

MEETING MATERIALS

Municipal Employees' Retirement System of Louisiana

September 18, 2016



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- 1. August Preliminary Performance Report**
- 2. Rebalance Recommendation**

August Preliminary Performance Report

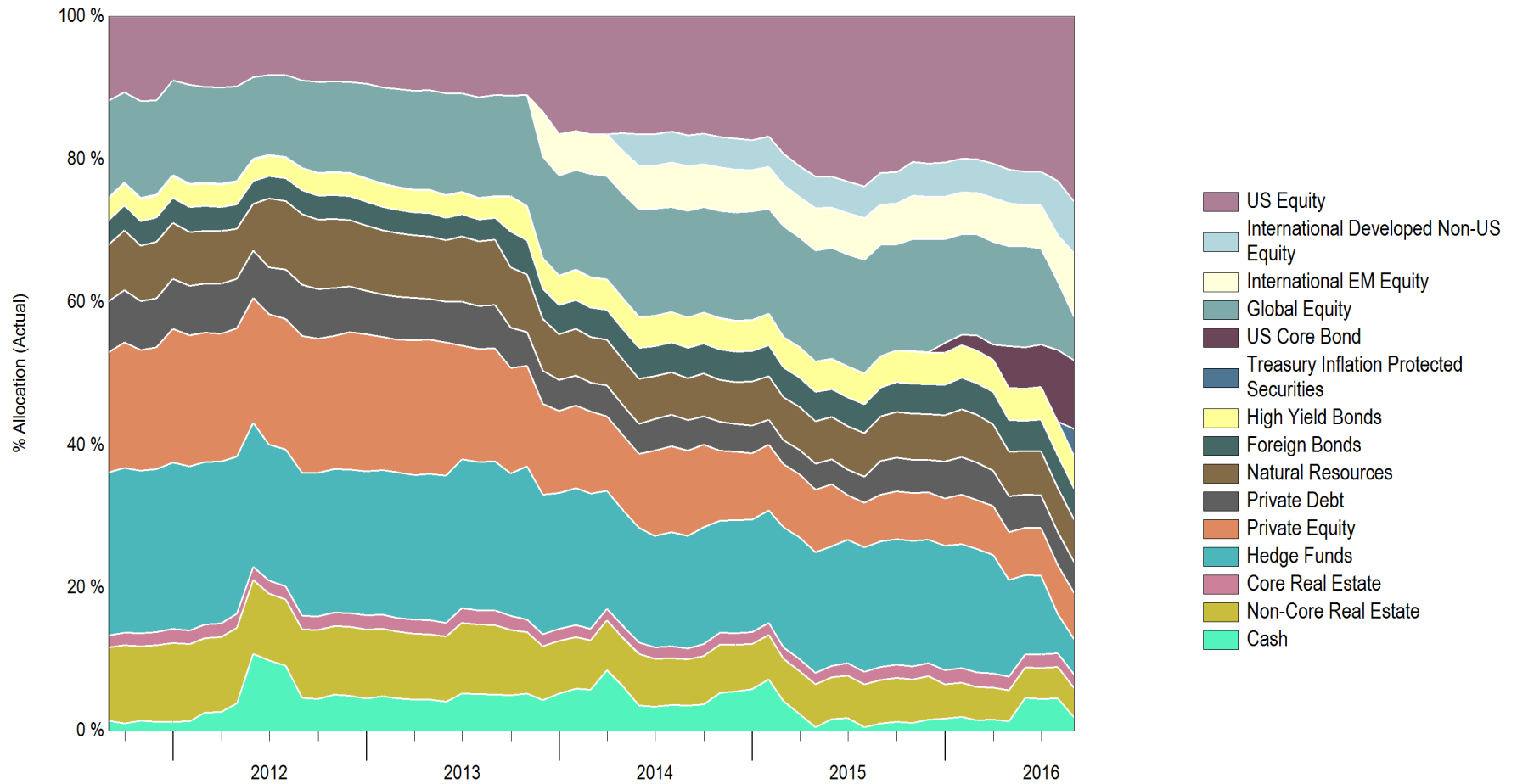
Total Retirement System Aggregate

As of August 31, 2016

Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Policy Range	Within IPS Range?
US Equity	\$206,793,442	26%	28%	18% - 38%	Yes
International Developed Non-US Equity	\$57,400,194	7%	12%	7% - 17%	Yes
International EM Equity	\$70,873,483	9%	10%	5% - 15%	Yes
Global Equity	\$48,985,948	6%	0%	0% - 5%	No
US Core Bond	\$76,261,592	10%	18%	8% - 28%	Yes
Treasury Inflation Protected Securities	\$30,053,653	4%	7%	2% - 12%	Yes
High Yield Bonds	\$36,361,094	5%	5%	0% - 10%	Yes
Foreign Bonds	\$34,539,604	4%	5%	0% - 10%	Yes
Natural Resources	\$47,455,991	6%	3%	0% - 6%	Yes
Private Debt	\$34,436,186	4%	3%	0% - 6%	Yes
Infrastructure	--	--	3%	0% - 6%	Yes
Private Equity	\$51,896,008	7%	2%	0% - 4%	No
Hedge Funds	\$39,617,912	5%	0%	0% - 5%	Yes
Core Real Estate	\$14,706,186	2%	4%	0% - 8%	Yes
Non-Core Real Estate	\$33,198,314	4%	0%	0% - 5%	Yes
Cash	\$14,634,542	2%	0%	0% - 5%	Yes
Total	\$797,214,148	100%	100%		

Asset Allocation History
5 Years Ending August 31, 2016



Total Retirement System Aggregate

As of August 31, 2016

Asset Class Performance Summary

	Market Value (\$)	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Retirement System Aggregate	797,214,148	100.0	0.7	2.8	5.5	3.5	3.0	3.9	3.5	3.8	Jan-06
<i>Policy Benchmark</i>			0.4	3.3	6.8	7.1	6.0	7.2	5.8	6.2	Jan-06
<i>60% MSCI ACWI & 40% Barclays Universal</i>			0.2	3.2	6.4	7.2	6.0	6.7	5.0	5.3	Jan-06
Domestic Equity	206,793,442	25.9	0.6	4.7	9.0	10.4	9.9	11.4	7.4	7.0	Feb-06
<i>Russell 3000</i>			0.3	4.2	8.0	11.4	11.7	14.5	7.6	7.4	Feb-06
Developed Equity	57,400,194	7.2	-0.8	3.4	7.2	9.7	--	--	--	2.2	May-15
<i>MSCI EAFE</i>			0.1	5.1	0.5	-0.1	2.5	5.0	1.7	-6.6	May-15
Emerging Market Equity	70,873,483	8.9	2.0	7.8	15.5	13.9	--	--	--	0.4	Dec-13
<i>MSCI Emerging Markets</i>			2.5	7.6	14.5	11.8	1.1	-0.4	3.9	-1.8	Dec-13
Global Equity	48,985,948	6.1	2.1	5.1	3.8	-0.5	8.1	8.7	5.5	5.6	Feb-06
<i>MSCI ACWI</i>			0.3	4.7	5.9	7.2	6.7	8.3	4.4	4.6	Feb-06
U.S. Core Bond Assets	76,261,592	9.6	-0.1	0.6	5.7	7.2	0.8	--	--	1.5	Apr-13
<i>Barclays Aggregate</i>			-0.1	0.5	5.9	6.0	4.4	3.2	4.9	2.8	Apr-13
Treasury Inflation Protected Securities	30,053,653	3.8	-0.4	--	--	--	--	--	--	-0.4	Jul-16
<i>Barclays US TIPS</i>			-0.4	0.4	6.7	5.4	2.7	1.8	4.4	-0.4	Jul-16
Foreign Bond Assets	34,539,604	4.3	-0.5	0.9	11.3	9.3	2.6	--	--	0.0	Apr-13
<i>Barclays Global Aggregate</i>			-0.5	0.3	9.2	8.8	2.6	1.1	4.2	1.3	Apr-13
High Yield Bonds	36,361,094	4.6	1.4	3.5	10.7	6.8	6.0	--	--	4.8	Apr-13
<i>Barclays High Yield</i>			2.1	4.9	14.3	9.1	5.4	7.5	7.8	4.2	Apr-13
Core Real Estate	14,706,186	1.8	0.0	0.0	3.8	11.2	12.3	--	--	12.4	Apr-13
<i>NCREIF ODCE Equal Weighted (net)</i>			0.0	0.0	4.2	11.2	12.1	11.7	5.0	11.9	Apr-13
Natural Resources	47,455,991	6.0	0.0	0.0	0.1	-1.1	0.1	--	--	1.5	Apr-13
<i>S&P North American Natural Resources TR</i>			0.3	0.5	20.1	8.2	-4.0	-1.4	2.2	-2.4	Apr-13
Private Debt	34,436,186	4.3	0.0	0.9	2.3	4.2	7.4	--	--	5.5	Apr-13
<i>Barclays High Yield+2%</i>			2.3	5.2	15.8	11.2	7.5	9.6	9.9	6.3	Apr-13

Total Retirement System Aggregate

As of August 31, 2016

	Market Value (\$)	% of Portfolio	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Private Equity	51,896,008	6.5	0.0	0.0	7.5	5.2	-10.0	-7.4	--	-1.7	Feb-08
S&P 500 +3%			0.4	4.3	9.9	15.9	15.6	18.1	10.7	11.0	Feb-08
Hedge Funds	39,617,912	5.0	1.1	1.4	0.1	-5.6	-0.1	1.6	2.4	2.5	Apr-06
HFRI Fund of Funds Composite Index			0.5	2.0	-0.6	-1.7	2.5	2.5	1.7	1.6	Apr-06
Non-Core Real Estate	33,198,314	4.2	0.0	0.0	2.7	-4.3	2.7	7.4	2.6	3.0	Feb-06
NCREIF Property Index			0.0	0.0	4.3	10.6	11.6	11.5	7.4	7.7	Feb-06
Cash	14,634,542	1.8									

Total Retirement System Aggregate

As of August 31, 2016

Trailing Net Performance

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Total Retirement System Aggregate	797,214,148	100.0	--	0.7	2.8	5.5	3.5	3.0	3.9	3.5	3.8	Jan-06
<i>Policy Benchmark</i>				0.4	3.3	6.8	7.1	6.0	7.2	5.8	6.2	Jan-06
<i>60% MSCI ACWI & 40% Barclays Universal</i>				0.2	3.2	6.4	7.2	6.0	6.7	5.0	5.3	Jan-06
Domestic Equity	206,793,442	25.9	25.9	0.6	4.7	9.0	10.4	9.9	11.4	7.4	7.0	Feb-06
<i>Russell 3000</i>				0.3	4.2	8.0	11.4	11.7	14.5	7.6	7.4	Feb-06
Northern Trust S&P 500 Index	114,383,114	14.3	55.3	0.1	3.8	7.8	12.5	--	--	--	9.2	Dec-13
<i>S&P 500</i>				0.1	3.8	7.8	12.6	12.3	14.7	7.5	9.2	Dec-13
<i>Large Cap MStar MF Median</i>				0.2	4.2	6.1	8.7	10.4	13.4	7.2	7.3	Dec-13
<i>Large Cap MStar MF Rank</i>				54	63	28	12	--	--	--	16	Dec-13
Barrow Hanley Small Cap Value Equity	40,843,784	5.1	19.8	2.1	7.2	11.0	9.0	8.6	13.2	9.1	9.3	Jan-06
<i>Russell 2000 Value</i>				2.5	8.0	14.6	13.8	8.5	12.6	5.8	6.6	Jan-06
<i>Small Value MStar MF Median</i>				1.6	6.9	10.8	9.4	8.3	12.3	7.0	7.2	Jan-06
<i>Small Value MStar MF Rank</i>				36	40	50	56	43	36	4	1	Jan-06
Northern Trust S&P 400 MidCap Index	51,566,544	6.5	24.9	0.5	4.8	13.1	12.3	--	--	--	8.5	Dec-13
<i>S&P 400 MidCap</i>				0.5	4.8	13.1	12.3	11.5	14.1	9.3	8.5	Dec-13
<i>Mid Cap MStar MF Median</i>				0.5	4.8	7.6	6.2	9.2	12.8	7.7	5.9	Dec-13
<i>Mid Cap MStar MF Rank</i>				49	46	8	10	--	--	--	12	Dec-13
Developed Equity	57,400,194	7.2	7.2	-0.8	3.4	7.2	9.7	--	--	--	2.2	May-15
<i>MSCI EAFE</i>				0.1	5.1	0.5	-0.1	2.5	5.0	1.7	-6.6	May-15
First Eagle International Value	31,074,427	3.9	54.1	-0.6	3.3	8.3	8.8	--	--	--	2.4	May-14
<i>MSCI EAFE</i>				0.1	5.1	0.5	-0.1	2.5	5.0	1.7	-3.1	May-14
<i>Foreign Value MStar MF Median</i>				0.8	5.1	2.0	0.4	2.2	4.5	1.5	-3.6	May-14
<i>Foreign Value MStar MF Rank</i>				87	88	8	4	--	--	--	2	May-14

Municipal Employees' Retirement System of Louisiana

Total Retirement System Aggregate

As of August 31, 2016

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
WCM Focused International Growth Fund	26,325,767	3.3	45.9	-1.2	3.6	6.0	10.9	--	--	--	4.1	Jun-14
<i>MSCI ACWI ex USA</i>				0.6	5.6	4.5	2.9	2.0	3.3	2.0	-4.0	Jun-14
<i>Foreign Growth MStar MF Median</i>				-0.2	4.0	2.1	4.1	4.5	6.3	3.8	-0.6	Jun-14
<i>Foreign Growth MStar MF Rank</i>				85	58	13	8	--	--	--	7	Jun-14
Emerging Market Equity	70,873,483	8.9	8.9	2.0	7.8	15.5	13.9	--	--	--	0.4	Dec-13
<i>MSCI Emerging Markets</i>				2.5	7.6	14.5	11.8	1.1	-0.4	3.9	-1.8	Dec-13
Dimensional Emerging Markets Value	32,404,194	4.1	45.7	1.8	8.2	19.4	14.2	--	--	--	-3.8	Nov-13
<i>MSCI Emerging Markets</i>				2.5	7.6	14.5	11.8	1.1	-0.4	3.9	-2.7	Nov-13
<i>Diversified Emerging Mkts MStar MF Median</i>				1.8	6.3	12.7	11.6	1.9	0.2	3.7	-2.0	Nov-13
<i>Diversified Emerging Mkts MStar MF Rank</i>				50	9	6	26	--	--	--	81	Nov-13
Northern Trust Emerging Markets Index	38,469,288	4.8	54.3	2.4	7.6	--	--	--	--	--	7.6	Jun-16
<i>MSCI Emerging Markets</i>				2.5	7.6	14.5	11.8	1.1	-0.4	3.9	7.6	Jun-16
<i>Diversified Emerging Mkts MStar MF Median</i>				1.8	6.3	12.7	11.6	1.9	0.2	3.7	6.3	Jun-16
<i>Diversified Emerging Mkts MStar MF Rank</i>				24	18	--	--	--	--	--	18	Jun-16
Global Equity	48,985,948	6.1	6.1	2.1	5.1	3.8	-0.5	8.1	8.7	5.5	5.6	Feb-06
<i>MSCI ACWI</i>				0.3	4.7	5.9	7.2	6.7	8.3	4.4	4.6	Feb-06
Thornburg Global Opportunities Strategy	29,581,246	3.7	60.4	1.7	5.1	-2.8	-7.3	10.0	11.7	7.6	7.8	Aug-06
<i>MSCI ACWI</i>				0.3	4.7	5.9	7.2	6.7	8.3	4.4	4.6	Aug-06
<i>World Stock MStar MF Median</i>				0.3	4.5	5.2	6.7	7.0	9.1	5.0	5.2	Aug-06
<i>World Stock MStar MF Rank</i>				9	37	99	99	13	9	5	6	Aug-06
Kleinwort Benson Investors Water Strategy	19,404,702	2.4	39.6	2.2	4.8	15.3	12.1	5.8	10.0	--	3.6	Sep-07
<i>MSCI ACWI</i>				0.3	4.7	5.9	7.2	6.7	8.3	4.4	2.9	Sep-07
<i>S-Network Global Water Index</i>				-0.9	1.8	17.1	23.4	11.3	11.6	--	5.0	Sep-07
<i>World Stock MStar MF Median</i>				0.3	4.5	5.2	6.7	7.0	9.1	5.0	3.6	Sep-07
<i>World Stock MStar MF Rank</i>				4	43	2	14	70	29	--	49	Sep-07



Total Retirement System Aggregate

As of August 31, 2016

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
U.S. Core Bond Assets	76,261,592	9.6	9.6	-0.1	0.6	5.7	7.2	0.8	--	--	1.5	Apr-13
<i>Barclays Aggregate</i>				-0.1	0.5	5.9	6.0	4.4	3.2	4.9	2.8	Apr-13
Northern Trust Barclays Aggregate Index	76,067,313	9.5	99.7	-0.1	0.5	5.8	--	--	--	--	5.8	Dec-15
<i>Barclays Aggregate</i>				-0.1	0.5	5.9	6.0	4.4	3.2	4.9	5.9	Dec-15
<i>Intermediate-Term Bond MStar MF Median</i>				0.0	0.9	6.2	6.0	4.4	3.7	5.1	6.2	Dec-15
<i>Intermediate-Term Bond MStar MF Rank</i>				79	75	63	--	--	--	--	63	Dec-15
Internal Fixed Income Account	194,279	0.0	0.3	0.0	-0.6	2.6	4.4	-0.1	1.5	4.4	4.4	Mar-06
<i>Barclays Aggregate</i>				-0.1	0.5	5.9	6.0	4.4	3.2	4.9	4.8	Mar-06
Treasury Inflation Protected Securities	30,053,653	3.8	3.8	-0.4	--	--	--	--	--	--	-0.4	Jul-16
<i>Barclays US TIPS</i>				-0.4	0.4	6.7	5.4	2.7	1.8	4.4	-0.4	Jul-16
Northern Trust TIPS	30,053,653	3.8	100.0	-0.4	--	--	--	--	--	--	-0.4	Jul-16
<i>Barclays US TIPS</i>				-0.4	0.4	6.7	5.4	2.7	1.8	4.4	-0.4	Jul-16
<i>Inflation-Protected Bond MStar MF Median</i>				-0.4	0.3	6.3	4.6	1.9	1.3	4.0	-0.4	Jul-16
<i>Inflation-Protected Bond MStar MF Rank</i>				66	--	--	--	--	--	--	66	Jul-16
Foreign Bond Assets	34,539,604	4.3	4.3	-0.5	0.9	11.3	9.3	2.6	--	--	0.0	Apr-13
<i>Barclays Global Aggregate</i>				-0.5	0.3	9.2	8.8	2.6	1.1	4.2	1.3	Apr-13
Brandywine Global Opportunistic Fixed Income	34,539,604	4.3	100.0	-0.5	0.9	11.3	9.3	3.5	3.2	6.1	6.3	Jan-06
<i>Barclays Global Aggregate</i>				-0.5	0.3	9.2	8.8	2.6	1.1	4.2	4.4	Jan-06
<i>World Bond MStar MF Median</i>				0.1	1.2	7.8	7.7	2.7	2.1	4.7	4.6	Jan-06
<i>World Bond MStar MF Rank</i>				94	75	15	23	39	29	13	9	Jan-06
High Yield Bonds	36,361,094	4.6	4.6	1.4	3.5	10.7	6.8	6.0	--	--	4.8	Apr-13
<i>Barclays High Yield</i>				2.1	4.9	14.3	9.1	5.4	7.5	7.8	4.2	Apr-13
Loomis Sayles Multisector Full Discretion	36,361,094	4.6	100.0	1.4	3.5	10.7	6.8	6.0	6.5	7.7	7.8	Jan-06
<i>Barclays Govt/Credit</i>				-0.2	0.6	6.9	6.8	4.5	3.5	5.0	4.8	Jan-06

Municipal Employees' Retirement System of Louisiana

Total Retirement System Aggregate

As of August 31, 2016

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
<i>Barclays High Yield</i>				2.1	4.9	14.3	9.1	5.4	7.5	7.8	7.9	Jan-06
<i>Multisector Bond MStar MF Median</i>				0.8	2.4	7.1	6.1	4.5	5.1	6.3	6.2	Jan-06
<i>Multisector Bond MStar MF Rank</i>				8	15	14	38	14	15	7	7	Jan-06
Core Real Estate	14,706,186	1.8	1.8	0.0	0.0	3.8	11.2	12.3	--	--	12.4	Apr-13
<i>NCREIF ODCE Equal Weighted (net)</i>				0.0	0.0	4.2	11.2	12.1	11.7	5.0	11.9	Apr-13
Sentinel Real Estate Fund	14,706,186	1.8	100.0	--	--	--	--	--	--	--	--	Mar-06
<i>NCREIF Property Index</i>				0.0	0.0	4.3	10.6	11.6	11.5	7.4	7.5	Mar-06
<i>NCREIF ODCE Equal Weighted (net)</i>				0.0	0.0	4.2	11.2	12.1	11.7	5.0	5.2	Mar-06
Natural Resources	47,455,991	6.0	6.0	0.0	0.0	0.1	-1.1	0.1	--	--	1.5	Apr-13
<i>S&P North American Natural Resources TR</i>				0.3	0.5	20.1	8.2	-4.0	-1.4	2.2	-2.4	Apr-13
Resource Environmental Solutions	40,810,392	5.1	86.0									
Timbervest Crossover Partners II	6,645,599	0.8	14.0									
Private Debt	34,436,186	4.3	4.3	0.0	0.9	2.3	4.2	7.4	--	--	5.5	Apr-13
<i>Barclays High Yield+2%</i>				2.3	5.2	15.8	11.2	7.5	9.6	9.9	6.3	Apr-13
Republic Business Credit	18,000,000	2.3	52.3									
BlueBay Direct Lending Fund II, L.P.	12,444,677	1.6	36.1									
LEM Investors Real Estate Mezzanine Fund II	1,752,486	0.2	5.1									
Franchise Equity Capital Partners III	1,401,202	0.2	4.1									
Franchise Equity Capital Partners II	837,821	0.1	2.4									
Private Equity	51,896,008	6.5	6.5	0.0	0.0	7.5	5.2	-10.0	--	--	--	Feb-08
<i>S&P 500 +3%</i>				0.4	4.3	9.9	15.9	15.6	18.1	10.7	11.0	Feb-08
Compass Island Investment Opportunities Fund A	22,581,502	2.8	43.5									



Total Retirement System Aggregate

As of August 31, 2016

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
Capital Spring Finance Company	13,250,835	1.7	25.5									
Greenspring Crossover Ventures I	6,700,752	0.8	12.9									
Whalehaven Fund Limited	5,000,000	0.6	9.6									
Louisiana Fund I	2,122,834	0.3	4.1									
Capital Spring, LLC	961,244	0.1	1.9									
Louisiana Fund II	687,946	0.1	1.3									
Entropy Ventures	590,895	0.1	1.1									
Hedge Funds	39,617,912	5.0	5.0	1.1	1.4	0.1	-5.6	-0.1	1.6	2.4	2.5	Apr-06
<i>HFRI Fund of Funds Composite Index</i>				0.5	2.0	-0.6	-1.7	2.5	2.5	1.7	1.6	Apr-06
Scoggin Worldwide Distressed Fund	30,839,141	3.9	77.8	--	--	--	--	--	--	--	--	Mar-06
<i>HFRI Event-Driven (Total) Index</i>				1.9	3.9	6.1	3.2	2.9	4.3	4.3	4.5	Mar-06
<i>HFRI ED: Distressed/Restructuring Index</i>				2.4	4.9	8.6	3.0	1.4	3.9	3.8	4.2	Mar-06
<i>Barclays High Yield</i>				2.1	4.9	14.3	9.1	5.4	7.5	7.8	7.8	Mar-06
GoldenTree Offshore Fund, Ltd.	5,162,420	0.6	13.0									
Argonaut Macro Partnership	2,162,691	0.3	5.5									
GMT-Bay Resource Partners Offshore Fund	1,014,624	0.1	2.6									
GoldenTree Credit Opportunities	439,036	0.1	1.1									
Non-Core Real Estate	33,198,314	4.2	4.2	0.0	0.0	2.7	-4.3	2.7	--	--	--	Feb-06
<i>NCREIF Property Index</i>				0.0	0.0	4.3	10.6	11.6	11.5	7.4	7.7	Feb-06
Bedico Creek Preserve	8,226,131	1.0	24.8									
AEW Fund VII	6,319,986	0.8	19.0									

Total Retirement System Aggregate

As of August 31, 2016

	Market Value (\$)	% of Portfolio	% of Sector	1 Mo (%)	Fiscal YTD (%)	YTD (%)	1 Yr (%)	3 Yrs (%)	5 Yrs (%)	10 Yrs (%)	Return (%)	Since
AEW Partners VI	6,075,674	0.8	18.3									
JPMorgan India Property Fund	4,603,226	0.6	13.9									
Gainesville Vision	4,230,432	0.5	12.7									
Crow Holdings Realty Partners IV	2,507,419	0.3	7.6									
Americus Real Estate Fund II	664,133	0.1	2.0									
MEREC I/Land Baron	400,000	0.1	1.2									
AEW Partners V	171,313	0.0	0.5									
Cash	14,634,542	1.8	1.8									

Footnote Appendix

- Item 1. Fiscal year begins July 1.
- Item 2. All returns are presented net of management fees.
- Item 3. As of February 1, 2016 the policy benchmark performance is 50% equities (represented by 28% Russell 3000 index, 12% FTSE All World (ex. U.S.) index, 10% MSCI EM index), 35% public fixed income (represented by performance of Barclays Universal) and 15% alternatives (represented by 4% NCREIF Property Index, 3% S&P Global Natural Resources index, 3% Barclays High Yield + 2% index, 2% S&P 500 +3% index, 3% S&P Global Infrastructure index). Prior to February 1, 2016 the policy benchmark performance is 50% equities (represented by 26% Russell 3000 index, 12% MSCI EAFE index, 12% MSCI EM index), 15% public fixed income (represented by performance of Barclays Universal) and 35% alternatives (represented by 7% HFRI Fund WC, 7% NCREIF Property Index, 7% S&P Global Natural Resources index, 7% Barclays High Yield index, 7% S&P 500 +3% index).
- Item 4. Unless otherwise noted the market values for non-public market assets are based on most recent available data from each manager adjusted for subsequent cash flows (where applicable) through the performance date of this report.
- Item 5. The following investments market values are based on the most recent MERS plan level audit valuations prepared by the System's auditor (adjusted for subsequent cash flows where applicable): Resource Environmental Solutions, Republic Business Credit, Capital Springs Finance Company, Whalehaven Fund Limited, Entropy Ventures, Bedico Creek Preserve, Gainesville Vision, MEREK/Land Baron
- Item 6. Hedge fund investments are in liquidation. The Scoggin fund expects to send distributions in approximately 25% tranches each quarter. The GoldenTree Offshore fund still has approximately \$4.8 million in side-pocket assets with limited liquidity. The remaining hedge funds' listed market values represent the remaining "audit hold back" payable in 2017 upon completion of each Fund's 2016 audit.

Rebalance Recommendation

Rebalance Recommendation

- We recommend the Retirement System invest an additional \$25 million into the Northern Trust Barclays Aggregate Index.
- We recommend sourcing the contribution from cash (\$10 million) and from Thornburg Global Opportunities strategy (\$15 million).

Rationale

- Continue to move the Retirement System closer to its asset allocation targets adopted in February 2016.
- U.S. Core Bonds is the most underweight asset class.
- Global equity is the most overweight asset class.
- The cash account has approximately \$10 million more than Staff requires for day to day operations of the System.

Disclaimer

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Meketa Investment Group has prepared this report on the basis of sources believed to be reliable. The data are based on matters as they are known as of the date of preparation of the report, and not as of any future date, and will not be updated or otherwise revised to reflect information that subsequently becomes available.

In general, the valuation numbers presented in this report are prepared by the custodian bank for listed securities, and by the fund manager or appropriate General Partner in the case of unlisted securities. The data used in the market comparison sections of this report are sourced from various databases. These data are continuously updated and are subject to change.

This report does not contain all the information necessary to fully evaluate the potential risks of any of the investments described herein. Because of inherent uncertainties involved in the valuations of investments that are not publicly traded, any estimated fair values shown in this report may differ significantly from the values that would have been used had a ready market for the underlying securities existed, and the differences could be material. Note that for unlisted securities the valuations may be lagged by one or more calendar quarters, or may reflect original cost.

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In some cases Meketa Investment Group assists the Trustees in handling capital calls or asset transfers among investment managers. In these cases we do not make any representations as to the managers' use of the funds, but do confirm that the capital called or transferred is within the amounts authorized by the Trustees.