

# City of Los Angeles

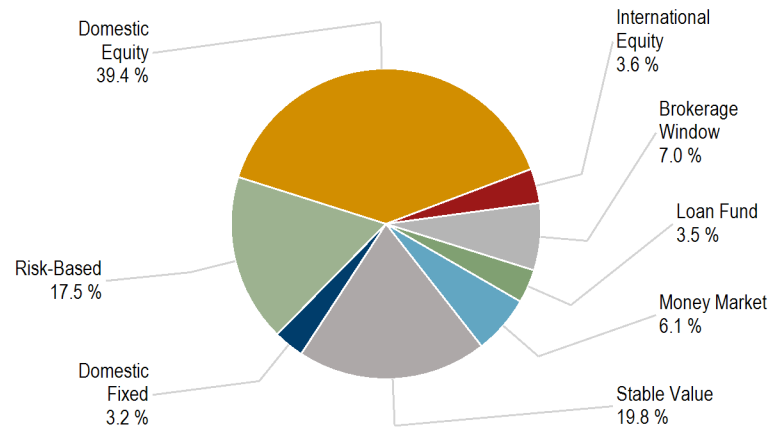
## Deferred Compensation Plan

# Performance Evaluation Flash Report

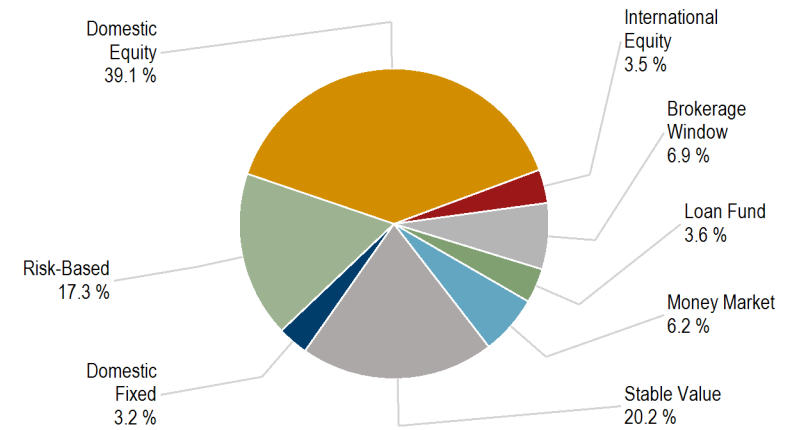
January 2017

## Management Summary - Asset Allocation

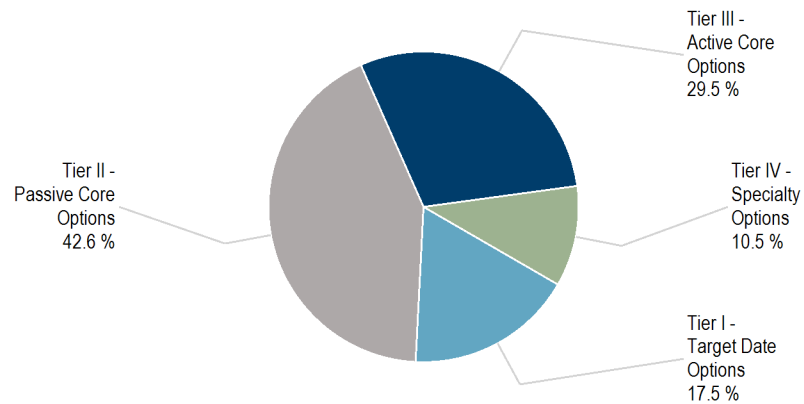
**Current Asset Allocation**  
As of January 31, 2017



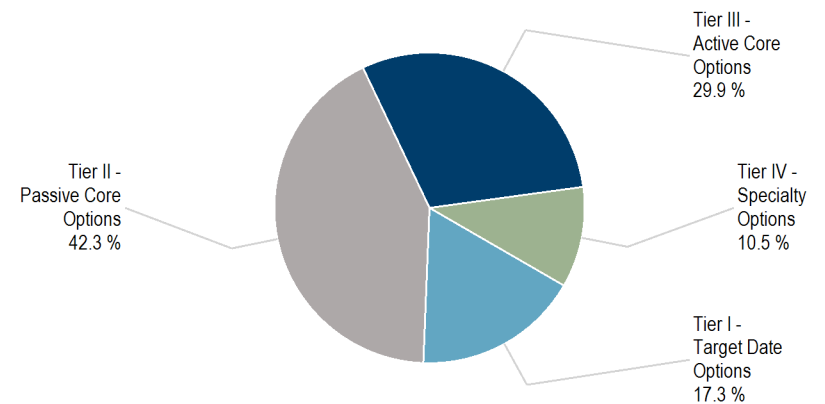
**Prior Period Asset Allocation**  
As of December 31, 2016



**Current Tier Allocation**  
As of January 31, 2017



**Prior Period Tier Allocation**  
As of December 31, 2016



## Management Summary - Asset Allocation

As Of January 31, 2017

	Total Market Value	% of Portfolio	Cash	Stable Value	Domestic Fixed	Risk-Based	Domestic Equity	International Equity	Brokerage Window	Other
<b>Cash</b>										
FDIC-Insured Savings Account	\$332,464,228	6.1%	\$332,464,228							
<b>Stable Value</b>										
Deferred Compensation Stable Value Fund (Net)	\$1,086,435,883	19.8%		\$1,086,435,883						
<b>Domestic Fixed</b>										
DCP Bond Fund	\$172,926,282	3.2%			\$172,926,282					
<b>Risk-Based</b>										
Ultra Conservative Profile	\$52,892,229	1.0%				\$52,892,229				
Conservative Profile	\$136,539,002	2.5%				\$136,539,002				
Moderate Profile	\$323,366,740	5.9%				\$323,366,740				
Aggressive Profile	\$317,617,369	5.8%				\$317,617,369				
Ultra Aggressive Profile	\$127,681,027	2.3%				\$127,681,027				
<b>Domestic Equity</b>										
DCP Large Cap Stock Fund	\$1,676,573,861	30.6%					\$1,676,573,861			
DCP Mid Cap Stock Fund	\$238,316,702	4.3%					\$238,316,702			
DCP Small Cap Stock Fund	\$247,615,691	4.5%					\$247,615,691			
<b>International Equity</b>										
DCP International Stock Fund	\$198,623,921	3.6%						\$198,623,921		
<b>Brokerage Window</b>										
Schwab PCRA Self-Directed Brokerage Account	\$383,152,557	7.0%							\$383,152,557	
Loan Account	\$192,018,247	3.5%								\$192,018,247
<b>Total</b>	<b>\$5,486,223,740</b>	<b>100.0%</b>	<b>\$332,464,228</b>	<b>\$1,086,435,883</b>	<b>\$172,926,282</b>	<b>\$958,096,368</b>	<b>\$2,162,506,254</b>	<b>\$198,623,921</b>	<b>\$383,152,557</b>	<b>\$192,018,247</b>

Total Plan Market Value excludes \$3.2 million in the Forfeiture/Asset Holding Account (this account is used to pay Plan expenses) and there is no unallocated assets.

## Total Fund Performance Measurement

	Ending January 31, 2017									
	1 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Cash</b>										
FDIC-Insured Savings Account <sup>1</sup>	0.1	--	0.6	--	0.4	--	0.4	--	--	--
<b>Stable Value</b>										
Deferred Compensation Stable Value Fund (Net) <sup>2</sup>	0.2	--	2.0	--	2.0	--	2.2	--	3.1	--
3 YR CONSTANT MATURITY + 50bps	0.2	--	1.5	--	1.5	--	1.3	--	1.8	--
Mercer Instl Stable Value Median	--		--		--		--		--	
<b>Domestic Fixed</b>										
DCP Bond Fund <sup>3</sup>	0.5	20	4.8	24	2.4	51	--	--	--	--
BBgBarc US Aggregate TR	0.2	81	1.5	83	2.6	41	2.1	65	4.4	46
DCP Bond Fund Hypothetical <sup>4</sup>	0.5	21	4.8	24	2.4	52	2.4	55	5.0	22
Mercer Mutual Fund US Fixed Core Median	0.3		2.8		2.4		2.5		4.3	
Vanguard Total Bond Market Index Fund Inst Plus	0.3	55	1.5	52	2.5	40	2.1	41	4.3	35
Vanguard Spliced Barclays USAgg Float Adj Idx <sup>5</sup>	0.2	70	1.6	51	2.6	40	2.1	41	4.4	35
Mercer Mutual Fund US Fixed Index Median	0.3		1.7		2.4		1.9		4.2	
Loomis Sayles Core Plus Bond Fund N	0.7	10	8.3	8	3.1	20	3.7	15	6.1	4
BBgBarc US Aggregate TR	0.2	81	1.5	83	2.6	41	2.1	65	4.4	46
Mercer Mutual Fund US Fixed Core Median	0.3		2.8		2.4		2.5		4.3	

<sup>1</sup>FDIC-Insured Savings Account: The blended rate of 0.8613% is as of 01/31/2017. Bank of the West and EastWest Bank have equal weightings of 50%; their declared rates at the end of the quarter are as follows: Bank of the West = 0.7526% and EastWest Bank = 0.97%.

<sup>2</sup>Stable Value: The inception date of the Galliard Stable Value fund is July 1, 2008. Returns prior to the inception date are linked to the Wells Fargo Stable Return fund.

<sup>3</sup>DCP Bond Fund: Effective October 14, 2014, the Fund is comprised of 50% Vanguard Total Bond Market Index Fund / 50% Natixis Loomis Sayles Core Plus Bond Fund. From April 1, 2012 through October 14, 2014, the Fund is comprised of 50% Vanguard Total Bond Market Index Fund / 50% PIMCO Total Return Fund.

<sup>4</sup>DCP Bond Hypothetical: Effective October 14, 2014, the Fund is comprised of 50% Vanguard Total Bond Market Index Fund / 50% Natixis Loomis Sayles Core Plus Bond Fund. From April 20, 2012 (inception) through October 14, 2014, the Fund was comprised of 50% Vanguard Total Bond Market Index Fund / 50% PIMCO Total Return Fund. Performance prior to the Fund's inception is simulated.

<sup>5</sup>Vanguard Spliced Barclays USAgg Float Adj Idx: Barclays U.S. Aggregate Bond Index through 12/31/2009; Barclays U.S. Aggregate Float Adjusted Index thereafter.

## Total Fund Performance Measurement

Ending January 31, 2017										
	1 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Risk-Based</b>										
Ultra Conservative Profile	0.7	87	6.2	86	3.0	72	3.6	85	--	--
Ultra Conservative Profile Custom Index <sup>6</sup>	0.5	91	4.4	99	2.9	73	3.2	90	3.8	72
Mercer Mutual Fund Target Risk Conservative Median	1.0		8.3		3.6		4.9		4.3	
Conservative Profile	1.2	25	9.7	25	4.1	26	5.4	33	4.8	26
Conservative Profile Custom Index <sup>7</sup>	0.9	57	8.1	56	4.1	26	5.2	38	4.6	43
Mercer Mutual Fund Target Risk Conservative Median	1.0		8.3		3.6		4.9		4.3	
Moderate Profile	1.7	30	14.2	13	5.8	21	8.2	16	5.4	21
Moderate Profile Custom Index <sup>8</sup>	1.4	52	13.6	24	5.7	21	8.0	18	5.3	24
Mercer Mutual Fund Target Risk Moderate Median	1.4		11.4		4.5		6.7		4.8	

<sup>6</sup>Ultra Conservative Profile Custom Index: Effective June 26, 2015, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5% S&P 500 Index / 2.5% Russell Mid Cap Index/ 2.5% Russell 2000 Index / 5% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5% S&P 500 Index / 2.5% Russell Mid Cap Index/ 2.5% Russell 2000 Index / 5% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5% S&P 500 Index / 2.5% MSCI US Mid Cap 450 Index/ 2.5% Russell 2000 Index / 5% MSCI EAFE (NWHT) Index. Prior to June 1, 2009, the following composite index is used: 35.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 5.0% S&P 500 Index / 5.0% Russell 2000 Index / 5.0% MSCI EAFE (NWHT) Index.

<sup>7</sup>Conservative Profile Custom Index: Effective June 26, 2015, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 12.5% S&P 500 Index / 5% Russell Mid Cap Index/ 5.0% Russell 2000 Index / 12.5% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 12.5% S&P 500 Index / 5% Russell Mid Cap Index/ 5.0% Russell 2000 Index / 12.5% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50.0% Barclays US Aggregate Index / 12.5% S&P 500 Index / 5% MSCI US Mid Cap 450 Index/ 5.0% Russell 2000 Index / 12.5% MSCI EAFE (NWHT) Index. Prior to June 1, 2009, the following composite index is used: 15.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 50% Barclays US Aggregate Index / 25% S&P 500 Index / 5% Russell 2000 Index / 5% MSCI EAFE (NWHT) Index.

<sup>8</sup>Moderate Profile Custom Index:Effective June 26, 2015, the following composite index is used: 10.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 30.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 10.0% Russell Mid Cap Index/ 10.0% Russell 2000 Index / 15.0% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 10.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 30.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 10.0% Russell Mid Cap Index/ 10.0% Russell 2000 Index / 15.0% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 10.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 30.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 10.0% MSCI US Mid Cap 450 Index/ 10.0% Russell 2000 Index / 15.0% MSCI EAFE (NWHT) Index. Prior to June 1, 2009, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 35.0% Barclays US Aggregate Index / 40.0% S&P 500 Index / 10.0% Russell 2000 Index / 10.0% MSCI EAFE (NWHT) Index.

## Total Fund Performance Measurement

	Ending January 31, 2017									
	1 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
Aggressive Profile <sup>9</sup>	2.0	39	17.2	20	6.4	23	9.5	28	5.3	41
Aggressive Profile Custom Index	1.7	60	17.1	20	6.3	27	9.4	30	5.3	43
Mercer Mutual Fund Target Risk Aggressive Median	1.8		14.0		5.7		8.7		5.0	
Ultra Aggressive Profile <sup>10</sup>	2.3	20	20.2	5	7.0	13	10.8	7	--	--
Ultra Aggressive Profile Custom Index	2.0	42	20.7	4	6.9	15	10.8	7	5.1	48
Mercer Mutual Fund Target Risk Aggressive Median	1.8		14.0		5.7		8.7		5.0	

<sup>9</sup>Aggressive Profile Custom Index: Effective June 26, 2015, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 20.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 15.0% Russell Mid Cap Index/ 15.0% Russell 2000 Index / 20.0% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 20.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 15.0% Russell Mid Cap Index/ 15.0% Russell 2000 Index / 20.0% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 5.0% 3 Yr Constant Maturity Treasury Index + 50 bps/ 20.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 15.0% MSCI US Mid Cap 450 Index/ 15.0% Russell 2000 Index / 20.0% MSCI EAFE (NWHT) Index. For periods prior to June 1, 2009, the following composite index is used: 20% Barclays US Aggregate Index / 50% S&P 500 Index / 15% Russell 2000 Index / 15% MSCI EAFE (NWHT) Index.

<sup>10</sup>Ultra Aggressive Profile Custom Index: Effective June 26, 2015, the following composite index is used: 10.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 20.0% Russell Mid Cap Index/ 20.0% Russell 2000 Index / 25.0% MSCI ACWI ex US IMI Index. From March 20, 2015 through June 25, 2015, the following composite index is used: 10.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 20.0% Russell Mid Cap Index/ 20.0% Russell 2000 Index / 25.0% MSCI EAFE (NWHT) Index. From June 1, 2009 through March 19, 2015, the following composite index is used: 10.0% Barclays US Aggregate Index / 25.0% S&P 500 Index / 20.0% MSCI US Mid Cap 450 Index/ 20.0% Russell 2000 Index / 25.0% MSCI EAFE (NWHT) Index. For periods prior to June 1, 2009, the following composite index is used: 60.0% S&P 500 Index / 20.0% Russell 2000 Index / 20.0% MSCI EAFE (NWHT) Index.

## Total Fund Performance Measurement

	Ending January 31, 2017									
	1 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>Domestic Equity</b>										
DCP Large Cap Stock Fund <sup>11</sup>	1.9	44	20.0	31	10.8	17	--	--	--	--
S&P 500	1.9	37	20.0	31	10.8	17	14.1	16	7.0	27
DCP Large Cap Hypothetical <sup>12</sup>	1.9	39	20.0	31	10.8	17	14.1	16	7.0	24
DCP Mid Cap Stock Fund <sup>13</sup>	3.1	4	24.2	60	10.0	20	--	--	--	--
DCP Mid Cap Custom Benchmark <sup>15</sup>	2.4	27	24.7	56	9.8	23	13.8	27	7.7	22
DCP Mid Cap Hypothetical <sup>14</sup>	3.1	4	24.2	60	10.0	20	--	--	--	--
Mercer Mutual Fund US Equity Mid Cap Core Median	1.8		25.1		8.5		12.6		6.9	
Vanguard Mid Cap Index Fund Instl Plus	3.0	8	23.8	63	9.6	26	13.6	29	7.6	23
Vanguard Spliced Mid Cap <sup>16</sup>	3.0	7	23.8	63	9.6	26	13.6	29	7.6	23
Mercer Mutual Fund US Equity Mid Cap Core Median	1.8		25.1		8.5		12.6		6.9	
RidgeWorth Mid Cap Value Equity Fund I	2.5	13	30.3	45	9.6	19	14.1	27	9.0	1
Russell MidCap Value	1.7	36	29.2	52	10.7	14	15.0	13	7.4	28
Mercer Mutual Fund US Equity Mid Cap Value Median	1.4		29.5		8.7		12.9		6.4	
Voya Mid Cap Opportunities Fund R6	4.1	26	19.0	58	7.9	25	11.5	40	9.9	5
Russell MidCap Growth	3.3	47	20.0	46	8.2	21	12.7	21	7.8	34
Mercer Mutual Fund US Equity Mid Cap Growth Median	3.3		19.5		5.8		10.9		6.9	

<sup>11</sup>DCP Large Cap Stock Fund: The Fund is comprised of 100% Vanguard Institutional Index Fund.

<sup>12</sup>DCP Large Cap Stock Hypothetical: The Fund is comprised of 100% Vanguard Institutional Index Fund. The inception date of the DCP Large Cap Stock Fund was April 20, 2012, performance prior to inception is simulated.

<sup>13</sup>DCP Mid Cap Stock Fund: Effective March 20, 2015, the Fund is comprised of 50% Vanguard Mid Cap Index Fund / 25% RidgeWorth Mid Cap Value Equity Fund / 25% Voya Mid Cap Opportunities Fund. Prior to March 20, 2015, the Fund is comprised of 100% Vanguard Mid Cap Index Fund.

<sup>14</sup>DCP Mid Cap Stock Hypothetical: Effective March 20, 2015 the Fund is comprised of 50% Vanguard Mid Cap Index Fund/ 25% RidgeWorth Mid Cap Value Equity Fund/ 25% Voya Mid Cap Opportunity Fund. Prior to March 20, 2015 the Fund is comprised of 100% Vanguard Mid Cap Index Fund. The inception date of the DCP Mid Cap Stock Fund was April 20, 2012, performance prior to inception is simulated.

<sup>15</sup>DCP Mid Cap Custom Benchmark: S&P MidCap 400 Index through May 16, 2003; MSCI US Mid Cap 450 Index through January 30, 2013; CRSP US Mid Cap Index through March 19, 2015, Russell Mid Cap Index thereafter.

<sup>16</sup>Vanguard Spliced Mid-Cap Index: S&P MidCap 400 Index through May 16, 2003; MSCI US Mid Cap 450 Index through January 30, 2013; CRSP US Mid Cap Index thereafter.

## Total Fund Performance Measurement

	Ending January 31, 2017									
	1 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
DCP Small Cap Stock Fund <sup>17</sup>	1.0	27	31.7	39	--	--	--	--	--	--
Russell 2000	0.4	49	33.5	24	7.9	49	13.0	43	6.9	47
DCP Small Cap Hypothetical <sup>18</sup>	1.0	26	31.6	39	8.3	44	14.0	25	7.8	25
Mercer Mutual Fund US Equity Small Cap Core Median	0.3		30.1		7.8		12.7		6.8	
Vanguard Small Cap Index Instl Plus	1.6	13	30.2	50	8.3	44	13.7	31	8.1	20
Vanguard Spliced Small Cap <sup>19</sup>	1.6	13	30.1	50	8.3	44	13.6	32	8.0	21
Mercer Mutual Fund US Equity Small Cap Core Median	0.3		30.1		7.8		12.7		6.8	
DFA US Small Cap Value Portfolio Institutional	-0.5	62	37.4	27	8.7	40	14.4	9	6.5	58
Russell 2000 Value	-0.7	66	40.2	16	9.5	29	13.4	33	6.0	69
Mercer Mutual Fund US Equity Small Cap Value Median	-0.1		34.6		7.6		12.5		6.9	
Hartford Small Cap Growth HLS Fund IA	2.0	60	27.3	38	7.7	22	13.7	16	8.8	12
Russell 2000 Growth	1.6	67	26.9	43	6.2	35	12.5	36	7.7	39
Mercer Mutual Fund US Equity Small Cap Growth Median	2.3		25.0		5.0		11.5		7.2	

<sup>17</sup> DCP Small Cap Stock Fund: Effective June 26, 2015, the Fund is comprised of 33.3% Vanguard Small Cap Index Fund / 33.3% DFA US Small Cap Value Portfolio / 33.3% Hartford Small Cap Growth HLS Fund. From March 20, 2015 through June 25, 2015, the Fund is comprised of 33.3% SSgA Russell Small Cap Index NL Fund / 33.3% DFA US Small Cap Value Portfolio / 33.3% Hartford Small Cap Growth HLS Fund.

<sup>18</sup> DCP Small Cap Hypothetical: Comprised of 33.34% Vanguard Small Cap Index Fund / 33.3% DFA US Small Cap Value Portfolio / 33.3% Hartford Small Cap Growth HLS Fund.

<sup>19</sup> Vanguard Spliced Small-Cap Index: Russell 2000 Index through May 16, 2003; MSCI US Small Cap 1750 Index through January 30, 2013; CRSP US Small Cap Index thereafter.



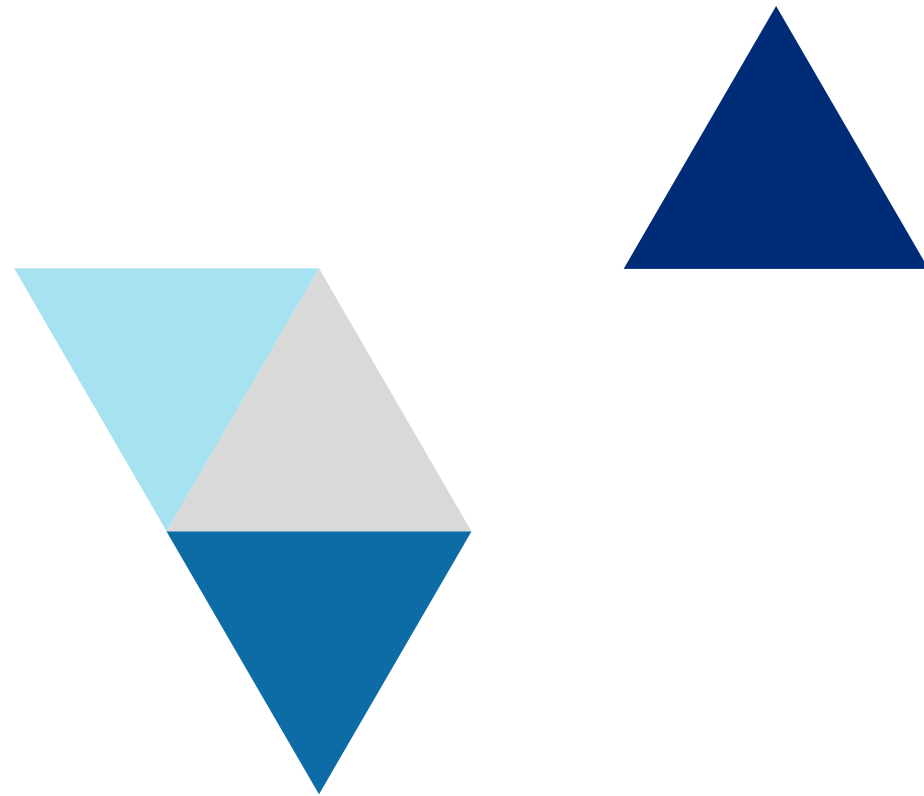
## Total Fund Performance Measurement

	Ending January 31, 2017									
	1 Mo (%)	Rank	1 Yr (%)	Rank	3 Yrs (%)	Rank	5 Yrs (%)	Rank	10 Yrs (%)	Rank
<b>International Equity</b>										
DCP International Stock Fund <sup>20</sup>	4.0	38	14.2	24	--	--	--	--	--	--
MSCI ACWI ex USA IMI	3.6	58	16.2	17	1.2	49	4.7	78	1.5	45
DCP International Hypothetical <sup>21</sup>	4.0	37	14.3	24	2.7	18	6.4	39	3.9	9
Mercer Mutual Fund World ex US/EAFE Equity Median	3.7		10.6		1.1		5.9		1.3	
MFS International Instl Equity Fund	3.7	53	10.6	51	1.7	35	6.4	41	3.0	20
MSCI EAFE	2.9	81	12.0	40	0.7	58	6.0	47	1.0	62
Mercer Mutual Fund World ex US/EAFE Equity Median	3.7		10.6		1.1		5.9		1.3	
Brandes International Small Cap Equity Fund I	3.1	88	17.1	18	6.1	6	11.5	3	6.4	1
MSCI EAFE Small Cap	3.5	71	14.8	36	3.8	10	9.6	21	3.1	38
Mercer Mutual Fund World ex US/EAFE Equity Small Cap Median	3.8		11.9		1.7		8.2		2.7	
DFA Emerging Markets Core Equity Portfolio Inst	6.1	30	25.0	32	2.4	26	1.1	41	3.6	13
MSCI Emerging Markets	5.5	50	25.4	29	1.4	43	0.2	57	2.5	36
Mercer Mutual Fund Emerging Markets Equity Median	5.4		21.8		1.1		0.7		1.8	

<sup>20</sup> DCP International Stock Fund: Effective June 26, 2015 the Fund is comprised of 65% MFS Institutional International Equity Fund / 17.5% Brandes International Small Cap Equity Fund / 17.5% DFA Emerging Markets Core Equity Portfolio.

<sup>21</sup> DCP International Hypothetical : Comprised of 65% MFS Institutional International Equity Fund / 17.5% Brandes International Small Cap Equity Fund / 17.5% DFA Emerging Markets Core Equity Portfolio.

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