



LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

Portfolio Performance Review

Quarter Ending September 30, 2014

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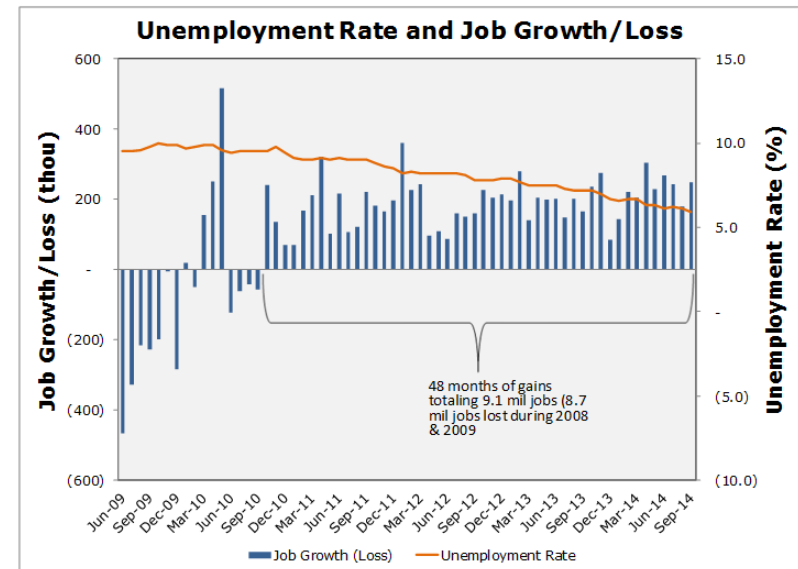
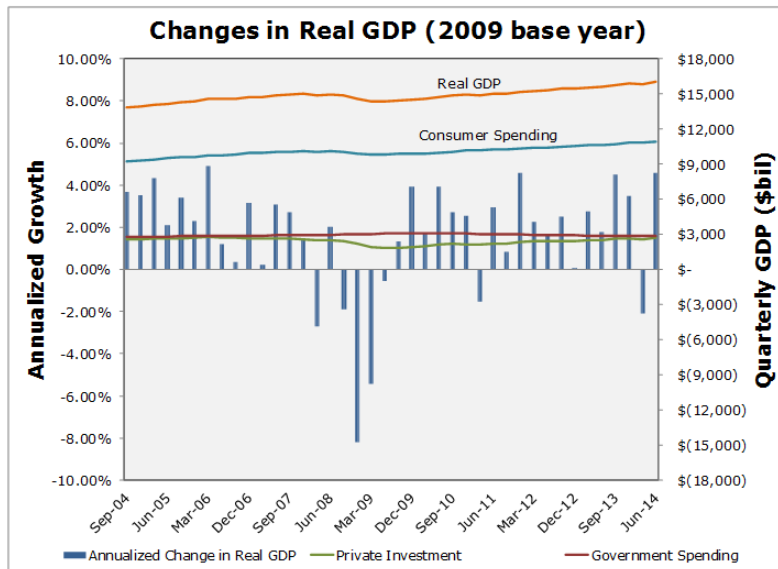
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Executive Summary

Economic Review

September 30, 2014		Key Economic Indicators			
CPI (all items) Seasonally adjusted	Monthly Change		Cumulative Change		
	Sep-14	0.1	3-Month	0.0	
	Aug-14	-0.2	12-Month	1.7	
	Jul-14	0.1	10-Yr Annual	2.3	
Breakeven Inflation	10-Year	2.0			
Consumer Sentiment Unv. of Michigan Survey	Sep-14	84.6			
	Aug-14	82.5			
	1-Yr Ago	77.5	10-Yr Avg	77.2	
Manufacturing Inst. for Supply Mgmt Purchasing Mngrs' Idx	Sep-14	56.6	Change in Manufacturing Sector		
	Aug-14	59.0	>50	Expansion	
	1-Yr Ago	55.6	<50	Contraction	

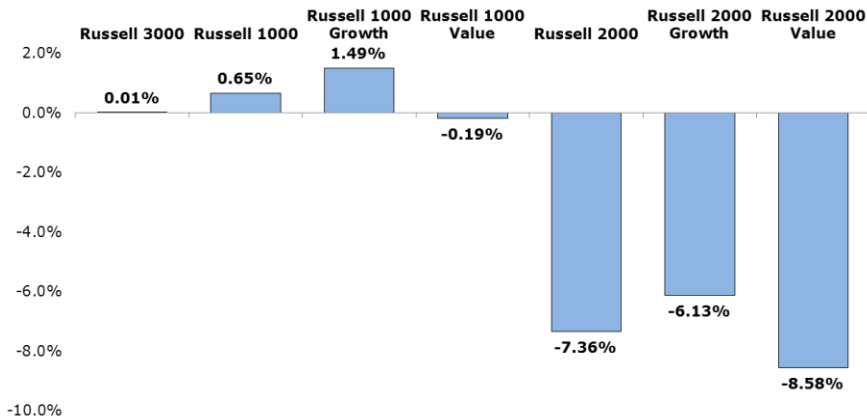
Note: Seasonally adjusted CPI data is utilized to better reflect short-term pricing activity.



Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis, Barclays Capital

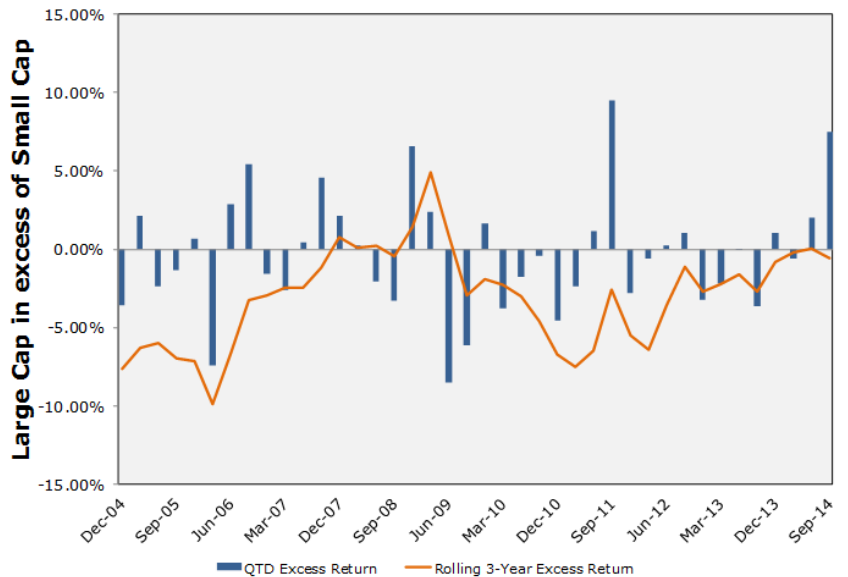
U.S. Capital Markets: Equity

U.S. Equity

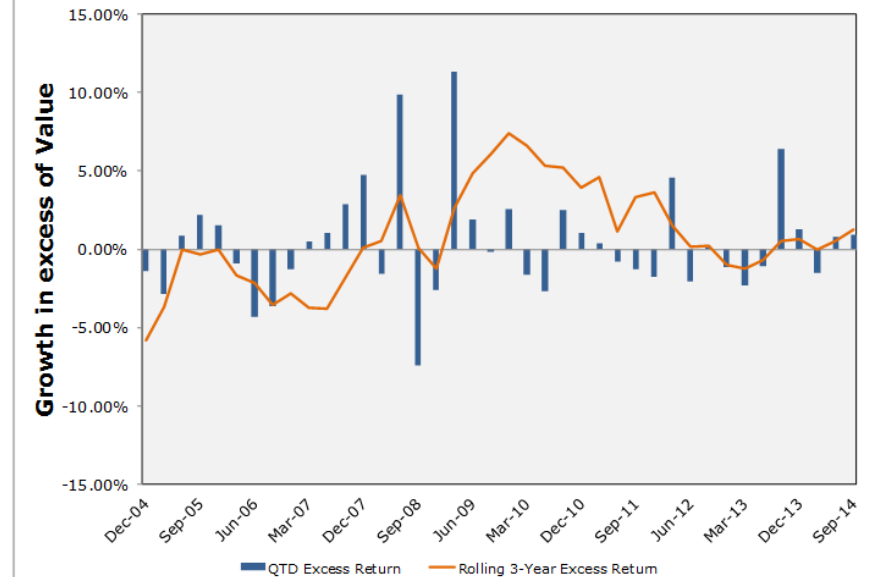


- U.S. stock market, as represented by the Russell 3000 Index, posted a return of 0.01% amid global geopolitical events and anticipation of the Federal Reserve ending quantitative easing.
- Large-cap growth stocks, as represented by the Russell 1000 Growth Index, performed strongest for the quarter.

Large Cap vs. Small Cap

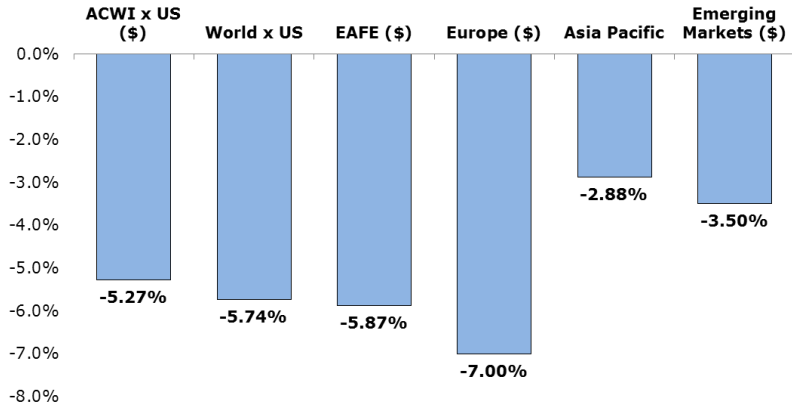


Growth vs. Value



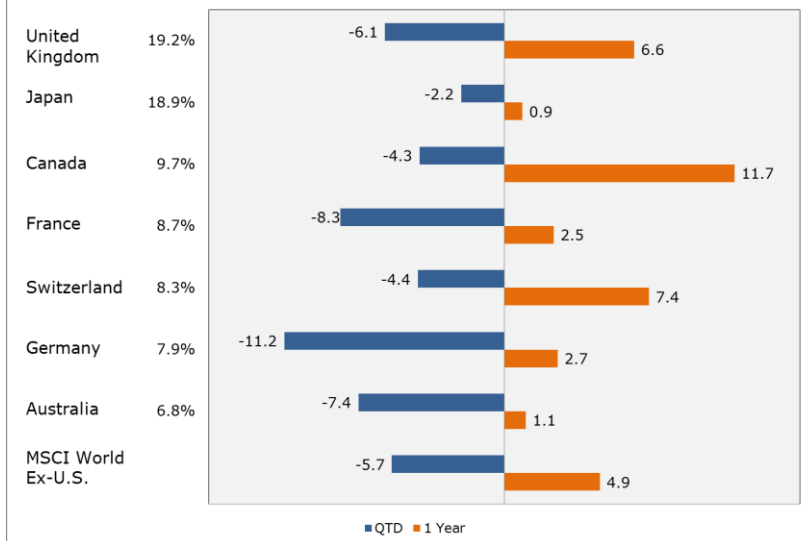
Non-U.S. Capital Markets

Non-U.S. Equity

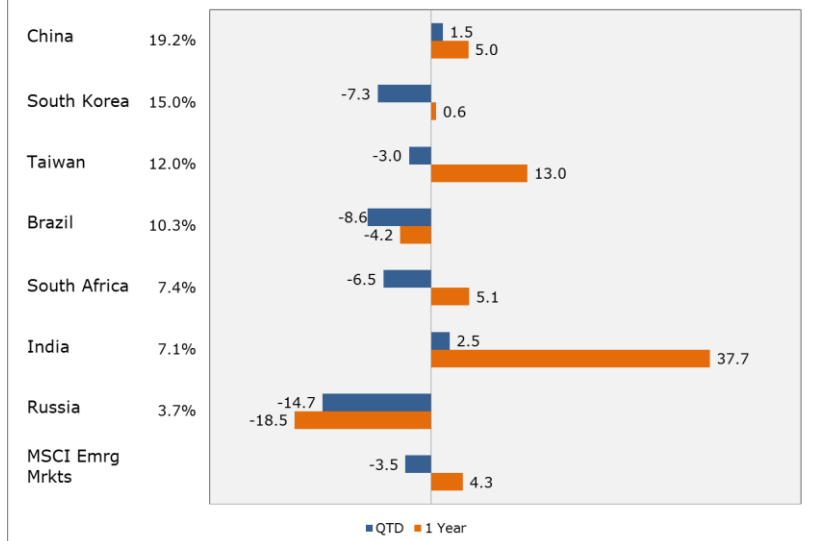


- Global equity markets, as represented by the MSCI ACWI ex-U.S. Index, returned -5.27% for the quarter, as investors became concerned about growth prospects of economies across the globe.
- Emerging Markets returned -3.50% during the quarter, outperforming developed markets as the developed Eurozone struggled with slow growth.

MSCI World Ex-U.S.: Largest Countries and Return

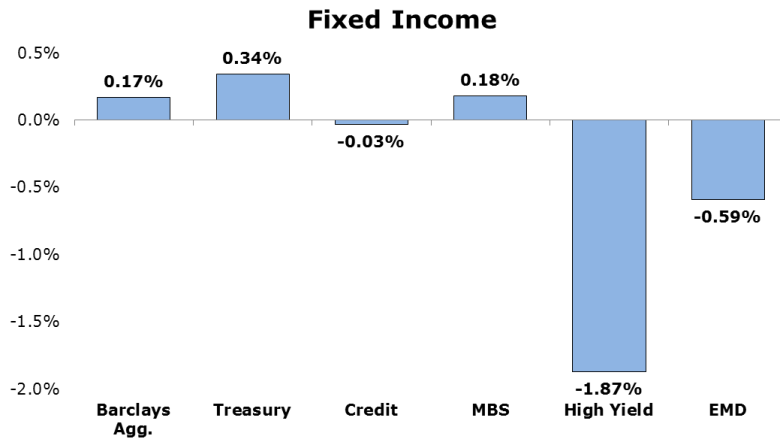


MSCI EM: Largest Countries and Return

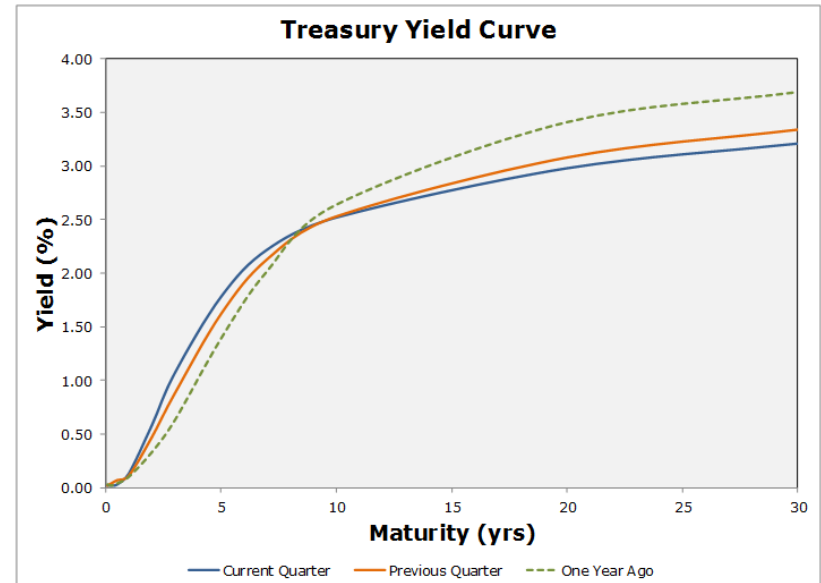
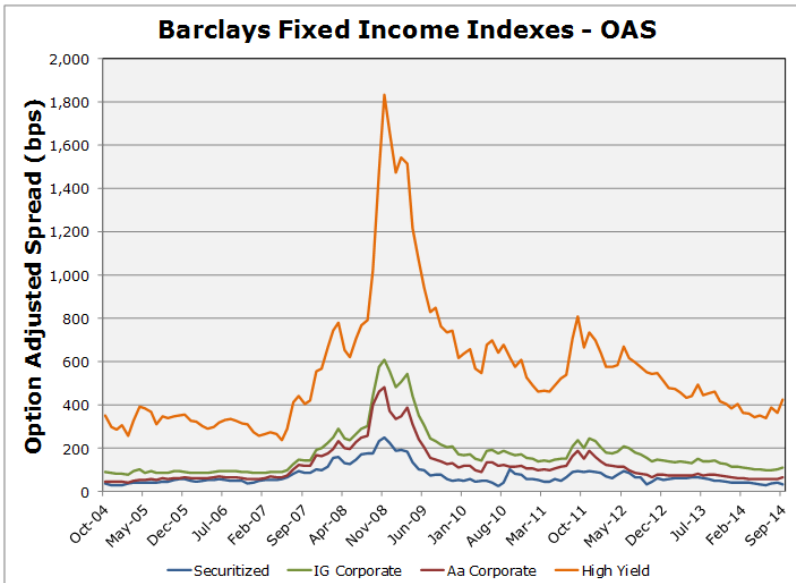


Data sources: Wilshire Compass, MSCI Barra

U.S. Capital Markets: Fixed Income



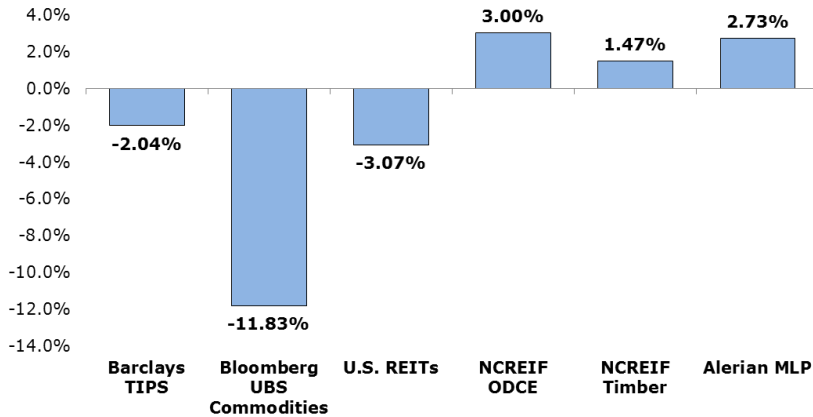
- Fixed Income markets, as represented by the Barclays U.S. Aggregate Index, returned 0.17%, due to global growth concerns.
- Ten-Year Treasury yields settled at 2.52% for 3Q14, 1 basis point lower than 2Q14.
- Yields declined at maturities of 10 years and longer as investors preferred longer duration treasuries.



Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

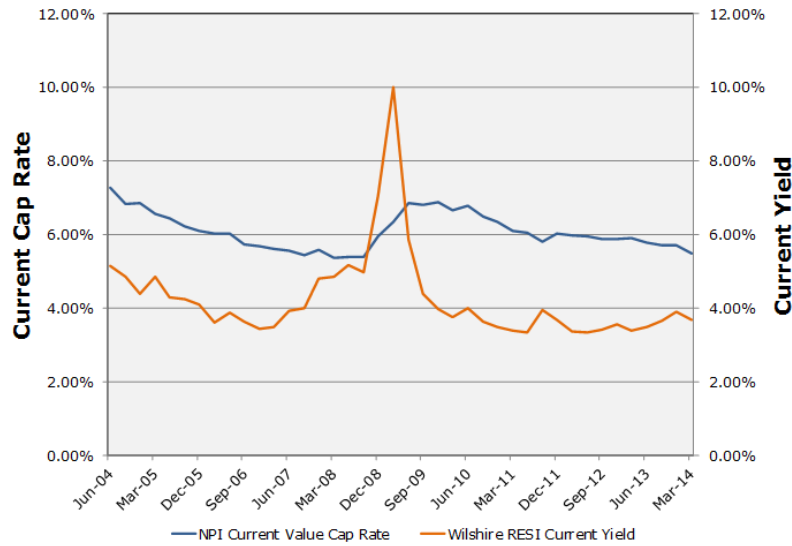
Real Assets

Real Assets

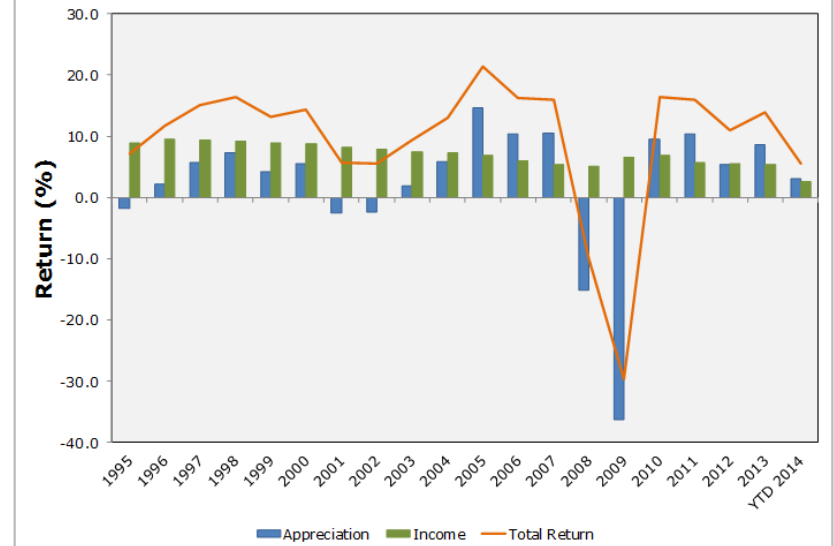


- TIPS, as represented by the Barclays U.S. TIPS Index, returned -2.04% for the quarter as breakeven inflation rates fell.
- REITs, as represented by the Wilshire U.S. REIT Index, returned -3.07% for the quarter.
- Commodities, as represented by the Bloomberg UBS Commodities Index, experienced the lowest return of -11.8% for the quarter.

Real Estate Valuation



NCREIF ODCE Fund Index Return



Data sources: Wilshire Compass, National Council of Real Estate Investment Fiduciaries

Performance Overview

- *LACERS' investment portfolio ended the quarter with a market value of \$14.08 billion, a gain of \$0.14 billion from the previous quarter. The Fund's net of fee return was -1.37% for the quarter and 10.79% for the one-year period.*
- *The Total Fund matched its policy benchmark for the quarter and outperformed by 0.79% for the one-year period.*
- *In comparison to other public funds with market values greater than \$10 billion in the TUCS (Trust Universe Comparison Service) peer universe, LACERS ranked in the 89th percentile for the quarter and in the 56th percentile for the one-year period.*
- *All asset classes except Real Assets and Private Equity produced negative returns for the quarter.*
- *Credit Opportunities, U.S. Equity, Non-U.S. Equity and Core Fixed Income all underperformed their respective benchmarks.*
- *Private Equity¹ and Real Assets outperformed their respective benchmarks for the quarter.*

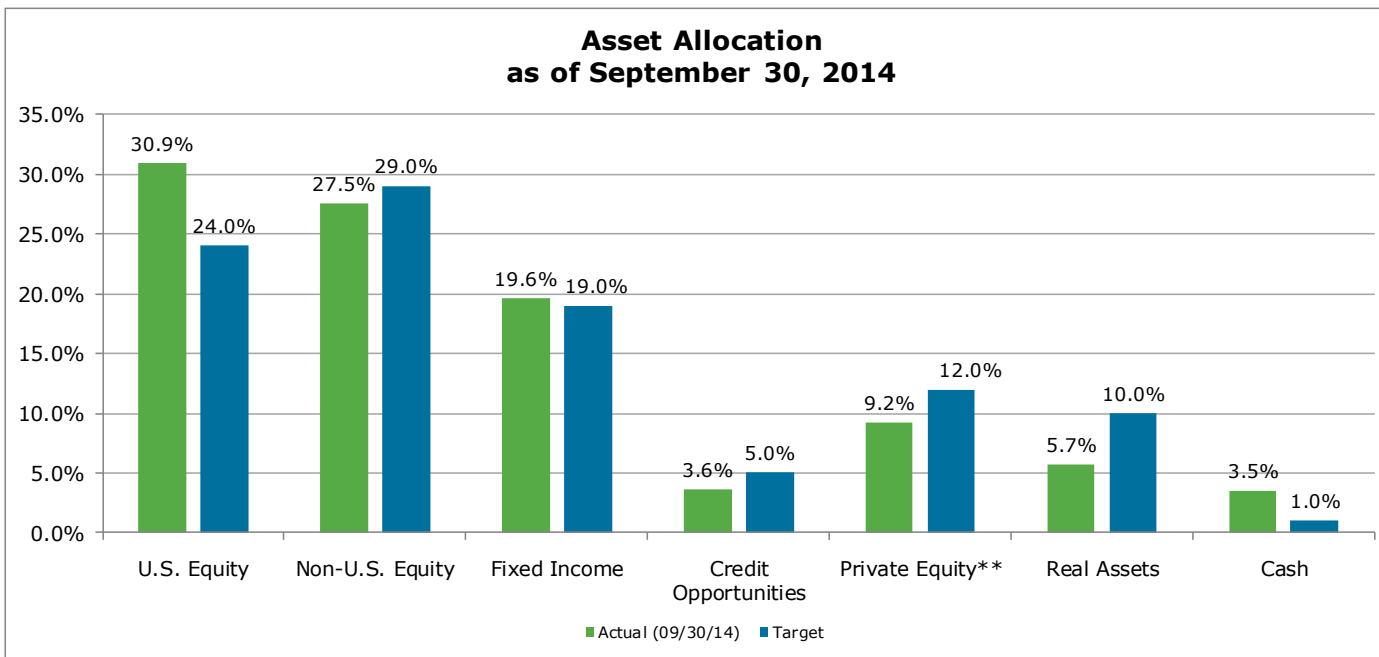
Note: Due to the J-curve effect in early stages of a private equity fund's life, returns may lag prior to realization of proceeds in later years.

¹Name change from "Alternative Investments."



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Fund Overview



	Actual	Target*	Min.	Max
U.S. Equity**	30.9%	24.0%	19.0%	29.0%
Non-U.S. Equity	27.5%	29.0%	24.0%	34.0%
Fixed Income	19.6%	19.0%	15.0%	22.0%
Credit Opportunities	3.6%	5.0%	0.0%	10.0%
Private Equity***	9.2%	12.0%	n/a	n/a
Real Assets	5.7%	10.0%	7.0%	13.0%
Cash	3.5%	1.0%	0.0%	2.0%

* Revised 1st Qtr 2012: decrease U.S. Equity from 37% to 24%; increase Non-U.S. Equity from 20% to 29%; decrease Fixed Income from 26% to 19%; allocate 5% in Credit Opportunities; increase Alternative Inv. from 9% to 12%; decrease Private Real Estate from 7% to 5%; allocate 5% in Public Real Assets. On May 13, 2014, an updated implementation plan was adopted by the Board to bring the asset classes within target ranges by 9/30/14.

**The underweight to Private Equity is allocated to U.S. Equity

***Name change from "Alternative Investments."

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Fund Performance

LACERS Total Fund

(Returns are Net of Fees)

	Market Value (\$million)	% to Total Fund	Current Quarter	One Year	Three Years	Five Years	Ten Years	Fifteen Years ¹	Since Inception ¹	5 Year Tracking Error
LACERS Master Trust	\$ 14,080	100.0%	-1.37	10.79	14.45	10.71	7.48	6.79	8.53	1.3
<i>Policy Benchmark*</i>			<i>-1.37</i>	<i>10.00</i>	<i>14.34</i>	<i>10.58</i>	<i>7.45</i>	<i>6.29</i>	<i>8.46</i>	
Excess Return			0.00	0.79	0.11	0.13	0.03	0.50	0.07	
U.S. Equity	\$ 4,353	30.9%	-0.24	17.06	23.35	15.51	8.23	6.55	10.43	1.3
<i>Russell 3000</i>			<i>0.01</i>	<i>17.76</i>	<i>23.08</i>	<i>15.78</i>	<i>8.44</i>	<i>5.51</i>	<i>9.10</i>	
Excess Return			-0.25	-0.70	0.28	-0.27	-0.21	1.04	1.32	
Non-U.S. Equity	\$ 3,866	27.5%	-6.29	4.52	13.10	6.80	7.37	5.05	5.31	1.3
<i>MSCI ACWI ex U.S.</i>			<i>-5.27</i>	<i>4.77</i>	<i>11.79</i>	<i>6.03</i>	<i>7.06</i>	<i>4.65</i>	<i>5.68</i>	
Excess Return			-1.02	-0.25	1.31	0.77	0.31	0.39	-0.37	
Core Fixed Income	\$ 2,762	19.6%	-0.16	5.05	--	--	--	--	3.45	--
<i>BC U.S. Aggregate</i>			<i>0.17</i>	<i>3.96</i>	--	--	--	--	<i>2.10</i>	
Excess Return			-0.32	1.09	--	--	--	--	1.35	
Credit Opportunities	\$ 503	3.6%	-1.98	7.40	--	--	--	--	8.09	--
<i>65% BC U.S. Corp High Yield 2% Cap / 35% JPM EMBI - Global Diversified</i>			<i>-1.42</i>	<i>7.50</i>	--	--	--	--	<i>7.89</i>	
Excess Return			-0.56	-0.10	--	--	--	--	0.20	
Real Assets **	\$ 799	5.7%	1.80	12.29	9.85	5.79	3.37	--	6.32	4.3
<i>CPI + 500 bps</i>			<i>1.10</i>	<i>6.66</i>	<i>6.61</i>	<i>6.97</i>	<i>7.29</i>	--	<i>7.37</i>	
Excess Return			0.70	5.63	3.23	-1.18	-3.92	--	-1.05	
Private Equity^{2**}	\$ 1,299	9.2%	4.49	19.95	14.05	16.29	13.55	11.38	10.54	14.7
<i>Russell 3000 + 300 bps</i>			<i>0.75</i>	<i>21.29</i>	<i>26.99</i>	<i>19.70</i>	<i>12.46</i>	<i>9.56</i>	<i>12.78</i>	
Excess Return			3.74	-1.35	-12.93	-3.41	1.09	1.83	-2.23	
Cash	\$ 498	1.2%								

¹ Indicates gross returns and Since Inception date, 10/31/94

² Name change from "Alternative Investments" for performance book only.

* More detailed information available under Definitions section at the back of this presentation.

** Due to the J-Curve effect in early stages of a fund's life, returns may lag prior to realization of proceeds in later years.

Private Investments

Performance by IRR and Multiples¹

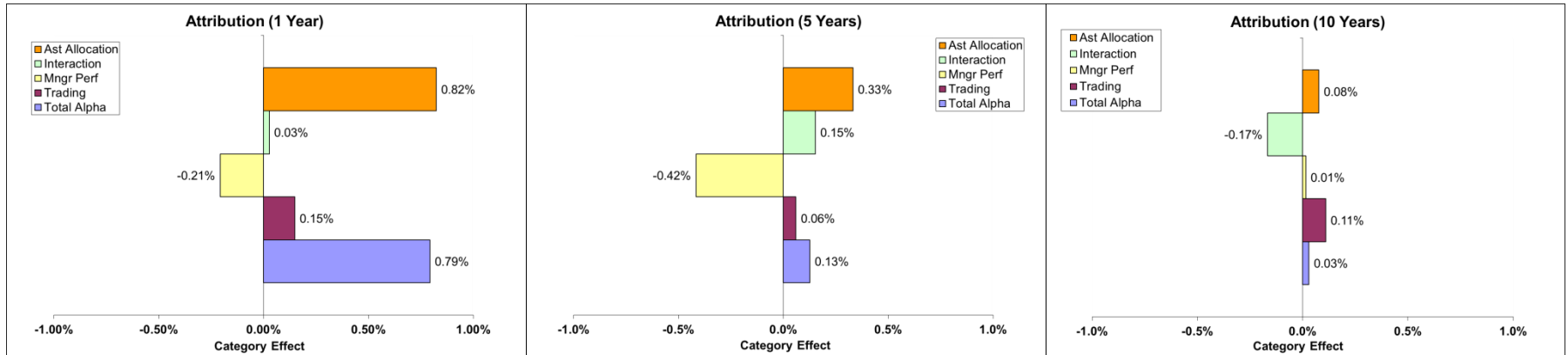
Private Equity	10-Year IRR	Since Inception IRR	Since Inception Equity Multiple
Aggregate Portfolio	13.55%	11.58%	1.53x
Core Portfolio	14.50%	12.07%	1.56x
Specialized Portfolio	N/A	3.46%	1.16x
<i>Russell 3000 + 300 bps</i>	<i>11.82%</i>	<i>10.43%</i>	<i>N/A</i>

Real Estate	10-Year Return	Since Inception Return	Since Inception Equity Multiple
Total Portfolio (TWR)	3.61%	5.61%	N/A
<i>NFI ODCE + 80 bps</i>	<i>6.15%</i>	<i>6.64%</i>	<i>N/A</i>
Total Portfolio IRR	N/A	4.33%	1.17x

Note: Townsend could not provide cash flow weighted benchmark, so only time weighted return (TWR) is reported.

¹Returns as of 6/30/2014.

Total Fund Attribution*

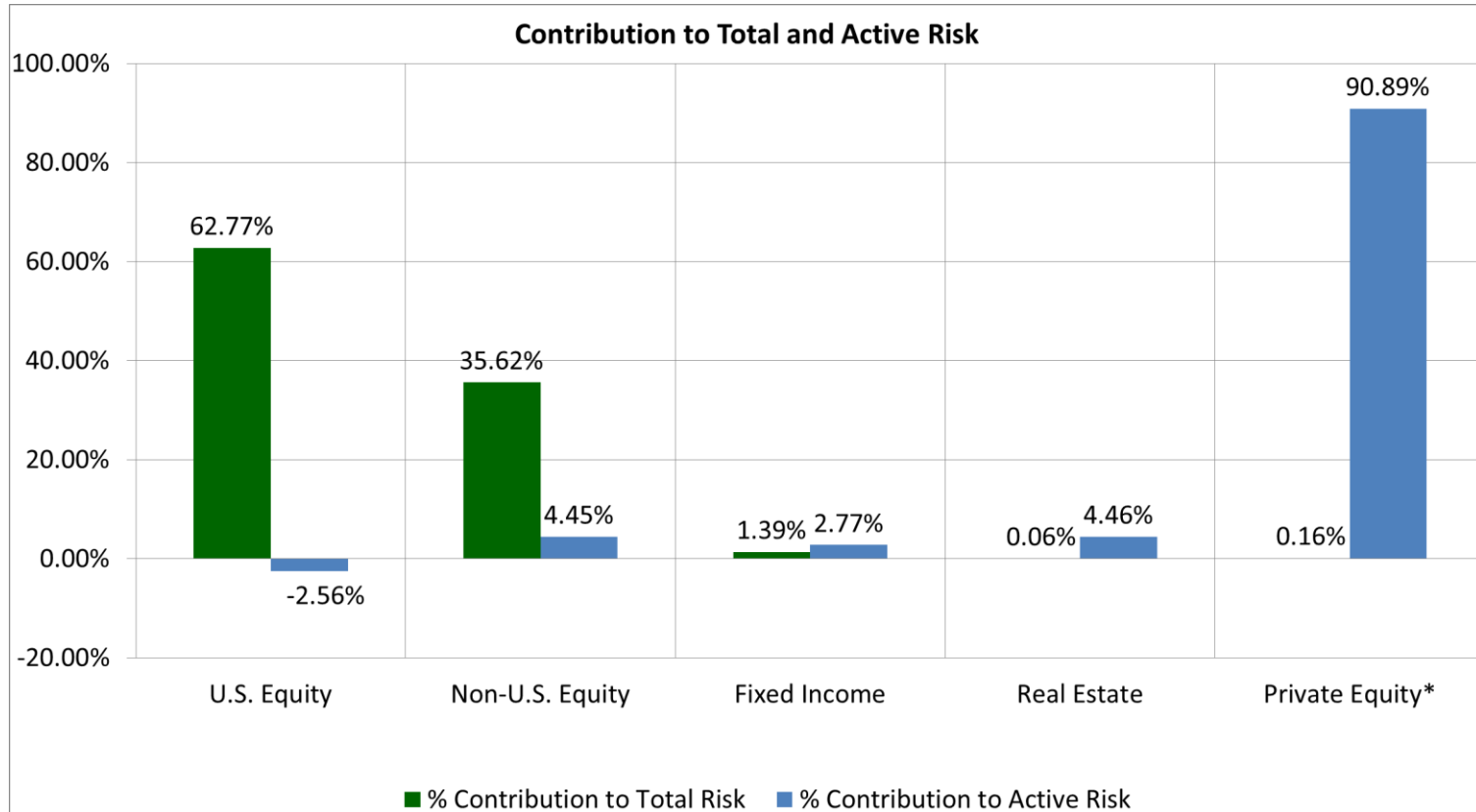


	Portfolio Return	Policy Return	Asset Allocation	Interaction	Manager Performance	Trading	Total Alpha
1 Year	10.79%	10.00%	0.82%	0.03%	-0.21%	0.15%	0.79%
5 Years	10.71%	10.58%	0.33%	0.15%	-0.42%	0.06%	0.13%
10 Years	7.48%	7.45%	0.08%	-0.17%	0.01%	0.11%	0.03%

*Slight discrepancies may result due to rounding. For details on Interaction and Trading effects above, see the Definitions Section VI: Performance Attribution.

- Overweight to U.S. Equities relative to the policy target weight has been a source of value added over all three measurement periods
- Negative returns from manager performance in 1- and 5-year periods primarily due to underperformance of Private Equity and Real Estate relative to their respective benchmarks.

Total Fund – Contribution to 5-Year Total & Active Risk

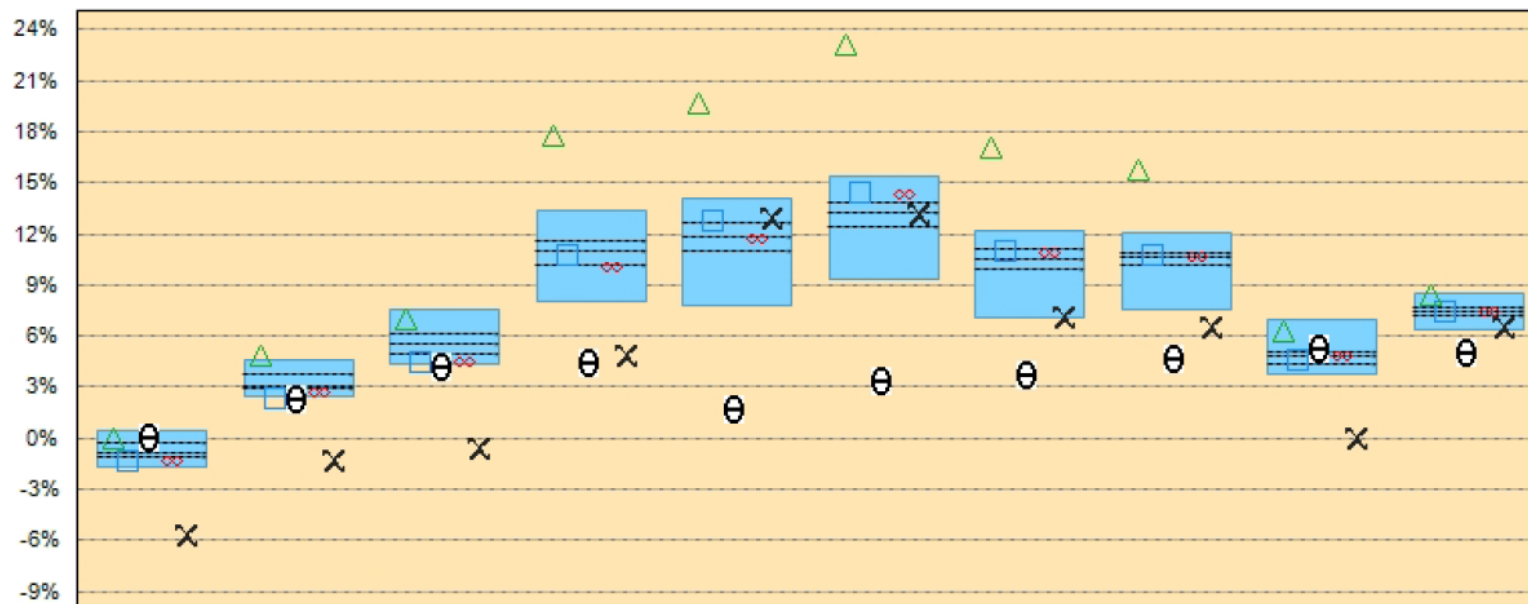


- Public equities comprises 98% of total risk despite actual weighting of 58%.
- Private markets (Real Estate and Private Equities) comprises 95% of active risk as it is difficult to separate active from 'beta' exposures in those asset classes.
- U.S. Equities have provided modest active risk reduction.

*Name change from "Alternative Investments."

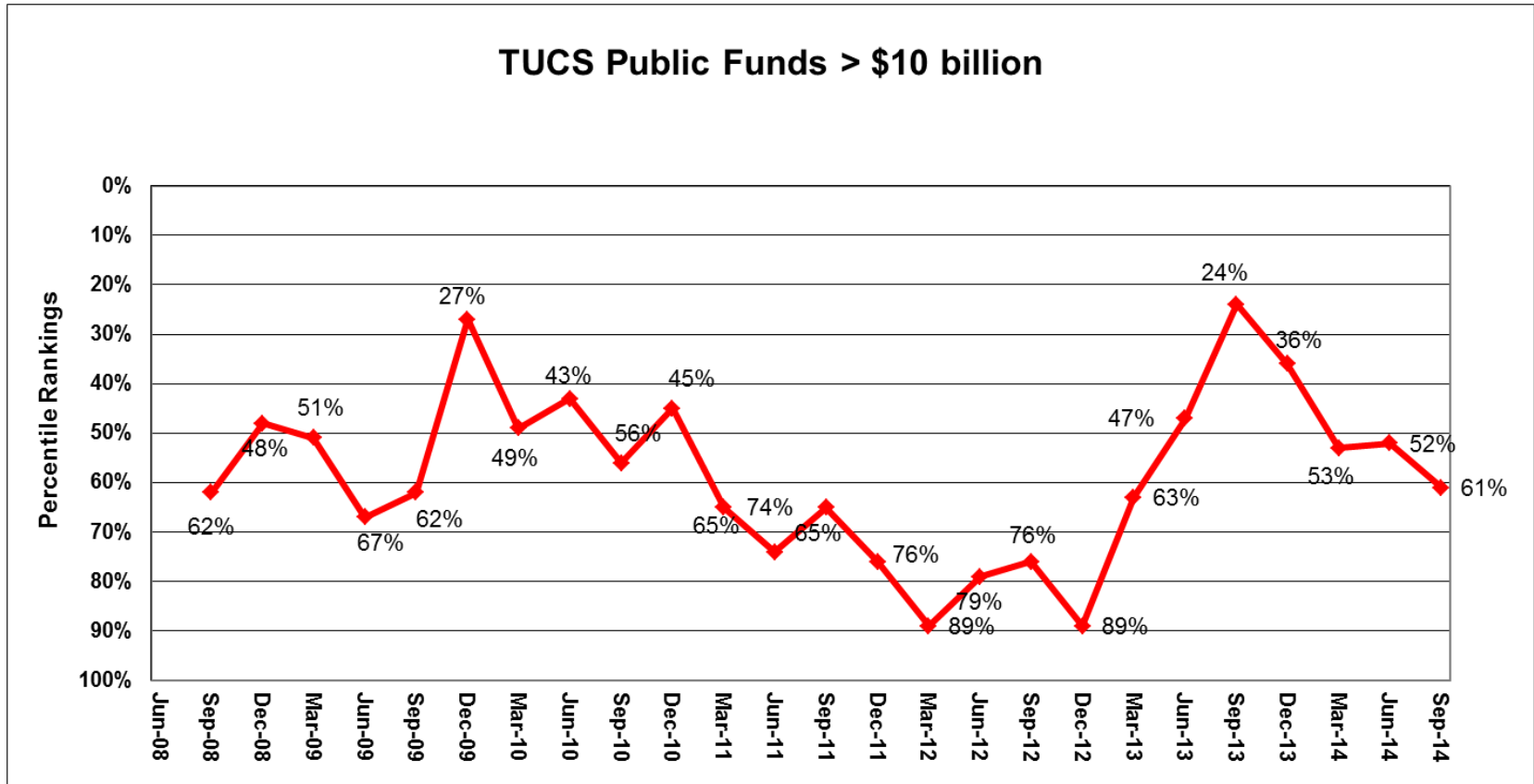
Trust Universe Comparison Service Performance Comparison

Total Returns of Public Defined Benefit Plans >\$10 billion
Cumulative Periods Ending : September 30, 2014



Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th	0.48	4.65	7.55	13.40	14.05	15.36	12.16	12.10	7.01	8.49
25th	-0.25	3.72	6.09	11.56	12.67	13.87	11.14	10.91	5.08	7.72
50th	-0.86	3.09	5.58	10.96	11.79	13.31	10.55	10.62	4.80	7.42
75th	-1.15	2.93	4.91	10.21	10.95	12.43	9.95	10.13	4.33	7.20
95th	-1.69	2.45	4.40	8.03	7.83	9.28	7.07	7.55	3.78	6.41
No. Of Obs	44	44	44	44	44	44	44	42	41	40
□ Total Fund NOF ◇ Total Fund Policy △ Russell 3000 ✕ MSCI Wld Ex US (Net) ● Barclays US Univ Indx	-1.37 (89)	2.37 (96)	4.53 (89)	10.79 (56)	12.81 (18)	14.45 (18)	10.95 (25)	10.71 (35)	4.54 (65)	7.48 (47)
	-1.37 (89)	2.67 (82)	4.44 (94)	10.00 (79)	11.76 (50)	14.36 (20)	10.86 (27)	10.60 (52)	4.81 (47)	7.46 (47)
	0.01 (12)	4.88 (1)	6.95 (8)	17.75 (1)	19.67 (1)	23.09 (1)	17.02 (1)	15.78 (1)	6.24 (8)	8.44 (5)
	-5.74 (100)	-1.39 (100)	-0.66 (100)	4.86 (100)	12.85 (18)	13.15 (56)	7.12 (94)	6.52 (99)	-0.09 (100)	6.53 (93)
	-0.03 (14)	2.17 (99)	4.16 (99)	4.39 (100)	1.66 (100)	3.23 (100)	3.61 (100)	4.65 (100)	5.19 (20)	4.91 (100)

Return to Risk Ratio Comparison*



*Rolling 5-year Risk/Return

- Return to risk ratio comparison puts funds with different asset allocation objectives on even footing.
- LACERS currently ranks in the 61st percentile versus peers on return/risk ratio basis.



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U.S. Equity Managers

U.S. Equity Managers

(Returns are Net of Fees)

	Inception Date	Market Value (\$million)	% to Total U.S. Equity	Current Quarter	One Year	Three Years	Five Years	Ten Years	Since Inception ¹	5 Year Tracking Error
U.S. Equity	Oct-94	\$ 4,353	100.0%	-0.24	17.06	23.35	15.51	8.23	10.43	1.3
<i>Russell 3000</i>				<i>0.01</i>	<i>17.76</i>	<i>23.08</i>	<i>15.78</i>	<i>8.44</i>	<i>9.10</i>	
Excess Return				-0.25	-0.70	0.27	-0.27	-0.21	1.33	
Rhumblin Advisors (Passive)	Mar-93	\$ 1,506	34.6%	1.14	19.67	22.93	15.81	8.25	9.50	0.3
<i>S&P 500</i>				<i>1.13</i>	<i>19.73</i>	<i>22.99</i>	<i>15.70</i>	<i>8.11</i>	<i>9.29</i>	
Excess Return				0.01	-0.06	-0.06	0.11	0.14	0.21	
Blackrock S&P 500 (Passive)	Jun-13	\$ 1,495	34.4%	1.13	19.71	--	--	--	20.31	--
<i>S&P 500</i>				<i>1.13</i>	<i>19.73</i>	--	--	--	<i>20.32</i>	
Excess Return				0.00	-0.02	--	--	--	-0.01	
Rhumblin Advisors (Passive)	Jun-13	\$ 154	3.5%	1.50	19.09	--	--	--	22.27	--
<i>Russell 1000 Growth</i>				<i>1.49</i>	<i>19.15</i>	--	--	--	<i>21.87</i>	
Excess Return				0.01	-0.06	--	--	--	0.40	
Aronson, Johnson & Ortiz	Oct-01	\$ 228	5.2%	0.37	18.62	25.22	16.59	8.44	9.17	2.3
<i>Russell 1000 Value</i>				<i>-0.19</i>	<i>18.89</i>	<i>23.93</i>	<i>15.26</i>	<i>7.84</i>	<i>7.90</i>	
Excess Return				0.56	-0.27	1.29	1.33	0.60	1.27	
Principal Global Investors	Jul-14	\$ 120	2.8%	--	--	--	--	--	-0.17	--
<i>Russell Midcap</i>				--	--	--	--	--	<i>-1.46</i>	
Excess Return				--	--	--	--	--	1.29	
New Mountain Cap Group	Mar-08	\$ 77	1.8%	1.68	13.91	13.66	10.79	--	6.95	9.4
<i>Russell Midcap*</i>				<i>-1.66</i>	<i>15.83</i>	<i>23.79</i>	<i>14.76</i>	--	<i>7.33</i>	
Excess Return				3.34	-1.92	-10.13	-3.97	--	-0.38	

¹ Indicates gross returns

* Changed from the S&P 500 Index on July 1, 2011.

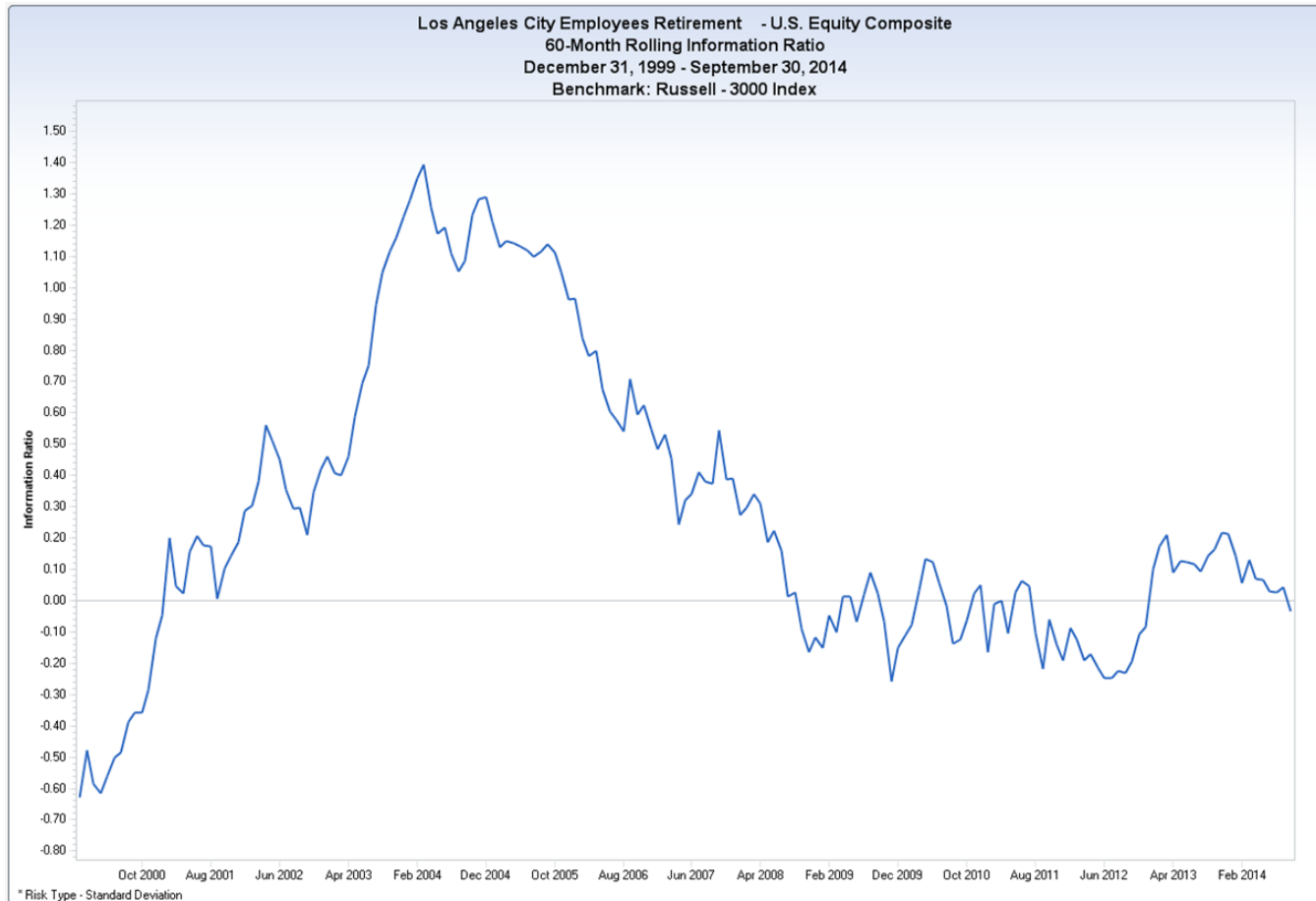
U.S. Equity Managers

(Returns are Net of Fees)

	Inception Date	Market Value (\$million)	% to Total U.S. Equity	Current Quarter	One Year	Three Years	Five Years	Ten Years	Since Inception ¹	5 Year Tracking Error
Thomson Horstmann <i>Russell 2000</i>	Oct-95	\$ 131	3.0%	-5.78	3.15	21.75	13.75	8.14	10.75	4.4
Excess Return				-7.36	3.93	21.26	14.29	8.19	8.62	
				1.58	-0.78	0.49	-0.54	-0.05	2.13	
Franklin Advisers <i>Russell 2000 Growth</i>	Sep-94	\$ 165	3.8%	-9.59	6.61	24.71	19.45	10.36	9.84	5.0
Excess Return				-6.13	3.79	21.91	15.51	9.03	7.27	
				-3.46	2.82	2.80	3.94	1.33	2.57	
Sit Investments <i>Russell 2000 Growth</i>	Jan-01	\$ 103	2.4%	-2.41	5.79	19.70	15.54	10.10	5.34	4.8
Excess Return				-6.13	3.79	21.91	15.51	9.03	5.40	
				3.72	2.00	-2.21	0.03	1.07	-0.06	
PanAgora Asset Management <i>Russell 2000 Value</i>	Feb-06	\$ 115	2.6%	-6.78	7.75	25.00	17.23	--	6.17	2.3
Excess Return				-8.58	4.13	20.61	13.02	--	5.39	
				1.80	3.62	4.39	4.21	--	0.78	
Donald Smith & Co. <i>Russell 2000 Value</i>	Feb-06	\$ 103	2.4%	-11.48	10.11	18.45	12.54	--	7.42	6.6
Excess Return				-8.58	4.13	20.61	13.02	--	5.39	
				-2.90	5.98	-2.16	-0.48	--	2.03	
Manager-of-Manager Programs			3.6%							
Attucks <i>Russell 2000</i>	Nov-05	\$ 43	1.0%	-8.04	1.64	20.82	14.10	--	7.08	2.2
Excess Return				-7.36	3.93	21.26	14.29	--	7.10	
				-0.68	-2.29	-0.44	-0.19	--	-0.02	
Capital Prospects <i>Russell 3000</i>	Dec-05	\$ 43	1.0%	-0.62	14.54	21.84	14.75	--	7.24	1.9
Excess Return				0.01	17.76	23.08	15.78	--	7.76	
				-0.63	-3.22	-1.24	-1.03	--	-0.52	
Progress Investment <i>Russell 3000</i>	Oct-06	\$ 71	1.6%	-0.99	15.88	21.15	13.65	--	5.96	2.3
Excess Return				0.01	17.76	23.08	15.78	--	7.08	
				-1.00	-1.88	-1.93	-2.13	--	-1.12	

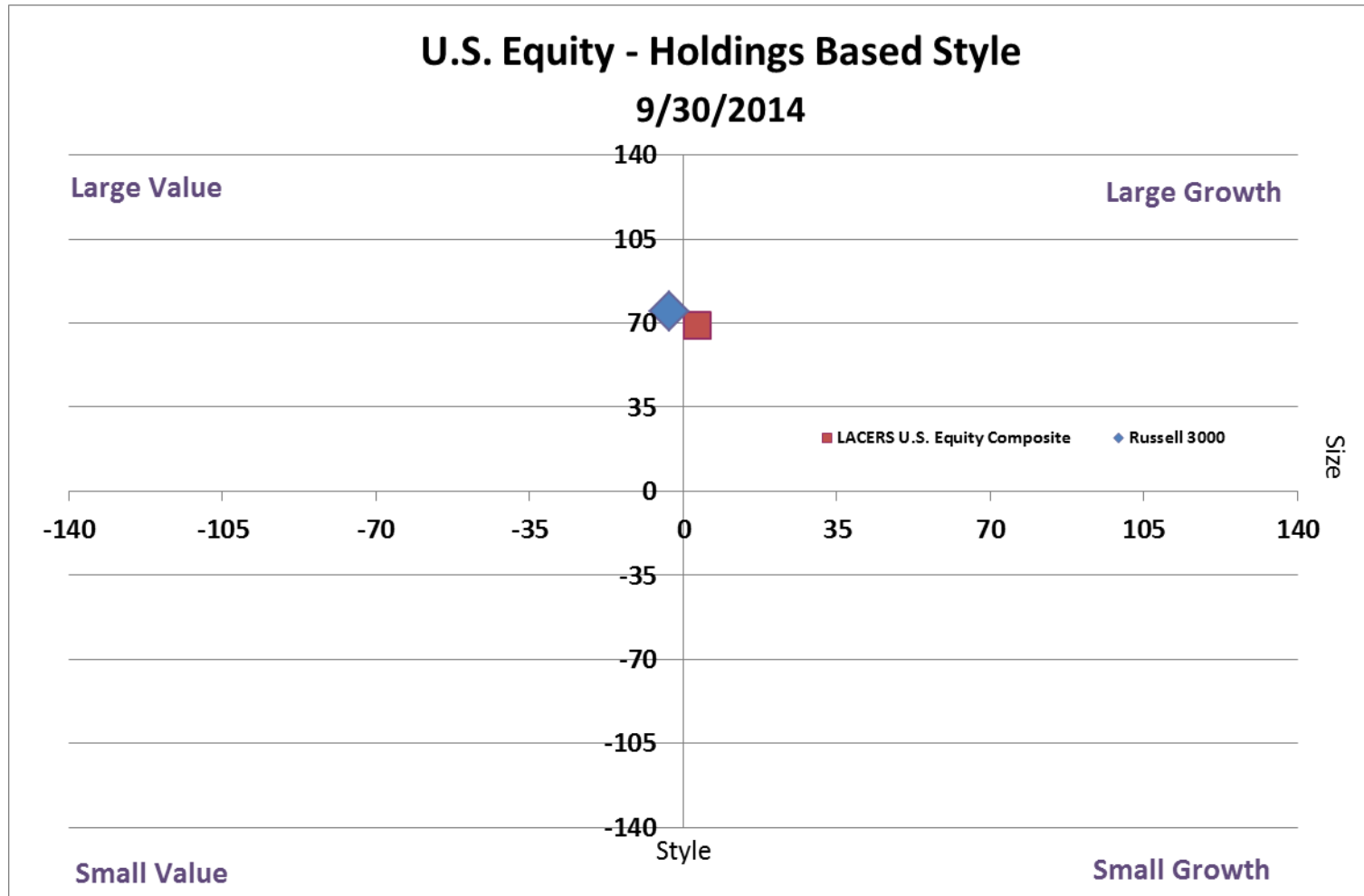
¹ Indicates gross returns

5-Year Rolling Risk-Adjusted Active Returns



- Active returns are returns earned over/under benchmark return.
- Lower information ratio the past few years due to relative underperformance of watch list and terminated managers, and a higher allocation to passive managers.

Risk-adjusted active returns are referred to as "Information Ratio". Information Ratio = Excess return (alpha) / Excess risk (tracking error).



- LACERS U.S. Equity Portfolio is very close size and style-wise to the Russell 3000 benchmark.

MANAGER REPORT CARD¹

U.S. Managers	Inception Date	Mandate	Current Quarter		One Year		Three Years		Five Years		Since Inception	Annual Management Fee paid* (\$ in millions)	Comments ²
			I	U	I	U	I	U	I	U	I		
➤ Aronson, Johnson & Ortiz	Oct-01	Large Cap Value	✓	✓	✗	✓	✓	✓	✓	✓	✓	\$1.30	Performance satisfactory.
➤ Principal Global Investors	Jul-14	Mid Cap	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	n/a	Limited track record.
➤ Thomson Horstmann	Oct-95	Small Cap	✓	✓	✗	✗	✓	✓	✗	✗	✓	\$1.79	"On Watch" since Aug. 2013 - performance.
➤ Franklin Advisers	Sep-94	Small Cap Growth	✗	✗	✓	✓	✓	✓	✓	✓	✓	\$0.68	Performance satisfactory.
➤ Sit Investments	Jan-01	Small Cap Growth	✓	✓	✓	✓	✗	✗	✓	✗	✗	\$1.23	Board approved contract termination on Oct. 2014.
➤ Donald Smith	Mar-06	Small Cap Value	✗	✗	✓	✓	✗	✗	✗	✗	✓	\$1.06	"On Watch" since Nov. 2014 - performance.
➤ Panagora	Mar-06	Small Cap Value	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$1.49	Performance satisfactory.
➤ New Mountain Cap Group	Mar-08	Corp Gov	✓	n/a	✗	n/a	✗	n/a	✗	n/a	✗	\$5.80	Board approved contract termination on Sept. 2014.
➤ Attucks	Nov-05	Fund of Funds	✗	n/a	✗	n/a	✗	n/a	✗	n/a	✗	\$0.32	"On Watch" since Oct. 2014 - performance.
➤ Capital Prospects	Dec-05	Fund of Funds	✗	n/a	✗	n/a	✗	n/a	✗	n/a	✗	\$0.25	"On Watch" since Jun. 2011 - performance.
➤ Progress	Sep-06	Fund of Funds	✗	n/a	✗	n/a	✗	n/a	✗	n/a	✗	\$0.39	"On Watch" since Oct. 2009 - performance.
➤ Rhumblin Advisors (Passive)	Mar-93	S&P 500 Index	✓	✓	✗	✓	✗	✓	✓	✗	✓	\$0.09	Performance satisfactory.
➤ BlackRock S&P 500 (Passive)	Jun-13	S&P 500 Index	✓	✓	✗	✓	n/a	n/a	n/a	n/a	✗	\$0.41	Limited track record.
➤ Rhumblin Advisors (Passive)	Jun-13	R1000 Growth Index	✓	✓	✗	✓	n/a	n/a	n/a	n/a	✓	\$0.01	Limited track record.

¹ Current Quarter, 1-Yr, 3-Yrs, and 5-Yrs returns are net of fees. Since Inception returns are gross of fee.

² Managers are placed on the Watch List for concerns with organization, process, and performance. Managers are normally on the Watch List for 6 months though can be longer if manager issues still remain but not severe enough to warrant contract termination recommendation.

*As of Fiscal Year Ending 06/30/2014

LEGEND		
✓	outperformed index	I index
✗	underperformed index	U universe median
=	equal to index	

Aronson, Johnson & Ortiz

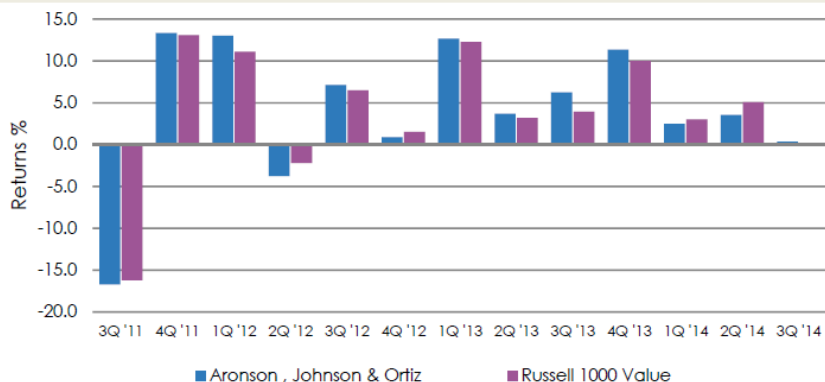
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Aronson invests in US stocks with large market caps, low P/E ratios and lower historical earnings per share that are expected to increase.

Performance - Quarterly Rate of Return vs Benchmark



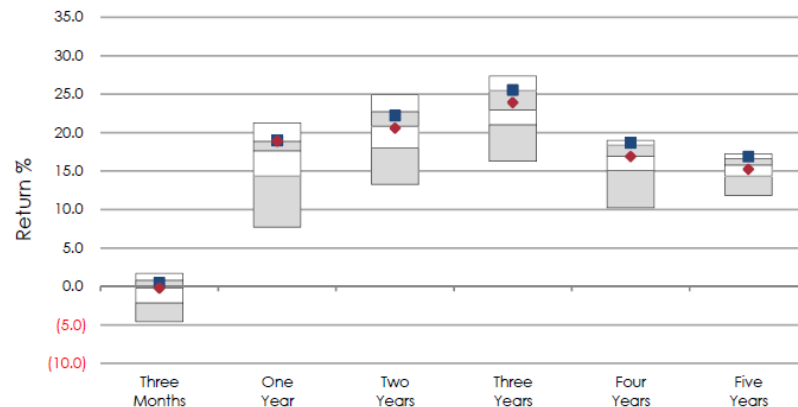
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Aronson, Johnson & Ortiz	0.4	18.6	21.9	25.2	16.6	9.2	Oct-2001
Russell 1000 Value	-0.2	18.9	20.6	23.9	15.3	7.9	
<i>Excess Returns</i>	0.6	-0.3	1.3	1.3	1.3	1.3	

Quartile Rankings

Mandate: Large Cap Value

Benchmark: Russell 1000 Value



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Aronson, Johnson & Ortiz ¹	0.5	19.0	22.2	25.6	18.7	16.9
Rank	33	25	35	22	18	21
◆ Russell 1000 Value	-0.2	18.9	20.6	23.9	16.9	15.3
Rank	51	26	55	42	51	57
10 th Percentile	1.7	21.3	25.0	27.4	19.0	17.2
25 th Percentile	0.8	18.9	22.7	25.5	18.4	16.6
Median	-0.2	17.6	20.9	23.0	16.9	15.8
75 th Percentile	-2.2	14.4	18.0	21.0	15.1	14.4
90 th Percentile	-4.6	7.7	13.3	16.3	10.2	11.9
Observation	206	195	149	124	109	92

¹ Performance shown above is based on gross of fees.

Thomson Horstmann

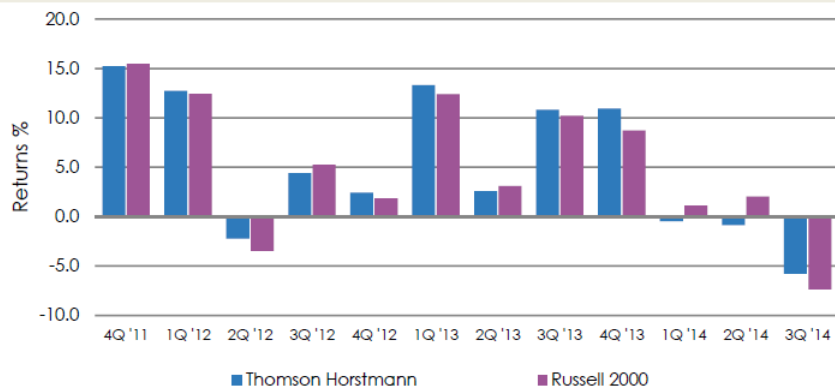
Objective

Outperform the benchmark by 250 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Thomson invests in US stocks with small market caps and low P/E ratios.

Performance - Quarterly Rate of Return vs Benchmark

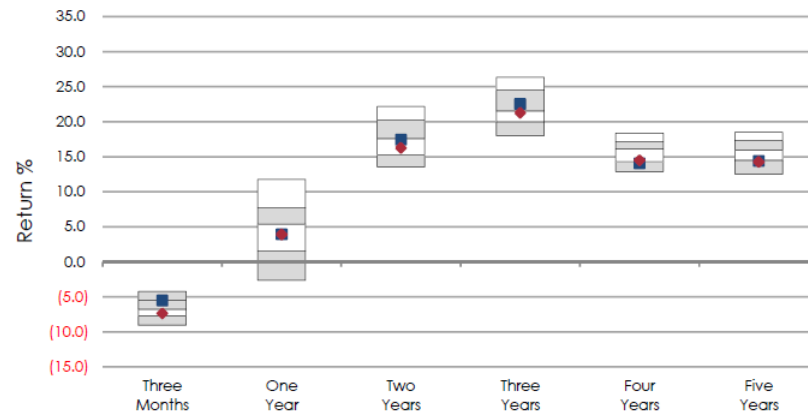


Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Thomson Horstmann	-5.8	3.1	16.7	21.7	13.8	10.7	Oct-1995
Russell 2000	-7.4	3.9	16.3	21.3	14.3	8.6	
<i>Excess Returns</i>	1.6	-0.8	0.4	0.5	-0.5	2.1	

Quartile Rankings

Mandate: Small Cap
Benchmark: Russell 2000



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Thomson Horstmann ¹	-5.5	3.9	17.4	22.5	14.1	14.4
Rank	26	61	51	46	79	76
◆ Russell 2000	-7.4	3.9	16.3	21.3	14.5	14.3
Rank	68	61	66	56	71	78
10 th Percentile	-4.2	11.8	22.2	26.3	18.4	18.5
25 th Percentile	-5.5	7.7	20.2	24.5	17.1	17.3
Median	-6.8	5.4	17.6	21.5	16.1	16.0
75 th Percentile	-7.7	1.5	15.3	20.0	14.3	14.5
90 th Percentile	-9.0	-2.6	13.6	18.0	12.9	12.6
Observation	164	165	148	143	131	106

¹ Performance shown above is based on gross of fees.

Franklin Global Advisers

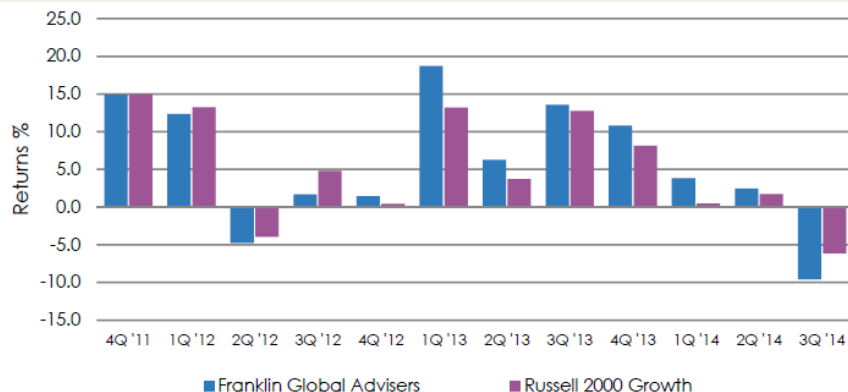
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Franklin invests in US stocks with small market caps, low P/E ratios and earnings per share that are expected to increase at rates much greater than the overall market.

Performance - Quarterly Rate of Return vs Benchmark

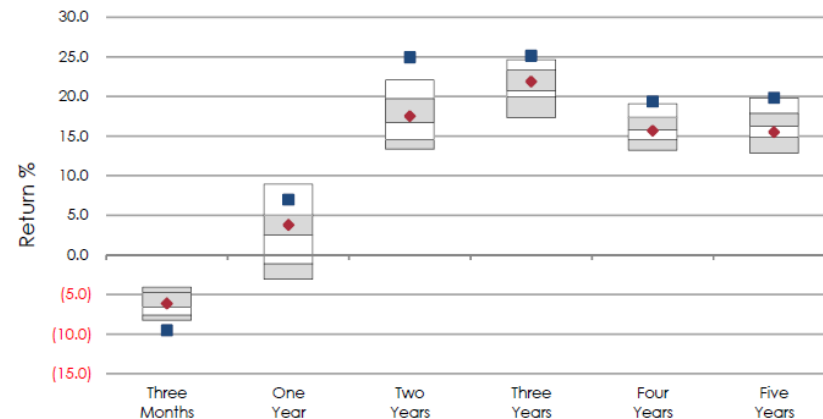


Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Franklin Global Advisers	-9.6	6.6	24.5	24.7	19.4	9.8	Sep-1994
Russell 2000 Growth	-6.1	3.8	17.5	21.9	15.5	7.3	
<i>Excess Returns</i>	-3.5	2.8	7.0	2.8	3.9	2.6	

Quartile Rankings

Mandate: Small Cap Growth
Benchmark: Russell 2000 Growth



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Franklin Global Advisers ¹	-9.5	7.0	25.0	25.1	19.4	19.8
Rank	97	29	1	8	9	11
◆ Russell 2000 Growth	-6.1	3.8	17.5	21.9	15.7	15.5
Rank	44	42	44	34	54	65
10 th Percentile	-4.1	11.1	22.1	24.6	19.1	19.8
25 th Percentile	-4.8	7.2	19.7	23.3	17.4	17.9
Median	-6.6	2.5	16.7	20.7	15.8	16.3
75 th Percentile	-7.6	-1.1	14.6	19.9	14.5	14.9
90 th Percentile	-8.2	-3.0	13.4	17.4	13.2	12.9
Observation	70	65	60	55	47	35

¹ Performance shown above is based on gross of fees.

Sit Investments

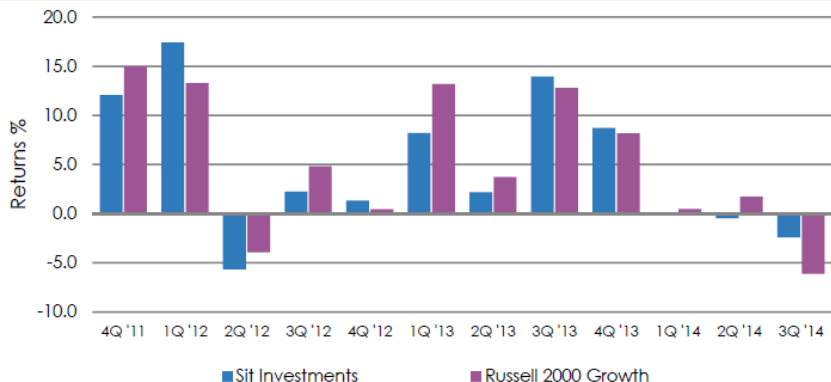
Objective

Outperform the benchmark by 300-450 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

SIT invests in US stocks with small market caps, low P/E ratios and earnings per share that are expected to increase at rates much greater than the overall market.

Performance - Quarterly Rate of Return vs Benchmark



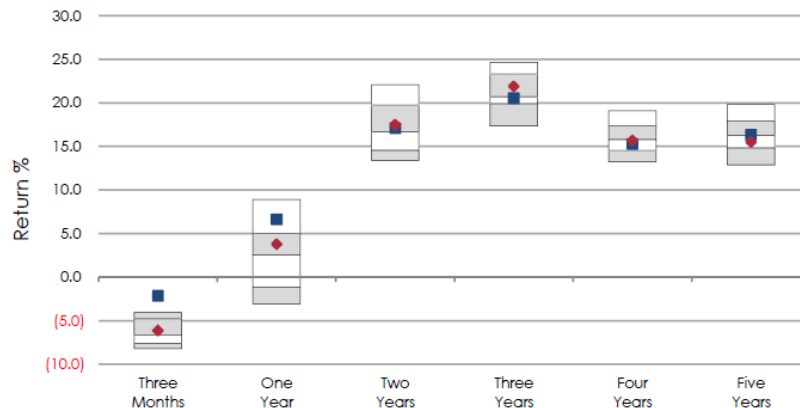
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Sit Investments	-2.4	5.8	16.2	19.7	15.5	5.3	Jan-2001
Russell 2000 Growth	-6.1	3.8	17.5	21.9	15.5	5.4	
<i>Excess Returns</i>	<i>3.7</i>	<i>2.0</i>	<i>-1.3</i>	<i>-2.2</i>	<i>0.0</i>	<i>-0.1</i>	

Quartile Rankings

Mandate: Small Cap Growth

Benchmark: Russell 2000 Growth



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Sit Investments ¹	-2.1	6.6	17.1	20.5	15.3	16.3
Rank	1	30	47	54	61	50
◆ Russell 2000 Growth	-6.1	3.8	17.5	21.9	15.7	15.5
Rank	44	42	44	34	54	65
10 th Percentile	-4.1	11.1	22.1	24.6	19.1	19.8
25 th Percentile	-4.8	7.2	19.7	23.3	17.4	17.9
Median	-6.6	2.5	16.7	20.7	15.8	16.3
75 th Percentile	-7.6	-1.1	14.6	19.9	14.5	14.9
90 th Percentile	-8.2	-3.0	13.4	17.4	13.2	12.9
Observation	70	65	60	55	47	35

¹ Performance shown above is based on gross of fees.

Donald Smith & Co.

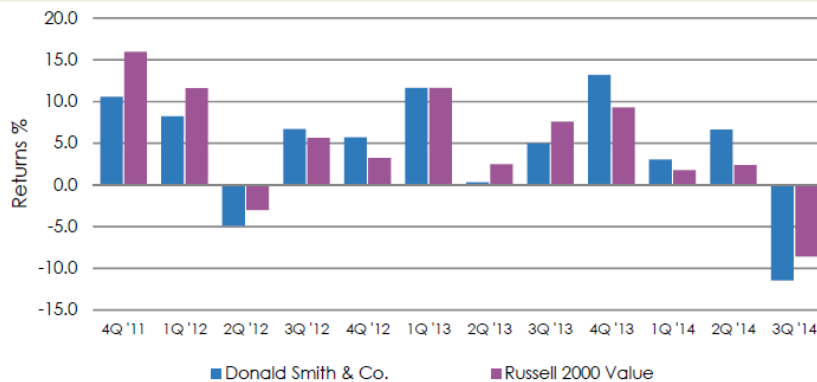
Objective

Outperform the benchmark by 300 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Donald Smith invests in US stocks with small market caps, low P/E ratios and lower historical earnings per share that are expected to increase.

Performance - Quarterly Rate of Return vs Benchmark

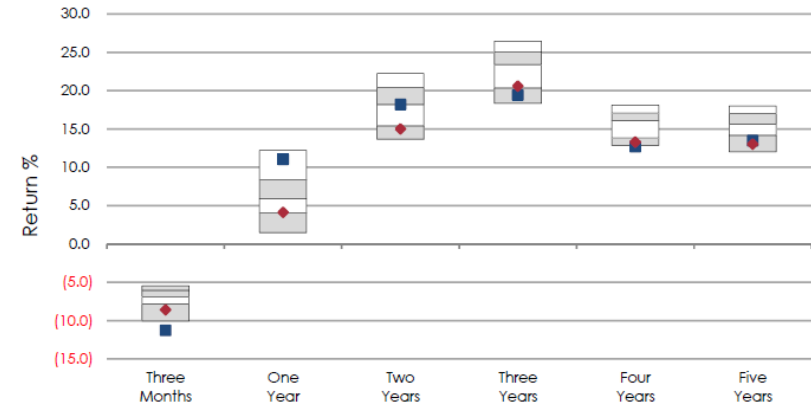


Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Donald Smith & Co.	-11.5	10.1	17.0	18.4	12.5	7.4	Feb-2006
Russell 2000 Value	-8.6	4.1	15.0	20.6	13.0	5.4	
<i>Excess Returns</i>	-2.9	6.0	2.0	-2.2	-0.5	2.0	

Quartile Rankings

Mandate: Small Cap Value
Benchmark: Russell 2000 Value



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Donald Smith & Co. ¹	-11.3	11.1	18.2	19.4	12.7	13.5
Rank	99	11	50	81	92	84
◆ Russell 2000 Value	-8.6	4.1	15.0	20.6	13.3	13.0
Rank	78	72	80	75	83	88
10 th Percentile	-5.4	12.2	22.2	26.5	18.1	18.0
25 th Percentile	-6.1	8.4	20.4	25.0	17.1	17.0
Median	-6.9	5.9	18.2	23.4	16.1	15.7
75 th Percentile	-7.8	4.1	15.4	20.4	13.8	14.2
90 th Percentile	-10.0	1.5	13.7	18.3	12.9	12.0
Observation	84	90	79	79	77	70

¹ Performance shown above is based on gross of fees.

PanAgora Asset Management

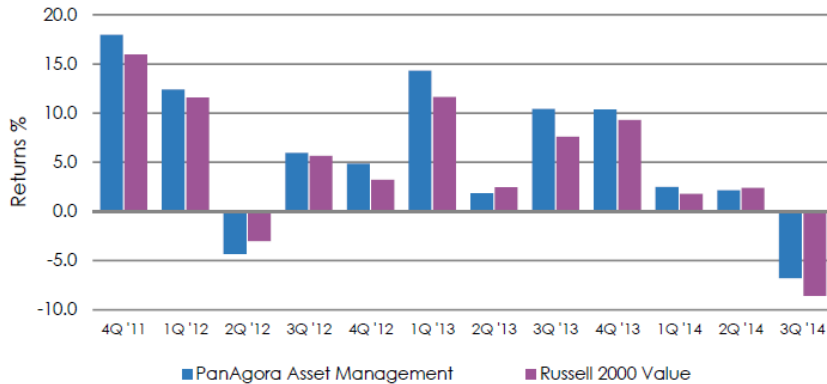
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

PanAgora invests in US stocks with small market caps, low P/E ratios and lower historical earnings per share that are expected to increase.

Performance - Quarterly Rate of Return vs Benchmark



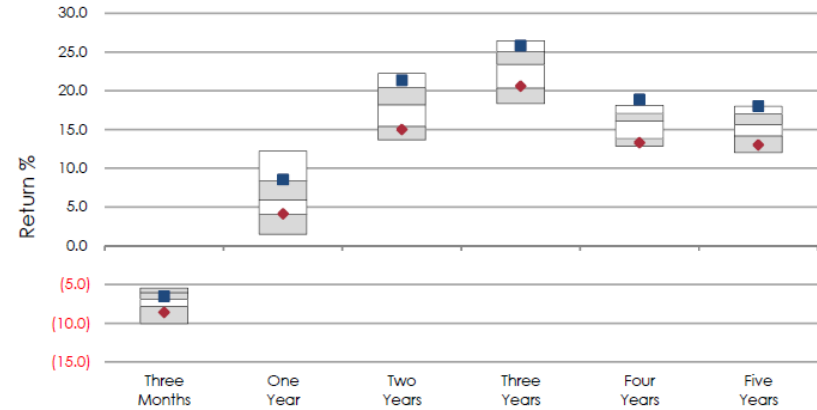
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
PanAgora Asset Management	-6.8	7.8	20.5	25.0	17.2	6.2	Feb-2006
Russell 2000 Value	-8.6	4.1	15.0	20.6	13.0	5.4	
<i>Excess Returns</i>	1.8	3.6	5.5	4.4	4.2	0.8	

Quartile Rankings

Mandate: Small Cap Value

Benchmark: Russell 2000 Value



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.	
■ PanAgora Asset Management	-6.5	8.6	21.4	25.8	18.9	18.0	
Rank	33	24	15	17	6	9	
◆ Russell 2000 Value	-8.6	4.1	15.0	20.6	13.3	13.0	
Rank	78	72	80	75	83	88	
10 th Percentile	-5.4	12.2	22.2	26.5	18.1	18.0	
25 th Percentile	-6.1	8.4	20.4	25.0	17.1	17.0	
Median	-6.9	5.9	18.2	23.4	16.1	15.7	
75 th Percentile	-7.8	4.1	15.4	20.4	13.8	14.2	
90 th Percentile	-10.0	1.5	13.7	18.3	12.9	12.0	
Observation		84	90	79	79	77	70

1 Performance shown above is based on gross of fees.

Principal Global Investors

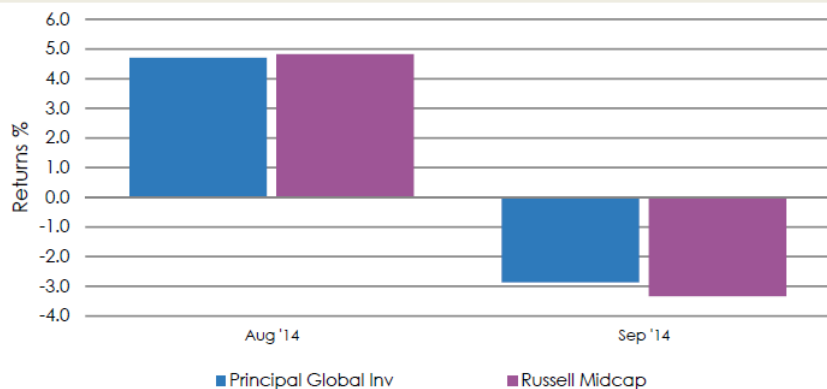
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Principal Global invests in US stocks with mid-market caps, low P/E ratios and lower historical earnings per share that are expected to increase.

Performance - Monthly Rate of Return vs Benchmark



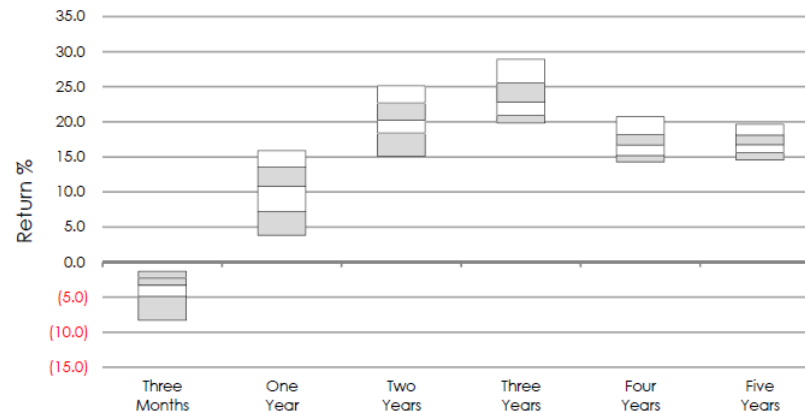
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Principal Global Inv	--	--	--	--	--	-0.2	Jul-2014
Russell Midcap	--	--	--	--	--	-1.5	
Excess Returns	--	--	--	--	--	1.3	

Quartile Rankings

Mandate: Mid Cap

Benchmark: Russell Midcap



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Principal Global Inv ¹	--	--	--	--	--	--
Rank	--	--	--	--	--	--
◆ Russell Midcap	--	--	--	--	--	--
Rank	--	--	--	--	--	--
10 th Percentile	-1.3	15.9	25.1	28.9	20.7	19.6
25 th Percentile	-2.3	13.5	22.7	25.6	18.2	18.1
Median	-3.3	10.8	20.2	22.8	16.7	16.7
75 th Percentile	-4.9	7.2	18.4	20.9	15.2	15.6
90 th Percentile	-8.3	3.8	15.1	19.8	14.3	14.6
Observation	156	148	149	112	91	31

¹ Performance shown above is based on gross of fees.

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LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

Non-U.S. Equity Managers

Non-U.S. Equity Managers

(Returns are Net of Fees)

	Inception Date	Market Value (\$million)	% to Total Non-U.S. Equity	Current Quarter	One Year	Three Years	Five Years	Ten Years	Since Inception ¹	5 Year Tracking Error
Non-U.S. Equity	Oct-94	\$ 3,866	100.0%	-6.29	4.52	13.10	6.80	7.37	5.31	1.3
<i>MSCI ACWI ex U.S.</i>				-5.27	4.77	11.79	6.03	7.06	5.68	
Excess Return				-1.02	-0.25	1.31	0.77	0.31	-0.37	
Developed ex-U.S.	Jun-12	\$ 3,414	88.3%	-6.20	4.82	--	--	--	15.95	--
<i>MSCI EAFE ND</i>				-5.88	4.25	--	--	--	15.38	
Excess Return				-0.32	0.57	--	--	--	0.57	
State Street Equity (Passive)	Aug-93	\$ 1,938	50.1%	-6.05	4.99	13.58	7.13	6.98	6.06	0.2
<i>MSCI World ex U.S.</i>				-6.07	4.67	13.17	6.78	6.64	5.40	
Excess Return				0.02	0.32	0.41	0.35	0.34	0.66	
Lazard Asset Management	Dec-13	\$ 445	11.5%	-5.13	--	--	--	--	5.17	--
<i>MSCI EAFE ND</i>				-5.88	--	--	--	--	1.81	
Excess Return				0.75	--	--	--	--	3.36	
MFS Institutional Advisors	Dec-13	\$ 432	11.2%	-5.93	--	--	--	--	-0.41	--
<i>MSCI World ex U.S. Growth</i>				-5.24	--	--	--	--	1.31	
Excess Return				-0.69	--	--	--	--	-1.72	
Barrow Hanley	Dec-13	\$ 454	11.7%	-4.92	--	--	--	--	7.22	--
<i>MSCI EAFE Value</i>				-6.14	--	--	--	--	2.10	
Excess Return				1.22	--	--	--	--	5.12	
Oberweis Asset Mgmt	Jan-14	\$ 31	0.8%	-6.88	--	--	--	--	-4.52	--
<i>MSCI EAFE Small Cap</i>				-7.77	--	--	--	--	-3.86	
Excess Return				0.89	--	--	--	--	-0.66	
AQR Capital	Feb-14	\$ 113	2.9%	-7.70	--	--	--	--	-6.11	--
<i>MSCI EAFE Small Cap</i>				-7.77	--	--	--	--	-5.20	
Excess Return				0.07	--	--	--	--	-0.91	

¹ Indicates gross returns

Non-U.S. Equity Managers

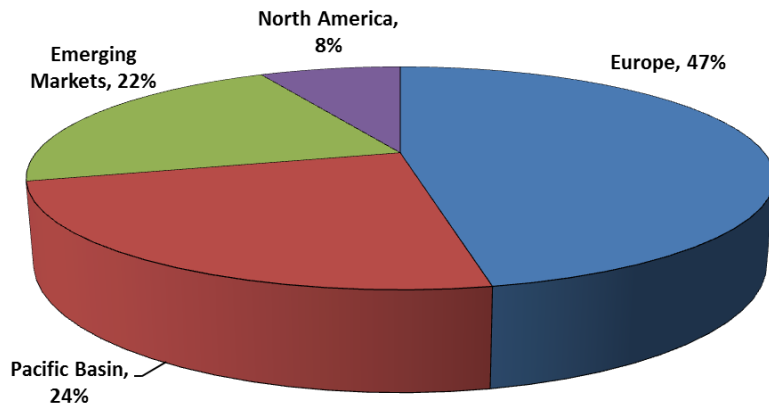
(Returns are Net of Fees)

	Inception Date	Market Value (\$million)	% to Total Non-U.S. Equity	Current Quarter	One Year	Three Years	Five Years	Ten Years	Since Inception ¹	5 Year Tracking Error
Emerging Markets	Jun-12	\$ 453	11.7%	-6.34	2.02	--	--	--	5.05	--
<i>MSCI Emerging Markets ND</i>				-3.50	4.30	--	--	--	5.78	
Excess Return				-2.84	-2.28	--	--	--	-0.73	
Boston Company	Jan-03	\$ 1	0.0%	--	--	--	--	--	--	--
<i>MSCI Emerging Markets ND</i>				--	--	--	--	--	--	
Excess Return				--	--	--	--	--	--	
Axiom International	Mar-14	\$ 98	2.5%	-5.46	--	--	--	--	-0.06	--
<i>MSCI Emerging Market Growth</i>				-3.48	--	--	--	--	2.53	
Excess Return				-1.98	--	--	--	--	-2.59	
Quantitative Management	Apr-14	\$ 157	4.1%	-1.79	--	--	--	--	3.99	--
<i>MSCI Emerging Markets ND</i>				-3.50	--	--	--	--	1.66	
Excess Return				1.71	--	--	--	--	2.33	
DFA Emerging Markets	Jul-14	\$ 196	5.1%	--	--	--	--	--	-8.39	--
<i>MSCI Emerging Markets Value ND</i>				--	--	--	--	--	-6.89	
Excess Return				--	--	--	--	--	-1.50	

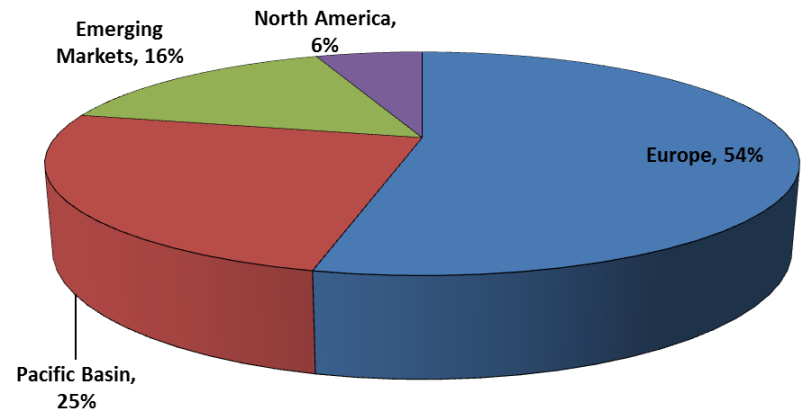
¹ Indicates gross returns

Country Allocation

Benchmark – MSCI ACWI x U.S. Index

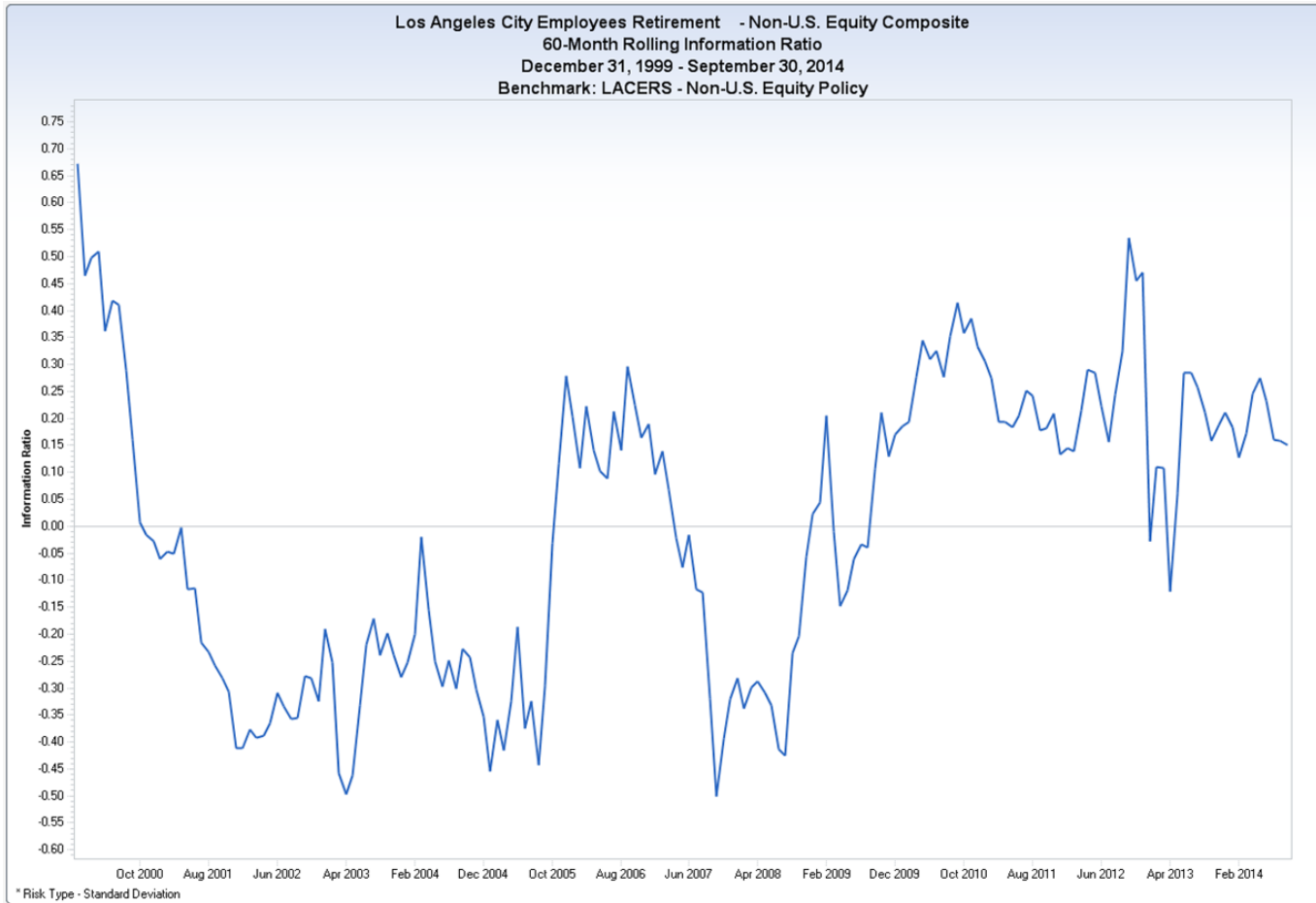


LACERS Non-U.S. Equity Composite



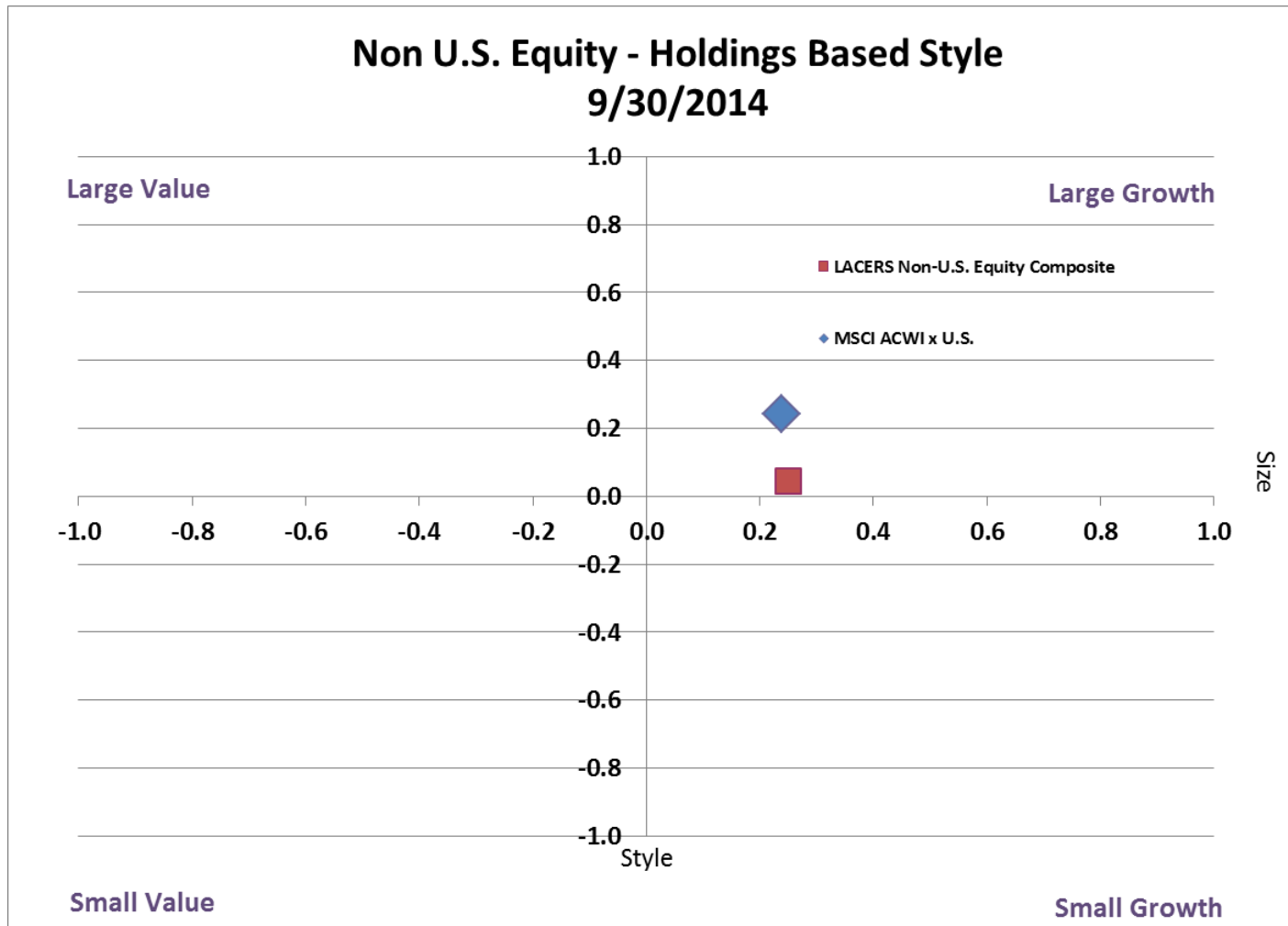
- As LACERS implements the new asset allocation, the geographic weightings of the Non-U.S. Equity Composite will become closer to the benchmark.
- Underweight to Emerging Markets Equity was a source of underperformance during the quarter as emerging markets outperformed developed markets.

5-Year Rolling Risk-Adjusted Active Returns



- Active returns are returns earned over/under benchmark return.
- Non-U.S. Equity's rolling information ratio has been mostly positive for past 3 years.

Risk-adjusted active returns are referred to as "Information Ratio". Information Ratio = Excess return (alpha) / Excess risk (tracking error).



- LACERS Non-U.S. Equity Portfolio has exhibited modest small cap bias compared to MSCI ACWI x U.S. index, which was a source of underperformance over the quarter.

MANAGER REPORT CARD¹

Non-U.S. Managers	Inception Date	Mandate	Current Quarter		One Year		Three Years		Five Years		Since Inception	Annual Management Fee paid* (\$ in millions)	Comments ²
			I	U	I	U	I	U	I	U	I		
➤ Axiom International	Mar-14	Emerging Markets	✘	✘	n/a	n/a	n/a	n/a	n/a	n/a	✘	\$0.12	Limited track record.
➤ Quantitative Management	Apr-14	Emerging Markets	✔	✘	n/a	n/a	n/a	n/a	n/a	n/a	✔	\$0.12	Limited track record.
➤ DFA Emerging Markets	Jul-14	Emerging Markets	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✘	n/a	Limited track record.
➤ AQR Capital	Feb-14	Non US Developed	✔	✘	n/a	n/a	n/a	n/a	n/a	n/a	✘	\$0.18	Limited track record.
➤ Oberweis Asset	Jan-14	Non US Developed	✔	✘	n/a	n/a	n/a	n/a	n/a	n/a	✘	\$0.15	Limited track record.
➤ Barrow Hanley	Dec-13	Non US Developed	✔	✔	n/a	n/a	n/a	n/a	n/a	n/a	✔	\$1.41	Limited track record.
➤ Lazard Asset	Dec-13	Non US Developed	✔	✘	n/a	n/a	n/a	n/a	n/a	n/a	✔	\$1.51	Limited track record.
➤ MFS Institutional Advisors	Dec-13	Non US Developed	✘	✘	n/a	n/a	n/a	n/a	n/a	n/a	✘	\$1.44	Limited track record.
➤ State Street	Aug-93	Non US Developed	✔	✘	✔	✘	✔	✘	✔	✘	✔	\$0.33	Performance satisfactory.
➤ Knight Vinke	Apr-06	Corp Gov - Europe	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	In redemption process.

¹ Current Quarter, 1-Yr, 3-Yrs, and 5-Yrs returns are net of fees. Since Inception returns are gross of fee.

² Managers are placed on the Watch List for concerns with organization, process, and performance. Managers are normally on the Watch List for 6 months though can be longer if manager issues still remain but not severe enough to warrant contract termination recommendation.

^{*} As of Fiscal Year Ending 06/30/2014

LEGEND			
✔	outperformed index	I	index
✘	underperformed index	U	universe median
=	equal to index		

Barrow Hanley

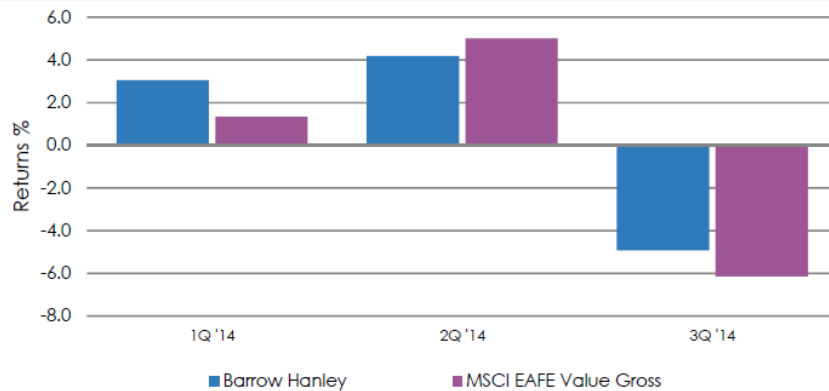
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Barrow Hanley invests in Non-US stocks across all developed countries.

Performance - Quarterly Rate of Return vs Benchmark



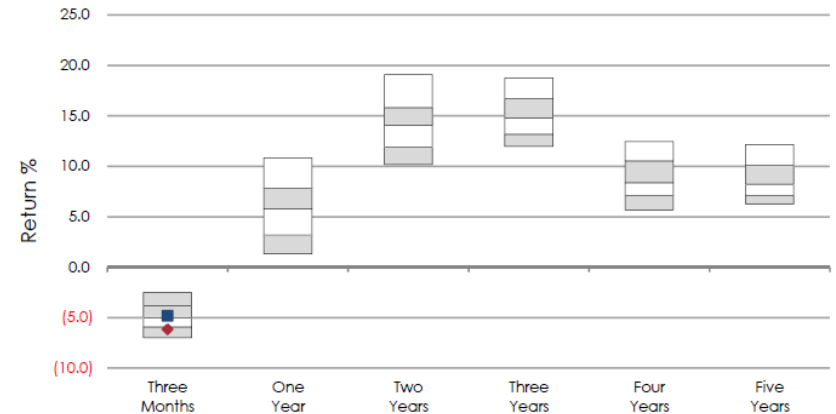
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Barrow Hanley	-4.9	--	--	--	--	7.2	Nov-2013
MSCI EAFE Value Gross	-6.1	--	--	--	--	2.1	
Excess Returns	1.2	--	--	--	--	5.1	

Quartile Rankings

Mandate: Non-US Developed Equity Mgrs.

Benchmark: MSCI EAFE Value Gross



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Barrow Hanley ¹	-4.8	--	--	--	--	--
Rank	46	--	--	--	--	--
◆ MSCI EAFE Value Gross	-6.1	--	--	--	--	--
Rank	81	--	--	--	--	--
10 th Percentile	-2.5	10.8	19.1	18.8	12.5	12.2
25 th Percentile	-3.8	7.8	15.8	16.7	10.5	10.1
Median	-5.0	5.8	14.0	14.8	8.4	8.2
75 th Percentile	-5.9	3.2	11.9	13.2	7.1	7.1
90 th Percentile	-7.0	1.3	10.2	12.0	5.7	6.3
Observation	206	197	183	169	157	136

¹ Performance shown above is based on gross of fees.

Lazard Asset Management

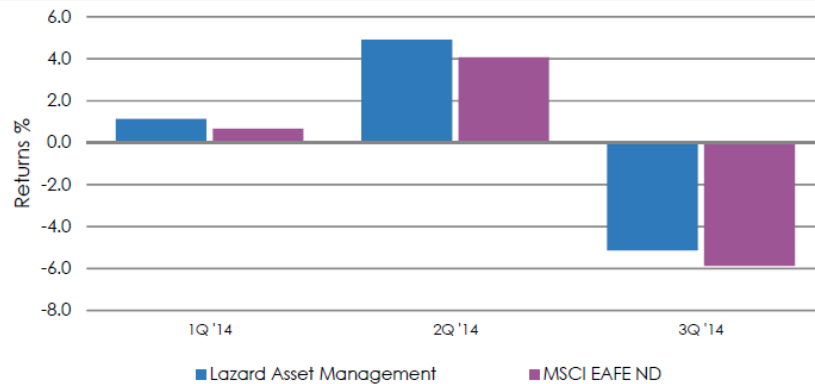
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Lazard invests in Non-US stocks across all developed countries.

Performance - Quarterly Rate of Return vs Benchmark



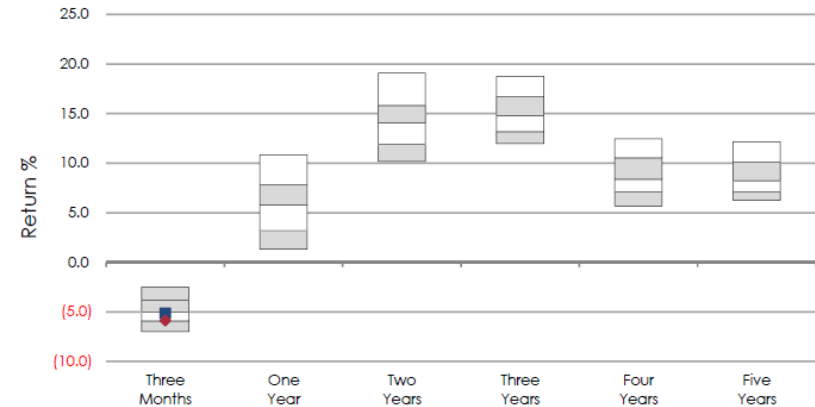
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Lazard Asset Management	-5.1	--	--	--	--	5.2	Nov-2013
MSCI EAFE ND	-5.9	--	--	--	--	1.8	
<i>Excess Returns</i>	0.7	--	--	--	--	3.4	

Quartile Rankings

Mandate: Non-US Developed Equity Mgrs.

Benchmark: MSCI EAFE ND



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Lazard Asset Management ¹	-5.1	--	--	--	--	--
Rank	55	--	--	--	--	--
◆ MSCI EAFE ND	-5.9	--	--	--	--	--
Rank	74	--	--	--	--	--
10 th Percentile	-2.5	10.8	19.1	18.8	12.5	12.2
25 th Percentile	-3.8	7.8	15.8	16.7	10.5	10.1
Median	-5.0	5.8	14.0	14.8	8.4	8.2
75 th Percentile	-5.9	3.2	11.9	13.2	7.1	7.1
90 th Percentile	-7.0	1.3	10.2	12.0	5.7	6.3
Observation	206	197	183	169	157	136

¹ Performance shown above is based on gross of fees.

MFS Institutional Advisors

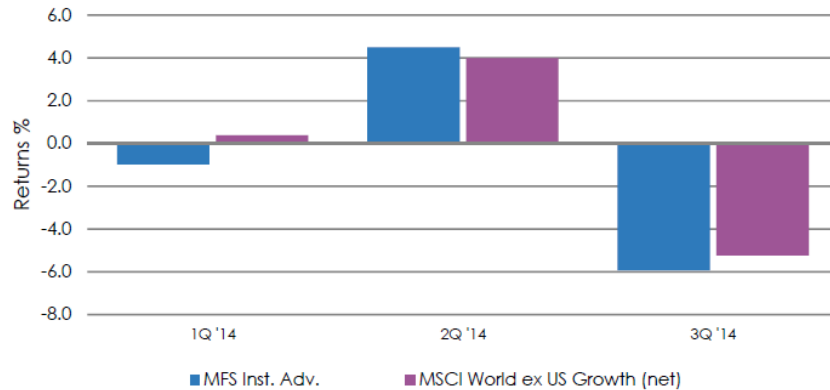
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

MFS Inst. Adv. Invests in Non-US stocks across all developed countries.

Performance - Quarterly Rate of Return vs Benchmark



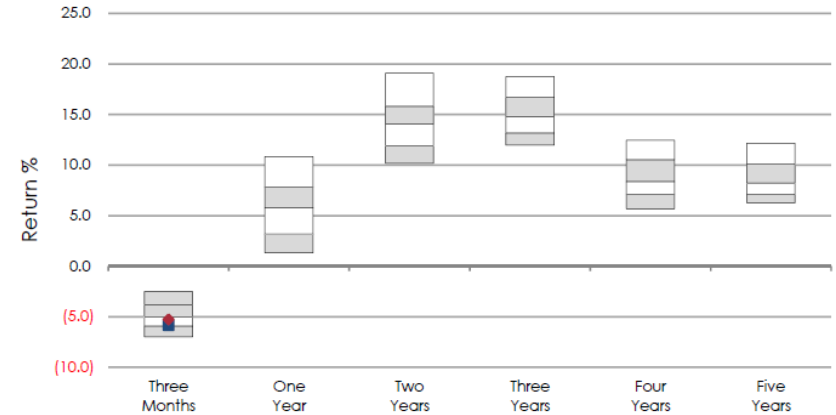
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
MFS Inst. Adv.	-5.9	--	--	--	--	-0.4	Oct-2013
MSCI World ex US Growth (ne	-5.2	--	--	--	--	1.3	
<i>Excess Returns</i>	<i>-0.7</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>-1.7</i>	

Quartile Rankings

Mandate: Non-US Developed Equity Mgrs.

Benchmark: MSCI World ex US Growth (net)



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ MFS Inst. Adv. ¹	-5.8	--	--	--	--	--
Rank	73	--	--	--	--	--
◆ MSCI World ex US Growth (ne	-5.2	--	--	--	--	--
Rank	58	--	--	--	--	--
10 th Percentile	-2.5	10.8	19.1	18.8	12.5	12.2
25 th Percentile	-3.8	7.8	15.8	16.7	10.5	10.1
Median	-5.0	5.8	14.0	14.8	8.4	8.2
75 th Percentile	-5.9	3.2	11.9	13.2	7.1	7.1
90 th Percentile	-7.0	1.3	10.2	12.0	5.7	6.3
Observation	206	197	183	169	157	136

¹ Performance shown above is based on gross of fees.

AQR Capital

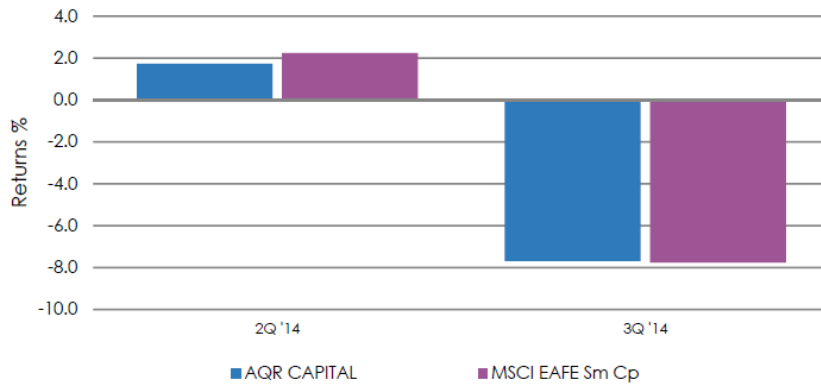
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

AQR Capital invests in Non-US stocks across all developed countries.

Performance - Quarterly Rate of Return vs Benchmark



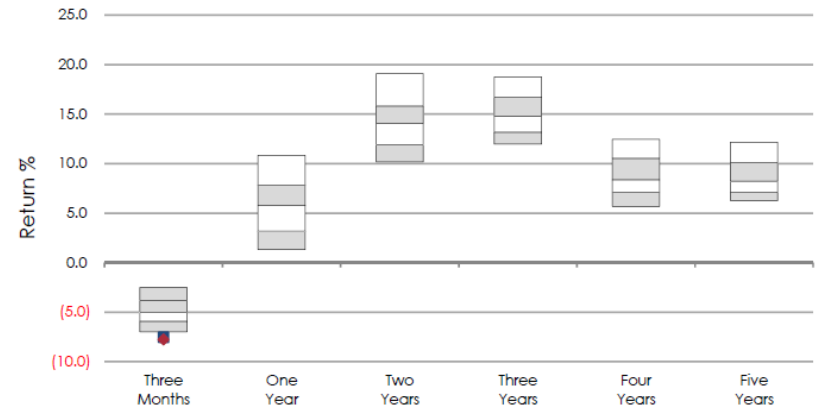
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
AQR CAPITAL	-7.7	--	--	--	--	-6.1	Feb-2014
MSCI EAFE Sm Cp	-7.8	--	--	--	--	-5.2	
<i>Excess Returns</i>	0.1	--	--	--	--	-0.9	

Quartile Rankings

Mandate: Non-US Developed Equity Mgrs.

Benchmark: MSCI EAFE Sm Cp



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ AQR CAPITAL ¹	-7.5	--	--	--	--	--
Rank	93	--	--	--	--	--
◆ MSCI EAFE Sm Cp	-7.8	--	--	--	--	--
Rank	94	--	--	--	--	--
10 th Percentile	-2.5	10.8	19.1	18.8	12.5	12.2
25 th Percentile	-3.8	7.8	15.8	16.7	10.5	10.1
Median	-5.0	5.8	14.0	14.8	8.4	8.2
75 th Percentile	-5.9	3.2	11.9	13.2	7.1	7.1
90 th Percentile	-7.0	1.3	10.2	12.0	5.7	6.3
Observation	206	197	183	169	157	136

¹ Performance shown above is based on gross of fees.

Oberweis Asset Mgmt

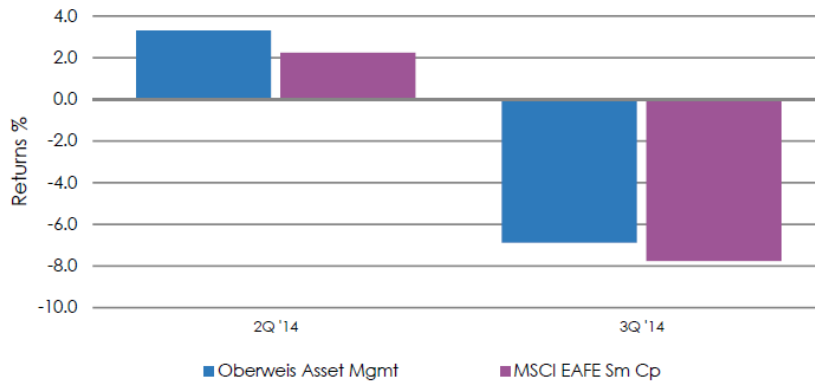
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Oberweis Asset Mgmt. invests in Non-US stocks across all developed countries.

Performance - Quarterly Rate of Return vs Benchmark



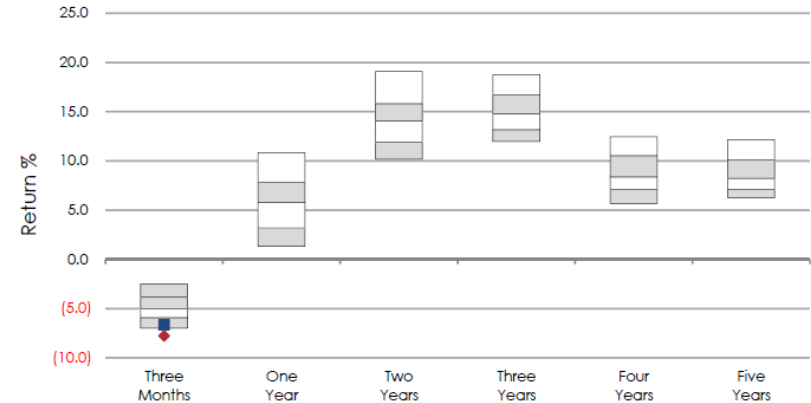
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Oberweis Asset Mgmt	-6.9	--	--	--	--	-4.5	Jan-2014
MSCI EAFE Sm Cp	-7.8	--	--	--	--	-3.9	
<i>Excess Returns</i>	0.9	--	--	--	--	-0.7	

Quartile Rankings

Mandate: Non-US Developed Equity Mgrs.

Benchmark: MSCI EAFE Sm Cp



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Oberweis Asset Mgmt ¹	-6.6	--	--	--	--	--
Rank	87	--	--	--	--	--
◆ MSCI EAFE Sm Cp	-7.8	--	--	--	--	--
Rank	94	--	--	--	--	--
10 th Percentile	-2.5	10.8	19.1	18.8	12.5	12.2
25 th Percentile	-3.8	7.8	15.8	16.7	10.5	10.1
Median	-5.0	5.8	14.0	14.8	8.4	8.2
75 th Percentile	-5.9	3.2	11.9	13.2	7.1	7.1
90 th Percentile	-7.0	1.3	10.2	12.0	5.7	6.3
Observation	206	197	183	169	157	136

¹ Performance shown above is based on gross of fees.

Axiom International

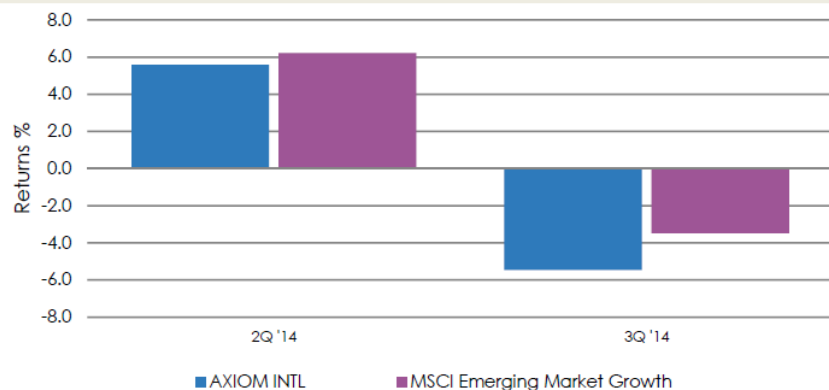
Objective

Outperform the benchmark by 300 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Axiom International invests in Non-US stocks in emerging countries that are part of the MSCI Emerging Markets growth index.

Performance - Quarterly Rate of Return vs Benchmark



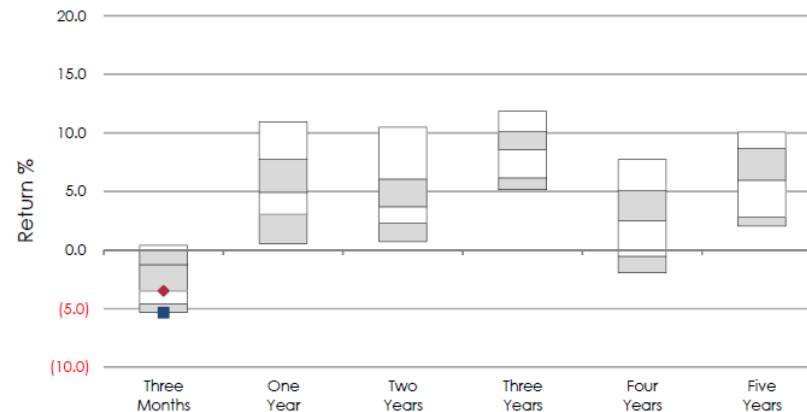
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
AXIOM INTL	-5.5	--	--	--	--	-0.1	Mar-2014
MSCI Emerging Market Grow	-3.5	--	--	--	--	2.5	
<i>Excess Returns</i>	-2.0	--	--	--	--	-2.6	

Quartile Rankings

Mandate: Emerging Markets Equity

Benchmark: MSCI Emerging Market Growth



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ AXIOM INTL ¹	-5.4	--	--	--	--	--
Rank	92	--	--	--	--	--
◆ MSCI Emerging Market Grow	-3.5	--	--	--	--	--
Rank	48	--	--	--	--	--
10 th Percentile	0.4	10.9	10.5	11.8	6.8	10.1
25 th Percentile	-1.3	7.7	6.1	10.1	4.1	8.7
Median	-3.5	4.9	3.7	8.6	2.5	6.0
75 th Percentile	-4.6	3.1	2.3	6.2	-0.5	2.8
90 th Percentile	-5.3	0.6	0.7	5.2	-1.9	2.0
Observation	95	88	80	70	62	52

¹ Performance shown above is based on gross of fees.

Quantitative Management

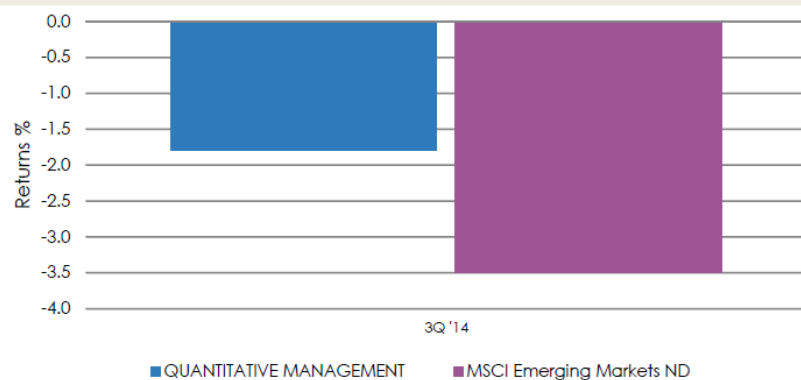
Objective

Outperform the benchmark by 300 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Quantitative invests in Non-US stocks in emerging countries that are part of the MSCI Emerging Markets index.

Performance - Quarterly Rate of Return vs Benchmark



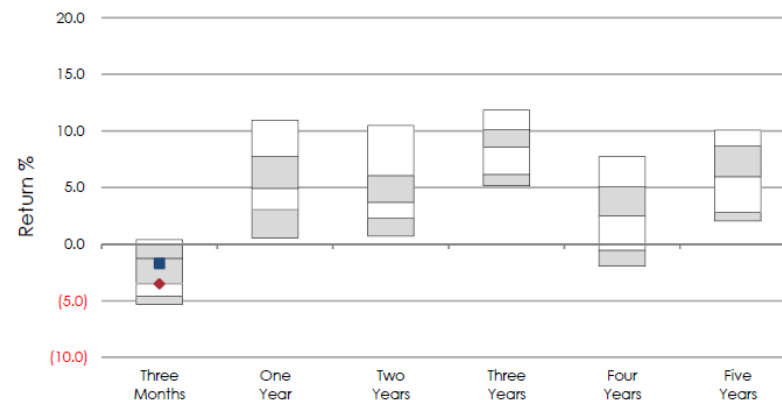
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
QUANTITATIVE MANAGEMENT	-1.8	--	--	--	--	4.0	Apr-2014
MSCI Emerging Markets ND	-3.5	--	--	--	--	1.7	
<i>Excess Returns</i>	1.7	--	--	--	--	2.3	

Quartile Rankings

Mandate: Emerging Markets Equity

Benchmark: MSCI Emerging Markets ND



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ QUANTITATIVE MANAGEMENT	-1.7	--	--	--	--	--
◆ MSCI Emerging Markets ND	-3.5	--	--	--	--	--
Rank	31	--	--	--	--	--
Rank	50	--	--	--	--	--
10 th Percentile	0.4	10.9	10.5	11.8	6.8	10.1
25 th Percentile	-1.3	7.7	6.1	10.1	4.1	8.7
Median	-3.5	4.9	3.7	8.6	2.5	6.0
75 th Percentile	-4.6	3.1	2.3	6.2	-0.5	2.8
90 th Percentile	-5.3	0.6	0.7	5.2	-1.9	2.0
Observation	95	88	80	70	62	52

1 Performance shown above is based on gross of fees.

DFA Emerging Markets

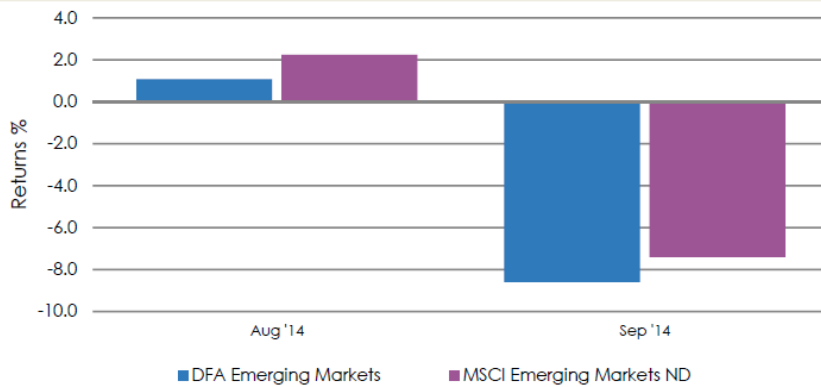
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

DFA Emerging invests in Non-US stocks in emerging countries that are part of the MSCI Emerging Markets index.

Performance - Monthly Rate of Return vs Benchmark



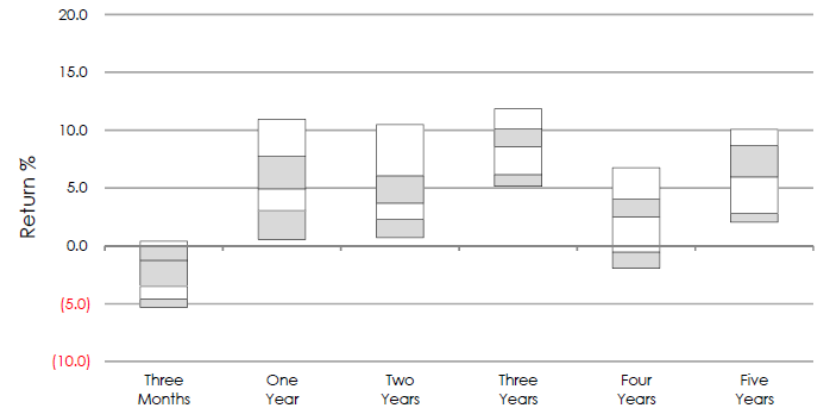
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
DFA Emerging Markets	--	--	--	--	--	-8.4	Jul-2014
MSCI Emerging Markets ND	--	--	--	--	--	-6.5	
<i>Excess Returns</i>	--	--	--	--	--	-1.9	

Quartile Rankings

Mandate: Emerging Markets Equity

Benchmark: MSCI Emerging Markets ND



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ DFA Emerging Markets ¹	--	--	--	--	--	--
Rank	--	--	--	--	--	--
◆ MSCI Emerging Markets ND	--	--	--	--	--	--
Rank	--	--	--	--	--	--
10 th Percentile	0.4	10.9	10.5	11.8	6.8	10.1
25 th Percentile	-1.3	7.7	6.1	10.1	4.1	8.7
Median	-3.5	4.9	3.7	8.6	2.5	6.0
75 th Percentile	-4.6	3.1	2.3	6.2	-0.5	2.8
90 th Percentile	-5.3	0.6	0.7	5.2	-1.9	2.0
Observation	95	91	88	70	52	26

¹ Performance shown above is based on gross of fees.



LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

Fixed Income Managers

Fixed Income Managers

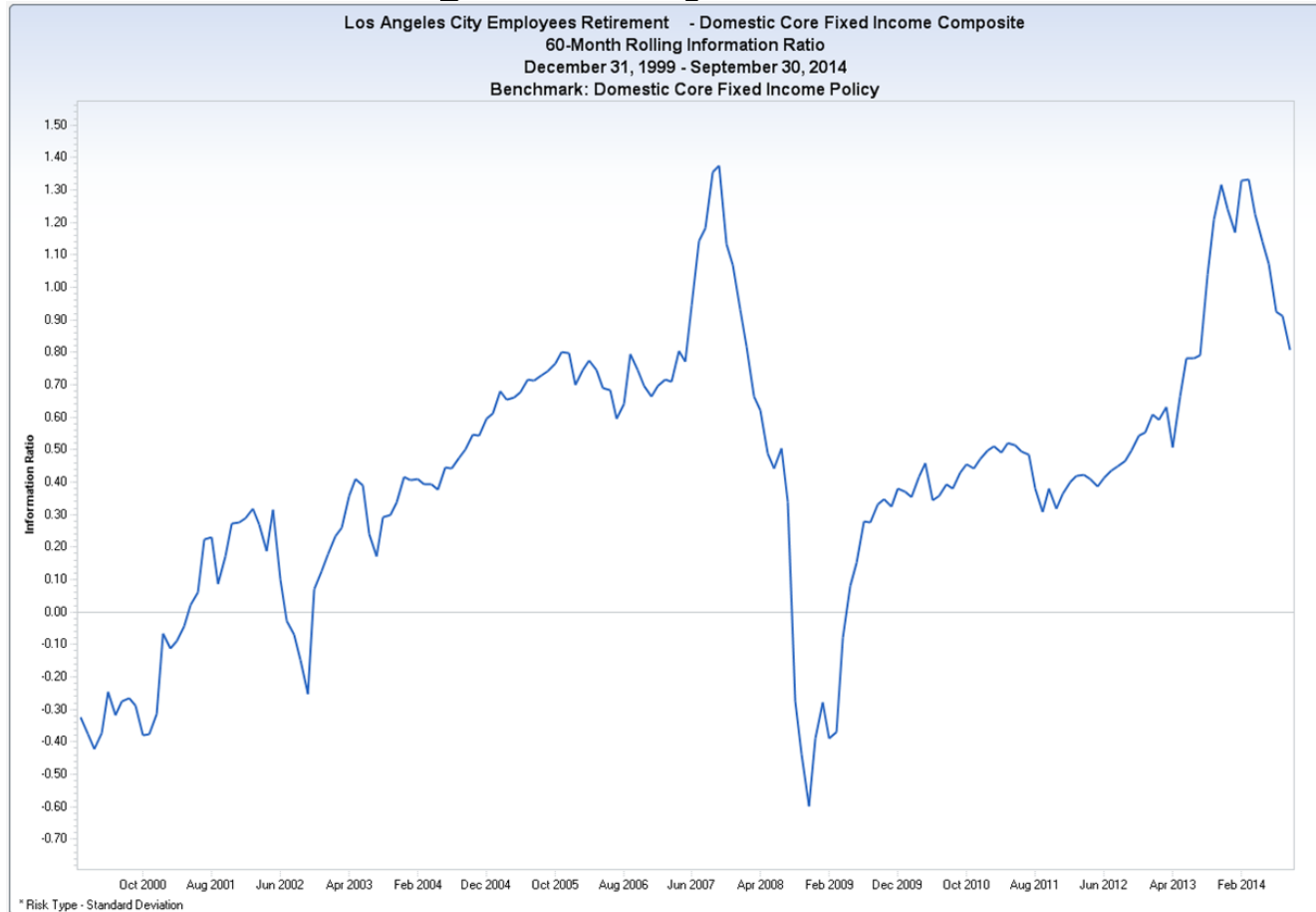
(Returns are Net of Fees)

	Inception Date	Market Value (\$million)	% to Total Fixed Income	Current Quarter	One Year	Three Years	Five Years	Ten Years	Since Inception ¹	5 Year Tracking Error
Core Fixed Income	Jun-12	\$ 2,762	100.0%	-0.16	5.05	--	--	--	3.45	--
<i>BC U.S. Aggregate*</i>				<i>0.17</i>	<i>3.96</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>2.10</i>	
Excess Return				-0.33	1.09	--	--	--	1.35	
Loomis Sayles	Jun-80	\$ 674	24.4%	0.06	6.64	4.91	5.74	5.83	9.74	1.5
<i>BC U.S. Aggregate*</i>				<i>0.17</i>	<i>3.96</i>	<i>3.03</i>	<i>4.53</i>	<i>4.84</i>	<i>8.18</i>	
Excess Return				-0.11	2.68	1.88	1.21	0.99	1.56	
Neuberger Berman	Nov-90	\$ 671	24.3%	-0.10	4.36	4.71	6.17	6.17	7.40	2.2
<i>BC U.S. Aggregate*</i>				<i>0.17</i>	<i>3.96</i>	<i>3.03</i>	<i>4.53</i>	<i>4.84</i>	<i>6.55</i>	
Excess Return				-0.27	0.40	1.68	1.64	1.33	0.85	
Baird Advisors	Mar-05	\$ 237	8.6%	-0.05	2.85	3.30	4.88	--	5.02	0.8
<i>BC U.S. Govt/Credit Intermed</i>				<i>-0.03</i>	<i>2.20</i>	<i>2.01</i>	<i>3.42</i>	<i>--</i>	<i>4.32</i>	
Excess Return				-0.02	0.65	1.29	1.46	--	0.70	
LM Capital Group	Mar-05	\$ 280	10.1%	-0.17	4.61	3.75	4.72	--	5.31	1.3
<i>BC U.S. Aggregate*</i>				<i>0.17</i>	<i>3.96</i>	<i>3.03</i>	<i>4.03</i>	<i>--</i>	<i>4.64</i>	
Excess Return				-0.34	0.65	0.72	0.69	--	0.67	
SSGA U.S. (Passive)	Jul-14	\$ 900	32.6%	--	--	--	--	--	0.00	--
<i>BC U.S. Aggregate</i>				<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>0.00</i>	
Excess Return				--	--	--	--	--	0.00	
Credit Opportunities	Jun-13	\$ 503	100.1%	-1.98	7.40	--	--	--	8.09	--
<i>65% BC U.S. Corp High Yield 2% Cap / 35% JPM EMBI - Global Diversified</i>				<i>-1.42</i>	<i>7.50</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>7.89</i>	
Excess Return				-0.56	-0.10	--	--	--	0.20	
Aegon USA	Jun-13	\$ 174	34.7%	-1.76	7.00	--	--	--	7.48	--
<i>BC U.S. Corp High Yield 2% Cap</i>				<i>-1.86</i>	<i>7.19</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>7.64</i>	
Excess Return				0.10	-0.19	--	--	--	-0.16	
Franklin Advisors	Jun-13	\$ 180	35.8%	-2.70	7.42	--	--	--	8.41	--
<i>BC U.S. Corp High Yield 2% Cap</i>				<i>-1.86</i>	<i>7.19</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>7.64</i>	
Excess Return				-0.84	0.23	--	--	--	0.77	
Prudential Emerging	May-14	\$ 149	29.6%	-0.77	--	--	--	--	-0.07	--
<i>JPM EMBI Global Diversified</i>				<i>-0.59</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>0.70</i>	
Excess Return				-0.18	--	--	--	--	-0.77	

¹ Indicates gross returns

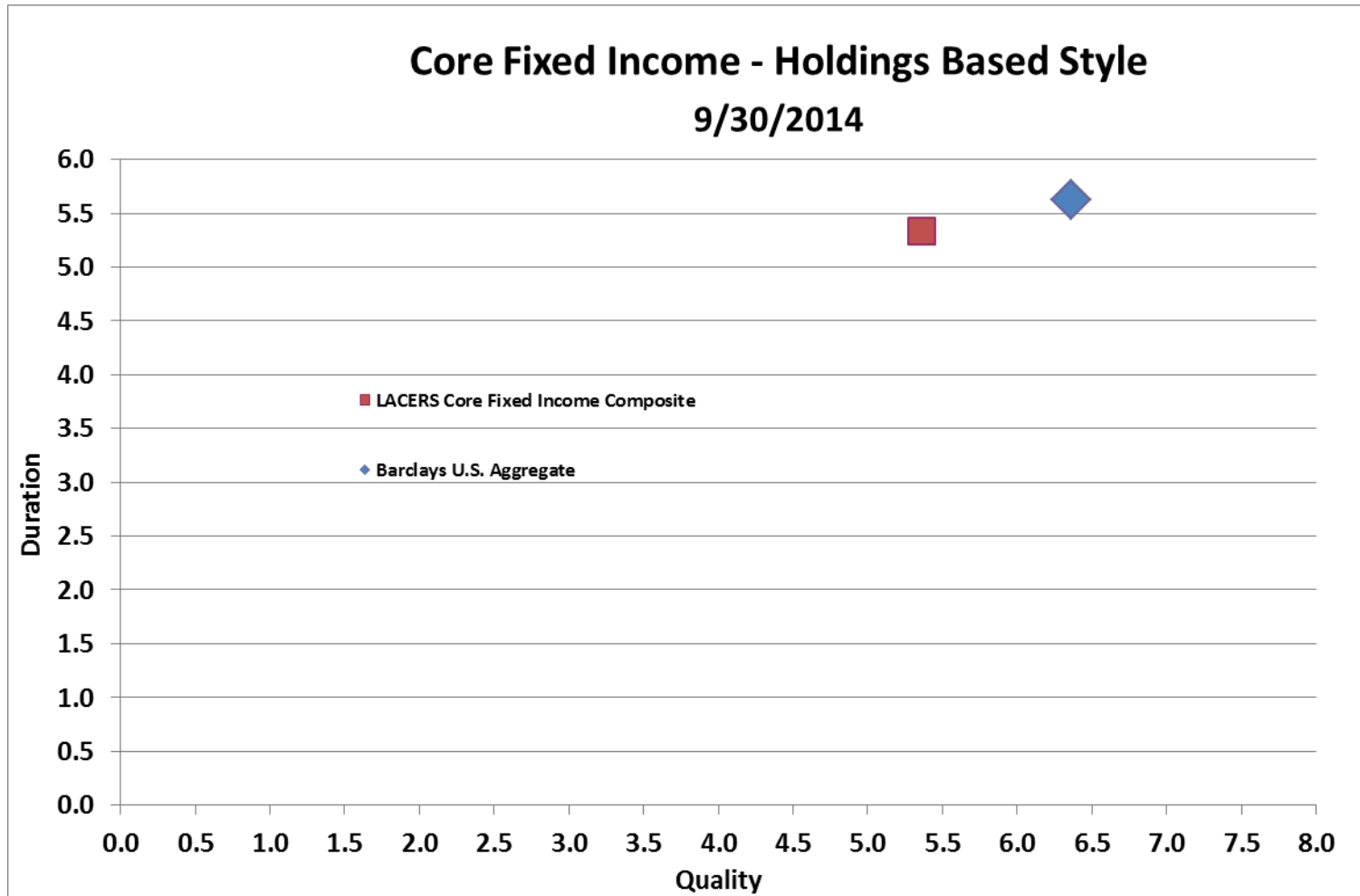
* Changed from the BC Universal Index on July 1, 2013.

5-Year Rolling Risk-Adjusted Active Returns



- Active returns are returns earned over/under benchmark return.
- Despite dip in 2008, fixed income composite has provided mostly positive risk-adjusted active returns since inception.

Risk-adjusted active returns are referred to as "Information Ratio". $\text{Information Ratio} = \text{Excess return (alpha)} / \text{Excess risk (tracking error)}$.



- LACERS Core Fixed Income portfolio has slightly lower duration than benchmark.
- Portfolio is modestly lower quality versus benchmark.

MANAGER REPORT CARD¹

Fixed Income	Inception Date	Mandate	Current Quarter		One Year		Three Years		Five Years		Since Inception	Annual Management Fee paid* (\$ in millions)	Comments ²
			I	U	I	U	I	U	I	U	I		
➤ Neuberger Berman	Nov-90	Core	✗	✗	✓	✗	✓	✓	✓	✓	✓	\$1.51	Performance satisfactory.
➤ Loomis Sayles	Jun-80	Core	✗	✗	✓	✓	✓	✓	✓	✓	✓	\$1.31	Performance satisfactory.
➤ Baird Advisors	Mar-05	Intermediate	✗	✗	✓	✓	✓	✓	✓	✓	✓	\$0.30	Performance satisfactory.
➤ LM Capital Group	Feb-05	Core	✗	✗	✓	✓	✓	✓	✓	✓	✓	\$0.39	Performance satisfactory.
➤ SSGA U.S. Aggregate Index (Passive)	Jul-14	Core	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✗	n/a	Limited track record.
Credit Opportunities													
➤ Aegon USA	Jun-13	High Yield Bonds	✓	✗	✗	✓	n/a	n/a	n/a	n/a	✗	\$0.36	Limited track record.
➤ Franklin Advisers	Jun-13	High Yield Bonds	✗	✗	✓	✓	n/a	n/a	n/a	n/a	✓	\$0.37	Limited track record.
➤ Prudential Emerging	May-14	High Yield Bonds	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✗	\$0.05	Limited track record.

¹ Current Quarter, 1-Yr, 3-Yrs, and 5-Yrs returns are net of fees. Since Inception returns are gross of fee.

² Managers are placed on the Watch List for concerns with organization, process, and performance. Managers are normally on the Watch List for 6 months though can be longer if manager issues still remain but not severe enough to warrant contract termination recommendation.

*As of Fiscal Year Ending 06/30/2014

LEGEND			
✓	outperformed index	I	index
✗	underperformed index	U	universe median
=	equal to index		

Baird Advisors

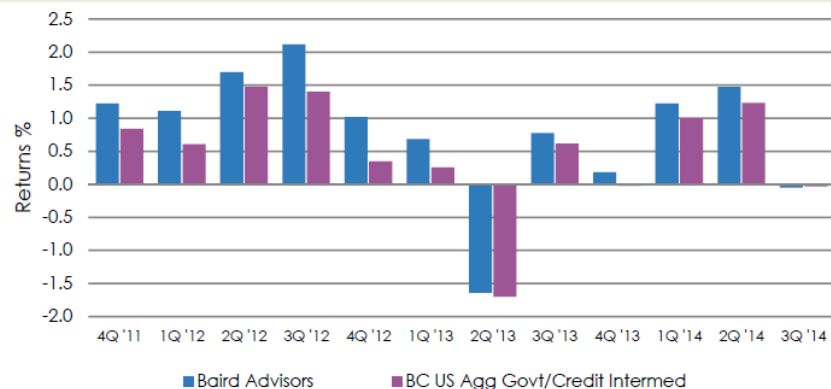
Objective

Outperform the benchmark by 15-40 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Baird invests primarily in US investment-grade bonds in the government and credit sectors with 3-5 year maturities.

Performance - Quarterly Rate of Return vs Benchmark



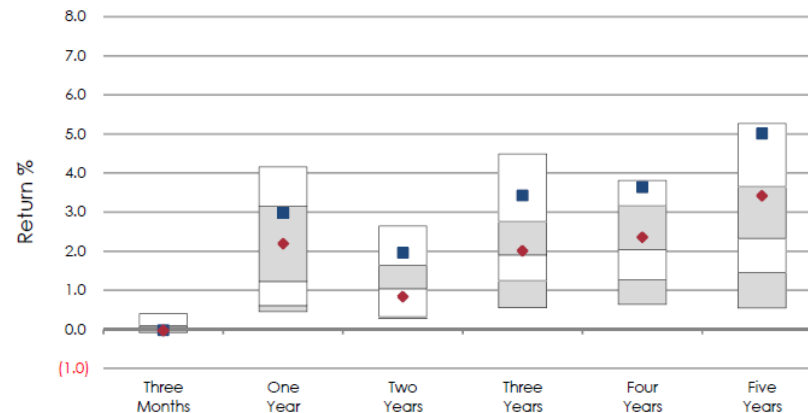
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Baird Advisors	-0.1	2.9	1.8	3.3	4.9	5.0	Mar-2005
BC US Agg Govt/Credit Interm	0.0	2.2	0.8	2.0	3.4	4.3	
<i>Excess Returns</i>	0.0	0.7	1.0	1.3	1.5	0.7	

Quartile Rankings

Mandate: Intermediate Fixed Income

Benchmark: BC US Agg Govt/Credit Interm



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Baird Advisors ¹	0.0	3.0	2.0	3.4	3.6	5.0
Rank	79	26	22	20	16	19
◆ BC US Agg Govt/Credit Interm	0.0	2.2	0.8	2.0	2.4	3.4
Rank	80	38	55	46	43	31
10 th Percentile	0.8	4.2	2.6	4.5	3.8	5.3
25 th Percentile	0.5	3.1	1.6	2.8	3.2	3.7
Median	0.1	1.2	1.0	1.9	2.0	2.3
75 th Percentile	0.0	0.6	0.3	1.2	1.3	1.5
90 th Percentile	-0.1	0.5	0.3	0.6	0.6	0.5
Observation	46	39	25	29	29	28

¹ Performance shown above is based on gross of fees.

LM Capital Group

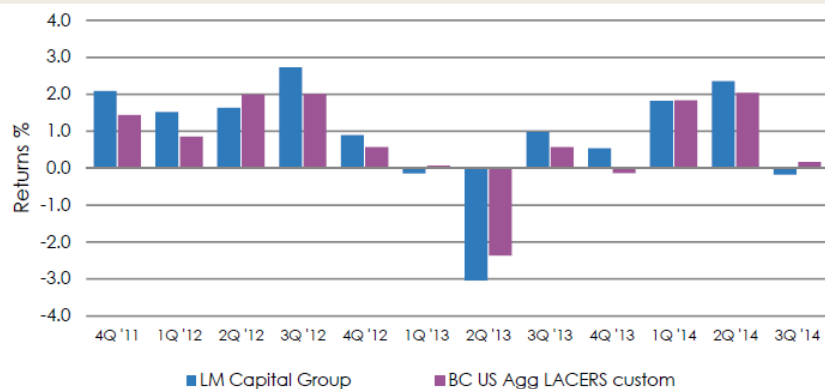
Objective

Outperform the benchmark by 30-80 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

LM Capital invests primarily in US investment-grade bonds in the government and credit sectors with 3-5 year maturities.

Performance - Quarterly Rate of Return vs Benchmark



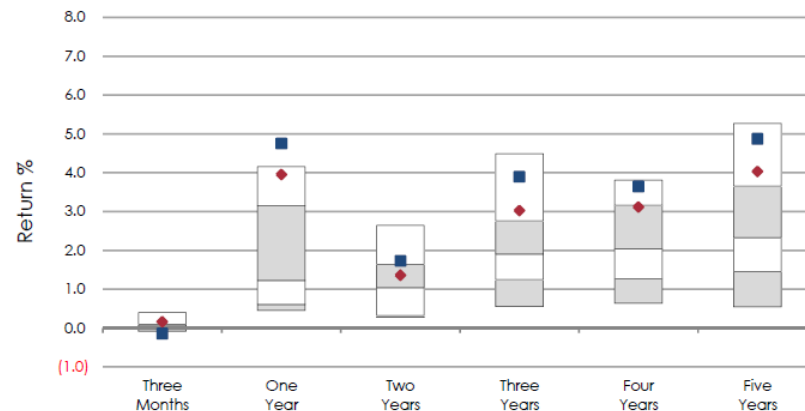
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
LM Capital Group	-0.2	4.6	1.6	3.7	4.7	5.3	Mar-2005
BC US Agg LACERS custom	0.2	4.0	1.4	3.0	4.0	4.6	
<i>Excess Returns</i>	-0.3	0.7	0.2	0.7	0.7	0.7	

Quartile Rankings

Mandate: Intermediate Fixed Income

Benchmark: BC US Agg LACERS custom



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ LM Capital Group ¹	-0.1	4.8	1.7	3.9	3.7	4.9
Rank	94	8	25	18	16	19
◆ BC US Agg LACERS custom	0.2	4.0	1.4	3.0	3.1	4.0
Rank	32	12	39	23	28	22
10 th Percentile	0.8	4.2	2.6	4.5	3.8	5.3
25 th Percentile	0.5	3.1	1.6	2.8	3.2	3.7
Median	0.1	1.2	1.0	1.9	2.0	2.3
75 th Percentile	0.0	0.6	0.3	1.2	1.3	1.5
90 th Percentile	-0.1	0.5	0.3	0.6	0.6	0.5
Observation	46	39	25	29	29	28

¹ Performance shown above is based on gross of fees.

Loomis Sayles

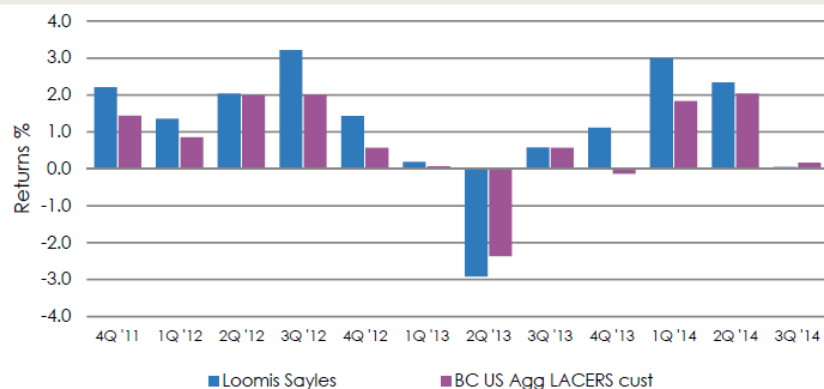
Objective

Outperform the benchmark by 50 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Loomis invests primarily in US investment-grade bonds rated BBB- or higher by Moodys.

Performance - Quarterly Rate of Return vs Benchmark



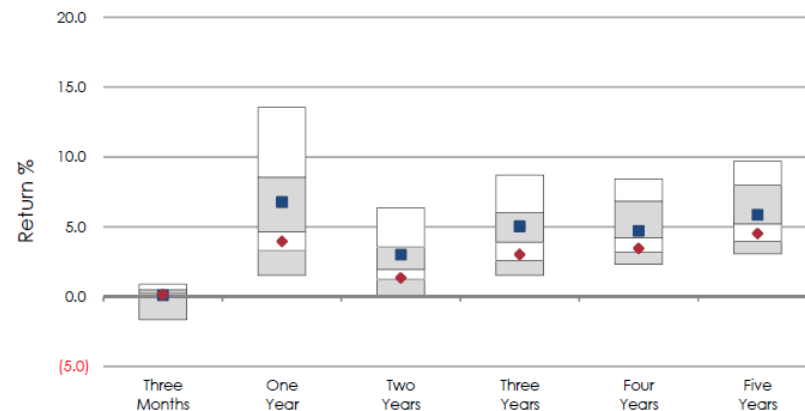
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Loomis Sayles	0.1	6.6	2.9	4.9	5.7	9.7	Jun-1980
BC US Agg LACERS cust	0.2	4.0	1.4	3.0	4.5	8.2	
<i>Excess Returns</i>	-0.1	2.7	1.5	1.9	1.2	1.6	

Quartile Rankings

Mandate: US Fixed Income Manager

Benchmark: BC US Agg LACERS cust



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Loomis Sayles ¹	0.1	6.8	3.0	5.0	4.7	5.9
Rank	61	34	32	38	44	40
◆ BC US Agg LACERS cust	0.2	4.0	1.4	3.0	3.5	4.5
Rank	57	65	68	66	68	66
10 th Percentile	1.2	13.5	6.4	8.7	8.4	9.7
25 th Percentile	0.8	8.6	3.6	6.0	6.9	8.0
Median	0.2	4.7	2.0	3.9	4.2	5.2
75 th Percentile	-0.1	3.3	1.3	2.6	3.2	4.0
90 th Percentile	-1.6	1.5	0.1	1.5	2.3	3.1
Observation	393	390	338	303	286	253

¹ Performance shown above is based on gross of fees.

Neuberger Berman

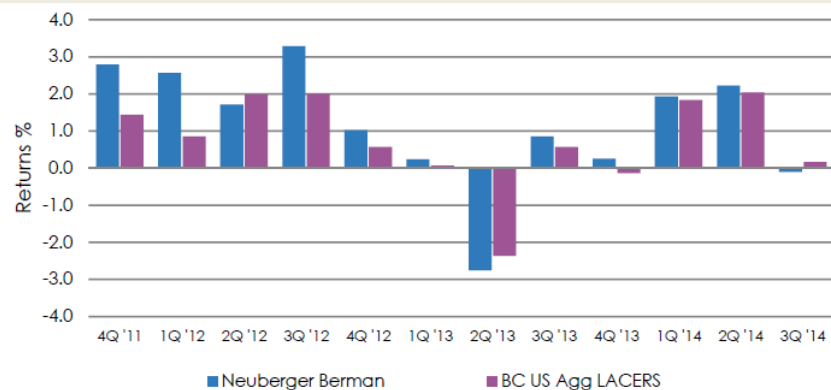
Objective

Outperform the benchmark by 100 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Neuberger invests in investment-grade bonds rated BBB- or higher by S&P or Baa3 or higher by Moodys.

Performance - Quarterly Rate of Return vs Benchmark



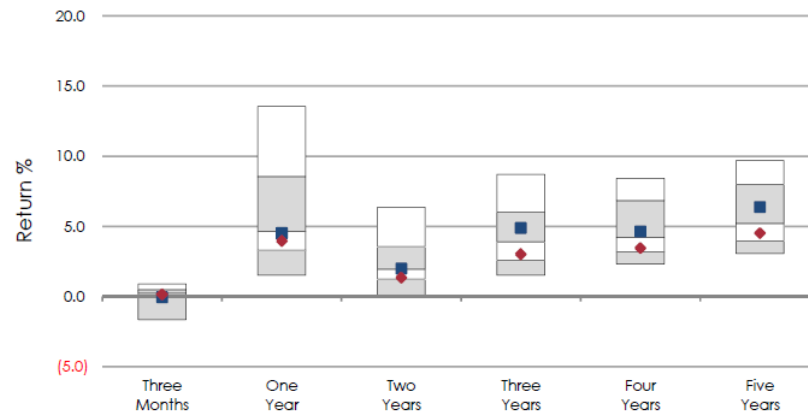
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Neuberger Berman	-0.1	4.4	1.8	4.7	6.2	7.4	Nov-1990
BC US Agg LACERS	0.2	4.0	1.4	3.0	4.5	6.6	
<i>Excess Returns</i>	-0.3	0.4	0.4	1.7	1.6	0.9	

Quartile Rankings

Mandate: US Fixed Income Manager

Benchmark: BC US Agg LACERS



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Neuberger Berman ¹	0.0	4.5	2.0	4.9	4.6	6.4
Rank	74	54	49	42	44	33
◆ BC US Agg LACERS	0.2	4.0	1.4	3.0	3.5	4.5
Rank	57	65	68	66	68	66
10 th Percentile	1.2	13.5	6.4	8.7	8.4	9.7
25 th Percentile	0.8	8.6	3.6	6.0	6.9	8.0
Median	0.2	4.7	2.0	3.9	4.2	5.2
75 th Percentile	-0.1	3.3	1.3	2.6	3.2	4.0
90 th Percentile	-1.6	1.5	0.1	1.5	2.3	3.1
Observation	393	390	338	303	286	253

¹ Performance shown above is based on gross of fees.

Aegon USA

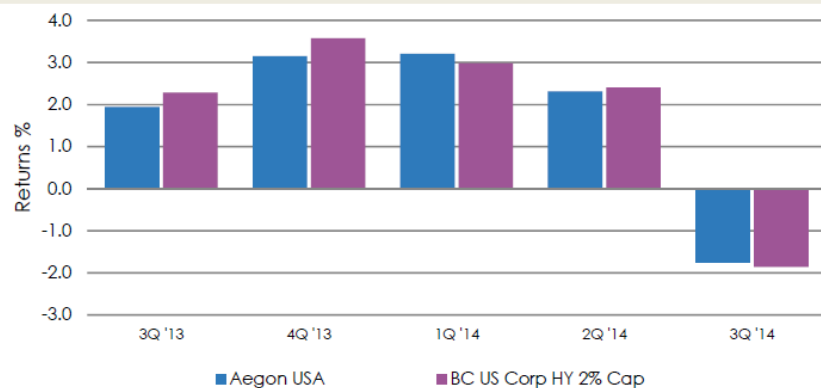
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Aegon USA Investment Management, LLC. primarily invests in fixed income securities that are issued by corporations with high yield ratings (below investment grade) with a heavy focus on controlling credit risk via in-depth research of all issuers in the portfolio.

Performance - Quarterly Rate of Return vs Benchmark



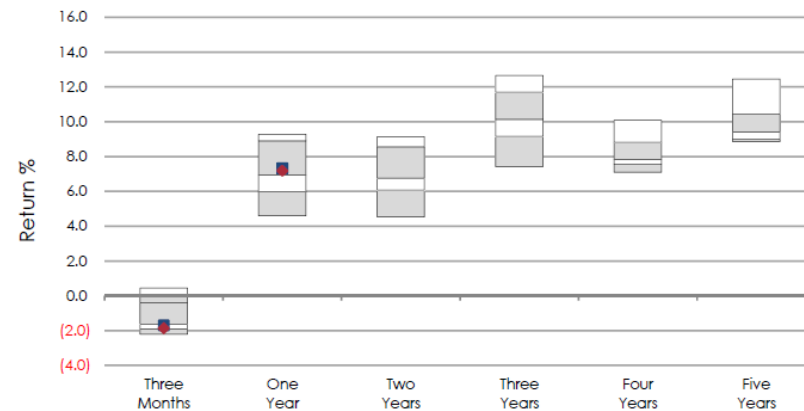
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Aegon USA	-1.8	7.0	--	--	--	7.5	Jun-2013
BC US Corp HY 2% Cap	-1.9	7.2	--	--	--	7.6	
<i>Excess Returns</i>	0.1	-0.2	--	--	--	-0.2	

Quartile Rankings

Mandate: High Yield Fixed Income

Benchmark: BC US Corp HY 2% Cap



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Aegon USA ¹	-1.7	7.3	--	--	--	--
Rank	60	43	--	--	--	--
◆ BC US Corp HY 2% Cap	-1.9	7.2	--	--	--	--
Rank	65	44	--	--	--	--
10 th Percentile	0.5	9.3	9.1	12.6	10.1	12.5
25 th Percentile	-0.4	8.9	8.6	11.7	8.8	10.4
Median	-1.6	6.9	6.8	10.1	7.8	9.4
75 th Percentile	-1.9	6.0	6.1	9.2	7.5	9.0
90 th Percentile	-2.2	4.6	4.5	7.4	7.1	8.9
Observation	29	29	28	23	20	18

¹ Performance shown above is based on gross of fees.

Franklin Advisers

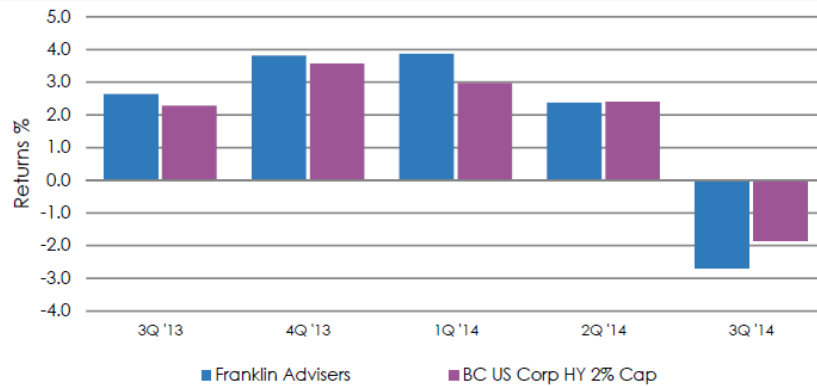
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Franklin Advisers, Inc. invests in U.S. high yield corporate bond market that focus on fundamental credit analysis of corporate issuers across the high yield market with a goal of identifying those securities offering the potential for strong risk-adjusted total returns.

Performance - Quarterly Rate of Return vs Benchmark



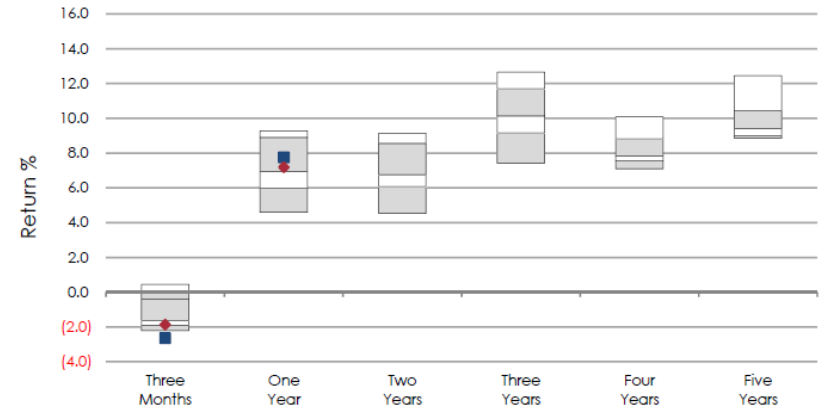
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Franklin Advisers	-2.7	7.4	--	--	--	8.4	Jun-2013
BC US Corp HY 2% Cap	-1.9	7.2	--	--	--	7.6	
<i>Excess Returns</i>	-0.8	0.2	--	--	--	0.8	

Quartile Rankings

Mandate: High Yield Fixed Income

Benchmark: BC US Corp HY 2% Cap



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Franklin Advisers ¹	-2.6	7.8	--	--	--	--
Rank	95	40	--	--	--	--
◆ BC US Corp HY 2% Cap	-1.9	7.2	--	--	--	--
Rank	65	44	--	--	--	--
10 th Percentile	0.5	9.3	9.1	12.6	10.1	12.5
25 th Percentile	-0.4	8.9	8.6	11.7	8.8	10.4
Median	-1.6	6.9	6.8	10.1	7.8	9.4
75 th Percentile	-1.9	6.0	6.1	9.2	7.5	9.0
90 th Percentile	-2.2	4.6	4.5	7.4	7.1	8.9
Observation	29	29	28	23	20	18

¹ Performance shown above is based on gross of fees.

Prudential Emerging

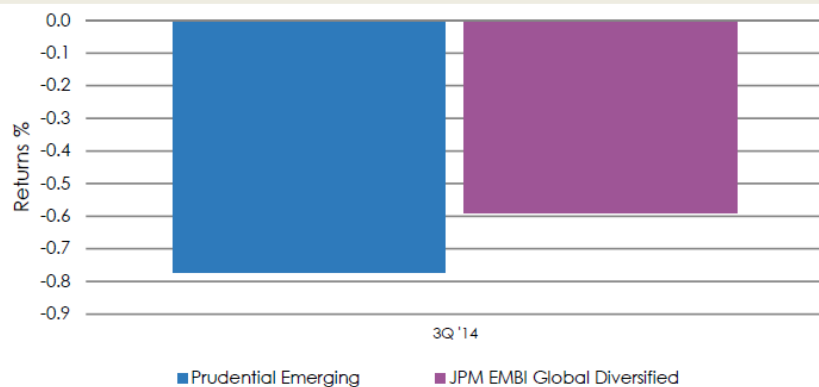
Objective

Outperform the benchmark by 200 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

Prudential Emerging invests in high yield corporate bond market that focus on fundamental credit analysis of corporate issuers across the high yield market with a goal of identifying those securities offering the potential for strong risk-adjusted total returns.

Performance - Quarterly Rate of Return vs Benchmark



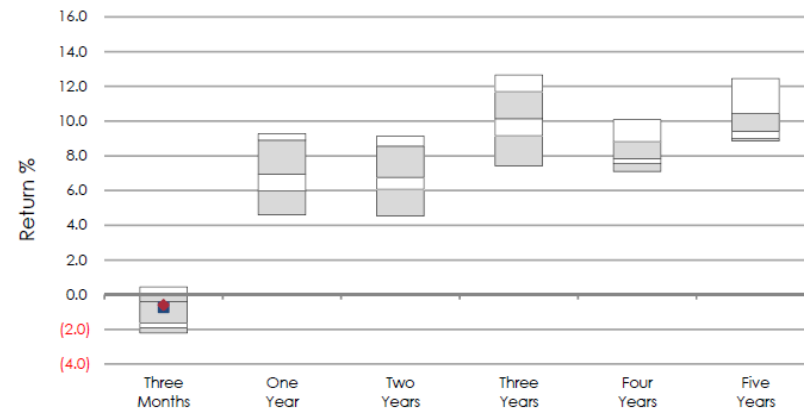
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Prudential Emerging	-0.8	--	--	--	--	-0.1	May-2014
JPM EMBI Global Diversified	-0.6	--	--	--	--	0.7	
<i>Excess Returns</i>	-0.2	--	--	--	--	-0.8	

Quartile Rankings

Mandate: High Yield Fixed Income

Benchmark: JPM EMBI Global Diversified



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Prudential Emerging ¹	-0.7	--	--	--	--	--
Rank	28	--	--	--	--	--
◆ JPM EMBI Global Diversified	-0.6	--	--	--	--	--
Rank	27	--	--	--	--	--
10 th Percentile	0.5	9.3	9.1	12.6	10.1	12.5
25 th Percentile	-0.4	8.9	8.6	11.7	8.8	10.4
Median	-1.6	6.9	6.8	10.1	7.8	9.4
75 th Percentile	-1.9	6.0	6.1	9.2	7.5	9.0
90 th Percentile	-2.2	4.6	4.5	7.4	7.1	8.9
Observation		29	29	28	23	20

¹ Performance shown above is based on gross of fees.

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LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

Real Assets Managers

Real Assets

(Returns are Net of Fees)

	Inception Date	Market Value (\$million)	% to Total Non-U.S. Equity	Current Quarter	One Year	Three Years	Five Years	Ten Years	Since Inception ¹	5 Year Tracking Error
Real Assets	Oct-94	\$ 799	100.0%	1.80	12.29	9.85	5.79	3.37	6.32	4.3
<i>CPI + 500 bps</i>				<i>1.10</i>	<i>6.66</i>	<i>6.61</i>	<i>6.97</i>	<i>7.29</i>	<i>7.37</i>	
Excess Return				0.70	5.63	3.24	-1.18	-3.92	-1.05	
TIPS	Jul-14	\$ 98	12.2%	--	--	--	--	--	-2.27	--
<i>BC U.S. TIPS</i>				--	--	--	--	--	-2.29	
Excess Return				--	--	--	--	--	0.02	
DFA Global TIPS	Jul-14	\$ 49	6.1%	--	--	--	--	--	-2.24	--
<i>BC U.S. TIPS</i>				--	--	--	--	--	-2.29	
Excess Return				--	--	--	--	--	0.05	
HIMCO	Jul-14	\$ 49	6.1%	--	--	--	--	--	-2.31	--
<i>BC U.S. TIPS</i>				--	--	--	--	--	-2.29	
Excess Return				--	--	--	--	--	-0.02	
Private Real Estate	Oct-94	\$ 701	87.8%	2.33	12.88	10.04	5.90	3.43	6.35	6.8
<i>NFI ODCE + 80 bps*</i>				<i>3.00</i>	<i>12.14</i>	<i>12.10</i>	<i>10.13</i>	<i>8.86</i>	<i>9.65</i>	
Excess Return				-0.67	0.74	-2.06	-4.23	-5.43	-3.30	

¹ Indicates gross returns

* Changed from the NCREIF Property Index + 100 bps on July 1, 2014

DFA GLOBAL TIPS

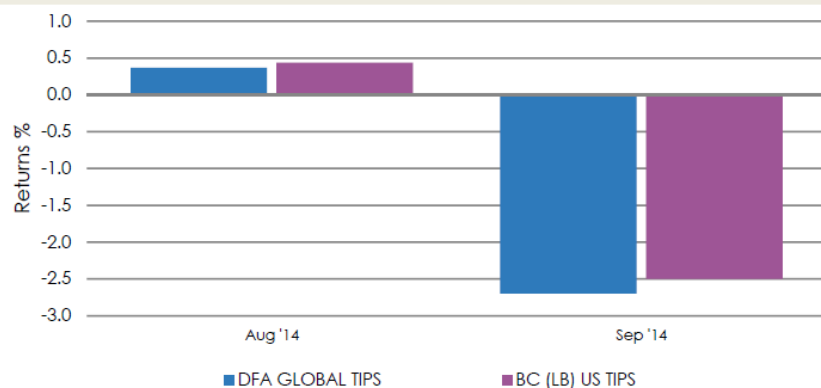
Objective

Outperform the U.S. TIPS Index by 30 bps, net of fees, annualized over a full market cycle (normally 3-5 years).

Strategy

DFA's Global TIPS is actively managed and seeks to outperform the Barclays U.S. TIPS Index over a market cycle.

Performance - Monthly Rate of Return vs Benchmark



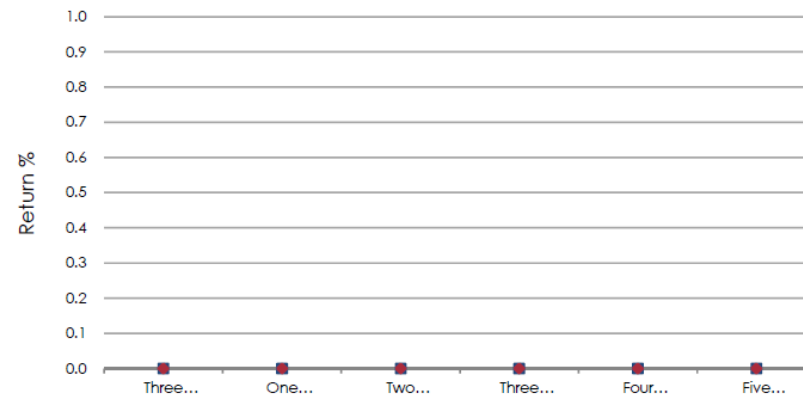
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
DFA GLOBAL TIPS	--	--	--	--	--	-2.2	Jul-2014
BC (LB) US TIPS	--	--	--	--	--	-2.3	
<i>Excess Returns</i>	--	--	--	--	--	0.0	

Quartile Rankings

Mandate:

Benchmark: 0



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ 1	0.0	0.0	0.0	0.0	0.0	0.0
Rank	0	0	0	0	0	0
◆ 0	0.0	0.0	0.0	0.0	0.0	0.0
Rank	0	0	0	0	0	0
10 th Percentile	0.0	0.0	0.0	0.0	0.0	0.0
25 th Percentile	0.0	0.0	0.0	0.0	0.0	0.0
Median	0.0	0.0	0.0	0.0	0.0	0.0
75 th Percentile	0.0	0.0	0.0	0.0	0.0	0.0
90 th Percentile	0.0	0.0	0.0	0.0	0.0	0.0

Observation

¹ Performance shown above is based on gross of fees.

HIMCO

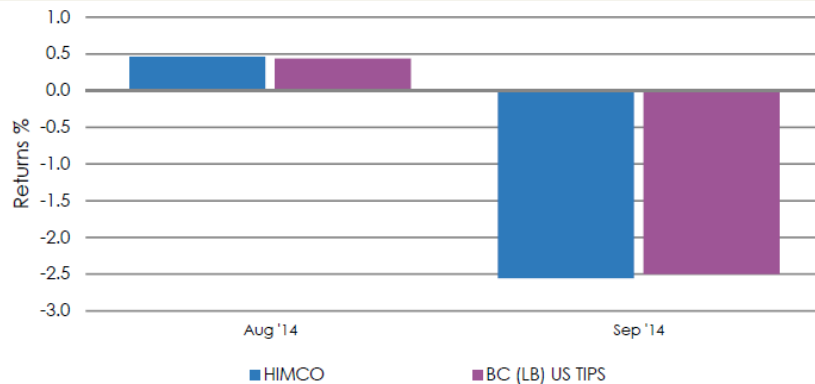
Objective

Outperform the Barclay U.S. TIPS Index by 30 bps, annualized over a full market cycle (normally 3-5 years).

Strategy

HIMCO's approach to investing in the TIPS markets is through prudent selection of issues with varying maturities and effective sector rotation between TIPS and nominal treasuries.

Performance - Monthly Rate of Return vs Benchmark



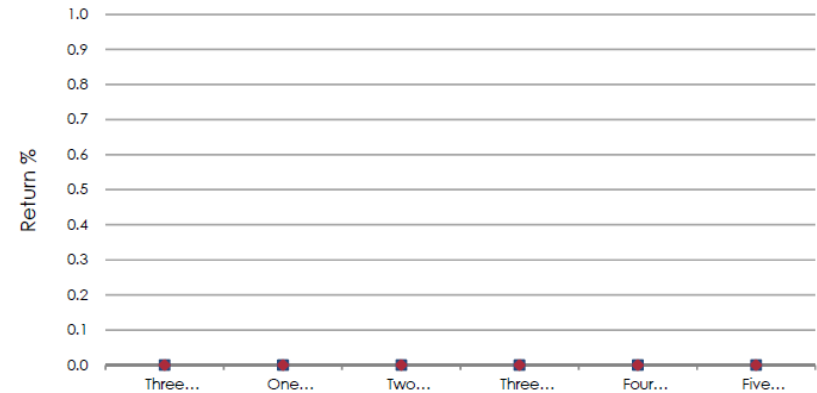
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
HIMCO	--	--	--	--	--	-2.3	Jul-2014
BC (LB) US TIPS	--	--	--	--	--	-2.3	
<i>Excess Returns</i>	--	--	--	--	--	0.0	

Quartile Rankings

Mandate:

Benchmark:



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ 1	0.0	0.0	0.0	0.0	0.0	0.0
Rank	0	0	0	0	0	0
◆ 0	0.0	0.0	0.0	0.0	0.0	0.0
Rank	0	0	0	0	0	0
10 th Percentile	0.0	0.0	0.0	0.0	0.0	0.0
25 th Percentile	0.0	0.0	0.0	0.0	0.0	0.0
Median	0.0	0.0	0.0	0.0	0.0	0.0
75 th Percentile	0.0	0.0	0.0	0.0	0.0	0.0
90 th Percentile	0.0	0.0	0.0	0.0	0.0	0.0

Observation

¹ Performance shown above is based on gross of fees.

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LACERS
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RETIREMENT SYSTEM

Definitions

I. Asset Allocation

- Market %: market value as a percent of the total fund's market value.
- Target %: investment policy on target allocation for each asset classes.
- Minimum and Maximum %: range of allocation for each asset classes.

II. Policy Benchmarks

• Current (adopted January 24, 2012)

- ◆ U.S Equity: 24% Russell 3000
- ◆ Non-U.S Equity: 29% MS ACWI ex U.S. Net Div
- ◆ Fixed Income: 19% Barclays Capital (BC) Aggregate
- ◆ Credit Opportunities: 5% 65% Barclays U.S. Corp. High Yield 2% Cap / 35% JPM EMBI - Global Diversified
- ◆ Real Assets: 5% CPI + 500 bps
- ◆ Private Equity: 12% Russell 3000 plus 300 bps annually. Calculated on a dollar-weighted basis, and holding cash flows at 0% return for the first 36 months
- ◆ Cash: 1% 90-day Treasury Bill
- ◆ **Total:** 24% U.S. Equity; 29% Non-U.S. Equity; 19% Fixed Income; 5% Credit Opportunities; 5% Public Real Assets; 5% Private Real Estate; 12% Private Equity; 1% Cash

• Prior (adopted October 13, 2009)

- ◆ U.S Equity: 27% Russell 3000
- ◆ Non-U.S Equity: 20% MS ACWI ex U.S. Net Div
- ◆ Core Fixed Income: 26% Barclays Capital (BC) Universal
- ◆ Private Real Estate: 7% NCREIF
- ◆ Private Equity: 9% Russell 3000 plus 400 bps annually. Calculated on a dollar-weighted basis, and holding cash flows at 0% return for the first 36 months.
- ◆ Cash: 1% 90-day Treasury Bill
- ◆ **Total:** 37% U.S. Equity; 20% Non-U.S. Equity; 26% Core Fixed Income; 7% Private Real Estate; 9% Private Equity; 1% Cash

III. Indices

- **Cash**

Salomon Brothers 3-Month Treasury Bills: an average of the last three 3-month treasury bill issues' monthly return equivalents of yield averages, which are not marked to market. Month-end discount yields are converted to bond-equivalent yields, then a simple average is taken, and that number is decomposed to a monthly return using the actual number of days in the month and a 365-day year.

- **Equity**

- ◆ **Dow Jones Industrial Average:** This index is the price-weighted average of 30 actively traded blue chip stocks.
- ◆ **NASDAQ:** A market value weighted index that measures all domestic and non-US based securities, more than 4700 companies listed on the NASDAQ stock market.
- ◆ **Russell Midcap Value:** contains Russell Midcap stocks having less-than-average growth orientation and are included in the Russell 1000 Value Index.
- ◆ **Russell 1000:** consists of the 1000 largest securities in the Russell 3000 Index. The Russell 1000 is capitalization-weighted.
- ◆ **Russell 1000 Growth:** contains Russell 1000 stocks having greater-than-average growth orientation. Stocks tend to exhibit lower dividend yields and higher price-to-book ratios, price-earnings ratios and forecast growth values than the Value universe. The index is capitalization-weighted (as opposed to equal-weighted).
- ◆ **Russell 1000 Value:** contains those Russell 1000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Growth universe. Russell 1000 Value is capitalization-weighted.
- ◆ **Russell 2000:** contains the smallest 2,000 stocks in the Russell 3000 Index, representing approximately 11% of the Russell 3000 total market capitalization. The index is capitalization-weighted (as opposed to equal-weighted).
- ◆ **Russell 2000 Growth:** contains those Russell 2000 securities with a greater-than-average growth orientation. Securities in this index tend to exhibit higher price-to-book and price-earnings ratios, lower dividend yields and higher forecasted growth values than the Value universe.
- ◆ **Russell 2000 Value:** contains those Russell 2000 securities with a less-than-average growth orientation. Securities in this index tend to exhibit lower price-to-book and price-earnings ratios, higher dividend yields and lower forecasted growth values than the Growth universe.
- ◆ **Russell 3000:** measures performance of the 3000 largest US companies based on total market capitalization. This index represents approximately 98% of the investable US equity market. The Russell 3000 is capitalization-weighted.
- ◆ **Standard and Poor 500:** the S&P, which represents approximately 75% of NYSE market capitalization and 30% of NYSE issues, contains 500 industrial, utility, transportation and financial companies in the U.S. markets (mostly

NYSE issues). The S&P is capitalization-weighted (as opposed to equal-weighted), calculated on a total return basis with dividends reinvested.

- ◆ **Morgan Stanley All Country World ex USA:** an arithmetic, market value-weighted average of approx. 1800 securities from outside the United States. The index is calculated on a total return basis, including reinvestment of gross dividends before deduction of withholding taxes.
- ◆ **Morgan Stanley World ex USA:** contains securities of all of the following developed counties, excluding U.S.: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, Israel, Australia, New Zealand, Singapore, Hong Kong, and Japan.
- ◆ **Morgan Stanley Capital International Emerging Markets Free:** contains securities of the following counties which are available to all investors regardless of local status: Argentina, Brazil, Chile, Colombia, Greece, India, Indonesia, Israel, Jordan, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Portugal, South Africa, Sri Lanka, Thailand, Turkey and Venezuela.
- ◆ **Morgan Stanley Capital International Emerging Markets ND:** contains securities of the following counties which are available to all investors regardless of local status: Argentina, Brazil, Chile, Colombia, Greece, India, Indonesia, Israel, Jordan, Malaysia, Mexico, Pakistan, Peru, Philippines, Poland, Portugal, South Africa, Sri Lanka, Thailand, Turkey and Venezuela. The index is computed using the net return, which withholds applicable taxes for non-resident investors.
- ◆ **Morgan Stanley Capital International EAFE Value Gross:** contains securities of large and mid-cap in the following developed counties, excluding U.S. and Canada: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, Israel, Australia, New Zealand, Singapore, Hong Kong, and Japan.
- ◆ **Morgan Stanley Capital International EAFE Small Cap:** contains securities of small-capitalization in the following developed counties, excluding U.S. and Canada: Austria, Belgium, Denmark, Finland, France, Germany, Ireland, Italy, the Netherlands, Norway, Portugal, Spain, Sweden, Switzerland, United Kingdom, Israel, Australia, New Zealand, Singapore, Hong Kong, and Japan.
- **Fixed Income**
 - ◆ **Barclays Capital Aggregate:** an aggregate of the Government/Corporate Bond Index, the Mortgage-Backed Securities Index, and the Asset-Backed Securities Index. The index contains fixed rate debt issues with at least one-year maturity, \$100 million par value outstanding, and investment grade ratings by Moody's, S&P or Fitch (in that order). Returns are market-value weighted inclusive of accrued interest.

- ◆ **Barclays Capital Universal:** This index contains the Barclays Capital Aggregate index bonds plus approximately 10% of the remaining index includes US High Yield, Eurodollar, Emerging Markets, 144A Private Placements, and CMBS bonds.
- ◆ **Barclays Capital US Govt/Credit Intermediate:** This index is a sub-component of the Barclays Capital Aggregate index. Bonds consist of the US Treasury, US Agency (non-MBS), and US Investment-grade credit holdings with a maturity range of 1 to 10 years.
- ◆ **Barclays U.S. High Yield 2% Capped:** This index is an unmanaged index that covers U.S. corporate, fixed-rate, non-investment grade debt with at least one year to maturity and at least \$150 million in par outstanding. Index weights for each issuer are capped at 2%.
- ◆ **Barclay U.S. TIPS:** The index includes all publicly issued, investment grade U.S. Treasury inflation-protected securities that have at least one year remaining to maturity.
- ◆ **Bond Rating Methodology:** Bond ratings are intended to characterize the risk associated with holding a particular bond or categories of bonds. These ratings are the risk assessed by the market and that the bond issuer must pay to attract purchasers to the bond. These ratings are expressed as a series of letters and sequences.

Rating Categories in descending order:

- ◇ **AAA:** The best quality rating, stable cash flows, very protective bond covenants, very low probability of default.
- ◇ **Aa:** The second best rating. Stable cash flows, less protective bond covenants, very low probability of default.
- ◇ **A:** Stable cash flows, less protective bond covenants, long-term probability of default is higher than AAA or Aa.
- ◇ **Baa:** Medium quality rating, reliable cash flows short term, less-reliable cash flows long term, bond covenants offer limited protection. Moderate probability of default. Downgrade to a lower rating is also possible. Baa bonds are the lowest rating still considered 'investment grade.
- ◇ **Ba thru B:** Highly speculative. Long-term assurance of cash flows and protective elements are low. Purchasers of these bonds generally specialize in assessing credit risk of specific bond issues. Much higher spreads versus investment grade bonds provide the incentive for purchasers. High default or downgrade risk.
- ◇ **Caa thru C:** Poor standing. Either close to default or in default. Highly probable loss of principal.
- ◇ **D:** Coupon payments were not paid on the due date which puts the bond in default. Unless both Protective covenants and issuer assets are adequate (not likely), holder loses all likelihood of recovering principal.

- **Private Real Estate**

NCREIF Property Index: the NPI contains investment-grade, non-agricultural, income-producing properties which may be financed in excess of 5% gross market value; were acquired on behalf of tax exempt institutions; and are held in a fiduciary environment. Data is collected quarterly from a membership of investment managers and plan sponsors. Returns are gross of fees; include income, realized gains/losses, and appreciation/depreciation; and are market-value weighted. Property values are determined by consistent appraisal methodology and sold properties are removed in the quarter of the sale (the historical data remains). Current quarter performance is preliminary.

NFI-ODCE Index: It is an index of open-end diversified Core strategy funds with at least 95% of their investments in the U.S. markets. The ODCE is the first of the NCREIF Fund Database products, created in May 2005, and is an index of investment returns reporting on both as historical and current basis. The ODCE Index is capitalization-weighted and is reported on an gross and net of fee basis. Measurement is time-weighted and includes leverage.

IV. Universe Comparison

All Northern Trust Universes are gross of fees. Universe breaks are at 10, 25, 50, 75 and 90 percentiles.

- **TUCS Plan Universes**

Published on a quarterly basis using monthly observations. Over time, the plan population members will change due to new plans being introduced and other plans closing or leaving the universe.

Public Funds

Includes the range of performance of all Public Funds greater than 10 billion dollars. Monitored by the Wilshire's Trust Universe Comparison Services Group. Plans include state and municipal plans and systems.

- **Manager Universes**

Created using the performance of managers used by sponsor subscribers to the Risk & Performance Services Group (RPS). Each occurrence of a manager is considered as an observation. The manager universes are used to describe the actual experience of plan sponsors use of the managers; no manager supplied representative portfolios or composites are used in the creation of the universes. All occurrences of a manager are included in the magnitudes they are used by the sponsors; no stratification or judgments are introduced by RPS to alter a manager's representation. Manager portfolios are used from all market segments (ERISA, Public, Foundation & Endowments, and Wealth) since managers

are hired to fulfill a specific policy objective that is not unique by plan type. Inclusion in a universe is based upon quantitative screening using the criteria described; an RPS analyst determines the comparison of a manager to this style background for reporting purposes. The portfolio criteria are applied as the average of the values over the time period being observed and not simply the current point in time value.

◆ **U.S. Equity - Large Cap Core**

Includes portfolios with a portfolio average market capitalization greater than \$10 billion but not displaying any significant growth or value bias. The Barra Growth and Barra Book to Price risk factors are used to determine style orientation. Most of the portfolios also display a market-like beta.

◆ **U.S. Equity - Large Cap Growth**

Includes portfolios with a portfolio average market capitalization greater than \$10 billion. Portfolios will also display a significant growth bias as represented by a Barra Growth Risk Factor in the top 40% of all US equity portfolios and a Barra Price/Book score in the bottom 70% of all US equity portfolios monitored by RPS. Most growth portfolios display an above market beta.

◆ **U.S. Equity - Large Cap Value**

Includes portfolios with a portfolio average market capitalization greater than \$10 billion. Portfolios will also display a significant value bias as represented by a Barra Price/Book score in the top 30% of all US equity portfolios monitored by RPS. Most value portfolios display a below market beta and above market dividend yield.

◆ **U.S. Equity - Small Cap Growth**

Includes portfolios with a portfolio average market capitalization of less than \$2 billion. Small Cap Growth portfolios will also display a growth bias as represented by a Barra Growth Risk Factor in the top 31% of all US equity portfolios monitored by RPS.

◆ **U.S. Equity - Small Cap Value**

Includes portfolios with a portfolio average market capitalization of less than \$2 billion. Small Cap Value portfolios will also display a value bias as represented by a Barra Price/Book score in the top 27% and a Barra Growth factor score in the bottom 31% of all US equity portfolios monitored by RPS.

◆ **Non-U.S. Equity - Developed Markets**

Includes all managers investing in developed markets outside of North America. The majority of the portfolios in this universe are EAFE-oriented but may contain an opportunistic allocation to emerging markets equity (extended EAFE). There are a few regional non-US equity managers (Europe & Pacific Basin) also represented.

◆ **Non-U.S. Equity - Emerging Markets**

Includes all managers investing in emerging markets. The universe includes emerging markets managers that are diversified across all emerging markets as well as specialists in regional emerging markets.

◆ **U.S. Core Fixed Income**

Includes all managers, active and passive, investing in US Fixed Income.

◆ **Credit Opportunities**

Includes all managers, active and passive, investing in US high yield and emerging market debt managers.

◆ **Public Real Assets**

Includes all managers investing in Public REITS, TIPS, Commodities, and Multi Asset Real Asset/Return managers.

V. Investment Performance

- Time: the internal rate of return (accounting for daily cash flows) monthly based on trade-date, full accrual accounting, and using market values. For periods of greater than one month, a time series of linked monthly returns is maintained, introducing a time weighted effect.
- The Private Real Estate and the Private Equity returns are lagged one quarter.
- The LACERS Total Fund return is dollar-weighted to include Private Equity.

VI. Performance Attribution

- **Holdings-Based Attribution.**

U.S. Equity, Non-U.S. Equity, and Fixed Income tables are Holdings-based. The table details various attribution subcategories which impacted each manager's performance such as: selection, weighting, duration, yield, quality, etc.

- **Interaction**
Captures the interaction of managers' performance and the difference in asset class weighting
- **Trading**
Captures the contribution to excess return from trading activity during the period. The trading effect is the difference between the buy and hold return of each asset class composition and the calculated portfolio return.

VII. Terminology

- **Duration:** A measure of the sensitivity of the price (the value of principal) of a fixed-income portfolio given a 1% change in the US Treasury yield curve (interest rates). A portfolio with a duration of 4 would be expected to lose 4% of its value when interest rates rise 1%. Duration is expressed as a number of years. Rising interest rates mean falling bond prices, while declining interest rates mean rising bond prices.
- **Information ratio:** A ratio of portfolio returns above the returns of a benchmark (usually an index) to the volatility of those returns. The information ratio (IR) measures a portfolio manager's ability to generate excess returns relative to a benchmark, but also attempts to identify the consistency of the investor. This ratio will identify if a manager has beaten the benchmark by a lot in a few months or a little every month. The higher the IR the more consistent a manager is and consistency is an ideal trait.
- **Standard deviation:** A statistical measure of volatility or the degree to which an individual value in a probability distribution tends to vary from the mean of the distribution. A manager with a one-year return of 5% and a standard deviation of 5, indicates the range of returns for this manager will likely fall between 0% and 10% during most annual time periods.
- **Tracking error:** A measure of the difference between returns of the portfolio and that of the benchmark it was attempting to imitate; reported as a "standard deviation percentage" difference.



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Appendix

Detail Actual vs Target Allocation

Asset Class / Style	Benchmark	Market Value (\$ Billion)	Market Value to Total Fund (%)	Target to Total Fund (%)	Difference from Target (%)
Equity		\$ 9.52	67.6%	65.0%	2.6%
U.S. Equity		\$ 4.35	30.9%	24.0%	6.9%
Passive		\$ 3.16	22.4%	17.5%	4.9%
Large Cap Core	S&P 500	3.00	21.3%	16.6%	4.8%
Large Cap Growth	Russell 1000 Growth	0.15	1.1%	1.0%	0.1%
Large Cap Value	Russell 1000 Value	0.00	0.0%	0.0%	0.0%
Active		\$ 1.20	8.5%	6.5%	2.0%
All Cap	Russell 3000	0.11	0.8%	0.2%	0.6%
Large Cap Core	S&P 500	-	0.0%	0.0%	0.0%
Large Cap Growth	Russell 1000 Growth	-	0.0%	0.0%	0.0%
Large Cap Value	Russell 1000 Value	0.23	1.6%	1.0%	0.7%
Mid Cap Core	Russell Mid Cap	0.20	1.4%	1.2%	0.2%
Small Cap Core	Russell 2000	0.17	1.2%	1.2%	0.0%
Small Cap Growth	Russell 2000 Growth	0.27	1.9%	1.4%	0.5%
Small Cap Value	Russell 2000 Value	0.22	1.5%	1.4%	0.1%
Non-U.S. Equity		\$ 3.87	27.5%	29.0%	-1.5%
Passive		\$ 1.94	13.8%	10.2%	3.6%
World ex-U.S.	MSCI World ex-U.S.	1.94	13.8%	10.2%	3.6%
Active		\$ 1.93	13.7%	18.8%	-5.1%
Developed Core	MSCI EAFE	0.45	3.2%	2.8%	0.4%
Developed Growth	MSCI EAFE/World ex-U.S. Growth	0.43	3.1%	2.9%	0.2%
Developed Value	MSCI EAFE/World ex-U.S. Value	0.45	3.2%	2.9%	0.3%
Emerging Markets Core	MSCI Emerging Markets	0.16	1.1%	2.6%	-1.5%
Emerging Markets Growth	MSCI Emerging Market Growth	0.10	0.7%	2.3%	-1.6%
Emerging Markets Value	MSCI Emerging Market Value	0.20	1.4%	2.3%	-0.9%
Small Cap Core	MSCI EAFE Small Cap	0.14	1.0%	2.9%	-1.9%
Private Equity¹		\$ 1.30	9.3%	12.0%	-2.7%
	Vintage Year				

¹ Name change from "Alternative Investments."

Detail Actual vs Target Allocation

Asset Class / Style	Benchmark	Market Value (\$ Billion)	Market Value to Total Fund (%)	Target to Total Fund (%)	Difference from Target (%)
Fixed Income		\$ 3.27	23.2%	24.0%	-0.8%
Core		\$ 2.77	19.7%	19.0%	0.7%
Passive	Barclays Capital (BC) Aggregate	\$ 0.91	6.4%	6.7%	-0.2%
Active		\$ 1.86	13.2%	12.3%	1.0%
Core	Barclays Capital (BC) Aggregate	1.62	11.5%	10.4%	1.2%
Intermediate Core	BC U.S. Govt/Credit Intermediate	0.24	1.7%	1.9%	-0.2%
Credit Opportunities		\$ 0.50	3.6%	5.0%	-1.4%
U.S. High Yield	BC U.S. High Yield 2% Capped	0.35	2.5%	2.8%	-0.2%
Emerging Market Debt	JP Morgan - EMBI Global Diversified	0.15	1.1%	1.8%	-0.7%
Opportunistic Credit	TBD	-	0.0%	0.4%	-0.4%
Real Assets		\$ 0.80	5.7%	10.0%	-4.3%
Public Real Assets		\$ 0.10	0.7%	5.0%	-4.3%
TIPS	BC U.S. TIPS	0.10	0.7%	3.0%	-2.3%
REITS	TBD	-	0.0%	0.5%	-0.5%
Commodities	TBD	-	0.0%	1.0%	-1.0%
Multi Asset Real Assets	TBD	-	0.0%	0.5%	-0.5%
Private Real Estate		\$ 0.70	5.0%	5.0%	0.0%
Cash		\$ 0.49	3.5%	1.0%	2.5%
TOTAL PORTFOLIO		\$ 14.08	100.0%	100.0%	0.0%