

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
2Q 2013 COMPLIANCE EVALUATION REPORT



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Executive Summary 2nd Quarter 2013

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, Blackrock Inc., 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	✓	
Systematic Financial Management	✓	
Research Affiliates	✓	
State Street Global Advisors	✓	
Mondrian Investment Partners (Int'l. Small Cap)	✓	
Mondrian Investment Partners (Emerging Mkts)	✓	
Artisan Partners	✓	
Waddell & Reed Inc.	✓	
Winslow Capital Management	✓	
BlackRock, Inc. (Core Plus Fixed Income)	✓	
Western Asset Management Company	✓	
Loomis Sayles	✓	
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 each investment manager's compliance to the Investment Policy and Guidelines of the Fresno County Employees' Retirement Association as of June 30, 2013. 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 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	Separate Account	Public Market (Equity)	Yes
Kalmar Investments Inc.	Separate Account	Public Market (Equity)	Yes
Wellington Capital Management	Separate Account	Public Market (Equity)	Yes
Waddell & Reed	Separate Account	Public Market (Equity)	Yes
Winslow Capital Management	Separate Account	Public Market (Equity)	Yes
State Street Global Advisors	Commingled Fund	Public Market (Equity)	No
Systematic Financial Management	Separate Account	Public Market (Equity)	Yes
Mondrian Investment Partners Limited (ISC & EM)	Commingled Fund	Public Market (Equity)	No
Research Affiliates	Separate Account	Public Market (Equity)	Yes
BlackRock, Inc.	Separate Account	Public Market (Fixed Income)	Yes
Standish Mellon Opportunistic	Commingled Fund	Public Market (Fixed Income)	No
Loomis Sayles	Separate Account	Public Market (Fixed Income)	Yes
Western Asset Management Company	Separate Account	Public Market (Fixed Income)	Yes
PIMCO Distressed Credit Fund	Commingled Fund	Private Market	No
Blackrock Inc.	Commingled Fund	Commodities	No
Heitman / JMB Group Trust V	Commingled Fund	Real Estate	No
Sentinel Real Estate Corp.	Commingled Fund	Real Estate	No
TA Associates V & IX	Commingled Fund	Real Estate	No
JER Fund I & II	Commingled Fund	Real Estate	No
INVESCO	Commingled Fund	Real Estate	No
Colony Capital Partners	Commingled Fund	Real Estate	No
BCI Fund V	Commingled Fund	Private Market	No
The Blackstone Group III & IV	Commingled Fund	Private Market	No
Angelo Gordon	Commingled Fund	Private Market	No
Landmark	Commingled Fund	Private Market	No
Lonestar	Commingled Fund	Private Market	No
New Mountain I & II	Commingled Fund	Private Market	No
TCW Fund III & IV	Commingled Fund	Private Market	No
Warburg Pincus I, VIII, & X	Commingled Fund	Private Market	No
Common Sense Partners (Hedge Fund of Funds)	Commingled Fund	Private Market	No
Grosvenor Institutional Partners (Hedge Fund of Funds)	Commingled Fund	Private Market	No
Hamilton Lane	Commingled Fund	Private Market	No
KKR	Commingled Fund	Private Market	No

Client: **Fresno County Employees Retirement Association**
 Analysis Date: **June 30, 2013**

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					
Waddell & Reed	LG					
Winslow Capital Management	LG					
Wellington Management Co.	LV					
Systematic Financial Management	SV					
State Street Global Advisors - S&P 500	LC					

Asset Class: International Equity

Manager		Market Cap Weighting	Diversification: at Market	Commercial Paper Rating	Weighted Avg Market Cap	Allowable Securities
Artisan Partners	INT					
Research Affiliates	INT					
Mondrian Investment Partners Limited -SC	INT					
Mondrian Investment Partners Limited - EM	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						
Standish Mellon Opportunistic	CPP						
State Street Global Advisors	TIPS						

Legend

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

Domestic Equity

Domestic Equity Accounts 6/30/2013

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 \$2.5B	Yes
No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional	Yes

Waddell & Reed Inc.	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
≤ 7% per issue at market	Yes
Weighted average market cap should not fall below \$10B	Yes
No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional	Yes

Winslow Capital Management	
Guideline	In Compliance
No single equity position > 5% of that company's total market cap	Yes
≤ 7% per issue at market	Yes
Weighted average market cap should not fall below \$10B	Yes
No derivatives, non-ADR foreign stocks, non-U.S. jurisdictional	Yes

Domestic Equity 2

Domestic Equity Accounts 6/30/2013

Systematic Financial Management	
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
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 ¹

State Street Global Advisors	
Guideline	In Compliance
The investment policies of State Street shall be governed by the State Street's Fund Declaration.	Yes ²

¹Wellington's guidelines were revised during 3Q07 to allow for ADR's to be purchased in the over-the-counter markets as well.

²The 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

6/30/2013

Artisan Partners	
Guideline	In Compliance
No single equity position > 5% of company's total market cap	Yes
≤ 5% per issue at purchase or 10% at market.	Yes
No leverage, securities on margin, or sell securities short	Yes
All private placement securities must be 144A.	Yes
No derivatives without consent of Association	Yes

Research Affiliates	
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 ³

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 ³

³The Association's investments in Mondrian are made through commingled vehicles. Therefore, the Association's investment guidelines do not govern the investment processes of the fund.

Domestic Fixed Income

Domestic Fixed Income Accounts

6/30/2013

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 the Barclays 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 the Barclays 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

6/30/2013

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 Barclays 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

Standish Mellon Opportunistic	
Guideline	In Compliance
The investment policies of Standish Mellon shall be governed by the Fund's Declaration.	Yes ⁴

⁴The 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.



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July 16, 2013

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

Re: **FRESNO COMPLIANCE**

Dear Michael:

We're pleased to certify:

The portfolio managed for the Fresno County Employees' Retirement Association remained in compliance with all investment guidelines from April 1, 2013, to June 30, 2013.

We welcome your questions.

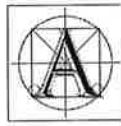
Sincerely,

A handwritten signature in black ink, appearing to read 'J. Dietrick', is positioned above the printed name.

Joseph F. Dietrick
dietrick@ajopartners.com

srl (FX)

cc: Phillip Kapler
Becky Van Wyk
Conor Hinds

**COMPLIANCE WITH INVESTMENT GUIDELINES**

Investment Manager Name: Artisan Partners Limited Partnership

Account Name: Fresno County Employees' Retirement Association

Quarter Ending: June 30, 2013

This is to confirm that, except as noted below, to the best of our knowledge all of Artisan Partners' investment activity during the quarter ended June 30, 2013, on behalf of the Fresno County Employees' Retirement Association (FCERA) non-U.S. growth account has been consistent with the investment policies and restrictions set forth in the Investment Advisory Agreement, Investment Guidelines and Investment Policy Statement effective as of March 13, 2013, and that the portfolio is in compliance with those policies and restrictions.

Note: as previously discussed with Lori Johnson during April 2013, there was an error in the FCERA account which, when corrected, resulted in a net gain to the account.

By: Brooke J. Billick

Name: Brooke J. Billick

Title: Chief Compliance Officer-US Funds and Associate Counsel

Date: August 27, 2013

BLACKROCK

July 17, 2013

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 April 1, 2013 to June 30, 2013, 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 rated below the minimum allowable ratings constraint:

CUSIP	Description	Ratings (M/S/F)
50177AAG4	LBCMT_07-C3 AM	A1/BBB-/NR
07388YAG7	BSCMS_07-PW16	A2/NR/A
92979FAG5	WBCMT_07-C34	A1/BB/NR
*090613AJ9	BIOMET INC	B3/B-/NR

*Resolved during the current period.

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

BLACKROCK

By:



Andrew Novak
Managing Director



**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: July 15, 2013

Reporting Period: Second Quarter 2013



LOOMIS | SAYLES

COMPLIANCE CERTIFICATION

DATE: 07/09/2013

LOOMIS ACCOUNT(S): Fresno County Employees' Ret Assn

F48865 Fresno County Employees Retirement Association

PERIOD UNDER REVIEW: 4/1/2013 - 6/30/2013

We, Loomis, Sayles & Company, L.P., in our capacity as Investment Manager for the account(s) listed above, hereby attest that during the period under review, to the best of our knowledge and beliefs, the account(s) listed above was (were) in compliance with its (their) investment guidelines and restrictions ("Guidelines") and any other requirements listed below, if applicable, except as noted below.

Additional certification requirements:

F48865: Compliance with the Fresno County Employees Retirement Association Investment Policy.

Guideline Violations:

F48865 Fresno County Employees Retirement Association - None

The electronic signatures below demonstrate approval of the representations made in this Compliance Certification for the period under review.

Compliance Approval

Mary Ellen Logee

Vice President, Sr. Portfolio Compliance Manager

07/09/2013

Portfolio Manager(s) Approval

F48865

Peter Palfrey

Vice President, Portfolio Manager

07/09/2013

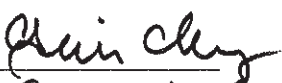
Mondrian Emerging Markets Equity Fund, L.P. (the "Fund")

Certification of Compliance with Investment Strategy

for the period from April 1, 2013 to June 30, 2013

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: JULY 8, 2013

Appendix

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, 144A 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 REITs. 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>676</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>676</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. 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.</p> <p>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.</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>67C</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.

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

Certification of Compliance with Investment Strategy

for the period from April 1, 2013 to June 30, 2013

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: 2nd July 2013

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, 144A 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 approximately \$3 billion (\$2.75 billion from March 17, 2009 to December 31, 2010) at the time of initial purchase. This level is subject to market movements and is regularly reviewed by the Investment Manager. 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, Denmark, 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><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><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>	

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.



DANIEL M. HARKINS
Chief Legal and Compliance Officer
DIRECT: (949) 325-8731
FAX: (949) 325-8931
E-MAIL: harkins@rallc.com

July 11, 2013

Mr. Michael Kamell
Consulting Associate
Wurts & Associates
2321 Rosecrans Avenue, Suite 2250
El Segundo, CA 90245

Dear Mr. Kamell:

As requested, Research Affiliates, LLC ("RA") hereby certifies that the investment portfolio managed on behalf of the Fresno County Employees Retirement Association ("FCERA") complied with all investment guidelines in place as of June 30, 2013.

In addition, RA will continue to provide notification of any compliance exceptions in the management of the FCERA investment portfolio as they occur.

If you have any questions, please contact me directly at (949) 325-8731 or harkins@rallc.com.

Sincerely,

Daniel M. Harkins
Chief Legal and Compliance Officer



July 19, 2013

Mr. Michael Kamell
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 Michael:

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 June 30, 2013. Please do not hesitate to contact me if you have any questions or concerns.

Regards,

Patrick Lyn, CFA
Managing Director, Client Service and Marketing



July 29, 2013

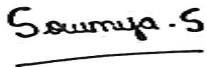
Mr. Michael Kamell
Wurts & Associates
2321 Rosecrans, Suite 2250
El Segundo, CA 90245

Dear Mr. Kamell:

The U.S. TIPS Index Non Lending Fund (CMTP) and the S&P 500 Flagship Securities Lending Fund (CM11), in which the Fresno County Employees' Retirement Association is invested, have had no material breaches of the applicable fund investment management guidelines and restrictions outlined in their respective Fund Declarations, for the quarter ending June 30, 2013.

Should you have any questions or require additional information, please feel free to contact Relationship Manager Sonya Park at (415) 836-9854.

Sincerely,

A handwritten signature in black ink that reads "Sowmya.S". The signature is written in a cursive style and is underlined with a single horizontal line.

Sowmya.S
SSgA Compliance

cc: Sonya Park

July 11, 2013

Michael Kamell, CPA,
Consulting Associate
Wurts and Associates
2321 Rosecrans Avenue, Suite 2250
Los Angeles, CA 90245

Re: Fresno County Employees Retirement System (Account)
Investment Guidelines dated September 8, 2010

Dear Mr. Kamell:

Systematic Financial Management, LP is writing in fulfillment of its responsibility to certify compliance with the Investment Guidelines for the above-referenced Account managed by Systematic.

Systematic is pleased to confirm that it has maintained compliance with the Account's Investment Guidelines during this past calendar quarter. Should you effect any changes to the Investment Guidelines in the coming months, please forward a copy of the revisions at your earliest convenience. For further information regarding Systematic's implementation and monitoring of clients' investment guidelines, as well as other policies and procedures related to our management of clients' accounts, please refer to our Form ADV Part 2A.

Systematic would like to thank you again for the opportunity to provide investment management services to the Account. Should you have any questions or require additional information, please do not hesitate to contact your client service representative.

Yours very truly,

Karen E. Kohler
Chief Compliance Officer

Cc: Philip Kapler- Fresno County
Scott Garrett- Systematic Financial Management, LP.
Jeffrey MacLean-Wurts & Associates, Inc

WADDELL & REED
ASSET MANAGEMENT GROUP

LYNNE GOODWIN
VICE PRESIDENT
INSTITUTIONAL CLIENT SERVICE

6300 LAMAR AVENUE
POST OFFICE BOX 29223
SHAWNEE MISSION, KS 66201-9223
913/236-3731 FAX 913/236-1888
877/887-0867
EMAIL LGOODWIN@WADDELL.COM

July 15, 2013

Michael Kamell, CPA
Wurts & Associates
2321 Rosecrans Avenue, Suite 2250
Los Angeles, CA 90245

RE: Fresno County Employees' Retirement Association

Dear Mike:

Pursuant to the Agreement between Fresno County Employees' Retirement Association and Waddell & Reed Investment Management Company, Waddell & Reed stands in compliance with mutually agreed upon guidelines as of the second quarter of 2013.

Please let me know if you need any additional information.

Sincerely,



Lynne Goodwin
Vice President
Institutional Client Service

Cc: Phillip Kapler





July 3, 2013

Mr. Michael Kamell
2321 Rosecrans Ave.
Suite 2250
El Segundo, CA 90245-4977

Re: Fresno CERA

Dear Mr. Kamell:

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 the stated investment objectives, policies and guidelines during the second quarter of 2013.

Please contact Western Asset should you have any questions.

Sincerely,

Jeffrey E. Kolesnik
Compliance Officer

Wellington Management Company, LLP

Two Embarcadero Center
Suite 1645
San Francisco
California 94111
USA

TEL: (415) 627-1800
FAX: (415) 627-1801

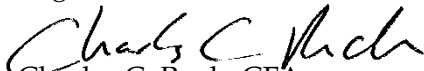
June 30, 2013

Fresno County Employees' Retirement Association
1111 H Street
Fresno, CA 93721

Re: Certification of Compliance – Quarterly Statement as of June 30, 2013

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 April 1 – June 30, 2013, has been reviewed and is in compliance with the investment management agreement and Wellington Management's internal policies.

Regards,


Charles C. Ruch, CFA
Vice President

Delivered Via E-Mail

Date: July 8, 2013


TO: Mr. Phillip Kapler
Fresno County Employees' Retirement Association
1111 H Street
Fresno, CA 93721
pkapler@co.fresno.ca.us
bvanwyk@co.fresno.ca.us

FROM: Laura J. Hawkins, CCO
Winslow Capital Management, LLC
4720 IDS Tower
80 South Eighth Street
Minneapolis, MN 55402

RE: Compliance Certification

For the period April 1, 2013 through June 30, 2013, Winslow Capital Management, LLC certifies that the portfolio managed for the Fresno County Employees' Retirement Association was in compliance with the Fresno County Employees' Retirement Association Investment Guidelines.

Winslow Capital Management, LLC



Laura J. Hawkins, Chief Compliance Officer

Cc: Michael Kamell, CPA
Wurts & Associates
mkamell@wurts.com

Conor Hinds
Fresno County Employees' Retirement Association
cohinds@co.fresno.ca.us