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Emerging Markets Equity Manager Search

May 2019

M E K E T A I N V E S T M E N T G R O U P
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Manager Overview
As of March 31, 2019

	RWC	Wellington	DFA	GQG
Firm Location	London, England	Boston, MA	Austin, TX	Fort Lauderdale, FL
Firm Inception	2000	1928	1981	2016
Ownership Structure	Privately Owned	Privately Owned	Privately Owned	Privately Owned
Strategy Name	Emerging Markets Equity	Emerging Markets Systematic Equity	Emerging Markets Value	Emerging Markets Equity
Strategy Inception	August 2012	October 2009	May 1998	January 1997
Assets Under Management (Firm)	$16.6 billion	$1,072.5 billion	$576.2 billion	$21.4 billion
Assets Under Management (Strategy)	$6.2 billion	$3.3 billion	$24.0 billion	$6.4 billion

RWC Partners

Organization: RWC Partners is a multi-boutique investment manager based in London, England. The firm was founded in 2000. Ownership is split amongst employees and Schroders Plc. Employees own 59% of the stock and Schroders owns the balance. Schroders' organizational influence is limited, as their ownership is considered "non-controlling participation" with voting rights are capped at a maximum of 49%. As of March 31, 2019, RWC had $16.6 billion in total assets, with $6.2 billion in the Global Emerging Equity Fund product that was launched in August of 2012.

Investment Team: The RWC investment team is the former Emerging and Frontier Markets investment team from Everest Capital. The team joined RWC in April 2015. The investment team is led by portfolio manager John Malloy. Mr. Malloy has 27 years of industry experience. He is supported by Co-PMs James Johnstone and Thomas Allraum, who have 23 and 37 years of investment experience, respectively. The PMs are supported by a dedicated macroeconomic analyst (Cem Akyurek), Head of Research Anil Tewari, and a deep team of 13 research analysts. The analysts on the investment team average 11 years of experience. The majority of the investment team worked together at Everest Capital.

Investment Philosophy: RWC believes that successful long term investing in emerging markets requires both a strong macroeconomic framework and access to reliable information flow which can often times can greatly affect local prices in the emerging world. They believe that marrying a macroeconomic framework with bottom-up stock selection focused on durable business models, with good growth prospects, trading at reasonable prices is also of critical importance. They believe in being geographically flexible within their opportunity set and that building concentrated, nimble, benchmark-agnostic portfolios, that reflect their top-down and bottom-up views, will enable their success over time. RWC targets 300bps of outperformance over a full market cycle.

Investment Process: RWC's investment process combines top-down and bottom-up investment frameworks. The process begins with a series of liquidity screens, which culls the universe for stocks with greater than $2 billion in market cap with greater than $10 million in average daily trading volume. From there, the team's top-down analysis, which is driven by their dedicated macroeconomic analyst, scores countries based on monetary policy, political risk factors, currency risk, country valuations, earnings trends, and other leading economic indicators. The result of this analysis is a country "heat map", which is used to inform theme identification and direct the analyst's bottom-up research. Within themes, RWC attempts to identify longer-term catalysts (although duration of themes can vary) with positive near-term macroeconomic tailwinds. From there, research analysts seek to find attractive companies positioned to benefit from these themes, with attractive growth prospects and relative valuations. Analysts use a variety of industry-specific screens to find attractive investment candidates. Candidates are then subjected to rigorous fundamental research, which, at a minimum, requires either of meeting or speaking with company management. The final portfolio is concentrated and benchmark-agnostic. While RWC is benchmark-aware, they are benchmark-unconstrained in portfolio construction. The portfolio generally holds 50-60 positions. RWC is willing to dynamically reposition the portfolio in an effort to keep the portfolio's exposures timely and to manage risk. Portfolio turnover typically ranges between 75-150%.

Wellington

Organization: Wellington Partners is a global investment firm headquartered in Boston. Wellington was founded in 1928. The firm is 100% employee owned, with ownership distributed across over 160 partners. Wellington offers equity, fixed income, balanced, and alternative investment strategies managed by a large group of distinct portfolio management teams that utilize the firm's centralized research pool. As of March 31, 2019, Wellington had over $1 trillion in assets under management, with $3.3 billion in the Emerging Markets Systematic Equity product that was launched in October 2009.

Investment Team: The Emerging Markets Systematic Equity strategy team is led by Co-Director of Quantitative Investments, David Elliott. Mr. Elliott, who has 27 years of investment experience and has worked at Wellington for the past 24 years, is also a named portfolio manager on Wellington's Emerging Markets Small Cap Systematic Equity, Global Low Volatility, Global Income Low Volatility, International Quantitative Equity, and Total Return Intersection (global equity) strategies. Mark Yarger, who works as an analyst supporting Mr. Elliott, has 32 years of investment experience, and has worked at Wellington for 19 years. He is also a named analyst on Wellington's Emerging Markets Small Cap Systematic Equity and Enhanced U.S. Quantitative Equity strategies. These two investors are supported by Wellington's broader Quantitative Investment Group.

Investment Philosophy: The Emerging Markets Systematic Equity team believes that value, quality, momentum, and other market factors are strongly associated with stock outperformance. They believe that the excess returns of these factors relative to the market are pervasive across geographic boundaries and are persistent over time due to behavioral, market structure, and risk premia dynamics. The team seeks to apply quantitative investment tools to identify and systematically capitalize on factor returns while emphasizing factor diversification, time horizon diversification, and model evolution.

Investment Process: The investment team applies three quantitative models in succession to build the emerging markets equity portfolio. The process begins with a quantitative equity model that is used to rank stocks based on a variety of factors. These factors are grouped into six categories including fair value (intrinsic value-based i.e. discounted cash flow model, dividend discount model, etc.), pure value (market valuation i.e. P/E, P/B, etc.), management behavior, earnings quality, short-term momentum, and long-term momentum. Each stock in the emerging markets universe receives a return forecast indicating relative attractiveness across these six factor buckets. Next, the team applies a transaction cost model to remove illiquid stocks from the universe of investable securities and model implementation costs. The third model applied by the team is a risk model, which monitors how the portfolio differs from the benchmark in terms of style, industry, sector, beta, country, and market capitalization. The team then builds the end portfolio using an optimizer, which combines the inputs from these three models and generates suggested trades for the portfolio. The result of the process is a portfolio of at least 150 stocks, with maximum active positions of +/-3% relative to the index, and maximum active country/sector weights of +/-5% relative to the index. Tracking error is expected to range from 2-4%. Turnover generally ranges from 75-125% per year.

Dimensional Fund Advisors

Organization: Dimensional Fund Advisors ("DFA") was founded in 1981 and is structured as a private limited partnership owned primarily by current and former employees. The firm is headquartered in Austin, TX, and has offices in Santa Monica, Charlotte, London, Sydney, and Vancouver. The firm has over 1,100 employees, with approximately 90 employees serving in investment capacities. DFA managed $576.2 billion, as of March 2019, across equities, fixed income, and balanced strategies. The firm's Emerging Markets All Cap Value strategy, incepted in April 1998, has $24 billion in assets.

Investment Team: DFA currently employs 53 portfolio managers and 16 research analysts, but they do not function in the traditional capacity. Given the DFA investment approach, the investment staff focuses on academic research and portfolio implementation as opposed to traditional stock research. In addition, DFA has both an Investment Committee and an Investment Policy Committee made up of the most senior members of the firm. The Investment Policy Committee focuses on the long-term; recommending strategy enhancements and new strategies. The Investment Committee approves strategy implementation and provides daily oversight of DFA's portfolios. Much of the DFA investment approach is rooted in the academic research of Eugene Fama and Kenneth French, both of whom serve as consultants to the firm. Kenneth French also chairs the Investment Policy Committee.

Investment Philosophy: In contrast to most managers, DFA believes that markets are largely efficient and that risk and return are directly related. Thus, assuming a long-term investment horizon, investors should be compensated for holding "riskier" stocks through higher returns. As such, DFA believes three primary risk "dimensions" (size, price, and profitability) exist, and investment strategies should be designed and implemented along those dimensions. DFA seeks to provide broad and diversified exposure to the equity markets in a more efficient way than the market capitalization-weighted approach typically favored by index providers. DFA constructs a broadly diversified, all-cap portfolio that tilts towards two primary factors, value and size, and to a lesser extent a third factor, profitability.

Investment Process: The DFA process begins by excluding countries that do not meet their criteria for investment (e.g., free market economy, good legal system, and fair treatment of shareholders). Stocks in qualified countries are ranked on their book-to-market value (e.g. deep value); they seek to invest in the top 25-30% of the investment universe. Next, DFA tilts the portfolio towards higher profitability companies, as empirical research suggests that higher profitability companies generate a slightly higher return over time. The portfolio will always tilt towards smaller cap names (with a minimum market capitalization of $50 million). Additionally, DFA aims to add value through trading by providing liquidity to the market (i.e. being opportunistic sellers) to reduce their trading costs. DFA believes that a combination of value, size, and profitability factors is a good way to generate outperformance over a full market cycle, without taking excessive single stock risk. To minimize single stock risk, the portfolio is extremely diversified across 2,000+ names. To address single country risk, DFA limits exposure to any one country to 17.5% at the time of purchase.

GQG Partners

Organization: GQG Partners is a boutique asset management firm based in Fort Lauderdale. The firm manages concentrated, benchmark-agnostic global equity portfolios. GQG was founded by Rajiv Jain, former CIO and Co-CEO of Vontobel Asset Management. The firm is 95% employee-owned by nine partners. Mr. Jain holds 86% of the firm's equity, eight other employees hold 9%, and the remaining 5% of the stock is held by Pacific Current Group. Though GQG Partners is a new organization, the investment team is fully staffed. GQG employs 56 individuals including 12 investment team members and 44 business team members. As of March 2019, the firm managed $21.4 billion in assets across three products, with $6.4 billion in the Emerging Markets Equity strategy.

Investment Team: The GQG investment team is led by Chairman and CIO, Rajiv Jain. Mr. Jain makes all final decisions on the Emerging Markets Equity strategy. He has 28 years of investment experience. During his tenure at Vontobel, Mr. Jain served as lead portfolio manager on the Emerging Markets strategy from 1997 to 2016, and was the lead portfolio manager on the Global and International Equity strategies from 2002 to 2016. Additionally, Mr. Jain served as CIO at Vontobel Asset Management beginning in January 2002. Mr. Jain is supported by eight analysts and two traders. Though analysts are afforded autonomy in the company analysis process, Mr. Jain is involved throughout all stages of research. He considers himself to be an analyst first and portfolio manager second. Mr. Jain also incorporates skepticism into the research process by assigning an analyst to act as "devil's advocate" on every stock.

Investment Philosophy: GQG believes that long-term, stable, and superior earnings growth drive investment returns and risk-adjusted performance. Mr. Jain seeks to invest in businesses that are predictable (strong franchise, low capital intensity, shareholder-friendly management, etc.), sustainable (able to replicate or exceed past success in terms of growth, operating margins, ROE, ROA, etc.), and trade at an attractive margin of safety (at least a 25% discount to their assessment of intrinsic value). They believe in building concentrated portfolios of high conviction positions with little attention paid to the benchmark.

Investment Process: The GQG investment process begins with a series of quantitative screens focused on profitability and stability. The team's favored metrics include low amounts of leverage, high ROE/ROA, high free cash flow, and stable earnings. These screens reduce GQG's investable universe to approximately 300 companies. Promising companies are then subject to intense fundamental research. The investment team ultimately seeks to gain an understanding of the predictability (long-term economic characteristics of a business, quality of management team) and sustainability (ability of the company to replicate past success by improving margins and growing ROE/ROA) of companies under review. If a company meets these quality criteria, the focus then shifts to valuation. If a company's stock is trading at a significant discount (>25%) to a conservative estimate of its long-term value, it is a candidate for purchase. The team manages a concentrated portfolio of approximately 50-80 positions. The portfolio is benchmark-agnostic, with country and sector exposures that will materially differ from the index. Additionally, GQG will invest in developed market-listed companies with the majority of their revenues and/or earnings coming from emerging markets. The portfolio's developed market exposure has averaged 14% over the last two years. GQG uses a three- to five-year investment horizon, but will opportunistically trade in to our out of quality businesses depending on the market environment, valuations, and/or macroeconomic factors. Portfolio turnover generally ranges from 50-100% per year.

Portfolio Characteristics[1]

As of March 31, 2019

	RWC	Wellington	DFA	GQG	*MSCI Emerging Markets*	*MSCI Emerging Markets IMI[2]*
Trailing Price-Earnings Ratio	12.8x	11.2x	10.3x	18.7x	*13.1x*	*12.6x*
Price-Book Value Ratio	1.5x	1.3x	1.0x	2.7x	*1.6x*	*1.6x*
Weighted Average Market Cap	$45.0 billion	$76.5 billion	$36.5 billion	$32.9 billion	*$52.2 billion*	*$47.3 billion*
Median Market Cap	$6.0 billion	$6.2 billion	$0.4 billion	$10.9 billion	*$2.1 billion*	*$0.5 billion*
Number of Holdings	57	259	2,539	62	*1,136*	*2,701*
Active Share	87%	62%	51%	88%	*NA*	*NA*
Turnover (Last 12 Months)[3]	80%	92%	13%	107%	*NA*	*NA*
Market Cap Weightings (%):						
>$50 billion	18	29	22	19	*24*	*22*
$15-50 billion	14	28	18	38	*21*	*18*
$1.5-15 billion	68	37	44	33	*50*	*45*
<$1.5 billion	1	6	16	10	*5*	*15*
Top 3 Country Weightings:	China 31%	China 35%	China 18%	India 26%	*China 33%*	*China 31%*
	Korea 10%	Korea 14%	Korea 17%	China 17%	*Korea 13%*	*Korea 13%*
	Dev. Mkts. 10%	Taiwan 11%	Taiwan 16%	Hong Kong 16%	*Taiwan 11%*	*Taiwan 12%*
Top 3 Sector Weightings:	Financials 17%	Financials 26%	Financials 29%	Financials 37%	*Financials 24%*	*Financials 23%*
	Info. Tech. 17%	Info. Tech. 14%	Materials 17%	Cons. Stap. 20%	*Info. Tech. 15%*	*Info. Tech. 15%*
	Materials 13%	Cons. Disc. 13%	Energy 16%	Utilities 10%	*Comm. Disc. 13%*	*Comm. Disc. 13%*
% of Portfolio in Top 10 Holdings:	35%	23%	21%	40%	*24%*	*24%*

1 Factset, eVestment, MSCI Inc., Morningstar. The market cap exposures in this characteristics table only includes float-adjusted market capitalization of underlying securities.
2 The MSCI Emerging Markets Investable Market Index (IMI) consist of large-, mid-, and small-cap representation across 24 emerging market countries, whereas the MSCI Emerging Markets Index represents large- and mid-cap stocks.
3 Portfolio turnover for RWC and GQG is as of 12/31/2018.

Portfolio Characteristics (continued)

- RWC manages a concentrated portfolio that currently holds 57 stocks. The RWC investment team utilizes a growth-oriented approach, but they emphasize valuation (i.e. a growth-at-a-reasonable-price or "GARP" investment style). This is evident in the portfolio's price-book value ratio, which suggests that the portfolio is actually slightly cheaper than the MSCI Emerging Markets Index. The investment team also utilizes a truly all-cap approach, with significant allocations to mid cap companies relative to peers and the index. Market cap weights, as well as portfolio country and sector weightings (e.g. 10% weight in developed markets and allocation to Materials stocks relative to the index) reflect the team's benchmark-unconstrained investment approach.
- Wellington manages a more diversified portfolio of 259 stocks, which is consistent with their quantitative investment approach and increased benchmark awareness. Wellington's portfolio, like RWC, trades at a valuation discount relative to the MSCI Emerging Markets Index. However, the portfolio's country and sector characteristics are broadly similar to those of the index, which reflects Wellington's emphasis on diversification and active risk controls within their portfolio construction process.
- All four managers have exposure to smaller capitalization stocks relative to both the MSCI Emerging Markets Index and the MSCI Emerging Markets IMI Index. As a result of their emphasis on smaller cap companies with cheap price-book valuations, DFA maintains a higher percentage allocation to small caps relative to its peers and both indices.

Historical Risk (net of fees)[1]

Common Period: August 2012 – March 2019

	RWC	Wellington	DFA	GQG	*MSCI Emerging Markets*
Common Period Performance:					
Common Period Performance (%)	8.5	5.2	4.1	5.2	4.0
Best 3 Months (%)	21.7	13.9	18.5	13.9	13.7
Worst 3 Months (%)	-20.1	-17.5	-19.2	-14.2	-17.9
Risk Measures:					
Standard Deviation (%)	19.1	15.8	16.8	13.9	15.3
Tracking Error (%)	7.5	1.9	3.6	7.6	NA
Beta	1.09	1.01	1.07	0.77	*1.00*
Correlation to Benchmark	0.91	0.99	0.98	0.86	*NA*
Downside Deviation (%)	7.4	6.7	6.4	6.6	6.6
Upside Capture (%)	121.0	106.0	109.1	91.6	*NA*
Downside Capture (%)	97.1	99.3	106.8	87.0	*NA*
Risk-Adjusted Performance:					
Jensen's Alpha (%)	4.25	1.21	-0.13	2.04	*NA*
Sharpe Ratio	0.42	0.29	0.21	0.33	0.22
Information Ratio	0.61	0.65	0.03	0.17	*NA*

1 Net of fees returns assume the manager fee schedules stated herein. RWC's performance includes the team's track record from Everest Capital, which runs from August 2012 to March 2015. For the months of April and May 2015 MSCI Emerging Markets-ND index returns are used. The track record at RWC begins in June 2015. GQG performance prior to June 2016 is from the Vontobel Emerging Markets strategy. Rajiv Jain managed the Vontobel Emerging Markets strategy from January 1997 to May 2016.

Historical Risk (continued)

- Both RWC and Wellington have generated compelling risk-adjusted returns over the common period, though they have produced those returns in very different ways. RWC manages a concentrated portfolio, with less attention paid to the index, resulting in high tracking error (7.5% over the common period), whereas Wellington manages a risk-controlled, low tracking error, quantitative portfolio (1.9% tracking error over the common period).
- Both portfolios have displayed higher absolute risk (e.g. standard deviation) and risk when compared to the MSCI Emerging Markets Index (e.g. systematic risk or beta), as evidenced by standard deviations above the index and betas greater than 1.00. Both strategies have capitalized on this exposure, with upside capture well above 100%. RWC in particular has generated a compelling upside capture of 121% over the common period.

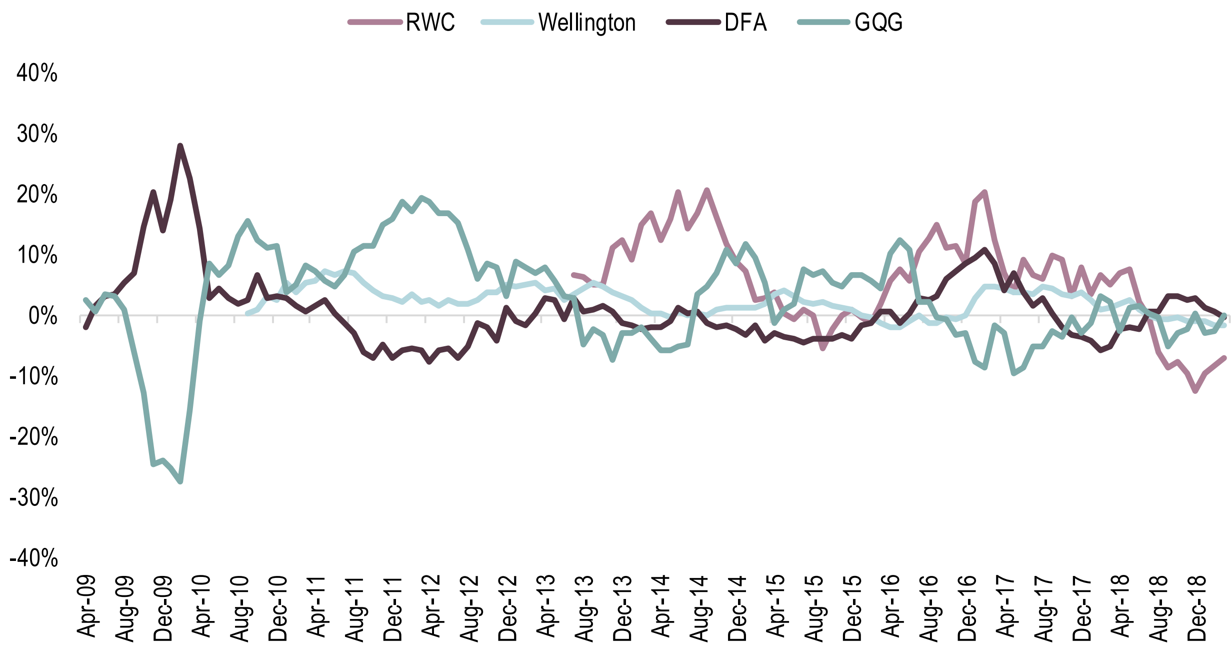
Trailing and Calendar Year Performance (net of fees)[1]
As of March 31, 2019

	RWC	Wellington	DFA	GQG	*MSCI Emerging Markets*
Trailing Period Returns (%):					
1 Year	-14.4	-8.9	-7.7	-7.4	-7.4
3 Years	13.0	12.0	11.6	10.8	10.7
5 Years	6.0	4.6	3.4	5.8	3.7
7 Years	NA	4.2	2.2	4.7	2.7
10 Years	NA	NA	9.2	12.3	8.9
Calendar Year Returns (%):					
2018	-27.1	-15.5	-11.9	-14.2	-14.6
2017	45.4	41.2	33.8	34.3	37.3
2016	19.9	11.2	19.8	8.3	11.2
2015	-13.9	-13.8	-18.8	-8.3	-14.9
2014	6.9	-1.0	-4.4	6.3	-2.2
2013	10.0	0.6	-3.8	-5.3	-2.6
2012	NA	23.3	19.4	21.4	18.2
2011	NA	-15.5	-25.6	-2.4	-18.4
2010	NA	21.4	22.1	30.3	18.9
2009	NA	NA	92.3	54.7	78.5
2008	NA	NA	-53.9	-46.7	-53.3

[1] Net of fees returns assume the manager fee schedules stated herein. RWC's performance includes the team's track record from Everest Capital, which runs from August 2012 to March 2015. For the months of April and May 2015 MSCI Emerging Markets-ND index returns are used. The track record at RWC begins in June 2015. GQG performance prior to June 2016 is from the Vontobel Emerging Markets strategy. Rajiv Jain managed the Vontobel Emerging Markets strategy from January 1997 to May 2016.

Rolling One-Year Excess Returns vs. MSCI Emerging Markets Index[1]

Last Ten Years Net of Fees, as of March 31, 2019

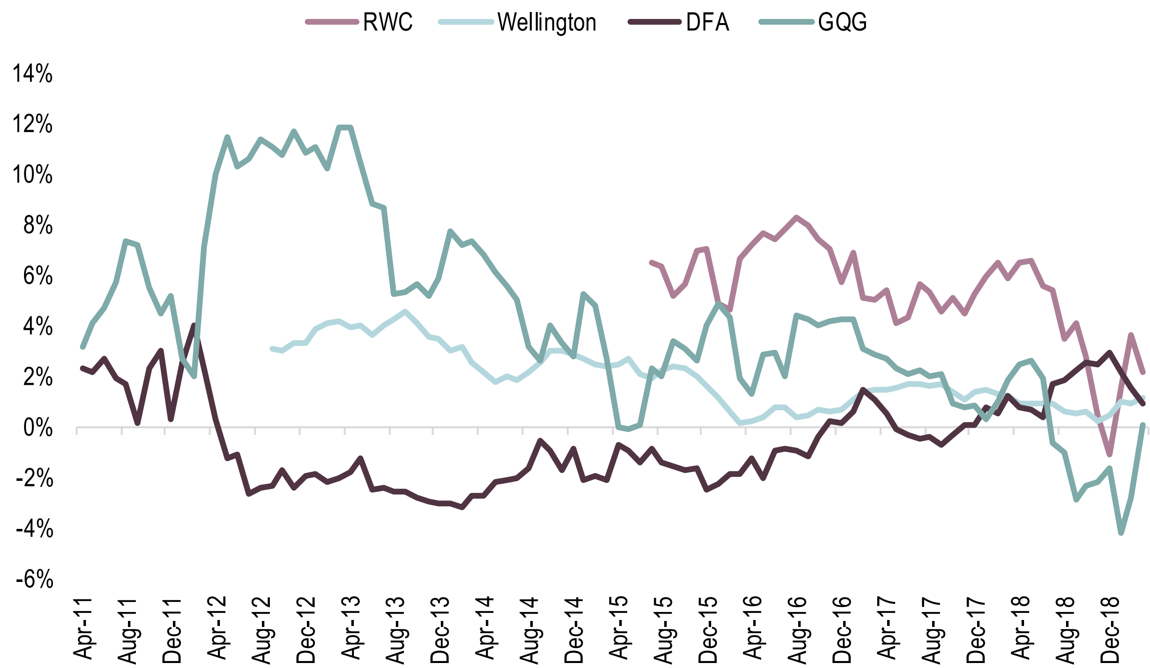


As of 03/31/2019	Total Periods	Periods Outperformed	Percentage (%)	Average Ann. Excess Return (%)	Median Ann. Excess Return (%)	Max (%)	Min (%)	Range (%)
RWC	69	54	78.3	5.9	6.6	20.6	-12.5	33.1
Wellington	103	85	82.5	2.3	2.4	7.6	-1.9	9.4
DFA	120	64	53.3	0.9	0.3	27.9	-7.7	35.5
GQG	120	74	61.7	2.5	3.1	19.4	-27.2	46.6

1 Net of fees returns assume the manager fee schedules stated herein. RWC's performance includes the team's track record from Everest Capital, which runs from August 2012 to March 2015. For the months of April and May 2015 MSCI Emerging Markets-ND index returns are used. The track record at RWC begins in June 2015. GQG performance prior to June 2016 is from the Vontobel Emerging Markets strategy. Rajiv Jain managed the Vontobel Emerging Markets strategy from January 1997 to May 2016.

Rolling Three-Year Excess Returns vs. MSCI Emerging Markets Index [1]

Last Ten Years Net of Fees, as of March 31, 2019



As of 03/31/2019	Total Periods	Periods Outperformed	Percentage (%)	Average Ann. Excess Return (%)	Median Ann. Excess Return (%)	Max (%)	Min (%)	Range (%)
RWC	45	44	97.8	5.5	5.7	8.5	-0.9	9.4
Wellington	79	79	100.0	2.1	1.9	4.7	0.3	4.4
DFA	96	36	37.5	-0.5	-0.9	4.0	-3.2	7.2
GQG	96	87	90.6	4.3	4.1	11.9	-4.1	16.0

1 Net of fees returns assume the manager fee schedules stated herein. RWC's performance includes the team's track record from Everest Capital, which runs from August 2012 to March 2015. For the months of April and May 2015 MSCI Emerging Markets-ND index returns are used. The track record at RWC begins in June 2015. GQG performance prior to June 2016 is from the Vontobel Emerging Markets strategy. Rajiv Jain managed the Vontobel Emerging Markets strategy from January 1997 to May 2016.

Monthly Excess Return Correlation[1]

Common Period: August 2012 – March 2019

	RWC	Wellington	DFA	GQG
RWC	1.00			
Wellington	0.08	1.00		
DFA	-0.05	0.20	1.00	
GQG	-0.19	-0.24	-0.38	1.00

- Correlation of excess returns is an important consideration when building multi-manager programs. Ideally, managers in a particular asset class should have low or negative correlation of excess returns. A consistently high correlation of excess returns suggests that investors would not realize diversification benefits by pairing managers.
- The two managers under consideration and two existing managers appear to have complementary excess returns. RWC's correlation of excess with all three other managers under consideration is less than 0.08. Wellington's excess returns are slightly positively correlated with DFA, but are relatively uncorrelated with RWC and negatively correlated with GQG.

[1] Net of fees returns assume the manager fee schedules stated herein. RWC's performance includes the team's track record from Everest Capital, which runs from August 2012 to March 2015. For the months of April and May 2015 MSCI Emerging Markets-ND index returns are used. The track record at RWC begins in June 2015. GQG performance prior to June 2016 is from the Vontobel Emerging Markets strategy. Rajiv Jain managed the Vontobel Emerging Markets strategy from January 1997 to May 2016.

Blended Portfolio Analysis

- The following pages present an assessment of the impact of adding the two prospective investment managers on historical portfolio returns. Importantly, these historical returns should only serve as a guidepost as they are simulated and may not be representative of future results.
- We will examine the proposed manager allocation option, which includes the portfolio's exposure to RWC and Wellington, to inform historical returns and risk within the total portfolio.
- The following table presents the portfolio allocations used to create return composites as presented. All simulated portfolios assume monthly rebalancing of each portfolio to the weights presented in the table.

Manager Allocation	RWC (%)	Wellington (%)	DFA (%)	GQG (%)	Index Fund (%)
Proposed Composite[1]	13.0	26.0	22.0	22.0	17.0

[1] The portfolio allocation weights for each manager was proposed by the San Jose Investment Committee for the Police and Fire Retirement plan.

Historical Risk (net of fees)[1]
Common Period: August 2012 – March 2019

	Proposed Composite	*MSCI Emerging Markets IMI*
Common Period Performance:		
Common Period Performance (%)	5.3	4.0
Best 3 Months (%)	14.1	13.3
Worst 3 Months (%)	-16.6	-18.0
Risk Measures:		
Standard Deviation (%)	15.3	15.0
Tracking Error (%)	1.6	*NA*
Beta	1.00	*1.00*
Correlation to Benchmark	0.99	*1.00*
Downside Deviation (%)	6.3	6.6
Upside Capture (%)	106.7	*NA*
Downside Capture (%)	99.6	*NA*
Risk-Adjusted Performance:		
Jensen's Alpha (%)	1.32	*NA*
Sharpe Ratio	0.31	0.23
Information Ratio	0.83	*NA*

[1] Net of fees returns assume the manager fee schedules stated herein. RWC's performance includes the team's track record from Everest Capital, which runs from August 2012 to March 2015. For the months of April and May 2015 MSCI Emerging Markets-ND index returns are used. The track record at RWC begins in June 2015. GQG performance prior to June 2016 is from the Vontobel Emerging Markets strategy. Rajiv Jain managed the Vontobel Emerging Markets strategy from January 1997 to May 2016.

Trailing and Calendar Year Performance (net of fees)[1]
As of March 31, 2019

	Proposed Composite	*MSCI Emerging Markets IMI*
Trailing Period Returns (%):		
1 Year	-8.7	-8.0
3 Years	11.7	10.1
5 Years	4.7	3.4
Common Period	5.3	*4.0*
Calendar Year Returns (%):		
2018	-15.8	-15.0
2017	37.9	36.8
2016	13.7	9.9
2015	-13.8	-13.9
2014	0.6	-1.8
2013	-1.0	-2.2

- While the composite has slightly underperformed over the trailing one-year period by 0.7%, the proposed composite outperformed the MSCI Emerging Markets IMI Index over the trailing three-year, five-year, and common periods, net of fees.

[1] Net of fees returns assume the manager fee schedules stated herein. RWC's performance includes the team's track record from Everest Capital, which runs from August 2012 to March 2015. For the months of April and May 2015 MSCI Emerging Markets-ND index returns are used. The track record at RWC begins in June 2015. GQG performance prior to June 2016 is from the Vontobel Emerging Markets strategy. Rajiv Jain managed the Vontobel Emerging Markets strategy from January 1997 to May 2016.

Rolling One- and Three-Year Excess Returns vs. MSCI Emerging Markets IMI Index [1]

Net of Fees, as of March 31, 2019

As of 03/31/2019	Total Periods	Periods Outperformed	Percentage (%)	Average Ann. Excess Return (%)	Median Ann. Excess Return (%)	Max (%)	Min (%)	Range (%)
1-Year	69	56	81.2	1.4	1.1	5.3	-1.4	6.7
3-Year	45	45	100.0	1.6	1.6	2.5	0.8	1.6

1 Net of fees returns assume the manager fee schedules stated herein. RWC's performance includes the team's track record from Everest Capital, which runs from August 2012 to March 2015. For the months of April and May 2015 MSCI Emerging Markets-ND index returns are used. The track record at RWC begins in June 2015. GQG performance prior to June 2016 is from the Vontobel Emerging Markets strategy. Rajiv Jain managed the Vontobel Emerging Markets strategy from January 1997 to May 2016.

Summary[1]

- Both RWC and Wellington are strong potential complements when paired with each other and the existing managers in the proposed portfolio. All of the global emerging markets managers (RWC, Wellington, DFA, and GQG) utilize different investment styles, have different time horizons, and have produced return streams that differ from one another.
- RWC utilizes a growth-oriented investment approach but chooses to emphasize growing companies trading at reasonable prices rather than high quality growth companies like GQG. The resulting return profiles are therefore different. Both Wellington and DFA manage value-oriented portfolios. However, Wellington utilizes a quantitative, multi-factor investment approach built to capitalize on value, quality, and momentum factors while DFA emphasizes long-term exposure to cheap companies as defined by price-to-book value, smaller capitalization stocks, and profitability factors.
- Meketa Investment Group is supportive of the Investment Committee's proposal to hire RWC and Wellington and, in conjunction, terminate Comgest. Given that the resulting roster of emerging markets equity managers (RWC, Wellington, DFA, and GQG) provides all cap exposure to the asset class, an allocation to an emerging markets small cap manager is no longer as additive at the portfolio level, since it provides overlapping small cap exposure. The emerging markets equity roster as proposed is well diversified and does not benefit from a continued allocation to Comgest.

[1] Net of fees returns assume the manager fee schedules stated herein. RWC's performance includes the team's track record from Everest Capital, which runs from August 2012 to March 2015. For the months of April and May 2015 MSCI Emerging Markets-ND index returns are used. The track record at RWC begins in June 2015. GQG performance prior to June 2016 is from the Vontobel Emerging Markets strategy. Rajiv Jain managed the Vontobel Emerging Markets strategy from January 1997 to May 2016.

Fees and Terms

	RWC	Wellington[1]	GQG	DFA
Vehicle Name	Global Emerging Equity Fund	Emerging Markets Equity	Emerging Markets Equity	Emerging Markets Value
Investment Vehicle	Commingled Fund	Separate Account	Commingled Fund	Mutual Fund
Minimum Account Size	$5 million	$75 million	$1 million	$2 million
Liquidity	Monthly	Daily	Weekly	Daily
Fee Schedule	0.75% on all assets	0.57% on all assets	0.65% on all assets	0.57% on all assets
Operating Expenses[2]	0.12%	0.03%	NA	NA
All-In Fee[3]	0.87% on all assets	0.60% on all assets	0.65% on all assets	0.57% on all assets
Peer Group Percentile Rank[4]	27	15	21	8
Assumed Allocation Size ($ mm)	65.0	130.0	108.1	108.2

- The San Jose plans' fees for RWC are expected to decrease as Meketa client assets in the strategy rise, per our agreement with RWC. Wellington's standard fee is 0.65% on the first $50 million, 0.60% on the next $50 million, and 0.55% thereafter. Wellington has also offered a performance-based fee of 0.25%, with 30% profit-sharing over the MSCI Emerging Markets Index + 0.50%, capped at 0.57%, with 10% profit-sharing for any excess returns over that level. Following extensive analysis by Meketa, we believe the proposal is reasonable.

[1] Wellington recently launched a U.S. commingled fund, which has just over $100 million in assets. Fees in this document reflect separate account fees. Additionally, performance fee arrangements might be offered/utilized.
[2] Wellington operating expenses capped at 0.03% per fee proposal.
[3] The all-in fee is inclusive of management fees and fund operating expenses.
[4] Peer group rankings for separate accounts and commingled funds based on management fees, given that managers often do not report commingled fund and separate account fees with operating expenses included in the database.

Fees and Terms (continued)

- RWC's fees rank below the median of the eVestment Global Emerging Markets Equity peer group for a $65 million commingled fund mandate. Wellington, GQG, and DFA all rank in the first quartile of the eVestment Global Emerging Markets Equity peer group based on their vehicle types and estimated allocation amounts. All fee peer ranks are based on proposed manager allocation amounts.

Operational Due Diligence

RWC	
Institutional Assets Managed	71% of total Firm AUM
SEC Registered	Yes
Chief Compliance Officer	Kevin Tolan
Counsel (in-house)	In-House
Compliance Manual Received	Yes
Trading and Trade Allocation Process	Yes
Finance and Operatios Software Description	Yes
RFP Received	Yes

- The EM/FM team outsources most administrative and back office functions to RWC Partners dedicated business staff. RWC Partners has dedicated teams with department heads across the following segments: legal counsel/ compliance/ on-boarding/ trading, IT/ infrastructure, finance/ HR, business strategy, and business development groups that service their ten investment teams. Each of these groups has a dedicated manager. These six managers report to CEO, Dan Mannix.
- RWC employs a three-person team on their legal staff. The group is led by Louise Oades, who has held the role since January 2015 and has 16 years of legal experience. She holds a bachelors degree in law from the University of Durham and is registered with the New York State Bar Association.
- RWC Partners has an internal Portfolio Risk Committee, comprising the firm's CEO. COO, Head of Investment Risk, Head of Compliance, and a senior investor. They formally review portfolio risks and liquidity on a monthly basis, and maintain dialogues with all portfolio managers at the firm.
- The firm maintains an institutional-quality back office. HSBC serves as their fund administrator, Morgan Stanley and UBS serve as prime brokers, and PwC serves as the auditor of funds.

Operational Due Diligence

Wellington	
Institutional Assets Managed	32% of Firm/ 33% of Strategy
SEC Registered	Yes
Chief Compliance Officer	Nancy M. Morris
Counsel (in-house/ outsourced)	In-House
Compliance Manual on file	Yes
Trade Allocation Process/Description	Yes
References Called	No
MIG RFP Received	No

- Wellington has one internal team that manages all functions related to compliance and regulatory activities, their Legal and Compliance Group. This team is responsible for a deep staff of internal compliance and legal professionals. Wellington employs 79 individuals in the Legal and Compliance Group.
- Wellington's Chief Compliance Officer is Nancy Morris. She joined Wellington in 2012 and has 35 years of professional experience. Ms. Morris holds a JD from the University of Idaho. Ms. Morris reports to the firm's General Counsel and Director of Legal Compliance, Cynthia Clarks, who reports directly to Chairman and CEO Brendan Swords.
- Wellington utilizes a number of proprietary and third party systems to manage operations related to portfolio management and trading. Portfolio managers and analysts designate trades electronically. They are run through compliance guidelines via Fidessa Sentinel and then handed off to Wellington's trading staff. Client guidelines are input into the Sentinel system by Wellington's dedicated guideline monitoring system. Pre-trade screening takes place systematically, and screening is also run on end-of-day holdings. Trades are allocated pro rata, via the firm's execution policy, using Omgeo OASYS, Omgeo Connect, TradeWeb, Bloomberg.com, FX Connect, GTSS, and internal tools. Advent Geneva is utilized for portfolio accounting and the team utilizes ITG as a trading cost monitoring tool. Portfolio management teams are responsible for portfolio risk and liquidity monitoring, with support from IT and investment operations resources.
- Various departments at Wellington manage most legal/operational/administrative functions in-house. Wellington utilizes PwC as an auditor.