

Quarterly Report - Gross of Fees

Q3-13

SCERS ASSET CLASS AND MANAGER PERFORMANCE (gross of fees) – Periods ending September 30, 2013

	Qtr	YTD (9-mo.)	Annualized Return					Ann. Std.Dev.	Performance Inception Date [^]	Published Calendar Year Returns ^{^^^}					% of Total Fund	Market Value (\$)
			1-Year	3-Year	5-Year	7-Year	ITD			2012	2011	2010	2009	2008		
Total Fund	5.66	9.91	13.10	10.16	5.94	3.81	8.73	9.85	07/1984	14.00	-0.04	13.21	10.80	-26.77	100.0%	2,103,535,219
<i>Policy Index^{^^}</i>	<i>5.30</i>	<i>10.38</i>	<i>13.13</i>	<i>10.70</i>	<i>7.07</i>	<i>4.93</i>	<i>9.04</i>	<i>9.34</i>		<i>14.22</i>	<i>1.13</i>	<i>11.04</i>	<i>15.89</i>	<i>-24.05</i>		
Total Fund ex-Workout Portfolio	5.68	10.73	13.91	---	---	---	8.75	8.69	01/2011	14.13	-0.35	---	---	---	99.5%	2,093,450,987
<i>Policy Index^{^^}</i>	<i>5.30</i>	<i>10.38</i>	<i>13.13</i>	---	---	---	<i>9.22</i>	<i>8.33</i>		<i>14.22</i>	<i>1.13</i>	---	---	---		
U.S. Equity*	6.20	20.84	21.04	16.60	10.82	6.16	10.55	17.75	04/1984	15.90	0.43	21.35	29.31	-38.19	33.3%	700,016,224
<i>U.S. Equity Custom Index (blend)^{^^^}</i>	<i>5.30</i>	<i>18.21</i>	<i>17.67</i>	<i>15.49</i>	<i>9.85</i>	<i>5.58</i>	<i>10.85</i>	<i>17.06</i>		<i>15.59</i>	<i>1.03</i>	<i>16.93</i>	<i>28.34</i>	<i>-37.31</i>		
BlackRock Russell 1000	6.02	20.79	20.95	16.69	---	---	14.47	14.62	01/2010	16.47	1.56	16.17	---	---	2.1%	43,718,756
<i>Russell 1000 Index</i>	<i>6.02</i>	<i>20.76</i>	<i>20.91</i>	<i>16.64</i>	---	---	<i>14.41</i>	<i>14.63</i>		<i>16.42</i>	<i>1.50</i>	<i>16.10</i>	---	---		
RhumbLine Russell 1000	5.98	20.72	20.85	16.57	---	---	19.13	13.68	07/2010	16.39	1.42	---	---	---	13.8%	290,244,826
<i>Russell 1000 Index</i>	<i>6.02</i>	<i>20.76</i>	<i>20.91</i>	<i>16.64</i>	---	---	<i>19.21</i>	<i>13.75</i>		<i>16.42</i>	<i>1.50</i>	---	---	---		
Fisher Small Cap Value	7.79	28.25	30.05	---	---	---	13.85	18.75	02/2011	16.01	---	---	---	---	3.9%	81,624,521
<i>Russell 2000 Value Index</i>	<i>7.59</i>	<i>23.07</i>	<i>27.04</i>	---	---	---	<i>12.60</i>	<i>16.90</i>		<i>18.05</i>	---	---	---	---		
Parametric	5.35	16.91	---	---	---	---	18.18	7.85	12/2012	---	---	---	---	---	6.4%	135,102,660
<i>CBOE BXM Index</i>	<i>0.82</i>	<i>5.72</i>	---	---	---	---	<i>5.86</i>	<i>4.29</i>		---	---	---	---	---		
Non-U.S. Equity**	10.94	11.48	19.82	7.64	6.93	2.94	5.58	19.82	01/1994	18.46	-12.80	12.84	36.06	-43.69	29.4%	618,556,714
<i>MSCI ACWI ex US IMI ND (blend)^{***}</i>	<i>10.37</i>	<i>10.57</i>	<i>18.21</i>	<i>6.82</i>	<i>5.38</i>	<i>1.73</i>	<i>5.22</i>	<i>19.05</i>		<i>17.70</i>	<i>-12.14</i>	<i>7.75</i>	<i>31.78</i>	<i>-43.38</i>		
BlackRock World ex U.S. ^{****}	11.36	8.98	---	---	---	---	8.98	13.92	02/2013 ^{*****}	---	---	---	---	---	10.3%	216,262,870
<i>MSCI World ex U.S. ND</i>	<i>11.31</i>	<i>8.62</i>	---	---	---	---	<i>8.62</i>	<i>13.92</i>		---	---	---	---	---		
PIMCO ^{****}	10.20	8.68	---	---	---	---	8.68	10.94	03/2013	---	---	---	---	---	4.9%	102,598,804
<i>MSCI World ex U.S. ND</i>	<i>11.31</i>	<i>10.38</i>	---	---	---	---	<i>10.38</i>	<i>14.47</i>		---	---	---	---	---		
Research Affiliates ^{****}	14.94	13.09	---	---	---	---	13.09	17.40	02/2013	---	---	---	---	---	5.4%	112,802,166
<i>MSCI World ex U.S. ND</i>	<i>11.31</i>	<i>9.28</i>	---	---	---	---	<i>9.28</i>	<i>13.74</i>		---	---	---	---	---		
DFA Intl Small Cap	15.15	19.87	27.84	11.05	11.31	5.64	13.98	19.21	05/2003	19.49	-14.79	24.63	42.75	-43.56	2.8%	59,798,761
<i>MSCI World ex U.S. Small Cap ND (blend)^{*****}</i>	<i>14.97</i>	<i>18.99</i>	<i>24.75</i>	<i>9.92</i>	<i>11.06</i>	<i>4.10</i>	<i>12.98</i>	<i>20.24</i>		<i>17.48</i>	<i>-15.81</i>	<i>24.51</i>	<i>50.82</i>	<i>-48.03</i>		
JP Morgan	5.79	-3.21	---	---	---	---	-3.21	13.47	01/2013	---	---	---	---	---	6.0%	126,891,692
<i>MSCI EM IMI Index ND</i>	<i>5.49</i>	<i>-3.89</i>	---	---	---	---	<i>-3.89</i>	<i>12.36</i>		---	---	---	---	---		
U.S. Fixed Income	0.80	-1.28	-0.27	4.60	7.02	5.02	7.91	5.54	04/1984	8.94	6.99	7.37	19.45	-4.27	18.8%	394,450,613
<i>Barclays U.S. Universal Index^{*****}</i>	<i>0.75</i>	<i>-1.56</i>	<i>-1.00</i>	<i>3.36</i>	<i>5.93</i>	<i>5.32</i>	<i>8.01</i>	<i>4.73</i>		<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>	<i>2.38</i>		
PIMCO Total Return	0.88	-1.41	-0.28	3.90	---	---	5.50	3.40	12/2009	9.34	4.74	9.61	---	---	5.9%	124,626,494
<i>Barclays U.S. Universal Index</i>	<i>0.75</i>	<i>-1.56</i>	<i>-1.00</i>	<i>3.36</i>	---	---	<i>4.43</i>	<i>2.83</i>		<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	---	---		
Reams Asset	0.53	-1.18	0.08	5.41	10.29	8.07	6.91	7.71	10/2001	9.82	8.38	10.56	32.02	-9.10	4.2%	89,188,052
<i>Barclays U.S. Universal Index</i>	<i>0.75</i>	<i>-1.56</i>	<i>-1.00</i>	<i>3.36</i>	<i>5.93</i>	<i>5.32</i>	<i>5.34</i>	<i>3.30</i>		<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>	<i>2.38</i>		
Western Asset	1.03	-0.83	0.17	5.15	8.32	6.08	6.40	4.71	10/2001	9.81	7.62	10.24	18.46	-7.05	5.5%	116,090,033
<i>Barclays U.S. Universal Index</i>	<i>0.75</i>	<i>-1.56</i>	<i>-1.00</i>	<i>3.36</i>	<i>5.93</i>	<i>5.32</i>	<i>5.34</i>	<i>3.30</i>		<i>5.53</i>	<i>7.40</i>	<i>7.16</i>	<i>8.60</i>	<i>2.38</i>		
Pugh Capital	0.62	-1.97	-1.47	3.50	6.55	5.83	6.60	3.89	01/1995	5.58	8.21	7.36	9.14	4.60	3.1%	64,546,034
<i>Barclays U.S. Aggregate Index</i>	<i>0.57</i>	<i>-1.89</i>	<i>-1.68</i>	<i>2.86</i>	<i>5.41</i>	<i>5.12</i>	<i>6.31</i>	<i>3.76</i>		<i>4.22</i>	<i>7.84</i>	<i>6.54</i>	<i>5.93</i>	<i>5.24</i>		

[^]Performance 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, how ever the earliest historical return available for the Policy Index is 7/1984.

^{^^}Policy benchmark consists of 25% R3000, 6% CBOE BXM, 27% MSCI ACWI ex US IMI ND, 20% BC Universal, 4% CP+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.

^{^^^}Total 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.

^{****}Inception-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.

^{*****}81% Russell 3000, 19% CBOE BXM 11/1/2012-present; 100% Russell 3000 prior.

*Includes approximately \$149,325,400 in the U.S. Equity transition account.

**Includes approximately \$202,400 in the BlackRock SCERS EAFE SRF accrual account.

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

****A partial YTD return is shown for the manager and its respective benchmark; calculated since the fund's inception.

*****SCERS 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.

*****MSCI 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.

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