

## Sacramento County Employees Retirement System

Asset Summary  
As of September 30, 2007

	<u>Total Market Value</u>	<u>% of Total Fund</u>		<u>% of Asset Class</u>	
<b>Total Fund</b>	\$ <b>6,258.2</b>	<b>100.0</b>	%	<b>100.0</b>	%
<b>Domestic Equity</b>	<b>2,159.4</b>	<b>34.5</b>		<b>100.0</b>	
<b>All Cap Index</b>					
AllianceBernstein L.P. Passive	1,253.0	20.0		58.0	
<b>Large Cap Growth</b>	<b>289.6</b>	<b>4.6</b>		<b>13.4</b>	
Independence Inv. LLC	148.6	2.4		6.9	
INTECH	141.0	2.3		6.5	
<b>Large Cap Value</b>	<b>303.3</b>	<b>4.8</b>		<b>14.0</b>	
OFI Institutional	98.3	1.6		4.6	
LSV Asset Management Large Cap Value	109.5	1.8		5.1	
Pzena Investment Management	95.5	1.5		4.4	
<b>Small Cap Growth</b>	<b>157.0</b>	<b>2.5</b>		<b>7.3</b>	
Bear Stearns Asset Mgmt.	62.2	1.0		2.9	
M.A. Weatherbie & Co., Inc.	94.8	1.5		4.4	
<b>Small Cap Value</b>	<b>156.5</b>	<b>2.5</b>		<b>7.2</b>	
Dalton Greiner Hartman Maher	82.5	1.3		3.8	
TCW Group	74.1	1.2		3.4	
<b>International Equity</b>	<b>1,309.9</b>	<b>20.9</b>		<b>100.0</b>	
INVESCO Global	278.0	4.4		21.2	
Capital Guardian Trust Company International Equity	311.6	5.0		23.8	
LSV Asset Management International Equity	286.0	4.6		21.8	
AXA Rosenberg Inv. Mgmt. LLC	58.4	0.9		4.5	
Capital Guardian Trust Company Emerging Markets Growth	375.9	6.0		28.7	

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

## Sacramento County Employees Retirement System

### Asset Summary

As of September 30, 2007

	Total Market Value	% of Total Fund		% of Asset Class	
<b>Fixed Income</b>	<b>\$ 1,323.5</b>	<b>21.1</b>	%	<b>100.0</b>	%
Lehman Brothers Asset Mgmt Passive	442.1	7.1		33.4	
Metropolitan West Capital Mgmt	442.6	7.1		33.4	
Bradford & Marzec, Inc.	438.8	7.0		33.2	
<b>Hedge Fund</b>	<b>307.4</b>	<b>4.9</b>		<b>100.0</b>	
Blackstone Alternative Asset	153.6	2.5		50.0	
Grosvenor Capital Mgmt.	153.8	2.5		50.0	
<b>Total Real Estate</b>	<b>748.4</b>	<b>12.0</b>		<b>100.0</b>	
<b>Separate Account Portfolios</b>	<b>485.0</b>	<b>7.7</b>		<b>64.8</b>	
BlackRock Realty Leveraged	206.0	3.3		27.5	
BlackRock Realty Portfolio II Leveraged	102.9	1.6		13.7	
Cornerstone Real Est Adv Leveraged	158.4	2.5		21.2	
UBS Realty Inv LLC	5.8	0.1		0.8	
AEW Capital Management, LP	4.9	0.1		0.7	
Hines Real Estsat Invtmt	7.0	0.1		0.9	
<b>REITS</b>	<b>113.9</b>	<b>1.8</b>		<b>15.2</b>	
Principal Global Investors	55.9	0.9		7.5	
Urdang Investment Mgmt. Inc.	58.0	0.9		7.8	
<b>Ltd. Partnerships</b>	<b>149.5</b>	<b>2.4</b>		<b>20.0</b>	
BlackRock Realty Granite Property Fund	71.2	1.1		9.5	
Cornerstone Real Est Adv Open-end Fund Leveraged	78.3	1.3		10.5	
JMB Group V	0.0	0.0		0.0	
<b>Cash/Cash Overlay</b>	<b>409.6</b>	<b>6.5</b>		<b>100.0</b>	
Total Cash	364.0	5.8		88.9	
Cash Account Transition	0.0	0.0		0.0	
State Street Global Advisors Futures Overlay	45.6	0.7		11.1	

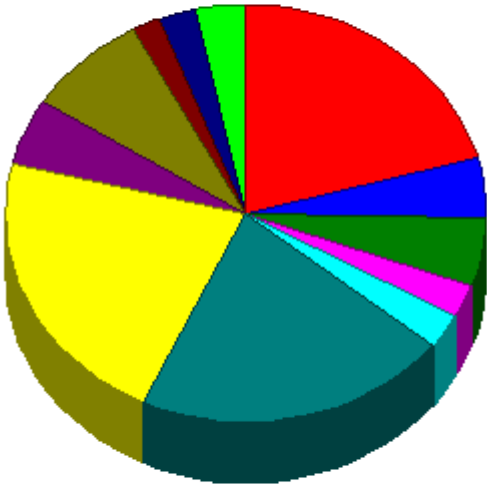
All dollars in millions, numbers may not add due to rounding

**Sacramento County Employees Retirement System**

Asset Allocation  
As of September 30, 2007

**Prior Asset Allocation - June 30, 2007**

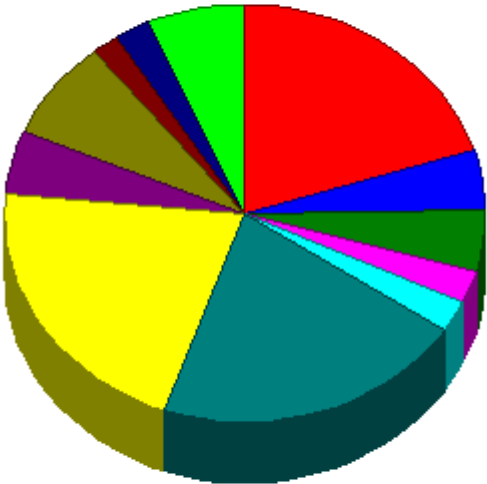
■ All Cap Index	20.6 %
■ Large Cap Growth	4.7 %
■ Large Cap Value	5.3 %
■ Small Cap Growth	2.6 %
■ Small Cap Value	2.7 %
■ International Equity	21.2 %
■ Fixed Income	21.8 %
■ Hedge Fund	5.2 %
■ Separate Account Portfolios	8.2 %
■ REITS	1.8 %
■ Ltd. Partnerships	2.4 %
■ Cash/Cash Overlay	3.4 %



**Total Market Value  
\$ 5,987,069,937**

**Current Asset Allocation - September 30, 2007**

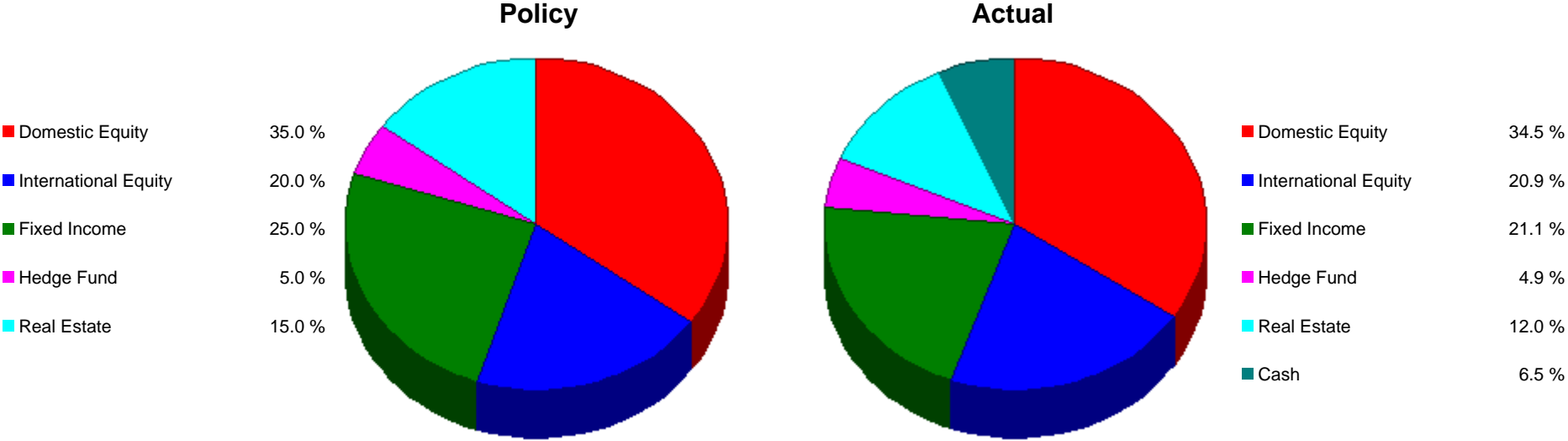
■ All Cap Index	20.0 %
■ Large Cap Growth	4.6 %
■ Large Cap Value	4.8 %
■ Small Cap Growth	2.5 %
■ Small Cap Value	2.5 %
■ International Equity	20.9 %
■ Fixed Income	21.1 %
■ Hedge Fund	4.9 %
■ Separate Account Portfolios	7.7 %
■ REITS	1.8 %
■ Ltd. Partnerships	2.4 %
■ Cash/Cash Overlay	6.5 %



**Total Market Value  
\$ 6,258,228,622**

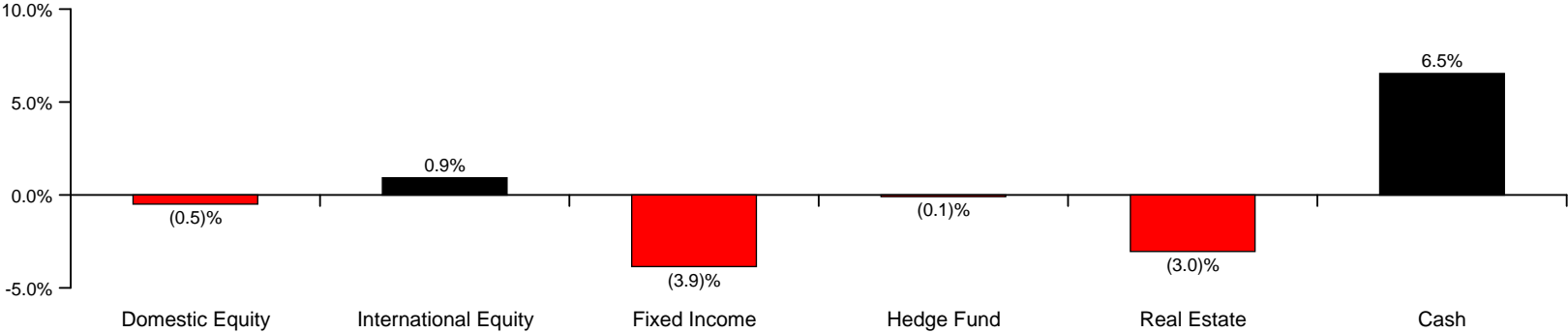
**Sacramento County Employees Retirement System**

Asset Allocation  
As of September 30, 2007



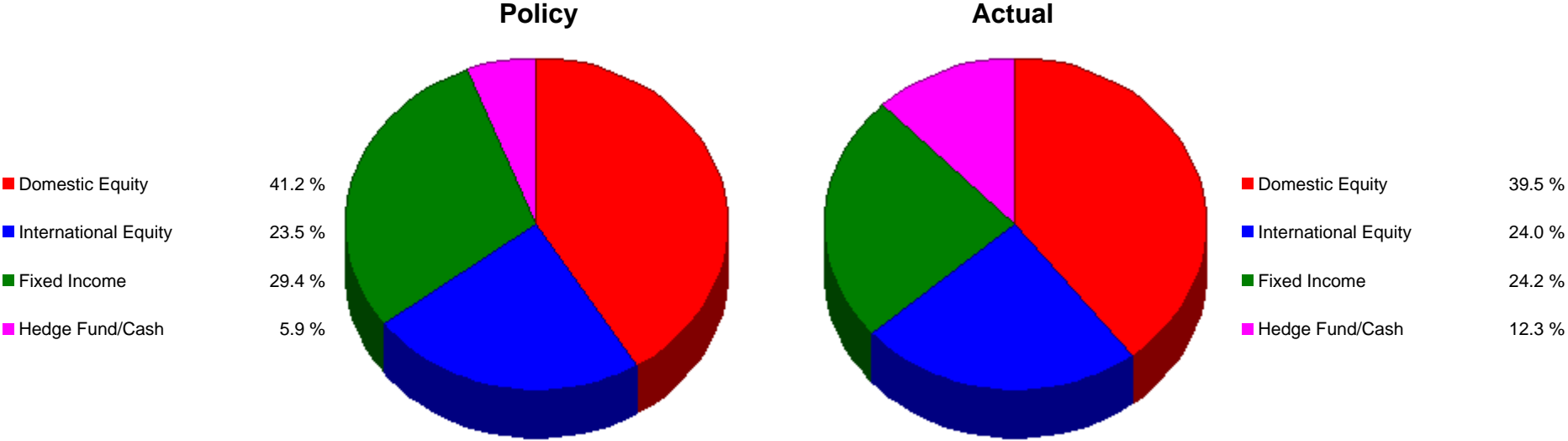
**Total Market Value  
\$ 6,258,228,622**

**Asset Allocation vs. Policy**



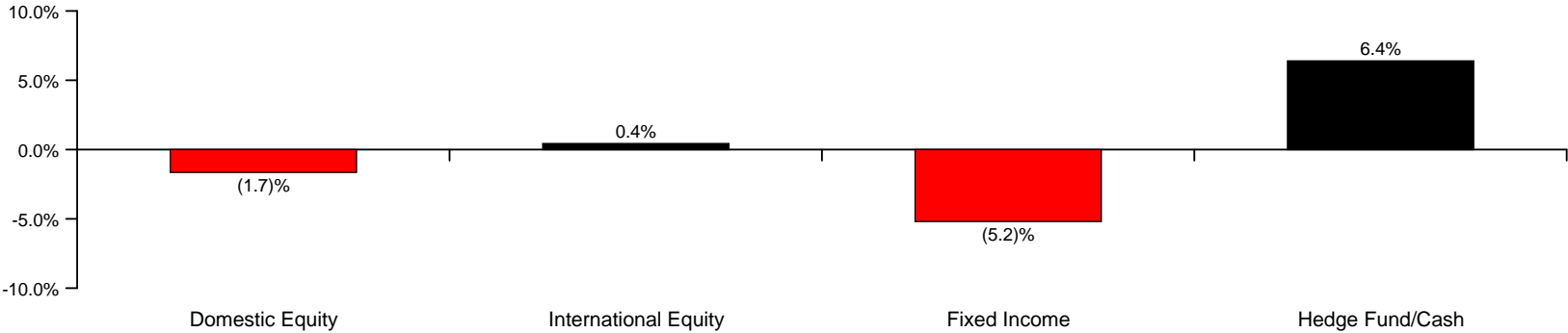
Numbers may not add due to rounding

**Sacramento County Employees Retirement System**  
 Excluding SSgA Overlay (Real Estate not included)  
 Asset Allocation  
 As of September 30, 2007



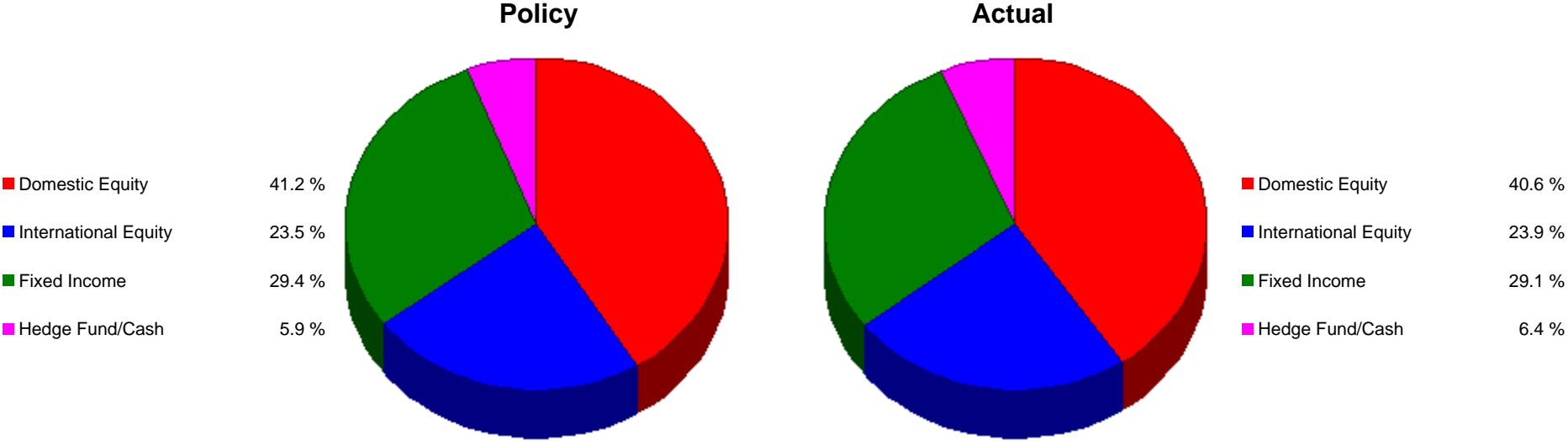
**Total Market Value**  
**\$ 5,464,259,869**

**Asset Allocation vs. Policy**



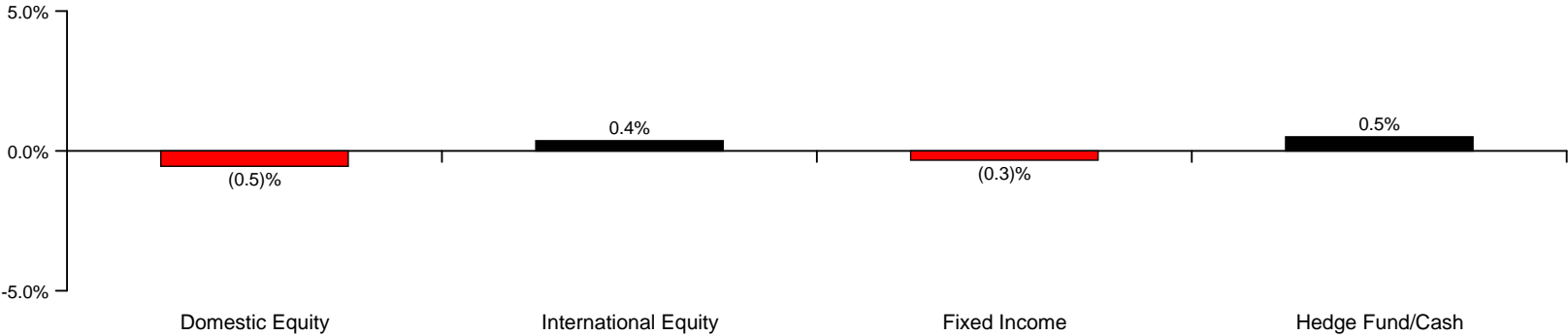
Numbers may not add due to rounding

**Sacramento County Employees Retirement System**  
 Including SSgA Overlay (Real Estate not included)  
 Asset Allocation  
 As of September 30, 2007



**Total Market Value**  
**\$ 5,509,843,654**

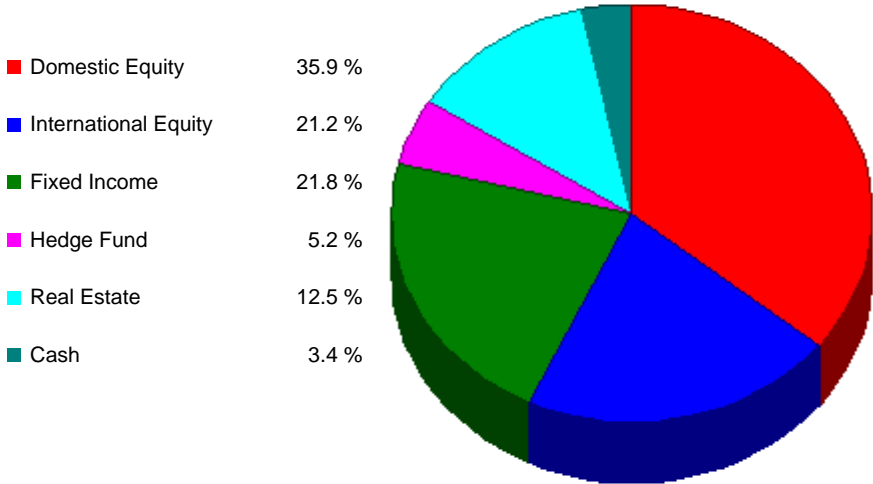
**Asset Allocation vs. Policy**



Numbers may not add due to rounding

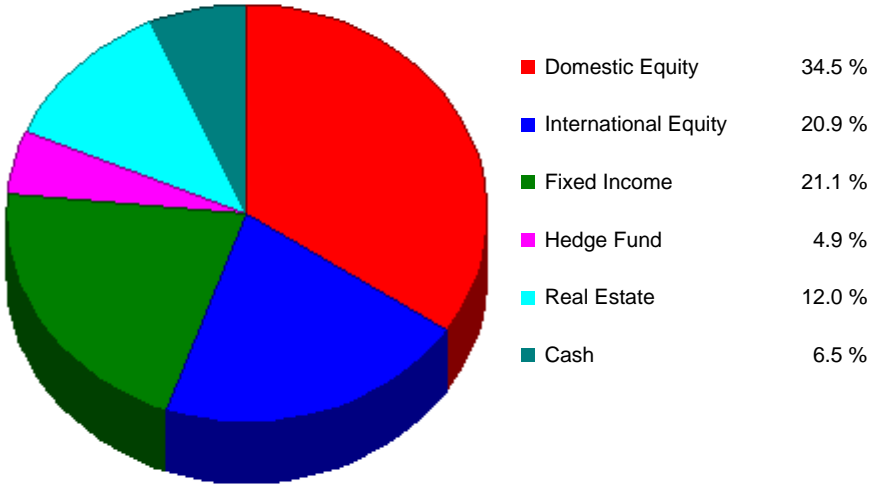
**Sacramento County Employees Retirement System**  
 Asset Allocation  
 As of September 30, 2007

**Prior Asset Allocation - June 30, 2007**



**Total Market Value  
 \$ 5,987,069,937**

**Current Asset Allocation - September 30, 2007**



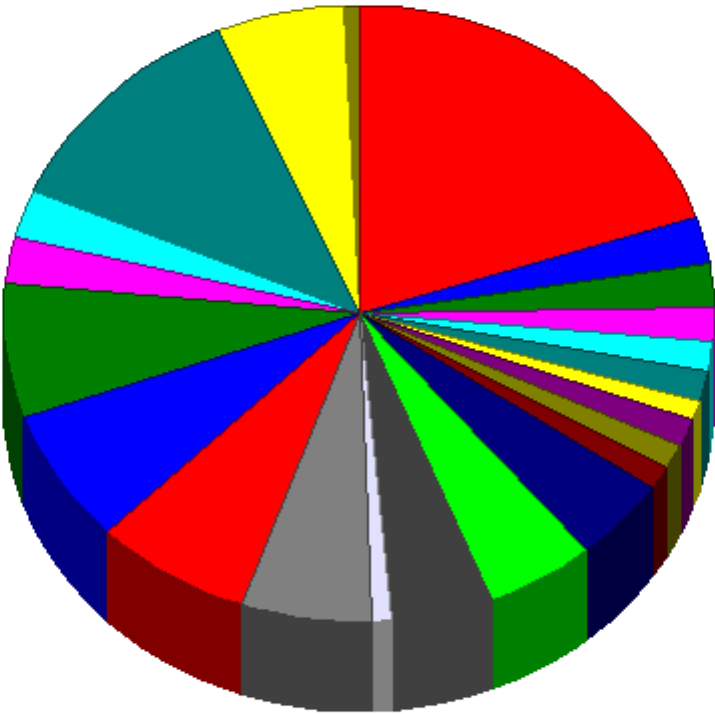
**Total Market Value  
 \$ 6,258,228,622**

**Sacramento County Employees Retirement System**  
 Asset Allocation  
 As of September 30, 2007

**Actual**

■ AllianceBernstein L.P. Passive	20.0%
■ Independence Inv. LLC	2.4%
■ INTECH	2.3%
■ LSV Asset Management Large Cap Value	1.8%
■ Pzena Investment Management	1.5%
■ OFI Institutional	1.6%
■ Bear Stearns Asset Mgmt.	1.0%
■ M.A. Weatherbie & Co., Inc.	1.5%
■ Dalton Greiner Hartman Maher	1.3%
■ TCW Group	1.2%
■ INVESCO Global	4.4%
■ Capital Guardian Trust Company International Equity	5.0%
■ LSV Asset Management International Equity	4.6%
■ AXA Rosenberg Inv. Mgmt. LLC	0.9%
■ Capital Guardian Trust Company Emerging Markets Growth	6.0%
■ Lehman Brothers Asset Mgmt Passive	7.1%
■ Metropolitan West Capital Mgmt	7.1%

■ Bradford & Marzec, Inc.	7.0%
■ Blackstone Alternative Asset	2.5%
■ Grosvenor Capital Mgmt.	2.5%
■ Total Real Estate	12.0%
■ Total Cash	5.8%
■ Cash Account Transition	0.0%
■ State Street Global Advisors Futures Overlay	0.7%



**Total Market Value**  
**\$ 6,258,228,622**

Numbers may not add due to rounding



**Sacramento County Employees' Retirement System**  
Financial Reconciliation  
Quarter Ending September 30, 2007

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
AllianceBernstein L.P. Passive	1,233,958,475	(5,538,180)	62,099	24,525,976	24,588,074	1,253,008,370
Independence Inv. LLC	144,330,141	(451,621)	386,560	4,335,905	4,722,465	148,600,985
INTECH	136,193,446	(164,463)	12,461	4,923,358	4,935,820	140,964,803
LSV Asset Management Large Cap Value	112,126,622	(1,102,736)	660,282	(2,151,329)	(1,491,047)	109,532,839
Pzena Investment Management	102,390,614	(638,377)	596,211	(6,855,339)	(6,259,129)	95,493,108
OFI Institutional	101,258,490	(630,659)	557,263	(2,928,090)	(2,370,827)	98,257,004
Bear Stearns Asset Mgmt.	64,556,840	(56,605)	59,452	(2,365,164)	(2,305,711)	62,194,524
M.A. Weatherbie & Co., Inc.	89,299,893	(431,719)	242,664	5,673,977	5,916,641	94,784,814
Dalton Greiner Hartman Maher	81,774,087	(508,851)	382,864	805,575	1,188,439	82,453,675
TCW Group	81,733,604	(235,313)	127,744	(7,545,028)	(7,417,283)	74,081,007
INVESCO Global	276,480,875	(2,763,027)	43,295	4,258,226	4,301,521	278,019,369
Capital Guardian Trust Company International Equity	305,177,093	(1,984,148)	69,121	8,385,601	8,454,723	311,647,667
Bank of Ireland Asset Mgmt Ltd	1,830	--	--	97	97	1,927
LSV Asset Management International Equity	291,956,582	(3,135,047)	15,619	(2,839,626)	(2,824,007)	285,997,529
AXA Rosenberg Inv. Mgmt. LLC	60,558,265	(455,120)	2,489	(1,750,345)	(1,747,856)	58,355,289
Capital Guardian Trust Company Emerging Mkt Growth	336,042,425	(511,625)	--	40,394,451	40,394,451	375,925,251
Lehman Brothers Asset Mgmt Passive	435,872,482	(5,799,270)	159,783	11,910,762	12,070,546	442,143,758
Metropolitan West Capital Mgmt	435,685,472	(5,168,607)	5,626,655	6,478,081	12,104,736	442,621,600
Bradford & Marzec, Inc.	433,640,821	(6,279,725)	128,675	11,268,009	11,396,685	438,757,781
Blackstone Alternative Asset	153,461,276	--	--	152,101	152,101	153,613,377

**Sacramento County Employees' Retirement System**  
 Financial Reconciliation  
 Quarter Ending September 30, 2007

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
Grosvenor Capital Mgmt.	155,211,360	--	--	(1,379,400)	(1,379,400)	153,831,960
BlackRock Realty Leveraged	229,141,874	(11,321,818)	--	(24,310,685)	(24,310,685)	205,973,791
BlackRock Realty Port. II Leveraged	99,280,000	63,995	--	1,036,005	1,036,005	102,880,000
Cornerstone Real Est Adv Leveraged	158,297,669	502,671	--	43,657	43,657	158,430,672
UBS Realty Inv LLC	4,120,056	1,529,013	16,604	129,422	146,026	5,795,095
AEW Capital Management, LP	2,880,184	2,035,330	--	(27,414)	(27,414)	4,888,100
Hines Real Estsat Invtmt	--	7,005,722	--	--	--	7,005,722
Principal Global Investors	54,179,575	(97,872)	455,045	1,332,011	1,787,055	55,868,758
Urdang Investment Mgmt. Inc.	55,602,293	(49,133)	479,894	2,000,322	2,480,216	58,033,376
BlackRock Realty Granite Prop Fund <sup>1</sup>	69,439,458	--	--	1,772,036	1,772,036	71,211,494
Cornerstone Real Est Adv Open-End Fund Lev.	76,547,932	254,224	--	1,466,409	1,466,409	78,268,544
JMB Group V	35,035	(7,802)	2,183	--	2,183	29,416
Cash Account	175,563,523	185,137,856	2,925,362	346,492	3,271,854	363,973,233
Cash Account Transition	61	--	--	(61)	(61)	--
State Street Global Advisors Futures Overlay	30,271,584	--	--	15,312,201	15,312,201	45,583,785
<b>Total</b>	<b>\$5,987,069,937</b>	<b>\$149,197,093</b>	<b>\$13,012,325</b>	<b>\$94,398,192</b>	<b>\$107,410,517</b>	<b>\$6,258,228,622</b>

<sup>1</sup>Data is unavailable from the investment manager. Capital gains/loss number shown is just the difference between ending and beginning market values.

Notes:

For real estate leveraged portfolios "capital expenditures" and "acquisition/disposition" are listed under the "net cash flow" column, and "unrealized appreciation/depreciation" is listed under the "capital gains/loss" column.

Starting with the second quarter of 2006, real estate leveraged assets are used in the Total Fund assets. Prior to this quarter, real estate unleveraged assets were used. The ending market values were adjusted by the difference between the current quarter mortgage notes payable and the prior quarter mortgage notes payable as shown below:

	Mortgage Notes Payable		
	Prior Quarter	Current Quarter	Difference
BlackRock Lev	119,481,410	107,016,990	(12,464,420)
BlackRock II Lev	19,920,000	17,420,000	(2,500,000)
Cornerstone Lev	58,427,234	58,840,559	413,325
Cornerstone Open-end Lev	15,235,879	15,235,900	22

Numbers may not add due to rounding

## Sacramento County Employees Retirement System

### Performance Summary

Period Ending September 30, 2007

	Market Value	Annualized										
		Quarter		YTD		1 Year		3 Years		5 Years		Inception to Date
<b>Total Fund</b>	\$ 6,258.2	2.0 %	79	9.5 %	60	15.9 %	57	14.2 %	55	15.0 %	66	10.1 %
<b>Total Fund-Net</b>	6,258.2	1.9		9.3		15.6		13.9		14.7		9.9
<i>Rank vs. Total Funds Billion Dollar - Public</i>												
<i>Total Funds Billion Dollar - Public Med</i>		2.5		10.0		16.3		14.6		15.3		--
<i>Benchmark</i>		3.0		9.5		16.2		14.3		15.0		10.3
<i>Benchmark (CURRENT)</i>		3.1		9.8		16.7		--		--		--
<b>SSgA Overlay Impact (excluding Real Estate)</b>												
<i>Total Fund without SSgA Overlay</i>	5,464.3	2.1		9.4		15.9		--		--		12.7
<i>Total Fund with SSgA Overlay</i>	5,509.8	2.3		9.2		15.8		--		--		12.6
<b>Total Domestic Equity</b>	2,159.4	1.0	37	8.4	70	15.6	72	13.3	86	15.8	85	11.5
<b>Total Domestic Equity-Net</b>	2,159.4	1.0		8.2		15.3		13.1		15.5		11.4
<i>Rank vs. US Equity Billion Dollar Segment - Public</i>												
<i>US Equity Billion Dollar Segment - Public Med</i>		0.9		8.8		16.4		14.1		16.8		--
<i>Russell 3000 Index</i>		1.5		8.8		16.5		13.7		16.2		11.2
<b>Total Large Cap Domestic Equity</b>	1,845.9	1.3	58	8.6	62	15.9	64	13.7	61	15.6	64	5.0
<b>Total Large Cap Domestic Equity-Net</b>	1,845.9	1.3		8.5		15.7		13.6		15.5		4.9
<i>Rank vs. Mercer US Equity Large Cap Equity Universe</i>												
<i>Mercer US Equity Large Cap Equity Universe Med</i>		1.9		9.8		17.1		14.4		16.6		--
<i>Russell 1000 Index</i>		2.0		9.3		16.9		13.8		16.0		5.5
<b>All Cap Index</b>												
<i>AllianceBernstein L.P. Passive</i>	1,253.0	2.0	49	9.3	55	16.9	52	13.7	60	16.0	59	11.6
<i>AllianceBernstein L.P. Passive-Net</i>	1,253.0	2.0		9.3		16.9		13.7		15.9		11.5
<i>Rank vs. Mercer US Equity Large Cap Equity Universe</i>												
<i>Mercer US Equity Large Cap Equity Universe Med</i>		1.9		9.8		17.1		14.4		16.6		--
<i>Benchmark (Russell 1000 Index)</i>		2.0		9.3		16.9		13.8		16.0		11.5

## Sacramento County Employees Retirement System

Performance Summary

Period Ending September 30, 2007

	Market Value	Annualized										
		Quarter		YTD		1 Year		3 Years		5 Years		Inception to Date
<b>Large Cap Growth</b>												
Independence Inv. LLC	\$ 148.6	3.3 %	77	10.0 %	84	15.8 %	83	11.6 %	78	12.0 %	91	2.1 %
Independence Inv. LLC-Net	148.6	3.2		9.9		15.7		11.5		11.8		1.9
INTECH	141.0	3.6	74	10.0	84	16.3	80	--		--		16.3
INTECH-Net	141.0	3.5		9.6		15.9		--		--		15.9
<i>Rank vs. Mercer US Equity Large Cap Growth Universe</i>												
Mercer US Equity Large Cap Growth Universe Med		5.4		15.0		21.1		13.9		15.1		--
Russell 1000 Growth Index		4.2		12.7		19.4		12.2		13.8		2.8
<b>Large Cap Value</b>												
LSV Asset Management Large Cap Value	109.5	(1.3)	70	8.9	35	17.3	33	--		--		19.1
LSV Asset Management Large Cap Value-Net	109.5	(1.7)		8.0		16.1		--		--		18.1
Pzena Investment Management	95.5	(6.1)	95	0.2	95	6.1	96	--		--		13.8
Pzena Investment Management-Net	95.5	(6.2)		0.0		5.8		--		--		13.3
<i>Rank vs. Mercer US Equity Large Cap Value Universe</i>												
Mercer US Equity Large Cap Value Universe Med		0.0		7.8		15.7		15.1		18.1		--
Russell 1000 Value Index		(0.2)		6.0		14.4		15.2		18.1		15.1
OFI Institutional	98.3	(2.3)	83	4.5	83	11.5	87	13.0	81	17.1	70	9.6
OFI Institutional-Net	98.3	(2.4)		4.4		11.3		12.9		16.9		9.3
<i>Rank vs. Mercer US Equity Large Cap Value Universe</i>												
Mercer US Equity Large Cap Value Universe Med		0.0		7.8		15.7		15.1		18.1		--
Russell 1000 Value Index		(0.2)		6.0		14.4		15.2		18.1		10.8
<b>Total Small Cap Domestic Equity</b>	<b>313.5</b>	<b>(0.8)</b>	<b>38</b>	<b>7.1</b>	<b>49</b>	<b>13.9</b>	<b>59</b>	<b>10.9</b>	<b>91</b>	<b>16.4</b>	<b>92</b>	<b>14.8</b>
<b>Total Small Cap Domestic Equity-Net</b>	<b>313.5</b>	<b>(1.0)</b>		<b>6.6</b>		<b>13.2</b>		<b>10.2</b>		<b>15.6</b>		<b>14.1</b>
<i>Rank vs. Mercer US Equity Small Cap Universe</i>												
Mercer US Equity Small Cap Universe Med		(2.6)		6.9		15.9		15.0		19.8		--
Russell 2000 Index		(3.1)		3.2		12.3		13.4		18.8		12.9
<b>Small Cap Growth</b>												
Bear Stearns Asset Mgmt.	62.2	(3.6)	91	1.3	96	4.4	100	--		--		1.0
Bear Stearns Asset Mgmt.-Net	62.2	(3.7)		1.1		4.1		--		--		0.7
<i>Rank vs. Mercer US Equity Small Cap Growth Universe</i>												
Mercer US Equity Small Cap Growth Universe Med		1.8		14.7		24.0		16.6		19.7		--
Russell 2000 Growth Index		0.0		9.3		18.9		14.1		18.7		19.6

## Sacramento County Employees Retirement System

### Performance Summary

Period Ending September 30, 2007

	Market Value	Annualized										
		Quarter		YTD		1 Year		3 Years		5 Years		Inception to Date
M.A. Weatherbie & Co., Inc.	\$ 94.8	6.6 %	15	16.9 %	33	23.6 %	53	15.0 %	66	--%		16.4 %
M.A. Weatherbie & Co., Inc.-Net	94.8	6.4		16.2		22.5		14.0		--		15.4
Rank vs. Mercer US Equity Small Cap Growth Universe												
Mercer US Equity Small Cap Growth Universe Med		1.8		14.7		24.0		16.6		19.7		--
Russell 2000 Growth Index		0.0		9.3		18.9		14.1		18.7		18.0
<b>Small Cap Value</b>												
Dalton Greiner Hartman Maher	82.5	1.5	5	9.7	10	18.2	18	12.8	68	18.1	82	13.3
Dalton Greiner Hartman Maher-Net	82.5	1.3		9.3		17.5		12.2		17.4		12.6
TCW Group	74.1	(9.1)	85	(1.6)	78	6.8	80	10.3	92	18.6	72	10.3
TCW Group-Net	74.1	(9.2)		(2.0)		6.2		9.8		17.8		9.6
Rank vs. Mercer US Equity Small Cap Value Universe												
Mercer US Equity Small Cap Value Universe Med		(4.8)		3.6		12.3		14.3		19.8		--
Russell 2000 Value Index		(6.3)		(2.7)		6.1		12.5		18.7		12.9
<b>Total International Equity</b>	<b>1,309.9</b>	<b>3.9</b>	<b>54</b>	<b>17.2</b>	<b>55</b>	<b>30.4</b>	<b>60</b>	<b>27.7</b>	<b>40</b>	<b>26.7</b>	<b>56</b>	<b>8.9</b>
<b>Total International Equity-Net</b>	<b>1,309.9</b>	<b>3.6</b>		<b>16.7</b>		<b>29.7</b>		<b>27.1</b>		<b>26.1</b>		<b>8.6</b>
Rank vs. Non-US Equity Billion Dollar Segment - Public												
Non-US Equity Billion Dollar Segment - Public Med		4.0		17.4		31.2		26.8		26.9		--
MSCI EAFE Net Dividend Index		2.2		13.2		24.9		23.2		23.6		7.6
<b>Total Intl Equity - Established Mkts</b>	<b>934.0</b>	<b>0.9</b>	<b>76</b>	<b>11.8</b>	<b>74</b>	<b>22.7</b>	<b>78</b>	<b>23.6</b>	<b>62</b>	<b>22.9</b>	<b>72</b>	<b>7.4</b>
<b>Total Intl Equity - Established Mkts-Net</b>	<b>934.0</b>	<b>0.6</b>		<b>11.3</b>		<b>22.0</b>		<b>23.1</b>		<b>22.4</b>		<b>7.0</b>
Rank vs. Mercer Intl Equity Universe												
Mercer Intl Equity Universe Med		2.9		15.1		27.7		24.8		24.6		--
MSCI EAFE Net Dividend Index		2.2		13.2		24.9		23.2		23.6		7.8
INVE스코 Global	278.0	1.6	67	12.2	72	21.6	82	--		--		20.3
INVE스코 Global-Net	278.0	1.5		11.4		20.6		--		--		19.7
Rank vs. Mercer Intl Equity Universe												
Mercer Intl Equity Universe Med		2.9		15.1		27.7		24.8		24.6		--
MSCI EAFE Net Dividend Index		2.2		13.2		24.9		23.2		23.6		21.5

## Sacramento County Employees Retirement System

### Performance Summary

Period Ending September 30, 2007

	Market Value	Annualized										
		Quarter		YTD		1 Year		3 Years		5 Years		Inception to Date
Capital Guardian Trust Company International Equity	\$ 311.6	2.8 %	51	14.2 %	58	24.0 %	73	23.4 %	66	23.5 %	60	5.3 %
Capital Guardian Trust Company International Equity-Net	311.6	2.7		13.8		23.4		22.9		23.0		4.9
<i>Rank vs. Mercer Intl Equity Universe</i>												
<i>Mercer Intl Equity Universe Med</i>		2.9		15.1		27.7		24.8		24.6		--
<i>MSCI EAFE Net Dividend Index</i>		2.2		13.2		24.9		23.2		23.6		5.7
<i>MSCI EAFE Net Div-Growth Index</i>		4.3		16.8		27.8		23.1		21.4		2.2
LSV Asset Management International Equity	286.0	(1.0)	93	9.4	88	22.0	81	--		--		20.9
LSV Asset Management International Equity-Net	286.0	(1.5)		8.3		20.6		--		--		20.0
<i>Rank vs. Mercer Intl Equity Universe</i>												
<i>Mercer Intl Equity Universe Med</i>		2.9		15.1		27.7		24.8		24.6		--
<i>MSCI EAFE Net Dividend Index</i>		2.2		13.2		24.9		23.2		23.6		19.3
<i>MSCI EAFE Net Div-Value Index</i>		0.0		9.6		21.9		23.4		25.7		19.3
AXA Rosenberg Inv. Mgmt. LLC	58.4	(2.9)	87	11.5	71	26.1	75	--		--		22.8
AXA Rosenberg Inv. Mgmt. LLC-Net	58.4	(3.3)		9.8		24.1		--		--		21.8
<i>Rank vs. Mercer Intl Equity Small Cap Universe</i>												
<i>Mercer Intl Equity Small Cap Universe Med</i>		(0.3)		15.6		30.7		31.0		32.3		--
<i>MSCI Small Cap World Ex United States Net Composite</i>		(3.7)		8.6		21.3		23.9		27.8		18.0
<i>S&amp;P/Citigroup Extended Market Index World Ex United States</i>		(0.4)		12.5		26.8		27.5		29.6		22.2
<b>Total Intl Equity - Emerging Mkts</b>	<b>375.9</b>	<b>12.0</b>	<b>70</b>	<b>34.9</b>	<b>52</b>	<b>59.8</b>	<b>46</b>	<b>43.9</b>	<b>36</b>	<b>39.8</b>	<b>62</b>	<b>14.8</b>
<b>Total Intl Equity - Emerging Mkts-Net</b>	<b>375.9</b>	<b>11.9</b>		<b>34.2</b>		<b>58.8</b>		<b>43</b>		<b>39.0</b>		<b>14.1</b>
Capital Guardian Trust Company Emerging Markets Growth	375.9	12.0	70	34.9	52	59.8	46	43.9	36	39.8	62	14.8
Capital Guardian Trust Company Emerging Markets Growth-Net	375.9	11.9		34.2		58.8		43.1		39.0		14.1
<i>Rank vs. Mercer Emerging Markets Equity Universe</i>												
<i>Mercer Emerging Markets Equity Universe Med</i>		13.4		35.1		58.9		42.4		40.5		--
<i>MSCI Emerging Markets Index</i>		14.5		34.8		58.6		41.3		39.1		15.4
<b>Total Domestic Fixed Income</b>	<b>1,323.5</b>	<b>2.8</b>	<b>45</b>	<b>3.9</b>	<b>54</b>	<b>5.2</b>	<b>50</b>	<b>4.3</b>	<b>44</b>	<b>5.5</b>	<b>36</b>	<b>7.9</b>
<b>Total Domestic Fixed Income-Net</b>	<b>1,323.5</b>	<b>2.7</b>		<b>3.8</b>		<b>5.1</b>		<b>4.2</b>		<b>5.3</b>		<b>7.8</b>
<i>Rank vs. US Fixed Income Billion Dollar Segment - Public</i>												
<i>US Fixed Income Billion Dollar Segment - Public Med</i>		2.6		3.9		5.2		4.3		4.9		--
<i>Lehman Brothers Aggregate Bond</i>		2.8		3.8		5.1		3.9		4.1		7.4

## Sacramento County Employees Retirement System

### Performance Summary

Period Ending September 30, 2007

	Market Value	Annualized										
		Quarter		YTD		1 Year		3 Years		5 Years		Inception to Date
Lehman Brothers Asset Mgmt Passive	\$ 442.1	2.8 %	31	3.8 %	63	5.0 %	75	3.8 %	76	4.2 %	63	7.6 %
Lehman Brothers Asset Mgmt Passive-Net	442.1	2.8		3.8		5.0		3.8		4.1		7.5
<i>Rank vs. Mercer US Fixed Combined Universe</i>												
<i>Mercer US Fixed Combined Universe Med</i>		2.5		4.0		5.4		4.1		4.5		--
<i>Lehman Brothers Aggregate Bond</i>		2.8		3.8		5.1		3.9		4.1		7.5
Metropolitan West Capital Mgmt	442.6	2.8	32	4.3	29	5.8	27	4.9	20	7.1	16	5.7
Metropolitan West Capital Mgmt-Net	442.6	2.8		4.2		5.7		4.7		6.9		5.5
<i>Rank vs. Mercer US Fixed Combined Universe</i>												
<i>Mercer US Fixed Combined Universe Med</i>		2.5		4.0		5.4		4.1		4.5		--
<i>Lehman Brothers Aggregate Bond</i>		2.8		3.8		5.1		3.9		4.1		5.1
Bradford & Marzec, Inc.	438.8	2.7	38	3.5	76	4.8	81	4.2	43	5.2	29	8.3
Bradford & Marzec, Inc.-Net	438.8	2.6		3.4		4.6		4.0		5.0		8.1
<i>Rank vs. Mercer US Fixed Combined Universe</i>												
<i>Mercer US Fixed Combined Universe Med</i>		2.5		4.0		5.4		4.1		4.5		--
<i>Benchmark (Lehman Brothers Aggregate Bond)</i>		2.8		3.8		5.1		3.9		4.1		7.5
<b>Hedge Funds</b>	<b>307.4</b>	<b>(0.2)</b>		<b>9.6</b>		<b>15.6</b>		<b>12.7</b>		<b>--</b>		<b>12.9</b>
Blackstone Alternative Asset	153.6	0.3		9.7		15.6		13.7		--		13.8
Blackstone Alternative Asset-Net	153.6	0.1		9.0		14.5		12.2		--		12.4
Grosvenor Capital Mgmt.	153.8	(0.7)		9.5		15.5		11.4		--		11.6
Grosvenor Capital Mgmt.-Net	153.8	(0.9)		8.9		14.6		10.6		--		10.8
<i>T-Bill + 5%</i>		2.3		7.2		9.8		8.9		7.8		8.9
<i>CSFB Tremont Hedge Funds Long/Short Equity Index</i>		1.2		11.0		18.8		14.4		13.1		14.8
<b>Total Real Estate</b>	<b>748.4</b>	<b>2.4</b>	<b>63</b>	<b>11.6</b>	<b>50</b>	<b>16.4</b>	<b>50</b>	<b>20.5</b>		<b>17.0</b>		<b>8.5</b>
<i>Rank vs. Real Estate Billion Dollar Segment - Public</i>												
<i>Real Estate Billion Dollar Segment - Public Med</i>		3.0		11.6		16.4		--		--		--
<i>NCREIF Property Index - EWB Calc</i>		4.6		13.4		18.5		18.4		15.0		8.8
<b>Separate Accounts Portfolios</b>												
BlackRock Realty Unleveraged	313.0	2.0		13.7		18.0		17.9		15.4		13.2
<i>NCREIF Property Index - EWB Calc</i>		4.6		13.4		18.5		18.4		15.0		12.7
BlackRock Realty Leveraged	206.0	2.2		18.7		23.9		22.2		18.6		14.5
<i>NCREIF Property Index - EWB Calc</i>		4.6		13.4		18.5		18.4		15.0		12.6

**Sacramento County Employees Retirement System**  
Performance Summary  
Period Ending September 30, 2007

	Market Value	Annualized					
		Quarter	YTD	1 Year	3 Years	5 Years	Inception to Date
BlackRock Realty Portfolio II Unleveraged <i>NCREIF Property Index - EWB Calc</i>	\$ 120.3	2.3 % 4.6	9.1 % 13.4	11.7 % 18.5	21.2 % 18.4	15.5 % 15.0	13.6 % 12.9
BlackRock Realty Portfolio II Leveraged <i>NCREIF Property Index - EWB Calc</i>	102.9	2.4 4.6	9.8 13.4	12.6 18.5	25.2 18.4	-- 15.0	23.8 18.1
Cornerstone Real Est Adv Unleveraged <i>NCREIF Property Index - EWB Calc</i>	217.3	1.2 4.6	9.4 13.4	10.9 18.5	10.5 18.4	-- 15.0	10.0 18.0
Cornerstone Real Est Adv Leveraged <i>NCREIF Property Index - EWB Calc</i>	158.4	0.9 4.6	11.4 13.4	13.0 18.5	14.9 18.4	-- 15.0	13.3 17.9
<b>Value Added</b>							
UBS Realty Inv LLC	5.8	3.7	37.8	34.6	--	--	34.6
AEW Capital Management, LP	4.9	(0.6)	--	--	--	--	(0.6)
Hines	7.0	--	--	--	--	--	--
<i>NCREIF Property + 2%</i>		5.1	14.9	20.5	20.4	17.0	--
<b>REITS</b>							
Principal Global Investors	55.9	3.3 25	(5.6) 88	3.8 81	--	--	11.7
Principal Global Investors-Net	55.9	3.1	(5.9)	3.4	--	--	11.4
Urdang Investment Mgmt. Inc.	58.0	4.5 5	(1.3) 5	8.4 4	--	--	13.8
Urdang Investment Mgmt. Inc.-Net	58.0	4.4	(1.8)	7.8	--	--	13.4
<i>Rank vs. Mercer US Real Estate Public REITS Universe</i>							
<i> Mercer US Real Estate Public REITS Universe Med</i>		2.5	(3.6)	5.3	20.6	23.5	--
<i> FTSE NAREIT Equity REITs Return Only</i>		2.6	(3.5)	5.7	19.0	21.5	12.4
<b>Limited Partnerships</b>							
BlackRock Realty Granite Property Fund <i>NCREIF Property Index - EWB Calc</i>	71.2	3.7 4.6	13.0 13.4	17.9 18.5	-- 18.4	-- 15.0	20.9 17.5
Cornerstone Real Est Adv Open-end Fund Unleveraged	93.5	2.7	11.4	16.0	16.8	--	16.8
Cornerstone Real Est Adv Open-end Fund Leveraged <i>NCREIF Property Index - EWB Calc</i>	78.3	2.8 4.6	12.6 13.4	17.5 18.5	18.6 18.4	-- 15.0	18.6 18.4
JMB Group V <i>NCREIF Property Index - EWB Calc</i>	0.0	1.2 4.6	3.7 13.4	5.0 18.5	16.5 18.4	22.9 15.0	12.5 9.3



**Sacramento County Employees Retirement System**

Performance Summary

Period Ending September 30, 2007

	Market Value	Quarter	YTD	Annualized			Inception to Date
				1 Year	3 Years	5 Years	
<b>Total Cash</b>	<b>\$ 364.0</b>	<b>1.1 %</b>	<b>4.1 %</b>	<b>5.5 %</b>	<b>4.6 %</b>	<b>3.7 %</b>	<b>4.9 %</b>
<i>Citigroup Treasury Bill-3 Month</i>		<i>1.2</i>	<i>3.7</i>	<i>5.0</i>	<i>4.0</i>	<i>2.8</i>	<i>4.0</i>

## REPORT NOTES

1. Total Fund, Total Domestic Equity and Total Fixed Income inception data is from 7/86.
2. The Total Fund assets and return are calculated using the real estate leveraged assets and performance. Prior to the second quarter of 2006, real estate unleveraged assets were reported in the Total Fund assets.
3. The Russell/Mellon Trust Total Funds Billion Dollar–Public Universe indicates assets of public funds with a billion or more.
4. The Total Fund Benchmark Index consists of 30% Russell 1000 Index, 5% Russell 2000 Index, 25% Lehman Brothers Aggregate Bond Index, 15% MSCI EAFE Index, 5% MSCI Emerging Markets Free Index, 12% NCREIF Property Index, 3% NAREIT Index and 5% T-Bill plus 5%.
  - From 9/1/04 to 1/31/06 the Benchmark consisted of 30% Russell 1000 Index, 5% Russell 2000 Index, 25% Lehman Brothers Aggregate Bond Index, 15% MSCI EAFE Index, 5% MSCI Emerging Markets Free Index, 15% NCREIF Property Index and 5% T-Bill plus 5%.
  - From 1/1/00 to 8/31/04 the Benchmark consisted of 35% Russell 1000 Index, 5% Russell 2000 Index, 30% Lehman Brothers Aggregate Bond Index, 15% MSCI EAFE Index, 5% MSCI Emerging Markets Free Index, and 10% NCREIF Property Index.
  - Prior to 1Q00, the Benchmark consisted of 47% Russell 3000, 23% Salomon Smith Barney Broad Investment Grade Bond, 15% MSCI EAFE, and 15% NCREIF.
  - Historic returns link the old and the new benchmarks together.
5. The Total Large Cap Domestic Equity inception data is from April 1, 1998. Actual inception date is earlier.
6. Alliance Capital (All Cap Index) inception date is April 19, 1989. The portfolio's assets transitioned to the Russell 1000 strategy from the Russell 3000 strategy at the end of year 2000.
7. Alliance (All Cap Index) benchmark is the Russell 1000.
  - From 1/1/98 to 12/31/00, the index was the Russell 3000.
  - Prior to 1/1/98, the index was the Wilshire 2500 Index.
  - Historic returns link the old and the new benchmarks together.
8. Independence inception date is June 3, 1998.
9. Trinity inception date is January 1, 1997. Actual inception date is December 20, 1996.
10. The Total Small Cap Domestic Equity inception data is from January 1991.
11. M. A. Weatherbie & Company inception data is from January 1, 2003. Actual inception is December 6, 2002.
12. Dalton inception data is from January 1, 2001. Actual inception date is December 15, 2000.
13. TCW inception data is from January 1, 2001. Actual inception date is December 19, 2000.
14. Total International Equity inception data is from January 1988.
15. Total International Equity–Established Markets inception data is from April 1, 1998. Actual inception date is earlier.
16. The Total International Equity Emerging Markets and Capital Guardian Emerging Markets inception date is January 31, 2000.
17. Lehman Brothers Asset Management (formerly Lincoln Capital) and Bradford & Marzec inception data is from July 1988.
18. Bradford's benchmark is the Lehman Brothers Aggregate Bond Index.
  - Prior to 10/1/98, the benchmark was the SSB Broad Investment Grade Bond Index.
  - Historic returns link the old and the new benchmarks together.
19. Metropolitan inception date is January 1, 2002.

20. The Total Real Estate inception data is from October 1987. Beginning 1st quarter of 1999, BlackRock Realty (formerly SSR Realty Advisors) leveraged return was used in the Total Real Estate return calculation. For 4Q02, 1Q03, 2Q03, 2Q04, 3Q04 and 4Q04, BlackRock Realty's AIMR returns were used in the Total Real Estate calculation due to the existence of an Escrow Account. Net asset values were used in the above periods instead of the portfolio's leveraged assets. BlackRock Realty's returns and market values (including Portfolio II) shown in the report were provided by the investment manager.
21. The Total Cash inception date is July 1, 1992.
22. The current custodian is State Street Bank.
23. Cornerstone Advisers was funded on May 27, 2004. Performance tracking began on June 1, 2004. Cornerstone Advisers' returns and market values (separate account and open-end fund) shown in the report were provided by the investment manager.
24. Blackstone Alternative Asset and Grosvenor Capital Management was funded on September 1, 2004.
25. LSV Asset Management Large Cap Value Equity and Pzena Investment Management were funded on November 1, 2004.
26. LSV Asset Management International Value Equity was funded in December 2004.
27. Axa Rosenberg was funded in February 2005; inception data is from March 1, 2005.
28. INVESCO was funded in March 2005; inception data is from April 1, 2005.
29. The Total Fund's Current Benchmark tracks the current allocation of the Fund.
30. BlackRock Realty Tower Fund was funded in August 2005. Effective 10/1/06, the fund switched from the Tower Fund (subadvised by MetLife) to a private REIT fund named Granite Property Fund, managed in-house. Quarterly returns and balances since the fourth quarter of 2005 (inception) have been revised with data provided by BlackRock.
31. Principal Global Investors and Urdang Securities Management were funded on February 1, 2006 to manage a REIT portfolio.
32. SSgA Futures Overlay was funded February 9, 2006.
33. Bear Stearns was funded July 6, 2006. Performance tracking began August 1, 2006.
34. INTECH, a large cap growth manager hired to complement Independence, was funded October 2, 2006.
35. UBS Realty Investors (Allegis Value Trust), a value-added real estate manager, was funded October 2, 2006.
36. AEW Capital Management, a value-added real estate manager, was funded during the 2nd quarter of 2007.
37. Hines, a value-added real estate manager, was funded during the 3rd quarter of 2007.