



CITY AND COUNTY OF SAN FRANCISCO
RETIREE HEALTH CARE TRUST FUND BOARD

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RETIREE HEALTH CARE TRUST FUND
BOARD CALENDAR SHEET
Board Meeting of August 7, 2017

TO: Retiree Health Care Trust Fund Board

THROUGH: Caryn Bortnick 
SFERS Deputy Executive Director

FROM: Meketa Investment Group

DATE: August 7, 2017

Agenda Item

Q2 2017 Investment Report

Background

Each quarter, the RHCTF Board's consultant, Meketa Investment Group, provides the Board with a review of the Fund's performance for the prior quarter. Meketa's review of the Fund's performance for the second quarter is attached. Larry Witt, Meketa Investment Group, will provide and update and answer any questions.

Recommendation

This is a discussion item only.

Attachments

Investment Report from Meketa Investment Group, Investment Consultant

FUND EVALUATION REPORT

San Francisco Retiree Health Care Trust Fund August 7, 2017



Confidentiality: This evaluation is prepared by Meketa Investment Group, Inc. for the exclusive use of the San Francisco Retiree Health Care Trust Fund. This evaluation is not to be used for any other purpose or by any parties other than its Board Members, their employees, agents, attorneys, and/or consultants. No other parties are authorized to review or utilize the information contained herein without expressed written consent.

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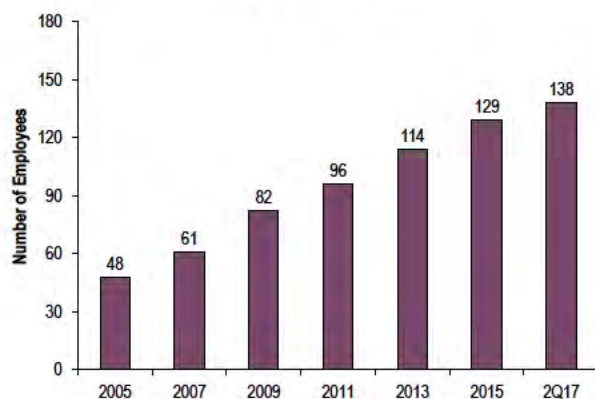
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- 1. Corporate Update**
- 2. Executive Summary**
- 3. Second Quarter of 2017 Performance Report**
 - San Francisco Retiree Health Care Trust Fund
 - San Francisco Community College District Health Care Trust Fund
- 4. Capitol Market Assumptions**

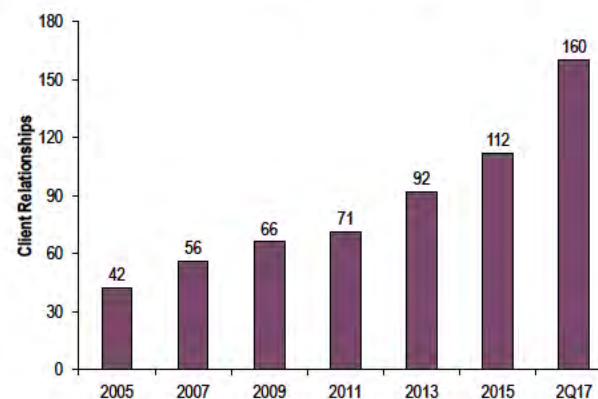
Meketa Investment Group Corporate Update

- Staff of 138, including 91 investment professionals and 28 CFA Charterholders
- 160 clients, with over 270 funds throughout the United States
- Significant investment in staff and resources
- Offices in Boston, Chicago, Miami, Portland (OR), San Diego, and London
- We advise on over \$500 billion in client assets
 - Over \$70 billion in assets committed to alternative investments
 - Private Equity
 - Infrastructure
 - Natural Resources
 - Real Estate
 - Hedge Funds
 - Commodities

Employee Growth



Client Growth



Meketa Investment Group is proud to work for over 5 million American families everyday.



Asset Classes Followed Intensively by Meketa Investment Group

Domestic Equities	International Equities	Private Equity	Real Assets	Fixed Income	Hedge Funds
<ul style="list-style-type: none"> - Passive - Enhanced Index - Large Cap - Midcap - Small Cap - Microcap - 130/30 	<ul style="list-style-type: none"> - Large Cap Developed - Small Cap Developed - Emerging Markets - Frontier Markets 	<ul style="list-style-type: none"> - Buyouts - Venture Capital - Private Debt - Special Situations - Secondaries - Fund of Funds 	<ul style="list-style-type: none"> - Public REITs - Core Real Estate - Value Added Real Estate - Opportunistic Real Estate - Infrastructure - Timber - Natural Resources - Commodities 	<ul style="list-style-type: none"> - Short-Term - Core - Core Plus - TIPS - High Yield - Bank Loans - Distressed - Global - Emerging Markets 	<ul style="list-style-type: none"> - Long/Short Equity - Event Driven - Relative Value - Fixed Income Arbitrage - Multi Strategy - Market Neutral - Global Macro - Fund of Funds - Portable Alpha

**Executive Summary
As of June 30, 2017**

San Francisco Retiree Health Care Trust Fund

- The market value of the San Francisco Retiree Health Care Trust Fund increased from \$153.1 million to \$172.7 million during the quarter due to net cash inflows of \$11.8 million and positive performance. The Fund returned 3.8% during the quarter.
- The quarter-to-date performance was driven by domestic and international equity, which returned 3.1% and 6.2%, respectively. Fixed income returned 1.5%.
- As of quarter end, the San Francisco Retiree Health Care Trust Fund's cash position was 1%. We anticipate there were always be a nominal cash position due to contributions.

San Francisco Community College District Retiree Health Care Trust Fund

- The market value of the San Francisco Community College District Retiree Health Care Trust Fund increased from \$12.5 million to \$13.0 million during the quarter due to net cash inflows of \$331 and positive performance. The Fund returned 3.8% during the quarter.
- The quarter-to-date performance was driven by domestic and international equity, which returned 3.1% and 6.2%, respectively. Fixed income returned 1.5%.

Second Quarter of 2017 Performance Report

Total Fund Market Value

Market Value	US Equity (\$)	International Equity (\$)	Fixed Income (\$)	Cash (\$)	Total (\$)
San Francisco Retiree Health Care Trust Fund	63,096,578	63,084,400	44,260,715	2,216,546	172,658,239
San Francisco Community College District Retiree Health Care Trust Fund	4,799,322	4,798,395	3,366,608	2,100	12,966,425
Total	67,895,900	67,882,795	47,627,322	2,218,646	185,624,664

% Allocation by Asset Class	US Equity (%)	International Equity (%)	Fixed Income (%)	Cash (%)	Total (%)
San Francisco Retiree Health Care Trust Fund	37	37	26	1	100
San Francisco Community College District Retiree Health Care Trust Fund	37	37	26	0	100
Total	37	37	26	1	100

San Francisco Retiree Health Care Trust Fund

International Equity, 37%

Fixed Income, 26%

Cash, 1%



US Equity, 37%

San Francisco Community College District Retiree Health Care Trust Fund

International Equity, 37%

Fixed Income, 26%

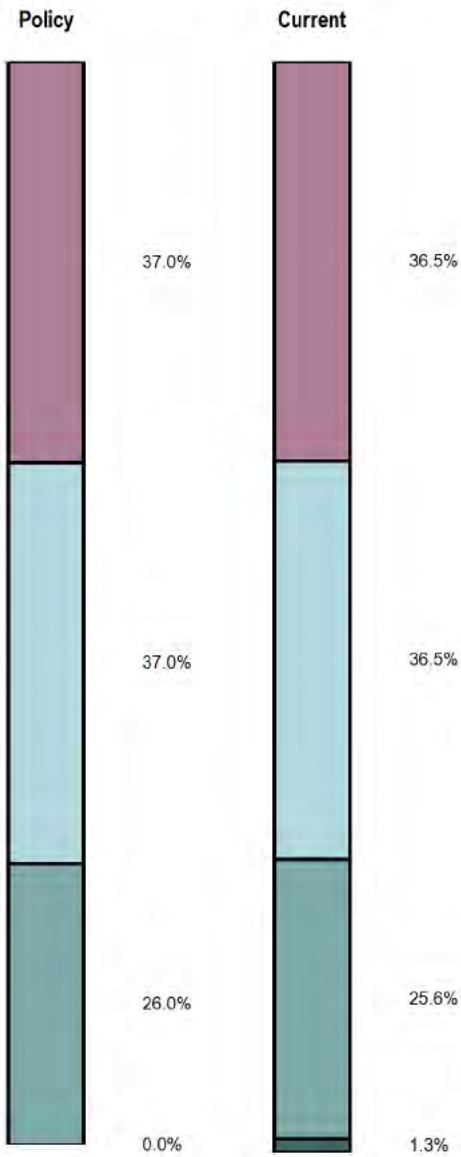
Cash, 0%



US Equity, 37%

**San Francisco Retiree Health Care Trust Fund
As of June 30, 2017**

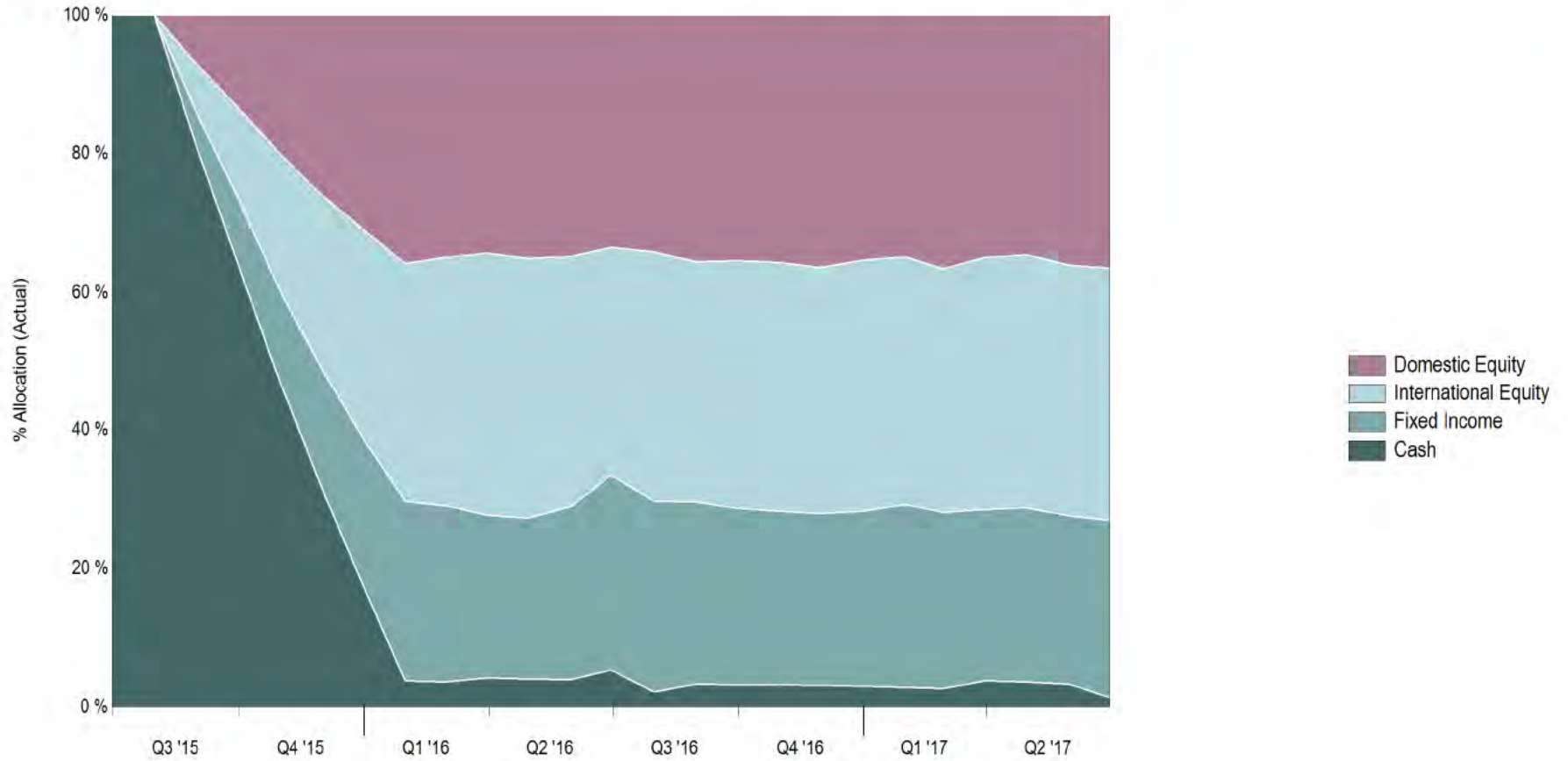
As of June 30, 2017



Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?
US Equity	\$63,096,578	37%	37%	0%	32% - 42%	Yes
International Equity	\$63,084,400	37%	37%	0%	32% - 42%	Yes
Fixed Income	\$44,260,715	26%	26%	0%	21% - 31%	Yes
Cash	\$2,216,546	1%	0%	1%	0% - 0%	No
Total	\$172,658,239	100%	100%			

Asset Allocation History
2 Years Ending June 30, 2017



As of June 30, 2017

Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Return (%)	Since
Total Fund	172,658,239	100.0	3.8	9.0	13.3	-	-	8.4	Sep-15
<i>CPI - Medical Care</i>			<i>0.0</i>	<i>1.0</i>	<i>2.7</i>	<i>2.9</i>	<i>2.7</i>	<i>3.4</i>	<i>Sep-15</i>
Domestic Equity	63,096,578	36.5	3.1	9.3	17.9	-	-	14.3	Sep-15
<i>S&P 500</i>			<i>3.1</i>	<i>9.3</i>	<i>17.9</i>	<i>9.6</i>	<i>14.6</i>	<i>14.3</i>	<i>Sep-15</i>
International Equity	63,084,400	36.5	6.2	14.0	20.5	-	-	7.7	Sep-15
<i>MSCI EAFE</i>			<i>6.1</i>	<i>13.8</i>	<i>20.3</i>	<i>1.1</i>	<i>8.7</i>	<i>7.5</i>	<i>Sep-15</i>
Fixed Income	44,260,715	25.6	1.5	2.4	-0.3	-	-	2.8	Sep-15
<i>BBgBarc US Aggregate TR</i>			<i>1.4</i>	<i>2.3</i>	<i>-0.3</i>	<i>2.5</i>	<i>2.2</i>	<i>2.7</i>	<i>Sep-15</i>
Cash	2,216,545	1.3	0.3	0.7	1.0	-	-	0.9	Sep-15
<i>91 Day T-Bills</i>			<i>0.2</i>	<i>0.4</i>	<i>0.5</i>	<i>0.2</i>	<i>0.2</i>	<i>0.4</i>	<i>Sep-15</i>

As of June 30, 2017

Trailing Performance

	Market Value (\$)	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Return (%)	Since
Total Fund	172,658,239	100.0	11,790,777	3.8	9.0	13.3	--	--	8.4	Sep-15
<i>CPI - Medical Care</i>				<i>0.0</i>	<i>1.0</i>	<i>2.7</i>	<i>2.9</i>	<i>2.7</i>	<i>3.4</i>	<i>Sep-15</i>
Domestic Equity	63,096,578	36.5	7,200,654	3.1	9.3	17.9	--	--	14.3	Sep-15
<i>S&P 500</i>				<i>3.1</i>	<i>9.3</i>	<i>17.9</i>	<i>9.6</i>	<i>14.6</i>	<i>14.3</i>	<i>Sep-15</i>
Northern Trust S&P 500 Index	63,096,578	36.5	7,200,654	3.1	9.3	17.9	--	--	14.3	Sep-15
<i>S&P 500</i>				<i>3.1</i>	<i>9.3</i>	<i>17.9</i>	<i>9.6</i>	<i>14.6</i>	<i>14.3</i>	<i>Sep-15</i>
International Equity	63,084,400	36.5	2,692,797	6.2	14.0	20.5	--	--	7.7	Sep-15
<i>MSCI EAFE</i>				<i>6.1</i>	<i>13.8</i>	<i>20.3</i>	<i>1.1</i>	<i>8.7</i>	<i>7.5</i>	<i>Sep-15</i>
Northern Trust EAFE Index	63,084,400	36.5	2,692,797	6.2	14.0	20.5	--	--	7.7	Sep-15
<i>MSCI EAFE</i>				<i>6.1</i>	<i>13.8</i>	<i>20.3</i>	<i>1.1</i>	<i>8.7</i>	<i>7.5</i>	<i>Sep-15</i>
Fixed Income	44,260,715	25.6	5,513,653	1.5	2.4	-0.3	--	--	2.8	Sep-15
<i>BBgBarc US Aggregate TR</i>				<i>1.4</i>	<i>2.3</i>	<i>-0.3</i>	<i>2.5</i>	<i>2.2</i>	<i>2.7</i>	<i>Sep-15</i>
BlackRock U.S. Debt Index	44,260,715	25.6	5,513,653	1.5	2.4	-0.3	--	--	2.8	Sep-15
<i>BBgBarc US Aggregate TR</i>				<i>1.4</i>	<i>2.3</i>	<i>-0.3</i>	<i>2.5</i>	<i>2.2</i>	<i>2.7</i>	<i>Sep-15</i>
Cash	2,216,545	1.3	-3,616,327	0.3	0.7	1.0	--	--	0.9	Sep-15
<i>91 Day T-Bills</i>				<i>0.2</i>	<i>0.4</i>	<i>0.5</i>	<i>0.2</i>	<i>0.2</i>	<i>0.4</i>	<i>Sep-15</i>

As of June 30, 2017

Account Information

Account Name	Northern Trust S&P 500 Index
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	9/01/15
Account Type	US Equity
Benchmark	S&P 500
Universe	

Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Northern Trust S&P 500 Index	3.1	9.3	17.9	--	--	--	14.3	Sep-15
S&P 500	3.1	9.3	17.9	9.6	14.6	7.2	14.3	Sep-15

Top 10 Holdings

APPLE	3.6%
MICROSOFT	2.6%
AMAZON.COM	1.8%
FACEBOOK CLASS A	1.7%
JOHNSON & JOHNSON	1.7%
EXXON MOBIL	1.6%
JP MORGAN CHASE & CO.	1.6%
BERKSHIRE HATHAWAY 'B'	1.5%
ALPHABET 'A'	1.3%
ALPHABET 'C'	1.3%
Total	18.8%

Northern Trust S&P 500 Index-NL Characteristics

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
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Market Value

Market Value (\$M)	63.1	--	54.2
Number Of Holdings	506	505	506

Characteristics

Weighted Avg. Market Cap. (\$B)	154.7	154.7	151.4
Median Market Cap (\$B)	20.5	20.6	19.9
P/E Ratio	25.2	24.7	24.6
Yield	2.0	2.0	2.0
EPS Growth - 5 Yrs.	9.7	9.2	9.5
Price to Book	5.4	4.6	4.9
Beta (holdings; domestic)	1.0	1.0	1.0

Sector Distribution

Energy	6.0	6.0	6.6
Materials	2.9	2.9	2.9
Industrials	10.2	10.2	10.0
Consumer Discretionary	12.2	12.3	12.3
Consumer Staples	9.1	9.0	9.3
Health Care	14.5	14.5	13.9
Financials	14.6	14.6	14.3
Information Technology	22.2	22.3	22.0
Telecommunication Services	2.1	2.1	2.4
Utilities	3.2	3.2	3.2
Real Estate	2.9	2.9	2.9

As of June 30, 2017

Account Information

Account Name	Northern Trust EAFE Index
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	9/01/15
Account Type	Non-US Stock All
Benchmark	MSCI EAFE
Universe	

Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Northern Trust EAFE Index	6.2	14.0	20.5	--	--	--	7.7	Sep-15
MSCI EAFE	6.1	13.8	20.3	1.1	8.7	1.0	7.5	Sep-15

Performance Summary Report

As of 6/30/2017

Region	Number Of Assets	% of Total	% of Bench	% Diff
North America ex U.S.	0	0%	0%	0%
United States	0	0%	0%	0%
Europe Ex U.K.	427	46%	46%	0%
United Kingdom	167	18%	18%	0%
Pacific Basin Ex Japan	111	12%	12%	0%
Japan	223	24%	24%	0%
Emerging Markets	0	0%	0%	0%
Other	9	0%	1%	-1%
Total	937	100%	100%	0%

Northern Trust EAFE Index Characteristics

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Market Value			
Market Value (\$M)	63.1	--	56.7
Number Of Holdings	937	927	971
Characteristics			
Weighted Avg. Market Cap. (\$B)	56.2	55.8	53.3
Median Market Cap (\$B)	9.9	10.2	9.1
P/E Ratio	22.6	21.0	22.6
Yield	3.0	3.0	3.0
EPS Growth - 5 Yrs.	4.5	4.3	4.0
Price to Book	3.0	2.5	3.0
Beta (holdings; domestic)	1.0	1.1	1.0
Sector Distribution			
Energy	4.7	4.8	5.0
Materials	7.2	6.9	7.6
Industrials	14.6	14.6	14.4
Consumer Discretionary	12.1	12.1	12.3
Consumer Staples	11.5	11.5	11.4
Health Care	10.9	11.0	10.8
Financials	21.5	21.6	21.3
Information Technology	6.0	6.1	5.7
Telecommunication Services	4.3	4.3	4.4
Utilities	3.4	3.4	3.4
Real Estate	3.6	3.7	3.6

Account Information

Account Name	BlackRock U.S. Debt Index
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	9/01/15
Account Type	US Fixed Income
Benchmark	BBgBarc US Aggregate TR
Universe	

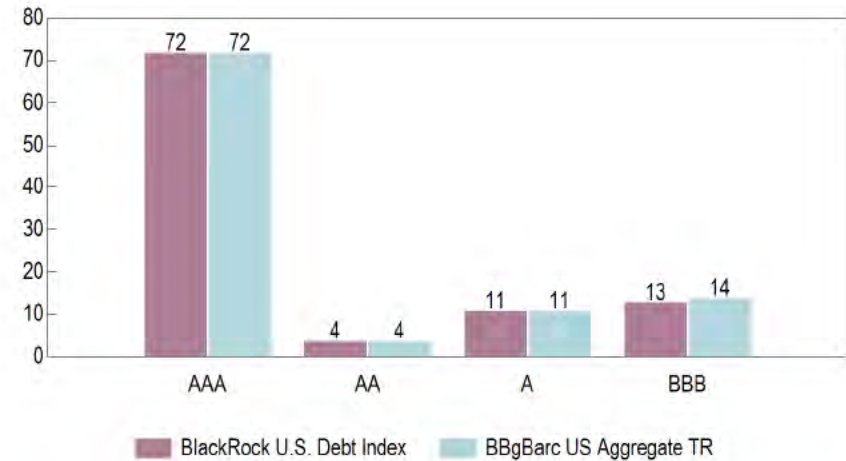
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
BlackRock U.S. Debt Index	1.5	2.4	-0.3	-	-	-	2.8	Sep-15
BBgBarc US Aggregate TR	1.4	2.3	-0.3	2.5	2.2	4.5	2.7	Sep-15

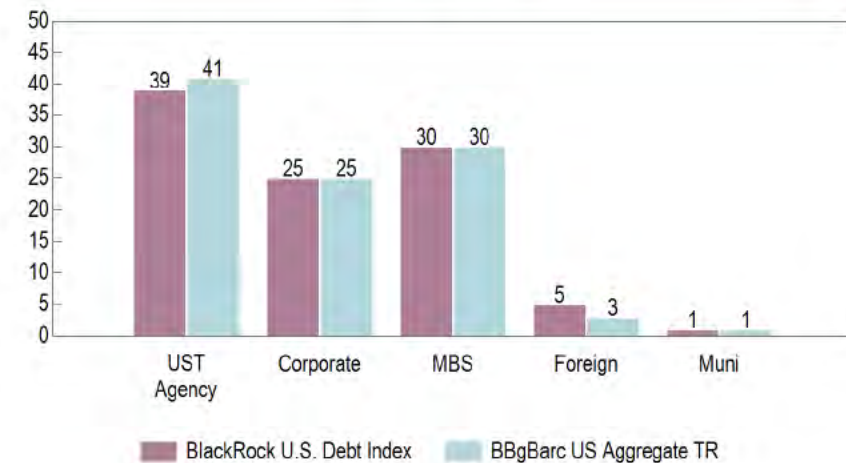
BlackRock U.S. Debt Index-Non Lending Characteristics vs. BBgBarc US Aggregate TR

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	2.6	2.5	2.6
Average Duration	5.8	6.0	5.7
Average Quality	AA	AA	AA

Credit Quality Allocation



Sector Allocation



As of June 30, 2017

Investment Expense Analysis

As Of June 30, 2017

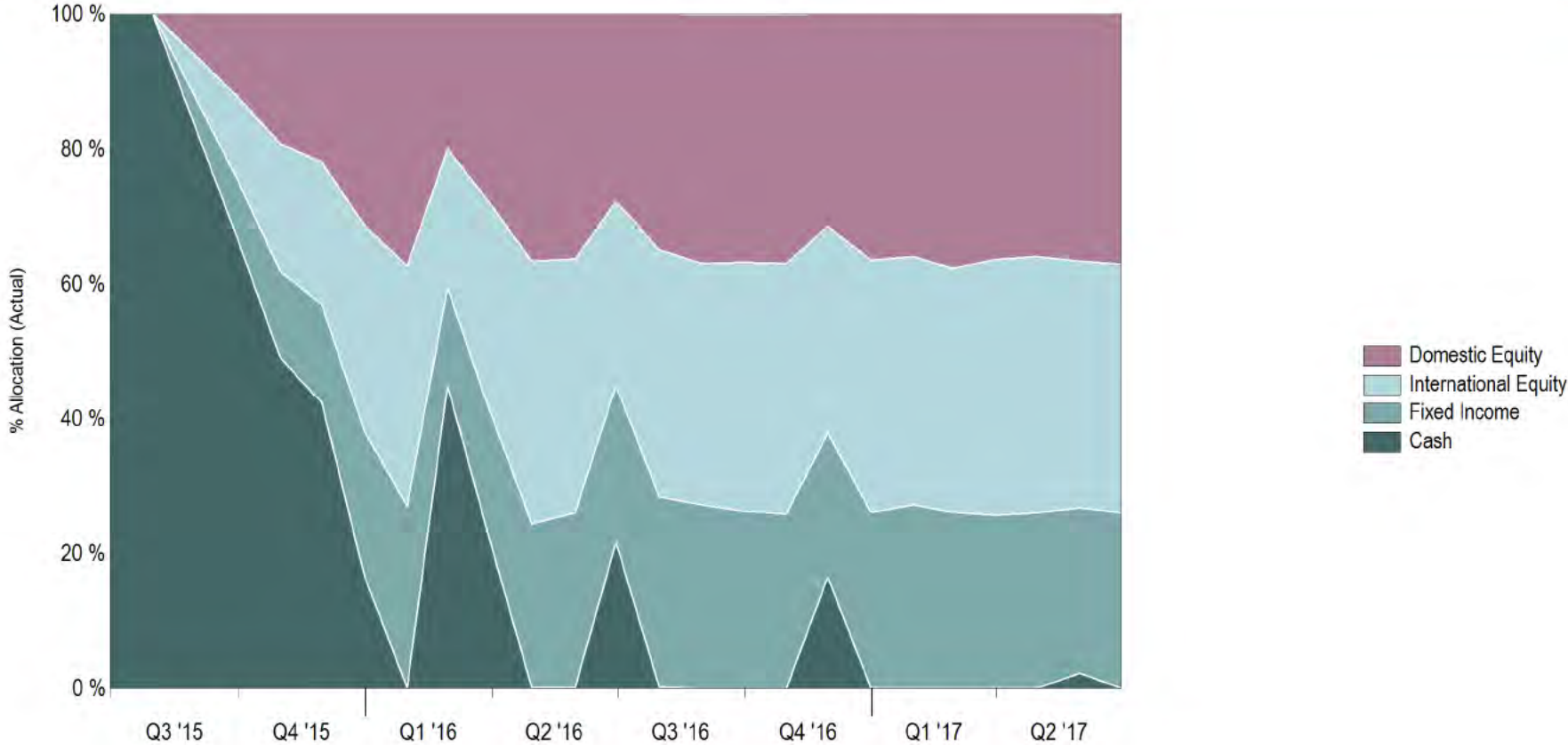
Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Domestic Equity		\$63,096,578		
Northern Trust S&P 500 Index	0.035% of First \$50.0 Mil, 0.030% of Next \$50.0 Mil, 0.025% Thereafter	\$63,096,578	\$21,429	0.035%
International Equity		\$63,084,400		
Northern Trust EAFE Index	0.050% of Assets	\$63,084,400	\$31,542	0.050%
Fixed Income		\$44,260,715		
BlackRock U.S. Debt Index	0.050% of Assets	\$44,260,715	\$22,130	0.050%

**San Francisco Community College District
Health Care Trust Fund
As of June 30, 2017**



Allocation vs. Targets and Policy							
	Current Balance	Current Allocation	Policy	Difference	Policy Range	Within IPS Range?	
US Equity	\$4,799,322	37%	37%	0%	32% - 42%	Yes	
International Equity	\$4,798,395	37%	37%	0%	32% - 42%	Yes	
Fixed Income	\$3,366,608	26%	26%	0%	21% - 31%	Yes	
Cash	\$2,100	0%	0%	0%	0% - 0%	No	
Total	\$12,966,424	100%	100%				

Asset Allocation History
2 Years Ending June 30, 2017



As of June 30, 2017

Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Return (%)	Since
Total Fund	12,966,324	100.0	3.9	9.2	13.1	-	-	7.5	Sep-15
<i>CPI - Medical Care</i>			<i>0.0</i>	<i>1.0</i>	<i>2.7</i>	<i>2.9</i>	<i>2.7</i>	<i>3.4</i>	<i>Sep-15</i>
Domestic Equity	4,799,322	37.0	3.1	9.3	17.9	-	-	14.3	Sep-15
<i>S&P 500</i>			<i>3.1</i>	<i>9.3</i>	<i>17.9</i>	<i>9.6</i>	<i>14.6</i>	<i>14.3</i>	<i>Sep-15</i>
International Equity	4,798,395	37.0	6.2	14.0	20.5	-	-	7.7	Sep-15
<i>MSCI EAFE</i>			<i>6.1</i>	<i>13.8</i>	<i>20.3</i>	<i>1.1</i>	<i>8.7</i>	<i>7.5</i>	<i>Sep-15</i>
Fixed Income	3,366,608	26.0	1.5	2.4	-0.3	-	-	2.8	Sep-15
<i>BBgBarc US Aggregate TR</i>			<i>1.4</i>	<i>2.3</i>	<i>-0.3</i>	<i>2.5</i>	<i>2.2</i>	<i>2.7</i>	<i>Sep-15</i>
Cash	2,100	0.0	0.3	0.5	0.8	-	-	0.7	Sep-15
<i>91 Day T-Bills</i>			<i>0.2</i>	<i>0.4</i>	<i>0.5</i>	<i>0.2</i>	<i>0.2</i>	<i>0.4</i>	<i>Sep-15</i>

As of June 30, 2017

Trailing Net Performance

	Market Value (\$)	% of Portfolio	3 Mo Net Cash Flows (\$)	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	Return (%)	Since
Total Fund	12,966,324	100.0	331	3.9	9.2	13.1	--	--	7.5	Sep-15
<i>CPI - Medical Care</i>				0.0	1.0	2.7	2.9	2.7	3.4	Sep-15
Domestic Equity	4,799,322	37.0		3.1	9.3	17.9	--	--	14.3	Sep-15
<i>S&P 500</i>				3.1	9.3	17.9	9.6	14.6	14.3	Sep-15
Northern Trust S&P 500 Index	4,799,322	37.0		3.1	9.3	17.9	--	--	14.3	Sep-15
<i>S&P 500</i>				3.1	9.3	17.9	9.6	14.6	14.3	Sep-15
International Equity	4,798,395	37.0		6.2	14.0	20.5	--	--	7.7	Sep-15
<i>MSCI EAFE</i>				6.1	13.8	20.3	1.1	8.7	7.5	Sep-15
Northern Trust EAFE Index	4,798,395	37.0		6.2	14.0	20.5	--	--	7.7	Sep-15
<i>MSCI EAFE</i>				6.1	13.8	20.3	1.1	8.7	7.5	Sep-15
Fixed Income	3,366,608	26.0		1.5	2.4	-0.3	--	--	2.8	Sep-15
<i>BBgBarc US Aggregate TR</i>				1.4	2.3	-0.3	2.5	2.2	2.7	Sep-15
BlackRock U.S. Debt Index	3,366,608	26.0		1.5	2.4	-0.3	--	--	2.8	Sep-15
<i>BBgBarc US Aggregate TR</i>				1.4	2.3	-0.3	2.5	2.2	2.7	Sep-15
Cash	2,100	0.0	331	0.3	0.5	0.8	--	--	0.7	Sep-15
<i>91 Day T-Bills</i>				0.2	0.4	0.5	0.2	0.2	0.4	Sep-15

As of June 30, 2017

Account Information

Account Name	Northern Trust S&P 500 Index
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	9/01/15
Account Type	US Equity
Benchmark	S&P 500
Universe	

Portfolio Performance Summary

	QTD	YTD	1 Yr	3 Yrs	5 Yrs	10 Yrs	Return	Since
	(%)	(%)	(%)	(%)	(%)	(%)	(%)	
Northern Trust S&P 500 Index	3.1	9.3	17.9	--	--	--	14.3	Sep-15
S&P 500	3.1	9.3	17.9	9.6	14.6	7.2	14.3	Sep-15

Top 10 Holdings

APPLE	3.6%
MICROSOFT	2.6%
AMAZON.COM	1.8%
FACEBOOK CLASS A	1.7%
JOHNSON & JOHNSON	1.7%
EXXON MOBIL	1.6%
JP MORGAN CHASE & CO.	1.6%
BERKSHIRE HATHAWAY 'B'	1.5%
ALPHABET 'A'	1.3%
ALPHABET 'C'	1.3%
Total	18.8%

Northern Trust S&P 500 Index-NL Characteristics

	Portfolio	Index	Portfolio
	Q2-17	Q2-17	Q1-17
Market Value			
Market Value (\$M)	4.8	--	4.5
Number Of Holdings	506	505	506
Characteristics			
Weighted Avg. Market Cap. (\$B)	154.7	154.7	151.4
Median Market Cap (\$B)	20.5	20.6	19.9
P/E Ratio	25.2	24.7	24.6
Yield	2.0	2.0	2.0
EPS Growth - 5 Yrs.	9.7	9.2	9.5
Price to Book	5.4	4.6	4.9
Beta (holdings; domestic)	1.0	1.0	1.0
Sector Distribution			
Energy	6.0	6.0	6.6
Materials	2.9	2.9	2.9
Industrials	10.2	10.2	10.0
Consumer Discretionary	12.2	12.3	12.3
Consumer Staples	9.1	9.0	9.3
Health Care	14.5	14.5	13.9
Financials	14.6	14.6	14.3
Information Technology	22.2	22.3	22.0
Telecommunication Services	2.1	2.1	2.4
Utilities	3.2	3.2	3.2
Real Estate	2.9	2.9	2.9

As of June 30, 2017

Account Information

Account Name	Northern Trust EAFE Index
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	9/01/15
Account Type	Non-US Stock All
Benchmark	MSCI EAFE
Universe	

Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Northern Trust EAFE Index	6.2	14.0	20.5	--	--	--	7.7	Sep-15
MSCI EAFE	6.1	13.8	20.3	1.1	8.7	1.0	7.5	Sep-15

Performance Summary Report

As of 6/30/2017

Region	Number Of Assets	% of Total	% of Bench	% Diff
North America ex U.S.	0	0%	0%	0%
United States	0	0%	0%	0%
Europe Ex U.K.	427	46%	46%	0%
United Kingdom	167	18%	18%	0%
Pacific Basin Ex Japan	111	12%	12%	0%
Japan	223	24%	24%	0%
Emerging Markets	0	0%	0%	0%
Other	9	0%	1%	-1%
Total	937	100%	100%	0%

Northern Trust EAFE Index Characteristics

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Market Value			
Market Value (\$M)	4.8	--	4.7
Number Of Holdings	937	927	971
Characteristics			
Weighted Avg. Market Cap. (\$B)	56.2	55.8	53.3
Median Market Cap (\$B)	9.9	10.2	9.1
P/E Ratio	22.6	21.0	22.6
Yield	3.0	3.0	3.0
EPS Growth - 5 Yrs.	4.5	4.3	4.0
Price to Book	3.0	2.5	3.0
Beta (holdings; domestic)	1.0	1.1	1.0
Sector Distribution			
Energy	4.7	4.8	5.0
Materials	7.2	6.9	7.6
Industrials	14.6	14.6	14.4
Consumer Discretionary	12.1	12.1	12.3
Consumer Staples	11.5	11.5	11.4
Health Care	10.9	11.0	10.8
Financials	21.5	21.6	21.3
Information Technology	6.0	6.1	5.7
Telecommunication Services	4.3	4.3	4.4
Utilities	3.4	3.4	3.4
Real Estate	3.6	3.7	3.6



Account Information

Account Name	BlackRock U.S. Debt Index
Account Structure	Other
Investment Style	Active
Inception Date	9/01/15
Account Type	US Fixed Income
Benchmark	BBgBarc US Aggregate TR
Universe	

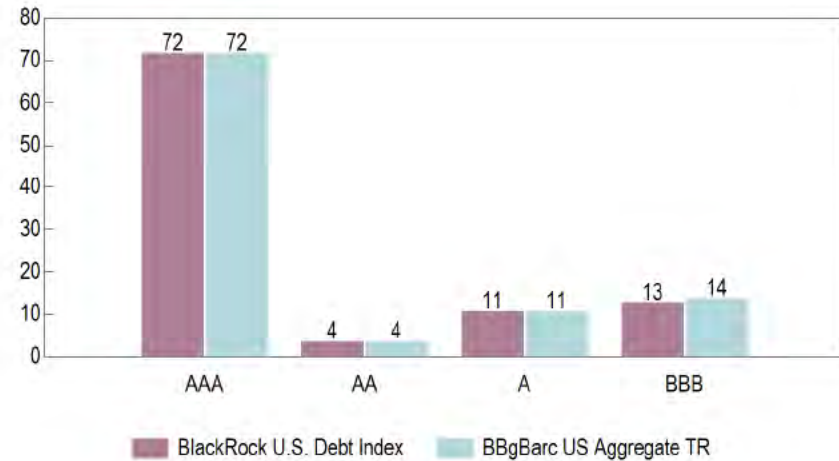
Portfolio Performance Summary

	QTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
BlackRock U.S. Debt Index	1.5	2.4	-0.3	-	-	-	2.8	Sep-15
BBgBarc US Aggregate TR	1.4	2.3	-0.3	2.5	2.2	4.5	2.7	Sep-15

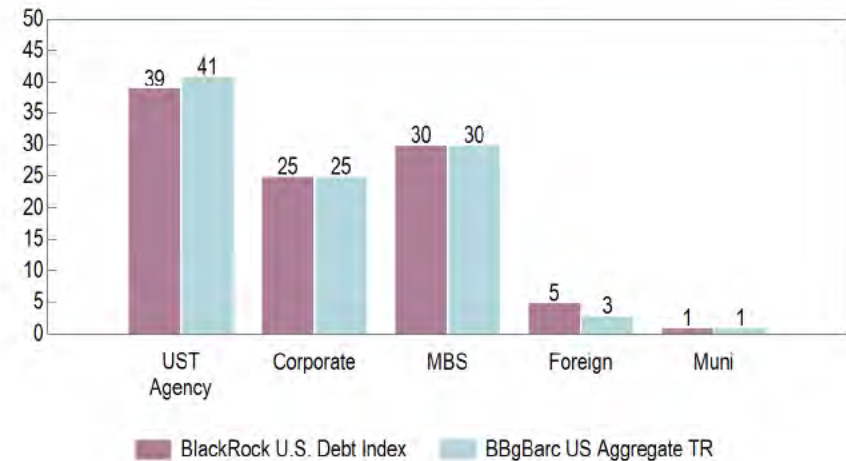
BlackRock US Debt Index Fund "B" Characteristics vs. BBgBarc US Aggregate TR

	Portfolio Q2-17	Index Q2-17	Portfolio Q1-17
Fixed Income Characteristics			
Yield to Maturity	2.6	2.5	2.6
Average Duration	5.8	6.0	5.7
Average Quality	AA	AA	AA

Credit Quality Allocation



Sector Allocation



As of June 30, 2017

Investment Expense Analysis

As Of June 30, 2017

Name	Fee Schedule	Market Value	Estimated Fee Value	Estimated Fee
Domestic Equity		\$4,799,322		
Northern Trust S&P 500 Index	0.035% of First \$50.0 Mil, 0.030% of Next \$50.0 Mil, 0.025% Thereafter	\$4,799,322	\$1,680	0.035%
International Equity		\$4,798,395		
Northern Trust EAFE Index	0.050% of Assets	\$4,798,395	\$2,399	0.050%
Fixed Income		\$3,366,608		
BlackRock U.S. Debt Index	0.050% of Assets	\$3,366,608	\$1,683	0.050%

Capital Market Assumptions

Meketa Investment Group 2017 Annual Asset Study

Twenty-Year Annualized Return and Volatility Expectations for Major Asset Classes

Asset Class	Annualized Compounded Return (%)	Annualized Standard Deviation (%)
Fixed Income		
Investment Grade Bonds	3.5	4.0
TIPS	3.5	7.5
High Yield Bonds	6.0	12.5
Bank Loans	5.5	10.0
Emerging Market Bonds (major; unhedged)	5.5	12.0
Equities		
Public U.S. Equity	7.5	18.0
Public Developed Market Equity	7.3	20.0
Public Emerging Market Equity	9.8	26.0
Private Equity	9.2	24.0
Real Assets		
REITs	6.5	29.0
Core Private Real Estate	5.7	12.5
Value Added Real Estate	7.2	19.0
Natural Resources (Private)	8.4	23.0
Commodities	4.5	19.5
Infrastructure (Core)	6.8	16.0
Infrastructure (Non-Core)	8.8	23.0
Other		
Hedge Funds	5.3	9.5

Meketa Investment Group 2017 Annual Asset Study: Correlation Expectations

	IGB	TIPS	High Yield	Bank Loans	EMD	US Equity	Int'l Equity	EM Equity	Private Equity	REITs	Core RE	VA RE	Nat Res	Commodities	Infra-Core	Infra - NonCore	Hedge Funds
IGB	1.0																
TIPS	0.8	1.0															
High Yield	0.2	0.3	1.0														
Bank Loans	0.0	0.2	0.8	1.0													
EMD	0.5	0.5	0.7	0.4	1.0												
US Equity	0.1	0.0	0.7	0.6	0.6	1.0											
Int'l Equity	0.1	0.2	0.7	0.6	0.6	0.9	1.0										
EM Equity	0.1	0.2	0.7	0.6	0.7	0.8	0.9	1.0									
Private Equity	0.0	0.0	0.7	0.6	0.4	0.9	0.8	0.8	1.0								
REITs	0.2	0.2	0.7	0.6	0.5	0.7	0.7	0.6	0.5	1.0							
Core RE	0.3	0.1	0.5	0.5	0.3	0.4	0.4	0.3	0.4	0.7	1.0						
VA RE	0.2	0.1	0.5	0.5	0.3	0.5	0.5	0.4	0.4	0.8	0.9	1.0					
Nat Res	0.1	0.1	0.5	0.4	0.5	0.7	0.6	0.6	0.6	0.4	0.5	0.5	1.0				
Commodities	0.1	0.4	0.4	0.4	0.4	0.4	0.6	0.6	0.3	0.3	0.1	0.1	0.7	1.0			
Infra - Core	0.3	0.3	0.6	0.5	0.5	0.6	0.6	0.5	0.4	0.5	0.7	0.6	0.6	0.4	1.0		
Infra-NonCore	0.3	0.3	0.7	0.5	0.6	0.7	0.7	0.6	0.6	0.5	0.6	0.6	0.7	0.4	1.0	1.0	
Hedge Funds	0.1	0.2	0.7	0.7	0.6	0.8	0.9	0.9	0.6	0.6	0.4	0.4	0.7	0.7	0.6	0.6	1.0

Sample Tradeoff of Risk and Return^{1,2}

	Policy A: -50bps	Policy B: -25bps	Current Policy	Policy C: Same ER	Policy D: +25bps	Policy E: +50bps
Rate Sensitive	32	29	26	25	22	18
Investment Grade Bonds	22	20	26	17	15	13
TIPS	10	9	–	8	7	5
Credit	26	23	0	21	18	15
High Yield Bonds	9	8	–	7	6	5
Bank Loans	9	8	–	7	6	5
Emerging Market Debt	8	7	–	7	6	5
Equities	42	48	74	54	60	67
U.S.	22	25	37	28	31	35
Int'l Developed Markets	15	16	37	17	18	19
Emerging Markets	5	7	–	9	11	13
<i>Expected Return</i>	6.4	6.65	6.9	6.9	7.15	7.4
<i>Standard Deviation</i>	10.4	11.3	13.8	12.2	13.1	14.2
<i>Sharpe Ratio</i>	0.35	0.34	0.30	0.34	0.33	0.33
<i>% Emerging Markets</i>	13	14	0	16	17	18
<i>% Non USD</i>	28	30	38	33	35	37

¹ Expected return and standard deviation are based upon Meketa Investment Group's 2017 Annual Asset Study. Meketa's expected return calculation is a 20-year geometric calculation. Throughout this document, returns for periods longer than one year are annualized.

² These samples include a sample of certain liquid asset classes. Illiquid asset classes are not included in these samples.