



SACRAMENTO COUNTY EMPLOYEES' RET SYSTEM

**INVESTMENT PERFORMANCE ANALYSIS**

DECEMBER 31, 2011

STRATEGIC INVESTMENT SOLUTIONS, INC.

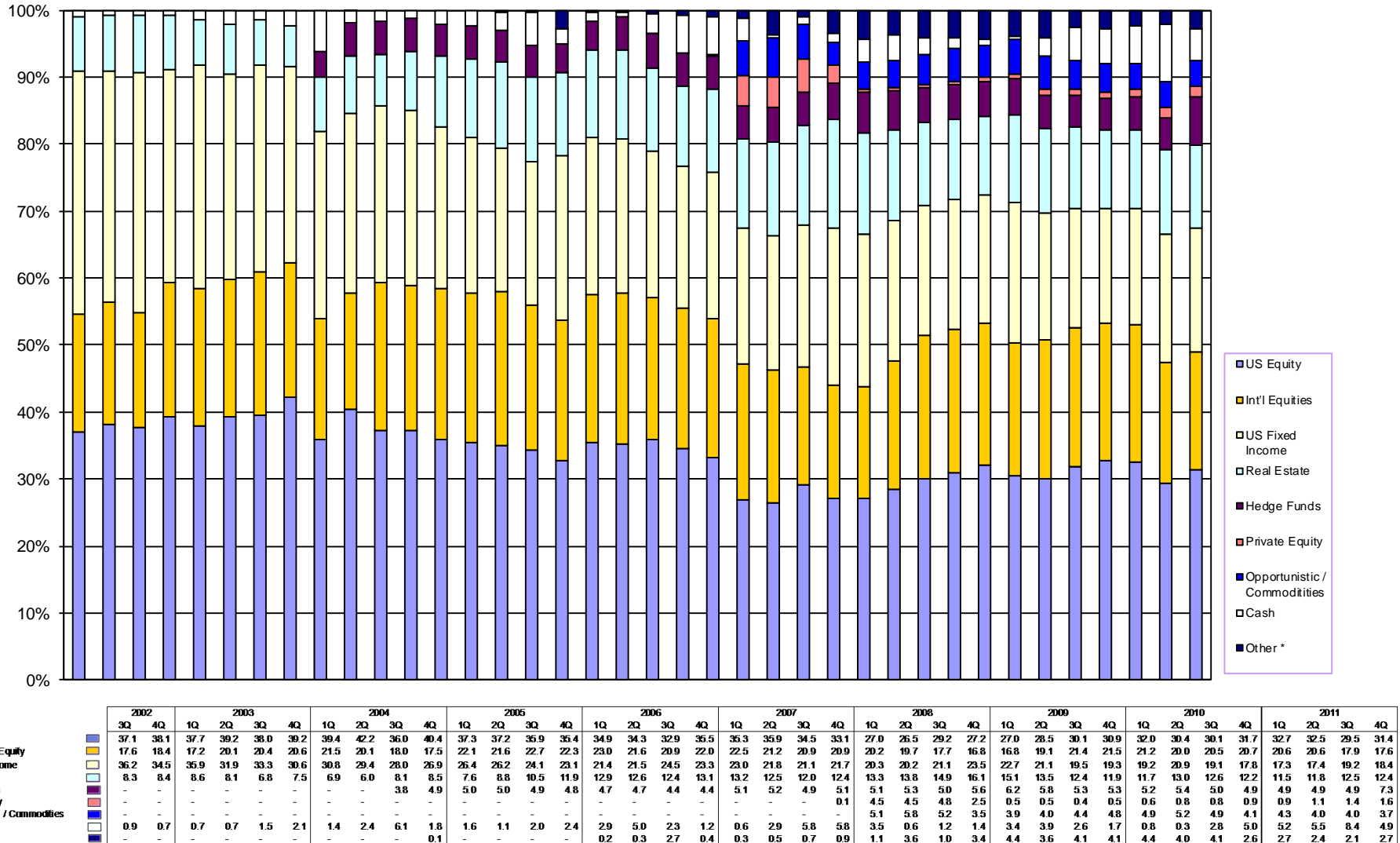
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# SCERS

Periods Ending December 31, 2011

## Actual Historical Quarterly Asset Allocation



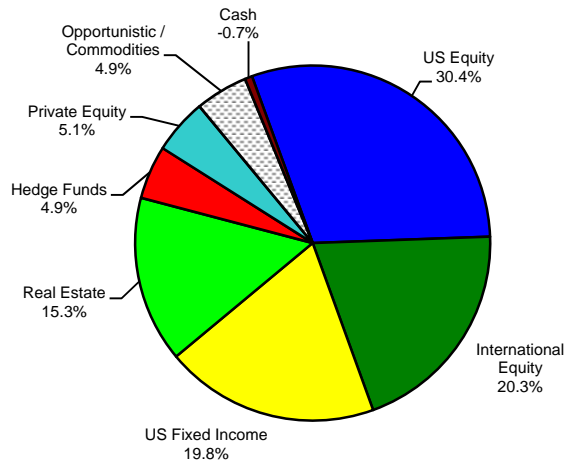
\* Other includes SSgA Overlay and closing accounts.

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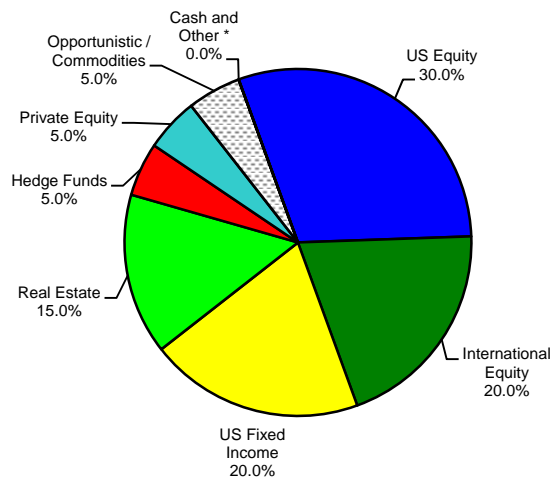
As of December 31, 2011

## Asset Allocation Analysis – Total Plan

### Current w/Overlay



### Target



ASSET ALLOCATION	MARKET VALUE W/OVERLAY	W/OVERLAY	W/O OVERLAY
US Equity	1,781,159,123	30.4%	31.4%
International Equity	1,190,880,954	20.3%	17.6%
US Fixed Income	1,158,113,945	19.8%	18.4%
Real Estate	899,430,100	15.3%	12.4%
Hedge Funds	289,458,234	4.9%	7.3%
Private Equity	297,673,363	5.1%	1.6%
Opportunistic / Commodities	284,969,640	4.9%	3.7%
Cash and Other *	-39,334,204	-0.7%	7.6%
<b>TOTAL</b>	<b>5,862,351,157</b>	<b>100.0%</b>	<b>100.0%</b>

ASSET ALLOCATION	ACTUAL	TARGET	DIFF
US Equity	30.4%	30.0%	0.4%
International Equity	20.3%	20.0%	0.3%
US Fixed Income	19.8%	20.0%	-0.2%
Real Estate	15.3%	15.0%	0.3%
Hedge Funds	4.9%	5.0%	-0.1%
Private Equity	5.1%	5.0%	0.1%
Opportunistic / Commodities	4.9%	5.0%	-0.1%
Cash and Other *	-0.7%	0.0%	-0.7%

ASSET ALLOCATION	TARGET	MEDIAN	DIFF
US Equity	30.0%	28%	2.0%
International Equity	20.0%	18%	2.0%
US Fixed Income	20.0%	27%	-7.0%
Real Estate	15.0%	7%	8.0%
Hedge Funds	5.0%	8%	-3.0%
Private Equity	5.0%	8%	-3.0%
Opportunistic / Commodities	5.0%	0%	5.0%
Cash and Other *	0.0%	4%	-4.0%

\* Other includes SSgA Overlay of \$160 million and closing accounts (Bank of Ireland, Heitman, Intl SC Transition).

## SCERS

Fourth Quarter 2011

### Executive Performance Summary

- The Total Plan returned 6.1% in the fourth quarter of 2011 and ranked in the 24<sup>th</sup> percentile among other public funds greater than \$1 billion (4.9% median). The fund trailed its policy index (6.2%) during this time period. The Total Plan w/o overlay returned 5.4% for the quarter. Longer term, the five and ten-year returns of 1.1% and 5.2%, ranked below the median among large public plans (1.9% and 5.4%, respectively).
  
- Fourth quarter results were enhanced by the following factors:
  1. The BlackRock 130/30 Fund returned 13.1%, ranking in the top quartile among large cap core equity managers (median 11.8%). The S&P 500 Index was up 11.8%. Its valuation metrics based on sentiment was positive during the quarter. Two of its best performing positions were underweights in online retailer Amazon.com and airline American Airlines.
  2. UBS 130/30 appreciated 11.8% for the quarter, and ranked in the 62<sup>nd</sup> percentile among its peers (11.8% median). The Russell 1000 Index also returned 11.8%. The portfolio was hurt by its positions in the Energy and Consumer Discretionary (Amazon.com) sectors. Materials and Healthcare (Pharmasset) investments contributed to the portfolio.
  3. BlackRock Enhanced Large Cap returned 12.1% for the quarter. It led the Russell 1000 Index (11.8%) and ranked in the second quartile among large cap core managers (11.8%). It carried above par Utilities and Consumer Staple stocks.
  4. AllianceBernstein gained 11.8% for the quarter, as did its large cap peer median and the Russell 1000 Index. The portfolio was supported by its stock selection in the Energy and Industrials sectors.
  5. LSV, 14.8%, returned above the median large cap value manager (12.8%) and the Russell 1000 Value Index (13.1%), ranking its portfolio in the 8<sup>th</sup> percentile among its peers. Good security selection in the Financials (MGIC Investment, Stancorp Financial), Healthcare and Consumer Staples (Corn Products) sectors contributed to performance.
  6. Turner (15.9%) led the Russell 2000 Growth Index (15.0%) and ranked in the third quartile among small growth managers (13.7%) median. Security selection in the Info Tech (SuccessFactors, Taleo Corp) and Industrials (Wesco International, Woodward Governor) sectors contributed to performance.
  7. WEDGE Capital returned 17.0%. It ranked in the 28<sup>th</sup> percentile among small cap value managers (15.9% median). The Russell 2000 Value Index returned 16.0% during the same time period. Its significant overweight to and positions in the Industrials sector (Ryder System, Cascade, Old Dominion Freight) were beneficial to performance.

## Executive Performance Summary

8. Capital Guardian-Developed Markets quarterly results (4.3%) beat the MSCI EAFE (net) Index (3.3%), and ranked above its peer median return of 3.9%. The cautious stance on financials and select holdings (Prudential, AIA Group) in the sector helped the portfolio.
9. LSV (3.1%) out-performed the MSCI EAFE Value Index (2.8%) and ranked 66<sup>th</sup> among international equity managers. LSV maintained its sector allocations from the prior quarter. LSV is recommended to be removed from the watch list
10. The Mondrian quarterly result of 2.9% led its benchmark, the MSCI World -ex US Small Index (0.7%), and ranked in the top quartile among international developed market small cap managers (median of 1.2%). Positive contributions arose from the Netherlands, Germany and the UK due to stock selection and underweight to Japan.
11. William Blair surpassed its benchmark, the MSCI World -ex US Small Cap Index (2.4% vs. 0.7%) and ranked in the 21<sup>st</sup> percentile among international developed market small cap managers. Top contributors to performance were across sectors, with significant value added in financials. Top performing securities include Cochlear, Peyto Exploration & Development, JM, Legacy Oil + Gas and Clicks.
12. The Bradford & Marzec 2.4% return beat its benchmark, the Barclays Aggregate Index (1.1%) and ranked in the top quartile among core bond managers, median return of 1.2%. The main contributors to excess returns were overweight allocations to high yield and CMBS as well as security selection within non-dollar (Australia, New Zealand), investment grade credit (banking, non-corporates) and MBS.
13. MWAM (1.3%) edged out the Barclays Aggregate Index (1.1%) and ranked above the fixed income core manager median of 1.2%. Underweight to governments and overweight allocation to MBS, CMBS, investment grade corporates and high yield were contributors to performance.
14. Neuberger Berman-Fixed's return of 1.6% ranked in the 24<sup>th</sup> percentile among its fixed income peer group. The Barclays Aggregate Index returned 1.1%. Neuberger's investment grade corporate security selection and allocation to corporates and CMBS notes were contributors to performance.
15. The Hedge Fund Composite was ahead of the 91 Day T-Bill + 5% Index (2.9% vs. 1.2%) and ranked in the top quartile among its peers (median of 0.2%). Blackstone and Grosvenor appreciated 3.2% and 2.2%, respectively.
16. Combined, the Value Added Real Estate managers fared better than the one-quarter lag NCREIF + 2% Index (3.8% vs. 3.7%) and ranked in the top quartile among real estate managers. AEW, Hines US Office II and UBS performance were 3.2%, 2.4% and 4.6%, respectively.
17. Real Estate-Limited Partnerships beat its benchmark, the NCREIF NFI ODCE Index (3.1% vs. 3.0%). The combined accounts ranked in the second quartile among real estate managers. BlackRock Granite and Cornerstone Patriot returns were 2.7% and 3.4%, respectively.

## Executive Performance Summary

18. The Private Equity Composite returned -1.9% for the fourth quarter while its benchmark, the one-quarter lag S&P 500 + 2% Index depreciated 13.2%. On a one-quarter lag, time-weighted basis, Abbott VI, Goldman Sachs X, HarbourVest VIII, HarbourVest Intl VI and Khosla IV returned -2.6%, 0.1%, -2.5%, -7.9% and -8.0%, respectively. Summit Partners Credit and Waterland V were funded in October and August, respectively. Waterland was not valued as of September 30, 2011.
  19. Commodities managers Blackstone and Neuberger returned 3.2% and 2.7%, respectively. Combined, it appreciated 3.0% and ranked above its peers, while the DJ UBS Commodities Index was 0.3%.
- Fourth quarter results were hindered by the following factors:
    1. JP Morgan 130/30 was surpassed by its benchmark, the Russell 1000 Index (10.5% vs. 11.8%) and ranked in the 90<sup>th</sup> percentile among large cap core managers. It was hurt by overweighting cyclicals and underweighting defensives (REITs, utilities, consumer stable, retail) sectors. Top stock detractors were General Motors, Amazon.com and Oracle.
    2. INTECH returned 9.6% for the quarter, lagged the Russell 1000 Growth Index return of 10.6% and its peer median of 9.8%. An overexposure to and stock selection in Healthcare investments, and under-par Consumer Discretionary stocks, were factors of underperformance.
    3. Wells Capital's return of 10.0% ranked in the second quartile among large cap growth managers (median 9.8%) but behind its benchmark, the Russell 1000 Growth Index (10.6%). Its high exposure to Info Tech, plus stock selection in the Consumer Discretionary (Amazon.com, Lululemon Athletica) and Healthcare (Illumina) sectors, hindered relative performance.
    4. Pzena (12.4%) had a below par quarter. It ranked in the 68<sup>th</sup> percentile among large cap value managers, with a median of 12.8%. The Russell 1000 Value Index returned 13.1%. Pzena was hurt by its investments in the Info Tech sector (Computer Sciences, Dell, Microsoft) and intra-quarter trading.
    5. Small growth manager MA Weatherbie was behind the Russell 2000 Growth Index (13.3% vs. 15.0%) and ranked in the third quartile among its peers (median 13.7%). Negative performance attribution came primarily from its below par Utilities (ITC Holdings) and Industrials (Waste Connections) investments and its portfolio turnover.
    6. Dalton Greiner (14.4%) had a relatively poor quarter; it placed behind its benchmark, the Russell 2000 Value Index (16.0%). Its peer median returned 15.9%; the portfolio ranked in the 80<sup>th</sup> percentile among small cap value managers. Healthcare investments (Integra Lifesciences, Fabrinet) and its portfolio turnover fared poorly during the quarter.

## Executive Performance Summary

7. Behind the Russell 2000 Value Index (16.0%), TS& W was up 15.1%, ranking 72<sup>nd</sup> among its small value peers. Its negative security selection in the Info Tech sector (Shutterfly, Telecommunications Systems, Silicon Images), plus its intra-quarter trading, impacted results.
8. Invesco's return of 3.1% trailed the MSCI EAFE Index return of 3.4%, and ranked the third quartile among its peers. Stock selection in Continental Europe (Swisscom, Finmeccanica) and particularly in the industrials sector, were detractors to performance.
9. Behind the MSCI Emerging Markets Index (4.4%), Capital Guardian appreciated 4.0%, ranking 53<sup>rd</sup> among its peers. Short-term detractors were stock selection in India (United Spirits, Adani Enterprises, Jain Irrigation Systems, ICICI).
10. Real Estate-Separate Accounts trailed its benchmark, the NCREIF Property Index (2.2% vs. 3.0%). The combined accounts ranked in the second quartile among real estate managers. BlackRock I, BlackRock II and Cornerstone Leveraged accounts returned 3.2%, 2.0% and 0.6%, respectively. Unleveraged, quarterly returns were 2.9%, 1.9% and 0.6%, respectively.
11. The REIT Composite fell behind the NAREIT Equity Index (9.3% vs. 15.2%) and ranked in the second quartile among REIT managers (median of 3.3%). CB Richard Ellis fared better than the FTSE EPRA NAREIT Index (1.6% vs. 1.2%). Principal Global (16.3%) and Urdang (15.5%) are benchmarked to the NAREIT Equity.
12. The Opportunistic Composite lost 0.2% for the quarter while the Barclays Aggregate Index returned 1.1%. Neither Met West TALF (-1.7%) nor PIMCO Distressed Mortgages (-5.5%) could keep up with its benchmark. The SSgA Real Asset Fund was edged out by its custom benchmark return (10.6% vs. 10.7%). Stone Tower depreciated 2.5% while the one-quarter lag Barclays Aggregate Index was up 3.8%.

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Periods Ending December 31, 2011

## Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>TOTAL FUND **</b>														
<b>Sacramento County - Gross</b>	5,862,351,157	100.0%	6.1	24	-5.1	84	0.4	72	10.4	67	1.1	78	8.2	Jun-86
<b>Sacramento County - Net</b>			6.0		-5.2		0.1		10.0		0.8		8.0	
<i>Policy Index <sup>1</sup></i>			6.2	18	-3.4	21	1.3	42	11.1	47	2.1	41	8.6	
<b>Sacramento County w/o Overlay - Gross**</b>			5.4	37	-5.6	94	-0.3	92	9.2	80	0.6	86	8.1	Jun-86
<b>Sacramento County w/o Overlay - Net</b>			5.3		-5.8		-0.7		8.8		0.3		7.9	
<i>Policy Index <sup>1</sup></i>			6.2	18	-3.4	21	1.3	42	11.1	47	2.1	41	8.6	
Total Public Funds > \$1 Billion Median			4.9		-4.6		0.9		11.0		1.9			
<b>US EQUITY MANAGERS</b>														
<b>Large Cap</b>														
<b>BlackRock 130/30- Gross</b>	62,297,427	1.1%	13.1	13	-2.9	9	3.7	11	14.0	66			1.1	Jul-08
<b>BlackRock 130/30 - Net</b>			13.0		-3.1		3.3		13.7				0.8	
<i>S&amp;P 500 Index</i>			11.8	53	-3.7	31	2.1	40	14.1	63			2.0	
<b>JP Morgan 130/30 - Gross</b>	64,260,976	1.1%	10.5	90	-6.6	77	-2.7	87	15.8	14			4.2	Jul-08
<b>JP Morgan 130/30 - Net</b>			10.3		-7.0		-3.4		14.9				3.5	
<i>Russell 1000 Index</i>			11.8	43	-4.6	53	1.5	55	14.8	30			2.2	
<b>UBS 130/30 - Gross</b>	60,167,261	1.0%	11.8	62	-6.7	77	-1.8	84	14.1	63			0.3	Jul-08
<b>UBS 130/30 - Net</b>			11.7		-6.8		-2.1		13.8				0.1	
<i>Russell 1000 Index</i>			11.8	43	-4.6	53	1.5	55	14.8	30			2.2	
<b>Equity Active (130/30)</b>	186,725,664	3.2%	11.8	65	-5.4	67	-0.4	76	14.6	34			4.6	Oct-08
<i>Russell 1000 Index</i>			11.8	43	-4.6	53	1.5	55	14.8	30			5.0	
Total Large Cap Core Median			11.8		-4.5		1.6		14.2					
<b>BlackRock - Enhanced LC - Gross</b>	92,644,533	1.6%	12.1	29	-4.8	57	1.4	57	15.1	23			2.5	Jul-08
<b>BlackRock - Enhanced LC - Net</b>			12.1		-4.9		1.2		14.9				2.4	
<i>Russell 1000 Index</i>			11.8	43	-4.6	53	1.5	55	14.8	30			2.2	
<b>Large Cap - Enhanced</b>	92,644,533	1.6%	12.1	29	-4.8	57	1.4	57	5.1	100			-3.0	Oct-08
<i>Russell 1000 Index</i>			11.8	43	-4.6	53	1.5	55	14.8	30			5.0	
Total Large Cap Core Median			11.8		-4.5		1.6		14.2					

\* Ranking are calculated using the State Street/ICC Universe and are based on gross of fee returns. Ranking: 1 is best, 100 is worst.

# The total fund and US managers are ranked against their appropriate peer (style) groups. Asset class composites are ranked against asset class universes.

\*\* Returns from 2/1/06 to 12/31/10 were calculated using the overlay impact provided by State Street Investment Analytics.

<sup>1</sup> See Appendix for Benchmark History.



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Periods Ending December 31, 2011

## Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Alliance Bernstein - Gross	661,448,933	11.3%	11.8	50	-4.5	39	1.6	46	14.8	42	0.0	51	8.7	May-89
Alliance Bernstein - Net			11.8		-4.6		1.5		14.8		0.0		8.7	
Russell 1000 Index <sup>1</sup>			11.8	39	-4.6	39	1.5	47	14.8	42	0.0	52	7.7	
<b>Large Cap - Index</b>	<b>661,448,933</b>	<b>11.3%</b>	<b>11.8</b>	<b>50</b>	<b>-4.5</b>	<b>39</b>	<b>1.6</b>	<b>46</b>	<b>14.8</b>	<b>42</b>			<b>5.1</b>	<b>Oct-08</b>
Russell 1000 Index			11.8	39	-4.6	39	1.5	47	14.8	42			5.0	
Total Large Cap Median			11.8		-5.2		1.3		14.4					
INTECH - Gross	133,305,593	2.3%	9.6	54	-6.5	55	2.2	38	18.1	23	1.2	76	2.2	Oct-06
INTECH - Net			9.5		-6.8		1.7		17.5		0.7		1.8	
Russell 1000 Growth Index			10.6	27	-3.9	25	2.6	30	18.0	24	2.5	46	3.5	
Wells Capital - Gross	116,716,531	2.0%	10.0	44	-9.4	82	-4.5	85	15.5	59			-3.3	Apr-08
Wells Capital - Net			9.8		-9.7		-5.1		14.8				-3.8	
Russell 1000 Growth Index			10.6	27	-3.9	25	2.6	30	18.0	24			1.9	
<b>Large Cap - Growth</b>	<b>250,022,124</b>	<b>4.3%</b>	<b>9.8</b>	<b>51</b>	<b>-7.9</b>	<b>70</b>	<b>-1.1</b>	<b>61</b>	<b>16.8</b>	<b>36</b>			<b>5.4</b>	<b>Oct-08</b>
Russell 1000 Growth Index			10.6	27	-3.9	25	2.6	30	18.0	24			7.6	
Total Large Cap Growth Median			9.8		-6.2		0.4		16.0					
LSV Large Value - Gross	123,308,335	2.1%	14.8	8	-6.9	62	0.4	45	12.6	51	-2.8	70	4.0	Oct-04
LSV Large Value - Net			14.7		-7.1		0.2		12.1		-3.4		3.3	
Russell 1000 Value Index			13.1	41	-5.2	31	0.4	46	11.5	70	-2.6	69	3.1	
Pzena - Gross	126,705,560	2.2%	12.4	68	-10.8	91	-5.2	87	14.9	21	-5.9	96	1.0	Oct-04
Pzena - Net			12.3		-10.9		-5.4		14.6		-6.2		0.7	
Russell 1000 Value Index			13.1	41	-5.2	31	0.4	46	11.5	70	-2.6	69	3.1	
<b>Large Cap - Value</b>	<b>250,013,895</b>	<b>4.3%</b>	<b>13.6</b>	<b>28</b>	<b>-8.9</b>	<b>84</b>	<b>-2.5</b>	<b>75</b>	<b>13.7</b>	<b>28</b>			<b>3.4</b>	<b>Oct-08</b>
Russell 1000 Value Index			13.1	41	-5.2	31	0.4	46	11.5	70			2.4	
Total Large Cap Value Median			12.8		-6.3		0.1		12.6					
<b>US Equity - Large Cap Composite</b>	<b>1,440,855,149</b>	<b>24.6%</b>	<b>11.7</b>	<b>51</b>	<b>-6.1</b>	<b>59</b>	<b>0.1</b>	<b>63</b>	<b>13.9</b>	<b>65</b>	<b>-1.3</b>	<b>78</b>	<b>2.3</b>	<b>Mar-98</b>
Russell 1000 Index			11.8	39	-4.6	39	1.5	47	14.8	42	0.0	52	3.1	
Total Large Cap Median			11.8		-5.2		1.3		14.4		0.0			

<sup>1</sup> See Appendix for Benchmark History.

# SCERS

Periods Ending December 31, 2011

## Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Small Cap</b>														
M.A. Weatherbie - Gross	101,038,740	1.7%	13.3	57	-6.2	23	1.7	41	22.8	25	5.9	32	9.9	Dec-02
M.A. Weatherbie- Net			13.1		-6.6		0.9		21.8		5.0		9.0	
Russell 2000 Growth Index			15.0	37	-10.6	54	-2.9	64	19.0	69	2.1	79	9.3	
Turner Investment Partners - Gross	102,040,571	1.7%	15.9	26	-13.4	76	-4.0	74					13.4	Aug-10
Turner Investment Partners - Net			15.7		-13.7		-4.7						12.7	
Russell 2000 Growth Index			15.0	37	-10.6	54	-2.9	64					13.9	
<b>Small Cap - Growth</b>	<b>203,079,311</b>	<b>3.5%</b>	<b>14.6</b>	<b>44</b>	<b>-10.0</b>	<b>49</b>	<b>-1.3</b>	<b>57</b>	<b>17.7</b>	<b>79</b>			<b>6.7</b>	<b>Oct-08</b>
Russell 2000 Growth Index			15.0	37	-10.6	54	-2.9	64	19.0	69			6.4	
Total Small Cap Growth Median			13.7		-10.3		0.1		20.5					
Dalton Greiner - Gross	94,567,008	1.6%	14.4	80	-9.6	55	-5.6	51	14.9	81	4.3	8	9.1	Dec-00
Dalton Greiner - Net			14.1		-10.1		-6.6		13.9		3.5		8.3	
Russell 2000 Value Index			16.0	45	-8.9	49	-5.5	50	12.4	97	-1.9	95	7.1	
Thompson, Siegel & Walmsley - Gross	47,616,364	0.8%	15.1	72	-9.6	55	-3.3	33	11.1	98			-0.3	Apr-08
Thompson, Siegel & Walmsley - Net			14.9		-10.0		-4.2		10.3				-1.1	
Russell 2000 Value Index			16.0	45	-8.9	49	-5.5	50	12.4	97			1.2	
Wedge Capital - Gross	56,569,014	1.0%	17.0	28	-8.8	46	-1.2	18	15.9	75			3.4	Apr-08
Wedge Capital - Net			16.7		-9.3		-2.2		15.0				2.6	
Russell 2000 Value Index			16.0	45	-8.9	49	-5.5	50	12.4	97			1.2	
<b>Small Cap - Value</b>	<b>198,752,386</b>	<b>3.4%</b>	<b>15.3</b>	<b>65</b>	<b>-9.4</b>	<b>54</b>	<b>-3.8</b>	<b>37</b>	<b>14.3</b>	<b>85</b>			<b>4.4</b>	<b>Oct-08</b>
Russell 2000 Value Index			16.0	45	-8.9	49	-5.5	50	12.4	97			2.0	
Total Small Cap Value Median			15.9		-9.0		-5.6		18.7					
<b>US Equity - Small Cap Composite</b>	<b>401,831,697</b>	<b>6.9%</b>	<b>14.9</b>	<b>58</b>	<b>-9.7</b>	<b>57</b>	<b>-2.5</b>	<b>52</b>	<b>15.9</b>	<b>79</b>	<b>0.6</b>	<b>79</b>	<b>11.5</b>	<b>Dec-90</b>
Russell 2000 Index			15.5	45	-9.8	59	-4.2	70	15.6	81	0.1	83	10.1	
Total Small Cap Median			15.2		-9.2		-2.5		18.9		2.7			
<b>US Equity Composite</b>	<b>1,842,686,845</b>	<b>31.4%</b>	<b>12.4</b>	<b>44</b>	<b>-6.9</b>	<b>52</b>	<b>-0.5</b>	<b>53</b>	<b>14.3</b>	<b>68</b>	<b>-0.8</b>	<b>82</b>	<b>9.0</b>	<b>Jun-86</b>
US Equity Benchmark <sup>1</sup>			12.1	49	-5.0	36	1.0	42	14.9	61	-0.1	67	9.1	
US Equity Median			12.1		-6.7		-0.1		15.8		1.0			

<sup>1</sup> See Appendix for Benchmark History.

# SCERS

Periods Ending December 31, 2011

## Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>INTERNATIONAL EQUITY MANAGERS</b>														
<b>Developed Markets</b>														
Capital Guardian Developed - Gross	202,293,923	3.5%	4.3	41	-16.4	50	-12.8	59	8.3	63	-3.5	62	0.8	Dec-99
Capital Guardian Developed - Net			4.1		-16.6		-13.1		8.0		-3.8		0.4	
MSCI EAFE Index (net)			3.3	61	-16.3	48	-12.1	50	7.8	69	-4.6	81	0.7	
MSCI EAFE Growth Index (net)			3.9	50	-15.8	41	-12.1	49	8.5	61	-3.2	58	-1.2	
Invesco - Gross	245,050,869	4.2%	3.1	66	-15.1	34	-12.3	53	8.2	64	-3.5	62	2.5	Mar-05
Invesco - Net			3.0		-15.3		-12.6		7.7		-4.0		2.1	
MSCI EAFE Index			3.4	60	-16.2	45	-11.7	43	8.2	64	-4.3	75	2.3	
LSV International - Gross	183,328,562	3.1%	3.1	66	-16.8	59	-10.8	36	7.6	70	-7.3	97	0.8	Dec-04
LSV International - net			3.1		-16.8		-10.9		7.2		-7.8		0.2	
MSCI EAFE Value Index			2.8	70	-16.7	56	-11.6	43	7.4	73	-5.8	91	1.6	
International Equity Median			3.9		-16.4		-12.2		9.7		-2.7			
Mondrian - Gross	57,953,687	1.0%	2.9	17	-15.3	23	-8.1	14					7.9	Sep-10
Mondrian - Net			2.8		-15.6		-8.6						7.4	
MSCI World Small Cap - ex US Index			0.7	63	-18.3	44	-15.5	79					4.7	
William Blair - Gross	72,506,251	1.2%	2.4	21	-15.7	28	-9.8	23	22.0	16			8.1	Sep-08
William Blair - Net			2.2		-16.0		-10.6		20.7				6.9	
MSCI World Small Cap - ex US Index			0.7	63	-18.3	44	-15.5	79	16.9	21			6.4	
Intl Small Cap Equity Median			1.2		-18.3		-14.9		14.2					
<b>International Equity - Developed</b>	<b>761,133,292</b>	<b>13.0%</b>	<b>3.3</b>	<b>62</b>	<b>-15.9</b>	<b>42</b>	<b>-11.5</b>	<b>42</b>	<b>9.3</b>	<b>54</b>	<b>-4.2</b>	<b>73</b>	<b>2.6</b>	<b>Mar-98</b>
MSCI EAFE Index			3.4	60	-16.2	45	-11.7	43	8.2	64	-4.3	75	2.9	
International Equity Median			3.9		-16.4		-12.2		9.7		-2.7			
<b>Emerging Markets</b>														
Cap Guardian Emg Mkts Growth - Gross	271,823,096	4.6%	4.0	53	-22.0	84	-21.5	76	17.7	81	2.9	37	7.8	Jan-00
Cap Guardian Emg Mkts Growth - Net			4.0		-22.0		-21.5		17.3		2.4		7.3	
MSCI Emerging Markets Index			4.4	37	-19.0	54	-18.2	53	20.4	47	2.7	42	8.1	
<b>International Equity - Emerging</b>	<b>271,823,096</b>	<b>4.6%</b>	<b>4.0</b>	<b>53</b>	<b>-22.0</b>	<b>84</b>	<b>-21.5</b>	<b>76</b>	<b>17.7</b>	<b>81</b>	<b>2.9</b>	<b>37</b>	<b>7.8</b>	<b>Jan-00</b>
MSCI Emerging Markets Index			4.4	37	-19.0	54	-18.2	53	20.4	47	2.7	42	8.1	
Intl Emerging Markets Median			4.0		-18.9		-18.0		19.9		2.4			
<b>International Equity Composite</b>	<b>1,032,956,389</b>	<b>17.6%</b>	<b>3.5</b>	<b>59</b>	<b>-17.6</b>	<b>72</b>	<b>-14.4</b>	<b>75</b>	<b>11.3</b>	<b>36</b>	<b>-2.4</b>	<b>44</b>	<b>6.0</b>	<b>Dec-87</b>
MSCI ACWI -ex US Index <sup>1</sup>			3.8	52	-16.8	58	-13.3	66	11.2	36	-2.3	42	6.0	
International Equity Median			3.9		-16.4		-12.2		9.7		-2.7			

<sup>1</sup> See Appendix for Benchmark History.

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## Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>US FIXED INCOME MANAGERS</b>														
<b>CORE</b>														
Bradford & Marzec - Gross	353,901,932	6.0%	2.4	8	2.8	83	7.3	58	9.9	29	7.7	21	8.3	Jun-88
Bradford & Marzec - net			2.4		2.6		7.0		9.7		7.5		8.1	
Barclays Aggregate Index <sup>1</sup>			1.1	65	5.0	26	7.8	34	6.8	80	6.5	74	7.3	
Metropolitan West Fixed - Gross	367,169,424	6.3%	1.3	45	2.7	83	6.0	77	14.7	4	8.8	2	7.3	Dec-01
Metropolitan West Fixed - Net			1.3		2.6		5.8		14.4		8.6		7.1	
Barclays Aggregate Index			1.1	65	5.0	26	7.8	34	6.8	80	6.5	74	5.8	
Neuberger - Gross	358,130,948	6.1%	1.6	24	4.6	40	7.5	51	9.4	43	7.3	31	7.6	May-88
Neuberger - Net			1.6		4.6		7.4		9.2		7.1		7.5	
Barclays Aggregate Index			1.1	65	5.0	26	7.8	34	6.8	80	6.5	74	7.3	
<b>US Fixed Income Composite</b>	<b>1,079,202,304</b>	<b>18.4%</b>	<b>1.8</b>	<b>19</b>	<b>3.3</b>	<b>71</b>	<b>6.9</b>	<b>64</b>	<b>11.3</b>	<b>16</b>	<b>8.0</b>	<b>16</b>	<b>8.0</b>	<b>Jun-86</b>
Barclays Aggregate Index <sup>1</sup>			1.1	65	5.0	26	7.8	34	6.8	80	6.5	74	7.3	
US Fixed Income Median			1.2		4.3		7.5		9.0		6.9			
<b>HEDGE FUND MANAGERS</b>														
Blackstone Alternative - Gross	145,010,351	2.5%	3.2	13	-3.6	47	0.3	35	6.5	58	1.0	62	5.0	Sep-04
Blackstone Alternative - Net			3.0		-4.1		-0.7		5.8		0.2		4.0	
91 Day T Bill + 5%			1.2	32	2.5	8	5.1	14	5.1	67	6.5	11	7.2	
Grosvenor - Gross	93,186,702	1.6%	2.2	19	-7.5	84	-6.4	84	3.5	79	-0.3	77	3.2	Aug-04
Grosvenor - Net			2.0		-7.8		-7.1		3.1		-0.9		2.6	
91 Day T Bill + 5%			1.2	32	2.5	8	5.1	14	5.1	67	6.5	11	7.2	
Grosvenor SC Absolute Return - Gross	189,295,508	3.2%											-0.3	Dec-11
Grosvenor SC Absolute Return - Net													-0.4	
91 Day T Bill + 5%													0.4	
<b>Hedge Fund Composite</b>	<b>238,197,053</b>	<b>4.1%</b>	<b>2.9</b>	<b>15</b>	<b>-5.3</b>	<b>65</b>	<b>-2.8</b>	<b>57</b>	<b>5.1</b>	<b>68</b>	<b>0.4</b>	<b>69</b>	<b>4.2</b>	<b>Aug-04</b>
91 Day T Bill + 5%			1.2	32	2.5	8	5.1	14	5.1	67	6.5	11	7.2	
Hedge Fund Median			0.2		-4.0		-1.8		7.4		1.9			

<sup>1</sup> See Appendix for Benchmark History.

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## Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>REAL ESTATE MANAGERS</b>														
<b>Separate Account Portfolios</b>														
BlackRock Leveraged - Gross	189,261,139	3.2%	3.2	26	6.6	28	18.5	26	0.6	28	1.3	26	8.6	Dec-98
BlackRock Leveraged - Net			3.2		6.2		17.6		-0.2				-	
NCREIF Property Index			3.0	32	6.4	32	14.3	44	2.4	22	3.1	16	8.6	
BlackRock Unleveraged			2.9	34	5.6	36	13.5	46	3.3	20	3.5	15	9.9	Sep-95
NCREIF Property Index			3.0	32	6.4	32	14.3	44	2.4	22	3.1	16	9.4	
BlackRock II Leveraged - Gross	58,295,944	1.0%	2.0	46	5.4	39	12.9	50	-0.6	33	1.1	29	9.1	Jun-04
BlackRock II Leveraged - Net			2.0		5.0		12.1		-1.1				-	
NCREIF Property Index			3.0	32	6.4	32	14.3	44	2.4	22	3.1	16	7.9	
BlackRock II Unleveraged			1.9	47	4.5	45	10.8	56	-1.2	38	0.7	34	7.7	Sep-00
NCREIF Property Index			3.0	32	6.4	32	14.3	44	2.4	22	3.1	16	8.1	
CornerStone Leveraged - Gross	111,944,722	1.9%	0.6	59	4.1	48	27.5	11	1.8	22	1.2	26	5.1	Apr-04
CornerStone Leveraged - Net			0.2		3.7		25.8		0.8				-	
NCREIF Property Index			3.0	32	6.4	32	14.3	44	2.4	22	3.1	16	8.2	
CornerStone Unleveraged			0.6	59	3.4	52	17.3	29	4.0	19	3.2	16	5.2	May-04
NCREIF Property Index			3.0	32	6.4	32	14.3	44	2.4	22	3.1	16	8.2	
<b>Real Estate - Separate</b>	<b>359,501,805</b>	<b>6.1%</b>	<b>2.2</b>	<b>44</b>	<b>5.6</b>	<b>36</b>	<b>20.0</b>	<b>21</b>	<b>0.8</b>	<b>27</b>			<b>-3.6</b>	<b>Oct-08</b>
NCREIF Property Index			3.0	32	6.4	32	14.3	44	2.4	22			-0.4	
Real Estate Median			1.4		3.6		12.5		-3.8					
<b>Value Added <sup>2</sup></b>														
AEW Capital II - Gross	10,886,167	0.2%	3.2	26	10.9	11	29.0	10	-16.6	85			-10.7	May-07
AEW Capital II - Net			2.8		10.0		26.7		-18.9				-12.8	
NCREIF + 2% 1 Quarter Lag			3.7	20	8.3	18	18.1	27	0.6	28			4.7	
Hines - Gross	7,002,253	0.1%	2.4	40	8.2	18	28.9	10	-40.6	100			-36.4	Sep-07
Hines -Net			1.3		5.8		23.0		-43.7				-41.7	
NCREIF + 2% 1 Quarter Lag			3.7	20	8.3	18	18.1	10	0.6	28			4.1	
UBS RE - Gross	16,825,368	0.3%	4.6	18	8.6	16	19.4	22	-25.8	94	-10.3	87	-9.9	Oct-06
UBS RE - Net			4.4		8.2		18.7		-26.8		-12.8		-12.2	
NCREIF + 2% 1 Quarter Lag			3.7	20	8.3	18	18.1	27	0.6	28	5.4	11	5.9	
<b>Real Estate - Value Added</b>	<b>34,713,788</b>	<b>0.6%</b>	<b>3.8</b>	<b>20</b>	<b>9.3</b>	<b>15</b>	<b>23.5</b>	<b>15</b>	<b>-28.1</b>	<b>95</b>			<b>-26.5</b>	<b>Oct-08</b>
NCREIF + 2% 1 Quarter Lag			3.7	20	8.3	18	18.1	27	0.6	28			0.6	
Real Estate Median			1.4		3.6		12.5		-3.8					

<sup>2</sup> Returns are one-quarter lag.

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## Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
<b>Limited Partnerships</b>														
BlackRock Granite Property - Gross	46,084,683	0.8%	2.7	37	7.6	21	16.6	32	-8.0	66	-5.4	75	-0.8	Oct-05
BlackRock Granite Property - Net			2.5		7.4		16.2		-8.5				-	
NCREIF NFI ODCE Index			3.0	32	6.6	28	16.0	34	-2.3	42	-0.6	40	2.7	
Cornerstone Patriot - Gross	70,293,167	1.2%	3.4	24	7.1	25	16.2	33	-0.7	33	0.1	36	5.6	Sep-04
Cornerstone Patriot - Net			3.1		6.6		15.1		-1.6				-	
NCREIF NFI ODCE Index			3.0	32	6.6	28	16.0	34	-2.3	42	-0.6	40	4.8	
<b>Real Estate - Limited Partnerships</b>	<b>116,377,850</b>	<b>2.0%</b>	<b>3.1</b>	<b>28</b>	<b>7.3</b>	<b>22</b>	<b>16.3</b>	<b>33</b>	<b>-3.9</b>	<b>51</b>			<b>-7.9</b>	<b>Oct-08</b>
NCREIF NFI ODCE Index			3.0	32	6.6	28	16.0	34	-2.3	42			-5.8	
Real Estate Median			1.4		3.6		12.5		-3.8					
<b>REITS</b>														
CB Richard Ellis - Gross	91,243,652	1.6%	1.6	61	-17.7	88	-15.1	87	13.3	51			13.9	Oct-08
CB Richard Ellis - Net			1.4		-17.9		-15.3		13.2				13.7	
FTSE EPRA NAREIT Global ex US			1.2	66	-18.1	89	-15.3	87	12.4	53			10.7	
Principal Global - Gross	58,059,551	1.0%	16.3	9	-1.7	56	9.9	35	21.2	27	0.2	29	4.3	Feb-06
Principal Global - Net			16.2		-1.9		9.6		20.5		-0.4		3.8	
NAREIT Equity REIT Index			15.2	23	-1.7	55	8.3	47	21.0	29	-1.4	49	2.7	
Urdang - Gross	63,841,373	1.1%	15.5	19	-0.8	43	11.3	26	25.9	5	2.3	7	6.0	Feb-06
Urdang - Net			15.4		-1.0		10.4		25.3		1.8		5.5	
NAREIT Equity REIT Index			15.2	23	-1.7	55	8.3	47	21.0	29	-1.4	49	2.7	
<b>REITS Composite</b>	<b>213,144,576</b>	<b>3.6%</b>	<b>9.3</b>	<b>33</b>	<b>-9.1</b>	<b>74</b>	<b>-2.1</b>	<b>67</b>	<b>18.7</b>	<b>39</b>			<b>2.0</b>	<b>Oct-08</b>
NAREIT Equity REIT Index			15.2	23	-1.7	55	8.3	47	21.0	29			2.6	
REIT Median			3.3		-1.4		5.7		13.4					
<b>Real Estate Composite</b>	<b>723,738,019</b>	<b>12.3%</b>	<b>4.4</b>	<b>19</b>	<b>1.3</b>	<b>66</b>	<b>12.2</b>	<b>51</b>	<b>2.0</b>	<b>22</b>	<b>0.0</b>	<b>37</b>	<b>6.5</b>	<b>Sep-87</b>
NCREIF Index			3.0	32	6.4	32	14.3	44	2.4	22	3.1	16	7.3	
Real Estate Median			1.4		3.6		12.5		-3.8		-1.1			
<b>PRIVATE EQUITY MANAGERS <sup>2</sup></b>														
Abbott PE VI	13,290,319	0.2%	-2.6		0.9		3.2		-11.4				-12.2	Jul-08
S&P 500 + 2% 1 Quarter Lag			-13.2		-12.9		3.1		3.2				-1.6	
Goldman Sachs PE X	34,825,495	0.6%	0.1		16.7		22.8		-28.9				-25.2	Jul-08
S&P 500 + 2% 1 Quarter Lag			-13.2		-12.9		3.1		3.2				-0.2	
HarbourVest VIII	33,308,496	0.6%	-2.5		0.5		12.8		5.2				2.9	Dec-07
S&P 500 + 2% 1 Quarter Lag			-13.2		-12.9		3.1		3.2				-3.1	
HarbourVest Intl VI	4,894,218	0.1%	-7.9		-10.0		-12.5						-42.6	Apr-09
S&P 500 + 2% 1 Quarter Lag			-13.2		-12.9		3.1						12.8	
Khosla Ventures IV <sup>4</sup>	920,443	0.0%	-8.0										-8.0	Aug-11
S&P 500 + 2% 1 Quarter Lag			-13.2										-14.6	
Summit Partners Credit Fund <sup>4</sup>	4,235,452	0.1%											0.0	Nov-11
S&P 500 + 2% 1 Quarter Lag													-6.7	

<sup>2</sup> Returns are one-quarter lag.

<sup>4</sup> Khosla Ventures IV funded on 7/19/11. Summit Partners Credit funded on 10/28/11.

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## Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Waterland Private Equity Fund V <sup>4</sup>	317,233	0.0%	0.0										0.0	Sep-11
S&P 500 + 2% 1 Quarter Lag			-13.2										-13.2	
<b>Private Equity Composite</b>	<b>91,791,656</b>	<b>1.6%</b>	<b>-1.9</b>		<b>5.6</b>		<b>14.1</b>		<b>-8.4</b>				<b>-14.3</b>	<b>Dec-07</b>
S&P 500 + 2% 1 Quarter Lag			-13.2		-12.9		3.1		3.2				-3.1	
<b>OPPORTUNISTIC MANAGERS</b>														
<b>Commodities</b>														
Blackstone Commodities - Gross	65,046,288	1.1%	3.2	43	-8.9	83	-5.0	61	11.6	22			0.4	Apr-08
DJ UBS Commodities			0.3	68	-11.0	92	-13.3	97	6.4	62			-9.9	
Neuberger Commodities - Gross	41,344,100	0.7%	2.7	47	-8.3	53	-7.6	86	8.4	48			-10.4	Apr-08
DJ UBS Commodities			0.3	68	-11.0	92	-13.3	97	6.4	62			-9.9	
<b>Commodities Composite</b>	<b>106,390,388</b>	<b>1.8%</b>	<b>3.0</b>	<b>43</b>	<b>-8.7</b>	<b>57</b>	<b>-6.0</b>	<b>63</b>	<b>10.3</b>	<b>29</b>			<b>-5.1</b>	<b>Apr-08</b>
DJ UBS Commodities			0.3	68	-11.0	92	-13.3	97	6.4	62			-9.9	
Commodities Funds Median			2.5		-8.1		-4.9		7.7					
<b>Opportunistic</b>														
Met West TALF - Gross	12,208,732	0.2%	-1.7		-3.2		-0.3						8.8	Jun-09
Met West TALF - Net			-1.7		-3.2		-0.3						-	
Barclays Aggregate			1.1		5.0		7.8						7.4	
PIMCO Distressed Mortgage - Gross	40,616,458	0.7%	-5.5		-10.8		-3.8		29.1				7.5	Oct-07
PIMCO Distressed Mortgage - Net			-5.9		-11.5		-5.1		27.5				6.2	
Barclays Aggregate			1.1		5.0		7.8		6.8				6.6	
SSgA Real Asset - Gross	34,717,138	0.6%	10.6		-2.5		3.7		15.0				-2.2	Mar-08
SSgA Real Asset - Net			10.6		-2.6		3.6		14.8				-2.3	
Blended Benchmark <sup>1</sup>			10.7		-2.8		3.3		14.8				-0.5	
Stone Tower - Gross <sup>2</sup>	22,019,761	0.4%	-2.5		-0.7		11.6						24.5	Apr-09
Stone Tower - Net			-2.5		-0.7		11.6						-	
Barclays Aggregate 1 Quarter Lag			3.8		6.2		5.3						7.0	
<b>Opportunistic Composite <sup>3</sup></b>	<b>109,562,089</b>	<b>1.9%</b>	<b>-0.2</b>		<b>-5.2</b>		<b>2.5</b>		<b>17.2</b>				<b>1.3</b>	<b>Oct-07</b>
Barclays Aggregate			1.1		5.0		7.8		6.8				6.6	
<b>CASH</b>														
Cash	278,172,525	4.7%	0.0	40	0.1	32	0.3	24	0.3	45	1.6	65	4.0	Jun-92
91 Day T-Bill			0.0	80	0.0	54	0.1	46	0.1	74	1.5	77	3.4	
Treasury Cash	6,250,699	0.1%	0.1		0.2		0.5							
91 Day T-Bill			0.0		0.0		0.1							
<b>Cash Composite</b>	<b>284,423,224</b>	<b>4.9%</b>	<b>-0.4</b>	<b>99</b>	<b>-0.4</b>	<b>98</b>	<b>-0.1</b>	<b>98</b>	<b>0.2</b>	<b>72</b>	<b>1.1</b>	<b>94</b>	<b>3.9</b>	<b>Jun-92</b>
91 Day T-Bill			0.0	80	0.0	54	0.1	46	0.1	74	1.5	77	3.4	

<sup>1</sup> See Appendix for Benchmark History.

<sup>2</sup> Returns are one-quarter lag.

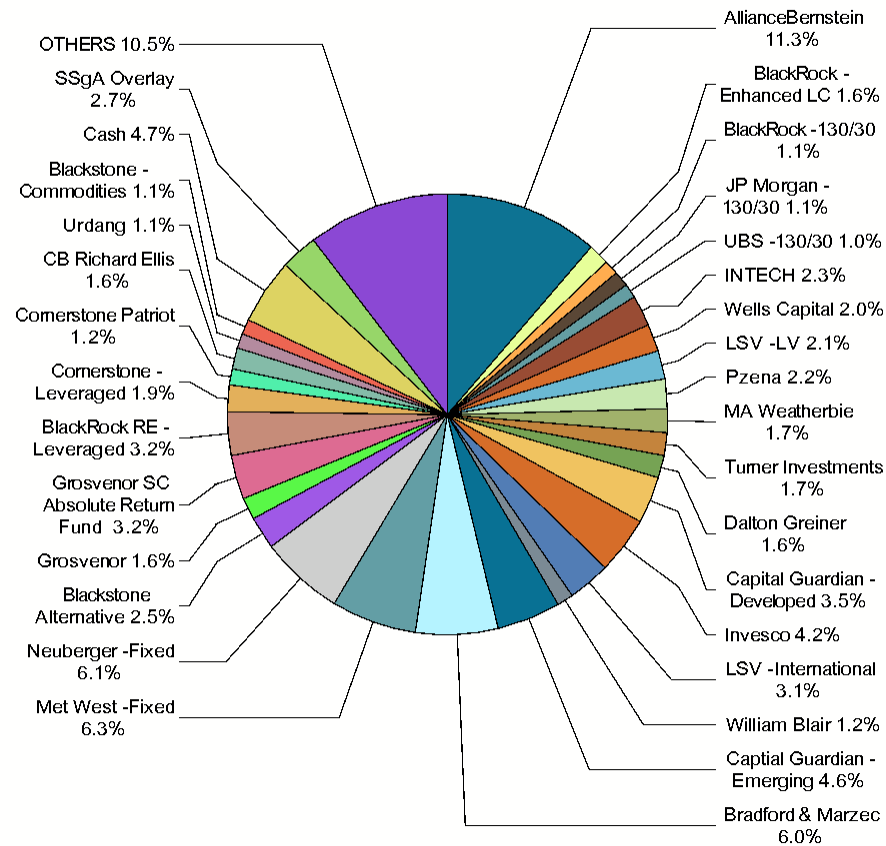
<sup>3</sup> PIMCO TALF liquidated on 6/7/11

<sup>4</sup> Waterland Private Equity Fund V funded on 8/12/11.

# SCERS

As of December 31, 2011

## Manager Allocation Analysis - Total Plan



FUND	Ending Market Value	Current %
AllianceBernstein	661,448,933	11.3
BlackRock -Enhanced LC	92,644,533	1.6
BlackRock -130/30	62,297,427	1.1
JP Morgan -130/30	64,260,976	1.1
UBS -130/30	60,167,261	1.0
INTECH	133,305,593	2.3
Wells Capital	116,716,531	2.0
LSV -LV	123,308,335	2.1
Pzena	126,705,560	2.2
MA Weatherbie	101,038,740	1.7
Turner Investments	102,040,571	1.7
Dalton Greiner	94,567,008	1.6
TS & W	47,616,364	0.8
WEDGE Capital	56,569,014	1.0
Capital Guardian -Developed	202,293,923	3.5
Invesco	245,050,869	4.2
LSV -International	183,328,562	3.1
Mondrian	57,953,687	1.0
William Blair	72,506,251	1.2
Capital Guardian -Emerging	271,823,096	4.6
Bradford & Marzec	353,901,932	6.0

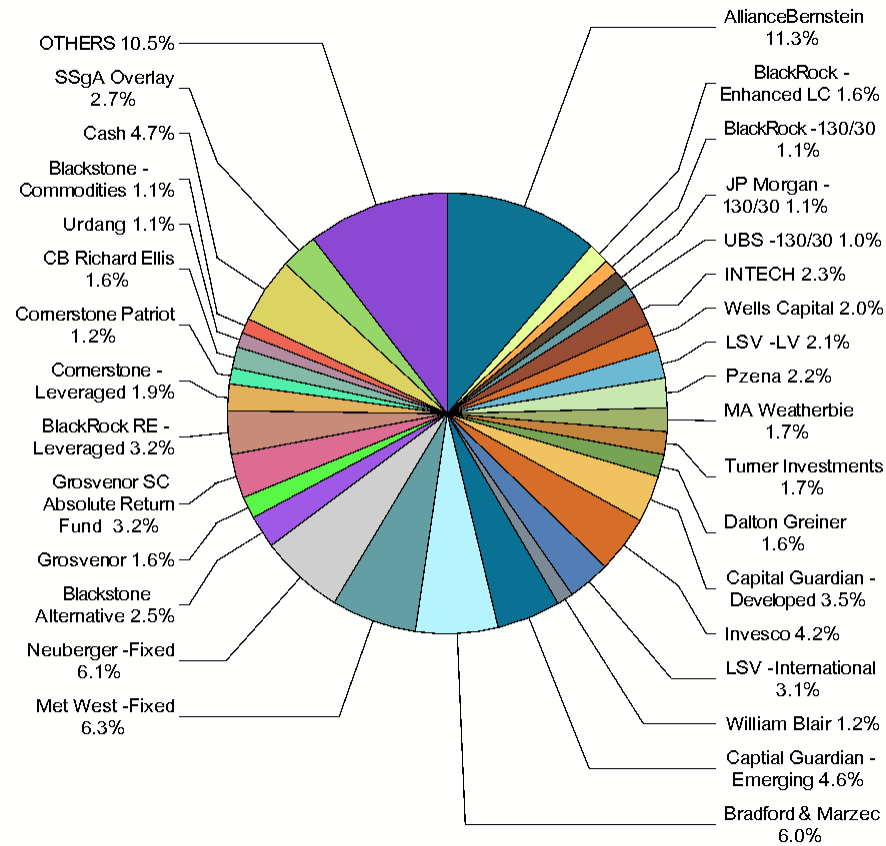
OTHERS category includes managers with less than 1% of Total Ending Market Value.



# SCERS

As of December 31, 2011

## Manager Allocation Analysis - Total Plan



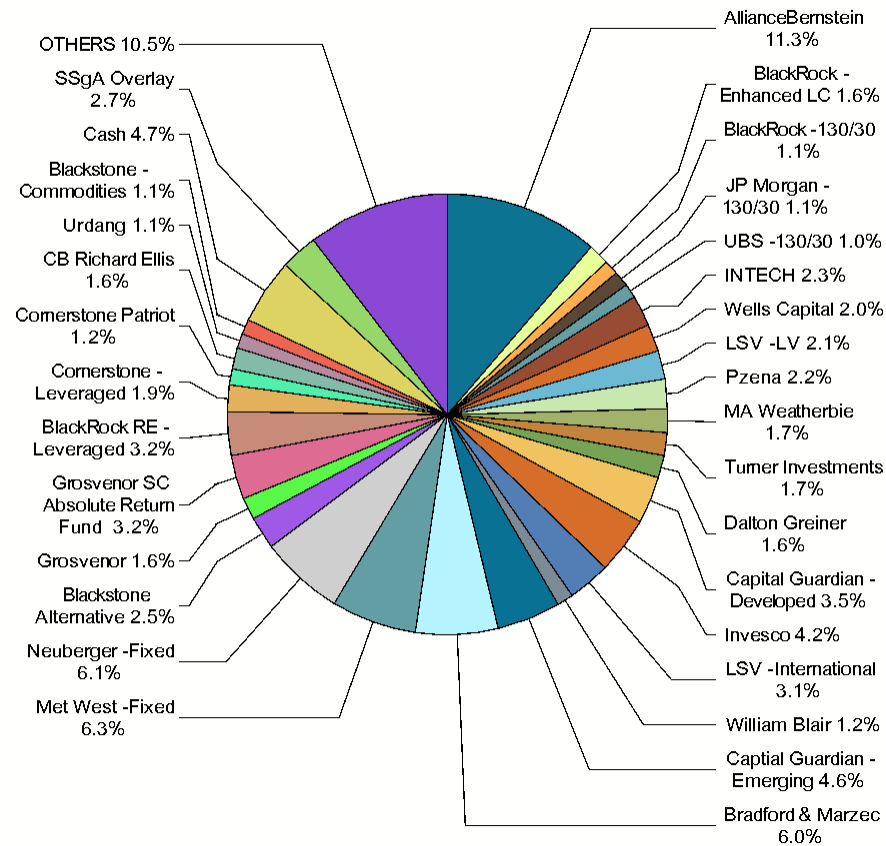
FUND	Ending Market Value	Current %
Met West -Fixed	367,169,424	6.3
Neuberger -Fixed	358,130,948	6.1
Blackstone Alternative	145,010,351	2.5
Grosvenor	93,186,702	1.6
Grosvenor SC Absolute Return Fund	189,295,508	3.2
BlackRock RE -Leveraged	189,261,139	3.2
BlackRock RE II -Leveraged	58,295,944	1.0
Cornerstone -Leveraged	111,944,722	1.9
AEW Capital II	10,886,167	0.2
Hines US Office II	7,002,253	0.1
UBS -RE	19,974,541	0.3
BlackRock Granite Property	46,084,683	0.8
Cornerstone Patriot	70,293,167	1.2
CB Richard Ellis	91,243,652	1.6
Principal Global	58,059,551	1.0
Urdang	63,841,373	1.1
Abbott PE VI	13,290,319	0.2
Goldman Sachs PE X	34,825,495	0.6
HarborVest VIII	33,308,496	0.6
HarborVest Intl VI	4,894,218	0.1
Khosla Ventures IV, LP	920,443	0.0

OTHERS category includes managers with less than 1% of Total Ending Market Value.

# SCERS

As of December 31, 2011

## Manager Allocation Analysis - Total Plan



FUND	Ending Market Value	Current %
Summit Partners Credit Fund	4,235,452	0.1
Waterland Private Equity V	317,233	0.0
Met West -TALF	12,208,732	0.2
PIMCO Distressed Mortgage	40,616,458	0.7
SSgA Real Asset	34,717,138	0.6
Stone Tower	22,019,761	0.4
Blackstone -Commodities	65,046,288	1.1
Neuberger -Commodities	41,344,100	0.7
Cash	278,172,525	4.7
Treasury Cash	6,250,699	0.1
SSgA Overlay	160,943,544	2.7
Bank of Ireland	1,762	0.0
Intl SC Transition Account	5,370	0.0
Heitman Adv JMB V	7,834	0.0
<b>TOTAL</b>	<b>5,862,351,157</b>	<b>100.0</b>

OTHERS category includes managers with less than 1% of Total Ending Market Value.

# SCERS

Public Funds (DB) > \$1 Billion

As of December 31, 2011

## Risk Statistics

	Return				Standard Deviation				Sharpe Ratio				Information Ratio		Tracking Error					
	3 Year		5 Year		3 Year		5 Year		3 Year		5 Year		3 Year	5 Year	3 Year	5 Year				
<b>SCERS Total Plan</b>	<b>10.4</b>	<b>67</b>	<b>1.1</b>	<b>78</b>	<b>14.5</b>	<b>73</b>	<b>15.0</b>	<b>74</b>	<b>0.7</b>	<b>81</b>	<b>0.0</b>	<b>78</b>	<b>-0.3</b>	<b>70</b>	<b>-0.5</b>	<b>92</b>	<b>2.6</b>	<b>41</b>	<b>2.2</b>	<b>49</b>
<b>SCERS -ex Overlay</b>	9.2	80	0.6	86	13.7	59	14.2	53	0.7	85	-0.1	83	-0.5	84	-0.5	94	3.5	32	2.9	39
<i>Policy Index</i> <sup>1</sup>	11.1	47	2.1	41	14.3	70	14.5	65	0.8	68	0.0	45								
Median	11.0		1.9		13.4		13.9		0.8		0.0		0.3		-0.1		2.3		2.1	

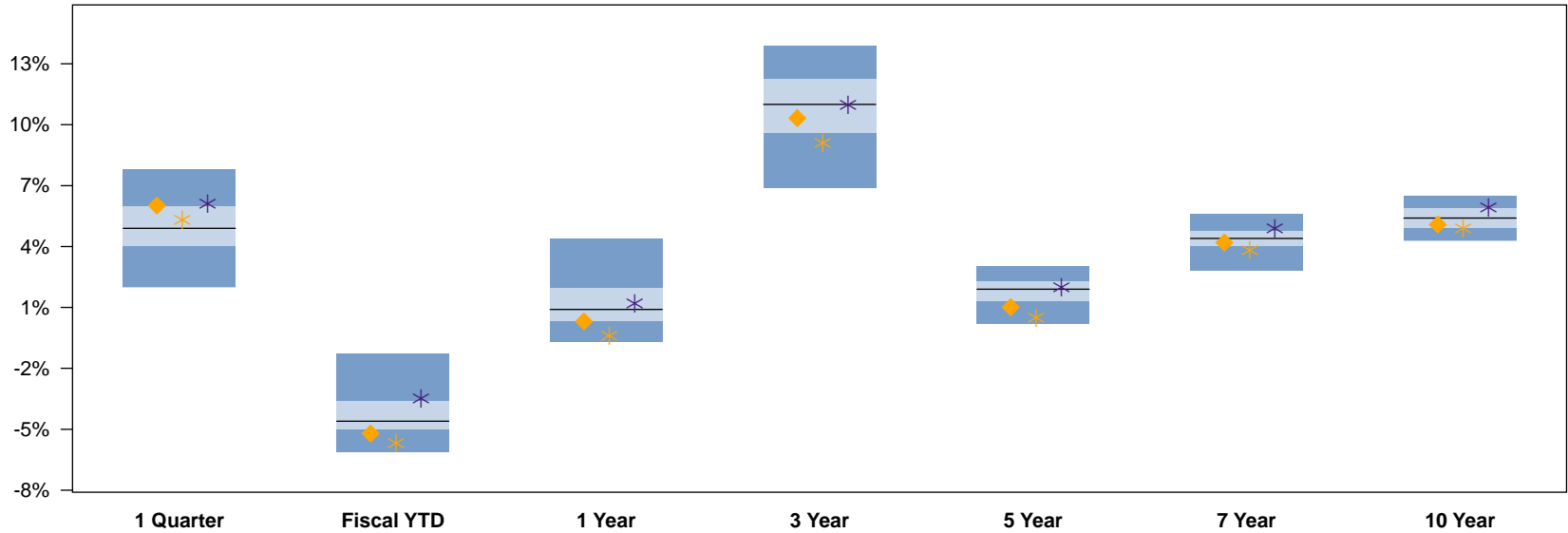
<sup>1</sup> See Appendix for Benchmark History.

# SCERS

Public Funds (DB) > \$1 Billion

Periods Ending December 31, 2011

## Total Returns



	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		7 Year		10 Year	
◆ SCERS Total Plan	6.1	24	-5.1	84	0.4	72	10.4	67	1.1	78	4.3	61	5.2	61
* SCERS -ex Overlay	5.4	37	-5.6	94	-0.3	92	9.2	80	0.6	86	3.9	82	5.0	72
* POLICY INDEX	6.2	18	-3.4	21	1.3	42	11.1	47	2.1	41	5.0	18	6.0	23
Median	4.9		-4.6		0.9		11.0		1.9		4.4		5.4	

# SCERS

Public Funds (DB) > \$1 Billion

Calendar Year Periods

## Total Returns



- ◆ SCERS Total Plan
- \* SCERS -ex Overlay
- \* POLICY INDEX
- Median

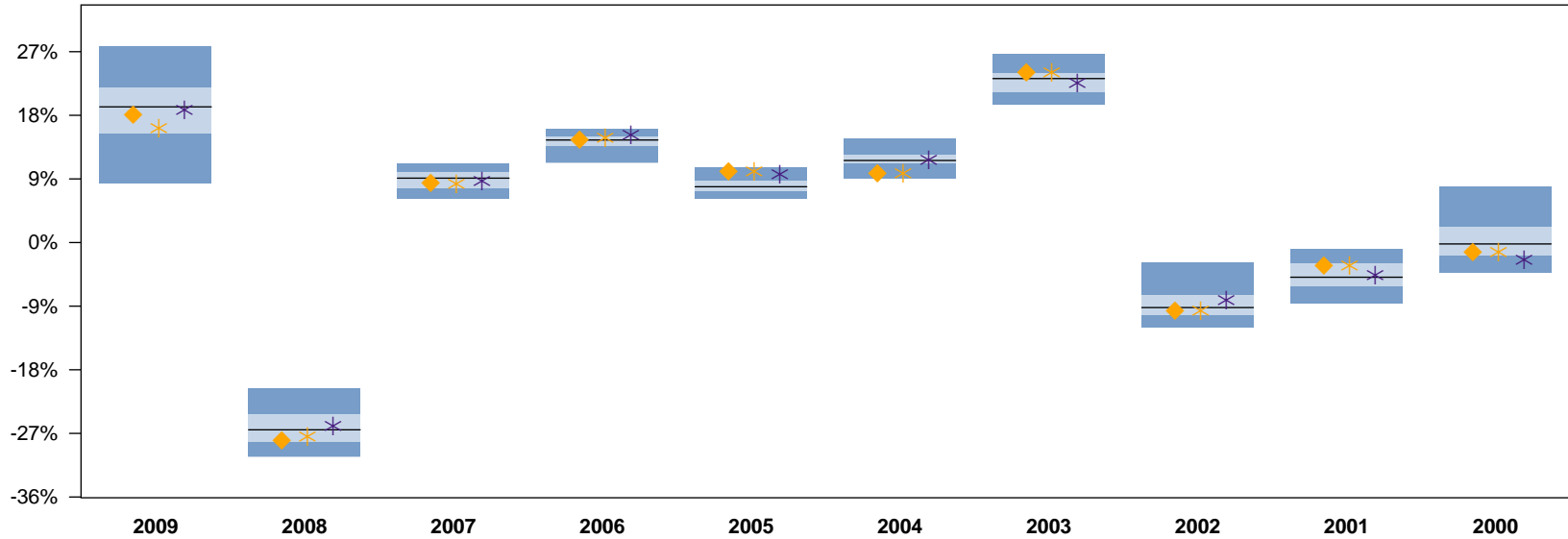
2011  
0.4 72  
-0.3 92  
1.3 42  
0.9

2010  
13.2 52  
12.2 82  
13.6 41  
13.4

# SCERS

Public Funds (DB) > \$1 Billion  
 Calendar Year Periods

## Total Returns



	2009		2008		2007		2006		2005		2004		2003		2002		2001		2000	
◆ SCERS Total Plan	18.3	59	-27.7	69	8.7	57	14.9	36	10.3	8	10.1	90	24.4	24	-9.3	54	-2.9	26	-1.0	66
* SCERS -ex Overlay	16.4	71	-27.2	63	8.6	59	15.1	26	10.3	8	10.1	90	24.4	24	-9.3	54	-2.9	26	-1.0	66
* POLICY INDEX	19.1	51	-25.7	37	9.0	51	15.5	18	9.9	12	12.0	36	22.9	53	-7.9	37	-4.3	44	-2.1	76
Median	19.2		-26.5		9.1		14.5		7.9		11.6		23.2		-9.2		-4.9		-0.2	

**Benchmark History**

**Total Plan Policy Benchmark**

	As of:				
	1/1/2008	2/1/2006	9/1/2004	1/1/2000	7/1/1986
Russell 3000	30.0%				47.0%
Russell 1000		30.0%	30.0%	35.0%	
Russell 2000		5.0%	5.0%	5.0%	
MSCI AC World ex-US	20.0%				
MSCI EAFE		15.0%	15.0%	15.0%	15.0%
MSCI Emg Mkt		5.0%	5.0%	5.0%	
Barclays Aggregate	20.0%	25.0%	25.0%	30.0%	
Citigroup BIG					23.0%
NCREIF Property	12.0%	12.0%	15.0%	10.0%	15.0%
NAREIT Property	3.0%	3.0%			
91 Day T Bill + 5%	5.0%	5.0%	5.0%		
Dow Jones UBS Commodity	5.0%				
S&P 500 + 2%	5.0%				
	100%	100%	100%	100%	100%

**US Equity Benchmark**

	As of:			
	1/1/2008	9/1/2004	1/1/2000	7/1/1986
Russell 1000		85.70%	87.50%	
Russell 2000		14.30%	22.50%	
Russell 3000	100.00%			100.00%
	100%	100%	110%	100%

**International Equity Benchmark**

	As of:		
	1/1/2008	1/1/2000	7/1/1986
MSCI AC World ex-US	100.00%		
MSCI EAFE		75.00%	100.00%
MSCI Emg Mkt		25.00%	
	100.0%	100.0%	100.0%

**US Fixed Income Benchmark**

	As of:	
	1/1/2000	7/1/1986
Citigroup BIG		100.00%
Barclays Aggregate	100.00%	
	100.0%	100.0%

**AllianceBernstein Benchmark**

	As of:		
	1/1/2001	1/1/1998	5/1/1989
Russell 1000	100%		
Russell 3000		100%	
Wilshire 2500			100%
	100.0%	100.0%	100.0%

**Bradford & Marzec Benchmark**

	As of:	
	10/1/1998	7/1/1988
Barclays Aggregate	100%	
Citigroup BIG		100%
	100.0%	100.0%

**SSgA Real Asset Benchmark**

	As of:
	2/1/2008
MSCI World Natural Resources Index	25%
Wilshire REIT	30%
BC Global Inflation Linked: US Tips	20%
Goldman Sachs Commodities Index	25%
	100.0%