

Asset Allocation

Sacramento County Employees Retirement System

Asset Summary

As of December 31, 2007

	<u>Total Market Value</u>	<u>% of Total Fund</u>		<u>% of Asset Class</u>	
Total Fund	\$ 6,172.0	100.0	%	100.0	%
Domestic Equity	2,041.1	33.1		100.0	
All Cap Index					
AllianceBernstein L.P. Passive	1,207.7	19.6		59.2	
Large Cap Growth	289.4	4.7		14.2	
Independence Inv. LLC	146.6	2.4		7.2	
INTECH	142.8	2.3		7.0	
Large Cap Value	245.3	4.0		12.0	
OFI Institutional	0.1	0.0		0.0	
LSV Asset Management Large Cap Value	122.5	2.0		6.0	
Pzena Investment Management	122.7	2.0		6.0	
Small Cap Growth	150.0	2.4		7.3	
Bear Stearns Asset Mgmt.	57.3	0.9		2.8	
M.A. Weatherbie & Co., Inc.	92.7	1.5		4.5	
Small Cap Value	148.8	2.4		7.3	
Dalton Greiner Hartman Maher	79.8	1.3		3.9	
TCW Group	69.0	1.1		3.4	
International Equity	1,288.0	20.9		100.0	
INVESCO Global	270.4	4.4		21.0	
Capital Guardian Trust Company International Equity	309.3	5.0		24.0	
LSV Asset Management International Equity	267.5	4.3		20.8	
AXA Rosenberg Inv. Mgmt. LLC	52.8	0.9		4.1	
Capital Guardian Trust Company Emerging Markets Growth	388.1	6.3		30.1	

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

Sacramento County Employees Retirement System

Asset Summary

As of December 31, 2007

	Total Market Value	% of Total Fund		% of Asset Class	
Fixed Income	\$ 1,336.8	21.7	%	100.0	%
Lehman Brothers Asset Mgmt Passive	447.9	7.3		33.5	
Metropolitan West Capital Mgmt	447.1	7.2		33.4	
Bradford & Marzec, Inc.	441.8	7.2		33.1	
Hedge Fund	315.0	5.1		100.0	
Blackstone Alternative Asset	159.2	2.6		50.6	
Grosvenor Capital Mgmt.	155.7	2.5		49.4	
Total Real Estate	763.4	12.4		100.0	
Separate Account Portfolios	507.2	8.2		66.4	
BlackRock Realty Leveraged	176.6	2.9		23.1	
BlackRock Realty Portfolio II Leveraged	104.2	1.7		13.6	
Cornerstone Real Est Adv Leveraged	206.7	3.3		27.1	
UBS Realty Inv LLC	5.8	0.1		0.8	
AEW Capital Management, LP	7.4	0.1		1.0	
Hines Real Estsat Invtmt	6.5	0.1		0.8	
REITS	100.2	1.6		13.1	
Principal Global Investors	49.5	0.8		6.5	
Urdang Investment Mgmt. Inc.	50.7	0.8		6.6	
Ltd. Partnerships	156.1	2.5		20.4	
BlackRock Realty Granite Property Fund	73.1	1.2		9.6	
Cornerstone Real Est Adv Patriot Fund	82.9	1.3		10.9	
JMB Group V	0.0	0.0		0.0	
Private Equity					
HarbourVest Partners, LLC	9.0	0.1		100.0	

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

Sacramento County Employees Retirement System

Asset Summary

As of December 31, 2007

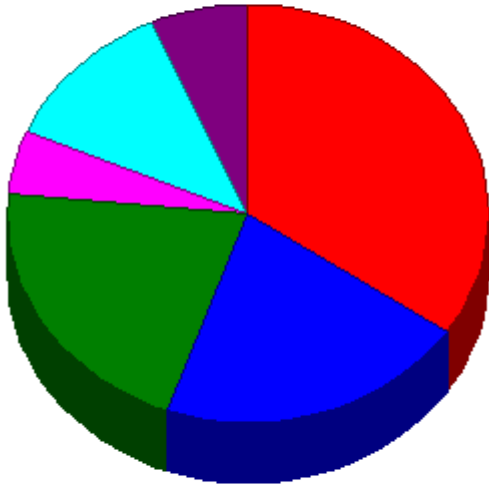
	<u>Total Market Value</u>	<u>% of Total Fund</u>	<u>% of Asset Class</u>
Opportunistic			
PIMCO Distressed Mortgage Fund	2.7	0.0	100.0
Cash/Cash Overlay	415.9	6.7	100.0
Total Cash	360.2	5.8	86.6
State Street Global Advisors Futures Overlay	55.7	0.9	13.4

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

Sacramento County Employees Retirement System
 Asset Allocation
 As of December 31, 2007

Prior Asset Allocation - September 30, 2007

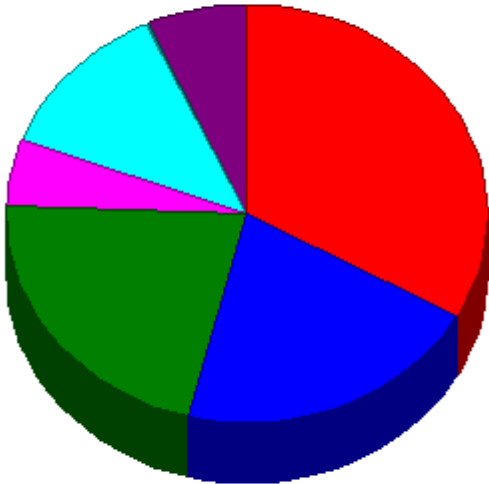
■ Domestic Equity	34.5 %
■ International Equity	20.9 %
■ Fixed Income	21.1 %
■ Hedge Fund	4.9 %
■ Real Estate	12.0 %
■ Private Equity	--
■ Opportunistic	--
■ Cash/Cash Overlay	6.5 %



**Total Market Value
 \$ 6,258,183,622 ***

Current Asset Allocation - December 31, 2007

■ Domestic Equity	33.1 %
■ International Equity	20.9 %
■ Fixed Income	21.7 %
■ Hedge Fund	5.1 %
■ Real Estate	12.4 %
■ Private Equity	0.1 %
■ Opportunistic	0.0 %
■ Cash/Cash Overlay	6.7 %

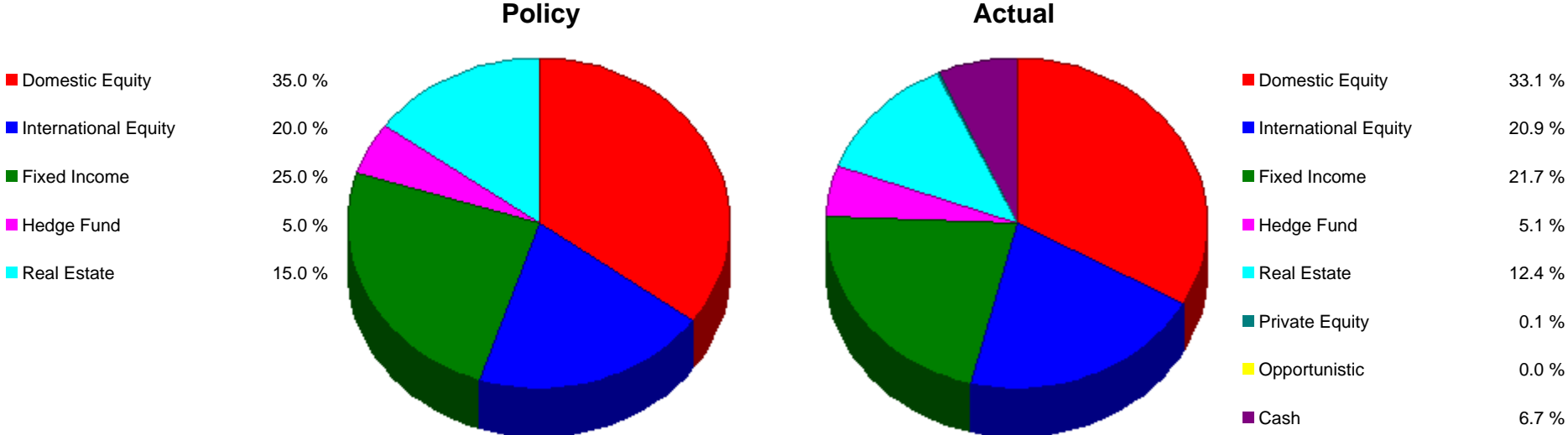


**Total Market Value
 \$ 6,171,960,726**

* Conerstone Leveraged assets were revised by the manager from \$158,430,672 to \$158,385,672.

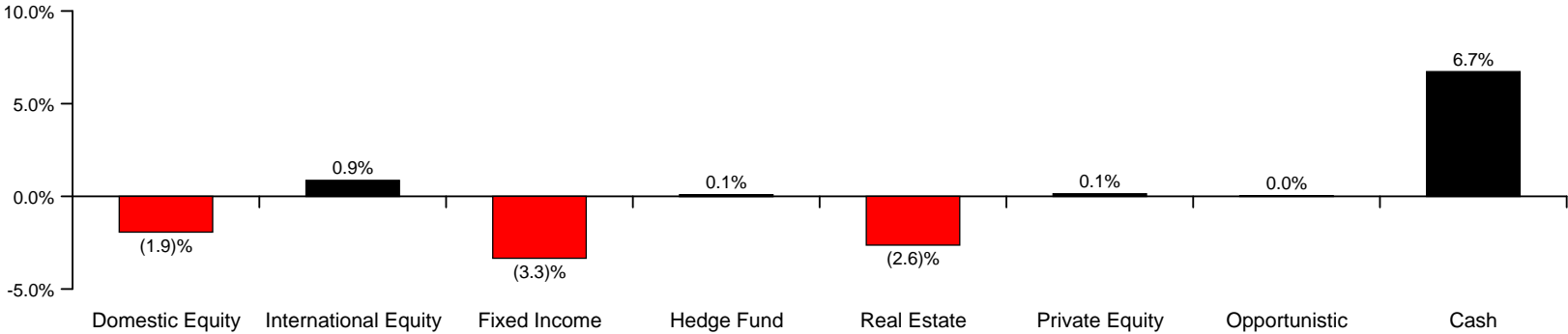
Sacramento County Employees Retirement System

Asset Allocation
As of December 31, 2007



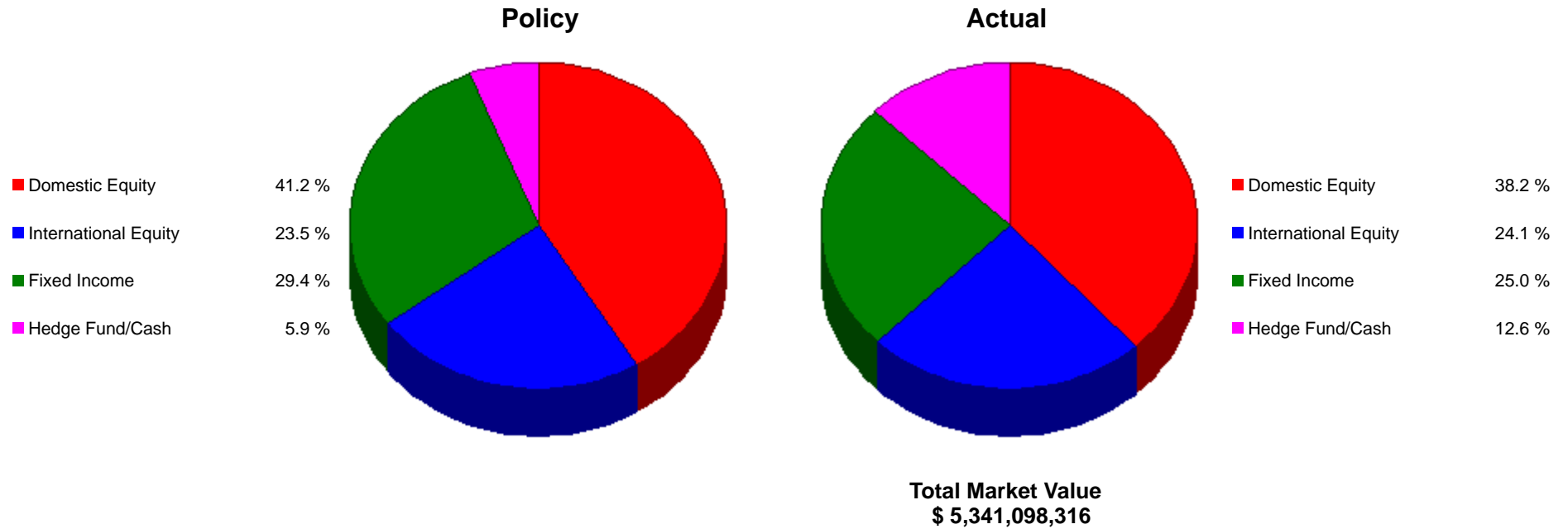
**Total Market Value
\$ 6,171,960,726**

Asset Allocation vs. Policy

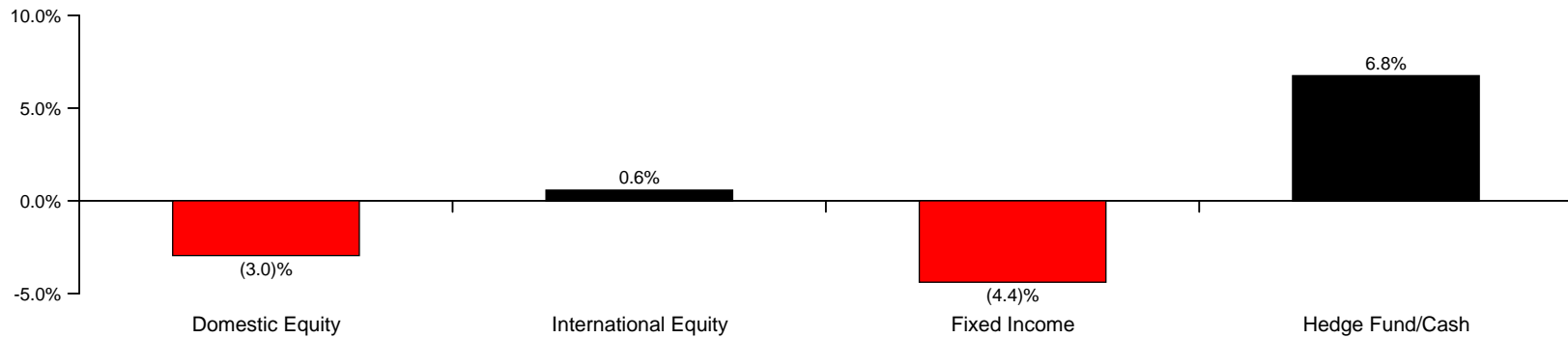


Numbers may not add due to rounding

Sacramento County Employees Retirement System
 Excluding SSgA Overlay
 (Real Estate, private equity and opportunistic investments not included)
 Asset Allocation
 As of December 31, 2007

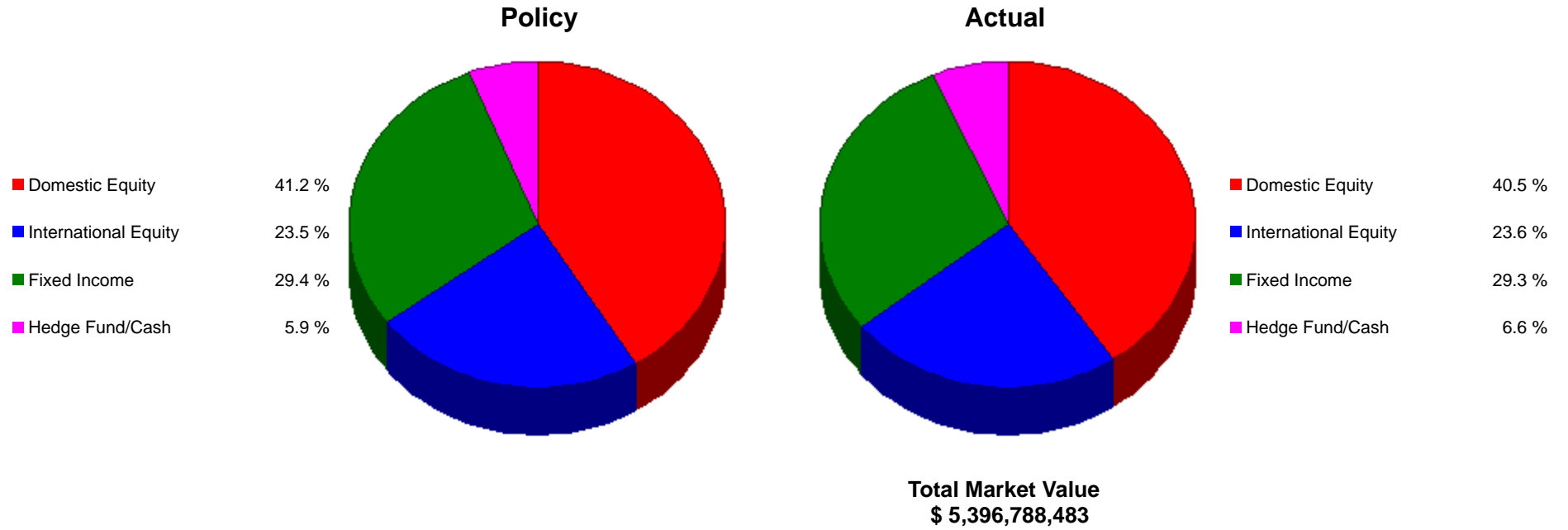


Asset Allocation vs. Policy

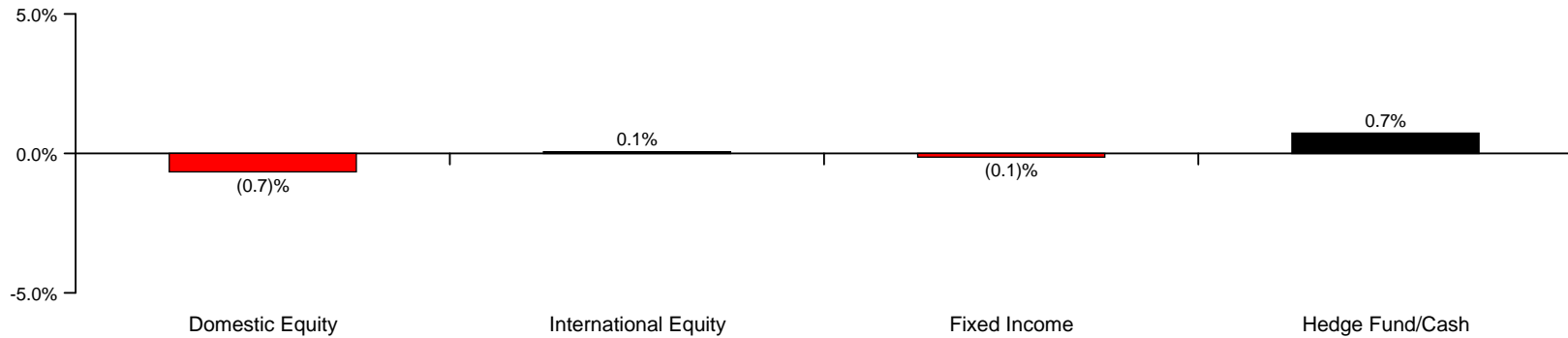


Numbers may not add due to rounding

Sacramento County Employees Retirement System
 Including SSgA Overlay
 (Real Estate, private equity and opportunistic investments not included)
 Asset Allocation
 As of December 31, 2007



Asset Allocation vs. Policy



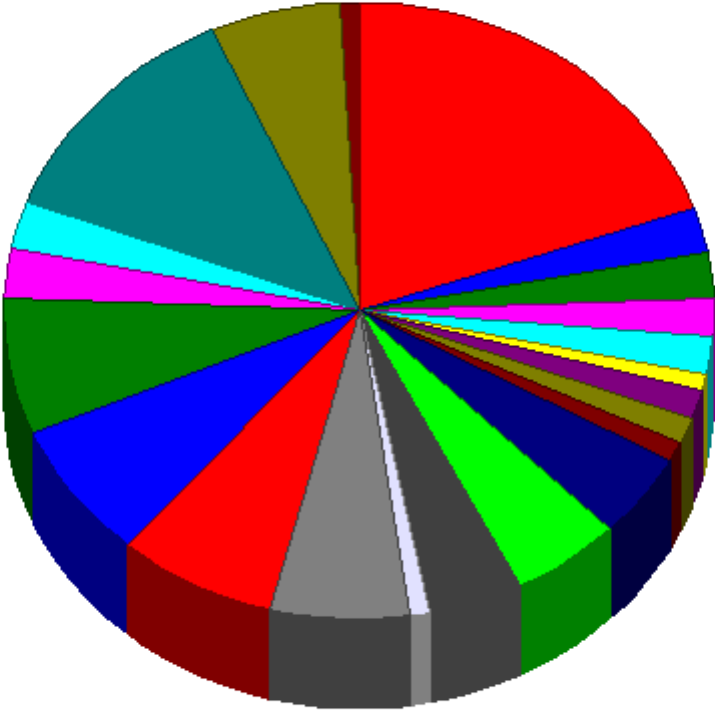
Numbers may not add due to rounding

Sacramento County Employees Retirement System
 Asset Allocation
 As of December 31, 2007

Actual

■ AllianceBernstein L.P. Passive	19.6%
■ Independence Inv. LLC	2.4%
■ INTECH	2.3%
■ LSV Asset Management Large Cap Value	2.0%
■ Pzena Investment Management	2.0%
■ OFI Institutional	0.0%
■ Bear Stearns Asset Mgmt.	0.9%
■ M.A. Weatherbie & Co., Inc.	1.5%
■ Dalton Greiner Hartman Maher	1.3%
■ TCW Group	1.1%
■ INVESCO Global	4.4%
■ Capital Guardian Trust Company International Equity	5.0%
■ LSV Asset Management International Equity	4.3%
■ AXA Rosenberg Inv. Mgmt. LLC	0.9%
■ Capital Guardian Trust Company Emerging Markets Growth	6.3%
■ Lehman Brothers Asset Mgmt Passive	7.3%
■ Metropolitan West Capital Mgmt	7.2%
■ Bradford & Marzec, Inc.	7.2%

■ Blackstone Alternative Asset	2.6%
■ Grosvenor Capital Mgmt.	2.5%
■ Total Real Estate	12.4%
■ HarbourVest Partners, LLC	0.1%
■ PIMCO Advisors Inst Services Distressed Mortgage Fund	0.0%
■ Total Cash	5.8%
■ State Street Global Advisors Futures Overlay	0.9%
■ Cash Account Transition	0.0%



Total Market Value
\$ 6,171,960,726

Numbers may not add due to rounding

Sacramento County Employees' Retirement System
Financial Reconciliation
Quarter Ending December 31, 2007

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
AllianceBernstein L.P. Passive	1,253,008,370	(5,629,646)	--	(39,676,200)	(39,676,200)	1,207,702,525
Independence Inv. LLC	148,600,985	(428,999)	379,880	(1,978,382)	(1,598,502)	146,573,485
INTECH	140,964,803	(169,831)	5,511	2,017,809	2,023,321	142,818,292
LSV Asset Management Large Cap Value	109,532,839	19,270,507	780,845	(7,124,796)	(6,343,952)	122,459,394
Pzena Investment Management	95,493,108	39,684,404	558,802	(13,027,522)	(12,468,721)	122,708,791
OFI Institutional	98,257,004	(93,695,327)	587,399	(5,037,616)	(4,450,218)	111,458
Bear Stearns Asset Mgmt.	62,194,524	(55,543)	67,948	(4,927,037)	(4,859,089)	57,279,891
M.A. Weatherbie & Co., Inc.	94,784,814	(433,672)	221,480	(1,851,366)	(1,629,886)	92,721,256
Dalton Greiner Hartman Maher	82,453,675	(535,576)	460,896	(2,618,023)	(2,157,127)	79,760,972
TCW Group	74,081,007	(218,668)	121,741	(4,991,976)	(4,870,234)	68,992,105
INVESCO Global	278,019,369	(1,451,210)	--	(6,199,717)	(6,199,717)	270,368,442
Capital Guardian Trust Company International Equity	311,647,667	(1,649,059)	--	(651,478)	(651,478)	309,347,129
Bank of Ireland Asset Mgmt Ltd	1,927	--	--	141	141	2,068
LSV Asset Management International Equity	285,997,529	(2,618,154)	--	(15,923,963)	(15,923,963)	267,455,413
AXA Rosenberg Inv. Mgmt. LLC	58,355,289	(491,654)	--	(5,074,199)	(5,074,199)	52,789,436
Capital Guardian Trust Company Emerging Mkt Growth	375,925,251	(568,587)	11,648,944	1,073,373	12,722,317	388,078,981
Lehman Brothers Asset Mgmt Passive	442,143,758	(5,829,926)	--	11,575,438	11,575,438	447,889,270
Metropolitan West Capital Mgmt	442,621,600	(7,389,744)	8,237,318	3,591,309	11,828,627	447,060,482
Bradford & Marzec, Inc.	438,757,781	(5,600,021)	--	8,650,838	8,650,838	441,808,598
Blackstone Alternative Asset	153,613,377	(426,482)	--	6,032,106	6,032,106	159,219,001

Sacramento County Employees' Retirement System

Financial Reconciliation
Quarter Ending December 31, 2007

Manager	Beginning Market Value	Net Cash Flow	Investment Income	Capital Gain/Loss	Net Investment Gain/Loss	Ending Market Value
Grosvenor Capital Mgmt.	153,831,960	(312,744)	--	2,215,464	2,215,464	155,734,680
BlackRock Realty Leveraged	205,973,791	(21,613,173)	--	(16,795,991)	(16,795,991)	176,643,581
BlackRock Realty Port. II Leveraged	102,880,000	97,773	--	1,202,227	1,202,227	104,180,000
Cornerstone Real Est Adv Leveraged (1)	158,385,672	48,992,933	--	38,136	38,136	206,718,737
UBS Realty Inv LLC	5,795,095	(12,717)	--	(2,341)	(2,341)	5,780,036
AEW Capital Management, LP	4,888,100	2,496,160	--	(23,252)	(23,252)	7,361,008
Hines Real Estsat Invtmt	7,005,722	(93,750)	--	(434,706)	(434,706)	6,477,266
Principal Global Investors	55,868,758	(45,516)	470,457	(6,807,315)	(6,336,858)	49,486,384
Urdang Investment Mgmt. Inc.	58,033,376	(46,424)	553,627	(7,816,675)	(7,263,047)	50,723,904
BlackRock Realty Granite Prop Fund (2)	71,211,494	--	--	1,915,118	1,915,118	73,126,612
Cornerstone Real Est Adv Patriot Fund	78,268,544	8,525,740	--	935,198	935,198	82,931,677
JMB Group V	29,416	(14,190)	(1,761)	--	(1,761)	13,465
Cash Account	363,973,233	(8,065,173)	--	4,308,586	4,308,586	360,216,646
Cash Account Transition	--	--	--	--	--	--
State Street Global Advisors Futures Overlay	45,583,785	--	--	10,106,382	10,106,382	55,690,167
PIMCO Distressed Mortgage Fund	--	2,700,000	--	--	--	2,700,000
HarbourVest Partners, LLC	--	9,029,572	--	--	--	9,029,572
Total	\$6,258,183,622	(\$26,598,697)	\$24,093,087	(\$87,300,430)	(\$63,207,343)	\$6,171,960,726

(1) Revised by the manager from \$158,430,672

(2) 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	107,016,990	97,938,037	(9,078,953)
BlackRock II Lev	17,420,000	17,420,000	-
Cornerstone Lev	58,840,559	59,538,564	698,005
Cornerstone Patriot Fund	15,235,900	20,033,704	4,797,804

Numbers may not add due to rounding

Performance

Sacramento County Employees Retirement System
Performance Summary
Period Ending December 31, 2007

	Market Value	Quarter	Annualized				Inception to Date
			1 Year	3 Years	5 Years		
Total Fund	\$ 6,172.0	(0.7)% 48	8.7 % 48	11.3 % 36	13.5 % 53	9.9 %	
Total Fund-Net	6,172.0	(0.8)	8.4	11.0	13.2	9.8	
<i>Rank vs. Total Funds Billion Dollar - Public</i>							
<i>Total Funds Billion Dollar - Public Med</i>		(0.8)	8.6	10.2	13.7	--	
<i>Benchmark</i>		(0.4)	8.9	11.3	13.6	10.1	
<i>Benchmark (CURRENT)</i>		(0.0)	9.7	11.5	--	--	
<i>New Total Benchmark (ALM)</i>		(0.5)	7.9	11.4	13.0	--	
SSgA Overlay Impact (excluding Real Estate)							
<i>Total Fund without SSgA Overlay</i>	5,341.1	(0.8)	8.6	--	--	10.4	
<i>Total Fund with SSgA Overlay</i>	5,396.8	(0.8)	8.3	--	--	10.3	
Total Domestic Equity	2,041.1	(3.5) 50	4.6 65	8.3 81	13.3 87	11.2	
Total Domestic Equity-Net	2,041.1	(3.6)	4.3	8.1	13.0	11.1	
<i>Rank vs. US Equity Billion Dollar Segment - Public</i>							
<i>US Equity Billion Dollar Segment - Public Med</i>		(3.5)	4.9	9.0	14.1	--	
<i>Russell 3000 Index</i>		(3.3)	5.1	8.9	13.6	10.9	
Total Large Cap Domestic Equity	1,742.4	(3.4) 64	4.9 66	8.9 69	13.1 71	4.5	
Total Large Cap Domestic Equity-Net	1,742.4	(3.4)	4.8	8.7	13.0	4.4	
<i>Rank vs. Mercer US Equity Large Cap Equity Universe</i>							
<i> Mercer US Equity Large Cap Equity Universe Med</i>		(2.5)	7.0	10.0	14.4	--	
<i>Russell 1000 Index</i>		(3.2)	5.8	9.1	13.4	5.0	
All Cap Index							
<i>AllianceBernstein L.P. Passive</i>	1,207.7	(3.2) 61	5.8 59	9.1 66	13.4 66	11.2	
<i>AllianceBernstein L.P. Passive-Net</i>	1,207.7	(3.2)	5.8	9.1	13.4	11.2	
<i>Rank vs. Mercer US Equity Large Cap Equity Universe</i>							
<i> Mercer US Equity Large Cap Equity Universe Med</i>		(2.5)	7.0	10.0	14.4	--	
<i>Benchmark (Russell 1000 Index)</i>		(3.2)	5.8	9.1	13.4	11.1	
Large Cap Growth							
<i>Independence Inv. LLC</i>	146.6	(1.1) 65	8.8 78	7.5 82	10.5 92	1.9	
<i>Independence Inv. LLC-Net</i>	146.6	(1.1)	8.6	7.3	10.3	1.8	
<i>Rank vs. Mercer US Equity Large Cap Growth Universe</i>							
<i> Mercer US Equity Large Cap Growth Universe Med</i>		0.1	14.6	10.5	13.7	--	
<i>Russell 1000 Growth Index</i>		(0.8)	11.8	8.7	12.1	2.6	

Sacramento County Employees Retirement System

Performance Summary

Period Ending December 31, 2007

	Market Value	Quarter	Annualized				Inception to Date
			1 Year	3 Years	5 Years		
INTECH	\$ 142.8	1.4 % 29	11.6 % 65	--%	--%	14.1 %	
INTECH-Net	142.8	1.3	11.1	--	--	13.7	
<i>Rank vs. Mercer US Equity Large Cap Growth Universe</i>							
<i> Mercer US Equity Large Cap Growth Universe Med</i>		0.1	14.6	10.5	13.7	--	
<i> Russell 1000 Growth Index</i>		(0.8)	11.8	8.7	12.1	14.5	
Large Cap Value							
LSV Asset Management Large Cap Value	122.5	(5.7) 70	2.7 56	12.8 17	--	15.3	
LSV Asset Management Large Cap Value-Net	122.5	(5.9)	1.6	11.8	--	14.3	
Pzena Investment Management	122.7	(12.2) 96	(12.0) 96	5.1 95	--	8.1	
Pzena Investment Management-Net	122.7	(12.3)	(12.3)	4.6	--	7.7	
<i>Rank vs. Mercer US Equity Large Cap Value Universe</i>							
<i> Mercer US Equity Large Cap Value Universe Med</i>		(4.2)	3.6	9.9	15.1	--	
<i> Russell 1000 Value Index</i>		(5.8)	(0.2)	9.3	14.6	11.7	
Total Small Cap Domestic Equity	298.8	(4.3) 39	2.4 46	5.3 79	13.8 93	14.3	
Total Small Cap Domestic Equity-Net	298.8	(4.5)	1.8	4.6	13.1	13.6	
<i>Rank vs. Mercer US Equity Small Cap Universe</i>							
<i> Mercer US Equity Small Cap Universe Med</i>		(5.2)	1.3	8.3	17.2	--	
<i> Russell 2000 Index</i>		(4.6)	(1.6)	6.8	16.2	12.4	
Small Cap Growth							
Bear Stearns Asset Mgmt.	57.3	(7.8) 94	(6.6) 97	--	--	(4.8)	
Bear Stearns Asset Mgmt.-Net	57.3	(7.9)	(6.9)	--	--	(5.1)	
<i>Rank vs. Mercer US Equity Small Cap Growth Universe</i>							
<i> Mercer US Equity Small Cap Growth Universe Med</i>		(3.0)	11.4	10.4	17.4	--	
<i> Russell 2000 Growth Index</i>		(2.1)	7.0	8.1	16.5	14.2	

Sacramento County Employees Retirement System
Performance Summary
Period Ending December 31, 2007

	Market Value	Quarter	Annualized			Inception to Date
			1 Year	3 Years	5 Years	
M.A. Weatherbie & Co., Inc.	\$ 92.7	(1.7)% 37	14.9 % 33	10.1 % 53	15.1 % 81	15.1 %
M.A. Weatherbie & Co., Inc.-Net	92.7	(1.9)	13.9	9.1	14.1	14.1
Rank vs. Mercer US Equity Small Cap Growth Universe						
Mercer US Equity Small Cap Growth Universe Med		(3.0)	11.4	10.4	17.4	--
Russell 2000 Growth Index		(2.1)	7.0	8.1	16.5	16.5
Small Cap Value						
Dalton Greiner Hartman Maher	79.8	(2.6) 8	6.8 10	8.1 44	16.2 69	12.4
Dalton Greiner Hartman Maher-Net	79.8	(2.8)	6.3	7.5	15.5	11.6
TCW Group	69.0	(6.6) 50	(8.1) 71	3.2 90	14.0 91	8.9
TCW Group-Net	69.0	(6.7)	(8.6)	2.6	13.3	8.2
Rank vs. Mercer US Equity Small Cap Value Universe						
Mercer US Equity Small Cap Value Universe Med		(6.6)	(3.0)	7.6	17.3	--
Russell 2000 Value Index		(7.3)	(9.8)	5.3	15.8	11.2
Total International Equity	1,288.0	(1.2) 57	15.9 42	21.5 17	24.2 43	8.7
Total International Equity-Net	1,288.0	(1.3)	15.2	20.9	23.6	8.5
Rank vs. Non-US Equity Billion Dollar Segment - Public						
Non-US Equity Billion Dollar Segment - Public Med		(1.0)	15.3	19.9	24.0	--
MSCI EAFE Net Dividend Index		(1.8)	11.2	16.8	21.6	7.4
Total Intl Equity - Established Mkts	900.0	(3.0) 80	8.5 84	17.1 75	20.3 86	6.9
Total Intl Equity - Established Mkts-Net	900.0	(3.1)	7.8	16.5	19.7	6.5
Rank vs. Mercer Intl Equity Universe						
Mercer Intl Equity Universe Med		(0.8)	13.3	18.9	23.1	--
MSCI EAFE Net Dividend Index		(1.8)	11.2	16.8	21.6	7.4
INVECO Global	270.4	(2.2) 71	9.7 75	--	--	17.3
INVECO Global-Net	270.4	(2.3)	8.8	--	--	16.7
Rank vs. Mercer Intl Equity Universe						
Mercer Intl Equity Universe Med		(0.8)	13.3	18.9	23.1	--
MSCI EAFE Net Dividend Index		(1.8)	11.2	16.8	21.6	18.6

Sacramento County Employees Retirement System

Performance Summary

Period Ending December 31, 2007

	Market Value	Annualized				
		Quarter	1 Year	3 Years	5 Years	Inception to Date
Capital Guardian Trust Company International Equity	\$ 309.3	(0.2)% 40	14.0 % 46	18.0 % 62	21.0 % 77	5.1 %
Capital Guardian Trust Company International Equity-Net	309.3	(0.3)	13.4	17.6	20.5	4.7
<i>Rank vs. Mercer Intl Equity Universe</i>						
<i>Mercer Intl Equity Universe Med</i>		(0.8)	13.3	18.9	23.1	--
<i>MSCI EAFE Net Dividend Index</i>		(1.8)	11.2	16.8	21.6	5.3
<i>MSCI EAFE Net Div-Growth Index</i>		(0.3)	16.5	17.3	19.9	2.1
LSV Asset Management International Equity	267.5	(5.6) 96	3.3 96	16.7 78	--	16.7
LSV Asset Management International Equity-Net	267.5	(5.8)	2.1	15.9	--	15.9
<i>Rank vs. Mercer Intl Equity Universe</i>						
<i>Mercer Intl Equity Universe Med</i>		(0.8)	13.3	18.9	23.1	--
<i>MSCI EAFE Net Dividend Index</i>		(1.8)	11.2	16.8	21.6	16.8
<i>MSCI EAFE Net Div-Value Index</i>		(3.3)	6.0	16.3	23.2	16.3
AXA Rosenberg Inv. Mgmt. LLC	52.8	(8.8) 92	1.7 82	--	--	16.8
AXA Rosenberg Inv. Mgmt. LLC-Net	52.8	(8.8)	0.1	--	--	15.9
<i>Rank vs. Mercer Intl Equity Small Cap Universe</i>						
<i>Mercer Intl Equity Small Cap Universe Med</i>		(5.0)	8.9	21.4	30.1	--
<i>MSCI Small Cap World Ex United States Net Composite</i>		(5.0)	3.1	15.5	26.4	14.2
<i>S&P/Citigroup Extended Market Index World Ex United States</i>		(4.6)	7.3	19.3	27.4	18.1
Total Intl Equity - Emerging Mkts	388.1	3.4 65	39.4 56	38.7 29	37.6 72	14.8
Total Intl Equity - Emerging Mkts-Net	388.1	3.2	38.6	37.8	36. 8	14.1
Capital Guardian Trust Company Emerging Markets Growth	388.1	3.4 65	39.4 56	38.7 29	37.6 72	14.8
Capital Guardian Trust Company Emerging Markets Growth-Net	388.1	3.2	38.6	37.8	36.8	14.1
<i>Rank vs. Mercer Emerging Markets Equity Universe</i>						
<i>Mercer Emerging Markets Equity Universe Med</i>		4.0	40.4	36.4	39.4	--
<i>MSCI Emerging Markets Index</i>		3.7	39.8	35.6	37.5	15.4
Total Domestic Fixed Income	1,336.8	2.4 48	6.4 46	4.7 39	5.5 46	8.0
Total Domestic Fixed Income-Net	1,336.8	2.4	6.3	4.5	5.3	7.9
<i>Rank vs. US Fixed Income Billion Dollar Segment - Public</i>						
<i>US Fixed Income Billion Dollar Segment - Public Med</i>		2.4	6.4	4.5	5.1	--
<i>Lehman Brothers Aggregate Bond</i>		3.0	7.0	4.6	4.4	7.4

Sacramento County Employees Retirement System

Performance Summary

Period Ending December 31, 2007

	Market Value	Annualized				
		Quarter	1 Year	3 Years	5 Years	Inception to Date
Lehman Brothers Asset Mgmt Passive	\$ 447.9	2.7 % 37	6.6 % 46	4.4 % 74	4.4 % 64	7.6 %
Lehman Brothers Asset Mgmt Passive-Net	447.9	2.6	6.5	4.4	4.3	7.6
<i>Rank vs. Mercer US Fixed Combined Universe</i>						
<i>Mercer US Fixed Combined Universe Med</i>		2.3	6.4	4.7	4.7	--
<i>Lehman Brothers Aggregate Bond</i>		3.0	7.0	4.6	4.4	7.6
Metropolitan West Capital Mgmt	447.1	2.7 36	7.1 28	5.2 17	7.0 16	6.0
Metropolitan West Capital Mgmt-Net	447.1	2.7	6.9	5.0	6.8	5.8
<i>Rank vs. Mercer US Fixed Combined Universe</i>						
<i>Mercer US Fixed Combined Universe Med</i>		2.3	6.4	4.7	4.7	--
<i>Lehman Brothers Aggregate Bond</i>		3.0	7.0	4.6	4.4	5.4
Bradford & Marzec, Inc.	441.8	2.0 63	5.6 66	4.3 79	5.1 33	8.3
Bradford & Marzec, Inc.-Net	441.8	1.9	5.4	4.1	4.9	8.1
<i>Rank vs. Mercer US Fixed Combined Universe</i>						
<i>Mercer US Fixed Combined Universe Med</i>		2.3	6.4	4.7	4.7	--
<i>Benchmark (Lehman Brothers Aggregate Bond)</i>		3.0	7.0	4.6	4.4	7.5
Hedge Funds	315.0	2.7	12.6	11.3	--	12.7
Blackstone Alternative Asset	159.2	3.9	14.1	12.4	--	14.0
Blackstone Alternative Asset-Net	159.2	3.6	12.9	10.9	--	12.6
Grosvenor Capital Mgmt.	155.7	1.4	11.1	10.2	--	11.1
Grosvenor Capital Mgmt.-Net	155.7	1.2	10.2	9.3	--	10.3
<i>T-Bill + 5%</i>		2.1	9.5	9.1	7.9	8.8
<i>CSFB Tremont Hedge Funds Long/Short Equity Index</i>		2.4	13.7	12.6	13.3	14.4
Total Real Estate	763.4	0.0 89	11.6 79	19.7 41	16.4 55	8.4
<i>Rank vs. Real Estate Billion Dollar Segment - Public</i>						
<i>Real Estate Billion Dollar Segment - Public Med</i>		2.0	16.6	18.6	16.7	--
<i>NCREIF Property Index - EWB Calc</i>		3.2	15.8	17.5	15.1	8.8
Separate Accounts Portfolios						
BlackRock Realty Unleveraged	274.6	2.5	16.6	18.2	15.5	13.1
<i>NCREIF Property Index - EWB Calc</i>		3.2	15.8	17.5	15.1	12.6
BlackRock Realty Leveraged	176.6	3.1	22.4	22.8	18.9	14.4
<i>NCREIF Property Index - EWB Calc</i>		3.2	15.8	17.5	15.1	12.5

Sacramento County Employees Retirement System
Performance Summary
Period Ending December 31, 2007

	Market Value	Quarter	Annualized			Inception to Date
			1 Year	3 Years	5 Years	
BlackRock Realty Portfolio II Unleveraged <i>NCREIF Property Index - EWB Calc</i>	\$ 121.6	2.4 % 3.2	11.7 % 15.8	21.4 % 17.5	15.1 % 15.1	13.4 % 12.8
BlackRock Realty Portfolio II Leveraged <i>NCREIF Property Index - EWB Calc</i>	104.2	2.5 3.2	12.6 15.8	25.5 17.5	-- 15.1	22.8 17.4
Cornerstone Real Est Adv Unleveraged <i>NCREIF Property Index - EWB Calc</i>	266.3	1.3 3.2	10.8 15.8	10.4 17.5	-- 15.1	9.6 17.3
Cornerstone Real Est Adv Leveraged <i>NCREIF Property Index - EWB Calc</i>	206.7	0.9 3.2	12.4 15.8	14.3 17.5	-- 15.1	12.6 17.2
Value Added						
UBS Realty Inv LLC	5.8	(0.7)	37.0	--	--	26.1
UBS Realty Inv LLC-Net <i>NCREIF PROPERTY + 2%</i>	5.8	(0.3) 3.7	27.6 17.8	-- 19.5	-- 17.1	19.2 18.5
AEW Capital Management, LP	7.4	1.8	--	--	--	1.3
AEW Capital Management, LP-Net <i>NCREIF PROPERTY + 2%</i>	7.4	1.4 3.7	-- 17.8	-- 19.5	-- 17.1	0.9 11.4
Hines Real Estsat Invtmt	6.5	(6.3)	--	--	--	(6.3)
Hines Real Estsat Invtmt-Net <i>NCREIF PROPERTY + 2%</i>	6.5	(7.5) 3.7	-- 17.8	-- 19.5	-- 17.1	(7.5) 7.8
REITS						
Principal Global Investors	49.5	(11.3) 22	(16.3) 58	--	--	3.4
Principal Global Investors-Net	49.5	(11.4)	(16.7)	--	--	3.1
Urdang Investment Mgmt. Inc.	50.7	(12.5) 49	(13.7) 21	--	--	4.4
Urdang Investment Mgmt. Inc.-Net	50.7	(12.6)	(14.2)	--	--	4.0
<i>Rank vs. Mercer US Real Estate Public REITS Universe</i>						
<i> Mercer US Real Estate Public REITS Universe Med</i>		(12.6)	(15.8)	9.4	19.8	--
<i> FTSE NAREIT Equity REITs Return Only</i>		(12.7)	(15.7)	8.5	18.2	3.1
Limited Partnerships						
BlackRock Realty Granite Property Fund <i>NCREIF Property Index - EWB Calc</i>	73.1	2.9 3.2	16.3 15.8	-- 17.5	-- 15.1	19.8 16.5

Sacramento County Employees Retirement System

Performance Summary

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	Market Value	Quarter	Annualized			Inception to Date
			1 Year	3 Years	5 Years	
Cornerstone Real Est Adv Patriot Fund <i>NCREIF Property Index - EWB Calc</i>	\$ 82.9	2.0 % 3.2	14.8 % 15.8	18.4 % 17.5	--% 15.1	17.8 % 17.7
JMB Group V <i>NCREIF Property Index - EWB Calc</i>	0.0	1.0 3.2	4.7 15.8	10.3 17.5	22.9 15.1	12.4 9.3
Private Equity						
HarbourVest Partners, LLC	9.0					
Opportunistic						
PIMCO Distressed Mortgage Fund	2.7					
Total Cash	360.2	1.2 91	5.3 80	4.8 65	3.8	4.9
<i>Rank vs. Cash and Equivalents Segment - Billion Dollar Public</i>						
<i>Cash and Equivalents Segment - Billion Dollar Public Med</i>		2.0	8.3	5.6	--	--
<i>Citigroup Treasury Bill-3 Month</i>		1.0	4.7	4.2	2.9	4.0