

Asset Class Performance (gross of fees) – periods ending June 30, 2014

	Qtr	YTD (6-mo.)	Annualized Return					Ann. Std.Dev. ITD ⁴	Performance Inception Date ¹	Published Calendar Year Returns ³					% of Total Fund	Market Value (\$)
			1-Year	3-Year	5-Year	7-Year	ITD			2013	2012	2011	2010	2009		
			Total Fund	3.94	5.81	17.50	9.45			12.11	3.57	8.88	9.74	07/1984		
<i>Policy Index²</i>	<i>3.69</i>	<i>6.20</i>	<i>17.55</i>	<i>10.30</i>	<i>12.06</i>	<i>4.96</i>	<i>9.20</i>	<i>9.24</i>		<i>16.03</i>	<i>14.22</i>	<i>1.13</i>	<i>11.04</i>	<i>15.89</i>		
Total Fund ex-Russell Overlay¹¹	3.91	4.50	---	---	---	---	4.50	1.91	03/2014	---	---	---	---	---	99.6%	2,323,866,418
<i>Policy Index²</i>	<i>3.69</i>	<i>4.24</i>	---	---	---	---	<i>4.24</i>	<i>2.23</i>		---	---	---	---	---		
U.S. Equity	4.38	6.76	24.54	15.66	19.79	6.40	10.86	17.58	04/1984	32.73	15.90	0.43	21.35	29.31	33.0%	769,828,383
<i>U.S. Equity Custom Index (blend)⁵</i>	<i>4.55</i>	<i>6.70</i>	<i>23.07</i>	<i>14.90</i>	<i>18.37</i>	<i>5.86</i>	<i>11.14</i>	<i>16.89</i>		<i>29.48</i>	<i>15.59</i>	<i>1.03</i>	<i>16.93</i>	<i>28.34</i>		
BlackRock Russell 1000	5.12	7.28	25.36	16.66	---	---	16.16	13.74	01/2010	33.14	16.47	1.56	16.17	---	2.0%	47,742,307
<i>Russell 1000 Index</i>	<i>5.12</i>	<i>7.27</i>	<i>25.35</i>	<i>16.63</i>	---	---	<i>16.12</i>	<i>13.74</i>		<i>33.11</i>	<i>16.42</i>	<i>1.50</i>	<i>16.10</i>	---		
RhumbLine Russell 1000	5.11	7.26	25.25	16.55	---	---	20.20	12.77	07/2010	33.01	16.39	1.42	---	---	14.7%	343,003,781
<i>Russell 1000 Index</i>	<i>5.12</i>	<i>7.27</i>	<i>25.35</i>	<i>16.63</i>	---	---	<i>20.28</i>	<i>12.83</i>		<i>33.11</i>	<i>16.42</i>	<i>1.50</i>	---	---		
Fisher Small Cap Value	-0.14	3.28	21.58	14.86	---	---	14.62	17.21	02/2011	40.07	16.01	---	---	---	3.9%	92,066,176
<i>Russell 2000 Value Index</i>	<i>2.38</i>	<i>4.20</i>	<i>22.54</i>	<i>14.65</i>	---	---	<i>13.96</i>	<i>15.61</i>		<i>34.52</i>	<i>18.05</i>	---	---	---		
U.S. Equity Transition Account	5.16	6.94	---	---	---	---	21.68	8.10	09/2013	---	---	---	---	---	5.5%	128,903,208
<i>S&P 500 Index</i>	<i>5.23</i>	<i>7.14</i>	---	---	---	---	<i>22.11</i>	<i>8.07</i>		---	---	---	---	---		
Parametric	4.70	7.50	23.29	---	---	---	22.73	7.26	12/2012	27.27	---	---	---	---	6.8%	158,112,910
<i>CBOE BXMI Index</i>	<i>3.15</i>	<i>5.67</i>	<i>14.12</i>	---	---	---	<i>12.11</i>	<i>5.45</i>		<i>13.26</i>	---	---	---	---		
Non-U.S. Equity⁶	4.90	5.87	23.60	6.79	12.08	1.10	5.93	19.48	01/1994	17.31	18.46	-12.80	12.84	36.06	28.1%	656,664,935
<i>MSCI ACWI ex US IMI ND (blend)⁷</i>	<i>4.85</i>	<i>5.77</i>	<i>22.28</i>	<i>6.46</i>	<i>10.75</i>	<i>0.32</i>	<i>5.55</i>	<i>18.72</i>		<i>15.82</i>	<i>17.70</i>	<i>-12.14</i>	<i>7.75</i>	<i>31.78</i>		
BlackRock World ex U.S.	4.80	5.67	24.23	---	---	---	14.79	11.19	02/2013 ⁸	---	---	---	---	---	9.0%	208,969,778
<i>MSCI World ex U.S. ND</i>	<i>4.61</i>	<i>5.40</i>	<i>23.83</i>	---	---	---	<i>14.30</i>	<i>11.18</i>		---	---	---	---	---		
PIMCO	6.43	7.68	25.81	---	---	---	17.56	10.06	03/2013	---	---	---	---	---	5.0%	117,136,276
<i>MSCI World ex U.S. ND</i>	<i>4.61</i>	<i>5.40</i>	<i>23.83</i>	---	---	---	<i>16.65</i>	<i>11.27</i>		---	---	---	---	---		
Research Affiliates	3.22	5.70	30.84	---	---	---	19.52	13.28	02/2013	---	---	---	---	---	5.5%	128,140,784
<i>MSCI World ex U.S. ND</i>	<i>4.61</i>	<i>5.40</i>	<i>23.83</i>	---	---	---	<i>14.79</i>	<i>11.08</i>		---	---	---	---	---		
DFA Intl Small Cap	2.69	7.15	31.84	10.26	16.14	3.89	14.36	18.66	05/2003	28.09	19.49	-14.79	24.63	42.75	2.9%	68,214,344
<i>MSCI World ex U.S. Small Cap ND (blend)⁹</i>	<i>3.23</i>	<i>6.79</i>	<i>29.55</i>	<i>8.75</i>	<i>15.32</i>	<i>2.45</i>	<i>13.26</i>	<i>19.63</i>		<i>25.55</i>	<i>17.48</i>	<i>-15.81</i>	<i>24.51</i>	<i>50.82</i>		
JP Morgan	6.57	4.17	12.27	---	---	---	1.81	12.72	01/2013	-1.39	---	---	---	---	5.7%	134,016,811
<i>MSCI EMIMI Index ND</i>	<i>6.42</i>	<i>6.48</i>	<i>14.31</i>	---	---	---	<i>2.74</i>	<i>11.97</i>		<i>-2.20</i>	---	---	---	---		
U.S. Fixed Income	2.22	4.23	5.39	5.20	7.28	5.30	7.86	5.48	04/1984	-0.98	8.94	6.99	7.37	19.45	20.9%	487,617,141
<i>Barclays U.S. Universal Index¹⁰</i>	<i>2.20</i>	<i>4.19</i>	<i>5.20</i>	<i>4.22</i>	<i>5.58</i>	<i>5.58</i>	<i>7.96</i>	<i>4.68</i>		<i>-1.35</i>	<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>		
PIMCO Total Return	2.54	4.37	5.39	4.64	---	---	5.59	3.25	12/2009	-1.31	9.34	4.74	9.61	---	5.6%	130,197,676
<i>Barclays U.S. Universal Index</i>	<i>2.20</i>	<i>4.19</i>	<i>5.20</i>	<i>4.22</i>	---	---	<i>4.68</i>	<i>2.74</i>		<i>-1.35</i>	<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	---		
Reams Asset	1.24	2.81	3.66	5.55	8.09	8.02	6.75	7.48	10/2001	-0.90	9.82	8.38	10.56	32.02	5.5%	128,112,662
<i>Barclays U.S. Universal Index</i>	<i>2.20</i>	<i>4.19</i>	<i>5.20</i>	<i>4.22</i>	<i>5.58</i>	<i>5.58</i>	<i>5.37</i>	<i>3.22</i>		<i>-1.35</i>	<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>		
Western Asset	2.75	5.39	7.12	6.14	8.49	6.64	6.50	4.60	10/2001	-0.23	9.81	7.62	10.24	18.46	5.6%	131,520,998
<i>Barclays U.S. Universal Index</i>	<i>2.20</i>	<i>4.19</i>	<i>5.20</i>	<i>4.22</i>	<i>5.58</i>	<i>5.58</i>	<i>5.37</i>	<i>3.22</i>		<i>-1.35</i>	<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>		
Pugh Capital	2.36	4.37	5.20	4.30	5.81	6.14	6.58	3.83	01/1995	-1.80	5.58	8.21	7.36	9.14	4.2%	97,785,805
<i>Barclays U.S. Aggregate Index</i>	<i>2.04</i>	<i>3.93</i>	<i>4.37</i>	<i>3.66</i>	<i>4.85</i>	<i>5.35</i>	<i>6.26</i>	<i>3.71</i>		<i>-2.02</i>	<i>4.22</i>	<i>7.84</i>	<i>6.54</i>	<i>5.93</i>		

¹Performance inception date for the Total Fund and asset classes is the month/year of the earliest historical return available; for managers it is the month/year of the manager's first full month of performance available since funding. Note, the earliest historical return available for the Total Fund is 4/1984, however the earliest historical return available for the Policy Index is 7/1984.

²Policy benchmark consists of 25% R3000, 6% CBOE BXMI, 27% MSCI ACWI ex US IMI ND, 20% BC Universal, 4% CFI+3%, 6% R3000+3% (qtr lagged), 12% NCREIF ODCE (qtr lagged) 1/1/2013-present. The policy benchmark allocation utilizes the evolving policy target allocation effective January 2013. See Appendix for historical policy benchmark composition.

³Total Fund, Policy Index, asset class, and manager 1-year returns are shown as published in each respective calendar year's fourth quarter report. These returns do not reflect any retroactive changes following publication.

⁴Inception-to-date standard deviation is calculated using quarterly data (starting with the first full quarterly return) for the aggregates and managers with inception dates prior to 4/2007. Monthly data was used for all other managers.

⁵81% Russell 3000, 19% CBOE BXMI 11/1/2012-present; 100% Russell 3000 prior.

⁶Includes approximately \$186,900 in the BlackRock SCERS EAFExSRF accrual account.

⁷MSCI ACWI ex US IMI ND 12/1/2012-present; MSCI EAFE ND prior.

⁸SCERS invested in the BlackRock World ex US Fund on 2/1/2013. Per SCERS' request, the fund's partial month performance (from 2/4/2013) is included and is shown versus its respective benchmark for the same period.

⁹MSCI EAFE Small Cap GD 5/1/2003-6/30/2005; MSCI World ex US Small Cap ND 7/01/2005-present; this change was approved by the Board on 10/5/2011.

¹⁰For Inception to Date period: BC U.S. Universal 1/01/1990 - present, BC U.S. Aggregate prior.

¹¹A partial YTD return is shown for the aggregate and its respective benchmark; calculated since the inception of the Overlay account.

Asset Class Performance (gross of fees) – periods ending June 30, 2014

	Qtr	YTD ¹ (6-mo.)	Annualized Return					Ann. Std.Dev.		Performance Inception Date ³	Published Calendar Year Returns ⁴					% of Total Fund	Market Value (\$)
			1-Year	3-Year	5-Year	7-Year	ITD	ITD ²	2013		2012	2011	2010	2009			
Real Return	2.76	5.50	7.72	4.02	---	---	4.43	3.05	01/2011	1.87	7.54	0.69	---	---	5.1%	118,401,268	
<i>Consumer Price Index + 3.0%</i>	<i>1.61</i>	<i>3.79</i>	<i>5.13</i>	<i>4.89</i>	---	---	<i>5.50</i>	<i>1.15</i>		<i>4.55</i>	<i>4.79</i>	<i>6.04</i>	---	---			
BlackRock Quantitative Strategic Partners Inc. ⁵	2.20	4.74	10.59	7.72	9.63	4.30	8.15	7.12	01/1999	11.56	8.12	2.70	9.84	23.81	2.4%	56,013,650	
<i>Consumer Price Index + 3.0%</i>	<i>1.61</i>	<i>3.79</i>	<i>5.13</i>	<i>4.89</i>	<i>5.08</i>	<i>5.00</i>	<i>5.52</i>	<i>1.99</i>		<i>4.55</i>	<i>4.79</i>	<i>6.04</i>	<i>4.54</i>	<i>5.80</i>			
PIMCO	3.27	6.20	5.25	---	---	---	1.32	5.90	10/2012	-5.69	---	---	---	---	2.7%	62,387,618	
<i>BC World Government Inflation-Linked (hedged)</i>	<i>2.85</i>	<i>5.35</i>	<i>4.39</i>	---	---	---	<i>0.74</i>	<i>5.34</i>		<i>-5.51</i>	---	---	---	---			
Private Equity (lagged)⁶	0.12	1.78	3.53	9.97	11.13	6.50	6.67	7.64	04/2007⁷	5.60	19.36	12.29	---	---	2.0%	45,966,817	
<i>Russell 3000 + 3.0% (lagged)</i>	<i>2.72</i>	<i>13.92</i>	<i>26.23</i>	<i>18.01</i>	<i>25.53</i>	<i>9.79</i>	<i>9.73</i>	<i>19.57</i>		<i>25.19</i>	<i>34.02</i>	<i>3.57</i>	---	---			
Babson	1.11	6.48	20.05	24.86	17.77	13.55	13.50	7.34	01/2006	40.27	15.61	22.24	7.82	-7.98	0.1%	1,740,354	
Bison	2.92	9.31	-6.50	7.72	14.14	13.66	13.41	10.45	04/2007	-7.06	27.01	16.41	22.48	13.02	0.2%	5,793,325	
BlackRock Co-Investment ⁵	3.10	2.93	5.98	11.24	12.06	7.63	7.97	9.29	10/2006	11.15	9.43	22.68	14.52	-19.40	0.1%	3,013,665	
Capital Point Partners	-5.79	-15.33	-12.85	3.08	7.61	---	8.81	6.79	04/2008	8.13	8.44	20.46	14.06	12.84	0.1%	3,178,111	
Carlyle Mezzanine Partners	0.91	2.07	7.18	11.46	6.88	1.54	6.04	14.60	01/2006	5.88	21.04	15.74	-7.69	-29.02	0.2%	4,252,148	
Harbourvest Dover Street VIII	2.43	14.84	---	---	---	---	21.66	9.81	10/2013	---	---	---	---	---	0.1%	1,896,162	
Imperium Renewables ⁵	0.00	0.00	0.00	13.95	2.30	-10.36	-10.02	29.93	04/2007	0.00	47.98	-24.27	0.00	0.00	0.3%	6,045,571	
Nogales Investors Fund II	-11.47	-17.96	-21.02	-0.38	3.63	4.90	-6.09	22.99	01/2007	2.95	13.14	12.37	7.15	7.51	0.1%	3,098,069	
Oaktree Capital Mezzanine	3.45	12.37	18.81	20.81	19.48	12.33	11.24	8.41	01/2006	13.33	26.57	16.43	17.99	-5.50	0.2%	4,203,137	
Smith Whiteley Pelham Fund	6.71	12.61	26.38	15.43	15.75	17.65	12.58	11.14	10/2006	21.30	8.57	3.38	22.35	25.77	0.3%	6,644,177	
Sonics, Inc.	0.00	0.00	-28.64	-7.10	---	---	-14.35	24.24	09/2010	-32.86	19.40	-31.11	---	---	0.0%	93,159	
TCW	-4.64	-2.40	-3.25	6.36	12.94	7.31	4.77	12.27	07/2006	6.80	23.88	8.58	13.53	-4.20	0.2%	5,290,832	
Verdiem Corp.	0.00	0.00	0.00	0.00	---	---	-7.48	13.30	09/2010	0.00	0.00	-25.76	---	---	0.0%	718,107	
<i>Russell 3000 + 3.0% (lagged)</i>	<i>2.72</i>	<i>13.92</i>	<i>26.23</i>	<i>18.01</i>	<i>25.53</i>	<i>9.79</i>	---	---		<i>25.19</i>	<i>34.02</i>	<i>3.57</i>	<i>14.27</i>	<i>-3.59</i>			
Real Estate (lagged)^{6,9}	4.38	5.85	11.32	12.16	6.59	2.08	8.31	6.24	01/1994	11.75	13.26	11.94	0.12	-31.33	10.2%	237,680,068	
<i>NCREIF ODCE (gross) (lagged)⁸</i>	<i>2.52</i>	<i>5.77</i>	<i>13.77</i>	<i>13.06</i>	<i>7.32</i>	<i>3.05</i>	<i>8.69</i>	<i>6.45</i>		<i>13.04</i>	<i>11.61</i>	<i>18.27</i>	<i>6.97</i>	<i>-35.19</i>			
AEW Core Property Fund	2.59	5.87	---	---	---	---	5.87	---	01/2014	---	---	---	---	---	2.2%	52,249,663	
Carlyle Realty Fund IV	2.80	4.62	7.67	11.25	1.38	-4.11	-1.81	20.05	07/2005	18.45	11.41	-8.09	-6.50	-48.97	0.5%	12,673,624	
JP Morgan Strategic Property Fund	2.38	6.11	14.80	14.27	8.39	4.25	9.27	6.78	04/1998 ¹⁰	---	---	---	---	---	4.1%	96,498,965	
JP Morgan U.S. REIT	9.85	9.16	---	---	---	---	9.16	13.28	01/2014 ¹¹	---	---	---	---	---	2.4%	55,736,444	
TA Associates Realty Fund VI	-0.85	-4.72	-29.00	-10.97	-9.61	-5.84	2.28	13.93	04/2003	-31.00	3.13	5.14	-9.17	-16.98	0.0%	70,911	
TA Associates Realty Fund VII	1.14	-4.92	-4.58	3.11	-4.29	-2.16	1.75	13.38	10/2005	4.50	5.55	4.40	-22.41	-18.25	0.3%	7,429,202	
TA Associates Realty Fund VIII	3.39	3.71	6.55	5.42	-1.80	---	-1.34	10.67	10/2007	6.79	2.18	5.29	-18.75	-15.43	0.6%	13,084,092	
<i>NCREIF ODCE (gross) (lagged)⁹</i>	<i>2.52</i>	<i>5.77</i>	<i>13.77</i>	<i>13.06</i>	<i>7.32</i>	<i>3.05</i>	---	---		<i>13.04</i>	<i>11.61</i>	<i>18.27</i>	<i>6.97</i>	<i>-35.19</i>			
Cash & Cash Equivalents¹²	0.00	0.18	-1.00	0.30	0.96	2.01	4.84	1.44	01/1987	-0.69	1.13	1.03	2.75	2.89	-0.1%	-1,894,209	
<i>Citigroup 3-Month T-Bills</i>	<i>0.01</i>	<i>0.02</i>	<i>0.04</i>	<i>0.05</i>	<i>0.08</i>	<i>0.64</i>	<i>3.63</i>	<i>1.24</i>		<i>0.05</i>	<i>0.07</i>	<i>0.08</i>	<i>0.13</i>	<i>0.16</i>			

¹Due to the three-month lag applied to the Private Equity and Real Estate asset classes and managers, the year-to-date return reflects data from October 1, 2013 - March 31, 2014.

²Inception-to-date standard deviation is calculated using quarterly data (starting with the first full quarterly return) for the aggregates and managers with inception dates prior to 4/2007 and managers reporting quarterly valuations. Monthly data was used for all other managers.

³Performance inception date for asset classes is the month/year of the earliest historical return available; for managers it is the month/year of the manager's first full month of performance available since funding.

⁴Asset class and manager 1-year returns are shown as published in each respective calendar year's fourth quarter report. These returns do not reflect any retroactive changes following publication.

⁵BlackRock Quantitative Strategic Partners - historical returns are net of fees inception-12/2007; BlackRock Co-Investment - historical returns are net of fees inception - 12/2006; Imperium - fees not available (gross = net).

⁶All Private Equity and Real Estate asset class and manager returns are lagged one quarter, with the exception of the BlackRock Co-Investment fund which is lagged two quarters.

⁷The dedicated Private Equity aggregate was established 1/2011. Aggregate returns prior to 1/2011 are shown for illustrative purposes only and were calculated utilizing the managers as of 1/2011. Aggregate returns prior to 4/2007 are unavailable.

⁸The benchmark changed retroactively from NCREIF NPI to NCREIF ODCE for all time periods measured beginning with SCERS' 4Q2011 report. The retroactive change to the benchmark reflects that SCERS' real estate managers have been utilizing leverage historically. The new benchmark was approved by the Board at its meeting on 1/10/2012.

⁹Includes approximately (\$63,000) in fees SCERS owed to the JP Morgan Special Situation Fund that was liquidated in October 2013. The fees were paid in June 2014 and will be reflected in the 3Q2014 report due to the 3-month lag applied to the asset class.

¹⁰The fund was previously reported in the JP Morgan Combined Real Estate aggregate.

¹¹The fund was previously reported as part of the JP Morgan Tactical Allocation Program. A breakout of the prior JP Morgan Tactical aggregate is not available.

¹²Negative Cash balance is due to the SCERS' Wells Fargo Cash account; the new Cash strategy allows SCERS' Wells Fargo account to go negative within certain policy limits.