



*City of Fresno Retirement Systems
Executive Summary of Performance
Second Quarter 2012*

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Capital Market Overview

The optimism that fueled the global stock market rally in the first quarter of 2012 hit a wall of bad economic news during the second quarter that sent investors to safe havens and saw stocks give back some of their year-to-date gains. The U.S. presidential election campaign consumed a great deal of media attention over the quarter, and uncertainty over the outcome of the November elections hung over global securities markets. Economic issues added to the overall pessimistic investment environment, however. In the U.S., after having accelerated through each of the past three quarters, from an annualized rate of 0.4% in the first quarter of 2011 to 3.0% in the fourth quarter, U.S. economic growth slowed in the first quarter of 2012. Real GDP grew at 1.9% during the quarter, showing signs that lackluster U.S. jobs growth and overall economic malaise worldwide were dampening economic activity. Despite notching eleven consecutive quarters of positive GDP growth, the first quarter of 2012's GDP deceleration reminded investors of the fragile U.S. recovery's vulnerability to global forces. The Federal Reserve Board announced after their June FOMC meeting that they would continue their current program of maturity extension in their Treasury holdings, known as "Operation Twist", through the end of 2012. The economic volatility in continental Europe continued to dominate headlines as well. Greece's fiscal problems led many pundits to predict its withdrawal from the euro, and Spain's banking sector entered crisis mode; although a €100 billion bailout to stabilize that nation's banks failed to calm investors' nerves, promises of increased fiscal integration among Eurozone nations spurred a dramatic rally in European stocks right at quarter-end. Meanwhile, China's economic slowdown loomed over the Asia-Pacific region and threatened to drag down markets worldwide; the Chinese government, like the U.S., promised renewed efforts to stimulate their economy and allowed Asian equities to trim their losses by quarter-end. Reflecting investor behavior typical of tumultuous times, stocks' pains were offset by safe bonds' gains in the second quarter; investors scrambled to the protection of high-quality sovereigns, especially U.S. Treasuries, driving yields down to near-historic lows yet again. Crude oil futures plunged over 17% in the second quarter, ending at \$84.96 per barrel, with the economic slowdown swelling supply and dampening demand. Thanks to markedly lower fuel prices, consumer-level inflation in the U.S. was practically flat in the second quarter (U.S. Consumer Price Index, All Urban Consumers, 0.04%).

U.S. Equity Market

The U.S. stock market could not maintain its positive momentum from the first quarter, as investors sold equities in the face of weak economic data and deteriorating conditions in the European sovereign debt crisis. Despite jumping 2.52% on the final trading day of the quarter, the Wilshire 5000 Total Market IndexSM returned -3.13% in the second quarter; however, its year-to-date total return through June was an impressive 9.22%. The S&P 500 fell -2.75% in the second quarter. Interestingly, looking at broad market cap bands of the Wilshire 5000, the Wilshire US Micro CapSM (-2.85%) outperformed both large-cap and small-cap benchmarks (Wilshire US Large CapSM, -3.11%; Wilshire US Small CapSM, -3.33%). Value-oriented stocks were the clear beneficiaries of investors' desire for asset safety in this volatile quarter (Wilshire US Large ValueSM, -2.11%; Wilshire US Large GrowthSM, -4.16%; Wilshire US Small ValueSM, -2.52%; Wilshire US Small GrowthSM, -4.21%). Among sectors of the S&P 500 (GICS classification), Telecom Services was the best performing sector during the second quarter, posting a total return of 14.14%. The general fall in rates helped the interest-rate-sensitive Utilities group deliver an impressive 6.58% return. Six of ten sectors were in the red with the Financials and Information Technology groups lagging farthest behind with returns of -6.83% and -6.69%, respectively. Real estate-

related stocks, in contrast to the overall broad U.S. stock market, continued their rally in the second quarter (Wilshire U.S. Real Estate Securities IndexSM, 3.54%).

Fixed Income Market

Bond investors searching for yield found another challenging marketplace in the second quarter; the volatility of global stock markets yet again fueled safe-haven rotation into U.S. Treasuries, sending yields for this sector mostly lower over the quarter. With the Fed's continued lockdown of the Fed Funds rate target at 0.0-0.25%, short-term yields barely moved; the yield on two-year U.S. Treasuries held fast at 0.33% as of June 29. However, the global flight to the safety of long Treasuries, as well as the Fed's Operation Twist, pushed the yield on thirty-year Treasuries to a remarkable 2.76%, a full 59 basis points lower than the yield as of March 30, 2012. Unsurprisingly, the performance of long-term Treasuries left the returns on shorter paper in the dust (Barclays Long Treasury, 10.57%; Barclays 1-3 Year Treasury, 0.20%). Spreads on non-Treasury issuance widened over the quarter, although stronger balance sheets and attractive lending rates buoyed performance of investment-grade corporate bonds (Barclays U.S. Government, 2.63%; Barclays U.S. Credit, 2.46%; Barclays U.S. MBS, 1.08%). Option-adjusted spreads on high yield paper also widened over the second quarter, allowing investment-grade debt to outperform lower-quality bonds (Barclays U.S. Aggregate, 2.06%; Barclays U.S. High Yield, 1.83%).

Non-U.S. Markets

Thanks to economic malaise and turmoil worldwide, developed non-U.S. stock markets were broadly lower in the second quarter of 2012 (MSCI EAFE, net dividends, -5.43% local currency terms; MSCI All Country World ex-US net, -5.42%). The selloff in the Asia-Pacific region's stock markets actually outpaced that of Europe in local-currency terms, while action late in the quarter staved off worse losses in both regions (MSCI Europe net, -4.00% local; MSCI Pacific net, -7.85% local). However, the U.S. dollar strengthened relative to European currencies while weakening somewhat relative to Asia-Pacific region currencies (MSCI Europe net, USD, -7.47%; MSCI Pacific net, USD, -6.38%; MSCI EAFE net, USD, -7.13%; MSCI ACWI ex-US net, -7.61%). Emerging market equities did not escape the worldwide stock market pullback (MSCI Emerging Markets net, -5.27% local, -8.90% USD). Global bond markets saw modest gains in local currency terms, but modest losses for U.S.-based investors (Barclays Global Aggregate ex-U.S., 1.11% fully-hedged, -0.38% USD unhedged; Barclays Emerging Markets Local Currency Government Universal, 1.83% fully-hedged, -1.30% USD unhedged).

Summary of Index Returns

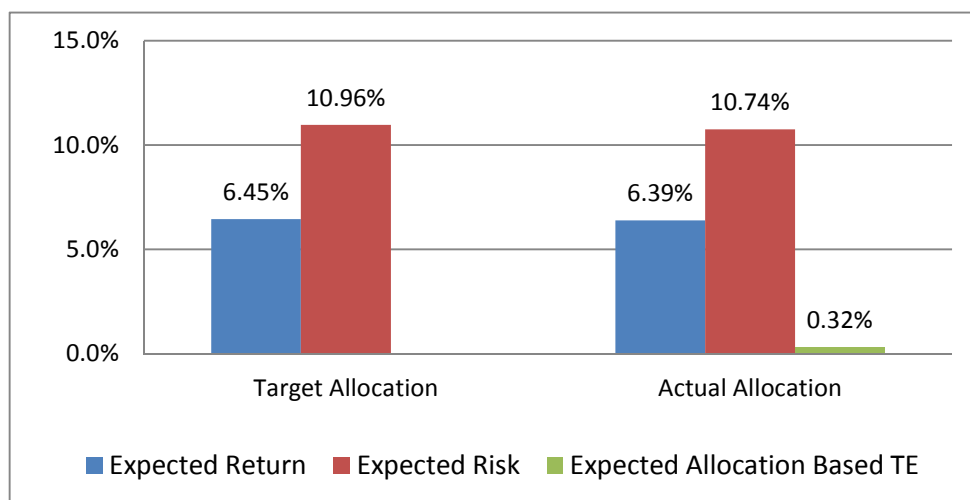
For Periods Ended June 30, 2012

	Quarter	Year-to-Date	One Year	Three Years	Five Years	Ten Years
Domestic Equity						
Wilshire 5000	-3.13	9.22	3.96	16.65	0.43	6.04
Wilshire 4500	-4.76	8.77	-2.53	18.77	1.47	8.57
Wilshire Large Cap	-3.12	9.15	4.63	16.23	0.31	5.69
Wilshire Small Cap	-3.33	9.54	-1.37	20.48	2.26	9.16
Standard & Poor's 500	-2.75	9.48	5.44	16.39	0.21	5.33
Russell 1000	-3.12	9.38	4.38	16.64	4.26	5.71
Domestic Equity By Style						
Wilshire Large Growth	-4.16	10.78	4.38	16.29	2.18	6.10
Wilshire Large Value	-2.11	7.58	4.76	16.11	-1.65	5.17
Wilshire Mid Growth	-7.92	3.60	-8.95	18.75	2.47	9.81
Wilshire Mid Value	-3.12	8.70	0.01	20.56	0.82	7.04
Wilshire Small Growth	-4.21	8.05	-3.27	20.18	2.87	9.70
Wilshire Small Value	-2.52	10.88	0.26	20.62	1.56	8.52
International Equity						
MSCI All World Free ex U.S. (\$n)	-7.61	2.77	-14.56	6.97	-4.62	6.74
MSCI All World Free ex U.S. (local)	-5.14	4.47	-7.54	6.02	-5.23	4.04
MSCI EAFE (\$n)	-7.13	2.96	-13.83	5.96	-6.10	5.14
MSCI Europe	-7.47	2.40	-16.48	6.29	-6.97	5.09
MSCI Pacific	-6.38	4.17	-8.29	5.66	-4.12	5.27
MSCI Japan	-7.30	3.14	-7.23	1.84	-6.51	2.50
MSCI EMF Index (\$n)	-8.90	3.93	-15.95	9.77	-0.09	14.08
Domestic Fixed Income						
Barclays Aggregate Bond	2.06	2.37	7.48	6.93	6.80	5.63
Barclays Universal	2.00	2.87	7.35	7.55	6.76	5.96
Barclays Credit	2.46	4.55	9.54	10.09	7.59	6.54
Barclays Mortgage	1.08	1.66	4.97	5.40	6.67	5.40
Barclays Treasury	2.83	1.51	9.05	5.95	6.92	5.50
Barclays High Yield	1.83	7.26	7.27	16.28	8.44	10.17
Barclays US TIPS	3.15	4.04	11.66	9.63	8.44	7.23
91-Day Treasury Bills	0.03	0.04	0.05	0.12	0.98	1.86
International Fixed Income						
Citigroup World Gov. Bond	0.92	0.41	2.68	5.35	7.31	6.81
Citigroup Non-U.S. Gov. Bond	0.20	-0.02	0.44	5.13	7.39	7.15
Citigroup Hedged Non-U.S. Gov.	1.08	2.41	6.15	3.72	4.84	4.49
Currency*						
Yen vs. \$	3.14	-3.57	1.22	6.54	9.13	4.15
Euro vs. \$	-4.70	-2.24	-12.47	-3.28	-1.24	2.54
Pound vs. \$	-1.83	0.92	-2.30	-1.61	-4.81	0.29
Other						
Wilshire Real Estate Securities Index	3.54	14.85	12.56	33.59	1.85	10.32
Consumer Price Index	0.04	1.69	1.66	2.09	1.95	2.46

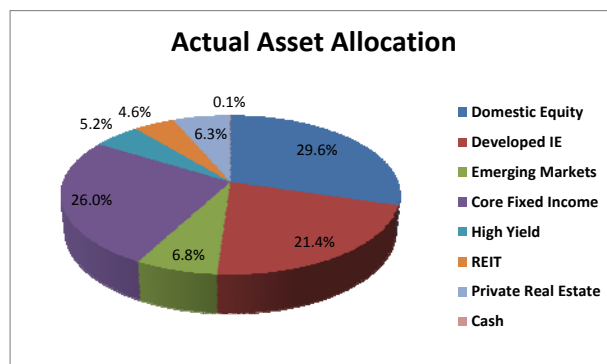
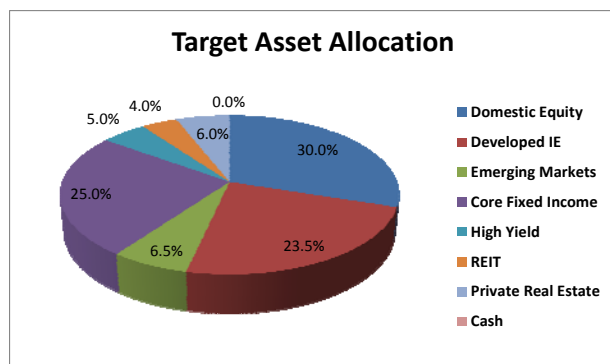
*Positive values indicate dollar depreciation.

TOTAL FUND OVERVIEW

Target and Actual Asset Allocation

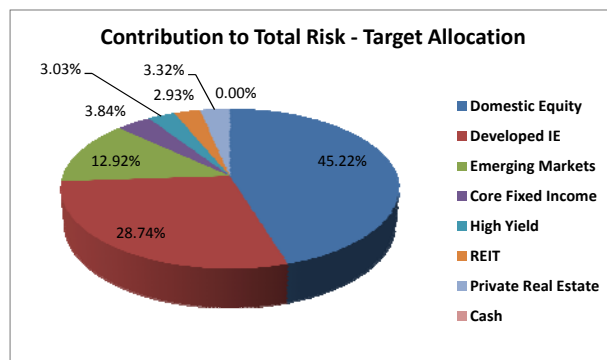
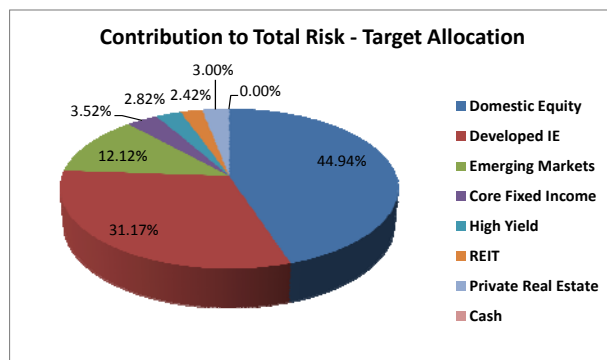


- The Fund's expected return based on its actual allocation is in line with the expected return based on the target allocation. Expected volatility is also in line with the expectation.



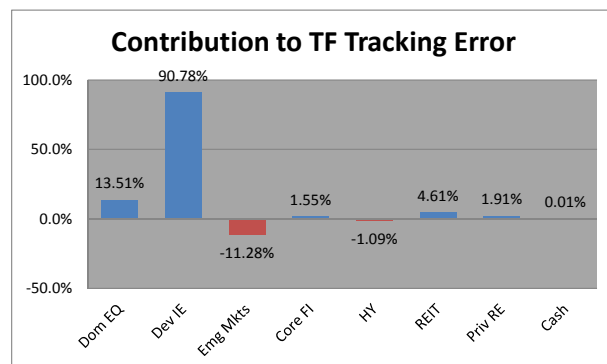
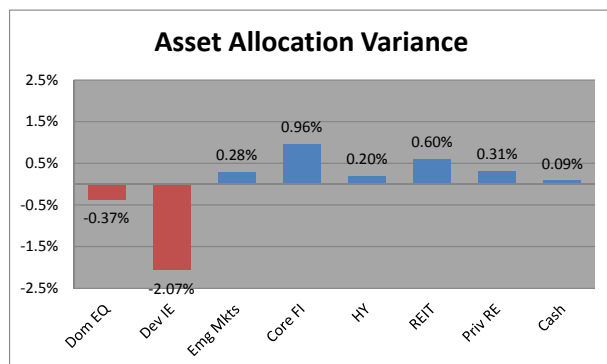
- At quarter end, the Fund had an underweight in developed international equity and domestic equity, and was overweight in core fixed income, REITs, and private real estate.

Contribution to Total Risk based on Wilshire's Asset Assumptions



- Equity risk dominates the overall volatility in the portfolio.

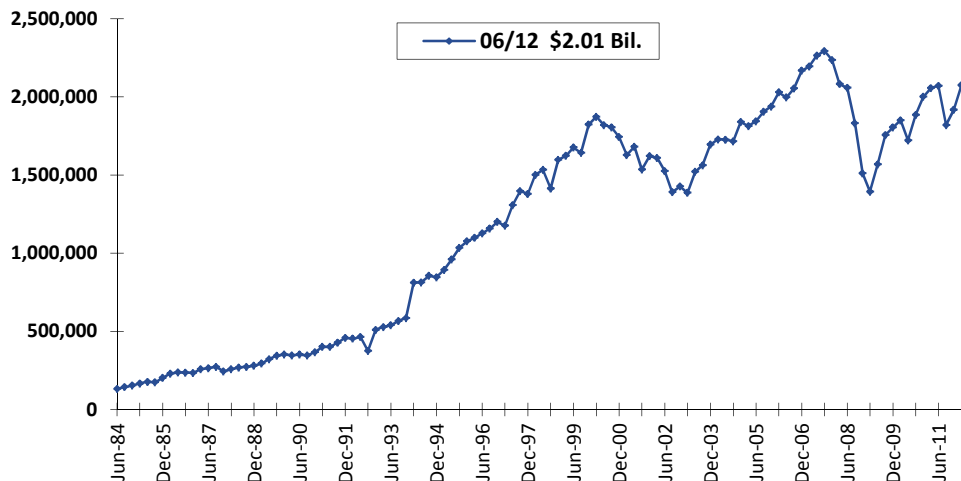
Expected Return and Tracking Error based on Wilshire's Asset Assumption



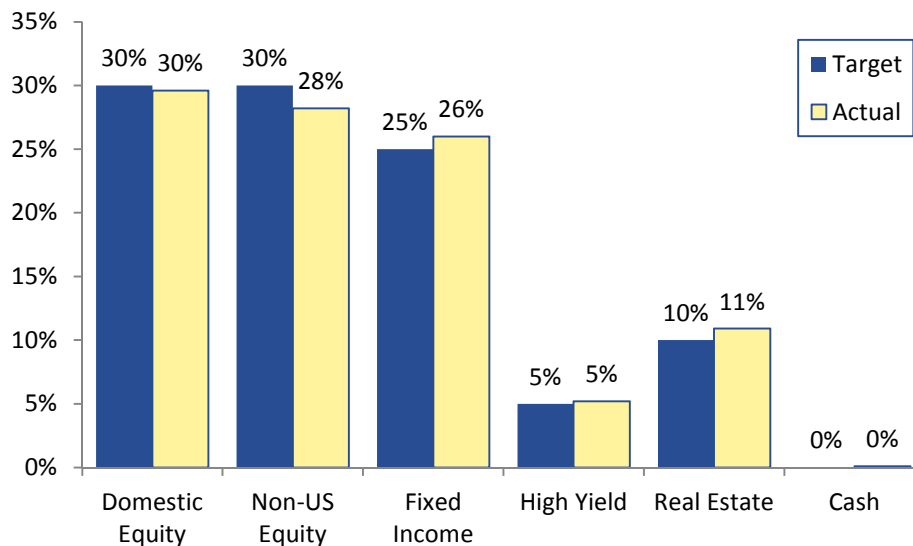
- The variance between the actual asset allocation and the target allocation is a source of tracking error for the Total Fund versus its Policy Benchmark. This "asset allocation tracking error" is estimated to be 0.32%. Developed international equity is the largest contributor to tracking error.

Growth in Assets & Asset Allocation

The City of Fresno Retirement Systems ended the second quarter of 2012 with a market value of \$2.01 billion; a net decrease of \$67.4 million from the previous quarter's ending value. This change consisted of \$51.9 million in investment losses and \$15.5 million in net distributions.



As of June 30, 2012, \$594.8 million (29.6%) of the plan's assets were allocated to domestic equities, \$566.5 million (28.2%) to non-U.S. equities, \$521.1 million (26.0%) to core fixed income, \$104.4 million (5.2%) to high yield, \$219.0 million (10.9%) to real estate, and \$1.8 million (0.1%) to cash equivalents. Thus, the portfolio was virtually in line across all asset classes versus their respective target weights.



Total Fund Performance

The total fund returned -2.59% during the second quarter of 2012, underperforming the policy index return of -2.24% by 35 basis points. Underperformance was primarily attributable to the relative underperformance by all the underlying composites, with the exception of non-US equities. Of the underperforming components, the high yield composite trailed its respective benchmark the most (125 basis points) followed by the domestic equity composite with 124 basis points. The fund lagged the policy index for the one-year by 137 basis points but outperformed over the past three years by 11 basis points. Since inception, the total fund gained 9.13%, trailing the policy index return of 9.89% by 76 basis points.

	Market Value \$(mil)	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception*
Total Fund Composite GOF	\$ 2,007.551	(2.50%)	(0.13%)	(0.13%)	11.42%	12.58%	1.40%	6.75%	9.37%
Total Fund Composite NOF		(2.59%)	(0.51%)	(0.51%)	11.01%	12.12%	0.96%	6.32%	9.13%
Policy Index ¹		(2.24%)	0.86%	0.86%	11.27%	12.01%	1.87%	7.03%	9.89%
Weighted Benchmark Index**		(2.09%)	0.65%	0.65%	11.34%	12.04%	1.80%	6.83%	N/A
TUCS Public Plan Median		(1.73%)	1.15%	1.15%	11.12%	11.66%	1.82%	6.32%	N/A
Domestic Equity Comp GOF	\$ 594.789	(4.29%)	1.59%	1.59%	17.50%	17.58%	0.77%	5.95%	8.68%
Domestic Equity Comp NOF		(4.37%)	1.26%	1.26%	17.10%	17.15%	0.35%	5.51%	8.28%
Wilshire 5000		(3.13%)	3.96%	3.96%	17.14%	16.65%	0.43%	6.04%	8.36%
TUCS Equity Median		(4.36%)	(0.12%)	(0.12%)	16.02%	16.48%	0.83%	6.56%	N/A
International Equity Comp GOF	\$ 566.484	(6.74%)	(11.96%)	(11.96%)	7.59%	8.89%	(5.19%)	6.57%	6.82%
International Equity Comp NOF		(6.86%)	(12.41%)	(12.41%)	7.08%	8.31%	(5.69%)	5.97%	6.28%
Policy Index ²		(7.34%)	(14.01%)	(14.01%)	5.76%	6.99%	(4.66%)	6.99%	4.95%
TUCS Int'l Equity Median		(6.69%)	(12.04%)	(12.04%)	7.56%	9.49%	(2.35%)	7.21%	N/A
Total Fixed Income Comp GOF	\$ 625.552	1.66%	6.77%	6.77%	6.86%	9.66%	6.72%	6.29%	6.34%
Total Fixed Income Comp NOF		1.61%	6.57%	6.57%	6.66%	9.45%	6.49%	6.04%	6.11%
Core Fixed Income Comp NOF	\$ 521.147	1.82%	7.15%	7.15%	5.79%	8.02%	6.01%	5.56%	5.84%
High Yield Composite NOF	\$ 104.405	0.58%	3.72%	3.72%	11.20%	16.43%	8.10%	-	8.53%
Policy Index ³		2.03%	7.55%	7.55%	6.68%	8.53%	7.29%	6.10%	6.75%
TUCS Fixed Income Median		1.95%	7.48%	7.48%	6.83%	8.78%	7.24%	6.27%	N/A
Real Estate Composite GOF	\$ 218.957	2.95%	12.62%	12.62%	18.70%	15.70%	1.67%	8.22%	9.62%
Real Estate Composite NOF		2.73%	11.68%	11.68%	17.86%	14.81%	0.83%	7.52%	9.10%
Policy Index ⁴		2.96%	13.26%	13.26%	19.67%	19.02%	1.76%	7.98%	9.53%
TUCS Real Estate Median		2.29%	10.36%	10.36%	16.29%	8.61%	(1.59%)	7.60%	N/A
Short-term Cash GOF & NOF	\$ 1.769	0.08%	0.20%	0.20%	0.18%	0.19%	0.95%	2.02%	2.72%
91-Day T-Bill		0.03%	0.06%	0.06%	0.11%	0.12%	0.98%	1.86%	2.55%

¹ (30% Wilshire 5000 / 25% Barclays Aggregate / 13% MSCI EAFE / 13% MSCI ACWI ex-US / 4% MSCI Emerging Markets / 6% NCREIF OEDCE GOF Index / 5% Barclays High Yield / 4% Wilshire RESI)

² (43.3% MSCI EAFE (\$g) / 43.3% MSCI ACWI ex-US / 13.3% MSCI EMF (\$g))

³ (83.3% Barclays Aggregate / 16.7% Barclays High Yield)

⁴ (60% NCREIF OEDCE GOF Index / 40% WRESI)

* Since Inception Dates: Total Fund (12/83), DE (3/94), IE (3/94), Core FI (3/94), HY (9/04), Total FI (3/94), IRE (12/95), Cash (3/99)

** Maintained and provided by Northern Trust.

Domestic Equity Review

During the second quarter, Fresno's domestic equity composite underperformed the benchmark (Wilshire 5000 Index) by 124 basis points. For the fiscal year, the domestic equity composite gained 1.26%, trailing the index return of 3.96% by 270 basis points. However, the domestic equity composite still outperformed the benchmark over the three-year period by 50 basis points, but the composite slightly underperformed the index by 8 basis points over the five-year period. For the ten-year period, the domestic equity composite trailed the benchmark with a return of 5.51% versus 6.04% for the benchmark. Since inception, the domestic equity composite slightly lagged the benchmark by 8 basis points with a gain of 8.28% versus 8.36%.

	Market Value \$(mil)	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception
Domestic Equity Comp GOF	\$ 594.788	(4.29%)	1.59%	1.59%	17.50%	17.58%	0.77%	5.95%	8.68%
Domestic Equity Comp NOF		(4.37%)	1.26%	1.26%	17.10%	17.15%	0.35%	5.51%	8.28%
<i>Wilshire 5000</i>		<i>(3.13%)</i>	<i>3.96%</i>	<i>3.96%</i>	<i>17.14%</i>	<i>16.65%</i>	<i>0.43%</i>	<i>6.04%</i>	<i>8.36%</i>
<i>TUCS Equity Median</i>		<i>(4.36%)</i>	<i>(0.12%)</i>	<i>(0.12%)</i>	<i>16.02%</i>	<i>16.48%</i>	<i>0.83%</i>	<i>6.56%</i>	<i>N/A</i>
JP Morgan GOF	\$ 114.504	(3.78%)	3.86%	3.86%	-	-	-	-	3.31%
JP Morgan GOF		(3.88%)	3.44%	3.44%	-	-	-	-	2.89%
<i>Excess Return NOF</i>		<i>(1.13%)</i>	<i>(2.00%)</i>	<i>(2.00%)</i>	-	-	-	-	<i>(1.52%)</i>
BlackRock Equity Index GOF	\$ 34.105	(2.68%)	5.96%	5.96%	18.04%	16.41%	2.14%	-	8.62%
BlackRock Equity Index NOF		(2.68%)	5.94%	5.94%	18.02%	16.39%	2.12%	-	8.59%
<i>Excess Return NOF</i>		<i>0.07%</i>	<i>0.50%</i>	<i>0.50%</i>	<i>0.63%</i>	<i>0.00%</i>	<i>1.91%</i>	-	<i>1.05%</i>
<i>S&P 500</i>		<i>(2.75%)</i>	<i>5.44%</i>	<i>5.44%</i>	<i>17.39%</i>	<i>16.39%</i>	<i>0.21%</i>	-	-
BlackRock Russell 1000 GOF	\$ 285.090	(3.10%)	4.41%	4.41%	17.40%	-	-	-	17.40%
BlackRock Russell 1000 NOF		(3.11%)	4.40%	4.40%	17.37%	-	-	-	17.37%
<i>Excess Return NOF</i>		<i>0.01%</i>	<i>0.02%</i>	<i>0.02%</i>	<i>0.01%</i>	-	-	-	<i>0.01%</i>
<i>Russell 1000 Index</i>		<i>(3.12%)</i>	<i>4.38%</i>	<i>4.38%</i>	<i>17.36%</i>	-	-	-	<i>17.36%</i>
Eagle Small Growth GOF	\$ 44.782	(8.80%)	(8.14%)	(8.14%)	-	-	-	-	3.48%
Eagle Small Growth NOF		(8.96%)	(8.78%)	(8.78%)	-	-	-	-	2.77%
<i>Excess Return NOF</i>		<i>(5.02%)</i>	<i>(6.05%)</i>	<i>(6.05%)</i>	-	-	-	-	<i>(0.95%)</i>
TCW Small Growth GOF	\$ 36.995	(10.54%)	(13.58%)	(13.58%)	-	-	-	-	(4.86%)
TCW Small Growth NOF		(10.74%)	(14.33%)	(14.33%)	-	-	-	-	(5.68%)
<i>Excess Return NOF</i>		<i>(6.80%)</i>	<i>(11.60%)</i>	<i>(11.60%)</i>	-	-	-	-	<i>(9.40%)</i>
<i>Russell 2000 Growth</i>		<i>(3.94%)</i>	<i>(2.73%)</i>	<i>(2.73%)</i>	-	-	-	-	<i>3.72%</i>
Kennedy Capital GOF	\$ 79.312	(4.21%)	0.85%	0.85%	16.29%	22.02%	3.57%	-	11.58%
Kennedy Capital NOF		(4.43%)	(0.04%)	(0.04%)	15.12%	20.85%	2.61%	-	10.57%
<i>Excess Return NOF</i>		<i>(1.42%)</i>	<i>1.39%</i>	<i>1.39%</i>	<i>1.34%</i>	<i>3.42%</i>	<i>3.66%</i>	-	<i>2.86%</i>
<i>Russell 2000 Value</i>		<i>(3.01%)</i>	<i>(1.43%)</i>	<i>(1.43%)</i>	<i>13.78%</i>	<i>17.43%</i>	<i>(1.05%)</i>	-	<i>7.71%</i>

Domestic Equity Manager Review

JP Morgan – Analyst Large Cap Core (3/31/11)

- Style mandate: active large cap core equity
- The JP Morgan Analyst Large Cap Core fund was funded during the first quarter of 2011 to replace AllianceBernstein. In the second quarter, the manager posted a return of -3.88%, underperforming the S&P 500 Index return of -2.75%. Underperformance for the quarter was due to the poor stock selection in the financials (-0.33%), consumer staples (-0.30%), and industrials (-0.23%) sectors.

BlackRock/BGI Equity Index (9/30/02)

- The BlackRock/BGI Equity Index fund is designed to track the S&P 500 Index within approximately 0.10% per year. While the strategy mirrors the index, the significant cash flows have skewed performance calculations.

BlackRock/BGI Russell 1000 Index (6/30/10)

- The BlackRock/BGI Russell 1000 Index fund is designed to track the Russell 1000 Index within approximately 0.10% per year and has successfully done so since inception.

Eagle Asset Management – Small Cap Growth Institutional (12/31/10)

- Style mandate: active small cap growth equity
- Eagle was funded at the beginning of the fourth quarter of 2010 to replace Kalmar Investments. For the quarter, the manager posted a return of -8.96%, greatly underperforming its benchmark (Russell 2000 Growth Index) return of -3.94%. Underperformance was primarily due to the string of poor stock selection in the health care (-2.77%), information technology (-0.89%), consumer discretionary (-0.83%), and financials (-0.64%) sectors. Since inception, the manager gained 2.77%, lagging its benchmark return of 3.72% by 95 basis points.

TCW Group – Small Cap Growth (12/31/10)

- Style mandate: active small cap growth equity
- TCW was funded in the fourth quarter of 2010 to replace Kalmar Investments. Over the quarter, the manager posted a return of -10.74%, significantly underperforming the Russell 2000 Growth Index return of -3.94% by 680 basis points. Underperformance was due to the extremely poor stock selection in the information technology (-3.15%), consumer discretionary (-2.36%), and financials (-1.12%) sectors. Since inception, the manager returned -5.68%, trailing 940 basis points behind the index return of 3.72%.

Kennedy Capital (6/30/03)

- Style mandate: active small cap value equity
- Kennedy manages a small cap value strategy benchmarked against the Russell 2000 Value Index. For the quarter, the manager posted a return of -4.43%, trailing the -3.01% return of the benchmark. The underperformance was due to the poor stock selection in financials (-0.95%), health care (-0.33%), and consumer discretionary (-0.22%) sectors; good stock selection in the information technology (+0.37%) and materials (+0.26%) sectors offset some of those losses. Aside from this quarter, the manager has outperformed its benchmark in all measured periods of time. Since inception, the manager (+10.57%) outperformed the benchmark's return of 7.71%.

Active Manager Universe Rankings

Fresno's Gross Performance

	Quarter	1 Year	2 Years	3 Years	5 Years	10 Years
JP Morgan	44th	47th	-	-	-	-
S&P 500	26th	29th	37th	28th	61st	77th
Russell 1000 Index	32nd	41st	38th	23rd	58th	61st
Large Core Universe	205	203	201	196	187	136
Eagle	95th	84th	-	-	-	-
TCW	96th	96th	-	-	-	-
Russell 2000 Growth	29th	45th	59th	68th	56th	73rd
Small Cap Growth Universe	184	184	183	181	167	126
Kennedy Capital	47th	23rd	38th	16th	20th	-
Russell 2000 Value	24th	44th	71st	71st	89th	93rd
Small Cap Value Universe	185	185	185	181	173	130

Composite Gross Performance

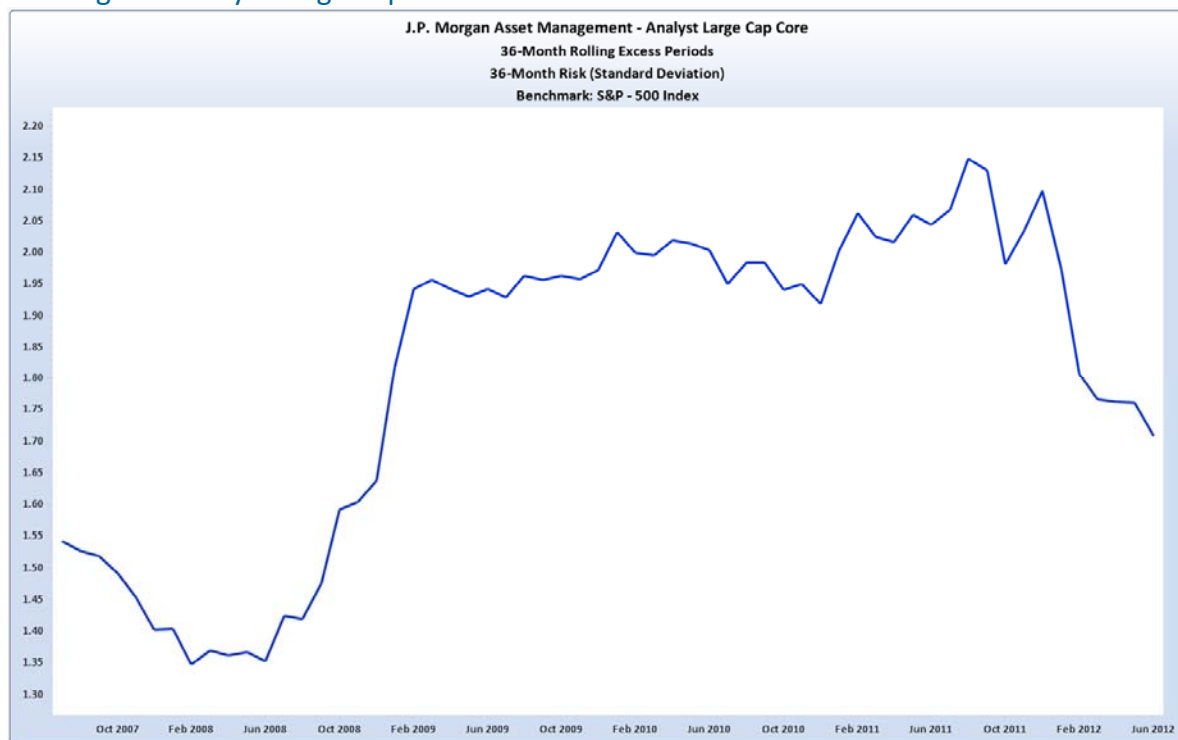
	Quarter	1 Year	2 Years	3 Years	5 Years	10 Years
JP Morgan - Analyst Large Core	44th	46th	52nd	39th	24th	26th
AXA Rosenberg Large Core	- Manager requested the removal of product in database -					
Alliance - US Strategic Research	99th	99th	90th	81st	69th	54th
BlackRock Alpha Tilts	35th	5th	5th	17th	62nd	56th
Capital Guardian	49th	29th	18th	9th	54th	49th
Goldman Sachs Enhanced	27th	20th	23rd	25th	50th	43rd
Large Core Universe (S&P 500)	226	224	221	216	204	148
Eagle Small Cap Growth	93rd	87th	61st	37th	35th	12th
TCW Group - Small Growth	97th	97th	98th	95th	33rd	46th
BlackRock Russell 2000 Growth	29th	43rd	53rd	64th	54th	69th
Kalmar Investments	53rd	31st	28th	17th	32nd	46th
Emerald Advisors	86th	33rd	27th	26th	48th	71st
Small Cap Growth Universe	205	205	204	202	185	141
Kennedy Capital	43rd	21st	36th	15th	19th	10th
Small Cap Value Universe	206	206	204	200	186	142

3-YEAR ROLLING RISK ANALYSIS

Domestic Equity Composite

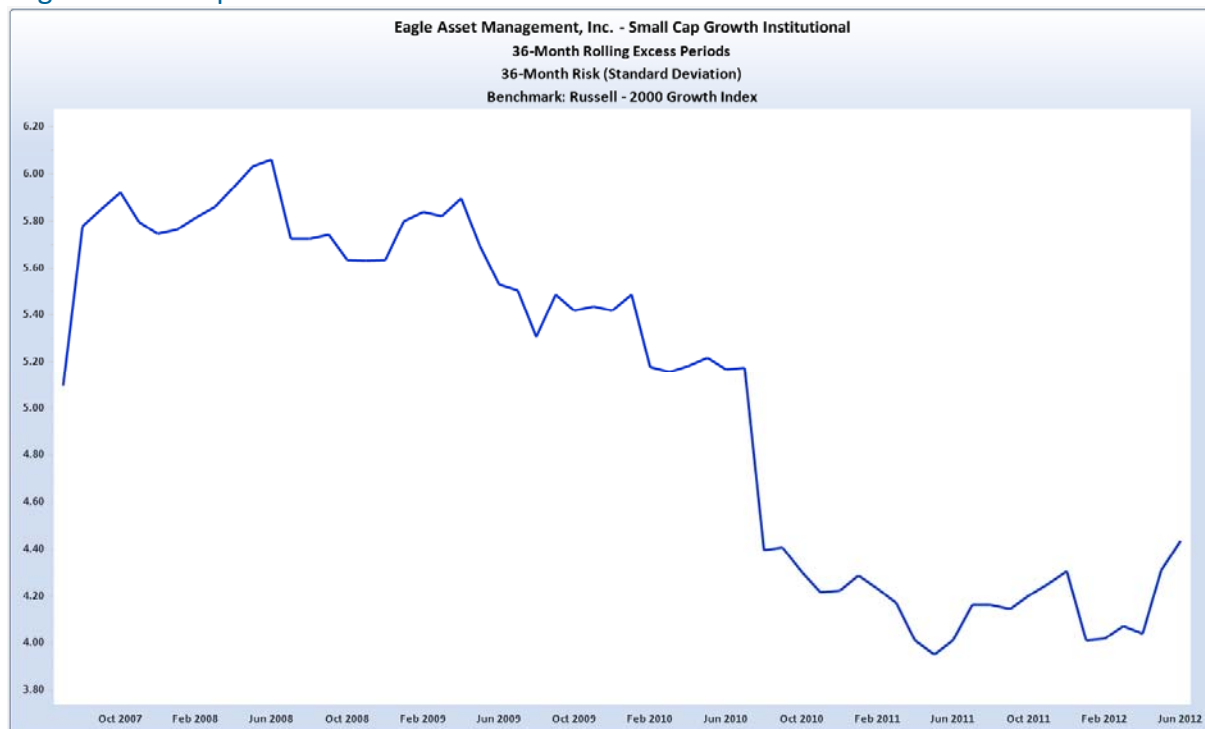


JP Morgan – Analyst Large Cap Core



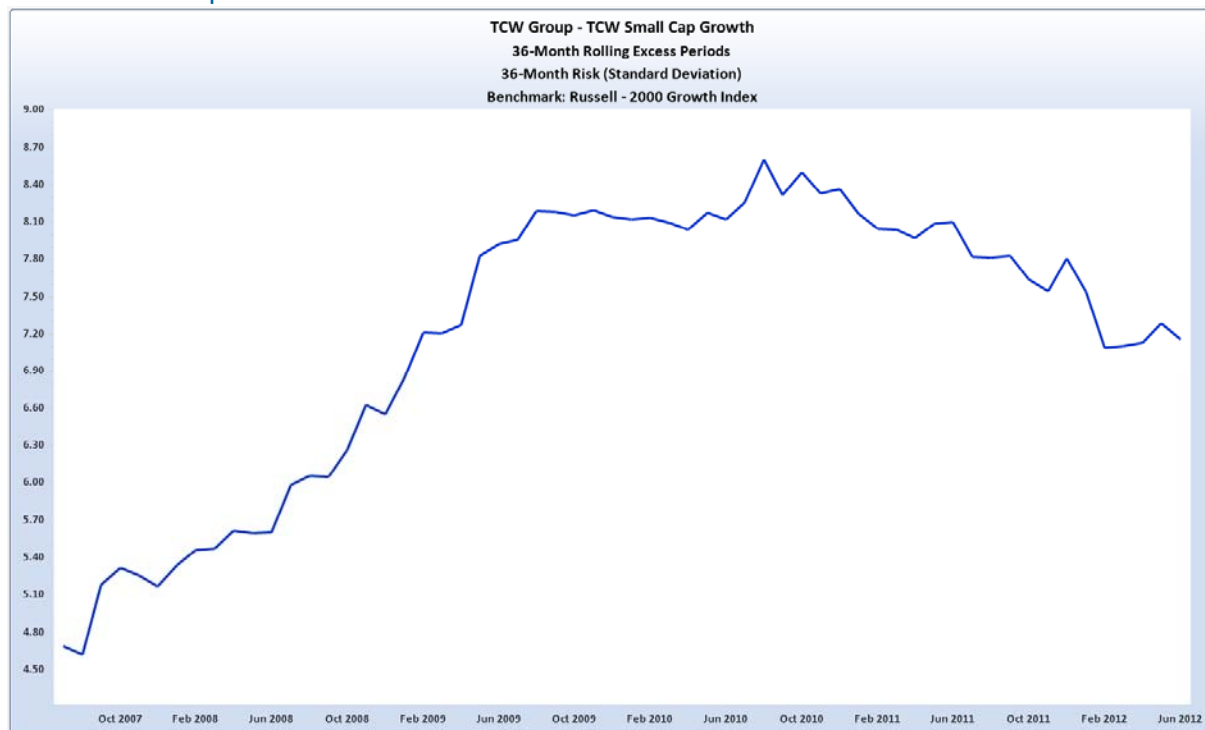
*JP Morgan chart based on gross-of-fee product data from Wilshire's database.

Eagle – Small Cap Growth Institutional



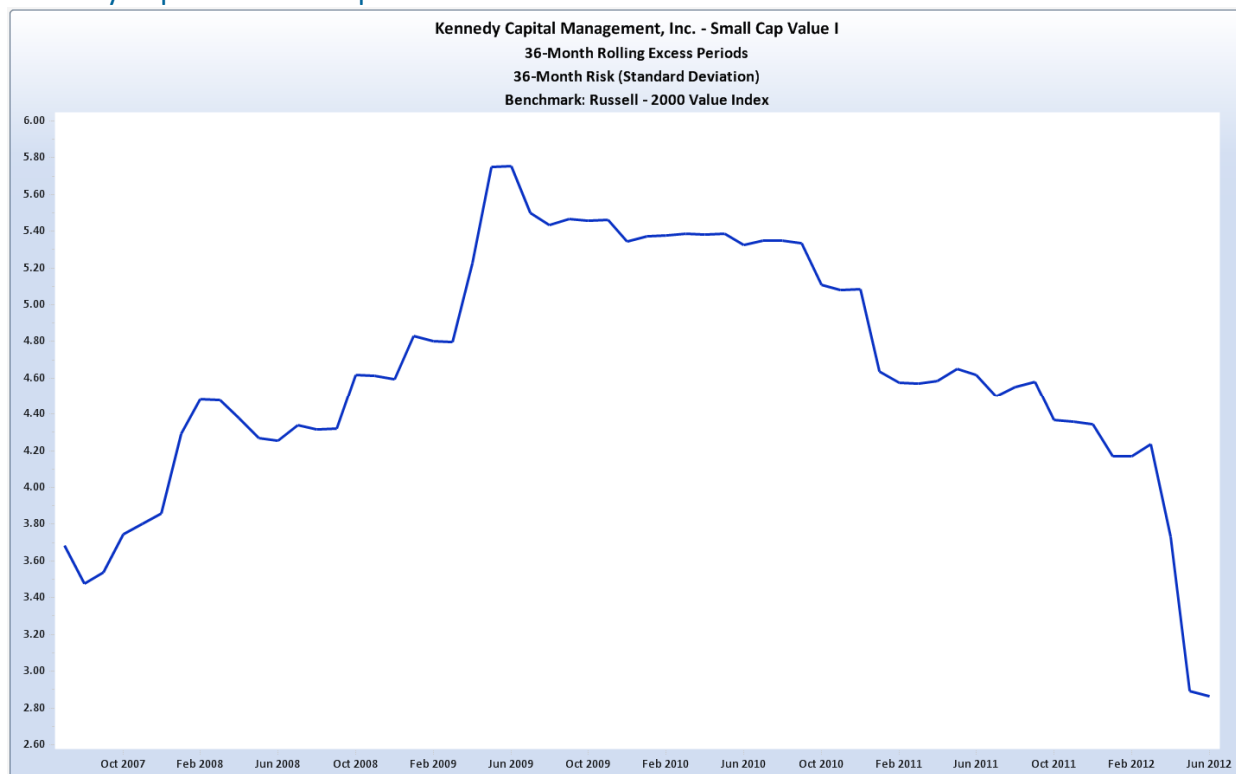
*Eagle chart based on gross-of-fee product data from Wilshire's database.

TCW – Small Cap Growth



* TCW chart based on gross-of-fee product data from Wilshire's database.

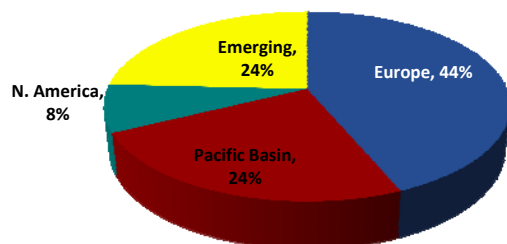
Kennedy Capital – Small Cap Value I



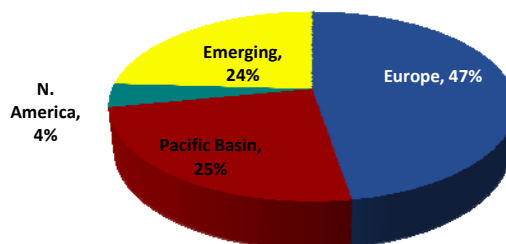
* Kennedy chart based on gross-of-fee product data from Wilshire's database

International Equity Review

MSCI ACWI ex-US Region Allocation



Actual IE Composite Region Allocation



The international equity composite outperformed the policy index (43.3% MSCI EAFE / 43.3% MSCI ACWI ex-US / 13.3% MSCI EM) by 48 basis points during the quarter and outperformed for all periods three years and under. Outperformance was attributable to the leading performance by both EAFE managers (Principal and Pyramis) and both ACWI ex-US managers (Baillie Gifford and BlackRock) which offset the underperformance by both emerging markets managers (Batterymarch and Wellington).

	Market Value \$(mil)	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception
International Equity Composite GOF	\$ 566.483	(6.74%)	(11.96%)	(11.96%)	7.59%	8.89%	(5.19%)	6.57%	6.82%
International Equity Composite NOF		(6.86%)	(12.41%)	(12.41%)	7.08%	8.31%	(5.69%)	5.97%	6.28%
Policy Index ¹		(7.34%)	(14.01%)	(14.01%)	5.76%	6.99%	(4.66%)	6.99%	4.95%
MSCI ACWI ex-US (\$g)		(7.38%)	(14.15%)	(14.15%)	5.75%	7.43%	(4.18%)	7.20%	5.22%
TUCS Int'l Equity Median		(6.69%)	(12.04%)	(12.04%)	7.56%	9.49%	(2.35%)	7.21%	N/A
Principal GOF	\$ 124.744	(5.58%)	(9.81%)	(9.81%)	9.82%	8.98%	-	-	1.49%
Principal NOF		(5.70%)	(10.28%)	(10.28%)	9.26%	8.42%	-	-	0.97%
Principal - Excess Return NOF		1.15%	3.10%	3.10%	2.77%	1.97%	-	-	(0.28%)
MSCI EAFE (\$g)		(6.85%)	(13.38%)	(13.38%)	6.49%	6.45%	-	-	1.25%
Pyramis GOF	\$ 122.851	(5.88%)	(12.17%)	(12.17%)	7.97%	7.21%	(5.39%)	-	(0.31%)
Pyramis NOF		(6.00%)	(12.62%)	(12.62%)	7.43%	6.66%	(5.87%)	-	(0.81%)
Pyramis - Excess Return NOF		0.85%	0.76%	0.76%	0.94%	0.21%	(0.24%)	-	(0.03%)
MSCI EAFE (\$g)		(6.85%)	(13.38%)	(13.38%)	6.49%	6.45%	(5.63%)	-	(0.78%)
Baillie Gifford GOF	\$ 133.339	(6.31%)	(8.42%)	(8.42%)	10.31%	12.30%	-	-	5.58%
Baillie Gifford NOF		(6.43%)	(8.91%)	(8.91%)	9.72%	11.69%	-	-	5.02%
Baillie Gifford - Excess Return NOF		0.95%	5.24%	5.24%	3.97%	4.26%	-	-	2.40%
BlackRock ACWI ex-US GOF	\$ 107.960	(7.08%)	(13.98%)	(13.98%)	-	-	-	-	(10.95%)
BlackRock ACWI ex-US NOF		(7.10%)	(14.05%)	(14.05%)	-	-	-	-	(11.02%)
BlackRock - Excess Return NOF		0.28%	0.10%	0.10%	-	-	-	-	0.04%
MSCI ACWI ex-US (\$g)		(7.38%)	(14.15%)	(14.15%)	5.75%	7.43%	-	-	-
Batterymarch GOF	\$ 39.438	(9.67%)	(19.50%)	(19.50%)	1.48%	9.46%	-	-	5.15%
Batterymarch NOF		(9.91%)	(20.32%)	(20.32%)	0.22%	8.19%	-	-	4.00%
Batterymarch - Excess Return NOF		(1.13%)	(4.65%)	(4.65%)	(3.74%)	(1.91%)	-	-	(3.62%)
MSCI EMF (\$g)		(8.78%)	(15.67%)	(15.67%)	3.96%	10.10%	-	-	7.62%
Wellington GOF	\$ 38.084	(10.56%)	(15.78%)	(15.78%)	1.39%	7.11%	-	-	6.26%
Wellington NOF		(10.78%)	(16.61%)	(16.61%)	0.39%	6.00%	-	-	5.21%
Wellington - Excess Return NOF		(2.00%)	(0.94%)	(0.94%)	(3.57%)	(4.10%)	-	-	(2.41%)
MSCI EMF (\$g)		(8.78%)	(15.67%)	(15.67%)	3.96%	10.10%	-	-	7.62%
Tax Recoverables	\$ 0.067	-	-	-	-	-	-	-	-

¹ (43.3% MSCI EAFE / 43.3% MSCI ACWI ex-US / 13.3% MSCI EMF)

International Equity Manager Review

Principal – International Core (9/30/08)

- Style mandate: active developed markets equity
- The Principal International Core fund was funded in 3Q08 and benchmarked against the MSCI EAFE Index. Principal returned -5.70%, outperforming its benchmark's return of -6.85% by 115 basis points. The outperformance for the quarter was primarily attributed to the good trading decisions (+0.55%) and good sector weighting in Spain (+0.20%), Switzerland (+0.19%), and Denmark (+0.18%) that outweighed the poor sector weighting in Australia (-0.40%). Since inception, the manager returned 0.97%, lagging 28 basis points behind the benchmark's return of 1.25%.

Pyramis – Select International (6/30/06)

- Style mandate: active developed markets equity
- Pyramis Select International was funded in 2Q06 and benchmarked against the MSCI EAFE Index. Over the quarter, the manager led its benchmark by 85 basis points with a return of -6.00% versus -6.85%. Outperformance was mainly attributable to the good trading decisions (+0.43%) and good stock selection in Japan (+0.32%) and Spain (+0.19%). Since inception, the manager's return of -0.81% very slightly trails the benchmark return of -0.78% by 3 basis points.

Baillie Gifford – ACWI x-US Alpha (9/30/08)

- Style mandate: active developed and emerging markets equity
- Baillie Gifford ACWI x-US Alpha fund was funded in 3Q08 and benchmarked against the MSCI ACWI x-US Index. For the quarter, the manager posted a return of -6.43%, leading the benchmark's return of -7.38% by 95 basis points. Outperformance was primarily due to the string of good stock selection and sector weighting in France (+0.46%), Finland (+0.36%), the Netherlands (+0.35%), and Spain (+0.33%). The manager has outperformed the benchmark in every reported time period. Since inception, the fund returned 5.02%, leading the benchmark return of 2.62% by 240 basis points.

BlackRock ACWI ex-US Index (3/31/11)

- The BlackRock ACWI ex-US Index fund was funded in the first quarter of 2011 to replace Acadian. The BlackRock ACWI ex-US index fund is designed to track the MSCI ACWI ex-US Index and has successfully done so in all periods of recorded performance.

Batterymarch – Emerging Markets (9/30/08)

- Style mandate: active emerging markets equity
- Batterymarch Emerging Markets was funded in 3Q08 to replace Genesis and benchmarked against the MSCI Emerging Markets Index. For the quarter, the manager returned -9.91%, underperforming the benchmark return of -8.78% by 113 basis points. Underperformance this quarter was due to the poor trading decisions (-0.34%) and sector weighting and stock selection in China (-0.46%) and Brazil (-0.43%); good stock selection in Turkey (+0.27%), South Korea (+0.21%), and South Africa (+0.18%) offset some of the losses. Since inception, the manager's gain of 4.00% lags the benchmark's 7.62% return by 362 basis points.

Wellington – Emerging Markets (9/30/08)

- Style mandate: active emerging markets equity
- Wellington Emerging Markets was funded in 3Q08 to replace Genesis and benchmarked against the MSCI Emerging Markets Index. For the quarter, Wellington returned -10.78%, underperforming its benchmark's return of -8.78% by 200 basis points. Underperformance was mainly attributable to the poor trading decisions (-0.76%) and poor sector weighting and stock selection in South Korea (-0.52%), Mexico (-0.33%), Thailand (-0.29%), and Russia (-0.26%). Since inception, the manager's gain of 5.21% trails the benchmark's return of 7.62% by 241 basis points.

Active Manager Universe Rankings

Fresno's Gross Performance

	Quarter	1 Year	2 Years	3 Years	5 Years	10 Years
Principal	20th	23rd	25th	44th	-	-
Pyramis	27th	42nd	46th	67th	70th	-
MSCI EAFE (\$gross)	49th	57th	69th	76th	72nd	80th
Active EAFE Universe	348	343	341	336	306	213
Baillie Gifford	53rd	59th	55th	40th	-	-
MSCI ACWI ex-US (\$gross)	71st	84th	85th	86th	81st	50th
Active ACWI ex-US Universe	366	358	344	325	260	131
Batterymarch	78th	82nd	78th	69th	-	-
Wellington	86th	60th	78th	87th	-	-
MSCI Emerging Markets (\$gross)	66th	59th	58th	64th	58th	68th
Emerging Markets Universe	220	215	202	181	137	79

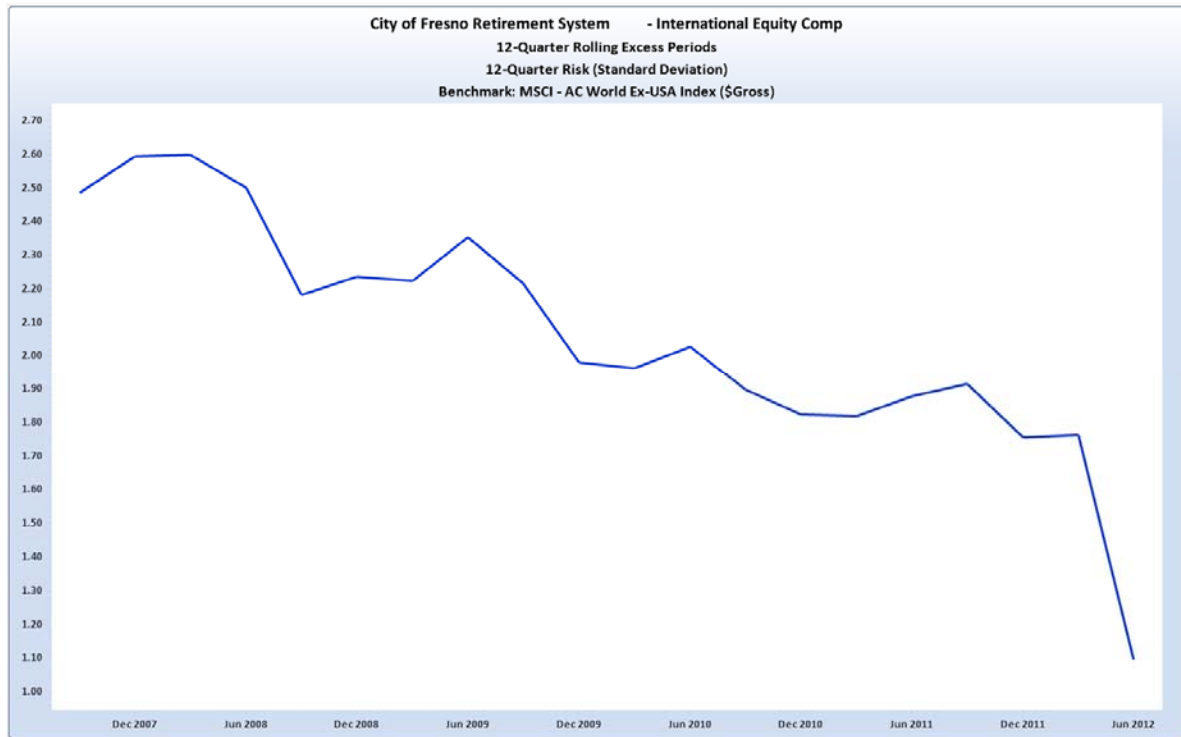
Composite Gross Performance*

	Quarter	1 Year	2 Years	3 Years	5 Years	10 Years
Principal	17th (13th)	22nd (25th)	21st (23rd)	41st (35th)	67th (61st)	55th (53rd)
Pyramis	29th (26th)	46th (51st)	44th (47th)	67th (65th)	70th (64th)	72nd (71st)
Acadian	45th (51st)	60th (63rd)	55th (60th)	62nd (63rd)	95th (97th)	74th (79th)
BlackRock	50th (58th)	76th (76th)	67th (70th)	73rd (72nd)	82nd (80th)	78th (80th)
Boston Co.	44th (49th)	53rd (59th)	39th (44th)	55th (53rd)	92nd (95th)	62nd (63rd)
Invesco	75th (82nd)	82nd (85th)	89th (97th)	90th (95th)	57th (65th)	97th (70th)
Pyrford	2nd (1st)	4th (2nd)	14th (19th)	25th (24th)	6th (2nd)	37th (33rd)
Active EAFE Core Universe	374 (106)	369 (106)	366 (105)	360 (102)	326 (91)	227 (64)
Baillie Gifford	59th (38th)	63rd (14th)	57th (15th)	41st (16th)	32nd (15th)	15th (15th)
Active ACWI x-US Universe	391 (142)	383 (142)	368 (140)	347 (137)	277 (124)	139 (76)
Batterymarch	78th	88th	83rd	71st	78th	64th
Wellington	86th	58th	78th	86th	55th	51st
Genesis Asset Mgmt	40th	34th	33rd	22nd	24th	15th
Emerging Markets Universe	238	231	218	197	147	84

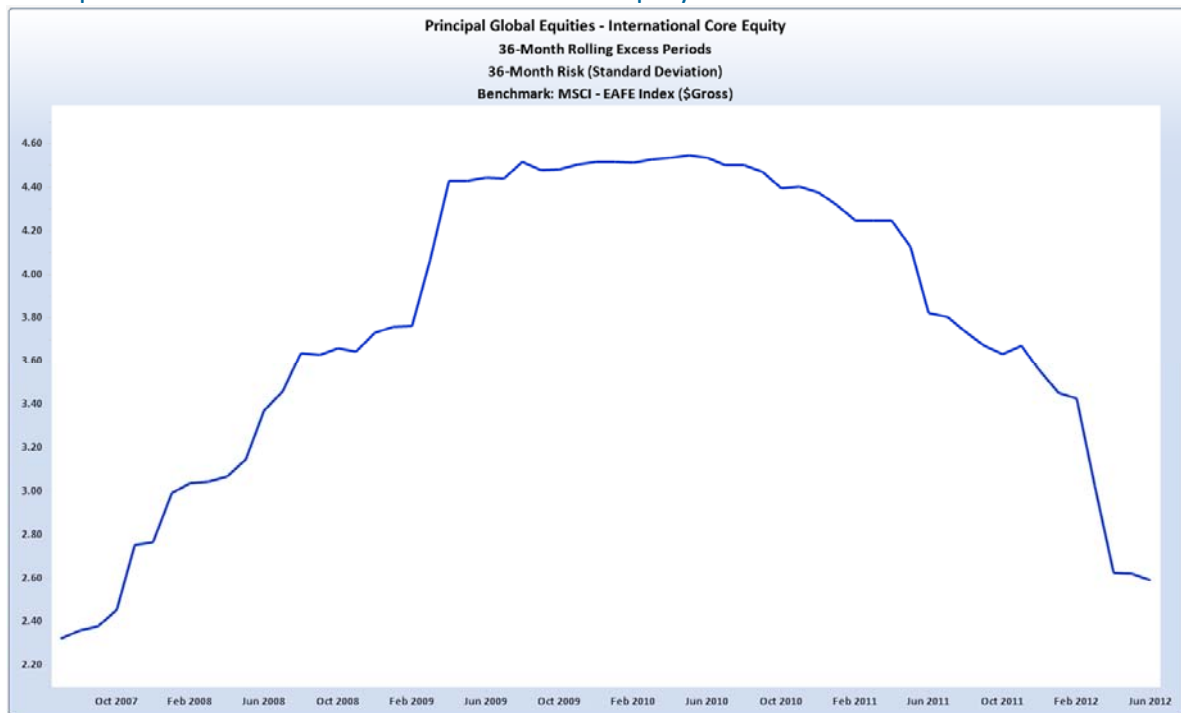
* Rankings in parantheses are based upon a custom EAFE or ACWI x-US universe.

3-YEAR ROLLING RISK ANALYSIS

International Equity Composite

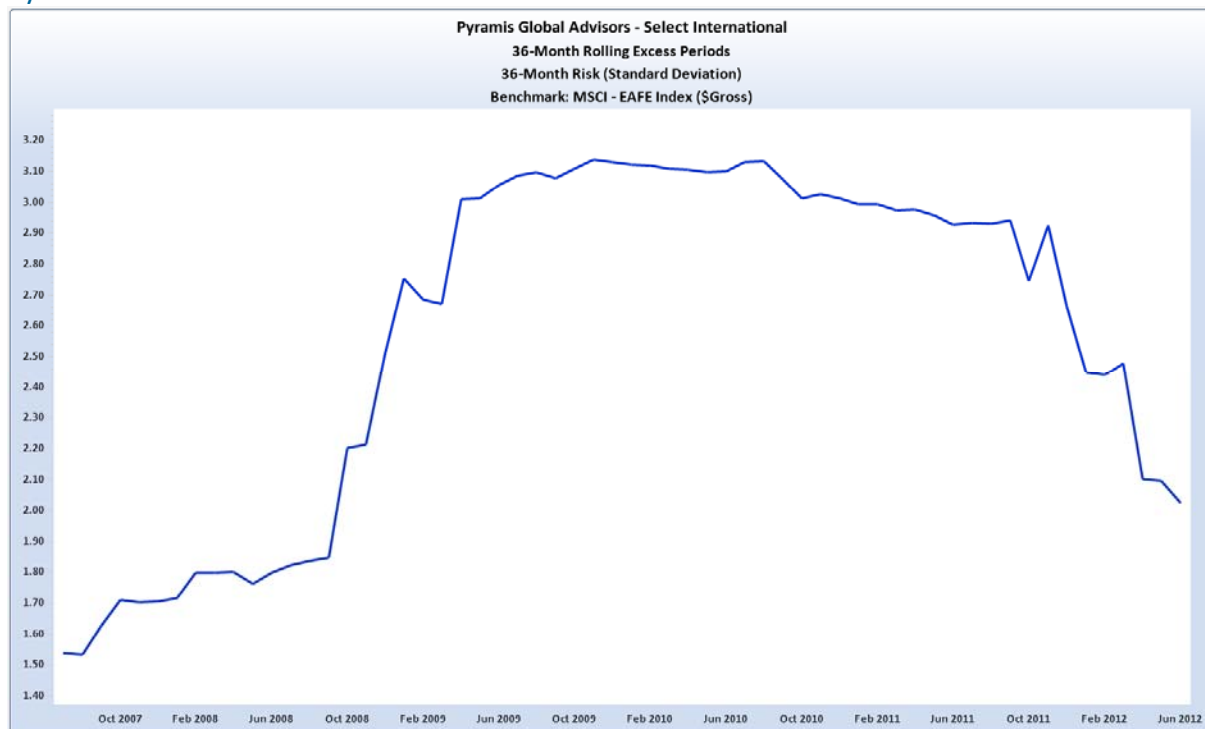


Principal Global Investors – International Core Equity



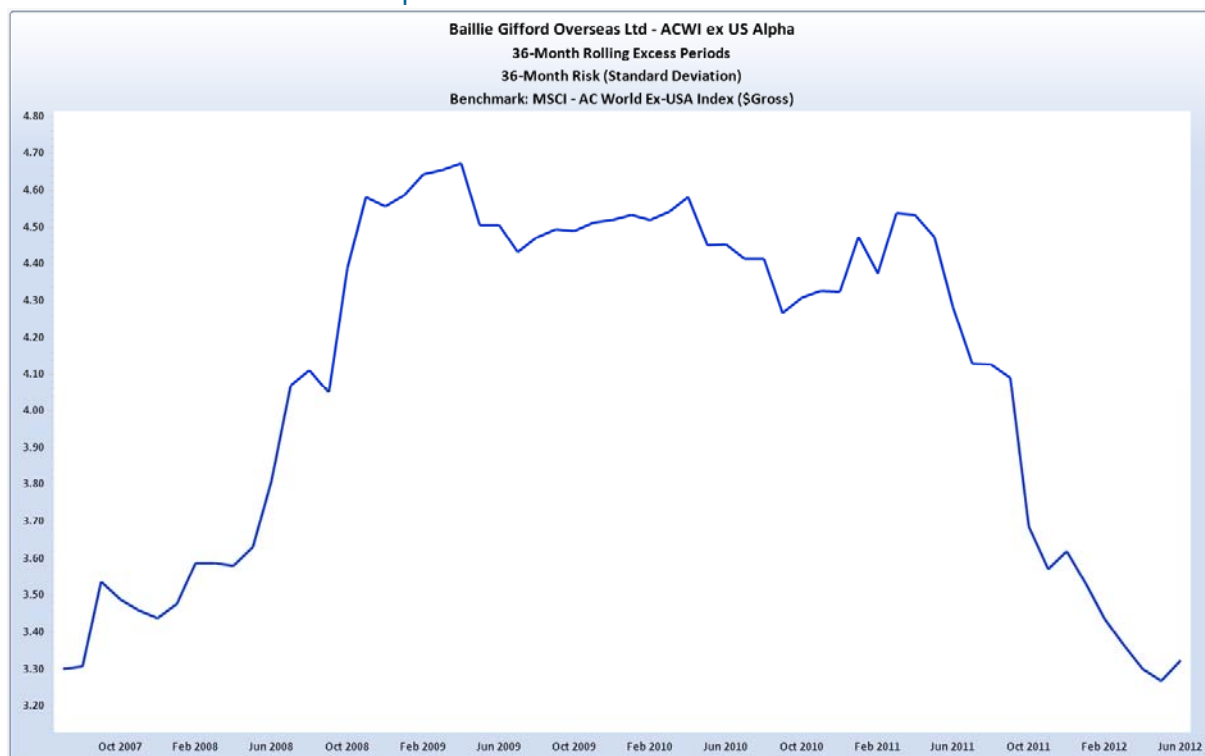
* Principal chart based on gross-of-fee product data from Wilshire's database.

Pyramis – Select International



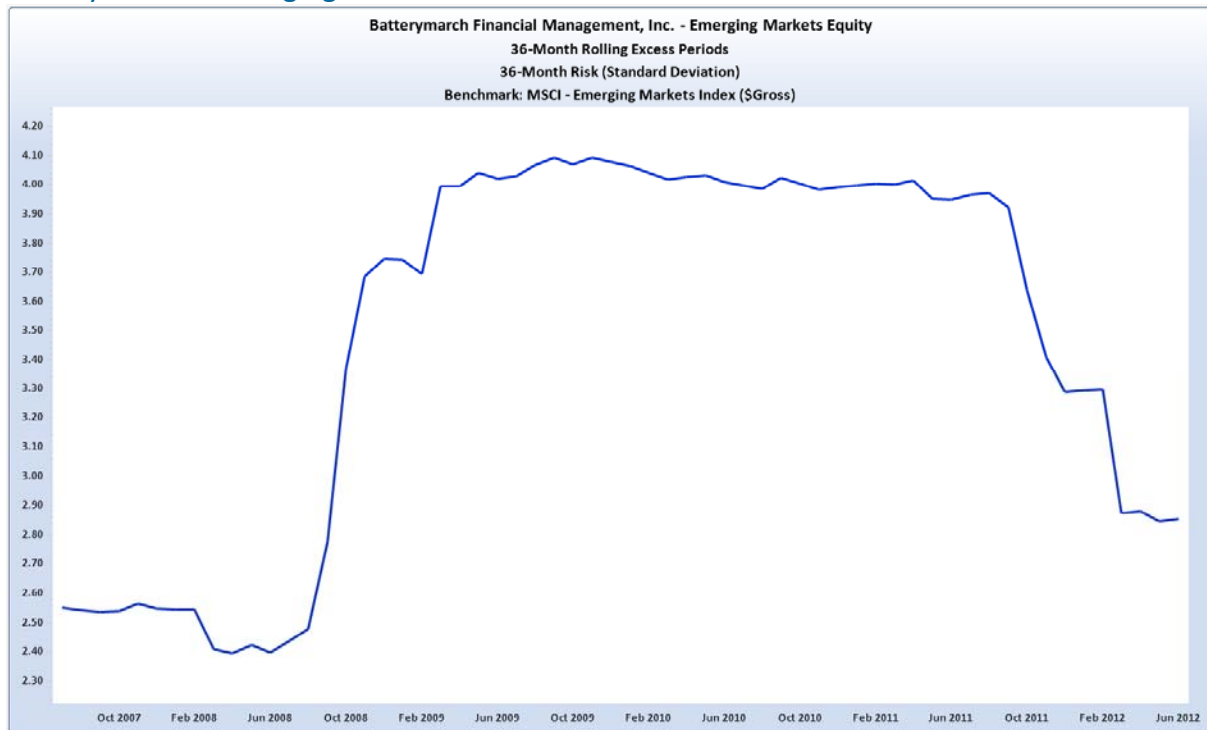
* Pyramis chart based on gross-of-fee product data from Wilshire's database.

Baillie Gifford – ACWI ex-US Alpha



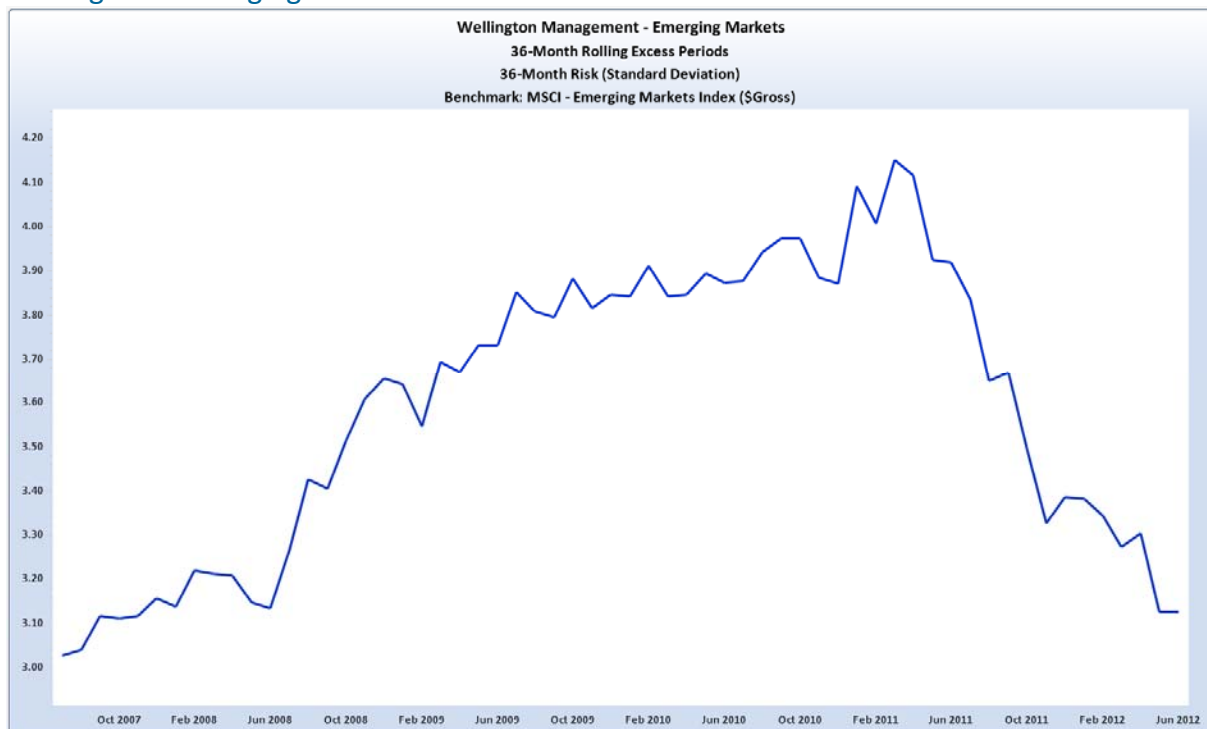
* Baillie Gifford chart based on gross-of-fee product data from Wilshire's database.

Batterymarch – Emerging Markets



* Batterymarch chart based on gross-of-fee product data from Wilshire's database.

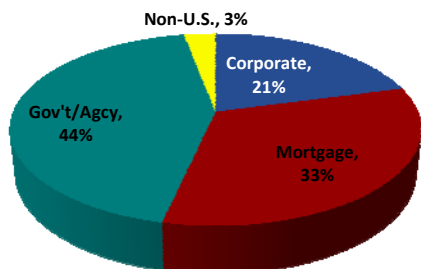
Wellington – Emerging Markets



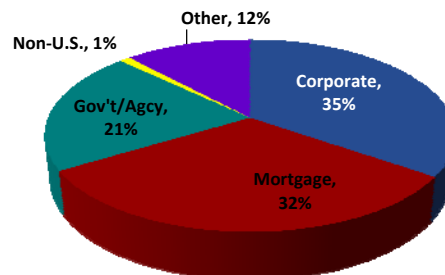
* Wellington chart based on gross-of-fee product data from Wilshire's database.

Fixed Income Review

Barclays Aggregate Sector Allocation



Core Fixed Composite Sector Allocation



The core fixed income composite slightly trailed the Barclays Aggregate Bond Index by 24 basis points with a return of 1.82% versus 2.06% during the quarter. Underperformance was due to the lagging relative performance by Dodge & Cox. Prudential has outperformed the Index in all measured periods. The core fixed income composite outperformed the benchmark for the three-year period by 109 basis points but still trailed the benchmark by 79 basis points over the five-year, and by 7 basis points over the 10-year period.

The high yield manager had a positive but lagging quarter. Loomis Sayles trailed the benchmark, the Barclays High Yield Index, by 125 basis points over the quarter. The manager outperformed its benchmark by 15 basis points for the three-year but trails by 34 basis points for the five-year period.

	Market Value \$(mil)	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception
Total Fixed Income Composite GOF	\$ 625.553	1.66%	6.77%	6.77%	6.86%	9.66%	6.72%	6.29%	6.34%
Total Fixed Income Composite NOF		1.61%	6.57%	6.57%	6.66%	9.45%	6.49%	6.04%	6.11%
Policy Index ¹		2.03%	7.55%	7.55%	6.68%	8.53%	7.29%	6.10%	6.75%
TUCS Fixed Income Median		1.95%	7.48%	7.48%	6.83%	8.78%	7.24%	6.27%	N/A
Core Fixed Income Composite GOF	\$ 521.147	1.85%	7.28%	7.28%	5.92%	8.14%	6.14%	5.75%	6.05%
Core Fixed Income Composite NOF		1.82%	7.15%	7.15%	5.79%	8.02%	6.01%	5.56%	5.84%
Barclays Aggregate		2.06%	7.48%	7.48%	5.67%	6.93%	6.80%	5.63%	6.49%
Dodge & Cox GOF	\$ 262.772	1.57%	6.72%	6.72%	6.13%	8.12%	6.99%	-	5.76%
Dodge & Cox NOF		1.53%	6.55%	6.55%	5.95%	7.93%	6.80%	-	5.56%
Dodge & Cox - Excess Return NOF		(0.53%)	(0.93%)	(0.93%)	0.28%	1.00%	0.00%	-	0.29%
Barclays Aggregate		2.06%	7.48%	7.48%	5.67%	6.93%	6.80%	-	5.27%
Prudential GOF	\$ 252.541	2.17%	7.88%	7.88%	5.98%	7.38%	7.44%	-	5.53%
Prudential NOF		2.15%	7.80%	7.80%	5.90%	7.30%	7.35%	-	5.44%
Prudential - Excess Returns NOF		0.09%	0.32%	0.32%	0.23%	0.37%	0.55%	-	0.32%
Barclays Aggregate		2.06%	7.48%	7.48%	5.67%	6.93%	6.80%	-	5.12%
Fixed Income Transition Account	\$ 5.834	-	-	-	-	-	-	-	-
High Yield Composite GOF	\$ 104.405	0.71%	4.24%	4.24%	11.76%	17.02%	8.64%	-	9.04%
High Yield Composite NOF		0.58%	3.72%	3.72%	11.20%	16.43%	8.10%	-	8.53%
Barclays High Yield		1.83%	7.27%	7.27%	11.37%	16.28%	8.44%	-	8.30%
Loomis Sayles GOF	\$ 104.405	0.71%	4.24%	4.24%	11.76%	17.02%	8.64%	-	9.04%
Loomis Sayles NOF		0.58%	3.72%	3.72%	11.20%	16.43%	8.10%	-	8.53%
Loomis Sayles - Excess Return NOF		(1.25%)	(3.55%)	(3.55%)	(0.17%)	0.15%	(0.34%)	-	0.23%
Barclays High Yield		1.83%	7.27%	7.27%	11.37%	16.28%	8.44%	-	8.30%

¹ Policy Index: 83.3% Barclays Aggregate / 16.7% Barclays High Yield

Fixed Income Manager Review

Dodge & Cox (12/31/02)

- Style mandate: active core fixed income
- Dodge and Cox underperformed the Barclays Aggregate Index by 53 basis points with a return of 1.53% versus 2.06% for the benchmark during the quarter. Underperformance this quarter was mainly due to the poor trading decisions (-1.77%) and interest rate anticipation (-0.27%) that outweighed the good sector/issue selection (+1.51%). Since inception, the manager has climbed 5.56%, leading the benchmark's return of 5.27%.

Prudential (6/30/03)

- Style mandate: enhanced core fixed income
- Prudential ended the quarter with a return of 2.15%, outperforming the Barclays Aggregate Bond Index's return of 2.06%. Leading performance for the quarter was primarily due to the good sector/issue selection (+0.70%) that erased the poor trading decisions (-0.41%) and interest rate anticipation (-0.20%). The manager has outperformed its benchmark in every reported period. Since inception, Prudential has earned 5.44% versus 5.12% for the benchmark.

Loomis Sayles (6/30/04)

- Style mandate: high yield fixed income
- Loomis was funded during the third quarter of 2004 to manage an active high yield portfolio benchmark against the Barclays High Yield Index. For the quarter, Loomis Sayles underperformed its benchmark by 125 basis points, returning 0.58% versus the benchmark's return of 1.83%. The underperformance for the quarter was primarily due to the poor sector/issue selection (-1.17%) and trading decisions (-1.02%) that outweighed the good interest rate anticipation (+0.95%). Since inception, Loomis outperformed the benchmark by 23 basis points with a return of 8.53% versus 8.30% for the benchmark.

Active Manager Universe Rankings

Fresno's Gross Performance

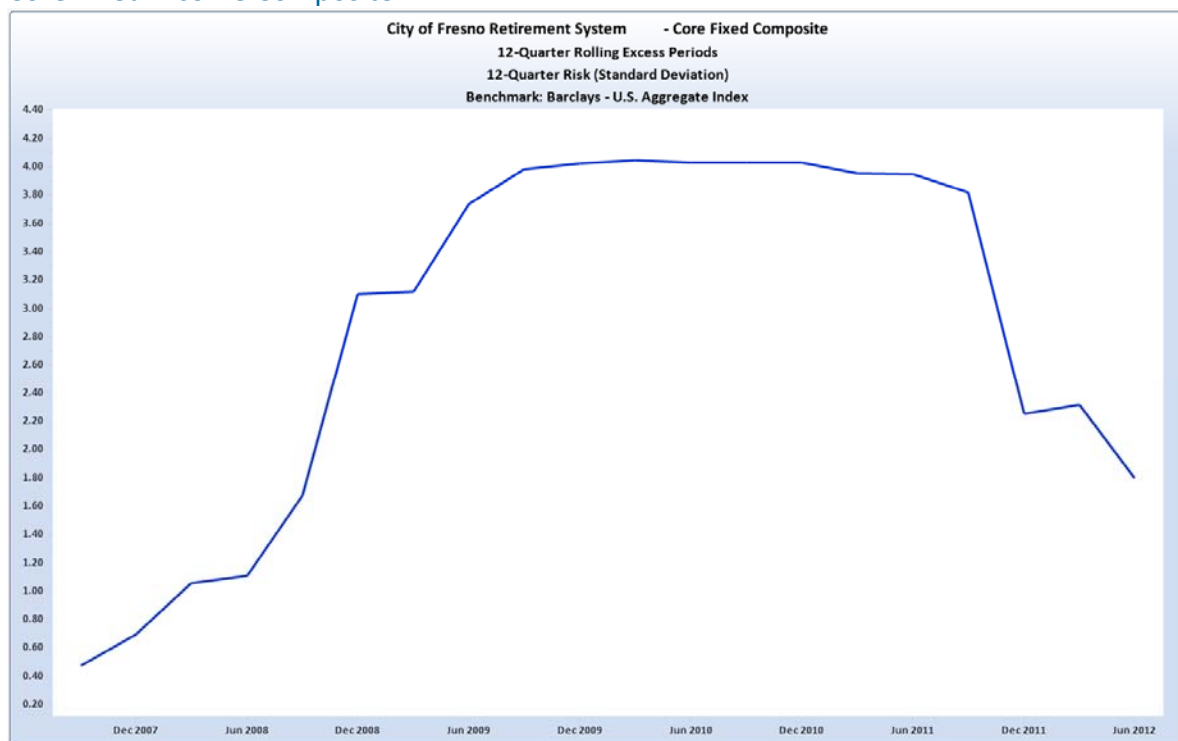
	Quarter	1 Year	2 Years	3 Years	5 Years	10 Years
Dodge & Cox	62nd	53rd	39th	31st	51st	-
Prudential	33rd	34th	44th	45th	32nd	-
<i>Barclays Aggregate Bond Index</i>	<i>42nd</i>	<i>43rd</i>	<i>53rd</i>	<i>57th</i>	<i>57th</i>	<i>60th</i>
<i>Active Core Universe</i>	<i>364</i>	<i>364</i>	<i>359</i>	<i>353</i>	<i>337</i>	<i>297</i>
Loomis Sayles	85th	84th	24th	16th	25th	-
<i>Barclays High Yield Bond Index</i>	<i>31st</i>	<i>44th</i>	<i>39th</i>	<i>28th</i>	<i>31st</i>	<i>31st</i>
<i>High Yield Universe</i>	<i>124</i>	<i>123</i>	<i>119</i>	<i>118</i>	<i>111</i>	<i>77</i>

Composite Gross Performance

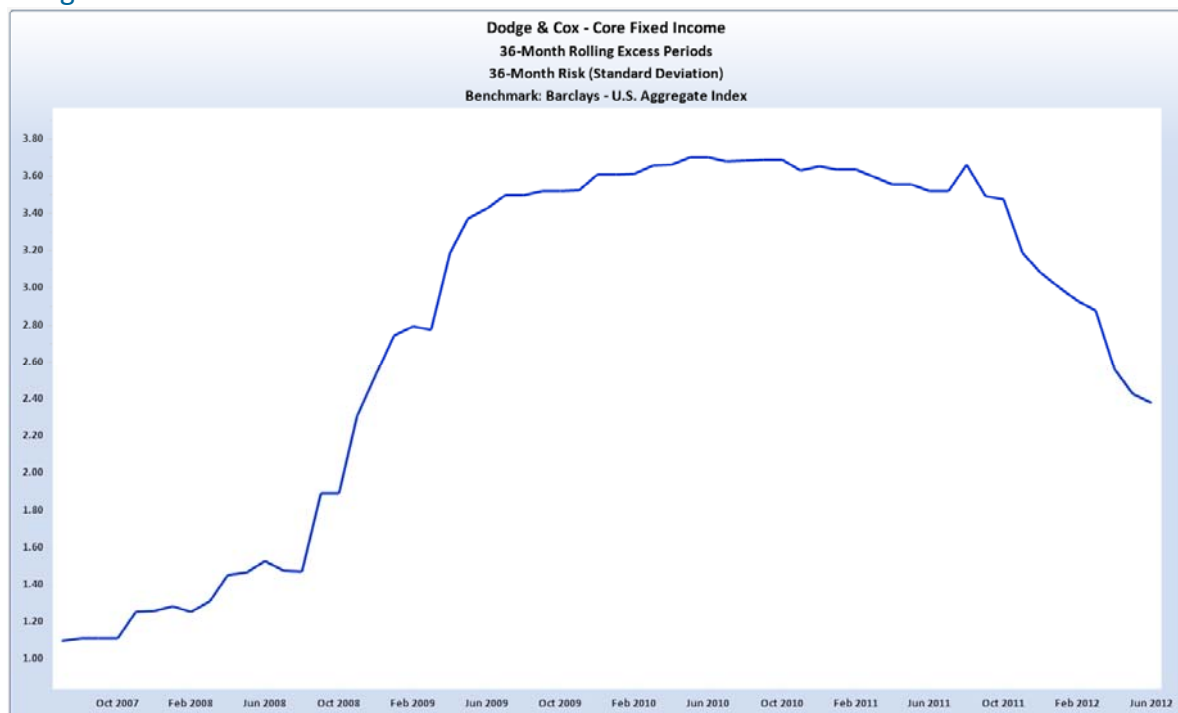
	Quarter	1 Year	2 Years	3 Years	5 Years	10 Years
Dodge & Cox	62nd	54th	24th	22nd	36th	17th
Prudential	36th	33rd	43rd	47th	59th	62nd
Aberdeen Asset Mgmt	21st	15th	10th	9th	77th	71st
<i>Active Core Universe</i>	<i>402</i>	<i>401</i>	<i>396</i>	<i>390</i>	<i>374</i>	<i>327</i>
Loomis Sayles	89th	76th	58th	32nd	29th	27th
<i>High Yield Universe</i>	<i>150</i>	<i>148</i>	<i>143</i>	<i>140</i>	<i>130</i>	<i>86</i>

3-YEAR ROLLING RISK ANALYSIS

Core Fixed Income Composite

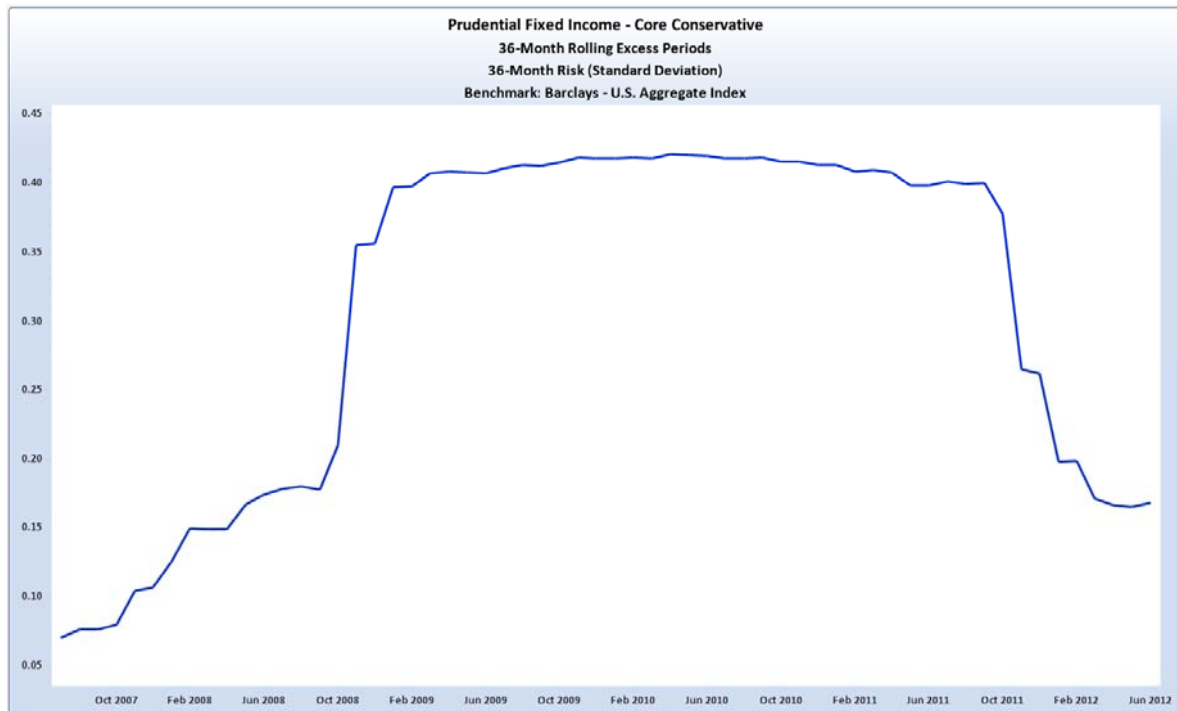


Dodge & Cox – Core Fixed Income



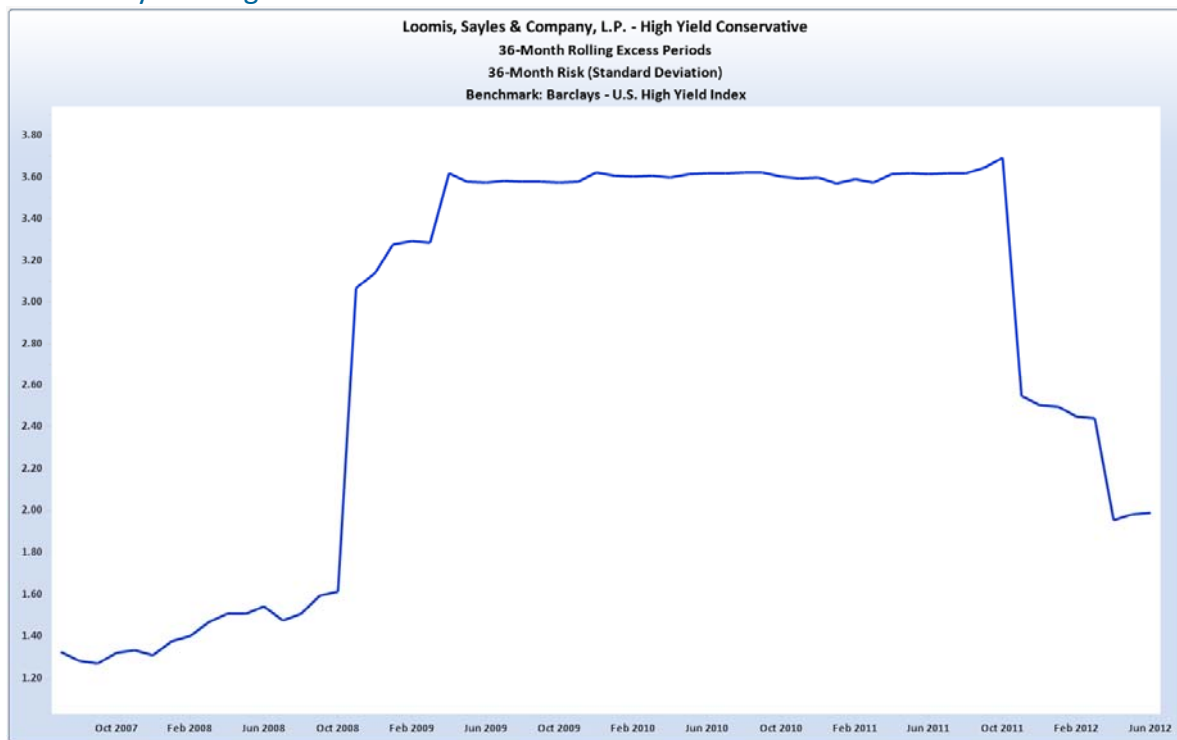
* Chart based on gross-of-fee product data from Wilshire's database.

Prudential – Core Conservative



* Chart based on gross-of-fee product data from Wilshire's database.

Loomis Sayles – High Yield Conservative



* Chart based on gross-of-fee product data from Wilshire's database.

Real Estate Review

The real estate composite slightly underperformed the policy index (60% NCREIF Open End Diversified Core Equity GOF Index / 40% Wilshire Real Estate Securities Index) during the second quarter by 23 basis points, returning 2.73% versus the policy index return of 2.96%. Over the one-year period, the real estate composite lagged the benchmark by 158 basis points with a return of 11.68% versus 13.26% for the policy index. Over longer time periods, the real estate composite lagged the benchmark by 93 and 46 basis points over the last five- and ten-years, respectively. Since inception, the real estate composite has returned 9.10% versus a gain of 9.53% for the policy index.

The two REIT managers, Heitman and Principal, experienced a positive quarter where the Wilshire RESI posted a return of 3.54%. One REIT manager outperformed the benchmark – Principal by 6 basis points, while Heitman, the other REIT manager, underperformed the Wilshire Real Estate Securities Index (RESI) for the quarter by 28 basis points.

	Market Value \$(mil)	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception
Real Estate Composite GOF	\$ 218.957	2.95%	12.62%	12.62%	18.70%	15.70%	1.67%	8.22%	9.62%
Real Estate Composite NOF		2.73%	11.68%	11.68%	17.86%	14.81%	0.83%	7.52%	9.10%
<i>Policy Index ¹</i>		2.96%	13.26%	13.26%	19.67%	19.02%	1.76%	7.98%	9.53%
<i>TUCS Real Estate Median</i>		2.29%	10.36%	10.36%	16.29%	8.61%	(1.59%)	7.60%	N/A
JP Morgan Real Estate GOF	\$ 126.666	2.48%	11.97%	11.97%	15.39%	7.89%	0.21%	7.57%	9.23%
JP Morgan Real Estate NOF		2.22%	10.85%	10.85%	14.24%	6.79%	(0.82%)	6.75%	8.63%
<i>JPMorgan - Excess Return NOF</i>		(0.36%)	(1.58%)	(1.58%)	(2.14%)	(1.63%)	0.07%	0.18%	(0.02%)
<i>NCREIF OEDCE GOF Index</i>		2.58%	12.43%	12.43%	16.38%	8.42%	(0.89%)	6.57%	8.65%
Heitman REIT GOF	\$ 42.447	3.41%	14.40%	14.40%	24.91%	32.88%	2.70%	-	5.65%
Heitman REIT NOF		3.26%	13.74%	13.74%	24.32%	32.18%	2.10%	-	5.01%
<i>Heitman - Excess Return NOF</i>		(0.28%)	1.18%	1.18%	0.73%	(1.41%)	0.25%	-	(0.87%)
<i>Wilshire RESI</i>		3.54%	12.56%	12.56%	23.59%	33.59%	1.85%	-	5.88%
Principal REIT GOF	\$ 49.844	3.75%	12.79%	12.79%	23.38%	32.84%	4.91%	-	9.97%
Principal REIT NOF		3.60%	12.13%	12.13%	22.66%	32.06%	4.29%	-	9.33%
<i>Principal - Excess Return NOF</i>		0.06%	(0.43%)	(0.43%)	(0.93%)	(1.53%)	2.44%	-	1.70%
<i>Wilshire RESI</i>		3.54%	12.56%	12.56%	23.59%	33.59%	1.85%	-	7.63%

¹ Policy Index: 60% NCREIF OpenEndDivCoreEq GOF Index / 40% Wilshire Real Estate Securities Index

Active Manager Universe Rankings

Fresno's Gross Performance

	Quarter	1 Year	2 Years	3 Years	5 Years	10 Years
Heitman	57th	24th	27th	66th	80th	-
Principal	36th	60th	69th	66th	22nd	-
<i>Wilshire RESI</i>	<i>51st</i>	<i>63rd</i>	<i>60th</i>	<i>30th</i>	<i>90th</i>	<i>96th</i>
<i>REIT Universe</i>	<i>33</i>	<i>33</i>	<i>33</i>	<i>33</i>	<i>31</i>	<i>29</i>
JP Morgan	43rd	43rd	52nd	54th	41st	53rd
<i>NCREIF OEDCE GOF Index</i>	<i>41st</i>	<i>36th</i>	<i>45th</i>	<i>50th</i>	<i>51st</i>	<i>65th</i>
<i>Real Estate Universe</i> ¹	<i>444</i>	<i>408</i>	<i>331</i>	<i>284</i>	<i>188</i>	<i>64</i>

Composite Gross Performance

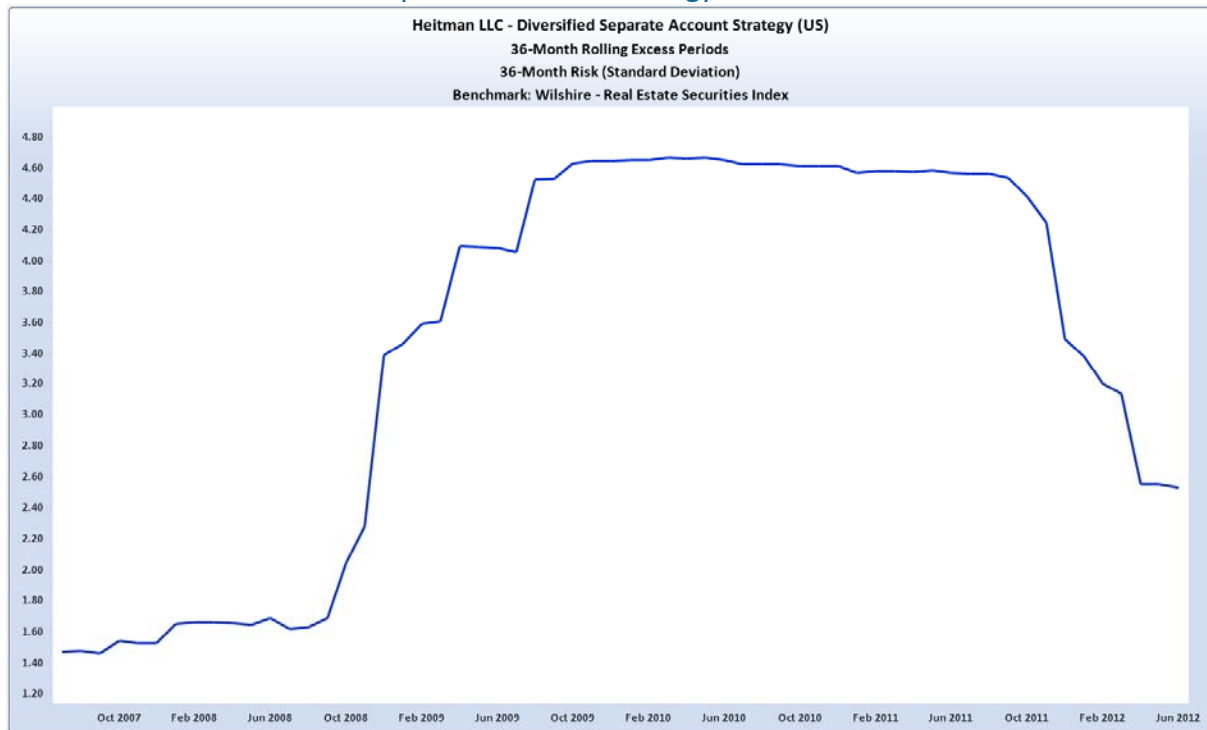
	Quarter	1 Year	2 Years	3 Years	5 Years	10 Years
Heitman	57th	22nd	25th	62nd	72nd	96th
Principal	31st	62nd	71st	68th	21st	22nd
<i>REIT Universe</i>	<i>35</i>	<i>35</i>	<i>35</i>	<i>35</i>	<i>33</i>	<i>31</i>
JP Morgan	43rd	43rd	52nd	54th	41st	51st
<i>Real Estate Universe</i> ¹	<i>444</i>	<i>408</i>	<i>331</i>	<i>284</i>	<i>188</i>	<i>64</i>
JP Morgan ²	50th	38th	38th	38th	33rd	1st
<i>NCREIF OEDCE</i> ³	<i>73rd</i>	<i>69th</i>	<i>50th</i>	<i>56th</i>	<i>81st</i>	<i>1st</i>
<i>NCREIF National Property Index</i>	<i>32nd</i>	<i>37th</i>	<i>89th</i>	<i>20th</i>	<i>13th</i>	<i>1st</i>
<i>Custom Private Real Estate Universe</i>	<i>9</i>	<i>9</i>	<i>9</i>	<i>9</i>	<i>7</i>	<i>1</i>

¹ Universe Includes All Real Estate Portfolios, REITS, and Private Real Estate

² The universe rankings are versus a customized universe of peers. Additionally, the rankings are lagged one quarter.

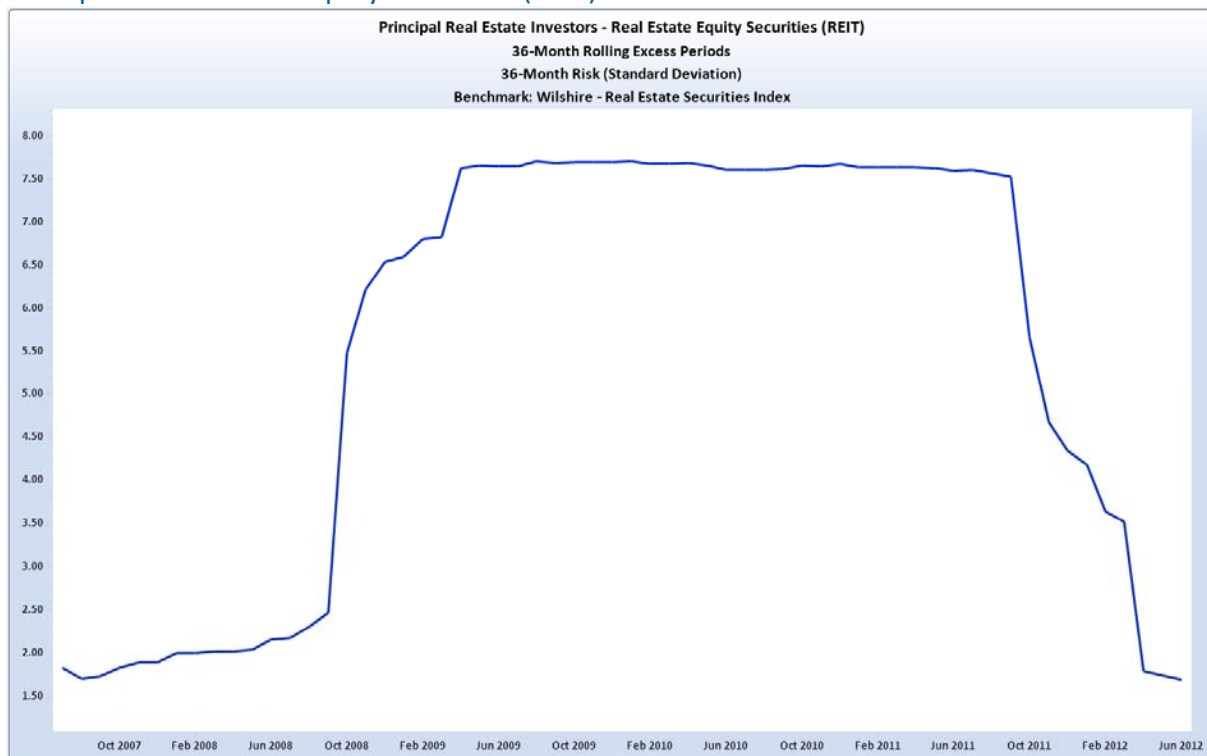
³ The NFI-ODCE, short for NCREIF Fund Index - Open End Diversified Core Equity, is an index of investment results of 18 open-end commingled funds pursuing a core investment strategy. The NFI-ODCE is capitalization-weighted and is reported gross of fees.

Heitman REITs – Diversified Separate Account Strategy



* Chart based on gross-of-fee product data from Wilshire's database.

Principal – Real Estate Equity Securities (REIT)



* Chart based on gross-of-fee product data from Wilshire's database.

Manager Value Added

	Market Value \$(mil)	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	10 Years	Since Inception
Total Fund Composite	\$ 2,007.551								
Domestic Equity Composite	\$ 594.789								
<i>JP Morgan - Excess Return NOF</i>		(1.13%)	(2.00%)	(2.00%)	-	-	-	-	(1.52%)
<i>BlackRock Equity - Excess Return NOF</i>		0.07%	0.50%	0.50%	0.63%	0.00%	1.91%	-	1.05%
<i>BlackRock R1 - Excess Return NOF</i>		0.01%	0.02%	0.02%	0.01%	-	-	-	0.01%
<i>Eagle - Excess Return NOF</i>		(5.02%)	(6.05%)	(6.05%)	-	-	-	-	(0.95%)
<i>TCW - Excess Return NOF</i>		(6.80%)	(11.60%)	(11.60%)	-	-	-	-	(9.40%)
<i>Kennedy - Excess Return NOF</i>		(1.42%)	1.39%	1.39%	1.34%	3.42%	3.66%	-	2.86%
International Equity Composite	\$ 566.484								
<i>Principal - Excess Return NOF</i>		1.15%	3.10%	3.10%	2.77%	1.97%	-	-	(0.28%)
<i>Pyramis - Excess Return NOF</i>		0.85%	0.76%	0.76%	0.94%	0.21%	(0.24%)	-	(0.03%)
<i>Baillie Gifford - Excess Return NOF</i>		0.95%	5.24%	5.24%	3.97%	4.26%	-	-	2.40%
<i>BlackRock ACWI - Excess Return NOF</i>		0.28%	0.10%	0.10%	-	-	-	-	0.04%
<i>Batterymarch - Excess Return NOF</i>		(1.13%)	(4.65%)	(4.65%)	(3.74%)	(1.91%)	-	-	(3.62%)
<i>Wellington - Excess Return NOF</i>		(2.00%)	(0.94%)	(0.94%)	(3.57%)	(4.10%)	-	-	(2.41%)
Total Fixed Income Composite	\$ 625.552								
Core Fixed Income Composite	\$ 521.147								
<i>Dodge & Cox - Excess Return NOF</i>		(0.53%)	(0.93%)	(0.93%)	0.28%	1.00%	0.00%	-	0.29%
<i>Prudential - Excess Return NOF</i>		0.09%	0.32%	0.32%	0.23%	0.37%	0.55%	-	0.32%
High Yield Composite	\$ 104.405								
<i>Loomis Sayles - Excess Return NOF</i>		(1.25%)	(3.55%)	(3.55%)	(0.17%)	0.15%	(0.34%)	-	0.23%
Real Estate Composite	\$ 218.957								
<i>JP Morgan - Excess Return NOF</i>		(0.36%)	(1.58%)	(1.58%)	(2.14%)	(1.63%)	0.07%	0.18%	(0.02%)
<i>Heitman - Excess Return NOF</i>		(0.28%)	1.18%	1.18%	0.73%	(1.41%)	0.25%	-	(0.87%)
<i>Principal - Excess Return NOF</i>		0.06%	(0.43%)	(0.43%)	(0.93%)	(1.53%)	2.44%	-	1.70%
Short-term Cash GOF & NOF	\$ 1.769	-	-	-	-	-	-	-	-