of Cash Activities For the 12-Months September 30, 2019					
	4Q18	1Q19	2Q19	3Q19	Total
<b>Payments from/(to) the District</b>					
Boston Partners - ATU	-	4	(54,258)	-	(54,254)
Boston Partners - IBEW	-	2	-	-	2
Boston Partners - Salaried	-	2	54,258	-	54,261
S&P 500 Index - ATU	(453,869)	-	(58,610)	(336,261)	(848,741)
S&P 500 Index - IBEW	(88,233)	-	-	(74,527)	(160,759)
S&P 500 Index - Salaried	(42,143)	-	58,610	6,616	23,084
Atlanta Capital - ATU	-	-	(30,314)	(609,201)	(639,515)
Atlanta Capital - IBEW	-	-	-	(186,668)	(186,668)
Atlanta Capital - Salaried	-	-	30,314	(122,140)	(91,826)
Pyrford - ATU	-	-	(31,780)	-	(31,780)
Pyrford - IBEW	-	-	-	-	-
Pyrford - Salaried	-	-	31,780	-	31,780
EAFE - ATU	-	-	(13,150)	-	(13,150)
EAFE - IBEW	-	-	-	-	-
EAFE - Salaried	-	-	13,150	-	13,150
Brandes - ATU	-	(4)	-	-	(4)
Brandes - IBEW	-	(2)	-	-	(2)
Brandes - Salaried	-	(2)	-	-	(2)
AQR - ATU	-	-	(15,314)	-	(15,314)
AQR - IBEW	-	-	-	-	-
AQR - Salaried	-	-	15,314	-	15,314
DFA - ATU	-	-	(19,252)	-	(19,252)
DFA - IBEW	-	-	-	-	-
DFA - Salaried	-	-	19,252	-	19,252
Metropolitan West - ATU	(299,003)	(800,166)	(999,082)	-	(2,098,251)
Metropolitan West - IBEW	(78,875)	(181,974)	(204,136)	-	(444,984)
Metropolitan West - Salaried	(106,423)	(59,788)	91,813	-	(74,397)
<b>Total Payments from/(to) the District</b>	<u>(1,066,545)</u>	<u>(1,021,928)</u>	<u>(1,111,404)</u>	<u>(1,322,181)</u>	<u>(4,522,058)</u>

**Sacramento Regional Transit District  
ATU, IBEW and Salaried Retirement Plans  
Schedule of Fund Investment Returns and Expenses  
09/30/19**

	1 Year		1 Year			3 Years		3 Years		
	Investment Returns	%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts	Investment Returns	%	Net of Fees Returns	Bench-Mark Returns	Favorable/(Unfavor) Basis Pts
<b>Boston Partners</b>										
Investment Returns	(521,526)	100.00%				14,189,056	100.00%			
Investment Expense	(244,303)	-46.84%				(738,606)	5.21%			
Net Gain/(Loss)	(765,829)	146.84%	-1.63%	4.00%	(563.00)	13,450,450	94.79%	10.48%	9.43%	105.00
<b>S&amp;P 500</b>										
Investment Returns	2,037,992	100.00%				17,476,540	100.00%			
Investment Expense	(24,033)	1.18%				(70,488)	0.40%			
Net Gain/(Loss)	2,013,959	98.82%	4.22%	4.25%	(3.00)	17,406,052	99.60%	13.36%	13.39%	(3.00)
<b>Atlanta Capital</b>										
Investment Returns	1,201,114	100.00%				10,559,006	100.00%			
Investment Expense	(199,113)	16.58%				(598,889)	5.65%			
Net Gain/(Loss)	1,002,001	83.42%	3.93%	-8.89%	1282.00	9,962,117	94.35%	14.37%	8.23%	614.00
<b>Pyrford</b>										
Investment Returns	452,332	100.00%				1,594,630	100.00%			
Investment Expense	(181,967)	40.23%				(398,829)	25.01%			
Net Gain/(Loss)	270,365	59.77%	0.97%	-1.34%	231.00	1,195,801	74.99%	N/A	N/A	N/A
<b>EAFE</b>										
Investment Returns	(110,075)	100.00%				2,039,034	100.00%			
Investment Expense	(10,868)	-9.87%				(32,315)	1.58%			
Net Gain/(Loss)	(120,943)	109.87%	-1.06%	-1.34%	28.00	2,006,719	98.42%	6.76%	6.48%	28.00
<b>Brandes</b>										
Investment Returns	(2,876)	100.00%				(2,831)	100.00%			
Investment Expense	-	0.00%				-	0.00%			
Net Gain/(Loss)	(2,876)	100.00%	N/A	N/A	N/A	(2,831)	100.00%	N/A	N/A	N/A
<b>AQR</b>										
Investment Returns	(1,470,278)	100.00%				1,105,307	100.00%			
Investment Expense	(109,815)	-7.47%				(380,655)	34.44%			
Net Gain/(Loss)	(1,580,093)	107.47%	-10.30%	-5.93%	(437.00)	724,652	65.56%	2.64%	5.94%	(330.00)
<b>DFA</b>										
Investment Returns	(280,854)	100.00%				2,090,348	100.00%			
Investment Expense	(106,819)	-38.03%				(318,937)	15.26%			
Net Gain/(Loss)	(387,673)	138.03%	-1.75%	-2.01%	26.00	1,771,411		4.85%	5.98%	(113.00)
<b>Metropolitan West</b>										
Investment Returns	11,775,726	100.00%				12,014,442	100.00%			
Investment Expense	(286,124)	2.43%				(796,858)	6.63%			
Net Gain/(Loss)	11,489,602	97.57%	11.74%	10.30%	144.00	11,217,584	93.37%	3.69%	2.92%	77.00
<b>Total Fund</b>										
Investment Returns	13,081,555	100.00%				63,921,201	100.00%			
Investment Expense	(1,163,042)	8.89%				(3,354,766)	5.25%			
Net Gain/(Loss)	11,918,513	91.11%	4.28%	3.95%	33.00	60,566,435	94.75%	7.70%	7.74%	(4.00)

**Sacramento Regional Transit District, Retirements and Deaths**  
**For the Time Period: July 1, 2019 to September 30, 2019**

**Retirement**

<b>Emp#</b>	<b>Previous Position</b>	<b>Pension Group</b>	<b>RetirementDate</b>
234	Bus Operator	ATU	7/1/2019
526	Bus Operator	ATU	7/20/2019
611	LR Operator	ATU	7/27/2019
1183	Transportation Supervisor	AFSCME Supervisor	8/1/2019
2609	Bus Operator	ATU	8/5/2019
1177	Director, Light Rail	MCEG	9/1/2019
4510	Maintenance Supervisor	AFSCME Supervisor	9/1/2019
773	Bus Operator	ATU	9/2/2019
342	Bus Operator	ATU	9/6/2019
1473	Fare Prepayment Clerk	ATU	9/11/2019
3390	Bus Operator	ATU	9/23/2019

**Deaths**

<b>Emp#</b>	<b>Pension Group</b>	<b>Type</b>	<b>Date of Death</b>
87	ATU	Life Alone	8/4/2019
233	ATU	Life Alone	8/19/2019

**Sacramento Regional Transit District  
MCEG Retirement Board Meeting  
Wednesday, September 11, 2019  
MEETING SUMMARY**

**ROLL CALL**

The Retirement Board was brought to order at 9:02 a.m. A quorum was present comprised as follows: Directors Kennedy, Li and Thorn and Alternate Flores. Director Norman 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. 18-12-203 for calendar year 2019, 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**

- 13. Motion: Approving the Minutes for the June 12, 2019 Quarterly Retirement Board Meeting (MCEG). (Weekly)
- 14. Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
- 15. Motion: Approving the Minutes for the July 24, 2019 Special Retirement Board Meeting (MCEG). (Adelman)

Alternate Flores moved to adopt MCEG Retirement Board Items 13-15. Director Thorn seconded the motion. Items 13-15 were carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Thorn and Alternate Flores. Noes: None.

- 16. Motion: Adopting Regional Transit Retirement Boards 2020 Meeting Calendar (ALL). (Weekly)

Director Thorn moved to adopt Item 16. Alternate Flores seconded the motion. Item 16 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Thorn and Alternate Flores. Noes: None.

**NEW BUSINESS**

17. Information: Update on Staff Roles and Responsibilities Related to Pension Administration (ALL). (Weekly)

Valerie Weekly provided an update on the roles and responsibilities of various District staff members and Legal Counsel related to the administration of the Pension Plans. Staff clarified that this was an informational item and no motion would be needed.

18. Information: Investment Performance Review by Dimensional Fund Advisors (DFA) for the ATU, IBEW and Salaried Employee Retirement Funds for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Chermaine Fullinck with DFA, who provided the investment performance results for the International Emerging Markets Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

19. Information: Investment Performance Review by Boston Partners for the ATU, IBEW and Salaried Employee Retirement Funds for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Carolyn Margiotti with Boston Partners, who provided the investment performance results for the Domestic Large Cap Equity Asset Class for the Quarter Ended June 30, 2019 and was available for questions.

20. Motion Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for Quarter Ended June 30, 2019 (ALL). (Adelman)

Jamie Adelman introduced Anne Heaphy and Uvan Tseng with Callan LLC, who provided the Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended June 30, 2019 and were available for questions. In response to a question from AEA Director Devorak regarding DFA's relative weighting of investments in China and whether or not to put DFA on watch, Ms. Heaphy responded that Callan will analyze the Emerging Markets allocations, possibly extract certain markets from the benchmark, and provide analysis at the next meeting.

Director Thorn moved to adopt Item 20. Alternate Flores seconded the motion. Item 20 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li, Thorn and Alternate Flores. Noes: None.

21. Resolution Conditionally Award a Contract for Investment Custodial and Compliance Monitoring Services for the ATU, IBEW and Salaried Plans (ALL). (Adelman)

Jamie Adelman presented item 21 for approval. Jamie noted that three proposals came in: from Northern Trust, State Street and BMO. Staff recommended that Northern Trust be conditionally awarded the contract to allow the 10-day bid protest period to run and to allow for final negotiations of the services contract. Jamie noted that the new contract price came in at 30% less than the cost of services by the incumbent, State Street.

Jamie expressed appreciation to the Plans' advisors at Callan, legal counsel at Hanson Bridgett and the members of the evaluation committee for their assistance with the solicitation.

In response to question from Director Thorn regarding the transition process and plan, Jamie noted that Northern Trust has a special dedicated team during the transition process. She felt that between the dedicated team at Northern Trust and expert advice from Callan, there would be a smooth transition and there will be no delay or variance. Jamie added that the transition process will take approximately 90 days. Jamie added that there should be no changes in market value. Northern Trust will ensure that the balance for each investment will match State Street's close-of-month investment balances to the next month's opening balances.

ATU Director McGee-Lee asked what factors were key to determining the award of the contract to Northern Trust. Jamie mentioned that there were multiple factors, including customer service, accuracy and work product. She added that Northern Trust was technologically strong, and provides more clarity and transparency. Jamie also noted that Northern Trust has an online portal that provides information almost in real time. Price saving and feedback from Callan were additional factors.

Brent Bernegger noted that some clients from the incumbent custodian, State Street, have recently moved to other custodians. Jamie noted that since 2012, five relationship managers left State Street, which is a big turnover. She added that the level of service from State Street decreased every time a relationship manager left. She felt that this was the right time to go out and do an earnest search to make sure that the plans have a good custodian bank for a long time.

Director Thorn moved to adopt Item 21. Alternate Flores seconded the motion. Item 21 was carried unanimously by roll call vote: Ayes: Directors Kennedy, Li and Thorn and Alternate Flores. Noes: None.

**REPORTS FROM COMMITTEES**

None.

**REPORTS, IDEAS AND COMMUNICATIONS**

None.

With no further business to discuss, the MCEG Retirement Board adjourned at 10:06 a.m.

\_\_\_\_\_  
, Chair

ATTEST:

Henry Li, 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	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

## ISSUE

Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

## RECOMMENDED ACTION

Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

## FISCAL IMPACT

None.

## DISCUSSION

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

**Table 1**

### **Employer Contribution Rates As of September 30, 2019**

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

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

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

## Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended September 30, 2019. The financial statements are presented on an accrual basis and consist of a Statement of Fiduciary Net Position (balance sheet) (Attachment 1), a Statement of Changes in Fiduciary Net Position (income statement) for the quarter ended September 30,

Approved:

Presented:

Final 11/27/19

VP of Finance/CFO

AVP of Finance and Treasury



Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)

2019 (Attachment 2), and a year-to-date Statement of Changes in Fiduciary Net Position (Attachment 3).

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

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

### Asset Rebalancing

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

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

Attached hereto as Attachment 4 is the Salaried Plan's Schedule of Cash Activities for the three months ended September 30, 2019. 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 September 30, 2019. The Salaried Plan reimbursed \$115,524.52 to the District as the result of the net cash activity between the pension plan expenses and the required pension contributions.

Attached hereto as Attachment 5 is the Salaried Plan's Asset Allocation as of September 30, 2019. 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

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
10	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Administrative Reports for the Quarter Ended September 30, 2019 for the Salaried Pension Plan (AEA/AFSCME/MCEG). (Adelman)
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differ in that the unaudited financial statements reflect both investment activities and the pension fund's inflows and outflows. Callan's report only reflects the investment activities. The "Net Difference" amounts shown are the results of Callan and State Street using different valuations for the same securities and/or litigation settlements received by the Plans.

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

Attached hereto as Attachment 8 is a schedule reflecting Fund Managers' quarterly investment returns and their investment fees. Additionally, the schedule reflects annual rates of return on investment net of investment fees for the one-year and three-year periods ended September 30, 2019 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 September 30, 2019.

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

Accrual Basis

As of September 30, 2019

	Sep 30, 19
<b>ASSETS</b>	
Current Assets	
Checking/Savings	
Long-Term Investments	
100000 · Custodial Assets	100,639,863.53
Total Long-Term Investments	100,639,863.53
Total Checking/Savings	100,639,863.53
Other Current Assets	
1110120 · Prepays	7,883.75
Total Other Current Assets	7,883.75
Total Current Assets	100,647,747.28
<b>TOTAL ASSETS</b>	<b>100,647,747.28</b>
<b>LIABILITIES &amp; EQUITY</b>	
Liabilities	
Current Liabilities	
Accounts Payable	
3110102 · Administrative Expense Payable	29,924.42
3110110 · Other Pay - Due to RT	74,353.18
3110122 · MetWest	24,600.50
3110124 · Boston Partners	21,136.66
3110125 · Callan	3,479.50
3110126 · State Street	7,824.68
3110128 · Atlanta Capital	17,469.21
3110129 · S&P Index - SSgA	2,106.60
3110130 · EAFE - SSgA	932.89
3110132 · Pyrford	15,728.01
Total Accounts Payable	197,555.65
Total Current Liabilities	197,555.65
Total Liabilities	197,555.65
Equity	
3340101 · Retained Earnings	99,186,092.24
Net Income	1,264,099.39
Total Equity	100,450,191.63
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>100,647,747.28</b>

**Sacto Regional Transit District Retirement Plan - Salaried**  
**Statement of Changes in Fiduciary Net Position**  
 July through September 2019

Accrual Basis

	<u>Jul - Sep 19</u>	<u>% of Income</u>
<b>Income</b>		
Interest, Dividend, & Other Inc	755,192.89	20.1%
Investment Income	710,851.74	18.9%
RT Required Contribution	2,229,141.13	59.2%
6630110 · Employee Contribution	69,931.56	1.9%
<b>Total Income</b>	<u>3,765,117.32</u>	<u>100.0%</u>
<b>Cost of Goods Sold</b>		
8531210 · AEA - Retirement Benefits Paid	840,162.32	22.3%
8531211 · AFSCME-Retirement Benefits Paid	617,937.41	16.4%
8531212 · MCEG - Retirement Benefits Paid	825,336.85	21.9%
8531213 · Employee Contribution Refunds	22,470.10	0.6%
8532004 · Invest Exp - MetropolitanWest	24,600.50	0.7%
8532013 · Invest Exp - Boston Partners	21,136.66	0.6%
8532020 · Invest Exp - Callan	30,429.69	0.8%
8532021 · Invest Exp - State Street	11,828.65	0.3%
8532024 · Invest Exp - Atlanta Capital	17,469.21	0.5%
8532025 · Invest Exp - S&P Index SSgA	2,106.60	0.1%
8532026 · Invest Exp - EAFE SSgA	932.89	0.0%
8532027 · Invest Exp - AQR	9,163.15	0.2%
8532028 · Invest Exp - Pyrford	15,728.01	0.4%
<b>Total COGS</b>	<u>2,439,302.04</u>	<u>64.8%</u>
<b>Gross Profit</b>	<u>1,325,815.28</u>	<u>35.2%</u>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	4,154.71	0.1%
8533007 · Admin Exp - CALPRS Dues/Courses	3,000.00	0.1%
8533010 · Admin Exp - Travel	850.88	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,378.75	0.1%
8533020 · Admin Exp - Procurement Costs	0.00	0.0%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533026 · Admin Exp - Legal Services	20,550.39	0.5%
8533029 · Admin Exp - Administrator	28,454.69	0.8%
8533050 · Admin Exp - Misc Exp	53.15	0.0%
8533051 · Admin Exp - Audit	1,023.32	0.0%
<b>Total Expense</b>	<u>61,715.89</u>	<u>1.6%</u>
<b>Net Income</b>	<u><u>1,264,099.39</u></u>	<u><u>33.6%</u></u>

**Sacto Regional Transit District Retirement Plan - Salaried  
Statement of Changes in Fiduciary Net Position  
July through September 2019**

Accrual Basis

	Jul - Sep 19	% of Income
<b>Income</b>		
Interest, Dividend, & Other Inc	755,192.89	20.1%
Investment Income	710,851.74	18.9%
RT Required Contribution	2,229,141.13	59.2%
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<b>Total Income</b>	<b>3,765,117.32</b>	<b>100.0%</b>
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8532004 · Invest Exp - MetropolitanWest	24,600.50	0.7%
8532013 · Invest Exp - Boston Partners	21,136.66	0.6%
8532020 · Invest Exp - Callan	30,429.69	0.8%
8532021 · Invest Exp - State Street	11,828.65	0.3%
8532024 · Invest Exp - Atlanta Capital	17,469.21	0.5%
8532025 · Invest Exp - S&P Index SSgA	2,106.60	0.1%
8532026 · Invest Exp - EAFE SSgA	932.89	0.0%
8532027 · Invest Exp - AQR	9,163.15	0.2%
8532028 · Invest Exp - Pyrford	15,728.01	0.4%
<b>Total COGS</b>	<b>2,439,302.04</b>	<b>64.8%</b>
<b>Gross Profit</b>	<b>1,325,815.28</b>	<b>35.2%</b>
<b>Expense</b>		
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8533020 · Admin Exp - Procurement Costs	0.00	0.0%
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8533026 · Admin Exp - Legal Services	20,550.39	0.5%
8533029 · Admin Exp - Administrator	28,454.69	0.8%
8533050 · Admin Exp - Misc Exp	53.15	0.0%
8533051 · Admin Exp - Audit	1,023.32	0.0%
<b>Total Expense</b>	<b>61,715.89</b>	<b>1.6%</b>
<b>Net Income</b>	<b>1,264,099.39</b>	<b>33.6%</b>

**Sacramento Regional Transit District  
Retirement Fund - Salaried  
Schedule of Cash Activities  
For the Three Months Period Ended September 30, 2019**

	July 2019	August 2019	September 2019	Quarter Totals
<b>Beginning Balance:</b>				
Due (from)/to District - June 30, 2019	(6,615.70)	104,451.56	17,688.66	(6,615.70)
<b>Monthly Activity:</b>				
<u>Deposits</u>				
District Pension Contributions @ 29.66 to 35.41%	773,878.68	728,982.54	726,279.91	2,229,141.13
Employee Pension Contributions	26,270.91	22,181.15	21,479.50	69,931.56
Total Deposits	800,149.59	751,163.69	747,759.41	2,299,072.69
<u>Expenses</u>				
Payout to Retirees:				
AEA	(282,638.76)	(278,761.78)	(278,761.78)	(840,162.32)
AFSCME	(209,824.01)	(194,313.34)	(213,800.06)	(617,937.41)
MCEG	(280,927.19)	(268,574.97)	(275,834.69)	(825,336.85)
Employee Contribution Refunds	(18,774.44)	(3,695.66)	-	(22,470.10)
Payout to Retirees Subtotal	(792,164.40)	(745,345.75)	(768,396.53)	(2,305,906.68)
Fund Investment Management Expenses:				
Atlanta Capital	(17,556.59)	-	-	(17,556.59)
Boston Partners	(20,635.94)	-	-	(20,635.94)
SSgA S&P 500 Index	(2,053.04)	-	-	(2,053.04)
SSgA EAFE MSCI	(928.72)	-	-	(928.72)
Metropolitan West	(23,969.55)	-	-	(23,969.55)
Pyrford	(15,552.02)	-	-	(15,552.02)
State Street	(3,859.62)	-	(11,723.21)	(15,582.83)
Callan	(3,469.38)	(3,475.99)	(23,474.20)	(30,419.57)
Fund Invest. Mgmt Exp. Subtotal	(88,024.86)	(3,475.99)	(35,197.41)	(126,698.26)
Administrative Expenses				
Legal Services	(6,850.13)	(6,850.13)	(6,850.13)	(20,550.39)
Pension Administration	(9,770.97)	(9,643.96)	(9,039.76)	(28,454.69)
Actuarial Services	(4,790.79)	(2,910.25)	(2,101.00)	(9,802.04)
Travel	-	(626.27)	(224.61)	(850.88)
Investigation Information Services	-	-	(250.00)	(250.00)
CALAPRS Training	(3,000.00)	-	-	(3,000.00)
Miscellaneous	-	-	(53.15)	(53.15)
Administrative Exp. Subtotal	(24,411.89)	(20,030.61)	(18,518.65)	(62,961.15)
Total Expenses	(904,601.15)	(768,852.35)	(822,112.59)	(2,495,566.09)
Monthly Net Owed from/(to) District	(104,451.56)	(17,688.66)	(74,353.18)	(196,493.40)
Payment from/(to) the District	6,615.70	(104,451.56)	(17,688.66)	(115,524.52)
<b>Ending Balance:</b>				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	104,451.56	17,688.66	74,353.18	74,353.18

RT Combined Pension Plans - ATU, IBEW and Salaried  
Asset Allocation \*  
As of September 30, 2019

Asset Class	Net Asset Market Value 9/30/2019	Actual Asset Allocation	Target Asset Allocation	% Variance	\$ Variance	Target Market Value
<b>FUND MANAGERS:</b>						
<b>Domestic Equity:</b>						
Large Cap Value - Boston Partners - Z8	\$ 47,014,494	15.60%	16.00%	-0.40%	\$ (1,191,575)	
Large Cap Growth - SSgA S&P 500 Index - XH	50,921,136	16.90%	16.00%	0.90%	2,715,068	
<b>Total Large Cap Domestic Equity</b>	<b>97,935,631</b>	<b>32.51%</b>	<b>32.00%</b>	<b>0.51%</b>	<b>1,523,493</b>	<b>\$ 96,412,138</b>
<b>Small Cap - Atlanta Capital - XB</b>	<b>26,149,362</b>	<b>8.68%</b>	<b>8.00%</b>	<b>0.68%</b>	<b>2,046,328</b>	<b>24,103,034</b>
<b>International Equity:</b>						
<b>Large Cap Growth:</b>						
Pyrford - ZD	27,548,449	9.14%	9.50%	-0.36%	(1,073,905)	
<b>Large Cap Core:</b>						
SSgA MSCI EAFE - XG	11,287,778	3.75%				
Value - Brandes - XE	0	0.00%				
<b>Total Core</b>	<b>11,287,778</b>	<b>3.75%</b>	<b>4.50%</b>	<b>-0.75%</b>	<b>(2,270,179)</b>	
<b>Small Cap:</b>						
AQR - ZB	12,803,407	4.25%	5.00%	-0.75%	(2,260,990)	
<b>Emerging Markets</b>						
DFA - ZA	15,769,098	5.23%	6.00%	-0.77%	(2,308,177)	
<b>Total International Equity</b>	<b>67,408,731</b>	<b>22.37%</b>	<b>25.00%</b>	<b>-2.63%</b>	<b>(7,913,251)</b>	<b>75,321,983</b>
<b>Fixed Income:</b>						
Met West - XD	109,794,206	36.44%	35.00%	1.44%	4,343,431	105,450,776
<b>Total Combined Net Asset</b>	<b>\$ 301,287,930</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$ 1</b>	<b>\$ 301,287,930</b>

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

\* 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 September 30, 2019**

<b>Per Both Pension Fund Balance Sheets:</b>	
ATU Allocated Custodial Assets	139,683,520
IBEW Allocated Custodial Assets	60,964,546
Salaried Allocated Custodial Assets	<u>100,639,864</u>
<b>Total Consolidated Net Asset</b>	<u><u>301,287,930</u></u>
<b>Per Callan Report:</b>	
Total Investments	<u><u>301,283,631</u></u>
<b>Net Difference</b>	<u><u>4,299</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 September 30, 2019**

<b>Per Both Pension Fund Income Statements:</b>	
ATU - Interest, Dividends, and Other Income	1,082,347
ATU - Investment Income	1,005,935
IBEW - Interest, Dividends, and Other Income	464,978
IBEW - Investment Income	459,844
Salaried - Interest, Dividends, and Other Income	746,030
Salaried - Investment Income	<u>710,852</u>
<b>Total Investment Income</b>	<u><u>4,469,985</u></u>
<b>Per Callan Report:</b>	
Investment Returns	<u><u>4,466,637</u></u>
<b>Net Difference</b>	<u><u>3,348</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 September 30, 2019				
	July	August	September	Total
<b>Payments from/(to) the District</b>				-
Boston Partners - ATU				-
Boston Partners - IBEW				-
Boston Partners - Salaried				-
S&P 500 Index - ATU	(336,261)			(336,261)
S&P 500 Index - IBEW	(74,527)			(74,527)
S&P 500 Index - Salaried	6,616			6,616
Atlanta Capital - ATU		(327,065)	(282,135)	(609,201)
Atlanta Capital - IBEW		(122,613)	(64,055)	(186,668)
Atlanta Capital - Salaried		(104,452)	(17,689)	(122,140)
Pyrford - ATU				-
Pyrford - IBEW				-
Pyrford - Salaried				-
EAFE - ATU				-
EAFE - IBEW				-
EAFE - Salaried				-
Brandes - ATU				-
Brandes - IBEW				-
Brandes - Salaried				-
AQR - ATU				-
AQR - IBEW				-
AQR - Salaried				-
DFA - ATU				-
DFA - IBEW				-
DFA - Salaried				-
Metropolitan West - ATU				-
Metropolitan West - IBEW				-
Metropolitan West - Salaried				-
<b>Total Payments from/(to) the District</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Transfers In/(Out) of Investment Funds</b>				-
Boston Partners	-	-	-	-
S&P 500 Index	(404,172)	-	-	(404,172)
Atlanta Capital	-	(554,130)	(363,880)	(918,009)
Pyrford	-	-	-	-
EAFE	-	-	-	-
Brandes	-	-	-	-
AQR	-	-	-	-
DFA	-	-	-	-
Metropolitan West	-	-	-	-
<b>Total Transfers In/(Out) of Investment Funds</b>	<u>(404,172)</u>	<u>(554,130)</u>	<u>(363,880)</u>	<u>(1,322,181)</u>
<b>Variance between Payments and Transfers</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Per Callan Report:</b>				
Net New Investment/(Withdrawals)				(1,322,181)
<b>Net Difference</b>				<u>(0)</u>

Consolidated Schedule of Cash Activities For the 12-Months September 30, 2019					
	4Q18	1Q19	2Q19	3Q19	Total
<b>Payments from/(to) the District</b>					
Boston Partners - ATU	-	4	(54,258)	-	(54,254)
Boston Partners - IBEW	-	2	-	-	2
Boston Partners - Salaried	-	2	54,258	-	54,261
S&P 500 Index - ATU	(453,869)	-	(58,610)	(336,261)	(848,741)
S&P 500 Index - IBEW	(86,233)	-	-	(74,527)	(160,759)
S&P 500 Index - Salaried	(42,143)	-	58,610	6,616	23,084
Atlanta Capital - ATU	-	-	(30,314)	(609,201)	(639,515)
Atlanta Capital - IBEW	-	-	-	(186,668)	(186,668)
Atlanta Capital - Salaried	-	-	30,314	(122,140)	(91,826)
Pyrford - ATU	-	-	(31,780)	-	(31,780)
Pyrford - IBEW	-	-	-	-	-
Pyrford - Salaried	-	-	31,780	-	31,780
EAFE - ATU	-	-	(13,150)	-	(13,150)
EAFE - IBEW	-	-	-	-	-
EAFE - Salaried	-	-	13,150	-	13,150
Brandes - ATU	-	(4)	-	-	(4)
Brandes - IBEW	-	(2)	-	-	(2)
Brandes - Salaried	-	(2)	-	-	(2)
AQR - ATU	-	-	(15,314)	-	(15,314)
AQR - IBEW	-	-	-	-	-
AQR - Salaried	-	-	15,314	-	15,314
DFA - ATU	-	-	(19,252)	-	(19,252)
DFA - IBEW	-	-	-	-	-
DFA - Salaried	-	-	19,252	-	19,252
Metropolitan West - ATU	(299,003)	(800,166)	(999,082)	-	(2,098,251)
Metropolitan West - IBEW	(78,875)	(161,974)	(204,136)	-	(444,984)
Metropolitan West - Salaried	(106,423)	(59,788)	91,813	-	(74,397)
<b>Total Payments from/(to) the District</b>	<u>(1,066,545)</u>	<u>(1,021,928)</u>	<u>(1,111,404)</u>	<u>(1,322,181)</u>	<u>(4,522,058)</u>

**Sacramento Regional Transit District  
ATU, IBEW and Salaried Retirement Plans  
Schedule of Fund Investment Returns and Expenses  
09/30/19**

	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
<b>Boston Partners</b>										
Investment Returns	(521,526)	100.00%				14,189,056	100.00%			
Investment Expense	(244,303)	-46.84%				(738,606)	5.21%			
Net Gain/(Loss)	(765,829)	146.84%	-1.63%	4.00%	(563.00)	13,450,450	94.79%	10.48%	9.43%	105.00
<b>S&amp;P 500</b>										
Investment Returns	2,037,992	100.00%				17,476,540	100.00%			
Investment Expense	(24,033)	1.18%				(70,488)	0.40%			
Net Gain/(Loss)	2,013,959	98.82%	4.22%	4.25%	(3.00)	17,408,052	99.60%	13.36%	13.39%	(3.00)
<b>Atlanta Capital</b>										
Investment Returns	1,201,114	100.00%				10,559,006	100.00%			
Investment Expense	(199,113)	16.58%				(596,889)	5.65%			
Net Gain/(Loss)	1,002,001	83.42%	3.93%	-8.89%	1282.00	9,962,117	94.35%	14.37%	8.23%	614.00
<b>Pyrford</b>										
Investment Returns	452,332	100.00%				1,594,630	100.00%			
Investment Expense	(181,967)	40.23%				(398,829)	25.01%			
Net Gain/(Loss)	270,365	59.77%	0.97%	-1.34%	231.00	1,195,801	74.99%	N/A	N/A	N/A
<b>EAFE</b>										
Investment Returns	(110,075)	100.00%				2,039,034	100.00%			
Investment Expense	(10,868)	-9.87%				(32,315)	1.58%			
Net Gain/(Loss)	(120,943)	109.87%	-1.06%	-1.34%	28.00	2,006,719	98.42%	6.76%	6.48%	28.00
<b>Brandes</b>										
Investment Returns	(2,876)	100.00%				(2,831)	100.00%			
Investment Expense	-	0.00%				-	0.00%			
Net Gain/(Loss)	(2,876)	100.00%	N/A	N/A	N/A	(2,831)	100.00%	N/A	N/A	N/A
<b>AQR</b>										
Investment Returns	(1,470,278)	100.00%				1,105,307	100.00%			
Investment Expense	(109,815)	-7.47%				(380,655)	34.44%			
Net Gain/(Loss)	(1,580,093)	107.47%	-10.30%	-5.93%	(437.00)	724,652	65.56%	2.64%	5.94%	(330.00)
<b>DFA</b>										
Investment Returns	(280,854)	100.00%				2,090,348	100.00%			
Investment Expense	(106,819)	-38.03%				(318,937)	15.26%			
Net Gain/(Loss)	(387,673)	138.03%	-1.75%	-2.01%	26.00	1,771,411		4.85%	5.98%	(113.00)
<b>Metropolitan West</b>										
Investment Returns	11,775,726	100.00%				12,014,442	100.00%			
Investment Expense	(286,124)	2.43%				(796,858)	6.63%			
Net Gain/(Loss)	11,489,602	97.57%	11.74%	10.30%	144.00	11,217,584	93.37%	3.69%	2.92%	77.00
<b>Total Fund</b>										
Investment Returns	13,081,555	100.00%				63,921,201	100.00%			
Investment Expense	(1,163,042)	8.89%				(3,354,766)	5.25%			
Net Gain/(Loss)	11,918,513	91.11%	4.28%	3.95%	33.00	60,566,435	94.75%	7.70%	7.74%	(4.00)

**Sacramento Regional Transit District, Retirements and Deaths**  
**For the Time Period: July 1, 2019 to September 30, 2019**

**Retirement**

<b>Emp#</b>	<b>Previous Position</b>	<b>Pension Group</b>	<b>RetirementDate</b>
234	Bus Operator	ATU	7/1/2019
526	Bus Operator	ATU	7/20/2019
611	LR Operator	ATU	7/27/2019
1183	Transportation Supervisor	AFSCME Supervisor	8/1/2019
2609	Bus Operator	ATU	8/5/2019
1177	Director, Light Rail	MCEG	9/1/2019
4510	Maintenance Supervisor	AFSCME Supervisor	9/1/2019
773	Bus Operator	ATU	9/2/2019
342	Bus Operator	ATU	9/6/2019
1473	Fare Prepayment Clerk	ATU	9/11/2019
3390	Bus Operator	ATU	9/23/2019

**Deaths**

<b>Emp#</b>	<b>Pension Group</b>	<b>Type</b>	<b>Date of Death</b>
87	ATU	Life Alone	8/4/2019
233	ATU	Life Alone	8/19/2019

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
11	12/11/19	Retirement	Information	11/18/19

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

## ISSUE

Presentation regarding the transition of roles and responsibilities of various District Staff members related to administration of the Pension Plans as well as updates on Staff costs and Legal Services (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 September 30, 2019

Attachment D – Staff Training

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Approved:

Final 11/27/19

AVP, Finance and Treasury

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Presented:

Pension & Retiree Services Administrator

J:\Retirement Board\2019\IP's\Quarterly Meetings\December 11, 2019\HR FINAL IPs

## Pension Administration Staff Roles and Responsibilities

### Plan Administration

#### Customer Relations:

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
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"> <li>) Notifications</li> <li>) Lost Participant Process (TV)</li> <li>) Collection of all required documents</li> <li>) Legal/Compliance Review</li> <li>) Approval by General Manager</li> </ul>	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"> <li>) Send notification</li> <li>) Collect documentation</li> <li>) Lost participant process</li> <li>) Apply interest</li> <li>) Process check</li> </ul>	Pension Analyst	PRSA
Conduct Lost Participant Searches	Pension Analyst	PRSA
Administer Retiree Medical	Sr. HR Analyst	Sr. HR Analyst
Managing Stale Dated and Lost Check Replacement	Payroll Analyst and Treasury Controller	Payroll Supervisor
Copies of Retiree Pay Stubs and 1099R's	Payroll Analyst	Payroll Supervisor
Printing, Stuffing, and Mailing Pay Stubs	Payroll Analyst	Payroll Supervisor
Verification of Retiree Wages: gross pay, net wages, no pre-tax deductions, taxes	Pension Analyst (HR) and Payroll Analyst	Pension Analyst and/or Payroll Supervisor

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

**Plan Documents:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
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:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
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:**

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

**Semi-Annual/Annual/Bi-Annual Administration:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
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:**

<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
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:**

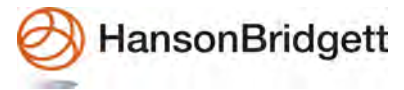
<b>Task</b>	<b>Primary Responsibility</b>	<b>Back Up Responsibility</b>
Asset Rebalancing	Treasury Controller	VP Treasury/CFO
Account Reconciliations	Treasury Controller	VP Treasury/CFO
Cash Transfers	Treasury Controller	VP Treasury/CFO
Fund Accounting	Treasury Controller	VP Treasury/CFO
Investment Management	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: July 1, 2019 to September 30, 2019**

<b>Sum of Value TranCurr</b>			
<b>WBS Element</b>	<b>Source object name</b>	<b>Per</b>	<b>Total</b>
<b>SAXXXX.PENATU</b>	<b>Finance And Treasury / Adelman, Jamie</b>	002	848.39
	<b>Human Resources / Martinelli, Christin</b>	001	40.98
		002	27.32
	<b>Human Resources / Montung-Fuller, Mari</b>	001	2,920.40
		002	2,586.64
	<b>Human Resources / Weekly, Valerie</b>	001	1,485.02
		002	742.50
	<b>Finance And Treasury / Montung-Fuller, Mari</b>	003	888.14
	<b>Finance And Treasury / Weekly, Valerie</b>	003	824.40
	<b>SAXXXX.PENATU Total</b>		
<b>SAXXXX.PENIBEW</b>	<b>Human Resources / Martinelli, Christin</b>	001	40.98
		002	27.32
	<b>Human Resources / Montung-Fuller, Mari</b>	001	667.52
		002	375.48
	<b>Human Resources / Weekly, Valerie</b>	001	960.92
		002	480.46
	<b>Finance And Treasury / Weekly, Valerie</b>	003	412.20
	<b>SAXXXX.PENIBEW Total</b>		
<b>SAXXXX.PENSALA</b>	<b>Finance And Treasury / Adelman, Jamie</b>	002	199.62
	<b>Human Resources / Martinelli, Christin</b>	001	40.98
		002	27.32
	<b>Human Resources / Montung-Fuller, Mari</b>	001	1,043.00
		002	792.68
	<b>Human Resources / Weekly, Valerie</b>	001	1,965.39
		002	1,048.21
	<b>Finance And Treasury / Montung-Fuller, Mari</b>	003	403.70
	<b>Finance And Treasury / Weekly, Valerie</b>	003	549.60
	<b>SAXXXX.PENSALA Total</b>		
<b>SAXXXX.PENSION</b>	<b>Finance And Treasury / Adelman, Jamie</b>	001	1,621.94
		002	1,746.70
		003	1,522.12
	<b>Finance And Treasury / Gardner, Leona</b>	001	396.67
		002	555.33
		003	515.65
	<b>Finance And Treasury / Mata, Jennifer</b>	001	523.67
		002	1,008.55
		003	1,147.66
	<b>Human Resources / Martinelli, Christin</b>	001	40.98
		002	27.32
	<b>Human Resources / Montung-Fuller, Mari</b>	001	7,718.20
		002	6,383.16
	<b>Human Resources / Weekly, Valerie</b>	001	6,289.26



<b>SAXXXX.PENSION</b>	<b>Human Resources / Weekly, Valerie</b>	002	7,774.20
	<b>Board Support / Brooks, Cynthia</b>	001	78.61
		003	78.61
	<b>Finance And Treasury / Volk, Lynda</b>	001	3,495.47
		002	5,233.13
		003	3,151.99
	<b>Finance And Treasury / Montung-Fuller, Mari</b>	003	7,629.93
	<b>Finance And Treasury / Weekly, Valerie</b>	003	10,213.40
	<b>SAXXXX.PENSION Total</b>		<b>67,152.55</b>
<b>(blank)</b>			
<b>Grand Total</b>		<b>86,551.72</b>	



**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 September 30, 2019.

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 and Special Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Assist with custodian services procurement including, but not limited to: preparing for and attending proposer interviews; analyzing exceptions to proposed agreement; and negotiating contract with Northern Trust.
4. Support custodian services transition process, including contract extension with incumbent.
5. Review and analyze potential correction issues with operations audit including applicable interest rate for under/overpayments.
6. Provide counsel on issues including, but not limited to:
  - a. Financial reporting;
  - b. Calculation of benefits under various scenarios;
  - c. Fiduciary duties.

Respectfully Submitted,

/s/ Shayna M. van Hoften

**Sacramento Regional Transit Retirement Boards Training Report**

<b>Attendee:</b>	Valerie Weekly, Retirement Services Manager			
<b>Training:</b>	Management Academy for Retirement System Managers			
<b>Agency:</b>	California Association of Public Retirement Systems (CALAPRS)			
<b>Location:</b>	Pasadena, California			
<b>Purpose:</b>	Public retirement systems offer management challenges far different than those found in either the private sector or other government settings. The CALAPRS Management Academy provides participants outstanding training and exposure to enterprise management, problem solving, leadership and a feedback component in the retirement system context.			
<b>Agenda:</b>	<b>Module 1</b>	<b>Module 2</b>	<b>Module 3</b>	
	April 15-16	June 10-12	July 22-24	
	<u><b>Being an effective manager</b></u> <ul style="list-style-type: none"> <li>➤ Changing Role/Expectations</li> <li>➤ Emerging HR Trends</li> <li>➤ Top 10 Success Tips for Managers</li> </ul>	<u><b>360 Degree Survey</b></u> <ul style="list-style-type: none"> <li>➤ Leadership Competencies</li> <li>➤ Review 360 Survey Reports</li> <li>➤ Prepare Individual Development Plans</li> </ul>	<u><b>Performance Management</b></u> <ul style="list-style-type: none"> <li>➤ Model of Performance Management</li> <li>➤ Measuring Performance</li> <li>➤ Giving Performance Feedback</li> <li>➤ Dealing with Poor Performers</li> </ul>	<u><b>Ethical Decision Making</b></u> <ul style="list-style-type: none"> <li>➤ Ethical Theories</li> <li>➤ Case Examples</li> <li>➤ 7-Step Model to Resolve</li> </ul>
	<u><b>Customer Service Focus</b></u> <ul style="list-style-type: none"> <li>➤ Who Are Our Customers?</li> <li>➤ Clarifying Expectations</li> <li>➤ Customer Service Model</li> <li>➤ Service and Satisfaction Metrics</li> </ul>	<u><b>Strategic Thinking &amp; Planning</b></u> <ul style="list-style-type: none"> <li>➤ What is Strategic Thinking?</li> <li>➤ Strategic Planning Model</li> <li>➤ SWOT Mock Analysis</li> <li>➤ Balanced Scorecard</li> <li>➤ Metrics</li> </ul>	<u><b>Decision Making &amp; Involvement</b></u> <ul style="list-style-type: none"> <li>➤ Types of Decisions</li> <li>➤ A Decision Making Model</li> <li>➤ Levels of Involvement</li> <li>➤ Real Cases and Decisions</li> </ul>	<u><b>Effective Influence Skills</b></u> <ul style="list-style-type: none"> <li>➤ Politics Defined</li> <li>➤ Political Styles</li> <li>➤ Political Power and Personal Power</li> <li>➤ Case Studies</li> </ul>
				<u><b>Inter-Generational Workforce Issues</b></u> <ul style="list-style-type: none"> <li>➤ Generational Differences</li> <li>➤ Defining Characteristics</li> <li>➤ Managing &amp; Recruiting</li> </ul>
				<u><b>Managing Change</b></u> <ul style="list-style-type: none"> <li>➤ Manager's Role in Change</li> <li>➤ Change Model</li> <li>➤ Change vs. Transition</li> <li>➤ Mindsets</li> <li>➤ Overcoming Resistance</li> </ul>
<b>Key Take Aways:</b>	Techniques to manage different staff reactions to change/transition. Results and individual development plan resulting from the 360 Degree Competency Survey.			

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
12	12/11/19	Retirement	Information	11/13/19

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 September 30, 2019 (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 September 30, 2019, shown in Attachment 1, and answering any questions.

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Approved:

Presented:

Final 11/27/19

VP of Finance/CFO

AVP Finance and Treasury

J:\Retirement Board\2019\IP's\Quarterly Meetings\December 11, 2019\FI FINAL IPs

## Sacramento Regional Transit District

High Quality Small Cap

December 11, 2019  
Portfolio Review



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

Deborah Henry  
Senior Portfolio Administrator  
(404) 682-2466  
deborah.henry@atlcap.com



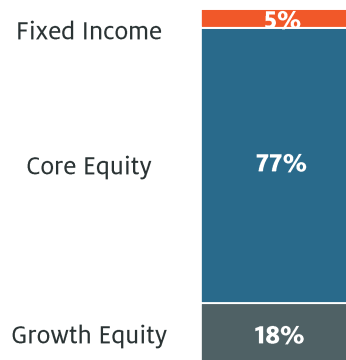
# Atlanta Capital Management Co., LLC

As of September 30, 2019

- Founded in 1969 in Atlanta, Georgia
- Singular focus on High Quality stocks and bonds
- Owned by employees & Eaton Vance Corporation
- Employ 38 professionals (17 are equity partners)

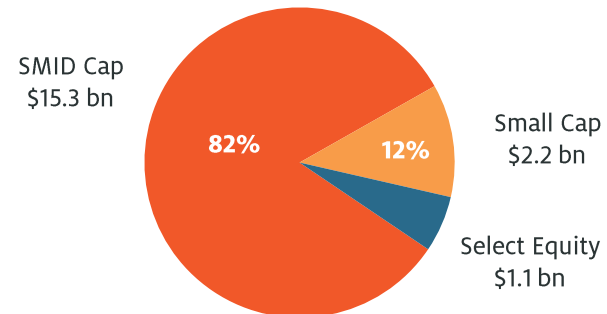
## Investment Franchises

(\$24.0 Billion)



## Core Equity Management

(\$18.5 Billion)



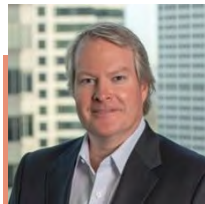
# Seasoned & Stable Investment Team

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

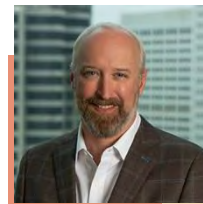
## Portfolio Managers



Chip Reed, CFA  
30 Yrs | 1998

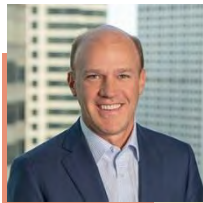


Matt Hereford, CFA  
24 Yrs | 2002



Bill Bell, CFA  
24 Yrs | 1999

## Investment Specialist



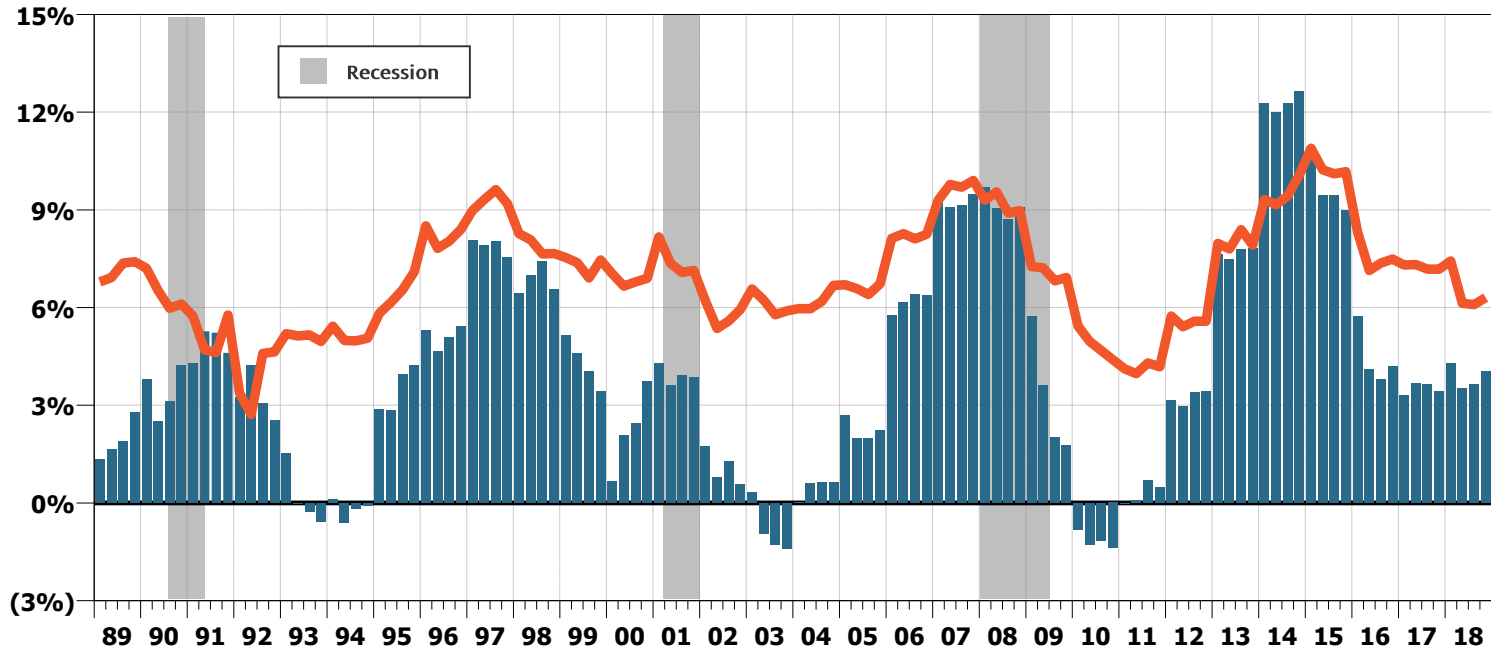
Michael Jaje, CFA  
25 Yrs | 2014

- 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>
High Quality Portfolio	6.9%	1.7%	120 or 100%	0 or 0%	
Low Quality Portfolio	4.1%	3.4%	106 or 88%	14 or 12%	

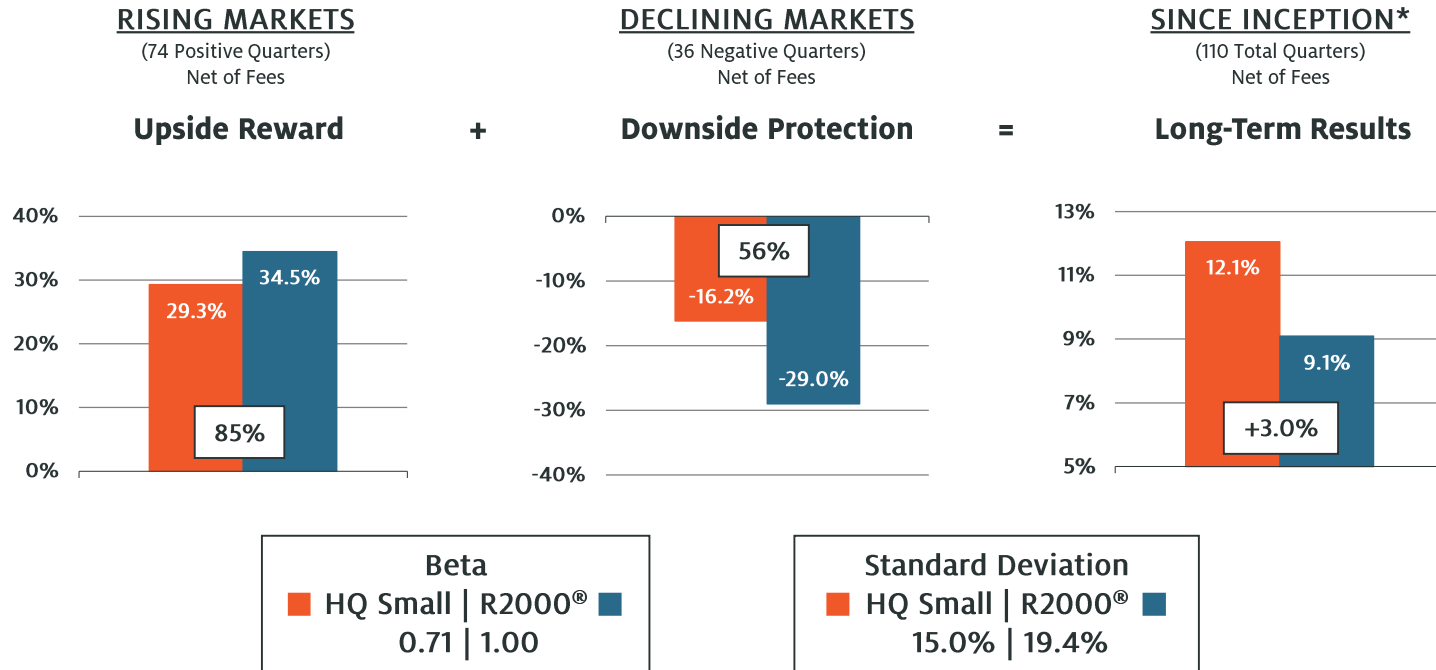
Time period: January 1, 1989 – December 31, 2018. This information is provided for general illustrative purposes only. The High Quality and Low Quality Research portfolios are provided to compare the aggregate earnings stability of all companies in the index with High Quality SPGMI Quality Rankings (B+ or Better) to those with Low Quality SPGMI Quality Rankings (B or Below). The High Quality Research and Low Quality Research portfolios are model portfolios formed and rebalanced monthly by Atlanta Capital. The universe includes all Russell 2000® Index constituents with SPGMI 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 an unmanaged index of 2,000 US small-cap stocks. Historical performance of the index and Research portfolios illustrates market trends and does not represent past or future performance of the strategy. The material is based upon information that Atlanta Capital considers to be reliable, however no assurances are provided. 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. Past performance is not a reliable indicator of future results. Sources: FTSE Russell, S&P Global, Wilshire Atlas, Atlanta Capital as of December 31, 2018.



# Small Cap Investment Objective

April 1, 1992 – September 30, 2019

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



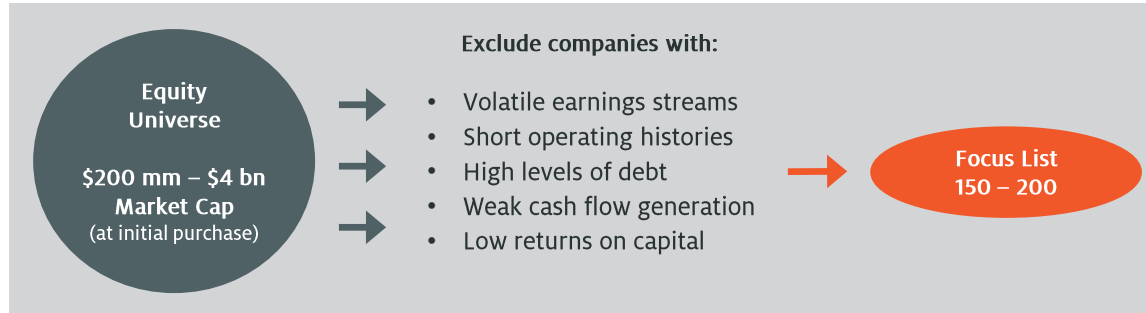
**...without the volatility typically associated with small cap investing.**

\*The 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. Please see the Composite's GIPS® compliant presentation at the end of this presentation for important additional information and disclosure. **Past performance does not predict future results. Source: eVestment and Atlanta Capital.**

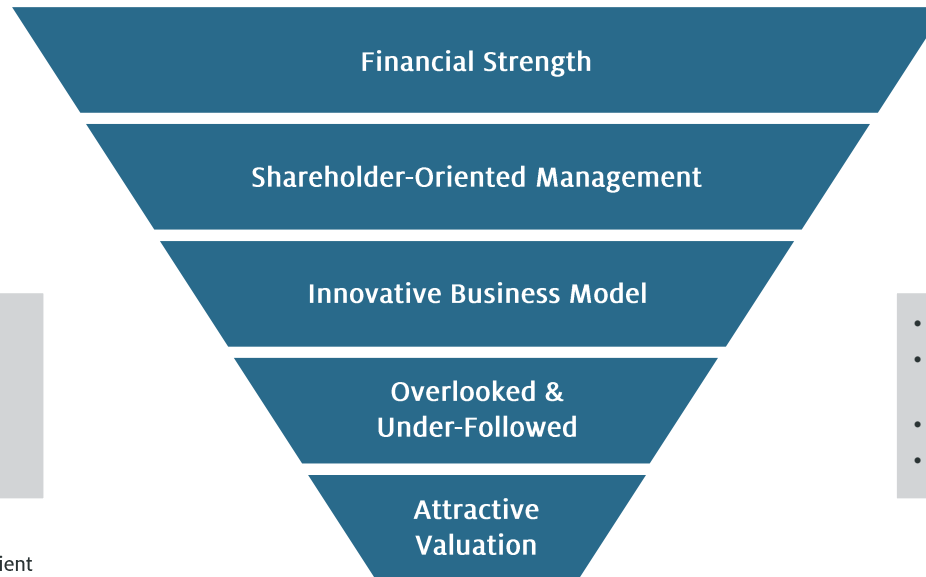
# Disciplined Investment Process

## 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
- 16% 3-year average 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

\* Turnover based on a single representative client portfolio and subject to change; individual client results may vary.

# Annualized Performance

As of September 30, 2019

## Sacramento Regional Transit District

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs* (%)	5 Yrs* (%)	7 Yrs* (%)	10 Yrs* (%)	Since Inception* (%)
High Quality Small Cap	2.76	21.94	4.71	15.31	14.49	15.12	--	14.55
Russell 2000® Index	-2.40	14.18	-8.89	8.23	8.19	10.44	--	9.52

## Account Summary

Performance Inception Date:	April 22, 2010
Net Investment Contributions:	\$24,188
Investment Dollars Earned:	\$26,124,953
Market Value (09/30/19):	<b>\$26,149,141</b>

\*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 of transaction costs. It is not possible to directly invest in an index.

Past performance does not guarantee or predict future results.



# Portfolio Transactions

Last 3-Months Ending September 30, 2019

**Sacramento Regional Transit District**  
**High Quality Small Cap**

## **New Purchases**

---

### **Industrials**

CBIZ Inc.

Provides an array of critical professional services to small and mid-sized businesses nationally. Strong client retention along with a focus on margin and sales productivity should drive earnings.

## **Complete Sales**

---

### **Consumer Discretionary**

Pool Corp.

Is a large distributor of swimming pool and irrigation products. We sold the position as the company's market capitalization had appreciated to the high end of our range.

# Portfolio Characteristics

As of September 30, 2019

Sacramento Regional Transit District  
High Quality Small Cap

## Top Ten Equity Holdings

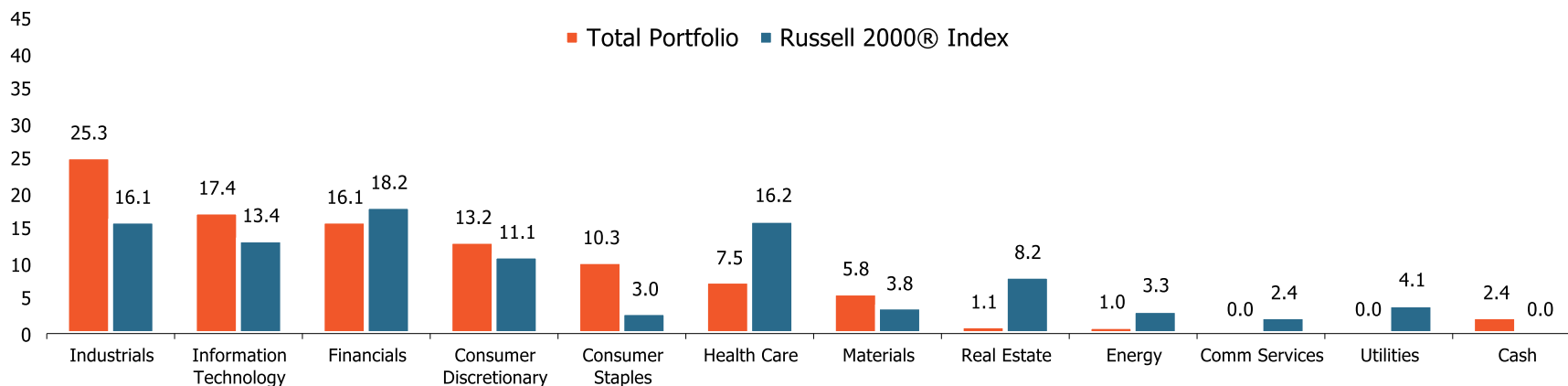
%

Manhattan Associates	4.1
Casey's General Stores	3.6
Choice Hotels Int'l	3.0
Blackbaud	2.9
CoreLogic	2.9
Dorman Products	2.9
J&J Snack Foods Corp.	2.8
Kirby Corp.	2.4
Beacon Roofing Supply	2.3
Moog	2.2

## Portfolio Metrics

Metrics	Russell 2000® Index	Total Portfolio
# of Holdings	2,003	63
Wtd. Avg. Mkt. Cap (billions)	\$2.2	\$3.4
Historical Earnings Growth	9%	9%
Forecasted Earnings Growth	13%	9%
Return on Equity	6%	16%
P/E (NTM, Excl. Neg. Earn.)	14.8x	19.1x
Dividend Yield	1.5%	0.9%

## Sector Exposure



# Current Portfolio Holdings

As of September 30, 2019

## Sacramento Regional Transit District High Quality Small Cap

Sector	Ending Weight	Weight
<b>Consumer Discretionary</b>	13.2%	11.1%
Choice Hotels Int'l (CHH)	3.0%	
Columbia Sportswear (COLM)	1.2%	
Dorman Products (DORM)	2.9%	
Frontdoor Inc. (FTDR)	2.0%	
Monro (MNRO)	1.4%	
Sally Beauty Hldgs. (SBH)	1.0%	
Wolverine World Wide (WWW)	1.8%	
<b>Consumer Staples</b>	10.3%	3.0%
Casey's General Stores (CASY)	3.6%	
Central Garden & Pet Co. (CENT)	1.1%	
Inter Parfums (IPAR)	2.0%	
J&J Snack Foods Corp. (JJSF)	2.8%	
Lancaster Colony Corp. (LANC)	0.9%	
<b>Energy</b>	1.0%	3.3%
Dril-Quip (DRQ)	1.0%	
<b>Financials</b>	16.1%	18.2%
Artisan Partners (APAM)	1.0%	
Cadence BanCorporation (CADE)	1.2%	
IBERIABANK Corp. (IBKC)	1.4%	
Kinsale Capital Group Inc. (KNSL)	2.1%	
Morningstar (MORN)	1.9%	
Pinnacle Fin'l Partners (PNFP)	1.3%	
Prosperity Bancshares (PB)	1.7%	
RLI Corp. (RLI)	1.5%	
South State Corp. (SSB)	2.0%	
Umpqua Holdings Corp. (UMPQ)	1.0%	
Westamerica Bancorp. (WABC)	1.2%	

<b>Health Care</b>	7.5%	16.2%
Covetrus Inc (CVET)	0.4%	
Emergent BioSolutions Inc. (EBS)	1.5%	
ICU Medical (ICUI)	1.7%	
Integra LifeSciences (IART)	1.8%	
Mesa Laboratories Inc. (MLAB)	1.3%	
Patterson Companies (PCO)	0.7%	
<b>Industrials</b>	25.3%	16.1%
AAON (AAON)	1.0%	
Alamo Group Inc (ALG)	1.2%	
Beacon Roofing Supply (BECN)	2.3%	
CBIZ Inc. (CBZ)	0.5%	
Exponent (EXPO)	2.0%	
Forward Air (FWRD)	1.7%	
FTI Consulting (FCN)	1.1%	
Generac Holdings (GNRC)	1.4%	
Huron Consulting Group (HURN)	1.6%	
Kirby Corp. (KEX)	2.4%	
Landstar System (LSTR)	1.7%	
Moog (MOG.A)	2.2%	
Raven Industries (RAVN)	0.7%	
Simpson Manufacturing Co Inc (SSD)	1.4%	
UniFirst Corp. (UNF)	2.1%	
US Ecology (ECOL)	0.9%	
Welbilt Inc (WBT)	1.0%	

High Quality Small Cap

Russell 2000® Index

<b>Communication Services</b>	0.0%	2.4%
<b>Information Technology</b>	17.4%	13.4%
ACI Worldwide Inc. (ACIW)	1.0%	
Blackbaud (BLKB)	2.9%	
Cass Information Sys (CASS)	1.2%	
CoreLogic (CLGX)	2.9%	
Envestnet (ENV)	1.1%	
ePlus (PLUS)	1.3%	
Manhattan Associates (MANH)	4.1%	
National Instruments (NATI)	1.4%	
Power Integrations (POWI)	1.1%	
ScanSource (SCSC)	0.5%	
<b>Materials</b>	5.8%	3.8%
AptarGroup (ATR)	1.0%	
Balchem Corp. (BCPC)	1.0%	
Sensient Technologies Corp. (SXT)	1.3%	
Silgan Holdings (SLGN)	1.3%	
Stepan Co. (SCL)	1.2%	
<b>Real Estate</b>	1.1%	8.2%
Universal Health Realty (UHT)	1.1%	
<b>Utilities</b>	0.0%	4.1%
<b>Cash</b>	2.4%	0.0%

# Investment Outlook & Strategy

As of September 30, 2019

## High Quality Small Cap

### Outlook

---

- U.S. small cap equity markets have certainly “climbed a wall of worry” so far in 2019, with the Russell 2000® index gaining over +14% YTD.
- However, in the 3rd quarter, the Russell 2000® declined -2.4% as the market considered the impact of a potential economic slowdown driven by factors like unresolved global trade/tariff disputes, renewed Middle Eastern tensions and an attack on critical Saudi oil infrastructure, a still pending Brexit decision in the UK, and escalating political discord in the U.S.
- While total returns for small cap stocks remain solid year-to-date, we have and continue to expect increased periods of heightened market volatility. We continue to focus on investing in high quality companies that we believe should participate if markets move higher, and help to minimize downside risk if markets decline.

### Portfolio Positioning

---

- During the quarter, we added one new holding and sold one position entirely.
- At quarter end, the portfolio held 63 stocks representing nine of the eleven economic sectors in the Russell 2000®.
- Relative to the benchmark, the portfolio remains overweight Industrials, Consumer Staples, Technology, Materials, and Consumer Discretionary.
- The portfolio was underweight Health Care, Real Estate, Energy, and Financials. There were no positions in Utilities or Communication Services.

# GIPS® Performance Information and Disclosure

## High Quality Small Capitalization Composite

As of December 31, 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 <sup>1</sup>	1.66	0.85	-11.01	11.99	15.79	46	0.29	1,490	19,188
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

<sup>1</sup>Period 01/01/2018 through 12/31/2018. 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, 2018.**

**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, 2018. 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 December 31, 2018						Cumulative (%)
	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception*	Since Inception*
Composite Gross of Fees	1.66	11.56	8.62	13.43	15.62	12.51	2242.85
Composite Net of Fees	0.85	10.68	7.77	12.54	14.71	11.62	1793.36
Russell 2000® Index	-11.01	7.36	4.41	10.44	11.97	8.81	857.48

\*Inception date is April 1, 1992.  
E7 01.09.19; 05.30.19

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
13	12/11/19	Retirement	Information	11/01/19

Subject: Investment Performance Review of the S&P 500 Index and MSCI EAFE Funds by State Street Global Advisors (SSgA) for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended September 30, 2019 (ALL). (Adelman)

## ISSUE

Investment Performance Review of the S&P 500 Index and MSCI EAFE Funds by State Street Global Advisors (SSgA) for the ATU, IBEW and Salaried Employee Retirement Funds for the Quarter Ended September 30, 2019 (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.

SSgA is the fund manager for the Retirement Boards' Domestic Large Capitalization Equity S&P 500 Index Fund, as well as the Retirement Boards' International Large Capitalization Equity MSCI EAFE Index Fund. SSgA will be presenting performance results, for both funds, for the quarter ended September 30, 2019, shown on Attachment 1, and answering any questions.

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Approved:

Presented:

Final 11/27/19

VP of Finance/CFO

AVP of Finance and Treasury

J:\Retirement Board\2019\IP's\Quarterly Meetings\December 11, 2019\FI FINAL IPs

# Sacramento Regional Transit District

**December 11, 2019**

Investment Professional use only.

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# Agenda

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State Street Global Advisors Firm Overview

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Account Summary

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Equity Indexing Skillfully Delivered

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Portfolio Review for S&P 500<sup>®</sup> Index Strategy

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Portfolio Review for MSCI EAFE<sup>®</sup> Index Strategy

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## **Appendices:**

A) GIPS<sup>®</sup> Presentations

B) Important Disclosures

The information contained in this document is current as of the date presented unless otherwise noted.  
GIPS<sup>®</sup> is a trademark of the CFA Institute.

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# State Street Global Advisors Firm Overview

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# About State Street Corporation

Responsible for 10% of the world's assets<sup>1</sup>

---

## Asset Servicing

Customized servicing solutions across traditional and alternative investments, with \$32.9T under our care<sup>2</sup>

---

## Research and Trading

Data-driven insights and technology platforms that improve clients' access to global financial markets

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## Data and Analytics

Data management tools, analysis and software that can help clients make better investment decisions

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## Asset Management

Active and index investment strategies and solutions that help clients reach their financial goals

<sup>1</sup>State Street and McKinsey Global Institute, Global Capital Markets December 31, 2018

<sup>2</sup>This represents State Street's year-end 2018 Assets Under Custody and Administration, AUCA, (USD \$32.9T) as a proportion of September 30, 2019

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# About State Street Global Advisors

---

**\$2.95**

Trillion in Assets<sup>1</sup>

---

**2800+**

Clients

---

**14**

Million DC Participants<sup>2</sup>

---

**63**

Countries with Clients

---

**9**

Investment Centers<sup>3</sup>

---

**24-hour**

Global Trading Capability<sup>4</sup>

<sup>1</sup>1AUM reflects approximately \$45.01 billion (as of September 30, 2019), with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated

<sup>2</sup>As of December 31, 2018

<sup>3</sup>As of September 30, 2019

<sup>4</sup>During regional market hours

---

# A Leading Partner to Institutions and Intermediaries

---

## #1

---

government retirement plan provider globally

---

sovereign wealth fund asset manager

---

US endowment & foundation asset manager

---

## #2

---

US Defined Benefit provider

---

## #3

---

largest asset manager

---

largest ETF provider

---

largest index manager (excluding ETFs)

---

central bank asset manager

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## Top 10

---

Institutional Money Market provider

---

US Defined Contribution Investment Only (DCIO) manager

---

Outsourced Chief Investment Officer (OCIO) services

---

ETF Model Portfolio manager

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US Defined Contribution manager

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Source: P&I Research Center, as of 12/31/2018 and Morningstar, as of 12/31/2018



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# Guiding Principles

Since 1978 we've had a drive to always reinvent the way we invest for our clients.

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## Start with Rigor

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Our more than 500 investment professionals worldwide take a highly risk-aware approach to all investing challenges.

---

## Build from Breadth

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We build from a universe of active and index strategies to create cost effective solutions.

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## Invest as Stewards

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We help our portfolio companies understand that what's fair for people and sustainable for the planet can deliver long-term performance.

---

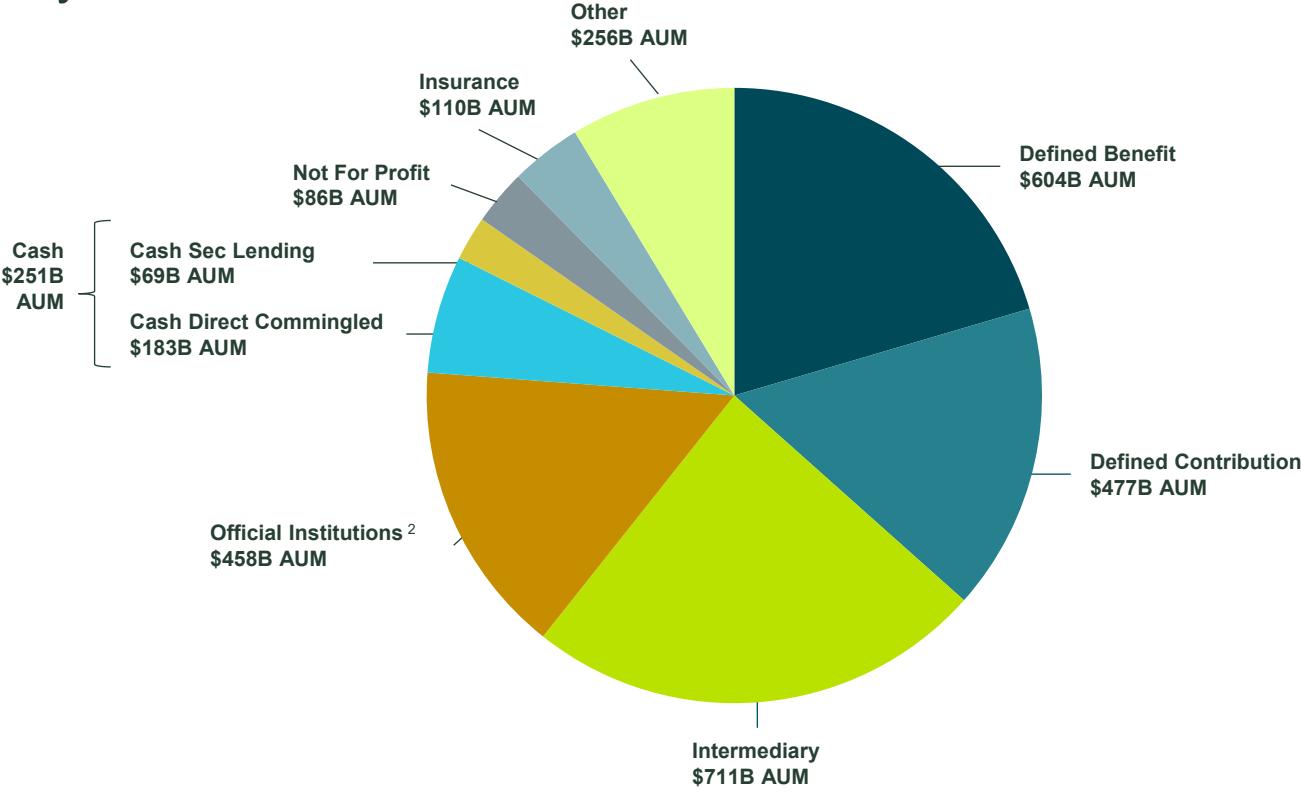
## Invent the Future

---

We created the first US ETF and we're pioneers in index, active, and ESG investing.

# US\$2.95 Trillion in Assets Under Management<sup>1</sup>

## Clients by AUM



<sup>1</sup>AUM reflects approximately \$45.01 billion (as of September 30, 2019), with respect to which State Street Global Advisors Funds Distributors, LLC (SSGA FD) serves as marketing agent; SSGA FD and State Street Global Advisors are affiliated

<sup>2</sup>Official Institutions is a client type that includes all plan type assets including DB and DC.

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# Investment Philosophy

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## **Understanding Multiple Dimensions**

Creating successful investment outcomes starts with understanding the multiple dimensions of a client's long-term objectives and liabilities.

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## **Knowing Markets are Not Always Efficient**

Due to behavioral biases, informational inefficiencies and limits to arbitrage, markets are not always efficient, leading to opportunities for excess returns.

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## **Focusing on Asset Allocation**

The primary driver of long-term returns is asset allocation.

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Investors need efficient access to a broad universe of capital market exposure.

---

Focus should be on underlying risks, not asset class labels.

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## **Achieving Capital- & Risk-Efficient Portfolios**

A thoughtful and precise combination of market-, factor- and idiosyncratic-risk, along with manager skill, are key to achieving capital-, and risk-efficient portfolios.

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# ESG in Action:

## Wall Street, Meet Fearless Girl

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Starting in 2017, our Asset Stewardship team has called on companies in our investment portfolio to increase the number of women on their boards, and made clear we would use our proxy voting power to effect change if they failed to act.



Photo: Sculpture by Kristen Visbal  
Source: State Street Global Advisors Asset Stewardship Team September 2019

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### 1300+

companies identified in the US, UK, Australia, Japan, Canada and continental Europe that had no women on their boards.

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### 600+

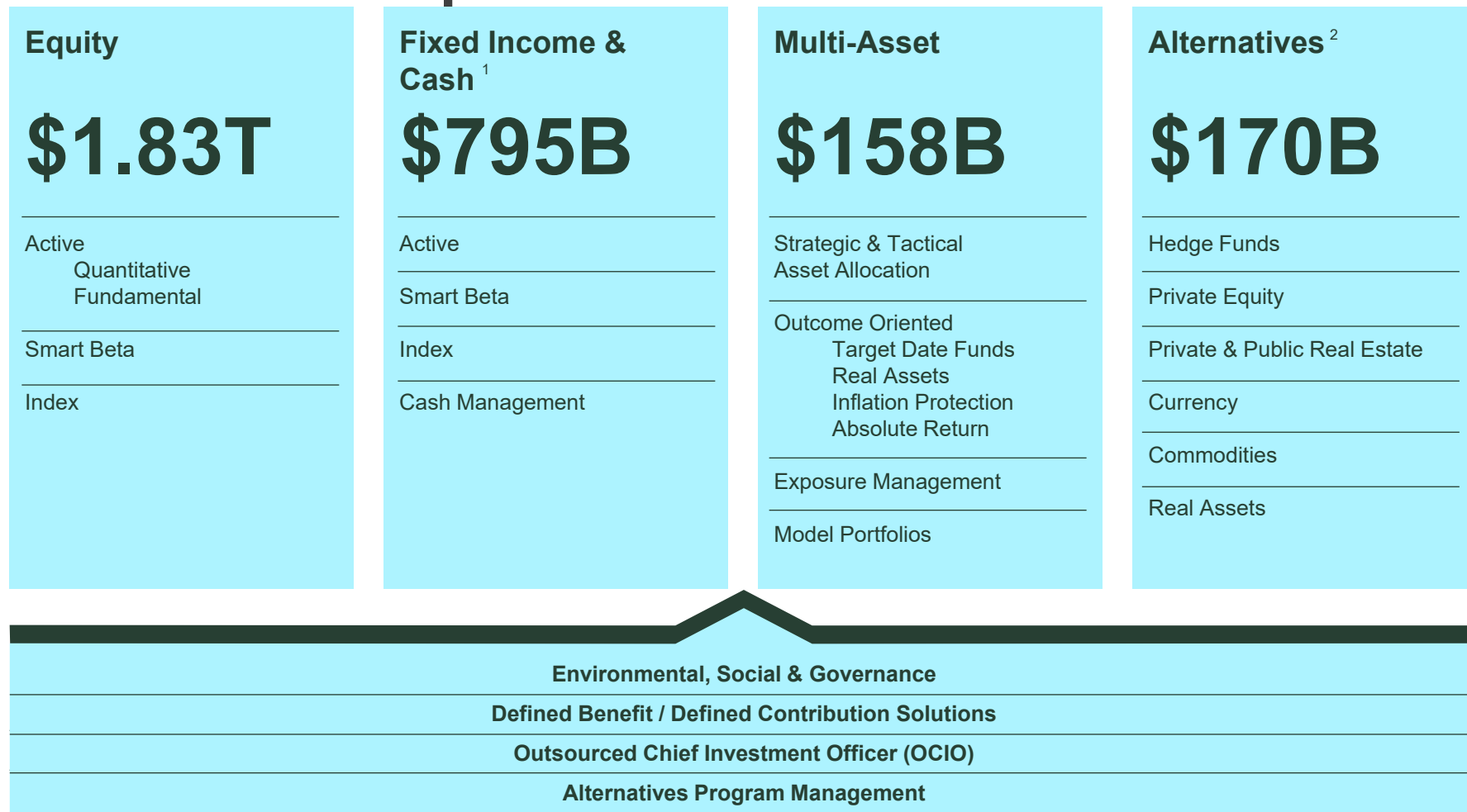
companies voted against for failing to take adequate steps toward adding a female director to their board.

---

### 583

companies have now added a female director to their board or committed to doing so

# Our Active and Index Capabilities Cover the Risk/Reward Spectrum



Figures are in USD dollars; Period end as of September 30, 2019

<sup>1</sup>Cash includes both floating- and constant-net-asset-value portfolios held in commingled structures or separate accounts. <sup>2</sup>Alternatives Includes real estate investment trusts, currency and commodities, including gold-backed ETFs for which SSGA only serves as marketing agent.

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# What Keeps Clients Awake at Night?

## Investor Challenges and Needs

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### Policy Matters

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Policy risk muted but not gone away

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Corporate leverage is high

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### The New World Order

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China: Too big to ignore

---

Populism fallout

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Climate risk moves up the agenda

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### Risk Rises as Cycle Matures

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Actively manage equity and fixed income exposures

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Valuations matter

---

Hedge your tail risks

---

### Value for Fees

---

Systematize where effective

---

Demand true alpha

---

# Business Leadership Team

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## Cyrus Taraporevala, President & CEO

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**Chris Baker**  
Chief Compliance Officer

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**Greg Hartch**  
Head of Private Investments

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**Jim Ross**  
Chairman of Global SPDR®

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**Marc Brown**  
Chief Administrative Officer

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**Susan Lasota**  
Chief Technology Officer and Head of Transformation

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**Barry F.X. Smith**  
Chief Operating Officer of the Global Institutional Group

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**Cuan Coulter**  
Head of Europe, Middle East & Africa

---

**Steve Lipiner**  
Chief Financial Officer

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**Kat Sweeney**  
Head of Institutional, Americas

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**Lochiel Crafter**  
Head of Global Institutional Group

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**James MacNevin**  
Head of Asia Pacific

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**Sue Thompson**  
Head of SPDR® Americas Distribution

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**Tim Corbett**  
Chief Risk Officer

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**Kate McKinley**  
General Counsel

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**Stephen Tisdalle**  
Chief Marketing Officer

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**Kem Danner**  
Head of Human Resources

---

**Miles O'Connor**  
Head of Institutional, EMEA

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**Rory Tobin**  
Head of Global SPDR®

As of October 2019

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# Global Investment Team

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**Cyrus Taraporevala**, President & CEO

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**Rick Lacaille**, Global CIO

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**Kevin Anderson**  
Head of Investments, APAC

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**Barry Glavin**  
CIO, Fundamental Value Equities

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**Lynn Blake**  
CIO, Global Equity Beta Solutions

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**Olivia Engel**  
CIO, Active Quantitative Equities

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**Lori Heinel**  
Deputy Global CIO

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**Dan Farley**  
CIO, Investment Solutions Group

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**Michael Solecki**  
CIO, Fundamental Growth & Core Equity

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**Matthew Steinaway**  
CIO, Global Fixed Income, Currency & Cash

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**Dave Wiederecht**  
Head of Global OCIO

Head of Investments, EMEA, position to be filled.  
As of September 30, 2019



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# Account Summary

# Sacramento Regional Transit District

## Investment Summary

As of September 30, 2019

	Market Value (\$)
Retirement Plan for Sacramento Regional Transit District Employees	62,208,910
<b>Grand Total</b>	<b>62,208,910</b>

## Statement of Asset Changes

The following changes took place in Retirement Plan for Sacramento Regional Transit District Employees account for the period of July 01, 2012 to September 30, 2019:

	Starting Balance 07/01/2012 (\$)	Contributions (\$)	Withdrawals (\$)	Appreciation/ (Depreciation)* (\$)	Ending Balance 9/30/2019 (\$)
State Street MSCI EAFE Index NL Fund	14,349,389	2,509,036	(12,201,601)	6,630,949	11,287,773
State Street S&P 500 Flagship NL Fund	33,674,254	1,802,533	(23,036,582)	38,480,931	50,921,136
<b>Grand Total</b>	<b>48,023,643</b>	<b>4,311,569</b>	<b>(35,238,183)</b>	<b>45,111,881</b>	<b>62,208,910</b>

Source: SSGA

\* Includes dividends, interest and realized/unrealized gains and losses.

# Sacramento Regional Transit District

## Summary of Performance

The following are gross and net returns of the Retirement Plan for Sacramento Regional Transit District Employees portfolio versus the corresponding benchmarks as of September 30, 2019:

	One Month (%)	Three Months (%)	Year to Date (%)	Last 12 Months (%)	Three Years (%)	Five Years (%)	Since Inception (%)
<b>State Street MSCI EAFE Index NL Fund</b>							<b>Jun/2012</b>
Total Returns [Gross]	2.91	-1.01	13.21	-0.97	6.87	3.63	7.33
MSCI EAFE® Index	2.87	-1.07	12.80	-1.34	6.48	3.27	6.99
<b>Difference</b>	<b>0.05</b>	<b>0.06</b>	<b>0.41</b>	<b>0.37</b>	<b>0.39</b>	<b>0.36</b>	<b>0.35</b>
Total Returns [Net]	2.90	-1.03	13.13	-1.07	6.76	3.52	N/A
MSCI EAFE® Index	2.87	-1.07	12.80	-1.34	6.48	3.27	N/A
<b>Difference</b>	<b>0.04</b>	<b>0.04</b>	<b>0.33</b>	<b>0.27</b>	<b>0.28</b>	<b>0.25</b>	<b>N/A</b>
<b>State Street S&amp;P 500 Flagship NL Fund</b>							<b>Jun/2012</b>
Total Returns [Gross]	1.87	1.70	20.56	4.28	13.43	10.88	13.80
S&P 500®	1.87	1.70	20.55	4.25	13.40	10.84	13.76
<b>Difference</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>0.05</b>	<b>0.04</b>
Total Returns [Net]	1.87	1.69	20.52	4.22	13.38	10.83	N/A
S&P 500®	1.87	1.70	20.55	4.25	13.40	10.84	N/A
<b>Difference</b>	<b>-0.00</b>	<b>-0.01</b>	<b>-0.04</b>	<b>-0.03</b>	<b>-0.03</b>	<b>-0.01</b>	<b>N/A</b>

Source: SSGA

Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in USD. Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

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# Equity Indexing Skillfully Delivered

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# Who We Are

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# Why State Street Global Advisors for Index, Smart Beta & ESG Investing

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## Core Focus Area and Key Strength

- 40 year history of delivering high quality, broad based index solutions
- Index represents 80%<sup>1</sup> of assets under management and 68%<sup>1</sup> of revenues
- >98%<sup>1,2</sup> of equity index funds have historically tracked within their tolerance bands

---

## Industry Leader and Innovator

- ✓ Launched first US ETF
- ✓ In-house index creation
- ✓ Developing smart beta since 2006

Groundbreaking efforts in ESG research and integrated portfolio solutions

In-house proprietary ESG framework and screening tool

---

## Experienced and Reliable Team

- 20 years average portfolio manager tenure
- Utilize a globally consistent investment management platform and processes
- Strategic focus on implementation and risk management
- Deep Research expertise with innovative heritage

<sup>1</sup> Source: State Street Global Advisors, December 2018.

<sup>2</sup> Based on cumulative quarterly gross-of-fees returns for all GEBS managed pooled, and separate account for both 3 years and 5 years period ending December 31, 2018. Tracking error based on the difference between portfolio and benchmark cumulative returns.

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# Investment Philosophy

We aim to deliver to each client the returns and characteristics of a targeted index or strategy

## We believe in...

### Integration of technology & human insight

- Maintain a primary portfolio manager structure while using a state of the art portfolio management platform
- Continuous investment in our technology infrastructure to gain further efficiencies

### Supporting long-term shareholder values

- Engage with investee companies to promote responsible investing and protect long term shareholder returns through asset stewardship
- Firm wide proxy voting platform

### Innovating through research

- Value add strategies based on core beta research
- Development of propriety strategies and indexes
- ESG screening tools & framework, thematic strategies and portfolio integration

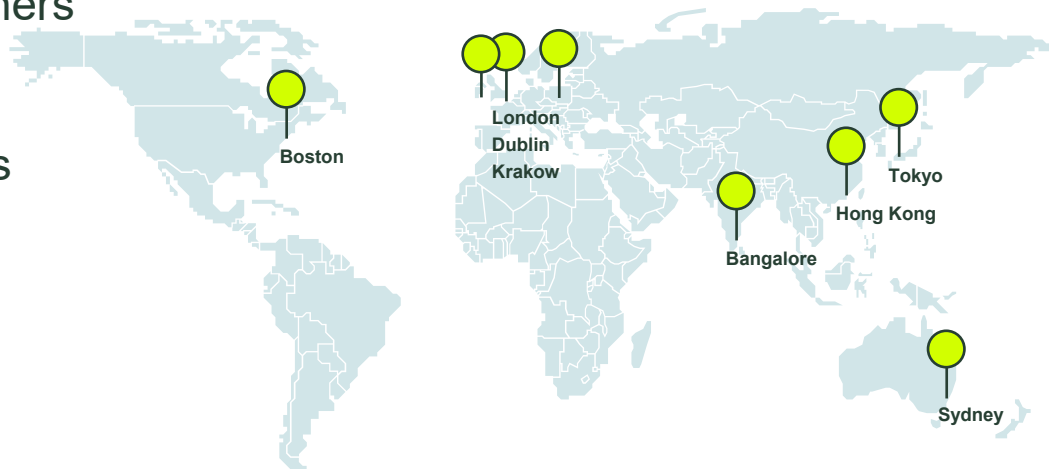
Source: State Street Global Advisors.

# State Street Global Equity Beta Solutions

70+ Portfolio Managers & Researchers

30+ Traders & Analysts

10+ Equity Strategists & Specialists



CIO	Exp Yrs
Lynn Blake, CFA	32

## Team Highlights

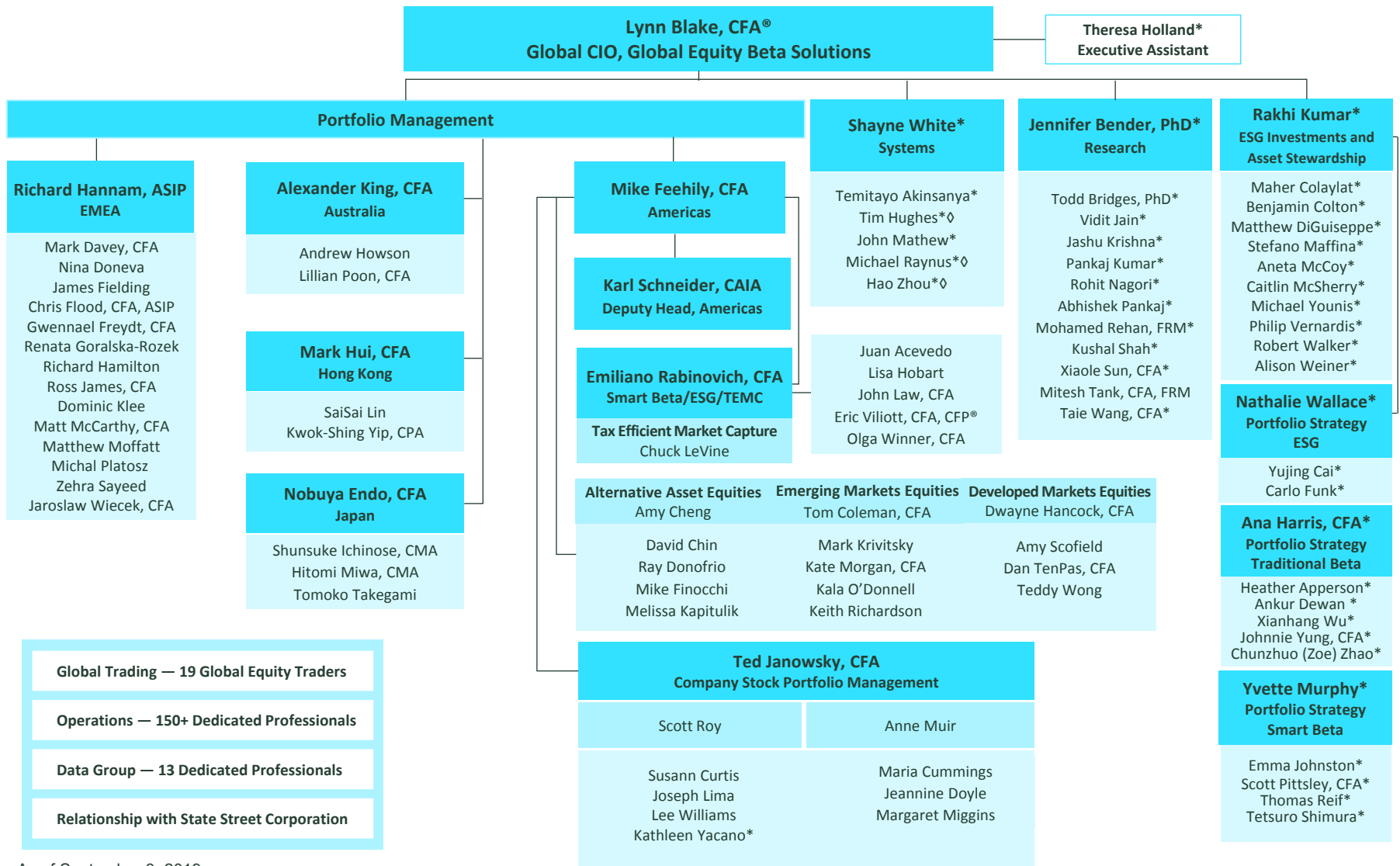
Investment Team Members <sup>1</sup>	72
Average Experience Years	21
Number of CFA Charter Holders	26
Number of PhDs	2

Senior Leadership	Exp Yrs
Nobuya Endo, CFA (Japan)	26
Mike Feehily, CFA (US)	27
Richard Hannam, ASIP (EMEA)	34
Mark Hui, CFA (Hong Kong)	21
Alex King, CFA (Australia)	17
Jennifer Bender <sup>2</sup> , PhD (Research)	23
Rakhi Kumar <sup>2</sup> (ESG/ Stewardship)	18
Shayne White <sup>2</sup> (Technology)	27

Portfolio Strategists <sup>2</sup>	Exp Yrs
Heather Apperson	15
Carlo Funk	10
Ana Harris, CFA	15
Yvette Murphy	11
Thomas Reif	25
Tetsuro Shimura	33
Nathalie Wallace	24
Johnnie Yung, CFA	33

As of September 30, 2019. <sup>1</sup> Investment Team members include portfolio managers and researchers. <sup>2</sup> Does not manage assets for the Global Equity Beta Solutions team. CFA® is a trademark of the CFA Institute.





As of September 3, 2019.

\* Does not manage assets for the Global Equity Beta Solutions team. ◇ Indicates team supports Cortex overall.

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# Robust Research Guides Investment Decisions & Strategy Design

## Global Head of Research

Jennifer Bender,\* PhD



## Global Team

Global Headcount **12**

Members with PhD **2**

Peer-reviewed articles & chapters authored **17**



## Core Beta

Adding incremental value through risk-aware implementation and cost-reduction strategies, and strategic execution of index changes

## Smart Beta

Blending empirical and theoretical research, and balancing intuition and complexity make us a leader in factor definition, combination, and implementation

## Thematic & ESG

Identifying and capturing ESG-driven risks and opportunities and optimal portfolio construction across a spectrum of ESG exposures

## Self-Indexed & Proprietary Beta

Developing innovative solutions while incorporating implementation insights into our range of cap-weighted, factor, and ESG indexes

As of September 30, 2019. \* Does not manage assets for the Global Equity Beta Solutions team.

# ESG & Asset Stewardship

## Head of ESG & Asset Stewardship

Rakhi Kumar



## Our Belief

Companies embracing ESG best practice have strong, effective, independent boards and are able to incorporate sustainability into their long term strategy.

## ESG

- **Proprietary** ESG research and innovation driving multi asset classes solutions
- **Strong focus** on independent board leadership, financial impacts of climate change and other crucial ESG issues like gender diversity

## Asset Stewardship

- **Alignment** of asset stewardship, portfolio management, research, technology and ESG solutions
- Commissioned the **Fearless Girl** statue and developed the **Gender Diversity Index**

## 30+ Years

of commitment to ESG investors

## \$217B<sup>1</sup>

assets under management in ESG

## 445<sup>2</sup> of the 1,265

companies we called on made positive progress on board gender diversity



Photo:  
Sculpture by Kristen Visbal.

Source: State Street Global Advisors. <sup>1</sup> Data as of June 30, 2019 and listed in USD.  
<sup>2</sup> 423 companies added a female board member and 28 committed to add a female director.

# Global Trading

18 year global desk in place

24 hour trading capabilities

30+ Traders (Equity & Fixed Income)

+18 year's average experience

\$2.5 Trillion dollars traded in 2018

3.3 Million tickets executed in 2018



## What Differentiates Us from the Competition?

### Spectrum of Trading Tools

- **Internal crossing network:** Use of security & unit level crossing when possible to minimize transactions costs
- **Algo Wheel:** Seeks to reward better performing algorithmic trading strategies and remove trader bias through a performance driven broker selection process

### Trading Analytics Group (TCA)

- Cross asset class team performing transaction cost analysis, data and analytics reporting, as well as market research
- TCA results incorporated into Algo selection process
- Quarterly review of best execution and governance oversight framework

### Connectivity & Expertise

- Regional trading desks with local expertise — coverage across 95 global markets
- Strong partnership between trading, portfolio management and research helps drive value-add strategies and routine implementation decisions

As of December 31, 2018. Updated Annually. Asset classes include equity, fixed income, futures and currency. Figures are in USD. Availability of internal crossing at SSGA may be affected by your asset class, vehicle type, jurisdiction, or other factors.

# Industry Trends Q3 2019

Flows/Markets	<p><b>Several market shocks led to sharp dislocations and increased volatility throughout the quarter.</b> Despite ongoing trade disputes and other shifting market internals across different asset classes, asset prices from quarter to quarter were little changed. Economic growth forecasts remain anemic, although consumer spending and labor markets remain constructive. Monetary policy support continues to re-emerge, along with talk of potential fiscal stimulus.</p>	
Smart Beta & Factor Investing	<p><b>Becoming a more common area of focus for assets owners of all sizes - 77%<sup>1</sup> of investors are either implementing or currently evaluating smart beta strategies. Investor preferences still vary; however, third party index solutions are still resonating. Thoughtful construction and implementation of proprietary solutions can be a marketplace differentiator.</b></p> <ul style="list-style-type: none"> <li>Near term trends influenced by current market dynamics include; renewed interest in managed or low volatility strategies, as well as the quality factor. Longer term initiatives in Europe included smart beta and ESG integration.</li> <li>Multifactor strategy performance across the industry has generally been challenged due to over-weights in the value and size factors, which have largely underperformed in recent periods.</li> </ul>	
Self Indexing	<p><b>Self indexing remains an area of interest for asset managers and select investors. Policy benchmark alignment remains a headwind though with some institutional investors.</b></p> <ul style="list-style-type: none"> <li>Benefits to self index include increased flexibility, lower explicit cost (i.e., licensing fees) and potentially lower implicit costs</li> <li>Boarder demand for index still fueling top three equity index providers (MSCI, FTSE, Russell and S&amp;P Dow Jones). Although the collective 70% market share is down from ~80% in 2017, suggesting smaller, more specialized entrants gaining traction.</li> </ul>	
Asset Stewardship	<p><b>Stewardship moving from “nice to have” to “must have.” A recent institutional survey sited 80% of respondents expect stewardship demands on their index managers to increase overtime.<sup>2</sup></b></p> <ul style="list-style-type: none"> <li>Dedication of index managers coming under increased pressure as index strategies grow. Top three firms now account for 25% of all votes cast on the S&amp;P500, making stewardship all that more important for index managers. Top priorities and engagement activities cited in recent annual stewardship reports include; governance structures, board/ executive compensation &amp; diversity, environmental risks (i.e. climate) and capital management/ deployment</li> </ul>	
ESG	<p><b>Interest in ESG strategies whether for ‘purpose’ or ‘performance’ is growing across regions<sup>3</sup>. Consistency in data and materiality remain obstacles .</b></p> <ul style="list-style-type: none"> <li>Bloomberg recently launched the Bloomberg SASB ESG Index series powered by SSGA’ R-factor ESG scoring methodology, which is aligned with the Sustainability Accounting Standards Board’s (SASB) market-informed materiality framework.</li> </ul>	
Noteworthy Global Index Events	<p><b>MSCI</b></p> <ul style="list-style-type: none"> <li>Second planned increase in the 5% to 20% inclusion factor of China A shares was implemented in Aug, concluding in November with midcap stock also being added</li> <li>Second and final tranche of Saudi Arabia added to MSCI EM in Aug</li> <li>Argentina imposes capital controls in Sep, leading MSCI to reassess the feasibility of replication and status. Findings to be announced in Dec</li> </ul>	<p><b>FTSE</b></p> <ul style="list-style-type: none"> <li>A 25% inclusion factor implemented via three steps between June 2019 and March 2020. Stocks include both large- and mid-cap stocks, as well ChiNext securities.</li> <li>Third tranche of Saudi Arabian equities added in Sep to FTSE EM with two more planned and the final in March 2020</li> <li>Argentina officially pulled from the watchlist</li> <li>Kuwait added in September.</li> </ul>

<sup>1</sup> FTSE Russell, 2018. <sup>2</sup> DWS and Create-Research 2019’, <sup>3</sup> National Bureau of Economic Research, June 2019. Unless otherwise noted, all data as of September 2019.

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# What We Do

# A Long History of Indexing Innovation

	1970s	1990s	2000s	2010s				
<b>Standard Indices</b>			S&P HY Div Aristocrats (2005) FTSE RAFI US 1000 (2006)	Nikkei 225 (2008)	FTSE RAFI ALL World 3000 MSCI Min Volatility (2010)	MSCI World Equally-weighted (2011) RAFI Low Vol (2012)	FTSE EDHEC Risk Efficient EM Russell 1000 Factors (2015) MSCI Quality Mix Series (2014)	Kensho New Economies Indices (2018)
<b>Proprietary Indices and Strategies</b>	State Street Global Advisors launched International Index Fund and S&P Strategy (1979)	SSGA S&P 500 Equal Weighted (1993)	SSGA US Valuation-Tilted (2005)	SSGA Global Managed Vol (2008) SSGA Global Size Tilted SSGA Global Valuation Tilted (2009)	SSGA Europe Managed Volatility (2010)	SSGA Canadian Div Tilted (2012)	SSGA Global Multi-factor SSGA US Multi-factor (2015)	Gender Diversity Index (2015) Core Factors (2017) US Cap Weighted Self Indices (2017)

Source: State Street Global Advisors, as of June 30, 2019. Inception date of select portfolios.

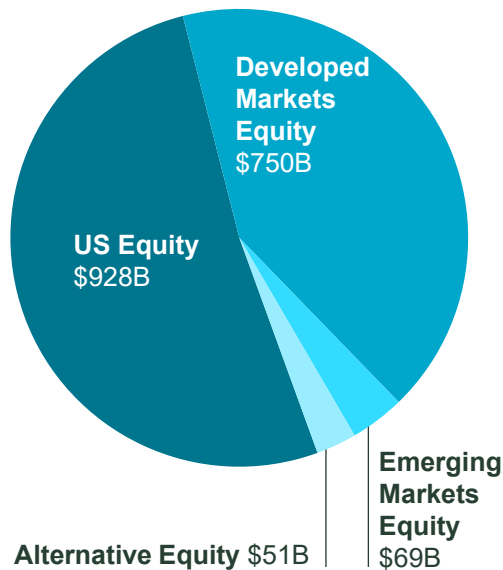
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# A Leading Manager of Global Indexed Assets

Equity Index AUM: \$1.80 Trillion (USD)

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## Breakdown of Global AUM



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## Cap Weighted

- US, Developed ex US, Emerging Markets
- Large, Mid & Small Cap

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## Style/Sector/ESG

- Value & Growth
- Sector/Industry Specific
- Carbon
- Climate

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## Smart Beta

- Third-Party Indices
- Proprietary Solutions: Single, Multifactor, Tilted & Optimized

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## Alternatives

- Commodity
- REITs
- Infrastructure
- Natural Resources

Source: State Street Global Advisors. Exclusive of Emerging Markets Equities invested in other MSCI-benchmarked strategies such as MSCI ACWI and MSCI ACWI ex-US. Data as of September 30, 2019.



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# Investment Process

# Index Equity Management Techniques

Benchmark returns can be achieved through...

## Replication

Hold all or the majority of securities in the index at approximately market cap weight

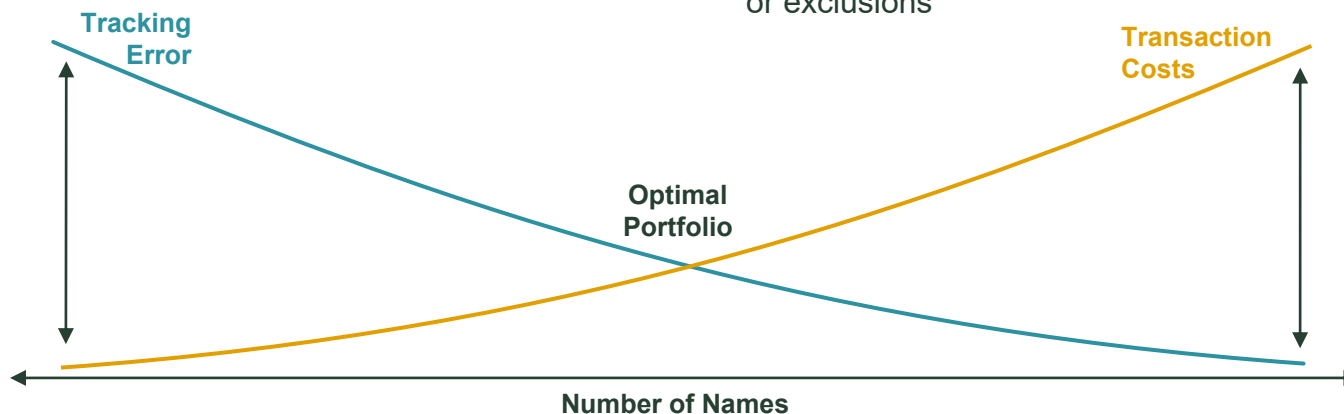
Typically applied to reasonable sized portfolios with minimal liquidity or accessibility constraints (US large cap, Developed markets)

## Optimization

Construct a portfolio with the same risk & return characteristics of the index but with a smaller subset of securities

Typically applied to liquidity constrained portfolios (small cap, Emerging markets) or smaller sized portfolios tracking a broader index

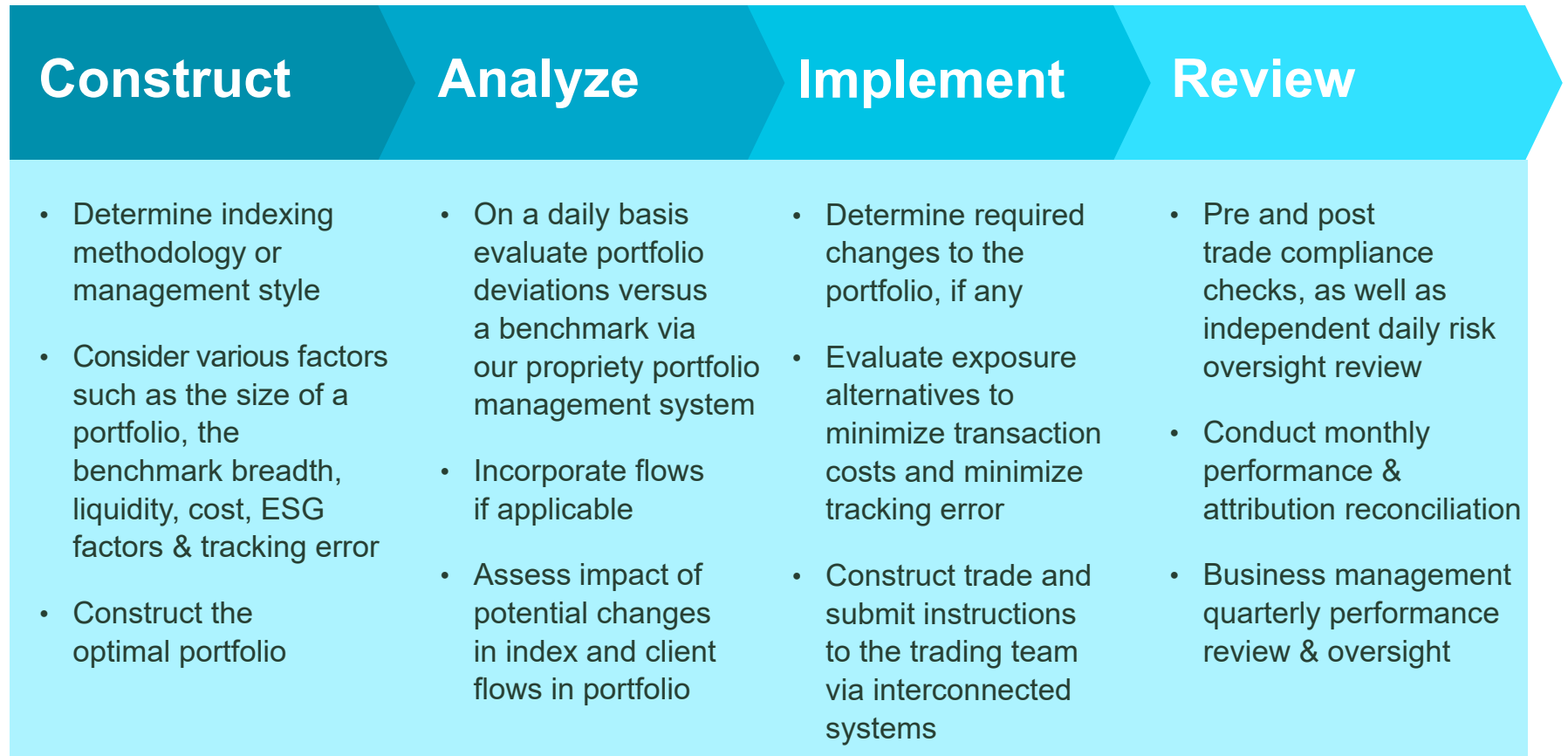
Also applicable to broad portfolios with restrictions or exclusions



The information contained above is for illustrative purposes only.

# Investment Process

A tried and tested process marrying human insight and technology



Source: State Street Global Advisors.

# Improving Risk Controls & Oversight Through Technology

## Features of our portfolio management system:

- Full data integration with other State Street Global Advisors applications and risk/oversight teams
- Designed and customized to our process, workflow and portfolio universe
- Provides a comprehensive portfolio view for portfolio management, as well as risk and oversight
- Dedicated software development resources to ensure continuous development and improvements



Source: State Street Global Advisors.

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# How We Add Value

# Why Choosing The Right Index Manager Matters?

<b>Indexes make numerous assumptions, which can lead to mistracking (+/-), and wealth erosion if not managed with precision and skill</b>	<b>Index Assumptions</b>	<b>Reality</b>
	<b>No transaction costs</b>	Effective implementation techniques can minimize implicit and explicit costs (i.e., internal crossing)
	<b>All trades executed at market on close</b>	Trading strategies can reduce turnover and improve execution
	<b>Dividends reinvested at ex date — before cash received</b>	Equitize cash with futures when possible to minimize cash drag
	<b>Maximum foreign dividend withholding tax rate</b>	Investors realize different withholding tax rates relative to the index, resulting in income via tax reclaims
	<b>Assumed corporate action elections</b>	Multiple options may exist presenting opportunities to add value
	<b>Dividends are the only income source</b>	Income from securities litigation payments or securities lending can help offset negative tracking*

\* Other sources of tracking deviation may include but are not limited to transactions costs, taxes, cash drag, futures tracking versus the benchmark or securities mis-weights.

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# Adding Value Through Effective Implementation

## Index Reconstitution

Pursue the best outcome for the client

## Portfolio Rebalancing

Be pragmatic  
It doesn't always make sense to trade

## Index Events

Research corporate actions/events to assess impact fully and manage risk

## Trading

Determine the most cost-efficient approach

## Scrip Dividends

Look for the Premium Cash versus stock

## Derivatives

Used to overlay cash and synthesize full exposure to equity markets

## Stock Lending

Can help offset costs and potentially add value

## Core Beta Research

Continuously look for opportunities to improve and evolve implementation

ESG integration/screening to our portfolios.

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# Research Guides Trading Decisions Around Index Rebalances

Historical Value Add and  
Turnover Analysis



Rebalance Review &  
Liquidity Analysis

Discussion and Definition  
of Trading Strategies

Implementation

---

Global Organised Trading (GOT)  
Results for Index Rebalances<sup>1</sup>

**2015\*: \$70M+**

**2016\*: \$11M+**

**2017\*: \$48M+**

**2018\*: \$57M+**

Through thoughtful trading we  
have been able to achieve  
better trading prices relative  
to index effective date

Source: State Street Global Advisors. As of December 31, 2018. Figures in USD and approximate. This represents the aggregate gain/loss for both base and special situations.  
\* This includes MSCI, FTSE and S&P events. Only 2017 includes other ad-hoc intra-quarter dates.



# Portfolio Rebalancing: Be Pragmatic

Example: S&P Quarterly Rebalance March 2019

	S&P500 Index	S&P400 Index	S&P600 Index
Rebalance Turnover	0.84%	1.92%	1.84%
Traded	0.46% approx. <small>(Typical State Street Global Advisors S&amp;P500 portfolio)</small>	1.50% <small>(Typical State Street Global Advisors S&amp;P400 portfolio)</small>	1.41% <small>(Typical State Street Global Advisors S&amp;P600 portfolio)</small>
Reduction in Turnover	45%	22%	23%

By monitoring ex-ante tracking closely, we can avoid trading some of the smaller names of a given index rebalance. This **reduces the overall turnover** of a portfolio and also **reduces the transaction costs** associated with it.

Source: State Street Global Advisors. For illustrative purposes only.

# Internal Crossing: A Powerful Source of Cost Savings & Liquidity

	Total Value <sup>5</sup>	In-kind <sup>4</sup> /Internal Crossing/ Unit Crossing	Estimated Cost Savings <sup>6</sup>	Transaction Cost Savings <sup>6</sup>
<b>US Market Case Study<sup>1</sup> (2016–2018)</b>	\$129.1 Billion	92.1% of the Total	0.06% of the Total	<b>\$71.3M</b>
<b>Non-US Developed Case Study<sup>2</sup> (2016–2018)</b>	\$24.1 Billion	85.5% of the Total	0.23% of the Total	<b>\$47.4M</b>
<b>Emerging Markets Case Study<sup>3</sup> (2016–2018)</b>	\$17.6 Billion	59.1% of the Total	0.35% of the Total	<b>\$36.4M</b>

Availability of internal crossing at State Street Global Advisors may be affected by your asset class, vehicle type, jurisdiction, or other factors.

<sup>1</sup> Based on actual client order flow trading activity in the S&P 500<sup>®</sup> Defined Contribution Commingled Fund.

<sup>2</sup> Based on actual client order flow trading activity in the Thrice-Monthly EAFE ERISA Commingled Funds.

<sup>3</sup> Based on actual client order flow trading activity in the Thrice-Monthly Emerging Markets ERISA Commingled Funds.

<sup>4</sup> In-kind transfers are redemptions/contributions made via security transfers.

<sup>5</sup> For calendar years 2016–2018. It is not known whether similar results have been achieved after 2018.

<sup>6</sup> This represents estimated average savings across all aggregate trading over the period. These estimates are based on subjective judgments and assumptions and do not reflect the effect of unforeseen economic and market factors on decision making. There is no guarantee that a particular client transaction will experience the same level of savings.

In fact, savings could differ substantially. Any savings is contingent upon other activity taking place on a given transaction day. Had other funds been selected, different results of transaction cost savings may have been achieved. All figures are in USD.

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# Derivatives and Other Exposures

**While the goal is to remain fully invested in stocks & invest locally but... it may not be possible or the most pragmatic approach**

## **Index Futures**

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Portfolios hold some residual cash to either to accommodate daily cash flows or because of dividend accruals

Futures provide a cost-efficient and liquid way of gaining exposure to the underlying index while minimizing cash drag and trading costs

## **Other Exposures**

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Investing locally is preferred; however, accessibility and cost in some markets can presents challenges

ADRs/GDRs or swaps can be used in place of locally listed securities

Source: State Street Global Advisors.

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# Securities Lending: Can Help Offset Costs and Potentially More

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## Securities Lending

Act of loaning a security for a specified period of time to generate additional income

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## Program Overview

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Leading securities lending provider since 1974

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Managed through State Street Securities Finance (SSSF):

- Lendable assets of \$3.8T
- 140+ borrower relationships
- Scale & market presence is attractive for high quality borrowers
- Manages quality of borrowers & collateral diversification

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Focus on income generation in a risk controlled manner

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Global coverage across equities and fixed income

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~358 dedicated employees in 30+ international markets

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As of December 31, 2018. Figures in USD. Updated annually. Securities lending programs and the subsequent reinvestment of the posted collateral are subject to a number of risks, including the risk that the value of the investments held in the collateral may decline in value and may at any point be worth less than the original cost of that investment.

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# Current Core Beta Research Agenda

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## Index Analysis

Comprehensive analytics around index rebalances

Analysis of Offerings

Analysis of IPOs

Analysis of Intraday Price Movements on and around Rebalance Dates

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### Goal:

Provide unique and granular insights for our Global Organized Trading (GOT) Strategies

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## Index Predictions

Index prediction models and trading strategies

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### Goal:

Provide additional value add opportunities in a dynamic and ever changing marketplace

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## Trading Strategies

Pairs trading

Extreme passive for factor strategies

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### Goal:

Continue to innovate and retain a trading edge

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## Index Construction

Development of core market exposure best-in-class indices

US Indices completed and implemented

Global Indices in progress

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### Goal:

Support our Self Indexing efforts and our ambition to provide effective choice to investors

Source: State Street Global Advisors, as of 30 June 2019.

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# Why Choose State Street Global Advisors?

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## Indexing Skillfully Delivered

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## Research

Embedded research team delivering innovative solutions — such as factors, ESG and implementation techniques

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## Client Centric Focus

Listen, understand and adapt to client needs and challenges

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## Performance

Aim to before deliver performance by striking the appropriate balance between return, risk and costs (>98% of funds have consistently\* tracked within expectations)

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## Team

Tenured and stable team with dedicated portfolio managers

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## Asset Stewardship

Effective steward of client assets with a coordinated firm wide proxy voting platform and focused engagement

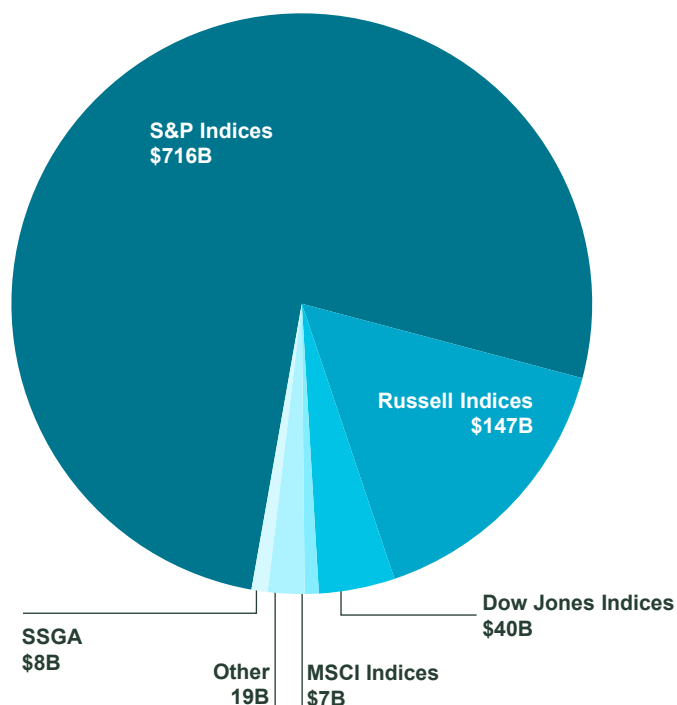
Source: State Street Global Advisors. \* Based on cumulative quarterly gross-of-fees returns for all GEBS managed pooled, and separate account for both 3 years and 5 years period ending December 31, 2018. Tracking error based on the difference between portfolio and benchmark cumulative returns.

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# Portfolio Review for S&P 500<sup>®</sup> Index Strategy

# State Street Global Advisors US S&P Index Experience

**Total AUM**  
\$937 Billion as of September 30, 2019



State Street Global Advisors has been managing money against US Indices **since 1978**

Currently managing in excess of **\$937 billion** in US indexed assets against a variety of benchmarks including more than **25** Russell Indexes and over **30** S&P Dow Jones Indices

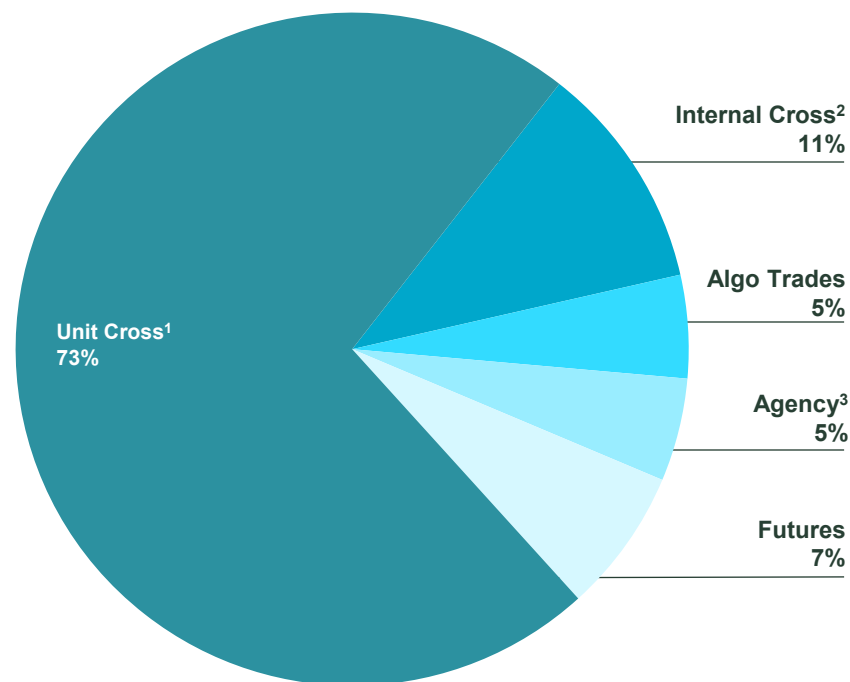
## S&P US Index Strategy Offerings

S&P 500	S&P 100	S&P High Yield Dividend Aristocrats
S&P 500 Value	S&P MidCap 400	S&P Equal Weighted Sector Indices
S&P 500 Growth	S&P Mid Cap Growth	U.S. Multi Factor Indices
S&P 500 Low Volatility	S&P Mid Cap Value	U.S. Sector Indices
S&P 500 High Dividend	S&P 600 Value	S&P GSCI
S&P 500 Equal Weighted	S&P 600 Growth	S&P MLP
S&P 500 Buyback	S&P Small Cap 600	
S&P 500 BuyWrite	S&P 1500	
S&P 500 Screened	S&P 1500 Momentum Tilt	
S&P 500 Ex Tobacco	S&P 1500 Value Tilt	
S&P 500 Fossil Fuel Free		

Source: State Street Global Advisors. As of September 30, 2019. The list only represents the majority of S&P Index strategies GEBS manages, please see our GEBS Beta Strategy Offerings Guide for our complete offerings. Figures in USD.



# Internal Liquidity: A Powerful Cost Saving Resource



Total Order Flows 2016–2018 \$151.32B

**90%** of the S&P 500 Index Strategy's cash flows traded at **low or zero cost\***

Source: State Street Global Advisors.

\* For the 3 most recent calendar years as of the slide creation date, 2016–2018. Data based on the weighted average results (by order volume) of a one or more of SSGA's commingled funds participating in crossing activities. The figures above relate to the Total Order Flow which represents investor-initiated contributions and redemptions into and out of participating funds. There is no guarantee that a particular client transaction will experience the same level of low cost trading. Low cost trading percentages are calculated by subtracting agency trades from total trades and then dividing by total trades. Availability of internal crossing at SSGA may be affected by your asset class, vehicle type, jurisdiction, or other factors.

<sup>1</sup> Unit crosses are transactions where client contributions/redemptions in a participating fund are matched with offsetting client contributions/redemptions in the same fund.

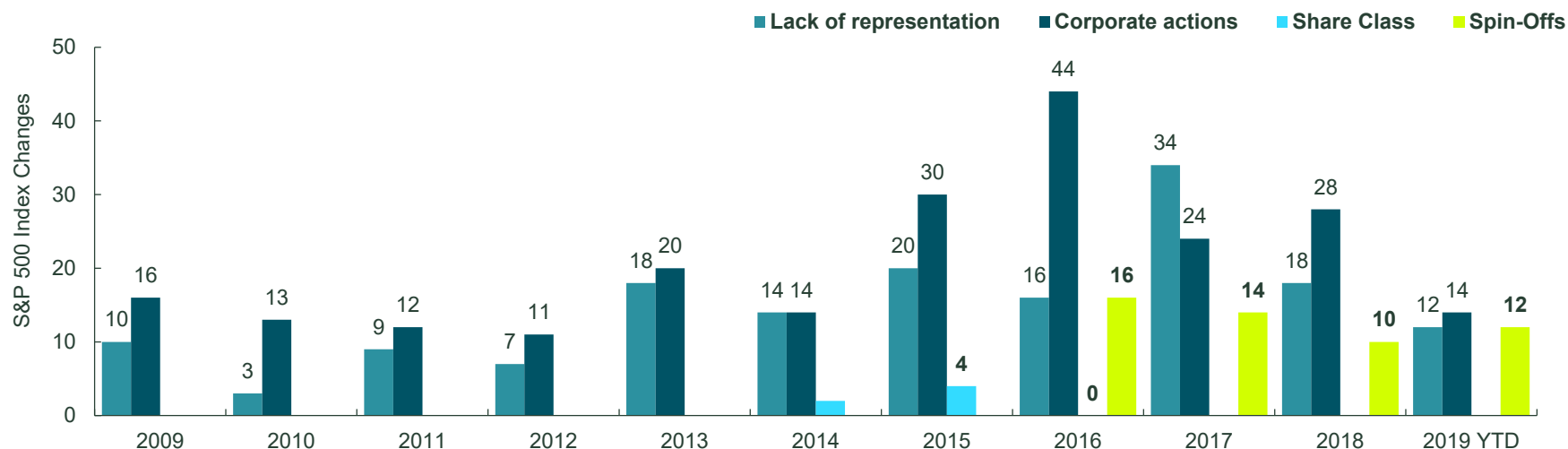
<sup>2</sup> Internal crosses are equity transactions for one SSGA managed fund that are matched, where possible, with offsetting equity transactions from other eligible SSGA managed funds.

<sup>3</sup> Agency refers to SSGA trading in the market with a program desk (non-Algo). Figures in USD

# Index Change Analysis — S&P 500<sup>®</sup> Index

## 2019 YTD

- 19 additions/deletions so far in 2019
- 13 additions/deletions were due to corporate actions and spin offs, 6 were due to securities being more representative of the mid-cap index (lack of representation)
- S&P 500 now contains 505 positions (but still 500 companies) after the additions of T-Mobile US Inc, MarketAxess Holdings, IDEX Corp, Leidos Holdings Inc, CDW Corp and NVR Inc



As of September 30, 2019.

Source: Standard & Poor's<sup>®</sup>.

Index changes are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

# What Does the Portfolio Look Like?

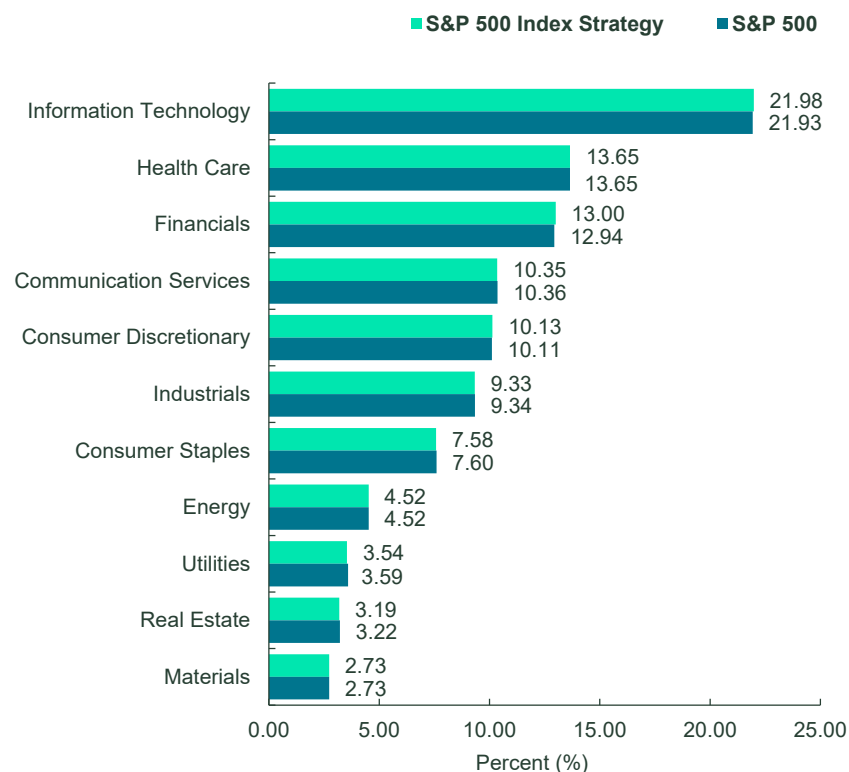
Seeks to deliver risk characteristics of the benchmark

## Characteristics

	Portfolio	Benchmark*
<b>Value Indicators</b>		
Price/Earnings Ratio (Forward 12 Months)	18.24	18.27
Price/Book Ratio	3.16	3.16
Price/Cash Flow	12.73	12.74
Annual Dividend Yield (Trailing 12 Months)	1.97	1.97
<b>Growth Indicators</b>		
Estimated 3–5yr EPS Growth	11.07	11.07
Return on Equity	25.56	25.52
<b>Risk Indicators</b>		
Beta (Trailing 36 Months)	1.00	—
Standard Deviation (Annualized 36 Months)	12.02	12.01
<b>Structures</b>		
Composite AUM (\$M)	6284.90	—
Weighted Average Market Cap (\$B)	249.86	249.67
Index Historical Turnover (5 Year Average)	—	4.47
Total Number of Holdings	505	505

## Top 10 Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Relative Weight* (%)
Microsoft Corp	4.31	4.30	0.01
Apple Inc	3.85	3.85	0.00
Amazon.Com Inc	2.92	2.92	0.00
Facebook Inc-class A	1.73	1.73	0.00
Berkshire Hathaway Inc-cl B	1.65	1.65	0.00
Jpmorgan Chase & Co	1.52	1.52	0.00
Alphabet Inc-cl C	1.49	1.49	0.00
Alphabet Inc-cl A	1.48	1.48	0.00
Johnson & Johnson	1.38	1.38	0.00
Procter & Gamble Co/The	1.26	1.26	0.00

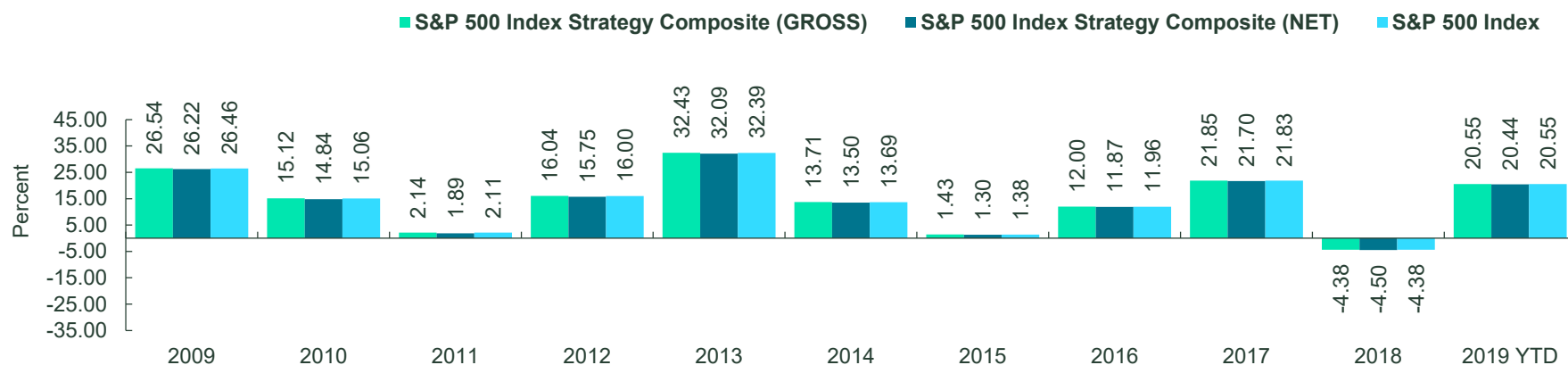


As of September 30, 2019. Sources: FactSet, State Street Global Advisors. Past performance is not a guarantee of future results. The Supplemental Information above (except for beta, standard deviation, and Composite AUM (USD)), is that of a single representative account within the Composite, which is subject to change. The representative account was chosen because it has no material restrictions and fairly represents the investment style of the Strategy. The Supplemental Information should not be deemed to be reflective of (and could differ from) the overall Composite or any other single account within the Composite. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. The specific securities listed do not represent all of the securities purchased, sold, or recommended for advisory clients. \* Benchmark is the S&P 500 Index.

# S&P 500 Index Strategy Composite Performance

Annualized returns for the period ending September 30, 2019 (USD)

	QTR (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception* (%)
S&P 500 Index Strategy (Gross)	1.70	20.55	4.26	13.41	10.86	13.27	10.67
S&P 500 Index	1.70	20.55	4.25	13.39	10.84	13.24	10.64
<b>Difference</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>	<b>0.03</b>
S&P 500 Index Strategy (Net)	1.67	20.44	4.13	13.27	10.73	13.06	N/A
S&P 500 Index	1.70	20.55	4.25	13.39	10.84	13.24	N/A
<b>Difference</b>	<b>-0.03</b>	<b>-0.11</b>	<b>-0.12</b>	<b>-0.12</b>	<b>-0.11</b>	<b>-0.18</b>	<b>N/A</b>



\* Inception Date: January 1, 1986.

Past performance is not a guarantee of future results. All returns reflect capital gains and losses, income, and the reinvestment of dividends (net of withholding taxes), and are calculated in US dollars. Performance returns for periods of less than one year are not annualized. The performance shown is of a composite consisting of all discretionary accounts using this investment strategy. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. "(Gross)" returns are gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss. "(Net)" returns are provided net of actual trading, audit, custody, administrative and legal fees and expenses, and since 9/30/2014, reflect the highest investment management fee on the actual fee schedule.

A GIPS presentation is also available upon request. gPASP500

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# Portfolio Review for MSCI EAFE® Index Strategy

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# MSCI 2019 Index Updates

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## August Quarterly Index Review

- As the result of August index review, **China A shares** now have a weight of 2.46% in **MSCI EM**; China A Mid cap stocks may potentially be added to MSCI EM as part of the third and final step of the weight increase to be implemented at the the Nov 2019 Semi-Annual index review
- The second and final step of the inclusion of **MSCI Saudi Arabia** in the **MSCI EM** has been implemented, representing 2.83% in the EM index

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## June Annual Market Classification Review

- MSCI will reclassify the **MSCI Kuwait Index** to **EM** status\*
- If the **MSCI Peru Index** falls short of the required three constituents for the **EM**, MSCI will immediately launch a consultation to potentially reclassify the MSCI Peru Index from **EM** status to **Frontier Markets** status
- MSCI is currently consulting on the potential reclassification of the **MSCI Iceland Index** to **Frontier Markets** status

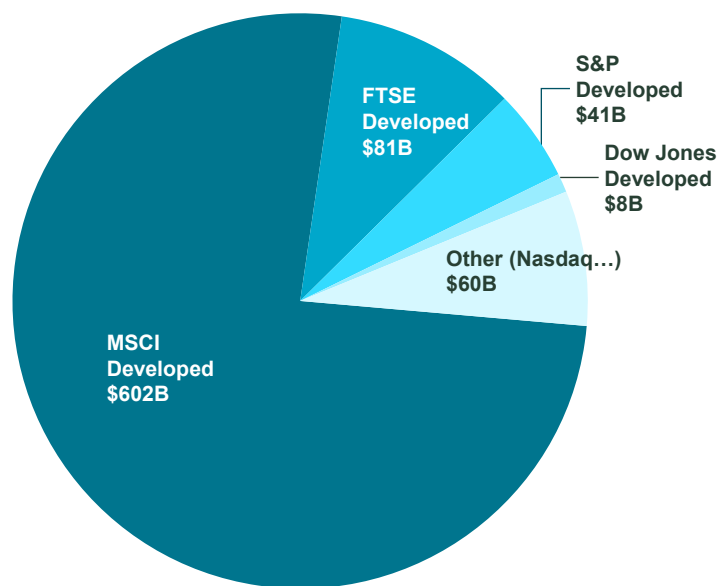
Source: State Street Global Advisors.

The MSCI Indices are trademarks of MSCI, Inc.

Please go to the MSCI website for more information about the Indexes. \**subject to omnibus account structures and same National Investor Number (NIN) cross trades being made available for international institutional investors before the end of November 2019. MSCI will communicate its final decision by December 31, 2019.*

# State Street Global Advisors International MSCI Index Experience

**International and Global Equity AUM**  
\$793 Billion as of September 30, 2019



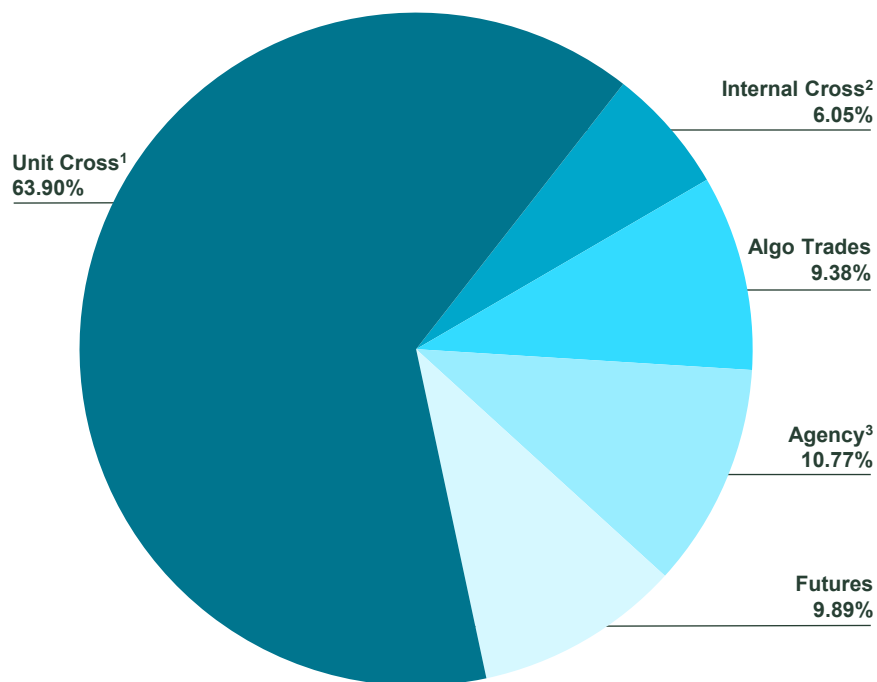
State Street Global Advisors has been investing in developed market strategies **since 1979** and emerging market strategies **since 1991**

## International MSCI Index Strategy Offerings

MSCI World	MSCI EAFE
MSCI World Small Cap	MSCI EAFE Factor Mix
MSCI World IMI	MSCI EAFE Small Cap
MSCI World High Yield	MSCI EMU
MSCI World Minimum Volatility	MSCI Europe
MSCI World Quality Mix	MSCI Europe Mid Cap
MSCI World Factor Mix	MSCI North America
MSCI World Equal Weighted	MSCI Kokusai
MSCI Diversified Multi-Factor	MSCI Pacific
MSCI World ex-USA	MSCI Emerging Markets
MSCI World ex-USA Small Cap	MSCI EM Small Cap
MSCI World ex-Australia	MSCI Emerging Markets IMI
MSCI World ex-Canada	Screened MSCI Europe
MSCI ACWI	Screened MSCI North America
MSCI ACWI Value	Screened MSCI Pacific
MSCI ACWI ex-USA	Screened MSCI ACWI ex US IMI
MSCI ACWI ex-USA IMI	MSCI ACWI Low Carbon Target
MSCI ACWI Minimum Volatility	MSCI ACWI ESG QUALITY MIX
MSCI ACWI IMI	MSCI Emerging Markets ex-Fossil Fuel
MSCI ACWI IMI Sector Indices	MSCI EAFE ex-Fossil Fuel

Source: State Street Global Advisors. As of September 30, 2019. The list only represents the majority of S&P Index strategies GEBS manages, please see our GEBS Beta Strategy Offerings Guide for our complete offerings. Figures in USD.

# Internal Liquidity: A Powerful Cost Saving Resource



Total Order Flows 2016–2018 \$51.11B

80% of the MSCI EAFE Index Strategy's cash flows traded at low or zero cost\*

Source: State Street Global Advisors.

\* For the 3 most recent calendar years as of the slide creation date, 2016–2018. Data based on the weighted average results (by order volume) of a one or more of SSGA's commingled funds participating in crossing activities. The figures above relate to the Total Order Flow which represents investor-initiated contributions and redemptions into and out of participating funds. There is no guarantee that a particular client transaction will experience the same level of low cost trading. Low cost trading percentages are calculated by subtracting agency trades from total trades and then dividing by total trades. Availability of internal crossing at SSGA may be affected by your asset class, vehicle type, jurisdiction, or other factors.

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<sup>3</sup> Agency refers to SSGA trading in the market with a program desk (non-Algo). Figures in USD



# What Does the Portfolio Look Like?

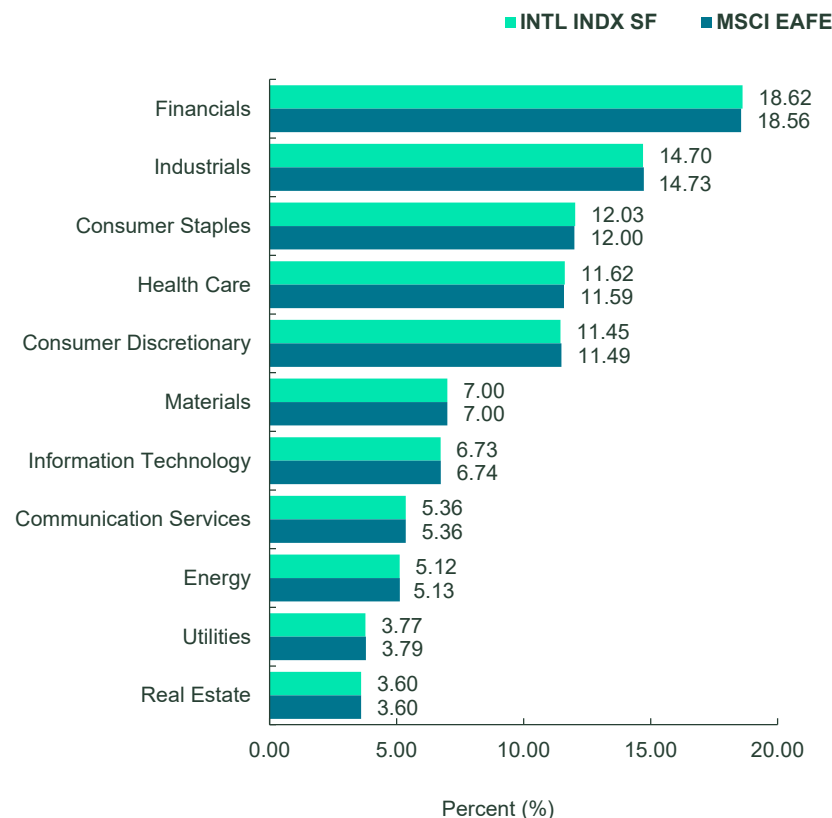
Seeks to deliver risk characteristics of the benchmark

## Characteristics

	Portfolio	Benchmark*
<b>Value Indicators</b>		
Price/Earnings Ratio (Forward 12 Months)	14.37	14.35
Price/Book Ratio	1.61	1.61
Price/Cash Flow	8.00	7.98
Annual Dividend Yield (Trailing 12 Months)	3.36	3.36
<b>Growth Indicators</b>		
Estimated 3–5yr EPS Growth	7.41	7.42
Return on Equity	15.49	15.56
<b>Risk Indicators</b>		
Beta (Trailing 36 Months)	1.00	—
Standard Deviation (Annualized 36 Months)	10.92	10.91
<b>Structures</b>		
Composite AUM (\$B)	3,013.88	—
Weighted Average Market Cap (\$B)	53.10	52.92
Historical Turnover (5 Year Average)	—	4.13
Total Number of Holdings	929	921

## Top 10 Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Relative Weight* (%)
Nestle SA-Reg	2.42	2.41	0.01
Roche Holding AG-Genusschein	1.49	1.48	0.01
Novartis AG-Geg	1.36	1.35	0.01
HSBC Holdings Plc	1.13	1.13	0.00
Toyota Motor Corp	1.11	1.11	0.00
BP Plc	0.94	0.94	0.00
Royal Dutch Shell Plc-A Shs	0.93	0.93	0.00
Total Sa	0.91	0.91	0.00
Astrazeneca Plc	0.85	0.85	0.00
SAP SE	0.84	0.84	0.00



As of September 30, 2019. Sources: FactSet, GICS®, MSCI, Inc., Thomson Reuters Worldscope. The Supplemental Information above is that of a single representative account within the Composite, which is subject to change. The representative account was chosen because it has no material restrictions and fairly represents the investment style of the Strategy. The Supplemental Information should not be deemed to be reflective of (and could differ from) the overall Composite or any other single account within the Composite. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. The specific securities listed do not represent all of the securities purchased, sold, or recommended for advisory clients. You should not assume that investments in the securities identified and discussed were or will be profitable. \* Benchmark is MSCI EAFE Index.

# MSCI EAFE® Index Strategy

## Country Weights

Region/Country	Portfolio Weight (%)	Benchmark Weight*(%)	Difference (%)
<b>EMEA</b>	<b>63.34</b>	<b>63.37</b>	<b>-0.03</b>
United Kingdom	16.36	16.36	0.01
France	11.36	11.36	0.00
Switzerland	9.42	9.42	0.00
Germany	8.55	8.54	0.01
Netherlands	3.98	3.98	0.00
Spain	2.91	2.91	0.00
Sweden	2.57	2.56	0.01
Italy	2.34	2.34	0.01
Denmark	1.74	1.76	-0.02
Finland	0.98	0.99	-0.01
Belgium	1.01	1.02	-0.01
Norway	0.64	0.65	-0.01
Israel	0.56	0.57	-0.01
Ireland	0.53	0.54	-0.01
Austria	0.22	0.22	0.00
Portugal	0.16	0.16	0.00

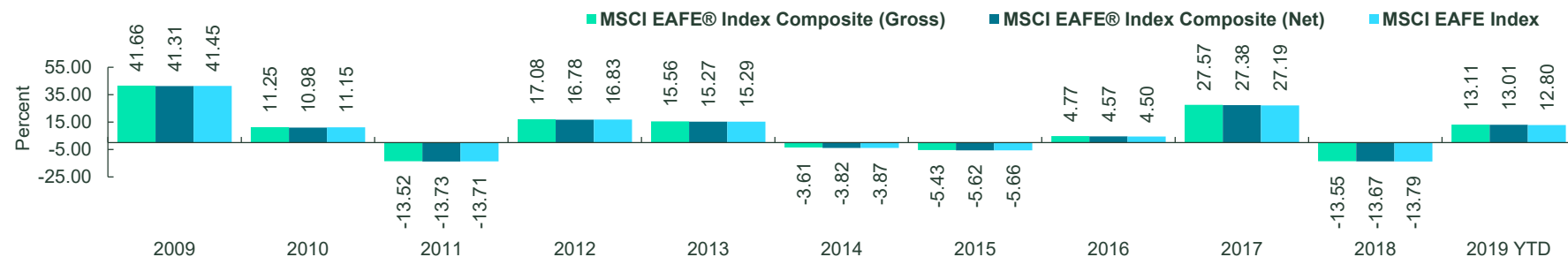
Region/Country	Portfolio Weight (%)	Benchmark Weight*(%)	Difference (%)
<b>Asia/Pacific Rim</b>	<b>36.66</b>	<b>36.63</b>	<b>0.03</b>
Japan	24.57	24.56	0.01
Australia	7.04	7.04	0.01
Hong Kong	3.54	3.53	0.01
Singapore	1.27	1.27	0.00
New Zealand	0.24	0.24	0.00
<b>Total Portfolio</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>

As of September 30, 2019. Sources: FactSet, GICS®, MSCI, Inc., Thomson Reuters Worldscope. The Supplemental Information above is that of a single representative account within the Composite, which is subject to change. The representative account was chosen because it has no material restrictions and fairly represents the investment style of the Strategy. The Supplemental Information should not be deemed to be reflective of (and could differ from) the overall Composite or any other single account within the Composite. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. \* Benchmark: MSCI EAFE Index.

# MSCI EAFE® Index Composite Performance

Annualized returns for the period ending September 30, 2019 (USD)

	QTR (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception* (%)
MSCI EAFE® Index Composite (Gross) <sup>1,2</sup>	-1.03	13.11	-1.06	6.77	3.54	5.16	8.57
MSCI EAFE Index <sup>4</sup>	-1.07	12.80	-1.34	6.48	3.27	4.90	8.37
<b>Value Added</b>	<b>0.04</b>	<b>0.30</b>	<b>0.28</b>	<b>0.29</b>	<b>0.27</b>	<b>0.26</b>	<b>0.19</b>
MSCI EAFE® Index Composite (Net) <sup>1,3</sup>	-1.05	13.01	-1.17	6.65	3.41	4.92	N/A
MSCI EAFE Index <sup>4</sup>	-1.07	12.80	-1.34	6.48	3.27	4.90	N/A
<b>Value Added</b>	<b>0.02</b>	<b>0.21</b>	<b>0.17</b>	<b>0.17</b>	<b>0.14</b>	<b>0.02</b>	<b>N/A</b>



\* Inception Date: January 1985

Source: State Street Global Advisors \* GIPS net of fee composite performance data prior to 2004 is not available.

<sup>1</sup> Returns greater than one year are annualized. Returns represent past performance and are not a guarantee of future results. Current performance may differ from the performance shown. Returns shown are asset — weighted using Composite member market values, where the Composite member's return calculations are time-weighted and reflect the reinvestment of dividends and other income. <sup>2</sup> These performance figures are provided gross of fees and expenses other than actual trading fees and expenses, and reflect all items of income, gain, and loss. <sup>3</sup> These performance figures (i) are provided net of actual trading, audit, custody, administrative and legal fees and expenses; (ii) beginning on 9/30/2014, adjusted quarterly to reflect the highest investment management fee on the actual fee schedule, inclusive of incentive fee, if any, of any account within the Composite ("Management Fee") at the relevant time; prior to 9/30/2014, adjusted for an assumed investment management fee, which is equal to or higher than the Management Fee (except in each case certain small accounts-subject to a minimum investment management fee-may have incurred an actual investment management fee higher than that fee assumed in calculating the performance shown above); and (iii) reflect all items of income, gain and loss. <sup>4</sup> Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income and the reinvestment of dividends (net of withholding tax rates) and other income and are calculated in US dollars. It is not possible to invest directly in an index. Performance returns are calculated in US dollars. Calculation for value added returns may show rounding differences. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. A GIPS presentation is also available upon request. gP-EAFE

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# Appendix A: GIPS® Presentation

GIPS® is a trademark of the CFA Institute

# GIPS® Report: S&P 500 Index Composite (As of December 31, 2018)

## Gross Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Jan 1986
S&P 500 Index Composite	-13.52	-4.38	-4.38	9.28	8.52	13.15	N/A
S&P 500 Index	-13.52	-4.38	-4.38	9.26	8.49	13.12	N/A

Year	S&P 500 Index Composite	S&P 500 Index
2018	-4.38	-4.38
2017	21.85	21.83
2016	12.00	11.96
2015	1.43	1.38
2014	13.71	13.69
2013	32.42	32.39
2012	16.04	16.00
2011	2.14	2.11
2010	15.12	15.06
2009	26.54	26.46

Year	No. of Portfolios at Period End	Composite Dispersion	3 Yr Annualized Standard Deviation — Composite	3 Yr Annualized Standard Deviation — Benchmark	Total Assets at End of Period (USD)	% of Firm's Assets	Total Firm Assets (USD mil)
2018	15	0.02	10.80	10.80	54,519,096,204	2.22	2,457,404
2017	18	0.02	9.93	9.92	69,547,585,278	2.56	2,714,705
2016	19	0.03	10.59	10.59	69,105,138,042	3.02	2,291,833
2015	20	0.04	10.48	10.47	62,069,196,320	2.84	2,188,091
2014	20	0.03	8.97	8.97	67,773,578,217	2.84	2,383,493
2013	20	0.04	11.93	11.94	67,232,162,274	2.95	2,279,237
2012	20	0.04	15.08	15.09	55,499,052,765	2.74	2,023,842
2011	18	0.01	18.69	18.71	62,152,623,788	3.52	1,768,142
2010	14	0.03	21.84	21.85	58,677,181,141	3.86	1,518,977
2009	16	0.06	19.62	19.63	56,064,423,967	4.12	1,360,125

gPASP500  
<sup>†</sup> 5 portfolios or less. \*\* Less than 3 years.  
 Quarterly and YTD returns are not annualized.

**Investment Objective:** The Strategy seeks an investment return that approximates as closely as practicable, before expenses, the performance of its benchmark index (the "Index") over the long term.

**Investment Strategy:** The Strategy is managed using an "indexing" investment approach, by which SSGA attempts to approximate, before expenses, the performance of the Index over the long term. SSGA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. The Strategy may purchase securities in their initial public offerings ("IPOs"). In some cases, it may not be possible or practicable to purchase all of the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSGA may employ a sampling or optimization technique to construct the portfolio in question. From time to time securities are added to or removed from the Index. SSGA may sell securities that are represented in the Index, or purchase securities that are not yet represented in the Index, prior to or after their removal or addition to the Index. The Strategy will not use futures or other derivatives to create "notional" or "synthetic" index exposures or engage in other transactions involving the use of derivatives in lieu of investment directly in the securities making up the Index. The Strategy's return may not match the return of the Index.

## Footnotes

**Firm Definition:** For the purpose of complying with the Global Investment Performance Standards (GIPS®), the firm ("SSGA—Global") is defined as all portfolios managed across the global offices of State Street Global Advisors (SSGA) and SSGA Funds Management, Inc., with the exception of Charitable Asset Management which is held out to the marketplace as a distinct business entity. Prior to January 2011, SSGA—Global excluded its wrap fee business and assets accounted for on a book value basis (global cash and stable value assets). Prior to July 2017, SSGA—Global excluded Fiduciary Advisory Solutions. In January 2011, SSGA acquired the Bank of Ireland Asset Management Limited (now known as SSGA Ireland Limited), a GIPS Compliant firm. On January 01, 2012 SSGA Ireland Limited assets were merged into SSGA-Global. In July 2016, SSGA acquired the asset management and advisory services business conducted by GE Asset Management ("GEAM"), a GIPS Compliant firm. On July 01, 2017 GEAM assets were merged into SSGA-Global.

**Composite Description:** The Composite seeks to achieve the Investment Objective described below using the Investment Strategy described below.

**Compliance Statement:** SSGA-Global claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with GIPS. SSGA—Global claims compliance with the GIPS standards from January 01, 2000. The period prior to January 01, 2000 (where shown) is not in compliance, as not all actual fee-paying portfolios are in a composite. SSGA-Global has been independently verified for the periods January 01, 2000 through December 31, 2017. GE Asset Management (GEAM) was not independently verified for the calendar year 2016 while transitioning into the firm. The verification report is available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

**List Available:** A complete list of the firm's composites and their descriptions is available upon request.

**Currency:** Performance is presented in USD.

**Creation Date:** The composite was created on January 01, 2009.

**Benchmark Description:** The benchmark for the composite is the S&P 500 Index. Index returns are unmanaged and do not reflect the deduction of any fees or expenses but include all items of income, gain, and loss.

**Use of Subadvisors:** This composite contains portfolios that were managed on a sub-advised basis for the period from September 01, 2002 to August 31, 2008.

**Fees:** Returns are expressed gross of management fees. The results do not reflect the deduction of investment management fees. Some members of this composite may accrue administration fees. The client's return will be reduced by the management fee. For example, if an annualized gross return of 10% was achieved over a 5-year period and a management fee of 1% per year was charged and deducted annually, then the resulting total return would be reduced from 61% to 54%.

**Fee Schedule:** Management fees are 0.030% of the first \$50,000,000; 0.020% of the next \$50,000,000; and 0.020% thereafter for a commingled fund; and 0.050% of the first \$50,000,000; 0.040% of the next \$50,000,000; and 0.020% thereafter for separately managed accounts. The minimum annual management fee for a separately managed accounts is \$175,000. Management fees may be adjusted based upon specific client requirements.

**Derivatives Use:** SSGA may use futures and other derivatives from time to time in the management of the Strategy generally as a temporary substitute for cash investments or for hedging purposes and not with the purpose of creating investment leverage.

**Calculation Methodology:** Additional information is available upon request regarding the firm's policies and procedures for calculating and reporting performance results as well as valuation procedures.

**Annualized Returns:** All returns for periods greater than one year have been annualized.

**Withholding Taxes Differences:** None.

**Exchange Rates Differences Between Composite & Benchmark:** None.

**Minimum Asset Level for Inclusion:** 0

**Dispersion:** Asset-Weighted standard deviation is calculated using the annual returns of the accounts that were included in the composite for all periods of the year and is not presented for periods with 5 or fewer accounts in the composite for the full year.

**Significant Events:** In May 2010, Lynn Blake assumed the role as global head of Index Equity following the retirement of Paul Brakke. In July 2014, on the departure of Maria Dwyer, Matt Steinaway was named interim Chief Risk Officer. Matt replaced Maria Dwyer, who was appointed to the leadership team of the Office of Regulatory Initiatives Oversight. In November 2014, David Saulnier was appointed as Chief Risk Officer for SSGA, replacing Matt Steinaway. Matt Steinaway resumed his position as Head of Global Cash Management. In March 2015, Timothy Corbett was appointed Head of Global Investment Risk replacing Fred Gjerstad who has since left the firm. In March 2015, Ronald O' Hanley was appointed CEO and President of State Street Global Advisors replacing Scott Powers who retired. In June 2015, Greg Ehret was named President continuing to report to Ron O'Hanley, chief executive officer of SSGA. In August 2015, Matt Steinaway was appointed as Chief Risk Officer for SSGA, replacing David Saulnier who has since left the firm. In December 2015, Ronald O' Hanley, Chief Executive Officer of SSGA, re-assumed the role of President of the company upon the departure of Greg Ehret. Steven Lipiner was appointed Chief Financial Officer replacing Keith Crawford who was appointed head of global mergers and acquisitions. On March 30, 2016, SSGA agreed to acquire GE Asset Management (GEAM). The transaction was finalized on July 01, 2016. In July 2016, Ralph Layman became Vice Chairman of SSGA. Jay Hooley retired as CEO of State Street Corporation at the end of 2018, succeeded by Ron O' Hanley who was also appointed President and COO. Cyrus Taraporevala became President and CEO of State Street Global Advisors.

**Past and Future Performance:** Historic performance is not necessarily indicative of actual future investment performance, which could differ substantially.

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# Appendix B: Important Disclosures

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# Important Disclosures

## FOR INVESTMENT PROFESSIONAL USE ONLY.

Past performance is not an indicator of future results. Diversification does not ensure a profit or guarantee against loss.

Passively managed strategies seek to replicate the performance of a specified index. The strategy is passively managed and may underperform its benchmarks. An investment in the strategy is not appropriate for all investors and is not intended to be a complete investment program. Investing in the strategy involves risks, including the risk that investors may receive little or no return on the investment or that investors may lose part or even all of the investment.

Equity securities are volatile and can decline significantly in response to broad market and economic conditions.

Investments in emerging or developing markets may be more volatile and less liquid than investing in developed markets and may involve exposure to economic structures that are generally less diverse and mature and to political systems which have less stability than those of more developed countries.

Foreign investments involve greater risks than US investments, including political and economic risks and the risk of currency fluctuations. Investing in foreign domiciled securities may involve risk of capital loss from unfavorable fluctuation in currency values, withholding taxes, from differences in generally accepted accounting principles or from economic or political instability in other nations.

These investments may have difficulty in liquidating an investment position without taking a significant discount from current market value, which can be a significant problem with certain lightly traded securities.

Currency Risk is a form of risk that arises from the change in price of one currency against another. Whenever investors or companies have assets or business operations across national borders, they face currency risk if their positions are not hedged.

Companies with large market capitalizations go in and out of favor based on market and economic conditions. Larger companies tend to be less volatile than companies with smaller market capitalizations. In exchange for this potentially lower risk, the value of the security may not rise as much as companies with smaller market capitalizations.

Investments in mid-sized companies may involve greater risks than in those of larger, better known companies, but may be less volatile than investments in smaller companies.

The MSCI World Index is a trademark of MSCI Inc.

This document provides summary information regarding the Strategy. This document should be read in conjunction with the Strategy's Disclosure Document, which is available from SSGA. The Strategy Disclosure Document contains important information about the Strategy, including a description of a number of risks.

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# Important Disclosures

The information provided does not constitute investment advice and it should not be relied on as such. It should not be considered a solicitation to buy or an offer to sell a security. It does not take into account any investor's particular investment objectives, strategies, tax status or investment horizon. You should consult your tax and financial advisor. All material has been obtained from sources believed to be reliable. There is no representation or warranty as to the accuracy of the information and State Street shall have no liability for decisions based on such information.

The views expressed in this material are the views of Simona Mocuta through the period ended October 13th, 2019 and are subject to change based on market and other conditions. This document contains certain statements that may be deemed forward-looking statements. Please note that any such statements are not guarantees of any future performance and actual results or developments may differ materially from those.

The trademarks and service marks referenced herein are the property of their respective owners. Third party data providers make no warranties or representations of any kind relating to the accuracy, completeness or timeliness of the data and have no liability for damages of any kind relating to the use of such data.

Investing involves risk including the risk of loss of principal. The whole or any part of this work may not be reproduced, copied or transmitted or any of its contents disclosed to third parties without SSGA's express written consent.

All the index performance results referred to are provided exclusively for comparison purposes only. It should not be assumed that they represent the performance of any particular investment. Equity securities may fluctuate in value in response to the activities of individual companies and general market and economic conditions.

Foreign investments involve greater risks than U.S. investments, including political and economic risks and the risk of currency fluctuations, all of which may be magnified in emerging markets.

**United States:** State Street Global Advisors, 1 Iron Street, Boston, MA 02210-1641

Web: [www.ssga.com](http://www.ssga.com)

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Tracking Code: 2816786.1.1.AM.INST

Expiration Date: January 31, 2019



# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2019 (ALL). (Adelman)

## ISSUE

Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2019 (ALL). (Adelman)

## RECOMMENDED ACTION

Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2019 (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 Third Quarter 2019 Market Update (Attachment 1) and the second is the Investment Measurement Service Quarterly Review as of September 30, 2019 (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 September 30, 2019. 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 September 30, 2019, 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).

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Approved:

Presented:

Final 11/27/19

VP of Finance/CFO

AVP of Finance and Treasury

J:\Retirement Board\2019\IP's\Quarterly Meetings\December 11, 2019\FI FINAL IPs

# REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	12/11/19	Retirement	Action	11/01/19

Subject: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2019 (ALL). (Adelman)

The table below provides an overview of the quarter performance, quarter ending September 30, 2019 – gross of investment management fees:

<i>Investment Manager - Description - Benchmark</i>	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/ (Losses)	Pension Fund Contributions/ (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	1.36%	<b>1.66%</b>	\$769,317	-
S&P 500 Index (large cap value) S&P 500	1.70%	1.70%	\$863,905	\$(404,172)
Atlanta Capital (small cap) Russell 2000	(2.40%)	<b>2.80%</b>	\$709,500	\$(918,009)
Pyrford (international equities) MSCI EAFE	(1.07%)	<b>(.89)%</b>	\$(247,594)	-
MSCI EAFE Index (international equities) MSCI EAFE	(1.07%)	<b>(1.01)%</b>	\$(115,136)	-
AQR (small cap international equities) MSCI EAFE SC	(.44%)	(1.21)%	\$(184,102)	-
Dimensional Fund Advisors (emerging markets) MSCI EM	(4.25%)	<b>(4.05)%</b>	\$(688,062)	-
Metropolitan West (fixed income) Bloomberg Agg.	2.27%	<b>3.16%</b>	\$3,358,810	-
Totals	.75%	<b>1.52%</b>	\$4,466,638	\$(1,322,181)

**Bold** – fund exceeding respective benchmark

The table below provides an overview of the year to date performance, as of September 30, 2019 – net of investment management fees:

<i>Investment Manager - Description - Benchmark</i>	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/(Loss)	Pension Fund Contributions/ (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	4.00%	(1.63)%	\$(765,829)	\$8
S&P 500 Index (large cap value) S&P 500	4.25%	4.22%	\$2,013,959	\$(986,416)
Atlanta Capital (small cap) Russell 2000	(8.89%)	<b>3.93%</b>	\$1,002,001	\$(918,009)
Brandes (international equities) MSCI EAFE	-	-	\$(2,876)	\$(8)
Pyrford (international equities) MSCI EAFE	(1.34%)	<b>.97%</b>	\$270,365	-
MSCI EAFE Index (international equities) MSCI EAFE	(1.34%)	<b>(1.06)%</b>	\$(120,943)	-
AQR (small cap international equities) MSCI EAFE SC	(5.93%)	(10.30)%	\$(1,580,093)	-
Dimensional Fund Advisors (emerging markets) MSCI EM	(2.01%)	<b>(1.75)%</b>	\$(387,673)	-
Metropolitan West (fixed income) Bloomberg Agg.	10.30%	<b>11.74%</b>	\$11,489,602	\$(2,617,632)
Totals	3.95%	<b>4.28%</b>	\$11,918,513	\$(4,522,057)

**Bold** – fund exceeding respective benchmark

December 11, 2019



**Sacramento Regional  
Transit District**

Third Quarter 2019  
Market Update

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**Anne Heaphy**

Fund Sponsor Consulting

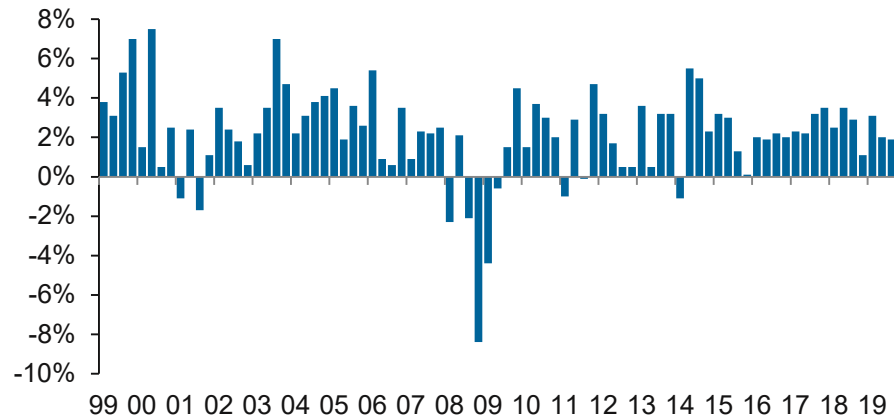
**Uvan Tseng, CFA**

Fund Sponsor Consulting

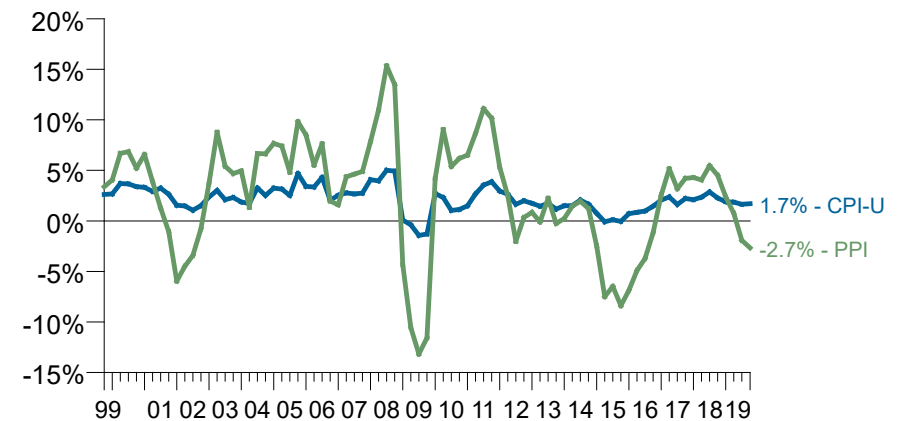
# Economic Commentary

Third Quarter 2019

## Quarterly Real GDP Growth



## Inflation Year-Over-Year



## Central bank policy front and center

- The Fed was alone on a path to normalize interest rates, with nine rate hikes in two years; euro zone sat out. Fed reversed course and adopted dovish tone in January. Rates held constant through Q2; cut rates twice in Q3, and most recently in October.

## Rest of the global economy is slowing, but U.S. remains strong, labor market very tight, reaching the limits of full employment

- Solid Q1 GDP growth (3.2%) moderated in Q2 (2.0%), but held up surprisingly well in Q3 (1.9%), despite slowing global growth and trade uncertainty.
- Switch to dovish Fed policy boosted consumer and business confidence, and juiced stock market; drop in borrowing costs expected to sustain consumption growth and soften slowdown.
- Policy reversal simultaneously stoked fears of coming slowdown and fed a rally in bonds, which are having an “outlier” year.

## Inflation remains stuck below 2% in U.S., weaker overseas

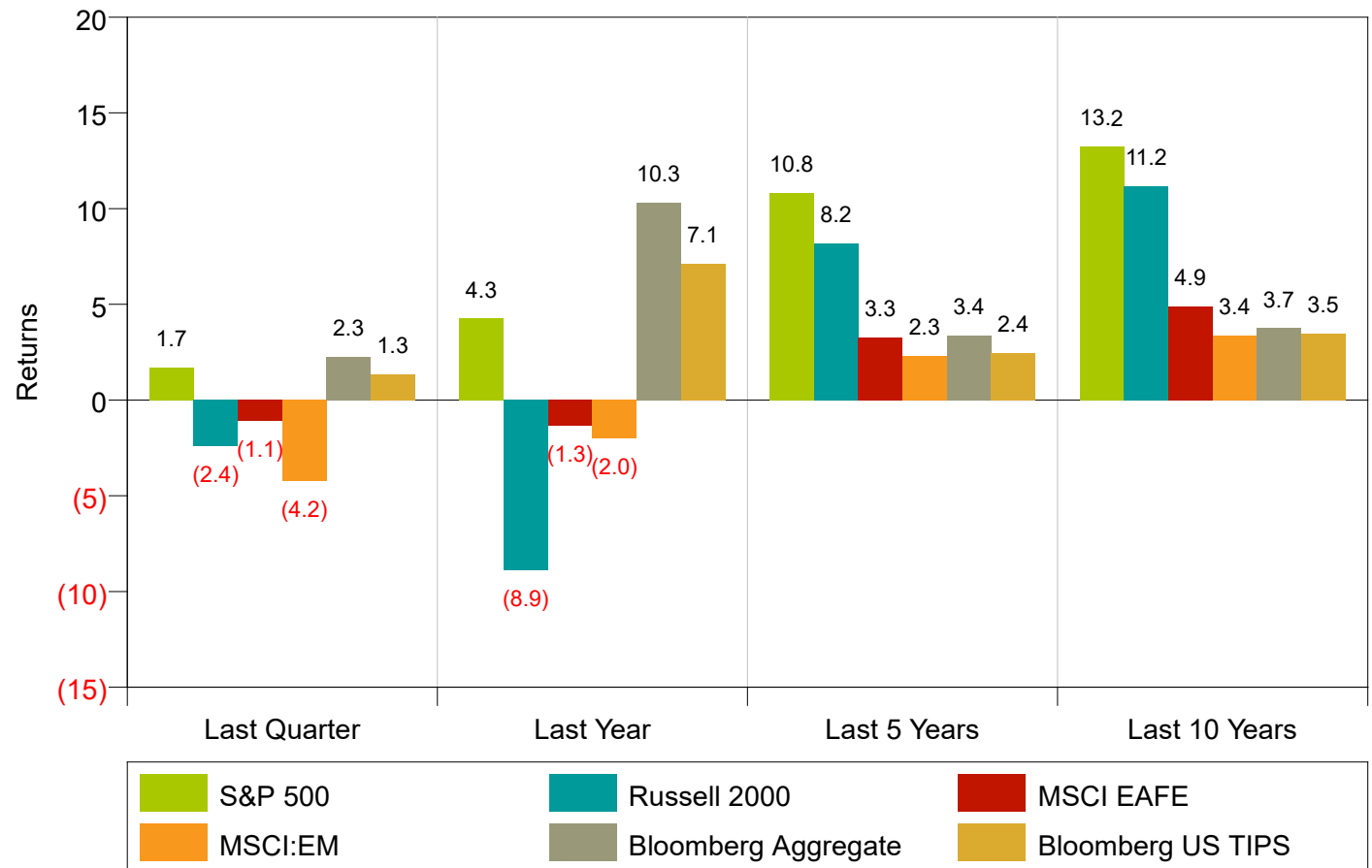
- Wage pressures in U.S. have yet to translate into headline inflation; low inflation gives Fed cover to cut rates.

Source: Bureau of Economic Analysis, Bureau of Labor Statistics

# Asset Class Performance

Periods Ended September 30, 2019

Asset Class Performance  
for Periods Ended September 30, 2019



YTD as of 12/10/2019:

S&P 500:

Russell 2000:

MSCI EAFE:

MSCI Emerging Markets:

Bloomberg Aggregate:

Bloomberg TIPS:

# U.S. Equity Performance

## Defensive sectors prevailed

- Ongoing trade tension, earnings and interest rate uncertainty, and the global political landscape continued to drive investor unease.
- Utilities, Real Estate, and Consumer Staples were top performers in response to continued flight to quality.

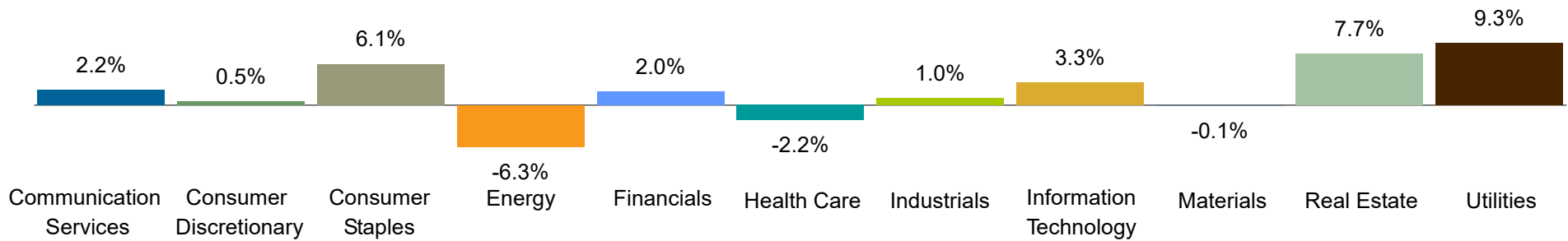
## Large caps posted modest gains

- Leading up to September, low-vol and momentum stocks had outperformed as investors shunned the cheapest quintile, more volatile stocks.
- Trend sharply reversed in early September as the 10-year Treasury yield rose from 1.46% to 1.73%; defensive stocks can be dependent upon yields falling.

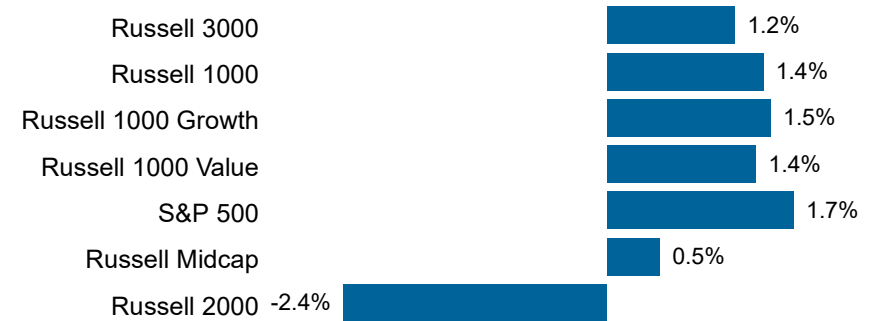
## Value and Growth mixed across capitalizations

- While value continues to trail growth year-to-date, it gained ground during September’s factor reversal, finishing the quarter essentially in line with growth within large cap stocks.

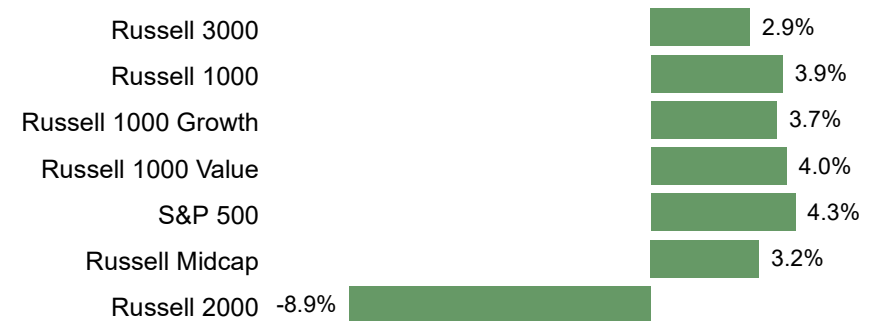
## Economic Sector Quarterly Performance (S&P 500)



## U.S. Equity: Quarterly Returns



## U.S. Equity: One-Year Returns



Sources: FTSE Russell, Standard & Poor's

# U.S. Equity Style Returns

Periods Ended September 30, 2019

	3Q 2019			Annualized 1 Year Returns		
	Value	Core	Growth	Value	Core	Growth
Large	1.4%	1.8%	2.1%	5.2%	4.1%	3.2%
Mid	1.2%	0.5%	-0.7%	1.6%	3.2%	5.2%
Small	-0.6%	-2.4%	-4.2%	-8.2%	-8.9%	-9.6%

## Growth outpaced value.

- Growth continued to outpace value in the quarter though value held up better in the trailing year given the inclusion of the fourth quarter drawdown.

## Small cap continues to lag large cap.

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

# Non-U.S. Equity Performance

## Trade war and no-deal Brexit fears turned non-U.S. markets negative

- U.K. declined on attempted suspension of Parliament and no-deal Brexit proclamations.
- Germany’s recession fears drove country to biggest annual decline in nine years.
- Hong Kong fell 11.9% as protests continued; Japan was bright spot as low rates remained unchanged and resolution to Japan/South Korea trade war looked more promising.

## Defensive sectors prevailed

- Cyclical sectors trailed as investors were positioned defensively; Energy (-6.5%) was biggest laggard on oil price decline.
- Factor performance favored quality and low vol, reflecting cautious investor behavior.

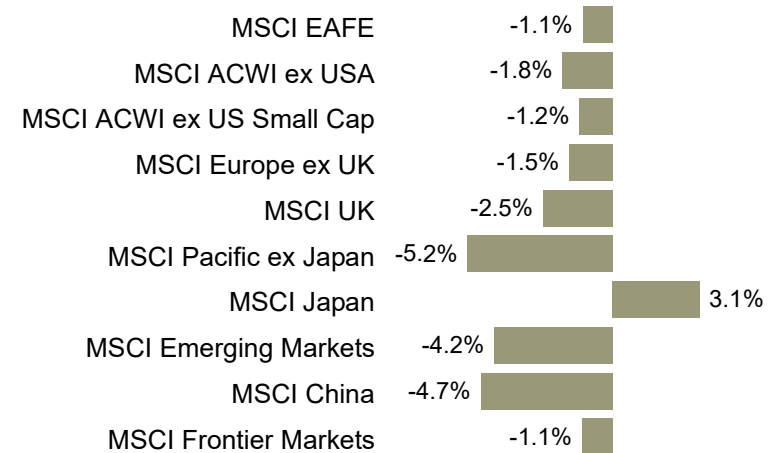
## Currencies declined vs. U.S. dollar

- Major developed market currencies declined vs. the dollar despite lowering of Fed funds rate; U.S. remains dominant provider of safe assets.

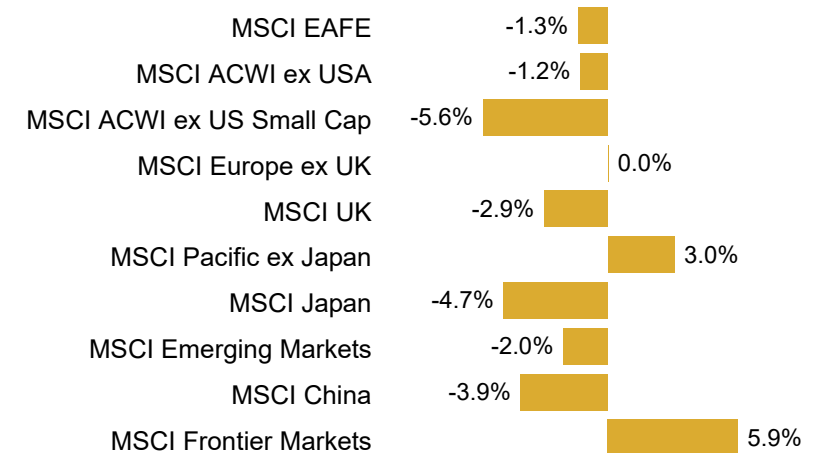
## EM worst-performing region

- Global uncertainty weighed heavily on EM countries.
- EM currencies suffered from strong dollar.
- EM growth (-2.04%) outpaced EM value (-6.48%) given Tech sector spike (+5.63%).

## Global Equity: Quarterly Returns



## Global Equity: One-Year Returns



Source: MSCI



# U.S. Fixed Income Performance

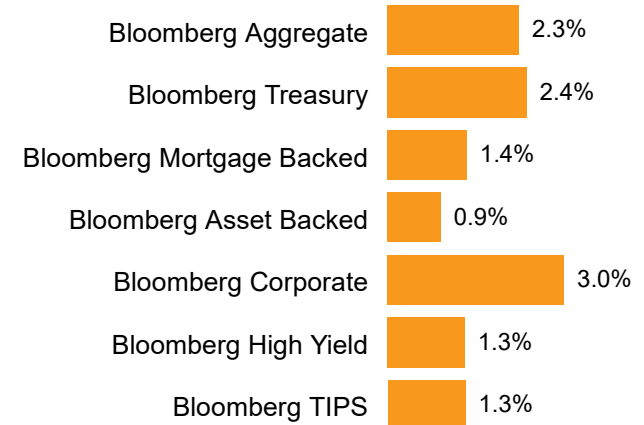
## Rates rallied on trade tensions and geopolitical uncertainty

- Treasuries returned 2.4% as rates fell across the yield curve.
- While 2- and 10-year key rates remained positive, spread between the 90-day and 10-year key rates remained inverted.
- Long Treasuries soared (+7.9%) as 30-year yields fell roughly 40 bps.
- Nominal Treasuries outperformed TIPS as inflation expectations continued to fall; 10-year breakeven spreads were 1.53% as of quarter-end, down from 1.69% as of June 30.

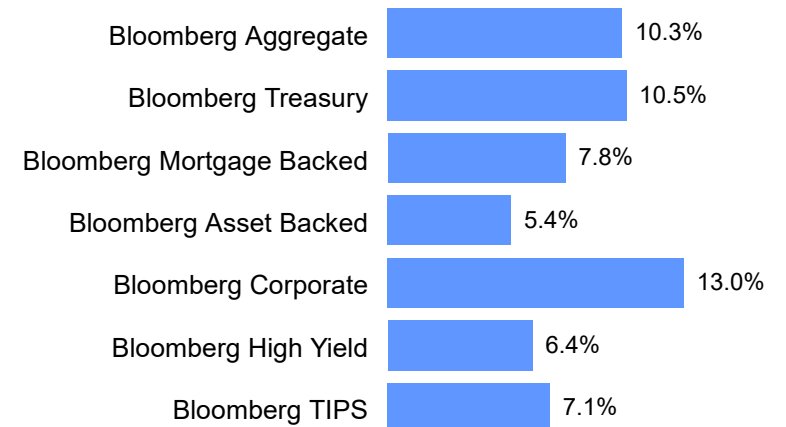
## Investment Grade Corporate was quiet, but High Yield told two stories

- Investment grade corporate credit spreads were range-bound, but their yield advantage was enough to generate positive excess returns versus like-duration Treasuries.
- BB-rated corporates (+2.0%) outperformed CCC-rated corporates (-1.8%).
- BB and B-rated spreads narrowed slightly, but the rally in rates helped drive outperformance as a result of higher-quality bonds' greater sensitivity to interest rate movements.
- CCC-rated bond spreads widened significantly, representing some concern about deteriorating quality at the lower-end of the spectrum.

## U.S. Fixed Income: Quarterly Returns



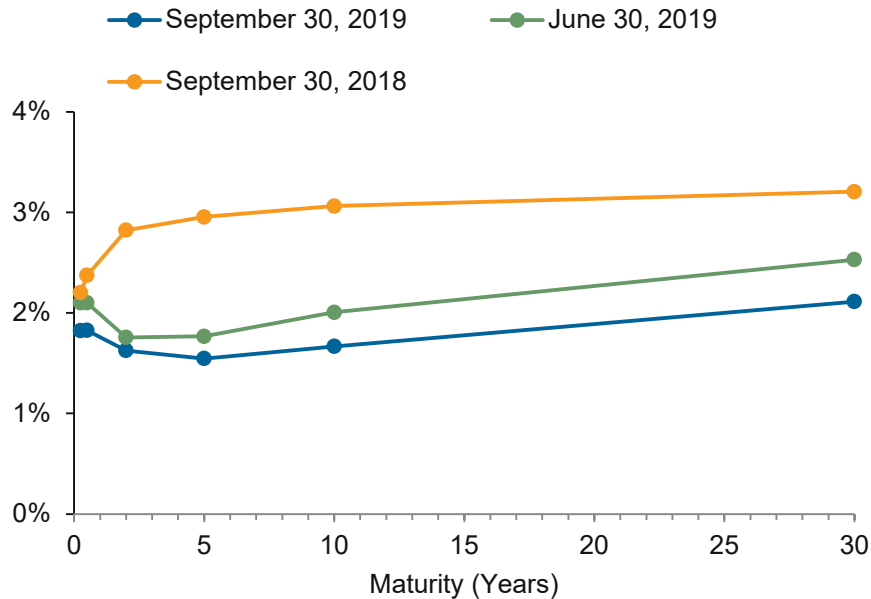
## U.S. Fixed Income: One-Year Returns



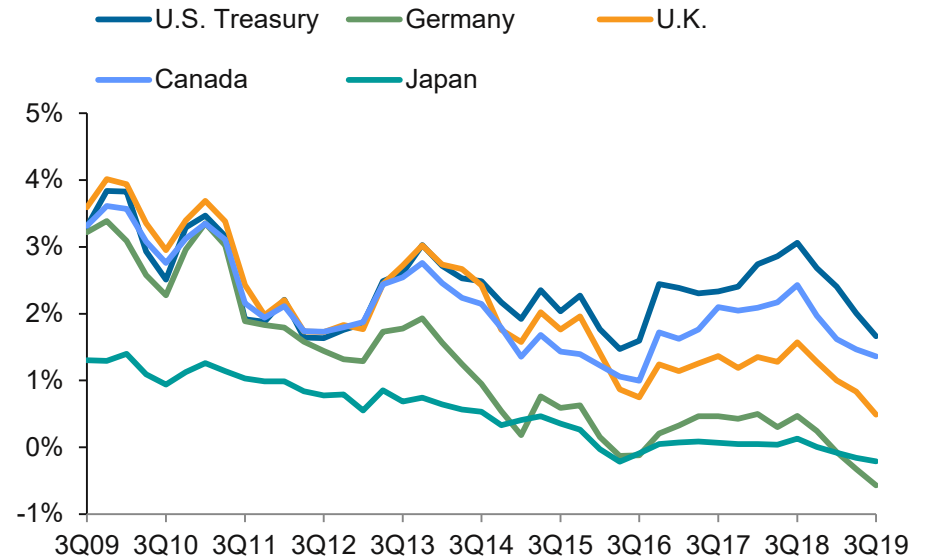
Sources: Bloomberg Barclays, Credit Suisse

# Yield Curve Flattens While Global Rates Diverge

## U.S. Treasury Yield Curves



## 10-Year Global Government Bond Yields



### Treasury yield curve has inverted from 90-day T-bill through the 10-year T-note

- Yields have fallen more than 100 bps on the long end from one year ago.
- Inverted yield curve has presaged most recessions in past 70 years.
- Yield curve inverted from 2- to 10-year notes in August, but has wavered through the end of September.

### U.S. yields diverged further in 2017 as monetary policies fell out of sync

- U.S. tightened for two years while euro zone waited.
- U.S. has now paused and has reversed course with two rate cuts so far in 2019, one each in Q2 and Q3.
- Euro zone will skip tightening entirely in this cycle; U.S. spread remains very wide.

Source: Bloomberg

# Diversification Remains Key Risk Control

## Periodic Table of Investment Returns 1999-2019

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	3 Qtrs. 2019
Real Estate 13.84%	U.S. Fixed Income 8.43%	Non-U.S. Fixed Income 22.37%	Emerging Market Equity 55.82%	Real Estate 37.96%	Emerging Market Equity 34.00%	Real Estate 42.12%	Emerging Market Equity 39.38%	U.S. Fixed Income 5.24%	Emerging Market Equity 78.51%	Small Cap Equity 26.85%	U.S. Fixed Income 7.84%	Real Estate 27.73%	Small Cap Equity 38.82%	Real Estate 15.02%	Large Cap Equity 1.38%	Small Cap Equity 21.31%	Emerging Market Equity 37.28%	Cash Equivalent 1.87%	Large Cap Equity 20.55%
U.S. Fixed Income 11.63%	High Yield 5.28%	U.S. Fixed Income 10.26%	Small Cap Equity 47.25%	Emerging Market Equity 25.55%	Real Estate 15.35%	Emerging Market Equity 32.17%	Non-U.S. Equity 12.44%	Non-U.S. Fixed Income 4.39%	High Yield 58.21%	Real Estate 19.63%	High Yield 4.98%	Emerging Market Equity 18.23%	Large Cap Equity 32.39%	Large Cap Equity 13.69%	U.S. Fixed Income 0.55%	High Yield 17.13%	Non-U.S. Equity 24.21%	U.S. Fixed Income 0.01%	Real Estate 19.82%
Cash Equivalent 6.18%	Cash Equivalent 4.42%	Real Estate 2.82%	Real Estate 40.69%	Non-U.S. Equity 20.38%	Non-U.S. Equity 14.47%	Non-U.S. Equity 25.71%	Non-U.S. Fixed Income 11.03%	Cash Equivalent 2.06%	Real Estate 37.13%	Emerging Market Equity 18.88%	Non-U.S. Fixed Income 4.36%	Non-U.S. Equity 16.41%	Non-U.S. Equity 21.02%	U.S. Fixed Income 5.97%	Cash Equivalent 0.05%	Large Cap Equity 11.96%	Large Cap Equity 21.83%	High Yield -2.08%	Small Cap Equity 14.18%
Small Cap Equity -3.02%	Small Cap Equity 2.49%	Cash Equivalent 1.78%	Non-U.S. Equity 39.42%	Small Cap Equity 18.33%	Large Cap Equity 4.91%	Small Cap Equity 18.37%	U.S. Fixed Income 6.97%	High Yield -26.16%	Non-U.S. Equity 33.67%	High Yield 15.12%	Large Cap Equity 2.11%	Small Cap Equity 16.35%	High Yield 7.44%	Small Cap Equity 4.89%	Real Estate -0.79%	Emerging Market Equity 11.19%	Small Cap Equity 14.65%	Non-U.S. Fixed Income -2.15%	Non-U.S. Equity 13.57%
Non-U.S. Fixed Income -3.91%	Emerging Market Equity -2.61%	High Yield -1.37%	High Yield 28.97%	Non-U.S. Fixed Income 12.54%	Small Cap Equity 4.55%	Large Cap Equity 15.79%	Large Cap Equity 5.49%	Small Cap Equity -33.79%	Small Cap Equity 27.17%	Large Cap Equity 15.06%	Cash Equivalent 0.10%	Large Cap Equity 16.00%	Real Estate 3.67%	High Yield 2.45%	Non-U.S. Equity -3.04%	Real Estate 4.06%	Non-U.S. Fixed Income 10.51%	Large Cap Equity -4.38%	High Yield 11.41%
High Yield -5.86%	Non-U.S. Fixed Income -3.75%	Emerging Market Equity -6.16%	Large Cap Equity 28.68%	High Yield 11.13%	Cash Equivalent 3.07%	High Yield 11.85%	Cash Equivalent 5.00%	Large Cap Equity -37.00%	Large Cap Equity 26.47%	Non-U.S. Equity 8.95%	Small Cap Equity -4.18%	High Yield 15.81%	Cash Equivalent 0.07%	Cash Equivalent 0.03%	Small Cap Equity -4.41%	Non-U.S. Equity 2.75%	Real Estate 10.36%	Real Estate -5.63%	U.S. Fixed Income 8.52%
Large Cap Equity -9.11%	Real Estate -3.81%	Non-U.S. Equity -15.80%	Non-U.S. Fixed Income 19.36%	Large Cap Equity 10.88%	High Yield 2.74%	Non-U.S. Fixed Income 8.16%	High Yield 1.87%	Non-U.S. Equity -43.56%	Non-U.S. Fixed Income 7.53%	U.S. Fixed Income 6.54%	Real Estate -6.46%	U.S. Fixed Income 4.21%	U.S. Fixed Income -2.02%	Emerging Market Equity -2.19%	High Yield -4.47%	U.S. Fixed Income 2.65%	High Yield 7.50%	Small Cap Equity -11.01%	Emerging Market Equity 5.90%
Non-U.S. Equity -13.37%	Large Cap Equity -11.89%	Small Cap Equity -20.48%	U.S. Fixed Income 4.10%	U.S. Fixed Income 4.34%	U.S. Fixed Income 2.43%	Cash Equivalent 4.85%	Small Cap Equity -1.57%	Real Estate -48.21%	U.S. Fixed Income 5.93%	Non-U.S. Fixed Income 4.95%	Non-U.S. Equity -12.21%	Non-U.S. Fixed Income 4.09%	Emerging Market Equity -2.60%	Non-U.S. Fixed Income -3.09%	Non-U.S. Fixed Income -6.02%	Non-U.S. Fixed Income 1.49%	U.S. Fixed Income 3.54%	Non-U.S. Equity -14.09%	Non-U.S. Fixed Income 4.38%
	Non-U.S. Equity -21.40%	Large Cap Equity -22.10%	Cash Equivalent 1.15%	Cash Equivalent 1.33%	Non-U.S. Fixed Income -8.65%	U.S. Fixed Income 4.33%	Real Estate -7.39%	Emerging Market Equity -53.33%	Cash Equivalent 0.21%	Cash Equivalent 0.13%	Emerging Market Equity -18.42%	Cash Equivalent 0.11%	Non-U.S. Fixed Income -3.08%	Non-U.S. Equity -4.32%	Emerging Market Equity -14.92%	Cash Equivalent 0.33%	Cash Equivalent 0.86%	Emerging Market Equity -14.57%	Cash Equivalent 1.81%

- S&P 500 Index   ● Russell 2000 Index   ● MSCI World ex USA   ● MSCI Emerging Markets   ● Bloomberg Barclays US Aggregate Bond
- Bloomberg Barclays High Yield Bond Index   ● Bloomberg Barclays Global Aggregate ex US Bond Index   ● FTSE EPRA/NAREIT Developed REIT Index
- 3-month Treasury Bill

Source: Callan LLC, Bloomberg Barclays, FTSE Russell, MSCI, Standard & Poor's



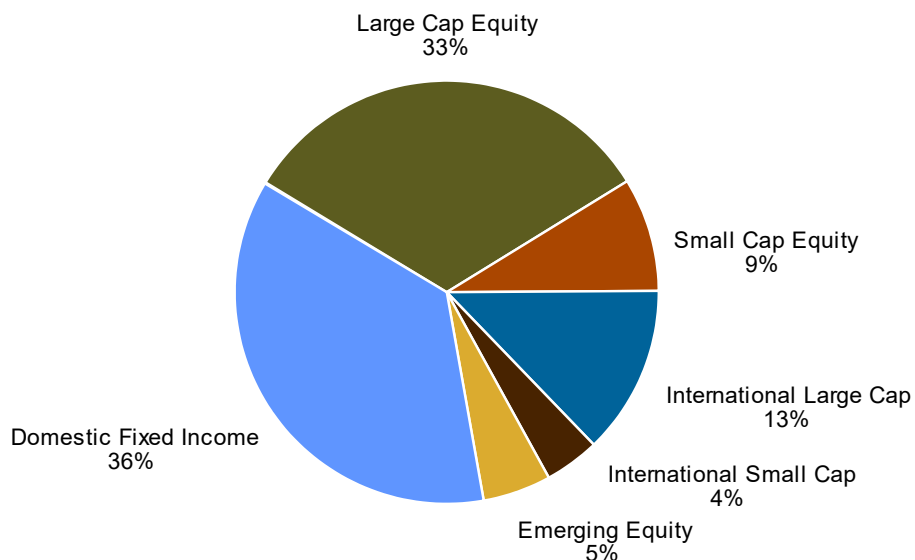
**Sacramento Regional  
Transit District**

Total Fund Overview

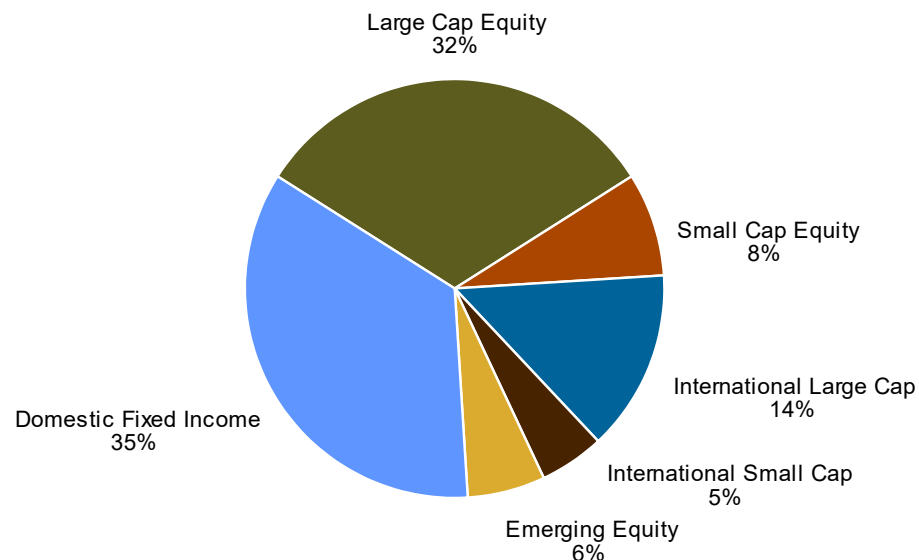
# RT Asset Allocation

As of September 30, 2019

**Actual Asset Allocation**



**Target Asset Allocation**



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	97,931	32.5%	32.0%	0.5%	1,521
Small Cap Equity	26,149	8.7%	8.0%	0.7%	2,047
International Large Cap	38,836	12.9%	14.0%	(1.1%)	(3,343)
International Small Cap	12,803	4.2%	5.0%	(0.8%)	(2,261)
Emerging Equity	15,769	5.2%	6.0%	(0.8%)	(2,308)
Domestic Fixed Income	109,794	36.4%	35.0%	1.4%	4,345
<b>Total</b>	<b>301,284</b>	<b>100.0%</b>	<b>100.0%</b>		

# Total Fund

## Performance Attribution

### Relative Attribution Effects for Quarter ended September 30, 2019

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	32%	32%	1.68%	1.70%	(0.00%)	0.00%	(0.00%)
Small Cap Equity	9%	8%	2.80%	(2.40%)	0.47%	(0.04%)	0.43%
International Large Cap	13%	14%	(0.93%)	(1.07%)	0.02%	0.01%	0.03%
International Small Cap	4%	5%	(1.21%)	(0.44%)	(0.03%)	0.01%	(0.03%)
Emerging Equity	5%	6%	(4.05%)	(4.25%)	0.01%	0.03%	0.04%
Domestic Fixed Income	36%	35%	3.16%	2.27%	0.32%	(0.01%)	0.30%
<b>Total</b>			<b>1.52%</b>	<b>= 0.75%</b>	<b>+ 0.77%</b>	<b>+ (0.00%)</b>	<b>0.77%</b>

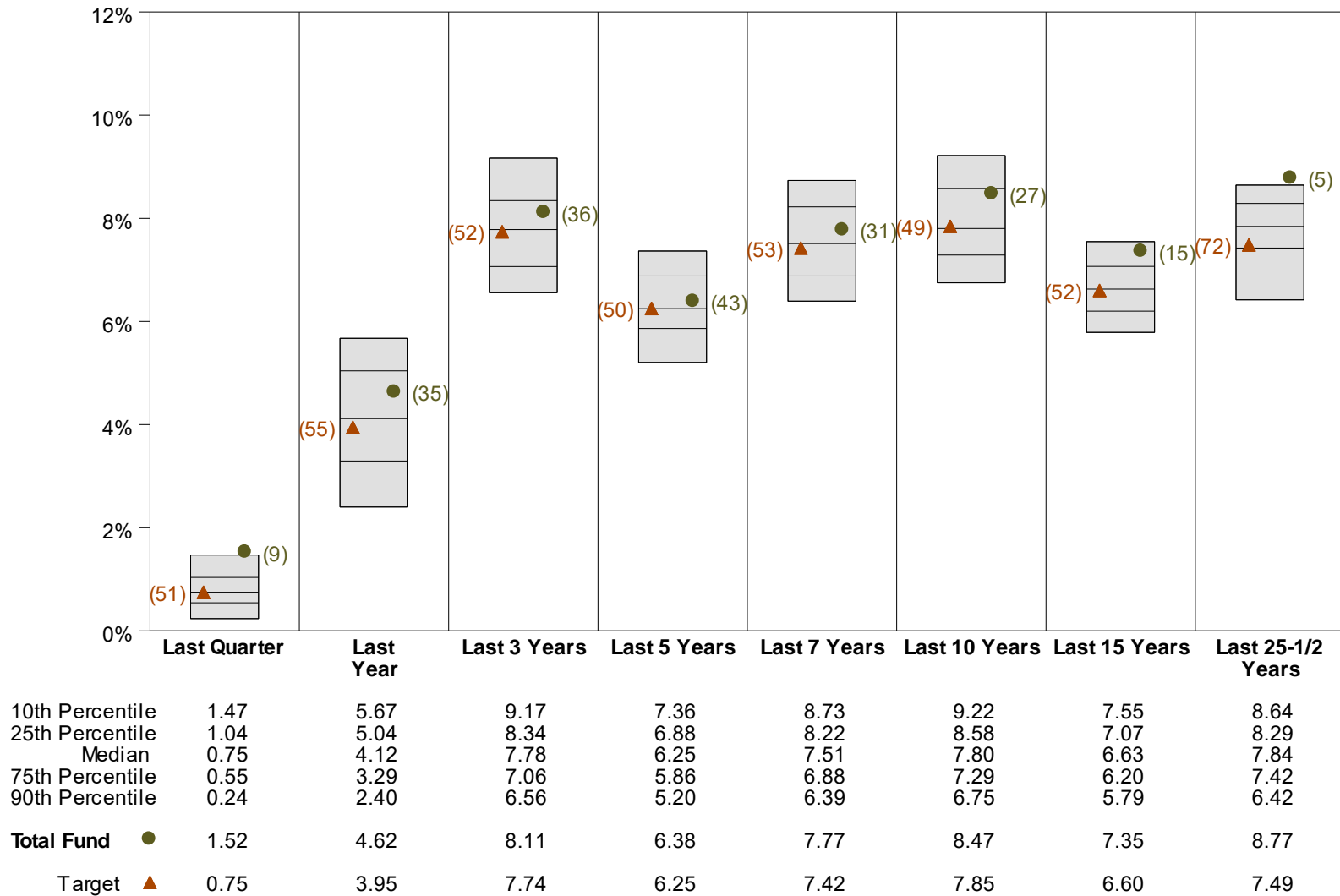
### One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	32%	32%	1.63%	4.25%	(0.84%)	(0.11%)	(0.95%)
Small Cap Equity	9%	8%	4.76%	(8.89%)	1.25%	(0.16%)	1.09%
International Large Cap	13%	14%	0.88%	(1.34%)	0.30%	0.04%	0.34%
International Small Cap	4%	5%	(9.51%)	(5.93%)	(0.18%)	0.03%	(0.15%)
Emerging Equity	6%	6%	(1.23%)	(2.01%)	0.04%	0.02%	0.05%
Domestic Fixed Income	36%	35%	11.89%	10.30%	0.54%	(0.24%)	0.30%
<b>Total</b>			<b>4.62%</b>	<b>= 3.95%</b>	<b>+ 1.09%</b>	<b>+ (0.42%)</b>	<b>0.68%</b>

# Total Fund

Performance as of September 30, 2019

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



# Total Fund

## Manager Asset Allocation

	September 30, 2019 Market Value	Net New Inv.	Inv. Return	June 30, 2019 Market Value
<b>Consolidated Plan</b>				
<b>Domestic Equity</b>	<b>\$124,080,697</b>	<b>\$(1,322,181)</b>	<b>\$2,342,721</b>	<b>\$123,060,157</b>
<b>Large Cap</b>	<b>\$97,931,332</b>	<b>\$(404,172)</b>	<b>\$1,633,221</b>	<b>\$96,702,283</b>
Boston Partners	47,010,196	0	769,317	46,240,879
SSgA S&P 500	50,921,136	(404,172)	863,905	50,461,404
<b>Small Cap</b>	<b>\$26,149,365</b>	<b>\$(918,009)</b>	<b>\$709,500</b>	<b>\$26,357,874</b>
Atlanta Capital	26,149,365	(918,009)	709,500	26,357,874
<b>International Equity</b>	<b>\$67,408,728</b>	<b>\$0</b>	<b>\$(1,234,894)</b>	<b>\$68,643,622</b>
<b>International Large Cap</b>	<b>\$38,836,226</b>	<b>\$0</b>	<b>\$(362,730)</b>	<b>\$39,198,956</b>
SSgA EAFE	11,287,778	0	(115,136)	11,402,913
Pyrford	27,548,449	0	(247,594)	27,796,043
<b>International Small Cap</b>	<b>\$12,803,403</b>	<b>\$0</b>	<b>\$(184,102)</b>	<b>\$12,987,505</b>
AQR	12,803,403	0	(184,102)	12,987,505
<b>Emerging Equity</b>	<b>\$15,769,098</b>	<b>\$0</b>	<b>\$(688,062)</b>	<b>\$16,457,161</b>
DFA Emerging Markets	15,769,098	0	(688,062)	16,457,161
<b>Fixed Income</b>	<b>\$109,794,206</b>	<b>\$0</b>	<b>\$3,358,810</b>	<b>\$106,435,396</b>
Metropolitan West	109,794,206	0	3,358,810	106,435,396
<b>Total Plan - Consolidated</b>	<b>\$301,283,631</b>	<b>\$(1,322,181)</b>	<b>\$4,466,637</b>	<b>\$298,139,175</b>



# Total Fund

## Manager Returns as of September 30, 2019

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equity</b>	<b>1.92%</b>	<b>2.29%</b>	<b>12.91%</b>	<b>10.52%</b>	<b>13.11%</b>
Domestic Equity Benchmark**	0.88%	1.54%	12.41%	10.36%	12.75%
<b>Large Cap Equity</b>	<b>1.68%</b>	<b>1.63%</b>	<b>12.27%</b>	<b>9.50%</b>	<b>12.56%</b>
Boston Partners	1.66%	(1.09%)	11.05%	8.09%	11.79%
Russell 1000 Value Index	1.36%	4.00%	9.43%	7.79%	11.30%
SSgA S&P 500	1.70%	4.27%	13.41%	10.88%	13.29%
S&P 500 Index	1.70%	4.25%	13.39%	10.84%	13.26%
<b>Small Cap Equity</b>	<b>2.80%</b>	<b>4.76%</b>	<b>15.29%</b>	<b>14.53%</b>	<b>15.11%</b>
Atlanta Capital	2.80%	4.76%	15.29%	14.53%	15.11%
Russell 2000 Index	(2.40%)	(8.89%)	8.23%	8.19%	10.43%
<b>International Equity</b>	<b>(1.73%)</b>	<b>(1.76%)</b>	<b>5.67%</b>	<b>2.86%</b>	<b>5.35%</b>
International Benchmark***	(1.71%)	(2.38%)	6.30%	3.10%	5.84%
<b>International Large Cap</b>	<b>(0.93%)</b>	<b>0.88%</b>	<b>6.49%</b>	<b>3.53%</b>	-
SSgA EAFE	(1.01%)	(0.97%)	6.87%	3.62%	6.43%
Pyrford	(0.89%)	1.67%	-	-	-
MSCI EAFE Index	(1.07%)	(1.34%)	6.48%	3.27%	6.12%
<b>International Small Cap</b>	<b>(1.21%)</b>	<b>(9.51%)</b>	<b>3.59%</b>	-	-
AQR	(1.21%)	(9.51%)	3.59%	-	-
MSCI EAFE Small Cap Index	(0.44%)	(5.93%)	5.94%	6.02%	8.63%
<b>Emerging Markets Equity</b>	<b>(4.05%)</b>	<b>(1.23%)</b>	<b>5.43%</b>	<b>2.64%</b>	-
DFA Emerging Markets	(4.05%)	(1.23%)	5.43%	2.64%	-
MSCI Emerging Markets Index	(4.25%)	(2.01%)	5.98%	2.33%	2.41%
<b>Domestic Fixed Income</b>	<b>3.16%</b>	<b>11.89%</b>	<b>3.92%</b>	<b>3.88%</b>	<b>3.38%</b>
Met West	3.16%	11.89%	3.92%	3.88%	3.38%
Bloomberg Aggregate Index	2.27%	10.30%	2.92%	3.38%	2.72%
<b>Total Plan</b>	<b>1.52%</b>	<b>4.62%</b>	<b>8.11%</b>	<b>6.38%</b>	<b>7.77%</b>
Target*	0.75%	3.95%	7.74%	6.25%	7.42%

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

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

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

# Total Fund

## Manager Calendar Year Returns

	12/2018- 9/2019	2018	2017	2016	2015
<b>Domestic Equity</b>	<b>18.52%</b>	<b>(4.64%)</b>	<b>19.78%</b>	<b>14.58%</b>	<b>0.06%</b>
Domestic Equity Benchmark**	19.29%	(5.69%)	20.41%	13.85%	0.26%
<b>Large Cap Equity</b>	<b>17.60%</b>	<b>(6.33%)</b>	<b>21.10%</b>	<b>13.38%</b>	<b>(1.17%)</b>
Boston Partners	14.53%	(8.27%)	20.32%	14.71%	(3.75%)
Russell 1000 Value Index	17.81%	(8.27%)	13.66%	17.34%	(3.83%)
SSgA S&P 500	20.56%	(4.39%)	21.86%	12.03%	1.46%
S&P 500 Index	20.55%	(4.38%)	21.83%	11.96%	1.38%
<b>Small Cap Equity</b>	<b>21.99%</b>	<b>1.78%</b>	<b>15.01%</b>	<b>19.17%</b>	<b>5.14%</b>
Atlanta Capital	21.99%	1.78%	15.01%	19.17%	5.14%
Russell 2000 Index	14.18%	(11.01%)	14.65%	21.31%	(4.41%)
<b>International Equity</b>	<b>10.04%</b>	<b>(13.93%)</b>	<b>28.25%</b>	<b>2.55%</b>	<b>(4.17%)</b>
International Benchmark***	10.98%	(14.76%)	29.51%	3.26%	(4.30%)
<b>International Large Cap</b>	<b>12.76%</b>	<b>(11.25%)</b>	<b>22.63%</b>	<b>1.35%</b>	<b>(1.17%)</b>
SSgA EAFE	13.21%	(13.49%)	25.47%	1.37%	(0.56%)
Pyrford	12.59%	(10.31%)	-	-	-
MSCI EAFE Index	12.80%	(13.79%)	25.03%	1.00%	(0.81%)
<b>International Small Cap</b>	<b>8.03%</b>	<b>(19.94%)</b>	<b>33.76%</b>	-	-
AQR	8.03%	(19.94%)	33.76%	-	-
MSCI EAFE Small Cap Index	12.05%	(17.89%)	33.01%	2.18%	9.59%
<b>Emerging Markets Equity</b>	<b>5.37%</b>	<b>(14.80%)</b>	<b>37.32%</b>	<b>12.99%</b>	<b>(14.33%)</b>
DFA Emerging Markets	5.37%	(14.80%)	37.32%	12.99%	(14.33%)
MSCI Emerging Markets Index	5.90%	(14.57%)	37.28%	11.19%	(14.92%)
<b>Domestic Fixed Income</b>	<b>9.98%</b>	<b>0.75%</b>	<b>3.89%</b>	<b>2.87%</b>	<b>0.51%</b>
Met West	9.98%	0.75%	3.89%	2.87%	0.51%
Bloomberg Aggregate Index	8.52%	0.01%	3.54%	2.65%	0.55%
<b>Total Plan</b>	<b>13.34%</b>	<b>(5.05%)</b>	<b>16.14%</b>	<b>7.65%</b>	<b>(0.97%)</b>
Target*	13.61%	(5.82%)	16.39%	7.40%	(0.71%)

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

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

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

September 30, 2019



**Sacramento Regional Transit District  
Retirement Plans**

**Investment Measurement Service  
Quarterly Review**

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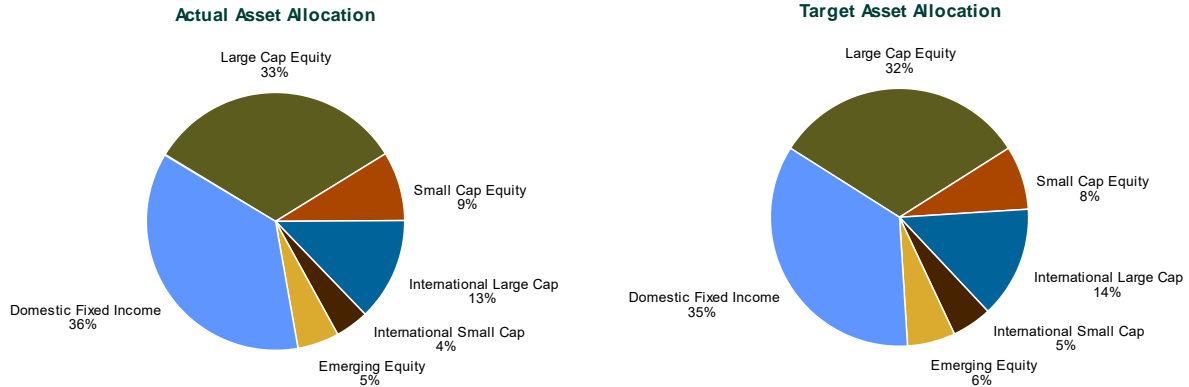
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**Sacramento Regional Transit District**  
Executive Summary for Period Ending September 30, 2019

**Asset Allocation**



**Performance**

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Total Plan</b>	<b>1.52%</b>	<b>4.62%</b>	<b>8.11%</b>	<b>6.38%</b>	<b>7.77%</b>
<b>Target*</b>	<b>0.75%</b>	<b>3.95%</b>	<b>7.74%</b>	<b>6.25%</b>	<b>7.42%</b>

**Recent Developments**

N/A

**Organizational Issues**

N/A

**Manager Performance**

Manager	Peer Group Ranking		
	Last Year	Last 3 Years	Last 7 Years
Boston Partners	72	30	36
Atlanta Capital	3	12	6
Pyrford	12	[72]	[88]
AQR	73	[87]	[63]
DFA	81	77	[76]
MetWest	5	42	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. equity markets posted mixed results amid a market that saw 30-year Treasury yields hit historic lows and the most meaningful, albeit short-lived, factor rotation among equities since the Global Financial Crisis (GFC). Large cap (+1.4%) and mid cap stocks (+0.5%) posted modest gains for the quarter while small caps declined (Russell 2000: -2.4%). Ongoing U.S.-China trade tension, earnings and interest rate uncertainty, and the global political landscape continued to drive investor uncertainty.

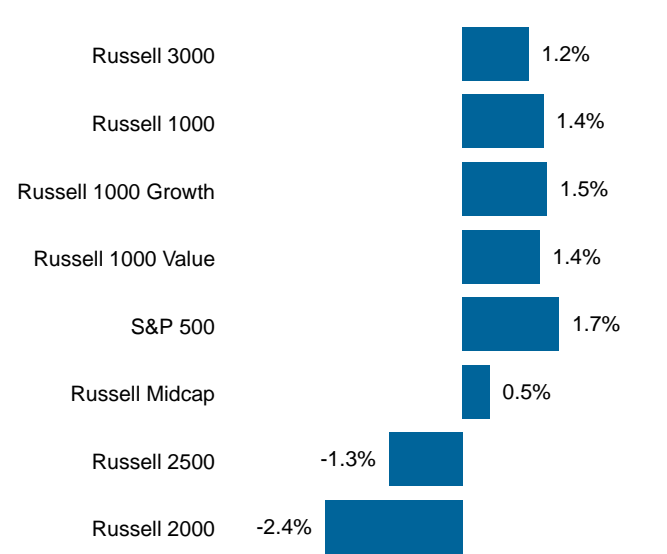
**Large Cap U.S. Equity** (S&P 500: +1.7%; Russell 1000: +1.4%)

- Top sectors were in defensive areas including Utilities (+9.3%), Real Estate (+7.7%), and Consumer Staples (+6.1%) in response to investors' continued flight to quality.
- Energy, hurt by falling oil prices, fell 6.3%; Health Care lagged (-2.2%) amid discussions around price transparency and pricing reform by U.S. presidential candidates.
- Cyclical sector exposure has been volatile given uncertainty around the trade deal (and continued sideways movement of markets) along with slowed global growth.
- Up to September, momentum stocks (which have shifted to include many of the market's least volatile stocks) outperformed as investors shunned the cheapest quintile of value (and more volatile) stocks. This trend sharply reversed in early September as the 10-year Treasury yield rose from 1.46% to 1.73% and momentum stocks fell precipitously while value stocks traded up over the course of two days. The magnitude of the reversal gave a boost to value stocks across market capitalizations for the quarter.

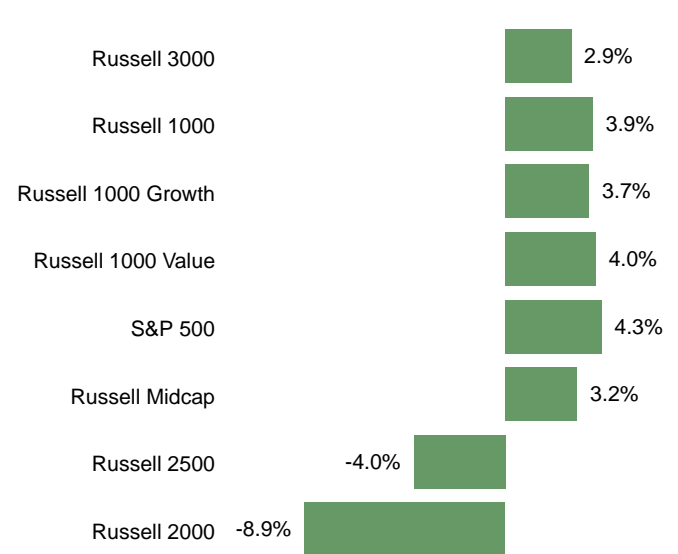
**Growth vs. Value** (Russell 1000 Value: +1.4%, Russell 1000 Growth: +1.5%; Russell 2000 Value: -0.6%, Russell 2000 Growth: -4.2%)

- While value continues to trail growth year-to-date, it gained ground during September's factor reversal, finishing the quarter essentially in line with growth within large caps.
- Within small cap, value benefited as investors favored the cheapest 20% of small caps while the most expensive quintile within the Russell 2000 declined double digits.

**U.S. Equity: Quarterly Returns**

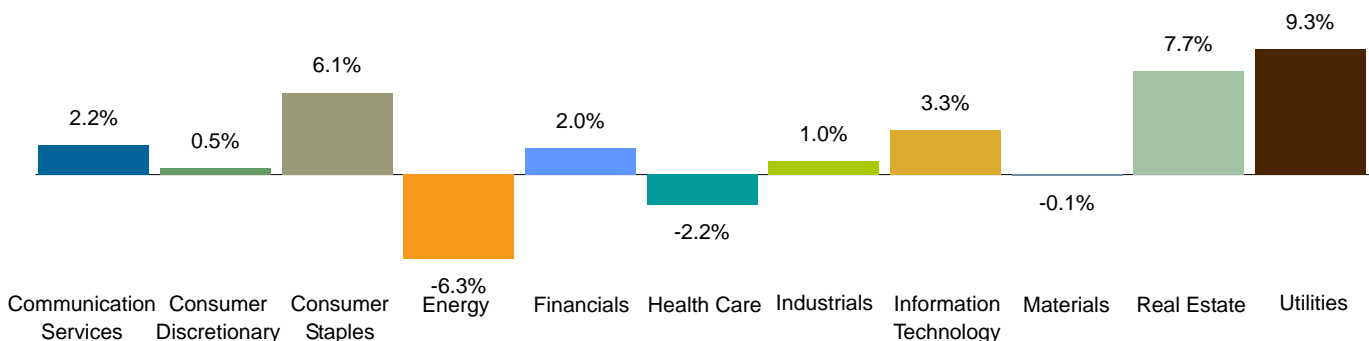


**U.S. Equity: One-Year Returns**



Sources: FTSE Russell, Standard & Poor's

**S&P Sector Returns, Quarter Ended September 30, 2019**



Source: Standard & Poor's



**NON-U.S./GLOBAL EQUITY**

Global equity markets turned negative in the third quarter. After more modest positive results in the second quarter, fears over continued trade war impacts, a no-deal Brexit, and a potential global slowdown impacted investor behavior. Given this backdrop, more defensive areas of the market outperformed.

**Global/Non-U.S. Developed** (MSCI EAFE: -1.1%; MSCI World ex USA: -0.9%; MSCI ACWI ex USA: -1.8%; MSCI Hong Kong: -11.9%; MSCI Japan: +3.1%)

- Boris Johnson's attempted suspension of Parliament and no-deal Brexit proclamations weighed on U.K. stocks (-2.5%).
- Germany (-4.0%) experienced recession fears; industrial production dropped 1.5% in June from the prior month, while the estimate was -0.5%.
- Hong Kong protests proved to be a headwind as the market fell -11.9% over the three-month period.
- Japan was one of the few bright spots within developed markets as low short-term interest rates remain unchanged and a resolution to the Japan/South Korea trade war looked more promising.
- Cyclical sectors trailed as investors were positioned defensively; Energy (-6.5%) had the worst performance.
- For the quarter, factor performance reflected cautious investor behavior as quality and low volatility did well. However, the month of September saw a brief recovery in value across all markets as trade talks improved and central banks eased.

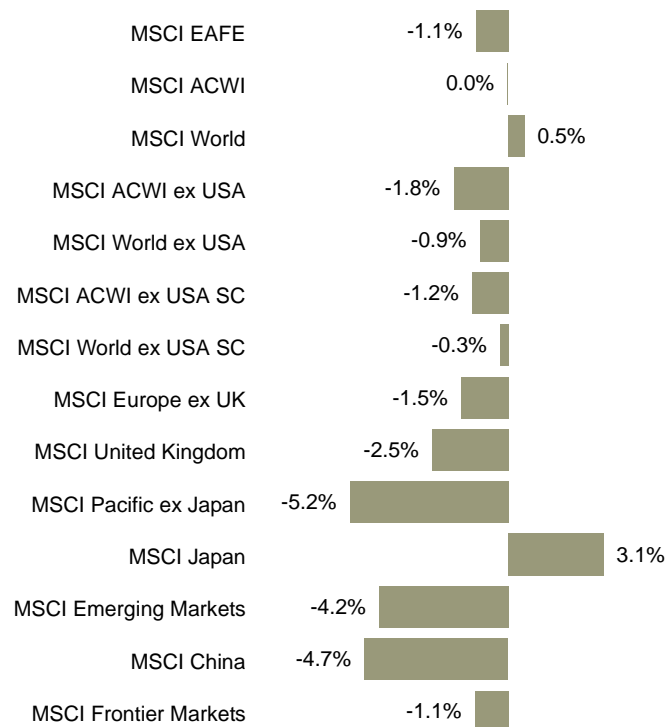
**Emerging Markets** (MSCI Emerging Markets Index: -4.2%)

- Emerging markets fared worst among global markets; uncertainty weighed heavily on these volatile countries.
- Though most emerging market countries fell during the quarter, Turkey (+11.7%) had strong results as its central bank cut rates two times in less than two months.
- Factor performance in emerging markets favored quality and price momentum as investors moved toward safe assets.

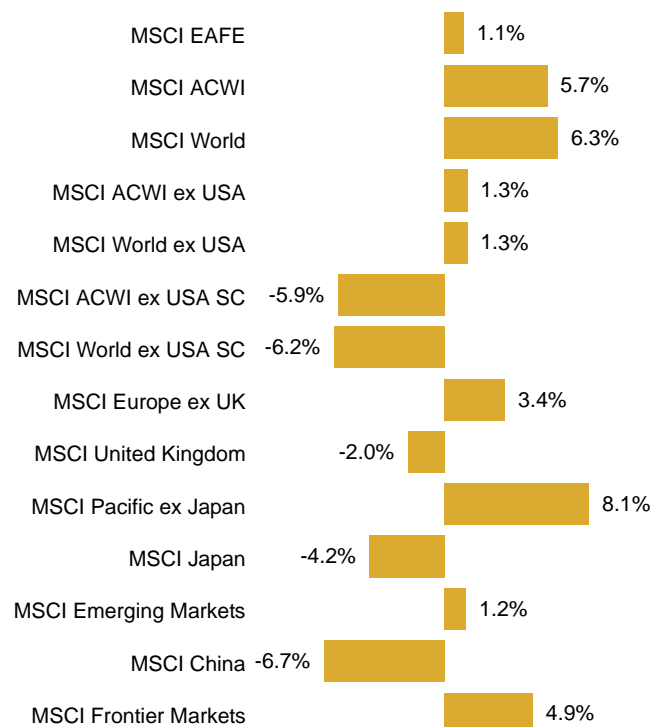
**Non-U.S. Small Cap** (MSCI World ex USA Small Cap: -0.3%; MSCI EM Small Cap: -4.6%; MSCI ACWI ex USA Small Cap: -1.2%)

- Small cap marginally outperformed large cap, both in developed and all country ex-U.S. markets; despite overall defensive posturing, idiosyncratic businesses pushed past global market issues.
- Japan (+4.0%) helped drive developed returns as small cap companies also benefited from low rates and resolved trade tensions; Hong Kong (-7.6%) detracted as local businesses were hurt by the protests.

**Global Equity: Quarterly Returns**



**Global Equity: One-Year Returns**



Source: MSCI

**FIXED INCOME**

The Federal Open Market Committee (FOMC) cut short-term interest rates by 25 basis points twice in the third quarter amid an economic backdrop that has been supported by strong consumer spending and a solid labor market, but challenged by weakening manufacturing data and business investment. The Fed chair stated that the FOMC would act as “appropriate to sustain the expansion,” and the European Central Bank and other central banks around the world also moved in the direction of easing monetary policy. Yields fell in the U.S. and abroad given global growth headwinds fueled by mounting trade tensions as well as geopolitical uncertainty.

**U.S. Fixed Income** (Bloomberg Barclays US Aggregate Bond Index: +2.3%)

- Treasuries returned 2.4% as rates fell across the yield curve.
- While the widely monitored 2- and 10-year key rates remained positive, the spread between the 3-month and 10-year key rates remained inverted.
- Long Treasuries soared (+7.9%) as 30-year yields fell roughly 40 bps.
- Nominal Treasuries outperformed TIPS as inflation expectations continued to fall; 10-year breakeven spreads were 1.53% as of quarter-end, down from 1.69% as of June 30. The 10-year real yield dipped briefly into negative territory in early September.

**Investment Grade Corporates** (Bloomberg Barclays Corporate: +3.1%)

- Investment grade corporate credit spreads were range-bound, but their yield advantage was enough to generate positive excess returns versus like-duration Treasuries.
- Issuance in the corporate bond market was \$320 billion in the quarter, \$50 billion higher than a year ago; demand remained solid. BBB-rated corporates (+3.1%) modestly outperformed A-rated or higher corporates (+3.0%).

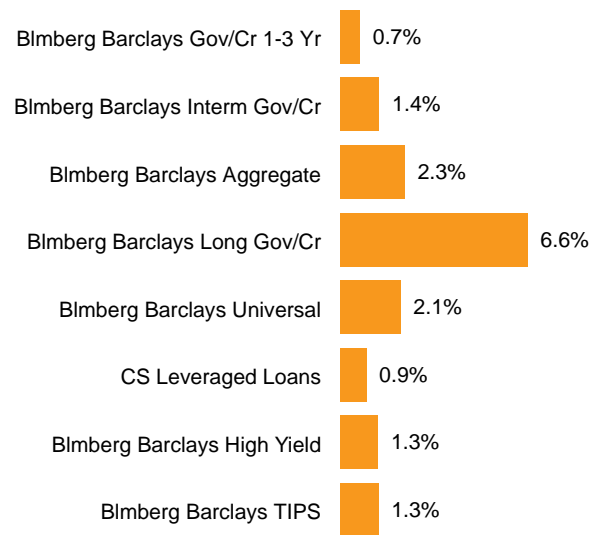
**High Yield** (Bloomberg Barclays Corporate High Yield: +1.3%)

- BB-rated corporates (+2.0%) outperformed CCC-rated corporates (-1.8%). BB- and B-rated spreads narrowed slightly, but the rally in rates helped drive outperformance as a result of higher quality bonds’ greater sensitivity to interest rate movements.
- CCC-rated bond spreads widened significantly, representing some concern about deteriorating quality at the lower-end of the spectrum.

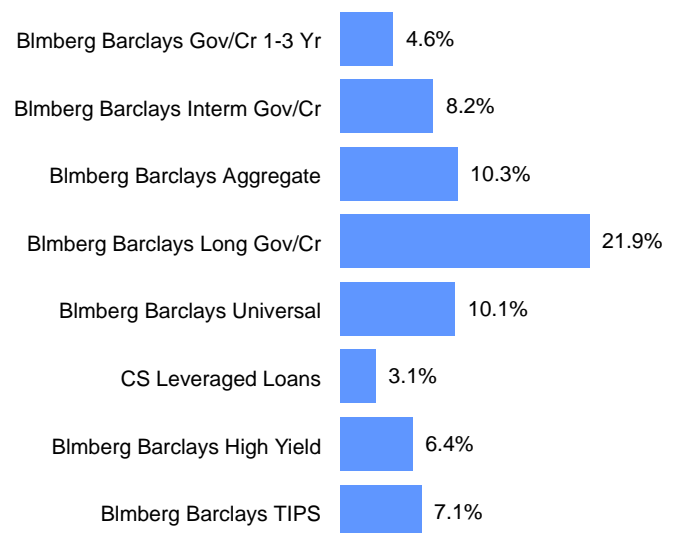
**Leveraged Loans** (CS Leveraged Loans: +0.9%)

- Bank loans, which have floating rate coupons, underperformed high yield bonds as rates rallied and investors worried about deteriorating credit quality.
- CLO issuance continued to exceed expectations, providing positive technical support to the leveraged loan market.

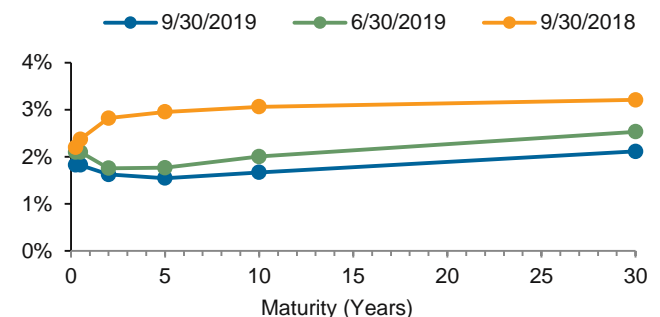
**U.S. Fixed Income: Quarterly Returns**



**U.S. Fixed Income: One-Year Returns**



**U.S. Treasury Yield Curves**



Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

**NON-U.S. FIXED INCOME**

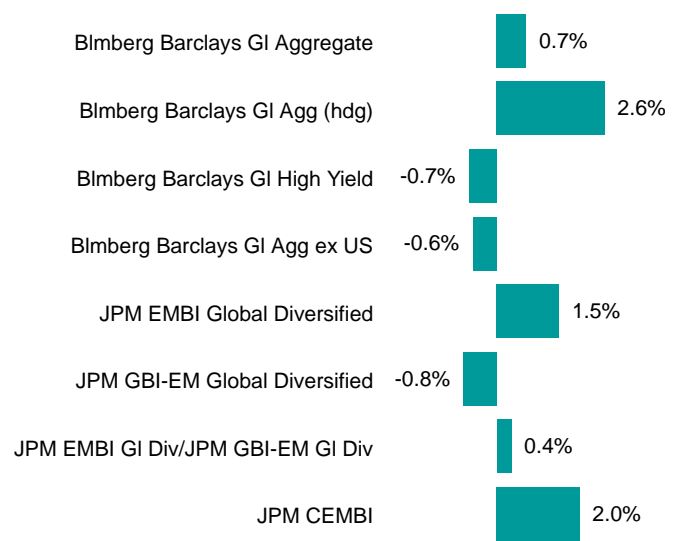
**Global Fixed Income** (Bloomberg Barclays Global Aggregate (unhedged): +0.7%; (hedged): +2.6%)

- Developed market sovereign bond yields rallied, pushing European sovereigns further into negative territory as the ECB reduced its deposit rate and announced a new bond purchasing stimulus program.
- Negative yielding debt totals nearly \$17 trillion, a record high.
- The U.S. dollar was up 3.4% versus a basket of trade partner currencies and up 4.3% vs the beleaguered euro.

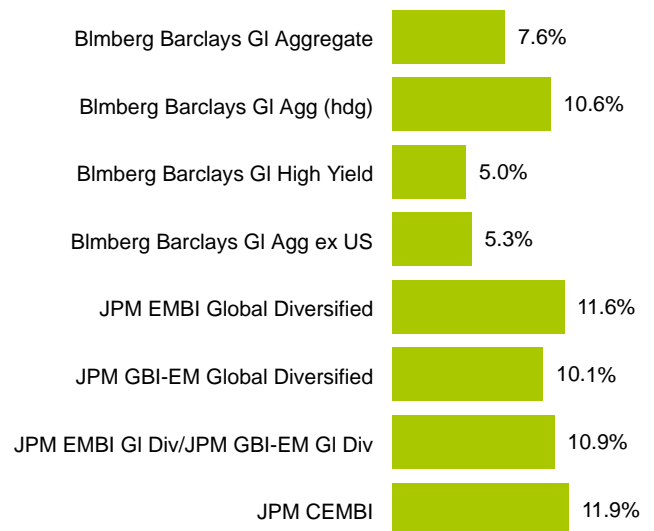
**US\$ EMD** (JPM EMBI Global Diversified: +1.5%), **Local Currency EMD** (JPM GBI-EM Global Diversified: -0.8%)

- Broadly, emerging market currencies depreciated versus the U.S. dollar, hampering local currency returns.
- Within the dollar-denominated benchmark, Argentina (-42%) and Venezuela (-51%) were among the few to post negative returns. Conversely, returns in the local debt benchmark were more mixed with Turkey (+19%) and Argentina (-60%) being outliers.

**Global Fixed Income: Quarterly Returns**

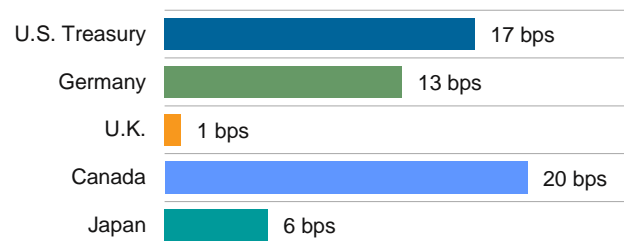


**Global Fixed Income: One-Year Returns**



**Change in 10-Year Global Government Bond Yields**

**2Q19 to 3Q19**



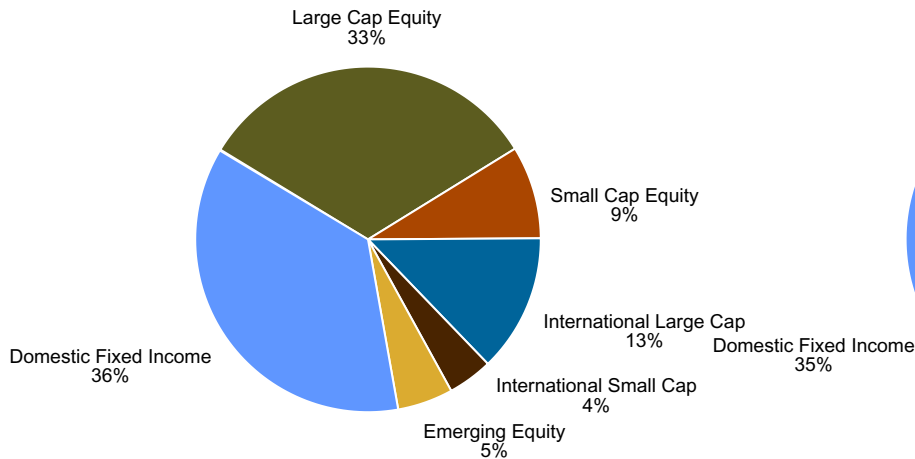
Sources: Bloomberg, Bloomberg Barclays, JP Morgan



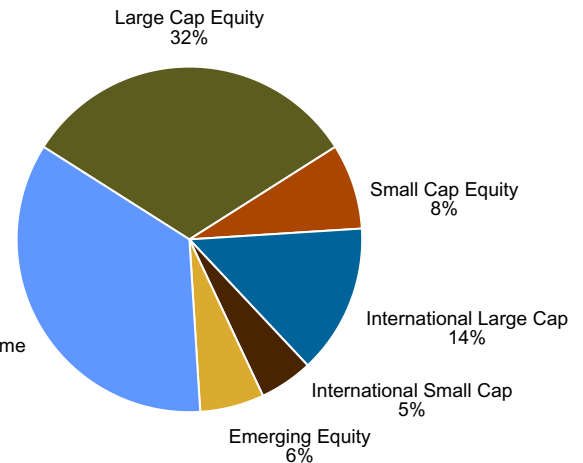
## Actual vs Target Asset Allocation As of September 30, 2019

The top left chart shows the Fund's asset allocation as of September 30, 2019. 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).

### Actual Asset Allocation

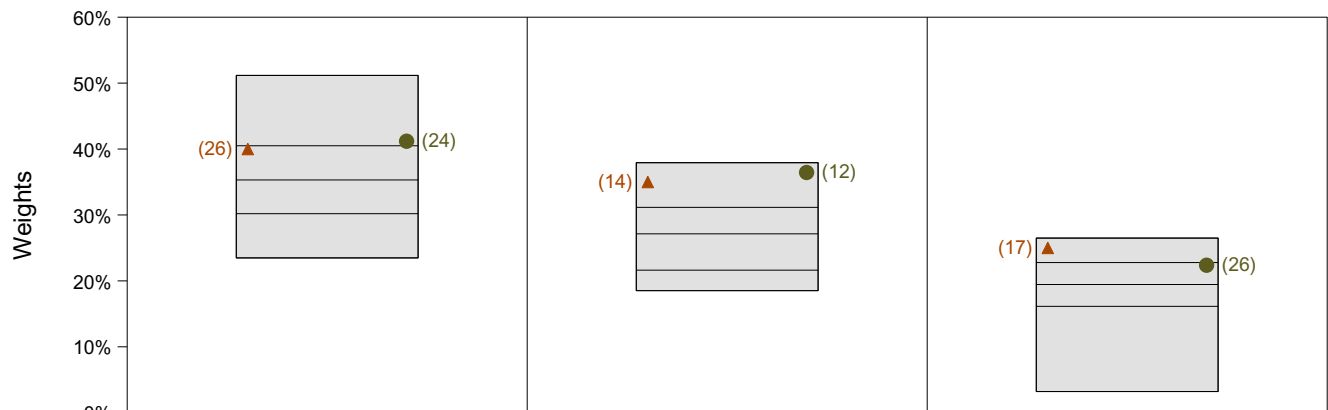


### Target Asset Allocation



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	97,931	32.5%	32.0%	0.5%	1,521
Small Cap Equity	26,149	8.7%	8.0%	0.7%	2,047
International Large Cap	38,836	12.9%	14.0%	(1.1%)	(3,343)
International Small Cap	12,803	4.2%	5.0%	(0.8%)	(2,261)
Emerging Equity	15,769	5.2%	6.0%	(0.8%)	(2,308)
Domestic Fixed Income	109,794	36.4%	35.0%	1.4%	4,345
Total	301,284	100.0%	100.0%		

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



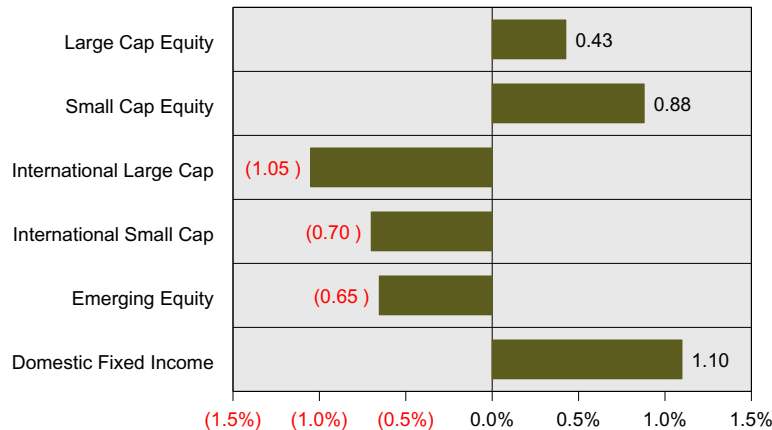
10th Percentile	51.17	37.93	26.49
25th Percentile	40.50	31.15	22.78
Median	35.31	27.14	19.45
75th Percentile	30.20	21.63	16.13
90th Percentile	23.48	18.52	3.21
<b>Fund</b>	41.18	36.44	22.37
<b>Target</b>	40.00	35.00	25.00
% Group Invested	98.18%	96.36%	89.09%

\* 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.

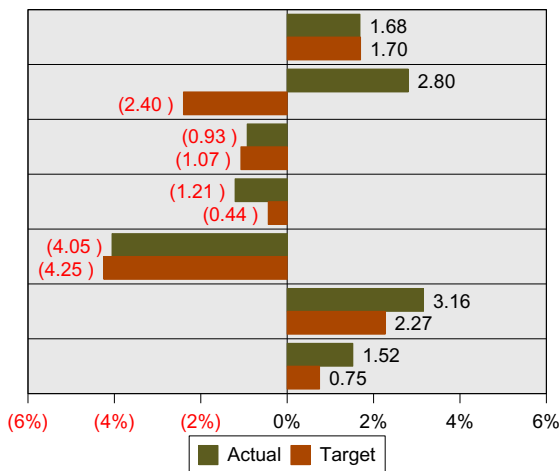
## Quarterly Total Fund Relative Attribution - September 30, 2019

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.

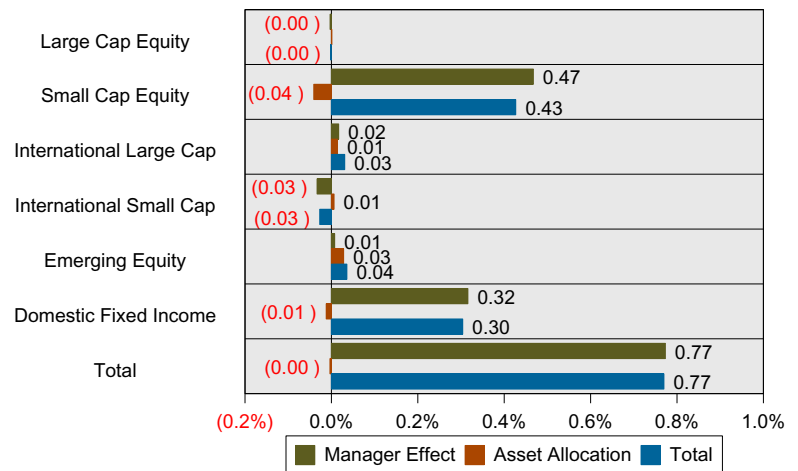
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended September 30, 2019

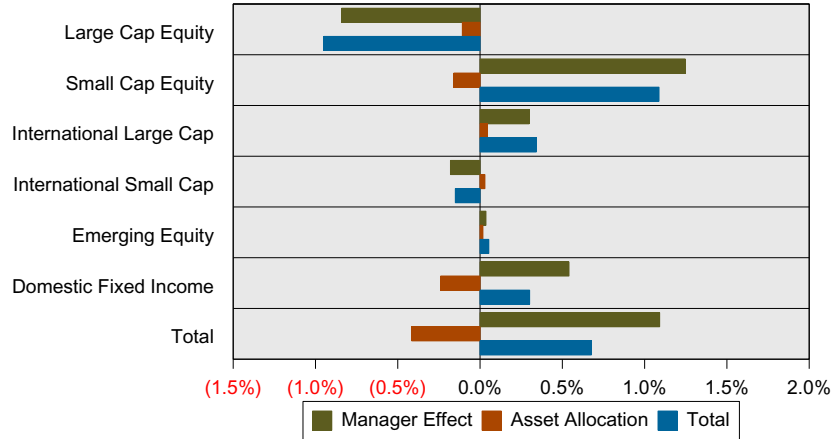
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	32%	32%	1.68%	1.70%	(0.00%)	0.00%	(0.00%)
Small Cap Equity	9%	8%	2.80%	(2.40%)	0.47%	(0.04%)	0.43%
International Large Cap	13%	14%	(0.93%)	(1.07%)	0.02%	0.01%	0.03%
International Small Cap	4%	5%	(1.21%)	(0.44%)	(0.03%)	0.01%	(0.03%)
Emerging Equity	5%	6%	(4.05%)	(4.25%)	0.01%	0.03%	0.04%
Domestic Fixed Income	36%	35%	3.16%	2.27%	0.32%	(0.01%)	0.30%
<b>Total</b>			<b>1.52%</b>	<b>0.75%</b>	<b>+ 0.77%</b>	<b>+ (0.00%)</b>	<b>0.77%</b>

\* 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.

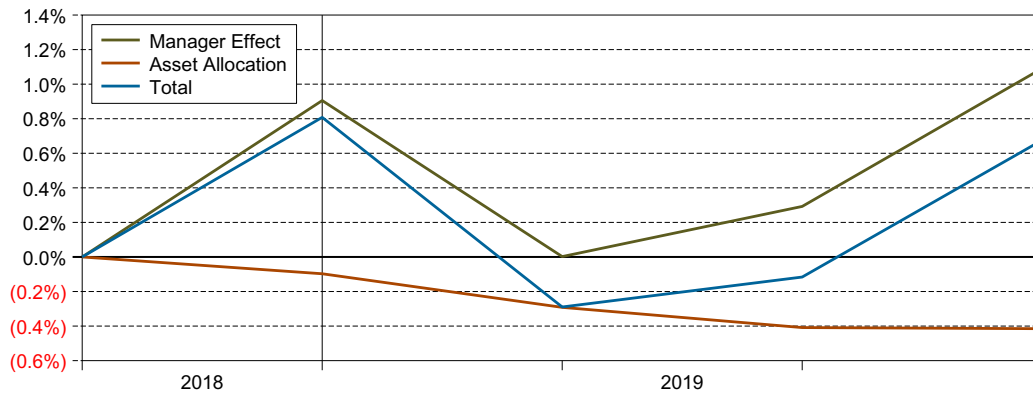
## Cumulative Total Fund Relative Attribution - September 30, 2019

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

### One Year Relative Attribution Effects



### Cumulative Relative Attribution Effects



### One Year Relative Attribution Effects

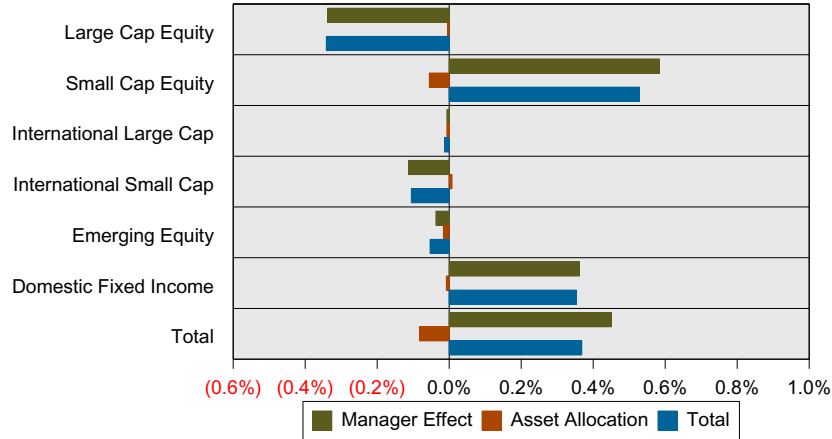
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	32%	32%	1.63%	4.25%	(0.84%)	(0.11%)	(0.95%)
Small Cap Equity	9%	8%	4.76%	(8.89%)	1.25%	(0.16%)	1.09%
International Large Cap	13%	14%	0.88%	(1.34%)	0.30%	0.04%	0.34%
International Small Cap	4%	5%	(9.51%)	(5.93%)	(0.18%)	0.03%	(0.15%)
Emerging Equity	6%	6%	(1.23%)	(2.01%)	0.04%	0.02%	0.05%
Domestic Fixed Income	36%	35%	11.89%	10.30%	0.54%	(0.24%)	0.30%
<b>Total</b>			<b>4.62%</b>	<b>3.95%</b>	<b>+ 1.09%</b>	<b>+ (0.42%)</b>	<b>0.68%</b>

\* 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.

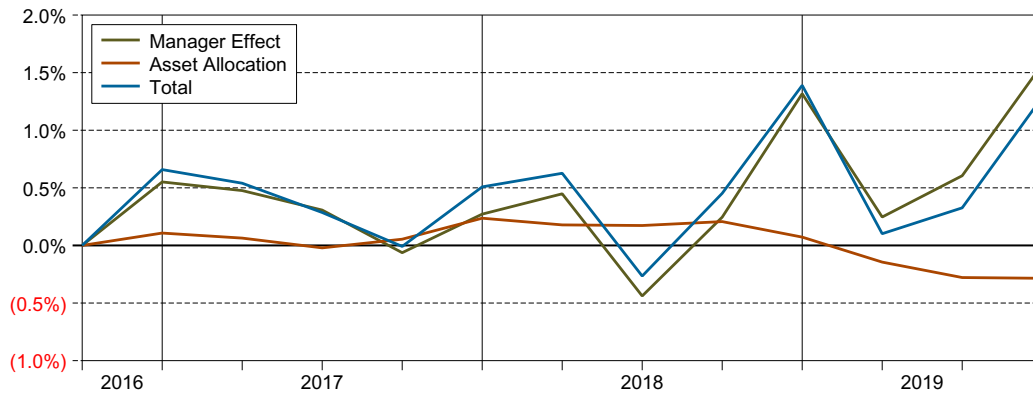
## Cumulative Total Fund Relative Attribution - September 30, 2019

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%	12.27%	13.39%	(0.34%)	(0.00%)	(0.34%)
Small Cap Equity	9%	8%	15.29%	8.23%	0.58%	(0.06%)	0.53%
International Large Cap	13%	14%	6.49%	6.48%	(0.01%)	(0.01%)	(0.01%)
International Small Cap	5%	5%	3.59%	5.94%	(0.11%)	0.01%	(0.11%)
Emerging Equity	6%	6%	5.43%	5.98%	(0.04%)	(0.02%)	(0.05%)
Domestic Fixed Income	34%	35%	3.92%	2.92%	0.36%	(0.01%)	0.35%
<b>Total</b>			<b>8.11%</b>	<b>7.74%</b>	<b>+ 0.45%</b>	<b>+ (0.08%)</b>	<b>0.37%</b>

\* 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 September 30, 2019

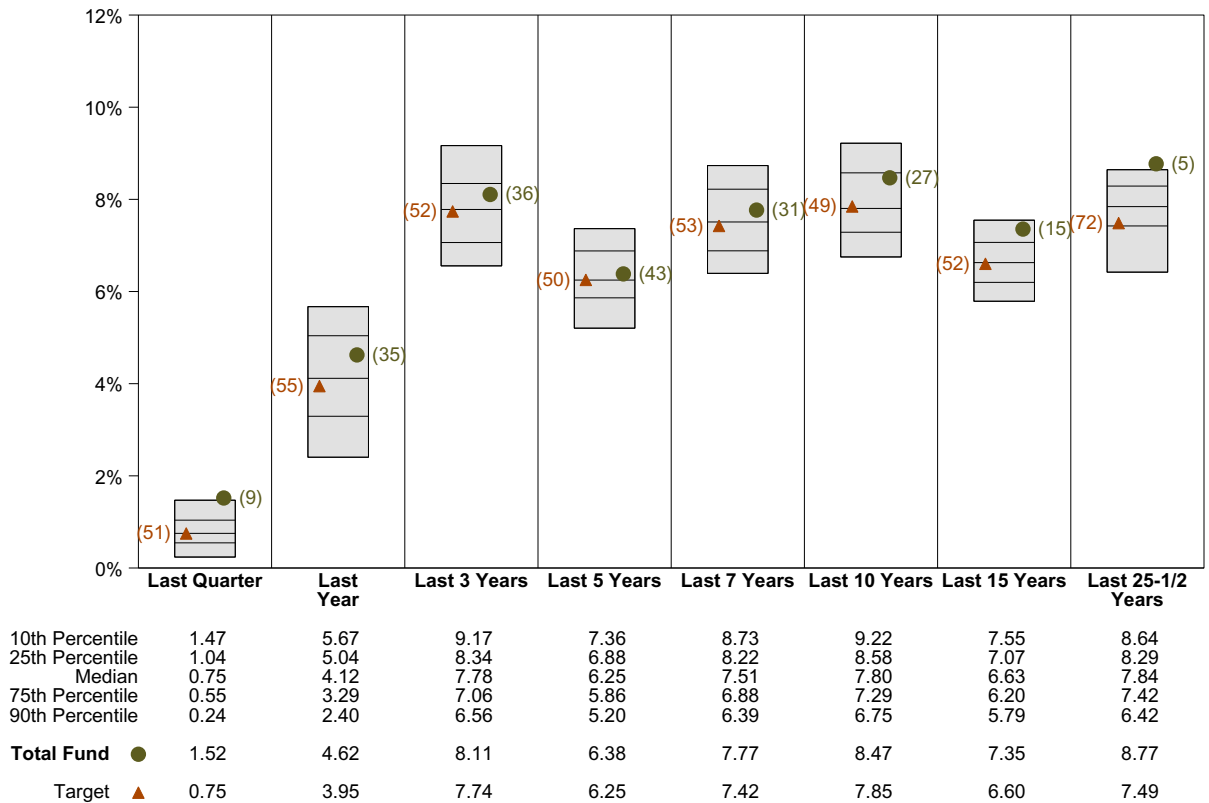
## Investment Philosophy

\* 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.

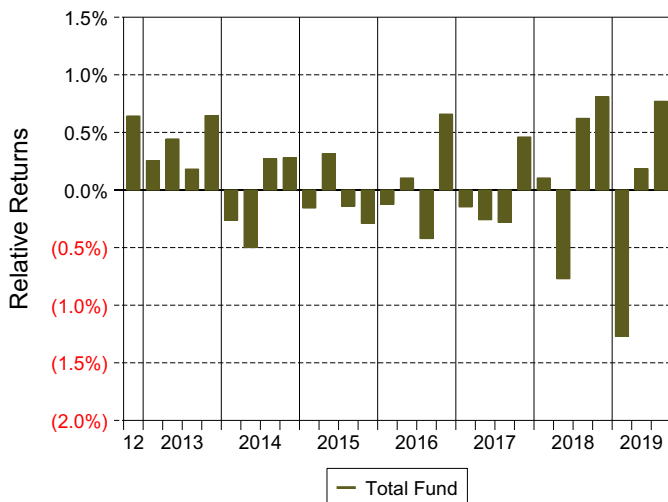
## Quarterly Summary and Highlights

- Total Fund's portfolio posted a 1.52% return for the quarter placing it in the 9 percentile of the Callan Public Fund Spons- Mid (100M-1B) group for the quarter and in the 35 percentile for the last year.
- Total Fund's portfolio outperformed the Target by 0.77% for the quarter and outperformed the Target for the year by 0.68%.

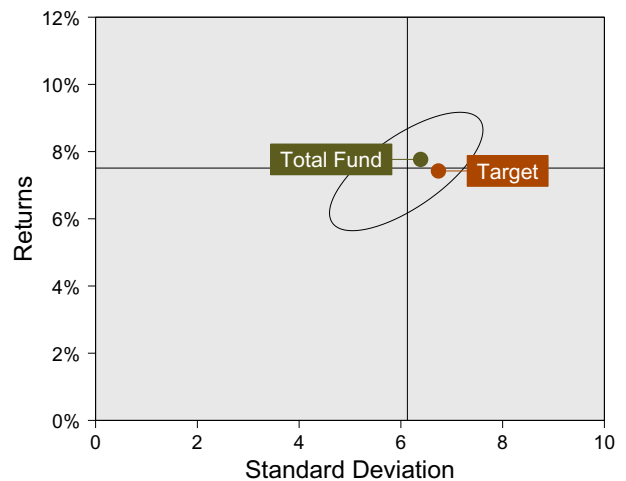
## Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)



### Relative Return vs Target



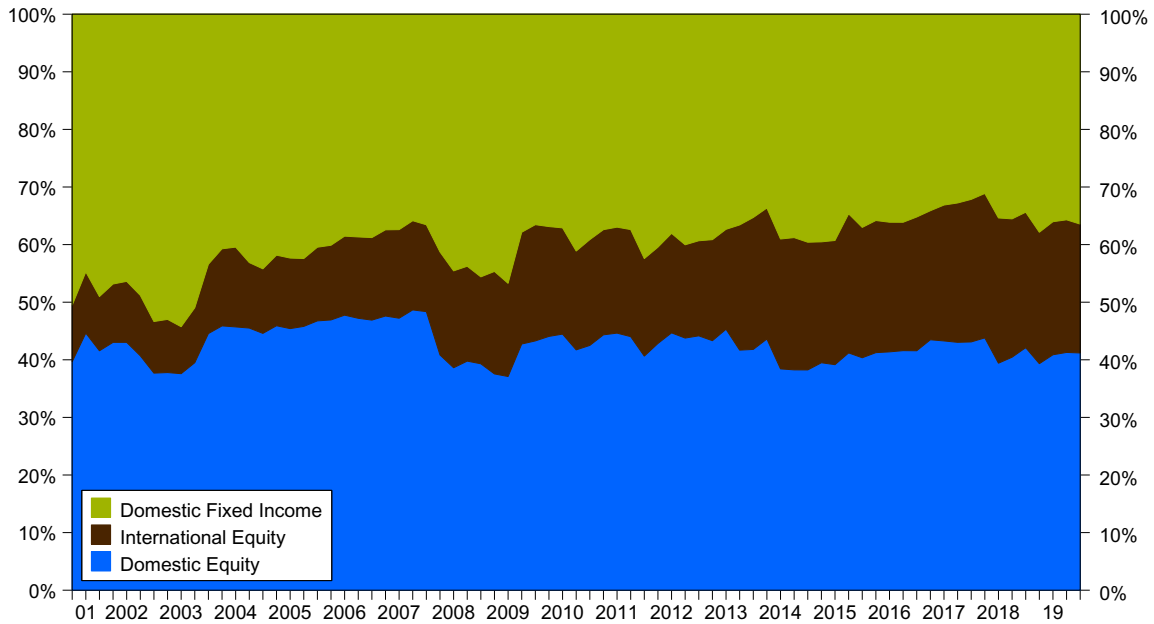
### Callan Public Fund Spons- Mid (100M-1B) (Gross) Annualized Seven Year Risk vs Return



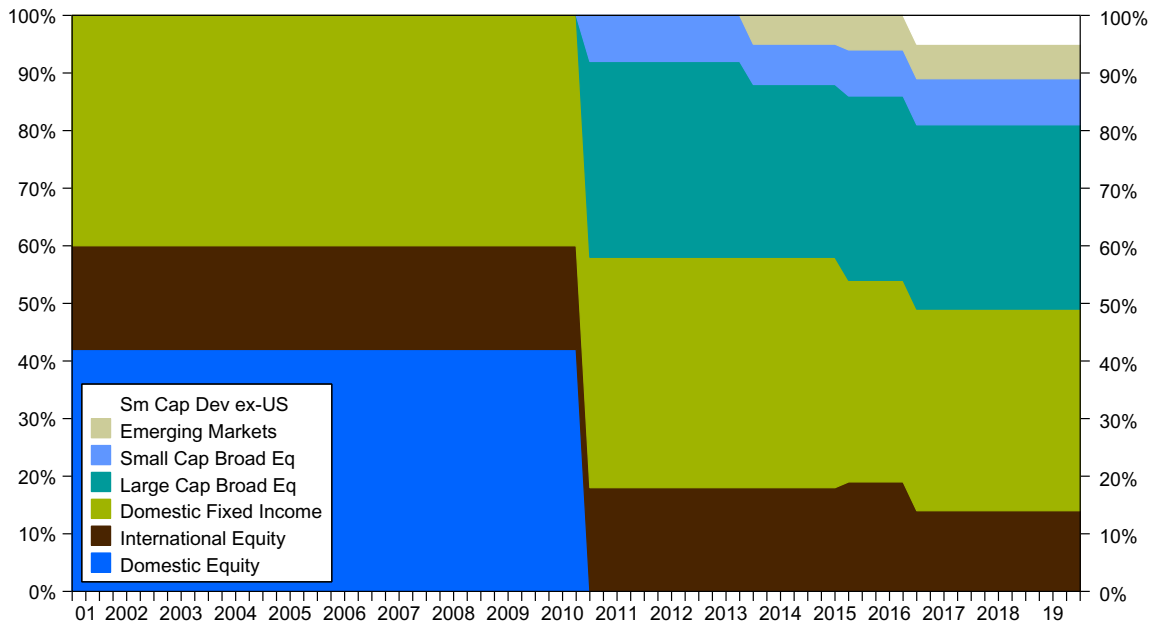
## Actual vs Target Historical Asset Allocation

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 September 30, 2019, with the distribution as of June 30, 2019. The change in asset distribution is broken down into the dollar change due to Net New Investment and the dollar change due to Investment Return.

### Asset Distribution Across Investment Managers

	September 30, 2019 Market Value	Net New Inv.	Inv. Return	June 30, 2019 Market Value
<b>Consolidated Plan</b>				
<b>Domestic Equity</b>	<b>\$124,080,697</b>	<b>\$(1,322,181)</b>	<b>\$2,342,721</b>	<b>\$123,060,157</b>
<b>Large Cap</b>	<b>\$97,931,332</b>	<b>\$(404,172)</b>	<b>\$1,633,221</b>	<b>\$96,702,283</b>
Boston Partners	47,010,196	0	769,317	46,240,879
SSgA S&P 500	50,921,136	(404,172)	863,905	50,461,404
<b>Small Cap</b>	<b>\$26,149,365</b>	<b>\$(918,009)</b>	<b>\$709,500</b>	<b>\$26,357,874</b>
Atlanta Capital	26,149,365	(918,009)	709,500	26,357,874
<b>International Equity</b>	<b>\$67,408,728</b>	<b>\$0</b>	<b>\$(1,234,894)</b>	<b>\$68,643,622</b>
<b>International Large Cap</b>	<b>\$38,836,226</b>	<b>\$0</b>	<b>\$(362,730)</b>	<b>\$39,198,956</b>
SSgA EAFE	11,287,778	0	(115,136)	11,402,913
Pyrford	27,548,449	0	(247,594)	27,796,043
<b>International Small Cap</b>	<b>\$12,803,403</b>	<b>\$0</b>	<b>\$(184,102)</b>	<b>\$12,987,505</b>
AQR	12,803,403	0	(184,102)	12,987,505
<b>Emerging Equity</b>	<b>\$15,769,098</b>	<b>\$0</b>	<b>\$(688,062)</b>	<b>\$16,457,161</b>
DFA Emerging Markets	15,769,098	0	(688,062)	16,457,161
<b>Fixed Income</b>	<b>\$109,794,206</b>	<b>\$0</b>	<b>\$3,358,810</b>	<b>\$106,435,396</b>
Metropolitan West	109,794,206	0	3,358,810	106,435,396
<b>Total Plan - Consolidated</b>	<b>\$301,283,631</b>	<b>\$(1,322,181)</b>	<b>\$4,466,637</b>	<b>\$298,139,175</b>

## Sacramento Regional Transit District Asset Growth

Ending September 30, 2019 (\$ Thousands)	Ending Market Value	=	Beginning Market Value	+	Net New Investment	+	Investment Return
<b>Total Plan</b>							
1/4 Year Ended 9/2019	301,283.6		298,139.2		(1,322.2)		4,466.6
1/4 Year Ended 6/2019	298,139.2		289,020.0		(1,111.4)		10,230.6
1/4 Year Ended 3/2019	289,020.0		269,114.0		(1,021.9)		20,927.9
1/4 Year Ended 12/2018	269,114.0		292,722.5		(1,066.5)		(22,541.9)
1/4 Year Ended 9/2018	292,722.5		284,083.7		(1,081.0)		9,719.8
1/4 Year Ended 6/2018	284,083.7		284,995.0		(1,267.6)		356.3
1/4 Year Ended 3/2018	284,995.0		288,314.8		(1,183.4)		(2,136.5)
1/4 Year Ended 12/2017	288,314.8		277,835.6		(1,419.7)		11,899.0
1/4 Year Ended 9/2017	277,835.6		270,017.7		(1,582.3)		9,400.2
1/4 Year Ended 6/2017	270,017.7		263,189.7		(1,149.1)		7,977.1
1/4 Year Ended 3/2017	263,189.7		253,159.1		(930.2)		10,960.7
1/4 Year Ended 12/2016	253,159.1		251,635.0		(1,139.0)		2,663.2
1/4 Year Ended 9/2016	251,635.0		244,029.2		(937.8)		8,543.5
1/4 Year Ended 6/2016	244,029.2		240,502.3		(684.5)		4,211.5
1/4 Year Ended 3/2016	240,502.3		238,289.7		(450.0)		2,662.6
1/4 Year Ended 12/2015	238,289.7		232,085.4		(816.4)		7,020.7
1/4 Year Ended 9/2015	232,085.4		246,970.5		(534.9)		(14,350.2)
1/4 Year Ended 6/2015	246,970.5		247,920.3		(766.8)		(183.0)
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	301,283.6		298,139.2		(1,322.2)		4,466.6

## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended September 30, 2019. 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 September 30, 2019

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equity</b>	<b>1.92%</b>	<b>2.29%</b>	<b>12.91%</b>	<b>10.52%</b>	<b>13.11%</b>
Domestic Equity Benchmark**	0.88%	1.54%	12.41%	10.36%	12.75%
<b>Large Cap Equity</b>	<b>1.68%</b>	<b>1.63%</b>	<b>12.27%</b>	<b>9.50%</b>	<b>12.56%</b>
Boston Partners	1.66%	(1.09%)	11.05%	8.09%	11.79%
Russell 1000 Value Index	1.36%	4.00%	9.43%	7.79%	11.30%
SSgA S&P 500	1.70%	4.27%	13.41%	10.88%	13.29%
S&P 500 Index	1.70%	4.25%	13.39%	10.84%	13.26%
<b>Small Cap Equity</b>	<b>2.80%</b>	<b>4.76%</b>	<b>15.29%</b>	<b>14.53%</b>	<b>15.11%</b>
Atlanta Capital	2.80%	4.76%	15.29%	14.53%	15.11%
Russell 2000 Index	(2.40%)	(8.89%)	8.23%	8.19%	10.43%
<b>International Equity</b>	<b>(1.73%)</b>	<b>(1.76%)</b>	<b>5.67%</b>	<b>2.86%</b>	<b>5.35%</b>
International Benchmark***	(1.71%)	(2.38%)	6.30%	3.10%	5.84%
<b>International Large Cap</b>	<b>(0.93%)</b>	<b>0.88%</b>	<b>6.49%</b>	<b>3.53%</b>	-
SSgA EAFE	(1.01%)	(0.97%)	6.87%	3.62%	6.43%
Pyrford	(0.89%)	1.67%	-	-	-
MSCI EAFE Index	(1.07%)	(1.34%)	6.48%	3.27%	6.12%
<b>International Small Cap</b>	<b>(1.21%)</b>	<b>(9.51%)</b>	<b>3.59%</b>	-	-
AQR	(1.21%)	(9.51%)	3.59%	-	-
MSCI EAFE Small Cap Index	(0.44%)	(5.93%)	5.94%	6.02%	8.63%
<b>Emerging Markets Equity</b>	<b>(4.05%)</b>	<b>(1.23%)</b>	<b>5.43%</b>	<b>2.64%</b>	-
DFA Emerging Markets	(4.05%)	(1.23%)	5.43%	2.64%	-
MSCI Emerging Markets Index	(4.25%)	(2.01%)	5.98%	2.33%	2.41%
<b>Domestic Fixed Income</b>	<b>3.16%</b>	<b>11.89%</b>	<b>3.92%</b>	<b>3.88%</b>	<b>3.38%</b>
Met West	3.16%	11.89%	3.92%	3.88%	3.38%
Bloomberg Aggregate Index	2.27%	10.30%	2.92%	3.38%	2.72%
<b>Total Plan</b>	<b>1.52%</b>	<b>4.62%</b>	<b>8.11%</b>	<b>6.38%</b>	<b>7.77%</b>
Target*	0.75%	3.95%	7.74%	6.25%	7.42%

\* 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 September 30, 2019. 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 September 30, 2019

	Last 10 Years	Last 15 Years	Last 20 Years	Last 25-1/2 Years
<b>Domestic Equity</b>	<b>13.35%</b>	<b>9.76%</b>	<b>7.15%</b>	-
Domestic Equity Benchmark**	12.92%	8.97%	6.86%	9.93%
Russell 1000 Value Index	11.46%	7.82%	6.93%	9.62%
S&P 500 Index	13.24%	9.01%	6.33%	9.86%
Russell 2000 Index	11.19%	8.19%	7.99%	8.79%
<b>International Equity</b>	<b>4.33%</b>	<b>5.15%</b>	<b>6.10%</b>	-
MSCI EAFE Index	4.90%	5.29%	3.72%	4.89%
<b>Domestic Fixed Income</b>	<b>5.34%</b>	<b>5.58%</b>	<b>5.92%</b>	-
Met West	5.34%	5.58%	-	-
Bloomberg Aggregate Index	3.75%	4.21%	5.01%	5.44%
<b>Total Plan</b>	<b>8.47%</b>	<b>7.35%</b>	<b>6.25%</b>	<b>8.77%</b>
Target*	7.85%	6.60%	5.82%	7.49%

\* 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.

	12/2018- 9/2019	2018	2017	2016	2015
<b>Domestic Equity</b>	<b>18.52%</b>	<b>(4.64%)</b>	<b>19.78%</b>	<b>14.58%</b>	<b>0.06%</b>
Domestic Equity Benchmark**	19.29%	(5.69%)	20.41%	13.85%	0.26%
<b>Large Cap Equity</b>	<b>17.60%</b>	<b>(6.33%)</b>	<b>21.10%</b>	<b>13.38%</b>	<b>(1.17%)</b>
Boston Partners	14.53%	(8.27%)	20.32%	14.71%	(3.75%)
Russell 1000 Value Index	17.81%	(8.27%)	13.66%	17.34%	(3.83%)
SSgA S&P 500	20.56%	(4.39%)	21.86%	12.03%	1.46%
S&P 500 Index	20.55%	(4.38%)	21.83%	11.96%	1.38%
<b>Small Cap Equity</b>	<b>21.99%</b>	<b>1.78%</b>	<b>15.01%</b>	<b>19.17%</b>	<b>5.14%</b>
Atlanta Capital	21.99%	1.78%	15.01%	19.17%	5.14%
Russell 2000 Index	14.18%	(11.01%)	14.65%	21.31%	(4.41%)
<b>International Equity</b>	<b>10.04%</b>	<b>(13.93%)</b>	<b>28.25%</b>	<b>2.55%</b>	<b>(4.17%)</b>
International Benchmark***	10.98%	(14.76%)	29.51%	3.26%	(4.30%)
<b>International Large Cap</b>	<b>12.76%</b>	<b>(11.25%)</b>	<b>22.63%</b>	<b>1.35%</b>	<b>(1.17%)</b>
SSgA EAFE	13.21%	(13.49%)	25.47%	1.37%	(0.56%)
Pyrford	12.59%	(10.31%)	-	-	-
MSCI EAFE Index	12.80%	(13.79%)	25.03%	1.00%	(0.81%)
<b>International Small Cap</b>	<b>8.03%</b>	<b>(19.94%)</b>	<b>33.76%</b>	-	-
AQR	8.03%	(19.94%)	33.76%	-	-
MSCI EAFE Small Cap Index	12.05%	(17.89%)	33.01%	2.18%	9.59%
<b>Emerging Markets Equity</b>	<b>5.37%</b>	<b>(14.80%)</b>	<b>37.32%</b>	<b>12.99%</b>	<b>(14.33%)</b>
DFA Emerging Markets	5.37%	(14.80%)	37.32%	12.99%	(14.33%)
MSCI Emerging Markets Index	5.90%	(14.57%)	37.28%	11.19%	(14.92%)
<b>Domestic Fixed Income</b>	<b>9.98%</b>	<b>0.75%</b>	<b>3.89%</b>	<b>2.87%</b>	<b>0.51%</b>
Met West	9.98%	0.75%	3.89%	2.87%	0.51%
Bloomberg Aggregate Index	8.52%	0.01%	3.54%	2.65%	0.55%
<b>Total Plan</b>	<b>13.34%</b>	<b>(5.05%)</b>	<b>16.14%</b>	<b>7.65%</b>	<b>(0.97%)</b>
Target*	13.61%	(5.82%)	16.39%	7.40%	(0.71%)

\* 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.

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.

	2014	2013	2012	2011	2010
<b>Domestic Equity</b>	<b>10.85%</b>	<b>36.44%</b>	<b>19.19%</b>	<b>2.08%</b>	<b>15.93%</b>
Domestic Equity Benchmark**	12.07%	33.61%	16.09%	0.94%	17.33%
Boston Partners	11.87%	37.52%	21.95%	1.27%	13.61%
Russell 1000 Value Index	13.45%	32.53%	17.51%	0.39%	15.51%
S&P 500 Index	13.69%	32.39%	16.00%	2.11%	15.06%
Russell 2000 Index	4.89%	38.82%	16.35%	(4.18%)	26.85%
<b>International Equity</b>	<b>(3.72%)</b>	<b>16.66%</b>	<b>17.28%</b>	<b>(10.64%)</b>	<b>6.51%</b>
MSCI EAFE Index	(4.90%)	22.78%	17.32%	(12.14%)	7.75%
<b>Domestic Fixed Income</b>	<b>6.37%</b>	<b>(1.03%)</b>	<b>9.48%</b>	<b>6.10%</b>	<b>12.52%</b>
Met West	6.37%	(1.03%)	9.48%	6.10%	12.52%
Bloomberg Aggregate Index	5.97%	(2.02%)	4.21%	7.84%	6.54%
<b>Total Plan</b>	<b>5.61%</b>	<b>17.71%</b>	<b>14.80%</b>	<b>1.22%</b>	<b>12.70%</b>
Target*	5.82%	15.99%	11.68%	1.52%	11.85%

\* 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 September 30, 2019. 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 September 30, 2019

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Net of Fee Returns</b>					
Domestic Equity	1.82%	1.94%	12.49%	-	-
Domestic Equity Benchmark**	0.88%	1.54%	12.41%	10.36%	12.75%
Large Cap Equity	1.61%	1.41%	11.98%	-	-
Boston Partners	1.52%	(1.63%)	10.48%	7.52%	11.20%
Russell 1000 Value Index	1.36%	4.00%	9.43%	7.79%	11.30%
SSgA S&P 500	1.69%	4.22%	13.36%	10.82%	13.24%
S&P 500 Index	1.70%	4.25%	13.39%	10.84%	13.26%
Small Cap Equity	2.60%	3.93%	14.37%	-	-
Atlanta Capital	2.60%	3.93%	14.37%	13.62%	14.21%
Russell 2000 Index	(2.40%)	(8.89%)	8.23%	8.19%	10.43%
International Equity	(1.87%)	(2.34%)	5.03%	-	-
International Equity Benchmark***	(1.71%)	(2.38%)	6.30%	3.10%	5.84%
International Large Cap	(1.06%)	0.36%	5.94%	-	-
SSgA EAFE	(1.03%)	(1.06%)	6.76%	3.52%	6.32%
Pyrford	(1.06%)	0.97%	-	-	-
MSCI EAFE Index	(1.07%)	(1.34%)	6.48%	3.27%	6.12%
International Small Cap	(1.42%)	(10.30%)	2.64%	-	-
AQR	(1.42%)	(10.30%)	2.64%	-	-
MSCI EAFE Small Cap Index	(0.44%)	(5.93%)	5.94%	6.02%	8.63%
Emerging Markets Equity	(4.18%)	(1.75%)	4.85%	-	-
DFA Emerging Markets	(4.18%)	(1.75%)	4.85%	2.05%	-
MSCI Emerging Markets Index	(4.25%)	(2.01%)	5.98%	2.33%	2.41%
Domestic Fixed Income	3.16%	11.74%	3.69%	-	-
Met West	3.16%	11.74%	3.69%	3.63%	3.11%
Bloomberg Aggregate Index	2.27%	10.30%	2.92%	3.38%	2.72%
Total Plan	1.44%	4.28%	7.70%	6.01%	7.38%
Target*	0.75%	3.95%	7.74%	6.25%	7.42%

\* 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 September 30, 2019

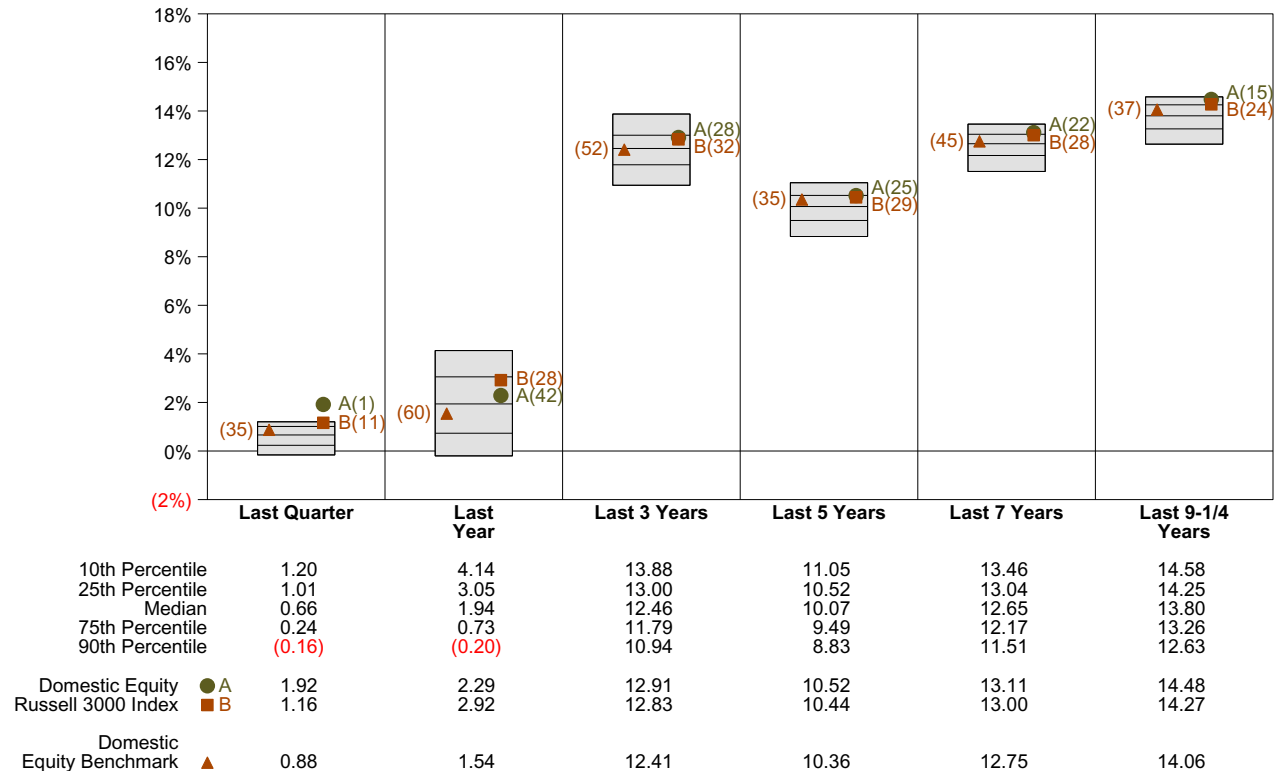
### Investment Philosophy

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.

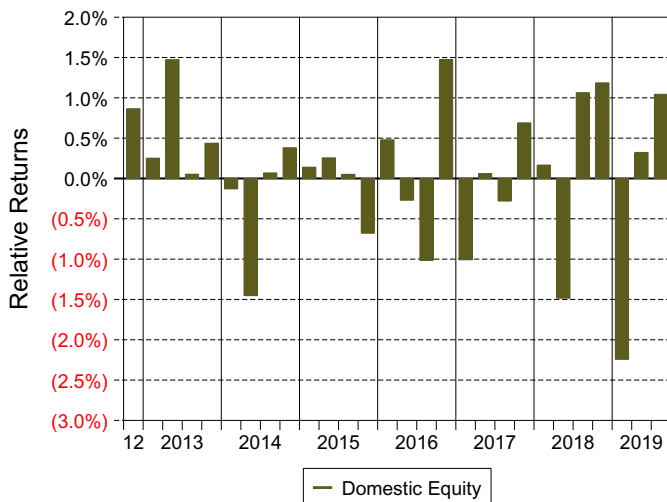
### Quarterly Summary and Highlights

- Domestic Equity's portfolio posted a 1.92% return for the quarter placing it in the 1 percentile of the Fund Sponsor - Domestic Equity group for the quarter and in the 42 percentile for the last year.
- Domestic Equity's portfolio outperformed the Domestic Equity Benchmark by 1.04% for the quarter and outperformed the Domestic Equity Benchmark for the year by 0.74%.

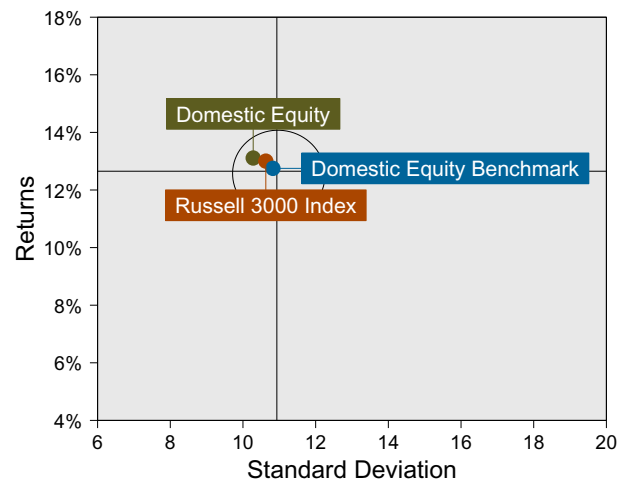
### Performance vs Fund Sponsor - Domestic Equity (Gross)



### Relative Returns vs Domestic Equity Benchmark



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

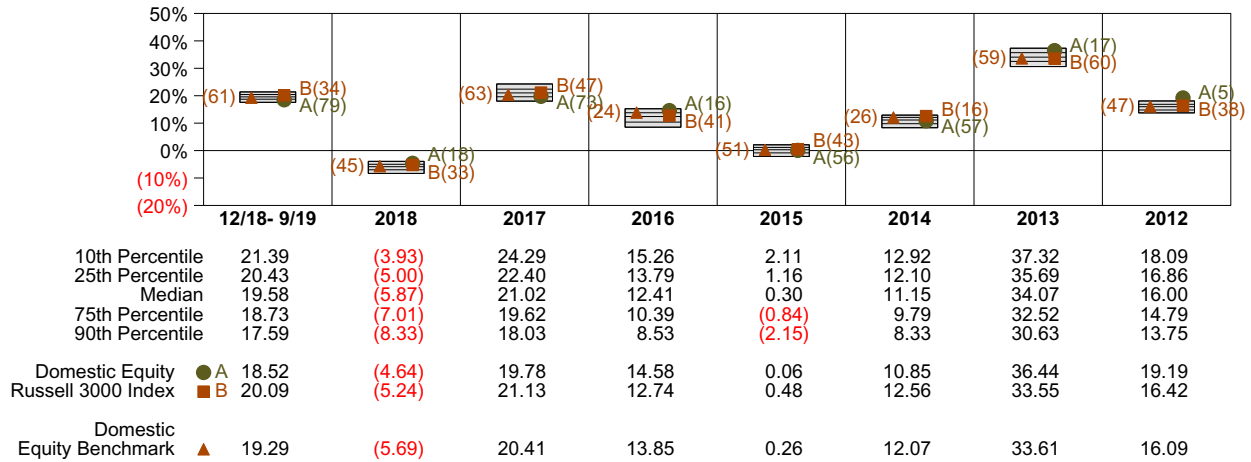


# Domestic Equity Return Analysis Summary

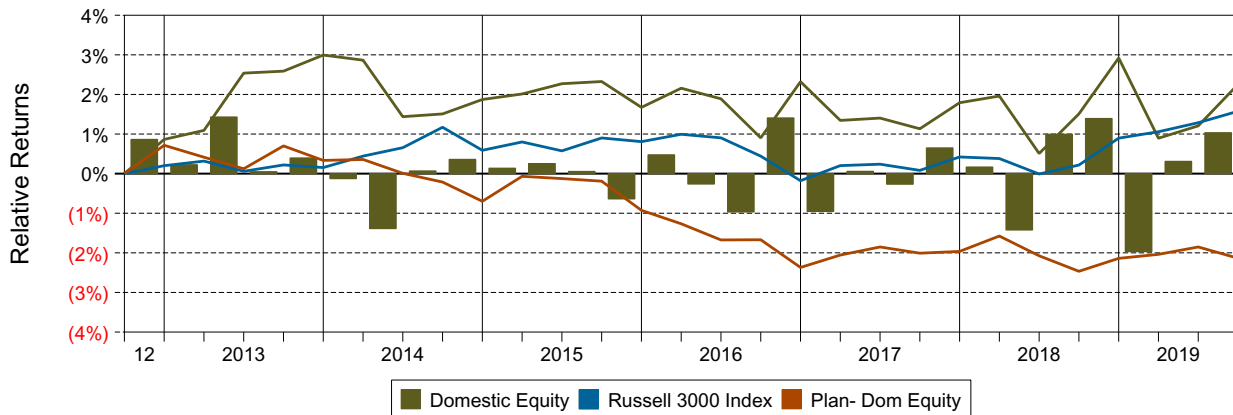
## Return Analysis

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.

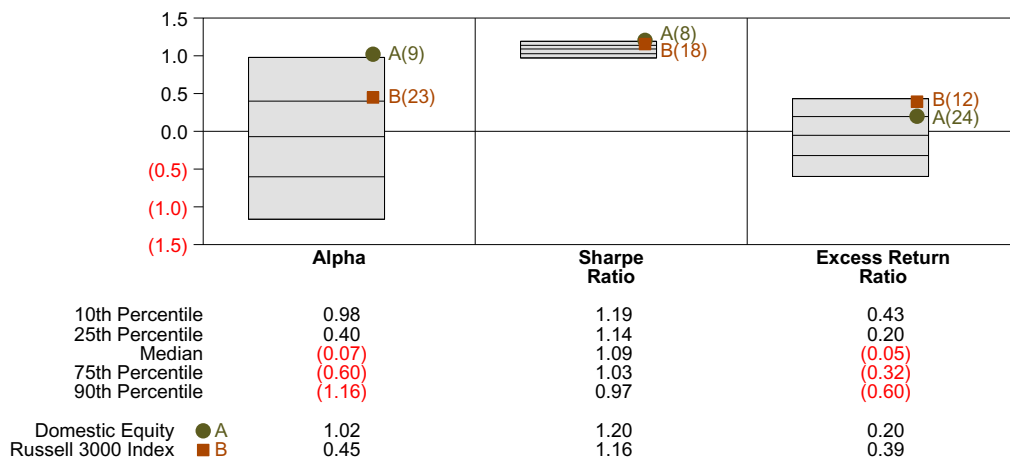
### Performance vs Fund Sponsor - Domestic Equity (Gross)



### Cumulative and Quarterly Relative Return vs Domestic Equity Benchmark



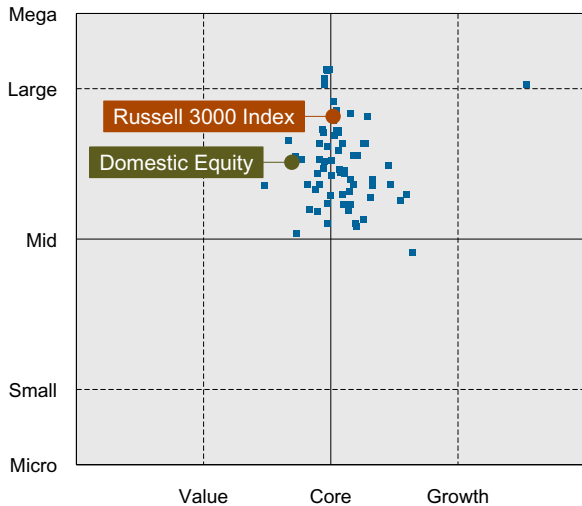
### Risk Adjusted Return Measures vs Domestic Equity Benchmark Rankings Against Fund Sponsor - Domestic Equity (Gross) Seven Years Ended September 30, 2019



# Current Holdings Based Style Analysis Domestic Equity As of September 30, 2019

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.

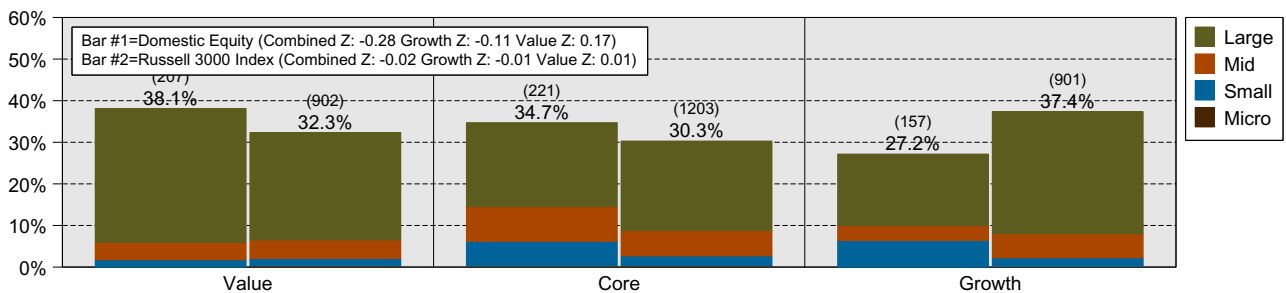
**Style Map vs Plan- Dom Equity Holdings as of September 30, 2019**



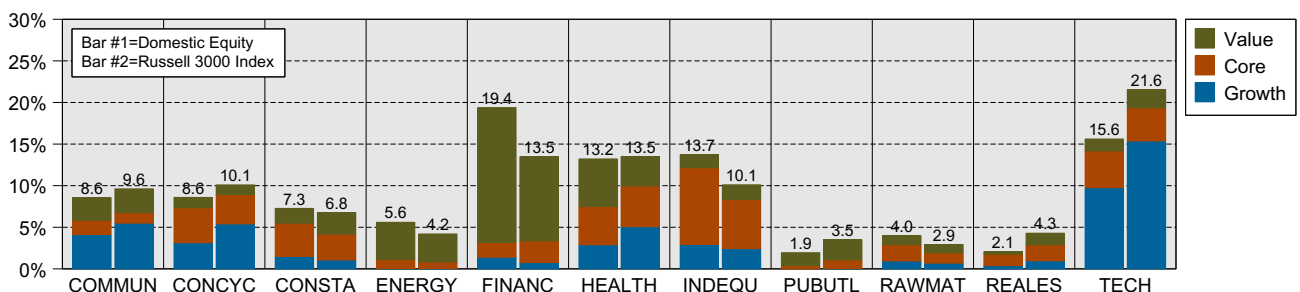
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
Large	32.2% (106)	20.2% (103)	17.1% (85)	69.4% (294)
	25.8% (106)	21.4% (103)	29.4% (91)	76.6% (300)
Mid	4.2% (92)	8.4% (96)	3.6% (50)	16.2% (238)
	4.5% (168)	6.2% (224)	5.8% (209)	16.4% (601)
Small	1.7% (9)	5.9% (20)	6.5% (22)	14.1% (51)
	1.8% (333)	2.4% (486)	2.1% (384)	6.3% (1203)
Micro	0.0% (0)	0.2% (2)	0.0% (0)	0.2% (2)
	0.2% (295)	0.3% (390)	0.2% (217)	0.7% (902)
<b>Total</b>	<b>38.1% (207)</b>	<b>34.7% (221)</b>	<b>27.2% (157)</b>	<b>100.0% (585)</b>
	<b>32.3% (902)</b>	<b>30.3% (1203)</b>	<b>37.4% (901)</b>	<b>100.0% (3006)</b>

## Combined Z-Score Style Distribution Holdings as of September 30, 2019



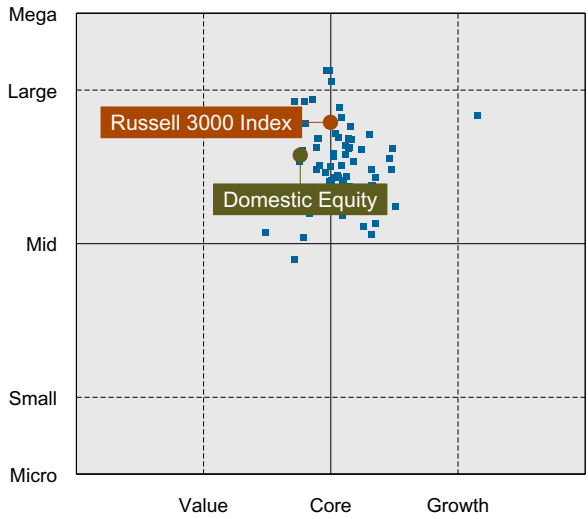
## Sector Weights Distribution Holdings as of September 30, 2019



# Historical Holdings Based Style Analysis Domestic Equity For Five Years Ended September 30, 2019

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.

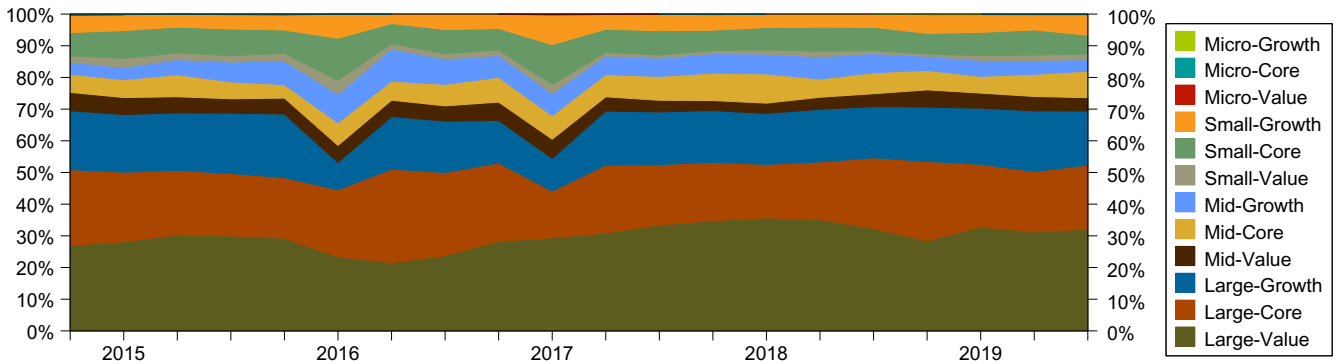
**Average Style Map vs Plan- Dom Equity Holdings for Five Years Ended September 30, 2019**



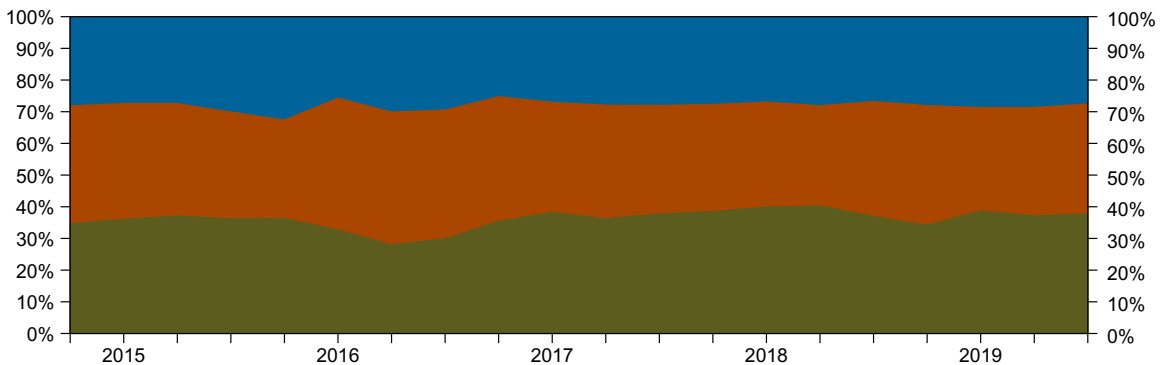
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2019**

	29.9% (95)	21.1% (90)	16.5% (84)	<b>67.4% (269)</b>
Large	26.4% (101)	22.3% (98)	25.7% (98)	<b>74.4% (297)</b>
Mid	4.7% (83)	6.7% (81)	6.1% (56)	<b>17.5% (220)</b>
	5.2% (176)	6.3% (218)	5.9% (204)	<b>17.4% (598)</b>
Small	1.8% (10)	7.9% (25)	5.2% (15)	<b>14.9% (50)</b>
	2.1% (336)	2.9% (484)	2.2% (379)	<b>7.3% (1199)</b>
Micro	0.0% (0)	0.1% (1)	0.0% (0)	<b>0.1% (1)</b>
	0.3% (283)	0.4% (380)	0.2% (215)	<b>0.9% (878)</b>
<b>Total</b>	<b>36.5% (188)</b>	<b>35.8% (197)</b>	<b>27.7% (155)</b>	<b>100.0% (540)</b>
	<b>34.0% (896)</b>	<b>31.9% (1180)</b>	<b>34.1% (896)</b>	<b>100.0% (2972)</b>
	Value	Core	Growth	<b>Total</b>

## Domestic Equity Historical Cap/Style Exposures



## Domestic Equity Historical Style Only Exposures

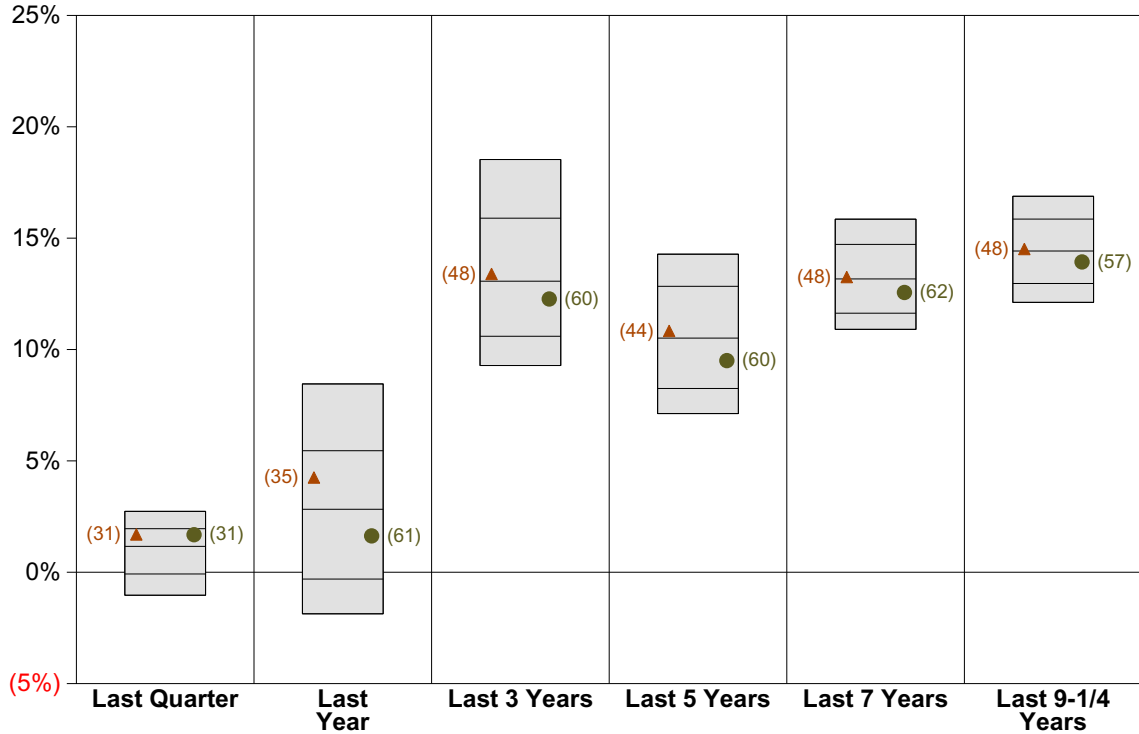


# Large Cap Period Ended September 30, 2019

## Quarterly Summary and Highlights

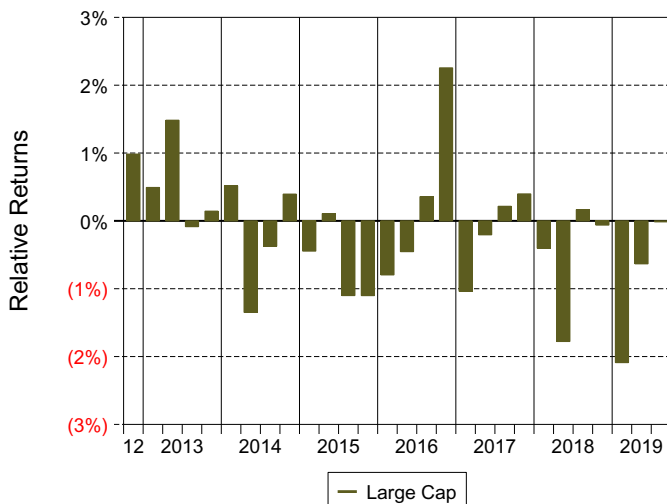
- Large Cap's portfolio posted a 1.68% return for the quarter placing it in the 31 percentile of the Callan Large Capitalization group for the quarter and in the 61 percentile for the last year.
- Large Cap's portfolio underperformed the S&P 500 Index by 0.01% for the quarter and underperformed the S&P 500 Index for the year by 2.62%.

## Performance vs Callan Large Capitalization (Gross)

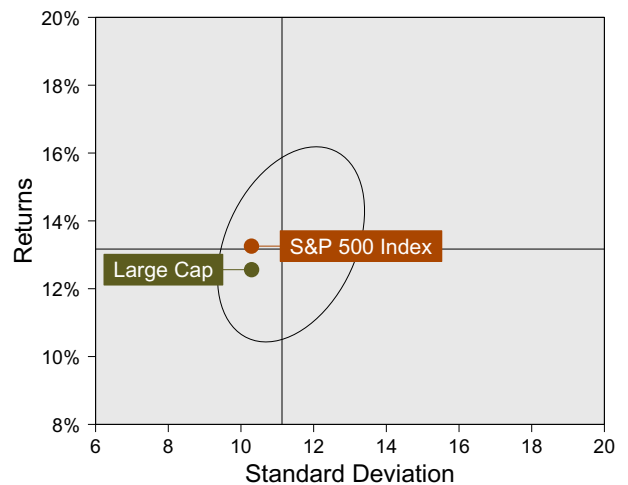


10th Percentile	2.73	8.46	18.53	14.28	15.85	16.88
25th Percentile	1.95	5.46	15.90	12.84	14.72	15.86
Median	1.16	2.83	13.07	10.51	13.17	14.42
75th Percentile	(0.08)	(0.31)	10.59	8.25	11.63	12.96
90th Percentile	(1.03)	(1.87)	9.28	7.12	10.91	12.12
<b>Large Cap</b> ●	1.68	1.63	12.27	9.50	12.56	13.93
<b>S&amp;P 500 Index</b> ▲	1.70	4.25	13.39	10.84	13.26	14.51

Relative Return vs S&P 500 Index



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

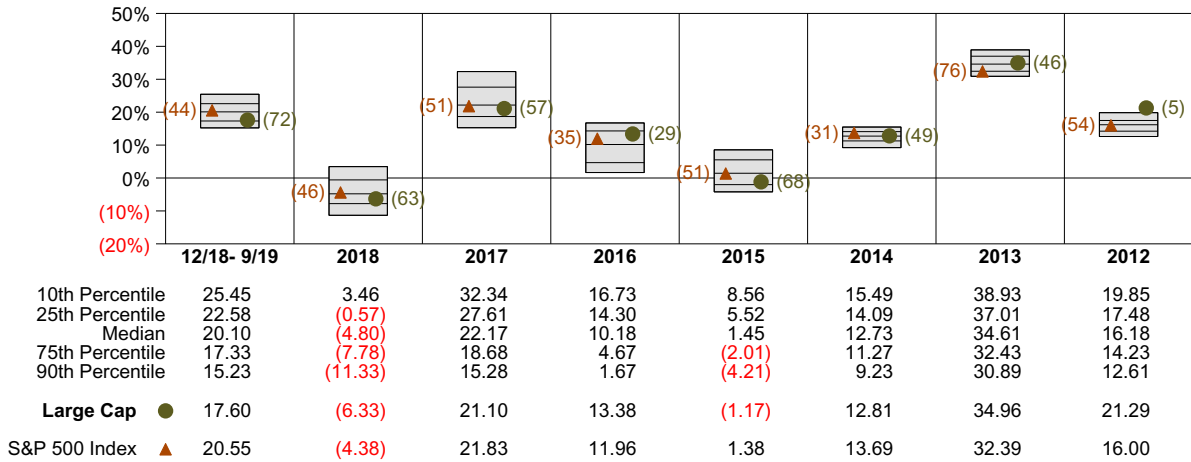


# Large Cap Return Analysis Summary

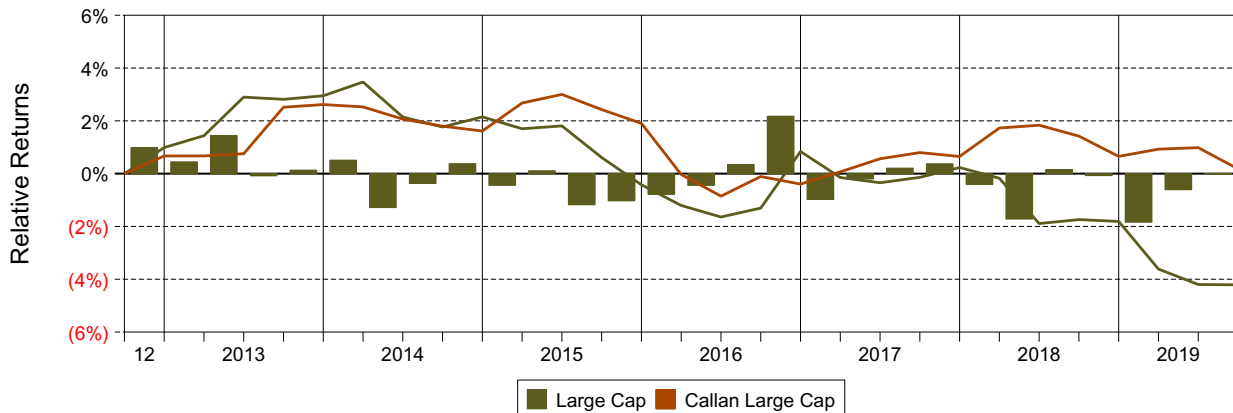
## Return Analysis

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.

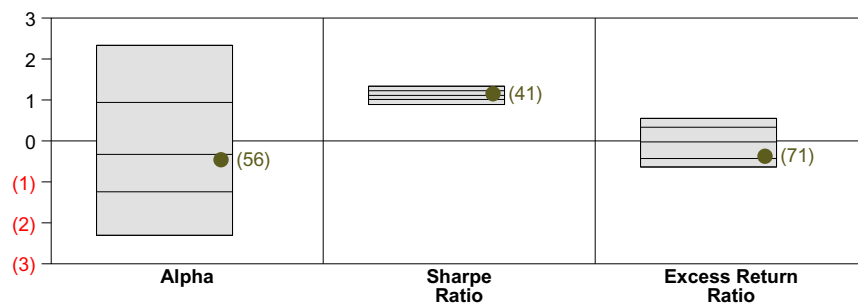
### Performance vs Callan Large Capitalization (Gross)



### 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 September 30, 2019



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	2.33	1.33	0.55
25th Percentile	0.94	1.23	0.33
Median	(0.33)	1.11	(0.02)
75th Percentile	(1.24)	1.01	(0.43)
90th Percentile	(2.30)	0.89	(0.64)
<b>Large Cap</b> ●	(0.46)	1.15	(0.37)



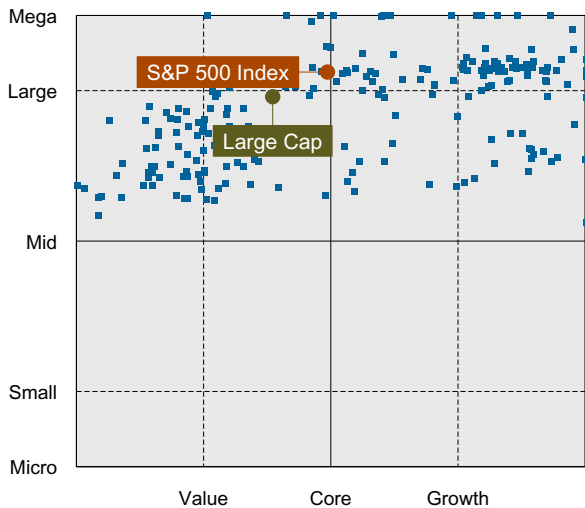
# Current Holdings Based Style Analysis

## Large Cap

### As of September 30, 2019

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.

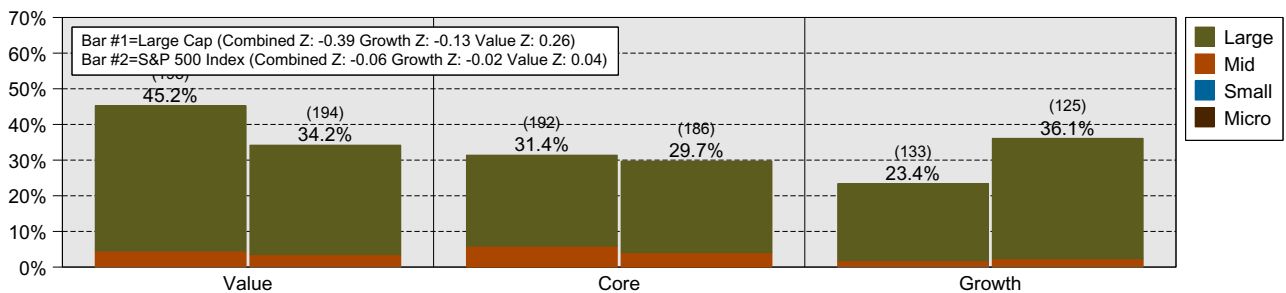
**Style Map vs Callan Large Cap Holdings as of September 30, 2019**



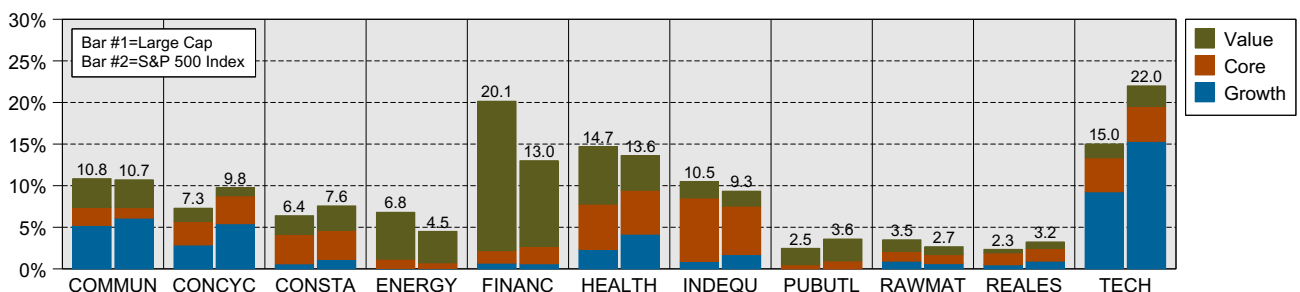
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
<b>Large</b>	40.7% (106)	25.5% (103)	21.6% (85)	87.8% (294)
	30.7% (103)	25.7% (101)	33.8% (80)	90.2% (284)
<b>Mid</b>	4.5% (90)	5.9% (88)	1.7% (45)	12.1% (223)
	3.5% (89)	4.0% (85)	2.3% (43)	9.8% (217)
<b>Small</b>	0.0% (2)	0.0% (0)	0.0% (3)	0.0% (5)
	0.0% (2)	0.0% (0)	0.0% (2)	0.0% (4)
<b>Micro</b>	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	45.2% (198)	31.4% (192)	23.4% (133)	100.0% (523)
	34.2% (194)	29.7% (186)	36.1% (125)	100.0% (505)

**Combined Z-Score Style Distribution Holdings as of September 30, 2019**



**Sector Weights Distribution Holdings as of September 30, 2019**



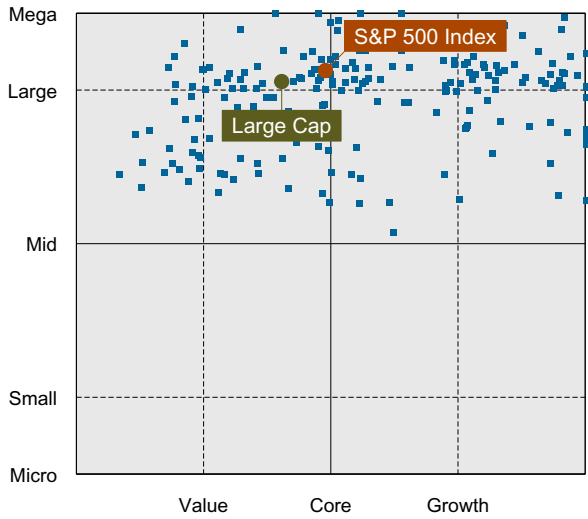
# Historical Holdings Based Style Analysis

## Large Cap

### For Five Years Ended September 30, 2019

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.

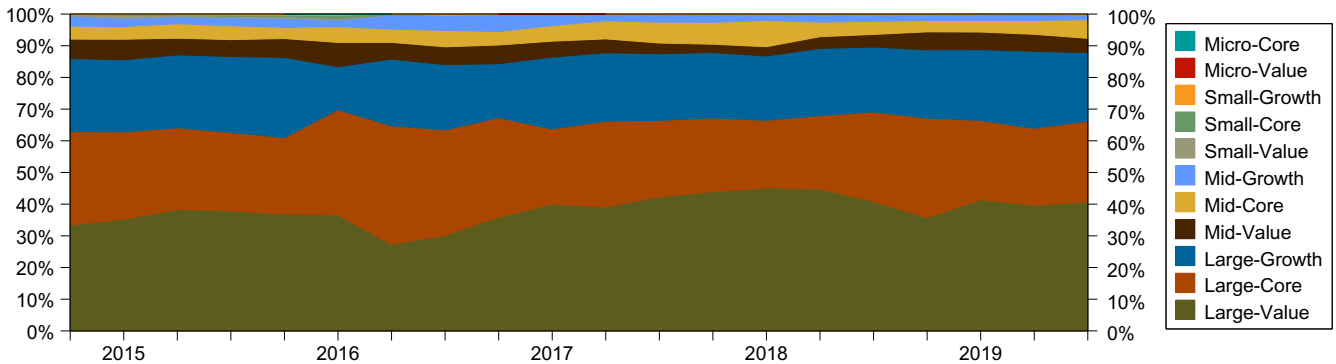
**Average Style Map vs Callan Large Cap Holdings for Five Years Ended September 30, 2019**



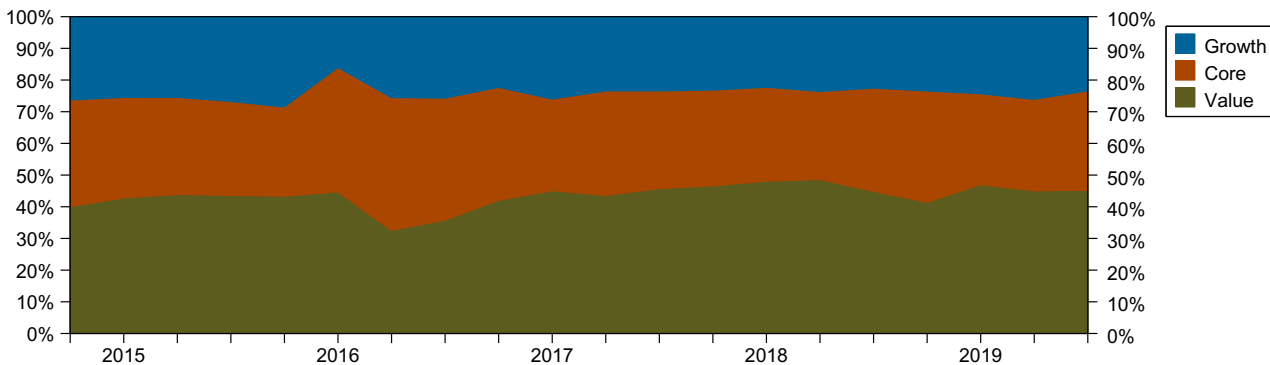
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2019**

	38.3% (99)	27.2% (94)	21.4% (88)	<b>86.9% (281)</b>
Large	<b>31.9% (101)</b>	<b>27.1% (95)</b>	<b>30.3% (89)</b>	<b>89.3% (285)</b>
Mid	5.0% (84)	4.9% (80)	2.7% (50)	<b>12.6% (214)</b>
	<b>4.0% (85)</b>	<b>3.9% (79)</b>	<b>2.7% (50)</b>	<b>10.6% (214)</b>
Small	0.2% (4)	0.2% (2)	0.1% (2)	<b>0.5% (8)</b>
	<b>0.0% (3)</b>	<b>0.0% (1)</b>	<b>0.0% (1)</b>	<b>0.1% (5)</b>
Micro	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
	<b>0.0% (0)</b>	<b>0.0% (0)</b>	<b>0.0% (0)</b>	<b>0.0% (0)</b>
<b>Total</b>	<b>43.5% (187)</b>	<b>32.3% (176)</b>	<b>24.2% (140)</b>	<b>100.0% (503)</b>
	<b>35.9% (189)</b>	<b>31.0% (175)</b>	<b>33.0% (140)</b>	<b>100.0% (504)</b>
	Value	Core	Growth	<b>Total</b>

### Large Cap Historical Cap/Style Exposures



### Large Cap Historical Style Only Exposures



# SSgA S&P 500

## Period Ended September 30, 2019

### 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.

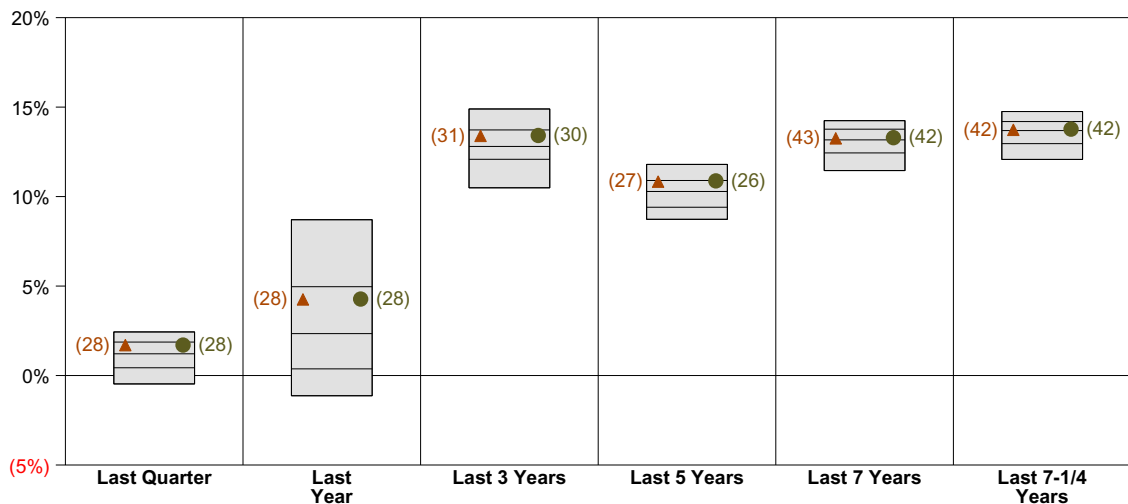
### Quarterly Summary and Highlights

- SSgA S&P 500's portfolio posted a 1.70% return for the quarter placing it in the 28 percentile of the Callan Large Cap Core group for the quarter and in the 28 percentile for the last year.
- SSgA S&P 500's portfolio outperformed the S&P 500 Index by 0.00% for the quarter and outperformed the S&P 500 Index for the year by 0.02%.

### Quarterly Asset Growth

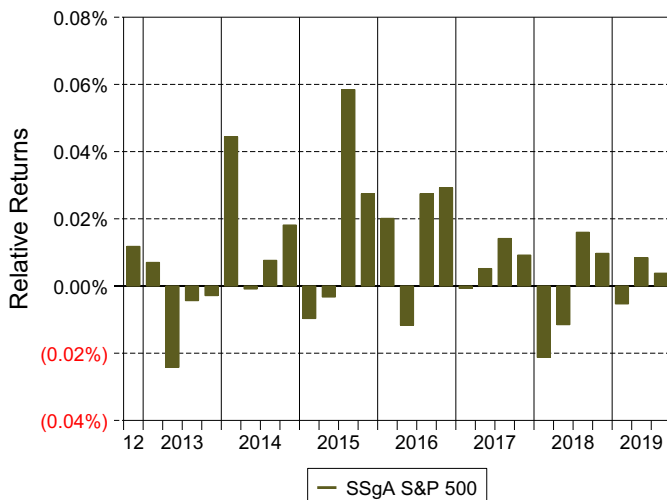
Beginning Market Value	\$50,461,404
Net New Investment	\$-404,172
Investment Gains/(Losses)	\$863,905
Ending Market Value	\$50,921,136

### Performance vs Callan Large Cap Core (Gross)

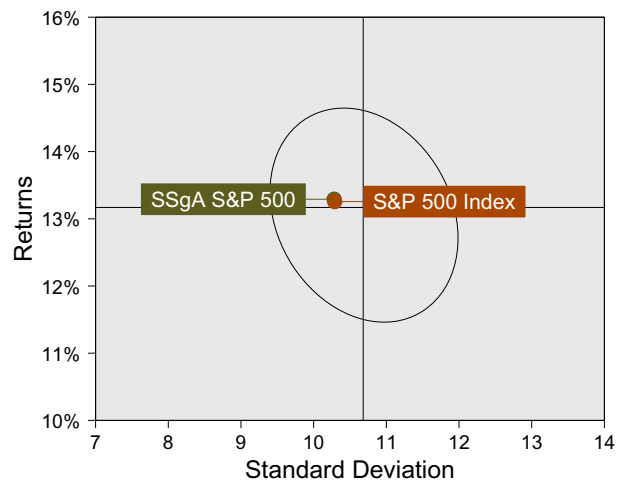


10th Percentile	2.44	8.71	14.90	11.80	14.24	14.75
25th Percentile	1.87	4.96	13.73	10.90	13.77	14.19
Median	1.21	2.34	12.80	10.28	13.17	13.69
75th Percentile	0.43	0.37	12.08	9.40	12.44	12.96
90th Percentile	(0.47)	(1.13)	10.49	8.73	11.45	12.08
<b>SSgA S&amp;P 500</b>	● 1.70	4.27	13.41	10.88	13.29	13.77
<b>S&amp;P 500 Index</b>	▲ 1.70	4.25	13.39	10.84	13.26	13.73

### Relative Return vs S&P 500 Index



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

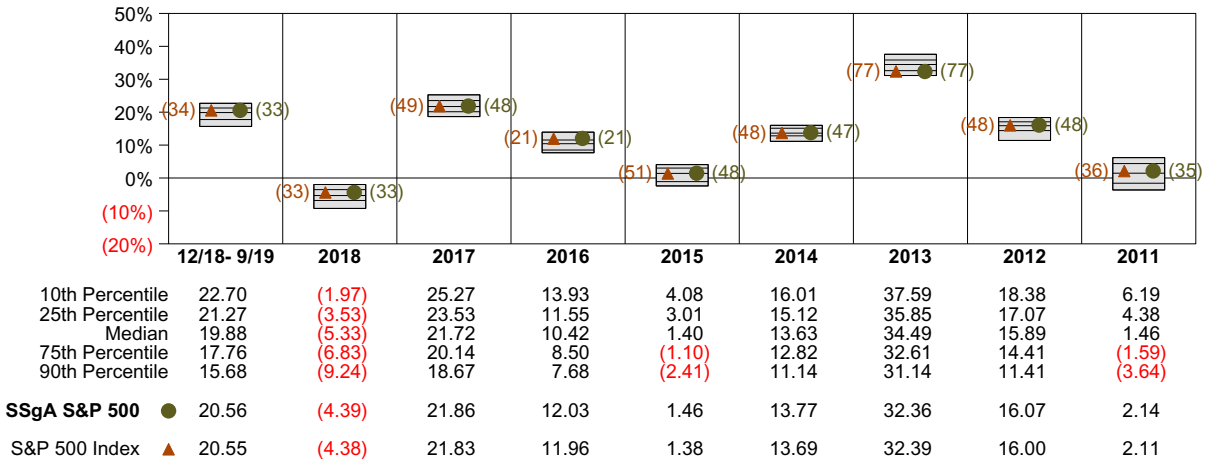


# SSgA S&P 500 Return Analysis Summary

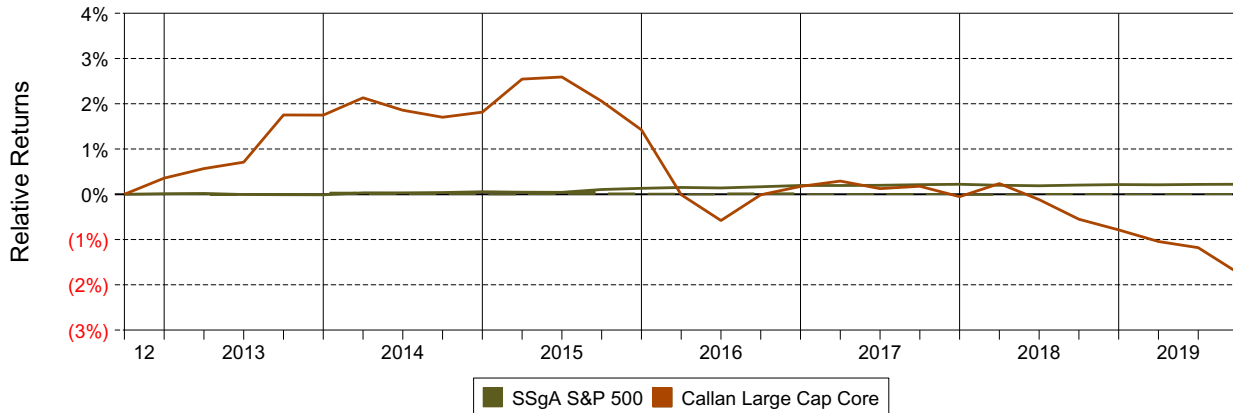
## Return Analysis

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.

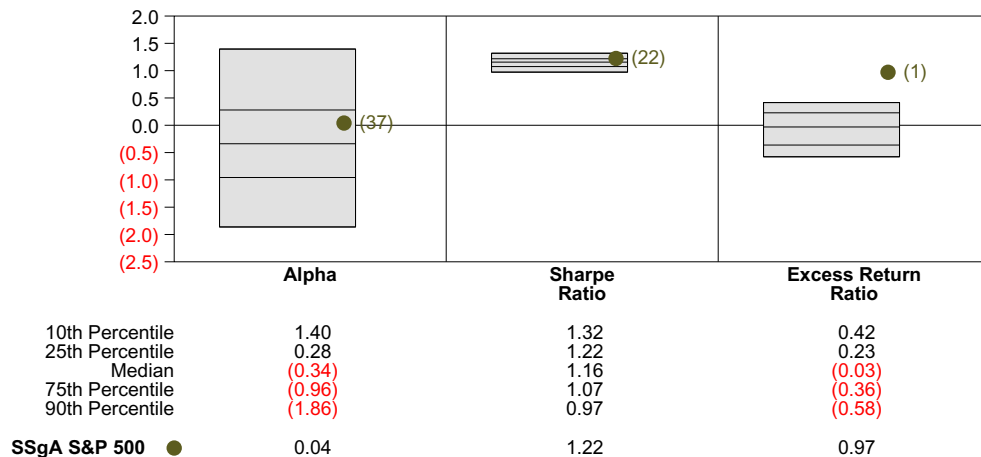
### Performance vs Callan Large Cap Core (Gross)



### 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 September 30, 2019

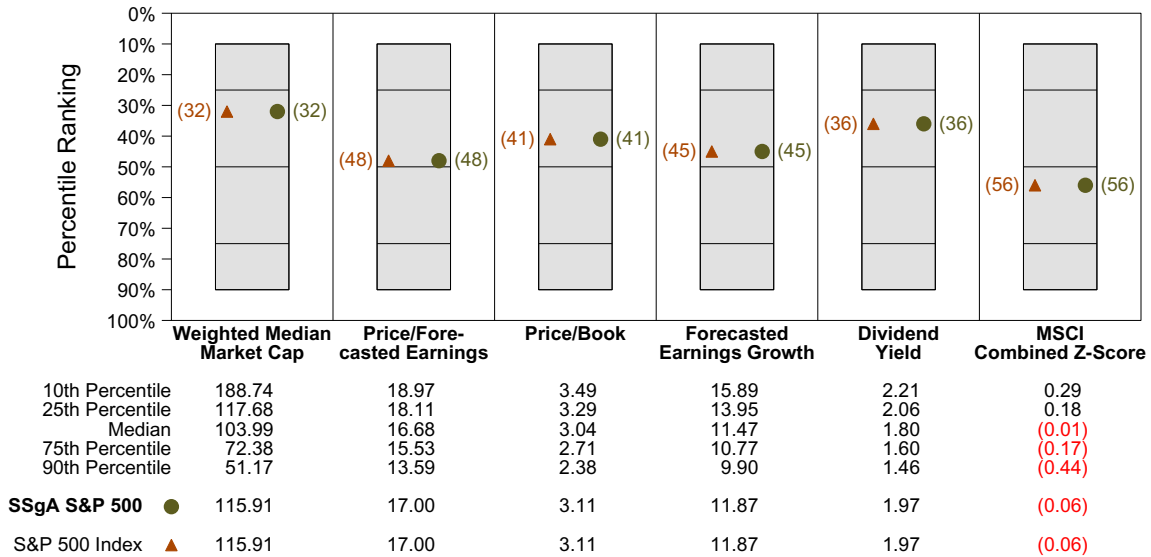


# SSgA S&P 500 Equity Characteristics Analysis Summary

## Portfolio Characteristics

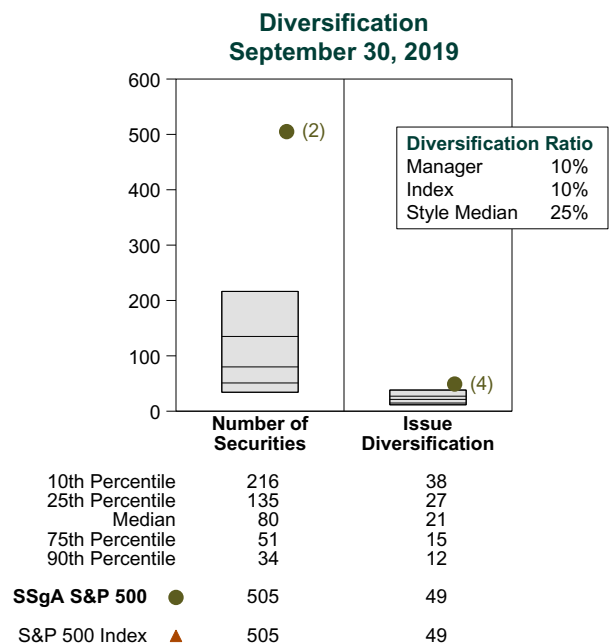
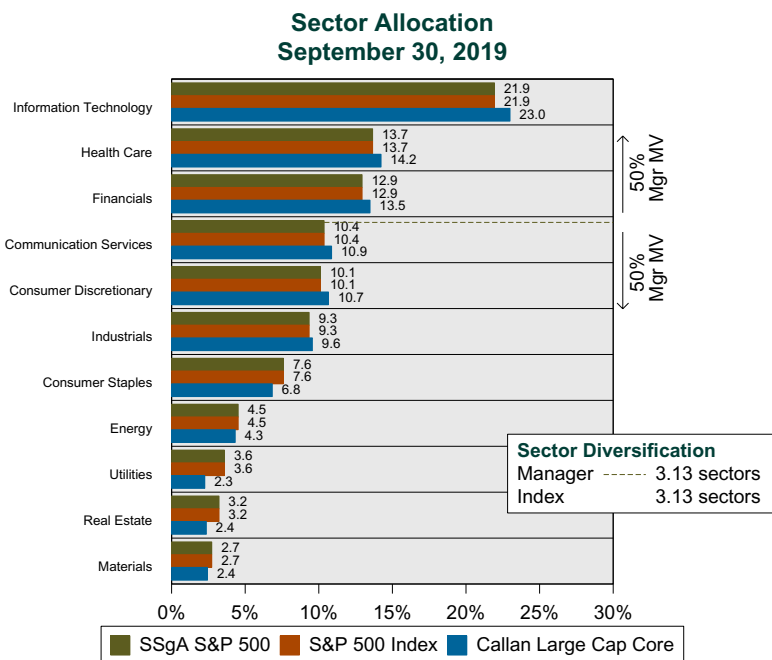
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Core as of September 30, 2019



## Sector Weights

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



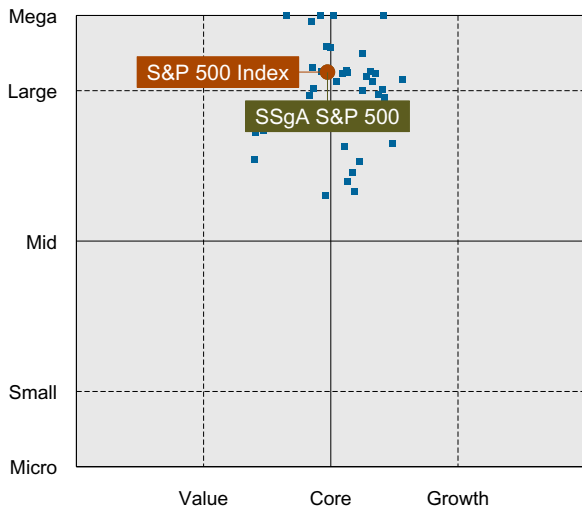
# Current Holdings Based Style Analysis

## SSgA S&P 500

### As of September 30, 2019

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.

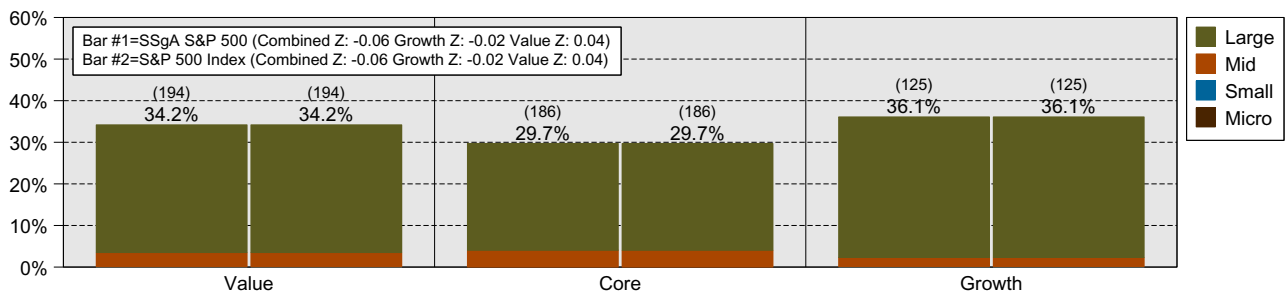
**Style Map vs Callan Large Cap Core Holdings as of September 30, 2019**



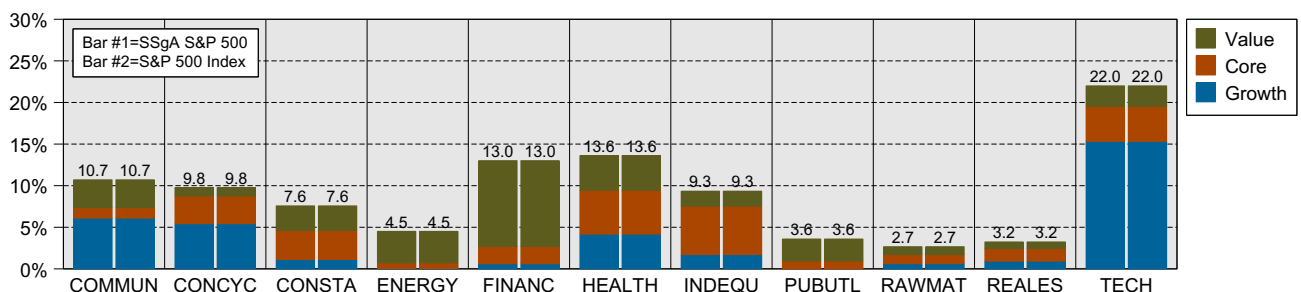
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
Large	30.7% (103)	25.7% (101)	33.8% (80)	90.2% (284)
Mid	3.5% (89)	4.0% (85)	2.3% (43)	9.8% (217)
Small	0.0% (2)	0.0% (0)	0.0% (2)	0.0% (4)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>34.2% (194)</b>	<b>29.7% (186)</b>	<b>36.1% (125)</b>	<b>100.0% (505)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2019**



**Sector Weights Distribution Holdings as of September 30, 2019**



# Boston Partners

## Period Ended September 30, 2019

### 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.

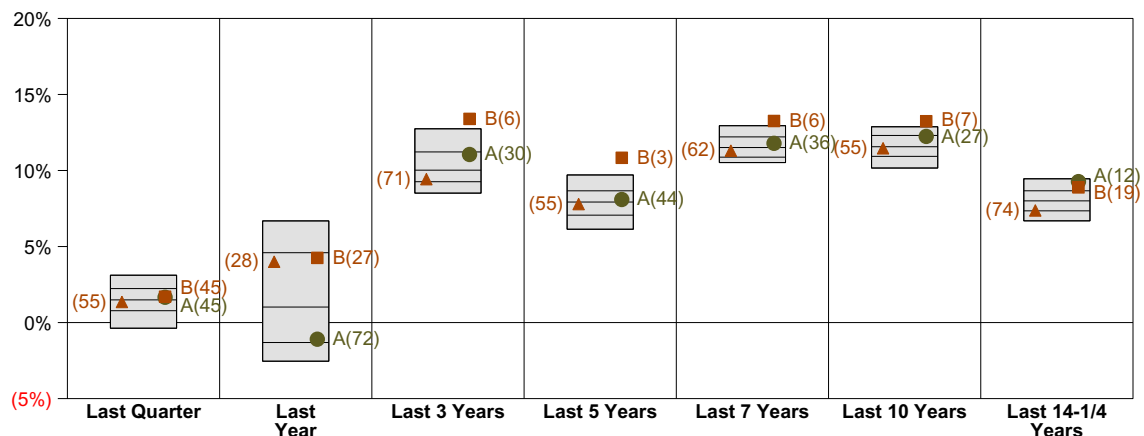
### Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 1.66% return for the quarter placing it in the 45 percentile of the Callan Large Cap Value group for the quarter and in the 72 percentile for the last year.
- Boston Partners's portfolio outperformed the Russell 1000 Value Index by 0.31% for the quarter and underperformed the Russell 1000 Value Index for the year by 5.10%.

### Quarterly Asset Growth

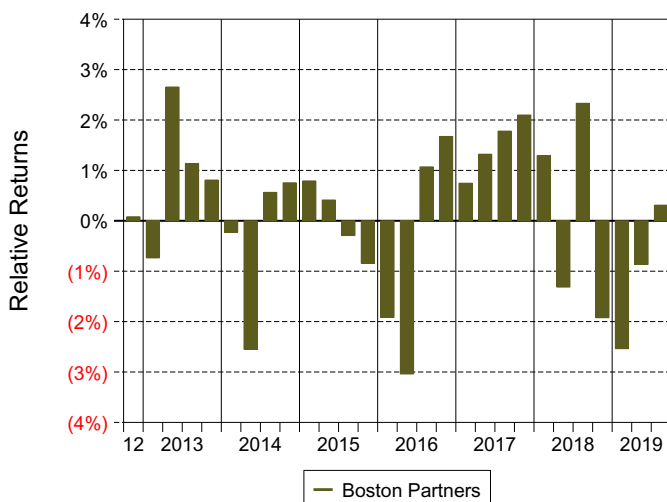
Beginning Market Value	\$46,240,879
Net New Investment	\$0
Investment Gains/(Losses)	\$769,317
Ending Market Value	\$47,010,196

### Performance vs Callan Large Cap Value (Gross)

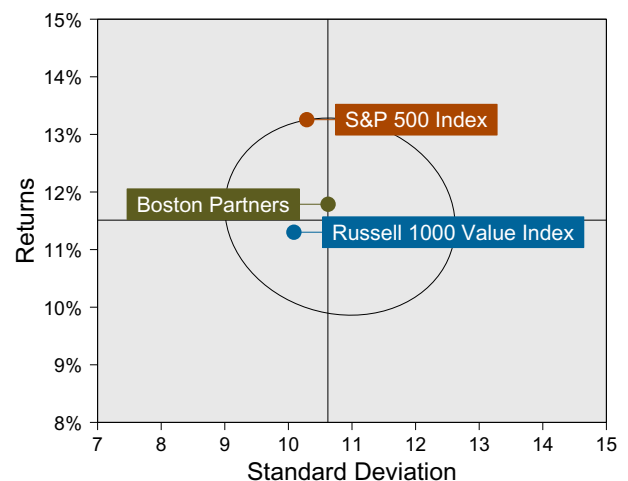


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 14-1/4 Years
10th Percentile	3.11	6.69	12.74	9.71	12.95	12.88	9.45
25th Percentile	2.23	4.60	11.22	8.66	12.21	12.31	8.67
Median	1.49	1.02	10.02	7.93	11.51	11.56	8.00
75th Percentile	0.78	(1.31)	9.26	7.06	10.88	10.93	7.35
90th Percentile	(0.37)	(2.54)	8.51	6.14	10.52	10.16	6.69
Boston Partners ● A	1.66	(1.09)	11.05	8.09	11.79	12.24	9.27
S&P 500 Index ■ B	1.70	4.25	13.39	10.84	13.26	13.24	8.89
Russell 1000 Value Index ▲	1.36	4.00	9.43	7.79	11.30	11.46	7.37

### Relative Return vs Russell 1000 Value Index



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

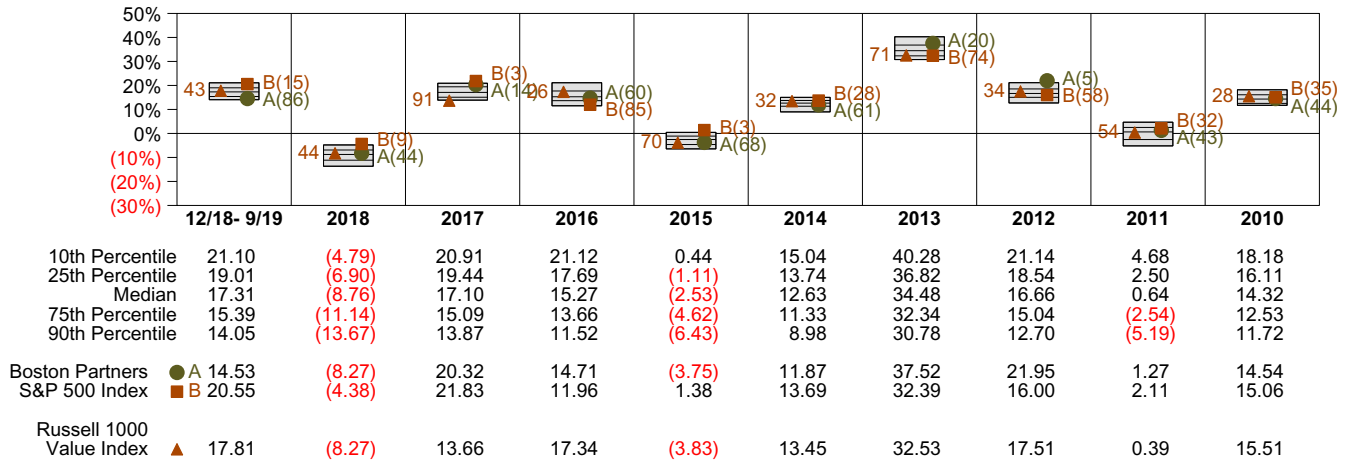


# Boston Partners Return Analysis Summary

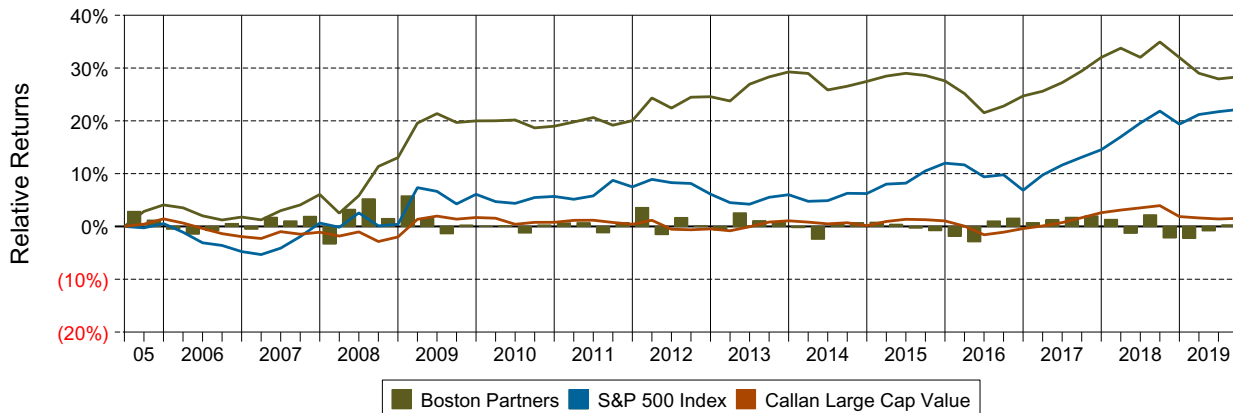
## Return Analysis

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.

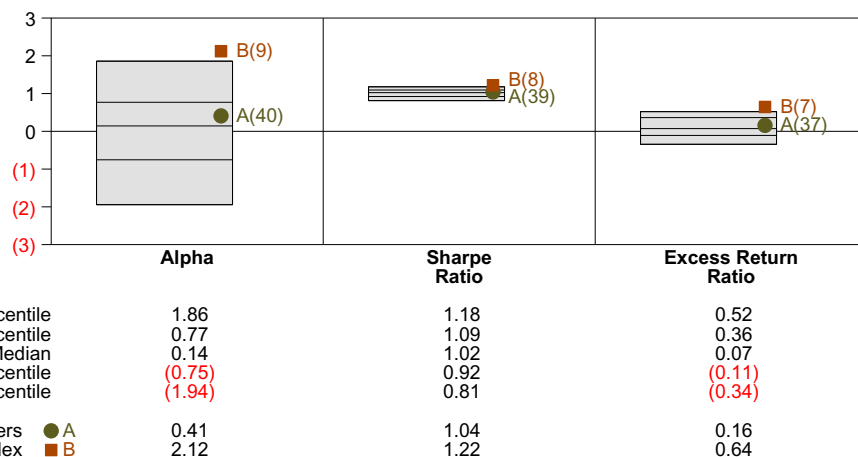
### Performance vs Callan Large Cap Value (Gross)



### 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 September 30, 2019



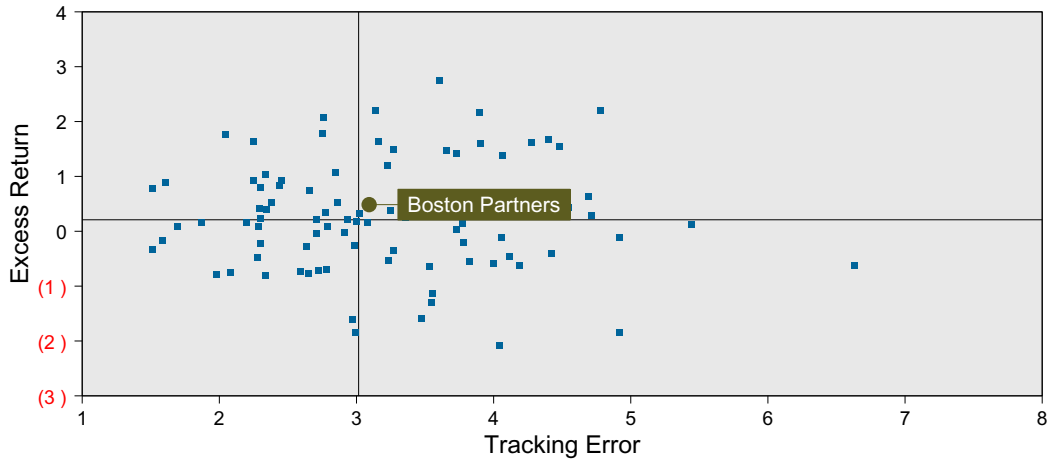


# Boston Partners Risk Analysis Summary

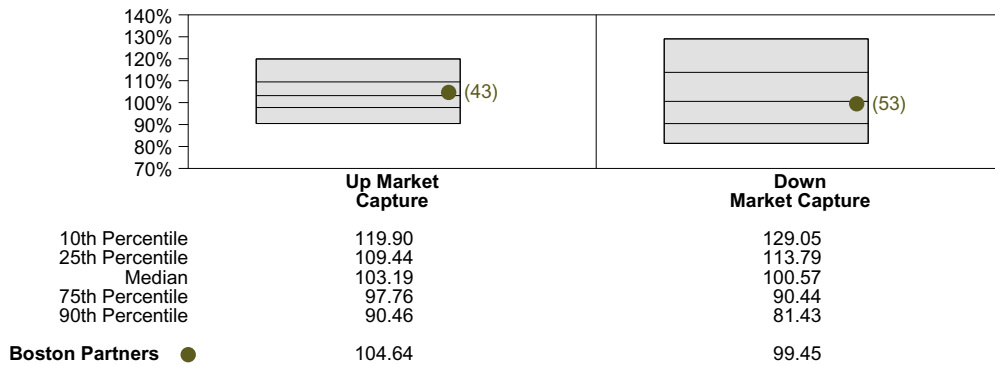
## Risk Analysis

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.

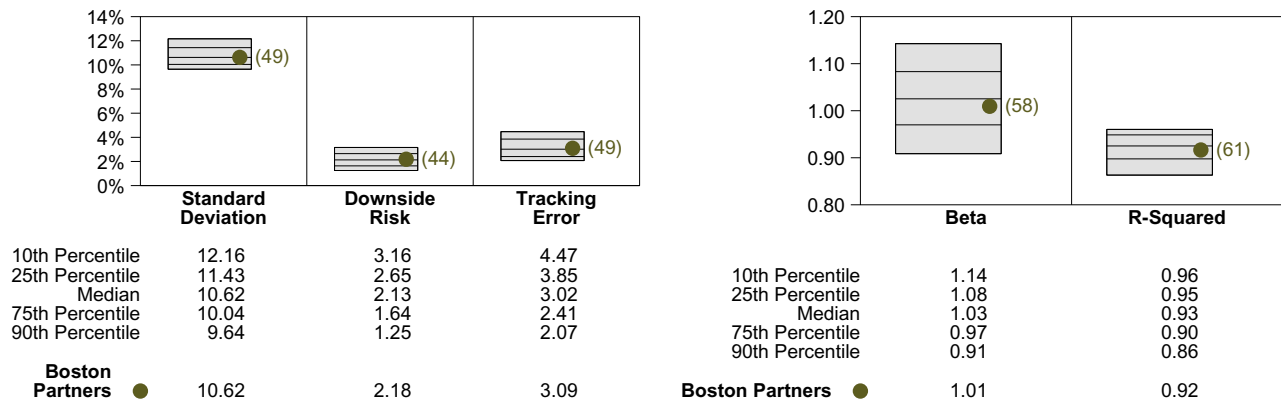
### Risk Analysis vs Callan Large Cap Value (Gross) Seven Years Ended September 30, 2019



### Market Capture vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended September 30, 2019



### Risk Statistics Rankings vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended September 30, 2019

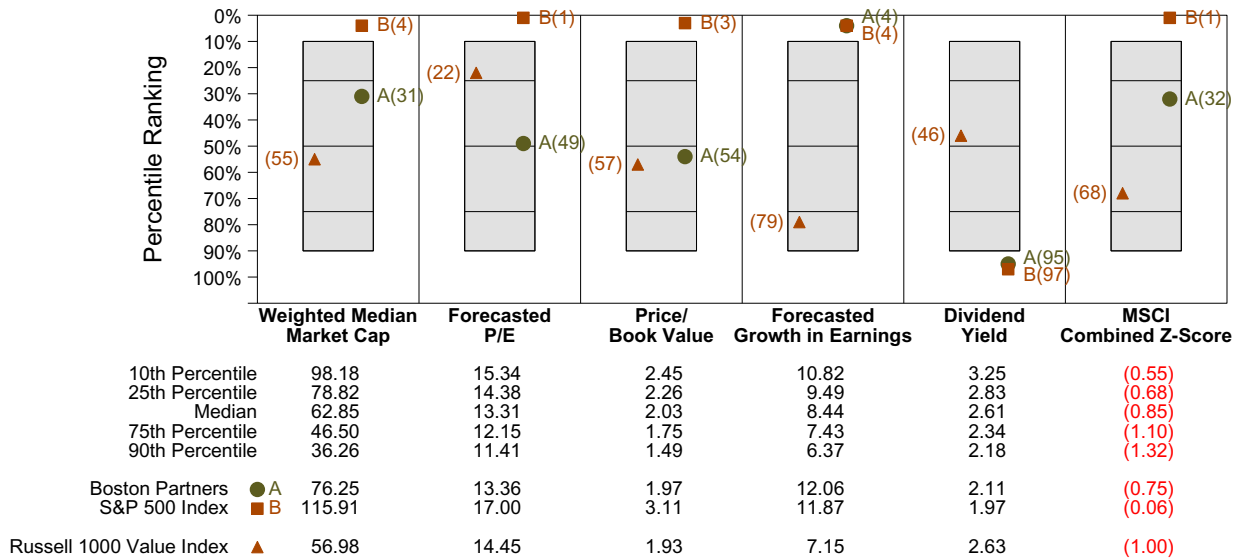


# Boston Partners Equity Characteristics Analysis Summary

## Portfolio Characteristics

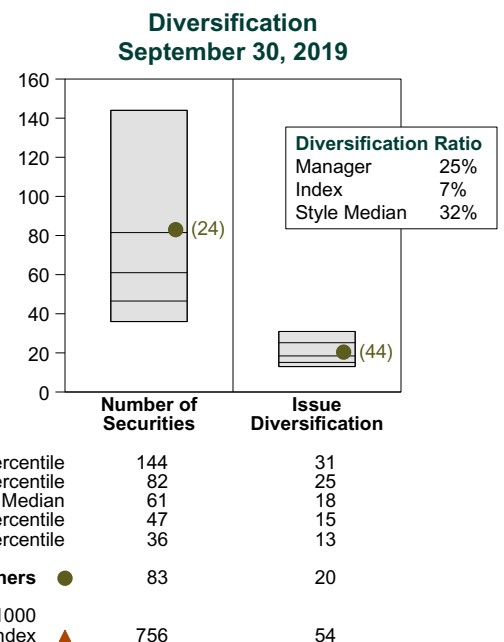
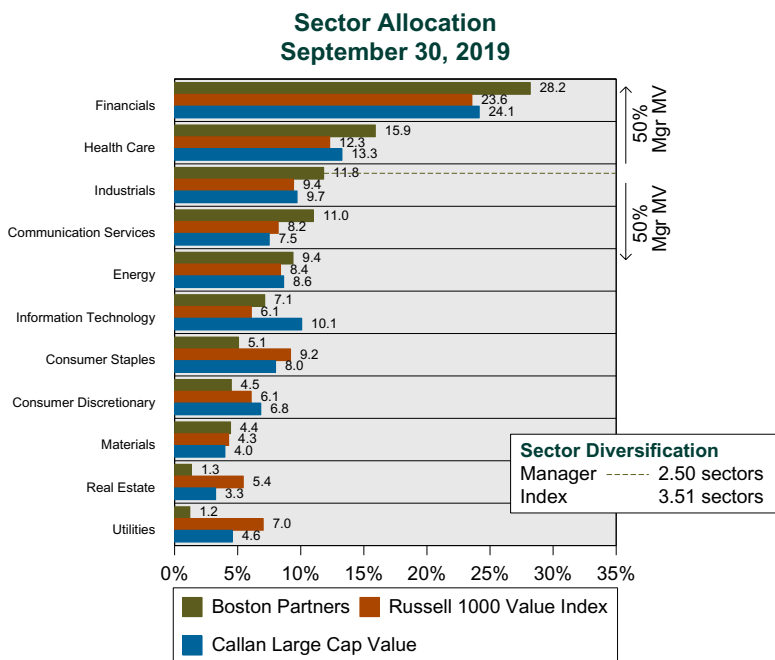
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Value as of September 30, 2019



## Sector Weights

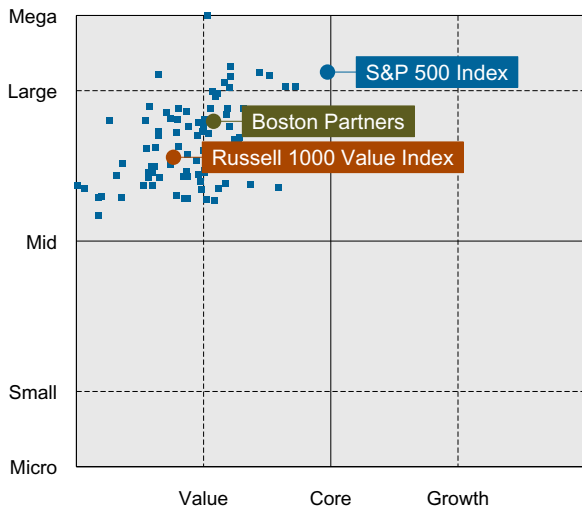
The graph below contrasts the manager's sector weights with those of the benchmark and median sector weights across the members of the peer group. The magnitude of sector weight differences from the index and the manager's sector diversification are also shown. Diversification by number and concentration 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 Boston Partners As of September 30, 2019

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.

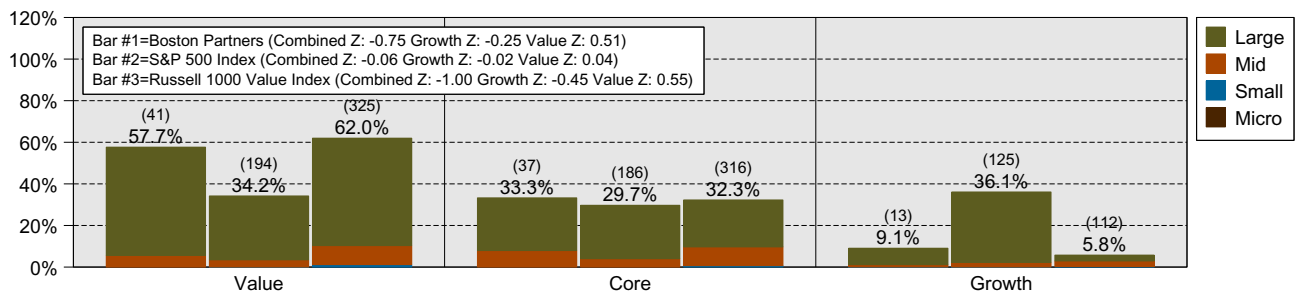
**Style Map vs Callan Large Cap Value Holdings as of September 30, 2019**



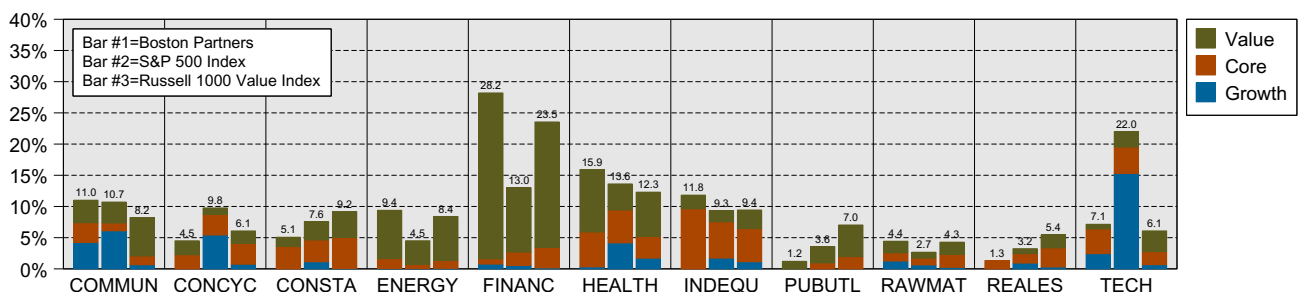
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
Large	52.0% (34)	25.3% (23)	7.9% (10)	85.2% (67)
	30.7% (103)	25.7% (101)	33.8% (80)	90.2% (284)
	51.6% (105)	22.6% (84)	2.8% (18)	77.0% (207)
Mid	5.7% (7)	8.0% (13)	1.1% (2)	14.8% (22)
	3.5% (89)	4.0% (85)	2.3% (43)	9.8% (217)
	9.1% (157)	9.0% (186)	2.7% (78)	20.9% (421)
Small	0.0% (0)	0.0% (0)	0.0% (1)	0.0% (1)
	0.0% (2)	0.0% (0)	0.0% (2)	0.0% (4)
	1.2% (63)	0.7% (46)	0.2% (16)	2.1% (125)
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)
<b>Total</b>	<b>57.7% (41)</b>	<b>33.3% (37)</b>	<b>9.1% (13)</b>	<b>100.0% (91)</b>
	<b>34.2% (194)</b>	<b>29.7% (186)</b>	<b>36.1% (125)</b>	<b>100.0% (505)</b>
	<b>62.0% (325)</b>	<b>32.3% (316)</b>	<b>5.8% (112)</b>	<b>100.0% (753)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2019**



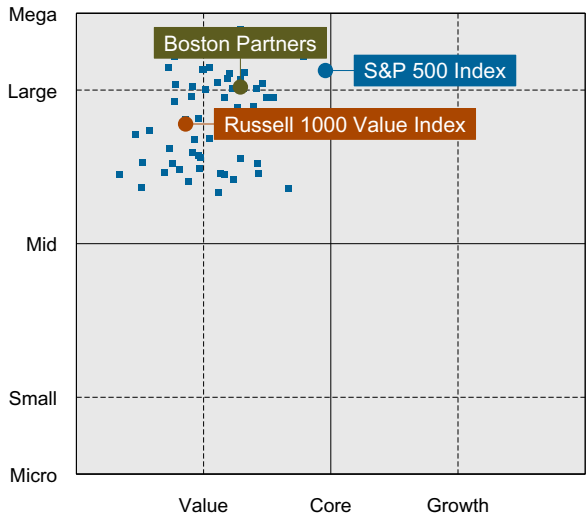
**Sector Weights Distribution Holdings as of September 30, 2019**



# Historical Holdings Based Style Analysis Boston Partners For Five Years Ended September 30, 2019

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.

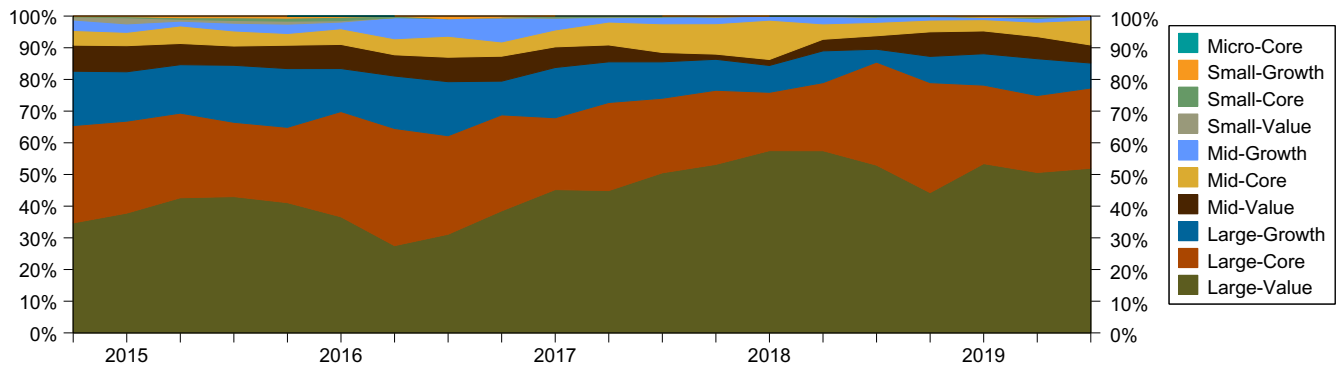
**Average Style Map vs Callan Large Cap Value Holdings for Five Years Ended September 30, 2019**



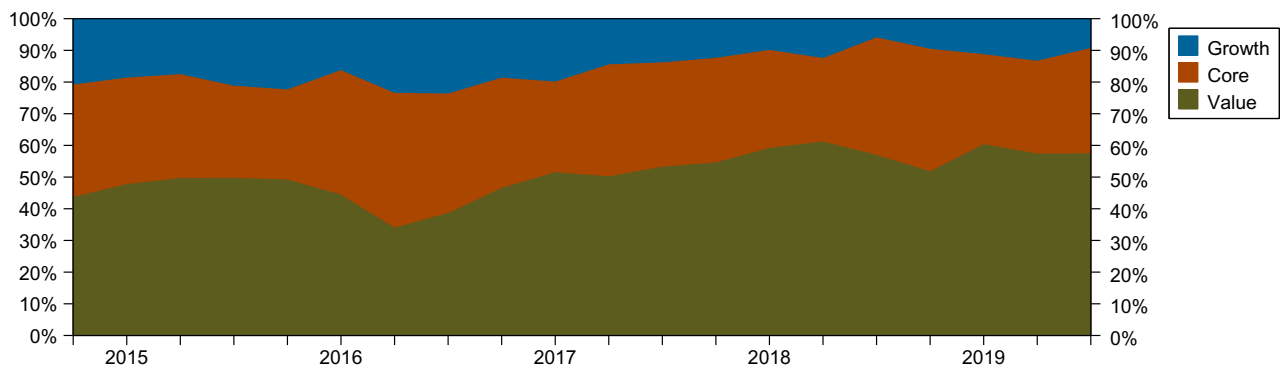
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2019**

	Value	Core	Growth	Total
Large	44.8% (29)	27.2% (21)	12.6% (13)	84.6% (63)
	31.9% (101)	27.1% (95)	30.3% (89)	89.3% (285)
Mid	51.1% (98)	22.9% (72)	3.9% (27)	77.9% (197)
	6.0% (9)	5.8% (10)	2.7% (4)	14.5% (23)
Small	4.0% (85)	3.9% (79)	2.7% (50)	10.6% (214)
	10.1% (163)	7.3% (155)	2.4% (65)	19.8% (383)
Micro	0.3% (1)	0.3% (1)	0.2% (1)	0.9% (3)
	0.0% (3)	0.0% (1)	0.0% (1)	0.1% (5)
Total	1.3% (61)	0.8% (44)	0.2% (17)	2.3% (122)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
Total	51.1% (39)	33.4% (32)	15.5% (18)	100.0% (89)
	35.9% (189)	31.0% (175)	33.0% (140)	100.0% (504)
Total	62.5% (322)	31.0% (272)	6.5% (109)	100.0% (703)

## Boston Partners Historical Cap/Style Exposures



## Boston Partners Historical Style Only Exposures

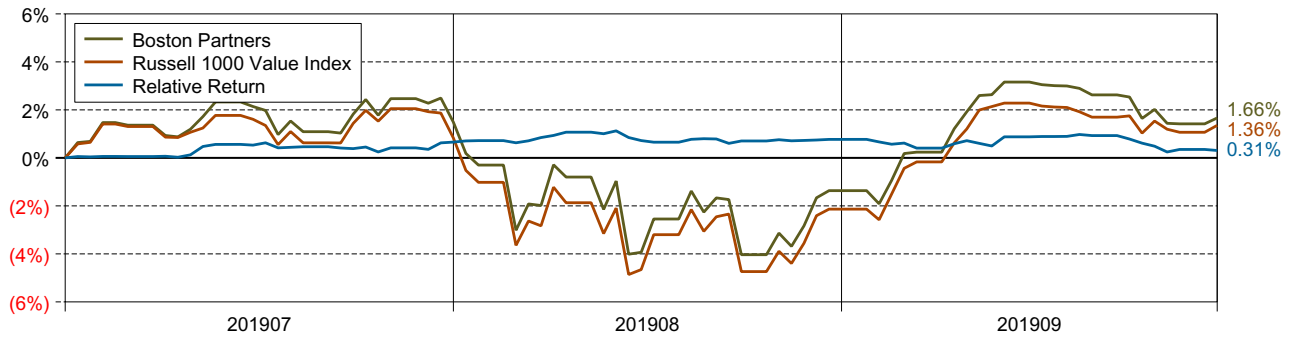


# Boston Partners vs Russell 1000 Value Index Domestic Equity Daily Performance Attribution One Quarter Ended September 30, 2019

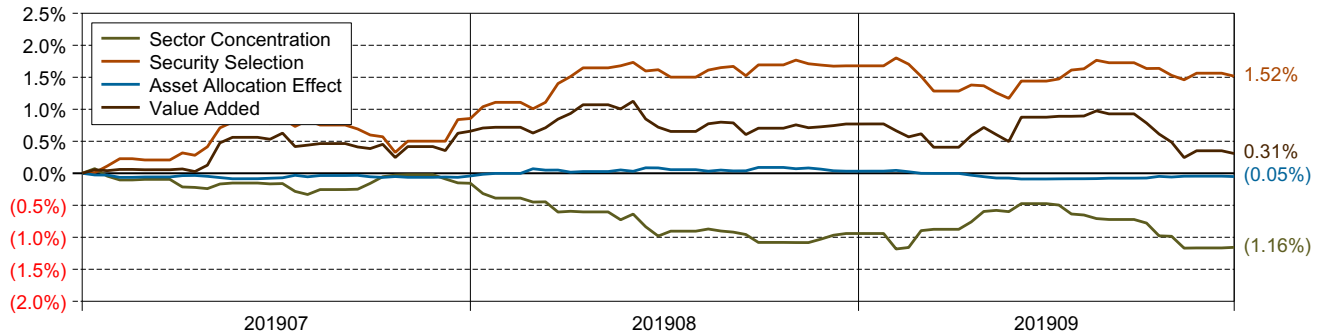
## Return Sources and Timing

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 September 30, 2019

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Communication Services	11.08%	8.14%	4.92%	3.75%	0.08%	0.13%	-
Consumer Discretionary	4.76%	5.99%	3.23%	3.27%	(0.03)%	0.02%	-
Consumer Staples	5.04%	8.99%	8.89%	5.92%	(0.17)%	0.15%	-
Energy	9.37%	8.85%	(3.78)%	(6.70)%	(0.05)%	0.28%	-
Financials	26.67%	23.49%	3.07%	2.14%	0.03%	0.25%	-
Health Care	18.22%	12.64%	(2.75)%	(3.14)%	(0.27)%	0.09%	-
Industrials	11.90%	9.60%	3.76%	(1.85)%	(0.08)%	0.67%	-
Information Technology	6.13%	6.08%	0.82%	2.87%	(0.04)%	(0.10)%	-
Materials	4.43%	4.35%	(3.01)%	(2.15)%	(0.02)%	(0.05)%	-
Real Estate	1.32%	5.21%	12.21%	7.92%	(0.24)%	0.05%	-
Utilities	1.08%	6.65%	14.02%	8.25%	(0.37)%	0.04%	-
Non Equity	2.73%	0.00%	-	-	-	-	(0.05)%
<b>Total</b>	-	-	<b>1.66%</b>	<b>1.36%</b>	<b>(1.16)%</b>	<b>1.52%</b>	<b>(0.05)%</b>

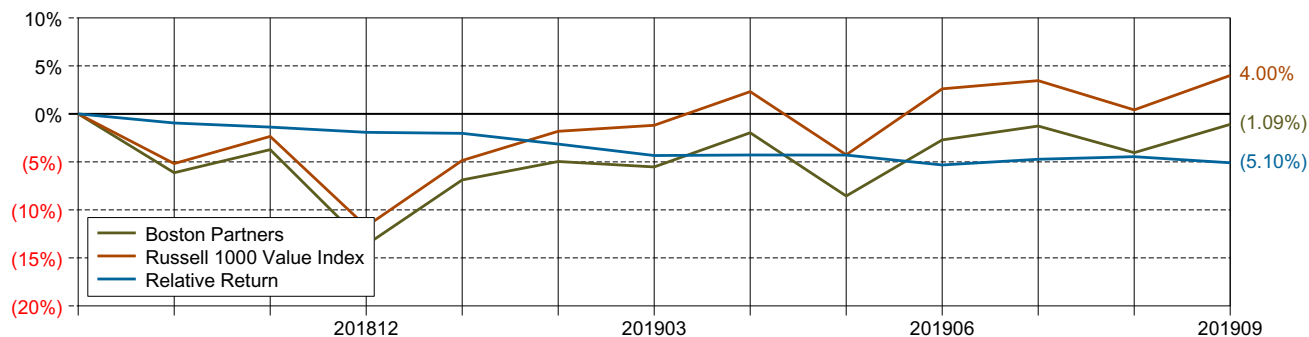
<b>Manager Return</b>	=	<b>Index Return</b>	+	<b>Sector Concentration</b>	+	<b>Security Selection</b>	+	<b>Asset Allocation</b>
1.66%		1.36%		(1.16)%		1.52%		(0.05)%

# Boston Partners vs Russell 1000 Value Index Domestic Equity Daily Performance Attribution One Year Ended September 30, 2019

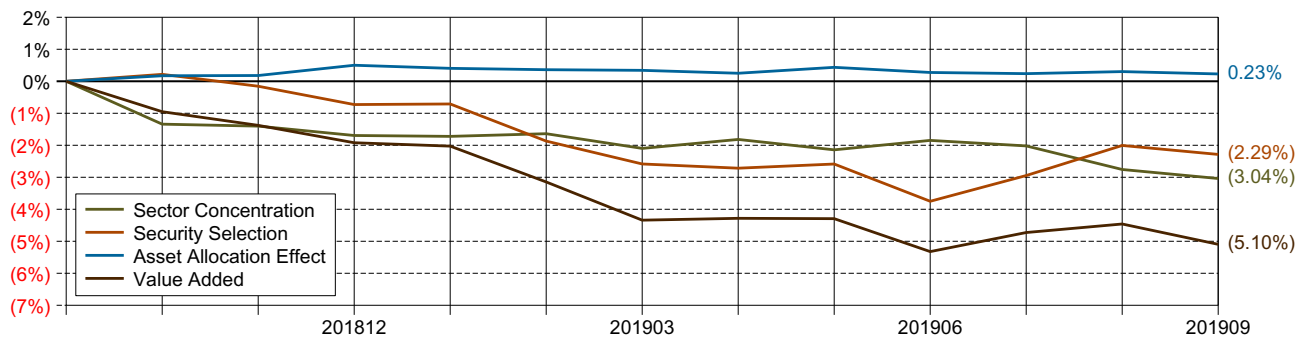
## Return Sources and Timing

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 September 30, 2019

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Communication Services	8.18%	7.28%	17.84%	13.62%	0.05%	(0.03)%	-
Consumer Discretionary	4.91%	5.47%	5.33%	5.58%	0.00%	0.12%	-
Consumer Staples	4.55%	8.07%	26.83%	16.52%	(0.80)%	0.51%	-
Energy	9.73%	9.45%	(17.94)%	(20.89)%	(0.26)%	0.28%	-
Financials	26.62%	22.90%	3.59%	2.88%	(0.22)%	0.15%	-
Health Care	18.37%	14.61%	(8.29)%	(0.18)%	(0.19)%	(1.53)%	-
Industrials	11.52%	8.20%	4.72%	(0.09)%	(0.05)%	0.48%	-
Information Technology	9.12%	8.71%	(4.46)%	9.99%	0.00%	(1.34)%	-
Materials	4.14%	3.93%	(19.86)%	(4.24)%	(0.06)%	(0.71)%	-
Real Estate	2.06%	5.02%	12.30%	18.69%	(0.44)%	(0.18)%	-
Utilities	0.80%	6.34%	15.42%	26.22%	(1.08)%	(0.03)%	-
Non Equity	2.76%	0.00%	-	-	-	-	0.23%
Total	-	-	(1.09)%	4.00%	(3.04)%	(2.29)%	0.23%

<b>Manager Return</b>	=	<b>Index Return</b>	+	<b>Sector Concentration</b>	+	<b>Security Selection</b>	+	<b>Asset Allocation</b>
(1.09%)		4.00%		(3.04%)		(2.29%)		0.23%

## Boston Partners vs Russell 1000 Value Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended September 30, 2019

### 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
Pfizer	Health Care	2.06%	92	1.63%	(16.28)%	(16.28)%	(0.37)%	(0.08)%
Procter & Gamble Co	Consumer Staples	2.54%	92	2.02%	14.17%	14.17%	0.34%	0.06%
Alphabet Inc Cl A	Communication Services	2.08%	92	-	12.78%	-	0.25%	0.22%
Medtronic Plc Shs	Health Care	1.97%	92	1.03%	12.71%	12.71%	0.24%	0.10%
Johnson & Johnson	Health Care	2.69%	92	2.24%	(5.99)%	(6.42)%	(0.23)%	(0.05)%
Anthem Inc	Health Care	1.48%	92	0.38%	(14.65)%	(14.65)%	(0.22)%	(0.17)%
Comcast Corp A (New)	Communication Services	2.96%	92	0.77%	7.14%	7.14%	0.21%	0.12%
Chubb Limited	Financials	2.01%	92	0.52%	10.07%	10.13%	0.20%	0.12%
Cvs Health Corp	Health Care	1.23%	92	0.56%	16.78%	16.78%	0.19%	0.09%
United Parcel Service B	Industrials	1.48%	92	-	13.46%	-	0.18%	0.11%

### 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
Pfizer	Health Care	2.06%	92	1.63%	(16.28)%	(16.28)%	(0.29)%	(0.08)%
Procter & Gamble Co	Consumer Staples	2.54%	92	2.02%	14.17%	14.17%	0.27%	0.06%
At&t Inc	Communication Services	-	-	1.87%	-	14.64%	0.27%	(0.24)%
JPMorgan Chase & Co	Financials	2.40%	84	2.70%	2.99%	6.01%	0.16%	(0.09)%
Exxon Mobil Corp	Energy	-	-	2.31%	-	(6.70)%	(0.16)%	0.19%
Johnson & Johnson	Health Care	2.69%	92	2.24%	(5.99)%	(6.42)%	(0.15)%	(0.05)%
Intel Corp	Information Technology	-	-	1.62%	-	8.37%	0.14%	(0.11)%
Medtronic Plc Shs	Health Care	1.97%	92	1.03%	12.71%	12.71%	0.12%	0.10%
Verizon Communications Inc	Communication Services	2.36%	92	1.76%	6.78%	6.78%	0.12%	0.03%
Disney Walt Co Com Disney	Communication Services	-	-	1.83%	-	(6.10)%	(0.11)%	0.14%

### 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
Alphabet Inc Cl A	Communication Services	2.08%	92	-	12.78%	-	0.25%	0.22%
Exxon Mobil Corp	Energy	-	-	2.31%	-	(6.70)%	-	0.19%
Disney Walt Co Com Disney	Communication Services	-	-	1.83%	-	(6.10)%	-	0.14%
Kla-Tencor Corp	Information Technology	0.58%	76	-	23.14%	-	0.14%	0.12%
Chubb Limited	Financials	2.01%	92	0.52%	10.07%	10.13%	0.20%	0.12%
Comcast Corp A (New)	Communication Services	2.96%	92	0.77%	7.14%	7.14%	0.21%	0.12%
United Parcel Service B	Industrials	1.48%	92	-	13.46%	-	0.18%	0.11%
General Electric Co	Industrials	-	-	0.63%	-	(14.77)%	-	0.10%
Medtronic Plc Shs	Health Care	1.97%	92	1.03%	12.71%	12.71%	0.24%	0.10%
Cvs Health Corp	Health Care	1.23%	92	0.56%	16.78%	16.78%	0.19%	0.09%

### Positions with Largest Negative Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
At&t Inc	Communication Services	-	-	1.87%	-	14.64%	-	(0.24)%
Cisco Sys Inc	Information Technology	1.81%	92	-	(9.18)%	-	(0.17)%	(0.19)%
Anthem Inc	Health Care	1.48%	92	0.38%	(14.65)%	(14.65)%	(0.22)%	(0.17)%
Unitedhealth Group	Health Care	1.43%	92	-	(10.53)%	-	(0.15)%	(0.17)%
Fox Corp Cl A Com	Communication Services	1.15%	92	0.08%	(13.17)%	(13.33)%	(0.15)%	(0.15)%
Intel Corp	Information Technology	-	-	1.62%	-	8.37%	-	(0.11)%
Pioneer Natural Res.	Energy	0.56%	92	0.10%	(17.97)%	(17.97)%	(0.11)%	(0.10)%
Nextera Energy Inc	Utilities	-	-	0.75%	-	14.37%	-	(0.09)%
Mosaic Co New	Materials	0.60%	92	0.06%	(14.45)%	(17.87)%	(0.09)%	(0.09)%
Cigna Corp New	Health Care	2.24%	92	0.31%	(3.66)%	(3.66)%	(0.08)%	(0.09)%

# Atlanta Capital Period Ended September 30, 2019

## 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.

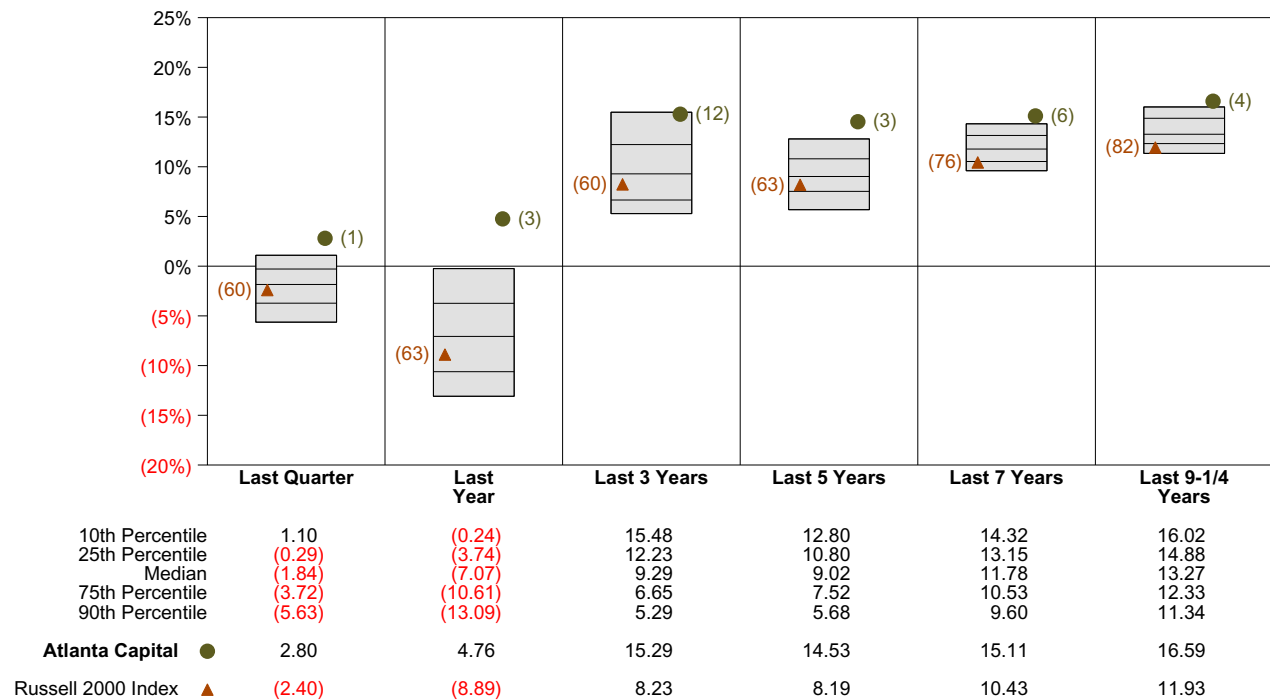
## Quarterly Summary and Highlights

- Atlanta Capital's portfolio posted a 2.80% return for the quarter placing it in the 1 percentile of the Callan Small Capitalization group for the quarter and in the 3 percentile for the last year.
- Atlanta Capital's portfolio outperformed the Russell 2000 Index by 5.20% for the quarter and outperformed the Russell 2000 Index for the year by 13.65%.

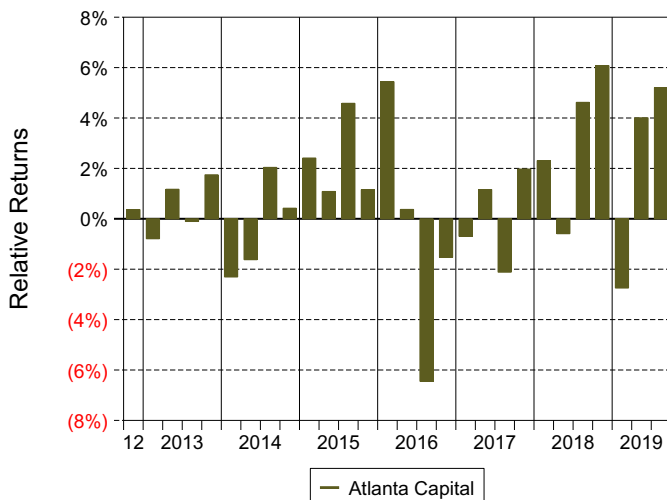
## Quarterly Asset Growth

Beginning Market Value	\$26,357,874
Net New Investment	\$-918,009
Investment Gains/(Losses)	\$709,500
Ending Market Value	\$26,149,365

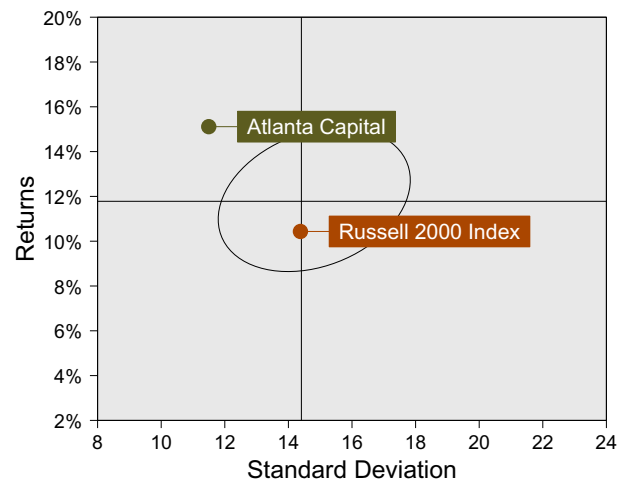
## Performance vs Callan Small Capitalization (Gross)



## Relative Return vs Russell 2000 Index



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



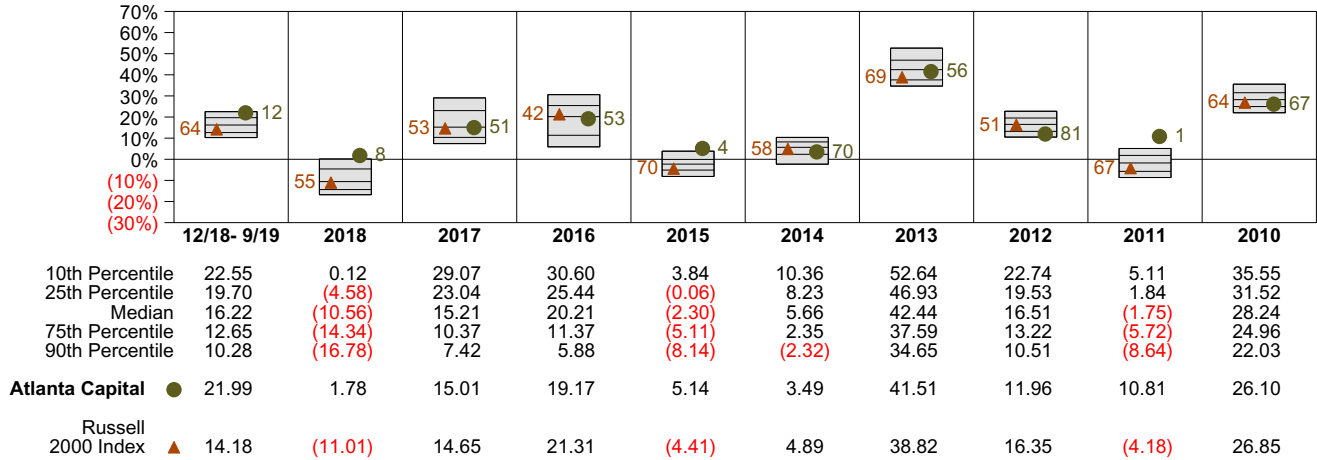


# Atlanta Capital Return Analysis Summary

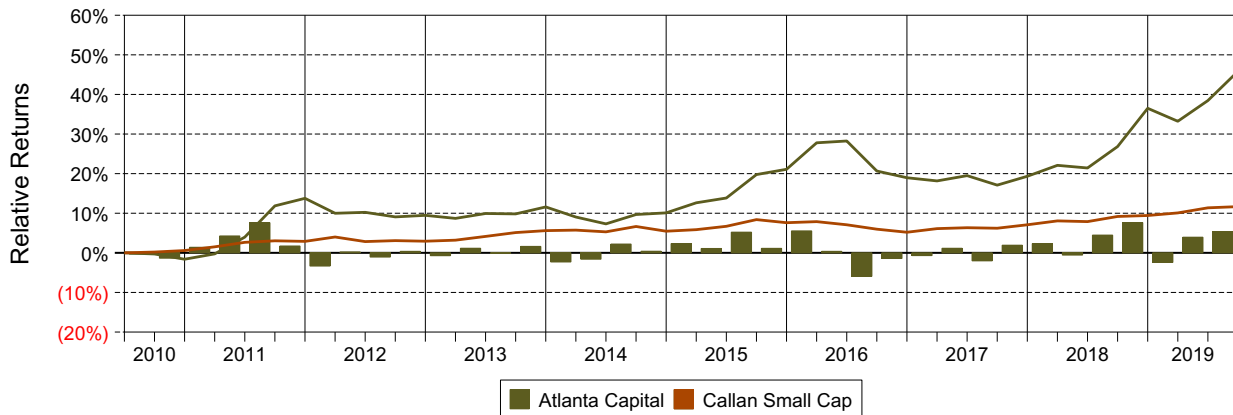
## Return Analysis

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.

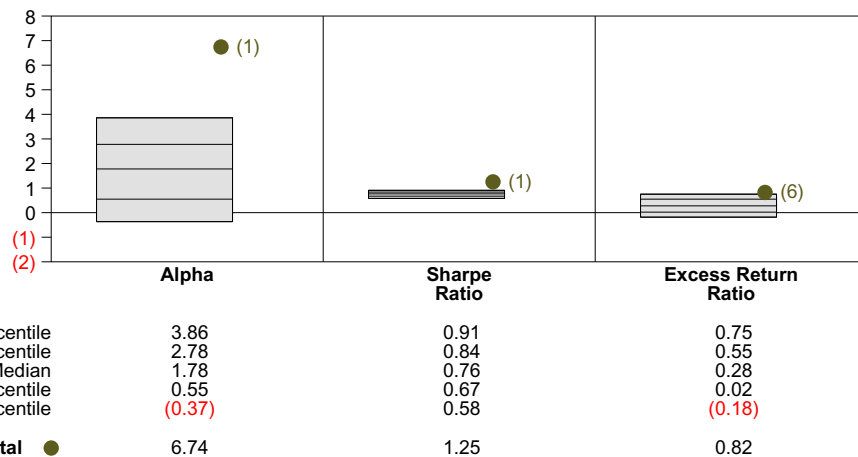
### Performance vs Callan Small Capitalization (Gross)



### 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 September 30, 2019

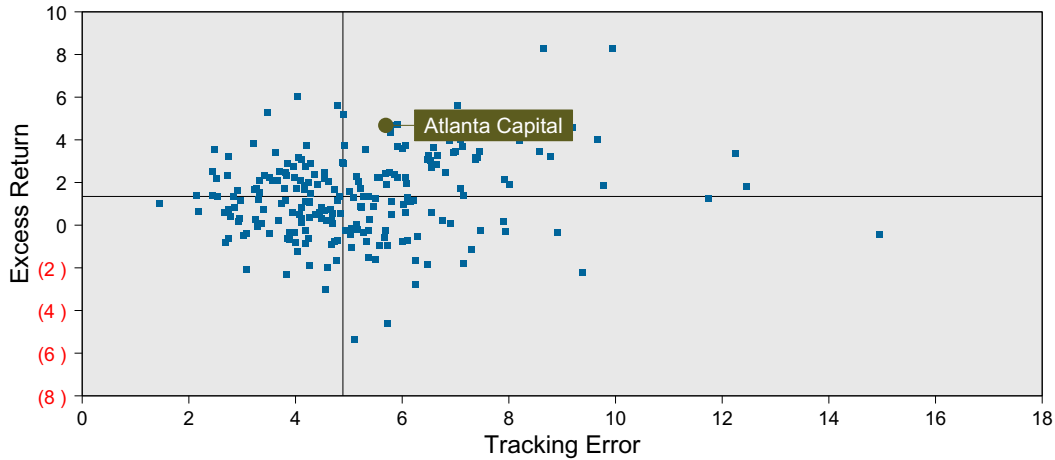


# Atlanta Capital Risk Analysis Summary

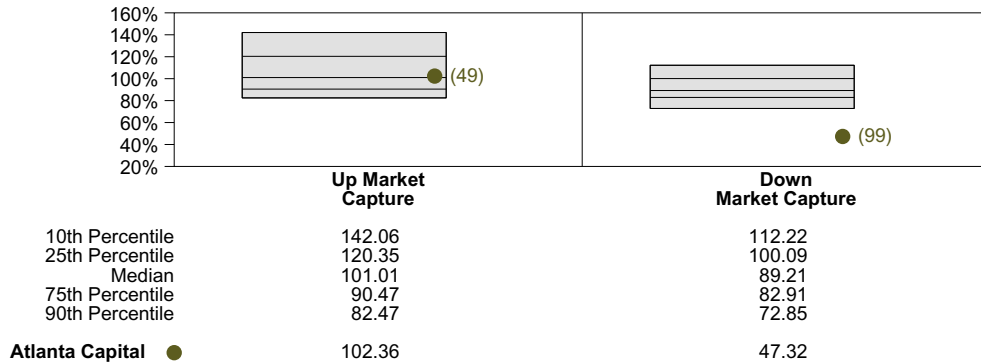
## Risk Analysis

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.

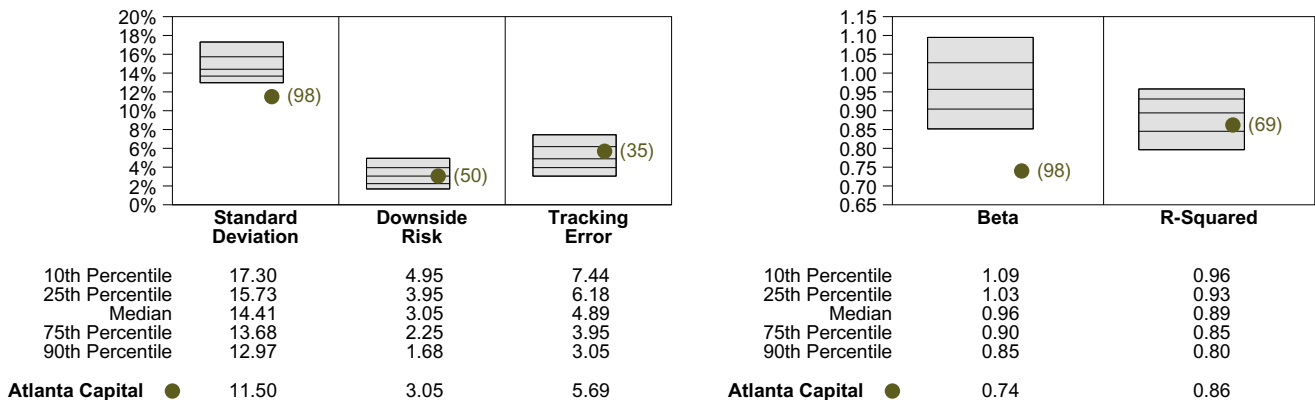
### Risk Analysis vs Callan Small Capitalization (Gross) Seven Years Ended September 30, 2019



### Market Capture vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended September 30, 2019



### Risk Statistics Rankings vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended September 30, 2019

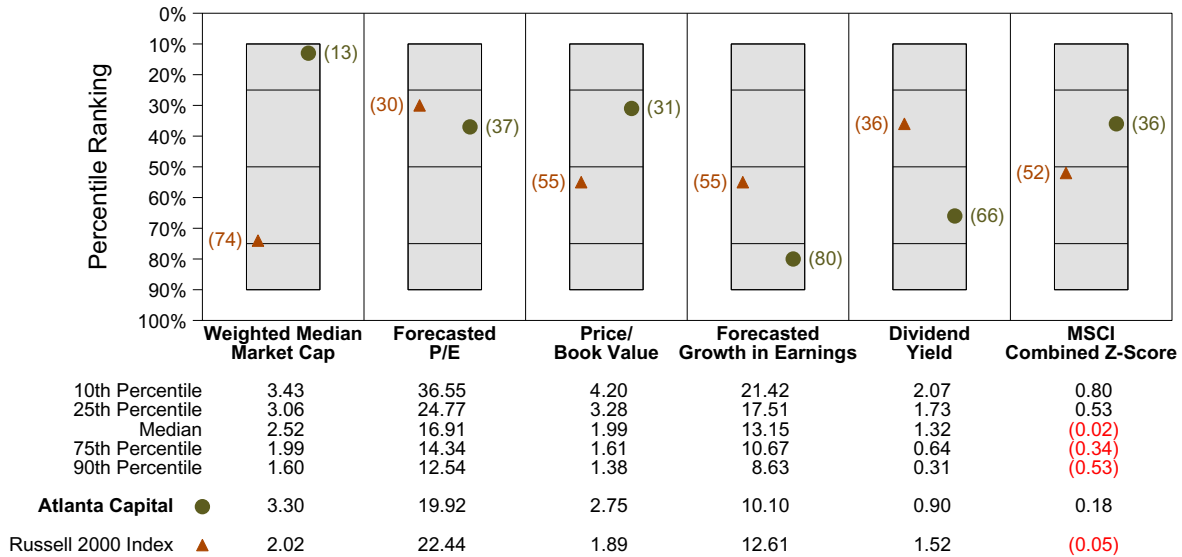


# Atlanta Capital Equity Characteristics Analysis Summary

## Portfolio Characteristics

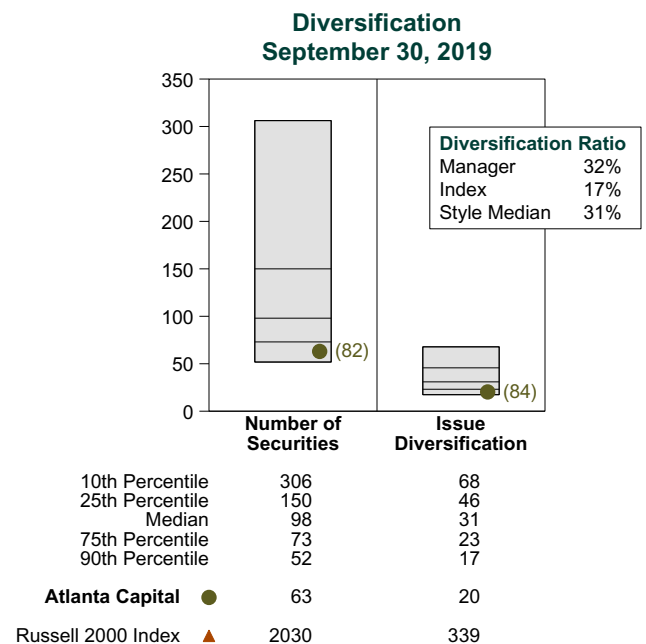
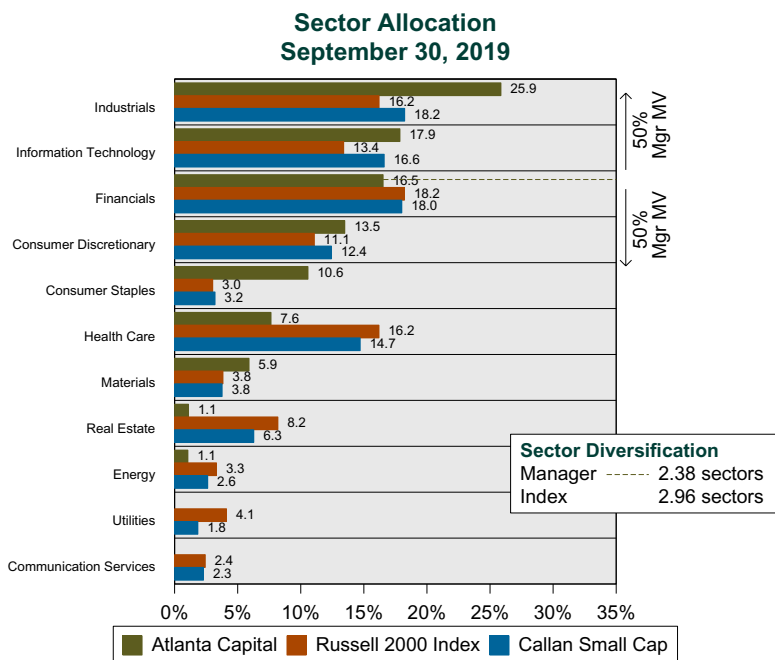
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Small Capitalization as of September 30, 2019



## 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.



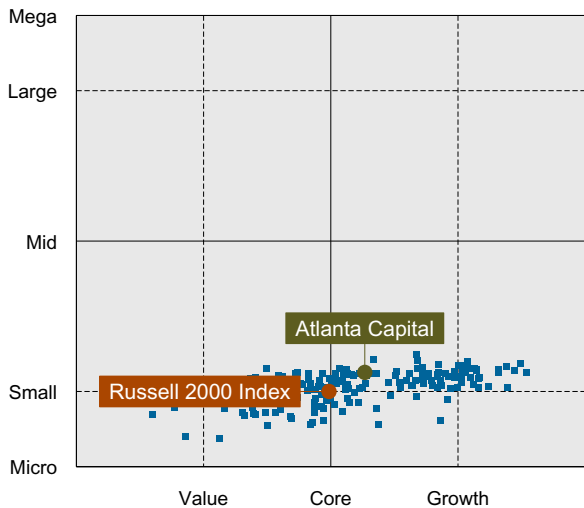
# Current Holdings Based Style Analysis

## Atlanta Capital

### As of September 30, 2019

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.

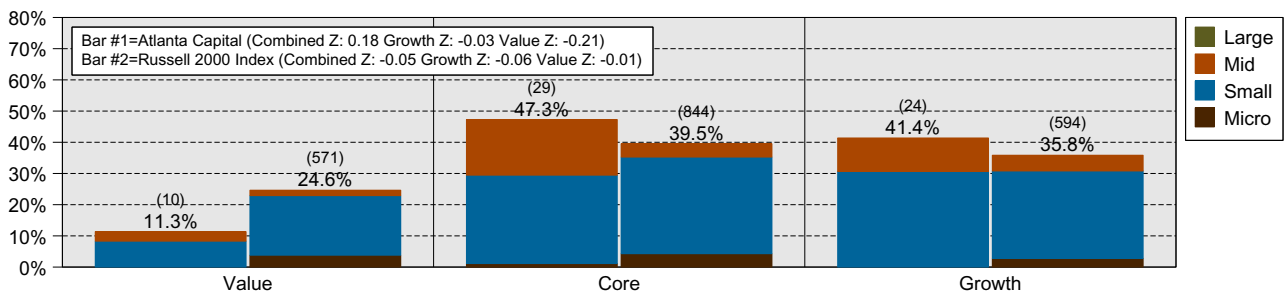
**Style Map vs Callan Small Cap Holdings as of September 30, 2019**



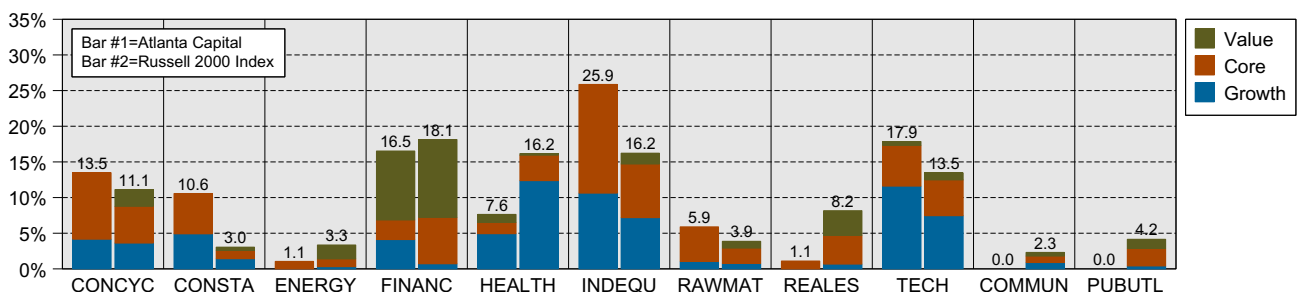
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	3.0% (2)	17.8% (8)	10.7% (5)	31.6% (15)
Small	8.3% (8)	28.3% (20)	30.7% (19)	67.3% (47)
Micro	0.0% (0)	1.1% (1)	0.0% (0)	1.1% (1)
<b>Total</b>	<b>11.3% (10)</b>	<b>47.3% (29)</b>	<b>41.4% (24)</b>	<b>100.0% (63)</b>
	<b>24.6% (571)</b>	<b>39.5% (844)</b>	<b>35.8% (594)</b>	<b>100.0% (2009)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2019**



**Sector Weights Distribution Holdings as of September 30, 2019**



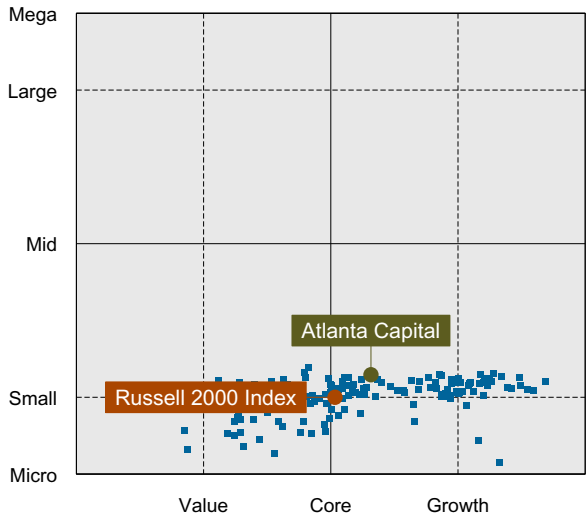
# Historical Holdings Based Style Analysis

## Atlanta Capital

### For Five Years Ended September 30, 2019

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.

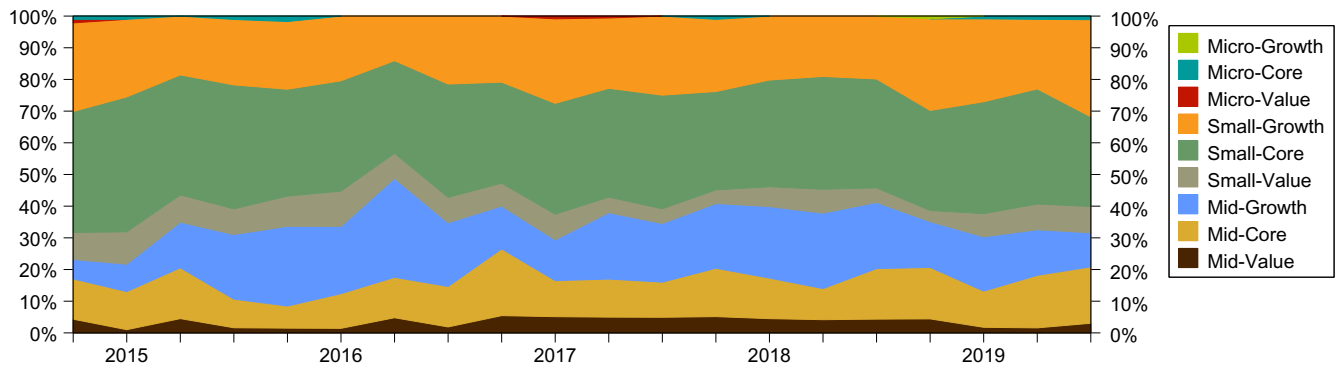
**Average Style Map vs Callan Small Cap Holdings for Five Years Ended September 30, 2019**



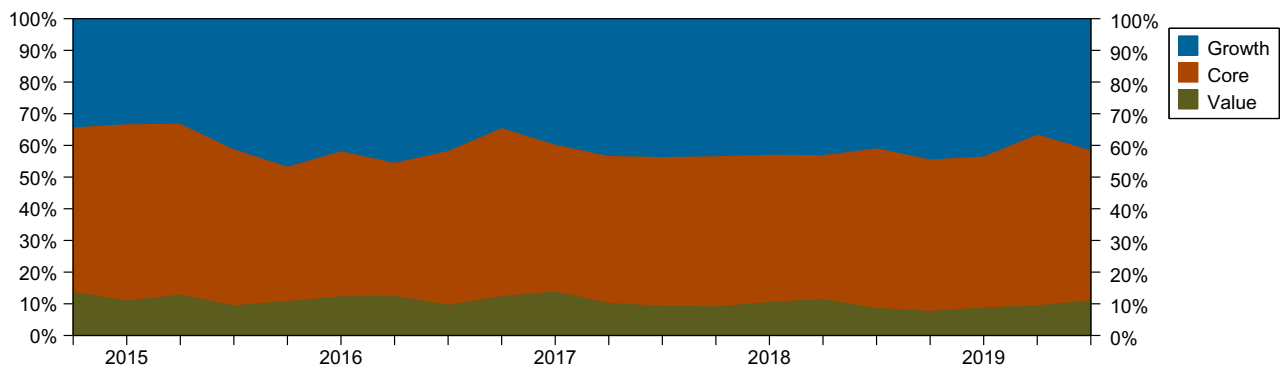
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2019**

	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
Large	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
Mid	3.5% (2)	13.2% (6)	17.9% (8)	<b>34.6% (16)</b>
Small	7.3% (6)	34.7% (23)	22.7% (13)	<b>64.7% (42)</b>
Micro	0.1% (0)	0.4% (0)	0.0% (0)	<b>0.6% (0)</b>
<b>Total</b>	<b>11.0% (8)</b>	<b>48.4% (29)</b>	<b>40.6% (21)</b>	<b>100.0% (58)</b>
	<b>25.8% (563)</b>	<b>40.1% (826)</b>	<b>34.2% (586)</b>	<b>100.0% (1975)</b>
	Value	Core	Growth	Total

**Atlanta Capital Historical Cap/Style Exposures**



**Atlanta Capital Historical Style Only Exposures**

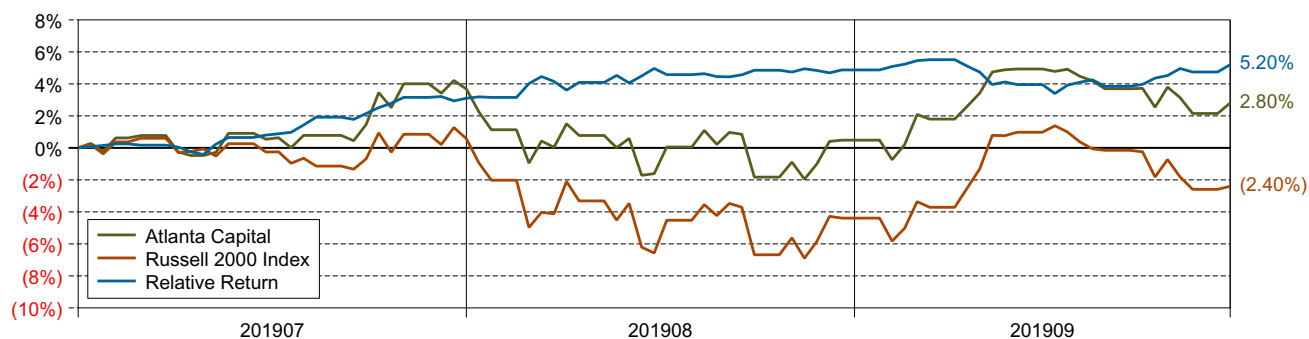


# Atlanta Capital vs Russell 2000 Index Domestic Equity Daily Performance Attribution One Quarter Ended September 30, 2019

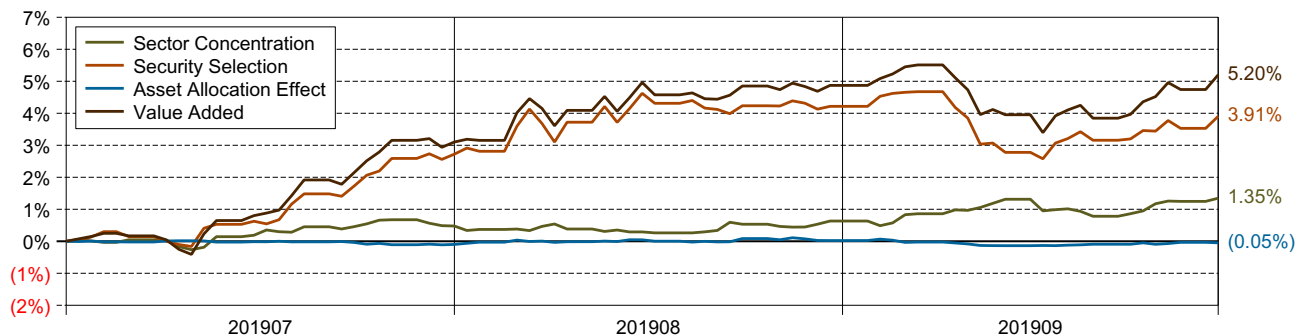
## Return Sources and Timing

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 September 30, 2019

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Communication Services	0.00%	2.56%	0.00%	(8.10)%	0.15%	0.00%	-
Consumer Discretionary	13.15%	10.99%	1.46%	(0.16)%	0.06%	0.18%	-
Consumer Staples	10.51%	2.89%	7.81%	4.19%	0.50%	0.34%	-
Energy	1.02%	3.68%	4.54%	(20.63)%	0.55%	0.28%	-
Financials	16.65%	17.93%	3.03%	(0.31)%	(0.03)%	0.56%	-
Health Care	8.13%	17.04%	(14.38)%	(9.39)%	0.69%	(0.50)%	-
Industrials	24.91%	15.90%	4.67%	(0.28)%	0.23%	1.18%	-
Information Technology	18.03%	13.45%	7.48%	(0.52)%	0.08%	1.41%	-
Materials	6.42%	3.83%	(1.51)%	(5.53)%	(0.10)%	0.27%	-
Real Estate	1.19%	7.81%	21.65%	4.90%	(0.47)%	0.19%	-
Utilities	0.00%	3.91%	0.00%	5.38%	(0.30)%	0.00%	-
Non Equity	3.07%	0.00%	-	-	-	-	(0.05)%
<b>Total</b>	-	-	<b>2.80%</b>	<b>(2.40)%</b>	<b>1.35%</b>	<b>3.91%</b>	<b>(0.05)%</b>

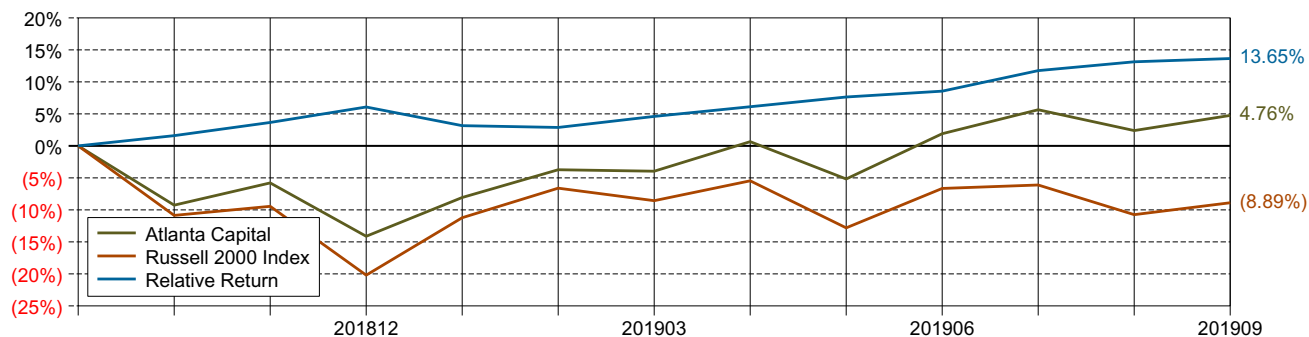
<b>Manager Return</b>	=	<b>Index Return</b>	+	<b>Sector Concentration</b>	+	<b>Security Selection</b>	+	<b>Asset Allocation</b>
2.80%		(2.40)%		1.35%		3.91%		(0.05)%

# Atlanta Capital vs Russell 2000 Index Domestic Equity Daily Performance Attribution One Year Ended September 30, 2019

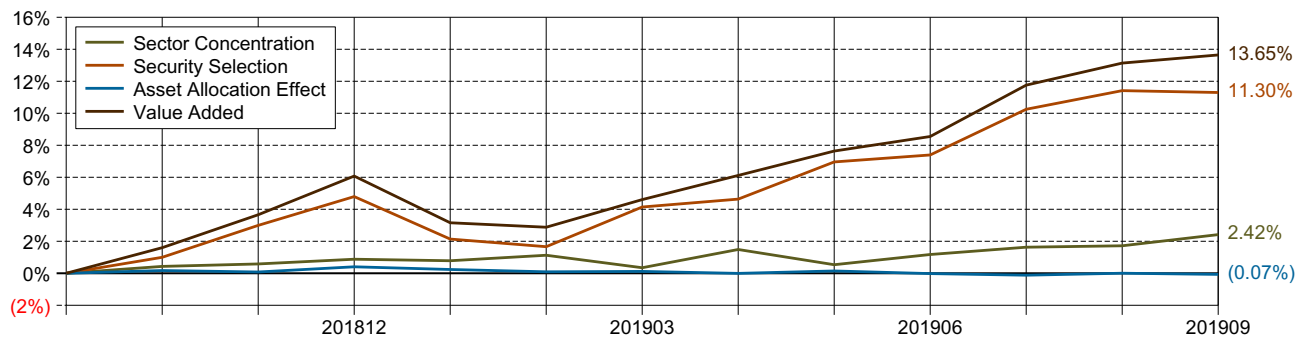
## Return Sources and Timing

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 September 30, 2019

Sector	Manager Eff Weight	Index Eff Weight	Manager Return	Index Return	Sector Concentration	Security Selection	Asset Allocation
Communication Services	0.00%	3.09%	0.00%	(19.06)%	0.31%	0.00%	-
Consumer Discretionary	15.03%	11.88%	5.54%	(10.42)%	(0.01)%	2.47%	-
Consumer Staples	10.33%	2.82%	17.79%	(5.96)%	0.16%	2.26%	-
Energy	0.96%	3.79%	(3.96)%	(49.81)%	1.62%	0.60%	-
Financials	17.80%	17.86%	5.31%	(4.89)%	0.03%	1.79%	-
Health Care	6.73%	16.07%	(29.55)%	(21.60)%	1.37%	(0.85)%	-
Industrials	23.09%	15.14%	5.23%	(4.29)%	0.47%	2.14%	-
Information Technology	18.43%	14.43%	9.85%	4.29%	0.58%	0.87%	-
Materials	6.46%	3.83%	4.50%	(19.21)%	(0.27)%	1.64%	-
Real Estate	1.17%	7.40%	42.70%	6.95%	(0.93)%	0.36%	-
Utilities	0.00%	3.69%	0.00%	20.11%	(0.92)%	0.00%	-
Non Equity	3.01%	0.00%	-	-	-	-	(0.07)%
Total	-	-	4.76%	(8.89)%	2.42%	11.30%	(0.07)%

<b>Manager Return</b>	=	<b>Index Return</b>	+	<b>Sector Concentration</b>	+	<b>Security Selection</b>	+	<b>Asset Allocation</b>
4.76%		(8.89%)		2.42%		11.30%		(0.07%)

## Atlanta Capital vs Russell 2000 Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended September 30, 2019

### 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
Icu Med Inc	Health Care	2.13%	92	-	(32.66)%	-	(0.79)%	(0.71)%
Manhattan Associates	Information Technology	4.29%	92	-	16.42%	-	0.69%	0.80%
J & J Snack Foods Corp	Consumer Staples	2.79%	92	0.14%	19.62%	19.60%	0.51%	0.56%
Covetrus Inc	Health Care	0.75%	92	-	(51.39)%	-	(0.45)%	(0.43)%
Exponent Inc	Industrials	2.29%	92	0.17%	19.78%	19.68%	0.45%	0.47%
Moog Inc Cl A	Industrials	2.27%	92	0.14%	(13.05)%	(13.05)%	(0.33)%	(0.27)%
Corelogic Inc	Information Technology	2.95%	92	-	10.57%	-	0.30%	0.36%
Huron Consulting Group Inc	Industrials	1.48%	92	0.07%	21.75%	21.75%	0.28%	0.30%
Kinsale Cap Group Inc	Financials	1.91%	92	0.09%	13.02%	13.02%	0.24%	0.26%
Universal Health Rlty Incm T Sh Ben	Real Estate	1.15%	92	0.06%	21.65%	21.88%	0.23%	0.25%

### 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
Merit Medical Systems	Health Care	-	-	0.12%	-	(48.86)%	(0.08)%	0.08%
Mcdermott Intl Inc	Energy	-	-	0.06%	-	(79.09)%	(0.07)%	0.07%
Green Dot Corp Cl A	Financials	-	-	0.11%	-	(48.36)%	(0.06)%	0.06%
Ultragenyx Pharmaceutical In	Health Care	-	-	0.16%	-	(32.63)%	(0.06)%	0.05%
Wright Med Group N V Ord Shs 0.03 P	Health Care	-	-	0.17%	-	(30.82)%	(0.06)%	0.05%
Trex Co Inc	Industrials	-	-	0.24%	-	26.82%	0.06%	(0.06)%
Amicus Therapeutics Inc	Health Care	-	-	0.14%	-	(35.74)%	(0.06)%	0.05%
Chegg Inc	Consumer Discretionary	-	-	0.24%	-	(22.39)%	(0.05)%	0.05%
Blueprint Medicines Corp	Health Care	-	-	0.22%	-	(22.11)%	(0.05)%	0.04%
The Medicines Company	Health Care	-	-	0.14%	-	37.10%	0.05%	(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
Manhattan Associates	Information Technology	4.29%	92	-	16.42%	-	0.69%	0.80%
J & J Snack Foods Corp	Consumer Staples	2.79%	92	0.14%	19.62%	19.60%	0.51%	0.56%
Exponent Inc	Industrials	2.29%	92	0.17%	19.78%	19.68%	0.45%	0.47%
Corelogic Inc	Information Technology	2.95%	92	-	10.57%	-	0.30%	0.36%
Huron Consulting Group Inc	Industrials	1.48%	92	0.07%	21.75%	21.75%	0.28%	0.30%
Kinsale Cap Group Inc	Financials	1.91%	92	0.09%	13.02%	13.02%	0.24%	0.26%
Blackbaud Inc	Information Technology	2.76%	92	0.22%	8.34%	8.34%	0.22%	0.26%
Universal Health Rlty Incm T Sh Ben	Real Estate	1.15%	92	0.06%	21.65%	21.88%	0.23%	0.25%
Frontdoor Inc Com	Consumer Discretionary	1.87%	92	-	11.53%	-	0.19%	0.23%
Caseys General Stores	Consumer Staples	3.57%	92	-	3.51%	-	0.12%	0.19%

### 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
Icu Med Inc	Health Care	2.13%	92	-	(32.66)%	-	(0.79)%	(0.71)%
Covetrus Inc	Health Care	0.75%	92	-	(51.39)%	-	(0.45)%	(0.43)%
Moog Inc Cl A	Industrials	2.27%	92	0.14%	(13.05)%	(13.05)%	(0.33)%	(0.27)%
Cadence Bancorporation Cl A	Financials	1.16%	92	0.11%	(14.71)%	(14.71)%	(0.20)%	(0.16)%
Envestnet Inc	Information Technology	1.24%	92	0.16%	(17.07)%	(17.07)%	(0.21)%	(0.16)%
Beacon Roofing Supply Inc	Industrials	2.32%	92	0.12%	(9.06)%	(8.69)%	(0.17)%	(0.14)%
Patterson Cos	Health Care	0.70%	92	0.08%	(21.11)%	(21.24)%	(0.16)%	(0.13)%
Dorman Products Inc	Consumer Discretionary	2.38%	92	0.10%	(8.87)%	(8.72)%	(0.14)%	(0.08)%
Monro Inc	Consumer Discretionary	1.47%	92	0.14%	(7.11)%	(7.11)%	(0.10)%	(0.06)%
Trex Co Inc	Industrials	-	-	0.24%	-	26.82%	-	(0.06)%





# International Equity Period Ended September 30, 2019

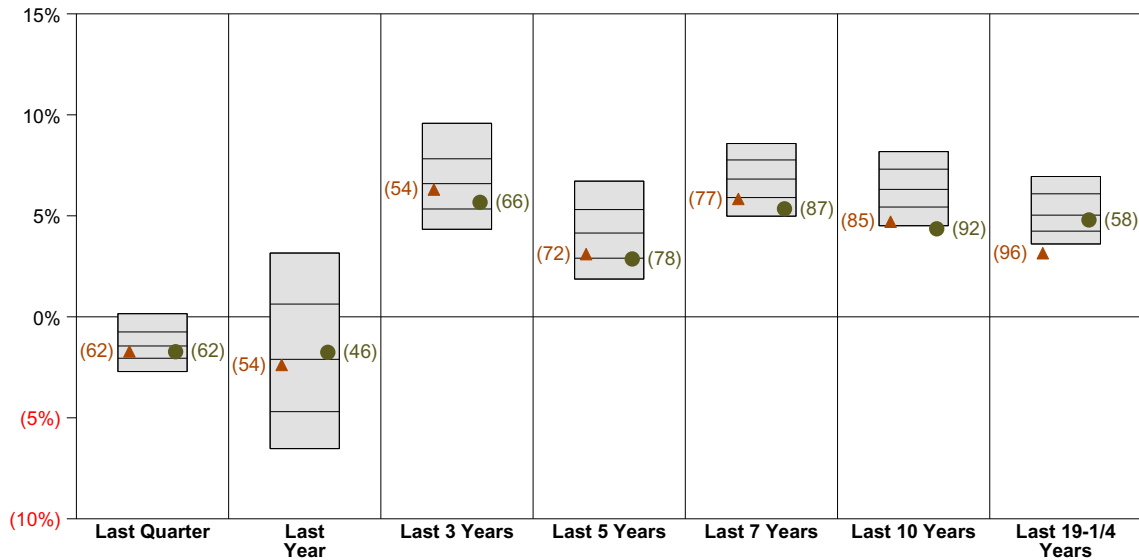
## Investment Philosophy

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

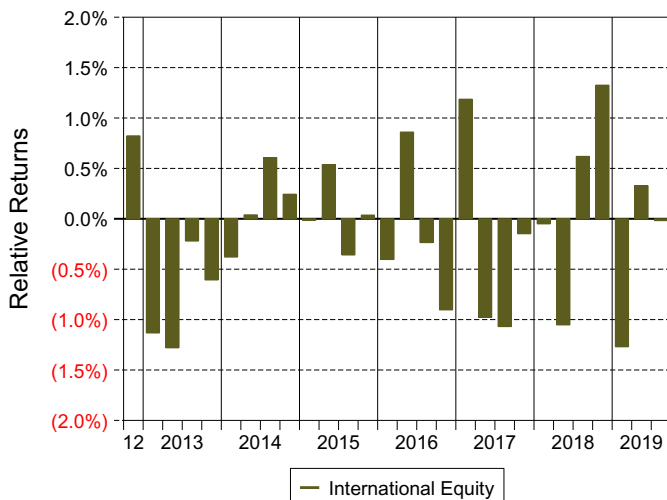
- International Equity's portfolio posted a (1.73)% return for the quarter placing it in the 62 percentile of the Callan Non-US Equity group for the quarter and in the 46 percentile for the last year.
- International Equity's portfolio underperformed the International Benchmark by 0.02% for the quarter and outperformed the International Benchmark for the year by 0.62%.

## Performance vs Callan Non-US Equity (Gross)

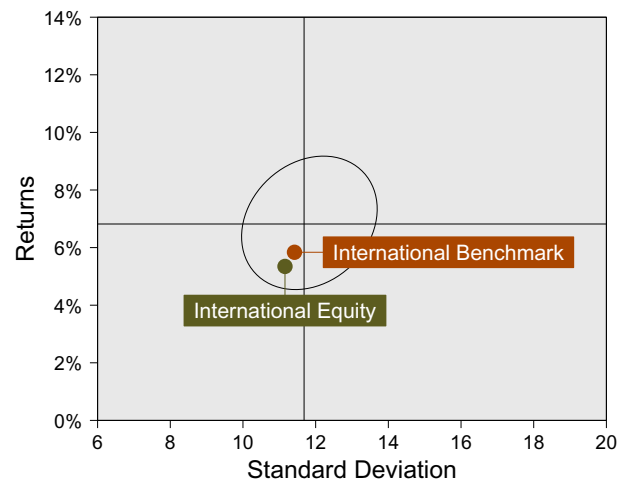


10th Percentile	0.15	3.16	9.58	6.72	8.58	8.18	6.95
25th Percentile	(0.75)	0.63	7.82	5.31	7.77	7.31	6.09
Median	(1.44)	(2.10)	6.59	4.15	6.82	6.31	5.03
75th Percentile	(2.05)	(4.70)	5.34	2.90	5.90	5.44	4.24
90th Percentile	(2.71)	(6.52)	4.33	1.87	4.98	4.51	3.61
<b>International Equity</b>	● (1.73)	(1.76)	5.67	2.86	5.35	4.36	4.80
<b>International Benchmark</b>	▲ (1.71)	(2.38)	6.30	3.10	5.84	4.71	3.15

Relative Return vs International Benchmark



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

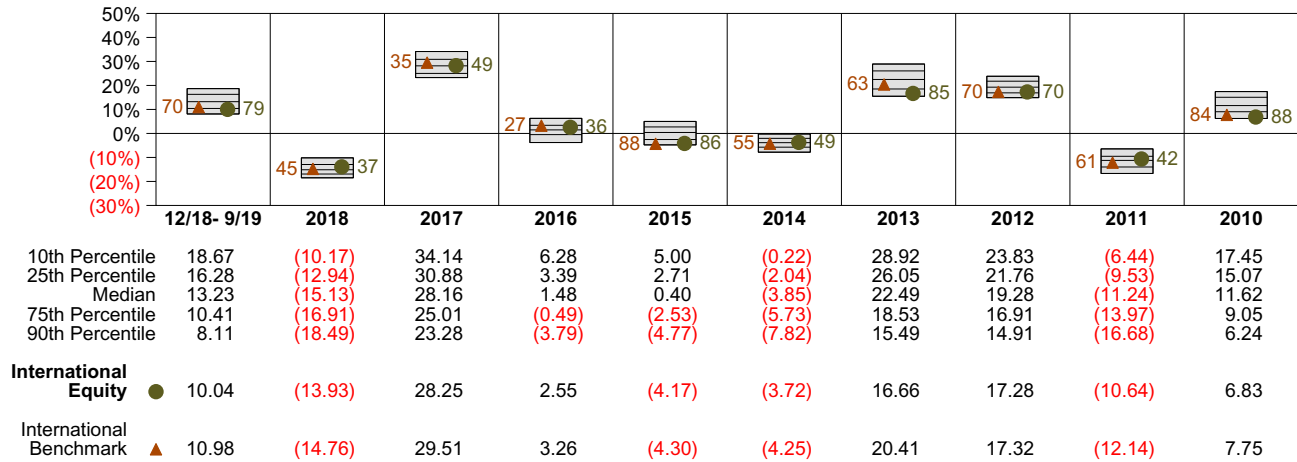


# International Equity Return Analysis Summary

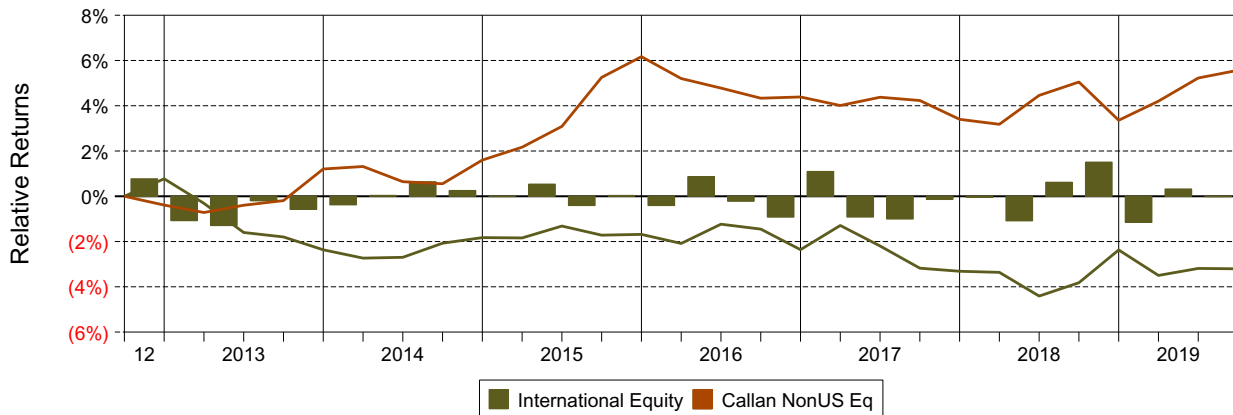
## Return Analysis

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.

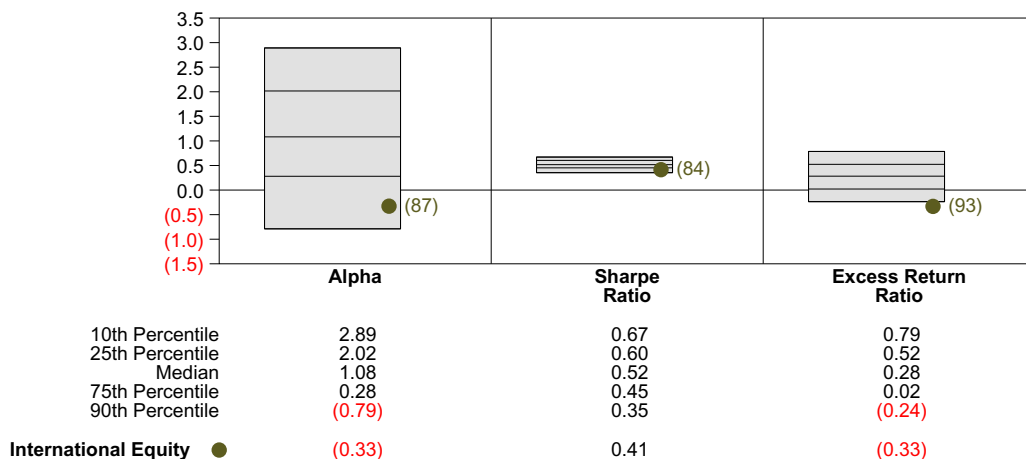
### Performance vs Callan Non-US Equity (Gross)



### Cumulative and Quarterly Relative Return vs International Benchmark



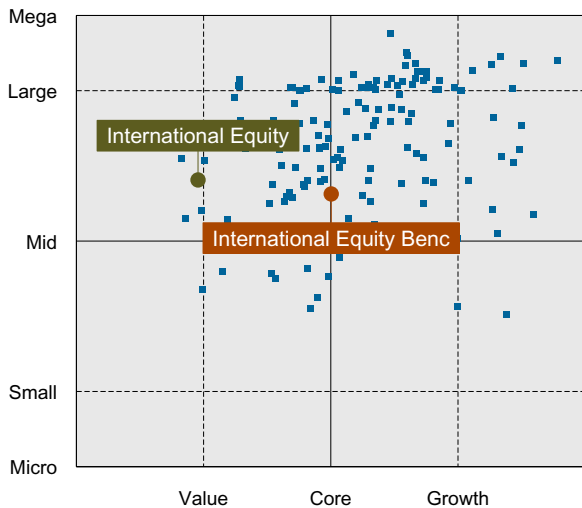
### Risk Adjusted Return Measures vs International Benchmark Rankings Against Callan Non-US Equity (Gross) Seven Years Ended September 30, 2019



# Current Holdings Based Style Analysis International Equity As of September 30, 2019

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

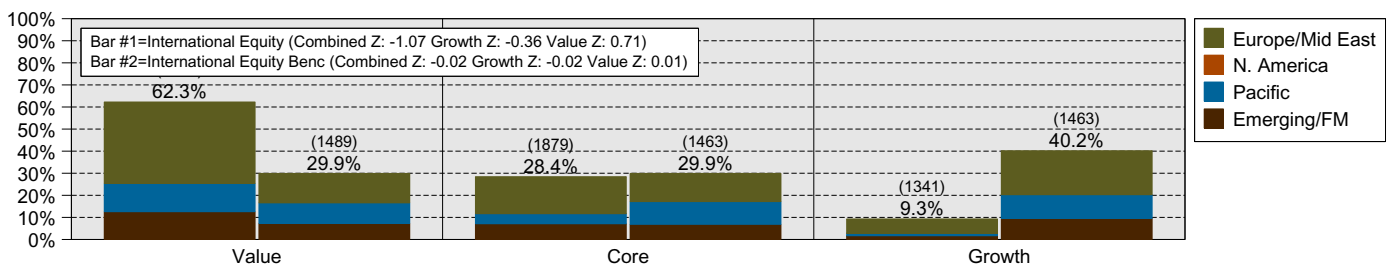
**Style Map vs Callan NonUS Eq Holdings as of September 30, 2019**



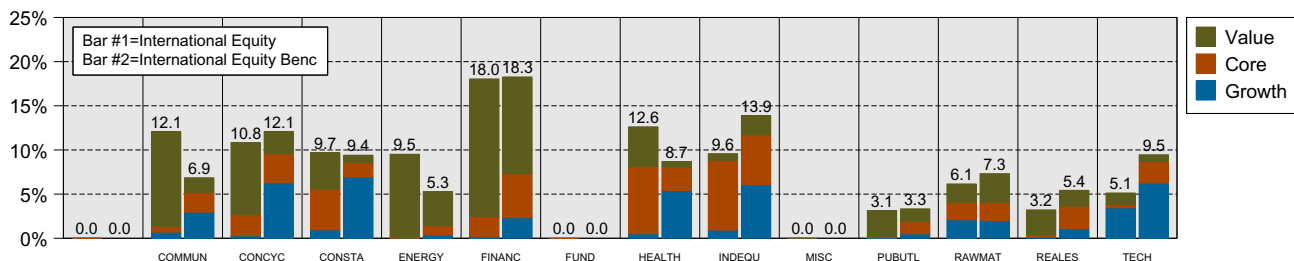
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
Europe/ Mid East	36.9% (129)	16.7% (144)	6.5% (91)	60.1% (364)
N. America	13.3% (460)	12.8% (515)	19.9% (511)	46.0% (1486)
Pacific	0.0% (0)	0.0% (4)	0.0% (1)	0.0% (5)
Emerging/ FM	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>12.8% (156)</b>	<b>4.6% (159)</b>	<b>1.1% (111)</b>	<b>18.5% (426)</b>
	9.3% (583)	10.3% (590)	10.7% (581)	30.3% (1754)
	12.6% (1801)	7.1% (1572)	1.7% (1138)	21.4% (4511)
	7.3% (446)	6.9% (358)	9.6% (371)	23.8% (1175)
<b>Total</b>	<b>62.3% (2086)</b>	<b>28.4% (1879)</b>	<b>9.3% (1341)</b>	<b>100.0% (5306)</b>
	29.9% (1489)	29.9% (1463)	40.2% (1463)	100.0% (4415)

## Combined Z-Score Style Distribution Holdings as of September 30, 2019



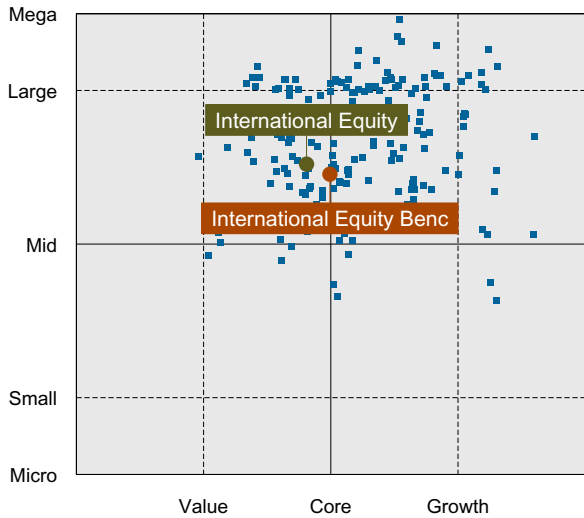
## Sector Weights Distribution Holdings as of September 30, 2019



# Historical Holdings Based Style Analysis International Equity For Five Years Ended September 30, 2019

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.

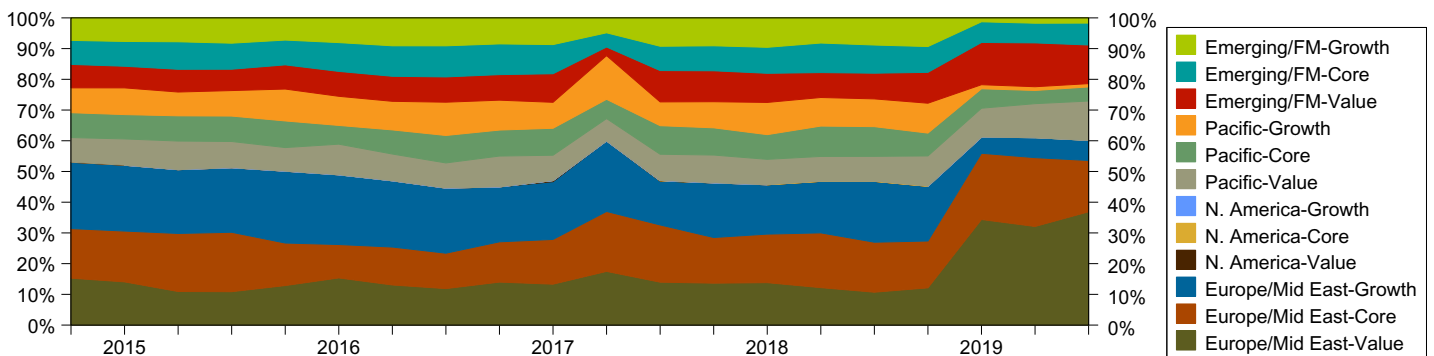
**Average Style Map vs Callan NonUS Eq Holdings for Five Years Ended September 30, 2019**



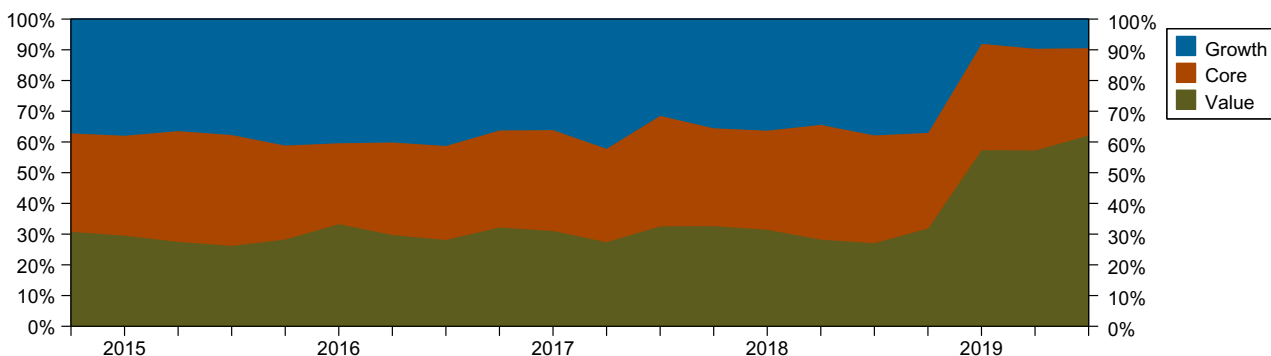
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2019**

Europe/ Mid East	16.4% (192)	16.3% (209)	17.7% (239)	50.4% (640)
	14.5% (333)	14.7% (386)	18.9% (403)	48.1% (1122)
N. America	0.0% (2)	0.0% (4)	0.0% (1)	0.0% (7)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	9.0% (238)	7.8% (240)	8.2% (231)	25.0% (709)
	9.2% (432)	9.1% (425)	10.0% (424)	28.3% (1281)
Emerging/ FM	8.9% (1548)	8.3% (1506)	7.3% (991)	24.6% (4045)
	7.4% (328)	7.4% (291)	8.7% (301)	23.5% (920)
<b>Total</b>	<b>34.4% (1980)</b>	<b>32.5% (1959)</b>	<b>33.2% (1462)</b>	<b>100.0% (5401)</b>
	<b>31.1% (1093)</b>	<b>31.2% (1102)</b>	<b>37.6% (1128)</b>	<b>100.0% (3323)</b>
	Value	Core	Growth	Total

**International Equity Historical Region/Style Exposures**



**International Equity Historical Style Only Exposures**



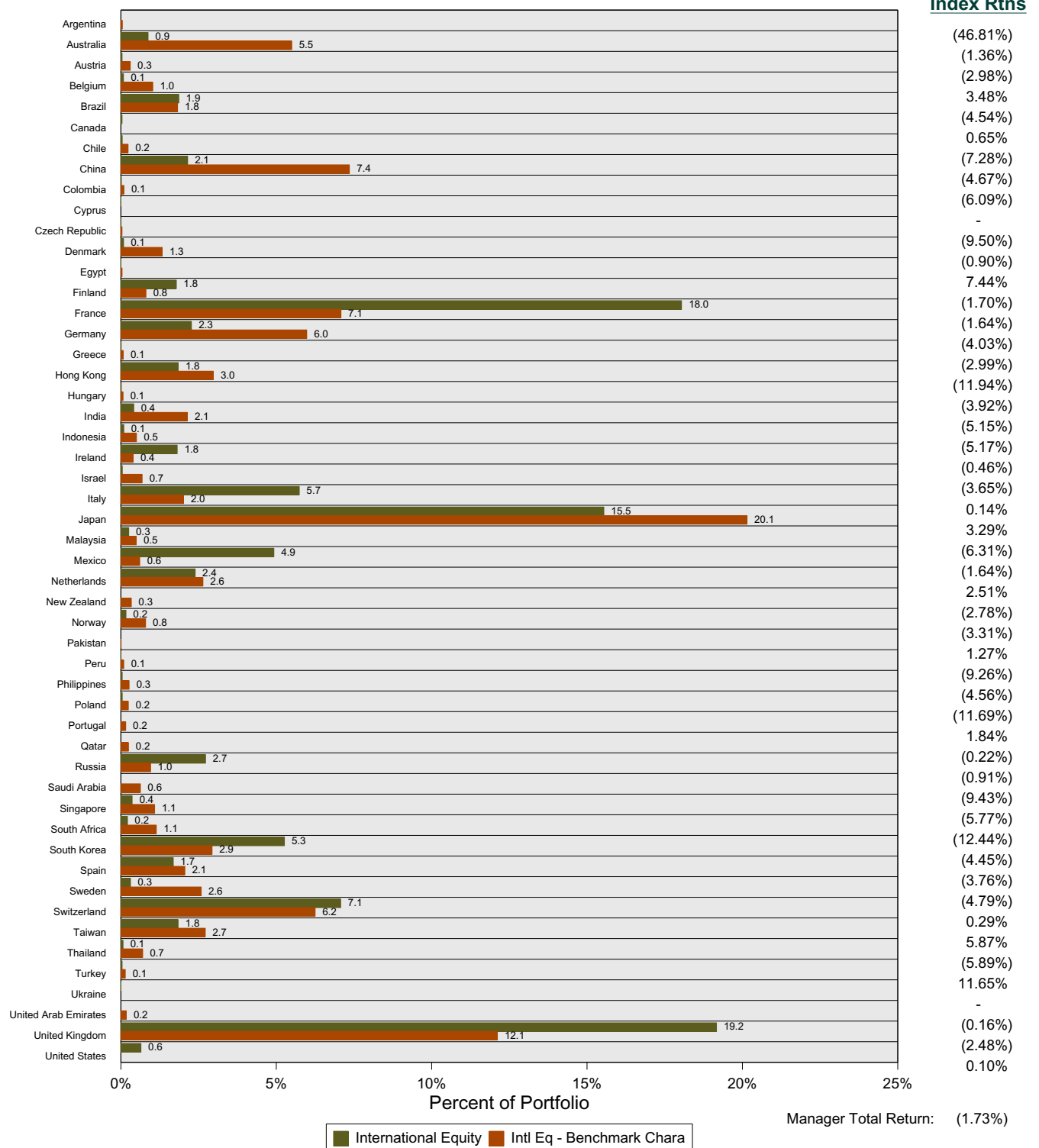
# Country Allocation

## 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 September 30, 2019. 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 September 30, 2019



# SSgA EAFE

## Period Ended September 30, 2019

### 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.

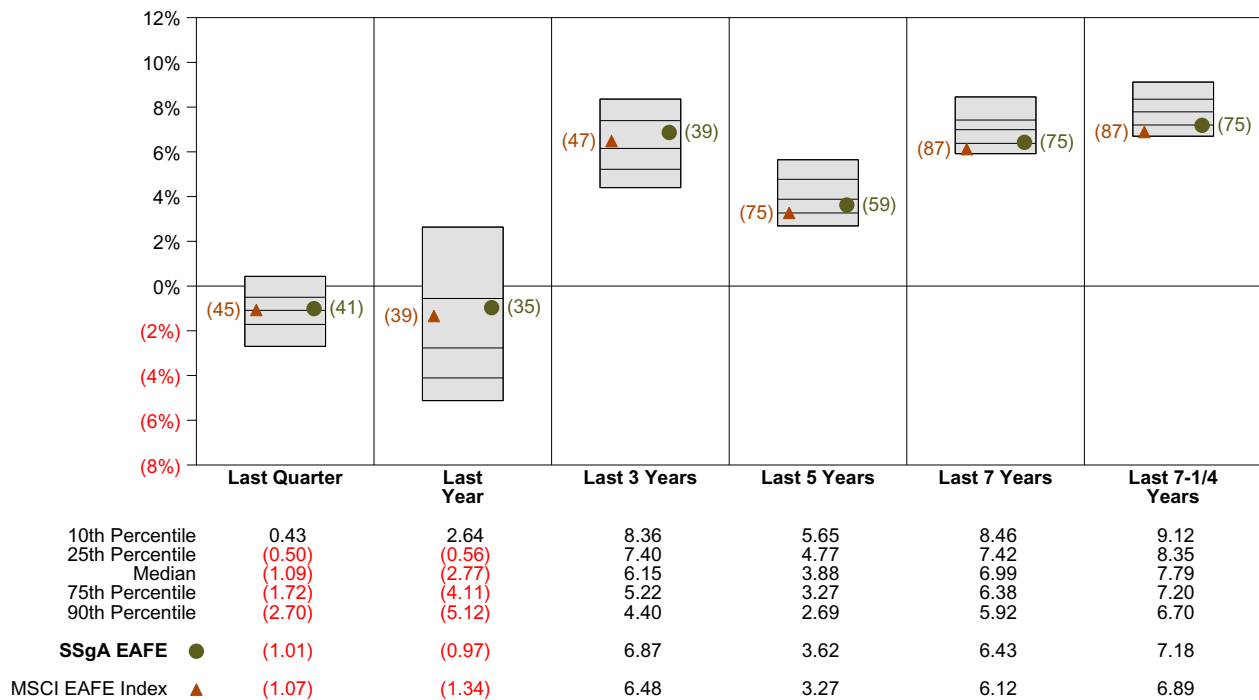
### Quarterly Summary and Highlights

- SSgA EAFE's portfolio posted a (1.01)% return for the quarter placing it in the 41 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 35 percentile for the last year.
- SSgA EAFE's portfolio outperformed the MSCI EAFE Index by 0.06% for the quarter and outperformed the MSCI EAFE Index for the year by 0.37%.

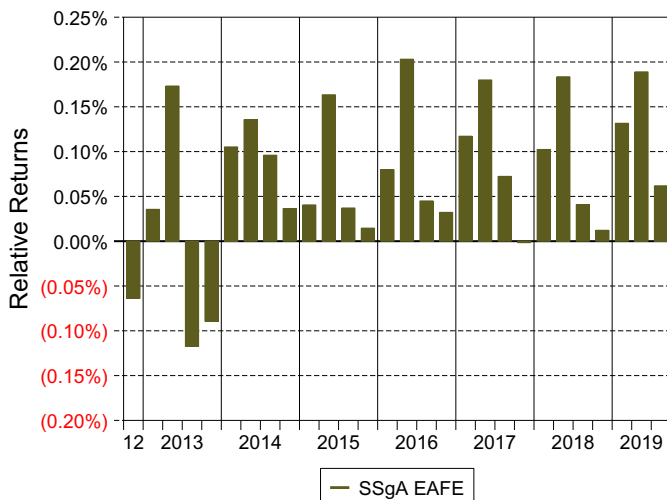
### Quarterly Asset Growth

Beginning Market Value	\$11,402,913
Net New Investment	\$0
Investment Gains/(Losses)	\$-115,136
Ending Market Value	\$11,287,778

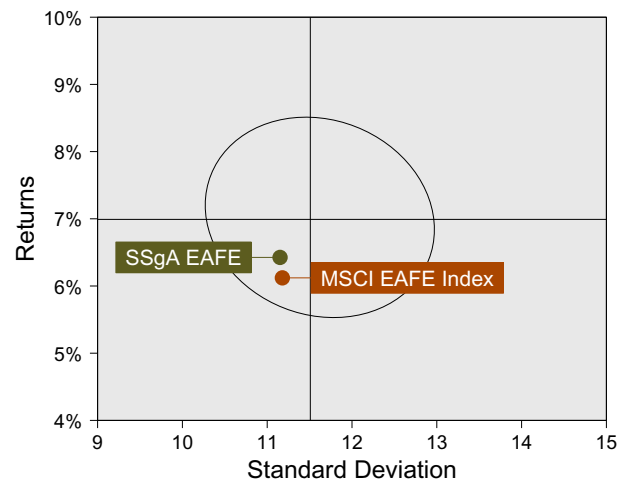
### Performance vs Callan Non-US Developed Core Equity (Gross)



### Relative Return vs MSCI EAFE Index



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

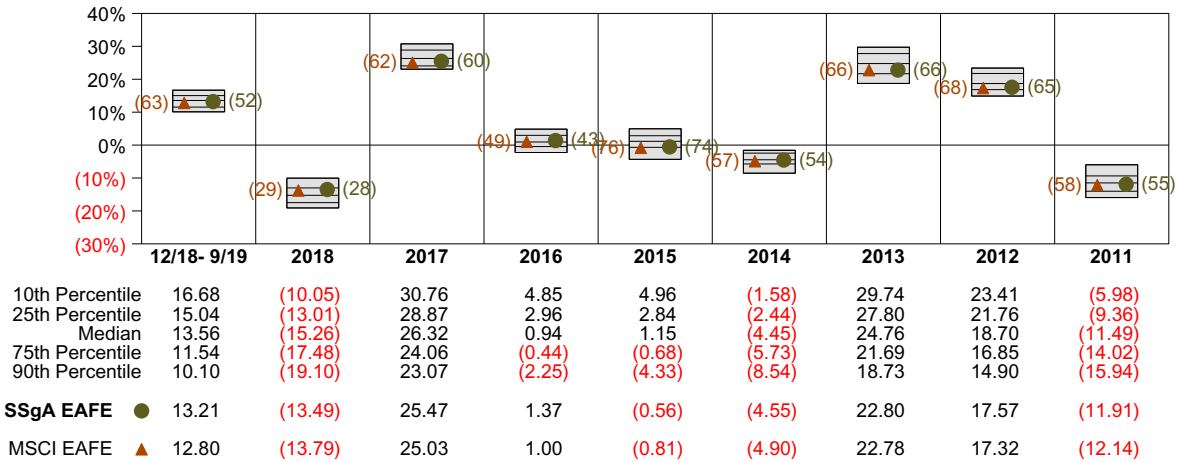


# SSgA EAFE Return Analysis Summary

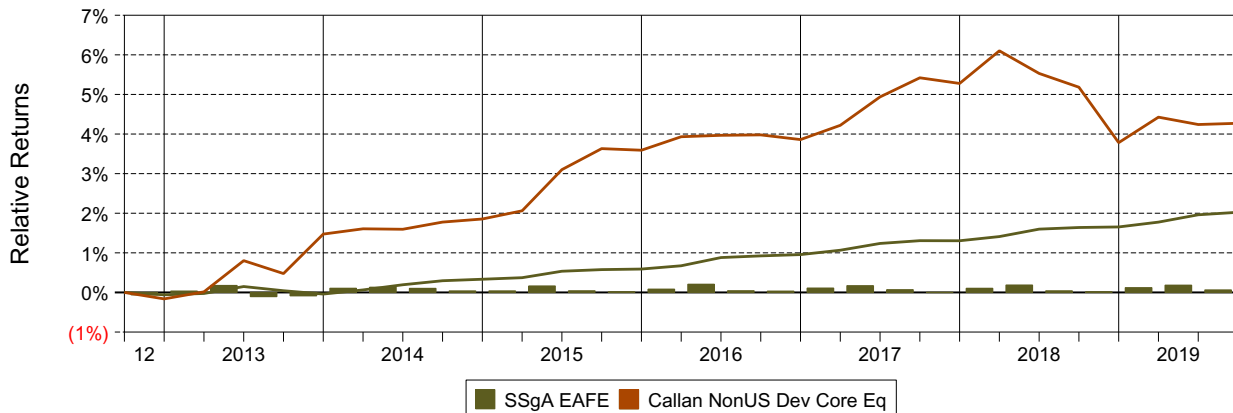
## Return Analysis

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.

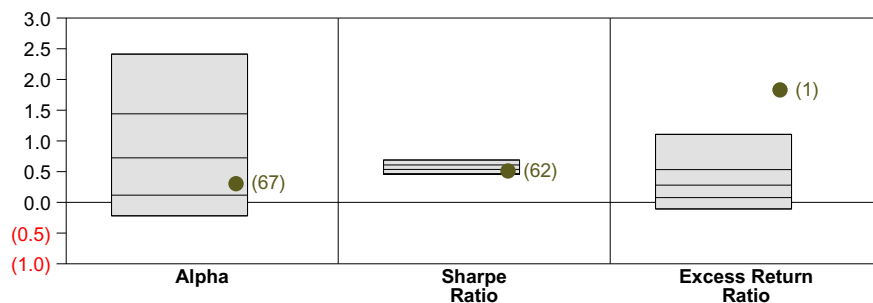
### Performance vs Callan Non-US Developed Core Equity (Gross)



### 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 September 30, 2019



10th Percentile	2.41	0.69	1.11
25th Percentile	1.44	0.61	0.53
Median	0.72	0.54	0.28
75th Percentile	0.12	0.47	0.08
90th Percentile	(0.22)	0.45	(0.11)
<b>SSgA EAFE</b> ●	0.30	0.51	1.83

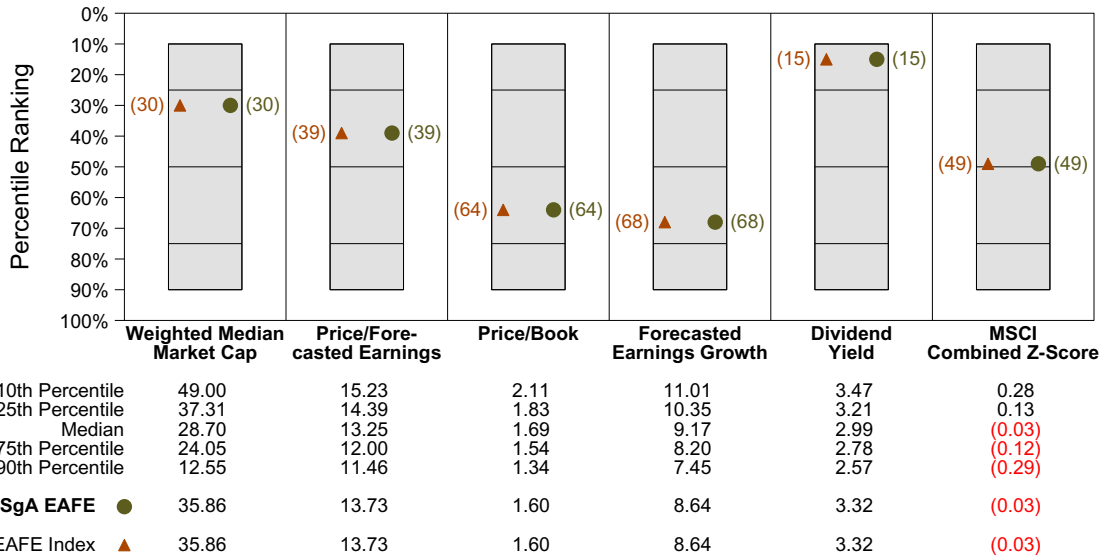


# SSgA EAFE Equity Characteristics Analysis Summary

## Portfolio Characteristics

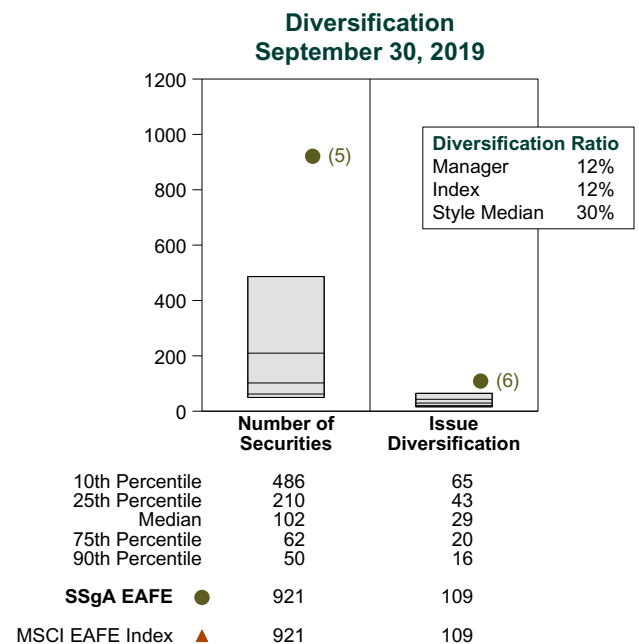
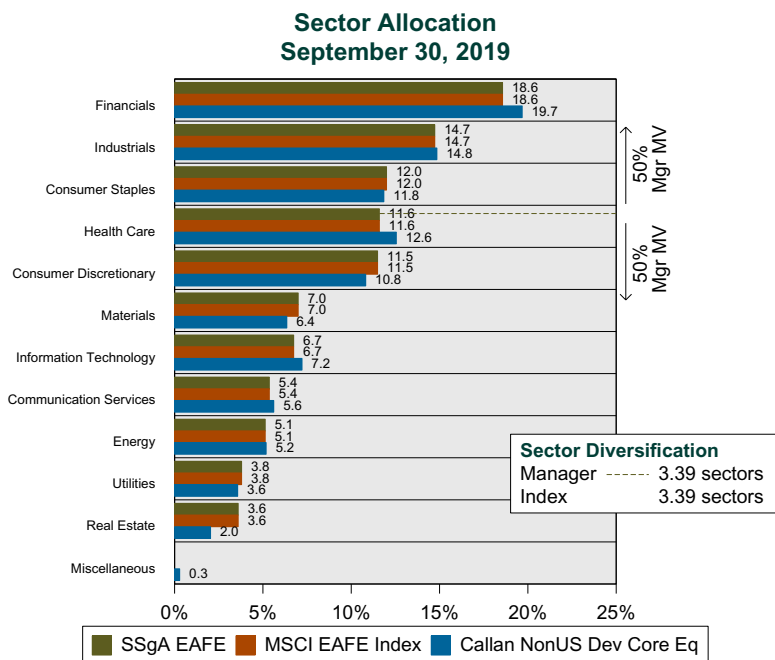
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of September 30, 2019



## Sector Weights

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



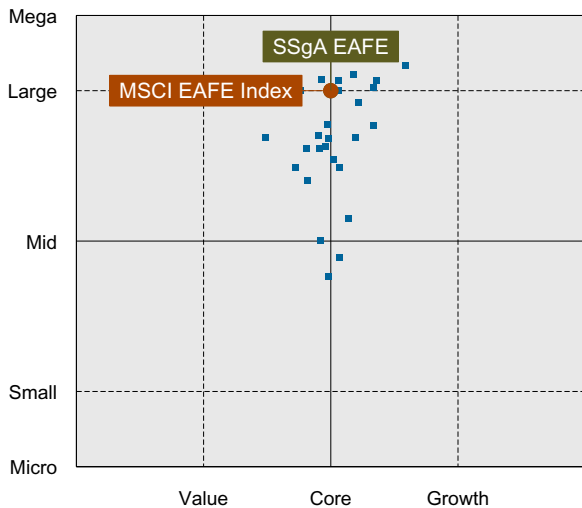
# Current Holdings Based Style Analysis

## SSgA EAFE

### As of September 30, 2019

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

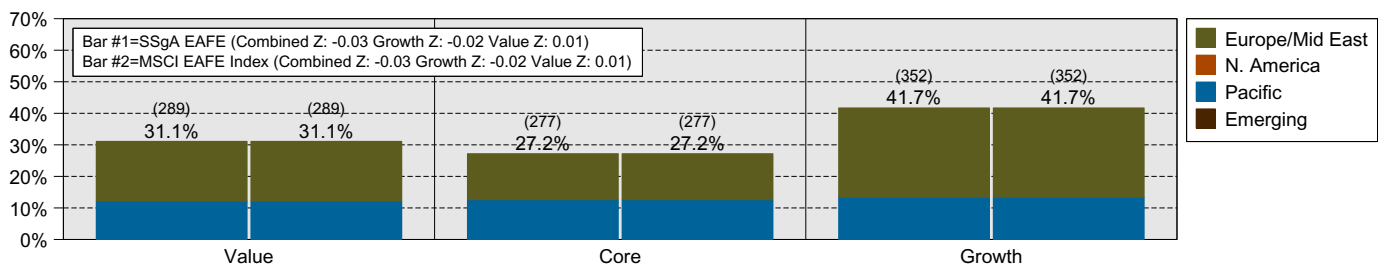
**Style Map vs Callan NonUS Dev Core Eq Holdings as of September 30, 2019**



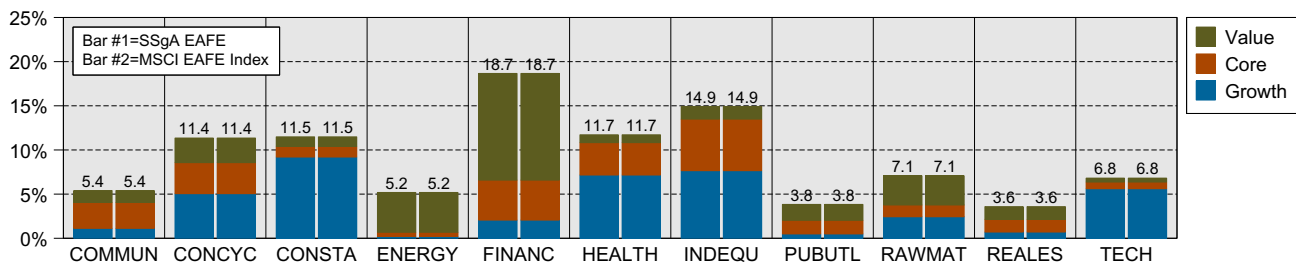
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
Europe/ Mid East	18.9% (144)	14.6% (120)	28.3% (184)	61.8% (448)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	12.2% (145)	12.6% (157)	13.4% (168)	38.2% (470)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>31.1% (289)</b>	<b>27.2% (277)</b>	<b>41.7% (352)</b>	<b>100.0% (918)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2019**



**Sector Weights Distribution Holdings as of September 30, 2019**

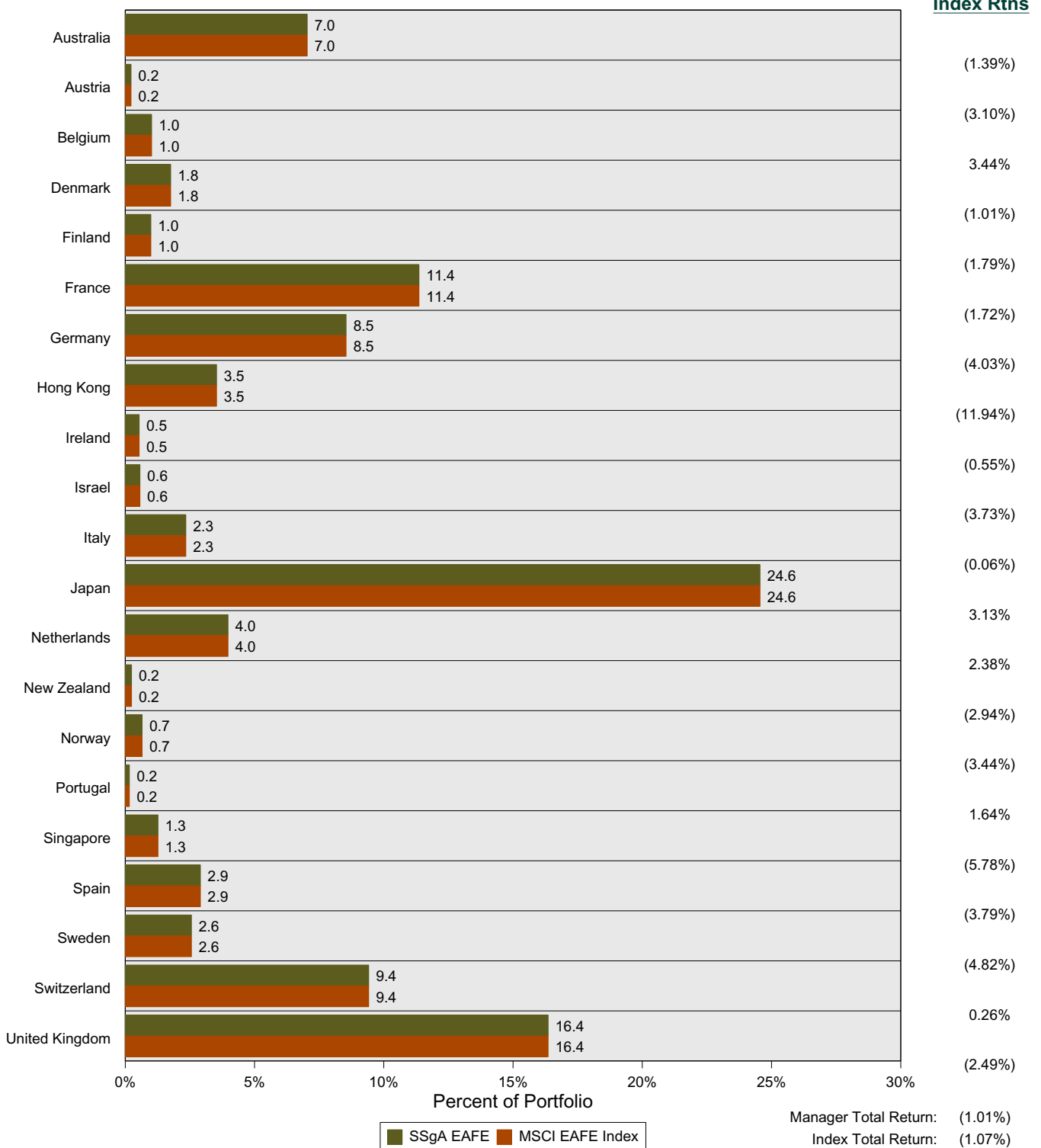


## Country Allocation SSgA EAFE VS MSCI EAFE Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2019. 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 September 30, 2019



## SSgA EAFE Top 10 Portfolio Holdings Characteristics as of September 30, 2019

### 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
Total Sa Act	Energy	\$473,219	4.2%	(5.68)%	139.22	9.81	5.30%	11.57%
Sap Se Shs	Information Technology	\$437,855	3.9%	(14.09)%	144.78	20.86	1.39%	12.70%
Heiwa Real Estate Co Ltd Shs	Real Estate	\$285,096	2.5%	10.70%	0.87	13.38	1.98%	8.98%
British American Tobacco	Consumer Staples	\$283,105	2.5%	5.93%	85.01	8.79	6.56%	7.47%
Loreal	Consumer Staples	\$268,244	2.4%	(1.82)%	157.28	31.39	1.50%	8.32%
Keyence Corp Ord	Information Technology	\$215,578	1.9%	1.00%	75.27	35.22	0.30%	6.40%
Adidas Ag Namen -Akt	Consumer Discretionary	\$212,707	1.9%	1.13%	62.48	26.62	1.17%	14.25%
Danone (Groupe)	Consumer Staples	\$206,143	1.8%	3.85%	60.45	19.50	2.40%	9.20%
Schneider Electric S A Act	Industrials	\$182,896	1.6%	(3.38)%	51.08	15.43	2.92%	10.70%
Prudential	Financials	\$174,290	1.5%	(15.78)%	47.26	8.63	3.40%	5.90%

### 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
James Hardie Inds Plc Chess Dep Int	Materials	\$28,429	0.3%	28.45%	7.42	19.94	1.78%	10.46%
Ulvac	Information Technology	\$15,602	0.1%	26.97%	1.98	12.74	2.42%	26.06%
Nomura Research Institute Lt Shs	Information Technology	\$25,814	0.2%	25.00%	15.02	23.25	1.39%	8.89%
Sekisui House Ltd Shs	Consumer Discretionary	\$46,710	0.4%	21.97%	13.58	10.14	3.76%	4.10%
Olympus Corp	Health Care	\$59,932	0.5%	21.36%	18.47	27.05	0.52%	11.29%
Chugai Pharmaceutical Co Ltd Shs	Health Care	\$66,475	0.6%	18.95%	43.50	30.98	1.06%	16.78%
Burberry Group Plc Shs	Consumer Discretionary	\$41,284	0.4%	13.05%	11.01	23.36	1.95%	10.55%
Benesse Hldgs Inc Shs	Consumer Discretionary	\$7,115	0.1%	12.68%	2.66	22.93	1.78%	(23.20)%
Penta-Ocean Construction	Industrials	\$34,134	0.3%	12.42%	1.58	7.96	3.18%	21.63%
Nxp Semiconductors	Information Technology	\$121,019	1.1%	12.17%	35.87	12.85	1.37%	10.87%

### 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
Micro Focus International Pl Spon Ad	Information Technology	\$4,610	0.0%	(43.64)%	4.72	4.22	9.08%	(24.93)%
Teva Pharmaceutical Inds Ltd Adr	Health Care	\$29,264	0.3%	(25.46)%	7.52	(1.98)	0.00%	(7.60)%
Pacific Ports	Industrials	\$9,313	0.1%	(24.67)%	6.06	10.83	4.78%	1.52%
Golden Agri Resources Ltd Shs	Consumer Staples	\$4,014	0.0%	(24.09)%	2.09	20.38	2.58%	(49.24)%
Fresnillo	Materials	\$6,976	0.1%	(23.70)%	6.21	25.91	2.32%	(39.70)%
Wartsila	Industrials	\$19,283	0.2%	(21.06)%	6.63	13.59	4.67%	4.57%
Toho Zinc Co Ltd Shs	Materials	\$43,000	0.4%	(20.06)%	0.25	10.45	3.50%	61.93%
Kobe Steel Ltd Shs	Materials	\$6,133	0.1%	(18.71)%	1.94	11.29	3.47%	(2.43)%
Centrica	Utilities	\$19,439	0.2%	(18.66)%	5.29	8.35	13.43%	(2.85)%
Jfe Holdings Inc Tokyo Shs	Materials	\$22,613	0.2%	(17.12)%	7.39	7.54	7.31%	(8.90)%

# Pyrford

## Period Ended September 30, 2019

### 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.

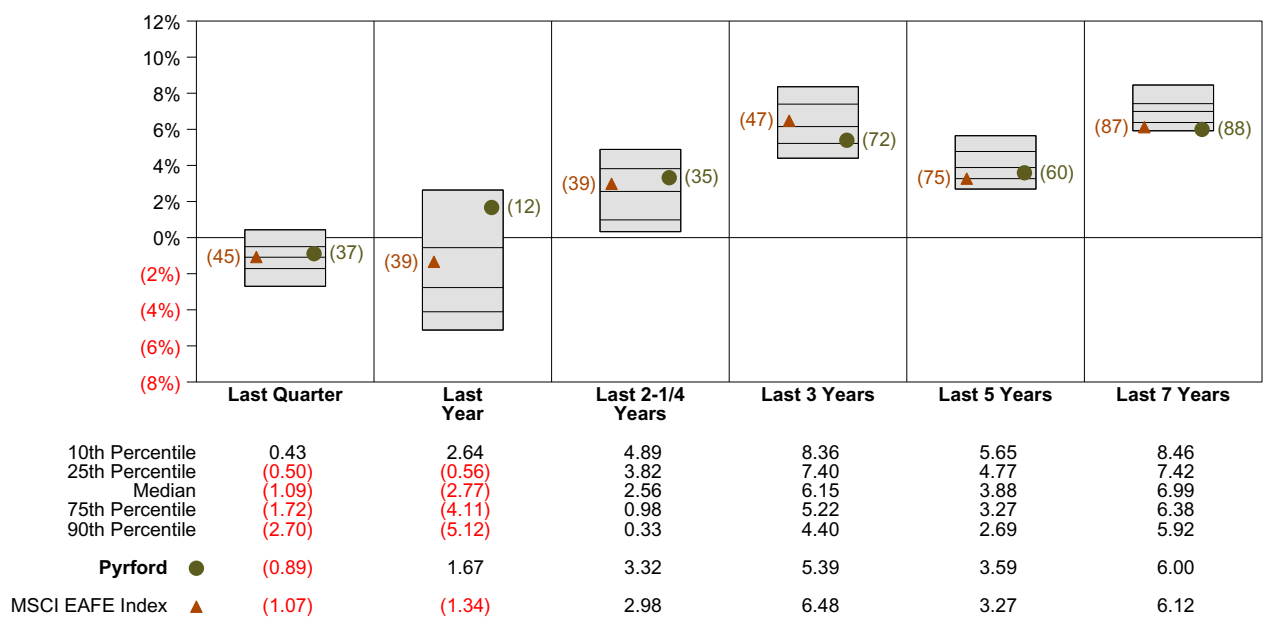
### Quarterly Summary and Highlights

- Pyrford's portfolio posted a (0.89)% return for the quarter placing it in the 37 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 12 percentile for the last year.
- Pyrford's portfolio outperformed the MSCI EAFE Index by 0.18% for the quarter and outperformed the MSCI EAFE Index for the year by 3.01%.

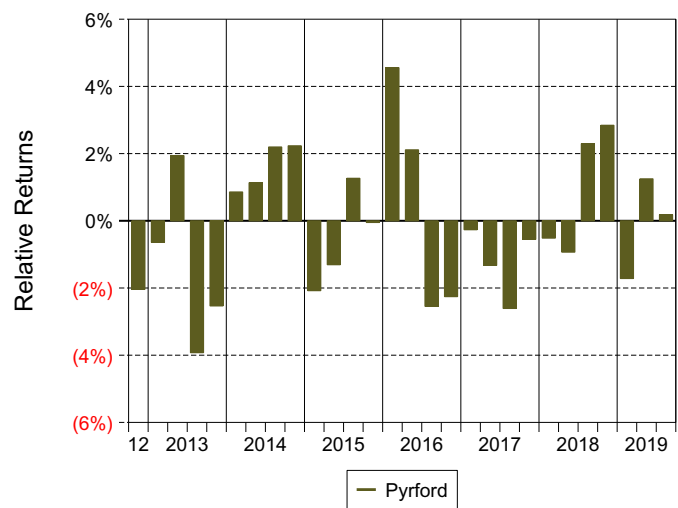
### Quarterly Asset Growth

Beginning Market Value	\$27,796,043
Net New Investment	\$0
Investment Gains/(Losses)	\$-247,594
Ending Market Value	\$27,548,449

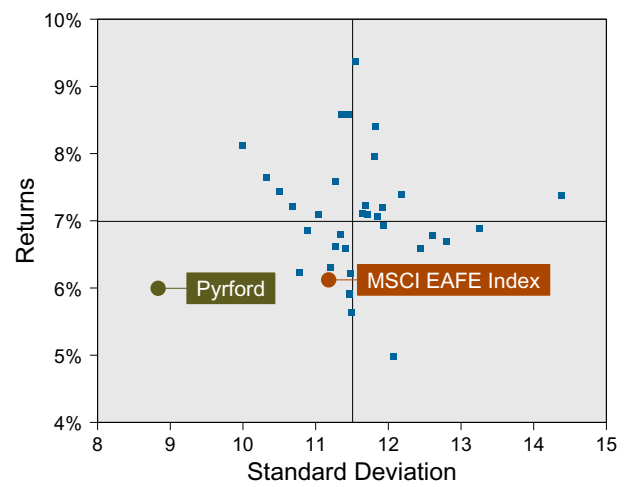
### Performance vs Callan Non-US Developed Core Equity (Gross)



### Relative Return vs MSCI EAFE Index



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

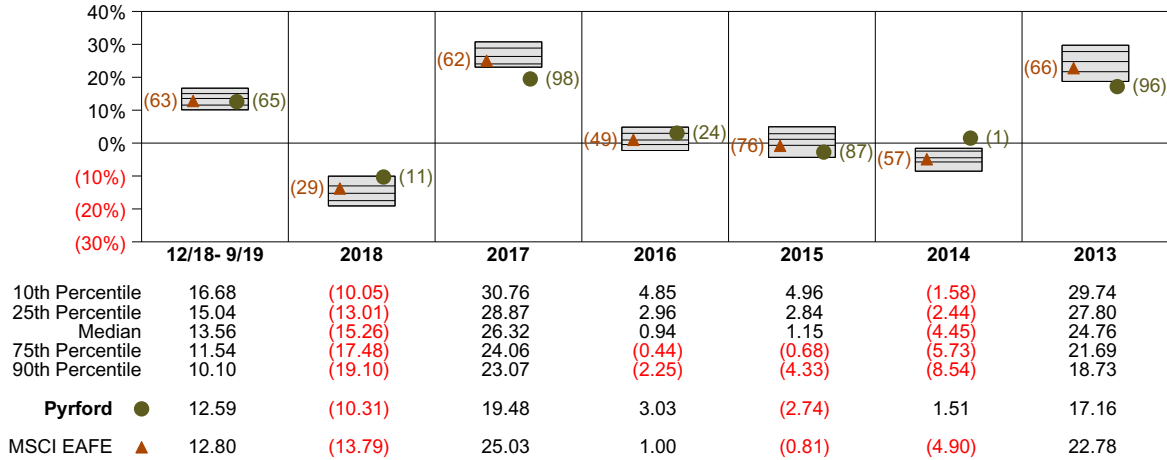


# Pyrford Return Analysis Summary

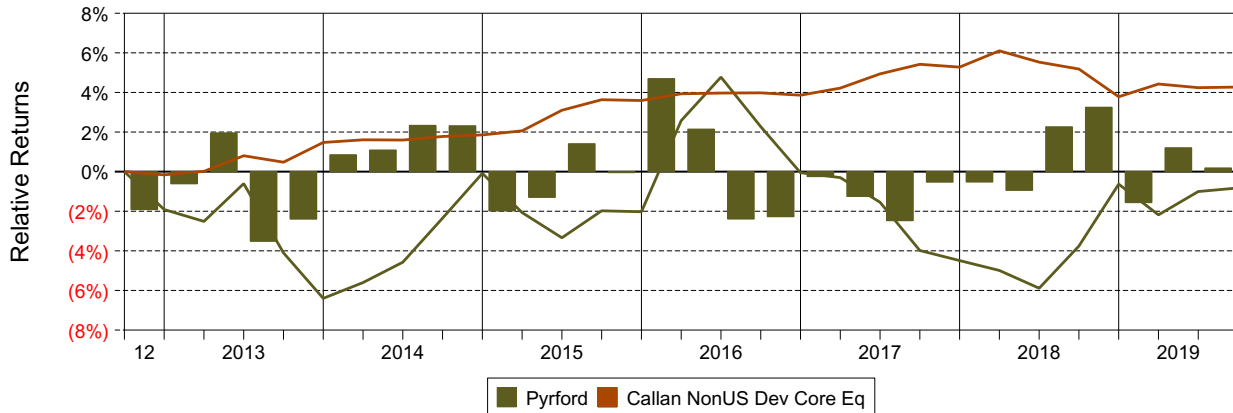
## Return Analysis

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.

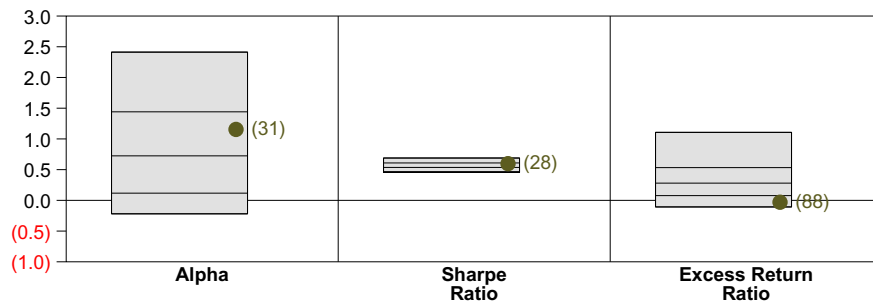
### Performance vs Callan Non-US Developed Core Equity (Gross)



### 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 September 30, 2019

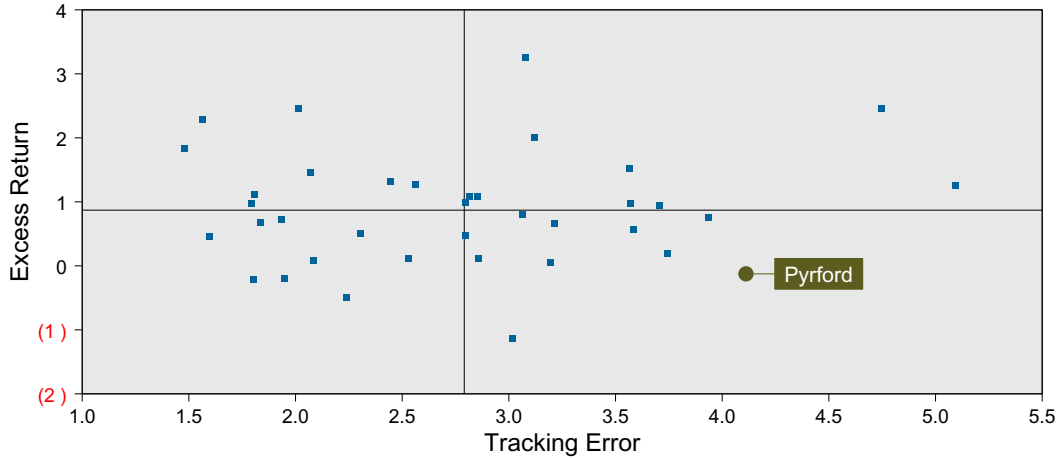


# Pyrford Risk Analysis Summary

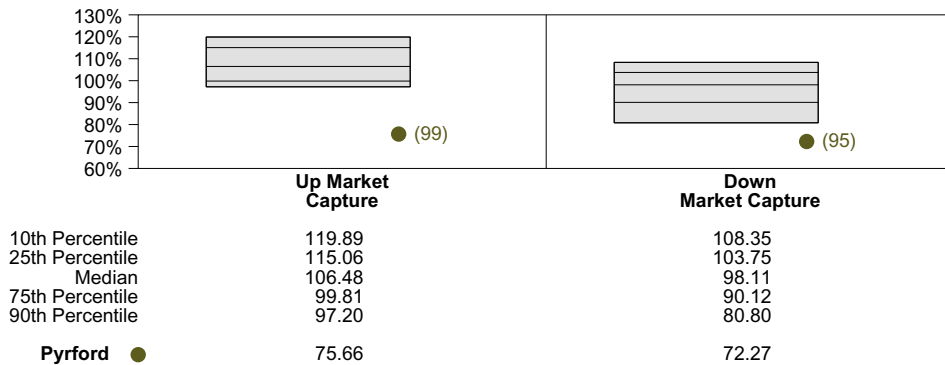
## Risk Analysis

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.

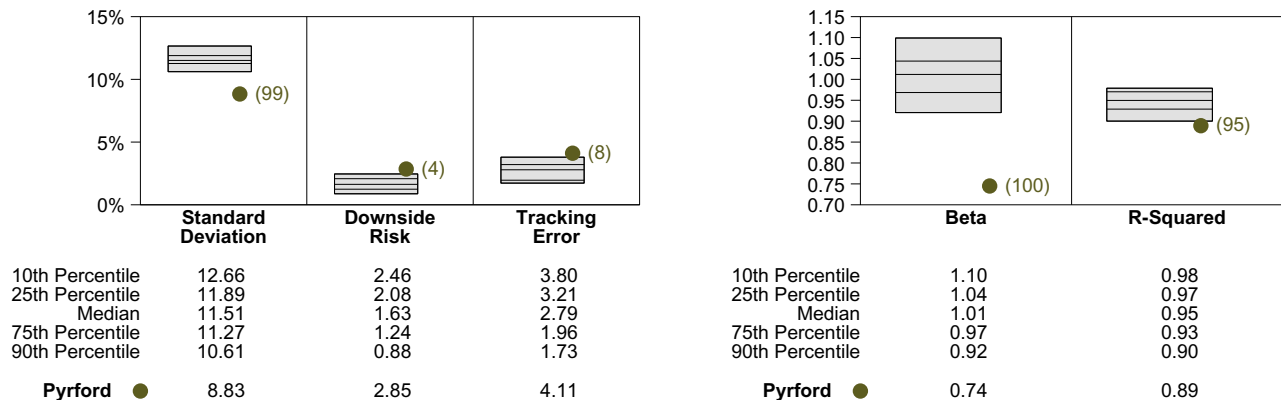
### Risk Analysis vs Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2019



### Market Capture vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2019



### Risk Statistics Rankings vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2019

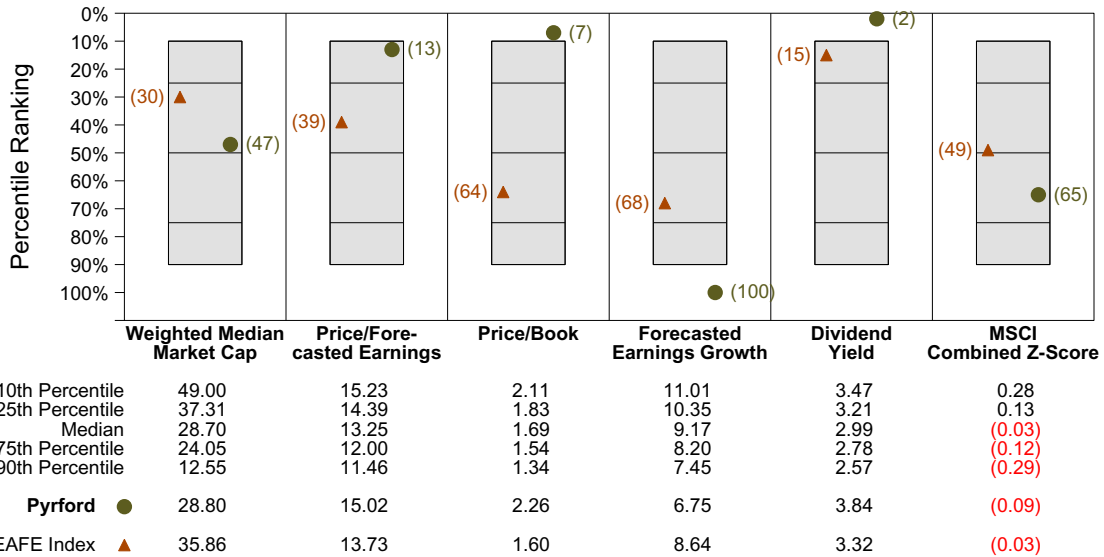


# Pyrford Equity Characteristics Analysis Summary

## Portfolio Characteristics

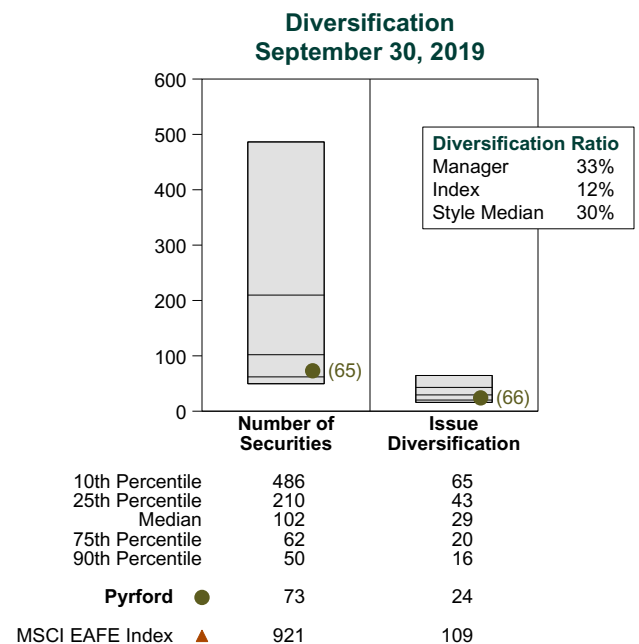
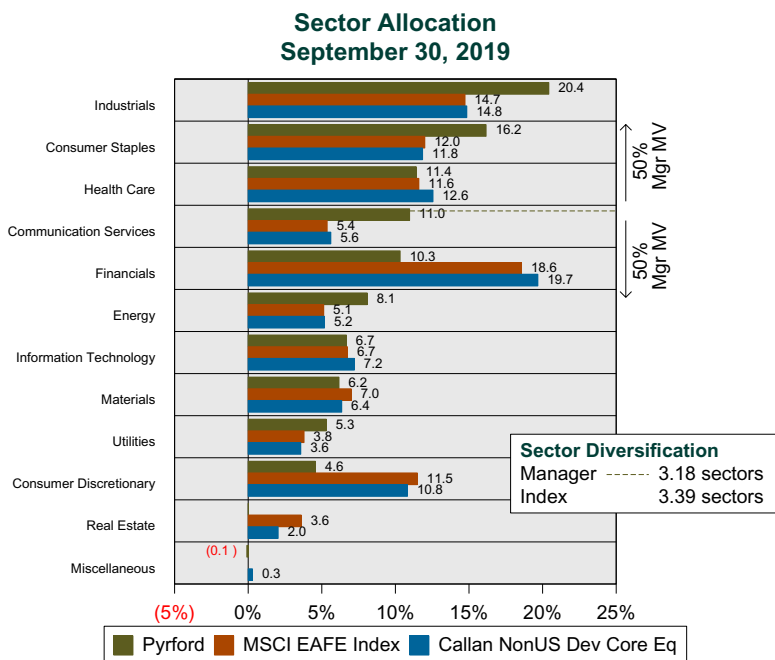
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of September 30, 2019



## 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.





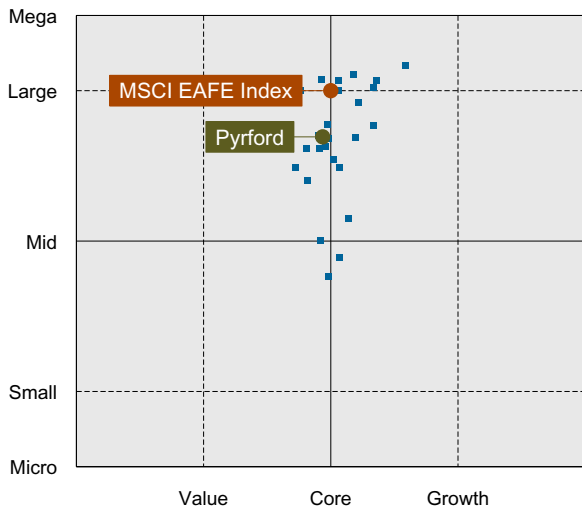
# Current Holdings Based Style Analysis

## Pyrford

### As of September 30, 2019

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

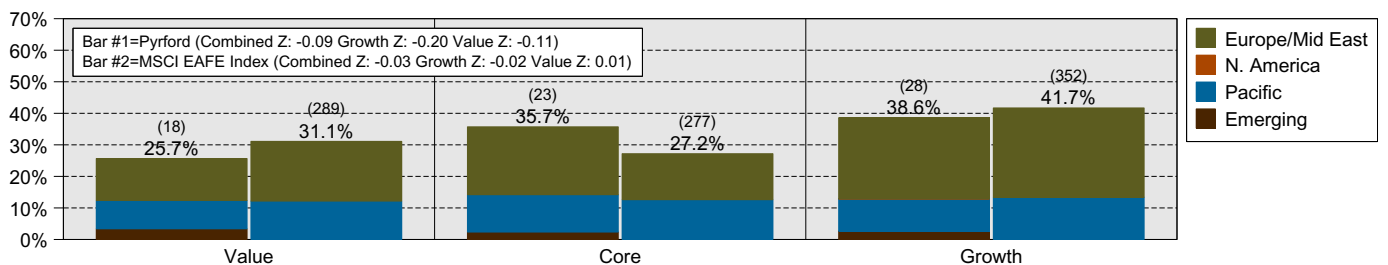
**Style Map vs Callan NonUS Dev Core Eq Holdings as of September 30, 2019**



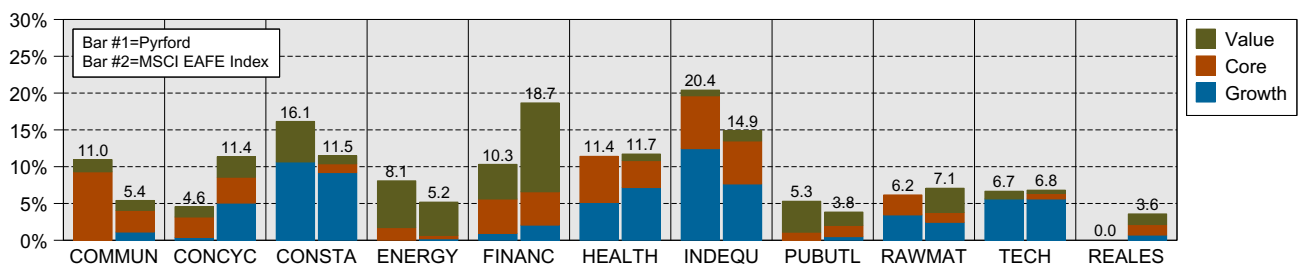
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
Europe/ Mid East	13.3% (10)	21.5% (13)	25.7% (17)	60.5% (40)
N. America	18.9% (144)	14.6% (120)	28.3% (184)	61.8% (448)
Pacific	0.0% (0)	0.0% (0)	0.0% (1)	0.0% (1)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>25.7% (18)</b>	<b>35.7% (23)</b>	<b>38.6% (28)</b>	<b>100.0% (69)</b>
	<b>31.1% (289)</b>	<b>27.2% (277)</b>	<b>41.7% (352)</b>	<b>100.0% (918)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2019**



**Sector Weights Distribution Holdings as of September 30, 2019**



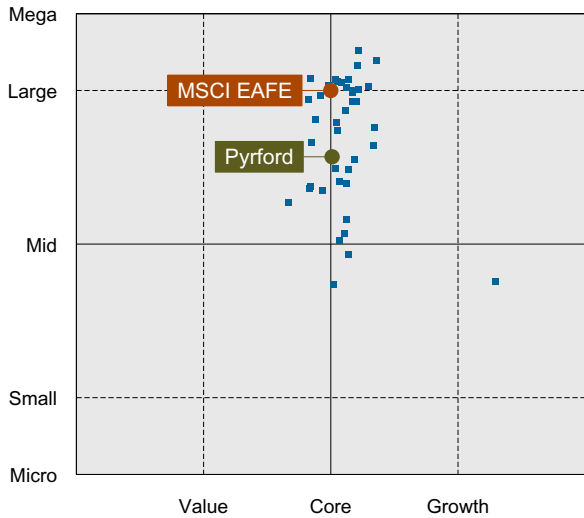
# Historical Holdings Based Style Analysis

## Pyrford

### For Five Years Ended September 30, 2019

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.

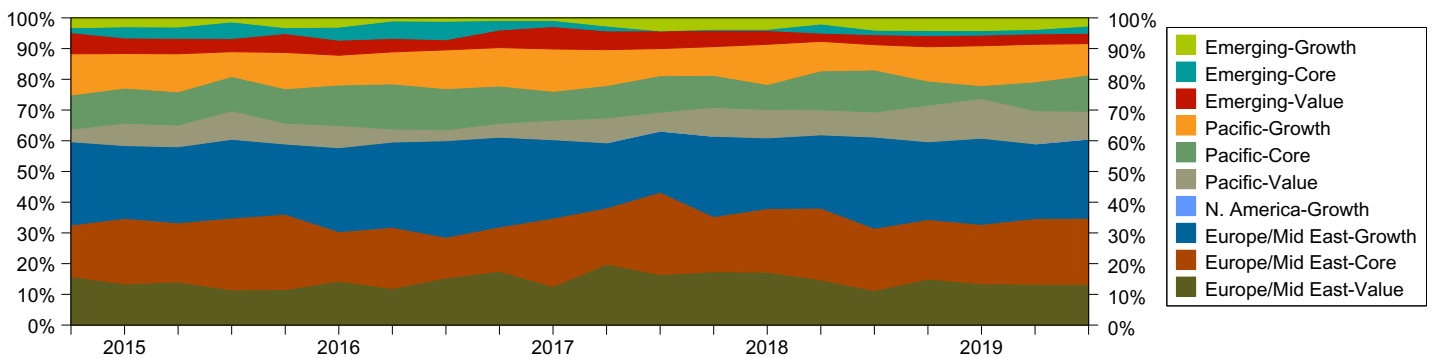
**Average Style Map vs Callan NonUS Dev Core Eq Holdings for Five Years Ended September 30, 2019**



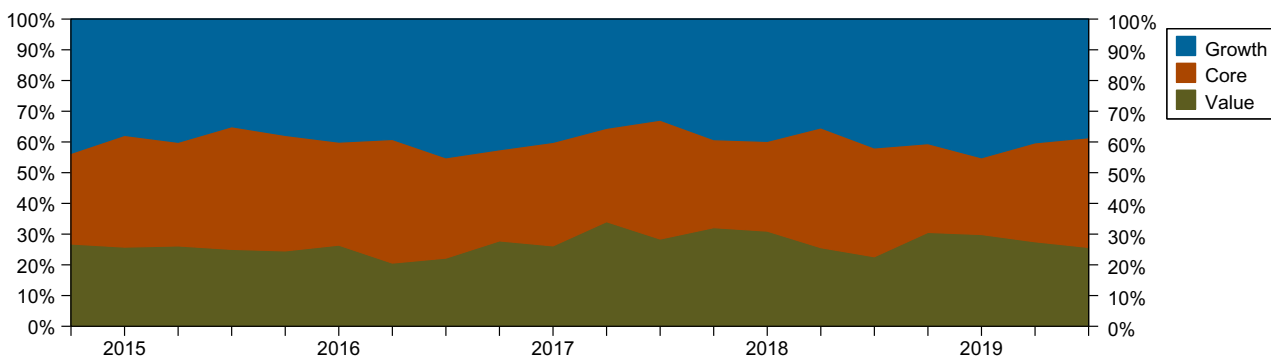
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2019**

Europe/ Mid East	14.5% (11)	20.0% (12)	25.6% (17)	60.1% (40)
	19.6% (128)	18.6% (132)	25.6% (193)	63.7% (453)
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	7.7% (6)	11.0% (8)	11.2% (8)	29.8% (22)
	12.2% (142)	11.3% (150)	12.8% (176)	36.3% (468)
Emerging	4.7% (4)	2.5% (2)	2.8% (3)	10.0% (9)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	26.9% (21)	33.5% (22)	39.6% (28)	100.0% (71)
	31.7% (270)	29.8% (282)	38.4% (369)	100.0% (921)
	Value	Core	Growth	Total

### Pyrford Historical Region/Style Exposures



### Pyrford Historical Style Only Exposures



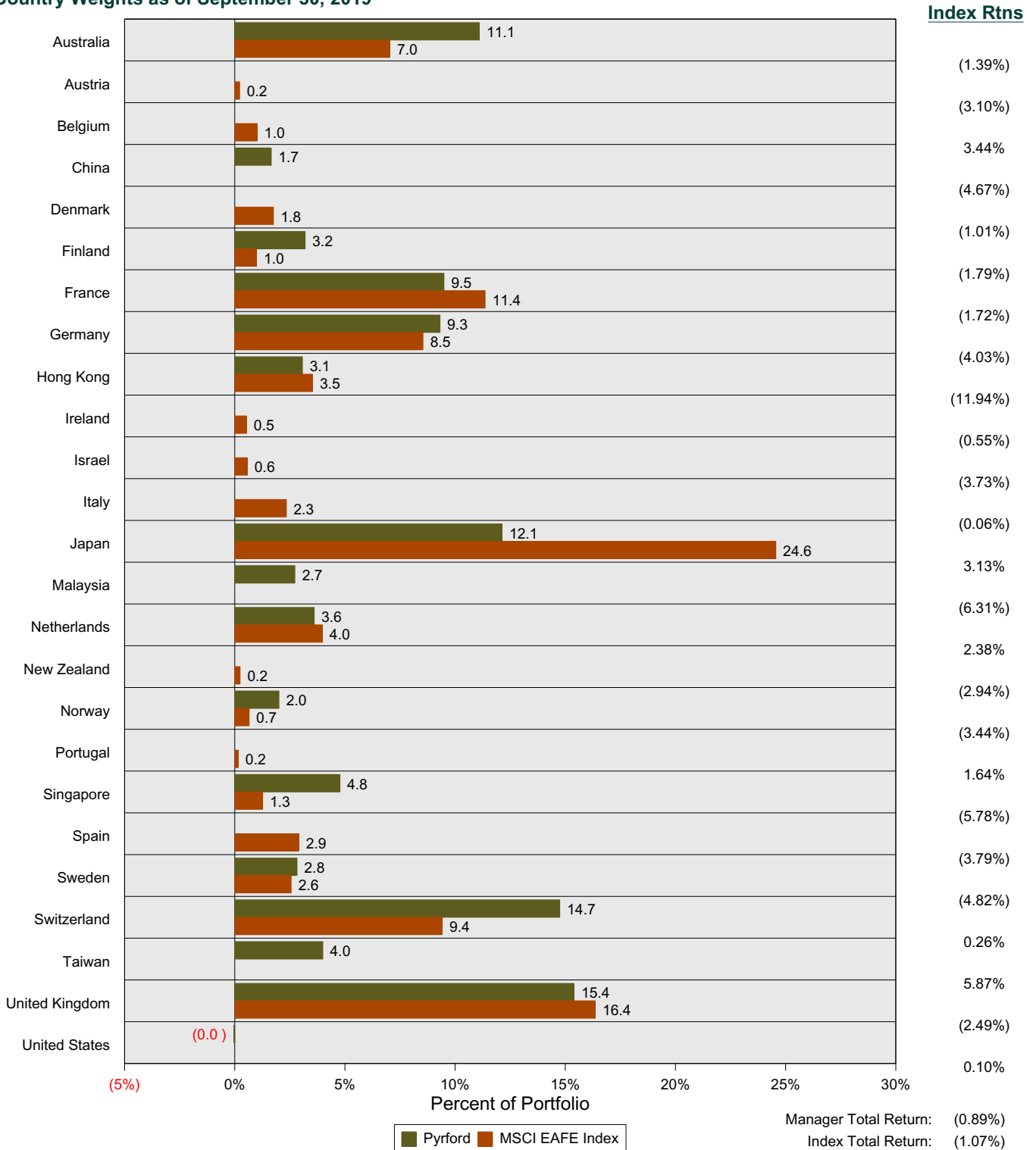
# Country Allocation

## Pyrford VS MSCI EAFE Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2019. 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 September 30, 2019



## Pyrford Top 10 Portfolio Holdings Characteristics as of September 30, 2019

### 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	\$1,055,441	3.8%	4.76%	323.16	23.06	2.26%	8.73%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$948,446	3.4%	3.40%	204.64	14.87	2.86%	6.00%
Japan Tobacco Inc Ord	Consumer Staples	\$816,773	3.0%	(0.62)%	43.78	11.68	6.42%	(6.02)%
Novartis	Health Care	\$759,757	2.8%	(5.14)%	219.34	15.65	3.29%	6.66%
Woolworths Ltd	Consumer Staples	\$634,583	2.3%	9.50%	31.65	25.45	2.74%	6.37%
National Grid Ord	Utilities	\$578,157	2.1%	2.17%	37.83	14.69	5.37%	(0.08)%
Brambles Ltd Npv	Industrials	\$561,243	2.0%	(14.41)%	12.09	21.07	2.54%	5.47%
Telenor Asa Shs	Communication Services	\$552,646	2.0%	(5.41)%	28.98	17.50	4.60%	9.20%
Mitsubishi Elec Corp Shs	Industrials	\$541,559	2.0%	1.62%	28.46	12.18	2.79%	1.91%
Sanofi Shs	Health Care	\$532,238	1.9%	7.27%	116.11	13.80	3.61%	6.46%

### 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
Vodafone Group Plc New Shs New	Communication Services	\$476,030	1.7%	21.33%	53.44	19.23	4.83%	14.00%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$386,028	1.4%	14.79%	227.34	18.74	3.13%	7.27%
Sse Plc Shs	Utilities	\$286,970	1.0%	14.27%	15.97	13.18	7.83%	(2.50)%
Koninklijke Vopak NV Rotterd Shs	Energy	\$474,849	1.7%	11.34%	6.57	16.96	2.33%	10.25%
Zurich Financial Svc Ord	Financials	\$477,010	1.7%	9.89%	57.31	12.95	4.97%	8.13%
Woolworths Ltd	Consumer Staples	\$634,583	2.3%	9.50%	31.65	25.45	2.74%	6.37%
Nihon Kohden Corp Shs	Health Care	\$468,839	1.7%	9.04%	2.61	22.70	1.10%	2.42%
Glaxosmithkline Plc Ord	Health Care	\$435,497	1.6%	8.36%	107.25	14.72	4.59%	3.61%
Toyota Tsusho Corp Shs	Industrials	\$213,763	0.8%	8.23%	11.42	7.84	2.87%	44.61%
Sanofi Shs	Health Care	\$532,238	1.9%	7.27%	116.11	13.80	3.61%	6.46%

### 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	Communication Services	\$276,370	1.0%	(14.77)%	9.38	29.34	2.21%	5.00%
Sampo Insurance Company Ltd Ore Cl A	Financials	\$432,770	1.6%	(14.59)%	22.04	13.20	7.70%	1.60%
Brambles Ltd Npv	Industrials	\$561,243	2.0%	(14.41)%	12.09	21.07	2.54%	5.47%
Sap Se Shs	Information Technology	\$442,768	1.6%	(14.09)%	144.78	20.86	1.39%	12.70%
Rio Tinto Ltd Ord	Materials	\$266,667	1.0%	(13.23)%	23.20	10.32	4.31%	(1.68)%
Woodside Petroleum	Energy	\$476,198	1.7%	(13.16)%	20.58	13.70	5.57%	12.42%
Aia Group Ltd Com Par Usd 1	Financials	\$260,534	0.9%	(12.05)%	114.19	16.12	1.59%	47.20%
Singapore Telecom	Communication Services	\$365,414	1.3%	(10.54)%	36.60	16.25	5.65%	3.04%
Comfortdelgro Corporation Lt Shs	Industrials	\$366,866	1.3%	(10.13)%	3.76	16.06	4.44%	3.67%
Imi Plc Shs New	Industrials	\$179,028	0.6%	(9.06)%	3.22	12.80	4.26%	4.64%

# AQR

## Period Ended September 30, 2019

### Investment Philosophy

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

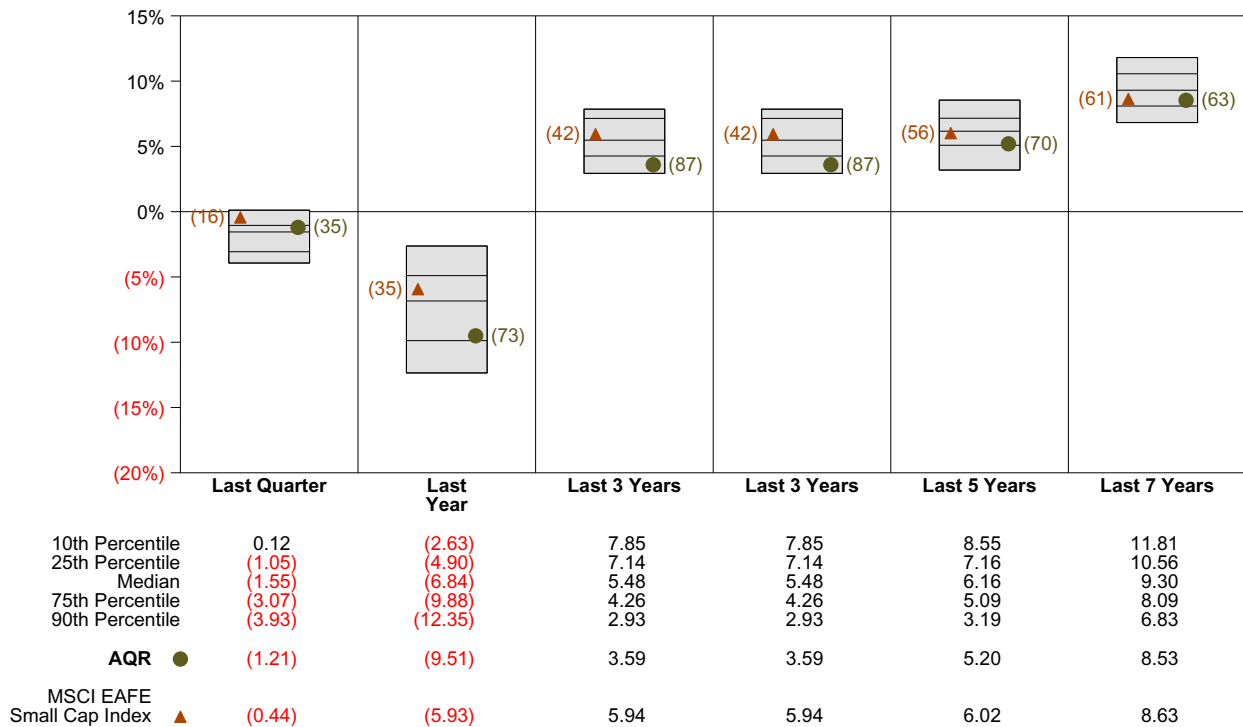
### Quarterly Summary and Highlights

- AQR's portfolio posted a (1.21)% return for the quarter placing it in the 35 percentile of the Callan International Small Cap group for the quarter and in the 73 percentile for the last year.
- AQR's portfolio underperformed the MSCI EAFE Small Cap Index by 0.77% for the quarter and underperformed the MSCI EAFE Small Cap Index for the year by 3.58%.

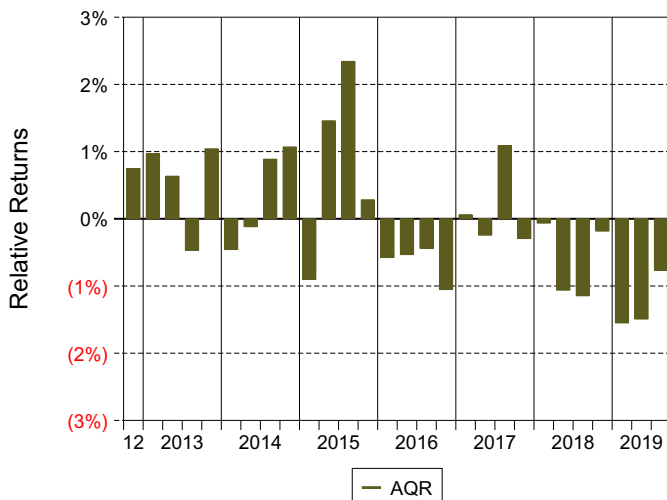
### Quarterly Asset Growth

Beginning Market Value	\$12,987,505
Net New Investment	\$0
Investment Gains/(Losses)	\$-184,102
Ending Market Value	\$12,803,403

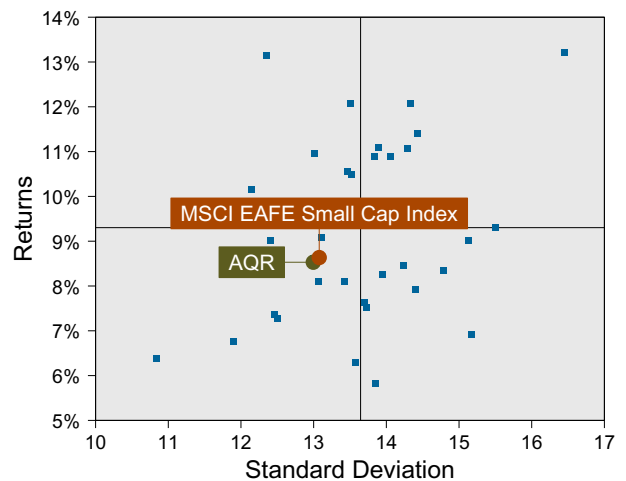
### Performance vs Callan International Small Cap (Gross)



### Relative Returns vs MSCI EAFE Small Cap Index



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

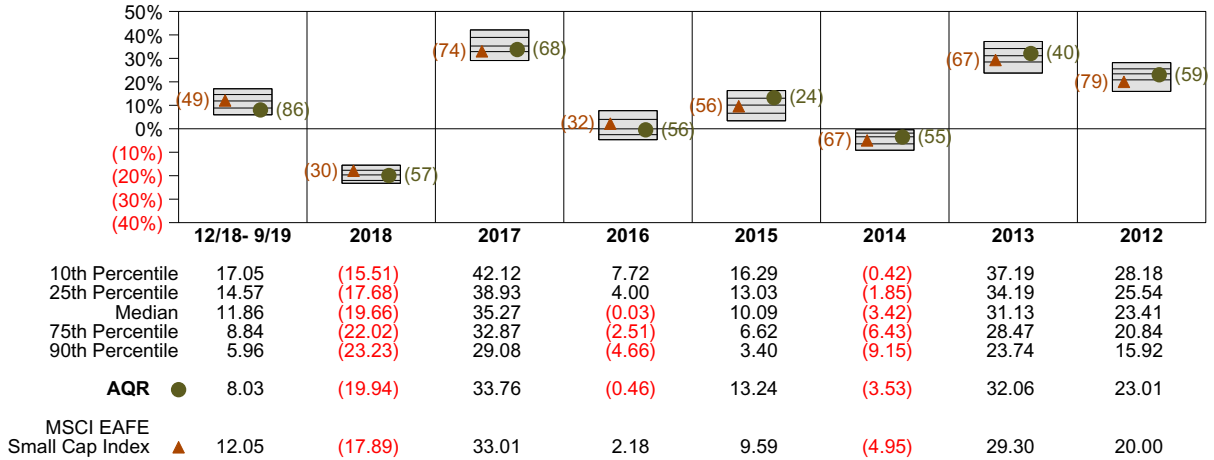


# AQR Return Analysis Summary

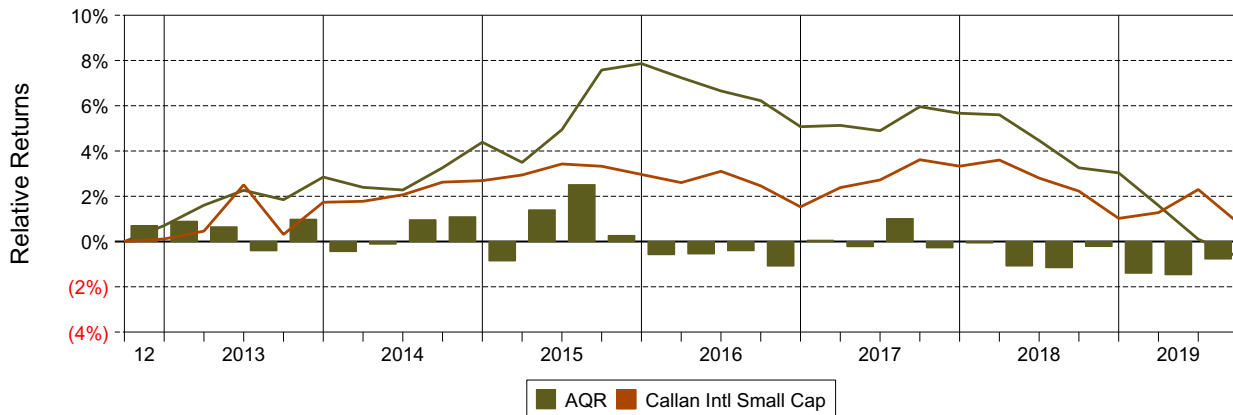
## Return Analysis

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.

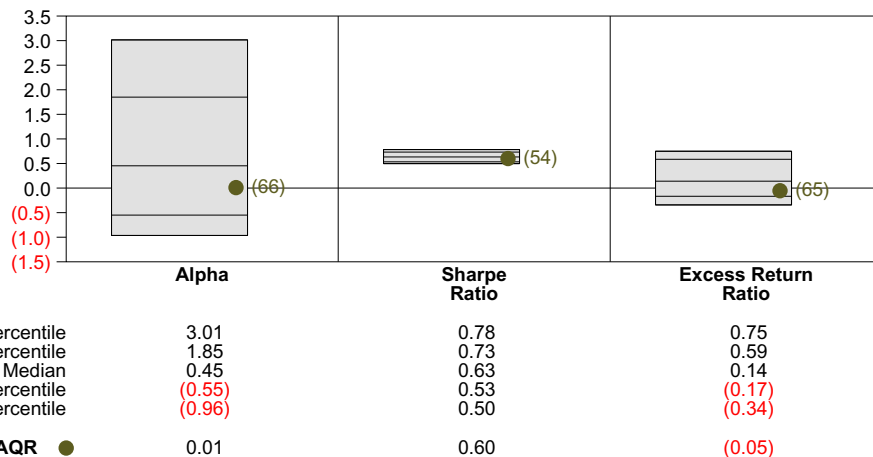
### Performance vs Callan International Small Cap (Gross)



### 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 September 30, 2019

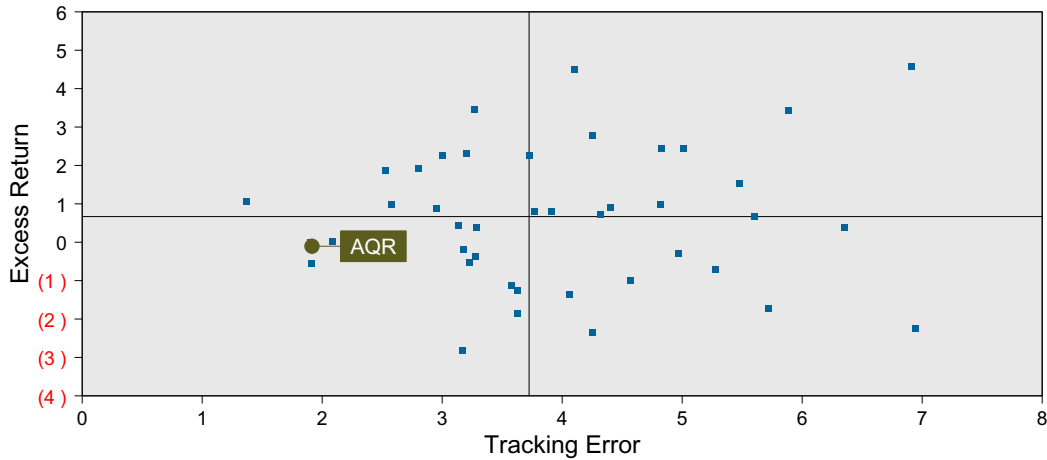


# AQR Risk Analysis Summary

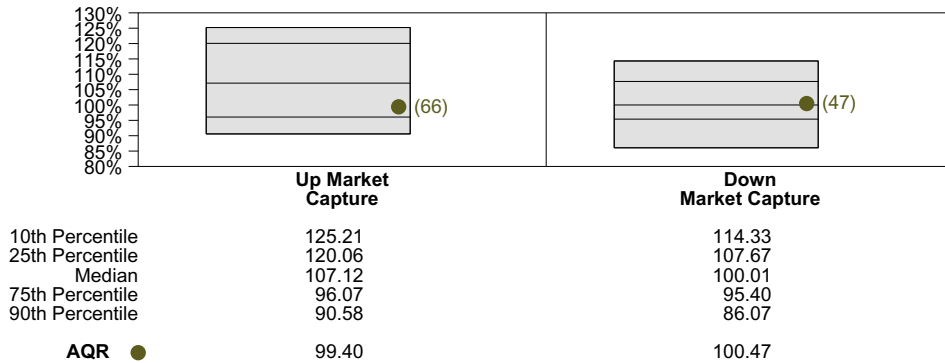
## Risk Analysis

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.

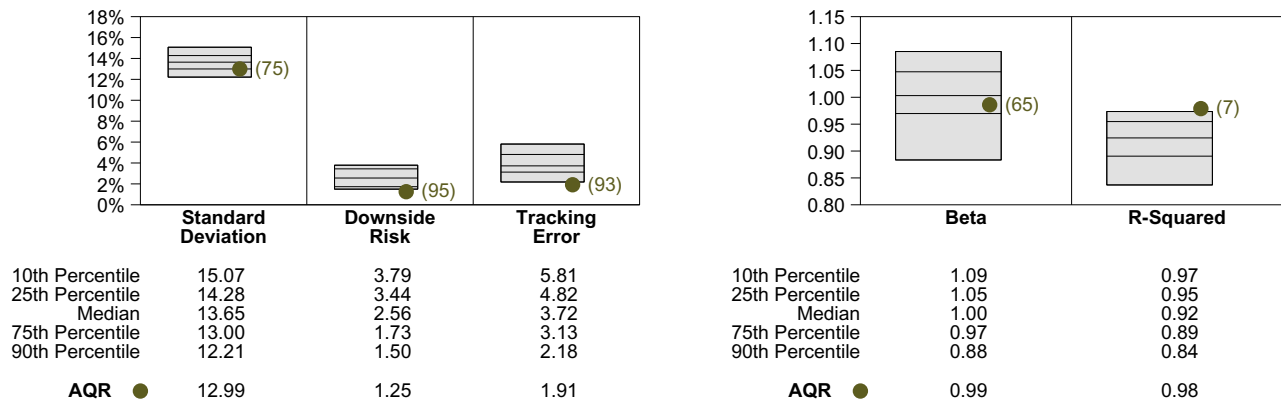
### Risk Analysis vs Callan International Small Cap (Gross) Seven Years Ended September 30, 2019



### Market Capture vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended September 30, 2019



### Risk Statistics Rankings vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended September 30, 2019

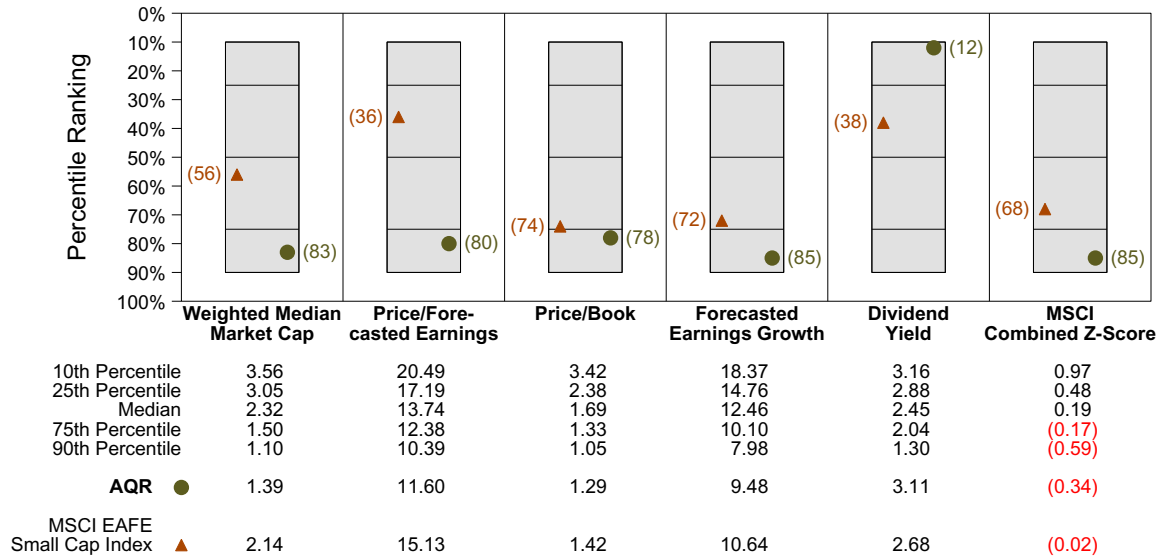


# AQR Equity Characteristics Analysis Summary

## Portfolio Characteristics

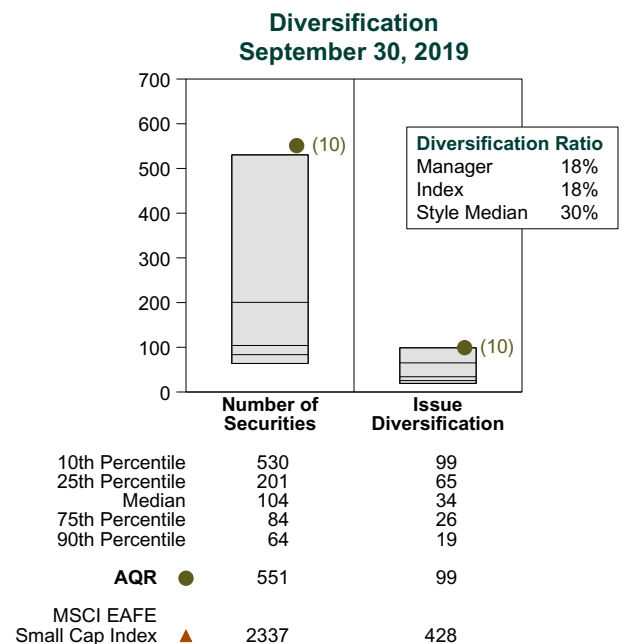
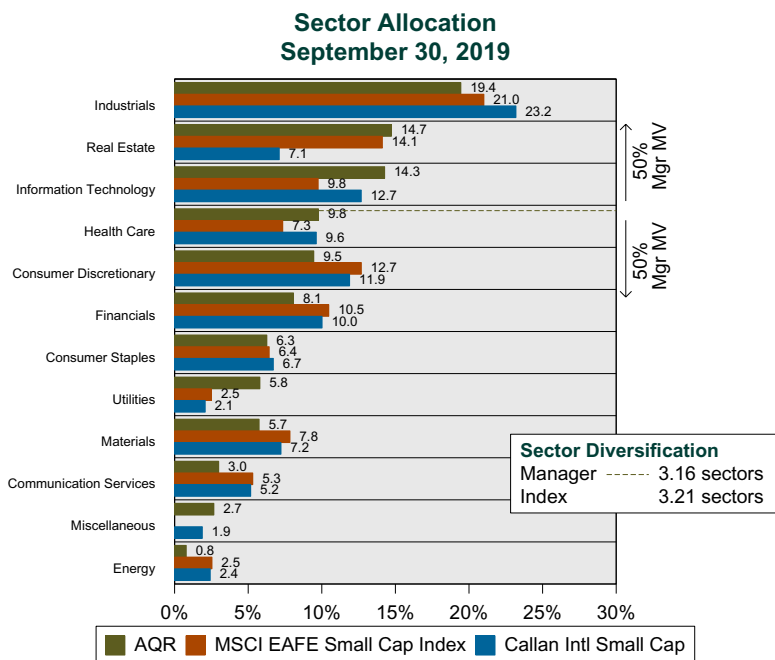
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan International Small Cap as of September 30, 2019



## Sector Weights

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





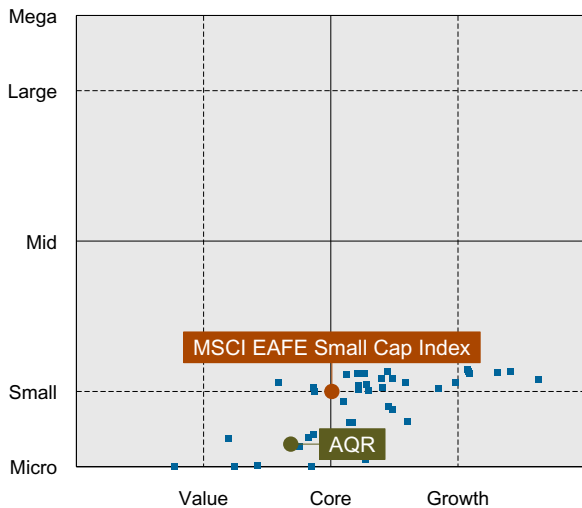
# Current Holdings Based Style Analysis

## AQR

### As of September 30, 2019

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.

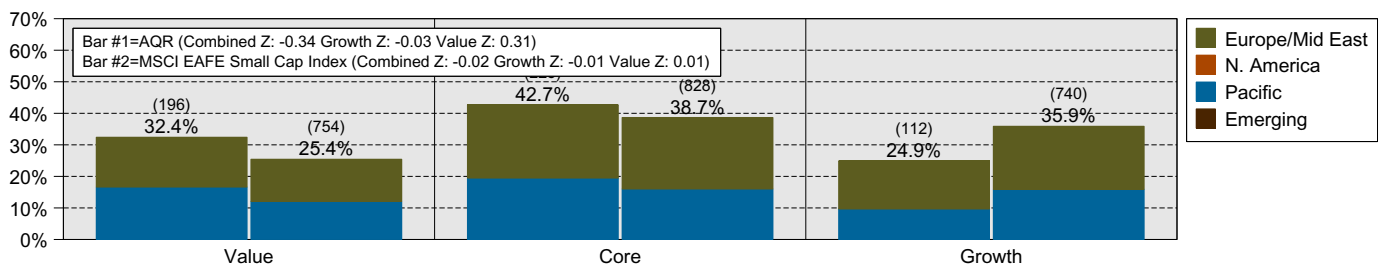
**Style Map vs Callan Intl Small Cap Holdings as of September 30, 2019**



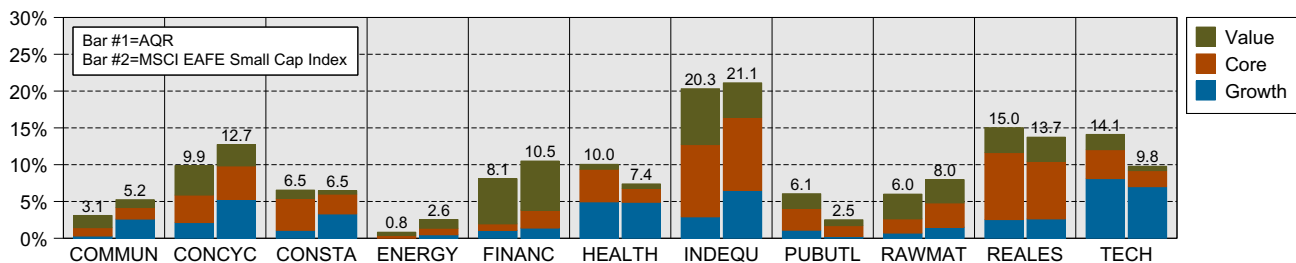
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
Europe/ Mid East	15.8% (80)	23.2% (112)	15.3% (52)	54.2% (244)
N. America	13.4% (316)	22.7% (395)	20.0% (327)	56.0% (1038)
Pacific	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Emerging	16.6% (116)	19.5% (113)	9.7% (60)	45.8% (289)
	12.0% (438)	16.0% (433)	15.9% (413)	44.0% (1284)
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)
<b>Total</b>	<b>32.4% (196)</b>	<b>42.7% (225)</b>	<b>24.9% (112)</b>	<b>100.0% (533)</b>
	<b>25.4% (754)</b>	<b>38.7% (828)</b>	<b>35.9% (740)</b>	<b>100.0% (2322)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2019**



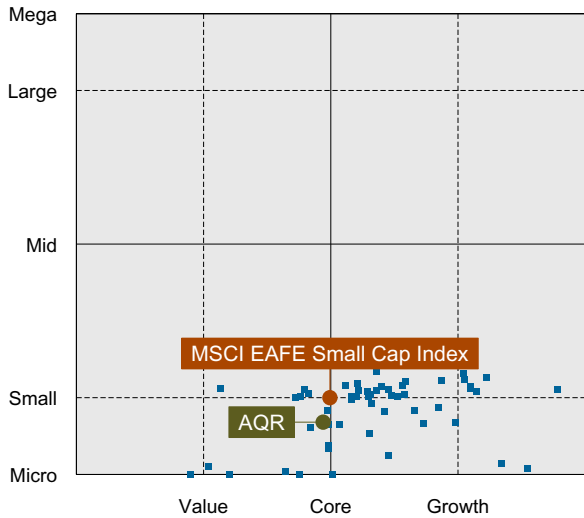
**Sector Weights Distribution Holdings as of September 30, 2019**



# Historical Holdings Based Style Analysis AQR For Five Years Ended September 30, 2019

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.

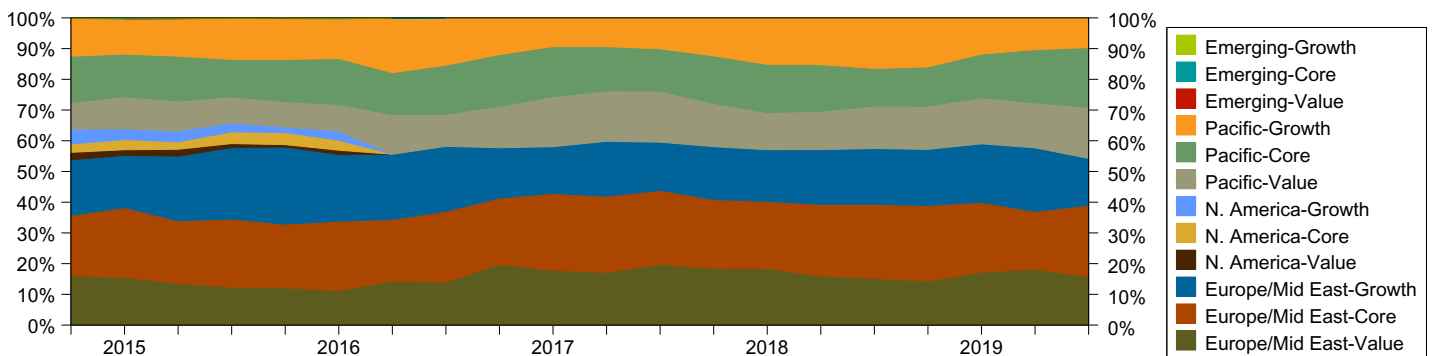
**Average Style Map vs Callan Intl Small Cap Holdings for Five Years Ended September 30, 2019**



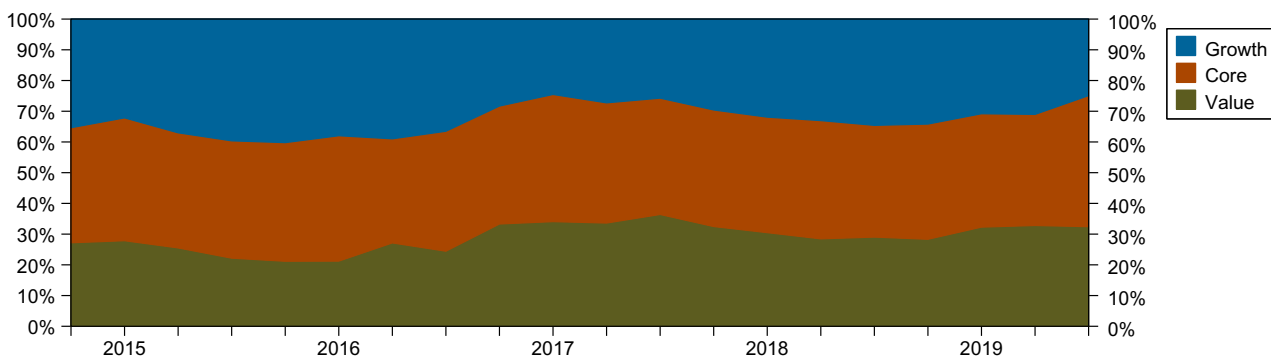
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2019**

	15.9% (102)	22.4% (118)	18.8% (83)	57.1% (303)
Europe/ Mid East	15.1% (315)	22.2% (377)	20.2% (314)	57.4% (1006)
N. America	0.5% (6)	1.0% (7)	1.0% (6)	2.5% (19)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	12.7% (122)	14.9% (113)	12.8% (81)	40.4% (316)
	13.3% (438)	14.8% (426)	14.4% (375)	42.5% (1239)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.1% (0)
	0.0% (0)	0.0% (1)	0.0% (1)	0.0% (2)
<b>Total</b>	<b>29.0% (230)</b>	<b>38.3% (238)</b>	<b>32.7% (170)</b>	<b>100.0% (638)</b>
	<b>28.4% (753)</b>	<b>37.0% (804)</b>	<b>34.6% (690)</b>	<b>100.0% (2247)</b>
	Value	Core	Growth	Total

## AQR Historical Region/Style Exposures



## AQR Historical Style Only Exposures

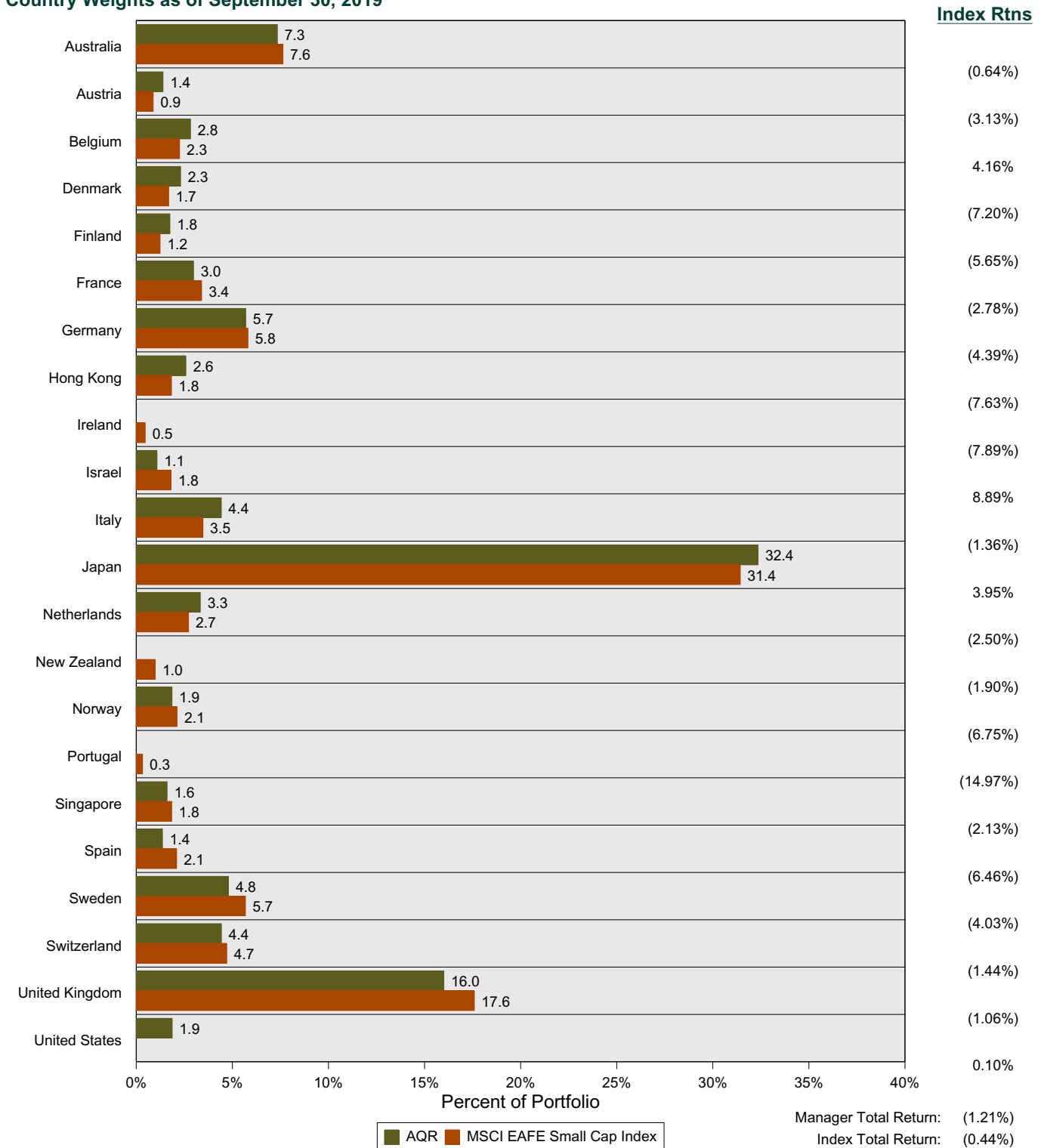


## Country Allocation AQR VS MSCI EAFE Small Cap Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2019. 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 September 30, 2019



## AQR Top 10 Portfolio Holdings Characteristics as of September 30, 2019

### 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
Cancom It Systeme Nm	Information Technology	\$168,248	1.3%	1.40%	1.90	26.00	1.01%	27.65%
Iride Spa	Utilities	\$141,921	1.1%	12.06%	3.80	13.32	3.14%	27.98%
Falck Renewables S P A Shs	Utilities	\$133,808	1.0%	0.71%	1.23	27.32	1.62%	14.99%
Computacenter Plc Shs Par 0.075555	Information Technology	\$125,450	1.0%	(5.29)%	1.82	14.99	2.45%	8.28%
Emis Group	Health Care	\$123,299	1.0%	(17.88)%	0.79	19.94	2.93%	6.70%
Scandinavian Tobacco Group A Common	Consumer Staples	\$108,533	0.8%	0.27%	1.17	8.45	7.49%	2.35%
Bkw Fmb Energie Ag Bern Namen Akt	Utilities	\$107,981	0.8%	11.13%	3.92	14.57	2.43%	(10.54)%
Asm Intl N V Ny Register Sh	Information Technology	\$107,906	0.8%	36.33%	4.72	17.84	1.18%	17.72%
Quadiant Sa Ord	Information Technology	\$98,653	0.8%	(0.41)%	0.72	6.65	2.79%	(8.81)%
Nrw Holdings	Industrials	\$93,356	0.7%	(11.16)%	0.59	11.94	1.72%	10.09%

### 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
Pharming Group NV Shs New	Health Care	\$39,103	0.3%	61.80%	0.83	17.74	0.00%	-
Eckert & Zeigler Strahlen Un Shs	Health Care	\$29,467	0.2%	48.05%	0.92	33.12	0.75%	15.98%
Plus500 (Di)	Financials	\$53,263	0.4%	46.24%	1.05	6.16	9.68%	40.95%
Smartgroup	Industrials	\$19,166	0.1%	43.42%	1.08	18.46	4.97%	5.20%
Cobham	Industrials	\$26,839	0.2%	42.53%	4.62	21.21	5.63%	17.34%
Entertainment One Ltd	Communication Services	\$16,292	0.1%	38.53%	3.48	20.03	0.51%	14.78%
Ei Group Plc Shs	Consumer Discretionary	\$9,166	0.1%	38.49%	1.52	13.05	0.00%	1.39%
Greene King Plc Ord	Consumer Discretionary	\$18,937	0.1%	38.31%	3.24	13.20	3.92%	0.70%
Asm Intl N V Ny Register Sh	Information Technology	\$107,906	0.8%	36.33%	4.72	17.84	1.18%	17.72%
Firstgroup Plc Ord	Industrials	\$15,318	0.1%	36.20%	2.06	9.39	0.00%	11.73%

### 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
Thomas Cook Group Adr	Consumer Discretionary	\$1	0.0%	(74.20)%	0.08	-	15.88%	-
Rovio Entertainment	Communication Services	\$5,443	0.0%	(45.04)%	0.36	15.09	2.20%	-
Koninklijke Bam Groep NV Shs	Industrials	\$6,376	0.0%	(43.85)%	0.70	4.69	6.11%	(12.29)%
Intu Pptys Plc Shs	Real Estate	\$5,457	0.0%	(43.72)%	0.74	4.74	0.00%	(28.30)%
Ferrexpo Plc London Shs	Materials	\$76,621	0.6%	(42.32)%	1.17	2.95	6.76%	0.40%
Li & Fung Ltd Ord New	Consumer Discretionary	\$63,436	0.5%	(34.05)%	0.97	8.77	5.62%	(24.38)%
Giordano Intl Ltd Shs	Consumer Discretionary	\$23,010	0.2%	(30.77)%	0.46	10.78	11.71%	(2.82)%
Catena Media	Communication Services	\$4,058	0.0%	(30.45)%	0.28	9.20	0.00%	21.92%
Draegerwerk Ag & Co Kгаа Pref Shs No	Health Care	\$4,949	0.0%	(29.15)%	0.34	14.94	0.46%	(20.37)%
Silver Lake Resources Ltd Pe Shs	Materials	\$10,545	0.1%	(28.40)%	0.52	10.87	0.00%	57.08%

# DFA Emerging Markets Period Ended September 30, 2019

## Investment Philosophy

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

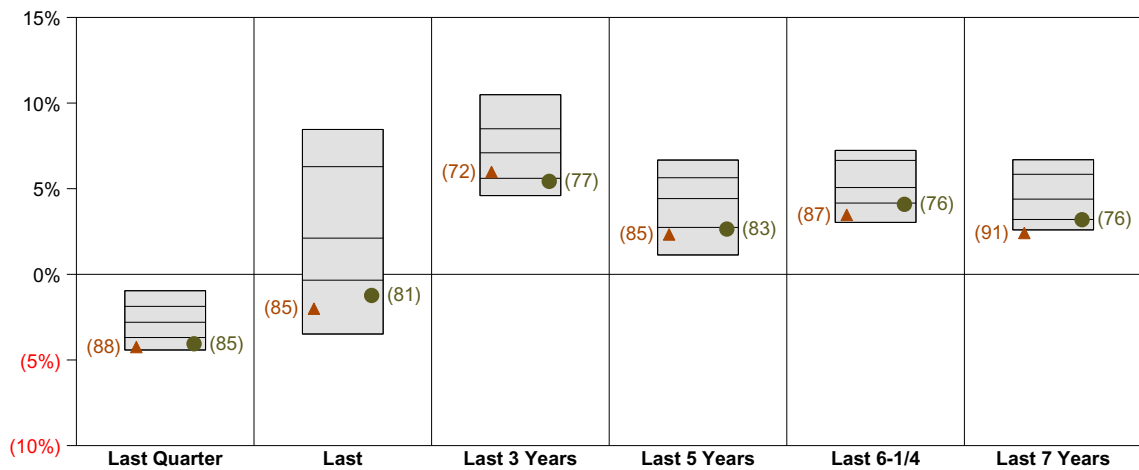
### Quarterly Summary and Highlights

- DFA Emerging Markets's portfolio posted a (4.05)% return for the quarter placing it in the 85 percentile of the Callan Emerging Markets Equity Mut Funds group for the quarter and in the 81 percentile for the last year.
- DFA Emerging Markets's portfolio outperformed the MSCI Emerging Markets Index by 0.19% for the quarter and outperformed the MSCI Emerging Markets Index for the year by 0.77%.

### Quarterly Asset Growth

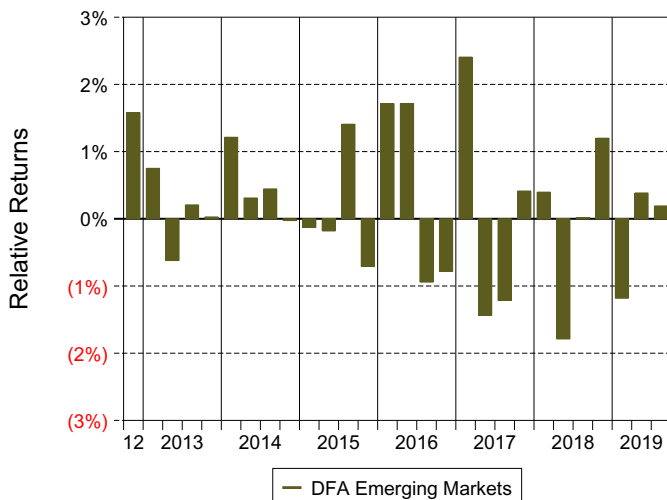
Beginning Market Value	\$16,457,161
Net New Investment	\$0
Investment Gains/(Losses)	\$-688,062
Ending Market Value	\$15,769,098

### Performance vs Callan Emerging Markets Equity Mut Funds (Gross)

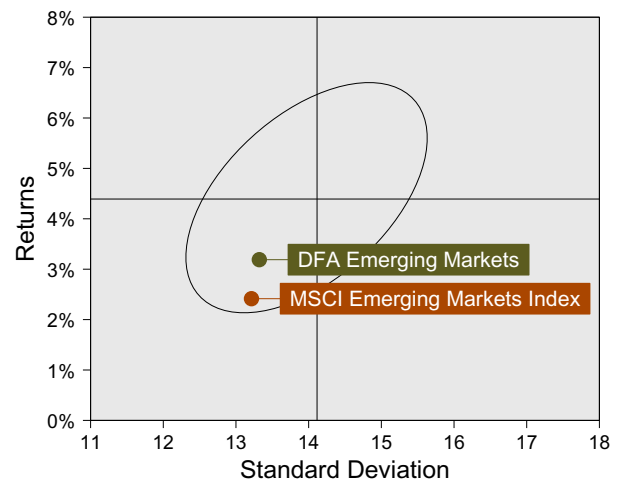


10th Percentile	(0.96)	8.46	10.49	6.67	7.24	6.69
25th Percentile	(1.87)	6.29	8.50	5.64	6.65	5.84
Median	(2.80)	2.11	7.10	4.42	5.07	4.39
75th Percentile	(3.69)	(0.34)	5.61	2.74	4.16	3.20
90th Percentile	(4.42)	(3.49)	4.60	1.13	3.03	2.60
<b>DFA Emerging Markets</b>	<b>● (4.05)</b>	<b>(1.23)</b>	5.43	2.64	4.09	3.19
<b>MSCI Emerging Markets Index</b>	<b>▲ (4.25)</b>	<b>(2.01)</b>	5.98	2.33	3.47	2.41

### Relative Returns vs MSCI Emerging Markets Index



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

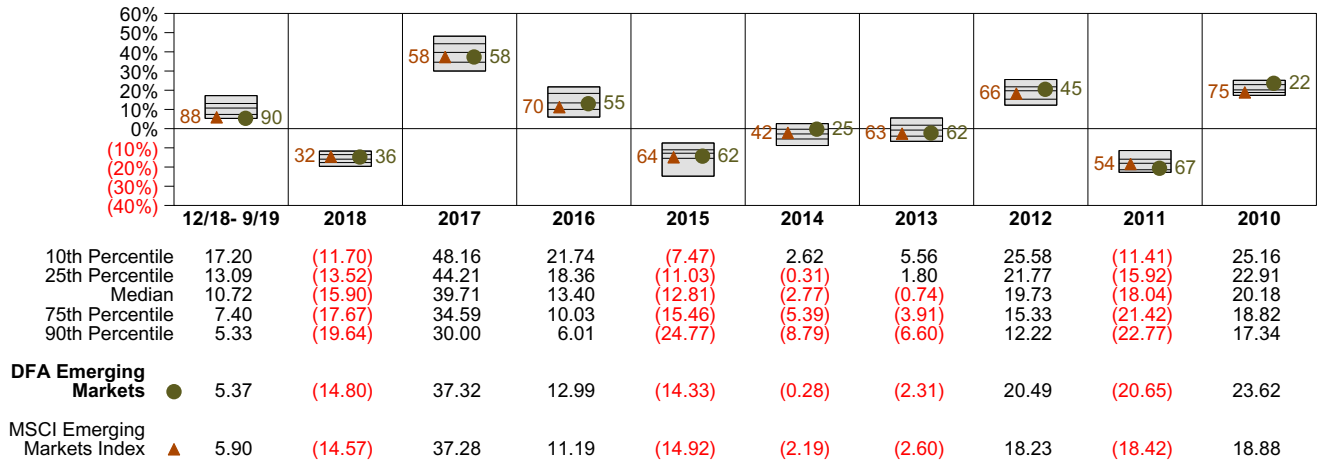


# DFA Emerging Markets Return Analysis Summary

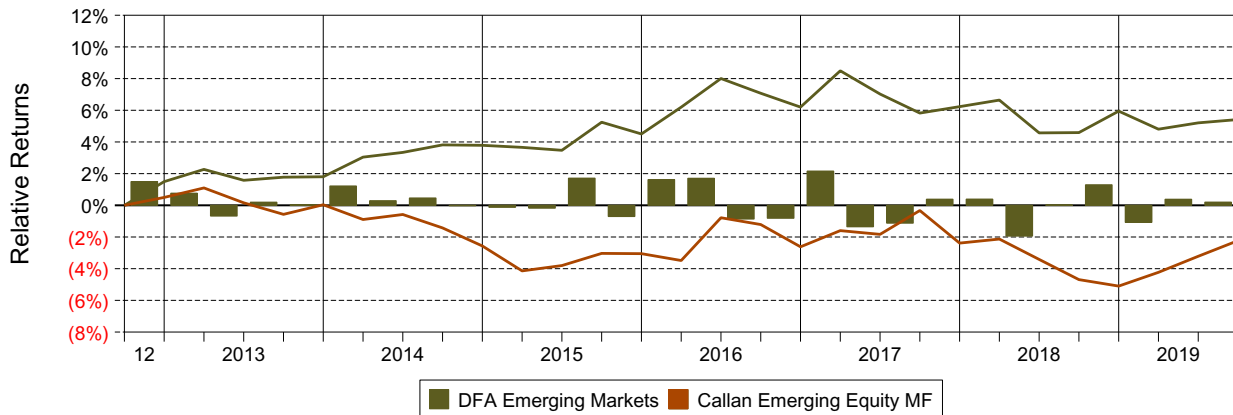
## Return Analysis

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.

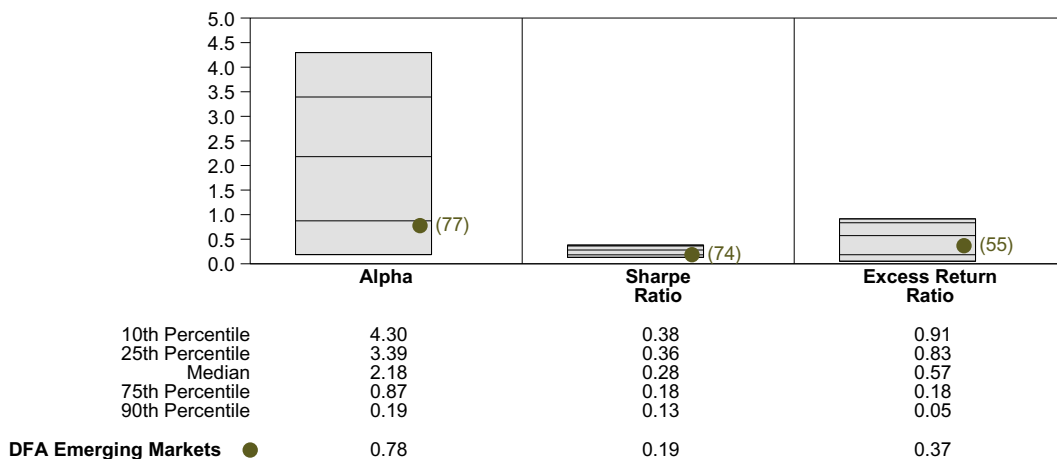
### Performance vs Callan Emerging Markets Equity Mut Funds (Gross)



### 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 September 30, 2019

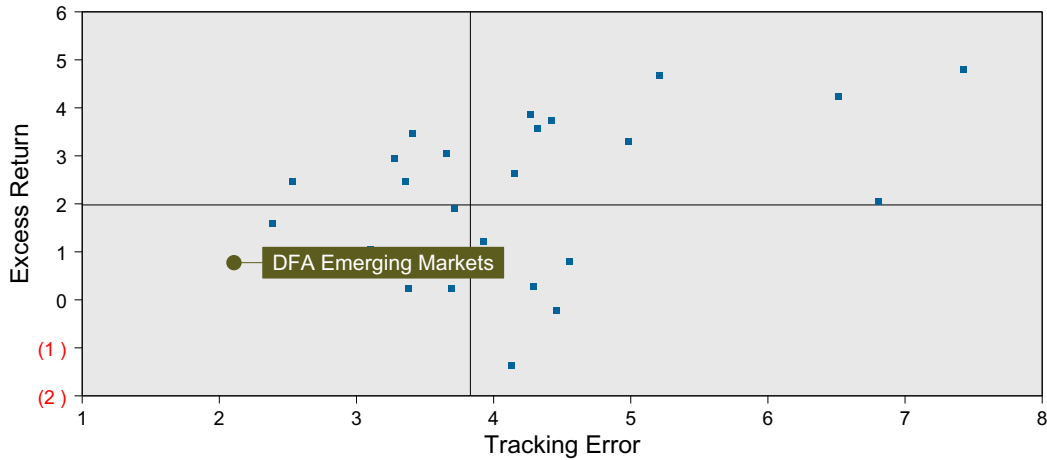


# DFA Emerging Markets Risk Analysis Summary

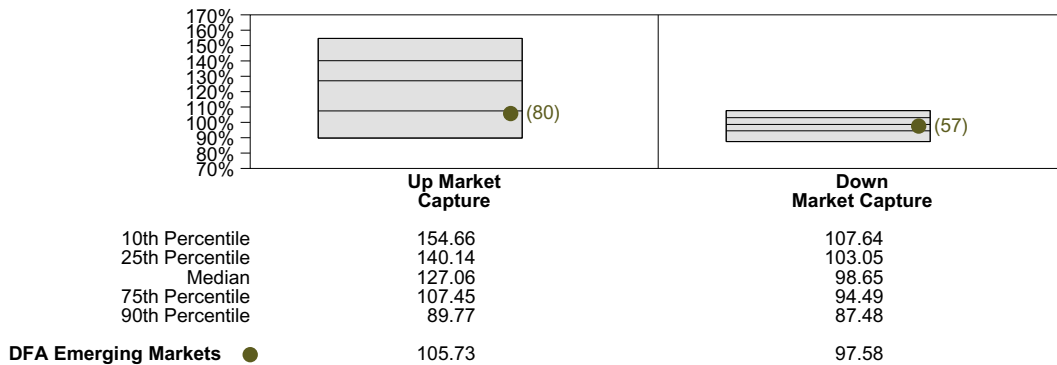
## Risk Analysis

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.

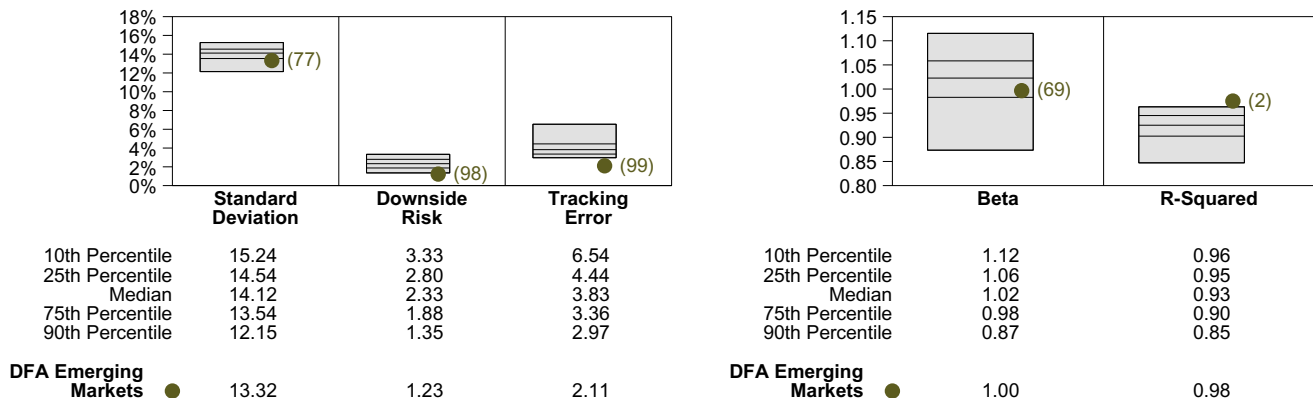
### Risk Analysis vs Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2019



### Market Capture vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2019



### Risk Statistics Rankings vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2019

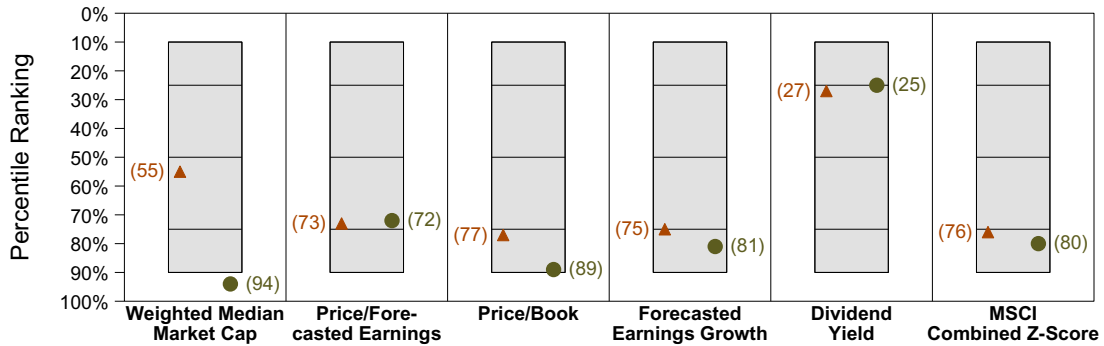


# DFA Emerging Markets Equity Characteristics Analysis Summary

## 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.

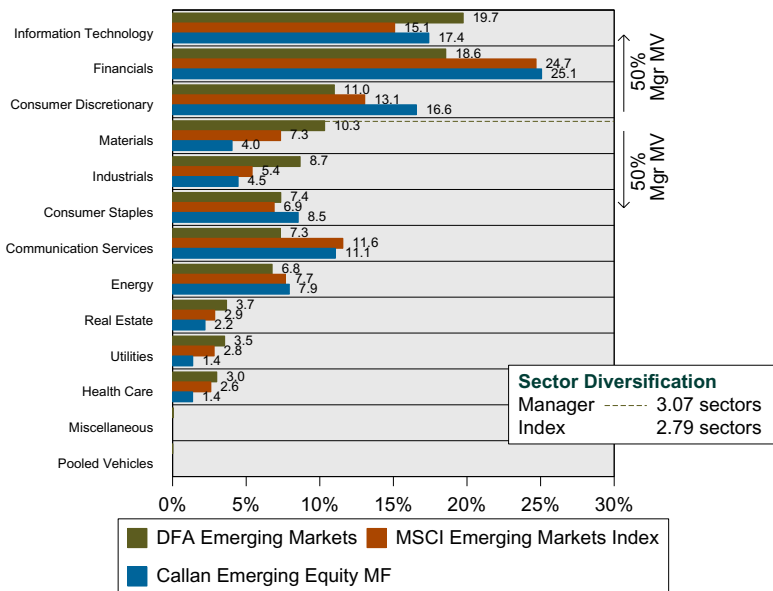
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Emerging Markets Equity Mut Funds as of September 30, 2019



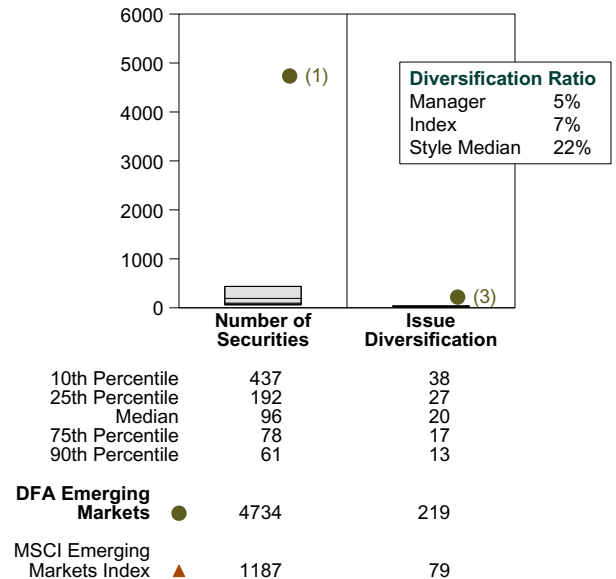
## Sector Weights

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 September 30, 2019



### Diversification September 30, 2019





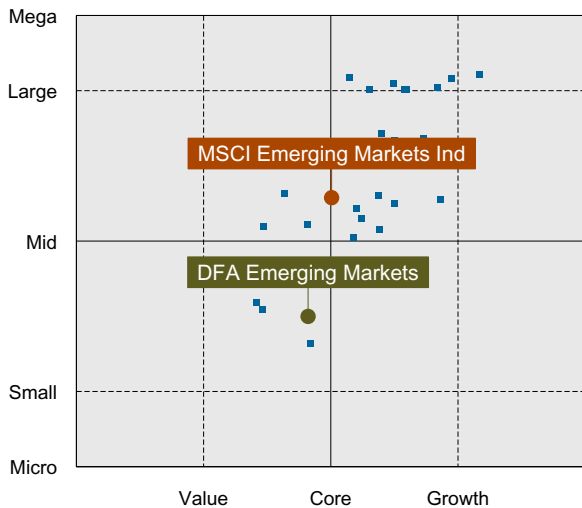
# Current Holdings Based Style Analysis

## DFA Emerging Markets

### As of September 30, 2019

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

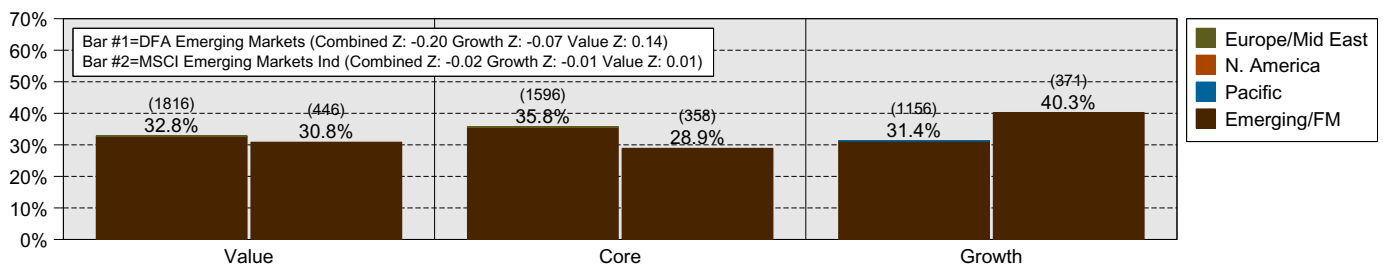
**Style Map vs Callan Emerging Equity MF Holdings as of September 30, 2019**



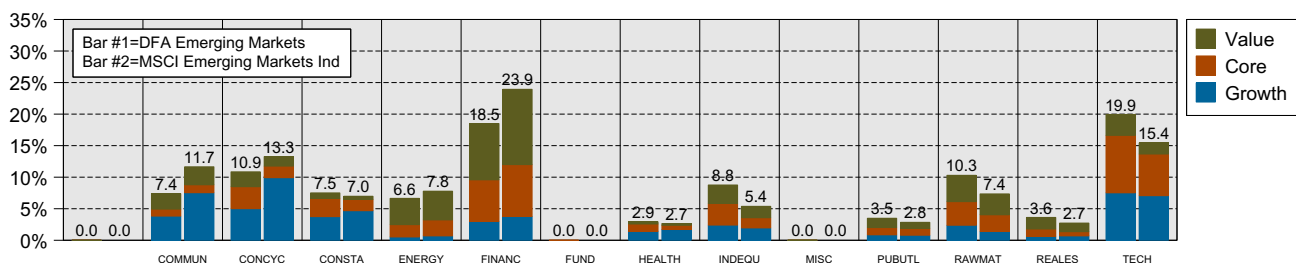
**Style Exposure Matrix Holdings as of September 30, 2019**

	Value	Core	Growth	Total
Europe/ Mid East	0.1% (2) 0.0% (0)	0.3% (4) 0.0% (0)	0.0% (0) 0.0% (0)	0.3% (6) 0.0% (0)
N. America	0.0% (0) 0.0% (0)	0.0% (4) 0.0% (0)	0.0% (0) 0.0% (0)	0.0% (4) 0.0% (0)
Pacific	0.0% (17) 0.0% (0)	0.0% (16) 0.0% (0)	0.1% (18) 0.0% (0)	0.2% (51) 0.0% (0)
Emerging/ FM	32.8% (1797) 30.8% (446)	35.5% (1572) 28.9% (358)	31.2% (1138) 40.3% (371)	99.5% (4507) 100.0% (1175)
<b>Total</b>	<b>32.8% (1816)</b> <b>30.8% (446)</b>	<b>35.8% (1596)</b> <b>28.9% (358)</b>	<b>31.4% (1156)</b> <b>40.3% (371)</b>	<b>100.0% (4568)</b> <b>100.0% (1175)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2019**



**Sector Weights Distribution Holdings as of September 30, 2019**



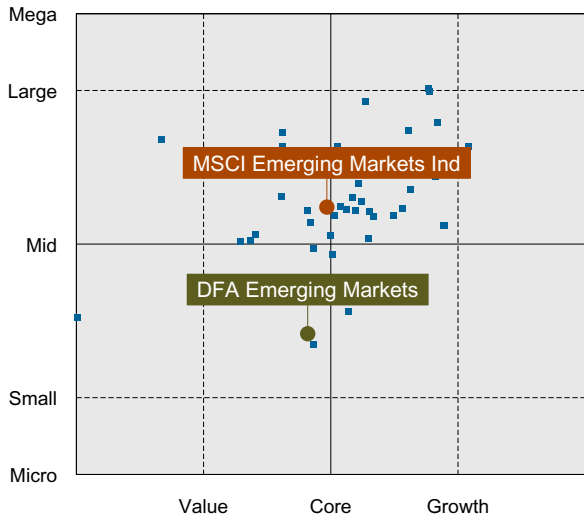
# Historical Holdings Based Style Analysis

## DFA Emerging Markets

### For Five Years Ended September 30, 2019

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

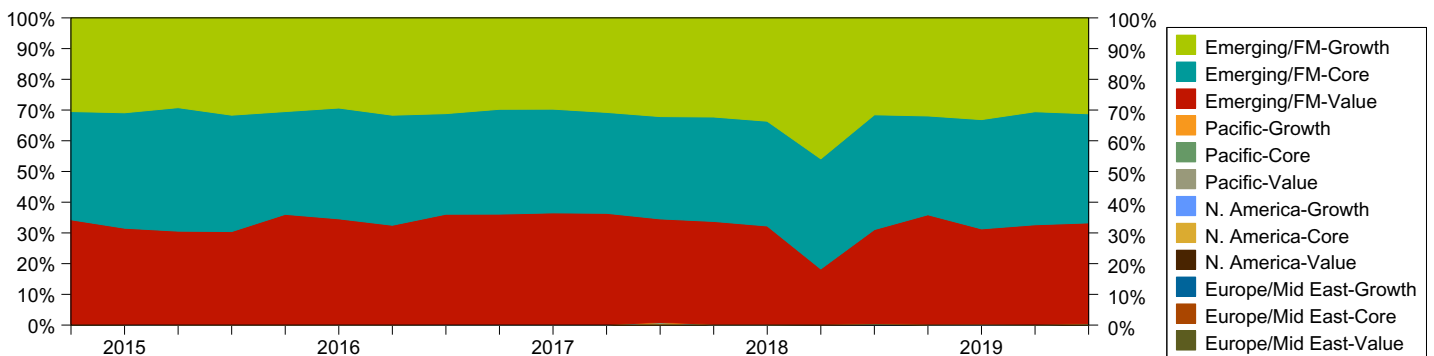
**Average Style Map vs Callan Emerging Equity MF Holdings for Five Years Ended September 30, 2019**



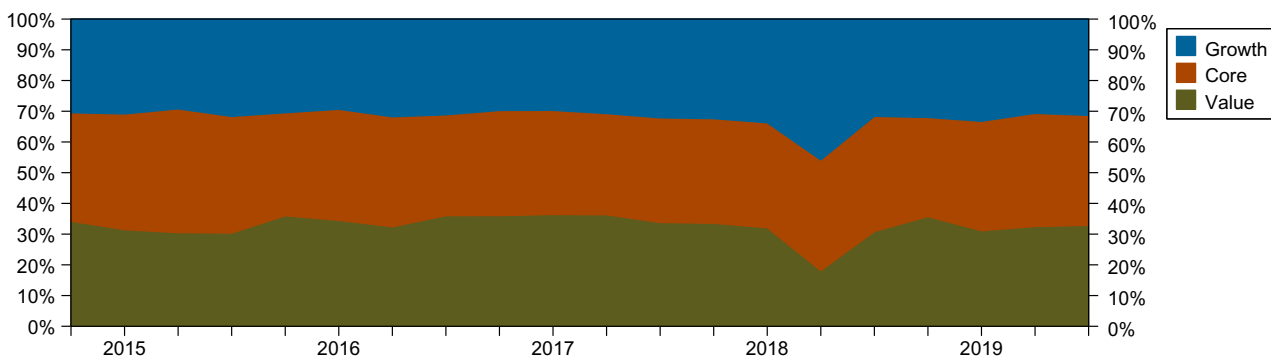
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2019**

	0.0% (0)	0.1% (1)	0.0% (0)	0.1% (1)
Europe/ Mid East	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
N. America	0.0% (1)	0.0% (4)	0.0% (1)	0.1% (6)
Pacific	0.0% (14)	0.0% (20)	0.1% (10)	0.1% (44)
Emerging/ FM	32.6% (1455)	35.2% (1428)	31.9% (933)	99.7% (3816)
	31.6% (328)	31.5% (291)	36.9% (300)	100.0% (919)
<b>Total</b>	<b>32.7% (1470)</b>	<b>35.4% (1453)</b>	<b>31.9% (944)</b>	<b>100.0% (3867)</b>
	<b>31.6% (328)</b>	<b>31.5% (291)</b>	<b>36.9% (300)</b>	<b>100.0% (919)</b>
	Value	Core	Growth	Total

**DFA Emerging Markets Historical Region/Style Exposures**



**DFA Emerging Markets Historical Style Only Exposures**



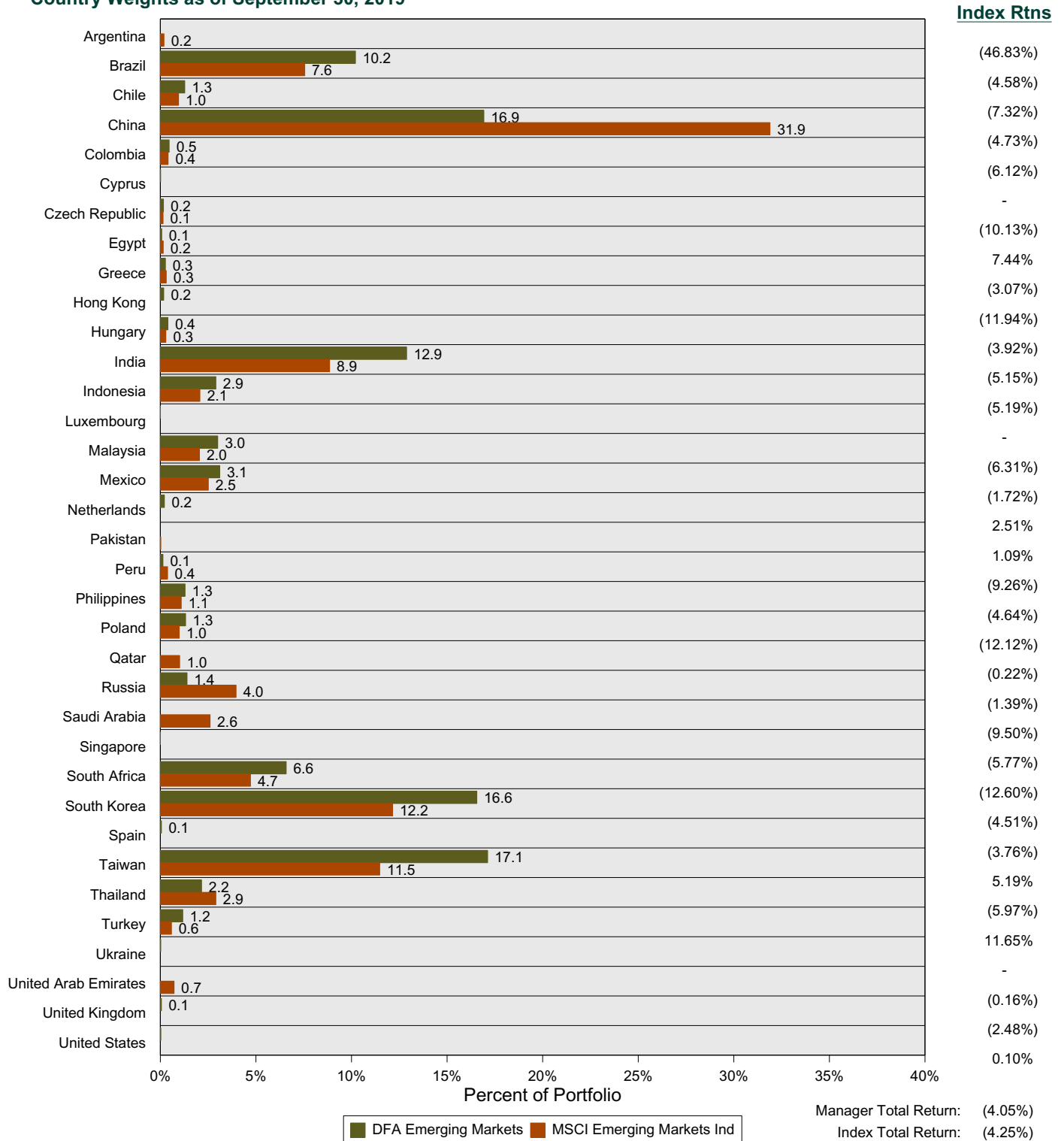
# Country Allocation

## 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 September 30, 2019. 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 September 30, 2019



## DFA Emerging Markets Top 10 Portfolio Holdings Characteristics as of September 30, 2019

### 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	\$700,976	4.4%	1.51%	244.80	12.84	2.89%	18.69%
Taiwan Semiconductor Mfg Co Ltd Spon	Information Technology	\$295,130	1.9%	19.51%	227.34	18.74	3.13%	7.27%
Tencent Holdings Limited Shs Par Hkd	Communication Services	\$289,367	1.8%	(6.67)%	402.38	26.00	0.30%	24.61%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$212,936	1.4%	14.79%	227.34	18.74	3.13%	7.27%
Sk Hynix Inc Shs	Information Technology	\$144,646	0.9%	0.00%	50.03	14.53	1.82%	26.25%
Vale Sa Shs	Materials	\$137,573	0.9%	(15.22)%	60.58	6.15	4.56%	4.00%
Alibaba Group Hldg Ltd Sponsored Ads	Consumer Discretionary	\$131,983	0.8%	(1.31)%	435.39	21.60	0.00%	28.00%
Reliance Industries Ltd Shs Demateri	Energy	\$127,302	0.8%	4.12%	119.17	15.80	0.49%	13.48%
Ping An Insurance H	Financials	\$117,456	0.7%	(3.48)%	85.55	9.38	2.29%	18.87%
Petroleo Brasileiro Sa Petro Pfd Shs	Energy	\$111,674	0.7%	(6.80)%	37.05	9.82	4.12%	3.60%

### 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
Ugint Co Ltd	Industrials	\$650	0.0%	200.00%	0.15	(5.38)	0.00%	-
Baioo Family Interactive Limited	Information Technology	\$332	0.0%	148.04%	0.36	65.00	0.00%	-
Gubre Fabrikalari	Materials	\$332	0.0%	126.79%	0.34	11.61	0.00%	(26.12)%
Van Et	Consumer Staples	\$549	0.0%	104.87%	0.11	(1.69)	0.00%	-
Barito Pacific Timber	Materials	\$12,760	0.1%	100.00%	6.21	70.00	0.29%	(32.73)%
Citra Marga Nusaphala	Industrials	\$1,122	0.0%	100.00%	0.52	12.73	0.32%	13.87%
Neo Mtel	Information Technology	\$254	0.0%	100.00%	0.10	(15.79)	0.00%	-
Tower Bersama Infr.	Communication Services	\$3,698	0.0%	100.00%	1.96	25.29	2.26%	36.30%
Industri Jamu & Farmasi	Consumer Staples	\$542	0.0%	100.00%	1.30	22.50	2.32%	10.18%
Sumatec Resources Bhd.	Energy	\$2	0.0%	96.15%	0.02	-	0.00%	-

### 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
Fossal S A A Sponsored Adr	Miscellaneous	\$0	0.0%	(99.53)%	0.00	(0.00)	0.00%	-
Cox & Kings India	Consumer Discretionary	\$31	0.0%	(90.00)%	0.01	0.47	26.32%	(16.55)%
Youyuan Intl.Hdg.	Materials	\$83	0.0%	(88.79)%	0.04	0.66	15.77%	28.82%
Cox & Kings Financial Service	Miscellaneous	\$2	0.0%	(83.33)%	0.00	0.83	0.00%	-
Housing Dev.&Infr.	Real Estate	\$144	0.0%	(83.33)%	0.03	1.76	0.00%	-
Coffee Day Enterprises	Consumer Discretionary	\$90	0.0%	(79.67)%	0.14	7.08	0.00%	(42.40)%
Eeb	Utilities	\$1,497	0.0%	(78.95)%	5.77	12.86	4.48%	15.43%
Dynasty Fine Wines Group Lim Shs	Consumer Staples	\$50	0.0%	(70.93)%	0.07	(6.75)	0.00%	-
Reliance Home Finance	Financials	\$27	0.0%	(68.75)%	0.03	0.64	25.97%	-
Reliance Cap Ltd Shs Dematerial	Financials	\$244	0.0%	(63.76)%	0.09	0.51	44.72%	11.84%



# Metropolitan West Period Ended September 30, 2019

## 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.

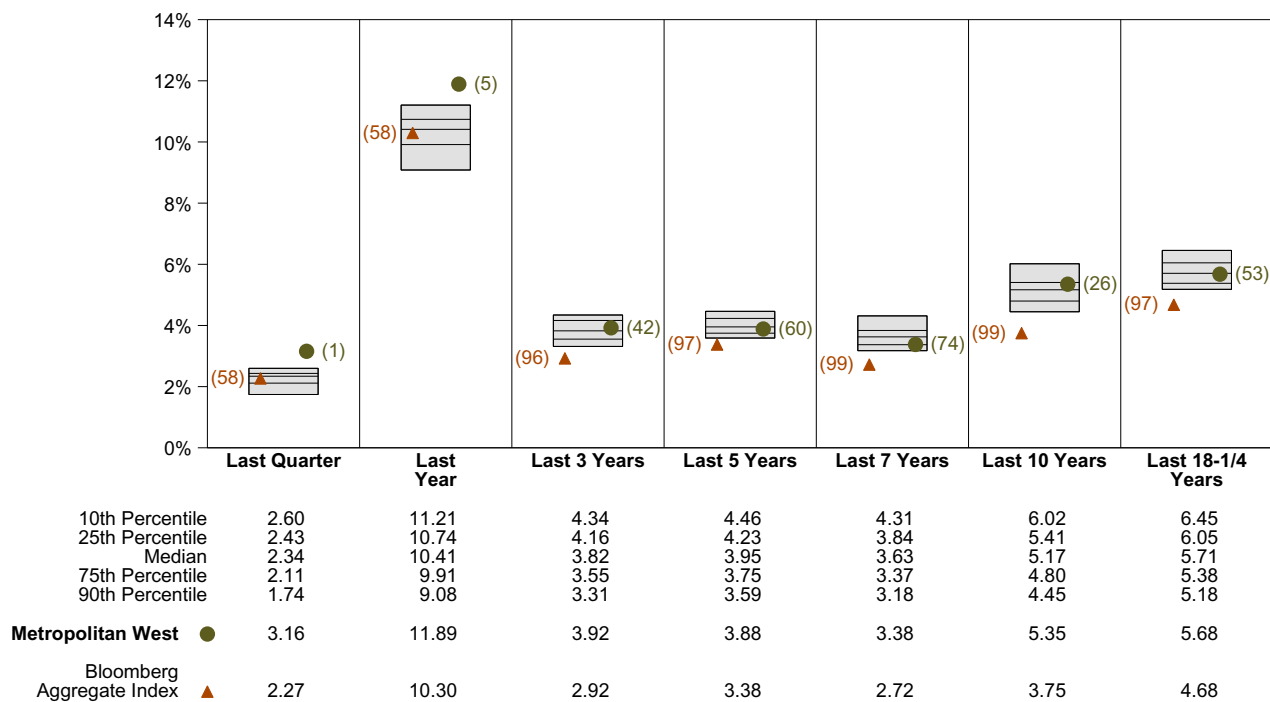
## Quarterly Summary and Highlights

- Metropolitan West's portfolio posted a 3.16% return for the quarter placing it in the 1 percentile of the Callan Core Plus Fixed Income group for the quarter and in the 5 percentile for the last year.
- Metropolitan West's portfolio outperformed the Bloomberg Aggregate Index by 0.89% for the quarter and outperformed the Bloomberg Aggregate Index for the year by 1.60%.

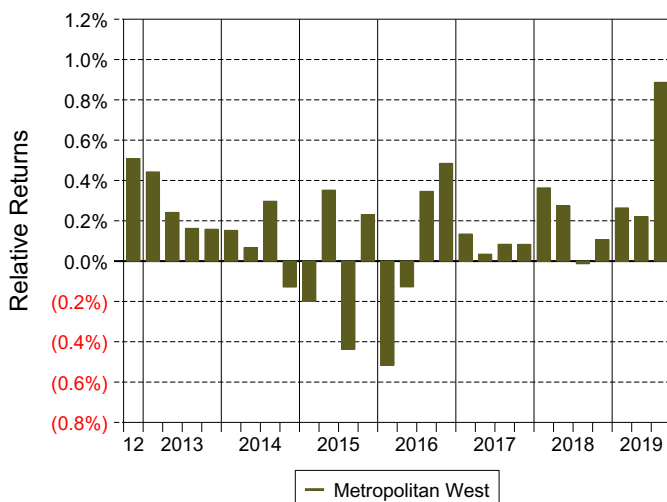
## Quarterly Asset Growth

Beginning Market Value	\$106,435,396
Net New Investment	\$0
Investment Gains/(Losses)	\$3,358,810
Ending Market Value	\$109,794,206

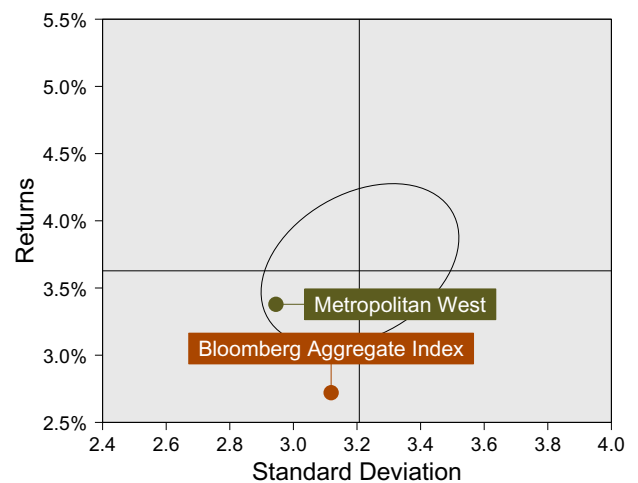
## Performance vs Callan Core Plus Fixed Income (Gross)



## Relative Returns vs Bloomberg Aggregate Index



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

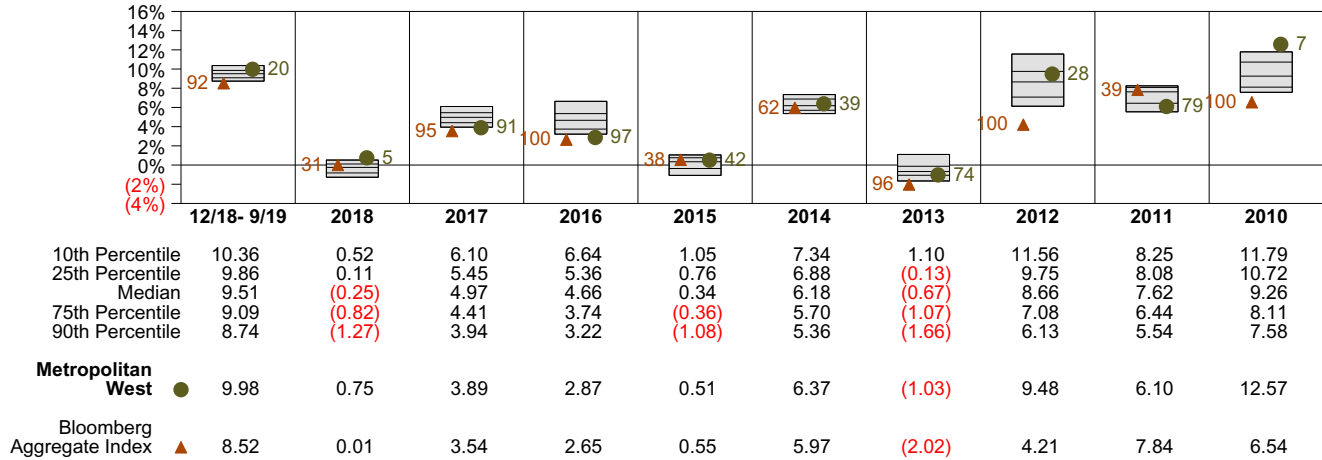


# Metropolitan West Return Analysis Summary

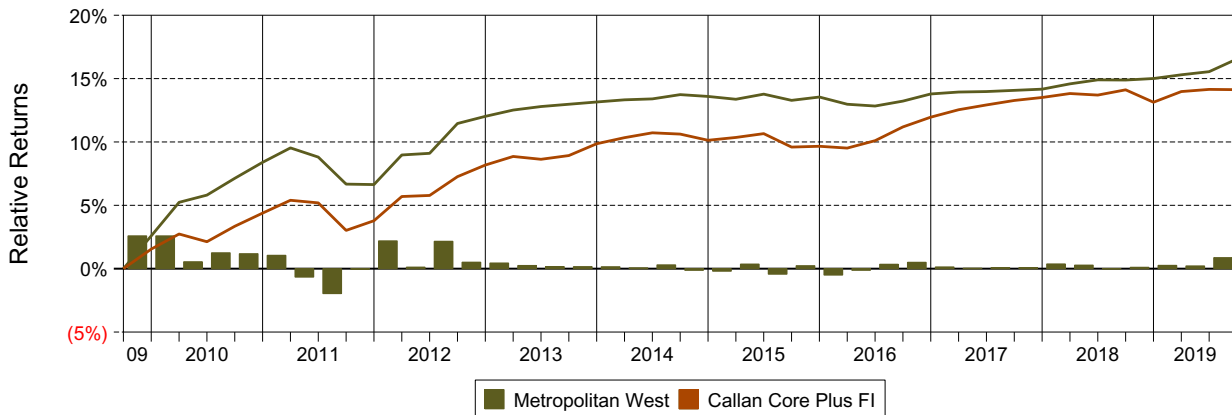
## Return Analysis

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.

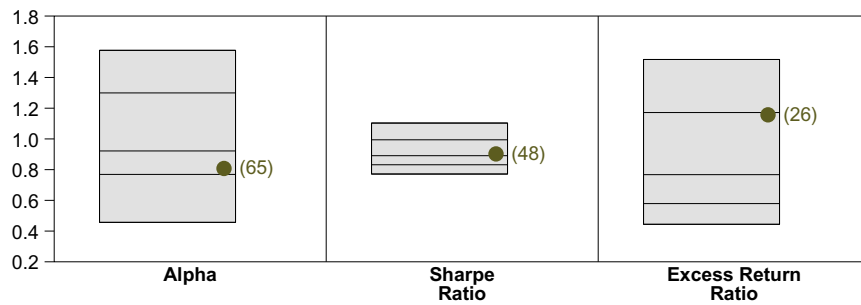
### Performance vs Callan Core Plus Fixed Income (Gross)



### 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 September 30, 2019

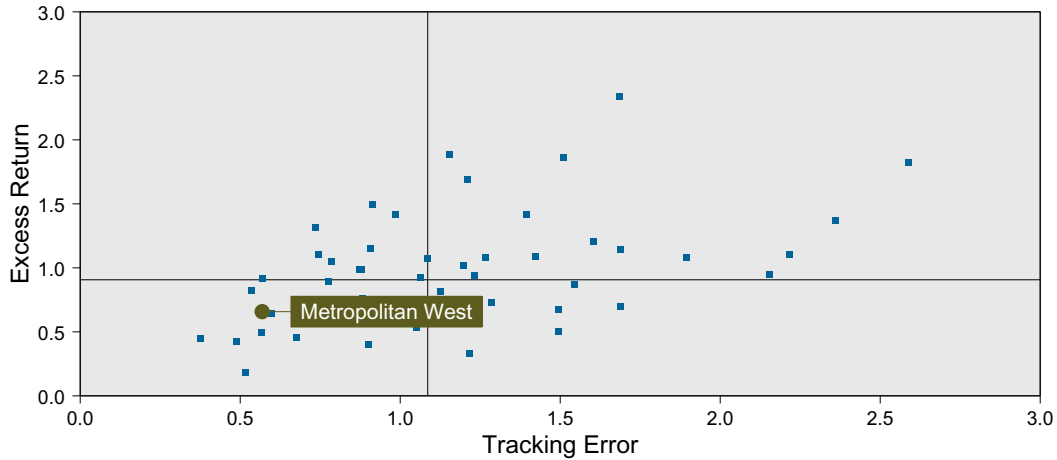


# Metropolitan West Risk Analysis Summary

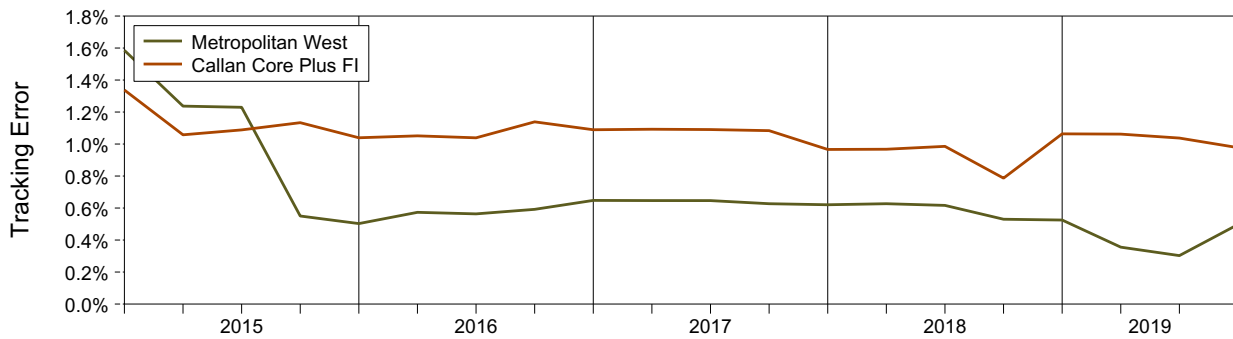
## Risk Analysis

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.

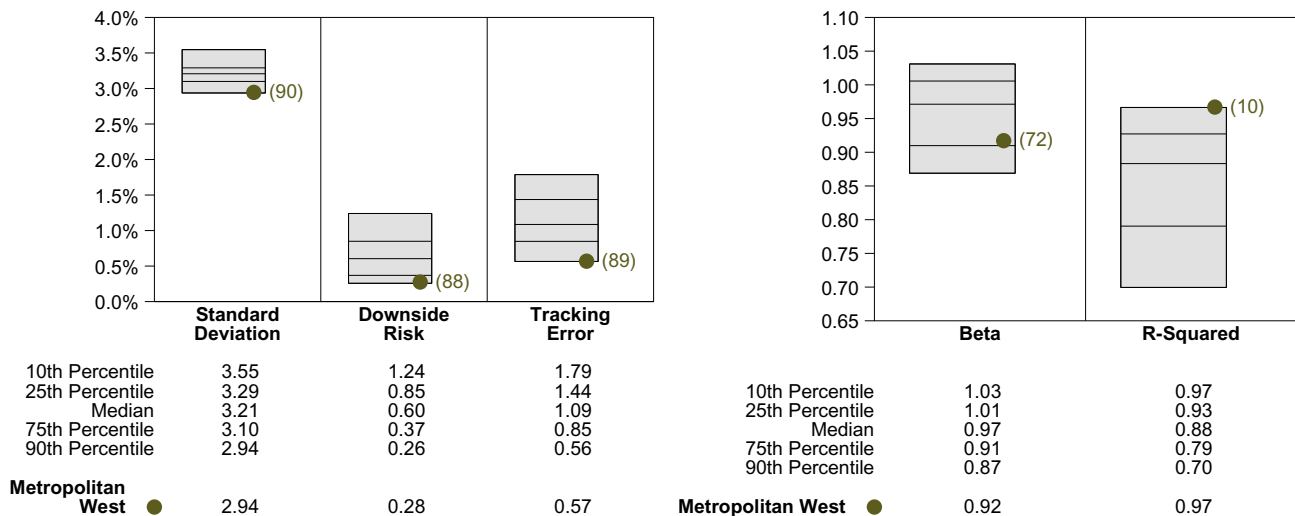
### Risk Analysis vs Callan Core Plus Fixed Income (Gross) Seven Years Ended September 30, 2019



### 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 September 30, 2019



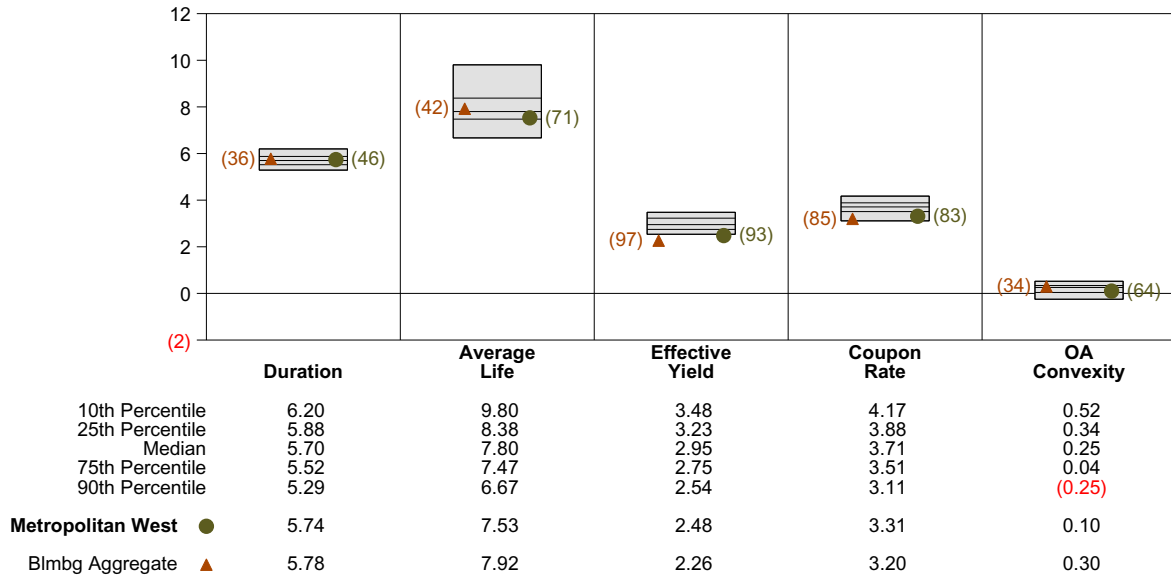


# Metropolitan West Bond Characteristics Analysis Summary

## Portfolio Characteristics

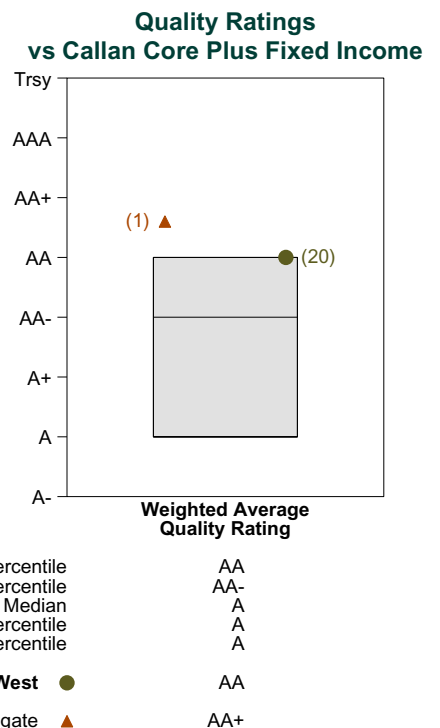
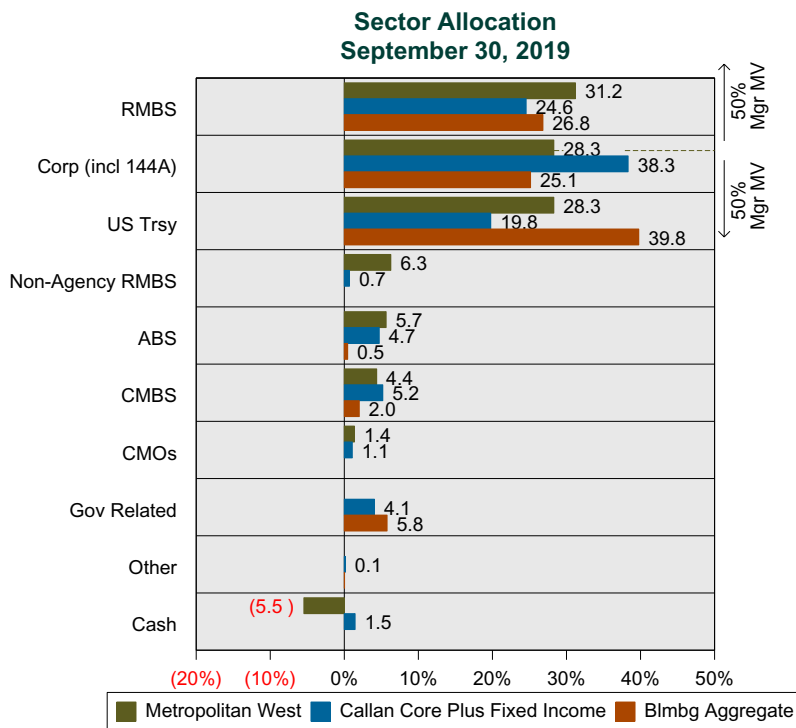
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Fixed Income Portfolio Characteristics Rankings Against Callan Core Plus Fixed Income as of September 30, 2019



## 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.

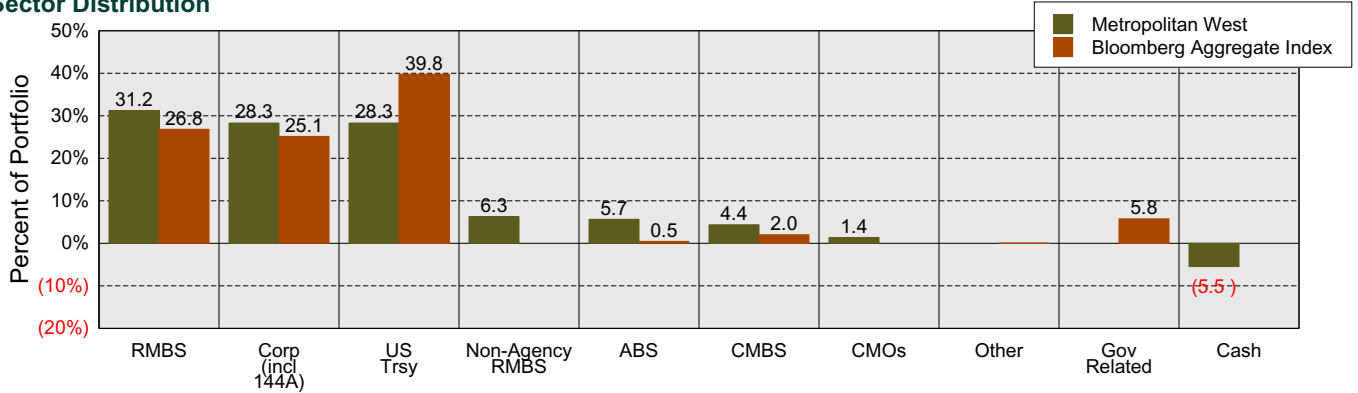


# Metropolitan West Portfolio Characteristics Summary As of September 30, 2019

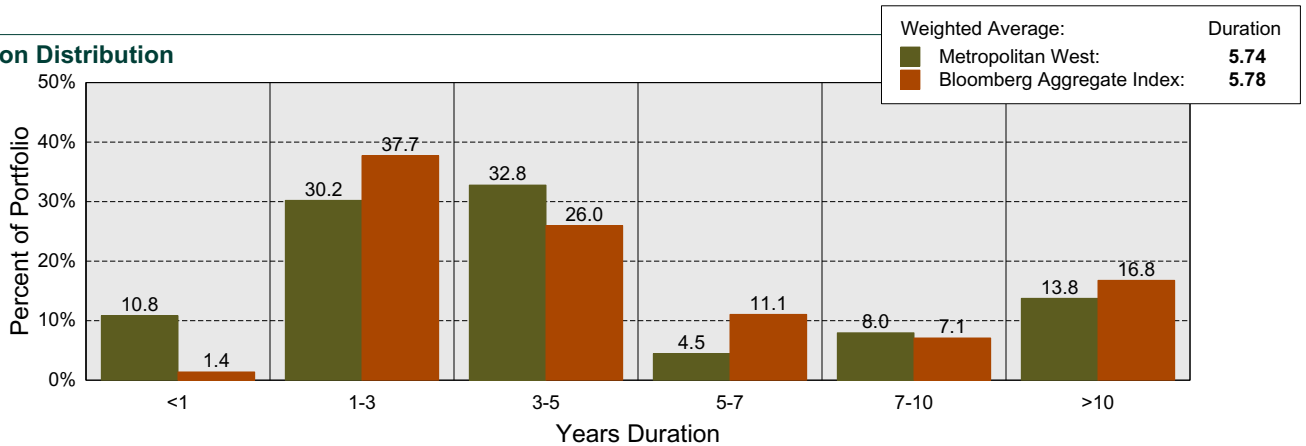
## Portfolio Structure Comparison

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.

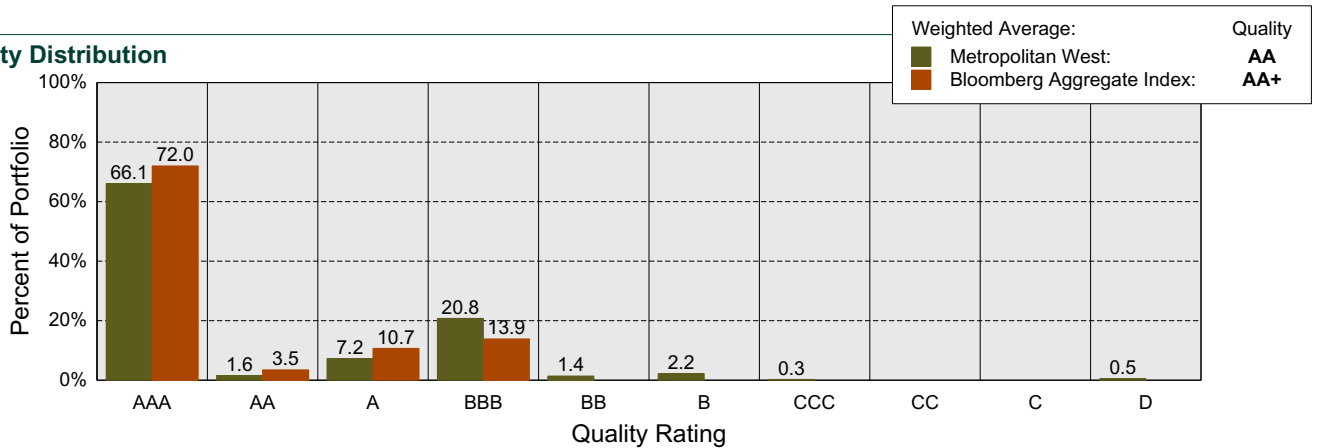
### Sector Distribution



### Duration Distribution



### Quality Distribution





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## Risk/Reward Statistics

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

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

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

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

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

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

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

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

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

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## Risk/Reward Statistics

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

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

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

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

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

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

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

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



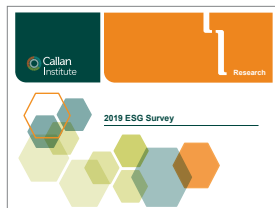
## Research and Educational Programs

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

## New Research from Callan’s Experts

### [DTS Offers Some Key Advantages for Evaluating Fixed Income Portfolios](#)

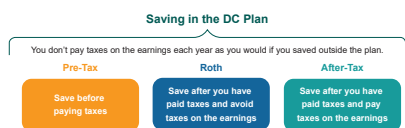
This paper describes duration times spread (DTS), which measures systematic credit-spread risk exposure. DTS estimates the return of any bond, by percentage, if its spread were to change from the current level, all else equal. DTS offers several advantages for monitoring risk in credit portfolios over other methods.



**2019 ESG Survey** | Callan’s seventh annual survey assessing the status of environmental, social, and governance (ESG) investing in the U.S. institutional investment market.

**Callan’s DC Index in Detail** | A video about the Callan DC Index™: why we started it, what it measures, and how it can benefit defined contribution plan sponsors.

### [DC Plan Hacks: Tips for an Efficient Design](#)



Defined contribution plan sponsors should regularly evaluate their plans to make sure they serve the organization’s

benefits philosophy. When evaluating changes, the sponsor should consider its demographics, cost of benefits, vendor capabilities, impact on nondiscrimination testing, communication capabilities, and legal requirements.

**2019 June Workshop Summary: In the Age of Illiquidity** | For many nonprofits and defined benefit plans, the shift to higher-returning but less liquid asset classes has myriad implications. This summary discusses how consultants, institutional investors, and investment managers can work together to identify solutions tailored to each plan.

### [The Keys to Unlocking Private Equity Portfolio Assessment](#)

Private equity performance evaluation has some unique considerations, so return calculations and benchmarking methodologies differ from public securities. Closed-end private equity vehicles are assessed using ratio analyses and internal rate of return (IRR) measures. Using performance metrics, private equity portfolios can be evaluated at the partnership level, at the vintage year level, and then at the total portfolio level.

### [Survivorship Bias and the Walking Dead](#)

Survivorship bias, the predisposition to evaluate a data set by focusing on the “survivors” rather than also examining the record of non-survivors, is important to understand for hedge fund peer groups, which tend to have a relatively large number of constituents that disappear. Using a proprietary approach, Callan is able to adjust peer group comparisons for survivorship bias. This better-informed perspective enables a more honest assessment in considering performance relative to other opportunities.

## Quarterly Periodicals

**Private Equity Trends** | A newsletter on private equity activity, covering both the fundraising cycle and performance over time.

**Market Pulse Flipbook** | A market reference guide covering trends in the U.S. economy, developments for institutional investors, and the latest data for U.S. and non-U.S. equities and fixed income, alternatives, and defined contribution plans.

**Active vs. Passive Charts** | This series of charts compares active managers alongside relevant benchmarks over the long term.

**Capital Market Review** | A newsletter providing analysis and a broad overview of the economy and public and private market activity each quarter across a wide range of asset classes.

## Events

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

Please mark your calendar and look forward to upcoming invitations.

### 2020 National Conference

Celebrating the 40th anniversary of the Callan Institute  
*January 27-29, 2020 – San Francisco*

Please also keep your eye out for upcoming Webinars in 2019! We will be sending invitations to register for these events and will also have registration links on our website at [www.callan.com/webinarsupcoming](http://www.callan.com/webinarsupcoming).

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

### Introduction to Investments

*April 21-22, 2020*

*July 21-22, 2020*

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. It lasts one-and-a-half days and is designed for individuals 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.

**Learn more at [www.callan.com/events/callan-college-intro](http://www.callan.com/events/callan-college-intro)**

## 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 dialogue to raise the bar across the industry.”

Greg Allen, CEO and Chief Research Officer





## List of Callan's Investment Manager Clients

Confidential – For Callan Client Use Only

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

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

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

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

Manager Name
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.
Columbia Threadneedle Investments
Columbus Circle Investors
Corbin Capital Partners, L.P.
Cooke & Bieler, L.P.
Credit Suisse Asset Management
DePrince, Race & Zollo, Inc.
Diamond Hill Capital Management, Inc.
Dimensional Fund Advisors LP
Doubleline
Duff & Phelps Investment Management Co.
DWS
EARNEST Partners, LLC
Eaton Vance Management
Epoch Investment Partners, Inc.
Fayez Sarofim & Company
Federated Investors
Fidelity Institutional Asset Management
Fiera Capital Corporation
Financial Engines
First Hawaiian Bank Wealth Management Division
First State Investments
Fisher Investments
Franklin Templeton
Fred Alger Management, Inc.
GAM (USA) Inc.
Glenmeade Investment Management, LP
GlobeFlex Capital, L.P.
Goldman Sachs
Green Square Capital Advisors, LLC
Guggenheim Investments
GW&K Investment Management
Harbor Capital Group Trust
Hartford Investment Management Co.

Manager Name
Heitman LLC
Hotchkis & Wiley Capital Management, LLC
HSBC Global Asset Management
Income Research + Management, Inc.
Insight Investment Management Limited
Intech Investment Management, LLC
Intercontinental Real Estate Corporation
Invesco
Investec Asset Management North America, Inc.
Ivy Investments
J.P. Morgan
Janus
Jarislowsky Fraser Global Investment Management
Jennison Associates LLC
Jobs Peak Advisors
KeyCorp
Lazard Asset Management
Legal & General Investment Management America
Lincoln National Corporation
LMCG Investments, LLC
Logan Circle Partners, L.P.
Longview Partners
Loomis, Sayles & Company, L.P.
Lord Abbett & Company
Los Angeles Capital Management
LSV Asset Management
MacKay Shields LLC
Macquarie Investment Management (MIM)
Manulife Investment Management
Marathon Asset Management, L.P.
McKinley Capital Management, LLC
Mellon
MFS Investment Management
MidFirst Bank
Mondrian Investment Partners Limited
Montag & Caldwell, LLC
Morgan Stanley Investment Management
Mountain Lake Investment Management LLC
Mountain Pacific Advisors, LLC
MUFG Union Bank, N.A.
Natixis Investment Managers
Neuberger Berman
Newton Investment Management
Nikko Asset Management Co., Ltd.
Northern Trust Asset Management
Nuveen
OFI Global Asset Management

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



## Account Compliance Summary

Alerts:	0
Warnings:	0
Passes:	14

A5XB SACRT - ATLANTA CAPITAL MGMT

Production Date: 09/30/2019

Securities + Cash	26,097,263.97	Base Currency	USD	Net Assets	26,149,141
Rule Name		Limit Type	Limit Value	Result	Result Status
<b><u>144A and Private Placem</u></b>					
1	Private Placements are prohibited. (143653)	Maximum	0.00%	0.00 %	Pass
<b><u>Asset Measures</u></b>					
2	AssetMeasure: AssetMeasure_Funds_Preferred_Denominator (34662)			26,097,263.97 Value	Pass
<b><u>Asset Type</u></b>					
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%	0.08 %	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%	0.08 %	Pass
<b><u>Cash</u></b>					
10	No more than 10% of the Fund in cash and cash equivalents. (143656)	Maximum	10.00%	2.22 %	Pass
<b><u>Exchange</u></b>					
11	Flag any non-US exchange traded futures (143670)	Maximum	0.00%	0.00 %	Pass
<b><u>Industry</u></b>					
12	Industry Sector GICS - Max 25% at cost (143660)	Maximum	25.00%	8.29 %	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
<b><u>Issuer</u></b>					
14	Investments in a single domestic equity issuer shall not exceed 5% at cost (143661)	Maximum	5.00%	2.52 %	Pass

**A5XD SACRT - METWEST**
**Production Date: 09/30/2019**

Securities + Cash	118,782,623.19	Base Currency	USD	Net Assets	109,796,207
Rule Name		Limit Type	Limit Value	Result	Result Status
<b><u>144A and Private Placem</u></b>					
1	The Fund is not permitted to hold any Private Placements excluding 144a (143666)	Maximum	0.00%	0.00 %	Pass
<b><u>Asset Measures</u></b>					
2	AssetMeasure: AssetMeasure_Funds_Preferred_Denominator (34662)			118,782,623.19 Value	Pass
<b><u>Asset Type</u></b>					
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
<b><u>Credit Quality</u></b>					
5	Minimum Quality must be at lest 80% Baa or above (157604)	Minimum	80.00%	93.16 %	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	22.54 Rank	Pass
<b><u>Industry</u></b>					
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 BOSTON PARTNERS**

**Production Date: 09/30/2019**

Securities + Cash	46,754,864.49	Base Currency	USD	Net Assets	47,014,254
Rule Name		Limit Type	Limit Value	Result	Result Status
<b><u>144A and Private Placem</u></b>					
1	Private Placements are prohibited. (143653)	Maximum	0.00%	0.00 %	Pass
<b><u>Asset Measures</u></b>					
2	AssetMeasure: AssetMeasure_Funds_Preferred_Denominator (34662)			46,754,864.49 Value	Pass
<b><u>Asset Type</u></b>					
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%	1.49 %	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
<b><u>Cash</u></b>					
10	No more than 10% of the Fund in cash and cash equivalents. (143656)	Maximum	10.00%	3.28 %	Pass
<b><u>Exchange</u></b>					
11	Flag any non-US exchange traded futures (143670)	Maximum	0.00%	0.00 %	Pass
<b><u>Industry</u></b>					
12	Industry Sector GICS - Max 25% at cost (143660)	Maximum	25.00%	11.03 %	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
<b><u>Issuer</u></b>					
14	Investments in a single domestic equity issuer shall not exceed 5% at cost (143661)	Maximum	5.00%	2.92 %	Pass

Alerts:	
Warnings:	
Passes:	

**A5Z8 SACRT BOSTON PARTNERS**
**Production Date: 09/30/2019**

Securities + Cash	46,754,864.49	Base Currency	USD	Net Assets	47,014,254
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
15	12/11/19	Retirement	Information	11/19/19

Subject: Emerging Markets Analysis and review of Dimensional Fund Advisors Investment Manager Performance (All). (Adelman)

## ISSUE

Emerging Markets Analysis and review of Dimensional Fund Advisors (DFA) Investment Manager Performance (All). (Adelman)

## RECOMMENDED ACTION

Information only.

## FISCAL IMPACT

None.

## DISCUSSION

At the September 11, 2019 Quarterly Retirement Board meeting, DFA, the Retirement Boards' International Emerging Markets fund manager, presented performance results for the quarter ended June 30, 2019. Based on the performance results and overall Emerging Markets asset class performance, the Retirement Boards expressed an interest in evaluating the Emerging Markets asset class and DFA's performance within that class, with the potential of placing DFA on a fund manager "watch" list. The Boards requested that Callan LLC (Callan) provide them with a presentation on the status of the International Emerging Markets asset class, and an analysis of DFA's performance.

Attachment 1 is the Emerging Markets review materials, provided by Callan.

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Approved:

Final 11/27/19  
VP of Finance/CFO

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Presented:

AVP Finance and Treasury

J:\Retirement Board\2019\IP's\Quarterly Meetings\December 11, 2019\FI FINAL IPs



# Callan

December 11, 2019



## **Emerging Markets Equity**

Sacramento Regional Transit District

Retirement Plans

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### **Ho Hwang**

Global Manager Research

### **Anne Heaphy**

Fund Sponsor Consulting

### **Uvan Tseng, CFA**

Fund Sponsor Consulting

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# Agenda

- Introduction and Overview
- Active vs. Passive Management
- Investment Manager Evaluation
- Conclusions
- Appendix

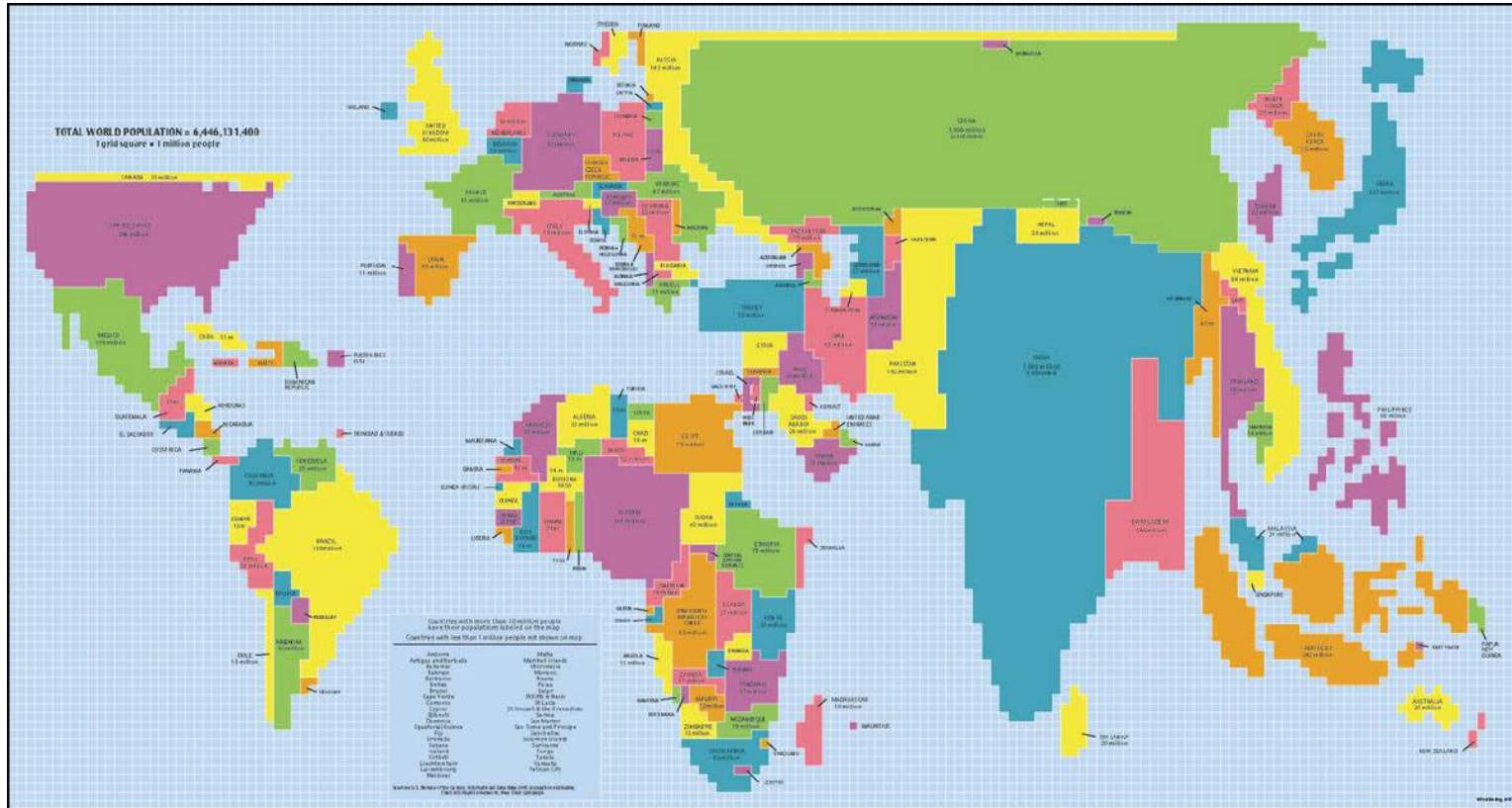
Callan

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## **Emerging Markets Equity**

Introduction and Overview

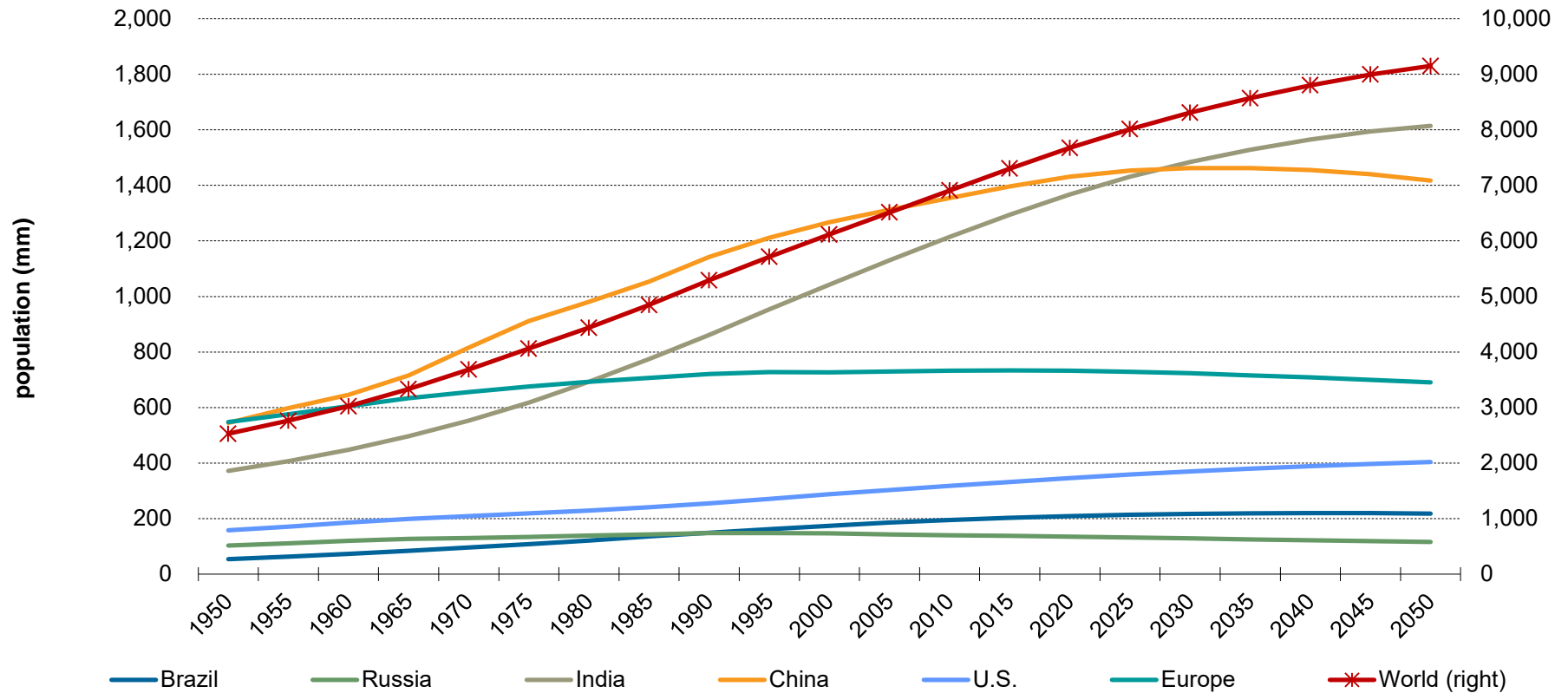
# Population Centers



- World Population = 7.743 billion
- United States Population = 329 million (~4% of world population but ~55% of MSCI All Country World Investable Market Index)
- Significant Emerging Markets population centers = China (1.4 billion), India (1.4 billion), Indonesia (271 million), Brazil (212 million), Pakistan (218 million), Nigeria (203 million), and Russia (146 million)

Source: mapsharing.org, worldometer.com, MSCI/Callan PEP

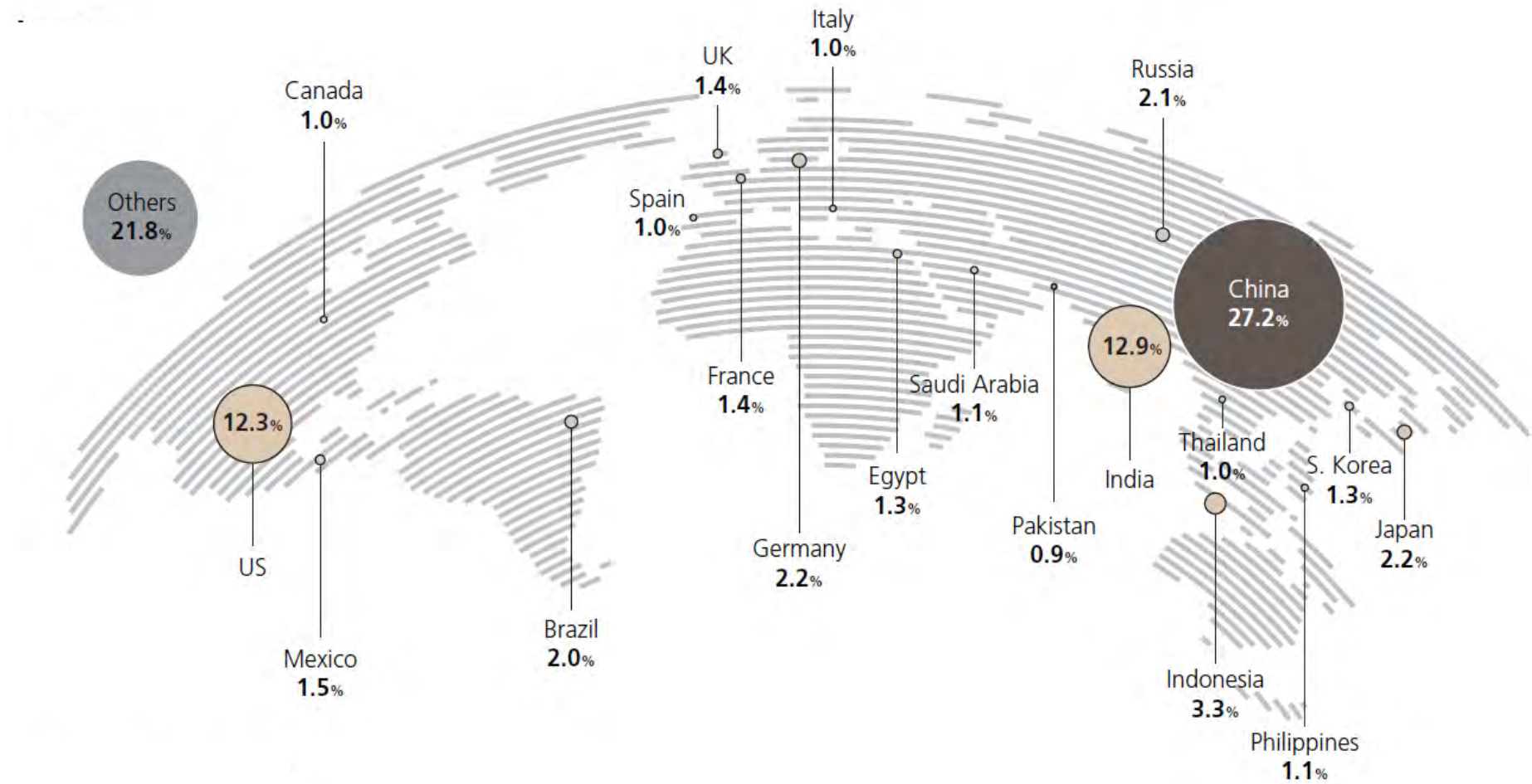
# Demographic Trends



- World Population is headed for 9 billion in 2050.
- China and India account for much of this growth.
- China's population is expected to peak around 2025.

Source: Richard Hokenson, United Nations

# GDP Growth

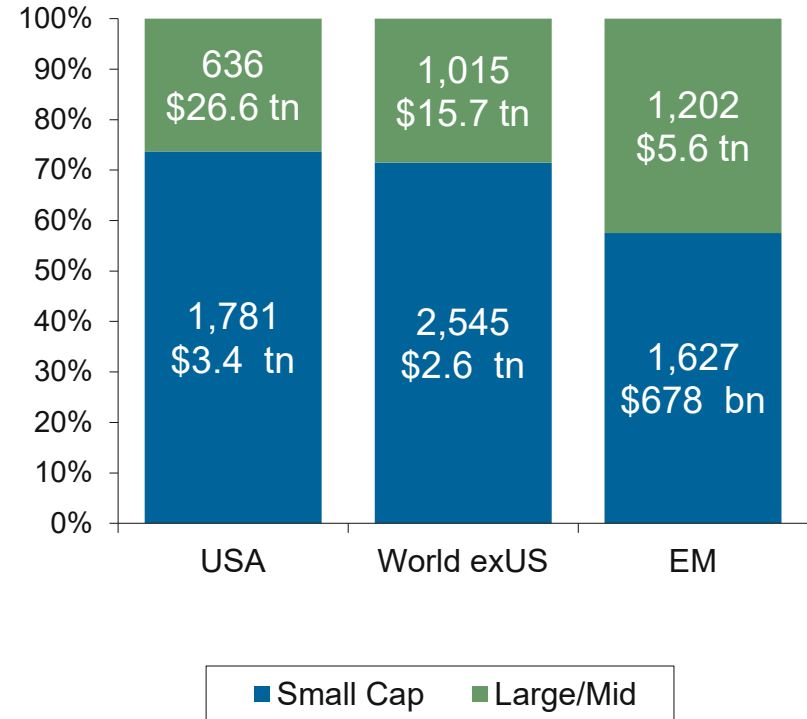
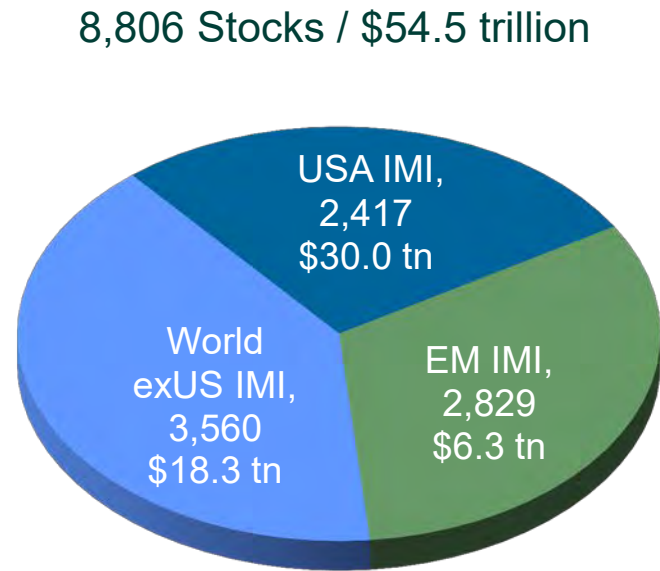


- Economic growth is stronger outside of developed markets.

Source: IMF, World Economic Outlook, January 2018

# The Global Opportunity Set is Vast

Number of Stocks & Market Cap in MSCI All Country World Investable Market Index (MSCI ACWI IMI)



- 11% of market capitalization resides in emerging markets.
- Nearly one-third of the global all-cap universe resides in emerging markets (stock count).

Source: MSCI as of October 31, 2019

# Over Shorter Periods – Markets Rotate

Periodic Table of Investment Returns  
for Calendar Years  
20 Years Ended September 30, 2019

2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	3 Qtrs. 2019
Bloomberg Aggregate	Bloomberg Aggregate	Bloomberg Aggregate	Emerging Markets IMI	Emerging Markets IMI	Emerging Markets IMI	Emerging Markets IMI	Emerging Markets IMI	Bloomberg Aggregate	Emerging Markets IMI	Emerging Markets IMI	Bloomberg Aggregate	Emerging Markets IMI	Russell 3000	Russell 3000	Bloomberg Aggregate	Russell 3000	Emerging Markets IMI	Bloomberg Aggregate	Russell 3000
11.6%	8.4%	10.3%	54.0%	26.6%	33.5%	31.7%	39.8%	5.2%	82.4%	19.9%	7.8%	18.7%	33.6%	12.6%	0.5%	12.7%	36.8%	0.0%	20.1%
Russell 3000	Emerging Markets IMI	Emerging Markets IMI	MSCI World ex US IMI	MSCI World ex US IMI	MSCI World ex US IMI	MSCI World ex US IMI	MSCI World ex US IMI	Russell 3000	MSCI World ex US IMI	Russell 3000	Russell 3000	MSCI World ex US IMI	MSCI World ex US IMI	Bloomberg Aggregate	Russell 3000	Emerging Markets IMI	MSCI World ex US IMI	Russell 3000	MSCI World ex US IMI
(7.5%)	(2.0%)	(6.5%)	41.0%	21.3%	15.7%	25.5%	11.7%	(37.3%)	35.4%	16.9%	1.0%	16.5%	21.6%	6.0%	0.5%	9.9%	25.2%	(5.2%)	13.4%
MSCI World ex US IMI	Russell 3000	MSCI World ex US IMI	Russell 3000	Russell 3000	Russell 3000	Russell 3000	Bloomberg Aggregate	MSCI World ex US IMI	Russell 3000	MSCI World ex US IMI	MSCI World ex US IMI	Russell 3000	Bloomberg Aggregate	Emerging Markets IMI	MSCI World ex US IMI	MSCI World ex US IMI	Russell 3000	MSCI World ex US IMI	Bloomberg Aggregate
(17.4%)	(11.5%)	(13.7%)	31.1%	11.9%	6.1%	15.7%	7.0%	(44.0%)	28.3%	10.7%	(12.7%)	16.4%	(2.0%)	(1.8%)	(2.0%)	3.0%	21.1%	(14.7%)	8.5%
Emerging Markets IMI	MSCI World ex US IMI	Russell 3000	Bloomberg Aggregate	Bloomberg Aggregate	Bloomberg Aggregate	Bloomberg Aggregate	Russell 3000	Emerging Markets IMI	Bloomberg Aggregate	Bloomberg Aggregate	Emerging Markets IMI	Bloomberg Aggregate	Emerging Markets IMI	MSCI World ex US IMI	Emerging Markets IMI	Bloomberg Aggregate	Bloomberg Aggregate	Emerging Markets IMI	Emerging Markets IMI
(35.3%)	(21.9%)	(21.5%)	4.1%	4.3%	2.4%	4.3%	5.1%	(53.8%)	5.9%	6.5%	(19.5%)	4.2%	(2.2%)	(4.5%)	(13.9%)	2.6%	3.5%	(15.0%)	5.4%

- No market segment consistently wins over short periods of time.

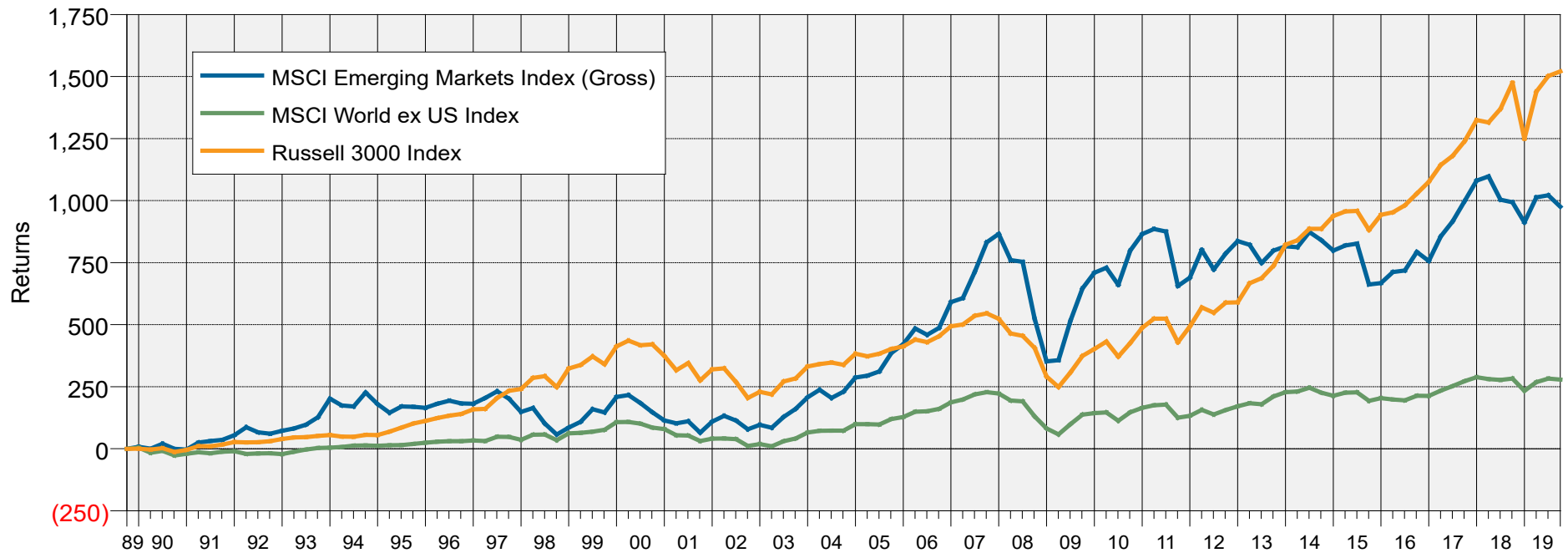
Source: Callan, MSCI



# 30-Year Cumulative Returns

## Developed and Emerging Markets Equities

### Cumulative Returns for 30 Years Ended September 30, 2019



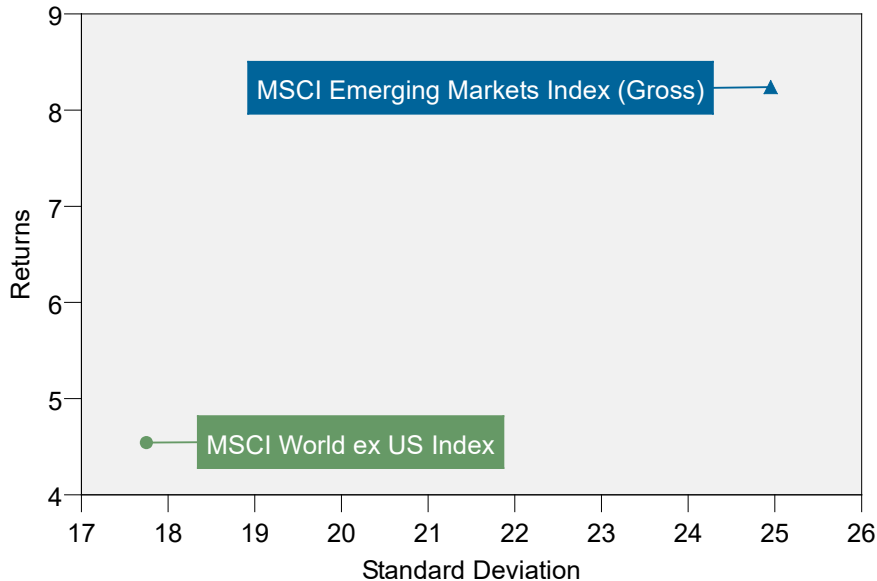
- Emerging markets equities have substantially outperformed developed markets equities outside of the U.S. over the last 30 years.
- U.S. equities have outperformed non-U.S. equities including emerging markets.
- The MSCI Emerging Markets Gross Index assumes dividends are re-invested without accounting for taxes. The Gross index is used because it has the longest return history.

# 30-Year Return and Risk

## Non-U.S. Developed and Emerging Markets Equities

### Scatter Chart

for 30 Years Ended September 30, 2019



### Statistics

for 30 Years Ended September 30, 2019

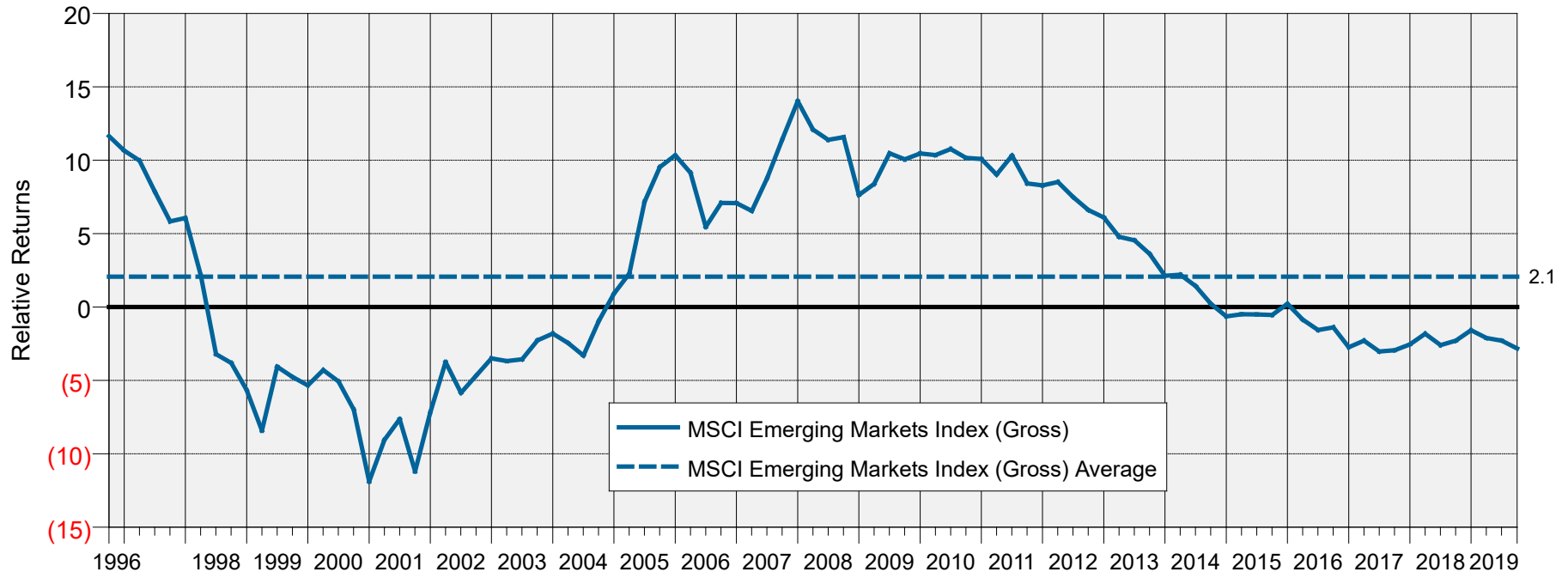
	Returns	Standard Deviation	Sharpe Ratio
MSCI World ex US Index	4.54	17.75	0.09
MSCI Emerging Markets Index (Gross)	8.24	24.95	0.21

- Greater returns for emerging markets equities have come with higher volatility.
- Investors in emerging markets equities have been compensated for the additional risk taken relative to developed equities as evidenced by the higher Sharpe Ratio.

# Rolling 7-Year Relative Returns

## Non-U.S. Developed and Emerging Markets Equities

Rolling 28 Quarter Relative Returns Relative To MSCI:World ex US Index  
for 23 Years Ended September 30, 2019



- Higher volatility means investors in emerging markets equities need to be patient to capture the return premium over developed non-U.S. equities.
- There can be prolonged periods when emerging markets equities underperform.

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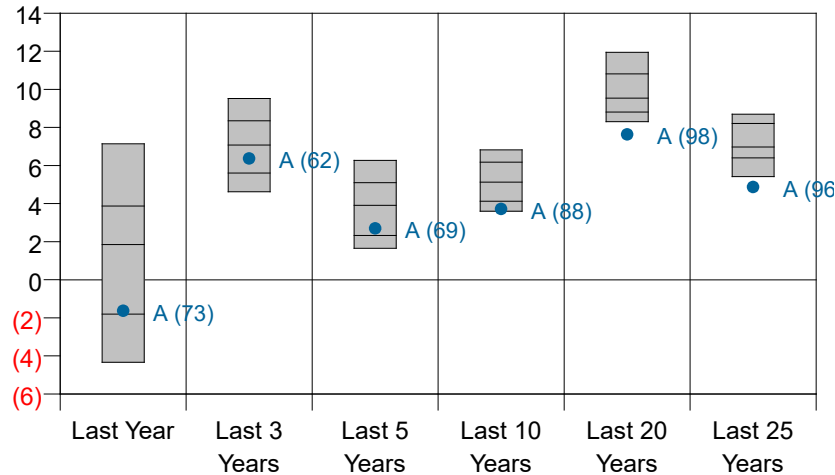
## **Emerging Markets Equity**

Active vs. Passive Management

# Active vs. Passive Management

Returns for Periods Ended September 30, 2019

Group: Callan Emerging Broad



	Last Year	Last 3 Years	Last 5 Years	Last 10 Years	Last 20 Years	Last 25 Years
10th Percentile	7.15	9.53	6.27	6.83	11.95	8.70
25th Percentile	3.88	8.35	5.11	6.18	10.82	8.22
Median	1.85	7.08	3.92	5.14	9.54	6.98
75th Percentile	(1.80)	5.61	2.34	4.13	8.82	6.41
90th Percentile	(4.33)	4.63	1.66	3.61	8.31	5.42

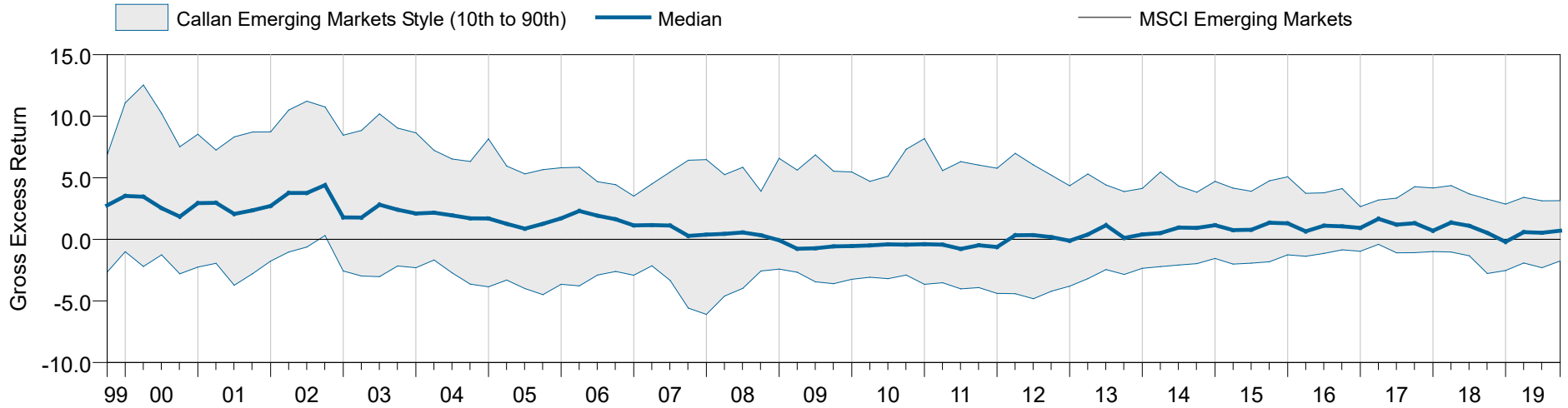
MSCI Em. Mkts Index (Gross) • A (1.62) 6.38 2.71 3.73 7.64 4.88

- Callan believes in active management in emerging markets equity.
- The average active emerging markets manager historically has outperformed the broad emerging markets benchmark.
- Less developed countries and stocks have not been researched as frequently, which has created inefficiencies.
- Also, some factors are more influential when valuing an international stock versus a U.S. stock including country specific inflation, currency, political and currency risks.
- These factors allow for investment managers to have more significant differentiation of opinions on stocks.

# Active vs. Passive Management

## Emerging Markets Broad Equity Style vs MSCI Emerging Markets Index

Rolling 3-Year Gross Excess Return relative to MSCI Emerging Markets  
for 20 Years ended September 30, 2019



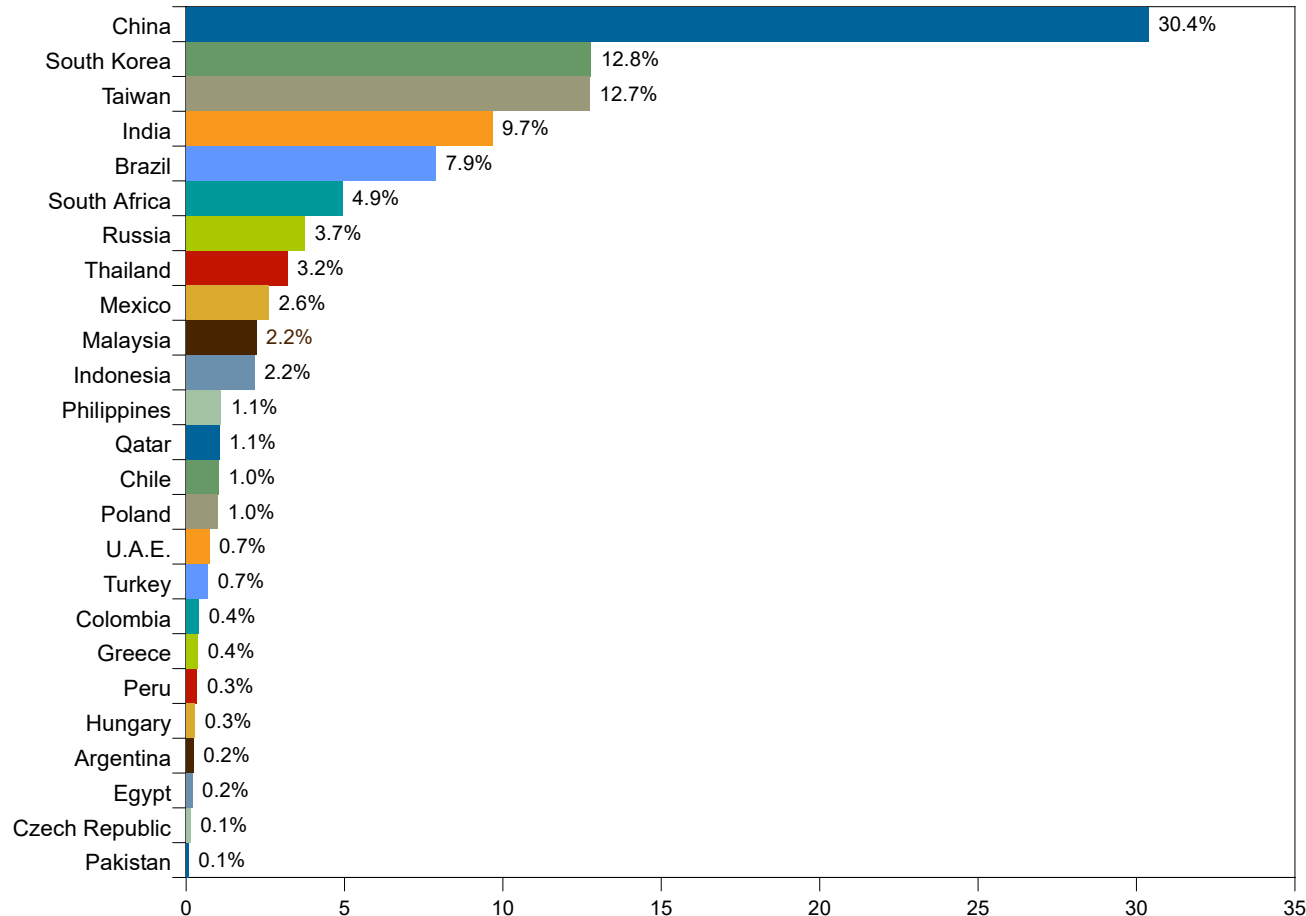
Fee Hurdle	0.70%	0.75%	0.80%	0.85%	0.90%	0.95%	1.00%	1.05%	1.10%	1.15%
Median	61%	59%	56%	56%	55%	53%	51%	51%	49%	43%
45th Percentile	73%	69%	68%	68%	64%	61%	61%	61%	61%	58%
40th Percentile	83%	83%	80%	79%	76%	73%	73%	70%	69%	69%
35th Percentile	91%	91%	90%	90%	88%	86%	85%	85%	83%	81%
30th Percentile	98%	98%	96%	95%	95%	95%	95%	95%	95%	94%
25th Percentile	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

Average Annualized 3-Year Excess Return (gross) – Median Manager:

1.11%

# Country Classification – Emerging Markets

MSCI Emerging Markets IMI  
Country Exposure as of September 30, 2019



- The MSCI Emerging Markets Investable Market Index is concentrated. The top three countries are more than 55% of the index. With the addition of China A shares, China's weight in the EM index is expected to exceed 40%.
- By comparison, in 2008 the top three countries were Brazil, China and South Korea and comprised 42% of the index.

Source: Callan, MSCI

Callan

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## **Emerging Markets Equity**

Investment Manager Evaluation

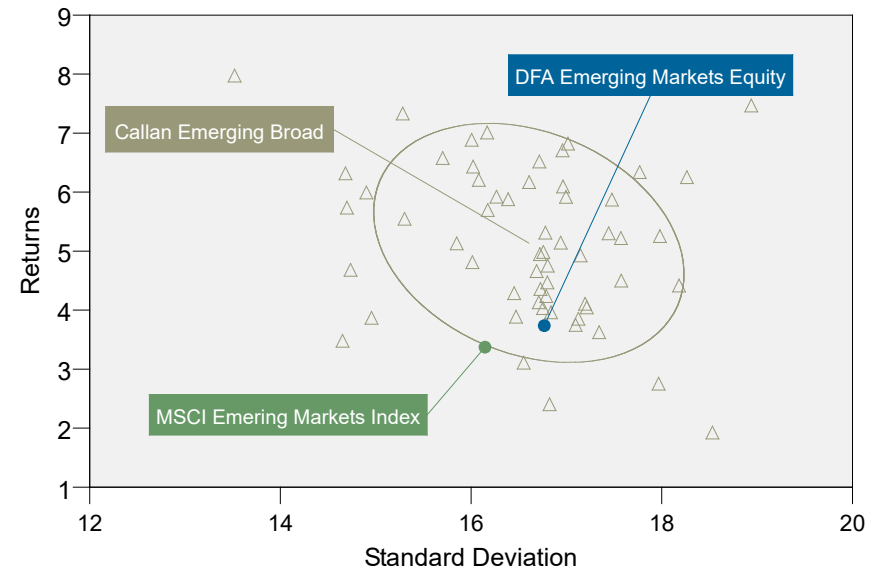


# DFA Emerging Markets All Cap Core Strategy

## Investment Process

- All DFA products are team managed and start at the total investable universe for that asset class.
- The firm's stock selection model is quantitative (and transparent) and emphasizes three main factors:
  1. Company size (small cap premium)
  2. Relative price (value premium)
  3. Expected profitability (profitability premium)
- DFA also has strict country selection criteria to ensure that each emerging market has adequate market liquidity, a commitment to free markets, a good legal system, and equal treatment of foreign investors; as well as other requirements. Those that don't meet these standards are screened out.
- All strategies are then refined by Asset Class Exclusions (permanent): REITs, highly regulated utilities; Pricing Exclusions (temporary): recent IPOs, share classes with foreign restriction, extreme financial distress/bankruptcy, merger; and Trading Exclusions: insufficient liquidity, limited operating history, insufficient float and/or listing requirements.
- After accounting for all the exclusions, DFA will essentially buy the remaining equities in that universe at their desired weightings.

**Risk/Reward Chart**  
for 10 Years Ended September 30, 2019



**Fund inception date:** April 2005

**Number of stocks:** approximately 4,700

**Annual Turnover:** approximately 5%

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# DFA Emerging Markets All Cap Core Strategy

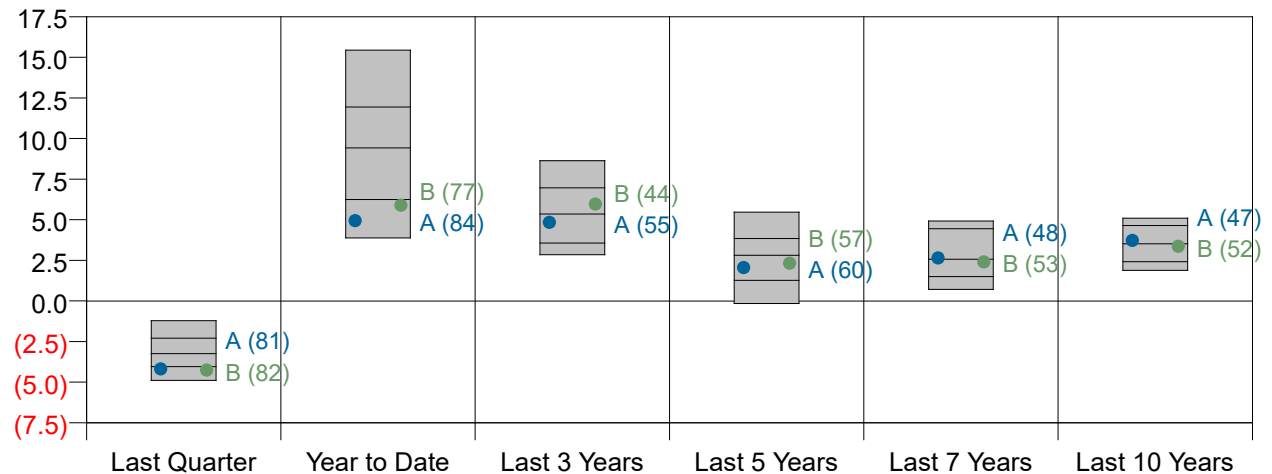
## Enhancements to the Investment Process

- DFA recently augmented the process to further optimize return generation and portfolio construction with the following:
  - August 2019 – exclusion of high asset growth small cap companies
    - These are companies exhibiting high levels of debt financing, equity financing, or growth in retained earnings.
      - *DFA has determined that companies with high investment (asset growth) can lead to lower returns.*
    - The restriction is limited to 5% and implementation is expected to be fully executed in 6-12 months
  - October 2019 – elimination of 17.5% country cap for its emerging markets strategies
    - Country allocation will be within 5% relative to the MSCI Emerging Markets Index.
    - Implementation is expected to be completed in 6-9 months.
- Portfolio characteristics and risk/return profile of the strategy are expected to be consistent with historical norms given the incremental nature of the enhancements.

# DFA Emerging Markets All Cap Core Strategy

## Performance

Returns for Periods Ended September 30, 2019  
Group: Callan Emerging Markets Equity Mut Funds



	Last Quarter	Year to Date	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years
10th Percentile	(1.21)	15.45	8.64	5.48	4.93	5.11
25th Percentile	(2.29)	11.95	6.97	3.85	4.45	4.65
Median	(3.23)	9.43	5.36	2.81	2.58	3.53
75th Percentile	(4.03)	6.25	3.57	1.27	1.51	2.42
90th Percentile	(4.89)	3.89	2.85	(0.15)	0.72	1.89

DFA Emerging Markets Equity	● A	(4.18)	4.96	4.85	2.07	2.65	3.74
MSCI Emerging Markets Index	● B	(4.25)	5.90	5.98	2.33	2.41	3.37

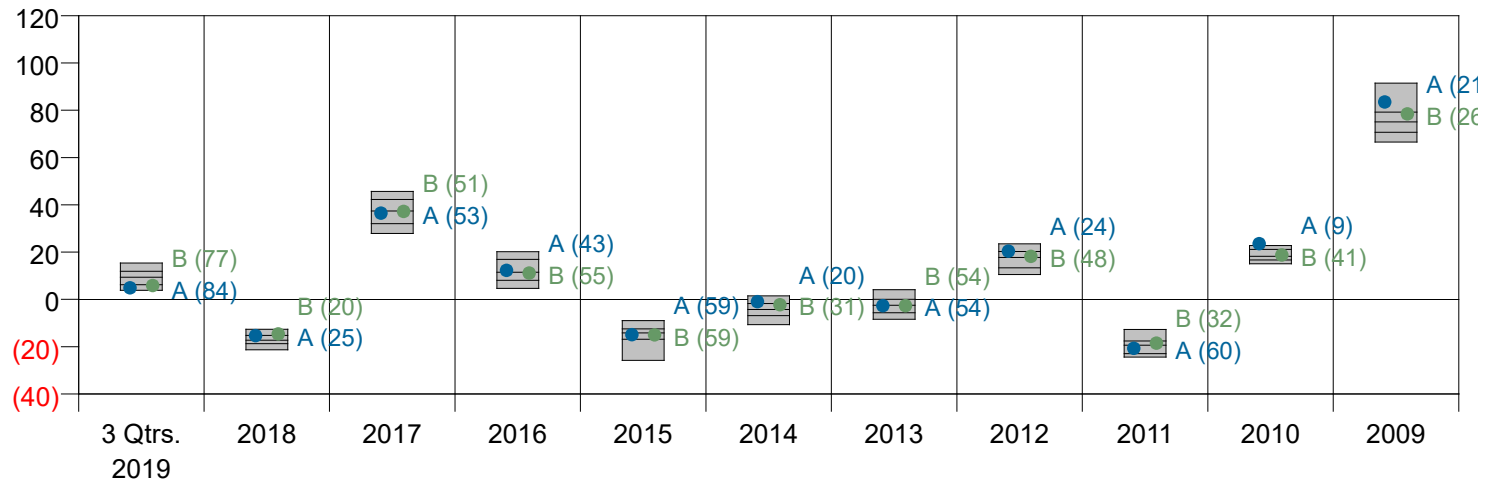
- DFA Emerging Markets All Cap Core strategy modestly lagged the MSCI Emerging Markets Index in the third quarter of 2019.
  - Exposures to value and small cap detracted, while profitability helped minimize the underperformance.

# DFA Emerging Markets All Cap Core Strategy

## Performance

### Calendar Year Returns

#### Group: Callan Emerging Markets Equity Mut Funds



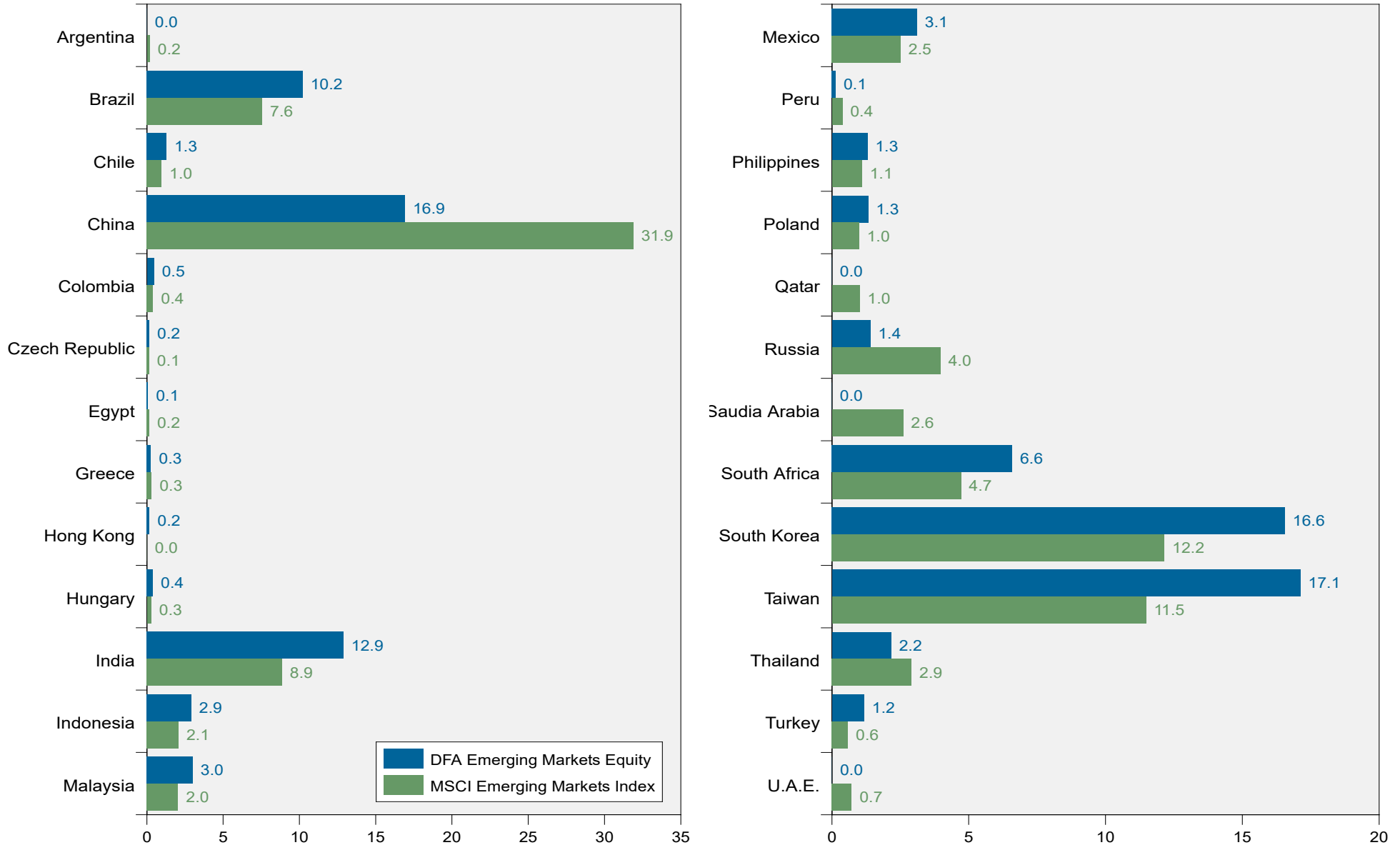
10th Percentile	15.45	(12.63)	45.76	20.21	(8.94)	1.52	4.14	23.52	(12.71)	22.81	91.56
25th Percentile	11.95	(15.22)	42.33	16.95	(12.40)	(1.72)	0.11	20.34	(17.52)	21.17	79.24
Median	9.43	(17.23)	37.43	11.52	(14.13)	(4.22)	(2.40)	17.78	(19.33)	18.31	75.12
75th Percentile	6.25	(18.68)	32.09	8.12	(16.81)	(6.84)	(5.63)	13.38	(22.90)	16.77	70.71
90th Percentile	3.89	(21.25)	27.92	4.69	(25.75)	(10.62)	(8.34)	10.53	(24.38)	15.12	66.64

DFA Emerging Markets Equity	● A	4.96	(15.25)	36.55	12.35	(14.86)	(0.91)	(2.64)	20.49	(20.65)	23.62	83.58
MSCI Emerging Markets Index	● B	5.90	(14.57)	37.28	11.19	(14.92)	(2.19)	(2.60)	18.23	(18.42)	18.88	78.51

- DFA Emerging Markets All Cap Core strategy has a track record of generating excess return relative to the MSCI Emerging Markets Index.
  - Fund outperformed the benchmark six out of the past 10 calendar years.
  - Performance is expected to normalize as value and small cap factors recover.

# DFA Emerging Markets All Cap Core Strategy

## Country Weights



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## **Emerging Markets Equity**

Conclusions

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## Conclusions

Callan believes in long-term strategic investing in emerging markets and have the following observations:

- Emerging markets equity has outperformed non-U.S. developed market equity over time and has been compensated for the higher volatility. An exposure to emerging markets equity is expected help meet long-term return objectives.
- Active managers have a history of beating the benchmark after fees. Additional risk factors allow opportunity for successful stock picking.
- Data provides no evidence of a style premium in emerging markets equity. Value and growth can go through long cycles, but, since inception, the style indices have similar cumulative performance.
  - Value implementation can be supported but requires patience.
  - Over the last decade, the index composition has changed by country and sector and is more heavily weighted to growth sectors. Macro factors such as population growth, higher GDP, and a growing middle class provide support that growth will continue to be an important factor in emerging markets.
- DFA is a systematic manager that harnesses small cap, value, and profitability risk premiums to generate returns.
  - DFA recently added a high asset growth small cap exclusionary factor and eliminated its country cap of 17.5% to enhance the process.
- Callan maintains a positive view on DFA and supports the strategy for appropriate client searches. Performance is expected to recover as value and small cap factors cycle back in favor.

Callan

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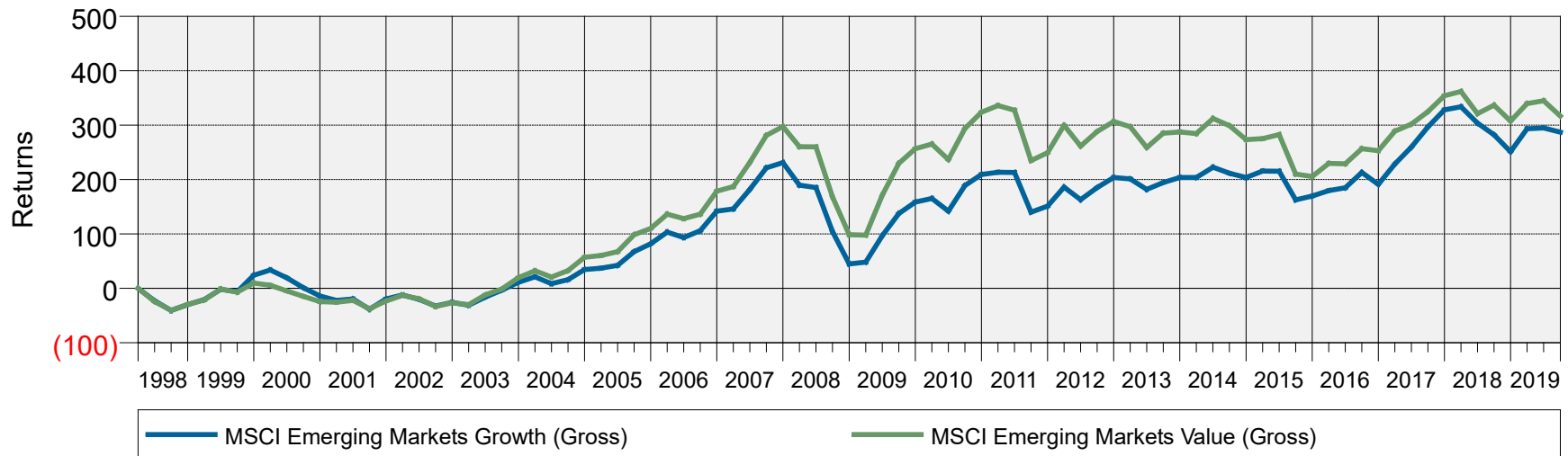
## **Appendix: Emerging Markets Equity**

Style Investing



# Emerging Markets Equity Style Investing

## Cumulative Returns for 21 1/2 Years Ended September 30, 2019

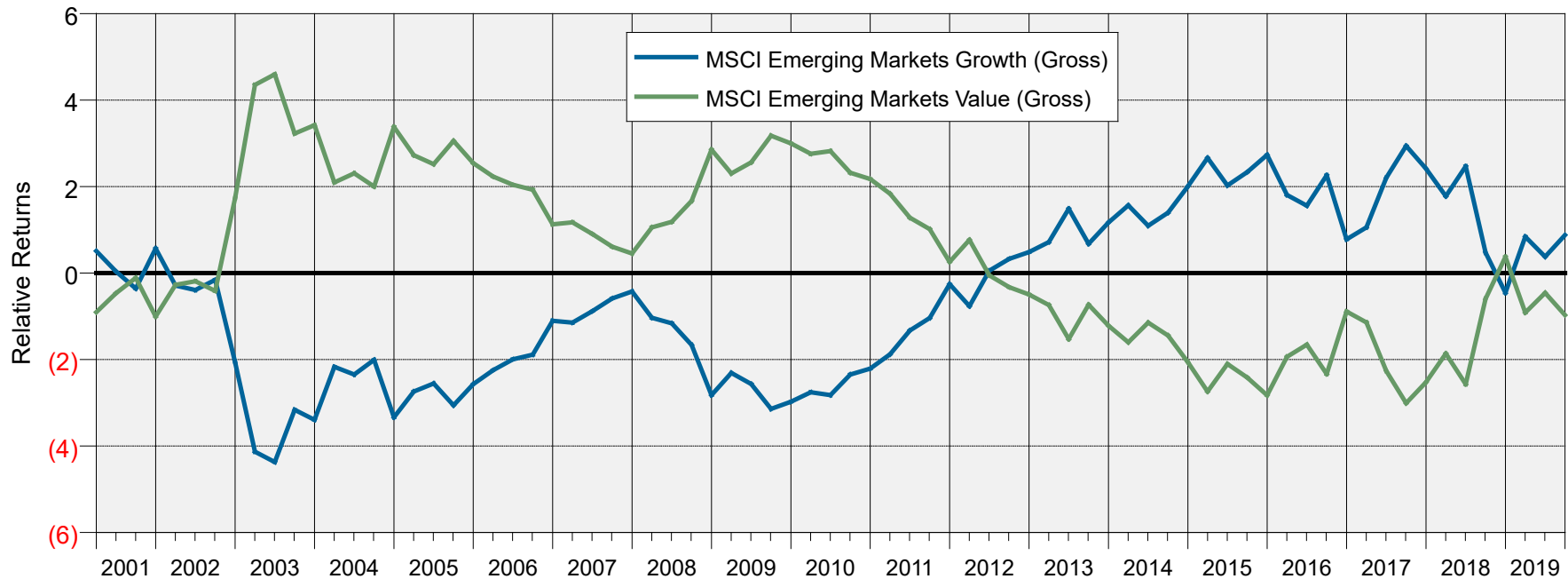


- Eugene Fama and Kenneth French (economics professors at the University of Chicago Booth School of Business) evaluated style investing in emerging markets equity and found evidence of a value premium during the sample period of 1987 – 1995. They examined relative metrics during the period using data from the International Finance Corporation.
- The emerging markets style return history is short and lacks the necessary empirical evidence to conclude that one style will outperform the other over the long term.

# Emerging Markets Equity Style Investing

## Rolling 3-Year Relative Returns

Rolling 12 Quarter Relative Returns Relative To MSCI:EM Gross  
for 18 1/2 Years Ended September 30, 2019

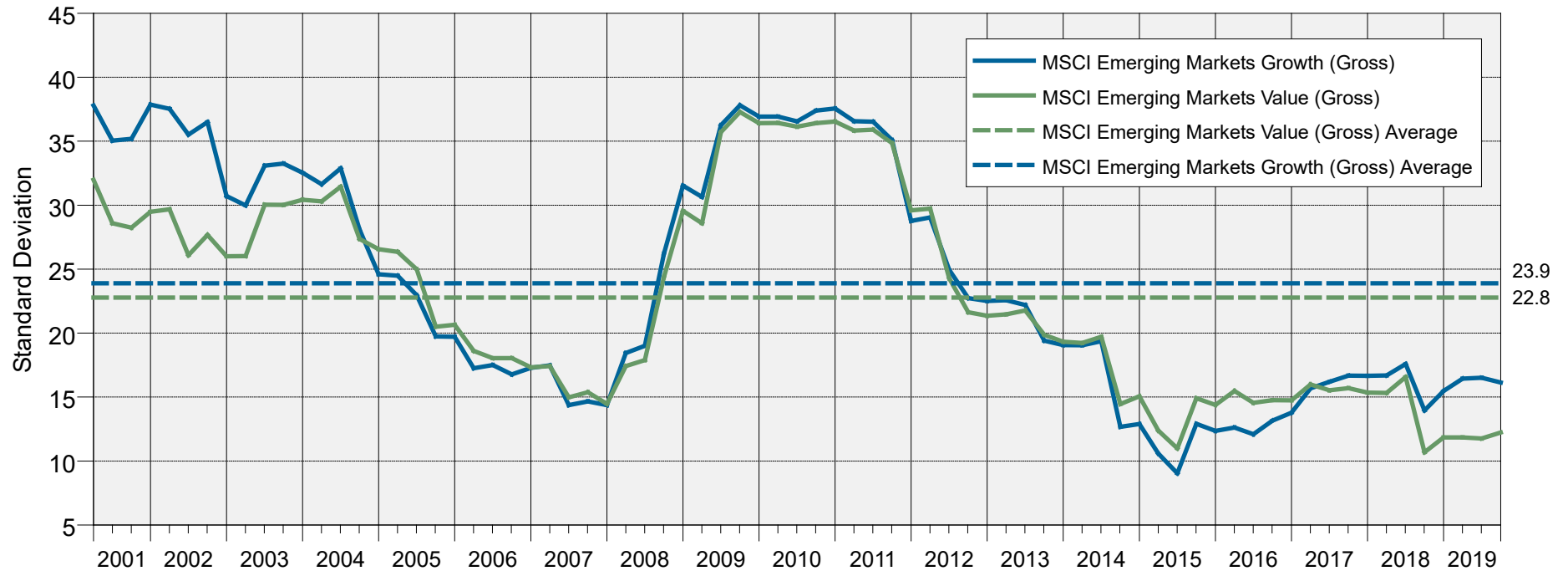


- Return deviations of the style indices from the broad index rarely exceed 4.0% and are inside 3.5% over the last decade. The relative performances of growth and value are twice this size by definition implying that investors with a style bias need to be patient.
- Rolling 3-year returns of the value index beat the growth index from the end of 2002 – to the middle of 2012. This minimizes what has seemed like a long period of underperformance for value in the current cycle.

# Emerging Markets Equity Style Investing

## Standard Deviation

Rolling 12 Quarter Standard Deviation  
for 18 1/2 Years Ended September 30, 2019

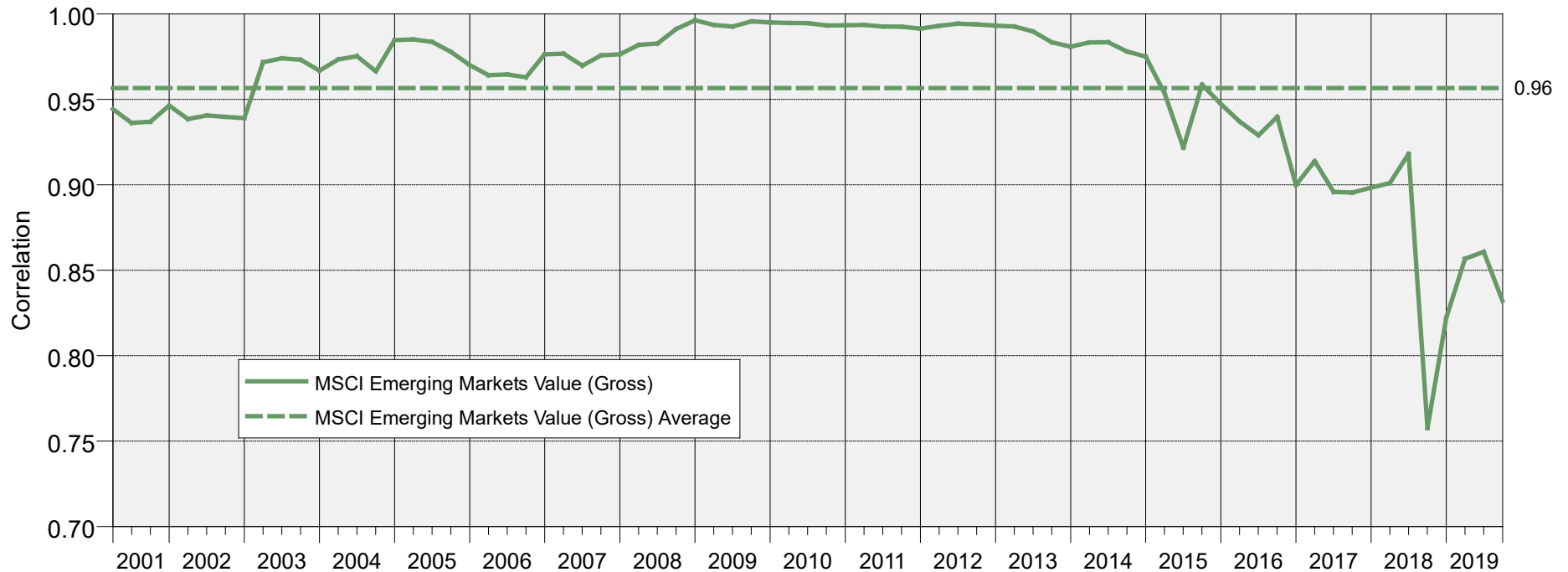


- Risk history for emerging markets style indices is short and there is no definitive reason to believe that one style would be substantially more risky than the other over the long term.
- The absolute risk differences are narrow and the average risks differ by 110 basis points over the available historical data.

# Emerging Markets Equity Returns

## Growth vs. Value Correlations

Rolling 12 Quarter Correlation Relative To MSCI:EM Growth Gross  
for 18 1/2 Years Ended September 30, 2019



- Emerging markets growth and value are highly correlated. The characteristics of emerging markets overall overwhelm the distinctions between growth and value.
- While still highly positively correlated, value and growth have become less correlated in the last few years.
- As a point of reference, the Russell 1000 growth and value indices have an average correlation of 0.82 over the same time period.