



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**
Modesto, CA 95354

March 27, 2018
1:30 p.m.

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

CONSENT/ACTION ITEMS: Consent matters include routine administrative actions and are identified under the Consent Items heading. All other items are considered to be action items "Action" means that the Board may dispose of any item by any action, including but not limited to the following acts: approve, disapprove, authorize, modify, defer, table, take no action, or receive and file.

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. Call Meeting to Order
2. Roll Call
3. Announcements
4. Public Comment
5. Consent Items
 - a. Approval of the February 27, 2018 Meeting Minutes [View](#)
 - b. Monthly Staff Report
Agenda Item [View](#)
 - c. Legal/Legislation Update
 - d. Approval of Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810**
 1. Aguiniga, Linda – Workforce Dev – Effective 03-17-18
 2. Alvarez Jr., Frank – City of Ceres – Effective 03-21-18
 3. Balentine, Richard – DA – Effective 03-30-18 *
 4. Beauchesne, Roger – DA – Effective 03-05-18
 5. Belmonte, Maria – HSA – Effective 03-31-18
 6. Byrom, Elaine – BHRS – Effective 03-17-18
 7. Calvillo, James – Sheriff – Effective 03-15-18 *
 8. Chand-Lempenau, Alice – BHRS – Effective 03-31-18
 9. Chea, Sumbo – CSA – Effective 03-02-18

5. Consent Items (Cont.)

10. Dias, Thomas – Parks and Rec – Effective 03-30-18
11. Esparza-Saldana, Elizabeth – HSA – Effective 03-17-18
12. Estremera, Osvaldo – Probation – Effective 03-17-18
13. Firpo, Michael – Auditor/Controller – Effective 03-31-18
14. Flores, Rachel – HSA – Effective 03-31-18
15. Fraga, Betty – HSA – Effective 03-03-18
16. Frye, Steven – Assessor – Effective 03-31-18
17. Gilstrap, Galena – DA – Effective 03-25-18
18. Griffin, Chris – Probation – Effective 03-17-18 *
19. Husman, Hans – Sheriff – Effective 03-31-18 *
20. Klinker, Daniel – Public Works – Effective 03-16-18
21. Laughlin, Martin – BHRS – Effective 11-06-17
22. Lopez, Irene – CSA – Effective 03-03-18
23. Maderos, Kathleen – Superior Courts – Effective 03-30-18
24. McFadon, Alan – Stan Reg 911 – Effective 03-03-18
25. Middleton, Dan – BHRS – Effective 03-15-18
26. Morgan, Ruby – Workforce Dev – Effective 03-03-18
27. Nix, Brad – DA – Effective 03-17-18
28. Norris, Brenda – CSA – Effective 03-03-18
29. Ochoa, Carol – DCSS – Effective 3-31-18
30. Palmquist, Daniel – GSA – Effective 03-31-18
31. Powell, Catherine – BHRS – Effective 03-31-18
32. Rein, Patricia – CSA – Effective 03-31-18
33. Rodgers, Franklin – Workforce Dev – Effective 03-17-18
34. Rufo, Jeff – Public Works – Effective 03-17-18
35. Safford, Kevin – Sheriff – Effective 03-31-18 *
36. Sapper, Jamil – SBT – Effective 03-03-18
37. Saucedo-Hoshiko, Carla – Aging & Veterans – Effective 03-31-18
38. Shaffer, John – BHRS – Effective 03-31-18
39. Shindler, Deborah – DCSS – Effective 03-30-18
40. Spiering, Gegory – Public Defender – Effective 03-17-18
41. Stewart, Carol – CSA – Effective 03-17-18
42. Thompson, Peter – HSA – Effective 03-03-18
43. Tovar, Jesse – Sheriff – Effective 03-31-18 *
44. Trevino, Erlinda – HSA – Effective 03-17-18
45. Watts, Kenneth – City of Ceres – Effective 03-6-18
46. Wolbor, Eric – Sheriff – Effective 03-17-18 *
47. Wilkerson, Douglas – Sheriff – Effective 03-16-18 *
48. Wood, Craig – City of Ceres – Effective 03-09-18
49. Worsham, Donald – Sheriff – Effective 03-31-18 *
50. York, Jonnie – HSA – Effective 03-31-18
51. Yotsuya, Paul – Sheriff – Effective 03-17-18 *

** Indicates Safety Personnel*

e. Approval of Deferred Retirement(s) – **Government Code Section 31700**

1. Barron, Vincent – Sheriff – Effective 12-01-17 *
2. Francis, Richard – City of Ceres – 01-10-18

** Indicates Safety Personnel*

6. Investment
 - a. Quarter 4 2017 Auxiliary Investment Report
Agenda Item [View](#) Attachment 1 [View](#)
7. Verus – Investment Consultant
 - a. Workplan [View](#)
 - b. February Flash Report [View](#)
8. Administrative
 - a. Information Technology Solutions (ITS) Project Update [View](#)
9. Closed Session
 - a. Review of Personal Service Contract Services by Verus
Government Code 54957(b)(4)
 - 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:
Stanislaus County Employees’ Retirement Association v. Buck Consultants,
LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9d)(4)
10. Members’ Forum (Information and Future Agenda Requests Only)
11. Adjournment



BOARD OF RETIREMENT MINUTES
February 27, 2018

1. Call Meeting to Order

Meeting called to order 1:30 p.m. by Trustee Lynch, Chair

2. Roll Call

Trustees Present: Donna Riley Jim DeMartini, Jeff Grover, Sam Sharpe, Mandip Dhillon, Mike Lynch, Darin Gharat and Lauren Kline

Trustees Absent: Michael O'Neal

Alternate Trustee Rhonda B, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Natalie Elliott, Interim Fiscal Services Manager
Kellie Gomes, Executive Board Assistant
Chris Wisdom, Investment Officer

Others Present: Fred Silva, General Legal Counsel
Ed Hoffman, Investment Consultant

3. Announcements

Kellie Gomes announced the January 23, 2017 Meeting minutes will be amended to reflect the correct Chair as Mike Lynch.

Chris Wisdom announced we have finalized contract negotiations with AQR. We will fund this strategy on March 7, 2018

4. Public Comment

None

5. Consent Items

- a. Approval of the January 23, 2017 Meeting Minutes [View](#)
- b. Monthly Staff Report
- c. 2018 Cost of Living Adjustment
- d. Fiscal year 2017-2018 Mid-Year Budget Review
- e. Reed Smith Legal Fee Renewal

5. Consent Items (Cont.)

f. Approval of Service Retirement(s) – **Government Code Sections 31499.14, 31670, 31662.2 & 31810**

1. De Forest, Douglas – Sheriff – Effective 02-03-18 *
2. Garza, Alvaro – HSA – Effective 01-08-18
3. Gonzales, Richardo – BHRS – Effective 02-04-18
4. Hamilton, Linda – Sheriff – Effective 02-09-18
5. King, Deborah – GSA – Effective 01-24-18
6. Magana, Rosa – CSA – Effective 02-03-18
7. Mahan, Liana – CSA – Effective 02-06-18
8. Mercurio, John – Sheriff – Effective 01-27-18 *
9. Mukherjee, Uday – BHRS – Effective 02-05-18
10. Nicholls, Theodore – Sheriff – Effective 02-15-18 *
11. Perez, Maria – HSA – Effective 01-20-18
12. Yesalavich, Rose – T/TC – Effective 02-2-18

** Indicates Safety Personnel*

g. Approval of Deferred Retirement(s) – **Government Code Section 31700**

1. Aleman, Rosa – Probation – 01-06-18
2. Bloom, Sarah – Auditor Controller – 10-12-17
3. Buck, Gregory – Sheriff – 09-14-17 *
4. Carrillo, Jared – DA – 01-06-18
5. German, Noemi – HSA – 02-03-18
6. Lawani, Abievhese – HSA – 07-15-17
7. Looney, Victoria – BHRS – Effective 12-09-17
8. McCay, Ryan – Sheriff – Effective 12-30-17
9. Samaniego, Paola – CSA – 01-20-18
10. Stewart, Juleana – HSA – 10-19-18
11. Torres, Jason – DA – Effective 10-07-17
12. Wilson, Michael – BHRS – Effective 01-27-18
13. Varner, Abbagail – Probation – Effective 01-06-18 *

** Indicates Safety Personnel*

Motion was made by Trustee Gharat and seconded by Trustee Kline to accept the consent items as presented with the announced change to the minutes.

Motion carried unanimously

6. Investment

a. Real Estate Allocation

Motion was made by Trustee Grover and seconded by Trustee Gharat to approve the staff recommendation as follows:

1. Allocate 2.5% (approximately \$54 million) to a dedicated US Real Estate Debt manager to be selected by the Board of Retirement.
2. Increase current allocation to Morgan Stanley Prime Property Fund to 2.5%.
3. Increase current allocation to American Realty Advisors Fund to 2.5%.
4. Maintain existing allocation of approximately 0.7% (\$14 million) to Greenfield GAP VII Fund.
5. Authorize staff to negotiate and execute final contract to fund Greenfield GAP VIII Fund for an allocation of approximately 1.8% (\$40 million).
6. Eliminate allocation to the Blackrock US Real Estate Fund.

Motion carried unanimously

- b. Prudential (PGIM) Real Estate US Debt Strategy
Agenda Item [View](#)

Motion was made by Trustee Gharat and seconded by Trustee Dhillon to approve the staff recommendation as follows:

1. Allocate 2.5% (approximately \$54 million) to the PGIM Real Estate US Debt (PREDS) strategy.
2. Authorize staff to negotiate and execute final contract with Prudential.

Motion carried unanimously

7. Verus – Investment Consultant

- a. Workplan [View](#)
- b. January Flash Report [View](#)
- c. Investment Performance 2017 Quarter 4 Review [View](#)

8. Administrative

- a. 2017 Actuarial Valuation

Motion was made by Trustee Gharat and seconded by Trustee Riley to accept the June 30, 2017 Actuarial Valuation as presented.

Motion carried unanimously

8. Administrative (Cont.)

- b. Information Technology Solutions (ITS) Project Update [View](#)
- c. State Association of County Retirement Systems (SACRS) 2018 Spring Business Meeting

Motion was made by Trustee Lynch and seconded by Trustee Grover to assign the proxies as follows for the 2018 Spring Business meeting:

1st Proxy Trustee Gharat and 2nd Proxy Trustee O'Neal

Motion carried unanimously

9. Closed Session

Motion was made by Trustee Dhillon and seconded by Trustee Gharat to move in to closed session at 2:49 p.m.

Motion carried unanimously

- 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)
- b. Conference with Legal Counsel – Pending Litigation – One Case:
Stanislaus County Employees' Retirement Association v. Buck Consultants,
LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9d)(4)

9. Closed Session (Cont.)

Motion was made by Trustee Grover and seconded by Trustee Riley to move in to open session at 2:59 p.m.

Motion carried unanimously

Nothing to Report Out

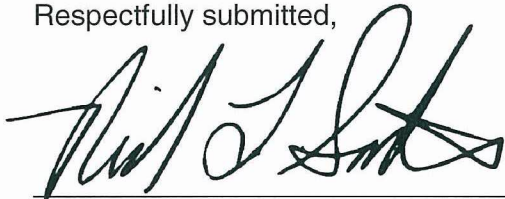
10. Members' Forum (Information and Future Agenda Requests Only)

None

11. Adjournment

Meeting adjourned at 2:59 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Rick Santos", written over a horizontal line.

Rick Santos, Executive Director

APPROVED AS TO FORM:
Fred Silva, GENERAL LEGAL COUNSEL

By: 
Fred Silva, General Legal Counsel



March 27, 2018

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) *Member & Employer Services (MESS)* – During the month February, Member and Employer Services Staff processed 43 new hires (12 Safety and 31 General), 22 terminations, 23 member requests resulting in 53 estimates and 17 member requests resulting in 30 buy back contracts. There were 40 individual counseling sessions. MESS staff presented at 1 New Employee Orientation (NEO).

MESS staff continues to be a major player in the development of the Information Technology System. Staff are currently scanning and indexing new documents through a programmatic approach. This approach creates a single point of contact for the responsibility of tracking the document from the time it comes into the door, goes to a specialist or technician for processing and then finally gets indexed and scanned into the system. Staff are also working closely with our plan sponsors in assisting them in the development of the file specifications for the regular employer payroll upload to StanCERA.

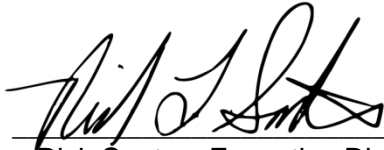
- b) *Investment Governance and Compliance* – In February, staff directed Jackson Square to liquidate their large cap growth portfolio, which reduced the plan's overweight allocation to US Equity. Staff made progress in implementing the Real Estate allocation by beginning negotiations with Prudential for the Real Estate Debt strategy, as well as formally entering the funding queues for American Realty Advisors and MS Prime. Staff continued to perform research on the topic of private equity investments through discussions with various investment professionals as well as conversations with staff at other '37 Act systems
- c) *Fiscal Services* – Employer and employee contributions totaling \$8,035,998 were received through 12 different payroll batches in February. 21 contribution refunds and death benefit payouts totaling \$69,691 were processed. The retiree payroll for February totaled \$9,937,739 and was processed as scheduled.

Staff continues to partner with Member Services in defining the business rules for the new pension software. Staff is being proactive with the three upload employers discussing the import file specifications. Testing of the Employer Reporting will begin in April. Meetings have started with Tegrit regarding the Buy Back process which will be the next piece of the Pension Administration System to get programmed.

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

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Rick Santos, Executive Director

A handwritten signature in black ink, appearing to read 'Natalie Elliott', written over a horizontal line.

Natalie Elliott, Interim Fiscal Services Manager

A handwritten signature in black ink, appearing to read 'Chris Wisdom', written over a horizontal line.

Chris Wisdom, Retirement Investment Officer



March 27, 2018

Retirement Board Agenda Item

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: Quarter 4 2017 Auxiliary Investment Report
- II. ITEM NUMBER: 6.a.
- III. ITEM TYPE: Information/Discussion
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: Attachment 1 contains the Quarter 4 2017 Auxiliary Investment Report.

Value Added (page 1)

In quarter 4, StanCERA's non-alternative portfolio lost approximately \$7.1 million in value after fees, relative to an aggregated passive benchmark. The major contributor to this underperformance was Jackson Square, having lost approximately \$7.1 million. As a reminder, Jackson Square's contract was terminated on March 2, 2018. While staff generally presents an annual value added update for each fiscal year (as of June 30), it should be noted that over the *calendar* year 2017, the non-alternative portfolio added approximately \$3.4 million in value after fees, relative to an aggregated passive benchmark.

Investment Fee Summary (pages 2 – 4)

In total, StanCERA paid approximately \$3.5 million in fees (66.5 basis points, annualized) to manage its entire portfolio. As last quarter, the amount is once again skewed this quarter, since a large incentive fee allocation (\$1.2 mm) was booked by the White Oak Pinnacle fund this quarter. As a reminder, in Quarter 3, a large incentive allocation by White Oak was actually clawed back skewing the Quarter 3 results (fees paid) downward. Staff reached out to White Oak and it seems that this was a natural function of writing down the assets in quarter 3 and writing up the assets in quarter 4 due to values placed on the investments at the end of each quarter. Based on quarter 3 and 4 results and taking into account the two incentive fee allocations mentioned, the fund is averaging approximately \$9.4 million in fees (47 basis points) in total fees on an annualized basis

Alternative Auxiliary Reports (pages 5 – 12)

The alternative auxiliary reports display information on the direct lending, infrastructure, core real estate and value added real estate asset classes. Much of this information is a disclosure requirement of AB2833.

Real estate continues to fare very well as American, Greenfield and Morgan Stanley Prime posted IRRs as of December 31, 2017 of 12.3%, 14.3% and 9.4%, respectively. The North Haven infrastructure fund posted an IRR of 17.9%.

The direct lending portfolio continues to show "below expected" results. Additionally, these results are actually starting to stabilize and display little movement between reporting periods. The White

Oak fund posted the best results at 7.6% while Raven I and Medley posted IRRs of 0.9% and 3.9%, respectively.

Cash Flow Report (page 13)

This report is self-explanatory.

Functionally Focused Portfolio (FFP) Shortfall Report (page 14)

Over the first 6 months of the program, StanCERA's actual benefit shortfalls (benefits plus expenses less contributions) turned out to be \$12.8 million. StanCERA had budgeted and invested capital to supply us with exactly \$12.3 million to fund those shortfalls at just the point they were needed. Thus our projection over this period turned out to be short by \$585,000. As a percentage of the expected shortfall, this amounts to an error of approximately 4.8%.

- 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



Value Added Analysis Quarter 4

10/1/2017

thru

12/31/2017

3/27/18

6.a.Attachment 1

StanCERA Value Added Analysis - Equities

| | | | Active Domestic Equity | | | Dollar Returns | | | | |
|----------------|------------------|-------------------------|------------------------|----------------------------|------------------------|----------------|------------------|---------------|-------------|--------------------|
| | | | Portfolio Averages | | | | | | | |
| <u>Mngr_ID</u> | <u>Manager</u> | <u>Benchmark Index</u> | <u>Assets Managed</u> | <u>Uninvested Assets *</u> | <u>Invested Assets</u> | <u>Manager</u> | <u>Benchmark</u> | <u>Excess</u> | <u>Fees</u> | <u>Value Added</u> |
| 1 | Dodge Cox Equity | Russell 1000 Value | \$164,728,126 | \$4,802,310 | \$159,925,816 | \$6,805,227 | \$8,253,728 | -\$1,448,501 | \$89,834 | -\$1,538,335 |
| 7 | Jackson Square | Russell 1000 Growth | \$158,133,932 | \$2,246,415 | \$155,887,517 | \$5,211,291 | \$12,115,882 | -\$6,904,592 | \$162,135 | -\$7,066,727 |
| 4 | Bernzott | Russell 2000 Value | \$15,694,178 | \$940,128 | \$14,754,051 | \$809,609 | \$325,173 | \$484,437 | \$30,080 | \$454,357 |
| 25 | Channing | Russell 2000 Value | \$24,744,627 | \$702,036 | \$24,042,591 | \$616,468 | \$515,508 | \$100,960 | \$47,558 | \$53,402 |
| 26 | Inview | Russell 2000 Value | \$24,917,411 | \$1,144,637 | \$23,772,774 | \$1,778,138 | \$509,511 | \$1,268,626 | \$47,103 | \$1,221,523 |
| 27 | Keeley | Russell 2000 Value | \$13,153,812 | \$228,470 | \$12,925,342 | \$187,542 | \$273,137 | -\$85,594 | \$25,359 | -\$110,953 |
| 28 | Pacific Ridge | Russell Micro Cap Value | \$20,693,429 | \$666,902 | \$20,026,527 | \$700,904 | \$509,195 | \$191,709 | \$47,801 | \$143,908 |
| 29 | Walhausen | Russell 2000 Value | \$15,357,182 | \$1,155,423 | \$14,201,759 | \$277,643 | \$319,982 | -\$42,339 | \$29,553 | -\$71,892 |

| | | | Passive Domestic Equity | | | | | | | |
|----|----------------------------------|---------------------|-------------------------|--------------------------|------------------------|----------------|------------------|---------------|-------------|--------------------|
| | | | <u>Assets Managed</u> | <u>Uninvested Assets</u> | <u>Invested Assets</u> | <u>Manager</u> | <u>Benchmark</u> | <u>Excess</u> | <u>Fees</u> | <u>Value Added</u> |
| 11 | Blackrock Value | Russell 1000 Value | \$108,603,986 | \$450 | \$108,603,536 | \$5,646,624 | \$5,600,637 | \$45,987 | \$5,829 | \$40,158 |
| 12 | Blackrock Growth | Russell 1000 Growth | \$113,827,942 | \$0 | \$113,827,942 | \$8,671,477 | \$8,687,245 | -\$15,768 | \$6,324 | -\$22,093 |
| 41 | Northern Trust Russell 1000 Fund | Russell 1000 | \$165,425,953 | \$2,457 | \$165,423,496 | \$10,642,765 | \$10,651,131 | -\$8,365 | \$5,989 | -\$14,355 |

| | | | Active International Equity | | | | | | | |
|----|----------|---------------------|-----------------------------|--------------------------|------------------------|----------------|------------------|---------------|-------------|--------------------|
| | | | <u>Assets Managed</u> | <u>Uninvested Assets</u> | <u>Invested Assets</u> | <u>Manager</u> | <u>Benchmark</u> | <u>Excess</u> | <u>Fees</u> | <u>Value Added</u> |
| 8 | LSV | MSCI ACWI ex USA GD | \$228,364,771 | \$2,533,269 | \$225,831,502 | \$12,167,623 | \$11,394,205 | \$773,418 | \$174,979 | \$598,439 |
| 10 | Fidelity | MSCI ACWI ex USA GD | \$222,274,756 | \$3,701,729 | \$218,573,027 | \$10,749,504 | \$11,092,582 | -\$343,078 | \$171,455 | -\$514,533 |

StanCERA Value Added Analysis - Fixed Income

| | | | Active Domestic Fixed Income | | | | | | | |
|----|--|---------------------------------|------------------------------|--------------------------|------------------------|----------------|------------------|---------------|-------------|--------------------|
| | | | <u>Assets Managed</u> | <u>Uninvested Assets</u> | <u>Invested Assets</u> | <u>Manager</u> | <u>Benchmark</u> | <u>Excess</u> | <u>Fees</u> | <u>Value Added</u> |
| 34 | Insight Investment | US Govt. Credit Blend | \$91,519,250 | \$19,228,807 | \$72,290,443 | \$123,113 | -\$225,934 | \$349,047 | \$31,800 | \$317,247 |
| 35 | Dimensional Fund Advisors | BB Barclays US Credit 1-3 Years | \$276,990,735 | \$2,015,501 | \$274,975,234 | -\$648,446 | -\$205,348 | -\$443,098 | \$79,211 | -\$522,308 |
| 39 | Northern Trust Long Term Bond Fund | BB Barc US Agg Govt/Cred Long | \$14,932,559 | \$380 | \$14,932,179 | \$350,602 | \$358,303 | -\$7,701 | \$1,640 | -\$9,341 |
| 40 | Northern Trust Intermediate Term Bond Fund | BB Barc US Ag Gvt/Cr Intrmd | \$43,666,345 | \$1,129 | \$43,665,216 | -\$179,096 | -\$87,677 | -\$91,419 | \$4,844 | -\$96,263 |

Asset Class Totals

| | | Portfolio Averages | | | Dollar Returns | | | | |
|------------------------------|--|-----------------------|--------------------------|------------------------|-------------------|-------------------|-------------------|------------------|--------------------|
| <u>Asset Class</u> | | <u>Assets Managed</u> | <u>Uninvested Assets</u> | <u>Invested Assets</u> | <u>Manager</u> | <u>Benchmark</u> | <u>Excess</u> | <u>Fees</u> | <u>Value Added</u> |
| Active Domestic Equity | | \$437,422,697 | \$11,886,320 | \$425,536,377 | \$16,386,822 | \$22,822,116 | -\$6,435,294 | \$479,423 | -\$6,914,717 |
| Passive Domestic Equity | | \$387,857,881 | \$2,907 | \$387,854,974 | \$24,960,866 | \$24,939,012 | \$21,853 | \$18,143 | \$3,710 |
| Active International Equity | | \$450,639,527 | \$6,234,997 | \$444,404,530 | \$22,917,126 | \$22,486,786 | \$430,340 | \$346,434 | \$83,906 |
| Active Domestic Fixed Income | | <u>\$427,108,889</u> | <u>\$21,245,817</u> | <u>\$405,863,072</u> | <u>-\$353,826</u> | <u>-\$160,656</u> | <u>-\$193,171</u> | <u>\$117,495</u> | <u>-\$310,665</u> |
| Total StanCERA Value Added | | \$1,703,028,994 | \$39,370,041 | \$1,663,658,953 | \$63,910,987 | \$70,087,258 | -\$6,176,271 | \$961,494 | -\$7,137,766 |

* Negative Uninvested Assets represent fund receivables that are assumed to be invested as soon as possible



StanCERA Investment Fee Summary - Total Portfolio Level

Quarter 4

10/1/2017 thru 12/31/2017

Fees In Dollars

Annualized Fees in Basis Points

| | <u>Average AUM</u> | <u>Managerial</u> | <u>Performance*</u> | <u>Other</u> | <u>Custodial</u> | <u>Total</u> | <u>Managerial</u> | <u>Performance</u> | <u>Other</u> | <u>Custodial</u> | <u>Total</u> |
|--------------------------|--------------------|-------------------|---------------------|--------------|------------------|--------------|-------------------|--------------------|--------------|------------------|--------------|
| Total StanCERA Portfolio | \$2,126,537,551 | \$1,680,883 | \$1,461,594 | \$310,025 | \$72,863 | \$3,525,365 | 31.7 | 27.6 | 5.9 | 1.4 | 66.5 |

Fees By Asset Class

| | <u>Average AUM</u> | <u>Managerial</u> | <u>Performance</u> | <u>Other</u> | <u>Custodial</u> | <u>Total</u> | <u>Managerial</u> | <u>Performance</u> | <u>Other</u> | <u>Custodial</u> | <u>Total</u> |
|-----------------------|--------------------|-------------------|--------------------|--------------|------------------|--------------|-------------------|--------------------|--------------|------------------|--------------|
| Domestic Equity | \$825,280,578 | \$479,181 | \$0 | \$0 | \$18,385 | \$497,566 | 23.3 | 0.0 | 0.0 | 0.9 | 24.2 |
| Domestic Fixed Income | \$427,108,889 | \$112,599 | \$0 | \$0 | \$4,896 | \$117,495 | 10.6 | 0.0 | 0.0 | 0.5 | 11.0 |
| International Equity | \$450,639,527 | \$284,367 | \$17,840 | \$0 | \$44,227 | \$346,434 | 25.3 | 1.6 | 0.0 | 3.9 | 30.9 |
| Alternatives | \$97,015,091 | \$436,766 | \$1,247,585 | \$234,727 | \$2,134 | \$1,921,211 | 180.7 | 516.2 | 97.1 | 0.9 | 794.8 |
| Real Assets | \$185,667,081 | \$326,644 | \$196,169 | \$61,000 | \$2,682 | \$586,495 | 70.6 | 42.4 | 13.2 | 0.6 | 126.8 |
| Risk Parity | \$140,826,385 | \$41,327 | \$0 | \$14,298 | \$540 | \$56,165 | 11.8 | 0.0 | 4.1 | 0.2 | 16.0 |

Fees By Investment Discretion

| | <u>Average AUM</u> | <u>Managerial</u> | <u>Performance</u> | <u>Other</u> | <u>Custodial</u> | <u>Total</u> | <u>Managerial</u> | <u>Performance</u> | <u>Other</u> | <u>Custodial</u> | <u>Total</u> |
|---------|--------------------|-------------------|--------------------|--------------|------------------|--------------|-------------------|--------------------|--------------|------------------|--------------|
| Active | \$1,570,533,823 | \$1,633,144 | \$1,461,594 | \$310,025 | \$71,159 | \$3,475,922 | 41.7 | 37.4 | 7.9 | 1.8 | 88.8 |
| Passive | \$556,003,728 | \$47,739 | \$0 | \$0 | \$1,704 | \$49,443 | 3.4 | 0.0 | 0.0 | 0.1 | 3.6 |

Fees By Investment Style

| | <u>Average AUM</u> | <u>Managerial</u> | <u>Performance</u> | <u>Other</u> | <u>Custodial</u> | <u>Total</u> | <u>Managerial</u> | <u>Performance</u> | <u>Other</u> | <u>Custodial</u> | <u>Total</u> |
|---------------------------|--------------------|-------------------|--------------------|--------------|------------------|--------------|-------------------|--------------------|--------------|------------------|--------------|
| Large Cap Value | \$273,332,113 | \$91,728 | \$0 | \$0 | \$3,935 | \$95,663 | 13.5 | 0.0 | 0.0 | 0.6 | 14.0 |
| Small Cap Value | \$114,560,639 | \$216,606 | \$0 | \$0 | \$10,848 | \$227,454 | 75.9 | 0.0 | 0.0 | 3.8 | 79.7 |
| Large Cap Growth | \$271,961,874 | \$164,857 | \$0 | \$0 | \$3,603 | \$168,460 | 24.3 | 0.0 | 0.0 | 0.5 | 24.9 |
| International Core Equity | \$450,639,527 | \$284,367 | \$17,840 | \$0 | \$44,227 | \$346,434 | 25.3 | 1.6 | 0.0 | 3.9 | 30.9 |
| Short-Term Govt Credit | \$276,990,735 | \$76,114 | \$0 | \$0 | \$3,096 | \$79,211 | 11.0 | 0.0 | 0.0 | 0.4 | 11.5 |
| Immunization | \$91,519,250 | \$30,000 | \$0 | \$0 | \$1,800 | \$31,800 | 13.2 | 0.0 | 0.0 | 0.8 | 13.9 |
| Value Added Real Estate | \$36,547,833 | \$127,590 | \$190,366 | \$0 | \$1,063 | \$319,018 | 140.1 | 209.1 | 0.0 | 1.2 | 350.4 |
| Core Real Estate | \$127,615,479 | \$62,054 | \$5,803 | \$0 | \$1,080 | \$68,937 | 19.5 | 1.8 | 0.0 | 0.3 | 21.7 |
| Private Credit | \$97,015,091 | \$436,766 | \$1,247,585 | \$234,727 | \$2,134 | \$1,921,211 | 180.7 | 516.2 | 97.1 | 0.9 | 794.8 |
| Infrastructure | \$21,503,768 | \$137,000 | \$0 | \$61,000 | \$540 | \$198,540 | 255.7 | 0.0 | 113.9 | 1.0 | 370.6 |
| Domestic Core Equity | \$165,425,953 | \$5,989 | \$0 | \$0 | \$0 | \$5,989 | 1.5 | 0.0 | 0.0 | 0.0 | 1.5 |
| Risk Parity | \$140,826,385 | \$41,327 | \$0 | \$14,298 | \$540 | \$56,165 | 11.8 | 0.0 | 4.1 | 0.2 | 16.0 |
| US Treasury | \$58,598,904 | \$6,484 | \$0 | \$0 | \$0 | \$6,484 | 4.4 | 0.0 | 0.0 | 0.0 | 4.4 |

* Performance fees can be negative due to the clawback of incentive fees



Investment Fees By Type

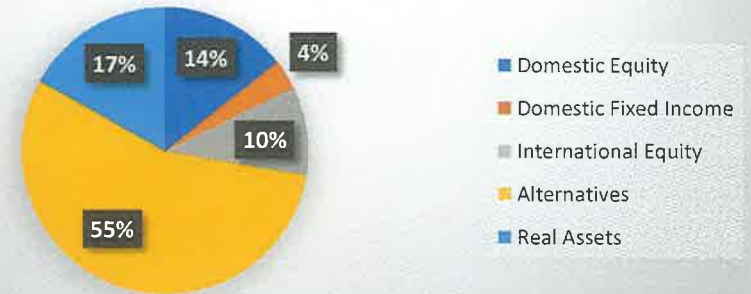
| <u>By Asset Class</u> | <u>Fees</u> |
|-----------------------|-----------------|
| Domestic Equity | \$497,566 |
| Domestic Fixed Income | \$117,495 |
| International Equity | \$346,434 |
| Alternatives | \$1,921,211 |
| Real Assets | \$586,495 |
| Risk Parity | <u>\$56,165</u> |
| Total | \$3,525,365 |

| <u>By Investment Discretion</u> | <u>Fees</u> |
|---------------------------------|-----------------|
| Active | \$3,475,922 |
| Passive | <u>\$49,443</u> |
| Total | \$3,525,365 |

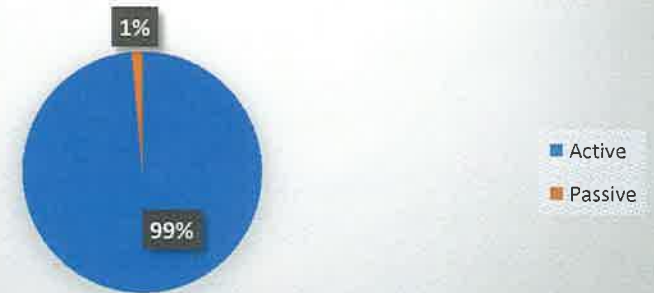
| <u>By Investment Style</u> | <u>Fees</u> |
|----------------------------|----------------|
| Large Cap Value | \$95,663 |
| Small Cap Value | \$227,454 |
| Large Cap Growth | \$168,460 |
| International Core Equity | \$346,434 |
| Short-Term Govt Credit | \$79,211 |
| Immunization | \$31,800 |
| Value Added Real Estate | \$319,018 |
| Core Real Estate | \$68,937 |
| Private Credit | \$1,921,211 |
| Infrastructure | \$198,540 |
| Domestic Core Equity | \$5,989 |
| Risk Parity | \$56,165 |
| US Treasury | <u>\$6,484</u> |
| Total | \$3,525,365 |

10/1/2017 thru 12/31/2017

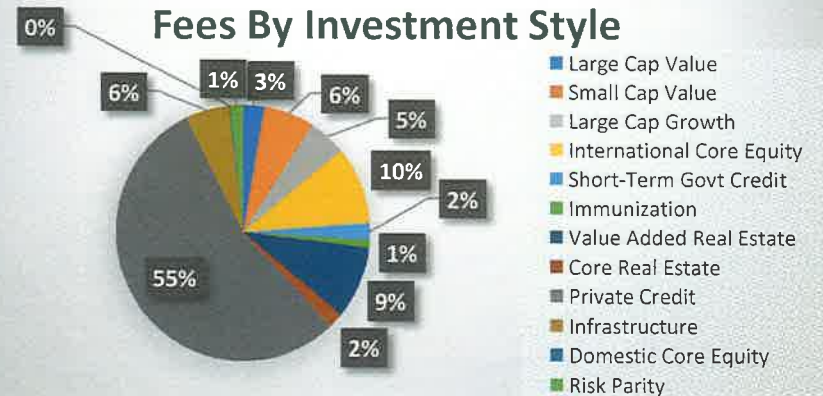
Fees By Asset Class



Fees By Investment Discretion



Fees By Investment Style





StanCERA Investment Fee Summary - Manager Level

Quarter 4

10/1/2017 thru 12/31/2017

| Mngr_ID | Manager Name | Average AUM | Fees in Dollars | | | | | Fees in Annualized Basis Points | | | | |
|---------|--|-----------------|-----------------|-------------|-----------|-----------|-------------|---------------------------------|-------------|-------|-----------|--------|
| | | | Management | Performance | Other | Custodial | Total | Management | Performance | Other | Custodial | Total |
| 35 | Dimensional Fund Advisors | \$276,990,735 | \$76,114 | \$0 | \$0 | \$3,096 | \$79,211 | 11.0 | 0.0 | 0.0 | 0.4 | 11.5 |
| 8 | LSV | \$228,364,771 | \$144,380 | \$0 | \$0 | \$30,599 | \$174,979 | 25.4 | 0.0 | 0.0 | 5.4 | 30.8 |
| 10 | Fidelity | \$222,274,756 | \$139,987 | \$17,840 | \$0 | \$13,628 | \$171,455 | 25.3 | 3.2 | 0.0 | 2.5 | 31.0 |
| 34 | Insight Investment | \$91,519,250 | \$30,000 | \$0 | \$0 | \$1,800 | \$31,800 | 13.2 | 0.0 | 0.0 | 0.8 | 13.9 |
| 7 | Jackson Square | \$158,133,932 | \$159,081 | \$0 | \$0 | \$3,055 | \$162,135 | 40.4 | 0.0 | 0.0 | 0.8 | 41.2 |
| 1 | Dodge Cox Equity | \$164,728,126 | \$86,507 | \$0 | \$0 | \$3,327 | \$89,834 | 21.1 | 0.0 | 0.0 | 0.8 | 21.9 |
| 11 | Blackrock Value | \$108,603,986 | \$5,221 | \$0 | \$0 | \$608 | \$5,829 | 1.9 | 0.0 | 0.0 | 0.2 | 2.2 |
| 12 | Blackrock Growth | \$113,827,942 | \$5,776 | \$0 | \$0 | \$548 | \$6,324 | 2.0 | 0.0 | 0.0 | 0.2 | 2.2 |
| 4 | Bernzott | \$15,694,178 | \$28,723 | \$0 | \$0 | \$1,357 | \$30,080 | 73.5 | 0.0 | 0.0 | 3.5 | 76.9 |
| 27 | Keeley | \$13,153,812 | \$23,892 | \$0 | \$0 | \$1,467 | \$25,359 | 72.9 | 0.0 | 0.0 | 4.5 | 77.4 |
| 25 | Channing | \$24,744,627 | \$45,104 | \$0 | \$0 | \$2,454 | \$47,558 | 73.2 | 0.0 | 0.0 | 4.0 | 77.1 |
| 29 | Walthausen | \$15,357,182 | \$27,934 | \$0 | \$0 | \$1,619 | \$29,553 | 73.0 | 0.0 | 0.0 | 4.2 | 77.2 |
| 26 | Inview | \$24,917,411 | \$45,653 | \$0 | \$0 | \$1,450 | \$47,103 | 73.5 | 0.0 | 0.0 | 2.3 | 75.9 |
| 28 | Pacific Ridge | \$20,693,429 | \$45,301 | \$0 | \$0 | \$2,500 | \$47,801 | 87.9 | 0.0 | 0.0 | 4.8 | 92.7 |
| 16 | Medley Opportunity Fund II L.P. | \$22,463,934 | \$23,253 | -\$1 | \$48,102 | \$531 | \$71,885 | 41.5 | 0.0 | 85.9 | 0.9 | 128.4 |
| 13 | Raven Asset-Based Opportunity Fund I L.P. | \$15,741,335 | \$67,678 | \$0 | \$81,107 | \$531 | \$149,316 | 172.6 | 0.0 | 206.8 | 1.4 | 380.7 |
| 15 | White Oak Pinnacle Fund L.P. | \$34,043,513 | \$125,287 | \$1,247,586 | \$13,781 | \$531 | \$1,387,185 | 147.7 | 1470.9 | 16.2 | 0.6 | 1635.5 |
| 17 | Blackrock US Real Estate | \$109,546,943 | \$24,267 | \$0 | \$0 | \$548 | \$24,815 | 8.9 | 0.0 | 0.0 | 0.2 | 9.1 |
| 18 | Greenfield GAP VII Management Fund, L.L.C | \$13,799,355 | \$56,250 | \$190,366 | \$0 | \$531 | \$247,147 | 163.6 | 553.7 | 0.0 | 1.5 | 718.9 |
| 31 | American Realty Advisors Fund | \$22,748,477 | \$71,340 | \$0 | \$0 | \$531 | \$71,871 | 125.9 | 0.0 | 0.0 | 0.9 | 126.8 |
| 30 | Morgan Stanley Prime Property Fund, L.L.C | \$18,068,537 | \$37,787 | \$5,803 | \$0 | \$531 | \$44,121 | 83.9 | 12.9 | 0.0 | 1.2 | 98.0 |
| 33 | Raven Asset-Based Opportunity Fund III L.P. | \$24,766,309 | \$220,548 | \$0 | \$91,738 | \$540 | \$312,825 | 357.4 | 0.0 | 148.7 | 0.9 | 507.0 |
| 32 | North Haven Infrastructure II GP LP | \$21,503,768 | \$137,000 | \$0 | \$61,000 | \$540 | \$198,540 | 255.7 | 0.0 | 113.9 | 1.0 | 370.6 |
| 39 | Northern Trust Long Term Bond Fund | \$14,932,559 | \$1,640 | \$0 | \$0 | \$0 | \$1,640 | 4.4 | 0.0 | 0.0 | 0.0 | 4.4 |
| 40 | Northern Trust Intermediate Term Bond Fund | \$43,666,345 | \$4,844 | \$0 | \$0 | \$0 | \$4,844 | 4.5 | 0.0 | 0.0 | 0.0 | 4.5 |
| 41 | Northern Trust Russell 1000 Fund | \$165,425,953 | \$5,989 | \$0 | \$0 | \$0 | \$5,989 | 1.5 | 0.0 | 0.0 | 0.0 | 1.5 |
| 42 | PanAgora Diversified Risk Multi-Asset Fund, Ltd. | \$140,826,385 | \$41,327 | \$0 | \$14,298 | \$540 | \$56,165 | 11.8 | 0.0 | 4.1 | 0.2 | 16.0 |
| Total | | \$2,126,537,551 | \$1,680,883 | \$1,461,594 | \$310,025 | \$72,863 | \$3,525,365 | 31.7 | 27.6 | 5.9 | 1.4 | 66.5 |



**American Realty Advisors Fund Auxiliary Reporting as of
12/31/2017**

| | |
|--|--------------------------|
| Original Commitment: | \$30,000,000 |
| Investment Start Date: | 12/15/2014 |
| Commitment Period End Date: | Open End |
| Total Paid In Capital: | \$20,571,700 |
| Total Distributed Capital: | \$2,029,728 |
| Current Capital Balance: | \$23,159,133 |
| Management Fee: | 1.20% |
| Carried Interest: | 20.0% |
| Hurdle Rate: | 10.0% |
| Target Net Returns: | 11% - 13% |
| Max. Potential Fees Paid on Uncommitted Capital: | Only on Invested Capital |
| Vintage Year: | 2009 |

Performance Measurements Since Inception

| | |
|---|--------|
| Net IRR Since Investment Start Date: | 12.30% |
| Investment Multiple (TVPI): | \$1.22 |
| Realization Multiple (DPI): | \$0.10 |
| Residual Value Paid In Multiple (RVPI): | \$1.13 |
| Paid In Capital Multiple (PIC): | 68.6% |

Fee Analysis Since Inception

| <u>Fee Type</u> | <u>Fee</u> |
|-----------------|------------|
| Offering Costs | \$54 |
| Management Fee | \$523,970 |

| | |
|------------|-----------|
| Total Fees | \$524,025 |
|------------|-----------|

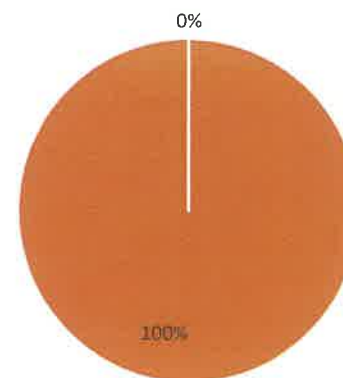
Cumulative Distributions and Contributions

(J-Curve)



Fee Allocation

■ Offering Costs ■ Management Fee





**Greenfield GAP VII Management Fund, L.L.C Auxiliary Reporting as of
12/31/2017**

| | |
|--|--------------|
| Original Commitment: | \$15,000,000 |
| Investment Start Date: | 7/8/2014 |
| Commitment Period End Date: | 12/1/2017 |
| Total Paid In Capital: | \$15,942,815 |
| Total Distributed Capital: | \$6,931,012 |
| Current Capital Balance: | \$14,091,630 |
| Management Fee: | 1.50% |
| Carried Interest: | 20.0% |
| Hurdle Rate: | 8.0% |
| Target Net Returns: | 13.0% |
| Max. Potential Fees Paid on Uncommitted Capital: | \$1,162 |
| Vintage Year: | 2011 |

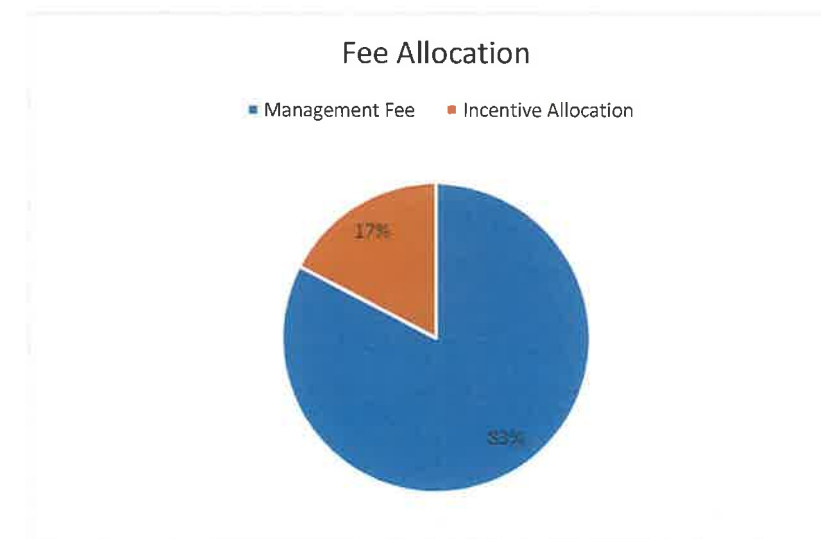
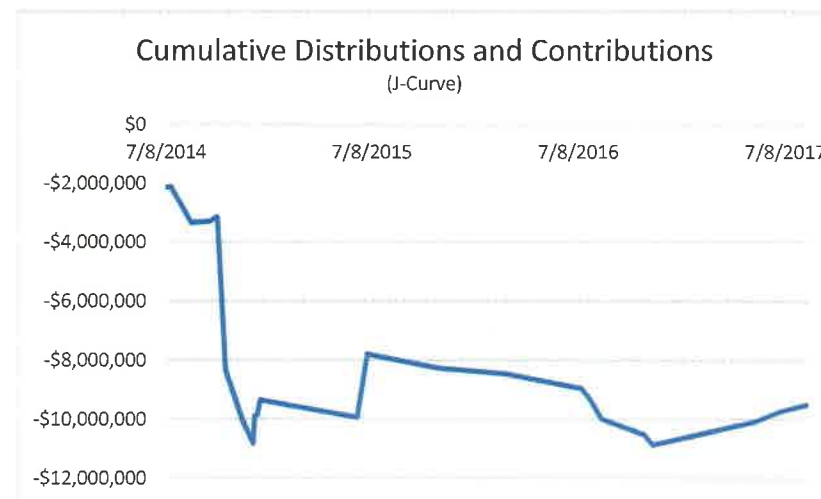
Performance Measurements Since Inception

| | |
|---|--------|
| Net IRR Since Investment Start Date: | 14.28% |
| Investment Multiple (TVPI): | \$1.32 |
| Realization Multiple (DPI): | \$0.43 |
| Residual Value Paid In Multiple (RVPI): | \$0.88 |
| Paid In Capital Multiple (PIC): | 106.3% |

Fee Analysis Since Inception

| <u>Fee Type</u> | <u>Fee</u> |
|----------------------|------------|
| Management Fee | \$909,247 |
| Incentive Allocation | \$190,366 |

| | |
|------------|-------------|
| Total Fees | \$1,099,613 |
|------------|-------------|





**Medley Opportunity Fund II L.P. Auxiliary Reporting as of
12/31/2017**

| | |
|-----------------------------|--------------|
| Original Commitment: | \$30,000,000 |
| Investment Start Date: | 5/16/2013 |
| Commitment Period End Date: | Period Over |
| Total Paid In Capital: | \$33,346,007 |
| Total Distributed Capital: | \$17,840,217 |
| Current Capital Balance: | \$20,098,145 |
| Management Fee: | 1.50% |
| Carried Interest: | 20.0% |
| Hurdle Rate: | 8.0% |
| Target Net Returns: | 13.6% - 16% |
| Vintage Year: | 2011 |

Performance Measurements Since Inception

| | |
|---|--------|
| Net IRR Since Investment Start Date: | 3.86% |
| Investment Multiple (TVPI): | \$1.14 |
| Realization Multiple (DPI): | \$0.54 |
| Residual Value Paid In Multiple (RVPI): | \$0.60 |
| Paid In Capital Multiple (PIC): | 1.11 |

Fee Analysis Since Inception

| <u>Fee Type</u> | <u>Fee</u> |
|------------------------|-----------------|
| Management Fee | \$2,167,461 |
| Partnership Operations | \$529,084 |
| Incentive Allocation | -\$103 |
| Other Expense | \$252,518 |
| Total Fees | \$2,948,960 |

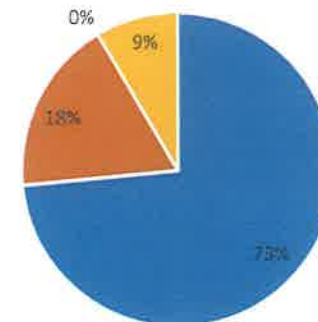
Cumulative Distributions and Contributions

(J-Curve)



Fee Allocation

- Management Fee
- Partnership Operations
- Incentive Allocation
- Other Expense





North Haven Infrastructure II GP LP Auxiliary Reporting as of
12/31/2017

| | |
|--|---------------|
| Original Commitment: | \$50,000,000 |
| Investment Start Date: | 5/19/2015 |
| Commitment Period End Date: | 9/1/2019 |
| Total Paid In Capital: | \$21,934,339 |
| Total Distributed Capital: | \$5,180,343 |
| Current Capital Balance: | \$22,681,498 |
| Management Fee: | 1.35% |
| Incentive Allocation: | 20.0% |
| Hurdle Rate: | 8.0% |
| Target Net Returns: | 10.5% - 13.5% |
| Max. Potential Fees Paid on Uncommitted Capital: | \$631,737 |
| Vintage Year: | 2015 |

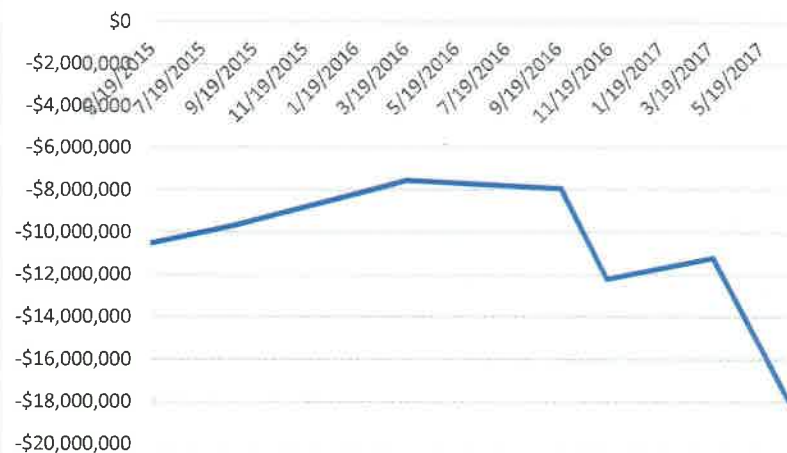
Performance Measurements Since Inception

| | |
|---|--------|
| Net IRR Since Investment Start Date: | 17.87% |
| Investment Multiple (TVPI): | \$1.27 |
| Realization Multiple (DPI): | \$0.24 |
| Residual Value Paid In Multiple (RVPI): | \$1.03 |
| Paid In Capital Multiple (PIC): | 43.9% |

Fee Analysis Since Inception

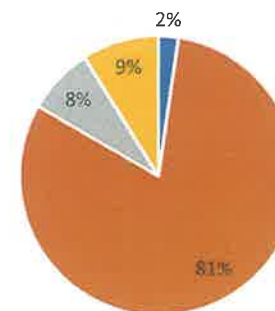
| <u>Fee Type</u> | <u>Fee</u> |
|------------------------|-----------------|
| Syndication Costs | \$65,425 |
| Management Fee | \$2,290,145 |
| Other Expense | \$218,614 |
| Partnership Operations | \$252,754 |
| Total Fees | \$2,826,938 |

Cumulative Distributions and Contributions



Fee Allocation

■ Syndication Costs ■ Management Fee ■ Other Expense ■ Partnership Operations





**Morgan Stanley Prime Property Fund, L.L.C Auxiliary Reporting as of
12/31/2017**

| | |
|--|---------------|
| Original Commitment: | \$15,000,000 |
| Investment Start Date: | 10/1/2015 |
| Commitment Period End Date: | Open End |
| Total Paid In Capital: | \$15,000,000 |
| Total Distributed Capital: | \$0 |
| Current Capital Balance: | \$18,368,188 |
| Management Fee: | 0.84% |
| Incentive Allocation: | Max 0.35% |
| Hurdle Rate: | Formula Based |
| Target Net Returns: | 7.8% |
| Max. Potential Fees Paid on Uncommitted Capital: | N/A |
| Vintage Year: | 1973 |

Performance Measurements Since Inception

| | |
|---|--------|
| Net IRR Since Investment Start Date: | 9.41% |
| Investment Multiple (TVPI): | \$1.22 |
| Realization Multiple (DPI): | \$0.00 |
| Residual Value Paid In Multiple (RVPI): | \$1.22 |
| Paid In Capital Multiple (PIC): | 100.0% |

Fee Analysis Since Inception

| <u>Fee Type</u> | <u>Fee</u> |
|----------------------|------------|
| Management Fee | \$311,934 |
| Incentive Allocation | \$55,548 |

Total Fees \$367,482

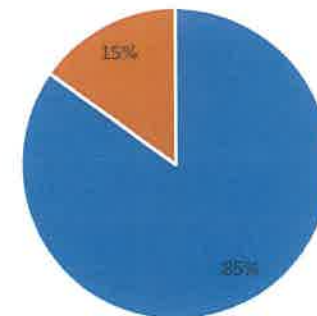
Cumulative Distributions and Contributions

(J-Curve)



Fee Allocation

■ Management Fee ■ Incentive Allocation





Raven Asset-Based Opportunity Fund I L.P. Auxiliary Reporting as of
12/31/2017

| | |
|-----------------------------|--------------|
| Original Commitment: | \$40,000,000 |
| Investment Start Date: | 5/22/2013 |
| Commitment Period End Date: | Period Over |
| Total Paid In Capital: | \$34,668,305 |
| Total Distributed Capital: | \$19,952,851 |
| Current Capital Balance: | \$15,575,386 |
| Management Fee: | 1.75% |
| Carried Interest: | 12.5% |
| Hurdle Rate: | 8.0% |
| Target Net Returns: | 13% - 17% |
| Vintage Year: | 2012 |

Performance Measurements Since Inception

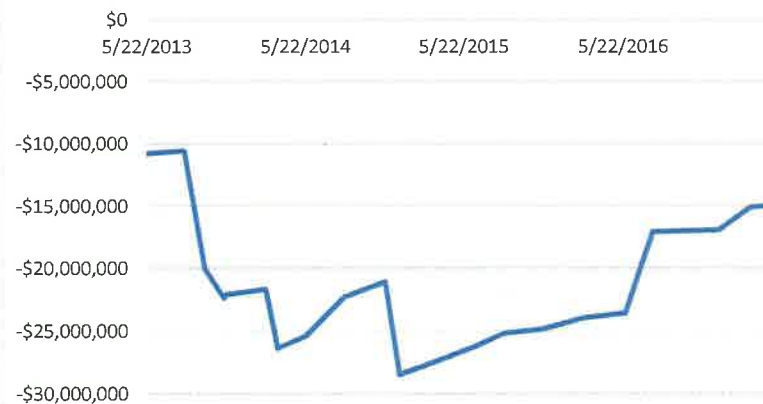
| | |
|---|--------|
| Net IRR Since Investment Start Date: | 0.88% |
| Investment Multiple (TVPI): | \$1.02 |
| Realization Multiple (DPI): | \$0.58 |
| Residual Value Paid In Multiple (RVPI): | \$0.45 |
| Paid In Capital Multiple (PIC): | 0.87 |

Fee Analysis Since Inception

| <u>Fee Type</u> | <u>Fee</u> |
|------------------------|--------------------|
| Management Fee | \$2,936,713 |
| Other Expense | \$1,080,684 |
| Service Fee | \$339,601 |
| Offering Costs | \$22,211 |
| Organizational Expense | \$92,275 |
| Total Fees | \$4,471,484 |

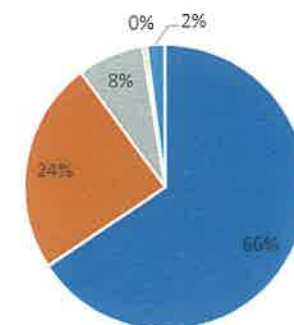
Cumulative Distributions and Contributions

(J-Curve)



Fee Allocation

Management Fee Other Expense Service Fee
Offering Costs Organizational Expense





**Raven Asset-Based Opportunity Fund III L.P. Auxiliary Reporting as of
12/31/2017**

| | |
|--|--------------|
| Original Commitment: | \$50,000,000 |
| Investment Start Date: | 7/6/2015 |
| Commitment Period End Date: | 9/1/2019 |
| Total Paid In Capital: | \$31,082,628 |
| Total Distributed Capital: | \$4,957,576 |
| Current Capital Balance: | \$26,386,017 |
| Management Fee: | 1.75% |
| Carried Interest: | 15.0% |
| Hurdle Rate: | 8.0% |
| Target Net Returns: | 15.0% |
| Max. Potential Fees Paid on Uncommitted Capital: | \$1,458,932 |
| Vintage Year: | 2015 |

Performance Measurements Since Inception

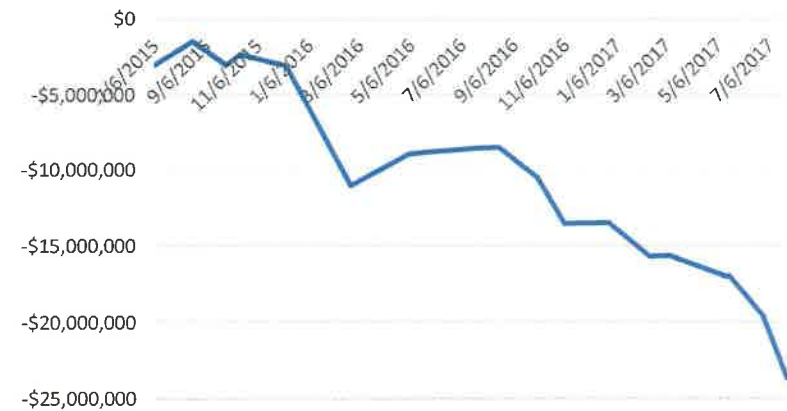
| | |
|---|--------|
| Net IRR Since Investment Start Date: | 0.86% |
| Investment Multiple (TVPI): | \$1.01 |
| Realization Multiple (DPI): | \$0.16 |
| Residual Value Paid In Multiple (RVPI): | \$0.85 |
| Paid In Capital Multiple (PIC): | 0.62 |

Fee Analysis Since Inception

| <u>Fee Type</u> | <u>Fee</u> |
|------------------------|-----------------|
| Management Fee | \$2,195,890 |
| Other Expense | \$719,844 |
| Organizational Expense | \$4,341 |
| Total Fees | \$2,920,075 |

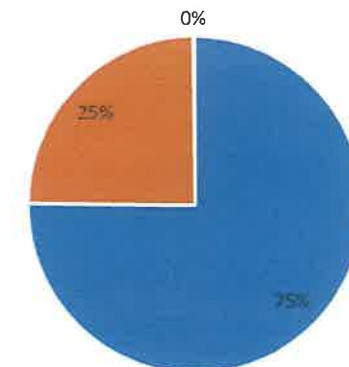
Cumulative Distributions and Contributions

(J-Curve)



Fee Allocation

■ Management Fee ■ Other Expense ■ Organizational Expense





White Oak Pinnacle Fund L.P. Auxiliary Reporting as of
12/31/2017

| | |
|-----------------------------|--------------|
| Original Commitment: | \$40,000,000 |
| Investment Start Date: | 8/2/2013 |
| Commitment Period End Date: | Period Over |
| Total Paid In Capital: | \$55,537,388 |
| Total Distributed Capital: | \$31,983,694 |
| Current Capital Balance: | \$33,393,751 |
| Management Fee: | 1.50% |
| Carried Interest: | 20.0% |
| Hurdle Rate: | 7.5% |
| Target Net Returns: | 12.0% |
| Vintage Year: | 2012 |

Performance Measurements Since Inception

| | |
|---|--------|
| Net IRR Since Investment Start Date: | 7.64% |
| Investment Multiple (TVPI): | \$1.18 |
| Realization Multiple (DPI): | \$0.58 |
| Residual Value Paid In Multiple (RVPI): | \$0.60 |
| Paid In Capital Multiple (PIC): | 1.39 |

Fee Analysis Since Inception

| <u>Fee Type</u> | <u>Fee</u> |
|----------------------|--------------------|
| Incentive Allocation | \$2,460,014 |
| Management Fee | \$2,335,250 |
| Other Expense | \$424,496 |
| Total Fees | \$5,219,760 |

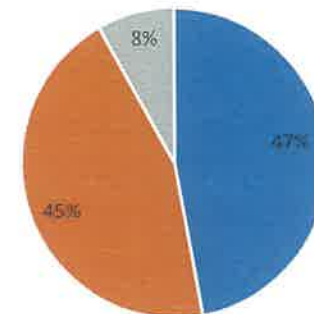
Cumulative Distributions and Contributions

(J-Curve)



Fee Allocation

■ Incentive Allocation ■ Management Fee ■ Other Expense





Cash Flow Report

Oct 2017 through Dec 2017

| | |
|-------------------------|--------------|
| Beginning Cash Balance* | \$12,471,842 |
|-------------------------|--------------|

Cash Flow In

| | |
|----------------------------|----------------|
| Sales of Investments | \$6,647,239 |
| Plan Sponsor Contributions | \$17,898,721 |
| Employee Contributions | \$6,088,877 |
| Employee Buybacks | \$206,403 |
| Interest Income | \$0 |
| Rental Income | \$24,260 |
| Commission Recapture | \$1,884 |
| Litigation Recovery | <u>\$9,936</u> |

| | |
|--------------------|--------------|
| Total Cash Flow In | \$30,877,320 |
|--------------------|--------------|

Cash Flow Out

| | |
|---|--------------|
| Retirement Benefits | \$29,735,034 |
| StanCERA Payroll | \$312,541 |
| Operations Expense | \$263,669 |
| Pension Software | \$12,440 |
| Fixed Asset Purchases | \$583,259 |
| Member Refunds | \$434,946 |
| Post Retirement Death Benefits | \$0 |
| Burial Allowances | \$100,000 |
| Retiree Death - Return of Contributions | \$24,736 |
| Investment Consultant Fees | \$72,936 |
| Actuarial Fees | \$30,764 |
| Custodial Fees | \$82,801 |
| Audit Fees | \$30,497 |
| Legal Fees | \$114,846 |
| Other Fees | <u>\$0</u> |

| | |
|---------------------|--------------|
| Total Cash Flow Out | \$31,798,469 |
|---------------------|--------------|

| | |
|---------------------|--------------|
| Ending Cash Balance | \$11,550,693 |
|---------------------|--------------|

| | |
|------------------------|------------|
| Change in Cash Balance | -\$921,149 |
|------------------------|------------|

* Prior end balances may not always equal current beginning balance due to subsequent refinement of data



Functionally Focused Portfolio Shortfall Report

August 2017 Through January 2018

| <u>Month</u> | <u>Actual Cash Flows</u> | | | | <u>Shortfall Over/(Under)</u> | |
|------------------|--------------------------|-----------------------|----------------------|-------------------------|-------------------------------|--------------------------|
| | <u>Benefits</u> | <u>Admin Expenses</u> | <u>Contributions</u> | <u>Actual Shortfall</u> | <u>Expected Shortfall</u> | <u>Cash Over/(Under)</u> |
| Aug-17 | \$9,836,101 | \$1,019,603 | \$6,838,954 | \$4,016,750 | \$3,523,124 | -\$493,626 |
| Sep-17 | \$9,881,179 | \$515,373 | \$11,620,109 | -\$1,223,557 | \$0 | \$1,223,557 |
| Oct-17 | \$9,909,257 | \$875,428 | \$7,885,126 | \$2,899,559 | \$2,093,735 | -\$805,824 |
| Nov-17 | \$9,945,838 | \$535,009 | \$8,008,390 | \$2,472,457 | \$2,377,091 | -\$95,366 |
| Dec-17 | \$9,879,939 | \$652,998 | \$7,971,219 | \$2,561,718 | \$2,078,822 | -\$482,896 |
| Jan-18 | \$9,904,708 | \$432,542 | \$8,214,390 | \$2,122,860 | \$2,191,326 | \$68,466 |
| Totals | \$59,357,022 | \$4,030,953 | \$50,538,188 | \$12,849,787 | \$12,264,098 | -\$585,689 |
| Error Percentage | | | | | | -4.78% |

StanCERA Investment Program 12-Month Workplan

changes from prior month highlighted in yellow

| | Time | Changes from prior month |
|--|-------------|--------------------------|
| March, 2018 | 1:05 | |
| Flash report and 12-month workplan | 0:05 | |
| Private market discussion | 0:30 | New item |
| Annual review of IPS | 0:30 | |
| April, 2018 | 1:25 | |
| Flash report and 12-month workplan | 0:05 | |
| Annual review of FFP with updated capital market assumptions | 0:20 | |
| Private markets finalist presentations | 1:00 | |
| May, 2018 | 0:35 | |
| Flash report and 12-month workplan | 0:05 | |
| Quarterly investment performance report | 0:30 | |
| June, 2018 | 0:35 | |
| Flash report and 12-month workplan | 0:05 | |
| Cash overlay education and search authorization | 0:30 | |
| July, 2018 | 0:35 | |
| Flash report and 12-month workplan | 0:05 | |
| Transition management education and search authorization | 0:30 | |
| August, 2018 | 1:05 | |
| Flash report and 12-month workplan | 0:05 | |
| Quarterly investment performance report | 0:30 | |
| Cash overlay search presentation & selection | 0:30 | |
| September, 2018 | 0:35 | |
| Flash report and 12-month workplan | 0:05 | |
| Transition management search presentation & selection | 0:30 | |
| October, 2018 | 0:05 | |
| Flash report and 12-month workplan | 0:05 | |
| November, 2018 | 0:35 | |
| Flash report and 12-month workplan | 0:05 | |
| Quarterly investment performance report | 0:30 | |
| December, 2018 | 0:05 | |
| Flash report and 12-month workplan | 0:05 | |
| January, 2019 | 0:05 | |
| Flash report and 12-month workplan | 0:05 | |
| February, 2019 | 0:35 | |
| Flash report and 12-month workplan | 0:05 | |

StanCERA Investment Program 12-Month Workplan

changes from prior month highlighted in yellow

Quarterly investment performance report

Time Changes from prior month
0:30

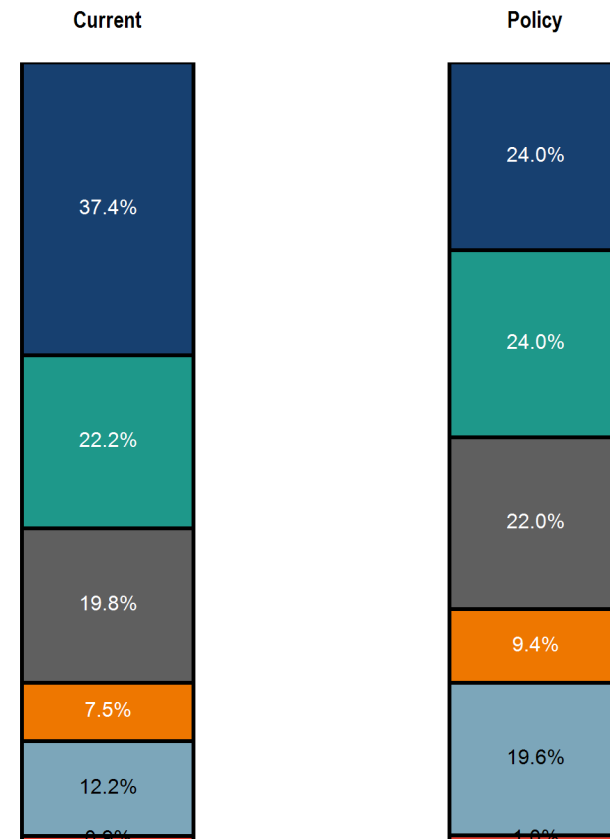
Total Fund

Flash Report (Net of Fees) - Preliminary

Period Ending: February 28, 2018

| | Market Value | % of Portfolio | 1 Mo | YTD | Fiscal YTD |
|---|----------------------|----------------|-------------|-------------|-------------|
| Total Fund | 2,104,724,396 | 100.0 | -2.9 | -0.1 | 7.1 |
| <i>Policy Index</i> | | | -2.5 | 0.4 | 7.4 |
| US Equity | 788,115,598 | 37.4 | -3.5 | 1.8 | 11.9 |
| <i>US Equity Blended</i> | | | -3.7 | 1.0 | 12.1 |
| <i>Russell 3000</i> | | | -3.7 | 1.4 | 12.7 |
| Northern Trust Russell 1000 | 172,987,558 | 8.2 | -3.7 | 1.6 | -- |
| <i>Russell 1000</i> | | | -3.7 | 1.6 | -- |
| BlackRock Russell 1000 Growth | 122,259,714 | 5.8 | -2.6 | 4.3 | 19.1 |
| <i>Russell 1000 Growth</i> | | | -2.6 | 4.3 | 19.1 |
| Jackson Square | 169,165,723 | 8.0 | -2.3 | 5.4 | 18.5 |
| <i>Russell 1000 Growth</i> | | | -2.6 | 4.3 | 19.1 |
| BlackRock Russell 1000 Value | 95,292,457 | 4.5 | -4.8 | -1.1 | 7.5 |
| <i>Russell 1000 Value</i> | | | -4.8 | -1.1 | 7.4 |
| Dodge & Cox-Equity | 115,459,460 | 5.5 | -3.8 | 1.7 | 11.5 |
| <i>Russell 1000 Value</i> | | | -4.8 | -1.1 | 7.4 |
| Capital Prospects | 112,950,685 | 5.4 | -4.5 | -2.7 | 7.7 |
| <i>Russell 2000 Value</i> | | | -5.0 | -3.8 | 3.2 |
| International Equity | 466,381,886 | 22.2 | -4.2 | 0.8 | 11.7 |
| <i>MSCI ACWI ex USA Gross</i> | | | -4.7 | 0.6 | 12.3 |
| LSV Asset Mgt | 238,760,122 | 11.3 | -3.6 | 1.6 | 13.2 |
| <i>MSCI ACWI ex USA Gross</i> | | | -4.7 | 0.6 | 12.3 |
| Fidelity | 227,621,764 | 10.8 | -4.8 | -0.1 | 10.2 |
| <i>MSCI ACWI ex USA Gross</i> | | | -4.7 | 0.6 | 12.3 |
| US Fixed Income | 416,775,904 | 19.8 | -0.5 | -1.1 | -0.3 |
| <i>BBgBarc US Aggregate TR</i> | | | -0.9 | -2.1 | -0.9 |
| Insight | 85,258,133 | 4.1 | -0.5 | -1.1 | -0.4 |
| <i>BBgBarc US Govt/Credit 1-5 Yr. TR</i> | | | -0.2 | -0.7 | -0.6 |
| DFA | 274,211,014 | 13.0 | -0.3 | -0.9 | -- |
| <i>BofA Merrill Lynch US Corp & Gov 1-5 Yrs</i> | | | -0.2 | -0.7 | -- |
| Northern Trust Intermediate Gov't Bond | 43,051,121 | 2.0 | -0.3 | -1.2 | -- |
| <i>BBgBarc US Govt Int TR</i> | | | -0.3 | -1.2 | -- |
| Northern Trust Long Term Gov't Bond | 14,255,636 | 0.7 | -2.9 | -6.0 | -- |
| <i>BBgBarc US Govt Long TR</i> | | | -2.9 | -6.0 | -- |

| | Current | % | Policy | % |
|-----------------------|------------------------|---------------|------------------------|---------------|
| Domestic Equity | \$788,115,598 | 37.4% | \$505,133,855 | 24.0% |
| International Equity | \$466,381,886 | 22.2% | \$505,133,855 | 24.0% |
| Domestic Fixed Income | \$416,775,904 | 19.8% | \$463,039,367 | 22.0% |
| Real Estate | \$157,476,084 | 7.5% | \$197,844,093 | 9.4% |
| Alternatives | \$256,671,509 | 12.2% | \$412,525,982 | 19.6% |
| Cash and Equivalents | \$19,303,416 | 0.9% | \$21,047,244 | 1.0% |
| Total | \$2,104,724,396 | 100.0% | \$2,104,724,396 | 100.0% |



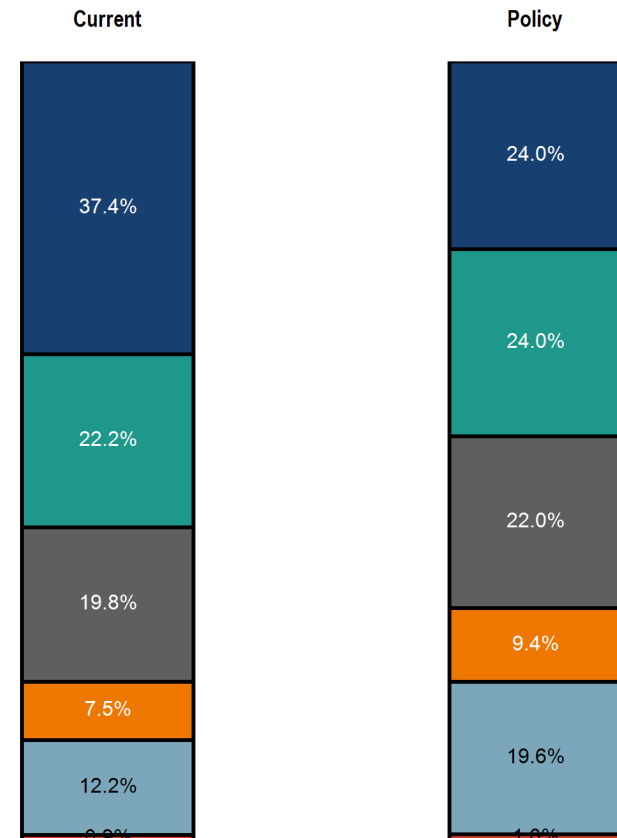
Policy Index (7/1/2017): 18.5% Russell 1000, 5.5% Russell 2000, 24% MSCI ACWI ex-USA, 19% BBgBarc US Gov't/Credit 1-3 Yr, 3% BBgBarc US Treasury 7-10 Yr, 7.7% NCREIF Property, 1.7% NCREIF Property +2%, 0.6% CPI +5%, 5% BBgBarc US High Yield +2%, 14% 60% MSCI ACWI / 40% BBgBarc Global Aggregate, 1% Citi 1 Month T-Bills. All data is preliminary.

Total Fund Flash Report (Net of Fees) - Preliminary

Period Ending: February 28, 2018

| | Market Value | % of Portfolio | 1 Mo | YTD | Fiscal YTD |
|--|--------------------|----------------|-------------|-------------|-------------|
| Real Estate | 157,476,084 | 7.5 | -4.7 | -7.2 | -3.9 |
| DJ US Select RESI | | | -7.2 | -10.9 | -8.8 |
| Prime Property Fund | 18,368,188 | 0.9 | 0.0 | 0.0 | 4.4 |
| NCREIF-ODCE | | | 0.0 | 0.0 | 4.0 |
| American Strategic Value Realty | 25,799,133 | 1.2 | 0.0 | 0.0 | 4.5 |
| NCREIF Property Index | | | 0.0 | 0.0 | 3.5 |
| BlackRock US Real Estate | 99,128,330 | 4.7 | -7.2 | -10.9 | -8.7 |
| DJ US Select RESI TR USD | | | -7.2 | -10.9 | -8.8 |
| Greenfield Gap | 14,180,433 | 0.7 | | | |
| Direct Lending | 96,808,015 | 4.6 | | | |
| Medley Capital | 20,880,110 | 1.0 | | | |
| Raven Capital | 15,197,342 | 0.7 | | | |
| Raven Opportunity III | 28,545,003 | 1.4 | | | |
| White Oak Pinnacle | 32,185,559 | 1.5 | | | |
| Risk Parity | 137,663,996 | 6.5 | -2.8 | -2.8 | -- |
| 60% MSCI ACWI Net/40% BBgBarc Global Aggregate | | | -2.9 | 0.9 | -- |
| PanAgora Risk Parity Multi Asset | 137,663,996 | 6.5 | -2.8 | -2.8 | -- |
| 60% MSCI ACWI Net/40% BBgBarc Global Aggregate | | | -2.9 | 0.9 | -- |
| Infrastructure | 22,199,498 | 1.1 | | | |
| MS Infrastructure Partners II | 22,199,498 | 1.1 | | | |
| Cash Account | 19,303,416 | 0.9 | 0.1 | 0.2 | 0.6 |

| | Current | % | Policy | % |
|-----------------------|------------------------|---------------|------------------------|---------------|
| Domestic Equity | \$788,115,598 | 37.4% | \$505,133,855 | 24.0% |
| International Equity | \$466,381,886 | 22.2% | \$505,133,855 | 24.0% |
| Domestic Fixed Income | \$416,775,904 | 19.8% | \$463,039,367 | 22.0% |
| Real Estate | \$157,476,084 | 7.5% | \$197,844,093 | 9.4% |
| Alternatives | \$256,671,509 | 12.2% | \$412,525,982 | 19.6% |
| Cash and Equivalents | \$19,303,416 | 0.9% | \$21,047,244 | 1.0% |
| Total | \$2,104,724,396 | 100.0% | \$2,104,724,396 | 100.0% |



Policy Index (7/1/2017): 18.5% Russell 1000, 5.5% Russell 2000, 24% MSCI ACWI ex-USA, 19% BBgBarc US Gov't/Credit 1-3 Yr, 3% BBgBarc US Treasury 7-10 Yr, 7.7% NCREIF Property, 1.7% NCREIF Property +2%, 0.6% CPI +5%, 5% BBgBarc US High Yield +2%, 14% 60% MSCI ACWI / 40% BBgBarc Global Aggregate, 1% Citi 1 Month T-Bills. All data is preliminary.

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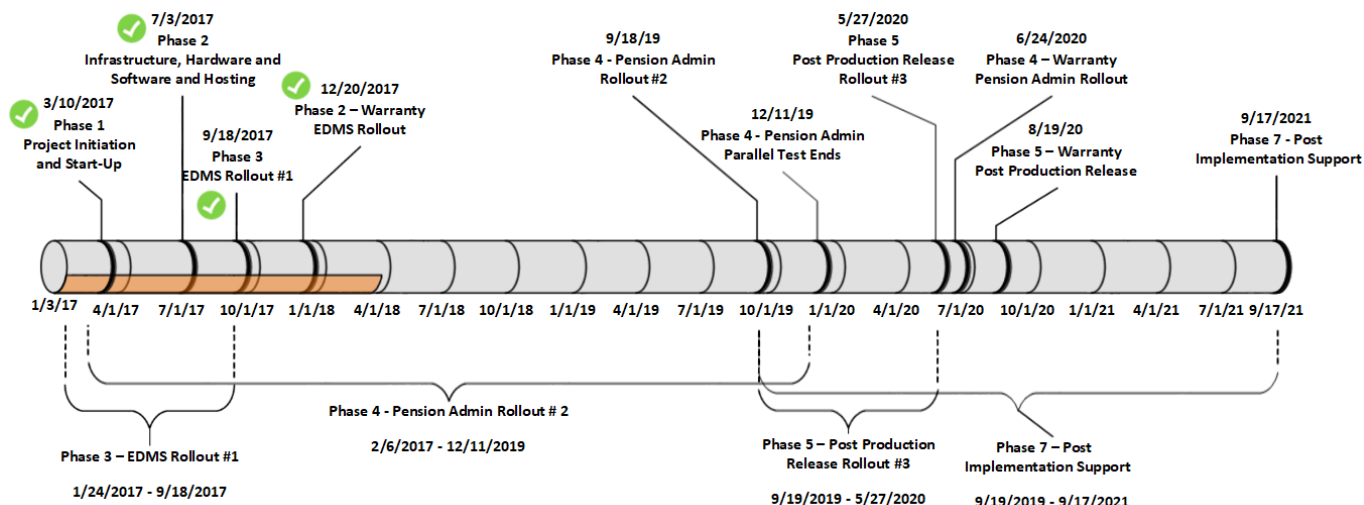


PAS IMPLEMENTATION LINEA BI-WEEKLY STATUS UPDATE



SPONSOR: Rick Santos

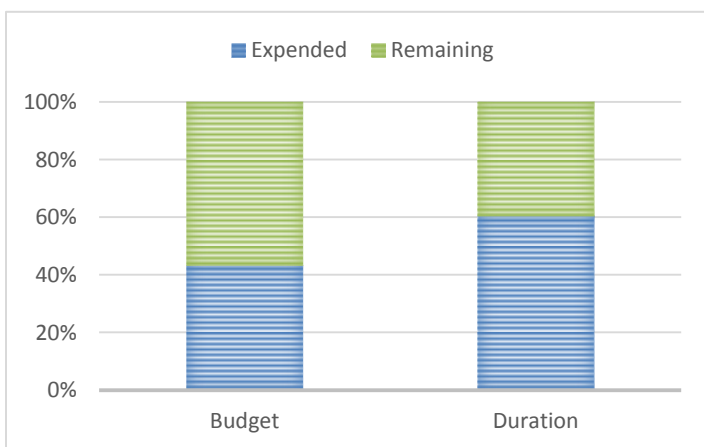
REPORT DATE: 03-23-2018



Baseline 12/01/2016

STATUS

Risks & Issues:



Budget as of 01/31/18

No high-level risks have been identified at this time.

Accomplishments:

Upcoming:

- Assisted in facilitating the employer feedback meeting in which the proposed transmittal file format and content were discussed with the County and Courts personnel and a follow up meeting with County personnel to include additional departments.
- Assisted Tegrity with reestablishment of SME access to project SharePoint and Visual Studio portals.
- Developed material to assist Dawn Lea, upon her return to work, with familiarizing herself with progress made in the project during her leave.

- Make preparations and perform initial test script review for Employer Reporting UAT testing scheduled to begin 04/16/18.
- Continue to assist with and track employer integration efforts, including ongoing communications with employers.
- Help to coordinate creation of communication channels to facilitate the employer upload file development and certification process.

Ongoing Project Contributions

- | | |
|--|---|
| <ul style="list-style-type: none"> ➤ Facilitate weekly Project Manager's meetings and create meeting minutes. ➤ Facilitate monthly Steering Committee Meetings and create meeting minutes. ➤ Participate in Tegrit work sessions, review meeting minutes, and compile resulting decision logs and action items (Employer Reporting and Buyback discussions). ➤ Regularly review action items for follow up and completion. | <ul style="list-style-type: none"> ➤ Review and hold group review sessions for BSRD deliverables made by Tegrit (BSR018). ➤ Track requirements, as discussed in work sessions and BSRDs, using the RTM and meet with StanCERA PM to update requirements confirmation. ➤ Manage and participate in system testing efforts, including review of test scripts, compiling of results, input of PIRs, and tracking of issue resolution. |
|--|---|

