

SCERS ASSET CLASS AND MANAGER PERFORMANCE (net of fees) – Periods ending June 30, 2014

	Annualized Return							Performance	Published Calendar Year Returns ³					% of Total Fund	Market Value (\$)
	Qtr	YTD ¹	1-Year	3-Year	5-Year	7-Year	Inception Date ²		2013	2012	2011	2010	2009		
		(6-m.o.)													
Real Return	2.57	5.08	6.78	3.28	---	---	01/2011	0.92	6.91	-0.16	---	---	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>4.55</i>	<i>4.79</i>	<i>6.04</i>	---	---			
BlackRock Quantitative Strategic Partners Inc.	1.88	4.02	8.89	6.39	8.58	3.48	01/1999	9.67	6.95	1.86	9.58	23.18	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>4.55</i>	<i>4.79</i>	<i>6.04</i>	<i>4.54</i>	<i>5.80</i>			
PIMCO	3.20	6.04	4.95	---	---	---	10/2012	-5.96	---	---	---	---	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>-5.51</i>	---	---	---	---			
Private Equity (lagged)⁴	-0.09	1.31	2.46	8.80	9.74	---	04/2007⁵	4.45	18.08	11.00	---	---	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>25.19</i>	<i>34.02</i>	<i>3.57</i>	---	---			
Babson	0.84	5.83	18.51	23.17	16.22	---	01/2006	38.33	13.93	20.66	6.44	-8.41	0.1%	1,740,354	
Bison	2.86	9.14	-6.80	7.28	13.41	---	04/2007	-7.38	26.50	15.75	21.53	10.82	0.2%	5,793,325	
BlackRock Co-Investment	3.04	2.80	5.72	10.97	11.78	---	10/2006	10.88	9.16	22.39	14.23	-19.65	0.1%	3,013,665	
Capital Point Partners	-6.25	-16.10	-14.31	1.53	5.87	---	04/2008	6.48	6.96	18.92	11.94	9.89	0.1%	3,178,111	
Carlyle Mezzanine Partners	0.67	1.63	6.20	10.20	5.39	---	01/2006	4.86	19.55	13.87	-9.40	-30.14	0.2%	4,252,148	
Harbourvest Dover Street VIII	1.97	13.60	---	---	---	---	10/2013	---	---	---	---	---	0.1%	1,896,162	
Imperium Renewables	0.00	0.00	0.00	13.95	2.30	---	04/2007	0.00	47.98	-24.27	0.00	0.00	0.3%	6,045,571	
Nogales Investors Fund II	-11.79	-18.52	-22.04	-1.61	0.87	---	01/2007	1.73	11.72	10.92	2.61	-9.53	0.1%	3,098,069	
Oaktree Capital Mezzanine	3.04	11.52	16.92	18.89	17.57	---	01/2006	11.33	24.57	14.75	16.16	-7.00	0.2%	4,203,137	
Smith Whitley Pelham Fund	6.56	12.09	24.21	12.94	13.51	---	10/2006	18.43	6.07	0.65	21.17	23.44	0.3%	6,644,177	
Sonics, Inc.	0.00	0.00	-28.64	-7.10	---	---	09/2010	-32.86	19.40	-31.11	---	---	0.0%	93,159	
TCW	-4.96	-3.05	-4.53	4.97	11.62	---	07/2006	5.46	22.21	7.17	12.02	-4.92	0.2%	5,290,832	
Verdiem Corp.	0.00	0.00	0.00	0.00	---	---	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>25.19</i>	<i>34.02</i>	<i>3.57</i>	<i>14.27</i>	<i>-3.59</i>			
Real Estate (lagged)^{4,7}	4.09	5.30	10.21	10.93	5.32	---	01/1994	10.65	11.96	10.56	-1.28	-32.13	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>13.04</i>	<i>11.61</i>	<i>18.27</i>	<i>6.97</i>	<i>-35.19</i>			
AEW Core Property Fund	2.32	5.34	---	---	---	---	01/2014	---	---	---	---	---	2.2%	52,249,663	
Carlyle Realty Fund IV	1.85	2.85	4.75	8.82	-0.79	---	07/2005	16.22	9.23	-10.02	-7.36	-49.98	0.5%	12,673,624	
JP Morgan Strategic Property Fund	2.12	5.57	13.63	13.11	7.30	---	04/1998 ⁸	14.24	12.07	17.81	---	---	4.1%	96,498,965	
JP Morgan U.S. REIT	9.66	8.82	---	---	---	---	01/2014 ⁹	10.49	17.74	12.13	12.66	-29.94	2.4%	55,736,444	
TA Associates Realty Fund VI	-0.74	-4.22	-25.39	-9.73	-9.21	---	04/2003	-27.10	2.17	4.08	-10.30	-17.88	0.0%	70,911	
TA Associates Realty Fund VII	0.73	-5.67	-5.98	1.60	-5.87	---	10/2005	2.97	4.04	2.72	-24.05	-19.61	0.3%	7,429,202	
TA Associates Realty Fund VIII	3.05	3.04	5.19	3.36	-4.08	---	10/2007	5.21	-0.23	2.36	-21.17	-17.39	0.6%	13,084,092	
<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>13.04</i>	<i>11.61</i>	<i>18.27</i>	<i>6.97</i>	<i>-35.19</i>			
Cash & Cash Equivalents¹⁰	0.00	0.18	-1.00	0.30	0.96	2.01	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>0.05</i>	<i>0.07</i>	<i>0.08</i>	<i>0.13</i>	<i>0.16</i>			
Workout Portfolio (see Appendix)	5.42	18.05	20.19	-22.10	---	---	01/2011	-51.05	8.39	11.91	---	---	0.4%	9,602,016	

NOTE: Historical net returns are currently available from January 2008. Fees not available for Imperium (gross returns = net returns). Cash & Cash Equivalents has no fees (gross returns = net returns).

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.

²Performance 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.

³Calendar year returns do not reflect any retroactive changes made following each respective year's fourth quarter report.

⁴All 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.

⁵The 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.

⁶The 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.

⁷Includes 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.

⁸The fund was as previously reported in the JP Morgan Combined Real Estate aggregate.

⁹The fund was as previously reported as part of the JP Morgan Tactical Allocation Program. A breakout of the prior JP Morgan Tactical aggregate is not available.

¹⁰Negative 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.

Please refer to page 22 for notes on these investments.

Seattle City Employees' Retirement System

Total Plan (Net of Fees) Asset Class and Investment Manager Performance

	Qtr	YTD	Annualized Return					Performance Inception Date	Calendar Year Returns					% of Total Fund	Market Value (\$)
			1 Yr	3 Yrs	5 Yrs	7 Yrs	ITD		2013	2012	2011	2010	2009		
Total Fund	3.82	5.56	16.98	8.98	11.61	--	--	July-84	15.01	12.84	-0.40	12.70	9.72	100.0	2,337,580,743
<i>Policy Index¹</i>	<i>3.69</i>	<i>6.21</i>	<i>17.56</i>	<i>10.30</i>	<i>12.06</i>	<i>4.96</i>	<i>9.20</i>		<i>16.03</i>	<i>14.22</i>	<i>1.12</i>	<i>11.09</i>	<i>13.35</i>		
Over/Under	0.13	-0.65	-0.58	-1.32	-0.45				-1.02	-1.38	-1.52	1.61	-3.63		
Total Fund ex-Overlay	3.79	5.52	16.94	8.97	11.60	--	--	July-84	15.01	12.84	-0.40	12.70	9.72	99.6	2,328,349,688
<i>Policy Index¹</i>	<i>3.69</i>	<i>6.21</i>	<i>17.56</i>	<i>10.30</i>	<i>12.06</i>	<i>4.96</i>	<i>9.20</i>		<i>16.03</i>	<i>14.22</i>	<i>1.12</i>	<i>11.09</i>	<i>13.35</i>		
Over/Under	0.10	-0.69	-0.62	-1.33	-0.46				-1.02	-1.38	-1.52	1.61	-3.63		
Total Fund ex-Workout Portfolio	3.82	5.57	17.04	9.42	--	--	9.64	Jan-11	15.81	13.66	-0.70	--	--	99.6	2,328,437,405
<i>Policy Index¹</i>	<i>3.69</i>	<i>6.21</i>	<i>17.56</i>	<i>10.30</i>	<i>12.06</i>	<i>4.96</i>	<i>9.20</i>		<i>16.03</i>	<i>14.22</i>	<i>1.12</i>	<i>11.09</i>	<i>13.35</i>		
Over/Under	0.13	-0.64	-0.52	-0.88			0.44		-0.22	-0.56	-1.82				
Total U.S. Equity	4.38	6.72	24.34	15.36	19.47	--	--	Apr-84	32.33	15.52	0.17	21.04	29.04	32.9	769,828,387
<i>U.S. Equity Custom Index (blend)²</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>11.13</i>		<i>29.48</i>	<i>15.59</i>	<i>1.02</i>	<i>16.93</i>	<i>28.34</i>		
Over/Under	-0.17	0.02	1.27	0.46	1.10				2.85	-0.07	-0.85	4.11	0.70		
Parametric	4.70	7.42	23.00	--	--	--	22.41	Dec-12	26.87	--	--	--	--	6.8	158,112,911
<i>CBOE S&P 500 BuyWrite Index</i>	<i>3.14</i>	<i>5.66</i>	<i>14.12</i>	<i>9.13</i>	<i>10.50</i>	<i>3.82</i>	<i>12.10</i>		<i>13.26</i>	<i>5.20</i>	<i>5.72</i>	<i>5.86</i>	<i>25.91</i>		
Over/Under	1.56	1.76	8.88				10.31		13.61						
Blackrock Russell 1000	5.12	7.27	25.29	16.62	--	--	16.13	Jan-10	33.05	16.44	1.53	16.14	--	2.0	47,742,308
<i>Russell 1000</i>	<i>5.12</i>	<i>7.27</i>	<i>25.36</i>	<i>16.63</i>	<i>19.25</i>	<i>6.46</i>	<i>16.12</i>		<i>33.11</i>	<i>16.42</i>	<i>1.50</i>	<i>16.10</i>	<i>28.43</i>		
Over/Under	0.00	0.00	-0.07	-0.01			0.01		-0.06	0.02	0.03	0.04			
Fisher Small Cap Value	-0.14	3.07	20.86	14.01	--	--	13.77	Feb-11	38.95	15.07	--	--	--	3.9	92,066,177
<i>Russell 2000 Value</i>	<i>2.38</i>	<i>4.20</i>	<i>22.54</i>	<i>14.65</i>	<i>19.88</i>	<i>5.45</i>	<i>13.96</i>		<i>34.52</i>	<i>18.05</i>	<i>-5.50</i>	<i>24.50</i>	<i>20.58</i>		
Over/Under	-2.52	-1.13	-1.68	-0.64			-0.19		4.43	-2.98					
RhumbLine Russell 1000	5.11	7.25	25.22	16.51	--	--	20.16	Jul-10	32.97	16.35	1.39	--	--	14.7	343,003,782
<i>Russell 1000</i>	<i>5.12</i>	<i>7.27</i>	<i>25.36</i>	<i>16.63</i>	<i>19.25</i>	<i>6.46</i>	<i>20.28</i>		<i>33.11</i>	<i>16.42</i>	<i>1.50</i>	<i>16.10</i>	<i>28.43</i>		
Over/Under	-0.01	-0.02	-0.14	-0.12			-0.12		-0.14	-0.07	-0.11				
U.S. Equity Transition Account	--	--	--	--	--	--	--	Sep-13	--	--	--	--	--	5.5	128,903,210
Non-U.S. Equity	4.84	5.70	23.17	6.49	11.77	--	--	Jan-94	16.87	18.20	-13.00	12.53	35.70	28.1	656,664,937
<i>MSCI ACWI ex US IMI ND (blend)³</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>15.82</i>	<i>17.70</i>	<i>-12.14</i>	<i>7.75</i>	<i>31.78</i>		
Over/Under	-0.01	-0.07	0.89	0.03	1.02				1.05	0.50	-0.86	4.78	3.92		
BlackRock World ex U.S.	4.80	5.67	24.19	--	--	--	14.75	Feb-13	--	--	--	--	--	8.9	208,969,779
<i>MSCI World ex USA</i>	<i>4.61</i>	<i>5.40</i>	<i>23.83</i>	<i>7.58</i>	<i>11.67</i>	<i>1.14</i>	<i>14.79</i>		<i>21.02</i>	<i>16.41</i>	<i>-12.21</i>	<i>8.95</i>	<i>33.67</i>		
Over/Under	0.19	0.27	0.36				-0.04								
DFA Intl Small Cap	2.56	6.89	31.18	9.67	15.49	3.31	14.49	May-03	27.44	18.86	-15.35	23.91	41.96	2.9	68,214,345
<i>MSCI World ex U.S. Small Cap ND (blend)⁴</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>25.55</i>	<i>17.48</i>	<i>-15.81</i>	<i>24.51</i>	<i>50.82</i>		
Over/Under	-0.67	0.10	1.63	0.92	0.17	0.86	1.23		1.89	1.38	0.46	-0.60	-8.86		
JP Morgan	6.40	3.83	11.55	--	--	--	1.15	Jan-13	-2.02	--	--	--	--	5.7	134,016,811
<i>MSCI Emerging Markets IMI</i>	<i>6.43</i>	<i>6.48</i>	<i>14.30</i>	<i>-0.27</i>	<i>9.52</i>	<i>2.45</i>	<i>2.74</i>		<i>-2.20</i>	<i>18.68</i>	<i>-19.49</i>	<i>19.90</i>	<i>82.36</i>		
Over/Under	-0.03	-2.65	-2.75				-1.59		0.18						

1. Interim Policy Index - 1/1/2013-present 25% R3000; 6% CBOE BXM; 27% MSCI ACWI ex US IMI ND; 20% BC Universal; 4% CPI+3%; 6% R3000+3% (qtr lagged); 12% NCREIF ODCE (qtr lagged). See appendix for full index composition
 2. U.S. Equity Custom Index (blend) - 11/1/2012-present: 81% Russell 3000; 19% CBOE BXM; Inception - 10/31/2012 100% Russell 3000
 3. MSCI ex-U.S. IMI ND (blend - 12/1/2012-present MSCI ACWI ex US IMI ND; Inception - 11/30/2012: MSCI EAFE ND
 4. MSCI ex-U.S. Small Cap ND (blend) - 7/01/2005-present: MSCI World ex US Small Cap ND; 5/1/2003-6/30/2005: MSCI EAFE Small Cap GD; this change was approved by the Board on 10/5/2011.

Seattle City Employees' Retirement System

Total Plan (Net of Fees) Asset Class and Investment Manager Performance

	Annualized Return							Performance Inception Date	Calendar Year Returns					% of Total Fund	Market Value (\$)
	Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	ITD		2013	2012	2011	2010	2009		
PIMCO	6.43	7.49	25.12	--	--	--	16.88	Mar-13	--	--	--	--	--	5.0	117,136,276
<i>MSCI World ex USA</i>	<i>4.61</i>	<i>5.40</i>	<i>23.83</i>	<i>7.58</i>	<i>11.67</i>	<i>1.14</i>	<i>16.65</i>		<i>21.02</i>	<i>16.41</i>	<i>-12.21</i>	<i>8.95</i>	<i>33.67</i>		
Over/Under	1.82	2.09	1.29				0.23								
Research Affiliates	3.15	5.55	30.47	--	--	--	19.26	Feb-13	--	--	--	--	--	5.5	128,140,785
<i>MSCI World ex USA</i>	<i>4.61</i>	<i>5.40</i>	<i>23.83</i>	<i>7.58</i>	<i>11.67</i>	<i>1.14</i>	<i>14.79</i>	<i>Feb-13</i>	<i>21.02</i>	<i>16.41</i>	<i>-12.21</i>	<i>8.95</i>	<i>33.67</i>		
Over/Under	-1.46	0.15	6.64				4.47								
U.S. Fixed Income	2.22	4.17	5.19	4.96	7.04	--	--	Apr-84	-1.22	8.67	6.72	7.12	20.38	20.9	487,617,143
<i>Barclays U.S. Universal Index⁵</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>-1.35</i>	<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>		
Over/Under	0.02	-0.02	-0.01	0.74	1.46				0.13	3.14	-0.68	-0.04	11.78		
PIMCO Total Return	2.54	4.29	5.17	4.38	--	--	5.30	Dec-09	-1.58	9.04	4.44	9.26	--	5.6	130,197,677
<i>Barclays U.S. Universal</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>4.68</i>		<i>-1.35</i>	<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>		
Over/Under	0.34	0.10	-0.03	0.16			0.62		-0.23	3.51	-2.96	2.10			
Pugh Capital	2.36	4.32	5.04	4.10	5.60	--	--	Jan-95	-2.00	5.36	7.99	7.14	8.91	4.2	97,785,805
<i>Barclays Aggregate</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>-2.02</i>	<i>4.21</i>	<i>7.84</i>	<i>6.54</i>	<i>5.93</i>		
Over/Under	0.32	0.39	0.67	0.44	0.75				0.02	1.15	0.15	0.60	2.98		
Reams Asset	1.24	2.76	3.51	5.36	7.88	--	--	Oct-01	-1.09	9.60	8.16	10.34	31.74	5.5	128,112,662
<i>Barclays U.S. Universal</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>-1.35</i>	<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>		
Over/Under	-0.96	-1.43	-1.69	1.14	2.30				0.26	4.07	0.76	3.18	23.14		
Western Asset	2.76	5.32	6.90	5.92	8.23	--	--	Oct-01	-0.51	9.50	7.44	9.91	18.14	5.6	131,520,998
<i>Barclays U.S. Universal</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>Oct-01</i>	<i>-1.35</i>	<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>		
Over/Under	0.56	1.13	1.70	1.70	2.65				0.84	3.97	0.04	2.75	9.54		
Real Return	2.61	5.12	6.82	3.29	--	--	3.61	Jan-11	0.92	6.91	-0.16	--	--	5.1	118,401,268
<i>CPI + 3% (Seasonally Adjusted)</i>	<i>1.62</i>	<i>2.83</i>	<i>5.13</i>	<i>4.90</i>	<i>5.11</i>	<i>5.04</i>	<i>5.24</i>		<i>4.55</i>	<i>4.81</i>	<i>6.10</i>	<i>4.49</i>	<i>5.90</i>		
Over/Under	0.99	2.29	1.69	-1.61			-1.63		-3.63	2.10	-6.26				
BlackRock Quantitative Strategic Partners ⁶	1.88	4.02	8.89	6.39	8.58	3.48	7.76	Jan-99	9.67	6.95	1.86	9.58	23.18	2.4	56,013,650
<i>CPI + 3% (Seasonally Adjusted)</i>	<i>1.62</i>	<i>2.83</i>	<i>5.13</i>	<i>4.90</i>	<i>5.11</i>	<i>5.04</i>	<i>5.48</i>		<i>4.55</i>	<i>4.81</i>	<i>6.10</i>	<i>4.49</i>	<i>5.90</i>		
Over/Under	0.26	1.19	3.76	1.49	3.47	-1.56	2.28		5.12	2.14	-4.24	5.09	17.28		
PIMCO World Government Inflation-Linked	3.27	6.12	5.02	--	--	--	1.07	Oct-12	-5.96	--	--	--	--	2.7	62,387,618
<i>Barclays World Govt Inf-Linked Unhedged</i>	<i>3.67</i>	<i>6.44</i>	<i>9.27</i>	<i>3.63</i>	<i>5.72</i>	<i>5.47</i>	<i>1.91</i>		<i>-4.84</i>	<i>6.95</i>	<i>10.65</i>	<i>3.95</i>	<i>13.21</i>		
Over/Under	-0.40	-0.32	-4.25				-0.84		-1.12						

5. BC U.S. Universal 1/01/1990 – present; inception-12/31/1989 BC U.S. Aggregate.

6. 6. BlackRock 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).

Seattle City Employees' Retirement System

Total Plan (Net of Fees) Asset Class and Investment Manager Performance

	Annualized Return							Performance Inception Date	Calendar Year Returns					% of Total Fund	Market Value (\$)
	Qtr	YTD	1 Yr	3 Yrs	5 Yrs	7 Yrs	ITD		2013	2012	2011	2010	2009		
Private Equity (lagged)⁷	-1.11	0.28	1.43	8.43	6.48	--	--		4.45	18.08	11.00	9.09	-44.45		
<i>Russell 3000 + 3% Qtr Lag</i>	<i>2.73</i>	<i>13.92</i>	<i>26.23</i>	<i>18.01</i>	<i>25.53</i>	<i>9.79</i>	<i>9.74</i>	Apr-07	<i>25.19</i>	<i>34.02</i>	<i>3.56</i>	<i>14.27</i>	<i>-3.58</i>	1.9	43,152,148
Over/Under	-3.84	-13.64	-24.80	-9.58	-19.05				-20.74	-15.94	7.44	-5.18	-40.87		
Babson	1.11	6.12	18.83	23.28	16.28	--	--	Jan-06	38.33	13.93	20.66	6.44	-8.41	0.1	1,691,887
Bison	2.98	9.27	-6.69	7.03	13.25	--	--	Apr-07	-7.38	25.49	15.75	21.53	10.82	0.2	5,661,887
BlackRock Co-Investment	3.04	2.80	5.72	10.97	11.78	--	--	Oct-06	10.88	9.16	22.39	14.23	-19.65	0.1	3,013,665
Capital Point Partners	-17.70	-26.35	-24.77	-2.78	3.15	--	4.43	Apr-08	6.48	6.96	18.92	11.94	9.89	0.1	3,232,803
Carlyle Mezzanine Partners	0.67	1.63	6.20	10.20	5.39	--	--	Jan-06	4.86	19.55	13.87	-9.40	-30.14	0.2	4,252,148
Harbourvest Dover Street VIII	1.52	13.09	--	--	--	--	18.73	Oct-13	--	--	--	--	--	0.1	2,585,870
Imperium Renewables	0.00	0.00	0.00	13.95	2.30	-10.36	-10.02	Apr-07	0.00	47.98	-24.27	0.00	-58.50	0.3	6,045,571
Nogales Investors Fund II	-11.74	-18.48	-22.00	-1.59	0.88	--	--	Jan-07	1.73	11.72	10.92	2.61	-9.53	0.1	3,112,297
Oaktree Capital Mezzanine	3.54	12.06	17.48	19.08	17.68	--	--	Jan-06	11.33	24.57	14.75	16.16	-7.00	0.2	3,663,137
Smith Whiley Pelham Fund	7.00	12.55	24.72	13.10	13.61	--	--	Oct-06	18.43	6.07	0.65	21.17	23.44	0.2	5,572,636
TCW	-6.88	-5.00	-6.46	4.26	11.16	--	--	Jul-06	5.46	22.21	7.17	12.02	-4.92	0.2	3,508,981
Sonics, Inc.	0.00	0.00	-28.64	-7.10	--	--	-14.35	Sep-10	-32.86	19.40	-31.11	--	--	0.0	93,159
Verdiem Corp.	0.00	0.00	0.00	0.00	--	--	-7.48	Sep-10	0.00	0.00	-25.76	--	--	0.0	718,107
Real Estate (lagged)⁸	3.86	5.07	9.97	10.85	5.28	--	--	Jan-94	10.65	11.96	10.56	-1.23	-32.25	10.5	245,436,677
<i>NCREIF ODCE 1 Qtr Lag⁹</i>	<i>2.52</i>	<i>5.77</i>	<i>13.76</i>	<i>13.06</i>	<i>7.31</i>	<i>3.04</i>	<i>8.69</i>		<i>13.04</i>	<i>11.61</i>	<i>18.27</i>	<i>6.97</i>	<i>-35.19</i>		
Over/Under	1.34	-0.70	-3.79	-2.21	-2.03				-2.39	0.35	-7.71	-8.20	2.94		
AEW Core Property Fund	2.08	5.10	--	--	--	--	5.10	Jan-14	--	--	--	--	--	2.2	52,249,664
Carlyle Realty Fund IV	1.85	2.85	4.75	8.82	-0.79	--	--	Jul-05	16.22	9.23	-10.02	-7.83	-50.18	0.5	12,673,623
TA Associates Realty Fund VI	-2.60	-6.01	-26.79	-10.30	-9.55	--	--	Apr-03	-27.10	2.17	4.08	-10.30	-17.88	0.0	70,911
TA Associates Realty Fund VII	-0.13	-6.47	-6.78	1.31	-6.03	--	--	Oct-05	2.97	4.04	2.72	-24.05	-19.61	0.3	7,398,351
TA Associates Realty Fund VIII	5.45	5.44	7.64	4.15	-3.64	--	--	Oct-07	5.21	-0.23	2.36	-21.17	-17.39	0.6	13,084,092
JP Morgan US REIT	7.64	6.82	--	--	--	--	--	Jan-14	--	--	--	--	--	2.6	60,092,777
JPMorgan Strategic Property Fund	2.99	6.47	--	--	--	--	--	Apr-98	--	--	--	--	--	4.3	99,867,259
Overlay	--	--	--	--	--	--	--	Mar-14	--	--	--	--	--	--	9,231,055
Russell Overlay Account	--	--	--	--	--	--	--	Mar-14	--	--	--	--	--	--	9,231,055
Cash & Cash Equivalents	--	--	--	--	--	--	--	Jan-87	-0.83	1.13	1.03	2.75	2.90	-0.08	-1,894,210
<i>Citi 3mth Treasury Bill</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>3.64</i>		<i>0.05</i>	<i>0.07</i>	<i>0.08</i>	<i>0.13</i>	<i>0.17</i>		
Workout Portfolio	2.43	14.70	16.78	-22.85	--	--	--	Jan-11	-51.05	-20.91	11.91	--	--	0.4	9,143,338

7. All Private Equity returns are lagged one quarter, with the exception of the BlackRock Co-Investment fund which is lagged two quarters.

8. All Real Estate returns are lagged one quarter.

9. The 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.

* See appendix for Private Equity and Real Estate disclosures and notes.