

Sacramento County Employees Retirement System

Performance Summary

Period Ending June 30, 2006

	Market Value	Annualized										
		Quarter		YTD		1 Year		3 Years		5 Years		Inception to Date
Total Fund	\$ 5,100.8	(0.7)%	46	4.2 %	46	12.1 %	44	13.0 %	62	7.2 %	55	9.7 %
Total Fund-Net	5,100.8	(0.8)	49	4.1	55	11.8	50	12.7	69	6.9	68	9.6
<i>Rank vs. Total Funds Billion Dollar - Public</i>												
<i>Total Funds Billion Dollar - Public Med</i>		<i>(0.8)</i>		<i>4.2</i>		<i>11.9</i>		<i>13.4</i>		<i>7.2</i>		<i>--</i>
<i>Benchmark</i>		<i>(0.3)</i>		<i>4.4</i>		<i>12.3</i>		<i>13.0</i>		<i>7.3</i>		<i>9.9</i>
<i>Benchmark (CURRENT)</i>		<i>(0.4)</i>		<i>4.4</i>		<i>12.2</i>		<i>--</i>		<i>--</i>		<i>--</i>
SSgA Overlay Impact (excluding Real Estate)												
Total Fund without SSgA Overlay	4,442.9	(1.6)		--		--		--		--		(0.2)
Total Fund with SSgA Overlay	4,442.9	(1.5)		--		--		--		--		(0.2)
Total Domestic Equity	1,790.5	(2.8)	82	2.8	86	8.7	94	12.7	91	3.8	87	11.3
Total Domestic Equity-Net	1,790.5	(2.8)	85	2.6	88	8.4	96	12.4	95	3.5	91	11.1
<i>Rank vs. US Equity Billion Dollar Segment - Public</i>												
<i>US Equity Billion Dollar Segment - Public Med</i>		<i>(2.2)</i>		<i>3.5</i>		<i>10.6</i>		<i>14.1</i>		<i>5.0</i>		<i>--</i>
<i>Russell 3000 Index</i>		<i>(2.0)</i>		<i>3.2</i>		<i>9.6</i>		<i>12.6</i>		<i>3.5</i>		<i>10.9</i>
Total Large Cap Domestic Equity	1,509.2	(1.9)	54	2.5	57	8.6	60	12.0	60	3.3	62	3.3
Total Large Cap Domestic Equity-Net	1,509.2	(2.0)	54	2.4	59	8.5	62	11.9	62	3.2	63	3.1
<i>Rank vs. Mercer US Equity Large Cap Equity Universe</i>												
<i> Mercer US Equity Large Cap Equity Universe Med</i>		<i>(1.7)</i>		<i>3.0</i>		<i>9.6</i>		<i>12.9</i>		<i>4.3</i>		<i>--</i>
<i>Russell 1000 Index</i>		<i>(1.7)</i>		<i>2.8</i>		<i>9.1</i>		<i>12.0</i>		<i>3.1</i>		<i>3.7</i>
All Cap Index												
AllianceBernstein L.P. Passive	1,015.0	(1.6)	48	2.8	53	9.0	56	12.0	60	3.3	62	11.1
AllianceBernstein L.P. Passive-Net	1,015.0	(1.6)	48	2.8	53	9.0	57	12.0	60	3.2	63	11.1
<i>Rank vs. Mercer US Equity Large Cap Equity Universe</i>												
<i> Mercer US Equity Large Cap Equity Universe Med</i>		<i>(1.7)</i>		<i>3.0</i>		<i>9.6</i>		<i>12.9</i>		<i>4.3</i>		<i>--</i>
<i>Benchmark</i>		<i>(1.7)</i>		<i>2.8</i>		<i>9.1</i>		<i>12.0</i>		<i>3.1</i>		<i>11.0</i>
Large Cap Growth												
Independence Inv. LLC	231.2	(4.7)	62	(1.6)	71	3.3	89	7.7	83	(0.8)	82	(0.0)
Independence Inv. LLC-Net	231.2	(4.7)	63	(1.6)	71	3.2	90	7.5	85	(1.1)	86	(0.2)
<i>Rank vs. Mercer US Equity Large Cap Growth Universe</i>												
<i> Mercer US Equity Large Cap Growth Universe Med</i>		<i>(4.1)</i>		<i>(0.4)</i>		<i>7.6</i>		<i>10.2</i>		<i>0.9</i>		<i>--</i>
<i>Russell 1000 Growth Index</i>		<i>(3.9)</i>		<i>(0.9)</i>		<i>6.1</i>		<i>8.3</i>		<i>(0.8)</i>		<i>0.5</i>

Sacramento County Employees Retirement System

Asset Summary
As of June 30, 2006

	<u>Total Market Value</u>	<u>% of Total Fund</u>		<u>% of Asset Class</u>	
Total Fund	\$ 5,083.8	100.0	%	100.0	%
Domestic Equity	1,790.5	35.2		100.0	
All Cap Index					
AllianceBernstein L.P. Passive	1,015.0	20.0		56.7	
Large Cap Growth					
Independence Inv. LLC	231.2	4.5		12.9	
Large Cap Value	263.0	5.2		14.7	
OFI Institutional	85.7	1.7		4.8	
LSV Asset Management Large Cap Value	93.1	1.8		5.2	
Pzena Investment Management	84.3	1.7		4.7	
Small Cap Growth	141.3	2.8		7.9	
State Street Global Advisors SSgA Russ 2000	61.9	1.2		3.5	
M.A. Weatherbie & Co., Inc.	79.5	1.6		4.4	
Small Cap Value	140.0	2.8		7.8	
Dalton Greiner Hartman Maher	71.3	1.4		4.0	
TCW Group	68.7	1.4		3.8	
International Equity	1,085.6	21.4		100.0	
INVESCO Global	267.7	5.3		24.7	
Capital Guardian Trust Company International Equity	294.1	5.8		27.1	
LSV Asset Management International Equity	274.7	5.4		25.3	
AXA Rosenberg Inv. Mgmt. LLC	65.8	1.3		6.1	
Capital Guardian Trust Company Emerging Markets Growth	183.4	3.6		16.9	
Fixed Income	\$ 1,080.3	21.3	%	100.0	%
Lehman Brothers Asset Mgmt Passive	361.7	7.1		33.5	
Metropolitan West Asset Mgmt	359.5	7.1		33.3	
Bradford & Marzec, Inc.	359.1	7.1		33.2	

All dollars in millions, numbers may not add due to rounding

Sacramento County Employees Retirement System

Asset Summary
As of June 30, 2006

	<u>Total Market Value</u>	<u>% of Total Fund</u>		<u>% of Asset Class</u>	
Hedge Fund	\$ 236.2	4.6	%	100.0	%
Blackstone Alternative Asset	123.5	2.4		52.3	
Grosvenor Capital Mgmt.	112.7	2.2		47.7	
Total Real Estate	640.9	12.6		100.0	
Separate Account Portfolios	439.0	8.6		68.5	
BlackRock Realty Leveraged	231.5	4.6		36.1	
BlackRock Realty Portfolio II Leveraged	91.3	1.8		14.2	
Cornerstone Real Est Adv Leveraged	116.3	2.3		18.1	
REITS	73.2	1.4		11.4	
Principal Global Investors	36.9	0.7		5.8	
Urdang Investment Mgmt. Inc.	36.4	0.7		5.7	
Ltd. Partnerships	128.7	2.5		20.1	
BlackRock Realty Tower Leveraged	62.1	1.2		9.7	
Cornerstone Real Est Adv Open-end Fund Leveraged	66.4	1.3		10.4	
Heitman Capital Mgmt Corp V	0.0	0.0		0.0	
JMB Group V	0.2	0.0		0.0	
Cash	250.3	4.9		100.0	
Total Cash	250.3	4.9		100.0	
Cash Account Transition	0.0	0.0		0.0	

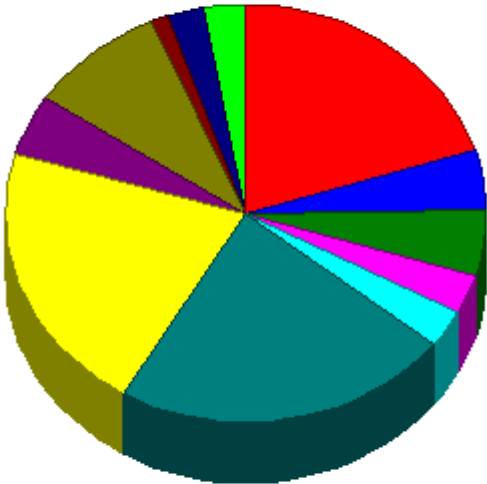
All dollars in millions, numbers may not add due to rounding

Sacramento County Employees Retirement System

Asset Allocation
As of June 30, 2006

Prior Asset Allocation - March 31, 2006

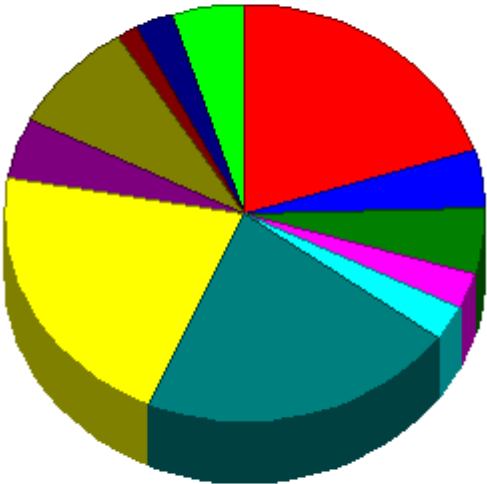
■ All Cap Index	20.0 %
■ Large Cap Growth	4.7 %
■ Large Cap Value	5.2 %
■ Small Cap Growth	2.9 %
■ Small Cap Value	2.9 %
■ International Equity	22.8 %
■ Fixed Income	21.2 %
■ Hedge Fund	4.7 %
■ Separate Account Portfolios	9.3 %
■ REITS	1.1 %
■ Ltd. Partnerships	2.4 %
■ Cash	2.9 %



**Total Market Value
\$ 5,177,689,107**

Current Asset Allocation - June 30, 2006

■ All Cap Index	20.0 %
■ Large Cap Growth	4.5 %
■ Large Cap Value	5.2 %
■ Small Cap Growth	2.8 %
■ Small Cap Value	2.8 %
■ International Equity	21.4 %
■ Fixed Income	21.3 %
■ Hedge Fund	4.6 %
■ Separate Account Portfolios	8.6 %
■ REITS	1.4 %
■ Ltd. Partnerships	2.5 %
■ Cash	4.9 %



**Total Market Value
\$ 5,083,813,277**

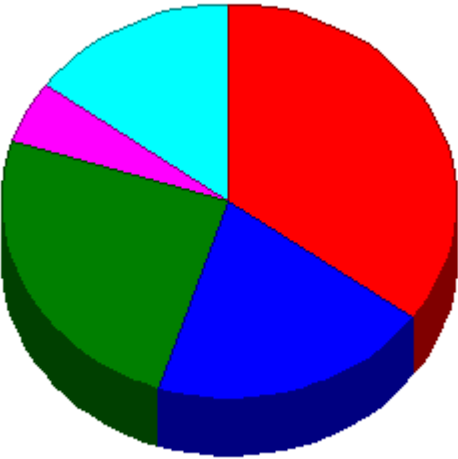
Sacramento County Employees Retirement System

Asset Allocation
As of June 30, 2006

Policy

Actual

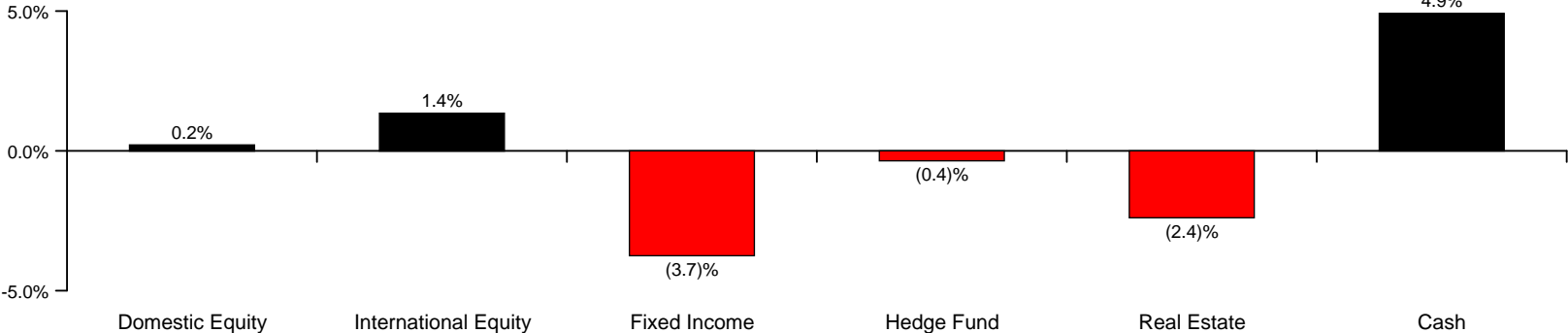
- Domestic Equity 35.0 %
- International Equity 20.0 %
- Fixed Income 25.0 %
- Hedge Fund 5.0 %
- Real Estate 15.0 %



- Domestic Equity 35.2 %
- International Equity 21.4 %
- Fixed Income 21.3 %
- Hedge Fund 4.6 %
- Real Estate 12.6 %
- Cash 4.9 %

**Total Market Value
\$ 5,083,813,277**

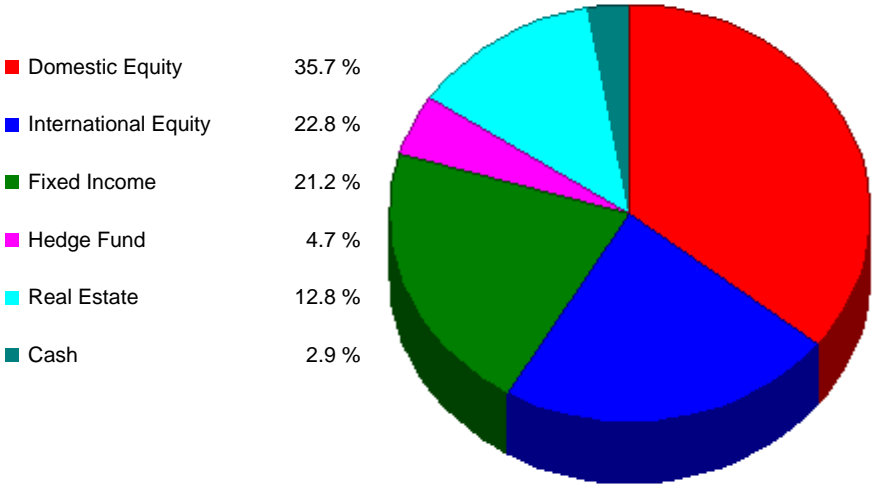
Asset Allocation vs. Policy



Numbers may not add due to rounding

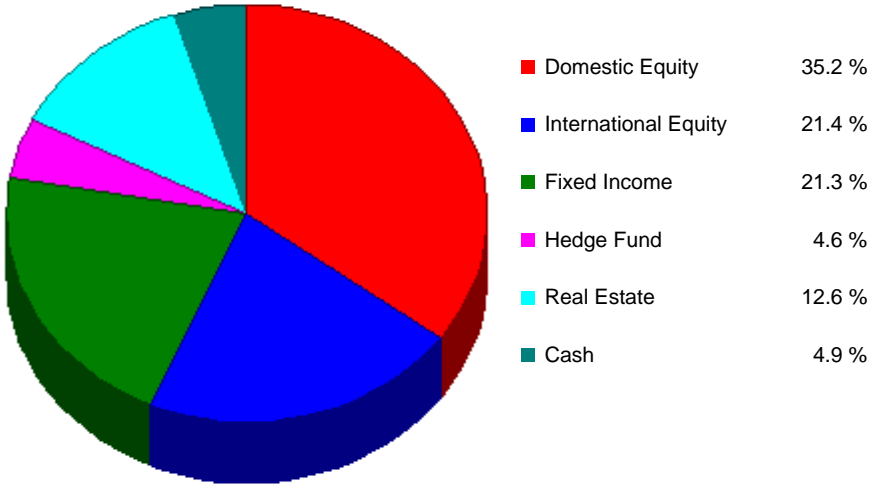
Sacramento County Employees Retirement System
 Asset Allocation
 As of June 30, 2006

Prior Asset Allocation - March 31, 2006



**Total Market Value
 \$ 5,177,689,107**

Current Asset Allocation - June 30, 2006



**Total Market Value
 \$ 5,083,813,277**

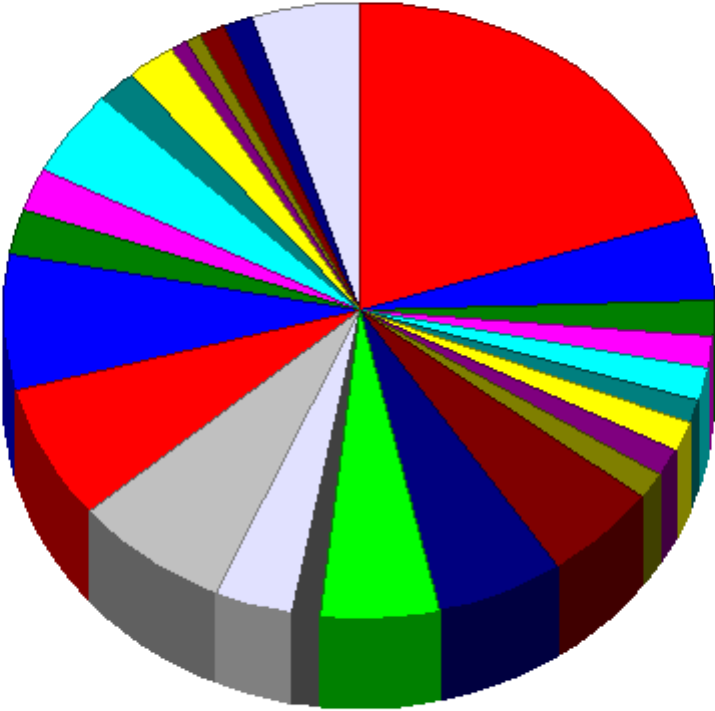
Sacramento County Employees Retirement System

Asset Allocation
As of June 30, 2006

Actual

■ AllianceBernstein L.P. Passive	20.0%
■ Independence Inv. LLC	4.5%
■ LSV Asset Management Large Cap Value	1.8%
■ Pzena Investment Management	1.7%
■ OFI Institutional	1.7%
■ State Street Global Advisors SSgA Russ 2000	1.2%
■ M.A. Weatherbie & Co., Inc.	1.6%
■ Dalton Greiner Hartman Maher	1.4%
■ TCW Group	1.4%
■ INVESCO Global	5.3%
■ Capital Guardian Trust Company International Equity	5.8%
■ LSV Asset Management International Equity	5.4%
■ AXA Rosenberg Inv. Mgmt. LLC	1.3%
■ Capital Guardian Trust Company Emerging Markets Growth	3.6%
■ Lehman Brothers Asset Mgmt Passive	7.1%
■ Metropolitan West Asset Mgmt	7.1%

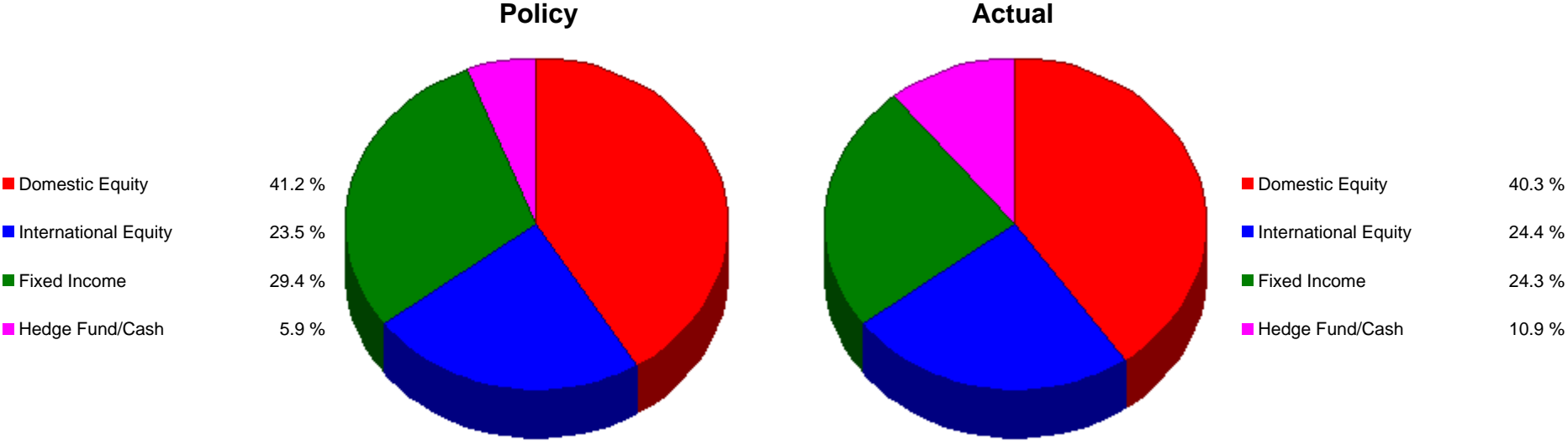
■ Bradford & Marzec, Inc.	7.1%
■ Blackstone Alternative Asset	2.4%
■ Grosvenor Capital Mgmt.	2.2%
■ BlackRock Realty Leveraged	4.6%
■ BlackRock Realty Portfolio II Leveraged	1.8%
■ Cornerstone Real Est Adv Leveraged	2.3%
■ Principal Global Investors	0.7%
■ Urdang Investment Mgmt. Inc.	0.7%
■ BlackRock Realty Tower Leveraged	1.2%
■ Cornerstone Real Est Adv Open-end Fund Leveraged	1.3%
■ Heitman Capital Mgmt Corp V	0.0%
■ JMB Group V	0.0%
■ Total Cash	4.9%
■ Cash Account Transition	0.0%



**Total Market Value
\$ 5,083,813,277**

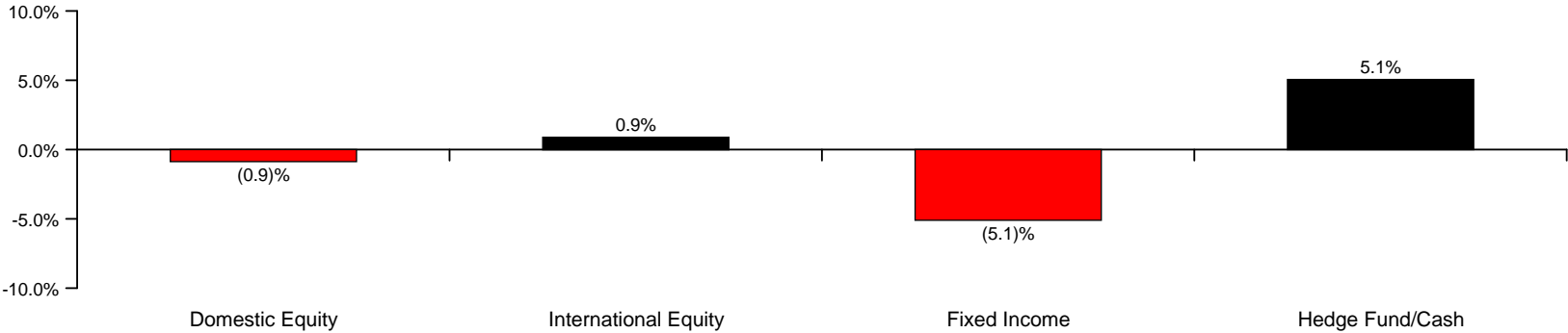
Numbers may not add due to rounding

Sacramento County Employees Retirement System
 Excluding SSgA Overlay (Real Estate not included)
 Asset Allocation
 As of June 30, 2006



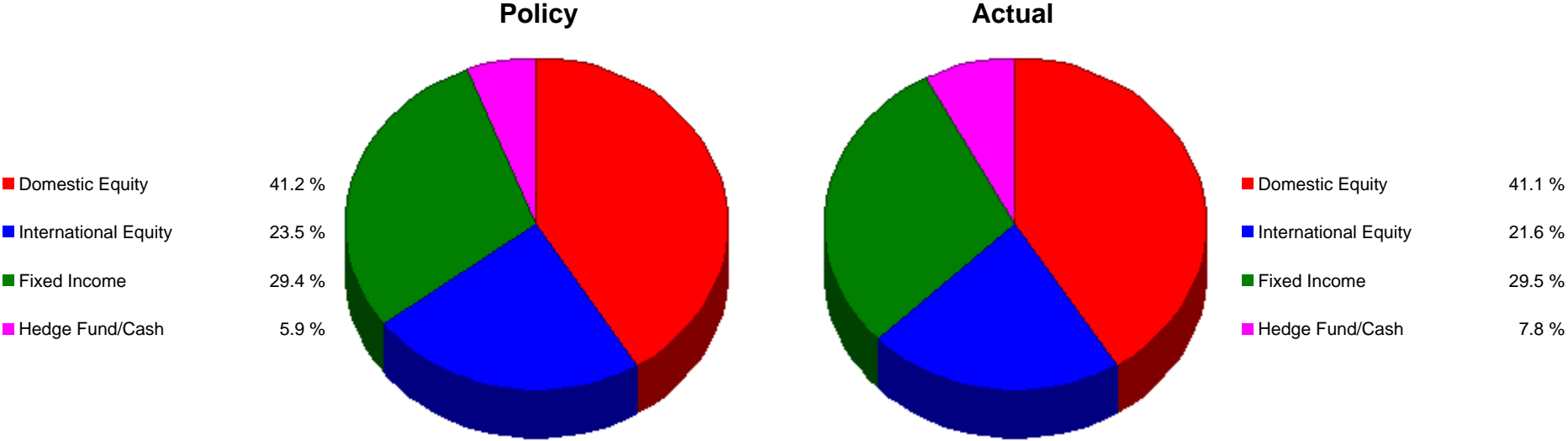
Total Market Value
\$ 4,442,867,720

Asset Allocation vs. Policy



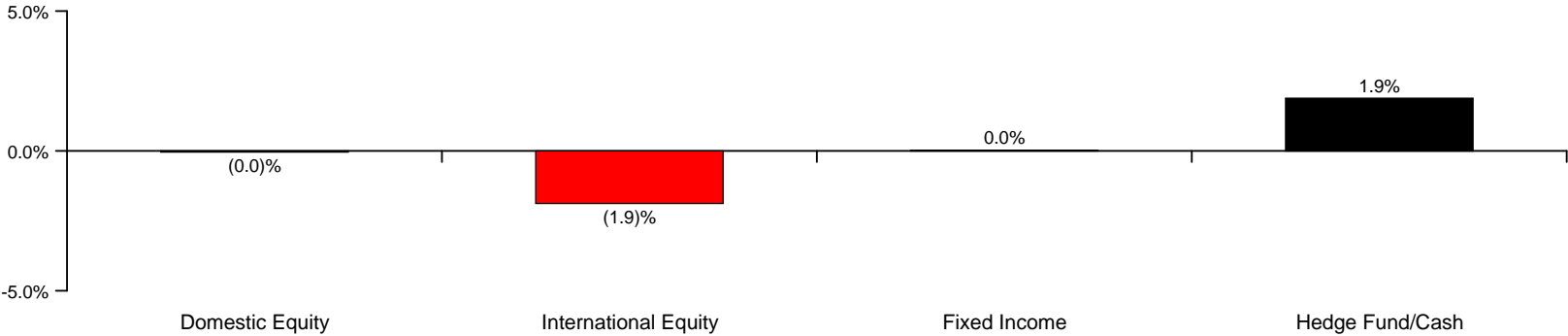
Numbers may not add due to rounding

Sacramento County Employees Retirement System
 Including SSgA Overlay (Real Estate not included)
 Asset Allocation
 As of June 30, 2006



Total Market Value
\$ 4,442,867,720

Asset Allocation vs. Policy



Numbers may not add due to rounding

Sacramento County Employees' Retirement System
Financial Reconciliation
Quarter Ending June 30, 2006

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
AllianceBernstein L.P. Passive	1,036,679,501	(4,859,399)	4,875,667	(21,729,599)	(16,853,932)	1,014,966,170
Independence Inv. LLC	243,309,067	(733,623)	751,729	(12,132,838)	(11,381,109)	231,194,335
LSV Asset Management Large Cap Value	91,701,200	(729,863)	556,577	1,588,207	2,144,784	93,116,120
Pzena Investment Management	88,408,937	(929,061)	468,643	(3,693,394)	(3,224,750)	84,255,127
OFI Institutional	86,804,883	(471,816)	468,479	(1,132,630)	(664,151)	85,668,916
State Street Global Advisors	--	67,223,160	--	(5,369,165)	(5,369,165)	61,853,995
Bank of New York	66,130,459	(66,143,473)	27,314	(14,300)	13,015	--
M.A. Weatherbie & Co., Inc.	86,110,808	(312,661)	113,188	(6,438,978)	(6,325,789)	79,472,358
Dalton Greiner Hartman Maher	77,481,539	(383,390)	294,586	(6,122,077)	(5,827,490)	71,270,659
TCW Group	73,539,990	(315,206)	221,537	(4,723,170)	(4,501,633)	68,723,151
INVESCO Global	267,225,844	(3,935,981)	3,557,152	822,007	4,379,159	267,669,022
Capital Guardian Trust Company International Equity	298,588,750	(2,383,825)	3,171,741	(5,308,264)	(2,136,523)	294,068,402
Bank of Ireland Asset Mgmt Ltd	2,752	(398)	2	(624)	(622)	1,733
LSV Asset Management International Equity	276,606,189	(4,397,994)	4,541,655	(2,031,805)	2,509,850	274,718,045
AXA Rosenberg Inv. Mgmt. LLC	67,297,880	(716,442)	734,188	(1,534,555)	(800,367)	65,781,072
Capital Guardian Trust Company Emerging Mkt Growth	269,680,343	(70,384,301)	--	(15,916,047)	(15,916,047)	183,379,994
Lehman Brothers Asset Mgmt Passive	366,617,888	(4,585,418)	3,986,992	(4,309,187)	(322,195)	361,710,275
Metropolitan West Asset Mgmt	363,569,927	(5,269,432)	6,019,526	(4,829,942)	1,189,584	359,490,079
Bradford & Marzec, Inc.	365,091,894	(5,196,187)	5,090,025	(5,872,231)	(782,206)	359,113,501
Bradford & Marzec, Inc.	133,053	(133,563)	1,017	(507)	510	--

Sacramento County Employees' Retirement System
Financial Reconciliation
Quarter Ending June 30, 2006

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
Blackstone Alternative Asset	127,556,958	(617,732)	--	(3,477,778)	(3,477,778)	123,461,448
Grosvenor Capital Mgmt.	114,769,300	(253,980)	--	(1,821,720)	(1,821,720)	112,693,600
BlackRock Realty Leveraged	283,947,689	--	--	(52,483,350)	(52,483,350)	231,464,339
BlackRock Realty Port. II Leveraged	88,780,000	--	--	2,500,000	2,500,000	91,280,000
Cornerstone Real Est Adv Leveraged	106,305,724	--	--	9,988,410	9,988,410	116,294,134
Principal Global Investors	29,292,098	7,485,628	239,883	(145,051)	94,833	36,872,558
Urdang Investment Mgmt. Inc.	29,069,728	7,485,879	252,387	(431,408)	(179,020)	36,376,587
BlackRock Realty Tower Lev.	60,051,372	--	--	2,002,988	2,002,988	62,054,360
Cornerstone Real Est Adv Open-End Fund Lev.	64,397,326	--	--	2,046,523	2,046,523	66,443,849
Heitman Capital Mgmt Corp V	9,245	--	--	(61)	(61)	9,184
JMB Group V	150,174	--	--	372	372	150,546
Cash Account	148,373,912	99,910,976	1,513,021	456,837	1,969,858	250,254,747
Cash Account Transition	4,678	(53)	628	(280)	348	4,973
Total	\$5,177,689,107	\$9,351,845	\$36,885,939	(\$140,113,615)	(\$103,227,675)	\$5,083,813,277