Board of Trustees
San Luis Obispo County Pension Trust
1000 Mill Street
San Luis Obispo, CA 93408

Date: March 23, 2015

From: Carl Nelson - Executive Secretary

<u>San Luis Obispo County Pension Trust –</u>
<u>Fiduciary Properties, Inc. (subsidiary) management of real estate portfolio</u>

This memo serves as an announcement of changes to the way in which the Pension Trust manages a portion of its real estate investments that are held by a wholly owned subsidiary of the Pension Trust – Fiduciary Properties, Inc. (FPI)

For a number of years the Pension Trust has had investments in nine real estate properties located in and around the San Luis Obispo, California area. In aggregate these nine properties owned by FPI amount to approximately $28 million of market value or about 2.4% of the entire investment assets of the Pension Trust. The portfolio management of the FPI real estate has been done by internal Pension Trust staff. A local commercial real estate firm has provided property management services and continues to do so.

Effective February 23, 2015 the Pension Trust has contracted with American Realty Advisors (ARA) based in Glendale, California to provide professional portfolio management over the FPI assets. ARA takes over the role relative to the FPI assets previously taken by internal staff. The specialized expertise provided by ARA is expected to maximize the investment value of these assets. All portfolio management decisions including leasing, property improvements, acquisitions and dispositions are under the authority of ARA.