

***FRESNO COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION***

INVESTMENT PERFORMANCE REVIEW

PERIOD ENDING: SEPTEMBER 30, 2012

999 THIRD AVENUE, SUITE 4200
SEATTLE, WASHINGTON 98104
(206) 622-3700

2321 ROSECRANS AVENUE, SUITE 2250
EL SEGUNDO, CA 90245
(310) 297-1777

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

PORTFOLIO RECONCILIATION

Period Ending: September 30, 2012

TOTAL FUND			
Portfolio Reconciliation			
	<u>Quarter</u>		<u>YTD</u>
Market Value of Portfolio on: 06/30/12	\$3,134,153,589	12/31/11	\$2,989,510,235
Net Contributions/Withdrawals	-\$3,762,252		-\$20,225,699
Growth from Investments			
Investment Income	\$15,784,682		\$49,643,801
Change in Market Value	<u>\$143,789,773</u>		<u>\$271,037,454</u>
Total Growth from Investments	<u>\$159,574,455</u>		\$320,681,255
Market Value of Portfolio on: 09/30/12			<u><u>\$3,289,965,792</u></u>

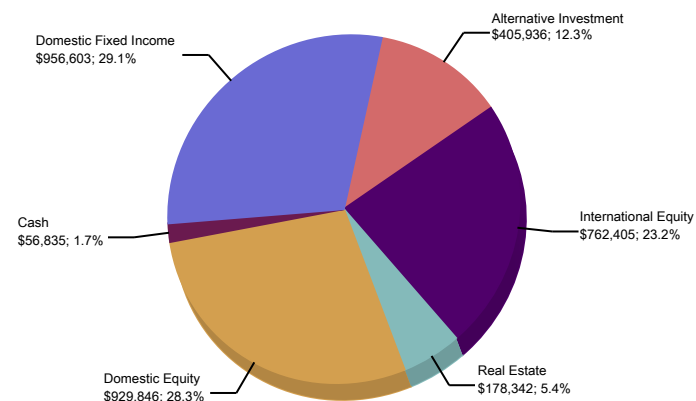
FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

EXECUTIVE SUMMARY

Period Ending: September 30, 2012

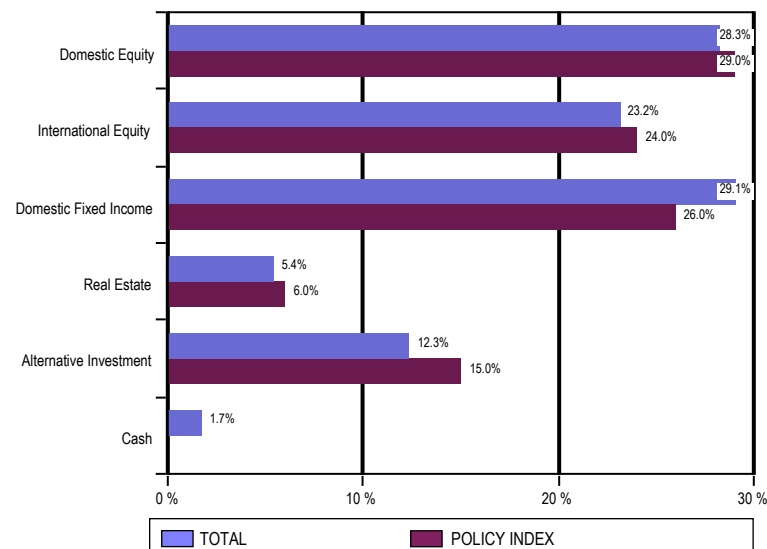
	Market Value 000.000's	(%)	Quarter Rtn Rnk		One Yr Rtn Rnk		Three Yrs Rtn Rnk		Five Yrs Rtn Rnk		Ten Yrs Rtn Rnk	
Total												
Total Fund												
TOTAL FUND (G)	3,290.0	100.0%	5.1	24	16.5	52	10.2	23	3.1	30	8.9	20
TOTAL FUND (N)			5.0	28	16.1	58	9.8	37	2.7	40	8.5	24
Policy Index												
POLICY INDEX			5.1	23	17.1	44	9.0	69	1.9	66	7.9	47
Domestic Equity												
Domestic Equity												
TOTAL U.S. EQUITY (G)	935.3	28.4%	6.0	47	29.2	32	13.9	33	1.7	52	8.7	72
RUSSELL 3000 INDEX			6.2		30.2		13.3		1.3		8.5	
International Equity												
International Equity												
TOTAL FOREIGN EQUITY (G)	766.5	23.3%	7.7	46	15.4	65	5.5	43	-1.8	30	9.5	60
MSCI ACWI ex U.S. GROSS			7.5		15.0		3.6		-3.7		10.3	
Domestic Fixed Income												
Domestic Fixed Income												
TOTAL U.S. FIXED (G)	962.7	29.3%	3.5	24	10.7	29	9.8	27	8.8	21	7.0	25
BC AGGREGATE INDEX			1.6		5.2		6.2		6.5		5.3	
Real Estate												
Real Estate												
TOTAL REALTY (G)	178.3	5.4%	2.2	55	11.3	41	10.7	37	-1.2	56	8.4	38
NCREIF PROPERTY INDEX			2.3		11.0		10.9		2.3		8.3	
NFI-ODCE INDEX			2.8		11.6		12.2		-1.1		6.7	
Alternative Investment												
Hedge Funds												
TOTAL HEDGE FUNDS (N)	104.3	3.2%	1.1		1.2		1.9		-0.4		4.3	
HFRI FOF COMPOSITE INDEX			2.4		2.9		1.5		-1.6		3.6	
Private Equity												
TOTAL PRIVATE EQUITY (N)	195.0	5.9%	2.5		10.0		11.8		2.4		10.5	
RUSS 3000 + 250 BP			6.9		33.4		16.1		3.9		11.2	
Commodities												
TOTAL COMMODITIES (N)	106.7	3.2%	9.8		6.0							
DJ UBS COMMODITY TR INDEX			9.7		6.0							
Alternative Investment												
TOTAL ALT. INV (N)	405.9	12.3%	3.9		6.7		7.4		-0.3		8.8	
S & P 500 + 447 BP			7.5		35.9		18.2		5.6		12.8	
Cash												
Cash and Equivalents												
TOTAL CASH (G)	41.3	1.3%	0.0	97	0.1	73	0.9	5	1.4	19	2.2	28
90-DAY T-BILLS			0.0		0.1		0.1		0.6		1.7	

Asset Allocation by Asset Class - (000's)



Market Value: \$3,289,966

Asset Allocation vs Policy



FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

INVESTMENT MANAGER PERFORMANCE DATA

Period Ending: September 30, 2012

	Market Value (000's) / (%)	Performance For Periods Ending 9/30/2012 (Returns for periods greater than one year are annualized)							Calendar Year Returns					
		Quarter	YTD	One Yr	Three Yrs	Five Yrs	Ten Yrs	Since Inception	Inception Date	2011	2010	2009	2008	2007
Total Manager														
TOTAL FUND (G)	\$3,289,966	5.1%	10.7%	16.5%	10.2%	3.1%	8.9%			0.1%	16.3%	22.4%	-25.7%	9.1%
Investment Style: Total														
Benchmark: POLICY INDEX		5.1%	10.6%	17.1%	9.0%	1.9%	7.9%			0.1%	13.3%	19.2%	-25.8%	7.4%
Ranking - Total Funds - Public Funds Univ.		24th	48th	52nd	23rd	30th	20th			76th	3rd	24th	62nd	31st
Domestic Equity Manager														
SSGA S&P 500 FLAG. (G)	\$158,968 (4.8%)	6.4%	16.5%	30.2%	13.2%	1.1%		5.2%	3/23/2004	2.1%	15.1%	26.6%	-36.9%	5.5%
Investment Style: Large Cap														
Benchmark: S & P 500 INDEX		6.4%	16.4%	30.2%	13.2%	1.1%		5.1%		2.1%	15.1%	26.4%	-37.0%	5.5%
Ranking - Equity Style - Large Core Univ.		52nd	34th	34th	32nd	64th				28th	51st	53rd	50th	50th
WADDELL & REED (G)	\$159,422 (4.8%)	5.9%	12.9%	25.8%				9.2%	12/17/2010	3.0%				
Investment Style: Large Cap Growth														
Benchmark: RUSSELL 1000 GROWTH INDEX		6.1%	16.8%	29.2%				11.1%		2.6%				
Ranking - Equity Style - Large Growth Univ.		59th	83rd	69th						24th				
WINSLOW CAPITAL MGMT (G)	\$156,813 (4.8%)	6.2%	15.7%	26.6%				9.4%	12/17/2010	0.6%				
Investment Style: Large Cap Growth														
Benchmark: RUSSELL 1000 GROWTH INDEX		6.1%	16.8%	29.2%				11.1%		2.6%				
Ranking - Equity Style - Large Growth Univ.		50th	60th	62nd						46th				
AJO (G)	\$156,113 (4.7%)	6.7%	16.0%	31.5%	13.2%	0.4%	9.1%	10.2%	12/4/1995	2.7%	16.1%	17.5%	-33.1%	-1.4%
Investment Style: Large Cap Value														
Benchmark: RUSSELL 1000 VALUE INDEX		6.5%	15.7%	30.9%	11.8%	-0.9%	8.2%	7.8%		0.4%	15.5%	19.7%	-36.9%	-0.2%
Ranking - Equity Style - Large Value Univ.		35th	24th	21st	27th	53rd	41st			24th	37th	91st	11th	71st
WELLINGTON LG VAL (G)	\$155,972 (4.7%)	5.7%	17.1%	33.0%	11.8%	-0.2%	8.7%	5.3%	4/30/2000	-1.2%	16.9%	28.7%	-40.2%	2.5%
Investment Style: Large Cap Value														
Benchmark: RUSSELL 1000 VALUE INDEX		6.5%	15.7%	30.9%	11.8%	-0.9%	8.2%	4.5%		0.4%	15.5%	19.7%	-36.9%	-0.2%
Ranking - Equity Style - Large Value Univ.		61st	15th	11th	48th	65th	52nd			63rd	24th	33rd	68th	34th

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

INVESTMENT MANAGER PERFORMANCE DATA

Period Ending: September 30, 2012

	Market Value (000's) / (%)	Performance For Periods Ending 9/30/2012 (Returns for periods greater than one year are annualized)							Calendar Year Returns					
		Quarter	YTD	One Yr	Three Yrs	Five Yrs	Ten Yrs	Since Inception	Inception Date	2011	2010	2009	2008	2007
SYSTEMATIC SMID VAL (G)	\$73,585 (2.2%)	6.7%	13.9%	32.7%				10.4%	10/8/2010	-4.4%				
Investment Style:Small/Mid Cap Value														
Benchmark: RUSSELL 2500 VALUE INDEX		5.8%	14.5%	32.2%				11.0%		-3.4%				
Ranking - Equity Style - Small/Mid Value Univ.		30th	29th	23rd						43rd				
KALMAR INVESTMENTS (G)	\$74,383 (2.3%)	3.1%	11.4%	26.6%	17.5%	5.9%		7.9%	11/30/2004	1.7%	37.3%	36.7%	-37.1%	13.0%
Investment Style:Small Cap Growth														
Benchmark: RUSSELL 2000 GROWTH INDEX		4.8%	14.1%	31.2%	14.2%	3.0%		5.9%		-2.9%	29.1%	34.5%	-38.5%	7.0%
Ranking - Equity Style - Small Growth Univ.		80th	79th	71st	30th	19th				39th	8th	48th	33rd	30th
International Equity Manager														
OECHSLE INTL (G)	\$235,143 (7.1%)	6.3%	8.7%	10.7%	2.1%	-4.8%		1.5%	11/22/2005	-10.3%	7.5%	21.4%	-37.5%	7.1%
Investment Style:International Equity														
Benchmark: MSCI EAFE INDEX		7.0%	10.6%	14.3%	2.6%	-4.8%		1.9%		-11.7%	8.2%	32.5%	-43.1%	11.6%
Ranking - Int'l Developed Market Equity Univ.		80th	85th	93rd	81st	72nd				31st	75th	95th	24th	85th
RAFI INTL EQUITY (G)	\$240,003 (7.3%)	8.3%	10.2%	14.7%				-8.8%	4/29/2011					
Investment Style:International Equity														
Benchmark: MSCI EAFE INDEX		7.0%	10.6%	14.3%				-8.4%						
Ranking - Int'l Developed Market Equity Univ.		32nd	76th	70th										
MONDRIAN INTL SMALL (G)	\$133,885 (4.1%)	8.9%	17.9%	21.4%				14.8%	11/2/2009	-8.1%	30.3%			
Investment Style:Small Cap														
Benchmark: S&P DEVELOPED ex. US SC INDEX		8.3%	12.7%	14.1%				6.7%		-14.5%	22.0%			
Ranking - Int'l Developed Market Equity Univ.		21st	11th	17th						20th	2nd			
MONDRIAN EMG MARKETS (G)	\$157,489 (4.8%)	7.9%	14.4%	21.2%	8.6%	2.9%		10.4%	11/17/2005	-11.2%	18.4%	71.3%	-45.0%	30.4%
Investment Style:Emerging Markets Equity														
Benchmark: MSCI EMER MKTS INDEX		7.9%	12.3%	17.3%	6.0%	-1.0%		9.1%		-18.2%	19.2%	79.0%	-53.2%	39.8%
Ranking - Int'l Emerging Markets Equity Univ.		43rd	37th	24th	33rd	19th				17th	59th	75th	22nd	75th

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

INVESTMENT MANAGER PERFORMANCE DATA

Period Ending: September 30, 2012

	Market Value (000's) / (%)	Performance For Periods Ending 9/30/2012 (Returns for periods greater than one year are annualized)								Calendar Year Returns				
		Quarter	YTD	One Yr	Three Yrs	Five Yrs	Ten Yrs	Since Inception	Inception Date	2011	2010	2009	2008	2007
Domestic Fixed Income Manager														
BLACKROCK FIXED INC (G)	\$348,949 (10.6%)	1.8%	5.0%	6.8%	7.5%	6.8%		5.9%	6/25/2004	8.0%	8.2%	12.6%	-2.4%	6.5%
Investment Style:Domestic Fixed Income														
Benchmark: BC AGGREGATE INDEX		1.6%	4.0%	5.2%	6.2%	6.5%		5.8%		7.8%	6.5%	5.9%	5.2%	7.0%
Ranking -Bond Funds Univ.		61st	56th	52nd	46th	52nd				25th	48th	48th	60th	53rd
LOOMIS SAYLES FI (G)	\$173,276 (5.3%)	3.8%	10.0%	13.0%	10.4%	10.6%	8.0%	7.0%	7/5/2001	8.0%	10.9%	18.8%	2.8%	7.2%
Investment Style:Domestic Fixed Income														
Benchmark: BC AGGREGATE INDEX		1.6%	4.0%	5.2%	6.2%	6.5%	5.3%	5.8%		7.8%	6.5%	5.9%	5.2%	7.0%
Ranking -Bond Funds Univ.		21st	19th	21st	23rd	10th	19th			25th	29th	25th	39th	42nd
MET WEST ENH TALF (G)	\$17,044 (0.5%)	-0.5%	-1.6%	-3.3%	6.2%			8.3%	8/5/2009	1.3%	18.3%			
Investment Style:Domestic Fixed Income														
Benchmark: BC AGGREGATE INDEX		1.6%	4.0%	5.2%	6.2%			6.7%		7.8%	6.5%			
Ranking -Bond Funds Univ.		98th	98th	99th	60th					85th	4th			
WESTERN CORE FIXED (G)	\$153,664 (4.7%)	3.4%	8.3%	10.1%	10.1%	7.8%		6.5%	5/5/2005	7.7%	11.3%	19.8%	-7.5%	3.4%
Investment Style:Domestic Fixed Income														
Benchmark: BC AGGREGATE INDEX		1.6%	4.0%	5.2%	6.2%	6.5%		5.6%		7.8%	6.5%	5.9%	5.2%	7.0%
Ranking -Bond Style - Core Univ.		5th	5th	5th	4th	23rd				45th	10th	10th	84th	97th
LOOMIS SAYLES OPP (G)	\$137,907 (4.2%)	6.7%	16.0%	19.1%	12.0%			14.2%	5/12/2009	2.4%	14.1%			
Investment Style:High Yield														
Benchmark: BC AGGREGATE + 300 BP		2.3%	6.3%	8.3%	9.3%			9.9%		11.0%	9.7%			
Ranking -Bond Funds Univ.		2nd	2nd	5th	15th					80th	15th			
STANDISH MELLON OPP. (G)	\$99,714 (3.0%)	3.9%	9.1%	10.2%	8.2%			11.0%	5/12/2009	-0.5%	12.8%			
Investment Style:High Yield														
Benchmark: BC AGGREGATE + 300 BP		2.3%	6.3%	8.3%	9.3%			9.9%		11.0%	9.7%			
Ranking -Bond Funds Univ.		20th	23rd	31st	40th					93rd	20th			
SSGA TIPS (G)	\$32,103 (1.0%)	2.1%	6.2%	9.1%	9.2%			10.5%	2/27/2009	13.5%	6.3%			
Investment Style:Real Return														
Benchmark: BC US TIPS INDEX		2.1%	6.2%	9.1%	9.3%			10.6%		13.6%	6.3%			
Ranking -Bond Style - U.S. TIPS (mf) Univ.		39th	24th	23rd	19th					5th	32nd			

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

INVESTMENT MANAGER PERFORMANCE DATA

Period Ending: September 30, 2012

	Market Value (000's) / (%)	Performance For Periods Ending 9/30/2012 (Returns for periods greater than one year are annualized)							Calendar Year Returns				
		Quarter	YTD	One Yr	Three Yrs	Five Yrs	Ten Yrs	Since Inception	Inception Date	2011	2010	2009	2008
Real Estate Manager													
INVESCO CORE RE (G)	\$103,720 (3.2%)	2.8%	6.4%	9.7%	11.7%	-0.9%	-0.9%	10/1/2007	16.9%	16.7%	-32.2%	-4.6%	
Investment Style:Real Estate													
Benchmark:NFI-ODCE INDEX		2.8%	8.4%	11.6%	12.2%	-1.1%	-1.1%		16.0%	16.4%	-29.8%	-10.0%	
Ranking -Real Estate Funds Univ.		34th	73rd	58th	24th	52nd			30th	25th	61st	43rd	
Alternative Investment Manager													
COMMON SENSE (N)	\$48,733 (1.5%)	-0.6%	-2.7%	-4.1%			-4.3%	12/3/2009	5.1%	-5.1%			
Investment Style:Hedge Funds													
Benchmark:HFRI FOF COMPOSITE INDEX		2.4%	3.4%	2.9%			1.1%		-5.7%	5.7%			
Ranking -Hedge Fund of Funds Univ.		90th	98th	93rd					2nd	98th			
GROSVENOR (N)	\$55,536 (1.7%)	2.6%	5.9%	6.4%			3.5%	10/31/2009	-3.7%	6.3%			
Investment Style:Hedge Funds													
Benchmark:HFRI FOF COMPOSITE INDEX		2.4%	3.4%	2.9%			1.6%		-5.7%	5.7%			
Ranking -Hedge Fund of Funds Univ.		68th	58th	40th					22nd	33rd			
BLACKROCK COMM (N)	\$106,693 (3.2%)	9.8%	5.7%	6.0%			5.0%	3/31/2010	-13.2%				
Investment Style:Commodities													
Benchmark:DJ UBS COMMODITY TR INDEX		9.7%	5.6%	6.0%			4.9%		-13.3%				
Ranking -NA Univ.													

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

MANAGER SCORECARD FIVE YEARS

Period Ending: September 30, 2012

Manager	Return	Index Return	Standard Deviation	Alpha	Beta	Rsqr	Up Market Capture	Down Market Capture	Batting Average	Information Ratio
Domestic Equity										
WADDELL & REED COMP (G)	2.3%	3.2%	20.5	-0.84	0.91	0.98	83%	95%	400	-0.26
WINSLOW COMP (G)	3.9%	3.2%	23.9	0.78	1.06	0.97	113%	103%	450	0.15
AJO (G)	0.4%	-0.9%	21.8	1.00	0.92	0.98	96%	95%	550	0.33
WELLINGTON LG VAL (G)	-0.3%	-0.9%	25.5	1.06	1.06	0.96	113%	103%	600	0.12
SYSTEMATIC COMP (G)	3.8%	2.2%	25.9	1.80	0.94	0.91	104%	97%	650	0.20
KALMAR INVESTMENTS (G)	5.9%	3.0%	25.2	2.79	0.93	0.98	96%	90%	650	0.76
International Equity										
MONDRIAN INTL SC COM (G)	4.1%	-3.2%	26.8	6.57	0.89	0.96	109%	85%	750	1.17
OECHSLE COMP (G)	-4.8%	-4.8%	22.9	-1.03	0.87	0.99	82%	94%	400	0.00
RAFI INTL EQ. COMP (G)	-2.8%	-4.8%	27.0	2.18	1.02	0.98	110%	98%	550	0.56
MONDRIAN EMG MKTS CO (G)	2.9%	-1.0%	28.3	3.25	0.90	0.99	90%	87%	600	0.85
Domestic Fixed Income										
BLACKROCK FIXED INC (G)	6.8%	6.5%	4.0	0.92	0.88	0.51	112%	179%	650	0.08
LOOMIS SAYLES FI (G)	10.6%	6.5%	5.5	3.42	1.08	0.41	177%	156%	700	0.92
WESTERN ASSET COMP (G)	7.8%	6.5%	5.8	3.25	0.67	0.14	126%	145%	650	0.22
LOOMIS SAYLES OPP CO (G)	8.9%	9.7%	12.1	6.63	0.23	0.00	85%	-168%	550	-0.07
Real Estate										
INVESCO COMP (G)	-0.8%	2.3%	11.9	-3.45	1.40	0.83	113%	156%	450	-0.54
Alternative Investment										
COMMON SENSE (HIST) (N)	-1.1%	-1.6%	7.8	-1.20	0.09	0.01	-6%	10%	500	0.05
GROSVENOR (HIST) (N)	0.5%	-1.6%	8.8	2.11	0.99	0.94	115%	84%	700	0.99

Fresno County Employees' Retirement Association

Performance Standard Checklist

Period Ending: September 30, 2011

No Issues
Watch
Terminate

Investment Manager	Asset Class	Watch Date	Funding Date	Standard #1	Standard #2	Standard #3	Standard #4	Standard #5	Standard #6
WADDELL & REED	Large Growth		12/17/2010	↓	↓	↓	↑	↑	↑
WINSLOW	Large Growth		12/17/2010	↑	↓	↑	↑	↑	↑
ARONSON JOHNSON	Large Value		12/4/1995	↑	↓	↑	↑	↓	↑
WELLINGTON	Large Value		4/30/2000	↑	↓	↓	↑	↓	↑
KALMAR	Small Growth		11/30/2004	↑	↑	↑	↑	↑	↑
SYSTEMATIC	Sm/Mid Value		10/8/2010	↑	↓	↑	↑	↑	↑
MONDRIAN EMERGING	Emerging Markets		11/7/2005	↑	↑	↑	↑	↑	↑
RESEARCH AFFILIATES	International Equity		4/29/2011	↑	↓	↑	↑	↓	↑
OECHSLE	International Equity	12/31/2011	11/22/2005	↓	↓	↓	↓	↓	↑
MONDRIAN INTL SM CAP	Intl Small Cap		11/2/2009	↑	↑	↑	↑	↑	↑

Performance Standards

Standard #1: The manager has outperformed the assigned benchmark a minimum of 50% of the time over the last 20 quarters.

Standard #2: The equity manager and fixed income manager have returned 110% and 105% respectively of the assigned benchmark returns over the most recent three-year period.

Standard #3: The manager's performance is in the 50th percentile or better against the appropriate style universe in at least three of the last five years of consecutive annual returns.

Standard #4: The manager has a Sharpe Ratio equal to or greater than the median manager in an appropriate style universe over the most recent five year period (five year gross return minus five year 91day T-Bill return/standard deviation).

Standard #5: The manager has an Information Ratio equal to or greater than the median manager in an appropriate style universe over the most recent five year period (gross excess return over benchmark/tracking error).

Standard #6: The manager experiences non-performance related issues including personnel turnover, changes in investment philosophy, excessive asset growth, change in ownership, and any other reason causing concern.

Fresno County Employees' Retirement Association

Performance Standard Checklist

Period Ending: September 30, 2011

No Issues
Watch
Terminate

Investment Manager	Asset Class	Watch Date	Funding Date	Standard #1	Standard #2	Standard #3	Standard #4	Standard #5	Standard #6
BLACKROCK	Domestic Fixed		6/25/2004	↑	↑	↓	↓	↑	↑
LOOMIS SAYLES	Domestic Fixed		7/5/2001	↑	↑	↑	↑	↑	↑
WESTERN ASSET	Domestic Fixed		5/5/2005	↑	↑	↑	↓	↓	↑
LOOMIS OPPORTUNISTIC	Opportunistic	9/30/2012	5/12/2009	↑	↑	↑	↓	↑	↓
STANDISH MELLON	Opportunistic	9/30/2010	5/12/2009	N/A	↓	N/A	N/A	N/A	↓
INVESCO CORE RE	Real Estate		10/1/2007	↑	↓	↑	↑	↑	↑
COMMON SENSE	Hedge Fund		12/3/2009	↑	↓	↓	↑	↑	↓
GROSVENOR	Hedge Fund		10/31/2009	↑	↑	↑	↑	↑	↑

Performance Standards

Standard #1: The manager has outperformed the assigned benchmark a minimum of 50% of the time over the last 20 quarters.

Standard #2: The equity manager and fixed income manager have returned 110% and 105% respectively of the assigned benchmark returns over the most recent three-year period.

Standard #3: The manager's performance is in the 50th percentile or better against the appropriate style universe in at least three of the last five years of consecutive annual returns.

Standard #4: The manager has a Sharpe Ratio equal to or greater than the median manager in an appropriate style universe over the most recent five year period (five year gross return minus five year 91day T-Bill return/standard deviation).

Standard #5: The manager has an Information Ratio equal to or greater than the median manager in an appropriate style universe over the most recent five year period (gross excess return over benchmark/tracking error).

Standard #6: The manager experiences non-performance related issues including personnel turnover, changes in investment philosophy, excessive asset growth, change in ownership, and any other reason causing concern.

Fresno County Employees' Retirement Association

Private Equity

Period Ending: September 30, 2012

IRR Analysis as of IRR date												
Vintage Year	Manager Name/Fund Name	Estimated Market Value as of 09/30/12 ³	Total Commitment	Capital Called	% Called	Remaining Commitment	Capital Returned	Market Value as of IRR date	Distrib./Paid-In (DPI) ¹	Tot. Value/Paid-In (TVPI) ²	Net IRR Since Inception ⁵	IRR Date
Private Equity												
2010	KKR Mezzanine Partners	\$11,203,272	\$30,000,000	\$10,419,015	35%	\$19,580,985	\$927,237	\$11,203,272	8.9%	116.4%	NA ⁴	09/30/12
2010	Angelo Gordon VII	\$32,520,199	\$30,000,000	\$30,000,000	100%	\$0	\$0	\$32,520,199	0.0%	108.4%	3.8%	09/30/12
2008	Landmark Equity XIV, L.P.	\$14,315,413	\$30,000,000	\$15,193,582	51%	\$14,806,418	\$4,200,499	\$14,315,413	27.6%	121.9%	20.9%	06/30/12
2007	New Mountain Partners III	\$10,315,424	\$15,000,000	\$11,557,184	77%	\$3,442,816	\$2,690,783	\$10,742,783	23.3%	112.5%	8.0%	06/30/12
2007	Hamilton Lane	\$47,578,833	\$70,000,000	\$54,250,000	78%	\$15,750,000	\$18,096,254	\$46,120,958	33.4%	121.1%	5.6%	09/30/12
2007	WP Private Equity X, L.P.	\$26,165,486	\$25,000,000	\$24,225,000	97%	\$775,000	\$1,726,938	\$26,165,486	7.1%	115.1%	5.5%	09/30/12
2002	Blackstone IV	\$15,243,025	\$20,000,000	\$21,893,386	109%	-\$1,893,386	\$32,359,276	\$15,150,631	147.8%	217.4%	31.6%	12/31/11
2002	Lone Star Fund IV	\$1,439,980	\$20,000,000	\$19,045,199	95%	\$954,801	\$42,027,670	\$1,439,980	220.7%	228.2%	44.2%	09/30/12
2002	TCW Shop IV	\$7,003,761	\$15,000,000	\$24,073,431	160%	-\$9,073,431	\$21,527,820	\$7,003,761	89.4%	118.5%	6.2%	03/31/12
2001	WP Private Equity VIII, L.P.	\$21,057,150	\$25,000,000	\$25,000,000	100%	\$0	\$34,558,918	\$21,057,150	138.2%	222.5%	15.9%	09/30/12
2000	Landmark Equity X, L.P.	\$2,698,260	\$20,000,000	\$19,009,543	95%	\$990,457	\$20,121,009	\$2,698,260	105.8%	120.0%	4.3%	06/30/12
1999	New Mountain Partners, L.P.	\$1,893,538	\$20,000,000	\$19,009,337	95%	\$990,663	\$25,443,481	\$2,273,010	133.8%	143.8%	12.6%	06/30/12
1999	BCI Growth V, L.P.	\$1,058,157	\$20,000,000	\$18,948,000	95%	\$1,052,000	\$8,226,000	\$1,058,157	43.4%	49.0%	-9.7%	12/31/11
1998	TCW Shop III	\$1,194,403	\$15,000,000	\$15,000,000	100%	\$0	\$16,047,887	\$1,194,403	107.0%	114.9%	2.5%	12/31/11
1998	WP Equity Partners, L.P.	\$735,168	\$20,000,000	\$20,000,000	100%	\$0	\$31,928,813	\$735,168	159.6%	163.3%	10.2%	09/30/12
1997	Blackstone III	\$101,115	\$15,000,000	\$15,368,000	102%	-\$368,000	\$31,385,000	\$138,576	204.2%	204.9%	14.5%	12/31/11

Total Alternative Illiquids	\$194,523,184	\$390,000,000	\$342,991,676	88%	\$47,008,324	\$291,267,585	\$193,817,206	84.9%	141.6%
% of Portfolio (Market Value)	5.9%								

¹(DPI) is equal to (capital returned / capital called)

²(TVPI) is equal to (market value + capital returned) / capital called

³Last known market value + capital calls - distributions

⁴IRR currently unavailable for these funds.

⁵Investment period ended, no further capital to be called.

⁶Gross IRR is calculated on the cash flows of the underlying investments of the fund and is net of the underlying fund fees and carried interest.

⁹Net IRR is calculated on the cash flows of all the limited partners of the fund and is net of all fees. Each IRR figure is provided by its respective manager

Fresno County Employees' Retirement Association

Real Estate - Closed End Funds

Period Ending: September 30, 2012

Inception Date	Real Estate - Closed End Funds	Total Commitment (000's)	Contributions (000's)	Distributions (000's)	Market Values (000's)	One Quarter Return(%)	One Year Return(%)	Three Years Return(%)	Five Years Return(%)	(IRR) Since Inception(%)
12/04/09	Colony Capital*	\$40,000	\$42,268	\$16,504	\$43,420	0.0	12.2	NA	NA	21.0
10/30/09	TA Realty IX	\$30,000	\$28,800	\$3,528	\$31,060	2.4	12.7	NA	NA	34.5
04/15/99	TA Realty V	\$20,000	\$20,000	\$36,198	\$134	7.0	8.4	-11.5	-9.7	12.3
04/12/89	JMB V	\$10,000	\$10,000	\$17,831	\$8	0.0	0.0	-1.2	-2.7	NA

Total Real Estate - Closed End \$100,000 \$101,068 \$74,061 **\$74,622**

Total Real Estate - Closed End **\$74,622**

% of Total Fund (Market Value) **2.2%**

* Balance estimated as of 9/30/2012 and IRR as of 12/31/2011.

Fresno County Employees' Retirement Association

Investment Fund Fee Analysis Long

Period Ending: September 30, 2012

Fund Name	Investment Category	Fee Schedule	Assets as of 9/30/2012	Ticker	Average Expense Ratio	Expense Ratio	Est. Annual Expense	Revenue Sharing	Estimated Revenue
SSGA S&P 500 FLAG.	Domestic Equity Large Cap	0.03% on 1st \$150MM 0.018% on next \$500MM	\$158,968,077	Commingled	0.52%	0.03%	\$46,578	n/a	n/a
WADDELL & REED	Domestic Equity Large Cap Growth	0.25% Total Expense Ratio	\$159,421,790	Separate	0.56%	0.25%	\$398,554	n/a	n/a
WINSLOW CAPITAL MGMT	Domestic Equity Large Cap Growth	0.25% Total Expense Ratio	\$156,813,458	Separate	0.56%	0.25%	\$392,034	n/a	n/a
AJO	Domestic Equity Large Cap Value	0.3% Total Expense Ratio	\$156,112,671	Separate	0.53%	0.30%	\$468,338	n/a	n/a
WELLINGTON LG VAL	Domestic Equity Large Cap Value	0.32% on 1st \$250MM 0.3% on next \$500MM	\$155,971,806	Separate	0.53%	0.32%	\$499,110	n/a	n/a
SYSTEMATIC SMID VAL	Domestic Equity Small/Mid Cap Value	0.35% Total Expense Ratio	\$73,584,595	Separate	0.81%	0.35%	\$257,546	n/a	n/a
KALMAR INVESTMENTS	Domestic Equity Small Cap Growth	1% on 1st \$10MM 0.875% on next \$10MM 0.75% on next \$500MM	\$74,383,435	Separate	0.85%	0.80%	\$595,365	n/a	n/a
OECHSLE INTL	International Equity	0.8% on 1st \$20MM 0.65% on next \$30MM 0.5% on next \$500MM	\$235,142,920	Separate	0.70%	0.54%	\$1,280,823	n/a	n/a
RAFI INTL EQUITY	International Equity	0.15% on 1st \$25MM 0.05% on next \$475MM	\$240,003,166	Separate	0.70%	0.06%	\$144,962	n/a	n/a
MONDRIAN INTL SMALL	International Equity Small Cap	0.85% on 1st \$25MM 0.65% on next \$50MM 0.625% on next \$50MM 0.6% on next \$500MM	\$133,884,893	Commingled	0.70%	0.67%	\$903,321	n/a	n/a
MONDRIAN EMG MARKETS	Emerging Markets Equity	1% on 1st \$25MM 0.75% on next \$50MM 0.6% on next \$500MM	\$157,489,378	Commingled	0.92%	0.71%	\$1,119,907	n/a	n/a
BLACKROCK FIXED INC	Domestic Fixed Income	0.25% on 1st \$100MM 0.2% on next \$100MM 0.175% on next \$100MM 0.15% on next \$500MM	\$348,949,046	Separate	0.27%	0.20%	\$698,596	n/a	n/a
LOOMIS SAYLES FI	Domestic Fixed Income	0.205% Total Expense Ratio	\$173,276,087	Separate	0.27%	0.21%	\$355,216	n/a	n/a
MET WEST ENH TALF	Domestic Fixed Income	1% Total Expense Ratio	\$17,044,283	Commingled	0.27%	1.00%	\$170,443	n/a	n/a
WESTERN CORE FIXED	Domestic Fixed Income	0.15% Total Expense Ratio	\$153,663,997	Separate	0.28%	0.15%	\$230,496	n/a	n/a
LOOMIS SAYLES OPP	Domestic Fixed Income High Yield	0.5% on 1st \$20MM 0.4% on next \$30MM 0.3% on next \$500MM	\$137,906,865	Separate	0.27%	0.35%	\$483,777	n/a	n/a
STANDISH MELLON OPP.	Domestic Fixed Income High Yield	0.4% on 1st \$50MM 0.35% on next \$150MM 0.25% on next \$500MM	\$99,713,843	Commingled	0.27%	0.38%	\$374,027	n/a	n/a
SSGA TIPS	Domestic Fixed Income Real Return	0.04% Total Expense Ratio	\$32,103,069	Commingled	0.77%	0.04%	\$12,841	n/a	n/a

Fresno County Employees' Retirement Association

Investment Fund Fee Analysis Long

Period Ending: September 30, 2012

Fund Name	Investment Category	Fee Schedule	Assets as of 9/30/2012	Ticker	Average Expense Ratio	Expense Ratio	Est. Annual Expense	Revenue Sharing	Estimated Revenue
COMMON SENSE	Hedge Funds	1.5% on 1st \$5MM 1.25% on next \$20MM 1% on next \$500MM	\$48,733,262	Commingled	1.50%	1.15%	\$562,333	n/a	n/a
GROSVENOR	Hedge Funds	1.4% on 1st \$10MM 1.2% on next \$15MM 1% on next \$25MM 0.8% on next \$50MM 0.6% on next \$500MM	\$55,535,638	Commingled	1.50%	1.11%	\$614,280	n/a	n/a
BLACKROCK COMM	Commodities	0.3% Total Expense Ratio	\$106,692,775	Commingled	n/a	0.30%	\$320,078	n/a	n/a
Total			<u>\$2,875,395,055</u>			<u>0.35%</u>	<u>\$9,928,625</u>		

This fee analysis only reflects base fees for investment management, does not incorporate performance-based fees, and excludes fees paid to real estate and private equity managers. Real estate and private equity fees have other components which cannot be easily captured in this simplified format.

** Managers with incentive fee: Waddell, Winslow, Systematic, Research Affiliates, Western Asset.*

*** If combined Loomis FI and Loomis Opp. assets fall below \$200MM, the annual management fee for Loomis FI will rise to 0.25%.*

**** Standish Mellon Opp. has a minimum annual fee of \$100,000.*

***** Common Sense fee schedule is effective January 1, 2013.*

This report contains confidential and proprietary information and is subject to the terms and conditions of the Consulting Agreement. It is being provided for use solely by the customer. The report may not be sold or otherwise provided, in whole or in part, to any other person or entity without Wurts and Associates' (Wurts) written permission or as required by law or any regulatory authority. The information presented does not constitute a recommendation by Wurts and cannot be used for advertising or sales promotion purposes. This does not constitute an offer or a solicitation of an offer to buy or sell securities, commodities or any other financial instruments or products.

The information presented has been prepared using data from third party sources that Wurts believes to be reliable. While Wurts exercised reasonable professional care in preparing the report, it cannot guarantee the accuracy of the information provided by third party sources. Therefore, Wurts makes no representations or warranties as to the accuracy of the information presented. Wurts takes no responsibility or liability (including damages) for any error, omission, or inaccuracy in the data supplied by any third party. Nothing contained herein is, or should be relied on as, a promise, representation, or guarantee as to future performance or a particular outcome. Even with portfolio diversification, asset allocation, and a long-term approach, investing involves risk of loss that the customer should be prepared to bear.

The information presented may be deemed to contain "forward looking" information. Examples of forward looking information include, but are not limited to, (a) projections of or statements regarding return on investment, future earnings, interest income, other income, growth prospects, capital structure and other financial terms, (b) statements of plans or objectives of management, (c) statements of future economic performance, and (d) statements of assumptions, such as economic conditions underlying other statements. Such forward looking information can be identified by the use of forward looking terminology such as "believes," "expects," "may," "will," "should," "anticipates," or the negative of any of the foregoing or other variations thereon or comparable terminology, or by discussion of strategy. No assurance can be given that the future results described by the forward looking information will be achieved. Such statements are subject to risks, uncertainties, and other factors which could cause the actual results to differ materially from future results expressed or implied by such forward looking information. The findings, rankings, and opinions expressed herein are the intellectual property of Wurts and are subject to change without notice. The information presented does not claim to be all-inclusive, nor does it contain all information that clients may desire for their purposes. The information presented should be read in conjunction with any other material provided by Wurts, investment managers, and custodians.

Wurts will make every reasonable effort to obtain and include accurate market values. However, if managers or custodians are unable to provide the reporting period's market values prior to the report issuance, Wurts may use the last reported market value or make estimates based on the manager's stated or estimated returns and other information available at the time. These estimates may differ materially from the actual value. Hedge fund market values presented in this report are provided by the fund manager or custodian. Market values presented for private equity investments reflect the last reported NAV by the custodian or manager net of capital calls and distributions as of the end of the reporting period. These values are estimates and may differ materially from the investment's actual value. Private equity managers report performance using an internal rate of return (IRR), which differs from the time-weighted rate of return (TWRR) calculation done by Wurts. It is inappropriate to compare IRR and TWRR to each other. IRR figures reported in the illiquid alternatives pages are provided by the respective managers, and Wurts has not made any attempts to verify these returns. Until a partnership is liquidated (typically over 10-12 years), the IRR is only an interim estimated return. The actual IRR performance of any LP is not known until the final liquidation.

Wurts receives universe data from Bank of New York / Mellon, eVestment Alliance and Morningstar. We believe this data to be robust and appropriate for peer comparison. Nevertheless, these universes may not be comprehensive of all peer investors/managers but rather of the investors/managers that comprise that database. The resulting universe composition is not static and will change over time. Returns are annualized when they cover more than one year. Investment managers may revise their data after report distribution. Wurts will make the appropriate correction to the client account but may or may not disclose the change to the client based on the materiality of the change.