SST BENEFITS CONSULTING

COUNTY OF SAN BERNARDINO
ANALYSIS OF STABILIZER
DEFINED CONTRIBUTION PLANS
EXCLUDING RETIREMENT MEDICAL TRUST

1ST QUARTER 2015

	NET DIFFERENCE	ACTUAL PERFORMANCE	BENCHMARK PERFORMANCE
1Q 2014	0.47%	2.18%	1.71%
2Q 2014	0.33%	1.95%	1.62%
3Q 2014	-0.02%	0.01%	0.03%
4Q 2014	-0.38%	0.82%	1.20%
1Q 2015	**0.16%**	**1.48%**	**1.32%**
I YEAR	**0.09%**	**4.33%**	**4.24%**

The broad U.S. fixed income market posted a healthy gain for the quarter, returning a positive 1.6%. High yield bonds were the best performing sector, returning a positive 2.5%. The U.S. yield curve flattened over the quarter favoring medium and long term positions and detracted against the shorter duration of this portfolio.

The average credit rating of the portfolio continues to be AA- the bottom tier of "Very Strong". The benchmark is AA+, top tier of "Very Strong". The lower credit rating is due to the overweight of investment grade (BBB) holdings and the 9.7% allocation of below investment grade investments. The BBB rated investments total 16.9% versus the index of 9.3%.

During the first quarter, the portfolio outperformed the Barclays Capital U.S. Intermediate Aggregate Bond Index by 0.16%. The 1.48% actual performance against the benchmark of 1.32% was primarily driven by the overweight to Corporates offset by the underweight to Treasuries and Cash. The overweight to Commercial Mortgage Backed Securities (CMBS) and security selection also helped performance.

Market to Book Value Ratio:

1ST QUARTER 2015	4TH QUARTER 2014	3RD QUARTER 2014	2ND QUARTER 2014	1ST QUARTER 2014
101.38%	100.67%	100.62%	101.33%	100.07%

As a reminder, Book Value is the accumulated total of all County of San Bernardino participant assets in the Stable Value Account and Market Value is the value of the underlying securities in the actual portfolio.

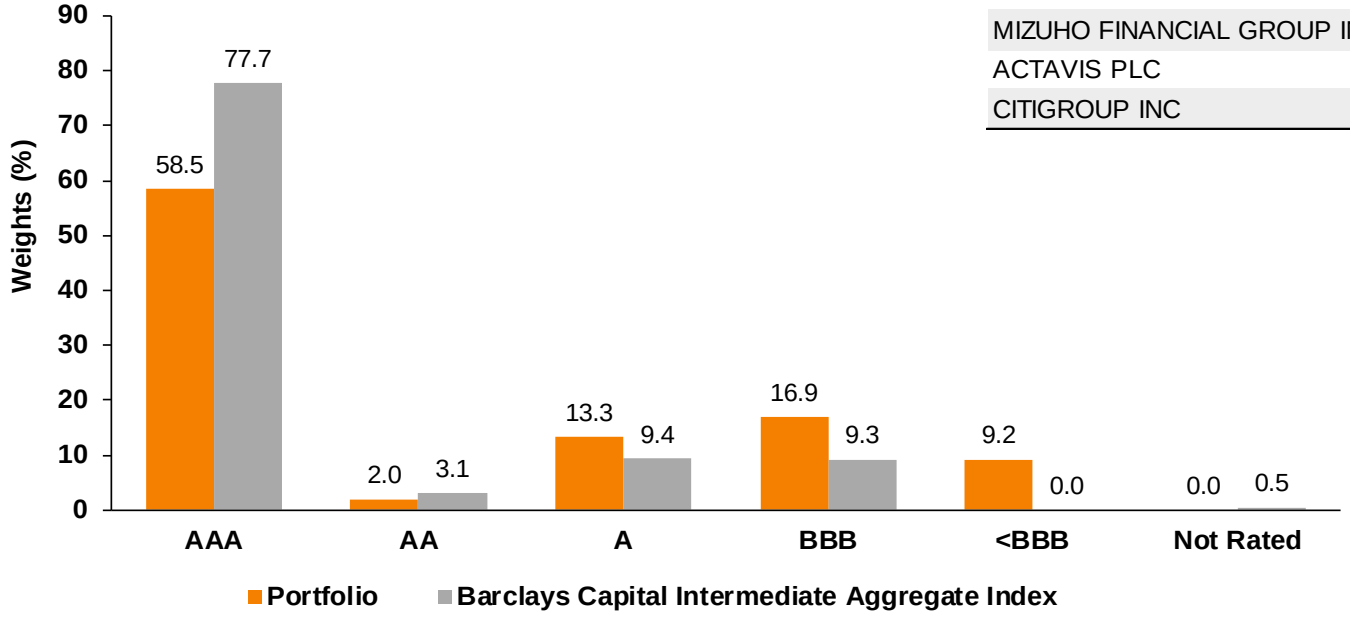
Portfolio Characteristics

Quarter Ending March 31, 2015

Characteristics	Portfolio	Barclays Capital Intermediate Aggregate Index
Effective Duration (Years)	3.58	3.60
Yield to Maturity (%)	2.40	1.69
Average Quality	AA-	AA+

Top Ten Credit Exposures	% of Portfolio
MORGAN STANLEY	0.98
CREDIT SUISSE GROUP AG	0.78
JPMORGAN CHASE + CO	0.72
BANK OF AMERICA CORP	0.70
GOLDMAN SACHS GROUP INC/THE	0.63
VERIZON COMMUNICATIONS INC	0.63
HUNTINGTON BANCSHARES INC/OH	0.62
MIZUHO FINANCIAL GROUP INC	0.60
ACTAVIS PLC	0.57
CITIGROUP INC	0.53

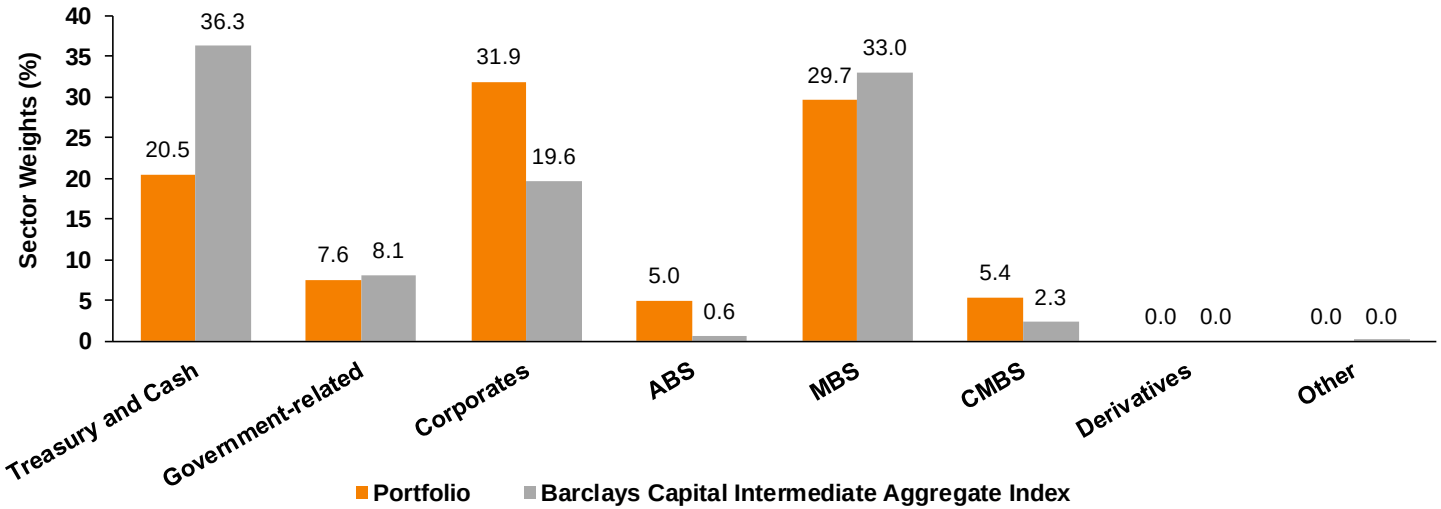
Quality Comparison



See Explanatory Notes Section for footnotes and disclosures.

Asset Allocation

Quarter Ending March 31, 2015



	06/30/2014	09/30/2014	12/31/2014	01/31/2015	02/28/2015	03/31/2015			Change from prior quarter
Asset Group	Portfolio					Portfolio	Index	Active	Portfolio
ABS	6%	6%	5%	5%	5%	5%	1%	4%	0%
CMBS	8%	7%	6%	6%	6%	5%	2%	3%	-1%
Corporates	23%	25%	32%	32%	32%	32%	20%	12%	0%
Derivatives	0%	0%	0%	0%	0%	0%	0%	0%	0%
Government-related	9%	8%	8%	9%	8%	8%	8%	-1%	0%
MBS	45%	35%	26%	25%	35%	30%	33%	-3%	4%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%
Treasury and Cash	10%	20%	23%	23%	14%	20%	36%	-16%	-3%
Total	100%	100%	100%	100%	100%	100%	100%	0%	0%

Allocations may not add to 100% due to rounding.

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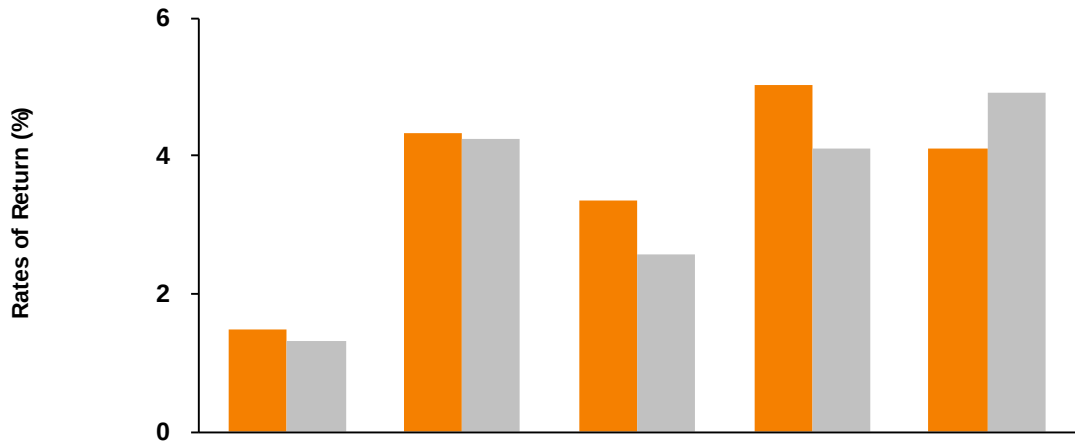
Portfolio Performance

Quarter Ending March 31, 2015



	Quarter	1 Year	Annualized 3 Year	5 Year	Since Inception
Portfolio	1.48	4.33	3.36	5.01	4.09
Barclays Capital Inter Agg/BC Cap Agg	1.32	4.24	2.58	4.09	4.91

Performance measurement inception date: January 17, 2007. Performance is calculated on a time-weighted total return basis and is presented on a "gross" basis (i.e., before the deduction of investment management fees). The returns for the Barclays Capital Inter Agg/BC Cap Agg Index are time-weighted total return performance results as reported by Barclays Capital.

Account inception date is January 10, 2007. The benchmark from inception through February 28, 2014 was the Barclay's Capital US Aggregate. Effective March 1, 2014 the benchmark was changed to the Barclays Capital Intermediate US Aggregate.