



Retiree Health Care Trust Fund Board

AMENDED BOARD MEETING CALENDAR

Rescheduled Regular Meeting

Tuesday, January 28, 2014

1:30 PM

City and County of San Francisco
30 Van Ness Avenue, Suite 3000
San Francisco, CA 94103

RETIREE HEALTH CARE TRUST FUND BOARD MEMBERS

President

Pauline Marx

Vice President

Ed Walsh

Members

Carol Cypert

Leo Levenson

Clare Murphy

Disability Access

The meeting will be held at SFERS Office, 30 Van Ness Avenue, Suite 3000, San Francisco, CA 94103. The Retiree Health Care Trust Fund Board Meeting Room is wheelchair accessible. Accessible seating is available for persons with disabilities or wheelchairs. The following services are available upon request:

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CALENDAR

□ Call to Order

□ Roll Call: **Commissioner Carol Cypert
Commissioner Leo Levenson
Commissioner Pauline Marx
Commissioner Clare Murphy
Commissioner Ed Walsh**

□ 01282014-01 Action item **Approval of the Minutes of the July 29, 2013 Rescheduled Regular Board Meeting and September 30, 2013 Special Board Meeting.**

Documents provided to the Board prior to meeting:

1. Draft Minutes of the July 29, 2013 Rescheduled Regular Board Meeting
2. Draft Minutes of the September 30, 2013 Special Board Meeting

Public comments:

Action: Approve Minutes of the July 29, 2013 Rescheduled Regular Board Meeting and September 30, 2013 Special Board Meeting.

□ 01282014-02 Discussion item **Report on current funding status (budget) of RHCTF.**

Documents provided to the Board prior to meeting:
RHCTF Funding Status and Budget Updated 01-21-2014

Public comments:

Action: This is a discussion item only.

□ 01282014-03 Discussion item **Report on current investment status of RHCTF.**

Documents provided to the Board prior to meeting:
Office of the Treasurer & Tax Collector's Investment Report for the Month of December 2013

Public comments:

Action: This is a discussion item only.

□ 01282014-04 Discussion item **Annual Report**

Documents provided to the Board prior to meeting:
Comprehensive Annual Financial Report (CAFR)
Year ended June 30, 2013; pps. 117-118 and
199-201

Public comments:

Action: This is a discussion item only.

- 01282014-05 Discussion item

Continued item from the July 29, 2013 RHCTF Board Meeting: Ron Gerhard, Vice Chancellor of Finance and Administration, of San Francisco Community College District (SFCCD) to discuss status of SFCCD participation in the Trust Fund.

Documents provided to the Board prior to meeting:
None

Public comments:

Action: This is a discussion item only.

- 01282014-06 Discussion item

Meketa report regarding investment consulting overview.

Documents provided to the Board prior to meeting:
Implementation Options, January 28, 2014

Public comments:

Action: This is a discussion item only.

- 01282014-07 Action item

Discussion and possible action regarding the investment of the Retiree Health Care Trust Fund assets with the San Francisco Employees' Retirement System (SFERS).

Documents provided to the Board prior to meeting:
None

Public comments:

- 01282014-08 Action item

Approval of FY 13-14 Quarterly Billings.

Documents provided to the Board prior to meeting:
Quarterly Billings for July 1, 2013 through
December 31, 2013

Public comments:

Action: Approve Staff Billings.

- 01282014-09 Discussion item **Discussion regarding obtaining staff support for RHCTF administration.**

Documents provided to the Board prior to meeting:
None

Public comments:

Action: This is a discussion item only.

- 01282014-10 Action Item **Approval of RHCTFB Resolution NO. 2014-01 ordering the election for the two RHCTF Board members whose terms expire in May 2014, and authorizing the Trust Fund Administrator to proceed with the election.**

Documents provided to the Board prior to meeting:

 1. Resolution NO. 2014-01 ordering the 2014 Retiree Health Care Trust Fund Board election; setting dates for the election; authorizing the Trust Fund Administrator to initiate the election process; and authorizing staff to proceed with the election.
 2. Letters to Director of Elections and Health Service System members
 3. Attachments: Election Notice, Election Schedule, Nomination Form

Public comments:

Action: Approve RHCTFB Resolution NO. 2014-01.

- 01282014-11 Action item **Change the RHCTFB Bylaws Article III, Section 1, to show the 1:30 p.m. meeting start time; and adding the word “Care” to title and Article I, Section 1. Name.**

Documents provided to Board prior to meeting:
San Francisco Retiree Health Care Trust Fund Board Bylaws

Public comments:

Action: Approve the RHCTFB Bylaws Article III, Section 1, to show the 1:30 pm meeting start time; and addition of the word “Care” to title and Article I, Section 1. Name.

- 01282014-12 Action Item **Approve reimbursements to Commissioner Marx for costs associated with education.**

Documents provided to Board prior to meeting:

Travel and hotel costs and agenda for the Investment Education Symposium on February 26-28, 2014.

Public comments:

Action: Approve reimbursement for travel and hotel costs associated with education.

- 01282014-13 Discussion item

Discussion regarding preapproval process of training costs.

Documents provided to Board prior to meeting:

None

Public comments:

Action: This is a discussion item only.

- 01282014-14 Discussion item

List of educational opportunities

Documents provided to Board prior to meeting:

CALAPRS 2014 Program Calendar

Public comments:

Action: This is a discussion item only.

- 01282014-15 Action item

Opportunity to place items on future board agendas

Documents provided to Board prior to meeting:

None

Public comments:

Action: This is a discussion item only.

- 01282014-16 Discussion item

Opportunity for the public to comment on any matters within the Board's jurisdiction.

Public comments:

- Adjourn



Retiree Health Care Trust Fund Board

DRAFT BOARD MEETING MINUTES

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3:00 PM

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Carol Cypert

Vice President

Pauline Marx

Members

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Clare Murphy

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Board during the meetings of these minutes being considered. Mr. Rapoport stated that each member present at a regular or special meeting shall vote "yes" or "no" when a question is put, unless excused from voting by a motion adopted by a majority of the members present. He added that there is no problem with a Board member approving minutes of a prior meeting which he or she did not attend.

President Marx noted that in the February 14, 2013 Special Board Meeting Minutes a decision made by the Board was omitted. The omitted text will be inserted into the minutes to add that the Board concluded deliberations about the RFP process; selected a consultant; and asked staff to negotiate a contract.

Moved by President Marx, seconded by Commissioner Levenson to amend the Minutes of February 14, 2013 Special Continued Board Meeting.

Approved by the following vote:
Ayes: Cypert, Levenson, Marx, Murphy, Walsh

Moved by President Marx, seconded by Commissioner Walsh to approve the Minutes of April 22, 2013 Board Meeting.

Approved by the following vote:
Ayes: Cypert, Levenson, Marx, Murphy, Walsh

- 07292013-03 Discussion item

Report on current funding status (budget) of RHCTF

Documents provided to the Board prior to meeting:

Retiree Health Trust Fund (RHTF) Status and Budget updated July 16, 2013 and Supporting Data

Commissioner Levenson provided an oral and written report.

There was discussion on the placement of the \$500,000 funding from Community College.

- 07292013-04 Discussion item

Report on current investment status of RHCTF

Documents provided to the Board prior to meeting:

Investment Report for the Month of June 2013

Office of the Treasurer and Tax Collector provided a written report.

- 07292013-05 Discussion item **John Bilmont of San Francisco Community College District (SFCCD) to discuss status of SFCCD participation in the Trust Fund**

Commissioner Levenson reported that Mr. Bilmont and Mr. Goldstein were unable to attend the meeting. Commissioner Levenson gave an oral report.

The Board engaged in a question and answer session regarding the status of union negotiations and the ratification of the agreements in respect to the fund, and the handling and investment of the \$500,000.

President Marx reiterated that the Board would still like answers to their questions.

Moved by Commissioner Levenson, seconded by President Marx to continue this item to the next meeting.

- 07292013-06 Discussion item **Meketa report regarding investment consulting overview – introduction to RHCTF Board**

Documents provided to the Board prior to meeting:
Initial Priorities and Timelines

Brad Regier of Meketa made an oral and written presentation of agenda items that Meketa would address over the next year along with a timeline for completion. Mr. Regier stated that the first steps to take would be to conduct a custodial search and concurrently create the investment policy statement. He offered to provide a template to tailor to our needs. He suggested that when that work is complete work can begin to set and implement an asset allocation policy, and then once the asset allocation has started the investment manager search can take place.

The Board and Mr. Regier discussed the timeline and decided to set a special meeting to occur in six weeks to address the Custodial Request for Proposals and the Investment Policy Statement.

- 07292013-07 Discussion item **Establishing a socially responsible investment policy**

Commissioner Walsh expressed concern about investing in socially responsible investments in order to avoid the process of divestment later on. It was noted that the Board of Supervisors urged the Retirement Board to divest in certain investments.

Commissioner Walsh offered to provide copies of the Board of Supervisor's resolution to the Board Members and Meketa.

President Marx asked Meketa to look at the Board of Supervisors Resolution and give the Board feedback.

The Board discussed the implications of putting investment limitations into the investment statement policy.

- 07292013-08 Action item

Approval of FY12-13 Quarterly Billings

Documents provided to the Board prior to meeting:
Quarterly Billings for April 1, 2013 to June 30, 2013

Rosanne Torre, Board Secretary, gave a brief oral and written report.

Moved by Commissioner Cypert, seconded by Commissioner Levenson to approve the Quarterly Admin Staff Billings.

Approved by the following vote:
Ayes: Cypert, Levenson, Marx, Murphy, Walsh

- 07292013-09 Discussion item

Discussion of RHCTF Charter Amendment to be submitted to San Francisco Voters in November 2013.

Mr. Rapoport stated that this presentation is for informational purposes only and the Board is not taking a specific position on the proposition in accordance with the Charter and per the City Attorney Memo dated September 4, 2012, regarding Political Activity By City Officers and Employees that had been sent to the Board Members.

Christina Lee, Performance Analyst of Controller's Office, and Jess Montejano, Legislative Aide to Supervisor Farrell, gave a high-level overview of the Charter amendment. Ms. Lee gave an overview of the prefunding strategy component of the charter amendment and Mr. Montejano gave an overview of the governance structure of the measure and efforts that Supervisor Farrell's Office has undertaken to raise public awareness and support for the measure itself.

The Board expressed interest in having a presentation from Cheiron that would give a more

detailed report on how Cheiron arrived at the various assumptions.

- 07292013-10 Discussion item **Discussion regarding actions the Board can take with respect to active legislation, and specifically what the Board can do regarding charter amendments.**

Mr. Rapoport stated that they should fold most of the discussion in to agenda item 14 on governance policy. He referred the Board to the Memo sent through the Board Secretary dated September 4, 2012 from the City Attorney regarding "Political Activity By City Officers and Employees."

- 07292013-11 Discussion item **Discussion regarding obtaining staff support**

Mr. Rapoport reported that he has been trying to obtain staff support and listed projects that person could work on. The Trust Fund Administrator would be the one to find the staff support for the Board.

President Marx said she would take on this issue and asked that Mr. Rapoport provide a list of duties to be presented to the Controller.

- 07292013-12 Discussion item **Discussion regarding the next election for two RHCTF Board members in 2014**

The Board asked Ms. Torre to contact the Department of Elections to find the timeline of the election. There would be an understanding that the RHCTF Board wants to coordinate their election with the Health Service System's election to lower the cost.

- 07292013-13 Action item **Approve the Commendation for Constance Hiatt who resigned from the Board on March 13, 2013**

Documents provided to Board prior to meeting:
Commendation for Constance Hiatt

Moved by Commissioner Cypert, seconded by Commissioner Walsh to sign and send the Commendation.

Approved by the following vote:
Ayes: Cypert, Levenson, Marx, Murphy, Walsh

- 07292013-14 Action item **Adoption of RHCTF Governance and Fiduciary Policies**

Documents provided to Board prior to meeting:

Draft Governance Policies

Mr. Rapoport stated that in light of the fact that SFERS is rewriting some of their policies he would like to see what SFERS has done in that regard. He reviewed policies with the Board and requested that the Board send him comments.

Moved by Commissioner Levenson to continue this item, seconded by Commissioner Cypert.

Approved by the following vote:

Ayes: Cypert, Levenson, Marx, Murphy, Walsh

- 07292013-15 Action item

Request for reimbursement to Commissioner Walsh for educational conference attended at International Foundation of Employee Benefit Plans

Documents provided to Board prior to meeting:

Reimbursement documents

Moved by Commissioner Murphy, seconded by Commissioner Levenson to approve payment.

Approved by the following vote:

Ayes: Cypert, Levenson, Marx, Murphy, Walsh

- 07292013-16 Discussion item

Report on International Foundation of Employee Benefits Plans Educational Conference

Documents provided to Board prior to meeting

Report on the Conference

Commissioner Walsh gave an oral report on the conference.

- 07292013-17 Action item

Approve payment for Board Members to attend the CIO Public Pension Plan Summit in November 2013 and the CALAPRS Roundtable on September 13, 2013

Documents provided to Board prior to meeting

Conference Brochures and Costs

Moved to by Commissioner Murphy, seconded by Commissioner Walsh to approve payment.

Approved by the following vote:

Ayes: Cypert, Levenson, Marx, Murphy, Walsh.

- 07292013-18 Discussion item

Report on the Weinberg, Roger & Rosenfeld letter dated June 24, 2013, written on behalf of

Service Employees International Union, Local 1021

Documents provided to Board prior to meeting:

Letter from Weinberg, Roger & Rosenfield

Mr. Rapoport reported on his response to this letter.

- 07292013-19 Discussion item

List of educational opportunities

Rosanne Torre, Board Secretary, handed out information on courses from the International Foundation.

- 07292013-20 Action item

Opportunity to place items on future board agendas

Documents provided to Board prior to meeting:

1. Discussion about City indemnification and legal defense. Mr. Rapoport mentioned that the City's Risk Manager might be able to make a presentation to the Board and also mentioned that this would be part of the fiduciary policy. He stated that the City is to defend and indemnify.
2. Commissioner Walsh offered reconsideration of the Regular RHCTFB meeting start time to 1:00 pm. President Marx mentioned 1:30 pm. The next Regular Scheduled meeting will be at 1:30 pm and there will be an agenda item to change the RHCTFB By-Laws.
3. Board to have a Special Meeting in about six weeks to discuss Custodial Request for Proposals; Investment Policy Statement, and invite Cheiron to make a presentation.

- 07292013-21 Discussion item

Opportunity for the public to comment on any matters within the Board's jurisdiction

Public comments: None.

- Adjournment: There being no further business, the Board adjourned its meeting at 4:51 pm.



Retiree Health Care Trust Fund Board

DRAFT BOARD MEETING MINUTES

Special Meeting

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1:30 PM

City and County of San Francisco
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CALENDAR

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□ Roll Call: **Commissioner Carol Cypert 1:30 pm**
 Commissioner Leo Levenson 1:30 pm
 Commissioner Pauline Marx 1:30 pm
 Commissioner Clare Murphy 1:30 pm
 Commissioner Ed Walsh 1:30 pm

□ 09302013-01 Action item **Approval of the Minutes of the February 14, 2013 and April 22, 2013 Board Meetings.**

Documents provided to the Board prior to meeting:

Minutes of the February 14, 2013 and April 22, 2013 Board Meetings

Moved by President Marx, Seconded by Commissioner Levenson to approve Amended Minutes of Special Board Meeting of February 14, 2013 and Regular Meeting of April 22, 2013.

Approved by the following vote:
Ayes: Cypert, Levenson, Marx, Murphy, Walsh

□ 09302013-02 Discussion **Presentation by Cheiron and Controller Ben Rosenfield regarding the RHCTF Charter Amendment to be submitted to San Francisco Voters on November 5, 2013.**

Documents provided to the Board prior to meeting:

Modeling a Pre-Funding Strategy presentation

Bill Hallmark of Cheiron gave an oral presentation on the proposed pre-funding strategy. City Controller Ben Rosenfield was in attendance to answer questions.

Public comments: Kay Walker, retired City employee, asked questions related to the presentation.

□ 09302013-03 Action item **Discussion and possible action regarding City Controller Ben Rosenfield’s September 10, 2013 letter request to the RHCTFB and whether to request that the San Francisco Employees’ Retirement System (SFERS) provide the RHCTF with a proposal that would allow the**

RHCTF to invest with SFERS.

Documents provided to the Board prior to meeting:

Controller Ben Rosenfield's September 10, 2013 letter

The Board had a lengthy discussion voicing many questions and concerns regarding the possibility of investing with SFERS.

Erik Rapoport, Deputy City Attorney, suggested as a process that if the Board is open and willing to vote to request that SFERS present a proposal in October, any Board members could email any questions they want submitted to SFERS to Meketa and Meketa could consolidate them so SFERS is aware of the questions the Board has. Mr. Rapoport offered to respond to any that are not appropriate for SFERS to answer and will work with Mika Malone and Brad Regier of Meketa to consolidate the questions so they can be presented to SFERS for response. This will start a process for the Board vote.

President Marx offered to take the questions, review and consolidate them, and work with Meketa. She said that there seemed to be a consensus to have a proposal and have the investment adviser analyze it and bring it back to the Board with the analysis to begin a dialogue and thereby begin the process.

Public comments:

Harry Baker, retired City employee, commented on SFERS investments in regards to social responsibility and that our Board going forward might take that into consideration when selecting investments. He hoped that the active and retired members would be able to weigh in on the investment mix.

□ 09302013-04

Discussion item

Opportunity for the public to comment on any matters within the RHTCF Board's jurisdiction

Public comments:

Kay Walker, retired City employee, had a question regarding the investment of \$500,000 into the trust fund by City College.

□ Adjournment: There being no further business, the Board adjourned its meeting at 2:58 pm.

Retiree Health Trust Fund (RHTF) Status and Budget, updated January 21,2014, City and County of San Francisco Controller's Office

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY12-13	FY 2013-14		FY 2014-15
Revenues	Actuals	Actuals	Actual	Actuals	Actual	Budget Proposal	Year-to-Date	Budget Proposal
Starting Fund Balance		323,483	3,194,672	8,541,521	17,851,560	31,205,393	31,205,393	47,694,529
2% Employee Contribution (1)	214,928	1,903,374	3,518,030	6,140,559	8,822,558	11,000,000	5,643,094	14,000,000
1% Employer Contribution (1)	107,464	951,919	1,773,184	3,070,242	4,411,034	5,500,000	2,821,052	7,000,000
Interest Earned (2)	1,091	15,896	55,635	144,127	195,079	281,636	96,067	451,544
Total Revenue	323,483	3,194,672	8,541,521	17,896,449	31,280,231	47,987,029	39,765,606	69,146,073
Expenditures								
External Audit / Report	-	-	-			25,000		25,000
City Attorney-legal expenses for trust setup & ongoing costs	-	-	-	37,903	56,524	40,000	40,000	40,000
Investment Manager and Custodian expenses	-	-	-	-		125,000	75,000	125,000
Retirement Board Administrative Support	-	-	-		18,314	12,500	12,500	12,500
Education / Training	-	-	-	6,985		20,000	1,535	20,000
Board Election (3)	60,000	-	-			70,000	70,000	-
Total Expenditures	60,000	-		44,888	74,838	292,500	199,035	222,500
Ending Fund Balance	263,483	3,194,672	8,541,521	17,851,560	31,205,393	47,694,529	39,566,571	68,923,573

Assumptions

(1) For FY13-14 and FY 14-15, revenue forecast is based on projected % or total salaries contributing to RHCTF at approximately 19.8% and 25% respectively.

(2) For FY13-14 and FY14-15, the pool interest rate projection is based on FY12-13 6 month report, assumption of 0.72% and 0.78% respectively.

(3) Elections are held once every five years; the next one is scheduled for May 2014 with estimated cost of \$70,000. There may be another election if a board member retires/leaves before May 2014 but this cost is not budgeted.

* Interest earned posted in FAMIS is only up to December 2013

**Retiree Health Trust Fund Budget Supporting Data
Interest Actual and Projection**

	FY 2013-14 Interest Actual													Total	
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	FY 12-13	Interest	
300 INTEREST & INVESTMENT INCOME	18,961	19,216	18,627	17,681	21,582	22,406	23,261	24,148	25,070	26,027	27,020	28,051		272,049	1.56%
Growth Rate		1.35%	-3.06%	-5.08%	22.06%	3.82%	3.82%	3.82%	3.82%	3.82%	3.82%	3.82%	3.82%		
	FY 2012-13 Interest Actual													Total	
	Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	FY 12-13	Interest	
300 INTEREST & INVESTMENT INCOME	17,336	13,844	15,438	13,585	17,982	12,997	20,022	17,547	15,219	18,308	16,362	16,439		195,078	1.47%
Growth Rate		-20.15%	11.51%	-12.00%	32.37%	-27.72%	54.05%	-12.37%	-13.27%	20.30%	-10.63%	0.47%	2.05%		
	FY 2011-12 Interest Actual													Total	
	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12		Interest	
300 INTEREST & INVESTMENT INCOME	7,346	8,032	8,972	9,829	11,258	12,617	10,732	12,424	15,478	13,662	22,675	11,102		144,127	1.56%
Growth Rate		9.34%	11.70%	9.55%	14.54%	12.07%	-14.94%	15.77%	24.58%	-11.73%	65.97%	-51.04%	7.80%		
	FY 2010-11 interest Actual													Total	
	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	FY 10-11	Interest	
300 INTEREST & INVESTMENT INCOME	2,904	3,516	3,485	3,521	4,092	5,041	5,185	6,090	3,692	4,999	5,810	7,301		55,636	1.05%
Growth Rate		21.07%	-0.88%	1.03%	16.22%	23.19%	2.86%	17.45%	-39.38%	35.40%	16.22%	25.66%	10.81%		



Pauline Marx, Chief Assistant Treasurer
Michelle Durgy, Chief Investment Officer

Investment Report for the month of December 2013

January 15, 2014

The Honorable Edwin M. Lee
Mayor of San Francisco
City Hall, Room 200
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638

The Honorable Board of Supervisors
City and County of San Francisco
City Hall, Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4638

Ladies and Gentlemen,

In accordance with the provisions of California State Government Code, Section 53646, we forward this report detailing the City's pooled fund portfolio as of December 31, 2013. These investments provide sufficient liquidity to meet expenditure requirements for the next six months and are in compliance with our statement of investment policy and California Code.

This correspondence and its attachments show the investment activity for the month of December 2013 for the portfolios under the Treasurer's management. All pricing and valuation data is obtained from Interactive Data Corporation.

CCSF Pooled Fund Investment Earnings Statistics *

<i>(in \$ million)</i>	Current Month		Prior Month	
	<u>Fiscal YTD</u>	<u>December 2013</u>	<u>Fiscal YTD</u>	<u>November 2013</u>
Average Daily Balance	\$ 5,933	\$ 6,053	\$ 5,909	\$ 5,675
Net Earnings	22.71	4.01	18.70	3.73
Earned Income Yield	0.76%	0.78%	0.75%	0.80%

CCSF Pooled Fund Statistics *

<i>(in \$ million)</i>	% of Portfolio	Book Value	Market Value	Wtd. Avg. Coupon	Wtd. Avg. YTM	WAM
Investment Type						
U.S. Treasuries	12.5%	\$ 763	\$ 765	1.22%	1.00%	936
Federal Agencies	65.7%	4,020	4,016	0.99%	0.86%	871
State & Local Government						
Agency Obligations	2.6%	162	158	2.69%	0.63%	400
Public Time Deposits	0.01%	1	1	0.48%	0.48%	79
Negotiable CDs	4.1%	250	250	0.26%	0.26%	125
Commercial Paper	2.3%	139	139	0.04%	0.13%	58
Medium Term Notes	10.7%	667	656	1.77%	0.39%	308
Money Market Funds	2.0%	125	125	0.03%	0.03%	2
Totals	100.0%	\$ 6,127	\$ 6,111	1.08%	0.76%	739

In the remainder of this report, we provide additional information and analytics at the security-level and portfolio-level, as recommended by the California Debt and Investment Advisory Commission.

Very truly yours,

José Cisneros
Treasurer

cc: Treasury Oversight Committee: Aimee Brown, Joe Grazioli, Charles Perl
Ben Rosenfield, Controller, Office of the Controller
Tonia Lediju, Internal Audit, Office of the Controller
Cynthia Fong, Deputy Director for Finance & Administration, San Francisco County Transportation Authority
Carol Lu, Budget Analyst
San Francisco Public Library

* Please see last page of this report for non-pooled funds holdings and statistics.

Portfolio Summary

Pooled Fund

As of December 31, 2013

<i>(in \$ million)</i>							
Security Type	Par Value	Book Value	Market Value	Market/Book Price	Current % Allocation	Max. Policy Allocation	Compliant?
U.S. Treasuries	\$ 760	\$ 763	\$ 765	100.18	12.51%	100%	Yes
Federal Agencies	4,005	4,020	4,016	99.89	65.72%	85%	Yes
State & Local Government							
Agency Obligations	156	162	158	97.91	2.59%	20%	Yes
Public Time Deposits	1	1	1	100.00	0.01%	100%	Yes
Negotiable CDs	250	250	250	100.03	4.09%	30%	Yes
Bankers Acceptances	-	-	-	-	0.00%	40%	Yes
Commercial Paper	140	139	139	100.00	2.28%	25%	Yes
Medium Term Notes	657	667	656	98.41	10.74%	15%	Yes*
Repurchase Agreements	-	-	-	-	0.00%	100%	Yes
Reverse Repurchase/ Securities Lending Agreements	-	-	-	-	0.00%	\$75mm	Yes
Money Market Funds	125	125	125	-	2.05%	100%	Yes
LAIF	-	-	-	-	0.00%	\$50mm	Yes
TOTAL	\$ 6,093	\$ 6,127	\$ 6,111	99.72	100.00%	-	Yes

The City and County of San Francisco uses the following methodology to determine compliance: Compliance is pre-trade and calculated on both a par and market value basis, using the result with the lowest percentage of the overall portfolio value. Cash balances are included in the City's compliance calculations.

Please note the information in this report does not include cash balances. Due to fluctuations in the market value of the securities held in the Pooled Fund and changes in the City's cash position, the allocation limits may be exceeded on a post-trade compliance basis. In these instances, no compliance violation has occurred, as the policy limits were not exceeded prior to trade execution.

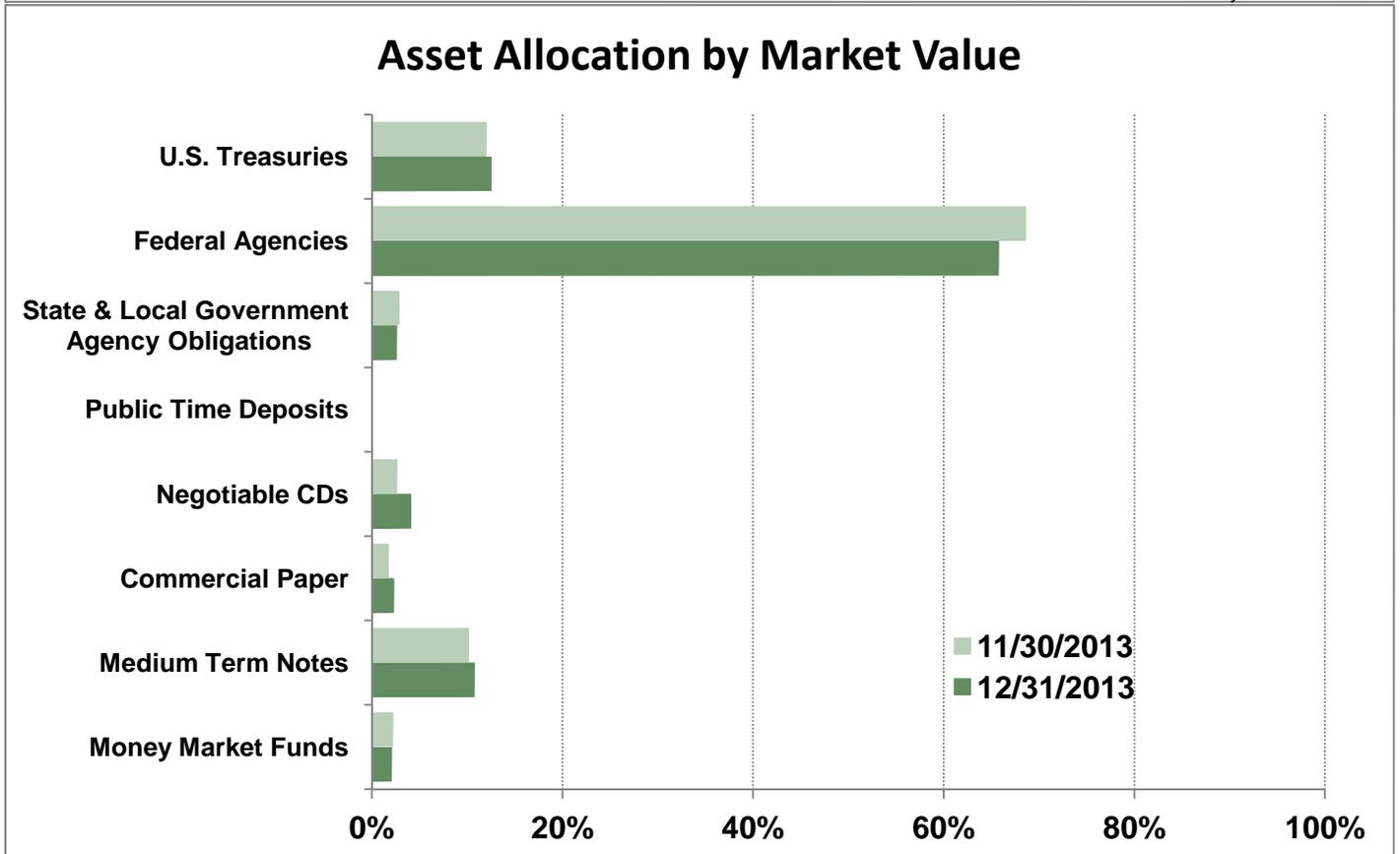
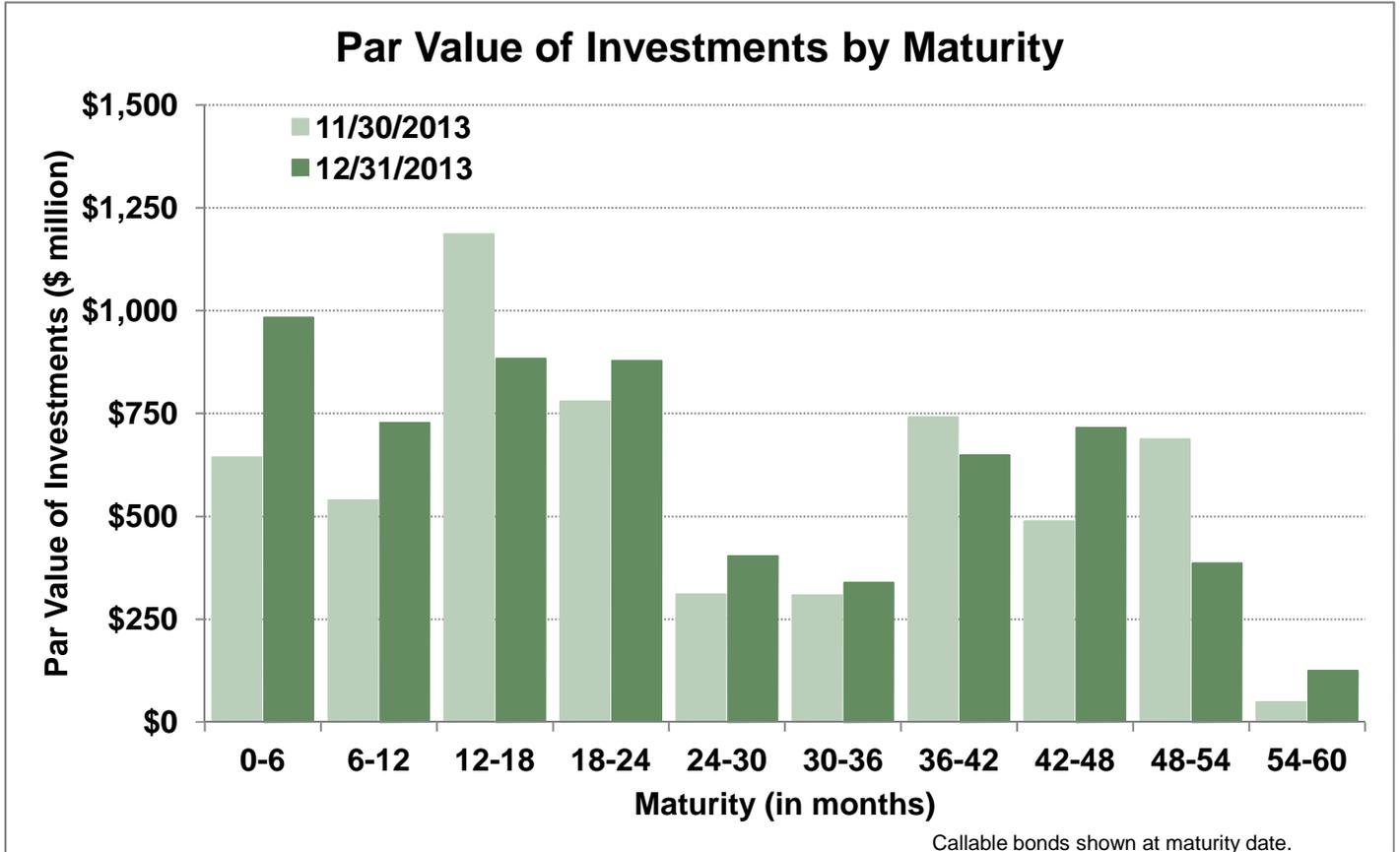
The full Investment Policy can be found at <http://www.sftreasurer.org/>, in the Reports & Plans section of the About menu.

Totals may not add due to rounding.

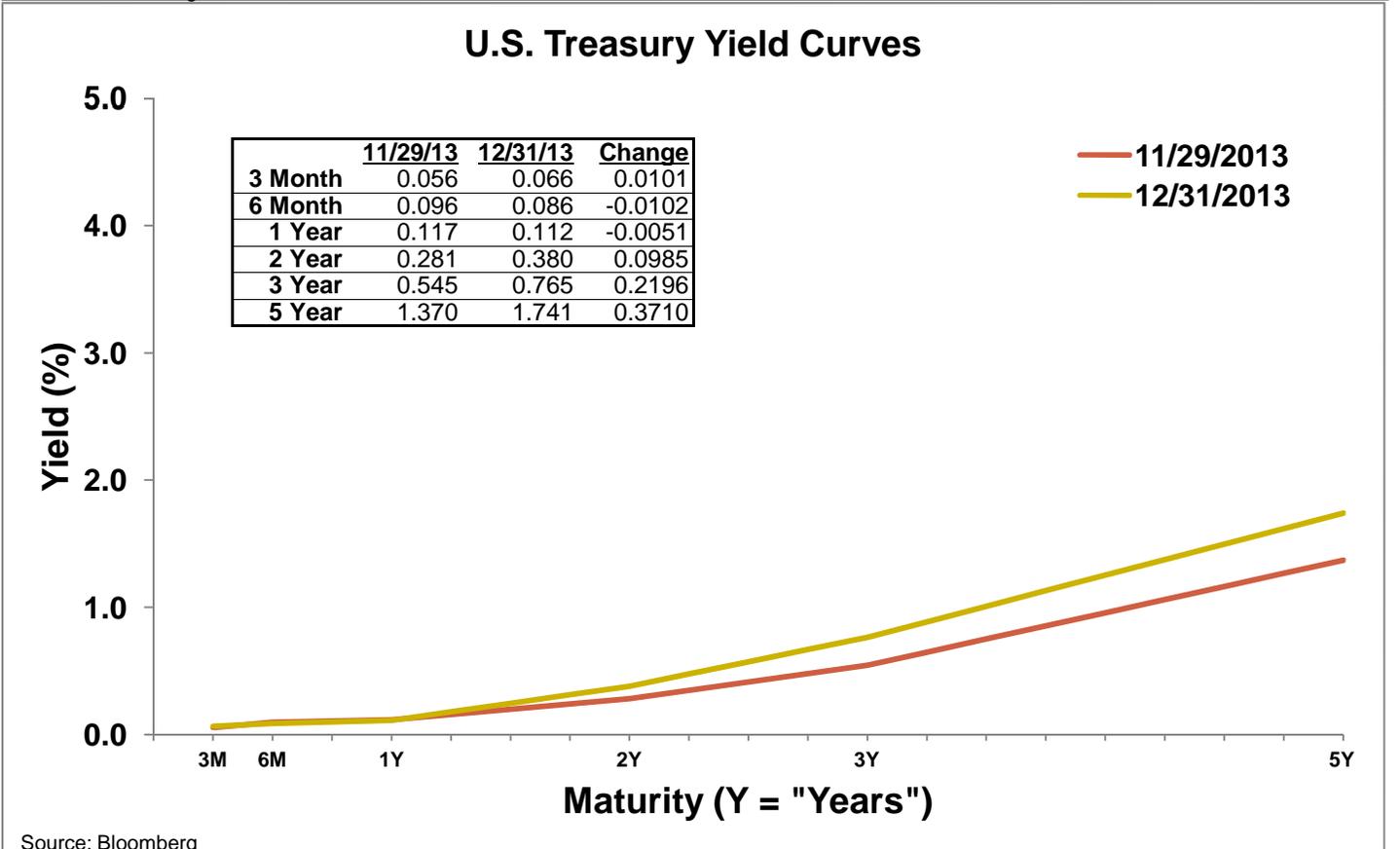
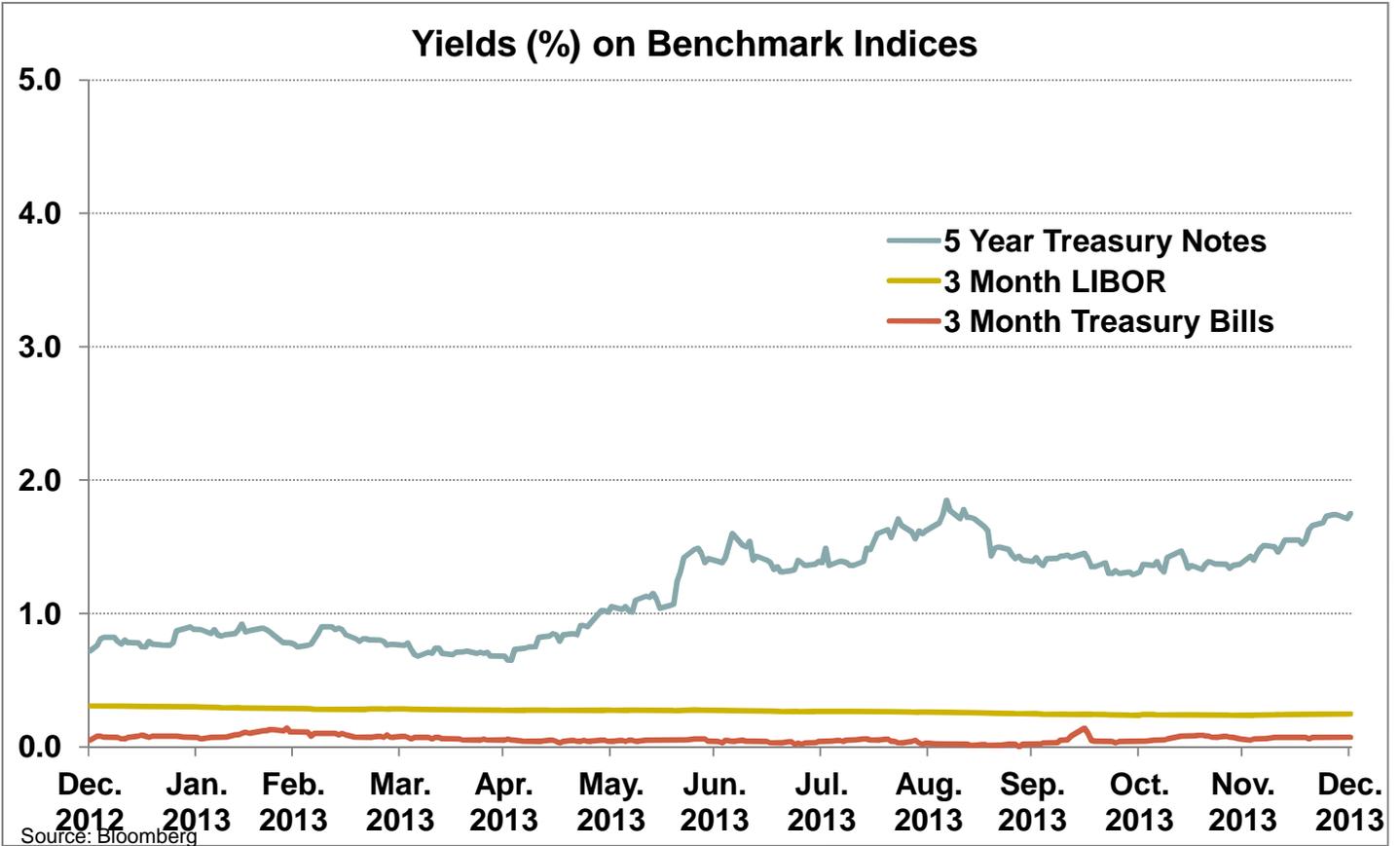
*\$5 million, or .09% of the pooled fund's assets, was a John Deere Capital Corp FRN (CUSIP: 24422ESA8) with maturity 1/12/15. As of the date of this report, the position has been sold through normal trading activity.

Portfolio Analysis

Pooled Fund



Yield Curves



Investment Inventory

Pooled Fund

As of December 31, 2013

Type of Investment	CUSIP	Issue Name	Settle	Maturity	Duration	Coupon	Par Value		Amortized		Market Value
			Date	Date			Book Value	Book Value			
U.S. Treasuries	912828PQ7	US TSY NT	6/1/11	1/15/14	0.04	1.00	\$ 25,000,000	\$ 25,226,563	\$ 25,003,307	\$ 25,007,750	
U.S. Treasuries	912828LC2	US TSY NT	6/1/11	7/31/14	0.58	2.63	25,000,000	26,382,813	25,252,399	25,363,250	
U.S. Treasuries	912828MW7	US TSY NT	2/24/12	3/31/15	1.23	2.50	50,000,000	53,105,469	51,246,581	51,420,000	
U.S. Treasuries	912828PE4	US TSY NT	12/23/11	10/31/15	1.82	1.25	25,000,000	25,609,375	25,289,107	25,414,000	
U.S. Treasuries	912828PJ3	US TSY NT	12/16/10	11/30/15	1.90	1.38	50,000,000	49,519,531	49,814,714	50,967,000	
U.S. Treasuries	912828PJ3	US TSY NT	12/16/10	11/30/15	1.90	1.38	50,000,000	49,519,531	49,814,714	50,967,000	
U.S. Treasuries	912828PJ3	US TSY NT	12/23/10	11/30/15	1.90	1.38	50,000,000	48,539,063	49,434,424	50,967,000	
U.S. Treasuries	912828PS3	US TSY NT	12/13/13	1/31/16	2.04	2.00	50,000,000	52,107,082	52,064,637	51,640,500	
U.S. Treasuries	912828RJ1	US TSY NT	10/11/11	9/30/16	2.71	1.00	75,000,000	74,830,078	74,906,150	75,644,250	
U.S. Treasuries	912828RM4	US TSY NT	12/26/13	10/31/16	2.80	1.00	25,000,000	25,222,268	25,221,209	25,189,500	
U.S. Treasuries	912828SJ0	US TSY NT	3/14/12	2/28/17	3.12	0.88	100,000,000	99,695,313	99,805,955	99,992,000	
U.S. Treasuries	912828SJ0	US TSY NT	3/21/12	2/28/17	3.12	0.88	25,000,000	24,599,609	24,744,016	24,998,000	
U.S. Treasuries	912828SJ0	US TSY NT	3/21/12	2/28/17	3.12	0.88	25,000,000	24,599,609	24,744,016	24,998,000	
U.S. Treasuries	912828SM3	US TSY NT	4/4/12	3/31/17	3.20	1.00	50,000,000	49,835,938	49,893,296	50,109,500	
U.S. Treasuries	912828TM2	US TSY NT	9/17/12	8/31/17	3.62	0.63	60,000,000	59,807,813	59,857,851	58,875,000	
U.S. Treasuries	912828UE8	US TSY NT	1/4/13	12/31/17	3.95	0.75	50,000,000	49,886,719	49,909,226	48,890,500	
U.S. Treasuries	912828UZ1	US TSY NT	5/24/13	4/30/18	4.28	0.63	25,000,000	24,699,219	24,736,274	24,109,500	
Subtotals					2.53	1.22	\$ 760,000,000	\$ 763,185,991	\$ 761,737,877	\$ 764,552,750	
Federal Agencies	3135G0AZ6	FNMA FRN QTR T-BILL+21	3/4/11	3/4/14	0.01	0.28	\$ 25,000,000	\$ 24,985,000	\$ 24,999,151	\$ 25,005,000	
Federal Agencies	3135G0AZ6	FNMA FRN QTR T-BILL+21	3/4/11	3/4/14	0.01	0.28	25,000,000	24,992,500	24,999,576	25,005,000	
Federal Agencies	313379RV3	FHLB FLT NT FF+12	6/11/12	3/11/14	0.01	0.21	50,000,000	49,986,700	49,998,562	50,015,000	
Federal Agencies	31398A3R1	FNMA AMORT TO CALL	11/10/10	3/21/14	0.22	1.35	24,500,000	24,564,827	24,500,000	24,565,415	
Federal Agencies	31315PHX0	FARMER MAC MTN	4/10/12	6/5/14	0.43	3.15	14,080,000	14,878,195	14,237,405	14,248,256	
Federal Agencies	3133XWE70	FHLB TAP	5/15/12	6/13/14	0.45	2.50	48,000,000	50,088,480	48,448,514	48,506,880	
Federal Agencies	3133724E1	FHLB	12/31/10	6/30/14	0.50	1.21	50,000,000	50,000,000	50,000,000	50,262,000	
Federal Agencies	3137EACU1	FHLMC BONDS	6/2/11	7/30/14	0.58	1.00	75,000,000	74,946,000	74,990,173	75,376,500	
Federal Agencies	3134G2UA8	FHLMC NT	12/1/11	8/20/14	0.63	1.00	28,000,000	28,247,744	28,057,632	28,145,880	
Federal Agencies	31398A3G5	FNMA EX-CALL NT	4/4/12	9/8/14	0.68	1.50	13,200,000	13,515,216	13,288,843	13,320,516	
Federal Agencies	31315PRZ4	FARMER MAC MTN	4/9/13	10/1/14	0.75	0.24	18,000,000	17,996,400	17,998,180	18,009,720	
Federal Agencies	3136FTRF8	FNMA FLT QTR FF+39	12/12/11	11/21/14	0.01	0.48	26,500,000	26,523,585	26,507,108	26,593,545	
Federal Agencies	31331J4S9	FFCB	12/16/10	12/8/14	0.93	1.40	24,000,000	23,988,000	23,997,184	24,272,400	
Federal Agencies	31331J4S9	FFCB	12/8/10	12/8/14	0.93	1.40	19,000,000	18,956,680	18,989,889	19,215,650	
Federal Agencies	313371W51	FHLB	12/8/10	12/12/14	0.94	1.25	75,000,000	74,391,000	74,856,584	75,683,250	
Federal Agencies	3133XVNU1	FHLB	11/23/10	12/12/14	0.94	2.75	25,400,000	26,848,308	25,737,612	26,014,680	
Federal Agencies	3133XVNU1	FHLB	11/23/10	12/12/14	0.94	2.75	2,915,000	3,079,668	2,953,386	2,985,543	
Federal Agencies	3133XVNU1	FHLB	12/8/10	12/12/14	0.94	2.75	50,000,000	52,674,000	50,629,713	51,210,000	
Federal Agencies	313371W93	FHLB	12/15/10	12/15/14	0.95	1.34	75,000,000	75,000,000	75,000,000	75,824,250	
Federal Agencies	3136FTVN6	FNMA FLT QTR FF+35	12/15/11	12/15/14	0.01	0.43	75,000,000	75,000,000	75,000,000	75,254,250	
Federal Agencies	31331J6Q1	FFCB	12/29/10	12/29/14	0.99	1.72	27,175,000	27,157,065	27,170,556	27,578,821	
Federal Agencies	31331J6Q1	FFCB	12/29/10	12/29/14	0.99	1.72	65,000,000	64,989,600	64,997,423	65,965,900	
Federal Agencies	3130A0FX3	FHLB SA	12/13/13	2/18/15	1.13	0.21	50,000,000	49,992,292	49,992,644	49,988,500	
Federal Agencies	3133EAQ35	FFCB FLT NT FF+14	9/4/12	3/4/15	0.01	0.31	100,000,000	99,924,300	99,964,518	100,154,000	
Federal Agencies	3133EAJP4	FFCB FLT NT 1ML+1.5	4/30/12	4/27/15	0.07	0.18	50,000,000	49,992,600	49,996,740	50,023,500	
Federal Agencies	31315PWJ4	FARMER MAC FLT NT FF+26	5/3/12	5/1/15	0.01	0.35	50,000,000	50,000,000	50,000,000	50,158,500	
Federal Agencies	3133EAQC5	FFCB FLT NT 1ML+1	6/8/12	5/14/15	0.04	0.18	50,000,000	49,985,500	49,993,251	50,018,500	
Federal Agencies	3133EDC67	FFCB SA	12/19/13	6/18/15	1.46	0.25	50,000,000	49,992,847	49,993,026	49,936,000	
Federal Agencies	3133EAVE5	FFCB FLT NT 1ML+2	12/5/12	6/22/15	0.06	0.18	50,000,000	49,987,300	49,992,659	50,024,500	
Federal Agencies	31315PDZ9	FAMCA	11/22/13	7/22/15	1.52	2.38	15,000,000	15,630,100	15,596,403	15,440,850	

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issue Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	Market Value
			Date	Date					Book Value	
Federal Agencies	3133ECVW1	FFCB FLT NT T-BILL+14	8/5/13	8/5/15	0.02	0.21	62,500,000	62,487,500	62,490,051	62,511,250
Federal Agencies	31315PTR0	FARMER MAC MTN CALL	4/26/13	8/28/15	1.66	0.50	20,000,000	20,004,000	20,000,753	20,010,800
Federal Agencies	313383V81	FHLB SA	12/12/13	8/28/15	1.66	0.38	9,000,000	9,023,880	9,023,427	9,005,580
Federal Agencies	3137EACM9	FHLMC BONDS	12/15/10	9/10/15	1.67	1.75	50,000,000	49,050,000	49,661,185	51,166,000
Federal Agencies	313370JB5	FHLB	12/15/10	9/11/15	1.67	1.75	75,000,000	73,587,000	74,495,532	76,722,000
Federal Agencies	31315PGT0	FARMER MAC	9/15/10	9/15/15	1.67	2.13	45,000,000	44,914,950	44,971,029	46,304,550
Federal Agencies	3133ECZG2	FFCB SA	12/10/13	9/16/15	1.70	0.55	52,047,000	52,323,023	52,315,886	52,201,580
Federal Agencies	3133ECJB1	FFCB FLT NT QTR T-BILL+16	4/16/13	9/18/15	0.02	0.23	50,000,000	50,000,000	50,000,000	50,023,000
Federal Agencies	3133ECJB1	FFCB FLT NT QTR T-BILL+16	4/24/13	9/18/15	0.02	0.23	16,200,000	16,198,073	16,198,626	16,207,452
Federal Agencies	31398A3T7	FNMA NT EX-CALL	10/14/11	9/21/15	1.69	2.00	25,000,000	25,881,000	25,384,748	25,687,500
Federal Agencies	3133EJAF6	FFCB FLT NT 1ML+2.5	11/30/12	9/22/15	0.06	0.19	27,953,000	27,945,120	27,945,717	27,966,417
Federal Agencies	31398A4M1	FNMA	12/15/10	10/26/15	1.80	1.63	25,000,000	24,317,500	24,745,215	25,546,250
Federal Agencies	31398A4M1	FNMA	12/23/10	10/26/15	1.80	1.63	42,000,000	40,924,380	41,596,643	42,917,700
Federal Agencies	3136G1LX5	FNMA NT CALL	5/15/13	11/13/15	1.86	0.32	24,610,000	24,610,000	24,610,000	24,573,331
Federal Agencies	31331J2S1	FFCB	12/15/10	11/16/15	1.85	1.50	25,000,000	24,690,981	24,690,537	25,533,500
Federal Agencies	3133ECLZ5	FFCB FLT NT MONTHLY 1ML+0	5/8/13	11/19/15	0.05	0.17	25,000,000	24,997,000	24,997,772	24,997,750
Federal Agencies	313371ZY5	FHLB	12/3/10	12/11/15	1.92	1.88	25,000,000	24,982,000	24,993,041	25,733,750
Federal Agencies	313371ZY5	FHLB	12/14/10	12/11/15	1.92	1.88	50,000,000	49,871,500	49,950,024	51,467,500
Federal Agencies	3133ED5A6	FFCB FLT	12/12/13	1/20/16	2.05	0.17	50,000,000	50,000,000	50,000,000	49,986,500
Federal Agencies	3133ECP57	FFCB FLT NT 1ML+0	5/20/13	2/10/16	0.03	0.17	50,000,000	49,987,000	49,989,950	49,983,000
Federal Agencies	313375RN9	FHLB NT	4/13/12	3/11/16	2.17	1.00	22,200,000	22,357,620	22,288,303	22,446,642
Federal Agencies	3133XXP43	FHLB SA	12/12/13	3/11/16	2.12	3.13	14,000,000	14,958,990	14,938,298	14,790,720
Federal Agencies	3133EAJU3	FFCB NT	4/12/12	3/28/16	2.22	1.05	25,000,000	25,124,725	25,327,750	25,327,500
Federal Agencies	3135G0VA8	FNMA SA	12/13/13	3/30/16	2.24	0.50	25,000,000	25,047,597	25,047,093	24,973,000
Federal Agencies	31315PTF6	FAMCA FLT MTN 1ML+0	4/1/13	4/1/16	0.00	0.17	50,000,000	50,000,000	50,000,000	49,972,000
Federal Agencies	3133792Z1	FHLB NT	4/18/12	4/18/16	2.28	0.81	20,000,000	19,992,200	19,995,526	20,110,600
Federal Agencies	3133ECW77	FFCB SA	11/20/13	5/9/16	2.35	0.65	22,650,000	22,750,988	22,746,490	22,684,428
Federal Agencies	3135G0RZ8	FNMA CALL NT	11/30/12	5/26/16	2.39	0.55	22,540,000	22,540,000	22,540,000	22,478,240
Federal Agencies	31315PB73	FAMCA NT	2/9/12	6/9/16	2.42	0.90	10,000,000	10,000,000	10,000,000	10,102,300
Federal Agencies	313771AA5	FHLB SUB NT	5/20/13	6/13/16	2.33	5.63	16,925,000	19,472,890	18,958,762	18,881,530
Federal Agencies	313771AA5	FHLB SUB NT	5/30/13	6/13/16	2.33	5.63	14,195,000	16,259,095	15,857,433	15,835,942
Federal Agencies	31315PA25	FAMCA NT	7/27/11	7/27/16	2.50	2.00	15,000,000	14,934,750	14,966,500	15,484,050
Federal Agencies	31315PA25	FAMCA MTN	3/26/13	7/27/16	2.50	2.00	14,100,000	14,735,205	14,588,780	14,555,007
Federal Agencies	31315PA25	FAMCA MTN	3/26/13	7/27/16	2.50	2.00	11,900,000	12,440,498	12,315,904	12,284,013
Federal Agencies	31315PQB8	FAMCA NT	10/29/13	9/1/16	2.61	1.50	7,000,000	7,173,157	7,163,523	7,141,680
Federal Agencies	313370TW8	FHLB BD	10/11/11	9/9/16	2.62	2.00	25,000,000	25,727,400	25,397,943	25,841,000
Federal Agencies	3134G3P38	FHLMC NT CALL	12/14/12	10/5/16	2.73	0.75	75,000,000	75,071,250	75,000,736	74,961,000
Federal Agencies	3134G4HK7	FHLMC CALL STEP NT	10/24/13	10/24/16	2.80	0.50	25,000,000	25,000,000	25,000,000	25,020,750
Federal Agencies	3136G1WP0	FNMA CALL NT	11/4/13	11/4/16	2.79	1.50	18,000,000	18,350,460	18,322,615	18,306,000
Federal Agencies	313381GA7	FHLB NT	11/30/12	11/30/16	2.90	0.57	23,100,000	23,104,389	23,103,196	22,948,695
Federal Agencies	313381KR5	FHLB NT CALL	12/28/12	12/28/16	2.97	0.63	13,500,000	13,500,000	13,500,000	13,417,110
Federal Agencies	313381KR5	FHLB NT CALL	12/28/12	12/28/16	2.97	0.63	9,000,000	9,000,000	9,000,000	8,944,740
Federal Agencies	3134G33C2	FHLMC NT	1/3/13	1/3/17	2.97	0.60	50,000,000	50,000,000	50,000,000	49,651,500
Federal Agencies	3133ECB37	FFCB NT	12/20/12	1/12/17	3.00	0.58	14,000,000	14,000,000	14,000,000	13,896,120
Federal Agencies	31315PWW5	FARMER MAC MTN	5/4/12	1/17/17	2.99	1.01	49,500,000	49,475,250	49,483,990	49,757,400
Federal Agencies	3136FTL31	FNMA STEP BD CALL	4/30/12	2/7/17	3.06	0.75	30,765,000	30,872,678	30,771,148	30,778,229
Federal Agencies	3133786Q9	FHLB NT	1/10/13	2/13/17	3.07	1.00	67,780,000	68,546,456	68,363,942	68,159,568
Federal Agencies	3133782N0	FHLB NT	3/12/12	3/10/17	3.15	0.88	14,845,000	14,698,035	14,751,213	14,809,372
Federal Agencies	31315PTQ2	FARMER MAC MTN	4/10/12	4/10/17	3.21	1.26	12,500,000	12,439,250	12,460,243	12,566,625
Federal Agencies	3133ECLL6	FFCB NT	4/17/13	4/17/17	3.26	0.60	10,000,000	10,000,000	10,000,000	9,879,000

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issue Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	
			Date	Date					Book Value	Market Value
Federal Agencies	3136G0CC3	FNMA STRNT	4/18/12	4/18/17	3.25	0.85	30,000,000	30,000,000	30,000,000	30,063,000
Federal Agencies	31315PUQ0	FARMER MAC MTN	4/26/12	4/26/17	3.26	1.13	10,500,000	10,500,000	10,522,785	10,522,785
Federal Agencies	3133794Y2	FHLB FIX-TO-FLOAT CALL NT	5/9/12	5/9/17	3.33	0.50	25,000,000	25,000,000	25,000,000	24,986,000
Federal Agencies	3137EADF3	FHLMC NT	5/14/12	5/12/17	3.30	1.25	25,000,000	25,133,000	25,089,469	25,171,500
Federal Agencies	3136G0GW5	FNMA STEP NT CALL	6/11/12	5/23/17	3.35	0.85	50,000,000	50,290,500	50,058,018	50,078,500
Federal Agencies	31315PZQ5	FARMER MAC MTN	12/28/12	6/5/17	3.37	1.11	9,000,000	9,122,130	9,094,312	9,012,150
Federal Agencies	3133EAUW6	FFCB FLT NT FF+22	6/19/12	6/19/17	0.01	0.30	50,000,000	50,000,000	50,000,000	50,097,500
Federal Agencies	3133ECV92	FFCB FLT NT 1ML+4	7/24/13	7/24/17	0.07	0.20	50,000,000	50,000,000	50,000,000	49,937,500
Federal Agencies	3133ECVG6	FFCB FLT NT 3ML+0	8/5/13	7/26/17	0.07	0.24	23,520,000	23,520,000	23,520,000	23,464,728
Federal Agencies	3136G0B59	FNMA STEP NT	9/20/12	9/20/17	3.67	0.70	64,750,000	64,750,000	64,750,000	64,183,438
Federal Agencies	3136G0D81	FNMA STEP NT	9/27/12	9/27/17	3.69	0.72	100,000,000	100,000,000	100,000,000	99,206,000
Federal Agencies	3136G0Y39	FNMA STEP NT	11/8/12	11/8/17	3.81	0.63	50,000,000	50,000,000	50,000,000	49,157,500
Federal Agencies	3134G44F2	FHLMC CALL MTN	5/21/13	11/21/17	3.83	0.80	50,000,000	50,000,000	50,000,000	48,727,000
Federal Agencies	3135G0RT2	FNMA NT	1/10/13	12/20/17	3.91	0.88	50,000,000	49,917,500	49,933,771	48,954,500
Federal Agencies	3135G0RT2	FNMA GLOBAL	1/29/13	12/20/17	3.91	0.88	50,000,000	49,645,370	49,712,285	48,954,500
Federal Agencies	3136G13T4	FNMA STEP NT	12/26/12	12/26/17	3.93	0.75	39,000,000	39,000,000	39,000,000	38,443,860
Federal Agencies	3136G13Q0	FNMA STEP NT	12/26/12	12/26/17	3.93	0.75	29,000,000	29,000,000	29,000,000	28,624,450
Federal Agencies	3134G32W9	FHLMC MTN CALL	12/26/12	12/26/17	3.90	1.25	33,600,000	33,991,272	33,725,894	33,260,640
Federal Agencies	3134G32W9	FHLMC MTN CALL	12/26/12	12/26/17	3.90	1.25	50,000,000	50,605,000	50,111,692	49,955,000
Federal Agencies	3134G32M1	FHLMC CALL NT	12/28/12	12/28/17	3.92	1.00	50,000,000	50,000,000	50,000,000	48,747,000
Federal Agencies	3136G1FK0	FNMA NT CALL	3/13/13	3/13/18	4.06	1.60	21,500,000	21,744,240	21,547,510	21,498,925
Federal Agencies	3136G1GG8	FNMA NT CALL	3/19/13	3/19/18	4.09	1.50	17,900,000	18,079,000	17,937,762	17,803,161
Federal Agencies	3136G1J67	FNMA NT CALL	4/9/13	4/9/18	4.14	1.50	25,000,000	25,249,000	25,066,855	24,732,500
Federal Agencies	3136G1KN8	FNMA NT CALL	4/24/13	4/24/18	4.18	1.50	50,000,000	50,903,000	50,591,279	49,648,500
Federal Agencies	3136G1K81	FNMA NT STEP	4/30/13	4/30/18	4.27	0.75	12,600,000	12,600,000	12,600,000	12,337,038
Federal Agencies	31315PZM4	FARMER MAC STEP NT	5/3/13	5/3/18	4.28	0.70	24,600,000	24,600,000	24,600,000	24,198,774
Federal Agencies	313382XK4	FHLB STEP NT	5/7/13	5/7/18	4.31	0.50	25,000,000	25,000,000	25,000,000	24,542,750
Federal Agencies	3133ECPB4	FFCB NT	5/23/13	5/14/18	4.29	0.88	10,000,000	9,934,600	9,942,627	9,667,000
Federal Agencies	313383AS0	FHLB NT CALL	5/21/13	5/21/18	4.27	1.40	50,000,000	50,374,000	50,327,916	49,407,000
Federal Agencies	3135G0WJ8	FNMA NT	5/23/13	5/21/18	4.31	0.88	25,000,000	24,786,500	24,812,602	24,182,750
Federal Agencies	3133834P3	FHLB STEP NT	5/22/13	5/22/18	4.35	0.50	50,000,000	50,000,000	50,000,000	48,840,000
Federal Agencies	3136G1WF2	FNMA STEP NT	10/30/13	10/30/18	4.72	1.00	25,000,000	25,000,000	25,000,000	25,028,000
Federal Agencies	3136G1XY0	FNMA CALL	11/27/13	11/27/18	4.66	2.25	25,000,000	25,327,000	25,285,077	25,219,000
Federal Agencies	3134G4LZ9	FHLMC CALL STEP	12/10/13	12/10/18	4.85	0.88	50,000,000	50,000,000	50,000,000	49,807,000
Federal Agencies	3134G4MB1	FHLMC CALL MULTI-STEP	12/18/13	12/18/18	4.80	1.50	25,000,000	25,000,000	25,000,000	24,676,500
Subtotals					1.99	0.99	\$ 4,004,550,000	\$ 4,020,341,832	\$ 4,013,840,301	\$ 4,016,029,425
State/Local Agencies	463655GW4	IRVINE RANCH CA WTR PRE-RE	3/29/12	3/15/14	0.20	2.61	\$ 15,000,000	\$ 15,606,300	\$ 15,061,816	\$ 15,066,750
State/Local Agencies	463655GW4	IRVINE RANCH CA WTR PRE-RE	6/8/12	3/15/14	0.20	2.61	11,115,000	11,542,594	11,163,394	11,164,462
State/Local Agencies	463655GW4	IRVINE RANCH CA WTR PRE-RE	6/8/12	3/15/14	0.20	2.61	8,150,000	8,463,531	8,185,485	8,186,268
State/Local Agencies	463655GW4	IRVINE RANCH CA WTR PRE-RE	4/29/13	3/15/14	0.20	2.61	2,000,000	2,040,000	2,009,125	2,008,900
State/Local Agencies	13063A5B6	CALIFORNIA ST GO BD	5/2/12	4/1/14	0.25	5.25	2,820,000	3,044,359	2,848,887	2,852,938
State/Local Agencies	13063A5B6	CALIFORNIA ST GO BD	4/8/13	4/1/14	0.25	5.25	10,000,000	10,469,000	10,117,905	10,116,800
State/Local Agencies	13063A5B6	CALIFORNIA ST GO BD	5/3/13	4/1/14	0.25	5.25	7,270,000	7,590,971	7,356,749	7,354,914
State/Local Agencies	13063A5B6	CALIFORNIA ST GO BD	7/29/13	4/1/14	0.25	5.25	1,250,000	1,289,350	1,264,396	1,264,600
State/Local Agencies	13063CEA4	CALIFORNIA ST RAN	8/22/13	5/28/14	0.41	2.00	27,000,000	27,368,820	27,194,325	27,203,580
State/Local Agencies	62451FFC9	WHISMAN SCHOOL DIST MTN VIEW	7/24/12	8/1/14	0.58	0.75	1,125,000	1,125,000	1,125,000	1,124,426
State/Local Agencies	612574DP5	MONTEREY COMM COLLEGE GO	5/7/13	8/1/14	0.58	0.43	310,000	310,000	310,000	310,109
State/Local Agencies	64966DPC7	NEW YORK CITY GO	6/7/12	11/1/14	0.82	4.75	8,000,000	8,774,720	8,268,546	8,276,400
State/Local Agencies	13063BN65	CALIFORNIA ST TAXABLE GO BD	3/27/13	2/1/15	1.08	0.85	10,000,000	10,038,000	10,022,260	10,009,600

Investment Inventory

Pooled Fund

Type of Investment	CUSIP	Issue Name	Settle Date	Maturity Date	Duration	Coupon	Par Value	Book Value	Amortized Book Value	Market Value
State/Local Agencies	649791JS0	NEW YORK ST TAXABLE GO	3/21/13	3/1/15	1.16	0.39	4,620,000	4,619,076	4,619,448	4,613,024
State/Local Agencies	91412GPW9	UNIV OF CALIFORNIA REVENUE BO	3/14/13	5/15/15	1.37	0.39	5,000,000	5,000,000	5,000,000	4,969,600
State/Local Agencies	612574DQ3	MONTEREY COMM COLLEGE GO	5/7/13	8/1/15	1.57	0.63	315,000	315,000	315,000	314,858
State/Local Agencies	64966XS6	NEW YORK CITY TAXABLE GO	4/1/13	12/1/15	1.85	5.13	12,255,000	13,700,477	13,292,360	13,261,748
State/Local Agencies	13063BN73	CALIFORNIA ST TAXABLE GO BD	3/27/13	2/1/16	2.06	1.05	11,000,000	11,037,180	11,027,180	11,029,370
State/Local Agencies	612574DR1	MONTEREY COMM COLLEGE GO	5/7/13	8/1/16	2.55	0.98	2,670,000	2,670,000	2,670,000	2,655,101
State/Local Agencies	13063CFC9	CALIFORNIA ST GO BD	11/5/13	11/1/17	3.72	1.75	16,500,000	16,558,905	16,556,601	16,405,785
Subtotals					1.07	2.69	\$ 156,400,000	\$ 161,563,283	\$ 158,408,477	\$ 158,189,232
Public Time Deposits		TRANS PACIFIC NATIONAL BANK P	2/7/13	2/7/14	0.10	0.49	\$ 240,000	\$ 240,000	\$ 240,000	\$ 240,000
Public Time Deposits		BANK OF SAN FRANCISCO PTD	4/9/13	4/9/14	0.27	0.47	240,000	240,000	240,000	240,000
Public Time Deposits		FIRST NAT. BANK OF NOR. CAL. PTI	4/9/13	4/9/14	0.27	0.48	240,000	240,000	240,000	240,000
Subtotals					0.22	0.48	\$ 720,000	\$ 720,000	\$ 720,000	\$ 720,000
Negotiable CDs	06538GWT5	BANK OF TOKYO MITSUBISHI UFJ Y	12/23/13	1/13/14	0.04	0.14	\$ 100,000,000	\$ 100,000,000	\$ 100,000,000	\$ 100,002,889
Negotiable CDs	78009NMC7	RBC YCD FF+22	3/26/13	3/26/14	0.00	0.30	75,000,000	75,000,000	75,000,000	75,042,494
Negotiable CDs	78009NNK8	RBC FLT YCD 1ML+11	6/24/13	6/24/14	0.07	0.27	25,000,000	25,000,000	25,000,000	25,017,493
Negotiable CDs	06417FB58	BANK OF NOVA SCOTIA YCD 3ML+1	7/17/13	1/20/15	0.05	0.42	50,000,000	50,000,000	50,000,000	50,000,000
Subtotals					0.03	0.26	\$ 250,000,000	\$ 250,000,000	\$ 250,000,000	\$ 250,062,876
Commercial Paper	06366AV82	BANK OF MONTREAL CP	12/3/13	2/3/14	0.09	0.12	\$ 50,000,000	\$ 50,000,000	\$ 50,000,000	\$ 49,994,042
Commercial Paper	9612C1CC9	WESTPAC CP	12/13/13	3/12/14	0.19	0.00	89,500,000	89,470,033	89,470,033	89,470,415
Subtotals					0.16	0.04	\$ 139,500,000	\$ 139,470,033	\$ 139,470,033	\$ 139,464,457
Medium Term Notes	78008KNA7	RBC MTN	1/30/13	1/15/14	0.04	1.13	\$ 30,580,000	\$ 30,820,022	\$ 30,589,601	\$ 30,589,786
Medium Term Notes	46623ECT4	JP MORGAN CHASE MTN	3/13/13	1/15/14	0.04	5.38	12,345,000	12,864,725	12,368,624	12,364,875
Medium Term Notes	46623EJE0	JPMORGAN CHASE MTN	3/1/13	1/24/14	0.07	2.05	32,755,000	33,245,310	32,789,277	32,755,000
Medium Term Notes	46623EJE0	JP MORGAN CHASE MTN	3/13/13	1/24/14	0.07	2.05	2,050,000	2,080,094	2,052,183	2,050,000
Medium Term Notes	854403AA0	STANFORD UNIVERSITY MTN	4/26/13	5/1/14	0.33	3.63	6,500,000	6,720,350	6,571,465	6,565,130
Medium Term Notes	854403AA0	STANFORD UNIVERSITY MTN	4/26/13	5/1/14	0.33	3.63	5,000,000	5,169,500	5,054,973	5,050,100
Medium Term Notes	46623EJH3	JP MORGAN CHASE FLT MTN 3ML+	5/2/13	5/2/14	0.21	0.99	27,475,000	27,669,221	27,539,386	27,538,742
Medium Term Notes	46623EJH3	JP MORGAN CHASE FLT MTN	8/2/13	5/2/14	0.21	0.99	20,000,000	20,106,250	20,047,092	20,046,400
Medium Term Notes	36962GX41	GE CAPITAL CORP MTN	4/9/13	6/9/14	0.44	5.65	25,000,000	26,515,000	25,565,458	25,566,000
Medium Term Notes	59217EBW3	MET LIFE GLOBAL FUNDING MTN	11/13/12	6/10/14	0.44	5.13	10,000,000	10,725,948	10,202,355	10,207,200
Medium Term Notes	64952WBL6	NEW YORK LIFE MTN 3ML+0	3/27/13	7/30/14	0.08	0.27	3,000,000	3,000,630	3,000,270	3,000,480
Medium Term Notes	78008TXA7	RBC MTN	11/1/13	10/30/14	0.83	1.45	10,000,000	10,117,555	10,097,868	10,094,000
Medium Term Notes	459200GZ8	IBM MTN	11/5/13	10/31/14	0.83	0.88	31,814,000	32,012,568	31,981,740	31,942,529
Medium Term Notes	36962G4G6	GE CAPITAL CORP MTN	8/7/13	11/14/14	0.86	3.75	2,920,000	3,039,340	3,001,532	3,007,366
Medium Term Notes	07385TAJ5	JP MORGAN CHASE MTN	12/18/13	11/15/14	0.86	5.70	11,500,000	12,099,438	12,076,694	12,011,980
Medium Term Notes	07385TAJ5	JP MORGAN CHASE MTN	12/19/13	11/15/14	0.86	5.70	25,654,000	26,991,172	26,944,079	26,796,116
Medium Term Notes	89233P7B6	TOYOTA MTN 3ML+17	1/28/13	12/5/14	0.18	0.41	10,000,000	10,004,700	10,002,350	10,012,200
Medium Term Notes	36962G6T6	GE FLT NT 3ML+38	1/10/13	1/9/15	0.00	0.62	25,000,000	25,000,000	25,000,000	25,104,250
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	7/12/13	1/9/15	1.01	2.15	87,824,000	89,633,101	89,064,874	89,432,057
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	8/7/13	1/9/15	1.01	2.15	4,820,000	4,934,727	4,904,573	4,908,254
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	12/16/13	1/9/15	1.01	2.15	27,743,000	28,551,331	28,528,783	28,250,974
Medium Term Notes	78008SVS2	RBC MTN FIX-TO-FLT	1/22/13	1/22/15	1.06	0.50	100,000,000	100,000,000	100,000,000	93,739,000
Medium Term Notes	89233P7H3	TOYOTA MTN 3ML+17	1/23/13	1/23/15	0.06	0.41	35,000,000	35,000,000	35,000,000	35,049,000
Medium Term Notes	89233P7L4	TOYOTA MTN FIX-TO-FLOAT	2/4/13	2/4/15	1.09	0.50	25,000,000	25,000,000	25,000,000	24,740,250
Medium Term Notes	717081DA8	PFIZER MTN	12/9/13	3/15/15	1.17	5.35	3,000,000	3,223,300	3,214,028	3,169,950
Medium Term Notes	89236TAG0	TOYOTA MOTOR CREDIT CORP 3MI	4/12/13	4/8/15	0.02	0.39	50,000,000	50,000,000	50,000,000	50,032,000

Investment Inventory

Pooled Fund

<u>Type of Investment</u>	<u>CUSIP</u>	<u>Issue Name</u>	<u>Settle</u>	<u>Maturity</u>	<u>Duration</u>	<u>Coupon</u>	<u>Par Value</u>	<u>Book Value</u>	<u>Amortized</u>	
			<u>Date</u>	<u>Date</u>					<u>Book Value</u>	<u>Market Value</u>
Medium Term Notes	459200HD6	IBM SA	12/19/13	5/11/15	1.36	0.75	5,425,000	5,465,154	5,464,236	5,448,870
Medium Term Notes	36962G5Z3	GE CAPITAL CORP MTN	8/19/13	7/2/15	1.48	1.63	5,000,000	5,085,858	5,070,962	5,081,250
Medium Term Notes	36962G4M3	GE CORP MTN FLT	11/25/13	7/9/15	0.02	0.99	8,565,000	8,635,826	8,632,073	8,606,369
Medium Term Notes	89233P6J0	TOYOTA MTN	11/15/13	7/17/15	1.53	0.88	10,000,000	10,100,681	10,095,124	10,061,400
Medium Term Notes	594918AG9	MICROSOFT MTN	10/30/13	9/25/15	1.71	1.63	3,186,000	3,265,299	3,258,567	3,252,364
Subtotals					0.61	1.77	\$ 657,156,000	\$ 667,077,099	\$ 663,118,166	\$ 656,473,893
Money Market Funds	61747C707	MS INSTL GOVT FUND	12/31/12	1/2/14	0.01	0.04	\$ 75,068,636	\$ 75,068,636	\$ 75,068,636	\$ 75,068,636
Money Market Funds	09248U718	BLACKROCK T-FUND INSTL	1/15/13	1/2/14	0.01	0.04	25,000,000	25,000,000	25,000,000	25,000,000
Money Market Funds	316175108	FIDELITY INSTL GOVT PORT	6/20/13	1/2/14	0.01	0.01	25,002,062	25,002,062	25,002,062	25,002,062
Subtotals					0.01	0.03	\$ 125,070,698	\$ 125,070,698	\$ 125,070,698	\$ 125,070,698
Grand Totals					1.72	1.08	\$ 6,093,396,698	\$ 6,127,428,935	\$ 6,112,365,552	\$ 6,110,563,332

Monthly Investment Earnings

Pooled Fund

For month ended December 31, 2013

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
U.S. Treasuries	912828PQ7	US TSY NT	\$ 25,000,000	1.00	0.65	6/1/11	1/15/14	\$ 21,060	\$ (7,324)	\$ -	\$ 13,736
U.S. Treasuries	912828LC2	US TSY NT	25,000,000	2.63	0.85	6/1/11	7/31/14	55,282	(37,082)	-	18,200
U.S. Treasuries	912828MW7	US TSY NT	50,000,000	2.50	0.48	2/24/12	3/31/15	106,456	(85,119)	-	21,337
U.S. Treasuries	912828PE4	US TSY NT	25,000,000	1.25	0.61	12/23/11	10/31/15	26,761	(13,417)	-	13,344
U.S. Treasuries	912828PJ3	US TSY NT	50,000,000	1.38	1.58	12/16/10	11/30/15	58,551	8,229	-	66,780
U.S. Treasuries	912828PJ3	US TSY NT	50,000,000	1.38	1.58	12/16/10	11/30/15	58,551	8,229	-	66,780
U.S. Treasuries	912828PJ3	US TSY NT	50,000,000	1.38	2.00	12/23/10	11/30/15	58,551	25,119	-	83,670
U.S. Treasuries	912828PS3	US TSY NT	50,000,000	2.00	0.36	12/13/13	1/31/16	51,630	(42,445)	-	9,186
U.S. Treasuries	912828RJ1	US TSY NT	75,000,000	1.00	1.05	10/11/11	9/30/16	63,874	2,901	-	66,774
U.S. Treasuries	912828RM4	US TSY NT	25,000,000	1.00	0.74	12/26/13	10/31/16	4,144	(1,059)	-	3,084
U.S. Treasuries	912828SJ0	US TSY NT	100,000,000	0.88	0.94	3/14/12	2/28/17	74,931	5,213	-	80,144
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	3/21/12	2/28/17	18,733	6,877	-	25,609
U.S. Treasuries	912828SJ0	US TSY NT	25,000,000	0.88	1.21	3/21/12	2/28/17	18,733	6,877	-	25,609
U.S. Treasuries	912828SM3	US TSY NT	50,000,000	1.00	1.07	4/4/12	3/31/17	42,582	2,791	-	45,374
U.S. Treasuries	912828TM2	US TSY NT	60,000,000	0.63	0.69	9/17/12	8/31/17	32,113	3,293	-	35,407
U.S. Treasuries	912828UE8	US TSY NT	50,000,000	0.75	0.80	1/4/13	12/31/17	31,607	1,927	-	33,534
U.S. Treasuries	912828UZ1	US TSY NT	25,000,000	0.63	0.87	5/24/13	4/30/18	13,381	5,174	-	18,555
Subtotals			\$ 760,000,000					\$ 736,938	\$ (109,816)	\$ -	\$ 627,122
Federal Agencies	31315PLT4	FARMER MAC	\$ -	1.25	1.30	12/6/10	12/6/13	\$ 6,076	\$ 220	\$ -	\$ 6,297
Federal Agencies	31331J6A6	FFCB	-	1.30	1.31	12/23/10	12/23/13	17,478	138	-	17,616
Federal Agencies	313371UC8	FHLB	-	0.88	0.93	11/18/10	12/27/13	25,278	1,649	-	26,927
Federal Agencies	3135G0AZ6	FNMA FRN QTR T-BILL+21	25,000,000	0.28	0.52	3/4/11	3/4/14	6,202	424	-	6,626
Federal Agencies	3135G0AZ6	FNMA FRN QTR T-BILL+21	25,000,000	0.28	0.40	3/4/11	3/4/14	6,202	212	-	6,414
Federal Agencies	313379RV3	FHLB FLT NT FF+12	50,000,000	0.21	0.31	6/11/12	3/11/14	8,875	646	-	9,521
Federal Agencies	31398A3R1	FNMA AMORT TO CALL	24,500,000	1.35	1.27	11/10/10	3/21/14	27,563	-	-	27,563
Federal Agencies	31315PHX0	FARMER MAC MTN	14,080,000	3.15	0.50	4/10/12	6/5/14	36,960	(31,481)	-	5,479
Federal Agencies	3133XWE70	FHLB TAP	48,000,000	2.50	0.40	5/15/12	6/13/14	100,000	(85,300)	-	14,700
Federal Agencies	3133724E1	FHLB	50,000,000	1.21	1.21	12/31/10	6/30/14	50,417	-	-	50,417
Federal Agencies	3137EACU1	FHLMC BONDS	75,000,000	1.00	1.02	6/2/11	7/30/14	62,500	1,451	-	63,951
Federal Agencies	3134G2UA8	FHLMC NT	28,000,000	1.00	0.67	12/1/11	8/20/14	23,333	(7,734)	-	15,599
Federal Agencies	31398A3G5	FNMA EX-CALL NT	13,200,000	1.50	0.51	4/4/12	9/8/14	16,500	(11,017)	-	5,483
Federal Agencies	31315PRZ4	FARMER MAC MTN	18,000,000	0.24	0.26	4/9/13	10/1/14	3,638	207	-	3,844
Federal Agencies	3136FTRF8	FNMA FLT QTR FF+39	26,500,000	0.48	0.38	12/12/11	11/21/14	10,865	(680)	-	10,185
Federal Agencies	31331J4S9	FFCB	24,000,000	1.40	1.41	12/16/10	12/8/14	28,000	256	-	28,256
Federal Agencies	31331J4S9	FFCB	19,000,000	1.40	1.46	12/8/10	12/8/14	22,167	919	-	23,086
Federal Agencies	313371W51	FHLB	75,000,000	1.25	1.46	12/8/10	12/12/14	78,125	12,887	-	91,012
Federal Agencies	3133XVNU1	FHLB	25,400,000	2.75	1.30	11/23/10	12/12/14	58,208	(30,336)	-	27,872
Federal Agencies	3133XVNU1	FHLB	2,915,000	2.75	1.31	11/23/10	12/12/14	6,680	(3,449)	-	3,231
Federal Agencies	3133XVNU1	FHLB	50,000,000	2.75	1.37	12/8/10	12/12/14	114,583	(56,583)	-	58,000
Federal Agencies	313371W93	FHLB	75,000,000	1.34	1.34	12/15/10	12/15/14	83,750	-	-	83,750
Federal Agencies	3136FTVN6	FNMA FLT QTR FF+35	75,000,000	0.43	0.43	12/15/11	12/15/14	28,173	-	-	28,173
Federal Agencies	3135G0GM9	FNMA CALL NT	-	0.83	0.77	12/23/11	12/23/14	12,604	38,796	(40,000)	11,400
Federal Agencies	3135G0GM9	FNMA GLOBAL CALL	-	0.83	0.58	3/28/13	12/23/14	5,042	39,221	(42,700)	1,562
Federal Agencies	31331J6Q1	FFCB	27,175,000	1.72	1.74	12/29/10	12/29/14	38,951	381	-	39,331
Federal Agencies	31331J6Q1	FFCB	65,000,000	1.72	1.72	12/29/10	12/29/14	93,167	221	-	93,387
Federal Agencies	3130A0FX3	FHLB SA	50,000,000	0.21	0.22	12/13/13	2/18/15	5,250	352	-	5,602
Federal Agencies	3133EAQ35	FFCB FLT NT FF+14	100,000,000	0.31	0.37	9/4/12	3/4/15	25,794	2,576	-	28,370
Federal Agencies	3133EAJP4	FFCB FLT NT 1ML+1.5	50,000,000	0.18	0.19	4/30/12	4/27/15	7,711	210	-	7,921
Federal Agencies	31315PWJ4	FARMER MAC FLT NT FF+26	50,000,000	0.35	0.35	5/3/12	5/1/15	14,462	-	-	14,462

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Federal Agencies	3133EAQC5	FFCB FLT NT 1ML+1	50,000,000	0.18	0.20	6/8/12	5/14/15	7,638	420	-	8,058
Federal Agencies	3133EDC67	FFCB SA	50,000,000	0.25	0.26	12/19/13	6/18/15	4,167	179	-	4,345
Federal Agencies	3133EAVE5	FFCB FLT NT 1ML+2	50,000,000	0.18	0.20	12/5/12	6/22/15	8,002	424	-	8,426
Federal Agencies	31315PDZ9	FAMCA	15,000,000	2.38	0.32	11/22/13	7/22/15	29,688	(26,115)	-	3,572
Federal Agencies	3133ECVW1	FFCB FLT NT T-BILL+14	62,500,000	0.21	0.22	8/5/13	8/5/15	11,226	531	-	11,757
Federal Agencies	31315PTR0	FARMER MAC MTN CALL	20,000,000	0.50	0.49	4/26/13	8/28/15	8,333	(403)	-	7,931
Federal Agencies	313383V81	FHLB SA	9,000,000	0.38	0.28	12/12/13	8/28/15	1,781	(453)	-	1,328
Federal Agencies	3137EACM9	FHLMC BONDS	50,000,000	1.75	2.17	12/15/10	9/10/15	72,917	17,023	-	89,940
Federal Agencies	313370JB5	FHLB	75,000,000	1.75	2.31	12/15/10	9/11/15	109,375	25,305	-	134,680
Federal Agencies	31315PGT0	FARMER MAC	45,000,000	2.13	2.17	9/15/10	9/15/15	79,688	1,444	-	81,131
Federal Agencies	3133ECZG2	FFCB SA	52,047,000	0.55	0.32	12/10/13	9/16/15	16,698	(7,136)	-	9,562
Federal Agencies	3133ECJB1	FFCB FLT NT QTR TBILL+16	50,000,000	0.23	0.23	4/16/13	9/18/15	9,803	-	-	9,803
Federal Agencies	3133ECJB1	FFCB FLT NT QTR T-BILL+16	16,200,000	0.23	0.24	4/24/13	9/18/15	3,176	68	-	3,244
Federal Agencies	31398A3T7	FNMA NT EX-CALL	25,000,000	2.00	1.08	10/14/11	9/21/15	41,667	(18,992)	-	22,674
Federal Agencies	3133EAJF6	FFCB FLT NT 1ML+2.5	27,953,000	0.19	0.21	11/30/12	9/22/15	4,556	359	-	4,915
Federal Agencies	31398A4M1	FNMA	25,000,000	1.63	2.22	12/15/10	10/26/15	33,854	11,913	-	45,767
Federal Agencies	31398A4M1	FNMA	42,000,000	1.63	2.19	12/23/10	10/26/15	56,875	18,860	-	75,735
Federal Agencies	3136G1LX5	FNMA NT CALL	24,610,000	0.32	0.32	5/15/13	11/13/15	6,563	-	-	6,563
Federal Agencies	31331J2S1	FFCB	25,000,000	1.50	2.20	12/15/10	11/16/15	31,250	14,025	-	45,275
Federal Agencies	3133ECLZ5	FFCB FLT NT MONTHLY 1ML+0	25,000,000	0.17	0.17	5/8/13	11/19/15	3,595	101	-	3,696
Federal Agencies	313371ZY5	FHLB	25,000,000	1.88	1.89	12/3/10	12/11/15	39,063	304	-	39,367
Federal Agencies	313371ZY5	FHLB	50,000,000	1.88	1.93	12/14/10	12/11/15	78,125	2,185	-	80,310
Federal Agencies	3133ED5A6	FFCB FLT	50,000,000	0.17	0.17	12/12/13	1/20/16	4,667	-	-	4,667
Federal Agencies	3133ECP57	FFCB FLT NT 1ML+0	50,000,000	0.17	0.18	5/20/13	2/10/16	7,083	405	-	7,488
Federal Agencies	313375RN9	FHLB NT	22,200,000	1.00	0.82	4/13/12	3/11/16	18,500	(3,422)	-	15,078
Federal Agencies	3133XXP43	FHLB SA	14,000,000	3.13	0.41	12/12/13	3/11/16	23,090	(20,693)	-	2,398
Federal Agencies	3133EAJU3	FFCB NT	25,000,000	1.05	0.82	4/12/12	3/28/16	21,875	(4,733)	-	17,142
Federal Agencies	3135G0VA8	FNMA SA	25,000,000	0.50	0.46	12/13/13	3/30/16	6,250	(504)	-	5,746
Federal Agencies	31315PTF6	FAMCA FLT MTN 1ML+0	50,000,000	0.17	0.17	4/1/13	4/1/16	7,266	-	-	7,266
Federal Agencies	3133792Z1	FHLB NT	20,000,000	0.81	0.82	4/18/12	4/18/16	13,500	166	-	13,666
Federal Agencies	3133ECW77	FFCB SA	22,650,000	0.65	0.48	11/20/13	5/9/16	12,269	(3,320)	-	8,949
Federal Agencies	3135G0RZ8	FNMA CALL NT	22,540,000	0.55	0.55	11/30/12	5/26/16	10,331	-	-	10,331
Federal Agencies	31315PB73	FAMCA NT	10,000,000	0.90	0.90	2/9/12	6/9/16	7,500	-	-	7,500
Federal Agencies	313771AA5	FHLB SUB NT	16,925,000	5.63	0.65	5/20/13	6/13/16	79,336	(70,522)	-	8,814
Federal Agencies	313771AA5	FHLB SUB NT	14,195,000	5.63	0.77	5/30/13	6/13/16	66,539	(57,646)	-	8,893
Federal Agencies	31315PA25	FAMCA NT	15,000,000	2.00	2.09	7/27/11	7/27/16	25,000	1,107	-	26,107
Federal Agencies	31315PA25	FAMCA MTN	14,100,000	2.00	0.63	3/26/13	7/27/16	23,500	(16,154)	-	7,346
Federal Agencies	31315PA25	FAMCA MTN	11,900,000	2.00	0.62	3/26/13	7/27/16	19,833	(13,745)	-	6,088
Federal Agencies	31315PQB8	FAMCA NT	7,000,000	1.50	0.70	10/29/13	9/1/16	8,750	(4,666)	-	4,084
Federal Agencies	313370TW8	FHLB BD	25,000,000	2.00	1.39	10/11/11	9/9/16	41,667	(12,562)	-	29,104
Federal Agencies	3134G3P38	FHLMC NT CALL	75,000,000	0.75	0.72	12/14/12	10/5/16	46,875	(5,707)	-	41,168
Federal Agencies	3134G4HK7	FHLMC CALL STEP NT	25,000,000	0.50	0.50	10/24/13	10/24/16	10,417	-	-	10,417
Federal Agencies	3136G1WP0	FNMA CALL NT	18,000,000	1.50	0.84	11/4/13	11/4/16	22,500	(14,883)	-	7,617
Federal Agencies	313381GA7	FHLB NT	23,100,000	0.57	0.57	11/30/12	11/30/16	10,973	(93)	-	10,879
Federal Agencies	313381KR5	FHLB NT CALL	13,500,000	0.63	0.63	12/28/12	12/28/16	7,031	-	-	7,031
Federal Agencies	313381KR5	FHLB NT CALL	9,000,000	0.63	0.63	12/28/12	12/28/16	4,688	-	-	4,688
Federal Agencies	3136FTUZ0	FNMA CALL NT	-	1.40	1.41	12/30/11	12/30/16	56,389	(9,606)	25,000	71,783
Federal Agencies	3134G33C2	FHLMC NT	50,000,000	0.60	0.60	1/3/13	1/3/17	25,000	-	-	25,000
Federal Agencies	3133ECB37	FFCB NT	14,000,000	0.58	0.58	12/20/12	1/12/17	6,767	-	-	6,767
Federal Agencies	31315PWW5	FARMER MAC MTN	49,500,000	1.01	1.02	5/4/12	1/17/17	41,663	446	-	42,109

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle	Maturity	Earned	Amort.	Realized	Earned Income
						Date	Date	Interest	Expense	Gain/(Loss)	/Net Earnings
Federal Agencies	3136FTL31	FNMA STEP BD CALL	30,765,000	0.75	0.68	4/30/12	2/7/17	19,228	(5,151)	-	14,077
Federal Agencies	3133786Q9	FHLB NT	67,780,000	1.00	0.72	1/10/13	2/13/17	56,483	(15,893)	-	40,590
Federal Agencies	3133782N0	FHLB NT	14,845,000	0.88	1.08	3/12/12	3/10/17	10,824	2,498	-	13,322
Federal Agencies	3133782N0	FHLB NT	-	0.88	1.06	3/12/12	3/10/17	29,763	(173,428)	400,498	256,833
Federal Agencies	31315PTQ2	FARMER MAC MTN	12,500,000	1.26	1.36	4/10/12	4/10/17	13,125	1,031	-	14,156
Federal Agencies	3133ECLL6	FFCB NT	10,000,000	0.60	0.60	4/17/13	4/17/17	5,000	-	-	5,000
Federal Agencies	3136G0CC3	FNMA STRNT	30,000,000	0.85	0.85	4/18/12	4/18/17	21,250	-	-	21,250
Federal Agencies	31315PUQ0	FARMER MAC MTN	10,500,000	1.13	1.13	4/26/12	4/26/17	9,844	-	-	9,844
Federal Agencies	3133794Y2	FHLB FIX-TO-FLOAT CALL NT	25,000,000	0.50	0.50	5/9/12	5/9/17	10,417	-	-	10,417
Federal Agencies	3137EADF3	FHLMC NT	25,000,000	1.25	1.14	5/14/12	5/12/17	26,042	(2,260)	-	23,781
Federal Agencies	3136G0GW5	FNMA STEP NT CALL	50,000,000	0.85	0.73	6/11/12	5/23/17	35,417	(12,666)	-	22,751
Federal Agencies	31315PZQ5	FARMER MAC MTN	9,000,000	1.11	0.80	12/28/12	6/5/17	8,325	(2,337)	-	5,988
Federal Agencies	3133EAUW6	FFCB FLT NT FF+22	50,000,000	0.30	0.30	6/19/12	6/19/17	13,167	-	-	13,167
Federal Agencies	3133ECV92	FFCB FLT NT 1ML+4	50,000,000	0.20	0.20	7/24/13	7/24/17	8,847	-	-	8,847
Federal Agencies	3133ECVG6	FFCB FLT NT 3ML+0	23,520,000	0.24	0.24	8/5/13	7/26/17	4,667	-	-	4,667
Federal Agencies	3136G0ZA2	FNMA STEP NT	-	0.75	0.75	9/12/12	9/12/17	3,438	-	-	3,438
Federal Agencies	3136G0B59	FNMA STEP NT	64,750,000	0.70	0.70	9/20/12	9/20/17	37,771	-	-	37,771
Federal Agencies	3136G0D81	FNMA STEP NT	100,000,000	0.72	0.72	9/27/12	9/27/17	60,000	-	-	60,000
Federal Agencies	3136G0Y39	FNMA STEP NT	50,000,000	0.63	0.63	11/8/12	11/8/17	26,042	-	-	26,042
Federal Agencies	3134G44F2	FHLMC CALL MTN	50,000,000	0.80	0.80	5/21/13	11/21/17	33,333	-	-	33,333
Federal Agencies	3135G0RT2	FNMA NT	50,000,000	0.88	0.91	1/10/13	12/20/17	36,458	1,417	-	37,875
Federal Agencies	3135G0RT2	FNMA GLOBAL	50,000,000	0.88	1.02	1/29/13	12/20/17	36,458	6,155	-	42,614
Federal Agencies	3136G13T4	FNMA STEP NT	39,000,000	0.75	0.75	12/26/12	12/26/17	24,375	-	-	24,375
Federal Agencies	3136G13Q0	FNMA STEP NT	29,000,000	0.75	0.75	12/26/12	12/26/17	18,125	-	-	18,125
Federal Agencies	3134G32W9	FHLMC MTN CALL	33,600,000	1.25	1.01	12/26/12	12/26/17	35,000	(22,174)	-	12,826
Federal Agencies	3134G32W9	FHLMC MTN CALL	50,000,000	1.25	1.00	12/26/12	12/26/17	52,083	(41,220)	-	10,864
Federal Agencies	3134G32M1	FHLMC CALL NT	50,000,000	1.00	1.00	12/28/12	12/28/17	41,667	-	-	41,667
Federal Agencies	3136G1FK0	FNMA NT CALL	21,500,000	1.60	1.36	3/13/13	3/13/18	28,667	(20,744)	-	7,923
Federal Agencies	3136G1GG8	FNMA NT CALL	17,900,000	1.50	1.29	3/19/13	3/19/18	22,375	(15,203)	-	7,172
Federal Agencies	3136G1J67	FNMA NT CALL	25,000,000	1.50	1.29	4/9/13	4/9/18	31,250	(21,148)	-	10,102
Federal Agencies	3136G1KN8	FNMA NT CALL	50,000,000	1.50	1.13	4/24/13	4/24/18	62,500	(38,347)	-	24,153
Federal Agencies	3136G1K81	FNMA NT STEP	12,600,000	0.75	0.75	4/30/13	4/30/18	7,875	-	-	7,875
Federal Agencies	31315PZM4	FARMER MAC STEP NT	24,600,000	0.70	0.70	5/3/13	5/3/18	14,350	-	-	14,350
Federal Agencies	313382XK4	FHLB STEP NT	25,000,000	0.50	0.50	5/7/13	5/7/18	10,417	-	-	10,417
Federal Agencies	3133ECPB4	FFCB NT	10,000,000	0.88	1.01	5/23/13	5/14/18	7,292	1,116	-	8,407
Federal Agencies	313383AS0	FHLB NT CALL	50,000,000	1.40	1.25	5/21/13	5/21/18	58,333	(6,349)	-	51,984
Federal Agencies	3135G0WJ8	FNMA NT	25,000,000	0.88	1.05	5/23/13	5/21/18	18,229	3,629	-	21,858
Federal Agencies	3133834P3	FHLB STEP NT	50,000,000	0.50	0.50	5/22/13	5/22/18	20,833	-	-	20,833
Federal Agencies	3136G1WF2	FNMA STEP NT	25,000,000	1.00	1.00	10/30/13	10/30/18	20,833	-	-	20,833
Federal Agencies	3136G1XY0	FNMA CALL	25,000,000	2.25	1.97	11/27/13	11/27/18	46,875	(37,132)	-	9,743
Federal Agencies	3134G4LZ9	FHLMC CALL STEP	50,000,000	0.88	0.88	12/10/13	12/10/18	25,521	-	-	25,521
Federal Agencies	3134G4MB1	FHLMC CALL MULTI-STEP	25,000,000	1.50	1.50	12/18/13	12/18/18	13,542	-	-	13,542
Subtotals			\$ 4,004,550,000					\$ 3,377,886	\$ (720,112)	\$ 342,798	\$ 3,000,573
State/Local Agencies	463655GW4	IRVINE RANCH CA WTR PRE-RE	\$ 15,000,000	2.61	0.53	3/29/12	3/15/14	\$ 32,563	\$ (26,250)	\$ -	\$ 6,312
State/Local Agencies	463655GW4	IRVINE RANCH CA WTR PRE-RE	11,115,000	2.61	0.42	6/8/12	3/15/14	24,129	(20,551)	-	3,578
State/Local Agencies	463655GW4	IRVINE RANCH CA WTR PRE-RE	8,150,000	2.61	0.42	6/8/12	3/15/14	17,692	(15,069)	-	2,623
State/Local Agencies	463655GW4	IRVINE RANCH CA WTR PRE-RE	2,000,000	2.61	0.32	4/29/13	3/15/14	4,342	(3,875)	-	467
State/Local Agencies	13063A5B6	CALIFORNIA ST GO BD	2,820,000	5.25	1.04	5/2/12	4/1/14	12,338	(9,950)	-	2,387
State/Local Agencies	13063A5B6	CALIFORNIA ST GO BD	10,000,000	5.25	0.45	4/8/13	4/1/14	43,750	(40,612)	-	3,138

Monthly Investment Earnings

Pooled Fund

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
State/Local Agencies	13063A5B6	CALIFORNIA ST GO BD	7,270,000	5.25	0.39	5/3/13	4/1/14	31,806	(29,880)	-	1,926
State/Local Agencies	13063A5B6	CALIFORNIA ST GO BD	1,250,000	5.25	0.55	7/29/13	4/1/14	5,469	(4,959)	-	510
State/Local Agencies	13063CEA4	CALIFORNIA ST RAN	27,000,000	2.00	0.21	8/22/13	5/28/14	45,863	(40,980)	-	4,883
State/Local Agencies	62451FFC9	WHISMAN SCHOOL DIST MTN VIEW	1,125,000	0.75	0.75	7/24/12	8/1/14	704	-	-	704
State/Local Agencies	612574DP5	MONTEREY COMM COLLEGE GO	310,000	0.43	0.43	5/7/13	8/1/14	111	-	-	111
State/Local Agencies	64966DPC7	NEW YORK CITY GO	8,000,000	4.75	0.68	6/7/12	11/1/14	31,667	(27,385)	-	4,282
State/Local Agencies	13063BN65	CALIFORNIA ST TAXABLE GO BD	10,000,000	0.85	0.64	3/27/13	2/1/15	7,083	(1,743)	-	5,341
State/Local Agencies	649791JS0	NEW YORK ST TAXABLE GO	4,620,000	0.39	0.40	3/21/13	3/1/15	1,502	40	-	1,542
State/Local Agencies	91412GPW9	UNIV OF CALIFORNIA REVENUE BO	5,000,000	0.39	0.39	3/14/13	5/15/15	1,633	-	-	1,633
State/Local Agencies	612574DQ3	MONTEREY COMM COLLEGE GO	315,000	0.63	0.63	5/7/13	8/1/15	165	-	-	165
State/Local Agencies	64966GXS6	NEW YORK CITY TAXABLE GO	12,255,000	5.13	0.66	4/1/13	12/1/15	52,390	(46,006)	-	6,384
State/Local Agencies	13063BN73	CALIFORNIA ST TAXABLE GO BD	11,000,000	1.05	0.93	3/27/13	2/1/16	9,625	(1,107)	-	8,518
State/Local Agencies	612574DR1	MONTEREY COMM COLLEGE GO	2,670,000	0.98	0.98	5/7/13	8/1/16	2,185	-	-	2,185
State/Local Agencies	13063CFC9	CALIFORNIA ST GO BD	16,500,000	1.75	1.66	11/5/13	11/1/17	24,063	(1,253)	-	22,809
Subtotals			\$ 156,400,000					\$ 349,079	\$ (269,579)	\$ -	\$ 79,499
Public Time Deposits		TRANS PACIFIC NATIONAL BANK P	\$ 240,000	0.49	0.49	2/7/13	2/7/14	\$ 99	\$ -	\$ -	\$ 99
Public Time Deposits		BANK OF SAN FRANCISCO PTD	240,000	0.47	0.47	4/9/13	4/9/14	97	-	-	97
Public Time Deposits		FIRST NAT. BANK OF NOR. CAL. PTI	240,000	0.48	0.48	4/9/13	4/9/14	99	-	-	99
Subtotals			\$ 720,000					\$ 296	\$ -	\$ -	\$ 296
Negotiable CDs	06538GWT5	BANK OF TOKYO MITSUBISHI UFJ Y	\$ 100,000,000	0.14	0.14	12/23/13	1/13/14	\$ 3,500	\$ -	\$ -	\$ 3,500
Negotiable CDs	78009NMC7	RBC YCD FF+22	75,000,000	0.30	0.30	3/26/13	3/26/14	19,937	-	-	19,937
Negotiable CDs	78009NNK8	RBC FLT YCD 1ML+11	25,000,000	0.27	0.27	6/24/13	6/24/14	5,739	-	-	5,739
Negotiable CDs	06417FB58	BANK OF NOVA SCOTIA YCD 3ML+1	50,000,000	0.42	0.42	7/17/13	1/20/15	18,236	-	-	18,236
Subtotals			\$ 250,000,000					\$ 47,413	\$ -	\$ -	\$ 47,413
Commercial Paper	06538BZP1	BANK OF TOKYO-MITSUBISHI CP	\$ -	0.00	0.18	11/22/13	12/23/13	\$ 5,500	\$ -	\$ -	\$ 5,500
Commercial Paper	06538BZP1	BANK OF TOKYO-MITSUBISHI CP	-	0.00	0.18	11/22/13	12/23/13	5,500	-	-	5,500
Commercial Paper	06366AV82	BAN OF MONTREAL CP	50,000,000	0.12	0.12	12/3/13	2/3/14	4,833	-	-	4,833
Commercial Paper	9612C1CC9	WESTPAC CP	89,500,000	0.00	0.14	12/13/13	3/12/14	6,397	-	-	6,397
Subtotals			\$ 139,500,000					\$ 22,231	\$ -	\$ -	\$ 22,231
Medium Term Notes	78008KNA7	RBC MTN	\$ 30,580,000	1.13	0.30	1/30/13	1/15/14	\$ 28,669	\$ (21,259)	\$ -	\$ 7,410
Medium Term Notes	46623ECT4	JP MORGAN CHASE MTN	12,345,000	5.38	0.34	3/13/13	1/15/14	55,295	(52,310)	-	2,985
Medium Term Notes	46623EJE0	JPMORGAN CHASE MTN	32,755,000	2.05	0.38	3/1/13	1/24/14	55,956	(46,199)	-	9,757
Medium Term Notes	46623EJE0	JP MORGAN CHASE MTN	2,050,000	2.05	0.35	3/13/13	1/24/14	3,502	(2,943)	-	559
Medium Term Notes	854403AA0	STANFORD UNIVERSITY MTN	6,500,000	3.63	0.27	4/26/13	5/1/14	19,635	(18,462)	-	1,174
Medium Term Notes	854403AA0	STANFORD UNIVERSITY MTN	5,000,000	3.63	0.27	4/26/13	5/1/14	15,104	(14,201)	-	903
Medium Term Notes	46623EJH3	JP MORGAN CHASE FLT MTN 3ML+	27,475,000	0.99	0.28	5/2/13	5/2/14	23,622	(16,495)	-	7,127
Medium Term Notes	46623EJH3	JP MORGAN CHASE FLT MTN	20,000,000	0.99	0.32	8/2/13	5/2/14	17,195	(12,065)	-	5,130
Medium Term Notes	36962GX41	GE CAPITAL CORP MTN	25,000,000	5.65	0.44	4/9/13	6/9/14	117,708	(110,246)	-	7,462
Medium Term Notes	59217EBW3	MET LIFE GLOBAL FUNDING MTN	10,000,000	5.13	0.49	11/13/12	6/10/14	42,708	(39,206)	-	3,502
Medium Term Notes	64952WBL6	NEW YORK LIFE MTN 3ML+0	3,000,000	0.27	0.24	3/27/13	7/30/14	685	(40)	-	645
Medium Term Notes	78008TXA7	RBC MTN	10,000,000	1.45	0.27	11/1/13	10/30/14	12,083	(10,005)	-	2,079
Medium Term Notes	459200GZ8	IBM MTN	31,814,000	0.88	0.25	11/5/13	10/31/14	23,198	(16,766)	-	6,432
Medium Term Notes	36962G4G6	GE CAPITAL CORP MTN	2,920,000	3.75	0.52	8/7/13	11/14/14	9,125	(7,973)	-	1,152
Medium Term Notes	07385TAJ5	JPM SA	11,500,000	5.70	0.52	12/18/13	11/15/14	23,671	(22,744)	-	927
Medium Term Notes	07385TAJ5	JPM SA	25,654,000	5.70	0.52	12/19/13	11/15/14	48,743	(47,093)	-	1,649
Medium Term Notes	89233P7B6	TOYOTA MTN 3ML+17	10,000,000	0.41	0.36	1/28/13	12/5/14	3,562	(216)	-	3,346

Monthly Investment Earnings Pooled Fund

Type of Investment	CUSIP	Issue Name	Par Value	Coupon	YTM ¹	Settle Date	Maturity Date	Earned Interest	Amort. Expense	Realized Gain/(Loss)	Earned Income /Net Earnings
Medium Term Notes	36962G6T6	GE FLT NT 3ML+38	25,000,000	0.62	0.62	1/10/13	1/9/15	13,419	-	-	13,419
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	87,824,000	2.15	0.77	7/12/13	1/9/15	157,351	(101,821)	-	55,530
Medium Term Notes	36962G5M2	GE CAPITAL CORP MTN	4,820,000	2.15	0.59	8/7/13	1/9/15	8,636	(6,359)	-	2,277
Medium Term Notes	36962G5M2	GE SA	27,743,000	2.15	0.29	12/16/13	1/9/15	24,853	(22,548)	-	2,305
Medium Term Notes	24422ESA8	DEERE FLT MTN	-	0.31	0.27	11/21/13	1/12/15	348	62	230	641
Medium Term Notes	78008SVS2	RBC MTN FIX-TO-FLT	100,000,000	0.50	0.50	1/22/13	1/22/15	41,667	-	-	41,667
Medium Term Notes	89233P7H3	TOYOTA MTN 3ML+17	35,000,000	0.41	0.41	1/23/13	1/23/15	12,315	-	-	12,315
Medium Term Notes	89233P7L4	TOYOTA MTN FIX-TO-FLOAT	25,000,000	0.50	0.50	2/4/13	2/4/15	10,417	-	-	10,417
Medium Term Notes	717081DA8	PFIZER MTN	3,000,000	5.35	0.44	12/9/13	3/15/15	9,808	(9,272)	-	536
Medium Term Notes	89236TAG0	TOYOTA MOTOR CREDIT CORP 3MI	50,000,000	0.39	0.39	4/12/13	4/8/15	16,914	-	-	16,914
Medium Term Notes	459200HD6	IBM SA	5,425,000	0.75	0.27	12/19/13	5/11/15	1,356	(918)	-	439
Medium Term Notes	36962G5Z3	GE CAPITAL CORP MTN	5,000,000	1.63	0.81	8/19/13	7/2/15	6,771	(3,420)	-	3,350
Medium Term Notes	36962G4M3	GE CORP MTN FLT	8,565,000	0.99	0.56	11/25/13	7/9/15	7,090	(3,145)	-	3,945
Medium Term Notes	89233P6J0	TOYOTA MTN	10,000,000	0.88	0.44	11/15/13	7/17/15	7,292	(3,665)	-	3,627
Medium Term Notes	594918AG9	MICROSOFT MTN	3,186,000	1.63	0.39	10/30/13	9/25/15	4,314	(3,313)	-	1,002
Subtotals			\$ 657,156,000					\$ 823,014	\$ (592,623)	\$ 230	\$ 230,622
Money Market Funds	61747C707	MS INSTL GOVT FUND	\$ 75,068,636	0.04	0.04	12/31/12	1/2/14	\$ 2,549	\$ -	\$ -	\$ 2,549
Money Market Funds	09248U718	BLACKROCK T-FUND INSTL	25,000,000	0.04	0.04	1/15/13	1/2/14	843	-	-	843
Money Market Funds	316175108	FIDELITY INSTL GOVT PORT	25,002,062	0.01	0.01	6/20/13	1/2/14	212	-	-	212
Subtotals			\$ 125,070,698					\$ 3,605	\$ -	\$ -	\$ 3,605
Grand Totals			\$ 6,093,396,698					\$ 5,360,461	\$ (1,692,130)	\$ 343,028	\$ 4,011,360

¹ Yield to maturity is calculated at purchase

Investment Transactions

Pooled Fund

For month ended December 31, 2013

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Purchase	12/3/2013	2/3/2014	Commercial Paper	BANK OF MONTREAL CP	06366AV82	\$ 50,000,000	0.12	0.12	\$ 100.00	\$ -	\$ 50,000,000
Purchase	12/9/2013	3/15/2015	Medium Term Notes	PFIZER MTN	717081DA8	3,000,000	5.35	0.44	106.20	-	3,223,300
Purchase	12/10/2013	12/10/2018	Federal Agencies	FHLMC CALL STEP	3134G4LZ9	50,000,000	0.88	0.88	100.00	-	50,000,000
Purchase	12/10/2013	9/16/2015	Federal Agencies	FFCB SA	3133ECZG2	52,047,000	0.55	0.32	100.40	-	52,323,023
Purchase	12/12/2013	3/11/2016	Federal Agencies	FHLB SA	3133XXP43	14,000,000	3.13	0.41	106.06	-	14,958,990
Purchase	12/12/2013	8/28/2015	Federal Agencies	FHLB SA	313383V81	9,000,000	0.38	0.28	100.16	-	9,023,880
Purchase	12/12/2013	1/20/2016	Federal Agencies	FFCB FLT	3133ED5A6	50,000,000	0.17	0.17	100.00	-	50,005,133
Purchase	12/13/2013	2/18/2015	Federal Agencies	FHLB SA	3130A0FX3	50,000,000	0.21	0.22	99.98	-	49,992,292
Purchase	12/13/2013	1/31/2016	U.S. Treasuries	US TSY NT	912828PS3	50,000,000	2.00	0.36	103.48	-	52,107,082
Purchase	12/13/2013	3/30/2016	Federal Agencies	FNMA SA	3135G0VA8	25,000,000	0.50	0.46	100.09	-	25,047,597
Purchase	12/13/2013	3/12/2014	Commercial Paper	WESTPAC CP	9612C1CC9	89,500,000	0.00	0.14	99.97	-	89,470,033
Purchase	12/16/2013	1/9/2015	Medium Term Notes	GE SA	36962G5M2	27,743,000	2.15	0.29	101.98	-	28,551,331
Purchase	12/18/2013	12/18/2018	Federal Agencies	FHLMC CALL MULTI-STEP	3134G4MB1	25,000,000	1.50	1.50	100.00	-	25,000,000
Purchase	12/18/2013	11/15/2014	Medium Term Notes	JPM SA	07385TAJ5	11,500,000	5.70	0.52	104.69	-	12,099,438
Purchase	12/19/2013	5/11/2015	Medium Term Notes	IBM SA	459200HD6	5,425,000	0.75	0.27	100.66	-	5,465,154
Purchase	12/19/2013	11/15/2014	Medium Term Notes	JPM SA	07385TAJ5	25,654,000	5.70	0.52	104.67	-	26,991,172
Purchase	12/19/2013	6/18/2015	Federal Agencies	FFCB SA	3133EDC67	50,000,000	0.25	0.26	99.99	-	49,992,847
Purchase	12/23/2013	1/13/2014	Negotiable CDs	BANK OF TOKYO MITSUBISHI	06538GWT5	100,000,000	0.14	0.14	100.00	-	100,000,000
Purchase	12/26/2013	10/31/2016	U.S. Treasuries	US TSY NT	912828RM4	25,000,000	1.00	0.74	100.73	-	25,222,268
Purchase	12/31/2013	1/2/2014	Money Market Funds	MS INSTL GOVT FUND	61747C707	2,549	0.04	0.04	100.00	-	2,549
Purchase	12/31/2013	1/2/2014	Money Market Funds	FIDELITY INSTL GOVT PORT	316175108	212	0.01	0.01	100.00	-	212
Subtotals						\$ 712,871,762	0.89	0.35	\$ 100.77	\$ -	\$ 719,476,301
Sale	12/9/2013	1/12/2015	Medium Term Notes	DEERE FLT MTN	24422ESA8	\$ 5,000,000	0.31	0.27	\$ 100.05	\$ 784	\$ 5,005,226
Sale	12/23/2013	3/10/2017	Federal Agencies	FHLB NT	3133782N0	55,660,000	0.88	1.06	99.10	139,343	55,696,929
Subtotals						\$ 60,660,000	0.83	1.00	\$ 99.18	\$ 140,127	\$ 60,702,154
Call	12/12/2013	9/12/2017	Federal Agencies	FNMA STEP NT	3136G0ZA2	\$ 15,000,000	0.75	0.75	\$ 100.00	\$ 28,125	\$ 15,028,125
Call	12/23/2013	12/23/2014	Federal Agencies	FNMA CALL NT	3135G0GM9	25,000,000	0.83	0.77	100.16	-	25,000,000
Call	12/23/2013	12/23/2014	Federal Agencies	FNMA GLOBAL CALL	3135G0GM9	10,000,000	0.83	0.58	100.43	-	10,000,000
Call	12/30/2013	12/30/2016	Federal Agencies	FNMA CALL NT	3136FTUZ0	50,000,000	1.40	1.41	99.95	-	50,000,000
Subtotals						\$ 100,000,000	1.10	1.07	\$ 100.06	\$ 28,125	\$ 100,028,125
Maturity	12/6/2013	12/6/2013	Federal Agencies	FARMER MAC	31315PLT4	\$ 35,000,000	1.25	1.30	\$ 99.86	\$ 218,750	\$ 35,218,750
Maturity	12/23/2013	12/23/2013	Federal Agencies	FFCB	31331J6A6	22,000,000	1.30	1.31	99.97	143,000	22,143,000
Maturity	12/23/2013	12/23/2013	Commercial Paper	BANK OF TOKYO-MITSUBISHI	06538BZP1	50,000,000	0.00	0.18	99.98	7,750	50,000,000
Maturity	12/23/2013	12/23/2013	Commercial Paper	BANK OF TOKYO-MITSUBISHI	06538BZP1	50,000,000	0.00	0.18	99.98	7,750	50,000,000
Maturity	12/27/2013	12/27/2013	Federal Agencies	FHLB	313371UC8	40,000,000	0.88	0.93	99.82	175,000	40,175,000
Subtotals						\$ 197,000,000	0.54	0.66	\$ 99.93	\$ 552,250	\$ 197,536,750
Interest	12/1/2013	4/1/2016	Federal Agencies	FAMCA FLT MTN 1ML+0	31315PTF6	\$ 50,000,000	0.17	0.17	\$ 100.00	\$ 7,233	\$ 7,233
Interest	12/1/2013	12/1/2015	State/Local Agencies	NEW YORK CITY TAXABLE GO	64966GXS6	12,255,000	5.13	0.66	111.80	314,341	314,341
Interest	12/4/2013	3/4/2014	Federal Agencies	FNMA FRN QTR T-BILL+21	3135G0AZ6	25,000,000	0.40	0.63	99.94	16,095	16,095
Interest	12/4/2013	3/4/2014	Federal Agencies	FNMA FRN QTR T-BILL+21	3135G0AZ6	25,000,000	0.40	0.51	99.97	16,095	16,095
Interest	12/4/2013	3/4/2015	Federal Agencies	FFCB FLT NT FF+14	3133EAQ35	100,000,000	0.23	0.29	99.92	56,806	56,806
Interest	12/5/2013	6/5/2014	Federal Agencies	FARMER MAC MTN	31315PHX0	14,080,000	3.15	0.50	105.67	221,760	221,760
Interest	12/5/2013	6/5/2017	Federal Agencies	FARMER MAC MTN	31315PZQ5	9,000,000	1.11	0.80	101.36	49,950	49,950
Interest	12/5/2013	12/5/2014	Medium Term Notes	TOYOTA MTN 3ML+17	89233P7B6	10,000,000	0.43	0.39	100.05	10,857	10,857
Interest	12/8/2013	12/8/2014	Federal Agencies	FFCB	31331J4S9	24,000,000	1.40	1.41	99.95	168,000	168,000
Interest	12/8/2013	12/8/2014	Federal Agencies	FFCB	31331J4S9	19,000,000	1.40	1.46	99.77	133,000	133,000
Interest	12/9/2013	6/9/2016	Federal Agencies	FAMCA NT	31315PB73	10,000,000	0.90	0.90	100.00	45,000	45,000
Interest	12/9/2013	6/9/2014	Medium Term Notes	GE CAPITAL CORP MTN	36962GX41	25,000,000	5.65	0.44	106.06	706,250	706,250

Investment Transactions

Pooled Fund

Transaction	Settle Date	Maturity	Type of Investment	Issuer Name	CUSIP	Par Value	Coupon	YTM	Price	Interest	Transaction
Interest	12/10/2013	6/10/2014	Medium Term Notes	MET LIFE GLOBAL FUNDING	59217EBW3	10,000,000	5.13	0.49	107.26	256,250	256,250
Interest	12/10/2013	2/10/2016	Federal Agencies	FFCB FLT NT 1ML+0	3133ECP57	50,000,000	0.15	0.16	99.97	6,979	6,979
Interest	12/11/2013	12/11/2015	Federal Agencies	FHLB	313371ZY5	25,000,000	1.88	1.89	99.93	234,375	234,375
Interest	12/11/2013	12/11/2015	Federal Agencies	FHLB	313371ZY5	50,000,000	1.88	1.93	99.74	468,750	468,750
Interest	12/11/2013	3/11/2014	Federal Agencies	FHLB FLT NT FF+12	313379RV3	50,000,000	0.21	0.30	99.97	25,889	25,889
Interest	12/12/2013	12/12/2014	Federal Agencies	FHLB	313371W51	75,000,000	1.25	1.46	99.19	468,750	468,750
Interest	12/12/2013	12/12/2014	Federal Agencies	FHLB	3133XVNU1	25,400,000	2.75	1.30	105.70	349,250	349,250
Interest	12/12/2013	12/12/2014	Federal Agencies	FHLB	3133XVNU1	2,915,000	2.75	1.31	105.65	40,081	40,081
Interest	12/12/2013	12/12/2014	Federal Agencies	FHLB	3133XVNU1	50,000,000	2.75	1.37	105.35	687,500	687,500
Interest	12/13/2013	6/13/2014	Federal Agencies	FHLB TAP	3133XWE70	48,000,000	2.50	0.40	104.35	600,000	600,000
Interest	12/13/2013	6/13/2016	Federal Agencies	FHLB SUB NT	313771AA5	16,925,000	5.63	0.65	115.05	476,016	476,016
Interest	12/13/2013	6/13/2016	Federal Agencies	FHLB SUB NT	313771AA5	14,195,000	5.63	0.77	114.54	399,234	399,234
Interest	12/14/2013	5/14/2015	Federal Agencies	FFCB FLT NT 1ML+1	3133EAQC5	50,000,000	0.18	0.20	99.97	7,438	7,438
Interest	12/15/2013	12/15/2014	Federal Agencies	FHLB	313371W93	75,000,000	1.34	1.34	100.00	502,500	502,500
Interest	12/15/2013	12/15/2014	Federal Agencies	FNMA FLT QTR FF+35	3136FTVN6	75,000,000	0.47	0.47	100.00	82,521	82,521
Interest	12/16/2013	5/2/2014	Medium Term Notes	JP MORGAN CHASE FLT MTN	46623EJH3	27,475,000	1.00	-0.40	100.71	69,756	69,756
Interest	12/16/2013	5/2/2014	Medium Term Notes	JP MORGAN CHASE FLT MTN	46623EJH3	20,000,000	1.00	-0.05	100.53	50,778	50,778
Interest	12/18/2013	9/18/2015	Federal Agencies	FFCB FLT NT QTR TBILL+16	3133ECJB1	50,000,000	0.23	0.23	100.00	26,811	26,811
Interest	12/18/2013	9/18/2015	Federal Agencies	FFCB FLT NT QTR T-BILL+1	3133ECJB1	16,200,000	0.23	0.24	99.99	8,687	8,687
Interest	12/19/2013	6/19/2017	Federal Agencies	FFCB FLT NT FF+22	3133EAUW6	50,000,000	0.31	0.31	100.00	38,611	38,611
Interest	12/19/2013	11/19/2015	Federal Agencies	FFCB FLT NT MONTHLY 1ML+	3133ECLZ5	25,000,000	0.17	0.17	99.99	3,490	3,490
Interest	12/20/2013	12/20/2017	Federal Agencies	FNMA NT	3135G0RT2	50,000,000	0.88	0.91	99.84	218,750	218,750
Interest	12/20/2013	12/20/2017	Federal Agencies	FNMA GLOBAL	3135G0RT2	50,000,000	0.88	1.02	99.29	218,750	218,750
Interest	12/20/2013	1/20/2016	Federal Agencies	FFCB FLT	3133ED5A6	50,000,000	0.17	0.17	100.00	1,867	7,000
Interest	12/22/2013	9/22/2015	Federal Agencies	FFCB FLT NT 1ML+2.5	3133EAJF6	27,953,000	0.19	0.21	99.96	4,461	4,461
Interest	12/22/2013	6/22/2015	Federal Agencies	FFCB FLT NT 1ML+2	3133EAVE5	50,000,000	0.19	0.20	99.97	7,771	7,771
Interest	12/23/2013	12/23/2014	Federal Agencies	FNMA CALL NT	3135G0GM9	25,000,000	0.83	0.77	100.16	103,125	103,125
Interest	12/23/2013	12/23/2014	Federal Agencies	FNMA GLOBAL CALL	3135G0GM9	10,000,000	0.83	0.58	100.43	41,250	41,250
Interest	12/24/2013	6/24/2014	Negotiable CDs	RBC FLT YCD 1ML+11	78009NNK8	25,000,000	0.26	0.26	100.00	5,558	5,558
Interest	12/24/2013	7/24/2017	Federal Agencies	FFCB FLT NT 1ML+4	3133ECV92	50,000,000	0.21	0.21	100.00	8,583	8,583
Interest	12/26/2013	12/26/2017	Federal Agencies	FNMA STEP NT	3136G13T4	39,000,000	0.75	0.75	100.00	146,250	146,250
Interest	12/26/2013	12/26/2017	Federal Agencies	FNMA STEP NT	3136G13Q0	29,000,000	0.75	0.75	100.00	108,750	108,750
Interest	12/26/2013	12/26/2017	Federal Agencies	FHLMC MTN CALL	3134G32W9	33,600,000	1.25	1.01	101.16	210,000	210,000
Interest	12/26/2013	12/26/2017	Federal Agencies	FHLMC MTN CALL	3134G32W9	50,000,000	1.25	1.00	101.21	312,500	312,500
Interest	12/26/2013	3/26/2014	Negotiable CDs	RBC YCD FF+22	78009NMC7	75,000,000	0.31	0.31	100.00	57,958	57,958
Interest	12/27/2013	4/27/2015	Federal Agencies	FFCB FLT NT 1ML+1.5	3133EAJP4	50,000,000	0.18	0.19	99.99	7,458	7,458
Interest	12/28/2013	12/28/2017	Federal Agencies	FHLMC CALL NT	3134G32M1	50,000,000	1.00	1.00	100.00	250,000	250,000
Interest	12/28/2013	12/28/2016	Federal Agencies	FHLB NT CALL	313381KR5	13,500,000	0.63	0.63	100.00	42,188	42,188
Interest	12/28/2013	12/28/2016	Federal Agencies	FHLB NT CALL	313381KR5	9,000,000	0.63	0.63	100.00	28,125	28,125
Interest	12/29/2013	12/29/2014	Federal Agencies	FFCB	31331J6Q1	27,175,000	1.72	1.74	99.93	233,705	233,705
Interest	12/29/2013	12/29/2014	Federal Agencies	FFCB	31331J6Q1	65,000,000	1.72	1.72	99.98	559,000	559,000
Interest	12/30/2013	6/30/2014	Federal Agencies	FHLB	31337240	50,000,000	1.21	1.21	100.00	302,500	302,500
Interest	12/30/2013	12/30/2016	Federal Agencies	FNMA CALL NT	3136FTUZO	50,000,000	1.40	1.41	99.95	350,000	350,000
Interest	12/31/2013	1/2/2014	Money Market Funds	MS INSTL GOVT FUND	61747C707	75,066,087	0.04	0.04	100.00	2,549	2,549
Interest	12/31/2013	12/31/2017	U.S. Treasuries	US TSY NT	912828UE8	50,000,000	0.75	0.80	99.77	187,500	187,500
Interest	12/31/2013	1/2/2014	Money Market Funds	FIDELITY INSTL GOVT PORT	316175108	25,001,850	0.01	0.01	100.00	212	212
Subtotals						\$ 2,158,740,937	1.00	0.69	\$ 100.71	\$ 9,957,863	\$ 9,962,996

Grand Totals	21	Purchases
	(2)	Sales
	(9)	Maturities / Calls
	10	Change in number of positions

Non-Pooled Investments

As of December 31, 2013

Type of Investment	CUSIP	Issue Name	Settle	Maturity	Duration	Coupon	Par Value	Book Value	Amortized	
			Date	Date					Book Value	Market Value
State/Local Agencies	797712AD8	SFRDA SOUTH BEACH HARBOR	1/20/12	12/1/16	2.79	3.50	\$ 3,890,000	\$ 3,890,000	\$ 3,890,000	\$ 3,890,000
Subtotals					2.79	3.50	\$ 3,890,000	\$ 3,890,000	\$ 3,890,000	\$ 3,890,000
Grand Totals					2.79	3.50	\$ 3,890,000	\$ 3,890,000	\$ 3,890,000	\$ 3,890,000

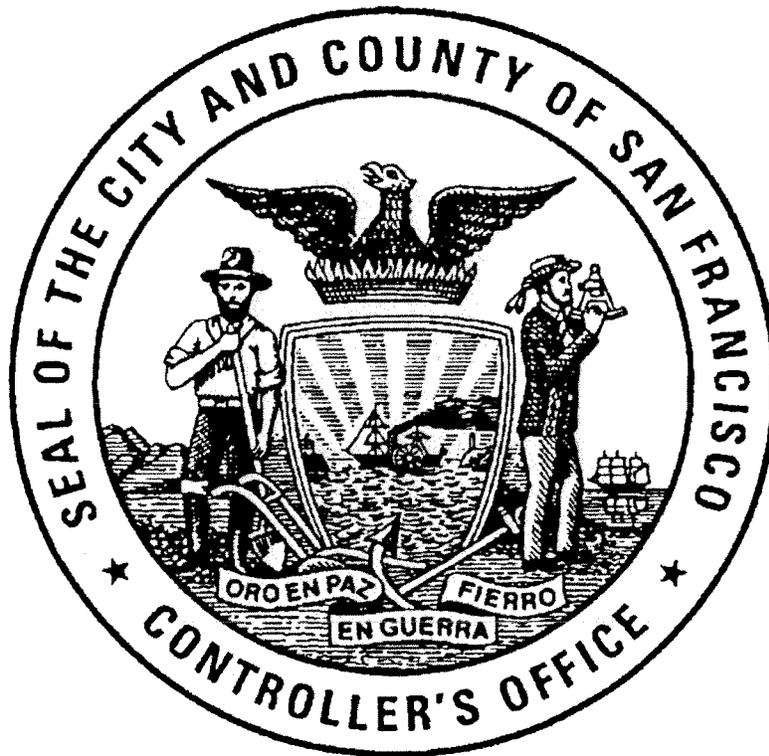
NON-POOLED FUNDS PORTFOLIO STATISTICS

	Current Month		Prior Month	
	Fiscal YTD	December 2013	Fiscal YTD	November 2013
Average Daily Balance	\$ 23,137,597	\$ 3,890,000	\$ 32,534,372	\$ 4,500,000
Net Earnings	\$ 78,887	\$ 11,346	\$ 54,415	\$ 13,125
Earned Income Yield	0.68%	3.43%	0.50%	3.43%

Note: All non-pooled securities were inherited by the City and County of San Francisco as successor agency to the San Francisco Redevelopment Agency. Book value and amortized book value are derived from limited information received from the SFRDA and are subject to verification.

CITY AND COUNTY OF SAN FRANCISCO, CALIFORNIA

Comprehensive Annual Financial Report
Year ended June 30, 2013



Prepared by:
Office of the Controller

A handwritten signature in black ink, appearing to read "B. Rosenfield".

Ben Rosenfield
Controller

CITY AND COUNTY OF SAN FRANCISCO
FIDUCIARY FUNDS

Fiduciary Funds include all Trust and Agency Funds which account for assets held by the City as a trustee or as an agent for individuals or other governmental units.

Trust Funds

Employees' Retirement System – Accounts for the contributions from employees, City contributions and the earnings and profits from investments of monies. Disbursements are made for retirements, withdrawal, disability, and death benefits of the employees as well as administrative expenses.

Health Service System – Accounts for the contributions from active and retired employees, and surviving spouses, City contributions and the earnings and profits from investment of monies. Disbursements are made for medical expenses and to various health plans of the beneficiaries.

Retiree Health Care Trust - Accounts for the contributions from employees, City contributions and the earnings and profits from investment of monies. Disbursements are to be made for benefits, expenses and other charges properly allocable to the trust fund.

Agency Funds

Agency Funds are custodial in nature and do not involve measurement of results of operations. Such funds have no equity accounts since all assets are due to individuals or entities at some future time.

Assistance Program Fund – Accounts for collections and advances received as an agent under various human welfare and community health programs. Monies are disbursed in accordance with legal requirements and program regulations.

Deposits Fund – Accounts for all deposits under the control of the City departments. Dispositions of the deposits are governed by the terms of the statutes and ordinances establishing the deposit requirement.

Payroll Deduction Fund – Accounts for monies held for payroll charges including federal, state and other payroll related deductions.

State Revenue Collection Fund – Accounts for various fees, fines and penalties collected by City departments for the State of California which are passed through to the State.

Tax Collection Fund – Accounts for monies received for current and delinquent taxes which must be held pending authority for distribution. Included are prepaid taxes, disputed taxes, duplicate payment of taxes, etc. This fund also accounts for monies deposited by third parties pending settlement of litigation and claims. Upon final settlement, monies are disbursed as directed by the courts or by parties to the dispute.

Transit Fund – Accounts for the quarter of one percent sales tax collected by the State Board of Equalization and deposited with the County of origin for local transportation support. The Metropolitan Transportation Commission, the regional agency responsible for administration of these monies, directs their use and distribution.

Other Agency Funds – Accounts for monies held as agent for a variety of purposes.

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Fiduciary Net Position
Fiduciary Funds
Pension and Other Employee Benefit Trust Funds
June 30, 2013
(In Thousands)

	Pension Trust Fund	Other Employee Benefit Trust Fund	Other Post- employment Benefit Trust Fund	Total
	Employees' Retirement System	Health Service System	Retiree Health Care	
Assets				
Deposits and investments with City Treasury.....	\$ 7,769	\$ 135,135	\$ 30,260	\$ 173,164
Deposits and investments outside City Treasury:				
Cash and deposits.....	60,874	-	-	60,874
Short term investments.....	572,556	-	-	572,556
Alternative investments.....	2,129,578	-	-	2,129,578
Debt securities.....	4,290,577	-	-	4,290,577
Equity securities.....	8,621,434	-	-	8,621,434
Real estate.....	1,430,711	-	-	1,430,711
Foreign currency contracts, net.....	(7,403)	-	-	(7,403)
Invested in securities lending collateral.....	1,004,266	-	-	1,004,266
Receivables:				
Employer and employee contributions.....	39,593	38,217	904	78,714
Brokers, general partners and others.....	315,076	-	-	315,076
Interest and other.....	34,961	5,195	9	40,165
Total assets.....	<u>18,499,992</u>	<u>178,547</u>	<u>31,173</u>	<u>18,709,712</u>
Liabilities				
Accounts payable.....	17,337	16,994	-	34,331
Estimated claims payable.....	-	25,593	-	25,593
Payable to brokers.....	445,447	-	-	445,447
Deferred Retirement Option Program liabilities.....	20,502	-	-	20,502
Payable to borrowers of securities.....	1,005,161	-	-	1,005,161
Deferred credits and other liabilities.....	-	58,596	-	58,596
Total liabilities.....	<u>1,488,447</u>	<u>101,183</u>	<u>-</u>	<u>1,589,630</u>
Net Position				
Held in trust for pension benefits and other purposes	<u>\$ 17,011,545</u>	<u>\$ 77,364</u>	<u>\$ 31,173</u>	<u>\$ 17,120,082</u>

CITY AND COUNTY OF SAN FRANCISCO
Combining Statement of Changes in Fiduciary Net Position
Fiduciary Funds
Pension and Other Employee Benefit Trust Funds
Year Ended June 30, 2013
(In Thousands)

	Pension Trust Fund	Other Employee Benefit Trust Fund	Other Post- employment Benefit Trust Fund	Total
	Employees' Retirement System	Health Service System	Retiree Health Care	
Additions:				
Employees' contributions.....	\$ 258,726	\$ 118,057	\$ 8,822	\$ 385,605
Employer contributions.....	442,870	630,128	4,411	1,077,409
Total contributions.....	<u>701,596</u>	<u>748,185</u>	<u>13,233</u>	<u>1,463,014</u>
Investment income/loss:				
Interest.....	182,160	749	25	182,934
Dividends.....	188,644	-	-	188,644
Net appreciation/(depreciation) in fair value of investments...	1,729,781	(997)	-	1,728,784
Securities lending income.....	5,096	-	-	5,096
Total investment income.....	<u>2,105,681</u>	<u>(248)</u>	<u>25</u>	<u>2,105,458</u>
Less investment expenses:				
Securities lending borrower rebates and expenses.....	523	-	-	523
Other investment expenses.....	(41,654)	-	-	(41,654)
Total investment expenses.....	<u>(41,131)</u>	<u>-</u>	<u>-</u>	<u>(41,131)</u>
Total additions, net.....	<u>2,766,146</u>	<u>747,937</u>	<u>13,258</u>	<u>3,527,341</u>
Deductions:				
Benefit payments.....	1,023,354	723,792	-	1,747,146
Refunds of contributions.....	9,453	-	-	9,453
Administrative expenses.....	15,518	-	75	15,593
Total deductions.....	<u>1,048,325</u>	<u>723,792</u>	<u>75</u>	<u>1,772,192</u>
Change in net position.....	1,717,821	24,145	13,183	1,755,149
Net position at beginning of year.....	15,293,724	53,219	17,990	15,364,933
Net position at end of year.....	<u>\$ 17,011,545</u>	<u>\$ 77,364</u>	<u>\$ 31,173</u>	<u>\$ 17,120,082</u>

CITY AND COUNTY OF SAN FRANCISCO
Notes to Basic Financial Statements (continued)
June 30, 2013
(Dollars in Thousands)

The San Francisco Retiree Health Care Trust Fund (RHCTF) was established in December 2010 by the Retiree Health Trust Fund Board of the City and County of San Francisco. The RHCTF was established to receive employer and employee contributions prescribed by the Charter for the purpose of pre-funding certain postretirement health benefits. Proposition B requires employees hired on or after January 10, 2009 to contribute 2% of pay and the employer to contribute 1% of pay. Between January 10, 2009 and the establishment of the RHCTF, contributions were set aside and deposited into the RHCTF when it was established. Proposition C also requires all employees hired on or before January 9, 2009 to contribute 0.25% of pay to the RHCTF commencing July 1, 2016, increasing annually by 0.25% to a maximum of 1.0% of pay. The employer is required to contribute

CITY AND COUNTY OF SAN FRANCISCO

Notes to Basic Financial Statements (continued)

June 30, 2013

(Dollars in Thousands)

an equal amount. The RHCTF is currently invested in short-term fixed income securities. The RHCTF may not pay benefits from the Trust before January 1, 2020.

Proposition A was passed by voters on November 5, 2013, and will keep the Retiree Health Care Trust Fund (the Trust Fund) from being depleted and would allow the Trust Fund Board to make payments toward City retiree health care cost from the City's account in the fund only when Trust Fund is fully funded or only under certain circumstances. The City and its employees make contributions to the Fund. The Trust Board may not use these contributions to pay for retiree health care costs until January 1, 2020.

The Charter amendment will prohibit withdrawals from the Trust Fund until sufficient funds are set-aside to pay for all future retiree health care costs as determined by an actuarial study. Limited withdrawals prior to accumulating sufficient funds will be permitted only if annually budgeted retiree health care costs rise above 10% of payroll expenses, and will be limited to no more than 10% of the Trust Fund balance. Proposition A allows for revisions to these funding limitations and requirements only upon the recommendation of the Controller and an external actuary and if approved by the Retiree Health Care Trust Fund Board, two-thirds of the Board of Supervisors, and the Mayor.



**City and County of San Francisco
Retiree Health Care Trust Fund**

Implementation Options

January 28, 2014

Agenda

1. Implementation Options

- Background and Current Status of the Retiree Health Care Trust Fund
- Implementation Option 1 – Direct co-investment with SFERS in public portfolios
- Implementation Option 2 – Co-investment in passive investments with SFERS
- Implementation Option 3 – CalPERS CERBT
- Implementation Option 4 – Independent solution
- Summary of Investment Options

2. Appendix

- SFERS Investment Policy Statement
- CERBT Statement of Investment Policy
- CERBT Fund Facts as of November 2013

Implementation Options

Background

- At the September 30, 2013 meeting, the Board requested that Meketa Investment Group research different implementation options for the Retiree Health Care Trust Fund (RHCTF), including the possibility of co-investing with SFERS.
- Staff at SFERS discussed options with the Chair of the RHCTFB and the Controller, following the SFERS November Board meeting. Meketa Investment Group also discussed the implementation options with staff at SFERS.
- Due to the statutory structure of the RHCTF, a unitized product for RHCTF co-investment in the SFERS Trust is not available. The City and County of San Francisco is permitted to withdraw funds from the RHCTF prior to its being fully funded in special circumstances. This withdrawal mechanism in the Charter precludes RHCTF assets from being co-invested along side illiquid (non-public) assets of the SFERS Trust.
- This document addresses four possible options for investing the assets of the RHCTF:
 - Direct co-investment with SFERS public portfolios (Global Equities and/or Fixed Income)
 - Co-investment in three passive investments with SFERS
 - California Employers' Retiree Benefit Trust (CERBT)
 - Independent solution
- All four of the implementation options presented in this document are likely to be short-term (less than 5 years) in nature, as the assets in the RHCTF are expected to increase rapidly through contributions over the next several years. Once assets reach a certain threshold, typically \$100 to \$200 million, it becomes cost-effective to invest in a more traditional structure, with commingled and separate accounts, where appropriate.

Current Status of the Retiree Health Care Trust Fund

- As of December 31, 2013, assets in the RHCTF totaled \$39 million.
- All assets are held at the Office of the Treasurer & Tax Collector for the City and County of San Francisco.
- The RHCTF's actuary, Cheiron, projected asset values for the Fund through 2020 based on the July 1, 2010 actuarial valuation report. The following estimated asset values were issued in November 2012, and include estimated contributions as well as an assumed annual investment return of 7.5%:
 - FY 2014: \$44 million
 - FY 2015: \$66 million
 - FY 2016: \$93 million
 - FY 2017: \$139 million
 - FY 2018: \$202 million
 - FY 2019: \$286 million
 - FY 2020: \$390 million
- The RHCTF is to be used to pay for the City's contribution to the health care premiums of its retirees and their survivors. In November 2013, voters passed Proposition A, which requires the RHCTF to be fully funded, or for certain budgetary criteria to be met, before payments can be made from the fund.

Implementation Option 1: Direct Co-investment with SFERS in Public Portfolios

Description

- Direct co-investment in public portfolios of SFERS; labeled either “Global Equities” or “Fixed Income.”
 - “Global Equities” includes active and passive managers within U.S. Equities (12 investments managed by 11 external managers and 1 internally managed portfolio) and International Equities (13 investments managed by 11 external managers).
 - “Fixed Income” includes 11 public investments managed by 9 external managers and 1 internally managed portfolio.
- Estimated management fees: 30 basis points for Global Equities and 21 basis points for Fixed Income.
- Custody fees: \$25,000 annual fee includes account setup/maintenance, asset servicing, online access, monthly audit reporting, and GASB reporting. This estimated custody fee was provided by Northern Trust, the current custodian for SFERS. It should be noted that SFERS is in the middle of a custody search process.

- SFERS' strategic asset allocation includes a target allocation of 47% to Global Equity. The sub-asset class targets for Global Public Markets Equity and the underlying managers are as follows:

SFERS Sub-Asset Class	SFERS Target % of Global Equity 6/30/2013	SFERS Target % of Total Fund 6/30/2013	Number of Strategies 6/30/2013	Managers as of 6/30/2013
Passive S&P 500	16	7.5	1	SFERS S&P 500 Tobacco Free Index ¹
Enhanced S&P 500	5	2.4	1	QMA
U.S. Large Cap Value	9	4.2	1	BlackRock
U.S. Large Cap Growth	9	4.2	4	Sands Capital, Wellington, INTECH, Profit
U.S. Small Cap	6	2.8	3	Northern Trust, Bivium, DFA
U.S. Convertibles	3	1.4	2	Advent, Zazove
<i>U.S. Equities</i>	<i>48</i>	<i>22.6</i>	<i>12</i>	
Core International	14	6.6	3	AQR, Capital Guardian, Northern Trust ¹
Growth International	5	2.4	1	William Blair
Value International	11	5.2	2	Causeway, LSV
Small Cap International	6	2.8	2	DFA, Pyramis
Emerging Markets	11	5.2	5	Mondrian, Wellington, DFA (2), Capital Intl
<i>International Equities</i>	<i>47</i>	<i>22.1</i>	<i>13</i>	
Global Equity	5	2.4	0	NA
Opportunistic Strategies	0	0.0	2	(Private market manager)
<i>Global and Opportunistic</i>	<i>5</i>	<i>2.4</i>	<i>2</i>	
<i>Total</i>	<i>100</i>	<i>47</i>	<i>27</i>	

¹ Option 2 includes three passive investments from the Global Equity and Fixed Income portfolios: SFERS S&P 500 Tobacco Free Index, Northern Trust MSCI EAFE Index, and BlackRock U.S. Debt Index Fund.

- SFERS' strategic asset allocation includes a target allocation of 25% to Fixed Income. The sub-asset class targets for Fixed Income and the underlying managers are as follows:

Sub-Asset Class	SFERS Target % of Fixed Income 6/30/2013	SFERS Target % of Total Fund 6/30/2013	Number of Strategies 6/30/2013	Managers as of 6/30/2013
Internal Fixed Income	6	1.5	1	SFERS Internal
Barclays Aggregate Index Fund	6	1.5	1	BlackRock ¹
Core/Core Plus U.S. Bonds	59	14.8	4	Aberdeen (2), Stone Harbor, AFL-CIO
Commercial Mortgages	7	1.8	1	Prima
High Yield Corporates / Banks Loans	8	2.0	1	Oaktree
High Yield CMBS	5	1.3	1	Pyramis
Emerging Markets Debt	9	2.3	2	GMO, Barclays
Opportunistic Strategies	0	0.0	8	(Private market managers)
<i>Total</i>	<i>100</i>	<i>25</i>	<i>19</i>	

- The opportunistic strategies are private market structures, and would not be part of the co-investment option for the RHCTF.
- Net returns from the Global Equities and Fixed Income portfolios, as of June 30, 2013 are as follows:

SFERS Portfolios	Assets 6/30/13	1-Year	3-Year	5-Year	10-Year
Global Equities	\$8.8 billion	19.41	13.85	3.56	7.69
Fixed Income	\$4.2 billion	4.63	7.15	6.61	5.62

¹ Option 2 includes three passive investments from the Global Equity and Fixed Income portfolios: SFERS S&P 500 Tobacco Free Index, Northern Trust MSCI EAFE Index, and BlackRock U.S. Debt Index Fund.

Implementation

- This option would establish a unique relationship between SFERS and the RHCTF. SFERS does not currently have any co-investors, nor are they seeking to add co-investors. Additional discussions with SFERS, the Controller, and legal counsel would be necessary.
- Once the terms of the relationship with SFERS are agreed upon, discussions with the custodian, currently Northern Trust, would take place to determine custody services and final pricing.
- The Board would need to establish an asset allocation policy to determine the target allocations to Global Equities and Fixed Income.
- Again, private markets vehicles, and asset classes outside of equities and fixed income, would not be available.

Considerations

- The Board would retain control of the asset allocation in terms of setting targets to Global Equities and Fixed Income.
- The Board would not have control over the underlying construction of the Global Equities portfolio or the Fixed Income portfolio.
- The Board would not have the ability to hire or fire managers within the portfolios.
- Custody fees of approximately \$25,000 would total 6 basis points on a \$40 million asset level, 4 basis points on a \$60 million asset level, and 3 basis points on an \$80 million asset level.
- This option is unlikely to be a long-term solution, given the potential for different objectives and constraints between SFERS and the RHCTF, and the lack of control over the specifics of the allocations.
 - SFERS is designed to pay Pension benefits, while RHCTF is designed to pay health care and OPEB benefits. The actuarial assumed rates of return, risk tolerances, and even time horizon, may differ.

Implementation Option 2: Co-Invest in Passive Investments with SFERS

Description

- Co-investment with SFERS in three passive investments that cover broad public markets:
 - U.S. equities (SFERS S&P 500 Tobacco Free Index)
 - International equities (Northern Trust MSCI EAFE)
 - Investment grade bonds (BlackRock U.S. Debt Index Fund – benchmarked to the Barclays’ Aggregate)
- Estimated management fees for 60/40 stock/bond mix are 5 to 6 basis points.
- Custody fees: \$25,000 annual fee includes account setup/maintenance, asset servicing, online access, monthly audit reporting, and GASB reporting. This estimated fee for custody was provided by Northern Trust, the current custodian for SFERS. It should be noted that SFERS is in the middle of a custody search process.
- Returns from the benchmarks for these investments, as of June 30, 2013, are as follows:

Benchmark	SFERS Assets 6/30/13	1-Year	3-Year	5-Year	10-Year
S&P 500 Index	\$1,439,724,000	20.92	18.28	6.82	7.11
MSCI EAFE Index	\$401,868,000	18.62	10.04	-0.63	7.67
Barclays Aggregate Index	\$250,707,000	-0.69	3.51	5.19	4.52

Implementation

- This implementation option would establish a unique relationship between SFERS and the RHCTF. SFERS does not currently have any co-investors, nor are they seeking to add co-investors. Additional discussions with SFERS, the Controller, and legal counsel would be necessary.
- Once the terms of the relationship with SFERS are agreed upon, discussions with the custodian, currently Northern Trust, would take place to determine custody services and final pricing.
- The Board would need to establish an asset allocation policy to determine the target allocations to U.S. equities, international equities, and investment grade bonds.

Considerations

- The Board would retain control of the asset allocation, to the extent possible, with three broad index options.
- Custody fees of approximately \$25,000 would total 6 basis points on a \$40 million asset level, 4 basis points on a \$60 million asset level, and 3 basis points on an \$80 million asset level.
- This option is unlikely to be a long-term solution, given the potential for different objectives and constraints between SFERS and the RHCTF, and the lack of control over the specifics of the allocations (e.g., the passive equity option is a tobacco-free index. This may or may not be aligned with the investment objectives of the RHCTF).

Implementation Option 3: California Employers' Retiree Benefit Trust

Description

- The CalPERS California Employers' Retiree Benefit Trust (CERBT) was established in 2007 to assist public employers in meeting retiree health and OPEB obligations.
- Currently, nearly 400 California public employers have investments in CERBT, totaling \$3.2 billion.
- The CERBT offers three pre-specified portfolio strategies: Moderate, Moderately Conservative, and Conservative.

	Moderate (Strategy 1) (%)	Moderately Conservative (Strategy 2) (%)	Conservative (Strategy 3) (%)
Global Equity	66	50	32
U.S. Nominal Bonds	18	24	42
Global Real Estate	8	8	8
Inflation-linked Bonds	5	15	15
Commodities	3	3	3
<i>Net Expected Return¹</i>	7.61	7.06	6.39
<i>Expected Risk</i>	11.73	9.46	9.27

¹ Expected risk and returns are based on CalPERS assumptions.

- All three strategies utilize the same asset classes, but in different proportions. Four of the five asset classes are passively managed. The U.S. Nominal Bonds allocation is the only asset class that is actively managed. U.S. Nominal Bonds, Inflation-linked Bonds, and Commodities are managed by the internal investment staff at CalPERS. Global Equity and Global Real Estate are managed by State Street Global Advisors (SSgA), according to parameters established by CalPERS investment staff.
- The asset allocation targets for each strategy are formally reviewed once every three years. The last review was completed in 2013.
- A flat 14 basis point administrative fee is charged by CERBT, with no additional charge for custodial and investment management services. Additionally, about 1 basis point of investment management fees is deducted from the SSgA passive investments. However, this fee is not billed separately, since it is taken automatically from the commingled investment.
- Net returns for the three CERBT strategies are as follows:

CERBT Strategy	Inception	1-Year 6/30/13	3-Year 6/30/13	5-Year 6/30/13
Strategy 1 – Moderate	June 1, 2007	11.78	11.84	4.52
Strategy 2 – Moderately Conservative	October 1, 2011	8.87	NA	NA
Strategy 3 – Conservative	January 1, 2012	5.21	NA	NA

Implementation

- According to the CERBT website, to participate in the CERBT, a Fund must do the following:
 - Hire an actuarial consulting firm to perform a valuation using the OPEB Assumptions Model prescribed by CalPERS.
 - Provide the actuarial firm with the Summary of Actuarial Information Required for CalPERS Financial Statements.
 - Complete the Certification of OPEB Actuarial Information and Funding Policy
 - Complete and provide two original signed copies of the Agreement and Election to Prefund Other Post Employment Benefits.
 - Complete the Delegation of Authority to Request Disbursements.
 - Present the Agreement and the Delegation of Authority to the employer’s governing body for adoption and approval.

Considerations

- The Board would not have control over the construction of the selected strategy.
- The Board would not have the ability to hire or fire managers in the selected strategy.
- CERBT has up to 150 days to meet redemption notices.

Implementation Option 4: Independent Solution

Description

- Under an independent solution, the RHCTF would establish its own structure for custody and investment of Fund assets.
- Initially, assets would likely be invested in low-cost passive investments. Once assets increase, searches for active mandates may be conducted.
- Estimated investment management fees would range between 4 basis points and 18 basis points, based on specific passive investments. Once assets increase and minimum investments are met for active manager fee schedules, then investment fees would increase commensurate with assets.
- Custody fees are estimated at approximately \$20,000 to \$40,000 per year. However, a full RFP search for a custody provider should be conducted.

Potential for Passive Investments in an Independent Solution

- Passive investment strategies attempt to replicate the returns of a particular market segment. Active managers seek to outperform benchmarks (typically passive indexes) by creating portfolios that differ from the market through investing in specific securities, strategies, or sectors.
- Fee schedules for both passive and active managers are often tiered, so that more assets invested in a strategy result in a lower fee on a percentage basis. For example, Vanguard offers a discounted fee for many of its indexed strategies when assets in the strategy exceed \$5 million.
- Passive and active managers offer a variety of investment vehicles, including mutual funds, ETFs, commingled funds, and separate accounts.
- Initially, the RHCTF may gain efficient exposure to capital markets through the use of passive mandates. The table below provides a range of passive fees for major asset classes, as well as estimated total fees.

	Passive Fee Range (%)	Sample Allocation (%)
Equities		
U.S. Equities	0.04 - 0.06	30
International Developed Markets	0.07 - 0.12	25
International Emerging Markets	0.12 - 0.18	5
Fixed Income		
Investment Grade Bonds	0.06 - 0.10	30
U.S. TIPS	0.04 - 0.10	10
<i>Total Fund estimated fees</i>	6-10 bps	

Fund Levels and Asset Class Mandates

- As assets in the Fund increase, the RHCTF may pursue active management in inefficient asset classes.
- The table below provides a general perspective of asset classes and active mandates that could be added at approximate total Fund asset levels.

\$40 million	\$60 million	\$80 million	\$100 million	\$200 million
<ul style="list-style-type: none"> • Passive U.S. Equities • Passive Int'l Equities • Passive Fixed Income 	<ul style="list-style-type: none"> • Active EM Equities • Active High Yield 	<ul style="list-style-type: none"> • Active U.S. Small Cap • Active Large Cap Int'l • Active Small Cap Int'l 	<ul style="list-style-type: none"> • Private Equity FOF or Secondary • Real Estate FOF or Secondary • Active EM Debt 	<ul style="list-style-type: none"> • Consider direct private market investments

- Specific implementation would be adjusted after an asset allocation study is completed.

Implementation

- If the RHCTF elects to create an independent portfolio, the first step would be to conduct a search for a custodian.
- Next, the Fund would conduct a search for passive index options.
- Meketa Investment Group could conduct an asset allocation study concurrent with the custody and index provider searches.

Considerations

- Given a low starting asset value, costs may be higher, as a percentage of total Fund assets, in the first few years for this option.
- There may be more administrative and legal steps necessary to implement this option.

Summary of Implementation Options

	SFERS Co-Invest Direct (Option 1)	SFERS Co-invest Passive (Option 2)	CalPERS CERBT (Option 3)	Independent Solution (Option 4)
Investments	Two SFERS portfolios: Global Equities and Fixed Income	Three SFERS passive funds: S&P 500, MSCI EAFE, and Barclays Aggregate	Three strategies with pre-defined asset allocation targets	Choose between investable universe of passive and active funds
Initial asset classes	Global Equities (U.S., Int'l Developed and Emerging) Fixed Income (IGB, High Yield, EM Debt)	U.S. Equities, International Developed Market Equities, Investment Grade Bonds	Global Equities, U.S. Bonds, Global Real Estate, Inflation-Linked Bonds, Commodities	Global Equities, Investment Grade Bonds, Inflation-Linked Bonds
Active/Passive Investments	Active and Passive	Passive	Active and Passive	Active and Passive
Board Authority Over:				
Asset Allocation	Yes	Yes	No (select strategy)	Yes
Asset Class Structure	No	Yes	No	Yes
Individual Managers	No	No	No	Yes
Investment Cost	~ 25 bps	5-6 bps	1 bp	6-8 bps
Custody and Admin Cost	\$25k per year	\$25k per year	14 bps (admin fee)	\$20k - \$40k per year
Est. Cost on \$40 million Fund	\$125,000 (31 bps)	\$45k - \$49k (11-12 bps)	\$60,000 (15 bps)	\$44k - \$72k (11-18 bps)
Est. Cost on \$60 million Fund	\$175,000 (29 bps)	\$55k - \$61k (9-10 bps)	\$90,000 (15 bps)	\$56k - \$88k (9-15 bps)
Est. Cost on \$80 million Fund	\$225,000 (28 bps)	\$65k - \$73k (8-9 bps)	\$120,000 (15 bps)	\$68k - \$104k (8-13 bps)
Expected Implementation timeframe ¹	~ 1 Year	~ 1 Year	~ 6 months	~ 1 Year
Considerations	Access to active managers No authority over managers	Lowest cost		Customizable

¹ Legal and actuarial reviews will be a significant factor in setting the timeframe for investment. Custody, asset allocation, and investment option searches could begin once a structure is approved.



Expected Returns and Actual Performance History as of June 30, 2013

	Gross Expected Return (%)	Expected Standard Deviation (%)	Net Return 1-Year 6/30/13 (%)	Net Return 3-Year 6/30/13 (%)	Net Return 5-Year 6/30/13 (%)	Net Return 1-Year 6/30/13 (%)
SFERS¹						
Global Equities	10.5	20.0	19.41	13.85	3.56	7.69
Fixed Income	3.6	5.0	4.63	7.15	6.61	5.62
66/34 Split	8.2	13.4				
SFERS²						
S&P 500	9.4	18.0	20.92	18.28	6.82	7.11
MSCI EAFE	9.9	20.0	18.62	10.04	-0.63	7.67
Barclays Aggregate	3.6	5.0	-0.69	3.51	5.19	4.52
33/33/34 Split	7.6	12.4				
CERBT²						
Strategy 1 – Moderate	7.76	11.73	11.78	11.84	4.52	NA
Strategy 2 – Moderately Conservative	7.21	9.46	8.87	NA	NA	NA
Strategy 3 - Conservative	6.54	7.27	5.21	NA	NA	NA
Independent Solution						
66/34 Split	8.2	13.4	NA	NA	NA	NA

¹ Meketa Investment Group 2014 Asset study inputs used for expected returns for SFERS and Independent solution. All expected returns are shown gross of fees. Historical returns for SFERS are net of fees.

² CERBT expected returns and standard deviation are based on CalPERS assumptions. Historical CERBT returns are net of 15 bps of fees. Expected returns are gross of fees.

Conclusion

- The four implementation options presented are all viable methods for the RHCTF to invest the portfolio.
- There are potential benefits, efficiencies, and drawbacks within each option.
- Regardless of the implementation option chosen by the Board, Meketa Investment Group recommends that one of the next steps for the Board is to establish an Investment Policy Statement for the RHCTF.

Appendices

SFERS IPS

Investment Policy, Objectives and Guidelines for the San Francisco City and County Employees' Retirement System

Mission Statement

San Francisco City and County Employees' Retirement System is dedicated to securing, protecting and prudently investing the pension Trust assets, administering mandated benefit programs, and providing promised benefits.



Approved: November 14, 2012



San Francisco City & County Employees' Retirement System Investment Policy Statement – November 14, 2012

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Tab 5	Annual Investment Plan for Alternative Investments.
Tab 6	Code of Ethics and Standards of Professional Conduct, CFA Institute, Effective July 1, 2010
Tab 7	Guidelines for Equity and Fixed Income Manager Monitoring and Retention (Approved October 2008)
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INTRODUCTION

This document provides a framework for the management of the assets of the San Francisco City and County Employees' Retirement System ("SFERS" or the "System"). The purpose of the Investment Policy Statement ("IPS") is to assist the Retirement Board (the "Board") to effectively supervise and monitor the assets of SFERS (the "Plan"). Specifically, the IPS will address the following issues:

- The goals of the investment program;
- The policies and procedures for the management of the investments;
- Specific asset allocations, rebalancing procedures and investment guidelines;
- Performance objectives; and,
- Responsible parties.

The Board establishes this investment policy in accordance with applicable Local, State, and Federal laws. The Board members exercise authority and control over the management of the Plan, by setting policy that the Investment Staff executes either internally or through the use of external prudent experts with discretionary authority subject to policies established by SFERS. The Board oversees and guides the Plan and its policies subject to the following basic fiduciary principles:

- To act solely in the interest of, and for the exclusive purpose of providing benefits to, participants and their beneficiaries, minimizing contributions thereto, and defraying reasonable expenses of administering the Plan. The Board's duty to its participants and their beneficiaries shall take precedence over any other duty.
- To act with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent expert acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character with like aims.
- To diversify the investments of the Plan so as to effectively trade off the risk of loss and appropriate rates of return. Diversification is applicable to the deployment of the assets as a whole, and does not preclude the use of concentrated investment styles.

The IPS is designed to allow for sufficient flexibility in the management oversight process to capture investment opportunities as they may occur and to establish reasonable parameters to ensure prudence and care in the execution of the investment program.



San Francisco City & County Employees' Retirement System Investment Policy Statement – November 14, 2012

INVESTMENT GOALS

SFERS' investment goals are:

- To provide SFERS participants with retirement benefits as required by City and County Charter and applicable laws. This will be accomplished through a carefully planned and executed long-term investment program.
- SFERS' assets will be managed on a total return basis. While SFERS recognizes the importance of the preservation of capital, it also adheres to the principle that varying degrees of investment risk are generally rewarded with compensating returns.
- On an annualized net-of-fee basis, over a full market cycle, the total portfolio will be expected to:
 1. Exceed the assumed actuarial rate of return (currently 7.58%¹) over rolling five-year periods; and/or,
 2. Exceed a weighted index based on SFERS' asset allocation policy and respective asset class component benchmarks over rolling five year periods by an appropriate amount.
- To undertake all transactions for the sole benefit of SFERS members and beneficiaries, and for the exclusive purpose of providing benefits to them, minimizing contributions to the Plan and defraying reasonable administrative expenses associated with the Plan.
- To set asset allocation policy in a manner that encompasses a strategic, long-term perspective of capital markets as well as the nature and structure of SFERS' liabilities. SFERS recognizes that a strategic long-term asset allocation plan implemented in a consistent and disciplined manner will be the major determinant of the Plan's investment performance.
- To make decisions and follow investment policies which comply with "prudent expert" standards.

¹ The actuarial rate of return is being reduced to 7.50% (from 7.75%) over a three time period. The actuarial rate of return, as approved by the Retirement Board, will be 7.66% in Fiscal Year 2012, 7.58% in Fiscal Year 2013, and 7.50% in Fiscal Year 2014, and thereafter.



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INVESTMENT POLICIES AND PROCEDURES

The policies and procedures of SFERS' investment program are designed to maximize the probability that the investment goals will be fulfilled.

Asset Allocation Policy

SFERS adopts and implements an asset allocation policy that is predicated on a number of factors, including:

- A projection of actuarial assets, liabilities and benefit payments and the cost of contributions;
- Historical and expected long-term capital market risk and return behavior;
- An assessment of future economic conditions, including inflation and interest rate levels; and,
- The current and projected funding status of the Plan.

This policy provides for diversification of assets in an effort to maximize the investment return of the Plan consistent with market conditions and risk tolerance. Asset allocation modeling identifies asset classes the Plan will utilize and the percentage that each asset class represents of the total fund.

Due to the fluctuation of market values, positioning within a specified range is acceptable and constitutes compliance with the policy. It is anticipated that an extended period of time may be required to fully implement the asset allocation policy, and that periodic revisions will occur. SFERS' Investment Staff ("Staff") and external consultants will monitor and assess the actual asset allocation versus policy and will evaluate any variation deemed significant.

Asset allocation policy shall be implemented through the use of investment managers (both internal and external) that will invest SFERS' assets subject to investment guidelines incorporated into the investment management agreements executed with authorized representatives of the System.

SFERS will also use passive management styles in market segments where there is a high degree of market efficiency, where low or no tracking error is desired, or to provide temporary exposure.

The long-term asset allocation targets and ranges for the investments of the Plan's assets are shown in Tab I. These targets and ranges shall be in effect for both broad asset classes and public market sub-asset classes.



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Investment Manager and Consultant Authority

The investment managers shall have full discretion to direct and manage the investment and reinvestment of assets allocated to them for management on SFERS' behalf in accordance with this document, applicable Local, State and Federal statutes and regulations, individual investment management agreements, approved investment guidelines, and executed contracts.

Consultants shall have no discretionary authority (unless such authority is delegated contractually by the Board and the Consultant) and shall be co-fiduciaries to the Plan. Consultants shall be responsible for making timely and appropriate recommendations on investment policy issues, for monitoring managers, and for reporting on manager and total fund performance (or asset class composite level performance for specialty consultants) on a quarterly basis. The Board and Staff will consider the comments and recommendations of Consultants in conjunction with other available information in making informed, prudent decisions.

Fiduciary Responsibilities

All investments must be underwritten and assets managed by a qualified investment manager acting in a fiduciary capacity to SFERS. Once retained, an investment manager must acknowledge in writing the manager's fiduciary responsibility to SFERS and acknowledge the objectives and policies contained in this Policy. It is expected that, at all times, the manager(s) will conduct themselves as fiduciaries in conformance with the California Constitution, Article XVI, Section 17 and Charter Section 12.100, unless a lesser standard of fiduciary duty is necessary because of generally prevailing industry standards for an investment of that type and nature. Any such generally prevailing industry standard shall be established upon the written advice of the investment consultant responsible for that asset class.

Commission Recapture

SFERS requires that active equity managers use good faith efforts to direct a specific percentage of brokerage transactions for Plan assets under their management through designated commission recapture brokers. SFERS also encourages its fixed-income managers, on a "best effort" basis, to utilize the services of designated commission recapture brokerage firms. It is understood that the commission recapture brokerage firms must provide the best price and execution consistent with market conditions, bearing in mind the best interests of the Plan's beneficiaries and considering all relevant factors.

SFERS will monitor on an ongoing basis the services provided by the commission recapture brokers so as to assure that the investment managers are securing the best execution of SFERS' brokerage transactions.

All rebates or credits from commissions paid to the commission recapture brokers will be realized in cash and rebated back to the Plan.

Emerging Business Enterprises

SFERS Staff, its investment managers, and its consultants shall make a good faith effort to retain and utilize the services and/or products of qualified Emerging Business Enterprises on a sub-contracting and/or joint venture basis when those services/products are provided consistent with the fiduciary responsibilities of the Board.

SFERS will also, to the extent possible, use and encourage the use by its managers of brokerage services offered by emerging brokerage firms, particularly certified San Francisco-based firms.



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SFERS has also adopted a policy regarding emerging investment managers, which is included as Tab 8 of this document.

Proxy Voting

SFERS acknowledges that the ownership of equities requires proxies to be voted, and that such voting rights are a tangible asset of the System. The System commits to managing its proxy voting rights with the same care, skill, diligence and prudence as is exercised in managing its other assets, in the sole interest of the System's members and beneficiaries and in accordance with all applicable statutes.

The voting rights of individual stocks will be exercised by an assigned proxy provider under the supervision of the Investment Staff consistent with policy direction from the Retirement Board. The Board shall review the actions of the assigned proxy provider at least annually.

Securities Lending

The Board has authorized the execution of a "Security Lending Program," which will be performed by the Plan custodian or qualified third party securities lending agent(s). The program will be monitored and reviewed by the Investment Staff and will be established and governed by a written agreement. Unless otherwise designated, the income or losses generated by the lending program accrues to the Investment Cash account.

The SFERS Investment Policy and Program Overview for Securities Lending is included as Tab 12 of this document.

Custody of Assets

With the exception of assets invested in commingled funds or assets invested in an investment program approved to use one or more Prime Brokers, the assets of the Plan shall be held in a custody/record-keeping account in a master custody bank located in a national money center and in the international sub-custodian banks under contract with the custodian bank.

Staff shall be responsible for reviewing the cost-effectiveness and performance of the custodian on a regular basis (at least every five years), with input from SFERS' consultants as needed.

Derivatives

Derivatives may be employed by SFERS' investment managers (including internal managers) if permitted in the manager's written guidelines. The purpose of derivatives shall be to control portfolio risk, aid in liquidity management, augment return, and/or execute portfolio strategies in a timely and cost-effective manner. Derivatives are contracts or securities whose returns are derived from the returns of other securities, indices or instruments including, but not limited to futures, forwards, options, options on futures and private swaps. Examples of appropriate applications of derivative strategies include hedging interest rate and currency risk, executing a passive management style, maintaining exposure to a desired asset class while effecting asset allocation changes, and adjusting portfolio duration of fixed income portfolios.

Unless permitted to do so in their written guidelines, SFERS' investment managers are not allowed to utilize derivatives for speculative purposes, including creating leverage. SFERS' managers typically shall not borrow funds to purchase derivatives; any exceptions shall be specified in the investment manager's written guidelines. No derivatives positions can be established that create portfolio characteristics outside of portfolio guidelines.



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Managers must ascertain and carefully monitor the creditworthiness of any third parties involved in derivative transactions.

Short Sales and Leverage

Short sales of securities and leverage may be allowed only if permitted in the investment manager's written guidelines, and shall typically be subject to expressed limits.

Rebalancing

A systematic rebalancing procedure, implemented on a regular basis when asset allocation ranges are breached, or when cash flows occur (e.g., for benefit payments or funding new investments), or for other reasons judged to be in the best interests of the Plan and its beneficiaries, will be used to maintain or to move asset allocations within their appropriate allowable ranges as delineated in Tab I of this Investment Policy Statement.

The Deputy Director for Investments ("DDI"), supported by the Deputy Division Directors for Public Markets and Private Markets, shall be responsible for undertaking rebalancing at the broad asset class level. The Senior Investment Officers or Senior Portfolio Managers ("SIO"s or "SPMs") shall be responsible for making rebalancing recommendations to the appropriate Deputy Division Director for their respective asset class(es) and for implementing those recommendations subject to approvals from the DDI. Rebalancing decisions will take into consideration a combination of various factors including but not limited to: cash needed for benefit payments and expenses, cash needed for investments, asset allocation shifts and weights relative to targets and permissible ranges, an assessment of capital markets conditions, and the performance, organizational and investment attributes of individual managers, including each manager's status under SFERS' Manager Monitoring and Retention Policy (Tab 7).

When broad asset class ranges are breached, the System will rebalance assets such that asset allocation is brought to within the ranges specified in Tab I. For sub-asset classes, the SIO or SPMs will make recommendations regarding allocations to sub-asset classes within their area of responsibility, and shall rebalance according to the same rule when relevant ranges are breached. Sub-asset class targets and ranges are also delineated in Tab I. Subject to approval by the appropriate Deputy Division Director and the DDI, Staff will also have discretion on how to redeploy assets within their asset class in accordance with applicable ranges. The Board recognizes that from time to time ranges may be breached for a period of time due to the absence of an appropriate manager and/or Staff judgment that an existing manager(s) should not be allocated additional assets, or when, in the judgment of Staff, market conditions are not favorable to rebalancing activities.

The DDI shall report to the Board monthly on the System's rebalancing activities, including any exceptions to policy.

Social Investment Procedures

Since it is necessary for adequate recognition to be given to the social consequences of corporate actions and security and portfolio investment decisions to achieve maximum long term investment returns from System assets, and since the individual decisions of Staff, Managers, Consultants, and other System fiduciaries have to be made within a framework that reflects the particular social situation and concerns of the participants and the System, the Retirement Board has adopted a set of Social Investment Procedures to guide the System. Social concerns to be addressed through investment policy shall follow the order of action as outlined in these



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policies. In no event shall these policies take precedence over the fiduciary responsibility of producing investment returns for the exclusive benefit of the participants. Exceptions to the restrictions on securities holdings outlined here may be made as needed to permit investment in commingled holdings deemed to be in the best interests of SFERS and its beneficiaries.

The investment restrictions based on these procedures are as follows:

Tobacco-Related Holdings

SFERS does not permit its managers (including internal management) to hold securities of US-based companies involved in the production of tobacco products. This restriction applies to both US equity holdings and to US corporate bond holdings.

The Board will periodically review the impact of this restriction on its overall performance.

Sudan Related Holdings

Because the US Congress and the State Department have found the Sudanese Government to be complicit in genocide in the Darfur region, SFERS does not permit its managers (including internal management) to hold securities of companies doing business in Sudan based on criteria established by SFERS. The Retirement Board directed Investment Staff to inform companies meeting specified criteria of SFERS' intention to divest. Companies will have 90 days to respond. Managers will be informed of companies meeting specified criteria and be given an opportunity to explain why they cannot achieve their mandate if required to divest.

The Social Investment Procedures and lists of restricted securities based on the above may be found in Tab 10 of this document. The Board will periodically review the impact of this restriction on its overall performance.

Asset Class Definitions

SFERS will utilize the following portfolio components to fulfill the asset allocation targets and total fund performance goals established elsewhere in this document.

I. Capital Appreciation – The Capital Appreciation portfolio will serve as the long term “growth” engine of the portfolio. This portfolio will be the primary source of return as well as risk (volatility) for the portfolio. The Plan’s Capital Appreciation portfolio may be comprised of different market segments and approaches, including:

- **Public Market Equities** – SFERS anticipates that total returns to equities will be higher than total returns to fixed income securities over the long run, and may be subject to greater volatility. SFERS' equity holdings will be well diversified with respect to region, capitalization ranges and investment styles. The public market equity components in the Plan's asset allocation mix are:
 - **US Equities** – This segment of the portfolio will provide broadly diversified exposure to the US equity market, in both large and small cap market segments, as well as diversified exposure to different style segments (e.g., growth and value). Passive, enhanced passive, and active management strategies may be used in US equity holdings, including internal management by SFERS' Staff.
 - **International Equities** – This portfolio provides access to equity markets outside the US and



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consequently plays a significant role in diversifying SFERS' domestic equity portfolio. A core international segment will concentrate on larger companies in developed non-US equity markets while a small capitalization segment will ensure exposure to the smaller companies that are primarily located in developed markets. Both passive and active management may be used in the core international equity portfolio, although active strategies will be emphasized. An emerging markets segment further diversifies the developed market segments by investing in developing markets that have lower correlations with developed economies. As specified in their investment guidelines, active managers may be given discretion to hedge currency exposure in their portfolios. The System may retain external experts to provide currency overlay management.

- **Global Equities** – A global stock portfolio will invest in both US and non-US companies, including emerging markets. Managers will have the discretion to allocate between US and non-US companies depending on their view of opportunities, valuations, and growth prospects.
- **Opportunistic strategies** may also be included in the Public Market Equity segment for the purpose of enhancing return, managing risk, and/or taking advantage of management approaches or hybrid securities that embody equity as well as other characteristics.
- **Alternative Investment Program ("AIP" or the "Program")** – This portfolio is a significant source of investment return that has lower correlation with SFERS' other asset classes. The AIP will include investments in a variety of separate account or commingled/partnership vehicles including venture capital, buyout, turnaround, mezzanine, distressed securities, co-investments and direct investments, and special situations funds. The Program is recognized to be long-term in nature and highly illiquid. Because of their higher risk and illiquidity, alternative investments are expected to provide substantially higher returns over the long term than publicly traded equity securities. Alternative investments can also include more conservative but also relatively illiquid investments, which derive their returns from owning hard and natural resource related assets such as oil- and gas-related properties and timberland.

The primary objective of the AIP is to provide a substantial return premium (500 basis points or more) over the S&P 500 Index over rolling 10-year periods. This hurdle will be used to evaluate all alternative investment opportunities. The Program will also evaluate opportunities based on whether they diversify the Plan by investment type and by manager to reduce manager and asset-specific risks. A third objective of the program is to reduce total portfolio volatility by investing in assets with a lower correlation to public equity markets.

The Senior Investment Officers or Senior Portfolio Managers overseeing the Alternative Investment Program, Staff (including the Deputy Division Director for Private Markets), in conjunction with the Alternative Investment Consultant, will annually update the Statement of Objectives, Policies and Procedures for the asset class and submit to the Retirement Board for approval. Additionally, the Senior Investment Officers or Senior Portfolio Managers overseeing the Alternative Investment Program, in conjunction with the Alternative Investment Consultant, will normally submit an Annual Investment Plan no later than the December meeting of the Retirement Board for Board approval. The Annual Investment Plan will recap the status of the Program and achievement of plan goals, and will identify investment initiatives for the following calendar year. Upon adoption by the Retirement Board, the Statement of Objectives, Policies and Procedures and Annual Investment Plans (Tabs 4 and 5) shall become a part of this Investment Policy Statement.



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II. Capital Preservation – The Capital Preservation portfolio is intended to provide “downside protection” to the portfolio in periods of financial market duress or disinflation by providing a stable return. Capital Preservation also aids in the diversification of the Plan’s assets. The Capital Preservation portfolio may be comprised of different market segments and approaches, including:

- **Public Market Fixed Income** – The primary role of the Fixed Income portfolio is to provide a stable, predictable income while diversifying SFERS' investment portfolio. SFERS' Fixed Income portfolio will be well diversified, and may include, but not limited to, both investment grade and non-investment grade holdings, US and non-US issues, developed and emerging market debt, mortgage-backed securities and direct mortgage holdings, and dollar and non-dollar denominated holdings. Internally managed fixed income as well as specialty managers may be utilized. Both passive and active management may be used in the Fixed Income portfolio. Currency exposure may be actively managed by the System’s Fixed Income manager(s) as specified in the manager’s guidelines. Opportunistic strategies may also be included in the Fixed Income portfolio for the purpose of enhancing return, managing risk, or taking advantage of management approaches or hybrid securities that embody fixed income as well as other characteristics.
- **Cash** – Cash will be segmented into two categories:
 - **Cash needed for Payment of Benefits and Expenses** – This is cash that will be set aside for the specific purpose of paying benefits and expenses. This cash should generally not be used to meet capital calls or other investment funding requirements. The amount of cash “set aside” for this purpose should not be less than one or more than four months funding requirement, with a target of three months.
 - **Cash Available for Investment** – This is cash which is available for investment following SFERS' Investment Guidelines contained herein. As a matter of principle, SFERS will strive to maintain a “zero cash” policy, i.e., all funds available for investment should be kept invested in accordance with this Investment Policy. Cash Available for Investment should not exceed 1% of Plan assets, with a target of 0%.

III. Inflation Hedges/Real Assets – Inflation Hedges/Real Assets are assets that provide investors with a better hedge against loss of purchasing power than traditional asset classes including equities and bonds. Moreover, these strategies maintain lower correlation to traditional asset classes, providing diversification benefits. The Plan’s Inflation Hedges/Real Assets portfolio may be comprised of different market segments and approaches, including:

- **Real Estate** – SFERS' real estate program (the “Program”) invests in real estate commingled funds, co-investments and separate accounts. The Program is diversified by property type and geography, exposed to properties both in the US and internationally, and includes global publicly listed real estate securities. The Program is designed to provide return from both income and capital appreciation. Real estate performance generally has low correlation with traditional public market asset classes, and therefore provides diversification benefits to the Plan. SFERS recognizes the illiquid, long-term nature of its private real estate portfolio and the role the Program plays in providing diversification to the overall portfolio. The Program is also a hedge against the possibility of severe and persistent inflation. SFERS has determined that active management will lead to returns that are superior for real estate than passive management strategies. Active management, value creation strategies, and the prudent use of third party debt are approved methods for generating the expected excess return.



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The Senior Investment Officer or Senior Portfolio Manager overseeing the Real Estate portfolio, Staff (including the Deputy Division Director for Private Markets), and the Real Estate Consultant annually update the Investment Objectives, Policies and Procedures and the Annual Investment Strategy for the asset class and submit these documents to the Retirement Board for approval. The Annual Investment Plan recaps the status of the Program and the achievement of plan goals, and identifies investment strategies, projects and programs for the following fiscal year. Upon adoption by the Retirement Board, the Investment Objectives, Policies and Procedures and the Annual Investment Strategy (Tabs 2 and 3, respectively) shall become a part of this Investment Policy Statement.



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GENERAL INVESTMENT OBJECTIVES AND GUIDELINES FOR PUBLIC MARKET SECURITIES

Public Market Equity Portfolios

The public equity portfolios, both internal and external, will be managed on a total return basis following specific investment styles and will be evaluated against specific market benchmarks that represent their investment style. These benchmarks will be specified in the written investment guidelines governing each portfolio. In the case of active managers where such comparisons are applicable, investment results will also be compared to returns of a peer group of managers with similar styles. These benchmarks may also be modified, as appropriate to the manager's investment style, to exclude US tobacco stocks. General equity guidelines for active managers include the following.

- SFERS' holdings by all managers in aggregate in a single stock shall not constitute more than 5% of the outstanding voting stock of any company.
- Unless authorized in guidelines, equity managers' cash holdings shall not exceed 5% of portfolio market value.
- American Depositary Receipts or other depository receipts listed on a major stock exchange or on the NASDAQ are permitted if specified in the managers' guidelines.
- Convertible securities may be held in equity portfolios if authorized in guidelines, and shall be considered equity holdings.
- Securities must be traded on a regulated stock exchange, or listed on the NASDAQ or a comparable foreign market operation.
- Forward or futures contracts for foreign currencies may be entered into for hedging purposes or pending the selection and purchase of suitable investments in or the settlement of any such securities transactions only in portfolios designated specifically to hold these types of securities (i.e., currency overlay).

Any exemption from these general guidelines requires review by Investment Staff and approval from the Board.

Fixed Income Portfolios

The internal and external fixed income portfolios will be managed on a total return basis, following specific investment styles and will be evaluated against specific market indices that represent a specific investment style or market segment. Where applicable, fixed income portfolio investment results will also be compared to returns of a peer group of managers investing with a similar style.

General fixed income guidelines for active managers include the following:

- Permissible securities shall include, but are not limited to, cash equivalents, forward foreign exchange contracts, currency futures, financial futures, government and government agency bonds, Eurobonds, mortgage backed securities (including collateralized mortgage obligations, commercial mortgages, commercial mortgage backed securities, asset-backed bonds, corporate bonds (including convertible bonds), or other securities specifically authorized by the Retirement Board and incorporated in the Manager's Investment Guidelines. If authorized in written guidelines, derivatives, including forward or futures contracts for foreign currencies, may be used to control risk and augment return, or to effect portfolio management decisions in a timely, cost-effective manner.



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Any exemption from these general guidelines requires review by Investment Staff and approval from the Retirement Board.

INVESTMENT MANAGER POLICY

The selection of investment managers will be accomplished in accordance with all applicable Local, State and Federal laws and regulations. Each investment manager must function under a formal contract that delineates responsibilities, establishes guidelines, and articulates performance expectations.

Specific policies with respect to managers in non-public market segments are addressed in the Real Estate Investment Objectives, Policies and Procedures (Tab 2) and the Alternative Investments Statement of Objectives, Policies and Procedures (Tab 4).

SFERS will utilize both internally and externally managed portfolios based on specific styles and methodologies. The external managers will be expected to acknowledge in writing that they are Plan fiduciaries and will have discretion and authority to determine investment strategy, security selection and timing within their assigned mandate, and subject to IPS guidelines and any other guidelines specific to their portfolio. Performance of each portfolio will be monitored and evaluated on a regular basis relative to a suitable benchmark and, where appropriate, relative to a peer group of managers with similar investment styles.

A policy framework for Opportunistic Strategies in Global Equity and Public Market Fixed Income is included at Tab 9 of this Investment Policy Statement.

Investment managers, as prudent experts, will be expected to know SFERS' policies (as outlined in this and other appropriate documents) and any specific guidelines for their portfolios, and to comply with those policies and guidelines. It is each manager's responsibility to identify policies and guidelines that may have an adverse impact on performance, and to initiate discussion with Staff toward possible improvement of said policies or guidelines through Board action.

The Board and Staff will also review each investment manager's adherence to investment guidelines, and any material changes in the manager's organization (e.g., personnel changes, new business developments, etc.). The investment managers retained by SFERS will be responsible for informing the Board and Staff of all such material changes on a timely basis.

SFERS shall follow the Guidelines for Manager Monitoring and Retention that appears at Tab 7 in evaluating its fixed income and equity managers.

Investment managers under contract to SFERS shall have discretion to establish and execute transactions with any securities broker/dealer as the manager determines to be in the best interest of SFERS. The investment managers must obtain the best available prices and most favorable executions with respect to all portfolio transactions, keeping in mind SFERS' desire to transact with commission recapture and emerging brokers, as market conditions permit. Unless otherwise approved in writing, managers are prohibited from engaging in transactions with an affiliated broker/dealer.

Selection Criteria for Investment Managers

Criteria will be established for each manager search undertaken by SFERS, and will be tailored to SFERS' needs in each search.



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In general, eligible managers will possess attributes including, but not limited to, the following:

- The firm must be SEC-registered or exempt from registration. Firms claiming exemption from registration requirements must provide appropriate documentation and disclosures indicating reasons for exemption.
- The firm or its senior investment professionals must be experienced in managing money for institutional clients in the asset class/product category/investment style specified by SFERS.
- The firm must display a record of stability in attracting and retaining qualified investment professionals, as well as a record of managing asset growth effectively, both in gaining and retaining clients.
- The firm must have an asset base sufficient to accommodate SFERS' portfolio. In general, firms should have at least \$250 million of discretionary institutional assets under management, and SFERS' portfolio should make up no more than 20% of the firm's total asset base after funding. Exceptions may be made on a case-by-case basis.
- The firm must demonstrate adherence to the investment style sought by SFERS, and adherence to the firm's stated investment discipline.
- The firm's fees should be competitive with industry standards for the product category.
- The firm must comply with the "Duties of the Investment Managers" outlined herein and conform to CFA Institute/Global Investment Performance Standards for performance reporting.

When making a recommendation to retain a manager, any exceptions to these attributes for a recommended manager shall be noted to the Board in writing by Staff or the General Investment Consultant.

Criteria for Investment Manager Termination

SFERS reserves the right to terminate an investment manager at any time for any reason. Guidelines for manager monitoring and retention are included at Tab 7.

Grounds for investment manager termination may include, but are not limited to, the following:

- Failure to comply with the guidelines agreed upon for management of SFERS' portfolio, including holding any restricted issues.
- Failure to achieve performance objectives specified in the manager's guidelines.
- Significant deviation from the manager's stated investment philosophy and/or process.
- Loss of key personnel or changes in ownership structure.
- Evidence of illegal or unethical behavior by the investment management firm or its principals.
- Lack of willingness to cooperate with reasonable requests by SFERS for information, meetings or other material related to its portfolios.
- Loss of confidence by the Board or Staff in the investment manager.
- A change in the Plan's asset allocation program, which necessitates a shift of assets to another sub-asset class or sector.

The presence of any one of these factors will be carefully reviewed by SFERS' Staff and the Board, but will not necessarily result in an automatic termination.



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DUTIES OF RESPONSIBLE PARTIES

Duties of the SFERS Board

The Board will adhere to the following procedures in the management of SFERS' assets:

- The Board's primary responsibility is to set the policy framework in which the implementation of SFERS' investment program will take place. Staff will be responsible for the timely implementation and administration of the Board's policy decisions.
- The Board shall formally review SFERS' investment structure, asset allocation and financial performance at least every three years, or more frequently should capital markets or the financial condition of the Plan undergo a material, long-term change necessitating such a review. The review will include recommended adjustments to the long-term, strategic asset allocation to reflect any changes in applicable regulations, long-term capital market assumptions, actuarial assumptions or SFERS' financial condition.
- The Board shall review target allocations and allowable ranges to asset class sub-sectors in the public markets portion of the Plan on at least an annual basis.
- The Retirement Board shall review SFERS' investment results at least quarterly,² or more often as needed, to ensure that policy guidelines continue to be met. The Board shall monitor investment returns on both an absolute basis and relative to appropriate benchmarks and peer group comparisons. The sources of information for these reviews shall include Staff, outside consultants, the custodian, the performance measurement provider, and SFERS' investment managers.
- The Board may retain investment consultants to provide such services as conducting performance and manager reviews, asset allocation, and investment research. The comments and recommendations of the consultants will be considered in conjunction with other available information to aid the Board in making informed, prudent decisions. In selecting external consultants, the Board shall consider the recommendations of Staff.
- The Board shall be responsible for taking appropriate action if investment objectives are not being met or if policies and guidelines are not being followed.
- The Board shall direct Staff to administer SFERS' investments in a cost-effective manner subject to Board approval. Investment-related costs include, but are not limited to, management, consulting and custodial fees, transaction costs and other administrative costs chargeable to SFERS.
- The Board shall be responsible for selecting a qualified custodian with advice from Staff, and from the Consultant(s) if directed by the Staff or the Board.
- The Board shall provide oversight of the effectiveness of Staff's implementation of its policy directives.

Duties of the Investment Staff

SFERS' Investment Staff plays a significant role in the management and oversight of the Plan, and is responsible for the timely implementation and administration of the Board's policy decisions. The Board shall monitor the performance of the Investment Staff in carrying out the duties, which include:

- Managing investment funds according to written investment guidelines as directed by the Board.
- Carrying out rebalancing activity in accordance with the policy stated in this document.

² Performance of Alternative assets and equity real estate is reviewed semi-annually.



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- Monitoring external managers for adherence to SFERS' written policies and guidelines, and in accordance with SFERS' Manager Monitoring and Retention Policy for Equity and Fixed Income. Reviews for portfolios managed by external managers will focus on:
 1. Compliance with the investment guidelines.
 2. Compliance with the terms of the contracts, and the manager's ability to provide the System with timely, accurate and useful information.
 3. Manager's ability to continue to achieve its objectives given its investment process and resources.
 4. Material changes in a manager's organization. This may include, but is not limited to changes in investment philosophy, personnel or ownership, acquisitions or losses of major accounts, etc. The manager will be responsible for advising SFERS' Staff of any material changes in personnel, investment strategy, or other pertinent information potentially affecting performance.
 5. Investment performance relative to each manager's stated performance benchmark(s) as set forth in the manager's investment guidelines as well as the manager's rankings in an appropriate peer group comparison.
 6. Manager's status under the Plan's policies related to Manager Monitoring and Retention.
- Providing due diligence, oversight, and investment recommendations regarding all investment portfolios, including real estate and alternative investments, with assistance from the respective Consultant(s).
- Identifying, measuring and evaluating risk in SFERS' public market holdings.
- Evaluating and managing relationships with the Consultant(s) to the Plan to ensure that the Consultant(s) are providing all the necessary assistance to Staff and the Board as set forth in their service contracts and meeting the needs of the System.
- Making recommendations to the Board regarding retention of Consultant(s).
- Conducting manager searches with assistance from Consultant(s).
- Managing portfolio restructurings resulting from manager terminations with the assistance of Consultants, managers, or other parties, as needed.
- Conducting, directing Consultants and/or managers to conduct, or participating in any special research required to manage the Plan more effectively and in response to any questions or issues raised by the Retirement Board.
- Reviewing the cost-effectiveness and performance of the custodian on a regular basis (at least every five years), with input from SFERS' Consultants as needed or as directed by the Board.
- Monitoring and reviewing the System's securities lending program (if any) on an ongoing basis.
- Monitoring on an ongoing basis the services provided by the commission recapture brokers so as to ensure that the investment managers are securing the best execution of SFERS' brokerage transactions.
- Supporting the Board in the development and approval of the Real Estate Annual Investment Strategy and Annual Investment Plan for Alternative Investments, implementing and monitoring the Plan, and reporting at least quarterly on investment activity and matters of significance.

Duties of the Investment Managers

The duties of the Investment Managers shall include:

- Provide the Plan with a written agreement to invest within the guidelines established.
- Provide the Plan with proof of liability and fiduciary insurance coverage on an annual basis.
- Be an SEC-Registered Investment Advisor under the 1940 Act or exempt from registration, and be



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recognized as providing demonstrated expertise over a number of years in the management of institutional, tax-exempt assets within a defined investment specialty.

- Adhere to the investment management style, concepts and principles for which they were retained, including, but not limited to, developing portfolio strategy, performing research, and purchasing and selling securities.
- Execute all transactions for the benefit of the Plan with brokers and dealers qualified to execute institutional orders on an ongoing basis at the best net cost to the Plan, and, where appropriate, facilitate the recapture of commissions on behalf of the Plan.
- Reconcile monthly accounting, transaction and asset summary data with custodian valuations, and communicate and resolve any significant discrepancies with the custodian.
- Maintain frequent and open communication with the System on all significant matters pertaining to the Investment Plan, including, but not limited to, the following:
 1. Major changes in the Investment Manager's investment outlook, investment strategy and portfolio structure;
 2. Significant changes in ownership, organizational structure, financial condition or senior personnel;
 3. Any changes in the Portfolio Manager(s) or other personnel assigned to the Plan;
 4. Each client which terminates its relationship with the Investment Manager, and whose assets represent 5% of the firm's AUM or \$100 million, whichever is less, within 30 days of such termination;
 5. All pertinent issues which the Investment Manager deems to be of significant interest or material importance to its investment process; and
 6. Meet with the Staff or the Board on an as-needed basis.

Duties of the Master Custodian

The Master Custodian shall be responsible for the following actions:

- Provide complete global custody and depository services for the designated accounts.
- Manage, if directed by the Board, a Short Term Investment Fund for investment of any cash not invested by managers, and ensure that all available cash is invested in this or other fixed income vehicles approved by the Board for this purpose. If the cash reserves are managed externally, full cooperation must be provided to the external cash manager.
- Provide in a timely and effective manner a monthly report of the investment activities implemented by the investment managers and the performance of each portfolio.
- Collect all income and principal realizable and properly report it on the periodic accounting statements.
- Provide monthly and fiscal year-end accounting statements for the portfolio, including all transactions; these should be based on accurate security values for both cost and market. These reports should be provided within acceptable time frames.
- Report to SFERS' Staff situations where accurate security pricing, valuation and accrued income is either not possible or subject to considerable uncertainty.
- Reconcile monthly with SFERS investment managers on price variance and portfolio valuation.
- Provide assistance to the Plan to complete such activities as the annual audit, transaction verification or other unique issues as required by the Board.
- Manage a securities lending program to enhance income if directed to do so by the Board. The custodian may also be called upon to manage the cash collateral associated with the securities lending program. If the securities lending program is managed externally, full cooperation must be provided to the external securities lending agent.



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Duties of the Investment Consultants

The selection of Consultants will be accomplished in accordance with all applicable Local, State and Federal laws and regulations. Each Consultant shall be a co-fiduciary to the Plan, and must function under a formal contract that delineates responsibilities and appropriate performance expectations.

Consultants shall have no discretionary authority (unless such authority is delegated contractually by the Board and the Consultant). They shall be responsible for making timely and appropriate recommendations on investment policy issues, for monitoring managers, and for reporting on performance results on a quarterly basis. The Board and Staff will consider the comments and recommendations of Consultants in conjunction with other available information in making informed, prudent decisions.

Each Consultant shall abide by The Code of Ethics and The Standards of Professional Conduct established by the CFA Institute (formerly the Association for Investment Management and Research) in carrying out its responsibilities with respect to SFERS. The CFA Institute Code appears at Tab 6.

The General Investment Consultant shall be responsible for the following actions:

- Make recommendations to the Board and Staff regarding investment policy and strategic asset allocation, including sub-asset class structure.
- Assist SFERS Staff in the selection of qualified investment managers, and make recommendations to the Board and Staff on manager selection and manager guidelines.
- Assist Staff in the oversight of existing managers, including monitoring changes in personnel, organization, ownership, the investment process, compliance with guidelines, and other issues likely to affect performance.
- Assist Staff in the selection of a qualified custodian (including a securities lending agent and/or a cash manager) if directed by the Board and Staff.
- Prepare quarterly performance summaries regarding SFERS' manager, composite, and total plan results and make recommendations addressing any performance issues.
- Provide topical research and education on investment subjects that are relevant to SFERS.
- Other tasks as requested by the Board or Staff consistent with the function served by the General Investment Consultant.

The Real Estate Consultant shall be responsible for the following actions:

- Make recommendations to the Board and SFERS Staff regarding investment policy and strategic asset allocation as they pertain to real estate, and regarding public market securities that are affected by real estate-related issues.
- Assist SFERS Staff in the selection of qualified real estate investment managers and make recommendations to the full Board on manager selections. This will also include selection of managers of public market securities requiring real estate expertise.
- Assist SFERS Staff in the oversight of existing managers including monitoring changes in personnel, ownership and the investment process.
- Prepare a semi-annual performance report including performance of SFERS' real estate investment managers and total real estate assets, including a check on guideline compliance and adherence to investment style and discipline.
- Provide topical research and education on real estate investment subjects that are relevant to SFERS.
- Other tasks as requested by the Board or Staff consistent with the function served by the Real Estate



San Francisco City & County Employees' Retirement System Investment Policy Statement – November 14, 2012

Consultant.

The Alternative Asset Investment Consultant shall be responsible for the following:

- Make recommendations to the Board and SFERS Staff regarding investment policy and strategic asset allocation as they pertain to alternative investments.
- Assist SFERS Staff in the selection of qualified alternative asset investment managers and make recommendations to the full Board for selections requiring Board ratification.
- Assist in the oversight of existing managers (including any public market securities managers related to the Alternative Investment portfolio), including monitoring changes in personnel, ownership and the investment process.
- Prepare a semi-annual performance report including performance of SFERS' alternative asset managers and total alternative asset holdings, program policy guidelines, and adherence to investment style and discipline.
- Provide topical research and education on investment subjects that are relevant to SFERS, especially those that relate to alternative investments.
- Other tasks as requested by the Board or Staff consistent with the function served by the Alternative Asset Consultant.

Duties of the Proxy Consultant

- Make recommendations to the Retirement Board regarding voting of proxies.
- Assist Staff in implementation of the Retirement Board's policy on voting proxies.
- Prepare an annual report documenting proxy voting activities performed on behalf of SFERS.

Duties of the Performance Measurement Provider

- The performance measurement provider shall provide regular performance reports including performance attribution of SFERS' asset class composites and total assets, and a check on guideline compliance and adherence to investment style and discipline. Performance calculations shall conform to the CFA Institute's Global Investment Performance Standards.



**San Francisco City & County Employees' Retirement System
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**Tab I
Strategic Asset Allocation**

	Target Percent	Allowable Range	Composite Benchmark
Growth/Capital Appreciation	63%	53-73%	
<i>Global Equity</i>	<i>47.0%</i>	<i>40-54%</i>	<i>MSCI ACWI Investable Market Index (\$, ND)</i>
<i>Alternative Assets (Private Equity)</i>	<i>16%</i>	<i>10-20%</i>	<i>S&P 500 + 500 bps annualized (long-term)</i>
Real Assets/Inflation Hedge	12%	9-15%	
<i>Real Estate (including REITs)</i>	<i>12%</i>	<i>9-15%</i>	<i>8%</i>
Capital Preservation/Risk Reduction	25%	20-30%	
<i>Fixed Income</i>	<i>25%</i>	<i>20-30%</i>	<i>100% Barclays Capital US Universal Index</i>
<i>Cash</i>	<i>0%</i>	<i>0-1%</i>	<i>90-day Treasury Bills</i>
Total Fund Composite	100%		Benchmarks Weighted by Strategic Allocation Targets

Note: Asset Allocation Targets Approved: October 10, 2012.



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**Tab I (continued)
Sub-Asset Class Targets**

Global Public Market Equity

	Target Percent of Asset Class	Sub-Asset Class Minimum	Sub-Asset Class Maximum
Passive S&P 500	16%	10%	22%
Enhanced S&P 500	5%	0%	7%
US Large Cap Value	9%	6%	12%
US Large Cap Growth	9%	6%	12%
US Small Cap	6%	4%	8%
US Convertibles	3%	0%	5%
Core International	14%	9%	19%
Growth International	5%	3%	7%
Value International	11%	7%	15%
Small Cap International	6%	4%	8%
Emerging Markets	11%	7%	15%
Global Equity	5%	0%	7%
Opportunistic Strategies	0%	0%	10%
Currency Overlay (% of the International Equity composite to be overlaid)	50% of Intl Equity Holdings	25% of Intl Equity Holdings	55% of Intl Equity Holdings

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Equity sub-asset class targets reviewed and approved October 10, 2012.

Fixed Income

	Target Percent of Asset Class	Sub-Asset Class Minimum	Sub-Asset Class Maximum
Internal Fixed Income	6%	0%	20%
BC Aggregate Index Fund	6%	0%	20%
Core/CorePlus US Bonds	59%	45%	70%
Commercial Mortgages	7%	5%	13%
High Yield Corporates/Bank Loans	8%	6%	10%
High Yield CMBS	5%	3%	10%
Emerging Market Debt	9%	4%	14%
Opportunistic Strategies	0%	0%	10%

Fixed Income sub-asset class targets reviewed and approved October 10, 2012.

CERBT Statement of Investment Policy

**CALIFORNIA PUBLIC EMPLOYEES' RETIREMENT SYSTEM
STATEMENT OF INVESTMENT POLICY**

**FOR
THE CALIFORNIA EMPLOYERS' RETIREE BENEFIT TRUST (CERBT) FUND**

December 3, 2013

This policy is effective immediately upon adoption and supersedes all previous policies governing the Annuitants' Healthcare Coverage Fund, also known as the California Employers' Retiree Benefit Trust (CERBT) Fund.

I. PURPOSE

The California Public Employees' Retirement System ("CalPERS") Investment Beliefs Policy and Total Fund Statement of Investment Policy, adopted by the CalPERS Investment Committee ("Committee"), set forth CalPERS overarching investment purposes and objectives with respect to all its investment programs.

This document sets forth the investment policy ("Policy") for the policy portfolios ("Portfolios") of the California Employers' Retiree Benefit Trust ("CERBT"). The design of this Policy ensures that investors, managers, consultants, and other participants selected by CalPERS take prudent and careful action while managing the Portfolios. Additionally, use of this Policy ensures sufficient flexibility in managing investment risks and returns associated with the CERBT.

The CERBT was established March 1, 2007 for public employers to prefund their retiree health and other post-employment benefit obligations. The CERBT is currently known in statute as the Annuitants' Healthcare Coverage Fund. There are three separate Portfolios ("Strategy 1", "Strategy 2", and "Strategy 3") for the CERBT, which provide employers a choice of asset allocation strategies.

II. STRATEGIC OBJECTIVE

Each of the CERBT Portfolios shall be managed to accomplish the following:

- A. Offer to employers a distinct investment alternative.
- B. Invest in an asset allocation mix with targets and ranges based on a periodic asset liability management review.
- C. Maintain significant diversification to temper losses from market volatility.
- D. Ensure that the asset class policy ranges approved by the Committee are adhered to, and that any rebalancing is performed efficiently and prudently.

- E. Maintain adequate liquidity to meet cash needs.

III. RESPONSIBILITIES

- A. In addition to the Committee's responsibilities outlined in the Total Fund Statement of Investment Policy, the Committee is also responsible for approving asset classes for investment and approving a policy target allocation, permissible range, and benchmark for each asset class.
- B. CalPERS Investment Staff ("Staff") is responsible for the following:
 - 1. All aspects of portfolio management including monitoring, analyzing, and evaluating performance relative to the appropriate benchmark.
 - 2. Providing individualized asset allocation strategy recommendations to the Committee, including selection of asset class benchmarks, Policy targets and ranges.
 - 3. Managing the asset class allocations of the Portfolios within Policy ranges approved by the Committee, in accordance with Policy guidelines.
 - 4. Creating internally managed funds and soliciting externally managed funds to be used in the composition of the Portfolios.
 - 5. Identifying opportunities and making recommendations to the Committee consistent with pertinent delegations.
 - 6. Reporting internally to the Committee concerning the implementation of this Policy. This report shall include, but is not limited to, the current market value and asset allocations compared to the Policy targets and ranges.
 - 7. Monitoring the implementation of, and compliance with, the Policy. Staff shall report concerns, problems, material changes, and all violations of Guidelines and Policies at the next Committee meeting, or sooner if deemed necessary. All events deemed materially important will be reported to the Committee immediately. These reports shall include explanations of any violations and appropriate recommendations for corrective action.
- C. The [General Pension Consultant](#) ("Consultant") is responsible for monitoring, evaluating, and periodically reporting to the Committee on the three CERBT Portfolios' performance relative to the benchmark and Policy.

- D. External Managers (“Manager”) are responsible for aspects of portfolio management as set forth in each Manager’s contract with CalPERS and shall fulfill the following duties:
1. Communicate with CalPERS staff, as needed, regarding investment strategies and investment results.
 2. Monitor, analyze, and evaluate performance relative to the agreed-upon benchmark.
 3. Cooperate fully with CalPERS staff, Custodian and Consultant concerning requests for information.

IV. PERFORMANCE OBJECTIVE AND BENCHMARK

- A. The benchmark for the CERBT is specified in the Benchmarks Policy.
- B. CalPERS shall invest the assets of each of the CERBT Portfolios to meet or exceed the individualized benchmark designated in the Policy.

V. INVESTMENT APPROACHES AND PARAMETERS

- A. Philosophy and Approach

The CERBT Portfolios shall be managed in accordance with the CalPERS Total Fund Statement of Investment Policy and in a manner consistent with the respective investment policy governing each asset class. Such policies approved by the Committee shall specify the method and parameters for implementation and provide for the ongoing monitoring of that asset class.

- B. Strategic Asset Allocation Process

A comprehensive asset allocation strategy analysis shall be completed at least once every three years and will be presented to the Committee for review and approval of the Policy target asset allocation and ranges. The Chief Investment Officer (“CIO”) may recommend a more frequent analysis if expected returns, risks or liability values have substantially changed since the prior analysis. The CIO may also recommend to the Committee changes in the Policy asset allocation targets and ranges. A target for cash is exempt from consideration.

- C. Fund Structure/Parameters

Staff shall manage the Portfolios in accordance with the approved strategic asset allocation. CalPERS Custodian shall employ a [unitized fund structure](#)

to maintain separate and distinct historical records and to produce individual [net asset values \(NAV's\)](#) for each asset class.

D. Policy Asset Allocation Targets and Ranges

The Committee shall approve Policy asset allocation targets and ranges expressed as a percentage of total assets. The Committee shall set Policy ranges sufficiently wide to permit efficient and flexible implementation, yet sufficiently narrow to maintain the basic risk and return relationship established by the allocation targets.

There are three separate CERBT Portfolios (“Strategy 1”, “Strategy 2”, and “Strategy 3”). Levels of expected return and risk vary among the Portfolios. The Policy asset allocation targets and permissible ranges are as follows:

Asset Class	Strategy 1		Strategy 2		Strategy 3	
	Policy Allocation	Policy Range	Policy Allocation	Policy Range	Policy Allocation	Policy Range
U.S Inflation Linked Bonds	5%	+/- 2%	15%	+/- 4%	15%	+/- 4%
U.S. Nominal Bonds	18%	+/- 5%	24%	+/- 5%	42%	+/- 5%
Global Equity	66%	+/- 5%	50%	+/- 5%	32%	+/- 5%
Global Public Real Estate	8%	+/- 2%	8%	+/- 2%	8%	+/- 2%
Commodities	3%	+/- 2%	3%	+/- 2%	3%	+/- 2%
Expected Return	7.10%		6.50%		5.75%	
Expected Risk	11.73%		9.46%		7.27%	
Return/Risk	0.61%		0.69%		0.79%	

Approved by the Committee, August 15, 2011.

E. Rebalancing

Adherence to the Policy asset allocation targets and ranges shall be monitored and reported to the Committee as part of the quarterly performance report. This report shall display a comparison between the Portfolios’ asset class allocations and the Policy asset allocation targets and ranges. The report shall also compare the investment performance results of each asset class and the benchmark returns.

Asset class allocations shall be managed to be within Policy ranges. Cash in the portfolio will be held within a range of 0 – 1%. Allocations may temporarily deviate from Policy ranges due to employer contributions and/or extreme market volatility. If an asset class allocation exceeds the Policy range, staff shall return the asset allocation to within its Policy range in a

timely manner, with the exact time period primarily dependent on transaction costs and liquidity.

Changes in Policy asset class allocations may be achieved by the movement of capital between asset classes through the trading of [pooled funds](#) or through the use of derivatives. The intent is for Policy asset class allocations to be actively managed rather than being allowed to passively drift with recent relative asset class returns.

F. Restrictions, Prohibitions and Authorized Securities

Restrictions, Prohibitions and Authorized Securities of the CERBT are defined in the policy governing each asset class or external investment manager guidelines.

All transactions involving derivatives are governed by the Global Derivatives and Counterparty Risk Policy.

VI. CALCULATIONS AND COMPUTATIONS

Investors, managers, consultants, and other participants selected by CalPERS shall make all calculations and computations on a market value basis, as recorded by CalPERS Custodian.

VII. GLOSSARY OF TERMS

Key words used in the policy are defined in CalPERS Master Glossary of Terms.

California Employers' Retiree Benefit Trust

Approved by the Policy Subcommittee	June 15, 2011
Adopted by the Investment Committee	August 15, 2011
Admin changes to update template format and to align this policy with the Global Derivatives and Counterparty Risk Policy	December 3, 2013

The California Employers' Retiree Benefit Trust was previously the Annuitants' Healthcare Coverage Fund and Attachment A of the Affiliate Fund Policy. The dates below reflect the revision history of the Affiliate Fund Policy:

Affiliate Fund Policy

Approved by the Policy Subcommittee:	August 18, 2008
Adopted by the Investment Committee:	September 15, 2008
Revised by the Investment Committee:	December 15, 2008
Admin changes made due to Policy Review Project:	June 16, 2009
Admins changes due to adoption of Benchmark Policy:	September 28, 2009

Annuitants' Healthcare Coverage Fund (Policy consolidated into the Affiliate Fund Policy)

Approved by the Policy Subcommittee:	December 15, 2006
Adopted by the Investment Committee:	December 18, 2006
Repealed by the Policy Subcommittee:	August 18, 2008
Repealed by the Investment Committee:	September 15, 2008

CERBT Fund Facts as of Nov 2013

CERBT Strategy 1



California Employers' Retiree Benefit Trust (CERBT)

November 30, 2013

Objective

The objective of the CERBT Strategy 1 portfolio is to seek favorable returns that reflect the broad investment performance of the financial markets through capital appreciation and through investment income. There is no guarantee that the portfolio will achieve its investment objectives.

Strategy

The CERBT Strategy 1 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. The specific percentages of portfolio assets allocated to each asset class are shown under "Composition". Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with other asset allocation strategies, this portfolio consists of a higher percentage of equities to bonds and other assets. Historically, equities have displayed greater price volatility and therefore this portfolio may experience greater fluctuation of value. Employers that seek higher investment returns, and are able to accept greater risk and tolerate more fluctuation in returns, may wish to consider this portfolio.

Information Provided in Lieu of Prospectus

The CERBT Strategy 1 portfolio consists of assets managed internally by CalPERS. Because it is not a mutual fund, a prospectus is not available. This summary is designed to provide descriptive information.

Assets Under Management

As of November 30, 2013, the aggregate total of assets under management for all CERBT Strategies was **\$3,142,842,782**.

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 1 portfolio may consist of the following asset class target allocations and corresponding benchmarks:

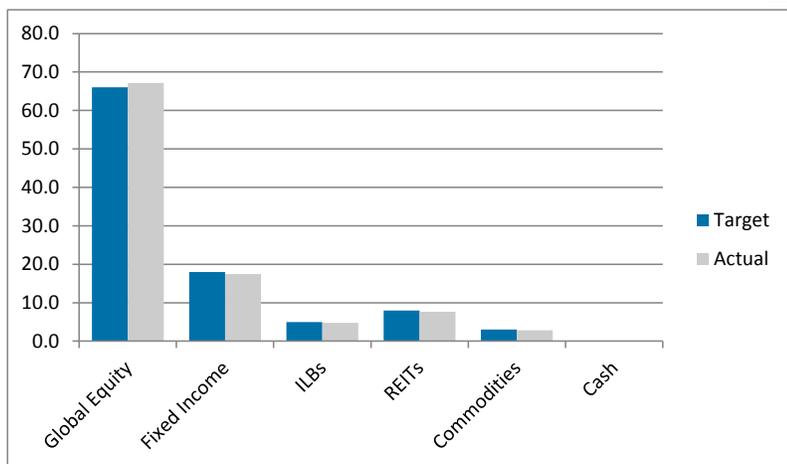
Asset Class	Benchmark
Global Equity	MSCI All Country World Index IMI (net)
U.S. Fixed Income	Barclays Capital Long Liability Index
Treasury Inflation-Protected Securities (TIPS)	Barclays Capital Global: US TIPS Index
Real Estate Investment Trusts (REITs)	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	S&P GSCI Total Return Index

Portfolio Benchmark

The CERBT Strategy 1 benchmark is a composite of underlying asset class market indexes, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of November 30, 2013. CalPERS may overweight or underweight an allocation to a particular asset class based on market, economic, or CalPERS policy considerations.



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CERBT Strategy 1 Performance as of November 30, 2013

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* (June 1, 2007)
Returns before expenses ¹	0.43%	7.84%	9.52%	14.62%	10.78%	14.35%	3.99%
CERBT Strategy 1 Benchmark	0.37%	7.69%	9.39%	14.37%	10.72%	14.31%	3.53%

*Returns for periods greater than one year are annualized.

¹ See the Expenses section of this document.

Performance data shown represents past investment performance and is no guarantee of future results. The investment return and principal value of the portfolio will fluctuate so that an employers' account balance in the portfolio may be worth more or less than the amount invested. Current performance may be lower or higher than the performance data shown above.

CERBT Strategy 1



California Employers' Retiree Benefit Trust (CERBT)

November 30, 2013

General Information

What Employers Own

Each employer owns a percentage of the CERBT Strategy 1 portfolio, which invests in pooled asset classes managed by CalPERS. Employers do not have direct ownership of the securities in the portfolio.

Information Accessibility

Since the portfolio is not a mutual fund, information is not available from a newspaper source. Instead, CalPERS provides a quarterly statement of the employer's account. For current performance information, including performance to the most recent month-end, investment policy, and detailed asset allocation, please visit our website at: www.calpers.ca.gov.

Price

The value of the portfolio changes daily, based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value changes with market conditions.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the fee, the greater the reduction of investment return. Currently, CERBT expenses are accrued at an annual rate of 0.15% and charged daily to employer accounts. CERBT's actual expenses may differ from the amount currently being accrued due to factors such as changes in average fund assets or actual expenses. The expense accrual rate may change without notice in order to reflect changes in average portfolio assets or in expense amounts. The CalPERS Board annually reviews the operating expenses and changes may be made as appropriate. Even if the portfolio loses money during a period, the fee is still charged.

Portfolio Manager Information

The portfolio is managed by CalPERS Investment Office staff as directed by the CalPERS Investment Committee and Board of Administration.

Principal Risks of the Portfolio

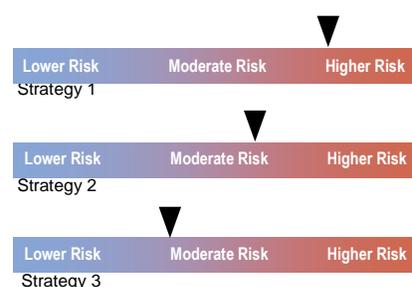
An investment in the portfolio is not a bank deposit, and it is not insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. It is possible to lose money by investing in this portfolio. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. Some major risks associated with investing in equities, fixed income and other assets include:

- **Allocation Risk:** The portfolio's ability to achieve its investment objectives depends in part on the managers' skill in determining the portfolios' sector allocations and in selecting and weighting the underlying investments. The managers' evaluations and assumptions regarding asset classes and underlying investments may differ from actual market conditions.
- **Market Risk:** The value of the portfolio will go up and down based on the performance of the underlying investments in which it invests. The value of the underlying investments will, in turn, fluctuate based on the performance of the securities owned and other factors generally affecting the securities market.
- **Interest Rate Risk:** Generally, when interest rates rise, the value of an underlying investment's fixed income securities will decline. The opposite is true when interest rates decline.
- **Credit Risk:** The value of an underlying investment's fixed income securities will be adversely affected by any erosion in the ability of issuers of these securities to make timely interest and principal payments.
- **Foreign Risk:** Some of the underlying investments are in foreign securities, which are generally riskier than U.S. securities. As a result, the portfolio is subject to foreign risk, meaning that political events (such as civil unrest, national elections, and imposition of exchange controls), social and economic events (such as labor strikes and rising inflation), and natural disasters occurring in a country where the portfolio invests could cause the portfolio's investments in that country to experience losses.
- **Principal Loss:** Employers own a percentage of the CERBT Strategy 1 portfolio (expressed as "units"). At any given time, the value of an employer's units may be worth less than the price paid for them.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	66%	50%	32%
U.S Fixed Income	18%	24%	42%
TIPS	5%	15%	15%
REITs	8%	8%	8%
Commodities	3%	3%	3%



CERBT Strategy 2



California Employers' Retiree Benefit Trust (CERBT)

November 30, 2013

Objective

The objective of the CERBT Strategy 2 portfolio is to seek favorable returns that reflect the broad investment performance of the financial markets through capital appreciation and through investment income. There is no guarantee that the portfolio will achieve its investment objectives.

Strategy

The CERBT Strategy 2 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. The specific percentages of portfolio assets allocated to each asset class are shown under "Composition". Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with other asset allocation strategies, this portfolio consists of a moderate allocation of equities, bonds, and other assets. Historically, funds with a higher percentage of equities have displayed greater price volatility. Therefore, this portfolio may experience comparatively less fluctuation of value compared to CERBT Strategy 1 but more fluctuation of value compared to CERBT Strategy 3. Employers that seek a moderate approach to investing may wish to consider this portfolio.

Information Provided in Lieu of Prospectus

The CERBT Strategy 2 portfolio consists of assets managed internally by CalPERS. Because it is not a mutual fund, a prospectus is not available. This summary is designed to provide descriptive information.

Assets Under Management

As of November 30, 2013, the aggregate total of assets under management for all CERBT Strategies was **\$3,142,842,782**.

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 2 portfolio may consist of the following asset class target allocations and corresponding benchmarks:

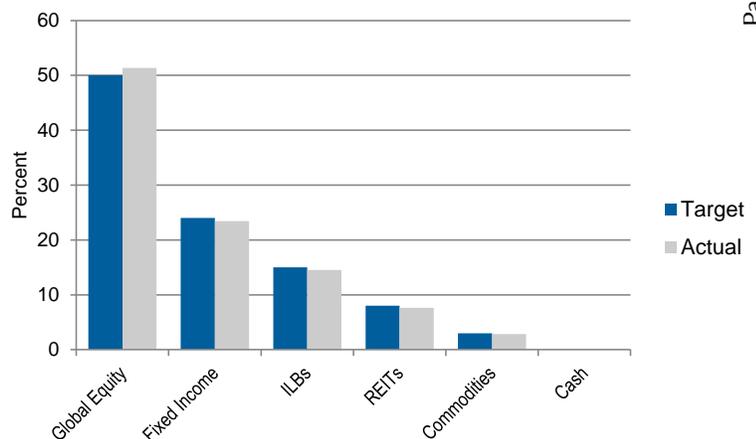
Asset Class	Benchmark
Global Equity	MSCI All Country World Index IMI (net)
U.S. Fixed Income	Barclays Capital Long Liability Index
Treasury Inflation-Protected Securities (TIPS)	Barclays Capital Global: US TIPS Index
Real Estate Investment Trusts (REITs)	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	S&P GSCI Total Return Index

Portfolio Benchmark

The CERBT Strategy 2 benchmark is a composite of underlying asset class market indexes, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of November 30, 2013. CalPERS may overweight or underweight an allocation to a particular asset class based on market, economic, or CalPERS policy considerations.



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CERBT Strategy 2 Performance as of November 30, 2013

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* (October 1, 2011)
Returns before expenses ¹	0.04%	6.22%	7.29%	9.66%	--	--	12.63%
CERBT Strategy 2 Benchmark	-0.03%	6.08%	7.15%	9.27%	--	--	12.52%

*Returns for periods greater than one year are annualized.

¹See the Expenses section of this document.

Performance data shown represents past investment performance and is no guarantee of future results. The investment return and principal value of the portfolio will fluctuate so that an employers' account balance in the portfolio may be worth more or less than the amount invested. Current performance may be lower or higher than the performance data shown above.

CERBT Strategy 2



California Employers' Retiree Benefit Trust (CERBT)

November 30, 2013

General Information

What Employers Own

Each employer owns a percentage of the CERBT Strategy 2 portfolio, which invests in pooled asset classes managed by CalPERS. Employers do not have direct ownership of the securities in the portfolio.

Information Accessibility

Since the portfolio is not a mutual fund, information is not available from a newspaper source. Instead, CalPERS provides a quarterly statement of the employer's account. For current performance information, including performance to the most recent month-end, investment policy, and detailed asset allocation, please visit our website at: www.calpers.ca.gov.

Price

The value of the portfolio changes daily, based upon the market value of the underlying securities. Just as prices of individual securities fluctuate, the portfolio's value changes with market conditions.

Expenses

CERBT is a self-funded trust in which participating employers pay for all administrative and investment expenses. Expenses reduce the gross investment return by the fee amount. The larger the fee, the greater the reduction of investment return. Currently, CERBT expenses are accrued at an annual rate of 0.15% and charged daily to employer accounts. CERBT's actual expenses may differ from the amount currently being accrued due to factors such as changes in average fund assets or actual expenses. The expense accrual rate may change without notice in order to reflect changes in average fund assets or in expense amount. The CalPERS Board annually reviews the operating expenses and changes may be made as appropriate. Even if the portfolio loses money during a period, the fee is still charged.

Portfolio Manager Information

The portfolio is managed by CalPERS Investment Office staff as directed by the CalPERS Investment Committee and Board of Administration.

Principal Risks of the Portfolio

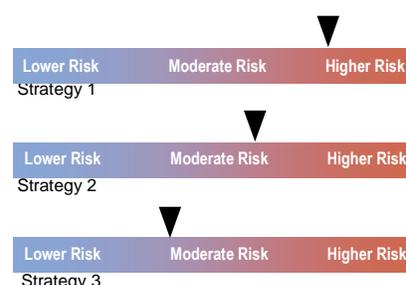
An investment in the portfolio is not a bank deposit, and it is not insured nor guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. It is possible to lose money by investing in this portfolio. The portfolio's risk depends in part on the portfolio's asset class allocations and the selection, weighting and risks of the underlying investments. Some major risks associated with investing in equities, fixed income and other assets include:

- Allocation Risk:** The portfolio's ability to achieve its investment objectives depends in part on the managers' skill in determining the portfolios' sector allocations and in selecting and weighting the underlying investments. The managers' evaluations and assumptions regarding asset classes and underlying investments may differ from actual market conditions.
- Market Risk:** The value of the portfolio will go up and down based on the performance of the underlying investments in which it invests. The value of the underlying investments will, in turn, fluctuate based on the performance of the securities owned and other factors generally affecting the securities market.
- Interest Rate Risk:** Generally, when interest rates rise, the value of an underlying investment's fixed income securities will decline. The opposite is true when interest rates decline.
- Credit Risk:** The value of an underlying investment's fixed income securities will be adversely affected by any erosion in the ability of issuers of these securities to make timely interest and principal payments.
- Foreign Risk:** Some of the underlying investments are in foreign securities, which are generally riskier than U.S. securities. As a result, the portfolio is subject to foreign risk, meaning that political events (such as civil unrest, national elections, and imposition of exchange controls), social and economic events (such as labor strikes and rising inflation), and natural disasters occurring in a country where the portfolio invests could cause the portfolio's investments in that country to experience losses.
- Principal Loss:** Employers own a percentage of the CERBT Strategy 2 portfolio (expressed as "units"). At any given time, the value of an employer's units may be worth less than the price paid for them.

CERBT Strategy Risk Levels

CalPERS offers employers the choice of one of three investment strategies. Risk levels among strategies vary, depending upon the target asset class allocations. Generally, equities carry more risk than fixed income securities.

Asset Class Target Allocations	Strategy 1	Strategy 2	Strategy 3
Global Equity	66%	50%	32%
U.S Fixed Income	18%	24%	42%
TIPS	5%	15%	15%
REITs	8%	8%	8%
Commodities	3%	3%	3%



CERBT Strategy 3



California Employers' Retiree Benefit Trust (CERBT)

November 30, 2013

Objective

The objective of the CERBT Strategy 3 portfolio is to seek favorable returns that reflect the broad investment performance of the financial markets through capital appreciation and through investment income. There is no guarantee that the portfolio will achieve its investment objectives.

Strategy

The CERBT Strategy 3 portfolio is invested in various asset classes in percentages approved by the CalPERS Board. The specific percentages of portfolio assets allocated to each asset class are shown under "Composition". Generally, equities are intended to help build the value of the employer's portfolio over the long term while bonds are intended to help provide income and stability of principal. Also, strategies invested in a higher percentage of equities seek higher investment returns (but assume more risk) compared with strategies invested in a higher percentage of bonds.

Compared with other asset allocation strategies, this portfolio consists of a lower percentage of equities to bonds and other assets. Historically, funds with a lower percentage of equities have displayed less price volatility and therefore this portfolio may experience less fluctuation of value. Employers that seek greater stability of value, in exchange for possible lower investment returns, may wish to consider this portfolio.

Information Provided in Lieu of Prospectus

The CERBT Strategy 3 portfolio consists of assets managed internally by CalPERS. Because it is not a mutual fund, a prospectus is not available. This summary is designed to provide descriptive information.

Assets Under Management

As of November 30, 2013, the aggregate total of assets under management for all CERBT Strategies was **\$3,142,842,782**.

Composition

Asset Class Allocations and Benchmarks

The CERBT Strategy 3 portfolio may consist of the following asset class target allocations and corresponding benchmarks:

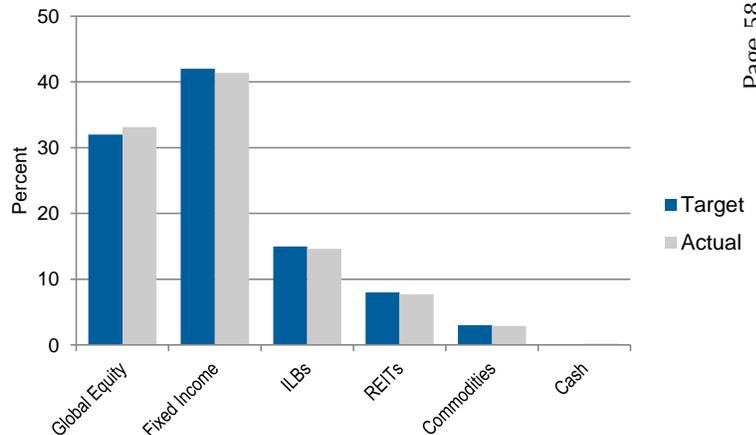
Asset Class	Benchmark
Global Equity	MSCI All Country World Index IMI (net)
U.S. Fixed Income	Barclays Capital Long Liability Index
Treasury Inflation-Protected Securities (TIPS)	Barclays Capital Global: US TIPS Index
Real Estate Investment Trusts (REITs)	FTSE EPRA/NAREIT Developed Liquid Index (net)
Commodities	S&P GSCI Total Return Index

Portfolio Benchmark

The CERBT Strategy 3 benchmark is a composite of underlying asset class market indexes, each assigned the target weight for the asset class it represents.

Target vs. Actual Asset Class Allocations

The following chart shows policy target allocations compared with actual asset allocations as of November 30, 2013. CalPERS may overweight or underweight an allocation to a particular asset class based on market, economic, or CalPERS policy considerations.



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CERBT Strategy 3 Performance as of November 30, 2013

	1 Month	3 Months	Fiscal YTD	1 Year	3 Years*	5 Years*	Since Inception* (January 1, 2012)
Returns before expenses ¹	-0.39%	4.51%	4.87%	4.39%	--	--	7.97%
CERBT Strategy 3 Benchmark	-0.49%	4.34%	4.69%	4.02%	--	--	7.79%

*Returns for periods greater than one year are annualized.

¹See the Expenses section of this document.

Performance data shown represents past investment performance and is no guarantee of future results. The investment return and principal value of the portfolio will fluctuate so that an employers' account balance in the portfolio may be worth more or less than the amount invested. Current performance may be lower or higher than the performance data shown above.

CERBT Strategy 3



California Employers' Retiree Benefit Trust (CERBT)

November 30, 2013

General Information

What Employers Own

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Information Accessibility

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Portfolio Manager Information

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Principal Risks of the Portfolio

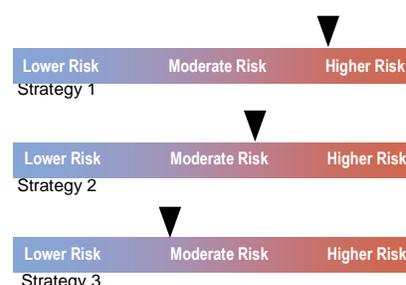
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TIPS	5%	15%	15%
REITs	8%	8%	8%
Commodities	3%	3%	3%



Retiree Health Care Trust Fund Board			
Administrative Support			
FY 2013 - 14 Q1 Billings including benefits - 07/01/13 to 09/30/13			
Title	Hourly Rate including fringe benefits as of Q1 2013	Hours	Cost
Board Secretary 1842	\$50.21	59.00	\$ 2,962.39
Board Secretary 1844	\$55.36	23.75	\$ 1,314.80
Accountant Manager	\$64.23	1.00	\$ 64.23
Accountant Intern	\$38.22	1.00	\$ 38.22
Web Manager	\$69.54	1.00	\$ 69.54
Contracts Analyst		-	\$ -
Contracts Manager	\$67.43	3.00	\$ 202.29
Budget Analyst	\$60.54	3.00	\$ 181.62
Performance Analyst II	\$69.60	10.00	\$ 696.00
	Total		\$ 5,529.09
Approved By:			Date Approved:
Board President			

Retiree Health Care Trust Fund Board			
Administrative Support			
FY 2013 - 14 Q2 Billings including benefits - 10/01/13 to 12/31/13			
Title	Hourly Rate including fringe benefits as of Q2 2013	Hours	Cost
Board Secretary	\$51.18	34.50	\$ 1,765.71
Accountant Manager	\$57.73	-	\$ -
Accountant Intern	\$34.36	0.50	\$ 17.18
Web Manager	\$65.68	3.00	\$ 197.04
Contracts Analyst	\$59.99	-	\$ -
Contracts Manager	\$63.39	-	\$ -
Budget Analyst	\$60.38	5.00	\$ 301.91
Performance Analyst II	\$60.88	10.00	\$ 608.79
	Total		\$ 2,890.62
Approved By:			Date Approved:
Board President			

RETIREE HEALTH CARE TRUST FUND (RHCTF) BOARD - RESOLUTION NO. 2014-01

1 **Resolution ordering the 2014 Retiree Health Care Trust Fund Board election; setting**
2 **dates for the election; authorizing the Trust Fund Administrator to initiate the election**
3 **process; and authorizing staff to proceed with the election.**

4
5

6 WHEREAS, The Retiree Health Care Trust Fund (RHCTF) is governed by a five-
7 member Retiree Health Care Trust Fund Board (Board);

8 WHEREAS, Pursuant to Charter Section 12.204, the terms of two elected Board
9 members will expire in May 2014;

10 WHEREAS, The Director of Elections is required to conduct an election (the “2014
11 Election”) to fill the resulting vacancies under Administrative Code sections 16.550 through
12 16.564;

13 WHEREAS, San Francisco Administrative Code section 16.550 *et seq.* requires the
14 Board to order any necessary election, specify the dates for nominations and marking and
15 delivery of ballots, and to notify the Director of Elections;

16 WHEREAS, The Administrative Code further requires the Director of Elections to
17 conduct the election according to the procedures set forth in the Administrative Code; and

18 WHEREAS, The Administrative Code further requires the Board to notify Health
19 Service System (HSS) members of: (i) the necessity for an election; (ii) the procedure for
20 nomination and selection of candidates to serve on the Board; and (iii) the dates that ballots
21 must be marked and delivered and the procedure for voting; and

22 WHEREAS, The Trust Fund Administrator has prepared for transmittal to the
23 Department of Elections a written notice of the 2014 Election in the form of Exhibit A attached
24 hereto; and

25

RETIREE HEALTH CARE TRUST FUND (RHCTF) BOARD - RESOLUTION NO. 2014-01

1 WHEREAS, To provide the required notice to HSS members, the Trust Fund
2 Administrator has prepared the following notices, copies of which are attached hereto as
3 Exhibit B: (i) Notice to Announce Retiree Health Care Trust Fund Board Election; (ii) Election
4 Notice Retiree Health Care Trust Fund Board; (iii) Election Schedule for May 2014 Retiree
5 Health Care Trust Fund Board Election; and (iv) Nomination of Member for Retiree Health
6 Care Trust Fund Board; and

7 WHEREAS, The Board desires to approve the attached notices to the Director of
8 Elections and to the HSS members, and to authorize the Trust Fund Administrator to issue
9 such notices and proceed with the 2014 Election as set forth in the attached Exhibits A and B
10 and according to all applicable procedures in the Charter and the Administrative Code; now,
11 therefore, be it

12 RESOLVED, That an election be held in 2014 to fill the seats designated as elected
13 seats; and, be it

14 FURTHER RESOLVED, That the 2014 Election be conducted by the Director of
15 Elections; and, be it

16 FURTHER RESOLVED, That nominations may be made from January 10, 2014,
17 through February 10, 2014; inclusive; and, be it

18 FURTHER RESOLVED, That ballots may be marked and delivered from Monday, May
19 12, 2014, through Tuesday, May 27, 2014, inclusive; and, be it

20 FURTHER RESOLVED, That the Board hereby approves the notices attached as
21 Exhibits A and B to the Director of Elections and the HSS members, and authorizes the Trust
22 Fund Administrator to issue such notices and proceed with the 2014 Election as set forth in
23 those notices and according to all applicable procedures in the Charter and the Administrative
24 Code.

25

CERTIFICATION

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I hereby certify that I perform the functions of Secretary of the Retiree Health Care Trust Fund Board, and the above Resolution was duly adopted and approved by the Retiree Health Care Trust Fund Board at a properly noticed meeting on January 28, 2014.

Rosanne Torre
Retiree Health Care Trust Fund Board Secretary

Approved _____

EXHIBIT A

2014 DEPARTMENT OF ELECTION'S NOTICE



CITY AND COUNTY OF SAN FRANCISCO
OFFICE OF THE CONTROLLER

Ben Rosenfield
Controller
Monique Zmuda
Deputy Controller

HAND DELIVERED

January 03, 2014

Mr. John Arntz
Director
Department of Elections
City Hall, Room 48
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102

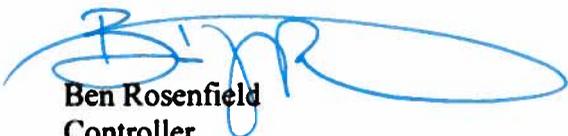
Re: Notice of Retiree Health Care Trust Fund Board Election

Dear Mr. Arntz: *John*

Pursuant to San Francisco Administrative Code Sections 16.551, 16.552 and 16.554, I am hereby notifying you, at least 120 days prior to the first voting day, that the Department of Elections shall conduct an election on behalf of the Retiree Health Care Trust Fund Board (the "Board") from Monday, May 12, 2014, through Tuesday, May 27, 2014, inclusive. This election will fill the vacancies created on May 6, 2014, by the term expirations of the two elected Board members.

We look forward to working with you and your department. If you need further information, I can be reached at (415) 554-7500.

Very truly yours,


Ben Rosenfield
Controller

Attachments: Election Notice, Election Schedule, Nomination Form

cc: Pauline Marx, President
Retiree Health Care Trust Fund Board

ELECTION NOTICE

RETIREE HEALTH CARE TRUST FUND BOARD

To all active and retired members of the Health Service System of the City and County, Community College District or Unified School District, and to all qualified surviving spouses and qualified surviving domestic partners:

The terms of the two (2) current elected members of the Retiree Health Care Trust Fund Board will expire on May 6, 2014. Under Charter Section 12.204 and Administrative Code Sections 16.550-16.564, an election will be held to fill the vacancies.

WHO IS ELIGIBLE TO RUN FOR ELECTION

There are several categories of individuals who are eligible to run for the seat on the Retiree Health Care Trust Fund Board. First, any active employee of the City and County of San Francisco or the San Francisco Community College District, who is enrolled in a Health Service System health plan, is eligible to run. (Individuals who are not members of the Health Service System, including those who are in a non-covered (exempt) status, are not eligible candidates.)

Second, any retiree, or qualified surviving spouse or qualified surviving domestic partner of any active or retired employee of the City and County of San Francisco or the San Francisco Community College District, is eligible to run for the seat on the Retiree Health Care Trust Fund Board. To be a "qualified surviving spouse" or "qualified surviving domestic partner," an individual: (a) must be enrolled in a health plan of the Health Service System; and (b) must have been married or in a domestic partnership for at least one year prior to the death of his or her spouse or domestic partner. The now-deceased active or retired employee must have been enrolled in a health plan of the Health Service System at some point during his or her active employment.

NOMINATION PERIOD - JANUARY 10, 2014 TO FEBRUARY 10, 2014

All candidates for membership on the Retiree Health Care Trust Fund Board must be nominated in writing by at least twenty (20) individuals who themselves would be eligible to run for the seat on the Retiree Health Care Trust Fund Board. That means that each of the twenty (20) nominating sponsors must be enrolled in a health plan of the Health Service System and must be an active employee, retired employee, qualified surviving spouse or qualified surviving domestic partner. (Once again, individuals who are not members of the Health Service System, including those who are in a non-covered (exempt) status, are not eligible.) Although only twenty (20) nominating sponsors are required for each candidate, additional sponsors may be submitted in the event that some of the sponsors are later determined to be ineligible.

All nominations must be on an official nomination form. Nomination forms and written acceptances must be received by the Controller's Office no later than 5:00 p.m. on February 10, 2014. Additional nomination forms may be obtained by

PLEASE POST

PLEASE POST

ELECTION NOTICE

ELECTION NOTICE

RETIREE HEALTH CARE TRUST FUND BOARD

contacting Rosanne Torre at the Controller's Office, City Hall, Room, 488, 1 Dr. Carlton B. Goodlett Place, San Francisco, or at (415) 554-7401.

After the Controller's Office verifies the eligibility of each nominee and each of his or her sponsors and no later than 5:00 p.m. on February 18, 2014, the Controller's Office will send all completed nomination forms to the Department of Elections.

WHO IS ELIGIBLE TO VOTE

All active employees, retired employees, qualified surviving spouses and qualified surviving domestic partners who are enrolled in a health plan of the Health Service System on April 7, 2014 are eligible to vote. Individuals who are not in the Health Service System, including those who are in a non-covered (exempt) status, are not eligible to vote.

ELECTION MAY 12, 2014 TO MAY 27, 2014

No later than Friday, May 2, 2014, the Department of Elections will prepare ballots and voting packets for delivery. The Department of Elections will send an envelope by U.S. mail addressed to each active employee member as well as mail an envelope to each retired employee member, qualified surviving spouse member and qualified surviving domestic partner member. Each envelope will contain a ballot with instructions printed thereon and a ballot return envelope. Each member votes in accordance with the ballot instructions, placing the voted ballot inside the return ballot envelope, sealing and signing the return ballot envelope. Failure to sign the exterior of the return envelope invalidates the ballot. If a voter loses or spoils their official ballot, a second ballot may be issued by contacting the Department of Elections. Any eligible voter who fails to receive a ballot may appear in person at the Department of Elections' office no later than 5:00 p.m. on Tuesday, May 27, 2014. Upon executing an affidavit of non-receipt of ballot, he or she will be furnished a ballot and allowed to vote. Any voting packet that cannot be delivered by the departmental office must be returned to the Department of Elections.

DELIVERY OF VOTED BALLOTS

The voted ballot must be received by the Department of Elections no later than 5:00 p.m., Tuesday, May 27, 2014. Voted ballots may be delivered via:

1. Your Departmental Election Officer
2. U.S. Postal Service (sufficient postage required)
3. Personally to the Department of Elections

The Department of Elections is located at City Hall, Dr. Carlton B. Goodlett Place, Room 48, San Francisco, California 94102.

PLEASE POST

PLEASE POST

ELECTION NOTICE

ELECTION NOTICE

RETIREE HEALTH CARE TRUST FUND BOARD

PROCESSING AND COUNTING THE VOTES

Beginning at 8:00 a.m., May 28, 2014, in the office of the Department of Elections, City Hall, One Dr. Carlton B. Goodlett Place, Room 48, San Francisco, California, the sealed envelopes containing the ballots will be opened in the presence of witnesses and ballots will be canvassed publicly in a such manner that the identity of the individual casting any ballot will not be disclosed. Each ballot shall be counted so long as it has been properly marked, signed and delivered.

The Department of Elections shall certify to the Retiree Health Care Trust Fund Board that the individuals (one active and one retired) receiving the highest number of votes has been elected. The individual certified will assume his or her place on the Retiree Health Care Trust Fund Board on June 12, 2014.

**Election Schedule for Retiree Health Care Trust Fund Board
(May 2014)**

(Administrative Code Sections 16.550 – 16.564)

SCHEDULE DATE	PROCEDURES BY RETIREE HEALTH CARE TRUST FUND BOARD AND DEPARTMENT OF ELECTIONS	ORDINANCE DEADLINES
January 3, 2014	Retiree Health Care Trust Fund Board Administrator notifies members of the reason for the election, procedures for nomination and selection of candidates and voting dates.	
January 3, 2014	Retiree Health Care Trust Fund Board Administrator notifies the Department of Elections that an election is to be held, specifying the first and last dates for voting.	120 days prior to the first day of voting
January 10, 2014 through February 10, 2014	Nomination period for candidates. Forms must be submitted to the Controller's Office no later than 5:00 p.m. on February 10, 2014.	Not less than 31 days
February 11, 2014	Department of Elections requests that department heads designate department Election Officers.	90 days prior to the first day of voting
February 18, 2014	<p>Deadline for Retiree Health Care Trust Fund Board Administrator to provide completed nomination forms to Department of Elections.</p> <p>The Retiree Health Care Trust Fund Board shall furnish the Department of Elections with the names of the eligible nominees at least 35 days prior to the First Voting Day. The Retiree Health Care Trust Fund Board shall also furnish the Department of Elections with a list of the active and retired City employee Health Service System members ("voters") in the election at the same time it furnishes the names of the eligible nominees.</p> <p>Upon request, the City's Health Service System shall provide all information to the Department of Elections, necessary to conduct the Retiree Health Care Trust Fund Board nomination and election process including, but not limited to, information regarding voter lists, voter contact information and Health Service System membership status.</p>	Not less than 35 Days prior to the first day of voting.
February 26, 2014 10:00 a.m.	Candidate orientation session conducted by Department of Elections.	
March 13, 2014	Department Heads notify Department of Elections of Departmental Election Officers.	60 days prior to the first day of voting
March 25, 2014	<p>Deadline for Candidate Statements to be filed with the Department of Elections (no later than 12:00 p.m.).</p> <p>Each candidate for election shall file with the Controller's Office a statement disclosing the information required by the disclosure category for the elective office sought by the candidate established in the Conflict of Interest Code. Candidates shall file such statements on the same forms used by filers under Section 3.1-100, et seq. of the Conflict of Interest Code.</p>	By the date for verifying acceptance of nomination. (Sec. 16.553.2)

March 28, 2014	Department of Elections to allow Candidates to review and correct typeset Statements no later than 5:00 pm on March 28, 2014.	
April 2, 2014	Department of Elections to select order of Candidates names on ballot by lot at 12:00 p.m. on April 2, 2014.	
April 7, 2014	Health Service System provides Department of Elections with the active and retired member names and addresses in the format requested by the Department of Elections.	35 days prior to the first day of voting
April 21, 2014	Department of Elections sends written instructions to each Election Officer at least 21 days prior to the First Voting Day, informing such officer of dates on which ballots will be distributed and collected and the procedure to be followed for their distribution and collection.	21 days prior to the first day of voting
April 30, 2014	Health Service System furnishes Department of Elections with a supplemental list of both active and retired eligible voters.	
May 2, 2014	Department of Elections mails ballots to all eligible active and retired voter members.	10 days prior to the first day of voting
May 12, 2014 through May 27 2014	Official election dates set by the Retiree Health Care Trust Fund Board.	Date chosen for the filling of completed board term or to hold a special election
May 28, 2014	Within 5 days of the close of voting and prior to certification, the Retiree Health Care Trust Fund Board Secretary shall attest to the Department of Elections that there is one retired member trustee and one active member trustee candidate to fill the two elected Retiree Health Care Trust Fund Board positions.	Within 5 Days after the close of voting (Sec. 16.563 (b))
June 12, 2014	Elected members take their seats on the Retiree Health Care Trust Fund Board for full five-year term.	14 days after the close of voting

NOMINATION OF MEMBER FOR RETIREE HEALTH CARE TRUST FUND BOARD

WE, the undersigned members of the Health Service System, each of whom is an active or retired employee or a qualified surviving spouse or qualified surviving domestic partner of an active or retired employee, hereby nominate:

NAME: (Print) _____, [DESIGNATE DEPARTMENT OF EMPLOYMENT OR INDICATE STATUS AS RETIREE OR QUALIFIED SURVIVING SPOUSE OR SURVIVING DOMESTIC PARTNER] _____, as a member of the Retiree Health Care Trust Fund Board for the term commencing June 12, 2014 and ending June 11, 2019.

In witness thereof we have hereunto signed our names. For those of us who are active employees, we have provided our respective departments of employment, and for those of us who are retired employees, qualified surviving spouses or qualified surviving domestic partners, we have indicated that status.

NOTE:

1. Nominations must be filed with Rosanne Torre, Controller's Office, 1 Dr. Carlton B. Goodlett Place, City Hall, Room 488, San Francisco, CA 94102, no later than 5:00 p.m. Monday, February 10, 2014.
2. Twenty valid signatures are required (Twenty-five (25) spaces are provided on the back in the event some signatures are disqualified.)
3. The member's employee-disaster service worker number must be entered. Entering the last six-digits of member's social security number is also acceptable. Please print legibly since Health Service System staff must verify the person signing is a member of the Health Service System.

**SPONSOR PAGE
RETIREE HEALTH CARE TRUST FUND BOARD ELECTION**

Printed Name	Signature	Employee-Disaster Service Worker Number [Or Last 6 digits of Social Security Number]	Department/Retiree/ Qualified Surviving Spouse Or Surviving Domestic Partner
--------------	-----------	---	---

1.	_____	_____	_____
2.	_____	_____	_____
3.	_____	_____	_____
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24.	_____	_____	_____
25.	_____	_____	_____

ACCEPTANCE OF NOMINEE

I hereby accept the foregoing nomination for Member of the Retiree Health Care Trust Fund Board and agree to serve as a Member of that Board if elected.

ACCEPTANCE BY NOMINEE:

I, _____, (Print Name) hereby accept the foregoing nomination for Retiree Health Care Trust Fund Board and if elected, agree to serve.

Signed: _____ Dated: _____

Department/Retired/Qualified Surviving Spouse or Domestic Partner: _____

Candidate name, address and contact info (telephone number/e-mail):

EXHIBIT B

2014 MEMBER NOTICE

**Ben Rosenfield**
Controller**Monique Zmuda**
Deputy Controller**MEMORANDUM**

TO: Partner Employers
Department Heads
Labor Organizations
Retiree Associations
Interested Parties

FROM: Ben Rosenfield 
Controller

DATE: January 03, 2014

SUBJECT: NOTICE TO ANNOUNCE RETIREE HEALTH CARE TRUST FUND BOARD ELECTION

Two Retiree Health Care Trust Fund Board seats will become vacant on May 06, 2014, at the end of the terms of the two current elected trustee Board members. Under the City Charter, and San Francisco Administrative Code Sections 16.550-16.564, whenever the term of office of an elected member expires, an election must be held to fill the vacancy.

One of the elected trustees must be an active City employee, or an active employee of a Participating Employer, and a member of the City's Health Service System. The other elected trustee must be a retiree who retired from City employment, or from a Participating Employer, and member of the City's Health Service System, or a qualifying survivor of an eligible retiree. Currently, the City and the San Francisco Community College District are the only two Participating Employers in the Retiree Health Care Trust Fund.

The Department of Elections will conduct the election from Monday, May 12, 2014 through Tuesday, May 27, 2014.

An Election Notice, Election Schedule and Nomination Form are attached hereto for your information and use. Please make additional copies and post this Election Notice in a conspicuous location in all departmental worksites so that all employees and retirees may be on notice of the forthcoming election. If the Election Notice receives widespread distribution, then employees and retirees will be encouraged to participate.

Please note that the period for nominations is from Friday, January 10, 2014 through Monday, February 10, 2014.

We appreciate your cooperation and assistance.

Attachments

ELECTION NOTICE

RETIREE HEALTH CARE TRUST FUND BOARD

To all active and retired members of the Health Service System of the City and County, Community College District or Unified School District, and to all qualified surviving spouses and qualified surviving domestic partners:

The terms of the two (2) current elected members of the Retiree Health Care Trust Fund Board will expire on May 6, 2014. Under Charter Section 12.204 and Administrative Code Sections 16.550-16.564, an election will be held to fill the vacancies.

WHO IS ELIGIBLE TO RUN FOR ELECTION

There are several categories of individuals who are eligible to run for the seat on the Retiree Health Care Trust Fund Board. First, any active employee of the City and County of San Francisco or the San Francisco Community College District, who is enrolled in a Health Service System health plan, is eligible to run. (Individuals who are not members of the Health Service System, including those who are in a non-covered (exempt) status, are not eligible candidates.)

Second, any retiree, or qualified surviving spouse or qualified surviving domestic partner of any active or retired employee of the City and County of San Francisco or the San Francisco Community College District, is eligible to run for the seat on the Retiree Health Care Trust Fund Board. To be a "qualified surviving spouse" or "qualified surviving domestic partner," an individual: (a) must be enrolled in a health plan of the Health Service System; and (b) must have been married or in a domestic partnership for at least one year prior to the death of his or her spouse or domestic partner. The now-deceased active or retired employee must have been enrolled in a health plan of the Health Service System at some point during his or her active employment.

NOMINATION PERIOD - JANUARY 10, 2014 TO FEBRUARY 10, 2014

All candidates for membership on the Retiree Health Care Trust Fund Board must be nominated in writing by at least twenty (20) individuals who themselves would be eligible to run for the seat on the Retiree Health Care Trust Fund Board. That means that each of the twenty (20) nominating sponsors must be enrolled in a health plan of the Health Service System and must be an active employee, retired employee, qualified surviving spouse or qualified surviving domestic partner. (Once again, individuals who are not members of the Health Service System, including those who are in a non-covered (exempt) status, are not eligible.) Although only twenty (20) nominating sponsors are required for each candidate, additional sponsors may be submitted in the event that some of the sponsors are later determined to be ineligible.

All nominations must be on an official nomination form. Nomination forms and written acceptances must be received by the Controller's Office no later than 5:00 p.m. on February 10, 2014. Additional nomination forms may be obtained by

PLEASE POST

PLEASE POST

ELECTION NOTICE

ELECTION NOTICE

RETIREE HEALTH CARE TRUST FUND BOARD

contacting Rosanne Torre at the Controller's Office, City Hall, Room, 488, 1 Dr. Carlton B. Goodlett Place, San Francisco, or at (415) 554-7401.

After the Controller's Office verifies the eligibility of each nominee and each of his or her sponsors and no later than 5:00 p.m. on February 18, 2014, the Controller's Office will send all completed nomination forms to the Department of Elections.

WHO IS ELIGIBLE TO VOTE

All active employees, retired employees, qualified surviving spouses and qualified surviving domestic partners who are enrolled in a health plan of the Health Service System on April 7, 2014 are eligible to vote. **Individuals who are not in the Health Service System, including those who are in a non-covered (exempt) status, are not eligible to vote.**

ELECTION MAY 12, 2014 TO MAY 27, 2014

No later than Friday, May 2, 2014, the Department of Elections will prepare ballots and voting packets for delivery. The Department of Elections will send an envelope by U.S. mail addressed to each active employee member as well as mail an envelope to each retired employee member, qualified surviving spouse member and qualified surviving domestic partner member. Each envelope will contain a ballot with instructions printed thereon and a ballot return envelope. Each member votes in accordance with the ballot instructions, placing the voted ballot inside the return ballot envelope, sealing and signing the return ballot envelope. **Failure to sign the exterior of the return envelope invalidates the ballot.** If a voter loses or spoils their official ballot, a second ballot may be issued by contacting the Department of Elections. Any eligible voter who fails to receive a ballot may appear in person at the Department of Elections' office no later than 5:00 p.m. on Tuesday, May 27, 2014. Upon executing an affidavit of non-receipt of ballot, he or she will be furnished a ballot and allowed to vote. Any voting packet that cannot be delivered by the departmental office must be returned to the Department of Elections.

DELIVERY OF VOTED BALLOTS

The voted ballot must be received by the Department of Elections no later than 5:00 p.m., Tuesday, May 27, 2014. Voted ballots may be delivered via:

1. Your Departmental Election Officer
2. U.S. Postal Service (sufficient postage required)
3. Personally to the Department of Elections

The Department of Elections is located at City Hall, Dr. Carlton B. Goodlett Place, Room 48, San Francisco, California 94102.

PLEASE POST

PLEASE POST

ELECTION NOTICE

ELECTION NOTICE

RETIREE HEALTH CARE TRUST FUND BOARD

PROCESSING AND COUNTING THE VOTES

Beginning at 8:00 a.m., May 28, 2014, in the office of the Department of Elections, City Hall, One Dr. Carlton B. Goodlett Place, Room 48, San Francisco, California, the sealed envelopes containing the ballots will be opened in the presence of witnesses and ballots will be canvassed publicly in a such manner that the identity of the individual casting any ballot will not be disclosed. Each ballot shall be counted so long as it has been properly marked, signed and delivered.

The Department of Elections shall certify to the Retiree Health Care Trust Fund Board that the individuals (one active and one retired) receiving the highest number of votes has been elected. The individual certified will assume his or her place on the Retiree Health Care Trust Fund Board on June 12, 2014.

**Election Schedule for Retiree Health Care Trust Fund Board
(May 2014)**

(Administrative Code Sections 16.550 – 16.564)

SCHEDULE DATE	PROCEDURES BY RETIREE HEALTH CARE TRUST FUND BOARD AND DEPARTMENT OF ELECTIONS	ORDINANCE DEADLINES
January 3, 2014	Retiree Health Care Trust Fund Board Administrator notifies members of the reason for the election, procedures for nomination and selection of candidates and voting dates.	
January 3, 2014	Retiree Health Care Trust Fund Board Administrator notifies the Department of Elections that an election is to be held, specifying the first and last dates for voting.	120 days prior to the first day of voting
January 10, 2014 through February 10, 2014	Nomination period for candidates. Forms must be submitted to the Controller's Office no later than 5:00 p.m. on February 10, 2014.	Not less than 31 days
February 11, 2014	Department of Elections requests that department heads designate department Election Officers.	90 days prior to the first day of voting
February 18, 2014	<p>Deadline for Retiree Health Care Trust Fund Board Administrator to provide completed nomination forms to Department of Elections.</p> <p>The Retiree Health Care Trust Fund Board shall furnish the Department of Elections with the names of the eligible nominees at least 35 days prior to the First Voting Day. The Retiree Health Care Trust Fund Board shall also furnish the Department of Elections with a list of the active and retired City employee Health Service System members ("voters") in the election at the same time it furnishes the names of the eligible nominees.</p> <p>Upon request, the City's Health Service System shall provide all information to the Department of Elections, necessary to conduct the Retiree Health Care Trust Fund Board nomination and election process including, but not limited to, information regarding voter lists, voter contact information and Health Service System membership status.</p>	Not less than 35 Days prior to the first day of voting.
February 26, 2014 10:00 a.m.	Candidate orientation session conducted by Department of Elections.	
March 13, 2014	Department Heads notify Department of Elections of Departmental Election Officers.	60 days prior to the first day of voting
March 25, 2014	<p>Deadline for Candidate Statements to be filed with the Department of Elections (no later than 12:00 p.m.).</p> <p>Each candidate for election shall file with the Controller's Office a statement disclosing the information required by the disclosure category for the elective office sought by the candidate established in the Conflict of Interest Code. Candidates shall file such statements on the same forms used by filers under Section 3.1-100, et seq. of the Conflict of Interest Code.</p>	By the date for verifying acceptance of nomination. (Sec. 16.553.2)

March 28, 2014	Department of Elections to allow Candidates to review and correct typeset Statements no later than 5:00 pm on March 28, 2014.	
April 2, 2014	Department of Elections to select order of Candidates names on ballot by lot at 12:00 p.m. on April 2, 2014.	
April 7, 2014	Health Service System provides Department of Elections with the active and retired member names and addresses in the format requested by the Department of Elections.	35 days prior to the first day of voting
April 21, 2014	Department of Elections sends written instructions to each Election Officer at least 21 days prior to the First Voting Day, informing such officer of dates on which ballots will be distributed and collected and the procedure to be followed for their distribution and collection.	21 days prior to the first day of voting
April 30, 2014	Health Service System furnishes Department of Elections with a supplemental list of both active and retired eligible voters.	
May 2, 2014	Department of Elections mails ballots to all eligible active and retired voter members.	10 days prior to the first day of voting
May 12, 2014 through May 27 2014	Official election dates set by the Retiree Health Care Trust Fund Board.	Date chosen for the filling of completed board term or to hold a special election
May 28, 2014	Within 5 days of the close of voting and prior to certification, the Retiree Health Care Trust Fund Board Secretary shall attest to the Department of Elections that there is one retired member trustee and one active member trustee candidate to fill the two elected Retiree Health Care Trust Fund Board positions.	Within 5 Days after the close of voting (Sec. 16.563 (b))
June 12, 2014	Elected members take their seats on the Retiree Health Care Trust Fund Board for full five-year term.	14 days after the close of voting

NOMINATION OF MEMBER FOR RETIREE HEALTH CARE TRUST FUND BOARD

WE, the undersigned members of the Health Service System, each of whom is an active or retired employee or a qualified surviving spouse or qualified surviving domestic partner of an active or retired employee, hereby nominate:

NAME: (Print) _____, [DESIGNATE DEPARTMENT OF EMPLOYMENT OR INDICATE STATUS AS RETIREE OR QUALIFIED SURVIVING SPOUSE OR SURVIVING DOMESTIC PARTNER] _____, as a member of the Retiree Health Care Trust Fund Board for the term commencing June 12, 2014 and ending June 11, 2019.

In witness thereof we have hereunto signed our names. For those of us who are active employees, we have provided our respective departments of employment, and for those of us who are retired employees, qualified surviving spouses or qualified surviving domestic partners, we have indicated that status.

NOTE:

1. Nominations must be filed with Rosanne Torre, Controller's Office, 1 Dr. Carlton B. Goodlett Place, City Hall, Room 488, San Francisco, CA 94102, no later than 5:00 p.m. Monday, February 10, 2014.
2. Twenty valid signatures are required (Twenty-five (25) spaces are provided on the back in the event some signatures are disqualified.)
3. The member's employee-disaster service worker number must be entered. Entering the last six-digits of member's social security number is also acceptable. Please print legibly since Health Service System staff must verify the person signing is a member of the Health Service System.

**SPONSOR PAGE
RETIREE HEALTH CARE TRUST FUND BOARD ELECTION**

Printed Name	Signature	Employee-Disaster Service Worker Number [Or Last 6 digits of Social Security Number]	Department/Retiree/ Qualified Surviving Spouse Or Surviving Domestic Partner
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1.	_____	_____	_____
2.	_____	_____	_____
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23.	_____	_____	_____
24.	_____	_____	_____
25.	_____	_____	_____

ACCEPTANCE OF NOMINEE

I hereby accept the foregoing nomination for Member of the Retiree Health Care Trust Fund Board and agree to serve as a Member of that Board if elected.

ACCEPTANCE BY NOMINEE:

I, _____, (Print Name) hereby accept the foregoing nomination for Retiree Health Care Trust Fund Board and if elected, agree to serve.

Signed: _____ Dated: _____

Department/Retired/Qualified Surviving Spouse or Domestic Partner: _____

Candidate name, address and contact info (telephone number/e-mail):

SAN FRANCISCO RETIREE HEALTH CARE TRUST FUND BOARD BYLAWS

ARTICLE I – IDENTIFICATION AND PURPOSE

Section 1. Name

The San Francisco Retiree Health Care Trust Fund Board (Board).

Section 2. Purpose

The Retiree Health Care Trust Fund (Fund) is an irrevocable trust fund established under City and County of San Francisco Charter Sections 12.204 and A8.432 to provide a funding source to defray the cost of the City's, and other Participating Employers', obligations to pay for health coverage for retired persons and their survivors entitled to health coverage under Charter Section A8.428. The Board shall govern the Fund consistent with Charter Sections 12.204 and A8.432.

ARTICLE II - OFFICERS

Section 1. Officers

The officers of the Board shall be a President and Vice President. The officers shall serve at the pleasure of the Board.

Section 2. Terms of Office

The terms of each office shall be one year.

Section 3. Election of Officers

Elections for officers shall be conducted at the first regular meeting of the Board in July of each year.

Section 4. Succession

In the event the President is unable to complete his or her term of office, the Vice President will serve as President until the next regular meeting. At the next regular meeting, the Board shall conduct an election for President to fill the vacancy for the balance of the unexpired term. In the event the Vice President is elected President, there shall be an election for a new Vice President at that meeting. If the office of Vice President is vacated before the expiration of a term, it shall remain vacant until the next regular meeting, at which time an election shall be held.

Section 5. Duties of the President

The President shall preside at all meetings of the Board. The President, working with the Board members and staff, shall oversee the preparation and distribution of the agenda for all Board meetings. Unless the Board specifies otherwise, the President is empowered to appoint members to standing or special committees formed by the Board.

Section 6. Duties of the Vice President

In the absence of the President, the Vice President shall preside at meetings of the Board.

ARTICLE III - MEETINGS

Section 1. Regular Meetings

Regular meetings of the Board shall be held on the fourth Monday of July, October, January and April, at 1:30 p.m., at 30 Van Ness Avenue, Suite 3000, San Francisco, California.

Section 2. Special Meetings

The President, or a majority of the members of the Board, may call special meetings.

Section 3. Notice of Meetings

Agendas of all regular meetings and notices, and agendas of all special meetings, shall be posted at the meeting site and the San Francisco Main Library. Agendas and notices shall be emailed to each Board member and any person who files a written request for such notice with the Board.

Section 4. Cancellation of Meetings

The President may cancel a meeting if he or she is aware that a quorum of the body will not be present, or if the meeting date conflicts with a holiday or other responsibilities of Board members. Notices of cancellation shall be posted at the meeting site and the San Francisco Main Library. If time permits, notice of meeting cancellations shall be emailed to all members of the public who have requested, in writing, to receive notices and agendas of Board meetings.

Section 5. Conduct of Meetings

All Board meetings shall be held in compliance with all applicable laws, including, but not limited to, the Ralph M. Brown Act (Government Code Section 54950 et. seq.), the San Francisco Charter, the San Francisco Sunshine Ordinance (San Francisco Administrative Code chapter 67), and the Board's Bylaws.

When a member desires to address the Board, he or she shall seek recognition by addressing the presiding officer, and when recognized, shall proceed to speak. The member shall confine his or her remarks to the question before the Board. No discussion shall take place until a resolution or motion has been moved and seconded, or a calendared item has been introduced.

Section 6. Setting Agendas

The agenda for meetings shall be prepared by Board staff at the direction of the President. The President shall cause to be placed on the agenda any item requested by a member of the Board provided that it is received not less than five (5) days prior to a regular meeting. Each agenda of all regular meetings shall contain an item during which Board members may request items for the Board to consider at future meetings.

Section 7. Action at a Meeting: Quorum and Required Vote

The presence of a majority of the members, i.e. three Board Members, shall constitute a quorum for all purposes. The affirmative vote of a majority of the members, i.e. three votes, shall be required for the approval of any matter.

Section 8. Voting and Abstention

Each member present at a Board or committee meeting shall vote "yes" or "no" when a question is put, unless the member is excused from voting on a matter by a motion adopted by a majority of the members present, or the member has a conflict of interest that legally precludes participation in the vote. Whether a Board member has a conflict of interest which precludes participation in a vote shall be determined by the individual member in consultation with the City Attorney's Office.

The Commission shall take action on items on the agenda by roll call vote, voice vote or by show of hands. The minutes shall reflect how each Board member voted on each item.

Section 9. Public Comment

The Board, and all committees of the Board, shall hold meetings open to the public in full compliance with state and local laws. The Board encourages the participation of interested persons. The President may limit time permitted for public comment consistent with state and local law. Each person wishing to speak on an item before the Board shall be permitted to be heard once for up to three minutes.

ARTICLE IV – MAINTENANCE OF BOARD RECORDS

Section 1. Meeting Minutes

Minutes shall be taken at every regular and special Board meeting and shall comply with the provisions of the San Francisco Sunshine Ordinance. (See S.F. Admin. Code Section 67.18) Minutes shall be approved by the majority vote of the Board.

Section 2. Public Review File

The Board shall maintain a public review file in compliance with the San Francisco Sunshine Ordinance. (See S.F. Admin. Code Section 67.23.)

ARTICLE V - COMMITTEES

Section 1. Standing Committees

Upon approval by a majority of the members of the Board, the Board may form standing committees to advise the Board on its ongoing functions. The standing committees shall be composed of members of the Board. The terms of members of standing committees shall be one year from appointment. Unless specified otherwise by the Board, the President shall name the committee(s)' chair(s) and members.

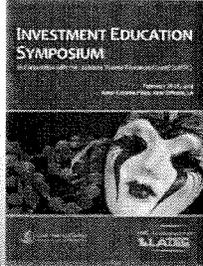
ARTICLE VI – AMENDMENT OF BYLAWS

Section 1. Amendment of Bylaws

These Board Bylaws may be amended by a vote of a majority of the members of the Board after presentation of the proposed amendments as a scheduled agenda item at a meeting of the Board. The Board shall give ten (10) days notice before considering any amendments.



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Investment Education Symposium In Conjunction with the Louisiana Trustee Education Council (LATEC)

February 26-28, 2014
Astor Crowne Plaza,
New Orleans, LA

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(Agenda current as of 1-15-14)

- UPCOMING EVENTS
- UPCOMING WEBINARS
- REGISTER NOW AND SAVE
- HOW TO BECOME A SPONSOR
- REQUEST MORE INFORMATION

Conference Details:

This *investment education conference* aims to provide broad education and information on investing, fiduciary responsibility and selection of money managers to the key decision makers and other representatives of the nation's largest pension funds, endowments, foundations and other institutional investors. Participants of this conference will have the chance to exchange ideas and learn from other delegates and presenters who manage some of the largest capital flows within both the traditional and the alternative investment communities. Institutional investors will come from across the country not just to network but also to learn from the nation's leading institutional investors, asset managers, hedge fund managers, consultants and more.

10TH ANNIVERSARY OF LATEC INVESTMENT EDUCATION SYMPOSIUM

"The purpose of the Louisiana Trustee Education Council (LATEC) shall be to encourage and facilitate the education of its membership in all matters related to their duties as the holders of trust assets by those bearing a fiduciary responsibility for such assets. Therefore, LATEC will develop and conduct educational programs and networking opportunities among trustees, administrators and staffs of pension funds designed to foster and maintain the level of expertise demanded of fiduciaries under applicable law, so that they may better serve their members and their respective (pension) funds."

The above *"Mission Statement"* was drafted approximately ten years ago by the three founders of LATEC. The goal then, and still is today, the fostering and nurturing of trustee education, just as the name of the organization suggests. The **10th Anniversary of LATEC** speaks to the history, success and dedication of the LATEC organization and its membership! This is not just a testament to the success of the *Investment Education Symposium*, but more importantly, to the dedication of public funds trustees, systems' administrators/staffs, and to LATEC's Business Members and their commitment to trustee education. This year's **10th Anniversary** event builds on that accomplishment, as the goal of trustee education moves forward, with LATEC at the helm to continue that proud history!

LATEC sponsored education credits available for this event:

- (8) hours of Investment Training
- (1) hours of actuarial science information
- (2) hours of fiduciary duty and ethics

Keynote Speakers:



MG James Comstock USA (Ret.), Director of Military & Veterans Benefits Committee, **BADGE OF HONOR MEMORIAL FOUNDATION**

Title of speech:
"The Enemy Has A Vote"



Professor Teresa Ghilarducci, Chair of the Economics Department and Director of the Schwartz Center For Economic Policy Analysis, **NEW SCHOOL FOR SOCIAL RESEARCH**

Title of speech:
"Three risks caused by the American Way of Securing Retirement Income"

Books:
When I Am Sixty Four: The Plot Against Pensions and the Plan to Save Them. Princeton University Press. April 2008

[VIEW SPEAKER BIOGRAPHIES](#)

Topics Will Include:

- Investment Officer Roundtable: The Institutional and Private Wealth Outlook for 2014 and Beyond
- Investment Styles and Strategies: Key Investment Opportunities in 2014
- Portfolio Construction



MAKE A SUGGESTION

We would like to hear from you. Recommend a speaker or suggest a few topics. It's quick and easy. [Click to find out more.](#)

- Risk Measurement to Risk Management: Things to Consider in Your Asset Allocation Practices
- The State of the U.S. Retirement System: Challenges That Pensions are facing; Past, Present and Future
- Evaluation of the Fixed Income and Credit Markets
- The Future of Hedge Funds /Fund of Funds
- Trends for Investing in Real Estate and Real Assets
- International & Emerging Markets Overview
- Investing in Private Equity
- Outsourced CIO
- Consultant and Actuary Roundtable Q &A:
- Ongoing Education for Plan Fiduciaries and Participants
- Investor Q&A - A Trustee's Perspective on Alternatives

Testimonials:

"How you made this conference work the week before Mardi Gras is amazing. You kept our minds focused on the seminar and not all the craziness that Mardi Gras conjures up on New Orleans. But then left us to enjoy the craziness. Congrats on a great conference."

-Lorraine Dees, Director, Registrars of Voters Employees' Retirement System

"Having served as a trustee for 16 years I have attended more conferences than I can remember. Opal conferences have always been exceptional for their content, location, and the Opal staff! This one was no exception!"

-Gary Stiles, Chairman, Fulton (GA) County Employees Retirement System

MORE TESTIMONIALS

Who Should Attend:

- Pension Rep – Trustee, Administrators, Commissioners, Staff
- Taft Hartley Reps – Trustee, Administrators, Commissioners, Staff
- Consultants
- Endowments
- Foundations
- Family offices
- Attorneys
- Accountants
- Hedge Funds
- Fund of Funds
- Real Estate Managers
- Equity Managers
- Venture Capitalists
- Private Equity
- Insurance Companies
- Benefit Companies
- Public Service Administrative Providers

Past Industry Representation:

Chart I: Institutional Investors/Consultants vs. Money Managers and Service Providers

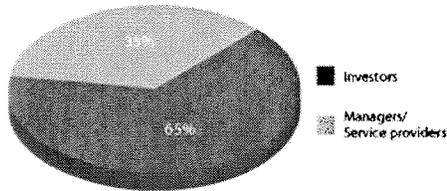
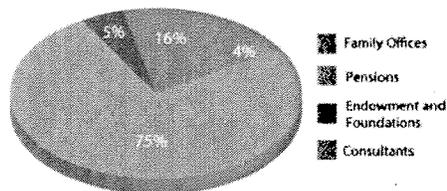


Chart II: Institutional Investors/Consultants



Hotel Info:

Astor Crowne Plaza
739 Canal Street
New Orleans, LA 70130

For attendees that prefer to call the hotel for reservations:

ONLINE HOTEL RESERVATION
Group code: **LAT**

We are pleased to announce that the Opal room block is open and we are accepting reservations. Please click on the **ONLINE HOTEL RESERVATION** link to book your room.

- Dial the In-House Reservations Department at (888)696-4806 or (504)962-0500/Ext. 8030. When booking your room, please reference the Opal/LATEC Investment Education Symposium group rate. **The group block code is LAT.**

In-House Reservations Hours of Operation:

- Monday - Friday: 8:00 am – 8:00 pm (CST)
- Saturday - Sunday: 8:00 am – 4:00 pm (CST)

Conference Registration Prices:

	Summer Incentive Rate** <i>(expires 8/31/13)</i>	Fall Rate <i>(expires 12/31/13)</i>	Standard Rate
Service Providers & All Others	\$1,995	\$2,495	\$2,895
*** Plan Sponsor/Family Office	Complimentary		
Pension/Union Trustee, Administrator, Director or Officer / Non-Discretionary Consultants	Complimentary		

Registration price reflects \$100 online discount

REGISTER NOW!

**Summer Incentive Rate applies from May 10 - August 31, 2013. After, Fall Rates will apply from September 1 - December 31, 2013. After, Standard Rates apply.

*** Institutional End-Investors include: organizations that are solely investing on their own behalf in alternatives and do not sell any alternative investment products or services to clients including: sovereign wealth funds, pension funds, endowments, foundations, family offices, private clients and treasury.

Subject to Opal Financial Group's approval. Eligibility will be verified.

Sponsorship, Exhibition & Speaking Opportunities
Call: 212-532-9898 x 0
Email: info@opalgroup.net

Visit Latec's Site:



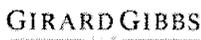
Title Sponsor:



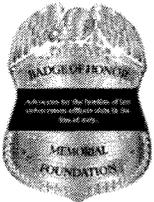
Executive Sponsors:



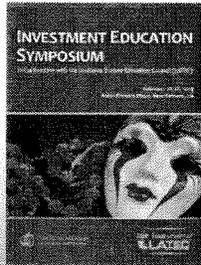
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Investment Education Symposium

In Conjunction with the Louisiana Trustee Education Council (LATEC)

February 26-28, 2014
Astor Crowne Plaza, New Orleans, LA

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(Agenda current as of 1-15-14)



Conference Day 1, Wednesday, February 26, 2014

- 8:00 am** *Exhibit Setup*
- 10:00 am** *Registration Open*
- 11:45 am** *Co-Chair Introduction & Presentation of Colors*
- Executive Director, **LOUISIANA TRUSTEE EDUCATION COUNCIL**
President, **LOUISIANA TRUSTEE EDUCATION COUNCIL**
- 12:00 pm** **Louisiana Legislative Update**
- Speaker:*
State Representative, **LOUISIANA HOUSE OF REPRESENTATIVES**
- 12:20 pm** **"Taking Back the Street: How Corporate America is Attacking Shareholders' Rights and What Institutional Investors Can Do About It."**
- Partner, **BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP**
- 12:40 pm** *Standalone*
- 1:00 pm** **Investment Officer Roundtable: The Institutional and Private Wealth Outlook for 2014 and Beyond**
- This panel will consist of investment officers from highly respected Institutions and Private Wealth Investors. The panelists will discuss the investment strategies and industry sectors that they expect will drive their investments in the years to come, as well as a series of key issues facing plan sponsors in the current investment environment.
- Moderator:*
Senior Vice President & Chief Financial Officer, **SOUTH TEXAS COLLEGE OF LAW (HOUSTON)**
- Panelists:*
Chief Investment Officer, **LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM**
CIO, **LOUISIANA STATE TREASURY**
State Treasurer, **STATE OF IOWA**
Director Investments and Treasury, **VISITING NURSE SERVICE OF NEW YORK**
- 2:00 pm** **Investment Styles and Strategies: Key Investment Opportunities in 2014**
- New Investment Opportunities for Institutional and Private Wealth Investors
 - Best Practices in Maximizing Fund Returns
 - How alternatives diversify a portfolio
 - Where is the growth
 - Investing in emerging managers
- Moderator:*
Senior Trustee, **NEW HAMPSHIRE RETIREMENT SYSTEM**
- Panelists:*
Institutional Portfolio Manager, **MFS INVESTMENT MANAGEMENT**
TBA, **BLACKROCK**
- 3:00 pm** *Networking Refreshment Break in Exhibit Hall*
- Sponsored By:*
BERNSTEIN LITOWITZ BERGER & GROSSMANN LLP
- 3:30 pm** **"The Enemy Has A Vote"**



MAKE A SUGGESTION

We would like to hear from you. Recommend a speaker or suggest a few topics. It's quick and easy. [Click to find out more.](#)

Keynote Speaker:
Director of Military & Veterans Benefits Committee, **BADGE OF HONOR MEMORIAL FOUNDATION**

4:15 pm Portfolio Construction

- What are the roles of alternatives in your portfolio?
- How much risk is too much?
- What should investors look for in managers?
- Which strategies have been benefiting portfolios and where to look in the upcoming year
- What is involved in structuring a well-diversified portfolio?
- What is the role of a consultant?

Moderator:
Treasurer, **REDFORD (MI) POLICE & FIREMEN RETIREMENT**

Panelists:
Senior Investment Consultant, **NEPC**
President, **GREGORY W. GROUP**

5:00 pm Risk Measurement to Risk Management: Things to Consider in Your Asset Allocation Practices

- Regulatory Issues
- Domestic and offshore
- Avoiding fraud
- Best practices for successful asset allocation strategies when allocating to new asset classes
- Corporate governance
- Due diligence considerations for Manager Selection
- New disclosure & liability

Moderator:
Trustee, **CITY OF PHOENIX POLICE PENSION BOARD**

Panelists:
Principal and Chief Risk Officer, **SAGEVIEW ADVISORY GROUP**
Associate Director of Institutional Advisory Solutions, **HEWITT ENNISKNUPP, INC., AN AON COMPANY**

5:45 pm Public Pension System: Challenges That Pensions are facing; Past, Present, and Future

- DB vs. DC debate
- How public funds preparing for the next economic cycle
- Near future of the US economy
- Understanding and adapting to the evolving landscape of pension funding
- Practical ways to Control Expenses and Streamline Board Business
- Practical ways investment banks or fund managers have in dispensing strategic asset allocation to public funds
- How to reform, impact of pending legislation

Moderator:
Trustee and Board Chairman, **JACKSONVILLE POLICE AND FIRE PENSION FUND**

Panelists:
President, **ILLINOIS PUBLIC PENSION FUND ASSOCIATION**
Trustee, **SAN ANTONIO FIRE AND POLICE PENSION FUND**
Senior Consultant, **THE HACKETT GROUP**

6:30 pm Networking Cocktail Reception in Exhibit Hall

Join us and unwind with fellow industry professionals for refreshments during our last networking break of the day.

Conference Day 2, Thursday, February 27, 2014

8:00 am Networking Continental Breakfast in Exhibit Hall

**8:00 am Private Closed Door Breakfast
For Institutional Investors, Plan Sponsors, Family Offices & Consultants Only**
This is a forum for Investors to discuss amongst themselves challenges they are facing today and moving forward.

Facilitators:
Executive Director, **LOUISIANA TRUSTEE EDUCATION COUNCIL**
President, **LOUISIANA TRUSTEE EDUCATION COUNCIL**

8:50 am Opening Remarks

Executive Director, **LOUISIANA TRUSTEE EDUCATION COUNCIL**
President, **LOUISIANA TRUSTEE EDUCATION COUNCIL**

9:00 am Best Practices on Transaction Costs – Help control What May Be The Fund's Largest Expense

Managing Director, **GTS ADVISORS**

9:20 am Senior Partner, POMERANTZ GROSSMAN HUFFORD DAHLSTROM & GROSS LLP

9:40 am Fiduciary Responsibilities & Avoiding Conflicts

- "Conflicts of Interest" defined in Louisiana
- Restrictions on Food & Drink and Disclosure requirements
- Importance of Process as a Fiduciary
- Fundamental Expectations for Board Meetings

Moderator:
Finance Director, **CITY OF ANNAPOLIS MARYLAND**

Panelists:

Deputy Director, **LOUISIANA STATE EMPLOYEES' RETIREMENT SYSTEM**
 Partner, **GIRARD GIBBS LLP**
 TBA, **CHIMICLES & TIKELLIS LLP**

10:30 am *Networking Refreshment Break*

Sponsored by:

10:45 am **Evaluation of the Fixed Income and Credit Markets**

- Municipal market - Assessment and opportunities
- Investment grade treasuries and corporates - What is risk free
- Global bonds - Opportunities in currency diversification and inflation protection for the taxable investor
- Opportunities in direct lending outside the core capital markets
- Investing in an improving housing market
- Opportunities in asset-backed and mortgage-backed credit

Moderator:

Trustee, **OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM**

Panelists:

Director of Fixed Income Portfolio Management, **CAPITAL ONE ASSET MANAGEMENT, LLC**

11:30 am **International & Emerging Markets Overview**

- Where are the opportunities? BRICS may have issues with growth and governance; do the frontier markets look more attractive?
- Is EM and frontier diversity and growth or just a higher beta play on developed markets? When do flows dominate and when do the domestic stories matter?
- EM consumption. Who's winning the battle for these growth prospects? First world companies or local players?
- How do you think about liquidity in these markets? Here today gone tomorrow?

Moderator:

Consultant, **MEKETA INVESTMENT GROUP, INC.**

Panelists:

President, **MSF CAPITAL ADVISORS (MFO)**

12:15 am **Trends for Investing in Real Estate and Real Assets**

- Benefits Beyond Diversification: Investments and investment structures that family offices should consider
- Acquisition and Disposition: Identifying opportunities to buy or sell
- Legacy Assets: What are the best assets and strategies for Success: Additional value through unique structures
- Intervention: Potential impact on regulatory and government intervention
- Trends in direct and indirect real estate ownership for family offices
- Understanding tax strategies for real estate acquisitions and dispositions
- Leveraging green, sustainable and socially responsible tax benefits from real estate

Moderator:

Consultant, **MEKETA INVESTMENT GROUP, INC.**

Panelists:

Managing Principal, **TERRACAP MANAGEMENT CORP.**
 Senior Vice President, **J.I. KISLAK INC. (SFO)**

1:00 pm *Networking Luncheon*

Sponsored by:

Keynote Speaker:

"Three risks caused by the American Way of Securing Retirement Income"

Chair of the Economics Department and Director of the Schwartz Center For Economic Policy Analysis, **NEW SCHOOL FOR SOCIAL RESEARCH**

2:30 pm **Investing in Private Equity**

- Where are the new opportunities in private equity?
- What consultants can and can't do for family offices private equity portfolio
- Understanding operational risk and fraud risk in private equity.
- Performing due diligence in private equity - the new paradigm

Moderator:

Managing Partner, **CORGENTUM CONSULTING, LLC**

3:15 am **The Future of Hedge Funds /Fund of Funds**

- What is the value added by hedge funds (alpha)?
- What are their systematic market exposures (betas)?
- How much leverage is too much?
- Should your fund invest directly or through fund-of-funds?
- How much transparency do you need?
- Are hedge fund fees justified?
- Changing economics for hedge fund managers
- How will hedge funds fit into an institutional investor's portfolio
- Hedge fund strategies to outperform in 2014
- How does the Job's Act affect the way you view Hedge Funds
- Customized HF Replication: Fee Reduction is the Purest Form of Alpha

Moderator:

Investment Management Consultant, **EQUITAS CAPITAL ADVISORS, LLC**

Panelists:

Founder & Chief Investment Officer, **BEACHHEAD CAPITAL MANAGEMENT, LLC**

- 4:00 pm **Beyond Our Borders: A Focus on Canada**
- What is the state of the Canadian public sector DB plans?
 - What are the Canadian Provinces doing to get address issues of funding, risk, and volatility?
 - What type of plan would the Canadian Provinces put forward that the labor unions would agree to?
 - Are there any lessons from what Canadian plans can share that would help US Pension plans?
- Speakers:*
CEO, **HALIFAX PORT ILA/HEA**
Executive Director, **ALBERTA TEACHERS' RETIREMENT FUND**
- 6:00 pm **Annual Mardi Gras Bash**
- Join us and unwind with fellow industry professionals for refreshments, dinner, dancing and live music during our Mardi Gras Networking Bash.
- Sponsored by:*
POMERANTZ GROSSMAN HUFFORD DAHLSTROM & GROSS LLP

Conference Day 3, Friday, February 28, 2014

- 8:00 am *Networking Continental Breakfast in Exhibit Hall*
- 8:45 am *Opening Remarks*
- Executive Director, **LOUISIANA TRUSTEE EDUCATION COUNCIL**
President, **LATEC & NEW ORLEANS FIRE FIGHTERS PENSION AND RELIEF FUND**
- 9:00 am **Outsourced CIO**
- What is an Outsourced CIO?
 - How is this different than a consultant?
 - Who can most benefit from their services?
 - How can you evaluate potential firms?
 - Is bigger better?
 - What are the risks?
- Moderator:*
President, **COOMBER FAMILY ESTATES FAMILY OFFICE (SFO)**
- Panelists:*
Director, Investor Solutions, **CAPITAL ONE ASSET MANAGEMENT, LLC**
Partner, **FIDUCIARY RESEARCH**
- 10:00 am **Consultant and Actuary Roundtable Q &A:**
- How do consultants differentiate themselves?
 - What questions should I be asking consultants and actuaries when I interview them?
 - What mistakes do investors make when looking for a consultant and actuaries?
 - What should I be most worried about today with my portfolio?
 - The new, new thing: what are consultants talking to their clients about?
 - How do you know which is the right actuary for your plan?
 - What is the role of a consultant vs. an actuary?
 - Fee structures of consultants and actuaries
- Moderator:*
Actuarial Services Manager, **LA LEGISLATIVE AUDITOR**
- Panelists:*
Senior Vice President, Implemented Investment Solution, **SEGAL ROGERSCASEY**
Consultant, **CALLAN ASSOCIATES, INC.**
CEO, **FOSTER & FOSTER**
CEO, **G.S. CURRAN & COMPANY**
Enrolled Actuary, **HALL ACTUARIAL ASSOCIATES**
- 11:15 am **Investor Q&A - A Trustee's Perspective on Alternatives**
- Moderator:*
Trustee, **CITY OF ATLANTA FIREFIGHTER'S PENSION FUND**
- Panelists:*
Chairman, **FULTON (GA) COUNTY EMPLOYEES RETIREMENT SYSTEM**
Vice-Chairman, **DELRAY BEACH POLICE & FIRE RETIREMENT**
Chairman, **BURLINGTON (VT) EMPLOYEES' RETIREMENT SYSTEM**
Trustee, **NEW HAMPSHIRE RETIREMENT SYSTEM**
- 12:00 pm *Closing Remarks*

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	Office of Treasurer & Tax Collector	
	Advance Approval Form to Travel	
Must be completed and approved before travel arrangement are made; Must be submitted to Accounts Payable prior to travel and purchase	Step 1: Give to Manager; Step 2: Manager gives to Division Head; Step 3 Division head and Budget Director ensure available; Step 4: Either Budget or Division head inform employee	Please incl. conference info.
PLEASE REVIEW TRAVEL MEMO - POSTED ON THE TTX WEBSITE ALONG WITH THIS FORM DATE 4/6/2010 BY CONTROLLER'S OFFICE		
	Fill - in	
Employee Name	Pauline Marx	
Destination	New Orleans, LA	
Number of days and dates	4 days, Feb 25-28	
Estimated Airfare	900	Lowest airfare must be purchased; If not using City vendor, must provide quotes from the City Vendor
Conference Registration fee, if applicable		
Estimated Hotel Costs for total trip	800	Please explain if not Gov't Rate - in this box
Taxi, Shuttle, Parking, Not to exceed \$100.	100	Please explain if not using shuttle or public trans. (the most economical way) - in this box
Purpose of trip - Explanation of why it essential/necessary	Attend Opal Financial Group Investment Education Symposium	http://www.opalgroup.net/conferencehtml/current/investment_education_symposium/investment_education_symposium_agenda.php
Total - Auto calculates	1800	
Less any funding from Union		Union approval is necessary in advance. Follow its instructions
Total - Auto calculates	1800	
Travel Reimbursement by Org or Grant	Y/N - Name of Organization/Grant	
Manager Approval		
Funds Available		
Sr. Management Approval		
Date of Submission		

2014 Program Calendar

Date	Meeting	Location
Friday, January 24, 2014	Administrators RT Attorneys' RT	Marriott Burbank
Tuesday - Thursday January 22-24, 2014	Advanced Principles of Pension Management for Trustees	UCLA Anderson School of Business
Friday, February 7, 2014	Trustees' RT Benefits RT Investment Officers RT	Marriott Burbank
Saturday-Tuesday March 1-4, 2014	General Assembly	Westin Mission Hills Resort & Spa - Rancho Mirage, CA
Tuesday, March 4, 2014	Board Meeting (7am Breakfast)	Westin Mission Hills Resort & Spa - Rancho Mirage, CA
Friday, April 11, 2014	Accountants RT Administrative Assistants RT Info Tech. RT	Marriott Burbank
Monday- Tuesday April 14-15, 2014	Management Academy: Module 1	Westin Pasadena
Friday, May 2, 2014	Overview Staff Training (Palmer)	DoubleTree San Francisco
Monday- Wednesday June 2-4, 2014	Management Academy: Module 2	Westin Pasadena
Thursday, June 12, 2014	Communications RT	DoubleTree San Francisco
Friday, June 13, 2014	Benefits RT Trustee's RT Attorneys' RT	DoubleTree San Francisco
Thursday, June 19, 2014	Board Meeting (6pm Dinner)	DoubleTree San Francisco
Friday, June 20, 2014	Administrators' RT Investment Officers RT	DoubleTree San Francisco
Monday- Wednesday July 21-23, 2014	Management Academy: Module 3	Westin Pasadena
Tuesday - Friday August 5-8, 2014	Principles of Pension Management for Trustees at Stanford	Stanford Univeristy, Palo Alto
Thursday, September 11, 2014	Disability Staff Training	Marriott Burbank
Friday, September 12, 2014	Benefits RT Attorneys' RT Trustees' RT	Marriott Burbank
Wednesday- Friday September 24-26, 2014	Administrators Institute	Hyatt The Pike, Long Beach
Wednesday- Friday October 8-10, 2014	Intermediate Staff Training	Marriott Burbank
Friday, October 24, 2014	Accountants' RT Administrative Asst. RT Info Tech RT	DoubleTree San Francisco
Wednesday- Friday December 3-5, 2014	Advanced Staff Training	Marriott Burbank
Friday, December 5, 2014	Board Meeting (9am Breakfast)	Marriott Burbank