



LACERS

LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

Portfolio Performance Review

Quarter Ending June 30, 2015

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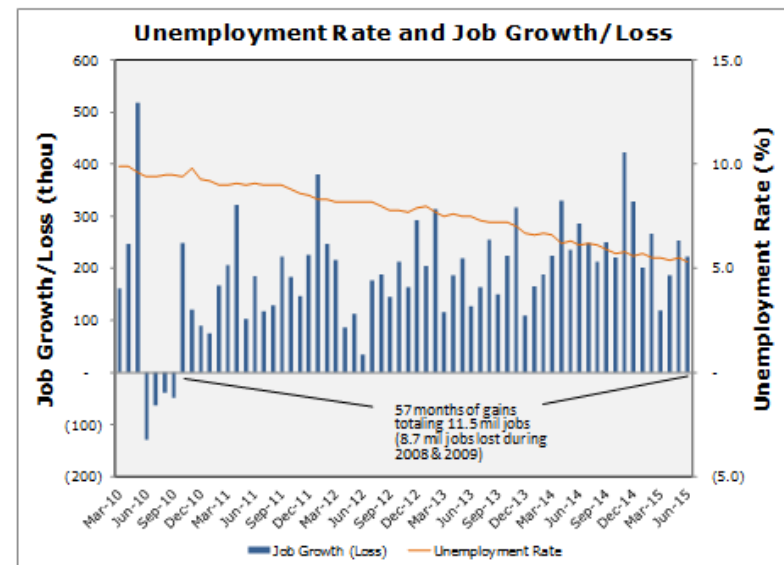
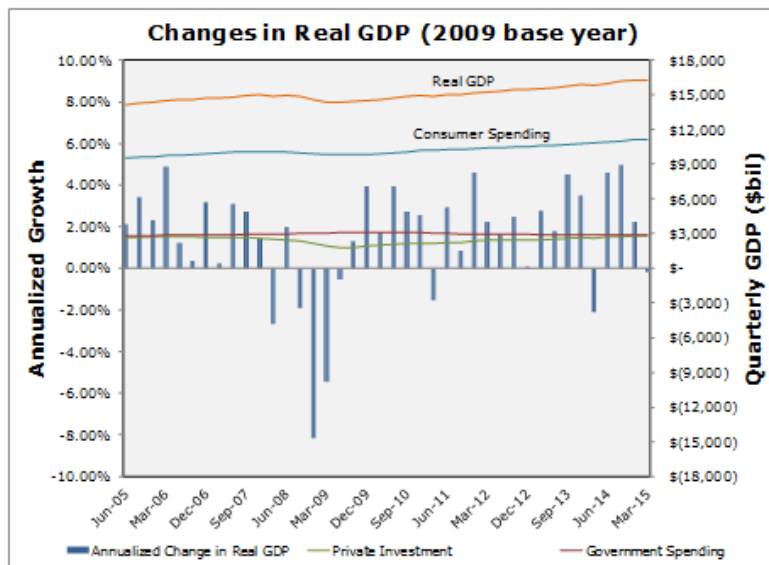
LACERS
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Executive Summary

Economic Review

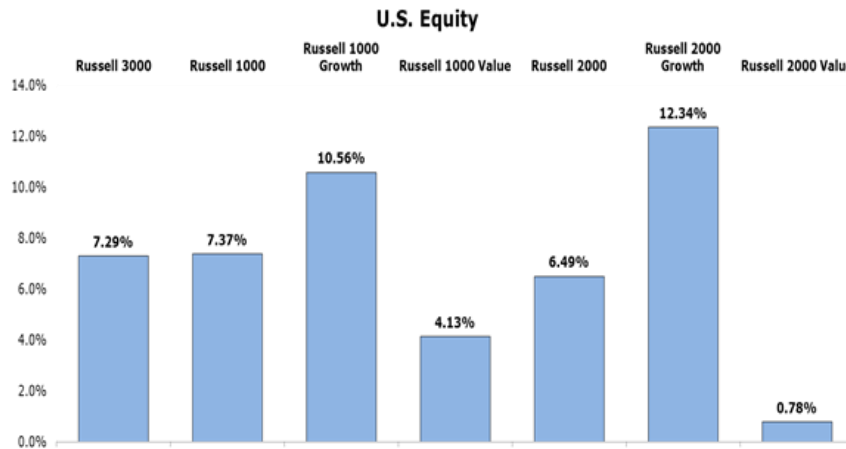
June 30, 2015		Key Economic Indicators			
CPI (all items) Seasonally adjusted	Monthly Change		Cumulative Change		
	Jun-15	0.3	3-Month	0.9	
	May-15	0.4	12-Month	0.2	
	Apr-15	0.1	10-Yr Annual	2.1	
Breakeven Inflation	10-Year	1.9			
Consumer Sentiment Unv. of Michigan Survey	Jun-15	96.1			
	May-15	90.7			
	1-Yr Ago	82.5	10-Yr Avg	77.2	
Manufacturing Inst. for Supply Mgmt Purchasing Mngrs' Idx	Jun-15	53.5	Change in Manufacturing Sector		
	May-15	52.8	>50	Expansion	
	1-Yr Avg	54.7	<50	Contraction	

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

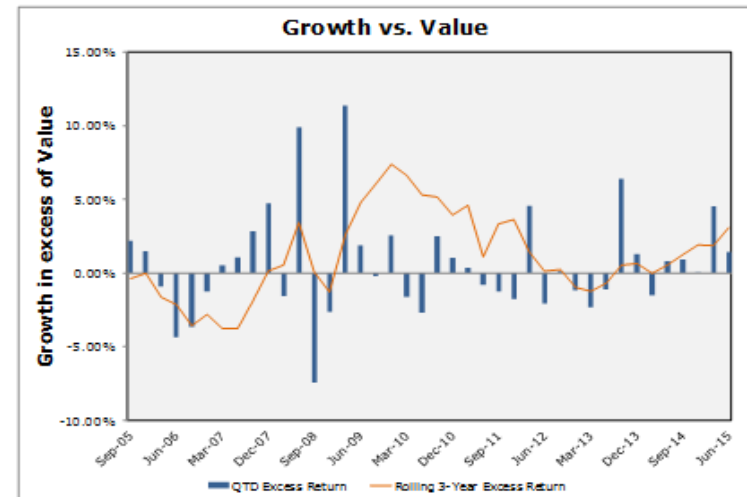
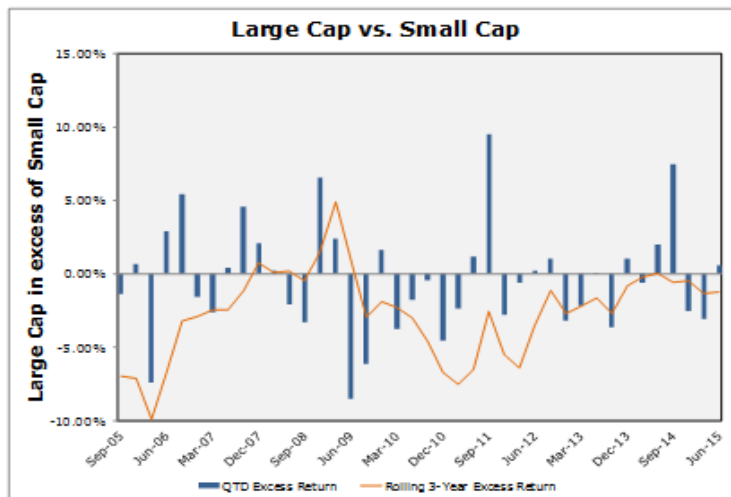


Data sources: Bureau of Economic Analysis, Bureau of Labor Statistics, Federal Reserve Bank of St. Louis, Barclays Capital

U.S. Capital Markets: Equity

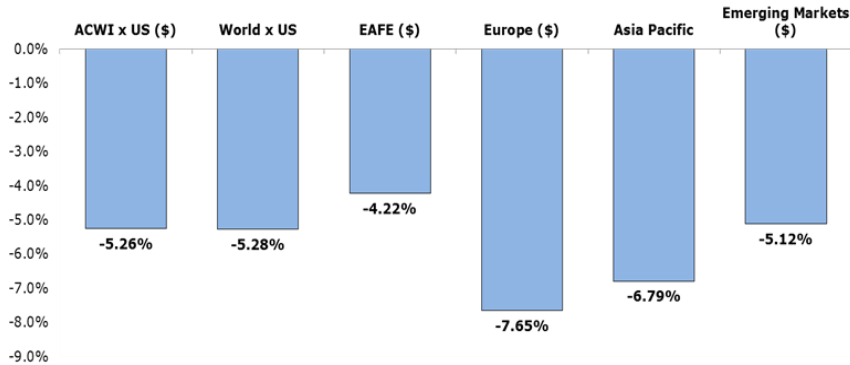


- The U.S. stock market, as represented by the Russell 3000 Index, posted a return of 7.29% for the one-year period ending June 30, 2015. The U.S. stock market was flat for 2Q15, up just 0.14%.
- Employment conditions in the U.S. have slowly but steadily been improving since the Credit Crisis. One aspect of the overall picture that is finally showing sign of life is wages. The Employment Cost Index has strengthened after years of inflation-like increases.
- Small-cap growth stocks, as represented by the Russell 2000 Growth Index, were the strongest performing stocks for the year, primarily driven by health care and IT stocks.



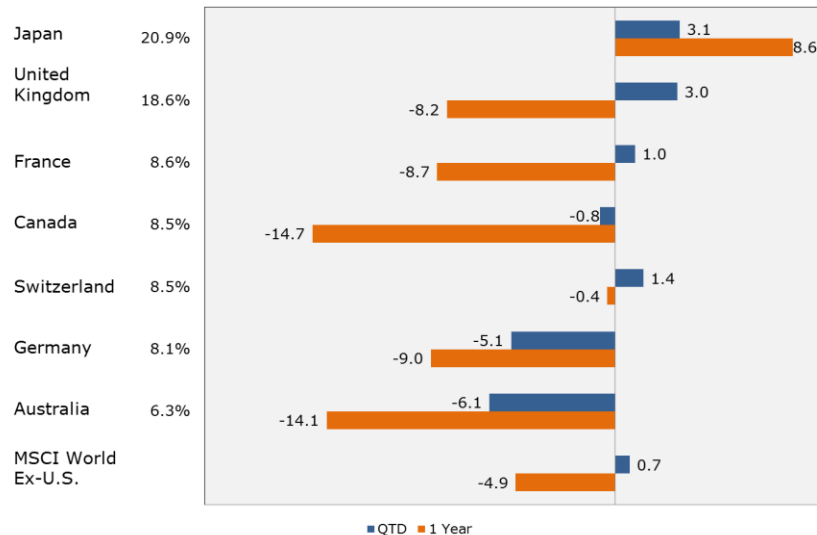
Non-U.S. Capital Markets

Non-U.S. Equity

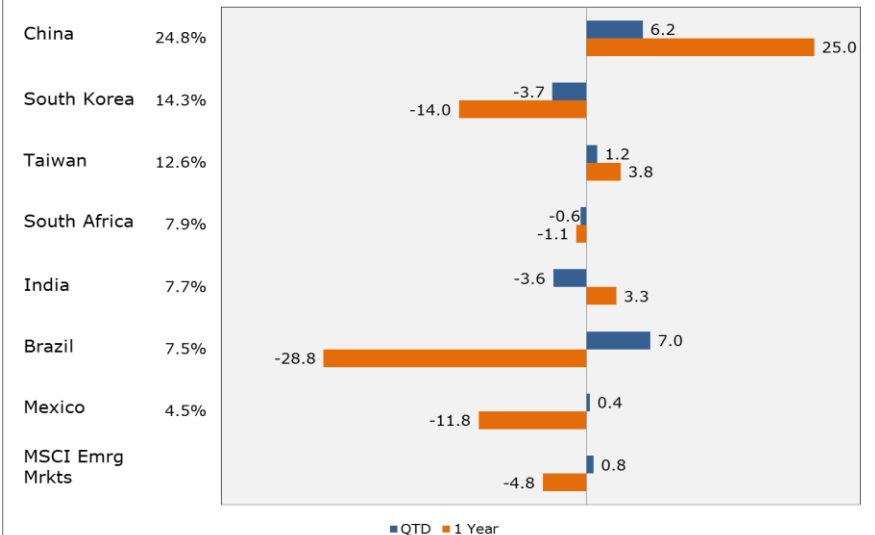


- Global equity markets, as represented by the MSCI ACWI ex-U.S. Index, returned -5.26% for the year. The European stock market rally that ushered in 2015 was brought to an abrupt end by the late-June breakdown in negotiations between the European Central Bank and beleaguered Greece, resulting in a 2Q15 loss for European region stocks in local currency terms.
- Pacific regional markets also lost ground in June, but returned positive performance for 2Q15, adding to their strong 1Q15 returns.
- Emerging markets returned -5.12% during the year, slightly outperforming developed markets.

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

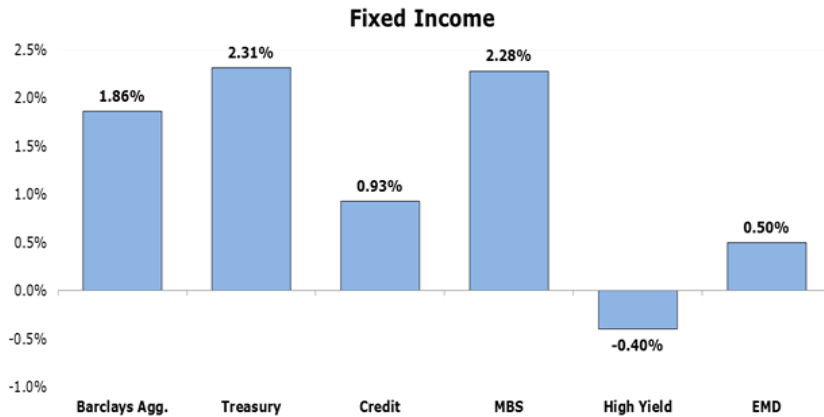


MSCI EM: Largest Countries and Return

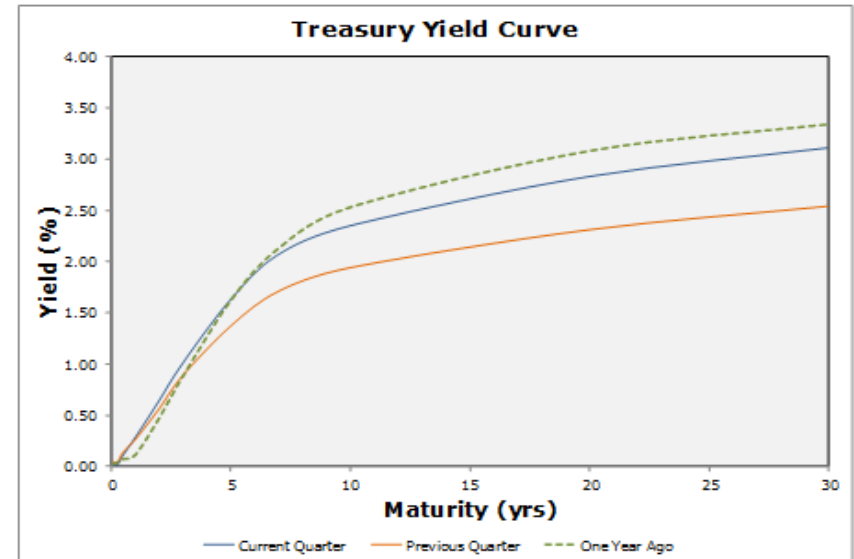
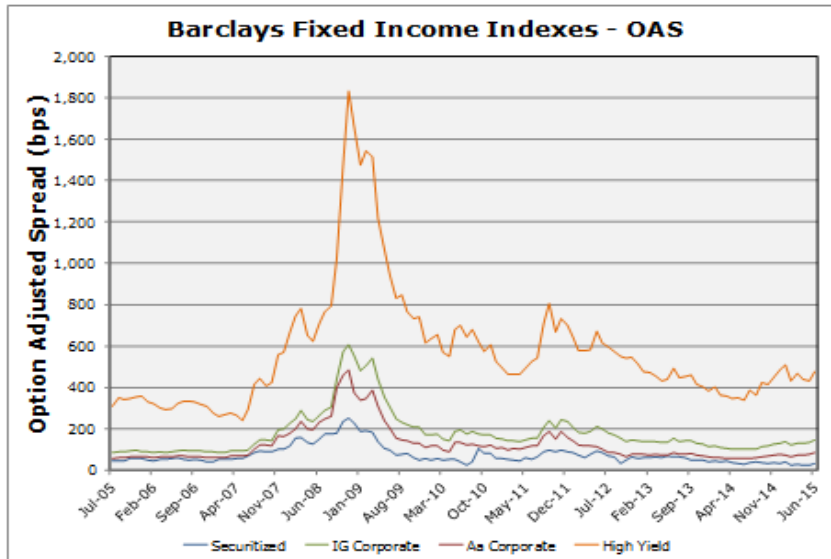


Data sources: Wilshire Compass, MSCI Barra

U.S. Capital Markets: Fixed Income

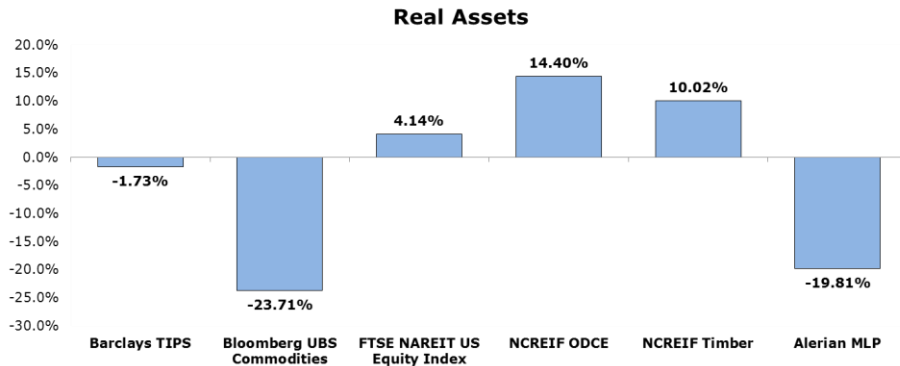


- U.S. Fixed Income markets, as represented by the Barclays U.S. Aggregate Index, returned 1.86% for the year.
- Ten-Year Treasury yields settled at 2.35% for 2Q15, 18 basis points lower than 2Q14.
- Yields declined at maturities of 5 years and longer as investors preferred longer duration Treasuries.
- Although the U.S. Federal Reserve refrained from raising short-term interest rates, investors still began selling bonds to lock in gains and prepare for higher rates by year-end.

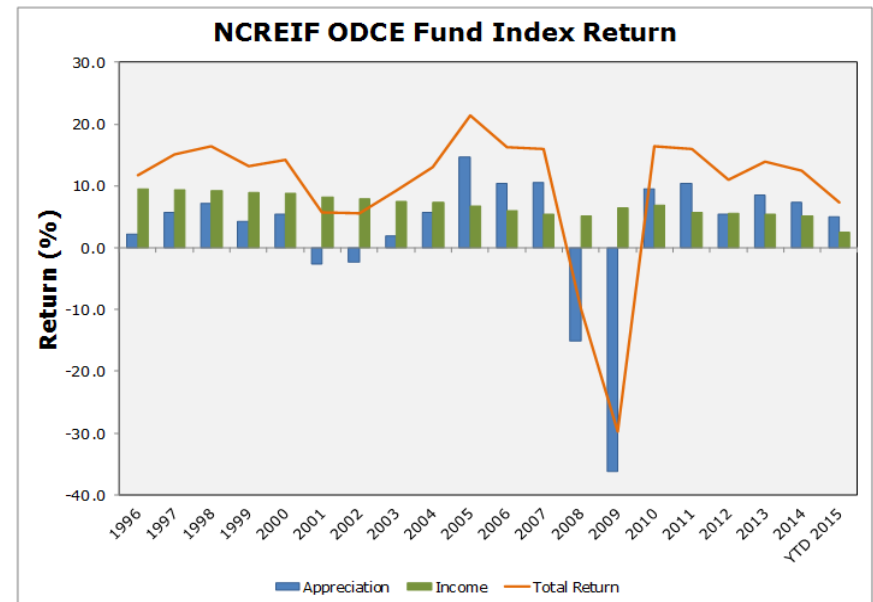
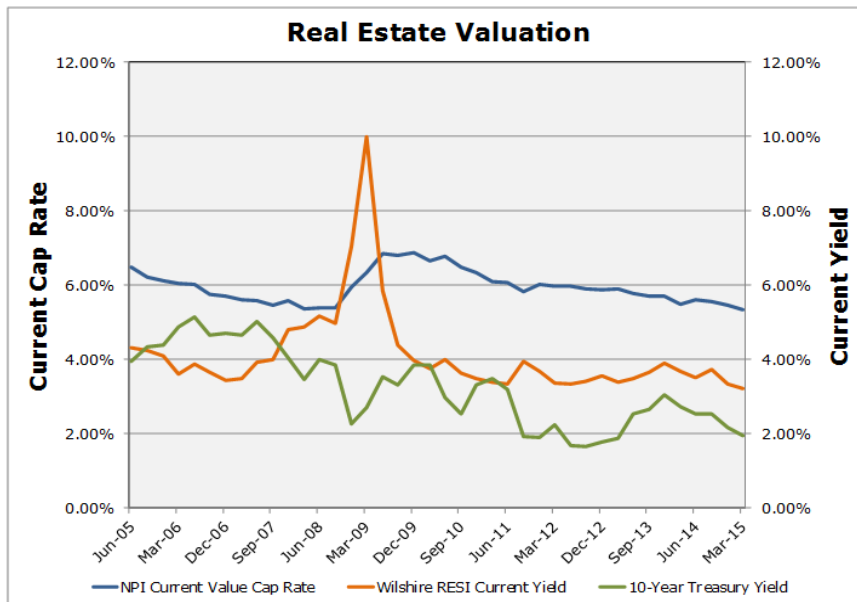


Data sources: Wilshire Compass, Barclays Capital, U.S. Treasury

Real Assets



- TIPS, as represented by the Barclays U.S. TIPS Index, returned -1.73% for the year.
- REITs, as represented by the FTSE NAREIT US Equity Index, returned 4.14% for the year.
- Commodities, as represented by the Bloomberg UBS Commodities Index, experienced the lowest return of all capital markets with -23.71% for the year.



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

Performance Overview

- *LACERS' investment portfolio ("Fund") ended the quarter with a market value of \$14.1 billion, a gain of \$207 million from the previous year-end. The Fund's net of fee return was 2.60% for the year and 11.45% for the three-year period ending June 30, 2015.*
- *The Fund outperformed its policy benchmark by 24 basis points (0.24%) for the year and outperformed its policy benchmark by 58 basis points (0.58%) for the three-year period.*
- *In comparison to other public funds with market values greater than \$10 billion in the TUCS (Trust Universe Comparison Service) peer universe, the Fund ranked in the 83rd percentile for the year and in the 30th percentile for the three-year period.*
- *U.S. Equity and Non-U.S. Equity outperformed their respective benchmarks for the year, while Core Fixed Income and Credit Opportunities both underperformed their respective benchmarks*
- *Private Equity¹ underperformed its benchmark and Real Assets outperformed its benchmark for the year*

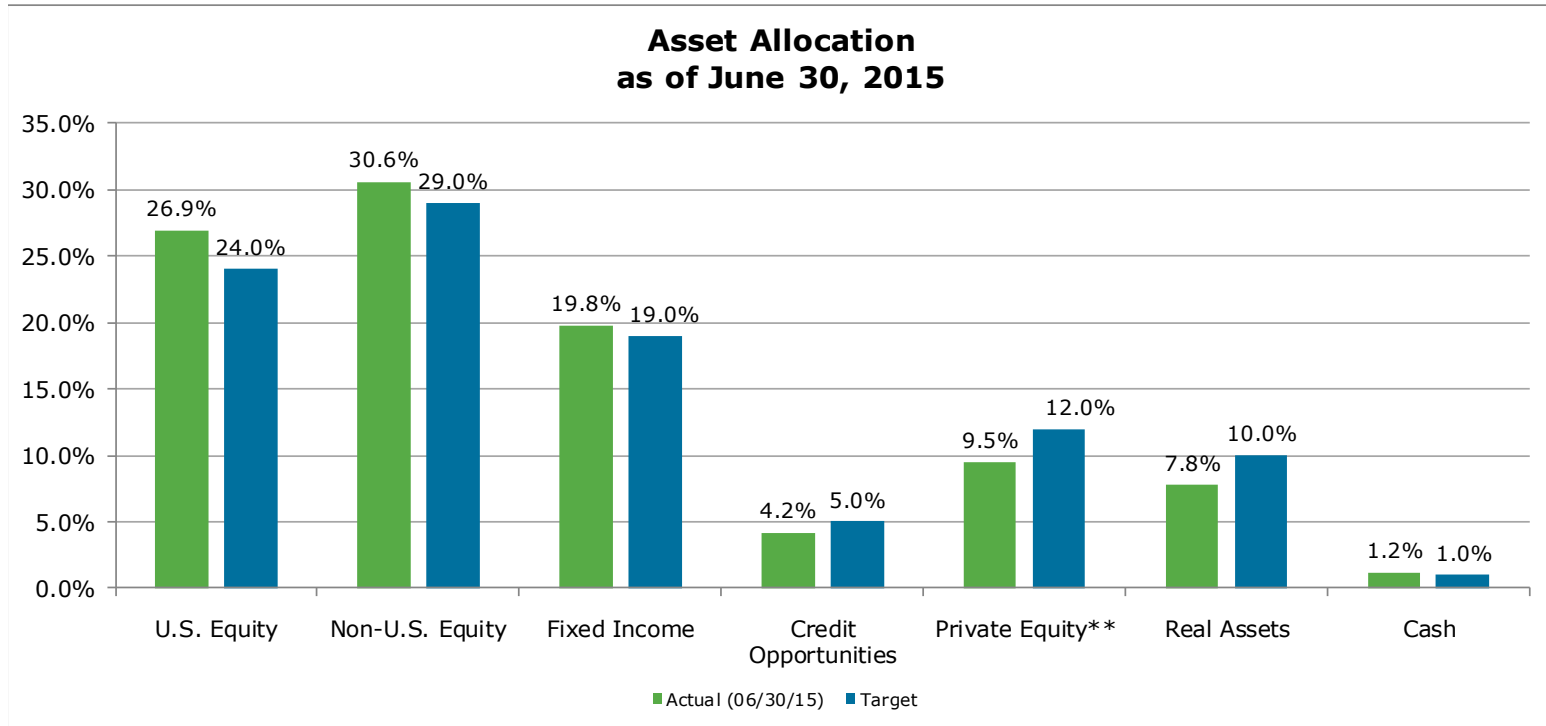
Note: Due to the J-curve effect in early stages of a private equity fund's life, returns may lag prior to realization of proceeds in later years.

¹Name change from "Alternative Investments."



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Fund Overview



	Actual	Target*	Min.	Max
U.S. Equity**	26.9%	24.0%	19.0%	29.0%
Non-U.S. Equity	30.6%	29.0%	24.0%	34.0%
Fixed Income	19.8%	19.0%	15.0%	22.0%
Credit Opportunities	4.2%	5.0%	0.0%	10.0%
Private Equity***	9.5%	12.0%	n/a	n/a
Real Assets	7.8%	10.0%	7.0%	13.0%
Cash	1.2%	1.0%	0.0%	2.0%

* Adopted 1st Qtr 2012 and affirmed 2nd Qtr 2015

**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	\$ 14,149	100.0%	0.61	2.60	11.45	11.31	6.90	6.20	8.42	1.2
<i>Policy Benchmark*</i>			<i>0.22</i>	<i>2.36</i>	<i>10.87</i>	<i>11.44</i>	<i>6.85</i>	<i>5.72</i>	<i>8.34</i>	
Excess Return			0.39	0.24	0.58	-0.13	0.05	0.48	0.08	
U.S. Equity	\$ 3,806	26.9%	0.27	7.33	17.92	17.27	7.97	5.91	10.43	1.2
<i>Russell 3000</i>			<i>0.14</i>	<i>7.29</i>	<i>17.73</i>	<i>17.54</i>	<i>8.15</i>	<i>4.89</i>	<i>9.13</i>	
Excess Return			0.13	0.04	0.19	-0.27	-0.18	1.02	1.30	
Non-U.S. Equity	\$ 4,334	30.6%	1.57	-4.51	11.28	8.75	6.14	4.26	5.22	1.3
<i>MSCI ACWI ex U.S.</i>			<i>0.53</i>	<i>-5.26</i>	<i>9.44</i>	<i>7.76</i>	<i>5.54</i>	<i>3.84</i>	<i>5.47</i>	
Excess Return			1.04	0.75	1.84	0.99	0.60	0.42	-0.25	
Core Fixed Income	\$ 2,801	19.8%	-1.53	1.48	3.00	--	--	--	3.16	--
<i>BC U.S. Aggregate</i>			<i>-1.68</i>	<i>1.86</i>	<i>2.14</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>2.14</i>	
Excess Return			0.15	-0.38	0.86	--	--	--	1.02	
Credit Opportunities	\$ 595	4.2%	-0.35	-0.93	--	--	--	--	5.70	--
<i>Credit Opportunities Blend***</i>			<i>-0.11</i>	<i>-0.06</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>--</i>	<i>5.66</i>	
Excess Return			-0.24	-0.87	--	--	--	--	0.04	
Real Assets **	\$ 1,103	7.8%	1.13	7.58	9.95	10.24	2.43	5.29	6.37	2.6
<i>CPI+5%</i>			<i>2.26</i>	<i>5.13</i>	<i>6.32</i>	<i>6.83</i>	<i>7.08</i>	<i>7.20</i>	<i>7.29</i>	
Excess Return			-1.13	2.45	3.63	3.41	-4.65	-1.91	-0.92	
Private Equity^{2**}	\$ 1,338	9.5%	3.09	9.67	13.33	14.07	12.88	9.32	10.39	13.6
<i>Russell 3000 + 300 bps</i>			<i>0.88</i>	<i>10.51</i>	<i>21.27</i>	<i>21.39</i>	<i>12.08</i>	<i>8.85</i>	<i>12.79</i>	
Excess Return			2.21	-0.84	-7.94	-7.32	0.80	0.47	-2.40	
Cash	\$ 172	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.

*** 65% BC US Corp HY 2% Cap / 35% JPM EMBI - Global Diversified

Private Investments

Performance by IRR and Multiples¹ as of March 31, 2015

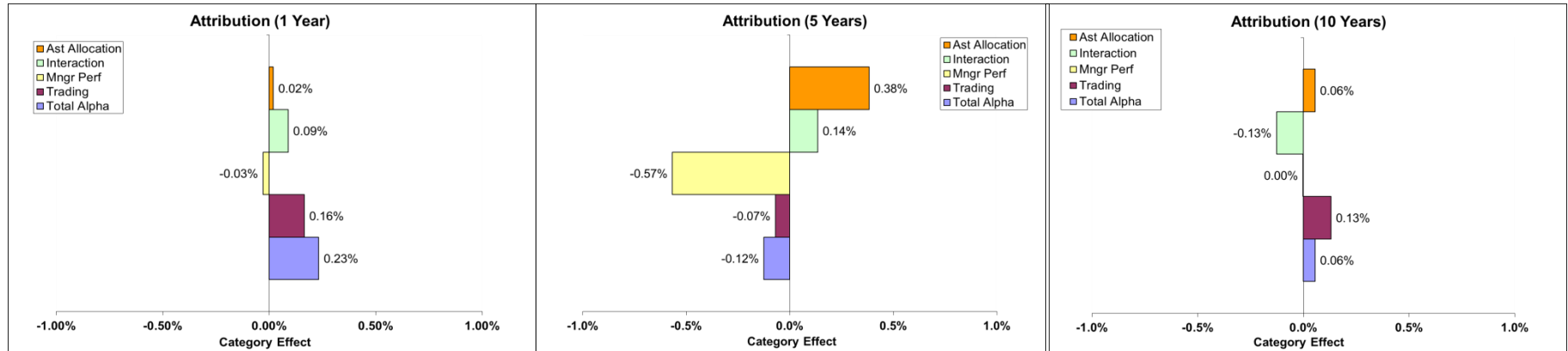
Private Equity	10-Year IRR	Since Inception IRR	Since Inception Equity Multiple
Aggregate Portfolio	12.65%	11.30%	1.51x
Core Portfolio	13.57%	11.79%	1.54x
Specialized Portfolio	3.72%	3.67%	1.18x
<i>Russell 3000 + 300 bps</i>	<i>11.56%</i>	<i>10.26%</i>	<i>N/A</i>

Real Estate²	10-Year Return	Since Inception Return	Since Inception Equity Multiple
Total Portfolio (TWR)	2.78%	5.72%	N/A
<i>NFI ODCE + 80 bps</i>	<i>6.80%</i>	<i>6.84%</i>	<i>N/A</i>
Total Portfolio IRR	N/A	4.57%	1.20x

¹Since inception IRRs and multiples represent performance of active private equity and real estate funds in LACERS portfolio as of the date listed in the table heading. These numbers do not include performance of liquidated funds.

²Cash flow weighted benchmark return (IRR) is not available for the Real Estate Portfolio, so only time weighted return (TWR) is reported.

Total Fund Attribution*

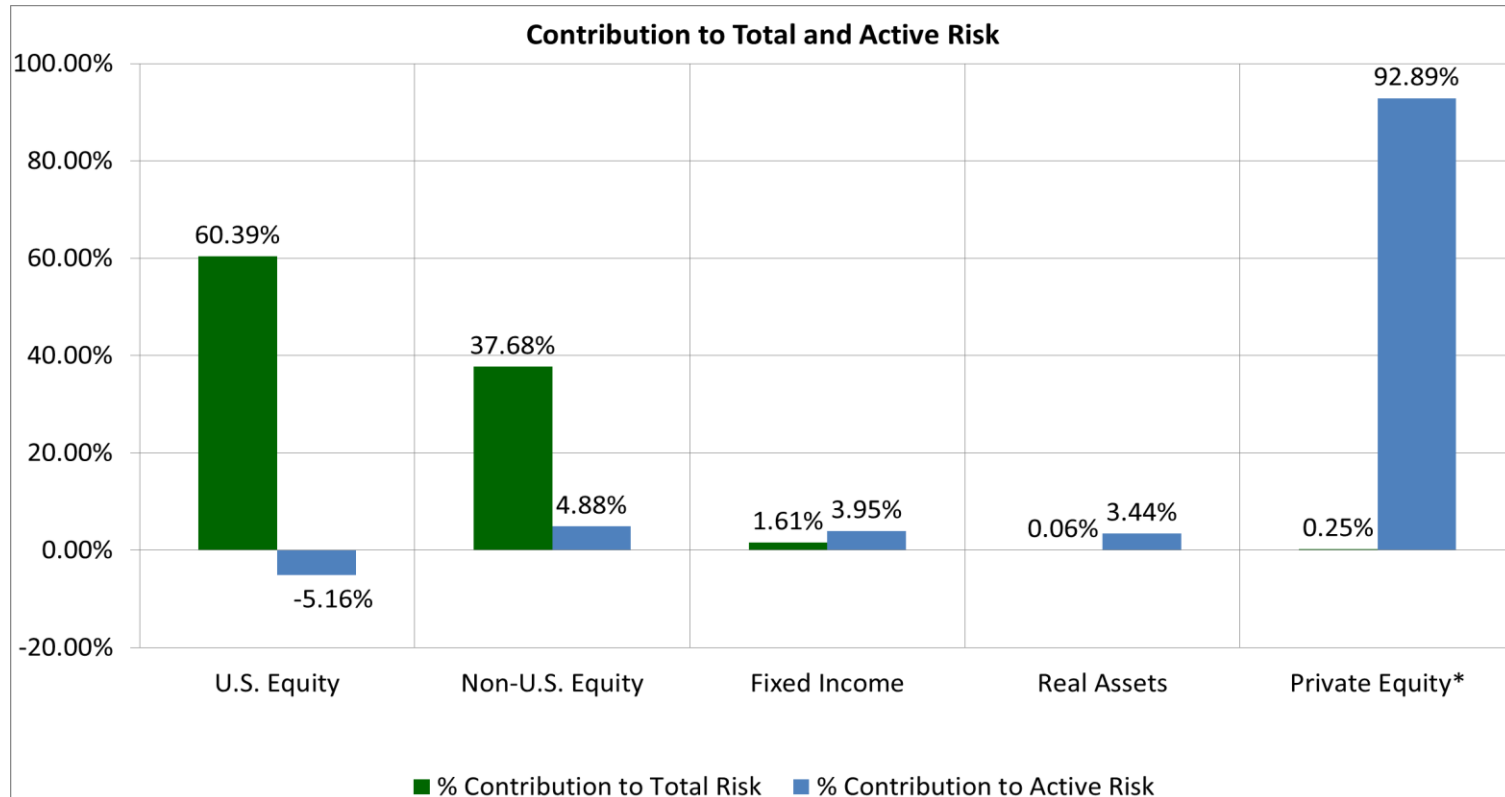


	Portfolio Return	Policy Return	Asset Allocation	Interaction	Manager Performance	Trading	Total Alpha
1 Year	2.60%	2.36%	0.02%	0.09%	-0.03%	0.16%	0.23%
5 Years	11.31%	11.44%	0.38%	0.14%	-0.57%	-0.07%	-0.12%
10 Years	6.90%	6.85%	0.06%	-0.13%	0.00%	0.13%	0.06%

*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 relative to its benchmark.

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

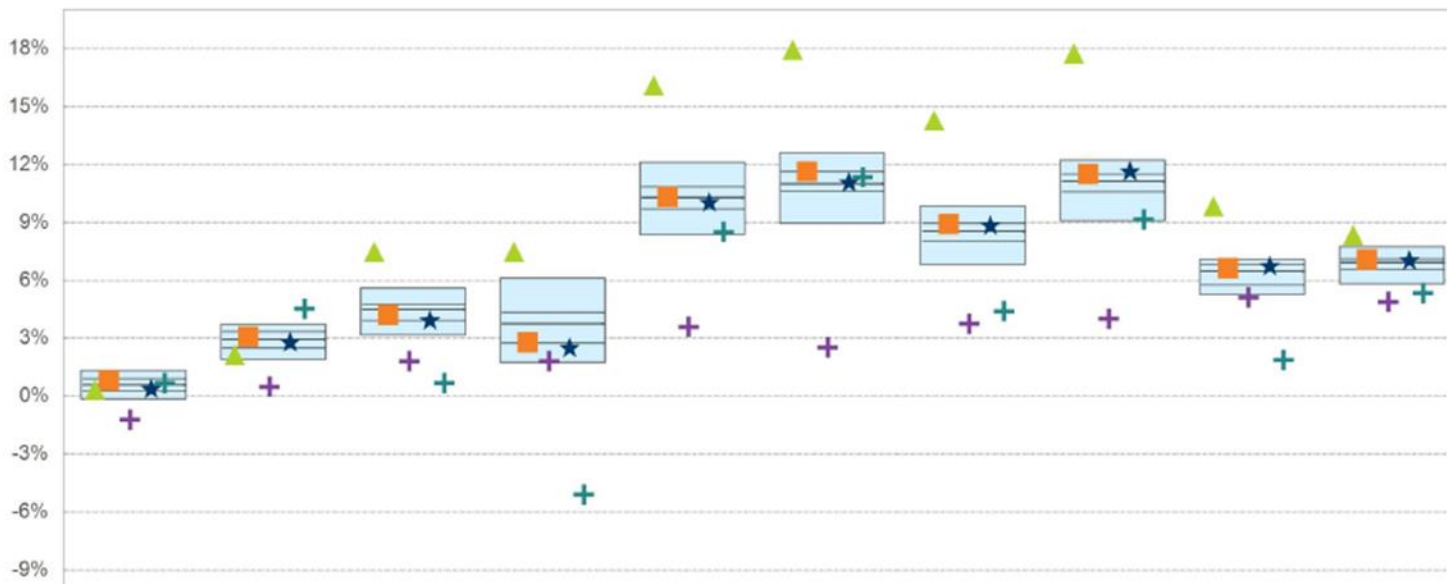


- Public equities comprises 98% of total risk despite actual weighting of 58%.
- Private markets (Real Assets and Private Equities) comprises 96% of active risk as it is difficult to separate active from 'beta' exposures in those asset classes.
- U.S. Equities have provided modest active risk reduction.

*Name change from "Alternative Investments."

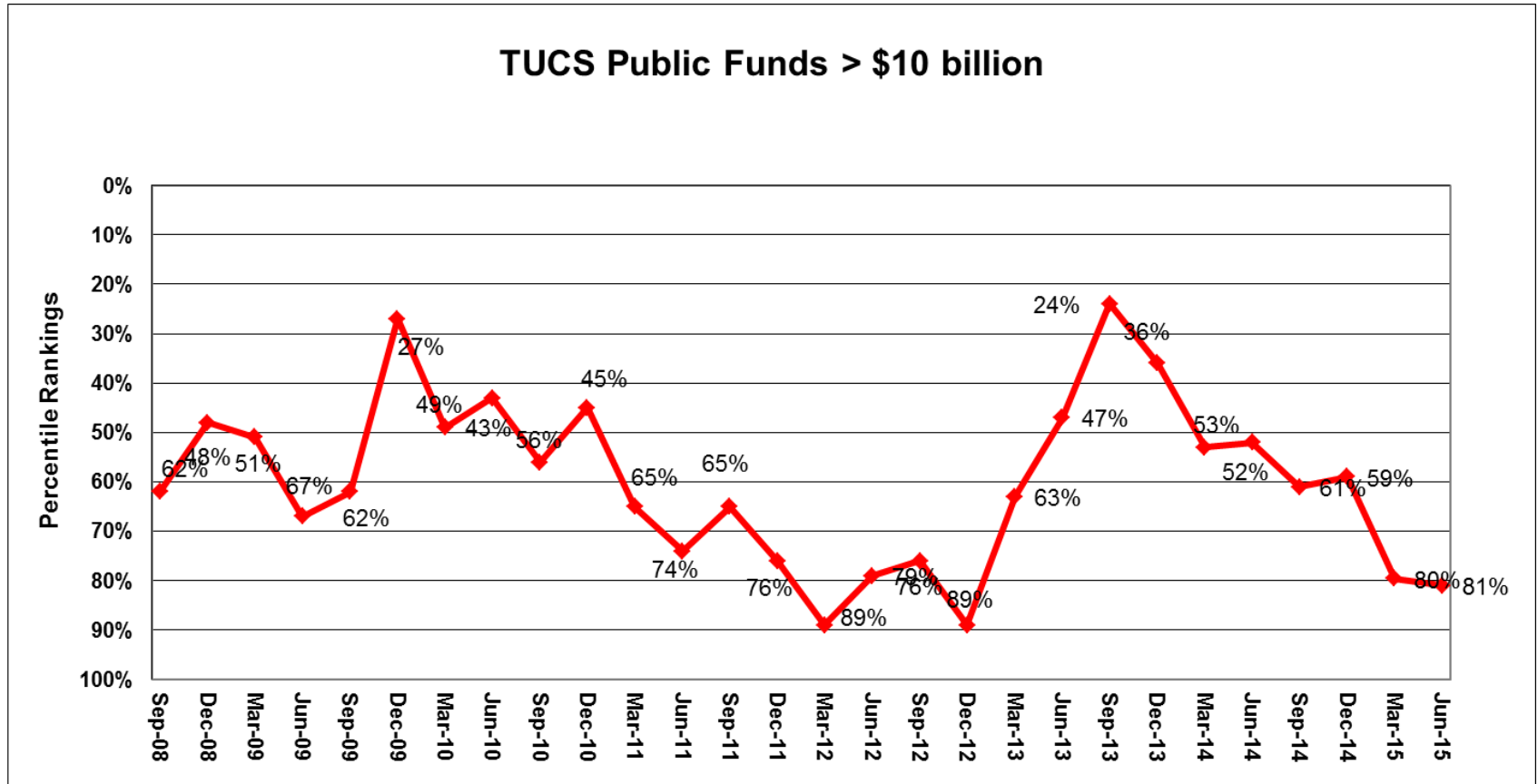
Trust Universe Comparison Service Performance Comparison

Total Returns of Public Defined Benefit Plans >\$10 billion
Cumulative Periods Ending : June 30, 2015



Percentile Rankings	1 Qtr	2 Qtrs	3 Qtrs	1 Year	2 Years	3 Years	4 Years	5 Years	7 Years	10 Years
5th	1.34	3.73	5.60	6.10	12.13	12.60	9.84	12.21	7.08	7.72
25th	0.91	3.35	4.77	4.34	10.83	11.63	8.95	11.50	6.81	7.11
50th	0.60	2.95	4.49	3.75	10.28	11.00	8.54	11.12	6.46	6.93
75th	0.28	2.50	3.92	2.76	9.69	10.61	8.01	10.57	5.76	6.57
95th	-0.15	1.93	3.17	1.74	8.37	8.96	6.81	9.07	5.27	5.81
No. Of Obs	40	40	40	40	40	40	40	38	37	36
■ Total Fund NOF ★ Total Fund Policy ▲ Russell 3000 + MSCI Wild Ex US (Net) + Barclays US Univ Indx	0.61 (45)	2.90 (50)	4.03 (65)	2.60 (83)	10.13 (57)	11.45 (30)	8.72 (42)	11.31 (36)	6.44 (50)	6.90 (55)
	0.22 (75)	2.63 (62)	3.76 (80)	2.34 (85)	9.86 (67)	10.89 (52)	8.67 (42)	11.46 (27)	6.58 (41)	6.86 (58)
	0.14 (77)	1.94 (91)	7.28 (1)	7.29 (1)	15.91 (1)	17.74 (1)	14.10 (1)	17.54 (1)	9.65 (1)	8.15 (1)
	0.49 (55)	4.34 (1)	0.49 (100)	-5.28 (100)	8.30 (96)	11.15 (47)	4.20 (100)	8.97 (99)	1.69 (100)	5.16 (100)
	-1.40 (100)	0.30 (100)	1.64 (100)	1.61 (96)	3.39 (100)	2.33 (100)	3.56 (100)	3.81 (100)	4.91 (99)	4.68 (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 5 year return ranks in the 36th percentile, while its 5 year risk value ranks in the 80th percentile



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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	\$ 3,806	100.0%	0.27	7.33	17.92	17.27	7.97	10.43	1.2
<i>Russell 3000</i>				<i>0.14</i>	<i>7.29</i>	<i>17.73</i>	<i>17.54</i>	<i>8.15</i>	<i>9.13</i>	
Excess Return				0.13	0.04	0.19	-0.27	-0.18	1.30	
Rhumblin Advisors S&P 500 (Passive)	Mar-93	\$ 1,576	41.4%	0.30	7.47	17.29	17.35	8.05	9.47	0.1
<i>S&P 500</i>				<i>0.28</i>	<i>7.42</i>	<i>17.31</i>	<i>17.34</i>	<i>7.89</i>	<i>9.26</i>	
Excess Return				0.02	0.05	-0.02	0.01	0.16	0.21	
Blackrock S&P 500 (Passive)	Jun-13	\$ 1,019	26.8%	0.27	7.40	--	--	--	15.69	--
<i>S&P 500</i>				<i>0.28</i>	<i>7.42</i>	--	--	--	<i>15.70</i>	
Excess Return				-0.01	-0.02	--	--	--	-0.01	
Rhumblin Advisors Russell 1000 Growth (Passive)	Jun-13	\$ 166	4.4%	0.13	10.54	--	--	--	18.37	--
<i>Russell 1000 Growth</i>				<i>0.12</i>	<i>10.56</i>	--	--	--	<i>18.14</i>	
Excess Return				0.01	-0.02	--	--	--	0.23	
AJO	Oct-01	\$ 160	4.2%	0.05	5.76	18.82	18.01	7.67	9.08	2.4
<i>Russell 1000 Value</i>				<i>0.11</i>	<i>4.13</i>	<i>17.34</i>	<i>16.50</i>	<i>7.05</i>	<i>7.79</i>	
Excess Return				-0.06	1.63	1.48	1.51	0.62	1.29	
Principal Global Investors	Jul-14	\$ 213	5.6%	-1.48	--	--	--	--	12.36	--
<i>Russell Midcap</i>				<i>-1.54</i>	--	--	--	--	<i>6.86</i>	
Excess Return				0.06	--	--	--	--	5.50	
Rhumblin Advisors Russell 2000 (Passive)	Mar-15	\$ 102	2.7%	0.06	--	--	--	--	3.84	--
<i>Russell 2000</i>				<i>0.42</i>	--	--	--	--	<i>4.24</i>	
Excess Return				-0.36	--	--	--	--	-0.40	
Thomson Horstmann & Bryant	Oct-95	\$ 100	2.6%	-1.09	1.40	15.20	15.03	7.64	10.76	4.2
<i>Russell 2000</i>				<i>0.42</i>	<i>6.49</i>	<i>17.81</i>	<i>17.08</i>	<i>8.40</i>	<i>9.04</i>	
Excess Return				-1.51	-5.09	-2.61	-2.05	-0.76	1.72	
Rhumblin Advisors Russell 2000 Growth (Passive)	Jan-15	\$ 108	2.8%	1.73	--	--	--	--	8.52	--
<i>Russell 2000 Growth</i>				<i>1.98</i>	--	--	--	--	<i>8.68</i>	
Excess Return				-0.25	--	--	--	--	-0.16	

¹ Indicates gross returns

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

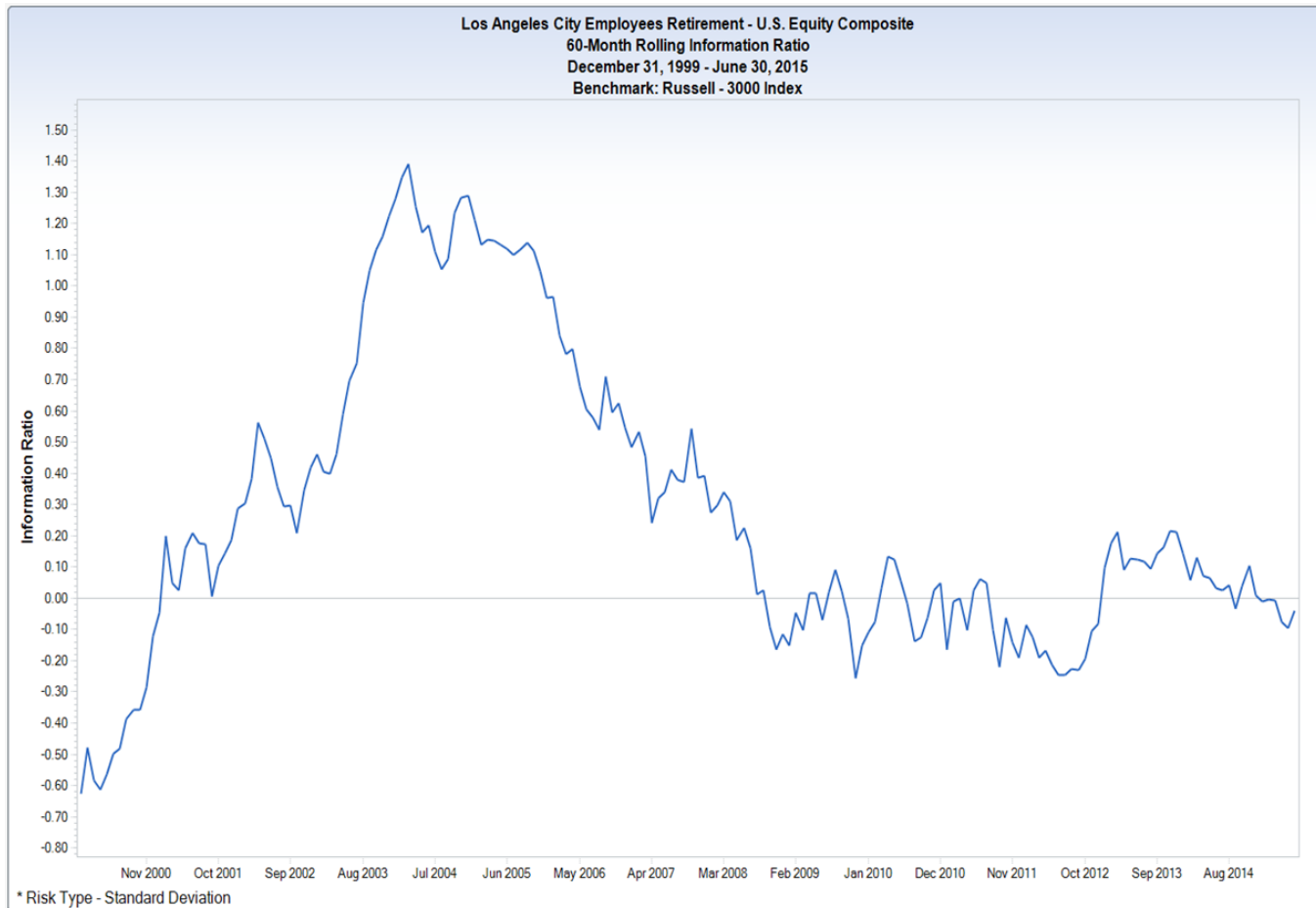
U.S. Equity Managers

(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
Franklin Advisers <i>Russell 2000 Growth</i>	Sep-94	\$ 105	2.8%	3.73 <i>1.98</i>	5.49 <i>12.34</i>	22.54 <i>20.11</i>	21.07 <i>19.33</i>	10.72 <i>9.86</i>	10.30 <i>7.93</i>	5.3
Excess Return				1.75	-6.85	2.43	1.74	0.86	2.37	
PanAgora Asset Management <i>Russell 2000 Value</i>	Feb-06	\$ 103	2.7%	-0.47 <i>-1.20</i>	5.32 <i>0.78</i>	20.25 <i>15.50</i>	19.80 <i>14.81</i>	-- <i>--</i>	7.12 <i>6.05</i>	2.3
Excess Return				0.73	4.54	4.75	4.99	--	1.07	
Donald Smith & Co. <i>Russell 2000 Value</i>	Feb-06	\$ 108	2.8%	1.32 <i>-1.20</i>	-5.42 <i>0.78</i>	15.98 <i>15.50</i>	13.02 <i>14.81</i>	-- <i>--</i>	7.63 <i>6.05</i>	6.4
Excess Return				2.52	-6.20	0.48	-1.79	--	1.58	
Manager-of-Manager Programs			1.2%							
Attucks Asset Management <i>Russell 2000</i>	Nov-05	\$ 47	1.2%	0.03 <i>0.42</i>	3.69 <i>6.49</i>	16.87 <i>17.81</i>	16.36 <i>17.08</i>	-- <i>--</i>	7.91 <i>8.09</i>	2.0
Excess Return				-0.39	-2.80	-0.94	-0.72	--	-0.18	

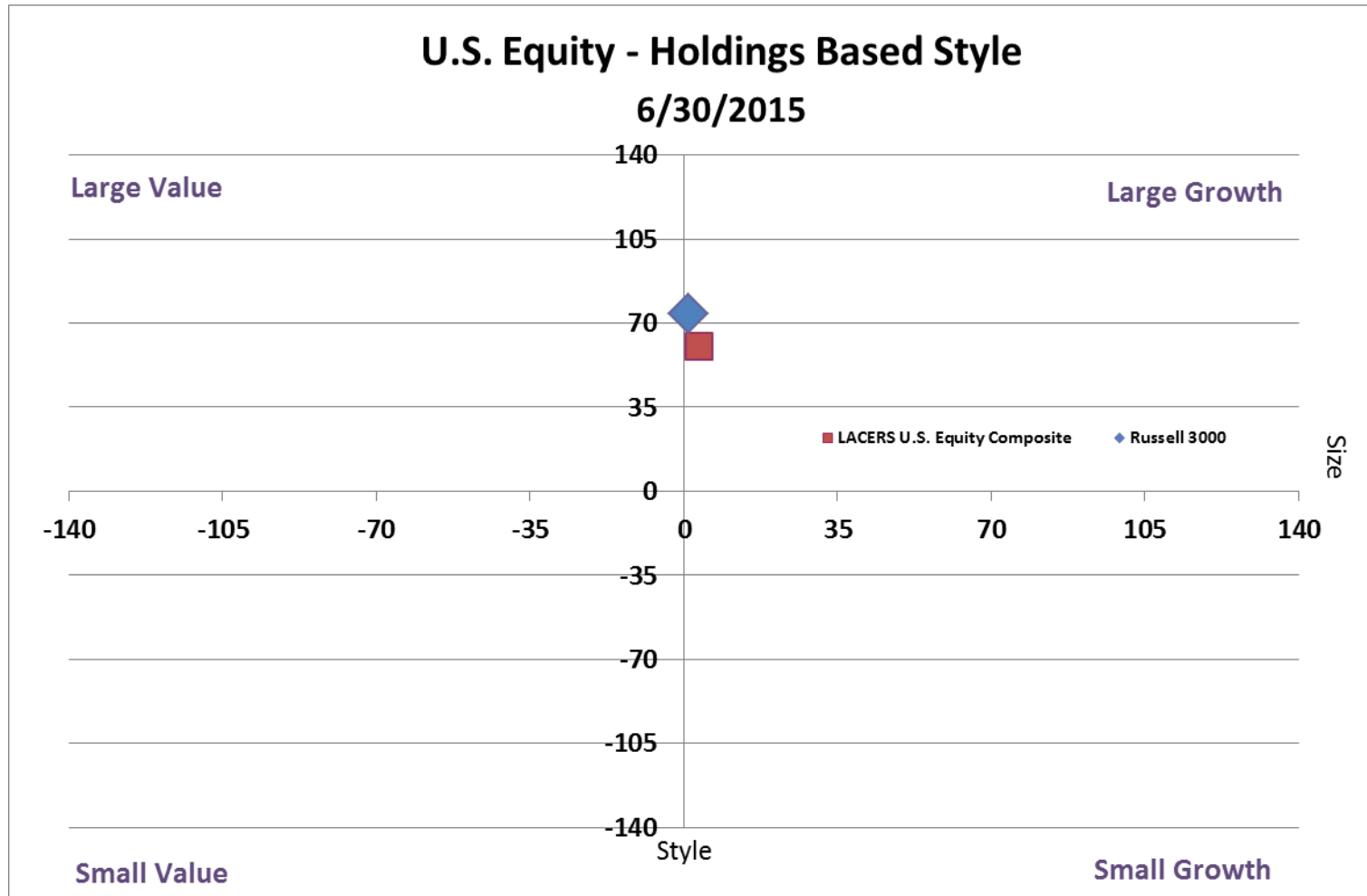
¹ Indicates gross returns

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.

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 in terms of size and style 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		
➤ AJO	Oct-01	Large Cap Value	✗	✗	✓	✓	✓	✓	✓	✓	✓	\$0.59	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ Principal Global Investor	Jul-14	Mid Cap	✓	✗	n/a	n/a	n/a	n/a	n/a	n/a	✓	\$0.60	Limited track record; less than 3 years for active.
➤ Thomson Horstmann & Bryant	Oct-95	Small Cap	✗	✗	✗	✗	✗	✗	✗	✗	✓	\$0.73	"On Watch" since Aug. 2013 - performance.
➤ Franklin Advisers	Sep-94	Small Cap Growth	✓	✓	✗	✗	✓	✓	✓	✓	✓	\$0.58	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ Donald Smith & Co.	Feb-06	Small Cap Value	✓	✓	✗	✗	✓	✗	✗	✗	✓	\$0.89	"On Watch" since Nov. 2014 - performance.
➤ Panagora Asset Management	Feb-06	Small Cap Value	✓	✗	✓	✓	✓	✓	✓	✓	✓	\$0.74	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ Attucks Asset Management	Nov-05	Fund of Funds	✗	n/a	✗	n/a	✗	n/a	✗	n/a	✗	\$0.33	"On Watch" since Oct. 2014 - performance.
➤ Rhumblin Advisors (Passive)	Mar-93	S&P 500 Index	✓	✓	✓	✓	✗	✓	✓	✓	✓	\$0.10	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ BlackRock S&P 500 (Passive)	Jun-13	S&P 500 Index	✗	✓	✗	✓	n/a	n/a	n/a	n/a	✗	\$0.31	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ Rhumblin Advisors (Passive)	Jun-13	R1000 Growth Index	✓	✗	✗	✓	n/a	n/a	n/a	n/a	✓	\$0.01	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ Rhumblin Advisors (Passive)	Jan-15	R2000 Growth Index	✗	✓	n/a	n/a	n/a	n/a	n/a	n/a	✗	\$0.002	Limited track record; less than 1 year for passive.
➤ Rhumblin Advisors (Passive)	Mar-15	R2000 Index	✗	✗	n/a	n/a	n/a	n/a	n/a	n/a	✗	\$0.002	Limited track record; less than 1 year for passive.

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

²Managers are placed on the Watch List for concerns with organization, process, and performance. Managers are normally on the Watch List for 12 months though can be longer if manager issues still remain but not severe enough to warrant contract termination recommendation.

*Fiscal Year ending in June 30, 2015

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

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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	\$ 4,334	100.0%	1.57	-4.51	11.28	8.75	6.14	5.22	1.3
<i>MSCI ACWI ex U.S.</i>				0.53	-5.26	9.44	7.76	5.54	5.47	
Excess Return				1.04	0.75	1.84	0.99	0.60	-0.25	
Developed ex-U.S.	Jun-12	\$ 3,622	83.6%	1.61	-3.74	12.55	--	--	12.78	--
<i>MSCI EAFE ND</i>				0.62	-4.22	11.97	--	--	11.97	
Excess Return				0.99	0.48	0.58	--	--	0.81	
SSgA (Passive)	Aug-93	\$ 1,921	44.3%	1.12	-5.20	11.68	9.50	5.68	5.89	0.3
<i>MSCI World ex U.S.</i>				0.95	-5.11	11.45	9.23	5.36	5.25	
Excess Return				0.17	-0.09	0.23	0.27	0.32	0.64	
Lazard Asset Management	Dec-13	\$ 471	10.9%	1.51	0.38	--	--	--	7.05	--
<i>MSCI EAFE ND</i>				0.62	-4.22	--	--	--	2.17	
Excess Return				0.89	4.60	--	--	--	4.88	
MFS Institutional Advisors	Dec-13	\$ 450	10.4%	0.78	-1.99	--	--	--	2.48	--
<i>MSCI World ex U.S. Growth</i>				0.83	-1.87	--	--	--	2.91	
Excess Return				-0.05	-0.12	--	--	--	-0.43	
Barrow Hanley Mewhinney & Strauss	Dec-13	\$ 447	10.3%	1.73	-6.34	--	--	--	3.62	--
<i>MSCI EAFE Value</i>				0.48	-6.64	--	--	--	0.94	
Excess Return				1.25	0.30	--	--	--	2.68	
Oberweis Asset Mgmt	Jan-14	\$ 34	0.8%	5.12	2.37	--	--	--	3.90	--
<i>MSCI EAFE Sm Cp</i>				4.50	-0.45	--	--	--	2.57	
Excess Return				0.62	2.82	--	--	--	1.33	
AQR Capital	Feb-14	\$ 299	6.9%	5.82	1.50	--	--	--	2.68	--
<i>MSCI EAFE Sm Cp</i>				4.50	-0.45	--	--	--	1.72	
Excess Return				1.32	1.95	--	--	--	0.96	

¹ Indicates gross returns

Non-U.S. Equity Managers

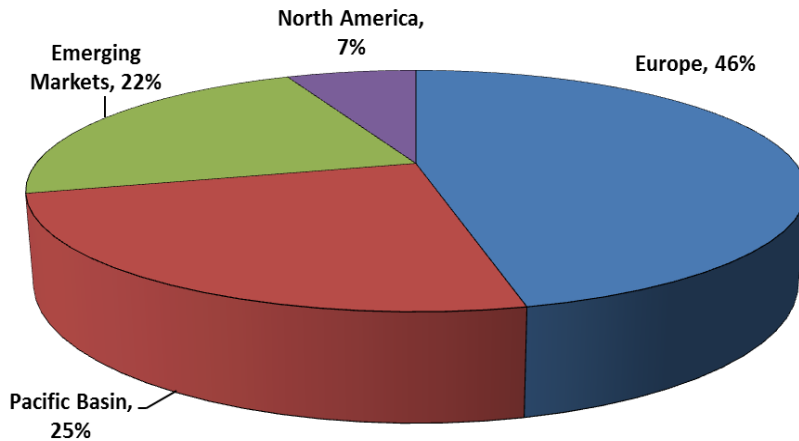
(Returns are Net of Fees)

	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	\$ 712	16.4%	1.40	-8.30	2.46	--	--	3.17	--
<i>MSCI Emerging Markets ND</i>				<i>0.69</i>	<i>-5.12</i>	<i>3.71</i>	--	--	<i>3.71</i>	
Excess Return				0.71	-3.18	-1.25	--	--	-0.54	
Axiom International	Mar-14	\$ 248	5.7%	1.47	-3.90	--	--	--	1.63	--
<i>MSCI Emerging Market Growth</i>				<i>-0.20</i>	<i>-2.38</i>	--	--	--	<i>2.94</i>	
Excess Return				1.67	-1.52	--	--	--	-1.31	
Quantitative Management Associates	Apr-14	\$ 249	5.7%	1.81	-2.54	--	--	--	3.02	--
<i>MSCI Emerging Markets ND</i>				<i>0.69</i>	<i>-5.12</i>	--	--	--	<i>-0.05</i>	
Excess Return				1.12	2.58	--	--	--	3.07	
Dimensional Fund Advisors	Jul-14	\$ 215	5.0%	0.86	--	--	--	--	-13.54	--
<i>MSCI Emerging Markets Value ND</i>				<i>1.79</i>	--	--	--	--	<i>-10.98</i>	
Excess Return				-0.93	--	--	--	--	-2.56	

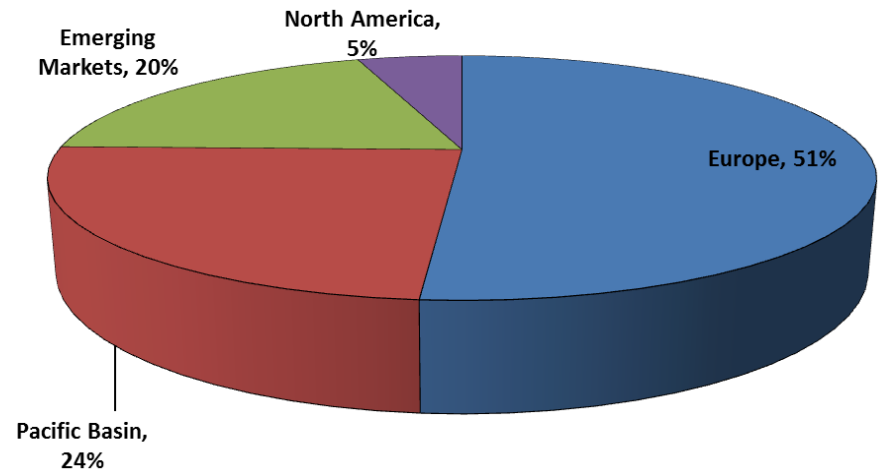
¹ Indicates gross returns

Country Allocation

Benchmark – MSCI ACWI x U.S. Index

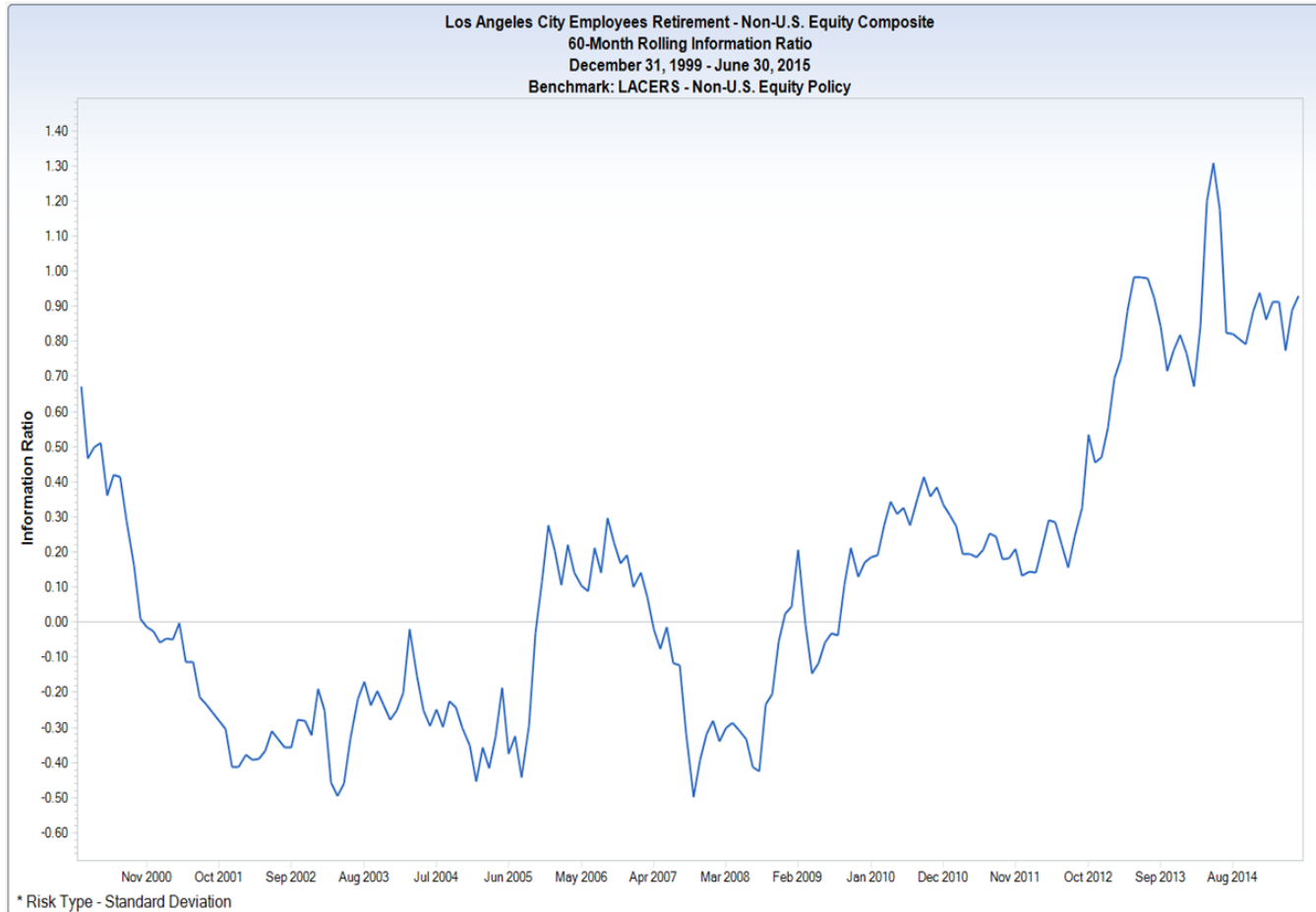


LACERS Non-U.S. Equity Composite



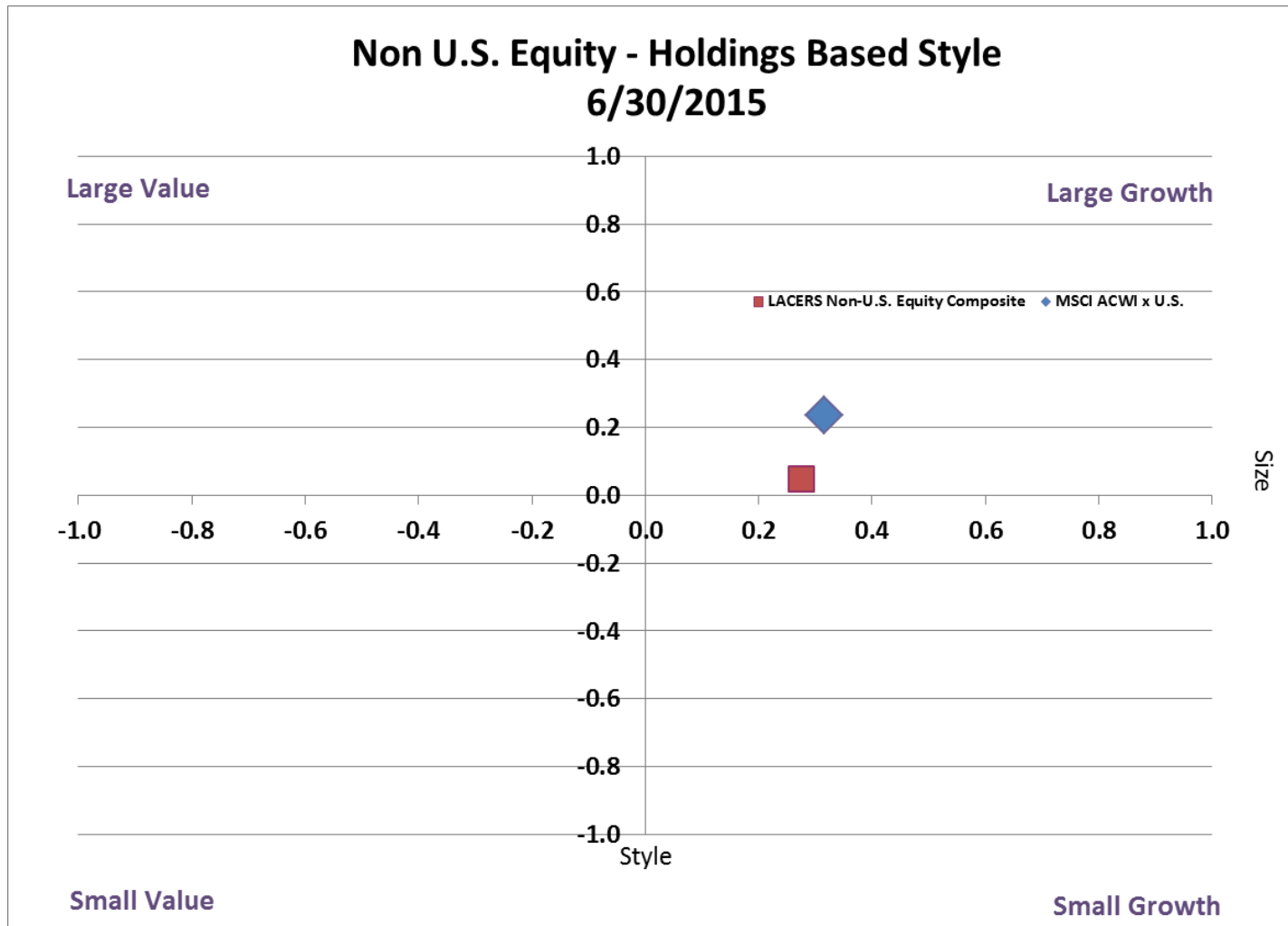
- LACERS Non-U.S. Equity Composite is slightly overweight Europe and slightly underweight Emerging Markets.

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 positive for past 5 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 ex U.S. index, which provided some value-added over the year.

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	✗	\$1.37	Limited track record.; less than 3 years for active.
➤ Quantitative Mgmt Associates	Apr-14	Emerging Markets	✓	✓	✓	✓	n/a	n/a	n/a	n/a	✓	\$1.16	Limited track record; less than 3 years for active.
➤ Dimensional Fund Advisors	Jul-14	Emerging Markets	✗	✓	n/a	n/a	n/a	n/a	n/a	n/a	✗	\$1.01	Limited track record; less than 3 years for active.
➤ AQR Capital	Feb-14	Non US Developed	✓	✓	✓	✓	n/a	n/a	n/a	n/a	✓	\$1.57	Limited track record; less than 3 years for active.
➤ Oberweis Asset Management	Jan-14	Non US Developed	✓	✓	✓	✓	n/a	n/a	n/a	n/a	✓	\$0.32	Limited track record; less than 3 years for active.
➤ Barrow Hanley Mewhinney & Strauss	Dec-13	Non US Developed	✓	✓	✓	✗	n/a	n/a	n/a	n/a	✓	\$2.30	Limited track record; less than 3 years for active.
➤ Lazard Asset	Dec-13	Non US Developed	✓	✓	✓	✓	n/a	n/a	n/a	n/a	✓	\$2.57	Limited track record; less than 3 years for active.
➤ MFS Inst. Adv.	Dec-13	Non US Developed	✗	✗	✗	✓	n/a	n/a	n/a	n/a	✗	\$2.35	Limited track record; less than 3 years for active.
➤ SSgA (Passive)	Aug-93	Non US Developed	✓	✗	✗	✗	✓	✗	✓	✗	✓	\$0.42	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ 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.

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*Fiscal Year ending in June 30, 2015

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



LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

Fixed Income Managers

Fixed Income Managers

(Returns are Net of Fees)

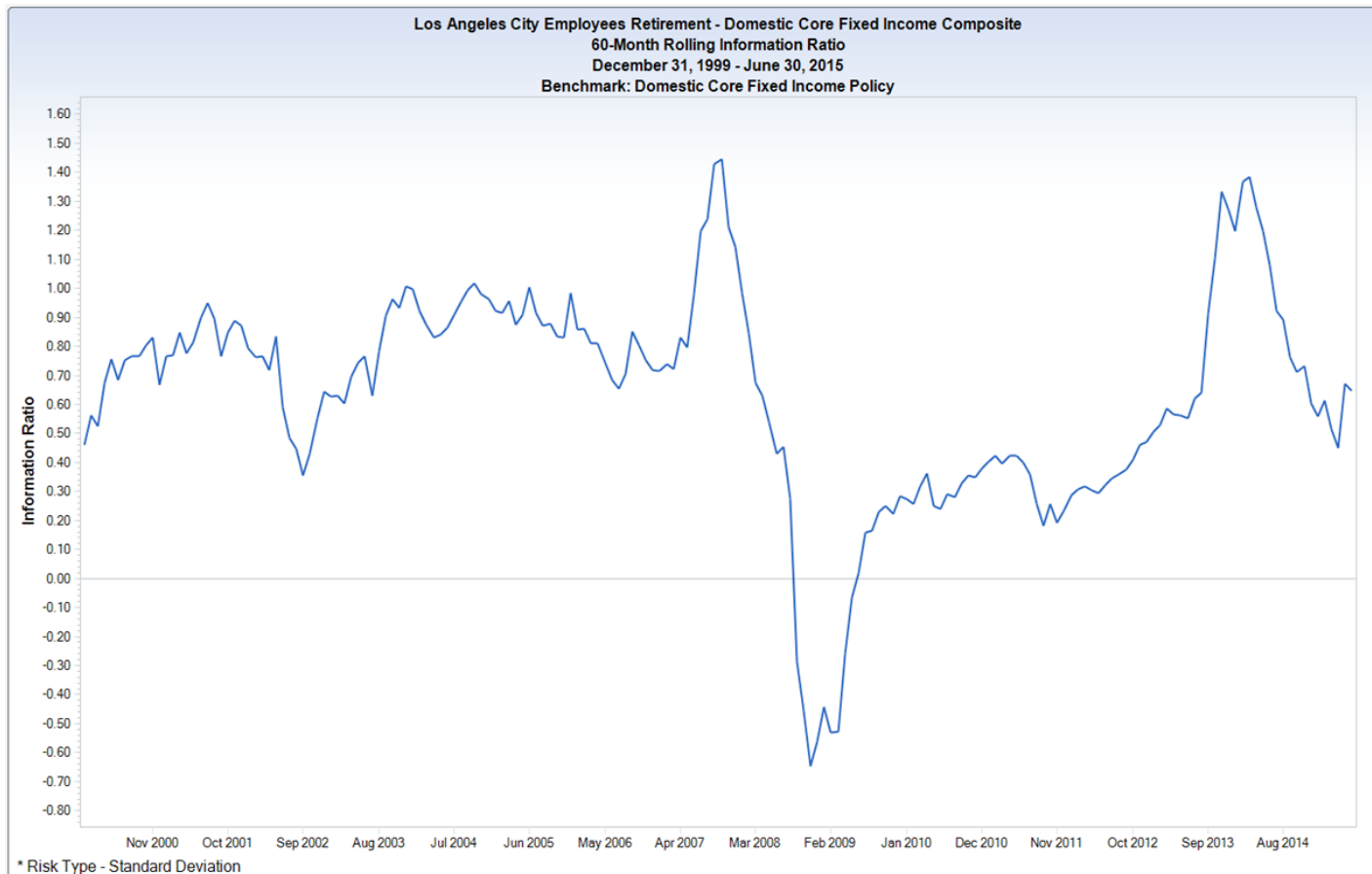
	Inception Date	Market Value (\$million)	% to Total Fixed Income	Current Quarter	One Year	Three Years	Five Years	Ten Years	Since Inception ¹	5 Year Tracking Error
Core Fixed Income	Jun-12	\$ 2,801	100.0%	-1.53	1.48	3.03	--	--	3.16	--
<i>BC U.S. Aggregate*</i>				-1.68	1.86	2.14	--	--	2.14	
Excess Return				0.15	-0.38	0.89	--	--	1.02	
Loomis Sayles	Jun-80	\$ 684	24.4%	-1.80	1.45	3.46	4.71	5.33	9.57	1.4
<i>BC U.S. Aggregate*</i>				-1.68	1.86	2.14	3.69	4.62	8.05	
Excess Return				-0.12	-0.41	1.32	1.02	0.71	1.52	
Neuberger Berman	Nov-90	\$ 681	24.3%	-1.47	1.47	2.83	4.77	5.87	7.24	1.8
<i>BC U.S. Aggregate*</i>				-1.68	1.86	2.14	3.69	4.62	6.42	
Excess Return				0.21	-0.39	0.69	1.08	1.25	0.82	
Baird Advisors	Mar-05	\$ 235	8.4%	-0.47	1.98	2.62	3.94	4.60	4.86	0.7
<i>BC U.S. Govt/Credit Intermed</i>				-0.62	1.68	1.60	2.79	4.02	4.17	
Excess Return				0.15	0.30	1.02	1.15	0.58	0.69	
LM Capital Group	Mar-05	\$ 286	10.2%	-1.38	1.78	2.62	3.89	4.82	5.12	1.0
<i>BC U.S. Aggregate*</i>				-1.68	1.86	2.14	3.39	4.32	4.47	
Excess Return				0.30	-0.08	0.48	0.50	0.50	0.65	
SSgA (Passive)	Jul-14	\$ 916	32.7%	-1.69	--	--	--	--	1.72	--
<i>BC U.S. Aggregate</i>				-1.68	--	--	--	--	1.69	
Excess Return				-0.01	--	--	--	--	0.03	
Credit Opportunities	Jun-13	\$ 595	100.0%	-0.35	-0.93	--	--	--	5.70	--
<i>Credit Opportunities Blend**</i>				-0.11	-0.06	--	--	--	5.66	
Excess Return				-0.24	-0.87	--	--	--	0.04	
Aegon USA	Jun-13	\$ 170	28.6%	0.20	1.05	--	--	--	6.26	--
<i>BC U.S. Corp High Yield 2% Cap</i>				0.01	-0.39	--	--	--	5.49	
Excess Return				0.19	1.44	--	--	--	0.77	
Franklin Advisors	Jun-13	\$ 178	29.9%	-0.24	-4.03	--	--	--	4.60	--
<i>BC U.S. Corp High Yield 2% Cap</i>				0.01	-0.39	--	--	--	5.49	
Excess Return				-0.25	-3.64	--	--	--	-0.89	
Prudential Emerging	May-14	\$ 247	41.5%	-0.91	1.15	--	--	--	1.96	--
<i>JPM EMBI Global Diversified</i>				-0.34	0.51	--	--	--	1.66	
Excess Return				-0.57	0.64	--	--	--	0.30	

¹ Indicates gross returns

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

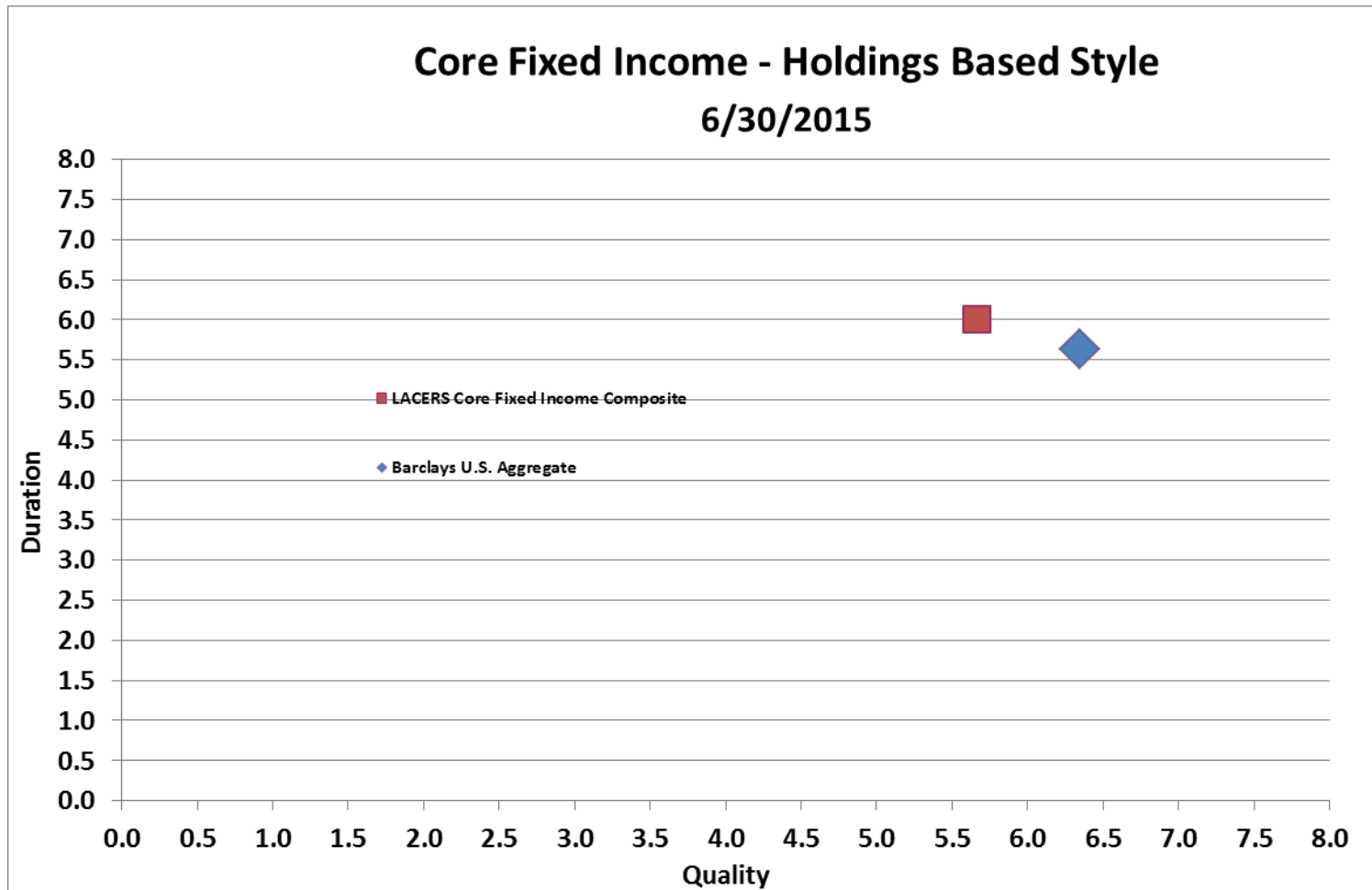
** 65% BC US Corp HY 2% Cap / 35% JPM EMBI - Global Diversified

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 higher 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	✓	✗	✗	✗	✓	✓	✓	✓	✓	\$1.04	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ Loomis Sayles	Jun-80	Core	✗	✗	✗	✗	✓	✓	✓	✓	✓	\$0.89	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ Baird Advisors	Mar-05	Intermediate	✓	✓	✓	✓	✓	✓	✓	✓	✓	\$0.29	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ LM Capital Group	Feb-05	Core	✓	✗	✗	✓	✓	✓	✓	✓	✓	\$0.41	Performance satisfactory pursuant to LACERS Manager Monitoring Policy.
➤ SSgA (Passive)	Jul-14	Core	✗	✗	n/a	n/a	n/a	n/a	n/a	n/a	✓	\$0.35	Limited track record; less than 1 year for passive.
Credit Opportunities													
➤ Aegon USA	Jun-13	High Yield Bonds	✓	✗	✓	✓	n/a	n/a	n/a	n/a	✓	\$0.71	"On Watch" since Feb. 2015 - Organization change.
➤ Franklin Advisers	Jun-13	High Yield Bonds	✗	✗	✗	✗	n/a	n/a	n/a	n/a	✗	\$0.70	Limited track record.; less than 3 years for active.
➤ Prudential Emerging	May-14	High Yield Bonds	✗	✗	✓	✓	n/a	n/a	n/a	n/a	✓	\$0.84	Limited track record; less than 3 years for active.

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*Fiscal Year ending in June 30, 2015

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



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	\$ 1,103	100.0%	1.13	7.58	9.95	10.24	2.43	6.37	2.6
<i>CPI+5%</i>				2.26	5.13	6.32	6.83	7.08	7.29	
Excess Return				-1.13	2.45	3.63	3.41	-4.65	-0.92	
TIPS	Jul-14	\$ 335	30.4%	-0.88	--	--	--	--	-2.06	--
<i>BC US TIPS</i>				-1.06	--	--	--	--	-1.97	
Excess Return				0.18	--	--	--	--	-0.09	
Dimensional Fund Advisors	Jul-14	\$ 168	15.2%	-0.71	--	--	--	--	-1.78	--
<i>BC US TIPS</i>				-1.06	--	--	--	--	-1.97	
Excess Return				0.35	--	--	--	--	0.19	
Hartford Investment Management Co.	Jul-14	\$ 168	15.2%	-1.04	--	--	--	--	-2.34	--
<i>BC US TIPS</i>				-1.06	--	--	--	--	-1.97	
Excess Return				0.02	--	--	--	--	-0.37	
REITS	Apr-15	\$ 64	5.8%	--	--	--	--	--	-6.96	--
CenterSquare	Apr-15	\$ 64	5.8%	--	--	--	--	--	-6.96	--
<i>FTSE NAREIT All Equity</i>				--	--	--	--	--	-7.51	
Excess Return				--	--	--	--	--	0.55	
Commodities	Jun-15	\$ 47	4.3%	--	--	--	--	--	0.58	--
Core Commodity Mgmt LLC	Jun-15	\$ 47	4.3%	--	--	--	--	--	0.58	--
<i>Bloomberg Commodity Index</i>				--	--	--	--	--	0.61	
Excess Return				--	--	--	--	--	-0.03	
Timber	Aug-99	\$ 12	1.1%	-0.54	3.65	11.33	8.04	10.09	11.12	--
Private Real Estate	Oct-94	\$ 644	58.4%	2.84	11.15	11.16	10.97	2.76	6.54	6.7
<i>Real Estate Blended BM</i>				3.46	13.74	12.55	13.41	8.70	9.81	
Excess Return				-0.62	-2.59	-1.39	-2.44	-5.94	-3.27	

¹ Indicates gross returns

MANAGER REPORT CARD¹

Real Assets	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			
TIPS														
➤ Dimensional Fund Advisor	Jul-14	TIPS	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✓	\$0.09	Limited track record; less than 3 years for active.
➤ Hartford Investment Management Co.	Jul-14	TIPS	✓	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✗	\$0.10	Limited track record; less than 3 years for active.
REITS														
➤ CenterSquare	Apr-15	REITS	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	\$0.07	Limited track record; less than 3 years for active.
Commodities														
➤ Core Commodity Mgmt LLC	Jun-15	Commodities	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	✗	\$0.03	Limited track record; less than 3 years for active.

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*Fiscal Year ending in June 30, 2015

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

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LACERS
LOS ANGELES CITY EMPLOYEES'
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 (initially adopted January 10, 2012 and affirmed on May 12, 2015)

- ◆ 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; 10% Real Assets; 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**

Citi 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 decompounded 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 countries, excluding U.S.: Austria, Belgium, Canada, 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 countries 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 countries 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 countries, 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 countries, 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.

- **Public Real Asset**

FTSE NAREIT All Equity REITS Index: the index series provides investors with exposure to all investment and property sectors. In addition, the more narrowly focused property sector and sub-sector indexes provide the facility to concentrate commercial real estate exposure in more selected markets. The index is a free-floating adjusted, market capitalization-weighted index of U.S. Equity REITs. Constituents of the Index include all tax-qualified REITs with more than 50 percent of total assets in qualifying real estate assets other than mortgages secured by real property.

Bloomberg Commodity Index: the index is made up of 22 exchange-traded futures on physical commodities. Commodities are weighted to account for economic significance and market liquidity, with restriction on individual commodities and commodity groups to promote diversification. The restrictions are applied annually that no related group of commodities constitutes more than 33% of the index and no single commodity constitutes more than 15%. To avoid the physical delivery of commodities from underlying futures, the indexes' roll from current to subsequent contracts during the roll period which typically falls within the 6th-10th business day of each month.

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.
- **Real Estate Investment Trust (REIT):** A REIT is a company that owns, and in most cases, operates income-producing real estate such as apartments, shopping centers, offices, hotels and warehouses. Some REITs also engage in financing real estate. The shares of many REITs are freely traded, usually on a major stock exchange. To qualify as a REIT, a company must distribute at least 90% of its taxable income to its shareholders annually. A company that qualifies as a REIT is permitted to deduct dividends paid to its shareholders from its corporate taxable income. As a result, most REITs remit at least 100% of their taxable income to their shareholders and therefore owe no corporate tax. Taxes are paid by shareholders on the dividends received and any capital gains. Most states honor this federal treatment and also do not require REITs to pay state income tax. Like other businesses, but unlike partnerships, a REIT cannot pass any tax losses through to its investors.
- **Commodity:** a raw material or primary agricultural product that can be bought and sold, such as gold or coffee.



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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		\$ 9.48	67.0%	65.0%	2.0%
U.S. Equity		\$ 3.81	26.9%	24.0%	2.9%
Passive		\$ 2.97	21.0%	17.5%	3.5%
Large Cap Core	S&P 500	2.59	18.3%	16.6%	1.8%
Large Cap Growth	Russell 1000 Growth	0.17	1.2%	1.0%	0.2%
Small Cap Core	Russell 2000	0.10	0.7%	0.0%	0.7%
Small Cap Growth	Russell 2000 Growth	0.11	0.8%	0.0%	0.8%
Active		\$ 0.84	5.9%	6.5%	-0.6%
All Cap	Russell 3000	-	0.0%	0.2%	-0.2%
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	0.16	1.1%	1.0%	0.2%
Mid Cap Core	Russell Mid Cap	0.21	1.5%	1.2%	0.3%
Small Cap Core	Russell 2000	0.15	1.0%	1.2%	-0.2%
Small Cap Growth	Russell 2000 Growth	0.11	0.7%	1.4%	-0.7%
Small Cap Value	Russell 2000 Value	0.21	1.5%	1.4%	0.0%
Non-U.S. Equity		\$ 4.33	30.6%	29.0%	1.6%
Passive		\$ 1.92	13.6%	10.2%	3.4%
World ex-U.S.	MSCI World ex-U.S.	1.92	13.6%	10.2%	3.4%
Active		\$ 2.41	17.1%	18.8%	-1.7%
Developed Core	MSCI EAFE	0.47	3.3%	2.8%	0.5%
Developed Growth	MSCI EAFE/World ex-U.S. Growth	0.45	3.2%	2.9%	0.3%
Developed Value	MSCI EAFE/World ex-U.S. Value	0.45	3.2%	2.9%	0.3%
Emerging Markets Core	MSCI Emerging Markets	0.25	1.8%	2.6%	-0.9%
Emerging Markets Growth	MSCI Emerging Market Growth	0.25	1.7%	2.3%	-0.6%
Emerging Markets Value	MSCI Emerging Market Value	0.22	1.5%	2.3%	-0.8%
Small Cap Core	MSCI EAFE Small Cap	0.33	2.4%	2.9%	-0.5%
Private Equity¹		\$ 1.34	9.5%	12.0%	-2.5%
	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		\$ 3.39	24.0%	24.0%	0.0%
Core		\$ 2.80	19.8%	19.0%	0.8%
Passive	Barclays Capital (BC) Aggregate	\$ 0.92	6.5%	6.7%	-0.2%
Active		\$ 1.89	13.3%	12.3%	1.1%
Core	Barclays Capital (BC) Aggregate	1.65	11.7%	10.4%	1.3%
Intermediate Core	BC U.S. Govt/Credit Intermediate	0.24	1.7%	1.9%	-0.2%
Credit Opportunities		\$ 0.59	4.2%	5.0%	-0.8%
U.S. High Yield	BC U.S. High Yield 2% Capped	0.35	2.5%	2.8%	-0.3%
Emerging Market Debt	JP Morgan - EMBI Global Diversified	0.25	1.7%	1.8%	0.0%
Bank Loan	CSFB Leveraged Loan Index	-	0.0%	0.4%	-0.4%
Real Assets		\$ 1.11	7.9%	10.0%	-2.1%
Public Real Assets		\$ 0.45	3.2%	5.0%	-1.8%
TIPS	BC U.S. TIPS	0.34	2.4%	3.0%	-0.6%
REITS	FTSE NAREIT All Equity REIT Index	0.06	0.5%	0.5%	0.0%
Commodities	Bloomberg Commodities Index	0.05	0.3%	1.0%	-0.7%
Private Real Estate		\$ 0.66	4.6%	5.0%	-0.4%
Timber		\$ 0.01	0.1%	-	-
Cash		\$ 0.16	1.2%	1.0%	0.2%
TOTAL PORTFOLIO		\$ 14.15	100.0%	100.0%	0.0%



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U.S. Equity Manager Performance

Aronson, Johnson & Ortiz

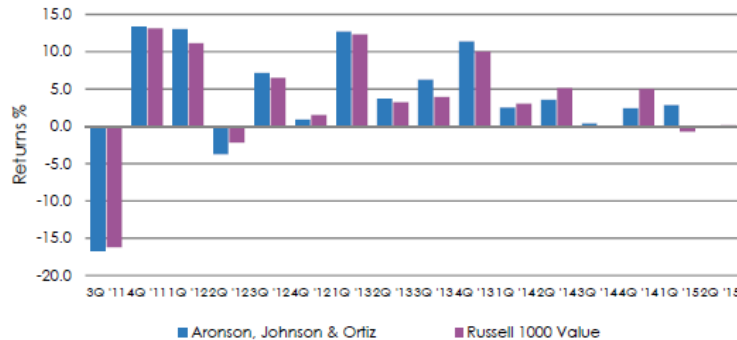
Objective

Outperform the benchmark by 300 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



Principal Global Inv

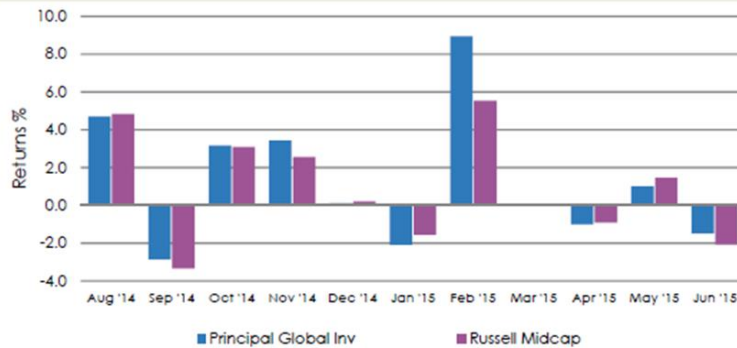
Objective

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



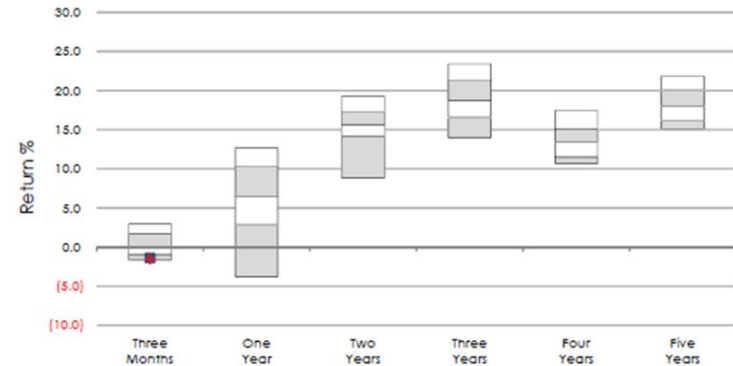
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Principal Global Inv	-1.5	--	--	--	--	12.4	Jul-2014
Russell Midcap	-1.5	--	--	--	--	6.9	
Excess Returns	0.1	--	--	--	--	5.5	

Quartile Rankings

Mandate: Mid Cap

Benchmark: Russell Midcap



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Principal Global Inv ¹	-1.4	--	--	--	--	--
Rank	85	--	--	--	--	--
◆ Russell Midcap	-1.5	--	--	--	--	--
Rank	89	--	--	--	--	--
10 th Percentile	2.9	12.7	19.3	23.4	17.5	21.8
25 th Percentile	1.7	10.3	17.2	21.2	15.0	20.1
Median	0.1	6.5	15.6	18.7	13.5	18.0
75 th Percentile	-1.0	2.9	14.1	16.6	11.5	16.2
90 th Percentile	-1.7	-3.8	8.8	14.0	10.7	15.1
Observation	140	120	107	104	87	84

¹ Performance shown above is based on gross of fees.

Thomson Horstmann

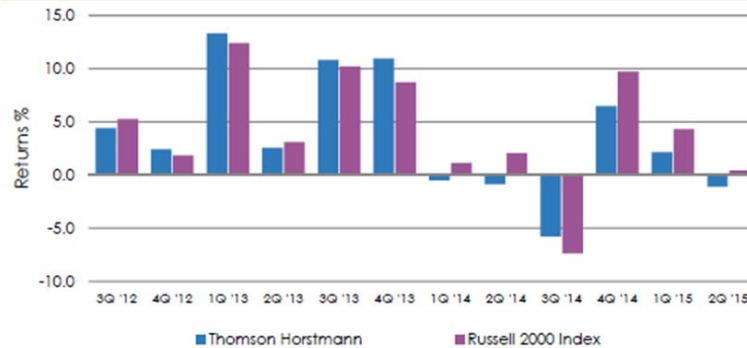
Objective

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



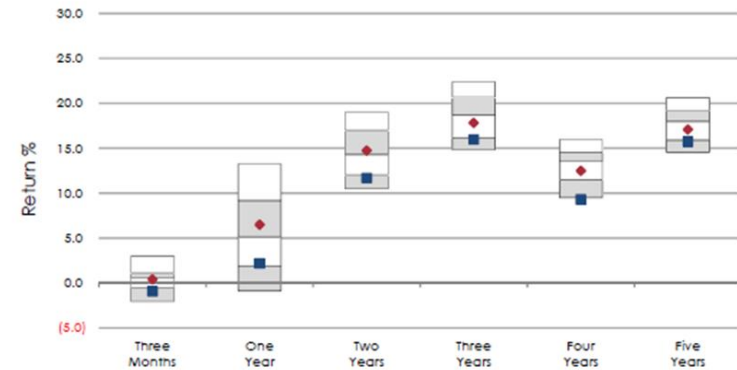
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Thomson Horstmann	-1.1	1.4	10.9	15.2	15.0	10.8	Oct-1995
Russell 2000 Index	0.4	6.5	14.7	17.8	17.1	9.0	
Excess Returns	-1.5	-5.1	-3.8	-2.6	-2.1	1.7	

Quartile Rankings

Mandate: Small Cap

Benchmark: Russell 2000 Index



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Thomson Horstmann ¹	-0.9	2.2	11.7	16.0	9.3	15.8
Rank	79	73	77	77	93	76
◆ Russell 2000 Index	0.4	6.5	14.7	17.8	12.5	17.1
Rank	55	38	50	56	60	62
10 th Percentile	3.2	13.2	19.0	22.4	16.0	20.6
25 th Percentile	1.3	9.2	17.0	20.7	14.5	19.2
Median	0.6	5.1	14.3	18.7	13.5	18.0
75 th Percentile	-0.5	1.8	12.0	16.1	11.5	15.9
90 th Percentile	-2.0	-0.9	10.5	14.9	9.5	14.6
Observation	136	141	131	115	116	107

¹ Performance shown above is based on gross of fees.

Franklin Global Advisers

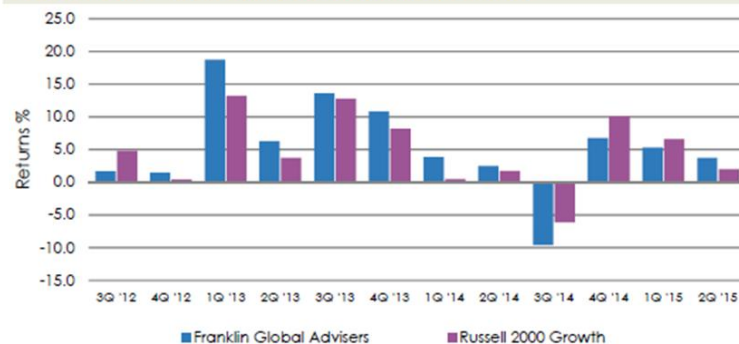
Objective

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



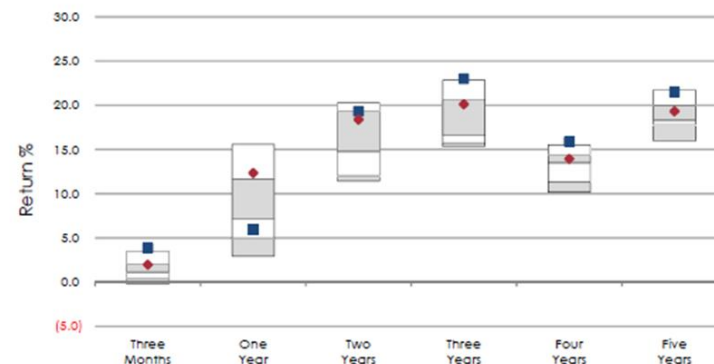
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Franklin Global Advisers	3.7	5.5	18.9	22.5	21.1	10.3	Sep-1994
Russell 2000 Growth	2.0	12.3	18.4	20.1	19.3	7.9	
Excess Returns	1.8	-6.9	0.5	2.4	1.7	2.4	

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	3.9	6.0	19.3	23.0	15.9	21.5
Rank	6	65	26	10	6	13
◆ Russell 2000 Growth	2.0	12.3	18.4	20.1	13.9	19.3
Rank	26	22	28	31	32	29
10 th Percentile	3.5	15.6	20.3	22.8	15.5	21.7
25 th Percentile	2.0	11.7	19.3	20.6	14.4	20.0
Median	1.1	7.2	14.8	16.6	13.5	18.3
75 th Percentile	0.4	5.0	12.0	15.7	11.3	17.8
90 th Percentile	-0.2	2.9	11.4	15.4	10.2	16.0
Observation	47	50	45	34	37	31

¹ Performance shown above is based on gross of fees.

Donald Smith & Co.

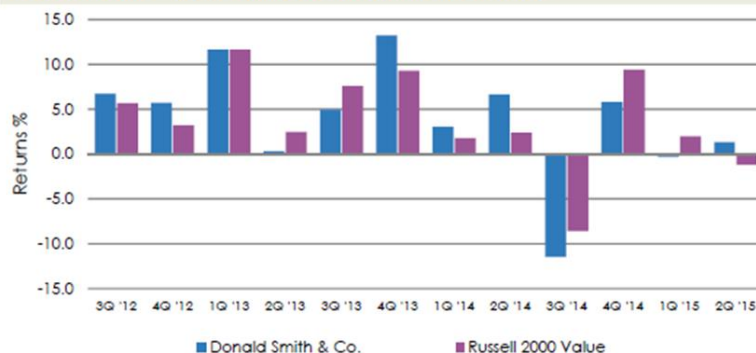
Objective

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

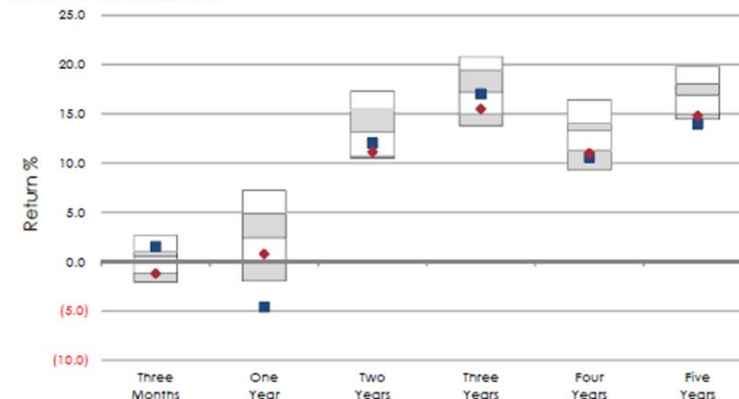


Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross IID Return	Inception Date
Donald Smith & Co.	1.3	-5.4	11.1	16.0	13.0	7.6	Feb-2006
Russell 2000 Value	-1.2	0.8	11.1	15.5	14.8	6.1	
Excess Returns	2.5	-6.2	0.0	0.5	-1.8	1.6	

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	1.5	-4.6	12.1	17.0	10.6	14.0
Rank	16	93	68	52	81	96
◆ Russell 2000 Value	-1.2	0.8	11.1	15.5	11.0	14.8
Rank	77	73	70	67	78	80
10 th Percentile	2.6	7.7	17.3	20.8	16.4	19.8
25 th Percentile	1.0	5.4	15.4	19.4	14.1	18.1
Median	0.5	2.5	13.1	17.2	13.3	16.9
75 th Percentile	-1.1	-0.1	10.7	15.0	11.3	15.0
90 th Percentile	-2.1	-2.0	10.5	13.8	9.3	14.4
Observation	59	66	54	50	47	43

¹ Performance shown above is based on gross of fees.

PanAgora Asset Management

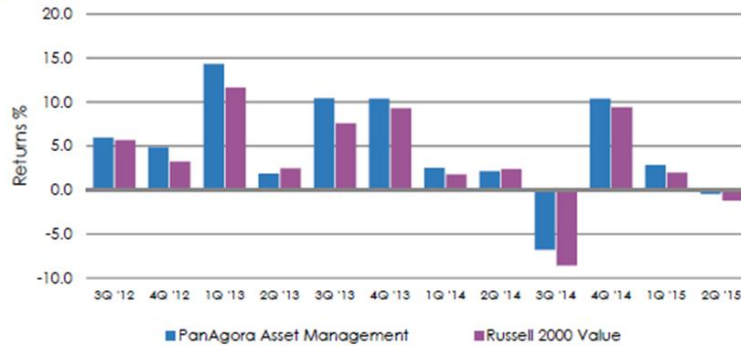
Objective

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



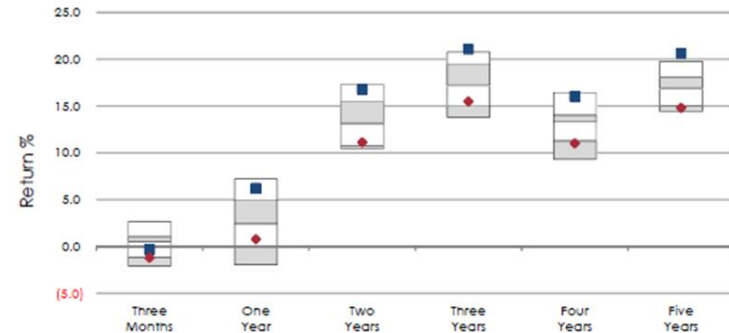
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
PanAgora Asset Manager	-0.5	5.3	15.9	20.2	19.8	7.1	Feb-2006
Russell 2000 Value	-1.2	0.8	11.1	15.5	14.8	6.1	
Excess Returns	0.7	4.5	4.8	4.7	5.0	1.1	

Quartile Rankings

Mandate: Small Cap Value

Benchmark: Russell 2000 Value



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ PanAgora Asset Manager	-0.3	6.2	16.8	21.1	16.0	20.6
Rank	66	17	16	9	14	1
◆ Russell 2000 Value	-1.2	0.8	11.1	15.5	11.0	14.8
Rank	77	73	70	67	78	80
10 th Percentile	2.6	7.7	17.3	20.8	16.4	19.8
25 th Percentile	1.0	5.4	15.4	19.4	14.1	18.1
Median	0.5	2.5	13.1	17.2	13.3	16.9
75 th Percentile	-1.1	-0.1	10.7	15.0	11.3	15.0
90 th Percentile	-2.1	-2.0	10.5	13.8	9.3	14.4
Observation	59	66	54	50	47	43

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 Manager Performance

Barrow Hanley

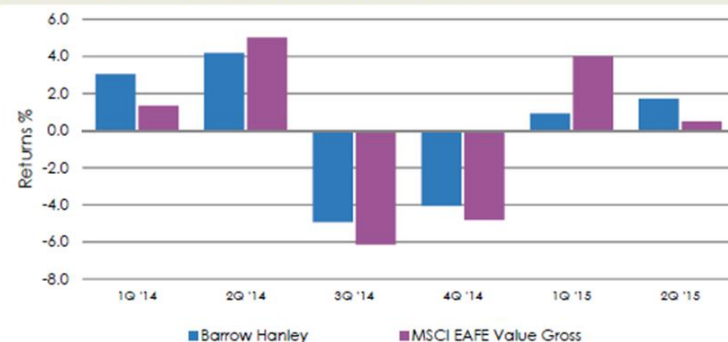
Objective

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



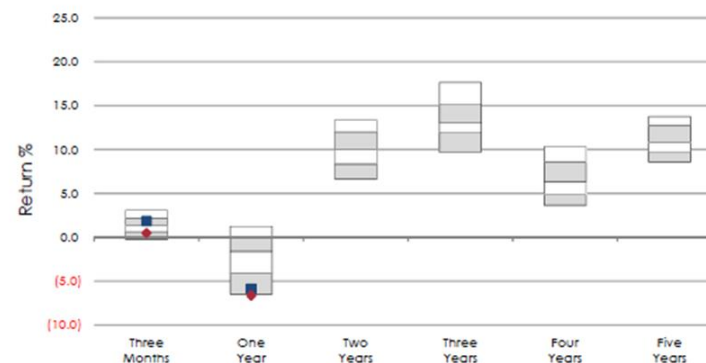
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Barrow Hanley	1.7	-6.3	--	--	--	3.6	Nov-2013
MSCI EAFE Value Gross	0.5	-6.6	--	--	--	0.9	
<i>Excess Returns</i>	1.2	0.3	--	--	--	2.7	

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	1.9	-5.9	--	--	--	--
Rank	30	86	--	--	--	--
◆ MSCI EAFE Value Gross	0.5	-6.6	--	--	--	--
Rank	78	92	--	--	--	--
10 th Percentile	3.1	2.0	13.4	17.6	10.3	13.8
25 th Percentile	2.1	0.8	12.0	15.1	8.6	12.7
Median	1.4	-1.6	10.0	13.0	6.3	10.9
75 th Percentile	0.6	-4.1	8.3	11.9	4.9	9.6
90 th Percentile	-0.3	-6.5	6.6	9.7	3.7	8.6
Observation	186	183	170	160	142	136

¹ Performance shown above is based on gross of fees.

Lazard Asset Management

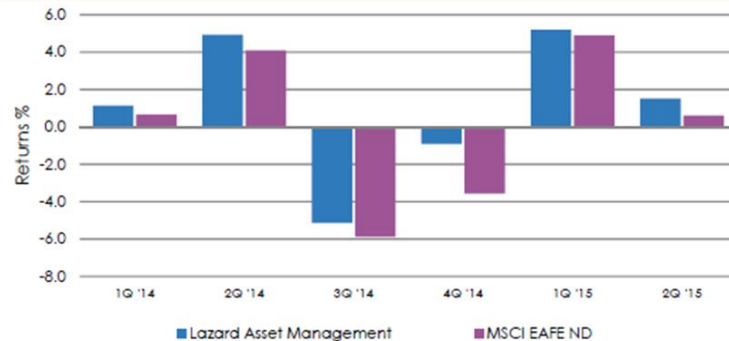
Objective

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



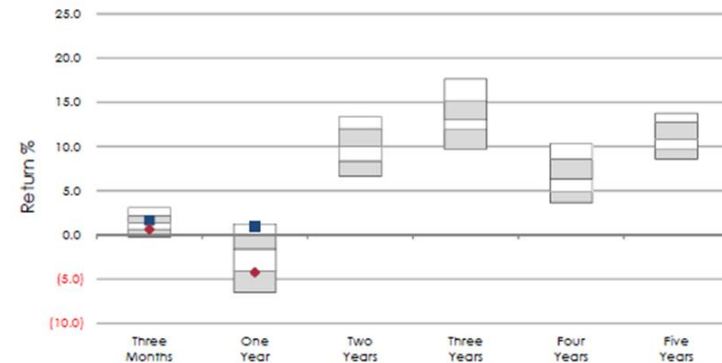
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Lazard Asset Management	1.5	0.4	--	--	--	7.1	Nov-2013
MSCI EAFE ND	0.6	-4.2	--	--	--	2.2	
Excess Returns	0.9	4.6	--	--	--	4.9	

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	1.6	0.9	--	--	--	--
Rank	43	21	--	--	--	--
◆ MSCI EAFE ND	0.6	-4.2	--	--	--	--
Rank	76	76	--	--	--	--
10 th Percentile	3.1	2.0	13.4	17.6	10.3	13.8
25 th Percentile	2.1	0.8	12.0	15.1	8.6	12.7
Median	1.4	-1.6	10.0	13.0	6.3	10.9
75 th Percentile	0.6	-4.1	8.3	11.9	4.9	9.6
90 th Percentile	-0.3	-6.5	6.6	9.7	3.7	8.6
Observation	186	183	170	160	142	136

¹ Performance shown above is based on gross of fees.

MFS Inst. Adv.

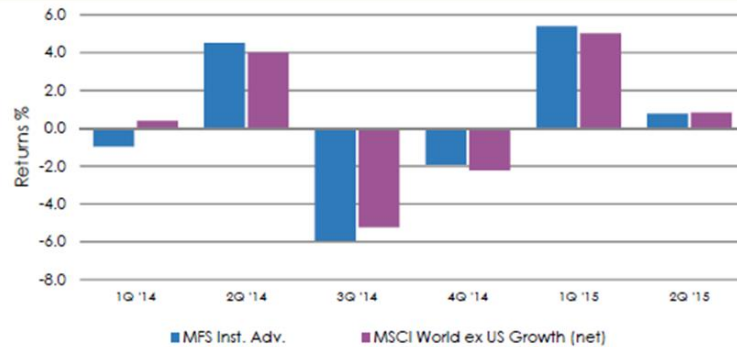
Objective

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

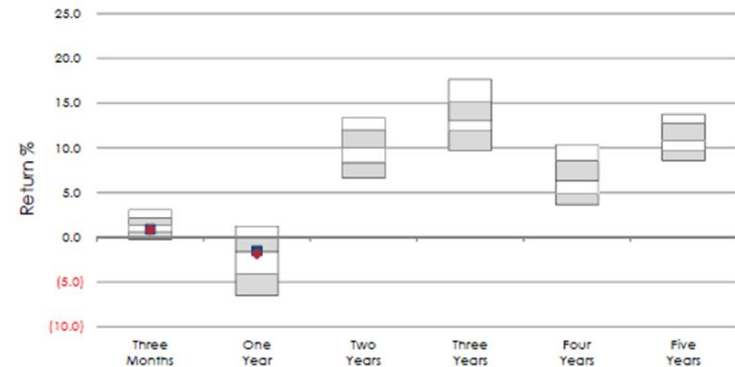


Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
MFS Inst. Adv.	0.8	-2.0	--	--	--	2.5	Oct-2013
MSCI World ex US Growth (ne	0.8	-1.9	--	--	--	2.9	
Excess Returns	-0.1	-0.1	--	--	--	-0.4	

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	0.9	-1.5	--	--	--	--
Rank	66	48	--	--	--	--
◆ MSCI World ex US Growth (ne	0.8	-1.9	--	--	--	--
Rank	67	53	--	--	--	--
10 th Percentile	3.1	2.0	13.4	17.6	10.3	13.8
25 th Percentile	2.1	0.8	12.0	15.1	8.6	12.7
Median	1.4	-1.6	10.0	13.0	6.3	10.9
75 th Percentile	0.6	-4.1	8.3	11.9	4.9	9.6
90 th Percentile	-0.3	-6.5	6.6	9.7	3.7	8.6
Observation	186	183	170	160	142	136

¹ Performance shown above is based on gross of fees.

AQR CAPITAL

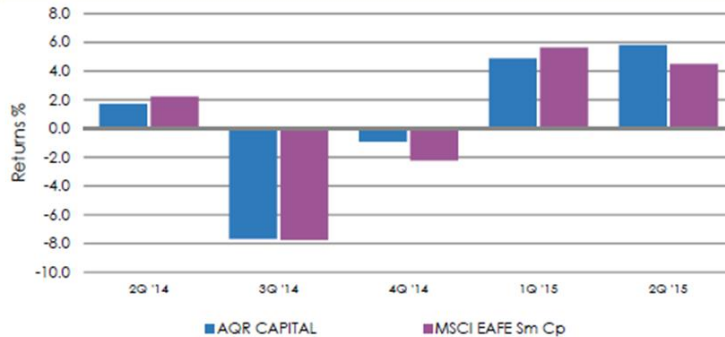
Objective

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

Strategy

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

Performance - Quarterly Rate of Return vs Benchmark



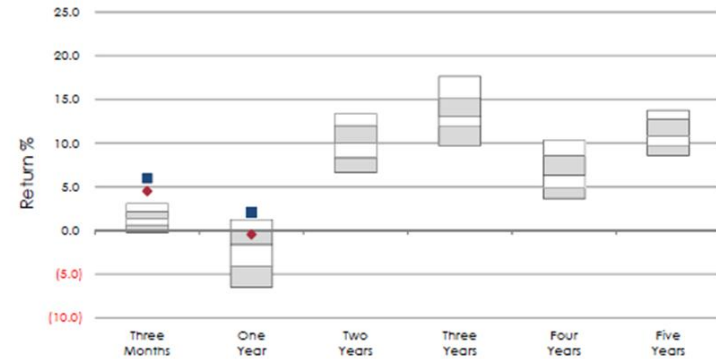
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
AQR CAPITAL	5.8	1.5	--	--	--	2.7	Feb-2014
MSCI EAFE Sm Cp	4.5	-0.4	--	--	--	1.7	
<i>Excess Returns</i>	1.3	1.9	--	--	--	1.0	

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	6.0	2.1	--	--	--	--
Rank	2	10	--	--	--	--
◆ MSCI EAFE Sm Cp	4.5	-0.4	--	--	--	--
Rank	4	41	--	--	--	--
10 th Percentile	3.1	2.0	13.4	17.6	10.3	13.8
25 th Percentile	2.1	0.8	12.0	15.1	8.6	12.7
Median	1.4	-1.6	10.0	13.0	6.3	10.9
75 th Percentile	0.6	-4.1	8.3	11.9	4.9	9.6
90 th Percentile	-0.3	-6.5	6.6	9.7	3.7	8.6
Observation	186	183	170	160	142	136

¹ Performance shown above is based on gross of fees.

Oberweiss Asset Mgmt

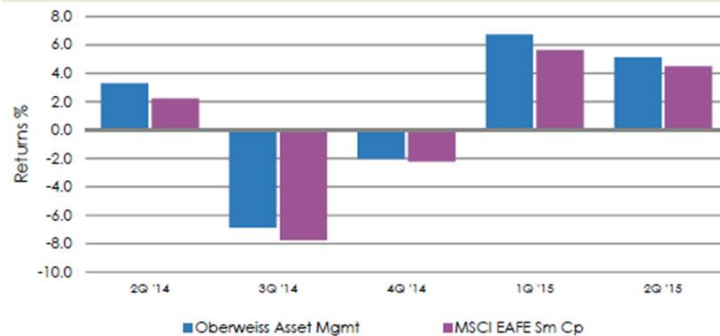
Objective

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

Strategy

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

Performance - Quarterly Rate of Return vs Benchmark



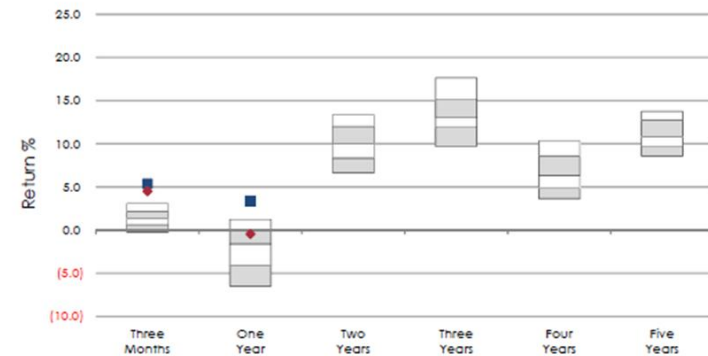
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Oberweiss Asset Mgmt	5.1	2.4	--	--	--	3.9	Jan-2014
MSCI EAFE Sm Cp	4.5	-0.4	--	--	--	2.6	
Excess Returns	0.6	2.8	--	--	--	1.3	

Quartile Rankings

Mandate: Non-US Developed Equity Mgrs.

Benchmark: MSCI EAFE Sm Cp



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Oberweiss Asset Mgmt ¹	5.4	3.4	--	--	--	--
Rank	3	5	--	--	--	--
◆ MSCI EAFE Sm Cp	4.5	-0.4	--	--	--	--
Rank	4	41	--	--	--	--
10 th Percentile	3.1	2.0	13.4	17.6	10.3	13.8
25 th Percentile	2.1	0.8	12.0	15.1	8.6	12.7
Median	1.4	-1.6	10.0	13.0	6.3	10.9
75 th Percentile	0.6	-4.1	8.3	11.9	4.9	9.6
90 th Percentile	-0.3	-6.5	6.6	9.7	3.7	8.6
Observation	186	183	170	160	142	136

¹ Performance shown above is based on gross of fees.

Axiom International

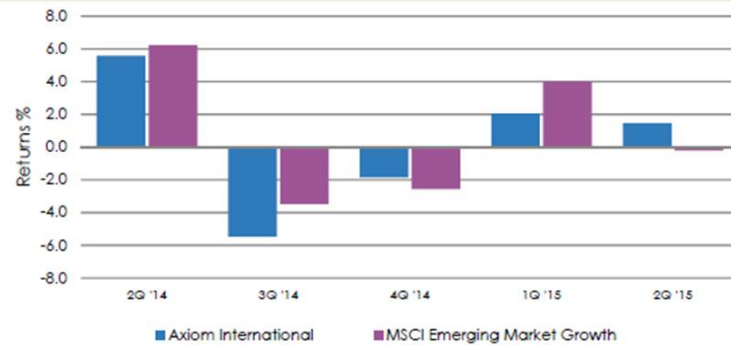
Objective

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

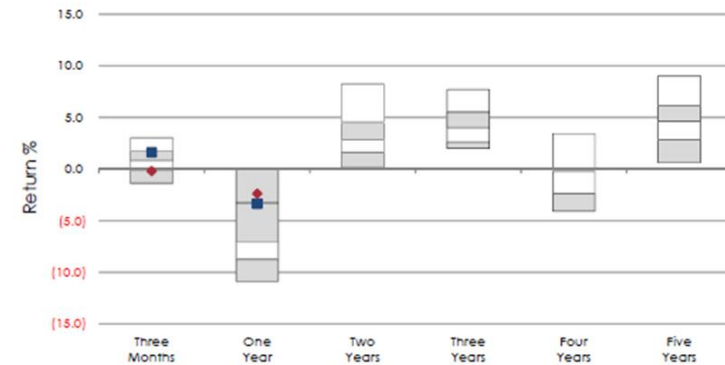


Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Axiom International	1.5	-3.9	--	--	--	1.6	Mar-2014
MSCI Emerging Market Grow	-0.2	-2.4	--	--	--	2.9	
Excess Returns	1.7	-1.5	--	--	--	-1.3	

Quartile Rankings

Mandate: Emerging Markets: Equity
 Benchmark: MSCI Emerging Market Growth



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ Axiom International ¹	1.6	-3.4	--	--	--	--
Rank	27	27	--	--	--	--
◆ MSCI Emerging Market Grow	-0.2	-2.4	--	--	--	--
Rank	77	21	--	--	--	--
10 th Percentile	3.1	-0.1	8.2	7.7	4.7	9.0
25 th Percentile	1.7	-3.3	4.5	5.5	1.3	6.1
Median	0.8	-7.0	2.9	4.0	-0.2	4.6
75 th Percentile	-0.1	-8.8	1.6	2.6	-2.4	2.8
90 th Percentile	-1.4	-10.9	0.2	2.0	-4.1	0.6
Observation	83	81	72	66	60	52

¹ Performance shown above is based on gross of fees.

QUANTITATIVE MANAGEMENT

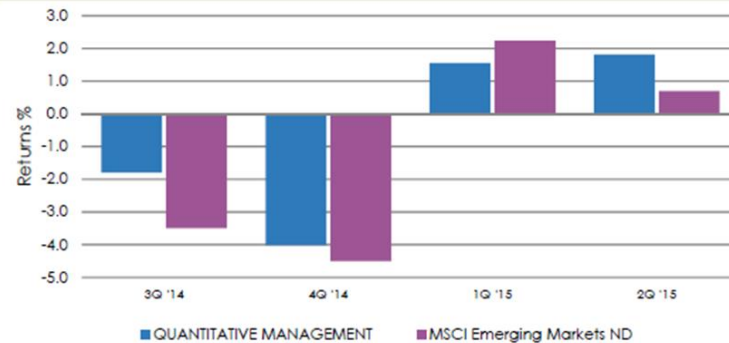
Objective

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

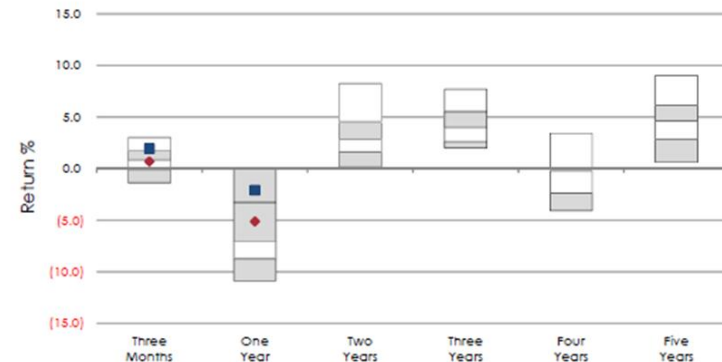


Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
QUANTITATIVE MANAGEMENT	1.8	-2.5	--	--	--	3.0	Apr-2014
MSCI Emerging Markets ND	0.7	-5.1	--	--	--	-0.1	
Excess Returns	1.1	2.6	--	--	--	3.1	

Quartile Rankings

Mandate: Emerging Markets Equity
 Benchmark: MSCI Emerging Markets ND



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ QUANTITATIVE MANAGEMENT	1.9	-2.1	--	--	--	--
Rank	15	18	--	--	--	--
◆ MSCI Emerging Markets ND	0.7	-5.1	--	--	--	--
Rank	53	33	--	--	--	--
10 th Percentile	3.1	-0.1	8.2	7.7	4.7	9.0
25 th Percentile	1.7	-3.3	4.5	5.5	1.3	6.1
Median	0.8	-7.0	2.9	4.0	-0.2	4.6
75 th Percentile	-0.1	-8.8	1.6	2.6	-2.4	2.8
90 th Percentile	-1.4	-10.9	0.2	2.0	-4.1	0.6
Observation	83	81	72	66	60	52

¹ Performance shown above is based on gross of fees.

DFA Emerging Markets

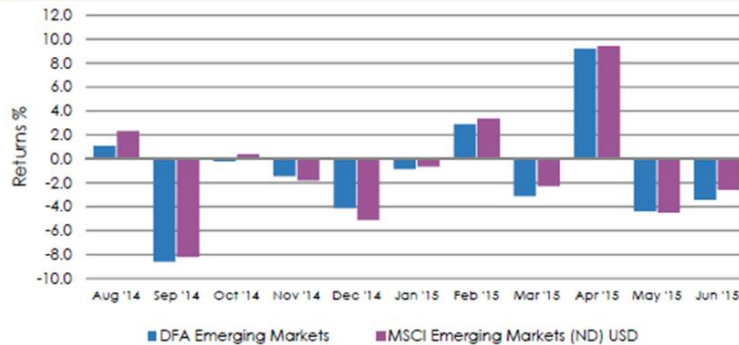
Objective

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

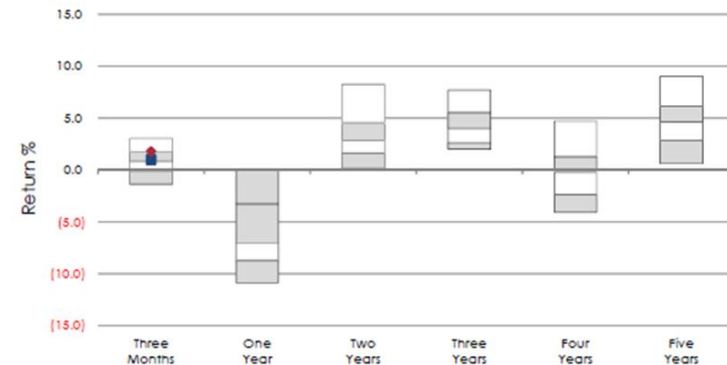


Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
DFA Emerging Markets	0.9	--	--	--	--	-13.5	Jul-2014
MSCI Emerging Markets (ND)	1.8	--	--	--	--	-11.0	
<i>Excess Returns</i>	-0.9	--	--	--	--	-2.6	

Quartile Rankings

Mandate: Emerging Markets Equity
Benchmark: MSCI Emerging Markets (ND) USD



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ DFA Emerging Markets ¹	1.0	--	--	--	--	--
Rank	41	--	--	--	--	--
◆ MSCI Emerging Markets (ND)	1.8	--	--	--	--	--
Rank	20	--	--	--	--	--
10 th Percentile	3.1	-0.1	8.2	7.7	4.7	9.0
25 th Percentile	1.7	-3.3	4.5	5.5	1.3	6.1
Median	0.8	-7.0	2.9	4.0	-0.2	4.6
75 th Percentile	-0.1	-8.8	1.6	2.6	-2.4	2.8
90 th Percentile	-1.4	-10.9	0.2	2.0	-4.1	0.6
Observation	83	81	72	66	60	52

¹ Performance shown above is based on gross of fees.



LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

Fixed Income Manager Performance

Baird Advisors

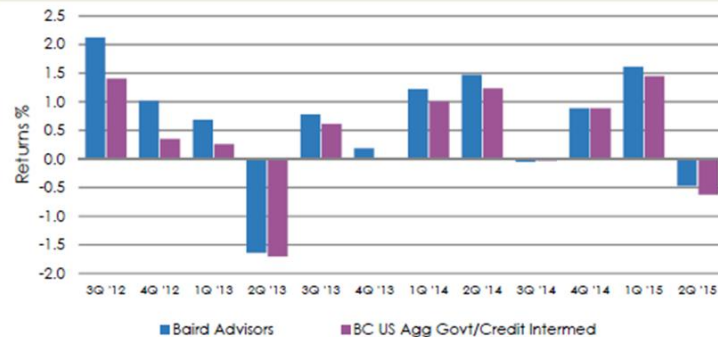
Objective

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



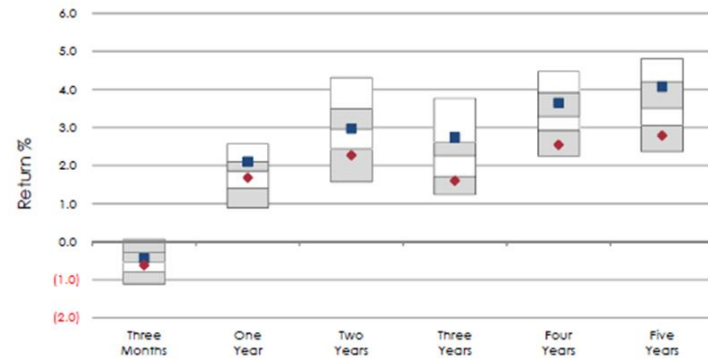
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross IID Return	Inception Date
Baird Advisors	-0.5	2.0	2.8	2.6	3.9	4.9	Mar-2005
BC US Agg Govt/Credit Interm	-0.6	1.7	2.3	1.6	2.8	4.2	
Excess Returns	0.2	0.3	0.6	1.0	1.2	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	-0.4	2.1	3.0	2.7	3.6	4.1
Rank	36	26	49	23	35	32
◆ BC US Agg Govt/Credit Interm	-0.6	1.7	2.3	1.6	2.5	2.8
Rank	57	62	84	79	82	80
10 th Percentile	0.1	2.6	4.3	3.8	4.5	4.8
25 th Percentile	-0.3	2.1	3.5	2.6	3.9	4.2
Median	-0.5	1.9	3.0	2.3	3.3	3.5
75 th Percentile	-0.8	1.4	2.4	1.7	2.9	3.1
90 th Percentile	-1.1	0.9	1.6	1.2	2.3	2.4
Observation	102	96	98	85	88	84

¹ Performance shown above is based on gross of fees.

LM Capital Group

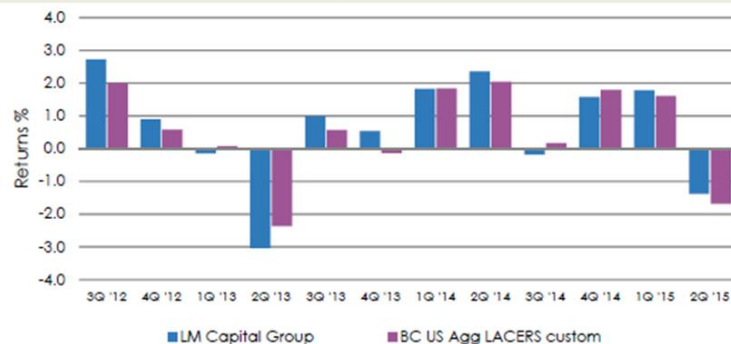
Objective

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

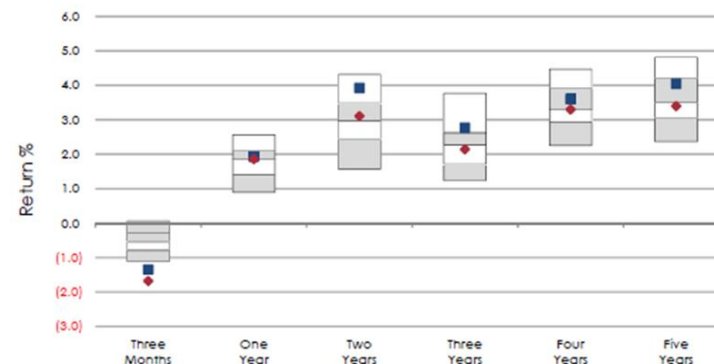


Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
LM Capital Group	-1.4	1.8	3.8	2.6	3.9	5.1	Mar-2005
BC US Agg LACERS custom	-1.7	1.9	3.1	2.1	3.4	4.5	
<i>Excess Returns</i>	0.3	-0.1	0.7	0.5	0.5	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	-1.3	1.9	3.9	2.8	3.6	4.0
Rank	99	42	15	23	36	34
◆ BC US Agg LACERS custom	-1.7	1.9	3.1	2.1	3.3	3.4
Rank	100	50	42	57	50	57
10 th Percentile	0.1	2.6	4.3	3.8	4.5	4.8
25 th Percentile	-0.3	2.1	3.5	2.6	3.9	4.2
Median	-0.5	1.9	3.0	2.3	3.3	3.5
75 th Percentile	-0.8	1.4	2.4	1.7	2.9	3.1
90 th Percentile	-1.1	0.9	1.6	1.2	2.3	2.4
Observation	102	96	98	85	88	84

¹ Performance shown above is based on gross of fees.

Loomis Sayles

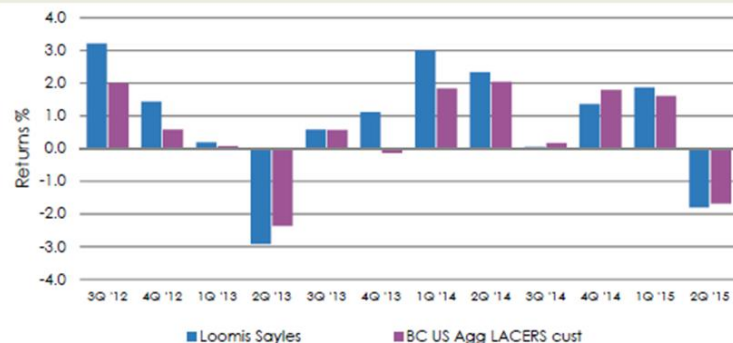
Objective

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



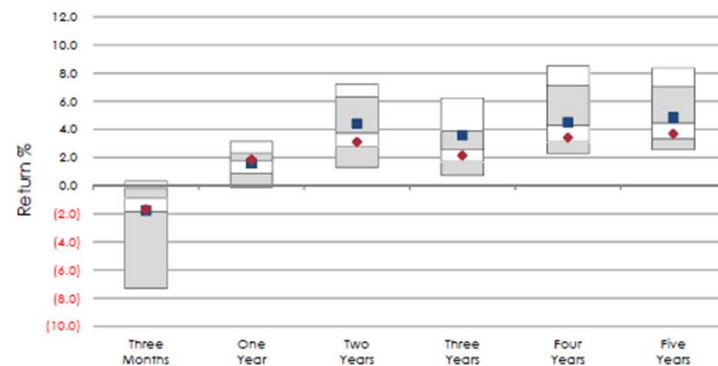
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Loomis Sayles	-1.8	1.4	4.3	3.5	4.7	9.6	Jun-1980
BC US Agg LACERS cust	-1.7	1.9	3.1	2.1	3.7	8.1	
Excess Returns	-0.1	-0.4	1.2	1.3	1.0	1.5	

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	-1.8	1.6	4.4	3.6	4.5	4.8
Rank	73	57	41	31	44	43
◆ BC US Agg LACERS cust	-1.7	1.9	3.1	2.1	3.4	3.7
Rank	69	48	68	66	68	65
10 th Percentile	0.3	3.1	7.2	6.2	8.5	8.4
25 th Percentile	-0.2	2.3	6.3	3.9	7.1	7.1
Median	-0.9	1.8	3.8	2.6	4.3	4.5
75 th Percentile	-1.8	0.9	2.8	1.7	3.1	3.3
90 th Percentile	-7.3	-0.1	1.3	0.7	2.3	2.5
Observation	335	328	315	272	255	232

¹ Performance shown above is based on gross of fees.

Neuberger Berman

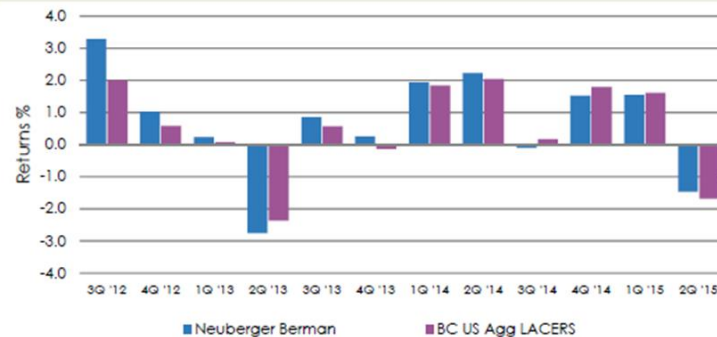
Objective

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 Moody's.

Performance - Quarterly Rate of Return vs Benchmark



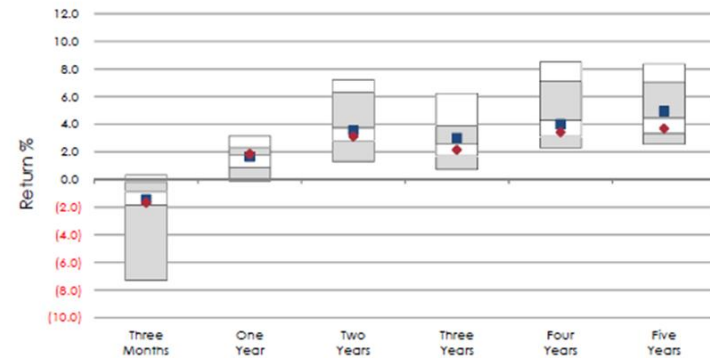
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross IID Return	Inception Date
Neuberger Berman	-1.5	1.5	3.4	2.8	4.8	7.2	Nov-1990
BC US Agg LACERS	-1.7	1.9	3.1	2.1	3.7	6.4	
Excess Returns	0.2	-0.4	0.3	0.7	1.1	0.8	

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	-1.4	1.6	3.6	3.0	4.0	5.0
Rank	65	56	54	42	54	41
◆ BC US Agg LACERS	-1.7	1.9	3.1	2.1	3.4	3.7
Rank	69	48	68	66	68	65
10 th Percentile	0.3	3.1	7.2	6.2	8.5	8.4
25 th Percentile	-0.2	2.3	6.3	3.9	7.1	7.1
Median	-0.9	1.8	3.8	2.6	4.3	4.5
75 th Percentile	-1.8	0.9	2.8	1.7	3.1	3.3
90 th Percentile	-7.3	-0.1	1.3	0.7	2.3	2.5
Observation	335	328	315	272	255	232

¹ Performance shown above is based on gross of fees.

Aegon USA

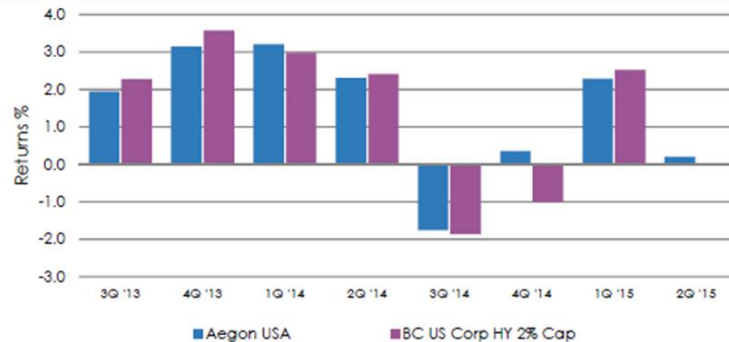
Objective

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

Performance - Quarterly Rate of Return vs Benchmark



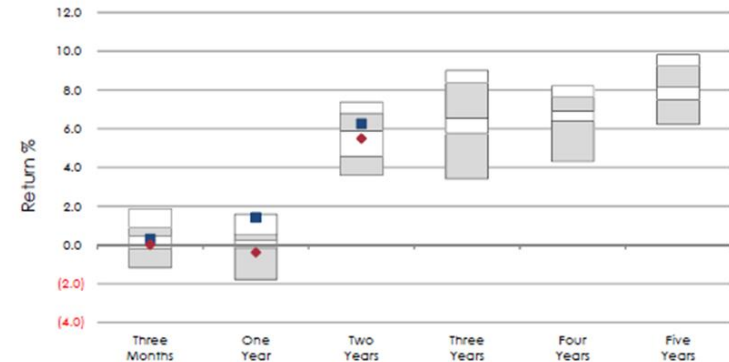
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Aegon USA	0.2	1.1	5.9	--	--	6.3	Jun-2013
BC US Corp HY 2% Cap	0.0	-0.4	5.5	--	--	5.5	
Excess Returns	0.2	1.4	0.4	--	--	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.
■ Aegon USA ¹	0.3	1.4	6.3	--	--	--
Rank	54	36	33	--	--	--
◆ BC US Corp HY 2% Cap	0.0	-0.4	5.5	--	--	--
Rank	64	79	61	--	--	--
10 th Percentile	1.8	2.7	7.4	9.0	8.2	9.8
25 th Percentile	0.8	1.7	6.8	8.4	7.6	9.2
Median	0.5	0.3	5.9	6.5	6.9	8.1
75 th Percentile	-0.2	-0.2	4.6	5.8	6.4	7.5
90 th Percentile	-1.2	-1.8	3.6	3.4	4.3	6.2
Observation	24	24	24	23	20	19

¹ Performance shown above is based on gross of fees.

Franklin Advisers

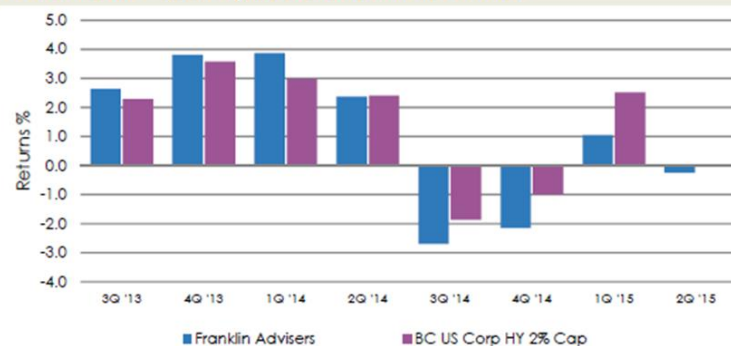
Objective

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

Performance - Quarterly Rate of Return vs Benchmark



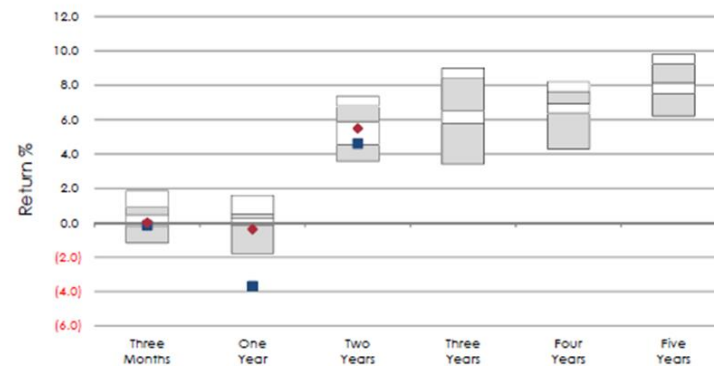
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Franklin Advisers	-0.2	-4.0	4.3	--	--	4.6	Jun-2013
BC US Corp HY 2% Cap	0.0	-0.4	5.5	--	--	5.5	
Excess Returns	-0.2	-3.6	-1.2	--	--	-0.9	

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	-0.1	-3.7	4.6	--	--	--
Rank	71	93	74	--	--	--
◆ BC US Corp HY 2% Cap	0.0	-0.4	5.5	--	--	--
Rank	64	79	61	--	--	--
10 th Percentile	1.8	2.7	7.4	9.0	8.2	9.8
25 th Percentile	0.8	1.7	6.8	8.4	7.6	9.2
Median	0.5	0.3	5.9	6.5	6.9	8.1
75 th Percentile	-0.2	-0.2	4.6	5.8	6.4	7.5
90 th Percentile	-1.2	-1.8	3.6	3.4	4.3	6.2
Observation	24	24	24	23	20	19

¹ Performance shown above is based on gross of fees.

Prudential Emerging

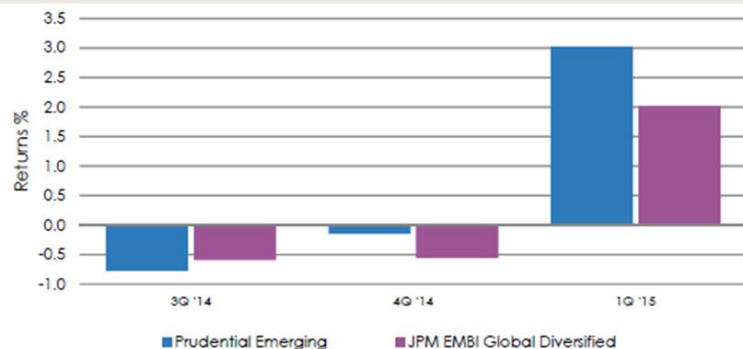
Objective

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



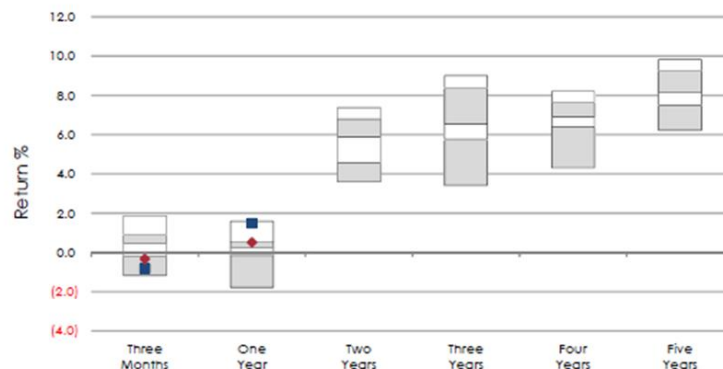
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Prudential Emerging	-0.9	1.1	--	--	--	2.0	May-2014
JPM EMBI Global Diversified	-0.3	0.5	--	--	--	1.7	
Excess Returns	-0.6	0.6	--	--	--	0.3	

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	-0.8	1.5	--	--	--	--
Rank	86	35	--	--	--	--
◆ JPM EMBI Global Diversified	-0.3	0.5	--	--	--	--
Rank	83	45	--	--	--	--
10 th Percentile	1.8	2.7	7.4	9.0	8.2	9.8
25 th Percentile	0.8	1.7	6.8	8.4	7.6	9.2
Median	0.5	0.3	5.9	6.5	6.9	8.1
75 th Percentile	-0.2	-0.2	4.6	5.8	6.4	7.5
90 th Percentile	-1.2	-1.8	3.6	3.4	4.3	6.2
Observation	24	24	24	23	20	19

¹ Performance shown above is based on gross of fees.

SSGA U.S. AGGREGATE BOND

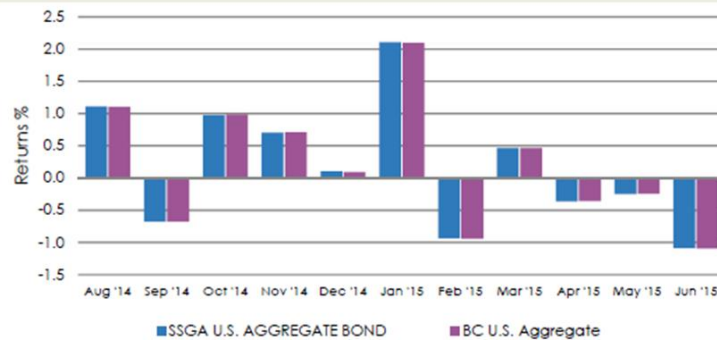
Objective

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

Strategy

SSGA invests in investment-grade bonds rated BBB- or higher by Moodys.

Performance - Monthly Rate of Return vs Benchmark



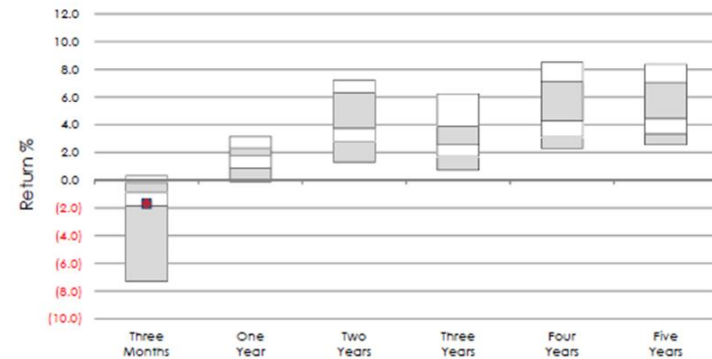
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
SSGA U.S. AGGREGATE BOND	-1.7	--	--	--	--	1.7	Jul-2014
BC U.S. Aggregate	-1.7	--	--	--	--	1.7	
Excess Returns	0.0	--	--	--	--	0.0	

Quartile Rankings

Mandate: US Fixed Income Manager

Benchmark: BC U.S. Aggregate



	LCQ	1 Yr.	2 Yrs.	3 Yrs.	4 Yrs.	5 Yrs.
■ SSGA U.S. AGGREGATE BOND	-1.7	--	--	--	--	--
Rank	70	--	--	--	--	--
◆ BC U.S. Aggregate	-1.7	--	--	--	--	--
Rank	69	--	--	--	--	--
10 th Percentile	0.3	3.1	7.2	6.2	8.5	8.4
25 th Percentile	-0.2	2.3	6.3	3.9	7.1	7.1
Median	-0.9	1.8	3.8	2.6	4.3	4.5
75 th Percentile	-1.8	0.9	2.8	1.7	3.1	3.3
90 th Percentile	-7.3	-0.1	1.3	0.7	2.3	2.5
Observation	335	328	315	272	255	232

1 Performance shown above is based on gross of fees.

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LACERS
LOS ANGELES CITY EMPLOYEES'
RETIREMENT SYSTEM

Real Assets Manager Performance

DFA GLOBAL TIPS

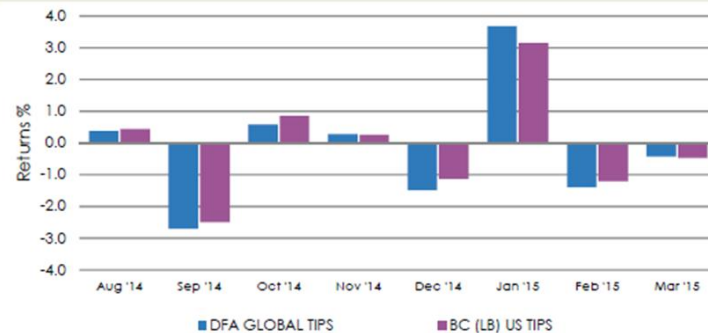
Objective

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

Strategy

DFA approach to investing in the Global TIPS market is to focus on diversifying and systematic exposure to TIPS, with more attention to the middle range of the TIPS universe's available maturities.

Performance - Monthly Rate of Return vs Benchmark



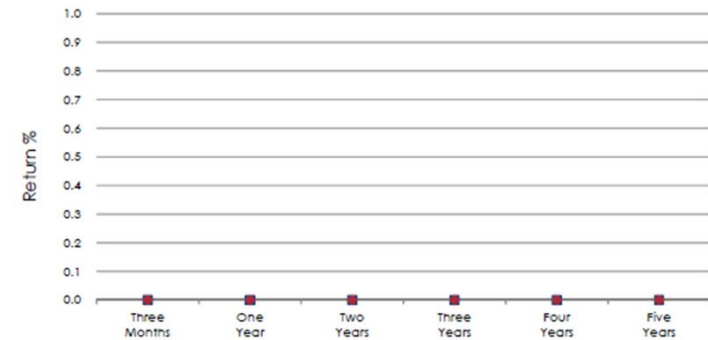
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross IID Return	Inception Date
DFA GLOBAL TIPS	-0.7	--	--	--	--	-1.8	Jul-2014
BC (LB) US TIPS	-1.1	--	--	--	--	-2.0	
<i>Excess Returns</i>	0.4	--	--	--	--	0.2	

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

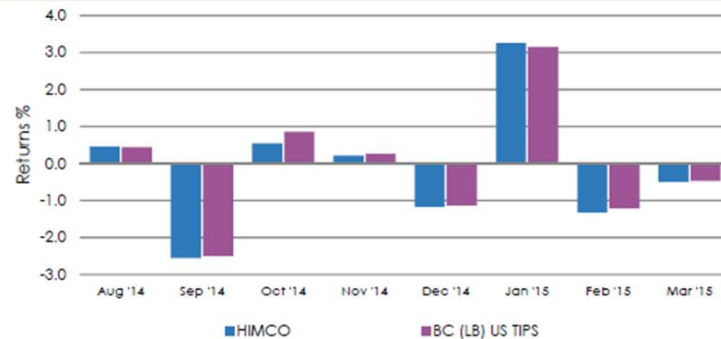
Objective

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



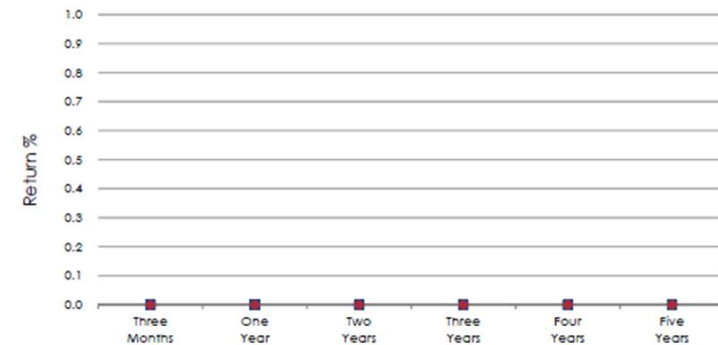
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
HIMCO	-1.0	--	--	--	--	-2.3	Jul-2014
BC (LB) US TIPS	-1.1	--	--	--	--	-2.0	
<i>Excess Returns</i>	0.0	--	--	--	--	-0.4	

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

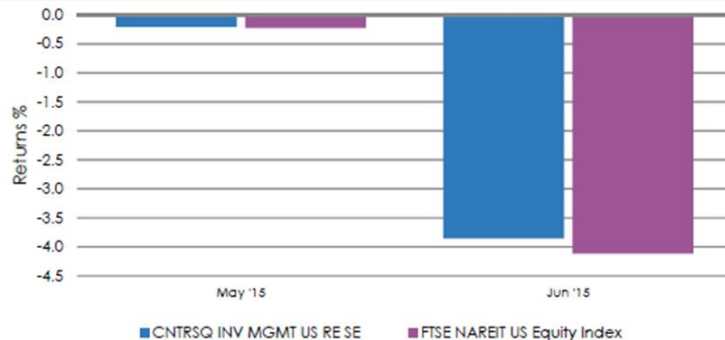
¹ Performance shown above is based on gross of fees.

CNTRSQ INV MGMT US RE SE
Objective

Outperform the FTSE NAREIT All Equity REITS Index by 100 basis points, net of fees, annualized over a full market cycle (normally 3-5 years).

Strategy

Centersquare focuses on diversified and systematic exposure to U.S. REITS.

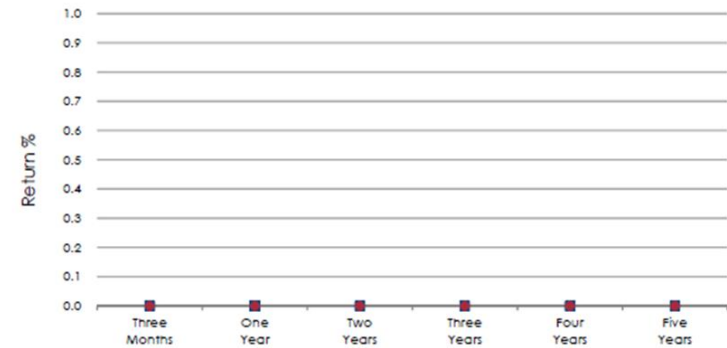
Performance - Monthly Rate of Return vs Benchmark

Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross IID Return	Inception Date
CNTRSQ INV MGMT US RE SE	--	--	--	--	--	-7.0	Apr-2015
FTSE NAREIT US Equity Index	--	--	--	--	--	--	
<i>Excess Returns</i>	--	--	--	--	--	--	

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.

Core Commodity Mgmt LLC

Objective

Outperform the Bloomberg Commodity Index by 75 basis points, net of fees, annualized over a full market cycle (normally 3-5 years).

Strategy

Core Commodities approach focuses on diversified exposure to commodities futures.

Performance - Monthly Rate of Return vs Benchmark

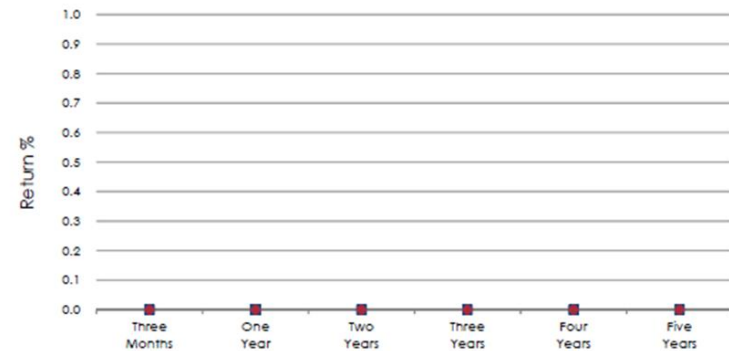
Performance - Net Returns%

	LCQ	1 Yr.	2 Yrs.	3 Yrs.	5 Yrs.	Gross ITD Return	Inception Date
Core Commodity Mgmt LLC	--	--	--	--	--	0.6	Jun-2015
Bloomberg Commodity Inde:	--	--	--	--	--	0.6	
<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.