

# FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION MANAGER SEARCH SUMMARY

Bee G. Lim, CFA, CAIA  
*Associate Director of Research*

**SEATTLE**  
999 Third Avenue  
Suite 4200  
Seattle, Washington 98104  
206.622.3700 telephone  
206.622.0548 facsimile

**LOS ANGELES**  
2321 Rosecrans Avenue  
Suite 2250  
El Segundo, California 90245  
310.297.1777 telephone  
310.297.0878 facsimile

# Discussion on Domestic Large Cap Growth Equity Options

March 2010

Bee G. Lim, CFA, CAIA

## SEATTLE

999 Third Avenue  
Suite 4200  
Seattle, Washington 98104  
206.622.3700 telephone  
206.622.0548 facsimile

## LOS ANGELES

2321 Rosecrans Avenue  
Suite 2250  
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310.297.0878 facsimile

## » Large Cap Growth Equity: Strategy Comparison

Characteristics	Rainier	Sands	T. Rowe Price	Turner	Waddell & Reed	Winslow
<b>Objectives</b>	Outperform with similar risk	Outperform over five year time horizon	Superior long-term performance	Outperform the market with similar risk	Outperform over market cycle	Outperform by 3% per year
<b>Preferred Benchmark</b>	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth	Russell 1000 Growth
<b>Investment Philosophy</b>	<ul style="list-style-type: none"> <li>•invest in growth companies at sensible prices</li> <li>•Fundamental analysis based on earnings growth</li> </ul>	<ul style="list-style-type: none"> <li>•Stock prices reflect earnings growth over time</li> <li>•Fundamental, bottom-up, business-focused research</li> <li>•High conviction</li> </ul>	<ul style="list-style-type: none"> <li>•Growth in earnings and cash flow drive returns</li> <li>•Focus on both cyclical and secular growth</li> </ul>	<ul style="list-style-type: none"> <li>•Earnings expectations drive stock prices</li> <li>•Focus on stock selection versus sector allocation</li> </ul>	<ul style="list-style-type: none"> <li>•Focus on sustainable growth vs. growth rate</li> <li>•Prefers companies with structural advantages</li> </ul>	<ul style="list-style-type: none"> <li>•Above-average earnings growth</li> <li>•Relative valuation vs. internal models</li> <li>•Differentiation from the R1000G</li> </ul>
<b>Portfolio Construction</b>	<ul style="list-style-type: none"> <li>•40-85 securities</li> <li>•7% max position (rarely above 5%)</li> <li>•Sectors held to +/- 10% relative to R1000G</li> </ul>	<ul style="list-style-type: none"> <li>•25-30 securities</li> <li>•10% max position</li> <li>•No sector constraints</li> </ul>	<ul style="list-style-type: none"> <li>•45-65 securities</li> <li>•5% max position</li> <li>•Sectors held Between 0.5x-3.0x R1000G weights</li> </ul>	<ul style="list-style-type: none"> <li>•67-86 securities</li> <li>•5% max position</li> <li>•Sectors remain neutral to S&amp;P 500</li> </ul>	<ul style="list-style-type: none"> <li>•45-80 securities</li> <li>•5% max position</li> <li>•Sectors limited to larger of 2x R1000G weight or 15%</li> </ul>	<ul style="list-style-type: none"> <li>•55-62 securities</li> <li>•5% max position</li> <li>•Sectors held to +/- 10% relative to R1000G</li> </ul>
<b>Differentiating Characteristics</b>	<ul style="list-style-type: none"> <li>•Growth at a Reasonable Price (GARP) strategy</li> <li>•Stable team of Portfolio Manager- Analysts</li> </ul>	<ul style="list-style-type: none"> <li>•Very high concentration</li> <li>•Sector allocation fully driven by security selection</li> <li>•Long term, low turnover strategy</li> </ul>	<ul style="list-style-type: none"> <li>•Fundamental, bottom-up research is key</li> <li>•Sector allocations result of security selection</li> <li>•Reliance on internal research</li> </ul>	<ul style="list-style-type: none"> <li>•100% stock selection strategy</li> </ul>	<ul style="list-style-type: none"> <li>•Combination of top-down and bottom-up investment styles</li> <li>•Preference for cyclical, controlled growth vs. speculative growth stocks</li> </ul>	<ul style="list-style-type: none"> <li>•Only strategy offered by the firm</li> <li>•Diversity among growth sources - not solely GARP, not momentum</li> </ul>

## » Large Cap Growth Equity: Strategy Comparison (Cont)

Characteristics	Rainier	Sands	T. Rowe Price	Turner	Waddell & Reed	Winslow
<b>Ownership</b>	100% owned by 11 current employees	100% employee-owned	Publicly traded company, employees hold 25%	100% owned by 83 current employees	Subsidiary of Waddell & Reed Financial, a publicly traded co.	Wholly owned subsidiary of Nuveen Investments
<b>Potential Concerns</b>	<ul style="list-style-type: none"> <li>•Same team also runs Core, Smid Cap and All Cap strategies</li> </ul>	<ul style="list-style-type: none"> <li>•High tracking error strategy</li> <li>•Concentrated ownership with Sands family</li> </ul>	<ul style="list-style-type: none"> <li>•Key man risk with Robert Sharps, lead PM since strategy inception</li> </ul>	<ul style="list-style-type: none"> <li>•PM team runs multiple additional strategies</li> </ul>	<ul style="list-style-type: none"> <li>•Almost 50% of firm's asset base is retail-oriented</li> </ul>	<ul style="list-style-type: none"> <li>•Clark Winslow, the firm and strategy's founder, is in his late 60's</li> </ul>
<b>Strategy AUM</b>	\$4.53B	\$12.4B	\$15.82B	\$4.97B	\$4.32B	\$8.72B
<b>Fees</b>	<ul style="list-style-type: none"> <li>•First \$10M: 0.75%</li> <li>•Balance: 0.50%</li> </ul>	<ul style="list-style-type: none"> <li>•First \$50M: 0.75%</li> <li>•Balance: 0.50%</li> <li>•Perf-based option</li> </ul>	<ul style="list-style-type: none"> <li>•0.40% on all assets</li> </ul>	<ul style="list-style-type: none"> <li>•First \$25M: 0.75%</li> <li>•Balance: 0.50%</li> <li>•Perf-based option</li> </ul>	<ul style="list-style-type: none"> <li>•First \$25M: 0.60%</li> <li>•Next \$25M: 0.50%</li> <li>•Balance: 0.40%</li> </ul>	<ul style="list-style-type: none"> <li>•First \$50M: 0.60%</li> <li>•Next \$50M: 0.55%</li> <li>•Next \$150M: 0.50%</li> <li>•Perf-based option</li> </ul>
<b>Track Record</b>	9.5 years	23 years	9 years	19.5 years	15 years	17.5 years
<b>Team Size</b>	<ul style="list-style-type: none"> <li>•9 PM's - all serve as analysts</li> </ul>	<ul style="list-style-type: none"> <li>•1 PM</li> <li>•16 Analysts</li> </ul>	<ul style="list-style-type: none"> <li>•4 PM's</li> <li>•114 Analysts</li> </ul>	<ul style="list-style-type: none"> <li>•4 PM's</li> <li>•22 Analysts</li> </ul>	<ul style="list-style-type: none"> <li>•3 PM's</li> <li>•14 Analysts</li> </ul>	<ul style="list-style-type: none"> <li>•3 PM's</li> <li>•2 Analysts</li> </ul>
<b>Team Tenure</b>	Average 9 Years	10 Years	Average 11 Years	Average 15 Years	Average 12 Years	Average 14 Years
<b>Conclusion</b>	<i>GARP oriented strategy is unique among candidates. High correlation to inflation is a plus in the current environment</i>	<i>Concentrated, high-conviction growth manager likely to exhibit periods of very high tracking error.</i>	<i>Fundamental, bottom-up strategy with negative correlation to credit spreads over time</i>	<i>Only presented strategy focusing solely on security selection to generate alpha</i>	<i>Macroeconomic top-down input in process has produced positive correlation to GDP growth over time</i>	<i>Diversity among growth sources, long management team tenure and single-strategy focus are strengths</i>

# Fresno County Employees' Retirement Association

## Manager Search Overview

Period Ending: December 31, 2009

	Rainier Large Cap Growth Equity	Sands Large Cap Growth Equity	T. Rowe Price Institutional Large Cap Growth	Russell 1000 Growth
<b>Firm</b>				
Location	Seattle, Washington	Arlington, Virginia	Baltimore, Maryland	
Ownership	100% employee owned	100% employee owned	Public: 75%, Employees: 25%	
Assets Under Management	\$17,327	\$13,867	\$391,300	
<b>Strategy Basics</b>				
Assets Under Management	\$4,526	\$12,423	\$15,816	
Management/Style	Fundamental/Growth	Fundamental/Growth	Fundamental/Growth	
# Portfolio Mgrs/# Analysts	9/0	1/16	4/114	
<b>Performance</b>				
3 Year	-2.3%	2.1%	0.2%	-1.9%
5 Year	2.8%	2.3%	3.1%	1.6%
7 Year	8.4%	9.2%	8.8%	5.9%
10 Year	NA	-0.6%	NA	-4.0%
<b>Characteristics</b>				
R-squared (5 year)	0.96	0.90	0.95	
Tracking Error (5 year)	4.08	9.89	4.65	
Information Ratio (5 year)	0.29	0.07	0.32	
Standard Deviation (5 year)	19.18	24.84	20.04	17.74
Dividend Yield	0.9%	0.4%	0.7%	1.5%
Average Market Cap	\$60,840	\$54,320	\$68,931	\$76,422
Annual Turnover	1.11	0.23	0.61	
Range of Holdings	40-85	25-30	45-65	
<b>Quarterly Batting Average</b>				
5 Year	0.60	0.55	0.55	
10 Year	NA	0.60	NA	
Since Inception	0.66	0.63	0.66	
<b>Best / Worst Periods (vs. Index)</b>				
1 Year	4.7%/-3.7%	13.3%/-7.8%	5.5%/-2.9%	
3 Year	7.1%/-1.0%	13.1%/-7.2%	6.2%/-2.2%	
5 Year	6.1%/1.2%	11.2%/-1.3%	3.8%/0%	
<b>Fees</b>				
Vehicle / Fee	Separate Account: 0.52%	Separate Account: 0.61%	Separate Account: 0.40%	

# Fresno County Employees' Retirement Association

## Manager Search Overview

Period Ending: December 31, 2009

	Turner Core Growth Equity	Waddell & Reed Large Cap Growth	Winslow MainStay Large Cap Growth I	Russell 1000 Growth
<b>Firm</b>				
Location	Berwyn, Pennsylvania	Overland Park, Kansas	Minneapolis, Minnesota	
Ownership	100% employee owned	Public: 96%, Employees: 4%	Wholly owned subsidiary of Nuveen Investments, Inc.	
Assets Under Management	\$17,646	\$7,594	\$8,724	
<b>Strategy Basics</b>				
Assets Under Management	\$4,970	\$4,315	\$8,724	
Management/Style	Fundamental/Growth	Combined Approach/Growth	Fundamental/Growth	
# Portfolio Mgrs/# Analysts	4/22	3/14	3/2	
<b>Performance</b>				
3 Year	-4.2%	1.1%	1.9%	-1.9%
5 Year	2.0%	4.3%	4.9%	1.6%
7 Year	7.6%	6.9%	9.6%	5.9%
10 Year	-1.5%	1.7%	0.6%	-4.0%
<b>Characteristics</b>				
R-squared (5 year)	0.94	0.89	0.95	
Tracking Error (5 year)	5.83	5.87	4.26	
Information Ratio (5 year)	0.06	0.46	0.76	
Standard Deviation (5 year)	20.87	16.31	18.79	17.74
Dividend Yield	0.9%	1.2%	0.7%	1.5%
Average Market Cap	\$51,566	\$77,210	\$66,300	\$76,422
Annual Turnover	1.03	0.62	0.51	
Range of Holdings	67-86	45-80	55-62	
<b>Quarterly Batting Average</b>				
5 Year	0.60	0.65	0.60	
10 Year	0.63	0.63	0.63	
Since Inception	0.56	0.62	0.60	
<b>Best / Worst Periods (vs. Index)</b>				
1 Year	8.9%/-5.8%	12.8%/-6.7%	9.8%/-11.5%	
3 Year	11.7%/-7.1%	18.6%/-3.2%	8.8%/-9.5%	
5 Year	6.4%/-4.2%	11.9%/-0.7%	6.2%/-7.8%	
<b>Fees</b>				
Vehicle / Fee	Separate Account: 0.56%	Separate Account: 0.47%	Separate Account: 0.57%	

# Fresno County Employees' Retirement Association

## Firm Background

Period Ending: December 31, 2009

### Rainier Investment Management

Location : Seattle, Washington

Founded : 1989

#### Firm Background:

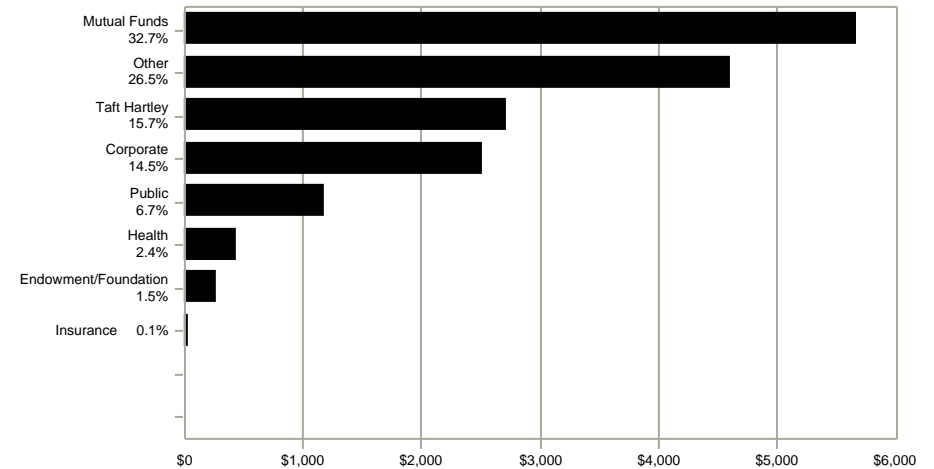
Rainier Investment Management, Inc. (RIM) is an independent investment advisory firm located in Seattle, Washington. The firm was incorporated in 1989 but its roots extend back to 1973 through predecessor organizations. The firm is 100% owned and operated by its investment professionals and registered with the SEC as a 1940 Act Advisor. Clients of Rainier include corporations, Taft-Hartley, public and corporate retirement plans, foundations and charitable endowments, and high net-worth individuals. While the firm has a growing national clientele, most of RIM's separately managed clients are located on the West Coast, with a strong presence in the Pacific Northwest.

#### Firm Ownership:

RIM is 100% owned and operated by its investment professionals. Ownership is spread among 11 current investment professionals, with no individual holding more than 25% interest in the company.

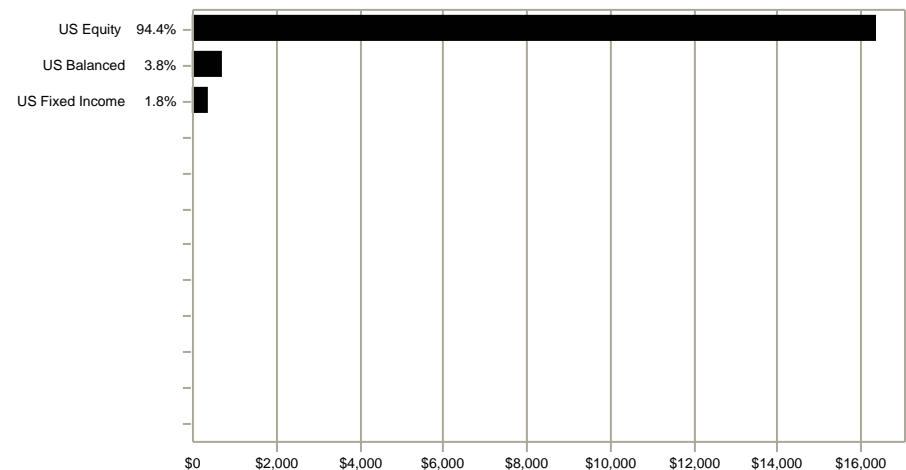
#### Assets by Client Type

(Total: \$17,327 Million)



#### Assets by Asset Class

(Total: \$17,327 Million)



"Other" Assets by Client Type includes non-profit accounts and subadvised.

# Fresno County Employees' Retirement Association

## Firm Background

Period Ending: December 31, 2009

### Sands Capital Management, LLC

Location : Arlington, Virginia

Founded : 1992

#### Firm Background:

Sands Capital Management began operations on February 7, 1992. The firm was founded on the belief that a small and dedicated professional investment group, committed to and focused on a high quality growth investment strategy, could create wealth for its clients over time and in a prudent fashion. The investment strategy has been developed and refined by Frank M. Sands, Sr., CFA, Chief Executive Officer and Chief Investment Officer of Sands Capital, since his entry into the investment management industry in 1969. This strategy has been successfully implemented and executed by Mr. Sands, Sr., CFA, and co-founder William Johnson since 1986, first at another firm, and then at Sands Capital Management.

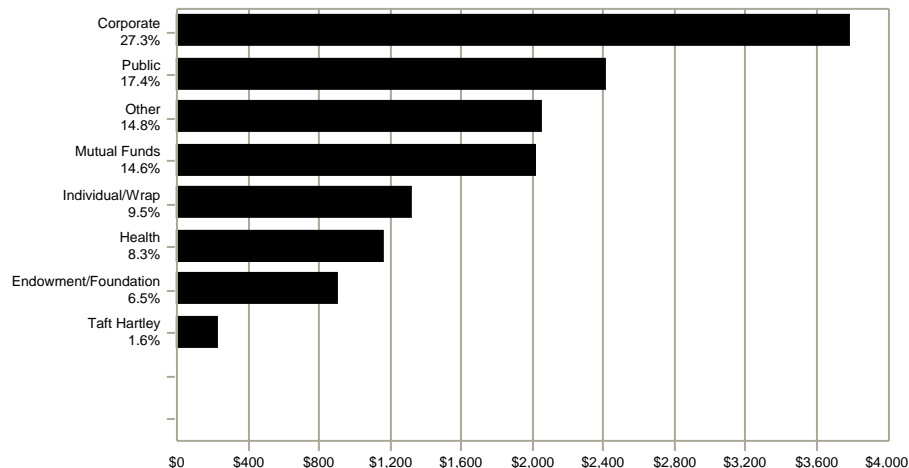
Over the last several years, Sands Capital has added several additional staff members and obtained many new clients. The core professional staff now consists of six investment professionals and seven administrative/operational professionals, all committed to this high quality, growth investment approach.

#### Firm Ownership:

Sands Capital Management is 100% employee owned. During the second quarter of 2001, Frank M. Sands, Jr., CFA, President, acquired 30% of the company stock. The remaining 70% is owned by Frank M. Sands, Sr., Chief Executive Officer and Chief Investment Officer. Sands Capital also offers key professionals participation in a "synthetic" equity plan whereby a significant and material portion of total compensation is linked to both the investment and business results of the firm.

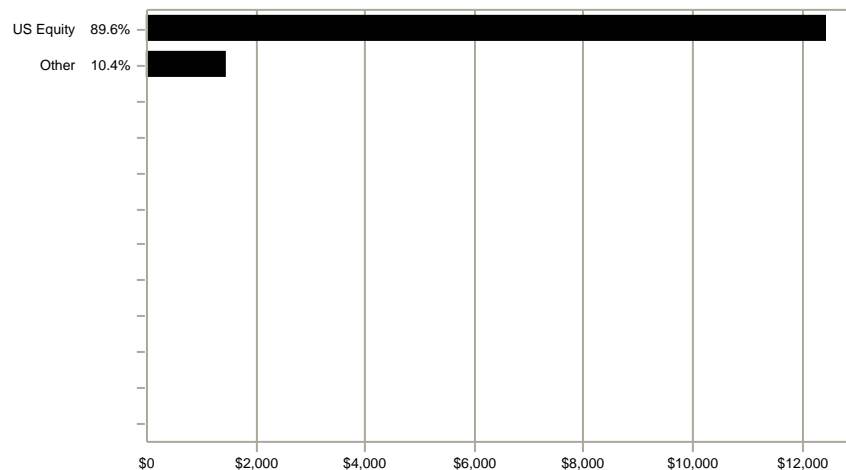
#### Assets by Client Type

(Total: \$13,867 Million)



#### Assets by Asset Class

(Total: \$13,867 Million)



"Other" Assets by Client Type includes: Religious, Education, and subadvised. "Other" Assets by Asset Class includes assets in the healthcare leaders equity (all cap growth) and Global Growth Equity strategies.



# Fresno County Employees' Retirement Association

## Firm Background

Period Ending: December 31, 2009

### T. Rowe Price Group, Inc.

Location : Baltimore, Maryland

Founded : 1937

#### Firm Background:

T. Rowe Price was established in 1937 by Thomas Rowe Price as an independent investment advisory firm. The firm was incorporated in the State of Maryland in 1947. T. Rowe Price has been registered under the 1940 Investment Advisers Act with the US Securities and Exchange Commission (SEC) since 1947. T. Rowe Price began as an advisor for individual investors. In 1950, the firm established its first retail mutual fund, the Growth Stock Fund, and in 1951 accepted their first institutional separate account client. T. Rowe Price's Fixed Income Department was created in 1971. During the late 1970s and throughout the 1980s, T. Rowe Price established affiliates which further enhanced the range of capabilities and enabled the firm's customer service to keep pace with its investment expertise. T. Rowe Price offers a broad range of institutional separate account investment strategies among various asset categories and specialty products, as well as over 80 mutual funds, both retail and institutional.

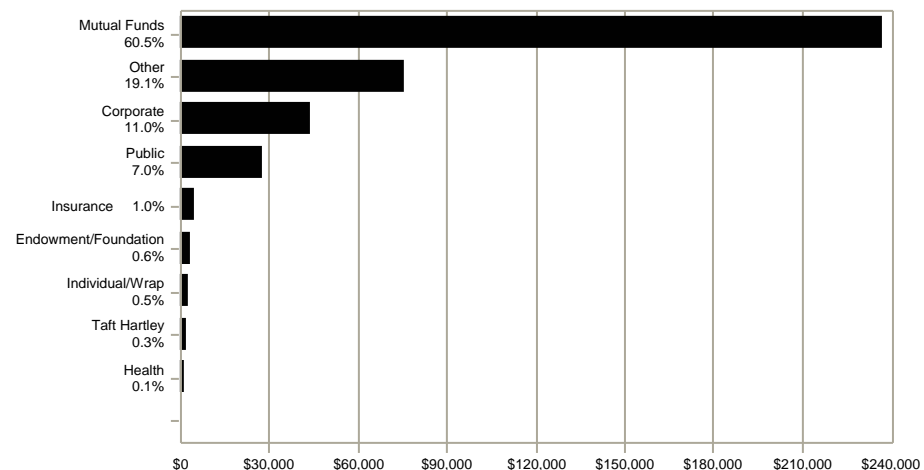
#### Firm Ownership:

On April 2, 1986, the firm became a publicly traded corporation with an initial public offering of Price Associates' stock made on The NASDAQ Stock Market (symbol TROW). T. Rowe Price Group's shares are included in the Standard & Poor's 500 Index.

Presently, shares owned outright by associates, combined with vested but unexercised options, total approximately 25-30% of the firm's equity.

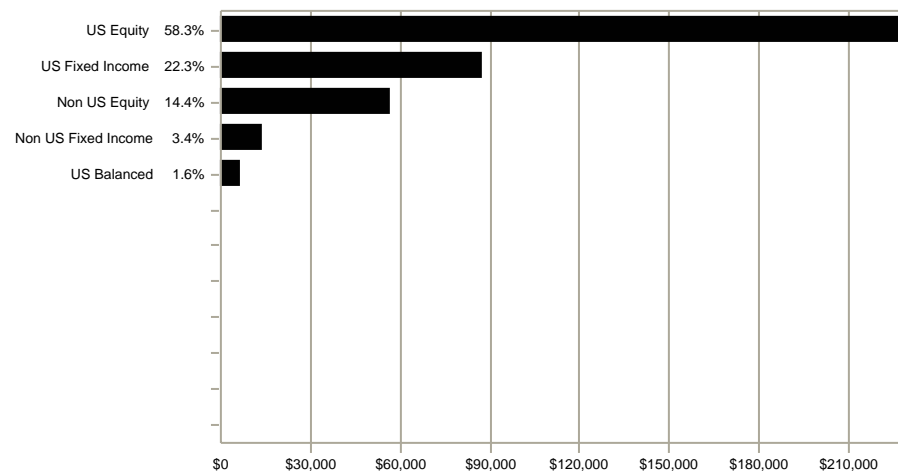
#### Assets by Client Type

(Total: \$391,300 Million)



#### Assets by Asset Class

(Total: \$391,300 Million)



"Other" Assets by Client Type includes commingled trusts; non-proprietary funds, SICAV, and subadvised assets.

# Fresno County Employees' Retirement Association

## Firm Background

Period Ending: December 31, 2009

### Turner Investment Partners, Inc.

Location : Berwyn, Pennsylvania

Founded : 1990

#### Firm Background:

Turner Investment Partners, Inc. ("Turner" or "Turner Investment Partners"), founded in 1990, is an employee-owned investment management firm based in Berwyn, Pennsylvania. The firm was founded by Robert E. Turner, Mark D. Turner, and Christopher K. McHugh and began managing assets, including institutional assets, on March 5, 1990 (the effective date of its SEC registration).

Turner holds an active controlling interest in one investment management subsidiary, Turner Investment Management LLC. In June of 2007, Turner launched Turner International, Ltd. a wholly-owned United Kingdom-based marketing subsidiary, and in July of 2008 created an additional wholly-owned marketing subsidiary, Turner Investments Pte. Ltd., a Singapore limited private company. The primary purpose of the Singapore subsidiary is to market Turner's investment management services and Dublin, Ireland-registered UCITS in Asia. Turner is affiliated with, as it serves as advisor and administrator to, the Turner Funds, a family of mutual funds.

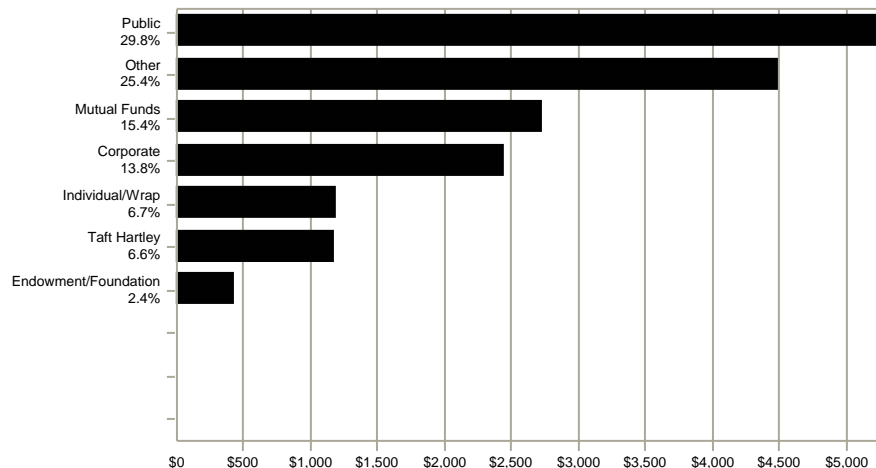
#### Firm Ownership:

Turner is 100% employee-owned. Approximately 65% of Turner's employees are owners. The firm will continue to distribute equity to those professionals who make significant contributions to the success of the business. Current principals of the firm are willing to further dilute their equity ownership stake in order to add these key people.

On September 18, 2007, Turner announced its plans to offer a minority equity interest in the firm to the public. At the time, Turner expected the Initial Public Offering to be completed on the New York Stock Exchange by the end of 2008. Turner subsequently postponed these plans indefinitely.

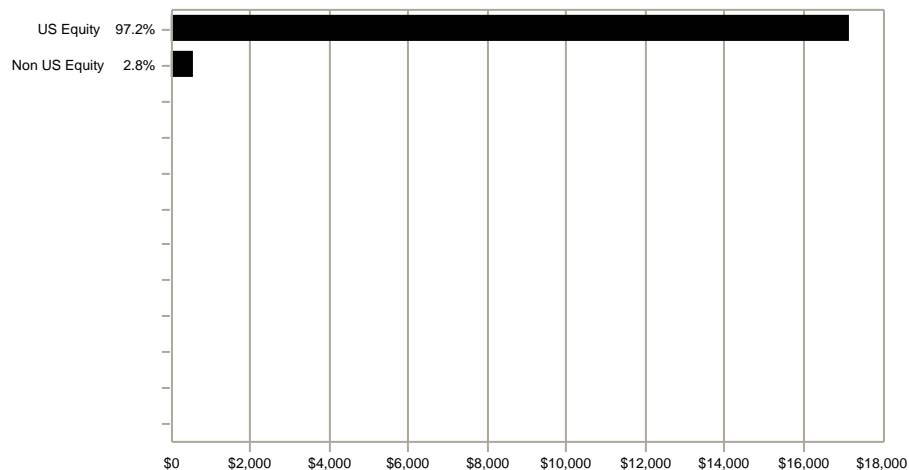
#### Assets by Client Type

(Total: \$17,646 Million)



#### Assets by Asset Class

(Total: \$17,646 Million)



"Other" Assets by Client Type includes subadvisory and limited partnership.

# Fresno County Employees' Retirement Association

## Firm Background

Period Ending: December 31, 2009

### Waddell & Reed Asset Management Group

Location : Overland Park, Kansas

Founded : 1937

#### Firm Background:

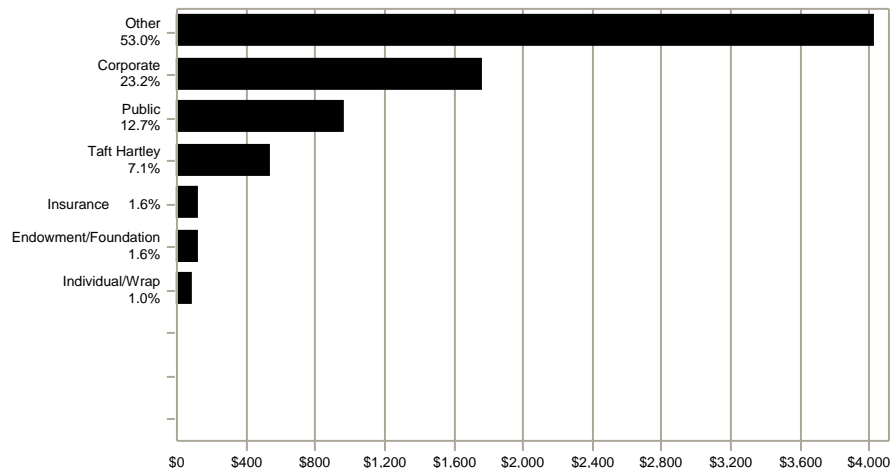
The Asset Management Group within Waddell & Reed Investment Management Company WRIMCO, was formed for the purpose of offering investment management services to the institutional marketplace. Waddell & Reed has been providing services to the institutional marketplace since 1972. Waddell & Reed, established in 1937, either directly or through its investment management subsidiary, WRIMCO has provided continuous investment management services for 70 years.

#### Firm Ownership:

Waddell & Reed Investment Management Company, the parent of Waddell & Reed Asset Management Group, is publicly traded on the New York Stock Exchange. Currently approximately 4% of the firm's shares are owned by employees.

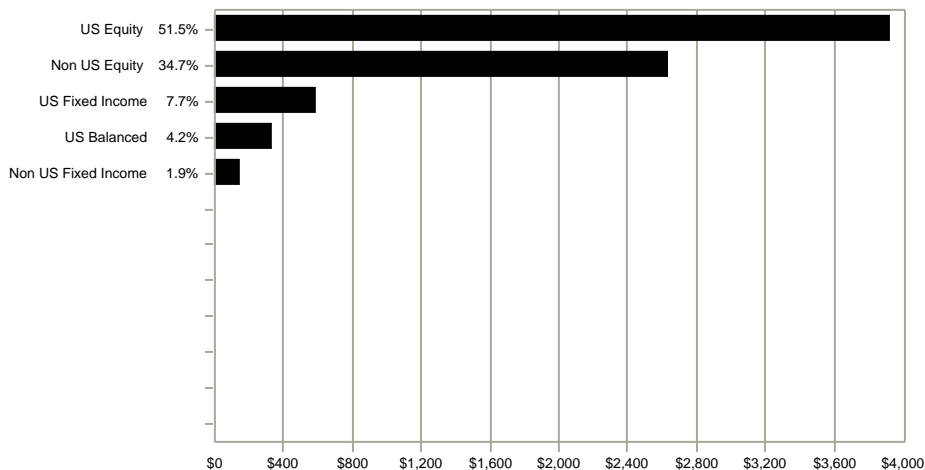
#### Assets by Client Type

(Total: \$7,594 Million)



#### Assets by Asset Class

(Total: \$7,594 Million)



PIMCO's "Other" Assets by Client Type includes: subadvised and commingled fund.

# Fresno County Employees' Retirement Association

## Firm Background

Period Ending: December 31, 2009

### Winslow Capital Management, Inc.

Location : Minneapolis, Minnesota

Founded : 1992

#### Firm Background:

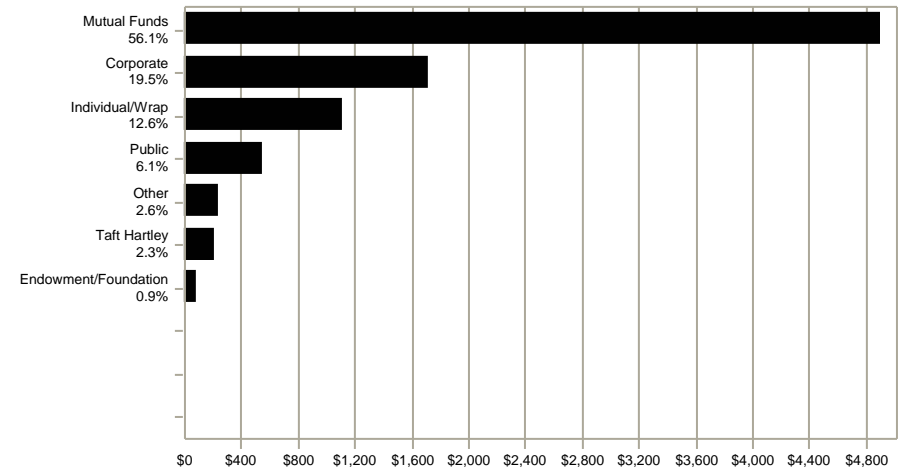
Winslow Capital was founded in June 1992 to provide growth equity management to a limited number of institutional clients. Their self-imposed limit of relationships was established to maintain their focus on the investment process and to provide a high level of client service.

#### Firm Ownership:

On November 20, 2008, Winslow Capital Management reached an agreement to become a wholly owned subsidiary of Nuveen Investments. The transaction closed December 26, 2008. The investment team and entire staff remains in place continuing to serve our clients. The principals of the firm have entered into long-term employment contracts with non-compete provisions. Through the terms of an operating agreement with Nuveen, Winslow's principals serve as the Operating Committee of the firm and have authority over the management of the business, its staff, and full authority and discretion over the investment process and its implementation. The investment team and other key professionals have significant equity-based incentives to ensure that their interests and those of the firm are completely aligned with those of the clients as they have in the past. They continue to operate as Winslow Capital Management, Inc., a Minnesota corporation.

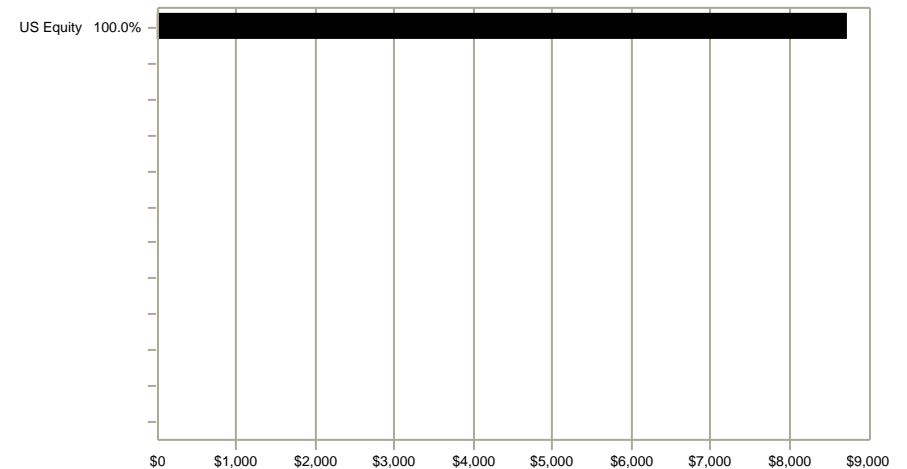
#### Assets by Client Type

(Total: \$8,724 Million)



#### Assets by Asset Class

(Total: \$8,724 Million)



"Other" Assets by Client Type includes subadvised.

# Fresno County Employees' Retirement Association

## Product Overview

Period Ending: December 31, 2009

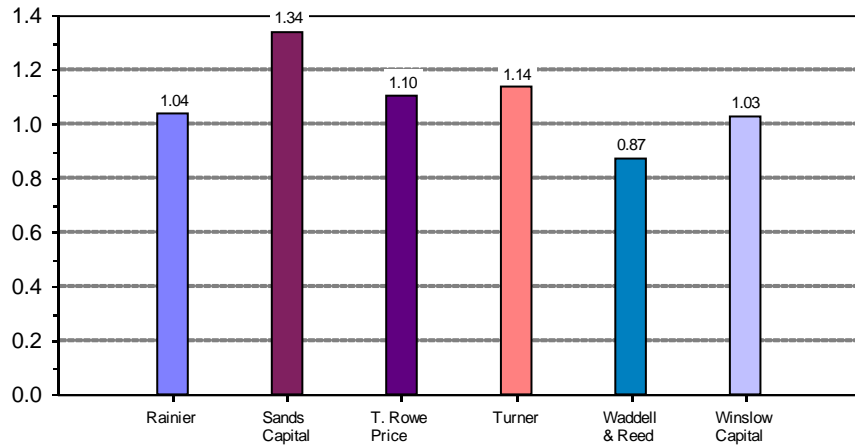
Investment Manager/Product	Style Bias	Management Style	Portfolio Management		Strategy Assets (\$mm)
			# Port Mgrs	# Analysts	
Rainier Investment Management: Large Cap Growth Equity	Growth	Bottom-Up	9	0	\$4,526
Sands Capital Management, LLC: Large Cap Growth Equity	Growth	Bottom-Up	1	16	\$12,423
T. Rowe Price Group, Inc.: Large-Cap Growth Strategy	Growth	Bottom-Up	4	114	\$15,816
Turner Investment Partners, Inc.: Turner Core Growth Equity	Core / Growth Tilt	Bottom-Up	4	22	\$4,970
Waddell & Reed Asset Management Group: Large Cap Growth	GARP	Bottom-Up	3	14	\$4,315
Winslow Capital Management, Inc.: Large Cap Growth	Growth	Bottom-Up	3	2	\$8,724

# Fresno County Employees' Retirement Association

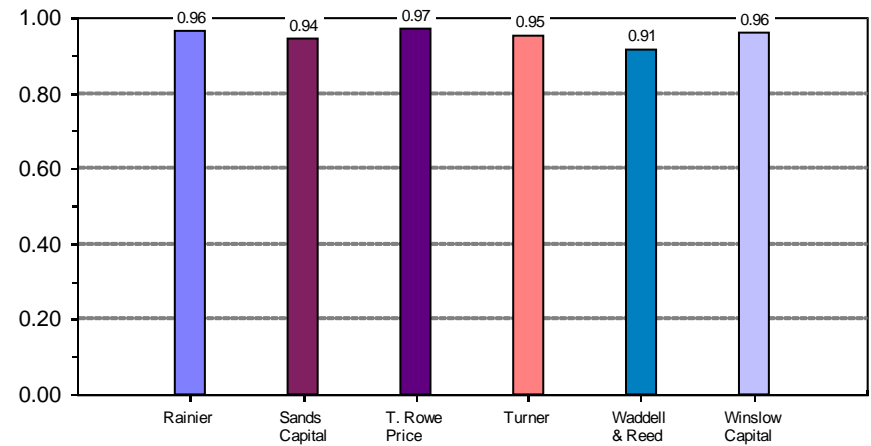
## Equity Characteristics

Period Ending: December 31, 2009

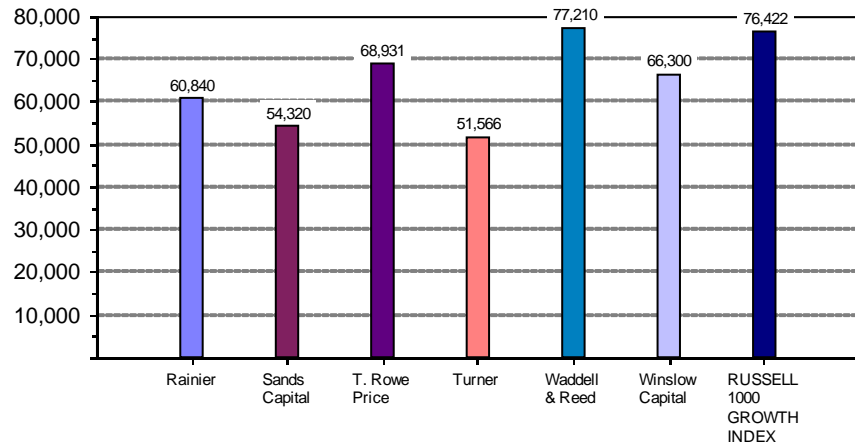
**Beta (3 Years vs. RUSSELL 1000 GROWTH INDEX)**



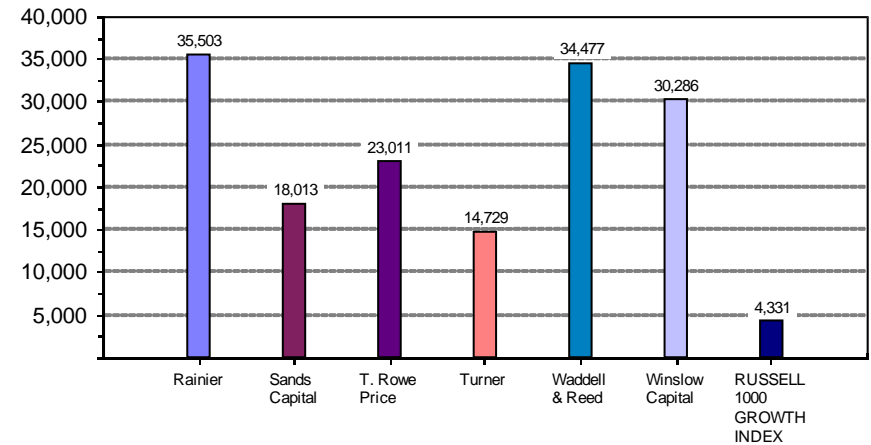
**R-squared (3 Years vs. RUSSELL 1000 GROWTH INDEX)**



**Average Market Capitalization(\$Million)**



**Median Market Capitalization(\$Million)**

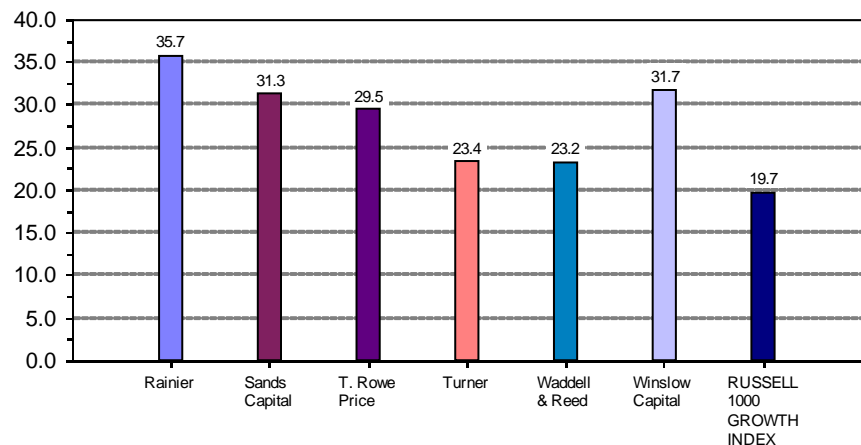


# Fresno County Employees' Retirement Association

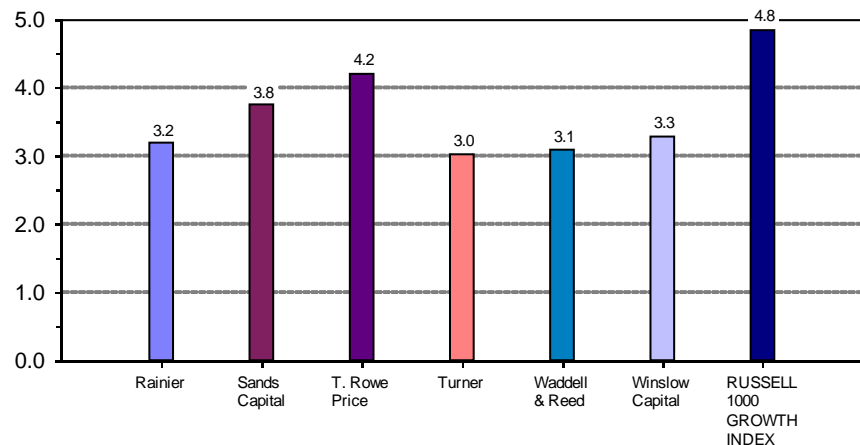
## Equity Characteristics

Period Ending: December 31, 2009

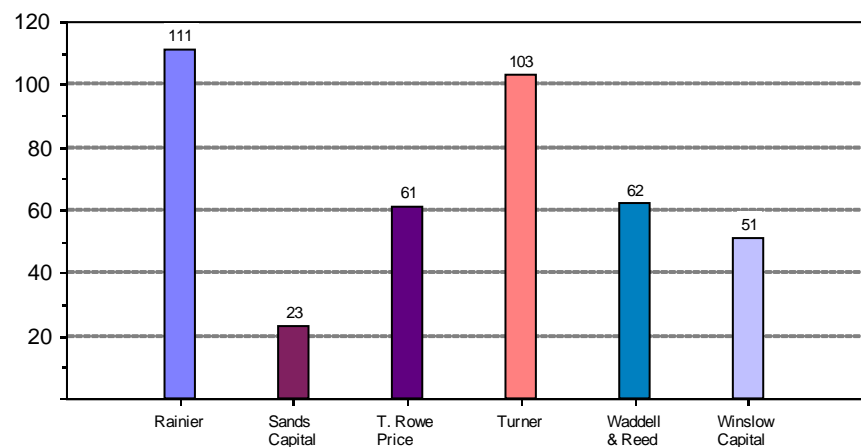
**Price-to-Earnings Ratio**



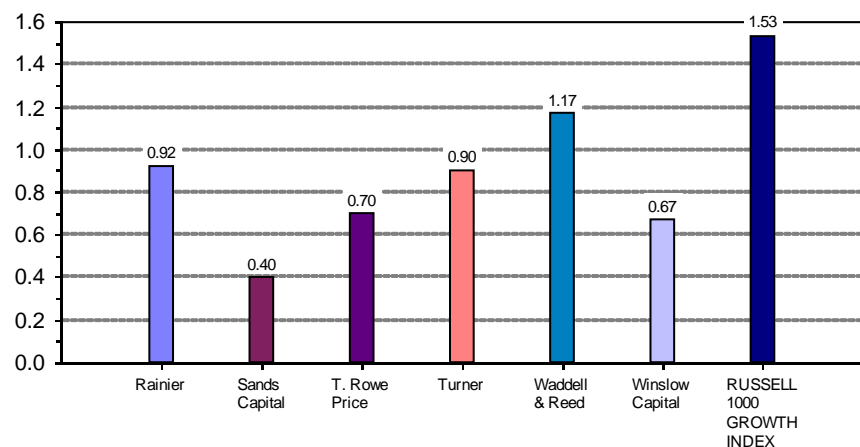
**Price-to-Book Ratio**



**Turnover (%)**



**Dividend Yield (%)**



# Fresno County Employees' Retirement Association

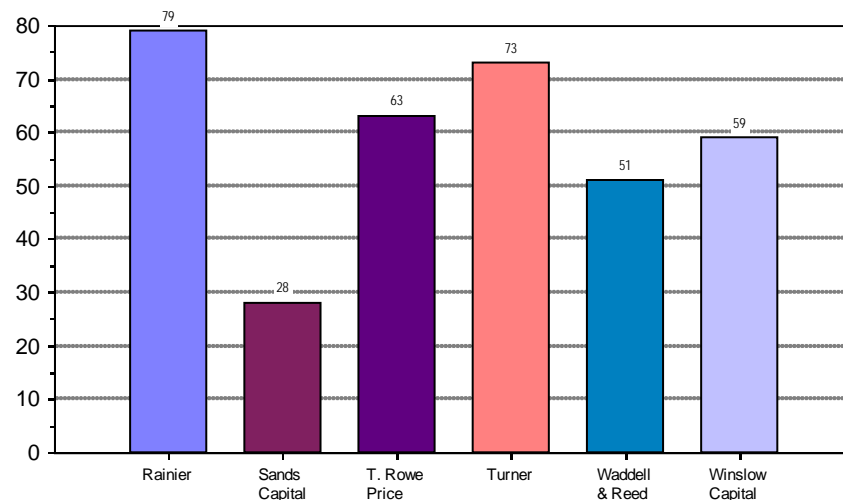
## Equity Characteristics

Period Ending: December 31, 2009

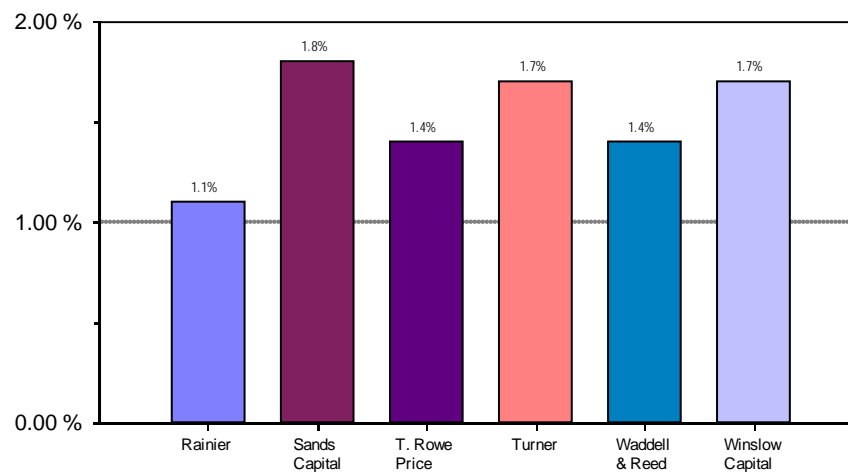
Investment Manager	Historical Range in Holdings
Rainier Investment Management	40-85
Sands Capital Management, LLC	25-30
T. Rowe Price Group, Inc.	45-65
Turner Investment Partners, Inc.	67-86
Waddell & Reed Asset Management Group	45-80
Winslow Capital Management, Inc.	55-62

Investment Manager	Historical Range in Cash
Rainier Investment Management	0-5%
Sands Capital Management, LLC	0-3%
T. Rowe Price Group, Inc.	0-5%
Turner Investment Partners, Inc.	0-2%
Waddell & Reed Asset Management Group	1-18%
Winslow Capital Management, Inc.	0-7%

Current Number of Holdings



Current Cash Position

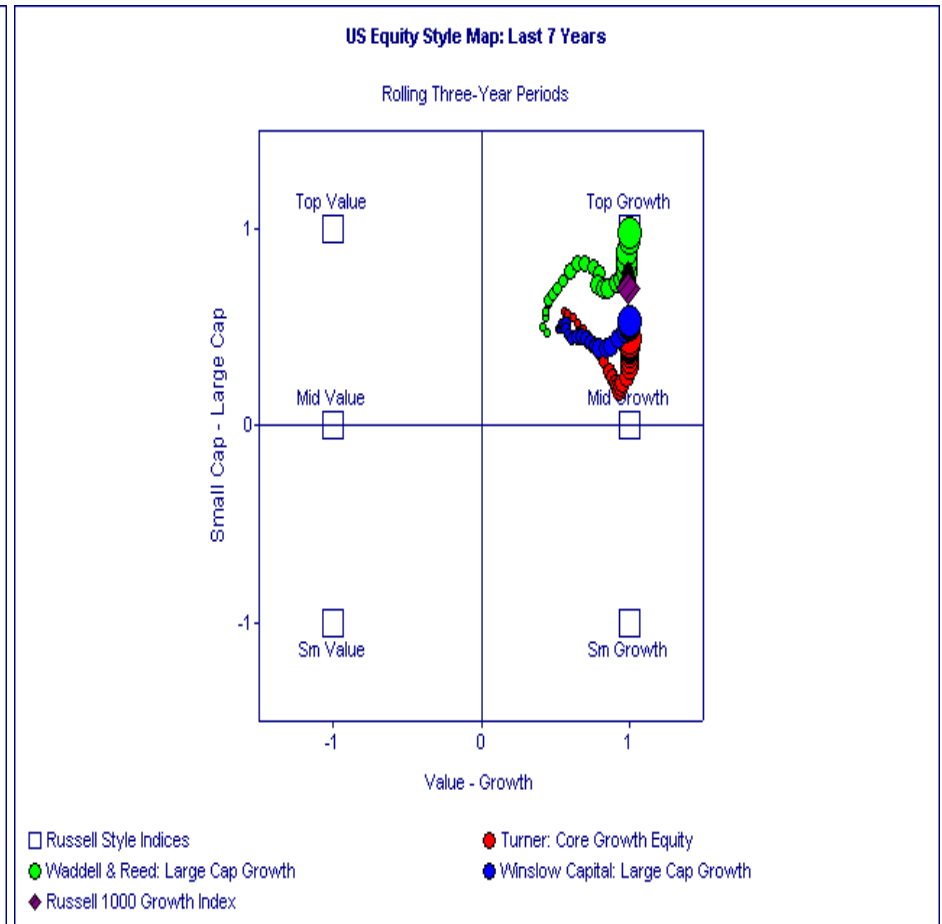
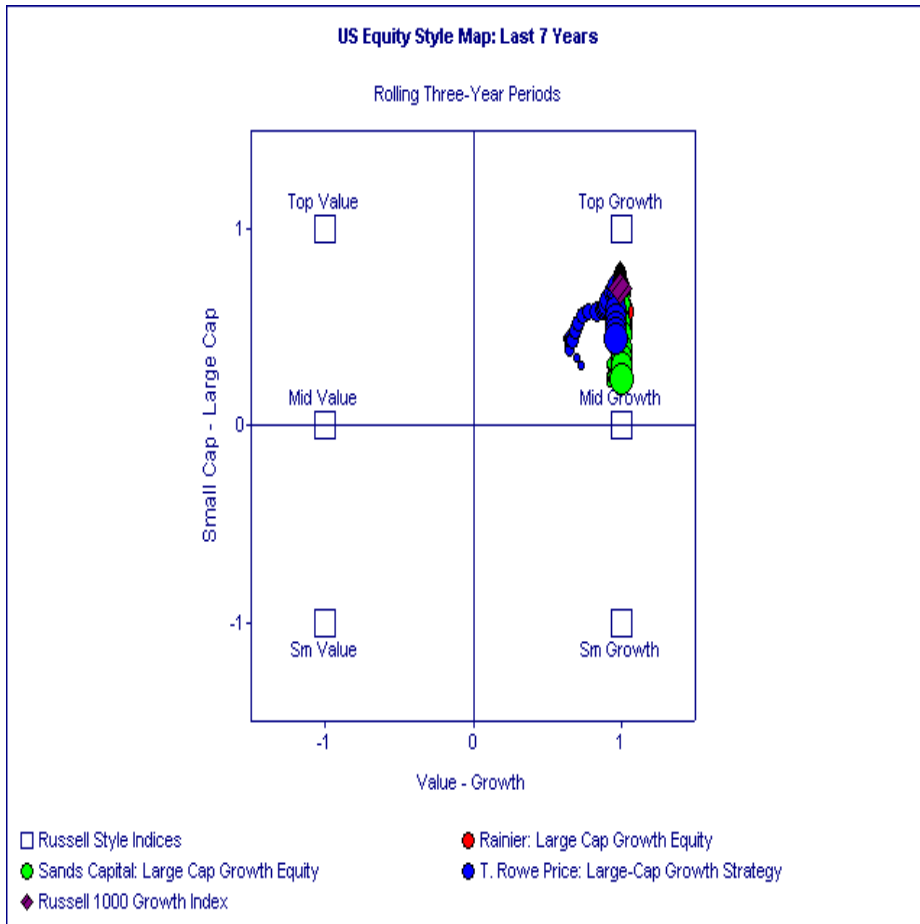




# Fresno County Employees' Retirement Association

Style Analysis: Rolling 3 Year Cartesian Graph

Period Ending: December 31, 2009



# Fresno County Employees' Retirement Association

Performance Review: Annualized Periods

Period Ending: December 31, 2009

Investment Manager	Annualized Returns									
	10 Yrs	9 Yrs	8 Yrs	7 Yrs	6 Yrs	5 Yrs	4 Yrs	3 Yrs	2 Yrs	1 Yr
<b>Benchmarks</b>										
RUSSELL 1000 GROWTH INDEX	-4.0	-1.7	1.0	5.9	2.4	1.6	0.8	-1.9	-8.1	37.2
<b>Universe</b>										
Equity Style - Large Growth Median	-0.1	0.6	2.5	6.7	3.6	2.0	0.3	-2.0	-8.3	34.3
<b>Investment Manager Candidates</b>										
<i>(figures bold if below benchmark Index: RUSSELL 1000 GROWTH INDEX)</i>										
Rainier Investment Management		-0.3	3.5	8.4	4.5	2.8	<b>0.4</b>	<b>-2.3</b>	<b>-12.8</b>	<b>33.2</b>
Sands Capital Management, LLC	-0.6	1.5	3.9	9.2	5.2	2.3	<b>0.2</b>	2.1	-5.7	72.2
T. Rowe Price Group, Inc.			3.9	8.8	4.4	3.1	1.8	0.2	-4.1	54.3
Turner Investment Partners, Inc.	-1.5	-0.5	2.6	7.6	3.5	2.0	<b>-0.9</b>	<b>-4.2</b>	<b>-15.5</b>	38.8
Waddell & Reed Asset Management Group	1.7	1.0	3.1	6.9	4.1	4.3	2.4	1.1	<b>-9.4</b>	<b>28.0</b>
Winslow Capital Management, Inc.	0.6	1.7	4.0	9.6	6.5	4.9	3.4	1.9	-6.9	41.0

All returns are gross of fees.

# Fresno County Employees' Retirement Association

Performance Review: Calendar Years

Period Ending: December 31, 2009

Investment Manager	12-Month Periods Ending December 31 ...										Batting Average
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	
<b>Benchmarks</b>											
RUSSELL 1000 GROWTH INDEX	-22.4	-20.4	-27.9	29.7	6.3	5.3	9.1	11.8	-38.4	37.2	
<b>Universe</b>											
Equity Style - Large Growth Median	-6.4	-14.7	-23.7	29.8	11.6	8.8	8.0	14.3	-38.7	34.3	
<b>Investment Manager Candidates</b>											
<i>(figures bold if below benchmark Index: RUSSELL 1000 GROWTH INDEX)</i>											
Rainier Investment Management		<b>-25.9</b>	-25.3	35.0	13.2	12.9	9.1	22.7	<b>-43.0</b>	<b>33.2</b>	67%
Sands Capital Management, LLC	-17.8	-15.4	-26.9	36.7	21.0	11.0	<b>-5.2</b>	19.7	<b>-48.4</b>	72.2	80%
T. Rowe Price Group, Inc.			-24.5	38.9	11.3	8.4	<b>6.9</b>	<b>9.4</b>	<b>-40.4</b>	54.3	63%
Turner Investment Partners, Inc.	-10.1	<b>-22.2</b>	-26.4	35.9	11.6	14.4	9.6	23.2	<b>-48.5</b>	38.8	80%
Waddell & Reed Asset Management Group	7.6	-14.0	-20.0	<b>25.3</b>	<b>2.8</b>	12.5	<b>6.3</b>	25.8	-35.8	<b>28.0</b>	60%
Winslow Capital Management, Inc.	-9.6	-14.7	-27.7	30.0	14.9	10.9	<b>8.0</b>	22.3	<b>-38.6</b>	41.0	80%

All returns are gross of fees. Batting Average calculation does not include the year-to-date period.

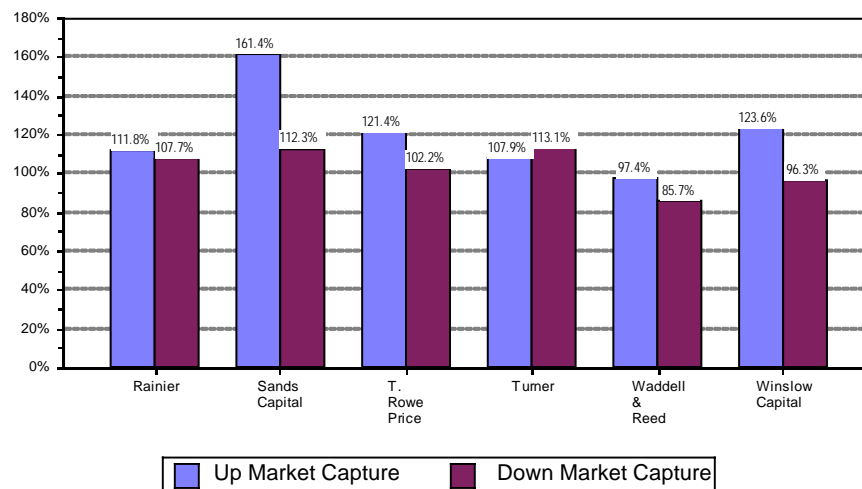
# Fresno County Employees' Retirement Association

## Up & Down Market Performance

Period Ending: December 31, 2009

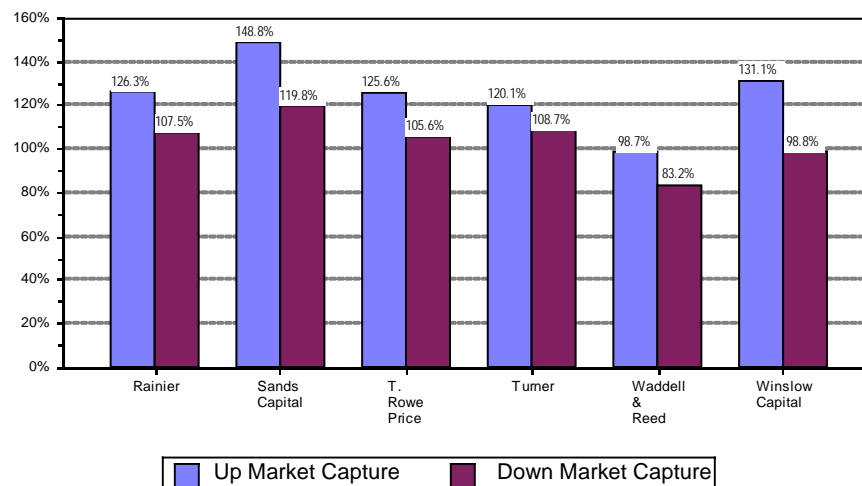
Three Year Period Ending December 31, 2009

Investment Manager	Up Market		Down Market	
	Return	Capture	Return	Capture
<b>RUSSELL 1000 GROWTH INDEX</b>	<b>63.3</b>	-	<b>-42.1</b>	-
Rainier Investment Management	70.7	112%	-45.4	108%
Sands Capital Management, LLC	102.1	161%	-47.3	112%
T. Rowe Price Group, Inc.	76.8	121%	-43.1	102%
Turner Investment Partners, Inc.	68.3	108%	-47.7	113%
Waddell & Reed Asset Management Group	61.6	97%	-36.1	86%
Winslow Capital Management, Inc.	78.2	124%	-40.6	96%
<b>Number of Quarters:</b>	<b>7</b>		<b>5</b>	



Five Year Period Ending December 31, 2009

Investment Manager	Up Market		Down Market	
	Return	Capture	Return	Capture
<b>RUSSELL 1000 GROWTH INDEX</b>	<b>103.4</b>	-	<b>-46.7</b>	-
Rainier Investment Management	130.6	126%	-50.2	108%
Sands Capital Management, LLC	153.9	149%	-55.9	120%
T. Rowe Price Group, Inc.	129.9	126%	-49.3	106%
Turner Investment Partners, Inc.	124.2	120%	-50.8	109%
Waddell & Reed Asset Management Group	102.1	99%	-38.9	83%
Winslow Capital Management, Inc.	135.6	131%	-46.1	99%
<b>Number of Quarters:</b>	<b>13</b>		<b>7</b>	

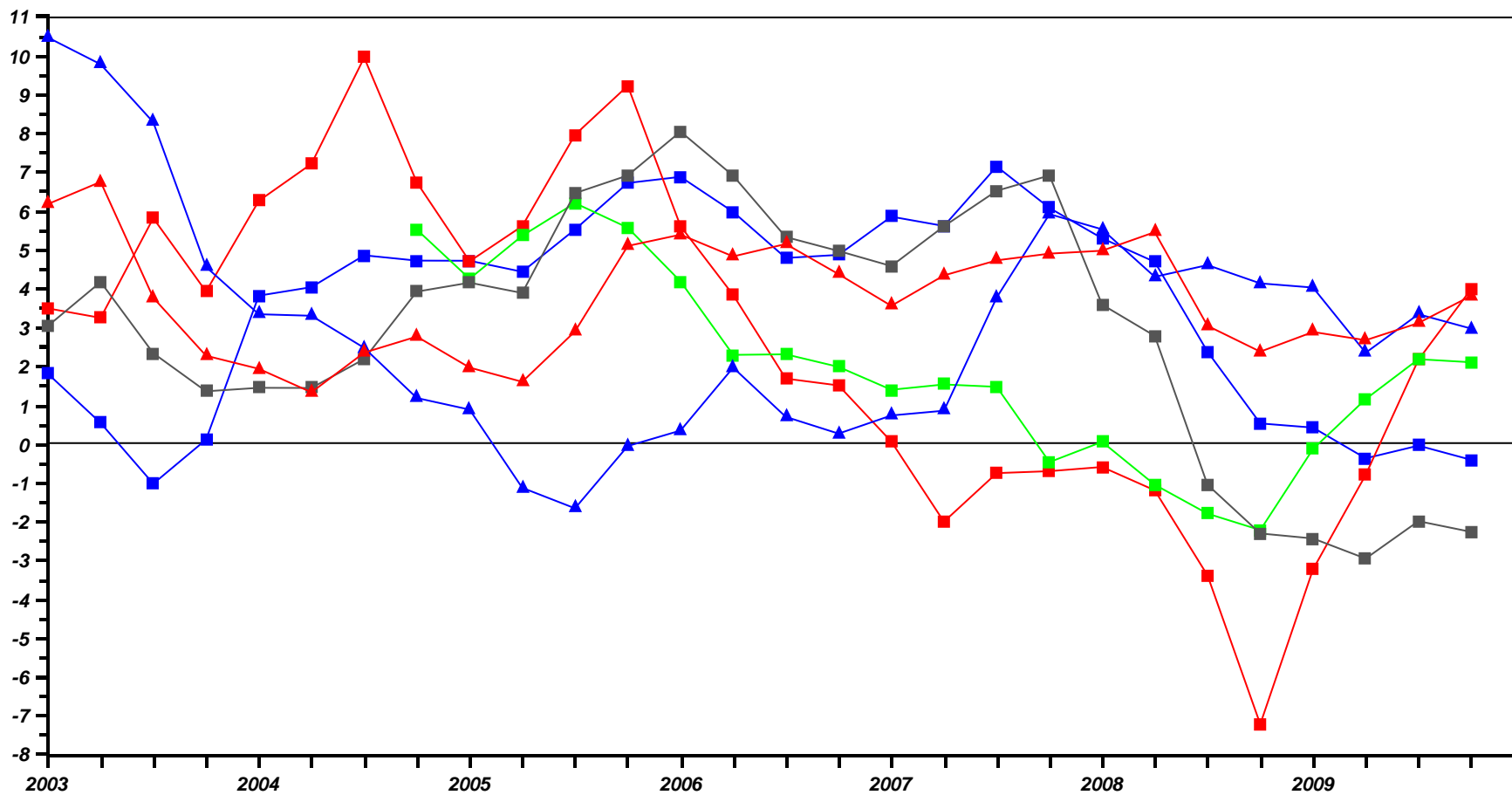


# Fresno County Employees' Retirement Association

Rolling Three Year Excess Returns vs RUSSELL 1000 GROWTH

Period Ending: December 31, 2009

Index: RUSSELL 1000 GROWTH INDEX

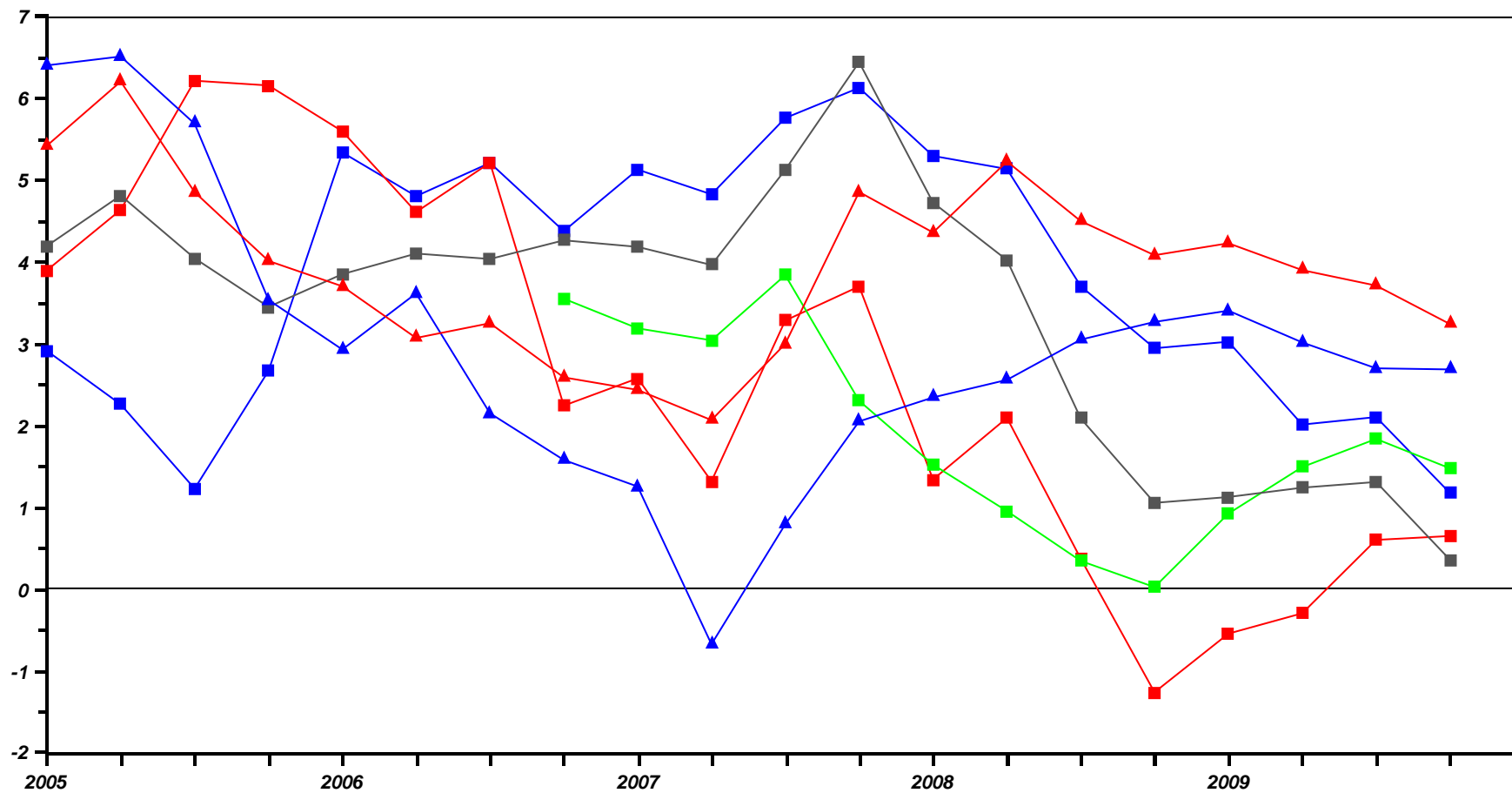


■ Rainier:Large Cap Growth	■ Sands Capital:Lg Cap Growth Equity	■ T. Rowe Price:Large-Cap Growth
■ Turner:CoreGrowth Equity	■ Waddell & Reed:LC Growth	■ Winslow Capital:Large Cap

# Fresno County Employees' Retirement Association

Rolling Five Year Excess Returns vs RUSSELL 1000 GROWTH INDEX Period Ending: December 31, 2009

Index: RUSSELL 1000 GROWTH INDEX



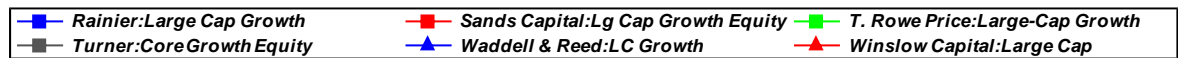
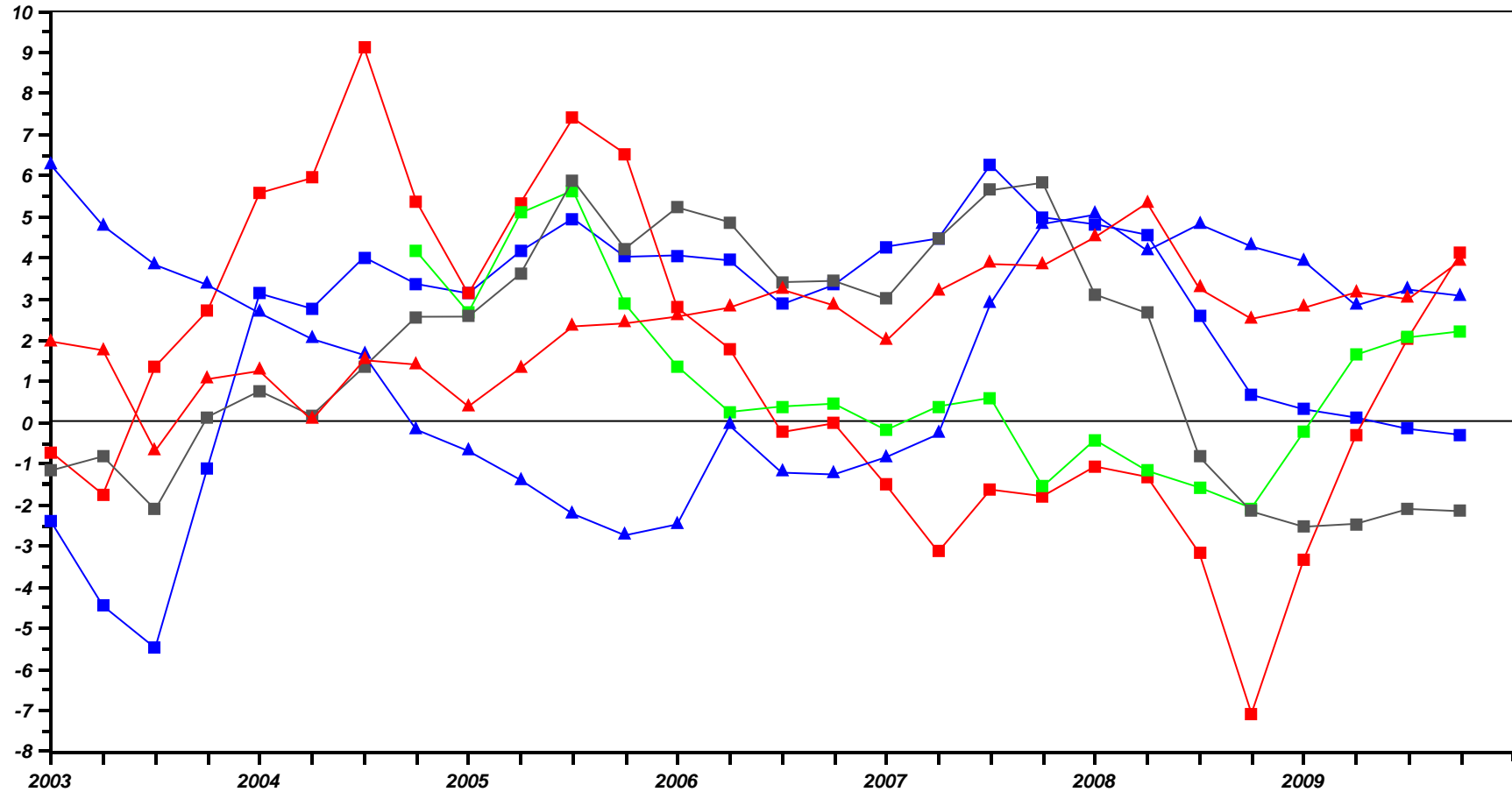
Legend:  
- Rainier:Large Cap Growth (blue square)  
- Sands Capital:Lg Cap Growth Equity (red square)  
- T. Rowe Price:Large-Cap Growth (green square)  
- Turner:CoreGrowth Equity (grey square)  
- Waddell & Reed:LC Growth (blue triangle)  
- Winslow Capital:Large Cap (red triangle)

# Fresno County Employees' Retirement Association

Rolling 3-Year Excess Returns vs. Universe Median

Period Ending: December 31, 2009

Universe: Equity Style - Large Growth

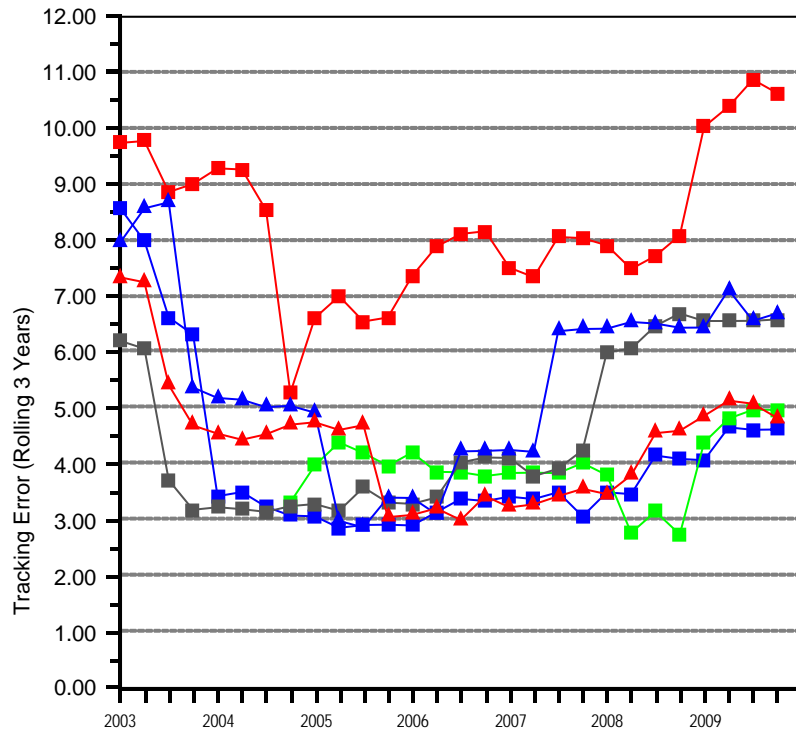


# Fresno County Employees' Retirement Association

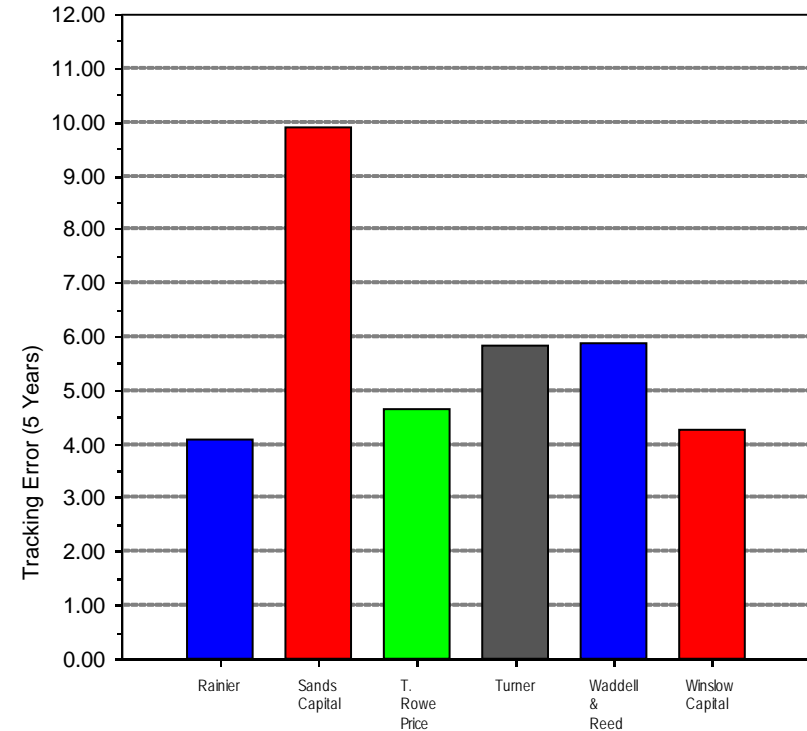
Rolling Three Year Tracking Error vs RUSSELL 1000 GROWTH

Period Ending: December 31, 2009

Quarterly



Five Years



**Tracking Error** is the standard deviation of the difference between the rate of return of a portfolio and its benchmark (i.e., excess return). Contributors to a manager's tracking error may include the aggressive or conservative nature of their approach, portfolio concentration and/or sector weightings relative to the benchmark. You would expect a passively-managed index fund to have a tracking error of zero.

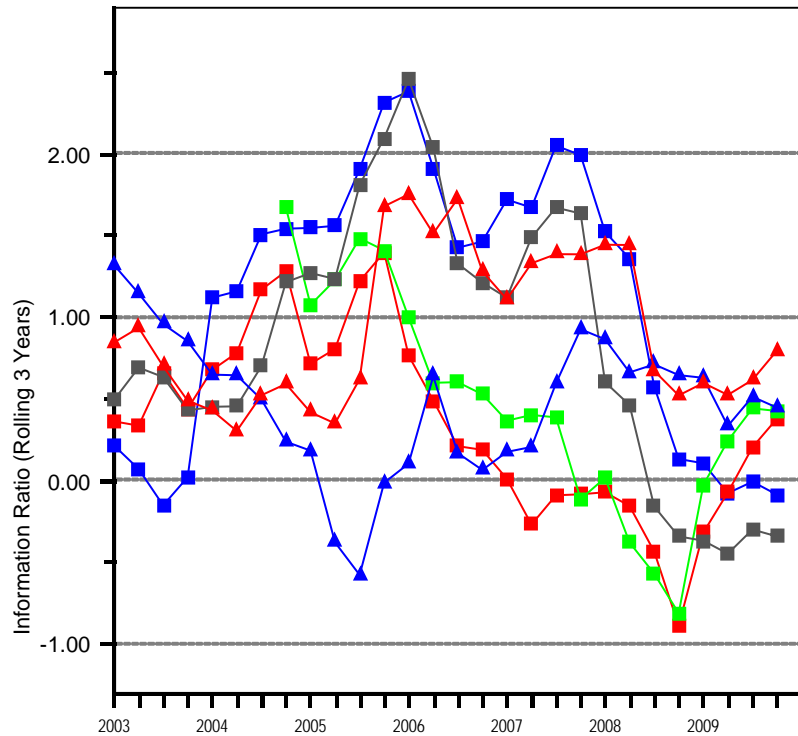


# Fresno County Employees' Retirement Association

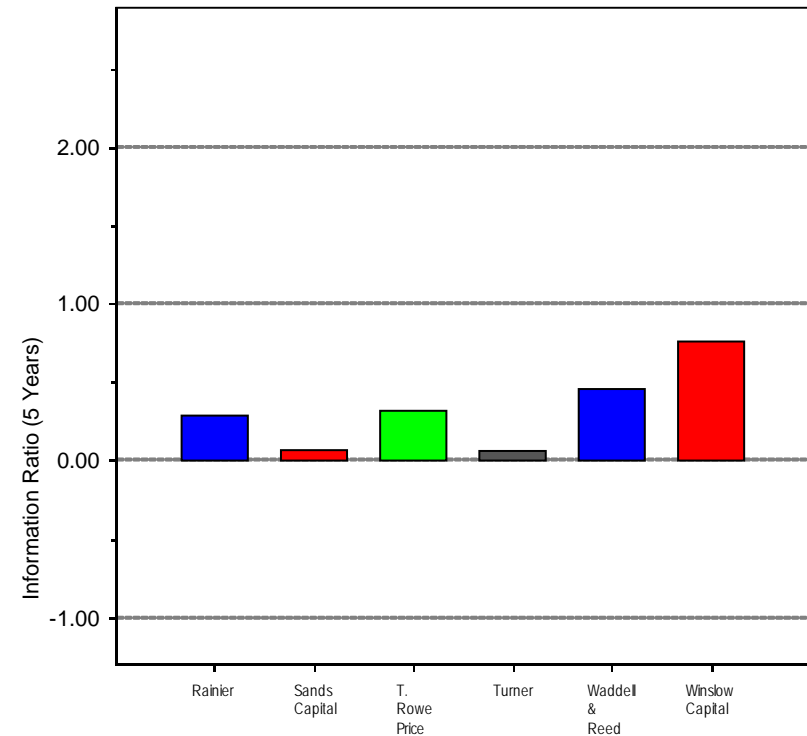
Rolling Three Year Information Ratio vs RUSSELL 1000 GROWTH

Period Ending: December 31, 2009

Quarterly



Five Years



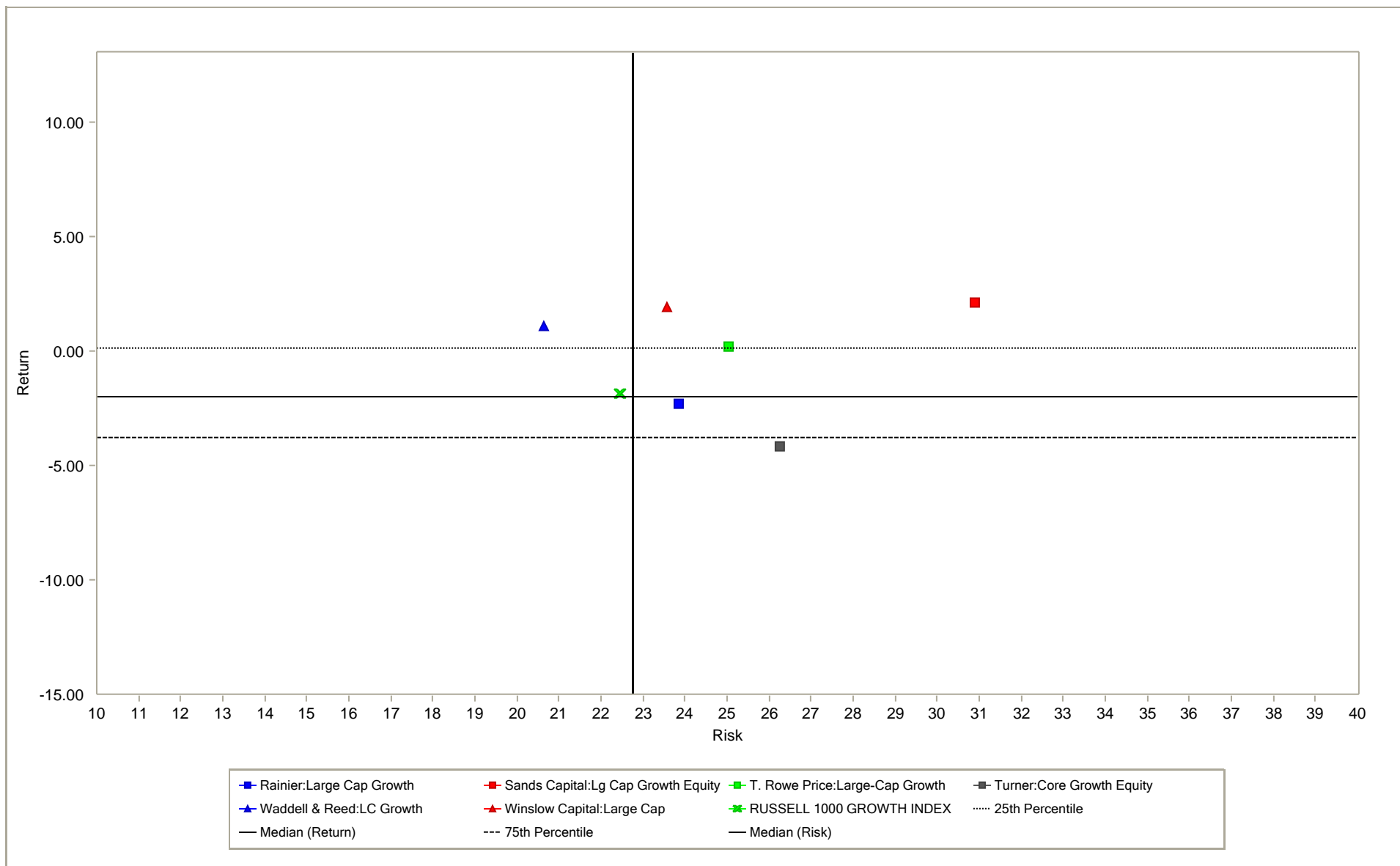
**Information Ratio** is a measure of a manager's ability to earn excess return without incurring additional risk relative to the benchmark. It is calculated as excess return divided by tracking error. You would expect a passively-managed index fund to have an information ratio of zero; good information ratios are above zero.

# Fresno County Employees' Retirement Association

## Three Year Risk vs Return

Period Ending: December 31, 2009

Universe: Equity Style - Large Growth

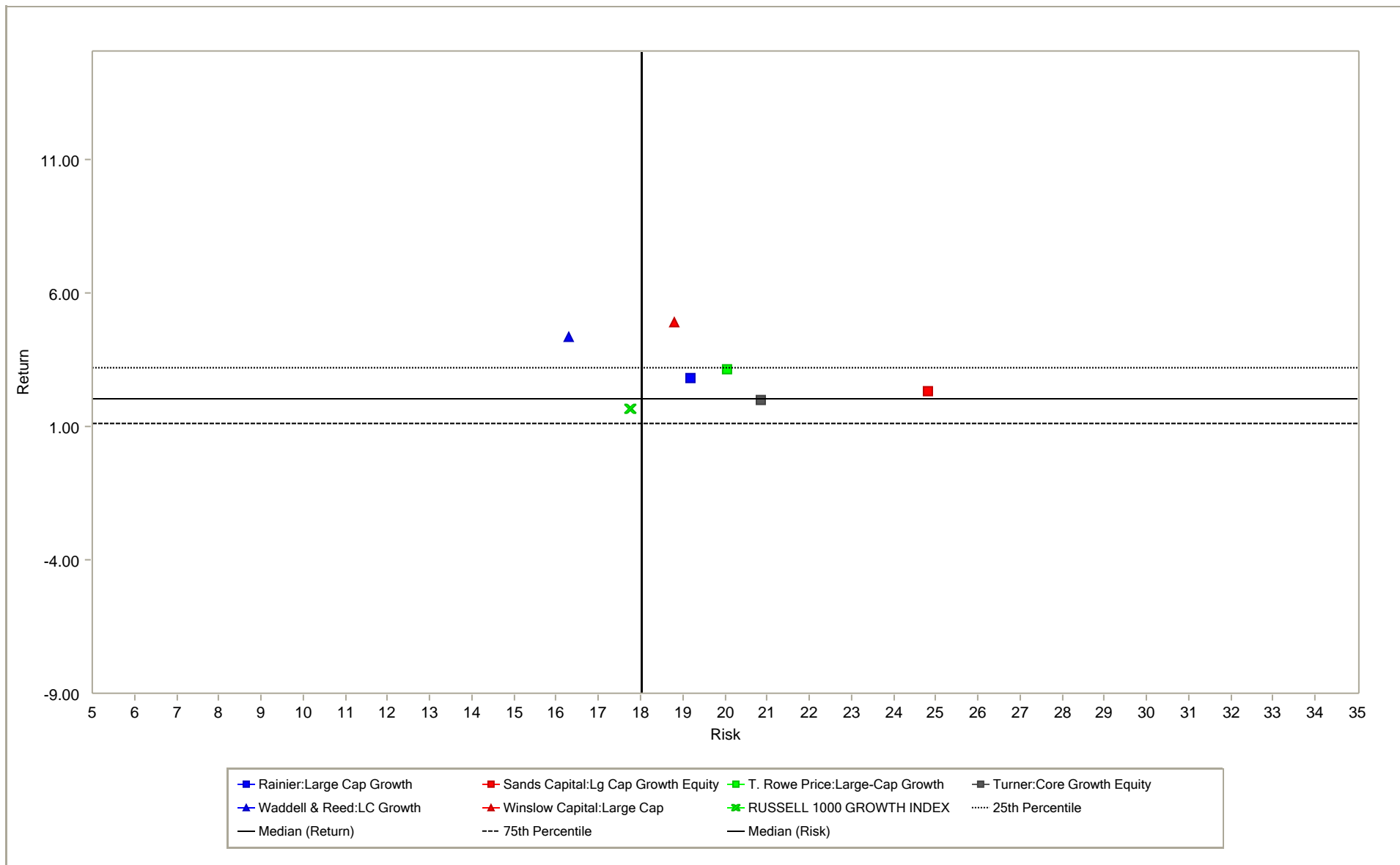


# Fresno County Employees' Retirement Association

## Five Year Risk vs Return

Period Ending: December 31, 2009

Universe: Equity Style - Large Growth

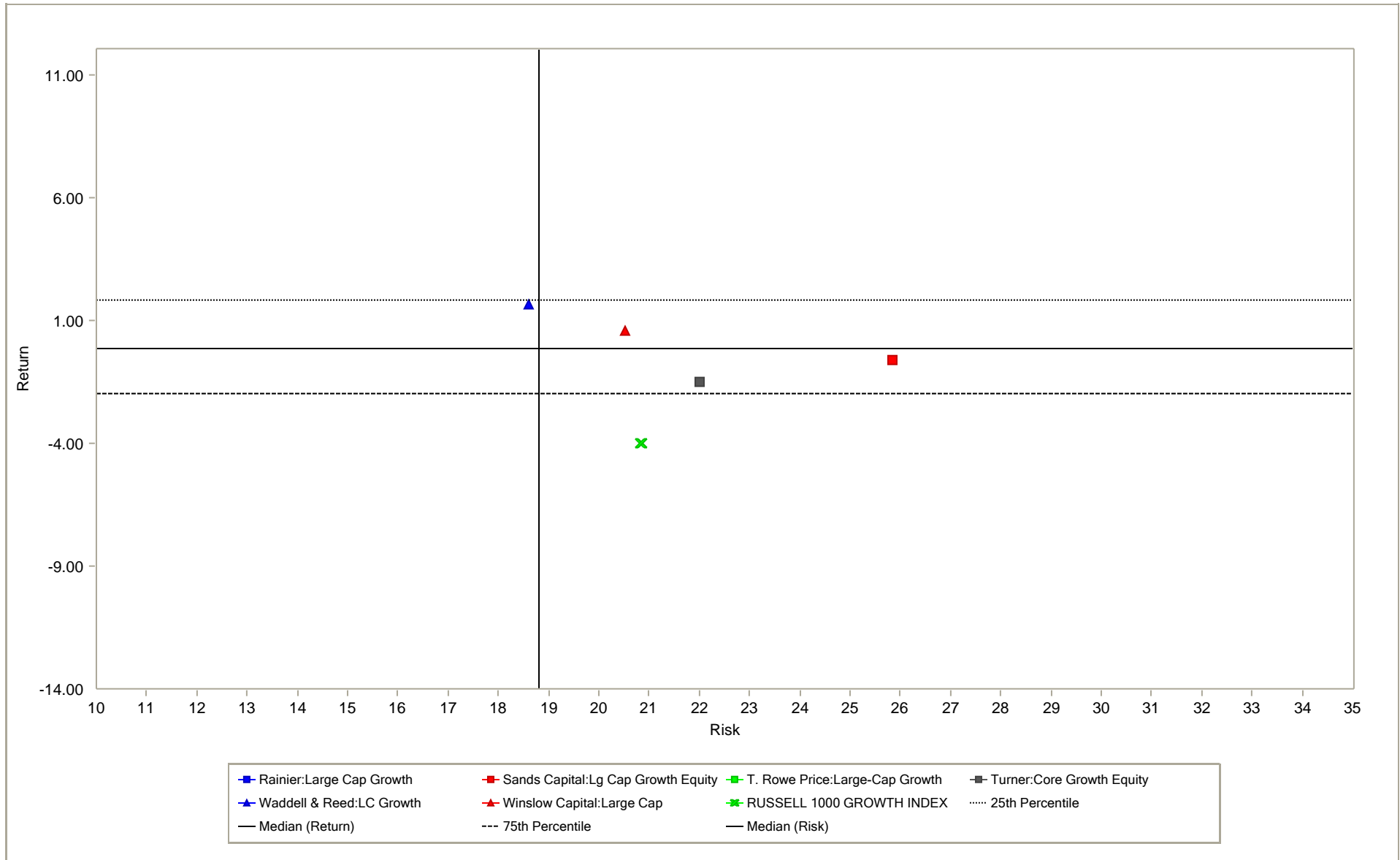


# Fresno County Employees' Retirement Association

## Ten Year Risk vs Return

Period Ending: December 31, 2009

Universe: Equity Style - Large Growth



# Fresno County Employees' Retirement Association

Fund Expenses:

Period Ending: December 31, 2009

Investment Manager	Vehicle	Minimum Investment	Pricing Breakpoint	Expense Ratio	12B-1 Fee	Subject to Ratio	Annual Fee
<b>Rainier Investment Management, Inc.</b>							
Large Cap Growth Equity	Separate Account	\$25,000,000	\$10,000,000	0.75%		\$10,000,000	\$75,000
			\$999,999,999	0.50%		\$100,000,000	\$500,000
			<b>Weighted Average:</b>		<b>0.52%</b>	\$110,000,000	<b>\$575,000</b>
<b>Sands Capital Management, LLC</b>							
Large Cap Growth Equity	Separate Account	\$25,000,000	\$50,000,000	0.75%		\$50,000,000	\$375,000
			\$999,999,999	0.50%		\$60,000,000	\$300,000
			<b>Weighted Average:</b>		<b>0.61%</b>	\$110,000,000	<b>\$675,000</b>
<b>T. Rowe Price Group, Inc.</b>							
T. Rowe Price Instl Large Cap Growth	Separate Account	\$50,000,000	\$999,999,999	<b>0.40%</b>		\$110,000,000	<b>\$440,000</b>
<b>Turner Investment Partners, Inc.</b>							
Core Growth Equity	Separate Account	\$10,000,000	\$25,000,000	0.75%		\$25,000,000	\$187,500
			\$999,999,999	0.50%		\$85,000,000	\$425,000
			<b>Weighted Average:</b>		<b>0.56%</b>	\$110,000,000	<b>\$612,500</b>
<b>Waddell &amp; Reed Investment Management Company</b>							
Large Cap Growth	Separate Account	\$20,000,000	\$25,000,000	0.60%		\$25,000,000	\$150,000
			\$25,000,000	0.50%		\$25,000,000	\$125,000
			\$999,999,999	0.40%		\$60,000,000	\$240,000
			<b>Weighted Average:</b>		<b>0.47%</b>	\$110,000,000	<b>\$515,000</b>
<b>Winslow Capital Management, Inc.</b>							
Large Cap Growth	Separate Account	\$25,000,000	\$50,000,000	0.60%		\$50,000,000	\$300,000
			\$50,000,000	0.55%		\$50,000,000	\$275,000
			\$150,000,000	0.50%		\$10,000,000	\$50,000
			\$250,000,000	0.45%			
			\$500,000,000	0.40%			
			\$999,999,999	0.35%			
			<b>Weighted Average:</b>		<b>0.57%</b>	\$110,000,000	<b>\$625,000</b>

Performance based fee is available for Sands Capital Management, Turner Investment Partners, and Winslow Capital Management.

# Fresno County Employees' Retirement Association

## Product Background

Period Ending: December 31, 2009

### Rainier Investment Management: Large Cap Growth Equity

#### Strategy Information

Style Bias: Growth

Management Style: Bottom-Up

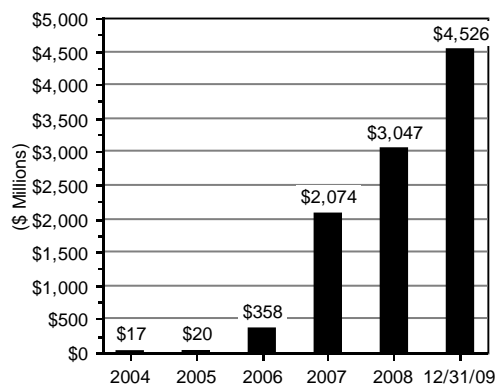
Typical Portfolio Size: 40-85

Assets ( millions ): \$4,526

#### Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	1,246	17	0	0
2008	1,246	15	0	0
2009	317	9	86	4
	2,809	41	86	4

#### Historical Growth in Assets



#### Investment Strategy Description :

The investment style of the Portfolio is Large Cap Growth, with the majority of the companies owned having a market capitalization of over \$5 billion. Smaller companies may be owned when especially attractive. Stock selection focuses on companies that are likely to demonstrate superior earnings, revenue or cash flow growth relative to their industry peers. The Portfolio normally will hold approximately 40 to 85 companies in various stages of growth. The portfolio's economic sector weightings are compared to a growth equity index such as the Russell 1000 Growth Index.

#### Investment Process :

Portfolio managers are in control of research, utilizing a national network of brokers and sell-side analysts, sophisticated financial databases, and direct conversations with company management. Each manager has primary responsibility for specific industries, and back-up responsibility in others. Portfolio managers share state-of-the-art information systems and share access to Bridge Information Systems, Base Line, Bloomberg, First Call, and RIM proprietary tracking and valuation software. Portfolio managers work side by side in the trading room and share ideas and information throughout the day.

Since all client accounts are team-managed, individual managers have very little discretion in structuring portfolios. Each investment idea must have two team members who champion the idea, with no strong disapproval. In effect every equity team member has the right to propose an idea from any sector, and holds veto power over purchase ideas. Procedures, activities, and security holdings are reviewed by the team on a regular basis.

Using a bottom-up discipline, the portfolio management team identifies companies with above average earnings-per-share growth rates on a three-year projected basis. The team begins by screening a starting universe, emphasizing companies with market capitalizations greater than \$1 billion (with an emphasis on capitalizations greater than \$5 billion) and above average revenue growth. Scanning Base Line and other sources, the team eliminates stocks of companies that do not meet earnings, quality or liquidity requirements. A working universe of 800-1000 companies is then analyzed for important fundamentals such as revenue and earnings growth, as well as the valuation of a company relative to the market, industry peers, and its own price history. A group of approximately 150-200 companies is constantly reviewed and considered as candidates for purchase. Between 40 and 85 names are added to portfolios and reviewed on an ongoing basis. Overall, the portfolio management team prefers companies with superior earnings growth relative to their peers; competitive business franchises; positive earnings surprise; attractive valuations; inside ownership, and strong balance sheets.

Individual stock weights depend upon the assessment of the risk characteristics of the particular stock. As a general guideline, no single issue will be more than 7% of the total portfolio. Sectors are limited to +/- 10% versus the Russell 1000 Growth index.

The team sells securities when they reach predetermined target prices, when fundamental prospects or earnings are deteriorating (or about to deteriorate), or when there are significantly more attractive equity securities on a risk/reward basis in the same industry, warranting a swap.

The following criteria are used in their portfolio construction process:

- \* Companies that are likely to demonstrate superior earnings momentum relative to its peers are emphasized.
- \* Companies that exhibit advantageous competitive strategies or operate in favorable competitive environments are stressed.
- \* Positive earnings surprises and estimate revisions are emphasized.
- \* Stocks that are selling at attractive valuations as compared to industry peers are preferred.
- \* Strong management with a significant ownership in the company is desired.
- \* Companies with balance sheet integrity and financial strength are favored.

# Fresno County Employees' Retirement Association

## Product Background

Period Ending: December 31, 2009

### Sands Capital Management, LLC: Large Cap Growth Equity

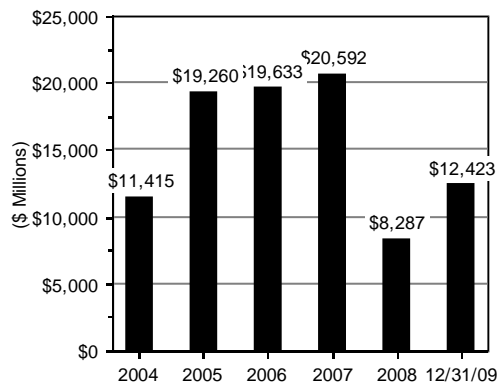
#### Strategy Information

Style Bias:	Growth
Management Style:	Bottom-Up
Typical Portfolio Size:	25-30
Assets ( millions ):	\$12,423

#### Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	172	42	1,343	344
2008	198	49	1,687	315
2009	254	42	639	195
	624	133	3,669	854

#### Historical Growth in Assets



#### Investment Strategy Description :

Sands Capital is a bottom-up, large cap growth manager concentrating on high-quality large capitalization growth companies. The firm's investment philosophy is rooted in the belief that over time common stock prices will reflect the earnings growth of the underlying businesses.

Sands Capital has a highly-disciplined investment strategy based on a bottom-up fundamental approach with an emphasis on quality. Sands Capital believes its value-added relative to an index is a consequence of the firm's on-going qualitative and quantitative assessment of companies' long term prospects for the sustainability of growth. Many growth companies have high projected rates of earnings growth, but very few will actually deliver consistently on such exalted growth expectations over long periods of time. Sands Capital's mission and focus is to identify and own these few leading companies in client accounts, and construct a concentrated, high conviction, benchmark agnostic portfolio of 25-30 businesses.

#### Investment Process :

Sands Capital uses a proprietary universe of securities that it has developed and used since 1987 to identify potential holdings in client portfolios. The universe consists of approximately 250-300 companies, participating in growing sectors of the economy such as advanced technology, financial services, health care, branded consumer and retailers. Companies are selected for inclusion in the universe if they are demonstrating superior historical and projected sales and earnings growth and have the potential for wealth creation. Companies are removed from the universe when acceptable rates of sales and earnings growth can no longer be maintained, or if the Sands Capital investment team has conclusively determined that the company does not have the potential to meet its other investment criteria. Companies are added and removed from the universe weekly. From this proprietary universe of securities Sands Capital constructs a universe of approximately 80 to 100 leading companies called its "Leader List". Companies are selected for the Leader List if they demonstrate the following qualitative success factors: (1) creating growth drivers: new products/services and entering new markets; (2) developing and anticipating important industry trends; (3) creating competitive barriers; (4) gaining market share; (5) building financial muscle to weather adverse periods and fund new opportunities; (6) displaying superior management ability; and (7) applying technology to add value. These 80 to 100 companies are closely followed by the Sands Capital investment team and are the universe from which new purchases are considered. The most promising leading companies that warrant significant additional research are placed on the New Opportunities List.

For a new business to be added to and remain in the portfolio it must demonstrate the following six key investment criteria: (1) sustainable above-average earnings growth; (2) significant competitive advantages/unique business franchise; (3) leadership position in a promising business space; (4) clear mission and value-added focus; (5) financial strength; and (6) rational valuation relative to market and the business prospects.

A member, or several members, of the investment team are charged with developing the investment case for each company that best matches Sands Capital's investment criteria. The in-depth research includes evaluation of a company's business model, market position, management, financial strength, projected sustainable earnings growth (through proprietary models of company financials), and valuation. The investment team discusses and debates the investment case in an on-going vetting and consensus-building process. With substantial input from the entire investment team and the Director of Research, the Chief Investment Officer makes the final investment decisions.

With significant input from the investment team and the Director of Research, the CIO determines the target weights for new holdings in client portfolios. New securities are purchased in all client accounts according to a model portfolio, except when restrictions are imposed by the client. Portfolio managers utilize a model portfolio to manage groups of similar portfolios and insure that the holdings across all large cap growth portfolios remain uniform. Valuation is continuously assessed to ensure companies warrant inclusion in the portfolio at target weights. Companies are sold from the portfolio when they no longer meet Sands Capital's investment criteria, and when the issues causing such problems are not solvable within an acceptable time frame.

# Fresno County Employees' Retirement Association

## Product Background

Period Ending: December 31, 2009

### T. Rowe Price Group, Inc.: Large-Cap Growth Strategy

#### Strategy Information

Style Bias: Growth

Management Style: Bottom-Up

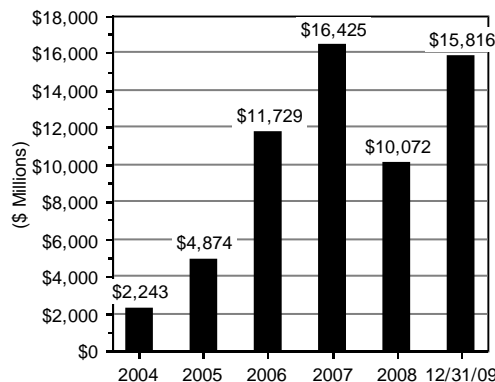
Typical Portfolio Size: 45-65

Assets ( millions ): \$15,816

#### Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	1,574	13	0	0
2008	261	4	198	5
2009	1,053	3	236	5
	2,888	20	434	10

#### Historical Growth in Assets



#### Investment Strategy Description :

The Large-Cap Growth Strategy is a fundamentally driven, active approach to large company growth investing. The strategy's primary benchmark is the Russell 1000 Growth Index. The Large-Cap Growth Strategy's investment philosophy is centered around the manager's belief that long-term growth in earnings and cash flow drive equity returns. Led by lead portfolio manager Robert Sharps, the management team relies on in-house fundamental research to identify companies with high-quality earnings, strong free cash flow growth, shareholder-oriented management, and rational competitive environments.

#### Investment Process :

Using StockVal, the portfolio management team performs high-level screening on a universe of approximately 500 companies with market capitalizations greater than \$5 billion. They screen on a number of characteristics, including earnings growth and return on invested capital. Their purpose is simply to narrow the investable universe down to about 200 companies.

The in-house fundamental analysts conduct rigorous, proprietary research on the remaining 200 companies. Their goal is to find those with the greatest probability of generating real, double-digit EPS growth over a three-year time frame (e.g., 10% plus the forecast for inflation). In researching companies, the analysts focus on the fundamentals of the industry in which the company operates and the fundamental characteristics of the company itself. More specifically, industry analysis seeks to answer the questions, "Does this company compete in an industry that supports profitable growth?" and "Are the industry conditions improving or deteriorating?" This work involves evaluating unit/volume growth, price stability/pricing power, the intensity of the competitive environment, margin structure, return on invested capital, and cyclical trends in capacity and demand.

Company analysis seeks to answer the question, "Is this company well-enough positioned and well-enough managed to capitalize on the growth prospects of its industry?" Here, the work focuses on identifying key characteristics of successful and rapidly growing companies. It incorporates qualitative factors, such as market position and management quality, and an assessment of the company's financial strength based on metrics like free cash flow generation, operating margin, and return on invested capital.

The research process is highly collaborative. As is the case with most of T.Rowe Price's investment products, the members of the Large-Cap Growth portfolio management team were T. Rowe Price analysts prior to assuming their current responsibilities. Consequently, they enjoy working with the analysts to conduct supplemental research on industries and companies as a basis for reaching their investment conclusions. The additional layer of analytical talent the portfolio management team brings to bear supports well-informed decision-making.

The team constructs portfolios on the basis of identifying high-quality, large-cap growth companies that they believe can generate real, double-digit earnings growth for a minimum of three years. As such, the primary emphasis is on company fundamentals, not the composition of the Russell 1000 Growth Index. The team is cognizant of whether or not a potential holding is in the index and, if so, its weighting. However, position size is a function of conviction in a company's ability to deliver long-term, double-digit growth. Individual security weights generally range from 0.5% to 5% of total assets. For purposes of diversification and risk control, the team usually does not invest more than 5% of portfolio assets in any one stock. Active position sizes typically range from +/- 1% to +/- 4% relative to the Russell 1000 Growth Index. Sector and industry weightings are a residual of the team's bottom-up stock selection process. In some instances, the team may have a macro view that modestly influences sector and industry weightings, but that is a qualitative, not quantitative, judgment. For primary sectors in the Russell 1000 Growth Index, the portfolio's sector weights typically vary from 0.5X – 3X the index weight for purposes of diversification and risk control.

The team tends to build positions carefully over time, but when an unusually attractive entry point develops they will build a position in a relatively short period of time. While they continuously monitor portfolio holdings, there is no automatic appreciation level that would trigger trimming of a position. Each decision is made on a stock-by-stock basis, taking into account factors such as company fundamentals, valuation, their confidence level, and the stock's weight in the portfolio. When selling, the team tends to gradually scale out of that holding unless a change in the fundamental view on the company prompts the team to quickly divest the position.



# Fresno County Employees' Retirement Association

## Product Background

Period Ending: December 31, 2009

### Turner Investment Partners, Inc.: Turner Core Growth Equity

#### Strategy Information

Style Bias: Core / Growth Tilt

Management Style: Bottom-Up

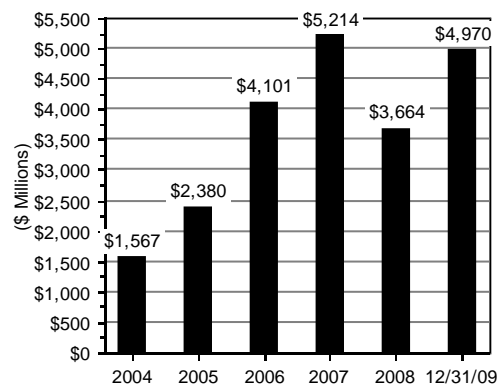
Typical Portfolio Size: 67-86

Assets ( millions ): \$4,970

#### Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	804	18	43	2
2008	652	11	4	4
2009	120	4	174	6
	1,576	33	221	12

#### Historical Growth in Assets



#### Investment Strategy Description :

Turner's investment philosophy, that earnings expectations drive stock prices, has remained unchanged since the firm's inception in 1990. Turner implements this philosophy with a process that has dynamic elements that adapt to market conditions. Turner believes that investing in companies with strong earnings prospects is an effective long-term strategy; therefore, Turner will not deviate from its philosophy. The same investment process is applied to all of its growth equity portfolios to help provide clients a uniform and consistent approach to investing in growth stocks. The firm's objective is to significantly outperform the market with a level of risk commensurate with the market.

Turner adds value primarily through stock selection and pursues a bottom-up strategy that blends quantitative, fundamental, and technical analyses. Ideal candidates for investment are growth companies believed to have favorable earnings prospects, reasonable valuations, favorable trading volume, and price patterns. Each security is subjected to three separate evaluation criteria: fundamental analysis (approximately 80%), quantitative screening (approximately 10%), and technical analysis (approximately 10%).

#### Investment Process :

The heart of Turner's stock selection process is fundamental analysis. Turner invests in companies whose fundamentals support:

- a rate of growth that exceeds their industry peers;
- earnings that meet or exceed market consensus estimates;
- earnings estimates that are being revised upwards.

Fundamental analysis helps determine if the companies Turner follows will exceed, meet, or fall short of consensus earnings expectations. The research analysts meet with company management, talk to industry experts and competitors, and attend trade shows/conferences in an effort to anticipate changes in the outlook for corporate earnings. Members of Turner's Investment Team conduct more than 500 meetings with company management annually. Many of these meetings are held in Turner's corporate office in Berwyn, Pennsylvania. In addition to direct contact with company management, Turner's analysts evaluate information from contacts that cover competitors or have special market or industry knowledge. Turner also speaks with other companies in the same industry, including competitors and suppliers. Of the securities Turner holds in its portfolios, the analysts see, on average, the management personnel of 85% of those companies.

While the primary focus is on fundamental analysis, Turner uses a proprietary computer model to assess a universe of approximately 5,000 companies of varying capitalizations based on multiple earnings growth and valuation factors. Turner's analysts screen securities within sector and market capitalization groups, using factors appropriate for each specific group. Once screened, companies are ranked from the first percentile (most attractive) to the 100th percentile (least attractive). Companies ranked in the top 35th percentile within their respective sector groupings qualify for further consideration. Current holdings that fall below the 80th percentile become candidates for sale. The model ranking process is used as a screening tool and does not automatically eliminate stocks from consideration. The process serves to focus attention on those stocks that are likely to meet Turner's fundamental criteria.

Technical analysis is used to evaluate trends in trading volume and price patterns for individual stocks. This helps the investment team to identify attractive entry and exit points. For example, money flow (accumulation or distribution) may act as a leading or confirming indicator. Relative strength can provide an early alert and cause analysts to revisit fundamentals.

Turner's discipline provides three forms of risk control. First, Turner is always seeking to be fully invested so there is no asset allocation or market timing risk. Second, sector rotation risk is avoided and exposure is maintained to all market sectors in line with the targeted index sector weightings. Third, Turner is broadly diversified and limits the risk of being overly concentrated in any specific issue.

# Fresno County Employees' Retirement Association

## Product Background

Period Ending: December 31, 2009

### Waddell & Reed Asset Management Group: Large Cap Growth

#### Strategy Information

Style Bias: GARP

Management Style: Bottom-Up

Typical Portfolio Size: 45-80

Assets ( millions ): \$4,315

#### Investment Strategy Description :

Waddell & Reed's Large Cap Growth investment process is a combination of top-down and bottom-up investment styles. The stock selection process is a blend of quantitative and fundamental research.

Large Cap Growth Equity style is predicated on three core beliefs:

- 1) The market tends to overpay for high near-term earnings growth and undervalues long-term structural earnings power
- 2) Structurally advantaged companies are characterized by high levels of profitability
- 3) Growth investors often underestimate risk

#### Investment Process :

The two co-portfolio managers, Daniel Becker, CFA and Philip Sanders, CFA are the key decision makers and have full discretion over the portfolio and all investment decisions. Stock selections must be agreed upon by both portfolio managers for inclusion into the portfolio. Sarah Ross, CFA, is an assistant portfolio manager, and has extensive history researching health care related securities. The large cap equity team effectively leverages the firm's collaborative, team-oriented approach to the generation and sharing of primary fundamental research. While the portfolio managers have sole discretion for decisions in their portfolios, they believe in idea sharing and promote cross-fertilization of ideas among the investment management staff.

The initial stock selection process includes both quantitative and fundamental research. From a quantitative standpoint, they concentrate on profitability, capital intensity, cash flow and valuation measures, as well as earnings growth rates. Once the quantitative research is completed they turn to their internal research department for validation of their initial findings. Key to the fundamental research effort is the identification of those companies that the team believes possess a sustainable competitive advantage, the essential characteristic which typically enables a company to generate superior levels of profitability and growth for an extended period of time. Special focus is given to those companies that appear well positioned to benefit from secular macroeconomic trends embedded in the marketplace (i.e., demographics, deregulation, capital spending trends, etc.).

A broad initial universe consisting of "Franchise Growth" companies with market capitalizations of at least \$3 billion is identified. Within a narrowed candidate list, the investment staff tracks companies with sustainable levels of profitability offering attractive unit growth opportunities. From the narrowed candidate universe, companies with high gross and net margins, high return on assets, and greater than 15% increase in 3-5 year earnings per share growth rates are highlighted. Portfolios will typically hold around 45 to 60 of what they believe are the best and highest quality securities from this process.

The Large Cap Growth team monitors and manages risk in part through its analysis of a company's business model. They separate the universe into five (5) distinct risk "buckets" (e.g., Speculative Growth, Accelerating Growth, Controlled Growth, Cyclical Growth, and Asset Growth) and manage the portfolio with special attention paid to the proportion of assets in riskier versus less risky "buckets." The team characterizes speculative growth as companies that are not profitable but may be moving on momentum versus asset growth where companies are growing primarily through acquisition. They concentrate at least 90% of the holdings from Accelerating Growth to Controlled Growth to Cyclical Growth. This is consistent with the focus on stable, profitable companies.

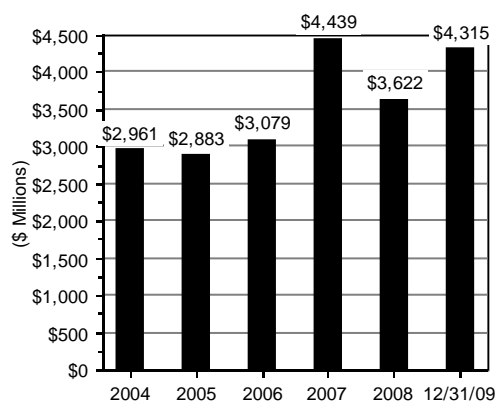
In another step to control risk, they have implemented security and sector weight restrictions within the portfolio. Individual holdings are limited to a maximum weighting of 5% of the portfolio or 1.5X the issuer's weighting in the Russell 1000 Growth Index. They also limit sectors to twice the index market weight in the four primary growth sectors (healthcare, technology, consumer discretionary, and financials) and the lesser of 2 times or 15% in all other sectors.

Holdings are sold or reduced when a company experiences deterioration in its growth and or profitability characteristics, a fundamental breakdown of its sustainable competitive advantages, or if more attractive investment opportunities arise.

#### Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	142	2	164	4
2008	0	0	84	1
2009	83	5	55	4
	225	7	303	9

#### Historical Growth in Assets



# Fresno County Employees' Retirement Association

## Product Background

Period Ending: December 31, 2009

### Winslow Capital Management, Inc.: Large Cap Growth

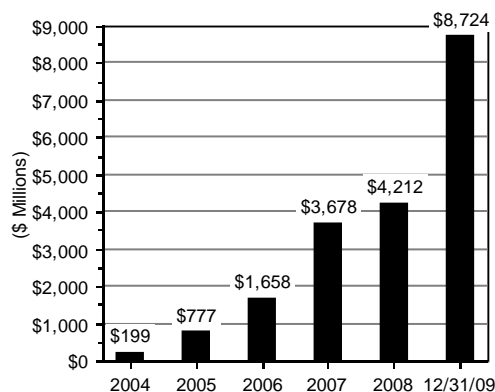
#### Strategy Information

Style Bias:	Growth
Management Style:	Bottom-Up
Typical Portfolio Size:	55-62
Assets ( millions ):	\$8,724

#### Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	871	14	20	1
2008	839	18	115	2
2009	357	16	116	8
	2,067	48	251	11

#### Historical Growth in Assets



#### Investment Strategy Description :

The Large Cap Growth team believes that investing in companies with above-average earnings growth provides the best opportunity for achieving superior portfolio returns over the long term. While above-average earnings growth is a necessity, valuation relative to their estimated earnings growth rate is also important in selecting a stock. In the Large Cap product they invest in companies they believe can deliver future annual earnings growth of at least 12% with a rising return on invested capital. Their portfolios have a weighted three-year forward annual earnings growth rate about 18%. They invest in three types of earnings growth: long-term sustainable earnings growth, cyclical growth in the right part of the cycle and newer industries with rapid growth. Over time each of these averages one-third of the portfolio.

Winslow Capital's investment philosophy is founded on fundamental research. All of the investment principals have had many years of research experience. The majority of their analytical work is conducted internally by the investment principals. They are "bottom-up" stock pickers and position the portfolio decision-makers as close as possible to the flow and source of fundamental information directly from a company, its suppliers and competitors. This hands-on research process eliminates "information filtering." They also work with selected Street analysts whom they believe have the best insights. Importantly, they use their research skill to identify factors which will lead to a company's earnings growth beating street consensus expectations over the next few years.

#### Investment Process :

In order to identify investment candidates they begin by using a quantitative screen of the companies in the Russell 1000 index with market caps exceeding \$4 billion, complemented with a limited number of companies that are either not in the index and/or are below the \$4 billion market cap limit. They screen for factors such as revenue and earnings growth, return on invested capital, earnings consistency, earnings revisions, low financial leverage and high free cash flow rates relative to net income. This process narrows the list to approximately 300 companies. A more thorough qualitative assessment is then made in the context of each company's respective industry sector. Their analysis emphasizes competitive advantage in determining whether a company meets their definition of a high-quality growth company, and narrows the list to approximately 100 companies that they actively analyze.

Their active analysis of the 100 companies includes detailed review of income statements, cash flow and balance sheet projections, and their own estimation of the companies' future earnings. They also generally have monthly discussions with management. The next step is to determine which of the 100 companies can meet or beat Wall Street earnings estimates, and finally to choose the most attractively valued stocks. Their valuation approach is P/E driven relative to: (i) the Russell 1000 Growth index, (ii) sector peers, (iii) the company's sustainable future growth rate, and (iv) the company's ROIC. They generally own position sizes of 1-3% and hold 55-62 stocks in the portfolio. Also, they diversify their portfolio with respect to companies' earnings growth rates, market capitalizations and price/earnings ratios.

Investment decisions are made as a team. Each PM also does research. The firm believes it is important to have decision-makers close to the source and flow of information, with no filtering of facts. Each idea is sponsored by a team member and is thoroughly reviewed by the whole team before purchase. Decision-making involves their fundamental analysis of a company's business and then a valuation judgment of the stock price.

To outperform the Russell 1000 Growth Index, they build portfolios that are different from the index. After they construct their portfolio, they compare it to their benchmark to know where they are different and why, and to understand completely the active structure of their investments. Sector weightings vary from +/- 10 percentage points of the index weight. Maximum individual stock position is 5% of the portfolio at market price. They use Factset Research for comparative numbers and detailed performance attribution.

Controlling risk is very important to them--both absolute and benchmark relative risk. A stock holding is reviewed completely if it declines 20% from cost or 20% from a recent high. Perceived weakening fundamentals precipitates an immediate sell order. They also control portfolio risk by being diversified in four factors: by range of P/E's, market caps, growth rates and economic sectors.

# Fresno County Employees' Retirement Association

## Key Personnel

Period Ending: December 31, 2009

### Rainier Investment Management: Large Cap Growth Equity

#### Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	9	0
Avg Experience	22	
Avg Yrs w Firm	9	

#### Key Professionals managing this strategy

##### Daniel M Brewer, Senior Portfolio Manager

Mr. Brewer is a senior portfolio manager and equity research analyst. He began his career in 1987 as a financial analyst and securities trader for WCM Investment Management in Orange County, CA. Beginning in 1992, Mr. Brewer served as a portfolio manager and equity analyst at Wells Fargo Asset Management. Prior to joining RIM in 2000, Mr. Brewer was a portfolio manager and equity analyst at Laird Norton Trust Co. in Seattle. Mr. Brewer holds the Chartered Financial Analyst designation and earned a Bachelor of Arts in Finance from California State University, Fullerton, with graduate studies at the University of Washington School of Business. Mr. Brewer has served as a financial commentator on the radio, appeared on Bloomberg TV and in The Wall Street Transcript, and written numerous investment newsletters. He is a member of the CFA Institute and the Seattle Society of Financial Analysts.

#### Professional Turnover

	Gained		Lost	
	Portfolio Manager	Analysts	Portfolio Manager	Analysts
2005	0	0	0	0
2006	1	0	0	0
2007	0	0	0	0
2008	3	0	0	0
2009	0	0	0	0

##### Mark W. Broughton, Senior Equity Portfolio Manager

Mr. Broughton is a senior portfolio manager and equity research analyst. He began his investment career in 1986, working in corporate finance at Drexel, Burnham & Lambert in Boston and Los Angeles. In 1991, Mr. Broughton joined Provident Investment Counsel in Pasadena, where he served as an equity analyst and associate portfolio manager. Beginning in 1996, Mr. Broughton was principal, senior portfolio manager and director of research at Badgley, Phelps and Bell in Seattle. Prior to joining Rainier in 2002, Mr. Broughton was lead portfolio manager of Blackrock Financial Management's core equity product in Philadelphia. Mr. Broughton holds the Chartered Financial Analyst designation. He received a Bachelor of Science degree in Finance and Entrepreneurship and a Masters of Business Administration in Finance and International Finance and Economics from the University of Southern California. He is a member of the CFA Institute and the Seattle Society of Financial Analysts.

##### Stacie L Cowell, Senior Equity Portfolio Manager

Ms. Cowell is a member of the equity management team, serving as a senior portfolio manager and research analyst. She began her career as an analyst for Chase Manhattan Bank, New York, NY. Beginning in 1993, Ms. Cowell was a senior analyst on the small/mid cap team for Founders Asset Management in Denver, CO. Prior to joining Rainier in 2006, Ms. Cowell was senior vice president and lead portfolio manager with Invesco Funds Group, Denver, CO. Ms. Cowell holds the Chartered Financial Analyst designation. She received her Master of Science, Finance from University of Colorado, Boulder, CO, in 1999 and graduated cum laude with a Bachelor of Science, Economics from Colgate University, Hamilton, NY.

# Fresno County Employees' Retirement Association

## Key Personnel

Period Ending: December 31, 2009

### **Mark H Dawson, Senior Equity Portfolio Manager**

Mr. Dawson serves as a senior portfolio manager and equity research analyst. He began his investment career in 1985 with Brown Brothers Harriman & Co. (New York), managing equity and balanced portfolios for foreign clients. In 1991 he joined Badgley, Phelps and Bell in Seattle, where he served as a portfolio manager and director of research. Since joining Rainier in 1996, he has been profiled by Investor's Business Daily and has appeared on CNBC, Bloomberg TV, CNNfn and KCTS-TV's Serious Money. Mr. Dawson holds the Chartered Financial Analyst designation. He received a Bachelor of Arts degree in History from the University of Washington and a Master of Arts in International Relations from The Fletcher School at Tufts University. He is a member of the CFA Institute.

### **Andrea L. Durbin, Senior Equity Portfolio Manager**

Ms. Durbin is a member of RIM's fixed-income management team and serves as a senior portfolio manager and trader. She began her investment career in 1992 with Dain Rauscher in Minneapolis. During seven years there, her experience included research, marketing, investment strategy and trading for various fixed-income products. Prior to joining RIM in 2002, Ms. Durbin was a principal at Badgley, Phelps and Bell in Seattle where she served as Director of Fixed Income overseeing the management and trading of fixed-income portfolios. Ms. Durbin holds the Chartered Financial Analyst designation. She received her Bachelor of Science degree in economics, with emphasis in both finance and statistics from the University of Minnesota. She is a member of the CFA Institute and the Seattle Society of Financial Analysts.

### **Michael Emery, Senior Equity Portfolio Manager**

Mr. Emery is a member of the Rainier equity team serving as a senior equity portfolio manager and analyst. He began his investment career in 1995 with Roger Engemann & Associates and later in 2001 for Franklin Templeton Investments, Inc. During the early years of his career, Mr. Emery's experience included research and statistical analysis. Prior to joining Rainier in 2008, Mr. Emery was the Vice President / Small Cap Equity portfolio manager at Provident Investment Counsel. Mr. Emery holds the Chartered Financial Analyst designation. He received his Bachelor of Arts degree in business administration from the University of Washington and a Master of Business Administration from Cornell University.

### **James R Margard, CIO, Director of Equity Management**

Mr. Margard is Rainier Investment Management's Chief Investment Officer, and Director of Equity Management. Prior to joining Rainier in 1985, he served as senior analyst and portfolio manager at Value Line, Inc. (New York), specializing in small-capitalization stocks. Mr. Margard is considered by many industry observers to be one of the leading and most successful equity strategists employing a Growth at a Reasonable Price equity philosophy. Institutional equity portfolios and mutual funds managed by Mr. Margard and his team have consistently ranked among the top performers in the nation. His impressive track record and stock recommendations have been highlighted in Barron's, Forbes, Money, USA TODAY, Investor's Business Daily, Smart Money, No-Load Fund Analyst, Pensions & Investments, The New York Times, The Seattle Times, Kiplingers Personal Finance and The Wall Street Transcript. Mr. Margard has also appeared on Wall Street Week with Louis Rukeyser, CNBC, CNNfn, Bloomberg TV and KCTS-TV. Mr. Margard holds the Chartered Financial Analyst designation. He received a Master of Business Administration in Finance from the University of New Mexico and a Master of Arts from New York University. He is a member of the CFA Institute.

### **Peter M Musser, Senior Equity Portfolio Manager**

Mr. Musser is a senior portfolio manager and a key member of Rainier's equity management team, performing portfolio management, equity research analysis and trading. Mr. Musser began his investment management career in 1978 and joined Rainier in 1994. Previously, he was a general partner and senior vice president at Cable, Howse & Ragen. His market analysis and insights have been featured by Dow Jones, Pensions & Investments and The Wall Street Transcript. Mr. Musser holds the Chartered Financial Analyst designation and received a Bachelor of Arts in Economics from Lawrence University in Wisconsin. He is a member and past president of the Seattle Society of Financial Analysts and a member of the CFA Institute and the International Foundation of Employee Benefit Plans.

### **Carlee J Price, Senior Equity Portfolio Manager**

Ms. Price is a member of the Rainier equity team serving as a senior equity portfolio manager and analyst. She began her investment career in 1994 with UBC Portfolio Management Foundation in Vancouver, B.C. and later in 1997 for Perigee Investment Counsel in Toronto, Ontario. Prior to joining Rainier, Ms. Price was the Vice President and Equities Analyst at Franklin Templeton, in San Mateo, California, from 2000 – 2008. During the prior years of her career, Ms. Price's experience included extensive research in the industrial sector. Ms. Price holds the Chartered Financial Analyst designation. She received her Bachelor of Commerce degree from the University of British Columbia.

# Fresno County Employees' Retirement Association

## Key Personnel

Period Ending: December 31, 2009

### Sands Capital Management, LLC: Large Cap Growth Equity

#### Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	1	16
Avg Experience	16	12
Avg Yrs w Firm	10	6

#### Key Professionals managing this strategy

##### John K. Freeman, Research Analyst, Portfolio Manager

Mr. Freeman joined Sands Capital in 2006. Previously, Mr. Freeman was a Senior Research Analyst with Precursor, Inc. Prior to Precursor, Mr. Freeman was Co-Founder and Senior Partner with Aurelian Group (1998-2003). He earned his AB degree in East Asian studies from Harvard University in 1998.

##### Wesley A Johnston, Research Analyst, Portfolio Manager

Mr. Johnston joined Sands Capital in 2004 as a Research Associate. He was promoted to Research Analyst in 2006. Mr. Johnston earned a BS degree in Economics from University of Pennsylvania. Mr. Johnston has earned the right to use the Chartered Financial Analyst designation.

##### David E. Levanson, Sr. Research Analyst, Sr. PM & Director of U.S. Mutal Funds

David Levanson rejoined Sands Capital in 2002 as a research analyst and portfolio manager. He had worked at Sands previously from 1992-1994. In the interim, he received his MBA from the University of Virginia's Darden Graduate School of Business (1996) and worked for State Street Research & Management as a research analyst (1996-1999) and at MFS Investment Management as a research analyst (1999-2002). He previously had worked with several Sands colleagues at Folger Nolan Fleming Douglas (1990-1992). He received his undergrad degree from the University of Florida (BS, Finance, 1990).

#### Professional Turnover

	Gained		Lost	
	Portfolio Manager	Analysts	Portfolio Manager	Analysts
2005	0	0	0	0
2006	0	2	0	0
2007	0	2	0	3
2008	0	3	0	0
2009	0	4	0	0

##### Michael P. Rubin, Medical Analyst

Dr. Rubin joined Sands Capital in 2008 as a Medical Analyst. Mr. Rubin earned his Doctor of Medicine degree from The University of Chicago (2002) and practiced Ophthalmology at Mount Auburn Hospital (2002), The University of Chicago (2003-2006) and Massachusetts Eye and Ear Infirmary (2006-2007).

##### Frank M. Sands Jr., Chief Investment Officer, CEO

Frank Sands Jr. joined Sands in 2000 as a research analyst. Prior to that he'd worked for six years as a research analyst for Fayeze Sarofim & Co. He also spent two years in the Commercial Real Estate Industry at Walker & Dunlop (1989-1991). He is a graduate of Washington & Lee University (BA, Economics, 1989), Johns Hopkins University (MS, Real Estate Finance & Development, 1993) and University of Virginia's Darden Graduate School of Business Administration (MBA, 1994).

##### Frank M. Sands Sr., Chairman

Frank Sands Sr. founded Sands in 1992. Prior to that he was Chief Investment Officer with Folger Nolan Fleming Douglas, Inc. for six years. He served as Director of Research at David L. Babson & Company from 1972-1983 also worked at Loomis Sayles & Company for 3 years. He is a graduate of Dickinson College (BA, 1960) and University of Virginia's Darden Graduate School of Business Administration (MBA, 1963).

# *Fresno County Employees' Retirement Association*

## **Key Personnel**

**Period Ending: December 31, 2009**

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### **A. Michael Sramek, Sr. Research Analyst, Sr. Portfolio Manager**

Michael Sramek joined Sands in 2001 as a research analyst and portfolio manager. Previously he worked at Mastrapasqua & Associates as a research analyst (2000) and at BARRA/RogersCasey as an associate (1995-1998). He is a graduate of Princeton University (BA, History, 1995) and Vanderbilt University's Owen Graduate School of Management (MBA, Finance & Accounting, 2000).

### **Sunil H Thakor, Sr. Research Analyst, Sr. Portfolio Manager**

Sunil Thakor is a Senior Research Analyst with Sands Capital. Mr. Thakor joined the firm in 2004 after five years with Charles River Associates. He holds an MBA degree from Columbia University and a BA from Colby College. Mr. Thakor has earned the right to use the Chartered Financial Analyst designation.

### **T. Perry Williams, Portfolio Manager, Research Analyst**

Mr. Williams joined the firm as a Portfolio Manager/Equity Analyst in 2004. Prior to that he was with Mercer Investment Consulting for nine years. Mr. Williams has a B.S. from the University of Virginia and an M.M. from Northwestern University.

# Fresno County Employees' Retirement Association

## Key Personnel

Period Ending: December 31, 2009

### T. Rowe Price Group, Inc.: Large-Cap Growth Strategy

#### Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	4	114
Avg Experience	14	7
Avg Yrs w Firm	11	4

#### Key Professionals managing this strategy

##### Robert Bartolo, Vice President

Rob Bartolo is a Vice President of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc., and a Portfolio Manager and Research Analyst in the Equity Division. He is an Executive Vice President and Co-Chairman of the Investment Advisory Committee of the Media & Telecommunications Fund. He is also a Vice President and Advisory Committee Member of the Mid-Cap Value Fund, and Blue Chip Growth Fund, New Horizons Fund, Mid-Cap Growth Fund, Dividend Growth Fund, and Growth Stock Fund. As an Analyst, he follows the telecom services and cable industries. Mr. Bartolo joined the firm in August 2002 after serving as a summer intern at T. Rowe Price in 2001. Prior to this, he was Director of Finance for MGM Mirage, Inc. Mr. Bartolo earned a B.S. in Accounting, cum laude, from the University of Southern California and an M.B.A. from the Wharton School, University of Pennsylvania. He is a Certified Public Accountant and has also earned the Chartered Financial Analyst accreditation.

##### Joseph Fath, Vice President

Joe Fath is a Vice President of T. Rowe Price Associates, Inc., and a Research Analyst in the Equity Division. He follows the airline industry as well as lodging and gaming, and real estate under the consumer industry. Mr. Fath serves as a Vice President and Investment Advisory Committee member of the Growth Stock Fund, New Horizons Fund, and Real Estate Fund. Prior to joining the firm 2002, he was a summer intern at T. Rowe Price, covering the electronic design automation software industry. Mr. Fath was also the Chief Financial Officer and co-founder of Broadform, Inc., a start-up educational/software company. In addition, he worked as a Financial Analyst for Players International. Mr. Fath graduated with honors with a B.S. in Accounting from the University of Illinois at Urbana-Champaign. He also received an M.B.A. with honors in Finance and Entrepreneurial Management from the Wharton School, University of Pennsylvania. Mr. Fath has also earned the Certified Public Accountant accreditation.

#### Professional Turnover

	Gained		Lost	
	Portfolio Manager	Analysts	Portfolio Manager	Analysts
2005	0	15	0	8
2006	0	24	0	8
2007	1	20	1	4
2008	1	22	0	8
2009	0	9	0	6

##### Larry J. Puglia, Vice President

Larry Puglia is a Vice President of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc. He is also a Portfolio Manager in the Equity Division. Mr. Puglia is the President of the Blue Chip Growth Fund and Chairman of the fund's Investment Advisory Committee. He is also an Executive Vice President and an Investment Advisory Committee member of the Personal Strategy Funds and he serves as a Vice President and an Investment Advisory Committee member of the Growth Stock Fund. In addition, Mr. Puglia is an Investment Advisory Committee member of the Tax-Efficient Balanced Fund and Tax-Efficient Growth Fund. Prior to joining the firm in 1990, he was a Senior Manager with Peat Marwick Main & Co. specializing in banking. Mr. Puglia earned a B.A., summa cum laude, from the University of Notre Dame and an M.B.A. from the Darden Graduate School of Business, University of Virginia where he was a Shermet Scholar with highest honors. He has also earned the Chartered Financial Analyst and Certified Public Accountant accreditations.

##### Robert W. Sharps, VP, Lead P.M.

Robert W. Sharps is a Vice President of T. Rowe Price Group, Inc., and T. Rowe Price Associates, Inc., and is the lead Portfolio Manager with the Large-Cap Growth Strategy Team in the Equity Division. He also serves as an Executive Vice President and an Investment Advisory Committee member of the Growth Stock Fund. In addition, Mr. Sharps serves as a Vice President and an Investment Advisory Committee member of the Blue Chip Growth Fund, Financial Services Fund, Growth & Income Fund, and New America Growth Fund. He is also a member of the Investment Advisory Committee of the Tax-Efficient Growth Fund. Prior to joining the firm in 1996, Mr. Sharps was a Senior Consultant at KPMG Peat Marwick. He earned a B.S., summa cum laude, in Accounting from Towson University and an M.B.A. in Finance from the Wharton School, University of Pennsylvania. Mr. Sharps has also earned the Chartered Financial Analyst and Certified Public Accountant accreditations.



# Fresno County Employees' Retirement Association

## Key Personnel

Period Ending: December 31, 2009

### Turner Investment Partners, Inc.: Turner Core Growth Equity

#### Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	4	22
Avg Experience	23	9
Avg Yrs w Firm	15	6

#### Key Professionals managing this strategy

##### Halie W. O'Shea, Security Analyst/Portfolio Manager

Ms. O'Shea is a Portfolio Manager/ Security Analyst. Her primary responsibilities involve the Consumer Sector. Ms. O'Shea earned an MBA from New York University, and a BS in Journalism from Northwestern University. She joined the firm in 2003. Ms. O'Shea began her investment career in 1994. Prior to joining the firm she was an Equity Research Associate at Janney Montgomery Scott. Prior to that, she was a Senior Associate in Technology Investor Relations Consulting at Market Street Partners. She was also an Institutional Equity Research Analyst at Sanford C. Bernstein & Co. Prior to that, she was an Associate Editor at Standard & Poor's Platt's and an Associate Editor/ Reporter at Loan Pricing Corporation.

##### Robb J. Parlanti, Senior Portfolio Manager/Security Analyst

Mr. Parlanti is a Senior Portfolio Manager/ Security Analyst. His Principal Product Responsibilities is Technology and Sector Responsibilities is Cyclical Sector. Mr. Parlanti earned a BS in Business from Wake Forest University. He joined the firm in 1993. Mr. Parlanti joined the investment industry in 1987. Prior to joining the firm he was an Assistant Vice President/ Portfolio Manager at PNC Bank. He is a member of CFA Institute (formerly AIMR®), Financial Analysts of Philadelphia, and Wake Forest Club of Philadelphia.

#### Professional Turnover

	Gained		Lost	
	Portfolio Manager	Analysts	Portfolio Manager	Analysts
2005	0	1	1	1
2006	0	3	0	1
2007	0	0	0	0
2008	0	1	0	0
2009	0	3	0	1

##### Mark D. Turner, President/Senior Portfolio Manager/Security Analyst

Mr. Turner is the Vice Chairman/Senior Portfolio Manager/Security Analyst. His product responsibilities is Large Cap and sector responsibilities is Financial Services Sector. He earned an MBA in Finance from University of Illinois and a BS in Economics from Bradley University. He co-founded firm in 1990. Mr. Turner joined the investment industry in 1982. Prior to joining the firm, he was a Vice President/Senior Portfolio Manager at First Maryland Asset Management. Prior to that, he was a Vice President/ Portfolio Manager at Merrill Lynch Asset Management. He was also a Portfolio Manager/Analyst at Wachovia Investment Management. He is a member of CFA Institute (formerly AIMR®)

##### Robert E. Turner, Chairman, Chief Investment Officer

Mr. Turner is the Chairman and Chief Investment Officer. His product responsibilities are in Large Cap, Midcap, Technology & Concentrated. His sector responsibilities is Technology Sector. He earned an MBA in Finance from Bradley University and a BS in Accounting from Bradley University. He co-founded the firm in 1990. Mr. Turner joined the investment industry in 1981. Prior to joining the firm, he was a Senior Investment Manager at Meridian Investment Company. Prior to that he was a Portfolio Manager/Analyst at Integon Corporation. He also held an Analyst position at McMillon/Eubanks; Anderson Consulting. He is a member of Turner funds Board of Directors. He is also a member of CFA Institute (formerly AIMR®) and Financial Analysts of Philadelphia.

# Fresno County Employees' Retirement Association

## Key Personnel

Period Ending: December 31, 2009

### Waddell & Reed Asset Management Group: Large Cap Growth

#### Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	3	14
Avg Experience	19	9
Avg Yrs w Firm	12	3

#### Professional Turnover

	Gained		Lost	
	Portfolio Manager	Analysts	Portfolio Manager	Analysts
2005	0	4	0	0
2006	0	1	0	1
2007	0	3	0	2
2008	0	6	0	5
2009	0	1	0	1

#### Key Professionals managing this strategy

##### Daniel P. Becker, Vice President/Portfolio Manager

Daniel Becker is a Senior Vice President of Waddell & Reed Investment Management Company and Waddell & Reed Ivy Investment Company. Mr. Becker graduated from the University of Wisconsin at Madison in 1987 with a BS in mathematical economics. He earned an MS with an emphasis in finance, investments, and banking from the University of Wisconsin Graduate School of Business in 1989. Mr. Becker was previously affiliated with the State of Wisconsin Investment Board as a research technician from 1988 through 1989. Mr. Becker joined Waddell & Reed in October 1989 as an investment analyst. In 1993 he was appointed assistant vice president and assistant portfolio manager. In 1994 he assumed responsibility for equity institutional accounts. In January 1997 he was named portfolio manager of the W&R Target Funds Growth Portfolio. Mr. Becker was named portfolio manager of the Waddell & Reed Advisors Vanguard Fund in July 1997. He is co-portfolio manager of large cap growth equity institutional accounts. Mr. Becker is a Chartered Financial Analyst, a member of the CFA Institute and a member of the Kansas City Society of Financial Analysts.

##### Philip J. Sanders, Sr. VP/Portfolio Manager

Philip Sanders is a Senior Vice President of Waddell & Reed Investment Management Company and Waddell & Reed Ivy Investment Company. Mr. Sanders received his BA in economics in 1980 from the University of Michigan. He earned an MBA from the University of North Carolina at Charlotte in 1986. Before joining Waddell & Reed, Mr. Sanders was affiliated with Banc of America Capital Management from 1988 to 1998. He began his investment career as an equity research analyst and was appointed portfolio manager in 1992. Mr. Sanders served as lead portfolio manager of Bank of America's large cap growth style with assets of approximately \$2 billion in mutual fund and individually managed institutional accounts. Mr. Sanders joined Waddell & Reed in August 1998 as a vice president and portfolio manager. Mr. Sanders is co-portfolio manager of large cap growth equity institutional accounts. Mr. Sanders is a Chartered Financial Analyst, a member of the CFA Institute, and a member of the Kansas City Society of Financial Analysts.

##### Sarah C. Ross, Asst. Vice President

Sarah Ross is an Assistant Vice President of Waddell & Reed Investment Management Company. Ms. Ross earned both a BS in business administration and a BA in French in May 1995 from John M. Olin School of Business, Washington University, St. Louis, Missouri. Prior to joining Waddell & Reed, Ms. Ross was a senior healthcare analyst for Banc of America Capital Management from 2001-2003. From 1997-2001 Ms. Ross was a senior healthcare analyst for Edward Jones. Ms. Ross joined Waddell & Reed in October 2003 as an investment analyst. Ms. Ross was appointed an assistant vice president and joined the large cap growth equity team as an assistant portfolio manager in February 2006. Ms. Ross is a CFA charterholder. She is a member of the CFA Institute and the St. Louis Society of Financial Analysts.

# Fresno County Employees' Retirement Association

## Key Personnel

Period Ending: December 31, 2009

### Winslow Capital Management, Inc.: Large Cap Growth

#### Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	3	2
Avg Experience	30	17
Avg Yrs w Firm	14	3

#### Key Professionals managing this strategy

##### Steven M. Hamill, CFA, Managing Director

Joined Winslow Capital Management in 2006 (October). As a Principal and Senior Research Analyst at Piper Jaffray & Co. from 2003-2006, Mr. Hamill covered healthcare stocks. He worked as a sell-side research analyst at RBC Capital Markets from 2000-2003. Prior to that, he was a Manager in the Business Valuation Practice of Arthur Anderson, LLP, in Minneapolis and Milwaukee from 1993-2000.

##### Justin H. Kelly, CFA, Senior Managing Director

Mr. Kelly serves as a Managing Director and Portfolio Manager for the fund. Prior to joining the firm he was with Investment Advisers, Inc. for two years, Salomon Brothers for one year, and Prudential Securities for three years. Mr. Kelly has a BS from Babson College where he was Summa Cum Laude in Finance/Investments. He has been with the firm since 1999 and in the industry since 1994.

##### Roger A. Mendel, CFA, Managing Director

Joined Winslow Capital in 2008. Mr. Mendel is a CFA charter holder. He began his career at the Securities and Exchange Commission as a senior compliance examiner. He became an Analyst with for primary coverage of long products steel companies at Salomon Smith Barner/Salomon Bros. At Northern Trust he began covering basic materials sector, building products, transportation and homebuilders. He then moved to industrials including multi-industry, machinery and aerospace & defense and served as a Senior Analyst/V.P. of Equity Research. Mr. Mendel has a B.S. in Finance from Indiana University.

#### Professional Turnover

	Gained		Lost	
	Portfolio Manager	Analysts	Portfolio Manager	Analysts
2005	0	0	0	0
2006	0	1	0	0
2007	0	0	0	0
2008	0	1	0	0
2009	0	0	0	0

##### R. Bart Wear, CFA, Senior Managing Director

Mr. Wear serves as a Managing Director and Portfolio Manager for the fund. He is a graduate of Arizona State University with a B.A. in Finance. He began at Winslow Capital Management, Inc. (April 1997, and prior to that was at Baird Capital Management ('96-'97), Firststar Invest Research and Mgmt., ('82-'96) Mr. Wear has been in the industry for 23 years.

##### Clark J. Winslow, CEO/ CIO

Mr. Winslow serves as the CEO, CIO, and Portfolio Manager of the fund. Prior to starting Winslow Capital Management he was with Alliance Capital Management ('87-'92), J. W. Bristol & Company, Inc. ('80-'87), MacKay-Shields Financial ('75-'79), Baker, Weeks & Company ('66-'75). He has his BA from Yale University and his MBA from Harvard Business School. Mr. Winslow has 13 years experience with his firm and 39 years industry experience.

# Fresno County Employees' Retirement Association

Correlation Matrix (Last Five Years)

Period Ending: December 31, 2009

	Rainier	Sands	T. Rowe Price	Turner	Waddell & Reed	Winslow
Rainier	100%					
Sands	94.7%	100%				
T. Rowe Price	95.7%	96.9%	100%			
Turner	<b>98.4%</b>	<b>93.7%</b>	94.0%	100%		
Waddell & Reed	97.1%	<b>93.0%</b>	<b>91.8%</b>	96.2%	100%	
Winslow	<b>98.6%</b>	96.1%	96.4%	<b>98.0%</b>	95.0%	100%

Green	Three lowest observed five-year correlations
Red	Three highest observed five-year correlations