

Asset Allocation

Sacramento County Employees Retirement System

As of December 31, 2006

	<u>Total Market Value</u>	<u>% of Total Fund</u>	<u>% of Asset Class</u>
Total Fund	\$ 5,669.0*	100.0	%
Domestic Equity	2,020.0	35.6	100.0
All Cap Index			
AllianceBernstein L.P. Passive	1,162.8	20.5	57.6
Large Cap Growth	265.0	4.7	13.1
Independence Inv. LLC	136.4	2.4	6.8
INTECH	128.6	2.3	6.4
Large Cap Value	296.2	5.2	14.7
OFI Institutional	96.0	1.7	4.8
LSV Asset Management Large Cap Value	103.1	1.8	5.1
Pzena Investment Management	97.2	1.7	4.8
Small Cap Growth	143.5	2.5	7.1
Bear Stearns Asset Mgmt.	61.5	1.1	3.0
M.A. Weatherbie & Co., Inc.	82.0	1.4	4.1
Small Cap Value	152.4	2.7	7.5
Dalton Greiner Hartman Maher	76.5	1.3	3.8
TCW Group	75.9	1.3	3.8
International Equity	1,252.6	22.1	100.0
INVESCO Global	301.1	5.3	24.0
Capital Guardian Trust Company International Equity	327.0	5.8	26.1
LSV Asset Management International Equity	315.7	5.6	25.2
AXA Rosenberg Inv. Mgmt. LLC	76.3	1.3	6.1
Capital Guardian Trust Company Emerging Markets Growth	232.4	4.1	18.6

*Total does not include the SSgA Overlay account which held \$19.9 million at quarter-end.

All dollars in millions, numbers may not add due to rounding

Sacramento County Employees Retirement System

Asset Summary

As of December 31, 2006

	<u>Total Market Value</u>	<u>% of Total Fund</u>		<u>% of Asset Class</u>	
Fixed Income	\$ 1,326.7	23.4	%	100.0	%
Lehman Brothers Asset Mgmt Passive	442.8	7.8		33.4	
Metropolitan West Asset Mgmt	442.6	7.8		33.4	
Bradford & Marzec, Inc.	441.3	7.8		33.3	
Hedge Fund	252.4	4.5		100.0	
Blackstone Alternative Asset	130.8	2.3		51.8	
Grosvenor Capital Mgmt.	121.6	2.1		48.2	
Total Real Estate	747.8	13.2		100.0	
Separate Account Portfolios	496.0	8.7		66.3	
BlackRock Realty Leveraged	252.3	4.5		33.7	
BlackRock Realty Portfolio II Leveraged	94.8	1.7		12.7	
Cornerstone Real Est Adv Leveraged	145.2	2.6		19.4	
UBS Realty Inv LLC (Value Added)	3.8	0.1		0.5	
REITS	118.4	2.1		15.8	
Principal Global Investors	59.3	1.0		7.9	
Urdang Investment Mgmt. Inc.	59.1	1.0		7.9	
Ltd. Partnerships	133.4	2.4		17.8	
BlackRock Realty Tower/Granite Property Fund	63.9	1.1		8.6	
Cornerstone Real Est Adv Open-end Fund Leveraged	69.3	1.2		9.3	
JMB Group V	0.1	0.0		0.0	
Cash	69.5	1.2		100.0	
Total Cash	69.5	1.2		100.0	
Cash	0.0	0.0		0.0	

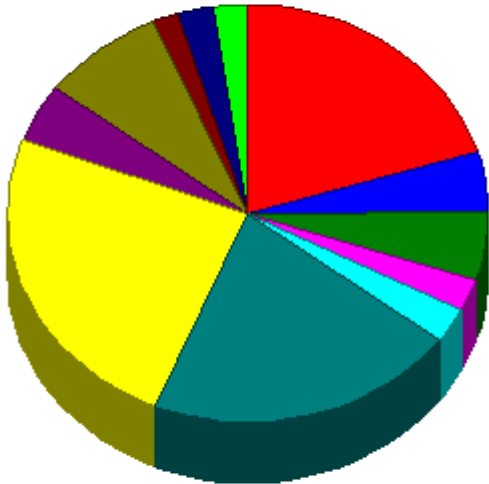
All dollars in millions, numbers may not add due to rounding

Sacramento County Employees Retirement System

Asset Allocation
As of December 31, 2006

Prior Asset Allocation - September 30, 2006

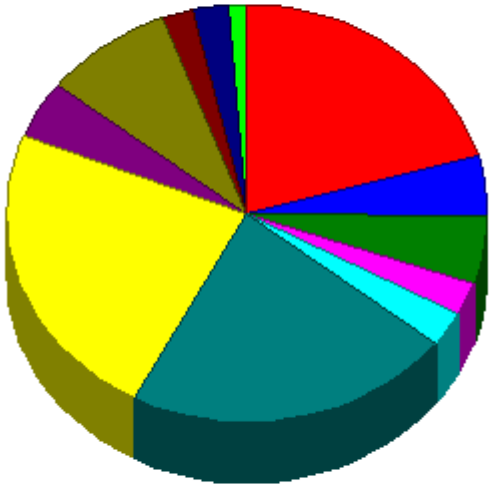
■ All Cap Index	20.3 %
■ Large Cap Growth	4.7 %
■ Large Cap Value	5.2 %
■ Small Cap Growth	2.6 %
■ Small Cap Value	2.6 %
■ International Equity	21.0 %
■ Fixed Income	24.6 %
■ Hedge Fund	4.4 %
■ Separate Account Portfolios	8.3 %
■ REITS	1.7 %
■ Ltd. Partnerships	2.4 %
■ Cash	2.3 %



**Total Market Value
\$ 5,394,902,422***

Current Asset Allocation - December 31, 2006

■ All Cap Index	20.5 %
■ Large Cap Growth	4.7 %
■ Large Cap Value	5.2 %
■ Small Cap Growth	2.5 %
■ Small Cap Value	2.7 %
■ International Equity	22.1 %
■ Fixed Income	23.4 %
■ Hedge Fund	4.5 %
■ Separate Account Portfolios	8.7 %
■ REITS	2.1 %
■ Ltd. Partnerships	2.4 %
■ Cash	1.2 %

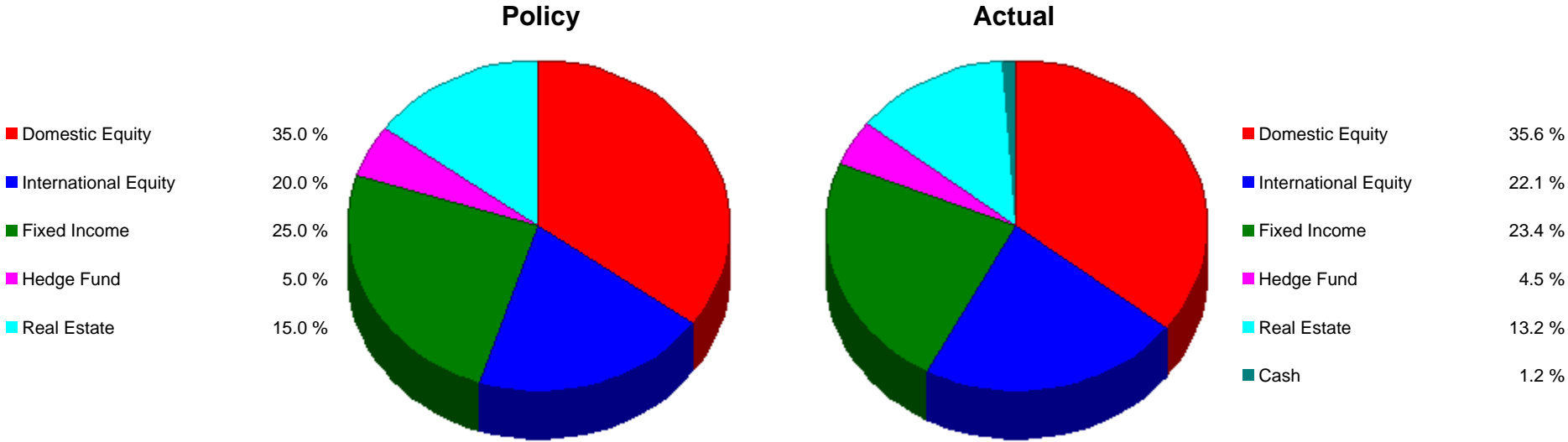


**Total Market Value
\$ 5,668,989,784**

*Revised from \$5,400,200,924. For details see notes on the Financial Reconciliation section.

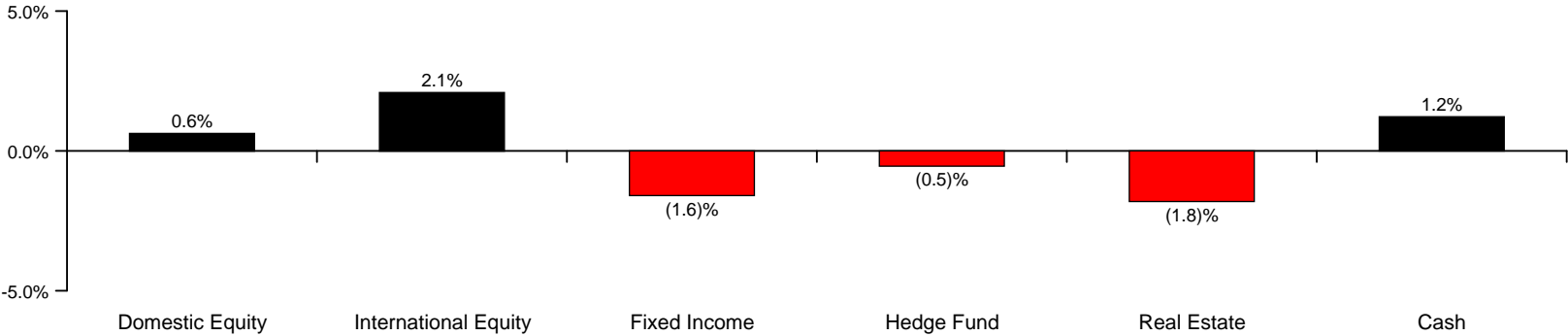
Sacramento County Employees Retirement System

Asset Allocation
As of December 31, 2006



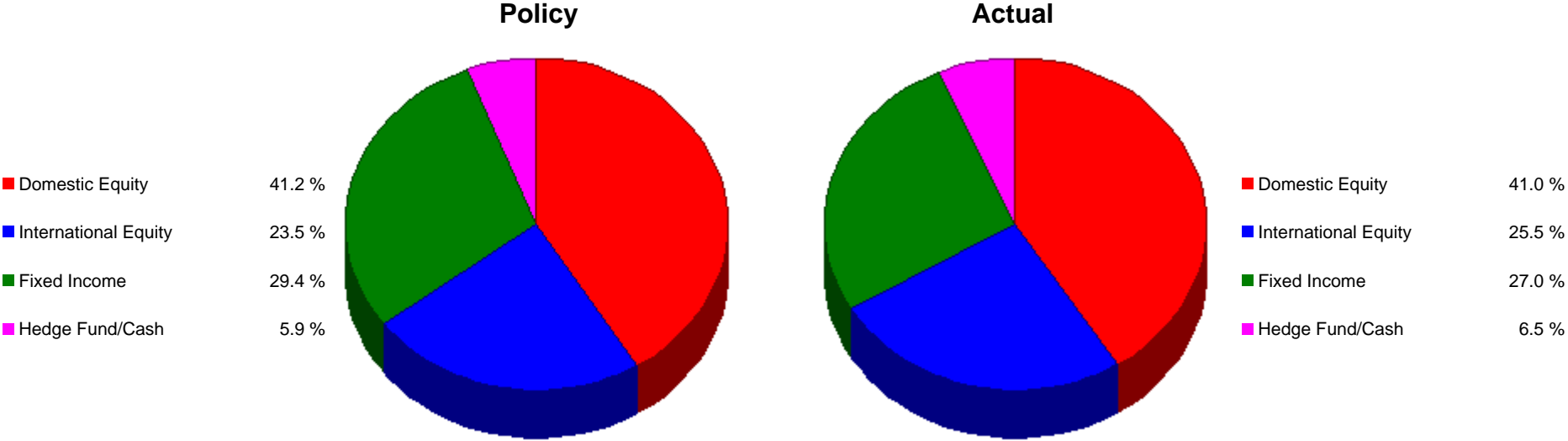
**Total Market Value
\$ 5,668,989,784**

Asset Allocation vs. Policy



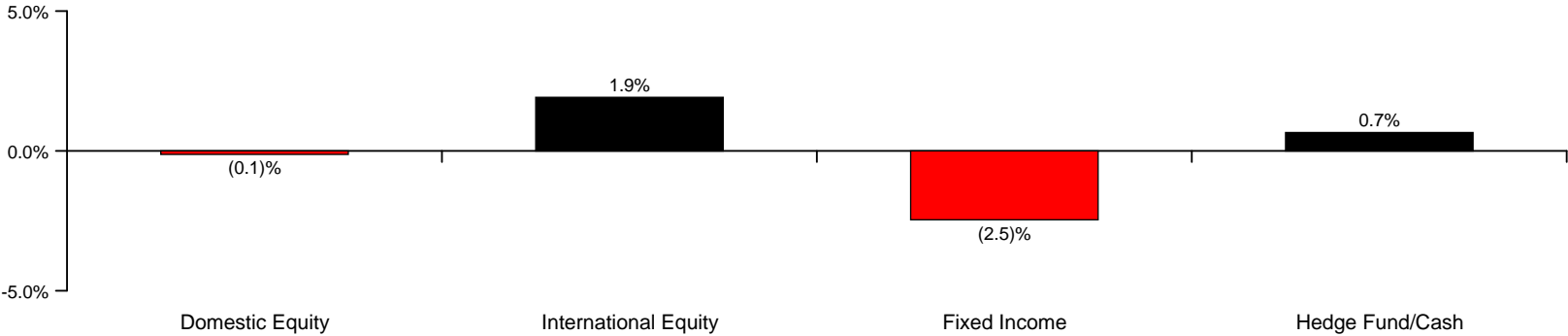
Numbers may not add due to rounding

Sacramento County Employees Retirement System
 Excluding SSgA Overlay (Real Estate not included)
 Asset Allocation
 As of December 31, 2006



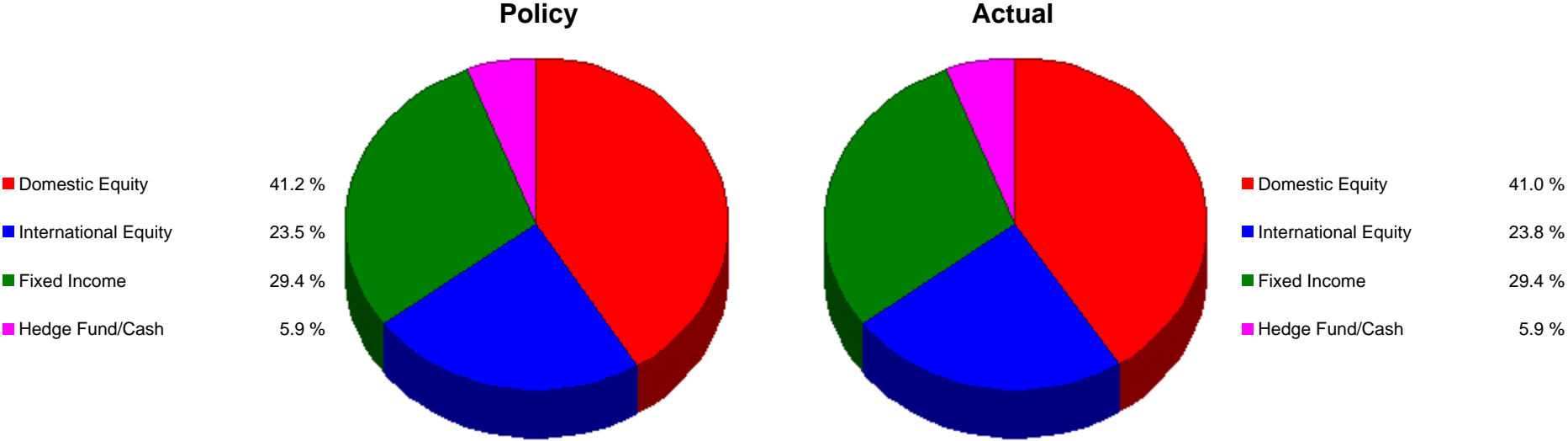
Total Market Value
\$ 4,921,188,084

Asset Allocation vs. Policy



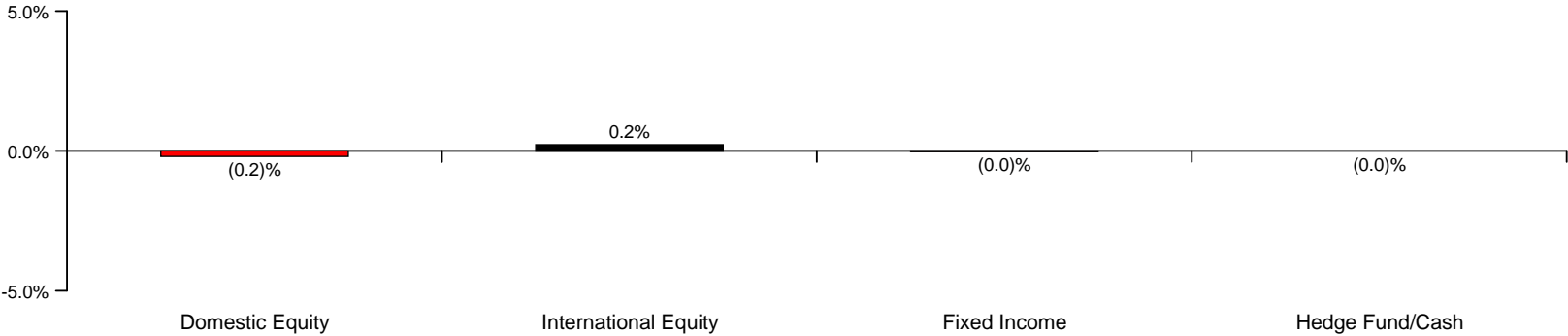
Numbers may not add due to rounding

Sacramento County Employees Retirement System
 Including SSgA Overlay (Real Estate not included)
 Asset Allocation
 As of December 31, 2006



Total Market Value
\$ 4,921,188,084

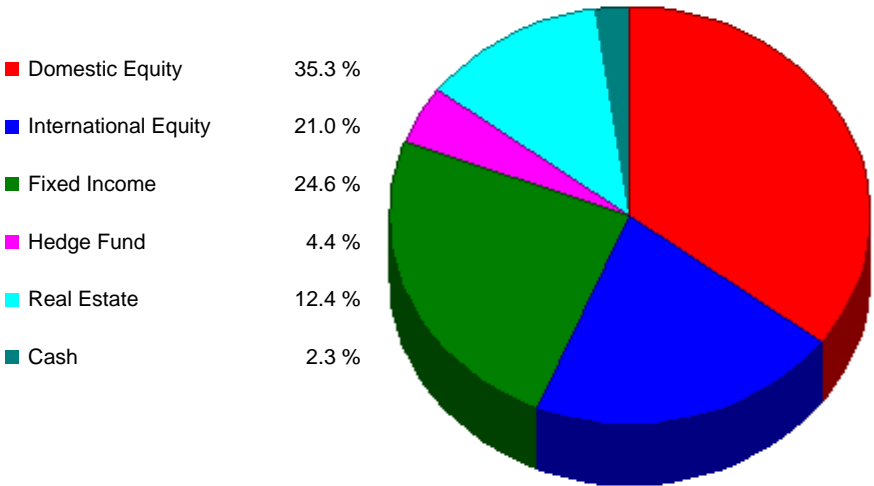
Asset Allocation vs. Policy



Numbers may not add due to rounding

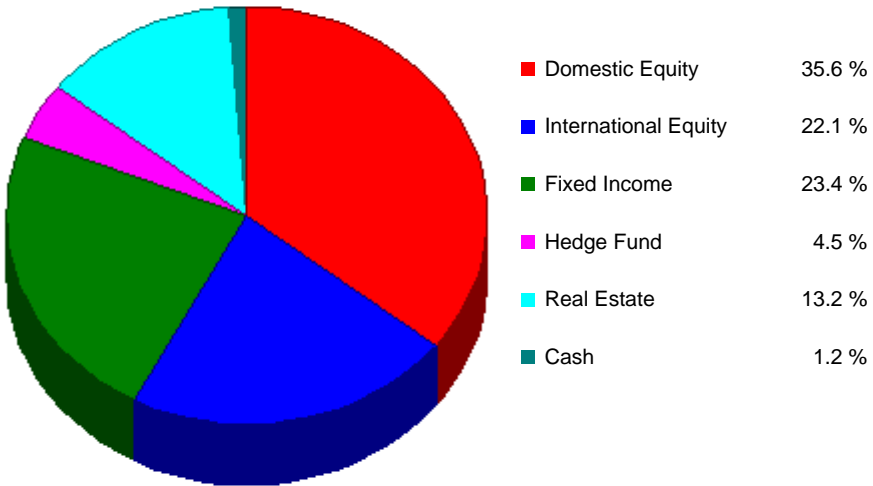
Sacramento County Employees Retirement System
 Asset Allocation
 As of December 31, 2006

Prior Asset Allocation - September 30, 2006



**Total Market Value
 \$ 5,394,902,422***

Current Asset Allocation - December 31, 2006



**Total Market Value
 \$ 5,668,989,784**

*Revised from \$5,400,200,924. For details see notes on the Financial Reconciliation section.

Numbers may not add due to rounding

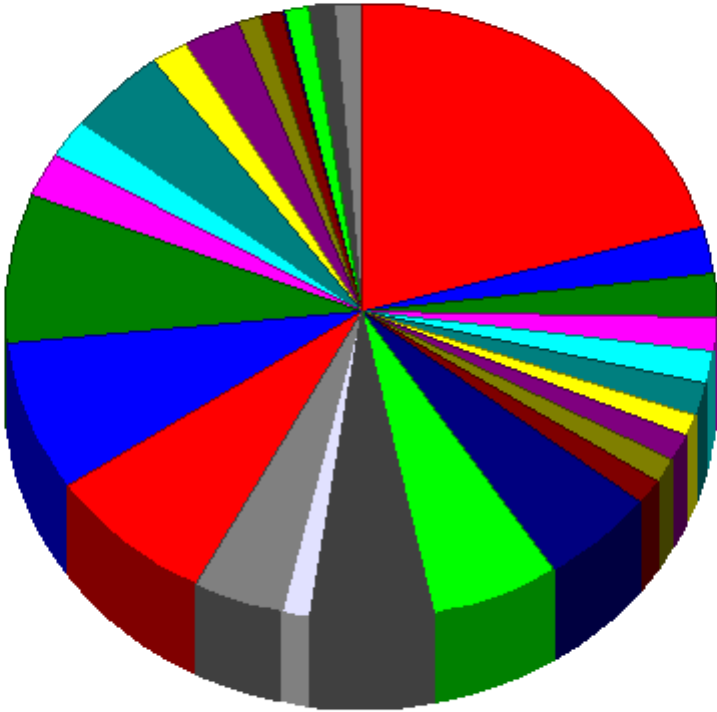
Sacramento County Employees Retirement System

Asset Allocation
As of December 31, 2006

Actual

■ AllianceBernstein L.P. Passive	20.5%
■ Independence Inv. LLC	2.4%
■ INTECH	2.3%
■ LSV Asset Management Large Cap Value	1.8%
■ Pzena Investment Management	1.7%
■ OFI Institutional	1.7%
■ Bear Stearns Asset Mgmt.	1.1%
■ M.A. Weatherbie & Co., Inc.	1.4%
■ Dalton Greiner Hartman Maher	1.3%
■ TCW Group	1.3%
■ INVESCO Global	5.3%
■ Capital Guardian Trust Company International Equity	5.8%
■ LSV Asset Management International Equity	5.6%
■ AXA Rosenberg Inv. Mgmt. LLC	1.3%
■ Capital Guardian Trust Company Emerging Markets Growth	4.1%
■ Lehman Brothers Asset Mgmt Passive	7.8%

■ Metropolitan West Asset Mgmt	7.8%
■ Bradford & Marzec, Inc.	7.8%
■ Blackstone Alternative Asset	2.3%
■ Grosvenor Capital Mgmt.	2.1%
■ BlackRock Realty Leveraged	4.5%
■ BlackRock Realty Portfolio II Leveraged	1.7%
■ Cornerstone Real Est Adv Leveraged	2.6%
■ Principal Global Investors	1.0%
■ Urdang Investment Mgmt. Inc.	1.0%
■ UBS Realty Inv LLC	0.1%
■ BlackRock Realty	1.1%
■ Cornerstone Real Est Adv Open-end Fund Leveraged	1.2%
■ JMB Group V	0.0%
■ Total Cash	1.2%
■ Cash	0.0%



**Total Market Value
\$ 5,668,989,784**

Numbers may not add due to rounding

Sacramento County Employees' Retirement System
Financial Reconciliation
Quarter Ending December 31, 2006

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
AllianceBernstein L.P. Passive	1,092,600,867	(5,198,219)	5,402,595	70,014,519	75,417,115	1,162,819,763
Independence Inv. LLC	251,829,314	--	--	(115,411,396)	(115,411,396)	136,417,918
INTECH	--	121,677,111	295,087	6,598,473	6,893,560	128,570,671
LSV Asset Management Large Cap Value	96,432,284	(775,484)	653,371	6,756,496	7,409,867	103,066,668
Pzena Investment Management	92,271,960	(512,096)	510,884	4,917,753	5,428,637	97,188,501
OFI Institutional	90,479,009	(535,671)	542,824	5,486,292	6,029,116	95,972,454
Bear Stearns Asset Mgmt.	59,716,430	(754)	81,948	1,733,638	1,815,586	61,531,262
M.A. Weatherbie & Co., Inc.	77,930,781	(348,634)	155,981	4,263,917	4,419,897	82,002,044
Dalton Greiner Hartman Maher	71,388,612	(367,948)	316,364	5,158,934	5,475,298	76,495,963
TCW Group	70,241,861	(299,504)	221,716	5,753,201	5,974,917	75,917,274
INVESCO Global	279,295,884	(1,464,200)	1,415,037	21,896,854	23,311,891	301,143,575
Capital Guardian Trust Company International Equity	303,541,688	(2,341,259)	1,277,806	24,527,157	25,804,963	327,005,392
Bank of Ireland Asset Mgmt Ltd	1,716	--	--	70	70	1,787
LSV Asset Management International Equity	285,638,035	(2,566,084)	1,861,569	30,808,217	32,669,785	315,741,735
AXA Rosenberg Inv. Mgmt. LLC	67,685,378	(245,223)	225,737	8,615,446	8,841,183	76,281,338
Capital Guardian Trust Company Emerging Mkt Growth	196,426,887	(307,899)	4,943,832	31,356,415	36,300,247	232,419,235
Lehman Brothers Asset Mgmt Passive	443,287,783	(5,686,586)	5,188,650	(10,663)	5,177,987	442,779,184
Metropolitan West Asset Mgmt	441,769,287	(5,609,556)	6,551,196	(90,852)	6,460,345	442,620,075
Bradford & Marzec, Inc.	440,544,906	(4,749,540)	5,651,739	(187,244)	5,464,496	441,259,861
Blackstone Alternative Asset	124,448,799	(308,740)	--	6,672,784	6,672,784	130,812,843

Sacramento County Employees' Retirement System
 Financial Reconciliation
 Quarter Ending December 31, 2006

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
Grosvenor Capital Mgmt.	115,541,400	(261,858)	--	6,330,558	6,330,558	121,610,100
BlackRock Realty Leveraged	239,207,036	49,506,183	--	7,113,817	7,113,817	252,296,241
BlackRock Realty Port. II Leveraged	93,480,000	91,669	--	1,208,331	1,208,331	94,780,000
Cornerstone Real Est Adv Leveraged	114,030,045	--	--	31,122,107	31,122,107	145,152,152
UBS Realty Inv LLC (Value Added)	--	3,750,000	--	--	--	3,750,000
Principal Global Investors	47,191,769	7,463,484	377,957	4,307,563	4,685,520	59,340,773
Urdang Investment Mgmt. Inc.	47,083,036	7,464,834	539,741	4,011,734	4,551,475	59,099,345
BlackRock Realty Tower/Granite Property Fund ¹	61,474,995	--	--	2,472,348	2,472,348	63,947,343
Cornerstone Real Est Adv Open-End Fund Lev.	67,381,373	(1,148,433)	--	2,163,905	2,163,905	69,320,732
Heitman Capital Mgmt Corp V	8,221	(8,259)	38	--	38	--
JMB Group V	112,542	--	2,573	--	2,573	115,115
Cash Account	123,855,521	(55,556,051)	1,472,441	(258,964)	1,213,477	69,512,946
Transition Account	5,000	--	--	12,493	12,493	17,493
Total	\$5,394,902,422	\$132,783,389	\$37,689,087	\$146,221,795	\$183,910,882	\$5,668,989,784

¹ Data is unavailable from the investment manager. Capital gains/loss number shown is just the difference between ending and beginning market values. The beginning market value was revised from \$66,773,498 by the investment manager. Effective 10/1/06, the fund switched from the Tower fund (subadvised by MetLife) to a private REIT fund named Granite Property Fund managed in-house. Quarterly returns and balances since the fourth quarter of 2005 have been revised with data provided by BlackRock.

For real estate leveraged portfolios "capital expenditures" and "acquisition/disposition" are listed under the "net cash flow" column and "unrealized appreciation/disposition" is listed under the "capital gains/loss" column.

Starting with the second quarter of 2006 real estate leveraged assets are used in the Total Fund assets. Prior to this quarter, real estate unleveraged assets were used. The ending market values were adjusted by the difference between the current quarter mortgage notes payable and the prior quarter mortgage notes payable as shown below:

	Mortgage Notes Payable		
	Prior Quarter	Current Quarter	Difference
BlackRock Lev	73,992,964	117,523,759	43,530,795
BlackRock II Lev	19,920,000	19,920,000	-
Cornerstone Lev	59,750,000	59,750,000	-
Cornerstone Open-end Lev	12,511,187	11,587,300	(923,887)

Numbers may not add due to rounding

Performance

Sacramento County Employees Retirement System

Performance Summary

Period Ending December 31, 2006

	Market Value	Quarter	Annualized				Inception to Date
			1 Year	3 Years	5 Years		
Total Fund	\$ 5,669.0	5.8 % 53	14.9 % 46	11.7 % 71	9.5 % 70	10.0 %	
Total Fund-Net	5,669.0	5.8	14.5	11.5	9.2	9.8	
<i>Rank vs. Total Funds Billion Dollar - Public</i>							
<i>Total Funds Billion Dollar - Public Med</i>		5.9	14.5	12.4	9.9	--	
<i>Benchmark</i>		6.2	15.4	12.3	9.9	10.2	
<i>Benchmark (CURRENT)</i>		6.2	15.7	--	--	--	
SSgA Overlay Impact (excluding Real Estate)							
<i>Total Fund without SSgA Overlay</i>	4,921.2	5.9	--	--	--	10.4	
<i>Total Fund with SSgA Overlay</i>	4,921.2	6.0	--	--	--	10.5	
Total Domestic Equity	2,020.0	6.6 83	14.5 65	10.5 93	7.0 91	11.5	
Total Domestic Equity-Net	2,020.0	6.6	14.2	10.3	6.8	11.4	
<i>Rank vs. US Equity Billion Dollar Segment - Public</i>							
<i>US Equity Billion Dollar Segment - Public Med</i>		7.0	14.8	11.6	8.3	--	
<i>Russell 3000 Index</i>		7.1	15.7	11.2	7.2	11.2	
Total Large Cap Domestic Equity	1,724.0	6.7 51	15.2 50	10.9 60	6.8 60	4.5	
Total Large Cap Domestic Equity-Net	1,724.0	6.7	15.0	10.7	6.7	4.3	
<i>Rank vs. Mercer US Equity Large Cap Equity Universe</i>							
<i>Mercer US Equity Large Cap Equity Universe Med</i>		6.7	15.1	11.6	7.5	--	
<i>Russell 1000 Index</i>		7.0	15.5	11.0	6.8	4.9	
All Cap Index							
<i>AllianceBernstein L.P. Passive</i>	1,162.8	6.9 45	15.4 48	11.0 59	6.9 58	11.5	
<i>AllianceBernstein L.P. Passive-Net</i>	1,162.8	6.9	15.4	11.0	6.9	11.5	
<i>Rank vs. Mercer US Equity Large Cap Equity Universe</i>							
<i>Mercer US Equity Large Cap Equity Universe Med</i>		6.7	15.1	11.6	7.5	--	
<i>Benchmark (Russell 1000 Index)</i>		7.0	15.5	11.0	6.8	11.4	

Sacramento County Employees Retirement System

Performance Summary

Period Ending December 31, 2006

	Market Value	Annualized				
		Quarter	1 Year	3 Years	5 Years	Inception to Date
Large Cap Growth						
Independence Inv. LLC	\$ 136.4	5.3 % 57	8.9 % 45	6.2 % 83	2.1 % 85	1.2 %
Independence Inv. LLC-Net	136.4	5.3	8.8	6.1	1.8	1.0
INTECH	128.6	5.7 49	--	--	--	5.7
INTECH-Net	128.6	5.7	--	--	--	5.7
<i>Rank vs. Mercer US Equity Large Cap Growth Universe</i>						
<i> Mercer US Equity Large Cap Growth Universe Med</i>		5.6	8.2	8.6	4.6	--
<i> Russell 1000 Growth Index</i>		5.9	9.1	6.9	2.7	1.6
Large Cap Value						
LSV Asset Management Large Cap Value	103.1	7.7 47	23.0 9	--	--	21.7
LSV Asset Management Large Cap Value-Net	103.1	7.5	21.3	--	--	20.7
Pzena Investment Management	97.2	5.9 89	17.9 60	--	--	19.0
Pzena Investment Management-Net	97.2	5.8	17.1	--	--	18.3
<i>Rank vs. Mercer US Equity Large Cap Value Universe</i>						
<i> Mercer US Equity Large Cap Value Universe Med</i>		7.6	18.8	14.1	10.3	--
<i> Russell 1000 Value Index</i>		8.0	22.2	15.1	10.9	17.6
OFI Institutional	96.0	6.7 78	18.8 50	13.6 58	10.6 44	9.9
OFI Institutional-Net	96.0	6.7	18.6	13.3	10.3	9.6
<i>Rank vs. Mercer US Equity Large Cap Value Universe</i>						
<i> Mercer US Equity Large Cap Value Universe Med</i>		7.6	18.8	14.1	10.3	--
<i> Russell 1000 Value Index</i>		8.0	22.2	15.1	10.9	11.0
Total Small Cap Domestic Equity	295.9	6.3 86	10.5 80	8.6 91	7.7 85	15.1
Total Small Cap Domestic Equity-Net	295.9	6.2	9.8	7.9	6.8	14.4
<i>Rank vs. Mercer US Equity Small Cap Universe</i>						
<i> Mercer US Equity Small Cap Universe Med</i>		8.3	15.7	14.4	13.2	--
<i> Russell 2000 Index</i>		8.9	18.4	13.6	11.4	13.4
Small Cap Growth						
Bear Stearns Asset Mgmt.	61.5	3.0 96	--	--	--	(0.1)
Bear Stearns Asset Mgmt.-Net	61.5	2.9	--	--	--	(0.2)
<i>Rank vs. Mercer US Equity Small Cap Growth Universe</i>						
<i> Mercer US Equity Small Cap Growth Universe Med</i>		7.9	11.6	11.3	8.6	--
<i> Russell 2000 Growth Index</i>		8.8	13.3	10.5	6.9	12.7

Sacramento County Employees Retirement System

Performance Summary

Period Ending December 31, 2006

	Market Value	Annualized					Inception to Date
		Quarter	1 Year	3 Years	5 Years		
M.A. Weatherbie & Co., Inc.	\$ 82.0	5.7 % 86	8.7 % 72	10.0 % 68	--%	15.2 %	
M.A. Weatherbie & Co., Inc.-Net	82.0	5.5	7.5	9.0	--	14.2	
Rank vs. Mercer US Equity Small Cap Growth Universe							
Mercer US Equity Small Cap Growth Universe Med		7.9	11.6	11.3	8.6	--	
Russell 2000 Growth Index		8.8	13.3	10.5	6.9	19.0	
Small Cap Value							
Dalton Greiner Hartman Maher	76.5	7.7 76	11.5 93	12.8 90	12.3 88	13.3	
Dalton Greiner Hartman Maher-Net	76.5	7.5	10.9	12.2	11.5	12.6	
TCW Group	75.9	8.5 58	19.6 38	8.0 100	9.8 97	12.0	
TCW Group-Net	75.9	8.4	18.9	7.4	9.0	11.2	
Rank vs. Mercer US Equity Small Cap Value Universe							
Mercer US Equity Small Cap Value Universe Med		8.9	18.1	16.5	15.6	--	
Russell 2000 Value Index		9.0	23.5	16.5	15.4	15.1	
Total International Equity	1,252.6	11.2 40	28.2 29	22.2 44	16.9 50	8.4	
Total International Equity-Net	1,252.6	11.1	27.5	21.7	16.3	8.1	
Rank vs. Non-US Equity Billion Dollar Segment - Public							
Non-US Equity Billion Dollar Segment - Public Med		11.0	27.3	21.6	16.9	--	
MSCI EAFE Net Dividend Index		10.4	26.3	19.9	15.0	7.3	
Total Intl Equity - Established Mkts	1,020.2	9.7 73	26.9 45	19.8 66	14.2 77	6.7	
Total Intl Equity - Established Mkts-Net	1,020.2	9.6	26.3	19.4	13.8	6.3	
Rank vs. Mercer Intl Equity Universe							
Mercer Intl Equity Universe Med		10.7	26.3	21.0	16.6	--	
MSCI EAFE Net Dividend Index		10.4	26.3	19.9	15.0	6.9	
INVESCO Global	301.1	8.4 90	26.5 49	--	--	21.9	
INVESCO Global-Net	301.1	8.3	26.0	--	--	21.5	
Rank vs. Mercer Intl Equity Universe							
Mercer Intl Equity Universe Med		10.7	26.3	21.0	16.6	--	
MSCI EAFE Net Dividend Index		10.4	26.3	19.9	15.0	23.0	

Sacramento County Employees Retirement System

Performance Summary

Period Ending December 31, 2006

	Market Value	Annualized				
		Quarter	1 Year	3 Years	5 Years	Inception to Date
Capital Guardian Trust Company International Equity	\$ 327.0	8.5 % 87	20.9 % 90	18.3 % 83	14.1 % 78	3.9 %
Capital Guardian Trust Company International Equity-Net	327.0	8.4	20.6	17.8	13.6	3.5
<i>Rank vs. Mercer Intl Equity Universe</i>						
<i>Mercer Intl Equity Universe Med</i>		10.7	26.3	21.0	16.6	--
<i>MSCI EAFE Net Dividend Index</i>		10.4	26.3	19.9	15.0	4.4
<i>MSCI EAFE Net Div-Growth Index</i>		9.4	22.3	17.2	12.3	0.2
LSV Asset Management International Equity	315.7	11.5 31	33.3 9	--	--	24.1
LSV Asset Management International Equity-Net	315.7	11.3	32.0	--	--	23.5
<i>Rank vs. Mercer Intl Equity Universe</i>						
<i>Mercer Intl Equity Universe Med</i>		10.7	26.3	21.0	16.6	--
<i>MSCI EAFE Net Dividend Index</i>		10.4	26.3	19.9	15.0	19.8
<i>MSCI EAFE Net Div-Value Index</i>		11.3	30.4	22.6	17.6	21.8
AXA Rosenberg Inv. Mgmt. LLC	76.3	13.1 68	30.8 34	--	--	25.9
AXA Rosenberg Inv. Mgmt. LLC-Net	76.3	13.0	30.2	--	--	25.5
<i>Rank vs. Mercer Intl Equity Small Cap Universe</i>						
<i>Mercer Intl Equity Small Cap Universe Med</i>		14.0	29.2	29.5	24.7	--
<i>MSCI Small Cap World Ex United States Net Composite</i>		11.7	19.6	24.6	23.7	20.7
<i>S&P/Citigroup Extended Market Index World Ex United States</i>		12.7	29.4	26.7	23.7	24.4
Total Intl Equity - Emerging Mkts	232.4	18.5 35	37.4 24	32.4 51	26.3 84	11.6
Total Intl Equity - Emerging Mkts-Net	232.4	18.3	36.5	31.6	25.5	10.9
Capital Guardian Trust Company Emerging Markets Growth	232.4	18.5 35	37.4 24	32.4 51	26.3 84	11.6
Capital Guardian Trust Company Emerging Markets Growth-Net	232.4	18.3	36.5	31.6	25.5	10.9
<i>Rank vs. Mercer Emerging Markets Equity Universe</i>						
<i>Mercer Emerging Markets Equity Universe Med</i>		17.9	34.3	32.6	29.2	--
<i>MSCI Emerging Markets Index</i>		17.6	32.6	31.0	27.0	12.2
Total Domestic Fixed Income	1,326.7	1.3 56	5.1 45	4.3 62	5.7 59	8.0
Total Domestic Fixed Income-Net	1,326.7	1.3	4.9	4.1	5.5	7.9
<i>Rank vs. US Fixed Income Billion Dollar Segment - Public</i>						
<i>US Fixed Income Billion Dollar Segment - Public Med</i>		1.4	4.9	4.6	5.9	--
<i>Lehman Brothers Aggregate Bond</i>		1.2	4.3	3.7	5.1	7.5

Sacramento County Employees Retirement System

Performance Summary

Period Ending December 31, 2006

	Market Value	Annualized				
		Quarter	1 Year	3 Years	5 Years	Inception to Date
Lehman Brothers Asset Mgmt Passive	\$ 442.8	1.2 % 65	4.3 % 81	3.7 % 60	5.2 % 50	7.7 %
Lehman Brothers Asset Mgmt Passive-Net	442.8	1.2	4.2	3.7	5.2	7.6
<i>Rank vs. Mercer US Fixed Combined Universe</i>						
<i>Mercer US Fixed Combined Universe Med</i>		1.3	4.7	4.0	5.2	--
<i>Lehman Brothers Aggregate Bond</i>		1.2	4.3	3.7	5.1	7.6
Metropolitan West Asset Mgmt	442.6	1.5 32	6.1 18	4.8 23	5.7 31	5.7
Metropolitan West Asset Mgmt-Net	442.6	1.4	6.0	4.6	5.5	5.5
<i>Rank vs. Mercer US Fixed Combined Universe</i>						
<i>Mercer US Fixed Combined Universe Med</i>		1.3	4.7	4.0	5.2	--
<i>Lehman Brothers Aggregate Bond</i>		1.2	4.3	3.7	5.1	5.1
Bradford & Marzec, Inc.	441.3	1.3 55	4.7 50	4.2 38	5.9 26	8.5
Bradford & Marzec, Inc.-Net	441.3	1.2	4.5	4.0	5.6	8.3
<i>Rank vs. Mercer US Fixed Combined Universe</i>						
<i>Mercer US Fixed Combined Universe Med</i>		1.3	4.7	4.0	5.2	--
<i>Benchmark (Lehman Brothers Aggregate Bond)</i>		1.2	4.3	3.7	5.1	7.5
Hedge Funds	252.4	5.4	10.3	--	--	12.8
Blackstone Alternative Asset	130.8	5.4	9.5	--	--	14.0
Blackstone Alternative Asset-Net	130.8	5.1	7.8	--	--	12.5
Grosvenor Capital Mgmt.	121.6	5.5	11.2	--	--	11.2
Grosvenor Capital Mgmt.-Net	121.6	5.3	10.2	--	--	10.4
<i>T-Bill + 5%</i>		2.4	9.7	8.0	7.3	8.6
<i>CSFB Tremont Hedge Funds Long/Short Equity Index</i>		7.0	14.4	11.9	10.1	14.8
Total Real Estate	747.8	4.3 43	16.5 70	19.1 47	15.4 50	8.3
<i>Rank vs. Real Estate Billion Dollar Segment - Public</i>						
<i>Real Estate Billion Dollar Segment - Public Med</i>		3.6	19.9	18.5	15.4	--
<i>NCREIF Property Index - EWB Calc</i>		4.5	16.6	17.0	13.3	8.4
Separate Accounts Portfolios						
BlackRock Realty Unleveraged	369.8	3.8	13.8	15.4	13.3	12.8
<i>NCREIF Property Index - EWB Calc</i>		4.5	16.6	17.0	13.3	12.3
BlackRock Realty Leveraged	252.3	4.5	16.0	18.4	15.4	13.5
<i>NCREIF Property Index - EWB Calc</i>		4.5	16.6	17.0	13.3	12.1

Sacramento County Employees Retirement System
Performance Summary
Period Ending December 31, 2006

	Market Value	Quarter	Annualized			Inception to Date
			1 Year	3 Years	5 Years	
BlackRock Realty Portfolio II Unleveraged <i>NCREIF Property Index - EWB Calc</i>	\$ 114.7	2.4 % 4.5	13.2 % 16.6	20.5 % 17.0	14.7 % 13.3	13.7 % 12.3
BlackRock Realty Portfolio II Leveraged <i>NCREIF Property Index - EWB Calc</i>	94.8	2.5 4.5	14.6 16.6	-- 17.0	-- 13.3	27.1 18.1
Cornerstone Real Est Adv Unleveraged <i>NCREIF Property Index - EWB Calc</i>	204.9	1.3 4.5	9.2 16.6	-- 17.0	-- 13.3	9.1 17.9
Cornerstone Real Est Adv Leveraged <i>NCREIF Property Index - EWB Calc</i>	145.2	1.2 4.5	11.8 16.6	-- 17.0	-- 13.3	12.6 17.8
UBS Realty Inv LLC (Value Added)	3.8	0.0	--	--	--	0.0
UBS Realty Inv LLC-Net (Value Added) <i>NCREIF PROPERTY + 2%</i>	3.8	0.0 5.0	-- 18.6	-- 19.0	-- 15.3	0.0 5.0
REITS						
Principal Global Investors	59.3	9.9 31	--	--	--	27.4
Principal Global Investors-Net	59.3	9.9	--	--	--	27.2
Urdang Investment Mgmt. Inc.	59.1	9.8 40	--	--	--	25.8
Urdang Investment Mgmt. Inc.-Net	59.1	9.7	--	--	--	25.5
<i>Rank vs. Mercer US Real Estate Public REITS Universe</i>						
<i> Mercer US Real Estate Public REITS Universe Med</i>		9.7	35.9	28.2	25.6	--
<i> FTSE NAREIT Equity REITs Return Only</i>		9.5	35.1	25.8	23.2	25.9
Limited Partnerships						
BlackRock Realty Tower/Granite Property Fund <i>NCREIF Property Index - EWB Calc</i>	63.9	4.3 4.5	18.7 16.6	-- 17.0	-- 13.3	23.1 17.1
Cornerstone Real Est Adv Open-end Fund Unleveraged	80.9	4.2	15.3	--	--	17.2
Cornerstone Real Est Adv Open-end Fund Leveraged <i>NCREIF Property Index - EWB Calc</i>	69.3	4.3 4.5	16.9 16.6	-- 17.0	-- 13.3	19.1 18.5
JMB Group V <i>NCREIF Property Index - EWB Calc</i>	0.1	1.2 4.5	3.7 16.6	26.3 17.0	23.6 13.3	12.9 --

Sacramento County Employees Retirement System

Performance Summary

Period Ending December 31, 2006

	Market Value	Quarter	Annualized			Inception to Date
			1 Year	3 Years	5 Years	
Total Cash	\$ 69.5	1.3 % 55	5.1 %	3.9 %	3.3 %	4.9 %
<i>Rank vs. Cash and Equivalents Segment - Billion Dollar Public</i>		1.4	--	--	--	--
<i>Cash and Equivalents Segment - Billion Dollar Public Med</i>		1.3	4.8	3.0	2.3	3.9
<i>Citigroup Treasury Bill-3 Month</i>						