

Stanislaus County Employees' Retirement Association

832 12th Street, Ste. 600, Modesto, CA 95354 • PO Box 3150, Modesto, CA 95353 • www.stancera.org • 209-525-6393 • 209-558-4976 Fax

AGENDA

BOARD OF RETIREMENT 832 12th Street Ste. 600, **Wesley W. Hall Board Room**

February 17, 2016 1:00 p.m.

Modesto, CA 95354

The Board of Retirement welcomes you to its meetings, which are regularly held on the third Wednesday of each month. Your interest is encouraged and appreciated.

CONSENT ITEMS: These matters include routine administrative actions and are identified under the Consent Items heading.

PUBLIC COMMENT: Matters under jurisdiction of the Board, may be addressed by the general public before or during the regular agenda. However, California law prohibits the Board from taking action on any matter which is not on the posted agenda unless it is determined an emergency by the Board of Retirement. Any member of the public wishing to address the Board during the "Public Comment," period shall be permitted to be heard once up to three minutes. Please complete a Public Comment Form and give it to the Chair of the Board. Any person wishing to make a presentation to the Board must submit the presentation in written form, with copies furnished to all Board members. Presentations are limited to three minutes.

BOARD AGENDAS & MINUTES: Board agendas, minutes and copies of items to be considered by the Board of Retirement are customarily posted on the Internet by Friday afternoon preceding a meeting at the following website: www.stancera.org.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection at StanCERA, 832 12th Street, Suite 600, Modesto, CA 95354, during normal business hours.

AUDIO: All Board of Retirement regular meetings are audio recorded. Audio recordings of the meetings are available after the meetings at http://www.stancera.org/agenda.

NOTICE REGARDING NON-ENGLISH SPEAKERS: Board of Retirement meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary at (209) 525-6393. Notification 72 hours prior to the meeting will enable StanCERA to make reasonable arrangements to ensure accessibility to this meeting.

- 1. <u>Meeting Called to Order</u>
- 2. Roll Call
- 3. Announcements
- 4. Public Comment
- 5. Consent Items
 - a. Approval of the January 20, 2016 Meeting Minutes View
 - b. Monthly Staff Report View
 - c. Approval of Service Retirement(s) Sections 31499.14, 31670, 31662.2 & 31810
 - 1. Angusich, George DER Effective 01-22-2016
 - 2. Backlund, Robert-BHRS Effective 02-27-2016 *
 - 3. Broumas, Joel City of Ceres– Effective 02-09-2016
 - 4. Maestas, Tony City of Ceres Effective 02-04-2016
 - 5. McCormack, Belinda HSA Effective 02-20-2016
 - 6. Richardson, Noreen HSA– Effective 02-01-2016
 - 7. Ross, Jeanette HSA Effective 02-20-2016
 - Young, Clifton Planning Effective 01-20-2016
 * Indicates Safety Personnel

5. <u>Consent Items (Cont.)</u>

- d. Approval of Deferred Retirement(s) Section 31700
 - 1. Biszantz, Stacia HSA Effective 10-28-2015
 - 2. Carapinha, Rui City of Ceres Effective 06-15-2015 *
 - 3. De Anda, Maria CSA Effective 12-05-2015
 - 4. Flores, Marco City of Ceres Effective 04-16-2015
 - 5. Ishaq, Fayma Public Works– Effective 04-16-2015
 - 6. Lee, Andrew- HSA Effective 10-21-2015
 - 7. Mai, Thao BHRS– Effective 12-30-2015
 - 8. Wren, Joseph City of Ceres– Effective 01-03-2016
 - 9. Yang, Stacy CSA Effective 01-29-2016
 - 10. Zare, Maranita CSA– Effective 10-16-2015 * Indicates Safety Personnel
- 6. Investment Manager Annual Presentation Legato View
 - 1. Value Added Report <u>View</u>

7. Verus – Investment Consultant

- a. Risk Parity Education Provided by PanAgora Asset Management View
- b. January 31, 2016 Flash Report Will be available at the meeting.
- c. Investment Performance Analysis for the Quarter Ending December 31, 2016 View
- d. Emerging Markets Education View

8. Executive Director - Investment

- a. 2015 Quarter 4 Auxiliary Investment Report View
- 9. Executive Director Administrative
 - a. Discussion and Action Regarding the 2016 Cost of Living Adjustment View
 - b. Discussion and Action Regarding a Cost of Living Adjustments(COLA) Appropriate Index Index View
 - c. Discussion and Action Regarding StanCERA Bylaw Revision View
 - d. Information Technology Solutions (ITS) Project Update View
 - e. Legal / Legislation Update View
- 10. Closed Session
 - a. Conference with Legal Counsel Pending Litigation One Case: O'Neal et al v. Stanislaus County Employees' Retirement Association Stanislaus County Superior Court Case No. 648469 Government Code Section 54956.9(d)(1)

10. <u>Closed Session (Cont.)</u>

 b. Conference with Legal Counsel – Pending Litigation – One Case: Nasrawi et al v. Buck Consultants, LLC, et.al, Santa Clara County Superior Court Case No. 1-11-CV202224; Court of Appeal, Sixth Appellate District, Case No. H038894 Government Code Section 54956.9(d)(1)

11. Members' Forum (Information and Future Agenda Requests Only)

12. Adjournment



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BOARD OF RETIREMENT MINUTES January 20, 2016

Trustees Present:	Jim DeMartini, Michael O'Neal, Jeff Grover, Donna Riley Sam Sharpe, Mike Lynch and Gordon Ford
Alternate Trustee	Joan Clendenin, Alternate Retiree Representative
Trustees Absent:	Jason Gordo
Staff Present:	Rick Santos, Executive Director Kathy Herman, Fiscal Services Manager Dawn Lea, Member and Employer Services Manager Kellie Gomes, Executive Board Assistant
Others Present:	Fred Silva, General Legal Counsel Ed Hoffman, Investment Consultant

1. Meeting Called to Order

Meeting called to order 1:00 p.m. by Trustee Riley, Chair

- 2. Roll Call
- 3. Announcements

Kellie Gomes announced as stated at last meeting the Rotation of Officers: - Pursuant to Bylaws Section 1.5, Trustee Donna Riley is Chair of the 2016 Board of Retirement and Trustee Jason Gordo is 2016 Board of Retirement Vice-Chair.

Kellie Gomes announced trustees have been provided with a hard copy 2015/2016 700 forms today and an electronic copy will go out tomorrow. They are due back to Kellie no later than March 10, 2016.

Kellie announced the approval of retirement 1. Camelio, David – Probation – Effective 01-09-2016 is not a new retirement but a date correction. This was previously submitted in December and the member changed the date.

4. Public Comment

None

- 5. Consent Items
 - a. Approval of the December 16, 2015 Meeting Minutes
 - b. Approval of the 2016 StanCERA Master Calendar
 - c. Receipt of the 2016 Board of Retirement Standing Committee Assignments
 - d. Executive Director Goals Update Quarter 4 2015
 - e. Acceptance of the 2015 Continuing Education Record and 2016 Education Opportunities

5. <u>Consent Items (Cont.)</u>

- f. StanCERA Complaint Log of October 1 December 1, 2015
- g. Monthly Staff Report
- h. Approval of Service Retirement(s) Sections 31499.14, 31670, 31662.2 & 31810
 - 1. Camelio, David Probation Effective 01-09-2016 *
 - 2. Huntley, Rosemarie Auditor/Controller Effective 01-05-2016
 - 3. Lamela, Debra Sheriff Effective 01-15-2016
 - 4. Lundeberg, Erik Public Defender Effective 01-21-2016
 - 5. O'Dell, Julie Alliance Worknet Effective 12-23-2015
 - 6. Passanisi, Kathleen HSA Effective 11-14-2015
 - 7. Rosales, Arturo HSA Effective 01-05-16
 - 8. Thompson-Ryan, Pamela CSA Effective 01-06-2016
 - 9. Wade, Pamela Probation Effective 01-09-2016
 - 10. Weeks, Marlene Probation Effective 01-09-2016 * Indicates Safety Personnel
- i. Approval of Deferred Retirement(s) Section 31700
 - 1. Anderson, Vanessa CSA Effective 12-12-2015
 - 2. Castro, Norbert City of Ceres Effective 05-21-2015 *
 - 3. Chapman, Jason City of Ceres Effective 11-07-2015 *
 - 4. Ellis, Linda HSA Effective 12-12-2015
 - 5. Fredeking, Tobias BHRS Effective 10-15-2015
 - 6. Graves, Stephanie CSA Effective 10-17-2015
 - 7. Lee, Bee CSA Effective 01-05-2016
 - 8. Lillie, Michael City of Ceres Effective 11-28-2015 *
 - 9. Uemura, Scott District Attorney Effective 04-04-2015
- j. Approval of Disability Retirement Section 31724
 - 1. Freeman Jr., Jimmy Deputy Sheriff, Service-Connected, Effective 06-02-2015 * * Indicates Safety Personnel
- k. Approval of Death Benefit Sections 31781, 31781.1, and 31781.3
 - 1. Armstrong, Carla, Deceased, January 7, 2016 Active Member

Motion was made by Trustee Grover and seconded by Trustee O'Neal to approve consent item as presented with the exception of 5j.

Motion carried unanimously

Trustee Sharpe recused himself and left the room at 1:05 pm

Motion was made by Trustee Grover and seconded by Trustee O'Neal to approve consent Item 5j as presented.

Motion carried unanimously with one recusal by Trustee Sharpe

Trustee Sharpe returned to the room at 1:06 pm

6. <u>Executive Director – Administrative</u>

a. Information Technology Solutions (ITS) Project Update

Dawn Lea gave the Board a brief update on the status of the ITS project.

b. Discussion and Action for Consideration of State Association of County Retirement Systems (SACRS) 2016 Legislative Proposals.

Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to approve the support of the concept presented by SACRS regarding the 2016 Legislative Proposals.

Roll Call Voted was as follows: Trustee O'Neal, Yes Trustee Grover, No Trustee Riley No Trustee Sharpe Yes Trustee Lynch No Trustee Ford No

Motion failed 4/2 Trustee DeMartini was not present for vote.

c. Discussion and Action Executive Director Goals for 2016

Motion was made by Trustee O'Neal and seconded by Trustee Grover to approve the Executive Director Goals for 2016.

Motion carried unanimously

Trustee DeMartini and Executive Director Rick Santos arrived at 1:30 p.m.

d. Discussion and Action regarding the preliminary June 30, 2015 Actuarial Valuation - Cheiron Actuaries

Graham Schmidt briefed the Board on the proposed actuarial valuation which would set rates for 2016-2017.

All trustees agreed to postpone the vote until after hearing Item 8.d.

After hearing Item 8.d a Motion was made by Trustee Ford and seconded by Trustee Grover to calculate the 2016-2017 employer rates using a discount rate of 7.25% based on StanCERA's current asset allocation and phase in any rate increases over a 3-year period.

Roll Call Vote was made as follows:

Tustee DeMartini	Yes
Trustee O'Neal	Yes
Trustee Grover	Yes
Trustee Riley	Yes
Trustee Sharpe	Yes
Trustee Lynch	Yes
Trustee Ford	Yes

Motion carried unanimously

7. <u>Executive Director - Investment</u>

None

8. Verus - Investment Consultant

- a. November 30, 2015 Flash Report
- b. December 31, 2015 Flash Report

Ed Hoffman presented the monthly performance reports for November and December 2015

c. Risk Tolerance Allocation Study

Ed Hoffman briefed the Board on the results of his risk tolerance study on Board Trustees. He also briefed the Board on the County's financial picture in preparation for the final asset allocation decision.

d. Discussion and Action Regarding Asset Allocation Study

Ed Hoffman presented several asset mixes for final consideration for the Board. Several of the portfolios had asset mixes that were considerably different from our current allocation. After discussion, the Board decided they wanted to learn more about the specific new investment types within the asset mixes under consideration. Specifically, those investments that the Board will explore in more detail are private equity, emerging markets and risk parity assets.

- 4:09 p.m. 10 Min Break was called by Trustee Riley
- 4:16 p.m. Back in session
- 9. Closed Session

Motion was made by Trustee Grover and seconded by Trustee O'Neal to move in to closed session at 4:17 p.m.

Motion carried unanimously

- a. Discussion and Action Regarding Investment in Raven Capital Management Government Code Section 54956.81
- b. Conference with Legal Counsel Pending Litigation One Case: O'Neal et al v. Stanislaus County Employees' Retirement Association Stanislaus County Superior Court Case No. 648469 Government Code Section 54956.9(d)(1)
- c. Conference with Legal Counsel Pending Litigation One Case: Nasrawi et al v. Buck Consultants, LLC, et.al, Santa Clara County Superior Court Case No. 1-11-CV202224; Court of Appeal, Sixth Appellate District, Case No. H038894 Government Code Section 54956.9(d)(1)

9. Closed Session (Cont.)

Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to enter in to open session at 4:33 p.m.

Motion carried unanimously

Kellie Gomes announced there was a read out from closed session item 9.a. Motion was made by Trustee O'Neal and seconded by Trustee DeMartini to allocate \$35 million to the Raven III Fund.

Roll call vote was as follows:

Yes
Yes
No

Motion passed 6/1

An additional Motion was made by Trustee O'Neal and seconded by Trustee Sharpe to appoint Trustee Grover to the Raven III Advisory Committee. Trustee Grover recused himself from this vote and left the room and returned as soon as the vote was over.

Roll call vote was taken and the motion carried unanimously

10. Members' Forum (Information and Future Agenda Requests Only)

Trustee Riley asked staff to look into the idea of using gotomeeting as a way to communicate annually with our investment managers

Kathy Herman briefed the Board on the progress with the window cleaning on the 12th street building.

12. Adjournment

Meeting adjourned at 4:40 p.m.

Respectfully submitted,

Rick Santos, Executive Director

APPROVED AS TO FORM: Fred Silva, GENERAL LEGAL COUNSEL

By:

Fred Silva, General Legal Counsel



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February 17, 2016

Retirement Board Agenda Item

- TO: Retirement Board
- FROM[.] **Rick Santos, Executive Director**
 - I. SUBJECT: Monthly Staff Report
 - II. ITEM NUMBER: 5.b
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS:
 - a) Fiscal Services January is typically a very busy month. This year, tax documents were provided to approximately 4,000 members, beneficiaries and vendors. Per the Excess Earnings and Interest Posting policy semi-annual interest was posted to member accounts, with statements processed and mailed to approximately 5,000 active and deferred members.

Staff processed the paperwork for 16 new members and 12 others that terminated. Employer and employee contributions totaling \$6,351,435 were received through 15 different payroll batches. In addition, 12 contribution refunds and 6 death benefits were processed and the February retiree payroll was completed as scheduled, totaling \$8,763,651.

- b) Member & Employer Services During the month of January, Member and Employer Services Staff processed 35 new hires (4 Safety and 31 General), 41 buy backs and 44 estimates. There were 36 individual counseling sessions and one group presentation at the New Employee Orientation. Staff continued to meet with the Linea Consultants to establish the business requirements needed to establish what will be listed in the RFP.
- c) Investment Governance and Compliance Staff has been working with alternative managers to determine how future capital distributions and calls may affect cash needs and ultimate allocation requirements. Staff is also preparing to meet with Verus to discuss a more formal plan for cash management.
- VI. RISK: None
- VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently*

VIII. ADMINISTRATIVE BUDGET IMPACT: NONE

Santos, Executive Director

Herman, Fiscal Services Manager

Dawn Lea, Member and Employer Services Manager



Le-ga-to (adj. & adv.) smooth, connected; without breaks

DEDICATED TO DISCOVERING THE FINEST ENTREPRENEURIAL INVESTMENT MANAGER TALENT

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

QUARTERLY REPORT

4TH QUARTER 2015

Legato Capital Management LLC 111 Pine Street Suite #1700 San Francisco, CA 94111 General Office: (415) 821-8585 Investment Office: (415) 821-8586 Fax: (877) 838-8304 info@legatocm.com

Biographical Information

Victor L. Hymes hymes@legatocm.com

Legato Capital Management, LLC

Direct line: (415) 821-8560

Mr. Hymes is the Chief Executive Officer and Chief Investment Officer at Legato Capital Management LLC and brings more than 30 years of investment experience to these roles. Prior to founding Legato in 2004, he held the positions of Chief Investment Officer and Chief Operating Officer at Cazenave Partners, LLC. Before joining Cazenave Partners, Mr. Hymes spent ten years managing investment portfolios for public and corporate pension funds, Taft-Hartley and eleemosynary clients at Scudder, Stevens & Clark, Inc. Early in 2000, following Scudder's reorganization as Zurich Scudder Investments, Inc., he headed Zurich's \$80 billion North American institutional business. Mr. Hymes' professional career began with nearly a decade of work at Goldman, Sachs & Company and Kidder, Peabody & Company. He received his undergraduate degree from Oberlin College and holds an MBA from the Stanford University Graduate School of Business. He is a member of the Strategic Advisory Board of the CFA Society of San Francisco and a member of the Board of Trustees of NRDC and the Brookings Institution.

Adam S. Lawlor, CFA lawlor@legatocm.com Direct line: (415) 821-8561

Mr. Lawlor is Executive Vice President, Senior Investment Officer and a member of the investment committee at Legato Capital Management LLC. Prior to Legato's founding in 2004, he held the position of Director of Manager Research at Cazenave Partners, LLC. From 2000 to 2002, Mr. Lawlor directed the Investment Consulting Group at Robertson Stephens. From 1995 to 2000, he was a member of the Global Manager Research Group at Callan Associates. Mr. Lawlor has 24 years of investment experience. He received his undergraduate degree from the University of Connecticut, Storrs, where he studied business administration. He is a member of both the CFA Institute and the CFA Society of San Francisco.



Outline of Presentation

- I. Firm Overview
- II. Small Cap Growth Portfolio
- III. Manager Overview
- IV. Market Update 4th Quarter 2015

<u>Appendix</u>

- A. Firm Overview and Process Snapshot
- B. Compliance Checklist and Investment Guidelines
- C. Legato Style Classifications
- D. Portfolio Appraisal, Purchases and Sales
- E. Proxy Voting Record



Section I.

Firm Overview

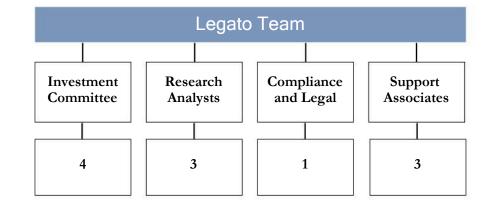
Firm Overview As of December 31, 2015

Legato Capital Management,LLC

- Founded in 2004
- More than \$1.3 billion in AUM
- Minority owned firm
- 11 employees
- More than 90 years of cumulative investment experience*
- 100% employee ownership

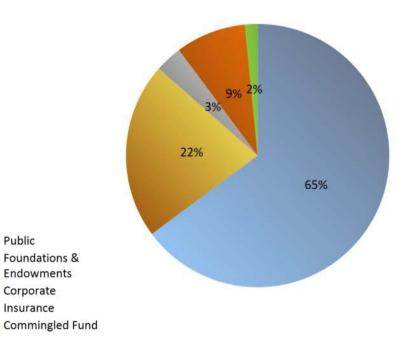
*Includes members of the investment committee

	AUM by Client Type		
CLIENT TYPE	PRODUCT	ASSETS	% OF AUM
Public	All Cap Core Global Opportunities Small Cap Growth	\$907 million	65%
Foundations & Endowments	Small Cap Core Small Cap Value	\$303 million	22%
Corporate	Micro Cap Core	\$46 million	3%
Insurance	Large Cap High Quality Core Large Cap High Quality Value	\$121 million	9%
Commingled Fund	International Equity	\$22 million	2%
TOTAL AUM		\$1,399 million	100%



Public

Endowments Corporate Insurance





Section II.

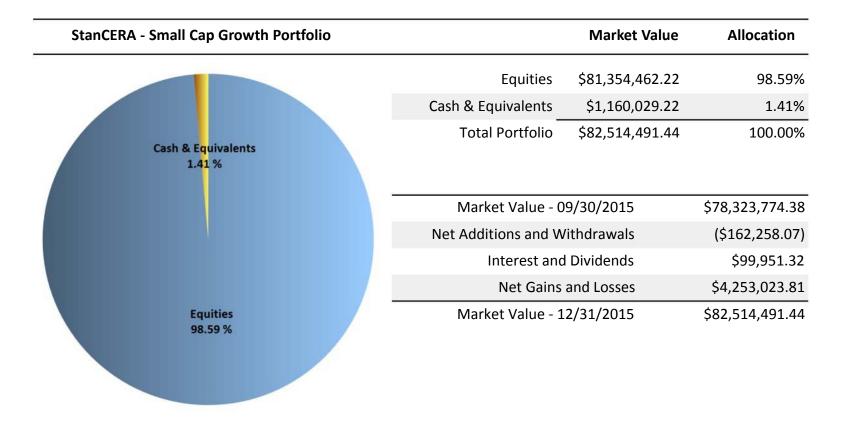
Small Cap Growth Portfolio



Investment Objective - Small Cap Growth

A small cap growth manager-of-managers (MOM) portfolio that seeks to consistently produce alpha by utilizing entrepreneurial managers with complementary styles. The Portfolio is benchmarked against the Russell 2000[®] Growth Index.

Total Assets





Manager Allocations - Small Cap Growth

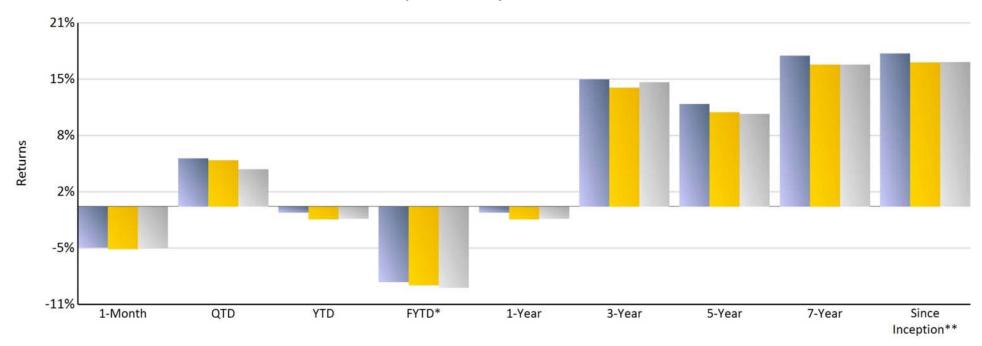
As of December 31, 2015

Manager	Style	Sub-Style	Target Weight Allocation	Current Weight	Difference
AMI Asset Management	Growth	Conservative	22.00%	23.18 %	1.18%
Rice Hall James & Associates	Growth	Conservative	24.00%	24.60 %	0.60%
LMCG Investments (formerly Lee Munder Capital Group)	Growth	Pure	21.00%	20.20 %	-0.80%
CastleArk Management	Growth	Aggressive	18.00%	17.46 %	-0.54%
EAM Investors	Growth	Aggressive	15.00%	14.56 %	-0.44%



Investment Performance - Small Cap Growth

For the fourth quarter, the Portfolio (net-of-fees) outperformed its benchmark by 1.02%. Since inception, the Portfolio (net-of-fees) has outperformed its benchmark by -0.02% on an annualized basis.



StanCERA - Small Cap Growth As of December 31, 2015

	1-Month	QTD	YTD	FYTD*	1-Year	3-Year	5-Year	7-Year	Since Inception**
StanCERA - Gross	-4.70 %	5.55 %	-0.67 %	-8.64 %	-0.67 %	14.63 %	11.80 %	17.34 %	17.60 %
StanCERA - Net	-4.88 %	5.34 %	-1.44 %	-9.01 %	-1.44 %	13.66 %	10.82 %	16.32 %	16.58 %
Russell 2000® Growth Index	-4.77 %	4.32 %	-1.38 %	-9.31 %	-1.38 %	14.28 %	10.67 %	16.32 %	16.60 %

Returns for periods greater than 1 year are annualized

*Fiscal year-end: June 30, 2016. **Portfolio inception date: December 19, 2008

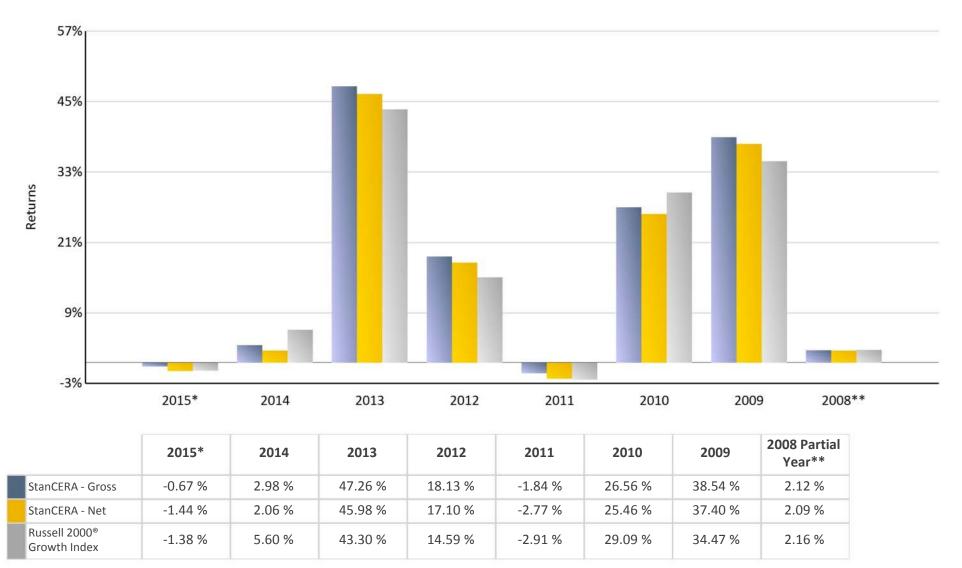
Past performance is no guarantee of future results. Gross-of-fees returns are presented gross of advisory and custodial fees, but net of trading expenses and non-reclaimable withholding taxes. Net-of-fees returns are calculated by deducting actual advisory fees incurred by the Portfolio from the gross-of-fees returns. Performance results reflect the reinvestment of dividends and other earnings.



Investment Performance - Small Cap Growth

StanCERA - Small Cap Growth

Calendar Years



*As of December 31, 2015. **Portfolio inception date: December 19, 2008

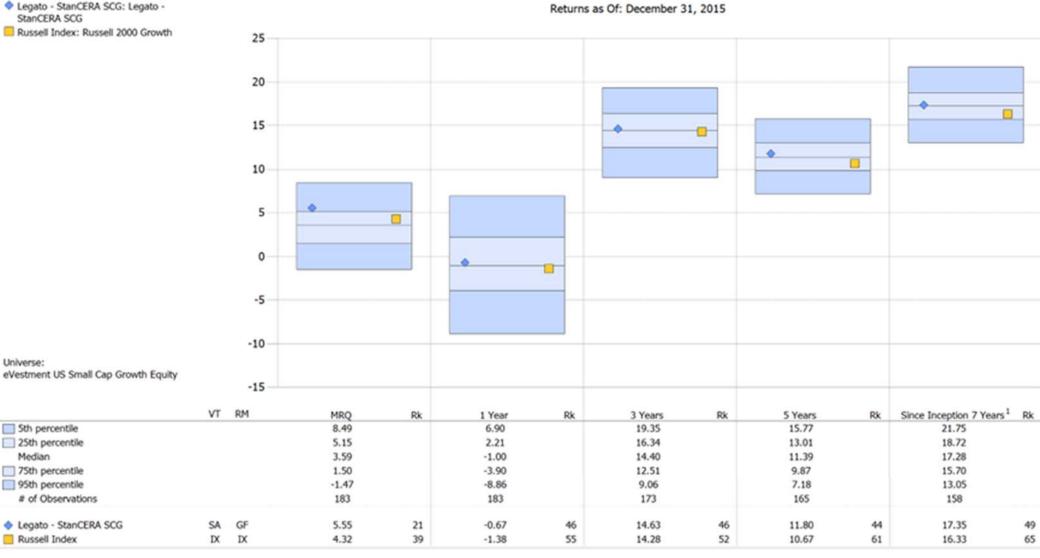
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Investment Performance - Small Cap Growth

StanCERA - Small Cap Growth

Peer Universe Ranks (Gross of Fees)



Results displayed in US Dollar (USD)

11/2009 - 12/2015

*Start date: December 31, 2008, first full month of performance.

Past performance is no guarantee of future results. Gross-of-fees returns are presented gross of advisory and custodial fees, but net of trading expenses and non-reclaimable withholding taxes. Net-of-fees returns are calculated by deducting actual advisory fees incurred by the Portfolio from the gross-of-fees returns. Performance results reflect the reinvestment of dividends and other earnings.



Total Portfolio & Manager Investment Performance - Small Cap Growth *As of December 31, 2015*

		Market Value	1-Month	QTD	YTD	FYTD*	1-Year	3-Year	5-Year	7-Year	Since Inception**
Portfolio:	Small Cap Growth - Gross	\$82,514,491.44	-4.70%	5.55%	-0.67%	-8.64%	-0.67%	14.63%	11.80%	17.34%	17.60%
	Small Cap Growth - Net		-4.88%	5.34%	-1.44%	-9.01%	-1.44%	13.66%	10.82%	16.32%	16.58%
Benchmark:	Russell 2000 [®] Growth Index		-4.77%	4.32%	-1.38%	-9.31%	-1.38%	14.28%	10.67%	16.32%	16.60%
	Excess Return - Net:		-0.11%	1.02%	-0.06%	0.30%	-0.06%	-0.62%	0.15%	0.00%	-0.02%
Managers - Gross:	AMI Asset Management ⁺	\$19,125,763.09	-5.10%	11.29%	3.20%	-1.45%	3.20%				
	Rice Hall James & Associates ⁺	\$20,296,258.39	-3.52%	7.82%	0.09%	-7.67%	0.09%				
	LMCG Investments (formerly Lee Munder Capital Group ^{)†}	\$16,670,933.32	-5.14%	2.74%	-0.16%	-11.85%	-0.16%	16.07%	12.00%		
	$CastleArk\;Management^{\dagger}$	\$14,410,362.98	-4.62%	1.75%	-4.97%	-11.44%	-4.97%	16.11%	12.05%		
	EAM Investors [†]	\$12,011,173.66	-5.49%	2.01%	-4.09%	-12.60%	-4.09%	15.59%			
Benchmark:	Russell 2000 [®] Growth Index		-4.77%	4.32%	-1.38%	-17.62%	-1.38%	14.28%	10.67%	16.32%	16.60%

Returns for periods greater then 1 year have been annualized

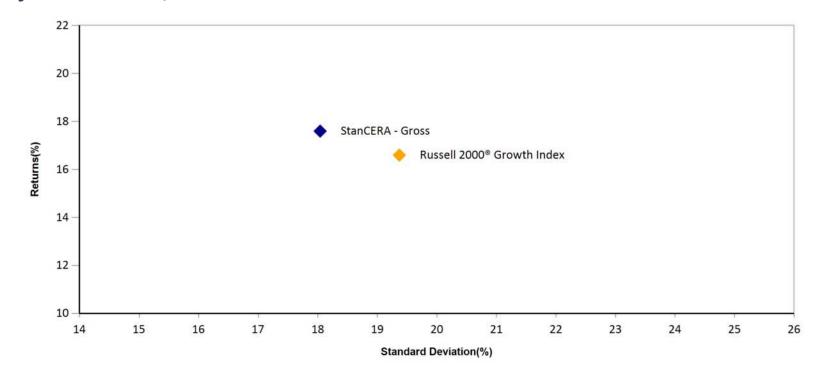
*Fiscal year-end: June 30, 2016.

**Portfolio inception date : December 19, 2008

+CastleArk Management and LMCG Investments (formerly Lee Munder Capital Group) were funded on March 4, 2010, EAM Investors was funded on April 5, 2011, AMI Asset Management and Rice Hall James & Associates were funded on September 29, 2014.



Statistics Relative to Russell 2000[®] Growth Index Since Inception of Portfolio* As of December 31, 2015



	Returns (%)	Standard Deviation (%)	Information Ratio	Sharpe Ratio	Excess Return (%)	Beta	Correlation	Tracking Error (%)	Up Market Capture (%)	Down Market Capture (%)
StanCERA - Gross	17.60	18.04	0.69	0.97	1.00	0.92	0.99	3.28	90.66	95.08
Russell 2000 [®] Growth Index	16.60	19.37	-	0.85	-	1.00	1.00	-	100.00	100.00

Quarterly Attribution Analysis - Small Cap Growth *As of December 31, 2015*

		Top C	ontributors/De	etractors to	Perform	ance:			
Sector	Allocation					S	tock Selection		
Positive Negative						Positive		Negative	
Consumer Discretionary	ļ	Health Car	e		Consum	ner Discretionar	Y	Financials	
Information Technology		Cash			Informa	ation Technolog	SY.	Health Care	
3		PORTFO	LIO	RUSSELL	2000® GR(OWTH INDEX	ATTR	RIBUTION EFFEC	T
Sector	Average Weight	Return	Contribution	Average Weight	Return	Contribution	Sector Allocation	Stock Selection	Total
Total Portfolio	100.00	5.57	5.57	100.00	4.31	4.31	0.05	1.21	1.26
Consumer Discretionary	15.34	5.85	0.93	17.36	-4.17	-0.69	0.18	1.54	1.72
Consumer Staples	3.23	4.44	0.15	3.54	4.59	0.16	0.01	0.01	0.01
Energy	1.33	3.68	0.07	1.22	-13.59	-0.15	-0.02	0.25	0.23
Financials	5.24	-13.29	-0.70	7.87	3.07	0.25	0.04	-0.87	-0.84
Health Care	25.59	9.15	2.22	26.90	10.35	2.64	-0.16	-0.34	-0.50
Industrials	13.57	0.96	0.10	12.98	1.77	0.26	-0.02	-0.13	-0.15
Information Technology	29.03	9.86	2.64	25.06	6.56	1.55	0.06	0.86	0.92
Materials	2.55	0.01	0.00	4.16	5.22	0.23	-0.02	-0.12	-0.14
Telecommunication Services	1.42	7.23	0.08	0.80	6.50	0.05	0.01	0.02	0.03
Utilities	0.00	0.00	0.00	0.11	3.80	0.01	0.01	0.00	0.01
Cash	1.45	0.03	0.00	0.00	0.00	0.00	-0.05	0.00	-0.05
Unassigned*	1.25	4.27	0.08	0.00	0.00	0.00	0.01	0.00	0.01

* Unassigned sector is made up of ETF holdings.

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Source: FactSet. FactSet analysis includes cash & equivalents. FactSet returns may differ due to various factors, such as the way FactSet treats large portfolio flows and corporate actions. Numbers may not add up due to rounding.

Top Ten Holdings & Sector Allocation - Small Cap Growth

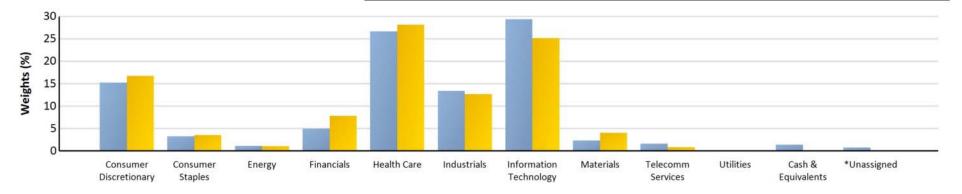
• The top ten holdings had an overall positive effect on relative performance.

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 The portfolio is overweight in energy, industrials, information technology, telecommunication services, and underweight in consumer discretionary, consumer staples, financials, health care, materials.

Security	Sector	Weight in Portfolio (%)	Weight in Index (%)	Contribution to Relative Performance (%)
Ligand Pharmaceuticals Incorporated	Health Care	2.33	0.22	0.37
LifeLock, Inc.	Consumer Discretionary	1.95	0.16	0.65
Synchronoss Technologies, Inc.	Information Technology	1.86	0.16	0.04
Stamps.com Inc.	Information Technology	1.35	0.18	0.36
Advisory Board Company	Industrials	1.32	0.25	0.04
Cardtronics, Inc.	Information Technology	1.32	0.18	-0.02
PRA Group Inc	Financials	1.27	0.20	-0.46
Teligent, Inc.	Health Care	1.18	0.04	0.27
Echo Global Logistics, Inc	Industrials	1.13	0.07	-0.02
Pool Corporation	Consumer Discretionary	1.09	0.41	0.05
	Total:	14.80	1.87	1.27



	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Information Technology	Materials	Telecomm Services	Utilities	Cash & Equivalents	*Unassigned
StanCERA	15.19	3.26	1.11	4.96	26.65	13.38	29.33	2.35	1.61	0.00	1.41	0.75
Russell 2000 [®] Growth Index	16.73	3.53	1.05	7.81	28.16	12.63	25.11	4.06	0.81	0.11	0.00	0.00

Top Portfolio Characteristics - Small Cap Growth As of December 31, 2015

• The portfolio remains broadly diversified with over 350 securities.

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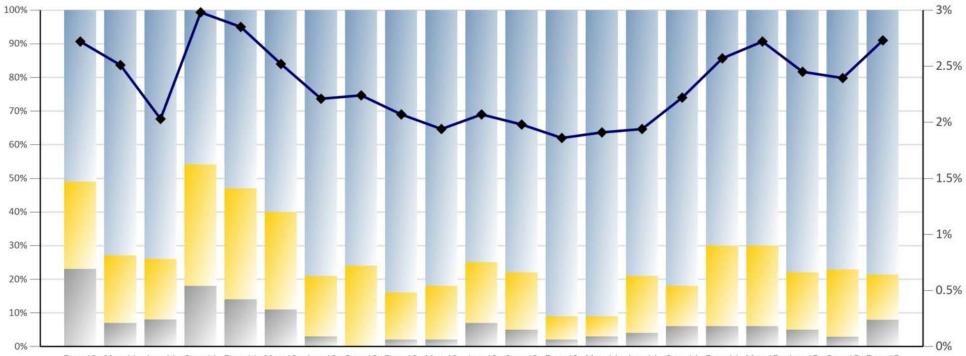
- The weighted average market cap is lower than the benchmark and the median market cap is higher than the benchmark
- Valuation: Price/Book is lower and forward Price/Earnings is higher
- Growth: Long term EPS growth is higher
- Quality, as measured by Return on Equity is lower than the benchmark

Characteristic	Portfolio	Russell 2000 [®] Growth Index
Number of Securities	399	1,194
Cash (%)	1.41	0.00
Weighted Average Market Cap (mm)	\$1,929	\$2,069
Median Market Cap (mm)	\$1,276	\$758
Dividend Yield	0.37	0.75
Price to Book	3.23	3.72
Price to Earnings	24.74	23.50
Price to Earnings using FY1 Est	21.15	19.96
EPS Growth (Historical 5 Year)	17.45	18.48
EPS Growth (Est. LTG)	18.54	18.04
PEG using FY1 Est	1.27	1.30
Price to Sales	1.52	1.26
Price to CF	10.91	10.20
ROE	7.03	7.23
Axioma- Predicted Beta	0.96	1.00
Predicted Tracking Error (Std Dev)	2.73	0.00



Historical Risk Attribution - Small Cap Growth

The chart below reflects the tracking error attributable to stock specific, industry and style risk factors. For the quarter ended December 31, 2015, predicted tracking error was 2.73%.

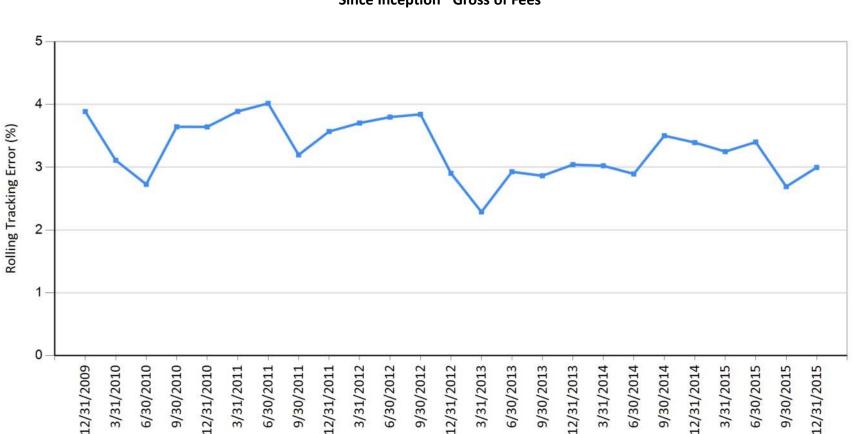


Dec-10 Mar-11 Jun-11 Sep-11 Dec-11 Mar-12 Jun-12 Sep-12 Dec-12 Mar-13 Jun-13 Sep-13 Dec-13 Mar-14 Jun-14 Sep-14 Dec-14 Mar-15 Jun-15 Sep-15 Dec-15

	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13	Sep-13	Dec-13	Mar-14	Jun-14	Sep-14	Dec-14	Mar-15	Jun-15	Sep-15	Dec-1
Stock Specific	51%	73%	74%	46%	53%	60%	79%	76%	84%	82%	75%	78%	91%	91%	79%	82%	70%	70%	79%	77%	79%
Industry	26%	20%	18%	36%	33%	29%	18%	24%	14%	16%	18%	17%	7%	6%	17%	12%	24%	24%	17%	20%	13%
Style	23%	7%	8%	18%	14%	11%	3%	0%	2%	2%	7%	5%	2%	3%	4%	6%	6%	6%	5%	3%	8%
Predicted Tracking Error	2.72%	2.51%	2.03%	2.98%	2.85%	2.52%	2.21%	2.24%	2.07%	1.94%	2.07%	1.98%	1.86%	1.91%	1.94%	2.22%	2.57%	2.72%	2.45%	2.39%	2.73%



Realized Tracking Error As of December 31, 2015



Rolling 12 Month Tracking Error Relative to Russell 2000[®] Growth Index Since Inception* Gross of Fees

Risk Factor Analysis - Small Cap Growth *As of December 31, 2015*

Summary	Portfolio Exposure	Benchmark Exposure	Active Exposure	Factor Contribution to Total Active Risk (%)
Style	-0.56	-0.65	0.09	7.91
Medium-Term Momentum	0.50	0.34	0.17	3.09
Volatility	0.43	0.48	-0.05	2.59
Exchange Rate Sensitivity	0.12	0.12	0.00	-0.01
Market Sensitivity	0.03	0.11	-0.08	1.25
Growth	-0.06	-0.12	0.06	0.35
Short-Term Momentum	-0.10	-0.10	0.00	0.04
Liquidity	-0.14	-0.10	-0.04	0.32
Leverage	-0.31	-0.32	0.01	-0.07
Value	-0.32	-0.39	0.07	0.03
Size	-0.72	-0.67	-0.04	0.33
Industry	0.99	1.00	-0.01	13.41
Stock Specific				78.68
TOTAL				100.00



Section III.

Manager Overview

Manager Overview - Small Cap Growth As of December 31, 2015

Manager	Manager Assets in Strategy (millions)**	Total Manager Assets (millions)**	StanCERA Assets (millions)*	Number of Holdings in Portfolio*
AMI Asset Management	\$318	\$1,758	\$19.1	34
Rice Hall James & Associates	\$784	\$2,258	\$20.3	68
LMCG Investments (formerly Lee Munder Capital Group)	\$761	\$7,081	\$16.7	64
CastleArk Management	\$740	\$3,692	\$14.4	102
EAM Investors	\$1,082	\$1,474	\$12.0	226

AMI Asset Management - Small Cap Growth

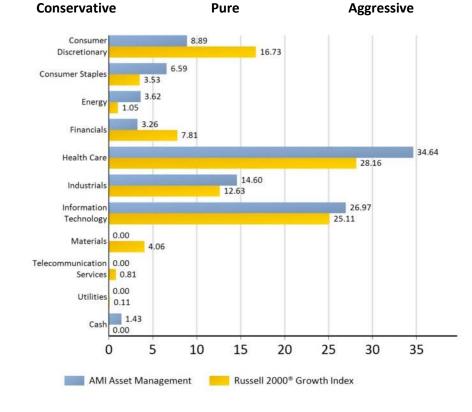
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Year Founded	1998	Investment Process Change*	No	Product
Employee Ownership	100%	Investment Personnel Change*	No	Role in Portfolio**
Total Firm Assets	\$1.8 bil.	Business Changes*	No	Benchmark
Total Strategy Assets	\$318.0 mil.	Compliance Violations*	No	
Total Firm Employees	14	Operations Violations*	No	
Investment Team Members	6			

Small Cap Growth	Overall Market Conditions***	Favorable	
Growth - Conservative	Actual Performance Results***	Outperformed	
Russell 2000 [®] Growth Index	Result Versus Legato's Expectations***	Within	
	Small Cap Growth Style		
4		•	





Characteristic [†]	AMI Asset Management	Russell 2000 [®] Growth Index
Number of Securities	34	1,194
Weighted Average Market Cap (mm)	\$1,605	\$2,069
Median Market Cap (mm)	\$1,511	\$758
Dividend Yield	0.19	0.75
Price to Book	3.05	3.72
Price to Earnings	26.36	23.50
Price to Earnings using FY1 Est	21.72	19.96
EPS Growth (Historical 5 Year)	20.54	18.48
EPS Growth (Est. LTG)	19.84	18.04
PEG using FY1 Est	1.17	1.30
Price to Sales	1.57	1.26
Price to CF	12.42	10.20
ROE	8.32	7.23
Axioma- Predicted Beta	0.94	1.00
Predicted Tracking Error (Std Dev)	6.51	0.00

*Significant changes or violations based on Legato's evaluation of information provided by the manager.

**Based on Legato Style Classifications, refer to Appendix C.

***Based on Legato's due diligence and evaluation over the prior 12 months. +Source: FactSet/Axioma/Advent.



AMI Asset Management - Small Cap Growth - Attribution Analysis

Top Contributors/Detractors to Performance:

Sector		Stock Selection							
Positive		Negative			Р		Negative		
Consumer Discretionary		Energy			Consume	r Discretiona	ry	Financials	
Health Care		Material	5		Informat	ion Technolog	ξγ	Industrials	
		PORTFC	IIO	RUSSELL	2000® GRO\	WTH INDEX	ATTR	RIBUTION EFFEC	T
Sector	Average Weight	Return	Contribution	Average Weight	Return C	ontribution	Sector Allocation	Stock Selection	Total
Total Portfolio	100.00	11.29	11.29	100.00	4.31	4.31	1.24	5.74	6.98
Consumer Discretionary	6.99	42.51	2.03	17.36	-4.17	-0.69	1.08	2.42	3.50
Consumer Staples	5.96	15.97	0.85	3.54	4.59	0.16	0.03	0.62	0.65
Energy	4.56	7.30	0.78	1.22	-13.59	-0.15	-0.50	1.21	0.71
Financials	3.89	-34.45	-1.47	7.87	3.07	0.25	0.07	-1.66	-1.59
Health Care	32.78	15.99	4.84	26.90	10.35	2.64	0.44	1.48	1.91
Industrials	14.75	1.60	0.36	12.98	1.77	0.26	-0.02	-0.01	-0.03
Information Technology	27.22	13.37	3.78	25.06	6.56	1.55	0.10	1.67	1.77
Materials	0.00	0.00	0.00	4.16	5.22	0.23	-0.03	0.00	-0.03
Telecommunication Services	0.00	0.00	0.00	0.80	6.50	0.05	0.01	0.00	0.01
Utilities	0.00	0.00	0.00	0.11	3.80	0.01	0.03	0.00	0.03
Cash	1.97	0.03	0.00	0.00	0.00	0.00	0.03	0.00	0.03

Source: FactSet. FactSet analysis includes cash & equivalents. FactSet returns may differ due to various factors, such as the way FactSet treats large portfolio flows and corporate actions. Numbers may not add up due to rounding.

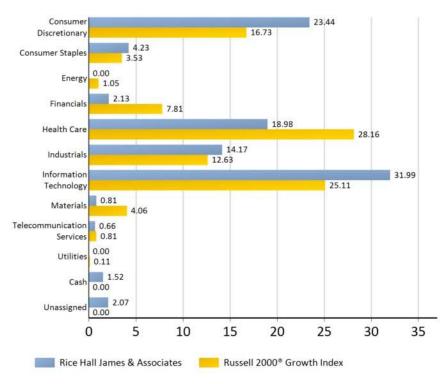
Rice Hall James & Associates - Small Cap Growth

Year Founded	1974	Investment Process Change*	No	Product
Employee Ownership	100%	Investment Personnel Change*	No	Role in Portfolio**
Total Firm Assets	\$2.3 bil.	Business Changes*	No	Benchmark
Total Strategy Assets	\$784.0 mil.	Compliance Violations*	No	
Total Firm Employees	25	Operations Violations*	No	
Investment Team Members	5			

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Small Cap Growth	Overall Market Conditions***	Favorable
Growth - Conservative	Actual Performance Results***	Outperformed
Russell 2000 [®] Growth Index	Result Versus Legato's Expectations***	Within
	Small Cap Growth Style	
Conservative	Pure	Aggressive



Characteristic [†]	Rice Hall James & Associates	Russell 2000 [®] Growth Index		
Number of Securities	68	1,194		
Weighted Average Market Cap (mm)	\$1,977	\$2,069		
Median Market Cap (mm)	\$1,279	\$758		
Dividend Yield	0.44	0.75		
Price to Book	3.49	3.72		
Price to Earnings	26.42	23.50		
Price to Earnings using FY1 Est	21.68	19.96		
EPS Growth (Historical 5 Year)	16.70	18.48		
EPS Growth (Est. LTG)	15.67	18.04		
PEG using FY1 Est	1.29	1.30		
Price to Sales	2.03	1.26		
Price to CF	13.59	10.20		
ROE	12.18	7.23		
Axioma- Predicted Beta	0.92	1.00		
Predicted Tracking Error (Std Dev)	5.39	0.00		

*Significant changes or violations based on Legato's evaluation of information provided by the manager.

**Based on Legato Style Classifications, refer to Appendix C.

***Based on Legato's due diligence and evaluation over the prior 12 months. +Source: FactSet/Axioma/Advent.



Rice Hall James & Associates - Small Cap Growth - Attribution Analysis

Top Contributors/Detractors to Performance:

Sector	Allocation			Stock Selection						
Positive	Negative				Positive			Negative		
Energy	l	Health Care			Consum	ner Discretionar	Ŋ	Financials		
Information Technology Consumer Discretionary			Informa	ation Technolog	ςγ C	onsumer Staple	ts.			
2		PORTFO	LIO	RUSSELL	2000® GR0	OWTH INDEX	ATTF	ATTRIBUTION EFFECT		
Sector	Average Weight	Return	Contribution	Average Weight	Return	Contribution	Sector Allocation	Stock Selection	Total	
Total Portfolio	100.00	7.80	7.80	100.00	4.31	4.31	-0.43	3.92	3.49	
Consumer Discretionary	22.69	12.18	2.64	17.36	-4.17	-0.69	-0.40	3.56	3.16	
Consumer Staples	4.55	-7.26	-0.29	3.54	4.59	0.16	0.03	-0.53	-0.51	
Energy	0.00	0.00	0.00	1.22	-13.59	-0.15	0.22	0.00	0.22	
Financials	2.32	-26.21	-0.78	7.87	3.07	0.25	0.08	-0.85	-0.76	
Health Care	17.76	16.42	2.75	26.90	10.35	2.64	-0.52	0.98	0.46	
Industrials	15.00	-1.14	-0.17	12.98	1.77	0.26	-0.01	-0.53	-0.54	
Information Technology	32.76	12.18	3.82	25.06	6.56	1.55	0.17	1.68	1.85	
Materials	0.99	-15.47	-0.12	4.16	5.22	0.23	-0.01	-0.18	-0.19	
Telecommunication Services	0.72	-20.05	-0.17	0.80	6.50	0.05	0.01	-0.21	-0.19	
Utilities	0.00	0.00	0.00	0.11	3.80	0.01	0.02	0.00	0.02	
Cash	1.09	0.03	0.00	0.00	0.00	0.00	-0.03	0.00	-0.03	
Unassigned*	2.11	4.27	0.10	0.00	0.00	0.00	0.02	0.00	0.02	

* Unassigned sector is made up of ETF holdings.

Source: FactSet. FactSet analysis includes cash & equivalents. FactSet returns may differ due to various factors, such as the way FactSet treats large portfolio flows and corporate actions. Numbers may not add up due to rounding.

LMCG Investments (formerly Lee Munder Capital Group) - Small Cap Growth

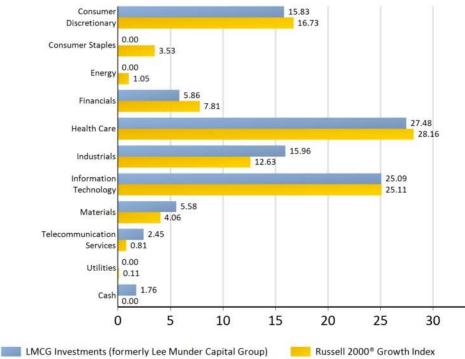
Year Founded	2000	Investment Process Change*	No	Product
Employee Ownership	43%	Investment Personnel Change*	No	Role in Portfolio**
Total Firm Assets	\$7.1 bil.	Business Changes*	No	Benchmark
Total Strategy Assets	\$761.2 mil.	Compliance Violations*	No	
Total Firm Employees	65	Operations Violations*	No	
Investment Team	4			

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Characteristic ⁺	LMCG Investments	Russell 2000 [®] Growth Index			
Number of Securities	64	1,194			
Weighted Average Market Cap (mm)	\$2,341	\$2,069			
Median Market Cap (mm)	\$2,049	\$758			
Dividend Yield	0.52	0.75			
Price to Book	2.91	3.72			
Price to Earnings	21.32	23.50			
Price to Earnings using FY1 Est	17.37	19.96			
EPS Growth (Historical 5 Year)	20.31	18.48			
EPS Growth (Est. LTG)	16.45	18.04			
PEG using FY1 Est	1.18	1.30			
Price to Sales	0.95	1.26			
Price to CF	6.80	10.20			
ROE	9.90	7.23			
Axioma- Predicted Beta	1.00	1.00			
Predicted Tracking Error (Std Dev)	4.93	0.00			





*Significant changes or violations based on Legato's evaluation of information provided by the manager.

**Based on Legato Style Classifications, refer to Appendix C.

***Based on Legato's due diligence and evaluation over the prior 12 months. +Source: FactSet/Axioma/Advent.



LMCG Investments (formerly Lee Munder Capital Group) - Small Cap Growth - Attribution Analysis

Top Contributors/Detractors to Performance:											
Sector Allocation					Stock Selection						
Positive	Negative		Positive Consumer Discretionary				Negative Financials				
Energy	Health Care					ГУ					
Consumer Discretionary	Industrials			Telecommunication Services				Health Care			
		PORTFOL	LIO RUSSELL 2000 [®] GROWTH INDEX			WTH INDEX	ATTRIBUTION EFFECT				
Sector	Average Weight	Return	Contribution	Average Weight	Return C	Contribution	Sector Allocation	Stock Selection	Total		
Total Portfolio	100.00	2.90	2.90	100.00	4.31	4.31	0.06	-1.47	-1.41		
Consumer Discretionary	15.99	-0.56	0.06	17.36	-4.17	-0.69	0.04	0.68	0.72		
Consumer Staples	0.11	13.05	0.13	3.54	4.59	0.16	0.00	0.07	0.07		
Energy	0.00	0.00	0.00	1.22	-13.59	-0.15	0.21	0.00	0.21		
Financials	6.19	-18.72	-1.04	7.87	3.07	0.25	0.02	-1.31	-1.28		
Health Care	27.09	7.60	1.82	26.90	10.35	2.64	-0.10	-0.66	-0.77		
Industrials	16.71	0.02	-0.06	12.98	1.77	0.26	-0.09	-0.36	-0.45		
Information Technology	23.98	6.71	1.30	25.06	6.56	1.55	-0.06	-0.03	-0.10		
Materials	5.73	0.32	0.06	4.16	5.22	0.23	0.04	-0.27	-0.23		
Telecommunication Services	2.23	29.08	0.53	0.80	6.50	0.05	0.03	0.41	0.44		
Utilities	0.00	0.00	0.00	0.11	3.80	0.01	0.00	0.00	0.00		
Cash	1.70	0.03	0.00	0.00	0.00	0.00	-0.01	0.00	-0.01		

Source: FactSet. FactSet analysis includes cash & equivalents. FactSet returns may differ due to various factors, such as the way FactSet treats large portfolio flows and corporate actions. Numbers may not add up due to rounding.

CastleArk Management - Small Cap Growth

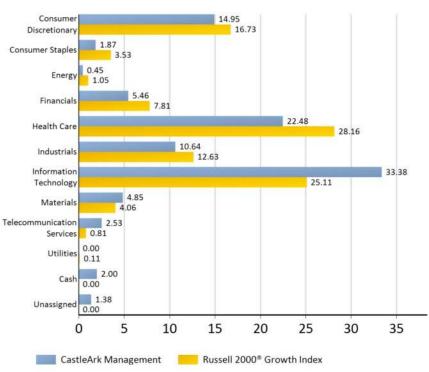
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Year Founded	1999	Investment Process Change*	No	Product
Employee Ownership	100%	Investment Personnel Change*	No	Role in Portfolio**
Total Firm Assets	\$3.7 bil.	Business Changes*	No	Benchmark
Total Strategy Assets	\$1.08 bil.	Compliance Violations*	No	
Total Firm Employees	29	Operations Violations*	No	
Investment Team Members	6			

Characteristic [†]	CastleArk Management	Russell 2000 [®] Growth Index
Number of Securities	102	1,194
Weighted Average Market Cap (mm)	\$2,477	\$2,069
Median Market Cap (mm)	\$1,968	\$758
Dividend Yield	0.41	0.75
Price to Book	3.78	3.72
Price to Earnings	23.43	23.50
Price to Earnings using FY1 Est	25.89	19.96
EPS Growth (Historical 5 Year)	14.35	18.48
EPS Growth (Est. LTG)	21.33	18.04
PEG using FY1 Est	1.57	1.30
Price to Sales	1.96	1.26
Price to CF	13.93	10.20
ROE	2.79	7.23
Axioma- Predicted Beta	0.94	1.00
Predicted Tracking Error (Std Dev)	4.06	0.00





*Significant changes or violations based on Legato's evaluation of information provided by the manager.

**Based on Legato Style Classifications, refer to Appendix C.

***Based on Legato's due diligence and evaluation over the prior 12 months. +Source: FactSet/Axioma/Advent.



CastleArk Management - Small Cap Growth - Attribution Analysis

Top Contributors/Detractors to Performance:

Sector	Allocation				Stock Selection				
Positive		Negative			Positive			Negative	
Energy	I	Health Car	e		I	ndustrials		Health Care	
Financials	Consu	mer Discre	tionary		Informa	ation Technolog	cy C	onsumer Staple	2S
		PORTFO	LIO	RUSSELL	2000® GR0	OWTH INDEX	ATTR	RIBUTION EFFEC	Л
Sector	Average Weight	Return	Contribution	Average Weight	Return	Contribution	Sector Allocation	Stock Selection	Total
Total Portfolio	100.00	1.83	1.83	100.00	4.31	4.31	-0.49	-1.99	-2.48
Consumer Discretionary	17.81	-2.66	-0.49	17.36	-4.17	-0.69	-0.17	0.15	-0.02
Consumer Staples	2.41	-2.07	-0.03	3.54	4.59	0.16	0.00	-0.15	-0.15
Energy	0.47	-19.02	-0.09	1.22	-13.59	-0.15	0.15	-0.07	0.08
Financials	4.76	5.94	0.14	7.87	3.07	0.25	0.06	0.08	0.15
Health Care	23.21	-0.50	-0.20	26.90	10.35	2.64	-0.44	-2.70	-3.14
Industrials	8.91	5.89	0.29	12.98	1.77	0.26	0.04	0.35	0.40
Information Technology	32.38	7.21	1.89	25.06	6.56	1.55	0.06	0.25	0.31
Materials	5.16	3.81	0.04	4.16	5.22	0.23	-0.09	-0.06	-0.15
Telecommunication Services	1.84	20.38	0.22	0.80	6.50	0.05	0.02	0.16	0.18
Utilities	0.00	0.00	0.00	0.11	3.80	0.01	0.00	0.00	0.00
Cash	1.68	0.03	0.00	0.00	0.00	0.00	-0.13	0.00	-0.13
Unassigned*	1.38	4.27	0.06	0.00	0.00	0.00	0.00	0.00	0.00

* Unassigned sector is made up of ETF holdings.

Source: FactSet. FactSet analysis includes cash & equivalents. FactSet returns may differ due to various factors, such as the way FactSet treats large portfolio flows and corporate actions. Numbers may not add up due to rounding.

EAM Investors - Small/Micro Cap Growth

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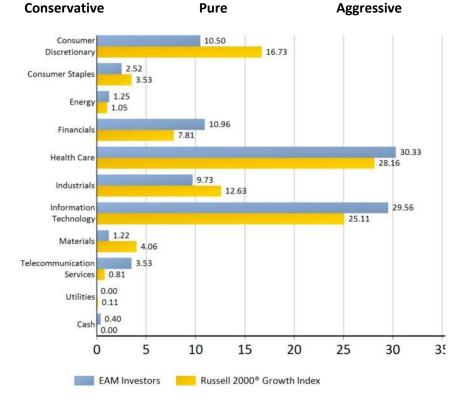
Year Founded	2007	Investment Process Change*	No	Product
Employee Ownership	56%	Investment Personnel Change*	No	Role in Portfolio**
Total Firm Assets	\$1.5 bil.	Business Changes*	No	Benchmark
Total Strategy Assets	\$838.8 mil.	Compliance Violations*	No	
Total Firm Employees	15	Operations Violations*	No	
Investment Team Members	10			

Characteristic [†]	EAM Investors	Russell 2000 [®] Growth Index
Number of Securities	226	1,194
Weighted Average Market Cap (mm)	\$1,148	\$2,069
Median Market Cap (mm)	\$994	\$758
Dividend Yield	0.33	0.75
Price to Book	3.13	3.72
Price to Earnings	26.81	23.50
Price to Earnings using FY1 Est	20.64	19.96
EPS Growth (Historical 5 Year)	12.13	18.48
EPS Growth (Est. LTG)	21.56	18.04
PEG using FY1 Est	1.34	1.30
Price to Sales	1.67	1.26
Price to CF	11.05	10.20
ROE	-3.19	7.23
Axioma- Predicted Beta	1.04	1.00
Predicted Tracking Error (Std Dev)	4.19	0.00

Small/Micro Cap Growth	Overall Market Conditions***	Neutral
Growth - Aggressive	Actual Performance Results***	Outperformed
Russell 2000 [®] Growth Index	Result Versus Legato's Expectations***	Within

Small/Micro Cap Growth Style





*Significant changes or violations based on Legato's evaluation of information provided by the manager.

**Based on Legato Style Classifications, refer to Appendix C.

***Based on Legato's due diligence and evaluation over the prior 12 months. *+Source: FactSet/Axioma/Advent.*



EAM Investors - Small/Micro Cap Growth - Attribution Analysis

Top Contributors/Detractors to Performance:

Sector		Stock Selection								
Positive		Negative			Р	ositive		Negative		
Consumer Discretionary		Health Ca	re		Informat	ion Technolog	gy	Health Care		
Industrials		Energy			In	dustrials	Teleco	mmunication Se	ervices	
		PORTFC	DLIO	RUSSELL	2000® GRO\	WTH INDEX	ATTR	BUTION EFFEC	т	
Sector	Average Weight	Return	Contribution	Average Weight	Return C	ontribution	Sector Allocation	Stock Selection	Total	
Total Portfolio	100.00	1.81	1.81	100.00	4.31	4.31	-0.23	-2.26	-2.49	
Consumer Discretionary	12.20	-4.96	-0.64	17.36	-4.17	-0.69	0.41	-0.21	0.20	
Consumer Staples	2.12	5.00	0.07	3.54	4.59	0.16	-0.03	0.02	-0.01	
Energy	1.38	-15.51	-0.40	1.22	-13.59	-0.15	-0.19	0.01	-0.18	
Financials	11.46	0.54	0.03	7.87	3.07	0.25	-0.09	-0.27	-0.36	
Health Care	28.05	4.34	0.99	26.90	10.35	2.64	-0.22	-1.76	-1.98	
Industrials	10.63	3.09	0.22	12.98	1.77	0.26	0.03	0.12	0.15	
Information Technology	28.83	7.31	1.77	25.06	6.56	1.55	0.02	0.23	0.25	
Materials	1.55	-0.82	-0.01	4.16	5.22	0.23	-0.04	-0.10	-0.14	
Telecommunication Services	3.18	-5.22	-0.22	0.80	6.50	0.05	-0.02	-0.31	-0.33	
Utilities	0.00	0.00	0.00	0.11	3.80	0.01	0.00	0.00	0.00	
Cash	0.60	0.03	0.00	0.00	0.00	0.00	-0.10	0.00	-0.10	

Source: FactSet. FactSet analysis includes cash & equivalents. FactSet returns may differ due to various factors, such as the way FactSet treats large portfolio flows and corporate actions. Numbers may not add up due to rounding.



Section IV.

Market Update 4th Quarter 2015



Market Update

Fourth Quarter 2015

Overview

In the fourth quarter of 2015, the market returns in the U.S. were positive despite the slowing of the U.S. economy in the third quarter, as GDP rose +2.00%. Investor sentiment was also mixed due to the fears of a global slowdown, led by China, increasing geopolitical risks and the collapse of the energy markets.

The U.S. market also had to digest the Fed's decision, after seven years of a zero interest rate policy and significant quantitative easing, to raise the fed funds rate by 25 basis points. European markets also returned positive results, as economic data continues to suggest their recovery is well underway. The ECB's quantitative easing policies continued, as the European Union's GDP grew 1.9% during the third quarter and the employment market improved across most of Europe. Japan equity markets were extremely strong during the fourth quarter, as economic growth is proving to be stronger than expected, growing 3.5% over the past year.

A majority of U.S. companies¹ (59.0%) reported earnings that beat consensus estimates. Actual earnings growth was slightly ahead of expectations, but only 50.4% of companies had a resulting positive price increase, while 46.8% posted a negative price decrease.

Most of the U.S. equity markets outperformed both the broad Developed and the Emerging non-U.S. markets in the quarter. The Dow Jones Industrial Average was up 7.70%, while the broader S&P 500 increased by 7.04%. The MSCI EAFE Index was up 4.71%, while the MSCI Emerging Markets Index rose by 0.66% for the quarter. The Russell 2000 Index, representing smaller capitalization companies, returned 3.59% in the quarter. The technology heavy NASDAQ increased by 8.72% and growth stocks outperformed value stocks by 1.68%, as measured by the difference in returns between the Russell 3000 Growth (7.09%) and Russell 3000 Value (5.41%) indices.

The Barclays Capital Aggregate Bond Index generated a negative return of -0.57% for the quarter. Lower rated corporate bonds underperformed higher rated issues, and corporates underperformed treasuries. Investors were rewarded for taking on additional risk as equities outperformed longer maturity U.S. bonds $(6.27\%^{1} \text{ vs. } -0.57\%^{2})$.

Economic data was mostly positive over the quarter: the unemployment rate was lower; retail sales are growing, lower energy costs, and inflation ex-food and energy remained positive, but subdued.

Highlights:

- The unemployment rate fell to 5.0% during the quarter.
- Economic growth fell during the third quarter of 2015, with GDP declining to a 2.0% annual rate.
- Inflation CPI-All Item increased slightly through December 2015, as energy prices decreased over the quarter.
- Gold futures continued to fall closing at \$1,060.20/oz. at the end of fourth quarter.
- The S&P/Goldman Sachs Commodity Index, in which energy is the largest component, declined sharply again finishing down -16.63% for the quarter.

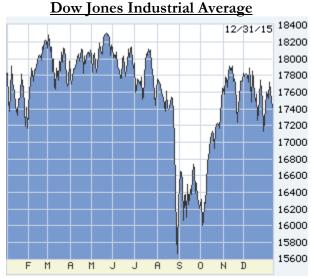
¹ QTD for Russell 3000 Index

² QTD for Barclays Capital Aggregate Bond Index

• The dollar was slightly higher versus the euro despite the positive fundamentals in Europe that are starting to take hold. In addition, the dollar rose against the yen, even with better than expected economic growth in Japan as a result of Prime Minister Shinzo Abe's reform policies.

Major Indices – Total Return (%)	4 th Quarter 2015	YTD	1-Year	3-Years	5-Years
DJ Industrials 30 Total Return	7.70	0.23	0.23	12.66	11.31
S&P 500	7.04	1.38	1.38	15.13	12.57
S&P Composite 1500	6.58	1.01	1.01	14.90	12.39
NASDAQ Composite	8.72	6.97	6.97	19.81	14.91
Russell 2000 Index	3.59	-4.42	-4.42	11.66	9.19
Russell 3000 Growth Index	7.09	5.09	5.09	16.62	13.30
Russell 3000 Value Index	5.41	-4.13	-4.13	12.76	10.98
Russell Microcap Index	1.88	-6.85	-6.85	12.02	8.84
FTSE NAREIT All Equity	7.68	2.83	2.83	10.63	11.91
MSCI EAFE – net ³	4.71	-0.81	-0.81	5.01	3.60
90 Day U.S. Treasury Bill	0.03	0.07	0.07	0.07	0.09
Barclays Capital Aggregate Bond	-0.57	0.55	0.55	1.44	3.25
S&P Goldman Sachs Commodity	-16.63	-32.86	-32.86	-23.71	-15.18

Source: MSCI Barra, Standard & Poor's, PSN/Informa, FTSE NAREIT, Barclays Capital, Hedge Fund Research, eVestment Alliance.

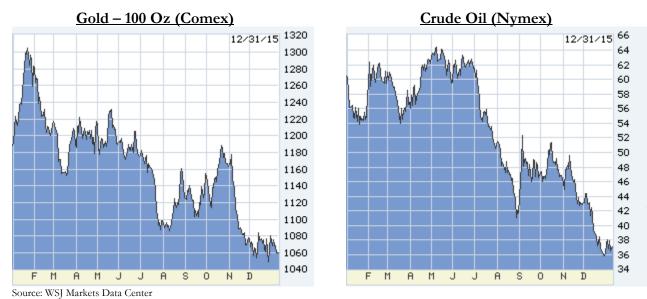


Source: WSJ Markets Data Center

Dow Jones Industrial Average



³ Net of dividend withholding taxes



Economy

During the fourth quarter, U.S. economic data was mostly positive, as the U.S. Gross Domestic Product (GDP) (inflation-adjusted) expanded at a +2.00% annual rate in the third quarter, the Commerce Department said. Coming off of a solid second quarter growth rate of 3.9%, an increase in the interest rates, declining energy sector and a strong dollar, many economists still believe the U.S. is well positioned for continued modest growth.

The CPI decreased -0.1% in December, and the core CPI rose 0.1%, according to the U.S. Bureau of Labor Statistics. The All-Items CPI un-adjusted, for 12-months ending December 2015, rose 0.7%, while the core CPI, which strips out food and energy costs, rose 2.09%. Oil prices fell from \$45.09 to \$37.09 a barrel during the fourth quarter.

In December, the Thompson Reuters/University of Michigan Consumer Sentiment Index finished higher at 92.6, up from the September report, where the index finished at 87.2. The increase primarily reflected consumers' more positive expectations of future economic growth. The Conference Board Consumer Confidence Index fell but remained high during the quarter, as the index finished at 96.5 in December, which was down from 103.0 last September. Consumers' expectations for the short-term outlook was mixed, but showed increased optimism on the economy and the job market.

The U.S. added 292,000 jobs in December, which is above the average for the trailing 12 month period. The unemployment rate fell to 5.0% during the quarter. Initial jobless claims were 293,000 at the end of December.

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
2007	4.6	4.5	4.4	4.5	4.4	4.6	4.7	4.6	4.7	4.7	4.7	5.0
2008	5.0	4.9	5.1	5.0	5.4	5.6	5.8	6.1	6.1	6.5	6.8	7.3
2009	7.8	8.3	8.7	9.0	9.4	9.5	9.5	9.6	9.8	10.0	9.9	9.9
2010	9.7	9.8	9.9	9.9	9.6	9.4	9.5	9.5	9.5	9.5	9.8	9.4
2011	9.1	9.0	9.0	9.1	9.0	9.1	9.0	9.0	9.0	8.8	8.6	8.5
2012	8.2	8.3	8.2	8.2	8.2	8.2	8.2	8.1	7.8	7.8	7.8	7.9
2013	7.9	7.7	7.5	7.5	7.6	7.5	7.3	7.2	7.2	7.2	7.0	6.7
2014	6.6	6.7	6.7	6.3	6.3	6.1	6.2	6.1	5.9	5.7	5.8	5.6
2015	5.7	5.5	5.5	5.4	5.5	5.3	5.3	5.1	5.1	5.0	5.0	5.0

Unemployment Rate (%) (Seasonally adjusted)

Source: Bureau of Labor Statistics

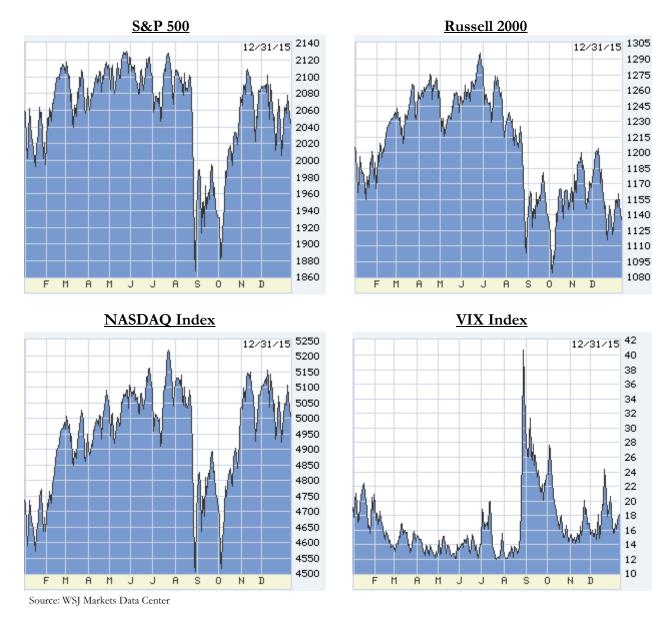
4Q2015

Equities

With mostly positive domestic economic results, the U.S. equity markets posted positive results during the quarter due to solid job growth, low energy costs, as well as a positive signal from the Fed as they raised interest rates for the first time in seven years. The S&P 500 increased 7.04% over the quarter. Small cap stocks underperformed their larger counterparts, while growth stocks outperformed value stocks.

The widely followed Chicago Board of Options Exchange (CBOE) VIX Index, also known as the "fear" index, fell from 24.50 to 18.21 by the close of the quarter. The index peaked at over 50 at one point during last quarter.

Forward FY1 P/E estimates for the S&P 500 Index finished the quarter at 17.14, which is higher than the prior quarter. Forward FY1 P/E for the S&P Mid Cap 400 and S&P Small Cap 600 were also higher at 17.64 and 18.81, respectively.



Equity Indices – Total Return	4th Quarter 2015	YTD	1-Year	3-Years	5-Years
S&P 500	7.04	1.38	1.38	15.13	12.57
Russell 1000	6.49	0.90	0.90	15.01	12.45
Russell 1000 Growth	7.31	5.67	5.67	16.84	13.54
Russell 1000 Value	5.64	-3.84	-3.84	13.08	11.27
Russell Midcap	3.61	-2.45	-2.45	14.18	11.43
Russell Midcap Growth	4.12	-0.20	-0.20	14.88	11.54
Russell Midcap Value	3.11	-4.79	-4.79	13.40	11.25
Russell 2000	3.59	-4.42	-4.42	11.66	9.19
Russell 2000 Growth	4.31	-1.39	-1.39	14.28	10.67
Russell 2000 Value	2.88	-7.47	-7.47	9.06	7.67
Russell Microcap	1.88	-6.85	-6.85	12.02	8.84

Source: Standard & Poor's, eVestment Alliance, Russell. Performance in %

The following table shows the weight and performance for the different sectors in the Russell 3000 Index. During the fourth quarter, Health Care (8.81%) and Technology (8.57%) led the market, while Energy (-0.93%) and Utilities (4.06%) trailed the pack.

Russell 3000 Sector Scoreboard Total Return	Russell 3000 Weight	4 th Quarter 2015	YTD	1-Year	3-Years	5-Years
Russell 3000		6.27	0.48	0.48	14.74	12.18
Russell 3000 Growth		7.09	5.09	5.09	16.62	13.30
Russell 3000 Value		5.41	-4.13	-4.13	12.76	10.98
Consumer Discretionary	14.73	4.28	4.95	4.95	17.50	16.16
Consumer Staples	7.93	7.72	7.96	7.96	17.46	15.28
Energy	5.95	-0.93	-23.11	-23.11	-4.56	-1.47
Financial Services	20.23	5.58	0.68	0.68	15.58	11.48
Health Care	14.65	8.81	7.14	7.14	24.32	20.51
Materials & Processing	3.70	8.32	-8.52	-8.52	6.34	5.74
Producer Durables	10.76	6.99	-3.45	-3.45	14.27	11.11
Technology	16.85	8.57	4.04	4.04	16.86	12.29
Utilities	5.21	4.06	-1.74	-1.74	9.66	9.81

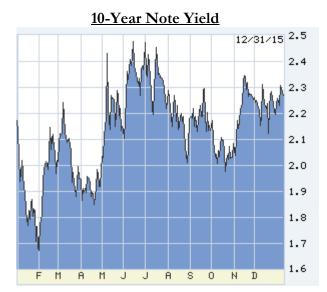
Source: FactSet. Weights and total returns are estimated. Sector weights as of 12/31/2015 and reflect rounding.

Fixed Income

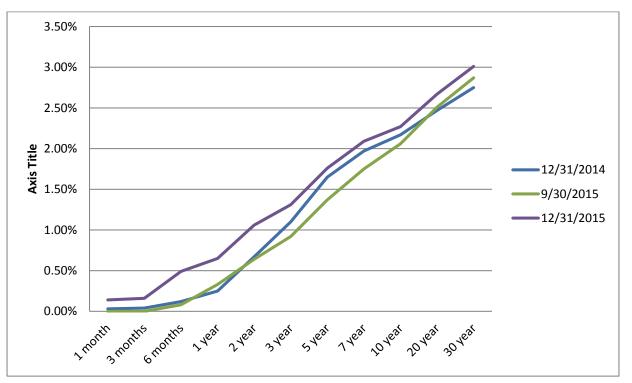
After seven years of a zero interest rate environment, the Fed finally began to increase interest rates, raising the fed funds target to 25 basis points. It is expected that the Fed will continue rate hikes throughout 2016.

Treasury yields rose on the short end of the curve as well as on the long end over the quarter, and the steepness of the curve decreased. The 10-year Treasury yield increased from 2.06% to 2.27%, while the 2-year Treasury yield rose from 0.64% to 1.06%. The spread between the 2-year and 10-year Treasury yield decreased 21 basis points to 1.21% over the course of the quarter.





U.S. Treasury Yield Curve



Source: US Department of the Treasury

Fixed Income Indices – Total Return	4th Quarter 2015	YTD	1-Year	3-Years	5-Years
90 Day U.S. Treasury Bill	0.03	0.07	0.07	0.07	0.09
Barclays Capital U.S. Aggregate Bond	-0.57	0.55	0.55	1.44	3.25
Barclays Capital High Yield U.S. Corporate Bond	-2.07	-4.47	-4.47	1.69	5.04
Barclays Capital Municipal Bond	1.50	3.30	3.30	3.16	5.35

Source: PSN/Informa, Barclays Capital, eVestment Alliance. Performance in %

Real Estate

Data through October 2015, released by Standard and Poor's for its S&P/Case-Shiller Home Price Index, the leading measure of U.S. home prices, showed a steady rise in the increase in home prices versus a year ago (5.54% for the 20-City Composite). The reported rate of growth has increased to its highest level since the fourth quarter of 2013, but represents the 41st consecutive month that the index has increased on an annual basis. The steady pace of home price appreciation is consistent with most of the other housing data on housing starts and home sales.

According to Zillow Real Estate Market Reports, U.S. home values showed a 3.9% gain on a year-over-year basis at the end of November 2015. While most markets are still posting modest positive growth rates, there are some markets across the West and Texas posting double-digit appreciation.

Real estate shares, as measured by the FTSE NAREIT All Equity Index, outperformed the S&P 500 Index during the quarter and 1-year, but lagged for 3-year, and 5-year trailing periods. In general, the index historically has shown a high correlation with small cap stocks. The yield for the index ended the quarter at 3.85%.

Indices – Total Return	4th Quarter 2015	YTD	1-Year	3-Years	5-Years
S&P 500	7.04	1.38	1.38	15.13	12.57
FTSE NAREIT All Equity	7.68	2.83	2.83	10.63	11.91

Source: Standard & Poor's, FTSE NAREIT. Performance in %

The table below shows performance for the FTSE NAREIT All Equity REIT Index and selected property Sectors/Subsectors in the fourth quarter. The Self-Storage sector was the strongest performing for the quarter, while Lodging/Resorts properties significantly lagged the market.

Index/Sub-Index – Total Return	4th Quarter 2015
FTSE NAREIT All Equity	7.68
Apartments	8.31
Diversified	5.85
Health Care	2.61
Industrial	10.23
Infrastructure	10.27

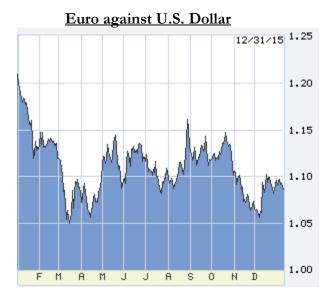
Index/Sub-Index – Total Return	4th Quarter 2015
Lodging/Resorts	-2.27
Office	7.17
Retail	8.10
Self-Storage	16.76
Timber	12.69

Source: FTSE NAREIT. Performance in %

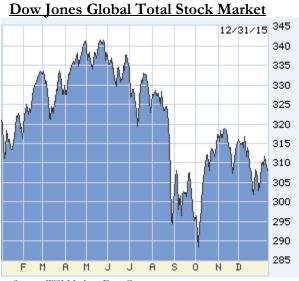
International Equities

International equity markets in the fourth quarter of 2015 increased modestly in the face of the slowing growth and market volatility in China. However, companies across Europe and Asia are benefiting from low energy and commodity costs and a pick-up in demand. These factors are providing some tailwinds to areas within the international equity markets. Emerging markets were challenged for the quarter primarily due to weaker commodity prices, concerns over increasing U.S. interest rates and the weakness in China, returning 0.66%, as measured by the MSCI Emerging Markets Index.

The euro ended the quarter down at 1.09/1. The yen depreciated against the dollar over the quarter as the exchange rate moved from 119.93/1 to 120.66/1.









Source: WSJ Markets Data Center

International Indices Total Return	4 th Quarter 2015	YTD	1-Year	3-Years	5-Years
S&P 500	7.04	1.38	1.38	15.13	12.57
MSCI EAFE – net ⁵	4.71	-0.81	-0.81	5.01	3.60
MSCI World ex-U.S. – net ⁵	3.91	-3.04	-3.04	3.93	2.79
MSCI Europe – net ⁵	2.49	-2.84	-2.84	4.51	3.88
MSCI Pacific ex-Japan – net ⁵	8.29	-8.47	-8.47	-1.32	0.87
MSCI Japan – net ⁵	9.34	9.57	9.57	10.17	4.38
MSCI Emerging Markets – net ⁵	0.66	-14.92	-14.92	-6.76	-4.81

Source: MSCI Barra, PSN/Informa, Standard & Poor's; data is in U.S. $\$ terms. Performance in %

Note: Periods longer than one year are annualized. The information herein is for informational purposes only and in no event should be construed as a representation or as an offer to buy or sell any securities. The factual information is taken from sources we believe to be reliable but is not guaranteed by the firm and does not purport to be a complete statement or summary of the available data. Past performance is no guarantee of future results. Indices are unmanaged portfolios of specific securities and not available for direct investment.

⁵ Net of dividend withholding taxes



Appendix A.

Firm Overview and Process Snapshot



Firm Overview

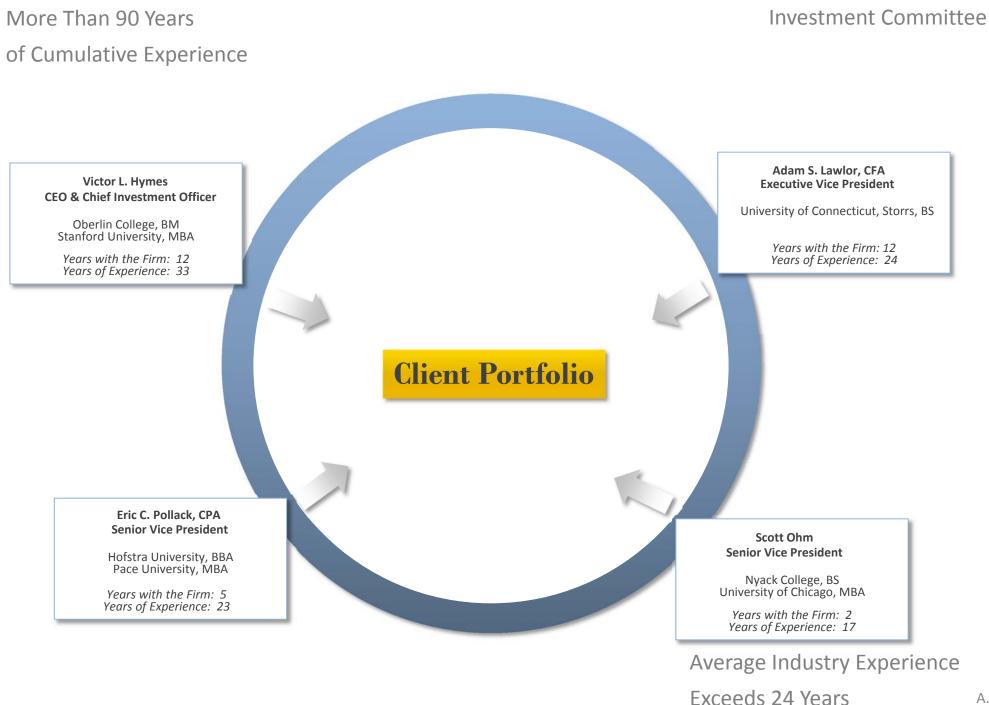
Who We Are



The names in bold indicate a team member's area of greatest concentration.



Firm Overview and Process Snapshot





Firm Overview and Process Snapshot





Firm Overview and Process Snapshot How We Do It

Determine an appropriate manager mix that captures each client's unique risk and return requirements



Our manager research process identifies entrepreneurial managers with the greatest potential to deliver the highest risk adjusted returns over the intermediate and long-term periods

A portfolio of the highest conviction managers is then constructed to meet each client's unique objectives



Firm Overview and Process Snapshot How We Do It

Manager Research

Analysis which includes both quantitative and qualitative insights leads us to ask deeper questions.

We look for:

- A disciplined and repeatable investment process
- An organizational structure that supports the investment process
- A talented and dedicated team
- An entrepreneurial culture
- An ability and willingness to take calculated risks

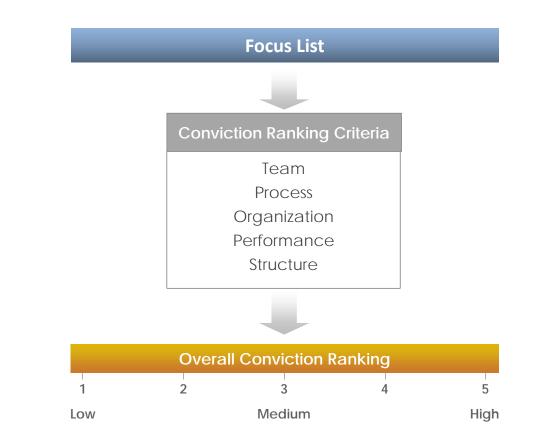




Firm Overview and Process Snapshot How We Do It

Conviction Ranking

We assign each manager a Conviction Ranking. Our conclusions are not the result of a simple averaging scheme, but are based on our overall assessment of an organization's most powerful drivers.





Firm Overview and Process Snapshot

Portfolio & Risk Management

How We Do It

Ongoing Portfolio and Risk Management									
Ongoing Due Diligence	Risk Management	Rebalancing Procedures	Sell Discipline						
 Portfolio Monitoring Manager Meetings Revision of Conviction Rankings Performance and Risk Attribution Formal Quarterly Reviews 	 Changes in Organization and/or Financial Stability Changes in Process and/or Execution Asset Growth Characteristics Style and Sector Exposures Tracking Error and Overall Risk Exposures 	 Changes in Conviction Ranking Target Allocation Drift Diversification and Risk Controls 	 Inconsistent Implementation of the Investment Process Fundamental Changes in Ownership or Investment Team Personnel Unexplained Style Drift Capacity Constraints at the Individual Manager Level Consistent Under- performance 						

Multi-Manager Portfolio



Appendix B.

Compliance Checklist and Investment Guidelines



- All securities publically traded on established exchange (including NASDAQ) or registered under SEC Rule 144a
- Holdings of single issuer < 5% of shares outstanding; maximum weight of 8% of portfolio at time of purchase
- ADRs and foreign denominated stocks < 20% of market value</p>
- Sector diversification: maximum 3 times index weight or 25% at time of purchase and of market value at end of each quarter; GICS
 - Cash < 5%</p>
 - No short sales, warrants or margin transactions, derivatives, or any leveraged investments

Legato Capital Management hereby certifies that it has conducted a reasonable investigation concerning the matters stated above and that the foregoing information is true to the best of our knowledge, information and belief. Please contact Legato if there are any changes to your contact information, your financial situation or investment objectives, or if you wish to impose new, or modify existing, restrictions on your account.



Appendix C.

Legato Style Classifications



Legato Style Classifications

Core

Active Quantitative

The active quantitative strategy is based primarily upon a numerical stock selection process and builds portfolios with an active risk level similar to the average fundamental peer manager.

Fundamental

The fundamental strategy is executed by an individual or a team who makes decisions based upon their independent due diligence and research.

Enhanced Quantitative

The enhanced quantitative strategy is based primarily upon a numerical stock selection process and builds portfolios with a relatively low active risk level to the benchmark.

Growth

Conservative Growth

The conservative growth strategy is characterized by stocks with lower relative valuations versus the market, peers, and history while also having lower historical and projected revenue growth expectations. It is also referred to as 'Growth At a Reasonable Price (GARP).'.

Pure Growth

The pure growth strategy is characterized by a portfolio of growth stocks with similar valuation and earnings growth characteristics versus the benchmark.

Aggressive Growth

The aggressive growth strategy is characterized by stocks with higher historical and projected revenue growth expectations, high institutional ownership, positive price momentum, and higher relative valuation versus the market, peers, and their own history.

Value

Relative Value

The relative value strategy is characterized by a portfolio of stocks that trade at relatively small discounts to valuation versus the market, peers, or their own history.

Pure Value

The pure value strategy is characterized by a portfolio of value stocks with similar valuation and earnings growth characteristics versus the benchmark.

Deep Value

The deep value strategy is characterized by stocks that have low institutional ownership, negative price momentum, and trade at deep discounts relative to average valuation levels or determined intrinsic value.



Appendix D.

Portfolio Appraisal, Purchases and Sales

PORTFOLIO SUMMARY StanCERA - Small Cap Growth Portfolio

December 31, 2015

Total Cost	Market Value	Pct Assets
12,682,910.97	13,745,577.50	16.70
2,924,320.49	2,373,319.84	2.90
1,267,499.45	1,090,044.13	1.30
6,612,827.46	6,389,205.50	7.70
20,512,906.42	21,878,605.42	26.50
4,198,093.10	3,971,520.10	4.80
10,085,883.42	10,025,915.10	12.20
18,680,302.39	19,280,997.78	23.40
1,751,482.88	1,980,595.09	2.40
78,716,226.58	80,735,780.46	97.90
641,982.73	618,681.76	0.70
0.00	0.00	0.00
1,160,029.22	1,160,029.22	1.40
80,518,238.53	82,514,491.44	100.00
	12,682,910.97 2,924,320.49 1,267,499.45 6,612,827.46 20,512,906.42 4,198,093.10 10,085,883.42 18,680,302.39 1,751,482.88 78,716,226.58 641,982.73 0.00 1,160,029.22	12,682,910.9713,745,577.502,924,320.492,373,319.841,267,499.451,090,044.136,612,827.466,389,205.5020,512,906.4221,878,605.424,198,093.103,971,520.1010,085,883.4210,025,915.1018,680,302.3919,280,997.781,751,482.881,980,595.0978,716,226.5880,735,780.46641,982.73618,681.760.000.001,160,029.221,160,029.22

Legato recommends the client compare these statements/reports independently against custodial records.

Legato Capital Management, LLC

		December 3	1, 2015				
Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct Assets
Cash & Cash E	quivalents						
	CASH	9005usd		-138,721.38		-138,721.38	-0.2
	Cash USD	cash		1,282,686.19		1,282,686.19	1.6
	Dividend Accrual Account	divacc		15,947.66		15,947.66	0.0
	INTEREST ACCRUED	intacc		116.75		116.75	0.0
				1,160,029.22		1,160,029.22	1.4
Equity Investn	nents						
Consumer Discr	etionary						
1,090.00	AMERICAN WOODMARK CORP	amwd	52.57	57,305.44	79.98	87,178.20	0.1
6,018.00	ANGIE'S LIST	angi	9.80	59,004.68	9.35	56,268.30	0.1
14,851.00	BLOOMIN BRANDS INC	blmn	23.31	346,228.84	16.89	250,833.39	0.3
7,585.00	BOYD GAMING CORP	byd	17.15	130,111.52	19.87	150,713.95	0.2
17,948.00	BRAVO BRIO RESTAURANT	bbrg	13.39	240,323.72	9.00	161,532.00	0.2
2,705.00	BUFFALO WILD WINGS INC	bwld	157.03	424,764.97	159.65	431,853.25	0.5
4,468.00	CALLAWAY GOLF CO	ely	9.87	44,100.33	9.42	42,088.56	0.1
4,360.00	CARROLS REST GROUP INC	tast	9.69	42,228.57	11.74	51,186.40	0.1
24,812.00	CENTURY CASINOS INC	cnty	5.23	129,766.76	7.78	193,037.36	0.2
10,052.00	CHEESECAKE FACTORY INC	cake	45.96	461,989.92	46.11	463,497.72	0.6
3,974.00	CHEGG INC	chgg	7.74	30,743.73	6.73	26,745.02	0.0
4,790.00	CHUY'S HOLDINGS INC	chuy	32.72	156,751.38	31.34	150,118.60	0.2
7,228.00	CIMPRESS NV	cmpr	53.50	386,698.00	81.14	586,479.92	0.7
9,280.00	CLUBCORP HOLDINGS INC	тусс	21.61	200,576.07	18.27	169,545.60	0.2
10,894.00	CONSTANT CONTACT INC	ctct	27.96	304,552.54	29.24	318,540.56	0.4
402.00	COOPER STANDARD HOLDINGS INC	cps	78.79	31,672.79	77.59	31,191.18	0.0
20,565.00	DAVE AND BUSTERS ENTERTAINMENT INC	play	37.26	766,275.52	41.74	858,383.10	1.0
1,519.00	DIAMOND RESORTS INTERNATIONAL INC	drii	28.65	43,514.41	25.51	38,749.69	0.1
5,356.00	DREW INDUSTRIES INC	dw	60.61	324,615.57	60.89	326,126.84	0.4
8,573.00	ENTRAVISION COMMUNICATIONS CL A	evc	8.47	72,575.35	7.71	66,097.83	0.1
1,341.00	EXPRESS INC	expr	17.50	23,467.74	17.28	23,172.48	0.0

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Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct Assets
3,249.00	FOX FACTORY HOLDING CORP	foxf	17.57	57,090.43	16.53	53,705.97	0.1
4,793.00	FRANKLIN COVEY CO	fc	19.56	93,751.08	16.74	80,234.82	0.1
22,308.00	GLOBAL EAGLE ENTERTAINMENT INC	ent	12.81	285,723.44	9.87	220,179.96	0.3
2,595.00	GRAY TELEVISION INC	gtn	12.82	33,271.19	16.30	42,298.50	0.1
4,707.00	GROUP 1 AUTOMOTIVE INC	gpi	89.58	421,654.02	75.70	356,319.90	0.4
1,833.00	HELEN OF TROY LTD	hele	79.49	145,705.52	94.25	172,760.25	0.2
3,240.00	IMAX CORP	imax	30.45	98,661.75	35.54	115,149.60	0.1
2,265.00	INSTRUCTURE INC	inst	21.71	49,163.37	20.82	47,157.30	0.1
2,249.00	LITHIA MOTORS INCCL A	lad	95.08	213,843.78	106.67	239,900.83	0.3
21,572.00	MDC PARTNERS INC CL A	mdca	19.60	422,811.20	21.72	468,543.84	0.6
15,885.00	MEDIA GENERAL INC NEW	meg	14.95	237,424.02	16.15	256,542.75	0.3
2,616.00	MONARCH CASINO + RESORT INC	mcri	22.07	57,726.90	22.72	59,435.52	0.1
2,441.00	MONRO MUFFLER BRAKE INC	mnro	68.81	167,965.30	66.22	161,643.02	0.2
6,943.00	MOTORCAR PARTS OF AMERICA INC	mpaa	36.38	252,595.31	33.81	234,742.83	0.3
1,034.00	NEW RELIC INC	newr	38.98	40,304.13	36.43	37,668.62	0.1
9,398.00	NEXSTAR BROADCASTING GROUP INC	nxst	52.69	495,137.29	58.70	551,662.60	0.7
1,111.00	NUTRISYSTEM INC	ntri	25.18	27,975.51	21.64	24,042.04	0.0
3,338.00	OXFORD INDUSTRIES INC	oxm	66.68	222,584.01	63.82	213,031.16	0.3
1,710.00	PAPA JOHNS INTL INC	pzza	57.71	98,679.61	55.87	95,537.70	0.1
7,405.00	PENN NATL GAMING INC	penn	14.55	107,764.44	16.02	118,628.10	0.1
11,124.00	POOL CORP	pool	59.82	665,411.45	80.78	898,596.72	1.1
13,075.00	SHUTTERFLY INC	sfly	49.60	648,520.00	44.56	582,622.00	0.7
6,074.00	SHUTTERSTOCK INC	sstk	35.31	214,458.10	32.34	196,433.16	0.2
4,001.00	SINCLAIR BROADCAST GROUP	sbgi	33.22	132,898.76	32.54	130,192.54	0.2
759.00	SIX FLAGS ENTERTAINMENT CORP	six	47.70	36,201.07	54.94	41,699.46	0.1
21,945.00	SMART AND FINAL STORES INC	sfs	18.47	405,242.38	18.21	399,618.45	0.5
4,189.00	SMITH WESSON HOLDING CORP	swhc	18.34	76,808.08	21.98	92,074.22	0.1
7,053.00	SONIC CORP	sonc	24.74	174,463.92	32.31	227,882.43	0.3
9,644.00	SOTHEBY S	bid	39.45	380,408.49	25.76	248,429.44	0.3
12,945.00	SPORTSMANS WAREHOUSE HOLDINGS INC	spwh	12.30	159,218.90	12.90	166,990.50	0.2

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10,172.00	STAMPS COM INC NEW	stmp	37.17	378,120.97	109.61	1,114,952.92	1.4
4,869.00	STONERIDGE INC	sri	13.52	65,828.88	14.80	72,061.20	0.1
492.00	TEMPUR-PEDIC INTL INC COM	tpx	77.91	38,329.58	70.46	34,666.32	0.0
1,560.00	TENNECO INC	ten	55.55	86,652.88	45.91	71,619.60	0.1
2,948.00	TOWER INTERNATIONAL INC	towr	30.34	89,435.48	28.57	84,224.36	0.1
2,481.00	VAIL RESORTS INC	mtn	85.66	212,522.46	127.99	317,543.19	0.4
927.00	VIAD CORP NEW	vvi	32.43	30,062.72	28.23	26,169.21	0.0
2,077.00	VISTEON CORP	VC	111.60	231,793.52	114.50	237,816.50	0.3
9,345.00	VITAMIN SHOPPE INC	vsi	45.40	424,263.00	32.70	305,581.50	0.4
3,786.00	WAGEWORKS INC	wage	43.99	166,541.48	45.37	171,770.82	0.2
721.00	WAYFAIR INC	w	42.66	30,757.86	47.62	34,334.02	0.0
3,883.00	WEIGHT WATCHERS INC	wtw	12.84	49,870.53	22.80	88,532.40	0.1
10,750.00	WENDYS COMPANY	wen	11.00	118,248.41	10.77	115,777.50	0.1
4,887.00	ZAGG INC	zagg	12.23	59,751.90	10.94	53,463.78	0.1
Consumer Staple	25			12,682,910.97		13,745,577.50	16.7
2,360.00	B&G FOODS INC	bgs	35.92	84,762.02	35.02	82,647.20	0.1
851.00	BOSTON BEER COMPANY INC CL A	sam	222.88	189,670.88	201.91	171,825.41	0.2
990.00	CORE-MARK HOLDING CO INC	core	74.22	73,481.48	81.94	81,120.60	0.1
1,834.00	FARMER BROS CO	farm	31.97	58,624.51	32.27	59,183.18	0.1
613.00	FRESH DEL MONTE PRODUCE INC	fdp	46.59	28,557.40	38.88	23,833.44	0.0
17,711.00	FRESH MKT INC	tfm	35.69	632,123.14	23.42	414,791.62	0.5
8,452.00	HAIN CELESTIAL GROUP INC.	hain	51.12	432,066.24	40.39	341,376.28	0.4
1,666.00	J + J SNACK FOODS CORP	jjsf	94.26	157,037.16	116.67	194,372.22	0.2
1,421.00	JOHN B SANFILIPPO AND SON INC	jbss	59.05	83,908.04	54.03	76,776.63	0.1
3,388.00	MEDIFAST INC	med	33.27	112,718.76	30.38	102,927.44	0.1
2,273.00	OMEGA PROTEIN CORP	ome	18.81	42,751.61	22.20	50,460.60	0.1
797.00	PINNACLE FOODS INC	pf	39.70	31,638.82	42.46	33,840.62	0.0
3,562.00	POST HOLDINGS INC	post	61.72	219,863.77	61.70	219,775.40	0.3
72,272.00	SUNOPTA INC	stkl	10.35	748,186.94	6.84	494,340.48	0.6

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332.00	TREEHOUSE FOODS INC	ths	87.14	28,929.72	78.46	26,048.72	0.0
Energy				2,924,320.49		2,373,319.84	2.9
2,500.00	CARRIZO OIL + GAS INC	crzo	36.71	91,768.38	29.58	73,950.00	0.1
16,277.00	MATADOR RESOURCES COMPANY	mtdr	25.99	423,039.23	19.77	321,796.29	0.4
2,559.00	PAR PETROLEUM CORPORATION	parr	27.07	69,266.01	23.54	60,238.86	0.1
1,497.00	PARSLEY ENERGY INC	ре	19.55	29,265.00	18.45	27,619.65	0.0
802.00	PBF ENERGY INC	pbf	38.27	30,690.94	36.81	29,521.62	0.0
9,850.00	POWERSECURE INTERNATIONAL INC	powr	15.21	149,834.28	15.05	148,242.50	0.2
15,190.00	RSP PERMIAN INC	rspp	26.66	404,965.40	24.39	370,484.10	0.5
2,159.00	SUNRUN INC	run	13.98	30,190.87	11.77	25,411.43	0.0
4,359.00	TETRA TECHNOLOGIES INC	tti	8.83	38,479.34	7.52	32,779.68	0.0
			-	1,267,499.45		1,090,044.13	1.3
inancial Service	25						
2,135.00	ASSOCIATED CAPITAL GROUP INC	ac	32.53	69,457.91	30.50	65,117.50	0.1
4,153.00	BANK OF THE OZARKS INC	ozrk	41.12	170,771.10	49.46	205,407.38	0.3
1,763.00	BBCN BANCORP INC COM	bbcn	16.62	29,303.93	17.22	30,358.86	0.0
18,663.00	BLACKHAWK NETWORK HOLDINGS INC	hawk	35.96	671,132.48	44.21	825,091.23	1.0
3,773.00	BLUE HILLS BANCORP INC	bhbk	16.08	60,660.43	15.31	57,764.63	0.1
18,703.00	BOFI HOLDING INC	bofi	18.93	354,007.28	21.05	393,698.15	0.5
898.00	CAPITAL BANK FINANCIAL CORPORATION	cbf	32.75	29,413.61	31.98	28,718.04	0.0
32,264.00	CARDTRONICS INC	catm	33.49	1,080,580.33	33.65	1,085,683.60	1.3
4,906.00	CENTERSTATE BKS FLA INC	csfl	14.02	68,776.36	15.65	76,778.90	0.1
1,900.00	CUSTOMERS BANCORP INC	cubi	30.92	58,745.72	27.22	51,718.00	0.1
391.00	DIAMOND HILL INVESTMENT GROUP	dhil	199.02	77,818.30	189.00	73,899.00	0.1
2,122.00	ENTERPRISE FINANCIAL SERVICES CORP	efsc	27.49	58,333.30	28.35	60,158.70	0.1
2,852.00	EURONET WORLDWIDE INC	eeft	76.19	217,299.93	72.43	206,570.36	0.3
2,960.00	EVERCORE PARTNERS INC CL A	evr	56.99	168,681.97	54.07	160,047.20	0.2
1,015.00	FCB FINANCIAL HOLDINGS INC	fcb	32.92	33,410.83	35.79	36,326.85	0.0

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct Assets
2,762.00	FIDELITY SOUTHERN CORP	lion	21.63	59,741.45	22.31	61,620.22	0.1
2,135.00	GAMCO INVESTORS INC	gbl	39.67	84,689.09	31.04	66,270.40	0.1
1,256.00	GREAT SOUTHERN BANCORP INC	gsbc	45.86	57,604.08	45.26	56,846.56	0.1
9,549.00	GREAT WESTERN BANCORP INC	gwb	25.77	246,104.04	29.02	277,111.98	0.3
2,195.00	HEARTLAND PAYMENT SYSTEMS INC	hpy	63.22	138,764.07	94.82	208,129.90	0.3
1,599.00	HOME STREET INC	hmst	22.59	36,122.42	21.71	34,714.29	0.0
1,876.00	JAMES RIVER GROUP HOLDINGS LTD	jrvr	30.78	57,747.30	33.54	62,921.04	0.1
748.00	LENDING TREE INC	tree	37.92	28,367.08	89.28	66,781.44	0.1
6,792.00	MARCUS AND MILLICHAP INC	mmi	50.45	342,640.04	29.14	197,918.88	0.2
5,059.00	MERIDIAN BANCORP INC	ebsb	12.31	62,291.47	14.10	71,331.90	0.1
12,270.00	MGIC INVT CORP	mtg	8.97	110,106.50	8.83	108,344.10	0.1
1,464.00	NATIONAL GENERAL HOLDINGS CORPORATION	nghc	22.62	33,122.63	21.86	32,003.04	0.0
2,269.00	NATIONAL STORAGE AFFILIATES TRUST	nsa	13.96	31,685.22	17.13	38,867.97	0.1
3,542.00	PACIFIC PREMIER BANCORP	ppbi	18.79	66,541.60	21.25	75,267.50	0.1
30,136.00	PRA GROUP INC	praa	50.22	1,513,293.27	34.69	1,045,417.84	1.3
2,534.00	SERVISFIRST BANCSHARES INC	sfbs	39.59	100,309.34	47.53	120,441.02	0.2
569.00	SIMMONS FIRST NATL CORP CL A	sfnc	51.84	29,499.58	51.36	29,223.84	0.0
406.00	SOVRAN SELF STORAGE INC REIT	SSS	98.83	40,124.35	107.31	43,567.86	0.1
5,840.00	SYNOVUS FINANCIAL CORPORATION	snv	31.57	184,384.53	32.38	189,099.20	0.2
3,239.00	TOWNEBANK PORTSMOUTH VA	town	19.01	61,562.10	20.87	67,597.93	0.1
1,519.00	WALKER & DUNLOP INC	wd	23.28	35,369.00	28.81	43,762.39	0.1
3,620.00	WEBSTER FINANCIAL CORP	wbs	39.88	144,364.83	37.19	134,627.80	0.2
			-	6,612,827.47		6,389,205.50	7.7
lealth Care							
4,051.00	ABAXIS INC	abax	50.97	206,465.40	55.68	225,559.68	0.3
2,137.00	ABIOMED INC	abmd	35.57	76,016.50	90.28	192,928.36	0.2
2,318.00	ACADIA HEALTHCARE COMPANY INC	achc	50.37	116,751.78	62.46	144,782.28	0.2
4,468.00	ACADIA PHARMACEUTICALS INC	acad	33.11	147,934.43	35.65	159,284.20	0.2
2,767.00	ADAMAS PHARMACEUTICALS INC	adms	27.31	75,556.31	28.32	78,361.44	0.1
5,294.00	AERIE PHARMACEUTICALS INC	aeri	22.97	121,593.40	24.35	128,908.90	0.2

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7,072.00	AKEBIA THERAPEUTICS INC	akba	11.56	81,752.82	12.92	91,370.24	0.1
6,724.00	AKORN INC	akrx	41.66	280,098.29	37.31	250,872.44	0.3
29,718.00	ALBANY MOLECULAR RESEARCH	amri	20.34	604,399.17	19.85	589,902.30	0.7
1,929.00	ALIGN TECHNOLOGY INC	algn	52.40	101,084.36	65.85	127,024.65	0.2
4,639.00	AMEDISYS INC	amed	40.11	186,073.44	39.32	182,405.48	0.2
11,439.00	AMN HEALTHCARE SVCS INC	ahs	27.76	317,573.65	31.05	355,180.95	0.4
11,733.00	AMSURG CORP	amsg	50.90	597,164.73	76.00	891,708.00	1.1
3,206.00	ANACOR PHARMACEUTICALS INC.	anac	123.58	396,184.06	112.97	362,181.82	0.4
19,548.00	ANIKA THERAPEUTICS INC	anik	37.04	723,999.23	38.16	745,951.68	0.9
6,285.00	ATRICURE INC	atrc	25.23	158,594.73	22.44	141,035.40	0.2
237.00	BIO RAD LABS INC CL A	bio	131.53	31,172.52	138.66	32,862.42	0.0
3,356.00	BIOSPECIFICS TECHNOLOGIES CORP	bstc	43.78	146,917.67	42.97	144,207.32	0.2
3,932.00	BIOTELEMETRY INC	beat	13.17	51,778.42	11.68	45,925.76	0.1
3,568.00	CAMBREX CORP	cbm	35.70	127,379.76	47.09	168,017.12	0.2
2,365.00	CANTEL MEDICAL CORP	cmn	58.16	137,542.30	62.14	146,961.10	0.2
3,927.00	CARA THERAPEUTICS INC	cara	19.65	77,160.97	16.86	66,209.22	0.1
10,112.00	CERUS CORP	cers	6.43	65,027.01	6.32	63,907.84	0.1
2,059.00	CIVITAS SOLUTIONS INC	civi	29.62	60,997.04	28.79	59,278.61	0.1
3,418.00	CLOVIS ONCOLOGY INC	clvs	80.74	275,982.96	35.00	119,630.00	0.1
2,403.00	COLLEGIUM PHARMACEUTICAL INC	coll	22.31	53,608.29	27.50	66,082.50	0.1
16,807.00	COMMUNITY HEALTH SYS INC	cyh	39.99	672,133.84	26.53	445,889.71	0.5
2,812.00	CONCERT PHARMACEUTICALS INC	cnce	21.55	60,589.88	18.97	53,343.64	0.1
16,118.00	CROSS CTRY HEALTHCARE INC	ccrn	14.36	231,432.07	16.39	264,174.02	0.3
1,921.00	CYNOSURE INC CLASS A	cyno	43.80	84,147.73	44.67	85,811.07	0.1
8,165.00	CYTOKINETICS INC	cytk	9.59	78,262.99	10.46	85,405.90	0.1
1,954.00	CYTOMX THERAPEUTICS INC	ctmx	21.65	42,304.10	20.87	40,779.98	0.1
1,874.00	DERMIRA INC	derm	24.45	45,817.06	34.61	64,859.14	0.1
8,550.00	DYAX CORP	dyax	25.15	215,046.88	37.62	321,651.00	0.4
3,106.00	DYNAVAX TECHNOLOGIES	dvax	22.70	70,516.25	24.16	75,040.96	0.1
2,519.00	EAGLE PHARMACEUTICALS INC	egrx	72.78	183,339.83	88.67	223,359.73	0.3

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10,469.00	EMERGENT BIOSOLUTIONS INC	ebs	33.20	347,596.89	40.01	418,864.69	0.5
3,709.00	EXACT SCIENCES CORP	exas	27.48	101,913.68	9.23	34,234.07	0.0
13,608.00	EXELIXIS INC	exel	5.72	77,769.83	5.64	76,749.12	0.1
6,602.00	FIBROGEN INC	fgen	22.37	147,669.52	30.47	201,162.94	0.2
2,092.00	FIVE PRIME THERAPEUTICS INC	fprx	29.83	62,403.53	41.50	86,818.00	0.1
1,680.00	GENOMIC HEALTH INC	ghdx	34.23	57,500.35	35.20	59,136.00	0.1
15,260.00	GERON CORP	gern	5.11	78,028.96	4.84	73,858.40	0.1
1,685.00	GREATBATCH INC	gb	58.74	98,969.84	52.50	88,462.50	0.1
21,416.00	HAEMONETICS CORP	hae	35.65	763,380.46	32.24	690,451.84	0.8
5,949.00	HEALTHSOUTH CORP	hls	40.24	239,399.56	34.81	207,084.69	0.3
7,284.00	HEARTWARE INTL INC	htwr	63.37	461,587.41	50.40	367,113.60	0.4
2,295.00	HERON THERAPEAUTICS INC	hrtx	21.48	49,291.26	26.70	61,276.50	0.1
1,985.00	HESKA CORPORATION	hska	28.42	56,404.67	38.68	76,779.80	0.1
734.00	HILL ROM HLDGS	hrc	49.59	36,399.34	48.06	35,276.04	0.0
1,688.00	ICU MED INC	icui	98.03	165,467.96	112.78	190,372.64	0.2
3,416.00	IMPAX LABORATORIES INC	ipxl	43.29	147,885.21	42.76	146,068.16	0.2
17,018.00	INC RESEARCH HOLDINGS INC	incr	42.92	730,397.37	48.51	825,543.18	1.0
2,795.00	INOGEN INC	ingn	31.91	89,183.84	40.09	112,051.55	0.1
4,000.00	INSULET CORP	podd	32.65	130,600.59	37.81	151,240.00	0.2
674.00	INTERCEPT PHARMACEUTICALS INC	icpt	194.75	131,259.35	149.35	100,661.90	0.1
2,393.00	INTRA CELLULAR THERAPIES INC	itci	29.77	71,233.15	53.79	128,719.47	0.2
3,360.00	IRADIMED CORPORATION	irmd	24.25	81,480.00	28.03	94,180.80	0.1
33,157.00	KERYX BIOPHARMACEUTICAL	kerx	13.02	431,572.71	5.05	167,442.85	0.2
1,997.00	KITE PHARMA INC	kite	76.44	152,649.04	61.62	123,055.14	0.2
1,618.00	LA JOLLA PHARMACEUTICAL COMPANY	ljpc	31.20	50,474.08	27.00	43,686.00	0.1
4,674.00	LEMAITRE VASCULAR INC	Imat	13.46	62,929.43	17.25	80,626.50	0.1
1,349.00	LHC GROUP INC	lhcg	28.76	38,801.79	45.29	61,096.21	0.1
17,741.00	LIGAND PHARMACEUTICALS INC	lgnd	78.61	1,394,682.93	108.42	1,923,479.22	2.3
6,305.00	LIPOCINE INC	lpcn	14.68	92,575.26	12.93	81,523.65	0.1
1,806.00	LOXO ONCOLOGY INC	loxo	21.02	37,962.12	28.45	51,380.70	0.1

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Legato Capital Management,LLC

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct Assets
841.00	MASIMO CORPORATION	masi	38.76	32,593.88	41.51	34,909.91	0.0
1,673.00	MIRATI THERAPEUTICS INC	mrtx	32.36	54,131.86	31.60	52,866.80	0.1
400.00	MOLINA HEALTHCARE INC	moh	70.98	28,393.70	60.13	24,052.00	0.0
3,655.00	MYRIAD GENETICS INC	mygn	38.75	141,632.05	43.16	157,749.80	0.2
3,500.00	NATUS MEDICAL INC	baby	47.06	164,703.00	48.05	168,175.00	0.2
34,894.00	NEKTAR THERAPEUTICS COM	nktr	12.59	439,315.46	16.85	587,963.90	0.7
24,859.00	NEOGENOMICS INC	neo	7.30	181,475.31	7.87	195,640.33	0.2
6,388.00	NEUROCRINE BIOSCIENCES INC	nbix	46.44	296,664.18	56.57	361,369.16	0.4
580.00	NEVRO CORP	nvro	33.91	19,665.97	67.51	39,155.80	0.1
1,465.00	NUVASIVE INC	nuva	54.67	80,091.89	54.11	79,271.15	0.1
9,640.00	NXSTAGE MEDICAL INC	nxtm	19.33	186,296.30	21.91	211,212.40	0.3
1,059.00	OPHTHOTECH CORPORATION	opht	75.34	79,784.28	78.53	83,163.27	0.1
9,219.00	OPKO HEALTH INC	opk	12.70	117,056.59	10.05	92,650.95	0.1
1,110.00	OTONOMY INC COM	otic	28.38	31,505.03	27.75	30,802.50	0.0
6,065.00	PACIFIC BIOSCIENCES OF CALIFORNIA INC	pacb	7.45	45,162.42	13.13	79,633.45	0.1
4,986.00	PACIRA PHARMACEUTICALS INC	pcrx	78.46	391,191.40	76.79	382,874.94	0.5
5,018.00	PAREXEL INTERNATIONAL CORP	prxl	52.77	264,785.02	68.12	341,826.16	0.4
572.00	PORTOLA PHARMACEUTICALS INC	ptla	57.16	32,696.38	51.45	29,429.40	0.0
13,821.00	PREMIER INC	pinc	30.62	423,173.87	35.27	487,466.67	0.6
32,546.00	PROGENICS PHARMACEUTICALS INC	pgnx	8.09	263,285.98	6.13	199,506.98	0.2
1,990.00	PROTHENA CORPORATION PLC	prta	49.94	99,384.58	68.11	135,538.90	0.2
1,808.00	PTC THERAPEUTICS INC	ptct	35.89	64,887.48	32.40	58,579.20	0.1
445.00	RADIUS HEALTH INC	rdus	67.48	30,026.91	61.54	27,385.30	0.0
4,702.00	RELYPSA INC	rlyp	34.27	161,153.78	28.34	133,254.68	0.2
2,551.00	REVANCE THERAPEUTICS INC COM	rvnc	34.96	89,174.76	34.16	87,142.16	0.1
5,281.00	SANGAMO BIOSCIENCES INC	sgmo	9.14	48,262.53	9.13	48,215.53	0.1
2,880.00	STERIS PLC	ste	71.18	205,011.68	75.34	216,979.20	0.3
27,308.00	SUPERNUS PHARMACEUTICALS INC	supn	15.59	425,676.33	13.44	367,019.52	0.4
13,856.00	SYNERGY PHARMACEUTICALS INC	sgyp	7.34	101,757.02	5.67	78,563.52	0.1
7,447.00	TEAM HEALTH HOLDINGS INC	tmh	57.54	428,496.90	43.89	326,848.83	0.4

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Legato Capital Management, LLC

Quantity	Security	Security	Unit Cost	Total Cost	Price	Market Value	Pct Assets
		Symbol	106 70	204 700 71	404.55	262 722 17	
,	TELEFLEX INC	tfx	106.53	294,768.51	131.45		
	TELIGENT INC	tlgt	8.29	907,904.51	8.90		
581.00	TESARO INC	tsro	50.75	29,484.15	52.32	30,397.92	0.0
9,069.00	THERAPEUTICSMD INC	txmd	8.07	73,224.97	10.37	94,045.53	0.1
8,091.00	TREVENA INC	trvn	9.87	79,847.54	10.50	84,955.50	0.1
665.00	U.S. PHYSICAL THERAPY INC	usph	48.19	32,046.63	53.68	35,697.20	0.0
12,419.00	VASCULAR SOLUTIONS INC	vasc	25.65	318,559.22	34.39	427,089.41	0.5
12,081.00	WEST PHARMACEUTICAL SERVICES	wst	44.06	532,346.21	60.22	727,517.82	0.9
762.00	ZELTIQ AESTHETICS INC	zltq	35.98	27,418.13	28.53	21,739.86	0.0
			_	20,512,906.41		21,878,605.42	26.4
Materials & Pro	cessing						
2,267.00	ACETO CORP	acet	26.93	61,046.46	26.98	61,163.66	0.1
2,495.00	APTARGROUP INC	atr	67.12	167,452.02	72.65	181,261.75	0.2
5,707.00	BEACON ROOFING SUPPLY INC	becn	35.81	204,386.88	41.18	235,014.26	0.3
5,375.00	BERRY PLASTICS GROUP INC	bery	33.33	179,128.44	36.18	194,467.50	0.2
12,327.00	BOISE CASCADE LLC	bcc	31.24	385,090.18	25.53	314,708.31	0.4
41,317.00	BUILDERS FIRSTSOURCE INC	bldr	10.15	419,219.37	11.08	457,792.36	0.6
2,160.00	CABOT CORP	cbt	43.08	93,058.31	40.88	88,300.80	0.1
3,830.00	CHEMTURA CORPORATION	chmt	30.83	118,088.46	27.27	104,444.10	0.1
3,342.00	COMFORT SYS USA INC	fix	21.32	71,259.97	28.42	94,979.64	0.1
3,719.00	EAGLE MATERIALS INC	exp	76.20	283,386.68	60.43	224,739.17	0.3
11,725.00	FERRO CORP	foe	14.48	169,784.70	11.12	130,382.00	0.2
3,535.00	GIBRALTAR INDUSTRIES INC.	rock	22.15	78,306.93	25.44	89,930.40	0.1
3,236.00	GLOBAL BRASS AND COPPER HOLDINGS INC	brss	19.86	64,264.69	21.30	68,926.80	0.1
3,373.00	GRIFFON CORPORATION	gff	19.01	64,127.87	17.80	60,039.40	0.1
3,998.00	HEXCEL CORP	hxl	37.46	149,747.54	46.45	185,707.10	0.2
5,033.00	LSI INDS INC	lyts	11.67	58,743.02	12.19	61,352.27	0.1
2,165.00	MASONITE INTERNATIONAL CORPORATION	door	59.43	128,662.14	61.23	132,562.95	0.2
451.00	NEENAH PAPER INC	np	66.46	29,975.31	62.43	28,155.93	0.0
762.00	PATRICK INDUSTRIES INC	patk	37.69	28,721.84	43.50	33,147.00	0.0

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		Symbol					
43,677.00	SENOMYX INC	snmx	8.83	385,667.91	3.77	164,662.29	0.2
19,462.00	SUMMIT MATERIALS INC	sum	22.12	430,455.13	20.04	390,018.48	0.5
11,145.00	TILE SHOP HLDGS INC.	tts	11.25	125,384.34	16.40	182,778.00	0.2
2,166.00	US CONCRETE INC	uscr	34.81	75,388.63	52.66	114,061.56	0.1
15,353.00	USG CORP	usg	27.80	426,746.29	24.29	372,924.37	0.5
				4,198,093.11		3,971,520.10	4.8
roducer Durabl	es						
830.00	ADVANCED ENERGY INDS INC	aeis	24.23	20,109.90	28.23	23,430.90	0.0
22,030.00	ADVISORY BOARD CO	abco	47.87	1,054,604.07	49.61	1,092,908.30	1.3
1,950.00	AO SMITH CORP	aos	64.47	125,711.81	76.61	149,389.50	0.2
463.00	CAVCO INDS INC	CVCO	81.01	37,505.42	83.31	38,572.53	0.1
12,391.00	CEB INC	ceb	63.81	790,620.47	61.39	760,683.49	0.9
2,360.00	DYCOM INDUSTRIES INC	dy	56.08	132,349.35	69.96	165,105.60	0.2
45,685.00	ECHO GLOBAL LOGISTICS INC	echo	24.11	1,101,645.62	20.39	931,517.15	1.1
4,346.00	ELECTRONICS FOR IMAGING	efii	45.38	197,220.86	46.74	203,132.04	0.3
6,704.00	ENERGY RECOVERY INC	erii	9.06	60,746.46	7.07	47,397.28	0.1
2,995.00	ENNIS INC	ebf	20.75	62,144.45	19.25	57,653.75	0.1
3,628.00	ESTERLINE TECHNOLOGIES CORP	esl	111.50	404,522.00	81.00	293,868.00	0.4
5,548.00	EXL SERVICE HLDGS INC	exls	35.70	198,048.81	44.93	249,271.64	0.3
1,930.00	FORWARD AIR CORP	fwrd	47.67	92,009.90	43.01	83,009.30	0.1
8,143.00	G & K SVCS INC CL A	gksr	54.91	447,132.13	62.90	512,194.70	0.6
1,190.00	GRACO INC	ggg	75.91	90,336.56	72.07	85,763.30	0.1
2,400.00	GRANITE CONSTRUCTION INC.	gva	42.08	100,980.12	42.91	102,984.00	0.1
3,165.00	HACKETT GROUP INC	hckt	13.16	41,641.23	16.07	50,861.55	0.1
15,551.00	HEALTHCARE SERVICES GROUP	hcsg	29.02	451,290.02	34.87	542,263.37	0.7
2,171.00	HEIDRICK & STRUGGLES INTL INC	hsii	29.82	64,735.74	27.22	59,094.62	0.1
8,369.00	HURON CONSULTING GROUP INC	hurn	62.18	520,393.90	59.40	497,118.60	0.6
86,256.00	INNERWORKINGS INC	inwk	8.29	715,035.97	7.50	646,920.00	0.8
3,369.00	ITURAN LOCATION AND CONTROL LTD	itrn	21.15	71,254.35	18.93	63,775.17	0.1
3,341.00	JOHN BEAN TECHNOLOGIES CORP	jbt	44.49	148,646.36	49.83	166,482.03	0.2

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18,007.00	KELLY SERVICES INC CL A	kelya	17.41	313,438.58	16.15	290,813.05	0.4
13,159.00	KFORCE INC	kfrc	19.67	258,787.14	25.28	332,659.52	0.4
11,452.00	KORN/FERRY INTERNATIONAL	kfy	30.00	343,604.59	33.18	379,977.36	0.5
1,420.00	LITTELFUSE INC	lfus	107.17	152,181.84	107.01	151,954.20	0.2
1,654.00	LYDALL INC	ldl	37.66	62,295.13	35.48	58,683.92	0.1
769.00	MATSON INC COM	matx	45.38	34,900.36	42.63	32,782.47	0.0
4,549.00	MAXIMUS INC	mms	54.60	248,362.00	56.25	255,881.25	0.3
8,171.00	MULTI-COLOR CORP	labl	67.47	551,297.84	59.81	488,707.51	0.6
7,843.00	NAVIGANT CONSULTING INC	nci	17.50	137,216.81	16.06	125,958.58	0.2
663.00	ON ASSIGNMENT INC	asgn	45.50	30,166.96	44.95	29,801.85	0.0
340.00	OSI SYSTEMS INC	osis	90.92	30,914.09	88.66	30,144.40	0.0
4,734.00	PAYLOCITY HOLDING CORPORATION	pcty	31.30	148,161.59	40.55	191,963.70	0.2
3,253.00	PFSWEB INC	pfsw	14.35	46,672.09	12.87	41,866.11	0.1
5,769.00	SHARPS COMPLIANCE CORP	smed	9.93	57,314.98	8.70	50,190.30	0.1
3,051.00	SKYWEST INC	skyw	17.14	52,308.17	19.02	58,030.02	0.1
1,360.00	STANDEX INTL CORP	sxi	90.72	123,381.72	83.15	113,084.00	0.1
18,260.00	TETRA TECH INC	ttek	25.28	461,634.25	26.02	475,125.20	0.6
3,660.00	TRIMAS CORPORATION	trs	20.65	75,592.58	18.65	68,259.00	0.1
1,034.00	TRUEBLUE INC	tbi	28.01	28,967.20	25.76	26,635.84	0.0
Technology			-	10,085,883.42		10,025,915.10	12.1
7,224.00	A10 NETWORKS INC	aten	7.70	55,598.79	6.56	47,389.44	0.1
7,630.00	ACACIA RESEARCH CORP	actg	15.92	121,469.60	4.29	32,732.70	0.0
17,365.00	ACI WORLDWIDE INC	aciw	18.76	325,767.40	21.40	371,611.00	0.5
37,640.00	ACTUA CORPORATION	acta	17.03	641,051.61	11.45	430,978.00	0.5
2,738.00	ALARM COM HOLDINGS INC	alrm	18.69	51,165.03	16.68	45,669.84	0.1
1,684.00	APPLIED OPTOELECTRONICS INC	aaoi	18.89	31,806.56	17.16	28,897.44	0.0
17,474.00	ATTUNITY LTD	attu	7.69	134,375.06	11.05	193,087.70	0.2
4,962.00	AUTOBYTEL COM INC	abtl	19.79	98,186.41	22.56	111,942.72	0.1
2,840.00	BENEFITFOCUS, INC.	bnft	39.26	111,497.51	36.39	103,347.60	0.1

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5,295.00	BLACKBAUD INC	blkb	48.27	255,608.73	65.86	348,728.70	0.4
29,967.00	BOTTOMLINE TECHNOLOGIES INC	ерау	26.94	807,444.48	29.73	890,918.91	1.1
21,620.00	BROADSOFT INC	bsft	34.71	750,390.27	35.36	764,483.20	0.9
1,887.00	CACI INTERNATIONAL INC CLA	caci	97.12	183,274.57	92.78	175,075.86	0.2
11,450.00	CALAMP CORP	camp	19.01	217,703.34	19.93	228,198.50	0.3
16,184.00	CALLIDUS SOFTWARE INC	cald	16.38	265,067.08	18.57	300,536.88	0.4
1,250.00	CAVIUM INC	cavm	70.68	88,348.68	65.71	82,137.50	0.1
20,284.00	CEVA INC	ceva	15.11	306,573.29	23.36	473,834.24	0.6
11,689.00	CHANNELADVISOR CORPORATION	ecom	13.84	161,789.46	13.85	161,892.65	0.2
457.00	COHERENT INC	cohr	65.78	30,062.60	65.11	29,755.27	0.0
19,653.00	CRITEO SA	crto	39.56	777,528.59	39.60	778,258.80	0.9
29,980.00	CYPRESS SEMICONDUCTOR CORP	су	11.07	331,823.14	9.81	294,103.80	0.4
767.00	CYRUSONE INC	cone	37.84	29,025.20	37.45	28,724.15	0.0
819.00	DIEBOLD INC	dbd	35.93	29,426.18	30.09	24,643.71	0.0
4,276.00	DIGI INTERNATIONAL INC	dgii	12.48	53,364.05	11.38	48,660.88	0.1
10,023.00	EARTHLINK HOLDINGS CORPORATION	elnk	5.65	56,632.96	7.43	74,470.89	0.1
424.00	ELLIE MAE INC	elli	42.09	17,845.00	60.23	25,537.52	0.0
696.00	EPLUS INC	plus	101.96	70,963.48	93.26	64,908.96	0.1
16,150.00	EXTREME NETWORKS INC	extr	3.62	58,383.87	4.08	65,892.00	0.1
7,272.00	FABRINET	fn	23.29	169,348.96	23.82	173,219.04	0.2
7,963.00	FIVE9 INC	fivn	7.54	60,011.41	8.70	69,278.10	0.1
10,256.00	FLEETMATICS GROUP PLC	fltx	32.48	333,160.93	50.79	520,902.24	0.6
850.00	GIGAMON INC	gimo	20.43	17,363.78	26.57	22,584.50	0.0
17,375.00	GIGOPTIX INC	ggox	2.87	49,901.00	3.04	52,820.00	0.1
2,552.00	GLOBANT S.A.	glob	25.74	65,686.60	37.51	95,725.52	0.1
982.00	GODADDY INC	gddy	31.35	30,788.16	32.06	31,482.92	0.0
8,018.00	GTT COMMUNICATIONS INC	gtt	21.94	175,901.15	17.06	136,787.08	0.2
745.00	GUIDEWIRE SOFTWARE INC	gwre	53.41	39,789.32	60.16	44,819.20	0.1
513.00	HUBSPOT INC	hubs	39.90	20,467.85	56.31	28,887.03	0.0
6,229.00	IMMERSION CORP	immr	12.70	79,134.71	11.66	72,630.14	0.1

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2,407.00	IMPERVA INC	impv	68.42	164,695.67	63.31	152,387.17	0.2
9,702.00	INPHI CORP	iphi	23.71	230,000.98	27.02	262,148.04	0.3
10,325.00	INTEGRATED DEVICE TECH INC	idti	22.38	231,023.82	26.35	272,063.75	0.3
79,726.00	INTERNAP NETWORK SERVICES CORP	inap	7.81	622,865.64	6.40	510,246.40	0.6
5,560.00	INTERXION HOLDING NV	inxn	30.11	167,431.67	30.15	167,634.00	0.2
112,337.00	LIFELOCK INC	lock	14.39	1,616,774.13	14.35	1,612,035.95	2.0
2,401.00	LOGMEIN INC	logm	45.69	109,708.79	67.10	161,107.10	0.2
6,345.00	MA COM TECHNOLOGY SOLUTIONS HOLDINGS INC	mtsi	30.72	194,940.33	40.89	259,447.05	0.3
4,664.00	MAGICJACK VOCALTEC LTD	call	11.64	54,300.57	9.45	44,074.80	0.1
413.00	MANHATTAN ASSOCIATES INC.	manh	70.02	28,919.91	66.17	27,328.21	0.0
6,931.00	MAXLINEAR INC	mxl	11.47	79,531.91	14.73	102,093.63	0.1
18,256.00	MEETME INC	meet	2.95	53,802.26	3.58	65,356.48	0.1
3,197.00	MERCURY COMPUTER SYS INC	mrcy	19.46	62,209.46	18.36	58,696.92	0.1
11,174.00	MICROSEMI CORP	mscc	35.74	399,373.74	32.59	364,160.66	0.4
3,226.00	MINDBODY INC	mb	17.01	54,881.68	15.13	48,809.38	0.1
9,980.00	MIX TELEMATICS LIMITED	mixt	9.64	96,207.20	4.22	42,115.60	0.1
2,351.00	MONOLITHIC POWER SYSTEMS INC	mpwr	59.28	139,368.82	63.71	149,782.21	0.2
3,620.00	MONOTYPE IMAGING HLDGS INC	type	29.13	105,445.05	23.64	85,576.80	0.1
9,404.00	NEOPHOTONIOCS CORP	nptn	10.21	95,980.44	10.86	102,127.44	0.1
2,116.00	NETGEAR INC	ntgr	41.59	87,996.40	41.91	88,681.56	0.1
8,867.00	NETSCOUT SYSTEMS INC	ntct	38.10	337,801.90	30.70	272,216.90	0.3
9,759.00	NEUSTAR INC CL A	nsr	24.98	243,779.82	23.97	233,923.23	0.3
11,020.00	NUANCE COMMUNICATIONS INC	nuan	17.00	187,312.79	19.89	219,187.80	0.3
22,850.00	OCLARO INC	oclr	2.57	58,829.48	3.48	79,518.00	0.1
15,579.00	ON SEMICONDUCTOR CORP	onnn	9.26	144,261.54	9.80	152,674.20	0.2
1,723.00	PAYCOM SOFTWARE INC	раус	24.23	41,748.79	37.63	64,836.49	0.1
3,780.00	PEGASYSTEMS INC	pega	28.54	107,878.61	27.50	103,950.00	0.1
8,199.00	PHOTRONICS INC	plab	9.95	81,612.83	12.45	102,077.55	0.1
8,752.00	POINTS INTERNATIONAL LTD	pcom	18.23	159,548.96	9.59	83,931.68	0.1

Legato recommends the client compare these statements/reports independently against custodial records.

Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct Assets
2,237.00	PROOFPOINT INC	pfpt	61.68	137,975.64	65.01	145,427.37	0.2
8,928.00	Q2 HOLDINGS INC	qtwo	20.52	183,167.85	26.37	235,431.36	0.3
20,126.00	QLOGIC CORP	qlgc	12.26	246,725.99	12.20	245,537.20	0.3
4,220.00	REALPAGE INC	rp	22.81	96,275.33	22.45	94,739.00	0.1
12,599.00	RINGCENTRAL INC	rng	14.77	186,127.81	23.58	297,084.42	0.4
1,858.00	ROVI CORP	rovi	17.65	32,794.28	16.66	30,954.28	0.0
2,153.00	RUDOLPH TECHNOLOGIES INC.	rtec	13.19	28,399.73	14.22	30,615.66	0.0
13,693.00	SEACHANGE INTERNATIONAL INC	seac	7.94	108,741.48	6.74	92,290.82	0.1
9,948.00	SHORETEL INC	shor	8.15	81,038.75	8.85	88,039.80	0.1
485.00	SILICON LABORATORIES INC	slab	49.08	23,804.92	48.54	23,541.90	0.0
3,899.00	SILVER SPRING NETWORKS INC	ssni	11.80	45,994.94	14.41	56,184.59	0.1
2,680.00	SPS COMMERCE INC	spsc	68.39	183,282.81	70.21	188,162.80	0.2
6,127.00	SS AND C TECHNOLOGIES HOLDINGS INC	ssnc	62.41	382,370.35	68.27	418,290.29	0.5
43,618.00	SYNCHRONOSS TECHNOLOGIES INC	sncr	40.47	1,765,188.96	35.23	1,536,662.14	1.9
6,504.00	SYNTEL INC	synt	44.02	286,309.76	45.25	294,306.00	0.4
37,536.00	THE RUBICON PROJECT INC	rubi	15.57	584,428.12	16.45	617,467.20	0.8
2,186.00	TYLER TECHNOLOGIES INC	tyl	127.16	277,962.69	174.32	381,063.52	0.5
6,092.00	WEB COM GROUP INC	wwww	24.24	147,691.86	20.01	121,900.92	0.2
20,149.00	WNS HOLDINGS LIMITED	wns	22.41	451,603.10	31.19	628,447.31	0.8
3,197.00	WORKIVA INC	wk	16.95	54,192.67	17.57	56,171.29	0.1
2,580.00	XURA INC	mesg	25.97	67,014.21	24.58	63,416.40	0.1
5,079.00	ZENDESK INC	zen	26.13	132,706.60	26.44	134,288.76	0.2
27,014.00	ZIX CORP	zixi	4.24	114,544.52	5.08	137,231.12	0.2
Jtilities			_	18,680,302.37		19,280,997.78	23.4
18,818.00	8X8 INC	eght	9.67	181,900.95	11.45	215,466.10	0.3
25,185.00	BOINGO WIRELESS INC	wifi	8.19	206,365.49	6.62	166,724.70	0.2
16,223.00	COGENT COMMUNICATIONS GROUP	ссоі	33.90	549,957.90	34.69	562,775.87	0.7
8,411.00	J2 GLOBAL INC COM	jcom	53.65	451,227.72	82.32	692,393.52	0.8
8,466.00	ORBCOMM INC	orbc	7.30	61,824.40	7.24	61,293.84	0.1

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Quantity	Security	Security Symbol	Unit Cost	Total Cost	Price	Market Value	Pct Assets
2,109.00	SHENANDOAH TELECOMMUNICATIONS	shen	42.17	88,940.73	43.05	90,792.45	0.1
1,019.00	TELEPHONE AND DATA SYSTEMS INC	tds	30.18	30,752.30	25.89	26,381.91	0.0
28,705.00	VONAGE HLDGS CORP	vg	6.29	180,513.39	5.74	164,766.70	0.2
				1,751,482.88		1,980,595.09	2.4
				78,716,226.57		80,735,780.46	97.8
Mutual Funds							
4,442.00	ISHARES RUSSELL 2000 GROWTH INDEX FUND	iwo	144.53	641,982.73	139.28	618,681.76	0.8
Warrants							
5,299.00	MAGNUM HUNTER RES CORP	55973b110	0.00	0.00	0.00	0.00	0.0
Total Portfolio				80,518,238.52		82,514,491.44	99.9

	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Purchases	12/16/2015	12/21/2015	551 ACADIA PHARMACEUTICALS INC	acad	35.96	11.02	19,813.63
	12/17/2015	12/22/2015	122 ACADIA PHARMACEUTICALS INC	acad	35.94	2.44	4,384.77
	12/23/2015	12/29/2015	1,156 ADAMAS PHARMACEUTICALS INC	adms	25.62	23.12	29,615.10
	12/23/2015	12/29/2015	1,083 ADAMAS PHARMACEUTICALS INC	adms	28.52	21.66	30,884.13
	12/23/2015	12/29/2015	528 ADAMAS PHARMACEUTICALS INC	adms	28.52	10.56	15,057.08
	12/15/2015	12/18/2015	4,081 AKEBIA THERAPEUTICS INC	akba	11.99	81.62	48,930.78
	12/1/2015	12/4/2015	2,517 ALBANY MOLECULAR RESEARCH	amri	20.18	50.34	50,782.99
	12/2/2015	12/7/2015	2,437 ALBANY MOLECULAR RESEARCH	amri	20.34	48.74	49,559.50
	12/3/2015	12/8/2015	120 ANACOR PHARMACEUTICALS INC.	anac	113.43	3.60	13,611.25
	12/17/2015	12/22/2015	180 BEACON ROOFING SUPPLY INC	becn	40.80	5.40	7,343.62
	12/14/2015	12/17/2015	320 BEACON ROOFING SUPPLY INC	becn	40.42	9.60	12,935.81
	12/16/2015	12/21/2015	200 BENEFITFOCUS, INC.	bnft	35.95	6.00	7,190.80
	12/3/2015	12/8/2015	210 BENEFITFOCUS, INC.	bnft	38.09	6.30	7,999.22
	12/1/2015	12/4/2015	540 BENEFITFOCUS, INC.	bnft	37.61	16.20	20,309.29
	12/2/2015	12/7/2015	210 BENEFITFOCUS, INC.	bnft	37.41	6.30	7,856.16
	12/7/2015	12/10/2015	170 BERRY PLASTICS GROUP INC	bery	36.80	5.10	6,256.39
	12/8/2015	12/11/2015	340 BERRY PLASTICS GROUP INC	bery	37.44	10.20	12,727.97
	12/23/2015	12/29/2015	266 BOFI HOLDING INC	bofi	21.14	5.32	5,621.94
	12/23/2015	12/29/2015	84 BOFI HOLDING INC	bofi	20.62	2.52	1,732.50
	12/23/2015	12/29/2015	108 BOFI HOLDING INC	bofi	21.30	2.16	2,300.22
	12/23/2015	12/29/2015	496 BOFI HOLDING INC	bofi	21.15	4.96	10,492.78
	12/24/2015	12/30/2015	135 BOFI HOLDING INC	bofi	21.32	2.70	2,878.15
	12/24/2015	12/30/2015	86 BOFI HOLDING INC	bofi	21.11	0.86	1,815.64
	12/22/2015	12/28/2015	505 BOFI HOLDING INC	bofi	20.34	5.05	10,272.15
	12/22/2015	12/28/2015	2,767 BOFI HOLDING INC	bofi	20.39	83.01	56,405.30
	12/21/2015	12/24/2015	835 BOISE CASCADE LLC	bcc	26.49	16.70	22,122.66
	12/21/2015	12/24/2015	440 BOISE CASCADE LLC	bcc	26.32	13.20	11,582.25
	12/21/2015	12/24/2015	153 BOISE CASCADE LLC	bcc	26.25	3.06	4,015.49
	12/21/2015	12/24/2015	161 BUILDERS FIRSTSOURCE INC	bldr	10.68	1.61	1,718.84
	12/21/2015	12/24/2015	618 BUILDERS FIRSTSOURCE INC	bldr	10.49	18.54	6,485.91
	12/15/2015	12/18/2015	2,369 BUILDERS FIRSTSOURCE INC	bldr	10.95	47.38	25,935.81
	12/15/2015	12/18/2015	836 BUILDERS FIRSTSOURCE INC	bldr	10.97	16.72	9,175.10
	12/2/2015	12/7/2015	760 BUILDERS FIRSTSOURCE INC	bldr	13.52	22.80	10,277.71
	12/1/2015	12/4/2015	930 BUILDERS FIRSTSOURCE INC	bldr	13.47	27.90	12,524.50
	12/3/2015	12/8/2015	440 BUILDERS FIRSTSOURCE INC	bldr	13.24	13.20	5,826.96
	12/3/2015	12/8/2015	360 CABOT CORP	cbt	43.37	10.80	15,613.02



1. A A A A A A A A A A A A A A A A A A A	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Purchases	12/1/2015	12/4/2015	690 CABOT CORP	cbt	43.79	20.70	30,212.82
	12/2/2015	12/7/2015	700 CABOT CORP	cbt	43.27	21.00	30,288.93
	12/8/2015	12/11/2015	410 CABOT CORP	cbt	41.33	12.30	16,943.54
	12/9/2015	12/14/2015	160 CACI INTERNATIONAL INC CL A	caci	98.27	4.80	15,723.86
	12/10/2015	12/15/2015	200 CACI INTERNATIONAL INC CLA	caci	97.62	6.00	19,523.82
	12/4/2015	12/9/2015	120 CACI INTERNATIONAL INC CL A	caci	101.13	3.60	12,136.10
	12/14/2015	12/17/2015	150 CACI INTERNATIONAL INC CLA	caci	93.55	4.50	14,032.23
	12/15/2015	12/18/2015	110 CACI INTERNATIONAL INC CLA	caci	93.99	3.30	10,338.69
	12/23/2015	12/29/2015	298 CALAMP CORP	camp	20.84	5.96	6,210.47
	12/10/2015	12/15/2015	600 CALLIDUS SOFTWARE INC	cald	20.66	18.00	12,393.60
	12/21/2015	12/24/2015	200 CANTEL MEDICAL CORP	cmn	62.86	6.00	12,572.34
	12/15/2015	12/18/2015	200 CANTEL MEDICAL CORP	cmn	64.66	6.00	12,932.70
	12/14/2015	12/17/2015	180 CANTEL MEDICAL CORP	cmn	64.32	5.40	11,576.77
	12/16/2015	12/21/2015	200 CANTEL MEDICAL CORP	cmn	64.90	6.00	12,980.70
	12/17/2015	12/22/2015	210 CANTEL MEDICAL CORP	cmn	62.92	6.30	13,214.15
	12/31/2015	1/6/2016	226 CARA THERAPEUTICS INC	cara	16.90	2.26	3,818.45
	12/31/2015	1/6/2016	214 CARA THERAPEUTICS INC	cara	16.93	4.28	3,622.19
	12/31/2015	1/6/2016	300 CARRIZO OIL + GAS INC	Crzo	29.49	9.00	8,847.12
	12/23/2015	12/29/2015	200 CARRIZO OIL + GAS INC	crzo	32.22	6.00	6,444.18
	12/2/2015	12/7/2015	270 CARRIZO OIL + GAS INC	Crzo	37.20	8.10	10,044.41
	12/1/2015	12/4/2015	200 CARRIZO OIL + GAS INC	crzo	39.49	6.00	7,898.56
	12/14/2015	12/17/2015	3,406 CERUS CORP	cers	6.41	68.12	21,821.56
	12/14/2015	12/17/2015	2,671 CERUS CORP	cers	6.53	53.42	17,452.58
	12/11/2015	12/16/2015	3,090 CERUS CORP	cers	6.39	61.80	19,737.38
	12/11/2015	12/16/2015	945 CERUS CORP	cers	6.37	9.45	6,015.49
	12/15/2015	12/18/2015	640 CHANNELADVISOR CORPORATION	ecom	14.30	19.20	9,153.41
	12/16/2015	12/21/2015	1,617 CHANNELADVISOR CORPORATION	ecom	14.52	32.34	23,474.47
	12/15/2015	12/18/2015	1,545 CHANNELADVISOR CORPORATION	ecom	14.14	30.90	21,853.41
	12/15/2015	12/18/2015	927 CHANNELADVISOR CORPORATION	ecom	14.17	9.27	13,133.18
	12/7/2015	12/10/2015	620 CHANNELADVISOR CORPORATION	ecom	13.11	18.60	8,130.99
	12/28/2015	12/31/2015	1,392 CIVITAS SOLUTIONS INC	civi	29.55	27.84	41,131.65
	12/29/2015	1/4/2016	667 CIVITAS SOLUTIONS INC	civi	29.78	13.34	19,865.39
	12/10/2015	12/15/2015	360 COGENT COMMUNICATIONS GROUP	ссоі	33.73	10.80	12,144.53
	12/2/2015	12/7/2015	180 COGENT COMMUNICATIONS GROUP	ссоі	33.88	5.40	6,098.60
	12/3/2015	12/8/2015	400 COGENT COMMUNICATIONS GROUP	ссоі	34.07	12.00	13,627.84
	12/16/2015	12/21/2015	300 COGENT COMMUNICATIONS GROUP	ссоі	34.06	9.00	10,218.39
	12/28/2015	12/31/2015	857 COMMUNITY HEALTH SYS INC	cyh	26.85	17.14	23,009.34
	12/29/2015	1/4/2016	163 COMMUNITY HEALTH SYS INC	cyh	26.90	3.26	4,383.89



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Purchases	12/3/2015	12/8/2015	137 COOPER STANDARD HOLDINGS INC	cps	76.88	2.74	10,532.37
	12/4/2015	12/9/2015	23 COOPER STANDARD HOLDINGS INC	cps	80.04	0.23	1,840.86
	12/4/2015	12/9/2015	94 COOPER STANDARD HOLDINGS INC	cps	78.97	1.88	7,423.20
	12/7/2015	12/10/2015	148 COOPER STANDARD HOLDINGS INC	cps	80.25	2.96	11,876.36
	12/3/2015	12/8/2015	530 CROSS CTRY HEALTHCARE INC	ccrn	17.88	15.90	9,478.26
	12/21/2015	12/24/2015	500 CROSS CTRY HEALTHCARE INC	ccrn	17.03	15.00	8,516.15
	12/18/2015	12/23/2015	250 CROSS CTRY HEALTHCARE INC	ccrn	17.32	7.50	4,330.93
	12/31/2015	1/6/2016	760 CROSS CTRY HEALTHCARE INC	ccrn	16.60	22.80	12,615.24
	12/29/2015	1/4/2016	772 CYNOSURE INC CLASS A	cyno	43.79	15.44	33,803.26
	12/29/2015	1/4/2016	1,149 CYNOSURE INC CLASS A	cyno	43.82	11.49	50,344.47
	12/22/2015	12/28/2015	767 CYRUSONE INC	cone	37.84	15.34	29,025.20
	12/18/2015	12/23/2015	1,954 CYTOMX THERAPEUTICS INC	ctmx	21.65	39.08	42,304.10
	12/4/2015	12/9/2015	809 DAVE AND BUSTERS ENTERTAINMENT INC	play	39.99	16.18	32,355.63
	12/7/2015	12/10/2015	154 DAVE AND BUSTERS ENTERTAINMENT INC	play	40.42	3.08	6,224.17
	12/7/2015	12/10/2015	1,587 DAVE AND BUSTERS ENTERTAINMENT INC	play	40.46	47.61	64,205.74
	12/7/2015	12/10/2015	334 DAVE AND BUSTERS ENTERTAINMENT INC	play	40.65	3.34	13,576.77
	12/8/2015	12/11/2015	479 DAVE AND BUSTERS ENTERTAINMENT INC	play	39.27	14.37	18,810.33
	12/10/2015	12/15/2015	200 EAGLE PHARMACEUTICALS INC	egrx	96.08	6.00	19,216.68
	12/21/2015	12/24/2015	220 EAGLE PHARMACEUTICALS INC	egrx	98.35	6.60	21,637.44
	12/28/2015	12/31/2015	200 EAGLE PHARMACEUTICALS INC	egrx	86.72	6.00	17,343.26
	12/17/2015	12/22/2015	320 EAGLE PHARMACEUTICALS INC	egrx	98.41	9.60	31,490.72
	12/15/2015	12/18/2015	220 EAGLE PHARMACEUTICALS INC	egrx	97.24	6.60	21,392.82
	12/14/2015	12/17/2015	270 EAGLE PHARMACEUTICALS INC	egrx	91.96	8.10	24,828.39
	12/31/2015	1/6/2016	280 EAGLE PHARMACEUTICALS INC	egrx	89.54	8.40	25,070.28
	12/7/2015	12/10/2015	330 ELECTRONICS FOR IMAGING	efii	48.32	9.90	15,946.39
	12/9/2015	12/14/2015	320 EURONET WORLDWIDE INC	eeft	74.28	9.60	23,770.40
	12/15/2015	12/18/2015	110 EURONET WORLDWIDE INC	eeft	73.53	3.30	8,088.65
	12/31/2015	1/6/2016	280 EURONET WORLDWIDE INC	eeft	73.40	8.40	20,553.23
	12/15/2015	12/18/2015	170 FABRINET	fn	21.89	5.10	3,721.98
	12/7/2015	12/10/2015	630 FABRINET	fn	23.40	18.90	14,740.43
	12/1/2015	12/4/2015	210 FABRINET	fn	23.85	6.30	5,007.70
	12/8/2015	12/11/2015	599 FARMER BROS CO	farm	31.98	11.98	19,153.26
	12/9/2015	12/14/2015	571 FARMER BROS CO	farm	31.99	11.42	18,264.98
	12/11/2015	12/16/2015	181 FARMER BROS CO	farm	31.86	3.62	5,766.06
	12/10/2015	12/15/2015	483 FARMER BROS CO	farm	31.97	9.66	15,440.21
	12/10/2015	12/15/2015	1,466 FIVE9 INC	fivn	7.37	29.32	10,800.17
	12/11/2015	12/16/2015	5,582 FIVE9 INC	fivn	7.56	111.64	42,180.38
	12/14/2015	12/17/2015	915 FIVE9 INC	fivn	7.68	18.30	7,030.86



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Purchases	12/15/2015	12/18/2015	210 FORWARD AIR CORP	fwrd	44.32	6.30	9,307.26
	12/1/2015	12/4/2015	310 FORWARD AIR CORP	fwrd	48.36	9.30	14,990.42
	12/21/2015	12/24/2015	1,680 GENOMIC HEALTH INC	ghdx	34.23	16.80	57,500.35
	12/11/2015	12/16/2015	17,375 GIGOPTIX INC	ggox	2.87	347.50	49,901.00
	12/14/2015	12/17/2015	340 GRANITE CONSTRUCTION INC.	gva	41.37	10.20	14,064.95
	12/15/2015	12/18/2015	560 GRANITE CONSTRUCTION INC.	gva	41.90	16.80	23,464.50
	12/16/2015	12/21/2015	500 GRANITE CONSTRUCTION INC.	gva	42.70	15.00	21,350.55
	12/22/2015	12/28/2015	300 GRANITE CONSTRUCTION INC.	gva	41.89	9.00	12,567.33
	12/21/2015	12/24/2015	300 GRANITE CONSTRUCTION INC.	gva	41.23	9.00	12,369.39
	12/23/2015	12/29/2015	400 GRANITE CONSTRUCTION INC.	gva	42.91	12.00	17,163.40
	12/17/2015	12/22/2015	126 GREAT WESTERN BANCORP INC	gwb	29.92	2.52	3,769.55
	12/3/2015	12/8/2015	250 GREATBATCH INC	gb	59.34	7.50	14,834.70
	12/3/2015	12/8/2015	1,545 GRIFFON CORPORATION	gff	18.88	30.90	29,171.76
	12/4/2015	12/9/2015	1,828 GRIFFON CORPORATION	gff	19.12	36.56	34,956.11
	12/7/2015	12/10/2015	570 GTT COMMUNICATIONS INC	gtt	20.83	17.10	11,873.21
	12/1/2015	12/4/2015	791 HEIDRICK & STRUGGLES INTL INC	hsii	29.52	15.82	23,349.13
	12/2/2015	12/7/2015	1,380 HEIDRICK & STRUGGLES INTL INC	hsii	29.99	27.60	41,386.61
	12/10/2015	12/15/2015	200 IMPERVA INC	impv	69.74	6.00	13,947.96
	12/14/2015	12/17/2015	130 IMPERVA INC	impv	66.10	3.90	8,592.44
	12/3/2015	12/8/2015	2,109 INC RESEARCH HOLDINGS INC	incr	45.42	42.18	95,780.87
	12/2/2015	12/7/2015	350 INPHI CORP	iphi	30.46	10.50	10,661.49
	12/3/2015	12/8/2015	380 INPHI CORP	iphi	29.01	11.40	11,024.10
	12/22/2015	12/28/2015	523 INSTRUCTURE INC	inst	21.69	5.23	11,343.40
	12/18/2015	12/23/2015	1,052 INSTRUCTURE INC	inst	21.92	10.52	23,055.63
	12/21/2015	12/24/2015	690 INSTRUCTURE INC	inst	21.40	6.90	14,764.34
	12/21/2015	12/24/2015	1,830 INTEGRATED DEVICE TECH INC	idti	26.87	36.60	49,167.34
	12/4/2015	12/9/2015	37 INTEGRATED DEVICE TECH INC	idti	28.00	0.37	1,036.00
	12/4/2015	12/9/2015	128 INTEGRATED DEVICE TECH INC	idti	28.78	2.56	3,684.48
	12/4/2015	12/9/2015	1,806 INTEGRATED DEVICE TECH INC	idti	28.53	36.12	51,518.50
	12/4/2015	12/9/2015	250 INTEGRATED DEVICE TECH INC	idti	28.71	12.50	7,177.50
	12/31/2015	1/6/2016	724 INTERNAP NETWORK SERVICES CORP	inap	6.39	14.48	4,627.81
	12/4/2015	12/9/2015	270 INTERXION HOLDING NV	inxn	30.34	8.10	8,192.15
	12/1/2015	12/4/2015	190 INTERXION HOLDING NV	inxn	30.41	5.70	5,778.30
	12/17/2015	12/22/2015	130 INTERXION HOLDING NV	inxn	29.74	3.90	3,866.46
	12/18/2015	12/23/2015	3,360 IRADIMED CORPORATION	irmd	24.25		81,480.00
	12/22/2015	12/28/2015	232 JOHN BEAN TECHNOLOGIES CORP	jbt	48.33	6.96	11,213.00
	12/23/2015	12/29/2015	300 JOHN BEAN TECHNOLOGIES CORP	jbt	49.45	9.00	14,835.48
	12/10/2015	12/15/2015	350 JOHN BEAN TECHNOLOGIES CORP	jbt	47.41	10.50	16,593.47



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Purchases	12/1/2015	12/4/2015	881 LIFELOCK INC	lock	15.36	8.81	13,529.25
	12/1/2015	12/4/2015	1,115 LIFELOCK INC	lock	15.42	22.30	17,198.76
	12/22/2015	12/28/2015	319 LITHIA MOTORS INCCL A	lad	107.96	6.38	34,437.87
	12/22/2015	12/28/2015	49 LITHIA MOTORS INCCL A	lad	108.06	0.98	5,294.70
	12/23/2015	12/29/2015	63 LITHIA MOTORS INCCL A	lad	108.07	1.26	6,808.23
	12/21/2015	12/24/2015	312 LITHIA MOTORS INCCL A	lad	105.07	3.12	32,782.50
	12/21/2015	12/24/2015	140 LITTELFUSE INC	lfus	105.63	4.20	14,788.41
	12/17/2015	12/22/2015	90 LITTELFUSE INC	lfus	106.68	2.70	9,601.36
	12/15/2015	12/18/2015	190 LITTELFUSE INC	lfus	106.43	5.70	20,221.13
	12/14/2015	12/17/2015	120 LITTELFUSE INC	lfus	106.07	3.60	12,728.35
	12/10/2015	12/15/2015	200 LITTELFUSE INC	lfus	107.96	6.00	21,592.22
	12/9/2015	12/14/2015	270 LITTELFUSE INC	lfus	107.64	8.10	29,061.61
	12/8/2015	12/11/2015	210 LITTELFUSE INC	lfus	107.99	6.30	22,677.54
	12/31/2015	1/6/2016	200 LITTELFUSE INC	lfus	107.56	6.00	21,511.22
	12/1/2015	12/4/2015	653 MAXIMUS INC	mms	56.92	13.06	37,166.02
	12/2/2015	12/7/2015	27 MAXIMUS INC	mms	56.94	0.54	1,537.29
	12/9/2015	12/14/2015	794 MEDIA GENERAL INC NEW	meg	14.68	15.88	11,655.92
	12/9/2015	12/14/2015	3,057 MEDIA GENERAL INC NEW	meg	14.82	122.28	45,291.90
	12/9/2015	12/14/2015	1,778 MEDIA GENERAL INC NEW	meg	14.49	35.56	25,756.11
	12/9/2015	12/14/2015	1,632 MEDIA GENERAL INC NEW	meg	14.70	32.64	23,985.34
	12/10/2015	12/15/2015	1,587 MEDIA GENERAL INC NEW	meg	15.03	31.74	23,856.26
	12/10/2015	12/15/2015	1,276 MEDIA GENERAL INC NEW	meg	14.82	63.80	18,910.32
	12/16/2015	12/21/2015	1,201 MEDIA GENERAL INC NEW	meg	15.52	36.03	18,638.32
	12/16/2015	12/21/2015	2,212 MEDIA GENERAL INC NEW	meg	15.42	44.24	34,111.03
	12/15/2015	12/18/2015	1,470 MEDIA GENERAL INC NEW	meg	15.01	29.40	22,063.97
	12/15/2015	12/18/2015	363 MEDIA GENERAL INC NEW	meg	15.02	7.26	5,450.45
	12/15/2015	12/18/2015	515 MEDIA GENERAL INC NEW	meg	14.96	15.45	7,704.40
	12/18/2015	12/23/2015	230 MONOLITHIC POWER SYSTEMS INC	mpwr	63.50	6.90	14,604.98
	12/2/2015	12/7/2015	240 MOTORCAR PARTS OF AMERICA INC	mpaa	39.42	7.20	9,461.42
	12/3/2015	12/8/2015	200 MOTORCAR PARTS OF AMERICA INC	mpaa	38.86	6.00	7,771.56
	12/1/2015	12/4/2015	320 NATUS MEDICAL INC	baby	49.80	9.60	15,934.50
	12/10/2015	12/15/2015	400 NATUS MEDICAL INC	baby	49.23	12.00	19,691.72
	12/21/2015	12/24/2015	440 NAVIGANT CONSULTING INC	nci	16.28	13.20	7,164.21
	12/17/2015	12/22/2015	90 NEOGENOMICS INC	neo	8.11	2.70	730.13
	12/14/2015	12/17/2015	670 NEOGENOMICS INC	neo	7.34	20.10	4,915.72
	12/15/2015	12/18/2015	610 NEOGENOMICS INC	neo	7.88	18.30	4,809.06
	12/8/2015	12/11/2015	820 NEOGENOMICS INC	neo	7.90	24.60	6,477.59
	12/1/2015	12/4/2015	930 NEOGENOMICS INC	neo	7.91	27.90	7,359.37



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Purchases	12/2/2015	12/7/2015	680 NEOGENOMICS INC	neo	7.87	20.40	5,351.53
	12/3/2015	12/8/2015	520 NEOGENOMICS INC	neo	7.77	15.60	4,039.15
	12/7/2015	12/10/2015	590 NEOGENOMICS INC	neo	7.73	17.70	4,561.41
	12/7/2015	12/10/2015	5,676 NEOPHOTONIOCS CORP	nptn	10.96	113.52	62,206.69
	12/17/2015	12/22/2015	546 NEUROCRINE BIOSCIENCES INC	nbix	53.54	10.92	29,234.04
	12/17/2015	12/22/2015	25 NEUROCRINE BIOSCIENCES INC	nbix	52.75	0.50	1,318.65
	12/24/2015	12/30/2015	81 NEW RELIC INC	newr	37.43	1.62	3,031.67
	12/28/2015	12/31/2015	111 NEW RELIC INC	newr	37.11	2.22	4,118.73
	12/31/2015	1/6/2016	208 NEXSTAR BROADCASTING GROUP INC	nxst	58.19	2.08	12,103.58
	12/31/2015	1/6/2016	68 NEXSTAR BROADCASTING GROUP INC	nxst	58.63	1.36	3,987.06
	12/23/2015	12/29/2015	281 NEXSTAR BROADCASTING GROUP INC	nxst	57.07	2.81	16,037.43
	12/22/2015	12/28/2015	600 NXSTAGE MEDICAL INC	nxtm	21.38	18.00	12,825.72
	12/17/2015	12/22/2015	570 NXSTAGE MEDICAL INC	nxtm	20.14	17.10	11,478.72
	12/15/2015	12/18/2015	560 NXSTAGE MEDICAL INC	nxtm	19.63	16.80	10,993.75
	12/14/2015	12/17/2015	690 NXSTAGE MEDICAL INC	nxtm	19.16	20.70	13,223.23
	12/8/2015	12/11/2015	860 NXSTAGE MEDICAL INC	nxtm	19.58	25.80	16,838.80
	12/10/2015	12/15/2015	800 NXSTAGE MEDICAL INC	nxtm	19.24	24.00	15,389.60
	12/9/2015	12/14/2015	560 NXSTAGE MEDICAL INC	nxtm	19.13	16.80	10,711.96
	12/7/2015	12/10/2015	880 NXSTAGE MEDICAL INC	nxtm	19.47	26.40	17,133.25
	12/4/2015	12/9/2015	780 NXSTAGE MEDICAL INC	nxtm	19.53	23.40	15,236.29
	12/3/2015	12/8/2015	1,490 NXSTAGE MEDICAL INC	nxtm	19.55	44.70	29,128.90
	12/16/2015	12/21/2015	408 OPHTHOTECH CORPORATION	opht	72.59	8.16	29,615.62
	12/28/2015	12/31/2015	651 OPHTHOTECH CORPORATION	opht	77.06	19.53	50,168.66
	12/22/2015	12/28/2015	5,258 ORBCOMM INC	orbc	7.32	105.16	38,470.16
	12/22/2015	12/28/2015	3,208 ORBCOMM INC	orbc	7.28	32.08	23,354.24
	12/16/2015	12/21/2015	830 OXFORD INDUSTRIES INC	oxm	64.62	24.90	53,636.51
	12/4/2015	12/9/2015	811 OXFORD INDUSTRIES INC	oxm	69.14	24.33	56,071.57
	12/9/2015	12/14/2015	998 OXFORD INDUSTRIES INC	oxm	63.21	29.94	63,080.59
	12/17/2015	12/22/2015	390 PACIRA PHARMACEUTICALS INC	pcrx	72.72	11.70	28,359.40
	12/16/2015	12/21/2015	600 PACIRA PHARMACEUTICALS INC	pcrx	72.15	18.00	43,287.60
	12/22/2015	12/28/2015	200 PACIRA PHARMACEUTICALS INC	pcrx	76.85	6.00	15,369.84
	12/18/2015	12/23/2015	379 PACIRA PHARMACEUTICALS INC	pcrx	75.91	7.58	28,771.06
	12/21/2015	12/24/2015	110 PACIRA PHARMACEUTICALS INC	pcrx	74.68	3.30	8,215.22
	12/29/2015	1/4/2016	280 PACIRA PHARMACEUTICALS INC	pcrx	79.35	8.40	22,218.78
	12/30/2015	1/5/2016	300 PACIRA PHARMACEUTICALS INC	pcrx	77.88	9.00	23,364.54
	12/31/2015	1/6/2016	310 PAPA JOHNS INTL INC	pzza	56.54	6.20	17,528.61
	12/4/2015	12/9/2015	1,400 PAPA JOHNS INTL INC	pzza	57.96	28.00	81,151.00
	12/15/2015	12/18/2015	1,497 PARSLEY ENERGY INC	pe	19.55	29.94	29,265.00



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Purchases	12/21/2015	12/24/2015	230 PEGASYSTEMS INC	pega	27.63	6.90	6,354.30
	12/22/2015	12/28/2015	200 PEGASYSTEMS INC	pega	27.77	6.00	5,553.94
	12/2/2015	12/7/2015	470 PEGASYSTEMS INC	pega	29.58	14.10	13,903.21
	12/22/2015	12/28/2015	900 POWERSECURE INTERNATIONAL INC	powr	14.84	27.00	13,354.92
	12/21/2015	12/24/2015	460 POWERSECURE INTERNATIONAL INC	powr	14.46	13.80	6,651.42
	12/31/2015	1/6/2016	530 POWERSECURE INTERNATIONAL INC	powr	15.02	15.90	7,961.18
	12/4/2015	12/9/2015	448 PRA GROUP INC	praa	39.33	13.44	17,619.84
	12/7/2015	12/10/2015	301 PRA GROUP INC	praa	39.05	6.02	11,752.97
	12/9/2015	12/14/2015	410 PROTHENA CORPORATION PLC	prta	66.88	8.20	27,422.77
	12/16/2015	12/21/2015	384 PTC THERAPEUTICS INC	ptct	33.97	7.68	13,043.94
	12/17/2015	12/22/2015	82 PTC THERAPEUTICS INC	ptct	34.05	1.64	2,792.19
	12/7/2015	12/10/2015	189 PUMA BIOTECHNOLOGY INC	pbyi	78.95	3.78	14,920.83
	12/4/2015	12/9/2015	68 PUMA BIOTECHNOLOGY INC	pbyi	75.75	1.36	5,151.00
	12/4/2015	12/9/2015	83 PUMA BIOTECHNOLOGY INC	pbyi	76.50	2.49	6,349.09
	12/4/2015	12/9/2015	20 PUMA BIOTECHNOLOGY INC	pbyi	76.36	0.40	1,527.17
	12/4/2015	12/9/2015	650 REALPAGE INC	rp	22.95	19.50	14,916.14
	12/3/2015	12/8/2015	1,010 REALPAGE INC	rp	22.41	30.30	22,636.52
	12/7/2015	12/10/2015	630 REALPAGE INC	rp	23.12	18.90	14,566.61
	12/8/2015	12/11/2015	590 REALPAGE INC	rp	23.32	17.70	13,756.79
	12/21/2015	12/24/2015	520 REALPAGE INC	rp	22.84	15.60	11,878.83
	12/31/2015	1/6/2016	820 REALPAGE INC	rp	22.59	24.60	18,520.44
	12/28/2015	12/31/2015	1,591 ROVI CORP	rovi	17.66	31.82	28,093.72
	12/28/2015	12/31/2015	267 ROVI CORP	rovi	17.61	2.67	4,700.56
	12/1/2015	12/4/2015	5,281 SANGAMO BIOSCIENCES INC	sgmo	9.14	105.62	48,262.53
	12/8/2015	12/11/2015	2,051 SHUTTERSTOCK INC	sstk	34.07	61.53	69,871.42
	12/9/2015	12/14/2015	1,096 SHUTTERSTOCK INC	sstk	35.25	32.88	38,632.79
	12/8/2015	12/11/2015	730 SPORTSMANS WAREHOUSE HOLDINGS INC	spwh	11.77	21.90	8,592.39
	12/23/2015	12/29/2015	400 SPORTSMANS WAREHOUSE HOLDINGS INC	spwh	12.76	12.00	5,102.04
	12/4/2015	12/9/2015	240 STANDEX INTL CORP	sxi	87.78	7.20	21,067.73
	12/23/2015	12/29/2015	300 STERIS PLC	ste	76.13	9.00	22,840.44
	12/22/2015	12/28/2015	600 STERIS PLC	ste	74.03	18.00	44,419.50
	12/9/2015	12/9/2015	107 SUMMIT MATERIALS INC	sum	20.59	0.00	2,195.92
	12/9/2015	12/9/2015	288 SUMMIT MATERIALS INC	sum	20.59	0.00	5,922.30
	12/21/2015	12/24/2015	1,341 SUNRUN INC	run	14.11	13.41	18,924.06
	12/18/2015	12/23/2015	519 SUNRUN INC	run	13.78	5.19	7,149.64
	12/18/2015	12/23/2015	299 SUNRUN INC	run	13.77	2.99	4,117.17
	12/18/2015	12/23/2015	1,203 SUPERNUS PHARMACEUTICALS INC	supn	14.14	36.09	17,014.39
	12/17/2015	12/22/2015	2,485 SUPERNUS PHARMACEUTICALS INC	supn	13.78	74.55	34,239.82



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Purchases	12/31/2015	1/6/2016	402 TEAM HEALTH HOLDINGS INC	tmh	44.43	8.04	17,860.30
	12/7/2015	12/10/2015	210 TENNECO INC	ten	51.98	6.30	10,916.09
	12/8/2015	12/11/2015	5,067 THE RUBICON PROJECT INC	rubi	15.31	101.34	77,561.61
	12/9/2015	12/14/2015	5,453 THE RUBICON PROJECT INC	rubi	15.29	109.06	83,367.42
	12/7/2015	12/10/2015	5,155 THE RUBICON PROJECT INC	rubi	15.25	103.10	78,594.78
	12/4/2015	12/9/2015	5,051 THE RUBICON PROJECT INC	rubi	15.37	101.02	77,623.64
	12/2/2015	12/7/2015	4,667 THE RUBICON PROJECT INC	rubi	15.49	93.34	72,283.33
	12/1/2015	12/4/2015	3,317 THE RUBICON PROJECT INC	rubi	14.98	66.34	49,672.74
	12/22/2015	12/28/2015	4,508 THE RUBICON PROJECT INC	rubi	16.18	90.16	72,960.52
	12/30/2015	1/5/2016	4,318 THE RUBICON PROJECT INC	rubi	16.76	86.36	72,364.08
	12/8/2015	12/11/2015	3,326 THERAPEUTICSMD INC	txmd	9.35	66.52	31,097.77
	12/17/2015	12/22/2015	142 TYLER TECHNOLOGIES INC	tyl	177.63	2.84	25,223.33
	12/8/2015	12/11/2015	365 USG CORP	usg	23.46	7.30	8,562.68
	12/7/2015	12/10/2015	816 USG CORP	usg	23.52	16.32	19,190.52
	12/8/2015	12/11/2015	100 VISTEON CORP	vc	119.19	3.00	11,918.64
	12/31/2015	1/6/2016	140 VISTEON CORP	VC	115.19	4.20	16,127.10
	12/16/2015	12/21/2015	1,600 VONAGE HLDGS CORP	vg	5.88	48.00	9,409.60
	12/2/2015	12/7/2015	721 WAYFAIR INC	w	42.66	14.42	30,757.86
	12/2/2015	12/7/2015	560 WEBSTER FINANCIAL CORP	wbs	39.95	16.80	22,370.99
	12/1/2015	12/4/2015	530 WEBSTER FINANCIAL CORP	wbs	40.34	15.90	21,379.46
	12/9/2015	12/14/2015	240 WEBSTER FINANCIAL CORP	wbs	38.64	7.20	9,273.94
	12/15/2015	12/18/2015	1,328 WNS HOLDINGS LIMITED	wns	30.44	26.56	40,427.24
	12/22/2015	12/28/2015	250 WNS HOLDINGS LIMITED	wns	31.36	5.00	7,841.03
	12/22/2015	12/28/2015	184 WNS HOLDINGS LIMITED	wns	31.28	1.84	5,755.26
	12/8/2015	12/11/2015	3,306 ZAGG INC	zagg	12.18	66.12	40,273.03
	12/9/2015	12/14/2015	1,581 ZAGG INC	zagg	12.32	31.62	19,478.87
	12/8/2015	12/11/2015	470 ZENDESK INC	zen	26.99	14.10	12,684.78
	12/1/2015	12/4/2015	900 ZENDESK INC	zen	25.63	27.00	23,063.40
	12/2/2015	12/7/2015	1,450 ZENDESK INC	zen	26.44	43.50	38,337.71
	12/3/2015	12/8/2015	480 ZENDESK INC	zen	26.64	14.40	12,789.60
	12/16/2015	12/21/2015	600 ZENDESK INC	zen	26.04	18.00	15,621.36
			265,151 Total Purchases		11,553.44	5,943.41	5,888,859.92
Sales	12/7/2015	12/10/2015	210 ABIOMED INC	abmd	79.42	6.30	16,678.84
	12/23/2015	12/29/2015	7,648 ACACIA RESEARCH CORP	actg	3.91	229.44	29,939.83
	12/1/2015	12/4/2015	92 ACUITY BRANDS INC	ауі	232.67	1.84	21,406.02
	12/29/2015	12/31/2015	131 ACUITY BRANDS INC	ауі	235.97	2.62	30,911.43
	12/1/2015	12/4/2015	745 ALERE INC	alr	41.59	22.35	30,987.92
	12/28/2015	12/31/2015	278 ALIGN TECHNOLOGY INC	algn	66.33	5.56	18,439.04



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Sales	12/30/2015	1/5/2016	132 ALIGN TECHNOLOGY INC	algn	66.28	2.64	8,748.79
	12/30/2015	1/5/2016	47 ALIGN TECHNOLOGY INC	algn	66.34	0.94	3,117.86
	12/10/2015	12/15/2015	129 AMERICAN WOODMARK CORP	amwd	84.41	2.58	10,889.33
	12/14/2015	12/17/2015	250 AMN HEALTHCARE SVCS INC	ahs	29.08	7.50	7,268.99
	12/15/2015	12/18/2015	500 AMN HEALTHCARE SVCS INC	ahs	29.20	15.00	14,599.73
	12/16/2015	12/21/2015	700 AMN HEALTHCARE SVCS INC	ahs	29.67	21.00	20,772.46
	12/17/2015	12/22/2015	500 AMN HEALTHCARE SVCS INC	ahs	29.93	15.00	14,963.87
	12/21/2015	12/24/2015	500 AMN HEALTHCARE SVCS INC	ahs	29.92	15.00	14,958.32
	12/18/2015	12/23/2015	700 AMN HEALTHCARE SVCS INC	ahs	29.59	21.00	20,716.39
	12/10/2015	12/15/2015	480 AMN HEALTHCARE SVCS INC	ahs	30.20	14.40	14,494.19
	12/22/2015	12/28/2015	360 AMSURG CORP	amsg	75.62	10.80	27,222.87
	12/11/2015	12/16/2015	1,357 ARGAN INC	agx	30.88	27.14	41,899.99
	12/3/2015	12/7/2015	216 ARGAN INC	agx	37.87	4.32	8,180.39
	12/3/2015	12/8/2015	220 ATRICURE INC	atrc	21.59	6.60	4,750.74
	12/4/2015	12/9/2015	300 ATRICURE INC	atrc	21.43	9.00	6,427.65
	12/2/2015	12/7/2015	638 B&G FOODS INC	bgs	36.38	12.76	23,213.07
	12/2/2015	12/7/2015	290 BIOTELEMETRY INC	beat	12.78	8.70	3,706.07
	12/1/2015	12/4/2015	570 BIOTELEMETRY INC	beat	12.55	17.10	7,155.93
	12/3/2015	12/8/2015	320 BIOTELEMETRY INC	beat	12.31	9.60	3,939.28
	12/10/2015	12/15/2015	450 BIOTELEMETRY INC	beat	12.17	13.50	5,474.86
	12/9/2015	12/14/2015	480 BIOTELEMETRY INC	beat	12.05	14.40	5,781.78
	12/8/2015	12/11/2015	580 BIOTELEMETRY INC	beat	12.27	17.40	7,117.33
	12/14/2015	12/17/2015	440 BIOTELEMETRY INC	beat	11.80	13.20	5,193.18
	12/15/2015	12/18/2015	1,000 BIOTELEMETRY INC	beat	11.89	30.00	11,894.38
	12/17/2015	12/22/2015	1,100 BIOTELEMETRY INC	beat	12.17	33.00	13,389.06
	12/16/2015	12/21/2015	320 BIOTELEMETRY INC	beat	12.06	9.60	3,859.06
	12/18/2015	12/23/2015	405 BIOTELEMETRY INC	beat	11.92	12.15	4,826.70
	12/7/2015	12/10/2015	3,512 BSQUARE CORP	bsqr	6.03	70.24	21,167.83
	12/8/2015	12/11/2015	362 CAVIUM INC	cavm	64.01	7.24	23,171.44
	12/10/2015	12/15/2015	765 CIENA CORP	cien	20.14	15.30	15,406.05
	12/10/2015	12/15/2015	532 CIENA CORP	cien	20.05	10.64	10,664.17
	12/16/2015	12/21/2015	798 CIRRUS LOGIC INC	crus	30.22	15.96	24,118.70
	12/17/2015	12/21/2015	846 CLAYTON WILLIAMS ENERGY INC	cwei	35.63	16.92	30,142.34
	12/17/2015	12/21/2015	468 COMFORT SYS USA INC	fix	29.84	9.36	13,967.25
	12/21/2015	12/24/2015	335 COMFORT SYS USA INC	fix	28.15	6.70	9,429.77
	12/17/2015	12/22/2015	3,540 CONSTANT CONTACT INC	ctct	28.87	106.20	102,204.99
	12/2/2015	12/7/2015	3,367 CONSTANT CONTACT INC	ctct	31.29	101.01	105,358.55
	12/30/2015	1/5/2016	1,896 CONSTANT CONTACT INC	ctct	29.15	56.88	55,275.34



Sales	12/31/2015 12/3/2015 12/22/2015 12/18/2015 12/21/2015	1/6/2016 12/8/2015 12/28/2015 12/23/2015	1,632 CONSTANT CONTACT INC 450 CORELOGIC INC 400 CORELOGIC INC	ctct clgx	29.14 37.41	48.96 13.50	47,552.01 16,835.31
	12/22/2015 12/18/2015 12/21/2015	12/28/2015		clgx	37.41	13 50	16 925 21
	12/18/2015 12/21/2015		400 CORELOGIC INC			10.00	10,055.31
	12/21/2015	12/23/2015		clgx	33.56	12.00	13,425.31
			600 CORELOGIC INC	clgx	34.72	18.00	20,831.31
		12/24/2015	400 CORELOGIC INC	clgx	33.88	12.00	13,550.75
	12/23/2015	12/29/2015	425 CORELOGIC INC	clgx	34.23	12.75	14,547.82
	12/17/2015	12/22/2015	300 CORELOGIC INC	clgx	36.04	9.00	10,811.86
	12/16/2015	12/21/2015	280 CORELOGIC INC	clgx	36.99	8.40	10,357.84
	12/14/2015	12/17/2015	400 CORELOGIC INC	clgx	35.78	12.00	14,310.13
	12/22/2015	12/28/2015	1,080 CROSS CTRY HEALTHCARE INC	ccrn	16.64	21.60	17,965.90
	12/23/2015	12/29/2015	175 CROSS CTRY HEALTHCARE INC	ccrn	16.92	3.50	2,961.06
	12/23/2015	12/29/2015	178 CROSS CTRY HEALTHCARE INC	ccrn	16.98	3.56	3,022.38
	12/4/2015	12/9/2015	1,165 CROSS CTRY HEALTHCARE INC	ccrn	16.98	23.30	19,787.50
	12/4/2015	12/9/2015	277 CROSS CTRY HEALTHCARE INC	ccrn	17.04	5.54	4,720.13
	12/1/2015	12/4/2015	1,656 CROSS CTRY HEALTHCARE INC	ccrn	17.32	33.12	28,675.93
	12/2/2015	12/7/2015	490 DAVE AND BUSTERS ENTERTAINMENT INC	play	37.82	14.70	18,532.63
	12/8/2015	12/11/2015	460 DAVE AND BUSTERS ENTERTAINMENT INC	play	39.28	13.80	18,069.52
	12/28/2015	12/31/2015	450 DEPOMED INC	depo	18.49	13.50	8,320.98
	12/22/2015	12/28/2015	740 DEPOMED INC	depo	17.97	22.20	13,298.44
	12/23/2015	12/29/2015	330 DEPOMED INC	depo	18.54	9.90	6,119.15
	12/21/2015	12/24/2015	500 DEPOMED INC	depo	18.30	15.00	9,151.18
	12/31/2015	1/6/2016	790 DEPOMED INC	depo	18.29	23.70	14,451.60
	12/30/2015	1/5/2016	720 DEPOMED INC	depo	18.80	21.60	13,539.35
	12/29/2015	1/4/2016	400 DEPOMED INC	depo	18.68	12.00	7,473.58
	12/7/2015	12/10/2015	980 DIEBOLD INC	dbd	32.58	29.40	31,925.26
	12/2/2015	12/4/2015	273 DIGIMARC CORP	dmrc	33.95	2.73	9,267.51
	12/1/2015	12/4/2015	131 DIGIMARC CORP	dmrc	34.19	1.31	4,479.23
	12/4/2015	12/9/2015	532 DIGIMARC CORP	dmrc	32.94	5.32	17,526.20
	12/3/2015	12/7/2015	240 DIGIMARC CORP	dmrc	32.55	2.40	7,811.18
	12/8/2015	12/11/2015	279 DYNAVAX TECHNOLOGIES	dvax	26.62	5.58	7,426.14
	12/29/2015	1/4/2016	386 DYNAVAX TECHNOLOGIES	dvax	24.31	7.72	9,382.86
	12/23/2015	12/28/2015	104 EAGLE PHARMACEUTICALS INC	egrx	92.19	2.08	9,588.16
	12/3/2015	12/7/2015	1,611 EARTHLINK HOLDINGS CORPORATION	elnk	8.47	32.22	13,645.55
	12/9/2015	12/14/2015	1,776 EMCORE CORP	emkr	7.28	35.52	12,937.03
	12/23/2015	12/28/2015	1,214 EMCORE CORP	emkr	6.03	24.28	7,316.03
	12/28/2015	12/31/2015	3,023 EMCORE CORP	emkr	5.94	30.23	17,952.35
	12/29/2015	1/4/2016	500 EMCORE CORP	emkr	6.15	5.00	3,073.69
	12/29/2015	1/4/2016	2,260 EMCORE CORP	emkr	6.17	22.60	13,935.80



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Sales	12/8/2015	12/11/2015	1,824 EXELIXIS INC	exel	5.09	36.48	9,277.78
	12/7/2015	12/10/2015	66 EXL SERVICE HLDGS INC	exIs	45.59	1.32	3,008.99
	12/4/2015	12/9/2015	39 EXL SERVICE HLDGS INC	exIs	46.16	0.78	1,800.32
	12/23/2015	12/29/2015	671 EXL SERVICE HLDGS INC	exIs	45.19	6.71	30,319.58
	12/18/2015	12/23/2015	225 FIBROGEN INC	fgen	29.27	4.50	6,585.89
	12/22/2015	12/24/2015	267 FIVE PRIME THERAPEUTICS INC	fprx	42.30	5.34	11,295.12
	12/21/2015	12/24/2015	260 FLEETMATICS GROUP PLC	fltx	50.13	7.80	13,033.07
	12/18/2015	12/23/2015	400 FLEETMATICS GROUP PLC	fltx	51.07	12.00	20,429.78
	12/14/2015	12/17/2015	280 FLEETMATICS GROUP PLC	fltx	47.97	8.40	13,430.99
	12/16/2015	12/21/2015	380 FLEETMATICS GROUP PLC	fltx	52.41	11.40	19,915.96
	12/15/2015	12/18/2015	300 FLEETMATICS GROUP PLC	fltx	50.64	9.00	15,192.80
	12/17/2015	12/22/2015	300 FLEETMATICS GROUP PLC	fltx	52.70	9.00	15,809.94
	12/9/2015	12/14/2015	43 FLEETMATICS GROUP PLC	fltx	55.30	0.86	2,377.80
	12/9/2015	12/14/2015	216 FLEETMATICS GROUP PLC	fltx	55.25	4.32	11,933.54
	12/9/2015	12/14/2015	479 FLEETMATICS GROUP PLC	fltx	55.25	14.37	26,466.66
	12/9/2015	12/14/2015	680 FLOWERS FOODS INC	flo	21.91	20.40	14,895.66
	12/10/2015	12/15/2015	660 FLOWERS FOODS INC	flo	21.67	19.80	14,304.24
	12/8/2015	12/11/2015	650 FLOWERS FOODS INC	flo	22.11	19.50	14,370.13
	12/4/2015	12/9/2015	660 FLOWERS FOODS INC	flo	22.34	19.80	14,745.57
	12/3/2015	12/8/2015	830 FLOWERS FOODS INC	flo	22.23	24.90	18,453.95
	12/14/2015	12/17/2015	1,015 FLOWERS FOODS INC	flo	21.80	30.45	22,123.04
	12/1/2015	12/4/2015	485 G-III APPAREL GROUP LTD	giii	46.15	14.55	22,382.18
	12/8/2015	12/11/2015	630 GIGAMON INC	gimo	27.55	18.90	17,353.41
	12/7/2015	12/10/2015	590 GIGAMON INC	gimo	27.04	17.70	15,955.96
	12/9/2015	12/14/2015	185 GIGAMON INC	gimo	27.20	5.55	5,031.81
	12/22/2015	12/28/2015	600 GREATBATCH INC	gb	50.91	18.00	30,543.99
	12/11/2015	12/16/2015	912 GTT COMMUNICATIONS INC	gtt	17.31	18.24	15,782.86
	12/14/2015	12/17/2015	1,366 GTT COMMUNICATIONS INC	gtt	16.28	27.32	22,235.06
	12/8/2015	12/11/2015	344 GTT COMMUNICATIONS INC	gtt	20.02	6.88	6,887.99
	12/8/2015	12/11/2015	322 HANMI FINL CORP	hafc	24.08	6.44	7,753.88
	12/23/2015	12/28/2015	2,131 HANMI FINL CORP	hafc	24.39	42.62	51,980.52
	12/14/2015	12/17/2015	394 HEARTLAND FINANCIAL USA INC	htlf	32.13	7.88	12,660.91
	12/11/2015	12/16/2015	291 HEARTLAND FINANCIAL USA INC	htlf	32.57	5.82	9,478.10
	12/10/2015	12/15/2015	389 HEARTLAND FINANCIAL USA INC	htlf	33.74	7.78	13,125.82
	12/9/2015	12/14/2015	256 HEARTLAND FINANCIAL USA INC	htlf	33.98	5.12	8,697.89
	12/9/2015	12/14/2015	124 HEARTLAND FINANCIAL USA INC	htlf	34.29	2.48	4,251.63
	12/8/2015	12/11/2015	209 HEARTLAND FINANCIAL USA INC	htlf	34.77	4.18	7,267.31
	12/10/2015	12/15/2015	34 HEARTLAND PAYMENT SYSTEMS INC	hpy	78.04	0.68	2,653.34



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Sales	12/10/2015	12/15/2015	36 HEARTLAND PAYMENT SYSTEMS INC	hpy	91.04	0.72	3,277.54
	12/10/2015	12/15/2015	14 HEARTLAND PAYMENT SYSTEMS INC	hpy	93.63	0.28	1,310.88
	12/10/2015	12/15/2015	157 HEARTLAND PAYMENT SYSTEMS INC	hpy	77.94	3.14	12,236.35
	12/9/2015	12/14/2015	500 HEARTLAND PAYMENT SYSTEMS INC	hpy	77.86	10.00	38,929.28
	12/9/2015	12/14/2015	51 HEARTLAND PAYMENT SYSTEMS INC	hpy	77.88	1.02	3,971.69
	12/1/2015	12/4/2015	290 HEARTLAND PAYMENT SYSTEMS INC	hpy	79.28	8.70	22,991.15
	12/9/2015	12/14/2015	275 HEICO CORP	hei	49.56	11.00	13,629.37
	12/9/2015	12/14/2015	140 HEICO CORP	hei	50.15	2.80	7,021.57
	12/9/2015	12/14/2015	275 HEICO CORP	hei	49.61	5.50	13,641.98
	12/10/2015	12/15/2015	19 HEICO CORP	hei	50.38	0.38	957.23
	12/10/2015	12/15/2015	479 HEICO CORP	hei	49.93	9.58	23,917.90
	12/11/2015	12/16/2015	323 HEICO CORP	hei	48.46	6.46	15,652.10
	12/14/2015	12/17/2015	78 HEICO CORP	hei	48.21	1.56	3,760.38
	12/17/2015	12/22/2015	873 HEICO CORP	hei	49.74	17.46	43,422.13
	12/16/2015	12/21/2015	212 HEICO CORP	hei	50.15	4.24	10,630.96
	12/16/2015	12/21/2015	695 HEICO CORP	hei	50.17	13.90	34,868.07
	12/21/2015	12/24/2015	68 HEICO CORP	hei	49.66	1.36	3,376.86
	12/21/2015	12/24/2015	92 HEICO CORP	hei	49.70	2.76	4,572.31
	12/18/2015	12/23/2015	514 HEICO CORP	hei	49.36	10.28	25,371.50
	12/7/2015	12/10/2015	150 HELEN OF TROY LTD	hele	102.79	4.50	15,418.36
	12/31/2015	1/6/2016	250 HELEN OF TROY LTD	hele	94.72	7.50	23,678.86
	12/4/2015	12/9/2015	3,558 HOMEAWAY INC	away	35.50	106.74	126,300.27
	12/18/2015	12/23/2015	206 HUBSPOT INC	hubs	55.74	4.12	11,482.14
	12/21/2015	12/24/2015	91 HUBSPOT INC	hubs	55.11	1.82	5,015.36
	12/29/2015	1/4/2016	609 IMMERSION CORP	immr	11.85	12.18	7,219.56
	12/4/2015	12/9/2015	370 INOGEN INC	ingn	39.91	11.10	14,768.05
	12/3/2015	12/8/2015	450 INOGEN INC	ingn	38.50	13.50	17,324.68
	12/7/2015	12/10/2015	290 INOGEN INC	ingn	39.68	8.70	11,506.34
	12/8/2015	12/11/2015	190 INOGEN INC	ingn	40.62	5.70	7,718.62
	12/28/2015	12/31/2015	309 INPHI CORP	iphi	26.88	6.18	8,304.89
	12/4/2015	12/9/2015	360 INSTALLED BUILDING PRODUCTS INC	ibp	24.16	10.80	8,697.50
	12/7/2015	12/10/2015	271 INSTALLED BUILDING PRODUCTS INC	ibp	23.99	8.13	6,500.36
	12/3/2015	12/8/2015	309 INSTALLED BUILDING PRODUCTS INC	ibp	24.52	9.27	7,577.25
	12/4/2015	12/9/2015	453 INSULET CORP	podd	36.50	9.06	16,533.84
	12/7/2015	12/10/2015	166 INSULET CORP	podd	35.95	3.32	5,967.66
	12/7/2015	12/10/2015	1,374 INSULET CORP	podd	36.24	41.22	49,799.57
	12/7/2015	12/10/2015	1,053 INSULET CORP	podd	36.04	21.06	37,946.26
	12/24/2015	12/30/2015	15 INSULET CORP	podd	38.08	0.30	571.21



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Sales	12/24/2015	12/30/2015	27 INSULET CORP	podd	37.90	1.35	1,023.28
	12/23/2015	12/29/2015	67 INSULET CORP	podd	38.17	3.35	2,557.37
	12/23/2015	12/29/2015	45 INSULET CORP	podd	38.11	0.90	1,715.02
	12/23/2015	12/29/2015	44 INSULET CORP	podd	38.03	0.88	1,673.28
	12/15/2015	12/18/2015	788 INTELIQUENT INC	iqnt	17.89	15.76	14,098.16
	12/17/2015	12/18/2015	385 INTELIQUENT INC	iqnt	17.93	7.70	6,901.73
	12/16/2015	12/18/2015	1,691 INTELIQUENT INC	iqnt	17.72	33.82	29,961.25
	12/3/2015	12/8/2015	5 INTERNAP NETWORK SERVICES CORP	inap	7.30	0.10	36.49
	12/2/2015	12/7/2015	2,430 INTERNAP NETWORK SERVICES CORP	inap	7.37	48.60	17,915.09
	12/4/2015	12/9/2015	2,482 ISHARES RUSSELL 2000 GROWTH INDEX FUND	iwo	144.94	49.64	359,735.11
	12/30/2015	1/5/2016	2,092 ISHARES RUSSELL 2000 GROWTH INDEX FUND	iwo	142.15	41.84	297,372.54
	12/2/2015	12/4/2015	2,592 ISLE OF CAPRI CASINOS	isle	15.79	51.84	40,917.59
	12/8/2015	12/11/2015	336 KFORCE INC	kfrc	26.08	6.72	8,764.12
	12/10/2015	12/15/2015	393 KFORCE INC	kfrc	24.84	7.86	9,763.91
	12/24/2015	12/30/2015	242 KFORCE INC	kfrc	24.88	2.42	6,021.49
	12/23/2015	12/28/2015	1,120 KFORCE INC	kfrc	24.85	22.40	27,832.15
	12/28/2015	12/31/2015	334 KFORCE INC	kfrc	24.74	3.34	8,264.54
	12/22/2015	12/28/2015	1,260 KNOLL INC	knl	18.55	25.20	23,369.28
	12/22/2015	12/28/2015	54 KNOLL INC	knl	18.47	0.54	997.63
	12/28/2015	12/31/2015	45 KRATON PERFORMANCE POLYMERS INC	kra	17.67	0.45	795.28
	12/28/2015	12/31/2015	107 KRATON PERFORMANCE POLYMERS INC	kra	17.71	2.14	1,895.44
	12/29/2015	1/4/2016	324 KRATON PERFORMANCE POLYMERS INC	kra	17.04	3.24	5,521.17
	12/29/2015	1/4/2016	268 KRATON PERFORMANCE POLYMERS INC	kra	17.01	5.36	4,559.58
	12/30/2015	1/5/2016	294 KRATON PERFORMANCE POLYMERS INC	kra	16.99	2.94	4,994.75
	12/30/2015	1/5/2016	70 KRATON PERFORMANCE POLYMERS INC	kra	16.93	0.70	1,185.07
	12/31/2015	1/6/2016	232 KRATON PERFORMANCE POLYMERS INC	kra	16.68	2.32	3,870.07
	12/29/2015	1/4/2016	1,549 LGI HOMES INC	lgih	23.30	30.98	36,087.93
	12/21/2015	12/24/2015	988 LGI HOMES INC	lgih	21.58	19.76	21,319.06
	12/14/2015	12/17/2015	347 LGI HOMES INC	lgih	23.82	6.94	8,265.69
	12/7/2015	12/10/2015	291 LGI HOMES INC	lgih	28.63	5.82	8,330.41
	12/1/2015	12/4/2015	236 LGI HOMES INC	lgih	35.46	4.72	8,368.80
	12/2/2015	12/7/2015	357 LITHIA MOTORS INCCL A	lad	124.04	3.57	44,281.39
	12/3/2015	12/8/2015	30 LITHIA MOTORS INCCL A	lad	123.13	0.30	3,693.82
	12/4/2015	12/9/2015	422 LITHIA MOTORS INCCL A	lad	123.98	8.44	52,318.18
	12/7/2015	12/10/2015	622 LITHIA MOTORS INCCL A	lad	123.15	12.44	76,600.44
	12/8/2015	12/11/2015	14 LITHIA MOTORS INCCL A	lad	121.68	0.14	1,703.49
	12/8/2015	12/11/2015	18 LITHIA MOTORS INCCL A	lad	122.02	0.36	2,196.39
	12/9/2015	12/14/2015	190 LITHIA MOTORS INCCL A	lad	121.32	3.80	23,051.63



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Sales	12/10/2015	12/15/2015	17 LITHIA MOTORS INCCL A	lad	121.23	0.34	2,060.90
	12/10/2015	12/15/2015	270 LIVANOVA PLC	livn	56.03	8.10	15,127.90
	12/9/2015	12/14/2015	250 LIVANOVA PLC	livn	56.26	7.50	14,064.12
	12/8/2015	12/11/2015	240 LIVANOVA PLC	livn	57.00	7.20	13,679.08
	12/15/2015	12/18/2015	260 LIVANOVA PLC	livn	53.97	7.80	14,031.16
	12/22/2015	12/28/2015	511 MA COM TECHNOLOGY SOLUTIONS HOLDINGS INC	mtsi	39.53	10.22	20,199.41
	12/22/2015	12/28/2015	615 MA COM TECHNOLOGY SOLUTIONS HOLDINGS INC	mtsi	39.71	6.15	24,423.66
	12/23/2015	12/29/2015	166 MA COM TECHNOLOGY SOLUTIONS HOLDINGS INC	mtsi	39.97	1.66	6,634.43
	12/2/2015	12/7/2015	555 MARKETO INC	mkto	28.85	16.65	16,012.56
	12/1/2015	12/4/2015	460 MARKETO INC	mkto	29.20	13.80	13,433.87
	12/18/2015	12/23/2015	436 MATRIX SVC CO	mtrx	20.19	4.36	8,804.46
	12/18/2015	12/23/2015	1,808 MATRIX SVC CO	mtrx	20.36	18.08	36,806.58
	12/21/2015	12/24/2015	251 MEDICINES CO	mdco	35.90	2.51	9,011.01
	12/21/2015	12/24/2015	157 MEDICINES CO	mdco	35.99	3.14	5,650.41
	12/22/2015	12/28/2015	378 MEDICINES CO	mdco	36.52	3.78	13,805.81
	12/1/2015	12/4/2015	280 MEDIDATA SOLUTIONS INC	mdso	45.55	8.40	12,754.49
	12/2/2015	12/7/2015	490 MEDIDATA SOLUTIONS INC	mdso	44.98	14.70	22,038.76
	12/3/2015	12/8/2015	500 MEDIDATA SOLUTIONS INC	mdso	43.22	15.00	21,608.40
	12/8/2015	12/11/2015	1,770 MGIC INVT CORP	mtg	9.14	53.10	16,177.32
	12/17/2015	12/22/2015	2,400 MGIC INVT CORP	mtg	8.95	72.00	21,488.96
	12/31/2015	1/6/2016	2,260 MGIC INVT CORP	mtg	8.82	67.80	19,924.47
	12/31/2015	1/6/2016	354 MOELIS AND COMPANY	mc	29.09	7.08	10,299.44
	12/31/2015	1/6/2016	474 MOELIS AND COMPANY	mc	29.18	9.48	13,831.83
	12/30/2015	1/5/2016	163 MOELIS AND COMPANY	mc	29.40	3.26	4,791.95
	12/29/2015	1/4/2016	72 MOELIS AND COMPANY	mc	29.06	1.44	2,092.64
	12/29/2015	1/4/2016	600 MOELIS AND COMPANY	mc	28.99	12.00	17,393.67
	12/28/2015	12/31/2015	387 MOELIS AND COMPANY	mc	28.89	7.74	11,180.22
	12/28/2015	12/31/2015	89 MOELIS AND COMPANY	mc	28.84	1.78	2,566.59
	12/21/2015	12/24/2015	345 MOELIS AND COMPANY	mc	28.00	6.90	9,659.51
	12/21/2015	12/24/2015	324 MOELIS AND COMPANY	mc	28.14	9.72	9,117.19
	12/1/2015	12/4/2015	574 MOELIS AND COMPANY	mc	29.43	17.22	16,892.50
	12/1/2015	12/4/2015	288 MOELIS AND COMPANY	mc	29.26	5.76	8,428.16
	12/1/2015	12/4/2015	425 MOELIS AND COMPANY	mc	29.38	8.50	12,487.76
	12/2/2015	12/7/2015	1,680 MONSTER WORLDWIDE INC	mww	6.33	50.40	10,629.33
	12/7/2015	12/10/2015	2,480 MONSTER WORLDWIDE INC	mww	6.17	74.40	15,300.07
	12/8/2015	12/11/2015	2,360 MONSTER WORLDWIDE INC	mww	6.00	70.80	14,152.65
	12/9/2015	12/14/2015	2,250 MONSTER WORLDWIDE INC	mww	5.94	67.50	13,366.10
	12/15/2015	12/18/2015	2,471 MONSTER WORLDWIDE INC	mww	5.65	74.13	13,969.54



Sale 22/20/2015 1.240 MONSTER WORLDWIE INC mew 5.90 9.720 12/8/2015 12/11/2015 9.90 NOPMONICS CORP mptn 10.50	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
12/2/2015 15/7/2015 660 NUTREYSTEM INC rd 23.45 19.80 12/1/2015 12/4/2015 660 NUTREYSTEM INC rdr 23.22 13.83 12/1/2015 12/4/2015 620 NUVSKVE INC rdr 23.83	12/10/2015	12/15/2015	1,240 MONSTER WORLDWIDE INC	mww	5.90	37.20	7,319.70
11/1/015 11/1/015	12/8/2015	12/11/2015	959 NEOPHOTONIOCS CORP	nptn	10.50	19.18	10,073.24
12/2/015 12/2/025 650 NUTRENTER INC rtri 22.83 19.50 12/7/2015 12/2/2015 260 NUVASIVE INC nove 20.197 4.14 12/17/2015 12/22/2015 138 ND SH DELINISS INC nove 21.07 1.47 12/17/2015 12/22/2015 1.68 ND SH DELINISS INC nove 21.07 1.47 12/16/2015 12/21/2015 80 NDS HOLDINGS INC nove 21.05 2.40 12/16/2015 12/21/2015 80 NDS HOLDINGS INC nove 21.95 2.40 12/16/2015 12/21/2015 80 OVENS ILLINC NEW ol 18.07 22.50 12/29/2015 12/17/2015 80 OVENS ILLINC NEW ol 17.92 2.40 12/29/2015 12/21/2015 80 OVENS ILLINC NEW ol 13.21 15.86 12/29/2015 12/21/2015 12/21/2015 13.20 13.21 15.86 12/28/2015 12/21/2015 12/21/2015 12/21/201	12/2/2015	12/7/2015	660 NUTRISYSTEM INC	ntri	23.45	19.80	15,479.15
12/1/2015 12/10/2015 60.00 MUVASIVE INC muva 50.93 7.80 12/17/2015 12/22/2015 138 MVS HOLDINGS INC mvee 21.07 1.47 12/18/2015 12/23/2015 49.MVS HOLDINGS INC mvee 20.07 50.04 12/18/2015 12/23/2015 180 MVS HOLDINGS INC mvee 21.94 2.40 12/16/2015 12/21/2015 80 MVS HOLDINGS INC mvee 21.94 2.40 12/16/2015 12/11/2015 750 OWENS LILIC NEW oi 18.07 2.400 12/16/2015 12/11/2015 80 OWENS LILIC NEW oi 18.09 2.400 12/20/2015 12/11/2015 80 OWENS LILIC NEW oi 18.09 2.400 12/20/2015 12/11/2015 80 OWENS LILIC NEW oi 18.09 2.400 12/20/2015 12/11/2015 12/11/2015 18.00 <td< td=""><td>12/1/2015</td><td>12/4/2015</td><td>610 NUTRISYSTEM INC</td><td>ntri</td><td>23.22</td><td>18.30</td><td>14,167.17</td></td<>	12/1/2015	12/4/2015	610 NUTRISYSTEM INC	ntri	23.22	18.30	14,167.17
12/17/2015 12/22/2015 138 NV5 HOLDINGS INC nvee 21.07 1.47 12/18/2015 12/23/2015 1.686 NV5 HOLDINGS INC nvee 20.77 50.04 12/18/2015 12/21/2015 80 NV5 HOLDINGS INC nvee 21.96 2.4.90 12/16/2015 12/21/2015 90 NV5 HOLDINGS INC nvee 21.96 2.4.90 12/16/2015 12/11/2015 12/11/2015 90 NV5 HOLDINGS INC nvee 21.96 2.4.90 12/16/2015 12/11/2015 12/11/2015 90 NV5 HOLDINGS INC nvee 18.09 2.4.90 12/16/2015 12/11/2015 12/11/2015 800 OWENS ILL INC NEW oi 18.09 2.4.90 12/16/2015 12/11/2015 12/11/2015 800 OWENS ILL INC NEW oi 18.09 2.4.00 12/18/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11 4.00 12/18/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015 12/11/2015	12/3/2015	12/8/2015	650 NUTRISYSTEM INC	ntri	22.83	19.50	14,841.38
12/18/201512/23/201514/28NVS HOLDINGS INCnee12.071.4712/16/201512/23/201512/23/201580NVS HOLDINGS INCnee21.962.4012/16/201512/21/201512/21/201590NVS HOLDINGS INCnee21.962.7012/16/201512/21/201512/21/201590NVS HOLDINGS INCnee1.802.7012/16/201512/11/201512/11/201590NVS HOLDINGS INCnee1.802.7012/16/201512/11/201512/11/201590NVS HOLDINGS INCnee1.802.7012/16/201512/11/201512/11/201590NVS HOLDINGS INCnei1.802.7012/16/201512/11/201512/11/201590NVS HOLDINGS INCnei1.802.7012/16/201512/11/201512/11/201591PACING SOFTWARE INCnei1.822.43012/12/201511/2/201512/12/201591/200 SOFTWARE INCpayc38.851.20012/12/201512/12/201512/12/201591/200 SOFTWARE INCpayc38.811.00012/12/201512/12/201512/12/201591/200 SOFTWARE INCpayc38.811.80012/12/201512/12/201512/12/201512/12/20153.8091/200 SOFTWARE INCpayc38.811.80012/12/201512/12/201512/12/201512/12/201512/12/20153.801.8001.80012/12/201512/12/201512/12/201512/12/	12/7/2015	12/10/2015	260 NUVASIVE INC	nuva	50.93	7.80	13,241.26
12/18/2015 12/23/2015 1.668 NVS HOLDINGS INC nvee 20.77 50.04 12/16/2015 12/21/2015 00 NVS HOLDINGS INC nvee 21.96 24.00 12/16/2015 12/21/2015 00 NVS HOLDINGS INC nvee 21.96 22.50 12/16/2015 12/14/2015 800 0WENS ILL INC NEW oi 18.07 22.50 12/10/2015 12/14/2015 800 0WENS ILL INC NEW oi 18.09 24.00 12/10/2015 12/15/2015 800 0WENS ILL INC NEW oi 18.09 24.00 12/16/2015 12/15/2015 800 0WENS ILL INC NEW oi 18.09 24.00 12/16/2015 12/15/2015 12/15/2015 12/16/2015 12.01 13.21 15.86 12/2/2015 12/15/2015 12/15/2015 160 PAYCOM SOFTWARE INC payc 38.58 10.50 12/12/2015 12/12/2015 12/12/2015 10 PAYCOM SOFTWARE INC payc 38.11 10.80 12/12/2015	12/17/2015	12/22/2015	138 NV5 HOLDINGS INC	nvee	21.97	4.14	3,031.84
12/16/2015 12/21/2015 80 NV5 HOLDINGS INC nvee 21.96 2.40 12/16/2015 12/12/12015 00 NV5 HOLDINGS INC nvee 21.94 2.70 12/8/2015 12/11/2015 00 NV5 HOLDINGS INC nvee 01 1.91 2.70 12/9/2015 12/14/2015 00 WENS ILL INC NEW 01 18.09 2.80 12/16/2015 12/15/2015 733 PACIFIC BIOSCIENCES OF CALIFORNA INC 01 18.09 2.80 12/29/2015 14/2016 400 PAYCOM SOFTWARE INC payc 38.45 10.00 12/7/2015 12/12/2015 15/20 DPAYCOM SOFTWARE INC payc 48.45 1.00 12/7/2015 12/1/2015 12/7/2015 22 PAYCOM SOFTWARE INC payc 48.45 1.00 12/7/2015 12/7/2015 21/2/2015 20 PAYCOM SOFTWARE INC payc 38.19 16.80 12/2/2015 12/2/2015 300 PAYCOM SOFTWARE INC payc 38.19 16	12/18/2015	12/23/2015	49 NV5 HOLDINGS INC	nvee	21.07	1.47	1,032.35
12/16/2015 12/21/2015 90 NV5 HOLDINGS INC nvee 21.94 2.70 12/8/2015 12/11/2015 700 OVENS ILL INC NEW oi 18.07 22.60 12/9/2015 12/14/2015 800 OVENS ILL INC NEW oi 18.09 24.90 12/10/2015 12/13/2015 800 OVENS ILL INC NEW oi 18.09 24.90 12/28/2015 12/31/2015 739 PACIFIC BIOSCIENCES OF CALIFORNIA INC pack 38.85 10.50 12/28/2015 12/32/2015 12/3/2015 300 PAYCOM SOFTWARE INC pack 38.45 10.50 12/7/2015 12/17/2015 12/17/2015 500 PAYCOM SOFTWARE INC pack 41.25 4.44 12/27/2015 12/17/2015 500 PAYCOM SOFTWARE INC pack 38.45 15.60 12/27/2015 12/17/2015 201 PAYCOM SOFTWARE INC pack 38.40 15.60 12/27/2015 12/18/2015 500 PAYCOM SOFTWARE INC pack 38.40 15.60 12/22/2015 12/24/2015 500 PAYCOM SOFTWARE INC	12/18/2015	12/23/2015	1,668 NV5 HOLDINGS INC	nvee	20.77	50.04	34,646.56
12/8/2015 12/11/2015 750 OWENS ILL INC. NEW oi 18.07 22.50 12/9/2015 12/14/2015 800 OWENS ILL INC. NEW oi 13.09 24.00 12/10/2015 12/15/2015 800 OWENS ILL INC. NEW oi 13.09 24.90 12/28/2015 12/31/2015 793 PACIFIC BIOSCIENCES OF CALIFORNIA INC pacb 13.21 15.86 12/29/2015 11/4/2016 400 PAYCOM SOFTWARE INC payc 38.45 10.00 12/7/2015 12/10/2015 160 PAYCOM SOFTWARE INC payc 38.45 10.00 12/2/2015 12/1/2015 12/1/2015 22/10/2015 PAYCOM SOFTWARE INC payc 43.42 41.11 4.02 12/2/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2015 12/1/2/2015 12/1/2/2015 13.00 13.00 13.00 12/12/2015 12/12/2015 12/12/2015 12/	12/16/2015	12/21/2015	80 NV5 HOLDINGS INC	nvee	21.96	2.40	1,756.68
12/9/2015 12/14/2015 800 OWENS ILL INC NEW oi 17.94 24.00 12/15/2015 12/15/2015 830 OWENS ILL INC NEW oi 18.09 24.90 12/28/2015 12/15/2015 13/2015 13/2015 13/2015 13/2015 15.86 12/29/2015 14/2016 300 PAYCOM SOFTWARE INC payc 88.45 10.50 12/7/2015 12/10/2015 15/2016 350 PAYCOM SOFTWARE INC payc 43.45 10.50 12/7/2015 12/10/2015 12/10/2015 12/10/2015 12/10/2015 12/10/2015 44.40 12/2/2015 12/4/2015 12/4/2015 22 PAYCOM SOFTWARE INC payc 41.11 4.02 12/2/2015 12/12/2015	12/16/2015	12/21/2015	90 NV5 HOLDINGS INC	nvee	21.94	2.70	1,974.76
12/10/201512/15/2015830OWENS ILLINC NEWoi18.0924.9012/28/201512/31/2015739PACIFC BIOSCINCES OF CALIFORNA INCpach13.2115.8012/28/20151/4/2016400PAYCOM SOFTWARE INCpayc38.4510.5012/7/201512/10/105160PAYCOM SOFTWARE INCpayc39.3732.0012/7/201512/10/2015150PAYCOM SOFTWARE INCpayc41.254.4412/2/201512/12/201512/12/201522PAYCOM SOFTWARE INCpayc41.114.0212/2/201512/12/201512/12/2015201PAYCOM SOFTWARE INCpayc38.196.16.0012/2/201512/2/201512/2/2015500PAYCOM SOFTWARE INCpayc38.196.16.0012/22/201512/2/201512/2/2015500PAYCOM SOFTWARE INCpayc38.1110.8012/22/201512/2/201512/2/2015500PAYCOM SOFTWARE INCpayc38.1110.8012/22/201512/2/201512/2/201519PAYCOM SOFTWARE INCpayc38.1110.8012/22/201512/2/2015140PAYCOM SOFTWARE INCpayc38.1313.8312.3212/22/201512/2/2015149PAYCOM SOFTWARE INCpayc38.1413.6113.1513.2312/22/201512/2/2015149PAYCOM SOFTWARE INCpayc38.1413.6113.2313.2312/22/201512/2/2015189PENEX INC	12/8/2015	12/11/2015	750 OWENS ILL INC NEW	oi	18.07	22.50	13,555.10
12/28/2015 12/31/2015 793 PACIFIC BIOSCIENCES OF CALIFORNIA INC pacb 13.21 15.86 12/29/2015 1/4/2016 400 PAYCOM SOFTWARE INC payc 38.58 12.00 12/30/2015 1/5/2016 350 PAYCOM SOFTWARE INC payc 38.45 0.30 12/7/2015 12/10/2015 100 PAYCOM SOFTWARE INC payc 42.32 17.10 12/2/2015 12/1/2015 12/1/2015 212 PAYCOM SOFTWARE INC payc 42.32 17.10 12/2/2015 12/1/2015 12/2/2015 12/2/2015 12/2/2015 12/2 44.44 12/2/2015 12/2/2015 12/2/2015 20.10 PAYCOM SOFTWARE INC payc 38.40 15.00 12/2/2015 12/2/2015 12/2/2015 300 PAYCOM SOFTWARE INC payc 38.41 10.80 12/2/2015 12/2/2015 12/2/2015 300 PAYCOM SOFTWARE INC payc 38.41 10.80 12/2/2015 12/2/2015 300 PAYCOM SOFTWARE INC payc 38.11 10.80 12/2/2015 12/2/2015	12/9/2015	12/14/2015	800 OWENS ILL INC NEW	oi	17.94	24.00	14,348.61
12/29/2015 1/4/2016 400 PAYCOM SOFTWARE INC payc 38.58 12.00 12/30/2015 1/5/2016 350 PAYCOM SOFTWARE INC payc 38.45 10.50 12/7/2015 12/10/2015 12/0 12/10/2015 700 PAYCOM SOFTWARE INC payc 43.23 71.01 12/2/2015 12/7/2015 222 PAYCOM SOFTWARE INC payc 41.25 4.44 12/2/2015 12/4/2015 201 PAYCOM SOFTWARE INC payc 41.01 4.02 12/2/2015 12/2/2015 12/8/2015 500 PAYCOM SOFTWARE INC payc 38.10 16.80 12/2/2015 12/2/8/2015 500 PAYCOM SOFTWARE INC payc 38.11 10.80 12/2/2015 12/2/8/2015 12/2/8/2015 360 PAYCOM SOFTWARE INC payc 38.11 10.80 12/2/2015 12/4/2015 360 PAYCOM SOFTWARE INC payc 38.41 10.80 12/2/2015 12/4/2015 360 PAYCOM SOFTWARE INC payc 38.41 10.80 12/2/2015 12/4/2015 12/4/2015	12/10/2015	12/15/2015	830 OWENS ILL INC NEW	oi	18.09	24.90	15,015.58
12/30/2015 1/5/2016 350 PAYCOM SOFTWARE INC payc 38.45 10.50 12/7/2015 12/10/2015 160 PAYCOM SOFTWARE INC payc 39.37 3.20 12/2/2015 12/7/2015 570 PAYCOM SOFTWARE INC payc 42.32 17.10 12/2/2015 12/4/2015 222 PAYCOM SOFTWARE INC payc 41.21 4.02 12/2/2015 12/7/2015 201 PAYCOM SOFTWARE INC payc 38.19 16.80 12/2/2015 12/24/2015 500 PAYCOM SOFTWARE INC payc 38.40 15.00 12/22/2015 12/24/2015 300 PAYCOM SOFTWARE INC payc 38.40 15.00 12/22/2015 12/24/2015 300 PAYCOM SOFTWARE INC payc 38.40 15.00 12/22/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 38.41 10.80 12/23/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 37.88 38.83 12/23/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 37.86 35.32	12/28/2015	12/31/2015	793 PACIFIC BIOSCIENCES OF CALIFORNIA INC	pacb	13.21	15.86	10,475.41
12/7/2015 12/10/2015 160 PAYCOM SOFTWARE INC payc 33.37 3.20 12/2/2015 12/7/2015 570 PAYCOM SOFTWARE INC payc 42.32 17.10 12/2/2015 12/7/2015 222 PAYCOM SOFTWARE INC payc 41.25 4.42 12/2/2015 12/7/2015 201 PAYCOM SOFTWARE INC payc 41.11 4.02 12/2/2015 12/2/2015 12/2/2015 500 PAYCOM SOFTWARE INC payc 38.40 15.00 12/21/2015 12/24/2015 500 PAYCOM SOFTWARE INC payc 38.41 10.80 12/21/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 38.41 10.80 12/22/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 38.41 10.80 12/22/2015 12/24/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 38.41 10.80 12/22/2015 12/24/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 31.51 12.32 12/22/2015 12/24/2015 12/24/2015 12	12/29/2015	1/4/2016	400 PAYCOM SOFTWARE INC	раус	38.58	12.00	15,431.36
12/2/2015 12/7/2015 570 PAYCOM SOFTWARE INC payc 42.32 17.10 12/2/2015 12/4/2015 222 PAYCOM SOFTWARE INC payc 41.25 4.44 12/2/2015 12/2/2015 201 PAYCOM SOFTWARE INC payc 41.11 4.02 12/2/2015 12/28/2015 500 PAYCOM SOFTWARE INC payc 38.40 15.00 12/21/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 38.41 10.80 12/28/2015 12/29/2015 360 PAYCOM SOFTWARE INC payc 38.41 10.80 12/22/2015 12/29/2015 360 PAYCOM SOFTWARE INC payc 38.41 10.80 12/23/2015 12/24/2015 149 PAYCOM SOFTWARE INC payc 38.41 10.80 12/3/2015 12/24/2015 149 PAYCOM SOFTWARE INC payc 38.41 10.80 12/3/2015 12/24/2015 149 PAYCOM SOFTWARE INC payc 38.41 13.51 37.96 12/3/2015 12/24/2015 12/8/2015 189 PENEX INC pfmx	12/30/2015	1/5/2016	350 PAYCOM SOFTWARE INC	раус	38.45	10.50	13,457.88
12/2/2015 12/2/2/2015 12/2/2015 12/2/2/2015 <td>12/7/2015</td> <td>12/10/2015</td> <td>160 PAYCOM SOFTWARE INC</td> <td>раус</td> <td>39.37</td> <td>3.20</td> <td>6,299.26</td>	12/7/2015	12/10/2015	160 PAYCOM SOFTWARE INC	раус	39.37	3.20	6,299.26
12/2/201512/7/2015201PAYCOM SOFTWARE INCpayc41.114.0212/22/201512/28/2015560PAYCOM SOFTWARE INCpayc38.1916.8012/21/201512/24/2015500PAYCOM SOFTWARE INCpayc38.4015.0012/28/201512/31/2015360PAYCOM SOFTWARE INCpayc38.1110.8012/28/201512/29/2015360PAYCOM SOFTWARE INCpayc39.3410.8012/23/201512/29/2015360PAYCOM SOFTWARE INCpayc39.3410.8012/23/201512/24/201512/24194PAYCOM SOFTWARE INCpayc37.8838.8112/23/201512/24/201512/24166PENEX INCpfnx31.5137.9612/14/201512/8/201512/818.89PENEX INCpfnx13.1537.9612/15/201512/18/201512/23/2015707PHOTRONICS INCpfnx13.1537.9612/18/201512/23/2015707PHOTRONICS INCpowi47.4827.0012/18/201512/24/2015300POWER INTEGRATIONS INCpowi48.609.0012/212/201512/28/2015280POWER INTEGRATIONS INCpowi48.609.0012/212/201512/28/2015200POWER INTEGRATIONS INCpowi48.609.0012/212/201512/28/2015200POWER INTEGRATIONS INCpowi48.609.0012/212/201512/28/2015300POWER INTEGRATIONS I	12/2/2015	12/7/2015	570 PAYCOM SOFTWARE INC	раус	42.32	17.10	24,120.70
12/22/2015 12/28/2015 560 PAYCOM SOFTWARE INC payc 38.19 16.80 12/21/2015 12/24/2015 500 PAYCOM SOFTWARE INC payc 38.10 15.00 12/28/2015 12/11/2015 360 PAYCOM SOFTWARE INC payc 38.11 10.80 12/28/2015 12/29/2015 360 PAYCOM SOFTWARE INC payc 38.13 10.80 12/22/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 38.13 10.80 12/22/2015 12/24/2015 360 PAYCOM SOFTWARE INC payc 37.84 38.89 12/22/2015 12/24/2015 12/24/2015 616 PERNEX INC payc 37.81 32.82 12/12/2015 12/2/2015 12/2/2015 12/8/2015 13.51 37.96 12/14/2015 12/2/2015 12/2/2015 12/8 PENEX INC pfinx 13.15 37.96 12/18/2015 12/8/2015 12/8/2015 12/8/2015 14.90 14.46 12.96 12/18/2015 12/23/2015 00 POWER INTEGRATIONS INC powi 48.60	12/2/2015	12/4/2015	222 PAYCOM SOFTWARE INC	раус	41.25	4.44	9,156.62
12/21/201512/24/2015500PAYCOM SOFTWARE INCpayc38.4015.0012/28/201512/31/2015360PAYCOM SOFTWARE INCpayc38.1110.8012/23/201512/29/2015360PAYCOM SOFTWARE INCpayc39.3410.8012/22/201512/24/201519.4PAYCOM SOFTWARE INCpayc37.883.8812/3/201512/1/2015616PENEX INCpfnx13.5112.3212/4/201512/8/20151.898PENEX INCpfnx13.1537.9612/15/201512/18/2015648PESWEB INCpfnx11.4812.9612/18/201512/23/2015707PHOTRONICS INCplab12.4014.1412/18/201512/23/2015700POWER INTEGRATIONS INCpowi48.009.0012/22/201512/24/2015300POWER INTEGRATIONS INCpowi48.608.4012/22/201512/28/2015280POWER INTEGRATIONS INCpowi49.149.0012/22/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/22/201512/29/2015300POWER INTEGRATIONS INCpowi49.049.0012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.049.0012/10/201512/15/2015400POWER INTEGRATIONS INCpowi49.049.0012	12/2/2015	12/7/2015	201 PAYCOM SOFTWARE INC	раус	41.11	4.02	8,263.87
12/28/201512/31/2015360PAYCOM SOFTWARE INCpayc38.1110.8012/23/201512/29/2015360PAYCOM SOFTWARE INCpayc39.3410.8012/22/201512/24/2015194PAYCOM SOFTWARE INCpayc37.883.8812/3/201512/7/2015616PFENEX INCpfnx13.5112.3212/4/201512/8/20151.898PFENEX INCpfnx13.1537.9612/15/201512/18/2015648PFSWEB INCpfsw11.4812.9612/18/201512/23/2015707PHOTRONICS INCplab12.4014.1412/18/201512/23/2015707PHOTRONICS INCpowi47.4827.0012/12/201512/23/2015300POWER INTEGRATIONS INCpowi47.489.0012/22/201512/28/2015300POWER INTEGRATIONS INCpowi48.608.4012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/22/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/22/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/21/201512/15/2015400POGENICS PHARMACEUTICALS INCpgnx5.754.4012/10/201512/15/20152.218PROGENICS PHARMACEUTICALS INCpgnx5.7044.36	12/22/2015	12/28/2015	560 PAYCOM SOFTWARE INC	раус	38.19	16.80	21,388.35
12/23/201512/29/2015360PAYCOM SOFTWARE INCpayc39.3410.8012/22/201512/24/201512/24/201519PAYCOM SOFTWARE INCpayc37.883.8812/3/201512/7/2015616PENEX INCpfnx13.5112.3212/4/201512/8/20151,898PENEX INCpfnx13.1537.9612/15/201512/18/2015648PESWEB INCpfsw11.4812.9612/18/201512/23/2015707PHOTRONICS INCplab12.4014.1412/18/201512/23/2015700POWER INTEGRATIONS INCpowi47.4827.0012/21/201512/24/2015300POWER INTEGRATIONS INCpowi48.009.0012/22/201512/28/2015280POWER INTEGRATIONS INCpowi48.608.4012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/10/201512/15/2015440PROGENICS PHARMACEUTICALS INCpgnx5.754.4012/10/201512/15/20152,218PROGENICS PHARMACEUTICALS INCpgnx5.7044.36	12/21/2015	12/24/2015	500 PAYCOM SOFTWARE INC	раус	38.40	15.00	19,200.04
12/22/201512/24/2015194PAYCOM SOFTWARE INCpayc37.883.8812/3/201512/7/2015616PFENEX INCpfnx13.5112.3212/4/201512/8/20151.898PFENEX INCpfnx13.1537.9612/15/201512/18/2015648PFSWEB INCpfsw11.4812.9612/18/201512/23/2015707PHOTRONICS INCplab12.4014.1412/18/201512/23/2015709POWER INTEGRATIONS INCpowi47.4827.0012/21/201512/24/2015300POWER INTEGRATIONS INCpowi48.009.0012/22/201512/28/2015208POWER INTEGRATIONS INCpowi48.608.4012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/10/201512/15/2015400PROGENICS PHARMACEUTICALS INCpgmx5.754.4012/10/201512/15/20152.218PROGENICS PHARMACEUTICALS INCpgmx5.7044.36	12/28/2015	12/31/2015	360 PAYCOM SOFTWARE INC	раус	38.11	10.80	13,718.48
12/3/201512/7/2015616PFENEX INCpfnx13.5112.3212/4/201512/8/20151,898PFENEX INCpfnx13.1537.9612/15/201512/18/2015648PFSWEB INCpfsw11.4812.9612/18/201512/23/2015707PHOTRONICS INCplab12.4014.1412/18/201512/23/2015707PHOTRONICS INCpowi47.4827.0012/18/201512/23/2015900POWER INTEGRATIONS INCpowi48.009.0012/21/201512/24/2015300POWER INTEGRATIONS INCpowi48.608.4012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/10/201512/15/2015440PROGENICS PHARMACEUTICALS INCpgnx5.754.4012/10/201512/15/20152,218PROGENICS PHARMACEUTICALS INCpgnx5.7044.36	12/23/2015	12/29/2015	360 PAYCOM SOFTWARE INC	раус	39.34	10.80	14,161.41
12/4/201512/8/20151,898PFENEX INCpfnx13.1537.9612/15/201512/18/201512/18/2015648PFSWEB INCpfsw11.4812.9612/18/201512/23/2015707PHOTRONICS INCplab12.4014.1412/18/201512/23/2015900POWER INTEGRATIONS INCpowi47.4827.0012/21/201512/24/2015300POWER INTEGRATIONS INCpowi48.009.0012/22/201512/28/2015280POWER INTEGRATIONS INCpowi48.608.4012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/21/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/10/201512/15/2015440PROGENICS PHARMACEUTICALS INCpgnx5.754.4012/10/201512/15/20152,218PROGENICS PHARMACEUTICALS INCpgnx5.7044.36	12/22/2015	12/24/2015	194 PAYCOM SOFTWARE INC	раус	37.88	3.88	7,348.58
12/15/201512/18/2015648PFSWEB INCpfsw11.4812.9612/18/201512/23/2015707PHOTRONICS INCplab12.4014.1412/18/201512/23/2015900POWER INTEGRATIONS INCpowi47.4827.0012/21/201512/24/2015300POWER INTEGRATIONS INCpowi48.009.0012/22/201512/28/2015280POWER INTEGRATIONS INCpowi48.608.4012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/10/201512/15/2015440PROGENICS PHARMACEUTICALS INCpgnx5.754.4012/10/201512/15/20152,218PROGENICS PHARMACEUTICALS INCpgnx5.7044.36	12/3/2015	12/7/2015	616 PFENEX INC	pfnx	13.51	12.32	8,319.78
12/18/201512/23/2015707PHOTRONICS INCplab12.4014.1412/18/201512/23/2015900POWER INTEGRATIONS INCpowi47.4827.0012/21/201512/24/2015300POWER INTEGRATIONS INCpowi48.009.0012/22/201512/28/2015280POWER INTEGRATIONS INCpowi48.608.4012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/10/201512/15/2015300POWER INTEGRATIONS INCpowi49.149.0012/10/201512/15/2015440PROGENICS PHARMACEUTICALS INCpgnx5.754.4012/10/201512/15/20152,218PROGENICS PHARMACEUTICALS INCpgnx5.7044.36	12/4/2015	12/8/2015	1,898 PFENEX INC	pfnx	13.15	37.96	24,958.43
12/18/201512/23/2015900POWER INTEGRATIONS INCpowi47.4827.0012/21/201512/24/2015300POWER INTEGRATIONS INCpowi48.009.0012/22/201512/28/2015280POWER INTEGRATIONS INCpowi48.608.4012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/10/201512/15/2015440PROGENICS PHARMACEUTICALS INCpgnx5.754.4012/10/201512/15/20152,218PROGENICS PHARMACEUTICALS INCpgnx5.7044.36	12/15/2015	12/18/2015	648 PFSWEB INC	pfsw	11.48	12.96	7,436.18
12/21/201512/24/2015300POWER INTEGRATIONS INCpowi48.009.0012/22/201512/28/2015280POWER INTEGRATIONS INCpowi48.608.4012/23/201512/29/2015300POWER INTEGRATIONS INCpowi49.149.0012/10/201512/15/2015440PROGENICS PHARMACEUTICALS INCpgnx5.754.4012/10/201512/15/20152,218PROGENICS PHARMACEUTICALS INCpgnx5.7044.36	12/18/2015	12/23/2015	707 PHOTRONICS INC	plab	12.40	14.14	8,767.83
12/22/2015 12/28/2015 280 POWER INTEGRATIONS INC powi 48.60 8.40 12/23/2015 12/29/2015 300 POWER INTEGRATIONS INC powi 49.14 9.00 12/10/2015 12/15/2015 440 PROGENICS PHARMACEUTICALS INC pgnx 5.75 4.40 12/10/2015 12/15/2015 2,218 PROGENICS PHARMACEUTICALS INC pgnx 5.70 44.36	12/18/2015	12/23/2015	900 POWER INTEGRATIONS INC	powi	47.48	27.00	42,735.17
12/23/2015 12/29/2015 300 POWER INTEGRATIONS INC powin 49.14 9.00 12/10/2015 12/15/2015 440 PROGENICS PHARMACEUTICALS INC pgnx 5.75 4.40 12/10/2015 12/15/2015 2,218 PROGENICS PHARMACEUTICALS INC pgnx 5.70 44.36	12/21/2015	12/24/2015	300 POWER INTEGRATIONS INC	powi	48.00	9.00	14,400.18
12/10/2015 12/15/2015 440 PROGENICS PHARMACEUTICALS INC pgnx 5.75 4.40 12/10/2015 12/15/2015 2,218 PROGENICS PHARMACEUTICALS INC pgnx 5.70 44.36	12/22/2015	12/28/2015	280 POWER INTEGRATIONS INC	powi	48.60	8.40	13,606.70
12/10/2015 12/15/2015 2,218 PROGENICS PHARMACEUTICALS INC pgnx 5.70 44.36	12/23/2015	12/29/2015	300 POWER INTEGRATIONS INC	powi	49.14	9.00	14,741.42
12/10/2015 12/15/2015 2,218 PROGENICS PHARMACEUTICALS INC pgnx 5.70 44.36	12/10/2015	12/15/2015	440 PROGENICS PHARMACEUTICALS INC	pgnx	5.75	4.40	2,531.93
	12/10/2015		2,218 PROGENICS PHARMACEUTICALS INC		5.70	44.36	12,631.72
	12/9/2015	12/14/2015	938 PROGENICS PHARMACEUTICALS INC	pgnx	5.87	9.38	5,503.23
12/3/2015 12/8/2015 136 PROOFPOINT INC pfpt 70.73 2.72		12/8/2015	136 PROOFPOINT INC		70.73	2.72	9,618.71



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Sales	12/22/2015	12/24/2015	118 PROTHENA CORPORATION PLC	prta	68.55	2.36	8,088.67
	12/11/2015	12/16/2015	1,707 PUMA BIOTECHNOLOGY INC	pbyi	61.27	34.14	104,585.11
	12/7/2015	12/10/2015	262 Q2 HOLDINGS INC	qtwo	25.95	5.24	6,798.98
	12/28/2015	12/31/2015	376 Q2 HOLDINGS INC	qtwo	26.98	7.52	10,144.25
	12/8/2015	12/11/2015	330 RINGCENTRAL INC	rng	24.17	9.90	7,976.21
	12/10/2015	12/15/2015	810 RINGCENTRAL INC	rng	24.70	24.30	20,003.31
	12/16/2015	12/21/2015	710 RINGCENTRAL INC	rng	25.32	21.30	17,977.00
	12/18/2015	12/23/2015	259 RINGCENTRAL INC	rng	23.44	5.18	6,071.18
	12/10/2015	12/15/2015	300 SAPIENS INTERNATIONAL CORP	spns	10.10	3.00	3,031.26
	12/11/2015	12/16/2015	49 SAPIENS INTERNATIONAL CORP	spns	9.85	0.49	482.41
	12/14/2015	12/17/2015	580 SAPIENS INTERNATIONAL CORP	spns	9.66	11.60	5,603.33
	12/9/2015	12/14/2015	249 SAPIENS INTERNATIONAL CORP	spns	9.98	2.49	2,485.12
	12/9/2015	12/14/2015	185 SAPIENS INTERNATIONAL CORP	spns	9.93	3.70	1,837.20
	12/8/2015	12/10/2015	325 SAPIENS INTERNATIONAL CORP	spns	10.11	6.50	3,285.06
	12/7/2015	12/10/2015	490 SAPIENS INTERNATIONAL CORP	spns	10.24	4.90	5,019.95
	12/3/2015	12/7/2015	490 SAPIENS INTERNATIONAL CORP	spns	10.27	9.80	5,034.36
	12/4/2015	12/8/2015	490 SAPIENS INTERNATIONAL CORP	spns	10.32	9.80	5,055.92
	12/2/2015	12/4/2015	432 SAPIENS INTERNATIONAL CORP	spns	10.41	8.64	4,495.60
	12/1/2015	12/4/2015	56 SAPIENS INTERNATIONAL CORP	spns	10.82	1.12	605.96
	12/14/2015	12/17/2015	290 SEQUENTIAL BRANDS GROUP INC	sqbg	8.16	8.70	2,365.75
	12/15/2015	12/18/2015	300 SEQUENTIAL BRANDS GROUP INC	sqbg	7.94	0.00	2,382.26
	12/16/2015	12/21/2015	730 SEQUENTIAL BRANDS GROUP INC	sqbg	7.38	21.90	5,385.18
	12/17/2015	12/22/2015	900 SEQUENTIAL BRANDS GROUP INC	sqbg	7.02	27.00	6,315.99
	12/18/2015	12/23/2015	1,975 SEQUENTIAL BRANDS GROUP INC	sqbg	7.43	59.25	14,672.79
	12/11/2015	12/16/2015	5,259 SERVICESOURCE INTL LLC	srev	4.45	105.18	23,410.53
	12/10/2015	12/15/2015	4,379 SERVICESOURCE INTL LLC	srev	4.63	87.58	20,263.45
	12/23/2015	12/28/2015	1,024 SHORETEL INC	shor	8.97	20.48	9,186.75
	12/23/2015	12/29/2015	95 SINCLAIR BROADCAST GROUP	sbgi	31.65	1.90	3,006.58
	12/22/2015	12/28/2015	167 SINCLAIR BROADCAST GROUP	sbgi	31.65	5.01	5,286.29
	12/22/2015	12/28/2015	711 SINCLAIR BROADCAST GROUP	sbgi	31.61	14.22	22,472.52
	12/4/2015	12/9/2015	602 SINCLAIR BROADCAST GROUP	sbgi	34.80	12.04	20,947.89
	12/7/2015	12/10/2015	793 SINCLAIR BROADCAST GROUP	sbgi	34.33	15.86	27,222.79
	12/9/2015	12/14/2015	200 SINCLAIR BROADCAST GROUP	sbgi	32.86	4.00	6,572.87
	12/9/2015	12/14/2015	451 SINCLAIR BROADCAST GROUP	sbgi	32.94	9.02	14,855.31
	12/14/2015	12/17/2015	523 SMITH WESSON HOLDING CORP	swhc	23.35	10.46	12,211.51
	12/15/2015	12/18/2015	361 SMITH WESSON HOLDING CORP	swhc	22.69	7.22	8,191.65
	12/22/2015	12/28/2015	765 SOTHEBY S	bid	26.69	15.30	20,419.99
	12/23/2015	12/29/2015	249 SOTHEBY S	bid	26.62	4.98	6,629.18



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Sales	12/23/2015	12/29/2015	460 STAMPS COM INC NEW	stmp	112.75	13.80	51,864.09
	12/16/2015	12/21/2015	489 STAMPS COM INC NEW	stmp	106.56	14.67	52,109.72
	12/28/2015	12/31/2015	154 STAMPS COM INC NEW	stmp	111.00	3.08	17,093.63
	12/17/2015	12/22/2015	800 SUMMIT MATERIALS INC	sum	19.46	24.00	15,564.59
	12/16/2015	12/21/2015	770 SUMMIT MATERIALS INC	sum	19.65	23.10	15,132.07
	12/14/2015	12/17/2015	1,610 SUMMIT MATERIALS INC	sum	19.04	48.30	30,651.58
	12/15/2015	12/18/2015	700 SUMMIT MATERIALS INC	sum	19.27	21.00	13,489.66
	12/18/2015	12/23/2015	686 SUMMIT MATERIALS INC	sum	19.25	20.58	13,207.24
	12/9/2015	12/14/2015	1,440 SUMMIT MATERIALS INC	sum	20.13	43.20	28,983.78
	12/9/2015	1/4/2016	1 SUMMIT MATERIALS INC	sum	19.34		12.57
	12/9/2015	1/4/2016	1 SUMMIT MATERIALS INC	sum	19.33		12.18
	12/10/2015	12/15/2015	1,210 SUMMIT MATERIALS INC	sum	20.89	36.30	25,281.63
	12/7/2015	12/10/2015	363 SYNCHRONOSS TECHNOLOGIES INC	sncr	39.48	3.63	14,330.57
	12/8/2015	12/11/2015	12 SYNCHRONOSS TECHNOLOGIES INC	sncr	39.21	0.24	470.49
	12/8/2015	12/11/2015	26 SYNCHRONOSS TECHNOLOGIES INC	sncr	39.20	0.26	1,019.21
	12/23/2015	12/28/2015	1,639 SYNERGY PHARMACEUTICALS INC	sgyp	5.76	32.78	9,444.39
	12/3/2015	12/8/2015	270 TEAM HEALTH HOLDINGS INC	tmh	53.67	8.10	14,490.36
	12/2/2015	12/7/2015	400 TEAM HEALTH HOLDINGS INC	tmh	55.63	12.00	22,253.75
	12/18/2015	12/23/2015	3,503 TEEKAY TANKERS LTD CLASS A	tnk	6.63	35.03	23,220.61
	12/17/2015	12/22/2015	1,854 TEEKAY TANKERS LTD CLASS A	tnk	6.63	37.08	12,294.57
	12/17/2015	12/22/2015	1,711 TEEKAY TANKERS LTD CLASS A	tnk	6.67	17.11	11,408.04
	12/2/2015	12/4/2015	1,139 THERAPEUTICSMD INC	txmd	7.26	22.78	8,269.79
	12/3/2015	12/8/2015	120 ULTIMATE SOFTWARE GROUP INC	ulti	193.55	2.40	23,226.12
	12/4/2015	12/9/2015	470 VIRTUSA CORP	vrtu	48.04	14.10	22,578.38
	12/7/2015	12/10/2015	330 VIRTUSA CORP	vrtu	46.98	9.90	15,503.01
	12/2/2015	12/7/2015	220 VIRTUSA CORP	vrtu	48.46	6.60	10,660.85
	12/8/2015	12/11/2015	270 VIRTUSA CORP	vrtu	46.65	8.10	12,596.04
	12/10/2015	12/15/2015	310 VIRTUSA CORP	vrtu	46.15	9.30	14,306.88
	12/9/2015	12/14/2015	310 VIRTUSA CORP	vrtu	46.40	9.30	14,382.61
	12/17/2015	12/22/2015	480 VIRTUSA CORP	vrtu	43.57	14.40	20,915.27
	12/16/2015	12/21/2015	340 VIRTUSA CORP	vrtu	44.35	10.20	15,077.39
	12/15/2015	12/18/2015	300 VIRTUSA CORP	vrtu	44.36	9.00	13,309.40
	12/9/2015	12/14/2015	509 WCI COMMUNITIES INC	wcic	22.73	10.18	11,568.43
	12/8/2015	12/10/2015	1,139 WCI COMMUNITIES INC	wcic	23.11	22.78	26,321.23
	12/21/2015	12/24/2015	900 WEB COM GROUP INC	wwww	20.71	27.00	18,635.23
	12/31/2015	1/6/2016	550 WEB COM GROUP INC	wwww	20.08	16.50	11,044.41
	12/18/2015	12/23/2015	780 ZELTIQ AESTHETICS INC	zltq	29.87	23.40	23,299.65
	12/15/2015	12/18/2015	700 ZELTIQ AESTHETICS INC	zltq	27.28	21.00	19,097.53



	Trade Date	Settlement Date	QuantitySecurity Name	Symbol	Price (\$)	Commission (\$)	Total (\$)
Sales	12/16/2015	12/21/2015	500 ZELTIQ AESTHETICS INC	zltq	28.01	15.00	14,004.79
	12/8/2015	12/11/2015	350 ZELTIQ AESTHETICS INC	zltq	30.38	10.50	10,631.79
			232,031 Total Sales		12,489.48	5,550.35	5,906,849.78
Adjust Capital	12/1/2015	12/1/2015	2,135 GAMCO INVESTORS INC	gbl	32.53		69,457.91
			2,135 Total Adjust Capital		32.53		69,457.91



Appendix E.

Proxy Voting Record



Period October 01, 2015 - December 31, 2015: See electronic format

AMI Asset Management CastleArk Management EAM Investors LMCG Investments (formerly Lee Munder Capital Group) Rice Hall James & Associates

Legato Capital

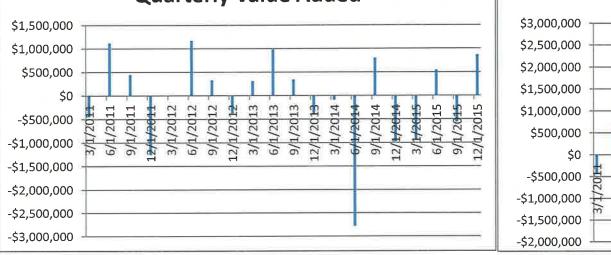
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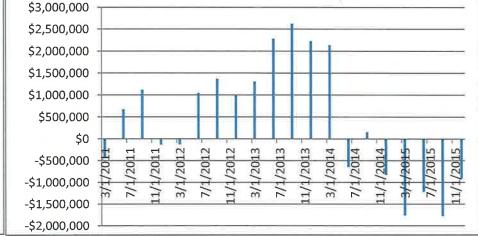
	Quarter			Fees		
	Begin Date	End Date	Active Return	<u>Managerial</u>	Custodial	Value Added
	1/1/2011	3/31/2011	-\$280,084	\$151,931	\$13,716	-\$445,731
	4/1/2011	6/30/2011	\$1,299,087	\$154,501	\$26,820	\$1,117,766
	7/1/2011	9/30/2011	\$582,439	\$117,446	\$18,692	\$446,301
	10/1/2011	12/31/2011	-\$1,117,167	\$119,430	\$16,508	-\$1,253,105
	1/1/2012	3/31/2012	\$159,474	\$130,946	\$22,688	\$5,841
	4/1/2012	6/30/2012	\$1,322,961	\$131,021	\$22,120	\$1,169,820
	7/1/2012	9/30/2012	\$479,877	\$135,442	\$19,914	\$324,521
	10/1/2012	12/31/2012	-\$213,207	\$138,254	\$21,088	-\$372,549
	1/1/2013	3/31/2013	\$485,352	\$153,975	\$21,977	\$309,400
	4/1/2013	6/30/2013	\$1,167,286	\$164,612	\$21,657	\$981,017
	7/1/2013	9/30/2013	\$546,533	\$183,840	\$23,292	\$339,402
	10/1/2013	12/31/2013	-\$169,512	\$198,693	\$27,808	-\$396,013
	1/1/2014	3/31/2014	\$135,426	\$202,405	\$25,425	-\$92,404
	4/1/2014	6/30/2014	-\$2,565,323	\$188,539	\$25,578	-\$2,779,440
	7/1/2014	9/30/2014	\$1,004,243	\$187,811	\$18,072	\$798,360
	10/1/2014	12/31/2014	-\$763,420	\$199,515	\$17,271	-\$980,207
	1/1/2015	3/31/2015	-\$741,001	\$177,948	\$15,372	-\$934,321
	4/1/2015	6/30/2015	\$740,273	\$174,382	\$19,422	\$546,469
	7/1/2015	9/30/2015	-\$381,785	\$162,258	\$15,248	-\$559,291
	10/1/2015	12/31/2015	\$1,043,314	\$161,399	\$16,452	\$865,462
-						



Quarterly Value Added







This analysis does not include the effects of cash flow movements into and out of the portfolio during the evaluation period

02/17/16 Item 7.a

- 1. Introduction to Risk Parity
- 2. Defining Plan Objective
- 3. Weighting for Stability
- 4. What's Different About Risk Parity?
- 5. Summary
- 6. Appendix

StanCERA

PanAgora Risk Parity Multi Asset

February 17, 2016

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Disclosures



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Introduction to Risk Parity

Introduction to Risk Parity



What is Risk Parity?

- » Multi Asset Investment Portfolio
 - » Long-only portfolio seeking to generate returns through persistent exposure to global equity, global fixed income and global inflation protected assets

» Diversified

- » Seeks balanced exposure for consistent performance across market environments
- » Global Equities (U.S., Int'l., EM) for upside participation in periods of strong growth
- » Global Fixed Income for downside protection in periods of weaker growth
- » Commodities and Global Inflation-Linked bonds to preserve real rates of return in inflationary periods

» Alternative Weighting Scheme

- » Traditional approach diversifies how dollars are invested (e.g. 60% equities and 40% fixed income)
- » Risk Parity weights investments so different asset all contribute similarly to the portfolio's total return
- » Less risky assets receive more weight than riskier assets (e.g. 50% equities and 150% fixed income) allowing the *return contribution* to be similar between equities and fixed income



Defining Plan Objectives

Plan Objectives



Dual investment objective

- » Grow plan assets through investment returns
 - » Investment returns target plan's actuarial assumption
 - » Invest in the "primary colors" of market premia

» Promote a stable path to wealth creation

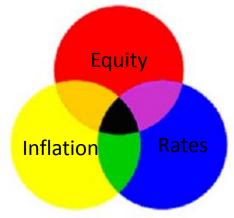
- » Invest in assets that appreciate when others lose value
- » Weight the investments in your portfolio so they can all have a similar impact on the return of the portfolio

Plan Objectives



Sources of return

- » Capture long-term risk premiums in equity risk, interest rate risk, and inflation risk
- » Many hybrid asset classes (credit, private equity, real estate, etc.) are combinations of the three primary risk premiums



Premia	Condition that yields a payoff to investors for bearing market risk
Equity Risk Premia	Corporate earnings grow faster than valuations imply
Interest Rate Risk Premia	Real Interest rates rise more slowly than valuations imply
Inflation Risk Premia	Future inflation is higher than valuations imply

Plan Objectives



Promoting stability

- » Every asset class will underperform in certain market environments
- » Include assets that make money when others are losing money



Bloomberg U.S. Economic Surprise Index 2000-2015

Asset Class	Market Environment when premia underperforms	Positive Surprise	Negative Surprise
MSCI USA	High P/E ratios and earnings disappoint	21.7%	-1.7%
BarCap Long Treasury	Flat yield curve slope and rates rise aggressively	0.9%	10.5%
Bloomberg Commodity	Futures prices are higher than spot prices and spot declines	-6.0%	-5.2%





The key to stable wealth creation

- » Build portfolios that perform well across various economic environments
- » Participate on the upside in periods of market growth
- » Control portfolio drawdowns in periods of market dislocation

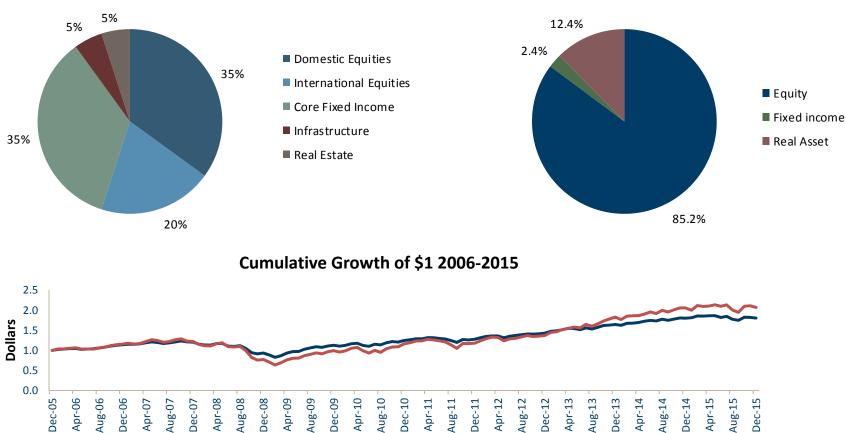






The traditional approach to asset allocation – diversify capital

» Traditional approach may result in the plan closely tracking the outcome of the equity market



Public Plan — MSCI USA

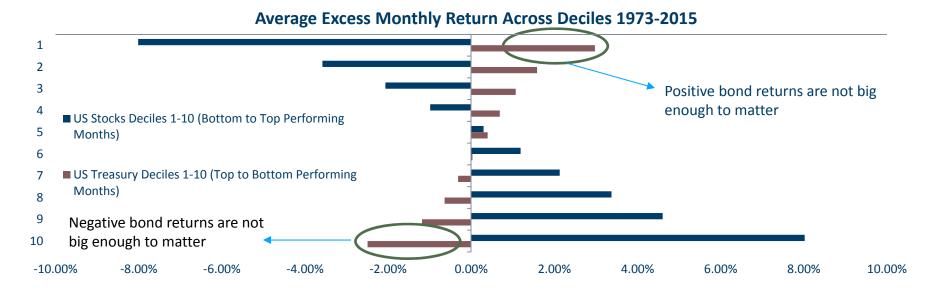
Typical Plan's Capital Allocation

Typical Plan's Risk Allocation



Why are portfolios with diversified capital unbalanced?

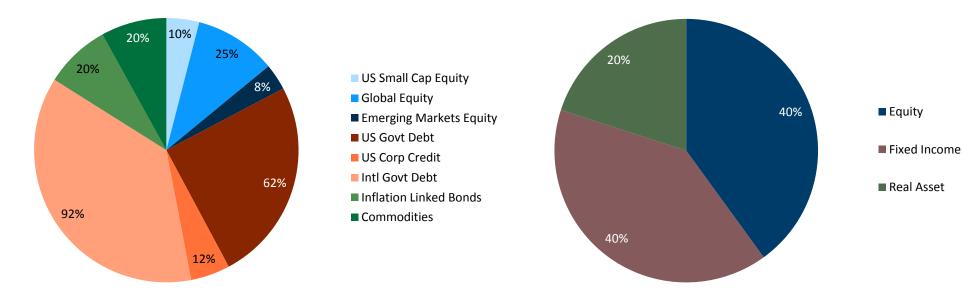
- » The magnitude of equity returns (both positive and negative) is greater than that of bond returns
 - Equity returns are typically 3-4 times larger than bond returns
 - Balancing dollars between equities and bonds means that equities matter more
- » Do bartenders pour whiskey and beer in the same size glass?
 - Just like bartenders, investors should size equities and bonds differently





The Risk Parity approach to asset allocation – diversify risk

» Risk Parity approach weights assets so that all investments influence the portfolio similarly



Risk Parity Capital Allocation

Risk Parity Risk Allocation



Global 60/40 portfolio versus hypothetical Risk Parity: Jan. 2006 - Dec. 2015

» Allocation to a hypothetical Risk Parity Multi Asset portfolio can improve consistency across economic surprises

Since Inception (1/1/2006)	60/40 Portfolio	Hypothetical Risk Parity
Annualized Return	5.2%	7.8%
Annualized Risk	8.6%	8.6%
Sharpe Ratio	0.5	0.9

Since Inception (1/1/2006)	60/40 Portfolio	Hypothetical Risk Parity
Annualized Return Positive Economic Surprise Months (55 months)	10.7%	7.8%
Annualized Risk Positive Economic Surprise Months	6.3%	6.2%
Annualized Return Negative Economic Surprise Months (65 months)	0.71%	7.9%
Annualized Risk Negative Economic Surprise Months	10.2%	10.3%

60/40 Portfolio consists of 60% MSCI World Hedged Index/40% Barclays Global Aggregate Hedged Index.

Hypothetical Risk Parity is a portfolio based on 40% MSCI USA, 160% Barclays Capital US Treasury Index, and 15% Bloomberg Commodity Index For Illustrative purposes only. Source: PanAgora.



What's Different About Risk Parity?

What's Different About Risk Parity?



Sometimes it takes courage to do the right thing

- » Do not be afraid of leverage
 - » Why use it?
 - » Why is it safe to use it?
- » Do not be afraid to allow fixed income to matter
 - » Why is it important?
 - » Why now when interest rates are low?
- » Manager selection is important
 - » Bigger is not always better



Leverage can help achieve both the return and stability objectives

- » 60% equities, 40% fixed income
 - Achieves the expected return target by creating a portfolio with 10% risk
 - Introduces instability to plan's funding status as return outcome is determined by the equity markets
- » 20% equities, 80% fixed income
 - Fails to achieve the expected return target as portfolio risk is approximately 5%
 - Promotes stability by allowing fixed income returns to contribute as much as equity returns
- » Risk Parity Multi Asset
 - Achieves the expected return target by levering a risk balanced portfolio to achieve a 10% risk target
 - Promotes stability by allowing fixed income returns to contribute as much as equity returns



The modern economy is built on leverage

- » Just like Risk Parity, most investments are levered
 - Public and Private Equity, Real Estate, Infrastructure, Hedge Funds
 - Securitization (or in the case of Risk Parity commingled fund) allows it to be non-recourse leverage
- » Risks of leverage can be controlled with good risk management
 - Levering a diversified portfolio of liquid assets not sub-prime mortgages
 - Active rebalancing to target constant and balanced market risk
 - Maintaining high levels of unencumbered cash
 - Utilizing instrument leverage through exchange-traded and centrally cleared futures, not borrowed leverage



The importance of making fixed income a meaningful part of the portfolio

- » The diversification of treasuries is typically positively convex
- » Many other asset classes can become less diversifying

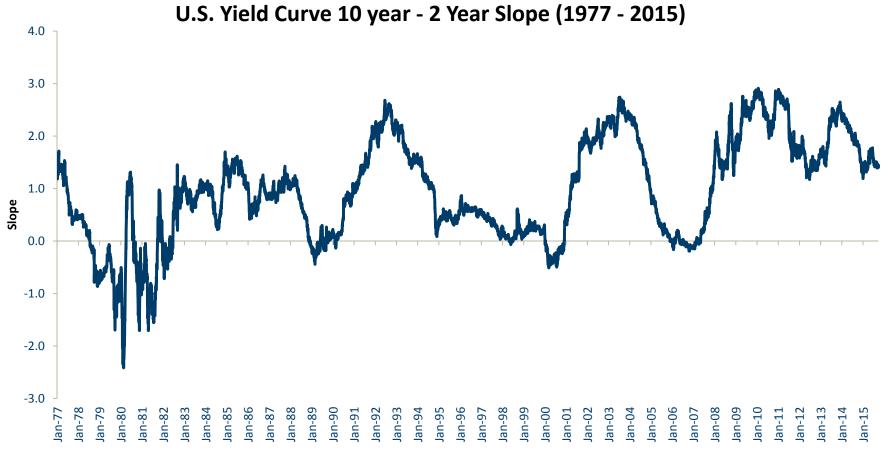
	Stocks/Treasuries
Average Correlation 1973-2015	0.09
Correlation in 20% of months when stocks experienced their worst performance	-0.22
Difference	-0.31

	Return when Economic Surprise is positive 2006-2015	Return when Economic Surprise is negative 2006-2015
MSCI U.S. Equity Index	21.7%	-1.7%
Barcap U.S. Long Treasury Index	0.9%	10.5%



Why fixed income now?

» Yield curve slope has above average steepness despite cash yields being near zero





Delivering attractive returns in low, rising yield environments

- » An upward sloping term structure is compensating investors for the risk of increasing yields
- » Investors earn attractive returns as long as yields rise the same or less than this compensation
- » This investor earns a return premium as long as 1 year yields do not quintuple in the next 12 months

	1 Year Yield Today	2 Year Yield Today	Expected 1 Year Yield Next Year
Yields	1%	3%	5%



Yields may rise, but will they cover?

- » The "buffer" built into the forward curve reflects the market's expectations for rising rates as well as an additional risk premium
- » This is similar to picking the underdog in your office football pool

Year	Favorite	Underdog	Spread	Win	Cover
2013	Denver	Jacksonville	28	Yes	No
1976	Pittsburgh	Tampa Bay	27	Yes	Yes
2007	New England	Philadelphia	24	Yes	No
1993	San Fran	Cincinnati	24	Yes	No
1987	San Fran	Atlanta	23.5	Yes	No

Year	Favorite	Underdog	Spread	Win	Cover
2004	Rising Rates	Fixed Income	100 bps	Yes	No
2015	Rising Rates	Fixed Income	70 bps	??	??



Manager selection is important

- » Length of track record
 - Only a few managers have been managing Risk Parity for over 10 years
- » Strength of track record
 - Significant dispersion across managers in 1, 3, 5, and 10 year track records
- » Thoughtfulness of investment process
 - Strategic risk allocation
 - Risk Parity across and within the asset classes
 - Dynamic Risk Allocation



Summary

Summary



An allocation to Risk Parity can help StanCERA

- » Risk Parity is designed to achieve a dual investment objective
 - Invests in "primary colors" of market premia to achieve returns
 - Employs alternative weighting scheme to generate a stable path to wealth creation across different environments
- » Risk Parity will typically outperform a traditional allocation when a plan needs the most help
 - Provides downside protection in periods with negative economic surprises
 - Provides upside participation in periods with positive economic surprises, but will typically lag equity centric portfolios
- » Sometimes being better requires being different
 - The judicious use of leverage is typically safer than a portfolio concentrated in the stock market
 - Allowing fixed income to meaningfully contribute means owning more of it than equities





Performance expectations for a sample Risk Parity Multi Asset portfolio

- » The portfolio targets a constant annualized volatility of 10% with an expected return of 7% 10% above cash
- » We believe our performance objectives can be achieved in the current environment

Asset Class	Approximate Exposure	Expected Return	Return Contribution
Nominal Fixed Income	150.0%	2.0%	3.00%
Global Equities	50.0%	6.5%	3.25%
Inflation Protected	30.0%	2.5%	0.75%
Total			7.0%

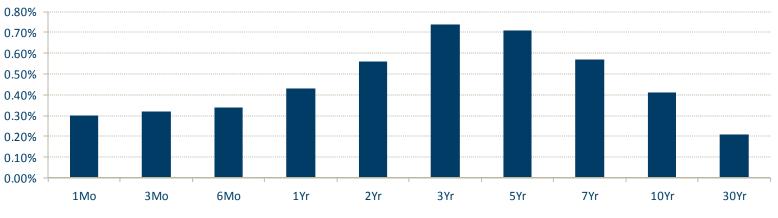
Return expectations in today's environment



Today's nominal rate expectations

» Current excess yield is a good proxy for expected return if interest rates follow the trajectory of rising rates that are already priced into today's forward curve

	U.S. Treasuries	International Sovereign	Credit	Weighted Average
Current Yield	2.2%	1.3%	2.5%	2.0%



Expected Increase in U.S. Bond Yields

Expected 12 Month Change



Equity return assumptions

» Forward Earnings Yield is a conservative estimate for expected return on equities

Asset Class	Fwd P/E	Fwd Earnings Yield*
U.S. Small Cap Equity	18.3	7.0%
Global Equity	15.2	6.6%
Emerging Markets Equity	10.6	9.4%
Weighted Average	15.4	6.5%

*Assumes a 1.5% size premium for small cap equities



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^{*} Additional Published Articles and White Papers are available at www.panagora.com



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* Additional Published Articles and White Papers are available at www.panagora.com



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Verus⁷⁷⁷

PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS



02/17/16 Item 7.c

PERIOD ENDING: DECEMBER 31, 2015

Investment Performance Review for

Stanislaus County Employees' Retirement Association

Table of contents



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Investment Landscape	ταβ ι
Investment Performance Review	TAB II
Risk Dashboard	TAB III



PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

1st QUARTER 2016 Investment Landscape

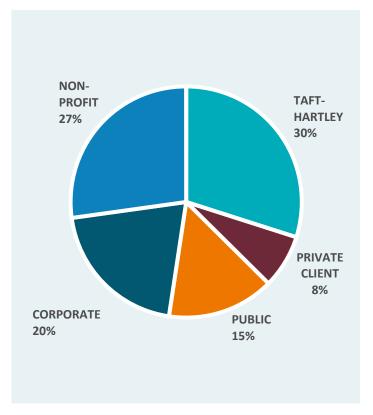
An update on Verus

$2016 \text{ marks our } 30^{\text{th}} \text{ anniversary}$

Since 1986, Verus has provided high quality services to institutional investors, growing our depth of investment team and expertise as the capital markets have become exponentially more complex. Some highlights of our recent achievements:

- In 2011, we brought in an investment team headed by Jeffrey Scott, CFA, former Chief Investment Officer of the Alaska Permanent Fund Corporation, to lead our expansion into full discretionary investment services ("OCIO"). Today, this team manages over \$19 billion in institutional assets.
- In April 2015, in recognition of our evolution and continued investment into capital markets research, risk analytics and portfolio management capabilities, we rebranded from Wurts & Associates to Verus.
- In December 2015, we closed our merger with Strategic Investment Solutions, growing our total staff to more than 100 professionals. We now have offices in Seattle, Los Angeles and San Francisco, and serve clients across the US, in Canada and in South America.
- In January 2016 we expanded our ownership base from 11 to 22 employee-owners.
- Throughout all of these years, we are pleased to have continued to be rated highly for overall quality of service. We have ranked in the top quartile of the Greenwich Associates annual institutional investor survey 10 of the past 11 years.
- Today our suite of offerings includes non-discretionary consulting, risk advisory, private markets consulting, discretionary management, and outsourced CIO services.





^{*}Estimated discretionary and non-discretionary regulatory assets under management as of 1/1/2016; chart reflects client breakdown by number of relationships





Table of contents



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Economic environment	5
Fixed income rates & credit	17
Equity	25
Other assets	37
Appendix	44

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1st quarter summary

THE ECONOMIC CLIMATE

- Global growth has benefited from improvements in Europe and Japan, but headwinds persist in emerging market economies. U.S. real GDP growth fell slightly quarter-over-quarter to 2.0%. *p.7*, 15
- There is continuing global disinflationary pressure from falling commodity prices and excess manufacturing capacity. Despite this, inflation in the U.S. and other developed markets rose slightly in Q4.
 p.12, 15
- Some emerging market economies are experiencing economic depression. China continues to moderate with real GDP growth falling to 6.9%. *p.13, 14*

MARKET PORTFOLIO IMPACTS

- The U.S. dollar rose in Q4 to a level not seen since 2003. Appreciation hit investors with unhedged equity exposure, commodity markets, and earnings of international businesses. *p.26, 41*
- Risk assets have broadly suffered, with particular recent weakness in equity markets and credit fixed income, especially high yield energy. *p.22, 26, 43*

THE INVESTMENT CLIMATE

- Sentiment across risk markets seems to be shifting in increasingly a more bearish direction. *p.28, 43* concerned ov
- Developed countries may have limited ability to stimulate growth and inflation with lower interest rates. *p.16*
- The Federal Reserve implemented a 25 bps rate hike in December. Underlying weakness in the domestic economy may lead to policy shifts. *p.6*

ASSET ALLOCATION ISSUES

- High yield spreads widened in Q4, with energy leading the way. There is a potential for market concerns to begin to affect higher quality credit.
 p.22, 43
- Market sentiment towards risk assets in general suggests careful consideration of risk exposures in all asset classes is warranted. *p.28*
- U.S. dollar strength may be at a secular high, which could have implications for currency hedging decisions. *p.41*

We are

increasingly concerned over the behavior of risk assets and are watching economic and market developments carefully for signs of more sustained weakness



Economic environment



U.S. economics summary

- U.S. real GDP growth moved slightly downward to 2.0% quarter-over-quarter. The Atlanta Fed GDPNow model forecasts continued weaker growth of 1.2% real for Q4, as of December 31st. This figure is much lower than economist forecasts.
- Realized headline inflation ticked up during the quarter to 0.5%, while inflation expectations were relatively unchanged.
- The Federal Reserve implemented a 25 bps rate hike in December. This move was generally expected and priced in. Initial Fed expectations of further rises may be tempered by market conditions.
- The job market continued to tighten, as unemployment rates declined. Broader measures of unemployment (U-6) have improved alongside stricter measures of unemployment (U-3).
- Household borrowing has been muted since the crisis, but credit growth is beginning to pick up.
 Households seem to be healing and disposable income is rising with the help of lower gas prices.

	Most Recent	12 Months Prior
GDP (annual YoY)	2.1% 9/30/15	2.9% 9/30/14
Inflation (CPI)	0.5% 11/30/15	1.3% 11/30/14
Expected Inflation (5yr-5yr forward)	1.8% 12/31/15	2.1% 12/31/14
Fed Funds Rate	0.2% 12/31/15	0.06% 12/31/14
10 Year Rate	2.3% 12/31/15	2.2% 12/31/14
U-3 Unemployment	5.0% 12/31/15	5.6% 12/31/14
U-6 Unemployment	9.9% 12/31/15	11.2% 12/31/14

Weakening GDP but stronger than many developed markets

Slight inflation uptick in Q4 as initial oil effects dissipate but still lower year on year



U.S. economics – GDP growth

Real GDP came in at 2% in the third quarter, and 2.1% on a year-over-year basis. Growth was hindered by a contraction in inventory builds and continued weakness in exports. GDP forward expectations have come down materially over the past year. Furthermore, the Atlanta Fed GDPNow model forecasts continued weaker growth of 1.2% real for Q4, as of December 31st, though this figure is much lower than economist forecasts.

The U.S. economy has faced headwinds, particularly in

the manufacturing sector, following a stronger dollar and slow global growth. The service sector has shown greater signs of health.

The domestic economy is relatively self-sufficient and highly concentrated in services rather than manufacturing, which suggests the U.S. consumer will likely dictate the direction of growth. Domestic growth remains more robust than in most developed countries.

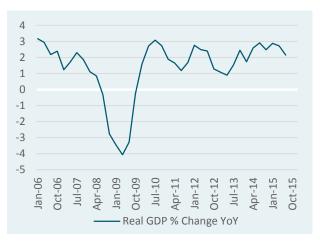
U.S. remains a relative economic bright spot

Recent weakness in forward expectations

LONG-TERM U.S. GDP GROWTH



MEDIUM-TERM U.S. GDP GROWTH



GDP COMPONENTS



Source: FRED, as of 9/30/15

Verus⁷⁷

Source: FRED, as of 9/30/15

Source: FRED

U.S. economics – unemployment

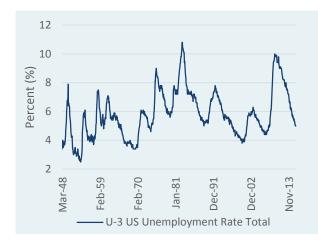
The U.S. labor market continued to strengthen. U-6 unemployment (broader definition) and U-3 unemployment (stricter definition) moved downward to 9.9% and 5.0% in December, respectively. The participation rate improved in Q4.

Finishing off a strong year for employment, December's nonfarm payrolls beat expectations coming in at 292,000 vs 200,000 expected. Wages for the month were flat, resulting in an annualized growth figure of 2.5% - a disappointment relative to expectations.

In previous quarters we discussed a secular decline in the aggregate U.S. labor participation rate. This movement appears a negative indicator - possibly a sign of underlying economic weakness and structural slack in the labor force. However, if we focus in on the specific demographic of full time workers ages 25 to 54, we see a less extreme picture. Continued job market improvement

Demographic changes may be primary driver of declining participation

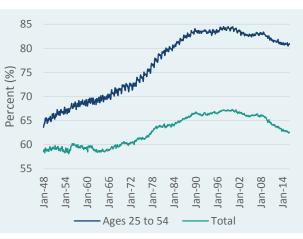
UNEMPLOYMENT SINCE 1948



MORE RECENT UNEMPLOYMENT & U6



LABOR FORCE PARTICIPATION RATE



Source: Bloomberg, as of 11/30/15

Source: FRED, as of 11/1/15

Source: FRED, as of 12/1/15



U.S. economics - the consumer

Although household borrowing has been relatively muted in the recent recovery, credit growth is beginning to pick up. Households are healing from the deleveraging process of recent years and disposable income is rising as employment strengthens.

Consumer spending has been bolstered by the oil price decline. Drivers saved around \$540 on average in 2015 due to the drop in gas prices. J.P. Morgan estimates consumers have spent approximately 80% of that savings. The personal savings rate ticked up slightly in Q4 to 5.5%, but remains in a normal range.

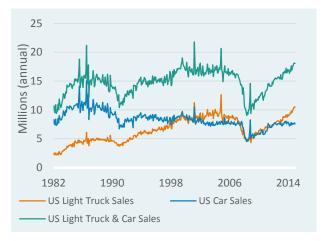
Real disposable income growth remains at a normal level as of November, at 2.7%.

Consumer behavior appears conservative, but stronger spending and credit growth could soon be realized as the labor market tightens. Higher student loan debt remains a drag on spending for younger consumers. Credit growth has begun to pick up, and has room for expansion

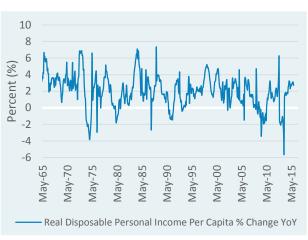
CREDIT GROWTH



AUTO SALES



GROWTH OF DISPOSABLE INCOME



Source: FRED, as of 11/1/15

Source: FRED, as of 11/30/15

Source: FRED, as of 11/1/15

U.S. economics – sentiment

Consumer and market sentiment surveys were mixed in Q4, but remain in a normal range.

The Bloomberg consumer comfort index had been significantly below average since December 2007. This index now sits at the bottom end of a normal range. The University of Michigan Consumer Sentiment Survey rose in December to the highest level since July. The average in 2015 was the highest annual average in 11 years. The Citi Economic Surprise index recently dropped to levels not seen since 2012, but continues to recover to normal levels.

The U.S. consumer appears to have been on a steady recovery since the great recession. While business borrowing has since picked up significantly, the consumer remains hesitant to accumulate debt. We continue to believe sentiment may be vulnerable to a stream of bad news.

Sentiment and comfort indices mixed in Q4

CONSUMER COMFORT INDEX

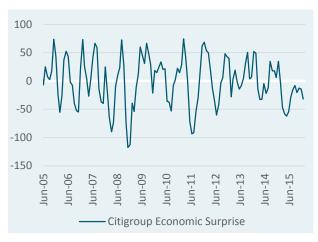


CONSUMER SENTIMENT



Source: University of Michigan, as of 12/31/15 (see Appendix)

ECONOMIC SURPRISE



Source: Bloomberg, as of 12/31/15 (see Appendix)

Verus⁷⁷

Source: Bloomberg, as of 12/1/15 (see Appendix)

U.S. economics – housing

The U.S. housing market has normalized in terms of pricing, rate of new home construction, and rate of home sales. New home construction climbed 10.5% in November from a month earlier. Construction of single family homes, which reflect two thirds of the market, reached an eight-year high in November.

Despite continued pent up demand for housing, the construction of multi-family homes continues to outpace single-family homes, further providing

evidence that Americans remain constrained in their ability to borrow. The recent policy change from the Fed may push lending rates higher and reduce demand for mortgages. A slower than expected rate-rise process may provide ongoing support.

Home prices have risen faster than wages, which is a hurdle to homeownership. High student loan levels may be continuing to act as a drag on first-time purchasers.

HOME AFFORDABILITY



Source: National Association of Realtors, as of 11/30/15

HOMEOWNERSHIP RATE

Source: FRED, as of 7/1/15



NEW & EXISTING HOME SALES



Source: Bloomberg, as of 11/30/15

Investment Landscape 1st Quarter 2016

U.S. economics – inflation

Inflation expectations remained stable in the 4th quarter, as measured by the U.S. TIPS 10yr Breakeven Rate and the U. of Michigan Inflation Expectations Survey. Headline inflation ticked up to 0.5% in November, while Core CPI remains around 2%. Inflation drag from the initial oil price decline is coming off the year-over-year inflation calculation, which could result in upward pressure to CPI.

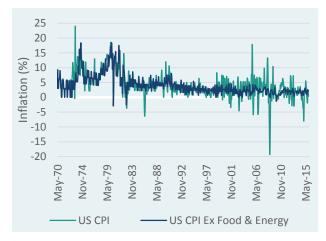
The continuing oil price decline, ongoing global industrial overcapacity, especially in China, and dollar

strength pose further challenges for inflation. There is some positive pressure on inflation from an increasingly tight labor market, and a lower commodity price base. Further appreciation of the dollar is currently an inflation headwind but may fuel inflation if this trend reverses.

Domestic inflation is an input to Federal Reserve policy, and further spillover of global disinflation trends to the US could be expected to influence rate hike decisions. Effects of initial oil price decline falling off CPI print

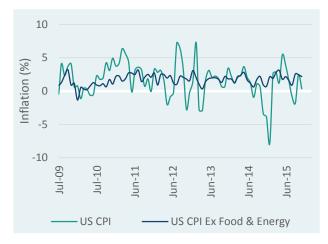
Global downward pressures

LONG-TERM U.S. CPI



MEDIUM-TERM U.S. CPI

Source: FRED, as of 11/1/15



MARKET EXPECTATIONS OF INFLATION



Source: Bloomberg, University of Michigan, as of 12/31/15



Source: FRED, as of 11/1/15

International economics – current

- Global GDP growth remains mild, while Japan and the Eurozone saw marginal improvement. Slowing external demand may prove a challenge.
- China economic growth continues to cause concern. Real GDP growth is reported at 6.9%, though the accuracy of this figure is debated. Government stimulus may have helped mitigate the slowdown, but quickly rising debt-to-GDP might lead to problems.
- Japan did not enter a technical recession in Q3 as previously thought. Q3 Real GDP was revised up from -0.8% to +1% QoQ.
- Japan achieved positive year-over-year base wage growth of 0.3% in 2015, which is the first positive growth seen in 10 years.

- Total wages remain flat. The country continues its struggle to generate inflation.
- Global unemployment continues to decrease, while the BRIC nations remain an exception.
- Commodity markets remain challenging, which has affected emerging market equity and currency markets.
- Eurozone growth slowed in Q3 as exports weakened.
 Germany, a major
 contributor to export
 growth in the area, led the way.
- Puerto Rico defaulted on approximately \$174 million of debt payments on January 4th, as widely expected.

Area		GDP (Real, YoY)	Inflation (CPI)	Unemployment
Unit	ed States	2.1% 9/30/15	0.5% 11/30/15	5.0% 11/30/15
Wes Eurc		1.8% 9/30/15	0.2% 12/31/15	8.9% 9/30/15
Japa	n	1.6% 9/30/15	0.3% 11/30/15	3.4% 9/30/15
BRIC	Nations	4.7% 9/30/15	4.2% 9/30/15	5.1% 9/30/15
Braz	il	(4.5%) 9/30/15	10.5% 11/30/15	7.6% 9/30/15
Russ	sia	(4.1%) 9/30/15	15.0% 11/30/15	5.3% 9/30/15
India	a	7.4% 9/30/15	4.6% 9/30/15	8.6% 12/31/14
Chin	a	6.9% 9/30/15	1.5% 11/30/15	4.0% 9/30/15

In developed markets mild positive progress continues

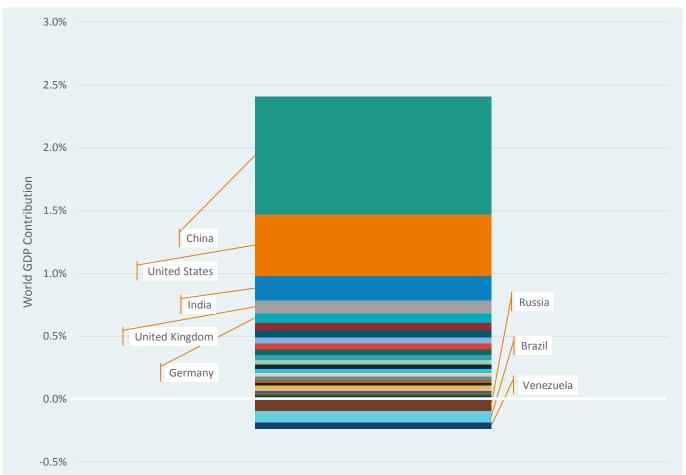
Concern over further China weakness

Emerging market challenges continue



Global growth environment

REAL GDP GROWTH BY CONTRIBUTION



China is the second largest contributor to world GDP, but is the largest contributor to GDP growth

Developed economies not necessarily contributing the most to growth

Source: World Bank, as of 12/31/15



International economics

Global growth has benefited from improvements in Europe and Japan. Developed economies produced slowing to flat growth, improving employment, and subdued inflation. Many economies experienced a slight inflation uptick in Q4. Further improvement may be realized as the initial oil price decline falls out of annual CPI calculations. Consumer confidence in the Eurozone continues to improve from the lows of the financial crisis. growth. These economies have struggled, with the exception of India. Commodity production has been a key driver of growth for many countries, along with high government spending. Global excess manufacturing capacity is negatively affecting inventory builds and has had a dampening effect on demand.

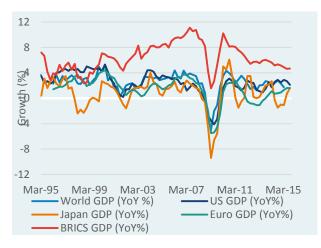
Emerging market economic health is increasingly important to the global economy, as emerging markets drive approximately 60% of global growth and compose approximately 60% of global commodity consumption.

Emerging market economies exhibited disparate

INTERNATIONAL INFLATION (CPI)



REAL GDP GROWTH



CONSUMER CONFIDENCE



Source: Bloomberg, as of 11/30/15

Source: Bloomberg, as of 9/30/15

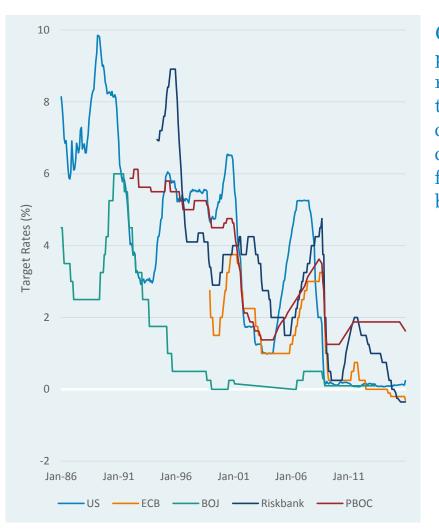
Source: Bloomberg, as of 11/30/15

15



Limitations of monetary policy

- Central banks have the ability to stimulate investment by lowering interest rates through open market operations. In the U.S., policymakers target the federal funds rate to either encourage or discourage borrowing.
- Given the recent regime shift of global policy rates to all time lows, many near zero or even negative, policymakers may find it difficult to make further rate cuts.
- In the case of another global financial crisis, central banks may have limited power to respond with simulative monetary policy as rates can only go so low. In extreme cases, central banks are paying to lend money to investors.
- If central banks are unable to lower rates and reduce financial stability, global markets may suffer.



Central bank policy rates reaching all time lows, creating challenges for central banks

Source: Bloomberg, as of 12/31/15

Verus⁷⁷



Fixed income rates & credit



Interest rate environment

- The Federal Reserve implemented a long anticipated rate hike in December. Policy in Europe and Japan remains accommodative.
- Interest rates decreased broadly across developed markets in Q4, with the exception of the U.S and Germany.
- U.S. interest rates remain high relative to other developed markets
- The ECB lowered the deposit facility rate to a level of -0.30% in December, despite earlier comments by Mario Draghi that rates would not go any lower. Markets were disappointed by this policy decision and yields climbed

on the news. The ECB continues to suggest looser policy may be available if needed.

- While initial expectations were for further U.S. rate rises, more recent news suggests these may be delayed. A move towards slower rate rises, or even the reintroduction of looser monetary policy, could lead to a market reassessment of relative currency values, and a weaker dollar.
- Many central banks have few policy tools available to them in the event of further economic weakness

Area	Short Term (3M)	10 Year	
United States	0.17%	2.27%	
Germany	(0.55%)	0.63%	
France	(0.46%)	0.99%	
Spain	(0.18%)	1.77%	
Italy	(0.12%)	1.59%	
Greece	2.10%	8.07%	
UK	0.51%	1.96%	
Japan	(0.04%)	0.27%	
Australia	2.11%	2.88%	
China	2.14%	2.83%	
Brazil	15.03%	16.51%	
Russia*	11.79%	10.39%	

Interest rates fell in Q4

Diverging monetary policies could be detrimental to countries with high debt burdens

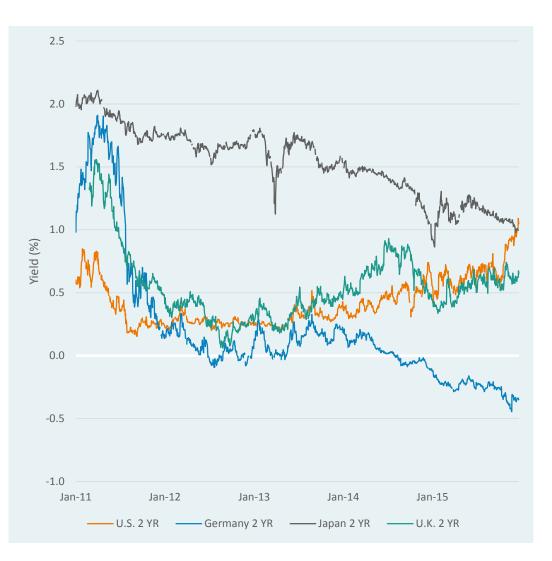
*Shortest term rate for Russia is 1Y

Source: Bloomberg, as of 12/31/15



Monetary divergence

- During Q4, the Fed raised interest rates for the first time since 2006. The decision was in contrast to the policy decisions of other central banks including Europe, Japan and China in 2015.
- Two weeks prior to the Fed's decision, the ECB made announcements of plans to further expand European stimulus in the form of a rate cut, and extension of the QE program to March 2017. In the final weeks of the year the Bank of Japan decided to leave the monetary base unchanged, but added several other accommodative measures.
- If markets allow a continuation of this divergence, it could support dollar strength. However, continued weakness in markets or economic data could reverse this trend.
- The U.K. remains somewhere in the middle, echoing the desire to tighten alongside the Fed but not seeing convincing signs from domestic and global data.
- The key concern is whether deflationary pressure, continuing commodity down-cycle effects, and overcapacity will cause continued loosening in monetary policy globally. This change in direction could require substantive changes in market behaviors.



Source: Bloomberg, as of 12/31/15

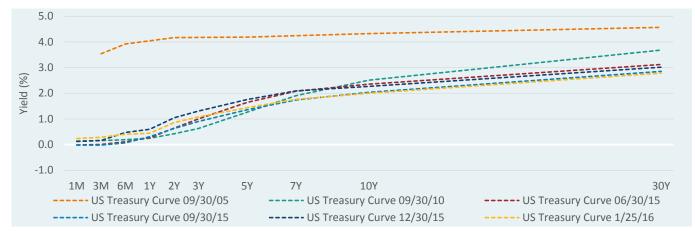
Verus⁷⁷

Investment Landscape 1st Quarter 2016

19

Global yield curve

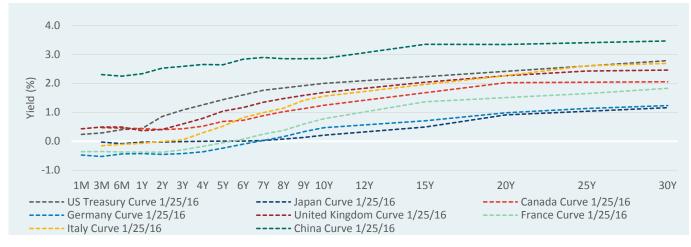
U.S. YIELD CURVE



U.S. Treasury curve shifted up in anticipation of the Fed's decision

Foreign developed interest rates broadly decreased in Q4

GLOBAL GOVERNMENT YIELD CURVES

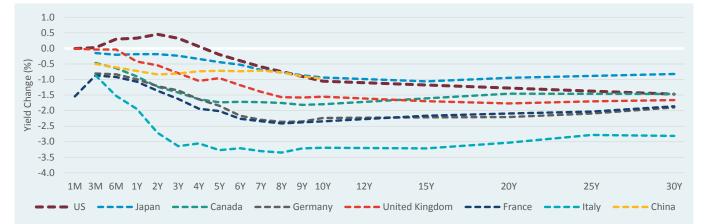


Source: Bloomberg, as of 12/31/15



Global yield curve changes

INTERNATIONAL YIELD CURVE CHANGES OVER LAST FIVE YEARS



Forward curves imply flat or modestly higher rates in most countries, with the exception of the U.S.

EXPECTED INTEREST RATE CHANGES ONE YEAR FORWARD IMPLIED BY MARKET PRICING



Source: Bloomberg, as of 12/31/15



Credit environment

While consumer credit appeared to pick up in Q4, business borrowing slowed. Recent widening of spreads, high M&A activity, increasing leverage, and relatively less restrictive covenants, increase concern over credit markets.

Domestic credit spreads widened further during the quarter, led by the energy sector. However most spreads remain in a broadly normal range. Higher credit spreads make further corporate leveraging difficult leading to higher financing costs for equity buybacks and M&A activity, which may be a headwind to equity prices. Emerging market economies have experienced great pain, reflected in wider CDS spreads following the drop in the price of oil.

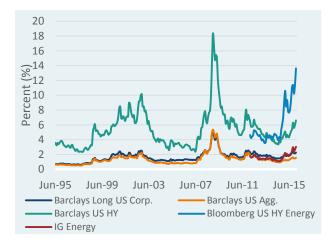
In the past, a broad sell-off in the high yield market might have created risks of broader contagion as banks were primary holders of credit; however, banks have largely divested from this asset class. Nonetheless the possibility of broader impact on the credit market from high yield weakness remains worrying.

SPREADS

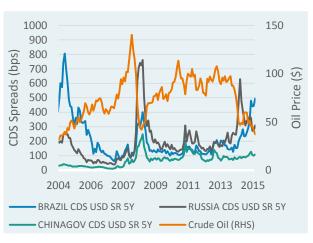
Broad concerns across credit spectrum, particularly in energy high yield

CREDIT SPREADS

Verus⁷⁷



EMERGING MARKET SPREADS



Market	Credit Spread (12/31/2015)	Credit Spread (1 Year Ago)
Long US Corporate	2.1%	1.7%
US Aggregate	1.1%	1.0%
US High Yield	7.1%	5.3%
US High Yield Energy	13.6%	9.3%
US Bank Loans	3.9%	3.9%

Source: Barclays Capital Indices, Bloomberg, as of 12/31/15

Source: Bloomberg, as of 12/31/15

Source: Barclays, Credit Suisse, Bloomberg, as of 12/31/15

Issuance and default

Investment grade issuance increased in 2015, while issuance of bank loans and high yield continued to contract.

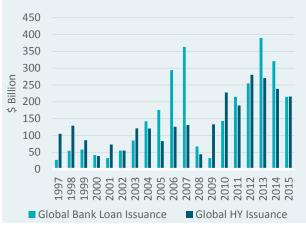
Defaults are rising in the high yield market, driven by the energy sector. Hedges put in place by energyrelated companies are largely rolling off, revealing the true financial effects of lower commodity prices. Bankruptcies may have knock-on effects on lenders.

Energy-related high yield issuers make up about 15% of

IG & HIGH YIELD ISSUANCE



BANK LOAN & GLOBAL HY ISSUANCE



Source: BofA Merrill Lynch Global Research, as of 12/31/15

the high yield market. Though small, this portion of the market could be negatively affected if energy market turbulence persists. Aggregate defaults remain in a normal range year-over-year.

With continued issues in the credit market, investors should take care to understand and control the degree of credit exposure in portfolios, particularly in the high yield space.

Defaults rising but for now remain near average

HY DEFAULT TRENDS (ROLLING 1 YEAR)



Source: Credit Suisse, BofA, as of 12/31/15

Source: Bloomberg, as of 12/31/15

Continued role of fixed income

- Investors have lately questioned the role of fixed income. An environment of lower yields, the prospect of rising yields, and higher duration, arguably lessen the attractiveness of this asset class.
- Investors typically hold fixed income instruments for five primary reasons: equity risk protection, capital
 preservation, income, credit premium, and tenor premium. Although at current levels of risk premia and pricing
 some of these benefits may be less effective than in the past, broadly they remain intact.
- Although rising rates imposes a downward pressure on bond prices, investors have the opportunity to reinvest capital on instruments offering higher interest.
- Tenor risk and credit risk, although potentially paired with increased defaults, will continue to offer higher returns.

EQUITY RISK PROTECTION



CREDIT PREMIA



TENOR PREMIA



Source: Bloomberg, as of 10/31/15



24

Fixed income instruments have provided a safe haven during equity down markets





Equity environment

- The current low inflation, low interest rate environment remains accommodative for risk assets, but economic and market concerns persist.
- S&P 500 earnings fell 4.3% in Q3 while sales fell 3.8%. Earnings beat estimates by 4.9% while sales missed by -0.1%.
- The technology sector has been a major contributor to U.S. business margin expansion since 2009.
 Apple generated an estimated 22% of S&P 500 margin growth.
- While energy and mining sectors weighed on the broader indices, measuring returns on an ex-energy basis may be inappropriate as this excludes firms

- negatively impacted and includes the firms feeling positive effects.
- Size and value factors underperformed in Q4.
- Emerging market equity continued to experience volatility and losses. The effects of a lower price of oil has translated to broad currency depreciation.
- Japan on both a hedged and unhedged basis performed exceptionally well. While there remain doubts around the pace of reform, our ongoing view that structural change will drive benefits to investors remains intact.

	QTD Total Return (unhedged)	QTD Total Return (hedged)	YTD Total Return (unhedged)	YTD Total Return (hedged)	1 Year Total Return (unhedged)	1 Year Total Return (hedged)
US Large Cap (Russell 1000)	6.5	%	0.9	1%	0.9	%
US Small Cap (Russell 2000)	3.6%		(4.4%)		(4.4%)	
US Large Value (Russell 1000 Value)	5.6%		(3.8%)		(3.8%)	
US Large Growth (Russell 1000 Growth)	7.3	%	5.7	2%	5.7	%
International Large (MSCI EAFE)	4.7%	6.4%	0.8%	5.0%	0.8%	5.0%
Eurozone (Euro Stoxx 50)	3.6%	5.5%	(0.1%)	6.2%	(0.1%)	6.2%
UK (FTSE 100)	1.1%	0.8%	(6.4%)	(9.6%)	(6.4%)	(9.6%)
Japan (NIKKEI 225)	8.7%	9.6%	9.9%	10.7%	9.9%	10.7%
Emerging Markets (MSCI Emerging Markets)	0.7%	0.9%	(14.9%)	(8.2%)	(14.9%)	(8.2%)

Negative sentiment and economic challenges may cause ongoing concerns

Source: Russell Investments, MSCI, STOXX, FTSE, Nikkei, as of 12/31/15



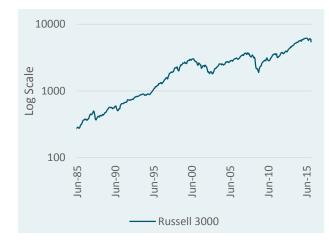
Domestic equity historical return

The U.S. equity market has performed exceptionally well since the global financial crisis, but equities were range-bound in 2015.

Equities provide exposure to economic growth, and should be held over the long-term. Short-term attempts to time the market, done poorly, can detract from long-term returns. A systematic rebalancing policy can be very helpful to long-term performance by avoiding emotional buying or selling which can damage performance. Domestic equity fundamentals have shown some weakening as of late. Other developed equity markets may provide better opportunities for investing new money, although concerns are warranted for risk assets as a whole.

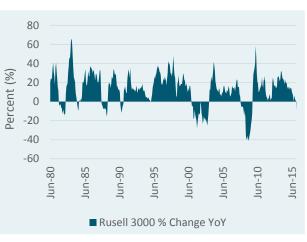
Equity exposure remains an integral part of the portfolio and is the primary means for investors to access long term productive capacity of the economy.

LONG-TERM PERFORMANCE





DOWNSIDE EVENTS



Source: FRED, as of 1/21/16

Source: FRED, as of 1/21/16

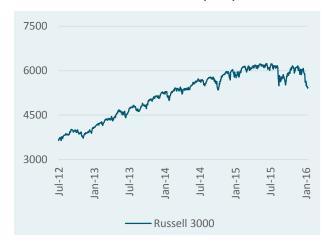
Source: FRED, as of 1/21/16

Domestic equity recent

Domestic equities rallied in Q4, but retraced gains early in the new year. Worries over slowing growth in the U.S. and a hard landing in China continued to weigh on risk assets. The timing of rate hikes in 2016 may add additional uncertainty. Nearly seven years in length, the current bull market has extended longer than most. It is important to remember that bull markets do not die of old age, but rather due to a shifting environment. There are concerns we may be in the process of such a shift today. S&P 500 earnings fell 4.3% in Q3 while sales fell 3.8%. Earnings beat estimates by 4.9% while sales missed by -0.1%.

Domestic growth and weakening corporate earnings may cause uncertainty in the short term. Market technical factors also provide some grounds for concern, with all major domestic equity indices showing poor technical market signals. Signs of weakness are evident in domestic equity markets

SHORT TERM PERFORMANCE (3YR)



SMALL/LARGE & GROWTH/VALUE



FORWARD P/E



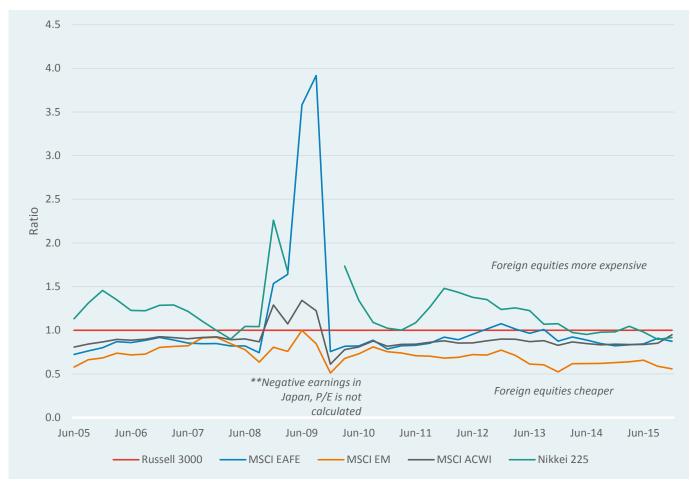
Source: Russell Investments, as of 1/21/16

Source: Russell Investments, as of 12/31/15

Source: Standard & Poor's, Russell Investments, as of 1/21/16

Relative valuations

RUSSELL 3000 P/E DIVIDED BY FOREIGN INDEX P/E



On a P/E basis foreign equity markets appear relatively cheap compared to the U.S.

This has, however, often been the case and may not be indicative of future performance

Source: Russell Investments, MSCI, Nikkei, as of 12/31/15. Note negative earnings for Japan for certain periods cause a gap in the Japan series



Equity volatility

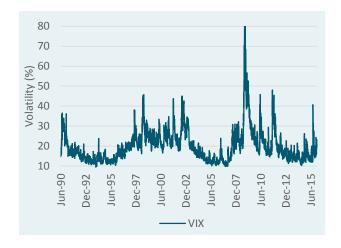
After significantly spiking in August, the VIX remained relatively range-bound through the remainder of the quarter. Closing 2015 near the high end of the range, an increase in volatility levels in early January may be sustained in the coming months. Disparate views on the impact and magnitude of a China slowdown, uncertainty surrounding the path of Fed rate hikes, and broad pain caused by a low commodity base have

fueled greater price uncertainty.

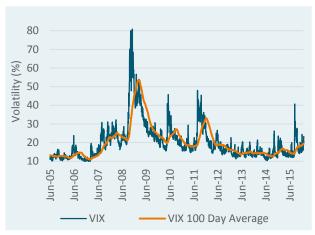
Volatility in domestic indices is marginally lower than international indices with emerging markets remaining the most volatile. Geopolitical tensions and volatile commodities prices are likely to impact emerging market volatility in the coming months.

Volatility levels typically exhibit muted behavior during bull markets and spike during market downturns, which makes it important to monitor volatility. Equity volatility in both developed and EM has increased

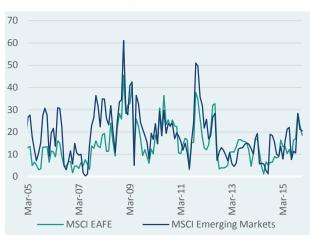
LONG-TERM VOLATILITY



INTERMEDIATE-TERM VOLATILITY



INTERNATIONAL EQUITY VOLATILITY



Source: CBOE, as of 12/31/15

Verus⁷⁷

Source: CBOE, as of 12/31/15

Source: MSCI, as of 12/31/15

Domestic equity size and style

Small cap equities trailed large cap in Q4, and growth continues to outperform value. Over the past three years investors have been reward for taking on exposure to size, but punished for taking on exposure to value.

Appreciation of the U.S. dollar contributed to small cap outperformance as larger firms with foreign currency receipts received currencies worth less relative to the U.S. dollar. Growth beat value by a significant margin in 2015, outperforming by 9.6% in 2015. Style performance is often displayed in cumulative terms; however, it is necessary to understand the degree of periodicity in these returns.

In the context of investment style factors, it should be noted that most of the embedded risk is primarily equity risk; however, factor awareness and management can be important in portfolio construction. Size and value risk factors suffered losses in Q4

SMALL CAP VS LARGE CAP (YOY)



VALUE VS GROWTH (YOY)



ROLLING 5 YEAR RETURN



Source: Russell Investments, as of 12/31/15

Source: Russell Investments, as of 12/31/15

Source: Russell Investments, as of 12/31/15

Domestic equity valuations

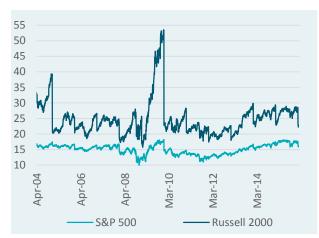
Domestic equity valuations rose slightly in Q4 on both a trailing and forward P/E basis, but have fallen back to a normal range since the beginning of the year.

Stronger profit margin and earnings growth, and a general economic recovery since the 2008 have justified an expansion of equity valuations. Nominal equity returns are driven by dividends, earnings growth, valuation expansion, and inflation (prices keeping up with higher input costs). Dividend yields are currently low relative to history, profit margins are strong relative to history, valuations are somewhat above above average, and inflation is near record lows. This environment is not particularly accommodative for the fundamental drivers of long-term nominal equity returns.

The spread between S&P 500 dividend yield and the U.S. 10yr Treasury yield remains wide. Continued interest rate hikes could help bring this spread back to an average level.

Valuations rose slightly in Q4, and remain somewhat high

12 MONTH FORWARD P/E

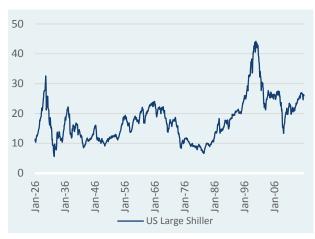


EQUITY YIELD LESS BOND YIELD



Source: Standard & Poor's, Bloomberg, as of 12/31/15

SHILLER P/E LONG-TERM



Source: Shiller, as of 12/31/15

Investment Landscape 1st Quarter 2016

Source: Standard & Poor's, Russell Investments, as of 1/7/15



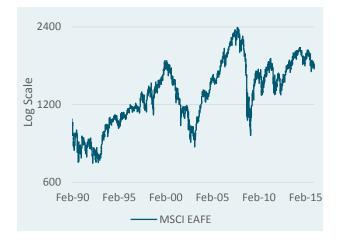
International equity historical return

International developed market equities, in general, have lagged their U.S. counterparts since the lows of 2009. International developed small cap equities outperformed significantly during this time. Currency hedging decisions continue to have a material impact on performance as of late.

Emerging markets were relatively range-bound between 2010 and early 2015, but since early 2015 have moved into bear market territory. Growth concerns in China and a lower oil price have contributed to poor returns. Currency volatility makes it necessary for investors to understand the nature of unhedged exposures to international equities. At times the return from currency exposure can be as large or larger than the equity return. Investors should think of these two exposure sets as separate investment decisions. Significant concerns in emerging markets continue

Despite volatility, it is important to remember that emerging market exposure has typically bolstered portfolio performance significantly over the long run.

EAFE LONG TERM (USD)



EMERGING MARKETS LONG TERM (USD)



EM EFFECT ON GLOBAL EQUITY PORTFOLIO



Source: MSCI, as of 12/31/15

Source: MSCI, as of 12/31/15

Source: MSCI, as of 12/31/15

33



International equity recent

Developed international equity performance was mixed in 2015. Currency fluctuations have overwhelmed positive equity returns in many markets, but added to returns in others.

European equities have typically underperformed U.S. equities in terms of earnings growth. This trend has reversed as European companies have outperformed. European equities appear less vulnerable than domestic equities, following aggressive financial engineering in the United States. Severe foreign currency drawdowns experienced earlier in 2015 appear to have moderated in many countries during Q4. The price of oil and other commodities will likely be important in determining the future trend of foreign exchange rates.

Emerging markets were volatile in Q4 on the back of further downward oil price pressure, China growth concerns, and currency movement.

Positive Q4 performance

Currency exposure had significant impact

SHORT-TERM PERFORMANCE



CUMULATIVE RETURN



12 MONTH FORWARD P/E



Source: MSCI, as of 1/25/16

Source: MSCI, as of 1/25/16

Source: MSCI, as of 1/25/16

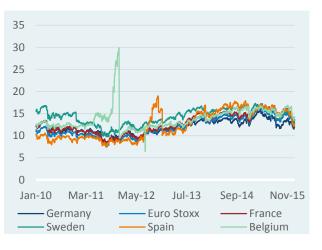
International equity valuations

International equity valuations remain more attractive than domestic equities. Europe appears slightly cheap relative to history. Japan valuations are at the low end of the historical range, further contributing to our belief that Japan deserves a neutral or perhaps overweight position in portfolios. Emerging market valuations appear relatively attractive, though most likely priced appropriately due to greater accompanying risks. Investors should be aware of value traps in this space. Corporate earnings in European markets have improved while U.S. companies struggle, but European equities continue to lag their U.S. counterparts. In contrast to a tighter business environment in the U.S., conditions in Europe may offer more room to run in terms of labor market slack, easy monetary conditions, and devalued currencies. Large valuation differences exist between individual countries in Europe, which may suggest active management is preferable.

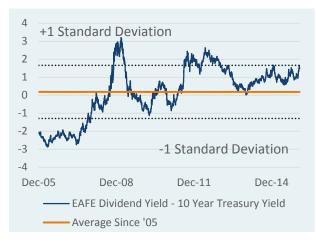
12 MONTH FORWARD P/E



COUNTRY VALUATIONS



EQUITY YIELD LESS BOND YIELD



Source: MSCI, as of 1/25/16

Source: Bloomberg, as of 1/25/16

Source: MSCI, as of 1/25/16



Emerging market equity

Emerging market equities continue a steep selloff in the face of decelerating Chinese growth and oil volatility. 2015 was a year of FX reserve net outflows for many countries which has been rare, given the steady accumulation of currency reserves in recent decades.

If allowed by current market environments U.S. interest rate hikes might result in further emerging market outflows; however, continued quantitative easing in other developed nations may counteract these effects, and in the current environment U.S. rate hikes are not certain. Brazil was downgraded to junk rating by Fitch. The country continues to fight higher inflation with high interest rates, and is feeling economic pain from a budget deficit and less competitive currency.

Chinese officials recently initiated a widespread crackdown on corruption, involving a large number of private sector and government officials. Luxury goods markets have felt much pain following this initiative, as an estimated 50% of global luxury spending comes from Chinese consumers. Energy price movement continues to have impact

China remains in the spotlight

LONG TERM PERFORMANCE



ROLLING 3 YEAR RETURN



FORWARD P/E



Source: MSCI, as of 12/31/15

Source: MSCI, as of 12/31/15

Source: MSCI, as of 1/21/16







Other asset volatility

Despite the highly anticipated rate hike at the end of the fourth quarter, fixed income volatility has remained relatively low. The end of 2015 was characterized by relatively range-bound trading as domestic investors experienced a flight to quality which was offset by the sell-off in global sovereign funds.

Foreign exchange volatility has remained relatively high based on activity from central banks and weaker commodity prices. The uncertainty around monetary policy decisions and global financial stability has introduced increased volatility in this space.

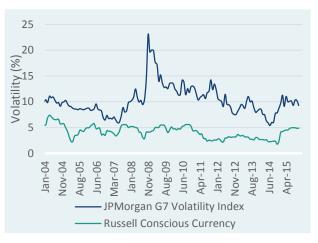
The volatility of commodities has spiked based on the recent price movements in oil. The price moving to levels last seen in 2009 has created a significant amount of volatility. Contrary to expectations, the price of gold has remained relatively stagnant over the last 12-18 months.

FIXED INCOME VOLATILITY



Source: Merrill Lynch, as of 12/31/15 (see Appendix)

FX VOLATILITY



Source: JP Morgan, Russell Investments, as of 12/31/15

COMMODITY VOLATILITY



Source: Bloomberg, as of 12/31/15



Real estate & REITs

Real estate assets provide high exposure to the general business cycle. The recovery from the economic crisis has benefited the real estate market, which has shown significant recovery.

Real estate fundamentals remain strong with lower and declining vacancy rates across all property types. NOI is strongest in apartments, while industrial has shown increased strength recently. Low interest rates have been accretive to returns for the asset class.

REITs have been volatile, trading with the uncertainty of future FED rate activity, which resulted in a discount to fund NAV though November.

Cap rates continue to trend downward, while spreads to Treasuries remain above historical averages.

Some opportunities but careful selection needed

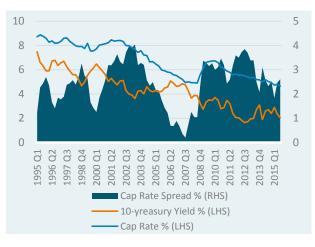
REAL ESTATE & THE BUSINESS CYCLE



REAL ESTATE VACANCY BY TYPE



CAP RATE SPREADS



Source: NCREIF, as of 9/30/15

Verus⁷⁷

Source: NCREIF, as of 9/30/15

Source: NCREIF, as of 9/1/15

Commodities

The Bloomberg Commodity Index returned -10.5% in Q4, driven by energy and industrial metals. OPEC dropped its oil production quotas in December, and oil inventory levels continue to climb as producers struggle to generate cash flow. Large inventory builds, along with the lifting of sanctions against Iran (a source of supply), may also act as headwinds.

Oil prices continue to fluctuate, which has impacted credit spreads, energy-related equities, and the health of many energy-exporting countries. Significant bankruptcies of energy firms would traditionally help balance supply and help prices; however, large sums of money being dedicated to the distressed credit space may mean that assets, while written down, stay in production thereby prolonging the price pain. Commodity cycle weakness persists

Commodities are typically held in portfolios to provide inflation sensitivity. Despite commodities moving in an undesirable direction over the past year, they continue to fulfill this role.

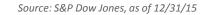
3 YR ROLLING RETURNS



COMMODITY CORRELATION (3YR ROLLING)



Source: MPI, as of 12/31/15 - correlation to Bloomberg Commodity



S&P GSCI Agricultural

S&P GSCI Precious Metal

S&P GSCI Energy

Source: Standard & Poor's, Bloomberg, as of 12/31/15

Investment Landscape 1st Quarter 2016

Mar-96 Nov-99 Jul-03 Mar-07 Nov-10 Jul-14

COMMODITY CUMULATIVE RETURNS

7,000

6,000

5.000

Growth of \$1,0 3,000 5,000 5,000

1,000

0

000

S&P GSCI Livestock

- S&P GSCI Industrial Metal

40



Currency

The trade-weighted U.S. dollar extended its rise in Q4, strengthening to a level not seen since 2003. Dollar movement has a widespread impact, including: gains/losses for unhedged foreign equity exposure, commodity price volatility (many commodities are denominated in USD), and revenue volatility for businesses who pay or receive payment in non-U.S. dollars.

When measured and managed using unhedged benchmarks, international equity portfolios hold

significant exposure to a currency portfolio derived from the size and structure of the equity markets concerned. Despite recent dollar moderation, the trend towards U.S. dollar strength has made this a negative contribution for investors recently.

Treating currency as an independent market allows investors additional insight. Although returns from this exposure have typically been positive, recent price movements have tipped rolling one year return from currency beta into slightly negative territory. Short term questions over continuing dollar strength

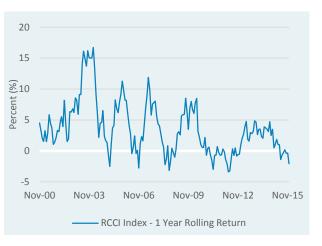
LONG-TERM TRADE WEIGHTED USD



EFFECT OF CURRENCY (1YR ROLLING)



CURRENCY MARKET BEHAVIOR



Source: FRED, as of 1/1/16

Source: MSCI, as of 12/31/15

Source: Russell Investments, as of 12/31/15

$MLPs - a \ complex \ set \ of \ exposures$

A Master Limited Partnership (MLP) is a tax advantaged fund which derives most cash flows from investments in commodities and natural resources. These funds are often involved in midstream activities such as the transportation and storage of commodities (ex: oil pipelines and storage). MLPs generally hold exposure to toll-road type investments which are expected to earn fees somewhat independent of commodity prices due to take-or-pay contracts with commodity producing firms. As commodity prices have fallen, MLP valuations have followed. Many investors point to the fact that MLP contracts are more exposed to commodity *volume* than they are to commodity *price*, and claim that MLP valuations have fallen too far (are currently undervalued). However take-or-pay contracts do not fully protect MLP returns were the counterparty to become insolvent. There may be value in the MLP space, but the risk exposures are complex and it is difficult to forecast how MLPs will react to the commodity sell-off. It is difficult to forecast how MLPs will react to the effects of lower oil on the energy ecosystem

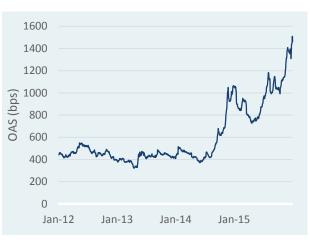
ALERIAN MLP INDEX



MLPS & COMMODITY PERFORMANCE (1YR)



ENERGY HY CREDIT DEFAULT SWAP



Source: Alerian, as of 1/15/15

Source: Bloomberg, Alerian, as of 12/31/15 (note difference in end date) Source

Source: Bloomberg, as of 1/22/15



Welcome to 2016

EQUITY DRAWDOWN AND RECOVERY





SPREAD EXPANSION AND COMPRESSION

Source: Bloomberg, as of 1/22/2016 Returns are for the period observed during from 1/1/2016 to 1/22/2016. Indices are stated in USD and returns are gross.



Significant

drawdowns

in January

moved wider

equity market

Credit

spreads

with the

drop in oil

compressed

but have

since

slightly

Appendix



Periodic table of returns – December 2015

0121																										
8		1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	5-Year	10-Year
↑	Real Estate	74.8	16.6	38.4	23.2	35.2	38.7	66.4	31.8	14.0	25.9	56.3	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	10.1	13.5	8.5
	Large Cap Growth	32.9	8.1	37.8	23.1	32.9	27.0	43.1	22.8	8.4	10.3	48.5	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	12.5	8.0
	Large Cap Equity	26.3	6.4	37.2	22.4	31.8	20.3	33.2	12.2	7.3	6.7	47.3	20.7	20.1	23.5	15.8	-6.5	34.5	24.5	2.6	17.9	34.5	13.0	0.9	12.4	8.0
	US Bonds	23.8	4.4	31.0	21.6	30.5	19.3	27.3	11.6	3.3	1.6	46.0	18.3	14.0	22.2	11.8	-21.4	32.5	19.2	1.5	17.5	33.5	11.8	0.6	11.3	7.4
	Cash	19.3	3.2	28.5	21.4	22.4	16.2	26.5	7.0	2.8	1.0	39.2	16.5	7.5	18.4	11.6	-25.9	28.4	16.8	0.4	16.4	33.1	6.0	0.0	10.7	6.8
	Hedge Funds of Funds	18.9	2.6	25.7	16.5	16.2	15.6	24.3	6.0	2.5	-5.9	30.0	14.5	7.1	16.6	10.9	-28.9	27.2	16.7	0.1	16.3	32.5	5.6	-0.4	9.2	6.2
	International Equity	18.1	0.4	19.6	14.4	13.9	8.7	21.3	4.1	-2.4	-6.0	29.9	14.3	6.3	15.5	10.3	-33.8	23.3	16.1	-2.1	15.3	23.3	4.9	-0.8	7.7	5.6
	Small Cap Growth	13.4	-1.5	18.5	11.3	12.9	4.9	20.9	-3.0	-5.6	-11.4	29.7	12.9	5.3	15.1	7.0	-35.6	20.6	15.5	-2.9	14.6	12.1	4.2	-1.4	4.2	4.7
	60/40 Global Portfolio	10.2	-1.8	15.2	10.3	10.6	1.2	13.2	-7.3	-9.1	-15.5	25.2	11.4	4.7	13.3	7.0	-36.8	19.7	13.1	-4.2	11.5	11.0	3.4	-2.5	3.6	4.5
	Large Cap Value	9.7	-2.0	11.6	9.9	9.7	-2.5	11.4	-7.8	-9.2	-15.7	23.9	9.1	4.6	10.4	5.8	-37.6	18.9	10.2	-5.5	10.5	9.0	2.8	-3.8	3.2	3.6
	Small Cap Equity	3.1	-2.4	11.1	6.4	5.2	-5.1	7.3	-14.0	-12.4	-20.5	11.6	6.9	4.6	9.1	4.4	-38.4	11.5	8.2	-5.7	4.8	0.1	0.0	-4.4	2.1	3.0
	Small Cap Value	2.9	-2.9	7.5	6.0	2.1	-6.5	4.8	-22.4	-19.5	-21.7	9.0	6.3	4.2	4.8	-0.2	-38.5	5.9	6.5	-11.7	4.2	-2.0	-1.8	-7.5	0.0	2.3
	Emerging Markets Equity	1.4	-3.5	5.7	5.1	-3.4	-25.3	-0.8	-22.4	-20.4	-27.9	4.1	4.3	3.2	4.3	-1.6	-43.1	0.2	5.7	-13.3	0.1	-2.3	-4.5	-14.9	-4.8	1.1
\downarrow	Commodities	-1.1	-7.3	-5.2	3.6	-11.6	-27.0	-1.5	-30.6	-21.2	-30.3	1.0	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	-13.5	-6.4
·																										
WORST	- St																									
Ň	Large Cap Equity						Small C	Cap Gro	wth				Commo	dities												
	Large Cap Value					Interna	ational	Equity				Real Est	tate													
	Large Cap Growth				Emergi	ng Mar	kets Eq	uity	Hedge Funds of Funds																	
Small Cap Equity			US Bonds 60% MSCI ACWI/40% BC Global Bond																							
Small Cap Value Cash																										

Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, BC Agg, T-Bill 90 Day, Bloomberg Comm Index, NCREIF Property, HFRI FOF, MSCI ACWI, BC Global Bond.



Major asset class returns

ONE YEAR ENDING DECEMBER



TEN YEARS ENDING DECEMBER

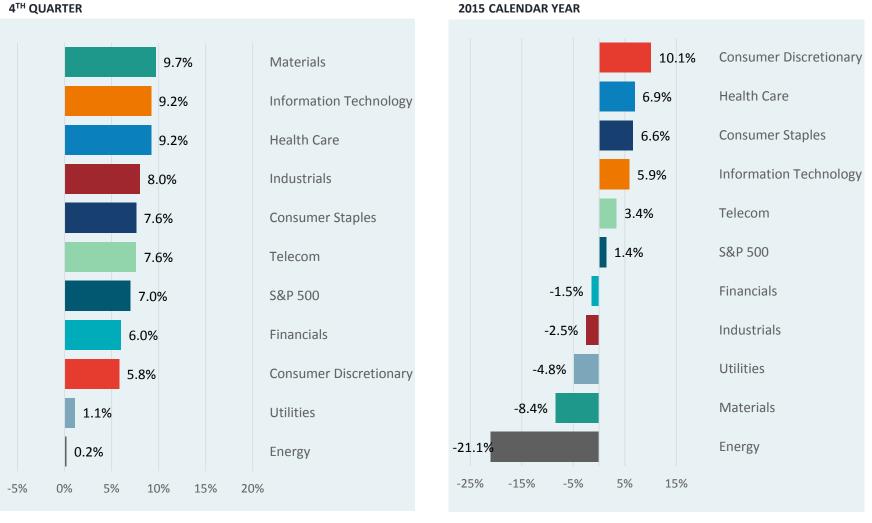


Source: Morningstar, Verus, as of 12/31/15

Source: Morningstar, Verus, as of 12/31/15



S&P 500 and S&P 500 sector returns



Source: Morningstar as of 12/31/15

Source: Morningstar as of 12/31/15



Detailed index returns

DOMESTIC EQUITY

.

FIXED INCOME

OTHER

Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
(1.6)	7.0	1.4	1.4	15.1	12.6	7.3
(2.3)	5.0	(2.2)	(2.2)	15.1	12.4	8.5
(1.5)	7.7	0.2	0.2	12.7	11.3	7.7
(1.4)	7.7	2.4	2.4	15.4	12.9	7.2
(1.8)	6.5	0.9	0.9	15.0	12.4	7.4
(5.0)	3.6	(4.4)	(4.4)	11.7	9.2	6.8
(2.1)	6.3	0.5	0.5	14.7	12.2	7.4
(2.7)	3.6	(2.4)	(2.4)	14.2	11.4	8.0
(1.5)	7.3	5.7	5.7	16.8	13.5	8.5
(2.2)	5.6	(3.8)	(3.8)	13.1	11.3	6.2
(4.8)	4.3	(1.4)	(1.4)	14.3	10.7	8.0
(5.3)	2.9	(7.5)	(7.5)	9.1	7.7	5.6
	(1.6) (2.3) (1.5) (1.4) (1.8) (5.0) (2.1) (2.7) (1.5) (2.2) (4.8)	(1.6) 7.0 (2.3) 5.0 (1.5) 7.7 (1.4) 7.7 (1.8) 6.5 (5.0) 3.6 (2.1) 6.3 (2.7) 3.6 (1.5) 7.3 (2.2) 5.6 (4.8) 4.3	(1.6) 7.0 1.4 (2.3) 5.0 (2.2) (1.5) 7.7 0.2 (1.4) 7.7 2.4 (1.8) 6.5 0.9 (5.0) 3.6 (4.4) (2.1) 6.3 0.5 (2.7) 3.6 (2.4) (1.5) 7.3 5.7 (2.2) 5.6 (3.8) (4.8) 4.3 (1.4)	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$	$ \begin{array}{c ccccccccccccccccccccccccccccccccccc$

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
BC US Treasury US TIPS	(0.8)	(0.6)	(1.4)	(1.4)	(2.3)	2.6	3.9
BC US Treasury Bills	0.0	(0.0)	0.1	0.1	0.1	0.1	1.3
BC US Agg Bond	(0.3)	(0.6)	0.6	0.6	1.4	3.2	4.5
Duration							
BC US Treasury 1-3 Yr	(0.1)	(0.4)	0.6	0.6	0.5	0.7	2.4
BC US Treasury Long	(0.0)	(1.4)	(1.2)	(1.2)	2.6	7.7	6.7
BC US Treasury	(0.2)	(0.9)	0.8	0.8	1.0	2.9	4.2
lssuer							
BC US MBS	(0.0)	(0.1)	1.5	1.5	2.0	3.0	4.6
BC US Corp. High Yield	(2.5)	(2.1)	(4.5)	(4.5)	1.7	5.0	7.0
BC US Agency Interm	(0.2)	(0.5)	1.2	1.2	0.9	1.6	3.5
BC US Credit	(0.8)	(0.5)	(0.8)	(0.8)	1.5	4.4	5.2

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI EAFE	(1.4)	4.7	(0.8)	(0.8)	5.0	3.6	3.0
MSCI AC World ex US	(1.9)	3.2	(5.7)	(5.7)	1.5	1.1	2.9
MSCI EM	(2.2)	0.7	(14.9)	(14.9)	(6.8)	(4.8)	3.6
MSCI EAFE Small Cap	0.7	6.8	9.6	9.6	10.4	6.3	4.6
Style Index							
MSCI EAFE Growth	(0.8)	6.7	4.1	4.1	6.8	4.6	4.0
MSCI EAFE Value	(1.9)	2.7	(5.7)	(5.7)	3.1	2.6	2.0
Regional Index							
MSCI UK	(3.9)	0.7	(7.6)	(7.6)	1.8	3.5	3.1
MSCI Japan	0.3	9.3	9.6	9.6	10.2	4.4	0.9
MSCI Euro	(3.5)	3.4	(2.8)	(2.8)	4.6	3.0	2.2
MSCI EM Asia	(0.7)	3.5	(9.8)	(9.8)	(1.2)	(0.8)	5.8
MSCI EM Latin American	(4.3)	(2.7)	(31.0)	(31.0)	(19.4)	(14.4)	1.2

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(3.1)	(10.5)	(24.7)	(24.7)	(17.3)	(13.5)	(6.4)
Wilshire US REIT	1.9	7.5	4.2	4.2	11.8	12.4	7.3
Regional Index							
JPM EMBI Global Div	(1.4)	1.3	1.2	1.2	1.0	5.4	6.9
JPM GBI-EM Global Div	(2.2)	0.0	(14.9)	(14.9)	(10.0)	(3.5)	4.3

Source: Morningstar, as of 12/31/15



Definitions

Bloomberg US Weekly Consumer Comfort Index - tracks the public's economic attitudes each week, providing a high-frequency read on consumer sentiment. The index, based on cell and landline telephone interviews with a random, representative national sample of U.S. adults, tracks Americans' ratings of the national economy, their personal finances and the buying climate on a weekly basis, with views of the economy's direction measured separately each month. (www.langerresearch.com)

University of Michigan Consumer Sentiment Index - A survey of consumer attitudes concerning both the present situation as well as expectations regarding economic conditions conducted by the University of Michigan. For the preliminary release approximately three hundred consumers are surveyed while five hundred are interviewed for the final figure. The level of consumer sentiment is related to the strength of consumer spending. (www.Bloomberg.com)

Citi Economic Surprise Index - objective and quantitative measures of economic news. Defined as weighted historical standard deviations of data surprises (actual releases vs Bloomberg survey median). A positive reading of the Economic Surprise Index suggests that economic releases have on balance been beating consensus. The indices are calculated daily in a rolling three-month window. The weights of economic indicators are derived from relative high-frequency spot FX impacts of 1 standard deviation data surprises. The indices also employ a time decay function to replicate the limited memory of markets. (www.Bloomberg.com)

Merrill Lynch Option Volatility Estimate (MOVE) Index – a yield curve weighted index comprised of a weighted set of 1-month Treasury options, including 2.5.10 and 30 year tenor contracts. This index is an indicator of the expected (implied) future volatility in the rate markets.

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Stanislaus County Employees' Retirement Association

Investment Performance Review Period Ending: December 31, 2015



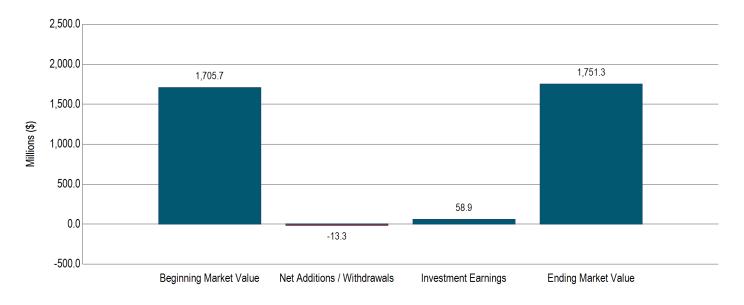
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Sources of Portfolio Growth	Last Three Months	Year-To-Date
Beginning Market Value	\$1,705,652,517	\$1,796,813,485
Net Additions/Withdrawals	-\$13,298,650	-\$35,628,383
Investment Earnings	\$58,924,293	-\$9,906,940
Ending Market Value	\$1,751,278,161	\$1,751,278,161

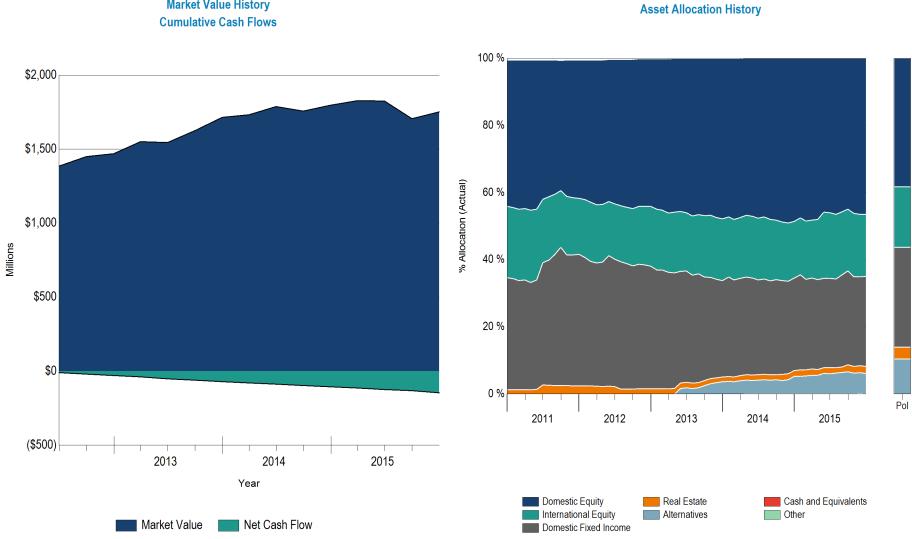
Portfolio Reconciliation

Change in Market Value Last Three Months



Contributions and withdrawals may include intra-account transfers between managers/funds. All data prior to 6/30/2015 provided by the previous consultant.





Market Value History

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Total Fund Asset Allocation vs. Policy

Current	Policy		Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
4.2%	4.8%	Domestic Equity Large Cap Core	\$73,541,258	4.2%	4.8%	-\$10,520,094	3.8% - 5.8%	Yes
	11.3%	Domestic Equity Large Cap Growth	\$281,728,755	16.1%	11.3%	\$83,834,323	7.8% - 14.8%	No
16.1%		Domestic Equity Large Cap Value	\$296,122,514	16.9%	14.4%	\$43,938,459	11.4% - 17.4%	Yes
	14.4%	Domestic Equity Small Cap Growth	\$82,515,069	4.7%	3.7%	\$17,717,777	2.7% - 4.7%	No
16.9%	14.470	Domestic Equity Small Cap Value	\$79,541,087	4.5%	4.0%	\$9,489,961	3.0% - 5.0%	Yes
	3.7%	International Equity	\$325,443,920	18.6%	18.0%	\$10,213,851	15.0% - 21.0%	Yes
	4.0%	Domestic Fixed Income	\$468,890,050	26.8%	29.8%	-\$52,990,842	26.0% - 33.6%	Yes
4.7%	4.0%	Real Estate	\$37,036,520	2.1%	3.5%	-\$24,258,216	1.0% - 4.5%	Yes
4.770		Direct Lending	\$97,631,399	5.6%	7.5%	-\$33,714,463	2.5% - 9.0%	Yes
4.5%		Infrastructure	\$8,823,271	0.5%	3.0%	-\$43,715,074	0.0% - 4.0%	Yes
	18.0%	Cash and Equivalents	\$4,319	0.0%	0.0%	\$4,319	0.0% - 2.0%	Yes
		Total	\$1,751,278,161	100.0%	100.0%			
18.6%								
26.8%	29.8%							
2.1%	3.5% 7.5%							
5.6% 0.5%	<mark>3.0%</mark> _							

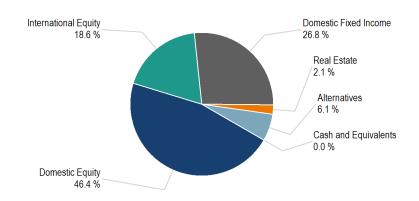


Total Fund Executive Summary (Gross of Fees)

Period	Ending:	December	31.	2015
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	QTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	3.5	-2.9	-0.5	8.4	7.8	6.2
Policy Index	3.2	-1.6	0.2	7.5	7.2	6.3
InvestorForce Public DB Gross Rank	13	75	69	24	24	20
US Equity	6.1	-3.0	-0.2	14.9	12.6	6.8
US Equity Blended	5.9	-2.4	-0.1	14.4	12.0	7.5
Russell 3000	6.3	-1.4	0.5	14.7	12.2	7.4
InvestorForce All DB US Eq Gross Rank	38	69	63	29	13	71
International Equity	3.9	-8.6	-3.7	3.5	2.6	4.1
MSCI ACWI ex USA Gross	3.3	-9.2	-5.3	1.9	1.5	3.4
InvestorForce All DB ex-US Eq Gross Rank	36	54	52	49	53	28
US Fixed Income	0.1	-0.1	0.3	2.2	4.1	5.6
Barclays Aggregate	-0.6	0.7	0.6	1.4	3.2	4.5
InvestorForce All DB US Fix Inc Gross Rank	10	61	42	23	48	38
Real Estate	3.3	5.9	10.0	12.7	6.3	
DJ US Select RESI	7.5	10.8	4.5	11.7	10.2	
Direct Lending	-1.5	0.5	3.7			
9% Annual	2.2	4.4	9.0			
Infrastructure	0.0					
CPI + 5%	0.6					

Current Allocation



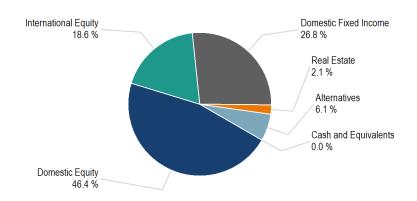
Policy Index: 14.4% Russell 1000 Value, 11.3% Russell 1000 Growth, 4.8% S&P 500, 4.0% Russell 2000 Value, 3.7% Russell 2000 Growth, 18.0% MSCI ACWI ex USA, 29.8% Barclays Aggregate, 3.5% DJ US Select RESI, 7.5% 9% Annual, 3% CPI + 4%. US Equity Blended: 80% Russell 1000, 20% Russell 2000. All data prior to 6/30/2015 provided by the previous consultant. 12th Street Building removed from investable assets 3Q 2015. Invesco residual balance of\$133.03 included in Total Fund market value. Raven Opportunity III initial capital called 7/6/2015. Prime Property Fund capital called 9/30/2015. Medley, Greenfield, White Oak and MS Infrastructure fund market values are as of 9/30/2015 adjusted for any calls and distributions in 4Q 2015. Raven Capital and Raven Opportunity fund III market values are preliminary.



Total Fund Executive Summary (Net of Fees)

	QTD	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs
Total Fund	3.4	-3.1	-0.7	8.0	7.4	5.9
Policy Index	3.2	-1.6	0.2	7.5	7.2	6.3
US Equity	6.0	-3.2	-0.4	14.6	12.3	6.5
US Equity Blended	5.9	-2.4	-0.1	14.4	12.0	7.5
Russell 3000	6.3	-1.4	0.5	14.7	12.2	7.4
International Equity	3.8	-8.8	-4.0	3.1	2.1	3.6
MSCI ACWI ex USA Gross	3.3	-9.2	-5.3	1.9	1.5	3.4
US Fixed Income	0.1	-0.2	0.2	2.1	3.9	5.5
Barclays Aggregate	-0.6	0.7	0.6	1.4	3.2	4.5
Real Estate	3.0	5.2	8.6	11.9	5.1	
DJ US Select RESI	7.5	10.8	4.5	11.7	10.2	
Direct Lending	-1.5	0.1	2.9			
9% Annual	2.2	4.4	9.0			
Infrastructure	0.0					
CPI + 5%	0.6					

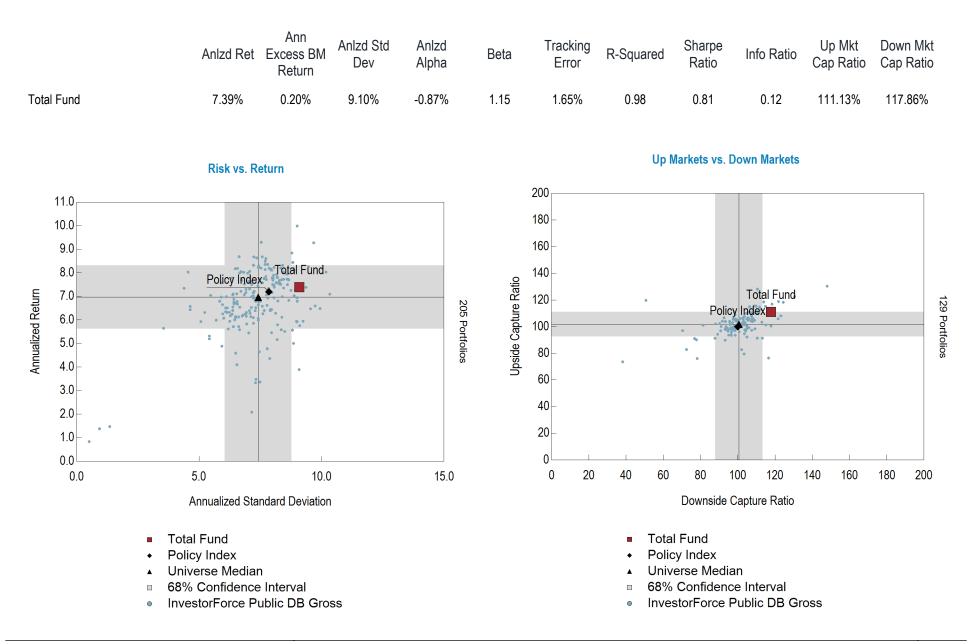
Current Allocation



Policy Index: 14.4% Russell 1000 Value, 11.3% Russell 1000 Growth, 4.8% S&P 500, 4.0% Russell 2000 Value, 3.7% Russell 2000 Growth, 18.0% MSCI ACWI ex USA, 29.8% Barclays Aggregate, 3.5% DJ US Select RESI, 7.5% 9% Annual, 3% CPI + 4%. US Equity Blended: 80% Russell 1000, 20% Russell 2000. All data prior to 6/30/2015 provided by the previous consultant. 12th Street Building removed from investable assets 3Q 2015. Invesco residual balance of\$133.03 included in Total Fund market value. Raven Opportunity III initial capital called 7/6/2015. Prime Property Fund capital called 9/30/2015. Medley, Greenfield, White Oak and MS Infrastructure fund market values are as of 9/30/2015 adjusted for any calls and distributions in 4Q 2015. Raven Capital and Raven Opportunity fund III market values are preliminary.



Total Fund Risk Analysis - 5 Years (Net of Fees)



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Stanislaus County Employees' Retirement Association 6

Total Fund Performance Summary (Gross of Fees)

Period Ending: December 31, 2015

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2015	2014	2013	2012	2011
Total Fund	1,751,278,161	100.0	3.5	-2.9	-0.5	8.4	7.8	6.2	-0.5	6.9	19.8	14.3	-0.3
Policy Index			3.2	-1.6	0.2	7.5	7.2	6.3	0.2	7.5	15.4	12.3	1.4
InvestorForce Public DB Gross Rank			13	75	69	24	24	20	69	23	12	10	75
US Equity	813,448,683	46.4	6.1	-3.0	-0.2	14.9	12.6	6.8	-0.2	10.9	36.9	18.8	0.5
US Equity Blended			5.9	-2.4	-0.1	14.4	12.0	7.5	-0.1	11.6	34.3	16.7	0.7
Russell 3000			6.3	-1.4	0.5	14.7	12.2	7.4	0.5	12.6	33.6	16.4	1.0
InvestorForce All DB US Eq Gross Rank			38	69	63	29	13	71	63	54	13	6	49
Mellon S&P 500	73,541,258	4.2	7.1	0.2	1.4	15.2	12.6	7.4	1.4	13.7	32.4	16.0	2.1
S&P 500			7.0	0.2	1.4	15.1	12.6	7.3	1.4	13.7	32.4	16.0	2.1
eA US Large Cap Core Equity Gross Rank			20	28	41	50	48	69	41	42	58	40	40
BlackRock Russell 1000 Growth	113,296,437	6.5	7.3	1.7	5.7	16.9	13.6		5.7	13.1	33.5	15.4	2.8
Russell 1000 Growth			7.3	1.6	5.7	16.8	13.5		5.7	13.0	33.5	15.3	2.6
eA US Large Cap Growth Equity Gross Rank			41	32	42	48	37		42	37	56	53	21
Jackson Square	168,432,318	9.6	8.9	1.2	5.9	17.8	15.8		5.9	13.8	35.6	17.0	8.9
Russell 1000 Growth			7.3	1.6	5.7	16.8	13.5		5.7	13.0	33.5	15.3	2.6
eA US Large Cap Growth Equity Gross Rank			12	39	39	29	6		39	32	39	36	3
BlackRock Russell 1000 Value	119,747,771	6.8	5.7	-3.1	-3.6	13.2	11.4		-3.6	13.5	32.6	17.6	0.5
Russell 1000 Value			5.6	-3.2	-3.8	13.1	11.3		-3.8	13.5	32.5	17.5	0.4
eA US Large Cap Value Equity Gross Rank			42	49	62	62	52		62	31	59	30	50
Dodge & Cox-Equity	176,374,743	10.1	4.7	-5.3	-3.9	14.0	11.9	6.4	-3.9	10.9	39.1	22.3	-3.0
Russell 1000 Value			5.6	-3.2	-3.8	13.1	11.3	6.2	-3.8	13.5	32.5	17.5	0.4
eA US Large Cap Value Equity Gross Rank			68	72	64	42	40	75	64	72	15	3	75
Legato Capital	82,515,069	4.7	5.6	-8.6	-0.7	14.6	11.8		-0.7	3.0	47.3	18.1	-2.0
Russell 2000 Growth			4.3	-9.3	-1.4	14.3	10.7		-1.4	5.6	43.3	14.6	-2.9
eA US Small Cap Growth Equity Gross Rank			22	49	52	49	47		52	57	41	24	54
Capital Prospects	79,541,087	4.5	1.8	-9.2	-7.0	10.7	10.0		-7.0	5.8	37.9	23.8	-4.0
Russell 2000 Value			2.9	-8.2	-7.5	9.1	7.7		-7.5	4.2	34.5	18.1	-5.5
eA US Small Cap Value Equity Gross Rank			66	70	72	65	49		72	51	53	9	59

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Total Fund Performance Summary (Gross of Fees)

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2015	2014	2013	2012	2011
International Equity	325,443,920	18.6	3.9	-8.6	-3.7	3.5	2.6	4.1	-3.7	-4.2	20.0	18.0	-13.1
MSCI ACWI ex USA Gross			3.3	-9.2	-5.3	1.9	1.5	3.4	-5.3	-3.4	15.8	17.4	-13.3
InvestorForce All DB ex-US Eq Gross Rank			36	54	52	49	53	28	52	70	35	63	51
LSV Asset Mgt	159,496,140	9.1	3.5	-10.0	-5.1	3.1	2.3	3.9	-5.1	-4.0	20.4	16.7	-12.5
MSCI ACWI ex USA Gross			3.3	-9.2	-5.3	1.9	1.5	3.4	-5.3	-3.4	15.8	17.4	-13.3
eA ACWI ex-US Equity Unhedged Gross Rank			73	90	86	79	85	84	86	65	46	78	55
Pyramis	165,947,780	9.5	4.4	-7.1	-2.0	3.8	2.9		-2.0	-4.5	19.6	19.3	-13.5
MSCI ACWI ex USA Gross			3.3	-9.2	-5.3	1.9	1.5		-5.3	-3.4	15.8	17.4	-13.3
eA ACWI ex-US Equity Unhedged Gross Rank			60	65	66	71	75		66	70	55	55	63
US Fixed Income	468,890,050	26.8	0.1	-0.1	0.3	2.2	4.1	5.6	0.3	6.2	0.3	7.9	5.9
Barclays Aggregate			-0.6	0.7	0.6	1.4	3.2	4.5	0.6	6.0	-2.0	4.2	7.8
InvestorForce All DB US Fix Inc Gross Rank			10	61	42	23	48	38	42	42	21	48	77
Dodge & Cox-Fixed	358,196,797	20.5	0.2	-0.3	0.2	2.5	4.2	5.7	0.2	6.5	0.9	8.4	5.4
Barclays Aggregate			-0.6	0.7	0.6	1.4	3.2	4.5	0.6	6.0	-2.0	4.2	7.8
eA US Core Fixed Inc Gross Rank			3	95	89	8	18	12	89	26	3	9	95
PIMCO	110,693,253	6.3	-0.3	0.5	0.9	1.2	3.5		0.9	5.0	-2.2	5.8	8.6
Barclays Aggregate			-0.6	0.7	0.6	1.4	3.2		0.6	6.0	-2.0	4.2	7.8
eA US Core Fixed Inc Gross Rank			22	64	49	93	66		49	83	89	54	19
Real Estate	37,036,520	2.1	3.3	5.9	10.0	12.7	6.3		10.0	28.3	1.4	5.6	-10.2
DJ US Select RESI			7.5	10.8	4.5	11.7	10.2		4.5	31.9	1.3	16.1	0.4
Prime Property Fund	15,463,323	0.9	3.4										
NCREIF-ODCE			3.3										
American Strategic Value Realty	8,982,661	0.5	5.1	10.4	21.4				21.4				
NCREIF Property Index			2.9	6.1	13.3				13.3				
BlackRock US Real Estate	3,324,424	0.2	7.6	10.7	4.4	11.8			4.4	31.9	1.4		
DJ US Select RESI TR USD			7.5	10.8	4.5	11.7			4.5	31.9	1.3		
eA US REIT Gross Rank			53	40	58	63			58	39	91		

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Total Fund Performance Summary (Net of Fees)

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2015	2014	2013	2012	2011
Total Fund	1,751,278,161	100.0	3.4	-3.1	-0.7	8.0	7.4	5.9	-0.7	6.5	19.2	14.0	-0.6
Policy Index			3.2	-1.6	0.2	7.5	7.2	6.3	0.2	7.5	15.4	12.3	1.4
US Equity	813,448,683	46.4	6.0	-3.2	-0.4	14.6	12.3	6.5	-0.4	10.7	36.5	18.5	0.2
US Equity Blended			5.9	-2.4	-0.1	14.4	12.0	7.5	-0.1	11.6	34.3	16.7	0.7
Russell 3000			6.3	-1.4	0.5	14.7	12.2	7.4	0.5	12.6	33.6	16.4	1.0
Mellon S&P 500	73,541,258	4.2	7.0	0.2	1.4	15.1	12.5	7.3	1.4	13.7	32.4	16.0	1.9
S&P 500			7.0	0.2	1.4	15.1	12.6	7.3	1.4	13.7	32.4	16.0	2.1
BlackRock Russell 1000 Growth	113,296,437	6.5	7.3	1.6	5.7	16.8	13.6		5.7	13.1	33.5	15.4	2.8
Russell 1000 Growth			7.3	1.6	5.7	16.8	13.5		5.7	13.0	33.5	15.3	2.6
Jackson Square	168,432,318	9.6	8.8	1.0	5.5	17.3	15.3		5.5	13.4	34.9	16.6	8.3
Russell 1000 Growth			7.3	1.6	5.7	16.8	13.5		5.7	13.0	33.5	15.3	2.6
BlackRock Russell 1000 Value	119,747,771	6.8	5.7	-3.1	-3.6	13.2	11.4		-3.6	13.5	32.6	17.6	0.5
Russell 1000 Value			5.6	-3.2	-3.8	13.1	11.3		-3.8	13.5	32.5	17.5	0.4
Dodge & Cox-Equity	176,374,743	10.1	4.6	-5.3	-4.0	13.8	11.8	6.2	-4.0	10.7	38.8	22.1	-3.2
Russell 1000 Value			5.6	-3.2	-3.8	13.1	11.3	6.2	-3.8	13.5	32.5	17.5	0.4
Legato Capital	82,515,069	4.7	5.1	-9.5	-1.8	13.7	10.9		-1.8	2.5	46.0	17.4	-2.9
Russell 2000 Growth			4.3	-9.3	-1.4	14.3	10.7		-1.4	5.6	43.3	14.6	-2.9
Capital Prospects	79,541,087	4.5	1.4	-9.8	-7.9	9.9	9.2		-7.9	5.2	36.8	23.2	-4.8
Russell 2000 Value			2.9	-8.2	-7.5	9.1	7.7		-7.5	4.2	34.5	18.1	-5.5
International Equity	325,443,920	18.6	3.8	-8.8	-4.0	3.1	2.1	3.6	-4.0	-4.5	19.4	17.5	-13.6
MSCI ACWI ex USA Gross			3.3	-9.2	-5.3	1.9	1.5	3.4	-5.3	-3.4	15.8	17.4	-13.3
LSV Asset Mgt	159,496,140	9.1	3.3	-10.3	-5.4	2.8	1.9	3.3	-5.4	-4.2	19.8	16.2	-13.0
MSCI ACWI ex USA Gross			3.3	-9.2	-5.3	1.9	1.5	3.4	-5.3	-3.4	15.8	17.4	-13.3
Pyramis	165,947,780	9.5	4.2	-7.3	-2.3	3.4	2.5		-2.3	-4.9	19.1	18.8	-13.9
MSCI ACWI ex USA Gross			3.3	-9.2	-5.3	1.9	1.5		-5.3	-3.4	15.8	17.4	-13.3
US Fixed Income	468,890,050	26.8	0.1	-0.2	0.2	2.1	3.9	5.5	0.2	6.1	0.1	7.7	5.7
Barclays Aggregate			-0.6	0.7	0.6	1.4	3.2	4.5	0.6	6.0	-2.0	4.2	7.8
Dodge & Cox-Fixed	358,196,797	20.5	0.2	-0.3	0.1	2.4	4.1	5.6	0.1	6.4	0.8	8.3	5.3
Barclays Aggregate			-0.6	0.7	0.6	1.4	3.2	4.5	0.6	6.0	-2.0	4.2	7.8
PIMCO	110,693,253	6.3	-0.4	0.4	0.6	0.9	3.2		0.6	4.7	-2.5	5.5	8.2
Barclays Aggregate			-0.6	0.7	0.6	1.4	3.2		0.6	6.0	-2.0	4.2	7.8

Total Fund Performance Summary (Net of Fees)

Period Ending: December 31, 2015

	Market Value	% of Portfolio	3 Mo	Fiscal YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	2015	2014	2013	2012	2011
Real Estate	37,036,520	2.1	3.0	5.2	8.6	11.9	5.1		8.6	27.4	1.3	2.7	-10.8
DJ US Select RESI			7.5	10.8	4.5	11.7	10.2		4.5	31.9	1.3	16.1	0.4
Prime Property Fund	15,463,323	0.9	3.1										
NCREIF-ODCE			3.3										
American Strategic Value Realty	8,982,661	0.5	4.4	8.7	18.3				18.3				
NCREIF Property Index			2.9	6.1	13.3				13.3				
BlackRock US Real Estate	3,324,424	0.2	7.5	10.7	4.4	11.7			4.4	31.9	1.3		
DJ US Select RESI TR USD			7.5	10.8	4.5	11.7			4.5	31.9	1.3		



				Ve	erus Internal Ana	lysis			
Inception Manager Date Name/Fund Nam	Estimated Market Value as of 12/31/15		Capital Called	% Called	Remaining Commitment	Total Distributions	Distrib./ Paid-In (DPI) ¹	Tot. Value/ Paid-In (TVPI) ²	Latest Valuation
Real Estate									
07/31/2014 Greenfield Gap	\$9,265,97	\$15,000,000	\$8,393,324	56%	\$6,606,676	\$135,428	1.6%	112.0%	09/30/2015
	Total Real Estate \$9,265,97	8 \$15,000,000	\$8,393,324	56%	\$6,606,676	\$135,428	1.6%	112.0%	
% of Port	folio (Market Value) 0.5	%							
Direct Lending									
05/31/2013 Medley Capital	\$31,808,15		\$29,000,453	97%	\$999,547	\$5,904,974	20.4%	130.0%	09/30/2015
05/31/2013 Raven Capital	\$25,323,55		\$34,505,763	86%	\$5,494,237	\$10,474,583	30.4%	103.7%	12/31/2015
07/31/2015 Raven Opportunit		. , ,	\$5,309,393	35%	\$9,690,607	\$2,230,344	42.0%	98.2%	12/31/2015
08/31/2013 White Oak Pinnac	le \$37,518,71	2 \$40,000,000	\$37,063,532	93%	\$2,936,468	\$8,625,814	23.3%	124.5%	09/30/2015
	Fotal Direct Lending \$97,631,39	9 \$125,000,000	\$105,879,141	85%	\$19,120,859	\$27,235,715	25.7%	117.9%	
% of Port	folio (Market Value) 5.6	%							
Infrastructure									
05/31/2015 MS Infrastructure	Partners II \$8,823,27	\$50,000,000	\$9,296,067	19%	\$40,703,933	\$867,680	9.3%	104.2%	09/30/2015
т	otal Infrastructure \$8,823,27	\$50,000,000	\$9,296,067	19%	\$40,703,933	\$867,680	9.3%	104.2%	
% of Portfo	lio (Market Value) 0.5	%							

1 (DPI) is equal to (capital returned / capital called) 2 (TVPI) is equal to (market value + capital returned) / capital called 3 Last known market value + capital calls - distributions

Verus⁷⁷⁷

Total Fund Performance Analysis - 3 and 5 Years (Net of Fees)

Period Ending: December 31, 2015

				:	3 Years						
	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
Mellon S&P 500	15.12%	-0.01%	9.42%	0.00%	1.00	0.03%	1.00	1.60	-0.34	99.90%	99.75%
BlackRock Russell 1000 Growth	16.84%	0.02%	8.97%	0.02%	1.00	0.06%	1.00	1.87	0.28	100.10%	100.07%
Jackson Square	17.33%	0.51%	10.99%	-2.80%	1.20	2.90%	0.96	1.57	0.17	108.34%	136.05%
BlackRock Russell 1000 Value	13.17%	0.09%	10.65%	0.13%	1.00	0.05%	1.00	1.23	1.88	100.33%	98.83%
Dodge & Cox-Equity	13.84%	0.76%	11.21%	0.66%	1.01	3.16%	0.92	1.23	0.24	107.58%	107.58%
Legato Capital	13.71%	-0.57%	15.61%	-0.72%	1.01	2.64%	0.97	0.88	-0.22	96.16%	98.85%
Capital Prospects	9.87%	0.81%	13.63%	1.06%	0.97	2.95%	0.95	0.72	0.27	100.37%	91.25%
LSV Asset Mgt	2.75%	0.81%	12.90%	0.63%	1.09	1.44%	0.99	0.21	0.56	114.92%	105.24%
Pyramis	3.43%	1.49%	10.91%	1.67%	0.91	2.46%	0.96	0.31	0.61	97.44%	81.88%
Dodge & Cox-Fixed	2.42%	0.97%	2.58%	1.32%	0.76	1.56%	0.70	0.92	0.62	87.55%	19.10%
PIMCO	0.92%	-0.52%	2.77%	-0.45%	0.95	0.67%	0.94	0.32	-0.78	81.01%	97.52%

				;	5 Years						
	Anlzd Ret	Ann Excess BM Return	Anlzd Std Dev	Anlzd Alpha	Beta	Tracking Error	R-Squared	Sharpe Ratio	Info Ratio	Up Mkt Cap Ratio	Down Mkt Cap Ratio
Mellon S&P 500	12.52%	-0.05%	12.77%	-0.03%	1.00	0.08%	1.00	0.98	-0.58	99.58%	99.90%
BlackRock Russell 1000 Growth	13.60%	0.07%	12.79%	0.07%	1.00	0.05%	1.00	1.06	1.23	100.33%	99.65%
Jackson Square	15.33%	1.79%	13.48%	1.35%	1.03	2.69%	0.96	1.13	0.67	112.46%	97.24%
BlackRock Russell 1000 Value	11.36%	0.08%	13.87%	0.10%	1.00	0.05%	1.00	0.82	1.74	100.32%	99.43%
Dodge & Cox-Equity	11.76%	0.49%	15.14%	-0.30%	1.07	3.00%	0.96	0.77	0.16	110.70%	110.31%
Legato Capital	10.87%	0.20%	17.98%	0.66%	0.96	2.75%	0.98	0.60	0.07	92.93%	91.30%
Capital Prospects	9.23%	1.56%	17.28%	1.71%	0.98	2.81%	0.97	0.53	0.55	108.41%	96.42%
LSV Asset Mgt	1.85%	0.34%	15.95%	0.25%	1.06	1.47%	0.99	0.11	0.23	111.93%	104.98%
Pyramis	2.51%	1.00%	14.89%	1.02%	0.98	1.98%	0.98	0.17	0.50	100.29%	93.33%
Dodge & Cox-Fixed	4.15%	0.90%	2.43%	2.47%	0.52	2.37%	0.37	1.69	0.38	101.98%	19.10%
PIMCO	3.25%	0.00%	3.00%	-0.08%	1.03	0.65%	0.95	1.07	0.00	99.31%	97.52%

Performance Analysis excludes closed end funds and those funds without 3 and 5 years of performance.

Verus⁷⁷

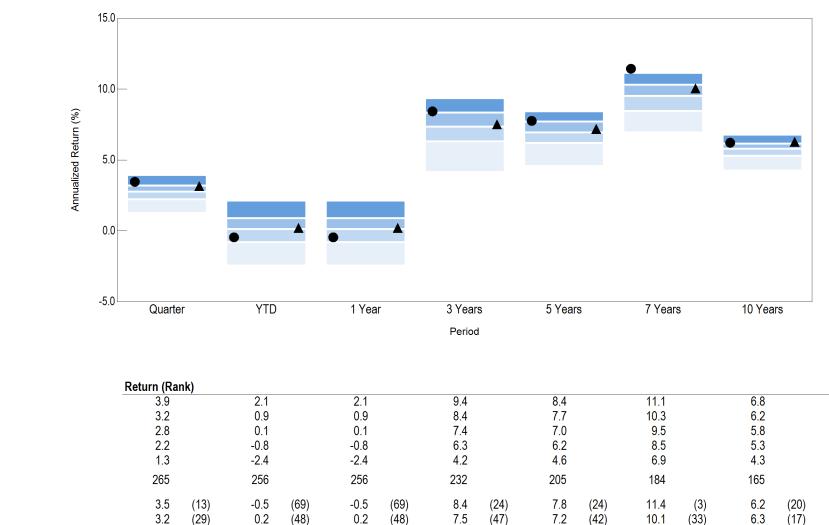
Total Fund Investment Fund Fee Analysis

Period Ending: December 31, 2015

Name	Asset Class	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Mellon S&P 500	Domestic Equity	0.04% of Assets	\$73,541,258	\$25,739	0.04%
BlackRock Russell 1000 Growth	Domestic Equity	0.02% of Assets	\$113,296,437	\$22,659	0.02%
Jackson Square	Domestic Equity	0.50% of First \$100.0 Mil, 0.45% Thereafter	\$168,432,318	\$807,945	0.48%
BlackRock Russell 1000 Value	Domestic Equity	0.02% of Assets	\$119,747,771	\$23,950	0.02%
Dodge & Cox-Equity	Domestic Equity	0.40% of First \$10.0 Mil, 0.20% of Next \$90.0 Mil, 0.15% Thereafter	\$176,374,743	\$334,562	0.19%
Legato Capital	Domestic Equity	0.90% of Assets	\$82,515,069	\$742,636	0.90%
Capital Prospects	Domestic Equity	0.75% of Assets	\$79,541,087	\$596,558	0.75%
LSV Asset Mgt	International Equity	0.75% of First \$25.0 Mil, 0.65% of Next \$25.0 Mil, 0.55% of Next \$50.0 Mil, 0.45% Thereafter	\$159,496,140	\$892,733	0.56%
Pyramis	International Equity	0.80% of First \$25.0 Mil, 0.60% of Next \$25.0 Mil, 0.40% of Next \$50.0 Mil, 0.30% of Next \$100.0 Mil, 0.25% Thereafter	\$165,947,780	\$747,843	0.45%
Dodge & Cox-Fixed	Domestic Fixed Income	0.40% of First \$4.0 Mil, 0.30% of Next \$6.0 Mil, 0.20% of Next \$10.0 Mil, 0.10% Thereafter	\$358,196,797	\$392,197	0.11%
PIMCO	Domestic Fixed Income	0.50% of First \$25.0 Mil, 0.38% of Next \$25.0 Mil, 0.25% Thereafter	\$110,693,253	\$370,483	0.33%
Prime Property Fund	Real Estate	0.84% of Assets	\$15,463,323	\$129,892	0.84%
American Strategic Value Realty	Real Estate	1.25% of First \$10.0 Mil, 1.20% of Next \$15.0 Mil, 1.10% of Next \$25.0 Mil, 1.00% Thereafter	\$8,982,661	\$112,283	1.25%
BlackRock US Real Estate	Real Estate	0.09% of First \$100.0 Mil, 0.07% Thereafter	\$3,324,424	\$2,992	0.09%
Cash Account	Cash and Equivalents	0.10% of Assets	\$4,319	\$4	0.10%
Total			\$1,635,557,380	\$5,202,476	0.32%

Closed end funds excluded from fee analysis.

Verus⁷⁷⁷



Total Fund Cumulative Performance vs. InvestorForce Public DB Gross



5th Percentile

25th Percentile

75th Percentile

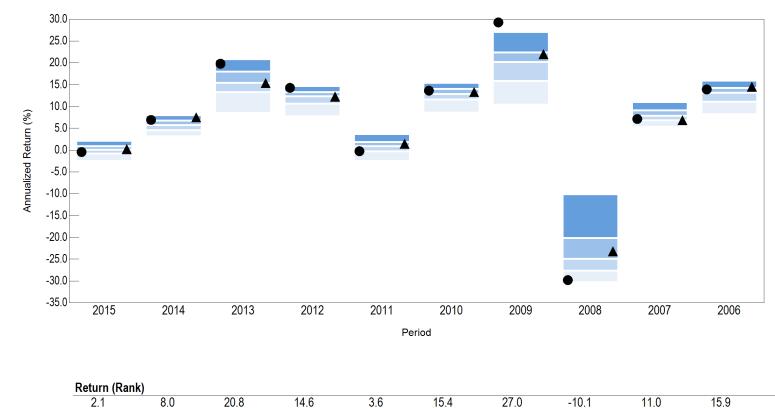
95th Percentile

of Portfolios

• Total Fund

▲ Policy Index

Median



Total Fund Consecutive Periods vs. InvestorForce Public DB Gross

	Return (Rank	()								
5th Percentile	2.1	8.0	20.8	14.6	3.6	15.4	27.0	-10.1	11.0	15.9
25th Percentile	0.9	6.8	18.0	13.4	1.9	14.0	22.4	-20.1	9.1	14.2
Median	0.1	5.8	15.5	12.4	0.9	12.9	20.2	-24.9	7.9	13.2
75th Percentile	-0.8	4.6	13.3	10.7	-0.3	11.7	15.9	-27.6	6.9	11.2
95th Percentile	-2.4	3.2	8.5	7.8	-2.5	8.6	10.5	-30.3	5.4	8.3
# of Portfolios	256	248	231	236	206	188	184	181	177	171
Total Fund	-0.5 (69)	6.9 (23)	19.8 (12)	14.3 (10)	-0.3 (75)	13.6 (35)	29.3 (1	, (,	7.1 (68)	× /
Policy Index	0.2 (48)	7.5 (12)	15.4 (52)	12.3 (53)	1.4 (35)	13.3 (42)	22.0 (29) -23.2 (37)	6.9 (76)	14.5 (22)

Domestic Equity Managers

Mellon S&P 500 Manager Portfolio Overview

Characteristics

	Portfolio	S&P 500
Number of Holdings	500	504
Weighted Avg. Market Cap. (\$B)	129.27	128.54
Median Market Cap. (\$B)	17.25	17.46
Price To Earnings	23.10	22.19
Price To Book	4.83	4.25
Price To Sales	3.29	3.00
Return on Equity (%)	18.62	18.03
Yield (%)	2.20	2.17
Beta	1.00	1.00

Energy 6.5 Materials 2.8 10.1 10.0 Industrials Cons. Disc. 12.9 10.0 10.1 Cons. Staples Health Care 15.1 15.2 Financials 16.5 16.5 Info. Tech 20.7 20.7 Telecomm. 2.4 2.4 Utilities 3.0 3.0 Unclassified 0.0 0.0 5.0 10.0 15.0 20.0

S&P 500

Mellon S&P 500

Sector Allocation (%) vs S&P 500

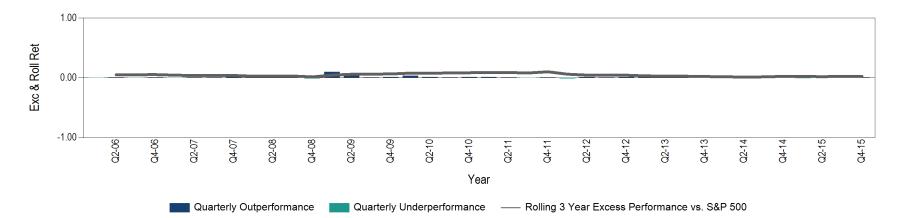
_		
Тор	Contributors	

Bottom Contributors

25.0

Larges	t Holdings		Т	op Contributo	ors		Bott	om Contribu	tors	
	End Weight	Return		Avg Wgt	Return	Contributio	n	Avg Wgt	Return	Contribution
APPLE	3.28	-4.16	MICROSOFT	2.25	26.20	0.59	APPLE	3.71	-4.16	-0.15
ALPHABET 'C'	2.53	24.73	ALPHABET 'C'	2.29	24.73	0.57	KINDER MORGAN	0.26	-45.09	-0.12
MICROSOFT	2.48	26.20	AMAZON.COM	1.29	32.04	0.41	UNION PACIFIC	0.42	-10.97	-0.05
EXXON MOBIL	1.81	5.78	GENERAL ELECTRIC	1.54	24.44	0.38	WILLIAMS	0.15	-28.72	-0.04
GENERAL ELECTRIC	1.64	24.44	FACEBOOK CLASS A	1.25	16.42	0.20	CHIPOTLE MEXN.GRILL	0.11	-33.38	-0.04
JOHNSON & JOHNSON	1.59	10.84	JOHNSON & JOHNSON	1.53	10.84	0.17	ANADARKO PETROLEUM	0.18	-19.15	-0.03
AMAZON.COM	1.45	32.04	CHEVRON	0.92	15.38	0.14	INTERNATIONAL	0.71	-4.18	-0.03
WELLS FARGO & CO	1.41	6.59	HOME DEPOT	0.90	15.01	0.13	BUS.MCHS.	0.71	-4.10	-0.05
BERKSHIRE HATHAWAY 'B'	1.38	1.26	INTEL	0.88	15.10	0.13	QUALCOMM	0.48	-6.05	-0.03
JP MORGAN CHASE & CO.	1.36	9.08	PROCTER & GAMBLE	1.13	11.38	0.13	MACY'S	0.09	-31.17	-0.03
							WAL MART STORES	0.53	-4.67	-0.02

Unclassified sector allocation includes cash allocations.



Annualized Excess Performance

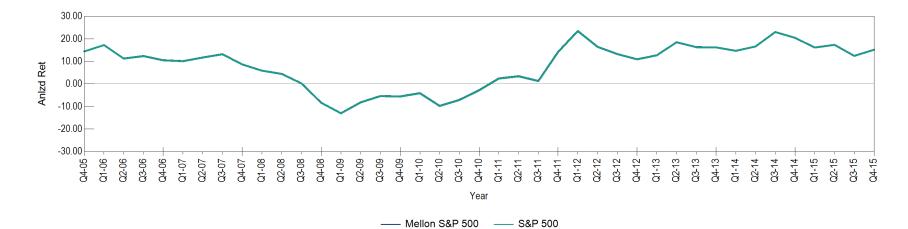
45.0 40.0 35.0 Annualized Return (%) 30.0 25.0 20.0 15.0 10.0 5.0 0.0 -5.0 -10.0 2015 2013 2011 Quarter 1 Year 3 Years 5 Years 10 Years 2014 2012 Return (Rank) 5th Percentile 8.0 6.3 18.5 15.2 9.9 6.3 17.7 39.6 20.1 7.0 25th Percentile 2.7 16.3 13.5 8.5 2.7 35.5 3.6 6.8 15.1 17.2 Median 5.9 0.6 15.1 12.4 7.8 0.6 13.3 32.9 15.4 1.3 75th Percentile 4.9 -1.6 13.6 11.0 7.2 -1.6 30.8 13.4 -1.5 11.4 95th Percentile 3.1 -4.1 10.9 6.2 -4.1 8.2 25.4 9.8 -5.9 9.1 # of Portfolios 268 267 262 248 210 267 267 261 254 259 Mellon S&P 500 7.1 (20) 1.4 (41)15.2 (50) 12.6 (48) 7.4 (69) 1.4 (41)13.7 (42) 32.4 (58) 16.0 (40) 2.1 (40) S&P 500 7.0 (20) 1.4 (42) 15.1 (50) 12.6 (48) 7.3 (71) 1.4 (42) 13.7 (42) 32.4 (58) 16.0 (41) 2.1 (40)

Mellon S&P 500 vs. eA US Large Cap Core Equity Gross Universe

Verus⁷⁷

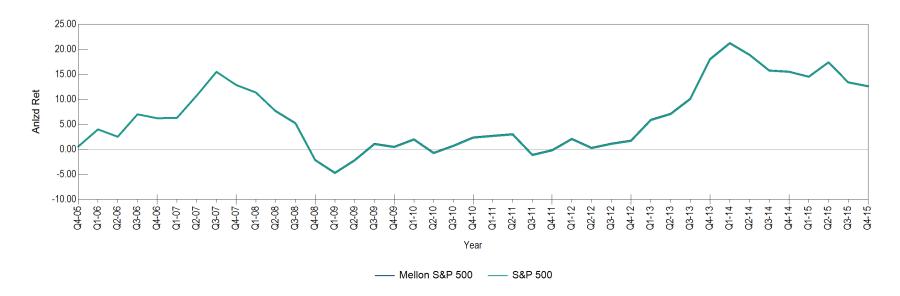
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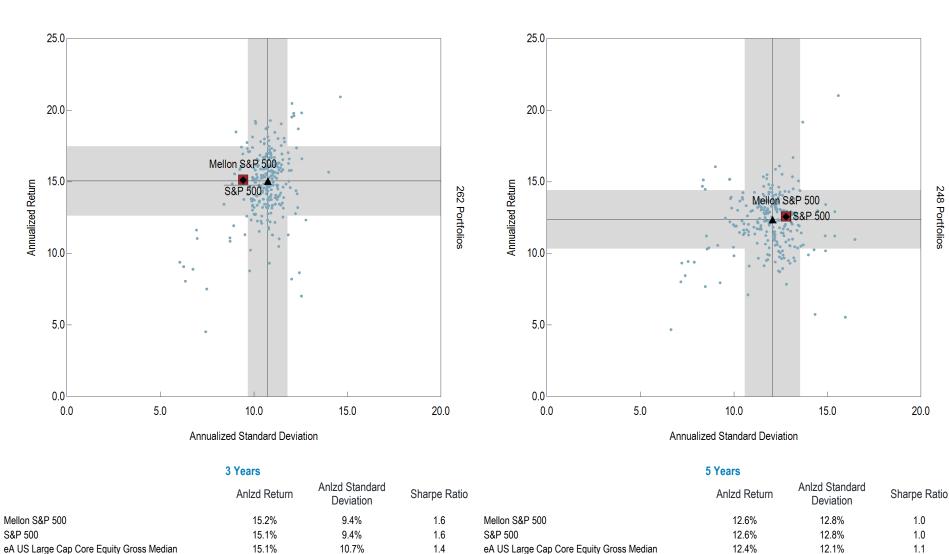


Rolling 3 Year Annualized Return (%)





Mellon S&P 500 Risk vs. Return 3 & 5 Year (Gross of Fees)



5 Years

BlackRock Russell 1000 Growth Manager Portfolio Overview

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	644	644
Weighted Avg. Market Cap. (\$B)	122.91	122.90
Median Market Cap. (\$B)	8.44	8.44
Price To Earnings	26.43	25.41
Price To Book	7.89	7.02
Price To Sales	4.41	3.80
Return on Equity (%)	25.26	25.00
Yield (%)	1.62	1.60
Beta	1.00	1.00

Largest Holdings

End Weight

5.74

2.44

2.41

2.14

2.12

2.11

1.69

1.66

1.63

1.59

Return

-4.16

32.04

26.20

16.42

21.87

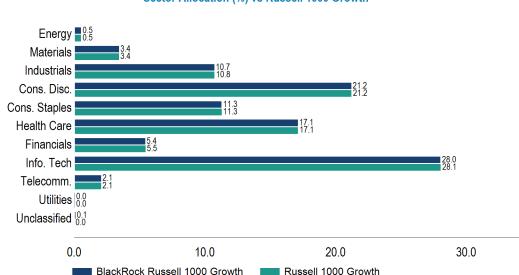
24.73

3.48

7.60

15.01

7.90



Sector Allocation (%) vs Russell 1000 Growth

Тс	p Contributo	rs	Bottom Contributors					
	Avg Wgt	Return	Contribution		Avg Wgt	Return	Contribution	
AMAZON.COM	2.18	32.04	0.70	APPLE	6.38	-4.16	-0.27	
MICROSOFT	2.20	26.20	0.58	UNION PACIFIC	0.73	-10.97	-0.08	
ALPHABET 'C'	1.93	24.73	0.48	WILLIAMS	0.27	-28.72	-0.08	
ALPHABET 'A'	1.96	21.87	0.43	CHIPOTLE MEXN.GRILL	0.19	-33.38	-0.06	
FACEBOOK CLASS A	2.04	16.42	0.33	MACY'S	0.11	-31.17	-0.03	
HOME DEPOT	1.54	15.01	0.23	INTERNATIONAL	0.68	-4.18	-0.03	
MCDONALDS	0.99	20.84	0.21	BUS.MCHS.	0.00	-7.10	-0.00	
AMGEN	1.11	17.97	0.20	UNDER ARMOUR 'A'	0.16	-16.71	-0.03	
BRISTOL MYERS SQUIBB	1.02	16.83	0.17	ADV.AUTO PARTS	0.13	-20.56	-0.03	
VISA 'A'	1.41	11.52	0.16	AKAMAI TECHS.	0.11	-23.79	-0.03	
				YUM! BRANDS	0.31	-8.02	-0.02	

Unclassified sector allocation includes cash allocations.

APPLE

AMAZON.COM

FACEBOOK CLASS A

VERIZON COMMUNICATIONS

MICROSOFT

ALPHABET 'A'

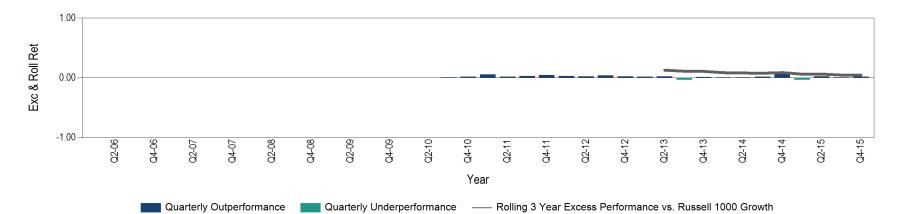
ALPHABET 'C'

WALT DISNEY

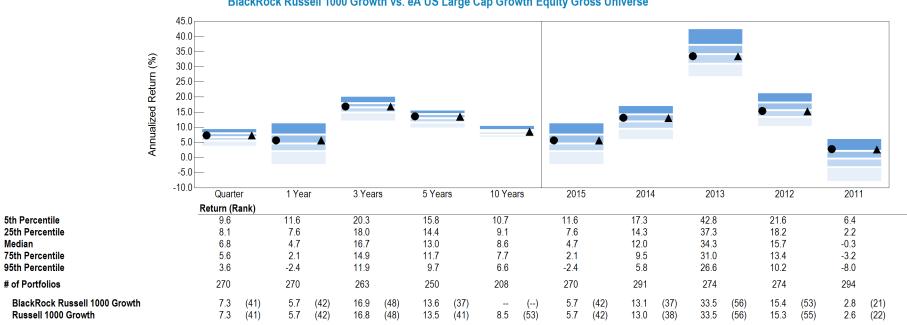
HOME DEPOT

COCA COLA

BlackRock Russell 1000 Growth Manager Performance Comparisons (Gross of Fees)



Annualized Excess Performance

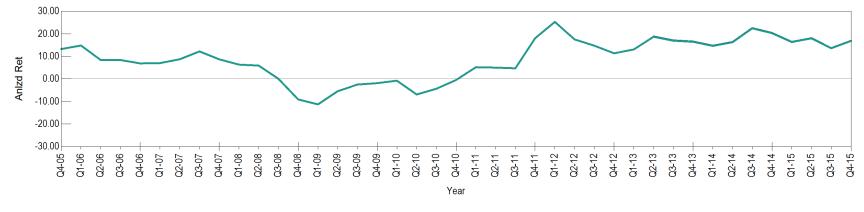


BlackRock Russell 1000 Growth vs. eA US Large Cap Growth Equity Gross Universe

Verus⁷⁷⁷

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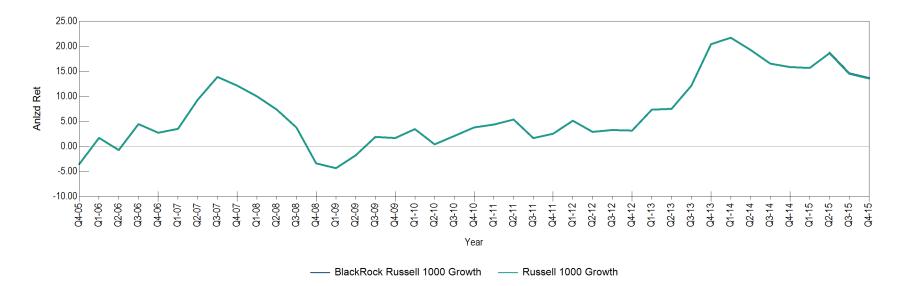
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Rolling 3 Year Annualized Return (%)

— BlackRock Russell 1000 Growth — Russell 1000 Growth



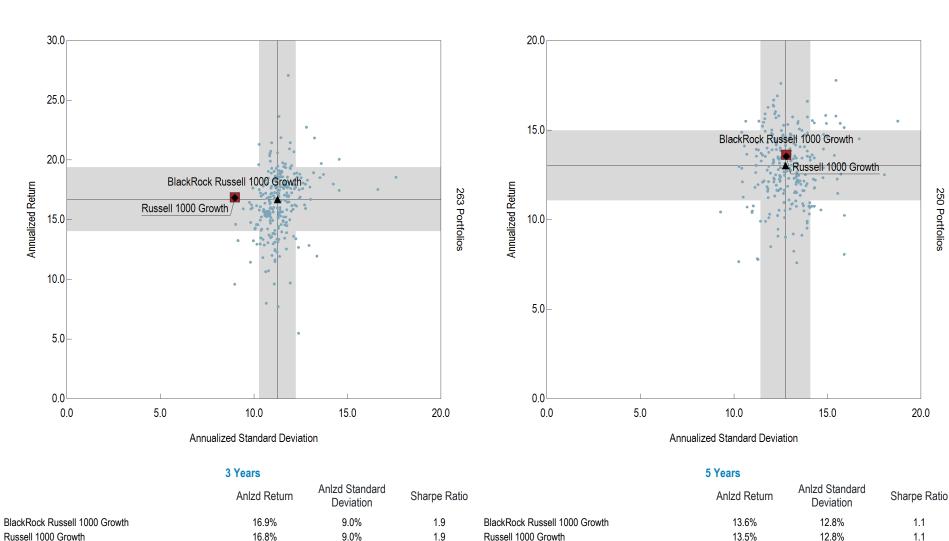




BlackRock Russell 1000 Growth Risk vs. Return 3 & 5 Year (Gross of Fees)

eA US Large Cap Growth Equity Gross Median

Verus⁷⁷



3 Years

16.7%

11.3%

1.4

eA US Large Cap Growth Equity Gross Median

5 Years

13.0%

Stanislaus County Employees' Retirement Association

12.8%

1.0

24

Jackson Square Manager Portfolio Overview

Characteristics

Russell

Return

11.52

10.71

14.97 -6.05

4.16

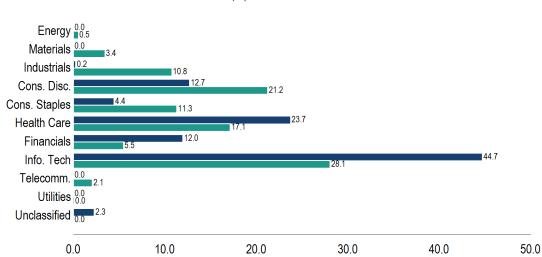
2.93

15.54

23.87

10.74 8.22

	Portfolio	1000 Growth
Number of Holdings	33	644
Weighted Avg. Market Cap. (\$B)	95.04	122.90
Median Market Cap. (\$B)	34.68	8.44
Price To Earnings	33.04	25.41
Price To Book	7.58	7.02
Price To Sales	6.66	3.80
Return on Equity (%)	19.83	25.00
Yield (%)	0.98	1.60
Beta	1.20	1.00



Russell 1000 Growth

Sector Allocation (%) vs Russell 1000 Growth

	<u> </u>	1.11	4
op	Cor	itrid	utors

Jackson Square

Bottom Contributors

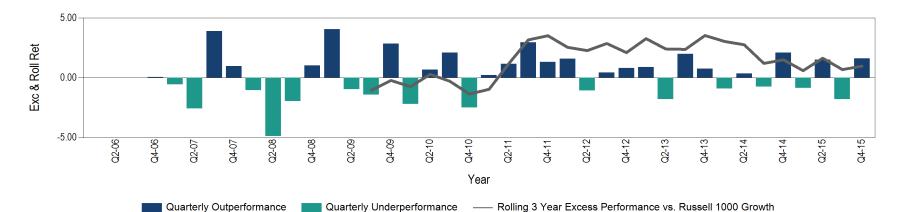
Largest H	Largest Holdings			
	End Weight			
VISA 'A'	5.77			
CELGENE	5.66			
ALLERGAN	5.57			
QUALCOMM	4.87			
LIBERTY INTACT.QVC GROUP 'A'	4.44			
WALGREENS BOOTS ALLIANCE	4.43			
EQUINIX	4.37			
MICROSOFT (SGO)	4.36			
CROWN CASTLE INTL.	4.30			
MASTERCARD	4.21			

	Top Contributors		
	Avg Wgt	Return	
BAIDU 'A' ADR 10:1	2.95	37.57	
TRIPADVISOR 'A'	2.34	35.27	
ALLERGAN	5.30	14.97	
EQUINIX	4.63	15.54	
VISA 'A'	5.80	11.52	
MICROSOFT (SGO)	2.65	23.87	
CELGENE	5.53	10.71	
PAYPAL HOLDINGS	3.53	16.62	
ALPHABET 'A'	2.45	21.87	
ALPHABET 'C'	1.91	24.73	

Contribution		Avg Wgt	Return	Contribution
1.11	VALEANT PHARMS. (NYS)	3.16	-43.01	-1.36
0.82	QUALCOMM	5.45	-6.05	-0.33
0.79				
0.72	DISCOVERY COMMS.'A'	0.77	2.50	0.02
0.67	DISCOVERY COMMS.'C'	1.30	3.83	0.05
0.63	NIKE 'B'	2.74	1.90	0.05
0.59	ELECTRONIC ARTS	3.88	1.43	0.06
0.59 0.54	SIRONA DENTAL SYSTEMS	0.73	17.39	0.13
0.47 WALGREENS BOOTS 0.47 ALLIANCE	4.52	2.93	0.13	
	DENTSPLY INTL.	0.75	20.47	0.15
	YELP CLASS A	0.48	32.96	0.16

Unclassified sector allocation includes cash allocations.





Annualized Excess Performance

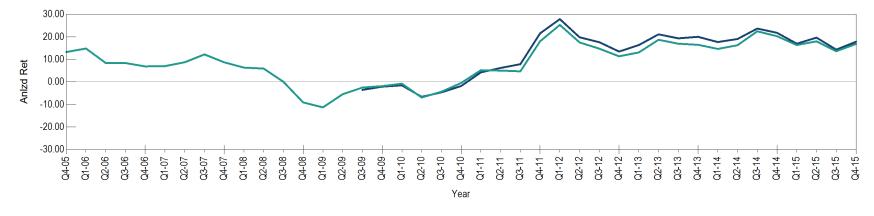
45.0 40.0 35.0 Annualized Return (%) 30.0 25.0 20.0 15.0 10.0 5.0 0.0 -5.0 -10.0 2015 2013 2011 Quarter 1 Year 3 Years 5 Years 10 Years 2014 2012 Return (Rank) 5th Percentile 9.6 11.6 20.3 15.8 10.7 11.6 17.3 42.8 21.6 6.4 25th Percentile 8.1 18.0 14.4 9.1 37.3 2.2 7.6 7.6 14.3 18.2 Median 6.8 4.7 16.7 13.0 8.6 4.7 12.0 34.3 15.7 -0.3 75th Percentile 5.6 2.1 14.9 11.7 2.1 9.5 31.0 13.4 -3.2 7.7 95th Percentile 3.6 -2.4 11.9 6.6 -2.4 5.8 10.2 -8.0 9.7 26.6 # of Portfolios 270 270 263 250 208 270 291 274 274 294 Jackson Square 8.9 (12) 5.9 (39)17.8 (29) 15.8 (6) 5.9 (39)13.8 (32) 35.6 (39) 17.0 (36) 8.9 (3) ---(--) Russell 1000 Growth 7.3 (41) 5.7 (42) 16.8 (48) 13.5 (41) 8.5 (53) 5.7 (42) 13.0 (38) 33.5 (56) 15.3 (55) 2.6 (22)

Jackson Square vs. eA US Large Cap Growth Equity Gross Universe

Verus⁷⁷

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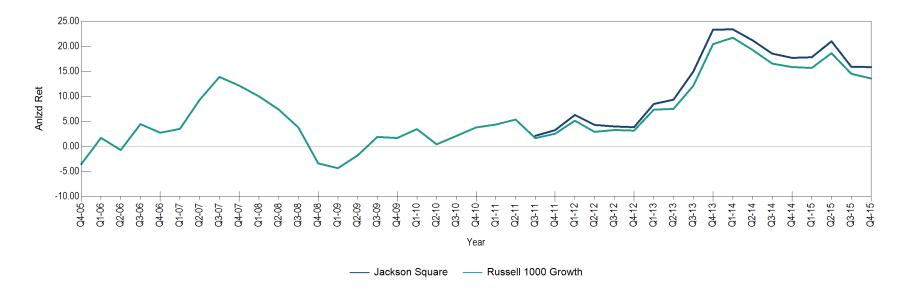
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Rolling 3 Year Annualized Return (%)





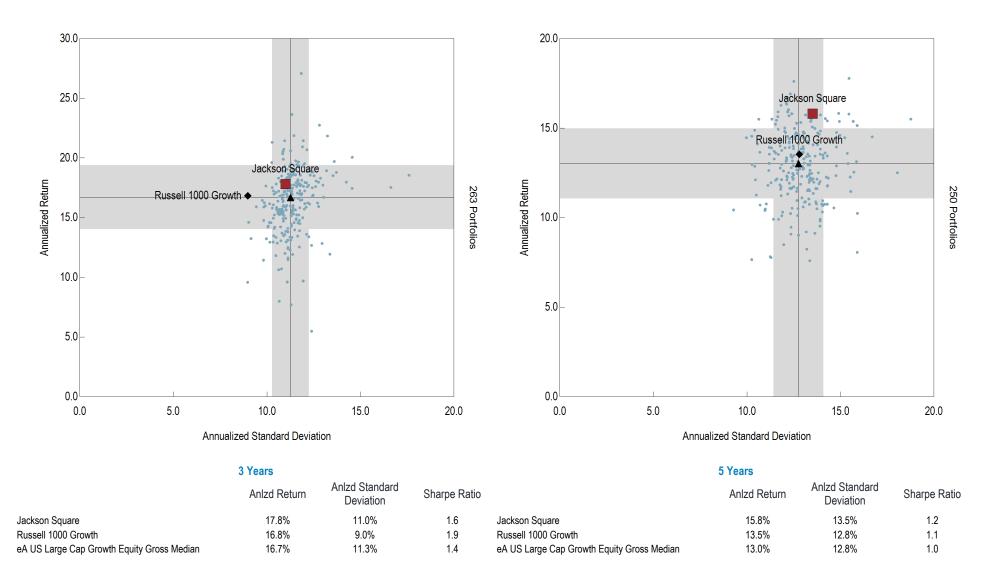




Jackson Square Risk vs. Return 3 & 5 Year (Gross of Fees)



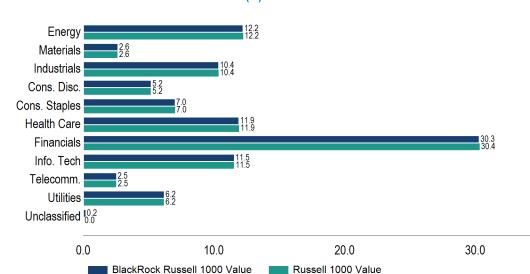
5 Years



BlackRock Russell 1000 Value Manager Portfolio Overview

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	691	691
Weighted Avg. Market Cap. (\$B)	105.81	105.87
Median Market Cap. (\$B)	6.85	6.85
Price To Earnings	20.03	19.16
Price To Book	2.23	2.23
Price To Sales	2.65	2.50
Return on Equity (%)	11.43	11.40
Yield (%)	2.67	2.60
Beta	1.00	1.00



Sector Allocation (%) vs Russell 1000 Value

Larges	st Holdings		Т	op Contributo	ors		Botte
	End Weight	Return		Avg Wgt	Return	Contribution	1
EXXON MOBIL	3.30	5.78	GENERAL ELECTRIC	2.78	24.44	0.68	KINDER MORGAN
GENERAL ELECTRIC	2.97	24.44	MICROSOFT	1.78	26.20	0.47	ANADARKO PETROLEUM
WELLS FARGO & CO	2.56	6.59	JOHNSON & JOHNSON	2.40	10.84	0.26	QUALCOMM
JOHNSON & JOHNSON	2.51	10.84	CHEVRON	1.65	15.38	0.25	WAL MART STORES
JP MORGAN CHASE & CO.	2.48	9.08	PROCTER & GAMBLE	2.03	11.38	0.23	WESTERN DIGITAL
BERKSHIRE HATHAWAY 'B'	2.32	1.26	INTEL	1.46	15.10	0.22	FREEPORT-MCMORAN
PROCTER & GAMBLE	2.18	11.38	JP MORGAN CHASE &	2.39	9.08	0.22	TARGET
PFIZER	2.01	3.61	CO.	2.55	5.00	0.22	AMERICAN EXPRESS
MICROSOFT	1.97	26.20	EXXON MOBIL	3.35	5.78	0.19	ARCHER-DANLSMIDL.
AT&T	1.81	7.12	WELLS FARGO & CO	2.51	6.59	0.17	HCA HOLDINGS
			MEDTRONIC	1.03	15.47	0.16	

Duesell

Bottom Contributors Avg Wgt R

0.47

0.32

0.75

0.96

0.16

0.11

0.45

0.51

0.26

0.21

Return

-45.09

-19.15

-6.05

-4.67

-23.79

-29.86

-6.98

-5.83

-10.86

-12.58

Contribution

-0.21

-0.06

-0.05

-0.04

-0.04

-0.03

-0.03

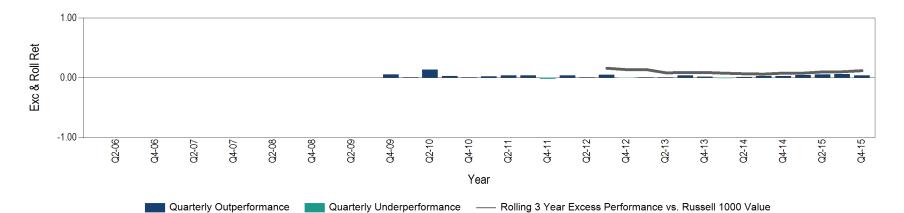
-0.03

-0.03

-0.03

Unclassified sector allocation includes cash allocations.

BlackRock Russell 1000 Value Manager Performance Comparisons (Gross of Fees)



Annualized Excess Performance

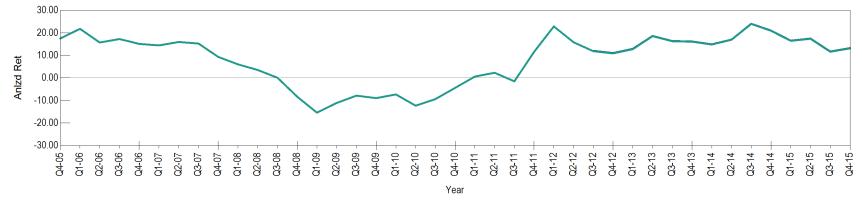
45.0 40.0 35.0 Annualized Return (%) 30.0 25.0 20.0 15.0 10.0 5.0 0.0 -5.0 -10.0 Quarter 1 Year 3 Years 5 Years 10 Years 2015 2014 2013 2012 2011 Return (Rank) 5th Percentile 7.5 2.8 17.0 14.4 9.7 2.8 16.3 42.5 21.5 9.5 25th Percentile 15.0 12.6 37.2 3.4 6.2 -0.4 8.2 -0.4 13.9 18.0 Median 5.4 -2.6 13.7 11.5 7.3 -2.6 12.2 33.6 15.7 0.5 75th Percentile 4.2 -5.1 12.3 10.3 6.4 -5.1 10.4 30.8 13.0 -3.1 95th Percentile 1.9 -9.4 8.8 7.9 4.8 -9.4 5.9 9.6 -8.6 24.6 # of Portfolios 312 312 303 290 237 312 307 310 303 310 BlackRock Russell 1000 Value 5.7 (42) -3.6 (62) 13.2 (62) 11.4 (52) -3.6 (62)13.5 (31) 32.6 (59) 17.6 (30) 0.5 (50) ---(--) Russell 1000 Value 5.6 (43) -3.8 (64) 13.1 (65) 11.3 (54) 6.2 (78) -3.8 (64) 13.5 (33) 32.5 (60) 17.5 (30) 0.4 (51)

BlackRock Russell 1000 Value vs. eA US Large Cap Value Equity Gross Universe

Verus⁷⁷

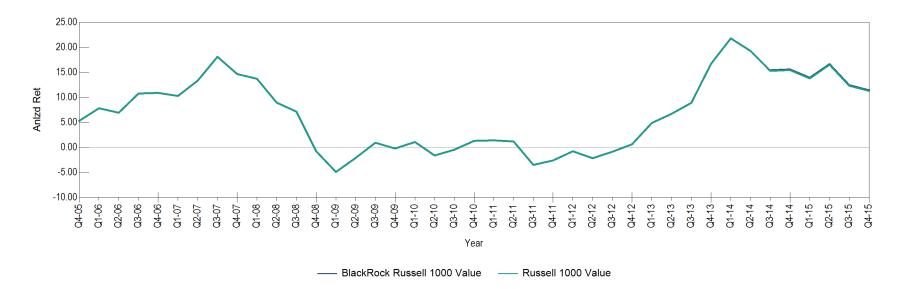
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— BlackRock Russell 1000 Value — Russell 1000 Value





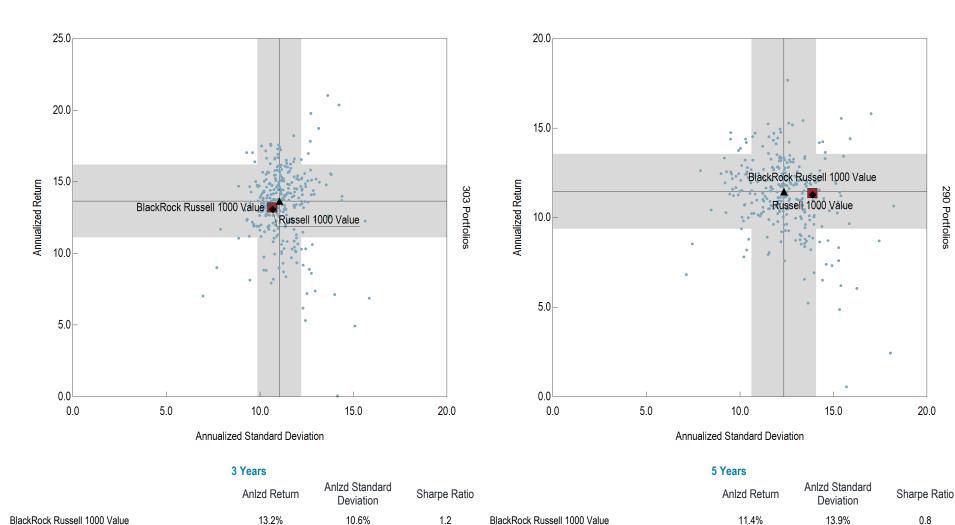


BlackRock Russell 1000 Value Risk vs. Return 3 & 5 Year (Gross of Fees)

290 Portfolios

0.8

0.9



1.2

1.2

Russell 1000 Value

eA US Large Cap Value Equity Gross Median

3 Years

13.1%

13.7%

10.7%

11.0%

5 Years

eA US Large Cap Value Equity Gross Median

Russell 1000 Value

13.9%

12.4%

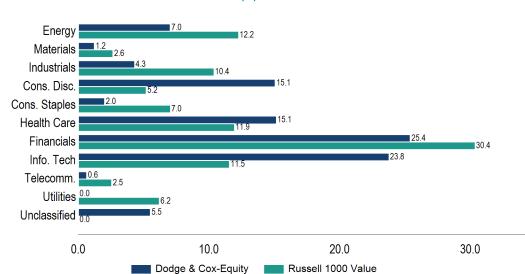
11.3%

11.5%

Dodge & Cox-Equity Manager Portfolio Overview

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	66	691
Weighted Avg. Market Cap. (\$B)	101.07	105.87
Median Market Cap. (\$B)	37.05	6.85
Price To Earnings	19.73	19.16
Price To Book	2.61	2.23
Price To Sales	2.63	2.50
Return on Equity (%)	14.28	11.40
Yield (%)	2.00	2.60
Beta	1.01	1.00



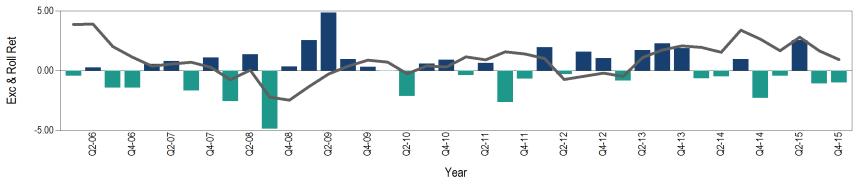
Sector Allocation (%) vs Russell 1000 Value

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U	μ.	00		Nu	tors	

Bottom Contributors

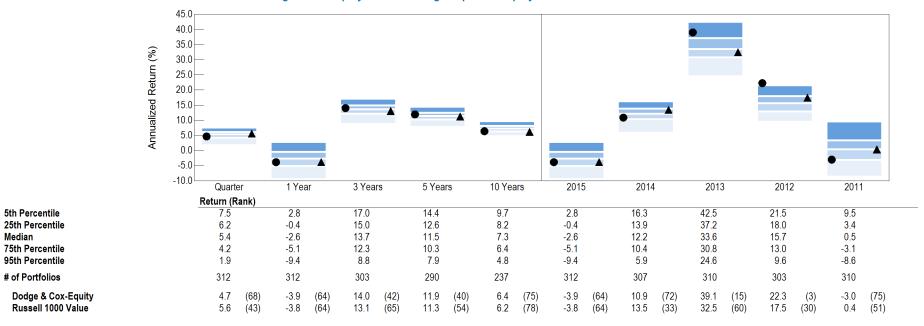
Largest	t Holdings			Top Contributo	rs		Be	ottom Contribu	tors	
	End Weight	Return		Avg Wgt	Return	Contributio	n	Avg Wgt	Return	Contribution
WELLS FARGO & CO	4.26	6.59	MICROSOFT (SGO)	2.56	23.87	0.61	SANOFI ADR 2:1	2.59	-10.15	-0.26
MICROSOFT (SGO)	3.97	23.87	CHARLES SCHWAB	3.25	15.52	0.51	NOVARTIS 'B' SPN.ADR	3.35	-6.40	-0.21
TIME WARNER CABLE	3.70	3.89	ALPHABET 'C'	1.29	24.73	0.32	1:1	0.00	-0.+0	-0.21
CAPITAL ONE FINL.	3.68	0.03	WELLS FARGO & CO	4.18	6.59	0.28	BAKER HUGHES	1.72	-11.04	-0.19
CHARLES SCHWAB	3.53	15.52	BANK OF AMERICA	2.90	8.33	0.24	TIME WARNER	2.91	-5.47	-0.16
NOVARTIS 'B' SPN.ADR 1:1	3.24	-6.40	MICROSOFT (LIM)	1.40	14.08	0.20	NETAPP	1.09	-9.86	-0.11
BANK OF AMERICA	3.10	8.33	EXPRESS SCRIPTS	2.36	7.97	0.19	WAL MART STORES	1.95	-4.67	-0.09
COMCAST 'A'	2.69	-0.38	HOLDING	2.30	1.91	0.19	NATIONAL OILWELL	0.80	-9.95	-0.08
SCHLUMBERGER	2.69	1.79	CELANESE 'A'	1.21	14.28	0.17	VARCO			
TIME WARNER	2.64	-5.47	APACHE	1.22	14.18	0.17	TARGET	0.97	-6.98	-0.07
			ALPHABET 'A'	0.72	21.87	0.16	HARLEY-DAVIDSON	0.29	-16.77	-0.05
							AMERICAN EXPRESS	0.76	-5.83	-0.04

Unclassified sector allocation includes cash allocations.



Annualized Excess Performance

Quarterly Outperformance Quarterly Underperformance — Rolling 3 Year Excess Performance vs. Russell 1000 Value



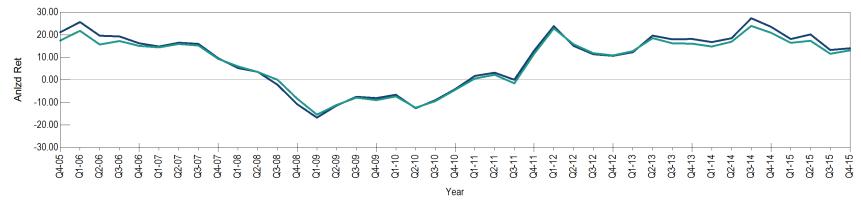
Dodge & Cox-Equity vs. eA US Large Cap Value Equity Gross Universe

Verus⁷⁷

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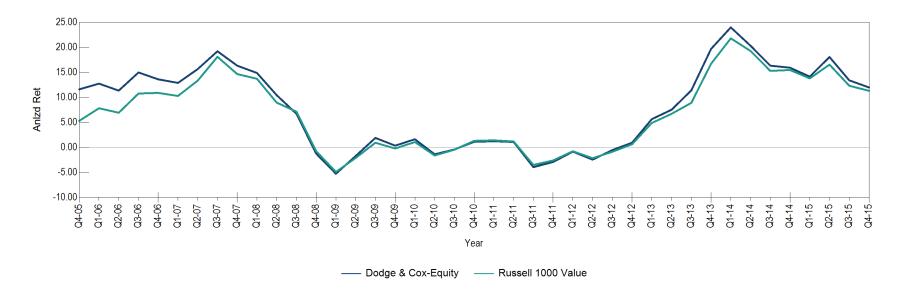
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Median



— Dodge & Cox-Equity — Russell 1000 Value



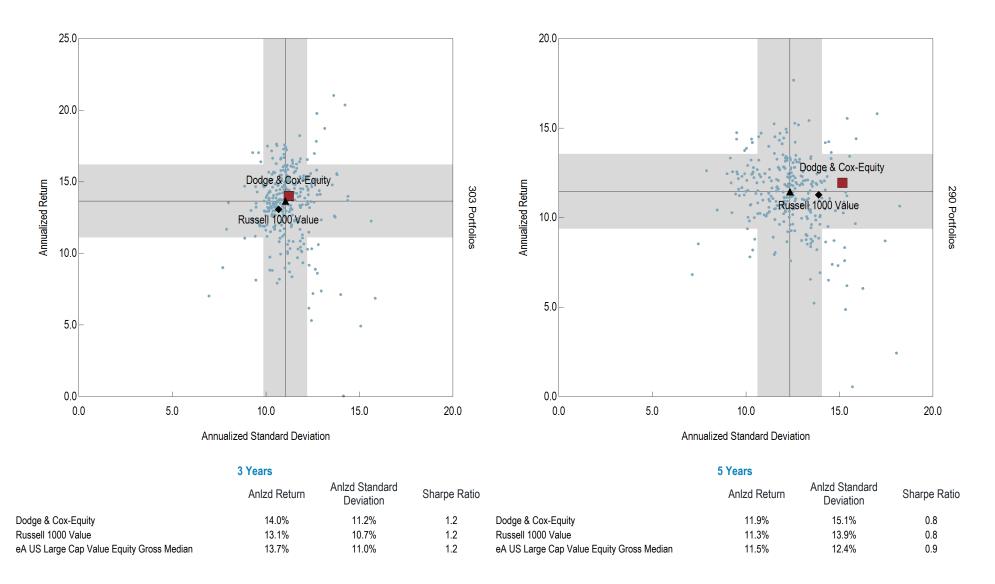




Dodge & Cox-Equity Risk vs. Return 3 & 5 Year (Gross of Fees)



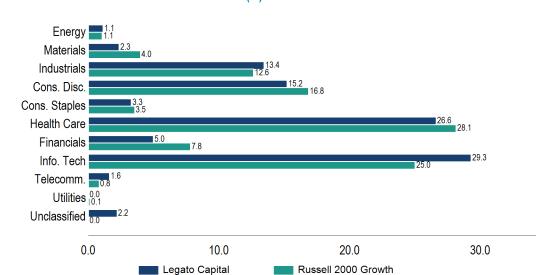
5 Years



Legato Capital Manager Portfolio Overview

Characteristics		
	Portfolio	Russell 2000 Growth
Number of Holdings	399	1,194
Weighted Avg. Market Cap. (\$B)	1.94	2.07
Median Market Cap. (\$B)	1.37	0.74
Price To Earnings	29.25	27.56
Price To Book	5.67	4.96
Price To Sales	3.77	3.38
Return on Equity (%)	13.09	16.59
Yield (%)	0.42	0.52
Beta	1.01	1.00

Characteristics



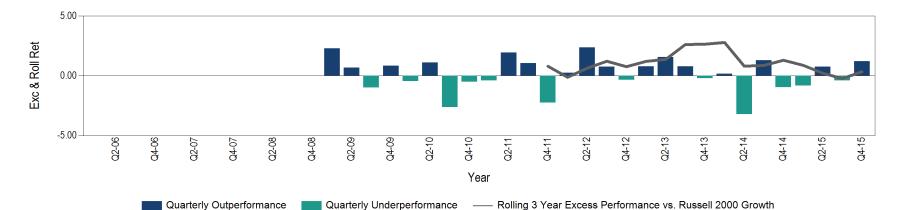
Sector Allocation (%) vs Russell 2000 Growth

T		
100	Contributors	

Bottom Contributors

Large	est Holdings		То	p Contributo	ors		Botte	om Contribu	tors	
	End Weight	Return		Avg Wgt	Return	Contribution	ı	Avg Wgt	Return	Contribution
LIGAND PHARMS.'B'	2.33	26.59	LIFELOCK	1.39	63.81	0.88	PRA GROUP	1.12	-34.45	-0.39
LIFELOCK	1.95	63.81	STAMPS.COM	1.27	48.10	0.61	CLOVIS ONCOLOGY	0.39	-61.94	-0.24
SYNCHRONOSS TECHNOLOGIES	1.86	7.41	LIGAND PHARMS.'B'	1.85	26.59	0.49	COMMUNITY HEALTH SYSTEMS	0.59	-37.97	-0.22
STAMPS.COM	1.35	48.10	NEKTAR THERAPEUTICS DYAX	0.59 0.31	53.74 97.07	0.32 0.30	BOFI HOLDING	0.47	-34.64	-0.16
ADVISORY BOARD	1.32	8.94	CONSTANT CONTACT	1.12	20.63	0.23	MARCUS AND MILLICHAP	0.41	-36.64	-0.15
CARDTRONICS	1.32	2.91	HEARTLAND PAYMENT	0.40	F0 07	0.00	SOTHEBY'S	0.75	-19.17	-0.14
PRA GROUP	1.27	-34.45	SYS.	0.43	50.67	0.22	TEAM HEALTH HOLDINGS	0.68	-18.77	-0.13
IGI LABORATORIES	1.18	36.09	WEIGHTWATCHERS INTL.	0.08	257.37	0.21	HAIN CELESTIAL GP.	0.55	-21.72	-0.12
ECHO GLOBAL LOGISTICS	1.13	4.03	EMERGENT	0.46	40.44	0.18	CEB	1.21	-9.64	-0.12
POOL	1.09	12.08	BIOSOLUTIONS SHUTTERFLY	0.72	24.64	0.18	BUFFALO WILD WINGS	0.61	-17.46	-0.11

Unclassified sector allocation includes cash allocations.



Annualized Excess Performance

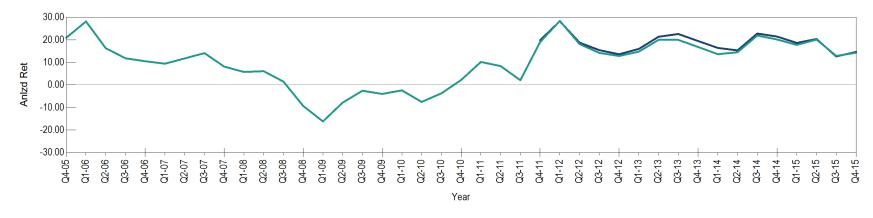
60.0 50.0 Annualized Return (%) 40.0 30.0 20.0 10.0 0.0 -10.0 -20.0 Quarter 2015 2011 1 Year 3 Years 5 Years 10 Years 2014 2013 2012 Return (Rank) 5th Percentile 8.2 7.1 19.6 15.9 11.1 7.1 11.3 58.2 23.8 8.1 2.5 2.5 25th Percentile 16.5 13.2 9.5 2.4 5.3 6.7 50.6 18.0 Median 3.5 -0.6 14.6 11.5 8.4 -0.6 3.9 45.6 14.3 -1.5 75th Percentile -3.5 12.7 10.2 7.5 -3.5 -0.1 42.6 11.6 -5.2 1.4 95th Percentile -1.6 -8.7 7.8 5.8 -8.7 -7.6 35.6 5.4 -11.5 9.4 # of Portfolios 154 154 148 142 115 154 161 160 162 166 Legato Capital 47.3 5.6 (22) -0.7 (52)14.6 (49) 11.8 (47) -0.7 (52)3.0 (57) (41) 18.1 (24) -2.0 (54) ---(--) Russell 2000 Growth 4.3 (39) -1.4 (59) 14.3 (56) 10.7 (64) 8.0 (60) -1.4 (59) 5.6 (32) 43.3 (70) 14.6 (48) -2.9 (60)

Legato Capital vs. eA US Small Cap Growth Equity Gross Universe

Verus⁷⁷

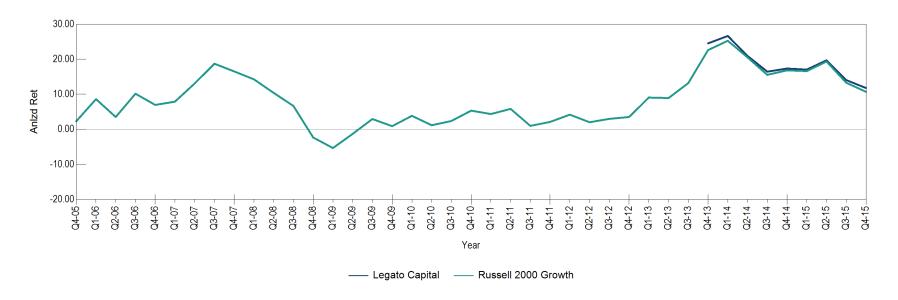
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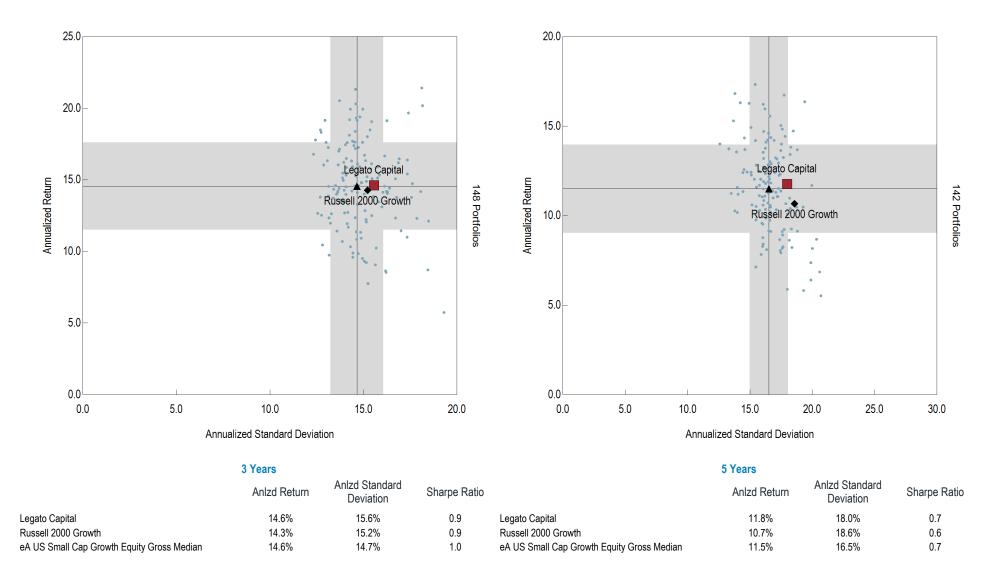




Legato Capital Risk vs. Return 3 & 5 Year (Gross of Fees)



5 Years



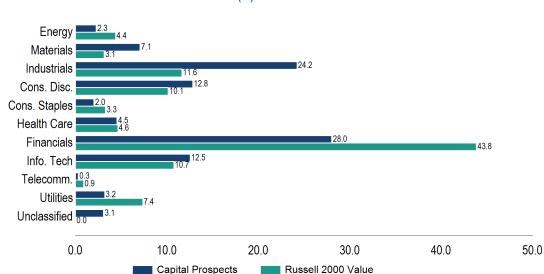


Capital Prospects Manager Portfolio Overview

Characteristics

Duesell

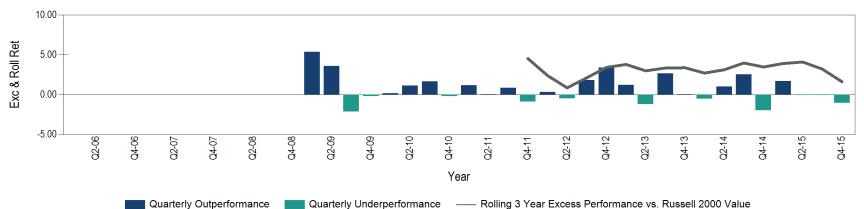
	Portfolio	Russell 2000 Value
Number of Holdings	313	1,351
Weighted Avg. Market Cap. (\$B)	1.87	1.65
Median Market Cap. (\$B)	1.09	0.59
Price To Earnings	20.97	19.84
Price To Book	2.43	1.63
Price To Sales	2.05	2.62
Return on Equity (%)	11.57	7.44
Yield (%)	2.02	1.99
Beta	0.97	1.00



Sector Allocation (%) vs Russell 2000 Value

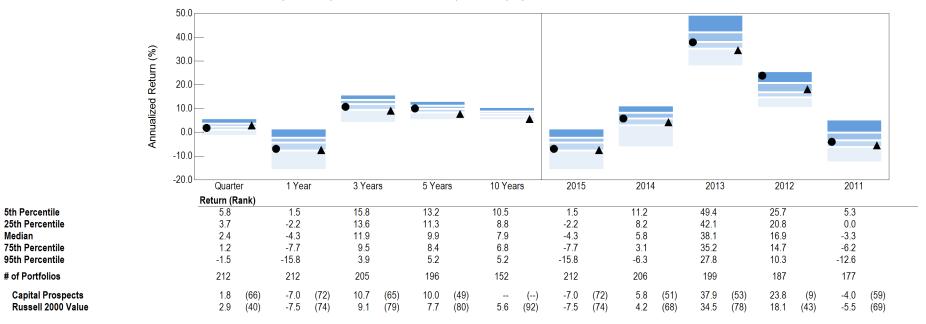
Largest	Holdings			Top Contributo	ors		Во	ttom Contribu	itors	
	End Weight	Return		Avg Wgt	Return	Contributio	n	Avg Wgt	Return	Contribution
ALLETE	1.43	1.68	MISTRAS GROUP	0.62	48.56	0.30	KNOWLES	0.74	-27.67	-0.20
LITTELFUSE	1.40	17.72	LITTELFUSE	1.27	17.72	0.23	STEELCASE 'A'	0.97	-18.58	-0.18
HILLENBRAND	1.19	14.71	ZAGG	0.33	61.12	0.20	ENCORE CAP.GP.	0.65	-21.41	-0.14
MB FINANCIAL	1.11	-0.30	TELECM.SYSTEMS 'A'	0.41	44.48	0.18	MERITOR	0.64	-21.45	-0.14
REGAL BELOIT	1.10	4.07	LANCASTER COLONY	0.68	24.23	0.17	OCH-ZIFF	0.43	-28.17	-0.12
AVOLON HOLDINGS	0.97	1.71	HILLENBRAND	1.12	14.71	0.16	CAP.MAN.GP.CL.A	0.45	-20.17	-0.12
AMERICAN EQ.INV.LF.HLDG.	0.96	3.94	GIGOPTIX	0.22	73.71	0.16	INNOPHOS HOLDINGS	0.43	-25.72	-0.11
AIR LEASE	0.89	8.45	CHAS.RVR.LABS.INTL.	0.59	26.56	0.16	ASCENA RETAIL GROUP	0.36	-29.19	-0.10
CINEMARK HOLDINGS	0.83	3.63	BOOZ ALLEN	0.74	10.00	0.40	GNC HOLDINGS CL.A	0.45	-22.82	-0.10
BOOZ ALLEN HAMILTN.HLDG.	0.82	18.23	HAMILTN.HLDG.	0.74	18.23	0.13	FTI CONSULTING	0.60	-16.50	-0.10
-			BANC OF CALIFORNIA	0.60	20.17	0.12	OWENS ILLINOIS NEW	0.57	-15.93	-0.09

Unclassified sector allocation includes cash allocations.



Annualized Excess Performance

Quarterly Underperformance —— Rolling 3 Year Excess Performance vs. Russell 2000 Value



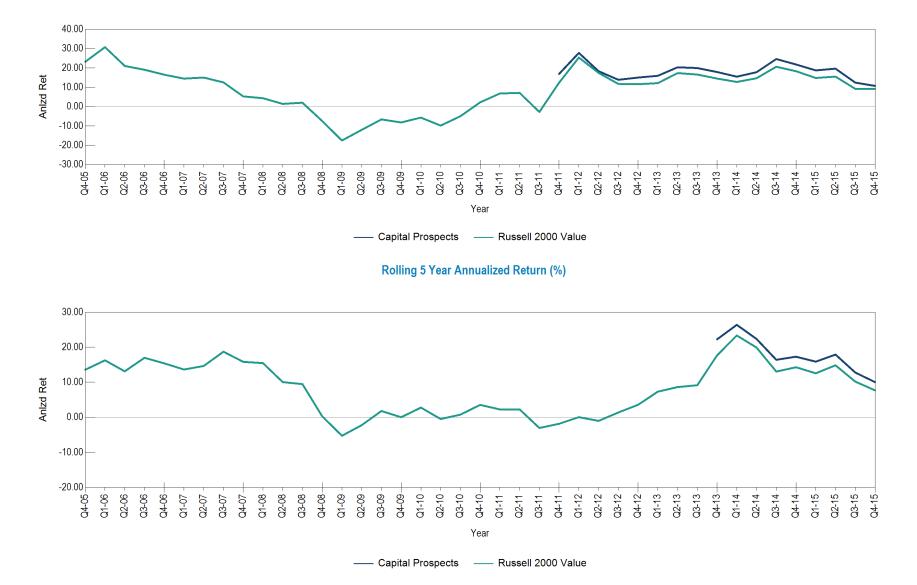
Capital Prospects vs. eA US Small Cap Value Equity Gross Universe

Verus⁷⁷

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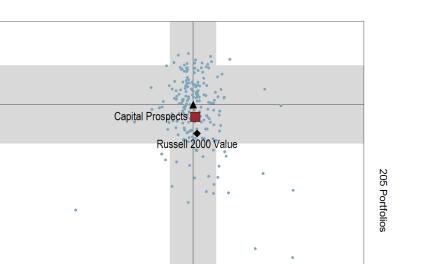
Median



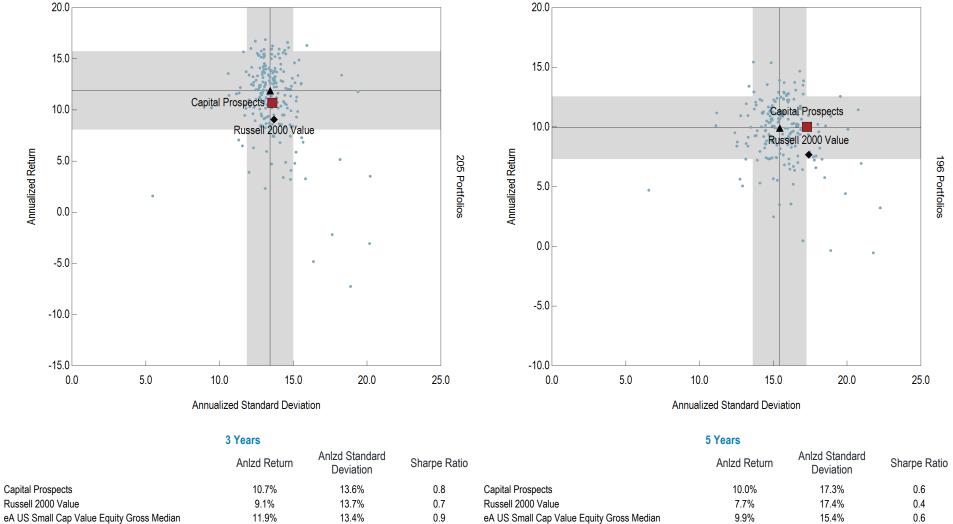


Capital Prospects Risk vs. Return 3 & 5 Year (Gross of Fees)

3 Years



5 Years





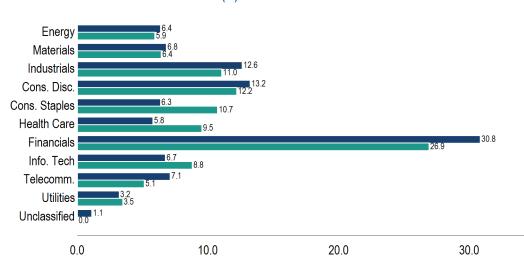
International Equity Managers

LSV Asset Mgt Manager Portfolio Overview

Characteristics

MCCI

	Portfolio	ACWI ex USA Gross
Number of Holdings	238	1,858
Weighted Avg. Market Cap. (\$B)	28.31	49.53
Median Market Cap. (\$B)	7.18	6.39
Price To Earnings	14.99	19.15
Price To Book	1.55	2.56
Price To Sales	1.01	2.34
Return on Equity (%)	11.51	14.86
Yield (%)	3.95	2.99
Beta	1.10	1.00



Sector Allocation (%) vs MSCI ACWI ex USA Gross

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LSV Asset Mgt

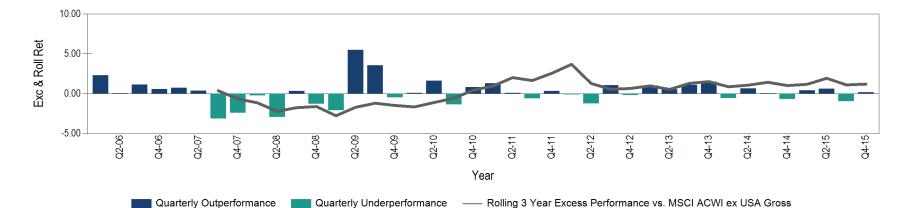
MSCI ACWI ex USA Gross

Largest Holdings						
	End Weight	Return				
NIPPON TELG. & TEL.	1.71	15.24				
ALLIANZ	1.53	13.98				
SAMSUNG ELECTRONICS	1.50	12.32				
BAE SYSTEMS	1.39	10.62				
MAGNA INTL.	1.36	-14.97				
DAIMLER	1.33	16.80				
SWISS RE	1.32	14.60				
CREDIT SUISSE GROUP N	1.27	-6.99				
SANOFI	1.24	-9.89				
SWISS LIFE HOLDING	1.00	21.81				

T	op Contributo		Bottom Contributors					
	Avg Wgt	Return	Contribution		Avg Wgt	Return	Contribution	
MICRO-STAR	0.35	68.69	0.24	MAGNA INTL.	1.62	-14.97	-0.24	
INTERNATIONAL	0.00		•-= ·	BNK FINANCIAL GROUP	0.41	-35.78	-0.15	
VOLKSWAGEN PREF.	0.72	33.18	0.24	SANOFI	1.36	-9.89	-0.13	
NIPPON TELG. & TEL.	1.55	15.24	0.24	JBS ON	0.44	-26.01	-0.11	
DAIMLER	1.29	16.80	0.22	SK TELECOM	0.62	-17.17	-0.11	
RENAULT	0.51	40.86	0.21	CHINA RAILWAY CON.'H'	0.62	-15.55	-0.10	
ALLIANZ	1.44	13.98	0.20	CREDIT SUISSE GROUP	4.07	-6.99	0.10	
SWISS LIFE HOLDING	0.87	21.81	0.19	Ν	1.37	-0.99	-0.10	
SAMSUNG ELECTRONICS	S 1.48	12.32	0.18	OLD MUTUAL	1.12	-7.95	-0.09	
SWISS RE	1.21	14.60	0.18	WESTJET AIRL.VAR.SHS.	0.45	-16.97	-0.08	
KYORIN HOLDINGS	0.43	38.05	0.16	CELESTICA SBVTG.SHS.	0.53	-14.05	-0.07	

Unclassified sector allocation includes cash allocations.

LSV Asset Mgt Manager Performance Comparisons



Annualized Excess Performance

35.0 30.0 25.0 Annualized Return (%) 20.0 15.0 10.0 5.0 0.0 -5.0 -10.0 -15.0 -20.0 -25.0 Quarter 2015 2013 2011 1 Year 3 Years 5 Years 10 Years 2014 2012 Return (Rank) 5th Percentile 8.3 13.5 12.9 8.7 9.9 13.5 1.6 32.9 26.8 -5.3 3.5 25th Percentile 3.5 7.9 7.0 23.4 22.1 -9.6 6.1 5.7 -0.8 Median 4.8 -0.3 5.6 4.2 5.4 -0.3 -2.9 20.3 19.5 -11.9 75th Percentile 3.4 -3.3 3.6 2.9 4.3 -3.3 -5.3 16.9 16.9 -15.1 95th Percentile 1.5 -8.3 0.2 3.0 -8.3 -8.7 13.2 -19.6 0.8 14.3 # of Portfolios 179 179 164 144 89 179 147 136 127 125 LSV Asset Mgt 3.5 (73) -5.1 (86) 3.1 (79) 2.3 (85) 3.9 (84) -5.1 (86)-4.0 (65) 20.4 (46) 16.7 (78) -12.5 (55) MSCI ACWI ex USA Gross 3.3 (78) -5.3 (87) 1.9 (89) 1.5 (90) 3.4 (90) -5.3 (87) -3.4 (58) 15.8 (87) 17.4 (74) -13.3 (62)

LSV Asset Mgt vs. eA ACWI ex-US Equity Unhedged Gross Universe

Verus⁷⁷⁷

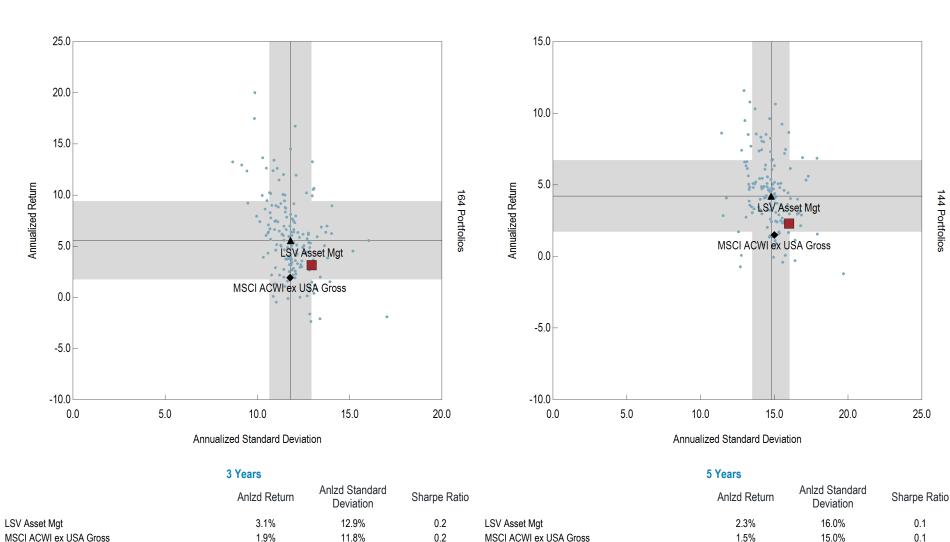
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LSV Asset Mgt Risk vs. Return 3 & 5 Year (Gross of Fees)



3 Years

5.6%

11.8%

0.4

eA ACWI ex-US Equity Unhedged Gross Median

5 Years

eA ACWI ex-US Equity Unhedged Gross Median

14.8%

0.3

4.2%

Pyramis Manager Portfolio Overview

Characteristics

	Portfolio	ACWI ex USA Gross
Number of Holdings	246	1,858
Weighted Avg. Market Cap. (\$B)	55.74	49.53
Median Market Cap. (\$B)	14.09	6.39
Price To Earnings	21.77	19.15
Price To Book	3.40	2.56
Price To Sales	2.64	2.34
Return on Equity (%)	17.03	14.86
Yield (%)	2.54	2.99
Beta	0.91	1.00

Energy Materials 10.3 Industrials Cons. Disc. 14.5 12.2 Cons. Staples 87 10.7 Health Care 14.8 9.5 25.3 Financials 26.9 6.5 Info. Tech 8.8 5.5 Telecomm. Utilities 1.8 3.5 Unclassified 0.0 5.0 10.0 15.0 20.0 25.0 30.0

Sector Allocation (%) vs MSCI ACWI ex USA Gross

Pyramis

Return

24.33

40.86

16.35

52.83

18.55

33.18

36.58

64.83

21.86

36.85

0.32

MARUI GROUP

MSCI ACWI ex USA Gross

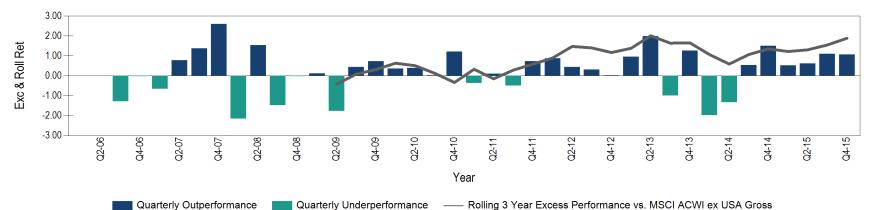
Bottom Contributors

Largest Holdings				Top Contributors		
	End Weight	Return		Avg Wgt	F	
NESTLE 'R'	1.94	-0.65	SAP	1.23		
ROCHE HOLDING	1.84	4.98	RENAULT	0.46		
NOVARTIS 'R'	1.67	-5.23	AIA GROUP	0.90		
SAP	1.47	24.33	ONO PHARM.	0.26		
NOVO NORDISK 'B'	1.29	8.61	ANHEUSER-BUSCH	0.68		
BAYER	1.28	-0.88	INBEV	0.00		
HSBC HDG. (ORD \$0.50)	1.28	5.96	VOLKSWAGEN PREF.	0.37		
MITSUBISHI UFJ FINL.GP.	1.26	5.22	MISUMI GROUP	0.33		
LLOYDS BANKING GROUP	1.25	-5.40	ST SHINE OPTICAL	0.18		
TOYOTA MOTOR	1.25	6.94	COMMONWEALTH BK.O AUS.	F 0.54		

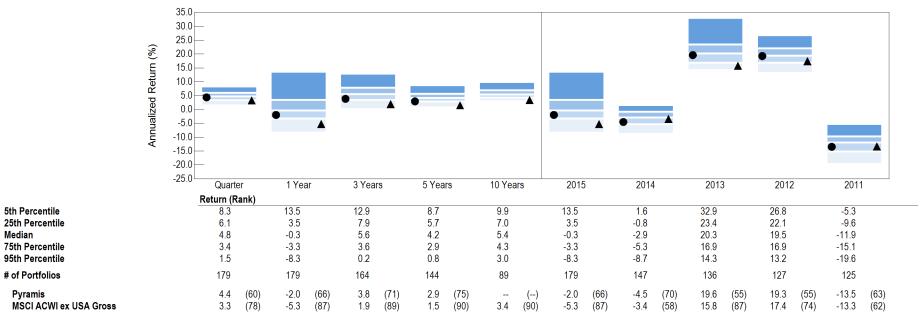
MCCI

	Contribution		Avg Wgt	Return	Contribution
	0.30	SANOFI	1.20	-9.89	-0.12
	0.19	BARCLAYS	0.77	-12.38	-0.10
	0.15	BHP BILLITON	0.34	-26.42	-0.09
	0.14	NOVARTIS 'R'	1.56	-5.23	-0.08
	0.13	SPORTS DIRECT INTL.	0.29	-25.83	-0.07
0.15	0.10	GUARANTY TRUST BANK	0.28	-24.17	-0.07
	0.12 0.12	LLOYDS BANKING GROUP	1.16	-5.40	-0.06
	0.12	CONTAINER STORE GROUP	0.13	-41.76	-0.05
	0.12	VALEANT PHARMS.INTL.	0.12	-43.05	-0.05
	0.12	ASTRAL FOODS	0.13	-40.56	-0.05

Unclassified sector allocation includes cash allocations.



Annualized Excess Performance



Pyramis vs. eA ACWI ex-US Equity Unhedged Gross Universe

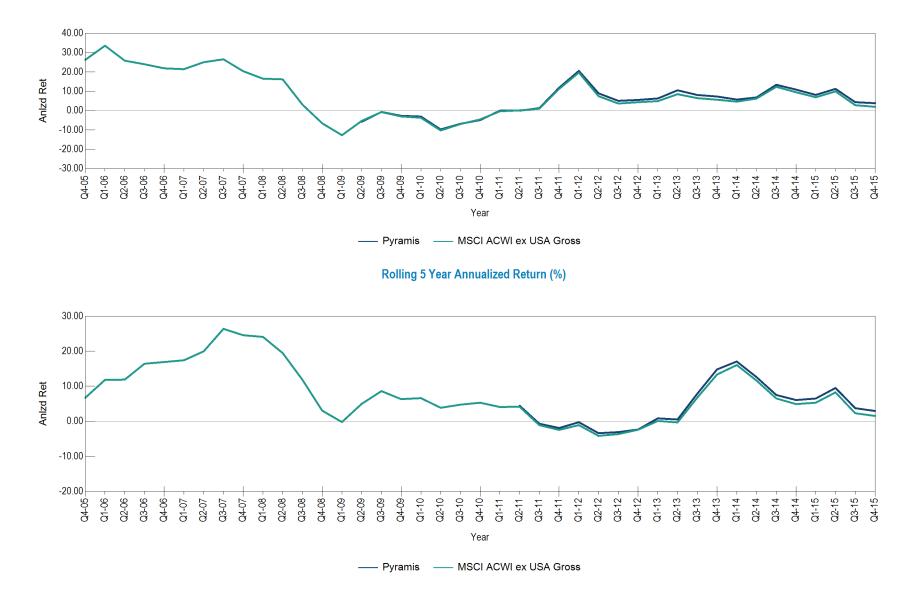
Verus⁷⁷⁷

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▲

Median

Pyramis

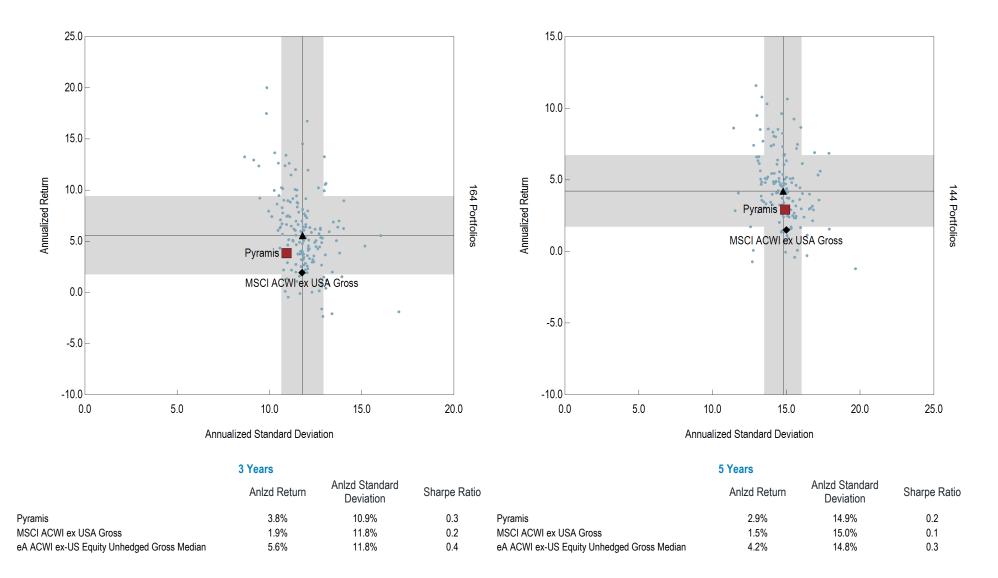




Pyramis Risk vs. Return 3 & 5 Year (Gross of Fees)

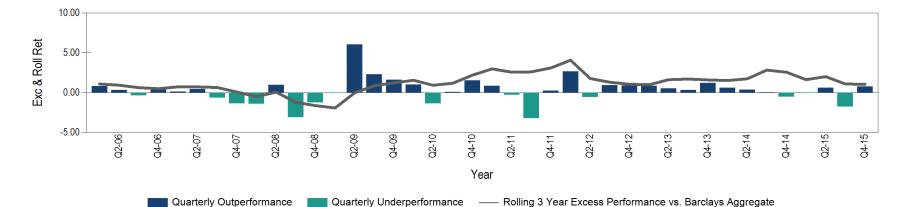


5 Years



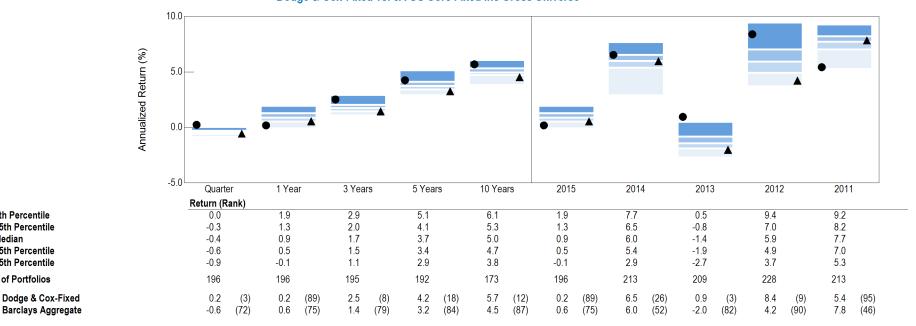
Verus⁷⁷

Domestic Fixed Income Managers



Annualized Excess Performance

Dodge & Cox-Fixed vs. eA US Core Fixed Inc Gross Universe



Verus⁷⁷

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5th Percentile

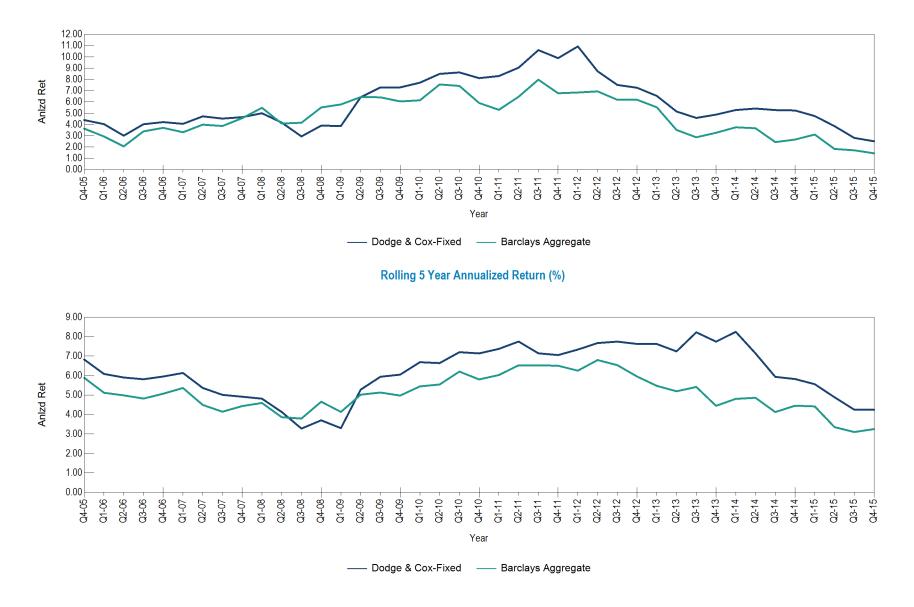
25th Percentile

75th Percentile

95th Percentile

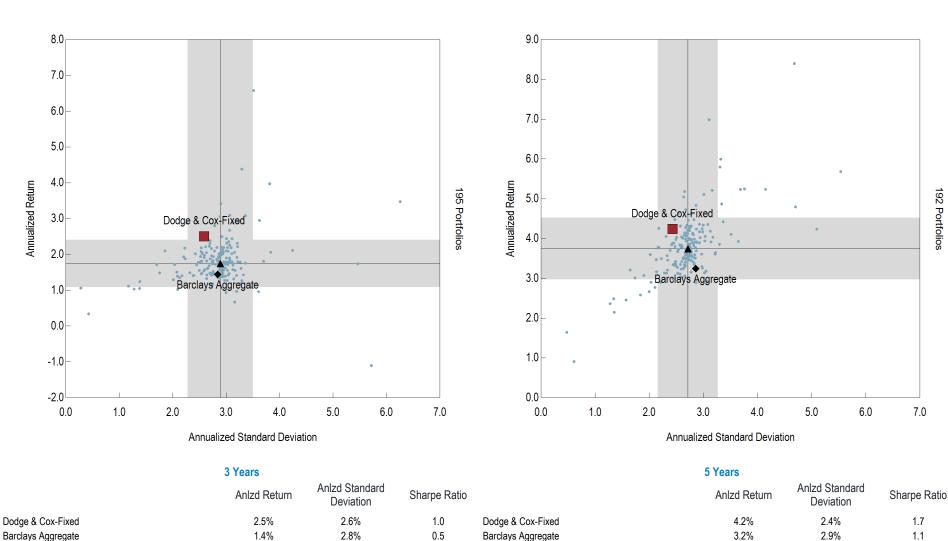
of Portfolios

Median





Dodge & Cox-Fixed Risk vs. Return 3 & 5 Year (Gross of Fees)



3 Years

1.7%

2.9%

0.6

eA US Core Fixed Inc Gross Median

5 Years

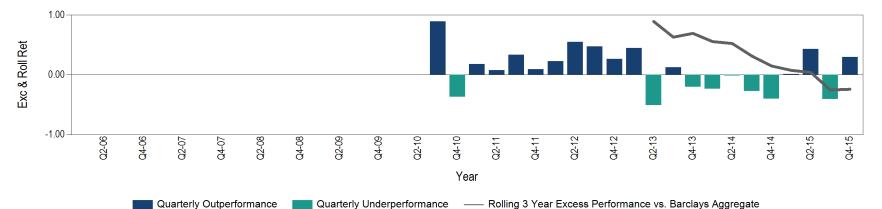
Verus⁷⁷

eA US Core Fixed Inc Gross Median

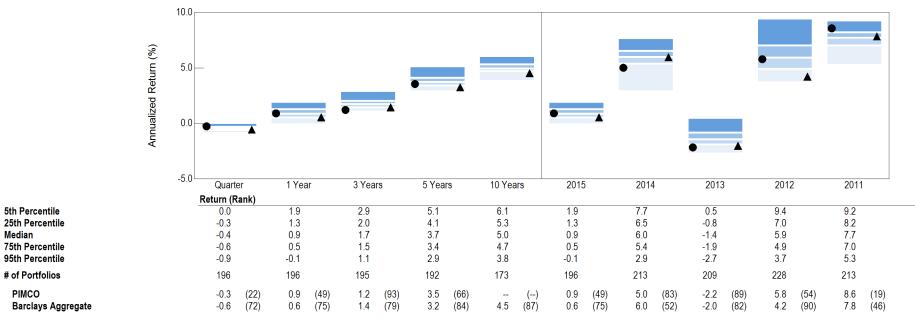
2.7%

1.4

3.7%



Annualized Excess Performance



PIMCO vs. eA US Core Fixed Inc Gross Universe

Verus⁷⁷

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▲

Median

PIMCO

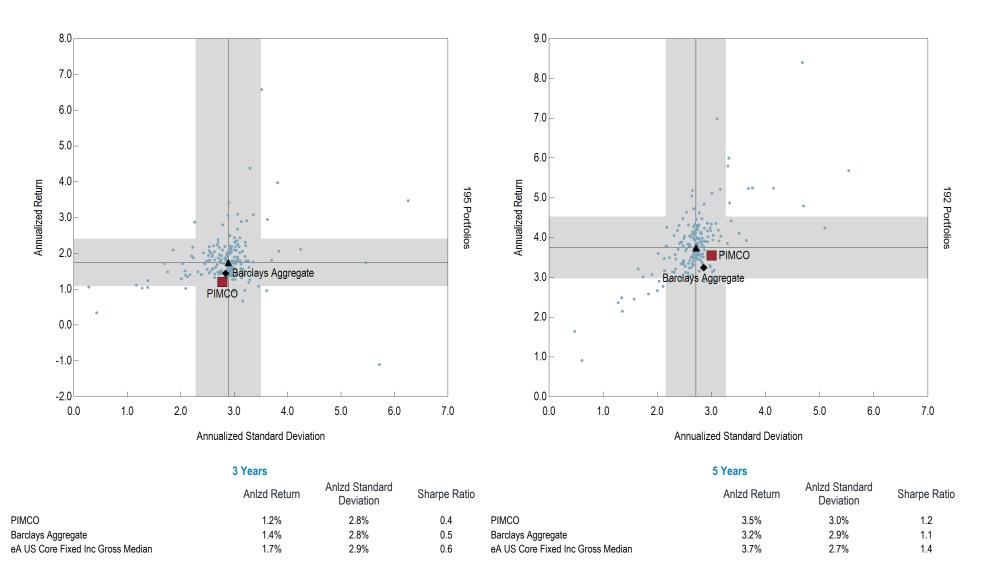




PIMCO Risk vs. Return 3 & 5 Year (Gross of Fees)



5 Years



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Performance Return Calculations

Returns calculated in the performance summary tables are time-weighted rates of return (TWRR). TWRR are calculated from changes in monthly market values, adjusted for weighted cash flows between months. Our performance methodology assumes that cash flows occur at the end of day for modified dietz calculations. Returns are linked geometrically and annualized for periods longer than one year.

Data Source

Verus is an independent third party consulting firm and calculates returns from best source book of record data. Returns calculated by Verus may deviate from those shown by the manager in part, but not limited to, differences in prices and market values reported by the custodian and manager, as well as significant cash flows into or out of an account. It is the responsibility of the manager and custodian to provide insight into the pricing methodologies and any difference in valuation.

Illiquid Alternatives

Closed end funds including but not limited to Real Estate, Hedge Funds, Private Equity, and Private Credit may lag performance and market value data due to delayed reporting. Verus will show market values for closed end funds as of the most recent reported performance adjusted for capital calls and distributions. Closed end fund managers report performance using an internal rate of return (IRR), which differs from the TWRR calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

Manag		

Manager Line op					
Manager	Fund Incepted	Data Source	<u>Manager</u>	Fund Incepted	Data Source
Mellon S&P 500	04/30/2003	Mellon	Prime Property Fund	09/30/2015	Prime Property
BlackRock Russell 1000 Growth	06/30/2010	BlackRock	American Strategic Value Realty	12/31/2014	American Realty
Jackson Square	08/31/2006	Northern Trust	BlackRock US Real Estate	09/30/2012	BlackRock
BlackRock Russell 1000 Value	07/31/2009	BlackRock	Greenfield Gap	07/31/2014	Greenfield
Dodge & Cox - Equity	12/31/1994	Northern Trust	Invesco	02/29/2008	Mellon
Legato Capital	12/31/2008	Northern Trust	Medley Capital	05/31/2013	Medley Capital
Capital Prospects	12/31/2008	Northern Trust	Raven Capital	05/31/2013	Raven Capital
LSV Asset Mgt	08/31/2004	Northern Trust	Raven Opportunity III	07/31/2015	Raven Capital
Pyramis	04/30/2006	Northern Trust	White Oak Pinnacle	08/31/2013	White Oak
Dodge & Cox - Fixed	12/31/1994	Northern Trust	MS Infrastructure	08/31/2013	Morgan Stanley
PIMCO	05/31/2010	Northern Trust			

Policy & Custom Index Composition

Policy Index: 14.4% Russell 1000 Value, 11.3% Russell 1000 Growth, 4.8% S&P 500, 4.0% Russell 2000 Value, 3.7% Russell 2000 Growth, 18.0% MSCI ACWI ex USA, 29.8% Barclays Aggregate, 3.5% DJ US Select RESI, 7.5% 9% Annual, 3% CPI + 4%.

US Equity Blended: 80% Russell 1000, 20% Russell 2000.

Other Disclosures

Fiscal Year End: 6/30

All data prior to 6/30/2015 provided by the previous consultant.

6/30/2015 market values provided by the previous consultant for the following funds were preliminary and revised by Verus to reflect final market values.

- White Oak Pinnacle
- Greenfield Gap
- Raven Capital

Glossary

Allocation Effect: An attribution effect that describes the amount attributable to the managers' asset allocation decisions, relative to the benchmark.

Alpha: The excess return of a portfolio after adjusting for market risk. This excess return is attributable to the selection skill of the portfolio manager. Alpha is calculated as: Portfolio Return - [Risk-free Rate + Portfolio Beta x (Market Return - Risk-free Rate)].

Benchmark R-squared: Measures how well the Benchmark return series fits the manager's return series. The higher the Benchmark R-squared, the more appropriate the benchmark is for the manager. Beta: A measure of systematic, or market risk; the part of risk in a portfolio or security that is attributable to general market movements. Beta is calculated by dividing the covariance of a security by the variance of the market.

Book-to-Market: The ratio of book value per share to market price per share. Growth managers typically have low book-to-market ratios while value managers typically have high book-to-market ratios. Capture Ratio: A statistical measure of an investment manager's overall performance in up or down markets. The capture ratio is used to evaluate how well an investment manager performed relative to an index during periods when that index has risen (up market) or fallen (down market). The capture ratio is calculated by dividing the manager's returns by the returns of the index during the up/down market, and multiplying that factor by 100.

Correlation: A measure of the relative movement of returns of one security or asset class relative to another over time. A correlation of 1 means the returns of two securities move in lock step, a correlation of -1 means the returns of two securities move in the exact opposite direction over time. Correlation is used as a measure to help maximize the benefits of diversification when constructing an investment portfolio.

Excess Return: A measure of the difference in appreciation or depreciation in the price of an investment compared to its benchmark, over a given time period. This is usually expressed as a percentage and may be annualized over a number of years or represent a single period.

Information Ratio: A measure of a manager's ability to earn excess return without incurring additional risk. Information ratio is calculated as: excess return divided by tracking error.

Interaction Effect: An attribution effect that describes the portion of active management that is contributable to the cross interaction between the allocation and selection effect. This can also be explained as an effect that cannot be easily traced to a source.

Portfolio Turnover: The percentage of a portfolio that is sold and replaced (turned over) during a given time period. Low portfolio turnover is indicative of a buy and hold strategy while high portfolio turnover implies a more active form of management.

Price-to-Earnings Ratio (P/E): Also called the earnings multiplier, it is calculated by dividing the price of a company's stock into earnings per share. Growth managers typically hold stocks with high price-to-earnings ratios whereas value managers hold stocks with low price-to-earnings ratios.

R-Squared: Also called the coefficient of determination, it measures the amount of variation in one variable explained by variations in another, i.e., the goodness of fit to a benchmark. In the case of investments, the term is used to explain the amount of variation in a security or portfolio explained by movements in the market or the portfolio's benchmark.

Selection Effect: An attribution effect that describes the amount attributable to the managers' stock selection decisions, relative to the benchmark.

Sharpe Ratio: A measure of portfolio efficiency. The Sharpe Ratio indicates excess portfolio return for each unit of risk associated with achieving the excess return. The higher the Sharpe Ratio, the more efficient the portfolio. Sharpe ratio is calculated as: Portfolio Excess Return / Portfolio Standard Deviation.

Sortino Ratio: Measures the risk-adjusted return of an investment, portfolio, or strategy. It is a modification of the Sharpe Ratio, but penalizes only those returns falling below a specified benchmark. The Sortino Ratio uses downside deviation in the denominator rather than standard deviation, like the Sharpe Ratio.

Standard Deviation: A measure of volatility, or risk, inherent in a security or portfolio. The standard deviation of a series is a measure of the extent to which observations in the series differ from the arithmetic mean of the series. For example, if a security has an average annual rate of return of 10% and a standard deviation of 5%, then two-thirds of the time, one would expect to receive an annual rate of return between 5% and 15%.

Style Analysis: A return based analysis designed to identify combinations of passive investments to closely replicate the performance of funds

Style Map: A specialized form or scatter plot chart typically used to show where a Manager lies in relation to a set of style indices on a two-dimensional plane. This is simply a way of viewing the asset loadings in a different context. The coordinates are calculated by rescaling the asset loadings to range from -1 to 1 on each axis and are dependent on the Style Indices comprising the Map.

Verus⁷⁷

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The information presented may be deemed to contain forward-looking information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, growth prospects, capital structure and other financial terms, (b) statements of plans or objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward-looking information can be identified by the use of forward looking terminology such as believes, expects, may, will, should, anticipates, or the negative of any of the foregoing or other variations thereon comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward-looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause the actual results to differ materially from future results expressed or implied by such forward looking information. The findings, rankings, and opinions expressed herein are the intellectual property of Verus and are subject to change without notice. The information presented does not claim to be all-inclusive, nor does it contain all information that clients may desire for their purposes. The information presented should be read in conjunction with any other material provided by Verus, investment managers, and custodians.

Verus will make every reasonable effort to obtain and include accurate market values. However, if managers or custodians are unable to provide the reporting period's market values prior to the report issuance, Verus may use the last reported market value or make estimates based on the manager's stated or estimated returns and other information available at the time. These estimates may differ materially from the actual value. Hedge fund market values presented in this report are provided by the fund manager or custodian. Market values presented for private equity investments reflect the last reported NAV by the custodian or manager net of capital calls and distributions as of the end of the reporting period. These values are estimates and may differ materially from the investments actual value. Private equity managers report performance using an internal rate of return (IRR), which differs from the time-weighted rate of return (TWRR) calculation done by Verus. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternative pages are provided by the respective managers, and Verus has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

Verus receives universe data from InvestorForce, eVestment Alliance, and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Verus will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.

Verus⁷⁷



STCERA Risk Dashboard

12/31/2015

1 Portfolio risk



Portfolio: 9.1%



2 Portfolio equity beta



Portfolio: 0.66



Policy: 0.6



Typical Peer: 7.4%



Typical Peer: 0.53

3 Portfolio interest rate risk - Duration



Portfolio: 1.7

Policy: 1.9



Typical Peer: 1.9

4 Portfolio credit risk – Spread duration



Portfolio: 0.2



Policy: 0.3

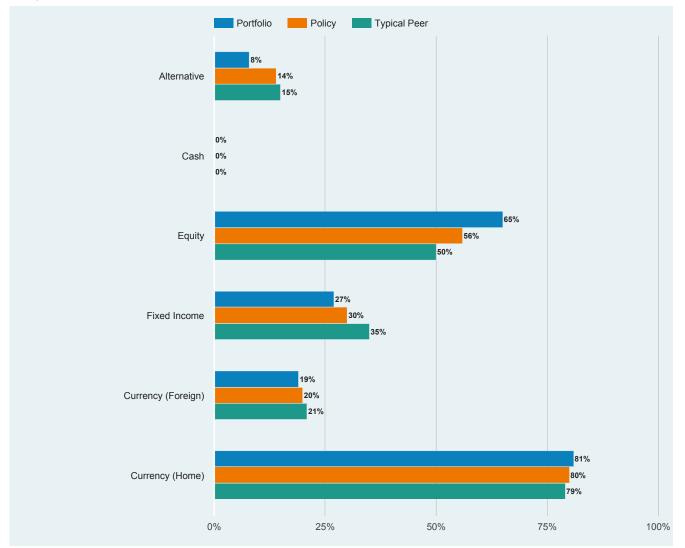


Typical Peer: o

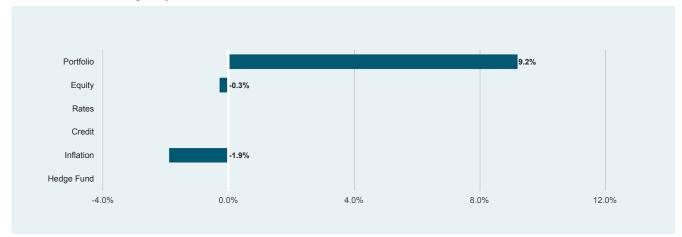
5 Exposure allocation by asset class

		Portfolio	Policy	Typical Peer
Alternative	Private Credit	5.6%	7.5%	
	Real Estate	2.1%	3.5%	5.0%
	Infrastructure	0.5%	3.0%	
	Commodities	0.0%		5.0%
	Hedge Funds	0.0%		5.0%
Alternative Total		8.2%	14.0%	15.0%
Cash	Cash	0.0%		
Cash Total		0.0%		
Equity	Non-US Equities	18.6%	18.0%	
	US Large Cap Value	16.9%	14.4%	
	US Large Cap Growth	16.1%	11.3%	
	US Small Cap Growth	4.7%	3.7%	
	US Small Cap Value	4.5%	4.0%	
	US Large Cap Core	4.2%	4.8%	
	Private Equity	0.0%		5.0%
	Global Equity	0.0%		45.0%
Equity Total		65.0%	56.2%	50.0%
Fixed Income	US Bonds	26.8%	29.8%	35.0%
Fixed Income Total		26.8%	29.8%	35.0%
Total Portfolio		100%	100%	100%

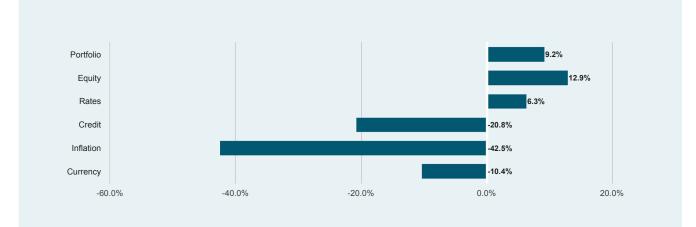
6 Exposure allocation



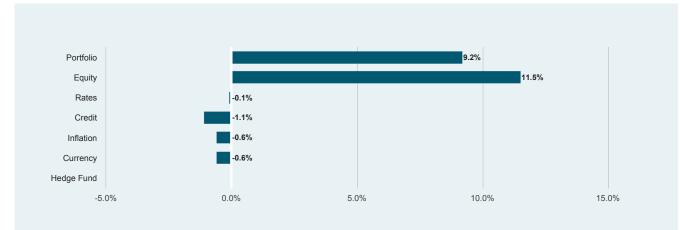
7 Relative risk vs target by bucket

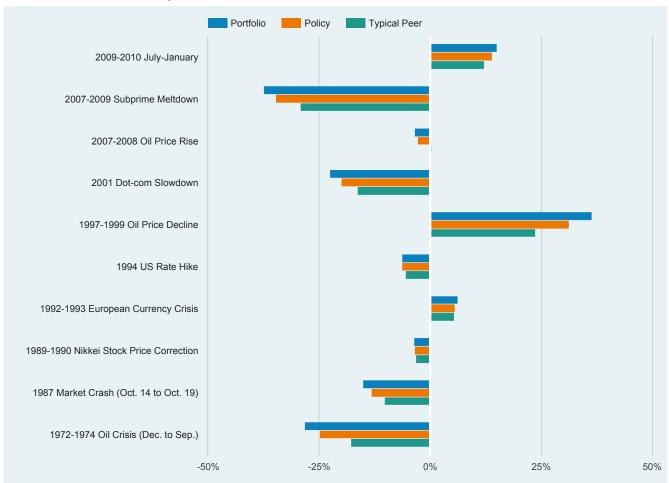


8 Relative risk vs target by risk factor



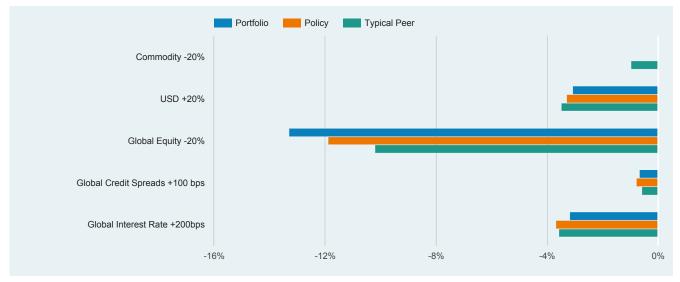
9 Risk factor weight relative to target



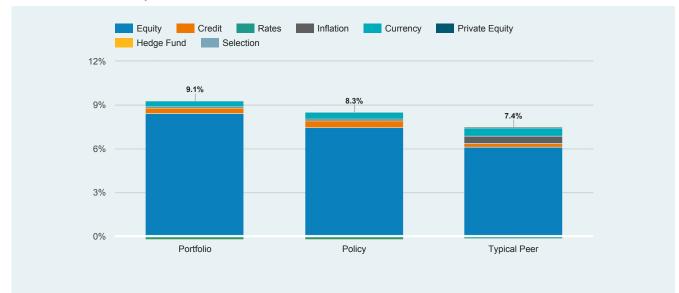


10 Tail risk – Scenario analysis

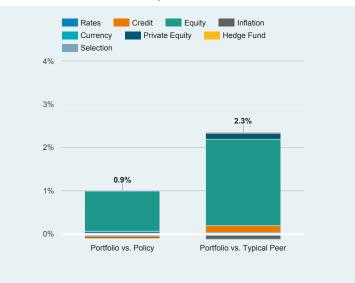
11 Tail risk – Stress tests



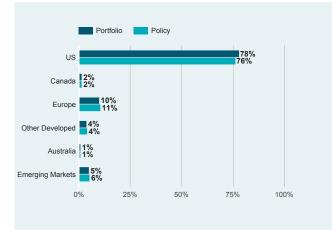
12 Risk contribution by risk factor



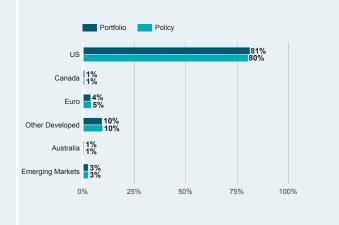
13 Active risk contribution by risk factor



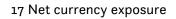
14 Geographic allocation



15 Currency allocation



16 Net geographic exposure

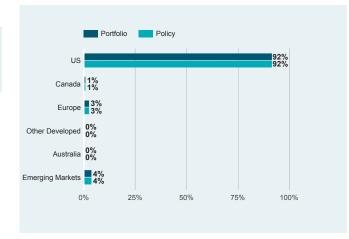




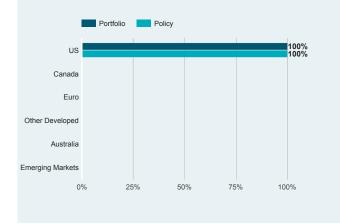
18 Interest rate bucket

	Portfolio	Policy	Difference
Duration	5.4	5.4	0.0
Yield to Maturity	3.1%	3.1%	0.0%
Wt. Avg. Rating	Aa1 / Aa2	Aa1 / Aa2	

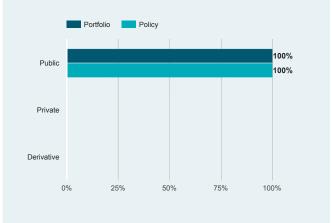
19 Rates bucket – Country allocation



20 Rates bucket – Currency allocation



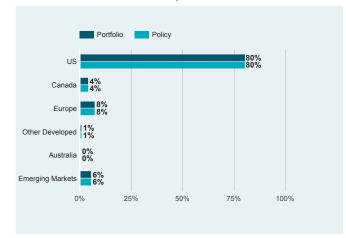
21 Rates bucket – Security type



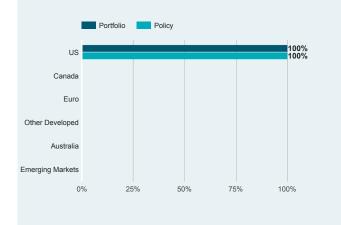
22 Credit bucket

	Portfolio	Policy	Difference
Duration	4.1	4.1	0.0
Coupon Yield	7.6%	7.6%	0.0%
Yield to Maturity	8.3%	8.3%	0.0%
Wt. Avg. Rating	Вı	В1	

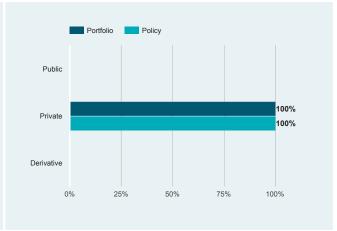
23 Credit bucket – Country allocation



24 Credit bucket – Currency allocation



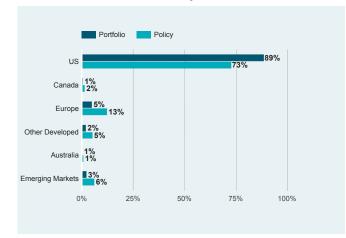
25 Credit bucket – Security type



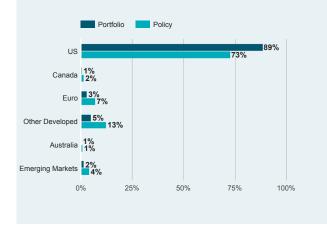
26 Inflation bucket

	Portfolio	Policy	Difference
Real Estate Allocation	2.1%	3.5%	-1.4%
Global Infrastructure	0.5%	3.0%	-2.5%

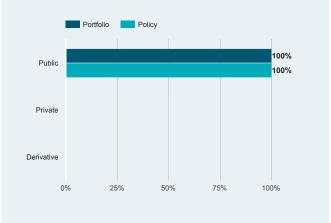
27 Inflation bucket – Country allocation



28 Inflation bucket – Currency allocation



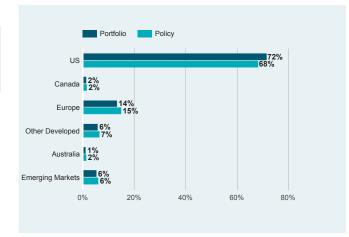
29 Inflation bucket – Security type



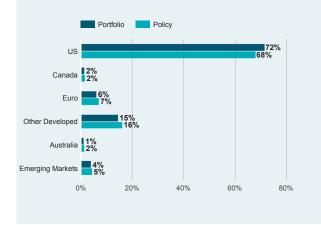
30 Equity bucket

	Portfolio	Policy	Difference
Beta	1.0	1.0	0.0
Dividend Yield	2.3%	2.4%	-0.1%
PE Ratio	0.0	0.0	0.0

31 Equity bucket – Country allocation



32 Equity bucket – Currency allocation



33 Equity bucket – Security type

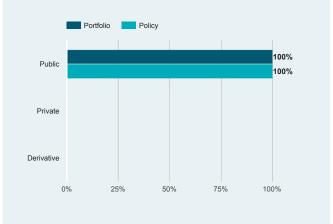


Chart Definitions

1 Portfolio risk

Compares total risk (volatility) of portfolio relative to multiple reference benchmarks and liabilities.

2 Portfolio equity beta

Equity beta is a measure describing the sensitivity of portfolio returns with returns of the equity market as represented by MSCI ACWI (USD).

3 Portfolio interest rate risk - Duration

For investments, bonds, with fixed cash flows, interest rate duration is the estimated price change given a 1% change in interest rates, calculated by the weighted average of the instruments cash flows (including both interest and maturity payments).

4 Portfolio credit risk – Spread duration

For investments, bonds, with fixed cash flows, spread duration estimates the change in price given a 1% change in spreads. Spread duration is a more isolated measure than interest rate duration, by focusing solely on the spread component rather than both interest rates and spread.

5 Exposure allocation by asset class

Actual vs budgeted exposure to various asset classes and sub-asset classes as allocation in investment policy and another reference benchmark. Assignment to sub-asset classes is at the custodial account level according to manager mandate.

6 Exposure allocation

This bar chart provides a visual representation of the major asset classes and currency exposure listed in Exposure allocation by asset class table.

7 Relative risk vs target by bucket

Compares the total risk (volatility) of the portfolio vs. the reference benchmark at a total and sub-asset class account grouping level. The accounts are grouped in terms of mandates where all equity mandates or credit mandates are in their respective groups. For example, equity bucket relative risk compares the total risk of the equity grouped accounts vs the benchmark equity group bucket. Formula: (portfolio risk group bucket/ benchmark risk group bucket) – 1

8 Relative risk vs target by risk factor

Disregarding any specific asset class mandates and having a look through on the portfolio decomposing risk in respective risk factor contributions, this measure looks at the relative risk contributions specific factors of the portfolio vs. the reference benchmark. Formula: (factor risk contribution within portfolio / factor risk contribution within reference benchmark) – 1

9 Risk factor weight relative to target

Relative risk of individual asset classes or factors as displayed in charts 7 and 8 is instructive, but the picture in incomplete. Chart 9 shows contribution by factor to total relative risk of the portfolio vs the reference benchmark, reflecting the significance of each factor within the portfolio as it is currently constructed. For example, if the credit benchmark is based on domestic, investment grade securities and the portfolio has exposures to high yield and non-domestic corporate bonds, relative risk in charts 7 and/or 8 may be high in absolute terms; but if the portfolio has a small allocation to credit, contribution to total portfolio relative risk will be small. The factor risks displayed in this chart are additive to the total relative risk at the top line. Formula: (factor risk contribution within portfolio – reference benchmark factor risk contribution) / total reference benchmark risk

10 Tail risk - Scenario analysis

Tail risk is a form of risk that arises when the possibility that an investment will have losses greater than what the normal distribution would suggest. This graphic shows the expected performance under various historical scenarios, which are defined in the appendix at the end of this report. For each historical scenario, the current market value is recalculated to determine return under identical market conditions, assuming an instantaneous shock.

11 Tail risk - Stress tests

Expected performance when specific individual asset class or currency risk factors are subjected to stress tests with instantaneous shocks. Directly affected asset classes are revalued at the factor levels.

12 Risk contribution by risk factor

Contribution of various risk factors to the overall total risk (volatility) of the portfolio and the reference benchmarks. The contributions by each risk factor sum up to one. This measure takes into account the exposure, volatility and correlation of each asset class within the portfolio.

13 Active risk contribution by risk factor

Active risk in terms of annual tracking error: Tracking Error (TE) measures how closely a portfolio follows the reference benchmark. It is the standard deviation of the difference between the portfolio and reference benchmark returns.

14 Geographic allocation

The exposures by country, including derivatives with the exception of currency, calculated utilizing the notional exposure as a percentage of market value. Any portfolio that has explicit leverage due to the use of derivatives, the total could be higher or lower than 100% due to the use of notional in the numerator and net market value in the denominator.

15 Currency allocation

Exposure by currency, including both the underlying securities and the purchasing currency of any derivatives

16 Net geographic exposure

Difference between portfolio and policy allocation among major geographic areas

17 Net currency exposure

Difference between portfolio and policy allocation among major currencies

18 Interest rate bucket

Yield to Maturity is the interest rate of return earned by an investor who buys a fixed interest security today at the market price and holds it until maturity. Weighted Average Ratings indicates the average credit quality.

19 Rates bucket - Country allocation

Country exposures specific to interest rate allocations, calculated using the notional exposure as a percentage of market value, including derivatives but excluding currency derivatives. Any portfolio that has explicit leverage due to the use of derivatives, the total could be higher or lower than 100% due to the use of notional in the numerator and net market value in the denominator.

20 Rates bucket – Currency allocation

Currency exposures specific to interest rate allocations, including both the underlying securities and the purchasing currency of any derivatives

21 Rates bucket - Security type

Allocation of interest rate instruments among different security types Includes derivative overlays

22 Credit bucket

Country exposures specific to credit risk allocations, calculated using the notional exposure as a percentage of market value, including derivatives but excluding currency derivatives.

23 Credit bucket – Country allocation

Country exposures specific to credit risk allocations, calculated using the notional exposure as a percentage of market value, including derivatives but excluding currency derivatives. Any portfolio that has explicit leverage due to the use of derivatives, the total could be higher or lower than 100% due to the use of notional in the numerator and net market value in the denominator.

24 Credit bucket - Currency allocation

Currency exposures specific to credit risk allocations, including both the underlying securities and the purchasing currency of any derivatives

25 Credit bucket - Security type

Allocation of credit instruments among different security types.

26 Inflation bucket

Composition of inflation hedging instruments in portfolio and reference benchmark, including the notional duration of real rates instruments.

27 Inflation bucket – Country allocation

Country exposures specific to inflation hedging instruments, calculated using the notional exposure as a percentage of market value, including derivatives but excluding currency derivatives. Any portfolio that has explicit leverage due to the use of derivatives, the total could be higher or lower than 100% due to the use of notional in the numerator and net market value in the denominator.

28 Inflation bucket – Currency allocation

Currency exposures specific to inflation hedging instruments, including both the underlying securities and currency derivatives.

29 Inflation bucket - Security type

Allocation of inflation instruments among different security types

30 Equity bucket

P/E ratio is a valuation ratio of current share price compared to per share earnings. Beta measures returns sensitivity to global equities (MSCI ACWI USD).

31 Equity bucket - Country allocation

Country exposures specific to equity risk, calculated using the notional exposure as a percentage of market value, including derivatives but excluding currency derivatives. Any portfolio that has explicit leverage due to the use of derivatives, the total could be higher or lower than 100% due to the use of notional in the numerator and net market value in the denominator.

32 Equity bucket – Currency allocation

Currency exposures specific to equity risk, including both the underlying securities and currency derivatives.

33 Equity bucket - Security type

Allocation of equity assets among different security types

Tail Risk Scenario Definitions

1 2009-2010 July-January

(7/1/2009 – 12/31/2009) As global economic woes persisted, many countries were saddled with widening budget deficits, rising borrowing costs, slowing growth, higher unemployment, and higher inflation, which made monetary stimulus difficult. Dubai World sought to delay its huge debt repayments, shocking the global market, while the financial distress in Greece and Ireland began to emerge in late 2009.

2 2007-2009 Subprime Meltdown

(1/10/2007 – 2/27/2009) The burst of the housing bubble in mid-2007 marked the beginning of the years-long subprime mortgage crisis, rooted from the easy credit, low interest rates, and loose regulatory environment in the early 2000s, which made low quality (subprime) mortgaging extremely easy. The contagious meltdown quickly led to plunging asset prices in the financial markets, rising bankruptcies, delinquencies, and foreclosures, and central bank monetary rescues and fiscal interventions by governments around the globe.

3 2007-2008 Oil Price Rise

(1/18/2007 - 6/27/2008) Oil prices spiked from around \$60/bbl in 2007 to a record high of \$145/bbl on 3 July 2008.

4 2001 Dot-com Slowdown

(3/10/2001 – 10/9/2002) Upon the burst of the tech bubble in 2000, more and more internet companies went out of businessas the stock market plummeted further.

5 1997-1999 Oil Price Decline

(1/8/1997 - 2/16/1999) The combined effect of OPEC overproduction and lower oil demand due to the Asia economic crisis sent oil prices into a downward spiral.

6 1994 US Rate Hike

(1/31/1994 – 12/13/1994) In combating inflation, the U.S. Federal Reserve raised its interest rate from 3.25% in February to 5.5% in November 1994.

7 1992-1993 European Currency Crisis

(9/1/1992 – 8/13/1993) Upon Germany's reunification, the German mark appreciated rapidly, which destabilized exchange rates between European countries under the European Monetary System. It led to a series of European currency devaluations, interest rate increases, and the widening range of exchange rates in 1992.

8 1989-1990 Nikkei Stock Price Correction

(12/29/1989 – 3/30/1990) After hitting the Nikkei stock index's all-time high on December 29, 1989, the Japan financial market crashed and plunged to a low in March 1990.

9 1987 Market Crash (Oct. 14 to Oct. 19)

(10/14/1987 – 10/19/1987) The U.S. stock market began to topple on October 14, 1987 after reaching a record high. It was triggered by reports of a larger trade deficit and the elimination of the tax benefits of financing mergers. The aggravating selling pressure in October 19, from confused and fearful investors, and the failing portfolio insurers' models led to a substantial global market sell-off.

10 1972-1974 Oil Crisis (Dec. to Sep.)

(12/1/1972 – 9/30/1974) Many developed countries suffered in this energy crisis as OPEC members placed an oil embargo on the U.S. and Israel's allies during the Yom Kippur War in October 1973, which sent global oil prices soaring.

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PERSPECTIVES THAT DRIVE ENTERPRISE SUCCESS

02/17/16 item 7.d

FEBRUARY 17, 2016

Education Session on Emerging Markets

Stanislaus County Employees' Retirement Association

Table of contents



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Defining emerging markets	3
Contributions to GDP and the markets	9
Investing in emerging markets	15
Appendix	23

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Defining emerging markets



Definition

The term "emerging markets" was coined in 1981 by Antoine W. van Agtmael of the International Finance Corporation of the World Bank to describe nations with lowto-middle per capita incomes and that are instituting economic development and reform programs that allow them to "emerge" into the arena of global economic competitiveness.

Today, emerging markets generally refer to countries that are restructuring their economies along market-oriented lines and offer opportunities in trade, technology transfers, and foreign direct investment.

Source: World Bank



Types of markets

All investable economies typically fall into 1 of 3 categories:

Developed markets

- A country that is most developed in terms of its economy and capital markets. The country must be high in economic development, market capitalization, liquidity, and market accessibility.
- Emerging markets
 - A country that has some characteristics of a developed market, but does not meet the standards to be a developed market. The country is in the process of rapid growth and development with lower per capita incomes and less mature capital markets than developed countries. Often also referred to as "developing markets".
- Frontier markets
 - A type of developing country which is too small and lacks the market accessibility criteria to be generally considered an emerging market. The term is commonly used to describe the equity markets of the smaller and less accessible, but still "investable", countries of the developing world.

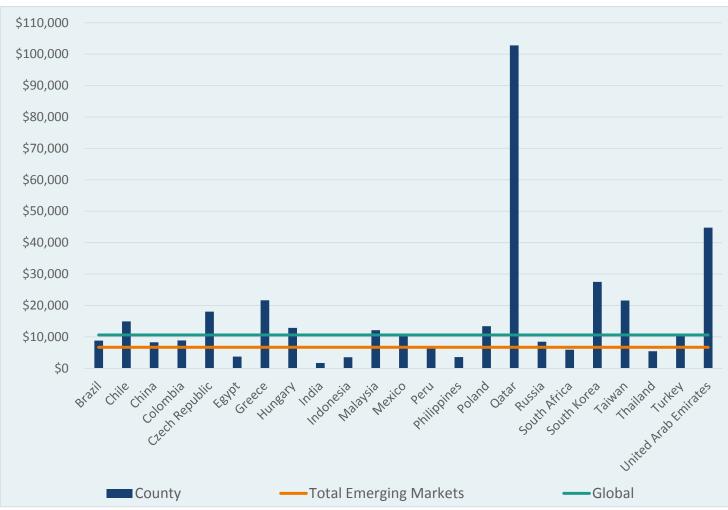
Note: There is no single definition of "Emerging Market Countries" that has been uniformly adopted

Source: MSCI



GDP per capita

EMERGING MARKETS GDP PER CAPITA BY COUNTRY



The GDP per capita of Qatar and, to a lesser extent, the United Arab Emirates is driven primarily by large oil reserves and relatively small populations.

Source: MSCI, International Monetary Fund (IMF), United Nations Department of Economic and Social Affairs



MSCI Market Classification Framework

Criteria	Developed	Emerging	Frontier
Economic Development			
Sustainability of economic development	Country GNI per capita 25% above the World Bank high income threshold ¹ for 3 consecutive years	No requirement	No requirement
Size and Liquidity Requirement			
Number of companies meeting the following Standard Index criteria			
Company size (full market cap) ²	USD 2519 mm	USD 1260 mm	USD 630 mm
Security size (float market cap) ²	USD 1260 mm	USD 630 mm	USD 49 mmm
Security liquidity	20% ATVR ³	15% ATVR ³	2.5% ATVR ³
Market Accessibility Criteria			
Openness to foreign ownership	Very high	Significant	At least some
Ease of capital inflows/outflows	Very high	Significant	At least some
Efficiency of the operational framework	Very high	Good and tested	Modest
Stability of the institutional framework	Very high	Modest	Modest

Source: MSCI

1: High income threshold for 2012: GNI per capita of USD 12,615 (World Bank; Atlas method)

2: Minimum in use for the May 2014 Semi-Annual Index Review, updated on a semi-annual basis

3: Annualized Traded Value Ratio (annual median traded value / adjusted market capitalization)

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Today's emerging vs. developed markets

	GDP (\$ billion)	% of Global GDP	GDP Per Capita	Population (million)	HDI ¹		GDP (\$ billion)	% of Global GDP	GDP Per Capita	Population (million)	HDI ¹
Brazil	\$3,208	4.2%	\$8,802	205.3	0.76	Russia	\$1,236	1.6%	\$8,447	144.2	0.80
Chile	\$264	0.3%	\$14,911	18.0	0.83	South Africa	\$323	0.4%	\$5,902	55.0	0.67
China	\$11,384	14.7%	\$8,280	1,376.0	0.73	South Korea	\$1,392	1.8%	\$27,513	51.5	0.90
Colombia	\$427	0.6%	\$8,858	48.4	0.72	Taiwan	\$505	0.7%	\$21,571	23.5	0.88
Czech Republic	\$190	0.2%	\$18,020	10.5	0.87	Thailand	\$373	0.5%	\$5,426	68.0	0.73
Egypt	\$324	0.4%	\$3,724	90.3	0.69	Turkey	\$722	0.9%	\$10,482	78.7	0.76
Greece	\$238	0.3%	\$21,648	11.0	0.87	United Arab Emirates	\$339	0.4%	\$44,770	7.6	0.84
Hungary	\$126	0.2%	\$12,853	9.9	0.83	Total Emerging Markets	\$27,043	35.0%	\$6,660	4,060.5	-
India	\$2,182	2.8%	\$1,688	1,276.3	0.61	Canada	\$1,573	2.0%	\$43,935	36.0	0.91
Indonesia	\$895	1.2%	\$3,511	255.5	0.68	France	\$2,833	3.7%	\$44,331	66.6	0.89
Malaysia	\$375	0.5%	\$12,127	30.9	0.78	Germany	\$3,371	4.4%	\$41,267	81.5	0.92
Mexico	\$1,232	1.6%	\$10,174	125.2	0.76	Italy	\$1,819	2.4%	\$29,847	60.8	0.87
Peru	\$217	0.3%	\$6,819	31.2	0.73	Japan	\$4,210	5.4%	\$33,223	126.9	0.89
Philippines	\$369	0.5%	\$3,568	102.8	0.67	United Kingdom	\$2,950	3.8%	\$45,729	64.7	0.91
Poland	\$508	0.7%	\$13,390	38.5	0.84	United States	\$17,419	22.5%	\$54,629	322.4	0.92
Qatar	\$214	0.3%	\$102,785	2.2	0.85	Total G7 Countries	\$34,175	44.2%	\$45,032	758.9	-

Source: MSCI, International Monetary Fund (IMF), United Nations Department of Economic and Social Affairs

Note: Countries determined based on MSCI Emerging Markets Index classifications; GDP figures are based on nominal GDP; 2015 estimates used as available

1: The Human Development Index (HDI) is a composite statistic of life expectancy, education, and income per capita indicators. A country scores higher when these metrics are longer and/or higher.

Total Global

\$77,269

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\$10,585

7,300.0

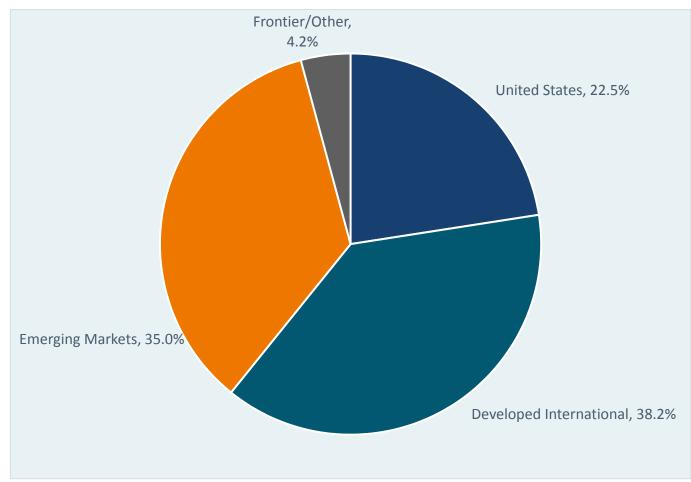
100.0%

Contributions to GDP and the markets



Global GDP

GLOBAL GDP BY ECONOMIC MARKET TYPE



Emerging markets contribute 1/3 of global GDP, slightly below that of developed economies excluding the United States.

Source: IMF World Economic Outlook (2014)



GDP growth

GDP GROWTH BY ECONOMIC MARKET TYPE – LAST 10 YEARS



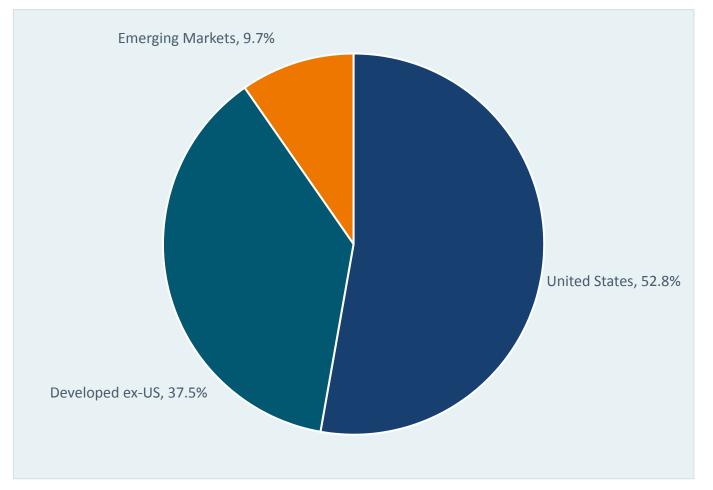
Over the last 10 years, the GDP growth rate of Emerging and Frontier markets has outpaced that of developed markets by an average of 4.5%.

Source: Global Finance (https://www.gfmag.com/global-data/economic-data/economic-dataworlds-gdp-growth-by-region)



Global equity market composition

MSCI ALL COUNTRY WORLD INDEX



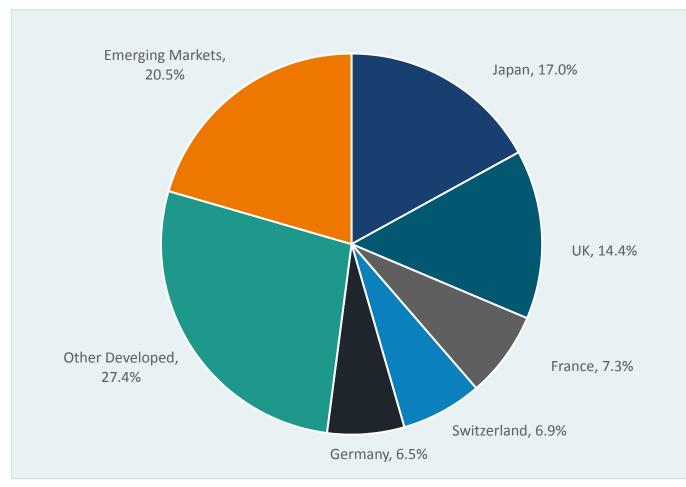
The MSCI All Country World Index is a market capitalization weighted equity index. The index includes 46 countries (23 developed, 23 emerging), with 2,480 constituents.

Source: MSCI as of January 29, 2016



International equity market composition

MSCI ALL COUNTRY WORLD INDEX EX-US



The MSCI ACWI ex-US Index is a market capitalization weighted equity index. The index includes large and midcap representation across 22 of 23 Developed Markets (excluding the US), with 1,859 constituents. The index covers approximately 85% of the global equity opportunity set outside of the US.

Source: MSCI as of January 29, 2016



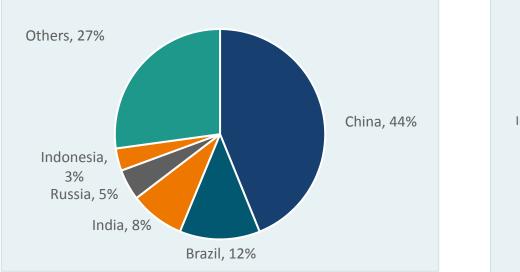
Emerging markets vs. developed markets

Emerging markets are different from developed markets in that they tend to be:

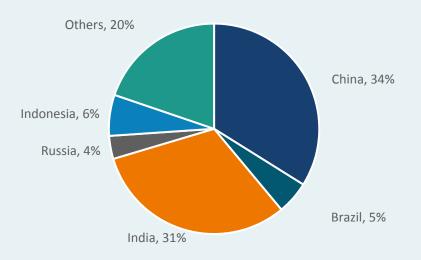
- Economic forces with large populations, large resource bases, and large markets
- Transitional societies that are undertaking domestic economic and political reforms
- The world's fastest growing economies

CONTRIBUTION TO TOTAL EMERGING MARKETS GDP

- Critical participants in the world's major political, economic, and social affairs







Sources: International Monetary Fund (IMF); United Nations Department of Economic and Social Affairs



Investing in emerging markets



Why invest in emerging markets?

The case for emerging markets is well understood, and is a long-term one:

- <u>Demographics</u>. Growing populations that represent an increasingly large part of the global population over the next 30 years. They are many years away from the demographic issues facing much of the developed world, such as increasingly large proportions of retirees being supported by a smaller number of working age populations.
- <u>Affluence</u>. Increasing development of an affluent middle class drives domestic consumption for a wide range of goods.
 Some of this consumption is of goods finished or manufactured in the developed world but even this is likely retailed by a domestic company.
- <u>International trade and capital flows</u>. Trade and capital flows have allowed these countries to take advantage of their natural competitive advantages, whether those are in cost of infrastructure, lower regulatory burdens, lower cost of human capital or geographical location.
- <u>Commodities</u>. Economies that are rich in natural resources have become suppliers of those commodities to other countries. This always carries the danger of overconcentration on single sectors.

Sources: Barclays, EPFR Global



Why invest in emerging markets?

As an "emerging" economy develops, improved savings rates, increased capital investment, and a rapidly growing labor force lead to robust economic growth, rising productivity, and strengthening currencies.

- For equity investors, higher economic growth should translate into higher earnings growth and expected returns.
- For fixed income investors, rising economic and productivity growth support a strong national balance sheet and increase a nation's ability to service its debt.



Global equity capital market assumptions

Global Equity is a combination of U.S. large, international developed, Canada, and emerging market equities. We can therefore combine our existing return forecasts for each of these asset classes, along with a Canada equity forecast, to arrive at our global equity return forecast.

We use the MSCI ACWI Index as our benchmark for global equity and apply the country weights of this index to determine the weightings for our global equity return calculation. As with other equity asset classes, we use the historical standard deviation of the benchmark (MSCI ACWI Index) for our volatility forecast. The valuation of global equities are driven by the richness/cheapness of the underlying markets, as indicated by the current price/earnings ratio.

The underperformance of emerging markets in recent years has detracted from global equity returns, while U.S. equities have buoyed returns.

FORECAST

Market

US Large

Developed Large

Emerging Markets

Global equity forecast

GLOBAL EQUITY P/E RATIO HISTORY



MARKET PERFORMANCE (3YR ROLLING)



Source: MSCI, Standard & Poor's, as of 12/31/15

Source: Verus

Canada

CMA return Weighted return

3.11%

3.18%

1.09%

0.27%

7.65%

18

5.89%

9.21%

11.25%

9.07%

Weight

52.8%

34.5%

9.7%

3.0%



Source: MSCI, as of 9/30/15

Equity market assumptions

	US Large	US Small	EAFE	EAFE Small	EM
Index	S&P 500	Russell 2000	MSCI EAFE Large	MSCI EAFE Small	MSCI EM
Method	Building Block Approa	ach: current dividend yield	 historical average real ea expected currency effect 	rnings growth + inflation on e	arnings + repricing +
Current Shiller P/E Ratio	24.4	36.8	14.2	-	8.1
Regular P/E Ratio	18.3	33.5	19.0	23.5**	12.2
2015 Shiller P/E Expansion	-7.2%	-7.1%	-2.7%	-	-24.4%
2015 Regular P/E Expansion	0.5%	1.5%	15.9%	31.1%	-3.9%
Current Shiller P/E Percentile Rank	84%	88%	13%	-	1%
Current Regular P/E Percentile Rank	69%	91%	56%	42%**	26%
Average of P/E Methods' Percentile Rank	77%	90%	35%	42%**	8%
2015 Total Return	1.4%	-4.4%	-0.8%	9.6%	-14.9%
Shiller PE History	1926	1988	1982	Not Enough History	2005
Long-Term Average Shiller P/E	19.6	29.1	23.3	-	16.9
Current Dividend Yield	2.2%	1.5%	3.3%	2.3%	2.9%
ong-Term Average Real Earnings Growth	2.3%	3.0%	2.5%	2.9%	4.5%
nflation on Earnings	2.0%	2.0%	1.4%*	1.4%*	2.0%
Repricing Effect (Estimate)	-0.5%	-1.3%	0.5%	0.5%	2.0%
mplied Currency Effect*	-	-	1.5%*	1.5%*	-
Nominal Return	5.9%	5.2%	9.2%	8.6%	11.3%
nflation Forecast	2.0%	2.0%	2.0%	2.0%	2.0%
Real Return	3.9%	3.2%	7.2%	6.6%	9.3%

*We use local inflation for international developed equity and fixed income markets. When using local inflation rates, expected returns are adjusted for the implied currency effect based on currency forward contract rates (See Appendix)

**Average trailing P/E from previous 12 months is used



Emerging markets

RETURN DRIVERS

- The value of businesses increase along with inflation in aggregate over time.
- Equities rise in value due to corporate earnings growth or dividend yields exceeding market expectations. For the market as a whole, equities provide greater returns when the economy is growing and when corporate profits are high.
- Changes in equity valuations (price/earnings ratio) results in gains or losses for investors.
- Unhedged currency exposure can result in losses or gains.

BEHAVIOR

- Inflation is currently below the historical average, which translates to lower expectations of future nominal returns.
- Economic growth has been on the decline. For the past five consecutive years the IMF has made downward revisions to its EM GDP growth forecasts. This reflects a slowdown in China, a major decline in Russia following the price of oil, and a recession in Brazil.
- Emerging market general valuation levels remain relatively cheap on an historical basis.
- Since mid-2014, currency movement has generally acted as a headwind for US investors with unhedged currency exposure in emerging market equities.

		- (/
	Return	Percentile Rank
YTD	5.7%	52%
1 YR	(0.0%)	30%
3 YR	6.0%	51%
5 YR	4.1%	
10 YR	8.8%	
20 YR	N/A	

MSCI EMERGING MARKETS (UNHEDGED)

Source: MSCI, as of 5/31/15

*Percentile Rank is the most recent return vs all other similar periods. Example: 3 Year return is compared to all other 3 Year returns throughout history, and given a percentile ranking.

BASE VIEW

- Market capitalization weighting of US equity and foreign equity. Emerging markets should be held at or slightly above market capitalization weight.
- Fundamentals typically vary widely from country to country, and within countries. Active management is preferred in this space focusing on these differences between countries and within countries.

TILT

 Neutral. Investors with high risk tolerance and long timeframes may consider taking advantage of ongoing volatility to take mildly overweight positions when markets turn down temporarily.



Key risks and mitigation techniques

Key risks and mitigation techniques associated with emerging markets include:

- <u>Political</u>. Political instability can create uncertainty regarding taxes, subsidies, inflation, and even ownership structures.
 - Macroeconomic research identifies political issues so as to reduce or eliminate exposure to unstable countries.
- <u>Government Involvement in Corporate Governance</u>. Regulatory oversight may also be augmented by participation in the ownership of the firm or strategic partnerships.
 - Company specific research helps identify which companies and/or industries tend to have more government involvement, how it has behaved in the past, what stresses it faces today, and how the partnership is expected to work in the future.
- <u>Capital Financing</u>. Less developed banking systems can restrict access to proper financing, creating a higher cost of capital.
 - The developments within the banking systems are given more attention and potential adverse impacts on exposures are assessed.



Key risks and mitigation techniques (cont.)

- <u>Bankruptcy (both sovereign and corporate)</u>. Because they are viewed as being more risky, emerging markets have to
 issue bonds with higher interest rates. This increased debt burden increases the chance of bankruptcy.
 - Debt levels are given more attention and stress tests on sovereign and corporate balance sheets are analyzed.
- <u>Liquidity</u>. Less liquid markets can result in higher fees and an increased level of price uncertainty.
 - Market liquidity is factored into portfolio construction; large allocations to less liquid markets are avoided.
- <u>Corruption</u>. Corruption restricts an economy from functioning properly as it prevents the natural laws of the economy from functioning freely.
 - Diversification within and across countries reduces company and/or industry specific risk.
- <u>Conventions and Standards</u>. Differences in accounting, tax, reporting, etc. standards and policies can create more ambiguity.
 - Less capital is allocated to countries with more ambiguous conventions and standards.

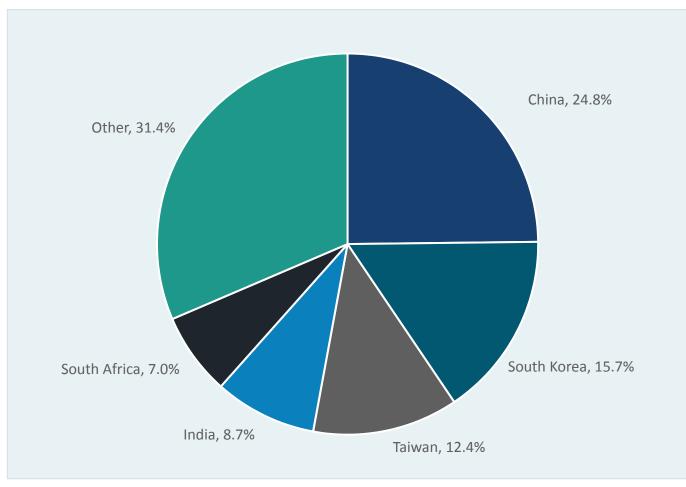


Appendix



Emerging equity market composition

MSCI EMERGING MARKETS INDEX BY COUNTRY



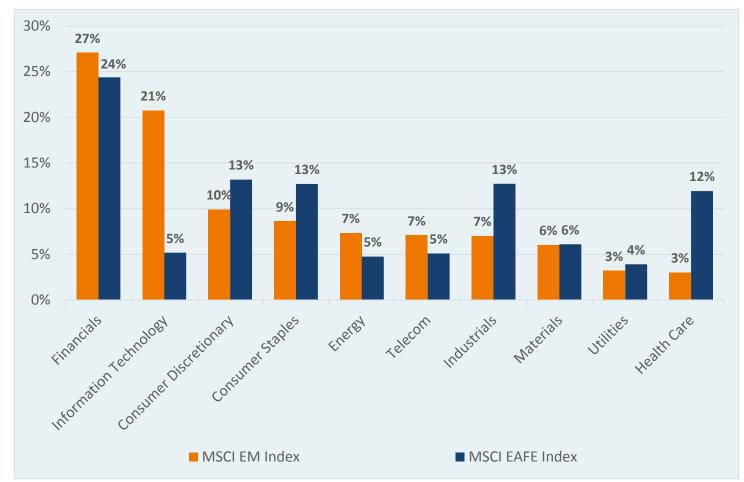
The MSCI Emerging Markets Index is a market capitalization weighted equity index. The index includes large and mid-cap representation across 23 emerging market countries, with 837 constituents. The index covers approximately 85% of the market capitalization in each country.

Source: MSCI as of January 29, 2016



Emerging equity market composition

MSCI EMERGING MARKETS INDEX VS MSCI EAFE INDEX BY SECTOR



When compared to the MSCI EAFE (an index designed to measure developed markets outside the U.S. and Canada), the MSCI Emerging Markets Index has larger exposures to both information technology and energy and smaller exposures to both Health Care and Industrials.

Source: MSCI as of January 29, 2016



Historical returns

Year	MSCI Emerging Markets	MSCI ACWI	MSCI ACWI ex-US	Russell 3000 Index
2015	-14.9%	-2.4%	-5.7%	-1.5%
2014	-2.2%	4.2%	-3.9%	10.5%
2013	-2.6%	22.8%	15.3%	31.0%
2012	18.2%	16.1%	16.8%	14.0%
2011	-18.4%	-7.4%	-13.7%	-0.9%
2010	18.9%	12.7%	11.2%	14.8%
2009	78.5%	34.6%	41.5%	25.5%
2008	-53.3%	-42.2%	-45.5%	-38.7%
2007	39.4%	11.7%	16.7%	3.3%
2006	32.1%	21.0%	26.7%	13.7%
2005	34.0%	10.8%	16.6%	4.3%
2004	25.6%	15.2%	20.9%	10.1%
2003	55.8%	34.0%	40.8%	28.7%
2002	-6.2%	-19.3%	-15.0%	-22.8%
2001	-2.4%	-16.5%	-21.4%	-11.5%
Annualized Return	10.5%	7.7%	7.7%	7.1%
Annualized Standard Deviation	31.7%	20.2%	23.1%	18.3%

Sources: MSCI, Russell



Notable economic and political events

- Mexico: 1994 Peso devaluation
- Asia-Pacific Region: 1997 Asian currency crisis
- Russia: 1998 Ruble devaluation and debt default
- Global Markets: 2008 financial crisis
- Greece: 2010 through present financial and economic crisis
- Brazil, Turkey, South Africa: 2013 widespread protests and rioting
- South Korea: Ongoing tensions with North Korea
- **Russia**: 2014 military action in Ukraine results in economic sanctions by western governments
- Malaysia: 1998-1999 Extreme restrictions on repatriation
- Argentina: 2001 to present Currency repatriation restrictions
- Thailand: 2006 Coup d'Etat temporarily closes exchange
- **Pakistan**: 2008 Regulator halts trading for extended period.
- Egypt: 2011 revolution leads to extended market closure
- Russia: 2014 Economic sanctions impacting small group of individual companies



Classification changes over time

204 5

2005

Argentina	Malaysia
Brazil	Mexico
Chile	Morocco
China	Pakistan
Colombia	Peru
Czech	Philippines
Egypt	Poland
Hungary	Russia
India	South Africa
Indonesia	Taiwan
Israel	Thailand
Jordan	Turkey
Korea	Venezuela

2015	
Brazil	Mexico
Chile	Peru
China	Philippines
Colombia	Poland
Czech	Russia
Egypt	South Africa
Greece	Taiwan
Hungary	Thailand
India	Turkey
Indonesia	UAE
Korea	Qatar
Malaysia	

As economic circumstances, market & regulatory structure, trading environment, and operational efficiency change, so do the classifications of what constitutes an emerging market.

Source: MSCI

Note: Countries determined based on MSCI Emerging Markets Index classifications



SACRS comparison

When looking at the 19 other State Association of County Retirement Systems:

- Explicit emerging markets equity policy mandates:
 - 5 Plans
 - 6.1% average target allocation
 - Maximum target of 10.0%
 - Minimum target of 2.0%
- Implicit emerging markets equity policy mandates:
 - 14 Plans
 - 4.5% average target allocation
 - Maximum target of 6.0%
 - Minimum target of 3.1%

Note: Implicit exposure is calculated by taking the target MSCI ACWI ex-US mandates and multiplying them by the benchmark's emerging market exposure as of December 31, 2015, which stood at 20.5%.





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February 17, 2016

Retirement Board Agenda Item

- TO: Retirement Board
- FROM: Rick Santos, Executive Director
 - I. SUBJECT: 2015 Quarter 4 Auxilliary Investment Report
 - II. ITEM NUMBER: 8.a
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS:

Value Added Summary

The Value Added Summary (Attachment 1) contains information from quarter 4, 2015 (October through December 2015) and one calendar year past (2015). Value added is defined as the dollar return earned by each active manager over the passive benchmark (investment), less all fees paid to that manager.

Quarter 4 turned out to be a nice rebound from the previous quarter. Even though the portfolio underperformed on an absolute basis, investment managers in the aggregate added just over \$5 million to the fund above the benchmark. All major asset classes added value in quarter 3 with with Legato, Jackson Square, Pyramis and Dodge & Cox fixed being the big winners.

Over 2015, managers in the aggregate added roughly \$1.5 million in value to the portfolio. The International Equity asset class was the big winner providing \$4.4 million in value with Pyramis Global returning \$4.8 million in total value. Pyramis appears to have rebounded quite nicely over the past 18 months having added approximately \$7.7 million in value.

Investment Fee Summary

Since moving the investment meeting to the 3rd Wednesday of each month, fee information from our alternative investments are not available in time for the monthly Board meetings. Staff's intent is to bring this single report to the Board on a two-month lag or simply bring a quarterly lagged report to the Board beginning next quarter.

Alternative Investment Report

The alternative investment report (Attachment 1) gives information related to distributions, expenses, capital calls, absolute cash flows and internal rates of returns (IRR) for StanCERA's alternative portfolio. Internal rates of return are shown for those investments that have at least one year of capital exposure as of September 30, 2015:

Retirement Board – February 17, 2016 2015 Quarter 4 Auxilliary Investment Report Page 2

<u>Manager</u>	IRR
White Oak	8.60%
Medley	5.73
Raven I	2.84
Greenfield	10.33

Cash Flow Report

This report (Attachment 1) is self-explanatory.

- VI. RISK: None
- VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.
- VIII. ADMINISTRATIVE BUDGET IMPACT: None

Rick Santós, Executive Director

Kathy Herman, Fiscal Services Manager

StanCERA Non Alternative Portfolio - Value Added Summary

			1/1/2015	through	12/31/2015					
		Av	erage	Cha	anges in Portfolio Value	2			Value Add	ed
Total Non-Alternative Portfolio	Beginning Value \$1,670,362,081	Uninvested Cash \$24,671,591	Invested Assets \$1,645,690,491	<u>Net Cash Flows</u> -\$51,202,101	Passive Return -\$17,490,681	Active Return \$6,113,564	Ending Value \$1,607,782,864	<u>Total Fees</u> \$4,830,913	Value Added \$1,497,151	<u>% of Portfolio</u> 0.09%
Domestic Equities	\$873,669,359	\$11,583,668	\$86 2,0 85,691	-\$58,614,501	-\$3,356,754	\$1,750,790	\$813,448,894	\$2,700,587	-\$949,798	-0.11%
Large Cap Value	\$308,081,303	\$4,715,350	\$303,365,953	-\$362,767	-\$11,784,225	\$188,203	\$296,122,514	\$376,591	-\$188,388	-0.06%
Dodge & Cox Equity	\$183,795,075	\$4,715,350	\$179,079,726	-\$338,201	-\$7,027,877	-\$54,254	\$176,374,743	\$349,973	-\$404,227	-0.22%
Blackrock Value Index Fund	\$124,286,227	\$0	\$124,286,227	-\$24,566	-\$4,756,348	\$242,457	\$119,747,771	\$26,618	\$215,840	0.18%
Large Cap Growth	\$274,125,332	\$2,629,321	\$271,496,011	-\$8,114,618	\$15,308,605	\$409,436	\$281,728,755	\$834,343	-\$424,906	-0.15%
Jackson Square	\$166,891,405	\$2,629,321	\$164,262,084	-\$8,092,965	\$9,231,993	\$401,886	\$168,432,318	\$809,774	-\$407,888	-0.24%
Blackrock Growth Index Fund	\$107,233,927	\$0	\$107,233,927	-\$21,653	\$6,076,612	\$7,550	\$113,296,437	\$24,569	-\$17,018	-0.02%
Small Cap Value	\$98,828,83 2	\$2,898,683	\$95,930,149	-\$12,849,429	-\$6,892,154	\$453,838	\$79,541,087	\$715,896	-\$262,058	-0.29%
Capital Prospects	\$98,828,832	\$2,898,683	\$95,930,149	-\$12,849,429	-\$6,892,154	\$453,838	\$79,541,087	\$715,896	-\$262,058	-0.29%
Small Cap Growth	\$90,358,165	\$1,340,315	\$89,017,850	-\$7,321,950	-\$1,197,680	\$676,534	\$82,515,069	\$742,482	-\$65,947	~0.08%
Legato Capital	\$90,358,165	\$1,340,315	\$89,017,850	-\$7,321,950	-\$1,197,680	\$676,534	\$82,515,069	\$742,482	-\$65,947	-0.08%
Core	\$102,275,728	\$0	\$102,275,728	-\$29,965,737	\$1,208,700	\$22,778	\$73,541,469	\$31,276	-\$8,498	-0.01%
BNYM S&P Index Fund	\$102,275,728	\$0	\$102,275,728	-\$29,965,737	\$1,208,700	\$22,778	\$73,541,469	\$31,276	-\$8,498	-0.01%
International Equities	\$301,642,750	\$3,984,824	\$ 2 97,657,926	\$35,081,232	-\$16,780,500	\$5,500,438	\$325,443,920	\$1,108,792	\$4,391,646	1.40%
LSV Asset Management	\$148,547,563	\$1,590,779	\$146,956,784	\$19,034,494	-\$8,310,566	\$224,650	\$159,496,140	\$627,518	-\$402,868	-0.26%
Pyramis Global	\$153,095,187	\$2,394,045	\$150,701,142	\$16,046,738	-\$8,469,934	\$5,275,788	\$165,947,780	\$481,274	\$4,794,514	3.01%
Fixed Income	\$495,049,972	\$9,103,098	\$485,946,874	-\$27,668,832	\$2,646,573	-\$1,137,664	\$468,890,050	\$807,034	-\$1,944,698	-0.40%
Dodge & Cox Fixed Income	\$384.972.730	\$8,491,622	\$376,481,108	-\$27,299,934	\$2,042,211	-\$1,518,210	\$358,196,797	\$425,312	-\$1,943,522	-0.52%
PIMCO	\$110,077,243	\$611,476	\$109,465,766	-\$368,898	\$604,362	\$380,546	\$110,693,253	\$381,723	-\$1,177	0.00%

Net cash flows include the net effects of StanCERA directed cash flows, dividends and managers moving internal cash into and out of the investment pool Passive return assumes all portfolio assets are fully invested



StanCERA Non Alternative Portfolio - Value Added Summary

			10/1/2015	through	12/31/2015					
		Av	erage	Cha	anges in Portfolio Value	!			Value Add	led
Total Non-Alternative Portfolio	Beginning Value \$1,557,531,822	Uninvested Cash \$28,253,688	<u>Invested Assets</u> \$1,529,278,134	Net Cash Flows -\$8,929,605	Passive Return \$53,042,093	Active Return \$6,138,554	Ending Value \$1,607,782,864	Total Fees \$1,305,114	Value Added \$5,047,939	<u>% of Portfolio</u> 0.32%
Domestic Equities	\$767,579,878	\$15,768,716	\$751,811,162	-\$578,746	\$45,396,324	\$1,051,438	\$813,448,894	\$654,317	\$397,121	0.05%
Large Cap Value	\$281,929,677	\$8,244,872	\$273,684,805	-\$82,391	\$15,885,077	-\$1,609,849	\$296,122,514	\$93,995	-\$1,703,844	-0.59%
Dodge & Cox Equity	\$168,608,804	\$8,244,872	\$160,363,932	-\$76,764	\$9,499,349	-\$1,656,647	\$176,374,743	\$87,274	-\$1,743,921	-1.01%
Blackrock Value Index Fund	\$113,320,873	\$0	\$113,320,873	-\$5,627	\$6,385,728	\$46,798	\$119,747,771	\$6,721	\$40,077	0.03%
Large Cap Growth	\$260,366,951	\$2,988,821	\$257,378,130	-\$194,361	\$19,044,377	\$2,511,788	\$281,728,755	\$210,721	\$2,301,067	0.85%
Jackson Square	\$154,806,951	\$2,988,821	\$151,818,130	-\$189,143	\$11,320,613	\$2,493,897	\$168,432,318	\$204,360	\$2,289,537	1.42%
Blackrock Growth Index Fund	\$105,560,000	\$0	\$105,560,000	-\$5,218	\$7,723,764	\$17,890	\$113,296,437	\$6,361	\$11,529	0.01%
Small Cap Value	\$78,256,527	\$3,224,164	\$75,032,363	-\$144,421	\$2,248,651	-\$819,670	\$79,541,087	\$164,696	-\$984,366	-1.25%
Capital Prospects	\$78,256,527	\$3,224,164	\$75,032,363	-\$144,421	\$2,248,651	-\$819,670	\$79,541,087	\$164,696	-\$984,366	-1.25%
Small Cap Growth	\$78,323,774	\$1,310,858	\$77,012,916	-\$151,801	\$3,379,970	\$963,125	\$82,515,069	\$177,852	\$785,274	0.98%
Legato Capital	\$78,323,774	\$1,310,858	\$77,012,916	-\$151,801	\$3,379,970	\$963,125	\$82,515,069	\$177,852	\$785,274	0.98%
Core	\$68,702,948	\$0	\$68,702,948	-\$5,772	\$4,838,249	\$6,044	\$73,541,469	\$7,053	-\$1,009	0.00%
BNYM S&P Index Fund	\$68,702,948	\$0	\$68,702,948	-\$5,772	\$4,838,249	\$6,044	\$73,541,469	\$7,053	-\$1,009	0.00%
International Equities	\$313,371,916	\$2,869,965	\$310,501,951	-\$204,714	\$10,338,915	\$1,937,803	\$325,443,920	\$237,790	\$1,700,013	0.53%
LSV Asset Management	\$154,248,546	\$819,080	\$153,429,467	-\$95,516	\$5,089,127	\$253,982	\$159,496,140	\$120,188	\$133,794	0.09%
Pyramis Global	\$159,123,369	\$2,050,885	\$157,072,484	-\$109,199	\$5,249,788	\$1,683,821	\$165,947,780	\$117,602	\$1,566,219	0.96%
Fixed Income	\$476,580,028	\$9,615,007	\$466,965,022	-\$8,146,144	-\$2,693,146	\$3,149,312	\$468,890,050	\$198,508	\$2,950,805	0.62%
Dodge & Cox Fixed Income	\$365,489,472	\$8,929,163	\$356,560,310	-\$8,053,476	-\$2,060,221	\$2,821,021	\$358,196,797	\$103,430	\$2,717,591	0.75%
PIMCO	\$111,090,556	\$685,844	\$110,404,712	-\$92,668	-\$632,926	\$328,291	\$110,693,253	\$95,077	\$233,214	0.21%

Net cash flows include the net effects of StanCERA directed cash flows, dividends and managers moving internal cash into and out of the investment pool Passive return assumes all portfolio assets are fully invested



White Oak Alternative Investment Report for Quarter Ending September 30, 2015

			White Oak Cash Flow Activity Si	v Activity Since Inception	
Distribution Activity Through 9/30/20	15		Date	Cash Flow	
Distributions	-\$14,267,640		8/2/2013	-\$1,195,179	
Offering Costs	<u>\$0</u>		8/5/2013	-\$1,072,131	
Net Distribution Activity	-\$14,267,640		8/27/2013	-\$504,810	
			9/24/2013	-\$1,759,299	
			9/26/2013	-\$9,074,704	
Interest and Expense Through Quarter Ending	9/30/2015		10/7/2013	-\$1,583,868	
Interest Income	\$6,906,164		11/5/2013	-\$1,557,519	
Undistributed Income Charge	\$0		11/19/2013	-\$1,595,710	
Dividend Income	\$0		12/2/2013	\$2,548,332	
Other Income	\$0		12/4/2013	-\$1,637,899	
Management Fees	-\$1,369,757		12/9/2013	-\$910,433	
Partnership Operations	\$0		12/12/2013	-\$861,352	
Professional Fees	\$0		2/21/2014	-\$297,534	
Organizational Expense	\$0		2/26/2014	\$7,885,764	
Other Expenses	-\$293,145		3/26/2014	-\$3,239,701	
Service Fees	\$0		4/25/2014	-\$2,338,689	
Realized Gain/(Loss)	\$79,063		5/25/2014	-\$840,670	
Unrealized Gain/(Loss)	\$508,147		7/31/2014	\$153,251	
Net Investment Income/(Loss)	\$5,830,472		9/23/2014 9/25/2014	-\$808,389 -\$261,101	
Gross Capital Calls as of Qtr End	\$49,164,828		10/3/2014	\$287,925	
Net Distribution Activity	-\$14,267,640		11/19/2014	-\$892,750	
Net Investment Activity	<u>\$5,830,472</u>		12/9/2014	-\$169,677	
Capital Balance as of Qtr End	\$40,727,660		12/11/2014	-\$6,368,205	
			12/23/2014	-\$3,171,213	
Total Commitment	\$40,000,000		12/23/2014	\$497,436	
Net Capital Calls to date	\$37,063,532		12/31/2014	-\$536,265	
Remaining Capital Commitment	\$2,936,468		12/31/2014	-\$679,536	
Commitment Period End Date	12/31/2015		12/31/2014	\$679,536	
			1/21/2015	-\$297,534	
			2/9/2015	-\$1,649,388	
			2/13/2015	-\$1,867,840	
Expected Asset Value as of September 30, 2015	\$40,727,660		3/9/2015	-\$496,670	
Expected Asset Value using 5% Illiquidity Discount	\$38,691,277		3/10/2015	\$703,113	
IRR Using 5% Illiquidity Discount	4.60%		3/18/2015	-\$2,993,052	
			7/1/2015	-\$503,709	
Historical Internal Rates of	Return				
Date	Quarter	Inception			
Santombar 20, 2014	2	8 97%		b Ad	





Medley Alternative Investment Report for Quarter Ending September 30, 2015

		Medley Capital Cash Flow Activity Since Incepti				
Distribution Activity Through 9/30/202	15			<u>Date</u>		<u>Cash Flow</u>
Distributions	-\$4,542,778			5/16/2013		-\$7,500,000
Offering Costs	<u>\$0</u>			5/16/2013		-\$13,808,430
Net Distribution Activity	-\$4,542,778			5/31/2013		\$1,020,522
				7/30/2013		\$2,349,915
				12/4/2013		-\$1,445,727
Interest and Expense Through Quarter Ending	9/30/2015			12/11/2013		-\$2,416,766
Interest Income	\$9,996,831			12/17/2013		-\$1,346,764
Undistributed Income Charge	-\$2,974,156			3/11/2014		-\$2,674,594
Dividend Income	\$0			3/28/2014		-\$1,918,283
Other Income	\$0			9/24/2014		-\$619,597
Management Fees	-\$1,545,821			9/24/2014		-\$1,032,662
Partnership Operations	-\$217,198			9/24/2014		\$1,172,341
Professional Fees	\$0			11/12/2014		-\$1,755,525
Organizational Expense	\$0					
Other Expenses	-\$252,518					
Service Fees	\$0					
Realized Gain/(Loss)	-\$1,529,783					
Unrealized Gain/(Loss)	\$174,90 <u>4</u>					
Net Investment Income/(Loss)	\$3,652,259					
Gross Capital Calls as of Qtr End	\$34,518,348					
Net Distribution Activity	-\$4,542,778					
Net Investment Activity	<u>\$3,652,259</u>					
Capital Balance as of Qtr End	\$33,627,829					
Commitment Period Over						
	4					
Expected Asset Value as of September 30, 2015	\$33,627,829					
Expected Asset Value using 5% Illiquidity Discount	\$31,946,438					
IRR Using 5% Illiquidity Discount	3.14%					
Historical Internal Rate of F	Return					
Date	Quarter	Inception				
September 30, 2014	2	3.73%				DAd
December 31, 2014	0.73%	4.48%				STANCERA
March 31, 2015	0.52%	5.03%				a second
	0.270/	E 400/				ARE.

0.37%

0.29%

5.42% 5.73%

June 30, 2015

September 30, 2015

Raven I Alternative Investment Report for Quarter Ending September 30, 2015

		Raven I Capital Cash Flow A	Activity Since Inception
Distribution Activity Through	9/30/2015	Date	<u>Cash Flow</u>
Distributions	-\$10,139,670	5/22/2013	-\$10,753,342
Pre Funding Distribution	\$650,487	8/15/2013	\$183,156
Offering Costs	-\$22,211	10/1/2013	-\$6,279,640
Net Distribution Activity	-\$9,511,394	10/1/2013	-\$3,139,820
		11/14/2013	-\$2,354,865
Interest and Expense Through Quarte	er Ending 9/30/2015	11/19/2013	\$272,747
Interest Income	\$5,361,206	2/18/2014	\$418,643
Undistributed Income Charge	-\$760,699	3/17/2014	-\$4,709,730
Dividend Income	\$1,330,650	5/20/2014	\$932,788
Other Income	\$308,043	8/18/2014	\$2,421,827
Management Fees	-\$2,119,724	8/18/2014	\$717,993
Partnership Operations	\$0	11/20/2014	\$478,040
Professional Fees		11/20/2014	\$739,469
Organizational Expense		12/23/2014	-\$7,430,908
Other Expenses	-\$884,134	2/19/2015	\$432,318
Service Fees		2/19/2015	\$300,306
Realized Gain/(Loss)	\$402,958	6/11/2015	\$757,562
Unrealized Gain/(Loss)	<u>-\$1,641,742</u>	6/11/2015	\$271,948
Net Investment Income/(Loss)	\$1,996,558	8/20/2015	\$1,125,102
Gross Capital Call as of qtr End	\$34,668,306		
Net Distribution Activity	-\$9,511,394		
Net Investment Activity	<u>\$1,996,558</u>		
Capital Balance as of Qtr End	\$27,153,469		

Commitment Period Over

Expected Asset Value as of September 30, 2015	\$27,153,469
Expected Asset Value using 5% Illiquidity Discount	\$25,795,796
IRR Using 5% Illiquidity Discount	0.34%

	Historica	I Internal Rate of Return		
	Date		Quarter	Inception
September 30, 2014			2	6.13%
December 31, 2014			-0.25%	5.86%
March 31, 2015			-0.46%	5.38%
June 30, 2015			-1.25%	4.06%
September 30, 2015			-1.17%	2.84%



Greenfield Alternative Investment Report for Quarter Ending September 30, 2015

			Greenfield Capital Cash Flow Activity Since Inception			
Distribution Activity Through 9/30/201	5			Date	Cash	h Flow
Distributions	-\$2,036,071			7/8/2014		122,581
Pre Funding Distribution				8/22/2014	-\$1,	212,903
Offering Costs	-			10/7/2014		\$2,103
Net Distribution Activity	-\$2,036,071			10/7/2014	\$	134,135
				10/21/2014	-\$5,	169,043
Interest and Expense Through Quarter Ending 9	/30/2015			11/21/2014		723,014
Interest Income	\$563,610			12/9/2014	-\$	781,885
Undistributed Income Charge				12/12/2014		\$10,283
Dividend Income				12/12/2014	\$	928,920
Other Income				12/16/2014		-\$3,955
Management Fees	-\$411,814			12/22/2014		\$7,776
Partnership Operations	\$0			12/22/2014	\$	536,748
Professional Fees				6/12/2015	-\$	591,608
Organizational Expense				6/30/2015		,036,071
Other Expenses				6/30/2015	\$	5114,672
Service Fees						
Realized Gain/(Loss)	-\$2,146					
Unrealized Gain/(Loss)	<u>\$723,004</u>					
Net Investment Income/(Loss)	\$872,654					
Gross Capital Call as of Qtr End	\$9,958,741					
Net Distribution Activity	-\$2,036,071					
Net Investment Activity	<u>\$872,654</u>					
Capital Balance as of Qtr End	\$8,795,324					
Net Capital Calls to date	\$7,922,670					
Total Commitment	\$15,000,000					
Remaining Capital Commitment	\$7,077,330					
Commitment Period End Date	12/1/2017					
Management Fee	1.50%					
Max Mngmt. Fee on Remaining Capital Commitment	\$192,989					
Expected Asset Value as of September 30, 2015	\$8,795,324					
Expected Asset Value using 5% Illiquidity Discount	\$8,355,558					
IRR Using 5% Illiquidity Discount	5.61%					
Historical Internal Rate of Ref	turn					
Date	Quarter	Inception				
September 30, 2014	2	0.00%				
December 31, 2014	2.85%	2.85%				
March 31, 2015	0.41%	3.27%				
······································						

9.27%

-2.22%

12.84%

10.33%

June 30, 2015

September 30, 2015



American Realty Alternative Investment Report for Quarter Ending September 30, 2015

			American Realty Cash Flow Activity Since Inception			
Distribution Activity Through 9/30/2015			Date			Cash Flow
Distributions	\$27,844			12/15/2014		-\$3,549,100
Pre Funding Distribution				1/28/2015		-\$1,934,300
Offering Costs	<u>-\$54</u>			3/26/2015		-\$2,188,300
Net Distribution Activity	\$27,790					
Interest and Expense Through Quarter Ending	; 9/30/2015					
Interest Income	\$259,000					
Undistributed Income Charge						
Dividend Income						
Accrued Incentive Income	-\$113,911					
Management Fees	-\$73,079					
Partnership Operations	\$0					
Professional Fees						
Organizational Expense						
Other Expenses						
Service Fees						
Realized Gain/(Loss)	-\$67					
Unrealized Gain/(Loss)	<u>\$836,301</u>					
Net Investment Income/(Loss)	\$908,244					
Gross Capital Call as of Qtr End	\$7,671,700					
Net Distribution Activity	\$27,790					
Net Investment Activity	<u>\$908,244</u>					
Capital Balance as of Qtr End	\$8,607,734					
Commitment	\$30,000,000					
Net Capital Calls to date	\$7,671,700					
Remaining Capital Commitment	\$22,328,300					
Commitment Period End Date	Open End Fund					
Management Fee	1.20%	Weighted				
Max Mngmt. Fee on Remaining Capital Commitment	Only on Invested (Capital				
Expected Asset Value as of September 30, 2015	\$8,607,734					
Expected Asset Value using 5% Illiquidity Discount	\$8,177,347					
IRR Using 5% Illiquidity Discount	15.95%					
Historical Internal Rate of F	Return					
Date	Quarter	Inception				10
March 31, 2015	23.54%	23.54%				AAA
June 30, 2015	-3.86%	18.77%				STANCE
	0.000/	00 500/				5

9.89%

30.52%

September 30, 2015



North Haven Infrastructure Alternative Investment Report for Quarter Ending September 30, 2015

		North Haven Infrastructure Cash Flov	v Activity Since Inception
Distribution Activity Through 9/30/2015	;	Date	Cash Flow
Distributions	-\$867,680	5/19/2015	-\$10,521,639
Pre Funding Distribution	\$0	8/25/2015	\$867,680
Syndication Costs	<u>-\$97,682</u>	8/28/2015	-\$81,684
Net Distribution Activity	-\$965,362		
Interest and Expense Through Quarter Ending 9,	/30/2015		
Interest Income			
Undistributed Income Charge	-\$357,892		
Dividend Income			
Other Income			
Management Fees	-\$871,490		
Partnership Operations	\$0		
Professional Fees			
Organizational Expense			
Other Expenses	-\$206,310		
Service Fees			
Realized Gain/(Loss)	-\$1,868		
Unrealized Gain/(Loss)	<u>\$704,554</u>		
Net Investment Income/(Loss)	-\$733,006		
Gross Capital Call as of Qtr End	\$10,521,639		
Net Distribution Activity	-\$965,362		
Net Investment Activity	<u>-\$733,006</u>		
Capital Balance as of Qtr End	\$8,823,271		
Total Commitment	\$50,000,000		
Net Capital Calls to date	\$9,296,067		
Remaining Capital Commitment	\$40,703,933		
Commitment Period End Date	9/1/2019		
Management Fee	1.50%		
Max Mngmt. Fee on Remaining Capital Commitment	\$2,213,392		
Expected Asset Value as of September 30, 2015	\$8,823,271		
Expected Asset Value using 5% Illiquidity Discount	\$8,382,107		
IRR Using 5% Illiquidity Discount	-31.88%		
nn osnig ste inquidicy biscourt	01.0079		
Historical Internal Rate of Ret	urn		
Date	<u>Quarter</u> In	nception	bA4
June 30, 2015	5-	N/A	

-22.33%

-22.33%

September 30, 2015

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Raven III Investment Report for Quarter Ending September 30, 2015

-14.95%

-14.95%

Distribution Activity Through 9/30/2015		
Distributions	-\$9,658	
Pre Funding Distribution		
Offering Costs _		
Net Distribution Activity	-\$9,658	
Interest and Expense Through Quarter Ending 9/30/	2015	
Interest Income	\$52,870	
Undistributed Income Charge		
Dividend Income		
Other Income		
Management Fees	-\$67,603	
Partnership Operations	\$0	
Professional Fees		
Organizational Expense		
Other Expenses	-\$29,884	
Service Fees		
Realized Gain/(Loss)		
Unrealized Gain/(Loss)	<u>-\$36,004</u>	
Net Investment Income/(Loss)	-\$80,621	
Gross Capital Call as of Qtr End	\$2,335,363	
Net Distribution Activity	-\$9,658	
Net Investment Activity	<u>-\$80,621</u>	
Capital Balance as of Qtr End	\$2,245,084	
Total Commitment	\$15,000,000	
Net Capital Calls to date	\$2,335,363	
Remaining Capital Commitment	\$12,664,637	
Commitment Period End Date	9/1/2019	
Management Fee	1.75%	
Max Mngmt. Fee on Remaining Capital Commitment	\$806,016	
Expected Asset Value as of September 30, 2015	\$2,245,084	
Expected Asset Value using 5% Illiquidity Discount	\$2,132,830	
IRR Using 5% Illiquidity Discount	-31.14%	
Historical Internal Rate of Return		
Date	Quarter	Inception
Dare		Inception

September 30, 2015

Raven III Cash Flow Activity Since Inception				
<u>Date</u>	Cash Flow			
7/6/2015	-\$2,996,475			
8/20/2015	\$1,526,734			
9/29/2015	-\$1,559,575			
10/16/2015	\$693,953			

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Cash Flow Report

Oct 2015 through Dec 2015

Beginning Cash Balance*	\$9,745,271	
Cash Flow In		
Sales of Investments	\$8,000,000	
Plan Sponsor Contributions	\$13,562,524	
Employee Contributions	\$5,502,117	
Employee Buybacks	\$126,283	
Interest Income	\$0	
Rental Income	\$13,086	
Commission Recapture	\$6,139	
Litigation Recovery	<u>\$185</u>	
Total Cash Flow In	\$27,210,332	
Cash Flow Out		
Retirement Benefits	\$26,123,707	
StanCERA Payroll	\$297,608	
Operations Expense	\$88,144	
Pension Software	\$0	
Fixed Asset Purchases	\$0	
Employee Refunds	\$333,585	
Post Retirement Death Benefits	\$0	
Burial Allowances	\$95,000	
Retiree Death - Return of Contributions	\$0	
Investment Consultant Fees	\$97,084	
Actuarial Fees	\$59,490	
Custodial Fees	\$103,658	
Audit Fees	\$3,337	
Legal Fees	\$143,289	
Total Cash Flow Out	\$27,344,902	
Ending Cash Balance	\$9,610,701	
Change in Cash Balance	-\$134,570	
* Prior end balances may not always equal current beginning balance due to subsequent refinement		

of data





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February 17, 2016

Retirement Board Agenda Item

- TO: Retirement Board
- FROM: Rick Santos, Executive Director
 - I. SUBJECT: 2016 Cost of Living Adjustment
 - II. ITEM NUMBER: 9.a
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: Approve Cheiron's recommendation for a 3% Cost of Living Adjustment (COLA) to StanCERA retired member's monthly benefit beginning April 1, 2016
- V. EXECUTIVE SUMMARY: Attachment 1 contains Cheiron's recommendation for a 3% Cost of Living Adjustment beginning April 1, 2016 for all StanCERA retired members. Currently, StanCERA bases its COLA increases on the All Urban Consumer Index for the San Francisco-Oakland-San Jose area. Attachment 1 explains that the increase in the index is due mainly to the high rate of housing inflation in the Bay Area.
- VI. RISK: None
- VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.
- VIII. ADMINISTRATIVE BUDGET IMPACT: None

Rick Santos, Executive Director

Kathy Herman, Fiscal Services Manager

January 25, 2016

CHEIRON 🧩

Mr. Rick Santos

Executive Director Stanislaus County Employees' Retirement Association 832 12th Street, Suite 600 Modesto, CA 95354

Re: Cost of Living Adjustment (COLA) as of April 1, 2016

Dear Rick:

Pursuant to the scope of retainer services under Cheiron's agreement to provide actuarial services to the Stanislaus County Employees' Retirement Association (StanCERA), we have computed the Cost of Living Adjustment (COLA) percentages to be used as of April 1, 2016. The calculations outlined herein have been performed in accordance with 31870.1 of the County Employees Retirement Law of 1937.

Background

The cost-of-living-adjustment (COLA) is determined annually based on increases in the December Consumer Price Index (CPI) for All Urban Consumers in the San Francisco-Oakland-San Jose area, using a base period of 1982-1984. The ratio is calculated, and rounded to the nearest one-half percent.

COLA Calculations

The CPIs described above were 260.289 and 252.273 for December 2015 and December 2014 respectively. This represents an increase of 3.178%, which is rounded to 3.00%. As a point of comparison, the U.S. City CPI increased by only 0.73% over the same time period. The difference between the rates of increase in the Bay Area versus the U.S. average CPI was driven by the high rate of housing inflation (referred to as the "Shelter" component by the Bureau of Labor and Statistics) in the Bay Area. The increase in the average Bay Area CPI for all items excluding shelter was only 1.36% during the period.

Retirees – other than members of Tier 3 - are subject to the provisions of Section 31870.1, which limits annual COLA increases to 3.0% annually. Therefore, these members should receive an increase in benefits of 3.0%, based on the current year change in the CPI. The carry-over balances will remain the same for those members who have had their COLA increases limited in prior years. The enclosed exhibit summarizes the COLA calculations and carry-over balances for these Tiers. Tier 3 members do not receive an automatic COLA from the Association.

Please contact us if you have any questions regarding these calculations.

Sincerely, Cheiron

Irehen Schright

Graham Schmidt, ASA, EA, FCA Consulting Actuary

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Jonathan Chipko, FSA, EA, FCA Associate Actuary



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February 17, 2016

Retirement Board Agenda Item

- TO: Retirement Board
- FROM: Rick Santos, Executive Director
 - I. SUBJECT: Cost of Living Adjustments (COLA) Appropriate Index
 - II. ITEM NUMBER: 9.b
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: Take no action
- V. EXECUTIVE SUMMARY: In January, staff was asked to research whether a different index could be used to calculate annual retiree cost of living adjustments. While StanCERA has not asked counsel for a formal legal opinion, based on a literal reading of the code section governing StanCERA, it appears there is some latitude in the choice of the inflation index StanCERA can use to calculate the annual increase in a retiree's benefit.

However, after analyzing inflation data from Stanislaus County and comparing that to the San Francisco Bay Area Index, staff found there is a high degree of predictive power in the Bay Area Index relative to annual County inflation. Further, staff sees no other readily available index that currently exists that would do a better job of predicting inflation in our region.

Consequently, staff recommends taking no further research related action on this potential change in the index, yet continue to monitor additional annual inflation data as we receive it.

VI. ANALYSIS: During StanCERA's monthly meeting in January, a question was asked regarding StanCERA's ability to use a different index from which to calculate annual retiree benefit adjustments due to inflation. StanCERA's current practice is to calculate the relative change between current and previous year December CPI Index numbers for the San Francisco Bay area.

There are three questions to consider before deciding whether to change the current methodology:

- 1. Can StanCERA legally use another index?
- 2. How well does the current index reflect what is actually happening in Stanislaus County?
- 3. Are there other indices that more closely match what is happening in Stanislaus County?

Can StanCERA legally use another index?

While StanCERA has not yet asked for a formal legal opinion, section code 31870 explicitly states that StanCERA shall calculate the cost of living increase or decrease "*each year as shown by the then current Bureau of Labor Statistics Consumer Price Index for All Urban Consumers for the area in which the county seat is situated*".

The Bureau of Labor Statistics publishes those counties constituting the Bay Area Index as Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Santa Cruz, Solano and Sonoma. Because of this, staff believes there is some latitude in the index StanCERA chooses to use.

Retirement Board – February 17, 2016 Cost of Living Adjustments (COLA) – Appropriate Index Page 2

How well does the San Francisco Bay Area index reflect what is actually happening in our County?

Statistically, the short answer is quite well. Staff found inflation information on the Department of Transportation's website that provided specific data for Stanislaus County. Even though the data provided only 9 data points (2006-2014), a simple regression model showed that the Bay Area Index explained 89.5% of the change in the Stanislaus County Inflation data from year to year. Additionally, the model itself has an extremely high degree of statistical significance.

Staff also looked at other indicies and compared them to County specific data. While all models had some explanatory power, none came even remotely close to the statistical significance and explanatory value inherent in the Bay Area Index.

Are there other indices that more closely match what is happening in Stanislaus County?

As mentioned above, staff looked at 3 other indices, Los Angeles, West Region and U.S. all city average. None of these had the predictive value that was found to be inherent in the San Francisco Bay Area Index.

The Statistical Model

The model that was derived from the data actually suggests an interesting relationship in the relative change in inflation between the two areas. Specifically, when inflation is over 2.5% in the Bay Area, inflation in our area tends to be lower and COLA increases for retirees slightly overstated. Conversally, when inflation is below 2.5% in the Bay Area, inflation in our area tends to be higher and COLA increases slightly understated. In the end, it's most likely the case that any inherent differences in inflation tend to balance itself out over time (attachment 1).

- VII. RISK: None
- VIII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.
- IX. ADMINISTRATIVE BUDGET IMPACT: None at this time. Further research would require Board action to engage outside counsel

Rick Santos, Executive Director

Kathy Herman, Fiscal Services Manager

Attachment 1

Statistical Information Regarding the Correlation Effects between Stanislaus County Inflation and the Bureau of Labor's CPI Index for Bay Area Counties

Actual Data Set¹

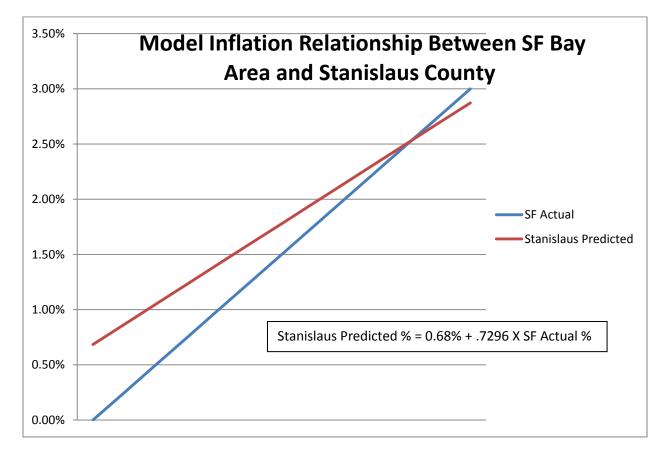
			West	US City	
<u>Year</u>	<u>SF</u>	<u>LA</u>	<u>Region</u>	<u>Avg.</u>	<u>County</u>
2006	3.44%	3.29%	3.10%	2.54%	3.20%
2007	3.84%	4.17%	4.14%	4.08%	3.40%
2008	0.02%	0.11%	-0.02%	0.09%	0.80%
2009	2.61%	1.83%	2.15%	2.72%	2.90%
2010	1.52%	1.34%	1.26%	1.50%	1.30%
2011	2.93%	2.17%	2.72%	2.96%	2.70%
2012	2.22%	1.93%	1.71%	1.74%	2.70%
2013	2.58%	1.14%	1.75%	1.50%	2.30%
2014	2.67%	0.73%	1.27%	0.76%	2.80%

Models

<u>Model</u>	<u>R-Square²</u>	<u>F-Score³</u>
SF Bay Area	89.48%	59.51
Los Angeles	56.78	9.20
West Region	70.39	16.64
U.S. All City Average	55.25	8.64

 ¹ County data from DOT website, all other data from Bureau of Labor website
 ² Measures explanatory power
 ³ Measures model significance

Model Predictive Relationship





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February 17, 2016

Retirement Board Agenda Item

TO: Retirement Board

FROM: Kellie Gomes, Executive Board Secretary

- I. SUBJECT: StanCERA Bylaw revision requested by County Counsel
- II. ITEM NUMBER: 9.c
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: Accept the revision requested by County Counsel
- V. ANALYSIS: After reviewing the StanCERA Bylaws County Counsel has requested the following caveat to be added:

The Sections 4.12, 4.13 and 4.14 are for the administration of individual member, deferred member, retiree or beneficiary contributions or benefits only. These sections are not intended to provide a remedy when retirement contributions and/or retirement benefits issues involve multiple members, deferred members, retirees, and/or their beneficiaries, or a class of members, deferred members, retirees, and/or their beneficiaries. When the remedying of retirement contributions and/or retirement benefits issues involve multiple members, deferred members, retirees, and/or their beneficiaries. When the remedying of retirement contributions and/or retirement benefits issues involve multiple members, deferred members, retirees, and/or their beneficiaries, or a class of members, deferred members, retirees, and/or their beneficiaries, nothing in these Bylaws shall preclude the rights of County of Stanislaus, or other employers whose retirement plans are with StanCERA, to recover retirement contributions, and interest, when applicable.

This request was reviewed by StanCERA General Counsel and approved. Other minor changes were made and are outlined in the attached redline version.

- VI. RISK: None
- VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.
- VIII. ADMINISTRATIVE BUDGET IMPACT: None

Executive Board Secretary



Stanislaus County Employees' Retirement Association

BYLAWS

Amended 12/16/2015

Page 1



Stanislaus County Employees' Retirement Association

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BYLAWS

Table Of Contents

Article 1 Administration - Pages 5-11

- 1.1. Name
- 1.2. Purpose
- 1.3. Definitions
- 1.4. Management
- 1.5. Officers
- 1.6. Retirement Board Member Election Procedures
- 1.7. Committees
- 1.8. Policy Procedure and Practice
- 1.9. Independent Operations

1.10 Administration of Executive Director Position, Investment Classification and other Executive Level Staff

Article 2 Meetings - Pages 12-14

- 2.1. Regular Meetings
- 2.2. Special Meetings
- 2.3. Persons Attending Meetings
- 2.4. Rules Of Order
- 2.5. Quorum
- 2.6. Correspondence
- 2.7. Minutes
- 2.8. Compensation Of Members

Article 3 Membership - Pages 15-17

- 3.1. Membership Defined
- 3.2. Provisions for Membership
- 3.3. Contracting Districts
- 3.4. Waiver By Employees Over Sixty (60)
- 3.5. Exclusions
- 3.6. Enrollment Questionnaire
- 3.7. Proof Of Marriage
- 3.8. Beneficiary Proof Of Birth
- 3.9. Correction of Date Of Birth
- 3.10. Proof of Death
- 3.11. New Membership
- 3.12. Spouse/Registered Domestic Partner

Article 4 Members' Contributions - Pages 18-29

- 4.1. Contributions Made In Accordance With 1937 Act
- 4.2. Contributions Made On Regular Compensation
- 4.3. Partial Contributions Prohibited
- 4.4. Withdrawal On Termination
- 4.5. Refund To Deferred Members
- 4.6. Rate of Interest Declarations
- 4.7. Member's Contributions Refund Policy
- 4.8. Buy Backs and Redeposits
- 4.9. Rollovers and Trustee-To-Trustee Transfer

Page 2

- 4.10. Documentation Required
- 4.11. IRS Limitations
- 4.12. Remedies For Errors and Omissions on Retiree Payroll
- 4.13. Remedies For Member's Regular Payroll Contribution Errors
- 4.14 Remedies for Deferred Member Contributions Errors

Article 5 Service Retirement - Page 30

- 5.1. Application
- 5.2. Retirement Board Approval Required
- 5.3. Annuity Certificates

Article 6 Service – Page 31

.1. Service Credit

Article 7 Compensation Earnable - Page 32 - 33

- 7.1. Compensation Earnable
- 7.2. Court Reporters
- 7.3. Average Monthly Final Compensation
- 7.4 Pensionable Compensation

Article 8 Amendments And Repeals - Page 34

- 8.1. Amendments
- 8.2. Repeals
- 8.3. Bylaws Review

Article 9 Claims For Disability Retirement - Pages 35-46

- 9.1. Definitions
- 9.2. Filing And Amendment Of Applications
- 9.3. Documents To Be Completed And Furnished By Applicant
- 9.4. Medical And Psychiatric Examinations
- 9.5. Discovery Available
- 9.6. Applicant's Failure To Furnish Documents, Information, Or Failure To Submit To Medical
- Examination
- 9.7. Documents And Information To Be Furnished By Employer
- 9.8. Communication With Individual Retirement Board Members
- 9.9. Right To Counsel
- 9.10. Stipulations of Other Entities Not Binding
- 9.11. Administrative Recommendation
- 9.12. Procedure Upon Administrative Recommendation
- 9.13. Request For Hearing
- 9.14. Setting For Hearing
- 9.15. Hearing Procedures
- 9.16. Decision Of The Referee
- 9.17. Action By The Retirement Board Upon Referee's Decision
- 9.18. Hearings Before The Retirement Board
- 9.19. Date of Final Decision And Notice Thereof
- 9.20. Judicial Review Of The Retirement Board's Decision
- 9.21. Service Of Notice

Article 10 Claims For Benefits, Rights Or Privileges Other Than Disability Retirement – Pages 47-53

- 10.1. Purpose
- 10.2. Filing And Amendment Of Applications
- 10.3. Further Information To Be Furnished By Applicant
- 10.4. Administrative Recommendation
- 10.5. Procedure Upon Administrative Recommendation

Page 3

10.6. Setting For Hearing 10.7. Pre-Hearing Process 10.8. Hearing Procedures 10.9. Decision Of The Referee 10.10. Action By The Retirement Board Upon Referee's Decision 10.11. Hearings Before The Retirement Board 10.12. Date Of Final Decision And Notice Thereof 10.13. Judicial Review Of The Retirement Board's Decision 10.14. Service Of Notice

Article 11 Subpoenas - Page 54 11.1. Subpoenas Article 12 Time Limits For Judicial Review - Page 55 12.1. 12.5 - Repealed 12/04/2007

Article 13 Retiree Health Insurance Policy - Page 56 13.1. 13.9 - Repealed 10/11/06 - See Retiree Health Allowance Policy and Retiree Health **Insurance Guidelines**

Article 14 Continuing Education And Due Diligence Visitations - Pages 57-5914.1. Need For A Policy

14.2. Establishment Of List And Evaluation Of Continuing Educational Seminars And Conferences

- 14.3. Educational Requirement
- 14.4. Due Diligence Visitations Of Money Management Firms And Consultants
- 14.5. Due Diligence Visitations Of Real Estate Properties
- 14.6. Continuing Education Seminars And Due Diligence Visitation Requests Policies
- 14.7. Education Policy Reporting Requirements
- 14.8. Due Diligence Reporting Requirements
- 14.9. Reimbursement For Travel Expenses Related To Education And Due Diligence Visits

Historical Notes - Page 60

ARTICLE 1 – ADMINISTRATION

1.1. NAME

The name of this association is " the "STANISLAUS COUNTYEMPLOYEES' RETIREMENT ASSOCIATION" (hereinafter "StanCERA"). *1.1. Amended 12/16/2015*

1.2. PURPOSE

StanCERA is established, in accordance with and subject to the Stanislaus County Employees' Retirement Law of 1937 (CERL), section 31450, et seq., of the California Government Code (hereinafter "the 1937 Act"). For the purpose of carrying out the provisions of said law within Stanislaus County, California, StanCERA is governed by the 1937 Act, California Public Employees' Pension Reform Act of 2013 (PEPRA) and other Government Code Sections applicable to CERL Systems as supplemented by these Bylaws.

1.2. Amended 02/25/2014

1.2. Amended 12/16/2015

1.3. DEFINITIONS

- A. "Executive Director" means the StanCERA Retirement Administrator or designee of Executive Director.
- B. "Applicant" means a person, the Retirement Board, or StanCERA claiming benefits, rights, or privileges under the 1937 Act.
- C . "Retirement Board" means the StanCERA Board of Retirement.
- D. . "Hearing officer" means the person designated by the Retirement Board to conduct a hearing, and make recommendations pursuant to Government Code section 31533.
- E. . "Part-time employee" means an employee of Stanislaus County or a contracting district who is not employed in a permanent position as established by the Board of Supervisors or othergoverning body by budget or ordinance or who regularly works less than fifty percent (55%) of the normal workweek.
- F. . "Party" means any person disclosed by the records of the retirement system or by the application to have an interest in any subject matter including the applicant and the subject employee.
- G. . "Subject employee" means the member of the retirement system on behalf of whom an application is filed.
- H. . "Member contributions" means as the actuarially determined rate as applied to the member's compensation earnable or pensionable compensation for each pay period.
- I. "It" means "non person"
- J. "Shall" imposes a duty
- L. "May" creates discretionary authority or grants permission or power Page 5

M. "Must" creates or recognizes a right; and

N. "May not" imposes a prohibition and is synonymous with shall not.

1.3. Amended 02/25/2014

1.3. Amended 12/16/2015

1.4. POLICY AND ADMINISTRATIVE

Policy directives of the retirement system is vested in the Retirement Board. Day-to-day administration of the retirement system is delegated to the Executive Director. Appointment or election of members of the Retirement Board shall be as provided by Government Code Section 31520.1.

1.4. Amended 02/25/2014 1.4. Amended 12/16/2015

1.5. OFFICERS

At the first regular meeting in January, the positions of chair and vice chair will rotate by succession by the number assigned to the Retirement Board member and shall be held for a period of one (1) year. If a member has not served at least two (2) years on the Retirement Board, that member shall skip the normal rotation and the next successor shall be appointed to chair or vice-chair. Should any officer fail for any reason to complete his term, the normal successor shall perform the balance of the unexpired term. If the unexpired term is for less than nine (9) months, then the successor shall also hold office for their normal term immediately following the completion of the unexpired term. If the unexpired term. The secretary of the Retirement Board shall be the Executive Director. The alternate safety member shall serve as provided in Government Code Section 31520.1 of the 1937 Act.

Pursuant to Government Code Section 31520.1, the alternate safety member shall sit in place of the seventh member during determinations of retirement benefits of a person from the same service as the alternate safety member.

1.5. Amended 08/31/1999

1.5. Amended10/31/2000

1.5. Amended 02/25/2014

1.5. Amended 12/16/2015

1.6. RETIREMENT BOARD MEMBER ELECTION PROCEDURES

RETIREMENT BOARD MEMBERS WHO ARE ELECTED by members of StanCERA of the same category of membership (Second and Third seats by General members, Seventh and Alternate seats by Safety members, and Eighth and Alternate Seats by Retired members) shall be elected according to the procedures set forth in this Section of the StanCERA Bylaws. In all cases where the word "Department" appears in this Section, the meaning shall be construed to include all Stanislaus County Departments, the City of Ceres and contracting Districts (all employers who use StanCERA for administration of retirement benefits). The Executive Director shall prepare a NOTICE OF ELECTION, which shall contain the deadlines for the submission of nomination papers, date of distribution of ballots, date of final receipt of ballots and the date for canvassing the ballots.

The distribution of the notice of election shall be made no more than sixty (60) days and no less than forty-five (45) days prior to the final date for receipt of ballots. The distribution of the notice of election will be distributed by U S postal services.

The Executive Director shall prepare a NOMINATION PAPER, which upon completion will contain the following information:

Name of candidate; candidate's Agency (if General or Safety member) or city and state of residence (if Retired member); a candidate's statement of not more than two hundred (200) words; signatures of the specific membership electorate in support of the candidate (General twenty-five (25); Safety - ten (10); Retired - fifteen (15) (if it is determined that 2 or more candidates for the same seat have duplicate membership electorate signatures, then the candidate that turned in their membership electorate document first shall be the only candidate that may count that signature towards fulfilling the signature requirement above); a prepared statement of willingness to serve on the Retirement Board; the Retirement Board seat number and category (General, Safety or Retired); and final date for filing the paper. Completed nomination papers must be submitted to the Executive Director by 5:00 p.m. on the date specified in the notice of election and on the nomination paper (no later than thirty (30) days before the final date for receipt of ballots). Candidates shall only be placed on the election ballot if the above nomination papers and procedures are completed. If only one (1) nomination paper is received by the Executive Director on or before the deadline specified for receipt, the Executive Director shall declare that the candidate is the new Retirement Board member of the seat for which the candidate sought election (pursuant to Government Code Section 31523) and shall prepare and distribute a declaration of election results showing a unanimous ballot for the candidate to all Departments.

If two (2) or more nomination papers are received by the Executive Director on or before the deadline for receipt, the Executive Director shall prepare ELECTION BALLOT MATERIALS, which shall consist of:

- A. A ballot with the candidates' names, Agency (if General or Safety member) or city and state of residence i Retired member), candidates' statements, final date for receipt of ballots and a listing of candidates' names in alphabetical order by last name with appropriate places to indicate the member's choice of a particular candidate;
- B. A "secret" envelope to hold the completed ballot;
- C. A "return to" envelope, which will have the Executive Director's address for receipt of ballots, space for the member's printed name, space for the member's signature, and prepaid return postage; and
- D. A "cover" envelope with the member's name and mailing address. The ballots must be received back in the Executive Director's office by 5:00 p.m. on the <u>final date</u> indicated on the ballot or the ballot material will be voided. The date for final receipt of ballots shall be no less than twenty (20) days following the date of disbursement of the ballot material.

Ballot material may be REISSUED to members who file a notice of non-receipt of election material prepared and filed in the Executive Director's office. The Executive Director shall make a second and final attempt to send out any RETURNED BALLOT MATERIAL at a reasonable cost of staff time and money.

The ballots shall be CANVASSED on the business day following the final date for receipt of ballots by the Executive Director, one (1) member of the Retirement Board, not associated with the election in any way, and any staff from the Executive Director's office, as may be necessary to expeditiously handle the canvassing of the ballots.

The candidate who receives the HIGHEST NUMBER OF VOTES of the ballots cast shall be declared the WINNER and new member of the Retirement Board to assume the seat for which the candidate ran at any Retirement Board meetings following the expiration of the term of the incumbent. The new member will serve three (3) years or for the remaining period of time in which a seat may become vacant for any reason other than the expiration of the incumbent's term of office.

The Executive Director shall prepare a DECLARATION OF ELECTION RESULTS to include the seat of the Retirement Board, the final date of the receipt of ballots, and the name of all the candidates who ran with their corresponding number of votes received in the election. The declaration shall also state the winner of the election and the date on which the winner assumes the seat on the Retirement Board.

The Executive Director shall telephone or email each candidate with the results of the election and the declaration shall be posted in a conspicuous place in or near the Executive Director' office in the afternoon following the canvassing. Copies of the declaration shall be delivered to each candidate and each Agencey/Department Director (if General member or Safety member election) or the Retired Employees of Stanislaus CountyOrganization, Inc.(RESCO), (if a Retired Member election) with a message to retirees of the winner to appear on the next retiree payroll check following the canvassing.

If any of the specific electorate desires a RECOUNT of the ballots cast, the member must make a written petition to the Retirement Board for a recount and include a \$500.00 payment for costs incurred. The petition must be received by the Executive Director no later than fourteen (14) days following the original canvassing of the ballots. The Executive Director shall forward the petition on to the Chair of the Retirement Board who shall call a special meeting of the Retirement Board for a recount. The date of the recount shall be no later than thirty (30) days from the date of the original canvassing. The petitioner or designee must attend the recount, which shall be accomplished in the same manner as the original count. If the recount shows that a different candidate is the winner by receiving the highest number of votes, a DECLARATION OF REVISED ELECTION RESULTS shall be prepared and distributed in the same fashion as the original declaration of election results.

All member election material shall be DESTROYED thirty (30) days after the original canvassing of the ballots if there is no petition for a recount. Member election material shall be destroyed one (1) week following the completion of all procedures of a recount.

1.6. Amended 02/25/2014 1.6. Amended 12/16/2015

1.7. COMMITTEES

The Retirement Board has determined that the following are standing committees.

- A. Due Diligence Committee. This committee shall consist of the Vice-Chair as Chair, two(-2-) other Board members, and the Executive Director and one two-(12) staff members appointed by the Vice-Chair to include the Executive Director (or a designee of the Executive Director), and staff, is to act as the recorder. This committee shall insure that Due Diligence visits are carried out and " reports provided to the Retirement Board of investment manager and other vendor business_reviews on a schedule as determined by these Bylaws and the committee.
- B. Internal Governance Committee. This committee shall consist of three (3) Retirement Board members. The Committee Chair may request administrative staff and/or legal counsel to attend Committee meetings as needed. At least one of the Retirement Board Page 8

members of the committee shall have sufficient background in accounting, financial or managerial matters to understand, relate to and communicate accounting and organizational matters especially as they relate to audit reports. This committee shall have the responsibility for oversight of all financial audits (both external and internal), compliance audits, Bylaw revisions, Policy revisions, Retirement Board member education and training (including ethics) and other internal governance matters.

- C. Strategic Planning Objectives Committee. This committee shall consist of no less than two (2) Retirement Board members. The committee may request input from administrative staff and attendance for staff at its meetings as the Committee so desires. The committee shall oversee and review staff reports related to the study and recommendations of Retirement Board approved strategic planning objectives. The committee shall have authority to survey, research, request actuarial and other studies as it deems necessary. The committee shall only make "final" reports to the Retirement Board or recommendations to the Retirement Board that require the Board's action. This committee meets at least once every three (3) years.
- D. Performance Review and Compensation Committee (PRCC). This committee shall consist of current Chair, past Chair, and current Vice Chair. As needed, the PRCC will meet to discuss the performance and compensation of the position of Executive Director.

The Committee's evaluation process should include but not be limited to the following criteria:

Goals: Whether the subject position's stated goals at the beginning of the evaluation period were effectively and meaningfully carried out.

Added Value: Whether the subject position added value to the retirement process in all areas of administration. Added value can be measured in (but not limited to) areas such as financial, administrative efficiency, member services, internal and external communication, and enhanced investment governance.

Strategic Plan: Whether the subject position's actions are consistent with the Strategic Plan and whether ______the

Strategic Plan is being meaningfully implemented.

After the Committee meets regarding performance review and compensation, the Committee will draft a memorandum with its recommendation regarding the disposition of the subject position to the full Board of Retirement for approval.

The Retirement Board Chair at his/her discretion may appoint Retirement Board members or staff to any standing or ad hoc committee as the Chair deems necessary.

1.7. Amended 02/25/2014 1.7. Amended 12/16/2015

1.8. POLICY, PROCEDURE AND PRACTICE

In governing administration matters the following hierarchy is established in order of priority.

A. Federal Law

B. State Law

C. Local ordinances and resolutions when not in conflict with higher laws

D. StanCERA Bylaws

E. Policies and procedures formally adopted by the Retirement Board

F. Informal policies and procedures

G. Practice

1.8. Amended 12/16/2015

1.9. INDEPENDENT OPERATIONS

StanCERA is a separate legal entity from Stanislaus County and is governed by the Retirement Board. California Constitution provides that the Retirement Board has the full responsibility and authority to invest StanCERA member retirement funds and provide necessary services in administering retirement benefits as provided in the 1937 Act, and as adopted in multiple employer-employee agreements. To fulfill the mission of StanCERA, the Retirement Board hires staff, contracts with investment managers, hires consultants, and adopts an administrative budget.

To save the time and effort of establishing its own set of Personnel Policies and tracking labor laws (and in accordance with California State law), the Retirement Board hires staff who are Stanislaus County employees. This means that in general and in most instances, these staff will be treated (hired, paid, promoted, demoted, retired or fired) the same as other Stanislaus County employees in like classifications. However, given that StanCERA staff provide services to a variety of public agencies and administer retirement benefits, staff are not subject to mandates from the Board of Supervisors or its agents that would interfere with or otherwise supercede the delivery of those services. To that end this Statement of Independent Operation acknowledges that from time to time, the Retirement Board may act to overrule or set aside a personnel decision or action that emanates from Stanislaus County personnel authority involving staff hired by the Retirement Board or its Executive Director. In matters of retirement benefit administration, the Retirement Board shall have final say in its handling of staff. The Retirement Board has and will continue to utilize Stanislaus County Personnel staff to handle recruitments and Stanislaus County payroll with its contingent of payroll-related items such as: extra help, Personal Services Contracts, leave time and termination cash out payments, retirement benefits, Social Security coverage, deferred compensation program, group health insurances, unemployment insurance, long term disability, workers compensation insurance, professional development, employee assistance program, cafeteria plan cash out, auto allowance and mileage reimbursement the same as other Stanislaus County employees.

The Retirement Board has used and will continue to use its hired investment consultant to aid in its decision on specific investment managers to hire, their performance and possible termination, as well as providing education on investments.

The Retirement Board has used and will continue to use a variety of special consultants and attorneys.

Since fiscal year 2003-2004, the administrative budget for StanCERA has been approved and monitored solely by the Retirement Board. While the budget includes costs for Stanislaus County services through the Stanislaus County's cost allocation plan (CAP), these services are approved for payment since they support the staff in its mission to provide the promised retirement benefits. These costs include data processing services, staff payroll services, check processing services, postage and mail delivery services and other supportive services. The Retirement Board intends on continuing its use of Stanislaus County services as needed. These services may include, but Page 10

are not limited to, banking;, staff payroll, check writing;, postage metering and handling, purchasing cards, general liability and workers compensation, telecommunications, some data processing services, some Purchasing services, and security, utilities and other building maintenance and service costs associated with the condominium space at the 12th Street office. While StanCERA may not utilize Stanislaus County services 100%, like that of a Stanislaus County Department (such as special or lower cost printing obtainable from a private vendor), StanCERA intends on continuing its use of and payment for the above listed services. StanCERA will not pay for general Stanislaus County costs to the extent that it does not receive services for such costs.

1.9. Amended 02/25/2014

1.9. Amended 12/16/2015

1.10. ADMINISTRATION OF EXECUTIVE DIRECTOR POSITION, INVESTMENT CLASSIFICATION AND OTHER EXECUTIVE LEVEL STAFF

Specifically regarding the position of Executive Director, future investment positions and any other executive level classifications, the Board of Retirement shall have full control over the creation, assessment and disposition of these positions, including salary, and will administer and achieve this control using the processes currently in place at the County. It is understood that the processes used to achieve this control should not be limited to the administration of existing executive level County classifications, as StanCERA, from time to time, may need to create and administer other executive level classifications that do not currently exist. The Retirement Board will continue to work with County Personnel to ensure that any other County classifications used by StanCERA in the administration of the retirement plan are properly structured within the County's salary and position guidelines.

1.10. Amended 02/25/2014 1.10. Amended 12/16/2015

Article 1 Amended 07/13/2005 Article 1 Amended 12/04/2007 Article 1 Amended 03/25/2008 Article 1 Amended 11/23/2010 Article 1 Amended 02/25/2014 Article 1 Amended 12/16/2015

ARTICLE 2 – MEETINGS

2.1. REGULAR MEETINGS

Regular meetings of the Retirement Board shall be held on the third Wednesday of each month beginning January 1, 2016, This will be a combined meeting, with Administrative & Member Services items being heard first, to be followed by Investment and Finance items. all regular meetings shall be held at 1:00 p.m. on the aforementioned day in the **Wesley W. Hall Board Room located on the sixth floor of 832 12th Street**, Modesto, California, unless changed by the chair and proper notice given by the Executive Director.

2.1. Amended 02/25/2014

2.1. Amended 12/16/2015

2.2. SPECIAL MEETINGS

Special meetings of the Retirement Board may be scheduled at any time by the Chair of the Retirement Board or any five (5) members of the Retirement Board. The Executive Director shall publicly post and give each Retirement Board member the minimum notice required by the Ralph M. Brown Act.

2.2. Amended 02/25/2014

2.2. Amended 12/16/2015

2.3. PERSONS ATTENDING MEETINGS

All meetings of the Retirement Board shall be open to the public, except closed sessions, permitted by law.

2.3. Amended 12/16/2015

2.4. RULES OF ORDER

ROBERT'S RULES OF ORDER shall guide the Retirement Board in its proceedings, except as otherwise provided herein or in the 1937 Act. The Chair shall have a vote on all questions and motions and shall not be required to relinquish the Chair in order to participate in discussions. The Chair shall not make or second a motion. The order of business shall include:

- A. Roll Call
- **B.** Announcements
- C. Public Comment
- D. Consent Items (e.g., Approval of minutes & retirements)
- E. Executive Director Administrative
- F. Investment Consultant
- G. Executive Director Investment

H. Committee Reports and Recommendations

I. Closed Session

J. Members' Forum (-Information and Future Agenda Requests Only)

K. Adjournment

The Retirement Board Chair may make changes in the above order at his / her discretion.

Requests for Staff Support by the Board

The Board shall request any research, analyses and reports from staff as are necessary for the Board's effective oversight of StanCERA operations. Such requests will be agendized and considered at regularly scheduled Board meetings. If approved, the Executive Director will be responsible for coordinating the completion of the approved project or report within a reasonable time or by the completion date specified in the Board action.

Requests by Individual Board Members for Staff or External Support

Board members making individual requests for information will be advised to place the item on the Board meeting agenda unless the information is readily available and the Executive Director determines that a response will not require any significant commitment of staff time or other external StanCERA resources.

Requests by Individual Trustee's must be received by the Executive Director one hundred twenty (120) hours prior to any regularly scheduled Retirement Board meeting to appear on the Retirement Board agenda.

2.4. Amended 02/25/20142.4. Amended 12/16/20152.5. QUORUM

Five (5) members of the Retirement Board shall constitute a quorum. No business may be transacted without a quorum.

No motion may be passed without a majority of the quorum voting affirmatively.

2.6. CORRESPONDENCE

All correspondence to the Retirement Board must be in writing and received by the Executive Director one hundred twenty -(120) hours prior to any regularly scheduled Retirement Board meeting to appear on the Retirement Board agenda.

2.6. Amended 02/25/2014

2.6. Amended 12/16/2015

2.7. MINUTES

The Executive Director shall cause to be recorded in the minutes the time and place of each meeting, the name of each Board member present, a summary of official actions taken by the Retirement Board, and such other information that will concisely reflect each meeting's content. The minutes shall be presented for Retirement Board approval at its next regular meeting. Such minutes shall be signed by the Executive Director, approved as to form by general legal counsel, Page 13

and shall become a part of the Retirement Board's permanent record. Meetings shall be audibly recorded and- available on the StanCERA website.

2.7. Amended 02/25/2014 2.7. Amended 12/16/2015

2.8. COMPENSATION OF MEMBERS

Pursuant to Government Code Sections 31520.5 and 31521, those members (appointed by the Board of Supervisors and the retiree representative) shall be eligible to receive the maximum allowance per meeting of the Retirement Board or meeting of a committee for not more than the maximum meetings allowed per month.

Article 2 Amended 12/04/2007 Article 2 Amended 11/23/2010 Article 2 Amended 02/25/2014 Article 2 Amended 12/16/2015

ARTICLE 3 – MEMBERSHIP

3.1. MEMBERSHIP DEFINED

Membership shall be as defined by the 1937 Act as supplemented by these Bylaws.

3.1. Amended 02/25/2014

3.2. PROVISIONS FOR MEMBERSHIP

Every employee of Stanislaus County or of any district included in StanCERA, who is appointed to a permanent full-time position, as specified in the ordinances of Stanislaus County or of the included districts, shall become a member of StanCERA. Employees hired prior to October 1, 1988, became members on the first day of the calendar month after entrance into service. Employees hired on or after October 1, 1988, shall become members on the date of hire.

3.3. CONTRACTING DISTRICTS

Whenever any contracting district is required to make an additional appropriation pursuant to Government Code Section 31627.6, for the purpose of paying for a member's service with the district prior to the district's joining StanCERA, the district shall make the additional appropriation by periodic payments (including interest at the current actuarial rate which shall remain in effect until the principal is exhausted) over a period of time not to exceed fifteen (15) years.

3.3. Amended 12/16/2015

3.4. WAIVER BY EMPLOYEES OVER SIXTY (60)

An employee of Stanislaus County or of any district included in StanCERA, appointed to a permanent full-time position who is age sixty (60) or over at time of entry, may waive the StanCERA membership requirement pursuant to Government Code Section 31552.

3.5. EXCLUSIONS

Temporary, seasonal, intermittent part-time employees, and independent and personal service contractors are excluded from membership in StanCERA.

3.6. ENROLLMENT QUESTIONNAIRE AND PROOF OF BIRTH

Every member of StanCERA shall file a sworn enrollment questionnaire showing that member's date of birth, date of hire, position, classification (general or safety) and the compensation received. The questionnaire shall be in the form provided by StanCERA. Every member shall submit with the enrollment questionnaire proof of the member's date of birth within ninety (90) days of hire. If a proper questionnaire with proof of birth is not filed within ninety (90) days of hire, the rate of contribution shall be based on the highest age for the member's retirement tier and classification. When the questionnaire is filed or proof of age is submitted to the Executive Director, the normal age rates will be applied and excess contributions shall not be refunded to the member. The following documents will be acceptable for proof of birth:

A. Any one (1) of the following:

- 1. Infant baptismal certificate
- 2. Census record
- 3. School age record
- 4. Naturalization certificate
- 5. A photocopy of a Certified birth certificate
- 6. Passport
- 7. Alien registration card with photograph
- B. Any two (2) of the following:
 - 1. Photocopy of certified Marriage Certificate if date of birth is shown
 - 2. Military record (i.e. DD214, ID) if date of birth is shown
 - 3. Photocopy of Child's certified birth certificate, showing date of birth of member
 - 4. Affidavit by older relative, notarized
 - 5. Hospital birth record

3.6. Amended 02/25/2014

3.6. Amended 12/16/2015

3.7. PROOF OF MARRIAGE

- A. Every member, at the time of retirement, shall submit a copy of a certified proof of marriage or registered domestic partnership and an affidavit that the marriage continues if a designated beneficiary is the spouse or registered domestic partner, and the option pursuant to Government Code Section 31760, et seq., is elected.
- B. Every applicant for a spousal continuance based upon a death of a member may be required to submit an affidavit that the marriage continued up until the time of death of the member.

3.7. Amended 02/25/2014 3.7. Amended 12/16/2015

3.8. BENEFICIARY PROOF OF BIRTH

Every member, at the time of retirement, shall submit a certified proof of birth of all designated beneficiary or beneficiaries selected pursuant to the exercise of an option contained within Government Code Section 31760, et seq.,.

3.8. Amended 02/25/2014 3.8. Amended 12/16/2015

3.9. CORRECTION OF DATE OF BIRTH

Repealed 12/16/2015 See Article 4

3.9. Amended 02/25/2014

3. 10. PROOF OF DEATH

Every applicant, at the time of application for a death benefit or continuance, shall submit a copy of a certified final death certificate or a court decree establishing the fact of death.

3.10 . Amended 02/25/2014

3.10. Amended on 12/16/2015

3. 11. TIER 3 AND SAFETY MEMBERSHIP

- A. Any Tier III member who, at the time he / she elected to become a Tier III member, was Safety eligible, shall be entitled, at the member's option, to redeposit all contributions and interest which would have normally accrued without election to become a Tier III member. Upon full redepositing of contributions and interest in a single lump-sum payment, said member shall be reinstated to a retirement plan/tier in accordance with applicable law and local agreements.
- B. Any Tier III member who transfers to a Safety eligible position shall be required to become a contributing member of the retirement system as of the date of the transfer to the Safety eligible position. Any Tier III member whose position becomes Safety eligible through law or collective bargaining process shall be required to become a contributing member of the retirement system as of the effective date of the legislation or negotiated agreement.

3.11. Amended 02/25/2014

3.11. Amended on 12/16/2015

3.12. SPOUSE/REGISTERED DOMESTIC PARTNER

Wherever in the Bylaws the term "spouse" is used, this term shall also include registered domestic partners.

Article 3 Amended 12/04/2007 Article 3 Amended 11/23/2010 Article 3 Amended 02/25/2014 Article 3 Amended 12/16/2015

ARTICLE 4 - MEMBERS' CONTRIBUTIONS

4.1. CONTRIBUTIONS MADE IN ACCORDANCE WITH 1937 ACT

Contributions shall be made in accordance with the 1937 Act and these Bylaws.

4.1. Amended 02/25/2014

4.2. CONTRIBUTIONS MADE ON REGULAR COMPENSATION

Separate Normal and cost-of-living contributions shall be made on the compensation earnable of the employees in Tiers 1,2,4,5. a Combined Single rate contributions shall be made on the pensionable compensation of the employees in Tier 6.

4.2. Amended 12/16/2015

4.3. PARTIAL CONTRIBUTIONS PROHIBITED

Partial contributions are prohibited.

4.4. WITHDRAWAL ON TERMINATION

A member who is terminating membership may withdraw accumulated contributions pursuant to Government Code Section 31628. The Retirement Board, pursuant to Government Code Section 31628, hereby orders that payment may be withheld for a period not to exceed six (6) months after the date of separation. For the purposes of this section, "termination" means the member has not been paid for a minimum of two (2) full consecutive pay cycles immediately following termination and is not on StanCERA employers' payroll at the time of refund.

Pursuant to Government Code Section 31527 (d), members who receive a refund of the member's contributions can receive a lower amount than the full "regular interest" credited on the member's contributions due to a withdrawal charge up to the amount of the interest credited to the member's contributions after the effective date of this regulation.

4.4. Amended 02/25/2014 4.4. Amended 12/16/2015

4.5. REFUND TO DEFERRED MEMBERS

A deferred member shall, upon written request, receive a refund of contributions pursuant to Government Code Section 31701, as follows:

- A. If not covered under provisions of a reciprocal retirement system, upon receipt of of completed distribution packet request.
- B. If covered under provision of a reciprocal retirement system, upon receipt of completed distribution packet and certification of refund of contribution from <u>prior subsequent</u> reciprocal system, request will be processed with the next refund batch.

4.5. Amended 12/16/2015

4.6. RATE OF INTEREST DECLARATIONS

See Excess Earnings Policy.

4.6. Amended 02/25/2014

4.7. MEMBER'S CONTRIBUTIONS REFUND POLICY

The contributions, which a member pays to StanCERA, are non-refundable except as explicitly provided in the Government Code. No refund of any member's contributions shall be made while the member is employed with any StanCERA covered employer in any capacity, or while receiving a retirement allowance from StanCERA.

4.7. Amended 12/16/2015

4.8. BUY BACKS AND REDEPOSITS

- A. A member may pay for a buy back in installments on a "period for period" basis, or double the number of pay periods being purchased, but not to exceed five (5) years and all buy backs must be completed prior to retirement, pursuant to Government Code Section 31641.2.
- B. For purposes of Article 4, a benefit enhancement or allowable- conversion of service time will be treated the same as a buy back.
 - C. In the event of the death of a member prior to retirement, but before completing an existing buy back, the member's designated beneficiary shall have 120 calendar days after the date of death of the member to complete the buy back.
 If the beneficiary wants to complete the buy back, the retirement benefit will be delayed until the buy back payments are completed. If beneficiary does not want to continue the payments, the buy back monies will be refunded.
 - D. In the event that a member terminates prior to completion of an open buy back, the member has thirty (30) days from the date of termination to pay the remaining balance in full. If member is unable to pay the remaining balance in full within thirty (30) days, any monies StanCERA has received to purchase the permissive service credits will be refunded to the member.

4.8. Amended 02/25/2014

4.8. Amended 12/16/2015

4.9. ROLLOVERS AND TRUSTEE-TO-TRUSTEE TRANSFERS

A member may use rollovers via direct trustee-to-trustee transfers to purchase permissive service credit.

A. Rollovers via direct -trustee-to-trustee transfers of pre-tax monies will be accepted from the following:

1. Traditional IRA's

- 2. Government 457 Deferred Compensation Plans, if a direct rollover via trustee-to-trustee transfer
- 3. Qualified 401(a) plans, if direct rollover via trustee-to-trustee transfer
- 4. Qualified 401(k) plans, if direct rollover via trustee-to-trustee transfer
- 5. Stanislaus County-sponsored PARS plan, if direct rollover via trustee-totrustee transfer
- 6. Qualified 403 (b) plans (pretax only)
- B. The following types of rollovers via direct trustee-to-trustee transfers will NOT beallowed:
 - 1. Indirect Rollover from a 457 Governmental Plan
 - 2. Indirect Rollover from a qualified 401(a) plan
 - 3. Indirect Rollover from a qualified 401(k) plan
 - 4. Keogh Plans
 - 5. Roth IRA
 - 6. Partial distributions from any account, which contains both pre-tax and posttax monies

7. Any other type of rollover, either direct or indirect, via trustee-to-trustee transfer not specifically noted in 4.9(a) above

C. Non-members are not eligible to rollover, transfer or buy back any amounts except as expressly authorized in the 1937 Act.

D. Verification Chart

			R	OLL	OVEF	R CHAR	Г			1/23/
10		Roll To								
		Roth IRA	Traditional IRA	SIMPLE IRA	SEP-IRA	Governmental 457(b)	Qualified Plan ¹ (pre-tax)	403(b) (pre-tax)	Designated Roth Account (401(k), 403(b) or 457(b))	
Roll From	Roth IRA	YES ²	NO	NO	NO	NO	NO	NO	NO	
	Traditional IRA	YES ³	YES ²	NO	YES ²	YES⁴	YES	YES	NO	
	SIMPLE IRA	YES, ³ after two years	YES, ² after two years	YES ²	YES, ² after two years	YES, ⁴ after two years	YES, after two years	YES, after two years	NO	
	SEP-IRA	YES ³	YES ²	NO	YES ²	YES⁴	YES	YES	NO]
	Governmental 457(b)	YES ³	YES	NO	YES	YES	YES	YES	YES ^{3,5}	
	Qualified Plan ¹ (pre-tax)	YES ³	YES	NO	YES	YES⁴	YES	YES	YES ^{3,5}	
	<u>403(b)</u> (pre-tax)	YES ³	YES	NO	YES	YES⁴	YES	YES	YES ^{3,5}	
	Designated Roth Account (401(k), 403(b) or 457(b))	YES	NO	NO	NO	NO	NO	NO	YES⁵	

¹ Qualified plans include, for example, profit-sharing, 401(k), money purchase and defined benefit plans ² <u>Only one rollover</u> in any 12-month period

³ Must include in income

⁴ Must have separate accounts

⁵ Must be an in-plan rollover

⁶ Any amounts distributed must be rolled over via direct (trustee-to-trustee) transfer to be excludable from income For more information regarding retirement plans and rollovers, visit Tax Information for Retirement Plans.

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4.9. Amended 02/25/20144.9. Amended 12/16/20015 4.10. DOCUMENTATION REQUIRED

It shall be incumbent upon the member to provide acceptable documentation on the suitability of any rollover or trustee-to-trustee transfer. The Executive Director shall have final determination on acceptable documentation.

4.10. Amended 02/25/2014

4.11. IRS LIMITATIONS

All rollovers, whether direct or indirect, or trustee-to-trustee transfers, shall be in accordance with appropriate IRS rules and limitations, including IRC 415 limitations on contributions, adjusted, Social Security wage base for Tier 6 members, salary and future benefits.

4.11. Amended 02/25/2014

4.11. Amended 12/16/2015

The Sections 4.12, 4.13 and 4.14 are for the administration of individual member, deferred member, retiree or beneficiary contributions or benefits only. These sections are not intended to provide a remedy when retirement contributions and/or retirement benefits issues involve multiple members, deferred members, retirees, and/or their beneficiaries, or a class of members, deferred members, retirees, and/or their beneficiaries. When the remedying of retirement contributions and/or retirement benefits issues involve multiple members, deferred members, retirees, and/or their beneficiaries. When the remedying of retirement contributions and/or retirement benefits issues involve multiple members, deferred members, retirees, and/or their beneficiaries, or a class of members, deferred members, retirees, and/or their beneficiaries, or a class of members, deferred members, retirees, and/or their beneficiaries, nothing in these Bylaws shall preclude the rights of County of Stanislaus, or other employers whose retirement plans are with StanCERA, to recover retirement contributions, and interest, when applicable.

4.12. REMEDIES FOR ERRORS AND OMMISSIONS ON RETIREE PAYROLL

Pursuant to Government Code Sections 31525 and 31539, the Executive Director may take whatever action deemed necessary to correct any errors in a retiree monthly benefit, which violates Federal or State laws or IRS code rules and regulations or policy.

OVERPAYMENTS OF BENEFIT PAID TO RETIREE/BENEFICIARY

StanCERA shall take all reasonable steps to recover the full amount of overpayments made to any retiree/beneficiary.

StanCERA will allow the following repayment methods:

- 1. Lump sum payment from retiree/beneficiary, or
- 2. Monthly reduction from the retiree/beneficiary benefit. It shall be collected per below methods (a) or (b), or a higher percentage amount, if requested by retiree/beneficiary.
 - a. If StanCERA or the employer caused the error creating an overpayment in the monthly benefit, then StanCERA shall collect directly from the member's benefit a minimum of 5% of the gross monthly benefit until repayment is complete.

Page 21

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b. If the retiree/beneficiary caused the error, due to lack of or inaccurate information, fraud or intentional misrepresentation, creating an overpayment in the monthly benefit, then StanCERA shall collect directly from the member's benefit (including appropriate interest), a minimum of 15% of the gross monthly benefit until repayment is complete.

For overpayments less than \$50 (fifty), the Executive Director shall make no demand and write off the account.

In cases where there is no evidence that the overpayment resulted from fraud or dishonest conduct by the retiree/beneficiary, StanCERA will only seek recovery of amounts paid to the retiree/beneficiary for the four (4) years immediately before the error was corrected. Considering all relevant factors (including collection issues and principles of equity), the Board finds that seeking only four (4) years of overpayments under those circumstances constitutes "reasonable steps" to recover the full amount of the overpayments.

In cases where there is evidence that the overpayment resulted from fraud or dishonest conduct or intentional misrepresentation by the retiree/beneficiary, the Board reserves all rights to seek all amounts overpaid, plus the maximum amount of recoverable interest under law. See CERL Section 31539. The Board shall determine whether the member engaged in fraud or dishonest conduct based on all of the facts available to it.

The Board adopts the following procedures for accomplishing the recovery of overpaid benefits:

- 1. Upon discovery of an overpayment, StanCERA shall send a letter by certified mail, return receipt requested, to the retiree/beneficiary advising the retiree/beneficiary of the overpayment and proposing a repayment schedule, as follows:
 - a. The letter will request payment to StanCERA of the amount overpaid, subject the provisions of this Bylaw.
 - b. The letter will include an agreement to repay overpayment and a consent form for the spouse or beneficiaries, if applicable.
 - c. The agreement to repay overpayment.
 - d.c. The letter and agreement to repay overpayment will include effective date and minimum amount of monthly benefit reduction from 2(a) and 2(b) to go into effect by default if a written response from the retiree/beneficiary is not received within 30 days following the date the letter was delivered.
- 2. StanCERA may pursue all legal remedies to collect overpayments.
- 3. StanCERA will maintain a permanent record of all amounts of overpayments and the repayment to StanCERA of those overpayments.

UNDERPAYMENTS OF BENEFIT PAID TO RETIREE/BENEFICIARY

StanCERA shall take all reasonable steps to reimburse the full amount of underpayments made to any retiree/beneficiary. The underpayment shall be made as soon as is reasonably possible following the discovery of the underpayment.

If a retiree/beneficiary who was underpaid benefits has died prior to payment of the lump sum amount due, the following procedures will be followed:

1. Retiree/beneficiary With Designated Beneficiary

If the retiree/beneficiary has named a designated beneficiary, the payment will be made directly to the designated beneficiary. See CERL Section 31452.7.

2. Retiree/beneficiary Without Designated Beneficiary

- If there is an open estate (i.e., no order for final distribution yet), payment will be made to the estate (through the personal representative).
- If final distribution of the estate has already been made, StanCERA will review the order for final distribution to determine how assets that were unknown at the time of final distribution are to be distributed under the order. Payment will then be made in compliance with the order for final distribution, if possible.
- If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal Property on file with StanCERA. See Probate Code Section 13101.
- StanCERA shall make reasonable efforts to locate the person(s) entitled to payment by sending a letter by certified mail, return receipt requested, to the last known address of each such person, or by other means of similar intended effect. The letter shall request written confirmation that the person entitled to payment still lives at that address and will accept payment. Upon receipt of such written confirmation, the payment will be mailed to that person at that address. See CERL Section 31783.5(b).
- If, after taking the above steps, StanCERA has not been able to locate the person entitled to payment, StanCERA shall hold the funds on behalf of that person for five (5) years. If the funds are not claimed within five (5) years, the funds may be transferred into the system's pension reserve fund. If someone later appears to claim the funds, the Board will consider such claims on a case-by-case basis. See CERL Section 31783.5(c).
- StanCERA will maintain a permanent record of all amounts of outstanding refunds of underpayments and any amounts that have been transferred into the pension reserve fund.
- In cases where there is no designated beneficiary and the total amount of underpayment is less than \$50 (fifty), StanCERA need not take proactive measures to locate the person(s) entitled to such funds. All claims presented to StanCERA, however, will be considered regardless of size.

3. Underpayments of \$5 (five) or less will only be refunded at the request of the member.

4.12. Amended 02/25/2014 4.12. Amended 12/16/2015

4.13. REMEDIES FOR MEMBER'S REGULAR PAYROLL CONTRIBUTION ERRORS

Whenever an error is found in a member's contribution amount from the regular payroll contributions, the Executive Director shall correct the error as soon as is reasonably possible following StanCERA's discovery of the error.

OVERPAYMENT OF CONTRIBUTIONS BY MEMBER

StanCERA shall take all reasonable steps to reimburse the full amount of overpayments made by the member. The overpayment can be reimbursed to the member (and/or employer) via the employee payroll from their StanCERA participating employer, if possible, or by a check from StanCERA.

If a member, who overpaid contributions, has died prior to payment of the lump sum amount due to the member, the following procedures will be followed:

1. Member With Designated Beneficiary

If the member has named a designated beneficiary, the payment will be made directly to the designated beneficiary. See CERL Section 31452.7.

2. Member Without Designated Beneficiary

- If there is an open estate (i.e., no order for final distribution yet), payment will be made to the estate (through the personal representative).
- If final distribution of the estate has already been made, StanCERA will review the order for final distribution to determine how assets that were unknown at the time of final distribution are to be distributed under the order. Payment will then be made in compliance with the order for final distribution, if possible.
- If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal Property on file with StanCERA. See Probate Code Section 13101.
- StanCERA shall make reasonable efforts to locate the person(s) entitled to payment by sending a letter by certified mail, return receipt requested, to the last known address of each such person, or by other means of similar intended effect. The letter shall request written confirmation that the person entitled to payment still lives at that address and will accept payment. Upon receipt of such written confirmation, the payment will be mailed to that person at that address. See CERL Section 31783.5(b).
- If, after taking the above steps, StanCERA has not been able to locate the person entitled to payment, StanCERA shall hold the funds on behalf of that person for five (5) years. If the funds are not claimed within five (5) years, the funds may be transferred into the system's pension reserve fund. If someone later appears to claim the funds, the Board will consider such claims on a case-by-case basis. See CERL Section 31783.5(c).
- StanCERA will maintain a permanent record of all amounts of outstanding refunds of overpayments and any amounts that have been transferred into the pension reserve fund.
- In cases where there is no designated beneficiary and the total amount of overpayment is less than \$50 (fifty), StanCERA need not take proactive measures to locate the person(s) entitled to such funds. All claims presented to StanCERA, however, will be considered regardless of size.
- Overpayments of \$5 (five) or less will only be refunded at the request of the beneficiary.

UNDERPAYMENT OF CONTRIBUTIONS BY MEMBER

StanCERA shall take all reasonable steps to recover the full amount of underpayment of contributions by member.

StanCERA will allow the following repayment methods:

1. Lump sum payment from member.

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- 2. Monthly deduction collected in like manner and over the same time period the error occurred, or up to twice the amount of time period, not to exceed five (5) years, as the error occurred
- 3. Rollover or Trustee-to-Trustee transfer from a qualified pre-tax plan

In cases where there is no evidence that the underpayment resulted from fraud or dishonest conduct by the member, StanCERA will only seek recovery of amounts underpaid by the member for the four (4) years immediately before the error was corrected. Considering all relevant factors (including collection issues and principles of equity), the Board finds that seeking only four (4) years of underpayments under those circumstances constitutes "reasonable steps" to recover the full amount of the underpayments.

In cases where there is evidence that the underpayment resulted from fraud or dishonest conduct by the member, the Board reserves all rights to seek all amounts underpaid, plus the maximum amount of recoverable interest under law. See CERL Section 31539. The Board shall determine whether the member engaged in fraud or dishonest conduct based on all of the facts available to it.

The Board adopts the following procedures for accomplishing the recovery of underpaid benefits:

- 1. Upon discovery of an underpayment, StanCERA shall send a letter by certified mail, return receipt requested, to the member advising the member of the underpayment and proposing a repayment schedule, as follows:
 - a. The letter will identify the circumstances of the underpayment and the fact that adjustments will be made to all future contribution amounts.
 - b. The letter will request payment to StanCERA of the past amount underpaid, subject to the provision of these Bylaws.
 - c. The letter will include an agreement to pay the amounts underpaid.
 - d. The agreement to pay the amounts underpaid will provide two options, one of which may be selected by the member:
 - Option 1 equal installments deducted monthly deductions taken from the member's pay (in addition to the contributions otherwise required of the member), in accordance with the allowable repayment methods. If the member's employment terminates during the payment period, the member shall be liable for all remaining unpaid amounts, which may be deducted from any amounts StanCERA owes the member, if the member does not make a lump sum payment.
 - Option 2 lump sum payment to StanCERA for the full amount underpaid, during the underpayment period.
 - e. The letter and agreement to repay underpayment will provide that Option 1 will go into effect by default if a written response from the member is not received within 30 days following the date the letter was delivered.
- 2. StanCERA may pursue all remedies to collect underpayments.
- 3. Upon the death of the member, before full repayment has been made, StanCERA shall pursue all remedies to collect underpayments.

4. StanCERA will maintain a permanent record of all amounts of underpayments and the repayment to StanCERA of those underpayments.

4.13. Amended 02/25/2014 4.13. Amended 12/16/2015

4.14. REMEDIES FOR DEFERRED MEMBER CONTRIBUTION ERRORS

Whenever an error is found in a member's contribution amount from payroll contributions after the member has terminated their employment, the Executive Director shall correct the error as soon as is reasonable following StanCERA's discovery of the error.

OVERPAYMENT OF CONTRIBUTIONS BY MEMBER

StanCERA shall take all reasonable steps to reimburse the full amount of overpayments made by the member. The overpayment will be reimbursed to the member by a check from StanCERA.

If a member, who overpaid contributions, has died prior to payment of the lump sum amount due to the member, the following procedures will be followed:

1. Member With Designated Beneficiary

If the member has named a designated beneficiary, the payment will be made directly to the designated beneficiary. See CERL Section 31452.7.

2. Member Without Designated Beneficiary

- If there is an open estate (i.e., no order for final distribution yet), payment will be made to the estate (through the personal representative).
- If final distribution of the estate has already been made, StanCERA will review the order for final distribution to determine how assets that were unknown at the time of final distribution are to be distributed under the order. Payment will then be made in compliance with the order for final distribution, if possible.
- If an estate was not established, distribution will be made in accordance with any applicable and valid Affidavit for Payment of Personal Property on file with StanCERA. See Probate Code Section 13101.
- StanCERA shall make reasonable efforts to locate the person(s) entitled to payment by sending a letter by certified mail, return receipt requested, to the last known address of each such person, or by other means of similar intended effect. The letter shall request written confirmation that the person entitled to payment still lives at that address and will accept payment. Upon receipt of such written confirmation, the payment will be mailed to that person at that address. See CERL Section 31783.5(b).
- If, after taking the above steps, StanCERA has not been able to locate the person entitled to payment, StanCERA shall hold the funds on behalf of that person for five (5) years. If the funds are not claimed within five (5) years, the funds may be transferred into the system's pension reserve fund. If someone later appears to claim the funds, the Board will consider such claims on a case-by-case basis. See CERL Section 31783.5(c).

- StanCERA will maintain a permanent record of all amounts of outstanding refunds of overpayments and any amounts that have been transferred into the pension reserve fund.
- In cases where there is no designated beneficiary and the total amount of overpayment is less than \$50 (fifty), StanCERA need not take proactive measures to locate the person(s) entitled to such funds. All claims presented to StanCERA, however, will be considered regardless of size.

↔ Overpayments of \$5 (five) or less will only be refunded at the request of the beneficiary.

UNDERPAYMENT OF CONTRIBUTIONS BY MEMBER

StanCERA shall take all reasonable steps to recover the full amount of underpayment of contributions by member.

StanCERA will allow the following repayment methods:

- 1. Lump sum payment from member,
- 2. Monthly over-the-counter payments collected in like manner and over the same time period error occurred, or up to twice the amount of time period, not to exceed five (5) years, as the error occurred,
- 3. Rollover or Trustee-to-Trustee transfer from a qualified pre-tax plan.

In cases where there is no evidence that the underpayment resulted from fraud or dishonest conduct by the member, StanCERA will only seek recovery of amounts underpaid by the member for the four (4) years immediately before the error was corrected. Considering all relevant factors (including collection issues and principles of equity), the Board finds that seeking only four (4) years of underpayments under those circumstances constitutes "reasonable steps" to recover the full amount of the underpayments.

In cases where there is evidence that the underpayment resulted from fraud or dishonest conduct by the member, the Board reserves all rights to seek all amounts underpaid, plus the maximum amount of recoverable interest under law. See CERL Section 31539. The Board shall determine whether the member engaged in fraud or dishonest conduct based on all of the facts available to it.

The Board adopts the following procedures for accomplishing the recovery of underpaid benefits:

- 1. Upon discovery of an underpayment, StanCERA shall send a letter by certified mail, return receipt requested, to the member advising the member of the underpayment and proposing a repayment schedule, as follows:
 - a. The letter will identify the circumstances of the underpayment.
 - b. The letter will request payment to StanCERA of the past amount underpaid, subject to the provision of these Bylaws.
 - c. The letter will include an agreement to pay the amounts.
 - d. The agreement to pay the amounts underpaid will provide two options, one of which may be selected by the member:

- Option 1 equal installments paid over the countermonthly payment to StanCERA, over the same length of time that the underpayments occurred not to exceed 5 years. If the member ceases the over-thecounter payments during the payment period, the member shall be liable for all remaining unpaid amounts, which may be deducted from any amounts StanCERA owes the member, if the member does not make a lump sum payment.
- Option 2 lump sum payment to StanCERA for the full amount underpaid, during the underpayment period.
- e. The letter and agreement to repay underpayment will provide that Option 1 will go into effect by default if a written response from the member is not received within 30 days following the date the letter was delivered.
- 2. StanCERA may pursue all remedies to collect underpayments.
- 3. Upon the death of the member, before full repayment has been made, StanCERA shall pursue all remedies to collect underpayments.
- 4. StanCERA will maintain a permanent record of all amounts of underpayments and the repayment to StanCERA of those underpayments.

4.14. Amended 12/16/2015Upon termination--Section 31628. Upon rescission of deferred status--Section 31701. Upon transfer to STRS--Section 31565. Upon cancellation of a disability allowance--Section 31737. Upon death--Sections 31781, 31760.1, 31700.11, 31761. Upon a non-County employer's withdrawal--Section 31564. Article IV Amended 08/26/03 Article 4 amended 12/04/2007 Article 4 Amended 11/23/2010 Article 4 Amended 02/25/2014 Article 4 Amended 12/16/2015

ARTICLE 5 - SERVICE RETIREMENT

5.1. APPLICATION

In addition to the provisions of the 1937 Act pertaining to service retirement, an application for service retirement shall be deemed complete when the following have been complied with:

- A. Completed application has been made to the Retirement Board in care of the Executive Director.
- B. All documents required by the 1937 Act and these Bylaws have been —properly completed and submitted including: a certified proof of marriage or registered ——domestic partnership , a

copy of certified proof of birth of the beneficiary, and/or minor children, social security number of the beneficiary and current Social Security —benefit estimate (current within one (1) year).for all members with any Tier 3 service.

C. If member has ever had a spouse during this employment ——and is no longer married to that spouse, the member must submit proof of division, <u>or</u>—non-interest regarding division of community property. In the event of a spousal death a death certificate will also be required. and death certificate in relation to StanCERA retirement benefits. Pursuant to Government Code Section 31672, a member's retirement date cannot be effective earlier than the date the official retirement application is filed with the Retirement Board, and not more than 60 days after filing the application.

5.1. Amended 02/25/2014 5.1. Amended 12/16/2015

5.2. RETIREMENT BOARD APPROVAL REQUIRED

All service retirements will be approved by the Retirement Board pursuant to Government Code Section 31670.5.3. ANNUITY CERTIFICATES

Prior to the first payment of the retirement allowance, each member shall be provided with a document indicating the amount of his/her retirement allowance for the unmodified and optional methods of payments. This document shall provide for the signature of the member indicating the member's choice as to the option of allowance desired and shall constitute the annuity certificate referred to in the 1937 Act.

5.3. Amended 12/16/2015 Article 5 Amended 07/02/2002 Article 5 Amended 12/04/2007 Article 5 Amended 02/25/2014 Article 5 Amended 12/16/2015

ARTICLE 6 - SERVICE

6.1. SERVICE CREDIT

Credit shall be given for each period of regular service rendered by a member for compensation. Overtime hours are excluded from regular service. A fractional year of service shall be determined as follows:

A. Monthly salaried employees on the basis of twelve (12) months per year (173.33 hours).

- B. Per diem employees on the basis of two hundred sixty (260) days per year.
- C. Hourly employees on the basis of two thousand eighty (2,080) hours per year.
- D. Credit shall be given court reporters for each period of service for which a contribution is made to the retirement system.

No credit shall be given for more than one (1) year of service in any twelve (12) month period.

6.1. Amended 12/16/2015 Article 6 Amended 07/02/2002 Article 6 Amended 12/04/2007Article 6 Amended 12/16/2015 ARTICLE 7 - COMPENSATION EARNABLE AND PENSIONABLE COMPENSATION

7.1. COMPENSATION EARNABLE

Computed pursuant to Government Code Section 31461.

Average compensation shall be defined as all pay including allowances and pay related to special skills, knowledge or shift work. Average compensation excludes overtime, bonuses, any specific reimbursement such as for travel or professional development and excludes leave accrual payments upon termination or in excess of maximum allowable in-service payments by the employer as stated in the Auditor-Controller's earnings table from which retirement contributions are made and as approved by the Board of Supervisors (or like pay for non-County employers). Average compensation for Tier 6 members shall be base pay only.

7.1. Amended 02/25/2014

7.2. COURT REPORTERS

Court Reporters' compensation earnable shall be computed pursuant to Government Code Section 70047.1.

7.3. AVERAGE MONTHLY FINAL COMPENSATION

A. One-Year Average

Pursuant to Government Code Section 31462.1, average monthly final compensation is computed as the member's compensation over aone-year period for Tiers 1, 4 and 5. This is 2,080 consecutive hours for members paid onan hourly basis and for members normally paid eighty (80) hours biweekly.

Members who are paid biweekly but on hourly schedules other than eighty (80) hours biweekly will have their average monthly final compensation for a one-year period computed by taking the member's hourly schedule over consecutive twenty-six (26) biweekly pay periods based upon the member working the full schedule or the equivalent of such

schedule.

Members who are paid on a semi-monthly basis will have their average monthly final compensation for a one-year period computed by taking the member's semi-monthly schedule over consecutive twenty-four (24) semi-monthly pay periods based upon the member working the full schedule or the equivalent of such schedule.

Members who are paid on a monthly basis will have their average monthly final compensation for a one-year period computed by taking the member's monthly schedule over consecutive twelve (12) monthly pay periods based upon the member working the fullschedule or the equivalent of such schedule

The monthly final average compensation will be the total of the above divided by twelve (12).

B. Three-Year Average

Pursuant to Government Section Code 31462, average monthly final compensation is computed as the member's compensation over a three-year period for Tiers 2,3 and 6. This is consecutive 6,240 hours for members paid on_an hourly basis and for members normally paid eighty (80) hours biweekly. Members who are paid biweekly, but on hourly schedules other than eighty (80) hours biweekly, will have

their average monthly final compensation for a three-year period computed by taking the member's hourly schedule over consecutive seventy-two (72) biweekly pay periods based upon the member working the full schedule or the equivalent of such schedule.

Members who are paid semi-monthly will have their average monthly final compensation for a three-year period computed by taking the member's semi-monthly schedule over consecutive seventy-two (72) semi-monthly pay periods based upon the member working the full schedule or the equivalent of such schedule.

Members who are paid monthly will have their average monthly final compensation for a threeyear period computed by taking the member's monthly schedule over consecutive thirty-six (36) monthly pay periods based upon the member working the full schedule or the equivalent of such schedule

The monthly final compensation will be the total of the above divided by thirty-six (36).

7.3. Amended 02/25/2014 7.3. Amended 12/16/2015

7.4 PENSIONABLE COMPENSATION

Pensionable Compensation is a term defined in State Retirement Law and is associated with new public employees (retirement system members) hired on or after January 1, 2013. Pensionable Compensation defines what can and cannot be used in the calculation of a member's retirement benefit. Please see Government Code Section 7522.34 of the California Public Employees' Pension Reform Act of 2013 for a complete definition of Pensionable Compensation.

7.4. Amended 12/16/15

Article 7 Amended 07/02/2002 Article 7 Amended 12/04/2007 Article 7 Amended 02/25/2014 Article 7 Amended 12/16/2015

ARTICLE 8 - AMENDMENTS AND REPEALS

8.1. AMENDMENTS

The Retirement Board may, as it deems necessary and desirable, by an affirmative vote of five (5) members, amend these Bylaws to be effective when approved by the Stanislaus County Board of Supervisors.

8.1. Amended 02/25/2014 8.1. Amended 12/16/2015

8.2. REPEALS

All former Bylaws and amendments thereto are hereby repealed. The foregoing regulations Bylaws become effective when approved by the Board of Supervisors as provided by Government Code Section 31525.

8.2. Amended 02/25/2014 8.2. Amended 12/16/2015

8.3. BYLAWS REVIEW

The Bylaws shall be reviewed by a committee appointed by the Chair of the Retirement Board and revisions and/or amendments brought before the Board on or before December 31st at each odd year, or as needed.

8.3. Amended 02/25/2014

Article 8 Amended 07/02/2002 Article 8 Amended 02/25/2014 Article 8 Amended 12/16/2015

ARTICLE 9 - CLAIMS FOR DISABILITY RETIREMENT

9.1. DEFINITIONS

In this article, unless the context or subject matter otherwise requires:

- A. "Executive Director" means the StanCERA Retirement Administrator or designee of Executive Director.
- B. "Applicant" means a person, Stanislaus County, a contracting district or other legally authorized entity claiming benefits, rights, or privileges under the County Employees Retirement Law of 1937, section 31450, et seq. of the California Government Code (hereinafter "the 1937 Act").
- C. "StanCERA" means the Stanislaus County Employees' Retirement Association.
- D. "Retirement Board" means the StanCERA Board of Retirement.
- E. "Party" means any person disclosed by the records of the retirement system or by the application to have an interest in any subject matter including the applicant and the subject employee.
- F. "Referee" means a person appointed by the Retirement Board to make a determination pursuant to Section 31533 of the Government Code. A referee may also be referred to as a "Hearing Officer".
- G. "Subject employee" means the member of the retirement system on behalf of whom an application is filed.
- H. "Disability" or "disabled" means the subject employee's permanent physical and/or mental inability to substantially perform his or her usual job duties, with or without accommodations.
- "Accommodations" means an agreement by the subject employee's employer, either Stanislaus County or contracting district, to modify the regularly assigned duties and/or work environment as necessary to allow the subject employee to continue to work within the limitations established by medical evidence.
- J. "Pending" file status refers to an application which has been filed with the Executive Director's office but which cannot be processed because requisite documentation and/or information (e.g., medical records, medical reports, job descriptions, employer information, completed questionnaires, etc.) has not been received by the Executive Director's office.
- K. "Active" file status refers to an application, which has been filed with the Executive Director's office and for which the Executive Director's office has received all requisite documentation and/or information necessary to process it. A "pending" file becomes "active" as of the date on which the last requisite documentation and information is received by the Executive Director's office. Any time limits or file status dates will use the date the file becomes "active" as a reference date.

9.1. Amended 02/25/2014

9.1. Amended 12/16/2015

9.2. FILING AND AMENDMENT OF APPLICATIONS

A. A claim for disability retirement shall be made by filing with the Executive Director's office a completed application on a form approved by the Retirement Board for that purpose together with all information required in Section 9.3 of these Bylaws. Upon the filing of an application, the Executive Director shall serve the applicant with a copy of this article. Upon receipt of all requisite information and documentation, the Executive Director shall review and investigate Page 35

the matter and issue a recommendation to the Retirement Board pursuant to the provisions of this article.

- B. If during the pendency of an application there is any change in any of the facts or claims set forth in the application, or any information submitted pursuant to Section 9.3 of these Bylaws, the applicant shall immediately file with the Executive Director's office and serve on all interested parties written notice of the change. Upon the filing of such notice with the Executive Director's office, the application shall be deemed amended accordingly.
- C. In the event that the applicant modifies the basis of his / her claim for disability benefits, or changes the application from a claim for non-service to a claim for service-connected disability benefits, the date of that applicant's active filing date will be amended to reflect the later date upon which the Executive Director's office receives the additional information or modified claim. Failing to file an accurate or fully complete application form or failing to timely amend an already active application form may, at the discretion of the Retirement Board or referee, preclude the applicant from asserting or introducing evidence of the omitted or changed fact(s) or claim(s).
- D. An applicant may file an application for non-serviceconnected disability benefits and/or serviceconnected disability benefits. If the applicant files an application for serviceconnected disability benefits only and the Retirement Board finds that the subject employee is disabled, but not on a serviceconnected basis, upon application the subject employee, if eligible, shall be retired for non-serviceconnected disability.

9.2. Amended 02/25/2014 9.2. Amended 12/16/2015

9.3. DOCUMENTS TO BE COMPLETED AND FURNISHED BY APPLICANT

- A. The following documents must be furnished to the Executive Director's office by the applicant in connection with the initial disability application.
 - 1. Completed Application for Disability Retirement.
 - 2. Responses to Disability Retirement Questionnaire, signed, under penalty of perjury.
 - 3. Duly executed authorizations for release of employment/workers' compensation information, medical information, and, if applicable, psychiatric information.
 - 4. Third party claims form.
 - 5. IME missed appointment form.
 - 6. Completed Treating Physician's Statement.
 - 7. Pursuant to Government Code Section 31722, if member applies for disability retirement four (4) or more months after date of termination, member shall include a letter from treating physician stating member has remained permanently disabled since date of termination.
 - 8. Employer's Job Task Analysis.

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- 9. Employer's Job Description.
- 10. All other relevant medical reports and other relevant evidence the applicant would like -the Retirement Board to consider.
- 11. Statement signed under penalty of perjury by the applicant that the materials provided are all the materials available in relation to the claim for disability benefits.

The responses on the Disability Retirement Questionnaire shall be provided under penalty of perjury and the applicant shall sign and attach to his / her responses, the signature page, which StanCERA provides with the questionnaire. If the responses are not returned with the appropriate signature page, they shall be deemed not to have been filed and shall be returned to the applicant with additional instructions.

- B. At any time during the pendency of an application, the Executive Director, the Retirement Board, or counsel for the Executive Director may, by written notice to the applicant, request that the applicant serve within thirty (30) days, or such further time as may be designated, any or all of the following items:
 - 1. Copies of all other documents upon which the applicant relies in support of the application.
 - 2. A narrative physician's report of the subject employee's current medical condition.
 - Sworn written responses to written questions concerning any matter, which is either relevant to the subject matter of the application or is reasonably calculated to lead to the discovery of evidence, which would be admissible at hearing including, but not limited to , the subject employee's medical history, employment history, current medical condition, and current employment status.
- C. The Executive Director and/or the Executive Director's counsel shall, in their sole and complete discretion, independently obtain copies of all of the applicant's medical records, employment records, and other relevant documents. However, in no event shall the applicant be relieved of his or her strict obligation to file and/or furnish to the Executive Director's office all medical records and necessary documents described in this section 9.3. StanCERA shall bear the costs incurred by the Executive Director and/or the Executive Director's counsel in independently obtaining copies of relevant documents. The applicant shall bear the costs he or she incurs in obtaining copies of documents filed and/or furnished by him or her in connection with the application.

9.3. Amended 02/25/2014 9.3. Amended 12/16/2015

9.3. Amended 12/16/2015

9.4. MEDICAL AND PSYCHIATRIC EXAMINATIONS

A. At any time during the pendency of an application, the Executive Director, the Retirement Board, or counsel for the Executive Director may, by written notice to the applicant (and to the_subject employee if the application was filed on behalf of the employee), request that the subject employee submit within thirty (30) days, or such further time as may be designated, to one or more medical examinations by physicians designated by the requesting party at the times and places specified in the notice of the examination(s). As used in this article, the words "medical" and "physician" include, but not limited to , duly licensed medical doctors, osteopathic doctors, psychologists, chiropractors, and other legally recognized practitioners of the healing arts.B. StanCERA shall bear the fees charged by the examining physician(s) in connection with anyexamination conducted pursuant to this section. Notwithstanding the foregoing, in the eventthe subject employee fails to timely appear for a duly noticed medical examination, he or she shall be liable for any cancellation fee or other fee charged by the physician in connection with the subject employee's failure to appear. In the event the subject employee is; thereafter, granted disability benefits, such cancellation fee may be charged against said benefits.

9.4. Amended 02/25/2014 9.4. Amended 12/16/2015

9.5. DISCOVERY AVAILABLE

In addition to any form of discovery available, pursuant to this article, at any time during the pendency of the application, any interested party shall be entitled to any of the discovery procedures prescribed by the Code of Civil Procedure, provided that such discovery is limited to the subject matter of the application. All forms of discovery authorized by this article and all remedies and procedures related thereto, shall be available in conjunction with any disability re-evaluation under Government Code Section 31729.

9.5. Amended 12/16/2015

9.6. APPLICANT'S FAILURE TO FURNISH DOCUMENTS, INFORMATION, OR FAILURE TO SUBMIT TO MEDICAL EXAMINATION

- A. If the applicant and/or the subject employee fails or refuses to comply with any request pursuant to section 9.3 within the time provided, or if the requesting party deems that a further response is required, or if the subject employee fails or refuses to appear for any medical examination pursuant to section 9.4 or fails or refuses to cooperate with an examining physician, or if the applicant and/or the subject employee otherwise fails or refuses to comply with any discovery request, the requesting party may move the Retirement Board for an order to compel compliance with the request.
- B. Such a motion shall be made by filing with the Retirement Board and serving on all interested parties a copy of the written request and proof of service thereof, a copy of the response, if any, and a statement of the facts and arguments supporting the motion. Upon the filing of such a motion, the Executive Director or the Executive Director's counsel shall set a hearing thereon either before the Retirement Board or a referee and serve all interested parties with notice thereof. Said motion shall be heard no sooner than 30 days after notice thereof is served on all interested parties. No later than five (5) days before the date set for hearing, any interested party may file and serve written opposition to the motion. After hearing the motion, the Retirement Board or referee shall rule thereon and serve notice of its order on all interested parties.
- C. If the applicant and/or the subject employee fails or refuses to obey an order of the Retirement Board or referee made pursuant to this section, the Retirement Board may upon the further motion of the requesting party (notice of which shall be given pursuant to paragraph 9.6.B., above) take any further action which it determines to be just and reasonable, including, but not limited to, precluding the applicant and/or the subject employee from asserting or introducing evidence of specified facts or claims, deeming specified facts or claims to be admitted, or dismissing the application with or without prejudice.

9.6. Amended 02/25/2014

9.7. DOCUMENTS AND INFORMATION TO BE FURNISHED BY EMPLOYER

At any time during the pendency of an application, the Executive Director, the Retirement Board, or counsel for the Executive Director may issue a written request to the subject employee's department head, supervisor(s), co-workers, personnel department or the risk management department seeking information regarding the subject employee's job duties, illness or injury and other pertinent data. The department head or other designated person(s) shall provide, or direct the provision of, the necessary data in written form to the requesting party within ten (10) days of receipt of the request.

9.7. Amended 02/25/2014

9.8. COMMUNICATION WITH INDIVIDUAL RETIREMENT BOARD MEMBERS

The members of the Retirement Board act as judge and jury in all disability retirement hearings. As such, once an application for disability benefits is filed, communications between individual Retirement Board members and interested parties or their representatives concerning any issue pertaining to the application, are forbidden until such time as the Retirement Board issues its final written decision. Any violation of this section may result in the Retirement Board member being found ineligible to participate in any discussion regarding the application, or to vote on the disability application.

9.9. RIGHT TO COUNSEL

- A. Any applicant is entitled, at his/her/its expense, to be represented by legal counsel at any and all stages of the proceedings. If the applicant decides to retain legal counsel, he/she/it must immediately file, with the Executive Director's office, a written notice designating his/her/its counsel and providing the name, address and telephone number of said counsel. Absent such written designation, StanCERA is not obligated to recognize any party claiming to represent an applicant.
- B. In all matters pertaining to disability retirement, the Executive Director is entitled to be represented by legal counsel chosen by the Retirement Board. In addition, the Retirement Board shall be entitled to representation by legal counsel of its choosing.

9.9. Amended 02/25/2014

9.10. STIPULATIONS OF OTHER ENTITIES NOT BINDING

No stipulation, agreement, understanding, act or omission on behalf of the County of Stanislaus or on behalf of a contracting district by an officer, employee, or agent of the County of Stanislaus or of a contracting district in a worker's compensation or any other proceeding to which neither the Retirement Board nor StanCERA is a party, shall be binding upon the Retirement Board or StanCERA insofar as such stipulation, agreement, understanding, act or omission may be asserted to relate to disability retirement or the disposition of a particular application for disability retirement, unless such stipulation, agreement, understanding, act or omission has previously been approved by the Retirement Board through a duly adopted motion, which has been recorded in the official minutes of the Retirement Board. The provisions of this section shall not be deemed

to constitute a new policy, but rather a formalization and continuation of an existing unwritten policy, which has been in effect during the life of StanCERA.

9.10. Amended 12/16/2015

9.11. ADMINISTRATIVE RECOMMENDATION

- A. After reviewing the application, and all other documents and information obtained in connection therewith and conducting any necessary investigation, the Executive Director shall make an appropriate recommendation to the Retirement Board. The recommendation may consist of one or more of the following:
- "Grant serviceconnected disability retirement" where the Executive Director determines that the applicant has proved by a preponderance of the evidence all the elements legally necessary to entitle the subject employee to service-connected disability retirement.
 - 2. "Deny serviceconnected disability retirement" where the Executive Director determines that the applicant has clearly failed to establish one or more of the elements legally necessary to entitle the subject employee to service-connected disability retirement.
 - "Grant non-serviceconnected disability retirement" where the Executive Director determines that the applicant has proved by a preponderance of the evidence all elements legally necessary to entitle the subject employee to non-service-connected disability retirement.
 - 4. "Deny non-serviceconnected disability retirement" where the Executive Directordetermines that the applicant has clearly failed to establish one or more of the elements legally necessary to entitle the subject employee to non-serviceconnected disability retirement.
 - 5. "Refer for hearing" where the Executive Director determines that there is substantial evidence to support the disability claim, but the evidence does not, in the Executive Director's opinion, prove by a preponderance of the evidence all the elements necessary to grant the disability claim.
- B. The Executive Director's recommendation to the Retirement Board shall be made at a Retirement Board meeting after placing the matter on the agenda of a Retirement Board meeting.

9.11. Amended 02/25/2014 9.11. Amended 12/16/2015

9.12. PROCEDURE UPON ADMINISTRATIVE RECOMMENDATION

With respect to each application for which the Retirement Board has received an administrative recommendation pursuant to section 9.11, the Retirement Board shall at the first meeting where the matter properly appears on its agenda take the following action or any other action that the Retirement Board may deem appropriate: grant the disability retirement; deny the disability retirement; remand the application to the Executive Director for further investigation; or refer any or all issues for hearing.

9.12. Amended 02/25/2014

9.13. REQUEST FOR HEARING

Whenever the Retirement Board denies an application for serviceconnected or nonserviceconnected disability retirement without a hearing, the applicant shall, upon request, be entitled to a hearing before the Retirement Board, or before a referee appointed by the Retirement Board. Any such request for hearing shall be in writing and shall be made within thirty (30) days after notice of the Retirement Board's action denying the application is mailed by certified or registered mail to the applicant or to his / her counsel, if the applicant is represented by counsel. A request for hearing shall be deemed made on the date mailed if mailed by certified or registered mail, on the date postmarked if mailed by first class mail and actually received by StanCERA, or on the date actually received by StanCERA, whichever is earlier.

9.13. Amended 02/25/2014

9.13. Amended 12/16/2015

9.14. SETTING FOR HEARING

A. If the Retirement Board determines that a matter is to be set for hearing, the matter shall be heard by a referee unless the Retirement Board moves to hear the matter itself. If the Retirement Board determines that the matter shall be heard by a referee, the Executive Director shall notify Executive Director's counsel who shall promptly schedule a hearing, taking into consideration the availability of a qualified referee, the availability of witnesses for the parties, and any other matter necessary and appropriate for the hearing. The Executive Director's counsel shall give written notice of the date, time and place of the hearing to all interested parties at least 30 days in advance of the scheduled hearing, unless otherwise stipulated by all interested parties.

B. The Executive Director shall maintain a list of retired judges or qualified licensed *attorneys* who are approved by the Retirement Board and who are available to serve as hearing referees. The Executive Director shall appoint the referee for each hearing by determining which person on the list served last and selecting the person next in order. In the event the person next in order declines to serve as referee or is unavailable to serve within a reasonable period of time, the Executive Director shall appoint the person on the list next in order. The notice of hearing shall include the identity of the person appointed as referee. Any interested party may promptly object in writing to the appointment of a particular referee. If said written objection is not filed with the Executive Director's office at least 10 days prior to the date first set for hearing, any such objection shall be waived. In the event such objection is timely filed, the Executive Director shall appoint as referee the person next in order on the referee list.

- C. Upon stipulation by the interested parties or upon a showing of good cause, the referee or the Retirement Board may continue a hearing to a new date.
- D. The party requesting the continuance shall bear all costs relating to the continuance unless good cause is shown to the referee or to the Retirement Board. Such costs include, but not limited to, referee fees, court reporter fees, witness fees, and any other costs, fees and expenses incurred by the Retirement Board, by anyone on behalf of StanCERA or by any other interested party as a result of the continuance.

9.14. Amended 02/25/2014 9.14. Amended 12/16/2015

9.15. HEARING PROCEDURES

- A. Every hearing before a referee shall be reported by a certified shorthand reporter, and every hearing before the Reitrement Board shall be electronically recorded.
- B. At any hearing, any interested party may be represented by legal counsel, at his/her/its own cost.
- C. The referee or, with respect to hearings before the Retirement Board, the Chair or the Chairm's designee, shall exercise such control over the hearing as is reasonable and necessary including, but not limited to,
- prescribing the order of proof, ruling upon the admissibility of evidence, ordering medical
 examinations; requiring the additional relevant evidence be gathered and presented; questioning witnesses, and determining whether the matter shall proceed or be adjourned subject to continuation.
- D. Except as otherwise provided in this Article, any relevant evidence shall be admitted if it is the sort of evidence on which reasonable and responsible persons are accustomed to rely in the conduct of serious affairs regardless of the existence of any common law or statutory rule, which might make improper the admission of such evidence over objections in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence, but shall not be sufficient in and of itself to support a finding unless it would be admissible over objection in civil actions.
- E. Oral evidence shall be taken only on oath or affirmation.
- F. On any relevant matter, each interested party shall have the right to call and examine witnesses, introduce documentary and other physical evidence, and cross-examine opposing witnesses. Any interested party who does not testify on his own behalf may be called and examined as a witness, as if, under cross-examination.
- G. Refusal of the applicant or subject employee to submit to examination or to answer relevant questions shall be grounds for considering such questions for the purpose of that hearing to be answered in a way unfavorable to the refusing party.
- H. The production of medical evidence, in the form of written reports, is favored. Such reports should include the following:
 - 1. A history of the subject injury or illness;
 - 2. The subject employee's prior and subsequent medical history;
 - 3. The subject employee's current subjective complaints;
 - 4. The findings upon examination;
 - 5. The nature and extent of disability;
 - 6. The anticipated nature and extent of further treatment or care;
 - 7. Whether or not the subject employee has a disability, which permanently incapacitates him/her from performing his/her usual and customary job duties, and the basis for that opinion, including the specific job duties for which he/she is incapacitated and the specific medical conditions, which so incapacitate him/her.

I. Any interested party may offer, and the Retirement Board or referee shall receive inevidence, medical records and reports, provided that copies of the said documents have been served on all other interested parties at least fifteen (15) days prior to the hearing, along with written notice of intention to offer the said

-documents into evidence. Any other interested party may subpoen athe author of such a -medical report or record as a witness and examine him/her as if under cross-examination.

- J. Any interested party may offer, and the referee or Retirement Board shall receive, into evidence the written statement of any non-medical witness provided that:
 - 1. It is made by affidavit or by declaration under penalty of perjury; and,
 - 2. A copy has been served on all interested parties at least fifteen (15) days prior to the hearing along with notice of intention to offer the same into evidence.
- K. Any interested party may offer, and the Retirement Board or referee shall receive into evidence the deposition of any witness subject to the objections available under Code of Civil Procedure Section 2025.010 et seq., notwithstanding that the deponent is not "unavailable as a witness" within the meaning of Section 240 of the Evidence Code, and no exceptional circumstances exist if:
 - 1. The deposition was taken in the manner provided for by law or by stipulation of the parties; and 2. At least fifteen (15) days prior to the hearing the proponent of the deposition delivered to all

interested parties notice of intention to offer the same into evidence. Any interested party upon receiving such notice may subpoena the deponent and, if he does so, at the discretion of the Retirement Board or referee, either the deposition may be excluded from evidence or the deposition may be admitted and the deponent may be further cross-examined by the party who subpoenaed him/her.

L. For the purposes of this article, "service" of a document or notice may be accomplished manually or by mail in the manner provided by section 9.21. If delivery is by mail, the times prescribed in this Article for delivery of documents and notices shall be increased by five (5) days.

9.15. Amended 02/25/2014 9.15. Amended 12/16/2015

9.16. DECISION OF THE REFEREE

- A. When a hearing is held before a referee, the referee shall prepare, in writing, proposed findings of fact and a recommended decision and reasons therefore.
- B. Within forty-five (45) days after the matter is submitted, the referee shall file with the Executive Director's office his / her proposed findings of fact and recommended decision, which shall include those documents received into evidence. Simultaneously therewith, he / she shall serve the proposed findings of fact and recommended decision on all interested parties. The referee shall not be entitled to remuneration for his services until the aforesaid documents have been filed and served. For the purposes of this section, a matter is considered "submitted" on the last day of the hearing, unless the referee, for good cause, orders otherwise.
- C. In the absence of good cause, as determined by the referee, any post hearing briefs or other pleadings shall be filed with the Executive Director's office and served on the referee and on all

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interested parties within twenty (20) days of the last day of the hearing. The filing of post hearing briefs shall not extend the date the matter is submitted.

D. Upon the service of the referee's proposed findings of fact and recommended decision, the interested parties shall have ten (10) days to submit objections thereto by filing the same with the Retirement Board and serving the same on all interested parties whereupon the said objections shall be incorporated in the record to be considered by the Retirement Board.

9.16. Amended 02/25/2014

9.16. Amended 12/16/2015

9.17. ACTION BY THE RETIREMENT BOARD UPON REFEREE'S DECISION

- A. Upon receiving the proposed findings of fact and recommendation of the referee, the Retirement Board may:
 - 1. Approve and adopt the proposed findings and recommendation of the referee; or
 - Require a transcript or summary of all the testimony, plus all other evidence received by the referee. Upon the receipt thereof, the Retirement Board shall take such action as in its opinion is indicated by such evidence; or
 - 3. Refer the matter back with / without instructions to the referee for further proceedings; or
 - 4. Set the matter for hearing before itself. At such hearing, the Retirement Board shall hear and decide the matter as if it had not been referred to a referee.
- B. Upon approving and adopting the referee's decision or any subsequently modified decision, thereof, the Retirement Board shall comply with Subsection 9.18(C).

9.17. Amended 02/25/2014

9.17. Amended 12/16/2015

9.18. HEARINGS BEFORE THE RETIREMENT BOARD

A. Five (5) members of the Retirement Board constitute a quorum for the making of any decision at a hearing held pursuant to the provisions of this Article. No findings of fact or decision by the Retirement Board shall be valid unless:

- 1. A majority of all members present; or
- 2. Four (4) members, whichever is greater, concur therein.
- B. When a hearing is held before the Retirement Board, the Retirement Board shall, no later than the second regular meeting following the meeting at which the matter is submitted, determine all material issues and shall incorporate such determinations in a written decision and findings of fact.
- C. Within ten (10) days following the date the Retirement Board renders its decision and findings of fact, the Retirement Board shall serve all interested parties with a copy of the same together with a notice of the right to judicial review of the Retirement Board's decision as set forth in Section 9.20.

9.18. Amended 02/25/2014 9.18. Amended 12/16/2015

9.19. DATE OF FINAL DECISION AND NOTICE THEREOF

The decision of the Retirement Board shall be final on the date notice; thereof, is mailed to the applicant by first class mail, postage prepaid, including a copy of the affidavit or certificate of mailing. A copy of the decision along with the affidavit or certificate of mailing shall simultaneously be mailed to the subject employee, if other than the applicant, and to all other interested parties and their respective counsel.

9.19. Amended 02/25/2014 9.19. Amended 12/16/2015

9.20. JUDICIAL REVIEW OF RETIREMENT BOARD DECISIONS

The time to seek judicial review of final Retirement Board decisions is governed by Code of Civil Procedure section 1094.6. Each notice of decision shall include a statement substantially as follows: "The time to seek judicial review (appeal) from this decision is governed by Code of Civil Procedure section 1094.6. If you disagree with this decision and wish to appeal it, you must file a petition for writ of mandate with the superior court within 90 days of the date of this notice. If you fail to do so, you will lose your right to appeal this decision".

9.20. Amended 02/25/20149.20. Amended 12/16/2015

9.21. SERVICE OF NOTICE

- A. Unless otherwise provided by these Bylaws or by statute, where the provisions of this Article require service of a notice, demand, request, or other written communication, service shall be made on the party on whom service is required unless the said party has filed notice of representation by counsel, in which case service shall be made upon counsel of record for that party.
- B. Where the provisions of this Article require service on "interested parties," such service shall be made on the Executive Director, on all interested parties who have appeared in the subject proceedings, and on all interested parties who have not appeared in such proceedings and have filed a request to be served with documents, which are served and filed in such proceedings. Pursuant to Government Code section 31532, unless otherwise ordered by a court of competent jurisdiction or necessary for the processing of an application, sworn statements and individual records of members shall not be disclosed by StanCERA.
- C. Unless otherwise provided in these Bylaws or by statute, the service of all notices, orders, requests, and other written communications, which are not personally served shall be effected by sealing the same in an envelope properly addressed to the party to be served and depositing the envelope in the United States mail with first class postage fully prepaid, and any applicable time limitations shall be extended in the manner prescribed by Code of Civil Procedure Section 1013.
- D. For purposes of determining the effectiveness of service on an applicant or subject employee, correspondence shall be deemed "properly addressed" if it bears the address specified on the application, or if the application has been amended, the address specified on the most recently filed amended application.

9.21. Amended 02/25/2014 9.21. Amended 12/16/2015

Article 9 Amended 12/04/2007 Article 9 Amended 11/23/2010 Article 9 Amended 02/25/2014 Article 9 Amended 12/16/2015

ARTICLE 10 - CLAIMS FOR BENEFITS, RIGHTS, OR PRIVILEGES OTHER THAN DISABILITY RETIREMENT

10.1. PURPOSE

The purpose of this article is to provide a procedure for acting upon applications for rights, benefits, and privileges other than applications for disability retirement under the 1937 Act to the end that applications can be expeditiously processed with a minimum lapse of time and thatwhen a hearing is required by law, the Applicant will have notice of the hearing and an opportunity to appear before the Retirement Board and present his / her case.

10.1. Amended 12/16/2015

10.2. FILING AND AMENDMENT OF APPLICATIONS

- A. A claim for rights, benefits, and privileges other than applications for disability retirement shall be made by filing with the Retirement Board a completed application, on a form approved by the Retirement Board, for that purpose, together with all facts, information, and documentation supporting such claim. Upon the filing of such an application, the Retirement Board shall serve the Applicant with a copy of this article and forward the application to the Executive Director for the Executive Director's review, investigation, and recommendation, pursuant to the provisions of this article.
- B. If, during the pendency of an application, there is any change in any of the facts or claims set forth in the application, the Applicant shall immediately file with the Retirement Board and serve on all interested parties written notice of the change. Upon the filing of such notice with the Retirement Board, the application shall be deemed amended accordingly.
- C. Failure to accurately and fully complete or timely amend an application may delay its processing or, in the discretion of the Retirement Board or referee, preclude the Applicant from asserting or introducing evidence of the omitted or changed fact(s) or claim(s).

10.2. Amended 02/25/2014

10.2. Amended 12/16/2015

10.3. FURTHER INFORMATION TO BE FURNISHED BY APPLICANT

A. At any time during the pendency of an application, the Executive Director, the Retirement Board, or Page 46 the counsel for StanCERA may, by written notice to the Applicant, request that the Applicant serve, within thirty (30) days or such further time as may be designated, any or all of the following items: copies of all pertinent records and reports, copies of all other documents upon which the Applicant relies in support of the application, and sworn written responses to written inquiries concerning any matter, which is, either relevant to the subject matter of the application or is reasonably calculated to lead to the discovery of evidence, which would be admissible at hearing including, but not limited to,the subject employee's medical history, employment history, current medical condition, and current employment status.

B. With respect to any request, pursuant to Subsection 10.2.(A), if the Applicant or subject employee fails or refuses to respond within the time allowed for response or if the propounding party deems a further response to be required, the propounding party may move the Retirement Board for an order to compel compliance with the request. Such a motion shall be made by filing with the Retirement Board and serving on all interested parties a copy of the written request and proof of service thereof, a copy of the response, if any, and a statement of the facts and arguments supporting the motion. Upon the filing of such a motion, the Executive Director shall set a hearing thereon either before the Retirement Board or a referee and serve all interested parties with notice thereof. No later than five (5) days before the date set for hearing, any interested party may file and serve written opposition to the motion. After hearing the motion, the Retirement Board or referee shall rule thereon and serve notice of the ruling on all interested parties. If the Applicant or subject employee fails or refuses to obey an order of the Retirement Board or referee made, pursuant to this subsection, the Retirement Board may take any further action upon the noticed request of any interested party, which it determines to be reasonable and just, including, but not limited to, precluding the Applicant from asserting or introducing evidence of specified facts or claims, deeming specified facts or claims to be admitted, or dismissing the application with or without prejudice.

Nothing in this Section shall be construed to limit the right of any interested party to seek judicial review of action taken by the Retirement Board or referee pursuant to this Section.

10.3. Amended 02/25/2014 10.3. Amended 12/16/2015

10.4. ADMINISTRATIVE RECOMMENDATION

- A. Upon review of the application and information submitted by the Applicant, and all other relevant material, the Executive Director shall make one of the following recommendations to the Retirement Board:
 - 1. "Grant claim for benefits" where the Executive Director determines, from all available information that there is no substantial conflict with respect to the facts necessary to grant an application for benefits, rights, or privileges.
 - 2. "Refer for hearing:" where the Executive Director is unable to find, from all available information, the necessary conditions to recommend granting a claim for benefits, rights, or privileges. At any time prior to hearing, the Executive Director may, in accordance with the standards set forth in Subsection 10.4, withdraw his recommendation to refer to hearing and recommend that the claim for benefits, rights, or privileges be granted, and the Retirement Board may act, thereon, in the manner prescribed in Section 10.5of this Article.

- 3. "Deny claim for benefits" where the Executive Director determines from all available information that there is no substantial evidence to support the facts necessary to grant such a benefit.
- B. The Executive Director's recommendation to the Retirement Board shall be made at a regular meeting of the Retirement Board after placing the matter on the agenda of a Retirement Board meeting.

10.4. Amended 02/25/2014 10.4 Amended 12/16/2015

10.5. PROCEDURE UPON ADMINISTRATIVE RECOMMENDATION

With respect to each application, for which the Retirement Board has received an administrative recommendation, pursuant to Section 10.4, the Retirement Board shall, at the first meeting where the matter properly appears on its agenda, take the following action or any other action that the Retirement Board may deem appropriate:

- A. If the administrative recommendation is "grant claim for benefits" the Retirement Board may either grant such a claim or refer all issues for hearing.
- B. If the administrative recommendation is "refer for hearing", the Retirement Board may either refer all issues for hearing or remand to the Executive Director for further investigation.
- C. If the administrative recommendation is "deny claim for benefits",, the Retirement Board may either deny such benefit, grant such benefit, or refer all issues to hearing.

10.5. Amended 02/25/2014 10.5. Amended 12/16/2015

10.6. SETTING FOR HEARING

- A. If the Retirement Board determines that a matter is to be set for hearing, the matter shall be heard by a referee unless the Retirement Board moves to hear the matter itself. If the Retirement Board determines that the matter shall be heard by a referee, the Executive Director shall notify Board counsel, who shall promptly schedule a hearing, taking into consideration the availability of a qualified referee, the availability of witnesses for the parties, and any other matter necessary and appropriate for the hearing. The Executive Director's counsel shall give written notice of the date, time and place of the hearing to all interested parties at least 30 days in advance of the scheduled hearing, unless otherwise stipulated by all interested parties.
- B. The Executive Director shall maintain a list of retired judges or qualified licensed attorneys who are approved by the Retirement Board and who are available to serve as hearing referees. The Executive Director shall appoint the referee for each hearing by determining which person on the list served last and selecting the person next in order. In the event the person next in order declines to serve as referee or is unavailable to serve within a reasonable period of time, the Executive Director shall appoint the person on the list next in order. The notice of hearing shall include the identity of the person appointed as referee. Any interested party may promptly object in writing to the appointment of a particular referee. If said written objection is not filed with the Executive Director's office at least ten (10) days prior to the date first set for hearing, any such objection shall be waived.

In the event such objection is timely filed, the Executive Director shall appoint as referee the person next in order on the referee list.

- C. Upon stipulation by the interested parties or upon a showing of good cause, the referee or the Retirement Board may continue a hearing to a new date.
- D. The party requesting the continuance shall bear all costs relating to the continuance unless good cause is shown to the referee or to the Retirement Board. Such costs include, but are not limited to, referee fees, court reporter fees, witness fees, and any other costs, fees and expenses incurred by the Retirement Board, by anyone on behalf of StanCERA or by any other interested party as a result of the continuance.

10.6. Amended 02/25/2014

10.6. Amended on 12/16/2015

10.7. PRE-HEARING PROCESS

- A. The Executive Director shall schedule a date for the hearing. The Retirement Board or referee may, upon stipulation by the interested parties or showing of good cause, continue a hearing to a new date. The party requesting the continuance shall bear all costs relating to the continuance, unless good cause is shown to the Retirement Board.
- B. Within thirty (30) days of the date of the hearing, the Applicant shall provide a copy of all documents and writings, which the Applicant proposes to introduce at the hearing to the Executive Director, and the Executive Director shall provide a copy of documents and writings that the Executive Director intends to introduce at the hearing to the Applicant. Any interested party may request a pre-hearing conference. The Applicant or the Executive Director may set a pre-hearing conference by serving all interested parties with written notice of the conference at least fifteen (15) days in advance. Such conferences shall be attended by all interested parties and their counsel.
- C. Any interested party shall at any time after filing of the application, be entitled to undertake discovery in the form of requests for admissions, interrogatories or depositions in the manner prescribed by the Code of Civil Procedure, provided that such discovery is limited to the matters set forth in the application.
- D. Formal discovery shall be limited to those procedures provided in this Article and the 1937 Act, except as otherwise stipulated between the parties or as authorized by the Retirement Board or referee upon a showing of good cause.

10.7. Amended 02/25/2014

10.7. Amended on 12/16/2015

10.8. HEARING PROCEDURES

- A. Every hearing before a referee shall be reported by a certified shorthand reporter, and every hearing before the Retirement Board shall be electronically recorded.
- B. At any hearing, any interested party may be represented by legal counsel, at his/her/its own cost.

- C. The referee or, with respect to hearings before the Retirement Board, the Chair or the Chair's designee, shall exercise such control over the hearing as is reasonable and necessary including, but not limited to, prescribing the order of proof; ruling upon the admissibility of evidence; ordering medical examinations; requiring that additional relevant evidence be gathered and presented; questioning witnesses; and determining whether the matter shall proceed or be adjourned subject to continuation.
- D. Except as otherwise provided in this Article, any relevant evidence shall be admitted if it is the sort of evidence on which reasonable and responsible persons are accustomed to rely in the conduct of serious affairs regardless of the existence of any common law or statutory rule, which might make improper the admission of such evidence over objections in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining any direct evidence, but shall not be sufficient in and of itself to support a finding unless it would be admissible over objection in civil actions.
- E. Oral evidence shall be taken only on oath or affirmation.
- F. On any relevant matter, each interested party shall have the right to call and examine witnesses, introduce documentary and other physical evidence, and cross-examine opposing witnesses. Any interested party who does not testify on his own behalf may be called and examined as a witness, as if, under cross-examination.
- G. Refusal of the Applicant or interested party to submit to examination or to answer relevant questions shall be grounds for considering such questions for the purpose of that hearing to be answered in a way unfavorable to the refusing party.
- H. Any interested party may offer, and the Retirement Board or referee shall receive into evidence, the deposition of any witness subject to the objections available under Code of Civil Procedure Section 2025.010 et seq., notwithstanding, that the deponent is not "unavailable as a witness" within the meaning of Section 240 of the Evidence Code and no exceptional circumstances exist if:
 - 1. The deposition was taken in the manner provided for by law or by stipulation of the parties; and
 - 2. At least thirty (30) days prior to the hearing, the proponent of the deposition delivered to all interested parties notice of intention to offer the same into evidence. Any interested party, upon receiving such notice, may subpoen the deponent and, if he does so, at the discretion of the Retirement Board or referee, either the deposition may be excluded from evidence or the deposition may be admitted and the deponent may be further cross-examined by the party who subpoenaed him. These limitations are not applicable to a deposition admissible under the terms of Section 2025.010 of the Code of Civil Procedure.
- I. For the purposes of this Section, "delivery" of a document or notice may be accomplished manually or by mail in the manner provided by Subsection 10.14. If delivery is by mail, the times prescribed in this subsection for delivery of documents and notices shall be increased by five (5) days.

10.8. Amended 02/25/2014 10.8. Amended on 12/16/2015

10.9. DECISION OF THE REFEREE

A. Where a hearing is held before a referee, the referee shall prepare, in writing, proposed findings of fact and recommended decisions and reasons therefore.

- B. Within forty-five (45) days after the matter is submitted, the referee shall file with the Retirement Board his proposed findings of fact and recommended decision, which shall include those documents received into evidence or rejected and shall serve the same on all interested parties. The referee shall not be entitled to remuneration for his services, until the aforesaid documents have been filed and served.
- C. Within ten (10) days following the service of the referee's proposed findings of fact and recommended decision, any interested party may submit objections, thereto, by filing the same with the Retirement Board and serving the same on all interested parties.

10.9. Amended on 12/16/2015

10.10. ACTION BY THE RETIREMENT BOARD UPON REFEREE'S DECISION

Upon receiving the proposed findings of fact and recommended decision, the Retirement Board may:

- A. Approve and adopt the proposed findings and recommendations of the referee; or
- B. Require a transcript or summary of all the testimony plus all other evidence received by the referee and, thereupon, take such action as in its opinion is indicated by such evidence; or
- C. Refer the matter back with / without instructions to the referee for further proceedings; or
- D. Set the matter for hearing before the Retirement Board on a date within the next forty-five (45) days. At such a hearing, the Retirement Board shall hear and decide the matter as if it had not been referred to a referee.

10.10. Amended 02/25/201410.10. Amended on 12/16/2015

10.11. HEARINGS BEFORE THE RETIREMENT BOARD

- A. Five (5) members of the Retirement Board constitute a quorum for the making of any decision at a hearing held, pursuant to the provisions of this Article. No findings of fact or decision by the Retirement Board shall be valid unless:
 - 1. A majority of all members present; or
 - 2. Four (4) members, whichever is greater, concur therein.
- B. When a hearing is held before the Retirement Board, the Retirement Board shall, no later than the second regular meeting following the meeting at which the matter is submitted, determine all material issues and shall incorporate such determinations in a written decision and findings of fact.
- C. Within ten (10) days following the date the Retirement Board renders its decision and findings of fact, the Retirement Board shall serve all interested parties with a copy of the same together with a notice of the right to judicial review of the Retirement Board's decision as set forth in Section 10.14.

10.11. Amended on 12/16/201510.12. DATE OF FINAL DECISION AND NOTICE THEREOF

The decision of the Retirement Board shall be final on the date notice, thereof, is mailed to the subject Page 51 employee by US first class mail, postage prepaid, including a copy of the affidavit or certificate of mailing. A copy of the decision along with the affidavit or certificate of mailing shall simultaneously be mailed to the applicant, if other than the subject employee, and to all other interested parties and their respective counsel.

10.12. Amended on 12/16/2015

10.13. JUDICIAL REVIEW OF THE RETIREMENT BOARD'S DECISION

Judicial review of the final retirement decisions shall be subject to Code of Civil Procedure Section 1094.6. This section has been made applicable by the Retirement Board and the Stanislaus County Board of Supervisors. Following each final decision, the Executive Director shall include in the notice of decision a statement substantially as follows: "The time within which judicial review of this decision must be sought is governed by Code of Civil Procedure section 1094.6, which has been made applicable to StanCERA by the Retirement Board and the Stanislaus County Board of Supervisors. Generally, any petition or other paper seeking judicial review must be filed in the appropriate court not later than the ninetieth (90) day following the date on which this decision becomes final. Judicial review of a final decision is reviewable, pursuant to Code of Civil Procedure section 1094.06 is filed within the time limits specified in latter section.

10.13. Amended 02/25/2014 10.13. Amended on 12/16/2015

10.14. SERVICE OF NOTICE

- A. Unless otherwise provided by these Bylaws or by statute, where the provisions of this Article require service of a notice, demand, request, or other written communication, service shall be made on the party on whom service is required unless the said party has filed notice of representation by counsel, in which, case service shall be made upon counsel of record for that party.
- B. Where the provisions of this article require service on "interested parties," such service shall be made on StanCERA, on all interested parties who have appeared in the subject proceedings, and on all interested parties who have not appeared in such proceedings and who have filed a request to be served with documents, which are served and filed in such proceedings. Pursuant to Government Code section 31532, unless otherwise ordered by a court of competent jurisdiction or necessary for the processing of an application, sworn statements and individual records of members shall not be disclosed by StanCERA.
- C. Unless otherwise provided by these Bylaws or by statute, the service of all notices, orders, requests, and other written communications, which are not personally served, shall be effected by sealing the same in an envelope properly addressed to the party to be served and depositing the envelope in the United States mail with first class postage fully prepaid, and any applicable time limitations shall be extended in the manner prescribed by Code of Civil Procedure Section 1013.
- D. For purposes of determining the effectiveness of service on an Applicant, correspondence shall be deemed "properly addressed" if it bears the address specified on the application, or, if the application has been amended, the address specified on the most recentlyfiled amended application.

10.14. Amended 02/25/2014 10.14. Amended on 12/16/2015 Article 10 Amended 12/11/2002 Article 10 Amended 12/04/2007

Article 10 Amended 11/23/2010 Article 10 Amended 02/25/2014 Article 10 Amended 12/16/2015

ARTICLE 11 - SUBPOENAS

11.1. SUBPOENAS

The Retirement Board, the Executive Director or the Referee may issue a subpoena or subpoena duces tecum in accordance with the provisions of Government Code Section 31535. The applicant or counsel, for any party, may request that a subpoena be issued by the Retirement Board, the Executive Director or the Referee for purposes related to the members' application. The applicant shall bear all costs related to subpoenas issued at the request of the applicant or their counsel.

Subpoenas shall be signed by the Chair of the Retirement Board, the Secretary of the Retirement Board, theExecutive Director or the Referee.

11.1. Amended 02/25/2014 11.1. Amended on 12/16/2015

Article 11 Amended 12/11/2002 Article 11 Amended 03/22/2005 Article 11 Amended 02/25/2014 Article 11 Amended 12/16/2015 ARTICLE 12 – Article 12

Reviewed and No Amendments Made 12/11/2002 Repealed on 12/04/2007

ARTICLE 13 - Article 13

Repealed on 12/05/2006 - See Retiree Health Allowance Policy

ARTICLE 14 - CONTINUING EDUCATION AND DUE DILIGENCE VISITATIONS

14.1. NEED FOR A POLICY

In order for the Retirement Board to make prudent and responsible decisions, as required by Government Code Section 31595, the Retirement Board adopts the following policy on continuing education and due diligence visitations.

14.2. ESTABLISHMENT OF LIST AND EVALUATION OF CONTINUING EDUCATIONAL SEMINARS AND CONFERENCES

It is the Retirement Board's desire to further educate themselves and staff through a review of information attained at continuing educational seminars and conferences, and also establish an attendance list of worthwhile continuing education sponsors. To this end, the attending representatives of the Retirement Board will:

- A. Provide a summary report to the full Retirement board of information and knowledge obtained at such gathering, which is considered by that person to be of benefit to StanCERA;
- B. Provide a recommendation as to the worthiness of the information that was presented;
- C. Provide a recommendation as to future participation.

14.3. EDUCATIONAL REQUIREMENT

The Retirement Board establishes the following guidelines regarding the Education requirements for its Retirement Board members:

- A. Recommend new trustees attend at least one (1) of the following within their first (3) three-year term:
 - 1. Principles of Pension Management
 - 2. Modern Investment Theory and Practice for Retirement Systems
- B. All Board members must attend at least one (1) of the following within each of their (3) three-year terms:
 - 1. CALAPRS
 - 2. NCPERS
 - 3. SACRS
 - 4. Other Board approved event
- C. It is expected that each Board member attend thirty-six (36) hours of pension related training but at least a minimum of twenty-four (24) hours as required by PEPRA legislation.
- D. Staff will be responsible for monitoring the Retirement Board member educational hours earned and seek guidance from the Retirement Board, Educational or Governance Committee, if necessary,

regarding the allowable credit hours for all conferences or seminars attended. The information will become a matter of public record, and will be posted on the StanCERA website.

14.3. Amended 02/25/2014

14.3. Amended on 12/16/2015

14.4. DUE DILIGENCE VISITATIONS OF MONEY MANAGEMENT FIRMS AND CONSULTANTS

It is the Retirement Board's desire to conduct on-site due diligence visitations of money management firms and consultants, which are currently retained or which the Retirement Board is considering. To this end, the Due Diligence Committee will:

- A. Conduct on-site due diligence visitation to at least four (4) of the investment management firms each calendar year so that each firm is visited no less than once in five (5) years. The initial due diligence visit made before or upon hiring of an investment management firm will count as a regular due diligence visit;
- B. Conduct on-site due diligence visitations of the money management and consulting firms under consideration for retainment by the Retirement Board;
- C. Conduct on-site due diligence visitation to StanCERA custodial banks, actuarial and investment consultants once every five (5) years.
- D. As part of the due diligence process in retaining a money management firm, consultants or actuary, there will be no acceptance of entertainment, travel, hotel or other type of gifts by the Retirement Board members and staff from a money manager, consultant or actuary under consideration for retainment.
- For purposes of the above sections, meals are not considered a gift.

14.4. Amended on 12/16/2015

14.5 . DUE DILIGENCE REPORTING REQUIREMENTS

StanCERA requires the Due Diligence Committee to present a report following each visit made.

14.5. Amended on 12/16/2015

14.6 . REIMBURSEMENT FOR TRAVEL EXPENSES RELATED TO EDUCATION AND DUE DILIGENCE VISITS

The Retirement Board recognizes that Retirement Board members and staff training as well as due

diligence visits are necessary activities to insure that benefits are administered properly and assets are managed well. To that end, the following Travel Policy is established:

For any educational event or due diligence travel, all reasonable expenses related to the trip will be reimbursed or paid for by StanCERA. Reasonable expenses will include airfare, train fare, mileage (IRS approved rate using odometer readings or Stanislaus County Auditor-Controller mileage chart), ferry, toll bridge, parking, shuttle service, taxi service (including tip), hotel lodging, meals (including tips), necessary business phone calls, tips for portage, and other expenses that may occur which are incurred by the traveler for the approved travel. The traveler should present receipts for all items which are easily obtainable (such as lodging and meals) but may also claim amounts for such expenses as bridge toll, taxi service or tips for portage for which receipts are generally not given. The StanCERA business traveler must pay for any additional costs for a spouse or other fellow traveler who has not been authorized to travel on StanCERA business.

The Executive Director will review and approve the travel expenses for all Retirement Board members and other staff. A member of the Retirement Board will review and approve the travel expenses of the Executive Director. The disbursing agent for StanCERA(i.e. the Stanislaus County Auditor-Controller's Office), will allow for and pay the travel expenses of the Retirement Board members and staff that have been approved by either the Executive Director or member of the Retirement Board.

14.6 . Amended 02/25/2014 14.6.. Amended on 12/16/2015

Article 14 Amended 01/25/2005 Article 14 Amended 12/08/2010 Article 14 Amended 02/25/2014 Artice 14 Amended on 12/16/2015

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Richard Santos, Executive Director

Date

Historical Notes

Approved by the Board of Supervisors on September 27, 1988.

Amendment to Section 7.1. approved by the Board of Supervisors on March 14, 1989.

Amendment to Sections 9.4.(A), 9.6.(B), and 9.6.(C) approved by the Board of Supervisors on April 25, 1989.

Amendment to Sections 9.4.(A), 9.4.(B), 9.6.(B), 9.6.(C) and 9.7.(A) and deletion of Section 9.6.(D) approved by the Board of Supervisors on December 19, 1989.

Amendment to Section 1.5. approved by the Board of Supervisors on March 27, 1990.

Amendment of Section 1.2 by addition of Subsection (J) approved by the Board of Supervisors on October 2, 1990.

Addition of Section 3.11, (A), (B), and (C) approved by the Board of Supervisors on October 2, 1990.

Addition of Section 4.7. approved by the Board of Supervisors on March 26, 1991.

Amendment of Article 1, addition of Section 1.6 approved by the Board of Supervisors on April 27, 1993.

Addition of Article 13 (Sections 13.1 thru 13.7) approved by the Board of Supervisors on October 25, 1994.

Addition of Article 14 (Sections 14.1 thru 14.7) approved by the Board of Supervisors on April 2, 1996.

Amendment of Article 13 approved by the Board of Supervisors on November 6, 1996.

Revision of the Bylaws approved by the Board of Supervisors on August 18, 1998.

Amendment of Article 13 approved by the Board of Supervisors on September 29, 1998

Amendment of Article 2 approved by the Board of Supervisors on April 6, 1999

Amendment of Article 1 approved by the Board of Supervisors on August 31, 1999

Amendment of Article 13, Section 13.2, approved by the Board of Supervisors on December 21, 1999

Amendment of Article 1, Section 1.5, approved by the Board of Supervisors on October 31, 2000

Revision of the Bylaws approved by the Board of Supervisors on July 2, 2002

Revision of the Bylaws approved by the Board of Supervisors on December 11, 2002

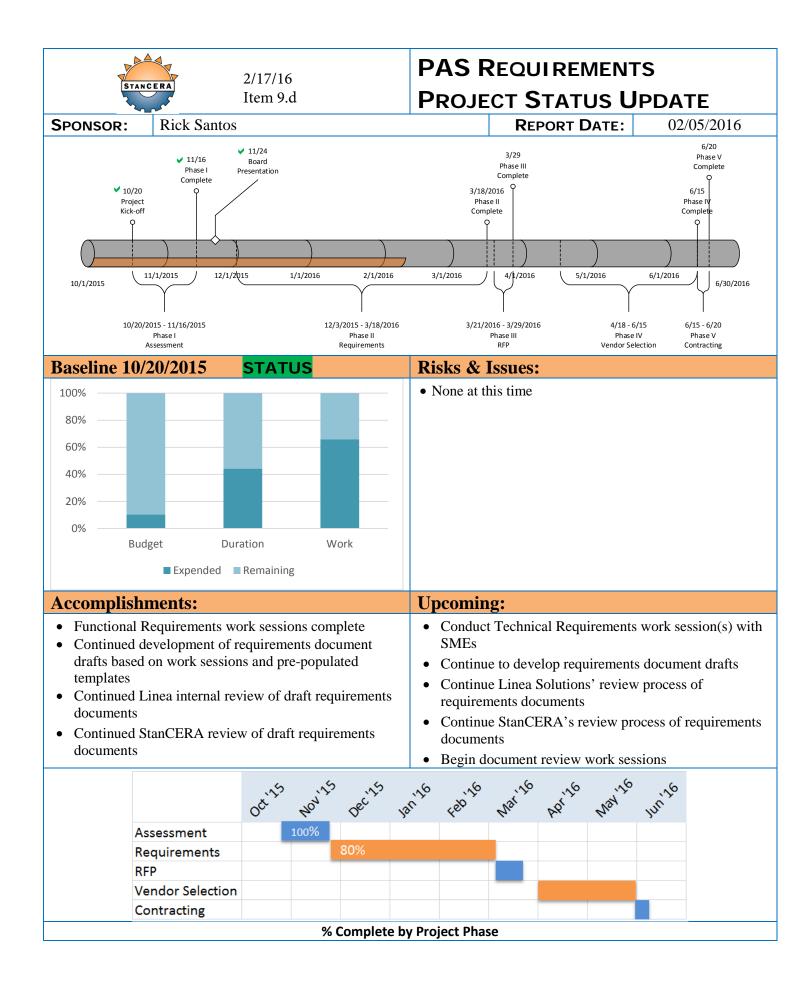
Amendment of Article 2, Section 2.1, approved by the Board of Supervisors on December 5, 2006

Repeal of Article 13 on 12/05/2006 - See Retiree Health Allowance Policy

Revision of the Bylaws approved by the Board of Supervisors on December 4, 2007

Amendment of Article 1, Section 1.7, approved by the Board of Supervisors on March 25, 2008 Page 61 Revision of the Bylaws approved by the Board of Supervisors on May 24, 2011

Amendment of Articles 1-5, 7-11, and 14 approved by the Board of Supervisors on February 25, 2014





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February 17, 2016

Retirement Board Agenda Item

- TO: Retirement Board
- FROM: Dawn Lea, Member and Employer Services Manager
 - I. SUBJECT: Legislative and Legal Update
 - II. ITEM NUMBER: 9.e
- III. ITEM TYPE: Information Only
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: <u>Legislative Update</u> Former Mayor Chuck Reed and Former Councilman Carl DeMaio have announced they are suspending their efforts to push public employee pension reform, via ballot initiatives, this fall. They will attempt to return in 2018.

Mr. Reed and Mr. DeMaio introduced two initiatives, referred to as the Voter Empowerment Act of 2016 and the Government Pension Cap Act of 2016, in October 2015. Their original intent was to have only one of the initiatives appear on the ballot for November 2016.

Mr. Reed sited the inability to raise enough money to collect signatures and prep for an expensive battle with California's public unions as the reason for not moving forward with the original 2016 plan.

Note: It is reported that polling results revealed that the Government Pension Cap Act of 2016 was the more popular of the two plans.

<u>Legal Update</u> – On January 14, 2016, Mr. David Brown, a member of Citizens for Sustainable Pension Plans (CSPP), a nonpartisan group of Marin County citizens, filed a petition for a writ of mandamus with The First District Court of Appeal of California asking it take certain actions with regard to the Board of Trustees of the Marin County Employees' Retirement Association (MCERA).

These actions include ordering the Board of MCERA to:

1. acknowledge that there is at least a prime facie case that certain retirement benefit enhancements were granted unlawfully/improperly and

2. acknowledge that there is a legitimate question as to whether MCERA is allowed to pay these benefits.

3. Most important, the petition asks the court to evaluate the situation in order to determine if the benefits were unlawfully/improperly adopted.

Last year, a grand jury found that County Supervisors and three additional Districts Boards "granted no less than 38 pension enhancements from 2001 to 2006, each of which appears to have violated disclosure requirements and fiscal responsibility requirements of the California Government Code."

Retirement Board – February 17, 2016 Legislative and Legal Update Page 2

The grand jury reported there were issues that violated public right-to-know rules and raised questions whether valid contracts were created and whether retirement benefits have vested.

Mr. Brown is concerned the MCERA Board may be failing in its fiduciary and constitutional duties. He states he has addressed the MCERA Board in person and in writing and has not received a response to his questions concerning the legality of the benefit enhancements nor has the issue been placed on a MCERA agenda.

Jeff Wickman, the Retirement Administrator for MCERA, stated the granting of benefits is the responsibility of the plan's agencies, not the administrators overseeing the program at MCERA. Mr. Wickman added the Association "has and will continue to operate on the basis that the benefits were properly adopted by the plan sponsors."

The Appellate Court rejected Mr. Brown's petition on Friday, January 23, 2016 because it needs to be heard by the Marin County Superior Court before it can be reviewed by the Appellate Court. Mr. Brown plans to file his petition with the Superior County.

- VI. RISK: None
- VII. STRATEGIC PLAN: Strategic Objective IV: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.
- VIII. ADMINISTRATIVE BUDGET IMPACT: None

Employer Services Manager Men and Santos. Executive Director