



FOOTHILL-DE ANZA  
Community College District

12345 El Monte Road, Los Altos Hills, CA 94022 — (650) 949-6100

**Board of Trustees**

**INTERNAL RETIREMENT BOARD MEETING**

**AUGUST 27, 2007**

**2:30 p.m., District Board Room**

**A G E N D A**

*The public is invited to address the Committee on any agenda item during its discussion  
or on any matter not on the agenda during the Public Hearing.*

*For information or disability access to materials, call 650-949-6100. Requests for accommodation should be made  
no later than one business day prior to meeting. The meeting will be held in a location accessible to the disabled.*

1. Public Hearing
2. Retiree Health Benefits JPA – Portfolio Review (*Andy Dunn/Hector Quinonez*)  
A review the investment portfolios of the Liquidity Fund and the Balanced Fund. (Lee Epstein, Invest by Design and Chris Stoddart, Decision Analytics)

Members: Andy Dunn, Hector Quinonez, Bruce Swenson



# JPA INVESTMENT PERFORMANCE & STATISTICAL ANALYSIS

**Investment:** BALANCED  
**Asset Allocation:** 50% Fixed Income / 50% Equity  
**Analysis Period:** Jul 97 - Jun 07  
**Investment Benchmark:** Lehman Int. Gov.-Credit and Aggregate Bond; Merrill Lynch Mortgage (15-yr); MSCI EAFE (net); Russell 1000, 2000.  
*(see bottom for more details)*



**COMMUNITY COLLEGE LEAGUE  
OF CALIFORNIA**

**Objective:** Designed to perform well for moderate investors with equal allocations to funds that invest in worldwide equities to capture gains, while depending on core fixed income portfolios to provide stability.

## Annualized Performance

	Quarter	1-Year	2-Year	3-Year	5-Year	7-Year	10-Year				
Investment:	3.39%	12.85%	10.71%	10.56%	10.50%	9.13%	10.26%				
Investment Benchmark:	2.53%	12.37%	9.25%	8.51%	8.32%	5.20%	6.73%				
+/- Investment Benchmark:	0.86%	0.48%	1.46%	2.05%	2.18%	3.93%	3.53%				
	YTD	2006	2005	2004	2003	2002	2001	2000	1999	1998	
Investment:	5.46%	10.50%	7.28%	11.94%	21.55%	-3.04%	5.04%	11.63%	11.21%	12.54%	
Investment Benchmark:	4.18%	10.59%	4.04%	8.78%	18.83%	-6.17%	-1.05%	1.17%	10.59%	12.30%	
+/- Investment Benchmark:	1.27%	-0.10%	3.24%	3.17%	2.71%	3.14%	6.09%	10.45%	0.61%	0.23%	

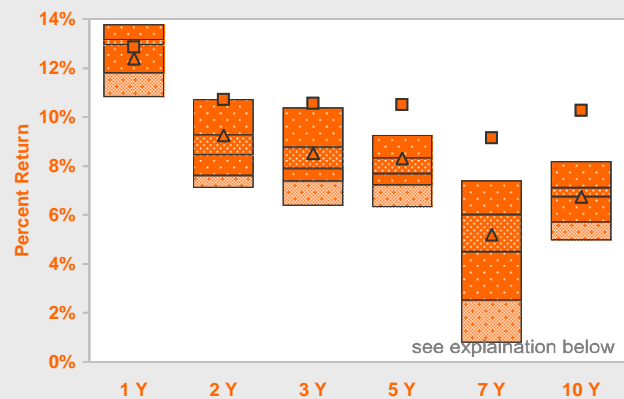
## Strategy and Asset Allocation

A stable equity portfolio of the US and other developed countries is equally balanced with traditional fixed income securities.

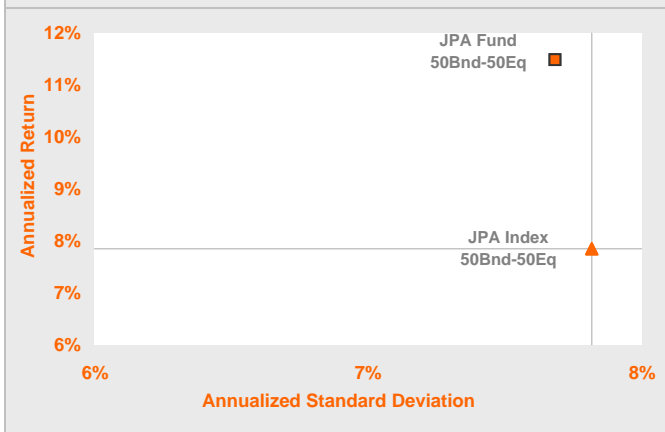
Intermediate Fixed Income Securities: 25.00%  
 Mortgage-backed Securities: 12.00%  
 Treasury Inflation Protected Securities: 5.00%  
 Other Fixed Income Securities: 8.00%  
 Large-cap Equities: 25.00%  
 Small-cap Equities: 15.00%  
 International Equities: 10.00%

Investment advisers include: Allianz Global Inv.; Diamond Hill Investment Group; Munder Capital Mgmt.; PIMCO; Sanford C. Bernstein & Co.; Sit Investment Assoc.; Westcore Advisor Assoc.; Western Asset Mgmt.

## JPA Performance against Peers



## 10-Year Risk vs. Return



Peer analysis (above) displays the JPA's investment option against competitive alternatives over multiple time periods. The "floating bars" represent the competitive universe, divided into performance quartiles and positioned to correspond to the scale on the left. Balanced is represented by the square and its Investment Benchmark by the triangle.

A scatterplot (left) simultaneously tracks horizontal and vertical axes, where data points show how much one variable is affected by another. This one shows a correlation between investment performance and standard deviation, or volatility. The cross line represents the performance and standard deviation of the Investment Benchmark.

*(More information can be found in the glossary on the reverse side)*

Investment History	Average ROR	Cumulative ROR	\$1000 Becomes	Max. Drawdown	# Months in Drawdown	# Months to Recover	Expense Ratio
Investment:	10.26%	165.60%	\$ 2,656	-8.48%	6	9	0.7940%
Investment Benchmark:	6.73%	91.87%	\$ 1,919	-12.69%	30	12	

Statistical Risk Analysis	Standard Deviation	Sharpe Ratio	Sortino Ratio	Alpha	Beta	R-Squared
Investment:	8.03%	0.66	1.10	3.83%	0.93	0.9194
Investment Benchmark:	8.28%	0.24				



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Past performance is no guarantee of future results. Information has been obtained from parties believed to be reliable; however, we do not guarantee the accuracy of statements, whether acquired through others or calculated by us. Expense ratios are calculated to reflect institutional pricing. Investment accounts that qualify for institutional pricing are transferred once each quarter from "A shares" or equivalent, to institutional shares. Individual account performance may vary based on the timing of transfers, contributions, and withdrawals. Invest by Design constructs investment benchmarks and peer groups to represent appropriate investment market proxies; the underlying data comes from the standard market indices or their components stated above. JPA investments are constructed from mutual funds, researched and chosen by the JPA Investment Committee. For further information, contact Invest by Design (415) 901-5397 ext. 100.