



# 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 9, 2020 via Webex

Call in: 1-510-338-9438 Meeting # 126 322 6893 Meeting Password: 72543727

Webex App: Join Meeting # 126 322 6893 Meeting Password: 72543727

Online: Go to [www.webex.com](http://www.webex.com) and click Join Meeting. Enter Meeting # and Password.

**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, Land

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

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

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

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 Request via e-mail to [Retirement@SacRT.com](mailto:Retirement@SacRT.com). 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 9, 2020 Quarterly Retirement Board Meeting (ATU). (Gobel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Motion:	Approving the Minutes for the September 9, 2020 Quarterly Retirement Board Meeting (IBEW). (Gobel)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

3. Motion:	Approving the Minutes for the September 9, 2020 Quarterly Retirement Board Meeting (AEA). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
		<b>ATU</b>	<b>IBEW</b>	<b>AEA</b>	<b>AFSCME</b>	<b>MCEG</b>
4. Motion:	Approving the Minutes for the September 9, 2020 Quarterly Retirement Board Meeting (AFSCME). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
5. Motion:	Approving the Minutes for the September 9, 2020 Quarterly Retirement Board Meeting (MCEG). (Gobel)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
6. Motion:	Approving the Minutes for the November 20, 2020 Special Retirement Board Meeting (ATU). (Gobel)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Motion:	Receive and File Administrative Reports for the Quarter Ended September 9, 2020 for the ATU Pension Plan (ATU). (Adelman)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Motion:	Receive and File Administrative Reports for the Quarter Ended September 30, 2020 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:	Receive and File Administrative Reports for the Quarter Ended September 30, 2020 for the Salaried Pension Plan (AEA, AFSCME, MCEG). (Adelman)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
10. Motion:	Ratification and Acceptance of Revised Actuarially Determined Contributions for Fiscal Year 2021 (ALL) (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
11. Motion:	Amend the Agreement with Cheiron, Inc. for Actuarial Services to Exercise a One-Year Option (ALL) (Gobel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**NEW BUSINESS**

		<b>ATU</b>	<b>IBEW</b>	<b>AEA</b>	<b>AFSCME</b>	<b>MCEG</b>
12. 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, 2020 (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 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, 2020 (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 the Quarter Ended September 30, 2020. (ALL) (Adelman)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
15. Information:	Discussion Roles and Responsibilities Related to Pension Administration/new staff (ALL). (Gobel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
16. Resolution:	Appointment of John Gobel as Assistant Secretary (ALL) (Gobel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

**REPORTS FROM COMMITTEES / TRAINING**

		<b>ATU</b>	<b>IBEW</b>	<b>AEA</b>	<b>AFSCME</b>	<b>MCEG</b>
17. Information:	Report on CALAPRS Principles of Pension Governance for Trustees Training (Santhanakrishnan, Pickering, Flores) (Gobel)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
18. Information:	AB 1234 Ethical Standards Training 2020 (ALL) (Hanson Bridgett)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## **REPORTS, IDEAS AND COMMUNICATIONS**

### **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 individuals requesting special accommodation to attend and/or participate in this meeting, including 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 Pension & Retirement Analyst at 916-926-9927 and/or the Assistant Secretary to the Retirement Boards 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 Pension & Retirement Analyst of Sacramento Regional Transit District to make inquiry.

**Sacramento Regional Transit District  
Quarterly Retirement Board Meeting (IBEW)  
Wednesday, September 9, 2020  
MEETING MINUTES**

**ROLL CALL**

This meeting was held as a common meeting of the five Sacramento Regional Transit District Retirement Boards (AEA, AFSCME, ATU, IBEW, MCEG). The Common Chair presided over this Retirement Board meeting.

This meeting was a teleconference as a result of the COVID-19 pandemic and in accordance with the Governor's Executive Order N-25-20.

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

The Common Chair presided over this Retirement Board meeting.

**PUBLIC ADDRESSES BOARD ON MATTERS NOT ON THE AGENDA**

None.

**CONSENT CALENDAR**

- 2. Motion: Approving the Minutes for the June 10, 2020 Quarterly Retirement Board Meeting (IBEW). (Weekly)
- 7. Motion: Receive and File Administrative Reports for the Quarter Ended June 30, 2020 for the Pension Plans (IBEW). (Adelman)
- 9. Motion: Update on Roles and Responsibilities Related to Pension Administration (ALL).

**IBEW** – Director Kennedy moved to adopt Agenda Items 2, 7 and 9. The motion was seconded by Director Li. Agenda Items 2, 7 and 9 were carried unanimously by roll call vote; Kennedy, Li, Bibbs, McCleskey – Aye, Noes - None

**NEW BUSINESS**

Due to technical difficulties that interfered with various speakers' ability to join the meeting when planned, the New Business items were heard out of order, as follows: Items 10 and 11 were introduced by SacRT Assistant Vice President Finance &

## September 9, 2020 Meeting Minutes – Continued

Treasury Jamie Adelman; Item 13 was presented and actions were taken to adopt the 2021 meeting calendar; Item 12 was presented and actions were taken to receive and file the investment performance reports; and then Items 10 and 11 were presented and discussed in more detail.

10. 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 Quarter Ended June 30, 2020 (ALL). (Adelman)

Prior to the arrival of the DFA representative at the meeting, Ms. Adelman provided a brief overview of the International Emerging Markets Asset Class performance for the Quarter, and reminded the Boards that Callan LLC (Callan) provided the Boards with a presentation on the status of the International Emerging Markets asset class, and an analysis of DFA's performance, and that Callan is continuing to monitor the manager on a quarter-by-quarter basis.

11. Information: Investment Performance Review by Boston Partners for the ATU/IBEW and Salaried Employee Retirement Plans for the Domestic Large Cap Equity Class for the Quarter Ended June 30, 2020 (ALL). (Adelman)

Prior to the arrival of the Boston Partners representative at the meeting, Ms. Adelman told the Boards that Boston Partners has been a long-time, high-quality manager for the Pension Plans.

13. Resolution: Adopt Annual 2021 Calendar (ALL). (Weekly)

Valerie Weekly SacRT Pension & Retirement Manager presented the 2021 Retirement Board Meeting Calendar.

**IBEW** – Director Kennedy moved to adopt Agenda Item 13. The motion was seconded by Director Li. Agenda Item 13 was carried unanimously by roll call vote; Kennedy, Li, Bibbs, McCleskey – Aye, Noes - None

12. Motion: Receive and File the Investment Performance Reports for the ATU, IBEW and Salaried Employee Funds for Quarter Ended June, 2020 (ALL).

Ms. Tseng reviewed the investment report for the most recent quarter. He noted that the overall return for the quarter was 12.3%, which ranked in the top one-third for the Plans' peer group. Mr. Tseng reviewed performance of individual managers.

## September 9, 2020 Meeting Minutes – Continued

There were no questions from the Boards.

**IBEW** – Director Kennedy moved to adopt Agenda Item 12. The motion was seconded by Director Li. Agenda Item 12 was carried unanimously by roll call vote; Kennedy, Li, Bibbs, McCleskey – Aye, Noes - None

10. 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 Quarter Ended June 30, 2020 (ALL). (Adelman)

Ms. Adelman introduced Chermaine Fullinck from DFA, who provided the investment performance review for the International Emerging Markets Asset Class for the quarter ended June 30, 2020.

Mr. Tseng from Callan asked Mr. Fullinck about DFA's current stance on China. Mr. Fullinck replied that DFA had in the past imposed a 17% country cap with respect to China, but recently had lifted the cap as China has become more developed with more free-flowing capital. The rebalance will occur over time using natural cash flows so that DFA will look more like the index within six months.

SacRT VP Finance/Chief Financial Officer Brent Bernegger asked if DFA had any changes in philosophy that the Boards should be aware of. Mr. Fullinck responded that there were no changes to strategy and that DFA still believes in its valuation equation.

There were no questions from the Boards.

11. Information: Investment Performance Review by Boston Partners for the ATU/IBEW and Salaried Employee Retirement Plans for the Domestic Large Cap Equity Class for the Quarter Ended June 30, 2020 (ALL). (Adelman)

Ms. Adelman introduced Carolyn Margiotti of Boston Partners, who provided the investment performance review for the Domestic Large Cap Equity Class for the quarter ended June 30, 2020 and was available for questions.

In response to a question from Mr. Tseng regarding financials securities that will rebound in the near term, Ms. Margiotti noted that the portfolio has some defensive picks which help in a changing environment and holds a few banks that are good values.

Mr. Bernegger asked whether the Boards should take any action to brace for the ending of the CARES Act funding that provided mortgage relief. Mr. Tseng replied that the Plans have no exposure to private real estate.

## September 9, 2020 Meeting Minutes – Continued

There were no questions from the Boards.

14.Information: Real Estate Investment Transition

Ms. Adelman gave a brief update on the status of the new real estate investments and asked Mr. Tseng to provide further information. Mr. Tseng explained Callan’s view that making the investment by dollar cost averaging and staggering the Boards’ investment into real estate over a few quarters is a reasonable approach to completing the transition.

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

Ms. Adelman advised the Boards that Ms. Weekly is leaving SacRT, and that this would be her last Retirement Board meeting. The Retirement Boards thanked Ms. Weekly for her service.

With no further business to discuss, the Retirement Board meeting was adjourned at 10:13 a.m.

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Constance Bibbs, Chair

ATTEST:

Henry Li, Secretary

By: \_\_\_\_\_

John Gobel, Interim Assistant Secretary



# RETIREMENT BOARD STAFF REPORT

DATE: December 9, 2020 Agenda Item: 8  
TO: Sacramento Regional Transit Retirement Board – IBEW  
FROM: Jamie Adelman, AVP Finance & Treasury  
SUBJ: RECEIVE AND FILE ADMINISTRATIVE REPORTS FOR THE QUARTER ENDED SEPTEMBER 30, 2020 FOR THE IBEW PENSION PLAN

## **RECOMMENDATION**

Motion to Approve.

## **RESULT OF RECOMMENDED ACTION**

Motion: Receive and File Administrative Reports for the Quarter Ended September 30, 2020 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, 2020\*\*\***

	<b>ATU</b>	<b>IBEW</b>	<b>Salary</b>
	Contribution Rate	Contribution Rate	Contribution Rate
Classic	28.41%	26.66%	37.03%
Classic w/Contribution*	25.41%		
PEPRA**	21.16%	20.66%	31.28%

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

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

\*\*\*The employer contribution rates were updated on October 1, 2020.





# RETIREMENT BOARD STAFF REPORT

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## Unaudited Financial Statements

Attached hereto are unaudited financial statements for the quarter and the year-to-date ended September 30, 2020. 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, 2020 (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, 2020. 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



# RETIREMENT BOARD STAFF REPORT

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three months ended September 30, 2020. The IBEW Plan reimbursed \$296,833.99 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, 2020. This statement shows the IBEW Plan's asset allocation as compared to targeted allocation percentages as defined in the Statement of Investment Objectives and Policy Guidelines.

Attached hereto as Attachment 6 is a reconciliation between the Callan Performance Report and the ATU, IBEW and Salaried Pension Plans' unaudited financial statements. The reports differ in that the unaudited financial statements reflect both investment activities and the pension fund's inflows and outflows. Callan's report only reflects the investment activities. The "Net Difference" amounts shown are the results of Callan and Northern Trust Company 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, 2020 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, 2020.

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

Accrual Basis

As of September 30, 2020

	Sep 30, 20
<b>ASSETS</b>	
<b>Current Assets</b>	
<b>Checking/Savings</b>	
100000 · Long-Term Investments	63,062,501.65
<b>Total Checking/Savings</b>	63,062,501.65
<b>Other Current Assets</b>	
1110120 · Prepays	7,983.75
<b>Total Other Current Assets</b>	7,983.75
<b>Total Current Assets</b>	63,070,485.40
<b>TOTAL ASSETS</b>	<b>63,070,485.40</b>
<b>LIABILITIES &amp; EQUITY</b>	
<b>Liabilities</b>	
<b>Current Liabilities</b>	
<b>Accounts Payable</b>	
3110102 · Administrative Expense Payable	17,745.38
3110110 · Other Pay - Due to RT	282,334.37
3110122 · MetWest	13,716.85
3110124 · Boston Partners	13,023.52
3110125 · Callan	2,174.56
3110128 · Atlanta Capital	10,604.55
3110129 · SSgA - S&P Index	571.14
3110130 · SSgA - EAFE	290.18
3110132 · Pyrford	19,558.46
3110133 · Northern Trust	4,854.82
<b>Total Accounts Payable</b>	364,873.83
<b>Total Current Liabilities</b>	364,873.83
<b>Total Liabilities</b>	364,873.83
<b>Equity</b>	
3340100 · Retained Earning	45,066,750.96
3340101 · Retained Earnings	15,312,374.60
Net Income	2,326,486.01
<b>Total Equity</b>	62,705,611.57
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>63,070,485.40</b>

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

Accrual Basis

July through September 2020

	Jul - Sep 20	% of Income
<b>Income</b>		
<b>Interest, Dividend, &amp; Other Inc</b>		
6830101 · Dividend	95,309.04	2.7%
6830102 · Interest	115,877.76	3.3%
6830103 · Other Income	5,867.09	0.2%
<b>Total Interest, Dividend, &amp; Other Inc</b>	<b>217,053.89</b>	<b>6.1%</b>
<b>Investment Income</b>		
6530900 · Gains/(Losses) - All	586,774.02	16.5%
6530915 · Increase(Decrease) in FV	1,835,297.01	51.6%
<b>Total Investment Income</b>	<b>2,422,071.03</b>	<b>68.0%</b>
<b>RT Required Contribution</b>		
6630110 · Employee Contributions	84,502.55	2.4%
RT Required Contribution - Other	835,879.14	23.5%
<b>Total RT Required Contribution</b>	<b>920,381.69</b>	<b>25.9%</b>
<b>Total Income</b>	<b>3,559,506.61</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531201 · IBEW - Retirement Benefits Paid	1,111,428.40	31.2%
8531203 · EE Contribution Refunds	1,007.51	0.0%
8532004 · Invest Exp - Metropolitan West	13,716.85	0.4%
8532013 · Invest Exp - Boston Partners	13,023.52	0.4%
8532020 · Invest Exp - Callan	6,523.79	0.2%
8532024 · Invest Exp - Atlanta Capital	10,604.55	0.3%
8532025 · Invest Exp - S&P Index - SSgA	571.14	0.0%
8532026 · Invest Exp - EAFE - SSgA	290.18	0.0%
8532027 · Invest Exp - AQR	6,849.64	0.2%
8532028 · Invest Exp - Pyrford	10,302.50	0.3%
8532029 · Invest Exp - Northern Trust	4,854.82	0.1%
<b>Total COGS</b>	<b>1,179,172.90</b>	<b>33.1%</b>
<b>Gross Profit</b>	<b>2,380,333.71</b>	<b>66.9%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	7,954.57	0.2%
8533007 · Admin Exp - CALPRS Dues/Courses	0.00	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,303.75	0.1%
8533021 · Admin Exp - Legal Services	21,372.42	0.6%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533029 · Admin Exp - Administrator	20,966.96	0.6%
8533030 · Admin Exp - Audit	0.00	0.0%
<b>Total Expense</b>	<b>53,847.70</b>	<b>1.5%</b>
<b>Net Income</b>	<b>2,326,486.01</b>	<b>65.4%</b>

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

Accrual Basis

July through September 2020

	Jul - Sep 20	% of Income
<b>Income</b>		
<b>Interest, Dividend, &amp; Other Inc</b>		
6830101 · Dividend	95,309.04	2.7%
6830102 · Interest	115,877.76	3.3%
6830103 · Other Income	5,867.09	0.2%
<b>Total Interest, Dividend, &amp; Other Inc</b>	<b>217,053.89</b>	<b>6.1%</b>
<b>Investment Income</b>		
6530900 · Gains/(Losses) - All	586,774.02	16.5%
6530915 · Increase(Decrease) in FV	1,835,297.01	51.6%
<b>Total Investment Income</b>	<b>2,422,071.03</b>	<b>68.0%</b>
<b>RT Required Contribution</b>		
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<b>Total Income</b>	<b>3,559,506.61</b>	<b>100.0%</b>
<b>Cost of Goods Sold</b>		
8531201 · IBEW - Retirement Benefits Paid	1,111,428.40	31.2%
8531203 · EE Contribution Refunds	1,007.51	0.0%
8532004 · Invest Exp - Metropolitan West	13,716.85	0.4%
8532013 · Invest Exp - Boston Partners	13,023.52	0.4%
8532020 · Invest Exp - Callan	6,523.79	0.2%
8532024 · Invest Exp - Atlanta Capital	10,604.55	0.3%
8532025 · Invest Exp - S&P Index - SSgA	571.14	0.0%
8532026 · Invest Exp - EAFE - SSgA	290.18	0.0%
8532027 · Invest Exp - AQR	6,849.64	0.2%
8532028 · Invest Exp - Pyrford	10,302.50	0.3%
8532029 · Invest Exp - Northern Trust	4,854.82	0.1%
<b>Total COGS</b>	<b>1,179,172.90</b>	<b>33.1%</b>
<b>Gross Profit</b>	<b>2,380,333.71</b>	<b>66.9%</b>
<b>Expense</b>		
8533002 · Admin Exp - Actuary	7,954.57	0.2%
8533007 · Admin Exp - CALPRS Dues/Courses	0.00	0.0%
8533014 · Admin Exp - Fiduciary Insurance	3,303.75	0.1%
8533021 · Admin Exp - Legal Services	21,372.42	0.6%
8533025 · Admin Exp - Information Service	250.00	0.0%
8533029 · Admin Exp - Administrator	20,966.96	0.6%
8533030 · Admin Exp - Audit	0.00	0.0%
<b>Total Expense</b>	<b>53,847.70</b>	<b>1.5%</b>
<b>Net Income</b>	<b>2,326,486.01</b>	<b>65.4%</b>

**Sacramento Regional Transit District  
Retirement Fund - IBEW  
Schedule of Cash Activities  
For the Three Months Period Ended September 30, 2020**

	July 2020	August 2020	September 2020	Quarter Totals
Beginning Balance:				
Due (from)/to District - June 30, 2020	296,834.00	184,205.51	162,942.59	296,834.00
Monthly Activity:				
<u>Deposits</u>				
District Pension Contributions @ 20.66 to 26.66%	282,840.92	283,058.26	269,979.96	835,879.14
Employee Pension Contributions	29,308.09	27,505.41	27,689.05	84,502.55
Total Deposits	312,149.01	310,563.67	297,669.01	920,381.69
<u>Expenses</u>				
Payout to Retirees	(360,697.23)	(370,299.80)	(380,431.37)	(1,111,428.40)
Employee Contribution Refunds	(1,007.51)	-	-	(1,007.51)
Payout to Retirees Subtotal	(361,704.74)	(370,299.80)	(380,431.37)	(1,112,435.91)
Fund Investment Management Expenses:				
Atlanta Capital	(10,286.91)	-	-	(10,286.91)
Boston Partners	-	(11,280.73)	-	(11,280.73)
SSgA S&P 500 Index	-	(519.67)	-	(519.67)
SSgA EAFE MSCI	-	(249.35)	-	(249.35)
Metropolitan West	-	(13,542.87)	-	(13,542.87)
Callan	-	-	(4,349.23)	(4,349.23)
Fund Invest. Mgmt Exp. Subtotal	(10,286.91)	(25,592.62)	(4,349.23)	(40,228.76)
Administrative Expenses				
Legal Services	-	-	(21,372.42)	(21,372.42)
Pension Administration	(6,776.33)	(7,959.53)	(6,231.10)	(20,966.96)
Actuarial Services	-	(3,110.33)	-	(3,110.33)
Fiduciary Insurance	75.00	-	-	75.00
Investigation Information Services	-	-	(250.00)	(250.00)
Audit Fees	-	-	(4,426.67)	(4,426.67)
Administrative Exp. Subtotal	(6,701.33)	(11,069.86)	(32,280.19)	(50,051.38)
Total Expenses	(378,692.98)	(406,962.28)	(417,060.79)	(1,202,716.05)
Monthly Net Owed from/(to) District	(66,543.97)	(96,398.61)	(119,391.78)	(282,334.36)
Payment from/(to) the District	(179,172.46)	(117,661.53)	-	(296,833.99)
Ending Balance:				
Due (from)/to the District (=Beginning balance + monthly balance-payment to District)	184,205.51	162,942.59	282,334.37	282,334.37

**RT Combined Pension Plans - ATU, IBEW and Salaried  
Asset Allocation \***  
As of September 30, 2020

Asset Class	Net Asset Market Value 9/30/2020	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	\$ 49,923,290	16.01%	16.00%	0.01%	\$ 43,000	
Large Cap Growth - SSgA S&P 500 Index - XH	56,113,451	18.00%	16.00%	2.00%	6,233,161	
<b>Total Large Cap Domestic Equity</b>	<b>106,036,741</b>	<b>34.01%</b>	<b>32.00%</b>	<b>2.01%</b>	<b>6,276,162</b>	<b>\$ 99,760,579</b>
<b>Small Cap - Atlanta Capital - XB</b>	<b>26,212,175</b>	<b>8.41%</b>	<b>8.00%</b>	<b>0.41%</b>	<b>1,272,030</b>	<b>24,940,145</b>
<b>International Equity:</b>						
Large Cap Growth:						
Pyrford - ZD	29,201,587	9.37%	9.50%	-0.13%	(414,835)	
Large Cap Core:						
SSgA MSCI EAFE - XG	14,332,512	4.60%				
Total Core	14,332,512	4.60%	4.50%	0.10%	303,680	
Small Cap:						
AQR - ZB	16,675,477	5.35%	5.00%	0.35%	1,087,886	
Emerging Markets						
DFA - ZA	20,660,929	6.63%	6.00%	0.63%	1,955,821	
<b>Total International Equity</b>	<b>80,870,505</b>	<b>25.94%</b>	<b>25.00%</b>	<b>0.94%</b>	<b>2,932,553</b>	<b>77,937,953</b>
<b>Fixed Income:</b>						
<b>Met West - XD</b>	<b>98,632,389</b>	<b>31.64%</b>	<b>35.00%</b>	<b>-3.36%</b>	<b>(10,480,744)</b>	<b>109,113,134</b>
<b>Total Combined Net Asset</b>	<b>\$ 311,751,811</b>	<b>100.00%</b>	<b>100.00%</b>	<b>0.00%</b>	<b>\$ 1.00</b>	<b>\$ 311,751,811</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.

Note: At the 6/10/20 Quarterly Retirement Board meeting a revision to the Investment Objectives and Policy Guidelines to add Real Estate to the portfolio was approved. However, this table has not been updated as the transition into Real Estate has not yet been completed

**Reconciliation between Callan Report  
and  
Consolidated Pension Fund Balance Sheet  
As of September 30, 2020**

<b>Per Both Pension Fund Balance Sheets:</b>	
ATU Allocated Custodial Assets	143,452,266.45
IBEW Allocated Custodial Assets	63,062,501.65
Salaried Allocated Custodial Assets	<u>105,237,042.48</u>
<b>Total Consolidated Net Asset</b>	<u><u>311,751,811</u></u>
<b>Per Callan Report:</b>	
Total Investments	<u><u>311,751,778</u></u>
<b>Net Difference</b>	<u><u>33</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, 2020**

<b>Per Both Pension Fund Income Statements:</b>	
ATU - Interest, Dividends, and Other Income	482,786
ATU - Investment Income	5,435,527
IBEW - Interest, Dividends, and Other Income	210,204
IBEW - Investment Income	2,422,071
Salaried - Interest, Dividends, and Other Income	353,943
Salaried - Investment Income	<u>4,249,521</u>
<b>Total Investment Income</b>	<u><u>13,154,053</u></u>
<b>Per Callan Report:</b>	
Investment Returns	<u><u>13,154,054</u></u>
<b>Net Difference</b>	<u><u>(1)</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.



<b>Reconciliation between Callan Report and Consolidated Schedule of Cash Activities For the Quarter Ended September 30, 2020</b>				
	<u>July</u>	<u>August</u>	<u>September</u>	<u>Total</u>
<b>Payments from/(to) the District</b>				
Boston Partners - ATU	-	-	-	-
Boston Partners - IBEW	-	-	-	-
Boston Partners - Salaried	-	-	-	-
S&P 500 Index - ATU	(483,022)	(363,344)	-	(846,366)
S&P 500 Index - IBEW	(179,172)	(117,662)	-	(296,834)
S&P 500 Index - Salaried	(135,398)	(66,182)	-	(201,580)
Atlanta Capital - ATU	-	-	-	-
Atlanta Capital - IBEW	-	-	-	-
Atlanta Capital - Salaried	-	-	-	-
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>(797,592)</u>	<u>(547,188)</u>	<u>-</u>	<u>(1,344,780)</u>
<b>Transfers In/(Out) of Investment Funds</b>				
Boston Partners	-	-	-	-
S&P 500 Index	(797,592)	(547,188)	-	(1,344,780)
Atlanta Capital	-	-	-	-
Pyrford	-	-	-	-
EAFE	-	-	-	-
Brandes	-	-	-	-
AQR	-	-	-	-
DFA	-	-	-	-
Metropolitan West	-	-	-	-
<b>Total Transfers In/(Out) of Investment Funds</b>	<u>(797,592)</u>	<u>(547,188)</u>	<u>-</u>	<u>(1,344,780)</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>(1,344,790)</u>
<b>Net Difference</b>				<u>10</u>

<b>Consolidated Schedule of Cash Activities For the 12-Months September 30, 2020</b>					
	<u>4Q19</u>	<u>1Q20</u>	<u>2Q20</u>	<u>3Q20</u>	<u>Total</u>
<b>Payments from/(to) the District</b>					
Boston Partners - ATU	-	-	2,634,882	-	2,634,882
Boston Partners - IBEW	-	-	1,191,891	-	1,191,891
Boston Partners - Salaried	-	-	2,023,227	-	2,023,227
S&P 500 Index - ATU	(275,649)	(454,463)	-	(846,366)	(1,576,478)
S&P 500 Index - IBEW	(80,610)	(105,612)	-	(296,834)	(483,056)
S&P 500 Index - Salaried	(108,983)	(6,994)	-	(201,580)	(317,557)
Atlanta Capital - ATU	-	-	257,882	-	257,882
Atlanta Capital - IBEW	-	-	117,495	-	117,495
Atlanta Capital - Salaried	-	-	224,623	-	224,623
Pyrford - ATU	-	-	602,947	-	602,947
Pyrford - IBEW	-	-	248,856	-	248,856
Pyrford - Salaried	-	-	348,197	-	348,197
EAFE - ATU	-	-	1,279,430	-	1,279,430
EAFE - IBEW	-	-	527,759	-	527,759
EAFE - Salaried	-	-	792,811	-	792,811
Brandes - ATU	-	-	-	-	-
Brandes - IBEW	-	-	-	-	-
Brandes - Salaried	-	-	-	-	-
AQR - ATU	-	-	1,420,595	-	1,420,595
AQR - IBEW	-	-	612,722	-	612,722
AQR - Salaried	-	-	1,016,683	-	1,016,683
DFA - ATU	-	-	1,553,552	-	1,553,552
DFA - IBEW	-	-	648,880	-	648,880
DFA - Salaried	-	-	1,397,568	-	1,397,568
Metropolitan West - ATU	(624,602)	-	(8,706,691)	-	(9,331,294)
Metropolitan West - IBEW	(199,847)	-	(3,618,885)	-	(3,818,732)
Metropolitan West - Salaried	(189,348)	-	(5,791,602)	-	(5,980,950)
<b>Total Payments from/(to) the District</b>	<u>(1,479,039)</u>	<u>(567,069)</u>	<u>(1,217,178)</u>	<u>(1,344,780)</u>	<u>(4,608,066)</u>

**Sacramento Regional Transit District  
ATU, IBEW and Salaried Retirement Plans  
Schedule of Fund Investment Returns and Expenses  
09/30/20**

	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	(2,936,956)	100.00%				2,696,467	100.00%			
Investment Expense	(245,583)	-8.36%				(741,658)	27.50%			
Net Gain/(Loss)	(3,182,539)	108.36%	-7.09%	-5.03%	(206.00)	1,954,809	72.50%	1.23%	2.63%	(140.00)
<b>S&amp;P 500</b>										
Investment Returns	7,569,442	100.00%				17,416,456	100.00%			
Investment Expense	(18,222)	0.24%				(66,337)	0.38%			
Net Gain/(Loss)	7,551,220	99.76%	15.07%	15.15%	(8.00)	17,350,119	99.62%	12.22%	12.28%	(6.00)
<b>Atlanta Capital</b>										
Investment Returns	(537,185)	100.00%				6,267,937	100.00%			
Investment Expense	(199,370)	-37.11%				(600,507)	9.58%			
Net Gain/(Loss)	(736,555)	137.11%	-2.99%	0.39%	(338.00)	5,667,430	90.42%	7.68%	1.77%	591.00
<b>Pyrford</b>										
Investment Returns	453,138	100.00%				1,688,826	100.00%			
Investment Expense	(194,191)	42.85%				(562,020)	33.28%			
Net Gain/(Loss)	258,947	57.15%	0.71%	0.49%	22.00	1,126,806	66.72%	1.31%	0.62%	N/A
<b>EAFE</b>										
Investment Returns	444,734	100.00%				675,013	100.00%			
Investment Expense	(8,334)	1.87%				(30,667)	4.54%			
Net Gain/(Loss)	436,400	98.13%	0.81%	0.49%	32.00	644,346	95.46%	0.90%	0.62%	28.00
<b>Brandes</b>										
Investment Returns	-	0.00%				(2,991)	100.00%			
Investment Expense	-	0.00%				-	0.00%			
Net Gain/(Loss)	-	0.00%	N/A	N/A	N/A	(2,991)	100.00%	N/A	N/A	N/A
<b>AQR</b>										
Investment Returns	822,074	100.00%				(602,267)	100.00%			
Investment Expense	(117,482)	14.29%				(374,800)	-62.23%			
Net Gain/(Loss)	704,592	85.71%	3.90%	6.84%	(294.00)	(977,067)	162.23%	-2.28%	1.40%	(368.00)
<b>DFA</b>										
Investment Returns	1,291,830	100.00%				602,174	100.00%			
Investment Expense	(112,665)	8.72%				(333,924)	55.45%			
Net Gain/(Loss)	1,179,165	91.28%	3.81%	10.54%	(673.00)	268,250	44.55%	-0.18%	2.42%	(260.00)
<b>Metropolitan West</b>										
Investment Returns	7,969,159	100.00%				19,254,745	100.00%			
Investment Expense	(281,880)	3.54%				(837,148)	4.35%			
Net Gain/(Loss)	7,687,279	96.46%	7.59%	6.98%	61.00	18,417,597	95.65%	6.05%	5.24%	81.00
<b>Total Fund</b>										
Investment Returns	15,076,236	100.00%				47,996,360	100.00%			
Investment Expense	(1,177,728)	7.81%				(3,547,061)	7.39%			
Net Gain/(Loss)	13,898,508	92.19%	4.86%	9.03%	(417.00)	44,449,299	92.61%	5.33%	6.60%	(127.00)

**Sacramento Regional Transit District, Retirements and Deaths**  
**For the Time Period: July 1, 2020 - September 30, 2020**

**Retirement**

<b>Emp#</b>	<b>Previous Position</b>	<b>Pension Group</b>	<b>Retirement Date</b>
2855	Administrative Assistant	ATU	07/01/2020
742	Bus Operator	ATU	07/01/2020
2660	Bus Operator	ATU	07/01/2020
3624	Director Accessible Services	ATU	07/01/2020
1733	Transporation Supervisor	ATU	07/01/2020
1678	ATU Clerk	AFSCME	07/02/2020
2387	Light Rail Operator	ATU	07/02/2020
2207	Light Rail Maintenance	IBEW	08/01/2020
2690	Cust Service	ATU	08/01/2020
4816	Survivor	AEA	08/01/2020
893	Light Rail Operator	MCEG	08/05/2020
1653	ATU Clerk	AFSCME	08/18/2020
2110	LR Maintenance	IBEW	09/01/2020
2707	LR Maintenance	AFSCME	09/01/2020
1485	Light Rail Supervisor	ATU	09/01/2020
596	Bus Operator	ATU	09/04/2020
4844	Survivor	ATU	09/09/2020

**Deaths**

<b>Emp#</b>	<b>Pension Group</b>	<b>Type</b>	<b>Date of Death</b>
382	ATU	Life Alone	07/04/2020
718	ATU	Life Alone	07/13/2020
1535	AEA	50% J&S	07/21/2020
385	ATU	Life Alone	08/24/2020
392	ATU	100% J&S	09/08/2020
1073	ATU	Life Alone	09/14/2020

**Transfers**

None



# RETIREMENT BOARD STAFF REPORT

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**DATE:** December 9, 2020 Agenda Item: 10  
**TO:** Sacramento Regional Transit Retirement Board – ALL  
**FROM:** Jamie Adelman, AVP Finance & Treasury  
**SUBJ:** RATIFICATION AND ACCEPTANCE OF REVISED ACTUARIALLY DETERMINED CONTRIBUTIONS FOR FISCAL YEAR 2021.

## **RECOMMENDATION**

Adopt the attached Resolution(s)

## **RESULT OF RECOMMENDED ACTION**

Adoption of the attached resolutions will ratify and approve a revised methodology of calculating the employer portion of Actuarially Determined Contribution (ADC) rates applied to pensionable wages in Fiscal Year 2021.

## **FISCAL IMPACT**

Changing the methodology used in applying ADC rates to pensionable wages will increase contributions by the Sacramento Regional Transit District (Sac RT) to the Pension Plans starting in FY 2021. ADC contributions by Sac RT to the Plans will increase by a total of \$840,714 in the first year, comprised of contributions to each Plan as follows:

ATU - \$357,171

IBEW - \$286,822

Salary – \$196,721

## **DISCUSSION**

Each year, the Pension Plans' actuary presents the Retirement Boards with actuarial valuations of the assets and liabilities of each of the three Retirement Plans. Based on that information, the Retirement Boards approve the ADC rates that are required to fund the Plans during the following fiscal year according to actuarial principles, and to present items required for disclosure under Statement No. 67 of the Governmental Accounting Standards Board (GASB).



# RETIREMENT BOARD STAFF REPORT

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Staff notified the Retirement Boards in October, 2020 of a planned change in the methodology used in setting the ADC rates based on new information provided by the Plans' actuary. By adopting the attached Resolutions, the Boards will formally ratify and accept a revised methodology for setting the ADC, beginning with FY21. The original ADC for FY21 was established at the March 11, 2020 quarterly meeting of the Retirement Boards.

## **Summary of Proposed Change:**

Prior to implementation of the Public Employees' Pension Reform Act of 2013 (PEPRA), the Plans' actuary included one ADC rate in the actuarial valuation for each Plan. However, under PEPRA, certain employees are required to make employee contributions to the Plans. Accordingly, the Plans' actuarial valuations have changed post-PEPRA to include ADC rates based on two methods: 1) using a blended rate that is applied to all members in the subject Plan, and 2) using two discrete rates, including one rate for "Classic Members" (employees and retirees hired before PEPRA took effect and, therefore, not legally required to contribute to the Plans), and a second rate for "PEPRA Members" (those hired after PEPRA and therefore required to make employee pension contributions (EE contribution)).

The discrete rates are:

Tier 1: Classic Members = pensionable wages x Classic ADC rate

Tier 2: PEPRA Members = (pensionable wages x PEPRA ADC rate) less EE contribution

Tier 3: ATU 2015 Hires = (pensionable wages x Classic ADC rate) less EE contribution

In the years since the Plans' actuarial valuations started to include two ADC rates, SacRT has applied the blended ADC rate for purposes of making employer contributions, rather than using the discrete rates.

Based on information reviewed during the preparation of the Fiscal Year 2019-20 GASB reports, the Plans' actuary advised Staff that SacRT should not have used the blended rates minus the EE contributions, as doing so had the effect of reducing rates that had already been offset by the expected EE contributions for Tiers 2 and 3. Instead, the full blended ADC rates (i.e., without subtracting the EE contribution) should have been



# RETIREMENT BOARD STAFF REPORT

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applied to pensionable wages for all Tiers, or the discrete rates for each employee group could have been applied.

The Plans' actuary has advised that applying the blended contribution method to determine SacRT's contributions resulted in an immaterial under-contribution, the effects of which already have been properly accounted for during the annual actuarial valuation preparation and calculation of each subsequent year's ADC rate. As a result, the Plans' actuary has advised that there is no need for a one-time payment to correct the under-contribution.

**External auditor's opinion:**

Since being informed of this issue, Staff also reviewed the matter with the Plans' independent auditors from the firm of Crowe LLP, who advised they have no concerns regarding the prior application with respect to past years' financial reporting, given that the ADC rates were applied consistently and SacRT has always contributed at the rates approved by the Retirement Boards.

**Implementation of Discrete ADC Rates:**

Based on the advice of the Plans' actuary, beginning as of October 1, 2020, staff has updated SAP and applied the more-precise, discrete ADC rates for each employee group, as follows:

	ATU	IBEW	AFSCME	AEA	MCEG
<b>Rates Applied 7/2020-9/2020</b>					
<b>Tier 1</b>	28.41%	26.66%	37.03%	37.03%	37.03%
<b>Tier 2</b>	21.16%	20.66%	31.28%	31.28%	31.28%
<b>Tier 3</b>	25.41%	-	-	-	-
<b>Updated Rates as of 10/1/2020</b>					
<b>Tier 1</b>	30.74%	29.22%	38.93%	38.93%	38.93%
<b>Tier 2</b>	21.35%	21.32%	28.89%	28.89%	28.89%
<b>Tier 3</b>	30.74%	-	-	-	-

Staff performed a retroactive manual entry to cover the time period July 1, 2020 through September 30, 2020. This entry was completed so that the ADC's are applied consistently for the entire fiscal year.

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 10

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **ATU Local Union 256** on this date:

**December 9, 2020**

**RATIFICATION AND ACCEPTANCE OF REVISED ACTUARIALLY DETERMINED CONTRIBUTIONS FOR FISCAL YEAR 2021.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE ATU LOCAL UNION AS FOLLOWS:

THAT, the Retirement Board hereby ratifies and accepts the revised Actuarially Determined Contribution Rate for the ATU Employees' Retirement Plan of 30.74% of the payroll for eligible employees who are Classic members (including ATU 2015 hires), and 21.35% for eligible employees who are PEPRA members, on a monthly basis, effective July 1, 2020.

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RALPH NIZ, Chair

ATTEST:

Henry Li, Secretary

By:

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John Gobel, Assistant Secretary

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 10

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **IBEW** on this date:

**December 9, 2020**

**RATIFICATION AND ACCEPTANCE OF REVISED ACTUARIALLY DETERMINED CONTRIBUTIONS FOR FISCAL YEAR 2021.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE IBEW LOCAL UNION AS FOLLOWS:

THAT, the Retirement Board hereby ratifies and accepts the revised Actuarially Determined Contribution Rate for the IBEW Employees' Retirement Plan of 29.22% of the payroll for eligible employees who are Classic members, and 21.32% for eligible employees who are PEPRA members, on a monthly basis, effective July 1, 2020.

\_\_\_\_\_  
CONSTANCE BIBBS, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary



**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 10

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **AEA** on this date:

**December 9, 2020**

**RATIFICATION AND ACCEPTANCE OF REVISED ACTUARIALLY DETERMINED CONTRIBUTIONS FOR FISCAL YEAR 2021.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE AEA AS FOLLOWS:

THAT, the Retirement Board hereby ratifies and accepts the revised Actuarially Determined Contribution Rate for the Salaried Employees' Retirement Plan of 38.93% of the payroll for eligible employees who are Classic members, and 28.89% for eligible employees who are PEPRAs members, on a monthly basis, effective July 1, 2020.

\_\_\_\_\_  
RUSSELL DEVORAK, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 10

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of **AFSCME** on this date:

**December 9, 2020**

**RATIFICATION AND ACCEPTANCE OF REVISED ACTUARIALLY DETERMINED CONTRIBUTIONS FOR FISCAL YEAR 2021.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF AFSCME AS FOLLOWS:

THAT, the Retirement Board hereby ratifies and accepts the revised Actuarially Determined Contribution Rate for the Salaried Employees' Retirement Plan of 38.93% of the payroll for eligible employees who are Classic members, and 28.89% for eligible employees who are PEPRA members, on a monthly basis, effective July 1, 2020.

\_\_\_\_\_  
PETER GUIMOND, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 10

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of **MCEG** on this date:

**December 9, 2020**

**RATIFICATION AND ACCEPTANCE OF REVISED ACTUARIALLY DETERMINED CONTRIBUTIONS FOR FISCAL YEAR 2021.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF MCEG AS FOLLOWS:

THAT, the Retirement Board hereby ratifies and accepts the revised Actuarially Determined Contribution Rate for the Salaried Employees' Retirement Plan of 38.93% of the payroll for eligible employees who are Classic members, and 28.89% for eligible employees who are PEPRAs members, on a monthly basis, effective July 1, 2020.

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LAURA HAM, Chair

ATTEST:

Henry Li, Secretary

By:

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John Gobel, Assistant Secretary



# RETIREMENT BOARD STAFF REPORT

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**DATE:** December 9, 2020                      Agenda Item: 11  
**TO:** Sacramento Regional Transit Retirement Board – ALL  
**FROM:** John Gobel, Manager, Pension and Retirement Services  
**SUBJ:** Amend the Agreement with Cheiron, Inc. for Actuarial Services to Exercise a One-Year Option

## **RECOMMENDATION**

Adopt the attached Resolution(s)

## **RESULT OF RECOMMENDED ACTION**

Exercise of a one-year option, as contemplated and permitted under the Retirement Boards' current five-year contract with Cheiron, Inc., and authorize execution of a related contract amendment.

## **FISCAL IMPACT**

Exercising the first of two one-year options to extend the actuarial services contact with Cheiron, Inc. to include an additional one-year option term will allow the Retirement Boards to preserve the quality of service and institutional knowledge provided by our current actuary at a cost not to exceed \$100,000. Based on the fee schedule and participant projections presented in Cheiron's response to the Retirement Boards' Request for Proposal nearly five years ago, charges are expected to be similar to those incurred during the fifth year of service.

## **DISCUSSION**

Cheiron provides actuarial and pension administration services to the Retirement Boards under a five-year agreement, which is set to expire with the fiscal year ending June 30, 2021. The agreement provides the Retirement Boards the right to exercise up to two one-year option terms at previously determined rates by executing an amendment to the contract. The Retirement Boards must provide Cheiron with written notice of their intent to exercise this option no later than 60 calendar days prior to the end of the initial five-year contract term.



# RETIREMENT BOARD STAFF REPORT

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To facilitate continued work on several ongoing and upcoming projects, Staff recommends that the Retirement Boards (1) approve an amendment to the agreement between the Retirement Boards and Cheiron to exercise the first one-year option term set forth therein, and (2) authorize the Sacramento Regional Transit District's General Manager/CEO to execute the amendment and take any other actions necessary to give effect to this action.

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 11

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **ATU Local Union 256** on this date:

**December 9, 2020**

**Amend the Agreement with Cheiron, Inc. for Actuarial Services to Exercise a One-Year Option**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE ATU, LOCAL UNION 256 AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the ATU, Local Union 256 (Retirement Board) authorizes amendment of its July 1, 2016 agreement with Cheiron, Inc. for actuarial services to exercise a one-year option term, at the prices set forth therein, subject to a maximum not-to-exceed cost of \$100,000.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment, subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

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RALPH NIZ, Chair

ATTEST:

Henry Li, Secretary

By:

---

John Gobel, Assistant Secretary

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 11

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **IBEW** on this date:

**December 9, 2020**

**Amend the Agreement with Cheiron, Inc. for Actuarial Services to Exercise a One-Year Option**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE IBEW LOCAL UNION AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the IBEW Local Union (Retirement Board) hereby authorizes amendment of its July 1, 2016 agreement with Cheiron, Inc. for actuarial services to exercise a one-year option term, at the prices set forth therein, subject to a maximum not-to-exceed cost of \$100,000.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment, subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

\_\_\_\_\_  
CONSTANCE BIBBS, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 11

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **AEA** on this date:

**December 9, 2020**

**Amend the Agreement with Cheiron, Inc. for Actuarial Services to Exercise a One-Year Option**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE AEA AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the AEA (Retirement Board) hereby authorizes amendment of its July 1, 2016 agreement with Cheiron, Inc. for actuarial services to exercise a one-year option term, at the prices set forth therein, subject to a maximum not-to-exceed cost of \$100,000.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment, subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

\_\_\_\_\_  
RUSSELL DEVORAK, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary



**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 11

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of **AFSCME** on this date:

**December 9, 2020**

**Amend the Agreement with Cheiron, Inc. for Actuarial Services to Exercise a One-Year Option**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF AFSCME AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the AFSCME (Retirement Board) hereby authorizes amendment of its July 1, 2016 agreement with Cheiron, Inc. for actuarial services to exercise a one-year option term, at the prices set forth therein, subject to a maximum not-to-exceed cost of \$100,000.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment, subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

\_\_\_\_\_  
PETER GUIMOND, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 11

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **MCEG** on this date:

**December 9, 2020**

**Amend the Agreement with Cheiron, Inc. for Actuarial Services to Exercise a One-Year Option**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE MCEG AS FOLLOWS:

THAT, the Board of Directors of the Retirement Plan for Sacramento Regional Transit District Employees who are Members of the MCEG (Retirement Board) hereby authorizes amendment of its July 1, 2016 agreement with Cheiron, Inc. for actuarial services to exercise a one-year option term, at the prices set forth therein, subject to a maximum not-to-exceed cost of \$100,000.

THAT, the Retirement Board hereby authorizes the General Manager/CEO of the Sacramento Regional Transit District to execute said Amendment, subject to Legal Counsel's review and approval, and to take other actions that may be necessary to give effect to this resolution.

\_\_\_\_\_  
LAURA HAM, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary



# RETIREMENT BOARD STAFF REPORT

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DATE: December 9, 2020

Agenda Item: 12

TO: Sacramento Regional Transit Retirement Boards – ALL

FROM: Jamie Adelman, AVP Finance & Treasury

SUBJ: 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, 2020.

## **RECOMMENDATION**

No Recommendation – For Information Only.

## **RESULT OF RECOMMENDED ACTION**

Information Only

## **FISCAL IMPACT**

None.

## **DISCUSSION**

Retirement funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines (Policy) adopted by each Retirement Board (Board). Under the Policy, the Boards meet at least once every eighteen (18) months with each investment manager to review the performance of the manager's investment, the manager's adherence to the Policy, and any material changes to the manager's organization. The Policy also establishes the Retirement Funds' asset allocation policy and the asset classes in which the Plans funds are invested. The asset classes established by the Policy are (1) Domestic Large Capitalization Equity, (2) Domestic Small Capitalization Equity, (3) International Large Capitalization Equity, (4) International Small Capitalization Equity, (5) International Emerging Markets, (6) Domestic Fixed-Income, and (7) Real Estate.

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, 2020, shown on Attachment 1, and answering any questions.

# Sacramento Regional Transit District

December 9, 2020

**For Investment Professional Use Only.**

This material is solely for the private use of Sacramento Regional Transit District.

The information contained in this document is current as of the date presented unless otherwise noted.

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# Table of Contents

1. State Street Global Advisors Reinventing Investing
2. Account Summary
3. Equity Indexing at State Street Global Advisors
4. Portfolio Review for MSCI EAFE® Index Strategy
5. Portfolio Review for S&P 500® Index Strategy

## Appendices:

- A. GIPS Presentation
- B. Important Disclosures
- C. Biography

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# State Street Global Advisors Reinventing Investing

Third Quarter – 2020

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# About State Street Global Advisors

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**\$3.15**

Trillion in Assets<sup>1</sup>

---

**2400+**

Clients<sup>2</sup>

---

**21**

Million DC Participants<sup>3</sup>

---

**64**

Countries with Clients<sup>2</sup>

---

**10**

Investment Centers<sup>4</sup>

---

**24-hour**

Global Trading Capability<sup>5</sup>

<sup>1</sup> This figure is presented as of September 30, 2020 and includes approximately \$80.51 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the marketing agent. SSGA FD and State Street Global Advisors are affiliated.

<sup>2</sup> As of September 30, 2020

<sup>3</sup> As of December 31, 2019

<sup>4</sup> As of September 30, 2020

<sup>5</sup> During regional market hours

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# Mission

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To invest responsibly to enable economic prosperity and social progress.



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# A Leading Partner to Institutions and Intermediaries

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## #1

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government retirement plan provider globally

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sovereign wealth fund asset manager

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US endowment & foundation asset manager

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## #2

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US Defined Benefit provider

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US Defined Contribution Investment Only (DCIO) manager

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## #3

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largest asset manager

---

largest ETF provider

---

largest index manager (excluding ETFs)

---

central bank asset manager

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## Top 10

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Institutional Money Market provider

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Outsourced Chief Investment Officer (OCIO) services

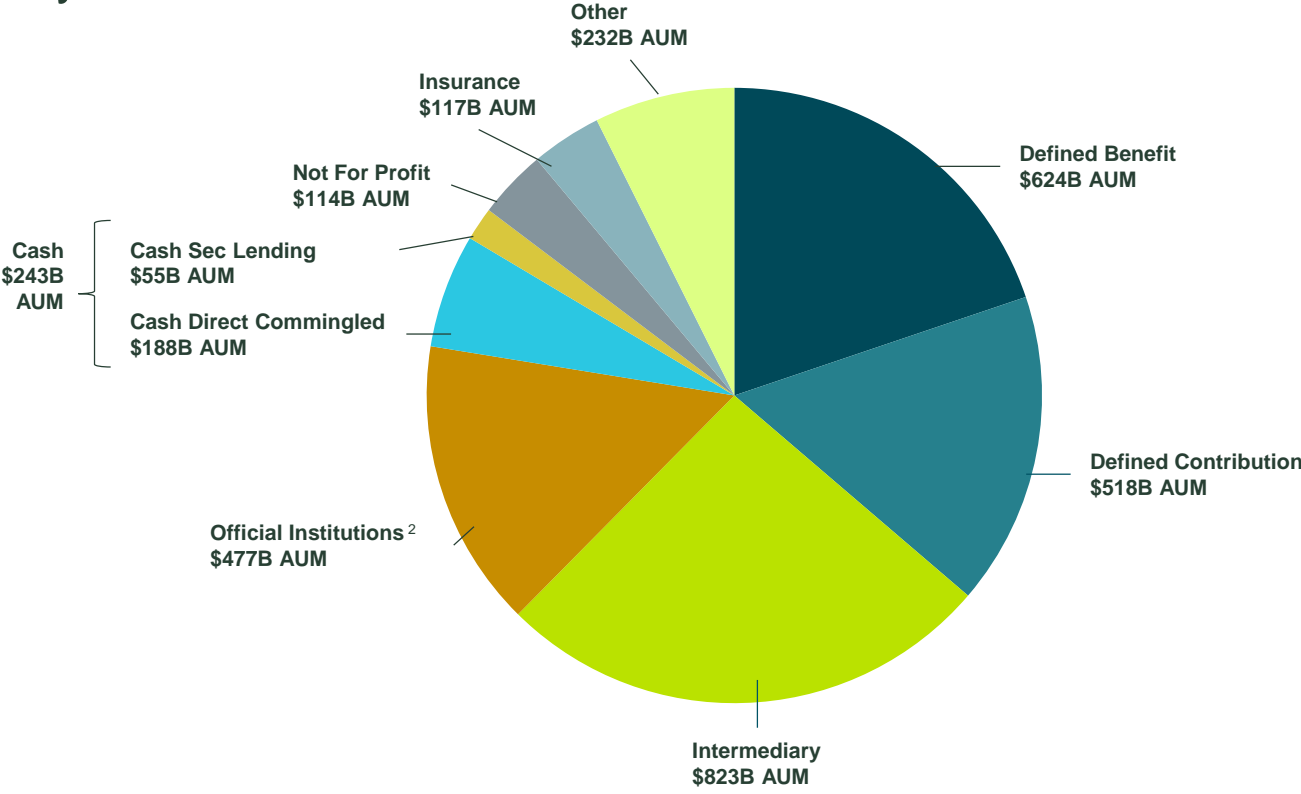
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ETF Model Portfolio manager

Source: P&I Research Center as of 12/31/2019, iMoneyNet (Institutional Money Market Provider) as of 12/31/2019 and Morningstar (ETF Model Portfolio Manager) as of 12/31/2018. These figures are updated on an annual basis.

# US \$3.15 Trillion in Assets Under Management<sup>1</sup>

## Clients by AUM



<sup>1</sup>This figure is presented as of September 30, 2020 and includes approximately \$80.51 billion USD of assets with respect to SPDR products for which State Street Global Advisors Funds Distributors, LLC (SSGA FD) acts solely as the 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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# 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.

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## 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

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

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

## Equity

**\$1.96T**

Active  
Quantitative  
Fundamental

Smart Beta

Index

## Fixed Income & Cash<sup>1</sup>

**\$830B**

Active

Smart Beta

Index

Cash Management

## Multi-Asset

**\$166B**

Strategic & Tactical  
Asset Allocation

Outcome Oriented  
Target Date Funds  
Real Assets  
Inflation Protection  
Absolute Return

Exposure Management

Model Portfolios

## Alternatives<sup>2</sup>

**\$194B**

Hedge Funds

Private Equity

Private & Public Real Estate

Currency

Commodities

Real Assets

**Environmental, Social & Governance**

**Defined Benefit / Defined Contribution Solutions**

**Global Fiduciary Solutions**

**Alternatives Program Management**

Figures are in USD dollars; Period end as of September 30, 2020

<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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# 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.

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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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# What Keeps Clients Awake at Night?

## Investor Challenges and Needs

The Relay Recovery	Portfolio Resiliency	Preparing for recovery	Longer-term consequences	ESG
Effectiveness of fiscal and monetary interventions; need for improved coordination	Achieving required return and risk outcomes in a persistently low-yield environment	Considering upside as well as downside risks	Potential for changed political landscape	Pandemic's impact on employees and other stakeholders
Progress toward a medical resolution of the COVID-19 crisis	Renewed appreciation for risk awareness and capital efficiency	Assessing value opportunities as information improves	Addressing vulnerabilities (e.g., supply chain, health care systems)	Climate change and its consequences
		Looking ahead to a potential bear market in the US dollar	Potential for slowing trade globalization	Racial justice Demand true alpha

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# Business Leadership Team

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## Cyrus Taraporevala, President & CEO

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**Chris Baker**  
Chief Compliance Officer

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**Marie-Anne Heeren**  
Head of European Institutional Distribution

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**Kat Sweeney**  
Head of Institutional, Americas

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

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**Tim Corbett**  
Chief Risk Officer

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**Steven Lipiner**  
Chief Financial Officer

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**Stephen Tisdalle**  
Chief Marketing Officer

---

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

---

**James MacNevin**  
Head of Asia Pacific

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**Rory Tobin**  
Head of Global SPDR® ETFs

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**Lochiel Crafter**  
Head of Global Institutional Group

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**Kate McKinley**  
General Counsel

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**Kem Danner**  
Head of Human Resources

---

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

As of September 30, 2020

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

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**Barry Glavin**  
CIO, Fundamental Value Equities

---

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

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**Olivia Engel**  
CIO, Active Quantitative Equities

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**Greg Hartch**  
Head of Private Investments

---

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

---

**Dan Farley**  
CIO, Investment Solutions Group

---

**Lori Heinel**  
Deputy Global CIO

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**Dave Wiederecht**  
Global Head of Global Fiduciary Solutions

As of September 30, 2020



# Governance Structure



As of September 30, 2020

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# Account Summary

# Sacramento Regional Transit District

## Investment Summary

As of September 30, 2020

	Market Value (\$)
State Street MSCI EAFE Index NL Fund	14,332,508
State Street S&P 500 Flagship NL Fund	56,113,402
<b>Total</b>	<b>70,445,910</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 1, 2012 to September 30, 2020:

	Starting Balance 07/01/2012 (\$)	Contributions (\$)	Withdrawals (\$)	Appreciation/ (Depreciation)* (\$)	Ending Balance 9/30/2020 (\$)
State Street MSCI EAFE Index NL Fund	14,349,389	5,109,036	(12,201,601)	7,075,684	14,332,508
State Street S&P 500 Flagship NL Fund	33,674,254	1,807,292	(25,418,432)	46,050,288	56,113,402
<b>Total</b>	<b>48,023,643</b>	<b>6,916,328</b>	<b>(37,620,033)</b>	<b>53,125,972</b>	<b>70,445,910</b>

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

# Sacramento Regional Transit District

## Summary of Performance

Following are the gross and net returns for the Retirement Plan for Sacramento Regional Transit District Employees portfolios versus the corresponding benchmarks as of September 30, 2020:

	One Month (%)	Three Months (%)	Year to Date (%)	One Year (%)	Three Years (%)	Five Years (%)	Since Inception Date (%)
<b>State Street MSCI EAFE Index NL Fund</b>							<b>June/2012</b>
Total Returns (Gross)	-2.57	4.83	-6.73	0.91	0.99	5.65	6.54
MSCI EAFE® Index	-2.60	4.80	-7.09	0.49	0.62	5.26	6.18
<b>Difference</b>	<b>0.03</b>	<b>0.03</b>	<b>0.36</b>	<b>0.42</b>	<b>0.37</b>	<b>0.39</b>	<b>0.36</b>
Total Returns (Net)	-2.58	4.82	-6.77	0.84	0.90	5.55	N/A
MSCI EAFE® Index	-2.60	4.80	-7.09	0.49	0.62	5.26	N/A
<b>Difference</b>	<b>0.02</b>	<b>0.02</b>	<b>0.32</b>	<b>0.35</b>	<b>0.28</b>	<b>0.29</b>	<b>N/A</b>
<b>State Street S&amp;P 500 Flagship NL Fund</b>							<b>June/2012</b>
Total Returns (Gross)	-3.80	8.93	5.54	15.12	12.28	14.17	13.96
S&P 500®	-3.80	8.93	5.57	15.15	12.28	14.14	13.92
<b>Difference</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.03</b>	<b>-0.03</b>	<b>0.00</b>	<b>0.03</b>	<b>0.04</b>
Total Returns (Net)	-3.80	8.93	5.52	15.08	12.23	14.12	N/A
S&P 500®	-3.80	8.93	5.57	15.15	12.28	14.14	N/A
<b>Difference</b>	<b>0.00</b>	<b>0.00</b>	<b>-0.05</b>	<b>-0.07</b>	<b>-0.05</b>	<b>-0.02</b>	<b>N/A</b>

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 US dollars. Index returns reflect capital gains and losses, income, and the reinvestment of dividends.

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# Equity Indexing at State Street Global Advisors

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

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## Key Strength and Core Focus Area

- 40 years history of delivering high quality, broad based index solutions
- >99%<sup>1</sup> of equity index funds have historically tracked within their tolerance bands
- 150 dedicated individuals across investments, trading, risk and compliance

---

## Industry Leader and Innovator

- ✓ Launched first US ETF
- ✓ In-house index creation
- ✓ Developing smart beta since 2006
- ✓ In-house proprietary ESG scoring framework (R-Factor) covering over **7,000** listed companies

---

## Experienced and Reliable Team

- 20 years average portfolio manager tenure
- Utilize a globally consistent investment management platform and processes
- Strategic focus on implementation, cost reduction and risk management
- Deep research expertise in cap weighted, smart beta and ESG

<sup>1</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 March 31, 2020. Tracking error based on the difference between portfolio and benchmark cumulative returns.

# Investment Philosophy

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

## We believe in...

### Integrating technology & human insight

- Maintain a primary portfolio manager structure while using a state of the art portfolio management platform
- Continue to invest in technology and 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 scoring tools & framework, thematic strategies and portfolio integration

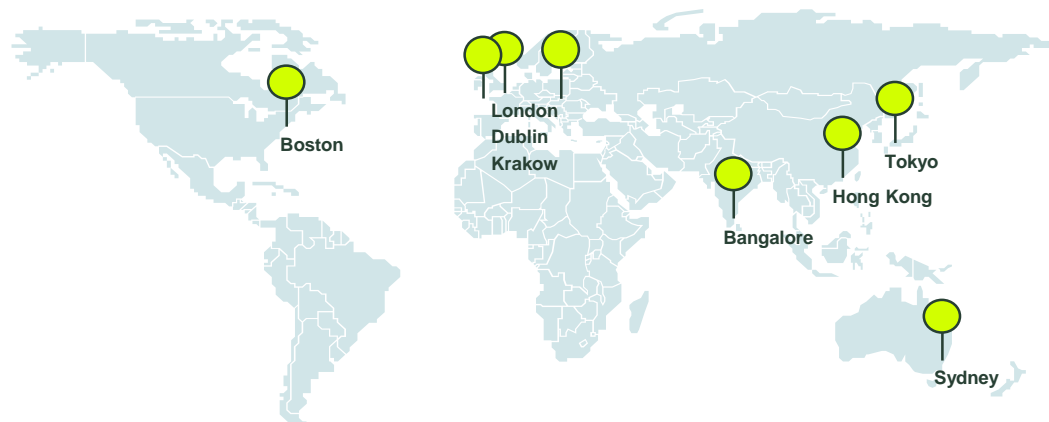
Source: State Street Global Advisors.

# State Street Global Equity Beta Solutions

70+ Portfolio Managers & Researchers

30+ Traders & Analysts

10+ Equity Strategists & Specialists



CIO	Exp Yrs
Lynn Blake, CFA	33

## Team Highlights

Investment Team Members <sup>1</sup>	71
Average Experience Years	21
Number of CFA Charter Holders	24

Senior Leadership	Exp Yrs
Jennifer Bender <sup>2</sup> , PhD (Research)	24
Benjamin Colton <sup>2</sup> (Stewardship)	10
Nobuya Endo, CFA (Japan)	27
Mike Feehily, CFA (US)	28
Julian Harding (EMEA)	25
Mark Hui, CFA (Hong Kong)	22
Alex King, CFA (Australia)	18
Robert Walker <sup>2</sup> (Stewardship)	18
Shayne White <sup>2</sup> (Technology)	28

Portfolio Strategists <sup>2</sup>	Exp Yrs
Heather Apperson	16
Carlo Funk	11
Ana Harris, CFA	16
Yvette Murphy	12
Thomas Reif	26
Tetsuro Shimura	34
Nathalie Wallace	25

As of September 30, 2020. <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.



# Robust Research Guides Investment Decisions & Strategy Design

## Global Head of Research

Jennifer Bender,\* PhD



## Global Team

Global Headcount **15**

Members with CFA **3**

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

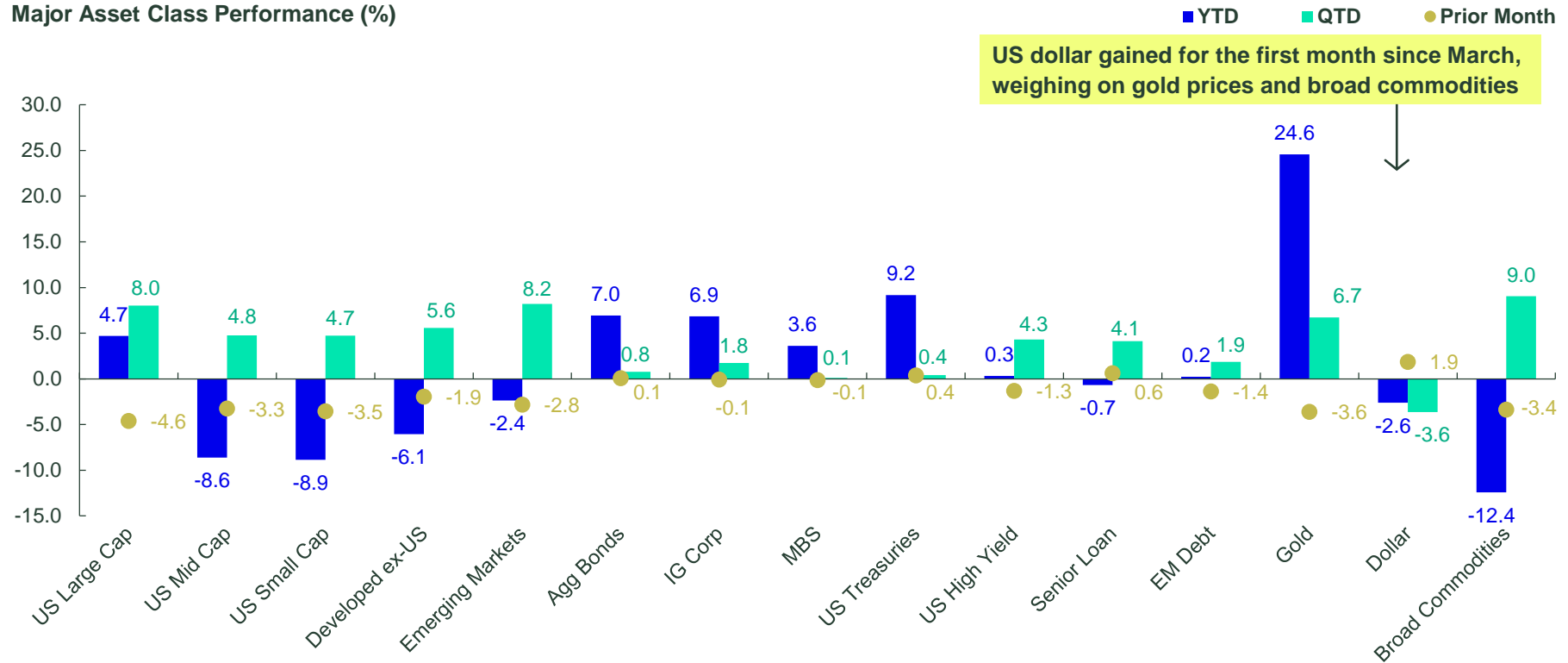
Developing innovative solutions while incorporating implementation insights into our range of cap-weighted, factor, and ESG indexes

As of September 30, 2020. \* Does not manage assets for the Global Equity Beta Solutions team.

# Asset Class Performance

US equities led underperformance among risk assets last month amid a resurgence of COVID-19 cases, election uncertainty and a pullback in Technology.

Major Asset Class Performance (%)



Source: Bloomberg Finance, L.P. as of September 30, 2020. Past performance is not a guarantee of future results. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income. Performance returns for periods of less than one year are not annualized. US Large Cap: S&P 500 Index; US Mid Cap: S&P 400 MidCap Index; US Small Cap: Russell 2000 Index; Developed Ex-US: MSCI EAFE Index; Emerging Markets: MSCI Emerging Markets Index; Agg Bonds: Bloomberg Barclays US Aggregate Index; IG Corp: Bloomberg Barclays US Corporate Index, Treasuries: Bloomberg Barclays US Treasury Index; MBS: Bloomberg Barclays Mortgage US MBS Index; High Yield: Bloomberg Barclays US Corporate High Yield Index; Senior Loans: S&P LSTA Leveraged Loan Index; EM Debt: Bloomberg Barclays EM Hard Currency Debt Index; Gold: LBMA Gold Price; Broad Commodities: Bloomberg Commodity Index; US Dollar: DXY Dollar Index.

# Q3 2020 GEBS Summary

## Flows

- Equity index flows of (\$21B) were primarily driven by several large institutions selling out of core developed market exposures. However, continued interest in gold led to net positive ETF flows during the quarter.
- Index fixed income saw \$20B in inflows across US IG credit and Aggregate Bond exposures, as well as short/ intermediate government bonds.

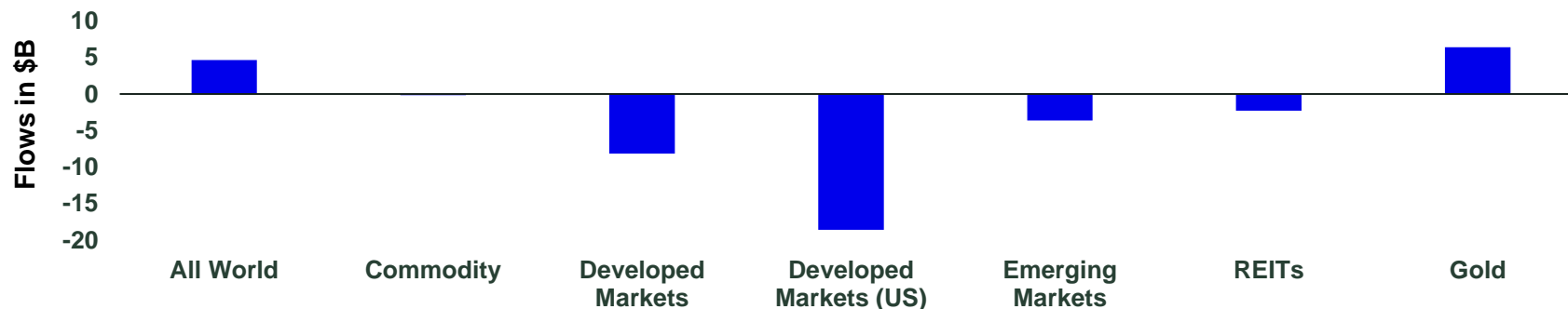
## Markets/ Trading

- Calmer equity markets in early Q3 were followed by an uptick in market volatility and selling pressure in September. Although, there were no material liquidity concerns in equity markets.

## Tracking

- Consistent with prior quarters YTD, 99% of GEBS funds tracked within their respective tolerance bands

## Total Quarterly Net New GEBS Instl & ETF Index Flows<sup>1</sup> by Sub Sector



Source: State Street Global Advisors as of September 30, 2020.

<sup>1</sup> Excludes flows from internal asset allocation changes

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# Index Highlights

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## MSCI

- **May 2020 Semi-Annual Index Review (SAIR)** proceeded as planned. Developed Market turnover was 2x relative to May 2019. Changes related to North American companies were 62% of the total trade, while on Asia Pacific ex Japan showed the biggest dispersion between buys and sells performance.
- No major country classification changes were announced in the **Annual MSCI June Country Consultation** – although a formal review of Argentina’s classification will be launched in 2021. Kuwait on target to be added to Emerging Markets in the **November 2020 Semi-Annual Index Review (SAIR)**
- In October, **MSCI launched a consultation** seeking feedback about potentially extending the rebalances over, multiple days, as well as being able to delay/ postpone SAIRs in volatile periods.

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## S&P DJI

- The postponed **March quarterly index rebalances** for several major indices including the DJIA, the S&P 500 and sector/industry specific indexes took place in June..
- Etsy Inc., Teradyne Inc. and Catalent Inc. were added to the S&P 500 during the Q3 rebalance, while Tesla was not despite being eligible.

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## FTSE Russell

- **Annual Russell Reconstitution** proceeded as planned. Increased index turnover led to higher than average trading volume (\$128B in 2020 vs \$58B in 2019). The total market cap of the Russell 3000 decreased by 1%, although the breakpoint between large and small cap decreased 16.4% from \$3.6 billion to \$3.0 billion
- FTSE proceeded with the **June rebalance** for several global indexes, which included the partial inclusion of China A-Shares and Saudi Arabia that were originally planned for March

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As of September 30, 2020

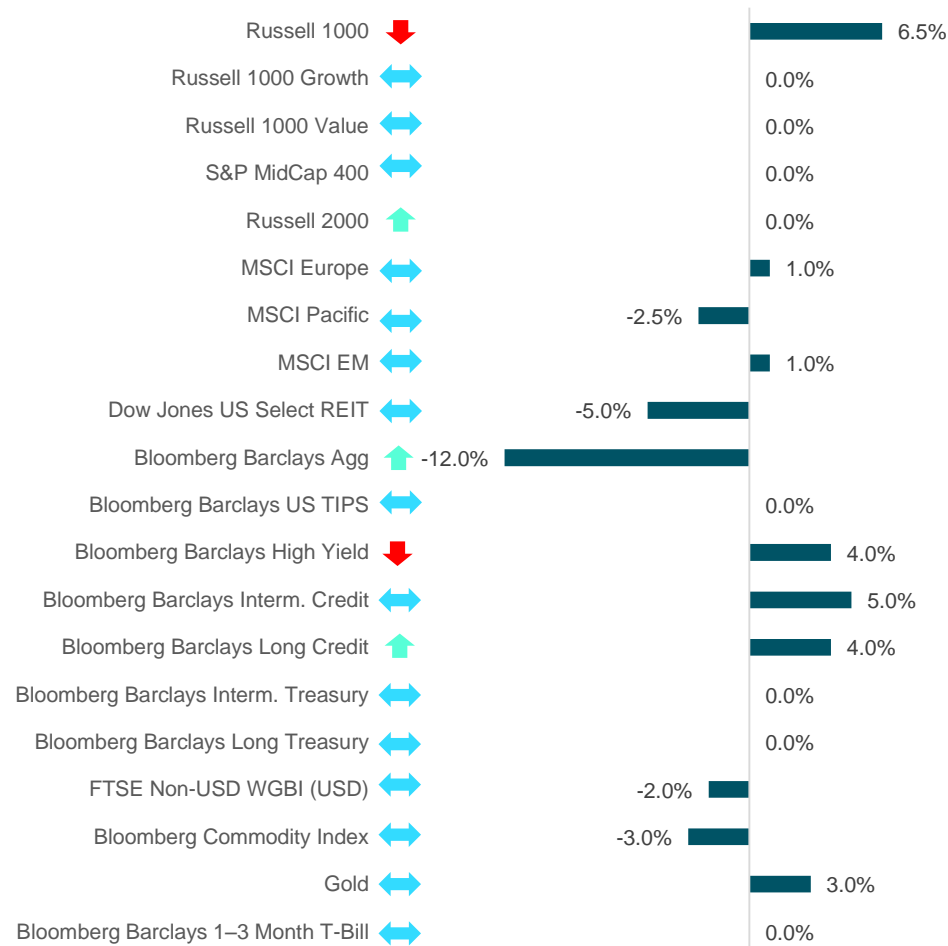
Source: MSCI, S&P DJI, FTSE Russell,

The MSCI Indices are trademarks of MSCI, Inc.

Please go to the MSCI website for more information about the Indexes.

# State Street Global Advisor's Tactical Positions

## US Model Portfolio Tactical Positions



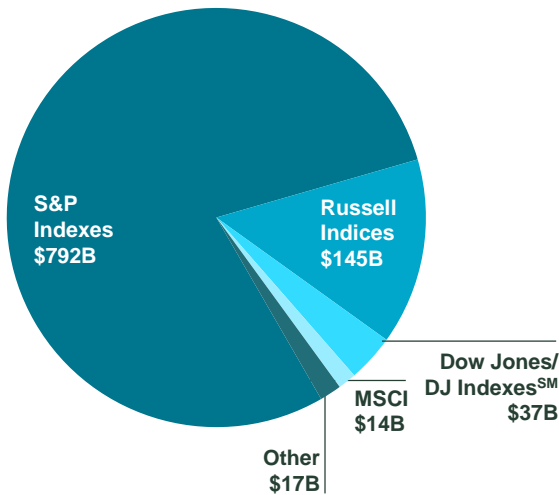
Benchmark Asset Class	Benchmark Weight (%)	Current Active Change (%)
<b>Total Growth assets</b>	<b>57</b>	<b>0.0</b>
Russell 1000	23	-2.0
Russell 2000	5	+2.0
MSCI Europe	12	0.0
MSCI Pacific	7	0.5
MSCI Emerging Markets	5	0.0
Dow Jones US Select REIT	5	0.0
<b>Total Fixed income</b>	<b>40</b>	<b>0.0</b>
Bloomberg Barclays US Aggregate Bond	27	+2.0
Bloomberg Barclays US TIPS	0	0.0
Bloomberg Barclays US Agg Credit - Intermediate	0	0.0
Bloomberg Barclays US Agg Credit - Long	0	+2.0
Bloomberg Barclays US High Yield	10	-4.0
FTSE Non-USD WGBI (USD)	3	0.0
<b>Total Commodities</b>	<b>3</b>	<b>0.0</b>
Bloomberg Commodity Index	3	0.0
GOLD – Bloomberg Gold TR	0	0.0
<b>Total Cash</b>	<b>0</b>	<b>0.0</b>
Bloomberg Barclays 1-3 M T-Bill	0	0.0
<b>Current Active (%) Previous Active (%)</b>		
Total Growth Assets	+1.0	+1.0
Total Fixed Income	-1.0	-1.0
Total Commodities	0.0	0.0
Total Cash	0.0	0.0

Source: State Street Global Advisors ISG, October 9, 2020. The Benchmark is a custom Tactical Asset Allocation Benchmark. US Model Portfolio Positions are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. The Model portfolio positions presented above are representative of ISG's market views and our positioning for our tactical portfolios as of the date given. The results shown were achieved by means of a mathematical formula, and are not indicative of actual future results which could differ substantially. 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.

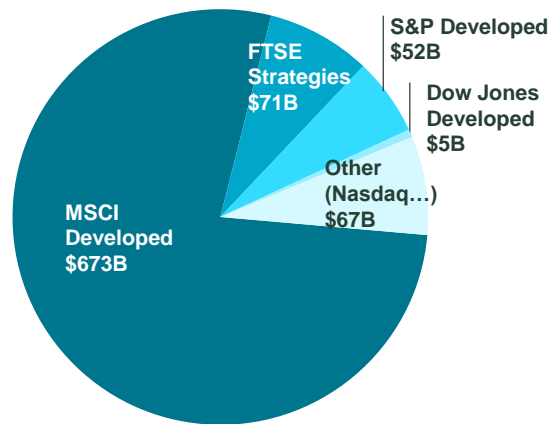
# A Leading Manager of Global Indexed Assets

Total Global Equity Beta Solutions Assets Under Management: \$1.94 Trillion (USD) as of September 30, 2020

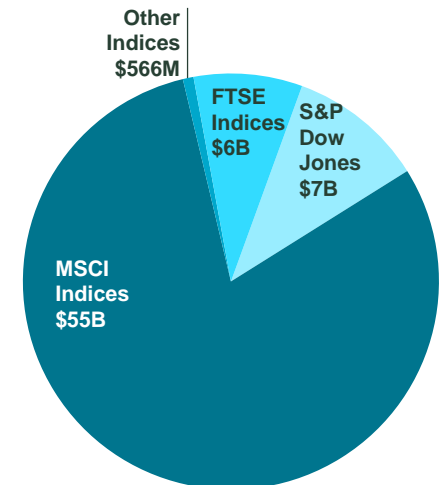
**US Index AUM**  
\$1,005B



**International & Global Equity AUM** \$868B



**Emerging Markets Equity AUM** \$68B



Source: State Street Global Advisors. As of September 30, 2020.

Exclusive of Emerging Markets Equities invested in other MSCI-benchmarked strategies such as MSCI ACWI and MSCI ACWI ex-US.

# Why Choosing The Right Index Manager Matters?

<b>Indexes make numerous assumptions, which can lead to tracking error (+/-), 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, other taxes, cash drag, futures tracking versus the benchmark or securities mis-weights.

# Index Equity Management Techniques

Benchmark returns can be achieved through...

## Replication

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

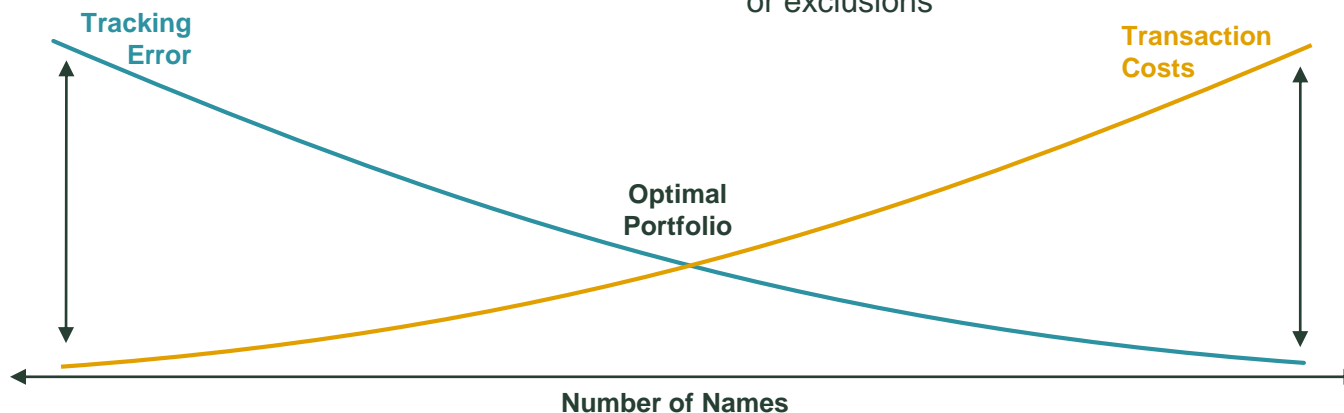
Typically applied to reasonable sized portfolios with minimal liquidity or accessibility constraints (e.g. US Large Cap, Developed markets)

## Optimization

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

Typically applied to liquidity constrained portfolios (e.g. Small cap, Emerging markets) or smaller sized portfolios tracking a broader index

Also applicable to broad portfolios with restrictions or exclusions

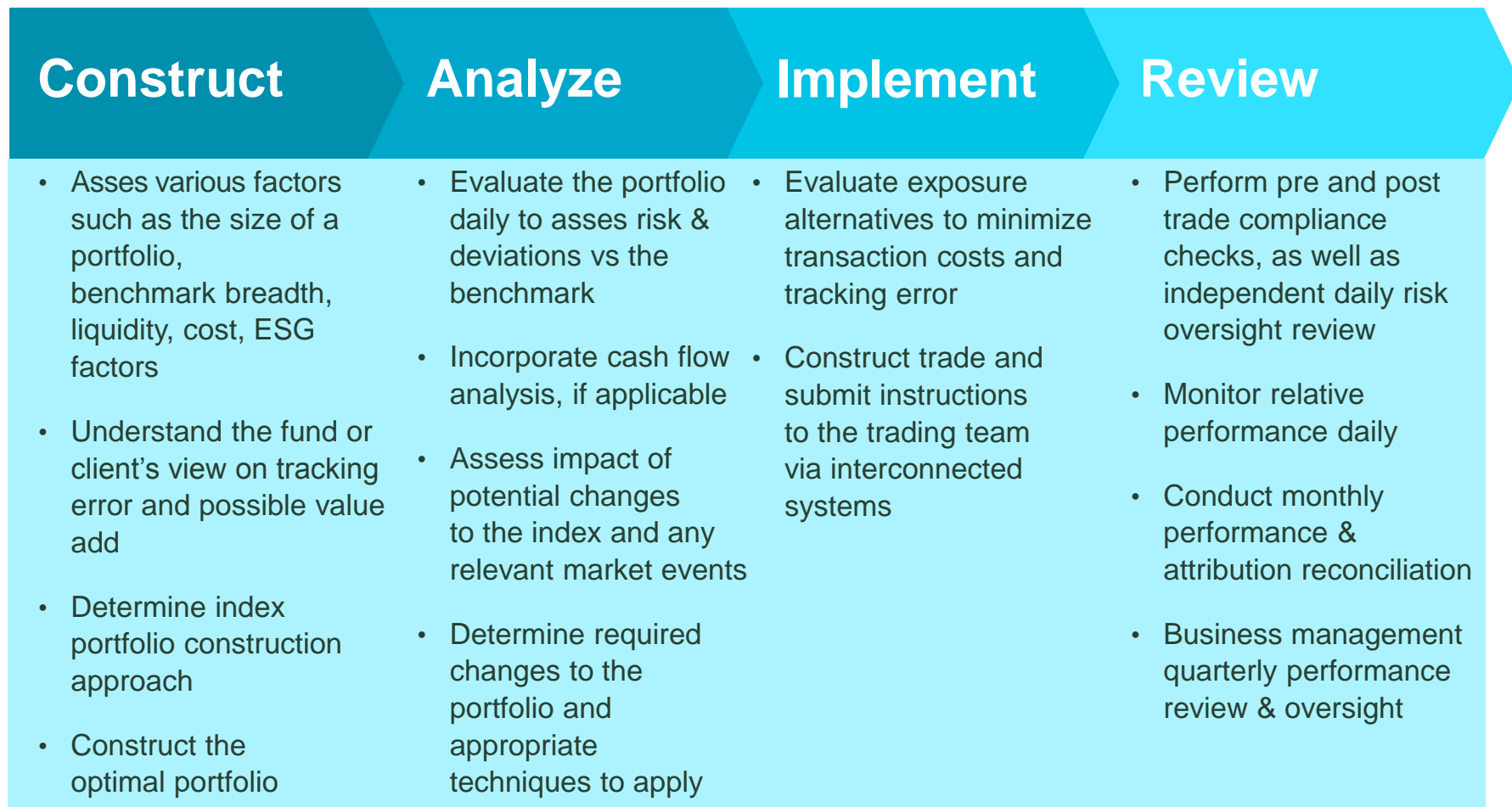


The information contained above is for illustrative purposes only.



# 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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# Value Add in Indexing Portfolios

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# Core Indexing Techniques

<b>Portfolio Considerations</b>	<b>Index Rebalances/ Changes</b>
	<b>Transaction Cost Mitigation Strategies</b>
	<b>Cash Equitization/ Dividend Reinvestment</b>
<b>Company Specific Considerations</b>	<b>Scrip Dividends</b>
	<b>Corporate Actions</b>
	<b>Placings/ Book Builds</b>

# 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> (2017–2019)</b>	\$155.5 Billion	92% of the Total	0.05% of the Total	<b>\$71.5M</b>
<b>Non-US Developed Case Study<sup>2</sup> (2017–2019)</b>	\$28.4 Billion	72% of the Total	0.20% of the Total	<b>\$40.8M</b>
<b>Emerging Markets Case Study<sup>3</sup> (2017–2019)</b>	\$21.4 Billion	64% of the Total	0.25% of the Total	<b>\$34.5M</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 2017–2019. It is not known whether similar results have been achieved after 2019.

<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.

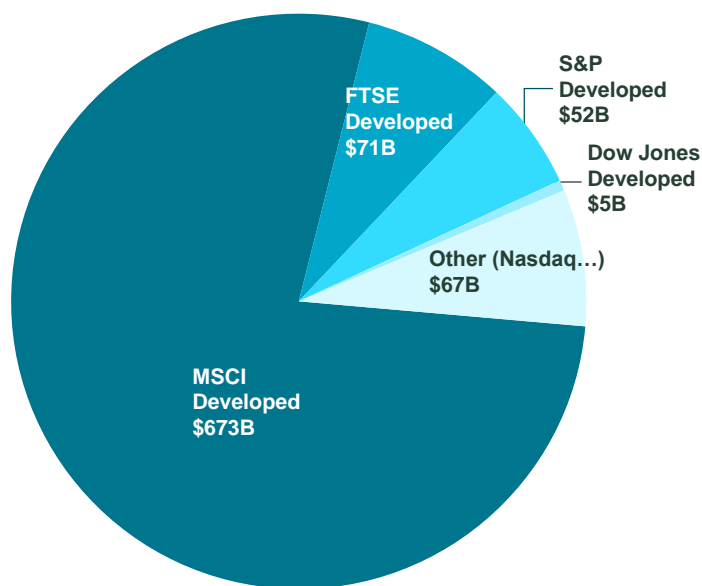
In fact, savings could differ substantially. Any savings is contingent upon other activity taking place on a given transaction day. Had other funds been selected, different results of transaction cost savings may have been achieved. All figures are in USD.

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# Portfolio Review for MSCI EAFE® Index Strategy

# State Street Global Advisors International MSCI Index Experience

**International and Global Equity AUM**  
\$868 Billion as of September 30, 2020



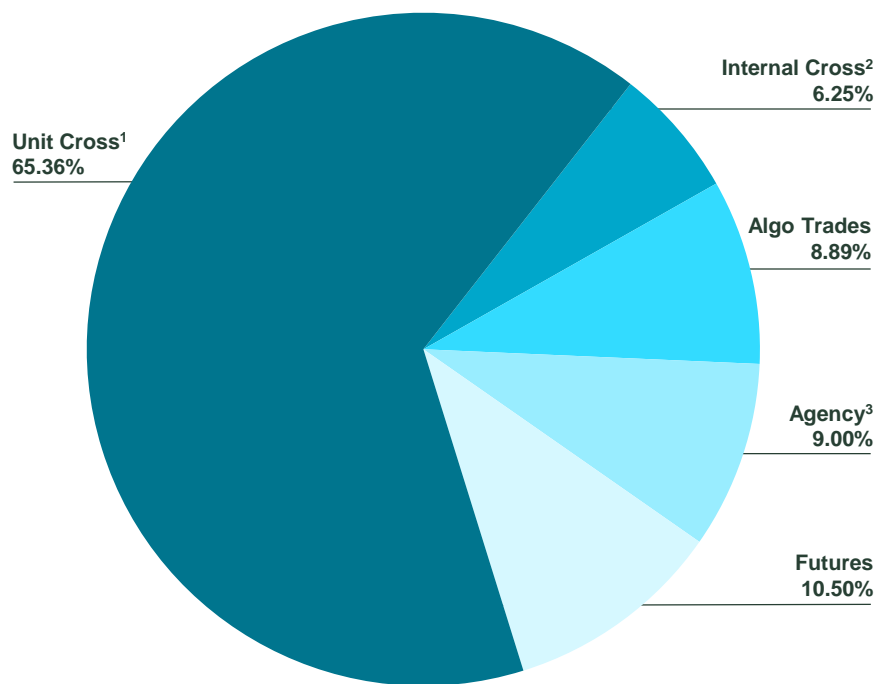
State Street Global Advisors has been investing in developed market strategies **since 1979** and emerging market strategies **since 1991**

## 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, 2020. The list only represents the majority of 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 2017–2019 \$60.55B

82% 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, 2017–2019. 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



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# MSCI Index Updates

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## May 2020 Semi-Annual Index Review

- There were less additions and more deletions this time, compared to the last Semi Annual Index Review
- Developed Market turnover was 2x relative to May 2019

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## Annual Market Classification Review

- MSCI will reclassify the **MSCI Kuwait Index** to **EM** status as part of the November 2020 Semi-Annual Index Review
- 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

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## Other Index Updates

- Following the imposition of capital controls announced by Argentinian authorities, MSCI opens a consultation on the replicability of the current **MSCI Argentina Index** and the appropriateness of its market classification in **EM**. The results of the consultation will be communicated as part of the MSCI 2020 June Market Classification Review
- State-owned Saudi Aramco was included in the MSCI EM index after its largest IPO of all time, valuing the company at \$1.7 trillion. Its currently 0.15% in MSCI EM due to the small fraction of its market cap is publicly floated.

As of July 16, 2020

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.

# What Does the Portfolio Look Like?

Seeks to deliver risk characteristics of the benchmark

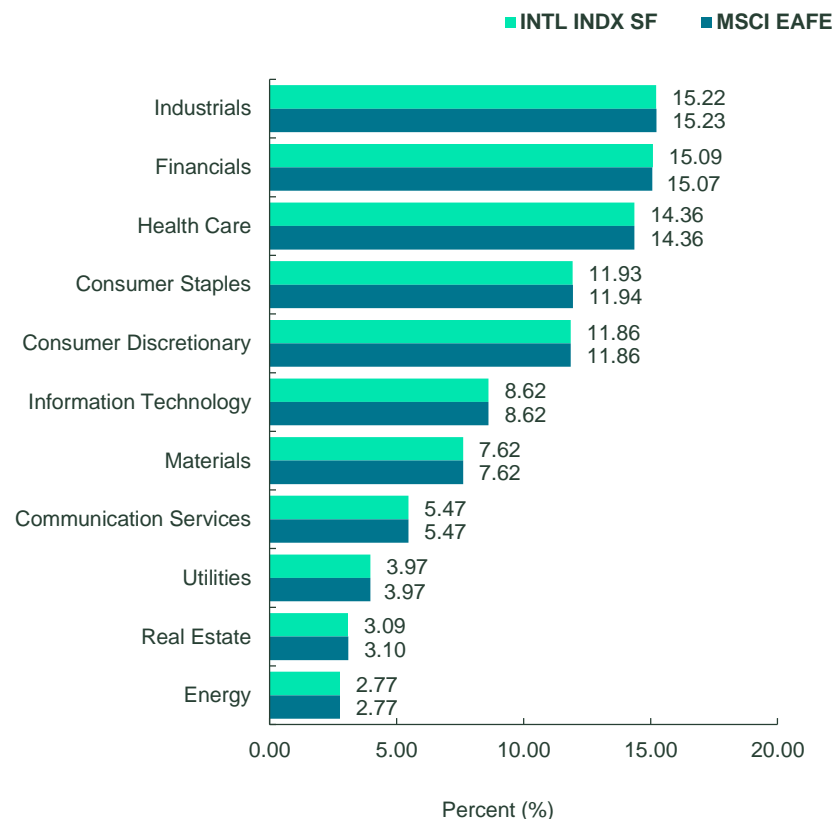
## Characteristics

	Portfolio	Benchmark*
<b>Value Indicators</b>		
Price/Earnings Ratio (Forward 12 Months)	18.78	18.79
Price/Book Ratio	1.56	1.56
Price/Cash Flow	8.03	8.04
Annual Dividend Yield (Trailing 12 Months)	2.67	2.66
<b>Growth Indicators</b>		
Estimated 3–5yr EPS Growth	8.50	8.53
Return on Equity	13.92	13.94
<b>Risk Indicators</b>		
Beta (Trailing 36 Months)	1.00	—
Standard Deviation (Annualized 36 Months)	15.24	15.23
<b>Structures</b>		
Composite AUM (\$M)	31,449.46	—
Weighted Average Market Cap (\$B)	54.63	54.56
Historical Turnover (5 Year Average)	—	4.13
Total Number of Holdings	904	901

## Top 10 Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Relative Weight* (%)
Nestle Sa-Reg	2.59	2.59	0.00
Roche Holding Ag-Genusschein	1.76	1.76	0.00
Novartis Ag-Reg	1.41	1.41	0.00
Sap Se	1.19	1.19	0.00
Asml Holding Nv	1.15	1.15	0.00
Astrazeneca Plc	1.05	1.05	0.00
Toyota Motor Corp	1.02	1.02	0.00
LVMH Moet Hennessy Louis Vui	0.95	0.95	0.00
Novo Nordisk A/S-B	0.87	0.87	0.00
AIA Group Ltd	0.87	0.87	0.00

As of September 30, 2020. 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>62.81</b>	<b>62.92</b>	<b>-0.11</b>
United Kingdom	13.33	13.30	0.03
France	10.74	10.68	0.06
Switzerland	10.28	10.41	-0.13
Germany	9.65	9.63	0.02
Netherlands	4.30	4.36	-0.06
Spain	2.28	2.25	0.03
Sweden	3.30	3.34	-0.04
Italy	2.25	2.23	0.02
Denmark	2.51	2.54	-0.03
Finland	1.05	1.05	0.00
Belgium	0.96	0.97	-0.01
Norway	0.56	0.56	0.00
Israel	0.59	0.59	0.00
Ireland	0.70	0.70	0.00
Austria	0.15	0.15	0.00
Portugal	0.16	0.16	0.00

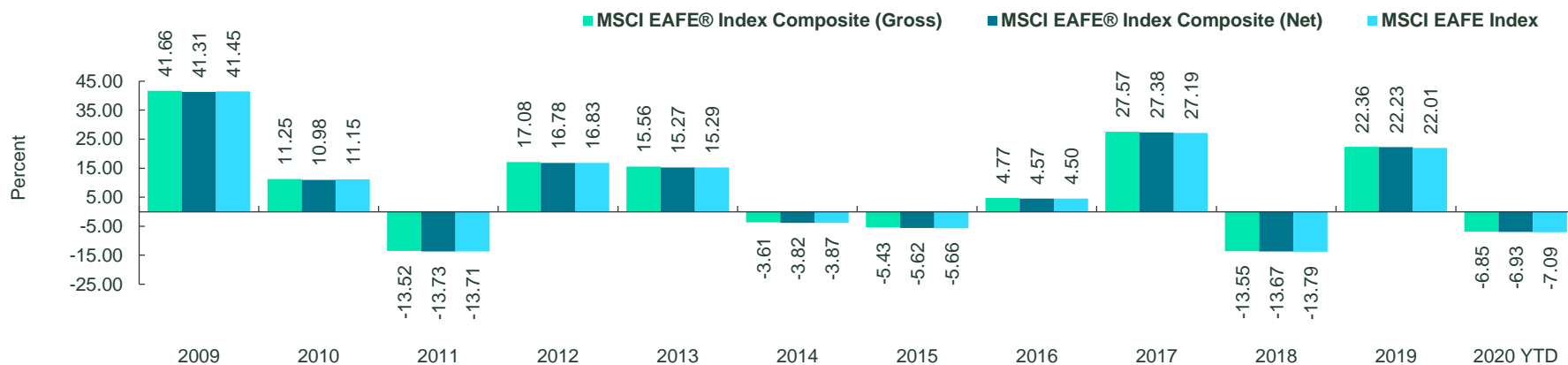
Region/Country	Portfolio Weight (%)	Benchmark Weight*(%)	Difference (%)
<b>Asia/Pacific Rim</b>	<b>37.19</b>	<b>37.08</b>	<b>0.11</b>
Japan	25.87	25.83	0.04
Australia	6.62	6.58	0.04
Hong Kong	3.34	3.32	0.02
Singapore	1.06	1.04	0.02
New Zealand	0.30	0.31	-0.01
<b>Total Portfolio</b>	<b>100.00</b>	<b>100.00</b>	<b>0.00</b>

As of September 30, 2020. 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, 2020 (USD)

	QTR (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception* (%)
MSCI EAFE® Index Composite (Gross)	4.81	-6.85	0.77	0.89	5.54	4.89	8.34
MSCI EAFE Index	4.80	-7.09	0.49	0.62	5.26	4.62	8.14
<b>Value Added</b>	<b>0.02</b>	<b>0.24</b>	<b>0.28</b>	<b>0.27</b>	<b>0.28</b>	<b>0.27</b>	<b>0.20</b>
MSCI EAFE® Index Composite (Net)	4.79	-6.93	0.66	0.78	5.42	4.67	N/A
MSCI EAFE Index	4.80	-7.09	0.49	0.62	5.26	4.62	N/A
<b>Value Added</b>	<b>-0.01</b>	<b>0.16</b>	<b>0.17</b>	<b>0.16</b>	<b>0.16</b>	<b>0.05</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.

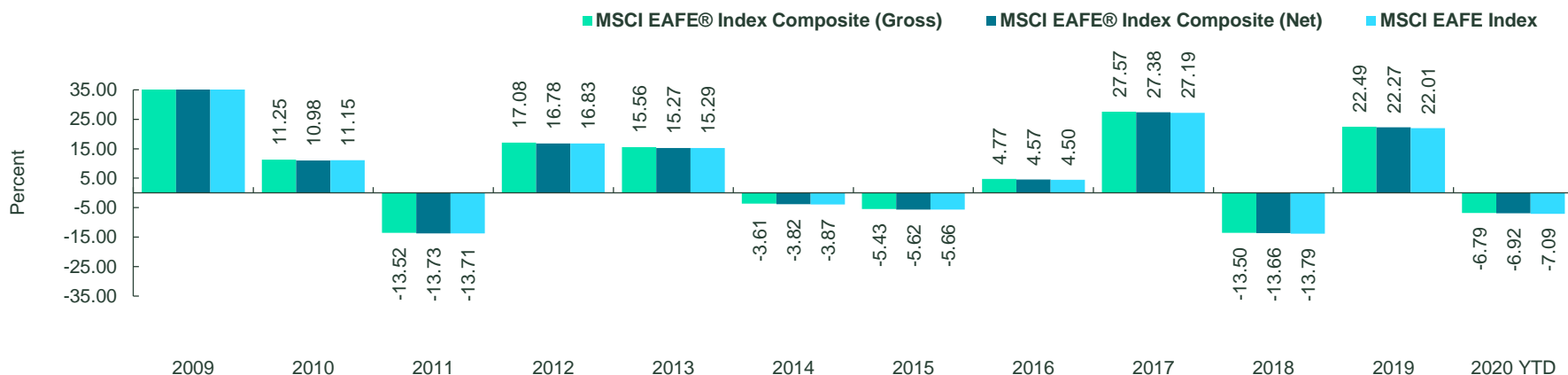
The performance shown is of a composite consisting of all discretionary accounts using this investment strategy. The above information is considered supplemental to the GIPS presentation for this Composite, which can be found in the Appendix or was previously presented. A GIPS presentation is also available upon request.

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. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in USD. gP-EAFE

# Daily MSCI EAFE® Index Composite Performance

Annualized returns for the period ending September 30, 2020 (USD)

	QTR (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception* (%)
Daily MSCI EAFE® Index Composite (Gross)	4.87	-6.79	0.85	0.97	5.65	4.94	4.88
MSCI EAFE Index	4.80	-7.09	0.49	0.62	5.26	4.62	4.70
<b>Value Added</b>	<b>0.07</b>	<b>0.30</b>	<b>0.36</b>	<b>0.35</b>	<b>0.39</b>	<b>0.32</b>	<b>0.18</b>
Daily MSCI EAFE® Index Composite (Net)	4.82	-6.92	0.67	0.79	5.46	4.72	N/A
MSCI EAFE Index	4.80	-7.09	0.49	0.62	5.26	4.62	N/A
<b>Value Added</b>	<b>0.03</b>	<b>0.17</b>	<b>0.17</b>	<b>0.17</b>	<b>0.20</b>	<b>0.10</b>	<b>N/A</b>



\* Inception Date: November 1993.

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

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. A GIPS presentation is also available upon request.

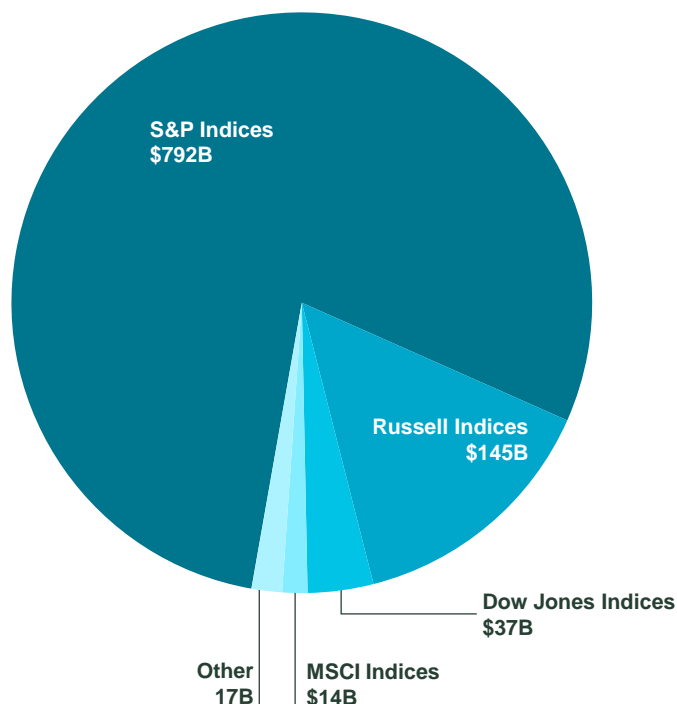
Past performance is not a reliable indicator of future performance. Performance returns for periods of less than one year are not annualized. The performance figures contained herein are provided on a gross and net of fees basis. Gross of fees do not reflect and net of fees do reflect the deduction of advisory or other fees which could reduce the return. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in USD. gP-DEAFE

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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**  
\$1 Trillion as of September 30, 2020



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

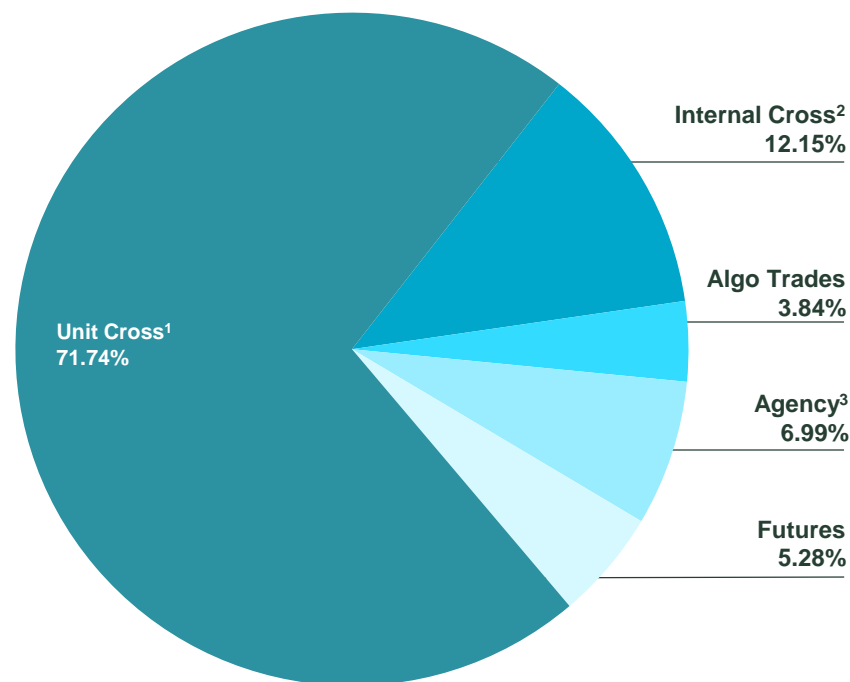
Currently managing in excess of **\$1 trillion** in US indexed assets against a variety of benchmarks including more than **25** Russell Indexes and over **30** S&P Dow Jones Indices

## 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 500 Buyback	S&P Small Cap 600	
S&P 500 Screened	S&P 1500	
S&P 500 Ex Tobacco	S&P 1500 Momentum Tilt	
S&P 500 Fossil Fuel Free	S&P 1500 Value Tilt	

Source: State Street Global Advisors. As of September 30, 2020. The list only represents the majority of 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 2017–2019 \$174.49B

**89%** 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, 2017–2019. 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

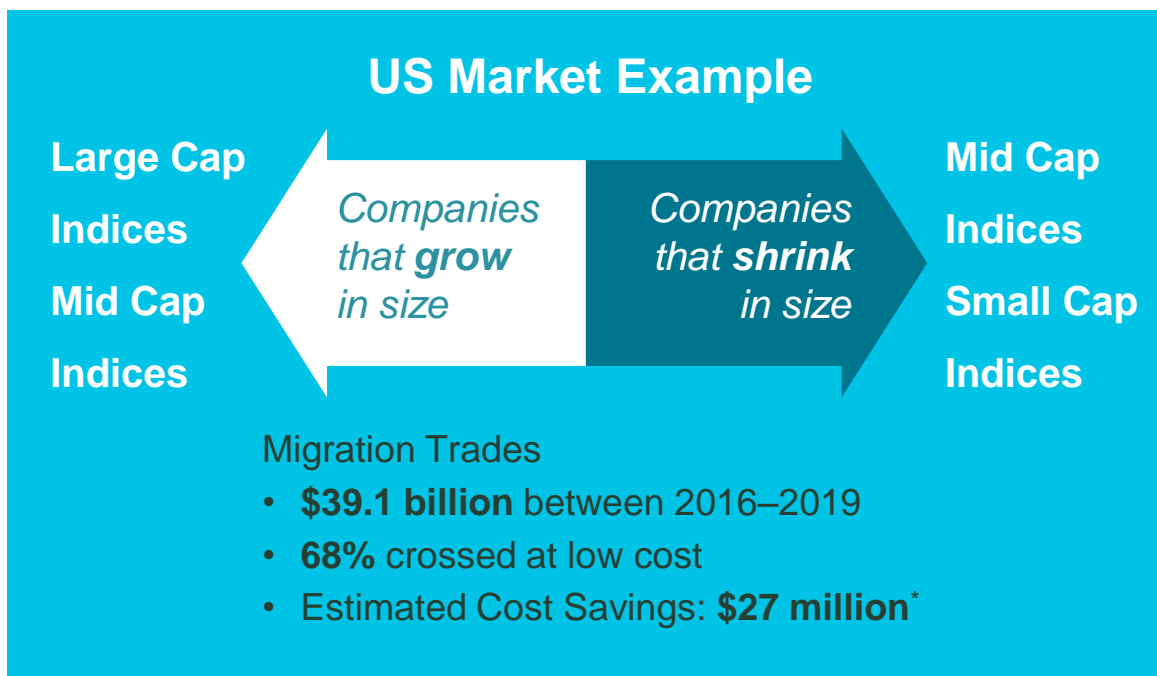


# Minimizing Turnover Through Internal Crossing

## Index Migrations

Companies regularly move between indices

A diverse book of business creates opportunities to reduce transaction costs around index change events



As of December 2019, updated annually. Source: State Street Global Advisors. All figures are in USD. S&P US indices are used in this index migration analysis. Availability of internal crossing at State Street Global Advisors may be affected by your asset class, vehicle type, jurisdiction, or other factors. \* Impact and spread cost estimates are based on calculations provided by vendor tools that specialize in these estimations but are proprietary to the vendor. Commissions, taxes, and other explicit cost estimates are based on standard schedules published within State Street Global Advisors but may vary from the results experienced in actual trading. Savings are calculated by multiplying the estimated market trading costs (ranging from 10 to 20 basis points depending on liquidity type and region) by the relevant trade volume amount. US large cap stocks account for about 64% of the noted savings.

# Portfolio Rebalancing: Be Pragmatic

Example: S&P Quarterly Rebalance December 2019

	S&P500 Index	S&P400 Index	S&P600 Index
Rebalance Turnover	0.82%	4.55%	2.09%
Traded	0.46% approx. <small>(Typical State Street Global Advisors S&amp;P500 portfolio)</small>	4.41% <small>(Typical State Street Global Advisors S&amp;P400 portfolio)</small>	1.58% <small>(Typical State Street Global Advisors S&amp;P600 portfolio)</small>
Reduction in Turnover	44%	3%	24%

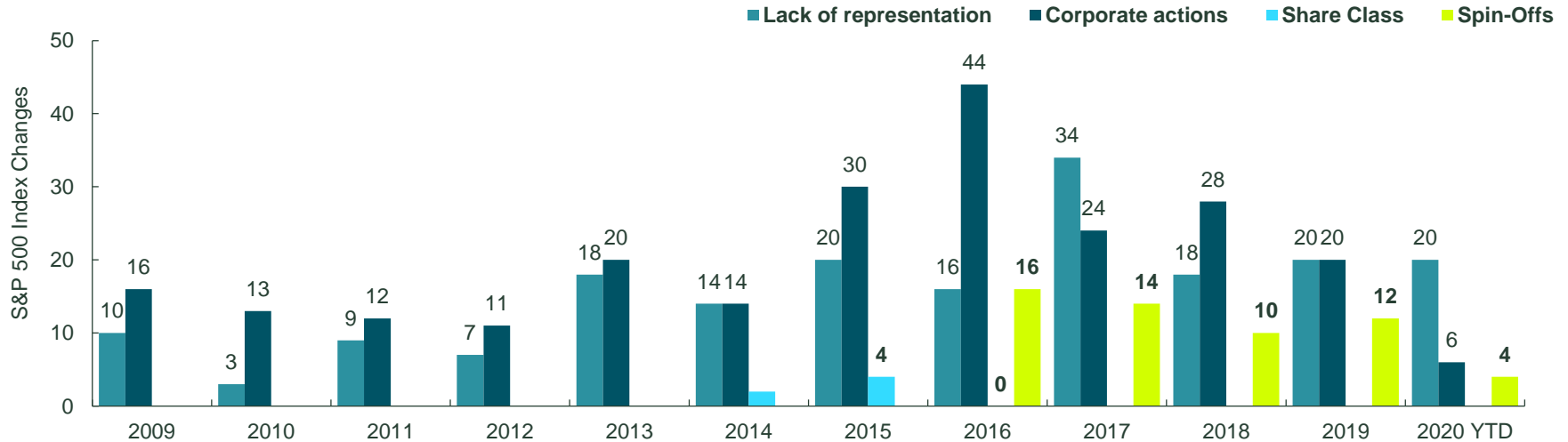
By monitoring ex-ante tracking closely, we can avoid trading some of the smaller names of a given index rebalance. This **reduces the overall turnover** of a portfolio and also **reduces the transaction costs** associated with it.

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

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

## 2020 YTD

- 15 additions/deletions so far in 2020
- 5 additions/deletions were due to corporate actions and spin offs, 10 was due to securities being more representative of the mid-cap and small-cap index (lack of representation)
- S&P 500 now contains 505 positions (but still 500 companies)



As of September 30, 2020.

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?

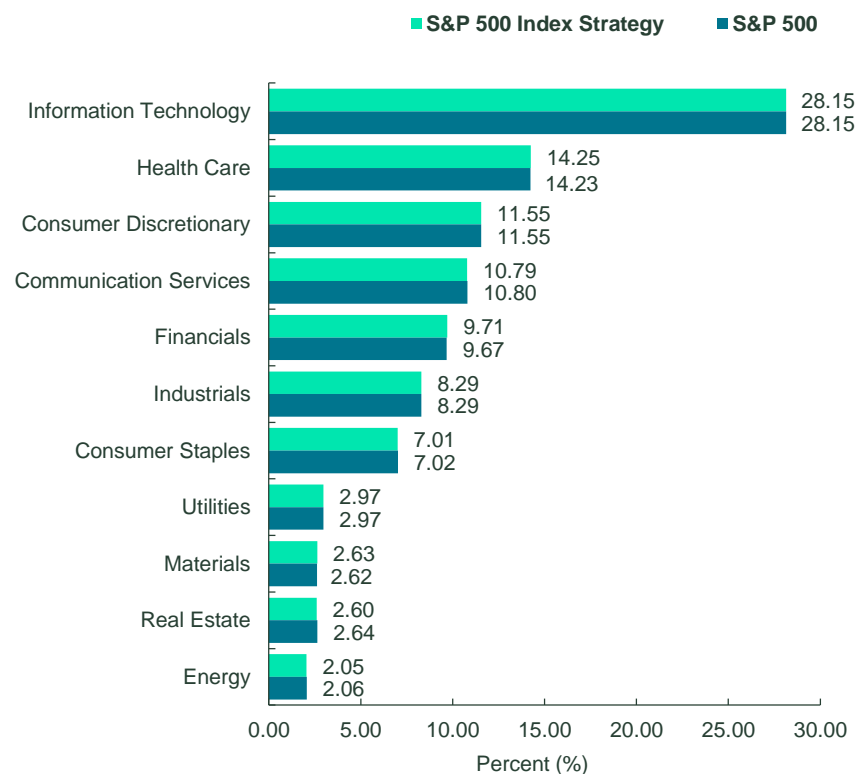
Seeks to deliver risk characteristics of the benchmark

## Characteristics

	Portfolio	Benchmark*
<b>Value Indicators</b>		
Price/Earnings Ratio (Forward 12 Months)	23.71	23.72
Price/Book Ratio	3.53	3.54
Price/Cash Flow	14.10	14.09
Annual Dividend Yield (Trailing 12 Months)	1.68	1.68
<b>Growth Indicators</b>		
Estimated 3–5yr EPS Growth	11.62	11.61
Return on Equity	27.34	27.34
<b>Risk Indicators</b>		
Beta (Trailing 36 Months)	1.00	—
Standard Deviation (Annualized 36 Months)	17.49	17.49
<b>Structures</b>		
Composite AUM (\$M)	68,739.02	—
Weighted Average Market Cap (\$B)	452.94	452.93
Index Historical Turnover (5 Year Average)	—	4.72
Total Number of Holdings	505	505

## Top 10 Holdings

	Portfolio Weight (%)	Benchmark Weight (%)	Relative Weight* (%)
Apple Inc	6.68	6.68	0.00
Microsoft Corp	5.71	5.71	0.00
Amazon.Com Inc	4.81	4.81	0.00
Facebook Inc-Class A	2.26	2.26	0.00
Alphabet Inc-CI A	1.58	1.58	0.00
Alphabet Inc-CI C	1.55	1.55	0.00
Berkshire Hathaway Inc-CI B	1.51	1.51	0.00
Johnson & Johnson	1.42	1.41	0.01
Procter & Gamble Co/The	1.24	1.24	0.00
Visa Inc	1.21	1.21	0.00

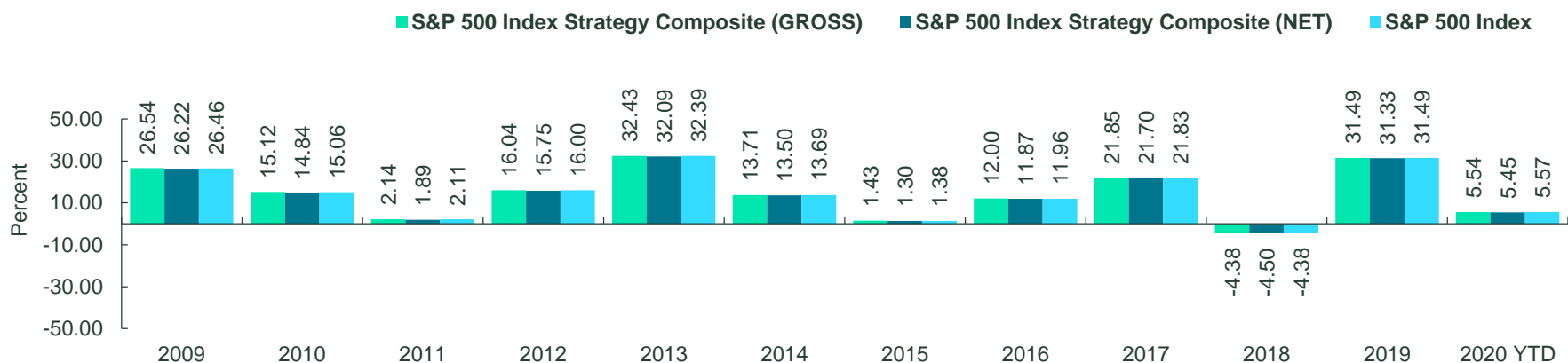


As of September 30, 2020. Sources: FactSet, State Street Global Advisors. Past performance is not a guarantee of future results. The Supplemental Information above (except for beta, standard deviation, and Composite AUM (USD)), is that of a single representative account within the Composite, which is 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, 2020 (USD)

	QTR (%)	YTD (%)	1 Year (%)	3 Years (%)	5 Years (%)	10 Years (%)	Since Inception* (%)
S&P 500 Index Strategy (Gross)	8.93	5.54	15.12	12.28	14.16	13.76	10.79
S&P 500 Index	8.93	5.57	15.15	12.28	14.15	13.74	10.77
<b>Difference</b>	<b>0.00</b>	<b>-0.03</b>	<b>-0.03</b>	<b>0.00</b>	<b>0.01</b>	<b>0.02</b>	<b>0.03</b>
S&P 500 Index Strategy (Net)	8.89	5.45	14.98	12.14	14.02	13.57	N/A
S&P 500 Index	8.93	5.57	15.15	12.28	14.15	13.74	N/A
<b>Difference</b>	<b>-0.04</b>	<b>-0.13</b>	<b>-0.17</b>	<b>-0.14</b>	<b>-0.13</b>	<b>-0.17</b>	<b>N/A</b>



\* Inception Date: January 1, 1986.

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. A GIPS presentation is also available upon request.

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. Some members of this composite may accrue administration fees. The performance includes the reinvestment of dividends and other corporate earnings and is calculated in US dollars. gPASP500

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# Appendix A: GIPS® Presentation

GIPS® is a trademark owned by CFA Institute.

# GIPS® Report: Daily MSCI EAFE Index Composite (As of December 31, 2019)

## Gross Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Nov 1993
Daily MSCI EAFE Index Composite	8.20	22.49	22.49	9.98	6.04	5.82	N/A
MSCI EAFE Index	8.17	22.01	22.01	9.56	5.67	5.50	N/A

Year	Daily MSCI EAFE Index Composite	MSCI EAFE Index
2019		22.01
2018		-13.79
2017		25.03
2016		1.00
2015		-0.81
2014		-4.90
2013		22.78
2012		17.32
2011		-12.14
2009		31.78

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)
2019	*	N/A	10.82	10.81	1,858,050,828	0.06	3,052,585
2018	*	N/A	11.30	11.24	1,450,399,189	0.06	2,457,404
2017	*	N/A	11.87	11.83	2,146,404,981	0.08	2,714,705
2016	*	N/A	12.50	12.46	3,388,057,416	0.15	2,291,833
2015	*	N/A	12.47	12.46	3,365,805,185	0.15	2,188,091
2014	*	N/A	13.02	13.03	1,642,052,469	0.07	2,383,493
2013	*	N/A	16.60	16.25	1,381,195,855	0.06	2,279,237
2012	*	N/A	19.62	19.37	1,548,347,979	0.08	2,023,842
2011	*	N/A	22.87	22.43	1,697,293,512	0.10	1,768,142
2010	*	N/A	26.40	26.23	2,847,496,783	0.19	1,518,977

gP-DEAFE

\* 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. Equity securities held by the Strategy may be denominated in foreign currencies and may be held outside the United States. 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. SSGA may also utilize other pooled investment vehicles, including those managed by SSGA and its affiliates, as substitutes for gaining direct exposure to securities or a group of securities in the Index. 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 may at times purchase or sell index futures contracts, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. 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, 2018. 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 MSCI EAFE 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:** None.

**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 0.060% of the first \$50,000,000; 0.050% of the next \$50,000,000; and 0.040% thereafter for a commingled fund; and 0.100% of the first \$50,000,000; 0.080% of the next \$50,000,000; and 0.070% thereafter for separately managed accounts. The minimum annual management fee for a separately managed accounts is \$250,000. 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:** None.

**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 January 2019, Ralph Layman, Vice Chairman of SSGA retired from the firm. In July 2019, Timothy Corbett became State Street Global Advisors' Chief Risk Officer.

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

# GIPS® Report: MSCI EAFE Index Composite (As of December 31, 2019)

## Gross Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Jan 1985
MSCI EAFE Index Composite	8.19	22.36	22.36	9.86	5.95	5.77	N/A
MSCI EAFE Index	8.17	22.01	22.01	9.56	5.67	5.50	N/A

Year	MSCI EAFE Index Composite	MSCI EAFE Index
2019	22.36	22.01
2018	-13.55	-13.79
2017	25.35	25.03
2016	1.27	1.00
2015	-0.58	-0.81
2014	-4.67	-4.90
2013	23.02	22.78
2012	17.63	17.32
2011	-11.92	-12.14
2010	7.97	7.75

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)
2019	*	N/A	10.80	10.81	33,124,095,942	1.09	3,052,585
2018	6	0.14	11.26	11.24	28,800,907,614	1.17	2,457,404
2017	7	0.18	11.84	11.83	39,387,432,678	1.45	2,714,705
2016	10	0.17	12.47	12.46	32,964,694,830	1.44	2,291,833
2015	8	0.15	12.45	12.46	30,222,391,500	1.38	2,188,091
2014	7	0.13	13.00	13.03	29,428,863,233	1.23	2,383,493
2013	7	0.15	16.22	16.25	29,266,714,685	1.28	2,279,237
2012	8	0.16	19.29	19.37	29,108,751,239	1.44	2,023,842
2011	8	N/A	22.40	22.43	25,311,047,591	1.43	1,768,142
2010	*	N/A	26.20	26.23	22,035,409,578	1.45	1,518,977

gP-EAFE

\* 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. Equity securities held by the Strategy may be denominated in foreign currencies and may be held outside the United States. 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. SSGA may also utilize other pooled investment vehicles, including those managed by SSGA and its affiliates, as substitutes for gaining direct exposure to securities or a group of securities in the Index. 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 may at times purchase or sell index futures contracts, or options on those futures, or engage in other transactions involving the use of derivatives, in lieu of investment directly in the securities making up the Index or to enhance the Strategy's replication of the Index return. The Strategy's return may not match the return of the Index.

## Footnotes

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**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, 2018. 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.

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

**Benchmark Description:** The benchmark for the composite is the MSCI EAFE 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.

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

**Use of Subadvisors:** None.

**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 0.060% of the first \$50,000,000; 0.050% of the next \$50,000,000; and 0.040% thereafter for a commingled fund; and 0.080% of the first \$50,000,000; 0.060% of the next \$50,000,000; and 0.050% thereafter for separately managed accounts. The minimum annual management fee for a separately managed accounts is \$250,000. 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.

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

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**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 January 2019, Ralph Layman, Vice Chairman of SSGA retired from the firm. In July 2019, Timothy Corbett became State Street Global Advisors' Chief Risk Officer.

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



# GIPS® Report: S&P 500 Index Composite (As of December 31, 2019)

## Gross Returns

Period	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	Inception Jan 1986
S&P 500 Index Composite	9.08	31.49	31.49	15.28	11.72	13.59	N/A
S&P 500 Index	9.07	31.49	31.49	15.27	11.70	13.56	N/A

Year	S&P 500 Index Composite	S&P 500 Index
2019	31.49	31.49
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

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)
2019	16	0.01	11.94	11.93	63,883,107,388	2.09	3,052,585
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

gPASP500

\* 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, 2018. 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.

**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.

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

**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:** None.

**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 January 2019, Ralph Layman, Vice Chairman of SSGA retired from the firm. In July 2019, Timothy Corbett became State Street Global Advisors' Chief Risk Officer.

**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.

Investing involves risk including the risk of loss of principal.

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Responsible-Factor (R Factor) scoring is designed by State Street to reflect certain ESG characteristics and does not represent investment performance. Results generated out of the scoring model is based on sustainability and corporate governance dimensions of a scored entity.

The returns on a portfolio of securities which exclude companies that do not meet the portfolio's specified ESG criteria may trail the returns on a portfolio of securities which include such companies. A portfolio's ESG criteria may result in the portfolio investing in industry sectors or securities which underperform the market as a whole.

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

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

Indexing strategies are managed with a passive investment strategy, attempting to track the performance of an unmanaged index of securities. As a result, indexing strategies may hold constituent securities of the Index regardless of the current or projected performance of a specific security, which could cause their return to be lower than if they employed an active strategy. While the strategy seeks to track the performance of the Index as closely as possible, its return may not match or achieve a high degree of correlation with the return of the Index due to operating expenses, transaction costs, cash flows and operational inefficiencies.

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

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.

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Investing in futures is highly risky. Futures positions are considered highly leveraged because the initial margins are significantly smaller than the cash value of the contracts. There are a number of risks associated with futures investing including but not limited to counterparty credit risk, basis risk, currency risk, derivatives risk, foreign issuer exposure risk, sector concentration risk, leveraging and liquidity risks.

Derivative investments may involve risks such as potential illiquidity of the markets and additional risk of loss of principal.

ETFs trade like stocks, are subject to investment risk and will fluctuate in market value. The investment return and principal value of an investment will fluctuate in value, so that when shares are sold or redeemed, they may be worth more or less than when they were purchased. Although shares may be bought or sold on an exchange through any brokerage account, shares are not individually redeemable from the fund. Investors may acquire shares and tender them for redemption through the fund in large aggregations known as "creation units." Please see the fund's prospectus for more details.

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 small/mid-sized companies may involve greater risks than in those of larger, better known companies.

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# Important Disclosures

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All rights in the Index vest in FTSE. FTSE is a trade mark of LSEG and is used by FTSE under license.

Russell Investment Group is the source and owner of the trademarks, service marks and copyrights related to the Russell Indexes.

There are risks associated with investing in Real Assets and the Real Assets sector, including real estate, precious metals and natural resources. Investments can be significantly affected by events relating to these industries.

Government bonds and corporate bonds generally have more moderate short-term price fluctuations than stocks, but provide lower potential long-term returns.

Asset Allocation is a method of diversification which positions assets among major investment categories. Asset Allocation may be used in an effort to manage risk and enhance returns. It does not, however, guarantee a profit or protect against loss.

Investing in commodities entail significant risk and is not appropriate for all investors. Commodities investing entail significant risk as commodity prices can be extremely volatile due to wide range of factors. A few such factors include overall market movements, real or perceived inflationary trends, commodity index volatility, international, economic and political changes, change in interest and currency exchange rates.

A Smart Beta strategy does not seek to replicate the performance of a specified cap-weighted index and as such may underperform such an index. The factors to which a Smart Beta strategy seeks to deliver exposure may themselves undergo cyclical performance. As such, a Smart Beta strategy may underperform the market or other Smart Beta strategies exposed to similar or other targeted factors. In fact, we believe that factor premia accrue over the long term (5-10 years), and investors must keep that long time horizon in mind when investing.

**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 information is from SSGA unless otherwise noted and has been obtained from sources believed to be reliable, but its accuracy is not guaranteed. There is no representation or warranty as to the current accuracy, reliability or completeness of, nor liability for, decisions based on such information and it should not be relied on as such.**

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Tracking Code: 3324552.1.1.AM.INST

Expiration Date: January 31, 2021

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# Appendix C: Biographies

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# Biography



## **Kimberly Cook**

Kim is a Vice President at State Street Global Advisors and a Client Relationship Manager in the Institutional Client Group. She is responsible for managing client relationships with a focus on institutional clients located in the Western region of the United States, based in the San Francisco office.

Previously at SSGA, Kim managed institutional client relationships in the Mid-Atlantic region based in the Boston office. Prior to joining the Institutional Client Group, Kim worked in the firm's Portfolio Administration Group responsible for the operations of funds managed by both the Global Beta Equity Solutions and Tax Efficient Market Capture Portfolio Management teams. Prior to joining SSGA, Kim worked in client service at Acadian Asset Management following her role at State Street Bank and Trust as a Portfolio Accountant.

Kim received her Bachelors of Science in Business Administration with a concentration in Finance and minor in Economics from the University of New Hampshire. Kim holds the FINRA 7 and 63 registrations.



# RETIREMENT BOARD STAFF REPORT

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**DATE:** December 9, 2020

Agenda Item: 13

**TO:** Sacramento Regional Transit Retirement Boards – ALL

**FROM:** Jamie Adelman, AVP Finance & Treasury

**SUBJ:** 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, 2020

## **RECOMMENDATION**

No Recommendation – For Information Only.

## **RESULT OF RECOMMENDED ACTION**

Information Only

## **FISCAL IMPACT**

None.

## **DISCUSSION**

Retirement funds are invested consistent with the Statement of Investment Objectives and Policy Guidelines (Policy) adopted by each Retirement Board (Board). Under the Policy, the Boards meet at least once every eighteen (18) months with each investment manager to review the performance of the manager's investment, the manager's adherence to the Policy, and any material changes to the manager's organization. The Policy also establishes the Retirement Funds' asset allocation policy and the asset classes in which the Plans funds are invested. The asset classes established by the Policy are (1) Domestic Large Capitalization Equity, (2) Domestic Small Capitalization Equity, (3) International Large Capitalization Equity, (4) International Small Capitalization Equity, (5) International Emerging Markets, (6) Domestic Fixed-Income, and (7) Real Estate.

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, 2020, shown in Attachment 1, and answering any questions.

A photograph of a city skyline with several tall buildings, including a prominent one with a curved facade, set against a clear blue sky. The foreground is filled with green trees. A semi-transparent blue horizontal band is overlaid across the middle of the image, containing the title text.

# Sacramento Regional Transit District

## High Quality Small Cap

December 9, 2020  
Portfolio Review

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

Prepared for Sacramento Regional Transit District use only.  
Not for further distribution.

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

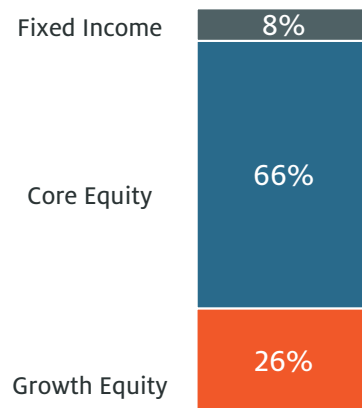


# Atlanta Capital Management Co., LLC

As of September 30, 2020

## Investment Franchises

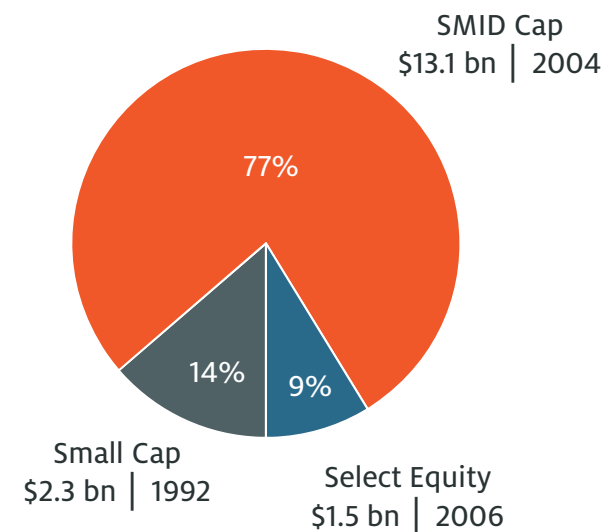
(\$25.6 Billion)



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

## Core Equity Management

(\$16.9 Billion)



Assets under management | inception date of strategy

Assets under management are approximate. Source: Atlanta Capital as of September 30, 2020.



# Seasoned & Stable Investment Team

As of September 30, 2020

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



Chip Reed, CFA  
Portfolio Manager  
31 Yrs | 1998



Matt Hereford, CFA  
Portfolio Manager  
25 Yrs | 2002



Bill Bell, CFA  
Portfolio Manager  
25 Yrs | 1999



Michael Jaje, CFA  
Investment Specialist  
26 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

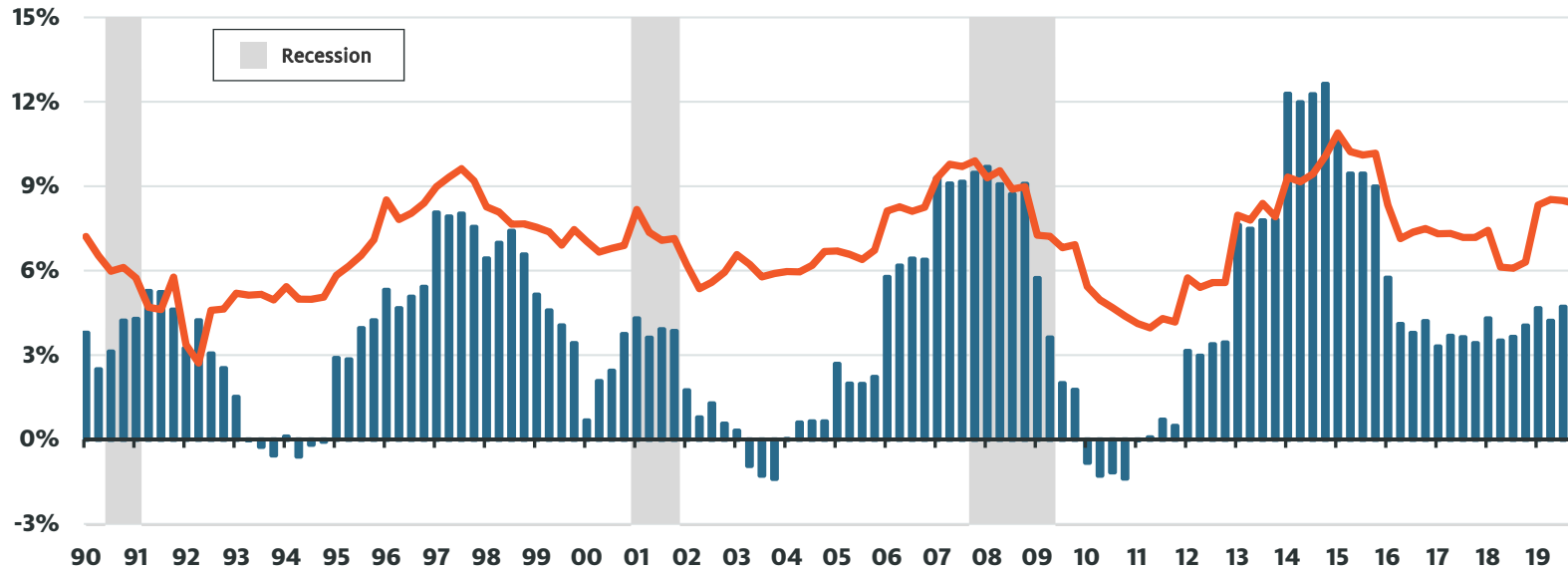
Years industry experience | year joined Atlanta Capital



# 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	7.0%	1.7%	120 or 100%	0 or 0%
■ Low Quality Portfolio	4.1%	3.3%	106 or 88%	14 or 12%

Time period: January 1, 1990 – December 31, 2019. 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, 2019.

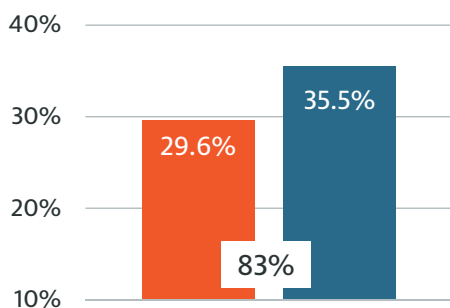
# High Quality Small Cap Investment Objective

April 1, 1992 – September 30, 2020

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.

## Rising Markets

(77 Positive Quarters)  
Net of Fees

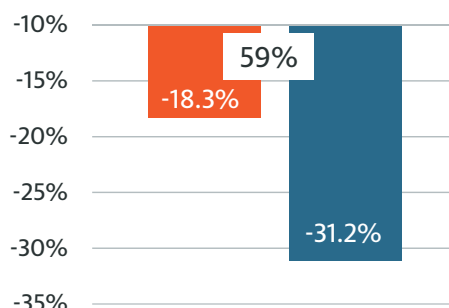


Upside Reward

+

## Declining Markets

(37 Negative Quarters)  
Net of Fees

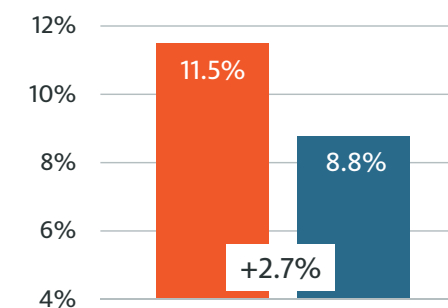


Downside Protection

=

## Since Inception\*

(114 Total Quarters)  
Net of Fees



Long-Term Results

Beta		Standard Deviation	
■ HQ Small Cap   R2000®	0.72   1.00	■ HQ Small Cap   R2000®	15.8%   20.6%

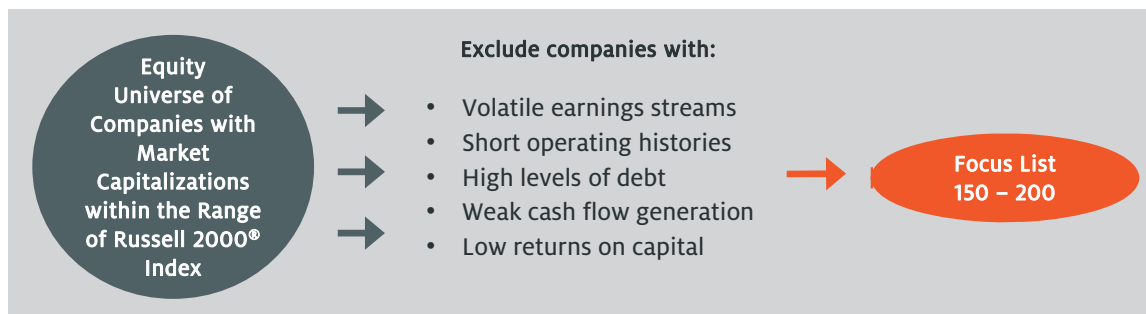
\*The inception date of the High Quality Small Capitalization Composite is April 1, 1992. For illustrative purposes only. The charts above illustrate the average (annualized) return of the High Quality Small Capitalization Composite during both rising and declining markets since inception. Results for 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 calculated 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 as of September 30, 2020.

# Disciplined Investment Process

## High Quality Small Cap Equity

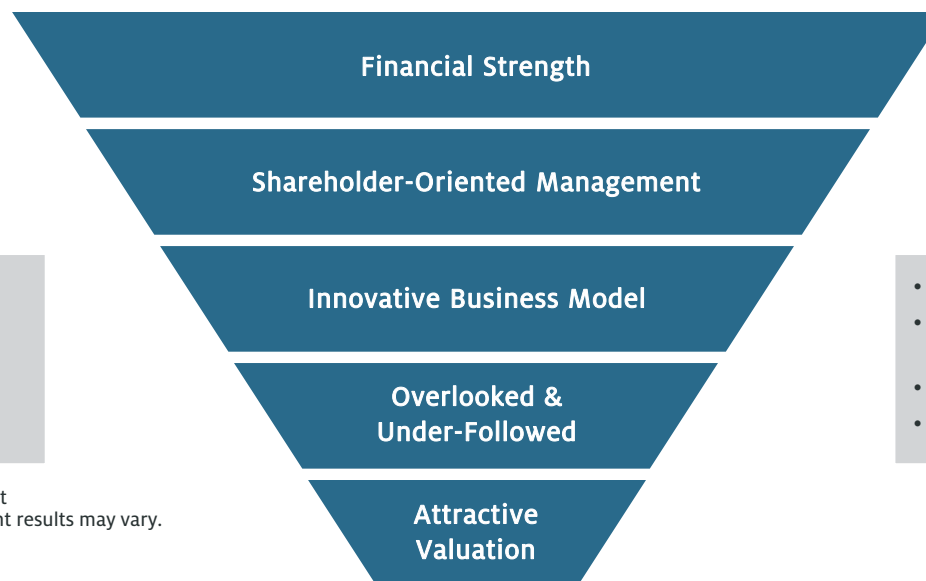
### Step 1

#### 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
- 17% 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

## Sacramento Regional Transit District

Total Returns (%)	QTD	YTD	1 Yr	3 Yrs*	5 Yrs*	7 Yrs*	10 Yrs*	Since Inception*
High Quality Small Cap	3.18	-6.41	-2.28	8.53	11.74	10.41	13.78	12.81
Russell 2000® Index	4.93	-8.69	0.39	1.77	8.00	6.42	9.85	8.61

### Account Summary

Performance Inception Date:	April 22, 2010
Net Investment Contributions:	\$624,188
Investment Dollars Earned:	\$25,587,946
Market Value (09/30/20):	\$26,212,134

\*Performance returns over one year are annualized.

The unmanaged benchmark index returns are shown for comparative purposes only and do not reflect the subtraction of any fees or transaction costs. It is not possible to directly invest in an index. Portfolio returns are gross of management fees unless otherwise noted. The deduction of an advisory fee would reduce an investor's return. Past performance is not indicative of future results. All investments subject to loss. Please refer to the disclosures at the end of this presentation.

Source: ICE Data Services and Atlanta Capital as of September 30, 2020.



# Portfolio Characteristics

## Sacramento Regional Transit District

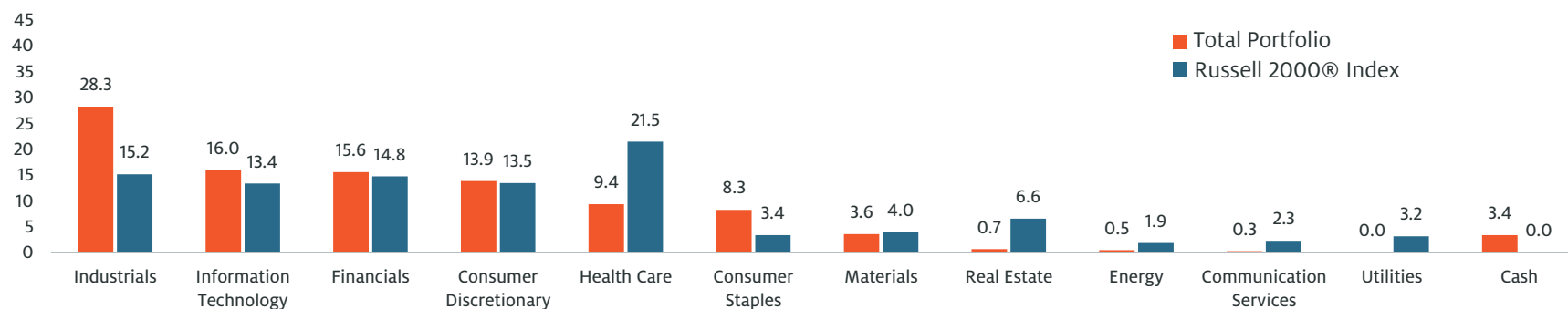
### Top Ten Holdings (%)

Manhattan Associates	3.1
CoreLogic	3.0
Kinsale Capital Group Inc.	3.0
Choice Hotels Int'l	2.9
Dorman Products	2.9
ICU Medical	2.8
Columbia Sportswear	2.6
Houlihan Lokey, Inc.	2.4
Integra LifeSciences	2.4
Moog	2.3

### Portfolio Metrics

Portfolio Metrics	Russell 2000® Index	Total Portfolio
# of Holdings	2,019	62
Wtd. Avg. Mkt. Cap (billions)	\$2.4	\$3.3
Historical Earnings Growth	11%	9%
Forecasted Earnings Growth	14%	10%
Return on Equity	1%	14%
P/E (NTM, Excl. Neg. Earn.)	16.3x	21.1x
Dividend Yield	1.3%	1.0%

### Sector Exposure



Source: FactSet and Atlanta Capital as of September 30, 2020.

# Portfolio Transactions for the Quarter

## Sacramento Regional Transit District

New Purchases	Sector	
Hamilton Lane Inc Class A	Financials	Is an alternative investment firm that provides private equity asset management and advisory services. Positive inflows and durable management fees should lead to stable and growing earnings.
McGrath RentCorp	Industrials	Offers rental products including modular buildings/classrooms, storage containers, and electronic test equipment. Attractive valuation and positive exposure to recovery and 5G cellular buildout.
TechTarget Inc	Communication Services	Provides research support to IT buyers and purchase intent information to technology vendors. New product offerings create opportunity for margin expansion and increased client ROI.
Yeti Holdings Inc	Consumer Discretionary	Designs and manufactures premium products for outdoor and recreational use. Strong direct to consumer distribution, and premium aspirational brand pricing should drive strong margins and earnings.
Complete Sales	Sector	
Morningstar	Financials	Provides investment research and services to financial professionals. We sold the position as the company's market capitalization appreciated to the high end of our range.

Any investment views, opinions/analyses, and forecasts expressed constitute judgments as of the date of this presentation and are subject to change at any time without notice. Future results may differ from forecasts. Source: Atlanta Capital as of September 30, 2020.



# Current Portfolio Holdings

## Sacramento Regional Transit District

Consumer Discretionary (%)		13.5	13.9
CHH	Choice Hotels Int'l	2.9	
COLM	Columbia Sportswear	2.6	
DORM	Dorman Products	2.9	
FTDR	Frontdoor Inc.	1.4	
MNRO	Monro	0.7	
SBH	Sally Beauty Hldgs.	0.6	
WWW	Wolverine World Wide	2.0	
YETI	Yeti Holdings Inc	0.7	
Consumer Staples (%)		3.4	8.3
CASY	Casey's General Stores	2.1	
CENT	Central Garden & Pet Co.	1.2	
IPAR	Inter Parfums	2.0	
JJSF	J&J Snack Foods Corp.	1.9	
LANC	Lancaster Colony Corp.	1.0	
Energy (%)		1.9	0.5
DRQ	Dril-Quip	0.5	
Financials (%)		14.8	15.6
APAM	Artisan Partners	1.8	
FHN	First Horizon National Corp	1.0	
HLNE	Hamilton Lane Inc Class A	0.8	
HLI	Houlihan Lokey, Inc.	2.4	
KNSL	Kinsale Capital Group Inc.	3.0	
PNFP	Pinnacle Fin'l Partners	1.1	
PB	Prosperity Bancshares	0.8	
RLI	RLI Corp.	1.6	
SSB	South State Corp.	1.3	
UMPQ	Umpqua Holdings Corp.	0.9	
WABC	Westamerica Bancorp.	1.0	
Health Care (%)		21.5	9.4
EBS	Emergent BioSolutions Inc.	2.1	
ICUI	ICU Medical	2.8	
IART	Integra LifeSciences	2.4	
MLAB	Mesa Laboratories Inc.	1.3	
PDCO	Patterson Companies	0.9	
Industrials (%)		15.2	28.3
AAON	AAON	1.0	
ALG	Alamo Group Inc	1.3	
BECN	Beacon Roofing Supply	2.1	
CBZ	CBIZ Inc.	1.4	
CLGX	CoreLogic	3.0	
EXPO	Exponent	1.7	
FWRD	Forward Air	1.9	
FCN	FTI Consulting	2.0	
HURN	Huron Consulting Group	1.2	
KEX	Kirby Corp.	1.0	
LSTR	Landstar System	1.9	
MGRC	McGrath RentCorp	0.9	
MOG.A	Moog	2.3	
RAVN	Raven Industries	0.9	
SSD	Simpson Manufacturing Co Inc	2.0	
UNF	UniFirst Corp.	2.1	
ECOL	US Ecology	0.9	
WWD	Woodward Inc	0.8	
Communication Services (%)		2.3	0.3
TTGT	TechTarget Inc	0.3	
Information Technology (%)		13.4	16.0
ACIW	ACI Worldwide Inc.	1.8	
BLKB	Blackbaud	1.9	
CASS	Cass Information Sys	1.0	
ENV	Envestnet	2.0	
PLUS	ePlus	1.3	
MANH	Manhattan Associates	3.1	
NATI	National Instruments	1.3	
POWI	Power Integrations	1.3	
QLYS	Qualys Inc.	2.3	
Materials (%)		4.0	3.6
BCPC	Balchem Corp.	1.0	
SLGN	Silgan Holdings	1.6	
SCL	Stepan Co.	1.1	
Real Estate (%)		6.6	0.7
UHT	Universal Health Realty	0.7	
Utilities (%)		3.2	0.0
Cash (%)		0.0	3.4

Source: FactSet and Atlanta Capital as of September 30, 2020.

■ High Quality Small Cap  
■ Russell 2000® Index

# Investment Outlook & Strategy

## High Quality Small Cap

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### Investment Outlook

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- Cyclical rallies are often led by low quality factors – and that is largely what we have seen in small cap markets since the March 2020 pandemic lows.
- Stocks with no/negative earnings (roughly 31% of the Russell 2000® index), have outperformed in the 3rd quarter and year-to-date. Stocks with low return on invested capital (ROIC) have also outperformed better ROIC stocks.
- While low quality factors like these are a near-term challenge to high quality strategies, we remain committed to investing in higher quality companies with positive earnings, strong balance sheets, and strong levels of profitability.

### Portfolio Positioning

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- During the quarter, we added four new holdings and sold one entirely.
- At quarter end, the representative portfolio held 62 stocks representing ten of the eleven economic sectors in the Russell 2000®.
- Relative to the benchmark, the portfolio was overweight Industrials, Technology, Consumer Staples, Financials, and Consumer Discretionary.
- The portfolio was underweight Health Care, Real Estate, Communication Services, Energy, and Materials. There are no positions in Utilities.

Any investment views, opinions/analyses, and forecasts expressed constitute judgments as of the date of this presentation and are subject to change at any time without notice. Future results may differ from forecasts. Source: Atlanta Capital as of September 30, 2020.

# GIPS® Performance Information and Disclosure

## High Quality Small Capitalization Composite

As of December 31, 2019

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)
2019 <sup>1</sup>	27.08	26.09	25.53	12.67	15.71	44	0.18	1,712	25,479
2018	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

<sup>1</sup>Period 01/01/2019 through 12/31/2019. 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 June 30, 2019.**

**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 June 30, 2019. 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, 2019						Cumulative (%)	
	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception*	Since Inception*	
Composite Gross of Fees	27.08	14.03	13.15	15.46	15.61	13.01	2877.31	
Composite Net of Fees	26.09	13.14	12.26	14.55	14.71	12.11	2287.34	
Russell 2000® Index	25.53	8.59	8.23	11.65	11.83	9.37	1101.90	

\*Inception date is April 1, 1992.  
E7 01.15.20



# RETIREMENT BOARD STAFF REPORT

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DATE: December 9, 2020

Agenda Item: 14

TO: Sacramento Regional Transit Retirement Boards – ALL

FROM: Jamie Adelman, AVP Finance & Treasury

SUBJ: RECEIVE AND FILE INVESTMENT PERFORMANCE RESULTS FOR THE ATU, IBEW AND SALARIED EMPLOYEE RETIREMENT PLANS FOR THE QUARTER ENDED SEPTEMBER 30, 2020.

## **RECOMMENDATION**

Motion to Approve.

## **RESULT OF RECOMMENDED ACTION**

Motion: Receive and File Investment Performance Results for the ATU, IBEW and Salaried Employee Retirement Plans for the Quarter Ended September 30, 2020 (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 2020 Market Update (Attachment 1) and the second is the Investment Measurement Service Quarterly Review as of September 30, 2020 (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, 2020. 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), Northern Trust Company performs daily investment compliance monitoring on the Plans' three (3)



# RETIREMENT BOARD STAFF REPORT

actively managed funds. As of September 30, 2020, 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).

The table below provides an overview of the quarter performance, quarter ending September 30, 2020 – gross of investment management fees:

Investment Manager - Description - Benchmark	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/ (Losses)	Pension Fund Contributions/ (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	5.59%	3.75%	\$1,805,157	-
S&P 500 Index (large cap value) S&P 500	8.93%	8.93%	\$4,655,874	\$(1,344,792)
Atlanta Capital (small cap) Russell 2000	4.93%	3.18%	\$807,308	-
Pyrford (international equities) MSCI EAFE	4.80%	2.98%	\$845,125	-
MSCI EAFE Index (international equities) MSCI EAFE	4.80%	<b>4.83%</b>	\$660,819	-
AQR (small cap international equities) MSCI EAFE SC	10.25%	9.60%	\$1,428,715	-
Dimensional Fund Advisors (emerging markets) MSCI EM	9.56%	8.59%	\$1,614,414	-
Metropolitan West (fixed income) Bloomberg Agg.	0.62%	<b>1.37%</b>	\$1,336,642	-
Totals	5.26%	4.41%	\$13,154,054	\$(1,344,792)

**Bold** – fund exceeding respective benchmark

The table below provides an overview of the year to date performance, as of September 30, 2020 – net of investment management fees:

Investment Manager - Description - Benchmark	Benchmark Index	ATU, IBEW & Salaried Fund	Investment Gains/(Loss)	Pension Fund Contributions/ (Withdrawals)
Boston Partners (large cap value) Russell 1000 Value	(5.03%)	(7.09%)	\$(3,182,539)	\$5,850,000
S&P 500 Index (large cap value) S&P 500	15.15%	15.07%	\$ 7,551,220	\$(2,377,091)
Atlanta Capital (small cap) Russell 2000	0.39%	(2.99%)	\$(736,555)	\$600,000
Pyrford (international equities) MSCI EAFE	0.49%	<b>0.71%</b>	\$258,947	\$1,200,000
MSCI EAFE Index (international equities) MSCI EAFE	0.49%	<b>0.81%</b>	\$436,400	\$2,600,000
AQR (small cap international equities) MSCI EAFE SC	6.84%	3.90%	\$704,592	\$3,050,000
Dimensional Fund Advisors (emerging markets) MSCI EM	10.54%	3.81%	\$1,179,165	\$3,600,000
Metropolitan West (fixed income) Bloomberg Agg.	6.98%	<b>7.59%</b>	\$7,687,279	\$(19,130,975)
Totals	9.03%	4.86%	\$13,898,508	\$(4,608,066)

**Bold** – fund exceeding respective benchmark



December 9, 2020

A decorative graphic consisting of two vertical bars, one orange and one green, with horizontal bars at their bases, forming a stylized 'L' shape.

**Sacramento Regional  
Transit District**

Third Quarter 2020  
Market Update

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**Anne Heaphy**

Fund Sponsor Consulting

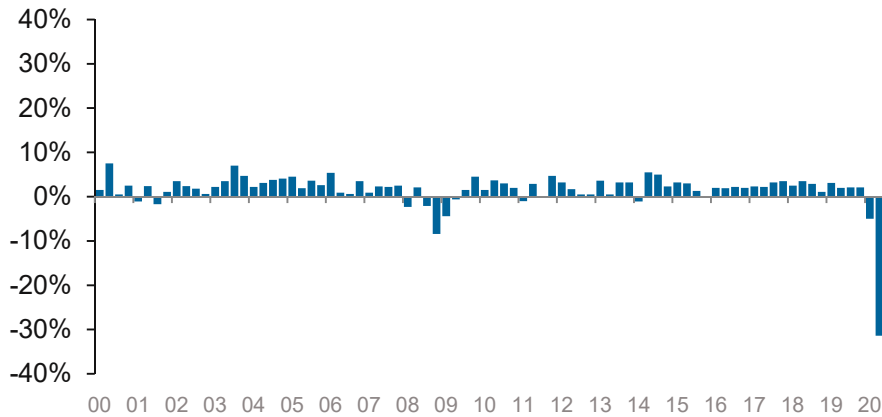
**Uvan Tseng, CFA**

Fund Sponsor Consulting

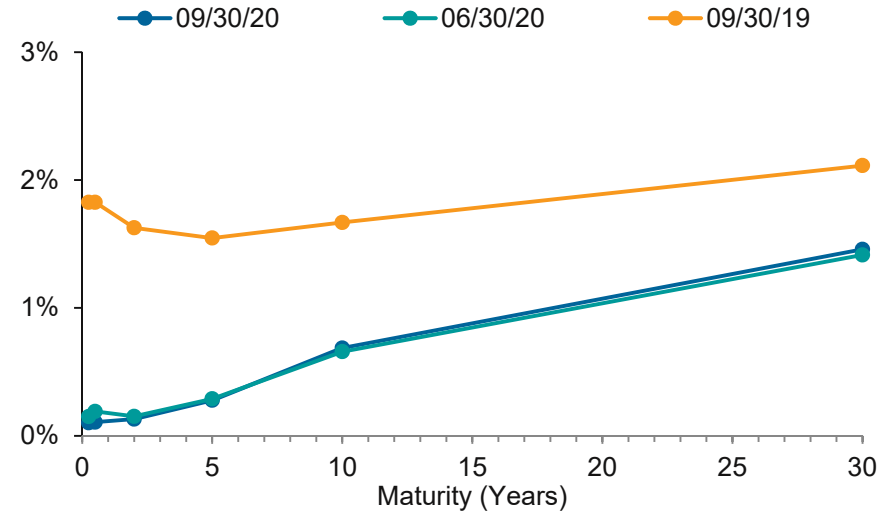
# Economic Commentary

Third Quarter 2020

## Quarterly Real GDP Growth\*



## U.S. Treasury Yield Curves



### 3Q GDP Bounces Back

- 3Q gain of 33% after the largest decline on record in the 2Q (-31.4%)
- Retail sales, durable goods, and personal spending rebounded in 2Q and 3Q, but growth slowed in August and September.

### Other Measures Show Improvement As Well

- Unemployment dropped to 7.9% in September from 14.7% April peak.
  - *Jobless claims decelerated to less than 1 million per week, but are still elevated relative to prior recession peaks.*
- Housing benefiting from relatively low mortgage rates

**Fed left rates close to 0% and expects to be on hold until at least 2023.**

Sources: Bloomberg, Bureau of Labor Statistics, Callan, HIS Markit

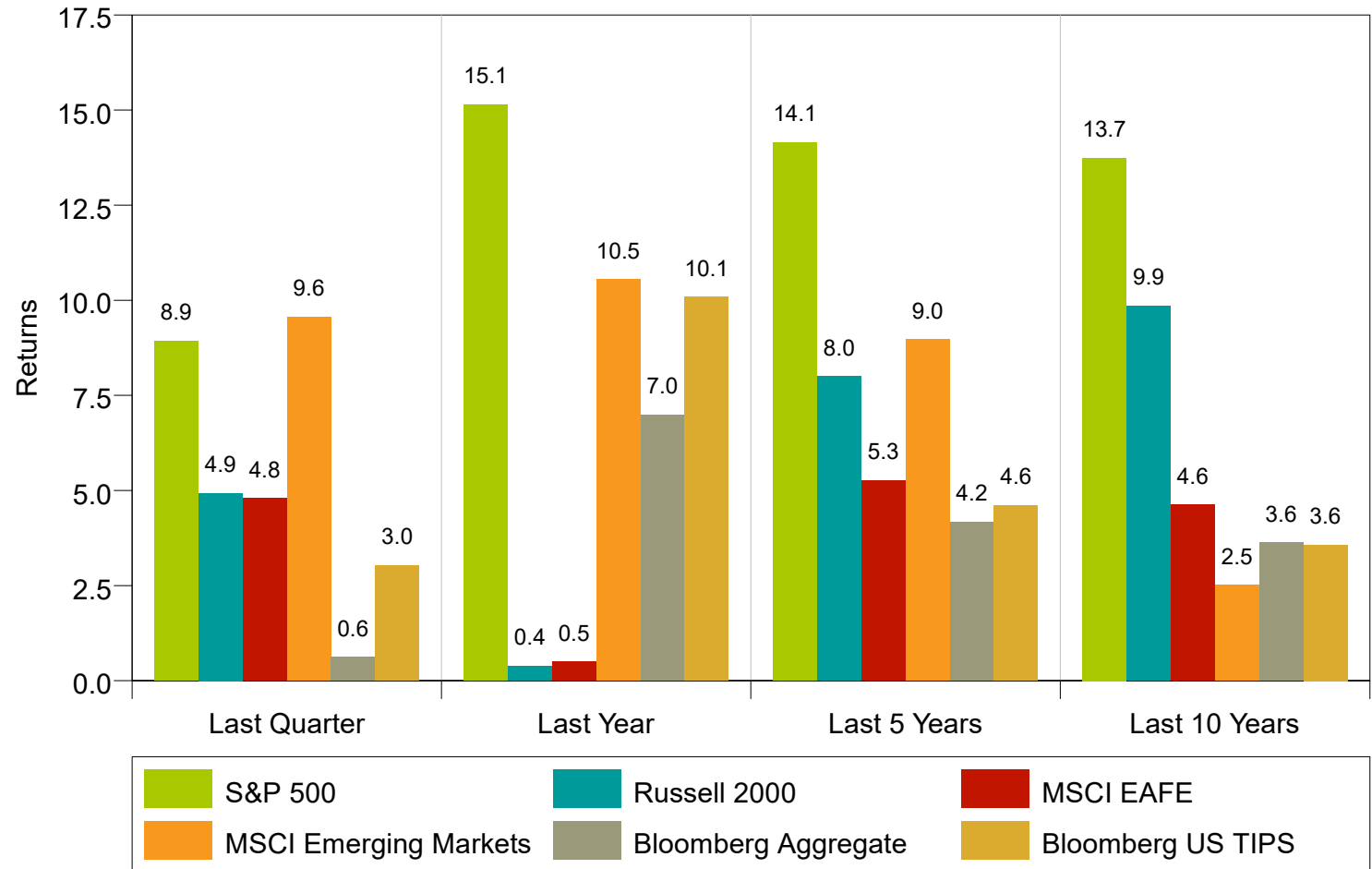
\*Preliminary estimate for 3Q20. Sources: Bloomberg, Bureau of Labor Statistics, Callan, HIS Markit



# Asset Class Performance

Periods Ended September 30, 2020

Asset Class Performance  
for Periods Ended September 30, 2020



YTD as of 12/08/2020:

S&P 500:

Russell 2000:

MSCI EAFE:

MSCI Emerging Markets:

Bloomberg Aggregate:

Bloomberg TIPS:

# U.S. Equity Performance

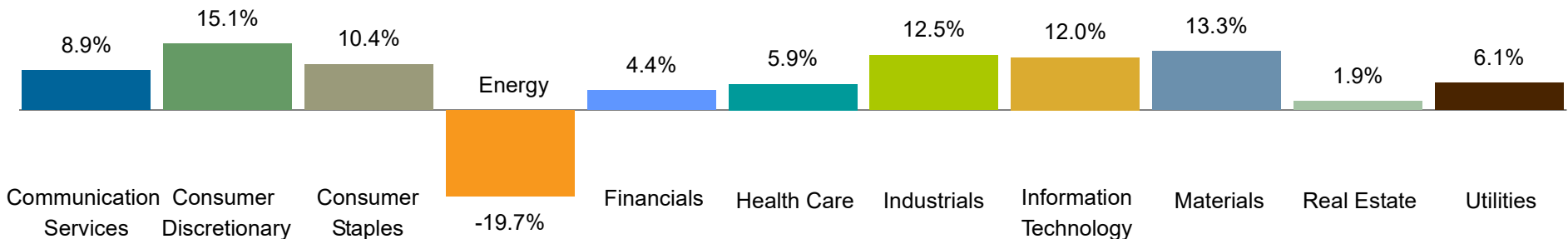
## Gains Year-to-Date

- Performance continues to shine amid pandemic
- S&P +8.9% for the quarter, bringing YTD return to +5.6%.
  - Consumer Discretionary (+15%) and Industrials (+13%) dominated, with Tech (+12%) a close third in risk-on market.
  - S&P 500 YTD would be negative if not for Facebook, Microsoft, Amazon, Alphabet, and Apple, representing 33% of the return.
- YTD, pandemic punishing some sectors while rewarding others.
  - Tech +29% YTD; Cons. Disc. +23% (online retailers +60%)
  - Energy -48% amid declining crude and natural gas prices
  - Demand from hotels/cruise lines/airlines down as industries have dropped 40%+

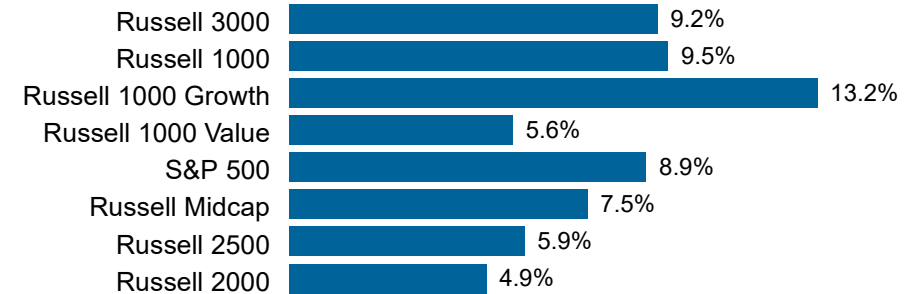
## Small cap reverses to trail large cap

- Following a stellar 2Q20 recovery, small cap trailed large.
  - Remains behind large cap by a wide margin over last 12 months
- Growth continues to outpace value across market caps.
- Growth, value dispersion near all-time high driven by Tech.
- Growth stock P/E near 2x historical average across market caps.

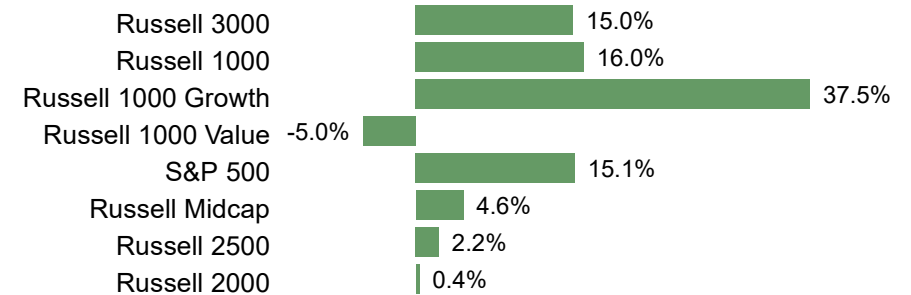
## Industry Sector Quarterly Performance (S&P 500)



## U.S. Equity: Quarterly Returns



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

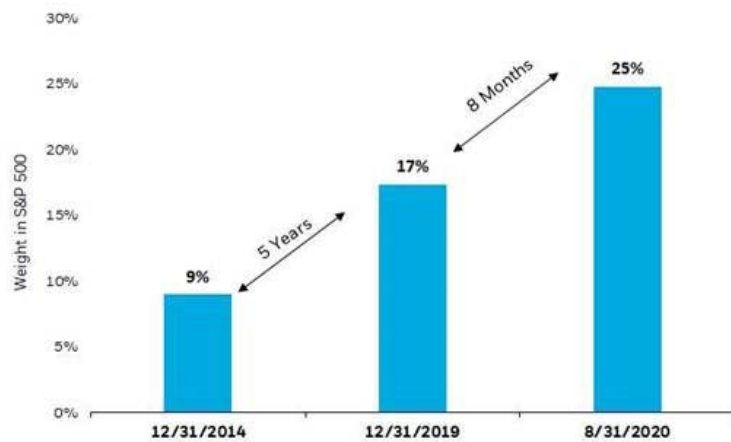


Sources: FTSE Russell, S&P Dow Jones Indices

# S&P 500 Index Concentration

- A handful of securities continues to drive both large cap core and growth indices higher.
- Today's index concentration surpasses levels seen in the late 90's Dot-Com boom.
- Index concentration of the top five names is at 5 standard deviations above the 30-year average level of approximately 13%.

## FAANG+M Weight Changes in the S&P 500



## Year-to-Date Total Returns as of 9/30/20



Sources: Dana Investment Advisors, Factset Research Systems, Morningstar

# U.S. Equity Style Returns

Periods Ended September 30, 2020

	3Q 2020			Annualized 1 Year Returns		
	Value	Core	Growth	Value	Core	Growth
Large	5.2%	10.2%	14.0%	-3.9%	20.4%	41.2%
Mid	6.4%	7.5%	9.4%	-7.3%	4.6%	23.2%
Small	2.6%	4.9%	7.2%	-14.9%	0.4%	15.7%

## Growth outpaced value.

- Growth outperformed value once again during the third quarter due to its technology exposure and the spread is even more stark on a one year basis.

## Performance by capitalization inline by size with large cap performing the best

- Same story on a one year basis

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.

# Global ex-U.S. Equity Performance

## Continued recovery into 3Q20

- Returns broadly positive across developed and emerging markets but muted YTD.
- Recent support from ultra-low interest rates and upward earnings revisions.
- Emerging markets recovery driven by global risk-on environment; key countries within emerging markets (China and South Korea) have better managed the pandemic.
- Small cap continued to outperform large as lockdowns eased and business confidence improved.

## Rebound for cyclicals

- Materials, Industrials, and Consumer Discretionary outperformed as consumption and production resumed.
- Factor performance led by momentum (rebound) and volatility (risk-on market mentality).

## U.S. dollar vs. other currencies

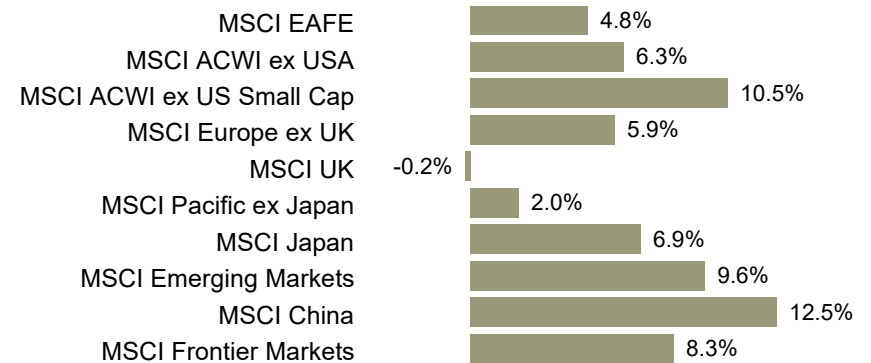
- U.S. dollar lost ground versus every developed market currency on expectation of lower-for-longer U.S. rates due to Fed's shift in approach toward inflation and employment.

## Growth vs. value

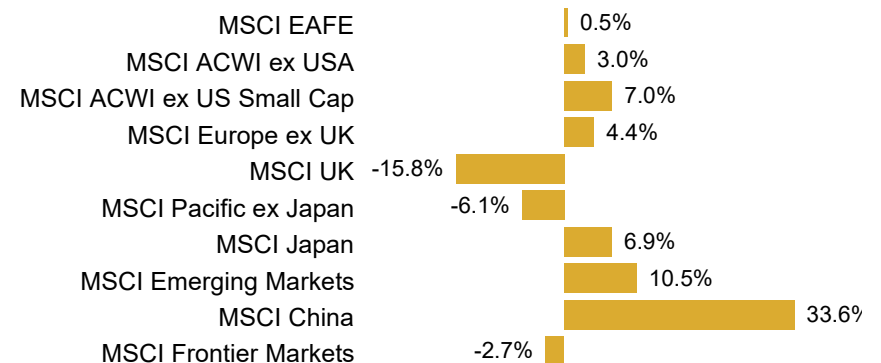
- Growth continued to outperform value.
- Extremely narrow market with performance dominated by Tech.

Source: MSCI

## Global Equity: Quarterly Returns



## Global Equity: One-Year Returns



# U.S. Fixed Income Performance

## Treasury yields largely unchanged

- 10-year US Treasury yield at 0.69% in 3Q20, up 3 bps from 2Q20 but off sharply from year-end level of 1.92%.
- TIPS did well as inflation expectations rose from 1.34% to 1.63%.
- No rate hikes expected until at least 2023.

## Bloomberg Barclays Aggregate roughly flat

- Corporate and CMBS the strongest investment grade sectors as investors hunted for yield.
- Corporate supply (\$1 trillion YTD) at a record as companies rushed to take advantage of ultra-low interest rates.

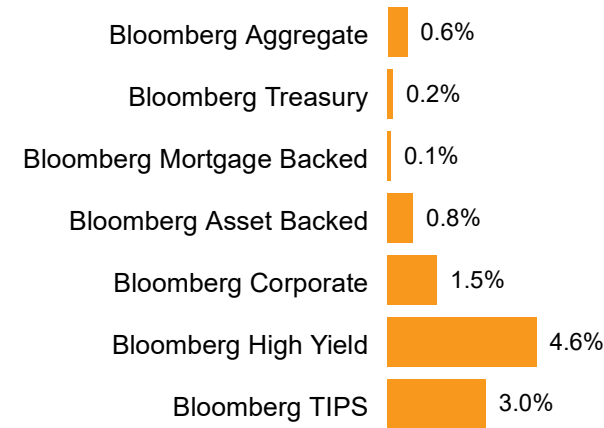
## Risk-on sentiment helped high yield and loans

- Non-investment grade sectors rallied, but remain roughly flat YTD.
- The high yield bond market also experienced high levels of net new issuance (over \$120 billion YTD).

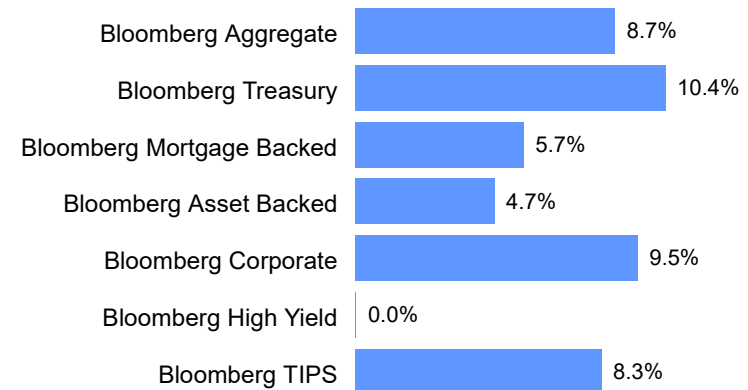
## Munis boosted by favorable supply/demand dynamics

- Robust demand and muted supply of tax-exempt municipals.
- Issuance in taxable municipals sharply higher.
- Tax revenues better than expected, but challenges remain and stimulus uncertain (but needed).

## U.S. Fixed Income: Quarterly Returns



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



# Callan Periodic Table of Investment Returns

Annual Returns			Monthly Returns									
2017	2018	2019	Jan 2020	Feb 2020	Mar 2020	Apr 2020	May 2020	Jun 2020	Jul 2020	Aug 2020	Sep 2020	YTD 2020
Emerging Market Equity	U.S. Fixed Income	Large Cap Equity	U.S. Fixed Income	U.S. Fixed Income	U.S. Fixed Income	Small Cap Equity	Small Cap Equity	Emerging Market Equity	Emerging Market Equity	Large Cap Equity	U.S. Fixed Income	U.S. Fixed Income
37.28%	0.01%	31.49%	1.92%	1.80%	-0.59%	13.74%	6.51%	7.35%	8.94%	7.19%	-0.05%	6.79%
Dev ex-U.S. Equity	High Yield	Small Cap Equity	Real Estate	Global ex-U.S. Fixed Income	Global ex-U.S. Fixed Income	Large Cap Equity	Large Cap Equity	Small Cap Equity	Large Cap Equity	Small Cap Equity	Global ex-U.S. Fixed Income	Large Cap Equity
24.21%	-2.08%	25.52%	0.84%	-0.20%	-3.22%	12.82%	4.76%	3.53%	5.64%	5.63%	-0.58%	5.57%
Large Cap Equity	Global ex-U.S. Fixed Income	Dev ex-U.S. Equity	Global ex-U.S. Fixed Income	High Yield	High Yield	Emerging Market Equity	High Yield	Dev ex-U.S. Equity	High Yield	Dev ex-U.S. Equity	High Yield	Global ex-U.S. Fixed Income
21.83%	-2.15%	22.49%	0.76%	-1.41%	-11.46%	9.16%	4.41%	3.42%	4.69%	5.16%	-1.03%	4.77%
Small Cap Equity	Large Cap Equity	Real Estate	High Yield	Emerging Market Equity	Large Cap Equity	Real Estate	Dev ex-U.S. Equity	Real Estate	Global ex-U.S. Fixed Income	Real Estate	Emerging Market Equity	High Yield
14.65%	-4.38%	21.91%	0.03%	-5.27%	-12.35%	7.06%	4.25%	2.57%	4.44%	2.52%	-1.60%	0.62%
Global ex-U.S. Fixed Income	Real Estate	Emerging Market Equity	Large Cap Equity	Large Cap Equity	Dev ex-U.S. Equity	Dev ex-U.S. Equity	Emerging Market Equity	Large Cap Equity	Real Estate	Emerging Market Equity	Dev ex-U.S. Equity	Emerging Market Equity
10.51%	-5.63%	18.44%	-0.04%	-8.23%	-14.12%	6.97%	0.77%	1.99%	2.78%	2.21%	-2.82%	-1.16%
Real Estate	Small Cap Equity	High Yield	Dev ex-U.S. Equity	Real Estate	Emerging Market Equity	High Yield	U.S. Fixed Income	Global ex-U.S. Fixed Income	Small Cap Equity	High Yield	Real Estate	Dev ex-U.S. Equity
10.36%	-11.01%	14.32%	-1.94%	-8.24%	-15.40%	4.51%	0.47%	1.01%	2.77%	0.95%	-3.11%	-7.13%
High Yield	Dev ex-U.S. Equity	U.S. Fixed Income	Small Cap Equity	Small Cap Equity	Small Cap Equity	Global ex-U.S. Fixed Income	Global ex-U.S. Fixed Income	High Yield	Dev ex-U.S. Equity	Global ex-U.S. Fixed Income	Small Cap Equity	Small Cap Equity
7.50%	-14.09%	8.72%	-3.21%	-8.42%	-21.73%	2.04%	0.30%	0.98%	2.66%	0.29%	-3.34%	-8.69%
U.S. Fixed Income	Emerging Market Equity	Global ex-U.S. Fixed Income	Emerging Market Equity	Dev ex-U.S. Equity	Real Estate	U.S. Fixed Income	Real Estate	U.S. Fixed Income	U.S. Fixed Income	U.S. Fixed Income	Large Cap Equity	Real Estate
3.54%	-14.57%	5.09%	-4.66%	-8.88%	-22.76%	1.78%	0.23%	0.63%	1.49%	-0.81%	-3.80%	-19.69%

Sources: ● Bloomberg Barclays Aggregate ● Bloomberg Barclays Corp High Yield ● Bloomberg Barclays Global Aggregate ex US  
 ● FTSE EPRA Nareit Developed ● MSCI World ex USA ● MSCI Emerging Markets ● Russell 2000 ● S&P 500



**Sacramento Regional  
Transit District**

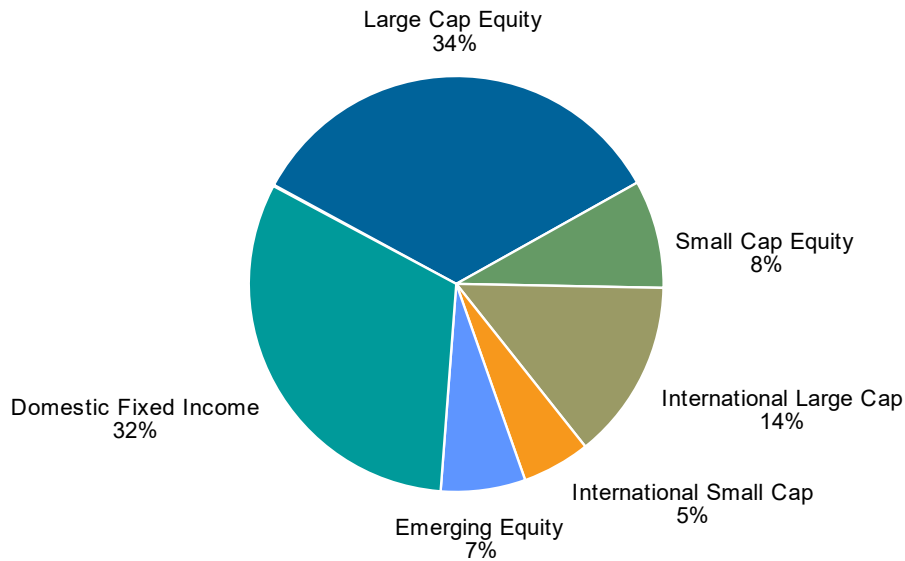
Total Fund Overview



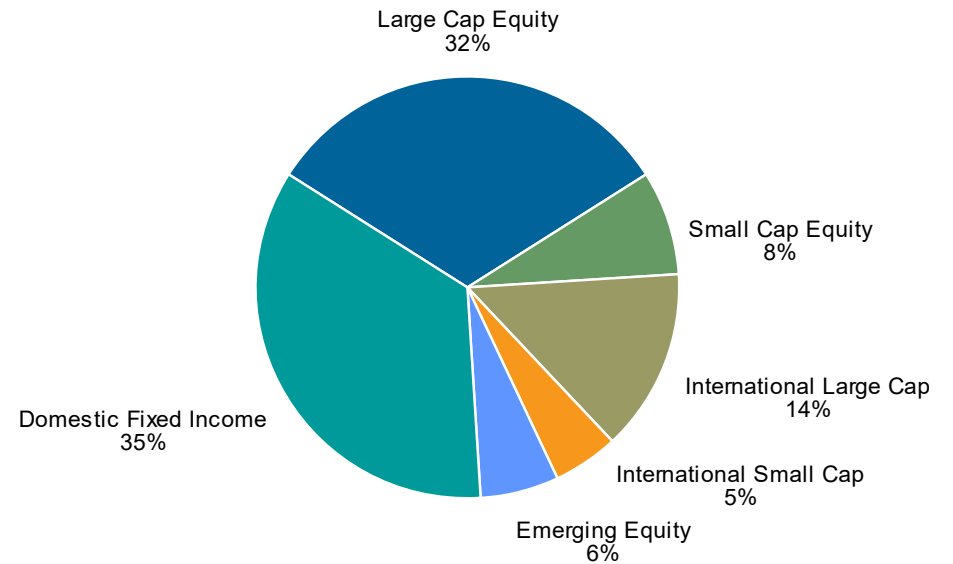
# RT Asset Allocation

As of September 30, 2020

**Actual Asset Allocation**



**Target Asset Allocation**



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	106,037	34.0%	32.0%	2.0%	6,276
Small Cap Equity	26,212	8.4%	8.0%	0.4%	1,272
International Large Cap	43,534	14.0%	14.0%	(0.0%)	(111)
International Small Cap	16,675	5.3%	5.0%	0.3%	1,088
Emerging Equity	20,661	6.6%	6.0%	0.6%	1,956
Domestic Fixed Income	98,632	31.6%	35.0%	(3.4%)	(10,481)
Total	311,752	100.0%	100.0%		

# Total Fund

## Performance Attribution

### Relative Attribution Effects for Quarter ended September 30, 2020

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	6.45%	8.93%	(0.84%)	0.05%	(0.79%)
Small Cap Equity	9%	8%	3.18%	4.93%	(0.15%)	(0.00%)	(0.16%)
International Large Cap	14%	14%	3.58%	4.80%	(0.17%)	(0.00%)	(0.17%)
International Small Cap	5%	5%	9.60%	10.25%	(0.03%)	0.01%	(0.03%)
Emerging Equity	7%	6%	8.59%	9.56%	(0.06%)	0.01%	(0.05%)
Domestic Fixed Income	32%	35%	1.37%	0.62%	0.25%	0.11%	0.35%
<b>Total</b>			<b>4.41%</b>	<b>5.26%</b>	<b>+ (1.01%)</b>	<b>+ 0.17%</b>	<b>(0.84%)</b>

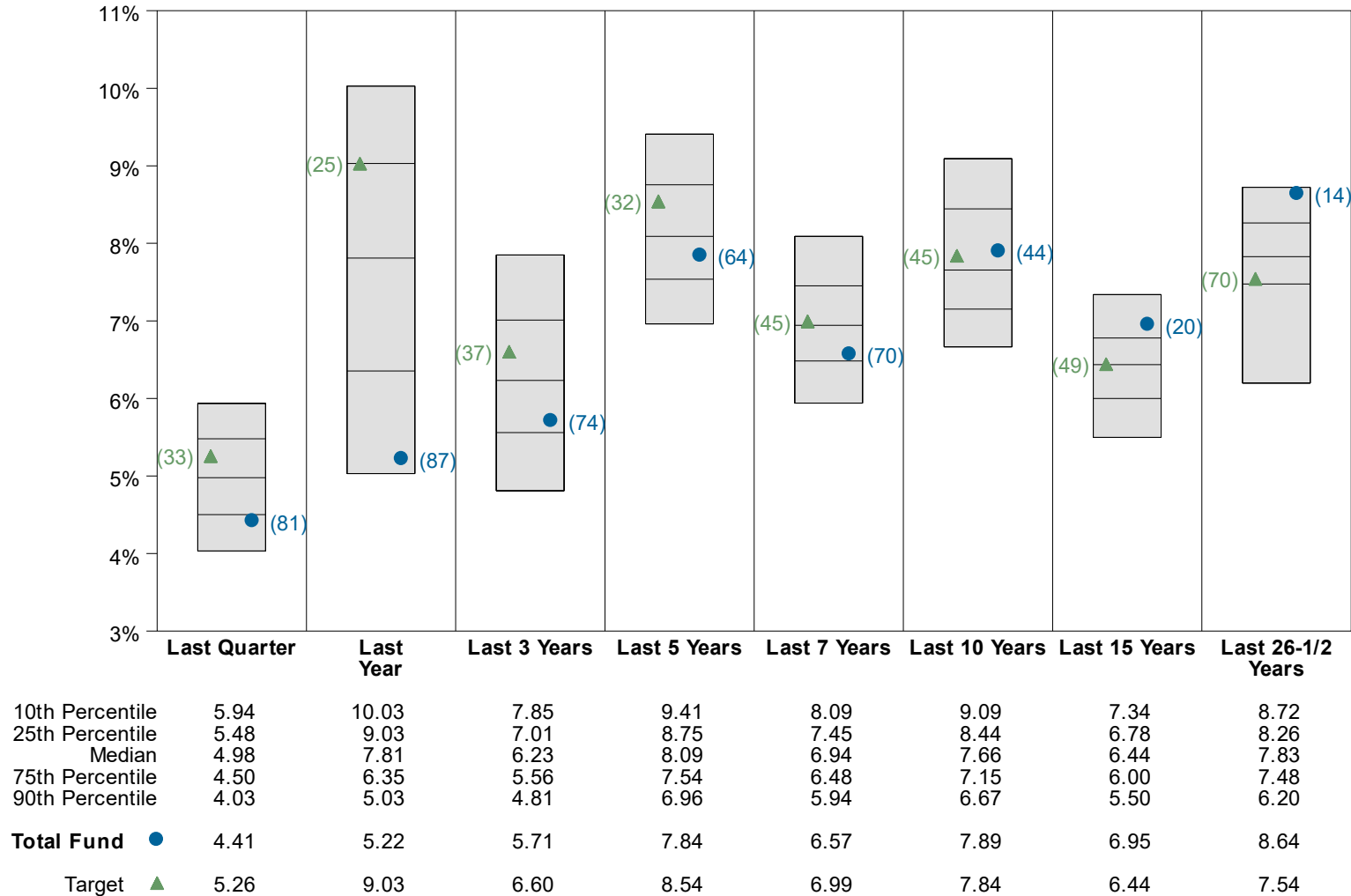
### One Year Relative Attribution Effects

Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	4.34%	15.15%	(3.44%)	(0.06%)	(3.50%)
Small Cap Equity	8%	8%	(2.27%)	0.39%	(0.35%)	(0.06%)	(0.41%)
International Large Cap	13%	14%	1.46%	0.49%	0.09%	0.09%	0.19%
International Small Cap	5%	5%	4.79%	6.84%	(0.09%)	0.02%	(0.06%)
Emerging Equity	6%	6%	4.32%	10.54%	(0.32%)	0.03%	(0.29%)
Domestic Fixed Income	35%	35%	7.86%	6.98%	0.25%	(0.00%)	0.24%
<b>Total</b>			<b>5.22%</b>	<b>9.03%</b>	<b>+ (3.84%)</b>	<b>+ 0.02%</b>	<b>(3.81%)</b>

# Total Fund

Performance as of September 30, 2020

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



# Total Fund

## Manager Asset Allocation

	September 30, 2020			June 30, 2020
	Market Value	Net New Inv.	Inv. Return	Market Value
<b>Consolidated Plan</b>				
<b>Domestic Equity</b>	<b>\$132,248,883</b>	<b>\$(1,344,792)</b>	<b>\$7,268,340</b>	<b>\$126,325,335</b>
<b>Large Cap</b>	<b>\$106,036,703</b>	<b>\$(1,344,792)</b>	<b>\$6,461,031</b>	<b>\$100,920,464</b>
Boston Partners	49,923,228	0	1,805,157	48,118,071
SSgA S&P 500	56,113,475	(1,344,792)	4,655,874	52,802,393
<b>Small Cap</b>	<b>\$26,212,180</b>	<b>\$0</b>	<b>\$807,308</b>	<b>\$25,404,871</b>
Atlanta Capital	26,212,180	0	807,308	25,404,871
<b>International Equity</b>	<b>\$80,870,505</b>	<b>\$0</b>	<b>\$4,549,074</b>	<b>\$76,321,431</b>
<b>International Large Cap</b>	<b>\$43,534,099</b>	<b>\$0</b>	<b>\$1,505,945</b>	<b>\$42,028,154</b>
SSgA EAFE	14,332,512	0	660,819	13,671,693
Pyrford	29,201,587	0	845,125	28,356,461
<b>International Small Cap</b>	<b>\$16,675,477</b>	<b>\$0</b>	<b>\$1,428,715</b>	<b>\$15,246,762</b>
AQR	16,675,477	0	1,428,715	15,246,762
<b>Emerging Equity</b>	<b>\$20,660,929</b>	<b>\$0</b>	<b>\$1,614,414</b>	<b>\$19,046,515</b>
DFA Emerging Markets	20,660,929	0	1,614,414	19,046,515
<b>Fixed Income</b>	<b>\$98,632,389</b>	<b>\$0</b>	<b>\$1,336,642</b>	<b>\$97,295,748</b>
Metropolitan West	98,632,389	0	1,336,642	97,295,748
<b>Total Plan - Consolidated</b>	<b>\$311,751,778</b>	<b>\$(1,344,790)</b>	<b>\$13,154,054</b>	<b>\$299,942,514</b>

# Total Fund

## Manager Returns as of September 30, 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equity</b>	<b>5.79%</b>	<b>2.95%</b>	<b>7.46%</b>	<b>11.03%</b>	<b>10.08%</b>
Domestic Equity Benchmark**	8.13%	12.17%	10.18%	12.97%	11.49%
<b>Large Cap Equity</b>	<b>6.45%</b>	<b>4.34%</b>	<b>7.15%</b>	<b>10.83%</b>	<b>9.99%</b>
Boston Partners	3.75%	(6.76%)	1.71%	7.22%	7.07%
Russell 1000 Value Index	5.59%	(5.03%)	2.63%	7.66%	7.35%
SSgA S&P 500	8.93%	15.12%	12.28%	14.17%	12.71%
S&P 500 Index	8.93%	15.15%	12.28%	14.15%	12.68%
<b>Small Cap Equity</b>	<b>3.18%</b>	<b>(2.27%)</b>	<b>8.52%</b>	<b>11.74%</b>	<b>10.40%</b>
Atlanta Capital	3.18%	(2.27%)	8.52%	11.74%	10.40%
Russell 2000 Index	4.93%	0.39%	1.77%	8.00%	6.42%
<b>International Equity</b>	<b>6.03%</b>	<b>2.98%</b>	<b>0.87%</b>	<b>5.89%</b>	<b>3.05%</b>
International Benchmark***	7.06%	4.25%	1.29%	6.47%	3.44%
<b>International Large Cap</b>	<b>3.58%</b>	<b>1.46%</b>	<b>1.78%</b>	<b>5.75%</b>	<b>3.25%</b>
SSgA EAFE	4.83%	0.91%	0.99%	5.65%	3.36%
Pyrford	2.98%	1.35%	2.00%	-	-
MSCI EAFE Index	4.80%	0.49%	0.62%	5.26%	3.01%
<b>International Small Cap</b>	<b>9.60%</b>	<b>4.79%</b>	<b>(1.40%)</b>	<b>-</b>	<b>-</b>
AQR	9.60%	4.79%	(1.40%)	-	-
MSCI EAFE Small Cap Index	10.25%	6.84%	1.40%	7.37%	5.70%
<b>Emerging Markets Equity</b>	<b>8.59%</b>	<b>4.32%</b>	<b>0.34%</b>	<b>7.75%</b>	<b>3.41%</b>
DFA Emerging Markets	8.59%	4.32%	0.34%	7.75%	3.41%
MSCI Emerging Markets Index	9.56%	10.54%	2.42%	8.97%	3.75%
<b>Domestic Fixed Income</b>	<b>1.37%</b>	<b>7.86%</b>	<b>6.29%</b>	<b>4.94%</b>	<b>4.55%</b>
Met West	1.37%	7.86%	6.29%	4.94%	4.55%
Bloomberg Aggregate Index	0.62%	6.98%	5.24%	4.18%	3.97%
<b>Total Plan</b>	<b>4.41%</b>	<b>5.22%</b>	<b>5.71%</b>	<b>7.84%</b>	<b>6.57%</b>
Target*	5.26%	9.03%	6.60%	8.54%	6.99%

\* 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

	12/2019- 9/2020	2019	2018	2017	2016
<b>Domestic Equity</b>	<b>(4.46%)</b>	<b>27.71%</b>	<b>(4.64%)</b>	<b>19.78%</b>	<b>14.58%</b>
Domestic Equity Benchmark**	2.68%	30.32%	(5.69%)	20.41%	13.85%
<b>Large Cap Equity</b>	<b>(3.96%)</b>	<b>27.77%</b>	<b>(6.33%)</b>	<b>21.10%</b>	<b>13.38%</b>
Boston Partners	(13.81%)	23.91%	(8.27%)	20.32%	14.71%
Russell 1000 Value Index	(11.58%)	26.54%	(8.27%)	13.66%	17.34%
SSgA S&P 500	5.54%	31.50%	(4.39%)	21.86%	12.03%
S&P 500 Index	5.57%	31.49%	(4.38%)	21.83%	11.96%
<b>Small Cap Equity</b>	<b>(6.41%)</b>	<b>27.38%</b>	<b>1.78%</b>	<b>15.01%</b>	<b>19.17%</b>
Atlanta Capital	(6.41%)	27.38%	1.78%	15.01%	19.17%
Russell 2000 Index	(8.69%)	25.52%	(11.01%)	14.65%	21.31%
<b>International Equity</b>	<b>(6.22%)</b>	<b>20.83%</b>	<b>(13.93%)</b>	<b>28.25%</b>	<b>2.55%</b>
International Benchmark***	(4.99%)	21.78%	(14.76%)	29.51%	3.26%
<b>International Large Cap</b>	<b>(6.49%)</b>	<b>22.34%</b>	<b>(11.25%)</b>	<b>22.63%</b>	<b>1.35%</b>
SSgA EAFE	(6.73%)	22.49%	(13.49%)	25.47%	1.37%
Pyrford	(6.70%)	22.30%	(10.31%)	-	-
MSCI EAFE Index	(7.09%)	22.01%	(13.79%)	25.03%	1.00%
<b>International Small Cap</b>	<b>(7.01%)</b>	<b>21.73%</b>	<b>(19.94%)</b>	<b>33.76%</b>	-
AQR	(7.01%)	21.73%	(19.94%)	33.76%	-
MSCI EAFE Small Cap Index	(4.20%)	24.96%	(17.89%)	33.01%	2.18%
<b>Emerging Markets Equity</b>	<b>(5.76%)</b>	<b>16.64%</b>	<b>(14.80%)</b>	<b>37.32%</b>	<b>12.99%</b>
DFA Emerging Markets	(5.76%)	16.64%	(14.80%)	37.32%	12.99%
MSCI Emerging Markets Index	(1.16%)	18.44%	(14.57%)	37.28%	11.19%
<b>Domestic Fixed Income</b>	<b>8.42%</b>	<b>9.41%</b>	<b>0.75%</b>	<b>3.89%</b>	<b>2.87%</b>
Met West	8.42%	9.41%	0.75%	3.89%	2.87%
Bloomberg Aggregate Index	6.79%	8.72%	0.01%	3.54%	2.65%
<b>Total Plan</b>	<b>0.01%</b>	<b>19.25%</b>	<b>(5.05%)</b>	<b>16.14%</b>	<b>7.65%</b>
Target*	2.72%	20.58%	(5.82%)	16.39%	7.40%

\* 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.

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# Callan

September 30, 2020



## Sacramento Regional Transit District Retirement Plans

Investment Measurement Service  
Quarterly Review

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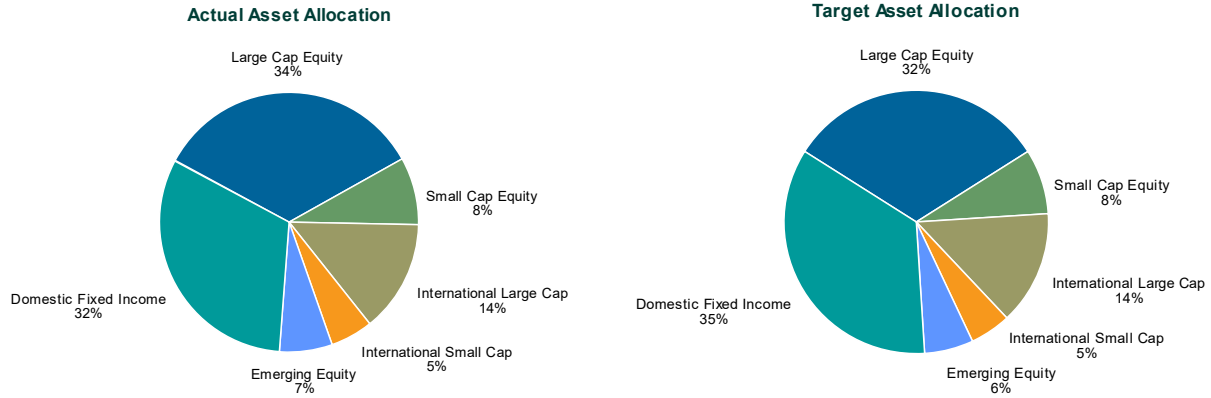
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**Sacramento Regional Transit District**  
Executive Summary for Period Ending September 30, 2020

**Asset Allocation**



**Performance**

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Total Plan</b>	<b>4.41%</b>	<b>5.22%</b>	<b>5.71%</b>	<b>7.84%</b>	<b>6.57%</b>
Target*	5.26%	9.03%	6.60%	8.54%	6.99%

**Recent Developments**

N/A

**Organizational Issues**

N/A

**Manager Performance**

Manager	Peer Group Ranking		
	Last Year	Last 3 Years	Last 7 Years
Boston Partners	65	62	57
Atlanta Capital	48	27	25
Pyrford	55	41	[72]
AQR	60	76	[77]
DFA	84	83	86
MetWest	45	8	69

*Brackets indicate performance linked with manager's composite*

**Watch List**

AQR and DFA were added to the watch list in 1Q20 as performance lags both their respective benchmarks and peer groups over mid-to-longer term periods.

**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**

**Gains YTD**

- S&P +8.9% for the quarter, bringing YTD to +5.6%
- Consumer Discretionary (+15%) and Industrials (+13%) dominated, with Tech (+12%) a close third in risk-on market.
- S&P 500 YTD would be negative if not for Facebook, Microsoft, Amazon, Alphabet, and Apple, representing 33% of the return.
- YTD, pandemic punished some sectors, rewarded others
- Tech +29% YTD; Cons. Disc. +23% (online retailers +60%)
- Energy -48% amid declining crude and natural gas prices
- Demand from hotels/cruise lines/airlines down as those industries have dropped 40%+

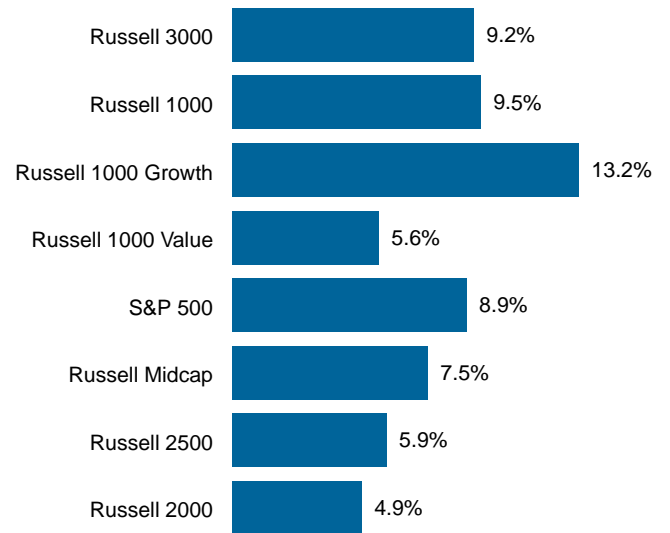
**Small cap reverses to trail large cap**

- Following a stellar 2Q20 recovery, small cap trailed large.
- Behind large cap by a wide margin over last 12 months

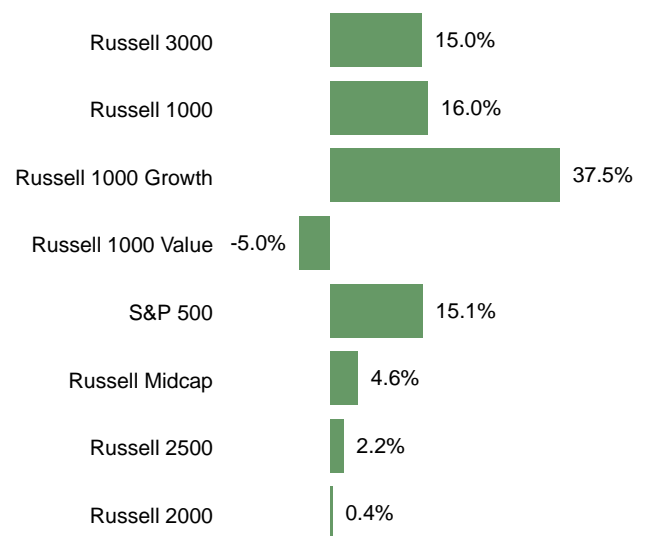
**Growth continues to outpace value across market caps**

- Growth, value dispersion near all-time high driven by Tech
- YTD RUS1G +25% vs. RUS1V -12%
- Growth stock P/E near 2x historical average across market caps
- Today's index concentration surpasses levels seen in the late 90's Dot-Com boom.
- Index concentration of the top five names is at 5 standard deviations above the 30-year average of approximately 13%.
- Large and small value indices continue to underperform large and small growth in 3Q20 and YTD.
- Higher interest rates, a steeper yield curve, economic growth, and improving consumer confidence are among the catalysts that could result in value outperforming.
- S&P 500 Index currently delivers a dividend yield well above the 10-year Treasury, which can help support current valuation levels.

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

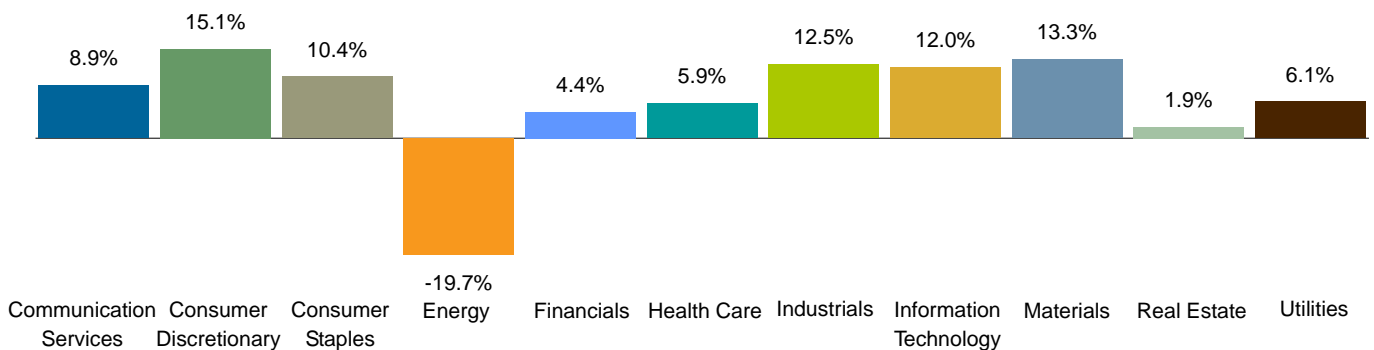


**U.S. Equity: One-Year Returns**



Sources: FTSE Russell, S&P Dow Jones Indices

**S&P Sector Returns, Quarter Ended September 30, 2020**



Source: S&P Dow Jones Indices

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

**Continued recovery into 3Q20**

- Returns broadly positive across developed and emerging markets but muted YTD
- Recent support from ultra-low interest rates and upward earnings revisions
- EM recovery driven by global risk-on environment; key countries within EM (China and South Korea) have better managed the pandemic
- Small cap continued to outperform large as lockdowns eased and business confidence improved.

**Rebound for cyclicals**

- Materials, Industrials, and Consumer Discretionary outperformed as consumption and production resumed.
- Factor performance led by momentum (rebound) and volatility (risk-on market mentality)

**U.S. dollar vs. other currencies**

- U.S. dollar lost ground versus every developed market currency on expectation of lower-for-longer U.S. rates due to Fed’s shift in approach toward inflation and employment.

**COVID-19 exacerbated outperformance of growth vs. value**

- Growth outpaced value by 34% year-to-date as of Sept. 30.
- Extremely narrow market with performance dominated by Tech
- Growth benefited from strong performance by Information Technology (27%), while Financials (-22%) and Energy (-46%) weighed on value.
- YTD performance gap between growth and value has not been seen over the past 45 years.

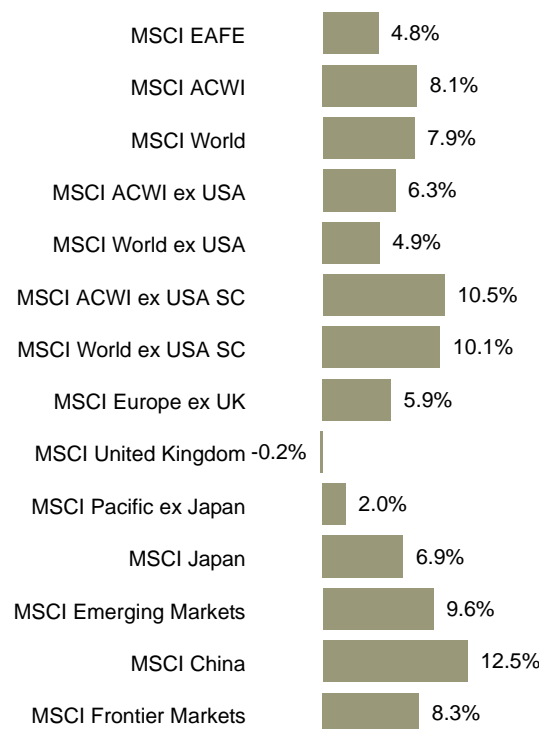
**What may stoke value rotation?**

- Higher bond yields may be needed to drive value rebound.
- Bond yields correlated to value/growth since the GFC

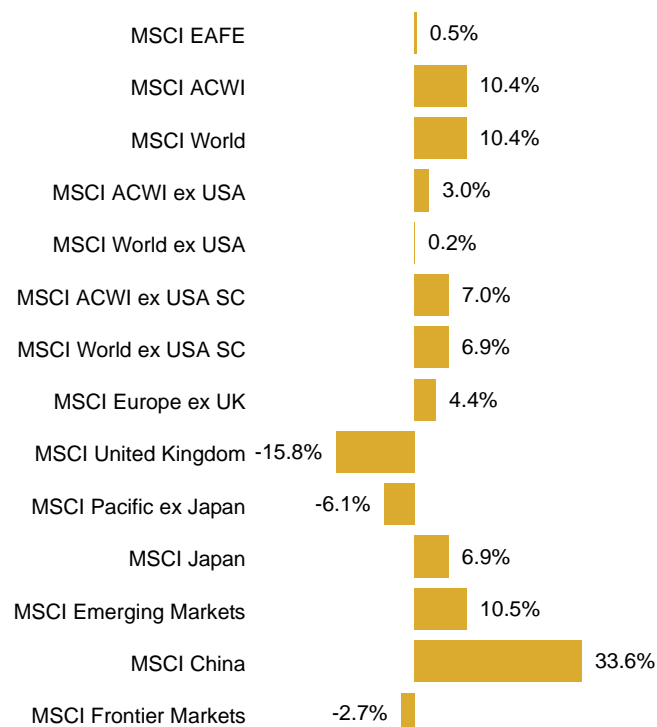
**Key drivers: global recovery, U.S. elections**

- Management of COVID-19 a key variable to recovery
- Advanced economies have struggled to contain the pandemic relative to emerging markets.
- Asian currencies have maintained resiliency relative to the U.S. dollar due to better COVID-19 management and economic outlook.
- Greater probability of Democratic sweep is expected to pressure USD to the downside on a medium-term basis.
- Potentially easier fiscal policy and a larger budget deficit in the aftermath of a “Blue Wave” may yield lower dollar.

**Global Equity: Quarterly Returns**



**Global Equity: One-Year Returns**



Source: MSCI

**U.S. FIXED INCOME**

**Treasury yields largely unchanged**

- 10-year UST yield at 0.69% in 3Q20, up 3 bps from 2Q20 but off sharply from year-end level of 1.92%
- TIPS did well as inflation expectations rose from 1.34% to 1.63%.
- No rate hikes expected until at least 2023

**Bloomberg Barclays Aggregate roughly flat**

- Corporate and CMBS the strongest investment grade sectors as investors hunted for yield
- Corporate supply (\$1 trillion YTD) at a record as companies rushed to take advantage of ultra-low interest rates

**Risk-on sentiment helped high yield and loans**

- Non-investment grade sectors rallied, but remain roughly flat YTD.
- The high yield bond market also experienced high levels of net new issuance (over \$120 billion YTD).

**Munis boosted by favorable supply/demand dynamics**

- Robust demand and muted supply of tax-exempt municipals
- Issuance in taxable municipals sharply higher
- Tax revenues better than expected, but challenges remain and stimulus uncertain (but needed)

**High yield trended higher in quality**

- BB/Ba-rated debt, the highest-quality category within high yield, experienced a surge of new issuance as 2020 remains a year of record new issuance across corporate debt.
- Reconstitution of downgraded investment grade debt into high yield has also added to the category.
- BBs now represents over half of the Bloomberg Barclays US High Yield Index.
- Historically, composition changes have generated market inefficiencies that managers can seek to exploit.

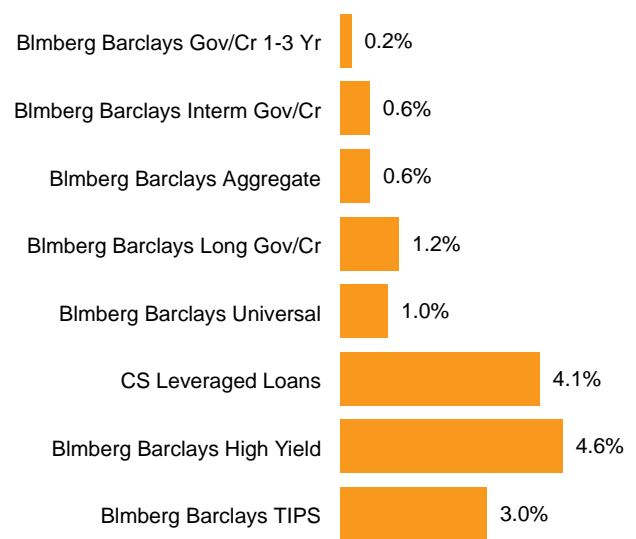
**Default rate has trended higher, but below GFC levels**

- Additionally, spreads at the height of COVID-19 implied a 16.8% default rate, but thus far defaults have been well below market expectations at 5.77%.

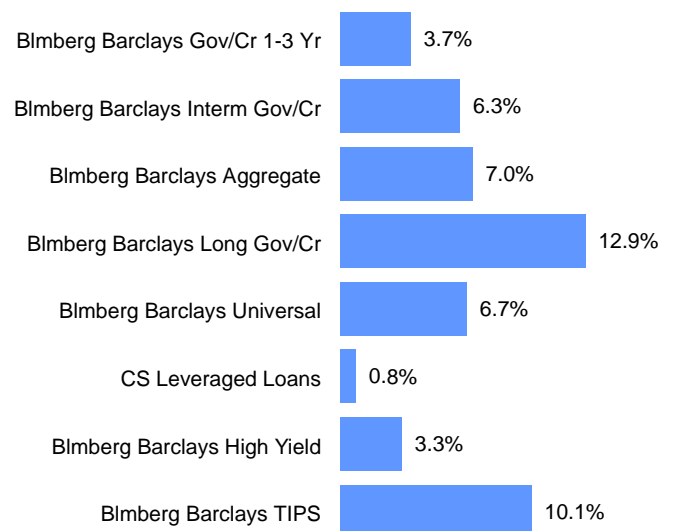
**High yield spreads have rallied; managers are putting a greater focus on security selection**

- Recovery rates remain low relative to the 30-year average, concentrated within pandemic-sensitive sectors (particularly retail and energy) and subordinated debt.
- The ratio of downgrades to upgrades is higher than in 2008.

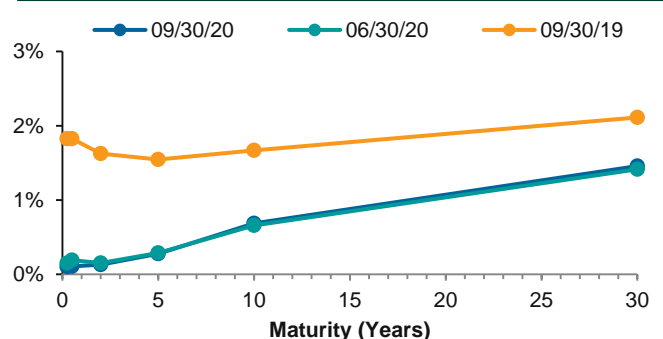
**U.S. Fixed Income: Quarterly Returns**



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



**U.S. Treasury Yield Curves**



Sources: Bloomberg, Bloomberg Barclays, Credit Suisse

**GLOBAL FIXED INCOME**

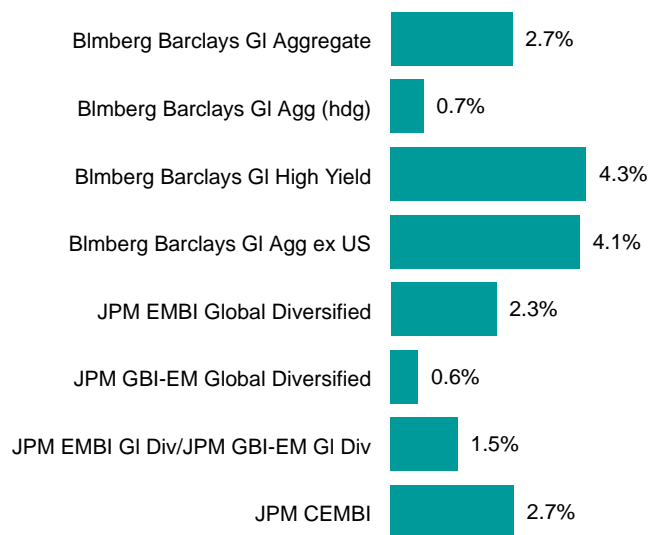
**Global fixed income rose amid rate cuts**

- Central banks continued to act aggressively to provide support via rate cuts, asset purchase programs, and other forms of stimulus.
- Broad-based U.S. dollar weakness dampened hedged returns as the USD lost 4% versus the euro and the British pound, and 2% versus the yen.
- Over 70% of global sovereign debt has *negative* real yields, a record high, according to JP Morgan.

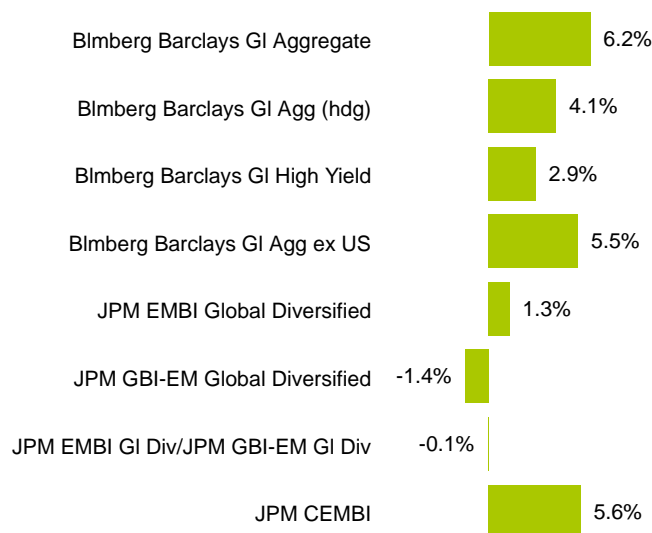
**Emerging market debt made up ground**

- Emerging market debt indices gained in 3Q20 but remain down from year-end.
- U.S. dollar-denominated index (EMBI Global Diversified) outperformed local currency as U.S. rates fell; returns were mixed across the 70+ constituents, but most were positive.
- Local currency index (GBI-EM Global Diversified) was up slightly but returns varied widely among constituents: Russia: -8%; Brazil: -3%; Mexico and S. Africa: +6%
- Staggered inclusion of China bonds continued with the weight rising to 7% in the JPM GBI-EM Global Diversified Index.

**Global Fixed Income: Quarterly Returns**

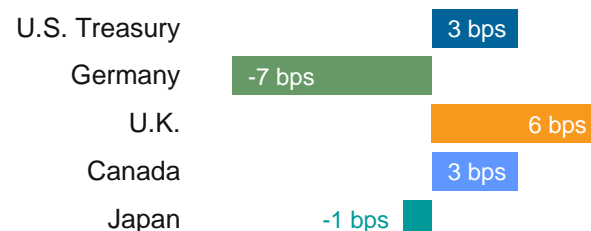


**Global Fixed Income: One-Year Returns**



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

**2Q20 to 3Q20**



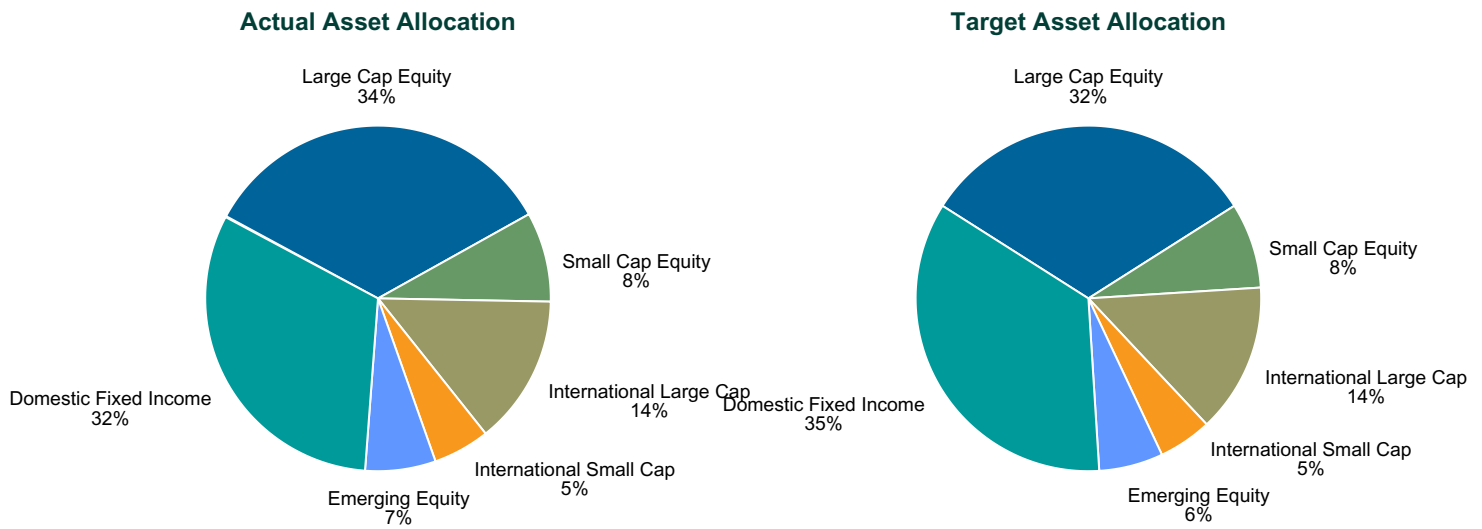
Sources: Bloomberg, Bloomberg Barclays, JP Morgan





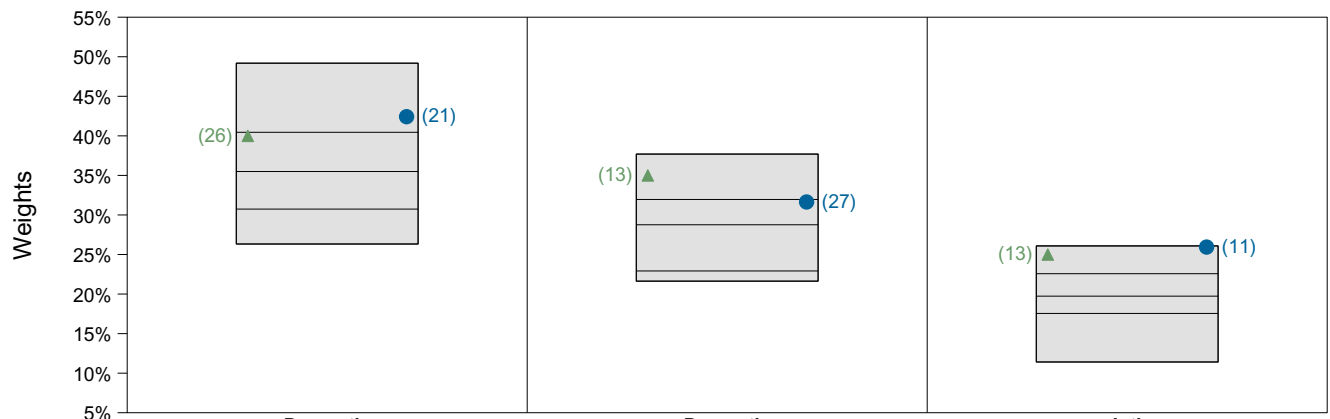
## Actual vs Target Asset Allocation As of September 30, 2020

The top left chart shows the Fund's asset allocation as of September 30, 2020. The top right chart shows the Fund's target asset allocation as outlined in the investment policy statement. The bottom chart ranks the fund's asset allocation and the target allocation versus the Callan Public Fund Spons- Mid (100M-1B).



Asset Class	\$000s Actual	Weight Actual	Target	Percent Difference	\$000s Difference
Large Cap Equity	106,037	34.0%	32.0%	2.0%	6,276
Small Cap Equity	26,212	8.4%	8.0%	0.4%	1,272
International Large Cap	43,534	14.0%	14.0%	(0.0%)	(111)
International Small Cap	16,675	5.3%	5.0%	0.3%	1,088
Emerging Equity	20,661	6.6%	6.0%	0.6%	1,956
Domestic Fixed Income	98,632	31.6%	35.0%	(3.4%)	(10,481)
Total	311,752	100.0%	100.0%		

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



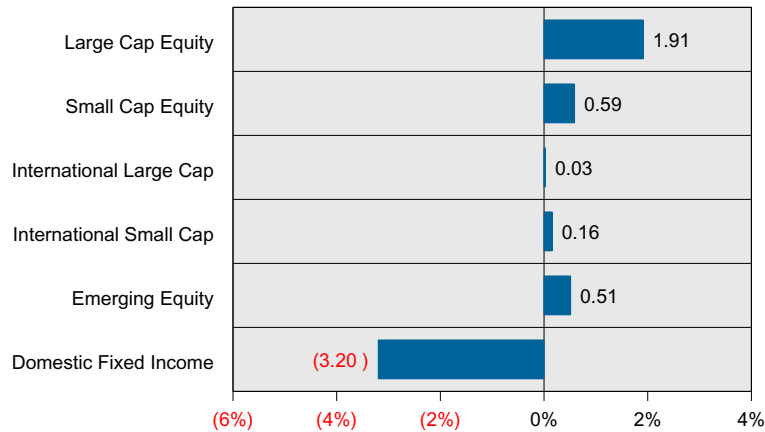
	Domestic Broad Eq	Domestic Fixed Income	Intl Equity
10th Percentile	49.19	37.70	26.09
25th Percentile	40.45	31.96	22.57
Median	35.49	28.76	19.73
75th Percentile	30.74	22.92	17.55
90th Percentile	26.33	21.63	11.41
<b>Fund</b> ●	42.42	31.64	25.94
<b>Target</b> ▲	40.00	35.00	25.00
% Group Invested	94.34%	98.11%	90.57%

\* 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.

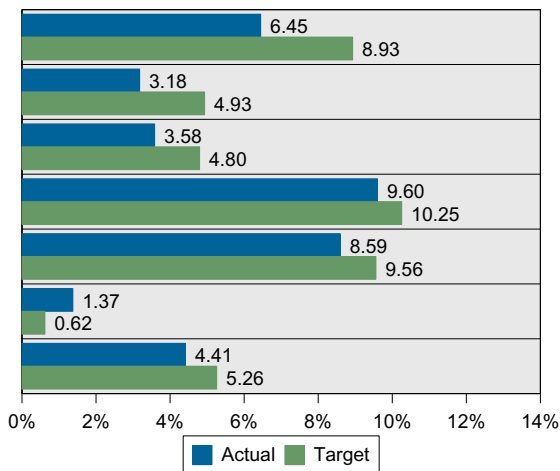
## Quarterly Total Fund Relative Attribution - September 30, 2020

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.

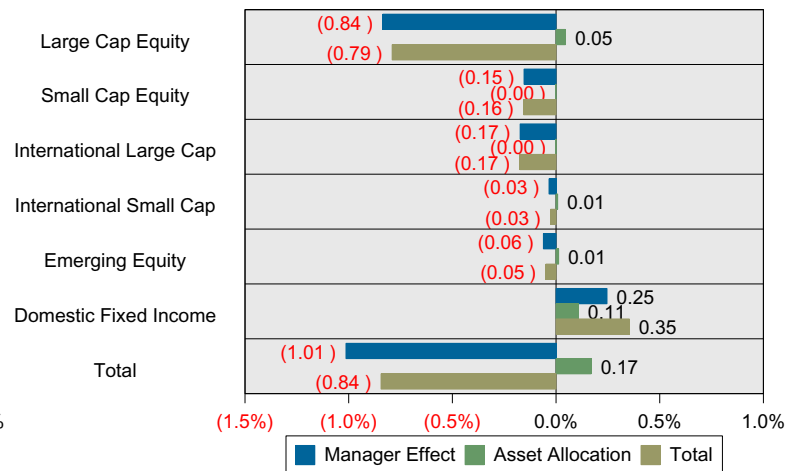
### Asset Class Under or Overweighting



### Actual vs Target Returns



### Relative Attribution by Asset Class



### Relative Attribution Effects for Quarter ended September 30, 2020

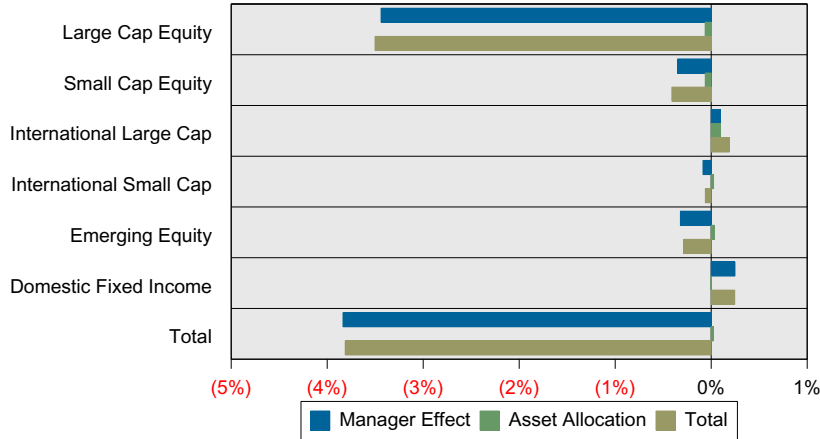
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	34%	32%	6.45%	8.93%	(0.84%)	0.05%	(0.79%)
Small Cap Equity	9%	8%	3.18%	4.93%	(0.15%)	(0.00%)	(0.16%)
International Large Cap	14%	14%	3.58%	4.80%	(0.17%)	(0.00%)	(0.17%)
International Small Cap	5%	5%	9.60%	10.25%	(0.03%)	0.01%	(0.03%)
Emerging Equity	7%	6%	8.59%	9.56%	(0.06%)	0.01%	(0.05%)
Domestic Fixed Income	32%	35%	1.37%	0.62%	0.25%	0.11%	0.35%
<b>Total</b>			<b>4.41%</b>	<b>5.26%</b>	<b>(1.01%)</b>	<b>0.17%</b>	<b>(0.84%)</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.

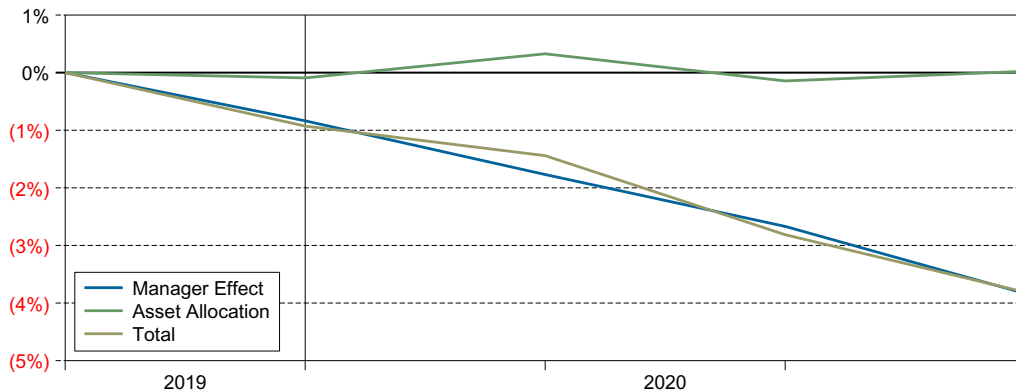
## Cumulative Total Fund Relative Attribution - September 30, 2020

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

### One Year Relative Attribution Effects



### Cumulative Relative Attribution Effects



### One Year Relative Attribution Effects

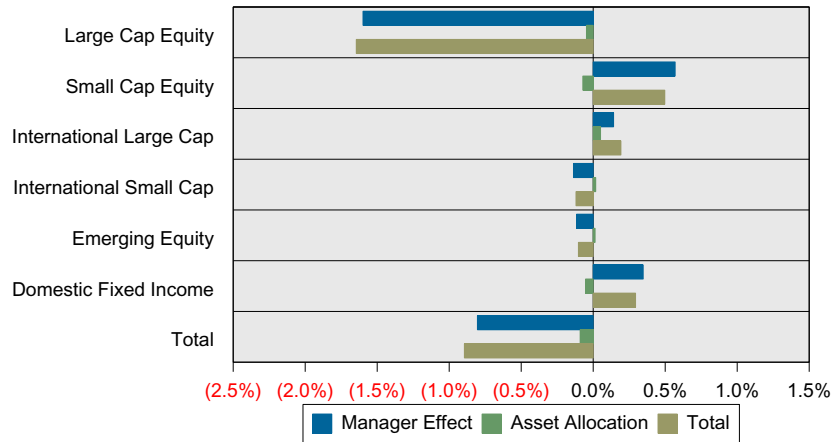
Asset Class	Effective Actual Weight	Effective Target Weight	Actual Return	Target Return	Manager Effect	Asset Allocation	Total Relative Return
Large Cap Equity	33%	32%	4.34%	15.15%	(3.44%)	(0.06%)	(3.50%)
Small Cap Equity	8%	8%	(2.27%)	0.39%	(0.35%)	(0.06%)	(0.41%)
International Large Cap	13%	14%	1.46%	0.49%	0.09%	0.09%	0.19%
International Small Cap	5%	5%	4.79%	6.84%	(0.09%)	0.02%	(0.06%)
Emerging Equity	6%	6%	4.32%	10.54%	(0.32%)	0.03%	(0.29%)
Domestic Fixed Income	35%	35%	7.86%	6.98%	0.25%	(0.00%)	0.24%
<b>Total</b>			<b>5.22%</b>	<b>9.03%</b>	<b>(3.84%)</b>	<b>0.02%</b>	<b>(3.81%)</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.

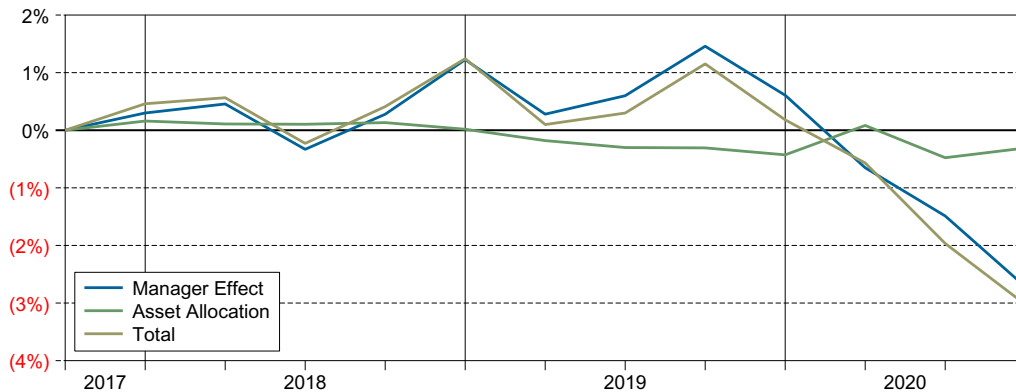
## Cumulative Total Fund Relative Attribution - September 30, 2020

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%	7.15%	12.28%	(1.60%)	(0.05%)	(1.65%)
Small Cap Equity	9%	8%	8.52%	1.77%	0.57%	(0.07%)	0.50%
International Large Cap	13%	14%	1.78%	0.62%	0.14%	0.05%	0.19%
International Small Cap	5%	5%	(1.40%)	1.40%	(0.14%)	0.02%	(0.12%)
Emerging Equity	6%	6%	0.34%	2.42%	(0.12%)	0.01%	(0.10%)
Domestic Fixed Income	35%	35%	6.29%	5.24%	0.35%	(0.05%)	0.29%
<b>Total</b>			<b>5.71%</b>	<b>6.60%</b>	<b>(0.80%)</b>	<b>(0.09%)</b>	<b>(0.89%)</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, 2020

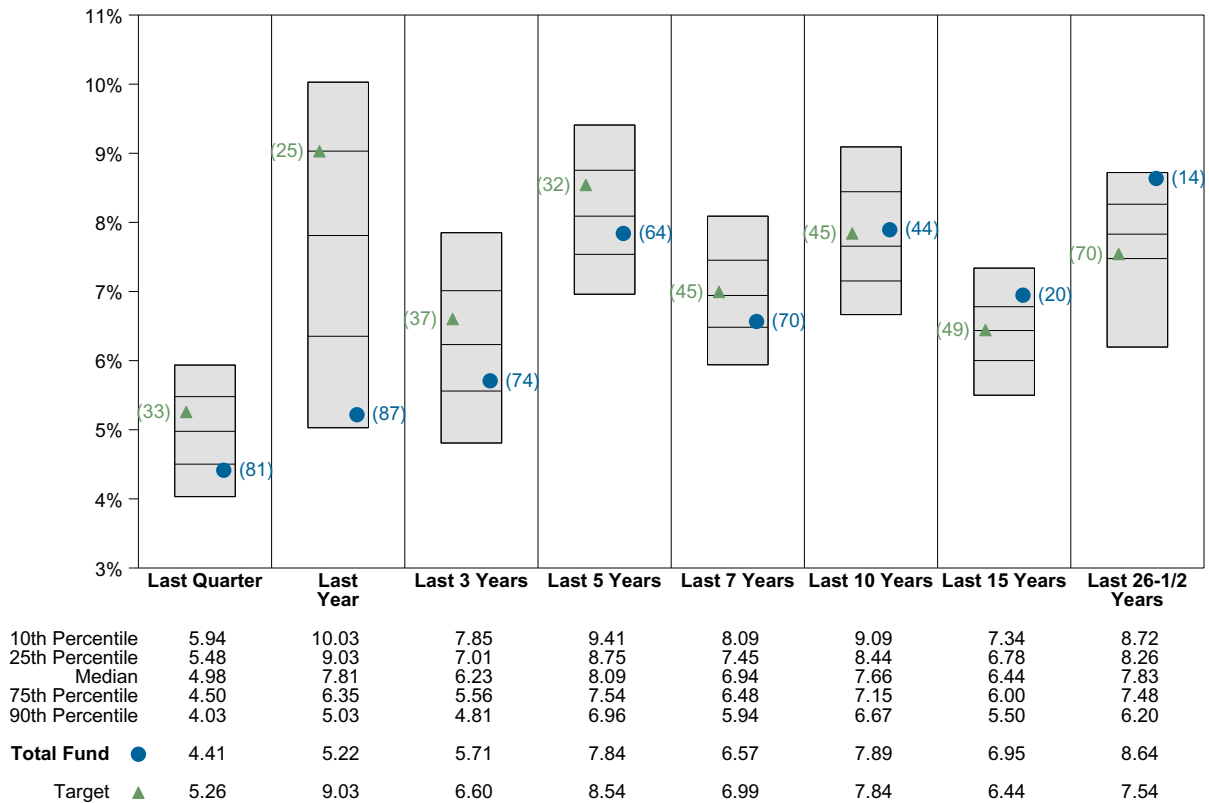
### Investment Philosophy

\* 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.

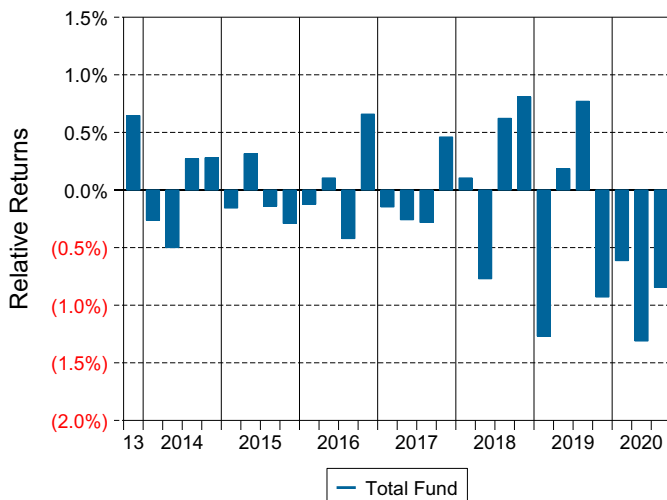
### Quarterly Summary and Highlights

- Total Fund's portfolio posted a 4.41% return for the quarter placing it in the 81 percentile of the Callan Public Fund Spons- Mid (100M-1B) group for the quarter and in the 87 percentile for the last year.
- Total Fund's portfolio underperformed the Target by 0.84% for the quarter and underperformed the Target for the year by 3.81%.

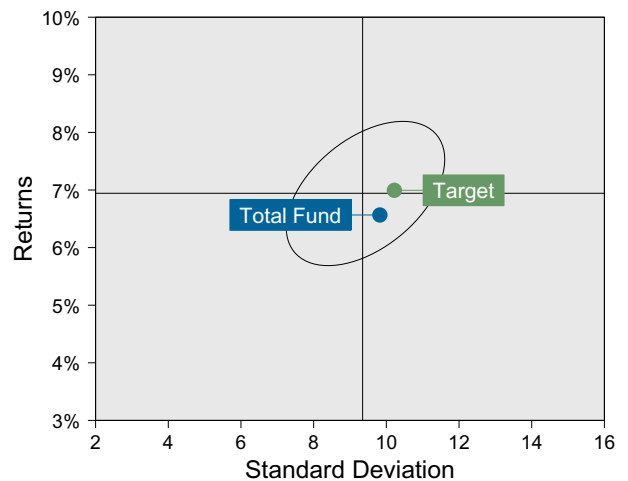
### Performance vs Callan Public Fund Spons- Mid (100M-1B) (Gross)



Relative Return vs Target



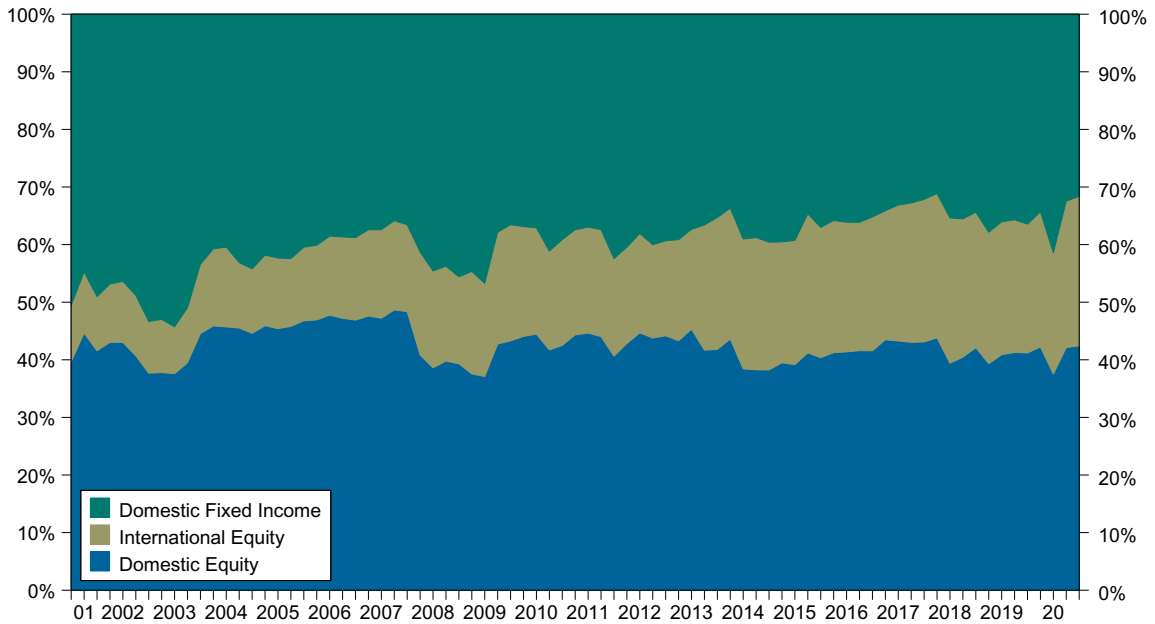
Callan Public Fund Spons- Mid (100M-1B) (Gross) Annualized Seven Year Risk vs Return



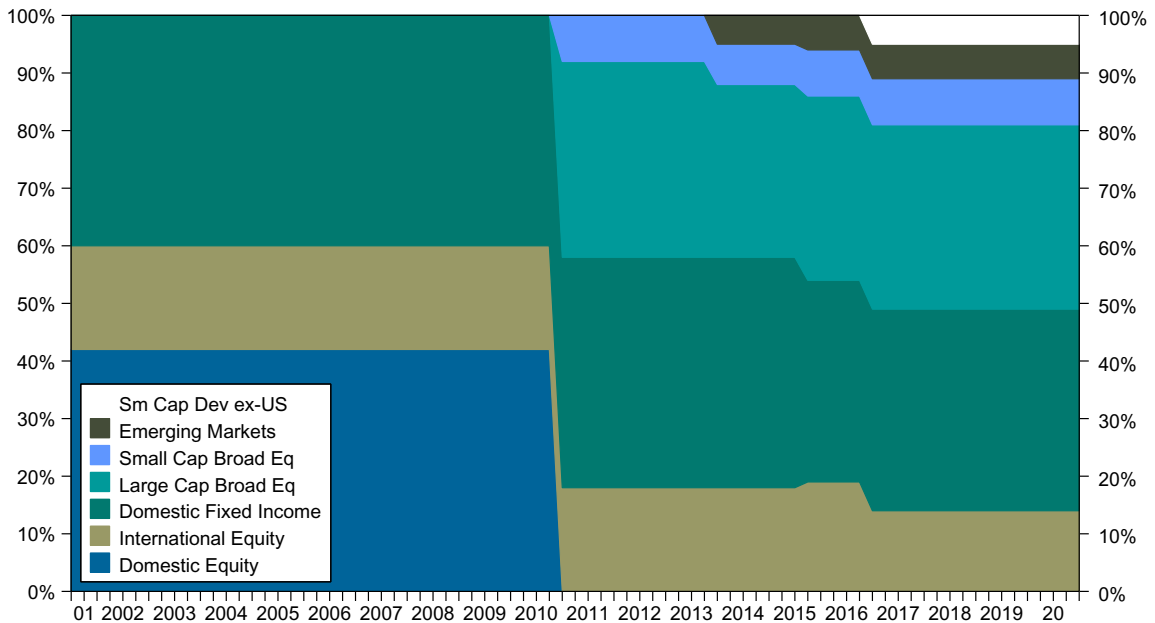
## Actual vs Target Historical Asset Allocation

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, 2020, with the distribution as of June 30, 2020. 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, 2020 Market Value	Net New Inv.	Inv. Return	June 30, 2020 Market Value
<b>Consolidated Plan</b>				
<b>Domestic Equity</b>	<b>\$132,248,883</b>	<b>\$(1,344,792)</b>	<b>\$7,268,340</b>	<b>\$126,325,335</b>
<b>Large Cap</b>	<b>\$106,036,703</b>	<b>\$(1,344,792)</b>	<b>\$6,461,031</b>	<b>\$100,920,464</b>
Boston Partners	49,923,228	0	1,805,157	48,118,071
SSgA S&P 500	56,113,475	(1,344,792)	4,655,874	52,802,393
<b>Small Cap</b>	<b>\$26,212,180</b>	<b>\$0</b>	<b>\$807,308</b>	<b>\$25,404,871</b>
Atlanta Capital	26,212,180	0	807,308	25,404,871
<b>International Equity</b>	<b>\$80,870,505</b>	<b>\$0</b>	<b>\$4,549,074</b>	<b>\$76,321,431</b>
<b>International Large Cap</b>	<b>\$43,534,099</b>	<b>\$0</b>	<b>\$1,505,945</b>	<b>\$42,028,154</b>
SSgA EAFE	14,332,512	0	660,819	13,671,693
Pyrford	29,201,587	0	845,125	28,356,461
<b>International Small Cap</b>	<b>\$16,675,477</b>	<b>\$0</b>	<b>\$1,428,715</b>	<b>\$15,246,762</b>
AQR	16,675,477	0	1,428,715	15,246,762
<b>Emerging Equity</b>	<b>\$20,660,929</b>	<b>\$0</b>	<b>\$1,614,414</b>	<b>\$19,046,515</b>
DFA Emerging Markets	20,660,929	0	1,614,414	19,046,515
<b>Fixed Income</b>	<b>\$98,632,389</b>	<b>\$0</b>	<b>\$1,336,642</b>	<b>\$97,295,748</b>
Metropolitan West	98,632,389	0	1,336,642	97,295,748
<b>Total Plan - Consolidated</b>	<b>\$311,751,778</b>	<b>\$(1,344,790)</b>	<b>\$13,154,054</b>	<b>\$299,942,514</b>

## Sacramento Regional Transit District Asset Growth

Ending September 30, 2020 (\$ Thousands)	Ending Market Value	=	Beginning Market Value	+	Net New Investment	+	Investment Return
<b>Total Plan</b>							
1/4 Year Ended 9/2020	311,751.8		299,942.5		(1,344.8)		13,154.1
1/4 Year Ended 6/2020	299,942.5		268,251.1		(1,217.2)		32,908.6
1/4 Year Ended 3/2020	268,251.1		315,424.7		(567.1)		(46,606.5)
1/4 Year Ended 12/2019	315,424.7		301,283.6		(1,479.0)		15,620.2
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



## Investment Manager Returns

The table below details the rates of return for the Fund's investment managers over various time periods ended September 30, 2020. 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, 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Domestic Equity</b>	<b>5.79%</b>	<b>2.95%</b>	<b>7.46%</b>	<b>11.03%</b>	<b>10.08%</b>
Domestic Equity Benchmark**	8.13%	12.17%	10.18%	12.97%	11.49%
<b>Large Cap Equity</b>	<b>6.45%</b>	<b>4.34%</b>	<b>7.15%</b>	<b>10.83%</b>	<b>9.99%</b>
Boston Partners	3.75%	(6.76%)	1.71%	7.22%	7.07%
Russell 1000 Value Index	5.59%	(5.03%)	2.63%	7.66%	7.35%
SSgA S&P 500	8.93%	15.12%	12.28%	14.17%	12.71%
S&P 500 Index	8.93%	15.15%	12.28%	14.15%	12.68%
<b>Small Cap Equity</b>	<b>3.18%</b>	<b>(2.27%)</b>	<b>8.52%</b>	<b>11.74%</b>	<b>10.40%</b>
Atlanta Capital	3.18%	(2.27%)	8.52%	11.74%	10.40%
Russell 2000 Index	4.93%	0.39%	1.77%	8.00%	6.42%
<b>International Equity</b>	<b>6.03%</b>	<b>2.98%</b>	<b>0.87%</b>	<b>5.89%</b>	<b>3.05%</b>
International Benchmark***	7.06%	4.25%	1.29%	6.47%	3.44%
<b>International Large Cap</b>	<b>3.58%</b>	<b>1.46%</b>	<b>1.78%</b>	<b>5.75%</b>	<b>3.25%</b>
SSgA EAFE	4.83%	0.91%	0.99%	5.65%	3.36%
Pyrford	2.98%	1.35%	2.00%	-	-
MSCI EAFE Index	4.80%	0.49%	0.62%	5.26%	3.01%
<b>International Small Cap</b>	<b>9.60%</b>	<b>4.79%</b>	<b>(1.40%)</b>	-	-
AQR	9.60%	4.79%	(1.40%)	-	-
MSCI EAFE Small Cap Index	10.25%	6.84%	1.40%	7.37%	5.70%
<b>Emerging Markets Equity</b>	<b>8.59%</b>	<b>4.32%</b>	<b>0.34%</b>	<b>7.75%</b>	<b>3.41%</b>
DFA Emerging Markets	8.59%	4.32%	0.34%	7.75%	3.41%
MSCI Emerging Markets Index	9.56%	10.54%	2.42%	8.97%	3.75%
<b>Domestic Fixed Income</b>	<b>1.37%</b>	<b>7.86%</b>	<b>6.29%</b>	<b>4.94%</b>	<b>4.55%</b>
Met West	1.37%	7.86%	6.29%	4.94%	4.55%
Bloomberg Aggregate Index	0.62%	6.98%	5.24%	4.18%	3.97%
<b>Total Plan</b>	<b>4.41%</b>	<b>5.22%</b>	<b>5.71%</b>	<b>7.84%</b>	<b>6.57%</b>
Target*	5.26%	9.03%	6.60%	8.54%	6.99%

\* 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, 2020. 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, 2020

	Last 10 Years	Last 15 Years	Last 20 Years	Last 26-1/2 Years
<b>Domestic Equity</b>	<b>12.54%</b>	<b>8.90%</b>	<b>6.45%</b>	-
Domestic Equity Benchmark**	13.03%	8.86%	6.65%	10.01%
Russell 1000 Value Index	9.95%	6.35%	6.21%	9.03%
S&P 500 Index	13.74%	9.19%	6.42%	10.05%
Russell 2000 Index	9.85%	7.03%	6.88%	8.46%
<b>International Equity</b>	<b>4.33%</b>	<b>3.74%</b>	<b>5.03%</b>	-
MSCI EAFE Index	4.62%	3.73%	3.58%	4.72%
<b>Domestic Fixed Income</b>	<b>4.60%</b>	<b>5.90%</b>	<b>6.01%</b>	-
Met West	4.60%	5.90%	-	-
Bloomberg Aggregate Index	3.64%	4.48%	5.01%	5.50%
<b>Total Plan</b>	<b>7.89%</b>	<b>6.95%</b>	<b>5.87%</b>	<b>8.64%</b>
Target*	7.84%	6.44%	5.75%	7.54%

\* 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.

	12/2019- 9/2020	2019	2018	2017	2016
<b>Domestic Equity</b>	<b>(4.46%)</b>	<b>27.71%</b>	<b>(4.64%)</b>	<b>19.78%</b>	<b>14.58%</b>
Domestic Equity Benchmark**	2.68%	30.32%	(5.69%)	20.41%	13.85%
<b>Large Cap Equity</b>	<b>(3.96%)</b>	<b>27.77%</b>	<b>(6.33%)</b>	<b>21.10%</b>	<b>13.38%</b>
Boston Partners	(13.81%)	23.91%	(8.27%)	20.32%	14.71%
Russell 1000 Value Index	(11.58%)	26.54%	(8.27%)	13.66%	17.34%
SSgA S&P 500	5.54%	31.50%	(4.39%)	21.86%	12.03%
S&P 500 Index	5.57%	31.49%	(4.38%)	21.83%	11.96%
<b>Small Cap Equity</b>	<b>(6.41%)</b>	<b>27.38%</b>	<b>1.78%</b>	<b>15.01%</b>	<b>19.17%</b>
Atlanta Capital	(6.41%)	27.38%	1.78%	15.01%	19.17%
Russell 2000 Index	(8.69%)	25.52%	(11.01%)	14.65%	21.31%
<b>International Equity</b>	<b>(6.22%)</b>	<b>20.83%</b>	<b>(13.93%)</b>	<b>28.25%</b>	<b>2.55%</b>
International Benchmark***	(4.99%)	21.78%	(14.76%)	29.51%	3.26%
<b>International Large Cap</b>	<b>(6.49%)</b>	<b>22.34%</b>	<b>(11.25%)</b>	<b>22.63%</b>	<b>1.35%</b>
SSgA EAFE	(6.73%)	22.49%	(13.49%)	25.47%	1.37%
Pyrford	(6.70%)	22.30%	(10.31%)	-	-
MSCI EAFE Index	(7.09%)	22.01%	(13.79%)	25.03%	1.00%
<b>International Small Cap</b>	<b>(7.01%)</b>	<b>21.73%</b>	<b>(19.94%)</b>	<b>33.76%</b>	<b>-</b>
AQR	(7.01%)	21.73%	(19.94%)	33.76%	-
MSCI EAFE Small Cap Index	(4.20%)	24.96%	(17.89%)	33.01%	2.18%
<b>Emerging Markets Equity</b>	<b>(5.76%)</b>	<b>16.64%</b>	<b>(14.80%)</b>	<b>37.32%</b>	<b>12.99%</b>
DFA Emerging Markets	(5.76%)	16.64%	(14.80%)	37.32%	12.99%
MSCI Emerging Markets Index	(1.16%)	18.44%	(14.57%)	37.28%	11.19%
<b>Domestic Fixed Income</b>	<b>8.42%</b>	<b>9.41%</b>	<b>0.75%</b>	<b>3.89%</b>	<b>2.87%</b>
Met West	8.42%	9.41%	0.75%	3.89%	2.87%
Bloomberg Aggregate Index	6.79%	8.72%	0.01%	3.54%	2.65%
<b>Total Plan</b>	<b>0.01%</b>	<b>19.25%</b>	<b>(5.05%)</b>	<b>16.14%</b>	<b>7.65%</b>
Target*	2.72%	20.58%	(5.82%)	16.39%	7.40%

\* 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.

	2015	2014	2013	2012	2011
<b>Domestic Equity</b>	<b>0.06%</b>	<b>10.85%</b>	<b>36.44%</b>	<b>19.19%</b>	<b>2.08%</b>
Domestic Equity Benchmark**	0.26%	12.07%	33.61%	16.09%	0.94%
Boston Partners	(3.75%)	11.87%	37.52%	21.95%	1.27%
Russell 1000 Value Index	(3.83%)	13.45%	32.53%	17.51%	0.39%
S&P 500 Index	1.38%	13.69%	32.39%	16.00%	2.11%
Russell 2000 Index	(4.41%)	4.89%	38.82%	16.35%	(4.18%)
<b>International Equity</b>	<b>(4.17%)</b>	<b>(3.72%)</b>	<b>16.66%</b>	<b>17.28%</b>	<b>(10.64%)</b>
MSCI EAFE Index	(0.81%)	(4.90%)	22.78%	17.32%	(12.14%)
<b>Domestic Fixed Income</b>	<b>0.51%</b>	<b>6.37%</b>	<b>(1.03%)</b>	<b>9.48%</b>	<b>6.10%</b>
Met West	0.51%	6.37%	(1.03%)	9.48%	6.10%
Bloomberg Aggregate Index	0.55%	5.97%	(2.02%)	4.21%	7.84%
<b>Total Plan</b>	<b>(0.97%)</b>	<b>5.61%</b>	<b>17.71%</b>	<b>14.80%</b>	<b>1.22%</b>
Target*	(0.71%)	5.82%	15.99%	11.68%	1.52%

\* 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, 2020. 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, 2020

	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years
<b>Net of Fee Returns</b>					
Domestic Equity	5.68%	2.63%	7.09%	-	-
Domestic Equity Benchmark**	8.13%	12.17%	10.18%	12.97%	11.49%
Large Cap Equity	6.37%	4.14%	6.90%	-	-
Boston Partners	3.61%	(7.09%)	1.23%	6.69%	6.53%
Russell 1000 Value Index	5.59%	(5.03%)	2.63%	7.66%	7.35%
SSgA S&P 500	8.92%	15.07%	12.22%	14.11%	12.66%
S&P 500 Index	8.93%	15.15%	12.28%	14.15%	12.68%
Small Cap Equity	2.97%	(2.99%)	7.68%	-	-
Atlanta Capital	2.97%	(2.99%)	7.68%	10.87%	9.54%
Russell 2000 Index	4.93%	0.39%	1.77%	8.00%	6.42%
International Equity	5.89%	2.35%	0.26%	-	-
International Equity Benchmark***	7.06%	4.25%	1.29%	6.47%	3.44%
International Large Cap	3.46%	0.98%	1.27%	-	-
SSgA EAFE	4.81%	0.81%	0.90%	5.55%	3.25%
Pyrford	2.80%	0.71%	1.31%	-	-
MSCI EAFE Index	4.80%	0.49%	0.62%	5.26%	3.01%
International Small Cap	9.37%	3.90%	(2.28%)	-	-
AQR	9.37%	3.90%	(2.28%)	-	-
MSCI EAFE Small Cap Index	10.25%	6.84%	1.40%	7.37%	5.70%
Emerging Markets Equity	8.46%	3.81%	(0.18%)	-	-
DFA Emerging Markets	8.46%	3.81%	(0.18%)	7.16%	2.82%
MSCI Emerging Markets Index	9.56%	10.54%	2.42%	8.97%	3.75%
Domestic Fixed Income	1.30%	7.59%	6.05%	-	-
Met West	1.30%	7.59%	6.05%	4.69%	4.29%
Bloomberg Aggregate Index	0.62%	6.98%	5.24%	4.18%	3.97%
Total Plan	4.31%	4.86%	5.33%	7.45%	6.19%
Target*	5.26%	9.03%	6.60%	8.54%	6.99%

\* 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, 2020

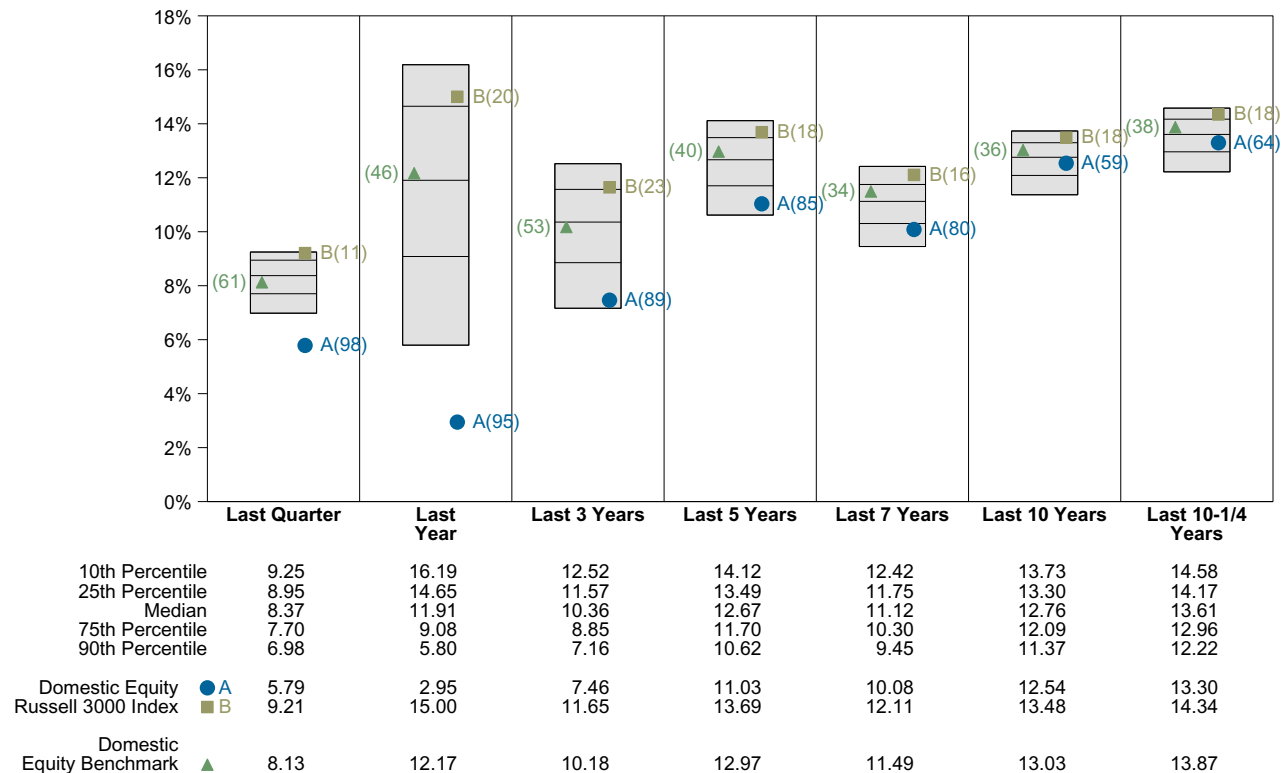
### Investment Philosophy

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.

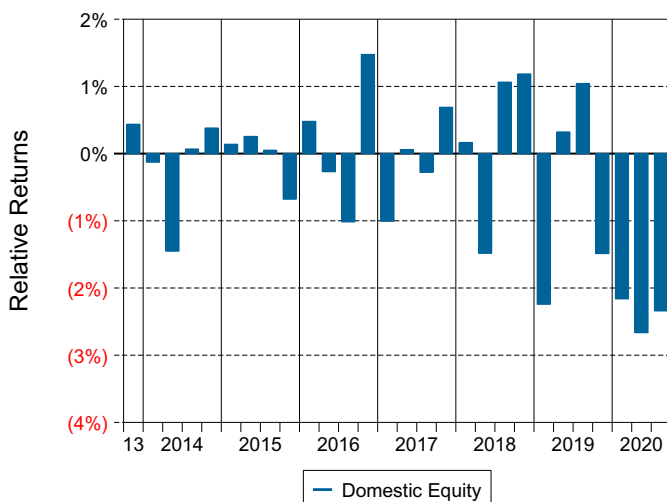
### Quarterly Summary and Highlights

- Domestic Equity's portfolio posted a 5.79% return for the quarter placing it in the 98 percentile of the Fund Sponsor - Domestic Equity group for the quarter and in the 95 percentile for the last year.
- Domestic Equity's portfolio underperformed the Domestic Equity Benchmark by 2.34% for the quarter and underperformed the Domestic Equity Benchmark for the year by 9.22%.

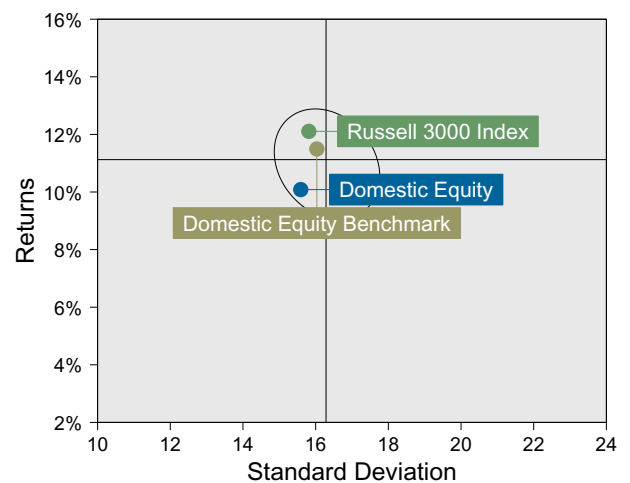
### Performance vs Fund Sponsor - Domestic Equity (Gross)



### Relative Returns vs Domestic Equity Benchmark



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

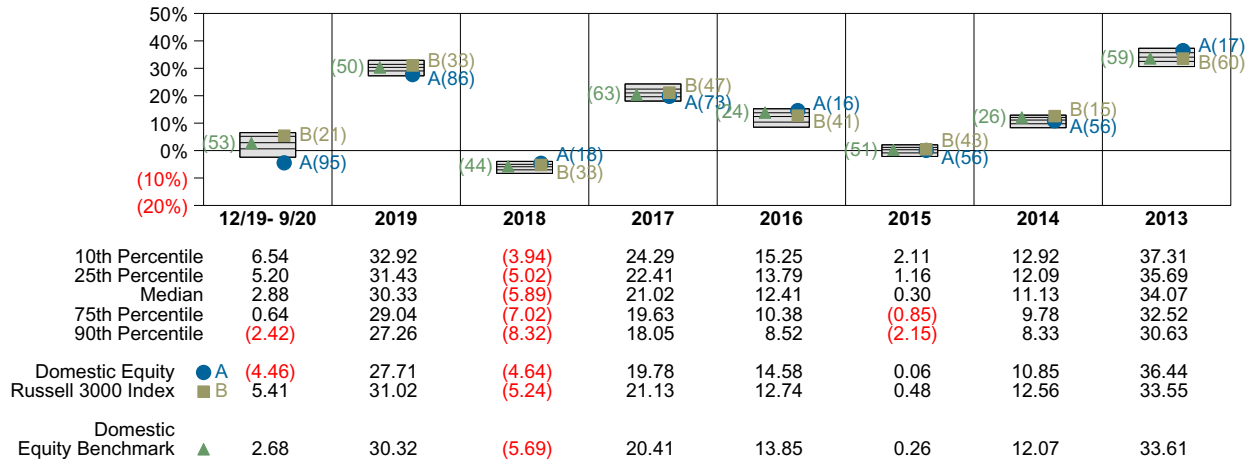


# Domestic Equity Return Analysis Summary

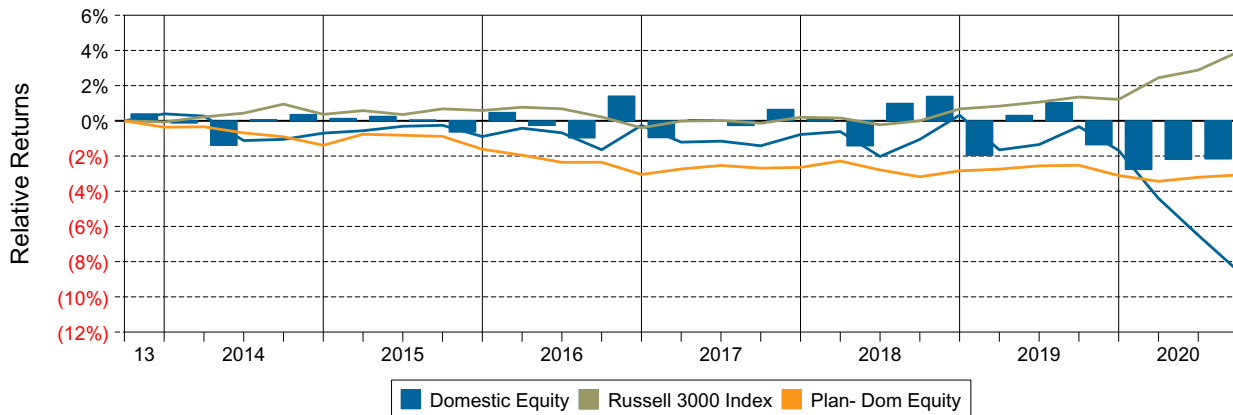
## Return Analysis

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)



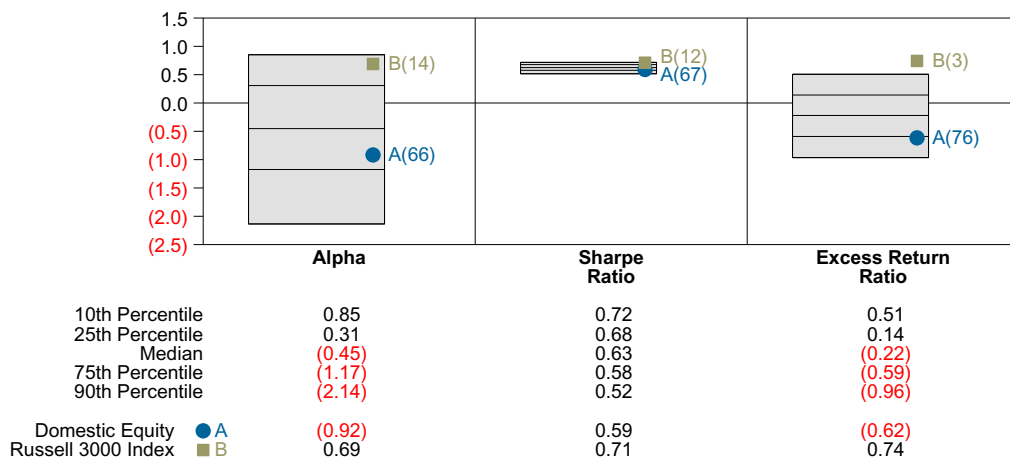
### Cumulative and Quarterly Relative Return vs Domestic Equity Benchmark



### Risk Adjusted Return Measures vs Domestic Equity Benchmark

#### Rankings Against Fund Sponsor - Domestic Equity (Gross)

Seven Years Ended September 30, 2020

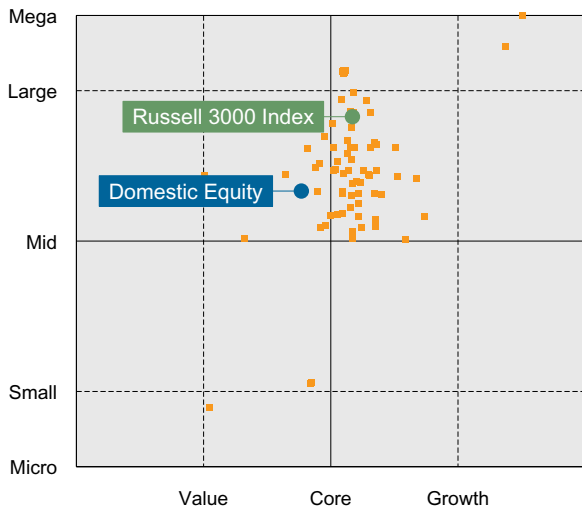




# Current Holdings Based Style Analysis Domestic Equity As of September 30, 2020

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.

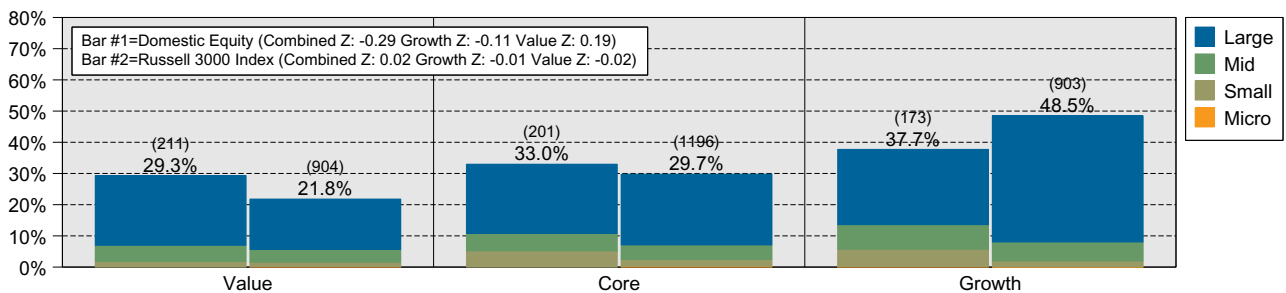
**Style Map vs Plan- Dom Equity Holdings as of September 30, 2020**



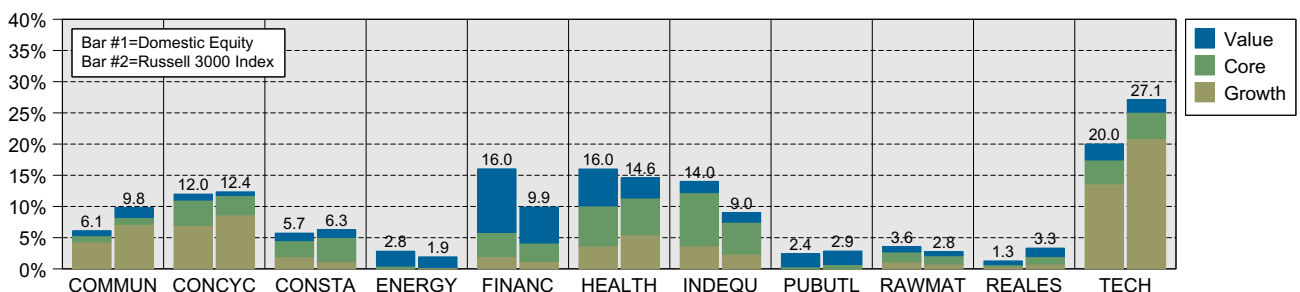
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Large	22.3% (85)	22.1% (106)	24.1% (85)	68.6% (276)
	16.1% (86)	22.6% (105)	40.4% (109)	79.2% (300)
Mid	5.2% (110)	5.6% (74)	7.9% (65)	18.7% (249)
	4.1% (154)	4.7% (198)	6.1% (248)	14.9% (600)
Small	1.8% (16)	5.2% (21)	5.5% (22)	12.5% (59)
	1.3% (293)	2.2% (513)	1.8% (396)	5.4% (1202)
Micro	0.0% (0)	0.0% (0)	0.2% (1)	0.2% (1)
	0.2% (371)	0.2% (380)	0.1% (150)	0.6% (901)
<b>Total</b>	<b>29.3% (211)</b>	<b>33.0% (201)</b>	<b>37.7% (173)</b>	<b>100.0% (585)</b>
	21.8% (904)	29.7% (1196)	48.5% (903)	100.0% (3003)

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



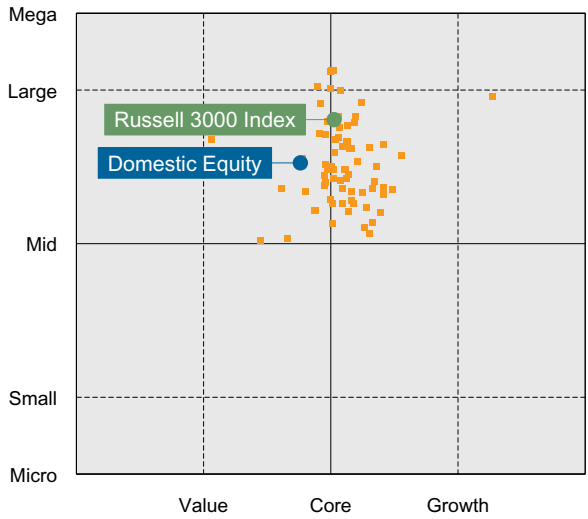
**Sector Weights Distribution Holdings as of September 30, 2020**



# Historical Holdings Based Style Analysis Domestic Equity For Five Years Ended September 30, 2020

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.

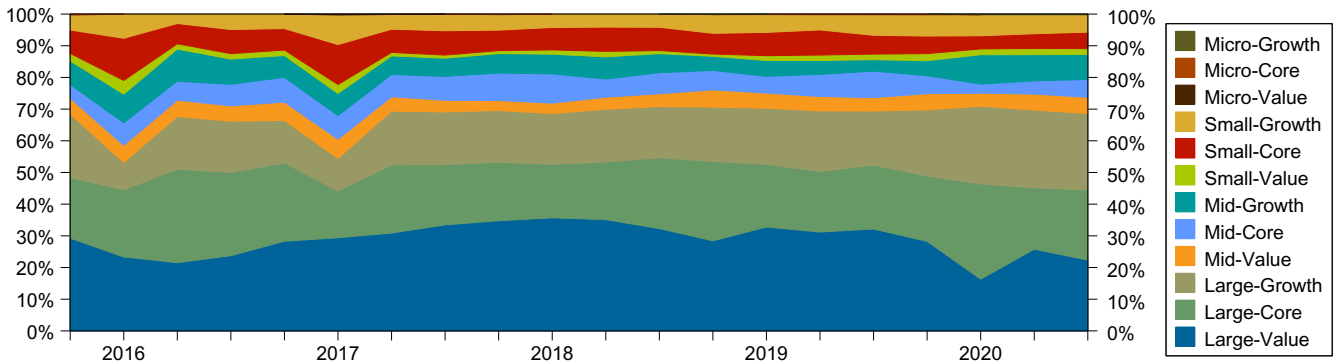
**Average Style Map vs Plan- Dom Equity Holdings for Five Years Ended September 30, 2020**



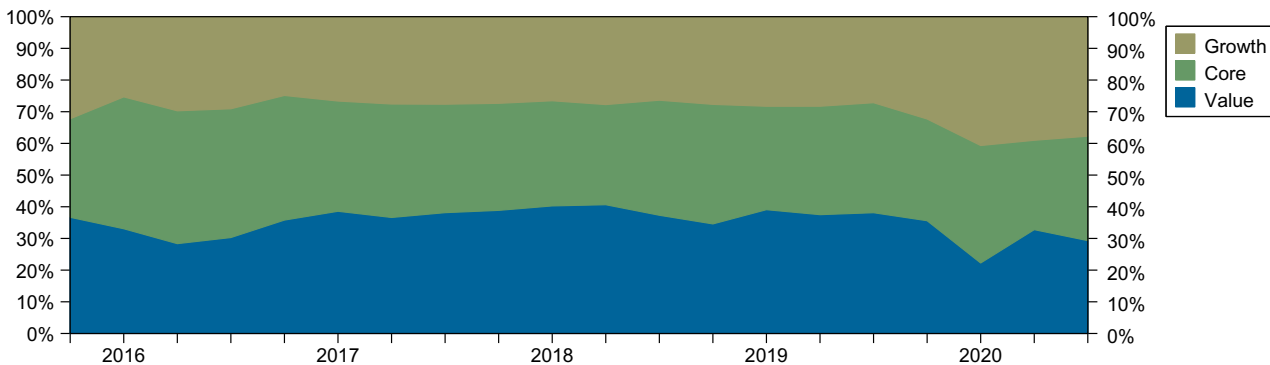
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2020**

	28.8% (94)	21.4% (90)	17.5% (84)	<b>67.6% (268)</b>
Large	24.7% (101)	22.6% (97)	28.2% (99)	<b>75.6% (297)</b>
Mid	4.7% (85)	6.5% (79)	6.7% (57)	<b>17.8% (221)</b>
Small	1.8% (10)	7.2% (24)	5.4% (16)	<b>14.5% (50)</b>
Micro	0.0% (0)	0.1% (1)	0.0% (0)	<b>0.1% (1)</b>
<b>Total</b>	<b>35.2% (189)</b>	<b>35.2% (194)</b>	<b>29.6% (157)</b>	<b>100.0% (540)</b>
	31.9% (900)	31.6% (1170)	36.5% (898)	100.0% (2968)
	Value	Core	Growth	Total

## Domestic Equity Historical Cap/Style Exposures



## Domestic Equity Historical Style Only Exposures

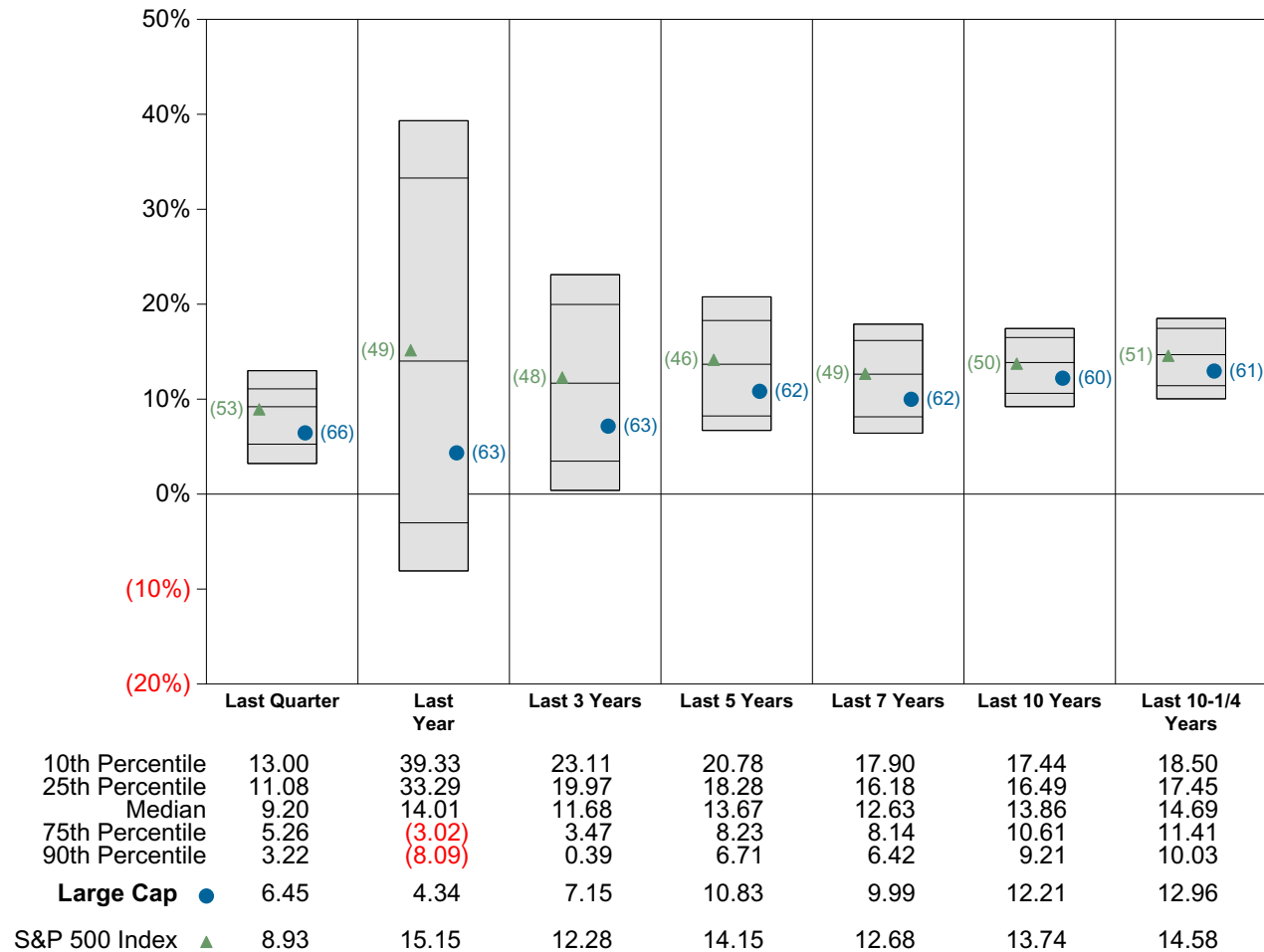


# Large Cap Period Ended September 30, 2020

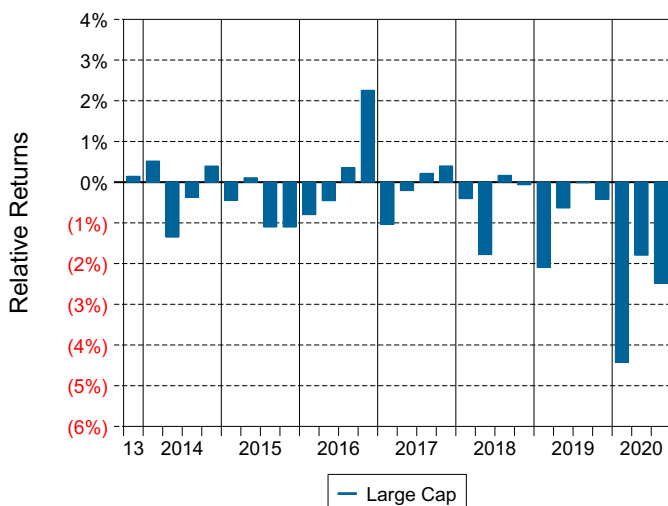
## Quarterly Summary and Highlights

- Large Cap's portfolio posted a 6.45% return for the quarter placing it in the 66 percentile of the Callan Large Capitalization group for the quarter and in the 63 percentile for the last year.
- Large Cap's portfolio underperformed the S&P 500 Index by 2.48% for the quarter and underperformed the S&P 500 Index for the year by 10.81%.

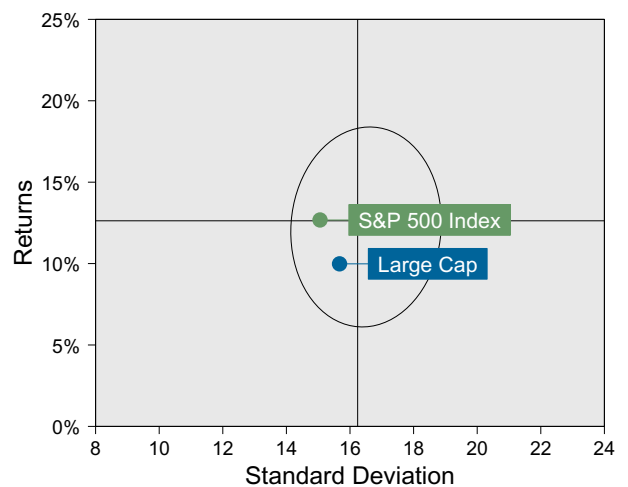
## Performance vs Callan Large Capitalization (Gross)



Relative Return vs S&P 500 Index



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

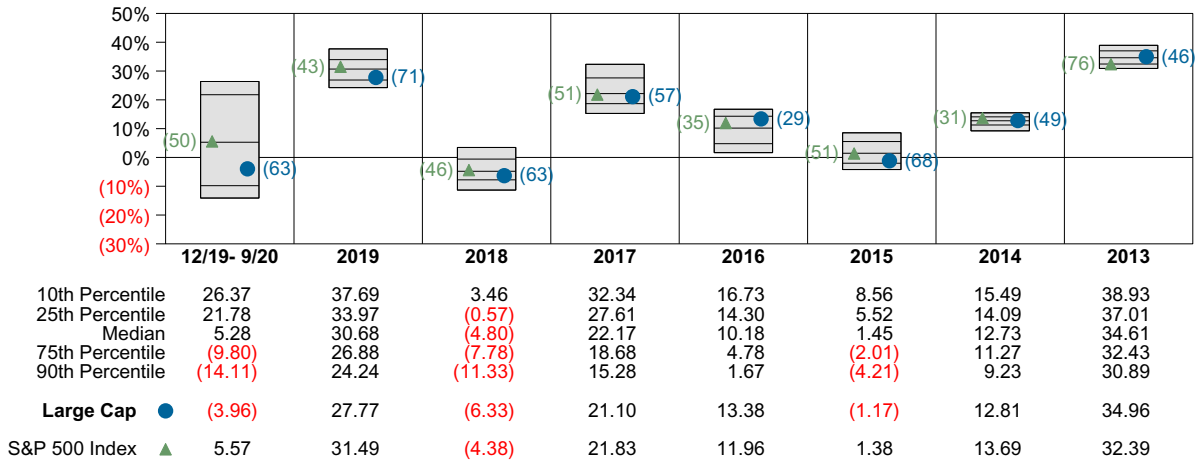


# Large Cap Return Analysis Summary

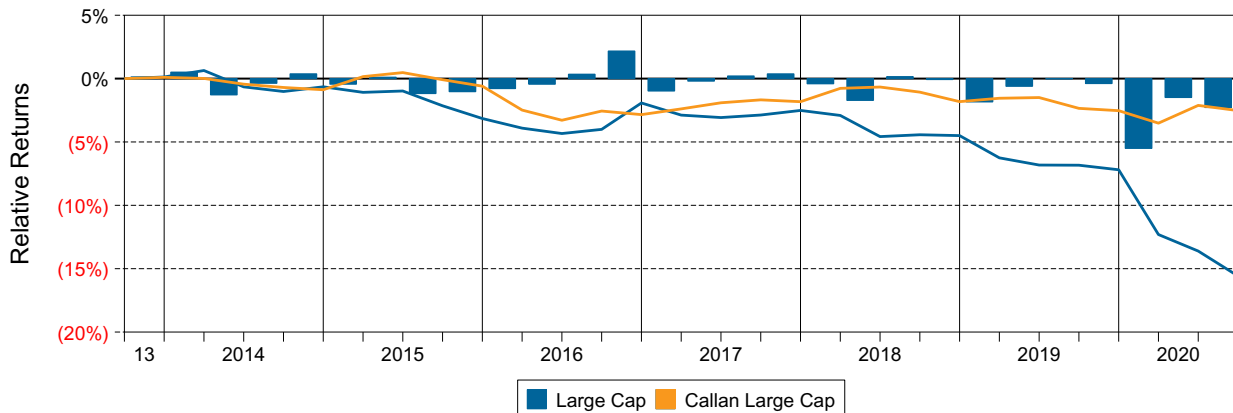
## Return Analysis

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.

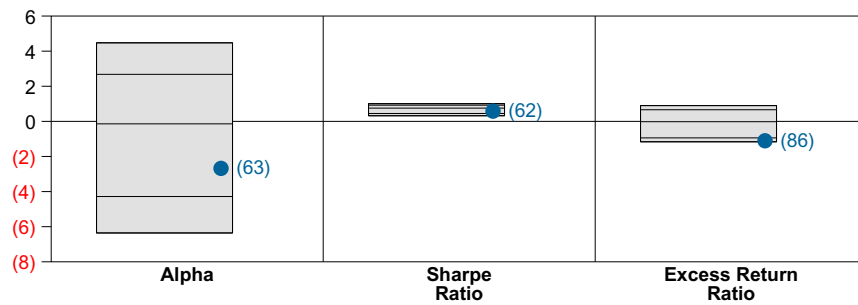
### Performance vs Callan Large Capitalization (Gross)



### 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, 2020



	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	4.47	1.01	0.90
25th Percentile	2.68	0.92	0.66
Median	(0.14)	0.75	(0.02)
75th Percentile	(4.28)	0.45	(0.94)
90th Percentile	(6.36)	0.32	(1.16)
<b>Large Cap</b>	● (2.68)	0.58	(1.11)

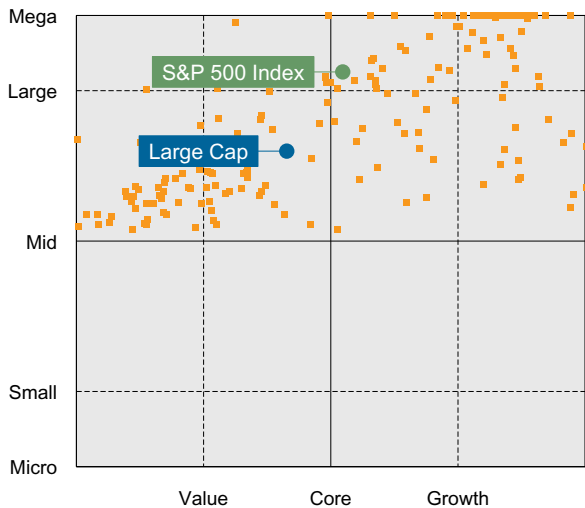
# Current Holdings Based Style Analysis

## Large Cap

### As of September 30, 2020

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.

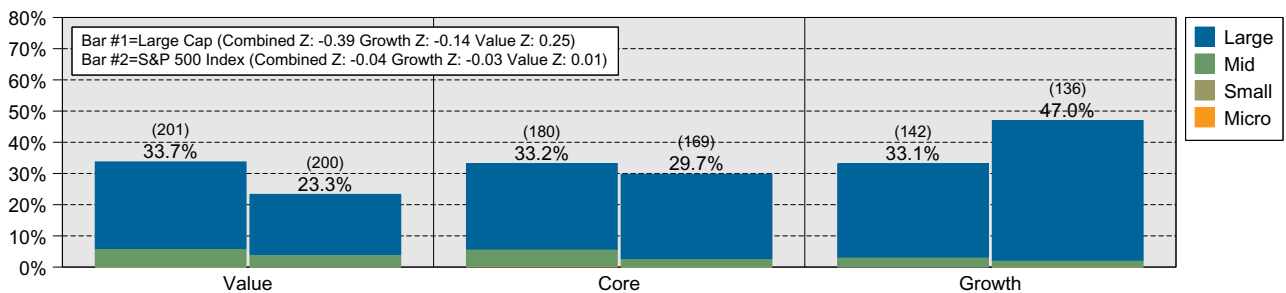
**Style Map vs Callan Large Cap Holdings as of September 30, 2020**



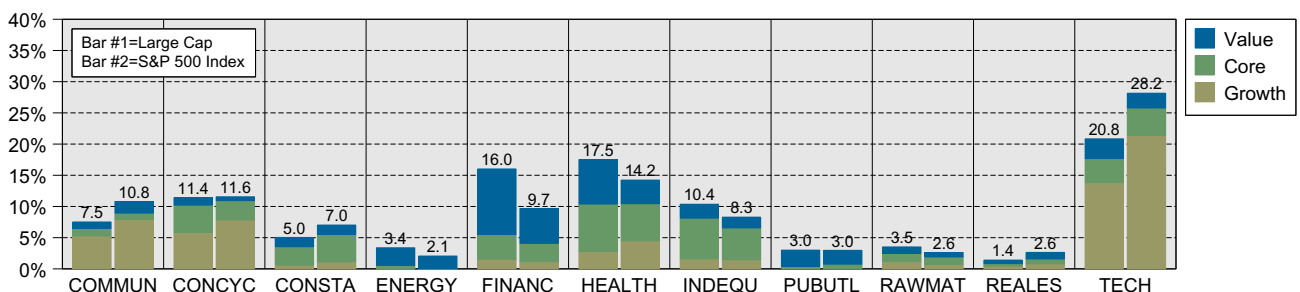
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Large	27.7% (85)	27.4% (106)	29.9% (85)	85.0% (276)
	19.2% (85)	27.0% (103)	44.8% (85)	91.0% (273)
Mid	6.0% (108)	5.3% (70)	3.0% (52)	14.2% (230)
	4.0% (107)	2.7% (64)	2.2% (47)	8.8% (218)
Small	0.1% (8)	0.5% (4)	0.2% (5)	0.8% (17)
	0.1% (8)	0.0% (2)	0.0% (4)	0.2% (14)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Total	33.7% (201)	33.2% (180)	33.1% (142)	100.0% (523)
	23.3% (200)	29.7% (169)	47.0% (136)	100.0% (505)

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



**Sector Weights Distribution Holdings as of September 30, 2020**



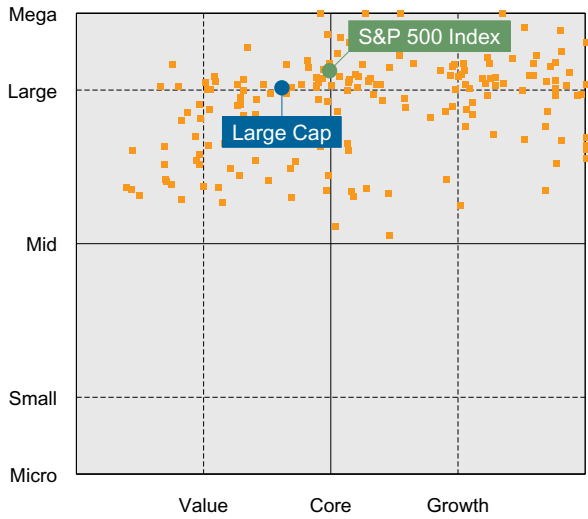
# Historical Holdings Based Style Analysis

## Large Cap

### For Five Years Ended September 30, 2020

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.

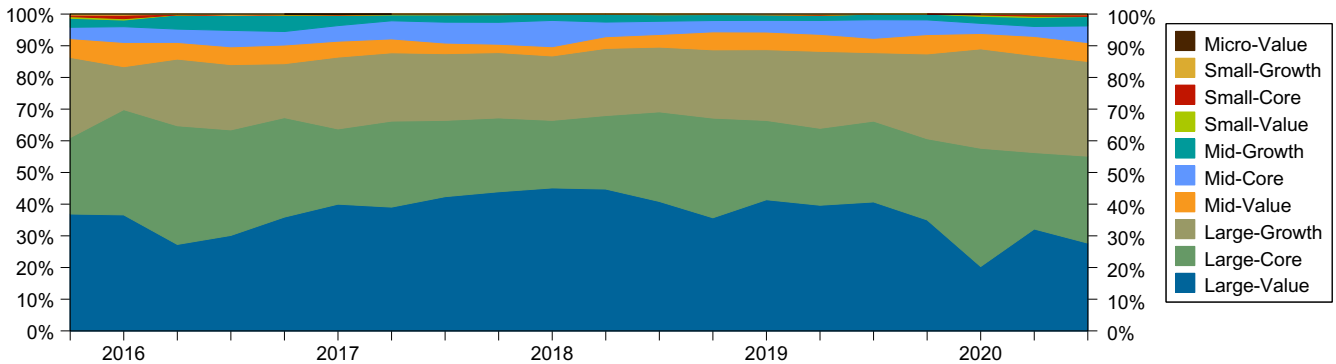
**Average Style Map vs Callan Large Cap Holdings for Five Years Ended September 30, 2020**



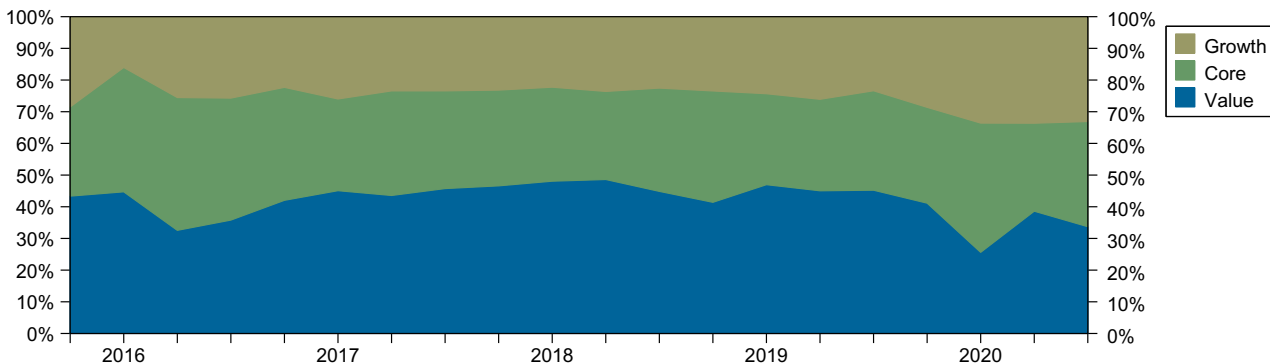
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2020**

Large	36.8% (98)	27.6% (93)	22.7% (88)	<b>87.0% (279)</b>
	29.7% (100)	27.2% (95)	32.9% (88)	<b>89.7% (283)</b>
Mid	5.0% (86)	4.9% (78)	2.6% (50)	<b>12.5% (214)</b>
	3.8% (87)	3.8% (77)	2.6% (50)	<b>10.2% (214)</b>
Small	0.1% (4)	0.2% (2)	0.1% (2)	<b>0.4% (8)</b>
	0.0% (4)	0.0% (1)	0.0% (1)	<b>0.1% (6)</b>
Micro	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
	0.0% (0)	0.0% (0)	0.0% (0)	<b>0.0% (0)</b>
Total	<b>41.9% (188)</b>	<b>32.6% (173)</b>	<b>25.4% (140)</b>	<b>100.0% (501)</b>
	<b>33.6% (191)</b>	<b>31.0% (173)</b>	<b>35.5% (139)</b>	<b>100.0% (503)</b>
	Value	Core	Growth	Total

**Large Cap Historical Cap/Style Exposures**



**Large Cap Historical Style Only Exposures**



# SSgA S&P 500

## Period Ended September 30, 2020

### 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.

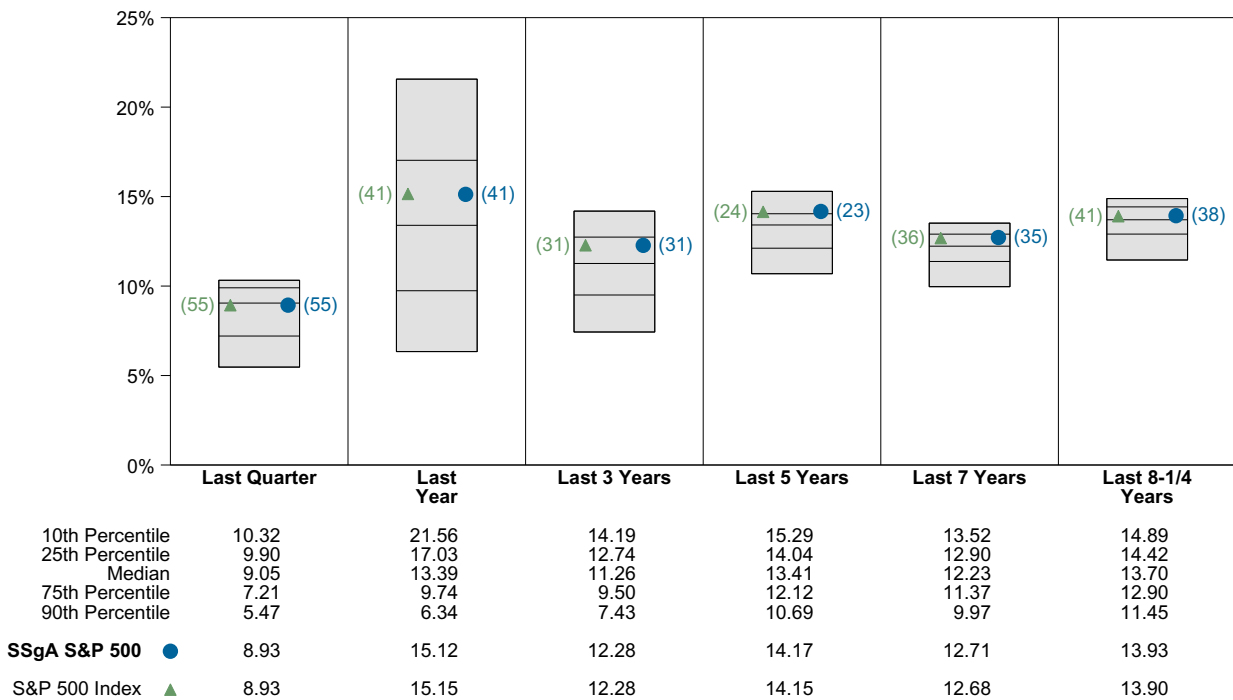
### Quarterly Summary and Highlights

- SSgA S&P 500's portfolio posted a 8.93% return for the quarter placing it in the 55 percentile of the Callan Large Cap Core group for the quarter and in the 41 percentile for the last year.
- SSgA S&P 500's portfolio outperformed the S&P 500 Index by 0.00% for the quarter and underperformed the S&P 500 Index for the year by 0.02%.

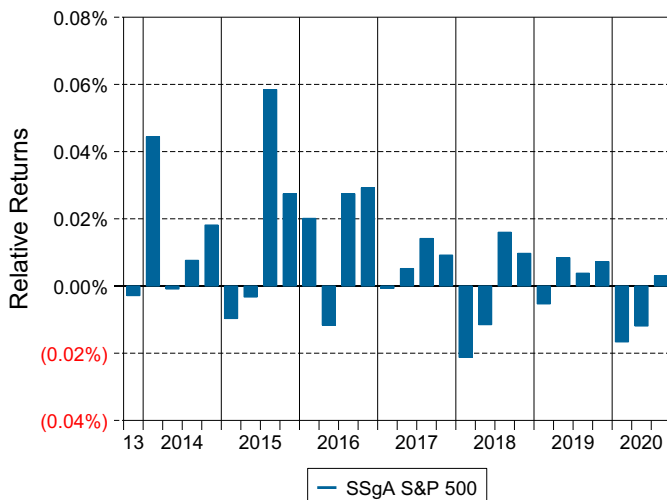
### Quarterly Asset Growth

Beginning Market Value	\$52,802,393
Net New Investment	\$-1,344,792
Investment Gains/(Losses)	\$4,655,874
Ending Market Value	\$56,113,475

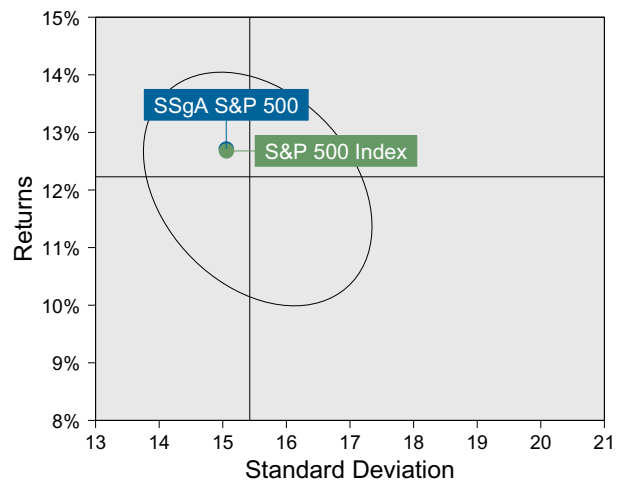
### Performance vs Callan Large Cap Core (Gross)



### Relative Return vs S&P 500 Index



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

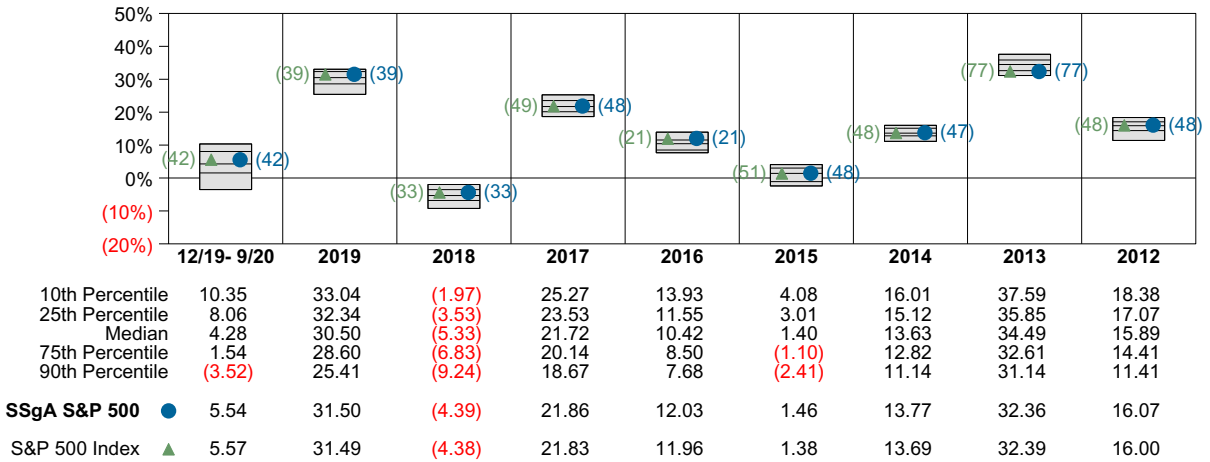


# SSgA S&P 500 Return Analysis Summary

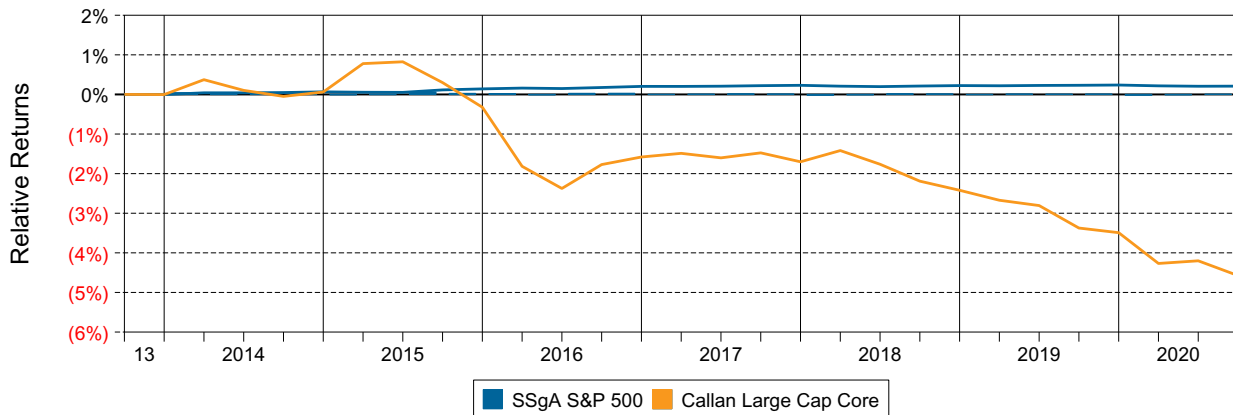
## Return Analysis

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

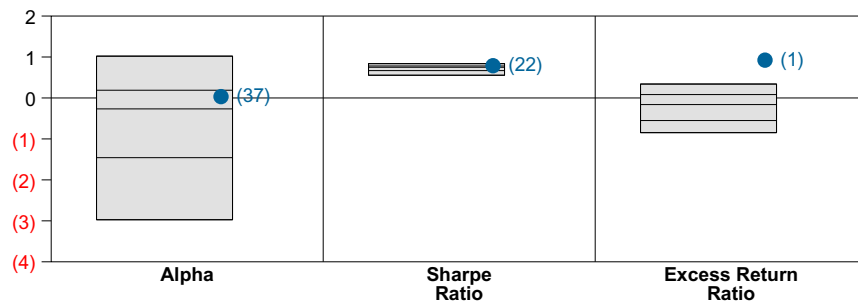
### Performance vs Callan Large Cap Core (Gross)



### Cumulative and Quarterly Relative Return vs S&P 500 Index



### Risk Adjusted Return Measures vs S&P 500 Index Rankings Against Callan Large Cap Core (Gross) Seven Years Ended September 30, 2020



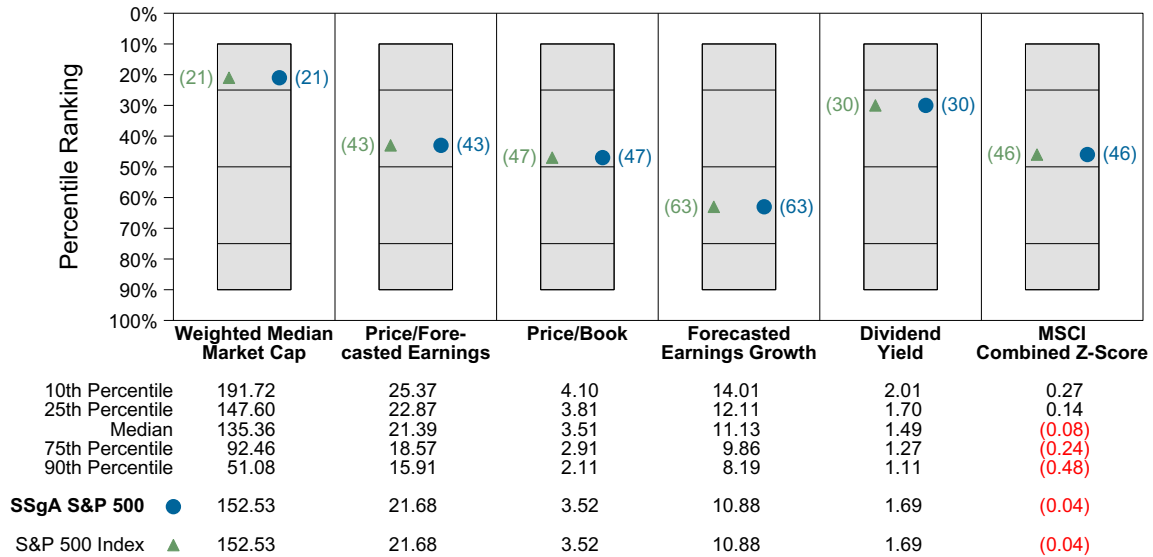


# SSgA S&P 500 Equity Characteristics Analysis Summary

## Portfolio Characteristics

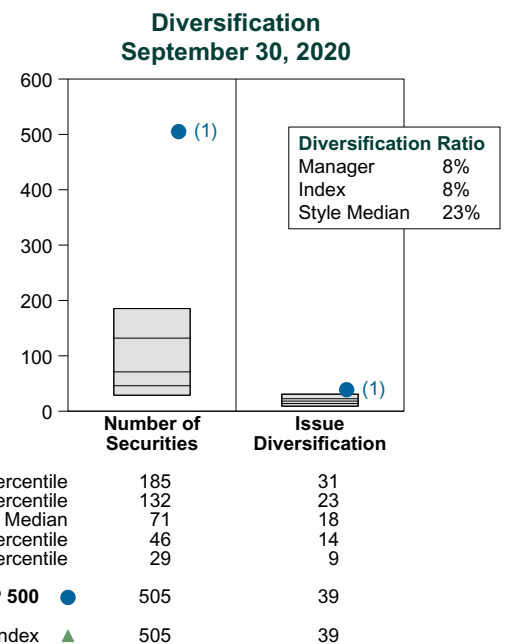
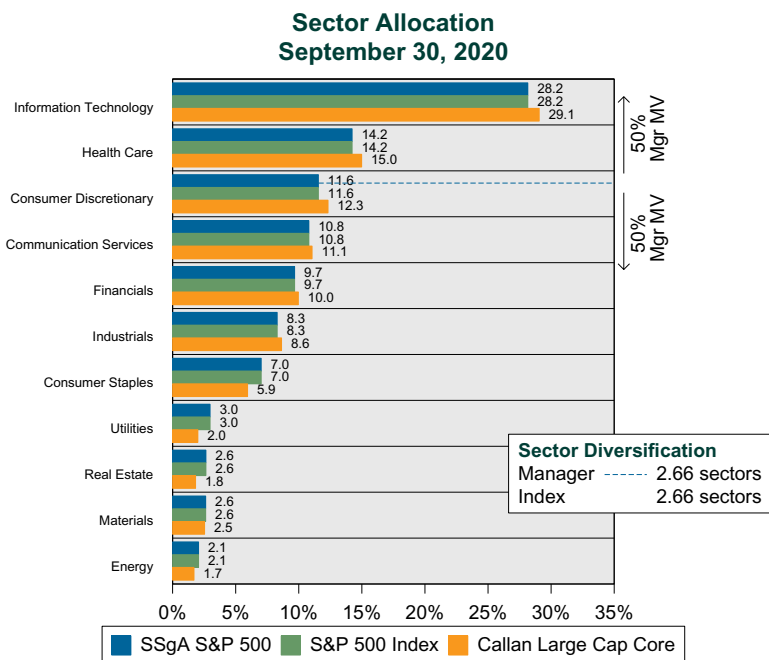
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Core as of September 30, 2020



## 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.



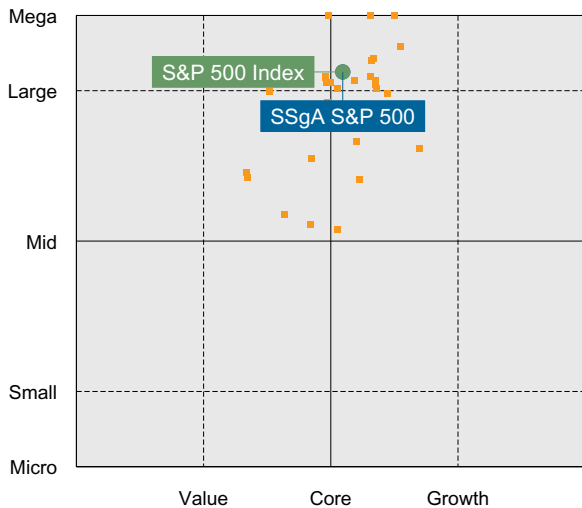
# Current Holdings Based Style Analysis

## SSgA S&P 500

### As of September 30, 2020

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.

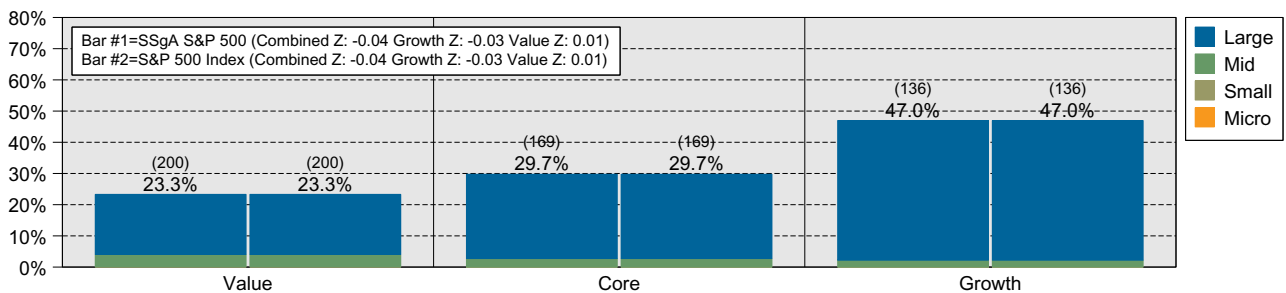
**Style Map vs Callan Large Cap Core Holdings as of September 30, 2020**



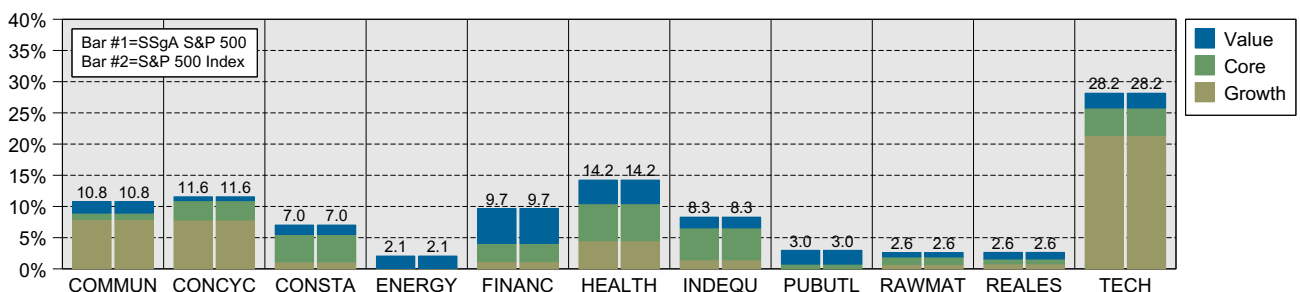
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Large	19.2% (85)	27.0% (103)	44.8% (85)	91.0% (273)
Mid	4.0% (107)	2.7% (64)	2.2% (47)	8.8% (218)
Small	0.1% (8)	0.0% (2)	0.0% (4)	0.2% (14)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>23.3% (200)</b>	<b>29.7% (169)</b>	<b>47.0% (136)</b>	<b>100.0% (505)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



**Sector Weights Distribution Holdings as of September 30, 2020**



# Boston Partners

## Period Ended September 30, 2020

### 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.

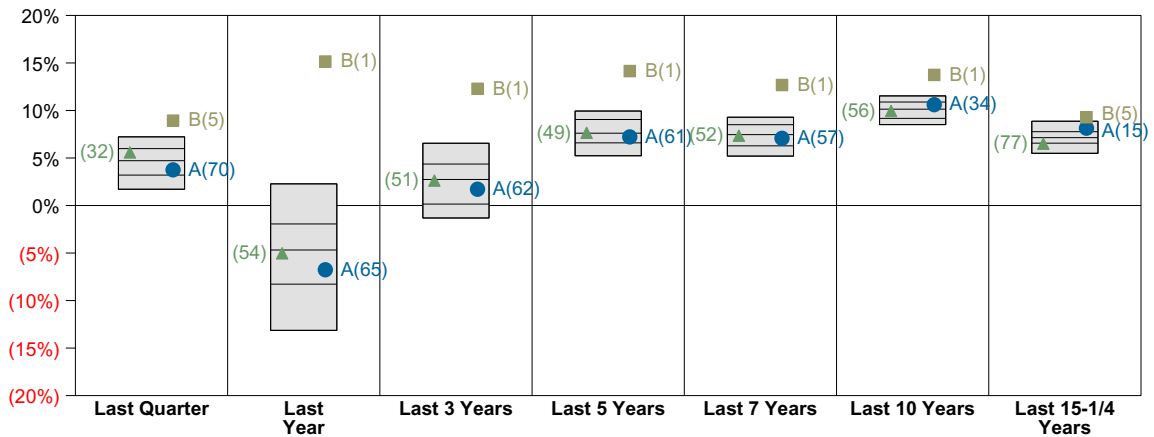
### Quarterly Summary and Highlights

- Boston Partners's portfolio posted a 3.75% return for the quarter placing it in the 70 percentile of the Callan Large Cap Value group for the quarter and in the 65 percentile for the last year.
- Boston Partners's portfolio underperformed the Russell 1000 Value Index by 1.84% for the quarter and underperformed the Russell 1000 Value Index for the year by 1.73%.

### Quarterly Asset Growth

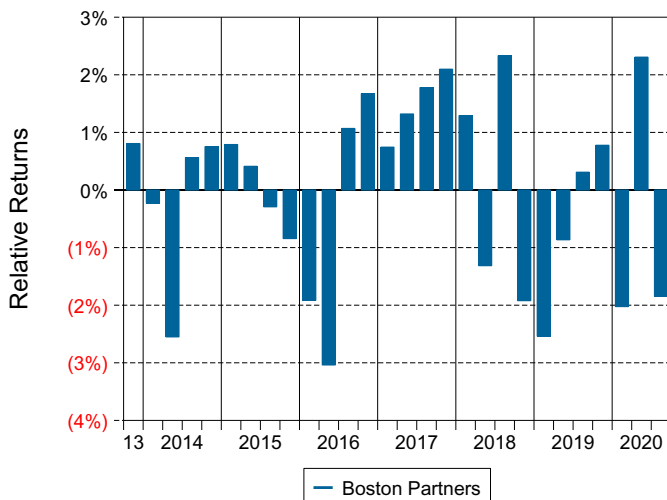
Beginning Market Value	\$48,118,071
Net New Investment	\$0
Investment Gains/(Losses)	\$1,805,157
Ending Market Value	\$49,923,228

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

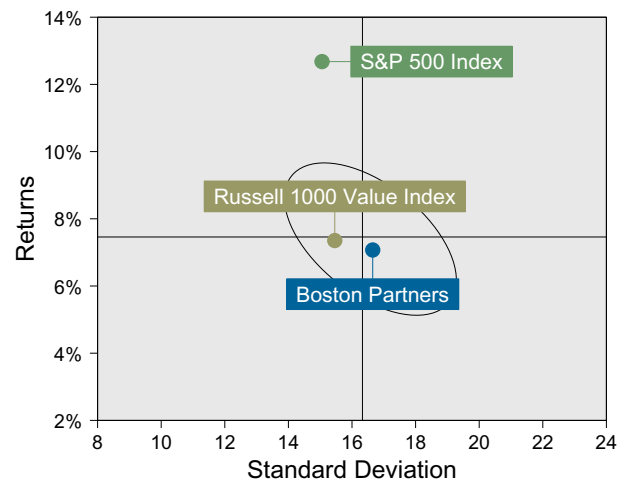


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 15-1/4 Years	
10th Percentile	7.23	2.28	6.55	9.94	9.29	11.53	8.87	
25th Percentile	5.99	(1.94)	4.36	9.05	8.50	10.89	7.77	
Median	4.72	(4.68)	2.74	7.61	7.46	10.14	7.14	
75th Percentile	3.20	(8.28)	0.15	6.59	6.28	9.17	6.56	
90th Percentile	1.71	(13.14)	(1.31)	5.24	5.20	8.51	5.49	
Boston Partners	● A	3.75	(6.76)	1.71	7.22	7.07	10.61	8.14
S&P 500 Index	■ B	8.93	15.15	12.28	14.15	12.68	13.74	9.29
Russell 1000 Value Index	▲	5.59	(5.03)	2.63	7.66	7.35	9.95	6.51

### Relative Return vs Russell 1000 Value Index



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

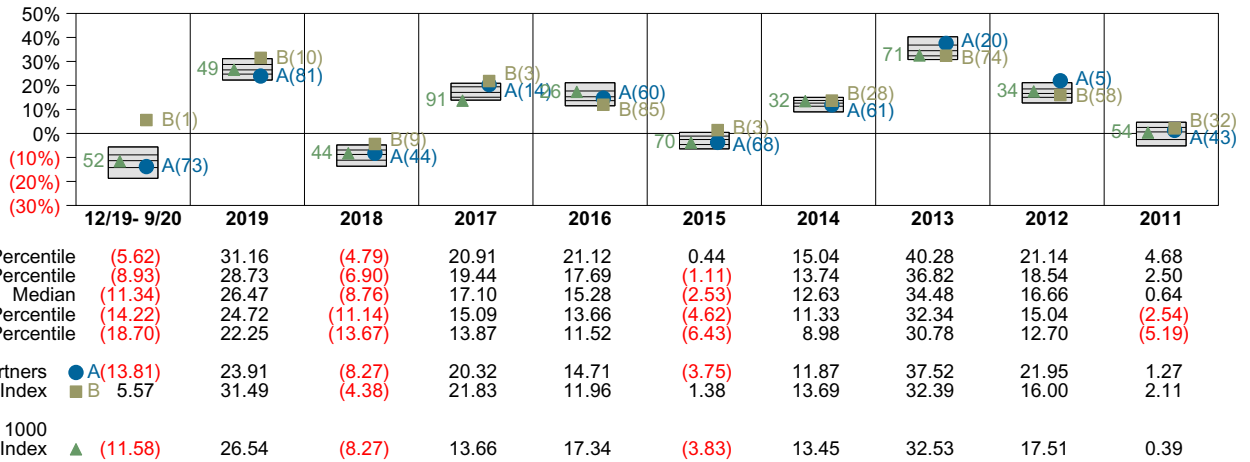


# Boston Partners Return Analysis Summary

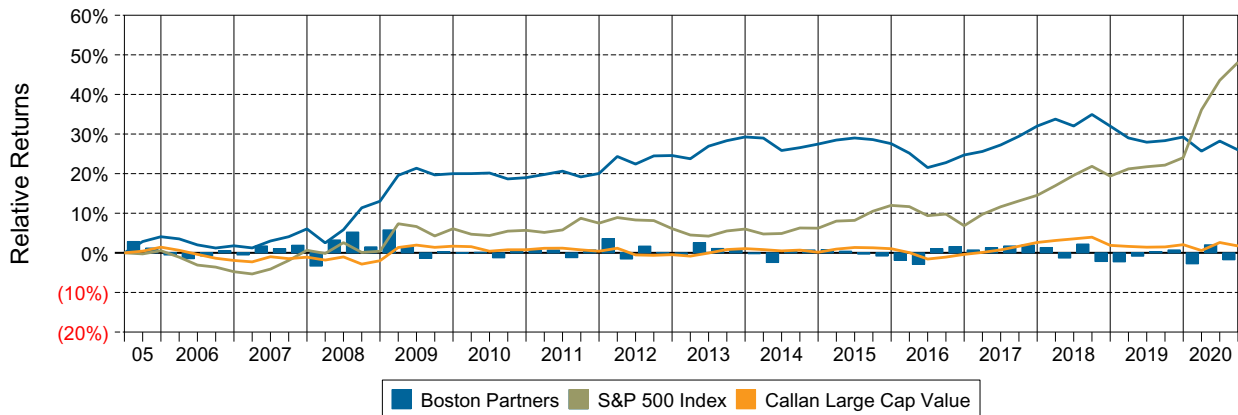
## Return Analysis

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.

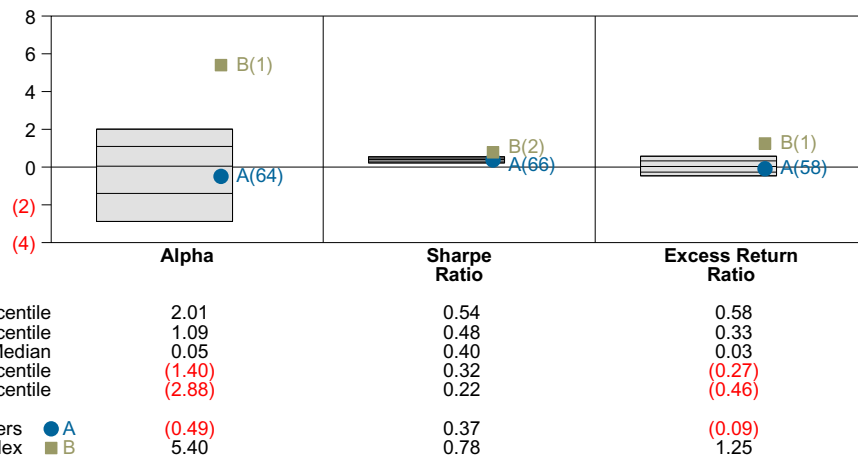
### Performance vs Callan Large Cap Value (Gross)



### 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, 2020

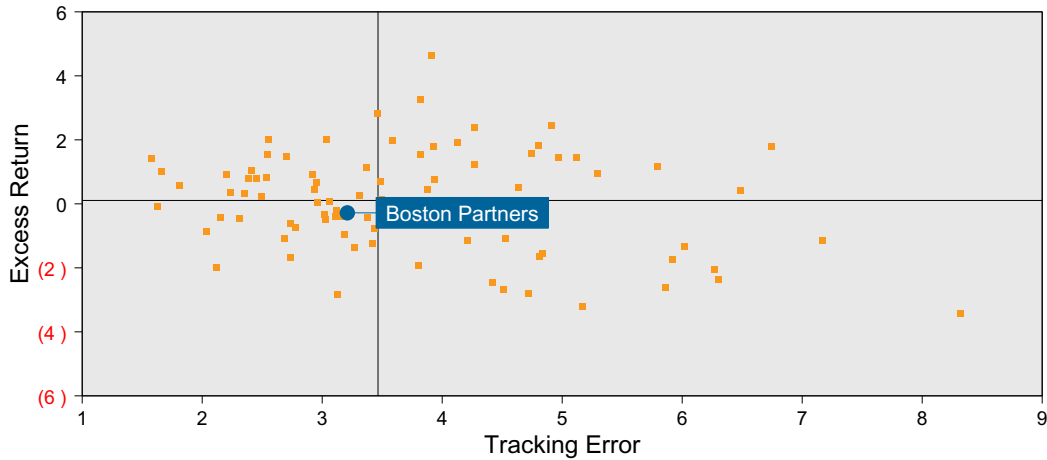


# Boston Partners Risk Analysis Summary

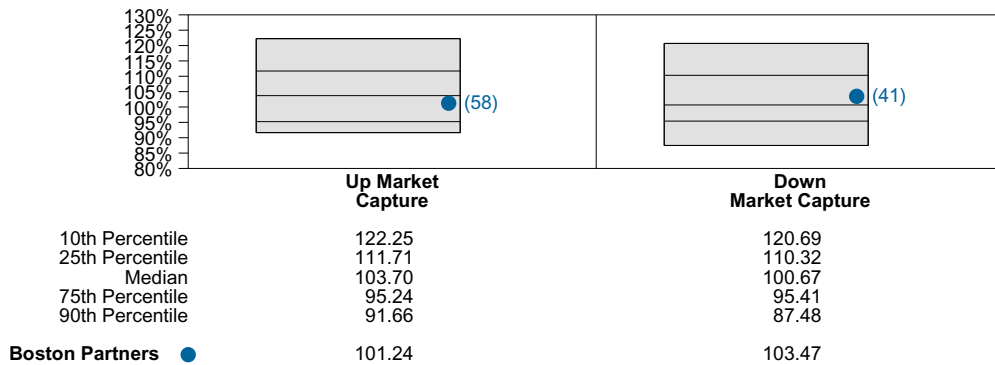
## Risk Analysis

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.

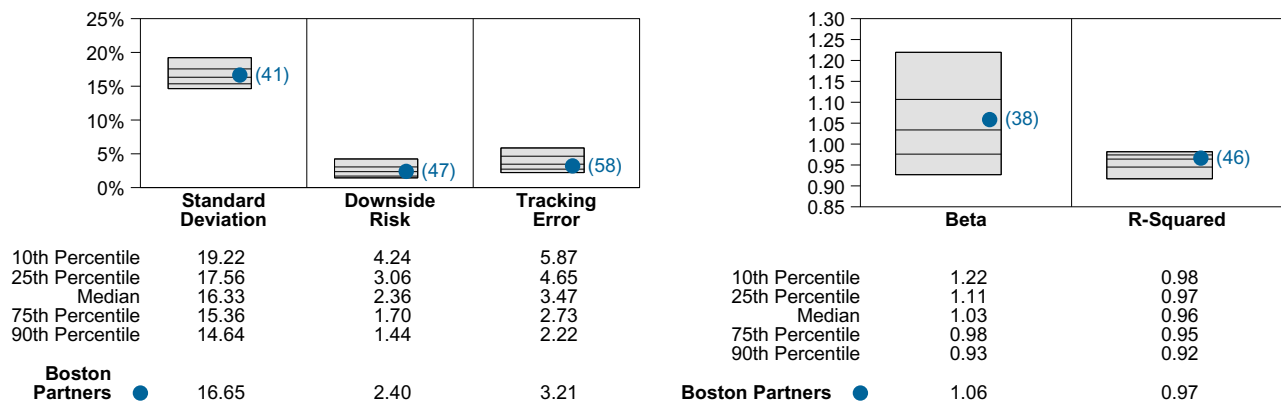
### Risk Analysis vs Callan Large Cap Value (Gross) Seven Years Ended September 30, 2020



### Market Capture vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended September 30, 2020



### Risk Statistics Rankings vs Russell 1000 Value Index Rankings Against Callan Large Cap Value (Gross) Seven Years Ended September 30, 2020

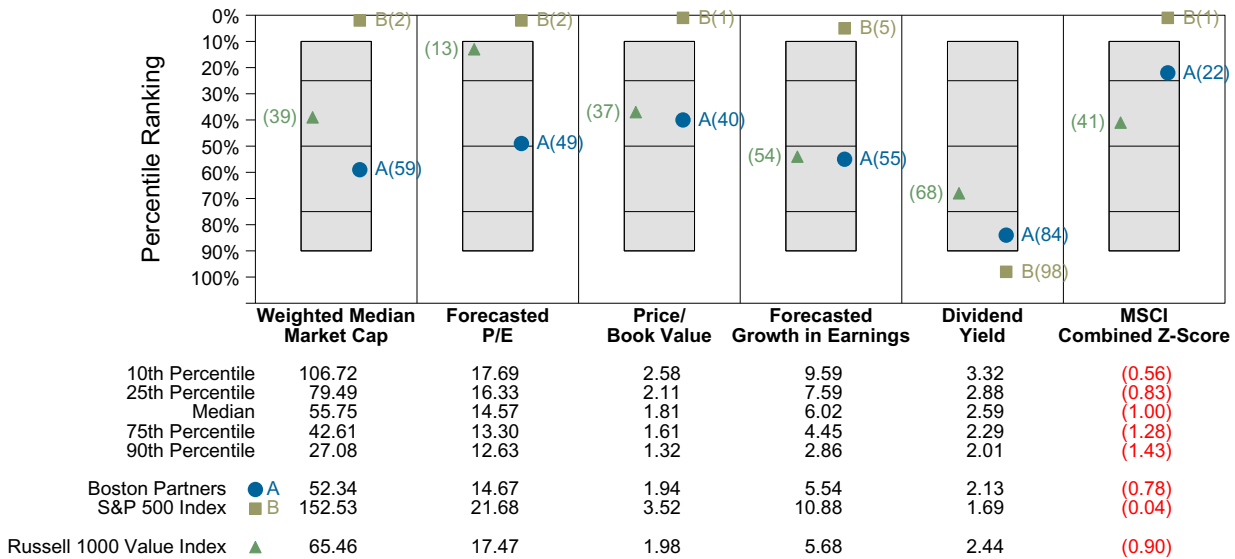


# Boston Partners Equity Characteristics Analysis Summary

## 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.

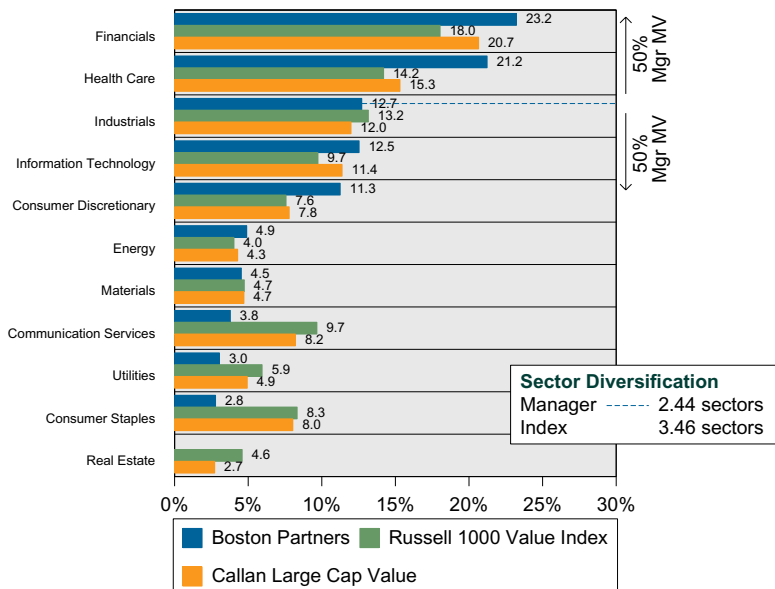
## Portfolio Characteristics Percentile Rankings Rankings Against Callan Large Cap Value as of September 30, 2020



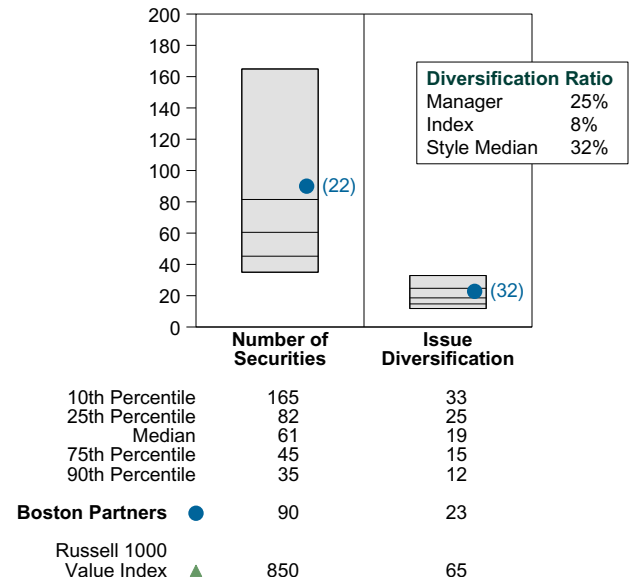
## Sector Weights

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, 2020



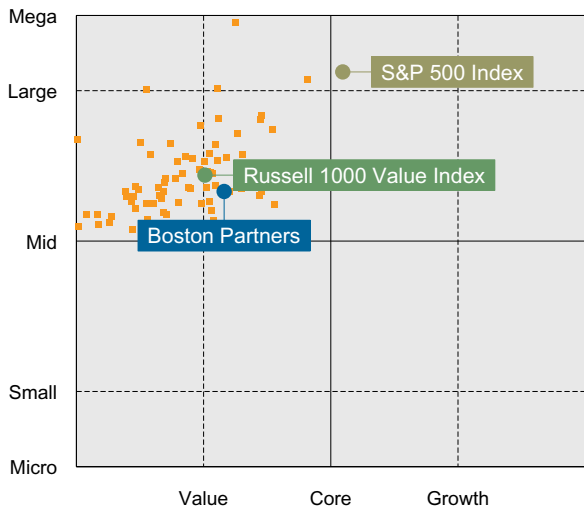
### Diversification September 30, 2020



# Current Holdings Based Style Analysis Boston Partners As of September 30, 2020

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.

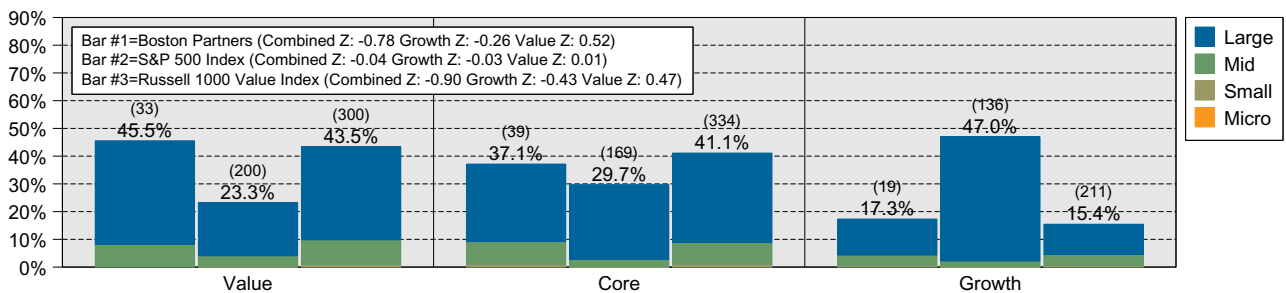
**Style Map vs Callan Large Cap Value Holdings as of September 30, 2020**



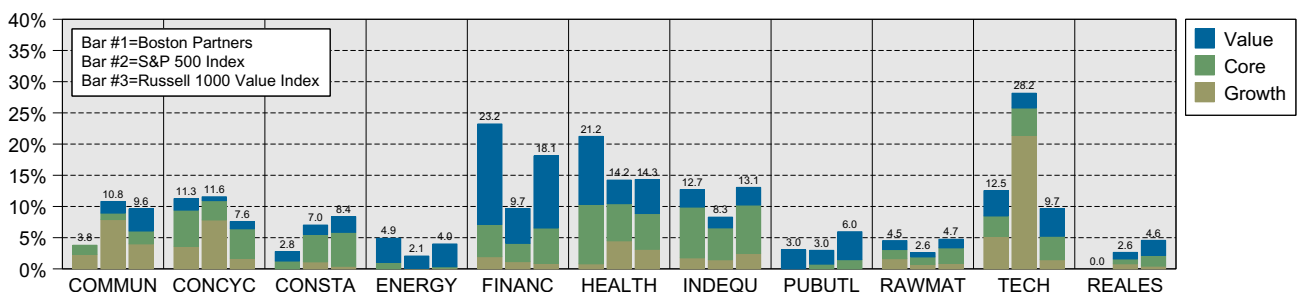
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Large	37.3% (21)	27.9% (24)	13.0% (11)	78.3% (56)
	19.2% (85)	27.0% (103)	44.8% (85)	91.0% (273)
	33.6% (86)	32.2% (97)	10.9% (50)	76.7% (233)
Mid	8.2% (12)	8.2% (13)	3.9% (7)	20.2% (32)
	4.0% (107)	2.7% (64)	2.2% (47)	8.8% (218)
	8.8% (151)	7.9% (169)	4.0% (125)	20.7% (445)
Small	0.0% (0)	1.0% (2)	0.5% (1)	1.5% (3)
	0.1% (8)	0.0% (2)	0.0% (4)	0.2% (14)
	1.0% (63)	1.0% (68)	0.6% (36)	2.6% (167)
Micro	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>45.5% (33)</b>	<b>37.1% (39)</b>	<b>17.3% (19)</b>	<b>100.0% (91)</b>
	<b>23.3% (200)</b>	<b>29.7% (169)</b>	<b>47.0% (136)</b>	<b>100.0% (505)</b>
	<b>43.5% (300)</b>	<b>41.1% (334)</b>	<b>15.4% (211)</b>	<b>100.0% (845)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



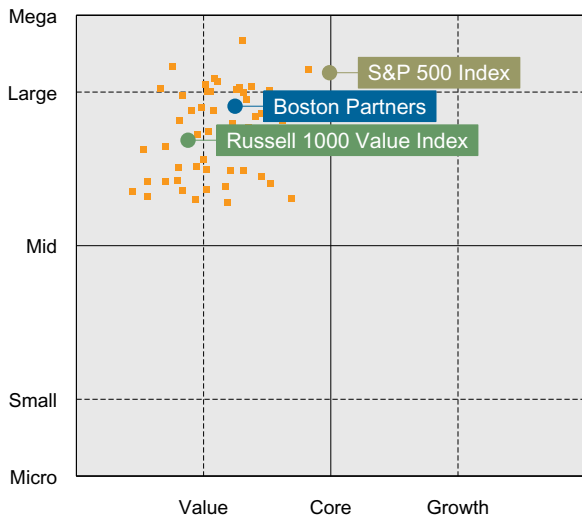
**Sector Weights Distribution Holdings as of September 30, 2020**



# Historical Holdings Based Style Analysis Boston Partners For Five Years Ended September 30, 2020

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.

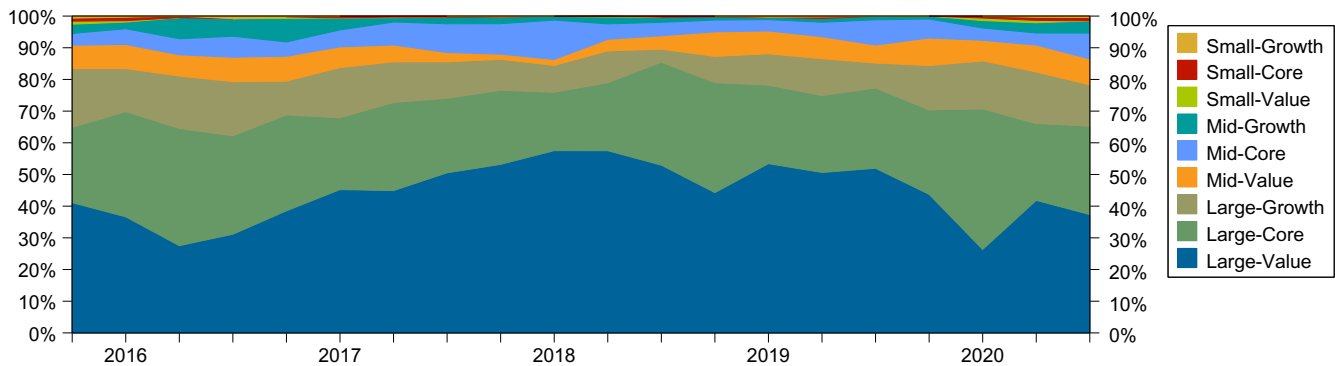
**Average Style Map vs Callan Large Cap Value Holdings for Five Years Ended September 30, 2020**



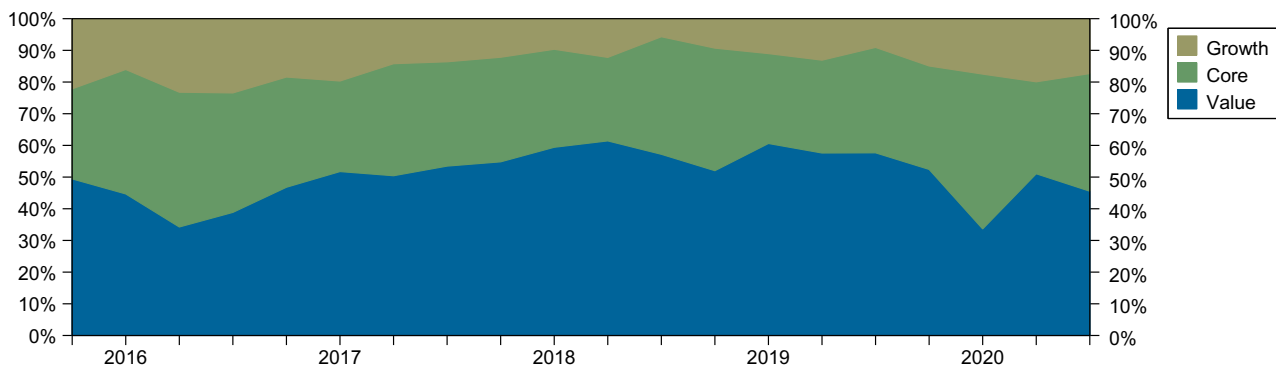
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2020**

	Value	Core	Growth	Total
Large	44.3% (29)	27.9% (20)	12.2% (13)	84.4% (62)
	29.7% (100)	27.2% (95)	32.9% (88)	89.7% (283)
Mid	48.4% (99)	25.2% (76)	4.2% (28)	77.7% (203)
	6.2% (10)	6.0% (10)	2.7% (4)	14.8% (24)
Small	3.8% (87)	3.8% (77)	2.6% (50)	10.2% (214)
	9.7% (160)	7.5% (157)	2.8% (78)	20.0% (395)
Micro	0.2% (1)	0.4% (1)	0.2% (1)	0.8% (3)
	0.0% (4)	0.0% (1)	0.0% (1)	0.1% (6)
Total	1.2% (62)	0.8% (46)	0.3% (19)	2.3% (127)
	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% (0)	0.0% (0)	0.0% (0)
Total	50.7% (40)	34.2% (31)	15.1% (18)	100.0% (89)
	33.6% (191)	31.0% (173)	35.5% (139)	100.0% (503)
Total	59.3% (321)	33.5% (279)	7.2% (125)	100.0% (725)

## Boston Partners Historical Cap/Style Exposures



## Boston Partners Historical Style Only Exposures





## Boston Partners vs Russell 1000 Value Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended September 30, 2020

### 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
Berkshire Hathaway Inc Del Cl B New	Financials	3.67%	92	2.68%	19.29%	19.29%	0.68%	0.13%
Deere & Co	Industrials	1.37%	92	0.37%	41.18%	41.51%	0.48%	0.32%
Cisco Sys Inc	Information Technology	2.81%	92	1.25%	(14.88)%	(14.88)%	(0.42)%	(0.33)%
Best Buy Inc	Consumer Discretionary	1.61%	92	0.13%	28.18%	28.17%	0.41%	0.30%
ConocoPhillips	Energy	1.61%	92	0.28%	(21.10)%	(21.03)%	(0.39)%	(0.38)%
Pfizer	Health Care	2.99%	92	1.38%	13.33%	13.33%	0.38%	0.10%
Progressive Corp Ohio	Financials	1.80%	92	0.25%	18.32%	18.33%	0.31%	0.18%
Eaton Corp Plc Shs	Industrials	1.81%	92	0.26%	17.47%	17.48%	0.30%	0.17%
Cigna Corp New	Health Care	2.71%	92	0.31%	(9.72)%	(9.72)%	(0.28)%	(0.39)%
Marathon Pete Corp	Energy	1.40%	92	0.15%	(20.29)%	(20.29)%	(0.27)%	(0.32)%

### 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
Berkshire Hathaway Inc Del Cl B New	Financials	3.67%	92	2.68%	19.29%	19.29%	0.47%	0.13%
Exxon Mobil Corp	Energy	-	-	1.17%	-	(21.72)%	(0.27)%	0.34%
Intel Corp	Information Technology	-	-	1.49%	-	(12.87)%	(0.24)%	0.30%
Comcast Corp A (New)	Communication Services	-	-	1.33%	-	18.68%	0.23%	(0.16)%
Chevron Corp New	Energy	0.36%	86	1.06%	(18.45)%	(18.12)%	(0.20)%	0.17%
Walmart Inc	Consumer Staples	-	-	1.25%	-	17.29%	0.20%	(0.14)%
Cisco Sys Inc	Information Technology	2.81%	92	1.25%	(14.88)%	(14.88)%	(0.20)%	(0.33)%
Procter & Gamble Co	Consumer Staples	-	-	1.20%	-	16.97%	0.19%	(0.13)%
Fedex Corp	Industrials	-	-	0.32%	-	79.91%	0.18%	(0.19)%
Pfizer	Health Care	2.99%	92	1.38%	13.33%	13.33%	0.18%	0.10%

### Positions with Largest Positive Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Exxon Mobil Corp	Energy	-	-	1.17%	-	(21.72)%	-	0.34%
Deere & Co	Industrials	1.37%	92	0.37%	41.18%	41.51%	0.48%	0.32%
Intel Corp	Information Technology	-	-	1.49%	-	(12.87)%	-	0.30%
Best Buy Inc	Consumer Discretionary	1.61%	92	0.13%	28.18%	28.17%	0.41%	0.30%
Progressive Corp Ohio	Financials	1.80%	92	0.25%	18.32%	18.33%	0.31%	0.18%
Eaton Corp Plc Shs	Industrials	1.81%	92	0.26%	17.47%	17.48%	0.30%	0.17%
Chevron Corp New	Energy	0.36%	86	1.06%	(18.45)%	(18.12)%	(0.07)%	0.17%
Owens Corning New	Industrials	1.06%	92	0.05%	23.91%	23.91%	0.23%	0.17%
Lennar Corp A	Consumer Discretionary	0.82%	92	0.13%	32.82%	32.81%	0.24%	0.16%
Gilead Sciences	Health Care	-	-	0.59%	-	(17.03)%	-	0.15%

### Positions with Largest Negative Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Cigna Corp New	Health Care	2.71%	92	0.31%	(9.72)%	(9.72)%	(0.28)%	(0.39)%
ConocoPhillips	Energy	1.61%	92	0.28%	(21.10)%	(21.03)%	(0.39)%	(0.38)%
Cisco Sys Inc	Information Technology	2.81%	92	1.25%	(14.88)%	(14.88)%	(0.42)%	(0.33)%
Marathon Pete Corp	Energy	1.40%	92	0.15%	(20.29)%	(20.29)%	(0.27)%	(0.32)%
American Intl Group Inc	Financials	1.58%	92	0.17%	(10.76)%	(10.75)%	(0.17)%	(0.24)%
Chubb Limited	Financials	2.07%	92	0.38%	(7.68)%	(7.68)%	(0.15)%	(0.23)%
Micron Technology Inc	Information Technology	1.64%	92	0.36%	(8.85)%	(8.85)%	(0.16)%	(0.21)%
Fedex Corp	Industrials	-	-	0.32%	-	79.91%	-	(0.19)%
Valero Energy Corp New	Energy	0.75%	92	0.14%	(24.85)%	(25.01)%	(0.22)%	(0.19)%
Comcast Corp A (New)	Communication Services	-	-	1.33%	-	18.68%	-	(0.16)%

# Atlanta Capital Period Ended September 30, 2020

## 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.

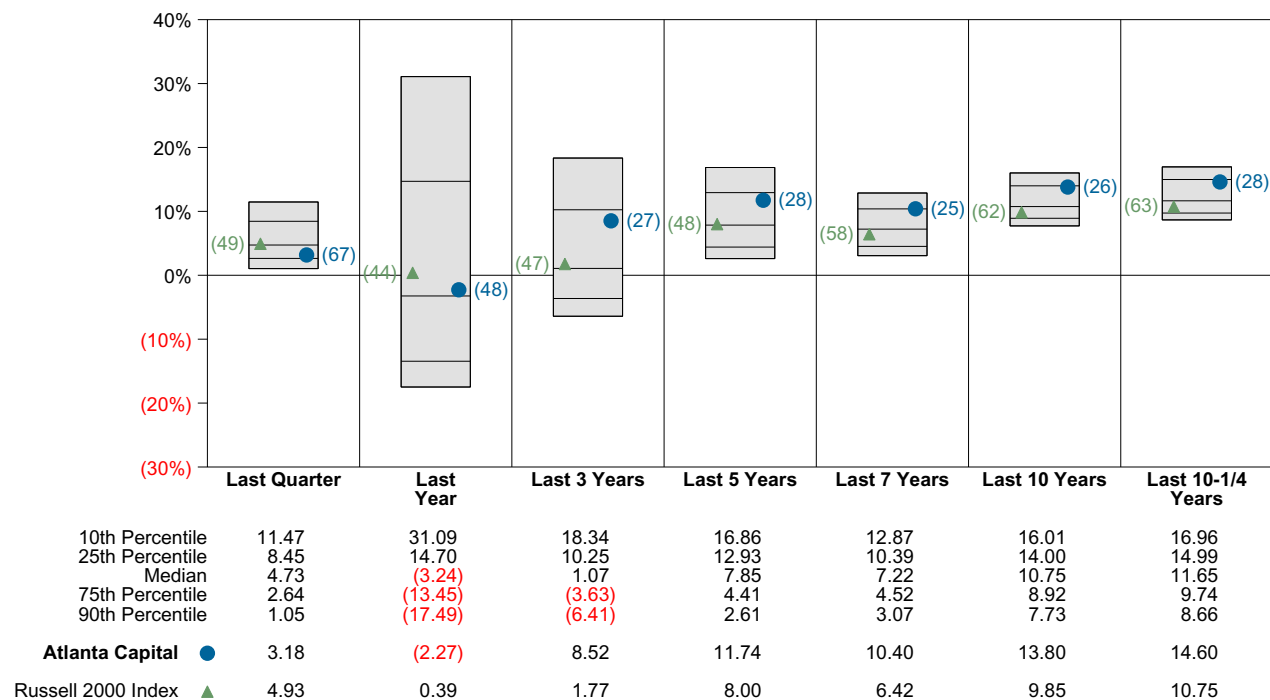
## Quarterly Summary and Highlights

- Atlanta Capital's portfolio posted a 3.18% return for the quarter placing it in the 67 percentile of the Callan Small Capitalization group for the quarter and in the 48 percentile for the last year.
- Atlanta Capital's portfolio underperformed the Russell 2000 Index by 1.75% for the quarter and underperformed the Russell 2000 Index for the year by 2.66%.

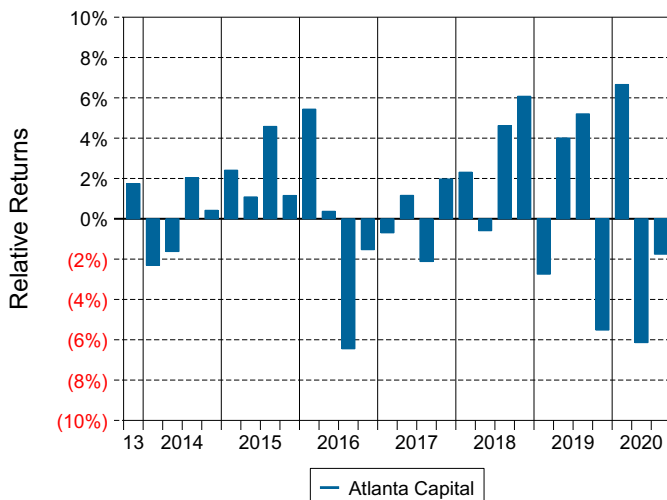
## Quarterly Asset Growth

Beginning Market Value	\$25,404,871
Net New Investment	\$-0
Investment Gains/(Losses)	\$807,308
Ending Market Value	\$26,212,180

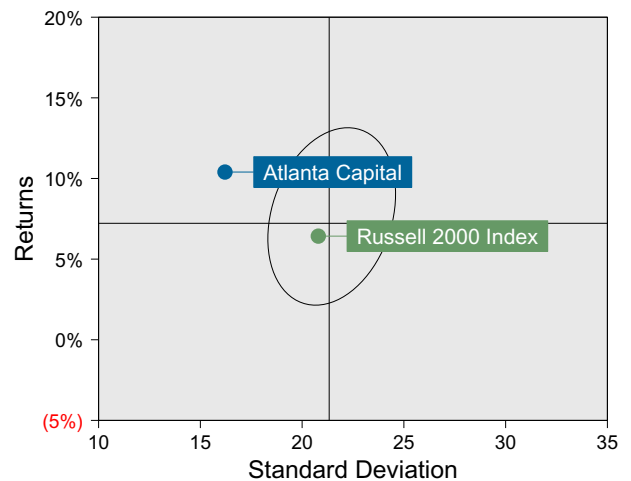
## Performance vs Callan Small Capitalization (Gross)



## Relative Return vs Russell 2000 Index



## Callan Small Capitalization (Gross) Annualized Seven Year Risk vs Return

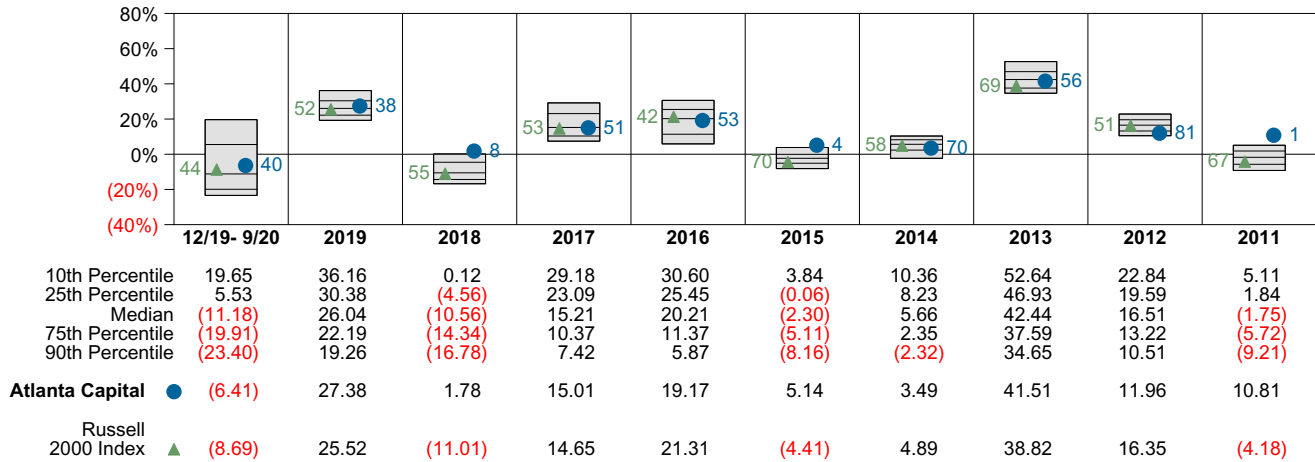


# Atlanta Capital Return Analysis Summary

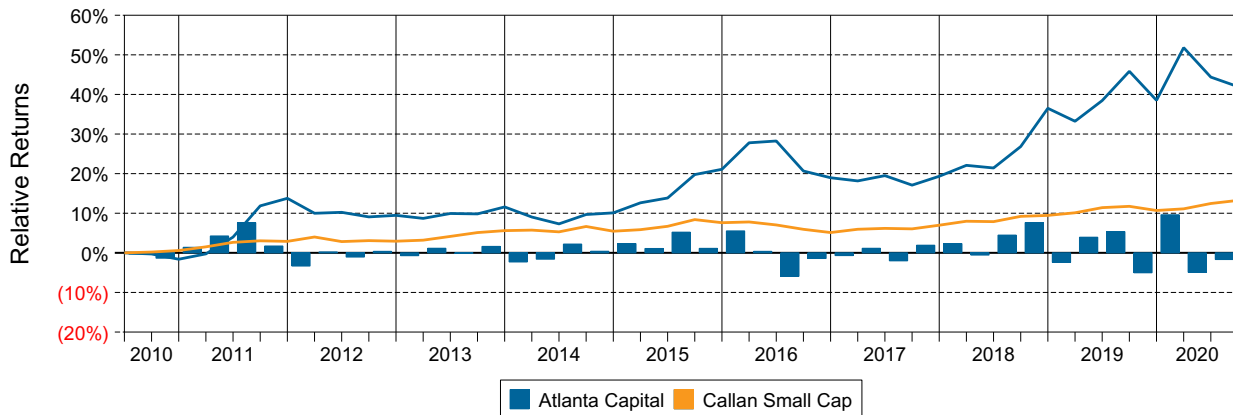
## Return Analysis

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.

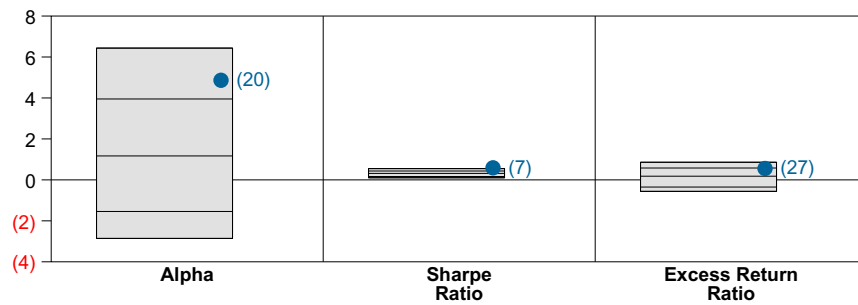
### Performance vs Callan Small Capitalization (Gross)



### 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, 2020



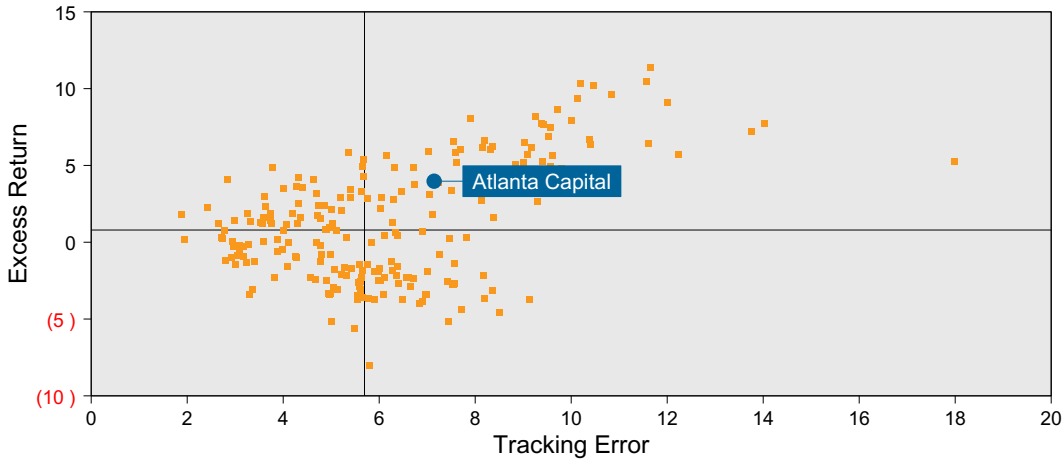
10th Percentile	6.43	0.55	0.86
25th Percentile	3.95	0.43	0.58
Median	1.17	0.32	0.18
75th Percentile	(1.54)	0.16	(0.35)
90th Percentile	(2.86)	0.10	(0.56)
<b>Atlanta Capital</b>	● 4.86	0.59	0.56

# Atlanta Capital Risk Analysis Summary

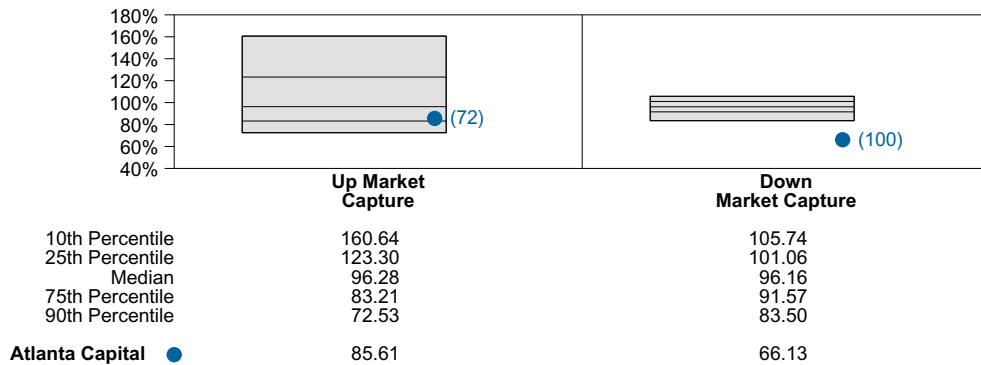
## Risk Analysis

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.

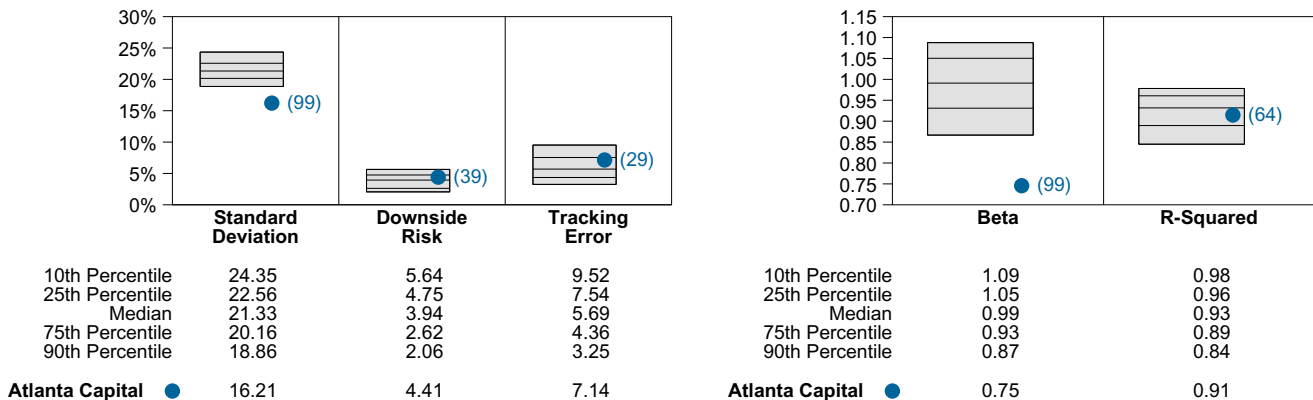
### Risk Analysis vs Callan Small Capitalization (Gross) Seven Years Ended September 30, 2020



### Market Capture vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended September 30, 2020



### Risk Statistics Rankings vs Russell 2000 Index Rankings Against Callan Small Capitalization (Gross) Seven Years Ended September 30, 2020

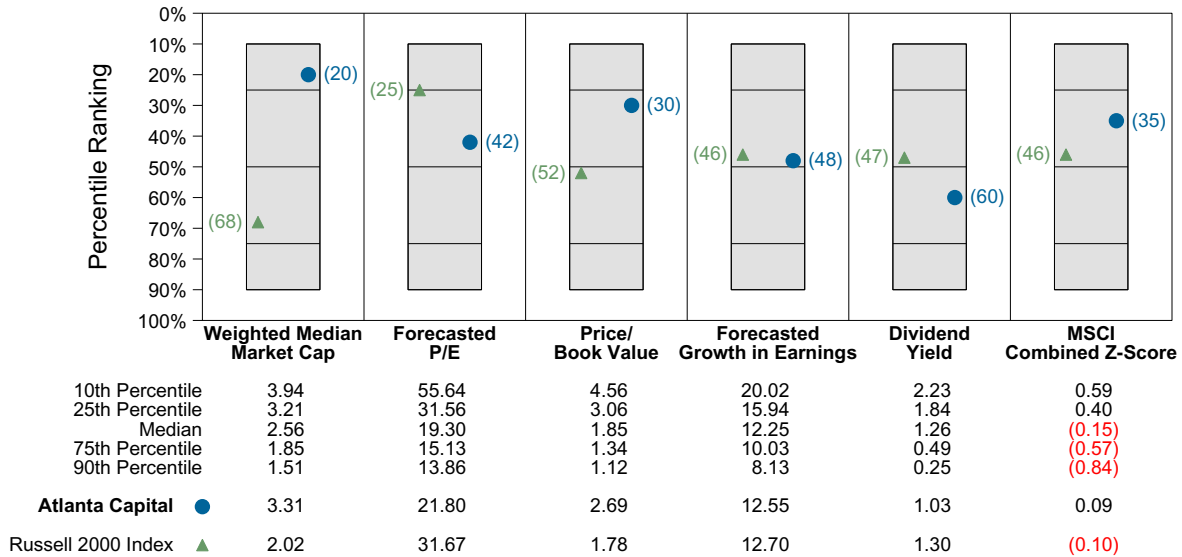


# Atlanta Capital Equity Characteristics Analysis Summary

## Portfolio Characteristics

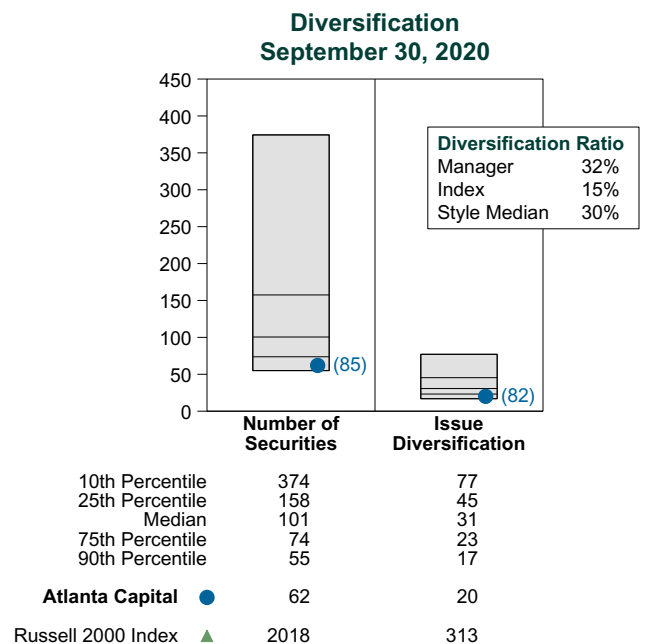
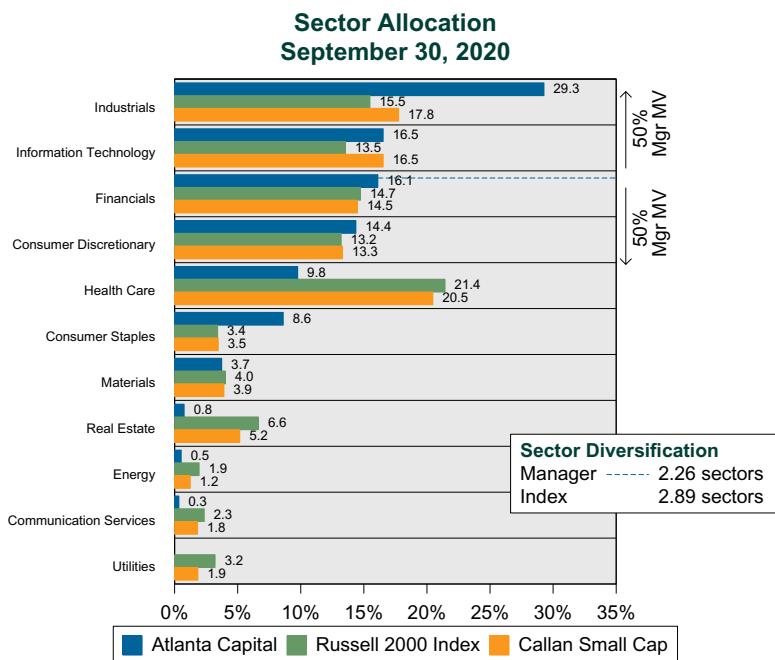
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Small Capitalization as of September 30, 2020



## 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.



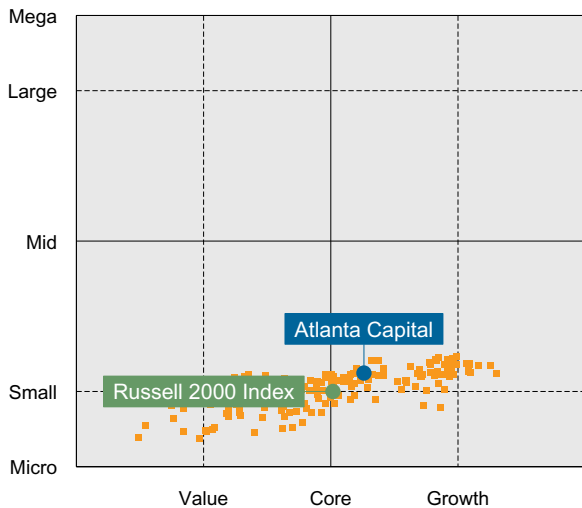
# Current Holdings Based Style Analysis

## Atlanta Capital

### As of September 30, 2020

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.

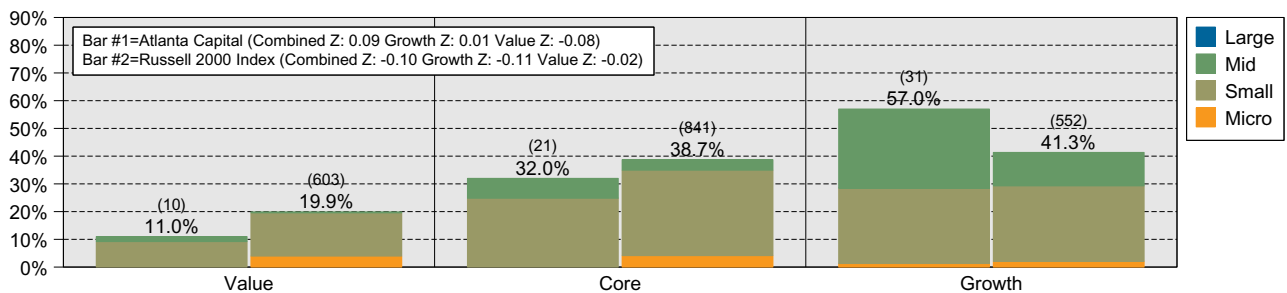
**Style Map vs Callan Small Cap Holdings as of September 30, 2020**



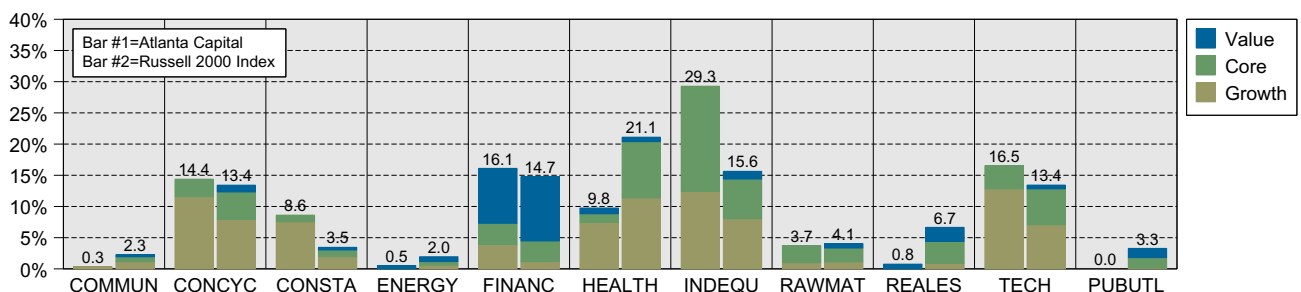
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	1.8% (2)	7.2% (4)	28.5% (13)	37.5% (19)
Small	9.2% (8)	24.8% (17)	27.2% (17)	61.2% (42)
Micro	0.0% (0)	0.0% (0)	1.3% (1)	1.3% (1)
<b>Total</b>	<b>11.0% (10)</b>	<b>32.0% (21)</b>	<b>57.0% (31)</b>	<b>100.0% (62)</b>
	19.9% (603)	38.7% (841)	41.3% (552)	100.0% (1996)

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



**Sector Weights Distribution Holdings as of September 30, 2020**



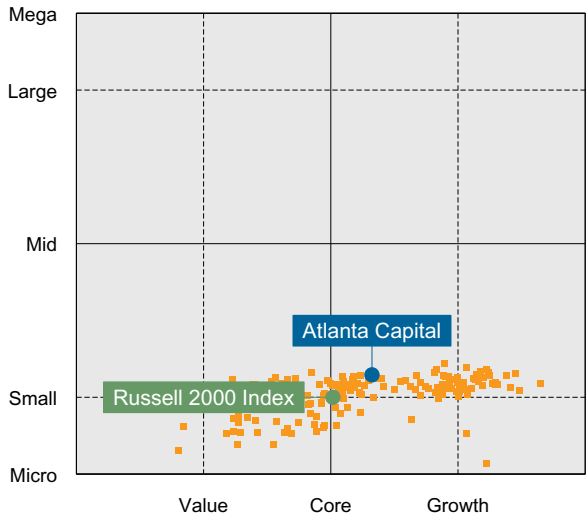
# Historical Holdings Based Style Analysis

## Atlanta Capital

### For Five Years Ended September 30, 2020

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.

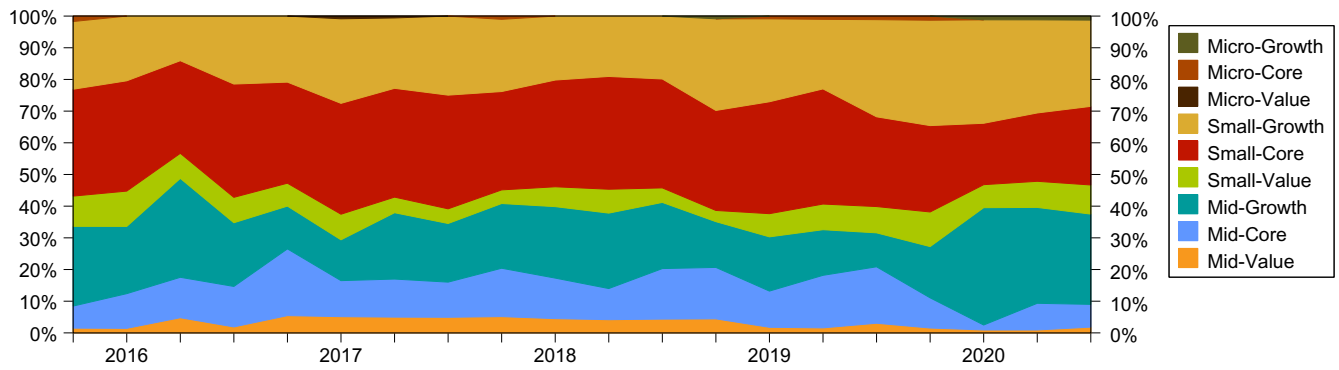
**Average Style Map vs Callan Small Cap Holdings for Five Years Ended September 30, 2020**



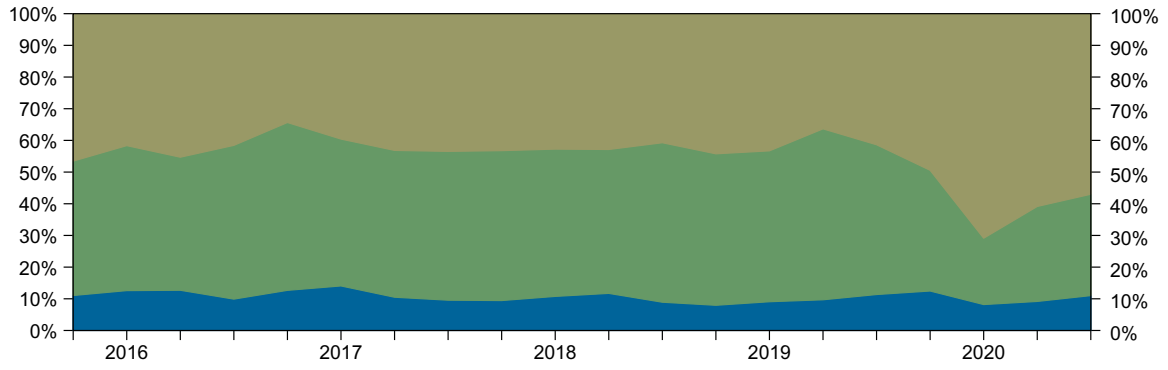
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2020**

	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Large	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Mid	3.2% (2)	12.1% (5)	21.0% (10)	36.3% (17)
Small	7.4% (6)	31.5% (22)	24.2% (14)	63.1% (42)
Micro	0.1% (0)	0.4% (0)	0.2% (0)	0.7% (0)
<b>Total</b>	<b>10.6% (8)</b>	<b>43.9% (27)</b>	<b>45.4% (24)</b>	<b>100.0% (59)</b>
	24.8% (570)	39.7% (827)	35.5% (582)	100.0% (1979)
	Value	Core	Growth	Total

**Atlanta Capital Historical Cap/Style Exposures**



**Atlanta Capital Historical Style Only Exposures**



## Atlanta Capital vs Russell 2000 Index Domestic Equity Top 10 Contribution Holdings One Quarter Ended September 30, 2020

### 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
Emergent Biosolutions Inc	Health Care	2.34%	92	0.26%	30.88%	30.66%	0.93%	0.60%
Kinsale Cap Group Inc	Financials	3.33%	92	0.21%	22.53%	22.58%	0.79%	0.57%
Dorman Products Inc	Consumer Discretionary	2.49%	92	0.11%	34.75%	34.75%	0.76%	0.61%
Inter Parfums Inc	Consumer Staples	2.19%	92	0.04%	(22.77)%	(22.43)%	(0.56)%	(0.64)%
Kirby Corp	Industrials	1.34%	92	-	(32.47)%	-	(0.49)%	(0.57)%
Caseys General Stores	Consumer Staples	2.60%	92	-	18.96%	-	0.45%	0.34%
Moog Inc Cl A	Industrials	2.00%	92	0.09%	20.40%	20.40%	0.39%	0.28%
Beacon Roofing Supply Inc	Industrials	2.02%	92	0.09%	17.82%	17.83%	0.33%	0.23%
Artisan Partners Asset Mgmt Cl A	Financials	1.61%	92	0.11%	22.09%	22.09%	0.33%	0.24%
Universal Health Rlty Incm T Sh Ben	Real Estate	0.91%	92	0.05%	(27.55)%	(27.55)%	(0.28)%	(0.31)%

### 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
Sunrun	Industrials	-	-	0.29%	-	290.83%	0.36%	(0.46)%
Penn Natl Gaming Inc	Consumer Discretionary	-	-	0.35%	-	138.05%	0.31%	(0.39)%
Irhythm Technologies Inc	Health Care	-	-	0.26%	-	105.45%	0.18%	(0.23)%
Inovio Pharmaceuticals Inc	Health Care	-	-	0.14%	-	(56.95)%	(0.13)%	0.11%
Momenta Pharmaceuticals Inc	Health Care	-	-	0.26%	-	57.74%	0.12%	(0.15)%
Rh	Consumer Discretionary	-	-	0.28%	-	53.72%	0.12%	(0.12)%
Caesars Entertainment Inc Ne	Consumer Discretionary	-	-	0.30%	-	39.94%	0.12%	(0.16)%
Myokardia Inc	Health Care	-	-	0.28%	-	41.10%	0.10%	(0.11)%
Mirati Therapeutics Inc	Health Care	-	-	0.27%	-	45.44%	0.10%	(0.10)%
Topbuild	Consumer Discretionary	-	-	0.25%	-	50.03%	0.10%	(0.10)%

### 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
Dorman Products Inc	Consumer Discretionary	2.49%	92	0.11%	34.75%	34.75%	0.76%	0.61%
Emergent Biosolutions Inc	Health Care	2.34%	92	0.26%	30.88%	30.66%	0.93%	0.60%
Kinsale Cap Group Inc	Financials	3.33%	92	0.21%	22.53%	22.58%	0.79%	0.57%
Caseys General Stores	Consumer Staples	2.60%	92	-	18.96%	-	0.45%	0.34%
Moog Inc Cl A	Industrials	2.00%	92	0.09%	20.40%	20.40%	0.39%	0.28%
Artisan Partners Asset Mgmt Cl A	Financials	1.61%	92	0.11%	22.09%	22.09%	0.33%	0.24%
Beacon Roofing Supply Inc	Industrials	2.02%	92	0.09%	17.82%	17.83%	0.33%	0.23%
Forward Air Corp	Industrials	1.73%	92	0.08%	15.53%	15.53%	0.25%	0.17%
Simpson Manufacturing Co Inc	Industrials	1.85%	92	0.22%	15.77%	15.78%	0.28%	0.16%
Mesa Labs Inc	Health Care	1.21%	92	0.05%	17.59%	17.59%	0.20%	0.13%

### Positions with Largest Negative Contribution to Excess Return

Issue	Sector	Manager Eff Wt	Days Held	Index Eff Wt	Manager Return	Index Return	Contrib Manager Perf	Contrib Excess Return
Inter Parfums Inc	Consumer Staples	2.19%	92	0.04%	(22.77)%	(22.43)%	(0.56)%	(0.64)%
Kirby Corp	Industrials	1.34%	92	-	(32.47)%	-	(0.49)%	(0.57)%
Sunrun	Industrials	-	-	0.29%	-	290.83%	-	(0.46)%
Penn Natl Gaming Inc	Consumer Discretionary	-	-	0.35%	-	138.05%	-	(0.39)%
Universal Health Rlty Incm T Sh Ben	Real Estate	0.91%	92	0.05%	(27.55)%	(27.55)%	(0.28)%	(0.31)%
Monro Inc	Consumer Discretionary	0.94%	92	0.09%	(25.81)%	(25.81)%	(0.25)%	(0.28)%
Frontdoor Inc Com	Consumer Discretionary	1.56%	92	-	(12.23)%	-	(0.19)%	(0.27)%
Fti Consulting	Industrials	2.15%	92	-	(7.49)%	-	(0.15)%	(0.26)%
Seres Therapeutics Inc	Health Care	-	-	0.04%	-	494.74%	-	(0.26)%
Exponent Inc	Industrials	1.90%	92	0.22%	(10.78)%	(10.78)%	(0.19)%	(0.26)%





# International Equity Period Ended September 30, 2020

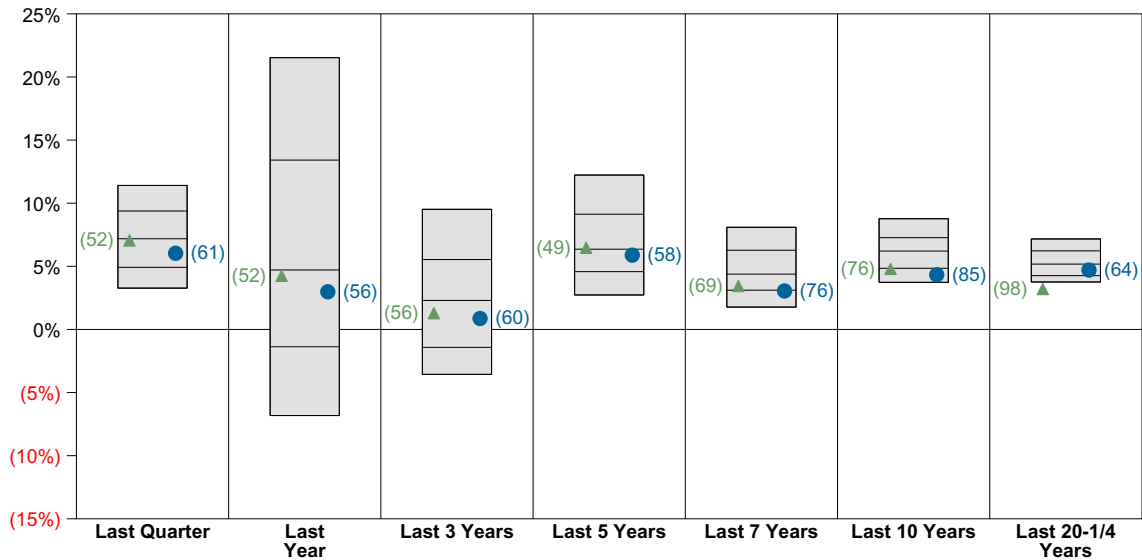
## Investment Philosophy

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

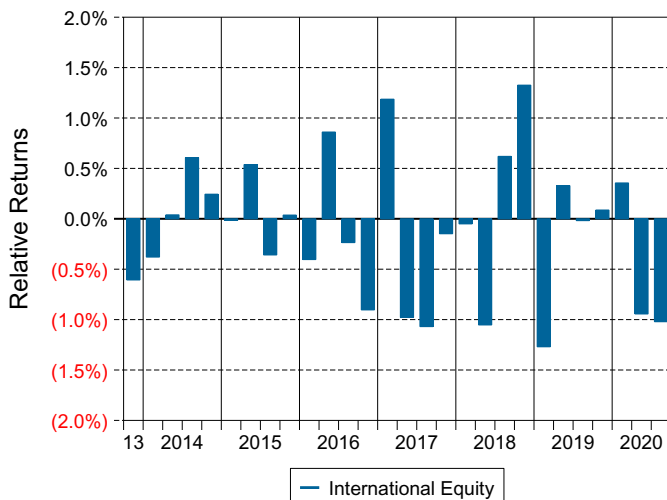
- International Equity's portfolio posted a 6.03% return for the quarter placing it in the 61 percentile of the Callan Non-US Equity group for the quarter and in the 56 percentile for the last year.
- International Equity's portfolio underperformed the International Benchmark by 1.02% for the quarter and underperformed the International Benchmark for the year by 1.27%.

## Performance vs Callan Non-US Equity (Gross)

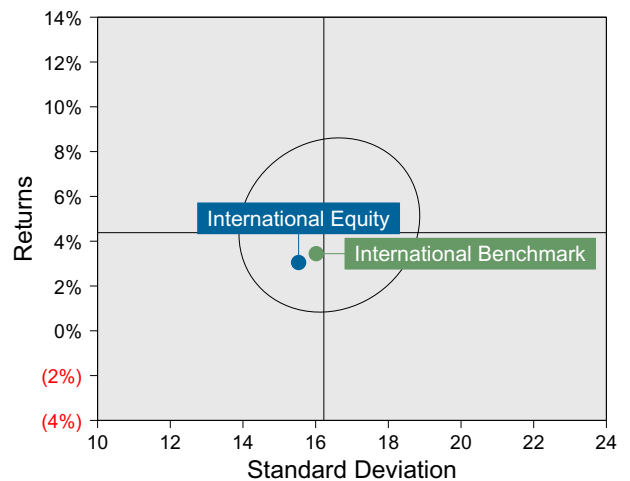


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 10 Years	Last 20-1/4 Years
10th Percentile	11.41	21.53	9.51	12.23	8.09	8.77	7.17
25th Percentile	9.38	13.42	5.54	9.13	6.27	7.27	6.23
Median	7.18	4.71	2.30	6.36	4.38	6.21	5.17
75th Percentile	4.92	(1.37)	(1.42)	4.58	3.11	4.84	4.26
90th Percentile	3.27	(6.82)	(3.56)	2.73	1.77	3.73	3.76
<b>International Equity</b> ●	6.03	2.98	0.87	5.89	3.05	4.33	4.71
International Benchmark ▲	7.06	4.25	1.29	6.47	3.44	4.81	3.20

Relative Return vs International Benchmark



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

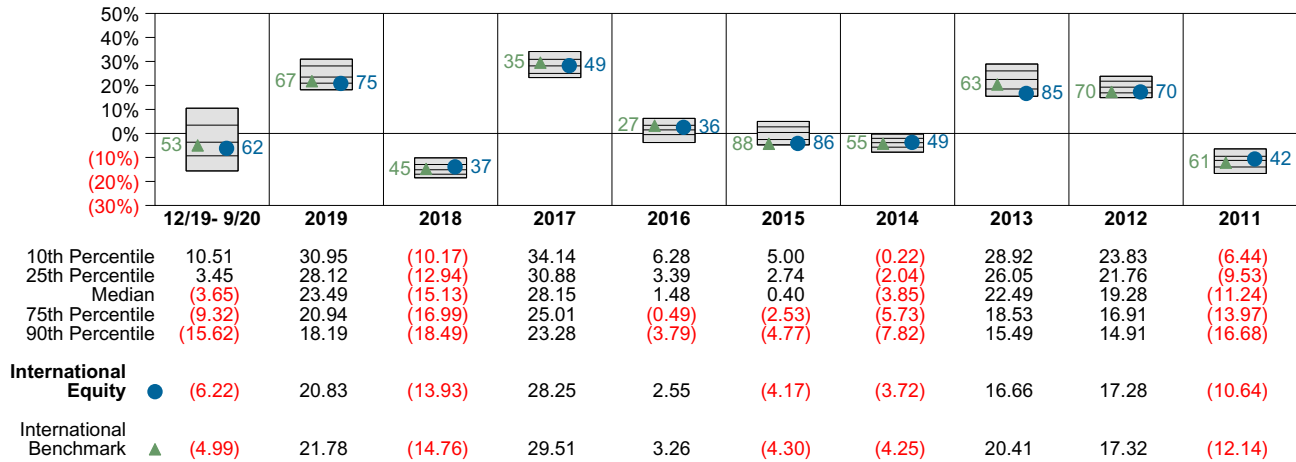


# International Equity Return Analysis Summary

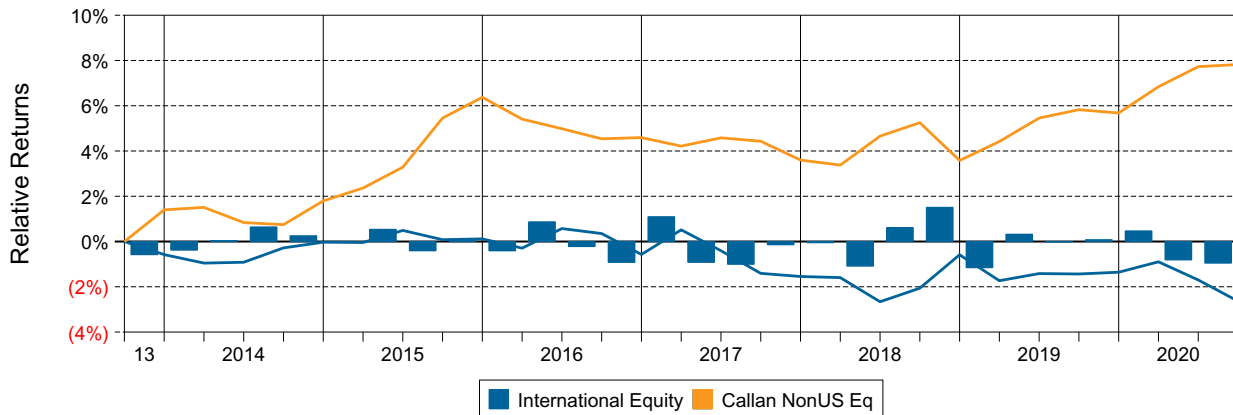
## Return Analysis

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.

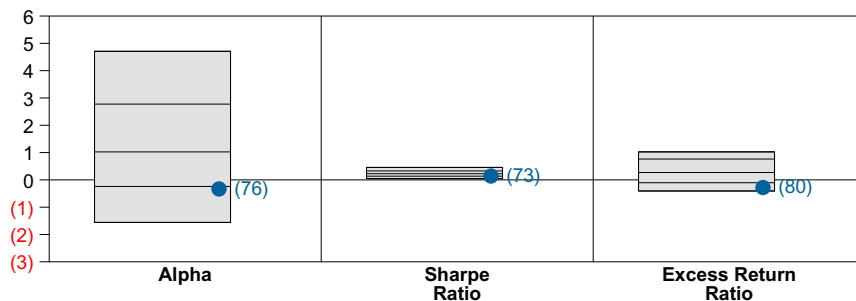
### Performance vs Callan Non-US Equity (Gross)



### Cumulative and Quarterly Relative Return vs International Benchmark



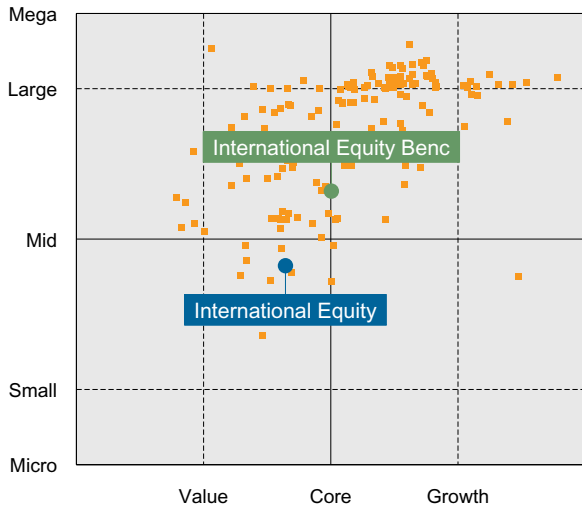
### Risk Adjusted Return Measures vs International Benchmark Rankings Against Callan Non-US Equity (Gross) Seven Years Ended September 30, 2020



# Current Holdings Based Style Analysis International Equity As of September 30, 2020

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

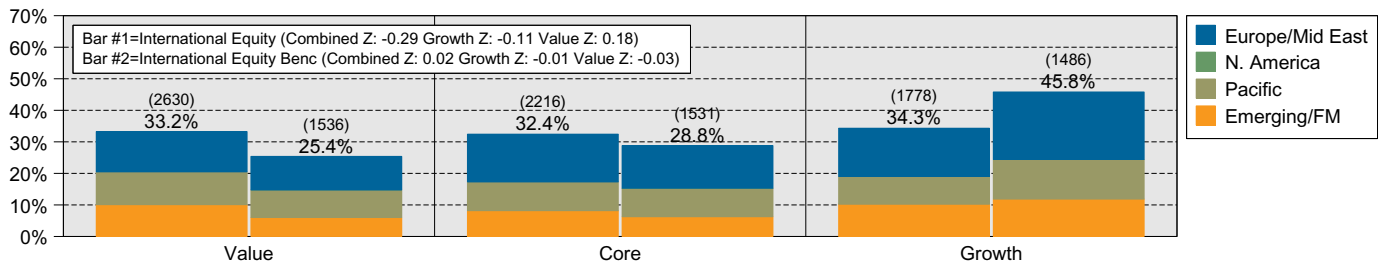
**Style Map vs Callan NonUS Eq Holdings as of September 30, 2020**



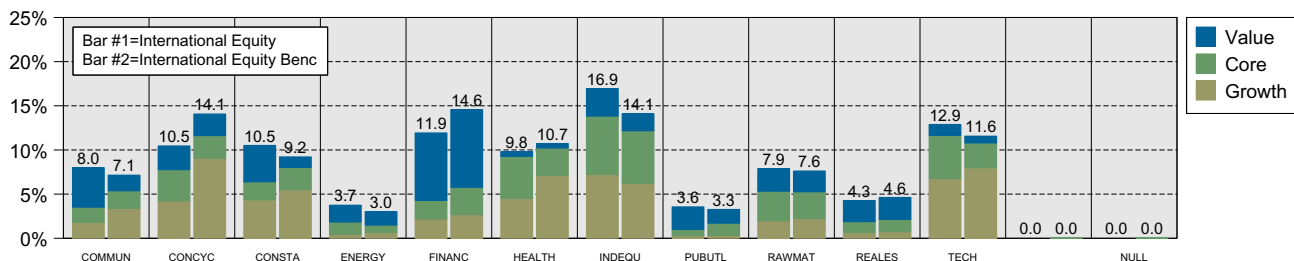
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Europe/ Mid East	12.8% (222)	15.1% (208)	15.3% (236)	43.2% (666)
N. America	10.6% (425)	13.5% (491)	21.4% (518)	45.5% (1434)
Pacific	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Emerging/ FM	0.0% (2)	0.0% (2)	0.0% (1)	0.0% (5)
<b>Total</b>	<b>33.2% (2630)</b>	<b>32.4% (2216)</b>	<b>34.3% (1778)</b>	<b>100.0% (6624)</b>
	25.4% (1536)	28.8% (1531)	45.8% (1486)	100.0% (4553)

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



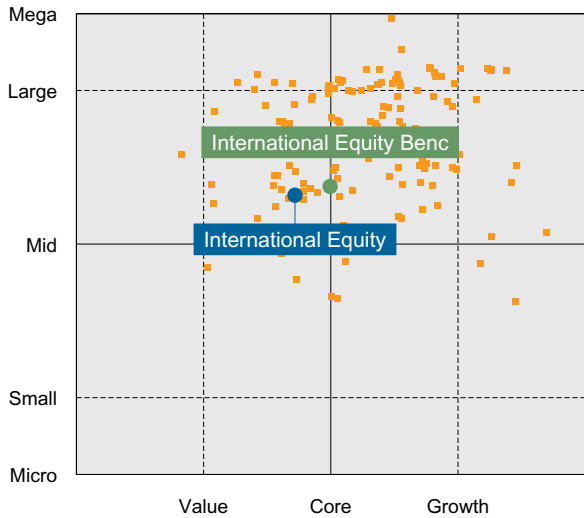
**Sector Weights Distribution Holdings as of September 30, 2020**



# Historical Holdings Based Style Analysis International Equity For Five Years Ended September 30, 2020

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.

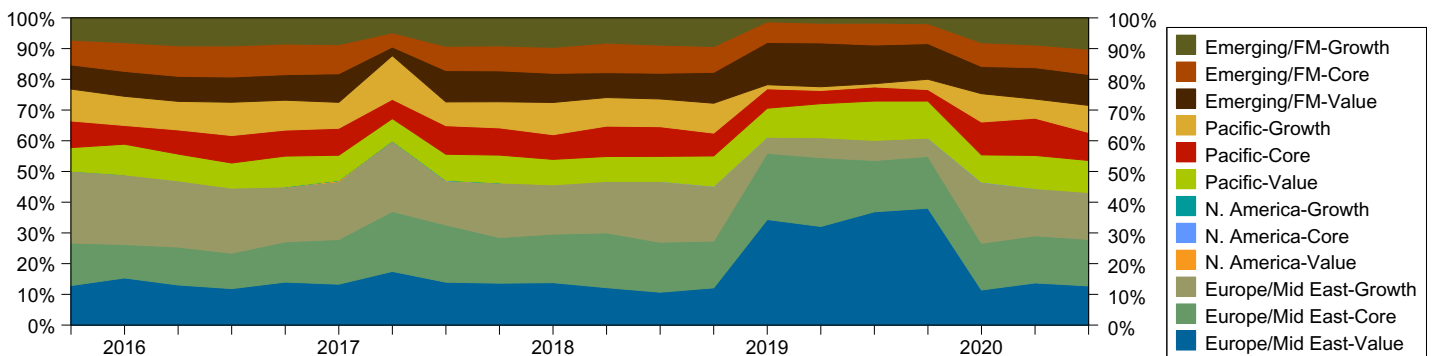
**Average Style Map vs Callan NonUS Eq Holdings for Five Years Ended September 30, 2020**



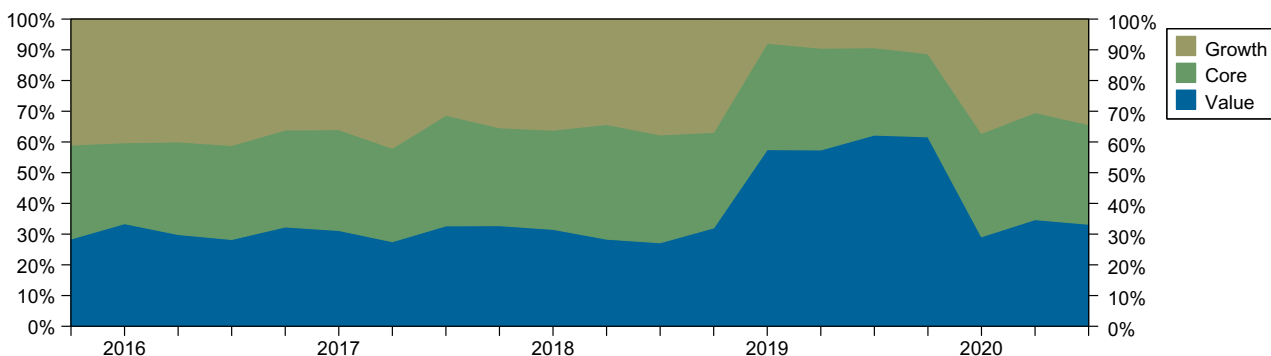
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2020**

	Value	Core	Growth	Total
Europe/ Mid East	17.7% (215)	15.9% (223)	16.3% (244)	49.8% (682)
	14.0% (398)	14.1% (458)	19.0% (460)	47.1% (1316)
N. America	0.0% (0)	0.0% (2)	0.0% (0)	0.0% (2)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	9.4% (269)	8.0% (255)	7.9% (240)	25.3% (764)
	9.3% (521)	9.1% (512)	10.7% (508)	29.2% (1541)
Emerging/ FM	9.5% (1694)	8.2% (1452)	7.2% (1056)	24.9% (4202)
	7.3% (373)	7.1% (324)	9.3% (325)	23.7% (1022)
<b>Total</b>	<b>36.6% (2178)</b>	<b>32.0% (1932)</b>	<b>31.4% (1540)</b>	<b>100.0% (5650)</b>
	30.7% (1292)	30.4% (1294)	39.0% (1293)	100.0% (3879)

**International Equity Historical Region/Style Exposures**



**International Equity Historical Style Only Exposures**



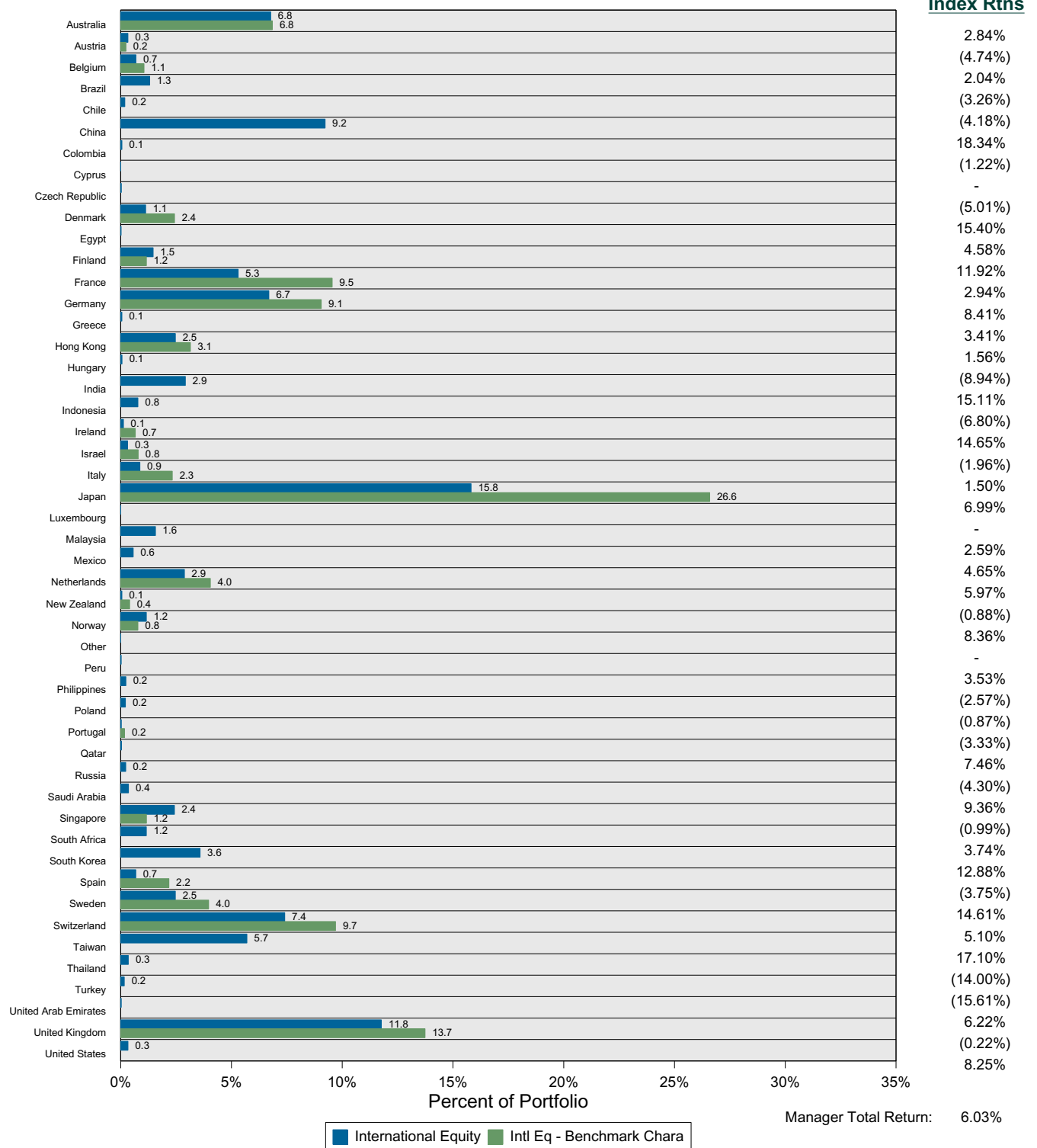
# Country Allocation

## 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, 2020. 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, 2020



# SSgA EAFE

## Period Ended September 30, 2020

### 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.

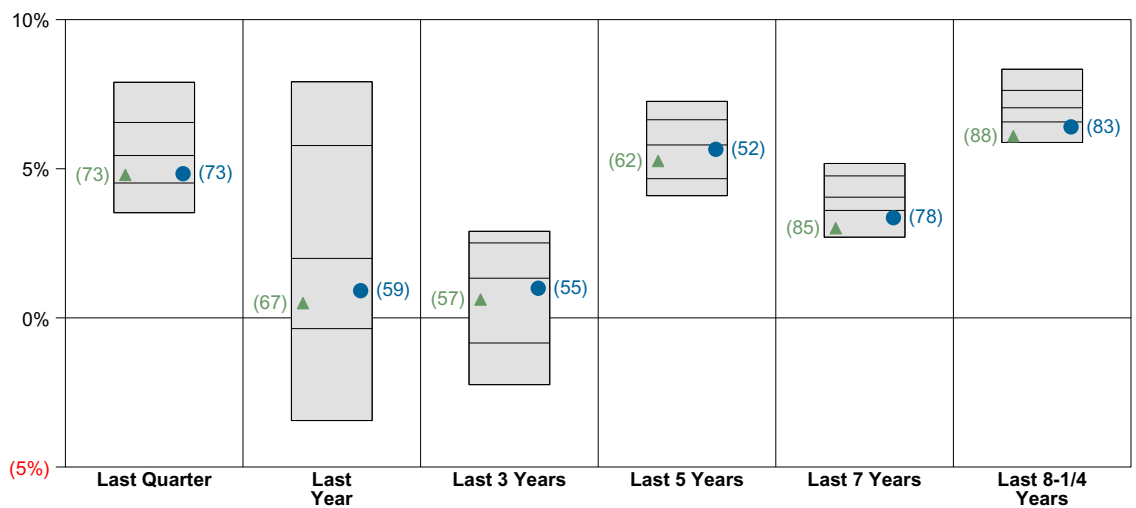
### Quarterly Summary and Highlights

- SSgA EAFE's portfolio posted a 4.83% return for the quarter placing it in the 73 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 59 percentile for the last year.
- SSgA EAFE's portfolio outperformed the MSCI EAFE Index by 0.04% for the quarter and outperformed the MSCI EAFE Index for the year by 0.42%.

### Quarterly Asset Growth

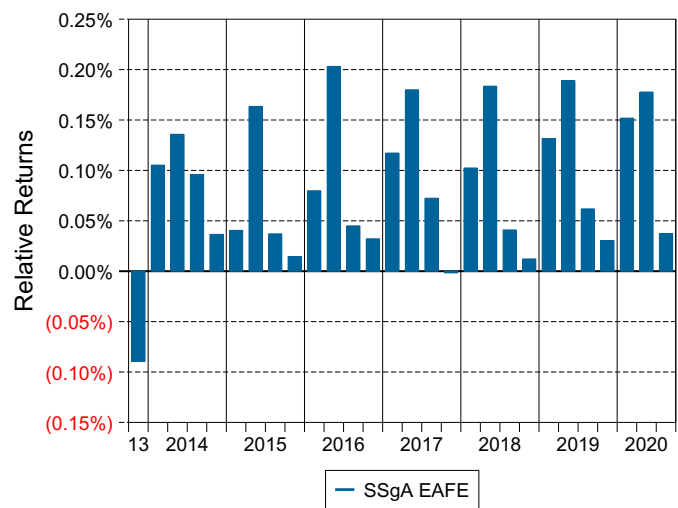
Beginning Market Value	\$13,671,693
Net New Investment	\$0
Investment Gains/(Losses)	\$660,819
Ending Market Value	\$14,332,512

### Performance vs Callan Non-US Developed Core Equity (Gross)

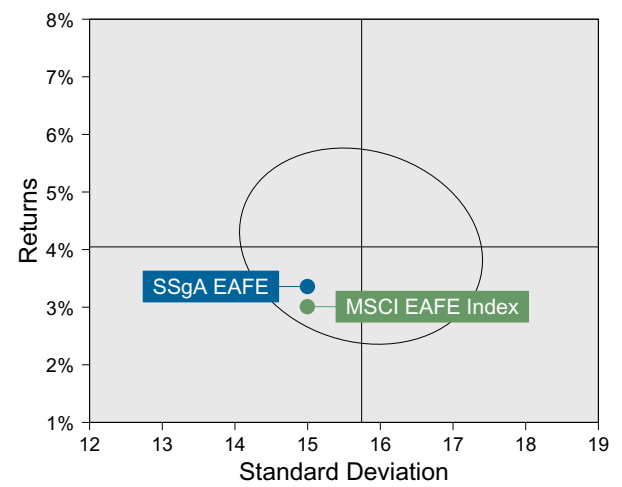


	Last Quarter	Last Year	Last 3 Years	Last 5 Years	Last 7 Years	Last 8-1/4 Years
10th Percentile	7.90	7.92	2.90	7.26	5.18	8.34
25th Percentile	6.55	5.78	2.51	6.64	4.76	7.63
Median	5.44	1.99	1.33	5.80	4.05	7.04
75th Percentile	4.52	(0.36)	(0.84)	4.67	3.60	6.57
90th Percentile	3.53	(3.44)	(2.24)	4.10	2.70	5.88
<b>SSgA EAFE</b> ●	4.83	0.91	0.99	5.65	3.36	6.40
MSCI EAFE Index ▲	4.80	0.49	0.62	5.26	3.01	6.09

### Relative Return vs MSCI EAFE Index



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

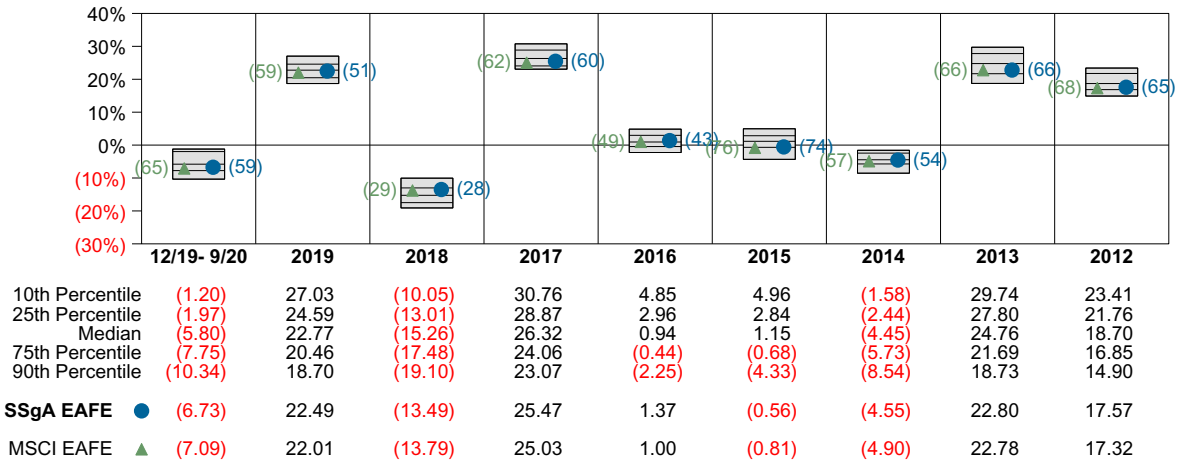


# SSgA EAFE Return Analysis Summary

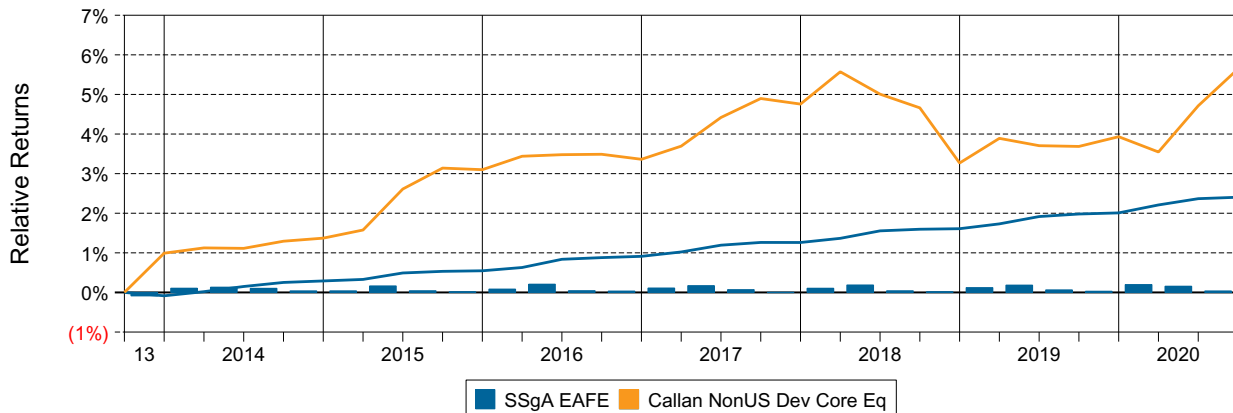
## Return Analysis

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.

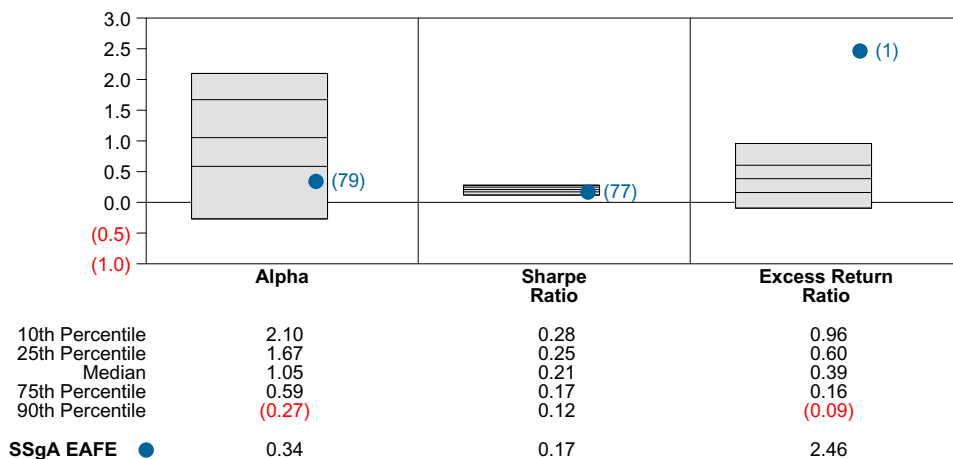
### Performance vs Callan Non-US Developed Core Equity (Gross)



### 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, 2020



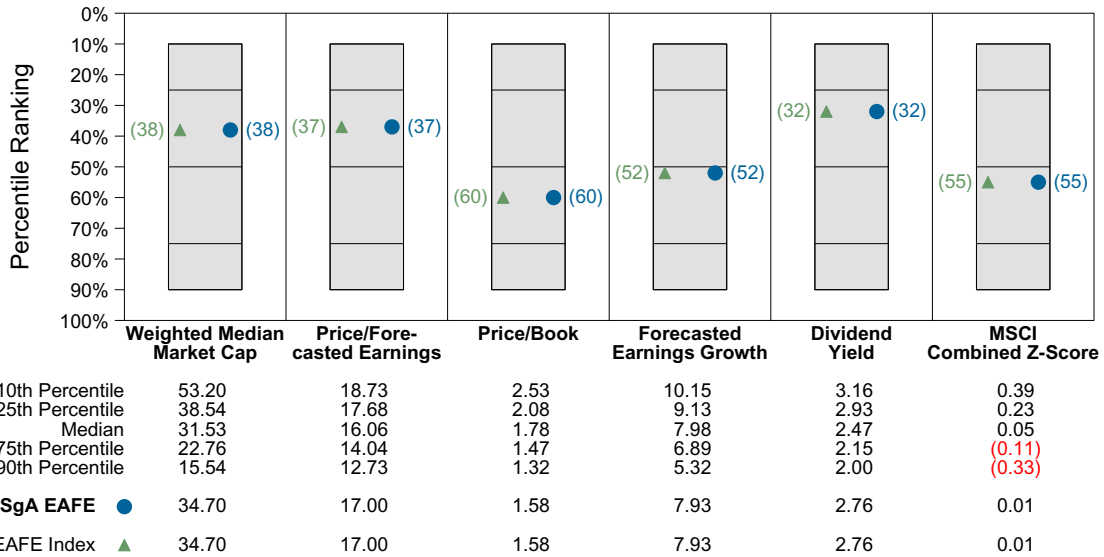


# SSgA EAFE Equity Characteristics Analysis Summary

## Portfolio Characteristics

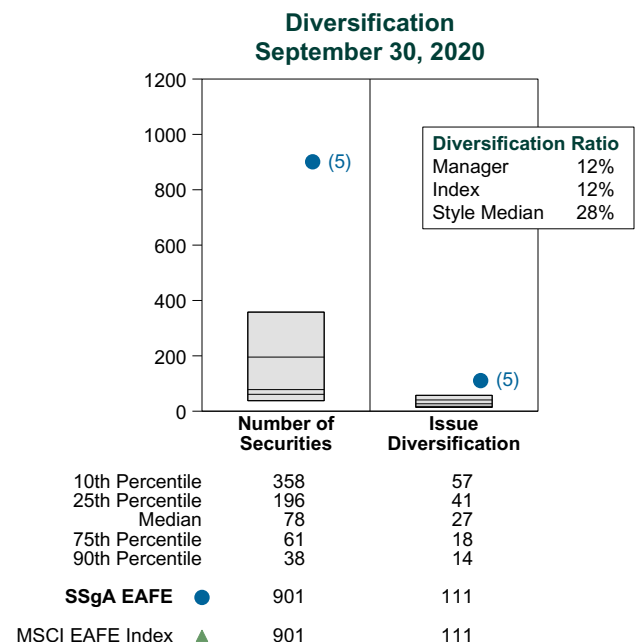
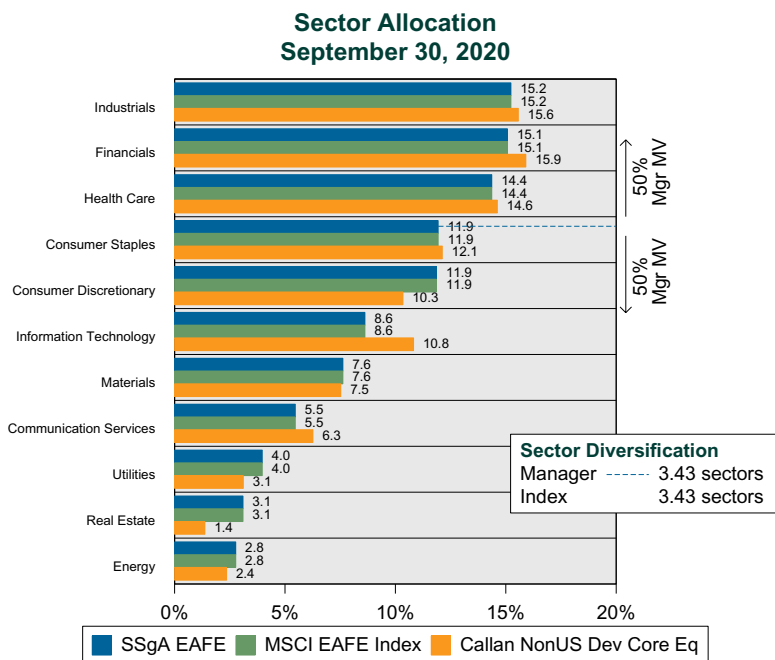
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of September 30, 2020



## 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.



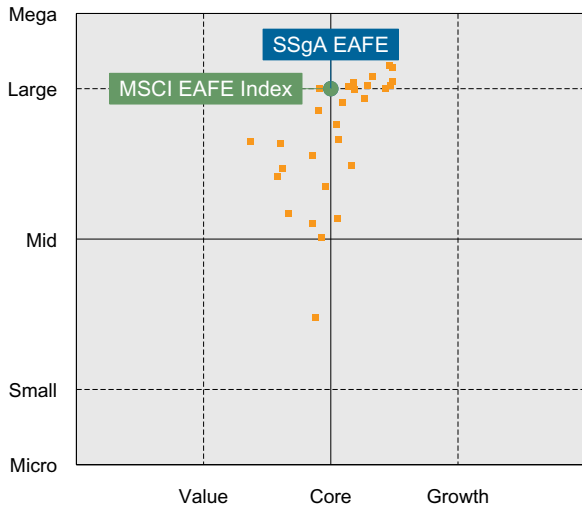
# Current Holdings Based Style Analysis

## SSgA EAFE

### As of September 30, 2020

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

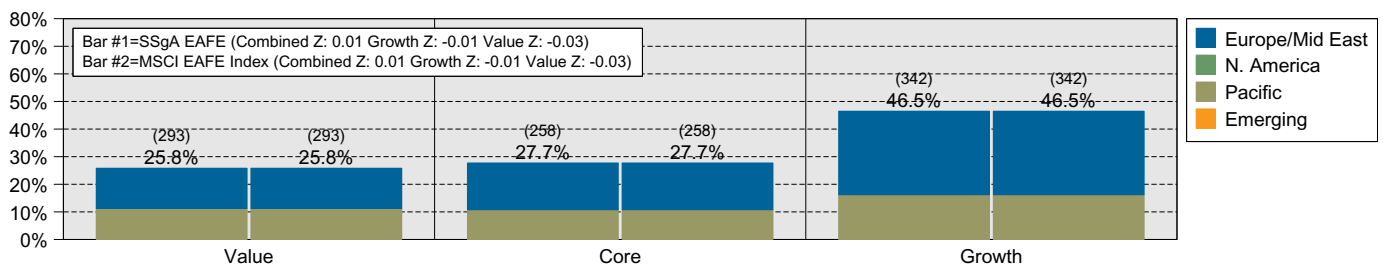
**Style Map vs Callan NonUS Dev Core Eq Holdings as of September 30, 2020**



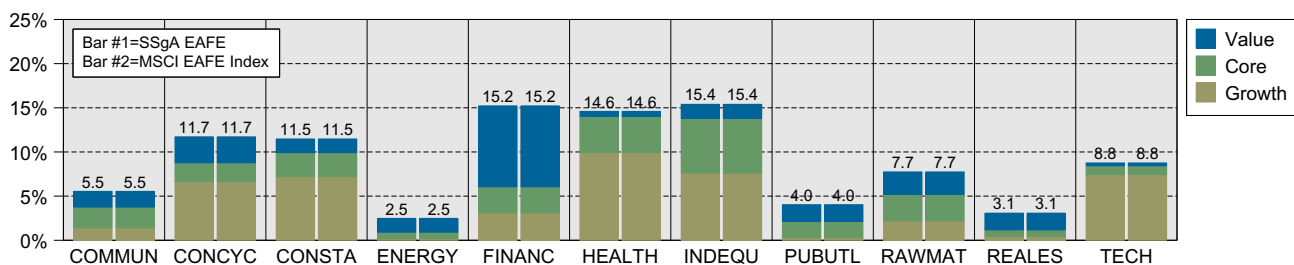
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Europe/ Mid East	14.6% (133)	16.9% (120)	30.3% (187)	61.8% (440)
N. America	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	11.2% (160)	10.8% (138)	16.2% (155)	38.2% (453)
Emerging	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>25.8% (293)</b>	<b>27.7% (258)</b>	<b>46.5% (342)</b>	<b>100.0% (893)</b>
	25.8% (293)	27.7% (258)	46.5% (342)	100.0% (893)

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



**Sector Weights Distribution Holdings as of September 30, 2020**

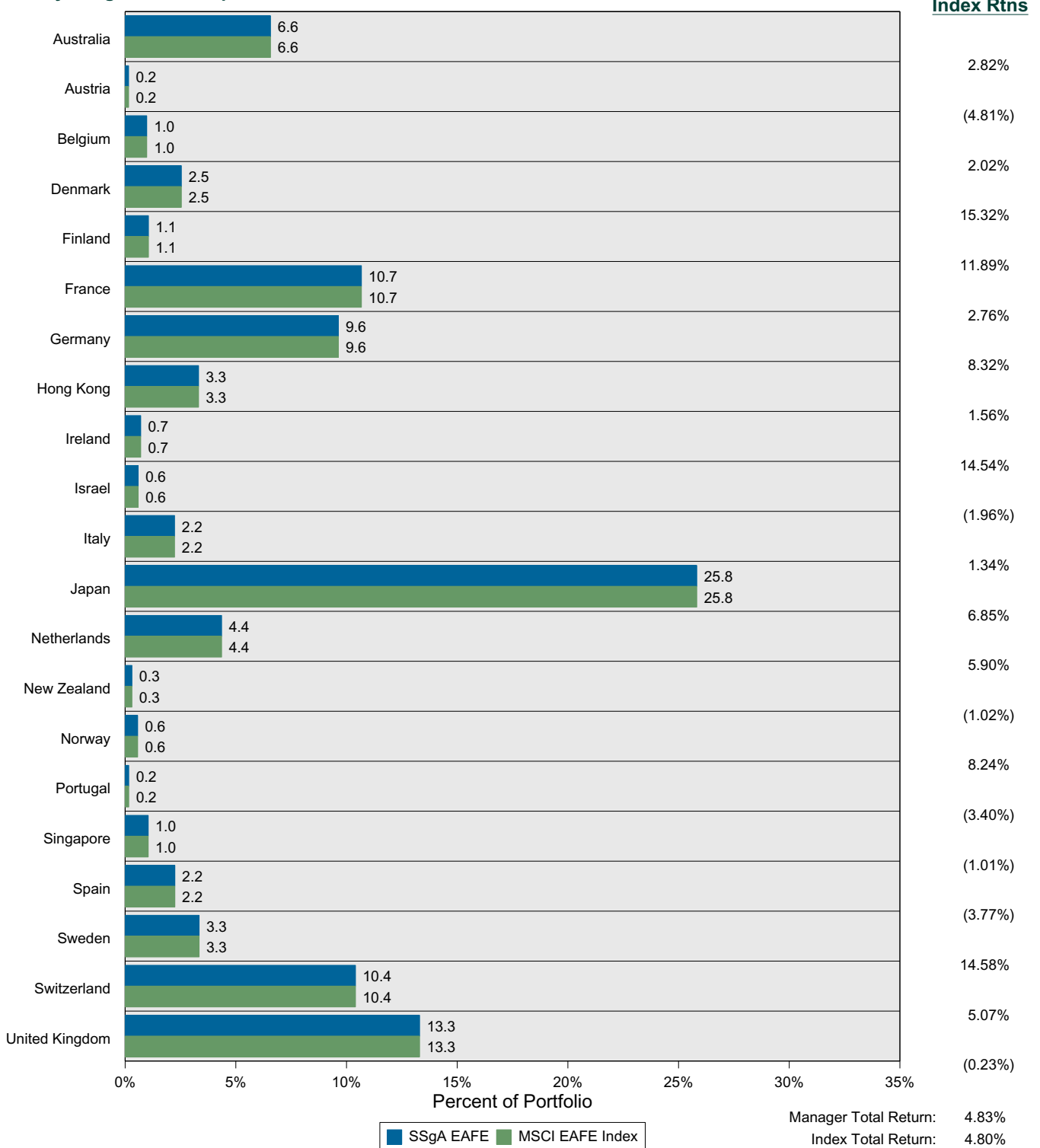


## Country Allocation SSgA EAFE VS MSCI EAFE Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2020. 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, 2020



## SSgA EAFE Top 10 Portfolio Holdings Characteristics as of September 30, 2020

### 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	\$370,901	2.6%	7.79%	342.88	24.53	2.47%	3.80%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$252,376	1.8%	(1.73)%	241.01	15.19	2.86%	6.00%
Novartis	Health Care	\$202,241	1.4%	(1.43)%	214.59	14.07	3.69%	7.83%
Sap Se Shs	Information Technology	\$170,245	1.2%	13.43%	192.40	24.05	1.18%	8.31%
Asml Holding N V Asml Rev Stk Spl	Information Technology	\$164,502	1.1%	(1.13)%	157.08	33.09	0.76%	23.44%
Astrazeneca Plc Ord	Health Care	\$150,247	1.0%	3.66%	143.48	23.32	2.58%	18.45%
Toyota Motor Corp	Consumer Discretionary	\$145,900	1.0%	2.24%	214.34	12.88	3.17%	4.66%
Lvmh Moet Hennessy Lou Vuitt Ord	Consumer Discretionary	\$136,238	1.0%	5.30%	236.40	32.59	1.20%	4.58%
Novo Nordisk B	Health Care	\$124,810	0.9%	4.92%	125.45	22.53	1.96%	10.45%
Aia Group Ltd Com Par Usd 1	Financials	\$123,999	0.9%	7.36%	118.44	18.14	1.69%	14.64%

### 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
Adevinta B	Communication Services	\$4,301	0.0%	70.56%	11.73	80.05	0.00%	15.40%
Schibsted Asa	Communication Services	\$4,092	0.0%	69.72%	5.21	68.49	0.00%	8.16%
Suez Sa New Shs	Utilities	\$6,708	0.0%	63.49%	11.65	38.29	2.85%	13.08%
Sg Holdings Co Ltd	Industrials	\$8,659	0.1%	59.24%	16.54	29.75	0.81%	7.70%
Investment Ab Share Ak B	Financials	\$10,322	0.1%	58.13%	9.86	17.03	2.30%	(20.55)%
Vestas Wind Sys As Shs	Industrials	\$33,463	0.2%	57.00%	31.95	31.29	0.77%	11.95%
Japan Exchange Group Inc Shs	Financials	\$14,856	0.1%	53.16%	14.93	32.83	1.84%	4.92%
Beigene Ltd Sponsored ADR	Health Care	\$12,080	0.1%	52.04%	25.90	(20.70)	0.00%	-
Yamada Denki Co Ltd Japan Shs	Consumer Discretionary	\$3,769	0.0%	49.47%	4.80	16.79	1.91%	8.05%
So-Net M3	Health Care	\$28,454	0.2%	49.35%	41.80	129.39	0.13%	23.98%

### 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
Daiichi Sankyo Co	Health Care	\$54,525	0.4%	(60.52)%	65.08	82.48	0.72%	1.18%
Rolls Royce Holdings Plc Lon Shs	Industrials	\$3,399	0.0%	(51.92)%	3.25	(5.83)	0.00%	(5.78)%
Klepierre Sa Act	Real Estate	\$2,895	0.0%	(36.16)%	4.22	4.74	17.94%	(3.39)%
Teva Pharmaceutical Inds Ltd ADR	Health Care	\$10,337	0.1%	(27.31)%	9.93	3.46	0.00%	(7.60)%
Thyssen Krupp Ag Duesseldorf Ord	Materials	\$2,143	0.0%	(27.06)%	3.18	(5.44)	0.00%	(0.44)%
Telefonica	Communication Services	\$17,556	0.1%	(25.26)%	18.35	6.02	12.85%	(2.26)%
Origin Energy	Energy	\$5,684	0.0%	(24.84)%	5.43	15.81	5.81%	(10.76)%
Andritz Ag Graz Austria Akt	Industrials	\$2,357	0.0%	(24.68)%	3.21	10.89	1.90%	(6.58)%
Repsol Ypf	Energy	\$10,454	0.1%	(24.26)%	10.91	6.96	16.13%	0.74%
A2	Consumer Staples	\$7,856	0.1%	(24.14)%	7.53	24.49	0.00%	18.11%

# Pyrford

## Period Ended September 30, 2020

### Investment Philosophy

Pyrford's investment strategy is based on a value-driven, absolute return approach, with both top-down and bottom-up elements. At the country level they seek to invest in countries that offer an attractive market valuation relative to their long-term prospects. At the stock level they identify companies that offer excellent value relative to in-house forecasts of long-term (5 years) earnings growth. This approach is characterized by low absolute volatility and downside protection. Returns prior to 6/30/2017 are linked to a composite history.

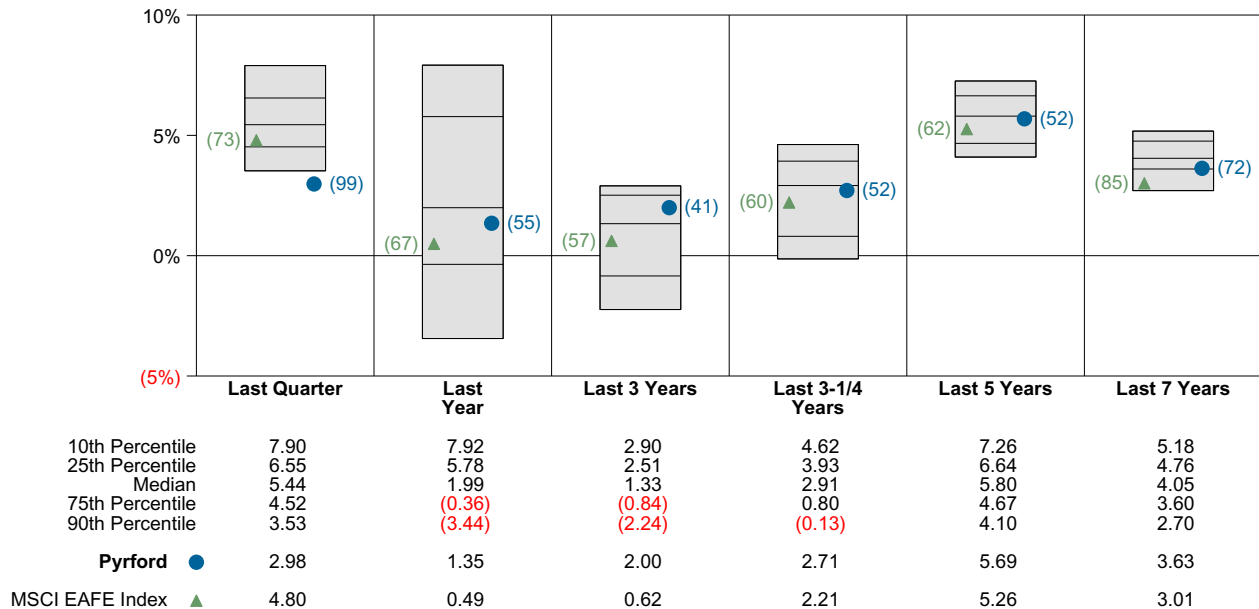
### Quarterly Summary and Highlights

- Pyrford's portfolio posted a 2.98% return for the quarter placing it in the 99 percentile of the Callan Non-US Developed Core Equity group for the quarter and in the 55 percentile for the last year.
- Pyrford's portfolio underperformed the MSCI EAFE Index by 1.82% for the quarter and outperformed the MSCI EAFE Index for the year by 0.85%.

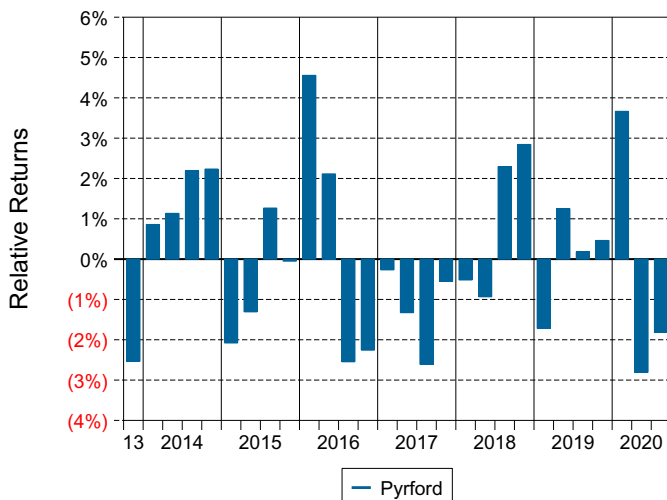
### Quarterly Asset Growth

Beginning Market Value	\$28,356,461
Net New Investment	\$0
Investment Gains/(Losses)	\$845,125
Ending Market Value	\$29,201,587

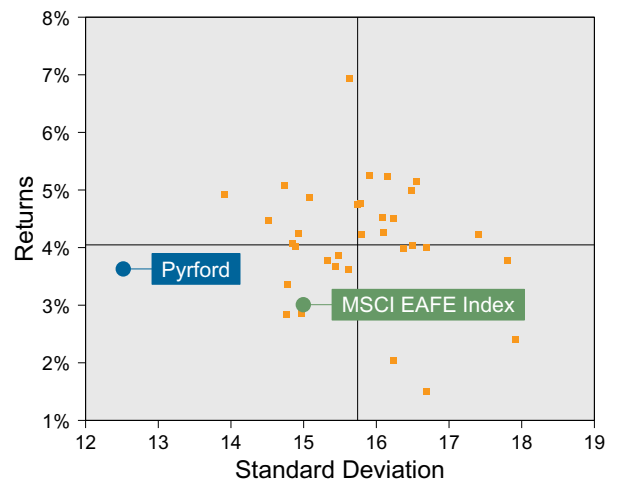
### Performance vs Callan Non-US Developed Core Equity (Gross)



### Relative Return vs MSCI EAFE Index



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

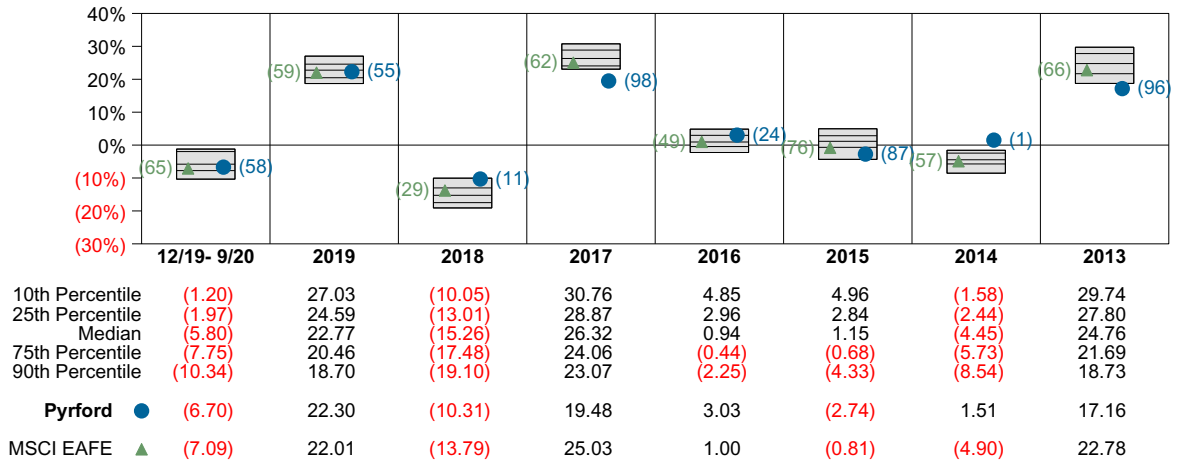


# Pyrford Return Analysis Summary

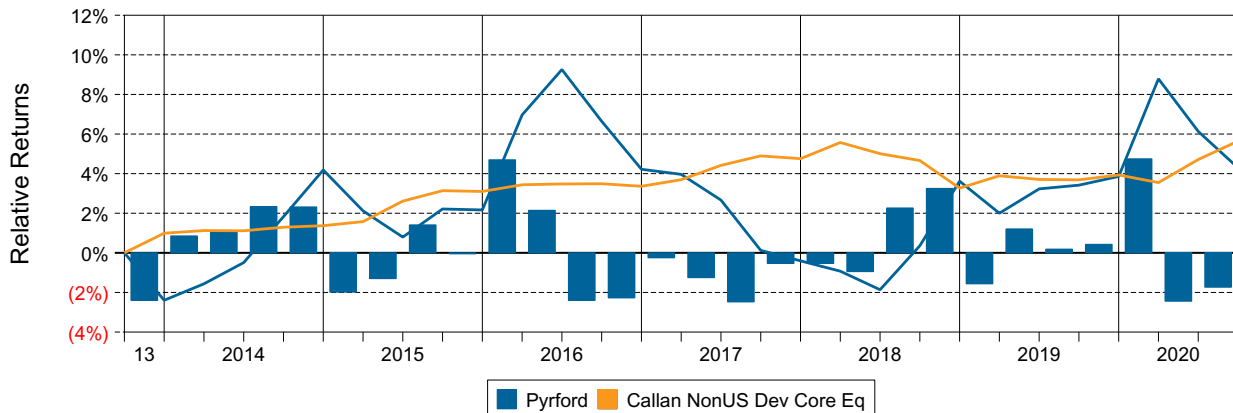
## Return Analysis

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.

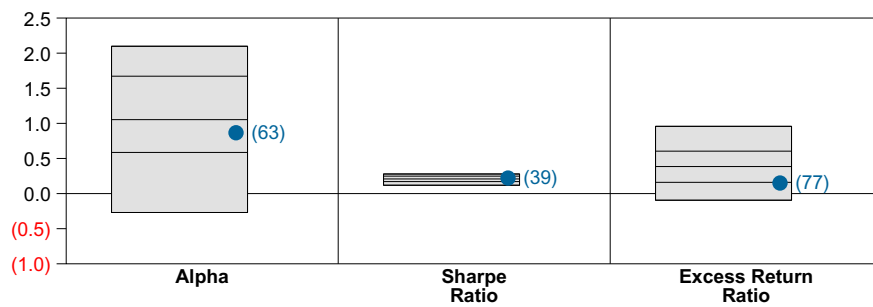
### Performance vs Callan Non-US Developed Core Equity (Gross)



### 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, 2020



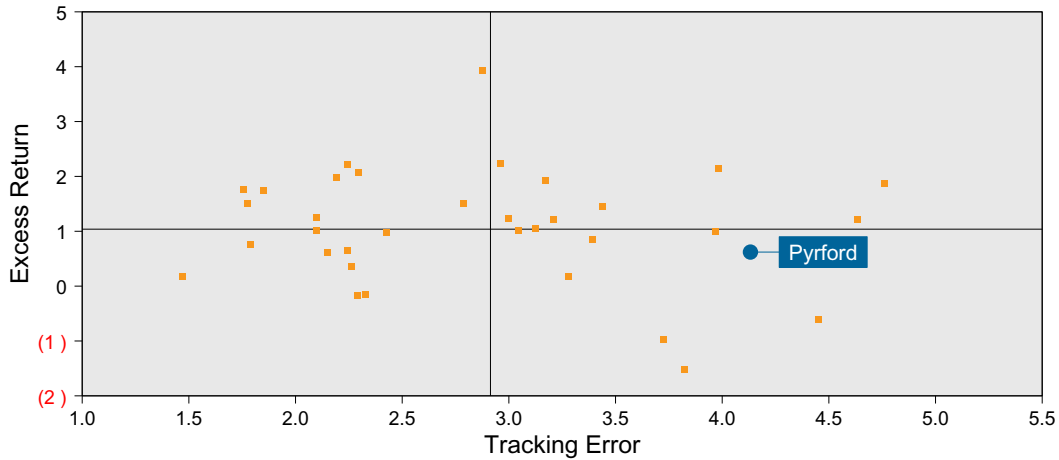
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	2.10	0.28	0.96
25th Percentile	1.67	0.25	0.60
Median	1.05	0.21	0.39
75th Percentile	0.59	0.17	0.16
90th Percentile	(0.27)	0.12	(0.09)
<b>Pyrford</b>	● 0.87	0.22	0.15

# Pyrford Risk Analysis Summary

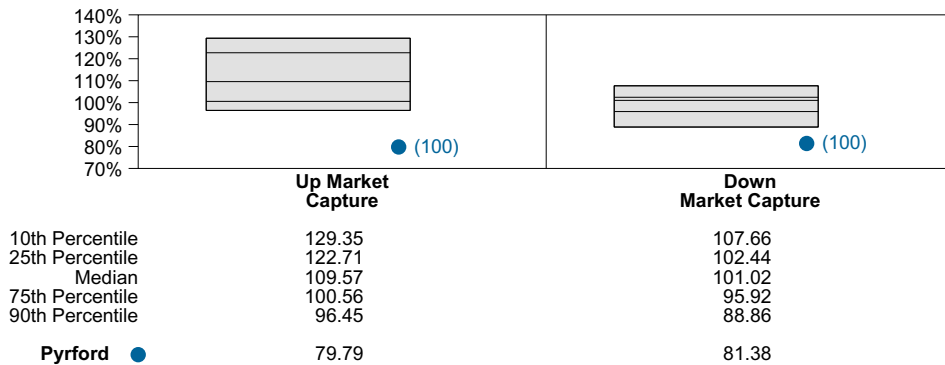
## Risk Analysis

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.

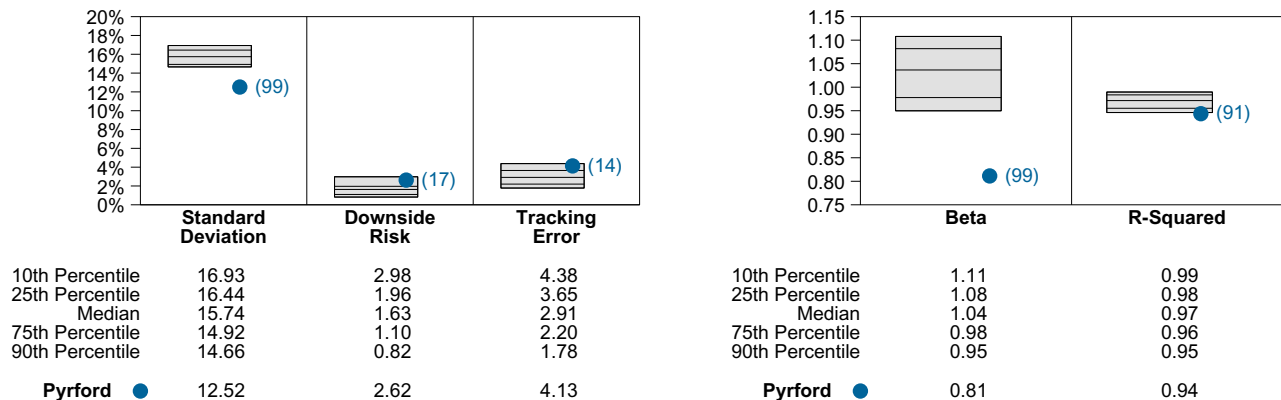
### Risk Analysis vs Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2020



### Market Capture vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2020



### Risk Statistics Rankings vs MSCI EAFE Index (USD Net Div) Rankings Against Callan Non-US Developed Core Equity (Gross) Seven Years Ended September 30, 2020

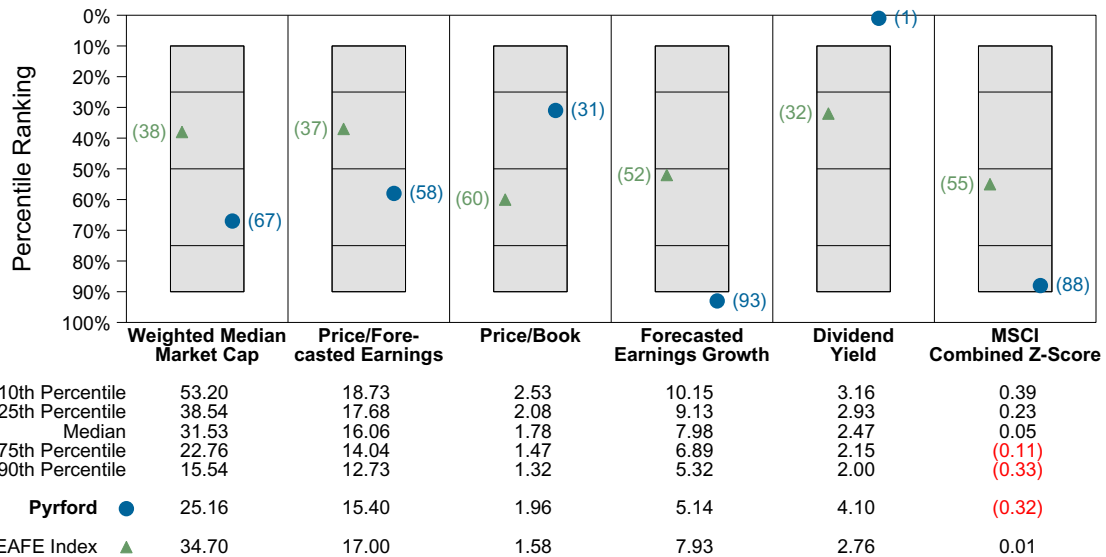


# Pyrford Equity Characteristics Analysis Summary

## Portfolio Characteristics

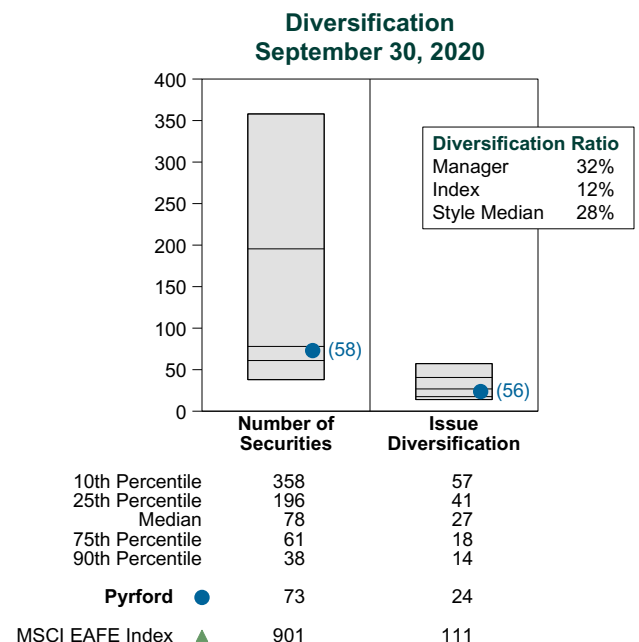
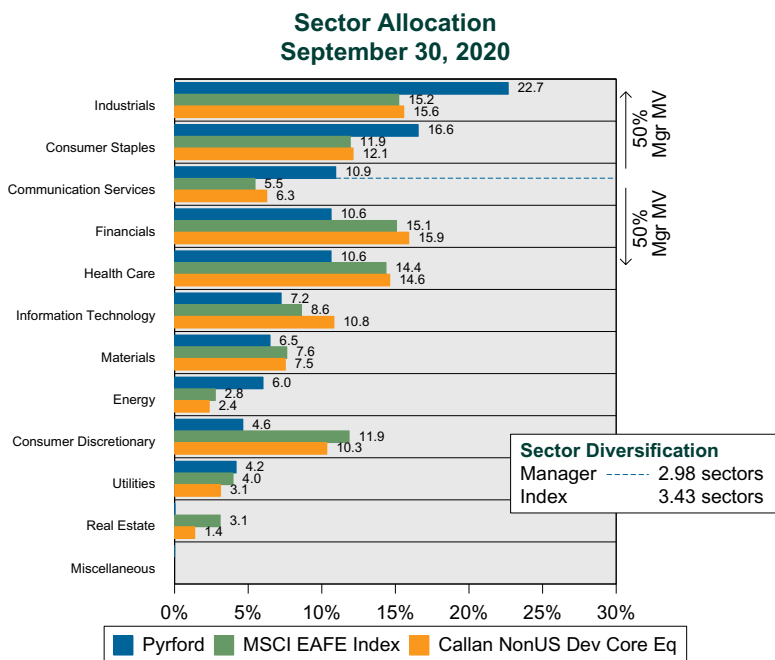
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Non-US Developed Core Equity as of September 30, 2020



## 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.





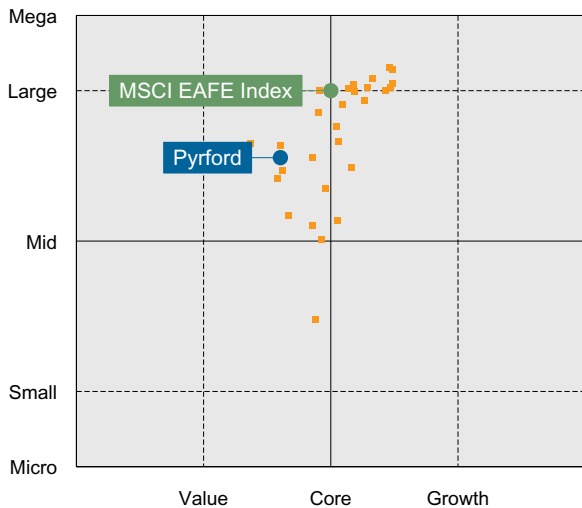
# Current Holdings Based Style Analysis

## Pyrford

### As of September 30, 2020

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 map illustrates the current market capitalization and style score of the portfolio relative to indices and/or peers. The upper-right style exposure matrix displays the current portfolio and index weights and stock counts (in parentheses) in each region/style segment of the market. The middle chart illustrates the total exposures and stock counts in the three style segments, with a legend showing the total growth, value, and "combined Z" (growth - value) scores. The bottom chart exhibits the sector weights as well as the style weights within each sector.

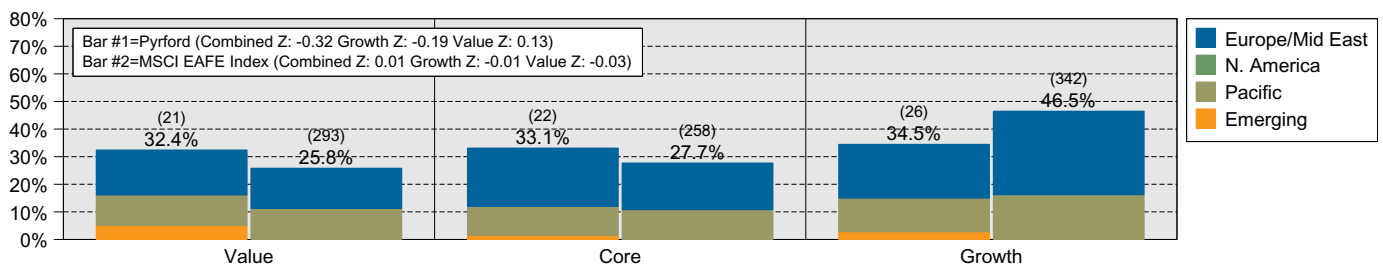
**Style Map vs Callan NonUS Dev Core Eq Holdings as of September 30, 2020**



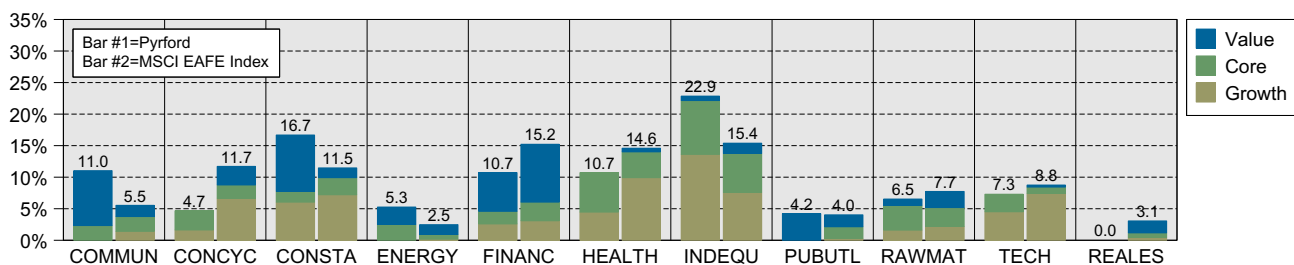
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Europe/ Mid East	16.3% (10) 14.6% (133)	21.1% (13) 16.9% (120)	19.5% (15) 30.3% (187)	56.9% (38) 61.8% (440)
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	10.9% (7) 11.2% (160)	10.6% (7) 10.8% (138)	12.2% (8) 16.2% (155)	33.7% (22) 38.2% (453)
Emerging	5.2% (4) 0.0% (0)	1.4% (2) 0.0% (0)	2.8% (3) 0.0% (0)	9.4% (9) 0.0% (0)
<b>Total</b>	<b>32.4% (21)</b> <b>25.8% (293)</b>	<b>33.1% (22)</b> <b>27.7% (258)</b>	<b>34.5% (26)</b> <b>46.5% (342)</b>	<b>100.0% (69)</b> <b>100.0% (893)</b>

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



**Sector Weights Distribution Holdings as of September 30, 2020**



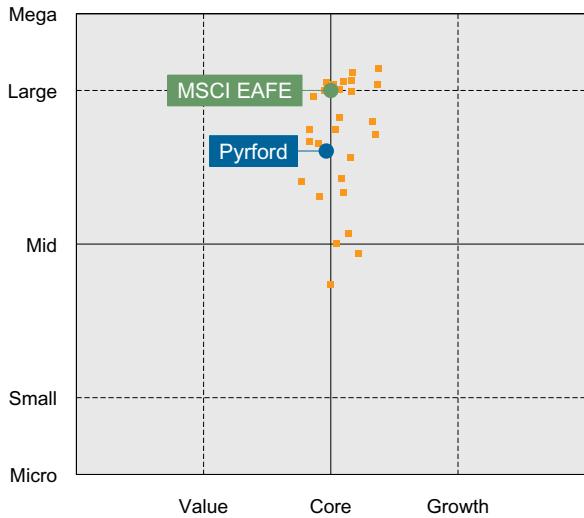
# Historical Holdings Based Style Analysis

## Pyrford

### For Five Years Ended September 30, 2020

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.

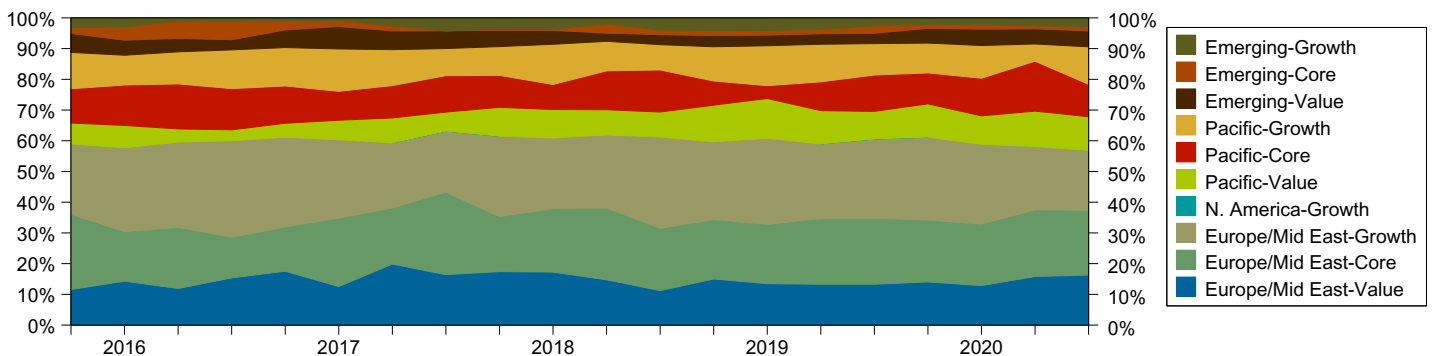
**Average Style Map vs Callan NonUS Dev Core Eq Holdings for Five Years Ended September 30, 2020**



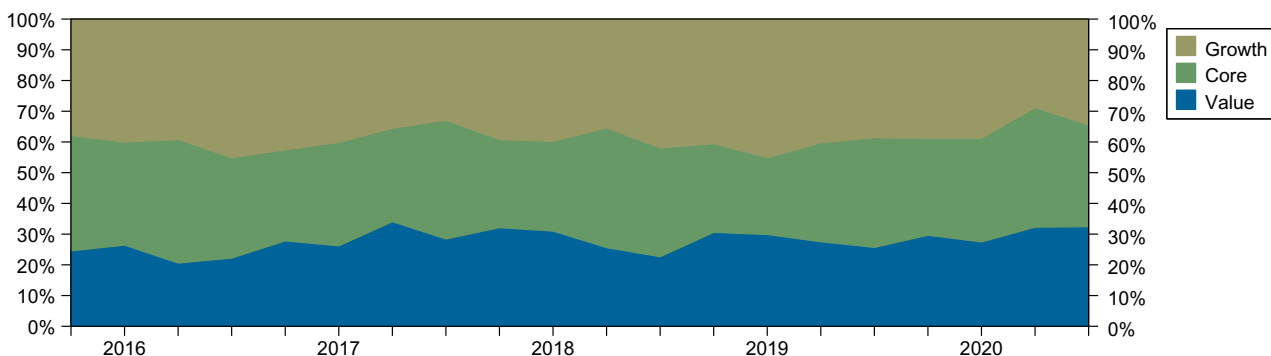
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2020**

Europe/ Mid East	14.7% (10)	20.1% (12)	25.2% (17)	60.0% (39)
	19.3% (134)	17.5% (129)	26.2% (188)	62.9% (451)
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	8.5% (6)	11.2% (8)	10.8% (8)	30.5% (22)
	12.3% (146)	11.1% (147)	13.7% (174)	37.1% (467)
Emerging	4.7% (3)	2.1% (2)	2.7% (3)	9.5% (8)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
<b>Total</b>	<b>27.8% (19)</b>	<b>33.4% (22)</b>	<b>38.8% (28)</b>	<b>100.0% (69)</b>
	<b>31.5% (280)</b>	<b>28.6% (276)</b>	<b>39.9% (362)</b>	<b>100.0% (918)</b>
	<b>Value</b>	<b>Core</b>	<b>Growth</b>	<b>Total</b>

### Pyrford Historical Region/Style Exposures



### Pyrford Historical Style Only Exposures

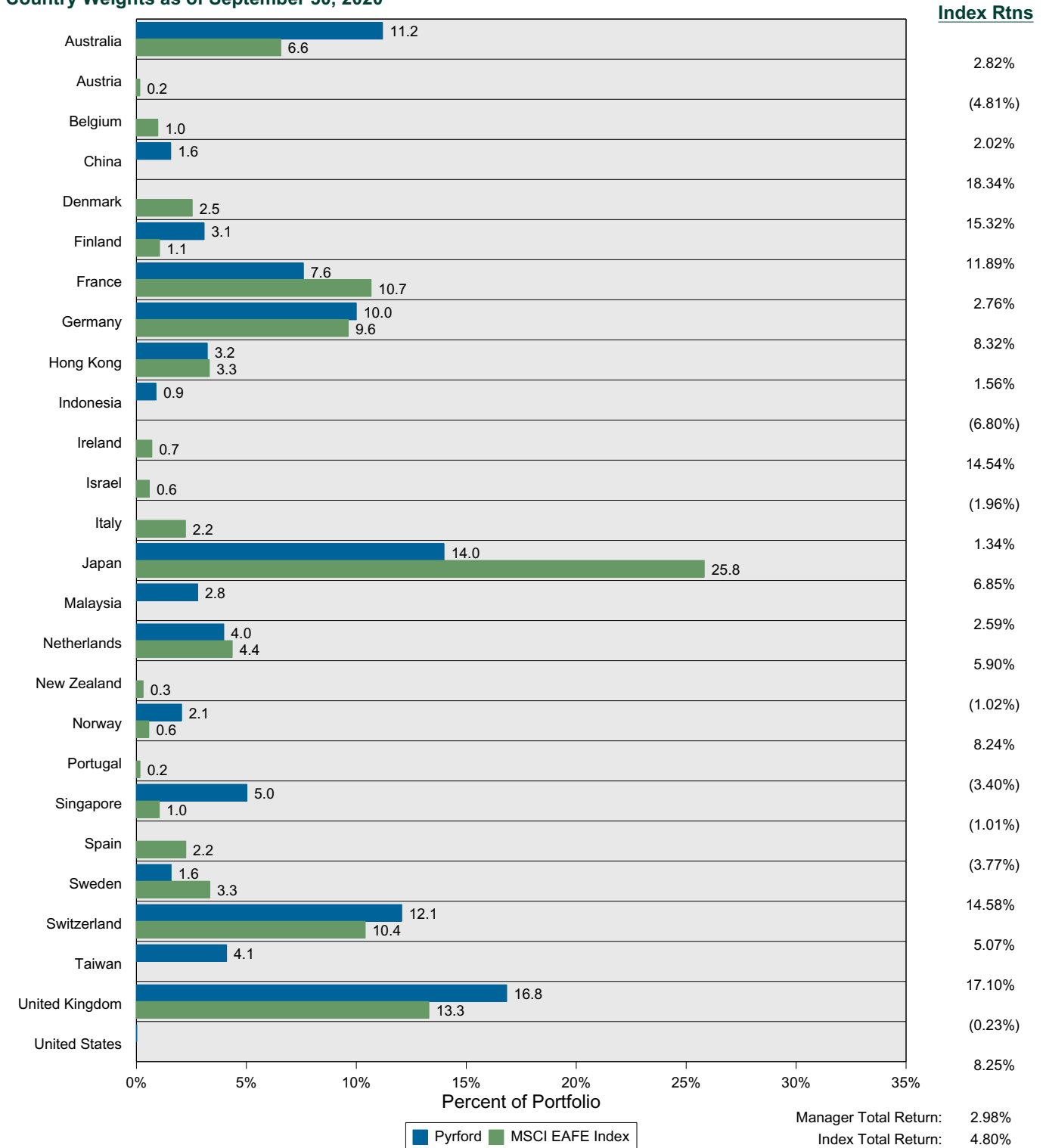


# Country Allocation Pyrford VS MSCI EAFE Index

## Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2020. 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, 2020



## Pyrford Top 10 Portfolio Holdings Characteristics as of September 30, 2020

### 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
Japan Tobacco Inc Ord	Consumer Staples	\$938,682	3.2%	(0.63)%	36.39	11.02	8.02%	(6.79)%
Nestle S A Shs Nom New	Consumer Staples	\$897,127	3.1%	7.79%	342.88	24.53	2.47%	3.80%
Roche Hldgs Ag Basel Div Rts Ctf	Health Care	\$756,142	2.6%	(1.73)%	241.01	15.19	2.86%	6.00%
Novartis	Health Care	\$687,765	2.4%	(1.43)%	214.59	14.07	3.69%	7.83%
Mitsubishi Elec Corp Shs	Industrials	\$678,559	2.3%	0.68%	28.92	18.10	2.81%	4.23%
Unilever (Wbo) Dead - Dead-30/12/99	Consumer Staples	\$672,901	2.3%	14.81%	88.21	20.02	3.19%	3.20%
Woolworths Ltd	Consumer Staples	\$671,970	2.3%	3.43%	32.98	24.80	2.58%	8.68%
Brambles Ltd Npv	Industrials	\$662,910	2.3%	2.73%	11.32	20.32	2.47%	10.74%
National Grid Ord	Utilities	\$603,801	2.1%	(2.08)%	40.50	16.06	5.46%	2.90%
Telenor Asa Shs	Communication Services	\$600,752	2.1%	15.07%	23.40	14.84	5.56%	(1.71)%

### 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
Taiwan Semicond Manufac Co L Shs	Information Technology	\$499,402	1.7%	41.72%	387.67	22.31	2.31%	17.11%
Deutsche Post Ag Bonn Namen Akt	Industrials	\$448,492	1.5%	34.78%	56.74	16.53	2.94%	8.60%
Brenntag Ag Muehlheim/Ruhr Shs New	Industrials	\$525,813	1.8%	29.37%	9.86	17.31	2.30%	4.47%
Bunzl Pub Ltd Co Shs	Industrials	\$341,079	1.2%	27.21%	10.92	19.37	2.06%	1.15%
Fuchs Petrolub Pref.	Materials	\$572,303	2.0%	27.00%	3.53	28.80	2.24%	1.13%
Kone Oyj Shs B	Industrials	\$457,952	1.6%	26.24%	39.89	38.49	2.26%	6.40%
Imi Plc Shs New	Industrials	\$282,039	1.0%	23.05%	3.70	14.85	4.63%	3.10%
Givaudan Ag Duebendorf Ord	Materials	\$202,933	0.7%	22.66%	39.90	40.23	1.56%	6.03%
Merida Industry Co.	Consumer Discretionary	\$56,071	0.2%	20.12%	2.41	21.52	1.80%	14.27%
Geberit Ag Jona Namen-Akt	Industrials	\$202,917	0.7%	20.04%	22.01	32.02	2.07%	1.65%

### 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
Pt Telekomunikasi Indo Perse Shs Ser	Communication Services	\$123,998	0.4%	(22.61)%	17.04	11.33	6.02%	9.34%
Royal Dutch Shell A Shs	Energy	\$270,916	0.9%	(22.51)%	51.83	11.70	10.39%	(4.54)%
Bp Plc Shs	Energy	\$238,345	0.8%	(21.58)%	59.00	16.35	12.59%	16.68%
Vodafone Group Plc New Shs New	Communication Services	\$405,378	1.4%	(18.39)%	35.62	14.15	7.54%	22.47%
Rubis Ord Shs	Utilities	\$314,801	1.1%	(16.44)%	4.16	11.23	5.11%	15.36%
Kddi	Communication Services	\$546,459	1.9%	(14.92)%	57.99	9.17	4.33%	4.11%
Singapore Telecom	Communication Services	\$396,413	1.4%	(11.98)%	25.36	13.74	5.78%	(9.07)%
Abc-Mart	Consumer Discretionary	\$454,169	1.6%	(10.92)%	4.28	18.87	3.11%	2.69%
British American Tobacco	Consumer Staples	\$591,666	2.0%	(9.77)%	82.38	8.11	7.38%	5.17%
Comfortdelgro Corporation Lt Shs	Industrials	\$420,244	1.4%	(8.30)%	2.24	16.40	3.75%	(0.49)%

# AQR

## Period Ended September 30, 2020

### Investment Philosophy

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

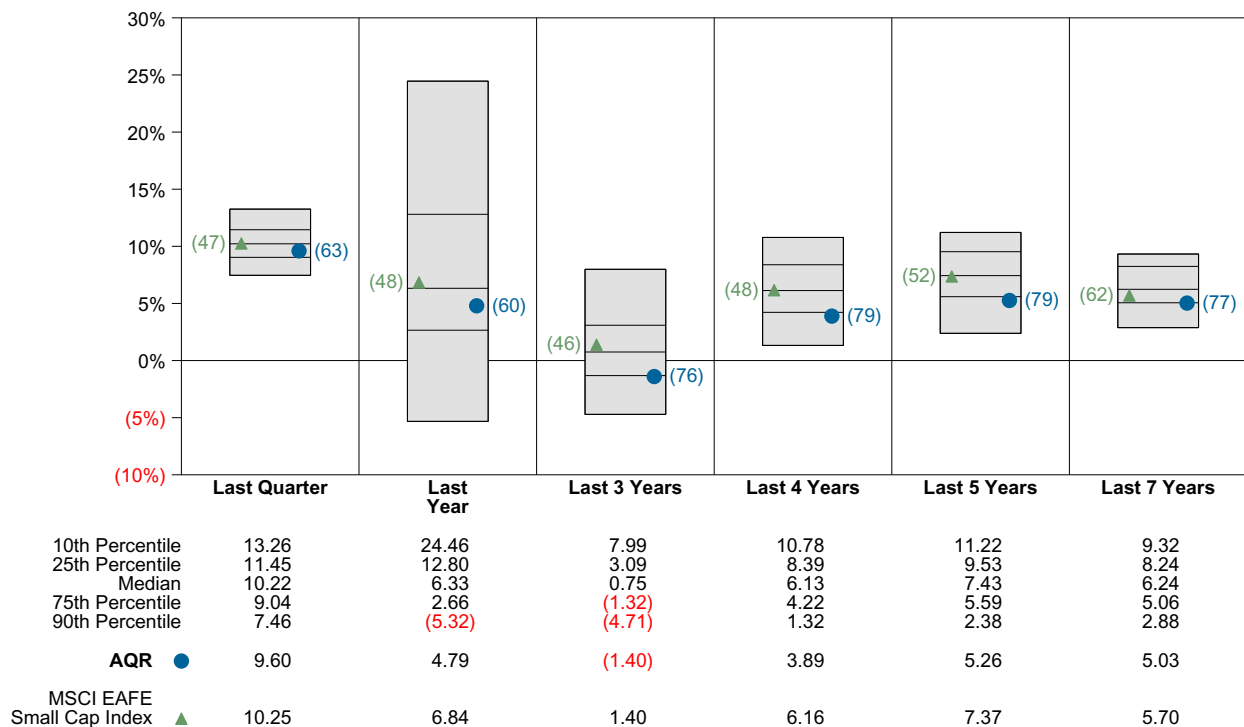
### Quarterly Summary and Highlights

- AQR's portfolio posted a 9.60% return for the quarter placing it in the 63 percentile of the Callan International Small Cap group for the quarter and in the 60 percentile for the last year.
- AQR's portfolio underperformed the MSCI EAFE Small Cap Index by 0.65% for the quarter and underperformed the MSCI EAFE Small Cap Index for the year by 2.05%.

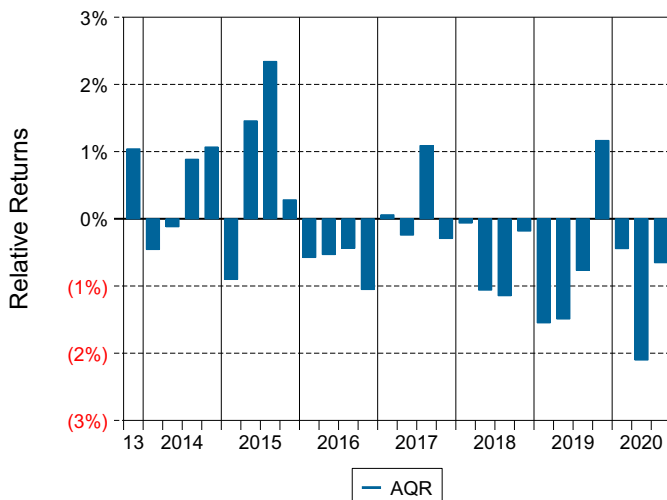
### Quarterly Asset Growth

Beginning Market Value	\$15,246,762
Net New Investment	\$0
Investment Gains/(Losses)	\$1,428,715
Ending Market Value	\$16,675,477

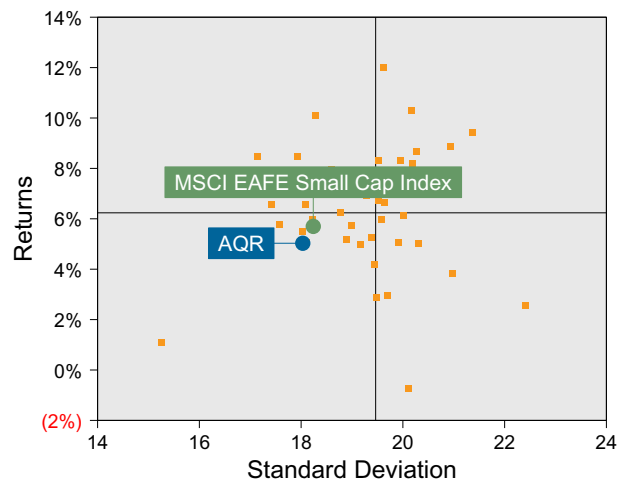
### Performance vs Callan International Small Cap (Gross)



### Relative Returns vs MSCI EAFE Small Cap Index



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

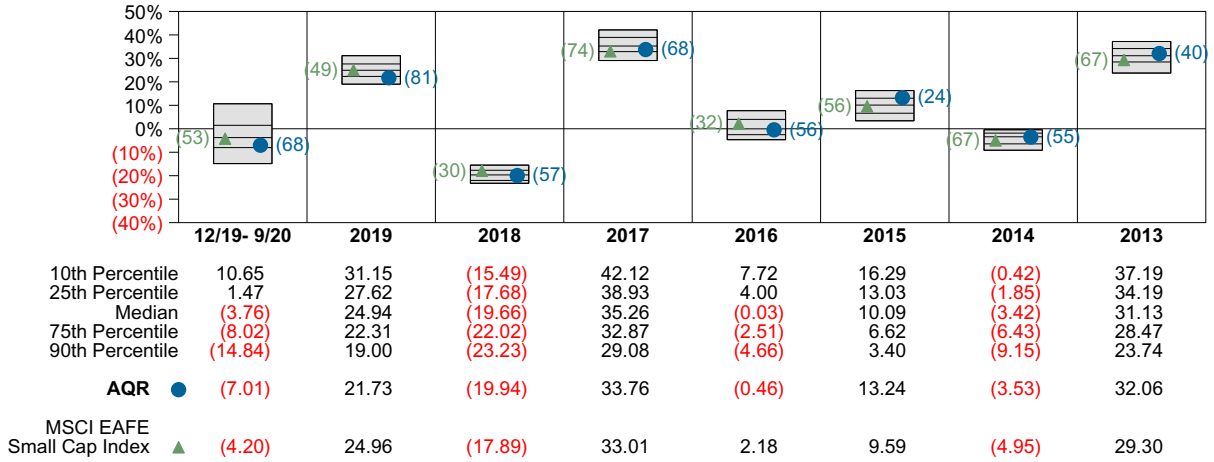


# AQR Return Analysis Summary

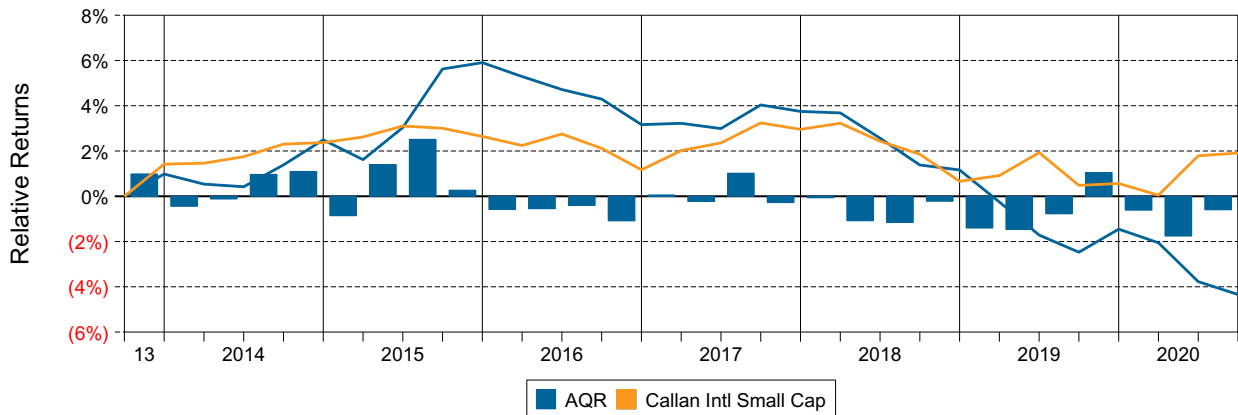
## Return Analysis

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.

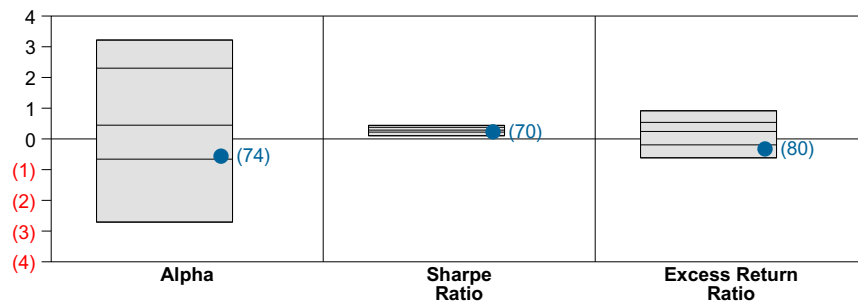
### Performance vs Callan International Small Cap (Gross)



### 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, 2020



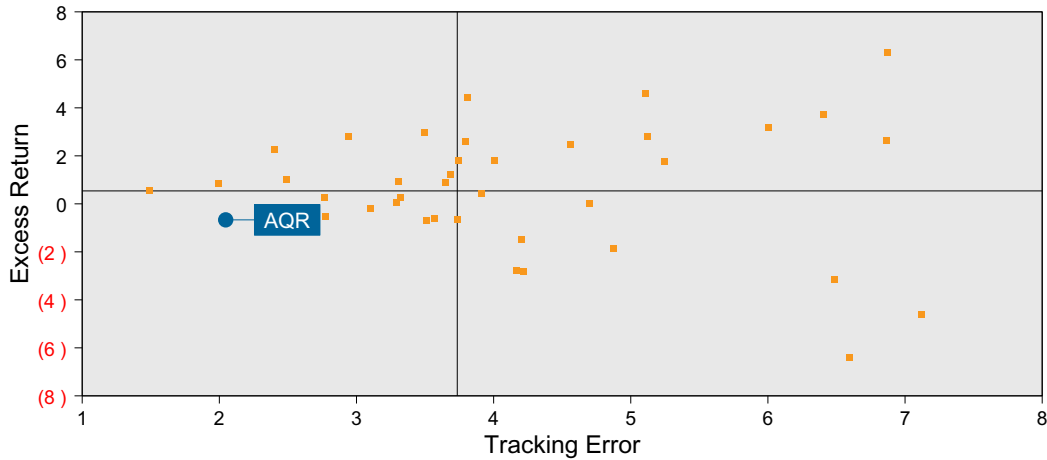
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	3.22	0.44	0.92
25th Percentile	2.30	0.38	0.54
Median	0.45	0.29	0.24
75th Percentile	(0.66)	0.22	(0.19)
90th Percentile	(2.71)	0.10	(0.62)
<b>AQR</b>	<b>(0.56)</b>	<b>0.23</b>	<b>(0.33)</b>

# AQR Risk Analysis Summary

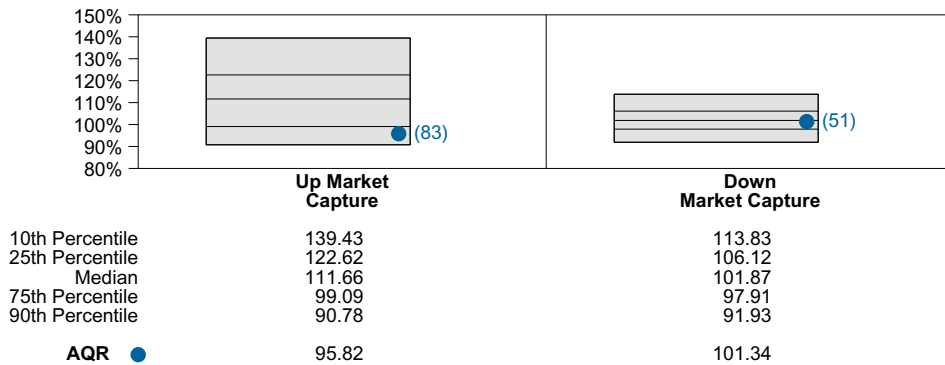
## Risk Analysis

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.

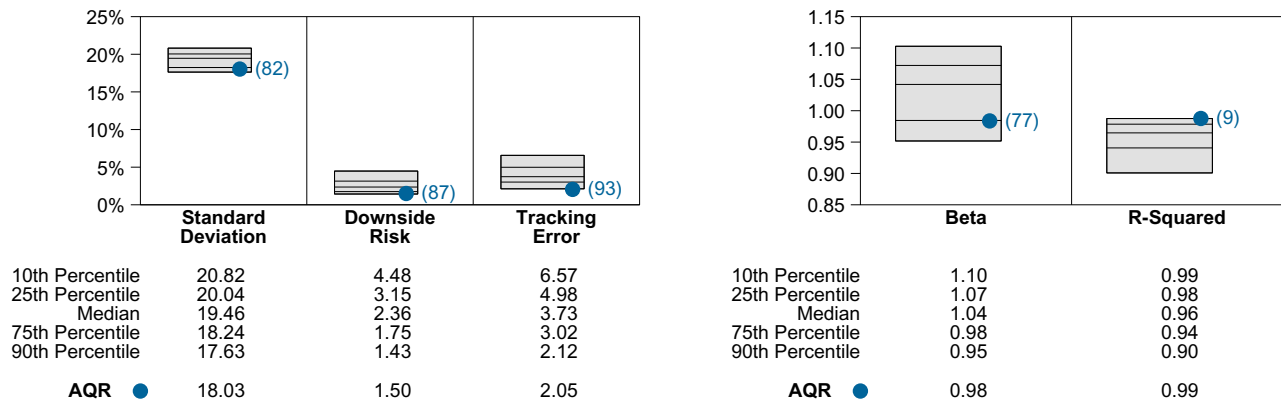
### Risk Analysis vs Callan International Small Cap (Gross) Seven Years Ended September 30, 2020



### Market Capture vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended September 30, 2020



### Risk Statistics Rankings vs MSCI EAFE Small Cap Index Rankings Against Callan International Small Cap (Gross) Seven Years Ended September 30, 2020

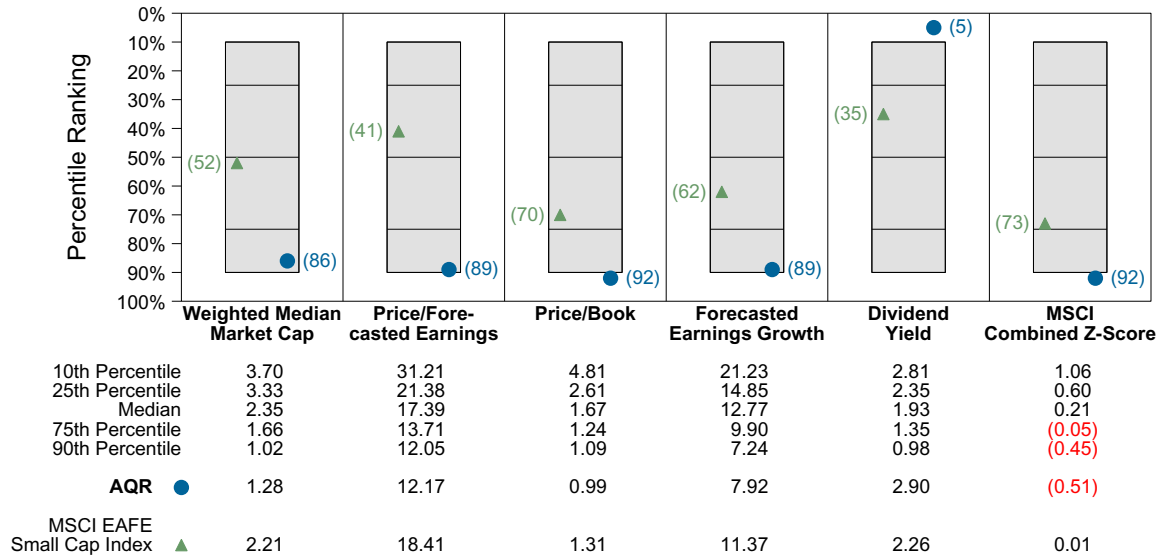


# AQR Equity Characteristics Analysis Summary

## Portfolio Characteristics

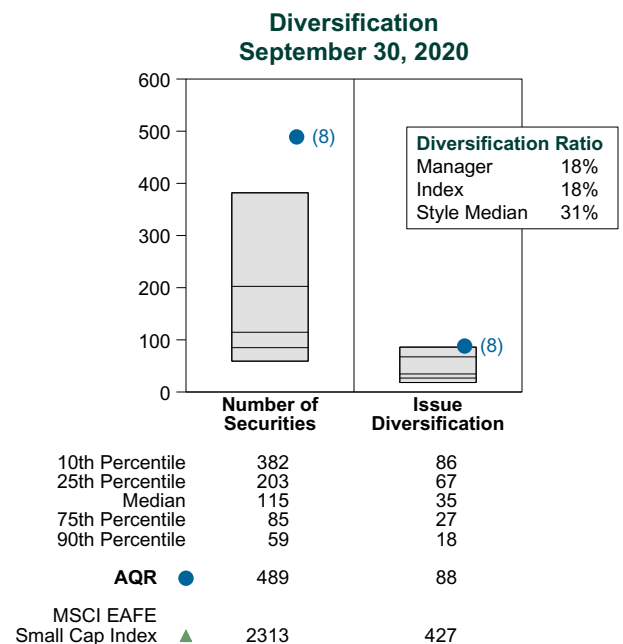
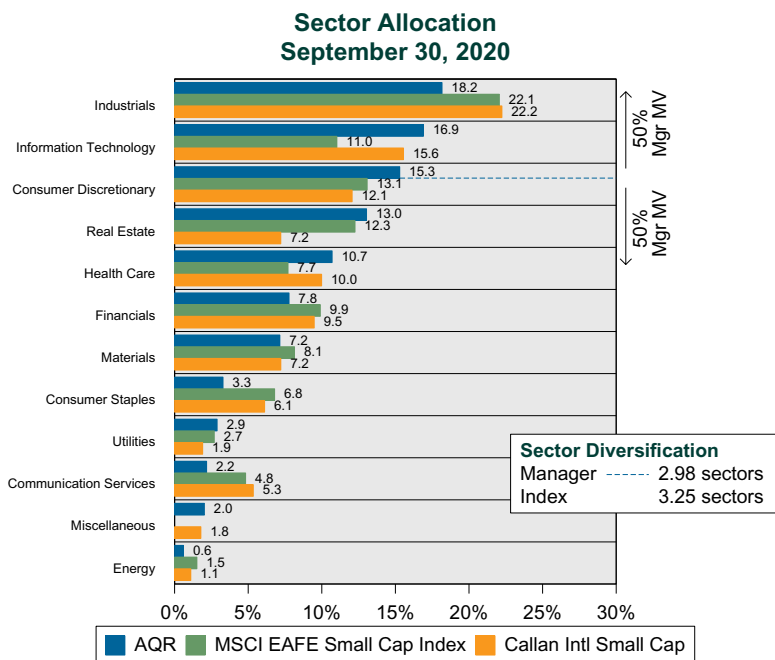
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan International Small Cap as of September 30, 2020



## 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.





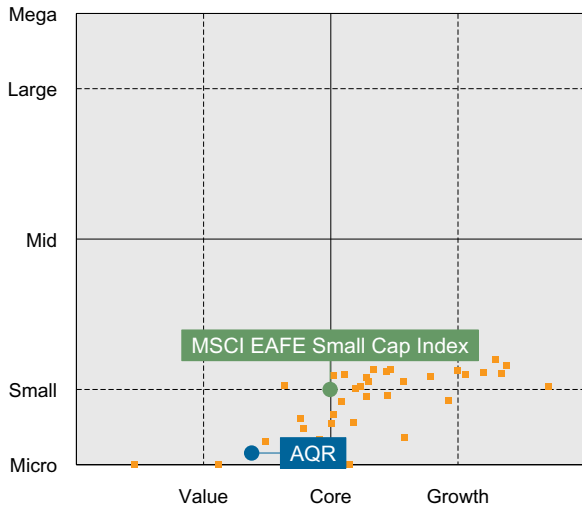
# Current Holdings Based Style Analysis

## AQR

As of September 30, 2020

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.

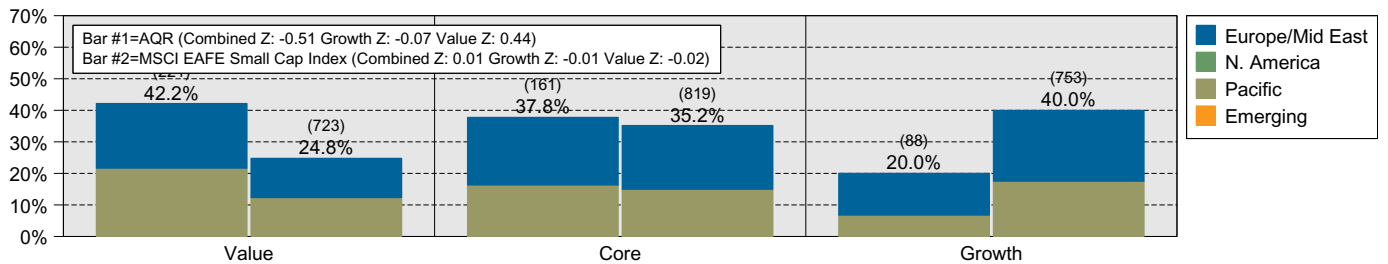
**Style Map vs Callan Intl Small Cap Holdings as of September 30, 2020**



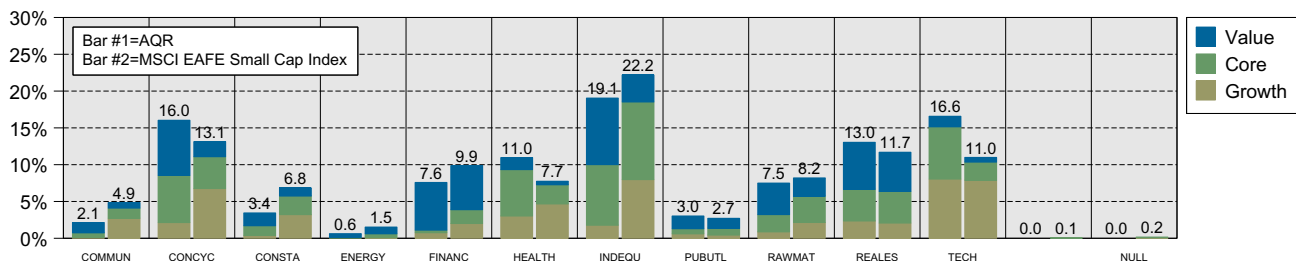
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Europe/ Mid East	20.5% (87)	21.5% (87)	13.3% (48)	55.3% (222)
N. America	12.5% (292)	20.3% (371)	22.5% (331)	55.2% (994)
Pacific	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Emerging	0.0% (1)	0.0% (0)	0.0% (0)	0.0% (1)
<b>Total</b>	<b>42.2% (221)</b>	<b>37.8% (161)</b>	<b>20.0% (88)</b>	<b>100.0% (470)</b>
	24.8% (723)	35.2% (819)	40.0% (753)	100.0% (2295)

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



**Sector Weights Distribution Holdings as of September 30, 2020**



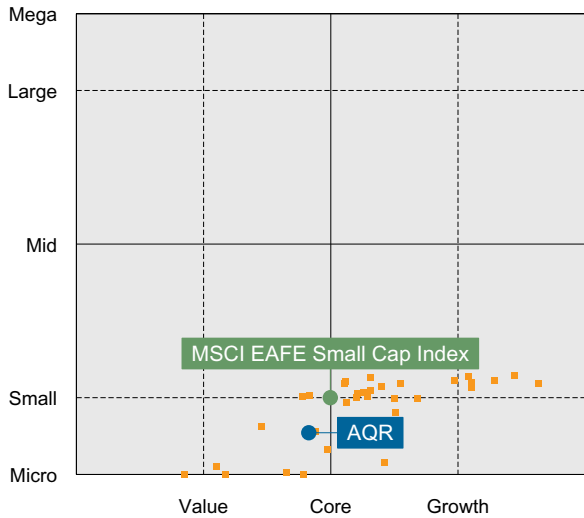
# Historical Holdings Based Style Analysis

## AQR

### For Five Years Ended September 30, 2020

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.

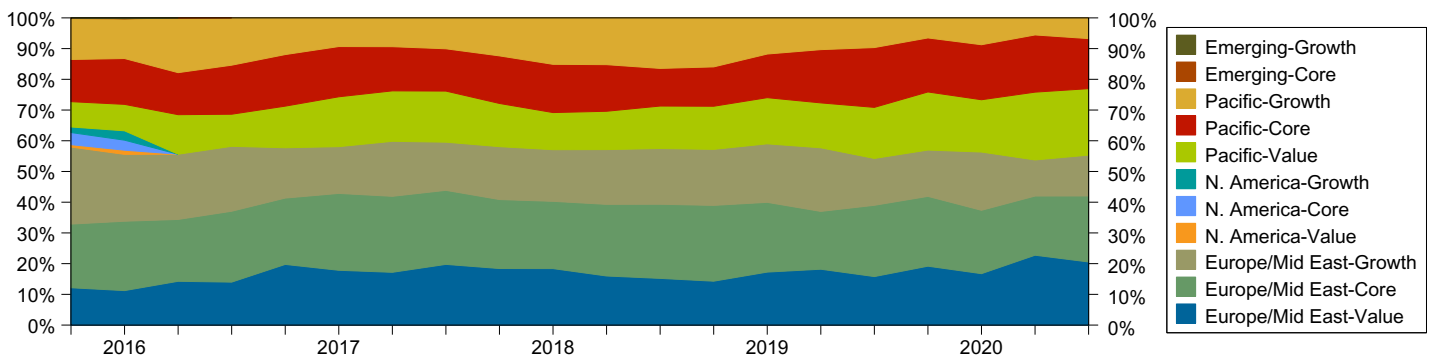
**Average Style Map vs Callan Intl Small Cap Holdings for Five Years Ended September 30, 2020**



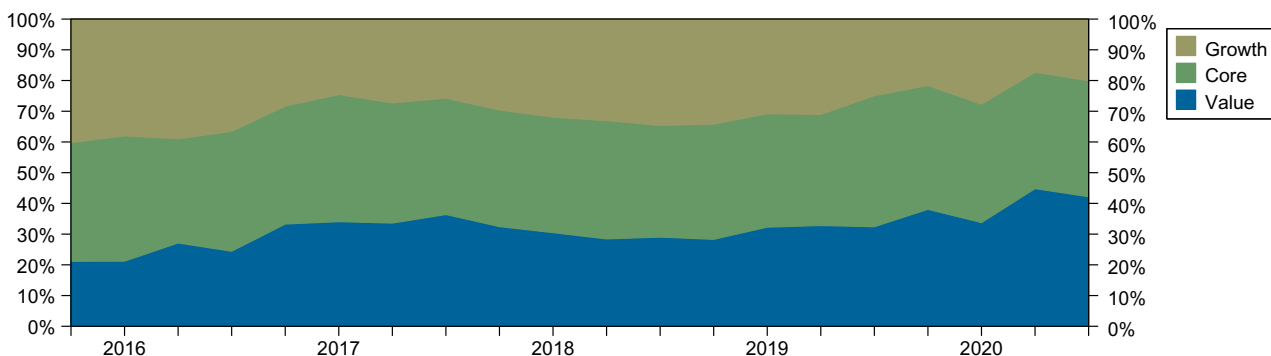
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2020**

	Value	Core	Growth	Total
Europe/ Mid East	16.9% (100) 14.4% (312)	22.4% (113) 22.0% (383)	17.8% (76) 20.4% (317)	57.1% (289) 56.8% (1012)
N. America	0.1% (1) 0.0% (0)	0.4% (3) 0.0% (0)	0.2% (2) 0.0% (0)	0.7% (6) 0.0% (0)
Pacific	14.8% (125) 13.1% (438)	15.6% (109) 15.0% (430)	11.7% (72) 15.0% (388)	42.1% (306) 43.1% (1256)
Emerging	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (1)	0.0% (0) 0.0% (0)	0.0% (0) 0.0% (1)
<b>Total</b>	<b>31.8% (226)</b> 27.5% (750)	<b>38.4% (225)</b> 37.0% (814)	<b>29.8% (150)</b> 35.4% (705)	<b>100.0% (601)</b> 100.0% (2269)

### AQR Historical Region/Style Exposures



### AQR Historical Style Only Exposures

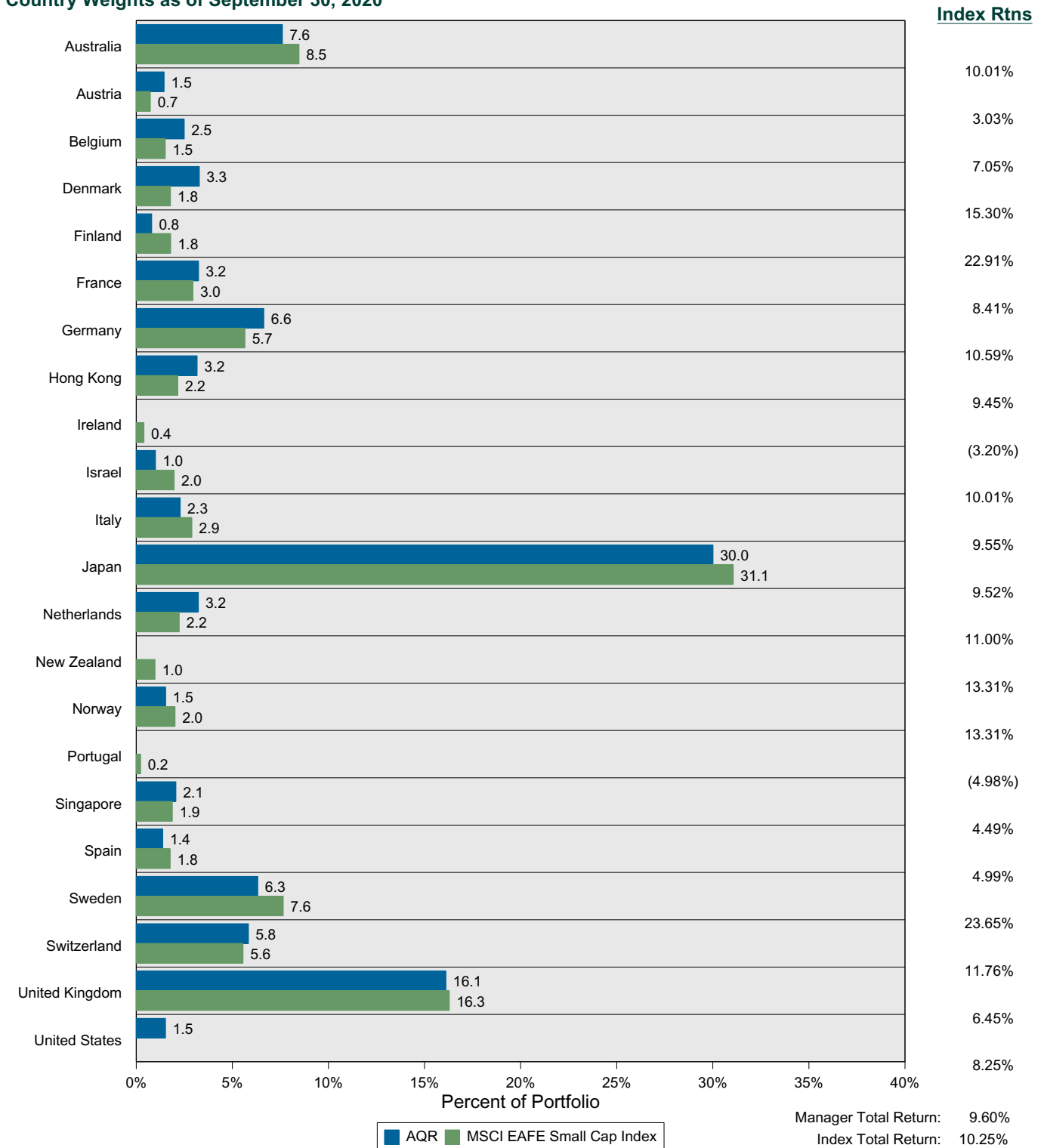


## Country Allocation AQR VS MSCI EAFE Small Cap Index

### Country Allocation

The chart below contrasts the portfolio's country allocation with that of the index as of September 30, 2020. 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, 2020



## AQR Top 10 Portfolio Holdings Characteristics as of September 30, 2020

### 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
Computacenter Plc Shs Par 0.075555	Information Technology	\$204,549	1.2%	51.66%	3.49	21.07	0.52%	9.69%
Scandinavian Tobacco Group A Common	Consumer Staples	\$191,730	1.1%	0.67%	1.48	8.37	6.47%	12.31%
Indivior Plc Ord Usd2	Health Care	\$180,729	1.1%	47.49%	1.11	30.20	0.00%	(37.79)%
Carphone Whse.Gp.	Consumer Discretionary	\$176,774	1.1%	(13.70)%	1.41	8.58	2.41%	4.41%
Draegerwerk Ag & Co Kga Pref Shs No	Health Care	\$170,310	1.0%	6.72%	0.74	10.34	0.26%	(20.37)%
Ferrexpo Plc London Shs	Materials	\$163,089	1.0%	66.17%	1.34	4.26	5.69%	(27.90)%
Flow Traders	Financials	\$161,201	1.0%	36.93%	1.86	8.71	13.36%	(13.85)%
Sandfire Resources NI Shs	Materials	\$153,978	0.9%	(15.34)%	0.52	7.52	4.66%	4.97%
T-Gaia Corp Shs	Consumer Discretionary	\$142,543	0.9%	1.06%	1.05	8.86	3.80%	19.87%
Ams Ag Shs New	Information Technology	\$137,733	0.8%	50.22%	6.25	27.28	0.00%	(15.11)%

### 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
Crayon Group Holding	Information Technology	\$5,198	0.0%	101.27%	1.06	46.81	0.00%	-
Mesoblast Ltd Shs	Health Care	\$30,280	0.2%	76.90%	2.14	(134.86)	0.00%	-
Elementis 1998 Ord	Materials	\$14,332	0.1%	74.42%	0.57	10.32	0.00%	14.20%
Ferrexpo Plc London Shs	Materials	\$163,089	1.0%	66.17%	1.34	4.26	5.69%	(27.90)%
Hutchison Port Holdings Trst	Industrials	\$25,956	0.2%	64.26%	1.43	20.50	7.32%	(24.07)%
Sma Solar Technology	Information Technology	\$31,863	0.2%	57.08%	1.54	65.83	0.00%	45.67%
Ao World	Consumer Discretionary	\$14,667	0.1%	56.93%	1.34	32.82	0.00%	-
Bonava Ab Common Stock	Consumer Discretionary	\$20,670	0.1%	54.78%	0.81	12.82	0.00%	(11.57)%
Frontier Developments	Communication Services	\$20,414	0.1%	53.83%	1.38	50.81	0.00%	17.46%
Data3	Information Technology	\$52,832	0.3%	52.74%	0.72	35.62	2.12%	10.38%

### 10 Worst Performers

Stock	Sector	Ending Market Value	Percent of Portfolio	Qtrly Return	Market Capital	Price/Forecasted Earnings Ratio	Dividend Yield	Forecasted Growth in Earnings
Fin Finablr	Information Technology	\$2,546	0.0%	(92.86)%	0.01	0.05	0.00%	-
Norwegian Air Shuttle	Industrials	\$9,287	0.1%	(63.74)%	0.37	(0.91)	0.00%	(6.99)%
Europcar	Industrials	\$16,776	0.1%	(63.67)%	0.14	(1.34)	0.00%	0.41%
Grenkeleasing Ag Baden Baden Shs	Financials	\$8,542	0.1%	(51.91)%	1.71	14.60	2.55%	4.16%
First Reit.	Real Estate	\$5,995	0.0%	(37.48)%	0.26	6.25	15.17%	3.22%
Cineworld Group Plc London Shs	Communication Services	\$8,356	0.1%	(33.57)%	0.72	10.60	21.62%	(12.10)%
Senior Plc Ord	Industrials	\$22,342	0.1%	(33.34)%	0.24	24.17	0.00%	(32.54)%
Tp Icap Plc Shs	Financials	\$12,265	0.1%	(32.21)%	1.66	6.10	7.38%	7.80%
Vpower Group Intl.	Industrials	\$37,872	0.2%	(32.17)%	0.97	8.13	1.31%	(18.99)%
Koninklijke Bam Groep NV Shs	Industrials	\$75,528	0.5%	(29.96)%	0.35	6.74	12.96%	(12.29)%

# DFA Emerging Markets Period Ended September 30, 2020

## Investment Philosophy

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

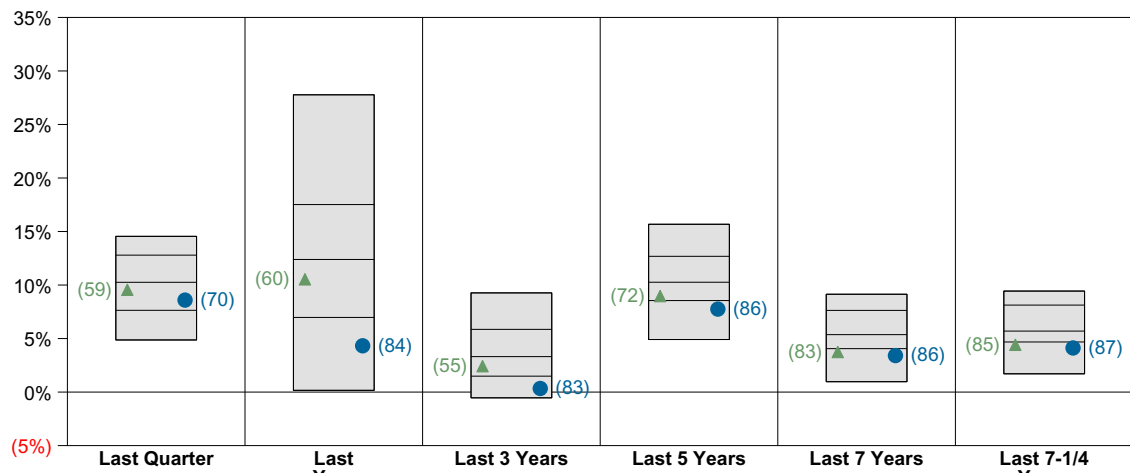
## Quarterly Summary and Highlights

- DFA Emerging Markets's portfolio posted a 8.59% return for the quarter placing it in the 70 percentile of the Callan Emerging Markets Equity Mut Funds group for the quarter and in the 84 percentile for the last year.
- DFA Emerging Markets's portfolio underperformed the MSCI Emerging Markets Index by 0.97% for the quarter and underperformed the MSCI Emerging Markets Index for the year by 6.21%.

## Quarterly Asset Growth

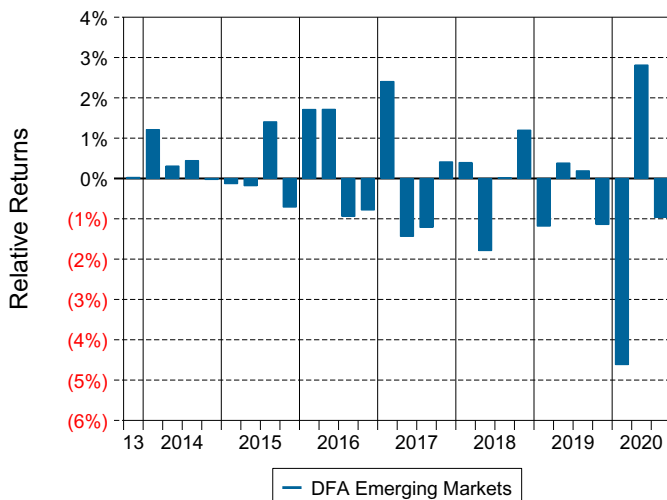
Beginning Market Value	\$19,046,515
Net New Investment	\$0
Investment Gains/(Losses)	\$1,614,414
Ending Market Value	\$20,660,929

## Performance vs Callan Emerging Markets Equity Mut Funds (Gross)

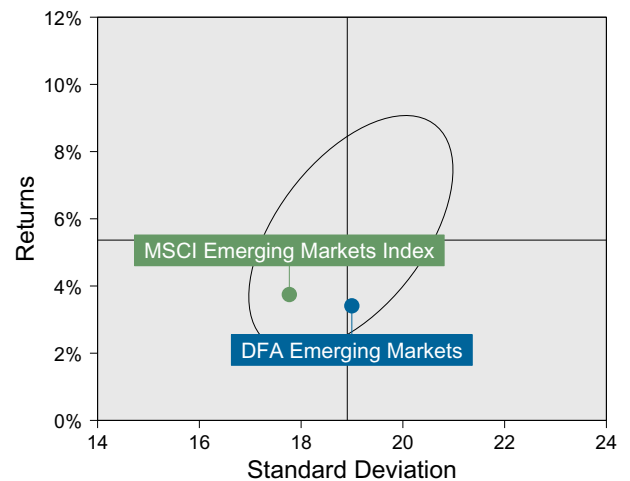


10th Percentile	14.55	27.77	9.27	15.68	9.14	9.44	
25th Percentile	12.79	17.52	5.86	12.68	7.63	8.13	
Median	10.26	12.39	3.31	10.26	5.37	5.70	
75th Percentile	7.64	6.97	1.49	8.55	4.06	4.68	
90th Percentile	4.87	0.16	(0.54)	4.91	0.97	1.71	
<b>DFA Emerging Markets</b>	●	8.59	4.32	0.34	7.75	3.41	4.12
<b>MSCI Emerging Markets Index</b>	▲	9.56	10.54	2.42	8.97	3.75	4.42

## Relative Returns vs MSCI Emerging Markets Index



## Callan Emerging Markets Equity Mut Funds (Gross) Annualized Seven Year Risk vs Return

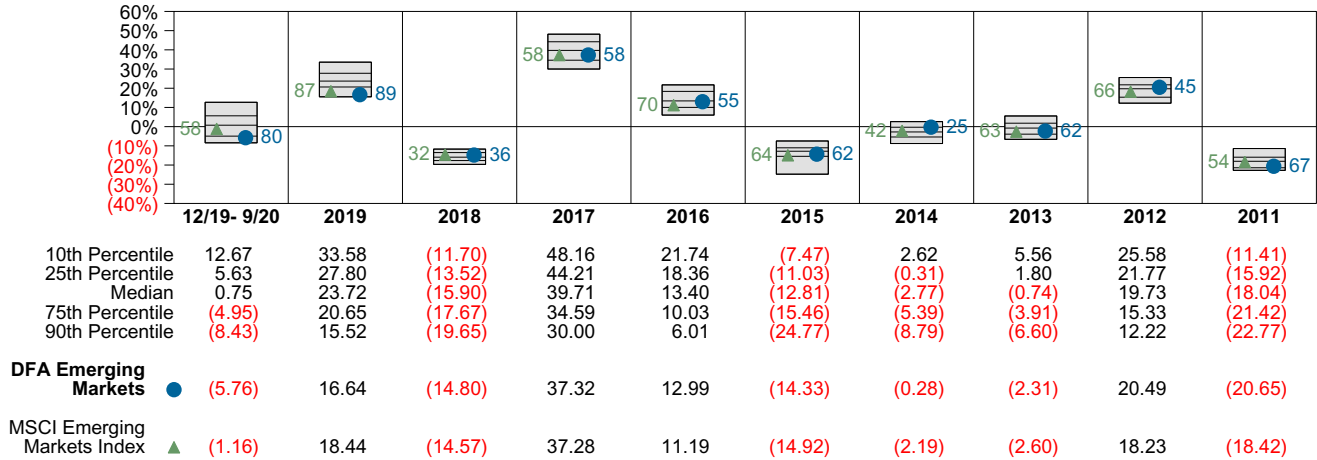


# DFA Emerging Markets Return Analysis Summary

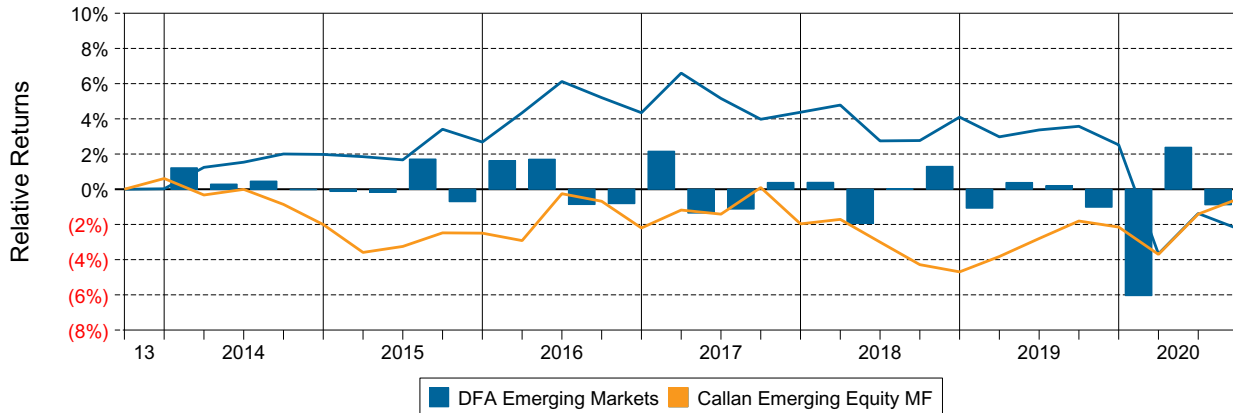
## Return Analysis

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.

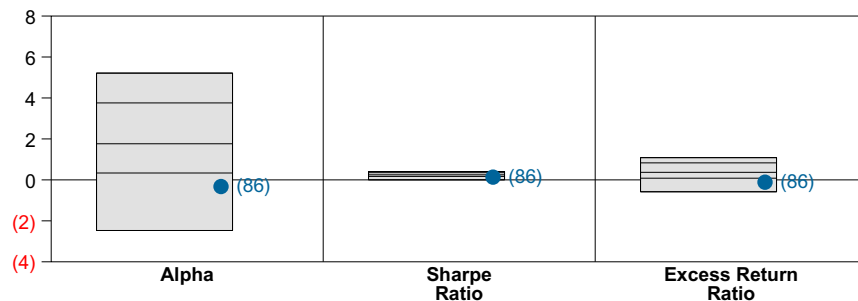
### Performance vs Callan Emerging Markets Equity Mut Funds (Gross)



### 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, 2020



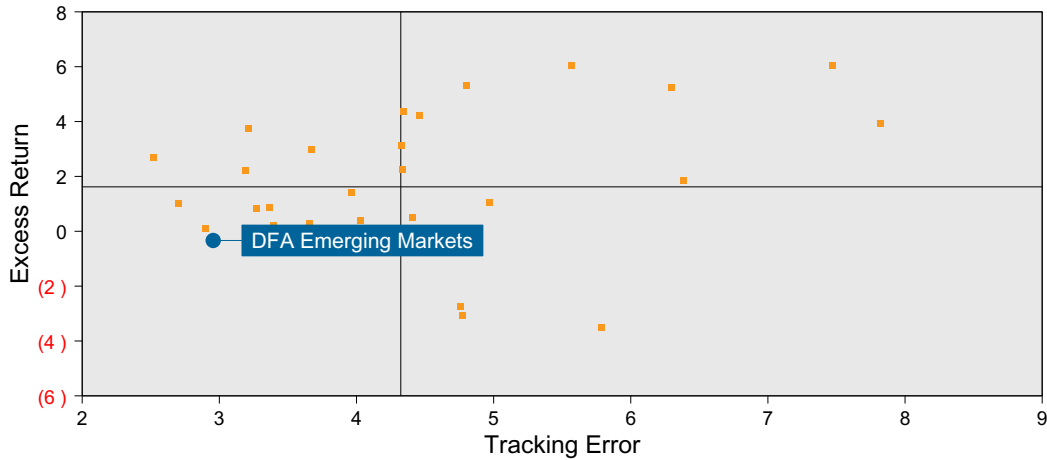
	Alpha	Sharpe Ratio	Excess Return Ratio
10th Percentile	5.21	0.41	1.09
25th Percentile	3.76	0.35	0.83
Median	1.76	0.25	0.37
75th Percentile	0.34	0.17	0.08
90th Percentile	(2.47)	0.01	(0.58)
<b>DFA Emerging Markets</b>	● (0.33)	0.13	(0.11)

# DFA Emerging Markets Risk Analysis Summary

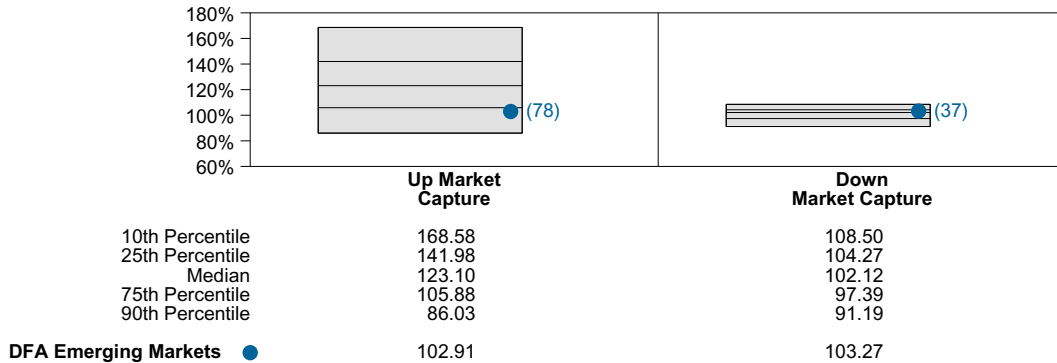
## Risk Analysis

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.

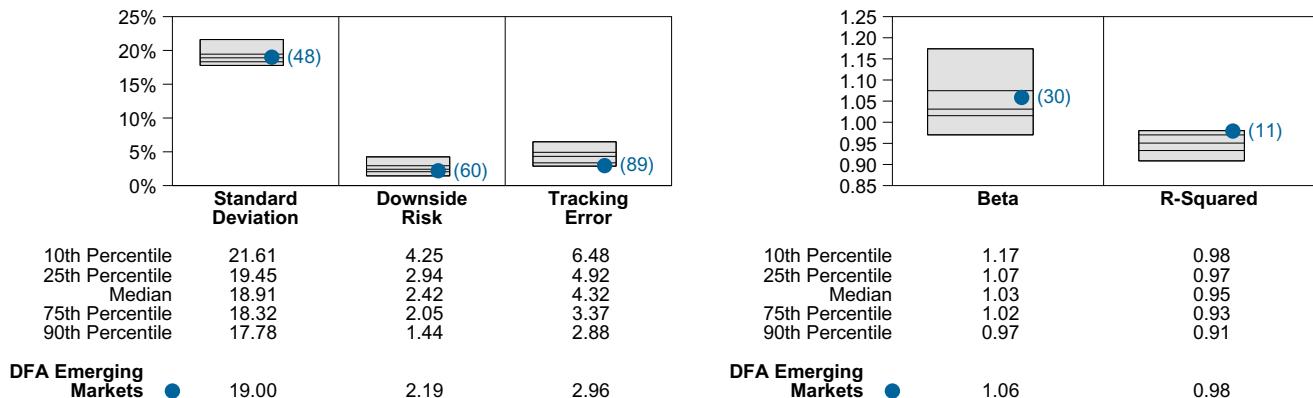
### Risk Analysis vs Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2020



### Market Capture vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2020



### Risk Statistics Rankings vs MSCI Emerging Markets Index Rankings Against Callan Emerging Markets Equity Mut Funds (Gross) Seven Years Ended September 30, 2020

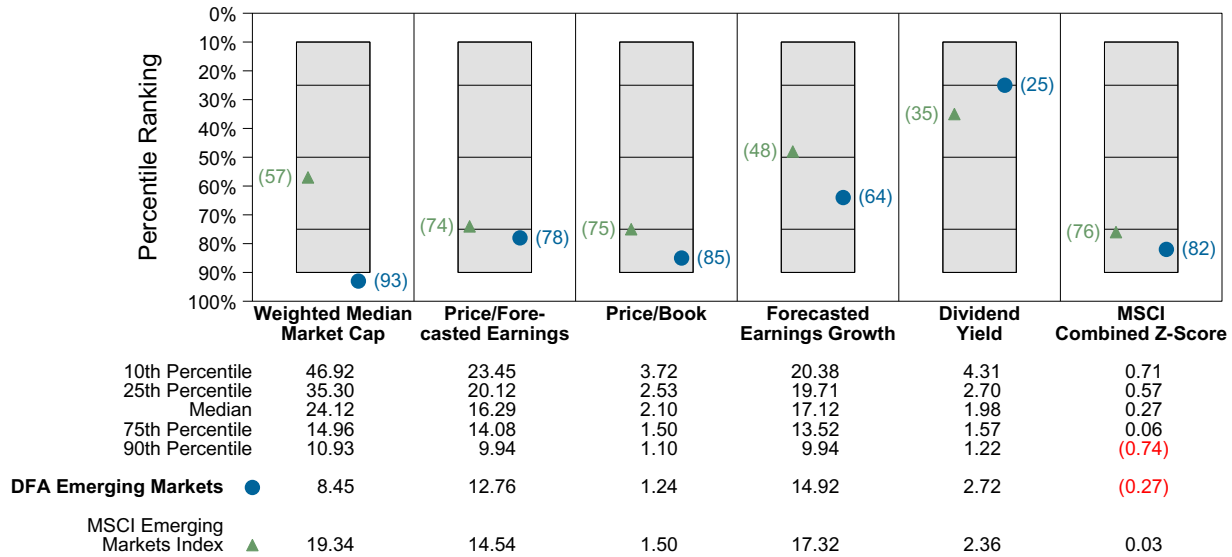


# DFA Emerging Markets Equity Characteristics Analysis Summary

## Portfolio Characteristics

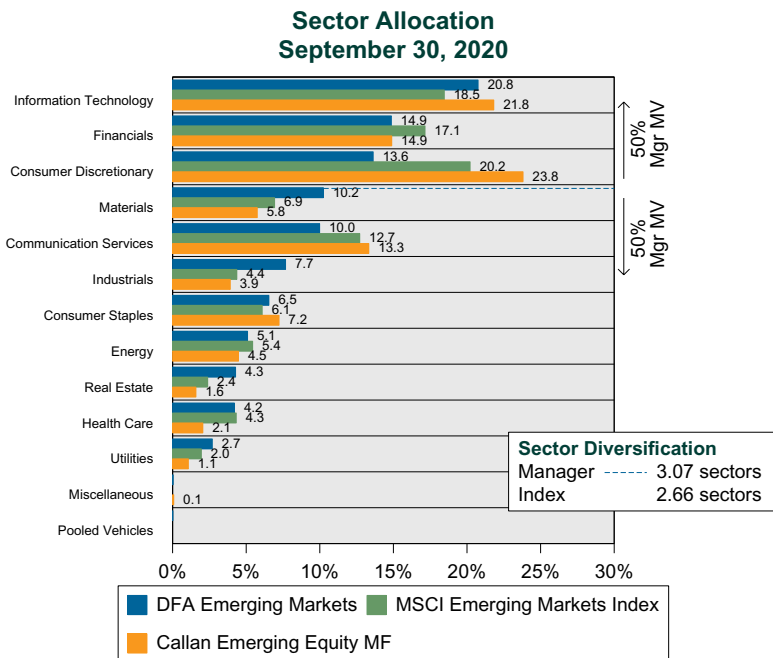
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Portfolio Characteristics Percentile Rankings Rankings Against Callan Emerging Markets Equity Mut Funds as of September 30, 2020

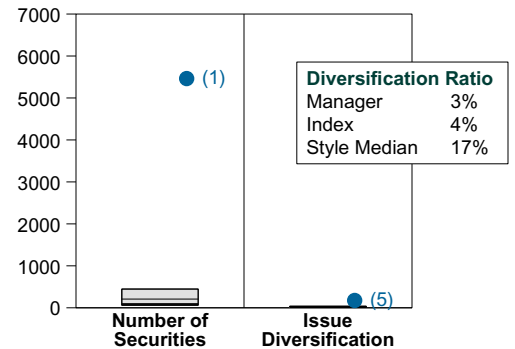


## Sector Weights

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.



## Diversification September 30, 2020



	Number of Securities	Issue Diversification
10th Percentile	447	38
25th Percentile	208	23
Median	99	18
75th Percentile	76	14
90th Percentile	62	11
<b>DFA Emerging Markets</b>	5462	175
MSCI Emerging Markets Index	1387	56



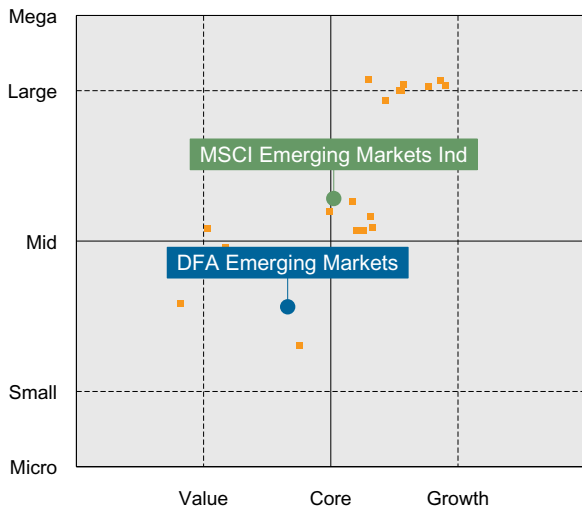
# Current Holdings Based Style Analysis

## DFA Emerging Markets

### As of September 30, 2020

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.

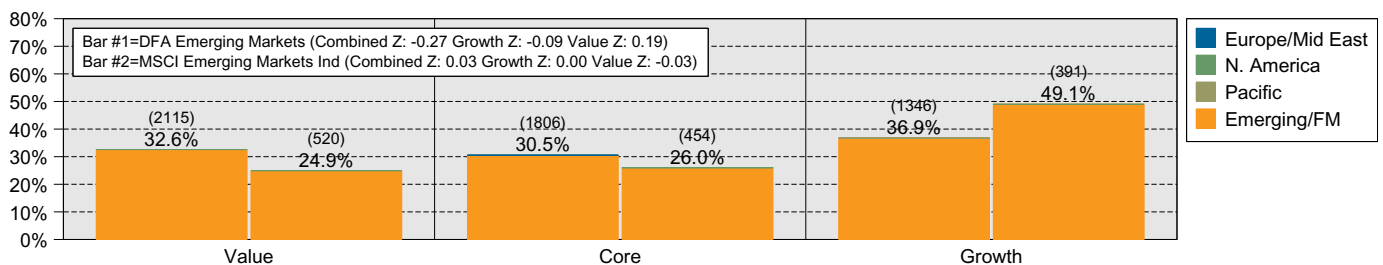
**Style Map vs Callan Emerging Equity MF Holdings as of September 30, 2020**



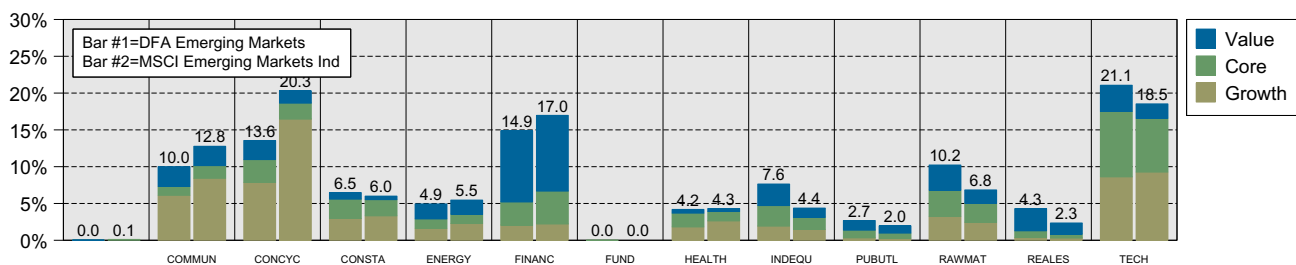
**Style Exposure Matrix Holdings as of September 30, 2020**

	Value	Core	Growth	Total
Europe/ Mid East	0.0% (0)	0.0% (1)	0.0% (0)	0.0% (1)
N. America	0.0% (1)	0.0% (9)	0.0% (0)	0.0% (10)
Pacific	0.0% (14)	0.0% (20)	0.2% (16)	0.3% (50)
Emerging/ FM	32.6% (2100)	30.5% (1776)	36.7% (1330)	99.7% (5206)
	24.9% (519)	25.9% (452)	49.1% (390)	99.9% (1361)
<b>Total</b>	<b>32.6% (2115)</b>	<b>30.5% (1806)</b>	<b>36.9% (1346)</b>	<b>100.0% (5267)</b>
	24.9% (520)	26.0% (454)	49.1% (391)	100.0% (1365)

**Combined Z-Score Style Distribution Holdings as of September 30, 2020**



**Sector Weights Distribution Holdings as of September 30, 2020**



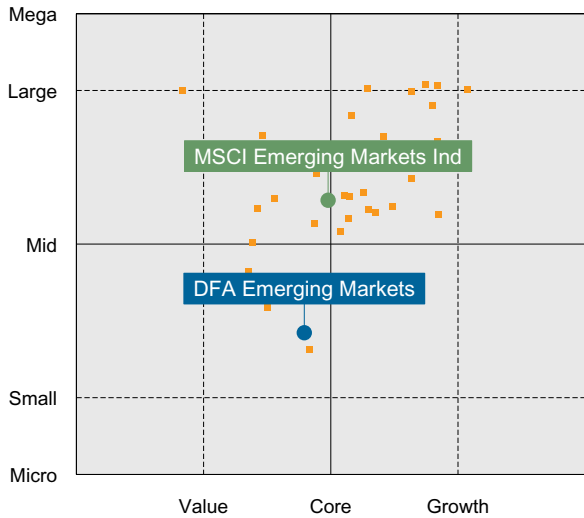
# Historical Holdings Based Style Analysis

## DFA Emerging Markets

### For Five Years Ended September 30, 2020

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.

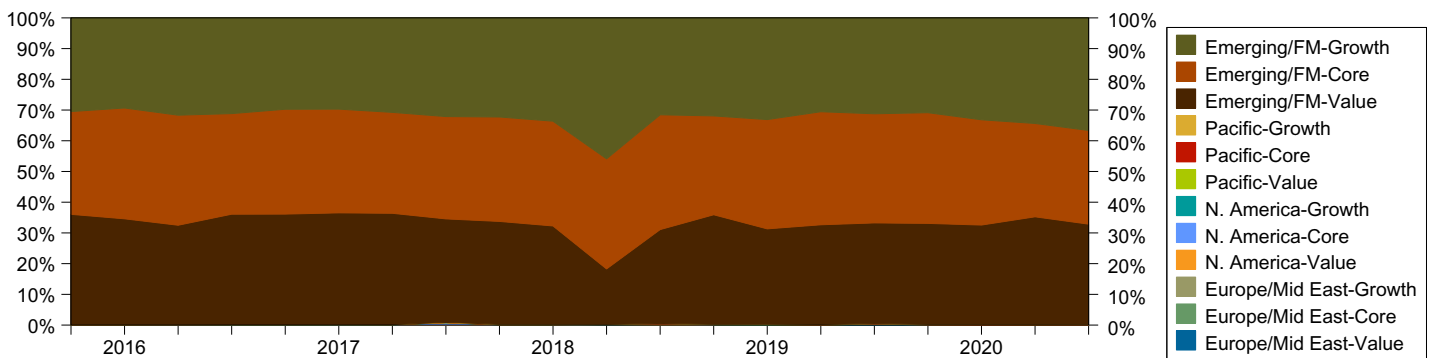
**Average Style Map vs Callan Emerging Equity MF Holdings for Five Years Ended September 30, 2020**



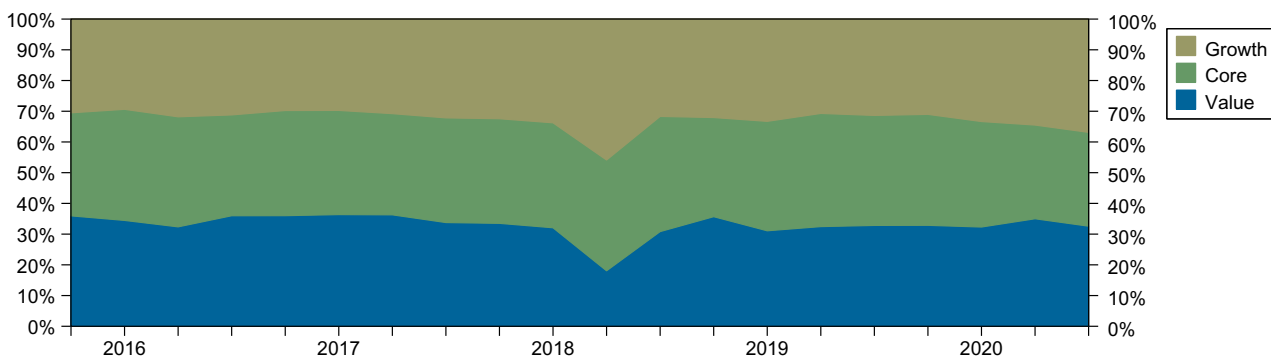
**Average Style Exposure Matrix Holdings for Five Years Ended September 30, 2020**

Europe/ Mid East	0.0% (0)	0.0% (1)	0.0% (0)	0.1% (1)
	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)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Pacific	0.0% (16)	0.0% (19)	0.1% (12)	0.2% (47)
	0.0% (0)	0.0% (0)	0.0% (0)	0.0% (0)
Emerging/ FM	33.0% (1601)	34.2% (1374)	32.5% (998)	99.7% (3973)
	30.8% (373)	30.1% (323)	39.1% (325)	100.0% (1021)
<b>Total</b>	<b>33.0% (1618)</b>	<b>34.4% (1398)</b>	<b>32.6% (1011)</b>	<b>100.0% (4027)</b>
	<b>30.8% (373)</b>	<b>30.1% (323)</b>	<b>39.1% (325)</b>	<b>100.0% (1021)</b>
	Value	Core	Growth	Total

### DFA Emerging Markets Historical Region/Style Exposures



### DFA Emerging Markets Historical Style Only Exposures



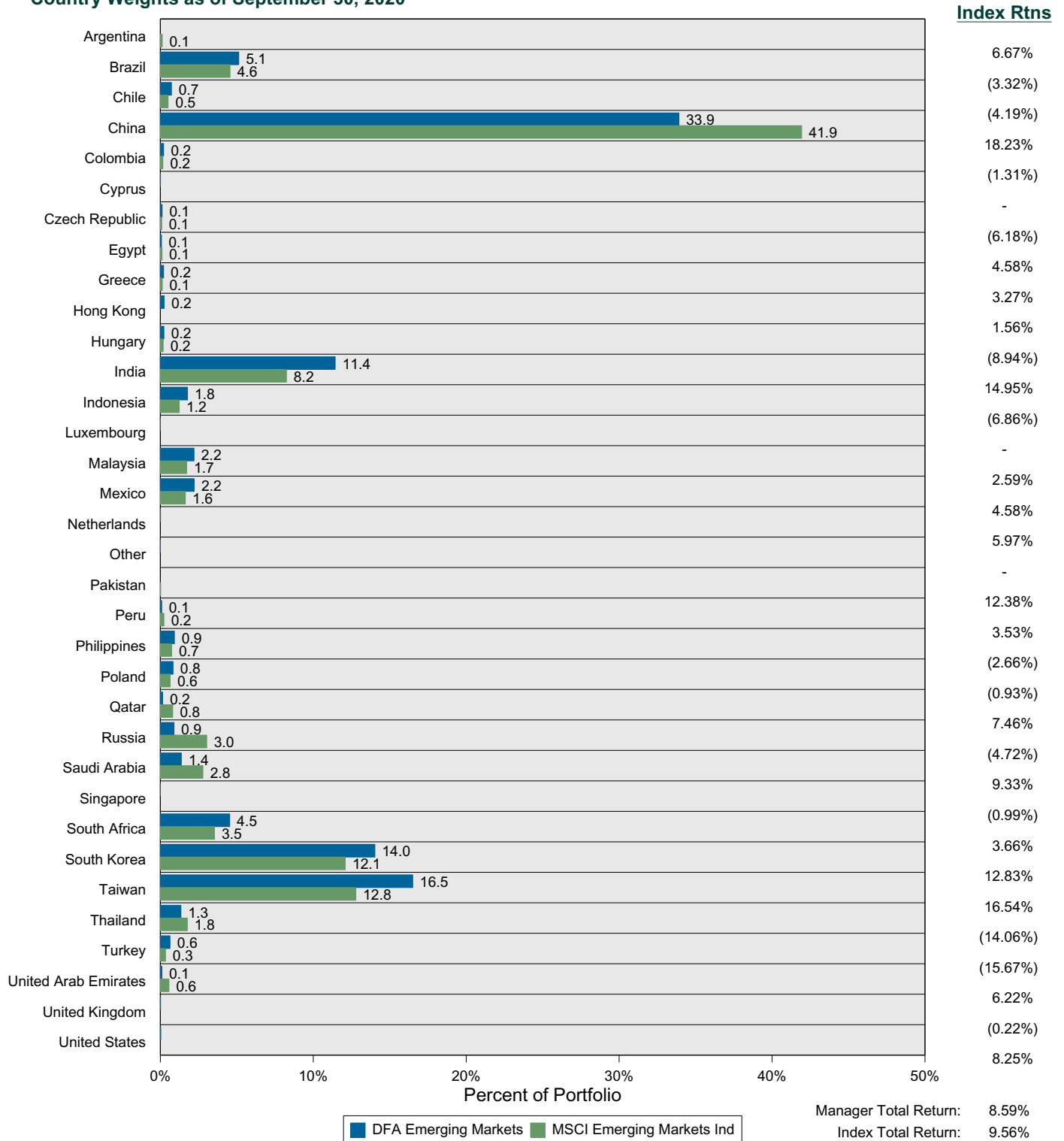
# Country Allocation

## 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, 2020. 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, 2020



## DFA Emerging Markets Top 10 Portfolio Holdings Characteristics as of September 30, 2020

### 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
Tencent Holdings Limited Shs Par Hkd	Communication Services	\$955,532	4.6%	5.17%	632.46	30.80	0.23%	25.47%
Samsung Electronics Co Ltd Ord	Information Technology	\$894,377	4.3%	14.14%	297.09	12.05	2.43%	17.45%
Alibaba Group Hldg Ltd Sponsored Ads	Consumer Discretionary	\$610,889	3.0%	40.12%	0.80	28.05	0.00%	23.00%
Taiwan Semicond Manufac Co L Shs	Information Technology	\$512,258	2.5%	41.72%	387.67	22.31	2.31%	17.11%
Taiwan Semiconductor Mfg Co Ltd Spon	Information Technology	\$377,863	1.8%	44.95%	387.67	22.31	2.31%	17.11%
Ping An Insurance H	Financials	\$257,660	1.2%	6.60%	76.40	8.34	2.92%	7.84%
Reliance Industries Ltd Shs Demateri	Energy	\$238,963	1.2%	34.67%	191.98	27.38	0.29%	17.43%
China Construction Bank Shs H	Financials	\$175,350	0.8%	(15.34)%	155.73	4.24	6.97%	3.42%
Vale Sa Shs	Materials	\$162,229	0.8%	7.26%	55.42	5.44	6.47%	22.00%
Sk Hynix Inc Shs	Information Technology	\$134,712	0.7%	1.53%	52.29	9.43	1.19%	24.97%

### 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
Samkang M & T	Materials	\$859	0.0%	337.92%	0.51	19.71	0.00%	35.13%
Philex Mining A	Materials	\$200	0.0%	334.95%	0.43	(28.67)	0.24%	-
Shin Poong Pharmaceutical Co Shs	Health Care	\$5,610	0.0%	330.82%	5.73	7726.43	0.00%	-
Hna Infrastructure Co Ltd Shs H	Industrials	\$4,664	0.0%	330.67%	1.27	37.67	0.00%	11.14%
Danen Technology	Information Technology	\$207	0.0%	319.74%	0.06	(8.44)	0.00%	-
Motech Industries Co Ltd Shs	Information Technology	\$1,903	0.0%	251.49%	0.47	(23.75)	0.00%	(13.20)%
Unison Industrial	Industrials	\$867	0.0%	222.63%	0.51	(169.62)	0.00%	-
Korea United Pharm.	Health Care	\$2,455	0.0%	210.70%	1.01	39.06	0.46%	17.54%
Inmong.Junzheng E&c.'a'	Materials	\$1,088	0.0%	196.04%	8.95	20.38	4.85%	27.10%
Laurus Labs Ltd	Health Care	\$957	0.0%	183.38%	2.09	26.83	0.17%	(31.57)%

### 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
Rockapetta Hdg.	Communication Services	\$221	0.0%	-	0.63	(22.38)	0.00%	-
Fossal S A A Sponsored Adr	Materials	\$0	0.0%	(80.34)%	0.00	(0.00)	0.00%	-
Altus Property Ventures Inc	Real Estate	\$52	0.0%	(77.28)%	0.02	65.00	0.00%	-
Magician Inds.Hdg.	Consumer Discretionary	\$4	0.0%	(75.92)%	0.08	2.50	0.00%	-
Sitara Propertindo	Industrials	\$80	0.0%	(75.76)%	0.03	-	0.00%	-
Minera Frisco Sab De Cv	Materials	\$358	0.0%	(69.54)%	0.46	(90.00)	0.00%	(34.86)%
Pharmally International Hldg.Co.	Health Care	\$678	0.0%	(64.85)%	0.20	13.93	4.41%	1.04%
Asian Citrus Holdings Limite Shs	Consumer Staples	\$88	0.0%	(58.64)%	0.04	0.49	0.00%	-
Marfin Financial Grp Hldgs S Reg Shs	Financials	\$47	0.0%	(57.26)%	0.03	15.00	0.00%	-
Silverman Holdings	Consumer Discretionary	\$58	0.0%	(55.88)%	0.06	(19.50)	3.88%	-



# Metropolitan West

## Period Ended September 30, 2020

### 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.

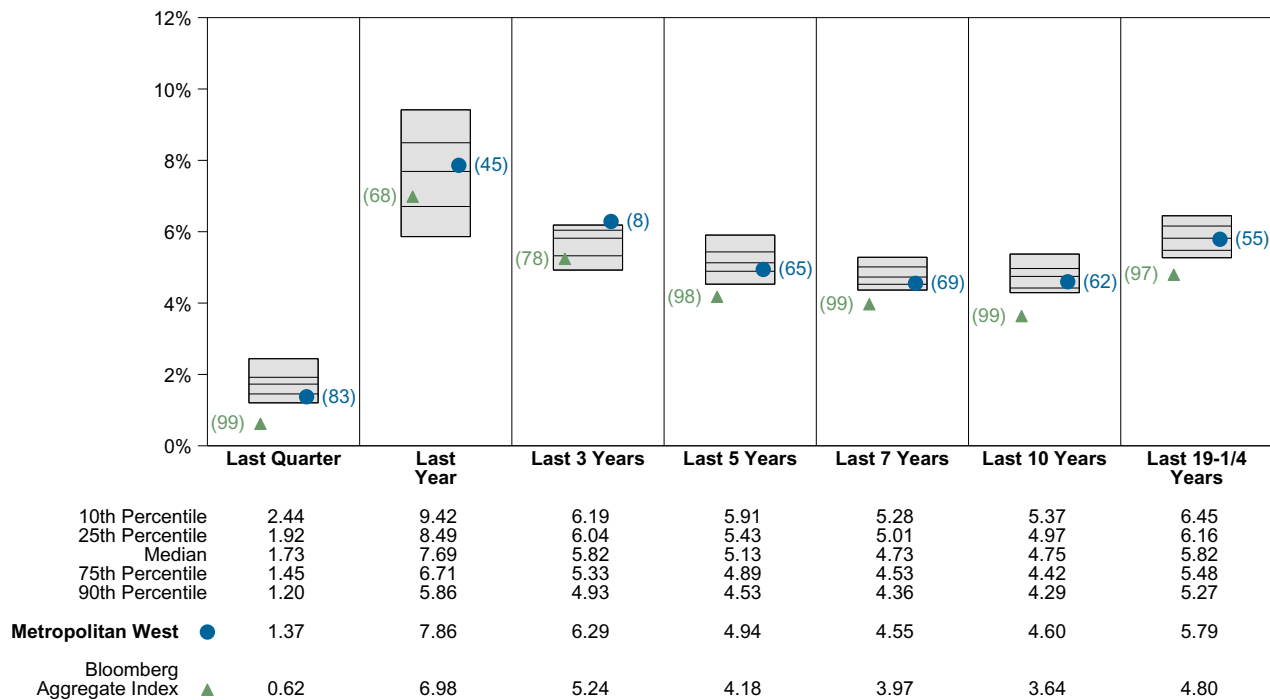
### Quarterly Summary and Highlights

- Metropolitan West's portfolio posted a 1.37% return for the quarter placing it in the 83 percentile of the Callan Core Plus Fixed Income group for the quarter and in the 45 percentile for the last year.
- Metropolitan West's portfolio outperformed the Bloomberg Aggregate Index by 0.75% for the quarter and outperformed the Bloomberg Aggregate Index for the year by 0.88%.

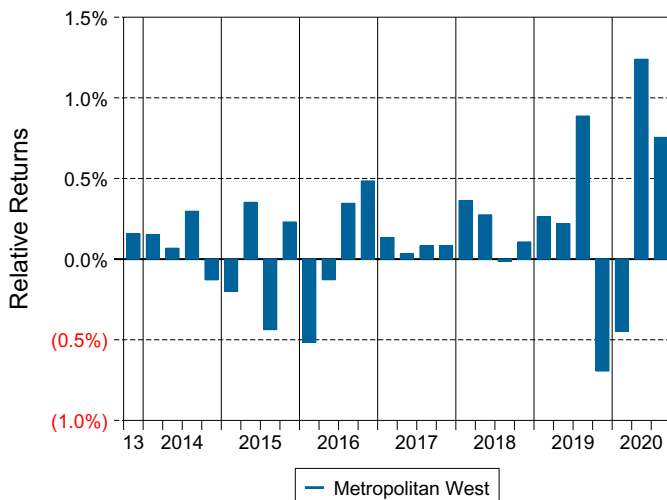
### Quarterly Asset Growth

Beginning Market Value	\$97,295,748
Net New Investment	\$0
Investment Gains/(Losses)	\$1,336,642
Ending Market Value	\$98,632,389

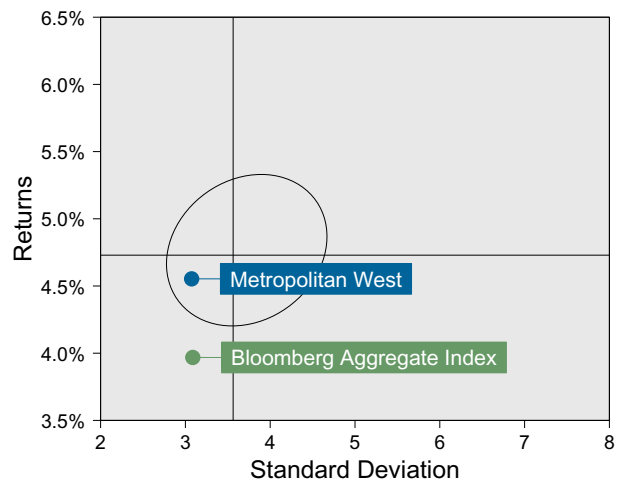
### Performance vs Callan Core Plus Fixed Income (Gross)



### Relative Returns vs Bloomberg Aggregate Index



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

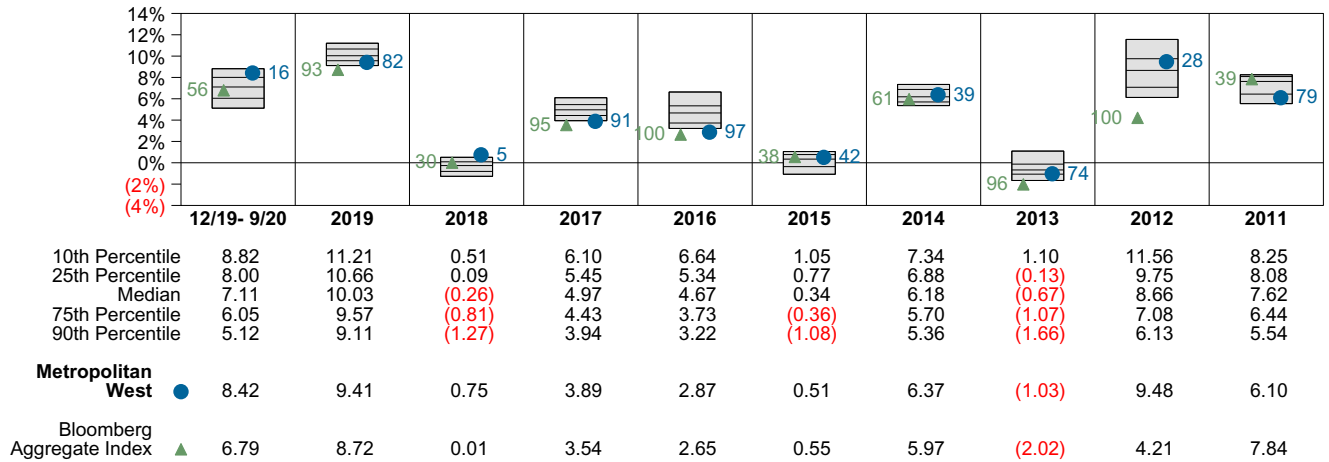


# Metropolitan West Return Analysis Summary

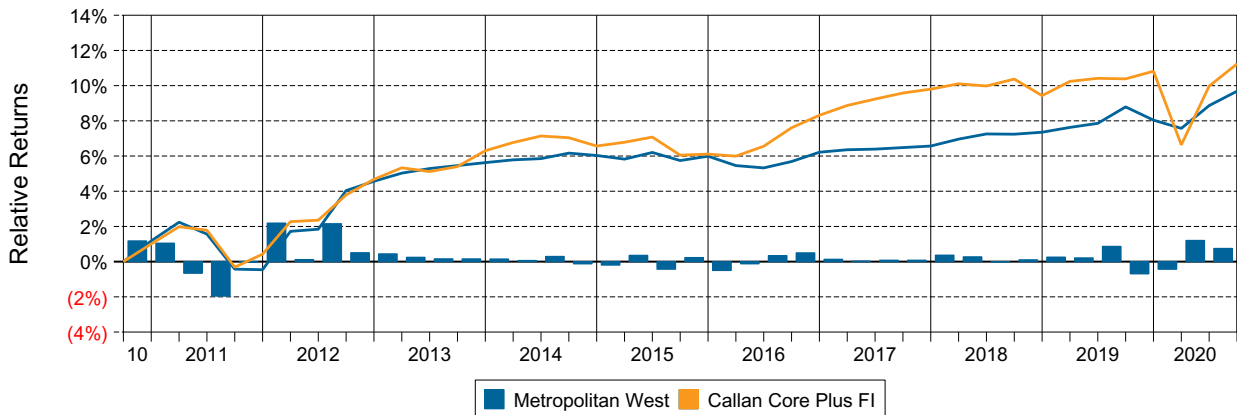
## Return Analysis

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.

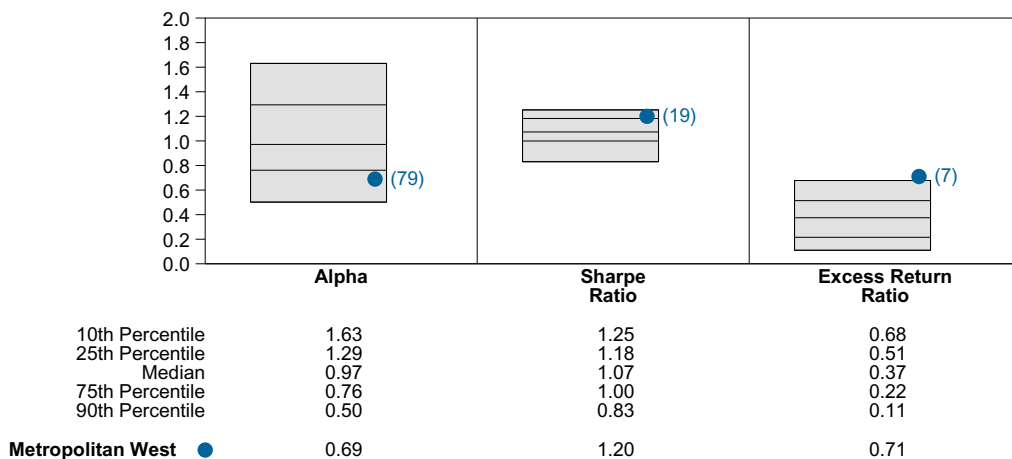
### Performance vs Callan Core Plus Fixed Income (Gross)



### 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, 2020

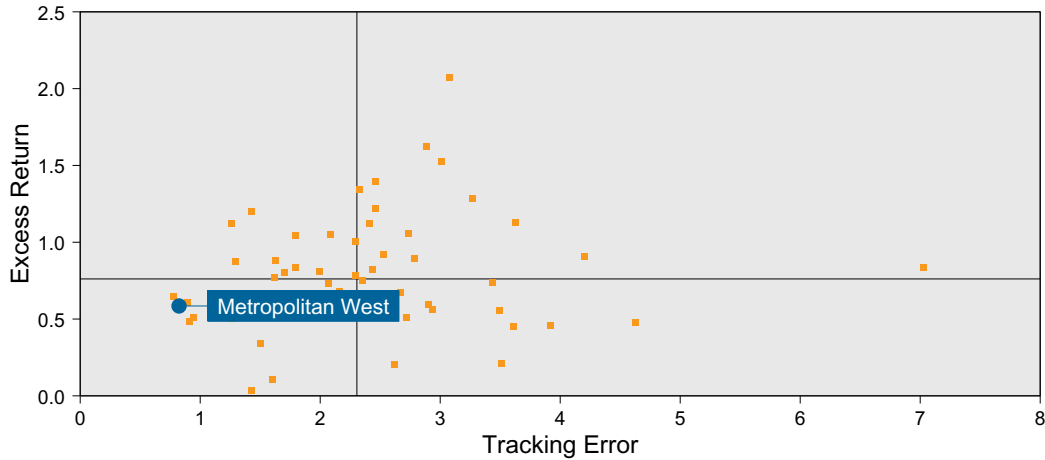


# Metropolitan West Risk Analysis Summary

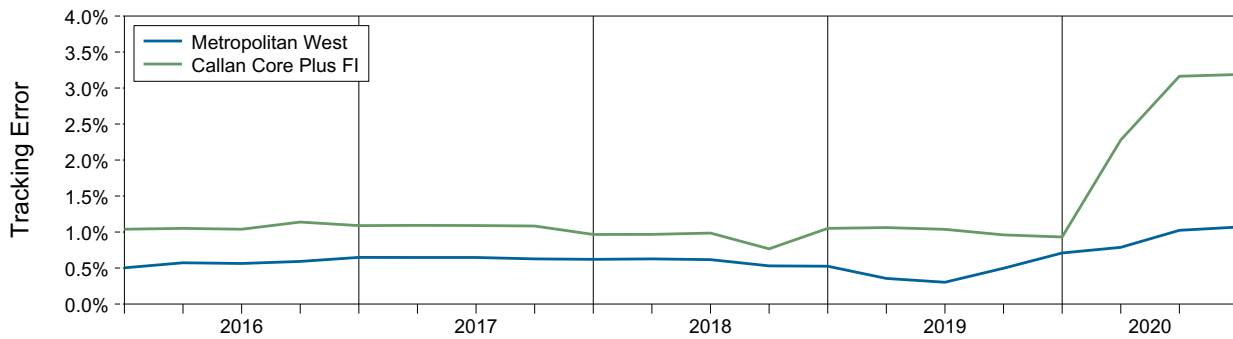
## Risk Analysis

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.

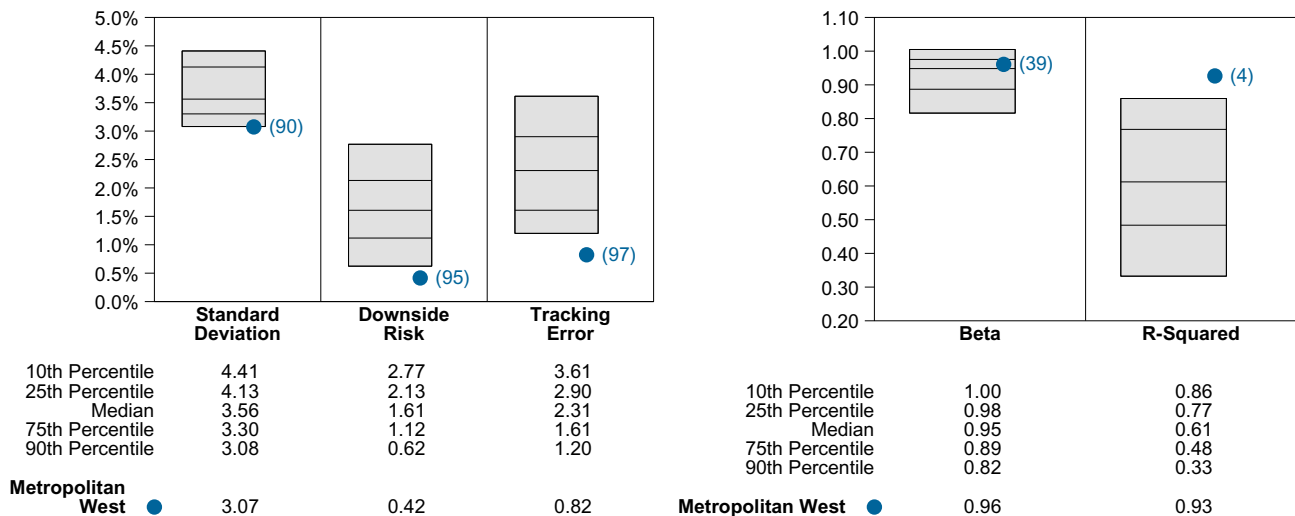
### Risk Analysis vs Callan Core Plus Fixed Income (Gross) Seven Years Ended September 30, 2020



### 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, 2020



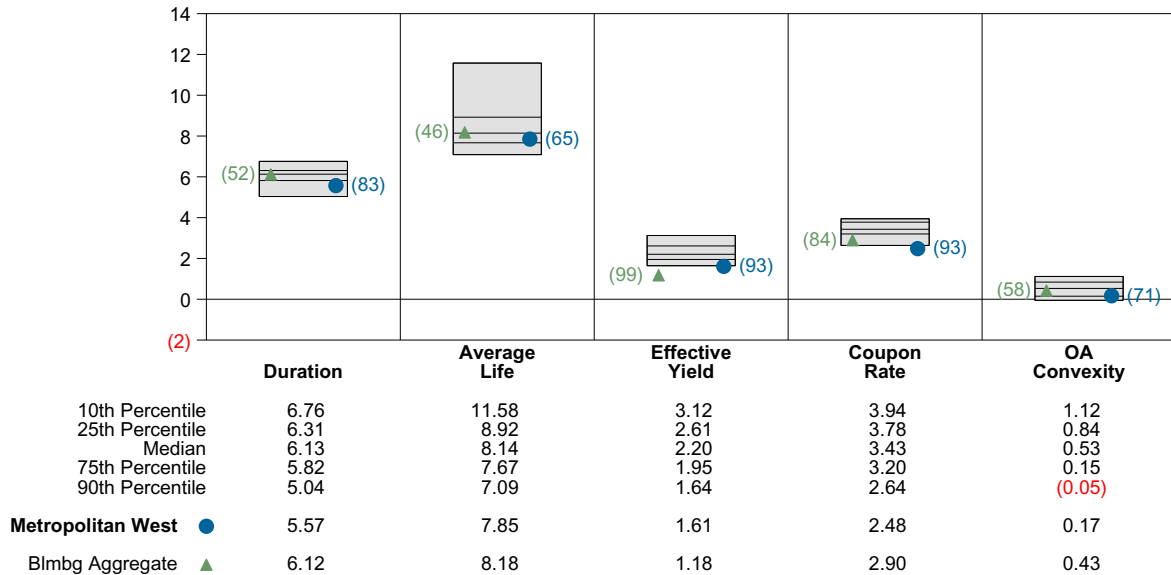


# Metropolitan West Bond Characteristics Analysis Summary

## Portfolio Characteristics

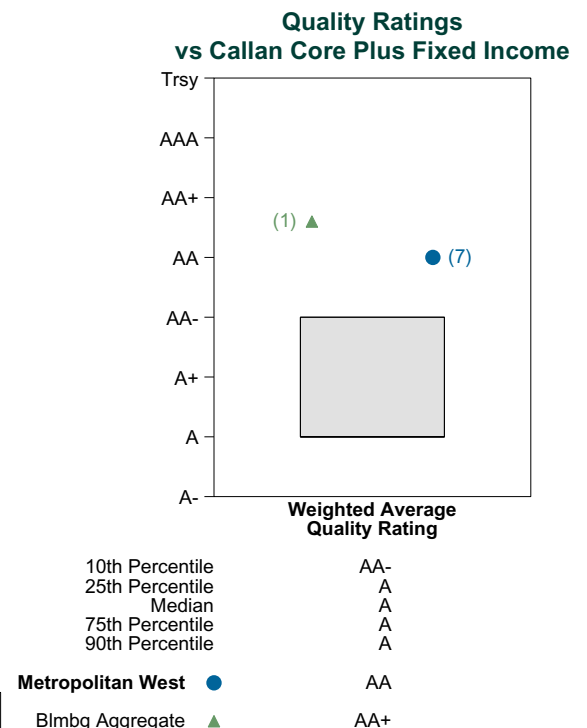
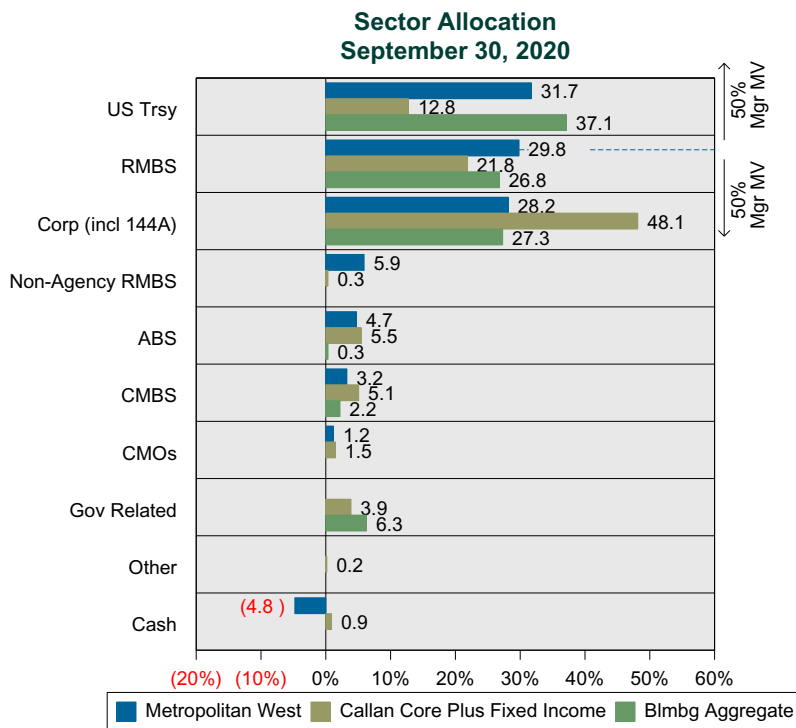
This graph compares the manager's portfolio characteristics with the range of characteristics for the portfolios which make up the manager's style group. This analysis illustrates whether the manager's current holdings are consistent with other managers employing the same style.

## Fixed Income Portfolio Characteristics Rankings Against Callan Core Plus Fixed Income as of September 30, 2020



## 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.

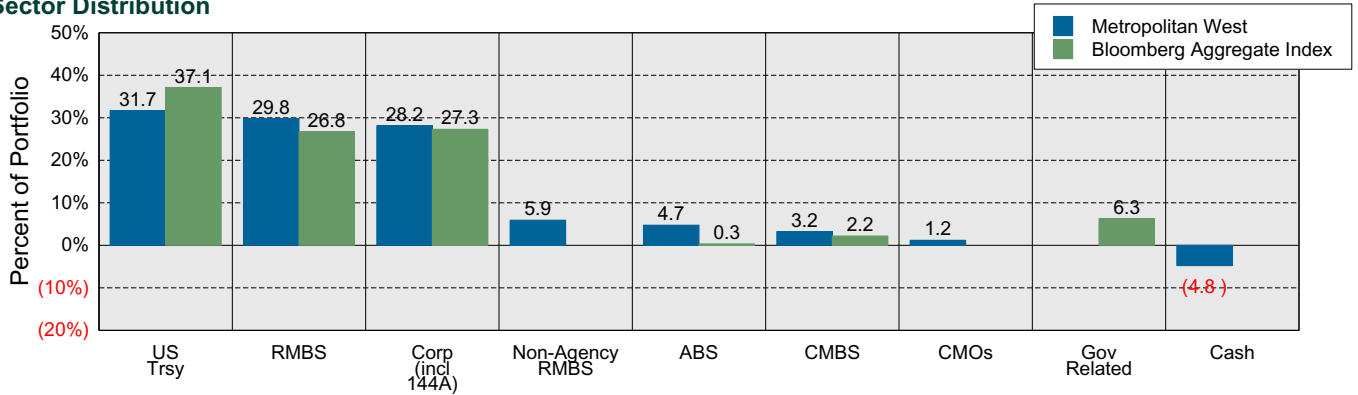


# Metropolitan West Portfolio Characteristics Summary As of September 30, 2020

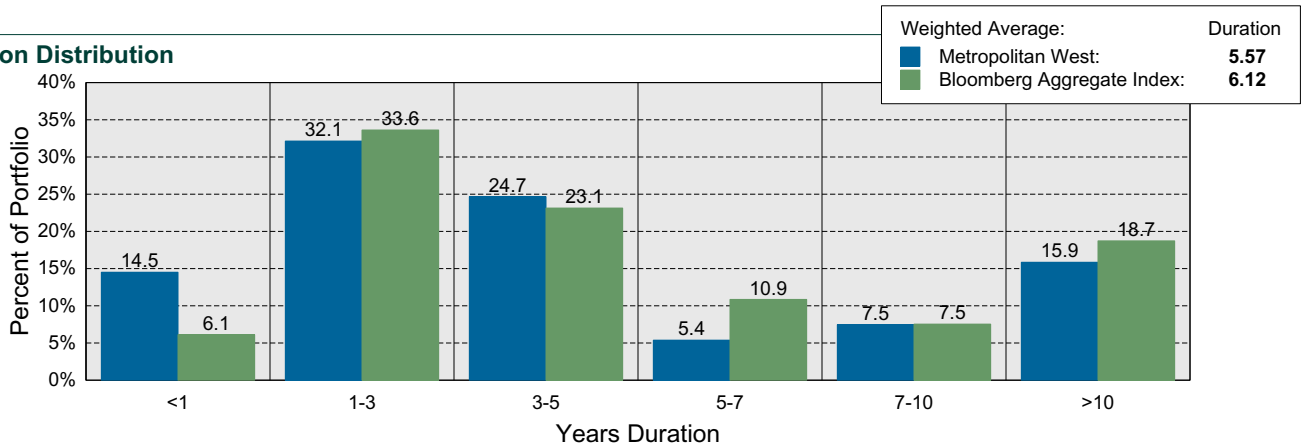
## Portfolio Structure Comparison

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.

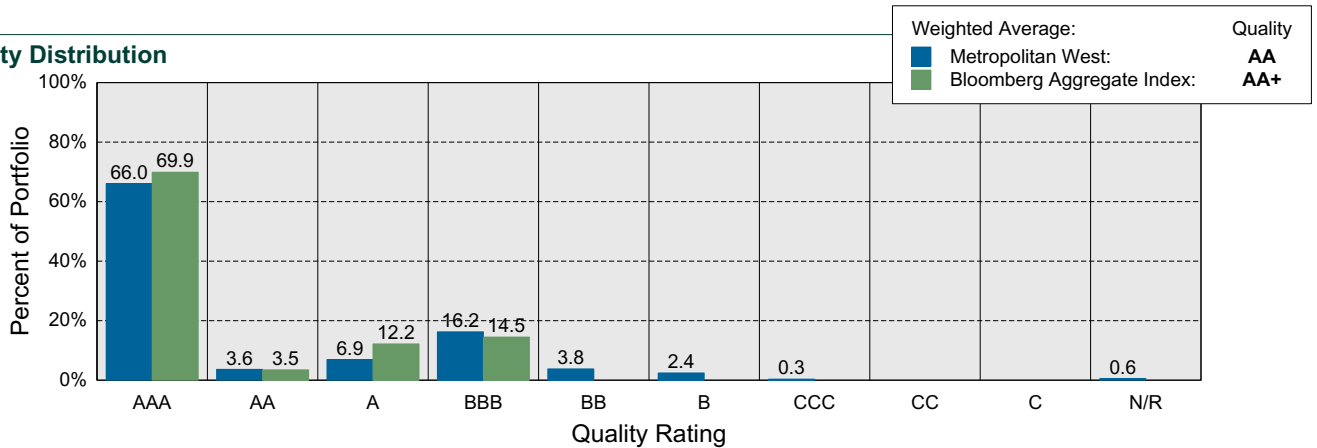
### Sector Distribution



### 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

**[2020 ESG Survey](#)** | Callan’s eighth annual survey assessing the status of environmental, social, and governance (ESG) investing in the U.S. institutional investment market.

**[Coping with COVID-19: How Work Is Evolving for Investment Managers—2nd Edition](#)** | Following up on our June publication, Callan again surveyed investment managers regarding how their firms were responding to the COVID-19 pandemic, focusing on office closures and reopenings, work-from-home approaches, business travel, and meetings. Respondents reflected a variety of firms by location, employee size, ownership structure, and assets under management.

**[Private Equity Fees and Terms Study](#)** | To help institutional investors better evaluate private equity funds, Callan conducted an extensive analysis of the fees and terms for private equity partnerships. Using that data, we created this study to help investors evaluate a partnership’s terms compared to its peers.

**[Real Estate Indicators: Too Hot to Touch or Cool Enough to Handle?](#)** | Callan’s Real Assets Consulting group identifies seven indicators that, combined with an understanding of prevailing market dynamics, have helped signal when the institutional real estate market is overheated or cooled.

### Blog Highlights

**[How Investors Can Address Climate Risk in Real Estate](#)** | Climate risk, which refers to the hazards associated with climate change, can significantly threaten real estate portfolios. Institutional investors and real estate investment managers must evaluate the increasing significance of climate risk given the material financial impact that climate change can have on real estate portfolios.

**[Fine-Tuning Implementation of the CARES Act](#)** | Drafting the CARES Act was expedited, which means there is a limited congressional record to clarify provisions. The IRS has issued two notices and a FAQ to clarify how defined contribution (DC) plan sponsors should implement the provisions, touching on required notices, tax reporting, and recordkeeping.

**[DOL Proposes Tightened Proxy Voting Guidelines](#)** | The department’s new proposal dovetails with SEC guidance finalized in 2020 and would create a refined set of circumstances in which plan fiduciaries may engage in proxy voting.

### Quarterly Periodicals

**[Private Equity Trends, 2Q20](#)** | A high-level summary of private equity activity in the quarter through all the investment stages

**[Active vs. Passive Charts, 2Q20](#)** | A comparison of active managers alongside relevant benchmarks over the long term

**[Market Pulse Flipbook, 2Q20](#)** | A quarterly market reference guide covering trends in the U.S. economy, developments for institutional investors, and the latest data on the capital markets

**[Capital Market Review, 2Q20](#)** | Analysis and a broad overview of the economy and public and private market activity each quarter across a wide range of asset classes

**[Hedge Fund Quarterly, 2Q20](#)** | Commentary on developments for hedge funds and multi-asset class (MAC) strategies

**[Real Assets Reporter, 2Q20](#)** | In this quarter’s edition, Barbara Bernard and Sally Haskins discuss how new risk-retention rules affect the CMBS market. In addition, it includes analysis of the performance of real estate and other real assets in 2Q20.

## 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:

### 2021 National Conference

June 21-23, 2021

San Francisco | Palace Hotel

For more information about events, please contact Barb Gerraty: 415-274-3093 / [gerraty@callan.com](mailto:gerraty@callan.com)

## Education: By the Numbers

50+

Unique pieces of research the Institute generates each year

525

Attendees (on average) of the Institute's annual National Conference

3,700

Total attendees of the "Callan College" since 1994

## Education

Founded in 1994, the "Callan College" offers educational sessions for industry professionals involved in the investment decision-making process.

### Introduction to Investments—Virtual

This program familiarizes institutional investor trustees and staff and asset management advisers with basic investment theory, terminology, and practices. It is held over three days with virtual modules of 2.5-3 hours. This course is designed for individuals with less than two years of experience with asset-management oversight and/or support responsibilities. Tuition is \$950 per person and includes instruction and digital materials.

**Please look for our updated schedule for 2021 in November**

Additional information including registration can be found at: [www.callan.com/cc-introduction-virtual/](http://www.callan.com/cc-introduction-virtual/)

### Introduction to Investments—In Person

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 with less than two years of experience with asset-management oversight and/or support responsibilities. Tuition is \$2,350 per person and includes instruction, all materials, breakfast and lunch on each day, and dinner on the first evening with the instructors.

Additional information including dates and registration can be found at: [www.callan.com/callan-college-intro-2/](http://www.callan.com/callan-college-intro-2/)



"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 ongoing 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.
AllianceBernstein
Allianz
American Century Investments
Amundi Pioneer Asset Management
AQR Capital Management
Ares Management LLC
Ariel Investments, LLC
Aristotle Capital Management, LLC
Atlanta Capital Management Co., LLC
Aviva Investors Americas
AXA Investment Managers
Baillie Gifford International, LLC
Baird Advisors
Baron Capital Management, Inc.
Barrow, Hanley, Mewhinney & Strauss, LLC

Manager Name
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
CapFinancial Partners, LLC
Capital Group
Carillon Tower Advisers
CastleArk Management, LLC
Causeway Capital Management LLC
Chartwell Investment Partners
ClearBridge Investments, LLC
Cohen & Steers Capital Management, Inc.

**Manager Name**

Columbia Management Investments

Columbus Circle Investors

Credit Suisse Asset Management

D.E. Shaw Investment Management, L.L.C.

DePrince, Race &amp; Zollo, Inc.

Dimensional Fund Advisors LP

Doubleline

Duff &amp; Phelps Investment Management Co.

DWS

EARNEST Partners, LLC

Eaton Vance Management

Epoch Investment Partners, Inc.

Fayez Sarofim &amp; Company

Federated Hermes, Inc.

Fidelity Institutional Asset Management

Fiera Capital Corporation

First Hawaiian Bank Wealth Management Division

First State Investments

Fisher Investments

Franklin Templeton

Fred Alger Management, Inc.

GAM (USA) Inc.

GCM Grosvenor

Glenmeade Investment Management, LP

GlobeFlex Capital, L.P.

Goldman Sachs

Green Square Capital Advisors, LLC

Guggenheim Investments

GW&amp;K Investment Management

Harbor Capital Group Trust

Hartford Investment Management Co.

Heitman LLC

Hotchkis &amp; Wiley Capital Management, LLC

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

**Manager Name**

J.P. Morgan

Janus

Jennison Associates LLC

Jobs Peak Advisors

KeyCorp

Lazard Asset Management

Legal &amp; General Investment Management America

Lincoln National Corporation

Longview Partners

Loomis, Sayles &amp; Company, L.P.

Lord Abbett &amp; Company

Los Angeles Capital Management

LSV Asset Management

MackKay Shields LLC

Macquarie Investment Management (MIM)

Manulife Investment Management

Marathon Asset Management, L.P.

McKinley Capital Management, LLC

Mellon

MetLife Investment Management

MFS Investment Management

MidFirst Bank

Mondrian Investment Partners Limited

Montag &amp; Caldwell, LLC

Morgan Stanley Investment Management

Mountain Pacific Advisors, LLC

MUFJ Union Bank, N.A.

Natixis Investment Managers

Neuberger Berman

Newton Investment Management

Nikko Asset Management Co., Ltd.

Nile Capital Group LLC

Northern Trust Asset Management

Nuveen

P/E Investments

Pacific Investment Management Company

Parametric Portfolio Associates LLC

Pathway Capital Management

Peregrine Capital Management, LLC

Perkins Investment Management

**Manager Name**

PFM Asset Management LLC

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.

Rothschild &amp; Co. Asset Management US

S&amp;P Dow Jones Indices

Schroder Investment Management North America Inc.

SLC Management

Smith Graham &amp; Co. Investment Advisors, L.P.

State Street Global Advisors

Stone Harbor Investment Partners L.P.

Strategic Global Advisors

T. Rowe Price Associates, Inc.

**Manager Name**

The TCW Group, Inc.

Thompson, Siegel &amp; Walmsley LLC

Thornburg Investment Management, Inc.

Tri-Star Trust Bank

UBS Asset Management

USAA Real Estate

VanEck

Versus Capital Group

Victory Capital Management Inc.

Virtus Investment Partners, Inc.

Vontobel Asset Management, Inc.

Voya

WCM Investment Management

WEDGE Capital Management

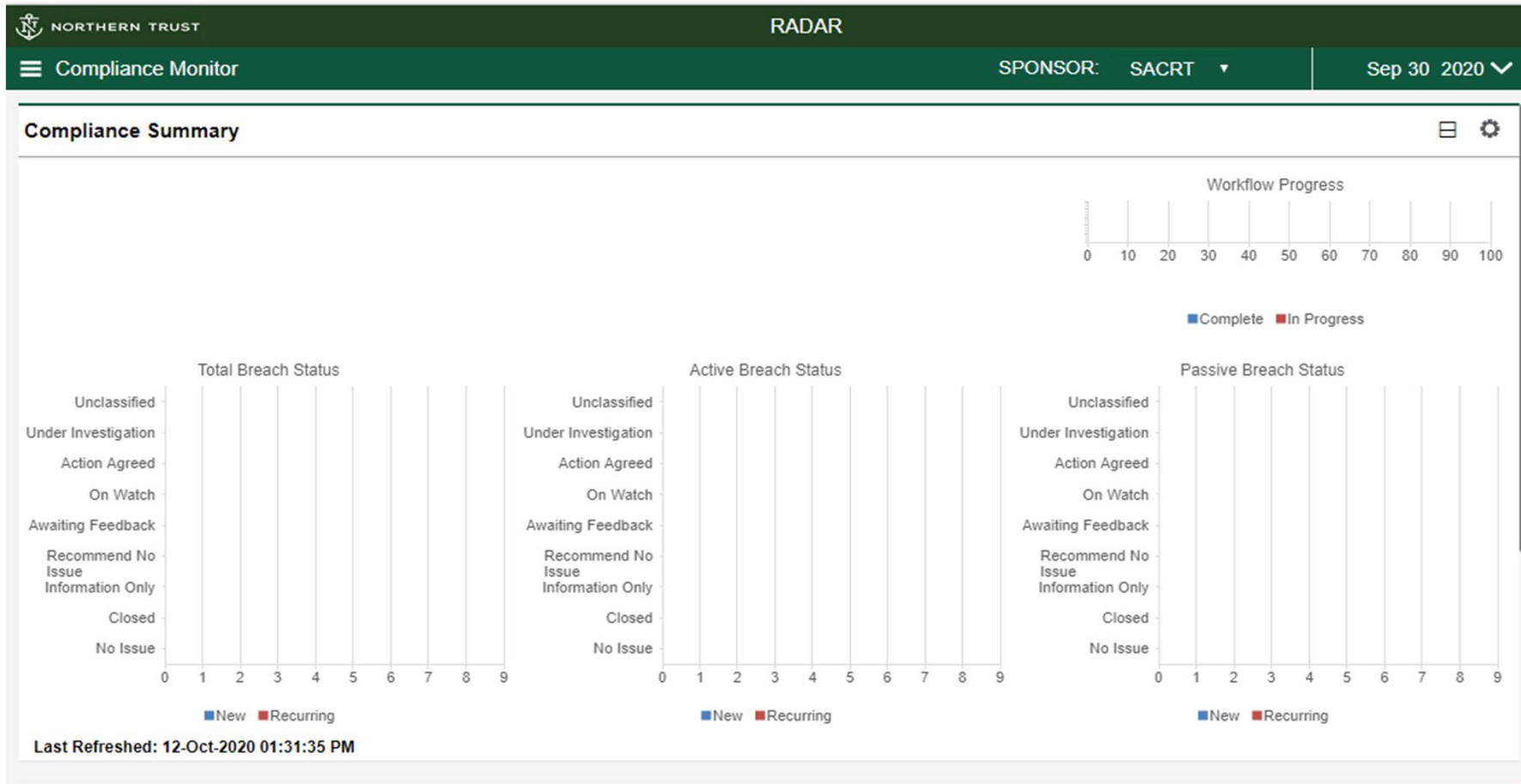
Wellington Management Company LLP

Wells Fargo Asset Management

Western Asset Management Company LLC

Westfield Capital Management Company, LP

William Blair &amp; Company LLC



NOTE: If the charts do not have populated bar graphs, there were no compliance violations.



# RETIREMENT BOARD STAFF REPORT

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**DATE:** December 9, 2020 Agenda Item: 15  
**TO:** Sacramento Regional Transit Retirement Board – ALL  
**FROM:** John Gobel, Manager, Pension and Retirement Services  
**SUBJ:** DISCUSSION OF ROLES AND RESPONSIBILITIES RELATED TO  
PENSION ADMINISTRATION FOR QUARTER ENDED SEPTEMBER 30,  
2020.

## **RECOMMENDATION**

No Recommendation - Information Only

## **RESULT OF RECOMMENDED ACTION**

No recommended action.

## **FISCAL IMPACT**

There is no fiscal impact associated with this action.

## **DISCUSSION**

Every quarter, three reports are distributed to apprise the Retirement Board of the functions performed by Staff and Legal Counsel in support of the pension plans. For reference, the reports prepared for the quarter ended September 30, 2020 are attached for your review and enumerated below:

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 Ended  
September 30, 2020

With the hiring of a new Manager for Pension and Retirement Services and the recent addition of a Retirement Services Analyst II to the internal retirement team, Staff expects to re-evaluate the current list of Pension Administration Staff Roles and Responsibilities in the coming months. Staff also expects to expand on the information provided to the Retirement Board regarding internal roles and responsibilities. As part of that process, Staff anticipates that the discussion of these reports will continue to be a New Business item for the next few meetings.

## 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, 2020 to September 30, 2020**

<b>Sum of Value TranCurr</b>				
<b>WBS Element</b>	<b>Source object name</b>	<b>Per</b>	<b>Total</b>	
SAXXXX.PENATU	Finance And Treasury / Weekly, Valerie	001	2,086.85	
		002	1,565.13	
		003	521.71	
	Finance And Treasury / Matthews, Rosalie	001	2,184.78	
		002	1,512.54	
		003	1,792.64	
	<b>SAXXXX.PENATU Total</b>			<b>9,663.65</b>
	SAXXXX.PENIBEW	Finance And Treasury / Weekly, Valerie	001	652.18
			002	826.10
003			304.36	
Finance And Treasury / Matthews, Rosalie		001	448.16	
		002	560.20	
		003	784.28	
<b>SAXXXX.PENIBEW Total</b>			<b>3,575.28</b>	
SAXXXX.PENSALA		Finance And Treasury / Weekly, Valerie	001	1,000.00
			002	782.63
	003		304.36	
	Finance And Treasury / Matthews, Rosalie	001	392.14	
		002	224.08	
		003	280.10	
	<b>SAXXXX.PENSALA Total</b>			<b>2,983.31</b>
	SAXXXX.PENSION	Finance And Treasury / Adelman, Jamie	001	414.44
			002	1,894.59
003			3,759.56	
Finance And Treasury / Mata, Jennifer		001	1,754.28	
		002	1,353.74	
		003	1,458.42	
VP, Finance/CFO / Bernegger, Brent		003	668.80	
		Board Support / Brooks, Cynthia	003	418.70
			Finance And Treasury / Volk, Lynda	001
002				5,668.87
003		3,467.78		
Finance And Treasury / Weekly, Valerie		001	4,825.78	
		002	2,825.92	
		003	695.63	
Finance And Treasury / Matthews, Rosalie		001	3,417.22	
		002	3,417.22	
		003	3,025.08	
Finance And Treasury / Lee, Margaret		001	3,522.24	
		002	3,177.70	
		003	1,933.40	
Finance And Treasury / Courtright, Casey		002	1,381.65	
		<b>SAXXXX.PENSION Total</b>		
<b>Grand Total</b>			<b>68,397.28</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, 2020.

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 Retirement Board Meetings, including review and markup of agenda materials and related Board Chair conference calls.
3. Review and advise on issues regarding refund of employee contributions for terminating PEPPRA members.
4. Communications with staff and Retirement Boards regarding fiduciary liability insurance policy.
5. Review issues with operations audit and questions asked by Cheiron regarding calculations.
6. Review and advise on Plan participant communications from staff.
7. Provide counsel on issues including, but not limited to:
  - a. Fund manager transition;
  - b. Financial reporting;
  - c. Insurance program;
  - d. Calculation of benefits under various scenarios;
  - e. Fiduciary duties.

Respectfully Submitted,

/s/ Shayna M. van Hoften



# RETIREMENT BOARD STAFF REPORT

---

**DATE:** December 9, 2020 Agenda Item: 16  
**TO:** Sacramento Regional Transit Retirement Board – ALL  
**FROM:** John Gobel, Manager, Pension and Retirement Services  
**SUBJ:** SELECT AN ASSISTANT SECRETARY FOR SACRAMENTO  
REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS.

## **RECOMMENDATION**

Adopt the attached Resolution(s)

## **RESULT OF RECOMMENDED ACTION**

Appointment of Assistant Secretary for Sacramento Regional Transit District Retirement Boards

## **FISCAL IMPACT**

There is no fiscal impact associated with this action.

## **DISCUSSION**

On January 12, 2004, the Sacramento Regional Transit District (RT) Governing Board established five separate Retirement Boards to conduct business related to RT's Retirement Plans on behalf of their members. Each of the five Retirement Boards have three officer positions: Chair, Vice Chair and Secretary. This structure remains in effect and serves the Boards well. In many circumstances, the five Boards meet in common, joint meetings. To ensure the orderly and efficient manner of all Retirement Board meetings, as well as to ensure continuity in execution of the business of the Boards, each of the five Boards has collectively selected a Common Chair and Common Vice Chair to preside over all regular and special Board meetings for so long as the Common Chair and Common Vice Chair agree to perform such duties, and for so long as each Board continues to agree on such selection.

The Boards also have chosen to elect an Assistant Secretary to assist with the performance of the duties of the Secretaries of each Board. Pursuant to the Bylaws for the Retirement Boards, the Assistant Secretary must be a current employee of RT with job duties related to administration of the Pension Plans.



# RETIREMENT BOARD STAFF REPORT

---

Historically, the role of Assistant Secretary has been filled by a member of the RT staff with a primary responsibility for administration of the Plans and facilitating the Boards' quarterly and special meetings. Due to a recent staff change, it is requested that the Boards appoint a new Assistant Secretary.

Staff recommends that each Board appoint John Gobel, the Sacramento Regional Transit District's Manager of Pension and Retirement Services, as Assistant Secretary to assist with administration of the Boards' business in accordance with Sections 2.24 and 2.25 of the Bylaws.

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 16

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **ATU Local Union 256** on this date:

**December 9, 2020**

**SELECT AN ASSISTANT SECRETARY FOR SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE ATU LOCAL UNION AS FOLLOWS:

THAT, THE Retirement Board appoints John Gobel as its Assistant Secretary.

\_\_\_\_\_  
RALPH NIZ, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 16

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **IBEW** on this date:

**December 9, 2020**

**SELECT AN ASSISTANT SECRETARY FOR SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE IBEW LOCAL UNION AS FOLLOWS:

THAT, THE Retirement Board appoints John Gobel as its Assistant Secretary.

\_\_\_\_\_  
CONSTANCE BIBBS, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 16

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of the **AEA** on this date:

**December 9, 2020**

**SELECT AN ASSISTANT SECRETARY FOR SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF THE AEA AS FOLLOWS:

THAT, THE Retirement Board appoints John Gobel as its Assistant Secretary.

\_\_\_\_\_  
RUSSELL DEVORAK, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary



**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 16

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of AFSCME on this date:

**December 9, 2020**

**SELECT AN ASSISTANT SECRETARY FOR SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF AFSCME AS FOLLOWS:

THAT, THE Retirement Board appoints John Gobel as its Assistant Secretary.

\_\_\_\_\_  
PETER GUIMOND, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary

**RESOLUTION NO. 20 - \_\_\_\_\_**

**SACRAMENTO REGIONAL TRANSIT RETIREMENT BOARD RESOLUTION**

Agenda Item: 16

Adopted by the Board of Directors for the Retirement Plan for the Sacramento Regional Transit District Employees who are Members of **MCEG** on this date:

**December 9, 2020**

**SELECT AN ASSISTANT SECRETARY FOR SACRAMENTO REGIONAL TRANSIT DISTRICT RETIREMENT BOARDS.**

NOW, THEREFORE, BE IT HEREBY RESOLVED BY THE RETIREMENT BOARD OF DIRECTORS OF THE SACRAMENTO REGIONAL TRANSIT DISTRICT FOR EMPLOYEES WHO ARE MEMBERS OF MCEG AS FOLLOWS:

THAT, THE Retirement Board appoints John Gobel as its Assistant Secretary.

\_\_\_\_\_  
LAURA HAM, Chair

ATTEST:

Henry Li, Secretary

By:

\_\_\_\_\_  
John Gobel, Assistant Secretary



# RETIREMENT BOARD STAFF REPORT

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**DATE:** December 9, 2020  
**TO:** Sacramento Regional Transit Retirement Board – ALL  
**FROM:** John Gobel, Manager, Pension and Retirement Services  
**SUBJ:** AB 1234 Local Government Ethics Training

Agenda Item: 18

## **RECOMMENDATION**

No Recommendation - Information Only

## **RESULT OF RECOMMENDED ACTION**

Compliance with bi-annual ethics training requirements for certain public officials.

## **FISCAL IMPACT**

None

## **DISCUSSION**

California Assembly Bill 1234 (“AB 1234”) has been in effect since January 1, 2006 and requires certain public officials to complete ethics training every two years. For reference, these requirements are codified in Government Code §§ 53234 to 53235.2.

Under AB 1234, most local public officials are required to take a training course to educate them on the ethical standards required of any individual who works in local government. This training is required within one year of an official’s appointment and must be repeated at least once every two years. This requirement extends to Retirement Board Members. The Boards last received the training in December 2018.

As part of the final agenda item for the December 9, 2020 Retirement Board meeting, attorneys from Hanson Bridgett will conduct a two-hour ethics training session for regular and alternate members of all five Retirement Boards. Because a portion of the training will be interactive, all Retirement Board Members should expect to participate via video and contact Staff ahead of the meeting if they anticipate any technological barriers to full participation.

Additional information and materials will be distributed during the training session. Thereafter, Retirement Board Members who attend the session will receive certificates of completion and reference binders that include hard copies of all training materials.

Fall 2020

HansonBridgett.com

# Managing the Public's Business Under California's Ethics Laws





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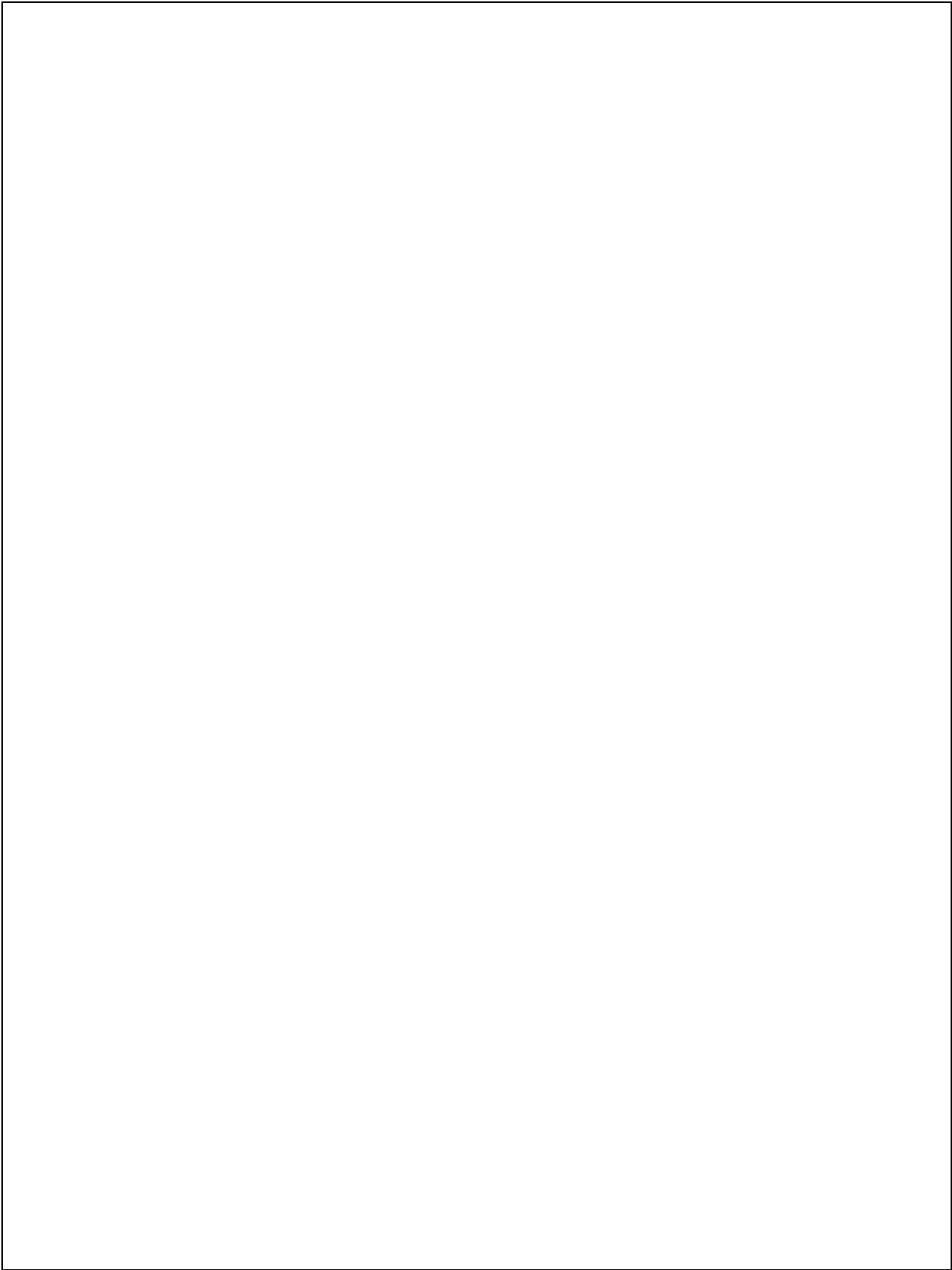
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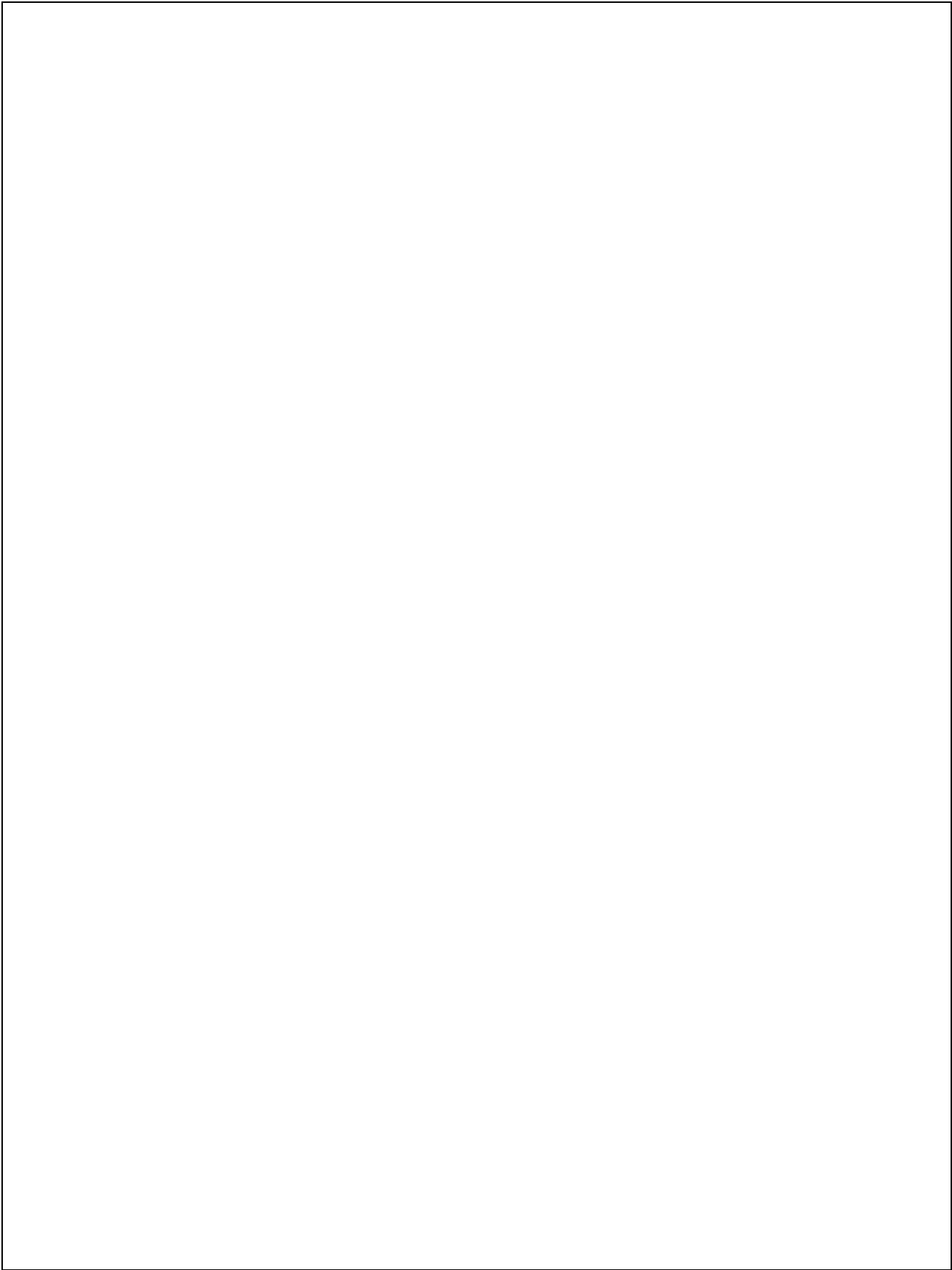
**SACRAMENTO REGIONAL TRANSIT DISTRICT  
RETIREMENT BOARDS**

**AB 1234 Ethics Training / December 9, 2020**

**NOTES**

Empty rectangular box for notes.







# Managing the Public's Business Under California's Ethics Laws



**Nicole S. Witt**

Phone: 415-995-6454  
NWitt@hansonbridgett.com



**Laura Ratcliffe**

Phone: 213-395-7647  
LRatcliffe@hansonbridgett.com





# AB 1234 Training

- Who gets AB 1234 training?
- Applicability to legislative bodies vs. staff
- Topics
  1. Ethics and Scandals
  2. Personal Financial Gain (aka Conflicts of Interest)
  3. Perks of Office
  4. Fair Processes & Procedures
  5. Government Transparency



# Part I: Ethics and Scandals





# Ethics: What, and So What?

- What are ethics?
- Ethics vs. Laws: Minimum standards vs. Moral standards
- Public officials held to higher standards
- What sets off *your* ethics alarm?





# Institute for Global Ethics' Universal Ethical Values

- Fairness
- Loyalty
- Compassion
- Trustworthiness
- Responsibility
- Respect





# Scandalous!

- Sexting, Surfing and *Scandal*
- Drugs, guns and gambling
- The sun never sets on Nepotism
- “It’s not theft if I deserve it”
- What are you hiding?
  - Alleged transparency violations
- The 24-hour news cycle, web-based longevity: old stories never die





# Ethics Laws

- Minimum standard
- Not always common sense
  - Consider political process
- Appearances matter
- Sources of laws and regulations
  - Role of FPPC





**Questions?**







# **Part II: Personal Financial Gain (aka Conflicts of Interest)**





# Roadmap: Personal Financial Gain

- Laws to mitigate inevitable conflicts of interest
- Public officials should not benefit financially from their positions
- Laws govern conflicts of interest
  - Public contracts
  - Government decision-making
  - Campaign contributions
  - Bribery





# No Self-Dealing in Contracts (Section 1090)

You “shall not be *financially interested* in any *contract made*” in your official capacity, or by any body or board of which you are a member.

Government Code §1090 *et seq.*





# No Self-Dealing in Contracts

- Is there a financial interest?
- Is the financial interest a remote interest (Board of Directors only) or statutory non-interest?
  - Examples: landlord/tenant, non-profit entity
  - “Public services generally provided” “on same terms” non-interest exception



# What if there is a Section 1090 conflict?

- If Director, two choices: No contract or resign
- Staff can recuse instead of resign
- Penalties & consequences of violation
  - Contract = void ***and*** refund money
  - Felony: imprisonment and fines (\$5,000-\$10,000)
  - Attorneys' fees
  - Can never hold another public office





# 1090 Reform

*AB 1090 (2013) allows FPPC to:*

- *Provide opinions and advice*
- *Bring civil and administrative enforcement actions, after consultation with D.A.*





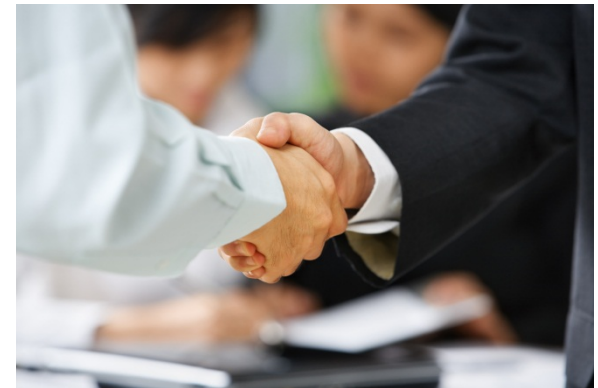
# Hypothetical

- Staff Member: “As you all know, the District has outgrown its current space for records storage and wants to lease a new storage facility for all its paper records located at 100 Woodland Ave in Grovesville, CA. Staff proposes the District rent the storage facility located at that address.”
- Director: “Wait a minute, I think Director Owens owns that facility. Can the Board of Directors authorize the General Manager to execute the lease?”



# Avoiding Conflicts in Government Decisions

FPPC: “You have a conflict of interest with regard to a particular government decision if it is sufficiently likely that the outcome of the decision will have an important impact on your economic interests, **and** a significant portion of your jurisdiction does not also feel the important impact on their economic interests.”



Political Reform Act

(Government Code § 87100 *et seq.*)





# Applying the Law

- 4-step analysis (rather than old-fashioned 8) with two pre-cursors
  - Public Official
  - Financial Interests
    - Business Entity: \$2,000 investment or holds position
    - Sources of income: \$500 in past 12 months
    - Real estate: \$2,000 value
    - Sources of gifts: \$500 in past 12 months
    - Personal financial effect: \$500 up or down in 12 months



# 4-Step Analysis:

1. Is the financial effect on the official's financial interest "reasonably foreseeable"?
  - *Explicitly involved*
  - *"Realistic possibility and more than hypothetical or theoretical"*
2. Is the financial effect material?
  - Apply the new regulations
  - Named party or property?: Probably yes
  - Not named?: Will the value or use change?
3. Is the effect on the official the same as on the "public generally"?
4. Is the official "making, participating in the making, or using his or her position to influence" the governmental decision from which the financial effects result?



# What if there is a PRA conflict?

- Staff:
  - Report it
  - Don't participate
- Directors:
  - Report in open session
  - Leave the room
  - Don't participate
  - Don't discuss
  - Don't vote
- Penalties, consequences
  - FPPC enforcement
    - *Heightened focus*
    - Fines (*trending up*: \$30,000-\$50,000)
    - Attorneys' Fees
    - Misdemeanor, may lose office
    - May invalidate decision

***1-866-ASK-FPPC***

***advice@fppc.ca.gov***





# Hypothetical

- Staff Member: “As you all know, the District has outgrown its current space for records storage and wants to lease a new storage facility for all its paper records located at 100 Woodland Ave in Grovesville, CA. Staff proposes the District rent the storage facility located at that address.”
- Director: “Wait a minute, I think the CFO owns that building. Can the Board of Directors authorize the General Manager to execute the lease?”



# Hypothetical

Director: “As you all know, the District is partnering with the cities in our jurisdiction to have a joint Holiday Festival in Civic Center Park, and we want to hire Pyro Parties Inc. to put on a fireworks show. The County and City have no rules prohibiting fireworks shows and they are permissible under state and federal law. My primary residence is right across the street from where the show will be held!”

General Manager: “Legal Counsel, can the Director participate in discussions related to this contract?”



# Campaign contributions as conflicts, aka “Pay-to-Play” rules, Levine Act

- No officer shall:
  - Accept/solicit/direct \$250 from party while a proceeding is pending or for 3 months after final decision
  - Participate in/influence a decision if financially interested party has contributed \$250 within past 12 months; officers must report such conflicts
- Covers contributions to all campaigns officer supports
- Covers:
  - Business, professional, trade, land use licenses/permits
  - Entitlements for use
  - Nonexempt contracts
  - Franchises
- Exceptions:
  - *Decisions of boards/councils with directly elected members, e.g., cities, some special districts*
  - Competitively bid contracts
  - Contracts for labor/personnel employment



# Future Employment

- No participation in decisions involving future employers
  - How far into the process are you?
  - Who else knows you are thinking of leaving?
  - Who else can cover this part of your job?
- Revolving door prohibition
  - Covers elected officials and executive directors
  - Cannot represent clients/employers before agency for one year



# Bribery

- **Anything of value** in exchange for a vote, opinion or action
- *Quid pro quo*
- Even if bribe not actually received
- Penalties & consequences
  - Imprisonment of 1-4 years
  - Fines up to \$10,000 or double amount of bribe
  - Attorneys' fees
  - Forfeit office, disqualified from future office, employment or appointment in California







# Honest Services Laws

- Federal Laws
- Mail and wire fraud
- Now limited to bribery and kickbacks in interstate communication
- Penalties: up to 20 years in jail and \$250,000 fine



# Take-Aways

- Always be on the lookout for a conflict
- Ask for help!
- The problem – and the solution – may or may not be obvious
- Be prepared for questions





**Questions?**





# Part III: Perks of Office



# Roadmap: Perks of Office

- Public officials should not benefit personally from their positions
- Laws govern
  - Gifts
  - Honoraria
  - Free/discounted transportation
  - Use of public resources



**Stricter of state law and agency policy governs**



# Gift Limits

- “Public Official”: Conflict of Interest Code
- “Gift”: Anything that confers a “personal benefit” for which you do not provide something of equal value
- Limit: \$500 per source per calendar year for 2019-2020
- COI Disqualifying Interest: Over \$500 in 12 months from single source
- Report: Any gift worth \$50 or more
  - *Designated positions: only report if connected to job duties*
- Separate rules for gifts to and from the agency, tickets
- May differ from agency policies, especially for vendors



# Is it a gift, does an exception apply, and what is it worth?

1. Is there a personal benefit?
2. What is it? Look it up, but...

## It's a gift if it's:

- Food/drink
- Services
- Travel/lodging
- Money/loan
- Items/things

## But it may be exempt if:

- Reciprocal exchange
- "Host" is present
- Prize/earnings
- Personalized plaque/award (if under \$250)
- Received at big event
- Informational materials
- Inheritance
- Act of neighborliness or compassion
- Campaign contribution



# Is it a gift, does an exception apply, and what is it worth?

3. Who is it from?
  - Does an exception apply?
    - *Family members*
    - *“Long-term, close personal friend” (“BFF exception”)*
    - *Non-agency business relationship (day job, old job)*
    - *“Dating” relationship*
  - Are they in your disclosure category?
  - Are they a vendor? Does a special rule apply?
4. Is the source a lobbyist or do they have a matter pending before your agency (12 months forward, 12 months back)?





# Is it a gift, does an exception apply, and what is it worth?

## 5. Who is the gift to?

- You, your spouse, your child

## 6. If the gift was received at an event, exemptions and valuation depend on nature of event

- Public event where make a speech
- Wedding, other private event
- In someone's home



# Conferences

- Free or reduced registration for informational conferences is OK
- Meals, lodging and transportation costs
  - Subject to gift limits unless paid by 501(c)(3) or public agency
  - Can be disqualifying
- What if you are performing a service? (Is the “gift” actually “income”?)

**Directors: Give a brief report at next meeting for reimbursed travel!**

# Gift Tips

- *Look to the District's policies first*
- *Keep a gift log*
- *Consider the FPPC's gift tracking app*
- *Use the FPPC Fact Sheet*





# Honoraria

- Directors, candidates for office, and designated officials
- No compensation allowed for writing, attending or speaking
- Expense reimbursement OK if in CA
- Exceptions
  - Bona fide business or profession
  - Artistic performance
  - Money paid to District
  - Direct charitable donations





# Hypothetical

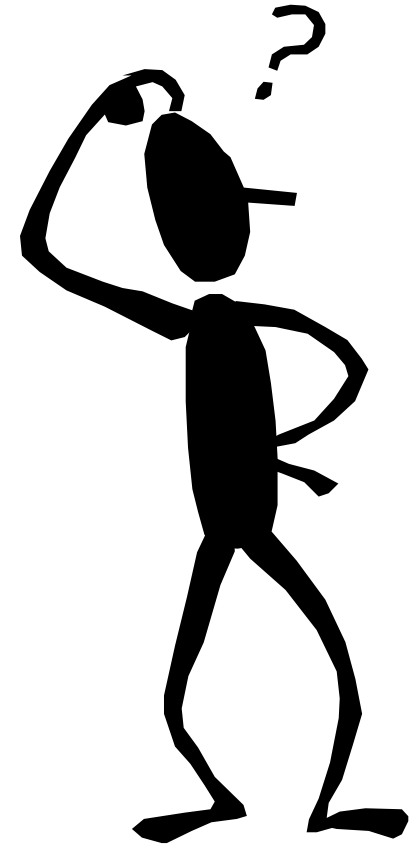
Director: “I would like to report that I attended the APTA Conference last week and received reimbursement from the District for my attendance. What a great experience! I learned a ton and made connections with all sorts of firms that could help us. Normally, I’d end my report there, but I have a question.

One particular consultant took me and my spouse golfing at an amazing country club. Then he took us out to dinner the next night and on a Riverboat cruise. I think the total value of these gifts was about \$800. I can pay him back if I have to, but I think its fine because I bought him two drinks at the conference reception plus a couple cups of coffee during the week. I’m good, right?”



# What to do with these Perks?

- 30 days to decline/donate/pay down/return
- Report it
- Disclosure/disqualification
  - Disqualification from participating in gov't decisions if over **\$500** in past 12 months
  - Announce the interest, leave the room
- Penalties & consequences
  - Fine: \$5,000 per violation
  - Own attorneys' fees \$3,000-\$30,000
  - Others' attorneys' fees





# Ban on Free or Discounted Transportation

- *OK if employment benefit or in furtherance of official duties*
- Applies to officers but not employees
- Applies to public or private transportation companies only
- Progressive era law
- Penalty is forfeiture of office





# Use of Public Resources

- Personal (or political) use or gifts of public resources
  - Funds
  - Surplus property
  - Staff time
  - Copiers, phones







# Mass Mailing Prohibition

- No newsletters or mass mailing at public expense
  - Costs of design, production & printing \$50+
  - Features name, picture, office, other such reference to elected official
  - 200+ substantially similar items in 1 month
- Exceptions
  - Legally required notices, announcements
  - Intra-agency communications





# Campaign and Political Activities

- No public funds for partisan campaigning
- No use of phones, supplies, fax machines, computers
- Informational materials: factual, balanced, do not advocate
- No solicitation of officers or employees
- Penalties: civil, criminal
- **Can't** use resources to advocate or campaign for local ballot measure
- **Can** use resources to provide informational/educational materials that are neutral and balanced in timing, tenor and tone
- FPPC's AdWatch



*OK on own time and dime!*





# Compensation and Reimbursement Policies

- Compensation of Directors
- Executive and staff compensation
- Reimbursement: actual and necessary expenses
  - Follow adopted policies
  - Use agency expense form and submit receipts
  - Public records
- Penalties: criminal, civil, permanent disqualification





# Hypothetical

Director (from the dais): As you all know, I'm up for reelection this year. I'd like to thank staff for making the old computers in the bunker available to me. We'll put them to good use. Also, staff has made copies of the flyer for one of my upcoming fundraising lunches. I encourage everyone to pick up a flyer from staff and attend. Legal Counsel, it was okay that I announced this here, right?



**Questions?**





# **Part IV: Fair Processes & Procedures**





# Roadmap: Fair Processes & Procedures

- Government processes should be fair and consistently applied to avoid bias and favoritism
- Laws cover:
  - Constitutional due process
  - Statutes, rules and policies for fair processes
    - Competitive bidding
    - Fares/rates/charges
  - Incompatible offices and activities





# Constitutional Due Process & Fair Processes

- Cannot deprive public of
  - Life
  - Liberty
  - Property
- Without due process
  - Notice
  - Opportunity to be heard
  - Fair and impartial hearing
- Establish standards and follow procedures







# Competitive Bidding

- Public money for the public good
  - No discrimination or favoritism
- Federal, State and local laws and policies
- Essential elements
  - No conflicts of interest
  - Confidentiality
  - No ex parte communications
- Special concerns
  - Technology contracts





# Incompatible Offices & Activities

- Having more than one “master” – even if all are “the public” – creates conflicting duties
- Incompatible public offices
  - Penalty: forfeiture of first public office
- Incompatible activities (private and public): typically defined by agency policy





**Questions?**





# Part V: Government Transparency





# Roadmap: Government Transparency

- Government works for the public and should be open to the public
- Laws cover:
  - Open meetings
  - Public records
  - Agency, Individual Reports (FPPC Compliance)





# Open Meetings: Brown Act

- Meetings of local legislative bodies
  - Notice specifying time and place of meeting
  - Published agenda
  - Opportunity for public comment
- Special Meetings – 24 hours
- Regular Meetings – 72 hours
- Penalties: Invalidate action and/or misdemeanor





# Executive Orders Temporarily Modify the Brown Act

- Executive Order N-25-20 (March 12, 2020) (Superseded)
- Executive Order N-29-20 (March 17, 2020)
  - Suspends in-person meeting requirements and certain teleconference and location requirements.
  - Allows teleconferencing (video and/or phone) as exclusive means of meeting, so long as certain notice and accessibility requirements are satisfied.
  - Applies “during the period in which state or local public health officials have imposed or recommended social distancing measures.”



# Executive Order Regarding Permissible Briefings

- Executive Order N-35-20 (March 21, 2020)
  - Directors may receive updates from/ask questions of government officials regarding the COVID-19 emergency.
  - Directors cannot discuss amongst themselves, or take action on, information outside of a properly noticed public meeting.
  - Reiterates rules for permissible Board briefings.





# Special Requirements for Virtual Meetings

- Agenda must include:
  - Web access and/or call-in information for public
  - Clear description of method for public comment
  - Procedure for receiving requests for and implementing reasonable modifications for persons with disabilities
- Ability for legislative body and staff to hear and be heard
- Ability for public to hear and be heard
  - Avoid interruption, inappropriate conduct
  - Ability to be anonymous
  - For some, comments submitted in writing only
- All votes by roll call



# Closed Session Exceptions

- Real property – “price and terms of payment” only
- Pending litigation
- Personnel
  - *Post-Bell reform: can only approve compensation at regular meeting and in open session*
  - *New law (SB 1436): before taking final action on executive compensation, legislative body must orally report a summary of a recommendation for a final action during the open meeting (Gov’t Code section 54953)*
- Threat to public security
- Labor negotiations
- ***Duty of confidentiality!***





# Hypothetical

Director: Now that we're in closed session to discuss the lease for the District's new records storage facility, I wonder if instead of leasing the building we should look into buying a new building? What do you all think of this alternative?

General Manager: Legal Counsel, is it okay to discuss buying a building during closed session?



# Brown Act Pitfalls

- Quorums outside of noticed meetings
  - Conference exception
  - Improper use of “ad hoc” committees
- “Serial” conversations
  - Daisy chain
  - Hub and spoke
  - Talking outside of meetings
  - *E-mail*
  - *New social media rules*





## Internet-based Social Media (AB 992)

- Separate conversations or communications on an internet-based social media platform:
  - Answer questions
  - Provide information to the public
  - Solicit information from the public regarding a matter that is within the subject matter jurisdiction of the legislative body
- Majority cannot discuss among themselves business of a specific nature that is within the subject matter jurisdiction of the legislative body
- Members cannot respond directly to each other regarding matters within the subject matter jurisdiction of the legislative body



# Public Records

- Right to inspect and copy public records
- Includes all non-exempt writings or other recording concerning the public's business owned or retained by a state or local agency
  - E-mail is covered; metadata may be
  - *Personal devices & accounts: New Law*
  - Some exemptions
  - Drafts, personnel files, pending litigation, trade secrets, deliberative process, otherwise privileged, “catch-all” exemption





**Questions?**





# Key Lessons

- Pay attention to your ethical compass
- Consider political climate – appearances matter!
- Laws change, but values don't
- Board and managerial leadership matters
- Remember the strictest rule governs (check grants, agreements, & other restrictions)
- Seek help if you need it





**HansonBridgett**



# Limitations and Restrictions on Gifts, Honoraria, Travel and Loans

## *A Fact Sheet For*

- ♦ Local Elected Officers and Candidates for Local Elective Offices
- ♦ Local Officials Specified in Government Code Section 87200
- ♦ Judicial Candidates
- ♦ Designated Employees of Local Government Agencies

## California Fair Political Practices Commission

Toll-free advice line: 1 (866) ASK-FPPC

Email advice: [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov)

Web site: [www.fppc.ca.gov](http://www.fppc.ca.gov)

February 2019

# Introduction

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The Political Reform Act<sup>1</sup> (the “Act”) imposes limits on gifts, prohibits honoraria payments, and imposes limits and other restrictions on the receipt of travel payments received by:

- Local elected officers and other local officials specified in Government Code Section 87200,<sup>2</sup> excluding judges;<sup>3</sup>
- Designated employees of local government agencies (i.e., individuals required to file statements of economic interests under a local agency’s conflict of interest code); and
- Candidates<sup>4</sup> for any of these offices or positions and judicial candidates. (Sections 89502 and 89503.)

The Act also imposes limits and other restrictions on personal loans received by certain local officials.

This fact sheet summarizes the major provisions of the Act concerning gifts, honoraria, travel, and loans. It contains highlights of the law, but does not carry the weight of law. For more information, contact the Fair Political Practices Commission at (866) 275-3772 or [advice@fppc.ca.gov](mailto:advice@fppc.ca.gov) or visit our website at [www.fppc.ca.gov](http://www.fppc.ca.gov). Commission advice letters are available on our website. Public officials may also be subject to local restrictions on gifts, honoraria, or travel.

## Enforcement

**Failure to comply with the laws related to gifts, honoraria, loans, and travel payments may, depending on the violation, result in criminal prosecution and substantial fines, or in administrative or civil monetary penalties for as much as \$5,000 per violation or three times the amount illegally obtained. (See Sections 83116, 89520, 89521, 91000, 91004 and 91005.5.)**

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<sup>1</sup> The Political Reform Act is contained in Government Code Sections 81000 through 91014. All statutory references are to the Government Code, unless otherwise indicated. The regulations of the Fair Political Practices Commission are contained in Sections 18110 through 18997 of Title 2 of the California Code of Regulations. All regulatory references are to Title 2, Division 6 of the California Code of Regulations, unless otherwise indicated.

<sup>2</sup> Local officials specified in Government Code Section 87200 include: members of boards of supervisors and city councils, mayors, city/county planning commissioners, city/county chief administrative officers, city/county treasurers, district attorneys, county counsels, city managers, city attorneys, court commissioners and public officials who manage public investments.

<sup>3</sup> The gift limits and honoraria ban in the Political Reform Act do not apply to a person in his or her capacity as judge. However, candidates for judicial offices are subject to the restrictions contained in the Political Reform Act. (Sections 89502 and 89503.)

<sup>4</sup> For purposes of the gift limit and honoraria prohibition, an individual becomes a “candidate” when he or she files a statement of organization (Form 410) as a controlled committee for the purpose of seeking elective office, a candidate intention statement (Form 501), or a declaration of candidacy, whichever occurs first. If an individual is an unsuccessful candidate, he or she will no longer be subject to the gift limit and honoraria prohibition when he or she has terminated his or her campaign filing obligations, or after certification of election results, whichever is earlier. (Sections 89502(b) and 89503(b).)

# Gifts

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## Limitations

Local elected officers, candidates for local elective office, local officials specified in Government Code Section 87200, and judicial candidates, may not accept gifts from any single source totaling more than \$500 in a calendar year. (Section 89503.)<sup>5</sup>

Employees of a local government agency who are designated in the agency's conflict of interest code may not accept gifts from any single source totaling more than \$500 in a calendar year if the employee is required to report receiving income or gifts from that source on his or her statement of economic interests (Form 700). (Section 89503(c).)

## What is a "Gift"?

A "gift" is any payment or other benefit that confers a *personal* benefit for which a public official does not provide payment or services of equal or greater value. A gift includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public. (Section 82028.) (See Regulation 18946 for valuation guidelines.)

Except as discussed below, a public official has "received" or "accepted" a gift when he or she has actual possession of the gift or when he or she takes any action exercising direction or control over the gift, including discarding the gift or turning it over to another person. This includes gifts that are accepted by someone else on the official's behalf and gifts made to others at the direction of the official. (Regulation 18941.)

## Gifts to Family Members

Under certain circumstances, a gift to an official's family member\* is considered a gift to the official. (Regulation 18943.) Anything given to a family member is presumed to be a gift to the official if: (1) there is no established relationship between the donor and the family member where it would generally be considered appropriate for the family member to receive the gift or; (2) the donor is someone who lobbies the official's agency, is involved in an action before the official's agency in which the official may foreseeably participate, or engages in business with the agency in which the official will foreseeably participate. (Wedding gifts are treated differently, see below.)

\*For purposes of this rule, an official's "family member" includes the official's spouse; registered domestic partner; any minor child of the official who the official can claim as a dependent for federal tax purposes; and a child of the official who is aged 18 to 23 years old, attends school, resides with the official when not attending school, and provides less than one-half of his or her own support.

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<sup>5</sup> The gift limit is adjusted biennially to reflect changes in the Consumer Price Index. For 2019-2020, the gift limit is \$500. (Section 89503; Regulation 18940.2.) Gifts from a single source aggregating to \$50 or more must be disclosed, and gifts aggregating to \$500 or more during any 12-month period may subject an official to disqualification with respect to the source. (Section 87103(e).) Designated employees should obtain a copy of their conflict of interest code from their agency. Some conflict of interest codes require very limited disclosure of income and gifts. Gifts from sources that are not required to be disclosed on the Form 700 are not subject to the \$500 gift limit but still may subject the public official to disqualification.

## Source of Gift

Under most circumstances, it is clear who the source of a gift is, but if the circumstances indicate that the gift is being provided by an intermediary, the public official must determine both the donor and the intermediary in reporting the gift. Regulation 18945 provides the rules for determining the source of the gift.

## Gifts from Multiple Sources

In determining the cumulative value of any reportable gifts, separate gifts from an individual and an entity that the individual controls must be aggregated as one source to comply with the reporting and limit requirements. For example, separate gifts from the owner of a company and from the company itself would be treated as if from one source if the owner has more than a 50 percent interest in the company, unless the making of the gift was determined by someone else in the company. In that case, the gift from the company would be aggregated with any gifts made by that determining individual. (Regulation 18945.1.)

Group gifts, where a public official receives a single gift from multiple donors (such as a retirement gift from coworkers), need not be reported unless any person contributes \$50 or more to the total cost of the gift. In that case, the public official would only report a gift from each of those persons. (Regulation 18945.2.)

## Valuing Gifts

The general rule for determining the value of a gift is to apply the fair market value at the time the gift is received. Fair market value can be determined by finding any local or Internet advertisement for the item. Special exceptions to the fair market value rule are contained in Regulations 18946.1 through 18946.5 covering admission to ticketed and invitation-only events, wedding gifts, attendance at nonprofit and political fundraisers, and air travel. (Regulation 18946.) For example, for ticketed events, the value is the face value of the ticket.

## General Gift Exceptions

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$500 Gift Limit
No	No	No	No

The following payments are exceptions to the definition of gift and are not considered gifts or income.

- 1. Return or Reimbursement of Gift.** Items that are returned (unused) to the donor, or for which the public official reimburse the donor, within 30 days of receipt. (Section 82028(b)(2); Regulation 18941.)
- 2. Donation of Gift to Nonprofit Group.** Items that are donated (unused) to a non-profit, tax-exempt (501(c)(3)) organization in which the official (or immediate family member) does not hold a position, or to a government agency, within 30 days of receipt without claiming a deduction for tax purposes. (Section 82028(b)(2); Regulation 18941.)
- 3. Gifts from Family.** Gifts from the public official's spouse (or former spouse), child, parent, grandparent, grandchild, brother, sister, current or former parent-in-law, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin or the spouse of any such person, unless he or she is acting as an agent or intermediary for another person who is the true source of the gift. (Section 82028(b)(3); Regulation 18942(a)(3).) This exception includes great grandparents, great uncles and aunts, great nieces and nephews, and first cousins once removed.
- 4. Informational Material.** Informational material provided to assist the public official in the performance of his or her official duties, including books, reports, pamphlets, calendars, periodicals, videotapes, or free admission or discounts to informational conferences or seminars.

“Informational material” may also include scale models, pictorial representations, maps, and other such items. However, if the item’s fair market value is more than \$-500, the public official has the burden of demonstrating that the item is informational. In addition, on-site demonstrations, tours, or inspections, including air flights over an area that is the subject of the information and designed specifically for public officials, are considered informational material. However, this exception does not apply to meals or lodging. Furthermore, the exception generally does not apply to transportation to the site, except for any portion of the transportation that is not commercially available. (Section 82028(b)(1); Regulations 18942(a)(1) and 18942.1.)

5. **Inheritance.** A devise or inheritance. (Section 82028(b)(5); Regulation 18942(a)(5).)

6. **Campaign Contributions.** Campaign contributions to an official, including rebates or discounts received in connection with campaign activities (Section 82028(b)(4); Regulations 18942(a)(4), 18950(a) and 18950.3(a)) and permissible expenditures of campaign funds for campaign-related expenses, including payments for transportation, lodging or food (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.

7. **Plaques.** Personalized plaques and trophies with an individual value of less than \$250. (Section 82028(b)(6); Regulation 18942(a)(6).)

8. **Ceremonial Role.** Free admission to a ticketed event (including any benefits included in the price of the ticket such as a free meal) for the official and one guest at an event where the official performs a ceremonial role, such as throwing out the first pitch at a Dodgers’ game, so long as the official’s agency complies with the posting provisions set forth in Regulation 18944.1(d). (Regulation 18942(a)(13); Regulation 18942.3; also see discussion of Form 802 below under “Gifts Exceptions Requiring Alternate Reporting.”)

9. **Event Where Official Makes a Speech.** Free admission, and food and nominal items (such as a pen, pencil, mouse pad, note pad or similar item) available to all attendees, at the event at which the official makes a speech (as defined in Regulation 18950(b)(2)), so long as the admission is provided by the person who organizes the event. (Regulation 18942(a)(11).)

10. **Attending Wedding Reception.** Benefits received as a guest attending a wedding reception where the benefits are the same as those received by the other guests at the reception. (Regulation 18942(a)(15).)

11. **Bereavement Offerings.** Bereavement offerings, such as flowers at a funeral received in memory of a close family member. (Regulation 18942(a)(16).)

12. **Acts of Neighborliness.** Benefits received as an act of neighborliness such as the loan of an item, an occasional ride, or help with a repair where the act is consistent with polite behavior in a civilized society and would not normally be part of an economic transaction between like participants under similar circumstances. (Regulation 18942(a)(17).)

13. **Campaign or Nonprofit Fundraiser.** Two tickets for admission, for use by only the official and one guest, to attend a fundraiser for a campaign committee or candidate, or to a fundraiser for an organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. The ticket(s) must be received from the organization or committee holding the fundraiser. (Regulation 18946.4.)

14. **Unused Passes or Tickets.** Passes or tickets that provide admission or access to facilities, goods, services, or other benefits (either on a one-time or repeated basis) that the public official does not use and do not give to another person. (Regulation 18946.1.)

15. **Items Provided to Government Agency.** Subject to certain conditions, items provided to a government agency and used by public officials in the agency for agency business. This may include

passes or tickets to (see Regulation 18944.1) or payments for other types of items or activities (see Regulation 18944). An agency must disclose specified payments on a form provided by the FPPC and post the form on its website. (See discussion of Forms 801 and 802 below under “Gift Exceptions Requiring Alternate Reporting.”) Contact the FPPC for detailed information.

**16. Emergency Leave Credits.** Leave credits (e.g., sick leave or vacation credits) received under a bona fide catastrophic or emergency leave program established by the public official’s employer and available to all employees in the same job classification or position. Donations of cash are gifts and are subject to limits and disclosure. (Regulation 18942(a)(9).)

**17. Disaster Relief.** Food, shelter, or similar assistance received in connection with a disaster relief program. The benefits must be received from a governmental agency or charity and must be available to the general public. (Regulation 18942(a)(10).)

**18. Agency Raffle.** Items awarded in an agency raffle received by the agency from an employee who is not acting as an intermediary for another donor. This exception applies when an agency holds an employee raffle and the item awarded in the raffle has been obtained with agency funds, or is otherwise an asset of the agency and not donated to the agency by a non-agency source. This exception does not apply to passes or tickets of the type described in Regulation 18944.1. (Regulation 18944.2(a) and (b).)

**19. Employee Gift Exchange.** Items received by an employee during an employee gift exchange, so long as the items received are provided by another employee of the agency and the gifts are not substantially disproportionate in value. (Regulation 18944.2(c).)

**Limited Gift Exceptions**

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$500 Gift Limit
No	No	No	No

**1. Home Hospitality.** Gifts of hospitality including food, drink or occasional lodging that an official receives in an individual’s home when the individual or a member of his or her family is present. (Regulation 18942(a)(7).) For this exception to apply, the official must have a relationship, connection or association with the individual providing the in-home hospitality that is unrelated to the official’s position and the hospitality must be provided as part of that relationship. Generally, this means functions like children’s birthday parties, soccer team parties, neighborhood barbeques, etc., where other guests attend who are not part of the lobbying process. (Regulation 18942.2.)

**2. Reciprocal Holiday Gifts.** Gifts commonly exchanged between an official and another individual on holidays, birthdays, or similar occasions to the extent that the gifts exchanged are not substantially disproportionate in value. (Regulation 18942(a)(8)(A).)

**3. Reciprocal Exchanges.** Reciprocal exchanges between an official and another individual that occur on an ongoing basis so long as the total value of payments received by the official within the calendar year is not substantially disproportionate to the amount paid by the official and no single payment is \$500 or more. For example, if two people get together regularly for lunches and rotate picking up the lunch tab so that each pays approximately half the total value over the course of the calendar year, no gift need be reported. (Regulation 18942(a)(8)(B).)

**4. Dating Relationship.** Personal benefits commonly received from a dating partner. These gifts are not disclosable or limited but are subject to disqualification under the conflict of interest laws if the dating partner has certain business before the official as set forth in Regulation 18942(a)(18)(D). (Regulation 18942(a)(18)(A).)

**5. Acts of Human Compassion.** Assistance, financial or otherwise, to offset family medical or living expenses that the official can no longer meet without private assistance because of an accident, illness, employment loss, death in the family, or other unexpected calamity; or to defray expenses associated with humanitarian efforts such as the adoption of an orphaned child, so long as the source of the donation is an individual who has a prior social relationship with the official of the type where it would be common to provide such assistance, or the payment is made without regard to official status under other circumstances in which it would be common to receive community outreach. (Regulation 18942(a)(18)(B).) This exception does not apply if the person providing the benefit to the official is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

**6. Long-Time Friend.** Benefits received from a long-time personal friend where the gift is unrelated to the official's duties. The exception does not apply if the individual providing the benefit to the official is involved in some manner with business before the official. (Regulation 18942(a)(18)(C).) This exception does not apply if the person providing the benefit to the official is an individual who otherwise has business before the official as set forth in Regulation 18942(a)(18)(D).

**7. Existing Personal Relationship.** Benefits received from an individual where it is clear that the gift was made because of an existing personal or business relationship unrelated to the official's position and there is no evidence whatsoever at the time the gift is made that the official makes or participates in the type of governmental decisions that may have a reasonably foreseeable material financial effect on the individual who would otherwise be the source of the gift. (Regulation 18942(a)(19).)

**Very Limited Gift Exception**

Reporting	C/I § 87100	Honoraria Ban	\$500 Gift Limit
Yes - ½ value as gift	Yes	No	No

**Wedding Gifts.** Wedding gifts are not subject to the \$500 gift limit. However, wedding gifts are reportable, but for purposes of valuing wedding gifts, one-half of the value of each gift is attributable to each spouse. (Regulation 18946.3.)

**Gift Exceptions Requiring Alternate Reporting**

Form 700 Reporting	C/I § 87100	Honoraria Ban	\$500 Gift Limit
Yes - As Income	Yes	No	No

**Prize or Award.** A prize or award received in a bona fide contest or competition, or game of chance. **Note: Unlike the other exceptions, payments that fall into this exception must be reported as income if valued at \$500 or more.** To qualify for this exception the contest or competition must be unrelated to the official's duties. (Regulation 18942(a)(14).)

**Agency Reports**

Reporting	C/I § 87100	Honoraria Ban	\$500 Gift Limit
Yes - On 801 or 802	No	No	No

The following exceptions are also applicable to payments made to a government agency that are used by officials in the agency under certain conditions to conduct agency business. These types of payments are not treated as gifts or income to the officials who use them, so long as the payments meet certain conditions and they are reported by the officials' agency. These reports must appear on either a Form 801 or Form 802, instead of the official reporting the items on a statement of economic interests (Form 700).



**Form 801 – Payment to Agency Report:** This form covers gifts or donations made to an agency and used by one or more officials in the agency for agency business. This may include travel payments, reimbursements, or other uses by an official, but does not cover tickets or passes providing admission to an entertainment or sporting event, which are reported on the Form 802 (discussed below). If the payment meets the requirements of Regulations 18944 or 18950.1, the agency must report it on a Form 801 and the item is not reported on the individual’s statement of economic interests (Form 700). (Regulations 18944 and 18950.1.)

**Form 802 – Agency Report of Ceremonial Role Events and Ticket/Pass Distributions:** This form covers gifts or donations made to an agency that provide tickets or passes to an agency official for admission to an entertainment or sporting event. For the ticket or pass to be exempt from reporting on the individual’s statement of economic interests (Form 700), the agency must have a written policy stating the public purpose for distribution of the tickets. The ticket or pass cannot be earmarked by the original source for use by a particular agency official and the agency must determine, in its sole discretion, which official may use the ticket or pass. (Regulation 18944.1.) The Form 802 is also used to report tickets provided for officials who perform a ceremonial role on behalf of the agency.

**Behested Payments Reports**

Reporting	C/I § 87100	Honoraria Ban	\$500 Gift Limit
Yes - Form 803 Behested Payment	No	No	No

**Behested Payments.** Generally, payments made at the behest of an official that do not confer a personal benefit on an official such as those made by a third party to co-sponsor an event, or that are principally legislative, governmental or charitable in nature, are not gifts. However, when a local elected officer is making the behest, in some cases these payments may be considered “behested payments” under Section 82004.5 and require disclosure by that elected officer.

**Form 803 – Behested Payment Report**

- Behested payments are payments made principally for legislative, governmental, or charitable purposes. These payments are not for personal or campaign purposes. For example, a local elected official may ask a third party to contribute funds to a school in her district, or to a job fair or health fair.
- Generally, a donation will be “made at the behest” if it is requested, solicited, or suggested by the elected officer or member of the Public Utilities Commission, or otherwise made to a person in cooperation, consultation, coordination with, or at the consent of, the elected officer or PUC member. This includes payments behested on behalf of the official by his or her agent or employee.
- A behested payment does not include payments to an official from a local, state, or federal government agency for use by the official to conduct agency business. For example, free parking provided by a governmental entity to an official for agency business is not a behested payment and is not subject to reporting.
- Behested payments totaling \$5,000 or more from a single source in a calendar year must be disclosed by the official on a Form 803, which is filed with the official’s agency within 30 days of the date of the payment(s). (Section 82015; Regulation 18215.3.)

# Honoraria

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## What is an “Honorarium”?

An “honorarium” is any payment made in consideration for any speech given, article published, or attendance at any public or private conference, convention, meeting, social event, meal, or like gathering. An honorarium includes gift cards or any gift of more than nominal benefit provided in connection with an activity described above. An honorarium does not include items of nominal value such as a pen, pencil, note pad, or similar item. (Section 89501; Regulation 18932.4(e).)

A “speech given” means a public address, oration, or other form of oral presentation, including participation in a panel, seminar, or debate. (Regulation 18931.1.)

An “article published” means a nonfictional written work: 1) that is produced in connection with any activity other than the practice of a bona fide business, trade, or profession; and 2) that is published in a periodical, journal, newspaper, newsletter, magazine, pamphlet, or similar publication. (Regulation 18931.2.)

“Attendance” means being present during, making an appearance at, or serving as host or master of ceremonies for any public or private conference, convention, meeting, social event, meal, or like gathering. (Regulation 18931.3.)

The Act and Commission regulations provide certain exceptions to the prohibition on honoraria. (Section 89501(b); Regulations 18932 –18933.).

## The Prohibition

Local officials specified in Section 87200 (see page 2) are prohibited from receiving any honoraria payments. Officials and employees of local agencies who file statements of economic interests (Form 700) under the agency’s conflict of interest code (“designated employees”) may not receive honoraria payments from any source if the employee would be required to report income or gifts from that source on the Form 700, as outlined in the “disclosure category” portion of the conflict of interest code. (Section 89502.)

## Honoraria Exceptions that also apply to gifts and income

- 1. Returned.** An honorarium that the public official returns (unused) to the donor or the donor’s agent or intermediary within 30 days. (Section 89501(b); Regulation 18933.)
- 2. Donated to General Fund.** An honorarium that is delivered to the official’s local agency within 30 days for donation to the agency’s general fund and for which the public official does not claim a deduction for income tax purposes. (Section 89501(b); Regulation 18933.)
- 3. Made to Nonprofit Organization.** A payment that is not delivered to the public official but is made directly to a bona fide charitable, educational, civic, religious, or similar tax-exempt, non-profit organization. However:
  - The official may not make the donation a condition for his or her speech, article, or attendance;
  - The official may not claim the donation as a deduction for income tax purposes;
  - The official may not be identified to the non-profit organization in connection with the donation; and
  - The donation may have no reasonably foreseeable financial effect on the public official or on any member of his or her immediate family. (Regulation 18932.5.)

**4. Payment from Family Member.** A payment received from the public official's spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person. However, a payment that would be considered an honorarium is prohibited if one of these persons is acting as an agent or intermediary for someone else. (Regulation 18932.4(b).)

**5. Payment for Performance or Book.** Payments received for a comedic, dramatic, musical, or other similar artistic performance, and payments received for the publication of books, plays, or screenplays. (Regulations 18931.1 and 18931.2.)

**6. Reimbursement for Travel Where Official Provides Consideration.** Reimbursements for reasonable travel expenses provided to the public official by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which the public official provides equal or greater consideration. The payment would also be exempt from the definition of income under Section 82030(b)(2). (See discussion under "Travel Payments" below.)

**Honoraria Exceptions where the payment may still be considered income (or a gift, if consideration of equal or greater value is not provided by the official)**

**1. Admission to Event Where Official Gives Speech.** Free admission, and refreshments and similar non-cash nominal benefits, provided to an official during the entire event at which he or she gives a speech, participates in a panel or provides a similar service, and in-California transportation and necessary lodging and subsistence provided directly in connection with the speech, panel or service, including meals and beverages on the day of the activity. (Regulation 18932.4(e).)

**2. Earned Income from a Business.** Income earned and payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.)

This exception does not apply if the sole or predominant activity of the business, trade, or profession is making speeches. In addition, the public official must meet certain criteria to establish that he or she is conducting or in a bona fide business, trade, or profession (such as maintenance of business records, licensure, proof of teaching position) before a payment received for personal services which may meet the definition of honorarium would be considered earned income and not an honorarium. (Section 89501(b); Regulations 18932 –18932.3.) Earned income is required to be reported. Contact the FPPC for detailed information.

**3. Travel from a Government Agency.** Travel payments provided to the public official by his or her government agency or by any state, local, or federal government agency which would be considered income and not a gift. (Section 89506(d)(2).) See discussion under "Travel Payments" below.

# Travel Payments Exceptions

Generally, when an official receives a payment (including reimbursement) for his or her travel, that payment is a reportable gift or income under the Act. The term “travel payment” includes payments, advances, or reimbursements for travel, including actual transportation, parking and related lodging and subsistence. (Section 89506(a).)

If the payment is a gift, it is also normally subject to the Act’s \$500 gift limit. If the payment is income, it may, in some cases, be an honorarium. Whether a payment is a gift or income, the official may be required to disqualify him or herself from any decision that will have a foreseeable materially financial effect on the source.

## Certain Travel Payments are not a Gift, Income or Honorarium

Reporting	C/I § 87100	Honoraria Ban	\$500 Gift Limit
No	No	No	No

The following travel payments are not a gift, income or honorarium under the Act and Commission regulations and are thus not reportable, potentially disqualifying, or subject to any of the Act’s gift limits or the honorarium ban.

- 1. Travel from a Non-Reportable Source.** A payment for travel from a source that is not reportable on the official’s statement of economic interests (Form 700) based on the provisions of the conflict of interest code of the official’s agency.
- 2. Travel from Government Agency for Training.** A payment for travel from another local, state, or federal government agency and related per diem expenses when the travel is for education, training or other inter-agency programs or purposes. (Regulation 18950(a) and (c)(2).)
- 3. Sharing a Ride with Another Official.** A payment for travel provided to the official in a vehicle or aircraft owned by another official or agency when each official is traveling to or from the same location for an event as a representative of their respective offices. (Regulation 18950(a) and (c)(3).)
- 4. Certain Travel from a Government Agency or 501(c)(3).** Travel payments provided to the official by any state, local, or federal government agency as part of the official’s employment with that agency or provided to the official by a bona fide non-profit, tax-exempt (501(c)(3)) entity for which the official provides equal or greater consideration. (Section 82030(b)(2).) Any person who claims to have provided consideration has the burden of proving that the consideration received is of equal or greater value.
- 5. Travel for Official Agency Business.** Certain payments made to an agency to cover the travel expenses of an employee who travels in the course of carrying out agency business are not gifts to the official because these payments do not provide a “personal benefit” to the official. For this exception to apply, the agency must report the payment on a Form 801 and the amount and purpose for using the payments are restricted by the provisions set forth in Regulation 18950.1.
- 6. Campaign Contribution.** A payment for travel that constitutes a campaign contribution to an official (Sections 82015, 82028(b)(4); Regulations 18215, 18942(a)(4), 18950(a) and 18950.3(a)), and permissible expenditures of campaign funds for campaign-related travel (Regulations 18950(a) and 18950.3(b)), provided they comply and are properly reported in accordance with applicable campaign finance laws.

**7. Travel Payments Fulfilling Terms of Contract.** Payments made to a governmental entity for travel expenses that are required to fulfill the terms of a contract. Neither the governmental entity nor the public official has a reporting obligation because consideration has been provided. (Section 82028; *Ratto* Advice Letter, No. I-14-057.)

**Certain Travel Payments are Reportable and may Subject the Official to Possible Conflicts of Interest, but are not Subject to the \$500 Gift Limit or Honoraria Ban of the Act.**

Reporting	C/I § 87100	Honoraria Ban	\$500 Gift Limit
Yes	Yes	No	No

**Travel for a Public Purpose Under Section 89506(a).** Any payments for actual transportation expenses and related lodging and subsistence that are made for a purpose reasonably related to: (1) A legislative or governmental purpose, or (2) An issue of state, national, or international policy so long as the travel is either

(a) *Travel for Speech.* In connection with a speech given by the official and the lodging and subsistence expenses are limited to the day immediately proceeding, the day of, and the day immediately following the speech and the travel is within the United States, or

(b) *Travel paid for by government agency or 501(c)(3) organization.* Provided by a government agency or authority, (including a foreign government), a bona fide public or private educational institution as defined in Section 203 of the Revenue and Taxation Code, or a nonprofit organization that qualifies under Section 501(c)(3) of the Internal Revenue Code or a foreign organization that substantially satisfies the criteria of that section.

These payments are still reportable on the Form 700 and may create a conflict of interest issue for the official.

**Payments for Travel in Connection with a Business**

Reporting	C/I § 87100	Honoraria Ban	\$500 Gift Limit
Yes - as Income	Yes	No	No

Payments for travel made in connection with personal services rendered by the official if the services are provided in connection with a bona fide business, trade, or profession — such as teaching, practicing law, medicine, insurance, real estate, banking, or building contracting — and the services are customarily provided in connection with the business, trade, or profession. (Section 89506(d)(3) and Regulations 18950(a) and 18950.2.)

# Loans

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Personal loans received by certain local officials are subject to limits and other restrictions, and in some circumstances, a personal loan that is not being repaid or is being repaid below certain amounts may become a gift to the official who received it.

## Limitations on Loans from Agency Officials, Consultants, and Contractors

**Officials Must Not Receive Loans from Agency Staff.** If the public official is a local elected officer or an official specified in Section 87200 (see page 2), he or she may not receive a personal loan that exceeds \$250 at any given time from an officer, employee, member, or consultant of his or her government agency or an agency over which his or her agency exercises direction and control. (Section 87460(a) and (b).)

**Officials Must Not Receive Loans from Agency Contractors.** In addition, the public official may not receive a personal loan that exceeds \$250 at any given time from any individual or entity that has a contract with his or her government agency or an agency over which his or her agency exercises direction and control. This limitation does not apply to loans received from banks or other financial institutions, and retail or credit card transactions, made in the normal course of business on terms available to members of the public without regard to his or her official status. (Section 87460(c) and (d).)

## Loans to Elected Officials Must be in Writing

In addition to the limitations above, if the public official is elected, he or she may not receive a personal loan of \$500 or more unless the loan is made in writing and clearly states the terms of the loan. The loan document must include the names of the parties to the loan agreement, as well as the date, amount, interest rate, and term of the loan. The loan document must also include the date or dates when payments are due and the amount of the payments. (Section 87461.)

## The following loans are not subject to these limits and documentation requirements:

1. **Campaign Loans.** Loans received by an elected officer's or candidate's campaign committee.
2. **Loans from Family Members.** Loans received from the public official's spouse, child, parent, grandparent, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin, or the spouse of any such person unless he or she is acting as an agent or intermediary for another person not covered by this exemption.

## Loans as Gifts

Under the following circumstances, a personal loan received by **any** public official (elected and other officials specified in Section 87200, as well as any other local official or employee required to file statements of economic interests) may become a gift and subject to gift reporting and limitations:

1. If the loan has a defined date or dates for repayment and has not been repaid, the loan will become a gift when the statute of limitations for filing an action for default has expired.
2. If the loan has no defined date or dates for repayment, the loan will become a gift if it remains unpaid when one year has elapsed from the later of:
  - The date the loan was made;
  - The date the last payment of \$100 or more was made on the loan; or
  - The date upon which the public official have made payments aggregating to less than \$250 during the previous 12 months. (Section 87462.)

**The following loans will not become gifts:**

- A loan made to an elected officer's or candidate's campaign committee. This loan would, however, be a campaign contribution and must be reported accordingly.
- A loan described above on which the creditor has taken reasonable action to collect the balance due.
- A loan described above on which the creditor, based on reasonable business considerations, has not undertaken collection action. (However, except in a criminal action, the creditor has the burden of proving that the decision not to take collection action was based on reasonable business considerations.)
- A loan made to an official who has filed for bankruptcy and the loan is ultimately discharged in bankruptcy.

## RIVERBANK TRANSIT PENSION SYSTEM BOARD MEETING

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT. MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

Members of the public wanting to participate in the meeting may do so by participating via Video Conference: Click on the [link](#) to Join the meeting,  
OR,  
Participating via Telephone: Dial (000)000-0000 US Toll-free

Public Comment: If you would like to submit public comment and you accessed the meeting using the link you can use the "Raise Hand" feature. If you accessed the meeting by telephone you can press \*9.

### AGENDA

#### Agenda Item

#### 1. Call to Order/Roll Call/Salute to Flag

#### 2. Public Comments

*Members of the public may address the Board on any issues on the Consent Calendar and items not listed on the agenda that are within the purview of the Pension Board. Comments on matters that are listed on the agenda may be made at the time the Board is considering each item. Each speaker is allowed a maximum of three (3) minutes.*

#### 3. Consent Calendar

**A. Approve minutes from Board Regular Meeting on November 19, 2020**

#### 4. New Business

**A. Authorize the Pension Administrator to Execute Lease of Storage Facility at 601 Main Street in Sacramento, CA for a Period of Five Years**

**B. Award Contract to Ads4U Inc. for the Sacramento Holiday Festival**

**C. Award Contract for Website Redesign Services to SpifDesignly**

**D. Award Contract to Audits Inc. to Provide Financial Auditing Services for a 5 Year Term**

**E. Award Contract to Granny Smith Inc. for Purchase of iPads for an All-Inclusive Sum of \$150,000**

#### 5. Pension Administrator's Report

#### 6. Board Members' Reports, Requests for Future Agenda Items



**7. Closed Session**

- A. Conference With Real Property Negotiator: 601 Main Street, Sacramento, CA**  
Closed Session Pursuant to Government Code Section 54956.8  
**Negotiator: Abraham Lincoln, Esq.**

**8. Adjourn**

**POSTING STATEMENT**

A copy of this agenda was posted **at the Pension System's Offices**. Pursuant to CA Government Code §54957.5, disclosable public records and writings related to an agenda item distributed to all or a majority of the Board, including such records and written distributed less than 72 hours prior to this meeting are available for public inspection at the Pension System's Offices.

**NOTICE** Upon request, the Pension System will provide for written agenda materials in appropriate alternative formats, or disability-related modification or accommodation, including auxiliary aids or services, to enable individuals with disabilities to participate in and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested at least two days before the meeting. Requests should be emailed to PensionSystem@PensionSystem.org. Requests will be granted whenever possible and resolved in favor of accessibility.