

SACRAMENTO COUNTY EMPLOYEES' RET SYSTEM

INVESTMENT PERFORMANCE ANALYSIS

MARCH 31, 2012

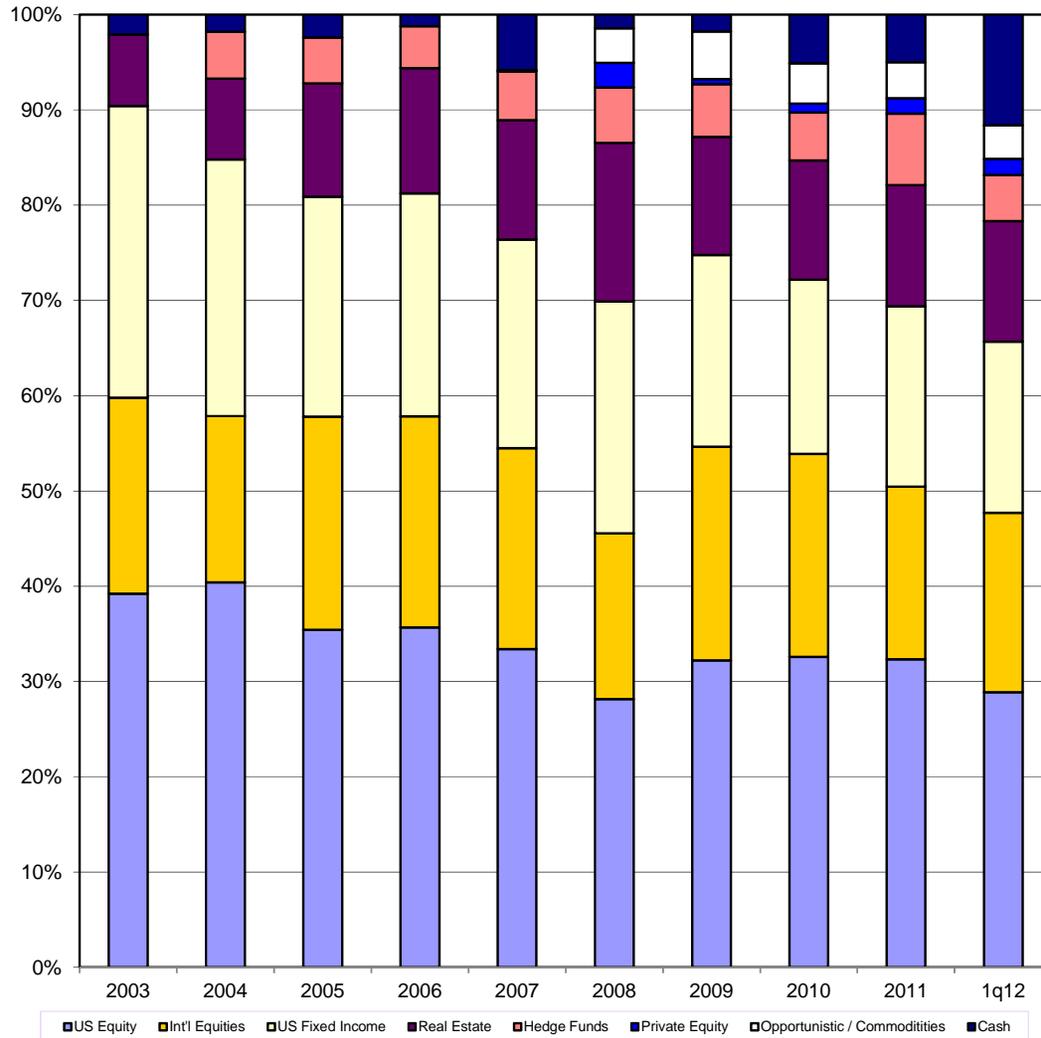
STRATEGIC INVESTMENT SOLUTIONS, INC.

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Periods Ending March 31, 2012

Actual Yearly and Quarterly Asset Allocation



**	2003	2004	2005	2006	2007	2008
US Equity	39.2	40.4	35.4	35.5	33.1	27.2
International Equity	20.6	17.5	22.3	22.0	20.9	16.8
US Fixed Income	30.6	26.9	23.1	23.3	21.7	23.5
Real Estate	7.5	8.5	11.9	13.1	12.4	16.1
Hedge Funds	-	4.9	4.8	4.4	5.1	5.6
Private Equity	-	-	-	-	0.1	2.5
Opportunistic / Commodities	-	-	-	-	-	3.5
Cash	2.1	1.8	2.4	1.2	5.8	1.4
Other *	-	0.1	-	0.4	0.9	3.4

	2009	2010	2011	2012 1Q
US Equity	30.9	31.7	31.4	28.0
International Equity	21.5	20.7	17.6	18.3
US Fixed Income	19.3	17.8	18.4	17.4
Real Estate	11.9	12.2	12.4	12.3
Hedge Funds	5.3	4.9	7.3	4.7
Private Equity	0.5	0.9	1.6	1.7
Opportunistic / Commodities	4.8	4.1	3.7	3.4
Cash	1.7	5.0	4.9	11.3
Other *	4.1	2.6	2.7	3.0

** Calendar year period

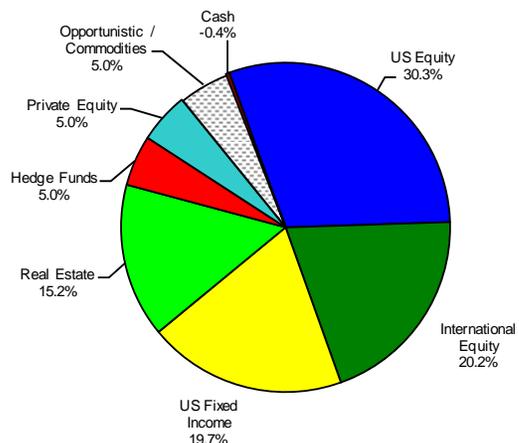
* Other includes SSgA Overlay and closing accounts.

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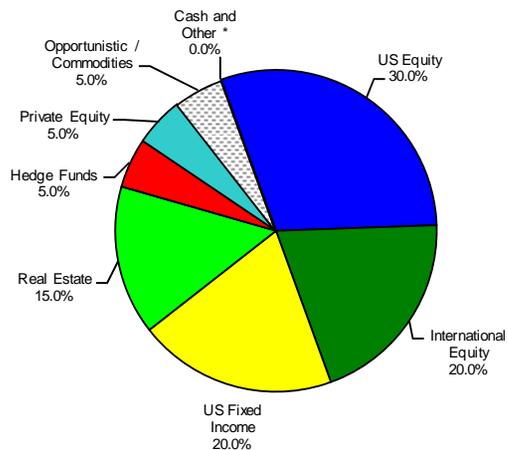
As of March 31, 2012

Asset Allocation Analysis – Total Plan

Current w/Overlay



Target



ASSET ALLOCATION	MARKET VALUE		
	W/OVERLAY	W/OVERLAY	W/O OVERLAY
US Equity	1,897,378,121	30.3%	28.0%
International Equity	1,266,242,098	20.2%	18.3%
US Fixed Income	1,231,843,518	19.7%	17.4%
Real Estate	955,499,304	15.2%	12.3%
Hedge Funds	315,025,281	5.0%	4.7%
Private Equity	313,628,803	5.0%	1.7%
Opportunistic / Commodities	312,762,476	5.0%	3.4%
Cash and Other *	-22,897,463	-0.4%	14.3%
TOTAL	6,269,482,139	100.0%	100.0%

ASSET ALLOCATION	ACTUAL	TARGET	DIFF
US Equity	30.3%	30.0%	0.3%
International Equity	20.2%	20.0%	0.2%
US Fixed Income	19.7%	20.0%	-0.4%
Real Estate	15.2%	15.0%	0.2%
Hedge Funds	5.0%	5.0%	0.0%
Private Equity	5.0%	5.0%	0.0%
Opportunistic / Commodities	5.0%	5.0%	0.0%
Cash and Other *	-0.4%	0.0%	-0.4%

ASSET ALLOCATION	TARGET	MEDIAN	DIFF
US Equity	30.0%	28%	2.0%
International Equity	20.0%	18%	2.0%
US Fixed Income	20.0%	27%	-7.0%
Real Estate	15.0%	7%	8.0%
Hedge Funds	5.0%	8%	-3.0%
Private Equity	5.0%	8%	-3.0%
Opportunistic / Commodities	5.0%	0%	5.0%
Cash and Other *	0.0%	4%	-4.0%

* Other includes SSgA Overlay of \$160 million and closing accounts (Bank of Ireland, Heitman).

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First Quarter 2012

Executive Performance Summary

- The Total Plan returned 8.0% in the first quarter of 2012 and ranked in the 29th percentile among other public funds greater than \$1 billion (7.5% median). The fund beat its policy index (7.2%) during this time period. The Total Plan w/o overlay returned 7.8% for the quarter. Longer term, the five and ten-year returns of 2.2% and 5.9%, ranked below the median among large public plans (2.9% and 6.0%, respectively).

- First quarter results were enhanced by the following factors:
 1. The BlackRock 130/30 Fund returned 16.0%, ranking in the top quartile among large cap core equity managers (median 12.6%). The S&P 500 Index was up 12.6%. Its valuation metrics based on sentiment and earnings quality were positive during the quarter. Two of its best performing positions were overweights in Tempur-Pedic and Apple. 130/30 manager UBS was terminated at March-end.
 2. JP Morgan 130/30 surpassed its benchmark, the Russell 1000 Index (14.8% vs. 12.9%) and ranked in the 7th percentile among large cap core managers. It was helped by select hardware, industrial cyclical (Georgia Gulf) and basic materials investments. Top stock contributors include General Motors and Covidien.
 3. Large cap growth managers INTECH and Wells Capital were closed in February. Assets were transferred to Brown Advisory. In its first full month, Brown fared better than the Russell 1000 Growth Index (3.6% vs. 3.3%). For the quarter, the Large Cap Growth Composite beat its index (16.2% vs. 14.7%).
 4. Large cap value managers LSV and Pzena were closed in February. Assets were transferred to Eagle Capital and Huber Capital. In their first full month, Eagle (2.7%) under- and Huber matched the Russell 1000 Value Index (3.0%). For the quarter, the Large Cap Value Composite beat its index (14.0% vs. 11.1%).
 5. Dalton Greiner (12.1%) had a relatively strong quarter; it placed ahead of its benchmark, the Russell 2000 Value Index (11.6%). Its peer median returned 13.0%; the portfolio ranked in the 65th percentile among small cap value managers. Selection and overweight to Consumer Discretionary investments (Chico FAS, Gaylord Entertainment, Beacon Roofing Supply) and its intra-quarter trading fared well during the quarter.
 6. In front of the Russell 2000 Value Index (11.6%), TS& W was up 12.6%, ranking 59th among its small value peers. Its positive security selection in the Materials and Financials sectors supported results.

Executive Performance Summary

7. WEDGE Capital returned 12.9%. It ranked in the 55th percentile among small cap value managers (13.0% median). The Russell 2000 Value Index returned 11.6% during the same time period. Its half-weight to Utilities and positions in the Industrials (US Airways, Enersys) and Consumer Discretionary (Insight Enterprises, Chico FAS, Pep Boys Manny, Moe + Jack) sectors were beneficial to performance.
8. Capital Guardian-Developed Markets quarterly results (12.6%) beat the MSCI EAFE (net) Index (10.9%), and ranked above its peer median return of 11.8%. Select holdings in the financials (Barclays), energy (Cameco, Gazprom) and info tech (Hynix Semiconductor, Murata Manufacturing, Samsung Electronics) sectors helped the portfolio.
9. The Mondrian quarterly result of 13.9% led its benchmark, the MSCI World -ex US Small Index (13.7%), and ranked in the third quartile among international developed market small cap managers (median of 14.4%). Positive contributions arose from stock selection in Hong Kong, overweight to Singapore, underweight to Canada and Korea and the portfolio's currency hedges.
10. The Bradford & Marzec 2.7% return beat its benchmark, the Barclays Aggregate Index (0.3%) and ranked in the top quartile among core bond managers, median return of 1.1%. The main contributors to excess returns were overweight allocations to high yield, investment grade credit and CMBS as well as security selection within investment grade credit (banking, insurance), energy bonds and REITs.
11. MWAM (3.3%) edged out the Barclays Aggregate Index (0.3%) and ranked above the fixed income core manager median of 1.1%. Significant overweight to financials, shorter-than-index duration and underweight to governments were contributors to performance.
12. Neuberger Berman-Fixed's return of 0.9% ranked in the 62nd percentile among its fixed income peer group. The Barclays Aggregate Index returned 0.3%. Neuberger's investment grade corporate security selection and overweight to CMBS were contributors to performance.
13. The Hedge Fund Composite was ahead of the 91 Day T-Bill + 5% Index (3.6% vs. 1.2%) and ranked in the second quartile among its peers (median of 3.4%). Grosvenor, Grosvenor SC and Oz Domestic Partners II (funded beginning of January) appreciated 5.0%, 4.9% and 5.4%, respectively. The Blackstone Fund was closed in January. Claren Road Credit Partners started January-end. In its first two months, it fared worse than the 91 Day T-Bill + 5% (-0.8% vs. 0.8%).
14. The REIT Composite was ahead of the NAREIT Equity Index (12.2% vs. 10.8%) and ranked in the second quartile among REIT managers (median of 10.7%). CB Richard Ellis fared worse than the FTSE EPRA NAREIT Index (13.9% vs. 14.7%). Principal Global (10.7%) and Urdang (11.0%) are benchmarked to the NAREIT Equity.

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First Quarter 2012

Executive Performance Summary

15. Commodities managers Blackstone and Neuberger returned 5.7% and 3.0%, respectively. Combined, it appreciated 4.6% and ranked above its peers, while the DJ UBS Commodities Index was up 0.9%.
 16. The Opportunistic Composite added 9.0% for the quarter while the Barclays Aggregate Index returned 0.3%. PIMCO Distressed Mortgages (15.8%) surpassed its benchmark while Met West TALF (-0.5%) could not. The SSgA Real Asset Fund was edged out by its custom benchmark return (5.8% vs. 6.0%). Stone Tower appreciated 4.9% while the one-quarter lag Barclays Aggregate Index was up 1.1%.
- First quarter results were hindered by the following factors:
 1. AllianceBernstein gained 12.8% for the quarter, slightly under-performing its large cap peer median and the Russell 1000 Index return of 12.9%. The portfolio was impacted by its portfolio turnover. BlackRock's Enhanced Large Cap strategy was closed at January-end, with proceeds transferred to AllianceBernstein.
 2. Small growth manager MA Weatherbie was behind the Russell 2000 Growth Index (12.1% vs. 13.3%) and ranked in the third quartile among its peers (median 12.8%). Negative performance attribution came primarily from its below par Info Tech (RealPage, Interdigital, ServiceSource International) and Healthcare (Biomarin Pharmaceutical) investments and its portfolio turnover.
 3. Turner (12.1%) lagged the Russell 2000 Growth Index (13.30%) and ranked in the third quartile among small growth managers (12.8%) median. Security selection in the Info Tech (Ceva, Sapien), Energy (Northern Oil & Gas, Swift Energy) and Healthcare (IPC the Hospitalist, Onyx Pharmaceuticals, Questcor Pharmaceuticals) sectors detracted from performance.
 4. Invesco's return of 8.0% trailed the MSCI EAFE Index return of 11.0%, and ranked the bottom quartile among its peers. Stock selection in the info tech (DeNA), consumer discretionary (Yamada Denki) and energy (Royal Dutch Shell, Repsol) sectors were detractors to performance.
 5. LSV (9.8%) slightly under-performed the MSCI EAFE Value Index (9.9%) and ranked 84th among international equity managers. LSV maintained its sector allocations from the prior quarter. LSV is recommended to be removed from the watch list.

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First Quarter 2012

Executive Performance Summary

6. William Blair was surpassed by its benchmark, the MSCI World –ex US Small Cap Index (13.5% vs. 13.7%) and ranked in the 66th percentile among international developed market small cap managers. Bottom contributors to performance were across stock selection in energy (Peyto Exploration, Celtic Exploration) and Japanese consumer and internet-related names.
7. Behind the MSCI Emerging Markets Index (14.1%), Capital Guardian appreciated 13.2%, ranking 82nd among its peers. Short-term detractors were stock selection in China (China Shenhua Energy, Sinopec, Weichai Power) and Asian banks.
8. Real Estate-Separate Accounts trailed its benchmark, the NCREIF Property Index (2.5% vs. 2.6%). The combined accounts ranked with the real estate manager median. BlackRock I, BlackRock II and Cornerstone Leveraged accounts returned 2.9%, 0.8% and 2.9%, respectively. Unleveraged, quarterly returns were 2.6%, 1.0% and 2.5%, respectively.
9. Combined, the Value Added Real Estate managers fared worse than the one-quarter lag NCREIF + 2% Index (1.0% vs. 3.4%) and ranked in the third quartile among real estate managers. AEW, Hines US Office II and UBS performance were 6.2%, -4.1% and 0.3%, respectively.
10. Real Estate-Limited Partnerships trailed its benchmark, the NCREIF NFI ODCE Index (2.6% vs. 2.8%). The combined accounts ranked in the second quartile among real estate managers. BlackRock Granite and Cornerstone Patriot returns were 2.7% and 2.4%, respectively.
11. The Private Equity Composite carried a quarterly time-weighted rate of 0.6% for the first quarter while its benchmark, the one-quarter lag S&P 500 + 2% Index appreciated 12.3%.

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Periods Ending March 31, 2012

Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
TOTAL FUND *#														
Sacramento County - Gross	6,269,482,139	100.0%	8.0	29	2.5	63	3.9	68	16.4	41	2.2	74	8.4	Jun-86
Sacramento County - Net			8.0		2.3		3.6		16.0		1.9		8.2	
Policy Index ¹			7.2	57	3.3	20	4.3	47	16.7	36	3.0	45	8.8	
Allocation Index			7.5											
Sacramento County w/o Overlay - Gross**			7.8	42	1.7	89	3.0	95	14.7	72	1.6	85	8.3	Jun-86
Sacramento County w/o Overlay - Net			7.7		1.5		2.6		14.3		1.3		8.1	
Policy Index ¹			7.2	57	3.3	20	4.3	47	16.7	36	3.0	45	8.8	
Total Public Funds > \$1 Billion Median			7.5		2.8		4.3		16.1		2.9			
US EQUITY MANAGERS														
Large Cap														
BlackRock 130/30- Gross	72,284,683	1.2%	16.0	4	12.6	2	14.9	1	24.9	15			5.2	Jul-08
BlackRock 130/30 - Net			15.9		12.3		14.5		24.6				4.9	
S&P 500 Index			12.6	63	8.4	34	8.5	38	23.4	62			5.3	
JP Morgan 130/30 - Gross	73,634,577	1.2%	14.8	7	7.2	59	6.9	65	24.2	25			7.9	Jul-08
JP Morgan 130/30 - Net			14.6		6.6		6.1		23.2				7.1	
Russell 1000 Index			12.9	35	7.7	49	7.9	53	24.0	31			5.5	
Equity Active (130/30) ²	145,919,260	2.4%	14.6	9	8.3	40	9.1	16	24.3	23			8.4	Oct-08
Russell 1000 Index			12.9	35	7.7	49	7.9	53	24.0	31			8.4	
Total Large Cap Core Median			12.6		7.6		8.0		23.5					
Alliance Bernstein - Gross ²	846,617,706	13.5%	12.8	53	7.7	45	7.9	50	23.9	39	2.2	50	9.2	May-89
Alliance Bernstein - Net			12.8		7.7		7.8		23.9		2.2		9.2	
Russell 1000 Index ¹			12.9	50	7.7	44	7.9	50	24.0	36	2.2	52	8.3	
Large Cap - Index	846,617,706	13.5%	12.8	53	7.7	45	7.9	50	23.9	39			8.4	Oct-08
Russell 1000 Index			12.9	50	7.7	44	7.9	50	24.0	36			8.4	
Total Large Cap Median			12.9		7.2		7.8		23.5					

* Ranking are calculated using the State Street/ICC Universe and are based on gross of fee returns. Ranking: 1 is best, 100 is worst.

The total fund and US managers are ranked against their appropriate peer (style) groups. Asset class composites are ranked against asset class universes.

** Returns from 2/1/06 to 12/31/10 were calculated using the overlay impact provided by State Street Investment Analytics.

¹ See Appendix for Benchmark History.

² UBS 130/30 was terminated in March 2012. Assets for BlackRock - Enhanced LC was liquidated in January 2012 to Alliance Bernstein.

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Periods Ending March 31, 2012

Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception		
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return		
Brown Advisory - Gross ³	78,842,643	1.3%											3.6	Mar-12	
Brown Advisory - Net														3.6	
Russell 1000 Growth Index															3.3
Large Cap - Growth	78,842,643	1.3%	16.2	41	7.0	60	8.2	62	24.2	45			9.6	Oct-08	
Russell 1000 Growth Index			14.7	68	10.2	36	11.0	36	25.3	33			11.3		
Total Large Cap Growth Median			15.7		8.5		9.5		23.9						
Eagle Capital - Gross ³	155,793,671	2.5%											2.7	Mar-12	
Eagle Capital - Net														2.7	
Russell 1000 Value Index															3.0
Huber Capital - Gross ³	77,900,146	1.2%											3.0	Mar-12	
Huber Capital - Net														3.0	
Russell 1000 Value Index															3.0
Large Cap - Value	233,693,817	3.7%	14.0	22	3.8	78	3.6	72	25.3	22			7.1	Oct-08	
Russell 1000 Value Index			11.1	77	5.3	52	4.8	57	22.8	57			5.4		
Total Large Cap Value Median			12.3		5.4		5.0		23.0						
US Equity - Large Cap Composite	1,305,073,426	20.8%	13.5	40	6.6	57	6.9	58	22.9	65	1.0	77	3.2	Mar-98	
Russell 1000 Index			12.9	50	7.7	44	7.9	50	24.0	36	2.2	52	3.9		
Total Large Cap Median			12.9		7.2		7.8		23.5		2.2				
Small Cap															
M.A. Weatherbie - Gross	112,972,845	1.8%	12.1	62	5.1	21	4.5	35	29.5	42	7.7	25	11.0	Dec-02	
M.A. Weatherbie - Net														10.0	
Russell 2000 Growth Index					13.3	45	1.3	54	0.7	62	28.4	60	4.2	79	10.5
Turner Investment Partners - Gross	114,403,820	1.8%	12.1	61	-2.9	87	-3.7	91					19.2	Aug-10	
Turner Investment Partners - Net														18.6	
Russell 2000 Growth Index					13.3	45	1.3	54	0.7	62				20.5	
Small Cap - Growth	227,376,665	3.6%	12.1	61	0.9	57	0.2	64	25.7	82			9.8	Oct-08	
Russell 2000 Growth Index			13.3	45	1.3	54	0.7	62	28.4	60			9.8		
Total Small Cap Growth Median			12.8		1.6		3.0		28.8						

¹ See Appendix for Benchmark History.

³ INTECH and Wells Capital w as terminated in February 2012 and funded Brown Advisory. LSV - LV and Pzena w as terminated in February 2012 and funded Eagle Capital and Huber Capital.

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Periods Ending March 31, 2012

Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
Dalton Greiner - Gross	105,308,909	1.7%	12.1	65	1.4	70	0.6	49	25.6	84	6.6	5	10.1	Dec-00
Dalton Greiner - Net			11.9		0.6		-0.4		24.5		5.7		9.2	
Russell 2000 Value Index			11.6	76	1.6	67	-1.1	63	25.4	85	0.0	96	8.0	
Thompson, Siegel & Walmsley - Gross	53,515,042	0.9%	12.6	59	1.9	62	1.9	30	21.0	97			2.8	Apr-08
Thompson, Siegel & Walmsley - Net			12.4		1.2		0.9		20.1				2.0	
Russell 2000 Value Index			11.6	76	1.6	67	-1.1	63	25.4	85			4.0	
Wedge Capital - Gross	63,709,124	1.0%	12.9	55	2.9	41	1.8	32	27.6	68			6.4	Apr-08
Wedge Capital - Net			12.6		2.2		0.8		26.6				5.6	
Russell 2000 Value Index			11.6	76	1.6	67	-1.1	63	25.4	85			4.0	
Small Cap - Value	222,533,075	3.6%	12.5	62	1.9	62	1.2	39	25.0	89			7.7	Oct-08
Russell 2000 Value Index			11.6	76	1.6	67	-1.1	63	25.4	85			5.1	
Total Small Cap Value Median			13.0		2.5		0.3		29.4					
US Equity - Small Cap Composite	449,909,740	7.1%	12.3	58	1.4	63	0.7	57	25.5	83	2.5	81	11.9	Dec-90
Russell 2000 Index			12.4	56	1.4	63	-0.2	65	26.9	69	2.1	83	10.6	
Total Small Cap Median			12.6		2.3		1.3		28.6		4.5			
US Equity Composite	1,754,983,166	28.0%	13.2	42	5.4	48	5.5	47	23.5	70	1.4	82	9.4	Jun-86
US Equity Benchmark ¹			12.9	48	7.2	34	7.2	37	24.3	56	2.1	70	9.5	
US Equity Median			12.8		5.2		5.0		24.9		3.1			
INTERNATIONAL EQUITY MANAGERS														
Developed Markets														
Capital Guardian Developed - Gross	226,080,407	3.6%	12.6	38	-5.9	44	-5.2	49	17.3	68	-1.9	59	1.7	Dec-99
Capital Guardian Developed - Net			12.5		-6.2		-5.5		17.0		-2.2		1.3	
MSCI EAFE Index (net)			10.9	71	-7.2	59	-5.8	58	17.2	69	-3.4	82	1.6	
MSCI EAFE Growth Index (net)			12.0	49	-5.7	43	-3.7	40	17.7	62	-1.9	59	-0.3	
Invesco - Gross	264,243,465	4.2%	8.0	89	-8.3	79	-7.3	80	16.0	79	-2.7	73	3.6	Mar-05
Invesco - Net			7.9		-8.6		-7.7		15.5		-3.2		3.1	
MSCI EAFE Index			11.0	67	-7.0	55	-5.3	49	17.7	62	-3.0	76	3.7	

¹ See Appendix for Benchmark History.

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Periods Ending March 31, 2012

Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
LSV International - Gross	199,499,619	3.2%	9.8	84	-8.6	82	-6.7	72	17.7	62	-6.3	98	2.0	Dec-04
LSV International - net			9.8		-8.7		-6.8		17.2		-6.8		1.5	
MSCI EAFE Value Index			9.9	84	-8.5	80	-7.3	80	17.2	69	-4.6	92	2.8	
International Equity Median			11.8		-6.6		-5.4		18.5		-1.3			
Mondrian - Gross	66,035,001	1.1%	13.9	58	-3.5	11	1.5	11					15.8	Sep-10
Mondrian - Net			13.8		-4.0		0.8						15.3	
MSCI World Small Cap - ex US Index			13.7	61	-7.0	63	-7.0	81					12.7	
William Blair - Gross	82,297,184	1.3%	13.5	66	-4.3	15	-1.7	14	29.7	6			11.4	Sep-08
William Blair - Net			13.3		-4.9		-2.6		28.4				10.3	
MSCI World Small Cap - ex US Index			13.7	61	-7.0	63	-7.0	81	25.9	17			9.9	
Intl Small Cap Equity Median			14.4		-6.8		-6.2		23.7					
International Equity - Developed	838,155,676	13.4%	10.6	74	-7.0	55	-5.4	52	18.2	55	-3.0	76	3.3	Mar-98
MSCI EAFE Index			11.0	67	-7.0	55	-5.3	49	17.7	62	-3.0	76	3.7	
International Equity Median			11.8		-6.6		-5.4		18.5		-1.3			
Emerging Markets														
Cap Guardian Emg Mkts Growth - Gross	307,647,607	4.9%	13.2	82	-11.7	85	-13.0	82	21.6	88	4.5	49	8.8	Jan-00
Cap Guardian Emg Mkts Growth - Net			13.2		-11.7		-13.0		21.2		4.1		8.2	
MSCI Emerging Markets Index			14.1	56	-7.6	53	-8.5	54	25.4	59	5.0	43	9.1	
International Equity - Emerging	307,647,607	4.9%	13.2	81	-11.7	84	-13.0	81	21.6	88	4.5	49	8.8	Jan-00
MSCI Emerging Markets Index			14.1	56	-7.6	53	-8.5	54	25.4	59	5.0	43	9.1	
Intl Emerging Markets Median			14.7		-7.1		-8.0		26.5		4.4			
International Equity Composite	1,145,803,284	18.3%	11.3	61	-8.3	79	-7.6	82	19.0	44	-1.1	48	6.4	Dec-87
MSCI ACWI -ex US Index ¹			11.3	60	-7.3	63	-6.7	72	19.6	40	-0.9	46	6.4	
International Equity Median			11.8		-6.6		-5.4		18.5		-1.3			

¹ See Appendix for Benchmark History.

SCERS

Periods Ending March 31, 2012

Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
US FIXED INCOME MANAGERS														
CORE														
Bradford & Marzec - Gross	358,539,920	5.7%	2.7	14	5.5	48	8.0	42	10.4	26	8.0	12	8.4	Jun-88
Bradford & Marzec - net			2.6		5.3		7.7		10.2		7.7		8.1	
Barclays Aggregate Index ¹			0.3	89	5.3	60	7.7	56	6.8	80	6.2	78	7.3	
Metropolitan West Fixed - Gross	375,197,178	6.0%	3.3	4	6.1	22	7.6	61	15.7	2	9.2	2	7.4	Dec-01
Metropolitan West Fixed - Net			3.2		5.9		7.4		15.4		8.9		7.2	
Barclays Aggregate Index			0.3	89	5.3	60	7.7	56	6.8	80	6.2	78	5.7	
Neuberger - Gross	358,605,397	5.7%	0.9	62	5.5	48	7.8	48	9.9	33	7.1	35	7.5	May-88
Neuberger - Net			0.9		5.5		7.8		9.8		7.0		7.5	
Barclays Aggregate Index			0.3	89	5.3	60	7.7	56	6.8	80	6.2	78	7.2	
US Fixed Income Composite	1,092,342,495	17.4%	2.3	17	5.7	36	7.8	50	11.9	13	8.1	10	8.0	Jun-86
Barclays Aggregate Index ¹			0.3	89	5.3	60	7.7	56	6.8	80	6.2	78	7.2	
US Fixed Income Median			1.1		5.5		7.8		8.9		6.8			
HEDGE FUND MANAGERS ⁴														
Claren Road Credit Partners - Gross ⁴	29,663,797	0.5%											-0.8	Feb-12
Claren Road Credit Partners - Net													-1.1	
91 Day T Bill + 5%													0.8	
Grosvenor - Gross	21,720,393	0.3%	5.0	25	-2.9	78	-3.2	78	4.8	77	-0.2	76	3.7	Aug-04
Grosvenor - Net			4.9		-3.3		-3.8		4.3		-0.7		3.1	
91 Day T Bill + 5%			1.2	76	3.8	17	5.1	17	5.1	75	6.2	14	7.1	
Grosvenor SC Absolute Return - Gross	203,746,935	3.2%	4.9	27									4.6	Dec-11
Grosvenor SC Absolute Return - Net			4.7										4.3	
91 Day T Bill + 5%			1.2	76									1.7	
Oz Domestic Partners II - Gross ⁴	31,426,848	0.5%	5.4	21									5.4	Jan-12
Oz Domestic Partners II - Net			4.8										4.8	
91 Day T Bill + 5%			1.2	76									1.2	
Hedge Fund Composite	293,808,338	4.6%	3.6	47	-1.8	67	-1.2	58	6.1	68	0.3	74	4.6	Aug-04
91 Day T Bill + 5%			1.2	76	3.8	17	5.1	17	5.1	75	6.2	14	7.1	
Hedge Fund Median			3.4		-0.5		-0.3		8.4		2.1			

¹ See Appendix for Benchmark History.

⁴ Blackstone Alternative in liquidating process in January 2012. Oz Domestic Partners II w as funded in January 2012. Claren Road Credit Partners w as funded in February 2012.

SCERS

Periods Ending March 31, 2012

Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
REAL ESTATE MANAGERS														
Separate Account Portfolios														
BlackRock Leveraged - Gross	192,624,043	3.1%	2.9	39	9.8	30	14.8	36	8.8	17	1.4	25	8.7	Dec-98
BlackRock Leveraged - Net			2.9		9.3		14.1		7.9				-	
NCREIF Property Index			2.6	49	9.1	38	13.4	43	6.0	24	2.9	16	8.6	
BlackRock Unleveraged			2.6	47	8.4	43	11.0	58	8.4	18	3.6	16	9.9	Sep-95
NCREIF Property Index			2.6	49	9.1	38	13.4	43	6.0	24	2.9	16	9.4	
BlackRock II Leveraged - Gross	57,824,991	0.9%	0.8	68	6.2	55	9.8	62	6.9	21	0.9	29	8.9	Jun-04
BlackRock II Leveraged - Net			0.8		5.8		9.2		6.4				-	
NCREIF Property Index			2.6	49	9.1	38	13.4	43	6.0	24	2.9	16	8.0	
BlackRock II Unleveraged			1.0	66	5.5	58	8.4	65	6.4	22	0.6	34	7.7	Sep-00
NCREIF Property Index			2.6	49	9.1	38	13.4	43	6.0	24	2.9	16	8.2	
CornerStone Leveraged - Gross	117,657,966	1.9%	2.9	40	7.1	51	15.6	28	5.7	25	1.2	27	5.4	Apr-04
CornerStone Leveraged - Net			2.7		6.5		14.1		4.6				-	
NCREIF Property Index			2.6	49	9.1	38	13.4	43	6.0	24	2.9	16	8.3	
CornerStone Unleveraged			2.5	51	5.9	57	11.7	54	6.3	23	3.1	16	5.4	May-04
NCREIF Property Index			2.6	49	9.1	38	13.4	43	6.0	24	2.9	16	8.3	
Real Estate - Separate	368,107,000	5.9%	2.5	50	8.3	44	14.1	40	7.4	20			-2.6	Oct-08
NCREIF Property Index			2.6	49	9.1	38	13.4	43	6.0	24			0.3	
Real Estate Median			2.5		7.2		12.4		1.5					
Value Added ⁵														
AEW Capital II - Gross	15,548,837	0.2%	6.2	14	17.8	8	24.7	10	-8.7	81			-9.0	May-07
AEW Capital II - Net			5.8		16.3		22.7		-11.1				-11.2	
NCREIF + 2% 1 Quarter Lag			3.4	30	12.0	19	16.3	25	4.4	35			5.2	
Hines - Gross	7,859,341	0.1%	-4.1	96	3.8	65	6.6	69	-27.4	96			-35.4	Sep-07
Hines -Net			-5.0		0.5		2.1		-31.2				-40.6	
NCREIF + 2% 1 Quarter Lag			3.4	30	12.0	19	16.3	25	4.4	35			4.6	
UBS RE - Gross	20,003,438	0.3%	0.3	71	9.0	39	15.6	29	-19.2	91	-10.4	87	-9.4	Oct-06
UBS RE - Net			0.1		8.3		14.7		-19.9		-12.9		-11.7	
NCREIF + 2% 1 Quarter Lag			3.4	30	12.0	19	16.3	25	4.4	35	5.1	11	6.3	
Real Estate - Value Added	43,411,616	0.6%	1.0	67	10.3	27	16.4	24	-18.7	91			-24.7	Oct-08
NCREIF + 2% 1 Quarter Lag			3.4	30	12.0	19	16.3	25	4.4	35			1.6	
Real Estate Median			2.5		7.2		12.4		1.5					

⁵ Returns are one-quarter lag.

SCERS

Periods Ending March 31, 2012

Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
Limited Partnerships														
BlackRock Granite Property - Gross	47,230,261	0.8%	2.7	44	10.6	27	15.2	30	-0.8	58	-5.6	75	-0.4	Oct-05
BlackRock Granite Property - Net			2.5		10.1		14.7		-1.4				-	
NCREIF NFI ODCE Index			2.8	41	9.6	31	14.6	37	3.1	42	-0.8	44	3.1	
Cornerstone Patriot - Gross	71,844,013	1.1%	2.4	51	9.7	31	14.9	35	3.3	41	-0.1	38	5.8	Sep-04
Cornerstone Patriot - Net			2.2		9.0		13.9		2.3				-	
NCREIF NFI ODCE Index			2.8	41	9.6	31	14.6	37	3.1	42	-0.8	44	5.1	
Real Estate - Limited Partnerships	119,074,274	1.9%	2.6	50	10.1	29	15.1	34	1.6	50			-6.7	Oct-08
NCREIF NFI ODCE Index			2.8	41	9.6	31	14.6	37	3.1	42			-4.6	
Real Estate Median			2.5		7.2		12.4		1.5					
REITS														
CB Richard Ellis - Gross	103,868,830	1.7%	13.9	14	-6.3	82	-4.4	82	23.3	66			17.2	Oct-08
CB Richard Ellis - Net			13.8		-6.5		-4.7		23.1				17.0	
FTSE EPRA NAREIT Global ex US			14.7	10	-6.1	82	-3.7	80	24.1	62			14.4	
Principal Global - Gross	64,243,863	1.0%	10.7	48	8.8	34	13.9	22	41.2	33	1.7	26	5.9	Feb-06
Principal Global - Net			10.7		8.6		13.5		40.4		1.2		5.4	
NAREIT Equity REIT Index			10.8	48	8.9	34	12.8	39	42.3	29	-0.1	46	4.3	
Urdang - Gross	70,833,459	1.1%	11.0	44	10.2	21	14.9	15	46.1	8	3.6	8	7.5	Feb-06
Urdang - Net			11.0		9.9		14.1		45.4		3.0		7.0	
NAREIT Equity REIT Index			10.8	48	8.9	34	12.8	39	42.3	29	-0.1	46	4.3	
REITS Composite	238,946,152	3.8%	12.2	28	2.0	58	5.4	53	33.3	43			5.3	Oct-08
NAREIT Equity REIT Index			10.8	48	8.9	34	12.8	39	42.3	29			5.4	
REIT Median			10.7		4.0		7.6		29.3					
Real Estate Composite	769,539,042	12.2%	5.3	17	6.6	53	11.5	56	10.3	15	0.4	35	6.7	Sep-87
NCREIF Index			2.6	49	9.1	38	13.4	43	6.0	24	2.9	16	7.3	
Real Estate Median			2.5		7.2		12.4		1.5		-1.3			
PRIVATE EQUITY MANAGERS ⁵														
Abbott PE VI ⁶	15,540,319	0.2%	0.0		0.9		2.5		-10.6				-11.4	Jul-08
S&P 500 + 2% 1 Quarter Lag			12.3		-2.1		4.1		16.1				1.7	
Goldman Sachs PE X	37,313,749	0.6%	-2.1		14.3		19.1		-29.5				-24.2	Jul-08
S&P 500 + 2% 1 Quarter Lag			12.3		-2.1		4.1		16.1				3.0	
HarbourVest VIII	35,340,359	0.6%	4.4		4.9		10.6		11.0				3.8	Dec-07
S&P 500 + 2% 1 Quarter Lag			12.3		-2.1		4.1		16.1				-0.3	
HarbourVest Intl VI	5,436,867	0.1%	-2.0		-11.8		-8.7		-40.3				-40.3	Apr-09
S&P 500 + 2% 1 Quarter Lag			12.3		-2.1		4.1		16.1				16.1	
Khosla Ventures IV	1,420,737	0.0%	0.0										-7.9	Aug-11
S&P 500 + 2% 1 Quarter Lag			12.3										-4.0	
Summit Partners Credit Fund ⁶	5,011,154	0.1%	0.0										0.0	Nov-11
S&P 500 + 2% 1 Quarter Lag			12.3										4.8	

⁵ Returns are one-quarter lag.

⁶ Valuation as of 9/30/11.

SCERS

Periods Ending March 31, 2012

Performance Summary

	Asset \$	%	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		Since Inception	
			Return	Rank *	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	
Waterland Private Equity Fund V ⁶	3,268,275	0.1%	0.0										-35.7	Sep-11
S&P 500 + 2% 1 Quarter Lag			12.3										-2.5	
Private Equity Composite	103,331,460	1.6%	0.6		6.2		10.9		2.0				-13.4	Dec-07
S&P 500 + 2% 1 Quarter Lag			12.3		-2.1		4.1		16.1				-0.3	
OPPORTUNISTIC MANAGERS														
Commodities														
Blackstone Commodities - Gross	68,750,302	1.1%	5.7	38	-3.7	57	-8.9	57	14.7	14			1.8	Apr-08
DJ UBS Commodities			0.9	76	-10.2	96	-16.3	98	9.0	67			-9.1	
Neuberger Commodities - Gross	42,571,913	0.7%	3.0	67	-5.6	79	-11.2	82	13.7	35			-9.1	Apr-08
DJ UBS Commodities			0.9	76	-10.2	96	-16.3	98	9.0	67			-9.1	
Commodities Composite	111,322,215	1.7%	4.6	47	-4.4	61	-9.8	64	14.3	23			-3.7	Apr-08
DJ UBS Commodities			0.9	76	-10.2	96	-16.3	98	9.0	67			-9.1	
Commodities Funds Median			3.7		-3.4		-8.5		13.2					
Opportunistic														
Met West TALF - Gross	11,237,950	0.2%	-0.5		-3.7		-2.5						7.8	Jun-09
Met West TALF - Net			-0.5		-3.7		-2.5						-	
Barclays Aggregate			0.3		5.3		7.7						6.8	
PIMCO Distressed Mortgage - Gross	42,791,092	0.7%	15.8		3.2		-1.0		41.4				10.6	Oct-07
PIMCO Distressed Mortgage - Net			15.4		2.1		-2.4		40.0				9.3	
Barclays Aggregate			0.3		5.3		7.7		6.8				6.3	
SSgA Real Asset - Gross	36,744,688	0.6%	5.8		3.2		1.9		22.8				-0.7	Mar-08
SSgA Real Asset - Net			5.8		3.1		1.8		22.7				-0.8	
Blended Benchmark ¹			6.0		3.0		1.7		23.1				0.9	
Stone Tower - Gross ⁵	12,070,150	0.2%	4.9		4.2		11.5		24.2				24.2	Apr-09
Stone Tower - Net			4.9		4.2		11.5						-	
Barclays Aggregate 1 Quarter Lag			1.1		7.4		7.8		6.8				6.8	
Opportunistic Composite	102,843,880	1.7%	9.0		3.4		3.6		24.6				3.3	Oct-07
Barclays Aggregate			0.3		5.3		7.7		6.8				6.3	
CASH														
Cash	698,755,480	11.1%	0.0	30	0.1	33	0.2	32	0.3	39	1.3	75	4.0	Jun-92
91 Day T-Bill			0.0	53	0.0	58	0.1	54	0.1	67	1.2	79	3.3	
Treasury Cash	7,641,770	0.1%	0.1		0.3		0.5							
91 Day T-Bill			0.0		0.0		0.1							
Cash Composite	706,397,250	11.2%	0.4	10	0.0	81	0.1	47	0.2	44	0.9	95	3.9	Jun-92
91 Day T-Bill			0.0	53	0.0	58	0.1	54	0.1	67	1.2	79	3.3	

¹ See Appendix for Benchmark History.

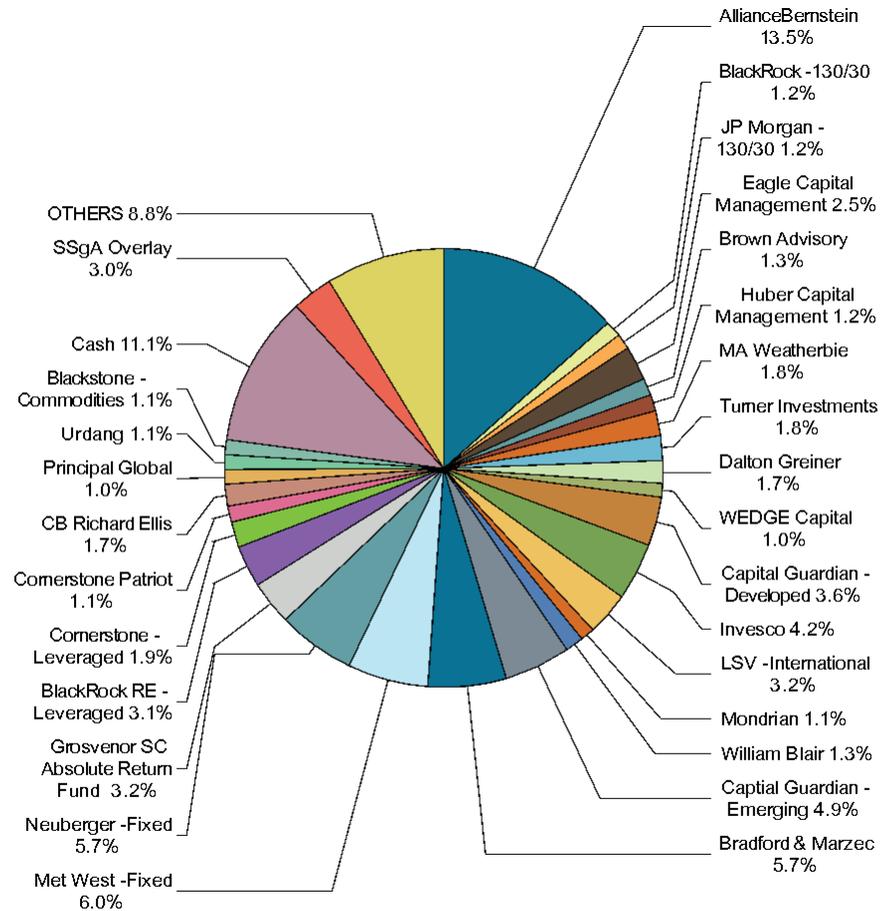
⁵ Returns are one-quarter lag.

⁶ Valuation as of 9/30/11.

SCERS

As of March 31, 2012

Manager Allocation Analysis - Total Plan



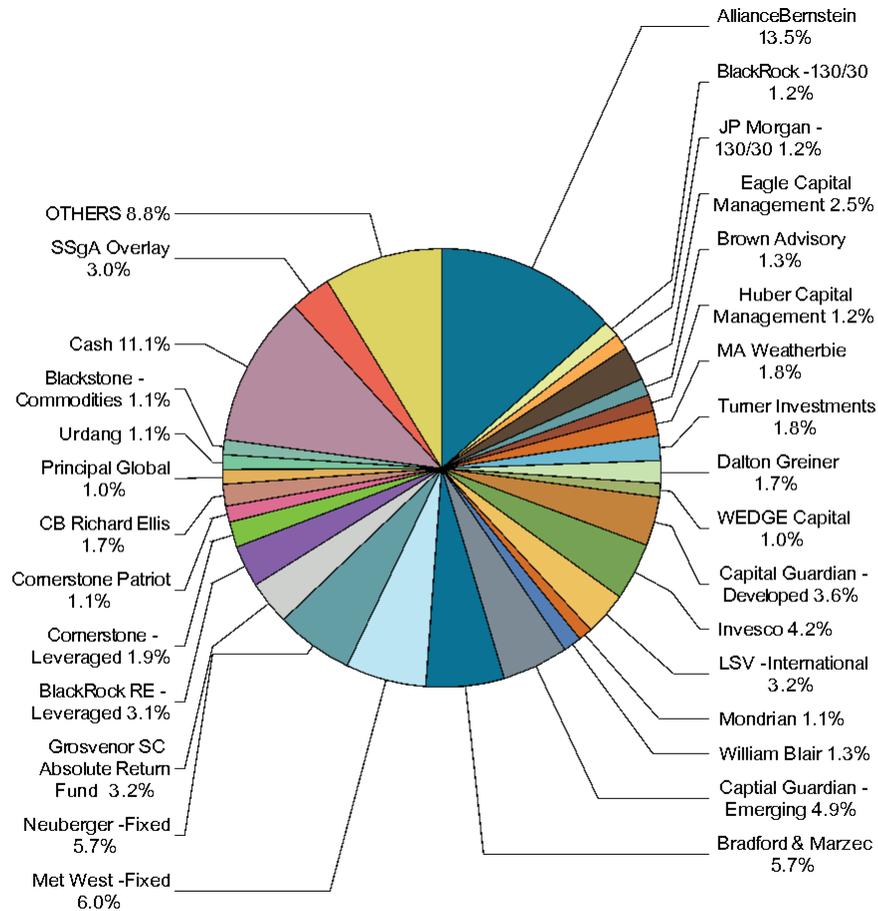
FUND	Ending Market Value	Current %
AllianceBernstein	846,617,706	13.5
BlackRock -Enhanced LC	89,284	0.0
BlackRock -130/30	72,284,683	1.2
JP Morgan -130/30	73,634,577	1.2
Eagle Capital Management	155,793,671	2.5
INTECH	130,932	0.0
Wells Capital	26,615	0.0
Brown Advisory	78,842,643	1.3
Huber Capital Management	77,900,146	1.2
LSV -LV	251,012	0.0
Pzena	245,368	0.0
MA Weatherbie	112,972,845	1.8
Turner Investments	114,403,820	1.8
Dalton Greiner	105,308,909	1.7
TS & W	53,515,042	0.9
WEDGE Capital	63,709,124	1.0
Capital Guardian -Developed	226,080,407	3.6
Invesco	264,243,465	4.2
LSV -International	199,499,619	3.2
Mondrian	66,035,001	1.1
William Blair	82,297,184	1.3

OTHERS category includes managers with less than 1% of Total Ending Market Value.

SCERS

As of March 31, 2012

Manager Allocation Analysis - Total Plan



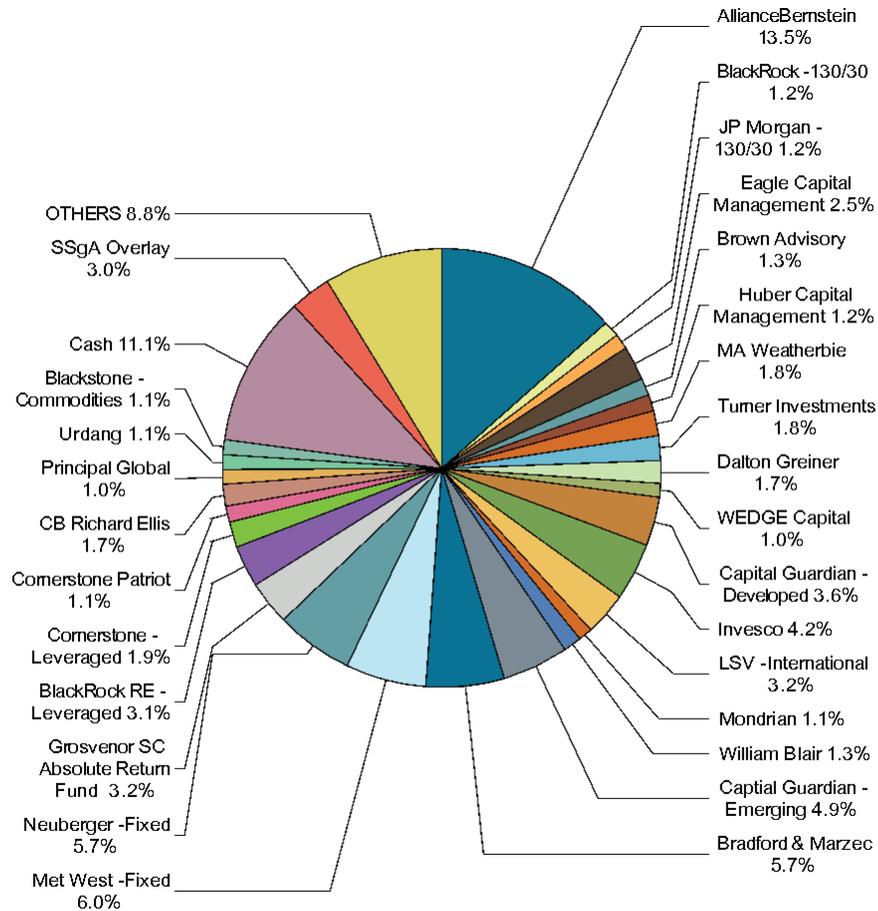
FUND	Ending Market Value	Current %
Capital Guardian -Emerging	307,647,607	4.9
Bradford & Marzec	358,539,920	5.7
Met West -Fixed	375,197,178	6.0
Neuberger -Fixed	358,605,397	5.7
Blackstone Alternative	7,250,365	0.1
Claren Road Credit Partners	29,663,797	0.5
Grosvenor	21,720,393	0.3
Grosvenor SC Absolute Return Fund	203,746,935	3.2
Oz Domestic Partners II	31,426,848	0.5
BlackRock RE -Leveraged	192,624,043	3.1
BlackRock RE II -Leveraged	57,824,991	0.9
Cornerstone -Leveraged	117,657,966	1.9
AEW Capital II	15,548,837	0.2
Hines US Office II	7,859,341	0.1
UBS -RE	20,003,438	0.3
BlackRock Granite Property	47,230,261	0.8
Cornerstone Patriot	71,844,013	1.1
CB Richard Ellis	103,868,830	1.7
Principal Global	64,243,863	1.0
Urdang	70,833,459	1.1
Abbott PE VI	15,540,319	0.2

OTHERS category includes managers with less than 1% of Total Ending Market Value.

SCERS

As of March 31, 2012

Manager Allocation Analysis - Total Plan



FUND	Ending Market Value	Current %
Goldman Sachs PE X	37,313,749	0.6
HarborVest VIII	35,340,359	0.6
HarborVest Intl VI	5,436,867	0.1
Khosla Ventures IV, LP	1,420,737	0.0
Summit Partners Credit Fund	5,011,154	0.1
Waterland Private Equity V	3,268,275	0.1
Met West -TALF	11,237,950	0.2
PIMCO Distressed Mortgage	42,791,092	0.7
SSgA Real Asset	36,744,688	0.6
Stone Tower	12,070,150	0.2
Blackstone -Commodities	68,750,302	1.1
Neuberger -Commodities	42,571,913	0.7
Cash	698,755,480	11.1
Treasury Cash	7,641,770	0.1
SSgA Overlay	188,185,712	3.0
Bank of Ireland	1,804	0.0
Transition Account	172,733	0.0
Heitman Adv JMB V	7,551	0.0
TOTAL	6,269,482,139	100.0

OTHERS category includes managers with less than 1% of Total Ending Market Value.

SCERS

Public Funds (DB) > \$1 Billion

As of March 31, 2012

Risk Statistics

	Return				Standard Deviation				Sharpe Ratio				Information Ratio		Tracking Error					
	3 Year		5 Year		3 Year		5 Year		3 Year		5 Year		3 Year	5 Year	3 Year	5 Year				
SCERS Total Plan	16.4	41	2.2	74	13.2	77	15.3	75	1.2	85	0.1	77	-0.3	66	-0.4	93	1.5	59	2.2	48
SCERS -ex Overlay	14.7	72	1.6	85	12.6	64	14.6	63	1.2	96	0.0	83	-1.2	94	-0.5	95	1.8	47	2.9	35
Policy Index ¹	16.7	36	3.0	45	12.8	68	14.8	67	1.3	68	0.1	52								
Median	16.1		2.9		11.8		14.1		1.3		0.1		0.5		0.0		1.6		2.1	

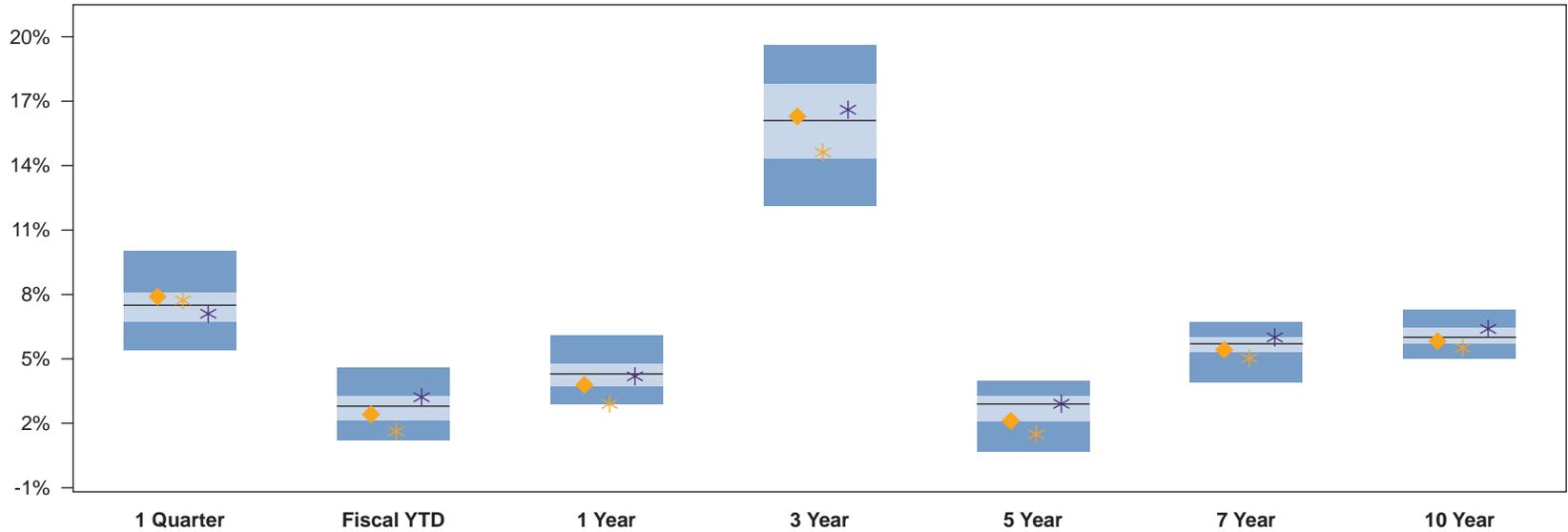
¹ See Appendix for Benchmark History.

SCERS

Public Funds (DB) > \$1 Billion

Periods Ending March 31, 2012

Total Returns



	1 Quarter		Fiscal YTD		1 Year		3 Year		5 Year		7 Year		10 Year	
◆ SCERS Total Plan	8.0	29	2.5	63	3.9	68	16.4	40	2.2	74	5.5	60	5.9	67
* SCERS -ex Overlay	7.8	42	1.7	89	3.0	95	14.7	72	1.6	85	5.1	86	5.6	80
* POLICY INDEX	7.2	57	3.3	20	4.3	47	16.7	36	3.0	45	6.1	23	6.5	23
Median	7.5		2.8		4.3		16.1		2.9		5.7		6.0	

SCERS

Public Funds (DB) > \$1 Billion

Calendar Year Periods

Total Returns



- ◆ SCERS Total Plan
- * SCERS -ex Overlay
- * POLICY INDEX
- Median

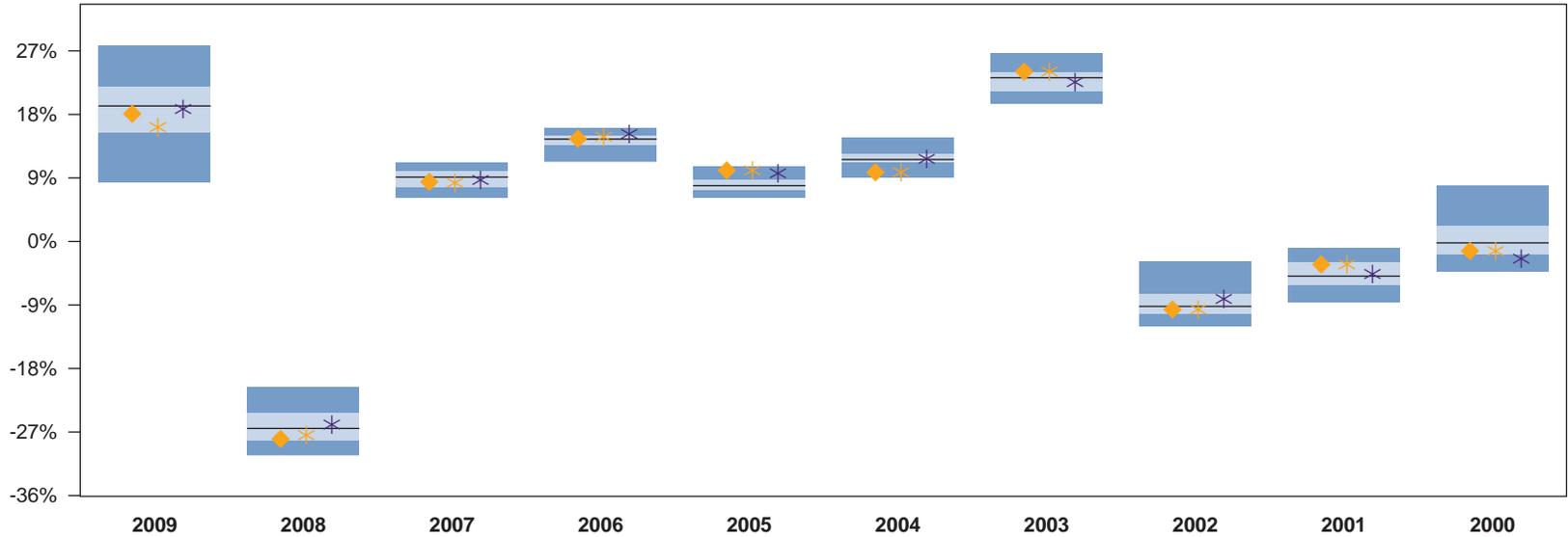
2011
0.4 72
-0.3 92
1.3 42
0.9

2010
13.2 52
12.2 82
13.6 41
13.4

SCERS

Public Funds (DB) > \$1 Billion
Calendar Year Periods

Total Returns



	2009		2008		2007		2006		2005		2004		2003		2002		2001		2000	
◆ SCERS Total Plan	18.3	59	-27.7	69	8.7	57	14.9	36	10.3	8	10.1	90	24.4	24	-9.3	54	-2.9	26	-1.0	66
* SCERS -ex Overlay	16.4	71	-27.2	63	8.6	59	15.1	26	10.3	8	10.1	90	24.4	24	-9.3	54	-2.9	26	-1.0	66
* POLICY INDEX	19.1	51	-25.7	37	9.0	51	15.5	18	9.9	12	12.0	36	22.9	53	-7.9	37	-4.3	44	-2.1	76
Median	19.2		-26.5		9.1		14.5		7.9		11.6		23.2		-9.2		-4.9		-0.2	

Benchmark History

Total Plan Policy Benchmark

	As of:					
	1/1/2012	1/1/2008	2/1/2006	9/1/2004	1/1/2000	7/1/1986
Russell 3000	22.5%	30.0%				47.0%
Russell 1000			30.0%	30.0%	35.0%	
Russell 2000			5.0%	5.0%	5.0%	
MSCI AC World ex-US	22.5%	20.0%				
MSCI EAFE			15.0%	15.0%	15.0%	15.0%
MSCI Emg Mkt			5.0%	5.0%	5.0%	
Barclays Aggregate	20.0%	20.0%	25.0%	25.0%	30.0%	
Citigroup BIG						23.0%
NCREIF Property		12.0%	12.0%	15.0%	10.0%	15.0%
NAREIT Property		3.0%	3.0%			
91 Day T Bill + 5%	10.0%	5.0%	5.0%	5.0%		
Dow Jones UBS Commodity		5.0%				
S&P 500 + 2%		5.0%				
Russell 1000 + 3%	10.0%					
Real Assets	15.0%					
	100%	100%	100%	100%	100%	

US Equity Benchmark

	As of:			
	1/1/2008	9/1/2004	1/1/2000	7/1/1986
Russell 1000		85.70%	87.50%	
Russell 2000		14.30%	22.50%	
Russell 3000	100.00%			100.00%
	100%	100%	110%	100%

International Equity Benchmark

	As of:		
	1/1/2008	1/1/2000	7/1/1986
MSCI AC World ex-US	100.00%		
MSCI EAFE		75.00%	100.00%
MSCI Emg Mkt		25.00%	
	100.0%	100.0%	100.0%

US Fixed Income Benchmark

	As of:	
	1/1/2000	7/1/1986
Citigroup BIG		100.00%
Barclays Aggregate	100.00%	
	100.0%	100.0%

AllianceBernstein Benchmark

	As of:		
	1/1/2001	1/1/1998	5/1/1989
Russell 1000	100%		
Russell 3000		100%	
Wilshire 2500			100%
	100.0%	100.0%	100.0%

Bradford & Marzec Benchmark

	As of:	
	10/1/1998	7/1/1988
Barclays Aggregate	100%	
Citigroup BIG		100%
	100.0%	100.0%

SSgA Real Asset Benchmark

	As of:
	2/1/2008
MSCI World Natural Resources Index	25%
Wilshire REIT	30%
BC Global Inflation Linked: US Tips	20%
Goldman Sachs Commodities Index	25%
	100.0%