SST BENEFITS CONSULTING

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

3RD QUARTER 2015

	NET DIFFERENCE	ACTUAL PERFORMANCE	BENCHMARK PERFORMANCE
3Q 2014	-0.02%	0.01%	0.03%
4Q 2014	-0.38%	0.82%	1.20%
1Q 2015	0.16%	1.48%	1.32%
2Q 2015	0.06%	-0.61%	-0.67%
3Q 2015	**-0.56%**	**0.52%**	**1.08%**
I YEAR	**-0.73%**	**2.22%**	**2.95%**

The broad U.S. fixed income market posted a gain for the quarter, returning a positive 1.2% (Barclays Capital U.S. Aggregate). Government was the best performing sector, returning a positive 1.7%. High Yield corporate was the worst performing sector, returning -4.9%. Global fixed income match the broad U.S. fixed income market returning 1.2% for the quarter.

The average credit rating of the portfolio changed from AA- the bottom tier of "Very Strong" to A+ the top tier of "Strong". The benchmark is AA+, top tier of "Very Strong". The lower credit rating from the prior quarter is primarily due to a reduction in Treasuries/Cash position from 16.2% of the portfolio to 13.5%. The <BBB exposure increased from 8.5% of the portfolio to 11.0%.

During the third quarter, the portfolio underperformed the Barclays Capital U.S. Intermediate Aggregate Bond Index by -0.56%. Underperformance to the benchmark came from various areas including a short duration position relative to the benchmark, and underperforming Investment Grade and High Yield to Treasuries.

Market to Book Value Ratio:

3RD QUARTER 2015	2ND QUARTER 2015	1ST QUARTER 2015	4TH QUARTER 2014	3RD QUARTER 2014
99.80%	99.98%	101.38%	100.67%	100.62%

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.

Quarter ending September 30, 2015

Portfolio Review

Prepared for:

County of San Bernardino

SA 891

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INVESTMENT MANAGEMENT

voyainvestments.com

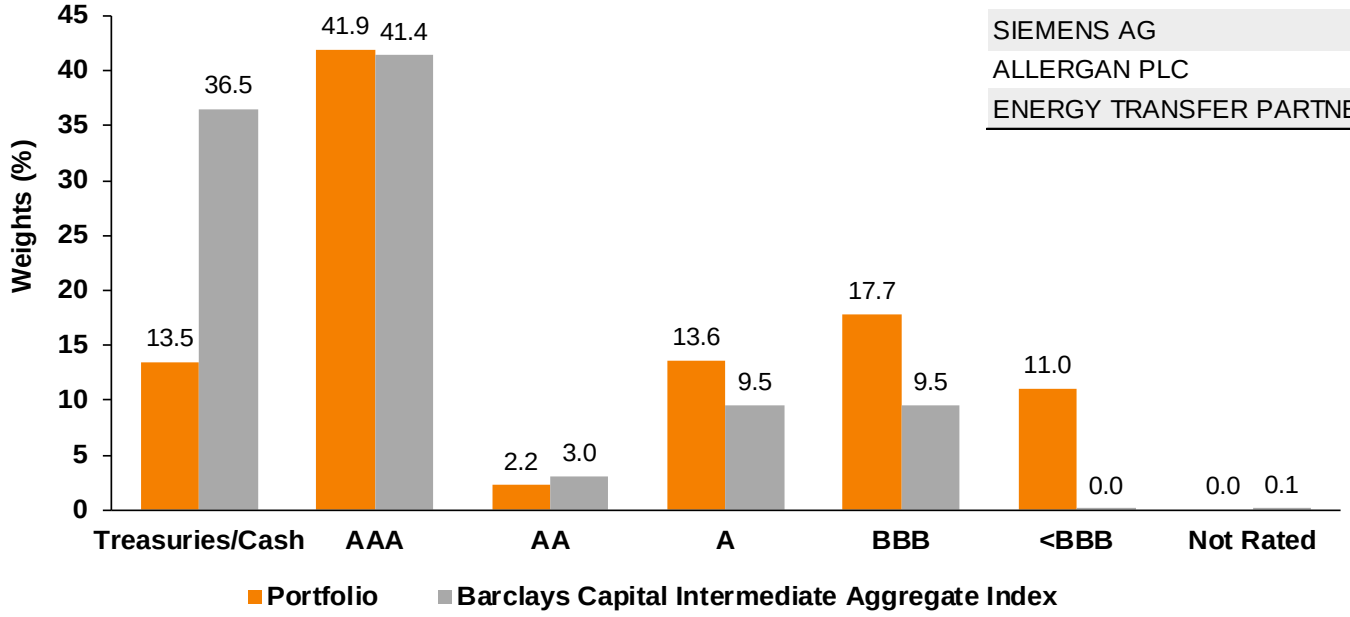
Portfolio Characteristics

Quarter Ending September 30, 2015

Characteristics	Portfolio	Barclays Capital Intermediate Aggregate Index
Effective Duration (Years)	3.65	3.82
Yield to Maturity (%)	2.92	1.93
Average Quality	A+	AA+

Top Ten Credit Exposures	% of Portfolio
MORGAN STANLEY	0.96
JPMORGAN CHASE + CO	0.70
BANK OF AMERICA CORP	0.70
CITIGROUP INC	0.66
HUNTINGTON BANCSHARES INC/OH	0.62
VERIZON COMMUNICATIONS INC	0.61
MIZUHO FINANCIAL GROUP INC	0.60
SIEMENS AG	0.58
ALLERGAN PLC	0.56
ENERGY TRANSFER PARTNERS LP	0.45

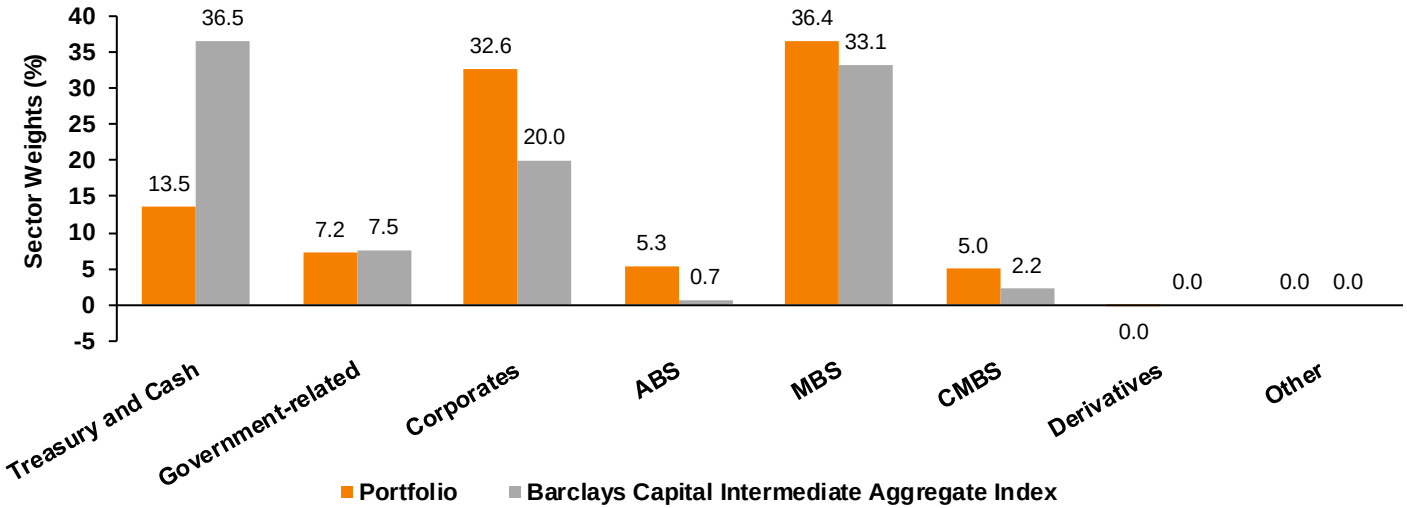
Quality Comparison



See Explanatory Notes Section for footnotes and disclosures.

Asset Allocation

Quarter Ending September 30, 2015

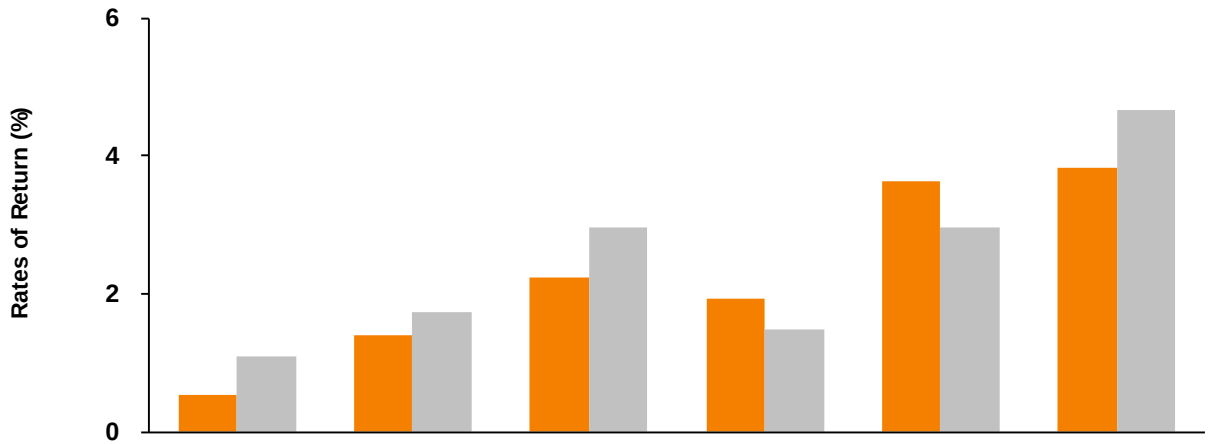


	12/31/2014	03/31/2015	06/30/2015	07/31/2015	08/31/2015	09/30/2015			Change from prior quarter
Asset Group	Portfolio					Portfolio	Index	Active	Portfolio
ABS	5%	5%	5%	5%	5%	5%	1%	5%	0%
CMBS	6%	5%	5%	5%	5%	5%	2%	3%	0%
Corporates	32%	32%	32%	34%	35%	33%	20%	13%	0%
Derivatives	0%	0%	0%	0%	0%	0%	0%	0%	0%
Government-related	8%	7%	8%	8%	7%	7%	8%	0%	0%
MBS	26%	30%	34%	35%	36%	36%	33%	3%	3%
Other	0%	0%	0%	0%	0%	0%	0%	0%	0%
Treasury and Cash	23%	20%	16%	13%	12%	14%	37%	-23%	-3%
Total	100%	100%	100%	100%	100%	100%	100%	0%	0%

Allocations may not add to 100% due to rounding.
See Explanatory Notes Section for footnotes and disclosures.

Performance Summary

Quarter Ending September 30, 2015



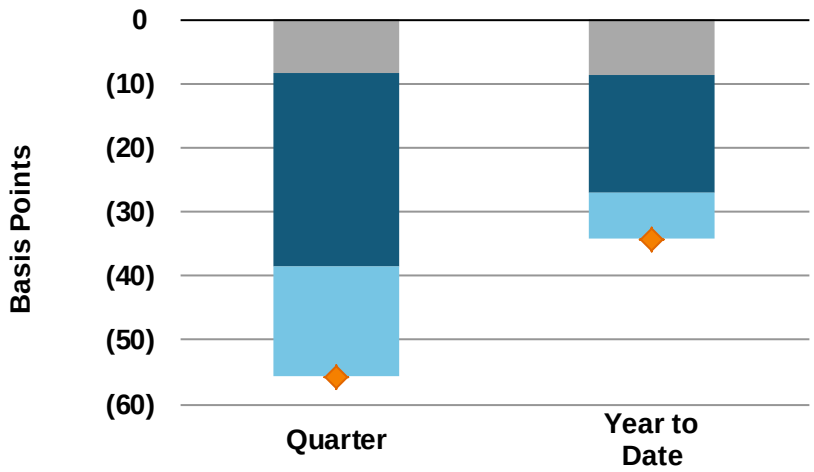
	Quarter	YTD	1 Year	Annualized 3 Year	5 Year	Since Inception
Portfolio	0.52	1.39	2.22	1.92	3.62	3.83
Barclays Capital Inter Agg/BC Cap Agg	1.08	1.73	2.95	1.48	2.96	4.67

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.

Portfolio Attribution

Quarter Ending September 30, 2015



	Quarter	Year to Date
Security Selection	(17)	(7)
Sector Allocation	(30)	(18)
Duration/Curve	(8)	(9)
Total	(56)	(34)

Performance attribution relative to the index.
Components may not add to Total due to rounding.