

**FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
COMPLIANCE EVALUATION REPORT
1st QUARTER 2010**

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Seattle, Washington 98104
206.622.3700

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

Executive Summary

1st Quarter 2010

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. Mondrian Investment Partners Limited, Standish Mellon, 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 | ✓ | |
| Kalmar Investments Inc. | ✓ | |
| Wellington Capital Management | ✓ | |
| Enhanced Investment Technologies (INTECH) | ✓ | |
| State Street Global Advisors | ✓ | |
| Mondrian Investment Partners (Int'l. Small Cap) | ✓ | |
| Mondrian Investment Partners (Emerging Mkts) | ✓ | |
| Oechsle International | ✓ | |
| Franklin Templeton (International) | ✓ | |
| BlackRock, Inc. | ✓ | |
| Western Asset Management Company | ✓ | |
| Loomis Sayles | ✓ | |
| Loomis Sayles Opportunistic | ✓ | |
| Standish Mellon Opportunistic | ✓ | |

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 |
| 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 |
| 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 |
| Standish Mellon | Commingled Fund | Public Market (Equity) | No |
| Loomis Sayles | Separate Account | Public Market (Fixed Income) | Yes |
| Loomis Sayles Opportunistic | Separate Account | Public Market (Fixed Income) | Yes |
| Western Asset Management Company | Separate Account | Public Market (Fixed Income) | Yes |
| PIMCO | Commingled Fund | TALF (Fixed Income) | No |
| Metropolitan West | Commingled Fund | TALF (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 |
| Common Sense Partners | Commingled Fund | Private Market | No |
| Colony Capital Partners | Commingled Fund | Private Market | No |
| Grosvenor Institutional Partners | Commingled Fund | Private Market | No |
| Hamilton Lane | Commingled Fund | Private Market | No |
| JER Fund I & II | Commingled Fund | Real Estate | No |
| INVESCO | Commingled Fund | Real Estate | No |

Client: **Fresno County Employees Retirement Association**

Analysis Date: **March 31, 2010**

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 | | | | | |
| Kalmar Investments Inc. | SG | | | | | |
| Wellington Management Co. | LV | | | | | |
| Enhanced Investment Technologies (INTECH) | LG | | | | | |
| State Street Global Advisors | LG(p) | | | | | |
| State Street Global Advisors | SV(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 | | | | | |
| Mondrian Investment Partners Limited | EM | | | | | |

Asset Class: Domestic Fixed Income

| Manager | | Bond Quality | Diversification: at Market | Duration | Commercial Paper Rating | Derivatives Restricted | Prohibited Securities |
|-----------------------------------|-----|--------------|----------------------------|----------|-------------------------|------------------------|-----------------------|
| BlackRock, Inc. | CP | | | | | | |
| Loomis, Sayles & Co. | CP | | | | | | |
| Western Asset Management Company | CP | | | | | | |
| Loomis Sayles & Co. Opportunistic | CPP | | | | | | |
| Standish Mellon | CPP | | | | | | |

Legend

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



Math is Power

Patricia Flynn
Vice President &
Chief Compliance Officer

April 12, 2010

Mr. Anthony Ferrara
Wurts & Associates, Inc.
2321 Rosecrans Avenue
Suite 2250
El Segundo, CA 90245
Via e-mail: aferrara@wurts.com

Re: Fresno County Employees' Retirement Association (I0240LG.240) ("Portfolio")

Dear Mr. Ferrara:

The purpose of this correspondence is to certify that for the period January 1, 2010 through March 31, 2010, INTECH has complied with the Portfolio's Separate Account Large Capitalization Growth Equity Assignment as amended.

Sincerely,

Patricia Flynn
Vice President &
Chief Compliance Officer

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

Fresno County Employees' Retirement Association
Certification of Compliance Statement
First Quarter, 2010

This statement is to verify that to the best of our knowledge and based upon Wellington Management's systems, all transactions and positions in Fresno County Employees' Retirement Association's Research Value portfolio for the period of January 1, 2010 – March 31, 2010, have been reviewed and are in compliance with the investment management agreement and Wellington Management's internal policies.



Sue Bonfeld
Vice President
Wellington Management

March 31, 2010
Date

April 26, 2010

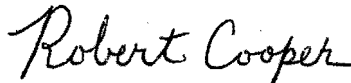
Mr. Anthony Ferrara
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Dear Mr. Ferrara:

The U.S. TIPS Index Non Lending Fund, S&P 500 Flagship Securities Lending Fund, the Russell 1000 Growth Index Securities Lending Fund and the Russell 2000 Value Index Non-Lending Fund in which the Fresno County Employees' Retirement Association is invested, are in compliance with the fund guidelines and restrictions outlined in their Fund Declarations as of March 31, 2010.

Should you have any questions or require additional information, please feel free to contact Robert Cooper directly at (617) 664-1502, or Neil Tremblay of Relationship Management at (415) 836-9854.

Sincerely,



Robert Cooper
Compliance Analyst
SSgA Compliance



Thomas Phan
Assistant Vice President and Compliance Officer
SSgA Compliance

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

April 6, 2010



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 January 1, 2010, to March 31, 2010.

We welcome your questions.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Dietrick', written over a horizontal line.

Joseph F. Dietrick
dietrick@ajopartners.com

eja (FX)

cc: Roberto L. Peña

★

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

January 7, 2010

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


Re: *Statement of Compliance for the quarter ended March 31, 2010 – 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 March 31, 2010.

If you have any questions regarding the above, please contact Kevin Carlson at 214-754-8475 (email: kcarlson@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



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

April 15, 2010

Mr. Anthony Ferrara
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. Ferrara:

On behalf of Grantham, Mayo, Van Otterloo & Co. LLC ("GMO"), I hereby certify that during the review period of January 1, 2010 through March 31, 2010 the GMO Global Bond Fund was in compliance with the investment restrictions set forth in the GMO Trust Prospectus dated June 30, 2009 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

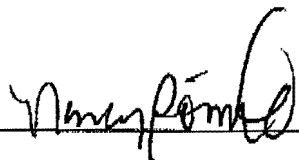
cc: Roberto Pena, FCERA



**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: 

By: Nancy Romito

Title: Client Services Director

Firm: Kalmar Investments Inc.

Date: April 26, 2010

Reporting Period: First Quarter 2010

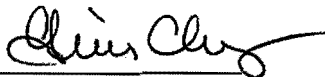
Mondrian Emerging Markets Equity Fund, L.P. (the "Fund")

Certification of Compliance with Investment Strategy

for the period from January 1, 2010 to March 31, 2010

The Fund has been in compliance with its Investment Strategy, as fully set forth in the Confidential Information Memorandum of the Fund, during the period described above. Each item of the Investment Strategy is described in the Appendix and initialed as being in compliance.

Mondrian Investment Partners Limited
(as Investment Manager to the Fund)

By: 

Name: GINNY CHONG

Title: SENIOR PORTFOLIO MANAGER

Date: APRIL 1 2010

Mondrian Emerging Markets Equity Fund, L.P.

| Investment Strategy Detail | Initial |
|---|------------|
| <p><u>Securities, Approach and Markets</u></p> <p>The Fund pursues its investment objective primarily by investing in equity securities of emerging market companies, as described below, that, in the Investment Manager's opinion, are undervalued at the time of purchase based on fundamental value analysis employed by the Investment Manager. Equity securities in which the Fund may invest include, but are not limited to, common stocks, preferred stocks, convertible securities, index related securities, certain non-traditional equity securities and warrants. The Fund may purchase securities of non-U.S. issuers directly or indirectly in the form of American, European or Global depository receipts or other securities representing underlying shares of non-U.S. issuers. The Fund may also purchase other investment funds, including, but not limited to registered funds, unregistered funds and REIT's. Under normal circumstances, the Fund invests at least 80% of its assets in investments of emerging market issuers.</p> <p>The Investment Manager's approach in selecting investments for the Fund is primarily oriented to individual stock selection and is value driven. In selecting stocks for the Fund, the Investment Manager identifies those stocks that it believes will provide capital appreciation over a market cycle, taking into consideration movements in the price of the individual security and the impact of currency fluctuation on a United States domiciled, dollar-based investor. The Investment Manager conducts fundamental research on a global basis in order to identify securities that, in the Investment Manager's opinion, have the potential for long-term capital appreciation. This research effort generally centers on a value-oriented dividend discount methodology with respect to individual securities and market analysis that isolates value across country boundaries. The approach focuses on future anticipated dividends and discounts the value of those dividends back to what they would be worth if they were being received today. In addition, the analysis typically includes a comparison of the values and current market prices of different possible investments. The Investment Manager's general management strategy emphasizes long-term holding of securities, although securities may be sold in the Investment Manager's discretion without regard to the length of time they have been held.</p> | <p>G4C</p> |
| <p><u>Emerging Markets Company</u></p> <p>The Fund considers an emerging country to be any country that is included in the International Finance Corporation Free Index or the Morgan Stanley Capital International Emerging Markets Index. In addition, any country which is generally recognized to be an emerging or developing country by the international financial community, including the World Bank and the International Finance Corporation, as well as any country that is classified by the United Nations or otherwise regarded by its authorities as developing will be considered an emerging country.</p> <p>There are more than 130 countries that are generally considered to be emerging or developing countries by the international financial community, approximately 40 of which currently have stock markets. Almost every nation in the world is included within this group of developing or emerging countries except the United States, Canada, and those in the Morgan Stanley Capital International EAFE Index.</p> | <p>G4C</p> |

In considering possible emerging countries in which the Fund may invest, the Investment Manager places particular emphasis on certain factors, such as economic conditions (including growth trends, inflation rates and trade balances), regulatory and currency controls, accounting standards and political and social conditions. Although this is not an exclusive list, the Investment Manager considers an emerging country equity security to be one that is issued by a company that exhibits one or more of the following characteristics: (1) its principal securities trading market is in an emerging country, as defined above; (2) while traded in any market, alone or on a consolidated basis, the company derives 50% or more of its annual revenues or annual profits from either goods produced, sales made or services performed in emerging countries; (3) the company has 50% or more of its assets located in an emerging country; or (4) it is organized under the laws of, and has a principal office in, an emerging country. The Investment Manager determines eligibility based on publicly available information and inquiries made of the companies.

Currently, investing in many emerging countries is not feasible, or may, in the Investment Manager's opinion, involve unacceptable political or governance risks. The Fund focuses its investments in those emerging countries where the Investment Manager considers the economies to be developing and where the markets are becoming more sophisticated.

Currency, Debt Securities and Cash

Currency considerations carry a special risk for a portfolio of international securities. The Fund may invest in securities issued in any currency and may hold foreign currency. Securities of issuers within a given country may be denominated in the currency of another country or in multinational currency units, including the euro. The Investment Manager primarily uses a purchasing power parity approach to evaluate currency risk. In this regard, the Fund may carry out hedging activities, and may invest in forward foreign currency contracts to hedge currency risks associated with the purchase of individual securities denominated in a particular currency. Under normal circumstances, hedging is undertaken defensively back into the base currency of the Fund.

Under normal circumstances, no more than 10% of the Fund's assets will be invested in debt securities issued by governments or by their agencies, instrumentalities or political subdivisions, or by corporate entities, all of which may be high-yield, high-risk fixed income securities rated lower than BBB by S&P and Baa by Moody's or, if unrated, considered to be of equivalent quality. In addition, for temporary defensive purposes, the Fund may invest in high-quality debt instruments.

To facilitate investment activities, the Fund will generally hold a small portion of its assets in cash or cash equivalent instruments.

Gyc

The Investment Manager manages the Fund's assets in accordance with the investment objective and guidelines described in the Confidential Information Memorandum and not in accordance with the individual guidelines of any one investor.

Mondrian International Small Cap Equity Fund, L.P. (the "Fund")

Certification of Compliance with Investment Strategy

for the period from January 1, 2010 to March 31, 2010

The Fund has been in compliance with its Investment Strategy, as fully set forth in the Confidential Information Memorandum of the Fund, during the period described above. Each item of the Investment Strategy is described in the Appendix and initialed as being in compliance.

Mondrian Investment Partners Limited
(as Investment Manager to the Fund)

By: 

Name: Ormala Krishnan

Title: Senior Portfolio Manager

Date: 12th April 2010

Mondrian International Small Cap Equity Fund, L.P.

| Investment Strategy Detail | Initial |
|--|-----------|
| <p><u>Securities, Approach and Markets</u></p> <p>The Fund pursues its investment objective primarily by investing in equity securities of non-U.S. small capitalization companies that, in the Investment Manager's opinion, are undervalued at the time of purchase based on fundamental value analysis employed by the Investment Manager. Equity securities in which the Fund may invest include, but are not limited to, common stocks, preferred stocks, convertible securities, index related securities, certain non-traditional equity securities and warrants. The Fund may purchase securities of non-U.S. issuers directly or indirectly in the form of American, European or Global depository receipts or other securities representing underlying shares of non-U.S. issuers. The Fund may also purchase other investment funds, including, but not limited to registered funds, unregistered funds and REIT's.</p> <p>For purposes of investments to be made by the Fund, small capitalization companies will be defined to mean issuers that have a market capitalization of less than \$2.75 billion (\$3.5 billion from January 1, 2009 to March 16, 2009) at the time of purchase. Under normal circumstances, the Fund will invest at least 50% of its assets in equity securities of small capitalization companies.</p> <p>The Investment Manager's approach in selecting investments for the Fund is primarily oriented to individual stock selection and is value driven. In selecting stocks for the Fund, the Investment Manager identifies those stocks that it believes will provide capital appreciation over a market cycle, taking into consideration movements in the price of the individual security and the impact of currency fluctuation on a United States domiciled, dollar-based investor. The Investment Manager conducts fundamental research on a global basis in order to identify securities that, in the Investment Manager's opinion, have the potential for long-term capital appreciation. This research effort generally centers on a value-oriented dividend discount methodology with respect to individual securities and market analysis that isolates value across country boundaries. The approach focuses on future anticipated dividends and discounts the value of those dividends back to what they would be worth if they were being received today. In addition, the analysis typically includes a comparison of the values and current market prices of different possible investments. The Investment Manager's general management strategy emphasizes long-term holding of securities, although securities may be sold in the Investment Manager's discretion without regard to the length of time they have been held.</p> <p>Investments will be made mainly in marketable securities of companies located in developed countries which may include but are not limited to Australia, Belgium, Canada, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, the Netherlands, New Zealand, Norway, Singapore, Spain, Sweden, Switzerland and the United Kingdom.</p> <p>The Fund may hold up to 20% of its assets measured at the time of purchase in securities of emerging market companies.</p> | <p>OK</p> |
| <p><u>Emerging Markets Company</u></p> | |

| | |
|--|-----------|
| <p>The Fund considers an emerging country to be any country that is included in the International Finance Corporation Free Index or the Morgan Stanley Capital International Emerging Markets Index. In addition, any country which is generally recognized to be an emerging or developing country by the international financial community, including the World Bank and the International Finance Corporation, as well as any country that is classified by the United Nations or otherwise regarded by its authorities as developing will be considered an emerging country.</p> <p>There are more than 130 countries that are generally considered to be emerging or developing countries by the international financial community, approximately 40 of which currently have stock markets. Almost every nation in the world is included within this group of developing or emerging countries except the United States, Canada, and those in the Morgan Stanley Capital International EAFE Index.</p> <p>In considering possible emerging countries in which the Fund may invest, the Investment Manager places particular emphasis on certain factors, such as economic conditions (including growth trends, inflation rates and trade balances), regulatory and currency controls, accounting standards and political and social conditions.</p> | <p>OK</p> |
| <p><u>Currency, Debt Securities and Cash</u></p> <p>Currency considerations carry a special risk for a portfolio of international securities. The Fund may invest in securities issued in any currency and may hold foreign currency. Securities of issuers within a given country may be denominated in the currency of another country or in multinational currency units, including the euro. The Investment Manager primarily uses a purchasing power parity approach to evaluate currency risk. In this regard, the Fund may carry out hedging activities, and may invest in forward foreign currency contracts to hedge currency risks associated with the purchase of individual securities denominated in a particular currency. Under normal circumstances, hedging is undertaken defensively back into the base currency of the Fund.</p> <p>Under normal circumstances, no more than 10% of the Fund's assets will be invested in debt securities issued by governments or by their agencies, instrumentalities or political subdivisions, or by corporate entities, all of which may be high-yield, high-risk fixed income securities rated lower than BBB by S&P and Baa by Moody's or, if unrated, considered to be of equivalent quality. In addition, for temporary defensive purposes, the Fund may invest in high-quality debt instruments.</p> <p>To facilitate investment activities, the Fund will generally hold a small portion of its assets in cash or cash equivalent instruments.</p> | <p>OK</p> |

The Investment Manager manages the Fund's assets in accordance with the investment objective and guidelines described in the Confidential Information Memorandum and not in accordance with the individual guidelines of any one investor.



Franklin Templeton®

TEMPLETON INVESTMENT COUNSEL, LLC

500 East Broward Boulevard/Suite 2100
Fort Lauderdale, Florida 33394-3091
Telephone 954-527-7500

DATE: April 8, 2010

TO: The Board of Trustees of the Fresno County Employees Retirement Association

FROM: Jennifer Sator 
Supervisor, Global Investment Adviser Compliance

RE: Account #325 – Fresno County Employees' Retirement Association
Compliance Certification

We have reviewed the investment guidelines and restrictions for Fresno County Employees' Retirement Association. In our opinion, for the quarter-ended March 31, 2010, the account is in compliance in all material respects with the investment restrictions set forth in the Investment Policy Guidelines dated July 30, 2004.



OECHSLE
INTERNATIONAL
ADVISORS, LLC

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

April 1, 2010

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 first quarter January 1, 2010 through March 31, 2010.

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 617-330-8979.

Chris Gelinas
Director of Compliance



LOOMIS | SAYLES

**Fresno County Employees Retirement System - MSFD
Investment Holdings and Transaction Certification
March 31, 2010**

This is to certify that as of March 31, 2010, the investment portfolio managed on behalf of the Fresno County Employees Retirement System - MSFD was in compliance with the *Fresno County Employees Retirement System – MSFD Investment Policy* with the following exceptions:

NONE

Loomis, Sayles & Company, L.P.

4.7.10

Date

Mary Ellen Logee
Vice President, Portfolio Compliance Manager

Loomis, Sayles & Company, L.P.

4/7/10

Date

Matthew Eagan
Vice President, Portfolio Manager

One Financial Center
Boston, MA 02111
617.482.2450

www.loomissayles.com



LOOMIS | SAYLES

**Fresno County Employees Retirement Association
Investment Holdings and Transaction Certification
March 31, 2010**

This is to certify that the investment portfolio managed on behalf of the Fresno County Employees Retirement Association March 31, 2010, was in compliance with the *Fresno County Employees Retirement Association Investment Policy* with the following exceptions:

NONE

Mary Ellen Logee

Loomis, Sayles & Company, L.P.

4.7.10

Date

Mary Ellen Logee
Vice President, Portfolio Compliance Manager

Peter W. Palfrey

Loomis, Sayles & Company, L.P.

4/7/10

Date

Peter W. Palfrey
Vice President, Portfolio Manager

One Financial Center
Boston, MA 02111
617.482.2450

www.loomissayles.com



April 9, 2010

Mr. Tony Ferrara
Senior Consulting Associate
Wurts & Associates, Inc.
999 3rd Avenue, Suite 4200
Seattle, Washington 98104-4021

Re: Fresno CERA

Dear Mr. Ferrara:

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 first quarter of 2010.

Please contact Western Asset should you have any questions.

Sincerely,

Andrew Kang
Compliance Officer

STANDISH



Standish Mellon Asset Management Company LLC
BNY Mellon Center, 201 Washington Street, Boston, MA 02108-4408
Tel: 617.248.6000 | Fax: 617.248.6050

May 24, 2010

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

Re: Fresno County Employees' Retirement Association
Compliance with Statement of Investment Policy and Guidelines

Dear Anthony:

The EB Opportunistic Fixed Income Fund, in which Fresno County Employees' Retirement Association invests, was in compliance with the fund guidelines and restrictions as of March 31, 2010. Please do not hesitate to contact me if you have any questions or concerns.

Regards,

Martin Coughlin
Relationship Manager

BLACKROCK

May 21, 2010

COMPLIANCE CERTIFICATION

BlackRock performs compliance checks daily on the Fresno County Employees' Retirement Association, FCERA ("Client") account and, if necessary, BlackRock rebalances or otherwise takes such action for the account to ensure compliance with the relevant investment policies and guidelines applicable to the account that have been previously communicated to us and are currently in effect for the account ("Guidelines"). Therefore, and on that basis, for the period from January 1, 2010 to March 31, 2010, the Client's account has been in compliance, in all material respects, with its Guidelines, with the following exceptions:

During the period, the portfolio held the following downgraded securities that were below the minimum allowable ratings constraint:

| CUSIP | Description | Ratings (M/S/F) | Status |
|-----------|------------------------------------|-----------------|-------------------|
| 12544MAA7 | CWHL_07-16 | NR/ CCC/ CCC | Still Outstanding |
| 23245GAA9 | CWALT_06-OC9 | B3/ CC/ NR | Still Outstanding |
| 882330AG8 | TEXAS COMPETITIVE ELECTRIC HOLDING | Caa2/ CCC/ B- | Still Outstanding |
| 22942MAC0 | CSMC_06-8 | NR/ D/ D | Still Outstanding |
| 524908XA3 | LEHMAN BROTHERS HOLDINGS CAPITAL | NR/ NR/ NR | Still Outstanding |
| 5249087M6 | LEHMAN BROTHERS HOLDINGS INC | NR/ NR/ NR | Still Outstanding |
| 524908R36 | LEHMAN BROTHERS HOLDINGS INC | NR/ NR/ NR | Still Outstanding |
| 46630RAB7 | JPMMT_07-S1 | NR/ CCC/ CC | Still Outstanding |
| 46628YBB5 | JPMMT_06-S2 | Caa1/ NR/ CCC | Still Outstanding |
| 45661SAD5 | INDA_06-AR2 4A1 | NR/ CCC/ C | Still Outstanding |
| 17313MAA5 | CMALT_07-A8 A1 | NR/ CCC/ CC | Still Outstanding |
| 933634AJ6 | WAMU_07-HY3 4A1 | NR/ CCC/ B | Still Outstanding |
| 466247E74 | JPMMT_06-A1 2A2 | NR/BB-/BB | Still Outstanding |
| 41162GAA0 | HVMLT_06-11 A1A | Caa1/ CCC/ NR | Still Outstanding |
| 41161XAC0 | HVMLT_06-9 2A1A | B3/ B-/ NR | Still Outstanding |
| 362375AA5 | GSAA_06-5 2A1 | Baa1/ B-/ NR | Still Outstanding |
| 126694M96 | CWHL_06-OA5 2A1 | Caa1/ B-/ NR | Still Outstanding |
| 25150QAA5 | DBALT_06-OA1 A1 | Ba3/ BBB-/ NR | Still Outstanding |

| | | | |
|-----------|--------------------|---------------|-------------------|
| 23245QAA7 | CWALT_06-OA21 A1 | B3/ CCC/ NR | Still Outstanding |
| 02146QAA1 | CWALT_06-OA10 1A1 | Caa1/ CCC/ NR | Still Outstanding |
| 008684AA0 | AHMA_06-6 A1A | Caa1/ B-/ NR | Still Outstanding |
| 93364CAA6 | WAMU_07-OA4 1A | B2/ B-/ NR | Still Outstanding |
| 52109RBM2 | LBUBS_07-C7 A3 | NR/A/AAA | Resolved |
| 61755YAF1 | MSC_07-IQ15 A4 | NR/BBB+/AAA | Still Outstanding |
| 05949AMJ6 | BOAA_04-7 | NR/ B/ BBB | Still Outstanding |
| 19075DAE1 | CWCI_07-C3 | NR/BBB+/AAA | Resolved |
| 362341FR5 | GSR_05-AR4 6A1 | NR/A+/BBB | Resolved |
| 94983PAF5 | WFMBBS_06-AR4 IIA4 | NR/A-/B | Still Outstanding |

BlackRock will provide periodic updates on their rating status. These securities were within the ratings constraint at time of purchase.

BLACKROCK

By: 
 Patrick Chin-Hong
 Managing Director

Domestic Equity

Domestic Equity Accounts 3/31/2010

| 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 |

| 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 ¹ |
| No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional | Yes |

¹Kalmar 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 eighty holdings), which at the time of initial purchase had a market capitalization of \$2.33 billion

Domestic Equity 2

Domestic Equity Accounts 3/31/2010

| 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% at time of purchase | Yes ¹ |
| 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 |

| 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 ² |

| State Street Global Advisors | |
|---|------------------|
| Guideline | In Compliance |
| The investment policies of State Street shall be governed by the State Street's Fund Declaration. | Yes ³ |

¹INTECH's guidelines were revised during 3Q07 to allow for holdings to be more than 2.5% after initial purchase as long as the position is trimmed within 30 calendar days.

²Wellington's guidelines were revised during 3Q07 to allow for ADR's to be purchased in the over-the-counter markets as well.

³The 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 3/31/2010

| 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 securities outside of the MSCI EAFE Index as well as Bermuda, Canada, and Cayman Islands | 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 securities outside of the MSCI EAFE Index as well as Bermuda, Canada, and Cayman Islands | 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 ² |

| Mondrian Investment Partners Limited | |
|--|------------------|
| Guideline | In Compliance |
| The investment policies of Mondrian shall be governed by the Mondrian International Small Cap, L.P.'s Offering Memorandum. | Yes ² |

²The 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

3/31/2010

| 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 |

Domestic Fixed Income 2

Domestic Fixed Income Accounts 3/31/2010

| 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 |

| Loomis Sayles Opportunistic | |
|---|---------------|
| Guideline | In Compliance |
| 65% 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 3 years | 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 |

| Standish Mellon Opportunistic | |
|---|------------------|
| Guideline | In Compliance |
| The investment policies of Standish Mellon shall be governed by the Fund's Declaration. | Yes ¹ |

¹The Association's investment in Standish Mellon is made through a commingled vehicle. Therefore, the Association's investment guidelines do not govern the investment processes of the fund.