

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
COMPLIANCE EVALUATION REPORT
3rd QUARTER 2006**

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999 Third Avenue, Suite 3650
Seattle, Washington 98104
206.622.3700

2321 Rosecrans Avenue, Suite 2250
El Segundo, California 90245
310.297.1777

Executive Summary

3rd Quarter 2006

This report covers Wurts & Associates' evaluation of the investments within the portfolios relative to the Fresno County Employees' Retirement Association's (Association) Investment Policy and Guidelines (Guidelines). It contains a compliance worksheet summary of the investments evaluated, the private and public managers' representations regarding compliance, and a detailed compliance worksheet specifying the scope of each evaluation.

The Association's portfolio is comprised of both commingled vehicles and separate accounts. All of the separate account managers employed by the Association have specific language within the Guidelines for Wurts & Associates to evaluate. Please refer to Exhibit A which is a table summarizing the managers employed by the Association, the type of investment vehicle used by each, the general asset class of the investment, and whether or not the Guidelines contain specific language.

Investments made by managers using a commingled vehicle are typically governed by a partnership agreement or prospectus. The reason for this is that since commingled investment vehicles are designed to accommodate many different investors, only one common document may govern the investment strategy.

Public Market Managers

All managers employed by the Association that manage publicly traded securities have specific language in the Guidelines. Wurts & Associates has evaluated each manager's compliance relative to these guidelines and they are contained in this report. Grantham, Mayo, Van Otterloo & Company (GMO), Mondrian Investment Partners Limited, and State Street Global Advisors are employed through the usage of a commingled fund. The investment policies of these managers shall be governed by their prospectuses.

Private Market Managers

Private Market Investment Managers are given full discretion within the scope of their assigned segment, governed by their Limited Partnership Agreements. All private equity managers employed by the Association are made through commingled vehicles and none of them has specific language in the Guidelines to evaluate. All have warranted that they have complied with the appropriate governing authority over their investment strategy. Wurts & Associates is unable to verify this compliance.

Real Estate Managers

The Real Estate Investment Managers employed are given full discretion within the scope of the relevant language that governs the investment strategy. None of them has specific language in the Guidelines to evaluate. All have warranted that they have complied with the appropriate governing authority over their investment strategy. Wurts & Associates is unable to verify this compliance.

Summary of Findings

Of the managers employed by the Association that have specific guidelines, Wurts & Associates has determined the following:

Manager	In Compliance	Out of Compliance
Aronson + Johnson + Ortiz	✓	
Artisan Partners Limited Partnership	✓	
Brandywine Asset Management	✓	
Kalmar Investments Inc.	✓	
Wellington Capital Management	✓	
Enhanced Investment Technologies (INTECH)	✓	
TCW Asset Management Company	✓	
State Street Global Advisors	✓	
Mondrian Investment Partners Limited	✓	
Oechsle International	✓	
Franklin Templeton (International)	✓	
BlackRock, Inc.	✓	
Weiss, Peck & Greer	✓	
Bradford & Marzec	✓	
Loomis Sayles	✓	
Grantham, Mayo & van Otterloo	✓	

We are pleased to report this quarter that there were no material breaches of any consequence by any of the managers we audit.



Jeffrey MacLean
President & Chief Operating Officer

Disclaimer

Wurts & Associates, Inc. has exercised all reasonable professional care in the evaluation of the each investment manager's compliance to the Investment Policy and Guidelines of the Fresno County Employees' Retirement Association as of December 31, 2003. This report is provided to the Board of Trustees in conjunction with our responsibilities under the investment consulting agreement. Our professionals necessarily relied on data provided by third parties (e.g., Bloomberg, Advent, custodian banks) to perform our evaluation. Wurts & Associates makes no claims as to the accuracy of the data used in this evaluation and shall not be held liable for damages caused by errors or omissions in content, except to the extent arising from our sole gross negligence.

Exhibit A

Investment Manager	Investment Vehicle	General Asset Class	Enforcable Guidelines
Aronson + Johnston + Ortiz	Separate Account	Public Market (Equity)	Yes
Artisan Partners Limited Partnership	Separate Account	Public Market (Equity)	Yes
Brandywine Asset Management	Separate Account	Public Market (Equity)	Yes
Kalmar Investments Inc.	Separate Account	Public Market (Equity)	Yes
Wellington Capital Management	Separate Account	Public Market (Equity)	Yes
Enhanced Investment Technologies (INTECH)	Separate Account	Public Market (Equity)	Yes
TCW Asset Management Company	Separate Account	Public Market (Equity)	Yes
State Street Global Advisors	Commingled Fund	Public Market (Equity)	No
Mondrian Investment Partners Limited	Commingled Fund	Public Market (Equity)	No
Oechsle International	Separate Account	Public Market (Equity)	Yes
Franklin Templeton (International)	Separate Account	Public Market (Equity)	Yes
BlackRock, Inc.	Separate Account	Public Market (Fixed Income)	Yes
Weiss, Peck & Greer	Separate Account	Public Market (Fixed Income)	Yes
Bradford & Marzec	Separate Account	Public Market (Fixed Income)	Yes
Loomis Sayles	Separate Account	Public Market (Fixed Income)	Yes
Grantham, Mayo, Van Otterloo & Co	Commingled Fund	Public Market (Fixed Income)	No
Heitman / JMB Real Estate III, IV & V	Commingled Fund	Real Estate	No
Heitman / JMB Group Trust V	Commingled Fund	Real Estate	No
Sentinel Real Estate Corp.	Commingled Fund	Real Estate	No
TA Associates II, IV, & V	Commingled Fund	Real Estate	No
BCI Fund V	Commingled Fund	Private Market	No
The Blackstone Group (Private Equity)	Commingled Fund	Private Market	No
Blackstone Alternative Asset Management (Hedge Fund of Funds)	Commingled Fund	Private Market	No
DT Capital Partners	Commingled Fund	Private Market	No
Landmark	Commingled Fund	Private Market	No
Lonestar	Commingled Fund	Private Market	No
New Mountain	Commingled Fund	Private Market	No
TCW Fund III & IV	Commingled Fund	Private Market	No
Warburg Fund & Warburg Fund VIII	Commingled Fund	Private Market	No
JER Fund I & II	Commingled Fund	Real Estate	No

Client: **Fresno County Employees Retirement Association**

Analysis Date: **September 30, 2006**

Asset Class: Domestic Equity

Manager	Style	Market Cap Weighting	Diversification: at Market	Commercial Paper Rating	Weighted Avg Market Cap	Allowable Securities
Aronson + Johnson + Ortiz	M/LV					
Artisan Partners Ltd.	SG					
Brandywine Asset Mgmt.	SV					
Kalmar Investments Inc.	SG					
Wellington Management Co.	LV					
TCW Asset Management Company	LG					
Enhanced Investment Technologies (INTECH)	LG					
State Street Global Advisors	LG(p)					

Asset Class: International Equity

Manager		Market Cap Weighting	Diversification: at Market	Commercial Paper Rating	Weighted Avg Market Cap	Allowable Securities
Oechsle International	INT					
Franklin Templeton Cos.	INT					
Mondrian Investment Partners Limited	INT					

Asset Class: Domestic Fixed Income

Manager		Bond Quality	Diversification: at Market	Duration	Commercial Paper Rating	Derivatives Restricted	Prohibited Securities
BlackRock, Inc.	CP						
Bradford & Marzec, Inc.	CP						
Loomis, Sayles & Co.	CP						
Western Asset Management Company	CP						
Grantham, Mayo, Van Otterloo & Co.	GB						

Legend

	No Violation - In Compliance with Policy Guidelines
	Potential Violation - Currently Being Researched
	Confirmed Violation - Out of Compliance with Policy Guidelines
	Not Applicable

October 26, 2006

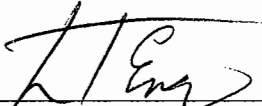
Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:


The S&P 500 Flagship Fund, in which the Fresno County Employees' Retirement Association is invested, is in compliance with the fund guidelines and restrictions outlined in its Fund Declaration as of September 30, 2006.

Should you have any questions or require additional information, please feel free to contact Tan Eng directly at (617) 664-8105, or Neil Tremblay of Client Services at (415) 836-9854.

Sincerely,



Tan T. Eng
Principal and Compliance Officer
Compliance and Risk Management



Elizabeth A. Shea
Principal and Senior Compliance Officer
Compliance and Risk Management

cc: Neil Tremblay, SSgA
Roberto Pena, FCERA

ARONSON + JOHNSON + ORTIZ

230 SOUTH BROAD STREET
TWENTIETH FLOOR
PHILADELPHIA, PA 19102

215/546-7500
215/546-7506 FAX
ajopartners.com

October 5, 2006



Mr. Tony Ferrara
Wurts & Associates Inc.
2321 Rosecrans Avenue
Suite 2250
El Segundo, California 90245

Re: FRESNO COMPLIANCE

Dear Tony:

We're pleased to certify:

The portfolio managed for the Fresno County Employees' Retirement Association remained in compliance with all investment guidelines from July 1, 2006, to September 30, 2006.

We welcome your questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Dietrick', with a long horizontal flourish extending to the right.

Joseph F. Dietrick
dietrick@ajopartners.com

eja (FX)

cc: Roberto L. Peña



Grantham, Mayo, Van Otterloo & Co. LLC
40 Rowes Wharf • Boston, MA 02110
T: (617) 330-7500 • F: (617) 261-0134 • www.gmo.com

October 20, 2006

Mr. Scott Garrett
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, California 90245

Re: **Compliance Certification for the Fresno County Employees Retirement Association's (the "Fund's") Investment in GMO Global Bond Fund, a Series of GMO Trust**

Dear Mr. Garrett:

On behalf of Grantham, Mayo, Van Otterloo & Co. LLC ("GMO"), I hereby certify that during the review period of July 1, 2006 through September 30, 2006 the GMO Global Bond Fund was in compliance with the investment restrictions set forth in the GMO Trust Prospectus dated June 30, 2006 and the Statement of Additional Information.

Please do not hesitate to contact me at 617-790-5049 if you have any questions.

Sincerely,

Mark A. Mitchelson
Compliance Specialist

cc: Roberto Pena, FCERA

TRUST COMPANY OF THE WEST

865 SOUTH FIGUEROA STREET, LOS ANGELES, CALIFORNIA 90017

TEL: 213 244 0138 FAX: 213 244 0741 E-MAIL: delia.roges@tcw.com

DELIA M. ROGES
SENIOR VICE PRESIDENT



October 30, 2006

Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans Avenue, Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:

To the best of our knowledge, based upon TCW's routine Compliance Department monitoring procedures and the representations made to me by the portfolio manager of the Fresno County Employees' Retirement Association ("FCERA") Concentrated Core Equity account, the account has been in material compliance with the account guidelines for the calendar quarter ended September 30, 2006 (except for any matters that FCERA has noted to us and any matters that we have otherwise reported to FCERA).

If you have any questions, please do not hesitate to contact me at (213) 244-0138.

Sincerely,
A handwritten signature in black ink, appearing to read "Delia M. Roges", written over the word "Sincerely,".

DMR/bvf

cc: Mr. Roberto Pena, Fresno County Employees' Retirement Association
Mr. Paul Douglas, Trust Company of the West



Bradford & Marzec

GLOBAL FIXED INCOME MANAGEMENT

October 18, 2006

Mr. Joel Wetrosky
Senior Analyst
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

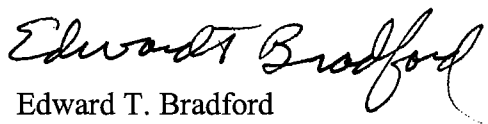
Re: Fresno County Employees

Dear Mr. Wetrosky:

In reply to your request for a written certification, please be advised that the investment portfolio managed for the above account was in compliance with all investment guidelines during the third quarter 2006.

If you have any questions or require additional information, please contact me at your convenience.

Sincerely,


Edward T. Bradford

cc: Roberto Pena, FCERA



**Fresno County Employees Retirement Association
Investment Guidelines Certification Statement**

Certification of Investment Manager

To the best of our knowledge, the undersigned investment manager certifies that its investment decisions have stayed within the restrictions outlined in accordance with the provisions of the Board's Investments Policy Statement and Investment Guidelines agreed upon on May 27, 2004.

Signature: Nancy M Romito

By: Nancy Romito

Title: Client Services Director

Firm: Kalmar Investments Inc.

Date: October 24, 2006

Reporting Period: Third Quarter 2006



October 10, 2006

Mr. John Lee
Consultant
Wurts & Associates, Inc.
2321 Rosecrans Avenue, Suite 2250
El Segundo, California 90245

Re: Fresno CERA

Dear Mr. Lee:

This letter is to certify that to the best of our knowledge, the investment portfolio managed on behalf of the Fresno County Employees' Retirement Association was in compliance with stated investment objectives, policies and guidelines during the third quarter of 2006.

Please contact me at (626) 844-9946 should you have any questions.

Sincerely,

Christine K. Sol
Compliance Officer

October 11, 2006

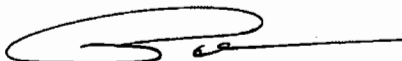
Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans
Suite 2250
El Segundo, CA 90245
USA
(via e-mail: aferrara@wurts.com)

RE: Fresno County Employees' Retirement Association (I0240LG.240)

Dear Mr. Ferrara:

The purpose of this correspondence is to certify that INTECH is in compliance with the guidelines as stated in the Investment Manager specific guidelines dated June 17, 2004 for the period July 1, 2006 through September 30, 2006.

Sincerely,



Patricia Flynn
Chief Compliance Officer

cc: Robert Pena, Retirement Administrator (via e-mail: rpena@co.fresno.ca.us)

Fresno County Employees Retirement Association
Certification of Compliance Statement
Third Quarter, 2006

This statement is to verify that to the best of our knowledge and based upon Wellington Management's systems, all transactions and positions Fresno County Employees Retirement Association's Research Value portfolio for the period July 1, 2006 - September 30, 2006, have been reviewed and are in compliance with the investment management agreement and Wellington Management's internal policies.



Sue Bonfeld
Vice President
Wellington Management

9/30/2006
Date

COMPLIANCE WITH INVESTMENT GUIDELINES

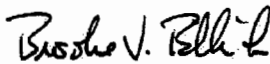
Investment Manager Name: Artisan Partners Limited Partnership

Account Name: Fresno County Employees Retirement Association

Quarter Ending: September 30, 2006

We were in compliance with the Investment Guidelines for the Fresno County Employees Retirement Association portfolio during the quarter specified above.

We were not in compliance with all the Investment Guidelines during the quarter specified above. Attached are a summary of any guideline deviations and a brief explanation of the deviation.

By: 
Name: Brooke J. Billick
Title: Chief Compliance Officer and Associate Counsel
Date: October 23, 2006



Oechsle International Advisors, LLC

Tony Ferrara
Wurts & Associates
999 Third Avenue
Seattle WA, 98104

October 3, 2006

Re: Compliance with Investment Guidelines for Fresno County

This statement is to confirm that the assets invested by Oechsle International Advisors, LLC ("Oechsle") were managed in accordance with the Account's Investment Guidelines for the second quarter July 1, 2006 through September 30, 2006.

Oechsle agrees and acknowledges that the Account will continue to be managed according to the Investment Guidelines. If you have any questions, please do not hesitate to contact me at 617-330-8825.

Regards,


Elizabeth Brooks
Associate Compliance Officer

BLACKROCK

October 12, 2006

COMPLIANCE CERTIFICATION

BlackRock Financial Management performs compliance checks daily on the Fresno County Employees' Retirement Association (FCERA) and, if necessary, BlackRock rebalances the account to ensure compliance with relevant investment objectives, policies and guidelines. As a result, for the quarter ending September 30, 2006, the FCERA portfolio was in compliance with its stated investment objectives, policies and guidelines in all material respects as previously communicated to us.



James Kong
Managing Director

Certifications

JER Real Estate Advisors, Inc., the sole General Partner of JER Real Estate Advisors, L.P., the sole General Partner of the Partnerships, hereby certifies as follows:

- (a) no event has occurred which has caused the obligation of the Limited Partners to make Capital Contributions to be suspended;
- (b) no material breach by the General Partner of any covenant, representation or warranty of the Partnership Agreement has occurred or is continuing.

By: JER Real Estate Advisors, L.P.,
As General Partner

By: JER Real Estate Advisors, Inc.,
Its General Partner

By: 

Name: J. Michael McGillis
Title: Chief Financial Officer – Investments

Certifications

JER Real Estate Advisors II, Inc., the sole General Partner of JER Real Estate Advisors II, L.P., the sole General Partner of the Partnerships, hereby certifies as follows:

- (a) no event has occurred which has caused the obligation of the Limited Partners to make Capital Contributions to be suspended;
- (b) no material breach by the General Partner of any covenant, representation or warranty of the Partnership Agreements has occurred or is continuing.

By: JER Real Estate Advisors II, L.P.,
As General Partner

By: JER Real Estate Advisors II, Inc.,
Its General Partner

By:  _____

Name: J. Michael McGillis
Title: Chief Financial Officer – Investments

★

LONE STAR FUND IV (U.S.), L.P.

November 27, 2006

Mr. Tony Ferrara
Wurts & Associates
2321 Rosecrans Ave., Suite 2250
El Segundo, CA 90245

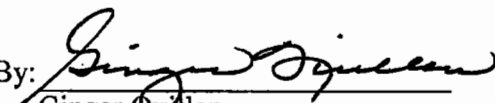
Re: *Statement of Compliance for the quarter ended September 30, 2006 – Lone Star Fund IV (U.S.), L.P.*

Dear Mr. Ferrara:

Please note that Lone Star Partners IV, L.P., the general partner of Lone Star Fund IV (U.S.), L.P. was in compliance with the provisions of the Amended and Restated Limited Partnership Agreement of Lone Star Fund IV (U.S.), L.P. (the "Partnership Agreement") for the quarter ended September 30, 2006.

If you have any questions regarding the above, please contact Lou Paletta at 214-754-8336 (email: lpaletta@lonestarfunds.com) or me at 214-754-8312 (e-mail: gquillen@lonestarfunds.com).

LONE STAR FUND IV (U.S.), L.P.,

By: 
Ginger Quillen
Vice President of
Lone Star Management Co. IV, Ltd.,
general partner of Lone Star Partners IV, L.P.,
general partner of Lone Star Fund IV (U.S.), L.P.

cc: Roberto Peña

The Blackstone Group

Robert M. Barrack
Managing Director &
Chief Financial Officer
Private Equity

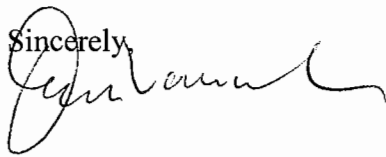
November 22, 2006

Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans Avenue
Suite 2250
El Segundo, CA 90245

Dear Anthony:

In response to your request on behalf of the Board of Trustees of the Fresno County Employees Retirement Association, please accept this letter as confirmation by Blackstone Management Associates III L.L.C., the General Partner of Blackstone Capital Partners III Merchant Banking Fund L.P. ("BCP III"), that, to the best of its knowledge, BCP III was not in material breach of the terms of its Partnership Agreement for the third quarter of 2006.

Sincerely,



cc: Roberto Peña, FCERA

345 Park Avenue
New York, NY 10154
212 583-5587

Blackstone Financial ServicesSM



LANDMARK PARTNERS

November 27, 2006

Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans
Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:

This letter is to formally notify the Board of Trustees of the Fresno County Employees Retirement Association that for the period beginning July 1, 2006 and ending September 30, 2006, the management of their portfolio investment in Landmark Equity Partners X, LP is in compliance with the guidelines as indicated in the Amended and Restated Partnership Agreement dated June 23, 2000.

Sincerely,

Landmark Equity Advisors LLC

Timothy L. Haviland
Member

cc: Mr. Roberto Peña, FCERA



BCI Partners, Inc.
411 Hackensack Avenue
Hackensack, NJ 07601

Telephone 201.342.5001
Facsimile 201.342.5002

November 27, 2006

Mr. Tony Ferrara
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Dear Tony:

We certify that we are in compliance with the investment guidelines as stated in the BCI Growth V, L.P. Limited Partnership Agreement dated December 18, 1998, for the period July 1, 2006 and ending September 30, 2006.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Barton Goodwin", with a long horizontal line extending to the right.

J. Barton Goodwin
General Partner

cc: Roberto Pena

November 27, 2006

Mr. Tony Ferrara
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:

Please accept this letter as a confirmation that Brandywine Global Investment Management LLC is in compliance with the attached guidelines and mandates for Fresno County Employees' Retirement Association with an effective date as of August 2003 from the period beginning 7/1/2006 and ending 9/30/2006.

Sincerely,



Steve Tonkovich
Managing Director/Portfolio Manager

Enclosure

cc: Roberto Pena, FCERA

Fresno County Employees' Retirement Association Diversified Small Cap Value Equity Objectives and Guidelines

OBJECTIVE:

- The total equity segment of the portfolio is to exceed the Russell 2000 Value Index as well as the median equity return in a representative small cap style performance universe.

BENCHMARK:

- Russell 2000 Value

GUIDELINES:

- Investments will be limited to U.S. Dollar denominated exchange-listed domestic small cap equities. The securities shall be comprised of common stocks, convertible and non-convertible preferred stocks, convertible debt securities, ADRs, GDRs, and foreign securities traded on US exchanges. No derivatives are to be included in the portfolio.
- The weighted average market capitalization for the portfolio should be in a range of +/- 30% of the weighted average market capitalization of the benchmark. The weighted average capitalization of the portfolio may fall outside this range provided that the manager notifies the client in the quarterly portfolio update.
- Purchases will be limited to those securities in our capitalization range with positive operating earnings and price-to-earnings ratios (using trailing operating earnings) in the bottom 25% of a universe of all domestic equity securities.
- Funds will be fully invested with a normal position of less than 5% cash and up to 10% transitional cash.
- No more than 5% of the portfolio at cost shall be invested in any one issue; No single equity position in the portfolio may comprise more than 5% of the company's total market capitalization. The securities should be well diversified to avoid undue exposure to any single economic sector, industry, or individual security.
- The portfolio will not engage in investment transactions involving stock options, short sales, purchase on margin, letter stocks, private placement securities, and commodities.
- Sell procedures will be initiated for securities with capitalizations that are 25% above the current NYSE median capitalization or with price-to-earnings ratios above the 40th percentile breakpoint, based on trailing operating earnings.
- Direction of as much as possible without compromising execution through LJR and BNY.

If there have been any changes in your financial situation or investment objectives, or if you wish to impose any reasonable restrictions or modify existing restrictions, please contact the investment team.



MONDRIANTM
INVESTMENT PARTNERS LIMITED

November 28, 2006

Wurts & Associates Inc.
2321 Rosecrans Avenue
Suite 2250
El Segundo, CA 90245

Attn: Anthony Ferrara

Dear Anthony,

On behalf of Mondrian Investment Partners Limited (Investment Manager for the Mondrian Investment Emerging Markets Equity Fund, L.P. ("Fund")), I certify the Fund is in compliance with its states investment objectives and strategies, as described in the Confidential Information Memorandum.

Sincerely,

Andrew Miller
Senior Portfolio Manager



Fifth Floor, 10 Gresham Street, London EC2V 7JD, UK
Telephone 020 7477 7000 • Fax 020 7776 8500 • www.mondrian.com

Registered office as above. Registered number 2533342 England. For your security and for training purposes, telephone conversations may be recorded.
Mondrian Investment Partners Limited is authorized and regulated by the Financial Services Authority in the conduct of investment business.
Mondrian Investment Partners is a trademark of Mondrian Investment Partners Limited.

WARBURG PINCUS

Warburg Pincus LLC
466 Lexington Avenue
New York, NY 10017-3147

212-878-0600 tel
212-878-9351 fax

www.warburgpincus.com

November 22, 2006

Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans Avenue
Suite 2250
El Segundo, CA 90245

Re: Warburg Pincus – Fresno County Employees Retirement Association

Dear Mr. Ferrara:

In response to your request in connection with the investment by Board of Trustees of the Fresno County Employees Retirement Association in Warburg Pincus Private Equity VIII, L.P. and Warburg Pincus Equity Partners, L.P., we confirm that each fund was in compliance in all material respects with the terms of its respective partnership agreement and governing documents from July 1, 2006 through September 30, 2006.

If you have any questions regarding the above matter, please do not hesitate to contact me.

Very truly yours,



Scott A. Arenare
Managing Director and General Counsel

SAA:js

cc: Mr. Roberto Peña
Fresno County Employees Retirement Association

New York
Menlo Park
London
Frankfurt
Hong Kong
Beijing
Shanghai
Tokyo
Mumbai



LOOMIS SAYLES & COMPANY, L.P.

**Fresno County Employees Retirement Association
Investment Holdings and Transaction Certification
September 30, 2006**

This is to certify that the investment portfolio managed on behalf of the Fresno County Employees Retirement Association September 30, 2006, was in compliance with the *Fresno County Employees Retirement Association Investment Policy* with the following exceptions:

NONE

Peter W. Palfrey
Loomis, Sayles & Company, L.P.

11/22/06
Date

Peter W. Palfrey
Vice President, Portfolio Manager

Domestic Equity 1

Domestic Equity Accounts 9/30/2006

Aronson + Johnson + Ortiz	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 7% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$5B	Yes
No derivatives, non-AD foreign stocks without consent of Association	Yes

Artisan Partners Limited Partnership	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
≤ 7% per issue at market	Yes
Initial position mkt caps shall be between \$100M and \$2B	Yes ¹
No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional	Yes

Brandywine Asset Management	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 5% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should be +/-30% of Russell 2000 Value Index w/o notification	Yes
No derivatives, non-ADR foreign stocks without consent of Association	Yes

Kalmar Investments Inc.	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
≤ 8% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Initial position caps shall be between \$100M and \$2B	Yes ²
No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional	Yes

¹Artisan Partners deviated from its market capitalization range stated in the guidelines. The guidelines state that: "The Manager uses a blend of smaller companies ranging in market capitalization for the portfolio from **approximately** \$100 million to \$2 billion at the initiation of the position." Artisan purchased one security (out of seventy-four holdings), which at the time of initial purchase had a market capitalization of \$2.91 billion.

²Kalmar Investments deviated from its market capitalization range stated in the guidelines. The guidelines state that: "The Manager uses a blend of smaller companies ranging in market capitalization for the portfolio from **approximately** \$100 million to \$2 billion at the initiation of the position." Kalmar purchased one security (out of ninety-three holdings), which at the time of initial purchase had a market capitalization of \$2.44 billion.

Domestic Equity 2

Domestic Equity Accounts 9/30/2006

Enhanced Investment Technologies (INTECH)	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
Weight of any holding shall not exceed benchmark holding by more than 2.5%	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$10B	Yes
No derivatives, non-ADR foreign stocks without consent of Association	Yes

TCW Asset Management Company	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
≤ 10% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Minimum cap of each security must be \$3B at time of purchase. Free receives excluded.	Yes
No derivatives, non-ADR foreign stocks without consent of Association	Yes

Wellington Capital Management	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 7% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$5B	Yes
No derivatives, non-ADR foreign stocks without consent of Association	Yes

State Street Global Advisors	
Guideline	In Compliance
The investment policies of State Street shall be governed by the State Street's Fund Declaration.	Yes*

*The Association's investment in State Street is made through a commingled vehicle. Therefore, the Association's investment guidelines do not govern the investment processes of the fund.

International Equity

International Equity Accounts
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Oechsle International	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 5% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$1B	Yes
No derivatives without consent of Association	Yes

Franklin Templeton	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 5% per issue at market	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Weighted average market cap should not fall below \$1B	Yes
No derivatives without consent of Association	Yes

Mondrian Investment Partners Limited	
Guideline	In Compliance
The investment policies of Mondrian shall be governed by the Mondrian Emerging Markets Equity Fund, L.P.'s Offering Memorandum.	Yes*

*The Association's investment in Mondrian is made through a commingled vehicle. Therefore, the Association's investment guidelines do not govern the investment processes of the fund.

Domestic Fixed Income

Domestic Fixed Income Accounts

9/30/2006

BlackRock, Inc.	
Guideline	In Compliance
80% of portfolio to be comprised of investment grade (BBB or higher)	Yes
≤ 5% per issue at market except U.S. Govt. Bonds	Yes
Duration shall not exceed Lehman aggregate Bond Index by +/- 30%	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Use of derivatives to be disclosed quarterly to Association. No derivatives outside of benchmark duration	Yes
No use of stock options, margins, letter stocks, emer. mkt. securities, Z-Bonds, etc.	Yes

Loomis Sayles	
Guideline	In Compliance
80% of portfolio to be comprised of investment grade (BBB or higher) (inform Board)	Yes
≤ 5% per issue at market except U.S. Govt. Bonds	Yes
Duration shall not exceed Lehman aggregate Bond Index by more than 30%	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Use of derivatives to be disclosed quarterly to Association. No derivatives outside of benchmark duration	Yes
No use of stock options, margins, letter stocks, emer. mkt. securities, Z-Bonds, etc.	Yes

Bradford Marzec	
Guideline	In Compliance
80% of portfolio to be comprised of investment grade (BBB or higher)	Yes
≤ 5% per issue at market except U.S. Govt. Bonds	Yes
Duration shall not exceed Lehman aggregate Bond Index by more than 30%	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
Use of derivatives to be disclosed quarterly to Association. No derivatives outside of benchmark duration	Yes
No use of stock options, margins, letter stocks, emer. mkt. securities, Z-Bonds, etc.	Yes

Domestic Fixed Income 2

Domestic Fixed Income Accounts
9/30/2006

Western Asset Management Company	
Guideline	In Compliance
80% of portfolio to be comprised of securities rated BBB- or higher	Yes
≤ 5% per issue at market except U.S. Govt. Bonds	Yes
Duration shall not exceed Lehman aggregate Bond Index by more than 30%	Yes
All commercial paper obligations to have min. rtgs. of P-2 (Moody's) or A-2 (S&P's)	Yes
No use of stock options, margins, letter stocks, emer. mkt. securities, Z-Bonds, etc.	Yes