

FRESNO COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

SMALL CAP VALUE SEARCH

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» Introduction

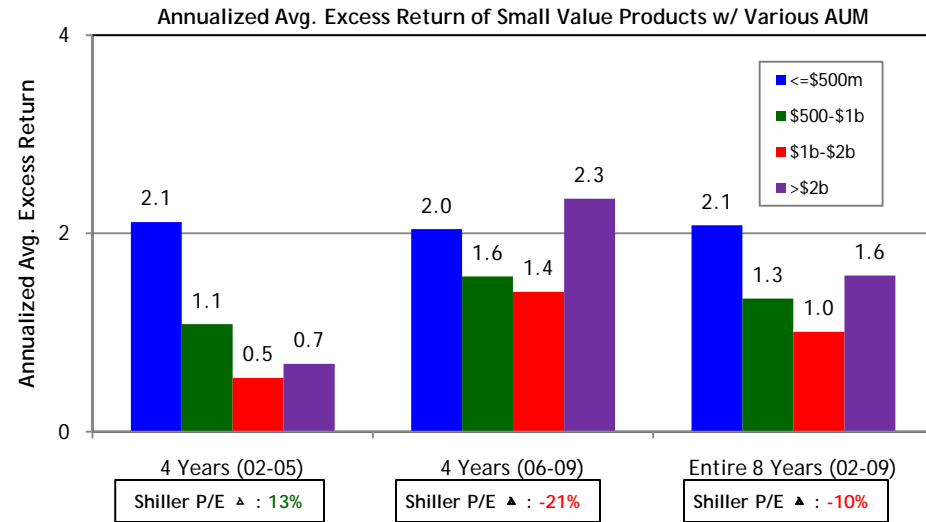
- Optimal investment manager selection criteria vary widely depending on the asset class in question. However, there are certain common qualitative characteristics sought by institutional investors.
 - *These are mostly high level factors: long-tenured investment team, extensive track record, sufficient asset levels, high quality staff, low personnel turnover, etc.; easily completed.*
- Within the realm of small caps, screening criteria must accommodate the unique liquidity and capacity constraints associated with this asset class, and with an eye towards achieving not only the most efficient risk adjusted returns, but maximizing the probabilities of maintaining long term relationships with investment managers.
- A notable point of concern is optimal strategy size.
 - *Conventional wisdom generally states smaller firms are more agile and able to add greater amounts of value.*
 - *Absolute returns confirm this belief, but risk adjusted returns do not.*
 - *Also, smaller firms have a far higher likelihood of going out of business.*
- Another issue is subsequent growth in assets under management. Because the small cap universe is fraught with liquidity constraints, a growing asset base necessitates an evolving investment thesis.
 - *When smaller strategies become bigger, their prior track record can become non-germane.*
 - *Be wary of track records built on small levels of assets.*
- Consideration also needs to be given to the optimal R-squared (or fit) to the index with respect to risk adjusted returns.
 - *We believe the more a manager's hands are tied, the more difficult it is to add value.*
- The following pages document Wurts & Associates' best thinking with respect to screening criteria for small value mandates. However, keep in mind no research is definitive and should therefore serve as a guidepost to efforts.
- Subjective judgment must always be exercised in manager selection.

Product AUM and Performance in Small Caps

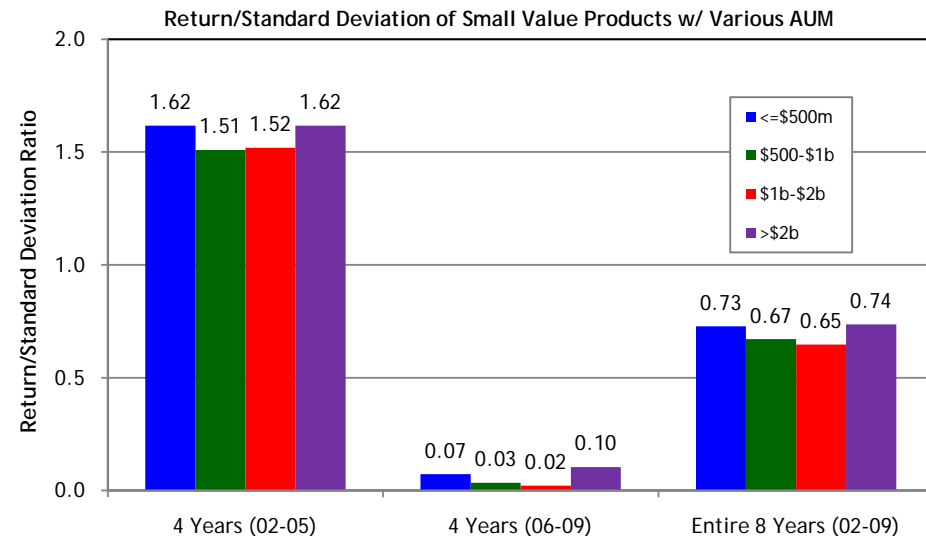
- It is typically believed smaller products tend to outperform larger ones over time because they can take advantage of less efficiently priced, lower liquidity stocks.
- It appears this perception generally holds true, with smaller strategies posting larger absolute returns, but only marginally better risk adjusted returns.
- The question of course is why and does this tell us anything useful?
- One hypothesis is larger strategies must embrace larger and more liquid equities to execute their strategies; or a "quality" tilt in relation to their smaller counterparts.
- One way to test this hypothesis is to examine aggregate price to earnings (PE) ratios for equities during various time periods.
- What we see is that during times of rising PE's is the smallest managers tend to do best (and vice versa). We can infer a quality tilt due to the outperformance of the largest strategies (\$2BB+) during times of PE contraction.

Key takeaway(s)

- The size of a strategy could be dictating the riskiness/quality of holdings and associated portfolio behavior, and not so much an inherent superiority of smaller strategies.*
- Risk adjusted returns are approximately equal across the size spectrum of managers.*



(Rolling 1-year Russell 2000 V P/E's used)
eVestment Alliance: Small Cap Value Universe (incl. inactive), Yale-Shiller



eVestment Alliance: Small Cap Value Universe (incl. inactive)

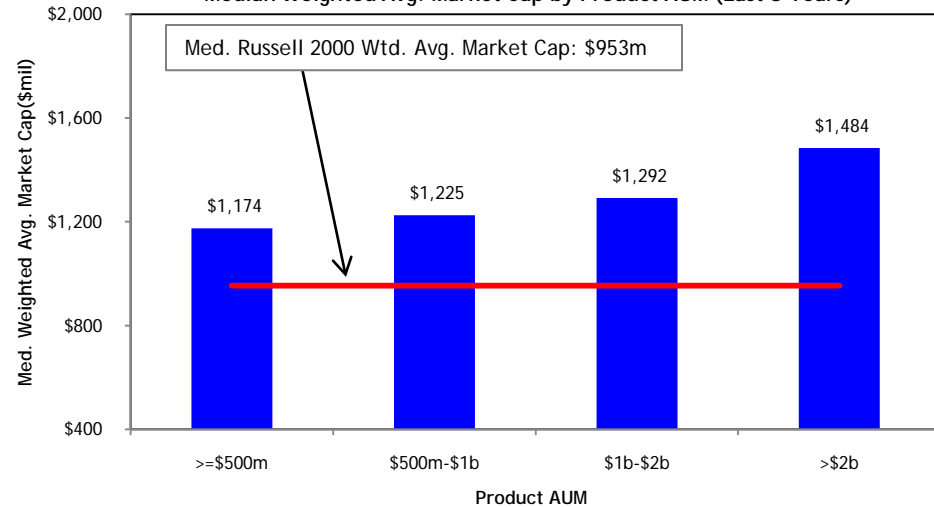
» Larger AUM Products Drift Upwards in Market Cap

- An analysis of the strategies by AUM indicates larger ones tend to invest in bigger and more liquid equities as demonstrated by median average weighted market cap.
- Larger market cap firms, almost by definition, have greater liquidity than their smaller counterparts.
- The more AUM a manager has, the more they are forced to invest in bigger firms.
- So this logically leads to concerns as to whether or not the “quality” tilt is really just the difference between small and mid cap stocks.
- The answer to this question for all intents and purposes is yes. Of course however, the relationship is not exact.
- To illustrate, examine the difference in returns between the Russell 2000 (small) and Russell 2500 (mid) indices compared to a custom benchmark of returns by strategy AUM.
- Over time it appears the difference in returns between small and mid stocks is essentially the same as the difference in returns between smaller and larger “small cap” strategies.

Key takeaway(s)

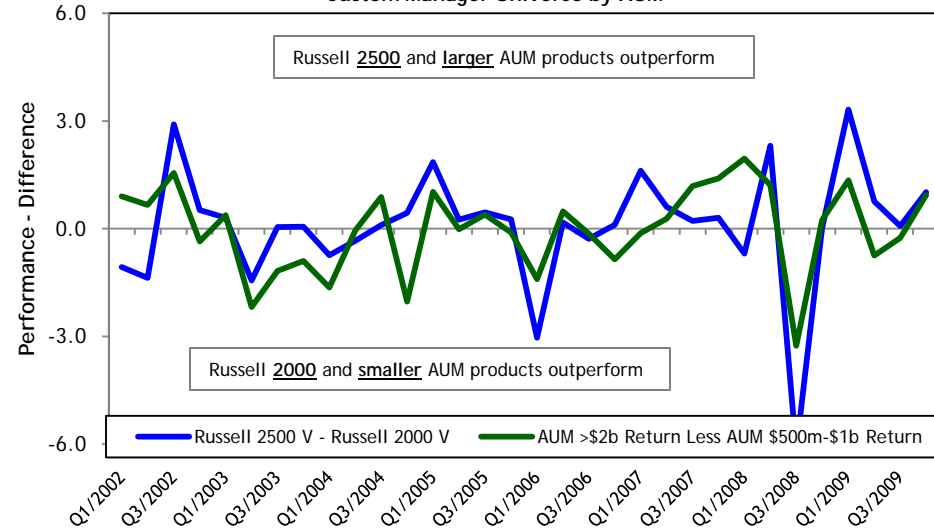
- *The return differences between smaller and larger strategies is essentially due to a capitalization effect and associated quality tilt.*

Median Weighted Avg. Market Cap by Product AUM (Last 8 Years)



eVestment Alliance: Small Cap Value Universe (Incl. inactive), Ibbotson

Rolling 1 Year Return Comparison of Russell Indices vs. Custom Manager Universe by AUM



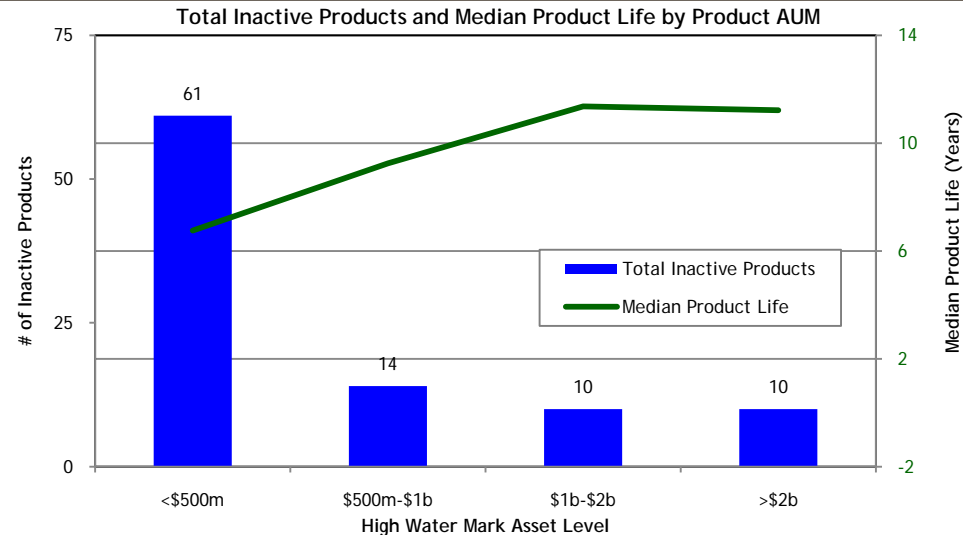
eVestment Alliance: Small Cap Value Universe (incl. inactive), Ibbotson

» Don't Forget About Business Risk in Smaller Products

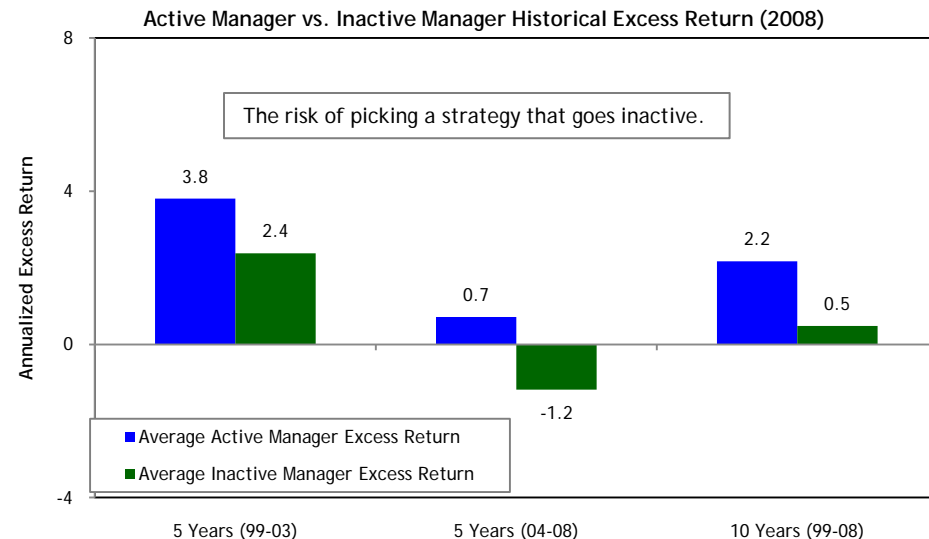
- We are not only concerned with prospective returns, but also the likelihood of maintaining a relationship over time. This is because the benefits of active management require patience due to market cyclicality.
- Also, transitioning amongst managers is costly in terms of opportunity and transaction costs, especially in small caps.
- Research indicates the majority of closures are for the smallest strategies, resulting in a much lower average lifespan of smaller strategies.
- If minimizing potential manager turnover is a concern, then look to larger strategies to mitigate business risk.
- Also keep in mind that strategy failures are invariably associated with poor returns, lest they would not be going out of business in the first place.
- To help dimension the cost of investing with managers that fail, we built a return history of all inactive managers on a quarterly basis.
- Surviving managers outperformed failed managers by 1.7%, annualized over a decade.

Key takeaway(s)

- *Avoiding smaller strategies minimizes potential failure, turnover, and transition costs.*
- *Not all smaller strategies will fail, but the odds are stacked against them over time.*



eVestment Alliance: Small Cap Value Universe



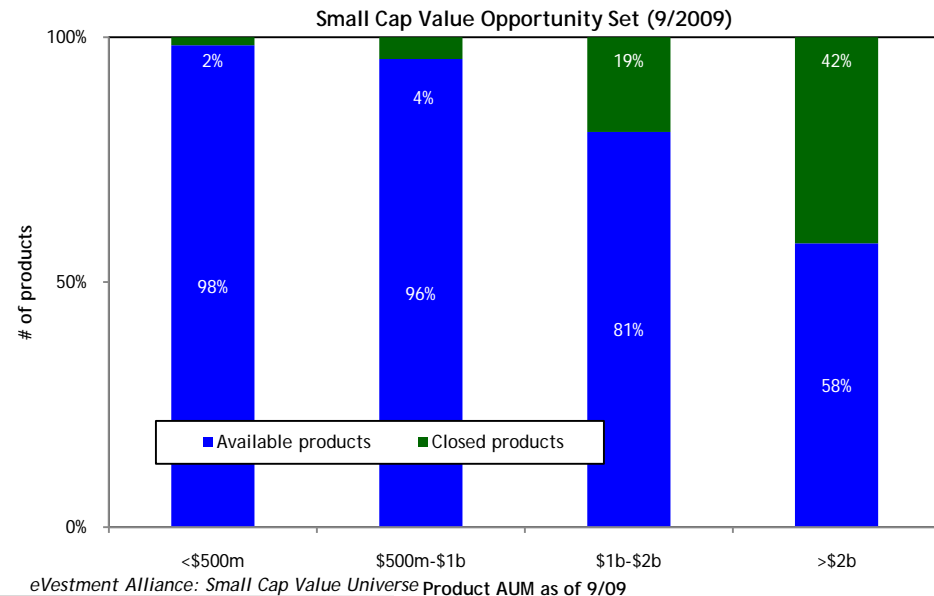
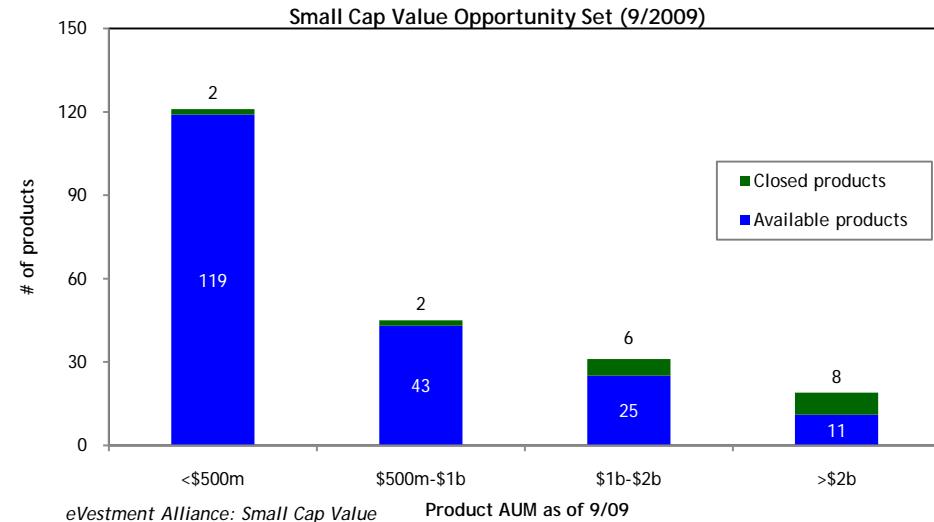
eVestment Alliance: Small Cap Value Universe, Ibbotson

» Small Cap Value Opportunity Set

- Research leads us to believe the best course of action in small cap manager screening is to lean towards larger strategies.
- This approach should minimize business risk and will likely do so without sacrificing potential risk adjusted returns.
- However, this approach narrows the field of candidates quite substantially.
- Within the small cap value universe, about a third of firms that manage \$1 billion or more are closed, and there are only about 50 firms that even fall into this category.
- This of course leads to concerns about flexibility in choosing an appropriate manager...there is little selection.
- Our solution to this concern is to expand our search criteria into the SMID value universe.
- This approach raises concerns about a mismatch between the manager's exposure and the targeted asset allocation.
- We are not concerned because small and SMID exposures appears to offer commensurate risk exposures over time; they are essentially similar benchmarks. (See following page.)

Key takeaway(s)

- *Expand small value search into SMID value to bolster opportunity set of managers while maintaining requisite risk exposure.*

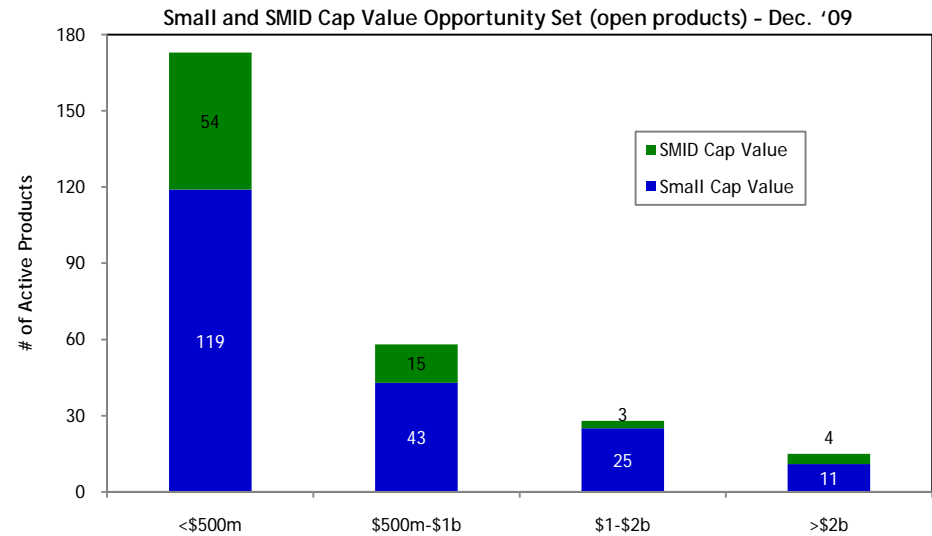


» The Case for SMID

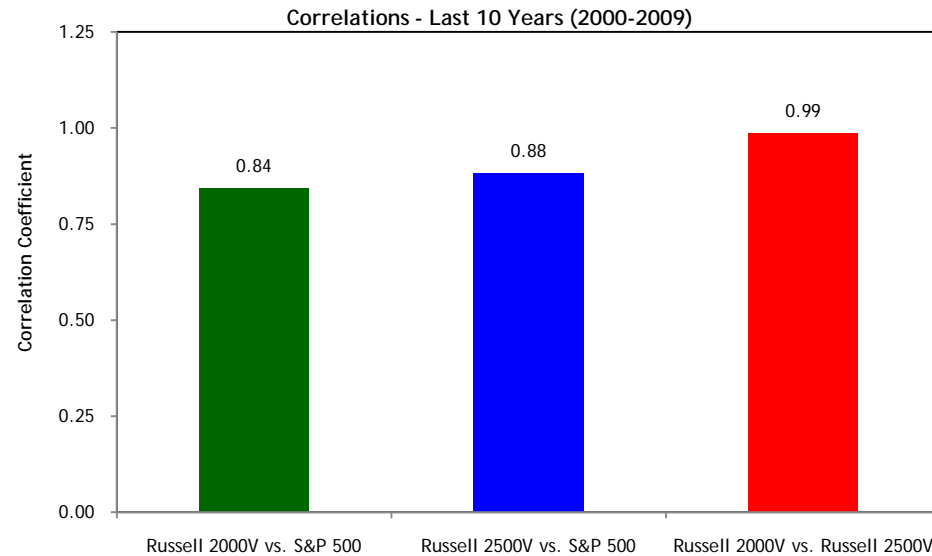
- The Russell 2500 Value (SMID) is essentially the Russell 2000 Value plus the next 500 larger stocks.
- Its current weighted average market cap is around \$2.2 billion, or twice that of the Russell 2000.
- This larger market cap allows managers greater flexibility to deploy large sums of money without running into liquidity/trading issues.
- Recall concerns about validity of past returns if a strategy is not scalable due to liquidity constraints as AUM grows
- By targeting strategies with existing large pools of assets that operate in a more scalable environment, we can mitigate yet another potential risk.
- By increasing our opportunity set to include SMID managers, we expand our opportunity set, albeit not by a huge margin.
- Also note the Russell 2000 and 2500 benchmarks have exhibited very similar patterns of behavior relative to both the S&P 500 as well as each other.

Key takeaway(s)

- *Adding SMID value mandates expands the manager opportunity set and mitigates concerns over AUM growth.*
- *SMID value and small value are essentially the same risk exposures.*



eVestment Alliance: Small and SMID Cap Value Universe



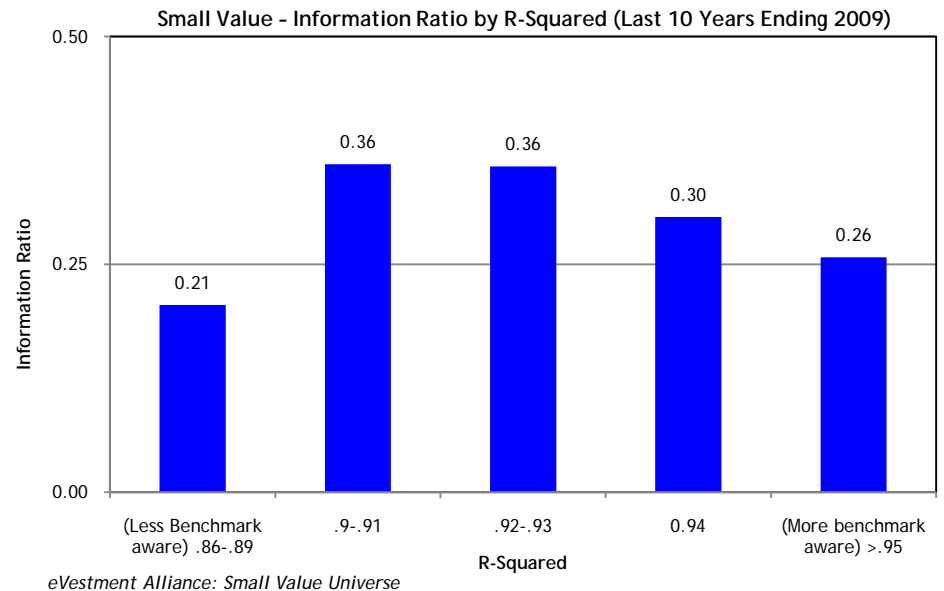
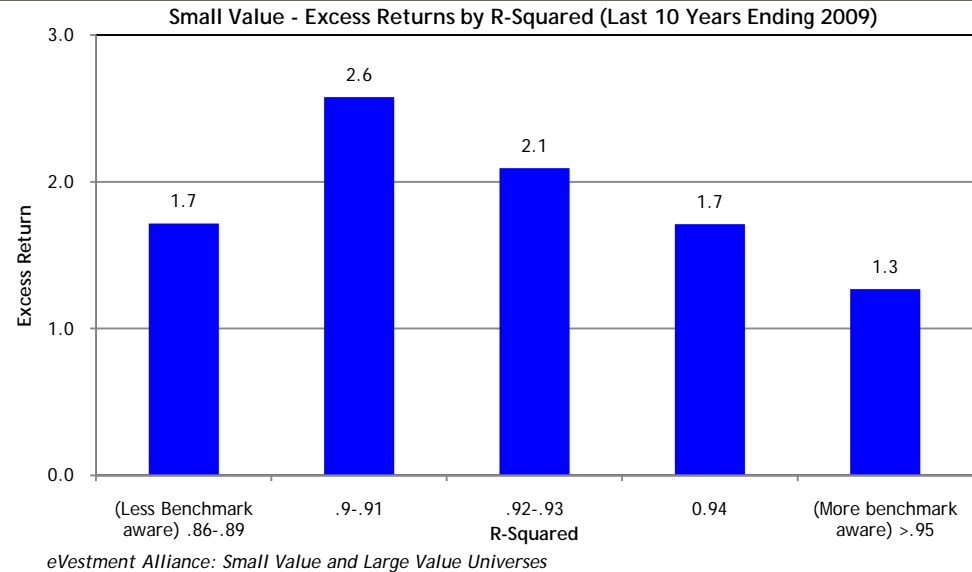
eVestment Alliance: Ibbotson

» R-Squared and Returns

- Optimal R-squared (or fit) to the index should be examined not only from the standpoint of achieving the most efficient risk adjust returns, but tolerance for benchmark tracking error.
- The conventional wisdom, is to target managers that closely follow their mandated benchmark to minimize tracking error.
- Another line of reasoning is to allow flexibility to deviate from the benchmark, thereby providing greater opportunity to add value through security selection, as well as sector allocations.
- Research indicates the cost of tightly hugging the benchmark is somewhat high in terms of potentially sacrificed risk adjusted returns (or opportunity cost).
- On the other hand, it appears too much deviation from the benchmark can be a bad thing. So some semblance of benchmark constraints are in order.
- In our estimation it appears managers with r-squares to their benchmarks of the high 80's to low/mid 90's appear to offer the optimal risk adjusted returns.
- We recognize these data represent aggregate manager behavior, but nonetheless provide a guidepost.

Key takeaway:

- *Target managers with r-squares to their benchmarks of the high 80's to low/mid 90's.*



» Screening Process

Starting Point

eA US Small Cap Value and Small-Mid Cap Value Universes	311 products
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Basic Screens

Product Active	289 products
7-year Track Record	204 products
>\$500mm AUM in either 9/09 or 12/09	106 products
Institutional Assets >50% in either 9/09 or 12/09	88 products
>1% excess return vs. Russell 2500 Value (7 years)	50 products

Proven Ability to Manage >\$1bn assets

Max Assets >\$1bn (Last 7 years)	41 products
>14 quarters w/ assets >\$1b or <30% AUM in stocks w/ market cap <\$750mm (7 years)	34 products
2% excess return in at least 1 of 3 5-year periods ending 07, 08, and 09	30 products

Deep Dive

Subjective: organizational, team, and various performance metrics	10 products
Conference Calls	6 products



Finalists

1 less benchmark-centric manager <i>Systematic Financial Management, SMID Cap VALUE</i>	0.83
4 managers with leighway to benchmark <i>Lord, Abbett & Co. LLC Small Cap Value</i> <i>Snyder Capital Management, L.P. Small Cap Value</i> <i>Integrity Asset Management, LLC Small Cap Value Equity</i> <i>WEDGE Capital Management, LLC Small Cap Value</i>	0.85 0.88 0.94 0.95
1 highly benchmark-centric manager <i>Dimensional Fund Advisors L.P. US Targeted Value Portfolio</i>	0.97

Philosophical and Strategic Considerations

	Systematic SMID Cap Value	Lord Abbett: SC	Snyder Small Cap Value	Integrity Small Cap Value Equity	WEDGE Small Cap Value	Dimensional Targeted Value
Philosophical and Strategic Considerations						
Best Economic Environment	Strong	Weak	Weak/Stable	Strong	Weak/Stable	Strong
Best Market Environment	Stable	Down	Down/Stable	Up/Stable	Stable	Up
Explanation of Best Environment	Focus on positive earnings surprises and turnaround in investor sentiment works best in stable to upward trending markets.	Portfolio does particularly well in down markets due to focus on quality companies.	Focus on self-financing high quality companies boost returns in weak environments, and lowers sensitivity to credit market conditions.	Strategy focused on cheaply buying firms that will benefit from catalysts, which leads to better performance in strong environments.	Focus on quality companies at cheaper valuations helps portfolio in weak environments as overall markets fall.	Portfolio has smaller companies and is deeper value than the index. Strong upwards environments work best for this approach.
Investment Philosophy	<ul style="list-style-type: none"> Seek positive earnings catalyst and attractive valuation Genuine earnings surprise and quality 	<ul style="list-style-type: none"> 18 month time horizon Targets high quality companies w/ high ROE, low debt, and minimal analyst coverage 	<ul style="list-style-type: none"> 1-3 year time horizon Seeks high quality companies that are market leaders with strong balance sheets and cash flows 	<ul style="list-style-type: none"> Seek quality companies with strong cash flow, market niche, and low growth potential with a catalyst Screen for cheaper half of investible universe 	<ul style="list-style-type: none"> Screen for high earnings quality, low leverage, and adequate liquidity 	<ul style="list-style-type: none"> Seeks diversified exposure to the smallest 18% of stocks with the top 25-50% book to market ratios
Portfolio Construction	<ul style="list-style-type: none"> Concentrated 60-90 holdings Tends to be closer to benchmark sector weights (usually +/-5% of index) 5% soft max position 	<ul style="list-style-type: none"> Diversified 100-130 holdings Tends to deviate from benchmark sector weights (25% max) 5% max position 	<ul style="list-style-type: none"> Very Concentrated 44-52 holdings Tends to deviate from benchmark sector weights (40% max) 10% max position 	<ul style="list-style-type: none"> Diversified 116-164 holdings Tend to be closer to benchmark sector weights (+/-10%) 3% max position 	<ul style="list-style-type: none"> Diversified 125-150 holdings Tend to be closer to benchmark sector weights (+/-10%) 5% max position 	<ul style="list-style-type: none"> Highly diversified 483-1572 holdings Generally close to benchmark except no REITs or regulated utilities (25% max) 4% max position size
Differentiating Characteristics	<ul style="list-style-type: none"> Targets larger (mid-cap) names and high turnover Low correlation to the benchmark 	<ul style="list-style-type: none"> Historically >20% underweight financials 	<ul style="list-style-type: none"> Historically strongly underweight financials Highly concentrated High conviction, low turnover strategy 	<ul style="list-style-type: none"> Considers macroeconomic factors for sector allocation Relatively high turnover 	<ul style="list-style-type: none"> Value/quality screen cuts out 65% of universe Considers macroeconomic factors for sector allocation Low turnover 	<ul style="list-style-type: none"> Highly diversified portfolio consisting of deep value, small stocks No traditional fundamental research Highly correlated to the benchmark

» AUM, Capacity, Organization, and Product

	Systematic SMID Cap Value	Lord Abbett: SCV	Snyder Small Cap Value	Integrity Small Cap Value Equity	WEDGE Small Cap Value	Dimensional Targeted Value
AUM & Capacity						
Strategy AUM (\$mm's) (12/09)	\$1,087	\$4,787	\$1,353	\$1,612	\$1,438	\$1,657
Approx. Capacity (\$mm's)	\$2,250 across SCV and SMD	\$5,000	\$2,200	\$2,000	\$1,800	Currently no limit
% of Peak AUM (12/09)	100%	73%	59%	82%	80%	100%
Avg Wtd Avg Mkt Cap (\$mm's) (7yr)	\$3,234	\$1,378	\$2,142	\$1,310	\$1,685	\$1,490
Avg Annual TO (7yr)	137%	70%	26%	101%	30%	24%
Organization and Product						
Location	Teaneck, NJ	Jersey City, NJ	San Francisco, CA	Louisville, KY	Charlotte, NC	Austin, TX
Founded	1982	1929	1984	2003	1984	1981
Ownership	60% owned by AMG. 40% owned by 6 active employees.	100% owned by 55 employees	Wholly owned subsidiary of Natixis Global Asset Management	100% owned by 5 active employees	100% owned by 12 employees	100% owned by employees
Potential Concerns	<ul style="list-style-type: none"> • Very strong recent performance • Low r-squared and high tracking error • Style drift into growth • Strong recent outperformance 	<ul style="list-style-type: none"> • High AUM • New PM promoted; prior PM became Director of Research in 2009 • Style drift into growth 	<ul style="list-style-type: none"> • Concentrated Portfolio • Relatively high tracking error 	<ul style="list-style-type: none"> • Very strong recent performance • Same team runs small/mid, mid, and large cap strategies • Strong recent outperformance 	<ul style="list-style-type: none"> • Same team runs large, mid, and small cap value strategies 	<ul style="list-style-type: none"> • Illiquidity if many investors attempt to sell at once • High r-squared / Low potential to add value through sectors • Marginal excess return
Firm AUM (\$mm's)	\$7,700	\$88,895	\$1,918	\$2,364	\$8,631	\$164,583
Track Record	7.8 years	14 years	25 years	10.5 years	20 years	10 years
Team Size PMs/Analysts	5/8	1/7	4/2	5/2	7/7	8/3
Avg. Tenure PMs/Analysts	11/3 years	12/9 years	14/3 years	7/5 years	12/7 years	8/4 years

Performance and Portfolio Characteristics

	Systematic SMID Cap Value	Lord Abbett: SCV	Snyder Small Cap Value	Integrity Small Cap Value Equity	WEDGE Small Cap Value	Dimensional Targeted Value
Performance and Portfolio Characteristics						
Avg. R-squared vs. R2500V (3 5-year pds. ending 07, 08, 09)	0.83	0.85	0.88	0.94	0.95	0.97
Beta (7 yrs vs. Russell 2500V)	0.80	0.87	0.98	1.01	0.90	1.13
Standard Deviation (7yr)	18.44	19.45	21.74	21.77	19.38	24.17
Tracking Error (7 yrs vs. Russell 2500V)	8.42	6.72	7.01	4.67	4.87	4.55
Information Ratio (7 yrs vs. Russell 2500V)	0.46	0.85	0.21	0.59	0.34	0.42
Avg. P/E (7 yr 12 mo. trailing)	18.90	18.73	21.32	15.98	17.50	13.55
Avg. P/B (7 yr)	2.53	2.07	2.25	1.68	1.96	1.47
Avg. Dividend yield (7 yr)	1.50	0.95	1.21	1.61	1.35	1.24
# 5-year periods (ending 07, 08, 09) w/ Excess Return >2%	3/3	3/3	3/3	2/3	3/3	1/3
Excess Return vs. Russell 2500 Value (12/09)						
1 Year	8.9	3.7	3.0	7.8	-1.2	4.7
3 Years	7.1	7.8	4.1	3.2	3.5	0.2
5 Years	6.0	6.7	3.5	2.4	2.8	0.5

Fresno County Employees' Retirement Association

Manager Search Overview

Period Ending: December 31, 2009

	DFA US Targeted Value Portfolio	Integrity Small Cap Value Equity	Lord Abbett Small Cap Value	Russell 2500 Value
Firm				
Location	Austin, Texas	Louisville, Kentucky	Jersey City, New Jersey	
Ownership	61% employee owned, 39% other investors	100% employee owned	100% employee owned	
Assets Under Management	\$164,583	\$2,364	\$88,895	
Strategy Basics				
Assets Under Management	\$1,657	\$1,612	\$4,787	
Management/Style	Combined Approach/Value	Fundamental/Value	Fundamental/Value	
# Portfolio Mgrs/# Analysts	8/3	5/2	1/7	
Performance				
3 Year	-6.7%	-3.8%	0.9%	-7.0%
5 Year	1.4%	3.2%	7.5%	0.8%
7 Year	10.9%	11.8%	14.8%	9.1%
10 Year	NA	12.3%	13.4%	8.2%
Characteristics				
R-squared (5 year)	0.98	0.95	0.88	
Tracking Error (5 year)	3.50	5.07	7.47	
Information Ratio (5 year)	0.15	0.47	0.90	
Standard Deviation (5 year)	23.52	22.17	20.03	21.39
Dividend Yield	0.9%	1.5%	0.9%	2.0%
Average Market Cap	\$1,506	\$1,180	\$1,450	\$2,193
Annual Turnover	16%	100%	62%	
Range of Holdings	483-1572	116-164	108-126	
Quarterly Batting Average				
5 Year	0.55	0.60	0.70	
10 Year	NA	0.68	0.65	
Since Inception	0.56	0.69	0.64	
Best / Worst Periods (vs. Index)				
1 Year	5.5%/-4.1%	5.5%/-3.4%	8.7%/-7.3%	
3 Year	7.3%/-1.2%	10.6%/-0.5%	11.4%/0.1%	
5 Year	4.5%/0.1%	7.4%/0.6%	7.4%/1.4%	
Fees				
Vehicle / Fee	Mutual Fund (DFFVX): 0.40%	Separate Account: 0.86%	Separate Account: 0.72%	
Recommendation				
Comments:				

Fresno County Employees' Retirement Association

Manager Search Overview

Period Ending: December 31, 2009

	Snyder Small Cap Value	Systematic SMID Cap Value	WEDGE Small Cap Value	Russell 2500 Value
Firm				
Location	San Francisco, California	Teaneck, New Jersey	Charlotte, North Carolina	
Ownership	Wholly owned subsidiary of Natixis Global Asset Management, LP	Affiliated Managers Group: 65%, Employees: 35%	100% employee owned	
Assets Under Management	\$1,918	\$7,700	\$8,631	
Strategy Basics				
Assets Under Management	\$1,353	\$1,087	\$1,438	
Management/Style	Fundamental/Value	Fundamental/Value	Fundamental/Value	
# Portfolio Mgrs/# Analysts	4/2	5/8	7/7	
Performance				
3 Year	-2.9%	0.1%	-3.4%	-7.0%
5 Year	4.3%	6.8%	3.6%	0.8%
7 Year	10.6%	13.0%	10.8%	9.1%
10 Year	8.6%	NA	11.8%	8.2%
Characteristics				
R-squared (5 year)	0.92	0.82	0.95	
Tracking Error (5 year)	7.12	9.11	4.69	
Information Ratio (5 year)	0.49	0.65	0.59	
Standard Deviation (5 year)	23.96	19.06	20.52	21.39
Dividend Yield	1.0%	1.6%	1.2%	2.0%
Average Market Cap	\$1,892	\$3,989	\$1,800	\$2,193
Annual Turnover	29%	156%	30%	
Range of Holdings	44-52	62-83	125-150	
Quarterly Batting Average				
5 Year	0.60	0.65	0.70	
10 Year	0.50	NA	0.75	
Since Inception	0.55	0.52	0.63	
Best / Worst Periods (vs. Index)				
1 Year	22.6%/-9.9%	10.8%/-7.4%	7.8%/-6.5%	
3 Year	17.1%/-7.3%	9.7%/-0.2%	8.2%/-4.7%	
5 Year	9.3%/-3.1%	6.8%/1.6%	4.8%/-3.3%	
Fees				
Vehicle / Fee	Separate Account: 0.85%	Separate Account: 0.73%	Separate Account: 1.00%	
Recommendation				
Comments:				

Fresno County Employees' Retirement Association

Firm Background

Period Ending: December 31, 2009

Dimensional Fund Advisors

Location : Austin, Texas

Founded : 1981

Firm Background:

Dimensional Fund Advisors Inc., a registered investment adviser under the Advisers Act of 1940, is headquartered in Santa Monica with offices in Austin, London, Sydney, Vancouver and Chicago. Dimensional was founded in April 1981 to provide institutional investors access to asset classes or dimensions of the market which provide high risk adjusted returns. Dimensional's key investment professionals, David Booth and Eugene Fama, have worked together since 1981. Dimensional has worked closely with a number of leading financial economists, such as Eugene Fama and Kenneth French. These academics have worked closely with Dimensional to develop investment strategies and policy. Virtually all of Dimensional's investment strategies are supported by academic research.

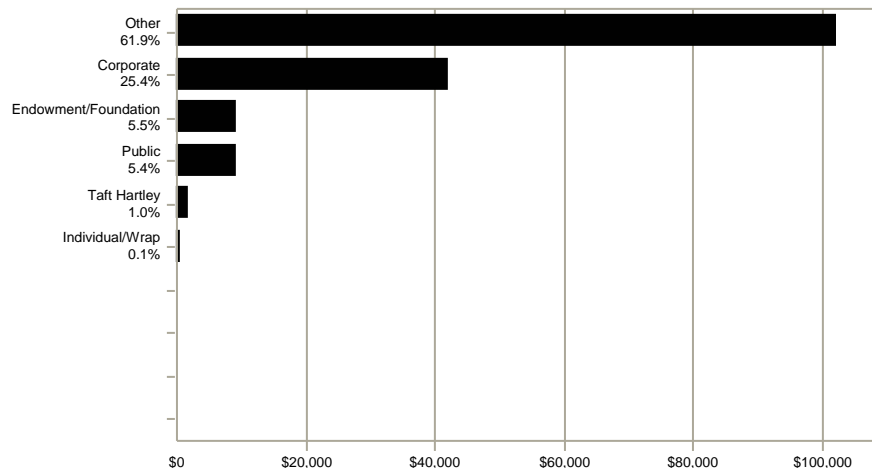
Firm Ownership:

Dimensional Fund Advisors Inc. is a private corporation and is not a subsidiary or joint venture partner of any other organization. Their affiliates consist of their subsidiaries, including their incorporated overseas offices - London, Sydney and Vancouver - their investment management companies (including mutual funds), their group trusts and DFA Securities Inc., their broker/dealer.

DFA is 61% owned by employees and 39% owned by outside directors and other investors. 48 employees share in the ownership.

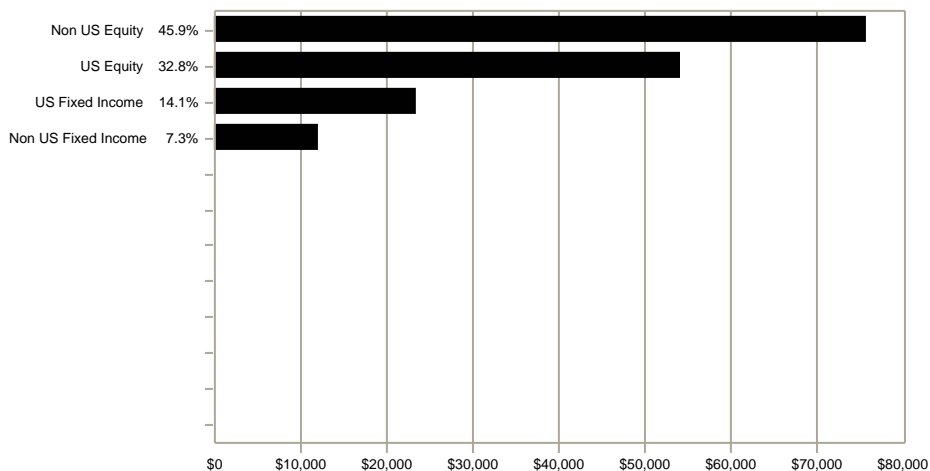
Assets by Client Type

(Total: \$164,583 Million)



Assets by Asset Class

(Total: \$164,583 Million)



"Other" Assets by Client Type includes mutual funds and sub advised assets.

Fresno County Employees' Retirement Association

Firm Background

Period Ending: December 31, 2009

Integrity Asset Management, LLC

Location : Louisville, Kentucky

Founded : 2003

Firm Background:

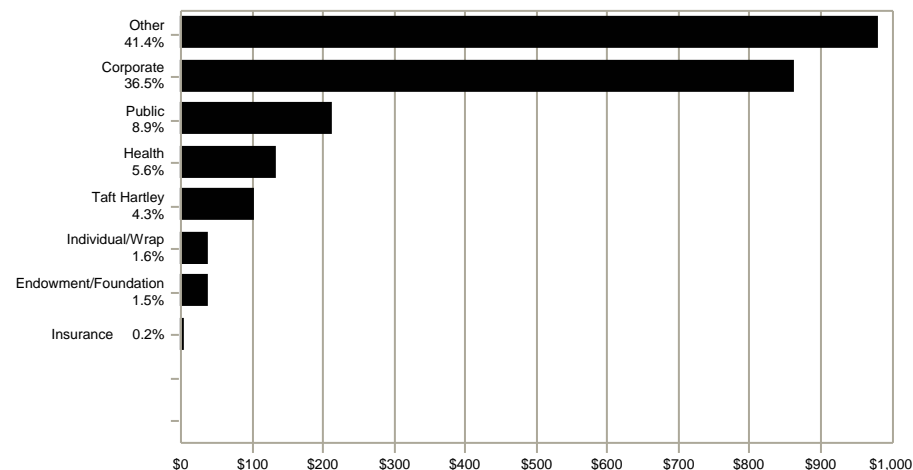
Founded in 2003, Integrity Asset Management, LLC is an independent investment management firm based in Louisville, Kentucky. Integrity is organized as an independent limited liability company, has no affiliated companies and does not participate in any joint ventures. Integrity's investment team of 7 professionals is located in Independence, Ohio and manages portfolios using a team approach.

Firm Ownership:

Integrity is 100% employee owned with ownership distributed among five principals who are active employees of the firm.

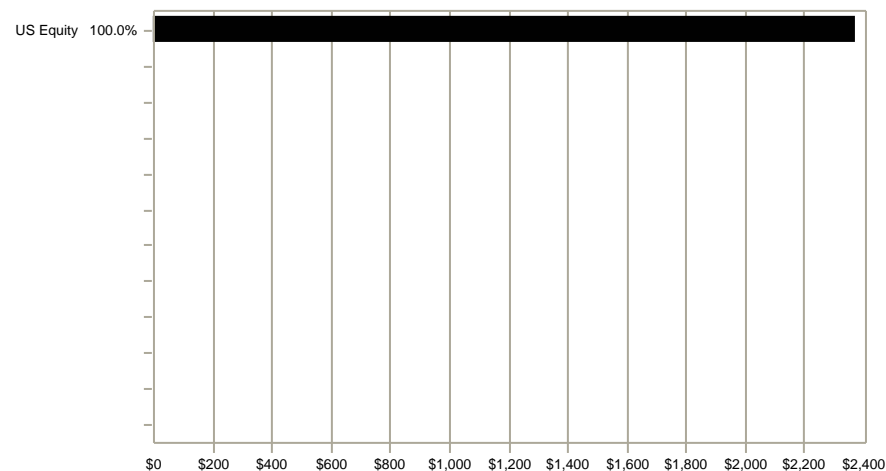
Assets by Client Type

(Total: \$2,364 Million)



Assets by Asset Class

(Total: \$2,364 Million)



"Other" Assets by Client Type includes sub advised assets.

Fresno County Employees' Retirement Association

Firm Background

Period Ending: December 31, 2009

Lord, Abnett & Co.

Location : Jersey City, New Jersey

Founded : 1929

Firm Background:

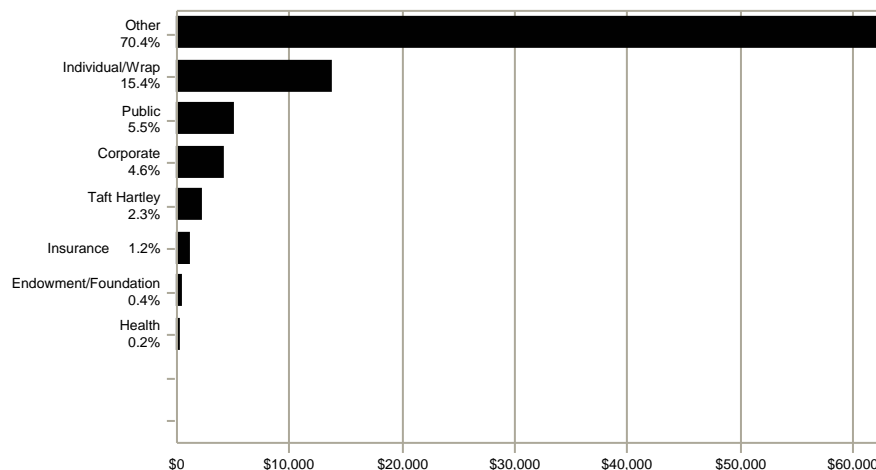
Lord Abnett was founded on November 18, 1929 when Andrew James Lord and his associates incorporated as Lord, Westerfield & Co., Inc. In November of 1931, the Westerfields resigned from the company and Leon Abnett, a member of the founding group, took over and in 1933, the name of the company was changed to Lord Abnett & Co., Inc. A subsequent modification of structure occurred in 1948 when the corporation became an independent partnership - Lord, Abnett & Co. A recent change in structure occurred in July 2002, as Lord Abnett transitioned from a general partnership to a limited liability company. Today, Lord Abnett has a broad client base consisting of tax-exempt and taxable institutions. Among these institutional clients Lord Abnett has corporations, public funds, foundations, endowments, unions, insurance companies, religious organizations, hospitals, individuals and family trusts. Lord Abnett is active in virtually all capital markets: taxable and tax-exempt fixed income securities, mortgage-backed securities, large and small cap equities, foreign bonds, convertibles, preferreds, futures, options and others.

Firm Ownership:

In July 2002 Lord Abnett transitioned from a general partnership to a limited liability company. Currently, Lord Abnett is owned by forty-six individuals who fully participate in the management and operation of the firm's investment activities. The partners serve as the firm's management committee with responsibility for setting the firm's business strategies and business efforts.

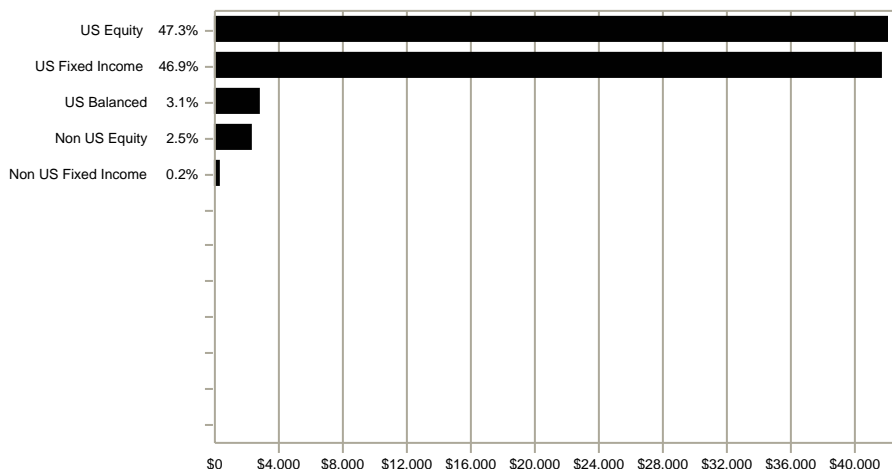
Assets by Client Type

(Total: \$88,895 Million)



Assets by Asset Class

(Total: \$88,895 Million)



"Other" Assets by Client Type includes commingled fund, series fund, religious separate accounts, and sub-advisory.

Fresno County Employees' Retirement Association

Firm Background

Period Ending: December 31, 2009

Snyder Capital Management, L.P.

Location : San Francisco, California

Founded : 1984

Firm Background:

Snyder Capital Management, L.P. ("SCM") is a value-oriented investor in small cap value and small/mid ("SMID")cap value stocks. Investments are made based upon a "bottom-up", fundamental analysis by their own corp of analysts.

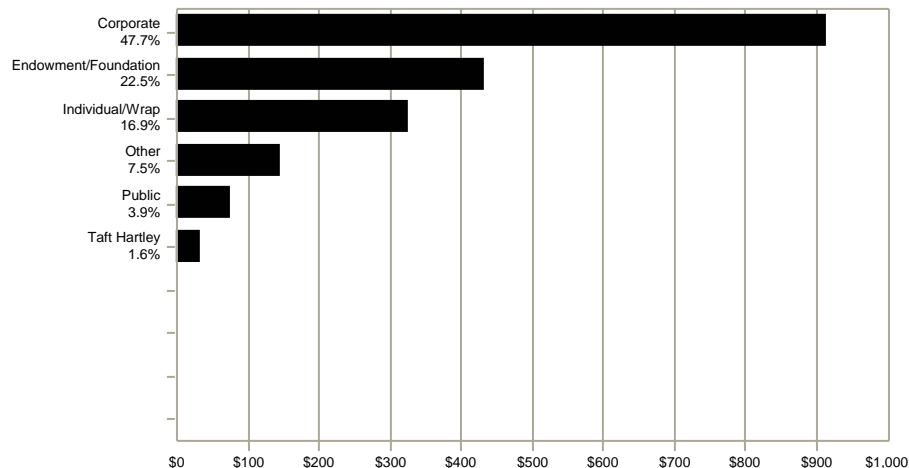
SCM was founded in December 1984 by Alan Snyder as a sole proprietorship.(Mr Snyder went on medical leave in 2001 for treatment of leukemia. He died in 2004.) The firm became a subchapter S corporation in 1993, and additional employees became equity owners. In July 1997 the firm was acquired by New England Investment Management, L.P., which subsequently changed its name to Nvest, L.P. Nvest, itself, was acquired by Caisse des Depots (France)in October 2000. Nvest was renamed CDC/IXIS Asset Management, North America and SCM is one of its wholly owned subsidiaries. In 2004 the name was again changed, this time to IXIS Asset Management, North America. June 2007, parent name change to Natixis Global Asset Management, L.P.

Firm Ownership:

Snyder Capital Management, L.P. is wholly owned by parent company, Natixis Global Asset Management, L.P.

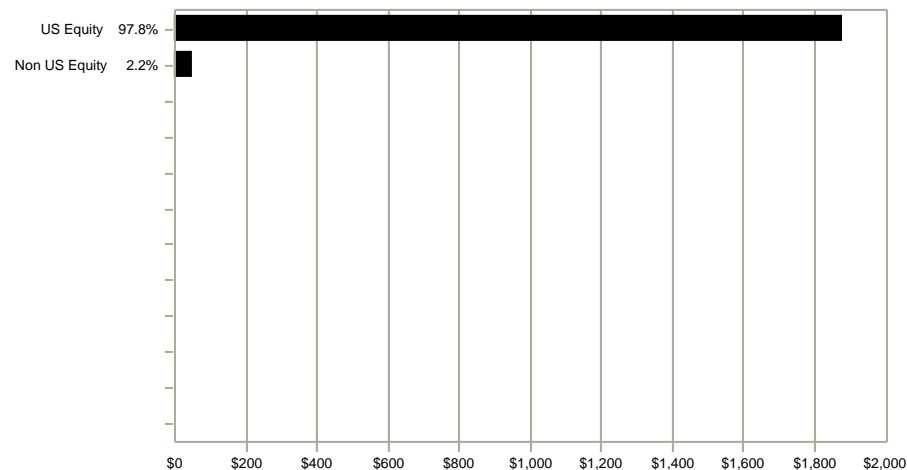
Assets by Client Type

(Total: \$1,918 Million)



Assets by Asset Class

(Total: \$1,918 Million)



Fresno County Employees' Retirement Association

Firm Background

Period Ending: December 31, 2009

Systematic Financial Management

Location : Teaneck, New Jersey

Founded : 1982

Firm Background:

Established in 1982, Systematic Financial Management, L.P. is a registered investment advisor specializing in the management of value portfolios throughout the market capitalization spectrum. The firm fosters a team approach to portfolio management, utilizing extensive fundamental analysis reinforced by innovative quantitative techniques.

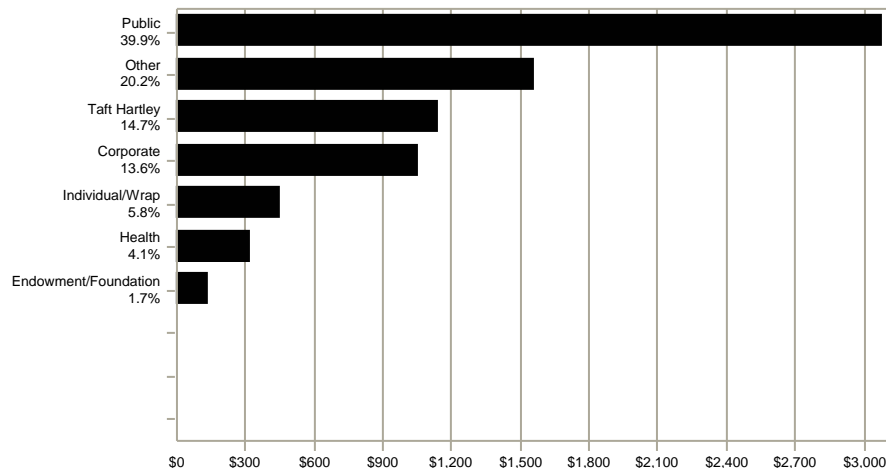
Since their inception over 20 years ago, they have experienced strong growth in the number of clients and the assets they manage on behalf of clients. Their CIO founded their large cap discipline in 1982 as the pension director for a Fortune 500 company. In early 1998, they began managing small cap portfolios, and in 2000, their mid cap strategy debuted. More recently (first quarter of 2002) they commenced managing small/mid cap value portfolios for three clients. All portfolios are handled equivalently, and in each case, a new portfolio was created based on the request of existing clients.

Firm Ownership:

Senior professionals of the firm share ownership of Systematic with Affiliated Managers Group, a holding company that invests in money management firms. AMG currently owns 65 percent of the firm, while five active senior employees of Systematic own the remaining 35 percent. AMG is a passive financial partner of Systematic; employees retain autonomous control of the investment philosophy and process as well as comprehensive management of the firm.

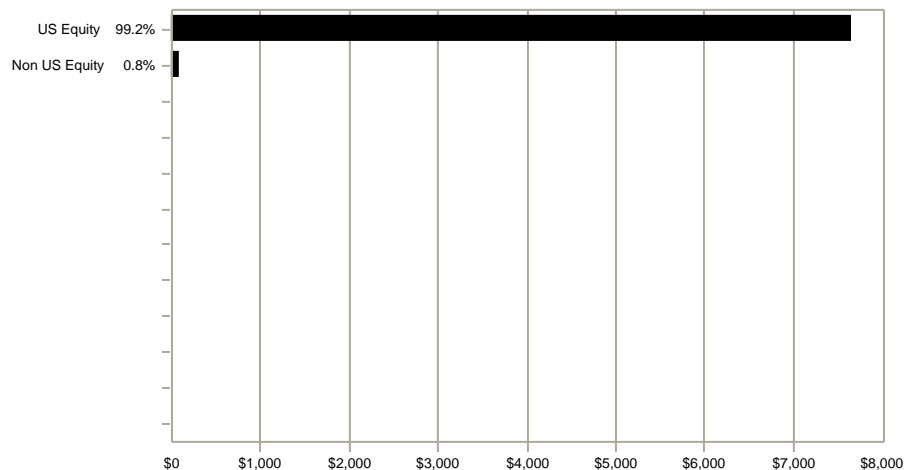
Assets by Client Type

(Total: \$7,700 Million)



Assets by Asset Class

(Total: \$7,700 Million)



"Other" Assets by Client Type includes subadvised accounts.

Fresno County Employees' Retirement Association

Firm Background

Period Ending: December 31, 2009

WEDGE Capital Management, L.L.P.

Location : Charlotte, North Carolina

Founded : 1984

Firm Background:

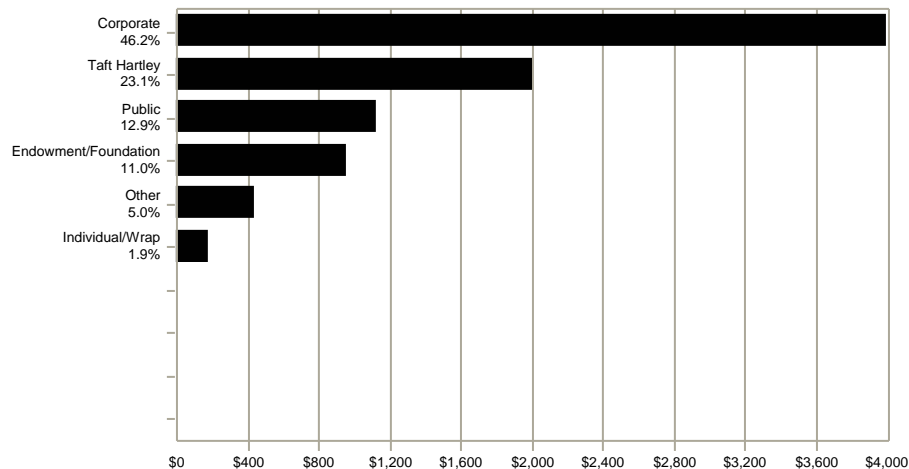
WEDGE Capital Management was founded in 1984, in Charlotte, North Carolina by a group of investment professionals who had previously managed the common trust funds of a local, nationally oriented bank. Initially, venture capital funding was provided by the WEDGE International Group of Houston, Texas. In 1989, the firms founders purchased that venture capital position and they have been independently owned since that time. They currently have 11 active general partners.

Firm Ownership:

WEDGE Capital Management is 100% employee owned with ownership distributed among eleven active general partners.

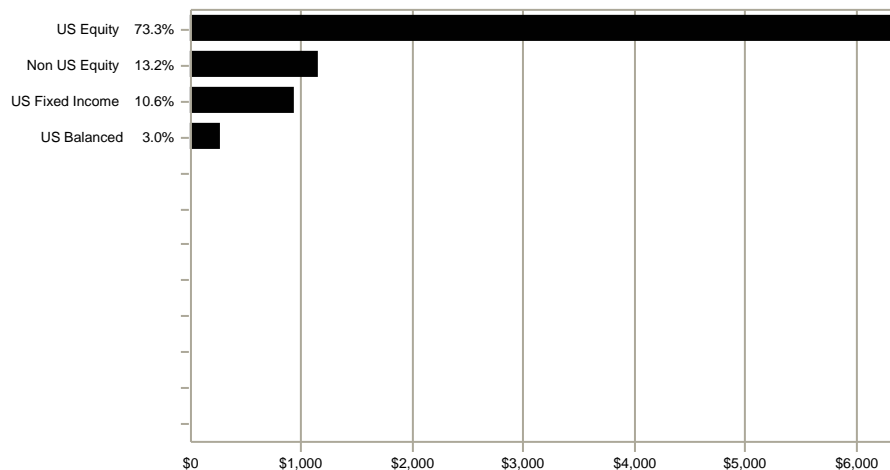
Assets by Client Type

(Total: \$8,631 Million)



Assets by Asset Class

(Total: \$8,631 Million)



Fresno County Employees' Retirement Association

Product Overview

Period Ending: December 31, 2009

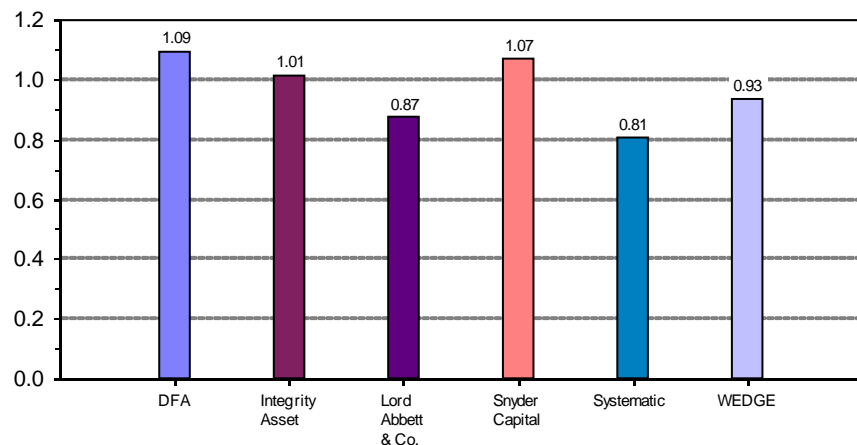
Investment Manager/Product	Style Bias	Management Style	Portfolio Management		Strategy Assets (\$mm)
			# Port Mgrs	# Analysts	
Dimensional Fund Advisors: US Targeted Value Portfolio	Value	Quantitative	8	3	\$1,657
Integrity Asset Management, LLC: Small Cap Value Equity	Value	Bottom-Up	5	2	\$1,612
Lord, Abbett & Co.: Small Cap Value	Value	Top-Down/ Bottom-Up	1	7	\$4,787
Snyder Capital Management, L.P.: Small Cap Value	Value	Bottom-Up	4	2	\$1,353
Systematic Financial Management: Small/Mid Cap Value	Value	Bottom-Up	5	8	\$1,087
WEDGE Capital Management, L.L.P.: Small Cap Value	Value	Bottom-Up	7	7	\$1,438

Fresno County Employees' Retirement Association

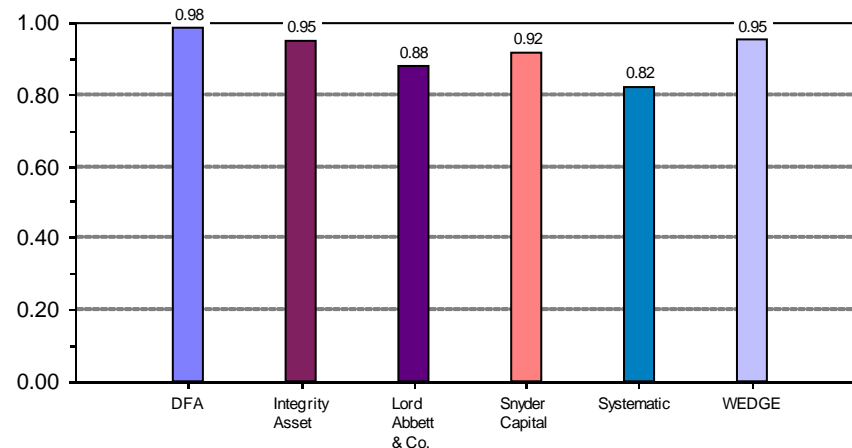
Equity Characteristics

Period Ending: December 31, 2009

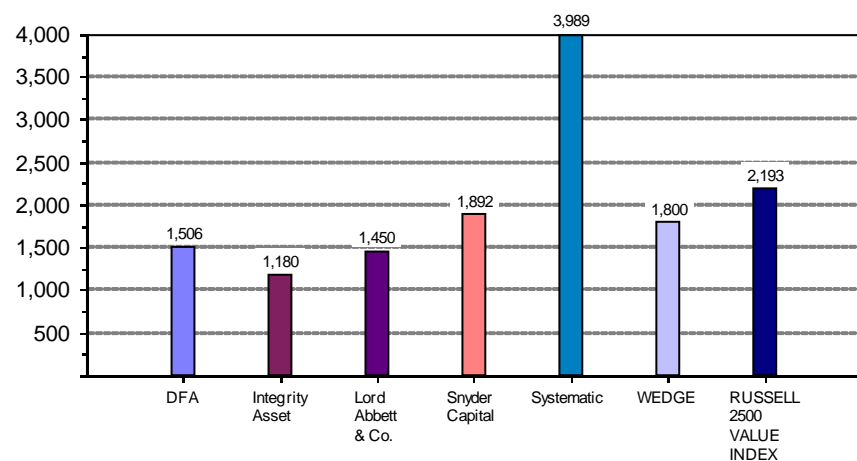
Beta (5 Years vs. RUSSELL 2500 VALUE INDEX)



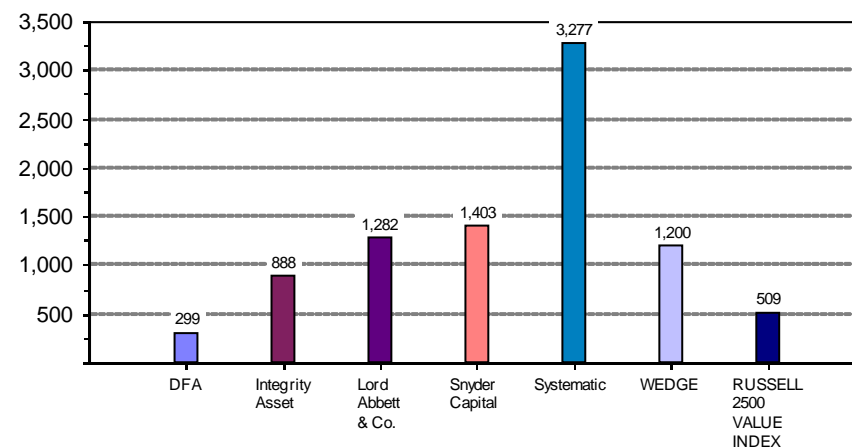
R-squared (5 Years vs. RUSSELL 2500 VALUE INDEX)



Average Market Capitalization(\$Million)



Median Market Capitalization(\$Million)

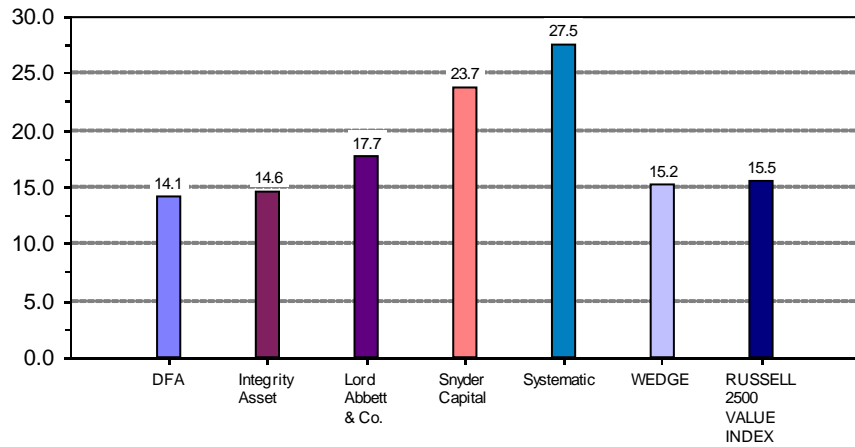


Fresno County Employees' Retirement Association

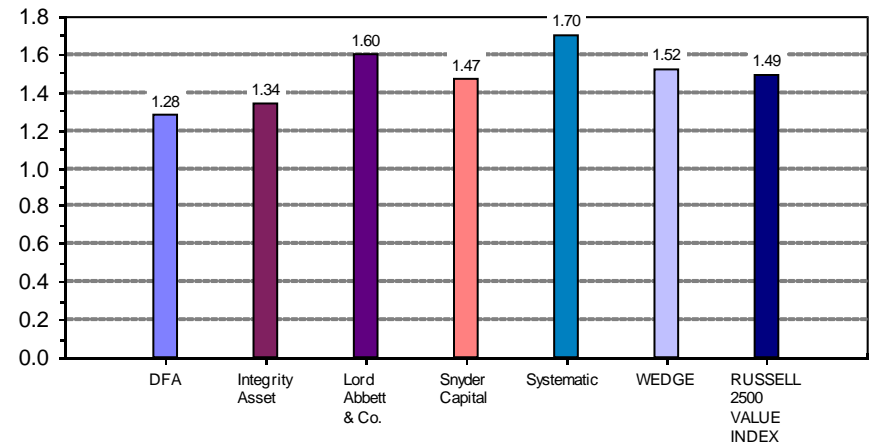
Equity Characteristics

Period Ending: December 31, 2009

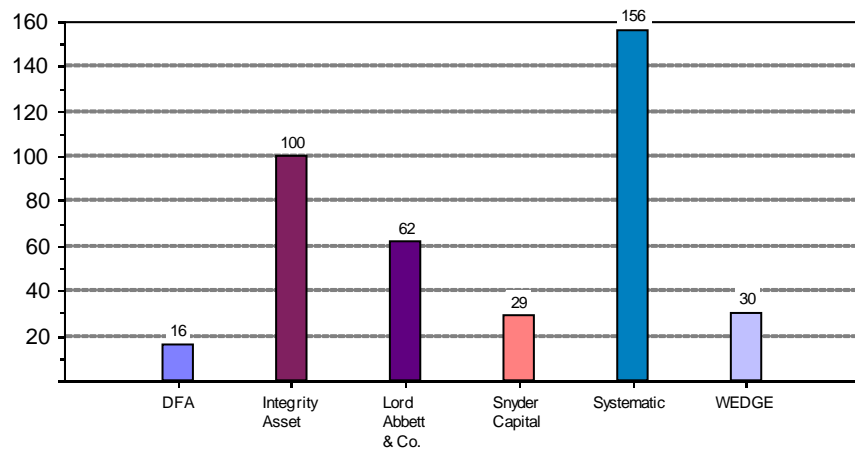
Price-to-Earnings Ratio



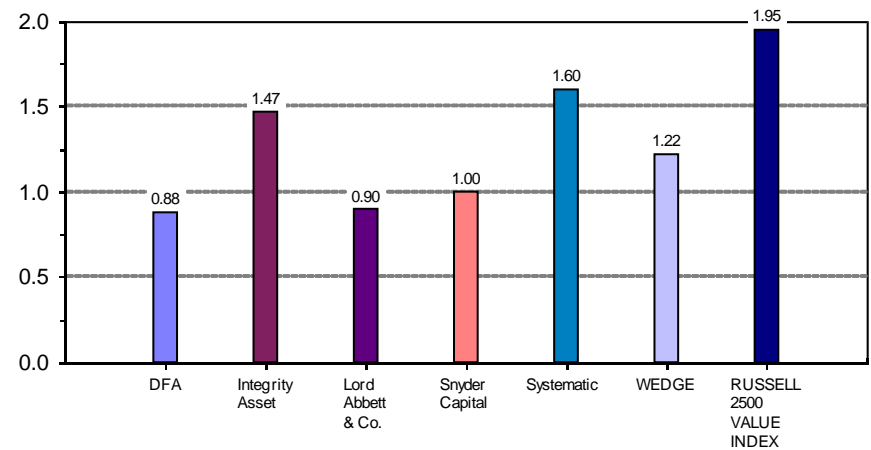
Price-to-Book Ratio



Turnover (%)



Dividend Yield (%)



Fresno County Employees' Retirement Association

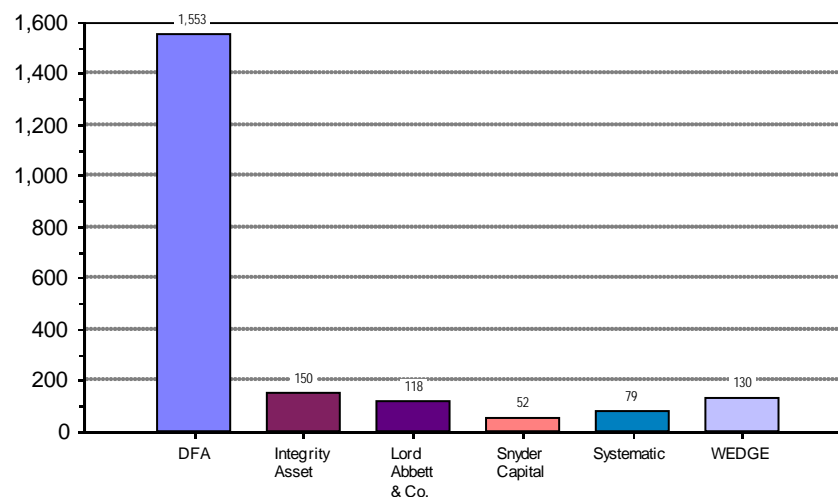
Equity Characteristics

Period Ending: December 31, 2009

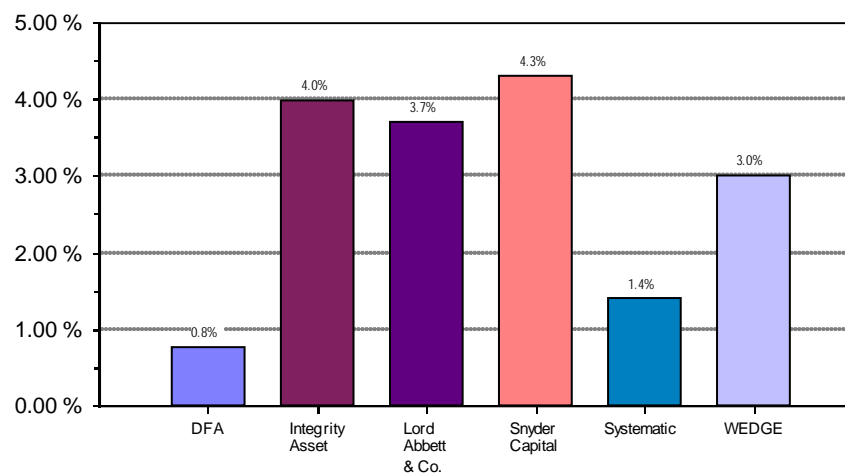
Investment Manager	Historical Range in Holdings
Dimensional Fund Advisors	483-1572
Integrity Asset Management, LLC	116-164
Lord, Abnett & Co.	108-126
Snyder Capital Management, L.P.	44-52
Systematic Financial Management	62-83
WEDGE Capital Management, L.L.P.	125-150

Investment Manager	Historical Range in Cash
Dimensional Fund Advisors	0-6%
Integrity Asset Management, LLC	1-7%
Lord, Abnett & Co.	1-9%
Snyder Capital Management, L.P.	2-9%
Systematic Financial Management	1-4%
WEDGE Capital Management, L.L.P.	1-3%

Current Number of Holdings



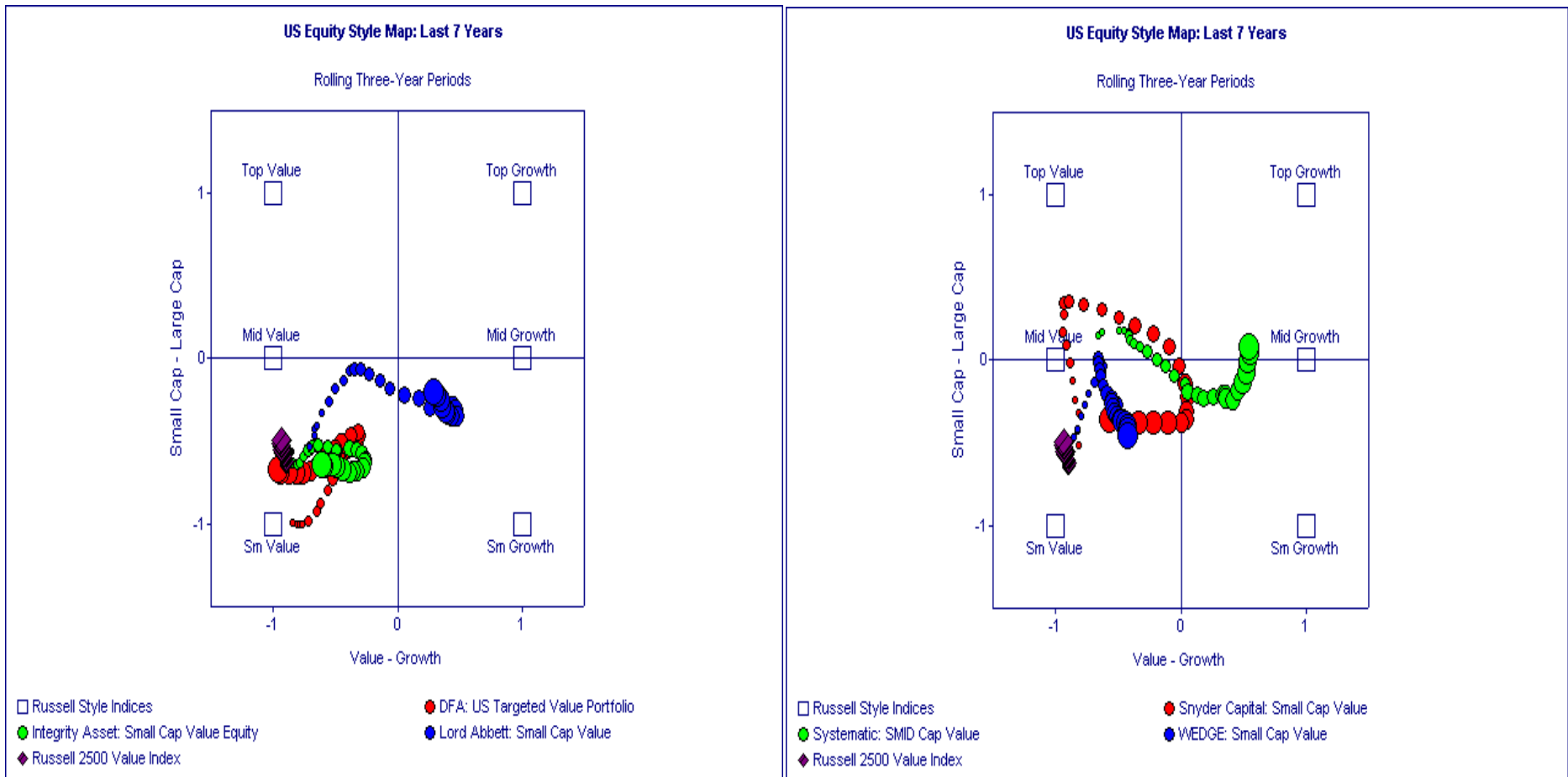
Current Cash Position



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
Benchmarks										
RUSSELL 2500 VALUE INDEX	8.2	6.9	6.5	9.1	4.0	0.8	-0.8	-7.0	-6.8	27.7
Universe										
Equity Style - Small Value Median	10.2	9.3	8.3	11.4	5.9	2.8	2.1	-3.4	-3.3	36.8
Investment Manager Candidates										
<i>(figures bold if below benchmark Index: RUSSELL 2500 VALUE INDEX)</i>										
Dimensional Fund Advisors		9.3	8.2	10.9	5.0	1.4	-0.6	-6.7	-6.2	32.4
Integrity Asset Management, LLC	12.3	10.0	8.9	11.8	6.5	3.2	1.6	-3.8	-2.9	35.5
Lord, Abbett & Co.	13.4	11.2	11.4	14.8	10.1	7.5	5.8	0.9	-4.3	31.3
Snyder Capital Management, L.P.	8.6	10.9	9.4	10.6	7.0	4.3	1.3	-2.9	-7.8	30.7
Systematic Financial Management				13.0	8.6	6.8	4.5	0.1	-5.0	36.6
WEDGE Capital Management, L.L.P.	11.8	10.4	9.1	10.8	6.9	3.6	1.9	-3.4	-6.6	26.5

All returns are gross of fees. DFA performance is that of the mutual fund (DFVX) gross 40bps for comparison purposes.

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	
Benchmarks											
RUSSELL 2500 VALUE INDEX	20.8	9.8	-9.9	44.9	21.6	7.7	20.2	-7.3	-32.0	27.7	
Universe											
Equity Style - Small Value Median	16.0	21.2	-8.0	45.4	23.9	8.4	19.1	-6.1	-30.7	36.8	
Investment Manager Candidates											
<i>(figures bold if below benchmark Index: RUSSELL 2500 VALUE INDEX)</i>											
Dimensional Fund Advisors		18.4	-9.3	54.6	25.1	9.7	20.2	-7.8	-33.5	32.4	67%
Integrity Asset Management, LLC	35.1	18.7	-9.5	49.5	24.8	10.3	19.4	-5.5	-30.5	35.5	90%
Lord, Abbett & Co.	34.9	10.1	-9.6	47.3	23.9	14.9	22.0	11.9	-30.2	31.3	100%
Snyder Capital Management, L.P.	-10.2	23.1	1.8	34.3	21.9	17.3	15.0	7.7	-35.0	30.7	60%
Systematic Financial Management				43.5	17.9	16.3	18.9	11.4	-34.0	36.6	43%
WEDGE Capital Management, L.L.P.	25.1	22.1	-2.1	37.1	24.8	10.9	19.6	3.2	-31.0	26.5	70%

All returns are gross of fees.

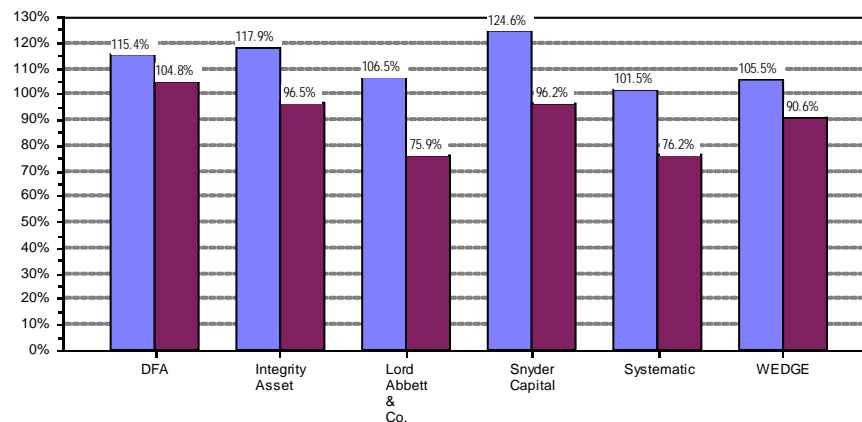
Fresno County Employees' Retirement Association

Up & Down Market Performance

Period Ending: December 31, 2009

Three Year Period Ending December 31, 2009

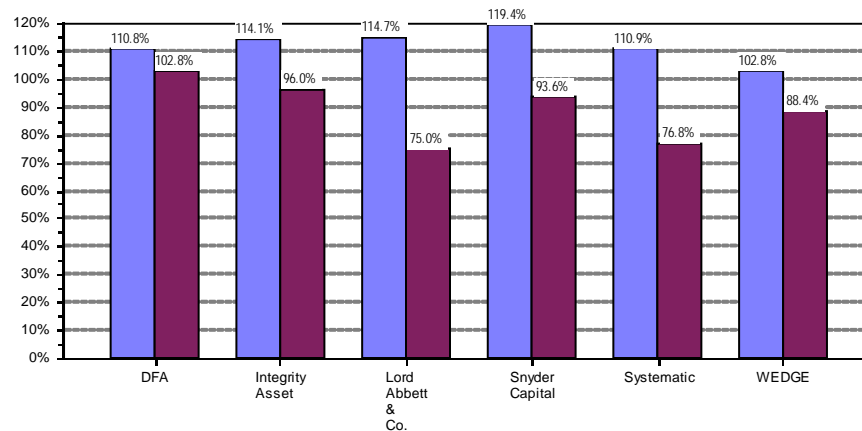
Investment Manager	Up Market		Down Market	
	Return	Capture	Return	Capture
RUSSELL 2500 VALUE INDEX	61.9	-	-50.3	-
Dimensional Fund Advisors	71.4	115%	-52.6	105%
Integrity Asset Management, LLC	72.9	118%	-48.5	96%
Lord, Abnett & Co.	65.9	106%	-38.2	76%
Snyder Capital Management, L.P.	77.1	125%	-48.3	96%
Systematic Financial Management	62.8	101%	-38.3	76%
WEDGE Capital Management, L.L.P.	65.3	106%	-45.5	91%
Number of Quarters:	5		7	



Legend: Up Market Capture (Blue), Down Market Capture (Maroon)

Five Year Period Ending December 31, 2009

Investment Manager	Up Market		Down Market	
	Return	Capture	Return	Capture
RUSSELL 2500 VALUE INDEX	119.7	-	-52.5	-
Dimensional Fund Advisors	132.6	111%	-54.0	103%
Integrity Asset Management, LLC	136.6	114%	-50.4	96%
Lord, Abnett & Co.	137.3	115%	-39.4	75%
Snyder Capital Management, L.P.	142.9	119%	-49.2	94%
Systematic Financial Management	132.8	111%	-40.3	77%
WEDGE Capital Management, L.L.P.	123.1	103%	-46.5	88%
Number of Quarters:	11		9	

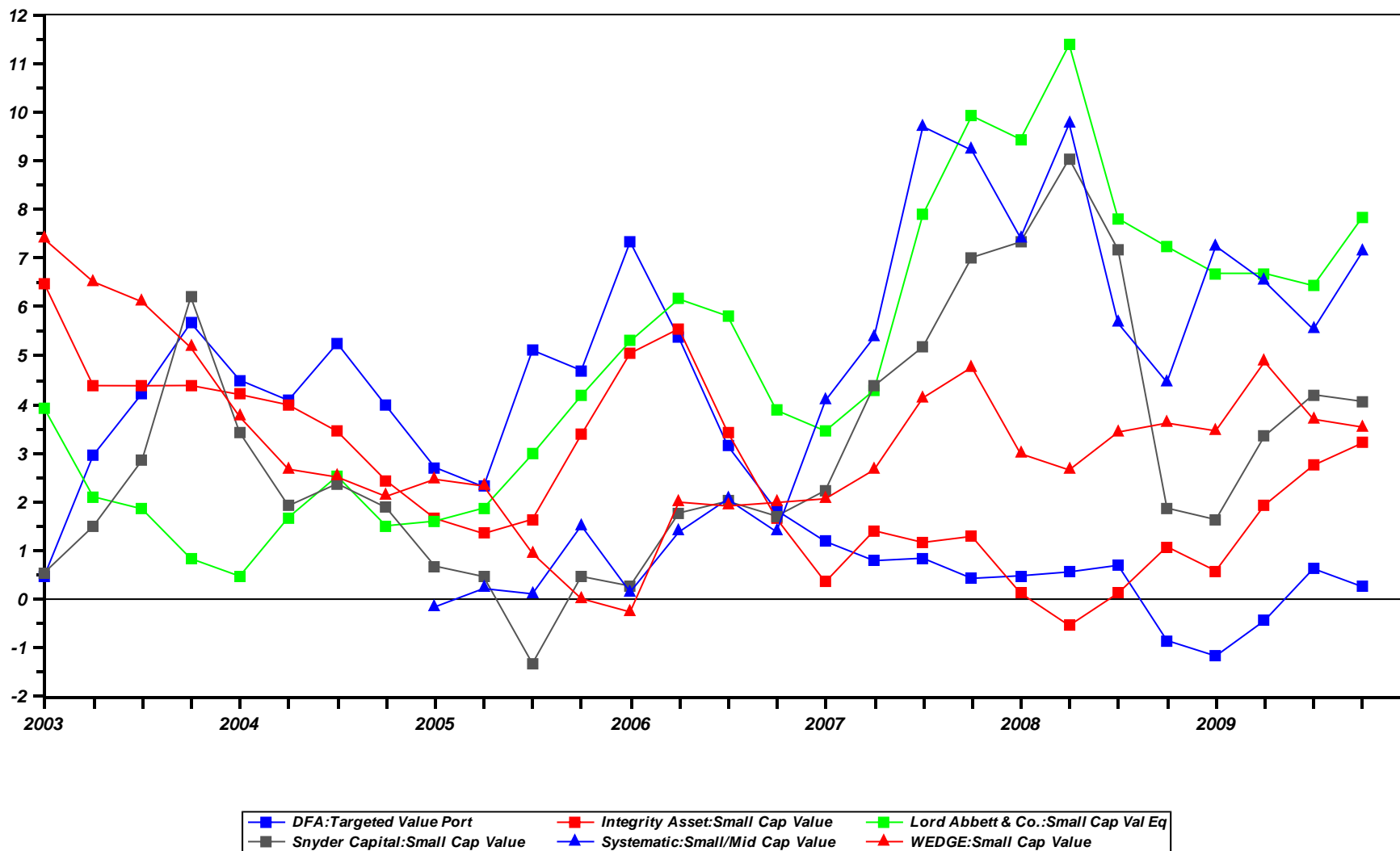


Legend: Up Market Capture (Blue), Down Market Capture (Maroon)

Fresno County Employees' Retirement Association

Rolling Three Year Excess Returns vs RUSSELL 2500 VALUE INDEX Period Ending: December 31, 2009

Index: RUSSELL 2500 VALUE INDEX

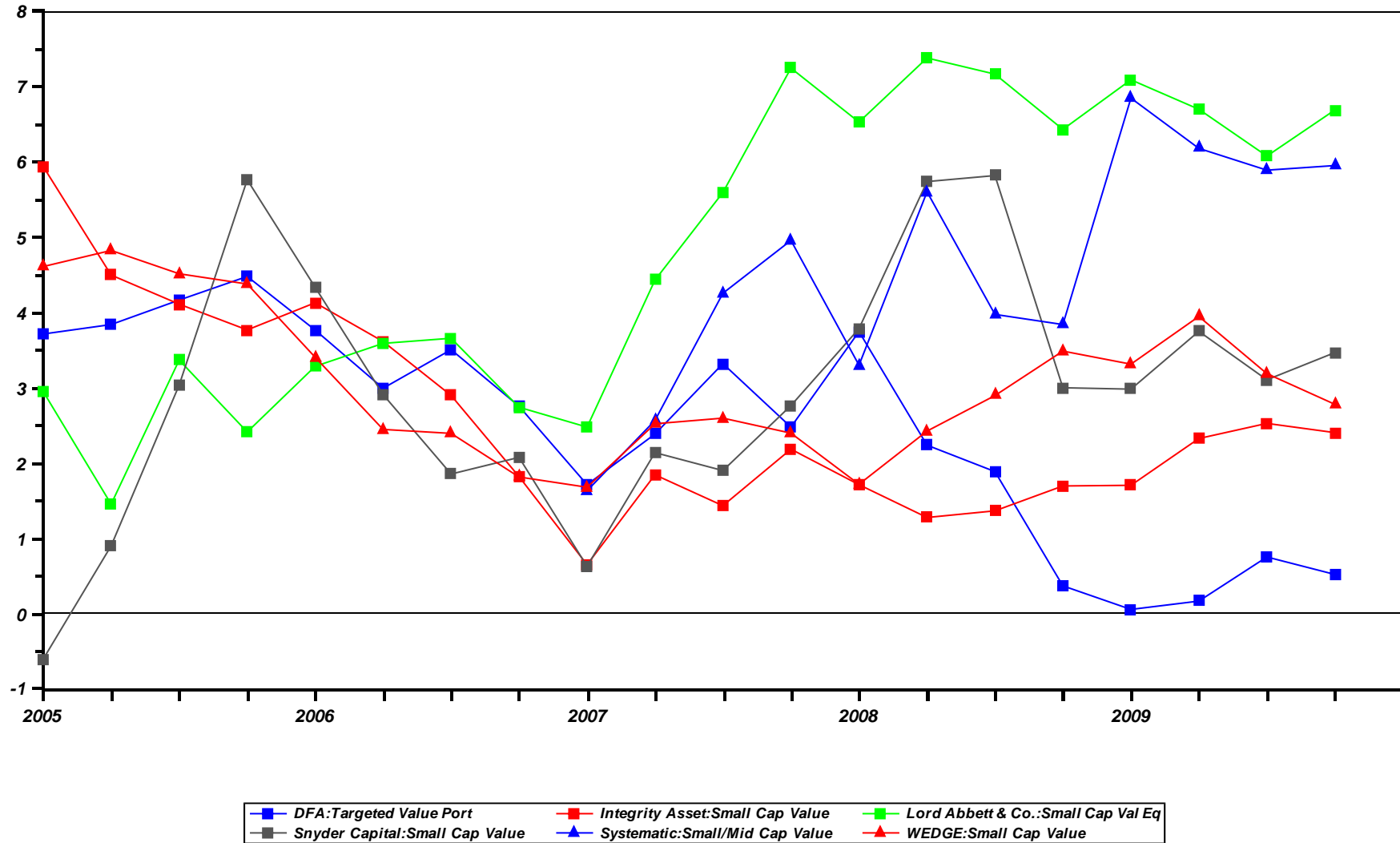


Fresno County Employees' Retirement Association

Rolling Five Year Excess Returns vs RUSSELL 2500 VALUE INDEX

Period Ending: December 31, 2009

Index: RUSSELL 2500 VALUE INDEX

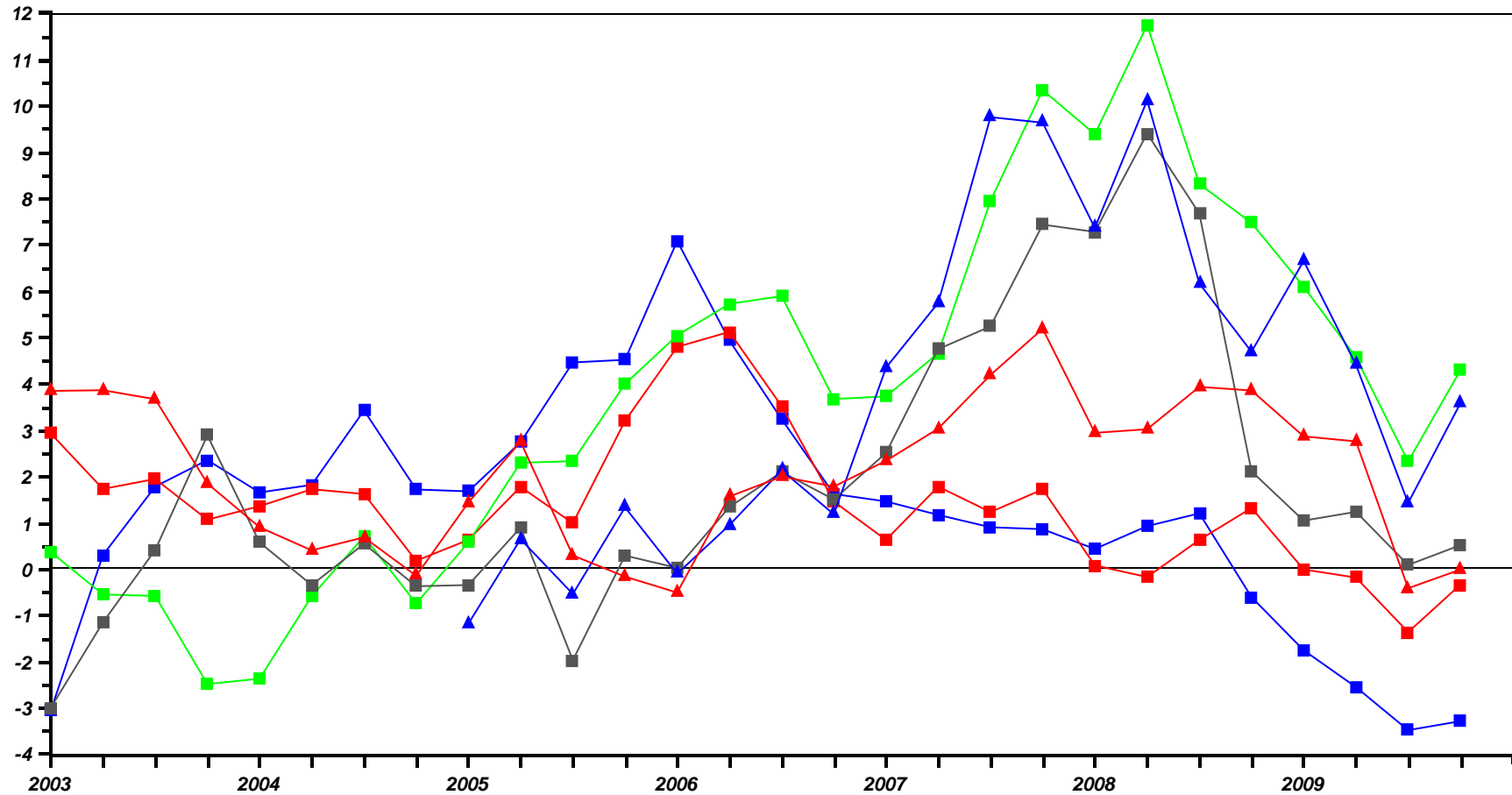


Fresno County Employees' Retirement Association

Rolling 3-Year Excess Returns vs. Universe Median

Period Ending: December 31, 2009

Universe: Equity Style - Small Value

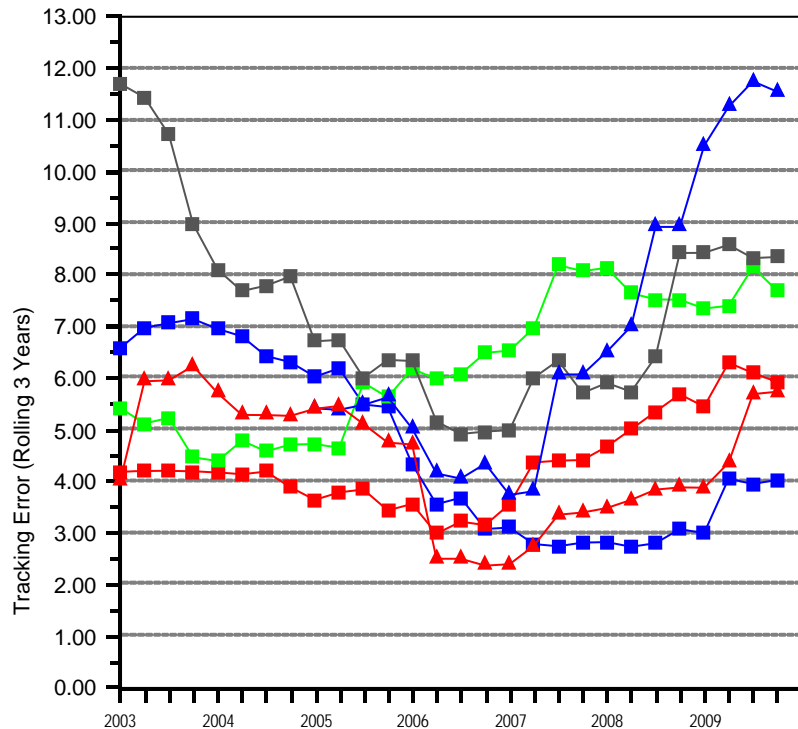


Legend:
- DFA: Targeted Value Port (Blue Square)
- Integrity Asset: Small Cap Value (Red Square)
- Lord Abbett & Co.: Small Cap Val Eq (Green Square)
- Snyder Capital: Small Cap Value (Grey Square)
- Systematic: Small/Mid Cap Value (Blue Triangle)
- WEDGE: Small Cap Value (Red Triangle)

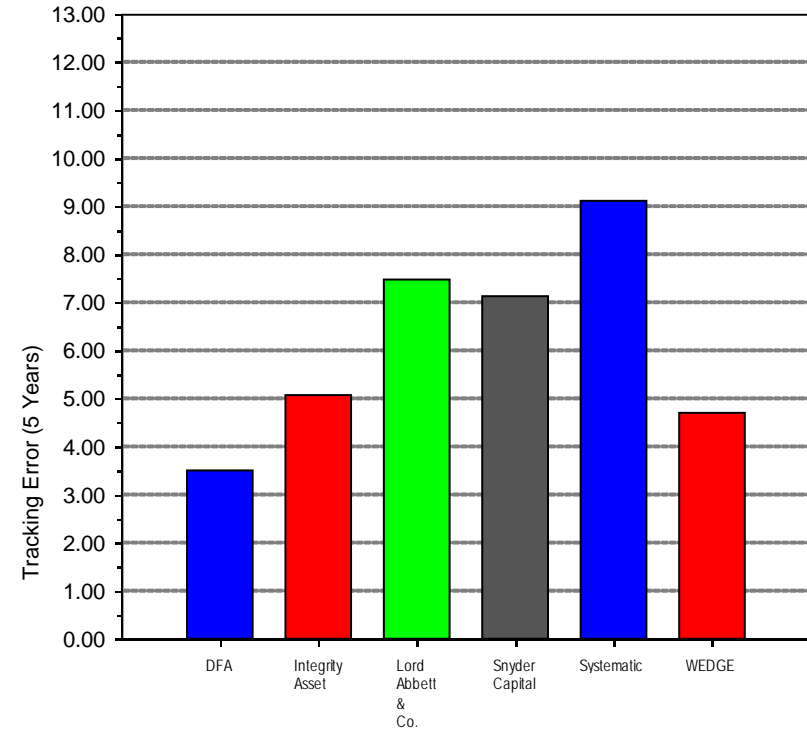
Fresno County Employees' Retirement Association

Rolling Three Year Tracking Error vs RUSSELL 2500 VALUE INDEX Period Ending: December 31, 2009

Quarterly



Five Years



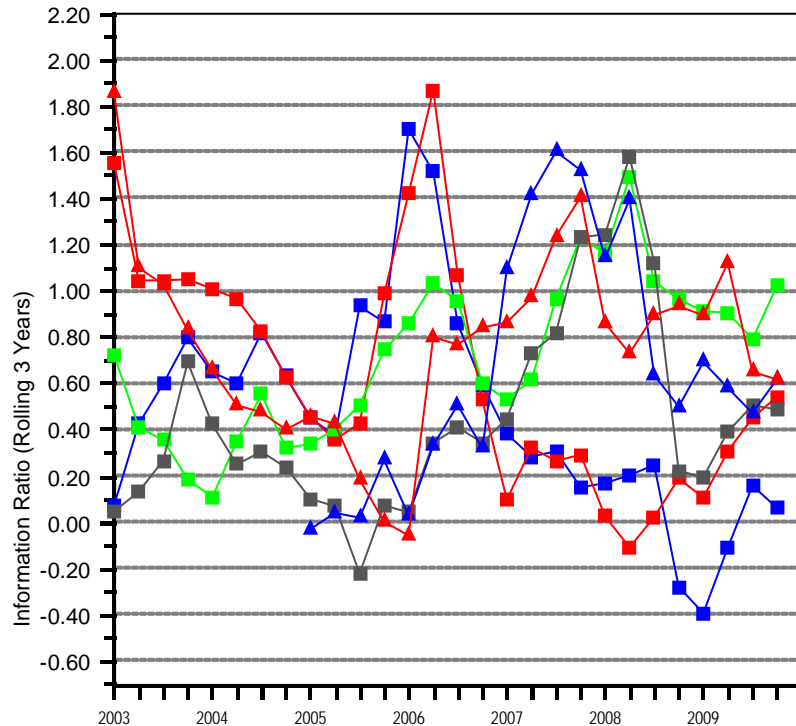
Tracking Error is the standard deviation of the difference between the rate of return of a portfolio and its benchmark (i.e., excess return). Contributors to a manager's tracking error may include the aggressive or conservative nature of their approach, portfolio concentration and/or sector weightings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

Fresno County Employees' Retirement Association

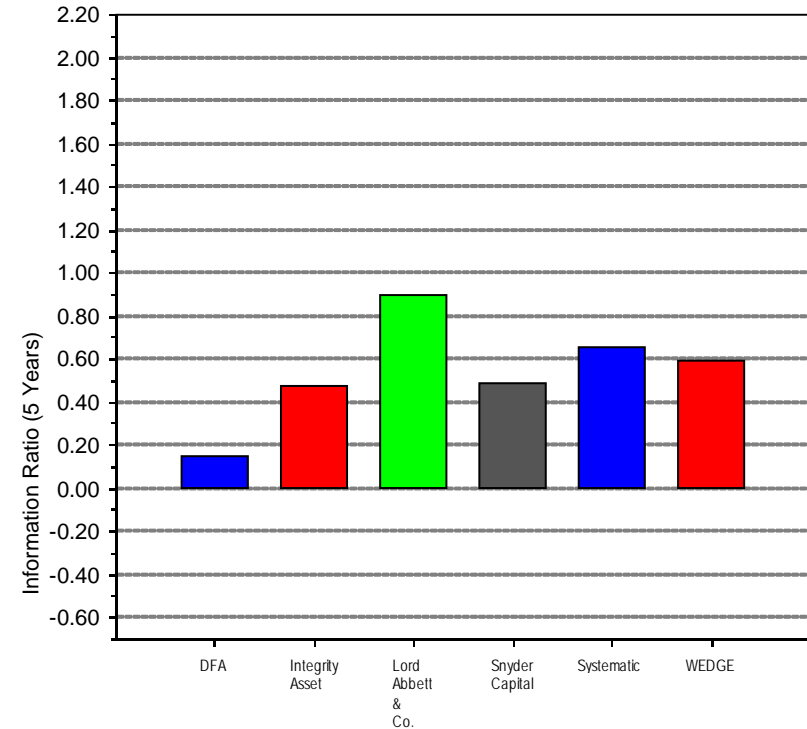
Rolling Three Year Information Ratio vs RUSSELL 2500 VALUE

Period Ending: December 31, 2009

Quarterly



Five Years



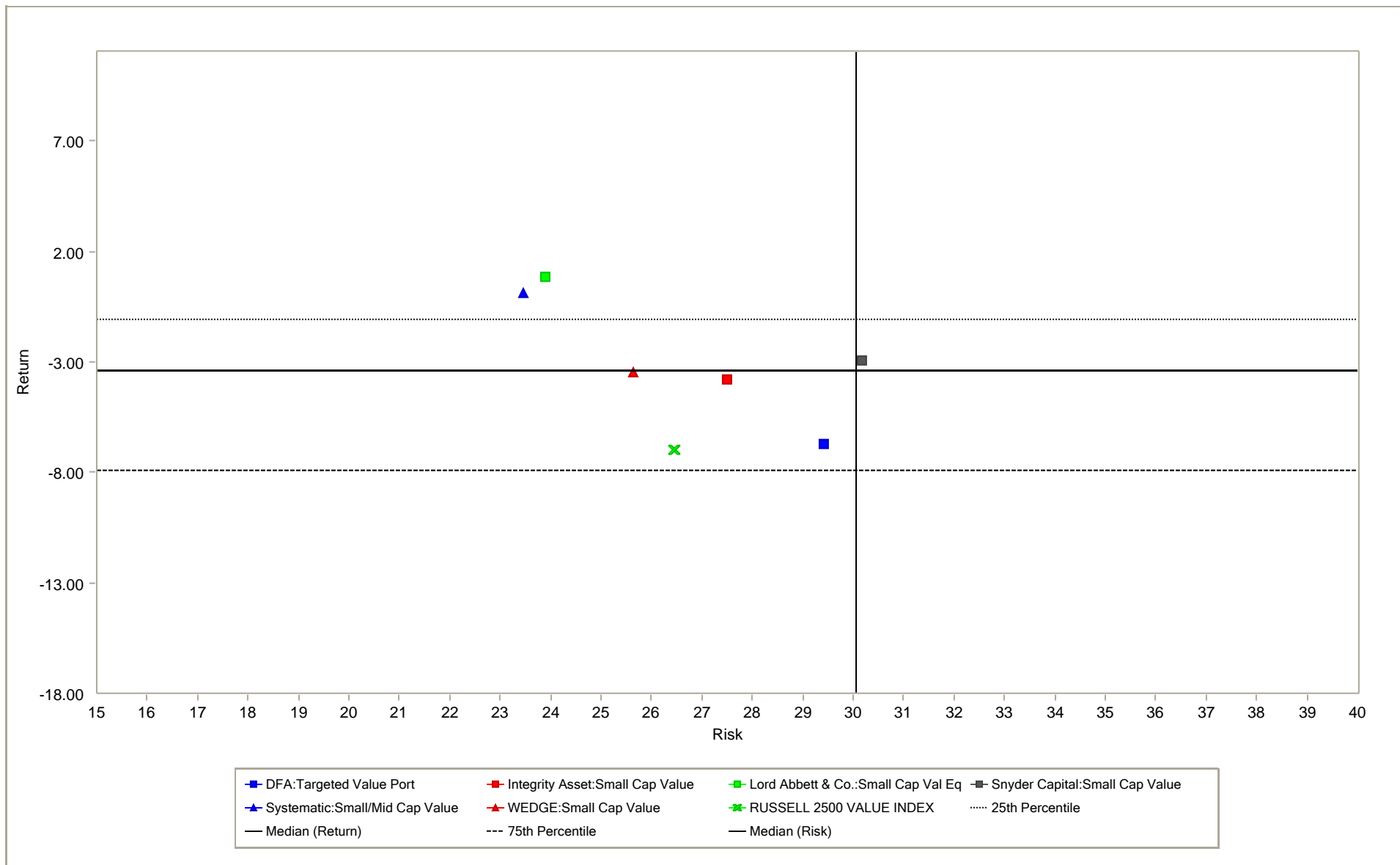
Information Ratio is a measure of a manager's ability to earn excess return without incurring additional risk relative to the benchmark. It is calculated as excess return divided by tracking error. You would expect a passively-managed index fund to have an information ratio of zero; good information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

Fresno County Employees' Retirement Association

Three Year Risk vs Return

Period Ending: December 31, 2009

Universe: Equity Style - Small Value

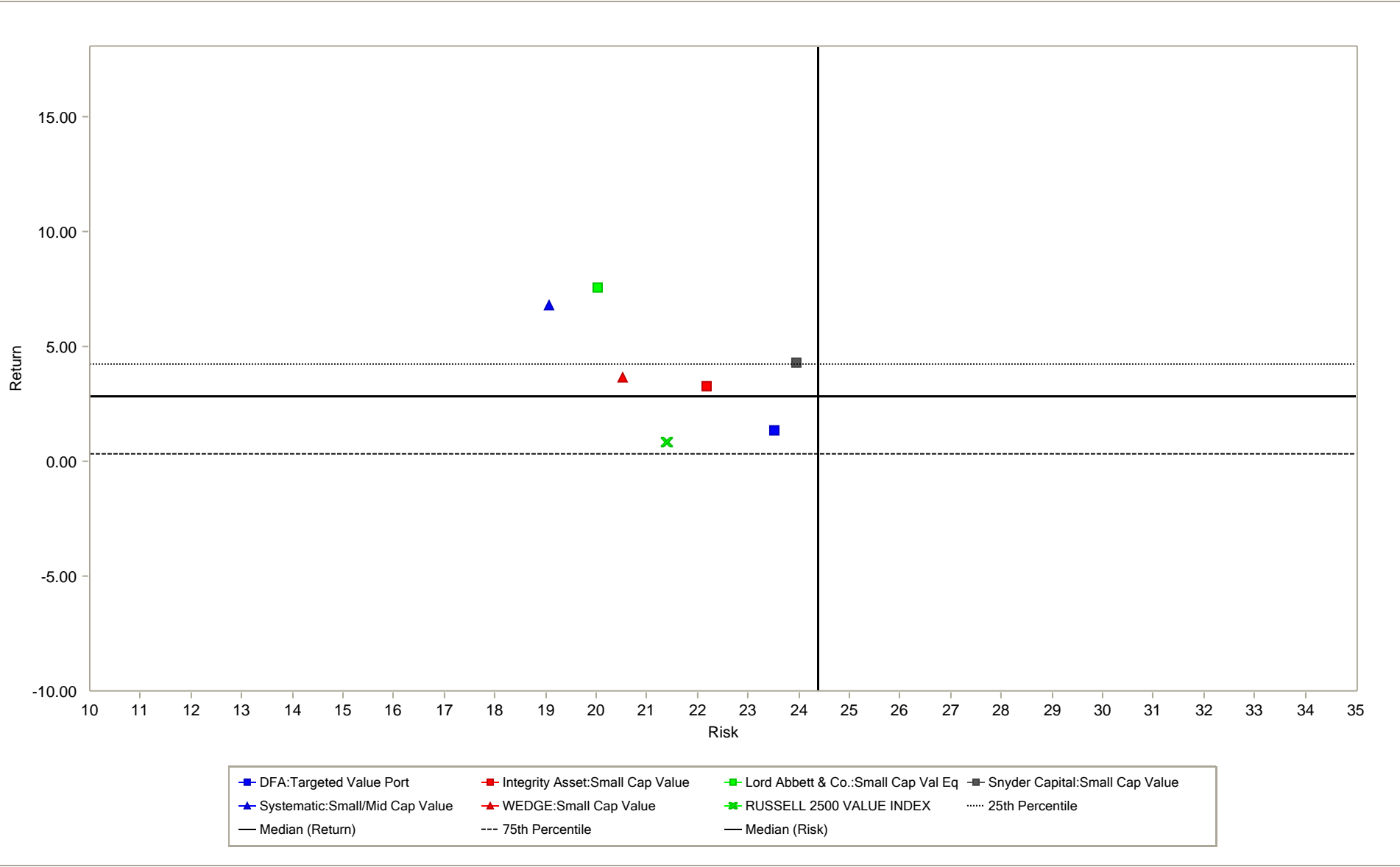


Fresno County Employees' Retirement Association

Five Year Risk vs Return

Period Ending: December 31, 2009

Universe: Equity Style - Small Value

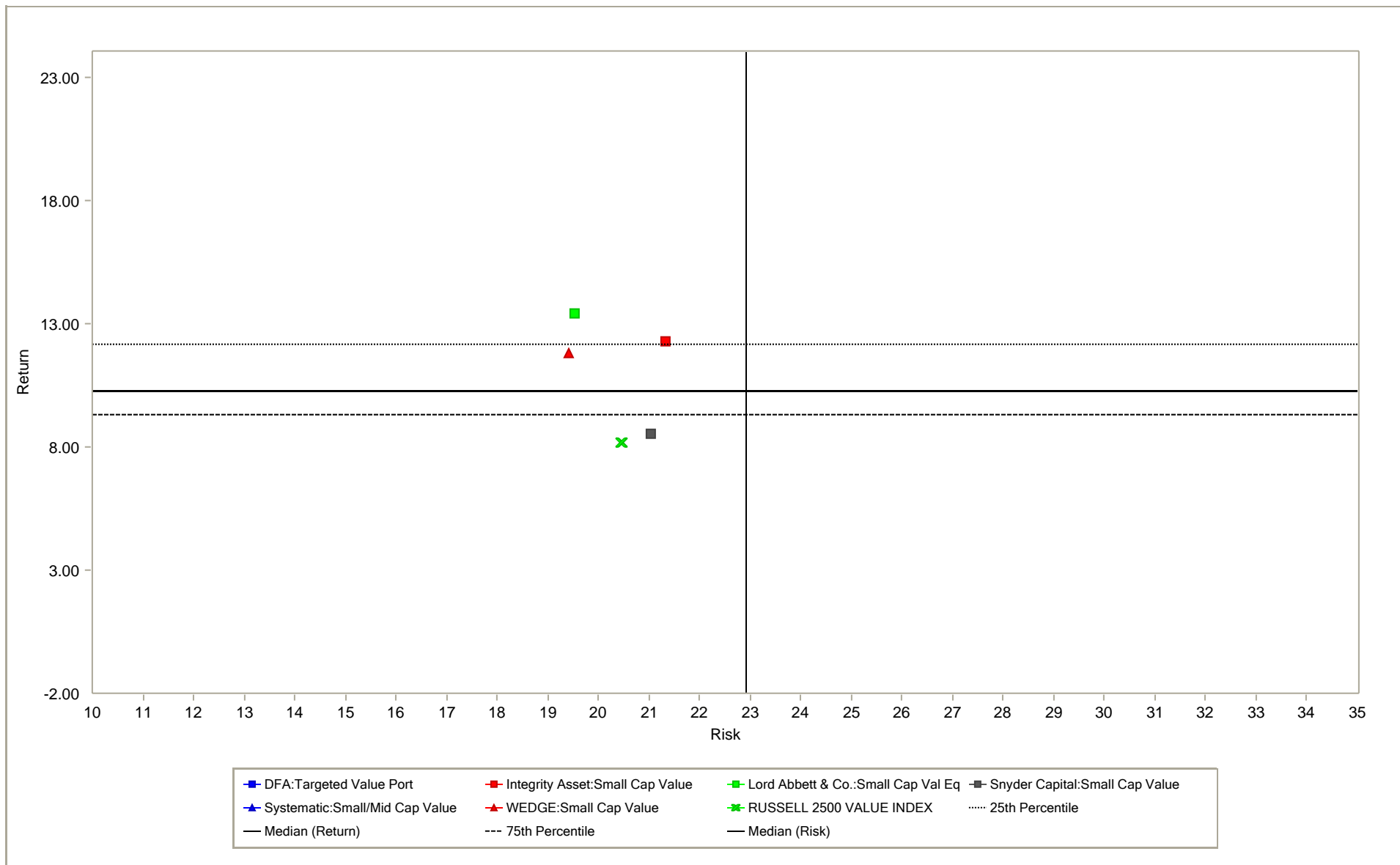


Fresno County Employees' Retirement Association

Ten Year Risk vs Return

Period Ending: December 31, 2009

Universe: Equity Style - Small Value



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
Dimensional Fund Advisors L.P.							
US Targeted Value Portfolio	Mutual Fund (DFFVX)	\$2,000,000	\$999,999,999	0.40%	0.00%	\$104,000,000	\$416,000
Integrity Asset Management, LLC							
Small Cap Value Equity	Separate Account	\$3,000,000	\$15,000,000	1.00%		\$15,000,000	\$150,000
			\$35,000,000	0.90%		\$35,000,000	\$315,000
			\$50,000,000	0.80%		\$50,000,000	\$400,000
			\$999,999,999	0.75%		\$4,000,000	\$30,000
			Weighted Average:	0.86%		\$104,000,000	\$895,000
Lord, Abbett & Co. LLC							
Small Cap Value	Separate Account	\$10,000,000	\$10,000,000	1.00%		\$10,000,000	\$100,000
			\$40,000,000	0.75%		\$40,000,000	\$300,000
			\$50,000,000	0.65%		\$50,000,000	\$325,000
			\$100,000,000	0.60%		\$4,000,000	\$24,000
			\$999,999,999	0.55%			
			Weighted Average:	0.72%		\$104,000,000	\$749,000
Snyder Capital Management, L.P.							
Small Cap Value	Separate Account	\$10,000,000	\$30,000,000	1.00%		\$30,000,000	\$300,000
			\$20,000,000	0.90%		\$20,000,000	\$180,000
			\$50,000,000	0.75%		\$50,000,000	\$375,000
			\$50,000,000	0.70%		\$4,000,000	\$28,000
			\$999,999,999	0.65%			
			Weighted Average:	0.85%		\$104,000,000	\$883,000

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
Systematic Financial Management, L.P.							
SMID Cap Value	Separate Account	\$5,000,000	\$25,000,000	0.85%		\$25,000,000	\$212,500
			\$50,000,000	0.75%		\$50,000,000	\$375,000
			\$999,999,999	0.60%		\$29,000,000	\$174,000
			Weighted Average:	0.73%		\$104,000,000	\$761,500
WEDGE Capital Management, L.L.P.							
Small Cap Value	Separate Account	\$10,000,000	\$999,999,999	1.00%		\$104,000,000	\$1,040,000

Fresno County Employees' Retirement Association

Product Background

Period Ending: December 31, 2009

Dimensional Fund Advisors: US Targeted Value Portfolio

Strategy Information

Style Bias: Value
 Management Style: Quantitative
 Typical Portfolio Size: 483-1572
 Assets (millions): \$1,657

Investment Strategy Description :

The US Targeted Value Portfolio is designed to capture the returns and diversification benefits of a broad cross-section of US small value companies, on a market cap-weighted basis. The Trust invests in securities of US companies whose size (market capitalization) falls between the smallest 2.5% and 12.5% of the market universe. The market universe is comprised of companies listed on the New York Stock Exchange, American Stock Exchange, and NASDAQ National Market System. After identifying the 2.5% to 12.5% of aggregate market capitalization, a value screen is applied to the universe. Securities are considered value stocks primarily because a company's shares have a high book value in relation to their market value (BtM). This BtM sort excludes firms with negative or zero book values. In assessing value, additional factors such as price to cash flow or price to earning ratios may be considered, as well as economic conditions and developments in the issuer's industry. The criteria for assessing value are subject to change from time to time.

Investment Process :

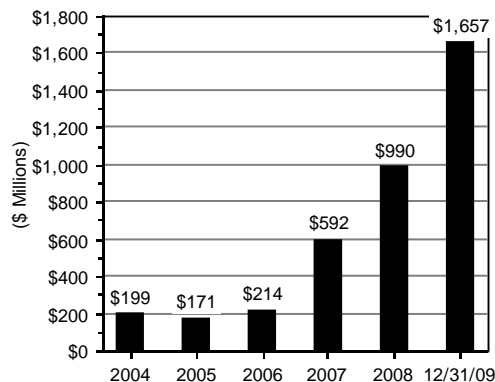
Dimensional uses a highly quantitative and qualitative process in managing their structured investment strategies. The security selection process employs an exclusion process rather than an inclusion process to select appropriate securities for the equity strategies. Once companies have met the specific market cap and/or book-to-market requirements, securities are actively screened based on a number of criteria. The criteria include approximately 30 quality screens which structure an investment that will reliably provide the return of the asset class. These screens include company specific filters such as regulated utilities, government or family controlled stocks, property trusts, recent IPOs, stocks in severe financial distress, liquidity filters and momentum screens.

They use a disciplined approach for portfolio construction. Stock selection is based on market capitalization and eligibility criteria. Dimensional devotes a great deal of resources to obtaining and maintaining data on a large number of companies. Their proprietary database includes more than 9,000 securities. They analyze data from a variety of sources, including industry publications, research reports and subscribe to a number of electronic data services such as Bridge Information, Instinet Analytics, Compustat, Disclosure and OneSource. Their approach to stock selection supplies them with as much information as possible when making buy and eligibility decisions and gives Dimensional a unique advantage when selecting stocks for their equity portfolios.

Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	493	11	0	0
2008	225	5	0	0
2009	0	0	6	1
	718	16	6	1

Historical Growth in Assets



Fresno County Employees' Retirement Association

Product Background

Period Ending: December 31, 2009

Integrity Asset Management, LLC: Small Cap Value Equity

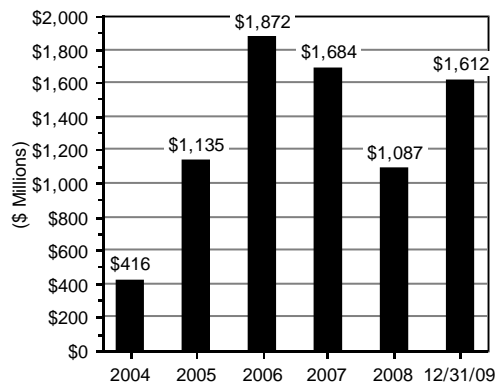
Strategy Information

Style Bias: Value
 Management Style: Bottom-Up
 Typical Portfolio Size: 116-164
 Assets (millions): \$1,612

Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	58	5	8	2
2008	5	1	16	4
2009	276	5	151	6
	339	11	175	12

Historical Growth in Assets



Investment Strategy Description :

The Small Cap Value Equity philosophy is focused on achieving capital appreciation by maintaining a diversified portfolio of small capitalization stocks that are currently undervalued, yet poised to outperform. To identify these stocks, their investment process seeks two key elements: prudent value and improving sentiment. Prudent value implies that a statistically "cheap" stock, trading below their estimate of intrinsic value, will deliver strong total return over time. The process also identifies catalysts that lead to improving investor sentiment. Risk exposure is continuously evaluated throughout the process in an attempt to ensure consistent long-term performance versus the Russell 2000 Value index.

Investment Process :

Integrity's investment approach includes a multi-step portfolio construction process, which begins with the examination of an investable universe of over 11,000 issues. They perform an initial screen for issues with a market capitalization from \$100 million to \$2 billion. To ensure liquidity, they also screen for issues with a trading volume of \$1 million per day. This reduces the universe to approximately 1,700 stocks.

This small cap universe is then screened for low price to book, price to sales and price to cash flow ratios. Those issues which fall in the cheapest 50% of this universe are then further evaluated for two key criteria: prudent value and investor sentiment.

To determine prudent value, this cheapest 50% of the universe is again ranked by the same measures of statistical cheapness: price to book, price to sales and price to cash flow ratios that are lower relative to the reduced universe. This ranking allows them to identify and concentrate on the cheapest 70% of the previously identified small cap value universe.

Next, they seek to determine which stocks from this smaller universe are most truly undervalued by using an intrinsic value score. A dividend discount model (DDM) is applied and compared to the results of this analysis to determine an intrinsic value score. They concentrate on stocks ranking in the cheapest 50th percentile, which further narrows the universe to approximately 350 stocks.

To further limit the universe, they apply rigorous fundamental analysis and search for a catalyst to indicate improving investor sentiment.

Security analysis involves a thorough qualitative evaluation of each company. They analyze the following:

Fundamentals: Is the stock under valued relative to future business prospects? What is the future growth rate of the company? Is that growth sustainable? Industry analysis to determine the company's positioning. Company product review and competitive analysis. Management review to determine if management is making the right decisions for shareholders. Analyzing how macroeconomic conditions will affect the company's prospects

Catalysts: 1. Company consistently meets or beats expectations and future forecasts are raised. 2. New product cycle. 3. New management that is turning the company around. 4. Government/regulatory changes which will improve earnings. 5. What negative catalysts could hurt the company's or stock's performance?

Flags: 1. Accounting review for potential signs of deteriorating business conditions such as increases in DSOs and lower inventory change, deteriorating cash flow relative to net income. 2. Insider selling/buying to signal management's confidence in the company.

The final portfolio consists of issues which have been identified as attractively valued, quantitatively, intrinsically and qualitatively, and that exhibit signs of improving sentiment reflective of an identified catalyst. Portfolios are continuously monitored and controlled by the investment team. Each portfolio consists of approximately 125 stocks, with a maximum position size of 3% of the portfolio. Maximum sector/industry exposures are +/-10% by comparison to the Russell 2000 Value index. Cash allocation is limited to 5% of the portfolio. Tracking error relative to the Russell 2000 Value benchmark is 4-7%.

Fresno County Employees' Retirement Association

Product Background

Period Ending: December 31, 2009

Lord, Abnett & Co.: Small Cap Value

Strategy Information

Style Bias: Value

Management Style: Top-Down/ Bottom-Up

Typical Portfolio Size: 108-126

Assets (millions): \$4,787

Investment Strategy Description :

Lord Abnett believes in a low risk approach to investing in small capitalization stocks. Utilizing a value-based, disciplined investment process that employs both informed judgment and quantitative analysis, Lord Abnett seeks to identify and invest in small-capitalization, undervalued securities. The small cap value team believes that, over time, this approach will generate above-average total returns with less than market risk.

Investment Process :

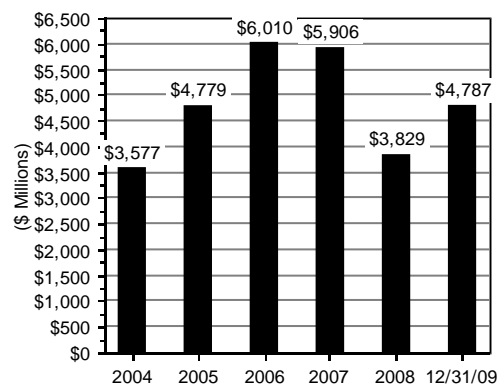
Through primary quantitative valuation screens, the small cap value team narrows the 2700 universe of eligible securities to a 600 stock universe. Valuation criteria include P/E ratios, P/B ratios, price/cash flow and price/sales. Secondary valuation screens are applied to further narrow the universe down to a 300 stock universe. In this step, the portfolio managers are assisted by the firm's research staff to narrow this list of candidates to those likely to produce superior investment returns over an eighteen-month time frame. Research is then performed on this list of 300 stocks exhibiting favorable valuation measures. Through research efforts, they try to specifically identify which of these companies are undergoing positive fundamental change that has not as yet been reflected in the company's stock price. A portfolio is constructed with 80 to 120 stocks that have long operating histories, strong market positions, financial strength, and a high degree of insider ownership.

Portfolios are constructed through a process of integrating the results of the team's quantitative valuation work with the results of their fundamental analysis. Their approach results in a diversified portfolio, approximately 80-120 small cap value stocks, that provides the benefits of the "small-cap effect" without the inherent risks of growth-style funds. While the sector weightings of the portfolio are a result of bottom-up stock selection, they do maintain broad sector guidelines so as to avoid the risk of a major sector swing.

Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	0	0	0	0
2008	54	1	9	1
2009	0	0	48	1
	54	1	57	2

Historical Growth in Assets



Fresno County Employees' Retirement Association

Product Background

Period Ending: December 31, 2009

Snyder Capital Management, L.P.: Small Cap Value

Strategy Information

Style Bias: Value

Management Style: Bottom-Up

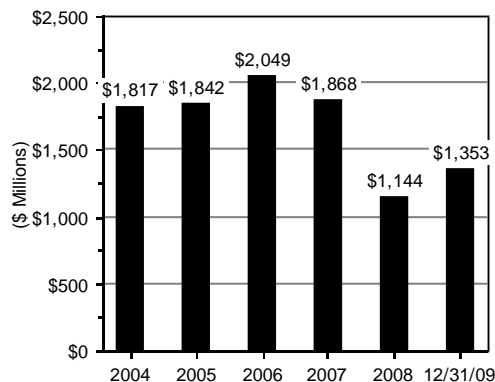
Typical Portfolio Size: 44-52

Assets (millions): \$1,353

Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	106	3	275	8
2008	36	4	70	5
2009	20	1	5	1
	162	8	350	14

Historical Growth in Assets



Investment Strategy Description :

The Snyder Small Cap Value portfolio seeks investments that combine a minimum of downside risk with opportunities for substantial price appreciation.

While the firm's six analysts (four of whom comprise the firm's portfolio management team) review macro economic, social and political factors to direct them to specific areas with favorable investment characteristics, they select stocks based on a "bottom-up", fundamental analysis of each company. This research is based on the analysts' meetings with the target company's management, customers, competitors and suppliers. After making an investment, analysts monitor it closely through frequent contact with the company's management and calls to their sources in the firm's industry.

There are no categorical rules concerning the types of companies the firm will consider for investment. However, the great majority of the portfolio is in the following categories:

1. companies in which the stock is selling at a significant discount to asset value;
2. high quality growth companies in which the stock is selling at a below market price/earnings multiple; and
3. companies in which management is engaged in asset redeployment programs which are likely to create value.

While the firm has owned stock in some well-known companies, most of its investments are in medium size and smaller capitalization firms that are not widely followed by Wall Street analysts.

Investment Process :

The firm believes that if one creates a stock universe by applying traditional value screens, such as low P/E, P/B or P/CF, to various stock databases, one would end up with a list of candidates that numerous other analysts have already screened and analyzed. Any stocks that were undervalued would have already been bid up in price. Those that appear cheap are likely to have serious problems, such as suspect accounting or regulatory problems, and deserve their low valuations. Instead, the firm generates new investment ideas through an eclectic set of sources. The largest number of leads come from its analysts' and portfolio managers' contacts at boutique investment firms which are similar to the firm. The firm's investment professionals trade ideas with these managers. With these leads, the Small Cap Value portfolio research team has a relatively focused list of names to research. Ultimately, the portfolio usually invests in about 40-55 securities.

The BUY discipline is tailored to each category. For investments based on the value of the company's assets, the firm targets purchases to when the stock is trading at less than 50% of the value of the assets. For stocks acquired for their earnings growth, the firm buys at P/E ratios that are less than 2/3 of the earnings growth rate. (For example, the firm would pay no more than a 13X P/E for a company whose earnings are growing at 20%/year.)

The SELL discipline involves the firm setting a sell target for each stock at the time it is purchased. For stocks purchased based on cheap asset value, the initial sell target is 80-90% of the fair value of assets. The firm starts selling before full fair value because the stocks become risky as they increase in price as sell side analysts start recommending the stock and investors' expectations for the stocks rise. At this point, a negative announcement could disappoint investors and send the stock down substantially. Therefore, the firm believes it is prudent, and consistent with its conservative investment style, to sell these stocks which are approaching fair value and reinvest the proceeds into new stocks which are substantially undervalued. Also, at prices of 80-90% of fair value, there are usually eager buyers to whom the traders can sell the firm's positions.

Fresno County Employees' Retirement Association

Product Background

Period Ending: December 31, 2009

Systematic Financial Management: Small/Mid Cap Value

Strategy Information

Style Bias: Value

Management Style: Bottom-Up

Typical Portfolio Size: 62-83

Assets (millions): \$1,087

Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	6	2	15	1
2008	243	6	4	1
2009	146	2	0	0
	395	10	19	2

Investment Strategy Description :

Systematic believes, and their results have proven, that investing in companies with a combination of attractive valuations and a positive earnings catalyst will generate superior long-term results that outperform the benchmark over the long term. Systematic does not buy companies simply because traditional valuation methods deem them bargains. These stock prices languish too often because there is no catalyst for the stock's price to rise. The firm's objective is to invest in value companies that have a confirmed catalyst for stock price appreciation, thereby providing its clients with investment results that should exceed the benchmark over the long term.

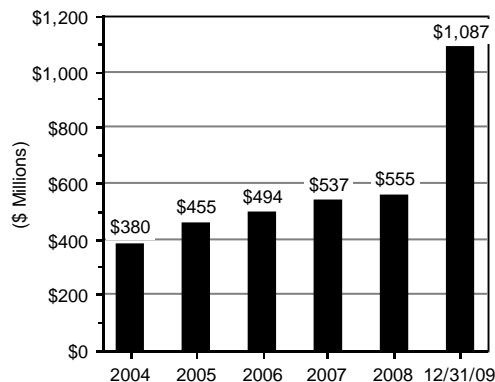
Investment Process :

Systematic's initial universe of companies includes all stocks (U.S. Equity) with market capitalization between \$100 million and \$10 billion or the upper limit of the Russell 2500® Value Index. Companies are ranked by valuation and a positive earnings catalyst. This screening process generates a research focus list of approximately 150 companies meriting rigorous fundamental analysis to confirm each stock's value and catalysts for appreciation.

Systematic's sell discipline reflects the inverse of our selection methodology. Systematic sells stocks when price appreciation causes company valuation to expand to fair value. In addition, the firm sells companies if other investment opportunities present more attractive prospects from a valuation and expected return basis. Systematic sells companies if the analysis leads them to anticipate downward estimate revisions. Finally, in the less likely event of a reported negative earnings surprise, Systematic eliminates the position from our portfolio.

Portfolios are constructed through a bottom-up security selection process, acquiring the most attractive companies based on our in-depth fundamental analysis. Purchase and sell decisions are made by the investment team with lead responsibility for this portfolio from Portfolio Manager Ronald Mushock. A portfolio of the best ideas is constructed with a range typically between 60 and 90 companies. As risk controls, Systematic generally limits the portfolio to a maximum of 30 percent in any one economic sector and five percent in any individual stock at market. Additionally, our sector weightings generally remain within +/- five percent of the benchmark. Systematic employs a fully invested strategy; therefore, cash is typically less than five percent of the portfolio.

Historical Growth in Assets



Fresno County Employees' Retirement Association

Product Background

Period Ending: December 31, 2009

WEDGE Capital Management, L.L.P.: Small Cap Value

Strategy Information

Style Bias: Value

Management Style: Bottom-Up

Typical Portfolio Size: 125-150

Assets (millions): \$1,438

Three Year Account Turnover

Year	Gained		Lost	
	Assets \$M	Accts	Assets \$M	Accts
2007	85	2	4	2
2008	121	9	43	4
2009	142	11	3	4
	348	22	50	10

Investment Strategy Description :

They believe that a fundamentally sound, value-oriented discipline, employing rigorous quantitative research and enhanced by thorough, independent qualitative analysis will produce superior long term returns. Furthermore, they firmly believe that strong buy/sell disciplines are required to ensure consistency and style integrity over time.

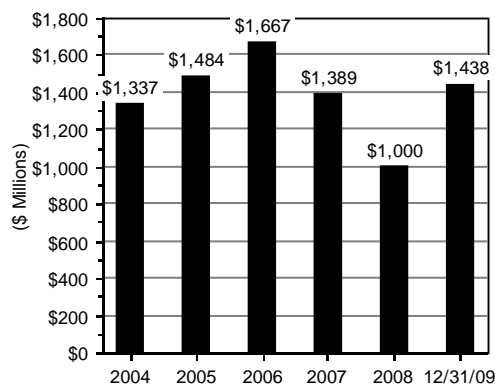
Investment Process :

Initially, they employ two proprietary, fundamentally-based screening models, using publicly available data on all eligible companies. Their Fundamental Value Model identifies those stocks with the greatest profit potential, based on projected earnings growth, earnings quality, dividend yields and forward price/earnings ratios. To preclude investing in financially unsound companies, they then employ our Financial Quality Model, which focuses on multiple earnings growth, profitability, leverage, and liquidity factors. Stocks are ranked by both models for relative attractiveness. Generally, around 35% of the initial universe eligible for subsequent research.

The decision to sell a security is as highly disciplined as their decision to buy that security, as they strive to capture profits, limit losses and ensure style consistency. Stocks are sold when fair valuation is reached, the original investment thesis for a stock materially deteriorates, an upgrade opportunity develops or, with limited flexibility when warranted, or the stock's Fundamental Value Model ranking falls to a predetermined level.

Subject to account guidelines, portfolios are consistently managed relative to holdings and position sizes, and well diversified among issues and sectors. Generally, individual position sizes are targeted to be from 0.5-4% of the portfolio, and will be held to a maximum of 5%. Broad economic sectors are limited to 25% of the portfolio, or the benchmark weighting plus 5%, whichever is greater.

Historical Growth in Assets



Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Dimensional Fund Advisors: US Targeted Value Portfolio

Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	8	3
Avg Experience	11	4
Avg Yrs w Firm	8	4

Key Professionals managing this strategy

David Booth, Chairman and CEO

Mr. Booth received his MBA from the University of Chicago in 1971. He also holds an MS and a BA from the University of Kansas. Prior to founding Dimensional Fund Advisors in 1981, he was Vice President and a Pension Investment Consultant at A.G. Becker, Inc. (now SEI, Inc.). After completing his MBA, Mr. Booth started his career with Wells Fargo and worked on the first index funds with John A. McQuown. Mr. Booth continued to implement modern portfolio theory in his pension consulting career and founded Dimensional in 1981 to provide efficient access to the small capitalization dimension of the market, which was largely under-represented in institutional portfolios. Mr. Booth has written numerous articles on small capitalization investing and co-authored "Diversification Returns and Asset Contributions" with Professor Eugene Fama. This paper, published in the Financial Analysts Journal in 1992, won the Graham and Dodd Award for its authors. Mr. Booth serves on the Board of Governors of the UCLA Foundation and is a member of the Foundation's Investment Committee. He is a Trustee of St. Matthew's Parish School and is a member of the Board of Trustees of the American Academy in Rome.

Iwona Cholewa, Portfolio Manager

Iwona Cholewa is a portfolio manager in US equities with a focus on tax-efficient investments. Ms. Cholewa joins a team that oversees the firm's tax-managed strategies and separate accounts. Prior to joining Dimensional in 2006, she was involved in strategy at AIG and spent five years as a portfolio manager for Montecito Bank & Trust. A CFA charterholder, Ms. Cholewa earned her MBA from the Anderson School of Management at the University of California, Los Angeles. She also holds a B.A. in economics and business from Whittier College.

Professional Turnover

	Gained		Lost	
	Portfolio Manager	Analysts	Portfolio Manager	Analysts
2005	0	0	0	0
2006	2	0	0	0
2007	0	0	0	0
2008	1	0	0	0
2009	0	0	0	0

Stephen Clark, Head of Portfolio Management

Mr. Clark earned his MBA in 2001 from the University of Chicago Graduate School of Business, with concentrations in Finance, Econometrics and Statistics. He also holds a BS degree in Finance from Bradley University. Mr. Clark oversees Dimensional's portfolio management and trading functions across domestic equity, international equity, and fixed income. He is also Chairman of the Investment Committee, which supervises the firm's day-to-day investments. He joined Dimensional in 2001 as a general portfolio manager in US equities and became head of international equities trading in 2004. Before joining Dimensional, he was employed in the corporate finance groups at US Bancorp Piper Jaffray and John Nuveen & Co.

Robert T Deere, Investment Director and Senior Portfolio Manager

Mr. Deere received his MBA from the University of California, Los Angeles (UCLA) in 1991. At UCLA, his studies were concentrated in Finance and Accounting. He also holds a BS in Chemical Engineering and a BA in Chemistry from the University of California, San Diego. After completing his MBA, Mr. Deere started his career at Dimensional Fund Advisors in 1991. He began as a general portfolio manager in the US equity group. When Dimensional expanded to include Value strategies, Mr. Deere was assigned as the primary portfolio manager from their inception. While his responsibilities have been expanded to include general management of the domestic equity department, he continues to devote particular emphasis on Dimensional's Value strategies. Prior to acquiring his MBA, Mr. Deere worked three years for Air Products & Chemicals Inc. as a project engineer overseeing chemical plant construction and start-up. In addition, Mr. Deere spent four years at General Dynamics Corporation as an aerospace engineer where he worked on various Space Shuttle related projects.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Henry F Gray, Head of Global Equity Trading

Mr. Gray earned his MBA in 1995 from the University of Chicago Graduate School of Business, with concentrations in Analytic Finance and Business Economics. He also holds an AB degree in Economics from Princeton University. Mr. Gray began his career at Dimensional Fund Advisors after completing the MBA program at The University of Chicago. Before joining Dimensional, he was employed in various fixed income groups at Metropolitan Life Insurance Company and at Bear Stearns & Co. At MetLife, Mr. Gray had portfolio management and client relations responsibilities for institutional pension plan clients. At Bear Stearns, he was a member of the fixed income analytics group where he analyzed portfolios and developed trading strategies for the firm's clients.

David Kershner, Portfolio Manager

Mr. Kershner received his MBA from the University of California, Los Angeles (with honors) in 2003. At UCLA, his studies were concentrated in Finance. He also holds both an MS and a BS in Electrical Engineering from Pennsylvania State University. Mr. Kershner began his career at Dimensional in 2004 after completing the MBA program at UCLA. Prior to that, Mr. Kershner worked for nine years at Boeing Satellite Systems (formerly Hughes Space & Communications) in El Segundo, California where he performed several functions including satellite systems engineering, department management, and market analysis. He also worked as an intern at GKM Ventures, a Southern California venture capital firm.

Stephen Quance, Portfolio Manager

Mr. Quance earned his MBA from the McCombs School of Business at the University of Texas in 2002 where he concentrated in finance. He also holds a B.S. in Civil and Environmental Engineering from Rice University. Mr. Quance began his career at Dimensional in 2006 as a US Equities Portfolio Manager after leaving private wealth management at UBS. His previous experience also includes work in the energy industry as an engineer at Schlumberger and an early employee of an alternative energy startup.

Ted Randall, Portfolio Manager

Ted Randall is a portfolio manager for Dimensional's US equity strategies. Ted previously led the Research group's trading support efforts and its management of security data. In this role, he designed portfolio management and trading applications to optimize the rebalancing and management of Dimensional portfolios. Ted joined Dimensional in 1996 as a trading assistant, a position in which he redesigned the firm's trade reconciliation systems and developed new portfolio management software tools. He spent two years as a computer consultant before returning to Dimensional in 2001. Ted earned his MBA from the Anderson School of Management at the University of California, Los Angeles, and holds a B.S. in business administration with a concentration in finance from the University of Southern California.

Grady M Smith, Portfolio Manager

Mr. Smith received his MBA in 2001 from the University of California Los Angeles (with honors) and his BA in 1978 from Stanford University. Mr. Smith joined Dimensional's Santa Monica headquarters in 2001. Mr. Smith's main responsibilities include the management of US equity portfolios. Prior to joining Dimensional, Mr. Smith spent more than 20 years as a management consultant, most recently working as a Principal at the firm of William M. Mercer, Incorporated. Mr. Smith is a board member of the United Way of Greater Los Angeles.

Carl G Snyder, Senior Trader

Mr. Snyder received an MBA from the University of California, Los Angeles (UCLA) in 1991. At UCLA, his studies were concentrated in Finance and Accounting. He also holds a BS degree in Industrial Engineering from Oregon State University. After completing his MBA, Mr. Snyder started his career at Dimensional Fund Advisors in 1991. He began as a general portfolio manager in the domestic equity group. When Dimensional expanded to include value strategies, Mr. Snyder was assigned as a portfolio manager for Dimensional's traditional portfolios. He serves as the senior portfolio manager in charge of all corporate action and proxy activity and as backup to Bob Deere for several trading desk management functions. His primary responsibility continues to be block buying of securities across all Dimensional accounts.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Brian Walsh, Portfolio Manager

Mr. Walsh received his MBA from the University of Southern California, Los Angeles in 2003. At USC, his studies were concentrated in Finance and Portfolio Management. He also holds a BA in Economics from University of California, Berkeley. Mr. Walsh began his career at Dimensional in 1994 as a Trading Assistant in their US equity group. He was promoted to Equities Trader in 1997 and Portfolio Manager for the US equity group in January 2005. Prior to joining Dimensional, Mr. Walsh was employed for two years at Merrill Lynch as a Financial Consultant.

Ryan Wiley, Senior Trader

Mr. Wiley received his MBA in 2006 from the University of California Los Angeles and his BS in Finance from California State Polytechnic University, Pomona, in 1999. Mr. Wiley began his career at Dimensional in 1999 as a Trading Assistant in their US equity group. He was promoted to Equities Trader in 2001 and Portfolio Manager for the US equity group in July 2006.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Integrity Asset Management, LLC: Small Cap Value Equity

Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	5	2
Avg Experience	17	12
Avg Yrs w Firm	4	4

Key Professionals managing this strategy

Daniel G. Bandi, Chief Investment Officer, Value Equities & Principal

Mr. Bandi is a CFA charterholder with over 16 years of investment management experience. He is a member of the firm's Board of Managers and serves as CIO for all of Integrity Asset Management's value equity strategies, and is lead portfolio manager for the Small Cap Value Equity strategy. Mr. Bandi and his team have been featured in The New York Times, the Wall Street Journal, the Financial Times and Investor's Business Daily and have appeared as guests on CNBC, CNNfn TV, Bloomberg TV and others. Mr. Bandi graduated from the University of Pittsburgh and earned an MBA from Texas A&M University – Commerce.

Brian T. Cavalier, Equity Trader

Brian Cavalier is responsible for trading in the firm's value equity strategies. He has over 4 years of investment management industry experience. Mr. Cavalier is a graduate of John Carroll University and a member of the Cleveland Security Traders Association and the Columbus Stock and Bond Club.

Daniel J DeMonica, Senior Portfolio Manager & Principal

Mr. DeMonica is a CFA charterholder with over 12 years of investment management experience and is a member of their value equity management team, serving as a Senior Portfolio Manager for all value strategies and as lead portfolio manager for the Large Cap Value Equity strategy. He focuses on the healthcare, utilities, telecommunications and consumer services sectors. Mr. DeMonica has been featured in The New York Times, the Wall Street Journal, and Forbes, and has appeared as a guest on CNBC and Bloomberg TV. Mr. DeMonica graduated from Indiana University – Bloomington, and earned his MBA from Case Western Reserve University.

Professional Turnover

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

Adam I Friedman, Senior Portfolio Manager & Principal

Adam Friedman has over 16 years of investment management experience and is a member of their value equity management team, serving as a Senior Portfolio Manager for all value strategies and as lead portfolio manager for the Mid Cap Value Equity strategy. Mr. Friedman has sector responsibilities focused on the technology and consumer cyclical sectors. He has been featured in The New York Times and the Wall Street Journal and has appeared as a guest on CNBC, CNNfn TV, Bloomberg TV and Bloomberg Radio. After completing his undergraduate studies at the University of Maryland, Mr. Friedman earned his MBA from Case Western Reserve University.

Joe A. Gilbert, Senior Equity Analyst

Mr. Gilbert is a member of their value equity management team with responsibility for the consumer staples, insurance and transportation sectors. He has over 11 years of extensive security research experience and is a CFA charterholder. Mr. Gilbert earned both his undergraduate degree and his MBA from the University of Maryland. He is a member of the CFA Society of Cleveland and the CFA Institute.

Wayne H. Hall, Director of Operations

Wayne Hall is responsible for the coordination and oversight of all aspects of the firm's operations department, ranging from trading to performance measurement. He has over 10 years of experience in the investment management industry. Mr. Hall is a graduate of Baldwin-Wallace College and earned his MBA from the University of Akron.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

William H. McNett, Senior Portfolio Manager & Principal

A member of the firm's Board of Managers, Bill McNett is a CFA charterholder with over 24 years of investment management experience. In addition to serving as Senior Portfolio Manager, he also coordinates Integrity Asset Management's client service effort and plays an active role in the management of the firm. Mr. McNett is a graduate of Bloomsburg University. Mr. McNett is a member of the Philadelphia Society of Security Analysts.

Mirsat Nikovic, Equity Analyst

Mirsat Nikovic is a member of their value equity management team with responsibility for quantitative and equity analysis. He is a CFA charterholder with over 10 years of security research experience. Mr. Nikovic is a graduate of John Carroll University and a member of the CFA Society of Cleveland.

J. Bryan Tinsley, Portfolio Manager

A member of their value equity management team, Bryan Tinsley is responsible for research and security selection. His sector responsibilities include the basic materials, energy and commercial services sectors. He has over 11 years of portfolio management, research and performance analysis experience. Mr. Tinsley is a graduate of Transylvania University and earned his MBA from Case Western Reserve University. He is a CFA charterholder and is a member of the CFA Society of Cleveland.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Lord, Abnett & Co.: Small Cap Value

Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	1	7
Avg Experience	19	16
Avg Yrs w Firm	12	9

Key Professionals managing this strategy

Darnell Azeez, Research Analyst

Mr. Azeez joined the firm in 2002 and is currently an Equity Research Analyst. Mr. Azeez holds the Chartered Financial Analyst designation.

Robert P. Fetch, Partner & Director of Domestic Equity

Mr. Fetch is a partner and Small Cap Value Senior Portfolio Manager. He joined Lord Abnett from Prudential Investment Advisors where he was Managing Director. Prior to that he was Senior Investment Officer for Chemical Bank/Favia Hill & Associates and Equity Analyst/Trader for Mutual Benefit Life. Mr. Fetch received his BS in Business Administration from Bucknell University and his MBA in Finance from Seton Hall University. He is a Chartered Financial Analyst and a member of the New York Society of Security Analysts. Mr. Fetch has been in the investment business since 1977.

Gerald S. Heffernan, Partner & Director

Mr. Heffernan became a partner in 2004 currently serves as Portfolio Manager. He joined Lord Abnett in 1998 from CL Capital Management where he held positions as a Portfolio Manager and Equity Research Analyst. His prior experience includes positions as Assistant Manager-Private Placements and Financial Planning at Confederation Life Insurance Company. Mr. Heffernan earned a BS in Business Administration from Villanova University and is the holder of a Chartered Financial Analyst designation. He has been in the investment business since 1988.

Professional Turnover

	Gained		Lost	
	Portfolio Manager	Analysts	Portfolio Manager	Analysts
2005	0	2	0	0
2006	0	0	0	0
2007	1	0	0	0
2008	0	0	0	0
2009	0	0	0	1

Deepak Khanna, Research Analyst

Mr. Khanna is a portfolio manager of the multi cap value equity strategy and also contributes as a research analyst to the small, smid and micro cap value equity strategies. Mr. Khanna returned to Lord Abnett in 2007; from 2000 to 2005 he was a research analyst for the small cap growth and large cap growth equity strategies. His prior experience includes: Managing Director at Jennison Associates LLC; Equity Research Analyst at Mitchell Hutchins Asset Management; Equity Research Analyst at Bear Stearns; and Equity Research Analyst at Paine Webber. Mr. Khanna received a BS from Delhi University and an MBA from Baruch College. He is the holder of a Chartered Financial Analyst designation and has been in the investment business since 1996.

Jason B. Loeb, Research Analyst

Mr. Loeb is currently an Equity Research Analyst and holds the Chartered Financial Analyst designation. Mr. Loeb joined the firm in 1997.

Greg M Macosko, Research Analyst

Mr. Macosko joined Lord Abnett from Royce Associates where he served as Equity Analyst and Portfolio Manager. After earning his MBA from Columbia University, Mr. Macosko consulted on strategic and competitive issues in a range of industries. He has been in the investment business since 1991.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Thomas Maher, Portfolio Manager

Mr. Maher is currently a Portfolio Manager and joined Lord Abbett in 2003 from Invesco where he served as a Senior Equity Analyst. His previous experience includes: Senior Analyst at Centurion Investment Group, L.P.; Vice President-Investment Research at Lynch & Mayer, Inc.; and Associate at Aiyer Investments (Paribas Asset Management). Mr. Maher received a BS in Business Administration from Georgetown University and an MBA from New York University-Leonard N. Stern School of Business. Mr. Maher has been in the investment business since 1989.

Justin C. Maurer, Portfolio Manager

Mr. Maurer is currently a Portfolio Manager. He joined Lord Abbett in 2001 from Merrill Lynch where he served as a Director in the U.S. Equity Research Department. His previous experience includes Vice President of Equity Research at McDonald Investments and Assistant Vice President and Financial Analyst at Key Corporation. Mr. Maurer holds a BA in Accounting and Finance from Baldwin-Wallace College and an MBA from Case Western University. He has been in the investment business since 1991.

Steve Wortman, Research Analyst

Mr. Wortman currently serves as an Equity Research Analyst. He joined the firm in 2005.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Snyder Capital Management, L.P.: Small Cap Value

Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	4	2
Avg Experience	21	8
Avg Yrs w Firm	14	3

Key Professionals managing this strategy

Vinit S. Bhatt, Vice President

Mr. Bhatt is a Portfolio Manager and Analyst for Snyder Capital Management. Vinit joined the portfolio team at SCM in 1997 as an analyst. His background in chemical engineering usually draws him to companies involved in petrochemicals, pharmaceuticals, diagnostics and materials. Mr. Bhatt began his investment career in 1994 at Focus Advisors where he developed investment ideas in healthcare for several large buy-side firms. Prior to that, he worked in the biopharmaceutical and medical diagnostics industries in product development, marketing and business development. His educational background includes the University of Chicago Graduate School of Business (MBA), University of Virginia (M.S.) and University of California, Berkeley (B.S.)

Peter A. Eisele, President

Mr. Eisele is a Portfolio Manager and Analyst for Snyder Capital Management. He became President for Snyder Capital on January 1, 2006. Mr. Eisele joined SCM in 1997 as a research analyst, became a member of the portfolio management team in 2001 and was named President in 2005. His engineering background has typically drawn him to focus on industrial and media related companies. Mr. Eisele first started in the asset management business as a research associate at Mees Pierson Capital Management in 1996 after spending eight years at Lumonics (laser systems manufacturer) where he became a product manager. His educational background includes the University of Waterloo, Canada, BS and Nijenrode University, Netherlands, MBA.

Professional Turnover

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

Margot T. Murtaugh, Senior Vice President

Ms. Murtaugh is a Portfolio Manager and Analyst for Snyder Capital Management. She joined SCM in 1989 as a research analyst, adding the role of portfolio manager in 1994. Previously, she was a portfolio manager at KRM Management in 1988 and 1989. Ms. Murtaugh began her investment management career in 1980 at RCM Capital Management where she earned her Chartered Financial Analyst designation and worked as a research associate for eight years. Throughout this time, she has followed a broad array of companies and industries, but, in recent years, has focused on the consumer, healthcare and business service sectors/industries. Her educational background includes Cornell University (BA) and the University of Hawaii (MLS).

Gary Rafferty, Research Analyst

Mr. Rafferty joined Snyder Capital as a research analyst in 2005, the first addition to the research team in 8 years, and typically focuses on the consumer and business services industries. Mr. Rafferty worked as an equity analyst on Prudential Equity Group's Institutional Investor ranked retail team and as a senior associate on Robertson Stephens M&A team. He also worked as a management consultant for Sibson & Company Consulting prior to business school. Mr. Rafferty earned an MBA from Columbia Business School and a BA from Trinity College.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Brad Schatz, Research Analyst

Mr. Schatz joined SCM in 2006 as a research analyst with a background across multiple industry sectors including industrial, media, retail, and special situations. He began his career in equity research with Rothschild Asset Management in 1999 followed by three years with a Chicago based hedge fund. Mr. Schatz has a dual undergraduate degree with a BS in Finance and a BA in Psychology from the University of Colorado along with a Masters Degree in Business from the University of Chicago.

Kimberley A. Stevens, Vice President

Ms. Stevens is a Portfolio Manager and Analyst. She joined SCM in the fall of 1993 as a research assistant; received her Chartered Financial Analyst designation in 1994 and became a portfolio manager in 1997. Ms. Stevens spent her early years at SCM working closely with founder Alan Snyder, who had a strong interest in natural resources. Ms. Stevens continues to focus her efforts on natural resources and basic industries. She began her investment career in 1985 at Aster Investment Management and worked there for five years focusing on small and mid cap growth investments. She earned a B.S. from Indiana University in Business Economics and Public Policy.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Systematic Financial Management: Small/Mid Cap Value

Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	5	8
Avg Experience	17	10
Avg Yrs w Firm	11	3

Key Professionals managing this strategy

Gyanendra (Joe) Joshi, President/Chief Executive Officer

Mr. Joshi is a partner in the firm, and the founder of Systematic's investment discipline and process. As President and Chief Executive Officer, Mr. Joshi is actively involved in managing the firm, establishing its strategic direction and maintaining adherence to the firm's mission. Mr. Joshi is the architect of the investment discipline and supports all members of the investment team with his more than thirty-five years of investment management experience. Mr. Joshi continues to serve investment team members as a guiding voice to share and exchange investment ideas.

Mr. Joshi's investment career began with the Warner Lambert Company in 1972; in the capacity of senior internal auditor, and six years later he became director of pension investments. At Warner Lambert, he was directly responsible for the centralized planning and administration of the company's various pension plans, including the evaluation of external managers. During this period, Mr. Joshi developed the value equity philosophy later implemented in the company's retirement portfolio. In 1986, after 14 years with Warner Lambert, Mr. Joshi joined State House Capital Management, where he served as managing director of equities with comprehensive responsibility for all equity management decisions. Prior to joining Systematic in 1996, Mr. Joshi served as managing director of equities and chief investment officer of core value equities at Mitchell Hutchins.

Mr. Joshi has an M.B.A. from Fairleigh Dickinson University. He also holds an M.A. and B.A. in commerce, both from Agra University.

Professional Turnover

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

Thomas LaBarbera, Equity Analyst

As an equity analyst, Mr. LaBarbera conducts quantitative research across all sectors and market capitalization. Mr. LaBarbera's research includes analyzing quantitative rankings, building financial models and back testing data. Mr. LaBarbera began his investment career in 2000 at FactSet Research Systems working in both the Consulting and Sales department. While at FactSet, Mr. LaBarbera worked with over 100 investment managers supporting their quantitative and fundamental research departments. Mr. LaBarbera joined Systematic in 2005, and is currently a candidate for Level III of the CFA program. Mr. LaBarbera received a B.S. in finance from Marist College.

D. Kevin McCreesh, Chief Investment Officer

Mr. McCreesh is a partner in the firm, and as Chief Investment Officer, has oversight responsibilities for all client portfolios. In addition, Mr. McCreesh serves as the lead portfolio manager for their large and small cap portfolios. Although Mr. McCreesh joined Systematic in 1996, he has been actively involved with their investment discipline since 1990, as he worked with Joe Joshi at Mitchell Hutchins. Mr. McCreesh began his investment career as an analyst in the financial planning and analysis department of IBM's semiconductor manufacturing division. As a senior analyst in Paine Webber's treasury department, and then as controller for Mitchell Hutchins Investment Advisory Unit, Mr. McCreesh further honed his research and analytical skills. Prior to joining Systematic in 1996, he served as equity portfolio manager at Mitchell Hutchins.

Mr. McCreesh is a Chartered Financial Analyst and a member of the New York Society of Security Analysts (NYSSA). He has an M.B.A. in financial management from Drexel University and a B.S. in geology from the University of Delaware.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Ron Mushock, Portfolio Manager

Mr. Mushock has lead portfolio management responsibility for all mid and small/mid cap portfolios, and assists in the management of the firm's large cap portfolios. Additionally, Mr. Mushock maintains analyst responsibilities within selected economic sectors. Mr. Mushock began his career as a quantitative equity analyst with Abel/Noser Corporation, where he specialized in low P/E – Earnings Surprise research. As a financial applications specialist with CSK Software, he developed skills in investment analytics, risk management and technical analysis. Prior to joining Systematic, Mr. Mushock was an equity analyst with Standard and Poor's Equity Group, where he provided fundamental research coverage for a diverse group of companies spanning a wide range of economic sectors and industries. Mr. Mushock is a Chartered Financial Analyst, a member of the Association for Investment Management and Research (AIMR) and a member of the New York Society of Security Analysts (NYSSA). Mr. Mushock received an M.B.A. in finance and international business from New York University's Stern School of Business, and graduated Summa Cum Laude from Seton Hall University with a B.S. in finance.

Aman Patel, Assistant Portfolio Manager

As a senior equity analyst, Mr. Patel conducts company-specific fundamental research within selected economic sectors spanning the market capitalization spectrum. Mr. Patel's research includes analyzing financial statements, building financial models, performing valuation analysis, and interviewing company management.

Mr. Patel began his investment career as an equity analyst in Prudential Securities' equity research department. Prior to joining Systematic in 2002, Mr. Patel further honed his research and analytical skills first as an associate analyst with UBS Warburg's healthcare equity research team, and then at Federated Investors where he completed his M.B.A. internship in investment management. Mr. Patel received an M.B.A. in finance and strategy from Carnegie Mellon University and a B.A. in biochemistry from Rutgers University. He is currently a Level III CFA candidate.

Rick Plummer, Equity Analyst

As an equity analyst, Mr. Plummer conducts company-specific fundamental research within selected economic sectors spanning the market capitalization spectrum. Mr. Plummer's research includes analyzing financial statements, building financial models, performing valuation analysis, and interviewing company management.

Mr. Plummer joined Systematic in 2004 following a ten-year stint with the Value Line Investment Survey. At Value Line, he served as a Senior Industry Analyst and lead editor of the firm's daily supplemental stock reports. He also spent time in Value Line's Asset Management department, working as a technology-sector consultant and portfolio manager.

Mr. Plummer received his M.B.A. in finance at New York University's Stern School of Business, with Stern Scholar honors. He holds a B.A. in economics and government from Wesleyan University. He holds the Chartered Financial Analyst (CFA) designation, and is a member of the CFA Institute and New York Society of Security Analysts (NYSSA).

Joseph Sharma, Portfolio Manager

Mr. Sharma serves as lead portfolio manager for their Large Cap Intrinsic Value portfolios. In addition, Mr. Sharma maintains analyst responsibilities within selected economic sectors. His research includes analyzing financial statements, building financial models, performing valuation analysis, and interviewing company management. Mr. Sharma began his investment career as the director of research for Lamoriello & Company. His responsibilities included equity research, manager due diligence, asset allocation, and client service. Mr. Sharma also worked for Merrill Lynch as a financial consultant in the private client group. Prior to joining Systematic, Mr. Sharma was a senior investment analyst with the Oxford Group, where he was responsible for the firm's U.S. equity investment research efforts. Mr. Sharma is a Chartered Financial Analyst, a member of the Association for Investment Management and Research (AIMR), and a member of the New York Society of Security Analysts (NYSSA). Mr. Sharma received his M.B.A. from the Kelley School of Business at Indiana University and his B.S. in economics from Virginia Commonwealth University, which he attended on an athletic scholarship.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Jakov Stipanov, Equity Analyst

As an equity analyst, Mr. Stipanov conducts company-specific fundamental research within selected economic sectors spanning the market capitalization spectrum. Mr. Stipanov's research includes analyzing financial statements, building financial models, performing valuation analysis, and interviewing company management.

Mr. Stipanov began his investment career at Scudder, Stevens, and Clark as a portfolio assistant. Prior to joining Systematic in 2002, Mr. Stipanov was an equity analyst with Stein Roe and Farnham, where he conducted fundamental research coverage for the technology sector. As a member of the investment team, Mr. Stipanov was involved with the management of two mutual funds, where he provided attribution and performance analysis.

Mr. Stipanov received an M.B.A. in finance from Fordham University and a B.S. in finance from Montclair State University. He holds the Chartered Financial Analyst designation, and is a member of the New York Society of Security Analysts.

Ryan Wick, Equity Analyst

As an equity analyst, Mr. Wick conducts company-specific fundamental research within selected economic sectors spanning the market capitalization spectrum. Mr. Wick's research includes analyzing financial statements, building financial models, performing valuation analysis, and interviewing company management.

Mr. Wick began his investment career at ABN AMRO in New York as an associate equity research analyst in the Industrial Manufacturing and Technologies Group covering Diversified Industrials. Prior to joining Systematic in 2005, Mr. Wick was an equity analyst with Axe-Houghton Associates where he conducted fundamental research coverage for small to mid cap companies in the Healthcare, Industrial and Technology sectors.

Mr. Wick received an M.B.A. in finance from Columbia Business School and a B.A. in English from Bucknell University. Mr. Wick is also a candidate for Level II of the CFA program.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

WEDGE Capital Management, L.L.P.: Small Cap Value

Professionals involved with strategy

	Portfolio Managers	Analysts
Total Numbers	7	7
Avg Experience	23	11
Avg Yrs w Firm	12	7

Key Professionals managing this strategy

Jason Boles, Equity Analyst

Mr. Boles is an Equity Analyst and is responsible for equity research on companies with market capitalizations between \$250 million and \$2.5 billion. Prior to joining WEDGE in 2006, he was an Equity Research Associate with Banc of America Securities in New York and San Francisco, and interned as a small cap analyst with Munder Capital Management in Birmingham, Michigan. Mr. Boles received his Bachelor of Science degree in Economics from Cornell University and his Master of Business Administration degree from the University of Chicago. He is a holder of the Chartered Financial Analyst designation.

Andrei Bolshakov, Quantitative Analyst

Mr. Bolshakov is a Senior Quantitative Analyst and is responsible for quantitative research. Prior to joining WEDGE in 2006, he was involved in strategic investments and the development of quantitative investment tools at Companion Capital Management in Columbia, South Carolina. He formerly managed the trade finance desk of Ural Foreign Trade Bank in Ekaterinburg, Russia. Mr. Bolshakov completed a three-year program of studies at the Moscow Institute of Physics and Mathematics, earned a Masters in International Business at the Ural State University of Economics, as well as an MBA at the Darla Moore School of Business at the University of South Carolina, and received a PhD-level degree in Economics and Mathematical Modeling from the Russian Academy of Science. He is a holder of the Chartered Financial Analyst designation.

Professional Turnover

	Gained		Lost	
	Portfolio Manager	Analysts	Portfolio Manager	Analysts
2005	1	0	0	1
2006	0	2	0	1
2007	1	0	0	0
2008	0	0	0	0
2009	0	2	1	1

Peter F. Bridge, General Partner, Portfolio Manager

Mr. Bridge is a General Partner/Portfolio Manager and is responsible for marketing and client service. Prior to joining WEDGE in 1997, he was a Principal and Fixed Income Partner with Barrow, Hanley, Mewhinney & Strauss, Inc. in Dallas, Texas. He also served as a consultant to institutional investment managers while employed by SEI Corporation. Mr. Bridge received a Bachelor of Arts degree in Economics from the University of Arkansas and his Master of Business Administration from Southern Methodist University.

Caldwell Calame, Portfolio Manager/Client Service

Mr. Calame is responsible for portfolio management and client service. Prior to joining WEDGE in 2007, he was a Director and Institutional Relationship Manager at Columbia Management, the asset management group of Bank of America. Mr. Calame was formerly associated with Bank of America in multiple groups including Banc of America Capital Management and Banc of America Investor Services. He received his Bachelor of Arts degree in Psychology at The University of the South at Sewanee. He also received his Masters of Business Administration degree at Wake Forest University, the Babcock Graduate School of Management. Mr. Calame is a member of the CFA Institute and the CFA North Carolina Society.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

Gary S. Cotler, General Partner/Senior Equity Analyst

Mr. Cotler is a General Partner and is responsible for equity research on companies with market capitalizations between \$250 million and \$2.5 billion. Prior to joining WEDGE in 1997, Mr. Cotler was an associate in the Corporate Finance group at Hambros Bank in New York City. He received his Bachelor of Arts degree in Economics from Cornell University and his Master of Business Administration from the University of Chicago.

Michael Gardner, General Partner/ Director of Research

Mr. Gardner is a General Partner and is our Director of Equity Research, responsible for overseeing quantitative and qualitative analysis. He also has primary responsibility for our Quantitative Value Momentum (QVM) product. Prior to joining WEDGE in 1989, he was Senior Research Coordinator at Smith Barney in New York and a Securities Analyst with Shearson Lehman Hutton, also in New York. Mr. Gardner received his Bachelor of Arts degree in Mathematics from State University of New York at Binghamton and his Master of Business Administration in Finance from the University of Chicago.

R. Michael James, General Partner/Portfolio Manager

Mr. James is a General Partner/Portfolio Manager and is responsible for portfolio management and client service. Prior to forming WEDGE in 1984, Mr. James was Director of Fixed Income and Securities Trading at First Union National Bank in Charlotte, where he supervised all fixed income portfolios and managed the commingled fixed income funds. He formerly held senior investment and trust management positions with another North Carolina bank. Mr. James is a graduate of Louisiana State University's School of Banking of the South and received his Bachelor of Arts degree from Wofford College, and is a member of the North Carolina Society of Financial Analysts.

Monika M LaRiche, Equity Analyst

Ms. LaRiche is an Equity Analyst and is responsible for equity research and quantitative support involving companies with market capitalizations between \$40 million and \$2.5 billion. Prior to joining WEDGE in 2002, she was the Finance Manager at Nexel Polska, a consulting engineering company in Warsaw, Poland. Ms. LaRiche received her Bachelor of Arts degree in Finance from the Warsaw University, and her Master of Business Administration degree from the Weatherhead School of Management at Case Western Reserve University.

Leah Long, Executive Vice President/Portfolio Manager

Ms. Long is the Executive Vice President and is responsible for portfolio management and client service. Prior to joining WEDGE in 2005, she was a vice president and director of Institutional Investment Services at Bank of America in Charlotte, NC. She was formerly associated with CIGNA Retirement & Investment Services, Evergreen Investments, and Wachovia Corporation. Ms. Long received a Bachelor of Arts degree in Business Administration from Furman University and is a member of the CFA Institute and the CFA North Carolina Society.

John G Norman, General Partner/Portfolio Manager

Mr. Norman is a General Partner/Portfolio Manager and is part of the Portfolio Management / Client Service team. Prior to joining WEDGE in 2004, he was a Senior Vice President at Banc of America Capital Management. He was formerly associated with Brown Brothers Harriman, Wheat First Butcher Singer, and William M. Mercer Investment Consulting. Mr. Norman received his Bachelor of Business Administration & Finance from The College of William and Mary.

Sean O'Malley, Equity Analyst

Mr. O'Malley is an Equity Analyst and is responsible for equity research on companies with market capitalizations between \$250 million and \$2.5 billion. Prior to joining WEDGE in 2009, he was a Vice President at Morgan Stanley for its North America Hedged Value Fund, where he researched and traded equity and debt investments. He was formerly a management consultant at Marakon Associates in New York. Mr. O'Malley received his Bachelor of Science degree in Manufacturing Engineering from Worcester Polytechnic Institute and his Master of Business Administration from the MIT Sloan School of Management.

Martin L. Robinson, General Partner/Portfolio Manager

Mr. Robinson is a General Partner and has nineteen years of investment experience and is responsible for portfolio management and client service. Prior to joining WEDGE in 1996, he was a Vice President at Alex. Brown & Sons responsible for investment banking. He was formerly associated with PaineWebber Incorporated in New York. Mr. Robinson received his Bachelor of Science degree from the University of Tennessee - Knoxville and his Master of Business Administration from the University of North Carolina at Chapel Hill. He is a member of the CFA North Carolina Society and The CFA Institute.

Fresno County Employees' Retirement Association

Key Personnel

Period Ending: December 31, 2009

David Thompson, CFO/Portfolio Manager

Mr. Thompson is the Chief Financial Officer and is a retired General Partner of WEDGE. He is responsible for portfolio management, client service and the firm's finances. Prior to joining WEDGE in 1990, Mr. Thompson was responsible for institutional portfolio management for Sovran Bank's Central South region. He was formerly associated with Touche Ross & Company in Nashville, Tennessee. He received his Bachelor of Arts degree from David Lipscomb University and is a member of the CFA Institute North Carolina Society.

Brian Whisnant, Equity Analyst

Mr. Whisnant is an Equity Analyst and is responsible for equity research on companies with market capitalizations between \$250 million and \$2.5 billion. Prior to joining WEDGE in 2006, he was a Consultant with Accenture in Reston, Virginia, and interned in the equity research departments of Morgan Keegan and JRS Investments, both in Nashville. Mr. Whisnant received his Bachelor of Science degree in Systems Engineering from the University of Virginia and his Master of Business Administration degree from Vanderbilt University.

Darrin Witt, Senior Equity Analyst

Mr. Witt is responsible for equity research on companies with market capitalizations between \$250 million and \$2.5 billion. Prior to joining WEDGE in 2004, he was an equity research associate at Smith Barney and Fox-Pitt, Kelton in New York. He was formerly a consultant with Stern Stewart & Co., working out of its New York and Australia offices. Mr. Witt received his Bachelor of Science degree in Commerce with concentrations in Finance and Accounting from the University of Virginia's McIntire School of Commerce.