

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION



Ted Aronson
March 6, 2013

KEY CHARACTERISTICS

AJO reflects a number of distinguishing characteristics that define what we do and how we do it.

INDEPENDENT & GLOBAL

VALUE-DRIVEN & DISCIPLINED

COST-CONSCIOUS & COMMUNICATIVE

DAVID VERSUS GOLIATH

Eighty-eight clients	\$21.3b	
Large cap	16.6	\$168 million
Mid & small cap	1.6	
Long/short	1.1	
Top cap	1.0	
Managed volatility	0.9	
International	0.1	

As of 1/31/13

OUR CLIENTS AND THEIR CONTACTS

PUBLIC

Charlotte Firefighters' Retirement System

Barbara Avard, 704.336.4431
large cap '05

City of Austin Employees' Retirement System

Steve Edmonds, 512.458.2551
large cap '02

Detroit General Retirement System

Marilyn Roc Berdijo, 313.224.3362
large cap '04

Fairfax County Educational ESRS

Jeanne Carr, 703.426.3909
large cap '03

Florida Retirement System

Scott Seery, 850.413.1035
large cap '93, 130/30 '08

Fresno County Employees' Retirement Association

Phillip Kapler, 559.457.0681
large cap '95

Los Angeles City Employees' Retirement System

Rod June, 213.473.7124
large cap '01

Louisiana State Employees' Retirement System

Bobby Beale, 225.925.7156
large cap '02

Louisiana State Police Retirement System

Irwin Felps, 225.925.4878
large cap '03

Manitoba HEB

Ron Queck, 204.975.3431
large cap '05

Missouri Local Government ERS

Brian Collett, 573.632.6353
top cap '06, 130/30 '07

Missouri PSRS/PEERS

John Tuck, 573.638.1089
large cap '01, 130/30 '05

Nashville & Davidson County Metro Employee Benefit System

Fadi BouSamra, 615.880.2811
small cap '98

New York State Common Retirement Fund

Maureen Kipper, 518.473.0538
large cap '04

Nova Scotia Workers' Compensation Board

Maureen Boyd, 902.491.8406
large cap '07

Oklahoma Firefighters Retirement System

Bob Jones, 405.522.4600
large cap '02

Oklahoma Public Employees Retirement System

Brad Tillberg, 405.858.6721
large cap '03

Oklahoma Teachers' Retirement System

James Wilbanks, 405.521.4740
mid cap '98

Oregon Public Employees Retirement Fund

Mike Viteri, 503.378.4111
large cap '03

Philadelphia Public Employees Retirement System

Sumit Handa, 215.496.7468
large cap '01

South Carolina Retirement Systems

David Phillips, 803.737.4374
large cap '05

St Louis County Retirement Plans

Kirk McCarley, 314.615.5410
large cap '04

West Virginia Investment Management Board

Jim Herrington, 304.347.7657
small cap '99

CORPORATE/ERISA

Aetna

Russell Smith, 860.273.1331
small cap '99

B&W Y-12

Maureen Williams, 865.574.9285
large cap '01

Banco Popular

Javier Rubio, 787.765.9800
large cap '02

Bechtel Marine Propulsion/Bechtel Plant Machinery

Barbara LaFountain, 518.395.6539
large cap '05

Campbell Soup

Gary Biscoll, 856.342.4800
large cap '05

Canada Post

Doug Greaves, 416.204.4285
large cap '01

Dow Chemical

Sanjay Chawla, 989.638.2286
large cap '02, 130/30 '07

Duke Energy

Richard Jefferies, 704.382.8630
small cap '98

Dun & Bradstreet

Steven Ginsberg, 973.921.5618
large cap '02

Hanford Site Pension Plan

Elaine Cone, 509.372.3323
large cap '04

Kaiser Permanente

Bill Lee, 510.271.6986
top cap '01

MedStar Health

Brian Neale, 410.772.6653
large cap '93

Monsanto Company

Pam Moench, 314.694.8241
small cap '91 (terminated-*gulp*-'94),
large cap '06

National Automobile Dealers Association
John Cline, 617.747.9357
large cap '04

National Security Technologies
Nancy Gines, 702.295.0312
large cap '05

National Telecommunications Cooperative Association
Lisa Schweitzer, 703.351.2070
managed volatility '11

Nordson Corporation
Ray Cushing, 440.892.1580
large cap '00

Purolator
Tim Hill, 905.712.1084
large cap '06

Reichhold Inc
Pat Tuttle, 919.990.7532
small cap '98

Sandia National Laboratories
Jane Farris, 505.284.2168
all cap '92 (terminated–*gu/p*-'95),
large cap '01

SCI Group
Steve Phinney, 416.401.3011
large cap '10

Sentara Healthcare
Ron Vinson, 757.455.7057
large cap '09

Shell Oil Company
Emily Landry, 713.241.0285
large cap '03

Southern California Edison
Greg Henry, 626.302.1457
small cap '98

ENDOWMENT/ FOUNDATION

Baptist Community Ministries
Laurie DeCuir, 504.593.2309
large cap '96

Baylor Health Care System
Mark Amiri, 214.820.2538
large cap '04

Boys Town
Phil Ruden, 402.498.1017
large cap '05

Commonfund
Jeff Boris, 203.563.5094
all cap '85, large cap '93
(terminated –*gu/p*-'95), top cap '05

Missouri Baptist Foundation
Jeff Boris, 203.563.5094
top cap '12

Nord Family Foundation
Sharon White, 440.984.3939
large cap '00

Oklahoma School Land Trust
Karen Johnson, 405.521.4000
large cap '00

Richard King Mellon Foundation
Ed Morgan, 724.238.8471
top cap '03

The Investment Fund for Foundations
Dick Flannery, 610.684.8000
large cap '98

University of Arkansas Foundation
Vickie Ferguson, 479.575.3158
large cap '03

MULTI-EMPLOYER

AFTRA Retirement Fund
Christine Dubois, 212.499.4821
large cap '02

American Federation of Musicians and Employers' Pension Fund
Maureen Kilkelly, 212.284.1200
large cap '08

Central Pennsylvania Teamsters
Joe Samolewicz, 610.320.5500
large cap '03

Connecticut Carpenters Pension Fund
Rich Monarca, 203.281.5511
large cap '99

Construction Industry Laborers
Mike Gauthier, 913.236.5490
large cap '06

District 9 IAM & AW Pension Trust
Tony Rippeto, 314.739.6200
large cap '05

IWA – Forest Industry Pension Plan
Colleen Troelstrup, 604.433.6310
large cap '07

New Jersey Transit Amalgamated Transit Union
Michael Lihvarcik, 973.491.7721
large cap '04

Operating Engineers Local 101
David Barry, 816.737.5959
large cap '03

Plumbers & Pipefitters National Pension Fund
Bill Sweeney, 703.739.9020
large cap '02

POOLED

Absolute Investment Advisers
Jay Compson, 781.740.1904
long/short '05

AJO Emerging Markets All-Cap Fund
AJO Emerging Markets Small-Cap Fund
AJO Emerging Markets Hedge Fund
International '13

Christian Brothers Investment Services
Frank Haines, 212.490.0800
large cap '02

GuideStone Funds
Matt Peden, 214.720.4704
small cap '98, large cap '06

Prudential Retirement
Ric Filippelli, 860.534.8443
large cap '05

Quaker Small-Cap Value Fund
Jeff King, 610.455.2299
small cap '96

Russell Investment Group
Richard Yasenachak, 206.505.4885
top cap '03, 130/30 '07

SEI Investments
Greg McIntire, 610.676.1563
top cap '03, large cap '03, 130/30 '05, managed volatility '04

Transamerica Asset Management
Chris Staples, 727.299.1811
large cap '04

N.B. — It is not known whether these clients approve or disapprove of AJO or the advisory services provided. All clients are listed, except those that wish to remain anonymous.

CLIENTS BY MANDATE, SIZE, AND TENURE

MANDATE

TOP CAP

Commonfund
Kaiser Permanente
Missouri Baptist Foundation
RK Mellon Foundation
Russell Investment Group
SEI Investments

LARGE CAP

AFM-EPF
AFTRA Retirement Fund
B&W Y-12
Banco Popular
Baptist Community Ministries
Baylor Health Care System
Bechtel Marine/BPMI
Boys Town
Campbell Soup
Canada Post
Central Pennsylvania Teamsters
Charlotte Firefighters
Christian Brothers Inv Services
City of Austin ERS
Connecticut Carpenters
Construction Industry Laborers
D&B

LARGE CAP

Detroit GRS
District 9 IAM & AW
Fairfax County Edu ESRs
Florida Retirement System
Fresno County ERA
GuideStone Funds
Hanford Site Pension Plan
IWA – Forest Industry Pension Plan
Los Angeles City ERS
Louisiana State ERS
Louisiana State Police
Manitoba HEB
MedStar Health
Missouri PSRS/PEERS
Monsanto Company
National Auto Dealers Association
National Security Technologies
NJT Amalgamated Transit Union
Nord Family Foundation
Nordson Corporation
Nova Scotia Workers' Comp Board
NY State Common Ret Fund
Oklahoma Firefighters
Oklahoma PERS
Oklahoma School Land Trust
Operating Engineers Local 101

LARGE CAP

Oregon PERF
Philadelphia PERS
Plumbers & Pipefitters National
Prudential Retirement
Purolator
Sandia National Laboratories
SCI Group
SEI Investments
Sentara Healthcare
Shell Oil Company
South Carolina Ret Systems
St Louis County Retirement Plans
TIFF
Transamerica Asset Management
University of Arkansas Foundation
Anonymous (7)

MID & SMALL CAP

Southern California Edison
West Virginia Inv Mgt Board
Anonymous (1)

LONG/SHORT

Absolute Investment Advisers
Dow Chemical
Missouri Local Government ERS
Missouri PSRS/PEERS
Russell Investment Group

MANAGED VOLATILITY

National Telecom Cooperative Assn
SEI Investments
Anonymous (1)

INTERNATIONAL

AJO Emerging Markets All-Cap Fund
AJO Emerging Markets Small-Cap Fund
AJO Emerging Markets Hedge Fund

SIZE

> \$500MM

SEI Investments
Transamerica Asset Management
Florida Retirement System
Canada Post
NY State Common Ret Fund
Oregon PERF
Missouri PSRS/PEERS
Prudential Retirement
South Carolina Ret Systems
Kaiser Permanente
GuideStone Funds
Anonymous (3)

\$250MM – \$500MM

West Virginia Inv Mgt Board
Los Angeles City ERS
Russell Investment Group
Manitoba HEB
Oklahoma Teachers' Ret System
Shell Oil Company
Sentara Healthcare
Louisiana State ERS
Anonymous (1)

\$50MM – \$250MM

Sandia National Laboratories
Plumbers & Pipefitters National
Absolute Investment Advisers
Aetna
Central Pennsylvania Teamsters
Nova Scotia Workers' Comp Board
Fresno County ERA
IWA – Forest Industry Pension Plan
Christian Brothers Inv Services
Oklahoma PERS
Duke Energy
Campbell Soup
D&B
NJT Amalgamated Transit Union
Monsanto Company
City of Austin ERS
Hanford Site Pension Plan
Missouri Local Government ERS
Southern California Edison
TIFF
RK Mellon Foundation
Fairfax County Edu ESRs
B&W Y-12
AFTRA Retirement Fund

\$50MM – \$250MM

Dow Chemical
Baylor Health Care System
National Telecom Cooperative Assn
Commonfund
Bechtel Marine/BPMI
Purolator
MedStar Health
AFM-EPF
National Auto Dealers Association
Banco Popular
Nashville & Davidson County
Oklahoma Firefighters
Construction Industry Laborers
Philadelphia PERS
Operating Engineers Local 101
Louisiana State Police
St Louis County Retirement Plans
District 9 IAM & AW
Oklahoma School Land Trust
Anonymous (4)

< \$50MM

Detroit GRS
University of Arkansas Foundation
Charlotte Firefighters
AJO Emerging Markets All-Cap Fund
Connecticut Carpenters
AJO Emerging Markets Small-Cap Fund
National Security Technologies
Quaker Small-Cap Value Fund
Baptist Community Ministries
Missouri Baptist Foundation
Boys Town
Nordson Corporation
Reichhold
AJO Emerging Markets Hedge Fund
Nord Family Foundation
SCI Group
Anonymous (1)

TENURE

>10 YEARS

MedStar Health
Florida Retirement System
Commonfund
Fresno County ERA
Baptist Community Ministries
Quaker Small-Cap Value Fund
Sandia National Laboratories
Nashville & Davidson County
Duke Energy
Reichhold
Oklahoma Teachers' Ret System
Southern California Edison
GuideStone Funds
TIFF
West Virginia Inv Mgt Board
Aetna
Connecticut Carpenters
Nordson Corporation
Nord Family Foundation
Oklahoma School Land Trust
Philadelphia PERS
Canada Post
B&W Y-12
Kaiser Permanente
Los Angeles City ERS

>10 YEARS

Missouri PSRS/PEERS
City of Austin ERS
Christian Brothers Inv Services
Louisiana State ERS
Banco Popular
Oklahoma Firefighters
Plumbers & Pipefitters National
Dow Chemical
D&B
Monsanto Company
AFTRA Retirement Fund
Oregon PERF
Anonymous (2)

5 – 10 YEARS

Operating Engineers Local 101
Louisiana State Police
Shell Oil Company
Russell Investment Group
SEI Investments
University of Arkansas Foundation
RK Mellon Foundation
Central Pennsylvania Teamsters
Fairfax County Edu ESRs

5 – 10 YEARS

Oklahoma PERS
National Auto Dealers Association
Transamerica Asset Management
Detroit GRS
NJT Amalgamated Transit Union
St Louis County Retirement Plans
NY State Common Ret Fund
Baylor Health Care System
Hanford Site Pension Plan
District 9 IAM & AW
Prudential Retirement
Bechtel Marine/BPMI
South Carolina Ret Systems
National Security Technologies
Absolute Investment Advisers
Campbell Soup
Charlotte Firefighters
Manitoba HEB
Boys Town
Missouri Local Government ERS
Purolator
Construction Industry Laborers
Nova Scotia Workers' Comp Board
IWA – Forest Industry Pension Plan
Anonymous (4)

3 – 5 YEARS

AFM-EPF
Sentara Healthcare
Anonymous (2)

1 – 3 YEARS

SCI Group
National Telecom Cooperative Assn
Anonymous (1)

<1 YEAR

Missouri Baptist Foundation
AJO Emerging Markets All-Cap Fund
AJO Emerging Markets Small-Cap Fund
AJO Emerging Markets Hedge Fund

ORGANIZATION

Names in green fall into more than one functional category.
Highlighted names in Boston office.
Ownership in red.

PORTFOLIO MANAGEMENT

Ted Aronson '84
Managing Principal 45.5%
Martha Ortiz '87
Principal 15%

Stefani Cranston '91
Principal 3%
Greg Rogers '93
Principal 3%

Arup Datta '12
Principal 1%
Brian Wenzinger '00
Principal 7.5%

Gina Moore '98
Principal 10%
Chris Whitehead '00
Principal 1%

RESEARCH

Stefani Cranston '91
Principal

Arup Datta '12
Principal

Doug Dixon '97
Principal

Shafiq Ebrahim '09
Principal 2%

Rob Louka '06
Principal

Gina Moore '98
Principal

Martha Ortiz '87
Principal

Greg Rogers '93
Principal

Brian Wenzinger '00
Principal

Chris Whitehead '00
Principal

Claire McConnell '12
Associate

César Orosco '10
Associate

Mario Petrozzi '05
Associate

Colleen Smith '05
Associate

Nicholas Tham '12
Associate

Franz Valencia '12
Associate

Shuan Wei '11
Associate

TRADING

Doug Dixon '97
Principal 3%

Rob Louka '06
Principal 1%

Joe Finan '12
Associate

Nicholas Tham '12
Associate

COMPLIANCE

Joe Dietrick '03
Principal 1%

Denise Adamczyk '04
Associate

Kip Moran '03
Associate

OPERATIONS & ACCOUNTING

Dan DiSanto '02
Principal 1%

Paul Dodge '94
Principal 5%

Seth Allen '05
Associate

Joe Caruso '06
Associate

Adela Cheng '06
Associate

Jim Gordon '10
Associate

Chris Huffman '04
Associate

Sylvia Lee '00
Associate

Bill MacLellan '12
Associate

Marlene Payton '99
Associate

CLIENT SERVICE & MARKETING

Jim Lobb '90, '12
Principal 1%

Allison Goodman '04
Associate

Sheryl Hayduk '05
Associate

INFORMATION TECHNOLOGY

Brian Albers '12
Associate

Dru Albright '02
Associate

Horace Henderson '12
Associate

Kevin Naughton '01
Associate

Ed Roche '08
Associate

SUPPORT STAFF

Oscar Arrington '05

Ezra Benjamin '99

Eileen Bruno '93

Kristen Catalano '13

Grace Ecclestone '97

Elaine Johnson-Adams '00

Susan Lodato '89

Pat Richardson '93

Nancy Sutherland '99

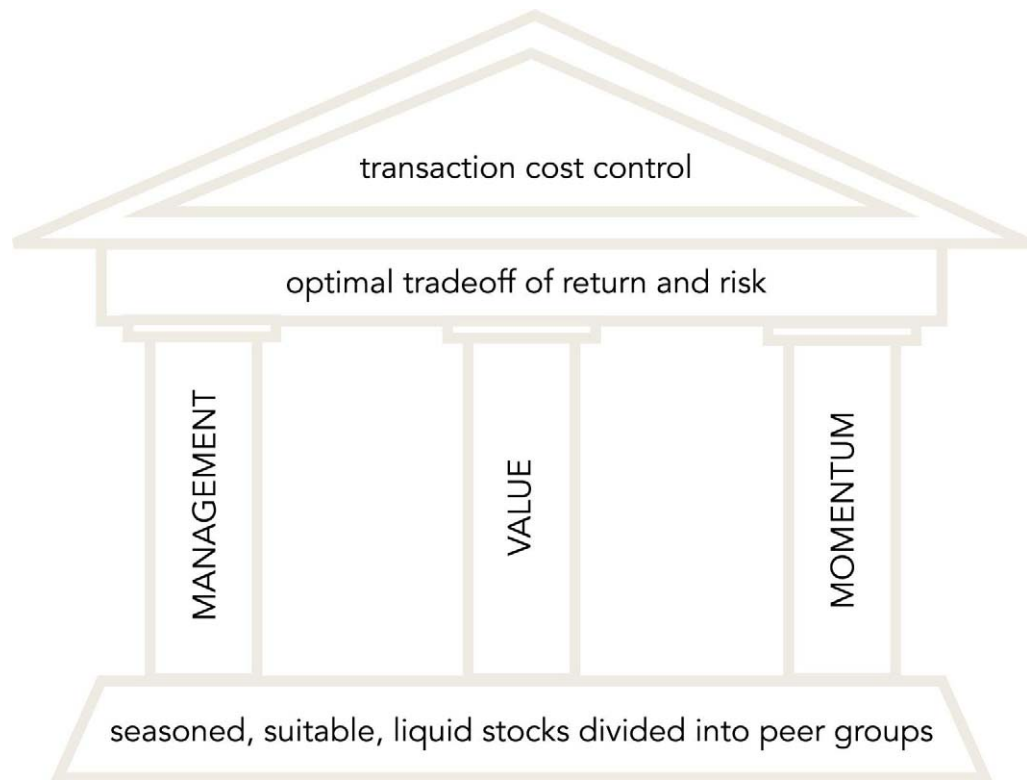
OUR PEOPLE



DECISION-MAKING PROCESS

Our bottom-up, utterly disciplined process creates well-diversified portfolios that are fully invested in value-oriented U.S. equities.

The foundation of our work is a seasoned, suitable, liquid universe of U.S.-listed stocks. We evaluate companies relative to their industry peers using three categories — or pillars — of attractiveness: value, management, and momentum. Overarching this multi-factor valuation is a portfolio construction process that optimizes the tradeoff between expected return and multi-faceted risk. Actual, realized trading costs are used to guide us toward efficient implementation. The integration of research, portfolio management, and trading is the bedrock of our decision-making process.



STOCK SELECTION

SEASONED, SUITABLE, LIQUID UNIVERSE

Three years of operating history

No bankruptcies, ADRs, funds

\$700,000 average daily trading volume

PEER-RELATIVE VALUATION

32 industries (10 sectors)

Apple to apples!

MORE THAN ONE GAUGE

Value — balance sheet and income statement

Management — efficiency, growth, signaling, and quality

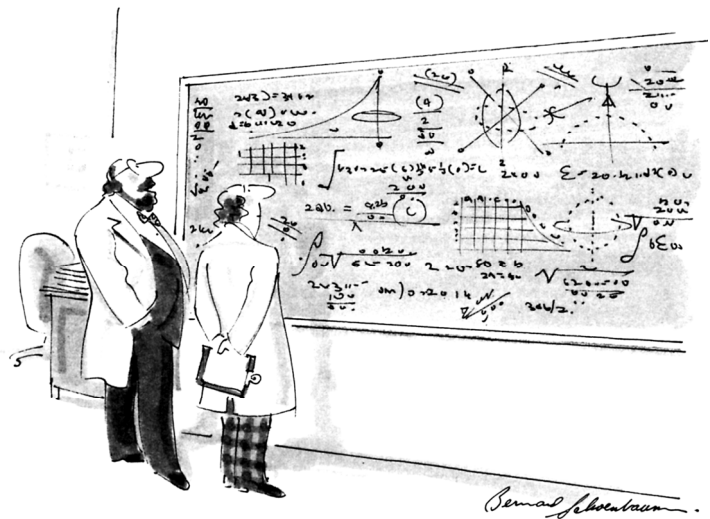
Momentum — price, earnings, and short interest

WHAT MATTERS

Industry

Market cap

Growth prospects



"Oh, if only it were so simple."

PORTFOLIO CONSTRUCTION

OPTIMAL TRADEOFF

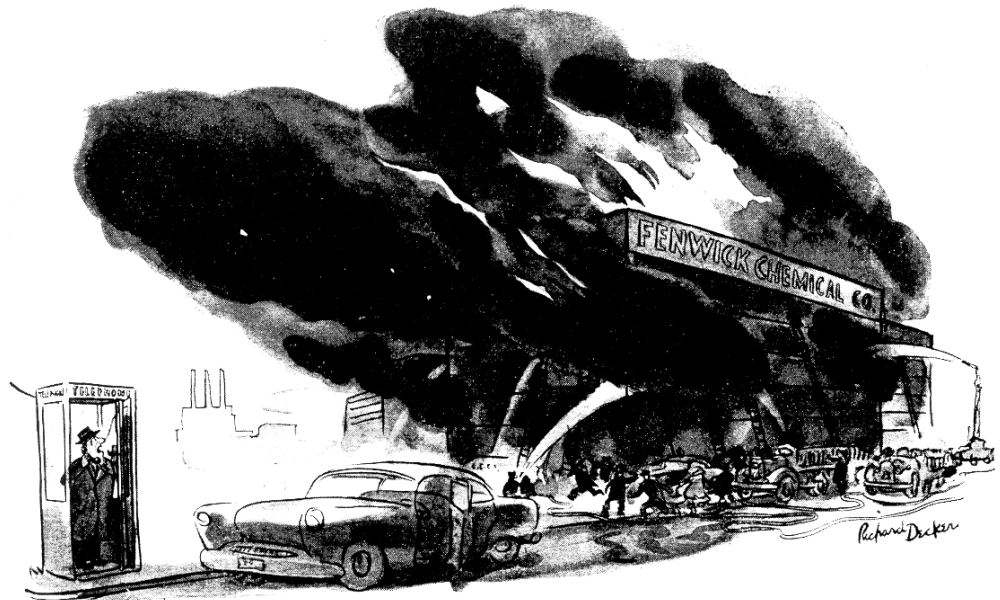
Emphasis on expected return
Balance multi-faceted risk

COMMONSENSE CONTROLS

Fully invested
Sector-neutral (except managed volatility)
Limited single-stock bets

SOPHISTICATED DIVERSIFICATION

Industries and fundamental characteristics
Sector-by-sector capitalization exposure
Interest-rate sensitivity and price-performance groups
Stock-by-stock covariance



"To hell with a balanced portfolio. I want you to sell my Fenwick Chemical and sell it now."

PORTFOLIO CHARACTERISTICS

December 31, 2012

			12/31/11	
			AJO Large Cap Absolute Value	Russell 1000 Value
			AJO Large Cap Absolute Value	Russell 1000 Value
Basic universe (# issues)			1,000	1,000
Number of holdings			100	696
Ten largest holdings			28.1%	27.3%
Market Capitalization				
Weighted average (\$b)			79.3	90.0
Median (\$b)			15.8	5.0
Top 50 \$58.45 & Above			39.5%	41.1%
Next 150 16.80 -- 58.45			21.9	29.2
Next 300 5.75 -- 16.80			26.4	17.3
Next 500 2.13 -- 5.75			11.9	11.1
Next 2000 2.13 & Below			0.3	1.3
Value				
P/E (forecast)			9.9	12.0
Price/Sales			0.8	1.2
Price/Book			1.5	1.5
Dividend yield			2.4%	2.6%
Management				
Sales/Share growth			4.8%	3.3%
Long-term growth (forecast)			8.7%	8.1%
Momentum				
Rising earnings estimates			20.5%	13.8%
Positive earnings surprise			74.6%	73.2%
Price-relative strength (return)			4.8%	-2.4%
Quality/Market risk				
Debt/Capital			54.1%	51.4%
Beta			1.05	1.06
Sector weights				
Capital goods			6.4%	7.1%
Consumer discretionary			6.7	6.5
Consumer durables			2.1	1.7
Consumer staples			6.0	6.9
Energy			17.4	16.2
Financial			27.0	27.3
Healthcare			12.0	11.5
Materials			3.5	3.9
Services			1.4	1.5
Technology			6.7	6.5
Telecommunications			3.4	3.4
Transportation			1.2	1.0
Utilities			6.2	6.5

P/E, Price/Sales, and Price/Book ratios are harmonic means.

Data provided is specific to the client portfolio.

Sources: AJO, BNY Mellon Performance & Risk Analytics, and Wilshire Associates.

IMPLEMENTATION

MINIMIZE TOTAL COSTS

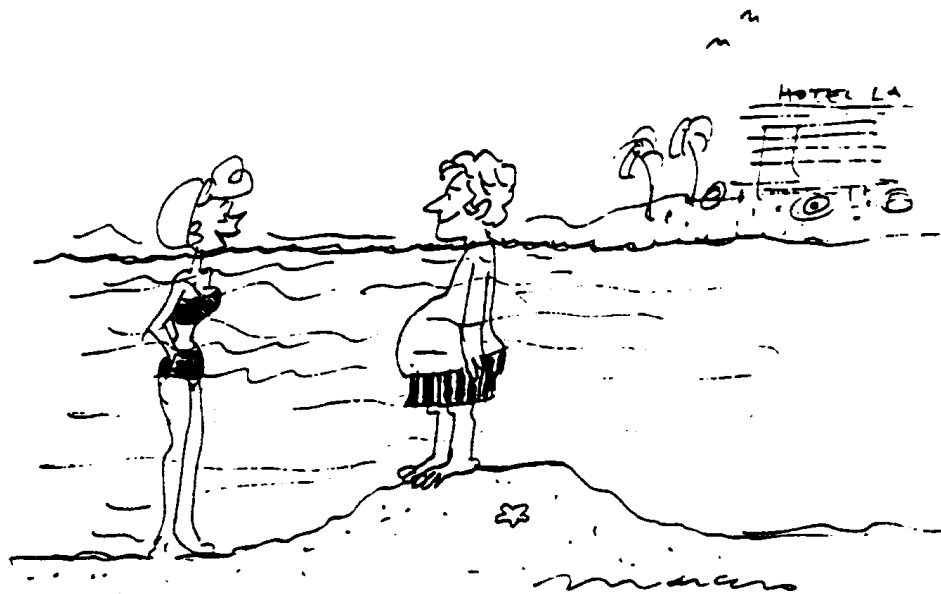
Implementation shortfall
Commissions are trivial
Open-minded

NO SOFT DOLLARS

Never!
No direction either

MEASURE AND MANAGE

Transaction-cost model
Incorporate into portfolio construction



"Hello, Handsome."

COMMISSIONS & TRANSACTION COSTS

Trailing 12 months through December 31, 2012

Fresno County Employees' Retirement Association							
Broker	Shares	Market Value	% of Total	Average Comm Cents/Sh	One-way T-costs Cents/Sh	Average Share Price	One-way T-costs %
Total Agency	2,559,350	\$86,261,312	50.6 %	(1.3) ¢	(23.2) ¢	\$33.70	(0.69) %
Total Principal	2,917,250	84,263,921	49.4	(1.0)	(14.9)	28.88	(0.52)
Total Trades Executed	5,476,600	170,525,233	100.0	(1.1)	(18.8)	31.14	(0.60)
Agency							
Active List							
Barclays list	483,250	13,218,077	7.8	(0.8)	(9.0)	27.35	(0.33)
Deutsche list	425,400	12,751,698	7.5	(1.0)	(6.9)	29.98	(0.23)
Societe Genle list	420,500	12,947,900	7.6	(1.0)	(21.2)	30.79	(0.69)
	1,329,150	38,917,675	22.8	(0.9)	(12.2)	29.28	(0.42)
Active Single Stock							
Rosenblatt	503,700	19,618,206	11.5	(1.2)	(30.7)	38.95	(0.79)
Guzman	282,800	9,478,315	5.6	(2.0)	(46.2)	33.52	(1.38)
Instinet (Nomura)	236,300	9,886,347	5.8	(1.9)	(29.7)	41.84	(0.71)
JNK Securities	86,500	2,571,312	1.5	(2.0)	(112.7)	29.73	(3.79)
Fidelity	78,100	4,718,353	2.8	(2.0)	22.1	60.41	0.37
ITG	5,100	34,918	0.0	(1.0)	(10.8)	6.85	(1.58)
Avian Securities	100	3,914	0.0	(2.0)	15.3	39.14	0.39
	1,192,600	46,311,366	27.2	(1.7)	(36.6)	38.83	(0.94)
Passive							
Liquidnet	23,600	760,275	0.4	(1.4)	(0.6)	32.22	(0.02)
ITG Dark Server	14,000	271,996	0.2	(1.0)	35.5	19.43	1.83
	37,600	1,032,271	0.6	(1.3)	12.8	27.45	0.47
Total Agency	2,559,350	86,261,312	50.6	(1.3)	(23.2)	33.70	(0.69)
Principal							
Societe Genle pkg	1,531,400	44,954,491	26.4	(1.0)	(16.0)	29.36	(0.55)
Deutsche package	862,250	26,001,725	15.2	(1.0)	(13.2)	30.16	(0.44)
Barclays package	523,600	13,307,705	7.8	(1.0)	(14.8)	25.42	(0.58)
Total Principal	2,917,250	84,263,921	49.4	(1.0)	(14.9)	28.88	(0.52)

Package trades entail significant additional charges to principal not reflected in commissions but reflected in t-costs.

PERFORMANCE — NET (%)

December 31, 2012

	2013 to date	2012	Since inception: 12/4/95 17.1 years
Fresno County	8.5	17.1	9.8
Russell 1000 Value*	8.0	17.5	8.1
Added value	0.5	(0.4)	1.7

*Benchmark is a blend of Russell indices: 60% Midcap Value and 40% Top 200 Value through 8/4/03, linked to the Russell 1000 Value index thereafter.

N.B. — Returns greater than one year are annualized.

RELATIVE CUMULATIVE ADDED VALUE

versus Russell 1000 Value*



The relative added value is graphed on a logarithmic scale.

Cumulative since-inception results:




Paper portfolio added value	=	\$84.1 million
Less commissions		(3.5)
Less AJO fees		(7.9)
Less transaction costs		(33.6)

Net added value = \$39.1 million

PERFORMANCE ATTRIBUTION BY AJO SECTOR/INDUSTRY(%)

Fresno County

2012 through December 31: *-0.4% actual (net)*

	FRES		Russell 1000 Value		Alloc Effect	Select Effect	Net Contribution	Net Contribution
	Average Bet	Portfolio Return	Average Weight	Index Return				
Energy	0.9	17.6	14.2	3.3	1.1	1.4	2.4	 2.4
Refining & Transport	2.1	85.6	1.3	54.0	1.0	0.8	1.8	
Exploration & Production	(1.2)	3.4	13.0	(0.6)	0.1	0.6	0.7	
Technology	0.3	14.0	7.1	4.5	0.9	0.0	0.9	 0.9
Software	2.4	9.5	0.9	25.1	0.4	(0.5)	(0.1)	
Communications Equipment	(0.2)	9.3	1.8	14.6	0.1	(0.1)	0.0	
Semiconductors	(0.3)	(12.0)	2.3	4.4	0.1	(0.1)	0.0	
Hardware	(0.8)	31.4	1.2	(26.6)	0.3	0.7	1.0	
Electrical & Electronics	(0.8)	0.0	0.8	8.4	(0.0)	0.0	(0.0)	
Materials	(0.1)	47.2	3.3	15.5	0.4	0.5	0.8	 0.8
Chemicals	1.4	55.2	1.4	35.0	0.2	0.4	0.6	
Paper & Forest Products	(0.4)	(8.3)	0.7	23.9	(0.0)	(0.1)	(0.1)	
Metals & Mining	(1.1)	22.1	1.2	(7.2)	0.2	0.2	0.4	
Consumer Staples	(0.5)	13.9	7.2	12.8	0.4	(0.2)	0.1	0.1
Food	0.9	11.3	3.7	17.3	0.1	(0.2)	(0.1)	
Tobacco	0.7	2.9	0.7	10.9	0.2	(0.0)	0.2	
Household & Cosmetics	(2.1)	3.0	2.8	6.1	0.1	(0.0)	0.1	
Financial	(0.2)	27.9	26.1	27.4	0.4	(0.3)	0.1	0.1
Banks	4.1	23.3	5.7	22.3	(0.1)	0.1	0.0	
Insurance	(0.3)	9.9	7.2	18.6	0.0	(0.6)	(0.6)	
Miscellaneous Finance	(0.4)	46.4	9.4	43.2	0.1	0.2	0.3	
Real Estate	(3.7)	14.6	3.9	17.1	0.4	0.0	0.4	
Utilities	(0.4)	0.6	7.1	1.9	0.0	(0.1)	(0.1)	(0.1)
Transportation	(0.1)	2.3	1.4	7.2	0.0	(0.1)	(0.1)	(0.1)
Consumer Durables	0.1	14.3	1.4	30.9	(0.0)	(0.1)	(0.1)	(0.1)
Household Durables	0.5	47.7	0.3	49.5	(0.0)	0.3	0.3	
Motor Vehicles	(0.4)	(8.4)	1.2	27.5	(0.0)	(0.3)	(0.4)	
Telecommunications	(0.1)	12.9	4.1	18.9	0.0	(0.2)	(0.3)	(0.3)
Capital Goods	(0.4)	14.8	7.2	24.0	(0.2)	(0.4)	(0.6)	(0.6)
Aerospace	2.2	16.8	1.3	16.4	(0.2)	0.0	(0.2)	
Construction Related	(0.1)	(0.2)	0.8	45.1	(0.0)	(0.3)	(0.4)	
Producer Goods	(2.5)	18.2	5.0	22.9	0.0	(0.1)	(0.1)	
Healthcare	0.3	10.3	12.1	15.8	0.1	(0.8)	(0.7)	(0.7)
Health Providers	2.8	(1.2)	2.2	10.6	(0.0)	(0.6)	(0.6)	
Biotechnology	0.8	50.2	0.4	27.7	0.2	0.1	0.2	
Health Equipment	0.2	13.9	2.0	23.1	(0.0)	(0.2)	(0.2)	
Pharmaceuticals	(3.4)	13.1	7.5	14.9	0.0	(0.1)	(0.1)	
Consumer Discretionary	0.2	18.0	7.3	33.0	(0.0)	(0.9)	(0.9)	(0.9)
Apparel	0.5	(9.5)	0.1	24.0	(0.1)	(0.2)	(0.3)	
Media	0.4	35.9	3.5	40.2	0.0	(0.1)	(0.1)	
Leisure & Restaurants	0.1	43.3	0.6	25.5	0.0	0.1	0.1	
Retail	(0.9)	(1.5)	3.1	26.5	0.0	(0.7)	(0.6)	
Services	0.0	(35.7)	1.5	28.4	0.0	(1.1)	(1.1)	(1.1)
Total	0.0	18.0	100.0	17.5	3.1	(2.4)	0.5	

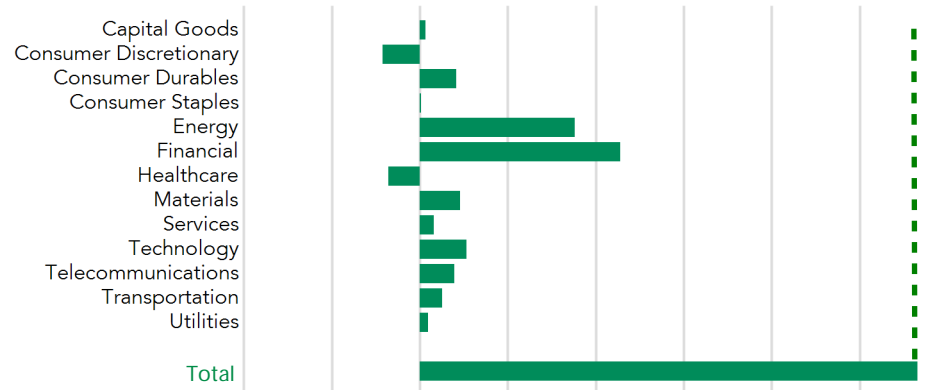
N.B. — These are not accounting returns. They reflect closing prices and do not include fees, transaction costs, or any other costs.

ALLOCATION EFFECT BY AJO SECTOR (%)

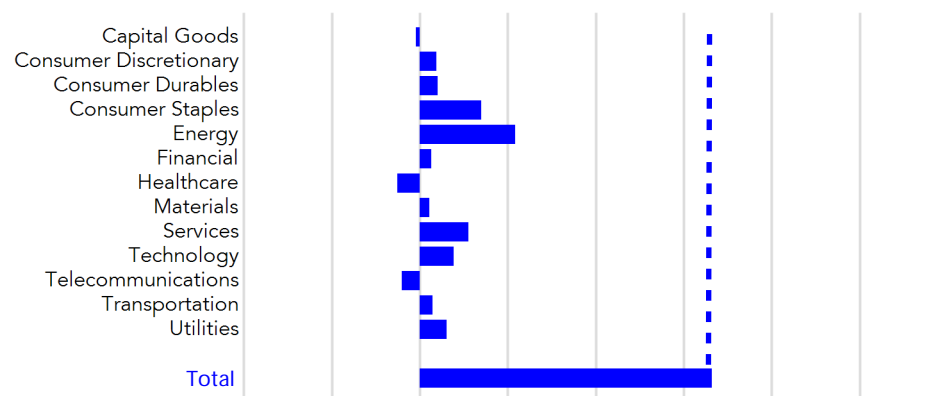
Fresno County

2012 through December 31: *-0.4% actual (net)*

VALUE



MANAGEMENT



MOMENTUM



PERFORMANCE ATTRIBUTION BY AJO SECTOR/MEASURE(%)

Fresno County

2012 through December 31: *-0.4% actual (net)*

Sector Quintile	VALUE				MANAGEMENT				MOMENTUM				Net Contrib
	R1000V			Alloc Effect	R1000V			Alloc Effect	R1000V			Alloc Effect	
	Bet	Avg Wt	Return		Bet	Avg Wt	Return		Bet	Avg Wt	Return		
Energy		14.2	3.3	1.1		14.2	3.3	0.7		14.2	3.3	0.4	2.4
1: Highest	5.3	4.8	16.4	0.7	2.7	4.6	14.2	0.5	2.0	4.3	4.2	0.1	
5: Lowest	(0.9)	0.9	(5.9)	0.1	(0.9)	0.9	(11.1)	0.1	(0.4)	0.5	(2.7)	0.1	
Technology		7.1	4.5	0.3		7.1	4.5	0.2		7.1	4.5	0.2	0.9
1: Highest	1.5	1.0	(2.7)	0.0	1.9	2.6	(2.8)	(0.1)	0.8	2.6	(3.4)	(0.1)	
5: Lowest	(0.1)	0.6	6.1	0.0	(0.8)	0.8	(2.8)	0.0	(0.4)	0.5	13.3	(0.0)	
Materials		3.3	15.5	0.3		3.3	15.5	0.1		3.3	15.5	0.2	0.8
1: Highest	0.9	0.6	37.4	0.2	0.9	0.8	16.8	0.1	1.4	0.8	20.4	0.2	
5: Lowest	(0.3)	0.3	32.0	(0.0)	(0.8)	0.9	13.0	0.0	(0.3)	0.6	15.5	0.1	
Consumer Staples		7.2	12.8	0.0		7.2	12.8	0.4		7.2	12.8	0.1	0.1
1: Highest	1.6	0.8	11.7	0.1	3.2	1.2	23.8	0.4	1.1	1.9	8.3	(0.1)	
5: Lowest	(0.4)	0.5	34.2	(0.0)	(1.3)	1.4	15.3	(0.0)	0.1	0.6	30.6	(0.0)	
Financial		26.1	27.4	1.4		26.1	27.4	0.1		26.1	27.4	(1.1)	0.1
1: Highest	5.1	9.2	37.1	0.5	0.8	4.9	24.9	0.1	7.4	7.1	20.7	(0.6)	
5: Lowest	(2.3)	2.3	12.3	0.3	(2.2)	5.8	37.5	(0.2)	(2.2)	2.9	43.1	(0.2)	
Utilities		7.1	1.9	0.1		7.1	1.9	0.2		7.1	1.9	(0.3)	(0.1)
1: Highest	2.9	1.6	0.0	(0.0)	1.2	1.1	2.9	0.0	0.7	1.3	(0.3)	(0.1)	
5: Lowest	(1.5)	1.5	0.9	0.0	(1.5)	1.6	(2.6)	0.1	(0.5)	0.9	4.8	(0.1)	
Transportation		1.4	7.2	0.2		1.4	7.2	0.1		1.4	7.2	0.0	(0.1)
1: Highest	0.8	0.1	37.6	0.1	(0.5)	0.7	9.9	(0.0)	0.2	0.4	(3.6)	(0.0)	
5: Lowest	0.0	0.0	19.8	(0.0)	0.4	0.1	57.0	0.1	(0.1)	0.1	14.1	0.0	
Consumer Durables		1.4	30.9	0.3		1.4	30.9	0.1		1.4	30.9	0.2	(0.1)
1: Highest	0.1	0.7	52.4	0.1	0.1	0.1	15.6	(0.0)	0.5	0.3	32.1	0.0	
5: Lowest	(0.1)	0.1	9.0	0.0	(0.3)	0.5	42.1	0.0	(0.2)	0.2	20.0	0.0	
Telecommunications		4.1	18.9	0.2		4.1	18.9	(0.1)		4.1	18.9	0.0	(0.3)
1: Highest	(0.1)	0.1	29.5	(0.0)	0.9	1.9	14.5	(0.0)	0.1	3.6	17.4	0.0	
5: Lowest	(0.2)	1.5	20.0	0.0	(0.3)	0.3	28.8	0.0	0.0	0.0	(37.1)	0.0	
Capital Goods		7.2	24.0	0.0		7.2	24.0	(0.0)		7.2	24.0	(0.3)	(0.6)
1: Highest	1.1	0.8	33.4	0.1	0.7	0.6	24.7	0.0	1.1	1.0	23.2	(0.0)	
5: Lowest	(0.7)	0.7	39.4	(0.1)	(1.0)	1.5	33.2	(0.0)	(0.5)	0.5	49.1	(0.1)	
Healthcare		12.1	15.8	(0.2)		12.1	15.8	(0.2)		12.1	15.8	0.0	(0.7)
1: Highest	4.4	1.2	6.9	(0.3)	3.2	1.8	6.9	(0.2)	2.0	2.8	10.0	0.1	
5: Lowest	(0.4)	0.8	10.0	0.1	(0.4)	0.7	24.6	(0.1)	(0.4)	0.8	18.2	(0.1)	
Consumer Discretionary		7.3	33.0	(0.3)		7.3	33.0	0.1		7.3	33.0	0.1	(0.9)
1: Highest	(0.2)	1.2	26.2	(0.0)	3.4	1.7	34.4	0.0	1.7	1.6	27.5	(0.0)	
5: Lowest	0.1	0.6	37.2	0.0	(0.7)	0.7	45.3	(0.1)	(0.3)	0.5	12.3	0.0	
Services		1.5	28.4	0.1		1.5	28.4	0.3		1.5	28.4	(0.0)	(1.1)
1: Highest	0.5	0.2	21.5	0.0	1.0	0.5	65.0	0.2	0.3	0.5	41.2	0.1	
5: Lowest	0.2	0.4	33.7	0.0	(0.3)	0.3	14.1	0.0	0.2	0.2	2.6	(0.1)	
Total		100.0	17.5	3.4		100.0	17.5	2.0		100.0	17.5	(0.6)	0.5

N.B. — These are analytical returns, not accounting returns. They reflect closing prices and do not include fees, transaction costs, or any other costs.

ALLOCATION EFFECT BY AJO FACTOR (%)

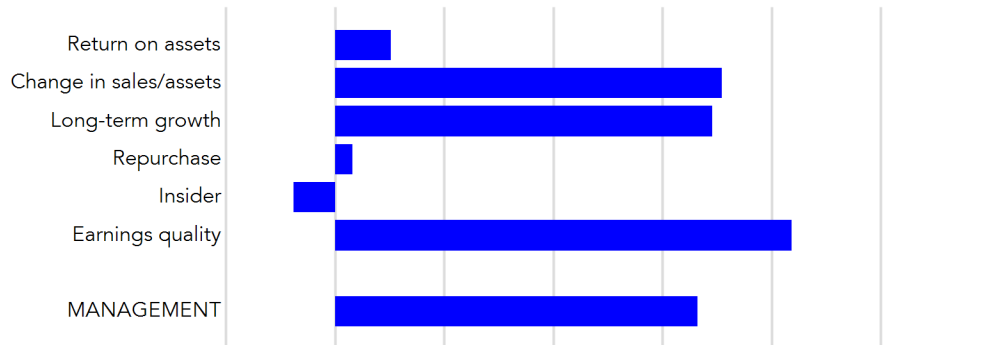
Fresno County

2012 through December 31: *-0.4% actual (net)*

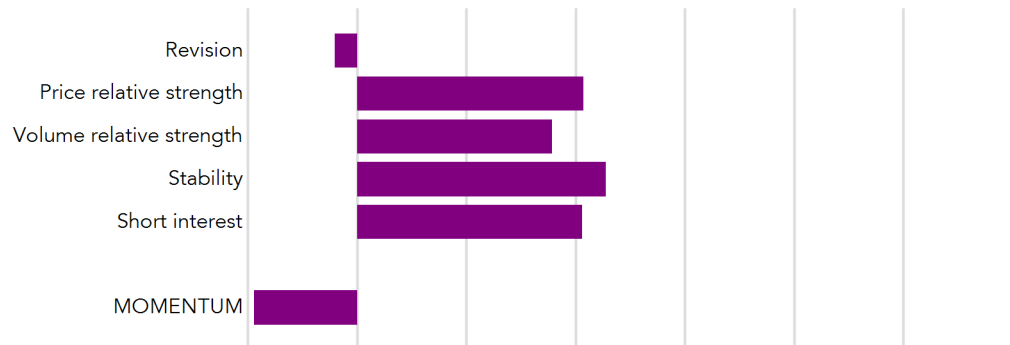
VALUE



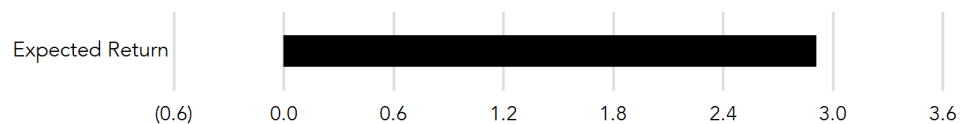
MANAGEMENT



MOMENTUM



EXPECTED RETURN



TOP & BOTTOM 20 STOCKS BY NET CONTRIBUTION(%)

Fresno County

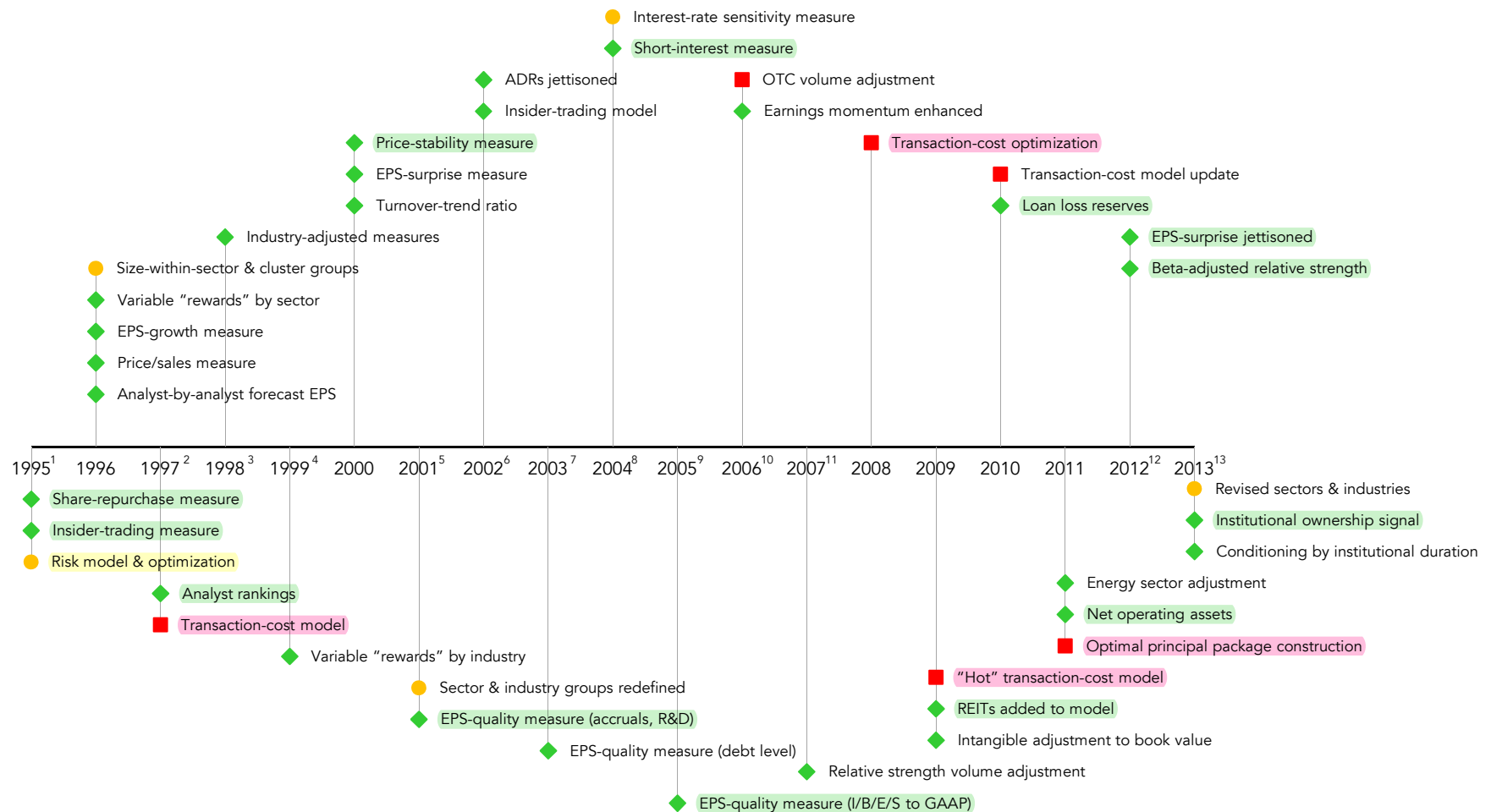
2012 through December 31: *-0.4% actual (net)*

Company Name	AJO Industry	AJO Sector	Ticker	FRES			Russell 1000 Value			Bet	Net Contrib
				Average Weight	Return	Contrib	Average Weight	Return	Contrib		
**** Top 20 ****											
Tesoro	ESRV	ENER	TSO	0.9	71.5	0.8	0.1	89.8	0.0	0.8	0.7
Valero Energy	ESRV	ENER	VLO	1.3	66.2	0.8	0.2	66.2	0.1	1.1	0.7
Discover Finl Svcs	MSF	FINL	DFS	1.4	62.6	0.7	0.3	62.6	0.1	1.1	0.6
Marathon Petroleum	ESRV	ENER	MPC	0.8	94.2	0.6	0.2	94.2	0.2	0.6	0.5
Whirlpool Corp	CDUR	CDUR	WHR	0.7	47.7	0.5	0.1	120.2	0.1	0.6	0.4
Regions Financial	BANK	FINL	RF	1.0	66.6	0.4	0.1	66.6	0.1	0.9	0.4
Hewlett-Packard	HARD	TECH	HPQ				0.6	(43.1)	(0.3)	(0.6)	0.3
Agrium Inc	CHEM	MATL	AGU	1.0	50.5	0.3				1.0	0.3
JPMorgan Chase	MSF	FINL	JPM	3.2	36.2	1.0	2.2	36.2	0.7	1.1	0.3
Apple	HARD	TECH	AAPL	0.5	31.4	0.3				0.5	0.3
Goldman Sachs Group	MSF	FINL	GS	0.9	38.1	0.6	0.8	43.4	0.3	0.1	0.3
CBS	MED	CDIS	CBS	1.1	42.0	0.4	0.3	42.0	0.1	0.8	0.3
Eastman Chemical Co	CHEM	MATL	EMN	0.4	11.3	0.3	0.0	46.2	0.0	0.4	0.3
Huntsman Corp	CHEM	MATL	HUN	0.5	63.5	0.3	0.0	63.5	0.0	0.5	0.3
Wells Fargo & Co	BANK	FINL	WFC	3.2	27.4	0.8	2.2	27.4	0.5	1.0	0.3
Fifth Third Bancorp	BANK	FINL	FITB	1.2	22.4	0.3	0.2	22.4	0.0	1.0	0.2
Comcast (A)	MED	CDIS	CMCSA	1.1	60.8	0.6	0.7	60.8	0.3	0.5	0.2
Gilead Sciences Inc	BIOT	HLTH	GILD	0.5	26.8	0.2				0.5	0.2
Delta Air Lines	TRAN	TRAN	DAL	0.7	46.7	0.2	0.0	46.7	0.0	0.6	0.2
Wyndham Worldwide	LEIS	CDIS	WYN	0.7	43.3	0.2	0.0	36.8	0.0	0.6	0.2
Subtotal: Top 20										13.2	7.1
**** Bottom 20 ****											
Health Net	HPRV	HLTH	HNT	0.4	(18.3)	(0.1)	0.0	(20.1)	0.0	0.4	(0.1)
Goodyear Tire	MTV	CDUR	GT	0.2	(15.2)	(0.1)				0.2	(0.1)
AT&T	TEL	TELE	T	2.3	17.5	0.3	2.8	17.5	0.5	(0.5)	(0.1)
Ford Motor Co	MTV	CDUR	F				0.4	22.6	0.2	(0.4)	(0.2)
Sprint Nextel	TEL	TELE	S				0.2	142.3	0.2	(0.2)	(0.2)
Assurant	INS	FINL	AIZ	0.9	(13.6)	(0.2)	0.0	(13.6)	0.0	0.8	(0.2)
News Corp (A)	MED	CDIS	NWSA	0.1	5.3	0.0	0.5	44.3	0.2	(0.5)	(0.2)
Prudential Financial	INS	FINL	PRU	0.2	(13.2)	(0.1)	0.4	9.9	0.0	(0.1)	(0.2)
Procter & Gamble	SOAP	CSTP	PG	0.3	(8.0)	(0.1)	2.4	5.2	0.1	(2.1)	(0.2)
Lowe's Cos	RET	CDIS	LOW				0.5	42.9	0.2	(0.5)	(0.2)
Time Warner	MED	CDIS	TWX				0.6	35.8	0.2	(0.6)	(0.2)
General Motors Corp	MTV	CDUR	GM	0.3	(17.2)	(0.1)	0.3	42.2	0.1	0.0	(0.2)
Questcor Pharma	PHRM	HLTH	QCOR	0.1	(48.2)	(0.2)				0.1	(0.2)
Johnson & Johnson	PHRM	HLTH	JNJ				2.0	10.8	0.2	(2.0)	(0.2)
Best Buy	RET	CDIS	BBY	0.4	(43.2)	(0.3)	0.1	(47.3)	0.0	0.3	(0.2)
General Electric	PGD	CAPG	GE	1.7	21.2	0.3	3.0	21.2	0.6	(1.4)	(0.3)
Walt Disney Company	MED	CDIS	DIS				0.9	34.8	0.3	(0.9)	(0.3)
Berkshire Hathaway (B)	INS	FINL	BRK.B				2.1	17.6	0.4	(2.1)	(0.4)
Bank of America	MSF	FINL	BAC	0.6	60.3	0.4	1.3	109.6	1.0	(0.7)	(0.6)
Apollo Group	BUSR	SERV	APOL	0.8	(61.2)	(0.8)				0.8	(0.8)
Subtotal: Bottom 20										(9.3)	(5.1)
Total				100.0	18.0	18.0	100.0	17.5	17.5	0.0	0.5

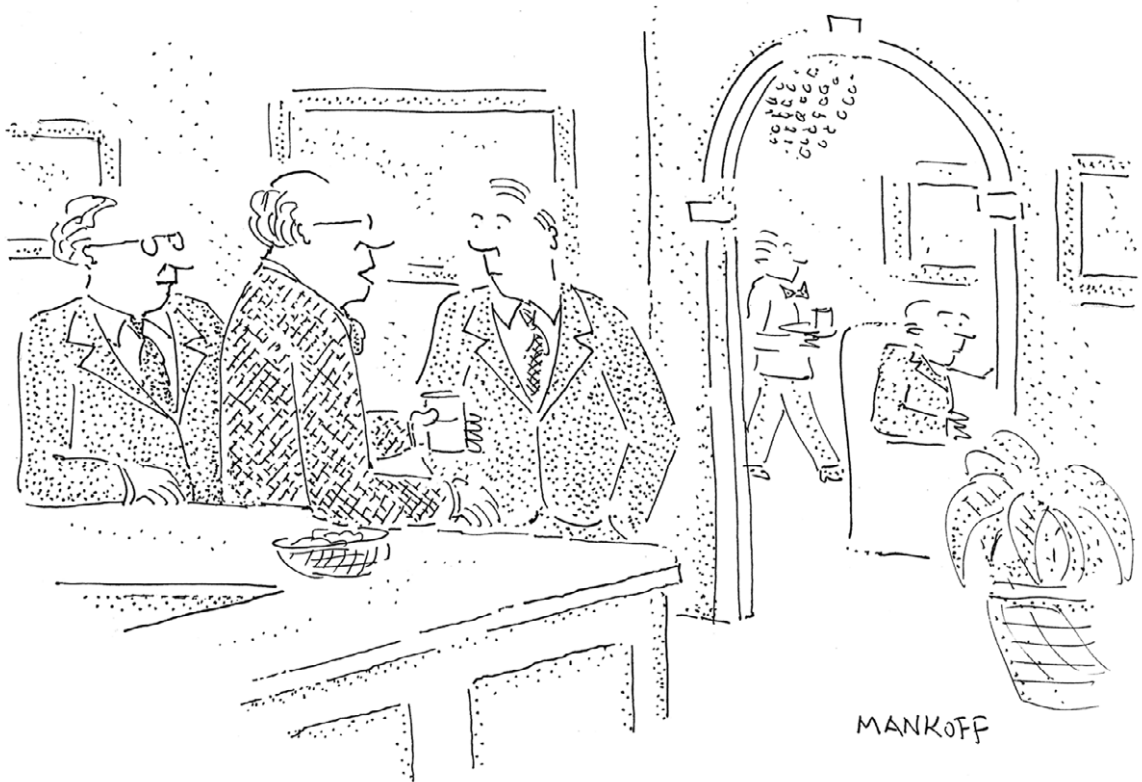
RESEARCH ENHANCEMENTS

(♦ return-oriented ● risk-oriented ■ cost-oriented)

Highlighting represents more significant enhancements.



1. AJO Mid Cap (6/30/95); AJO Large Cap – Absolute Value (12/31/95) 2. AJO Dollar-Neutral Long/Short (1/15/97) 3. AJO Small Cap – Absolute Value (12/31/98) 4. AJO Large Cap – Absolute Value 500 (12/31/99) 5. AJO Top Cap (8/31/01) 6. AJO Large Cap 1000 (10/31/02)
7. AJO Matched Cap (5/31/03); AJO Large Cap – Absolute Value LTE (7/31/03); AJO Mid Cap – Absolute Value (11/30/03) 8. AJO Matched Cap – Absolute Value (3/31/04); AJO Managed Volatility (10/31/04) 9. AJO Large Cap – Absolute Value 130/30 (4/30/05);
AJO Large Cap 1000 130/30 (12/31/05); AJO Dollar-Neutral Long/Short Concentrated (12/31/05) 10. AJO Top Cap – Absolute Value (3/31/06) 11. AJO Top Cap – Absolute Value 130/30 (3/31/07); AJO Matched Cap 130/30 (4/30/07) 12. AJO Large Cap – Dynamic 115/15 (8/31/12)
13. AJO Emerging Markets (1/1/13)



*"Short-term I like cash; mid-term, bonds;
long-term, AJO."*