



Ventura County Employees' Retirement Association

Second Quarter 2012

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Market Environment

Second Quarter 2012

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Market Highlights

Returns of the Major Capital Markets						
	Second Quarter	Year-to-Date	Annualized Periods Ending 6/30/2012			
			1-Year	3-Year	5-Year	10-Year
Equity						
MSCI All Country World IMI	-5.7%	5.8%	-6.9%	11.3%	-2.4%	6.2%
MSCI All Country World	-5.6%	5.7%	-6.5%	10.8%	-2.7%	5.7%
Dow Jones U.S. Total Stock Market	-3.1%	9.4%	4.0%	16.9%	0.6%	6.1%
Russell 3000	-3.1%	9.3%	3.8%	16.7%	0.4%	5.8%
S&P 500	-2.8%	9.5%	5.4%	16.4%	0.2%	5.3%
Russell 2000	-3.5%	8.5%	-2.1%	17.8%	0.5%	7.0%
MSCI All Country World ex-U.S. IMI	-7.8%	2.9%	-14.8%	7.4%	-4.5%	7.2%
MSCI All Country World ex-U.S.	-7.6%	2.8%	-14.6%	7.0%	-4.6%	6.7%
MSCI EAFE	-7.1%	3.0%	-13.8%	6.0%	-6.1%	5.1%
MSCI EAFE Index (100% Hedged)	-6.4%	2.3%	-11.1%	1.7%	-9.6%	-0.1%
MSCI Emerging Markets	-8.9%	3.9%	-15.9%	9.8%	-0.1%	14.1%
Fixed Income						
Barclays Global Aggregate	0.6%	1.5%	2.7%	6.0%	6.7%	6.5%
Barclays Aggregate Bond	2.1%	2.4%	7.5%	6.9%	6.8%	5.6%
Barclays Long Gov't	10.3%	4.2%	31.4%	13.5%	11.9%	8.9%
Barclays Long Credit	5.0%	5.8%	19.2%	15.1%	10.0%	8.6%
Barclays Long Gov't/Credit	7.3%	5.0%	24.6%	14.4%	11.0%	8.7%
Barclays High Yield	1.8%	7.3%	7.3%	16.3%	8.4%	10.2%
SSB Non-U.S. WGBI	0.2%	0.0%	0.4%	5.1%	7.4%	7.1%
JP Morgan EMBI Global (Emerging Markets)	2.5%	7.4%	10.9%	13.5%	9.4%	11.7%
Commodities						
Dow Jones UBS Commodity	-4.5%	-3.7%	-14.3%	3.5%	-3.7%	5.0%
Goldman Sachs Commodity	-12.4%	-7.2%	-10.7%	2.1%	-5.5%	3.4%
Hedge Funds						
HFR Fund-Weighted Composite Index	-2.7%	1.9%	-4.2%	5.2%	1.1%	6.1%
HFR Fund of Funds Index	-2.2%	1.1%	-4.4%	2.2%	-2.0%	3.2%
Real Estate						
NAREIT U.S. Equity REITS Index	3.7%	14.9%	12.9%	32.4%	2.6%	10.3%
NCREIF ODCE ¹	2.5%	2.5%	13.6%	3.2%	-1.3%	5.4%
Private Equity						
Thomson Reuters VentureXpert ²	4.6%	9.4%	9.4%	14.2%	6.7%	9.8%
Infrastructure						
Macquarie Global Infrastructure - North America	3.5%	3.5%	13.4%	17.5%	4.5%	10.1%

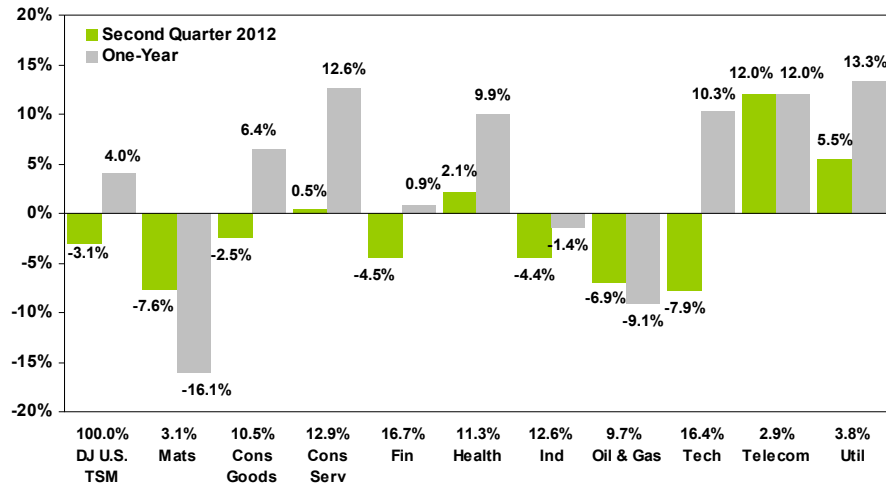
¹ The benchmark is as of 3/31/2012

² The benchmark is as of 12/31/2011

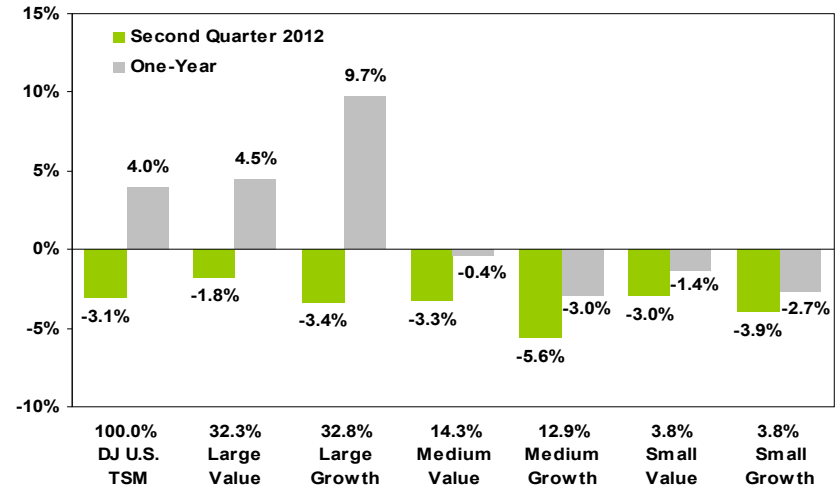
- U.S. economic growth, as well as job growth, slowed during the second quarter.
- European economic data remained weak throughout the second quarter.
- Europe's strongest economy, Germany, fell victim to waning economic conditions while its unemployment rate rose to 6.8%.
- Equity markets rebounded during the last week of June mainly due to the extension of Operation Twist, an expected rate cut by the European Central Bank, and market anticipation of quantitative easing by the Bank of England.
- Non-U.S. equity significantly underperformed U.S. equity.
- The 10-year U.S. Treasury approached a record low yield of 1.44% at the beginning of June.
- The Spanish 10-year yield rose above 7.0% amid concerns over the deepening European debt crisis.
- Long duration bonds outperformed shorter duration bonds.
- Commodity indices experienced negative returns during the quarter, primarily stemming from lower energy prices.

U.S. Equity Markets

SECTOR RETURNS
AS OF 6/30/2012



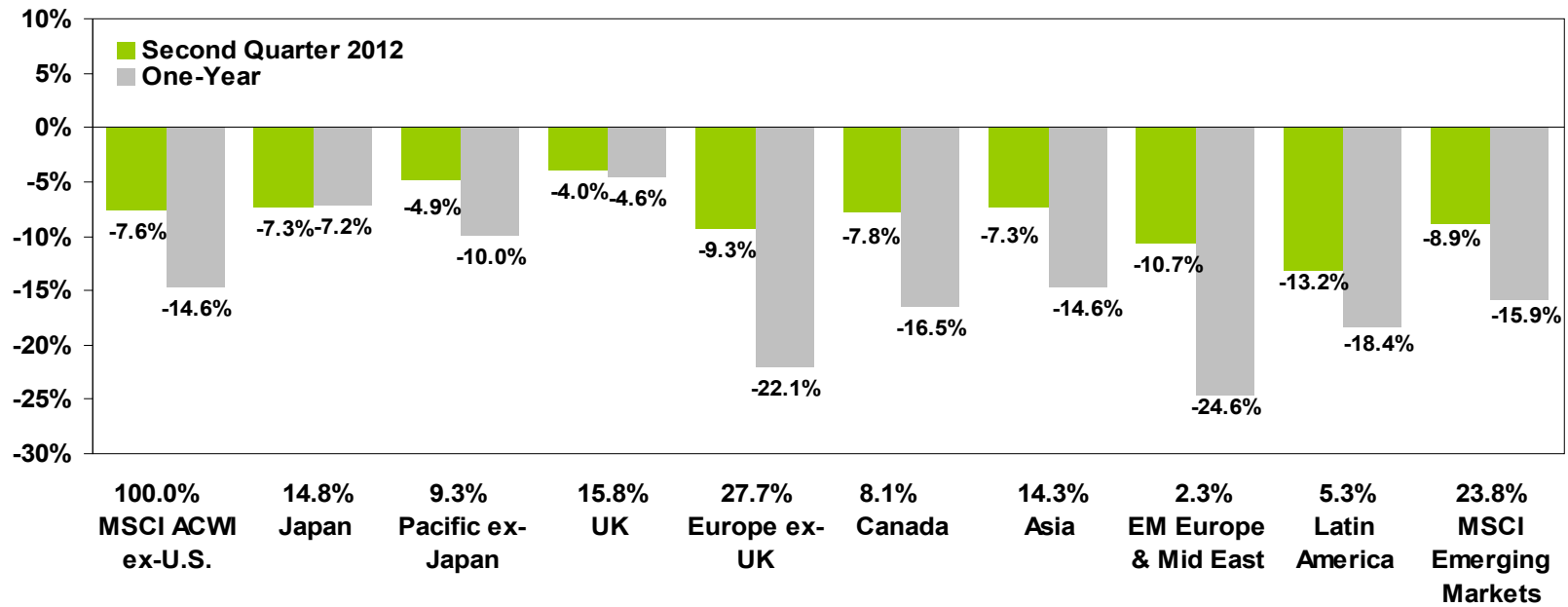
STYLE RETURNS
AS OF 6/30/2012



- Sluggish growth in the U.S., China, and Germany created downward momentum in equity markets during the second quarter.
- Consumer spending fell for the third straight month while disappointing data from the U.S. labor market and manufacturing sector reduced investor risk appetite.
- The Dow Jones U.S. Total Stock Market fell 3.1% for the quarter, but remained positive over the one-year period.
- Technology, materials, and oil & gas were among the worst performing sectors posting returns of -7.9%, -7.6%, and -6.9%, respectively. Telecommunications and utilities were markets leaders producing returns of 12.0% and 5.5%, respectively, during the second quarter.
- Large cap outperformed both small cap and mid cap helping the Dow Jones U.S. Total Stock Market Index to remain positive over the one-year period.

Non-U.S. Equity Markets

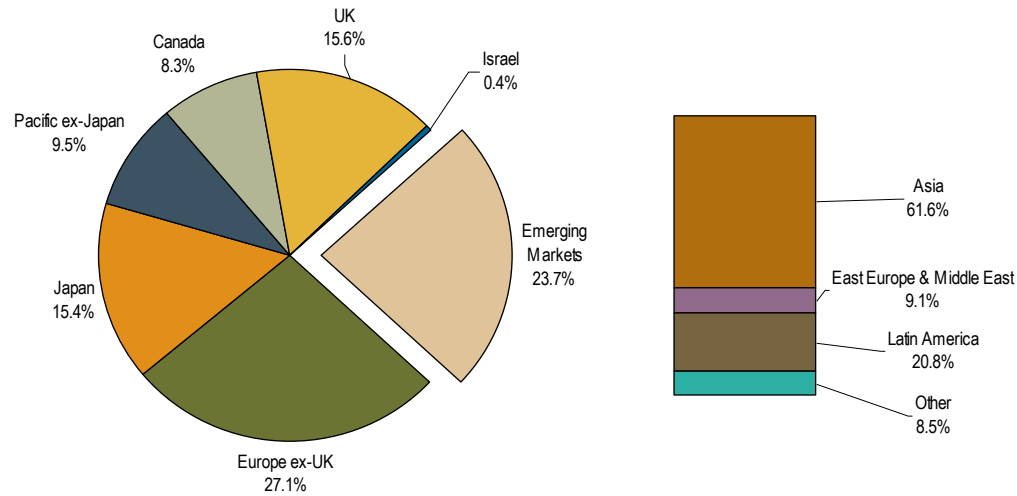
COUNTRY / REGION RETURNS
As of 6/30/2012



- A slower than expected recovery in Europe, India, and China kept non-U.S. equity markets negative during the second quarter.
- Disappointing economic data out of Germany, France and Spain resulted in lower second quarter returns of -12.4%, -9.0% and -12.5%, respectively.
- Latin America fell sharply over the quarter and the one-year period.
- EM Europe was the worst performing region over the one-year period.

Non-U.S. Equity Markets

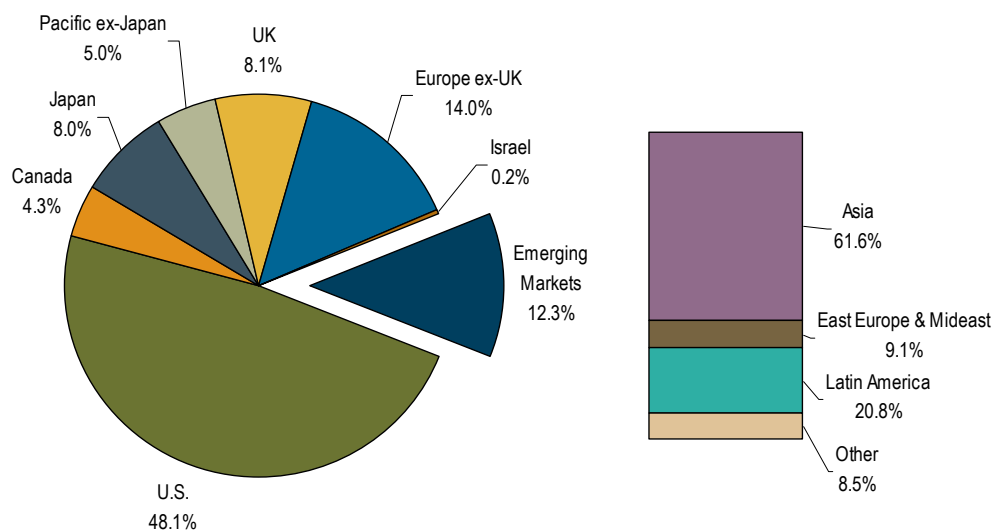
MSCI ALL COUNTRY WORLD ex-U.S. IMI
GEOGRAPHIC ALLOCATION AS OF 6/30/2012



- The exhibit above illustrates the percent each country/region represents of the non-U.S. equity market as measured by the MSCI All Country World ex-U.S. IMI.
- Note on Other: Includes South Africa, Egypt, and Morocco.

Global Stock Markets

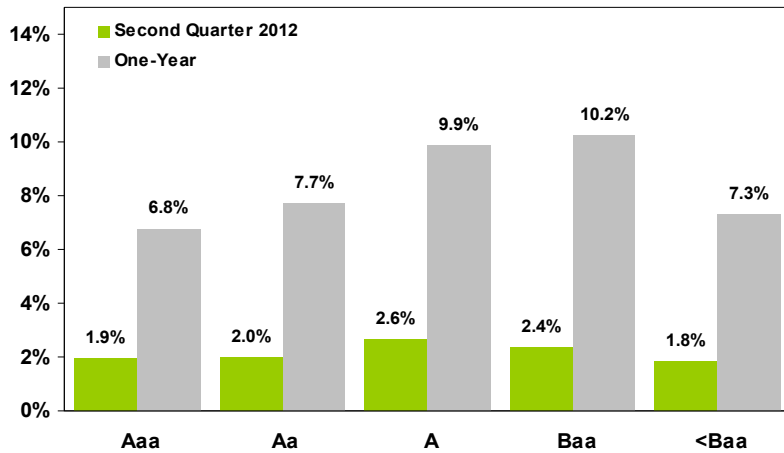
MSCI ALL COUNTRY WORLD IMI
GEOGRAPHIC ALLOCATION AS OF 6/30/2012



- The MSCI All Country World IMI is a capitalization-weighted index of stocks representing 24 developed stock markets and 21 emerging stock markets. The graph above shows the allocation to each country/region at quarter-end.
- Note on Other: Includes South Africa, Egypt, and Morocco.

U.S. Fixed Income Markets

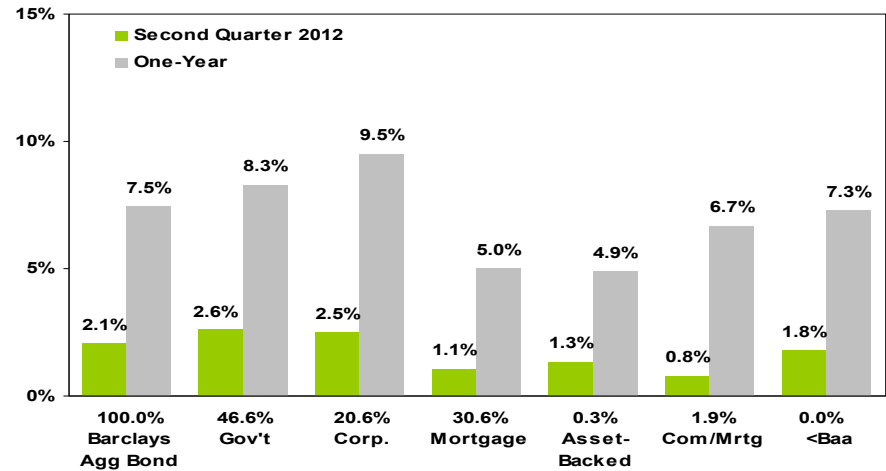
RETURNS BY QUALITY
AS OF 6/30/2012



Source: Barclays Live

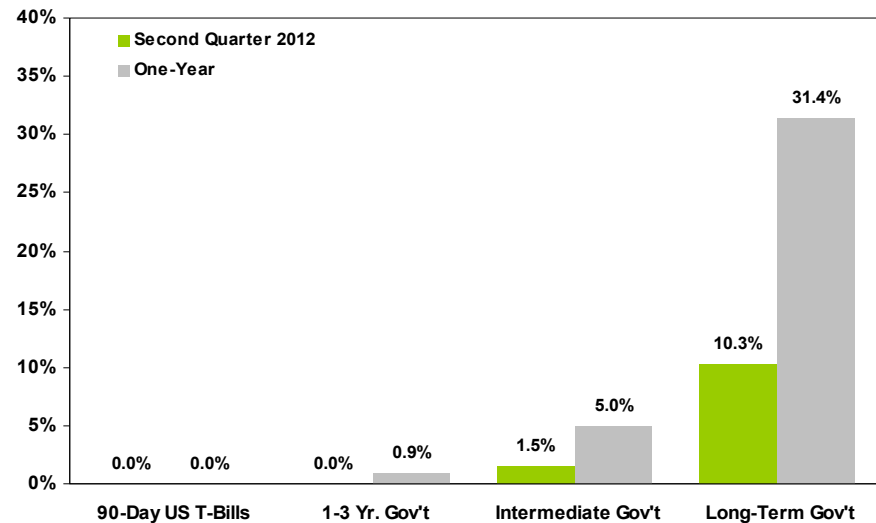
- An inadequate economic recovery helped fuel a flight to quality favoring Government bonds.
- Long duration outperformed intermediate and short-term bonds.
- Long-term government bonds remained the strongest performing sector over the one-year period.
- Government and corporate bonds outperformed their peers during the quarter and the one-year period.
- Investment grade outperformed high-yield during the quarter and one-year period.

SECTOR RETURNS
AS OF 6/30/2012



Source: Barclays Live

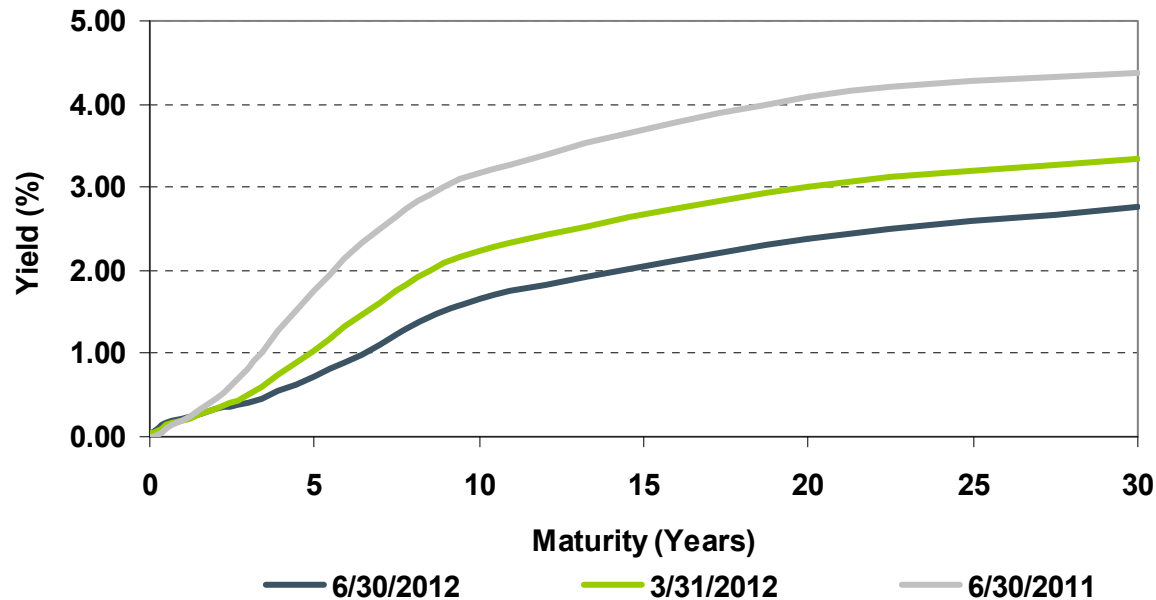
RETURNS BY MATURITY
AS OF 6/30/2012



Source: Barclays Live

U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE

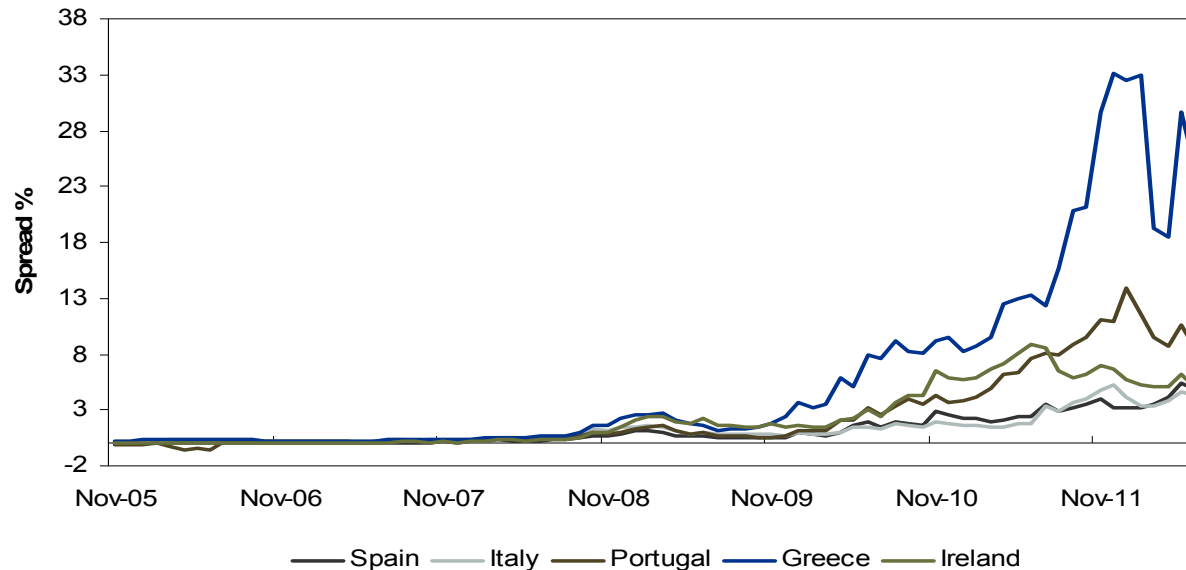


Source: U.S. Department of Treasury

- Concern over mounting European uncertainty and worsening emerging markets economic conditions forced investors to look for a safe haven in the U.S., pushing Treasury yields to historic lows.
- The U.S. 10-year Treasury yield hit a record low of 1.44%, while the 30-year Treasury yield remained at an exceptionally low level.
- The Federal Open Market Committee pledged to keep downward pressure on long-term Treasury rates, while also extending Operation Twist through the end of the year.

European Fixed Income Markets

EUROZONE PERIPHERAL BOND YIELDS
(Yield differences with Germany)



Source: Bloomberg

- Spanish and Italian 10-year bond yields rose during the quarter amid renewed investor concerns over the debt crises in both countries.
- Greece's 10-year spread decreased prior to elections, but a lack of commitment from the new government to stay in the European Union pushed spreads wider towards the end of the second quarter.
- Spanish, Italian, and Greek 10-year spreads widened, while Portuguese and Irish 10-year spreads narrowed during the quarter.

Credit Spreads

As of 6/30/2012

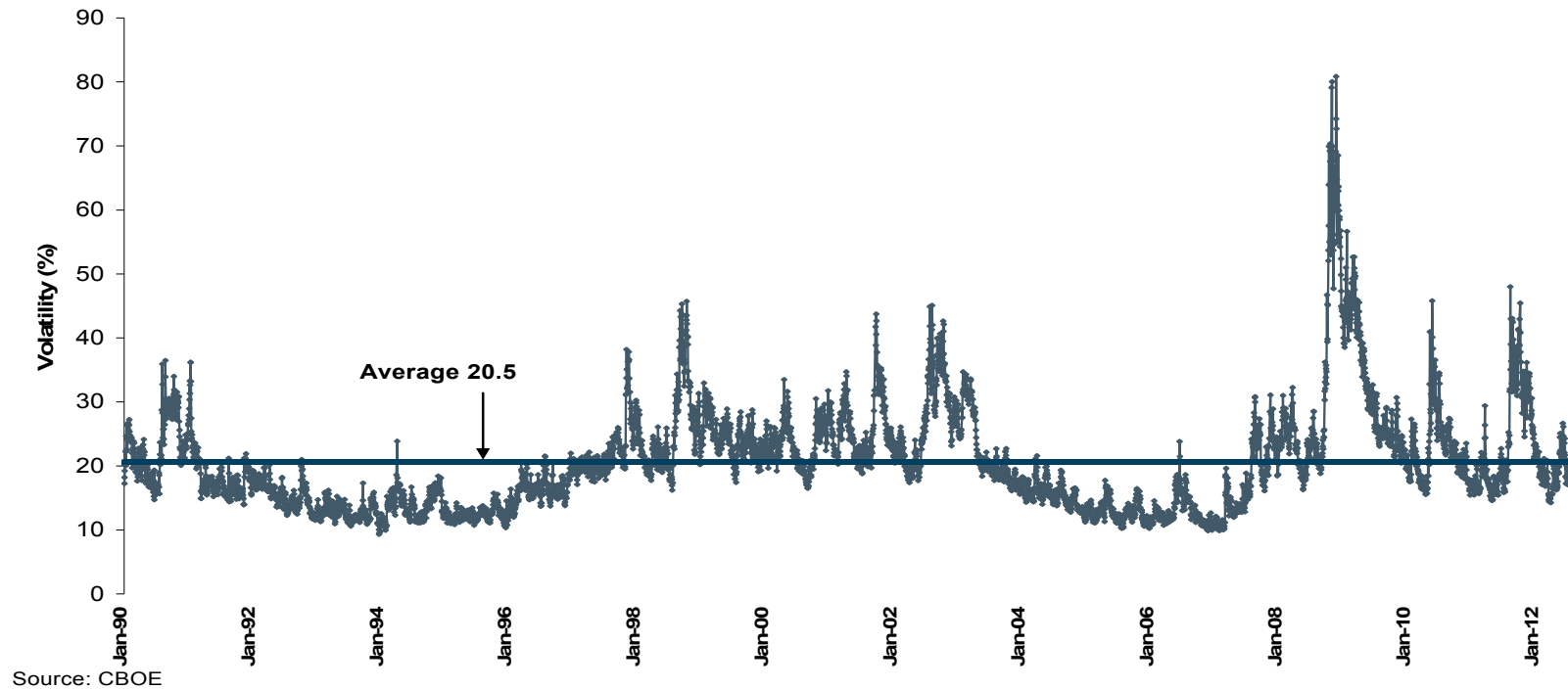
Spread (bps)	06/30/2012	03/31/2012	06/30/2011	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	77	64	54	13	23
Long Govt.	5	5	4	0	1
Long Credit	228	198	168	30	60
Long Govt./Credit	130	114	97	16	33
MBS	76	53	37	23	3
CMBS	235	221	243	14	-8
ABS	59	65	81	-6	-22
Corporate	199	176	153	23	46
High Yield	615	576	525	39	90
Global Emerging Markets	408	359	294	49	114

Source: Barclays Live

- Credit spreads widened during the quarter across most segments, mainly due to a persistent decline in U.S. Treasury yields.
- Credit spreads across most segments remain higher relative to a year ago.
- Over the year, high-yield and emerging market bonds have seen their credit spreads widen by 90 bps and 114 bps, respectively.

Market Volatility

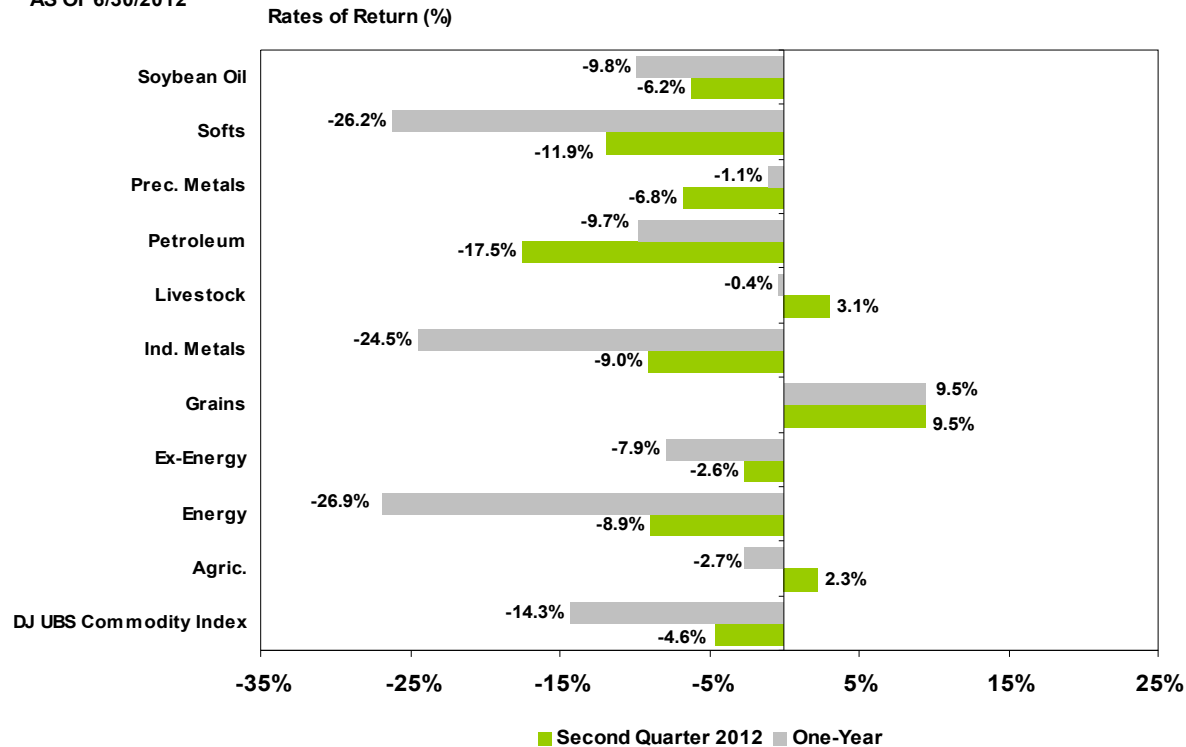
Historical Daily VIX Closing Prices
Since Inception through 6/30/2012



- Volatility, as measured by the VIX, ended the quarter below its long-term average.
- The VIX was trending up to end the quarter, as economic data across the globe turned negative.

Commodities

COMMODITY RETURNS
AS OF 6/30/2012

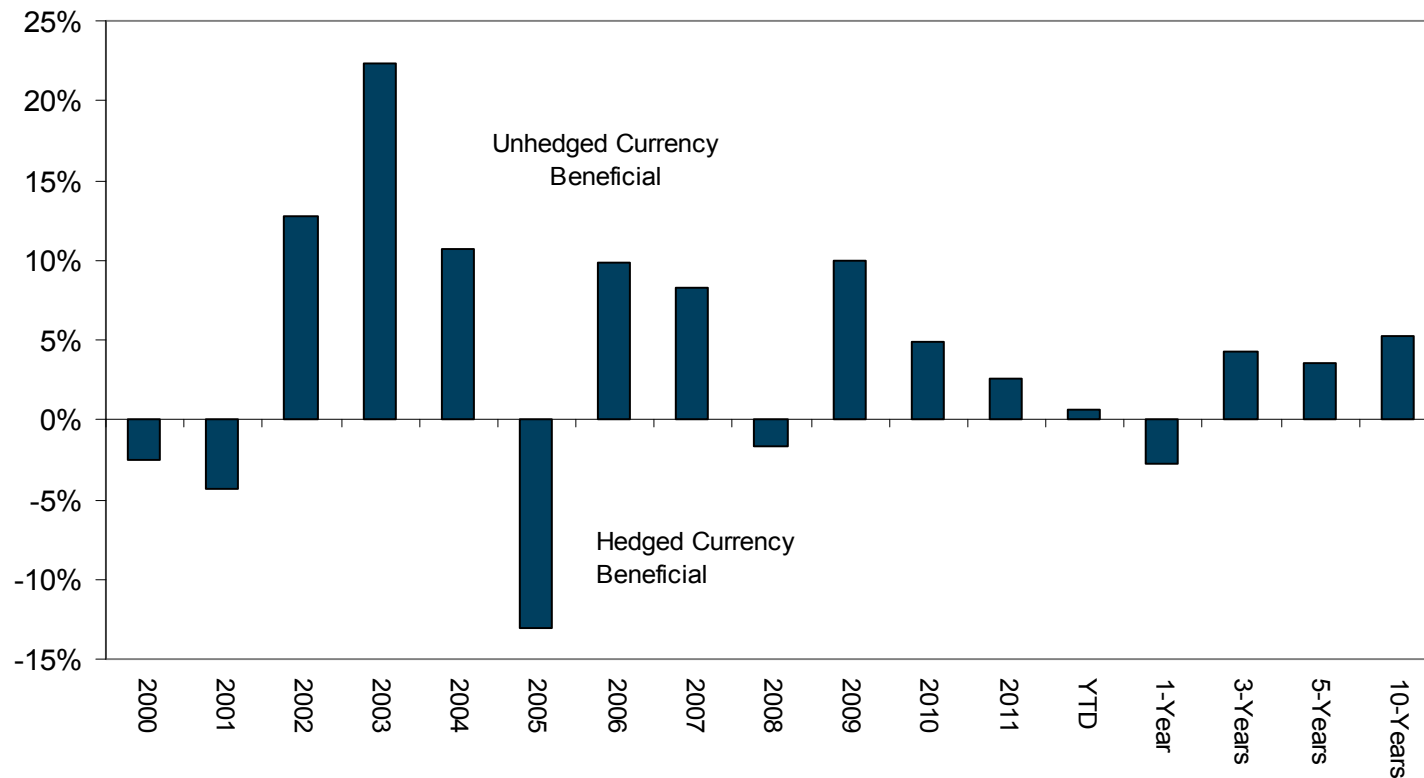


Sources: Dow Jones and CME

- The Dow Jones UBS Commodity Index fell by 4.6% for the quarter mainly due to poor performance in petroleum, softs (i.e., coffee, cocoa, and sugar), and industrial metals sectors.
- Higher than normal temperatures and below average rainfall in the U.S. East and Midwest caused corn and soybean futures to spike during the month of June.
- Corn was the best performing grain in June posting a return of 25.4%, while soybeans returned 13.9%. Both components helped the grains subindex produce positive returns.

Currency

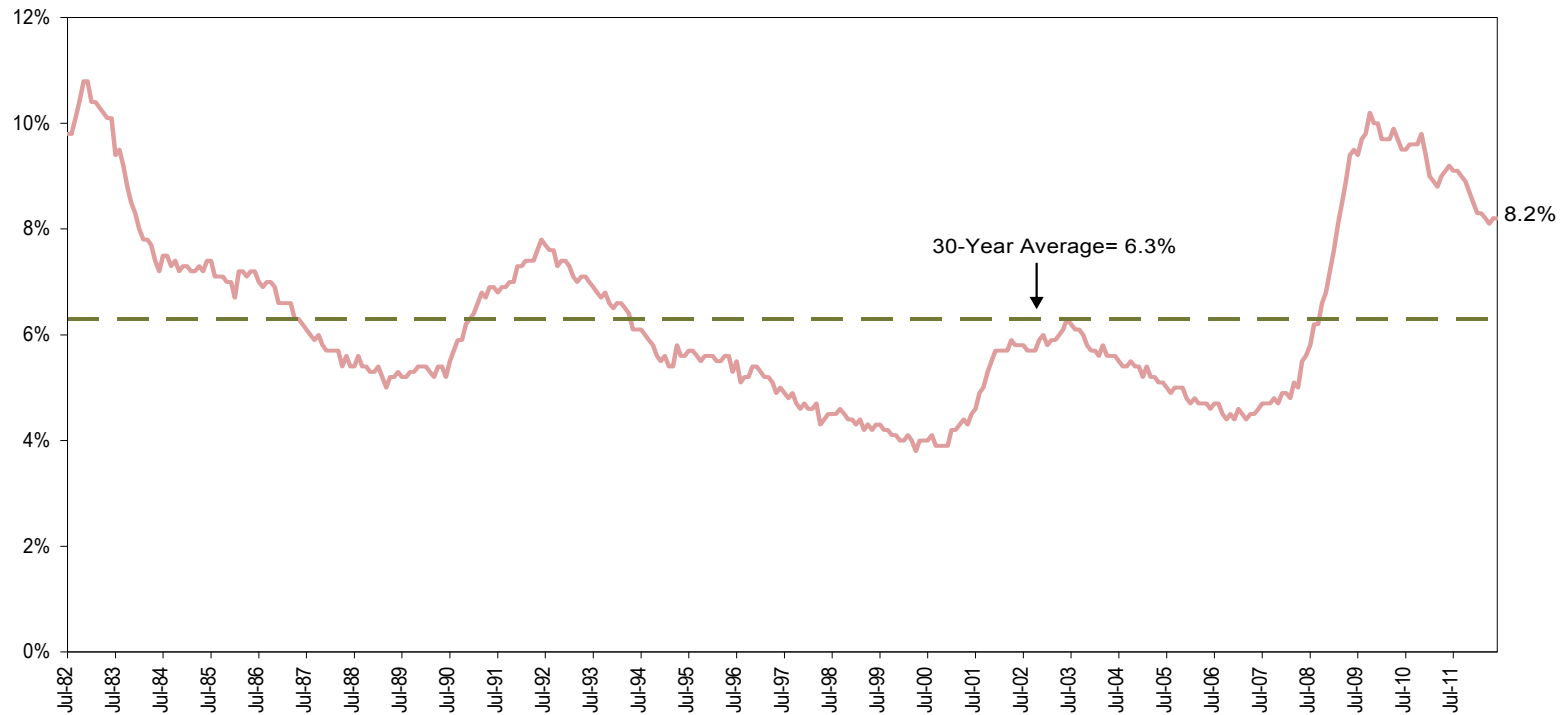
**Difference Between MSCI EAFE Unhedged and Hedged Indices
As of 6/30/2012**



- MSCI EAFE Unhedged outperformed the EAFE Hedged Index YTD and over the trailing 3-, 5-, and 10-year periods.

U.S. Unemployment Rate

Unemployment Rate
As of 6/30/2012



Source: Bureau of Labor Statistics

- At the end of the second quarter, the U.S. unemployment rate remained unchanged at 8.2%.
- After adding 677,000 jobs during the first quarter, growth slowed during the second quarter and only 225,000¹ jobs were created.

¹ Preliminary data: The U.S. Bureau of Labor Statistics.

Active Manager Report Card¹

Peer Group/Index	Median Return ²		Index Return		Index Return ¹	
	Qtr.	1 Year	Qtr.	1 Year	Qtr.	1 Year
All Cap Equity/Russell 3000 Index	-4.7%	-0.6%	-3.1%	3.8%	26 th Percentile	20 th Percentile
Large Cap Equity/Russell 1000 Index	-4.0%	2.9%	-3.1%	4.4%	30 th Percentile	32 nd Percentile
Small Cap Equity/Russell 2000 Index	-4.9%	-3.9%	-3.5%	-2.1%	30 th Percentile	33 rd Percentile
Non-U.S. Equity/MSCI ACWI ex U.S.	-7.3%	-13.9%	-7.6%	-14.6%	55 th Percentile	61 st Percentile
Global Equity/MSCI ACWI	-5.8%	-11.8%	-5.6%	-6.5%	45 th Percentile	36 th Percentile
Core Fixed Income/Barclays Aggregate	2.0%	7.5%	2.1%	7.5%	48 th Percentile	60 th Percentile

- During the second quarter, active management underperformed relative to passive management in all areas shown above with the exception of non-U.S. equity.
- Passive management within U.S. equity significantly outperformed active management over the quarter and the one-year period.
- Passive management within fixed income edged out active management over the quarter.

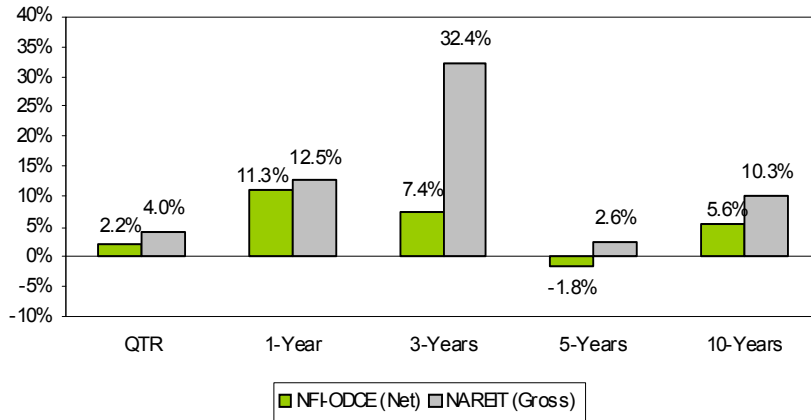
¹ Actual peer group performance reported in client reports may vary based on the constituent peer group utilized (e.g., mutual fund universe, separate account universe). Percentile rankings are based on a system in which 1=best and 99=worst.

² Based on preliminary peer group information as of June 30, 2012, provided by eVestment Alliance. Data was aggregated on July 17, 2012. Information is presented net of fees.

U.S. Commercial Real Estate Markets

RETURNS: PRIVATE vs. PUBLIC

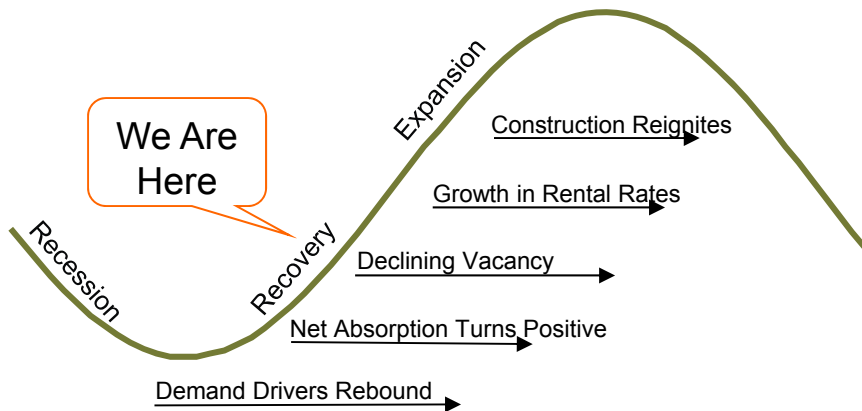
AS OF 6/30/2012



Source: NCREIF, NAREIT

STAGES OF FUNDAMENTAL RECOVERY

U.S. REAL ESTATE MARKET



Total Returns

- The NFI-ODCE returned 2.2% during the second quarter (preliminary), down from 2.5% during the first quarter. For the year, NFI-ODCE returned 11.3% (preliminary) demonstrating a continued waning in momentum. In 2012, return expectations are closer to the sector's long-term average of 7%-9%.
- REIT performance remained relatively strong in the second quarter, rising 4.0%. Given high volatility over the last 12 months, the FTSE NAREIT Equity Index rose a total of 12.5% over the trailing one-year period. In 2012, REITs are expected to move more inline with their long-term trend, returning 8%–11%, though volatility is likely to remain above average.

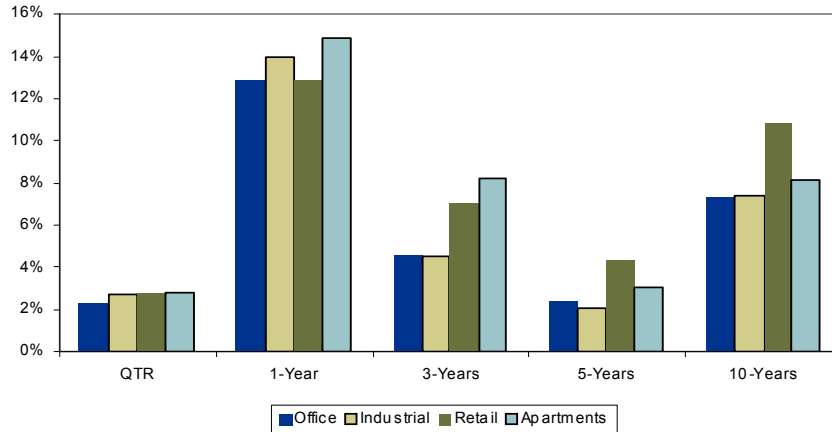
Sector Fundamentals

- Improvements in sector fundamentals (e.g., demand, vacancy, and rent) continued in the second quarter; though significant variations still exist by market and property type.
- Transaction volumes, while positive, remained below trend as the capital markets are still under pressure from broader investment market concerns. With the availability of capital increasing, momentum should pick up with investor confidence.
- Downward pressure is expected to remain on non-residential net operating income in most markets as leases expire this year and re-sign at today's substantially lower rates. Going forward (2013 and beyond), growing demand in most property types is expected to reverse this trend.

U.S. Commercial Real Estate Markets

UNLEVERED PRIVATE CORE RETURNS BY PROPERTY TYPE

AS OF 3/31/2012



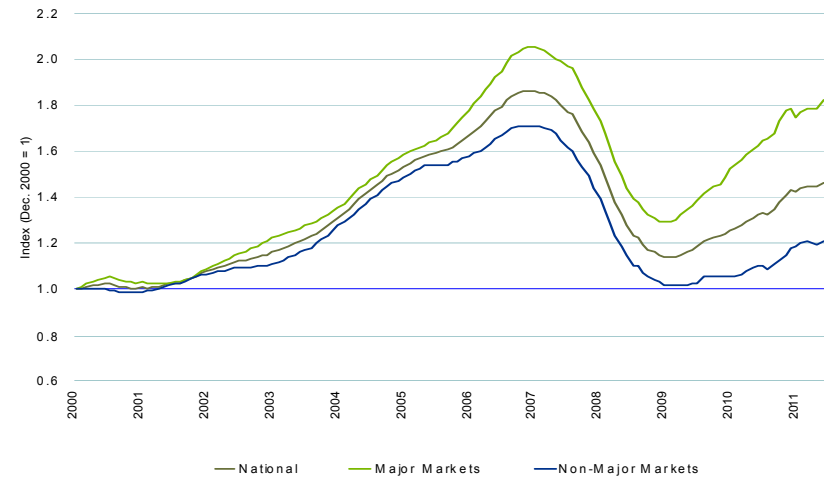
Source: NCREIF

Total Returns for Core Assets by Property Type

- The apartment sector has led the pricing rebound to date benefiting from the residential housing crisis and an early onset job recovery.
- Strip retail assets have performed best over the long-term due largely to a growing national population; however, regional performance varies significantly.
- Office assets generally lag in a recovery due to a stronger reliance on corporate confidence and job growth. Stronger and more consistent job growth is required to drive higher returns.
- Recent industrial sector indicators remain challenged.

RETURNS: Core Markets Relative to Distressed

AS OF 5/31/2012



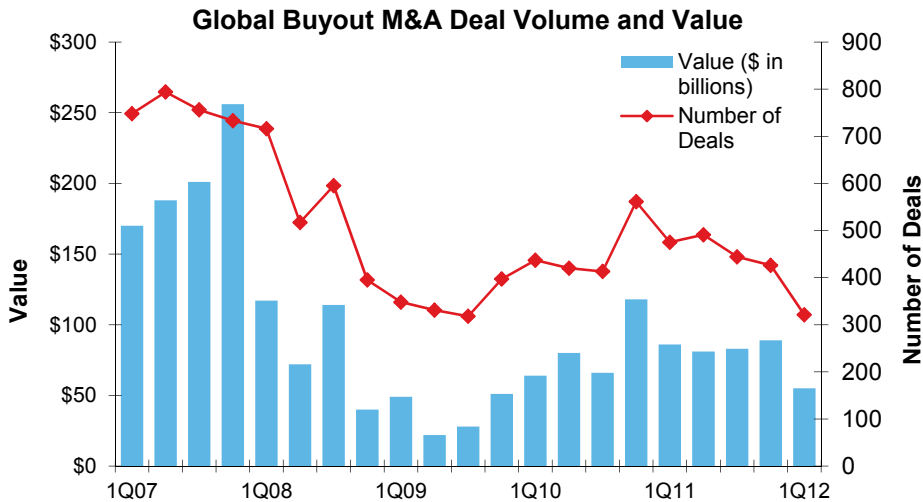
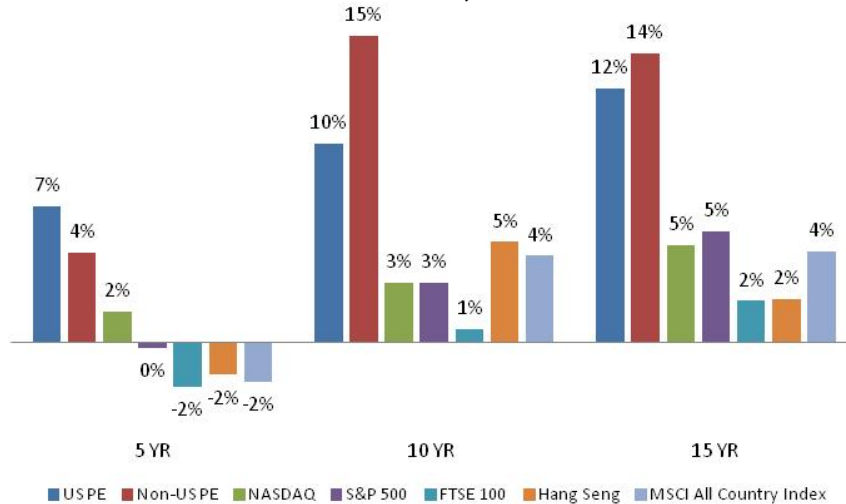
Source: CPPI Moody's/REAL National All Property Types

Total Returns by Market and Distress

- Core assets in major markets have attracted significant new capital since the sector's trough. As such, price rebounds have been significant as shown above. Capitalization rates for many of these assets now approach pre-recession levels, although based off much lower net operating income.
- Price recovery in non-stabilized assets and in secondary markets has lagged the core rebound to date due to limited investor appetite and lack of available financing. However, banks are now more willing to address their distress, thus the backlog of distressed assets is likely to reduce more significantly in 2012.

Private Equity Market Overview – Q1 2012

Private Equity v. Public Market Performance as of December 31, 2011

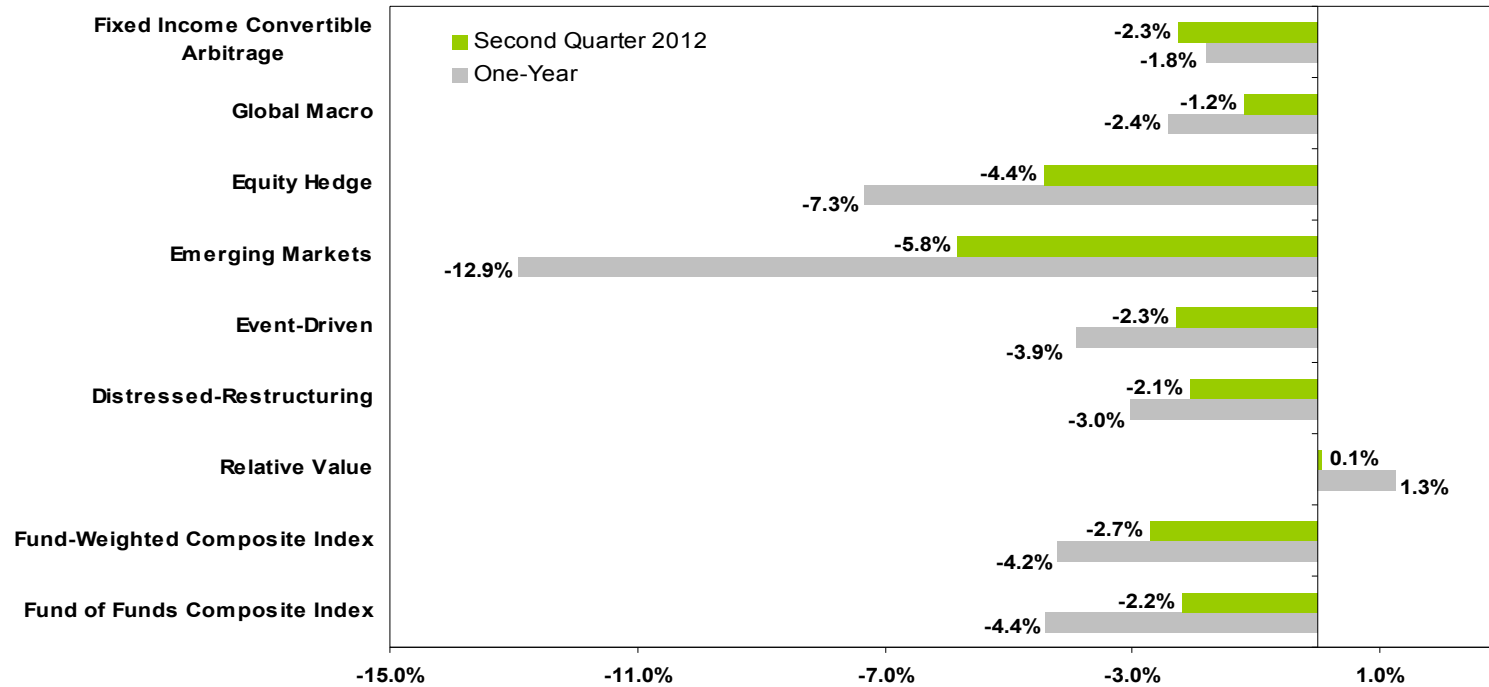


Source: Thomson Reuters and PitchBook. Non-U.S. PE performance is calculated on a semi-annual basis; most recent data is as of 12/31/2011. Deal flow statistics exclude venture capital data.

- **Fundraising:** Healthy but not excessive levels. Remains well below pre-crisis levels (\$591 billion). Overhang significant (\$750 billion) but decreasing.
- **Buyout:** A 20% decrease in total deal value over the end of 2011; purchase price multiples are decreasing and are just above the 10-year average; equity currently comprising ~44% of the purchase price; activity in Europe remains slow due to scarcity of financing.
- **Venture capital:** First quarter 2012 investment levels below the quarterly 2011 average; a number of M&A exits down ~26% to 2011 quarterly average while IPOs were up 43% but then stalled after a poor Facebook debut.
- **Mezzanine:** Situation in Europe continues to favor mezzanine lenders as CLOs have limited cash to re-invest and European banks are dealing with capital constraints; U.S. mezzanine lenders continue to be active in smaller transactions, while getting squeezed out of larger transactions in favor of high yield.
- **Distressed Debt:** Default rates increased slightly but remain at historically low levels; investment levels remain low due to heavy refinance activity and low default rates; attractive opportunities exist looking forward to 2013-2014 due to fragile economy and reduced high yield and leveraged loan activity.
- **Secondaries:** \$10 billion raised in first half of 2012; \$22 billion in transactions, \$2 billion shy of full-year 2011; pricing discounts decreased to 16% for buyout and increased to 31% for venture.
- **Infrastructure:** \$16.1 billion raised through the first quarter (slightly down from 2011); deal activity lowest level since 2009.

Hedge Fund Markets Overview

HEDGE FUND SECTOR PERFORMANCE
As of 6/30/2012



- Hedge funds declined during the quarter with the majority of strategies posting negative returns.
- Emerging markets and equity hedge strategies were the weakest performers as the market selloff in May, driven by continued concerns over European sovereign debt issues and disappointing economic data, weighed on performance.
- Relative value strategies produced marginal positive results during the quarter as those managers that reduced market exposures and/or had a tilt towards structured credit experienced larger gains than peers.



Total Fund

Highlights

Return Summary

	Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Dow Jones US Total Stock Index	-3.1 %	9.4 %	4.0 %	16.9 %	0.6 %
MSCI All Country World ex-U.S. Index	-7.6 %	2.8 %	-14.6 %	7.0 %	-4.6 %
MSCI EAFE Index	-7.1 %	3.0 %	-13.8 %	6.0 %	-6.1 %
MSCI Emerging Markets Index	-8.9 %	3.9 %	-16.0 %	9.8 %	-0.1 %
MSCI All Country World Index	-5.6 %	5.7 %	-6.5 %	10.8 %	-2.7 %
Barclays Aggregate Bond Index	2.1 %	2.4 %	7.5 %	6.9 %	6.8 %

2Q 2012 Market Commentary

Following one of the best first quarters in recent history, financial markets lost ground during the second quarter amidst diminishing consumer sentiment and economic uncertainty in the Eurozone as Spain sought a bailout for its banking sector. News of the bailout lifted stocks in June, but those gains were unable to offset losses in April and May. The Federal Open Market Committee (FOMC) again decided to keep the target range for the federal funds rate at 0-0.25%. The Committee also confirmed that weak economic conditions will likely warrant a low federal funds rate at least through late-2014. Although markets had hoped the Fed would announce a third round of quantitative easing, the Federal Reserve instead decided to extend Operation Twist, its program to purchase long-term Treasuries while simultaneously selling shorter dated securities, which was scheduled to conclude in June of 2012. The Fed will continue to take a wait and see approach to the possibility of additional stimulus.

According to the Bureau of Labor Statistics (BLS), the unemployment rate remained flat at 8.2%, and U.S. employers created 225,000 jobs in the second quarter, making it the weakest quarter of job growth since the recovery in the labor market began in 2010. Subsequent to seven straight months of declines, home prices increased 1.3% in April, as measured by the S&P/Case Shiller Index, signaling that the real estate market may have found a floor early in the second quarter amidst an environment with sub-4% 30 year mortgage rates and population growth exceeding the rate of new home construction. Investors entered risk-off territory as the Eurozone debt crisis continued to be a source of uncertainty throughout global financial markets. While investor confidence waned in May, the agreements reached at the EU Summit to recapitalize banks directly with bailout funds and relax conditions on rescue loans to Eurozone governments, provided some relief to the markets. In the U.S., the economy continued to show slow, steady growth, with real GDP increasing at an annual rate of 1.9% during the first quarter.

The U.S. equity market, as measured by the Dow Jones U.S. Total Stock Market Index, lost 3.1% during the second quarter. From a capitalization standpoint, large-cap and small-cap stocks were mixed, while from a style perspective, value outperformed growth during the quarter. Information Technology and Materials were the worst performing sectors during the second quarter, losing 7.9% and 7.6%, respectively, while the Telecommunications sector was the best performing sector, gaining 12.0% during the quarter. The non-U.S. equity market, as measured by the MSCI All Country World ex-U.S. Index, fell 7.6% during the quarter, trailing the U.S. equity market by 4.5 percentage points. Emerging markets, as measured by the MSCI Emerging Markets Index, decreased 8.9% during the quarter.

The U.S. bond market, as measured by the Barclays Aggregate Bond Index, returned 2.1% during the second quarter. During the period, long duration government bonds gained 12.6%, as measured by the Barclays 30 Year Treasury Index, amidst falling interest rates in May as investors sought safety in an uncertain economic environment.

Highlights

Commentary on Investment Performance

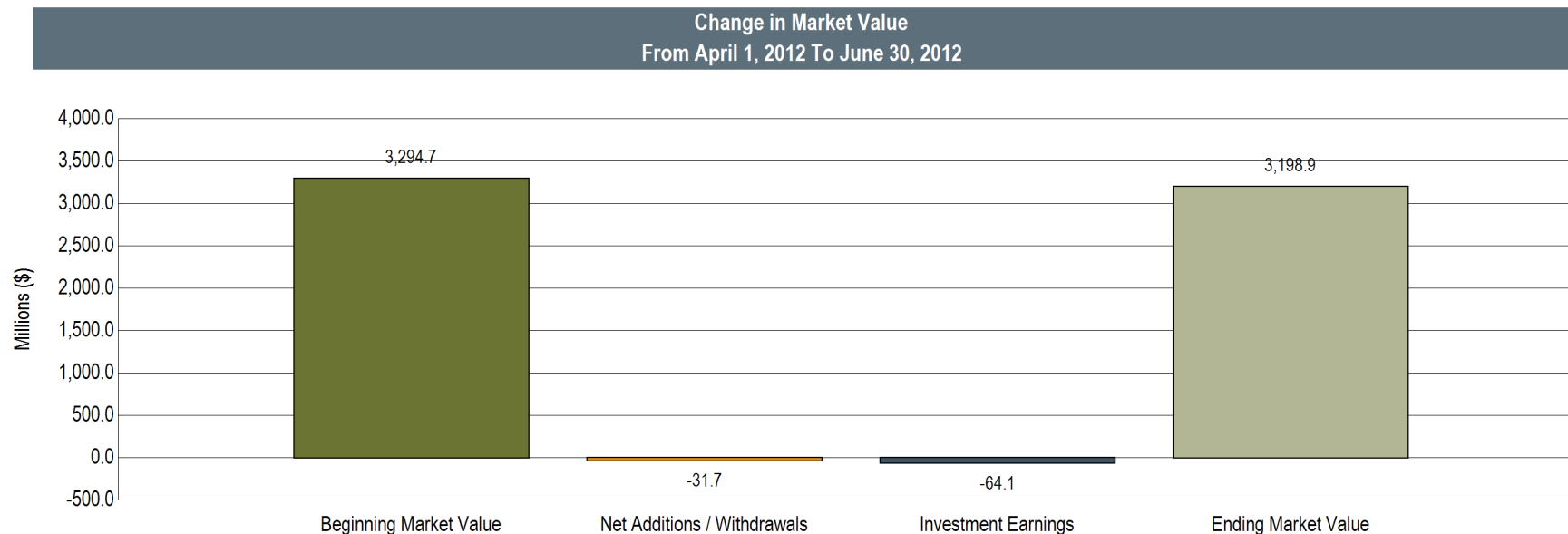
The Total Fund returned -2.0% during the second quarter, outperforming the return of the Policy Portfolio by 26 basis points. The Fund's Non-U.S. Equity and Global Equity components added value over their benchmark. Partially offsetting results were the below-benchmark returns from the Real Estate component.

For the one-year ending June 30, 2012, the Total Fund advanced 1.5%, outpacing the return of the Policy Portfolio by 12 basis points. Overperformance was mainly attributed to above-benchmark returns from the Real Estate, Fixed Income, Global Equity and Non-U.S. Equity.

The Total Fund's longer-term relative performance remains mixed. While the Total Fund has slightly underperformed the return of its benchmark during the trailing five-year and ten-year period, it has outperformed the benchmark during the three-year and one-year period. The Fund's annualized since inception return fell to 7.7% to match it up with the Policy Portfolio.

The attribution analysis exhibits on page 33 provide additional information regarding each sub-component's contribution to performance during the quarter and trailing one-year period.

Plan Summary



Summary of Cash Flows

Sources of Portfolio Growth	Second Quarter	Year-To-Date	One Year
Beginning Market Value	\$3,294,661,872	\$3,069,762,197	\$3,160,376,439
Net Additions/Withdrawals	-\$31,679,355	-\$74,257,208	-\$16,615,101
Investment Earnings	-\$64,092,298	\$203,385,230	\$55,128,881
Ending Market Value	\$3,198,890,219	\$3,198,890,219	\$3,198,890,219

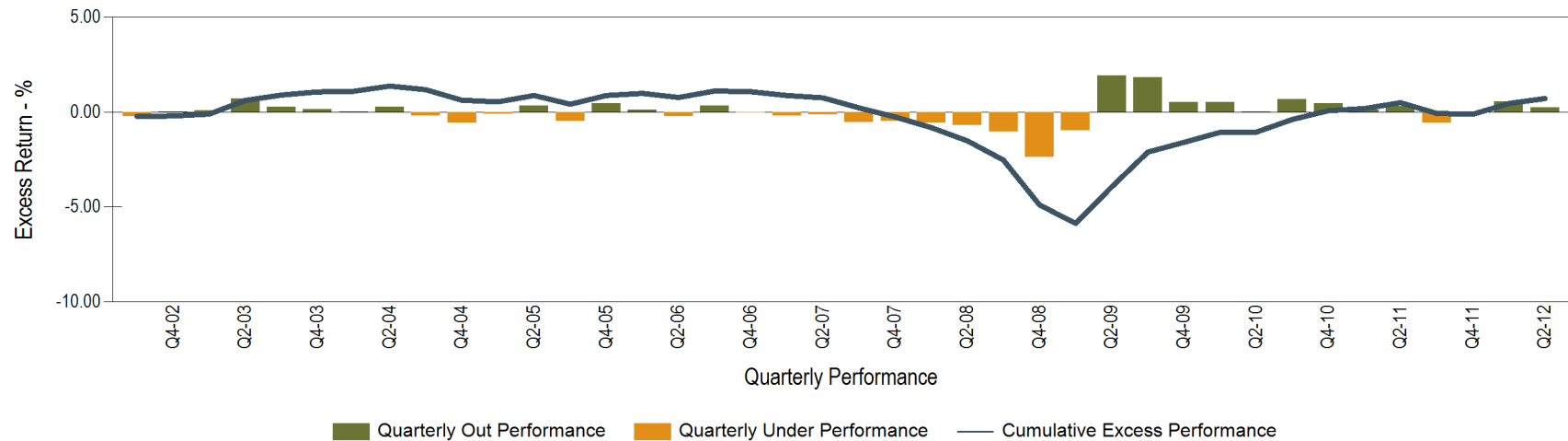
Plan Performance

Benchmark: Policy Portfolio

Return Summary



Quarterly and Cumulative Excess Performance



VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Period Ending 6/30/2012

	Year-to-Date	2nd Quarter	1 Year Ending 6/30/2012	3 Years Ending 6/30/2012	5 Years Ending 6/30/2012	10 Years Ending 6/30/2012	Since Inception	Inception Date
BlackRock Extended Equity	9.2	-4.6	-1.6	19.3	1.7	--	10.5	10/31/02
Dow Jones U.S. Completion Total Stock Market Index	9.0	-4.8	-2.1	19.2	1.7	--	10.5	
Western U.S. Index Plus	11.7	-2.7	5.4	23.8	-4.3	--	-4.6	5/31/07
S&P 500 Index	9.5	-2.8	5.4	16.4	0.2	--	-0.1	
BlackRock Equity Market Fund	9.4	-3.1	4.2	17.0	--	--	2.0	5/31/08
Dow Jones U.S. Total Stock Market Index	9.4	-3.1	4.0	16.9	--	--	1.9	
Total U.S. Equity	9.6	-3.1	4.1	17.6	-0.2	5.4	7.6	12/31/93
Performance Benchmark**	9.4	-3.1	4.0	16.9	0.6	5.9	8.1	
BlackRock All Country World ex-U.S.	3.1	-7.6	-14.6	7.4	-4.2	--	-2.5	3/31/07
MSCI All Country World ex-U.S. IM Index	2.9	-7.8	-14.8	7.4	-4.3	--	-2.6	
Sprucegrove	4.5	-5.4	-9.6	11.0	-3.3	7.4	7.4	3/31/02
MSCI EAFE Index	3.0	-7.1	-13.8	6.0	-6.1	5.1	4.8	
MSCI All Country World ex-U.S. Index	2.8	-7.6	-14.6	7.0	-4.6	6.7	6.3	
Hexavest	4.0	-4.7	-8.9	--	--	--	-3.8	12/31/10
MSCI EAFE Index	3.0	-7.1	-13.8	6.0	-6.1	5.1	4.8	
Walter Scott	8.3	-3.4	-5.9	--	--	--	-1.2	12/31/10
MSCI All Country World ex-U.S. Index	2.8	-7.6	-14.6	7.0	-4.6	6.7	6.3	
Total International	4.7	-6.2	-12.5	8.3	-4.4	6.5	6.1	3/31/94
Performance Benchmark	2.8	-7.6	-14.6	7.0	-4.6	6.7	4.7	
GMO Global Fund	5.6	-3.7	-2.6	10.9	-0.8	--	5.1	4/30/05
MSCI All Country World Index	5.7	-5.6	-6.5	10.8	-2.7	--	4.0	
Acadian	0.1	-9.8	-12.9	8.8	--	--	-7.7	5/31/08
MSCI All Country World Index	5.7	-5.6	-6.5	10.8	-2.7	--	4.0	
Total Global Equity	4.7	-5.1	-6.0	10.3	-3.1	--	3.1	4/30/05
MSCI All Country World Index	5.7	-5.6	-6.5	10.8	-2.7	--	4.0	

Returns

As of June 30, 2012

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (Continued)

Period Ending 6/30/2012

	Year-to-Date	2nd Quarter	1 Year Ending 6/30/2012	3 Years Ending 6/30/2012	5 Years Ending 6/30/2012	10 Years Ending 6/30/2012	Since Inception	Inception Date
Western	5.0	2.3	8.6	11.1	7.2	6.6	6.9	12/31/96
Barclays Capital Aggregate Bond Index	2.4	2.1	7.5	6.9	6.8	5.6	6.3	
BlackRock U.S. Debt Fund	2.4	2.1	7.5	7.0	6.9	5.7	6.2	11/30/95
Barclays Capital Aggregate Bond Index	2.4	2.1	7.5	6.9	6.8	5.6	6.3	
Reams	5.5	2.2	10.7	11.9	9.8	7.6	7.0	9/30/01
Barclays Capital Aggregate Bond Index	2.4	2.1	7.5	6.9	6.8	5.6	6.3	
Loomis Sayles	6.8	0.9	5.4	13.8	7.9	--	7.4	7/31/05
Performance Benchmark***	9.4	-3.1	4.0	16.9	0.6	5.9	8.1	
Total Fixed Income	5.0	2.1	8.7	11.3	8.6	7.0	6.8	2/28/94
Barclays Capital Aggregate Bond Index	2.4	2.1	7.5	6.9	6.8	5.6	6.3	
Total Prudential Real Estate	5.3	2.2	12.8	9.3	-2.7	--	2.3	6/30/94
Policy Benchmark	5.3	2.7	12.2	9.7	2.2	--	7.9	
UBS Real Estate	4.9	2.1	10.1	7.8	-0.1	--	6.7	3/31/03
NCREIF Open End Fund Index	5.3	2.7	12.2	9.7	2.2	--	7.9	
Guggenheim	7.3	3.3	12.0	12.7	-5.9	--	-2.2	6/30/06
NCREIF Open-End Fund Property Index*****	5.3	2.7	12.2	9.7	2.2	--	9.1	
RREEF	12.1	8.5	19.7	11.4	--	--	-18.2	10/31/07
NCREIF Open End Fund Index	5.3	2.7	12.2	9.7	--	--	7.9	
Total Real Estate****	5.2	2.4	10.7	8.0	-3.6	5.3	7.5	3/31/94
Policy Benchmark	5.3	2.7	12.2	9.7	2.2	8.0	7.9	
Total Private Equity*****	8.6	4.9	--	--	--	--	--	
Adams Street Partners	9.7	4.8	--	--	--	--	--	
Pantheon	4.3	6.3	--	--	--	--	--	
Total Fund	6.6	-2.0	1.5	13.2	1.3	6.1	7.7	3/31/94*****
Policy Portfolio	5.8	-2.3	1.4	11.7	1.6	6.2	7.7	
Total Fund (ex-Private Equity)	6.2	-2.3	--	--	--	--	--	
Total Fund (ex-Clifton)	6.5	-1.9	1.8	12.9	1.2	6.1	7.7	

*All returns contained in this report are net of investment management fees.

**The Dow Jones U.S. Total Stock Market Index. Prior to May 2007, the Russell 3000 Index.

***A mix of 65% of the Barclays Capital Aggregate Bond Index, 30% of the Salomon Brothers High Yield Index and 5% of the J.P. Morgan Non-U.S. Hedged Bond Index.

****Real Estate returns are based on market values and cash flows provided by managers.

*****Prior to January 2006, the NCREIF Property

*****Total Fund inception date is the longest time period that Hewitt EnnisKnupp has reliable historical monthly data.

*****Returns for Private Equity may not be meaningful, due to their relatively short investment period.

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Period Ending 6/30/2012

(\$ in Thousands)

	U.S. Equity	Non-U.S. Equity	Fixed Income	Real Estate	Private Equity	Cash	Total	Percent of Total	Policy
BlackRock Extended Equity Index	\$28,845						\$28,845	0.9%	
Western Index Plus	\$111,403						\$111,403	3.5%	
BlackRock Equity Market Fund	\$1,055,826						\$1,055,826	33.0%	
Total U.S. Equity	\$1,196,073						\$1,196,073	37.4%	36.0%
BlackRock ACWI ex-U.S. Index		\$265,166					\$265,166	8.3%	
Sprucegrove		\$140,628					\$140,628	4.4%	
Hexavest		\$51,098					\$51,098	1.6%	
Walter Scott		\$74,293					\$74,293	2.3%	
Total Non-U.S. Equity		\$531,185					\$531,185	16.6%	19.0%
GMO Global Equity	\$68,632	\$80,893	\$0				\$149,524	4.7%	
Acadian	\$6	\$5	\$0				\$10	0.0%	
BlackRock MSCI ACWI Equity Index	\$58,768	\$58,768	\$0				\$117,535	3.7%	
Total Global Equity	\$127,405	\$139,665	\$0				\$267,070	8.3%	10.0%
Western			\$247,956				\$247,956	7.8%	
BlackRock U.S. Debt Fund			\$131,199				\$131,199	4.1%	
Reams			\$327,201				\$327,201	10.2%	
Loomis Sayles Global			\$65,400				\$65,400	2.0%	
Loomis Sayles Mid Grade			\$118,151				\$118,151	3.7%	
Total Fixed Income			\$889,907				\$889,907	27.8%	27.0%
Prudential Real Estate				\$80,018			\$80,018	2.5%	
UBS Real Estate				\$171,826			\$171,826	5.4%	
Guggenheim				\$21,787			\$21,787	0.7%	
RREEF				\$9,582			\$9,582	0.3%	
Total Real Estate				\$283,213			\$283,213	8.9%	8.0%
Adams Street Partners					\$21,594		\$21,594	0.7%	
Pantheon Ventures					\$5,283		\$5,283	0.2%	
Total Private Equity					\$26,877		\$26,877	0.8%	0.0%
Clifton Group						\$4,564	\$4,564	0.1%	
Total Cash						\$4,564	\$4,564	0.1%	0.0%
Total Assets	\$1,323,478	\$670,850	\$889,907	\$283,213	\$26,877	\$4,564	\$3,198,890	100.0%	100.0%
Percent of Total	41.4%	21.0%	27.8%	8.9%	0.8%	0.1%	100.0%		

* Asset allocation reflects net exposure

* Private Equity reflects Market Values as of 12/31/2011 plus Capital Calls from 1/1/2012-5/31/2012

Calendar Year Performance

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Calendar Year Performance

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
BlackRock Extended Equity	-3.4	29.0	35.0	-38.4	5.4	15.2	10.5	18.1	43.2	--
Dow Jones U.S. Completion Total Stock Market Index	-3.8	28.6	37.4	-39.0	5.4	15.3	10.0	18.0	44.0	--
Western U.S. Index Plus	0.8	24.6	42.0	-56.3	--	--	--	--	--	--
S&P 500 Index	2.1	15.1	26.5	-37.0	--	--	--	--	--	--
BlackRock Equity Market Fund	1.2	17.6	28.2	--	--	--	--	--	--	--
Dow Jones U.S. Total Stock Market Index	1.1	17.5	28.6	--	--	--	--	--	--	--
Total U.S. Equity	0.9	18.5	29.2	-40.0	4.3	15.3	5.2	11.8	32.0	-21.8
Performance Benchmark**	1.1	17.5	28.6	-37.2	5.5	15.7	6.1	11.9	31.1	-21.5
BlackRock All Country World ex-U.S.	-14.1	12.8	43.1	-45.6	--	--	--	--	--	--
MSCI All Country World ex-U.S. IM Index	-14.3	12.7	43.6	-45.9	--	--	--	--	--	--
Sprucegrove	-10.8	18.7	36.1	-42.5	5.8	29.9	14.3	24.6	33.8	--
MSCI EAFE Index	-12.1	7.8	31.8	-43.4	11.2	26.3	13.5	20.2	38.6	--
MSCI All Country World ex-U.S. Index	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6	20.9	40.8	--
Hexavest	-9.2	--	--	--	--	--	--	--	--	--
MSCI EAFE Index	-12.1	--	--	--	--	--	--	--	--	--
Walter Scott	-9.3	--	--	--	--	--	--	--	--	--
MSCI All Country World ex-U.S. Index	-13.7	--	--	--	--	--	--	--	--	--
Total International	-13.6	13.5	37.4	-44.1	11.7	25.2	19.3	18.8	36.0	-12.4
Performance Benchmark	-13.7	11.2	41.4	-45.5	16.7	26.7	16.6	20.9	40.8	-15.8
GMO Global Fund	-2.0	10.2	24.3	-32.8	10.0	19.7	--	--	--	--
MSCI All Country World Index	-7.3	12.7	34.6	-42.2	11.7	21.0	--	--	--	--
Acadian	-6.0	13.0	11.5	--	--	--	--	--	--	--
MSCI All Country World Index	-7.3	12.7	34.6	--	--	--	--	--	--	--
Total Global Equity	-3.9	11.4	17.8	-37.3	11.3	19.5	--	--	--	--
MSCI EAFE Index	-7.3	12.7	34.6	-42.2	11.7	21.0	--	--	--	--

Note: Returns are net of fees.

Calendar Year Performance

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (Continued)
Calendar Year Performance

	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Western	7.3	11.3	18.2	-8.9	4.8	5.1	3.2	6.4	9.1	9.5
Barclays Capital Aggregate Bond Index	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1	10.3
BlackRock U.S. Debt Fund	7.9	6.7	6.0	5.4	7.0	4.3	2.4	4.3	4.2	10.3
Barclays Capital Aggregate Bond Index	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1	10.3
Reams	8.3	10.1	35.9	-12.1	7.4	5.0	3.9	5.0	8.7	4.1
Barclays Capital Aggregate Bond Index	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1	10.3
Loomis Sayles	4.2	13.5	38.1	-19.9	6.7	9.0	--	--	--	--
Performance Benchmark***	7.1	8.7	18.8	-4.6	5.1	6.8	--	--	--	--
Total Fixed Income	7.3	10.6	25.6	-8.7	6.3	5.3	3.2	5.2	7.1	7.9
Barclays Capital Aggregate Bond Index	7.8	6.5	5.9	5.2	7.0	4.3	2.4	4.3	4.1	10.3
K2 Advisors	-12.3	--	--	--	--	--	--	--	--	--
LIBOR	3.3	--	--	--	--	--	--	--	--	--
Total Alternatives	-12.3	--	--	--	--	--	--	--	--	--
LIBOR	3.3	--	--	--	--	--	--	--	--	--
Total Prudential Real Estate	18.2	17.5	-34.8	-13.7	16.6	15.8	27.8	--	--	--
Policy Benchmark	15.0	14.7	-18.8	-7.3	15.2	15.3	20.1	--	--	--
UBS Real Estate	12.2	15.8	-23.2	-8.4	12.7	15.6	20.1	13.5	--	--
NCREIF Open End Fund Index	15.0	14.7	-18.8	-7.3	15.2	15.3	19.0	13.6	--	--
Guggenheim	17.0	15.1	-27.0	-29.0	3.8	--	--	--	--	--
Performance Benchmark	13.0	17.8	-3.2	-15.2	5.8	--	--	--	--	--
RREEF	53.7	8.4	-64.5	-41.8	--	--	--	--	--	--
NCREIF Open End Fund Index	15.0	14.7	-18.8	-7.3	--	--	--	--	--	--
Total Real Estate****	14.4	15.4	-31.2	-16.0	12.8	15.7	26.6	7.5	12.1	9.4
NCREIF Open-End Fund Property Index*****	15.0	14.7	-18.8	-7.3	15.2	15.3	20.1	14.5	9.0	6.7
Adams Street Partners	--	--	--	--	--	--	--	--	--	--
Pantheon	--	--	--	--	--	--	--	--	--	--
Total Private Equity*****	--	--	--	--	--	--	--	--	--	--
Total Fund	0.3	15.1	24.2	-30.9	7.0	14.2	7.8	10.9	24.4	-10.6
Policy Portfolio	0.6	13.3	20.8	-27.1	8.5	14.0	7.6	11.3	22.9	-10.1
Total Fund (ex-Private Equity)	--	--	--	--	--	--	--	--	--	--
Total Fund (ex-Clifton)	0.6	14.5	23.3	-30.3	6.9	14.0	7.9	10.8	24.4	-10.4

Note: Returns are net of fees.

Manager "Watch" List

Manager "Watch" Status Policy

A manager may be placed on "Watch" status for:

- Failure to meet one or more of the standards, objectives, goals, or risk controls as set forth in this policy statement
- Violation of ethical, legal, or regulatory standards
- Material adverse change in the ownership of the firm or personnel changes
- Failure to meet reporting or disclosure requirements
- Failure to meet performance objectives or goals
- Any actual or potentially adverse information, trends, or developments that the Board feels might impair the investment manager's ability to deliver successful outcomes for the participants of the plan

The Board may take action to place a manager on Watch status. Managers placed on Watch status shall be notified in writing, and be made aware of the reason for the action and the required remediation. Watch status is an optional interim step that may be used to formally communicate dissatisfaction to the investment manager and the potential for termination. Watch status is not a required step in terminating a manager. Watch status will normally be for a period of six months, but the time frame may be determined by action of the Board. The Board retains the right to terminate the manager at any time, extend the period of the Watch status, or remove the manager from Watch status at any time.

Watch status indicates that the manager shall be subject to increased focus on the remediation of the factors that caused the manager to be placed on Watch status. Discussion of the manager on Watch status shall become a regular monthly reporting agenda item for the Board. Staff or retained Consultant shall prepare a written monthly report addressing the progress of the manager in the remediation of the dissatisfaction.

"Watch" status:

- RREEF is currently on watch for performance reasons.

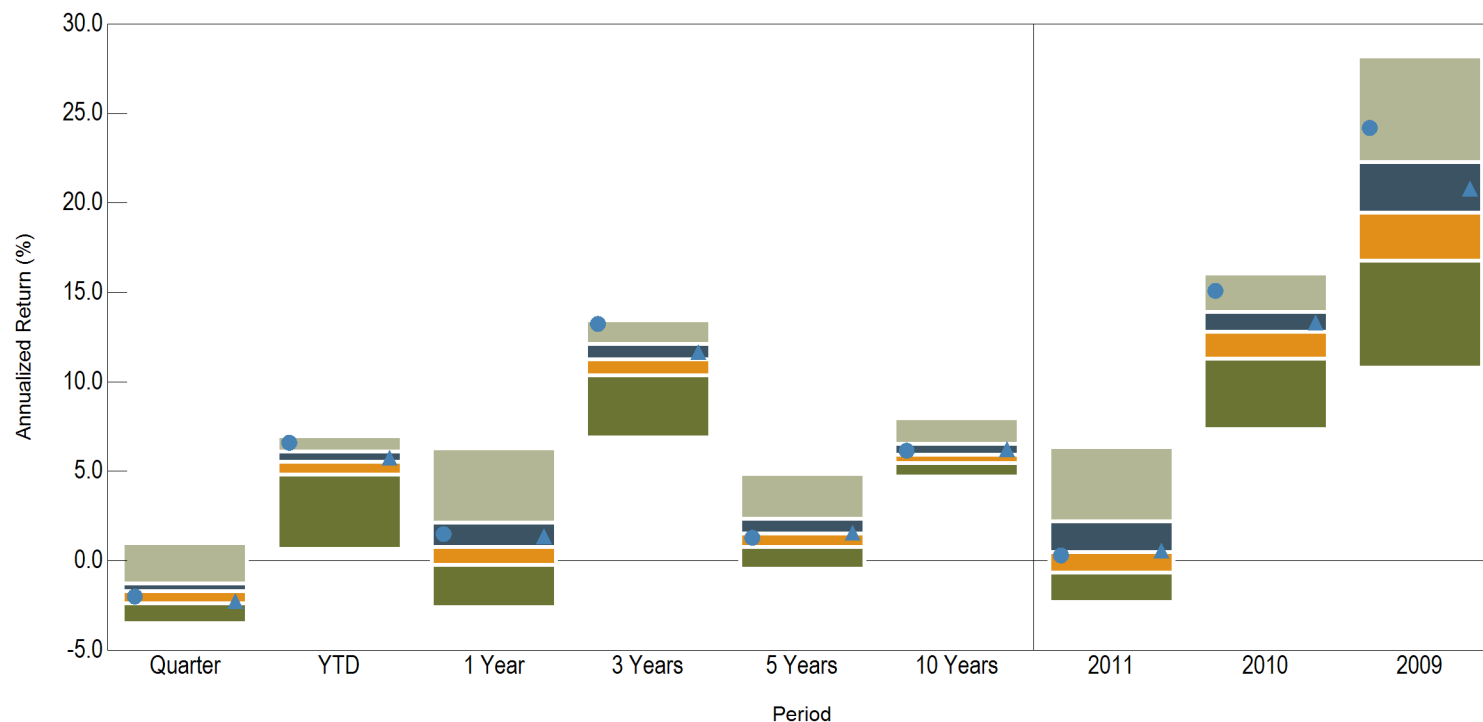
Manager	Date Added	Reason	Follow-up Date
RREEF	February 2009	Performance	July 2012

Universe Comparison

Benchmark: Policy Portfolio

Universe: Public Funds Net

Ending June 30, 2012



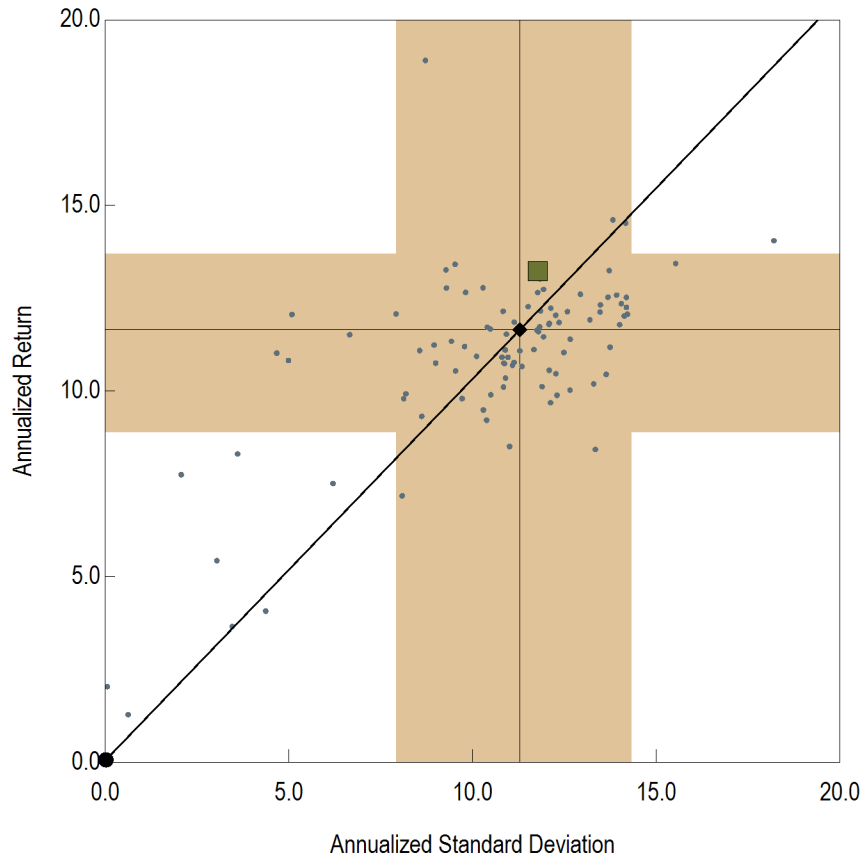
	Return (Rank)													
5th Percentile	1.0	6.9	6.3	13.4	4.8	7.9	6.3	16.1	28.2					
25th Percentile	-1.2	6.1	2.1	12.1	2.4	6.5	2.2	13.9	22.3					
Median	-1.7	5.6	0.8	11.3	1.5	6.0	0.5	12.8	19.5					
75th Percentile	-2.4	4.8	-0.2	10.4	0.8	5.5	-0.6	11.3	16.8					
95th Percentile	-3.5	0.7	-2.6	6.9	-0.4	4.7	-2.3	7.4	10.8					
# of Portfolios	112	112	110	98	92	79	111	113	110					
● Total Fund	-2.0 (63)	6.6 (9)	1.5 (39)	13.2 (8)	1.3 (59)	6.1 (42)	0.3 (55)	15.1 (10)	24.2 (13)					
▲ Policy Portfolio	-2.3 (72)	5.8 (41)	1.4 (40)	11.7 (42)	1.6 (49)	6.2 (42)	0.6 (49)	13.3 (43)	20.8 (38)					

Risk Profile

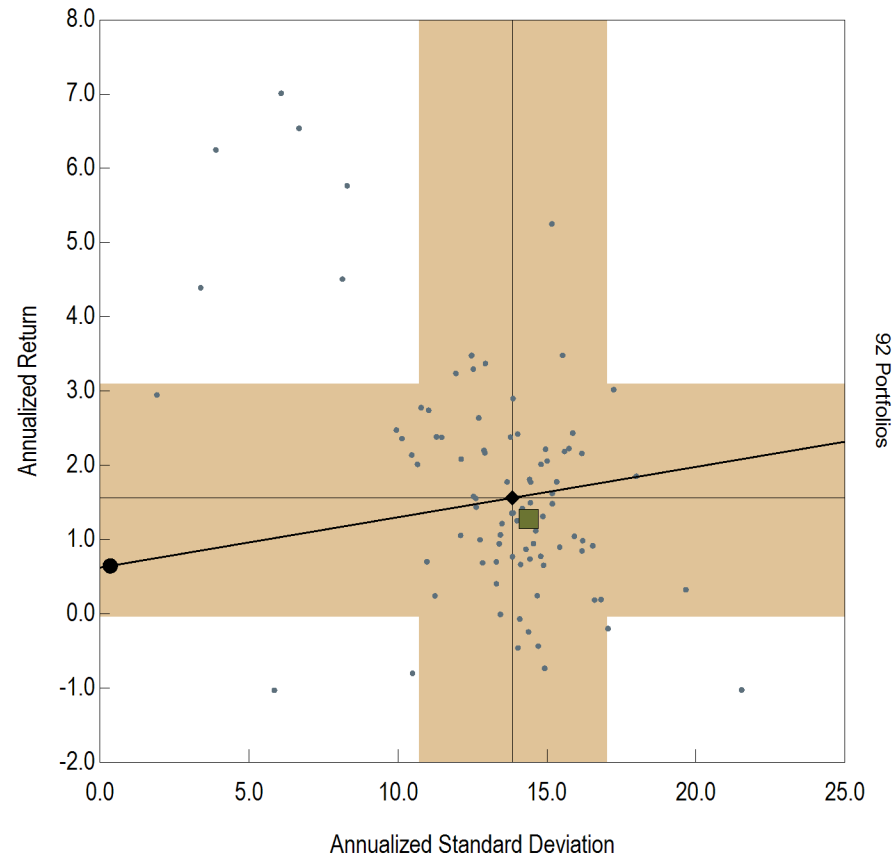
Benchmark: Policy Portfolio

Universe: Public Funds Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012

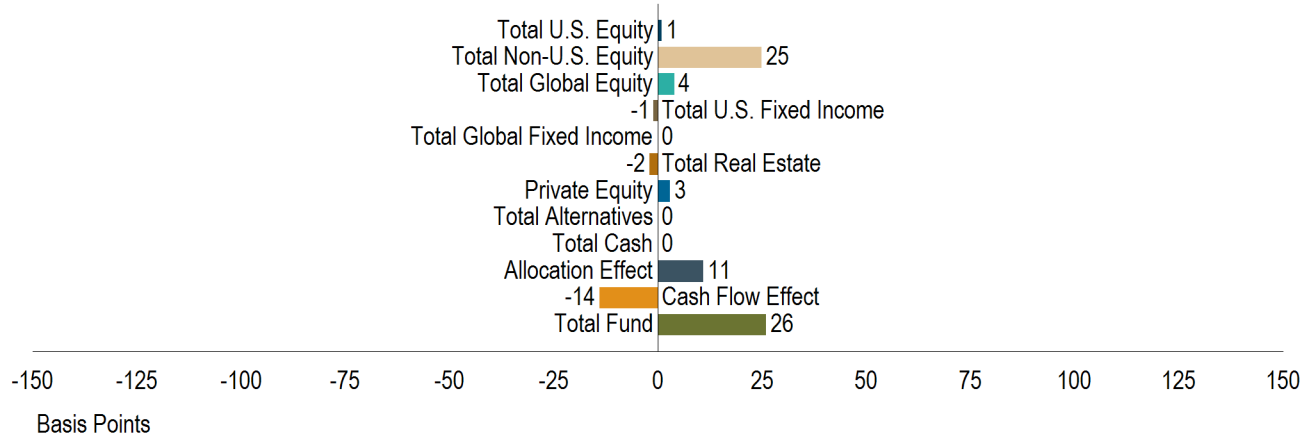


- Total Fund
- ◆ Policy Portfolio
- Risk Free
- 68% Confidence Interval
- Public Funds Net

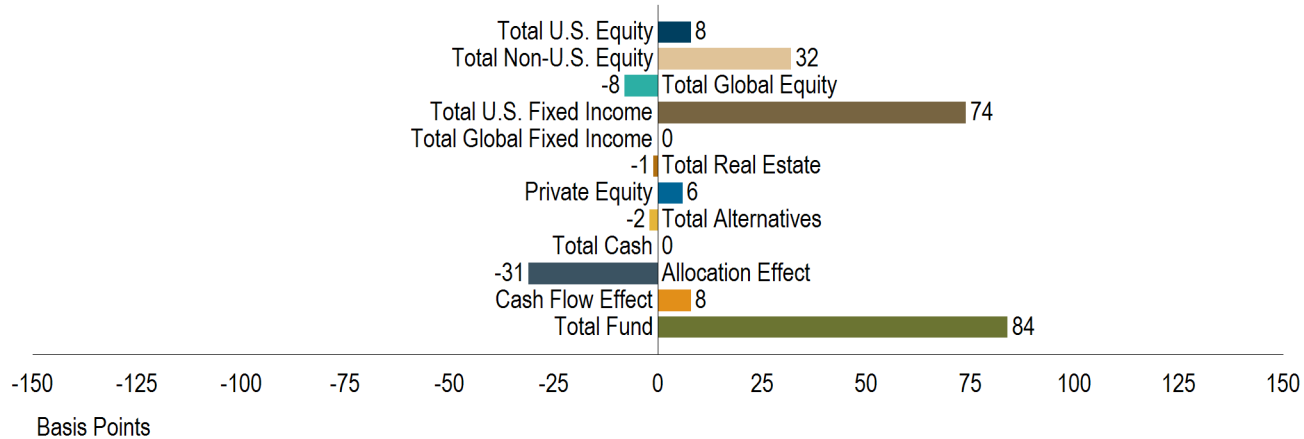
- Total Fund
- ◆ Policy Portfolio
- Risk Free
- 68% Confidence Interval
- Public Funds Net

Attribution

**TOTAL FUND ATTRIBUTION ANALYSIS
3 MONTHS ENDING 6/30/12**



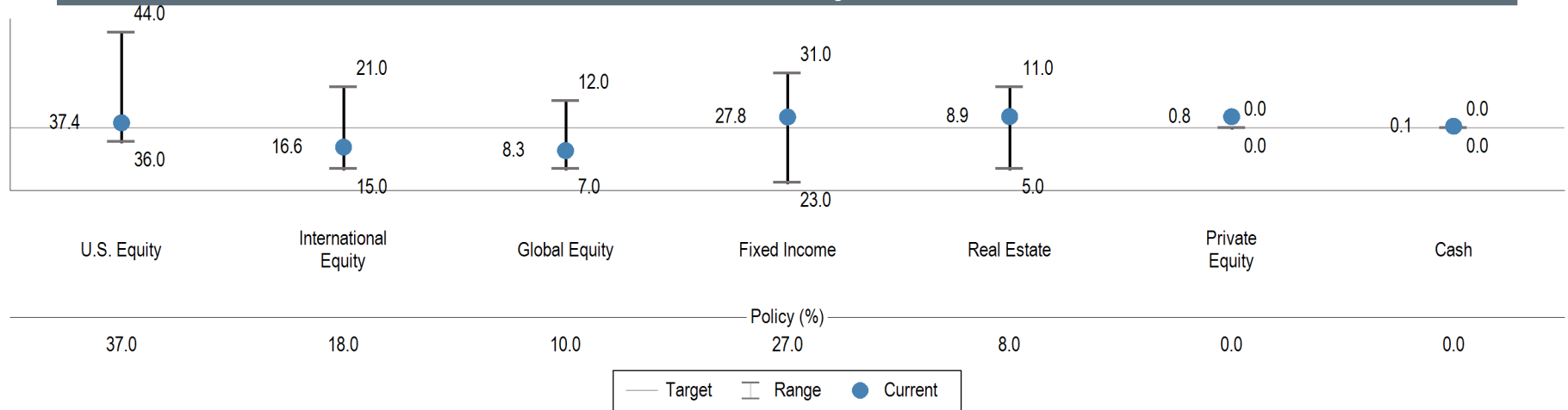
**TOTAL FUND ATTRIBUTION ANALYSIS
6 MONTHS ENDING 6/30/12**



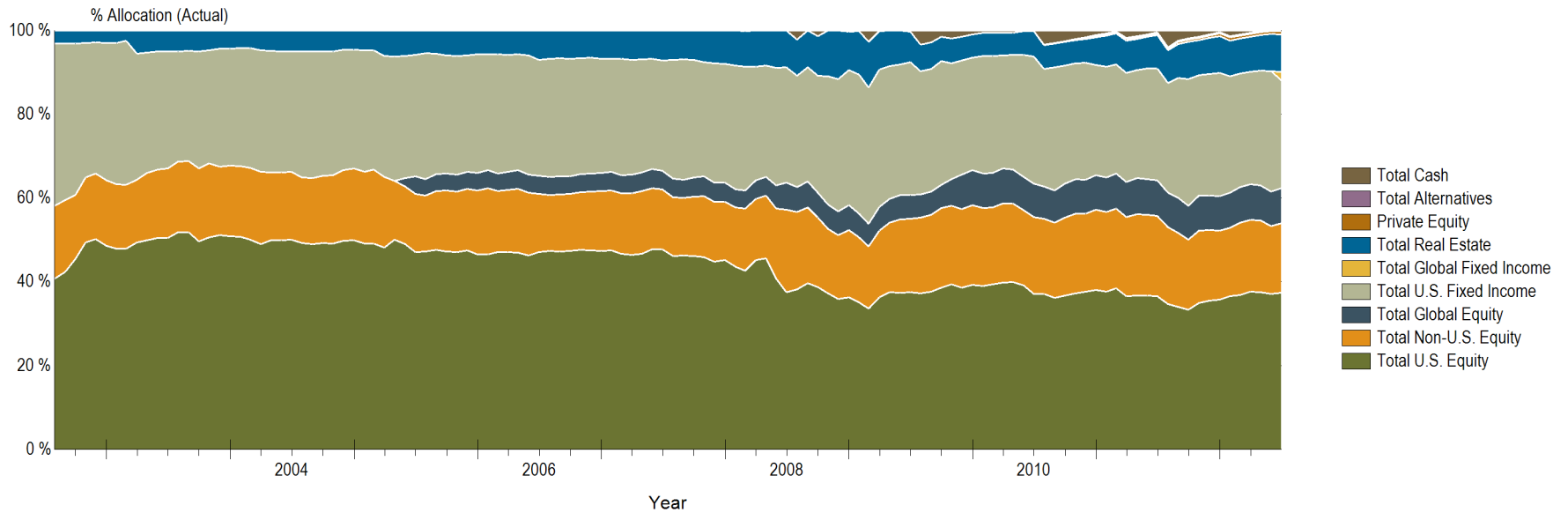
Note: The Cash Flow Effect exhibited in this quarter's and over the one year attribution charts represents the effect the Clifton Group had on the Total Fund.

Asset Allocation

Actual vs. Target



Asset Allocation History 10 Years Ending June 30, 2012



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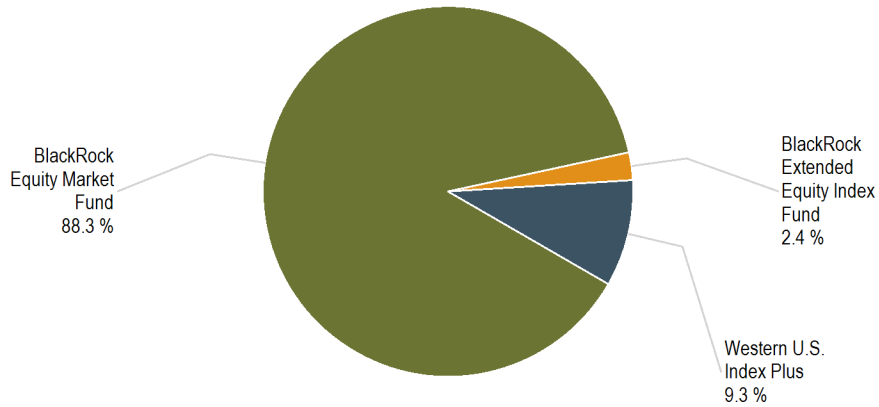


Total U.S. Equity

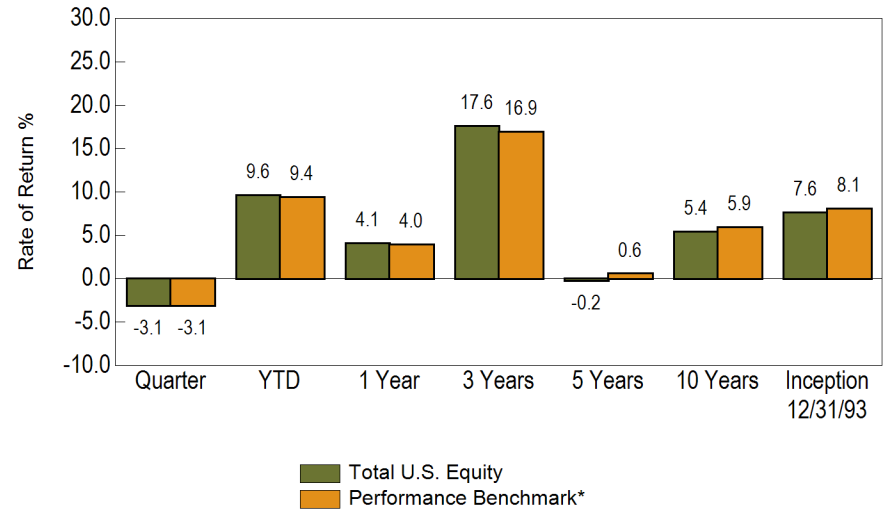
Overview

Benchmark: Performance Benchmark*

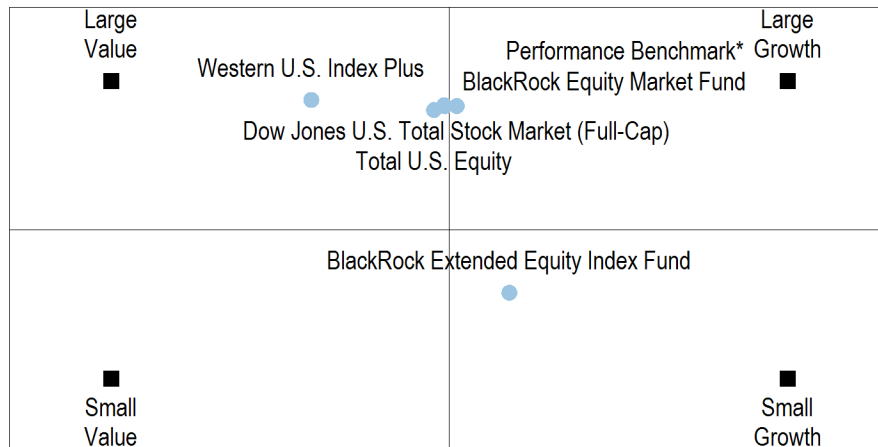
Current Allocation



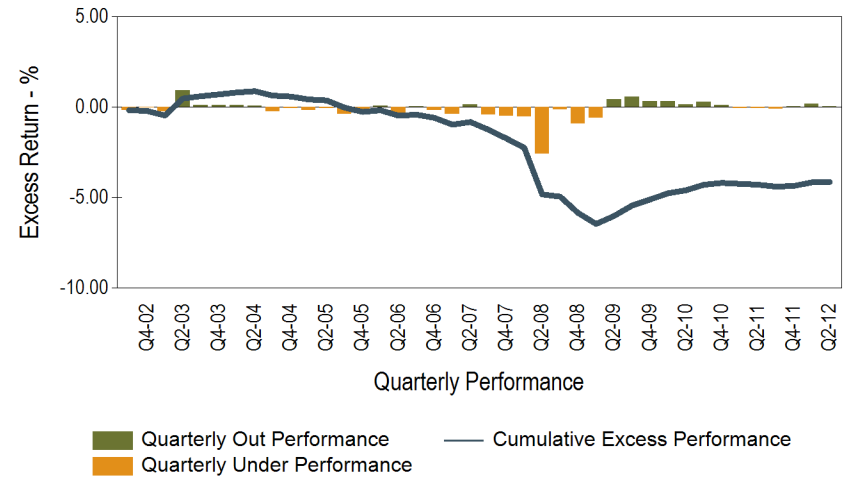
Return Summary



U.S. Effective Style Map 3 Years Ending June 30, 2012



Quarterly and Cumulative Excess Performance

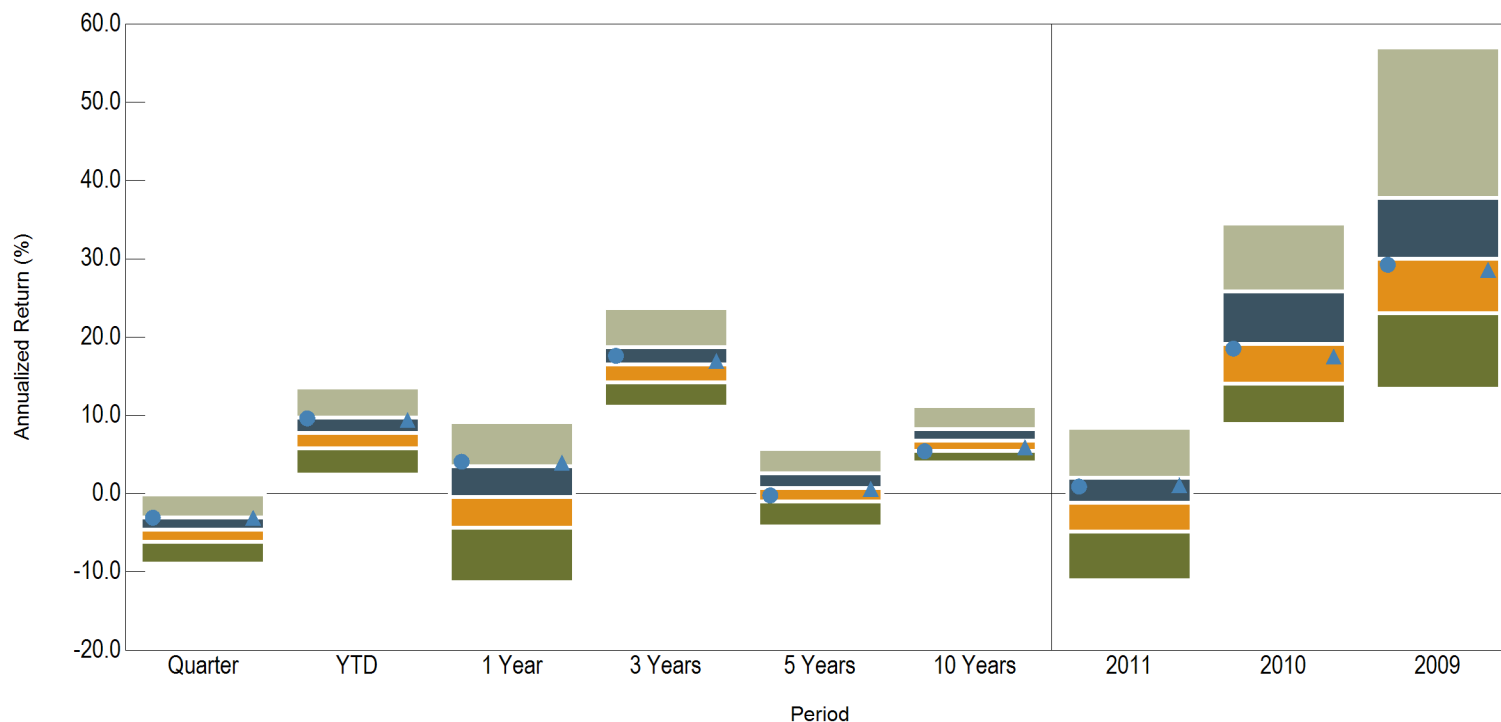


Universe Comparison

Benchmark: Performance Benchmark*

Universe: eA All US Equity Net

Ending June 30, 2012



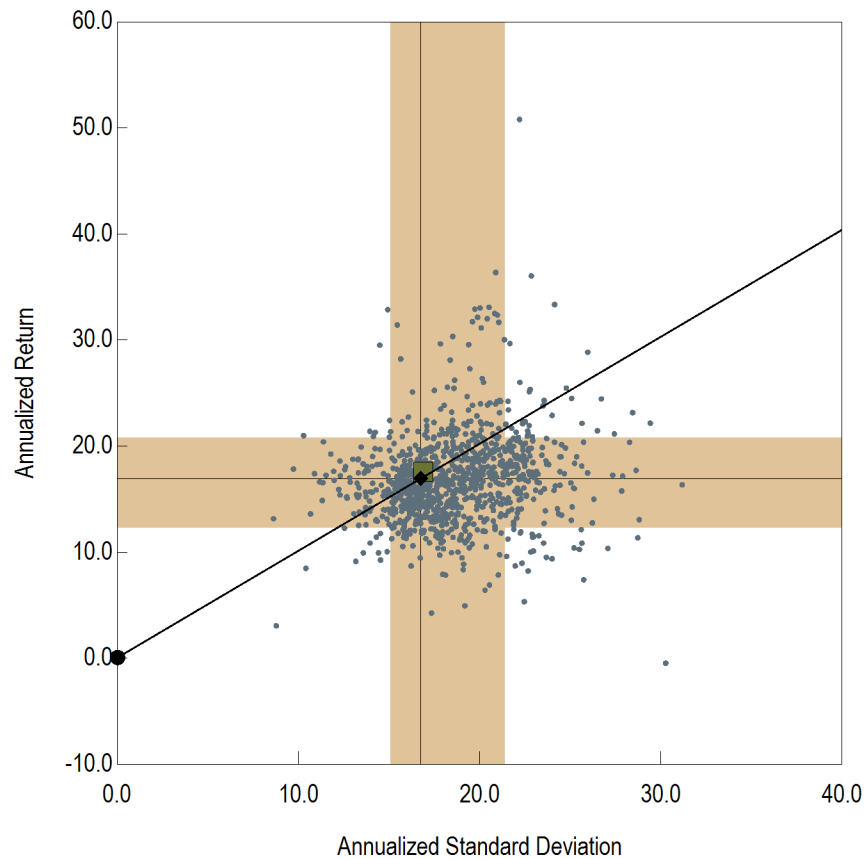
	Return (Rank)									
5th Percentile	-0.2	13.5	9.1	23.6	5.7	11.1	8.4	34.5	56.9	
25th Percentile	-3.0	9.8	3.5	18.8	2.6	8.3	2.1	25.9	37.8	
Median	-4.6	7.8	-0.4	16.5	0.8	6.8	-1.1	19.1	30.0	
75th Percentile	-6.1	5.8	-4.4	14.3	-1.0	5.5	-4.8	14.1	23.1	
95th Percentile	-8.9	2.5	-11.3	11.1	-4.2	4.0	-11.0	8.9	13.4	
# of Portfolios	1,117	1,116	1,106	1,032	911	629	1,081	1,035	1,153	
● Total U.S. Equity	-3.1 (27)	9.6 (27)	4.1 (22)	17.6 (37)	-0.2 (65)	5.4 (78)	0.9 (35)	18.5 (53)	29.2 (53)	
▲ Performance Benchmark*	-3.1 (27)	9.4 (29)	4.0 (23)	16.9 (45)	0.6 (53)	5.9 (68)	1.1 (33)	17.5 (58)	28.6 (55)	

Risk Profile

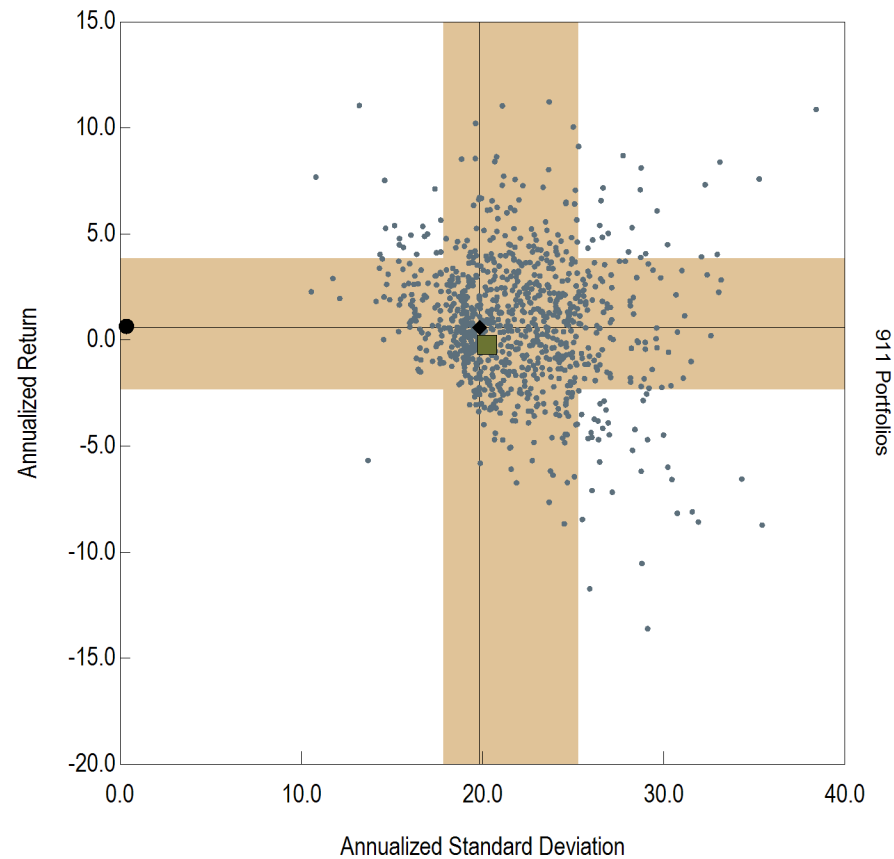
Benchmark: Performance Benchmark*

Universe: eA All US Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012

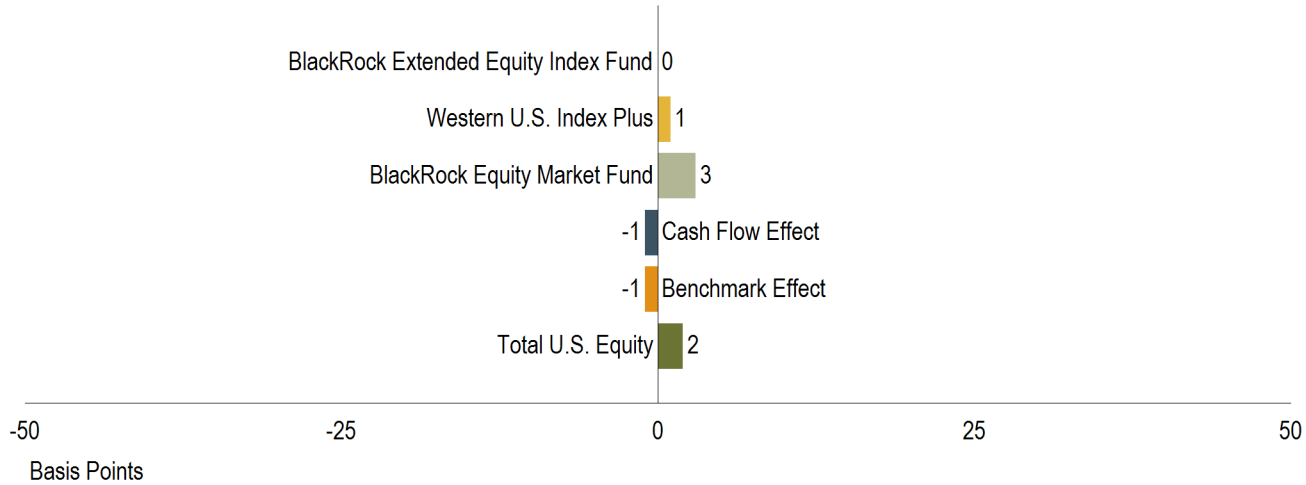


- Total U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All US Equity Net

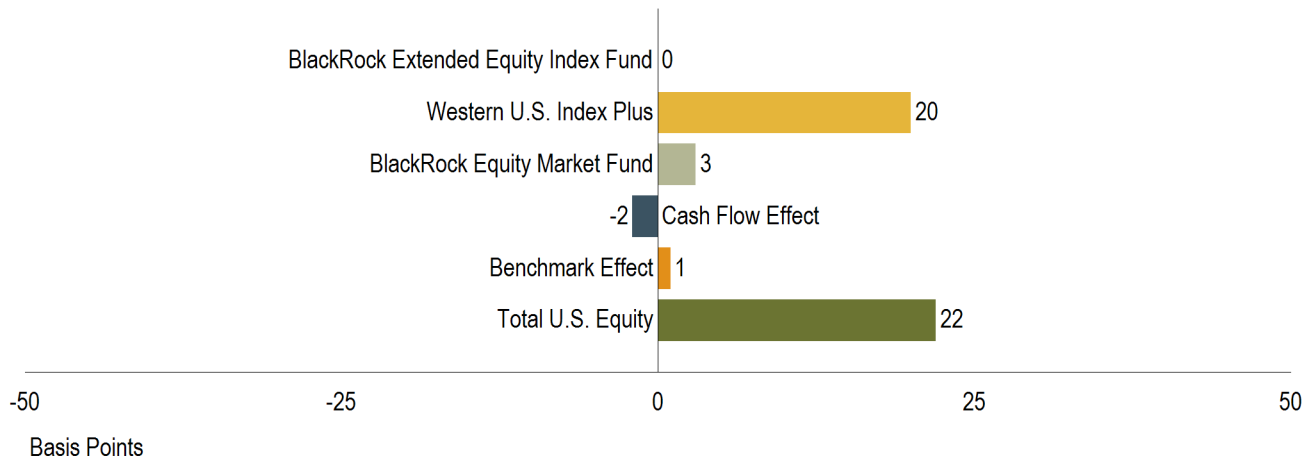
- Total U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All US Equity Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 6/30/12**



**MANAGER ATTRIBUTION ANALYSIS
6 MONTHS ENDING 6/30/12**



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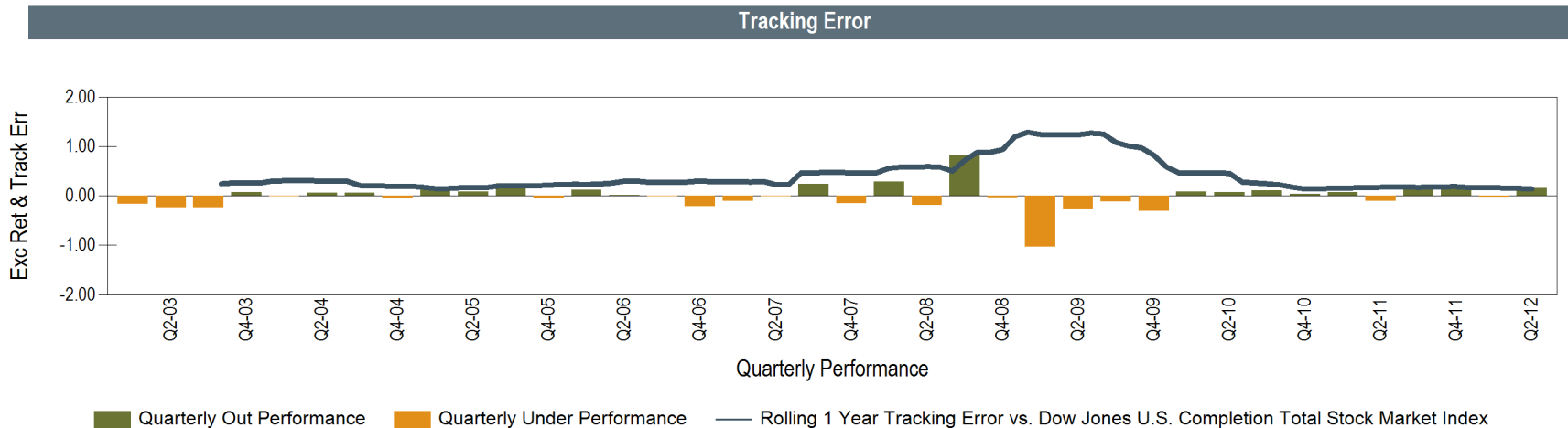
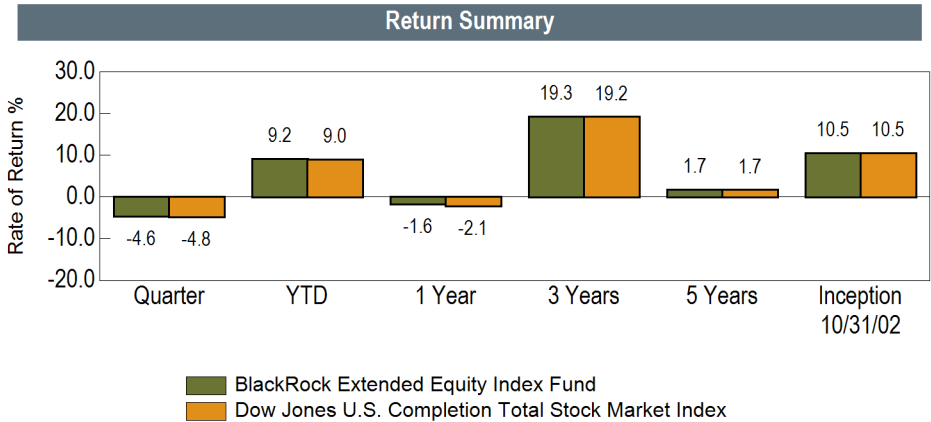
Manager Performance

Benchmark: Dow Jones U.S. Completion Total Stock Market Index

The BlackRock Extended Market Index Fund provides investment in the U.S. equity market excluding those stocks represented in the S&P 500 Index. The Fund is passively managed using a "fund optimization" technique. The Fund typically invests all, or substantially all, assets in the 1,300 largest stocks in the Index and in a representative sample of the remainder. Stocks are selected based on appropriate industry weightings, market capitalizations, and certain fundamental characteristics (e.g. price/earnings ratio and dividend yield) that closely align the Fund's characteristics with those of its benchmark.

The Fund does not hold publicly traded partnerships (PTPs) because of their potential to distribute unrelated business taxable income. However, the DJ U.S. Completion Total Stock Market Index includes PTPs which result in the Fund experiencing tracking discrepancies. While there will likely be tracking discrepancies on a quarter-to-quarter basis, we expect the difference to be minimal over longer time periods.

Account Information	
Account Name	BlackRock Extended Equity Index Fund
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	10/31/02
Account Type	US Stock
Benchmark	Dow Jones U.S. Completion Total Stock Market Index
Universe	eA US Small-Mid Cap Equity Net

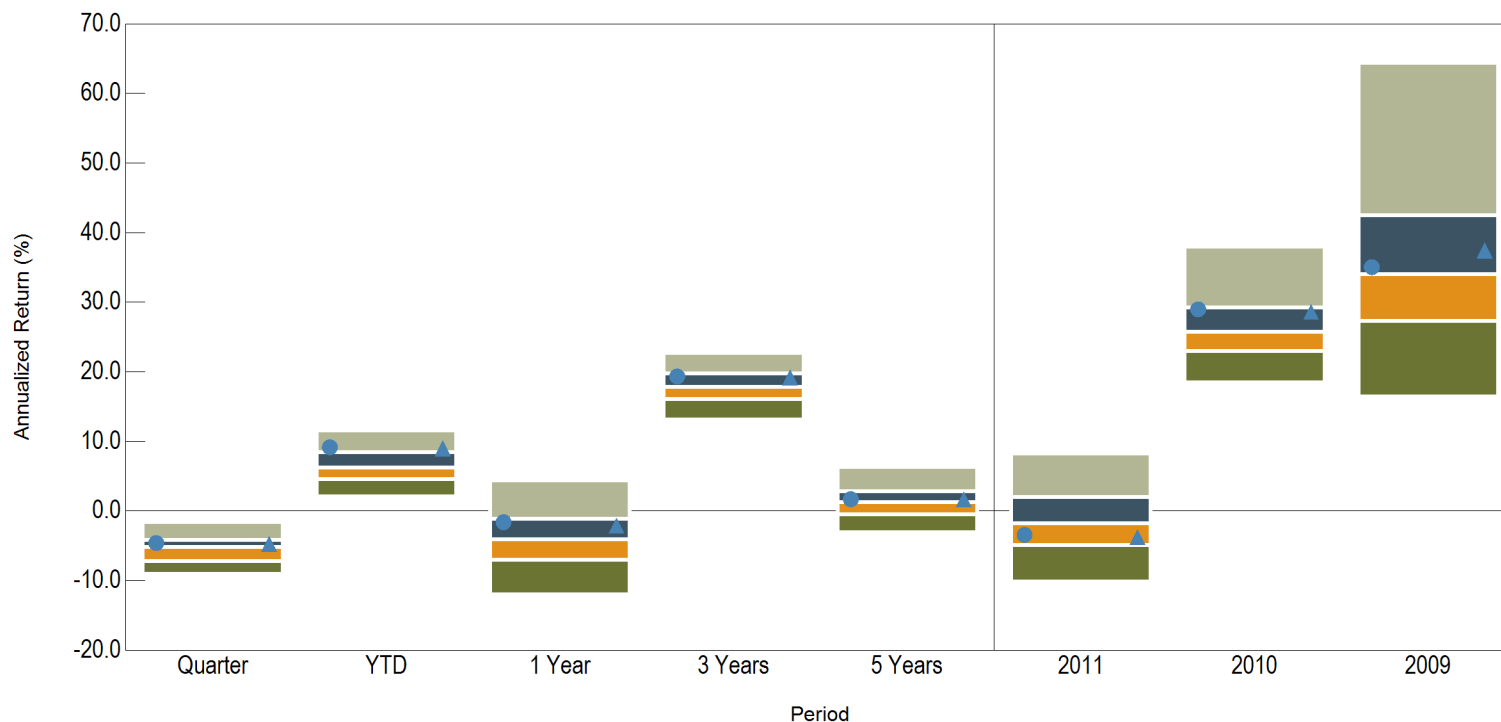


Universe Comparison

Benchmark: Dow Jones U.S. Completion Total Stock Market Index

Universe: eA US Small-Mid Cap Equity Net

Ending June 30, 2012



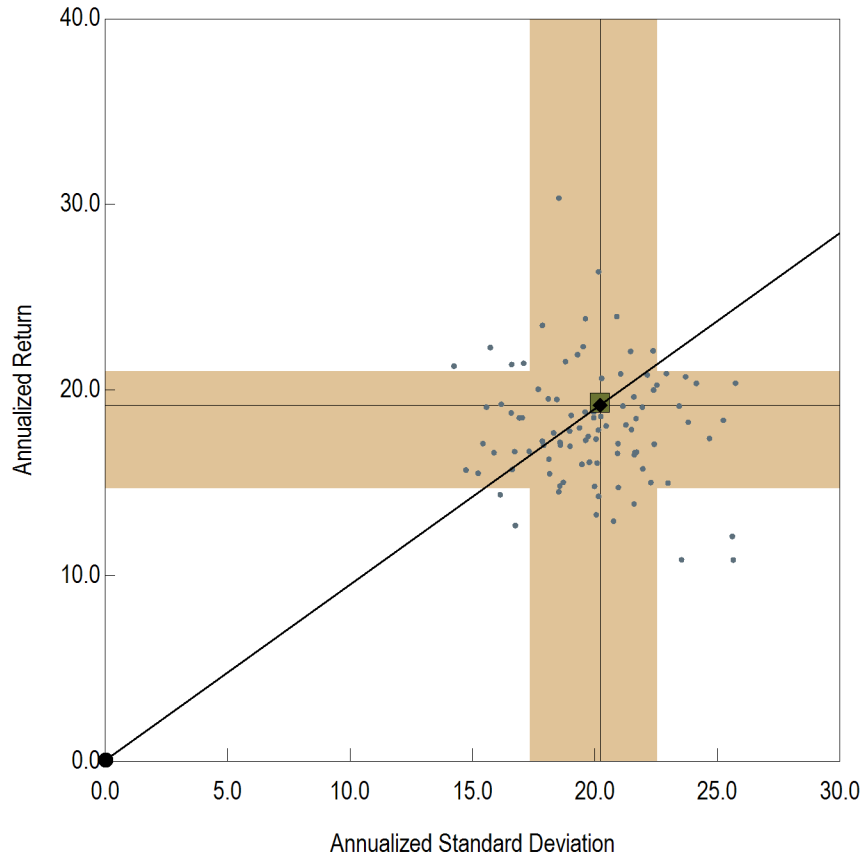
	Return (Rank)															
5th Percentile	-1.6	(38)	11.6	(16)	4.4	(32)	22.7	(29)	6.3	(44)	8.3	(66)	38.0	(28)	64.3	(46)
25th Percentile	-4.1	(42)	8.5	(18)	-1.0	(34)	19.8	(30)	2.9	(44)	2.1	(67)	29.3	(34)	42.5	(38)
Median	-5.2		6.3		-4.1		17.8		1.3		-1.7		25.8		34.1	
75th Percentile	-7.1		4.6		-7.0		16.1		-0.4		-4.9		23.0		27.4	
95th Percentile	-9.0		2.1		-11.9		13.2		-3.0		-10.1		18.5		16.5	
# of Portfolios	105		105		104		95		83		93		89		97	
● BlackRock Extended Equity Index Fund	-4.6	(38)	9.2	(16)	-1.6	(32)	19.3	(29)	1.7	(44)	-3.4	(66)	29.0	(28)	35.0	(46)
▲ Dow Jones U.S. Completion Total Stock Mark	-4.8	(42)	9.0	(18)	-2.1	(34)	19.2	(30)	1.7	(44)	-3.8	(67)	28.6	(34)	37.4	(38)

Risk Profile

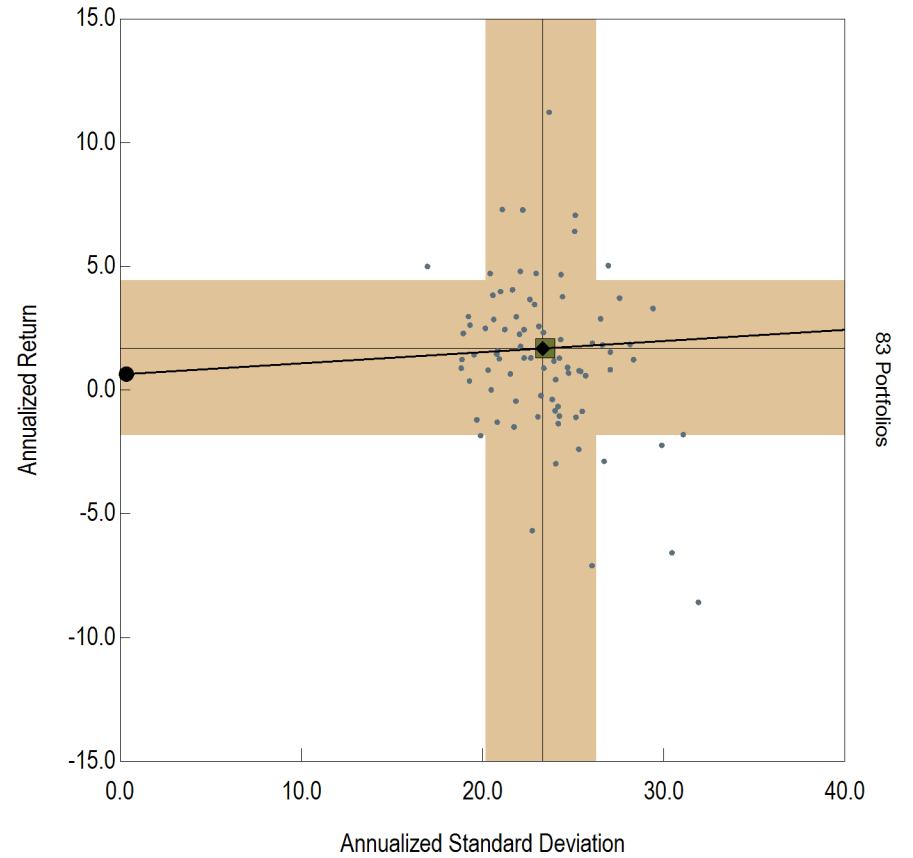
Benchmark: Dow Jones U.S. Completion Total Stock Market Index

Universe: eA US Small-Mid Cap Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



- BlackRock Extended Equity Index Fund
- ◆ Dow Jones U.S. Completion Total Stock Market Index
- Risk Free
- 68% Confidence Interval
- eA US Small-Mid Cap Equity Net

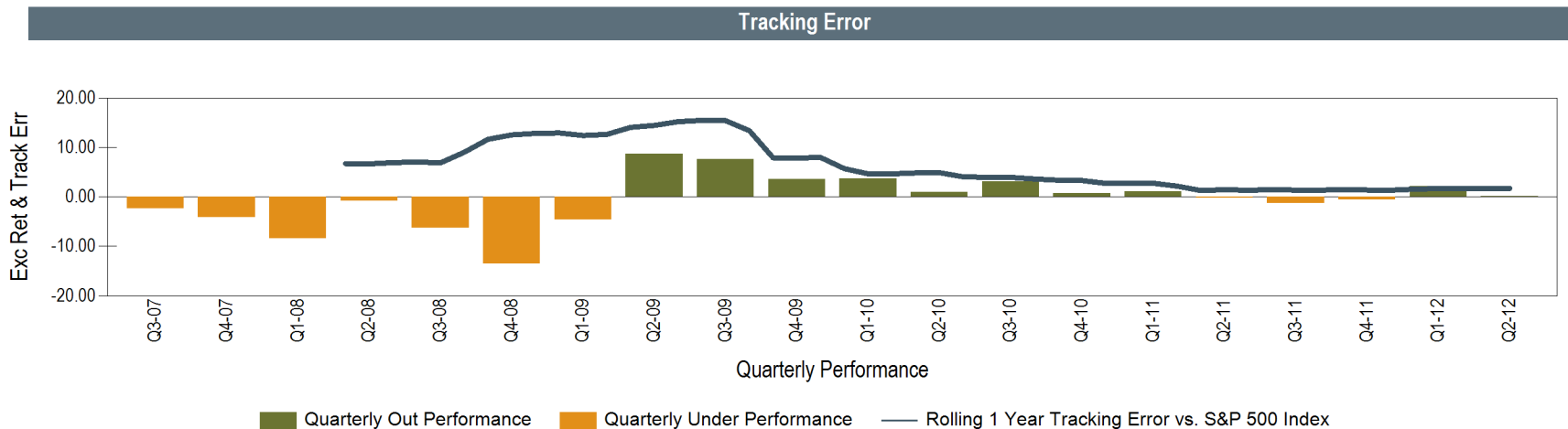
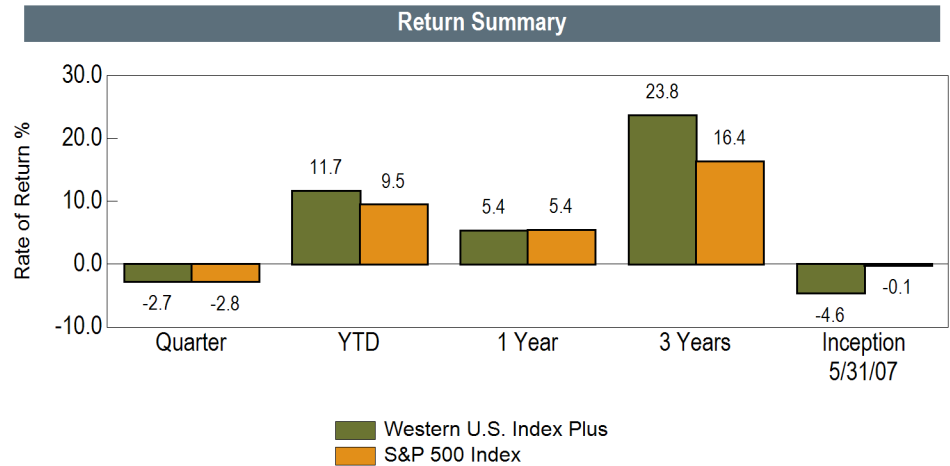
- BlackRock Extended Equity Index Fund
- ◆ Dow Jones U.S. Completion Total Stock Market Index
- Risk Free
- 68% Confidence Interval
- eA US Small-Mid Cap Equity Net

Manager Performance

Benchmark: S&P 500 Index

Western employs a value-oriented investment approach that has proven successful in adding excess returns across various market cycles. This versatility comes from the manager's multiple sources of value-added and focus on finding long-term fundamental value. Western seeks to achieve balance between multiple sources of value added - duration management, yield curve positioning, sector allocation, and security selection - while diversifying risk. Western has one of the deepest teams of investment/risk professionals in the industry. The manager also has dedicated significant resources to analytics and risk management. We would highlight that active sector rotation and portfolio construction are key strengths of Western.

Account Information	
Account Name	Western U.S. Index Plus
Account Structure	Separate Account
Investment Style	Passive
Inception Date	5/31/07
Account Type	US Stock
Benchmark	S&P 500 Index
Universe	eA All US Equity Net

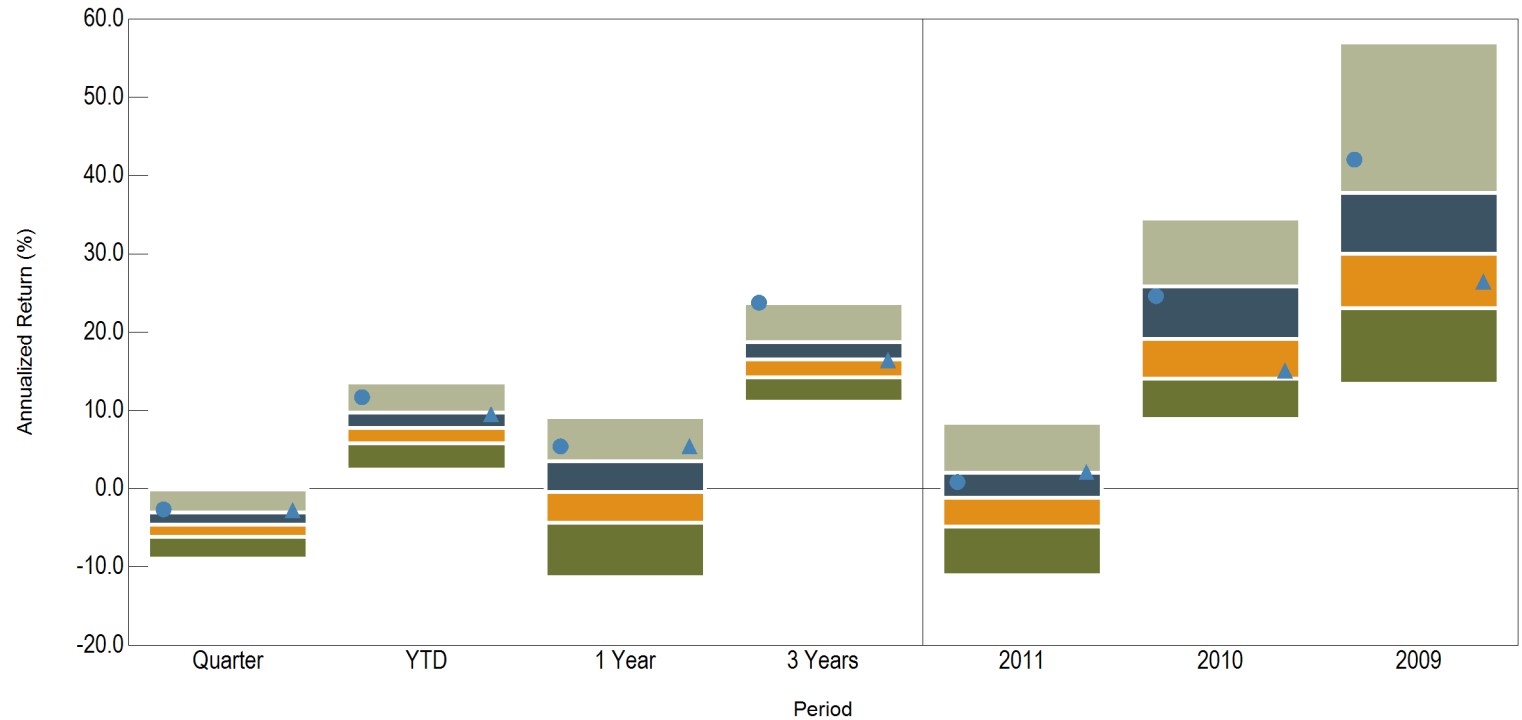


Universe Comparison

Benchmark: S&P 500 Index

Universe: eA All US Equity Net

Ending June 30, 2012



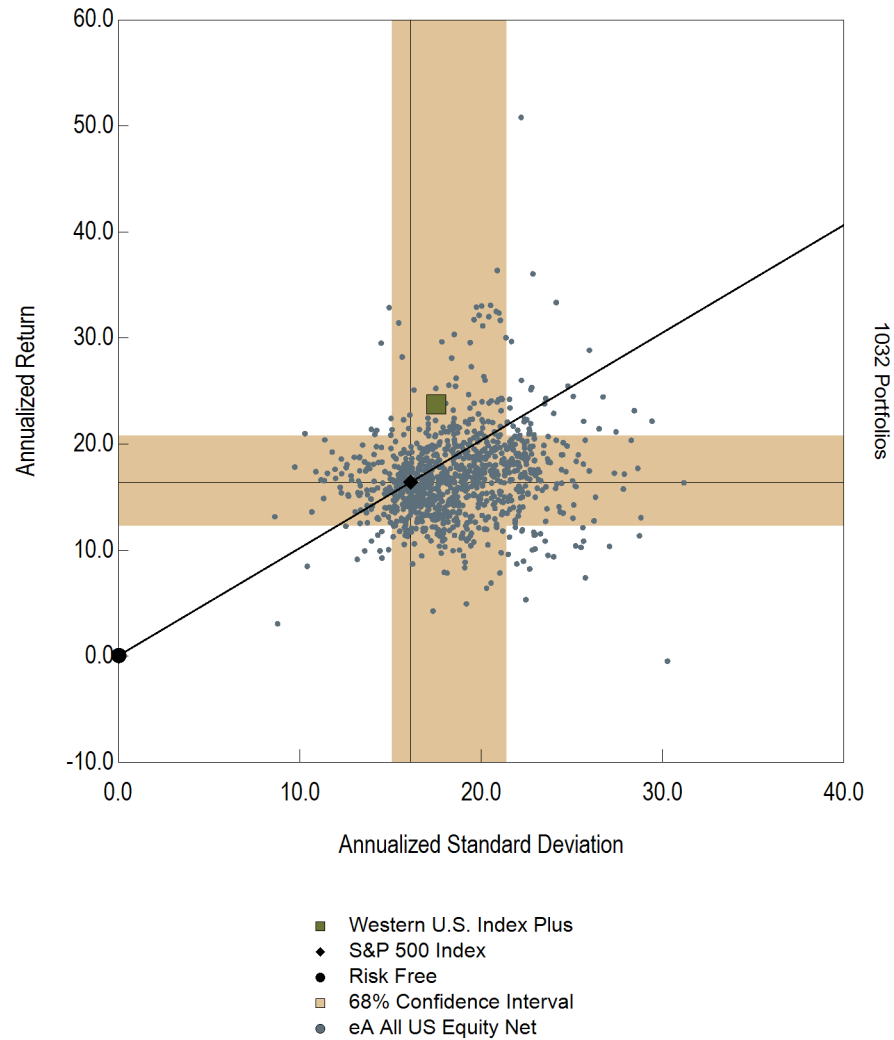
	Return (Rank)													
5th Percentile	-0.2	13.5	9.1	23.6	8.4	34.5	56.9							
25th Percentile	-3.0	9.8	3.5	18.8	2.1	25.9	37.8							
Median	-4.6	7.8	-0.4	16.5	-1.1	19.1	30.0							
75th Percentile	-6.1	5.8	-4.4	14.3	-4.8	14.1	23.1							
95th Percentile	-8.9	2.5	-11.3	11.1	-11.0	8.9	13.4							
# of Portfolios	1,117	1,116	1,106	1,032	1,081	1,035	1,153							
● Western U.S. Index Plus	-2.7	(21)	11.7	(11)	5.4	(16)	23.8	(5)	0.8	(36)	24.6	(30)	42.0	(17)
▲ S&P 500 Index	-2.8	(22)	9.5	(28)	5.4	(15)	16.4	(53)	2.1	(25)	15.1	(69)	26.5	(64)

Risk Profile

Benchmark: S&P 500 Index

Universe: eA All US Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012

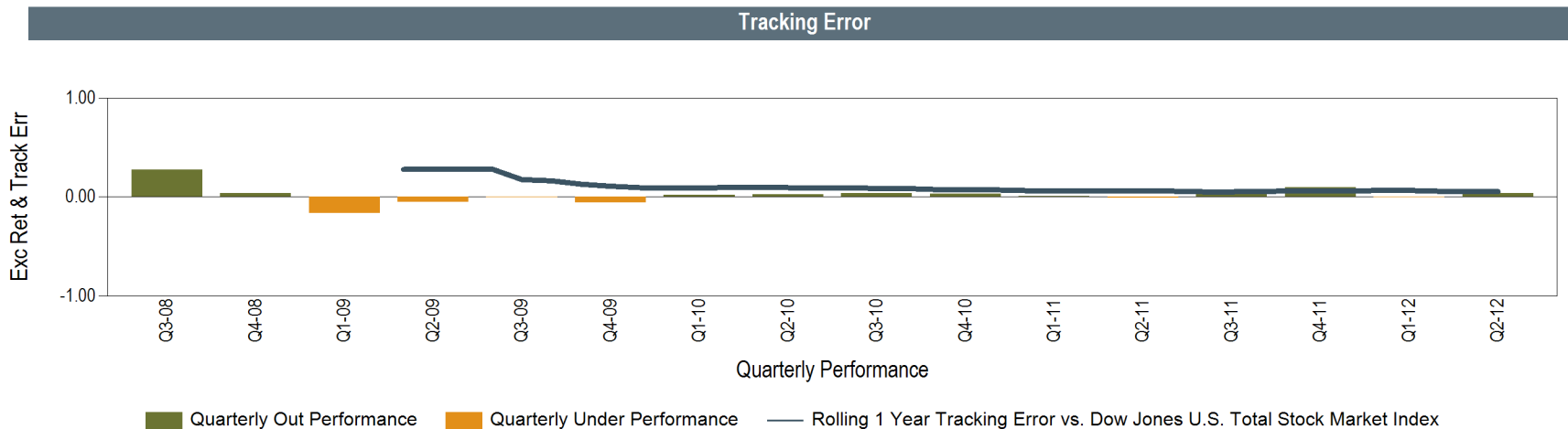
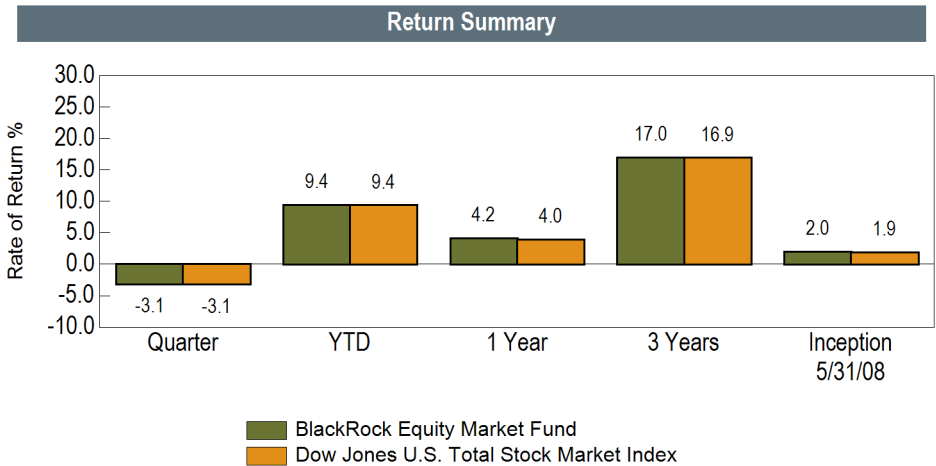


Manager Performance

Benchmark: Dow Jones U.S. Total Stock Market Index

The objective of the BlackRock U.S. Equity Market Fund is to approximate the return of the Dow Jones U.S. Total Stock Market Index. The Dow Jones U.S. Total Stock Market Index contains essentially all publicly traded stocks in the U.S. Accordingly, it is the broadest available measure of the domestic stock market.

Account Information	
Account Name	BlackRock Equity Market Fund
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	5/31/08
Account Type	US Stock
Benchmark	Dow Jones U.S. Total Stock Market Index
Universe	eA All US Equity Net

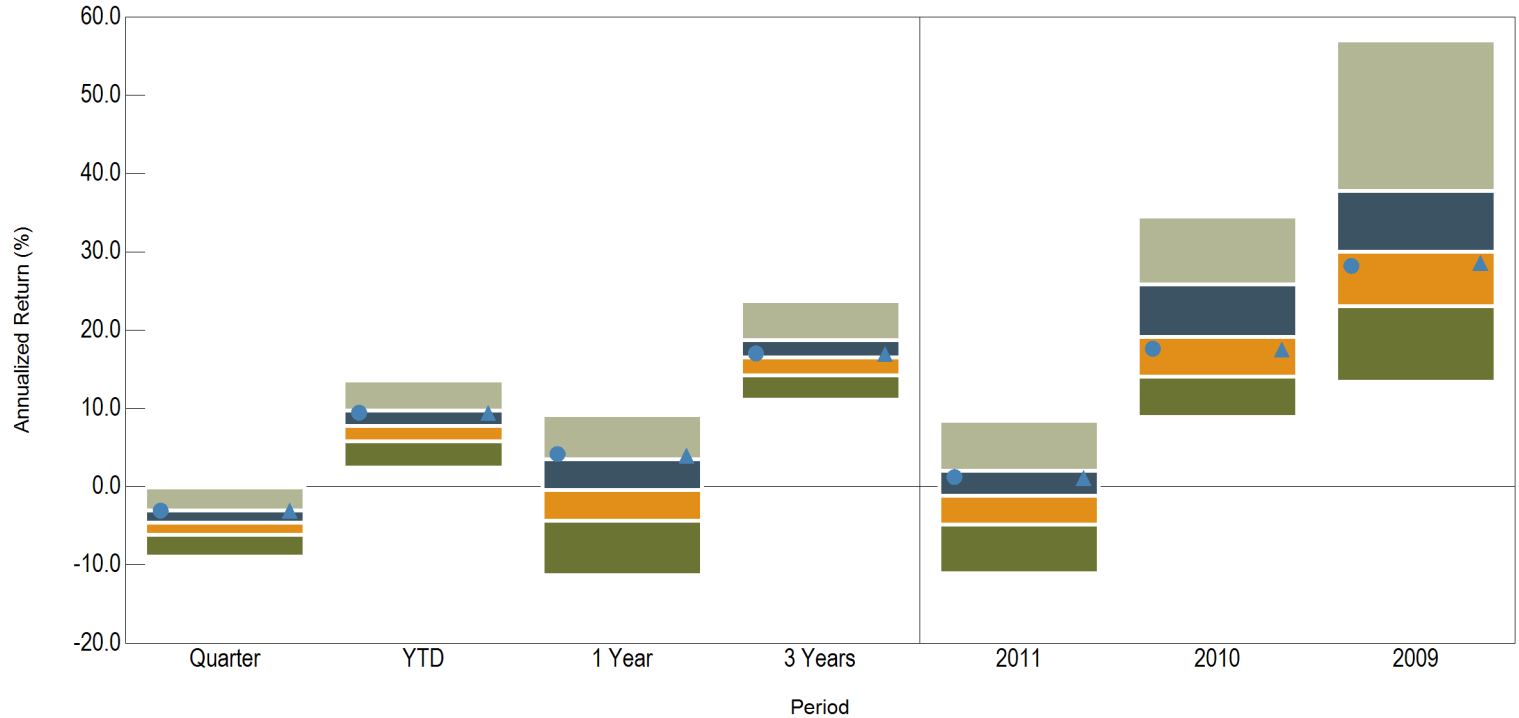


Universe Comparison

Benchmark: Dow Jones U.S. Total Stock Market Index

Universe: eA All US Equity Net

Ending June 30, 2012



	Return (Rank)													
5th Percentile	-0.2	13.5	9.1	23.6	8.4	34.5	56.9							
25th Percentile	-3.0	9.8	3.5	18.8	2.1	25.9	37.8							
Median	-4.6	7.8	-0.4	16.5	-1.1	19.1	30.0							
75th Percentile	-6.1	5.8	-4.4	14.3	-4.8	14.1	23.1							
95th Percentile	-8.9	2.5	-11.3	11.1	-11.0	8.9	13.4							
# of Portfolios	1,117	1,116	1,106	1,032	1,081	1,035	1,153							
● BlackRock Equity Market Fund	-3.1	(27)	9.4	(29)	4.2	(22)	17.0	(44)	1.2	(32)	17.6	(57)	28.2	(57)
▲ Dow Jones U.S. Total Stock Market Index	-3.1	(27)	9.4	(29)	4.0	(23)	16.9	(45)	1.1	(33)	17.5	(58)	28.6	(55)

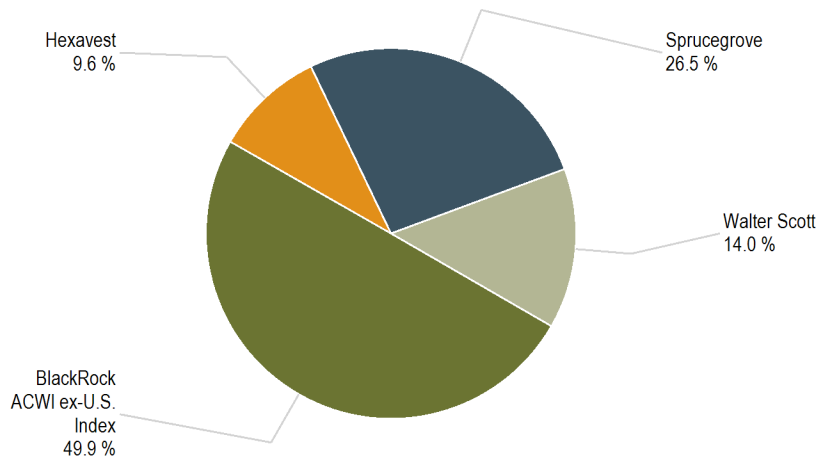


Total Non-U.S. Equity

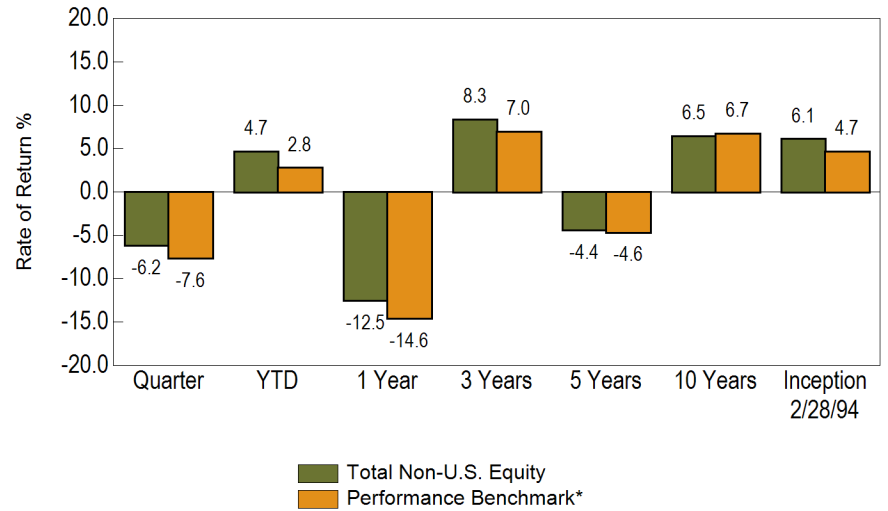
Overview

Benchmark: Performance Benchmark*

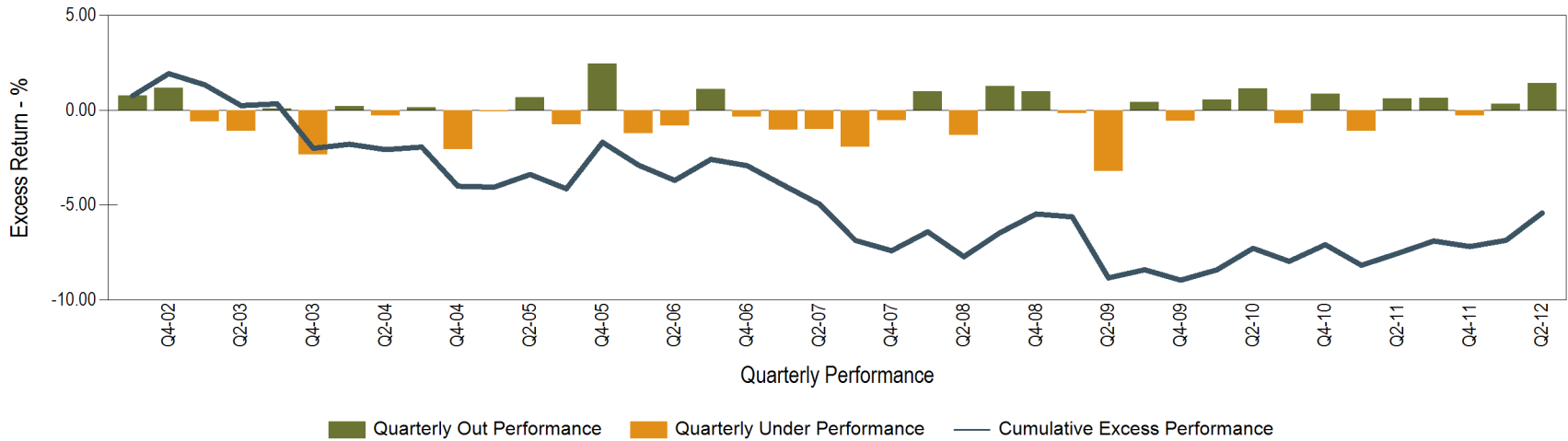
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

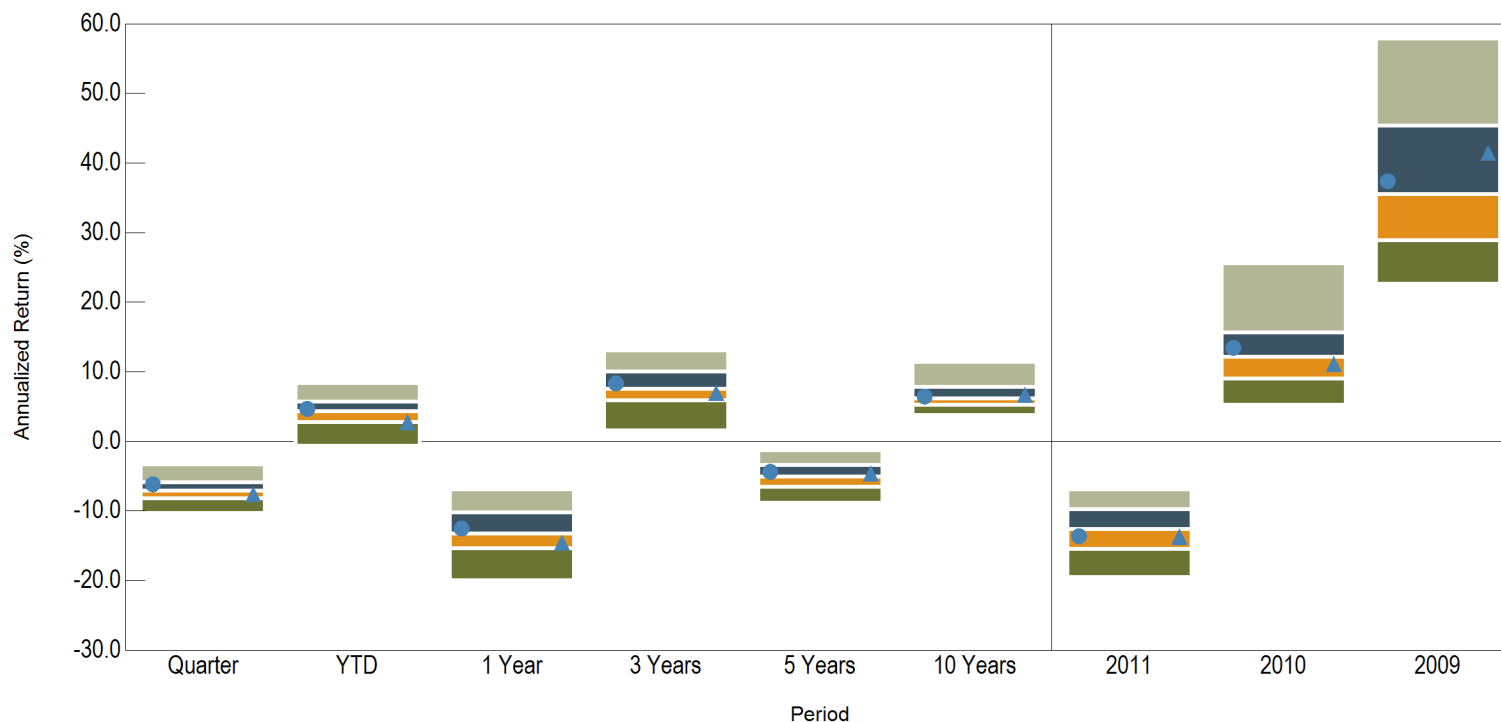


Universe Comparison

Benchmark: Performance Benchmark*

Universe: eA All EAFE Equity Net

Ending June 30, 2012



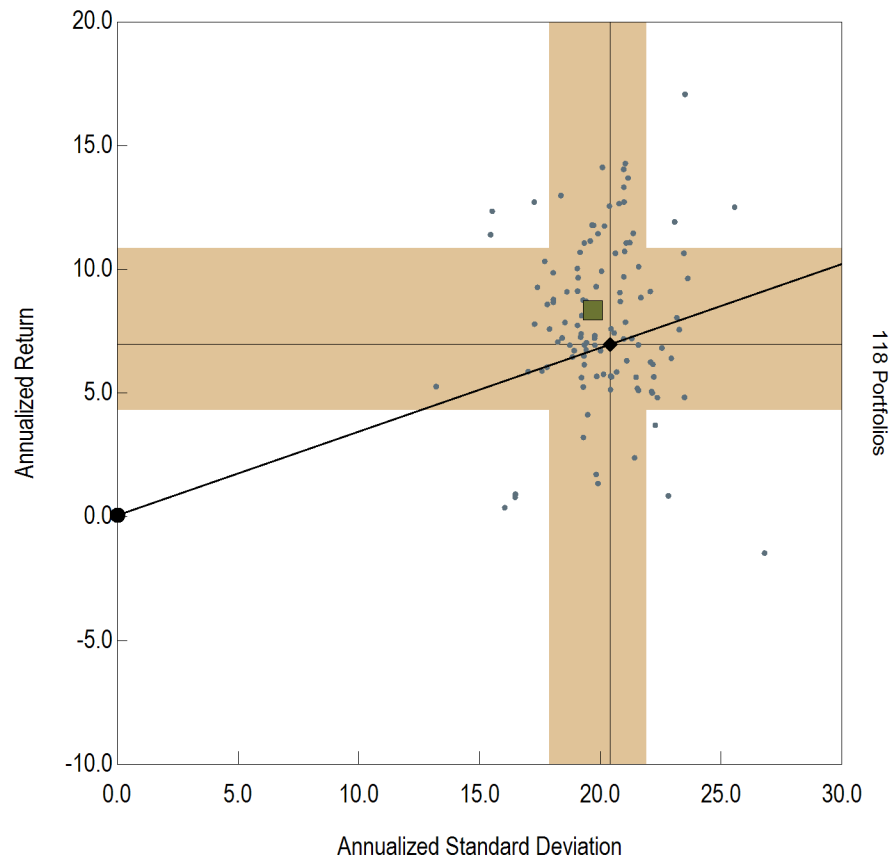
	Return (Rank)									
5th Percentile	-3.4	8.4	-6.9	13.0	-1.3	11.4	-6.9	25.6	57.9	
25th Percentile	-5.8	5.8	-10.1	10.1	-3.3	7.9	-9.7	15.7	45.4	
Median	-7.0	4.4	-13.2	7.6	-5.0	6.2	-12.6	12.2	35.6	
75th Percentile	-8.2	2.8	-15.3	5.9	-6.4	5.3	-15.4	9.1	29.0	
95th Percentile	-10.2	-0.6	-19.9	1.7	-8.7	3.8	-19.4	5.3	22.8	
# of Portfolios	134	134	131	118	105	76	129	143	173	
● Total Non-U.S. Equity	-6.2 (30)	4.7 (43)	-12.5 (41)	8.3 (43)	-4.4 (41)	6.5 (47)	-13.6 (59)	13.5 (38)	37.4 (45)	
▲ Performance Benchmark*	-7.6 (63)	2.8 (76)	-14.6 (71)	7.0 (61)	-4.6 (46)	6.7 (44)	-13.7 (60)	11.2 (54)	41.4 (35)	

Risk Profile

Benchmark: Performance Benchmark*

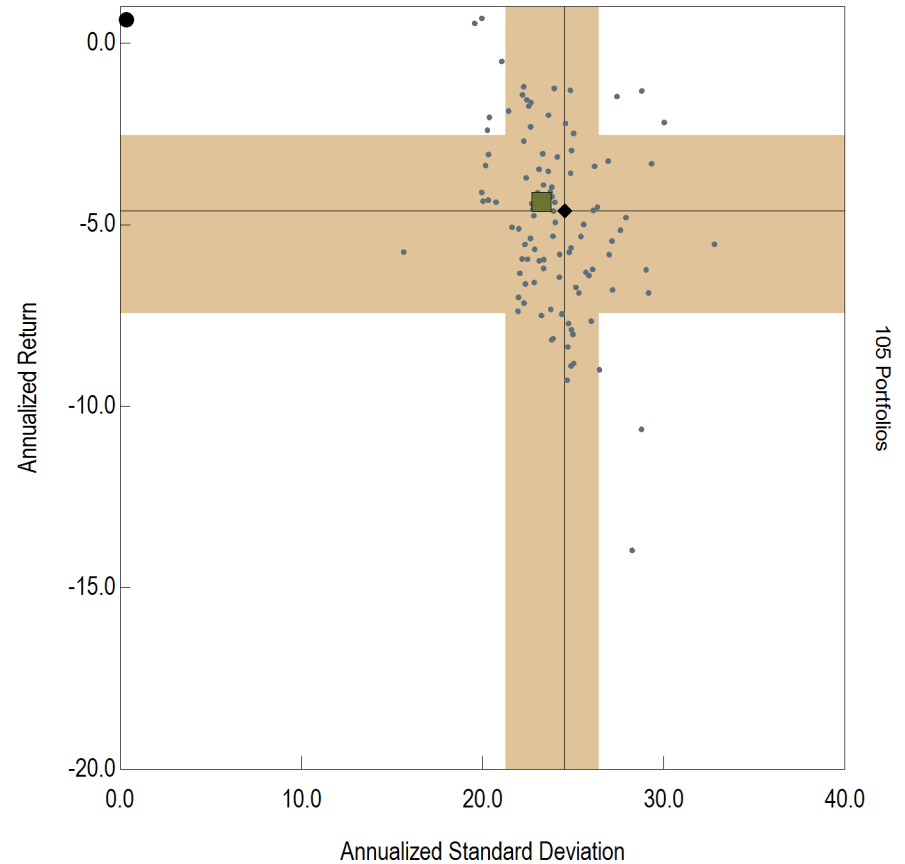
Universe: eA All EAFE Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



- Total Non-U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

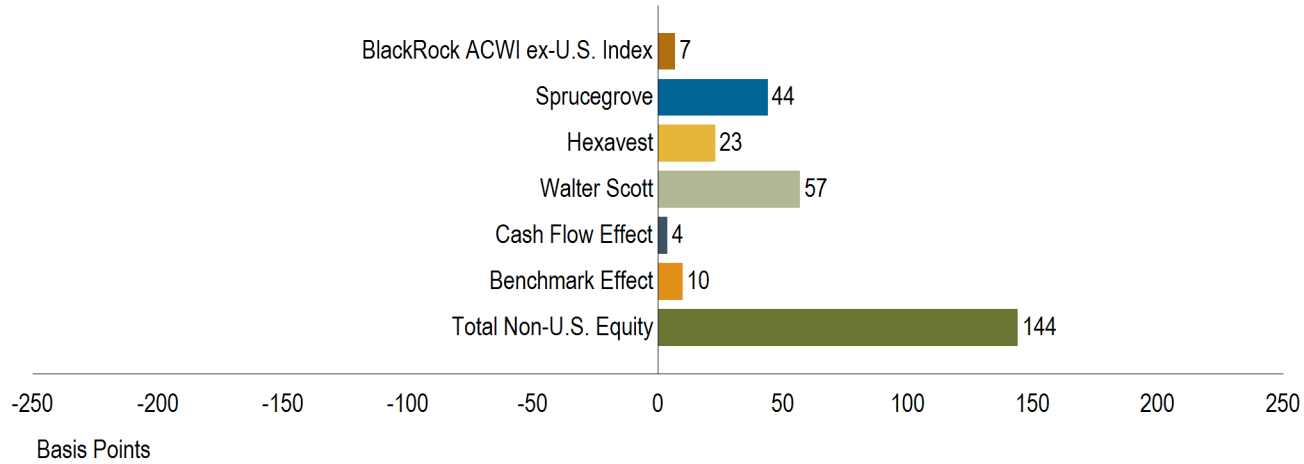
Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



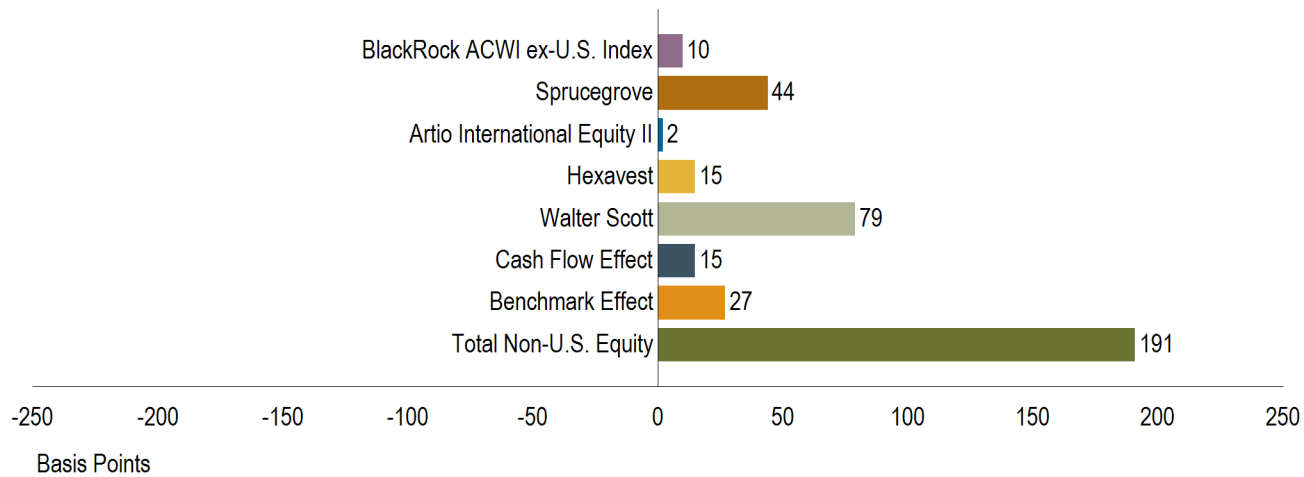
- Total Non-U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 6/30/12**



**MANAGER ATTRIBUTION ANALYSIS
6 MONTHS ENDING 6/30/12**



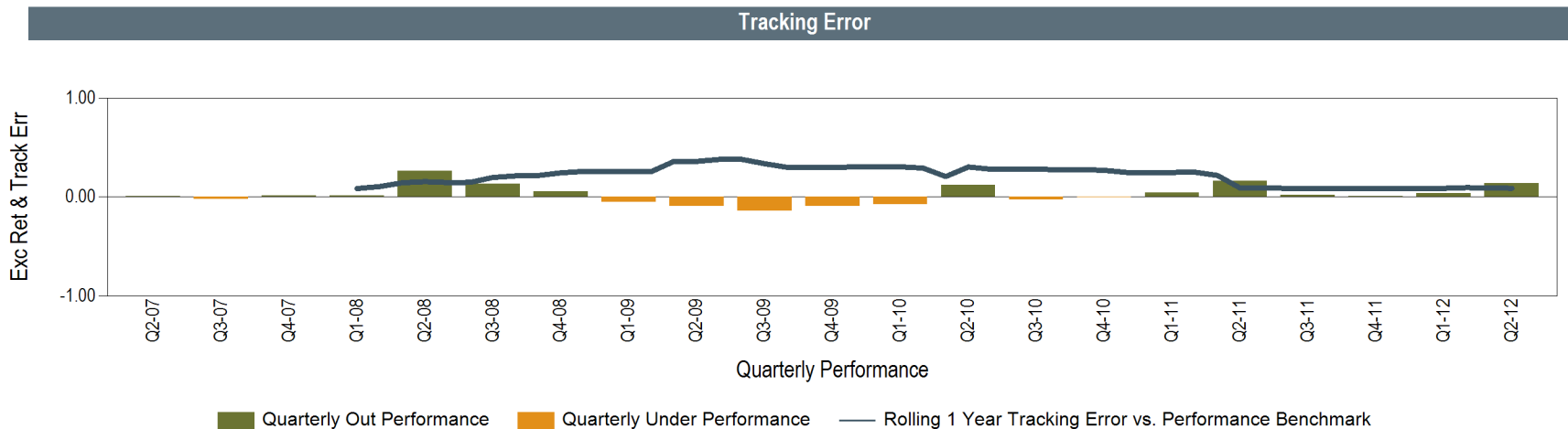
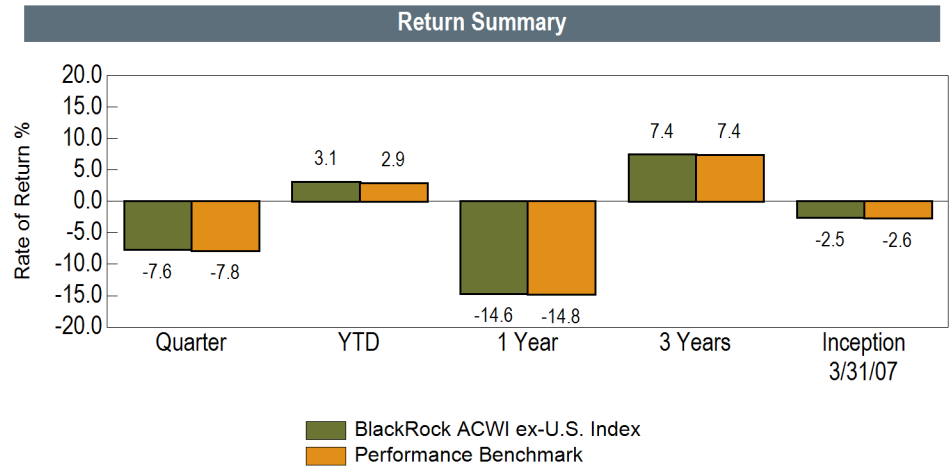
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Manager Performance

Benchmark: Performance Benchmark

The BlackRock ACWI ex-U.S. Index Fund is designed to track the performance and risk characteristics of the MSCI All Country World ex-U.S. IM Index.

Account Information	
Account Name	BlackRock ACWI ex-U.S. Index
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	3/31/07
Account Type	Non-U.S. Stock - All
Benchmark	Performance Benchmark
Universe	eA All EAFE Equity Net

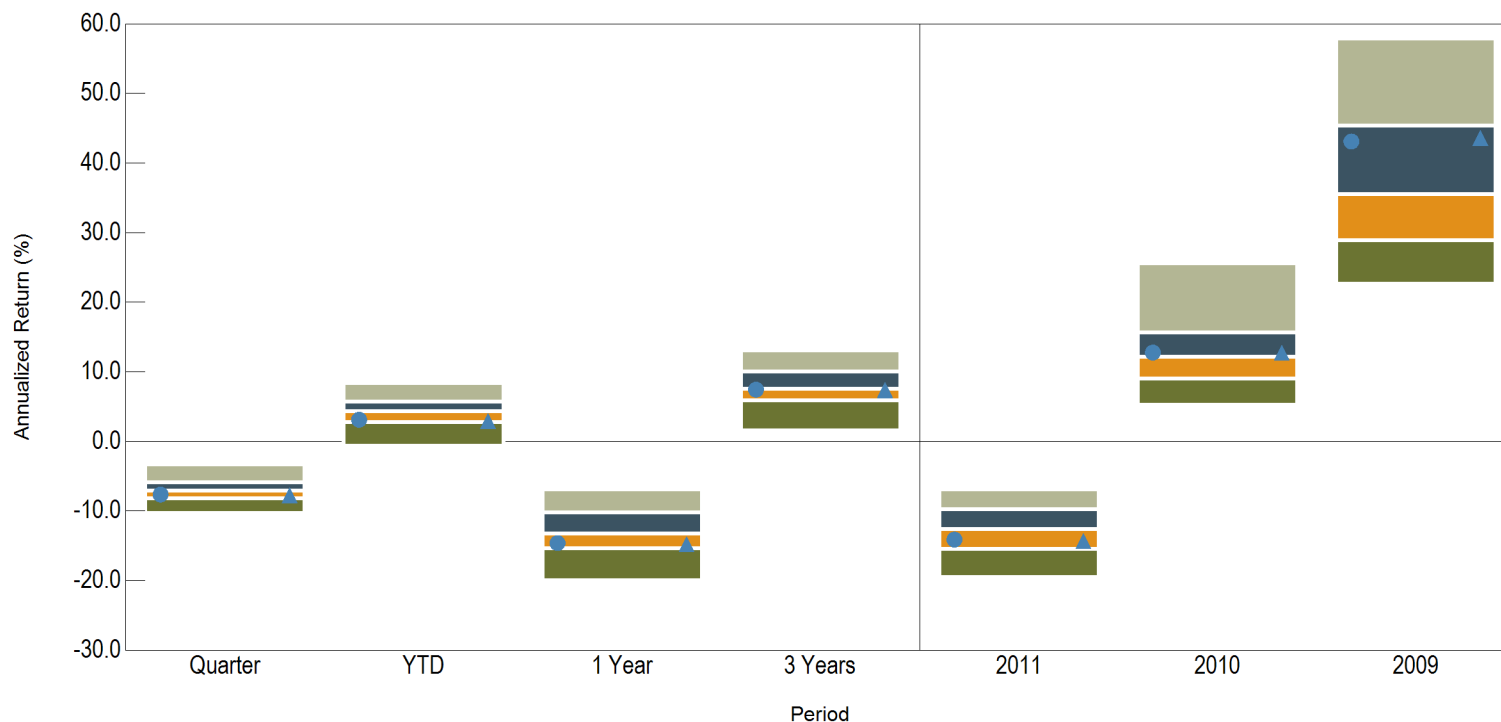


Universe Comparison

Benchmark: Performance Benchmark

Universe: eA All EAFE Equity Net

Ending June 30, 2012



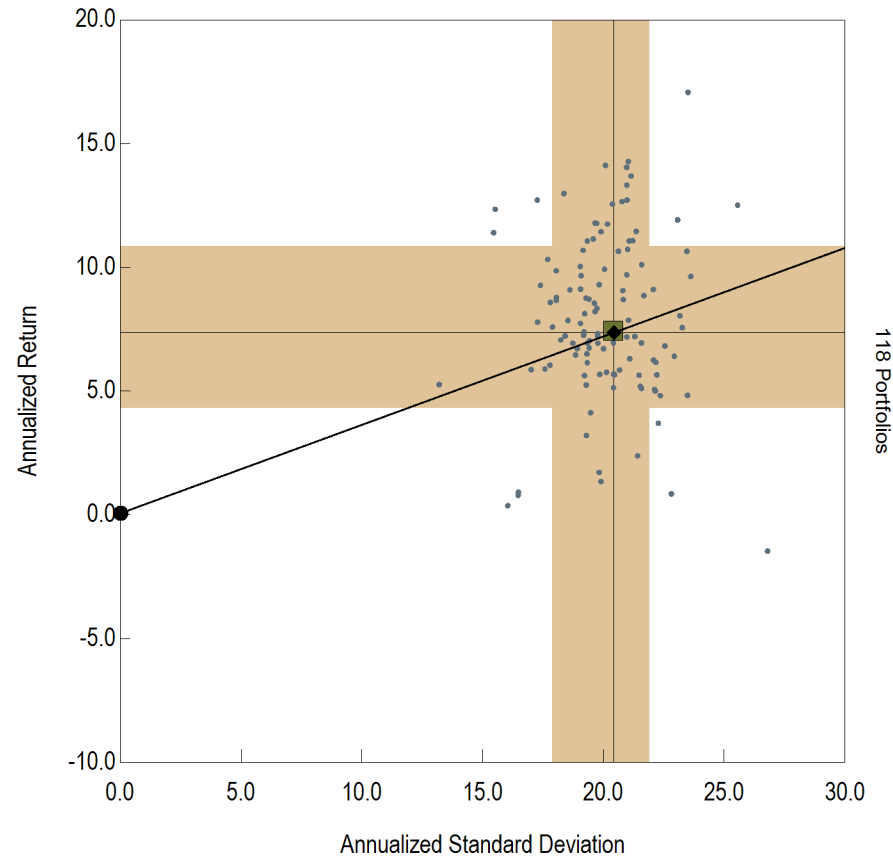
	Return (Rank)													
5th Percentile	-3.4	8.4	-6.9	13.0	-6.9	25.6	57.9							
25th Percentile	-5.8	5.8	-10.1	10.1	-9.7	15.7	45.4							
Median	-7.0	4.4	-13.2	7.6	-12.6	12.2	35.6							
75th Percentile	-8.2	2.8	-15.3	5.9	-15.4	9.1	29.0							
95th Percentile	-10.2	-0.6	-19.9	1.7	-19.4	5.3	22.8							
# of Portfolios	134	134	131	118	129	143	173							
● BlackRock ACWI ex-U.S. Index	-7.6	(63)	3.1	(68)	-14.6	(71)	7.4	(53)	-14.1	(65)	12.8	(45)	43.1	(31)
▲ Performance Benchmark	-7.8	(66)	2.9	(71)	-14.8	(72)	7.4	(54)	-14.3	(66)	12.7	(45)	43.6	(29)

Risk Profile

Benchmark: Performance Benchmark

Universe: eA All EAFE Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



- BlackRock ACWI ex-U.S. Index
- ◆ Performance Benchmark
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

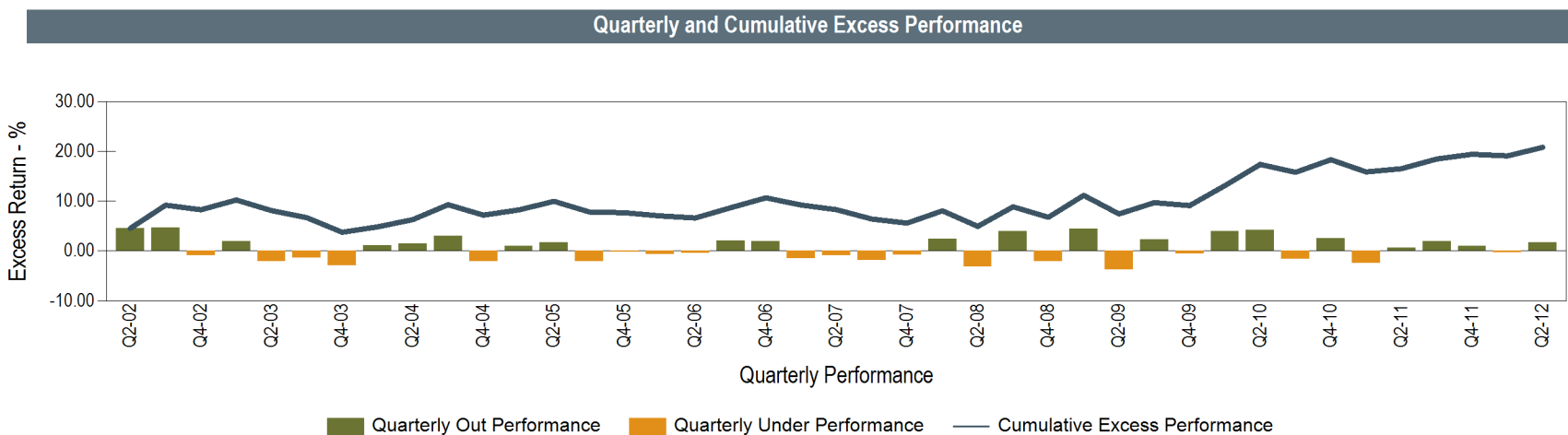
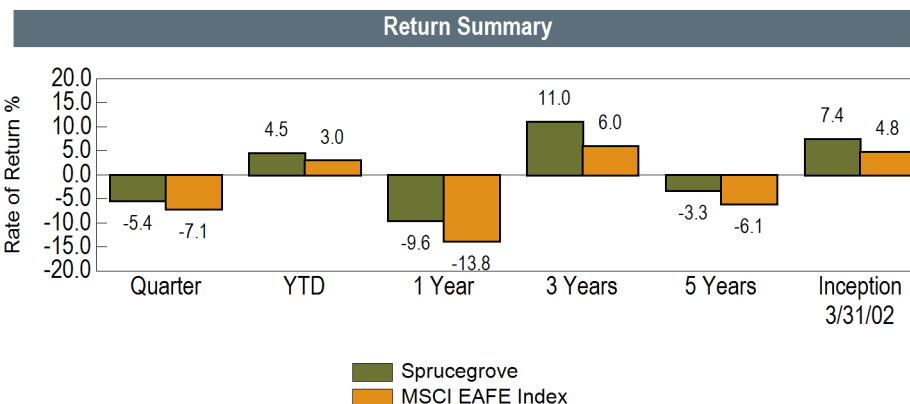
Manager Performance

Benchmark: MSCI EAFE Index

Sprucegrove is a value manager, following a bottom-up approach, and seeking to invest in quality companies selling at attractive valuations. As a value manager, Sprucegrove believes that the international markets are inefficient and by maintaining a long term perspective, they can capitalize on mispricings in the market. Investment objectives are: to maximize the long-term rate of return while preserving the investment capital of the fund by avoiding investment strategies that expose fund assets to excessive risk; to outperform the benchmark over a full market cycle; and to achieve a high ranking relative to similar funds over a market cycle.

High emphasis is given to balance sheet fundamentals, historical operating results, and company management. If a company is truly promising, the portfolio management team instructs the analyst to do a full research report to ensure the company qualifies for inclusion in Sprucegrove's investable universe. There are approximately 300 companies on Sprucegrove's working list.

Account Information	
Account Name	Sprucegrove
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	3/31/02
Account Type	Non-U.S. Stock - All
Benchmark	MSCI EAFE Index
Universe	eA All EAFE Equity Net

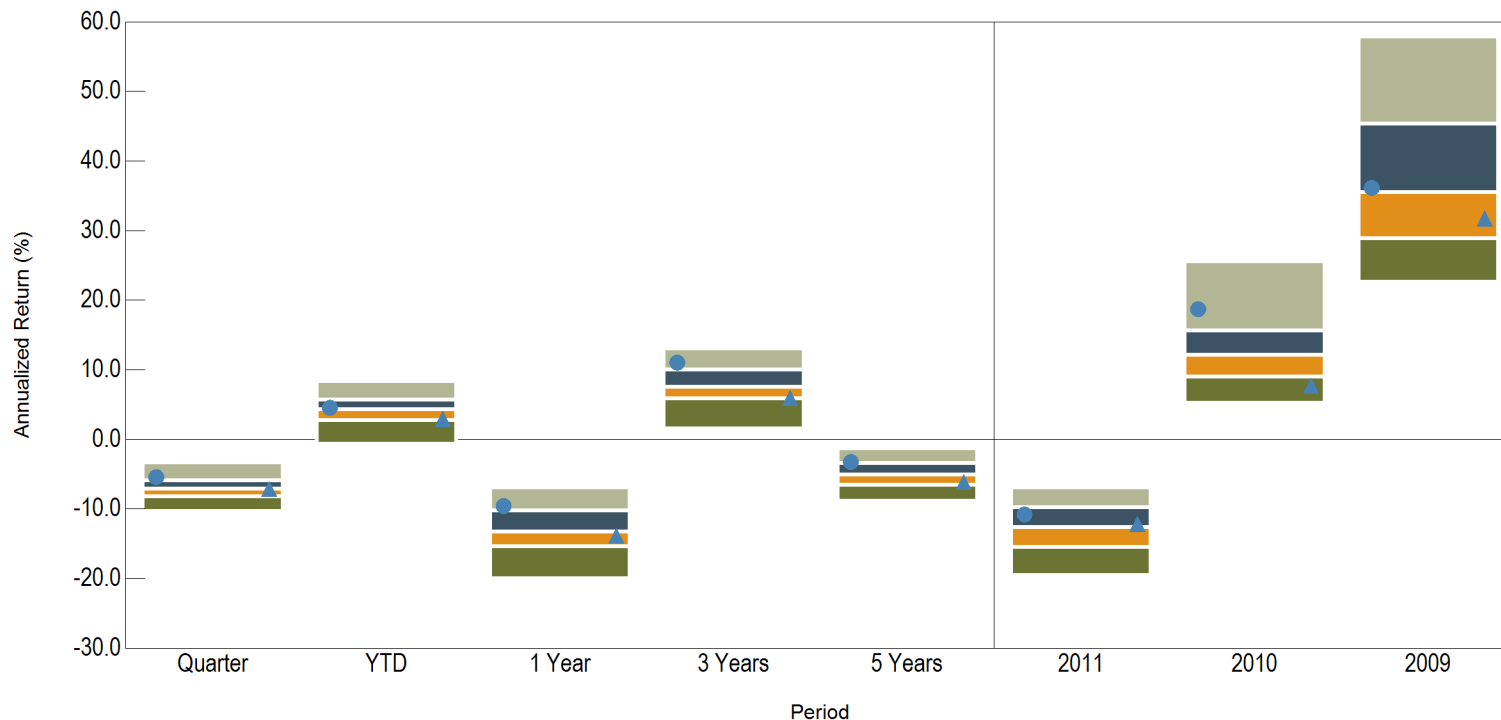


Universe Comparison

Benchmark: MSCI EAFE Index

Universe: eA All EAFE Equity Net

Ending June 30, 2012



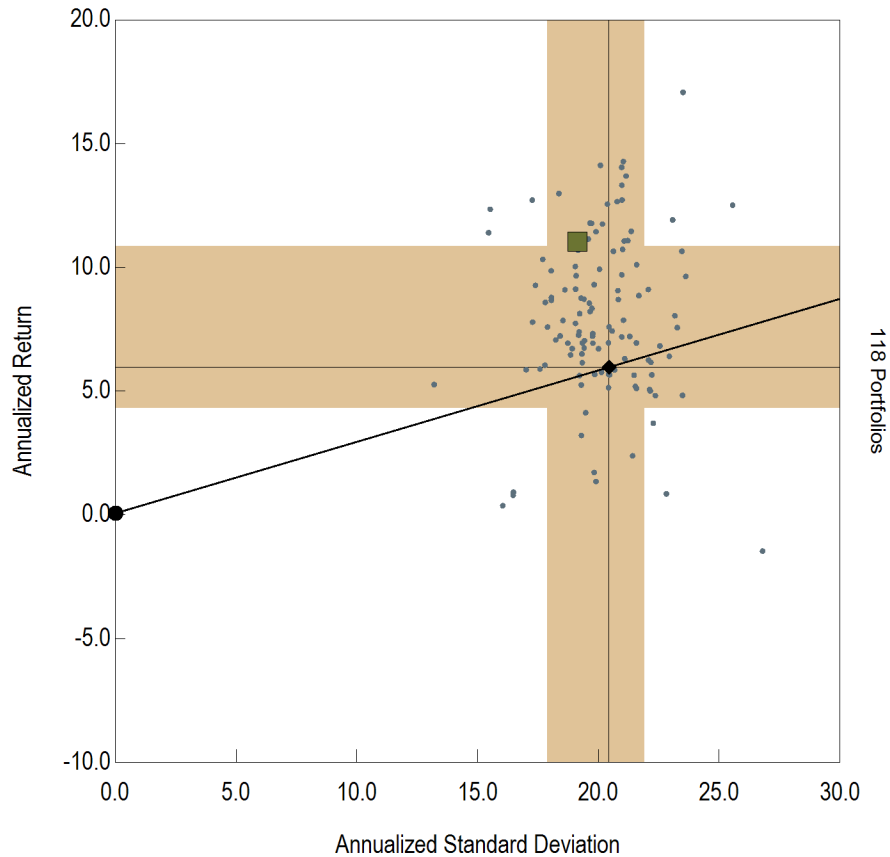
	Return (Rank)															
5th Percentile	-3.4	8.4	-6.9	13.0	-1.3	-6.9	25.6	57.9								
25th Percentile	-5.8	5.8	-10.1	10.1	-3.3	-9.7	15.7	45.4								
Median	-7.0	4.4	-13.2	7.6	-5.0	-12.6	12.2	35.6								
75th Percentile	-8.2	2.8	-15.3	5.9	-6.4	-15.4	9.1	29.0								
95th Percentile	-10.2	-0.6	-19.9	1.7	-8.7	-19.4	5.3	22.8								
# of Portfolios	134	134	131	118	105	129	143	173								
● Sprucegrove	-5.4	(18)	4.5	(48)	-9.6	(21)	11.0	(20)	-3.3	(25)	-10.8	(31)	18.7	(15)	36.1	(48)
▲ MSCI EAFE Index	-7.1	(53)	3.0	(71)	-13.8	(64)	6.0	(75)	-6.1	(69)	-12.1	(45)	7.8	(83)	31.8	(65)

Risk Profile

Benchmark: MSCI EAFE Index

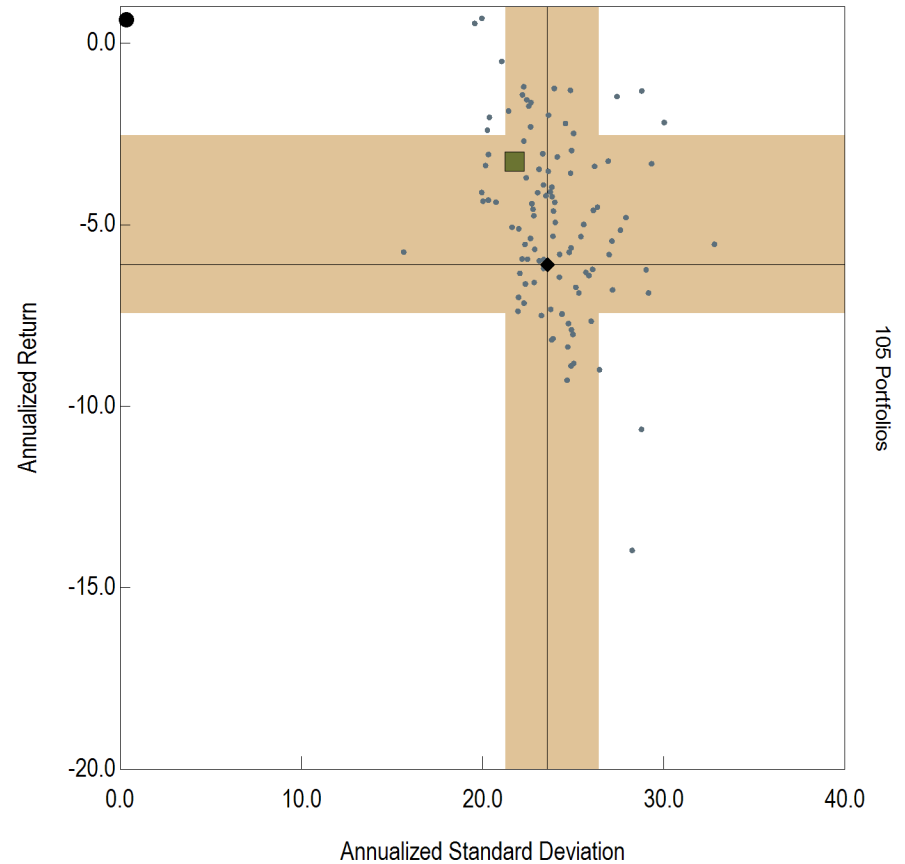
Universe: eA All EAFE Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



- Sprucegrove
- ◆ MSCI EAFE Index
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



- Sprucegrove
- ◆ MSCI EAFE Index
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

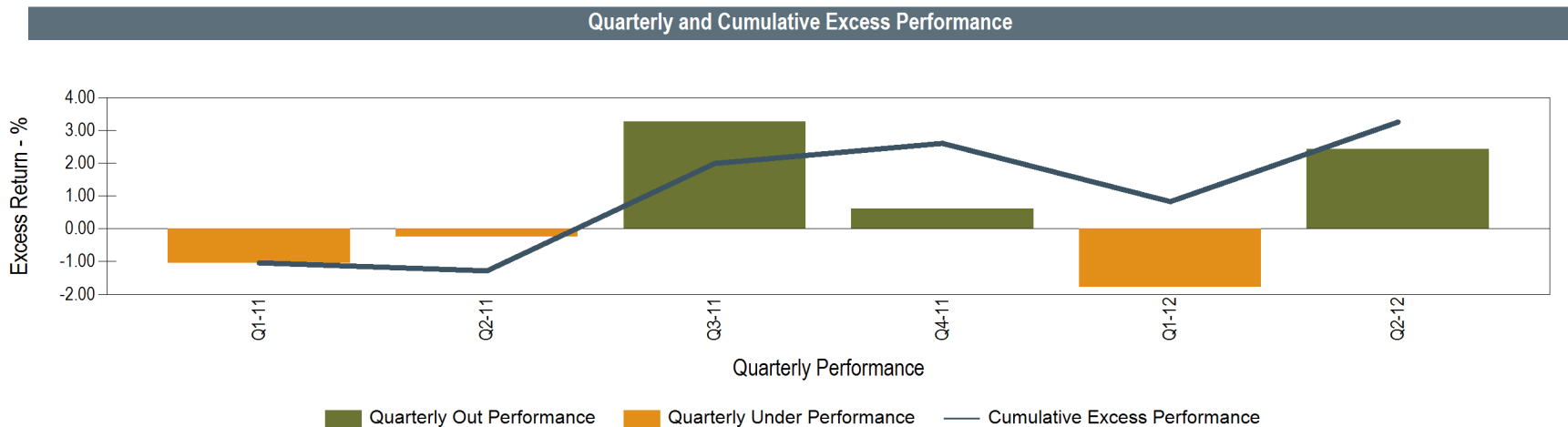
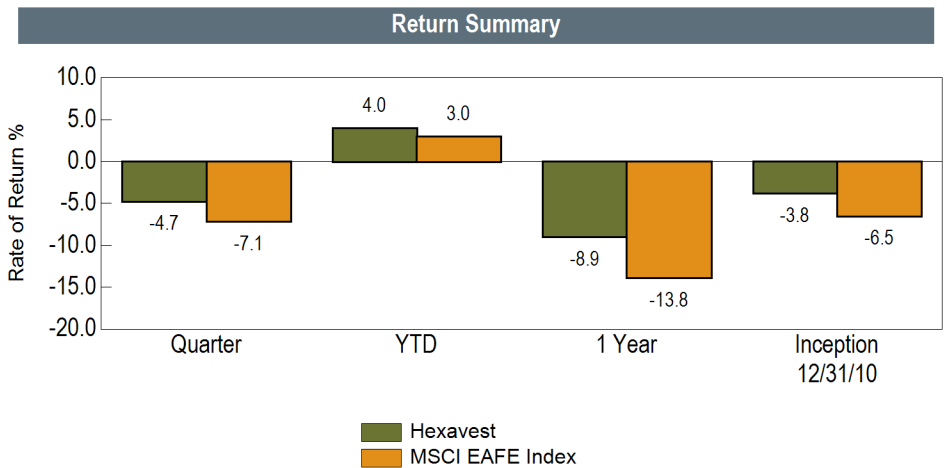
Manager Performance

Benchmark: MSCI EAFE Index

The manager's investment process was established in the early 1990s and at the time was almost entirely macro-focused. The model was enhanced in 1999 to include a bottom-up component, expected to contribute 20% to the overall decision making, so that portfolio managers can fine tune the active positions to further express their market views.

Hexavest attempts to identify inconsistencies at a macro level by analyzing the following three factor groups: economic environment (e.g., growth and interest rates), valuation of the individual markets, and sentiment (e.g., momentum and risk).

Account Information	
Account Name	Hexavest
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	12/31/10
Account Type	Non-U.S. Stock - All
Benchmark	MSCI EAFE Index
Universe	eA All EAFE Equity Net

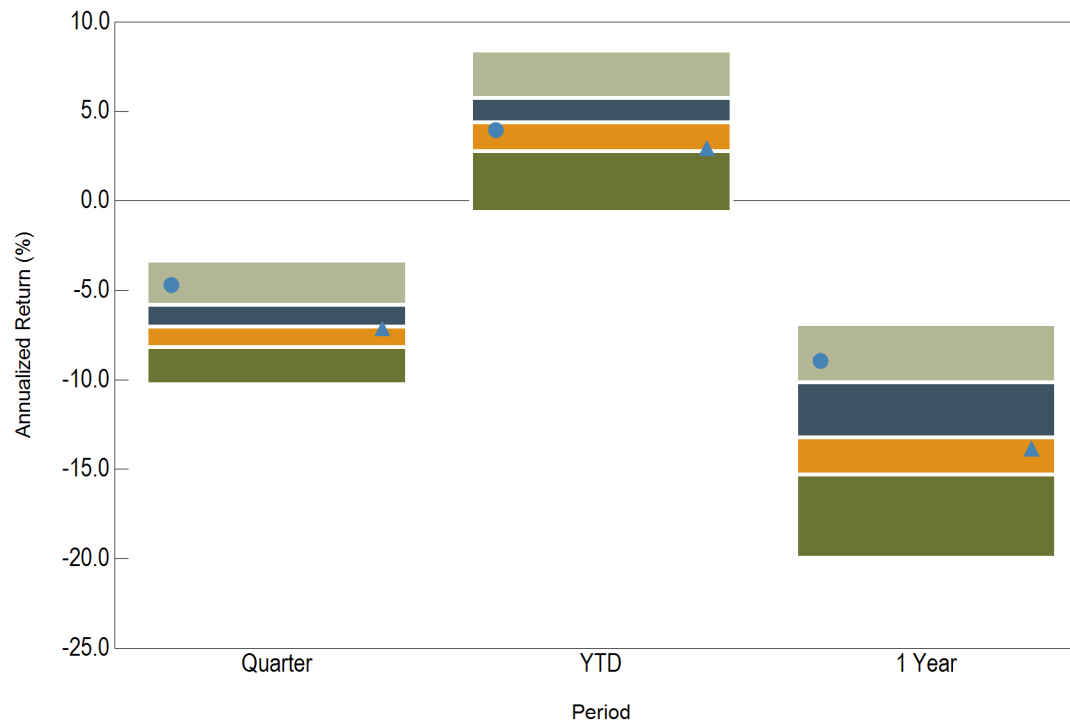


Universe Comparison

Benchmark: MSCI EAFE Index

Universe: eA All EAFE Equity Net

Ending June 30, 2012



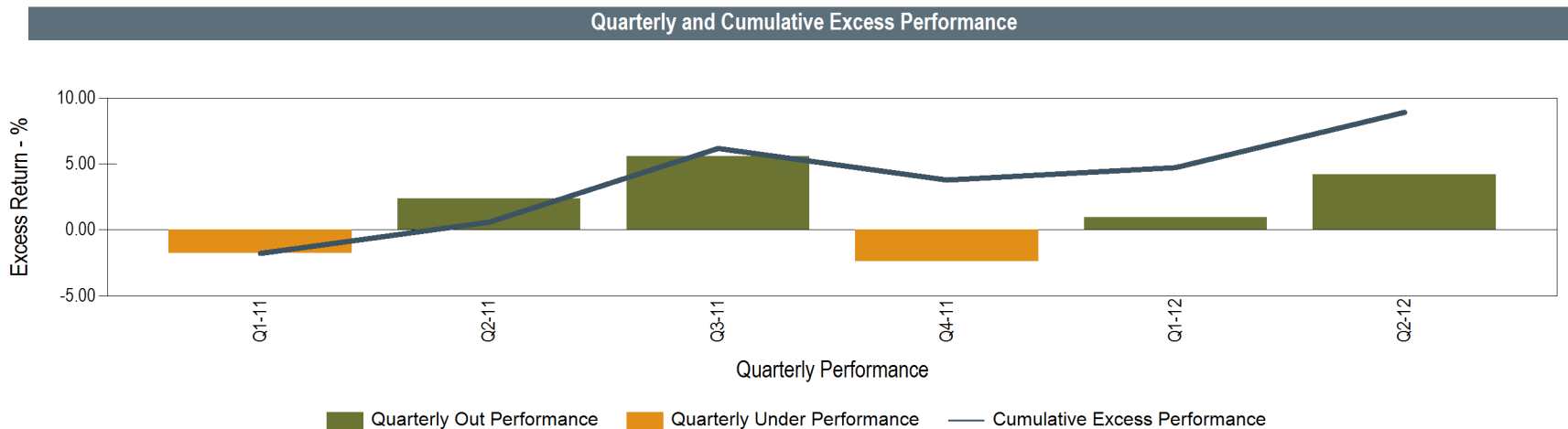
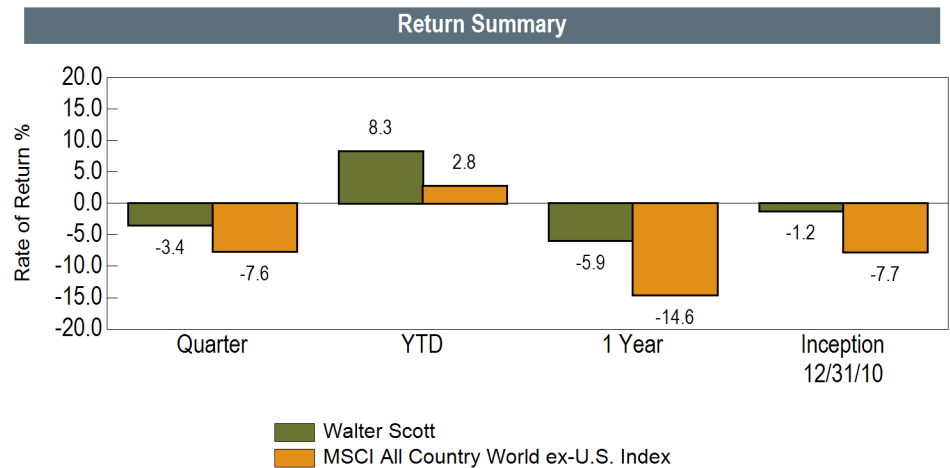
	Return (Rank)		
5th Percentile	-3.4		8.4
25th Percentile	-5.8		5.8
Median	-7.0		4.4
75th Percentile	-8.2		2.8
95th Percentile	-10.2		-0.6
# of Portfolios	134		131
● Hexavest	-4.7	(9)	4.0 (57)
▲ MSCI EAFE Index	-7.1	(53)	3.0 (71)

Manager Performance

Benchmark: MSCI All Country World ex-U.S. Index

Walter Scott & Partners employs a bottom-up fundamental growth investment style. Security selection focuses on companies with 20% or more internal growth which will be sustainable over time. The manager identifies major political and economic trends that may impact industry or sector growth. At the company level, the manager utilizes fundamental analysis such as returns on invested capital, soundness of management, strength of balance sheet, and management track record. By gaining an understanding as to how the financial figures of the past were generated, the analysts will be able to better understand how future earnings will be generated.

Account Information	
Account Name	Walter Scott
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	12/31/10
Account Type	Non-U.S. Stock - All
Benchmark	MSCI All Country World ex-U.S. Index
Universe	eA All EAFE Equity Net

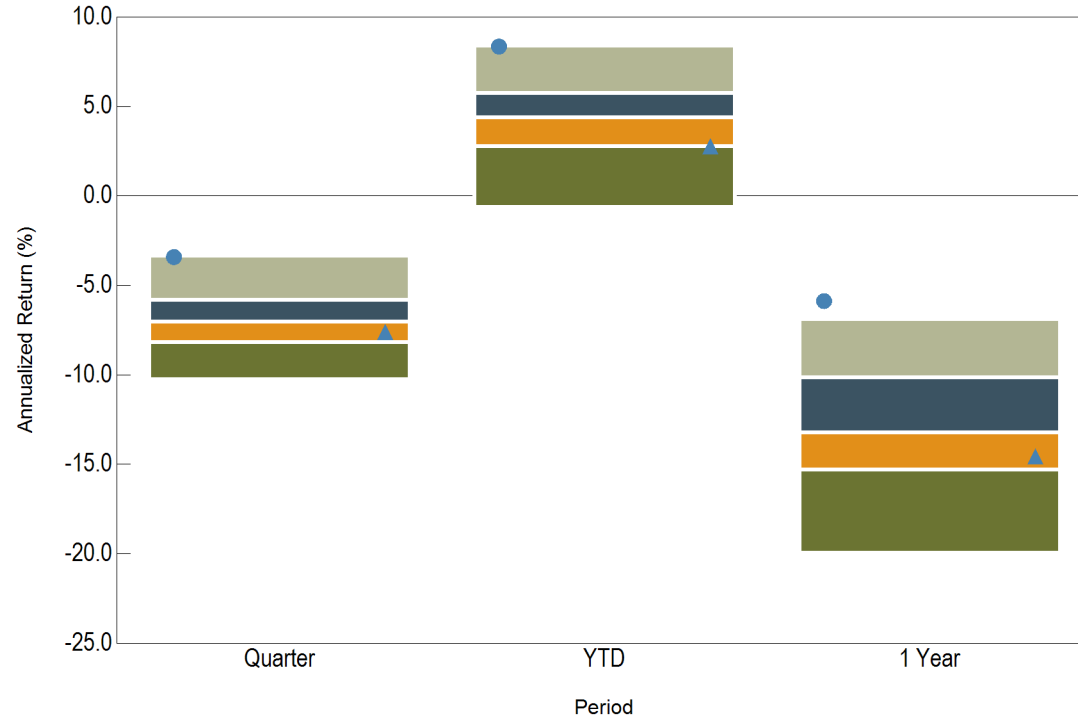


Universe Comparison

Benchmark: MSCI All Country World ex-U.S. Index

Universe: eA All EAFE Equity Net

Ending June 30, 2012



	Return (Rank)		
5th Percentile	-3.4		8.4
25th Percentile	-5.8		5.8
Median	-7.0		4.4
75th Percentile	-8.2		2.8
95th Percentile	-10.2		-0.6
# of Portfolios	134		134
● Walter Scott	-3.4	(6)	8.3 (6)
▲ MSCI All Country World ex-U.S. Index	-7.6	(63)	2.8 (76)

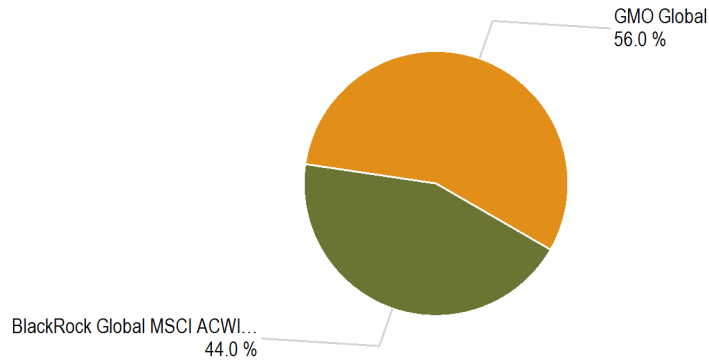


Total Global Equity

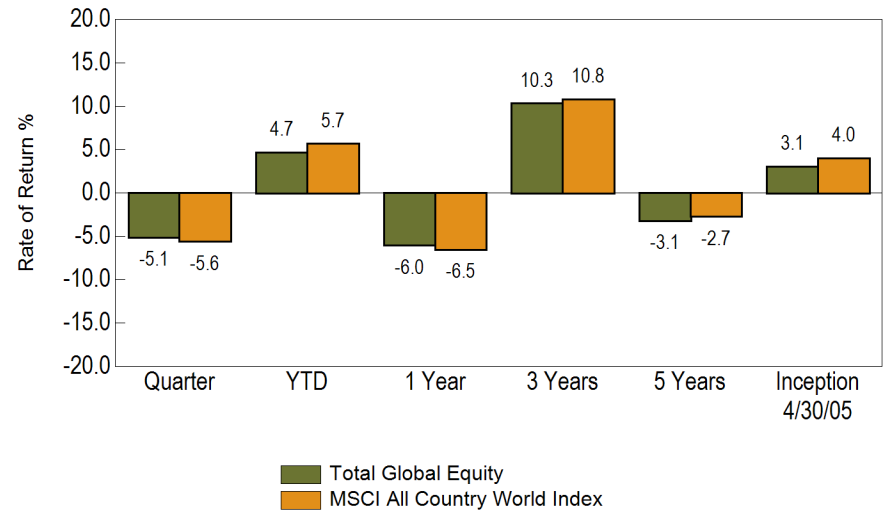
Overview

Benchmark: MSCI All Country World Index

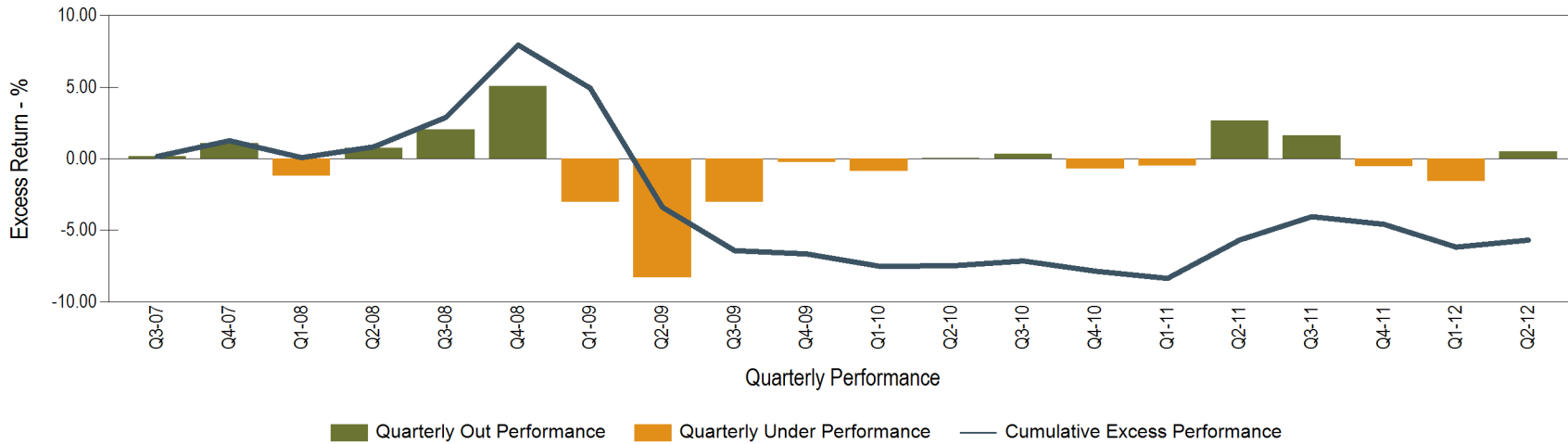
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

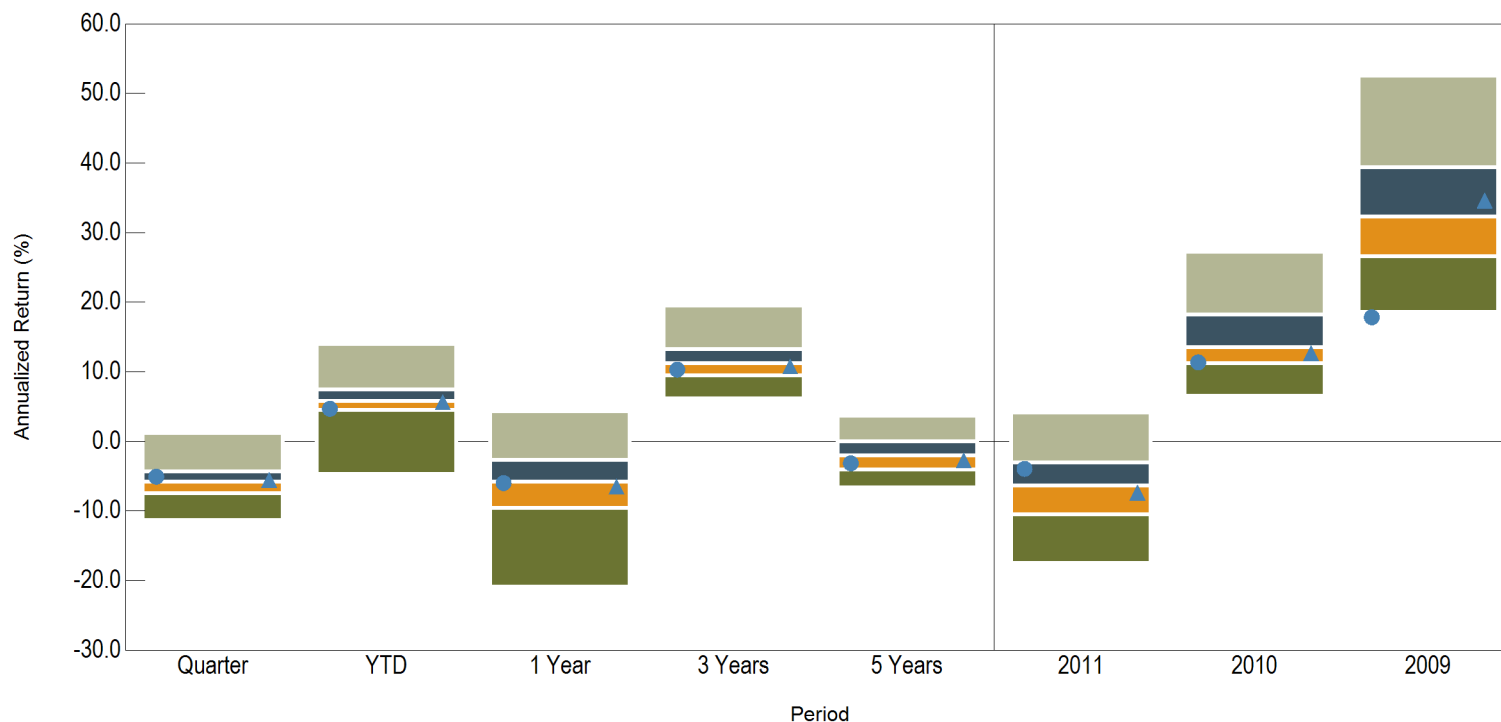


Universe Comparison

Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

Ending June 30, 2012



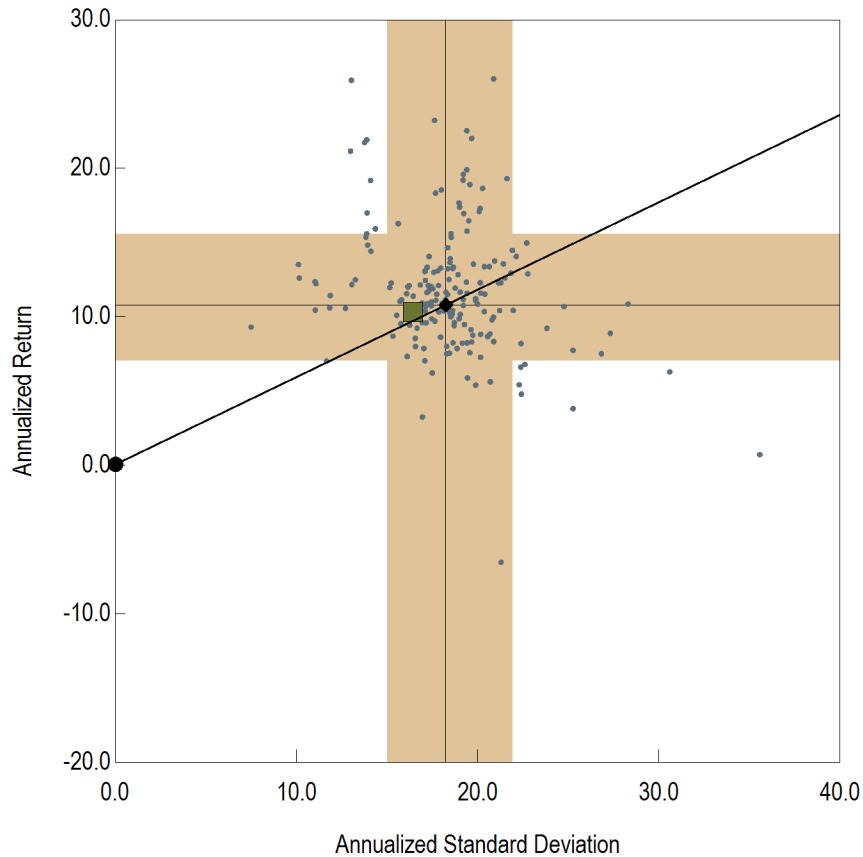
	Return (Rank)															
5th Percentile	1.2	14.0	4.3	19.5	3.6	4.1	27.2	52.6								
25th Percentile	-4.3	7.5	-2.6	13.4	0.1	-2.9	18.3	39.5								
Median	-5.7	5.9	-5.7	11.3	-2.0	-6.3	13.6	32.4								
75th Percentile	-7.4	4.6	-9.5	9.5	-4.0	-10.4	11.3	26.7								
95th Percentile	-11.2	-4.6	-20.8	6.2	-6.6	-17.4	6.6	18.7								
# of Portfolios	219	219	214	188	144	186	140	103								
● Total Global Equity	-5.1	(38)	4.7	(74)	-6.0	(52)	10.3	(67)	-3.1	(63)	-3.9	(35)	11.4	(75)	17.8	(96)
▲ MSCI All Country World Index	-5.6	(47)	5.7	(54)	-6.5	(55)	10.8	(59)	-2.7	(59)	-7.3	(56)	12.7	(56)	34.6	(46)

Risk Profile

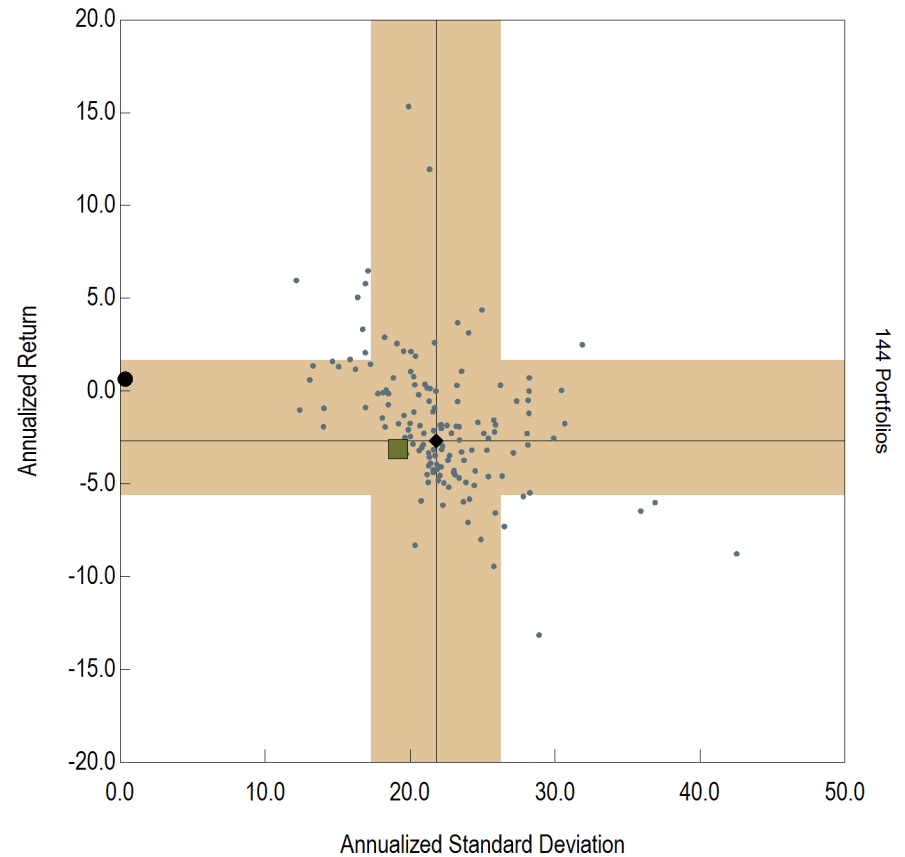
Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012

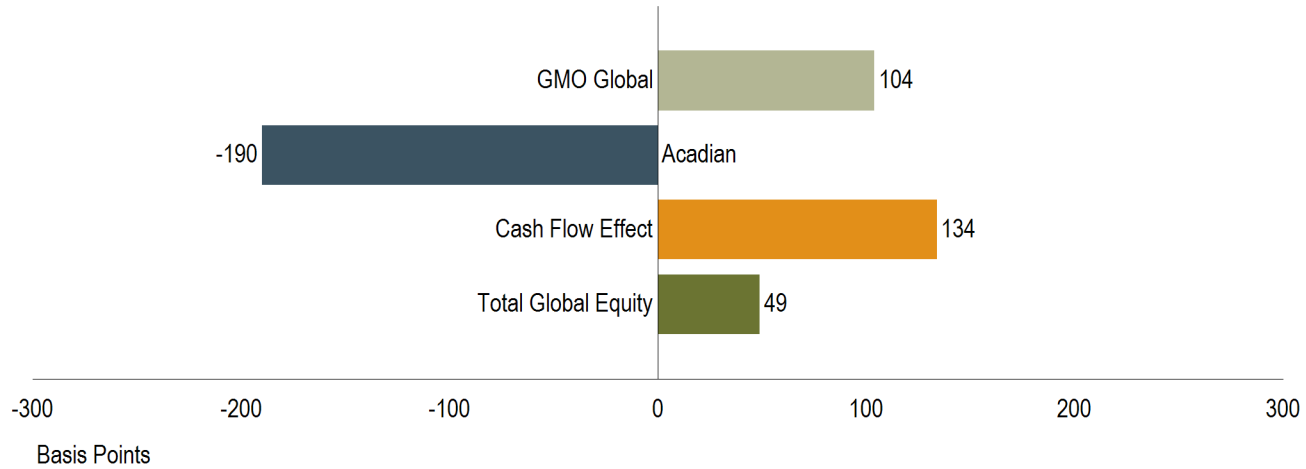


- Total Global Equity
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

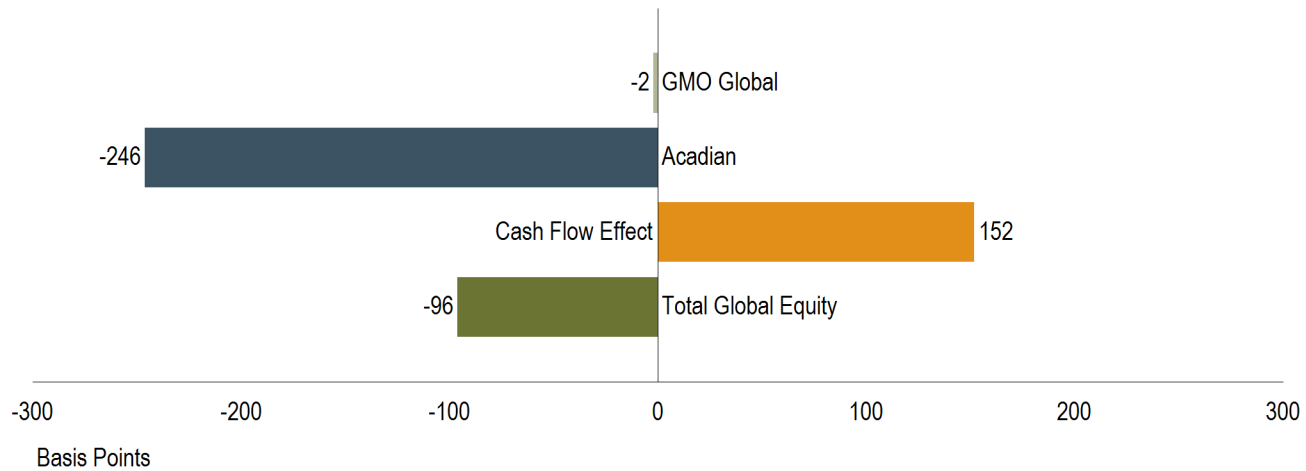
- Total Global Equity
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 6/30/12**



**MANAGER ATTRIBUTION ANALYSIS
6 MONTHS ENDING 6/30/12**



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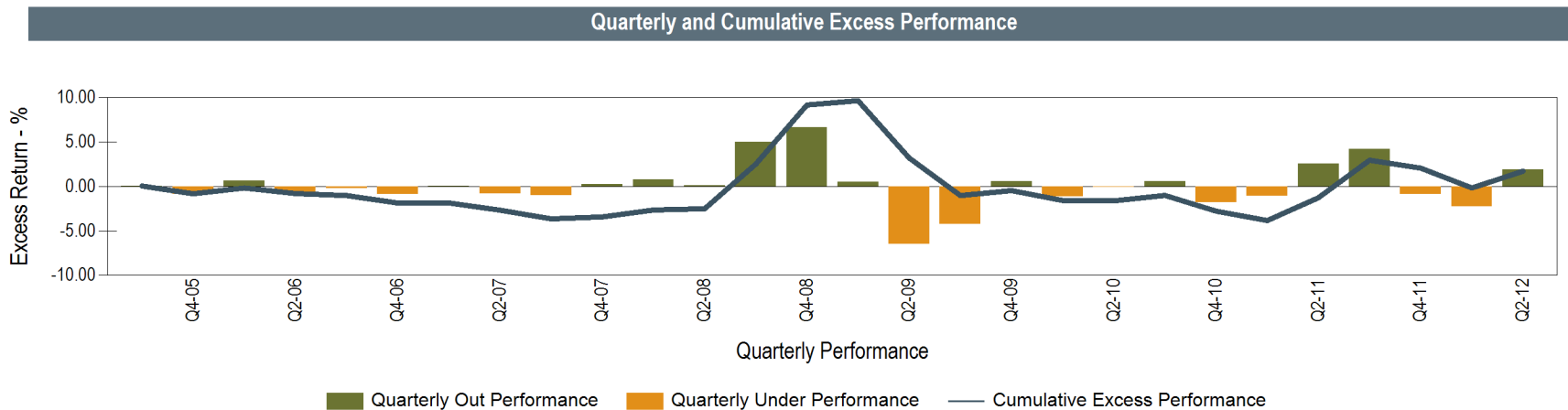
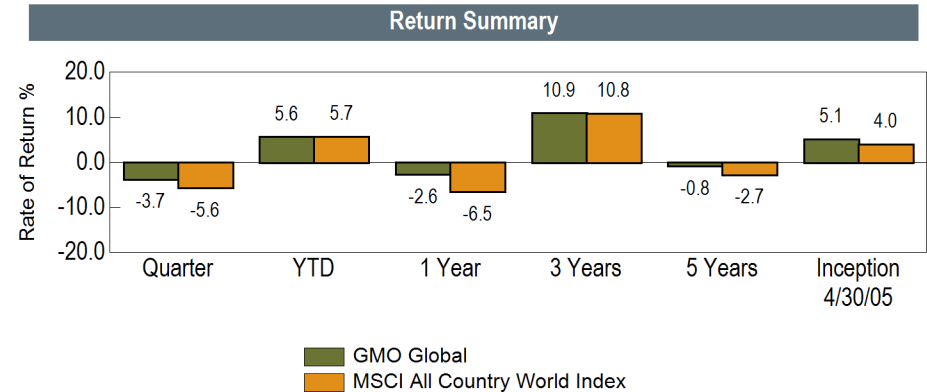
Manager Performance

Benchmark: MSCI All Country World Index

GMO uses a quantitative investment process to allocate between several of their mutual funds. They aim to add value both from opportunistic allocation between various segments of the market and from stock selection within the individual funds.

GMO does not employ a team of traditional fundamental security analysts. Instead, they attempt to exploit market inefficiencies by evaluating asset classes and individual securities largely through quantitative analysis. They prepare seven-year forecasts for different asset classes by conducting regression analysis on statistical and macroeconomic data. The forecasts are revised once every year, which leads to re-allocation among the different mutual funds. There is minimal rebalancing during the year. While the global equity allocation portfolio has no style bias, both value and momentum factors are taken into account when evaluating potential holdings (at the individual fund level). About 70% of the contribution to the portfolio is expected from value-related factors and 30% from momentum-related ones.

Account Information	
Account Name	GMO Global
Account Structure	Commingled Fund
Investment Style	Active
Inception Date	4/30/05
Account Type	Global Equity
Benchmark	MSCI All Country World Index
Universe	eA All Global Equity Net

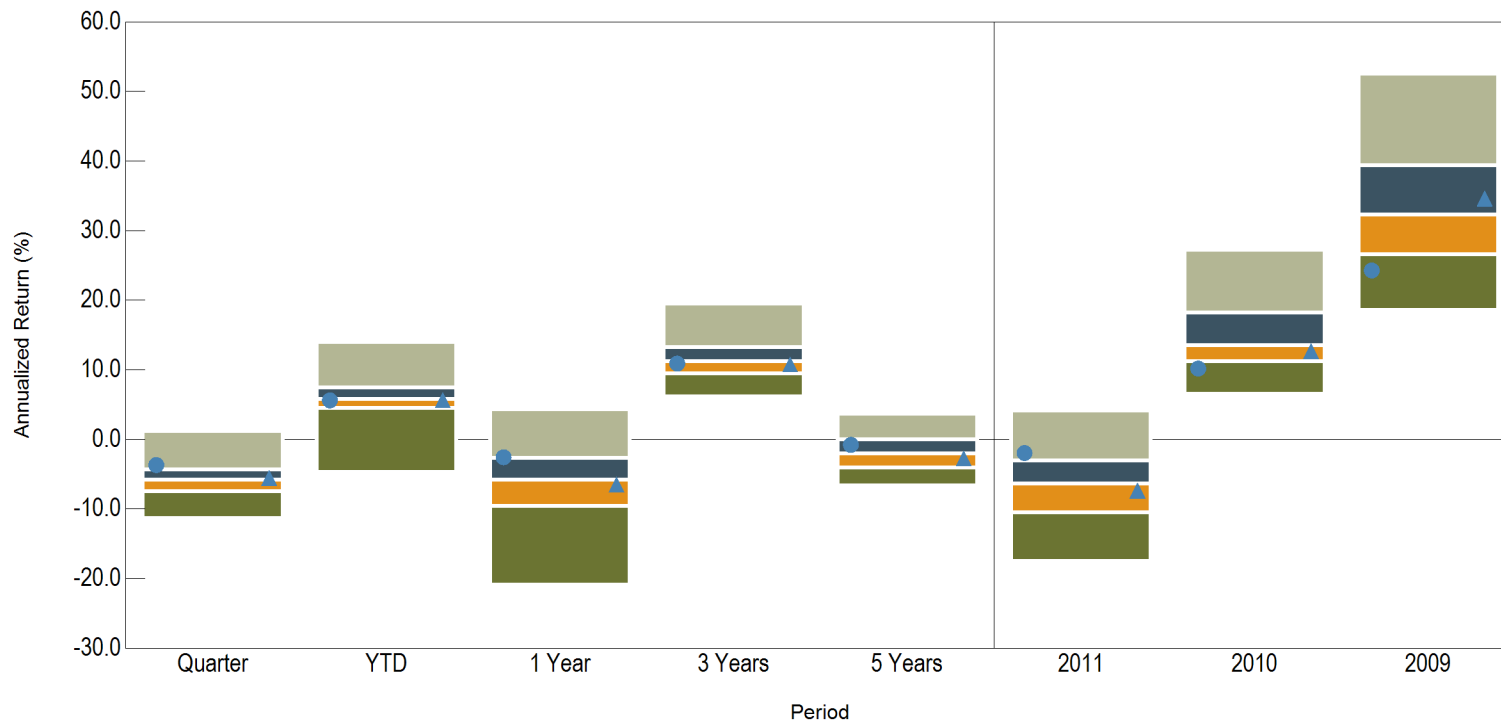


Universe Comparison

Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

Ending June 30, 2012



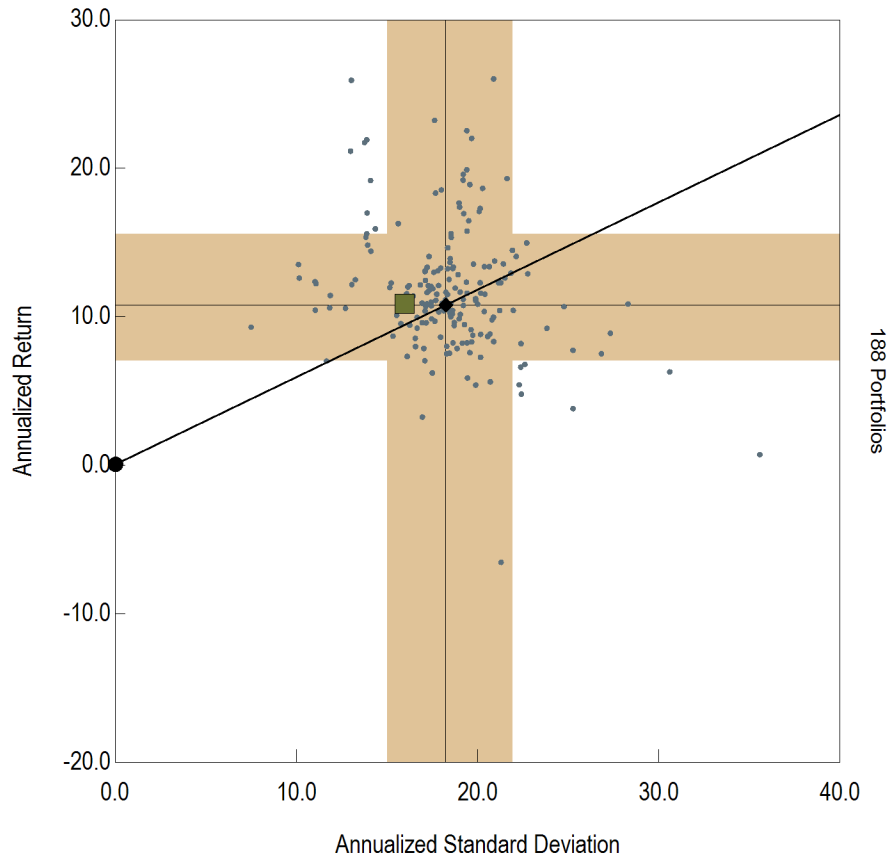
	Return (Rank)															
5th Percentile	1.2	14.0	4.3	19.5	3.6	4.1	27.2	52.6								
25th Percentile	-4.3	7.5	-2.6	13.4	0.1	-2.9	18.3	39.5								
Median	-5.7	5.9	-5.7	11.3	-2.0	-6.3	13.6	32.4								
75th Percentile	-7.4	4.6	-9.5	9.5	-4.0	-10.4	11.3	26.7								
95th Percentile	-11.2	-4.6	-20.8	6.2	-6.6	-17.4	6.6	18.7								
# of Portfolios	219	219	214	188	144	186	140	103								
● GMO Global	-3.7	(22)	5.6	(55)	-2.6	(25)	10.9	(56)	-0.8	(34)	-2.0	(20)	10.2	(88)	24.3	(86)
▲ MSCI All Country World Index	-5.6	(47)	5.7	(54)	-6.5	(55)	10.8	(59)	-2.7	(59)	-7.3	(56)	12.7	(56)	34.6	(46)

Risk Profile

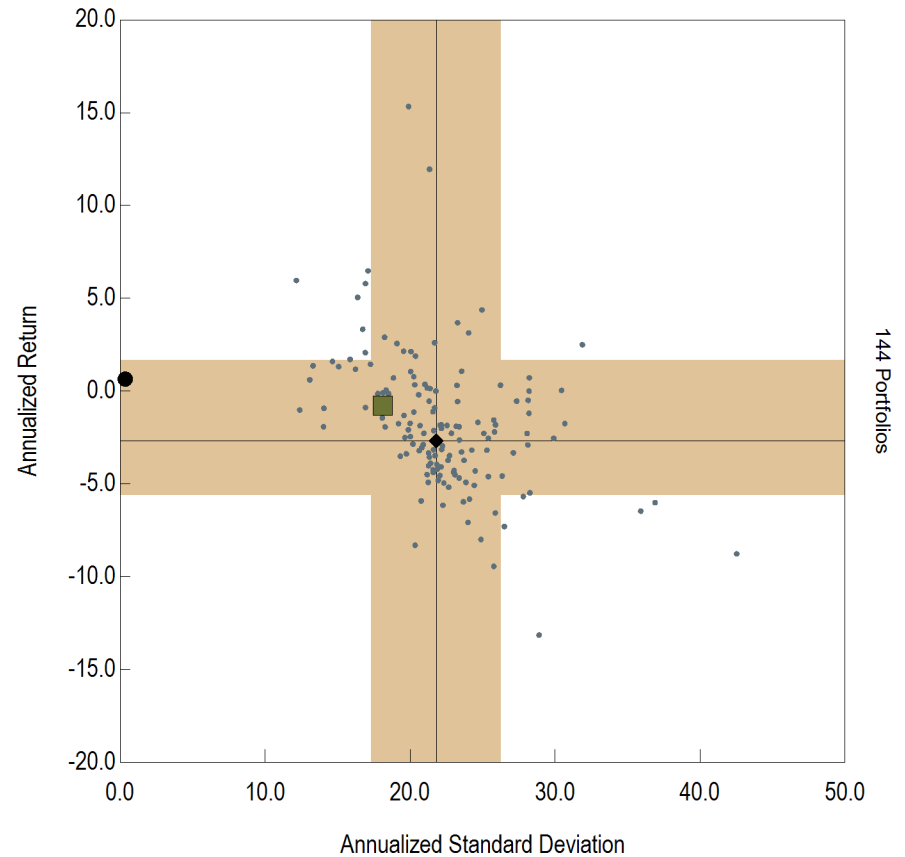
Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



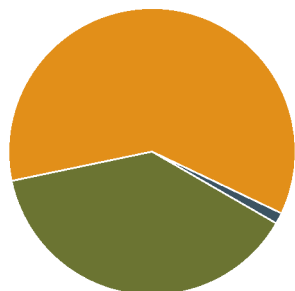
- GMO Global
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

- GMO Global
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

Manager Analysis

Benchmark: MSCI All Country World Index

Current Allocation



	Actual \$	Actual %
US Equity	\$57,389,894	38.4%
Non-US Equity	\$90,225,024	60.3%
US Fixed Inc.	\$1,872,645	1.3%
Non-US Fixed Inc.	\$0	0.0%
Alternative	\$0	0.0%
Real Estate	\$0	0.0%
Cash	\$0	0.0%
Other	\$17,943	0.0%
Total	\$149,505,505	

Characteristics

	Portfolio	MSCI ACWI Gross
Number of Holdings	1,657	2,445
Weighted Avg. Market Cap. (\$B)	90.48	71.33
Median Market Cap. (\$B)	4.06	6.56
Price To Earnings	13.42	15.49
Price To Book	3.17	3.02
Price To Sales	2.01	1.93
Return on Equity (%)	23.04	18.31
Yield (%)	3.47	2.81
Beta	0.86	1.00
R-Squared	0.97	1.00

Top Holdings

	Weight %
JOHNSON & JOHNSON	2.50%
ORACLE	2.32%
COCA COLA	2.15%
PHILIP MORRIS INTL.	2.09%
MICROSOFT	2.08%
PFIZER	2.03%
TOTAL	1.81%
APPLE	1.70%
SANOFI	1.64%
GOOGLE 'A'	1.60%
Total	29.91%

Best Performers

	Portfolio Weight %	Index Weight %	Return %
HOME PRODUCT CENTER FB	0.01%		201.03%
LOOK	0.01%		160.91%
MELLANOX	0.02%		69.31%
WEST HOLDINGS	0.00%		63.59%
SHIN FB	0.01%		62.65%
TAKASHIMA	0.00%		61.66%
MISAWA HOMES	0.01%		53.28%
HIKARI TSUSHIN	0.04%		49.93%
YOUNGONE	0.00%		44.04%
EXPEDIA	0.00%	0.02%	44.04%

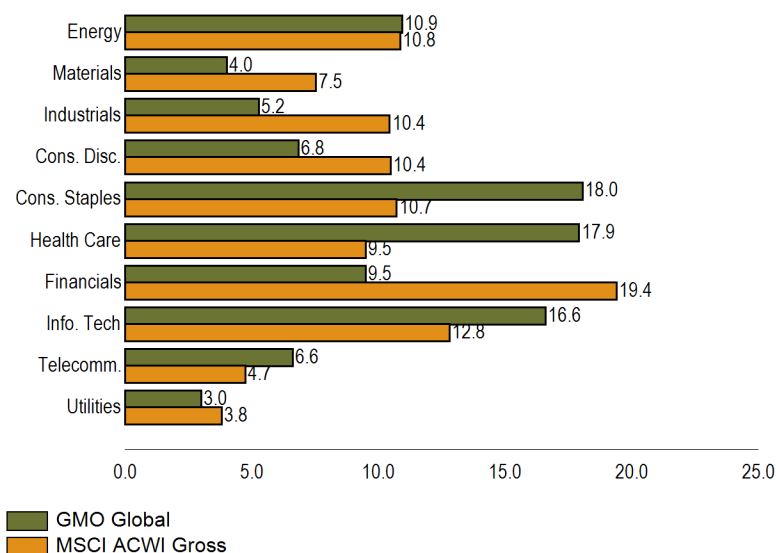
Worst Performers

	Portfolio Weight %	Index Weight %	Return %
KIRI INDUSTRIES	0.00%		-76.54%
APCO OIL & GAS INTL.	0.00%		-73.51%
DISCOUNT INVESTMENT	0.00%		-68.15%
OGX PETROLEO ON	0.01%	0.01%	-67.08%
PUM YANG CON. SUSP - SUSP.11/06/12	0.00%		-63.43%
NOKIA	0.08%	0.03%	-59.02%
DEXIA	0.00%		-57.28%
SIGNATURE METALS	0.00%		-56.71%
HRT PETROLEO	0.00%	0.00%	-55.26%
ROSSI RESID ON	0.00%		-53.07%

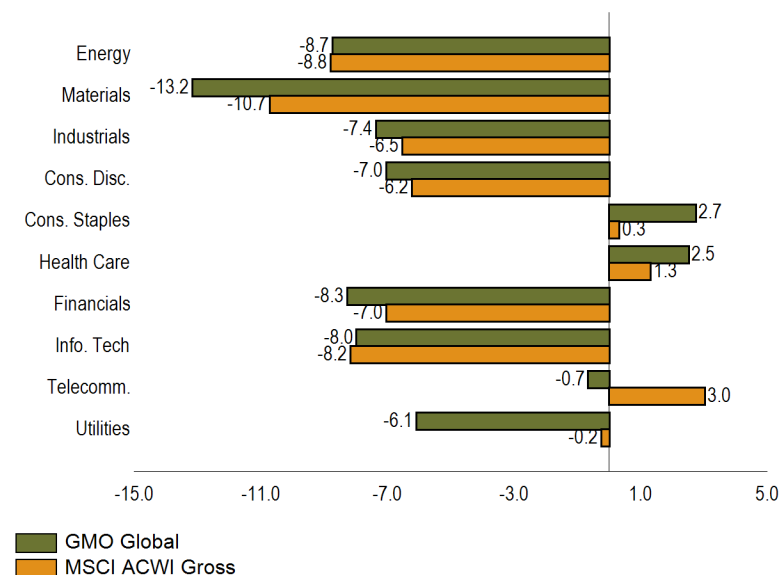
Sector Attribution

Benchmark: MSCI All Country World Index

Sector Allocation (%) vs MSCI ACWI Gross



Sector Returns (%) vs MSCI ACWI Gross



GMO Global Fund Performance Attribution vs. MSCI ACWI Gross

	Total Effects		Selection Effect		Allocation Effect		Interaction Effects
Energy	0.02%		0.37%		-0.20%		-0.15%
Materials	0.10%		0.08%		0.07%		-0.06%
Industrials	0.00%		0.13%		-0.01%		-0.11%
Cons. Disc.	-0.07%		-0.07%		-0.04%		0.04%
Cons. Staples	0.85%		0.15%		0.53%		0.17%
Health Care	0.88%		0.08%		0.71%		0.09%
Financials	0.07%		-0.02%		0.16%		-0.07%
Info. Tech	-0.10%		0.01%		-0.10%		-0.01%
Telecomm.	-0.11%		-0.07%		0.01%		-0.05%
Utilities	-0.21%		0.02%		-0.23%		0.00%
Cash	0.00%		--		0.00%		--
Portfolio	1.42%	=	0.69%	+	0.89%	+	-0.16%

Country Allocation

Benchmark: MSCI All Country World Index

Versus MSCI ACWI Gross - Quarter Ending June 30, 2012

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	2.7%	1.9%	-18.8%	-19.0%
Canada	1.4%	4.3%	-5.5%	-7.6%
Chile*	0.0%	0.2%	-6.2%	-8.4%
Colombia*	0.0%	0.1%	--	-1.0%
Mexico*	0.2%	0.6%	3.7%	-1.2%
Peru*	0.0%	0.1%	--	-3.3%
United States	40.3%	46.2%	-0.9%	-3.0%
Total-Americas	44.6%	53.5%	-2.1%	-3.9%
Europe				
Austria	0.2%	0.1%	-7.1%	-12.8%
Belgium	0.6%	0.4%	4.4%	0.2%
Czech Republic*	0.2%	0.0%	-11.2%	-11.4%
Denmark	0.2%	0.4%	4.3%	-3.1%
Finland	0.2%	0.3%	-45.6%	-20.5%
France	4.8%	3.4%	-5.6%	-8.1%
Germany	3.0%	3.2%	-9.1%	-12.0%
Greece	0.1%	0.0%	-28.0%	-20.7%
Hungary*	0.1%	0.0%	-8.1%	-7.4%
Ireland	0.2%	0.1%	-3.2%	-4.5%
Italy	1.8%	0.9%	-8.3%	-11.4%
Luxembourg	0.0%	0.0%	-0.5%	-5.4%
Netherlands	2.3%	0.9%	-4.0%	-6.8%
Norway	0.1%	0.4%	-7.8%	-9.2%
Poland*	0.2%	0.2%	-6.3%	-5.1%
Portugal	0.1%	0.1%	-11.9%	-18.7%
Russia*	1.4%	0.8%	-16.0%	-13.8%
Spain	1.7%	1.1%	-13.3%	-12.5%
Sweden	0.3%	1.2%	-4.5%	-7.2%
Switzerland	3.6%	3.1%	-0.6%	-5.6%
United Kingdom	10.0%	8.2%	-2.9%	-3.9%
Total-Europe	31.0%	24.7%	-5.4%	-7.3%

Versus MSCI ACWI Gross - Quarter Ending June 30, 2012

	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	1.9%	3.1%	-1.9%	-5.1%
China*	1.6%	2.2%	-5.8%	-5.3%
Hong Kong	0.8%	1.0%	-6.1%	-4.8%
India*	0.8%	0.8%	-11.1%	-9.4%
Indonesia*	0.8%	0.4%	-6.8%	-6.9%
Japan	13.6%	7.9%	-5.0%	-7.3%
Korea*	1.5%	2.0%	-6.7%	-8.7%
Malaysia*	0.0%	0.4%	-6.6%	-3.5%
New Zealand	0.2%	0.0%	-8.3%	-8.0%
Philippines*	0.2%	0.1%	7.4%	4.4%
Singapore	0.7%	0.7%	-4.9%	-3.8%
Sri Lanka*	0.0%	0.0%	-4.5%	-5.4%
Taiwan*	0.8%	1.4%	-7.8%	-9.4%
Thailand*	0.5%	0.3%	3.9%	-5.3%
Total-AsiaPacific	23.4%	20.4%	-5.1%	-6.7%
Other				
Egypt*	0.2%	0.0%	-2.0%	-3.7%
Israel	0.0%	0.2%	-18.9%	-13.9%
Morocco*	0.0%	0.0%	-15.2%	-12.9%
Nigeria	0.0%	0.0%	6.3%	-5.4%
South Africa*	0.4%	1.0%	-5.8%	-5.7%
Turkey*	0.4%	0.2%	3.0%	1.8%
Total-Other	1.0%	1.5%	-2.0%	-6.2%

* Asterisk denotes Emerging Markets countries

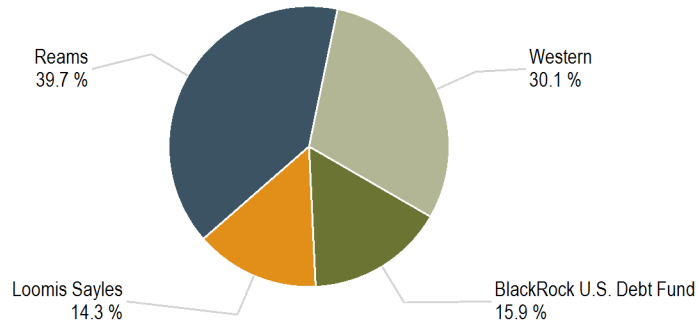


Total U.S. Fixed Income

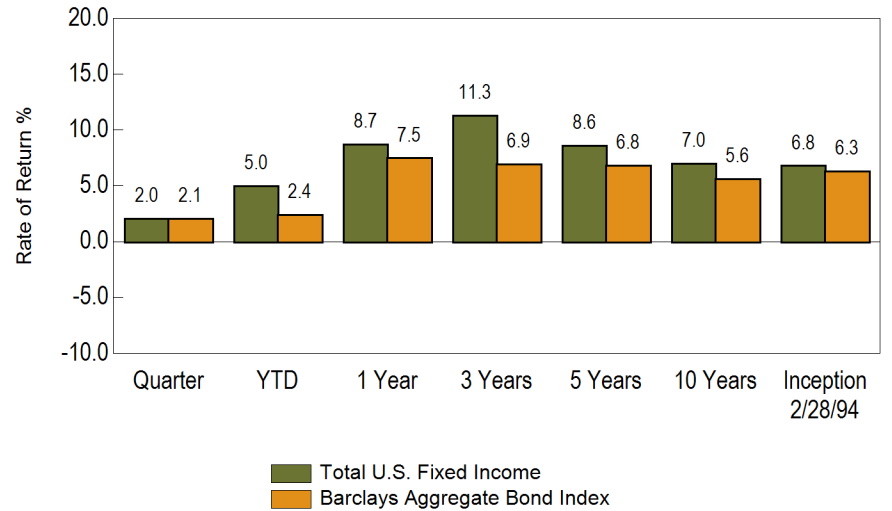
Overview

Benchmark: Barclays Aggregate Bond Index

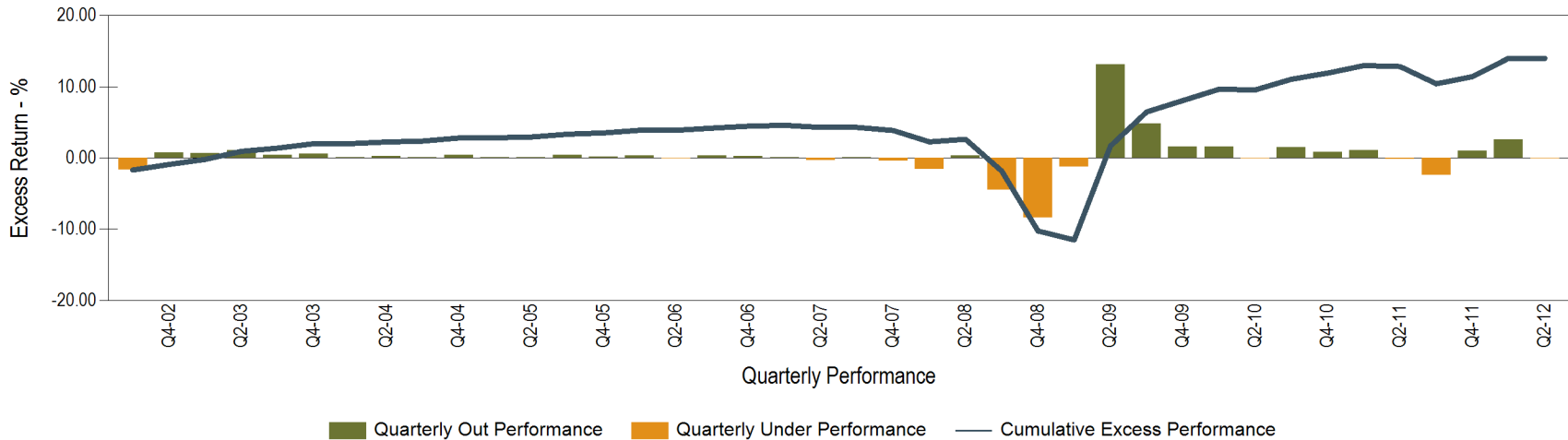
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

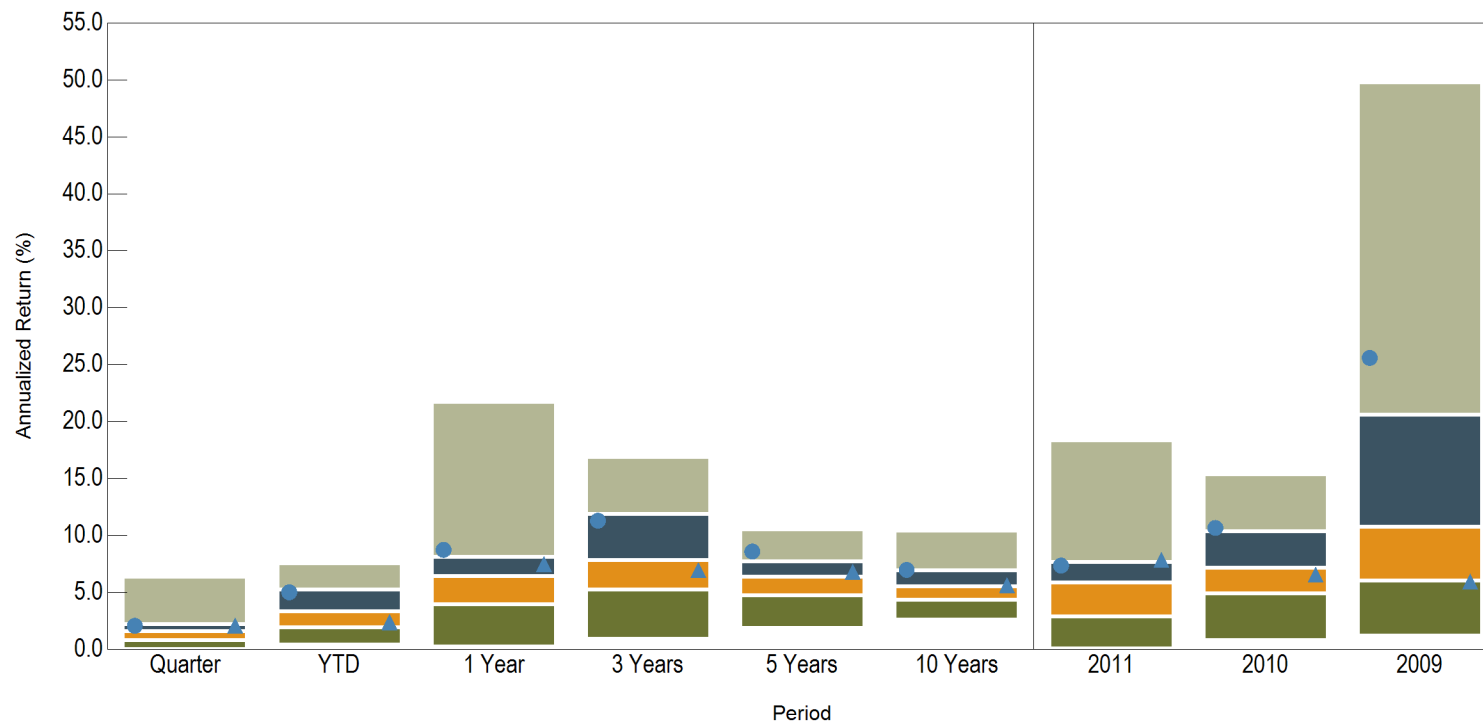


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending June 30, 2012



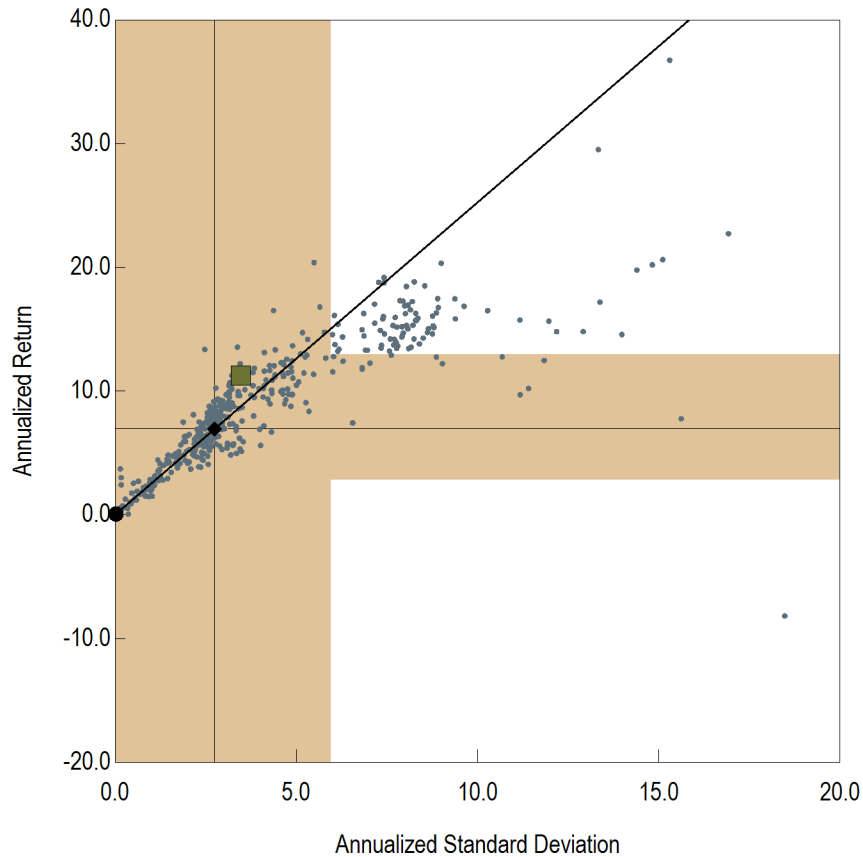
	Return (Rank)									
5th Percentile	6.4	7.5	21.7	16.8	10.5	10.4	18.3	15.3	49.8	
25th Percentile	2.2	5.3	8.1	11.9	7.8	7.0	7.7	10.4	20.6	
Median	1.6	3.3	6.5	7.9	6.4	5.6	5.9	7.2	10.8	
75th Percentile	0.8	2.0	4.0	5.3	4.7	4.4	2.9	4.9	6.1	
95th Percentile	0.0	0.4	0.3	0.9	1.9	2.6	0.1	0.8	1.2	
# of Portfolios	519	519	510	465	405	301	483	425	427	
● Total U.S. Fixed Income	2.0 (34)	5.0 (30)	8.7 (21)	11.3 (29)	8.6 (15)	7.0 (26)	7.3 (30)	10.6 (25)	25.6 (22)	
▲ Barclays Aggregate Bond Index	2.1 (33)	2.4 (69)	7.5 (38)	6.9 (60)	6.8 (43)	5.6 (49)	7.8 (24)	6.5 (59)	5.9 (77)	

Risk Profile

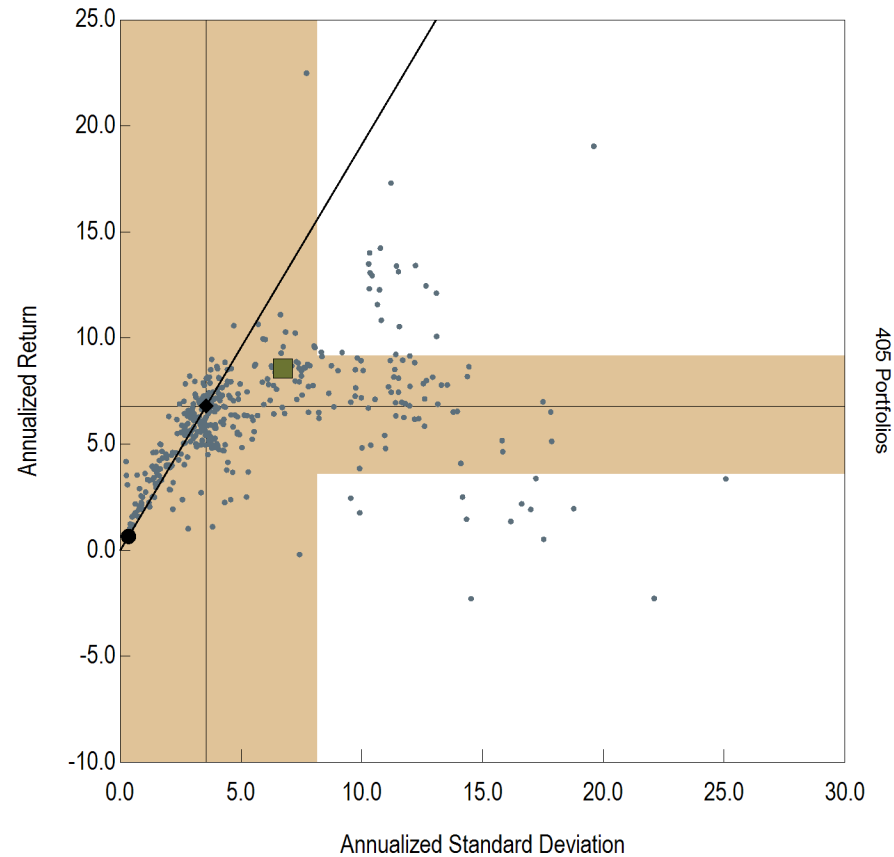
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012

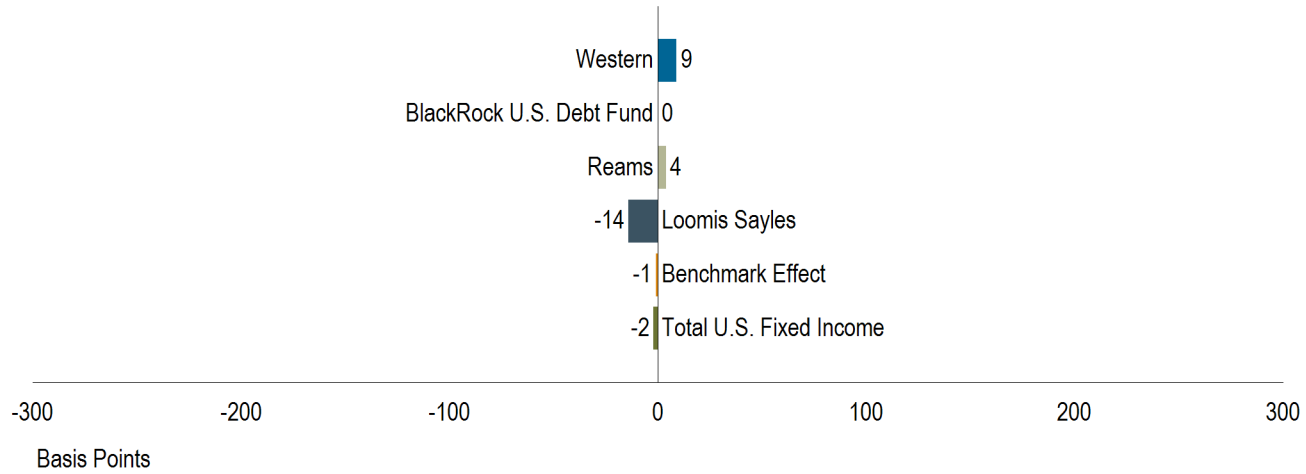


- Total U.S. Fixed Income
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

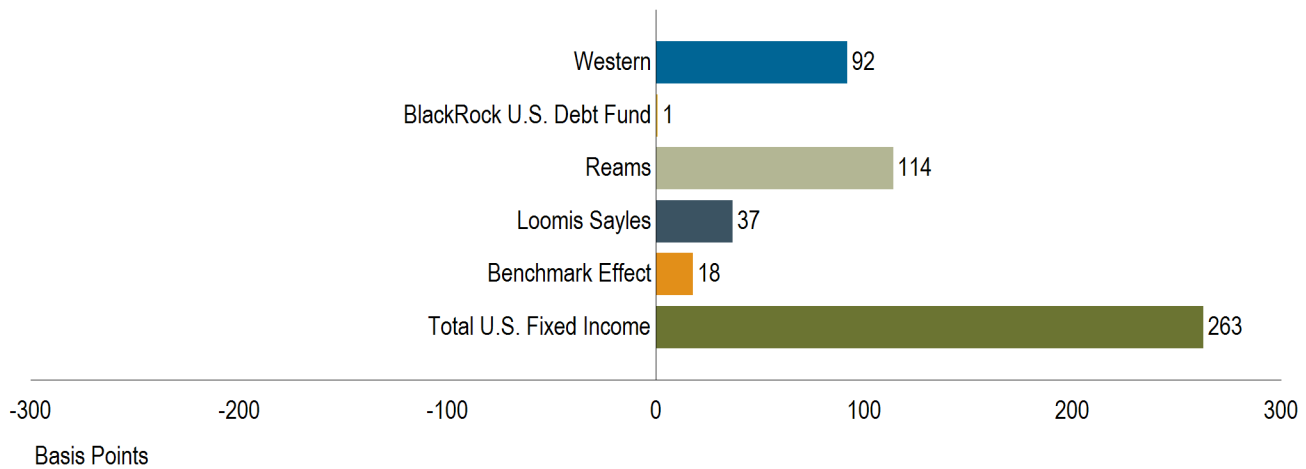
- Total U.S. Fixed Income
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 6/30/12**



**MANAGER ATTRIBUTION ANALYSIS
6 MONTHS ENDING 6/30/12**



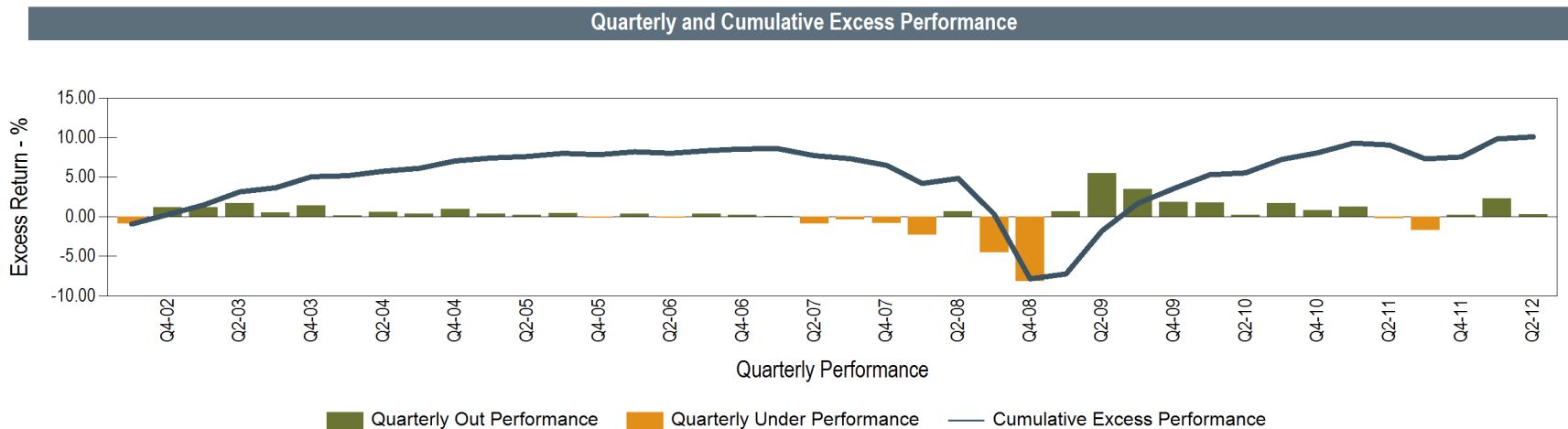
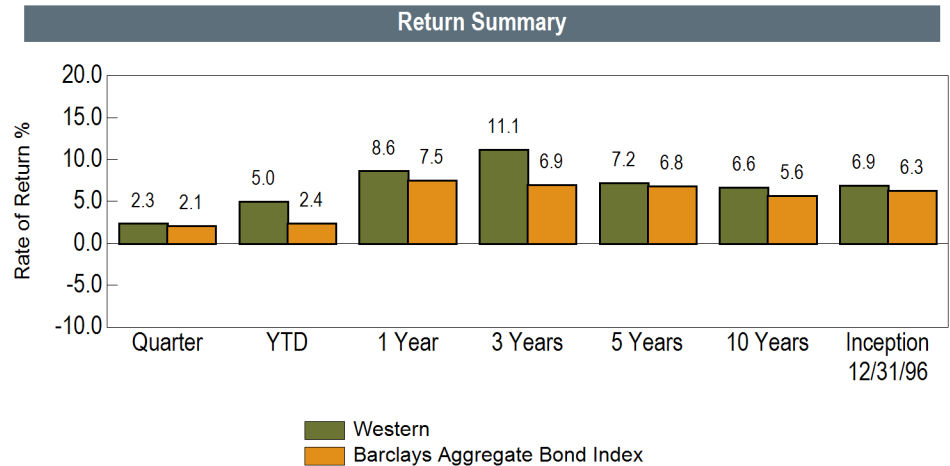
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Manager Performance

Benchmark: Barclays Aggregate Bond Index

Western Asset Management seeks to add value in fixed income accounts by employing multiple investment strategies while controlling risk. Western is an active sector rotator and attempts to exploit market inefficiencies by making opportunistic trades. The firm emphasizes non-Treasury sectors such as corporate and mortgages. The firm's team approach to fixed income management revolves around an investment outlook developed by the Investment Strategy Group. This group interacts on a daily basis, evaluating developments in both the market and the economy. Additionally, the group meets formally twice a month to review its outlook and investment strategy.

Account Information	
Account Name	Western
Account Structure	Separate Account
Investment Style	Active
Inception Date	12/31/96
Account Type	U.S. Fixed Income
Benchmark	Barclays Aggregate Bond Index
Universe	eA All US Fixed Inc Net

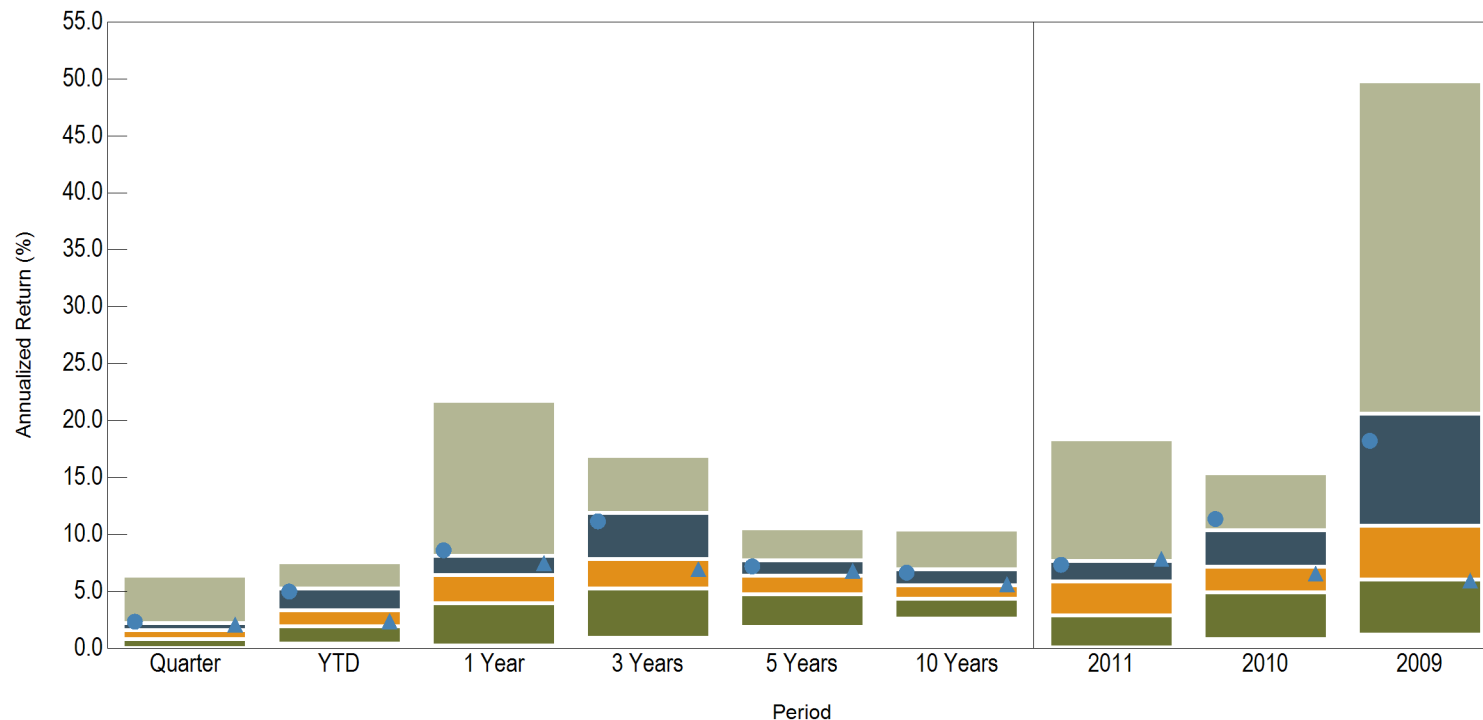


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending June 30, 2012



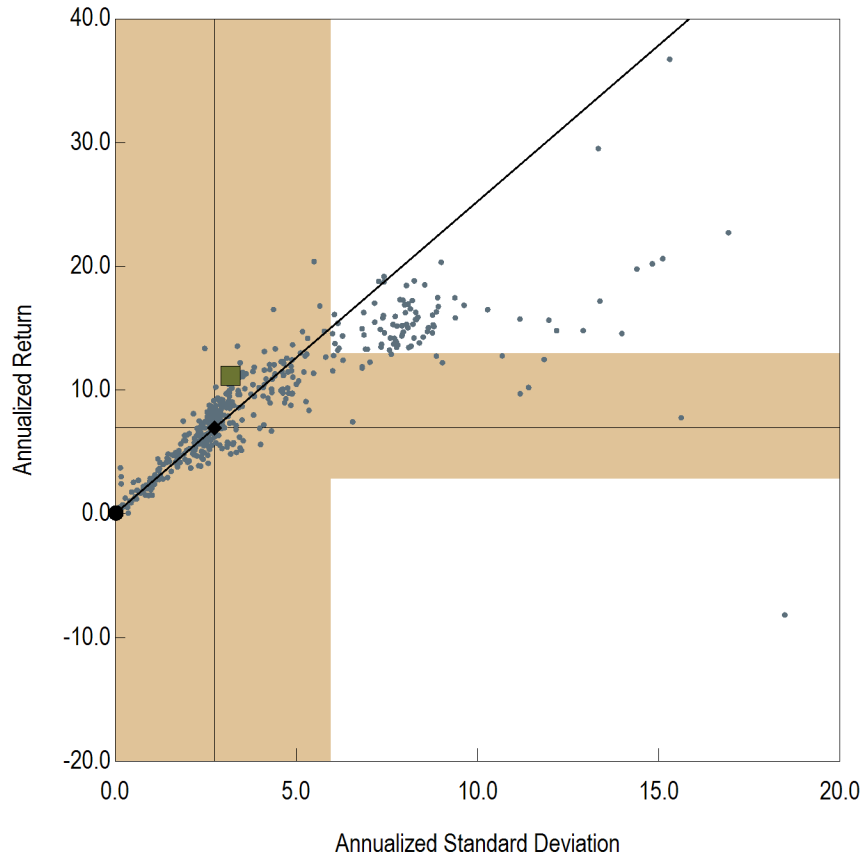
	Return (Rank)									
5th Percentile	6.4	7.5	21.7	16.8	10.5	10.4	18.3	15.3	49.8	
25th Percentile	2.2	5.3	8.1	11.9	7.8	7.0	7.7	10.4	20.6	
Median	1.6	3.3	6.5	7.9	6.4	5.6	5.9	7.2	10.8	
75th Percentile	0.8	2.0	4.0	5.3	4.7	4.4	2.9	4.9	6.1	
95th Percentile	0.0	0.4	0.3	0.9	1.9	2.6	0.1	0.8	1.2	
# of Portfolios	519	519	510	465	405	301	483	425	427	
● Western	2.3 (22)	5.0 (31)	8.6 (22)	11.1 (30)	7.2 (33)	6.6 (30)	7.3 (31)	11.3 (20)	18.2 (31)	
▲ Barclays Aggregate Bond Index	2.1 (33)	2.4 (69)	7.5 (38)	6.9 (60)	6.8 (43)	5.6 (49)	7.8 (24)	6.5 (59)	5.9 (77)	

Risk Profile

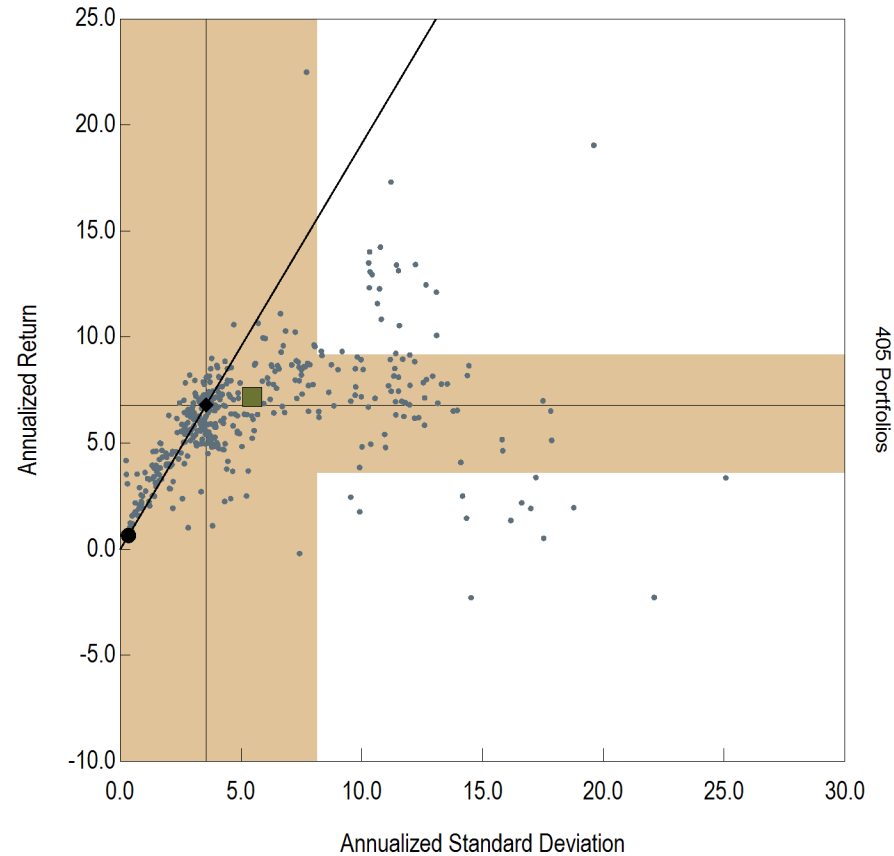
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation 3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation 5 Years Ending June 30, 2012



- Western
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

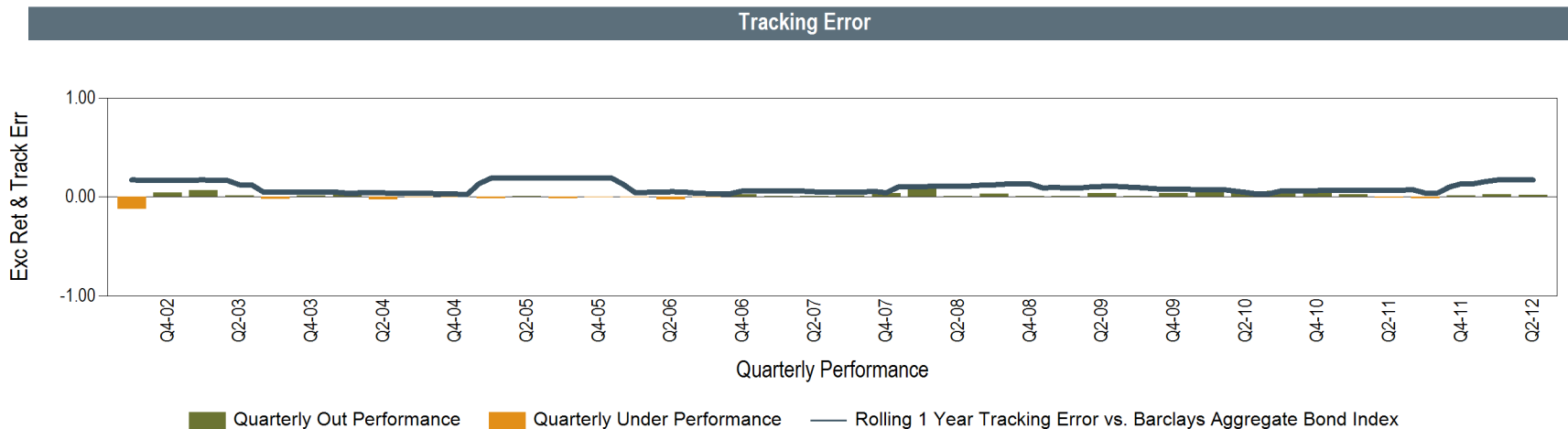
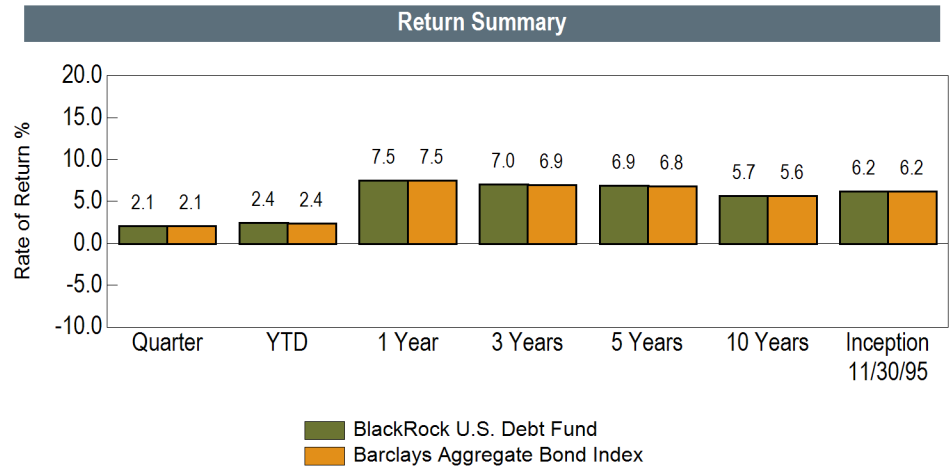
- Western
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

Manager Performance

Benchmark: Barclays Aggregate Bond Index

The BlackRock U.S. Debt Fund is an index fund which is designed to replicate the performance of the Barclays Capital Aggregate Bond Index. The U.S. Debt Fund is constructed by holding 7 different sub-funds that track specific sector/maturity combinations of the Barclays Capital Aggregate Bond Index.

Account Information	
Account Name	BlackRock U.S. Debt Fund
Account Structure	Commingled Fund
Investment Style	Passive
Inception Date	11/30/95
Account Type	U.S. Fixed Income
Benchmark	Barclays Aggregate Bond Index
Universe	eA All US Fixed Inc Net

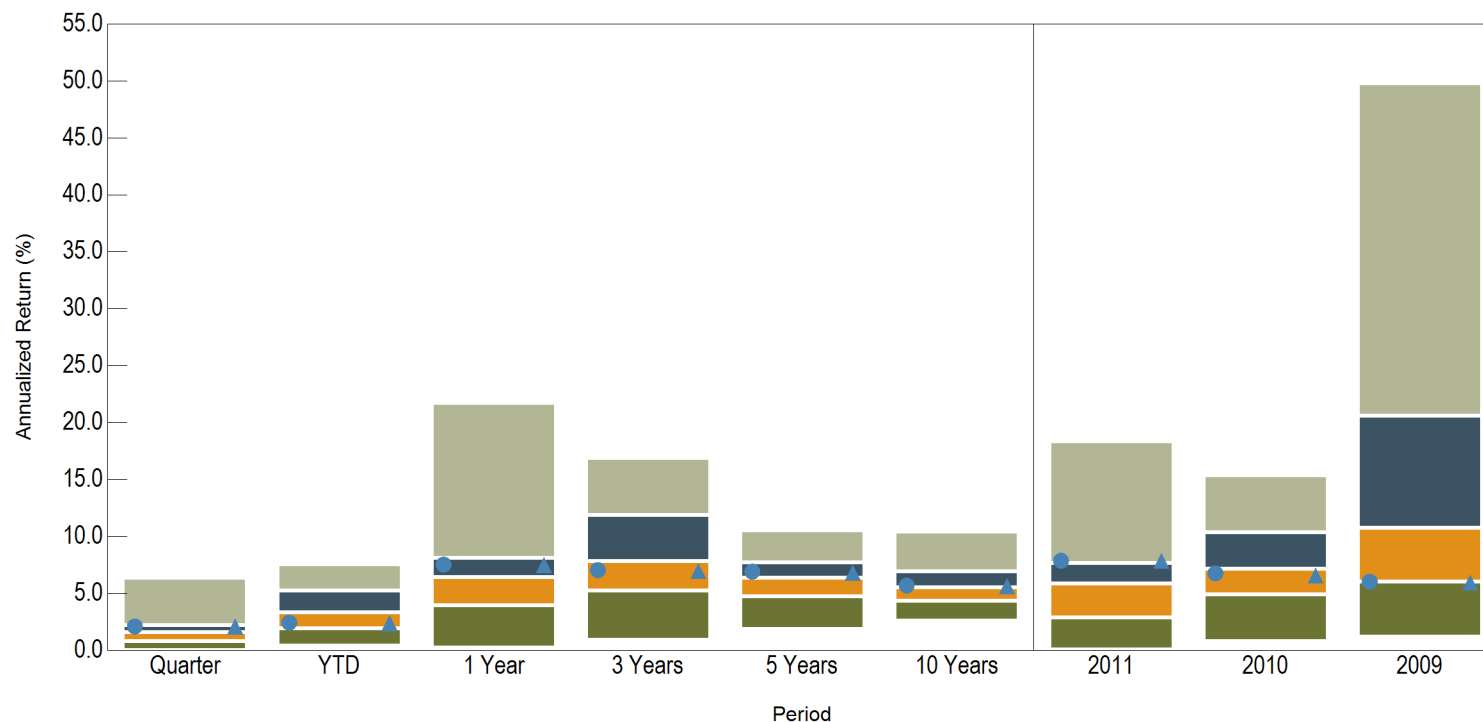


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending June 30, 2012



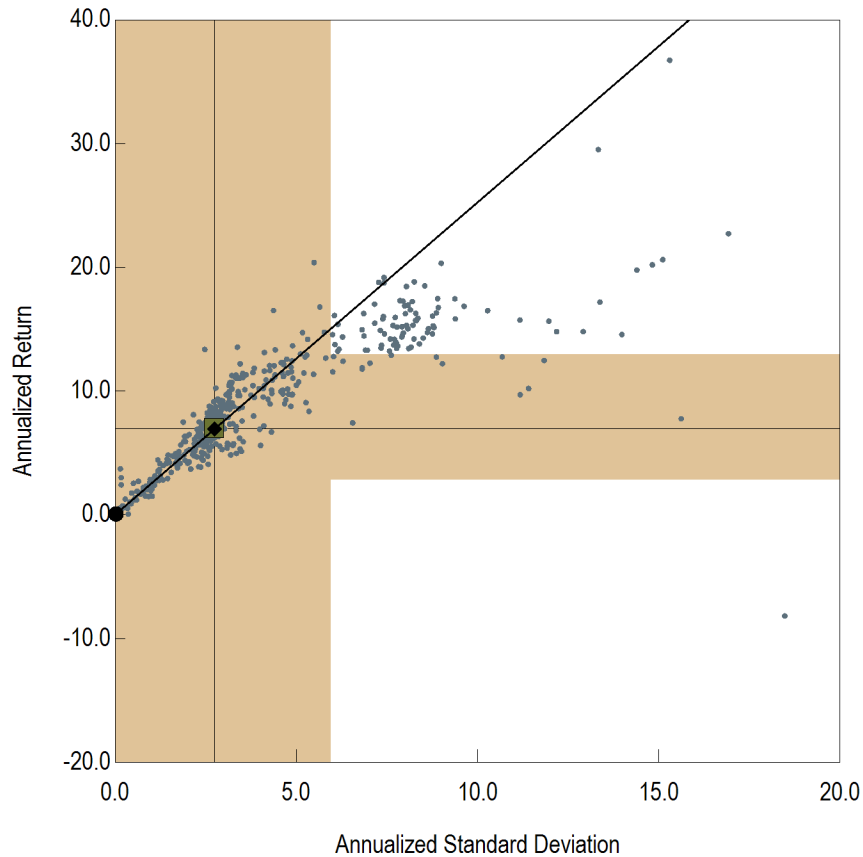
	Return (Rank)									
5th Percentile	6.4	7.5	21.7	16.8	10.5	10.4	18.3	15.3	49.8	
25th Percentile	2.2	5.3	8.1	11.9	7.8	7.0	7.7	10.4	20.6	
Median	1.6	3.3	6.5	7.9	6.4	5.6	5.9	7.2	10.8	
75th Percentile	0.8	2.0	4.0	5.3	4.7	4.4	2.9	4.9	6.1	
95th Percentile	0.0	0.4	0.3	0.9	1.9	2.6	0.1	0.8	1.2	
# of Portfolios	519	519	510	465	405	301	483	425	427	
● BlackRock U.S. Debt Fund	2.1 (32)	2.4 (69)	7.5 (37)	7.0 (59)	6.9 (41)	5.7 (48)	7.9 (23)	6.7 (56)	6.0 (76)	
▲ Barclays Aggregate Bond Index	2.1 (33)	2.4 (69)	7.5 (38)	6.9 (60)	6.8 (43)	5.6 (49)	7.8 (24)	6.5 (59)	5.9 (77)	

Risk Profile

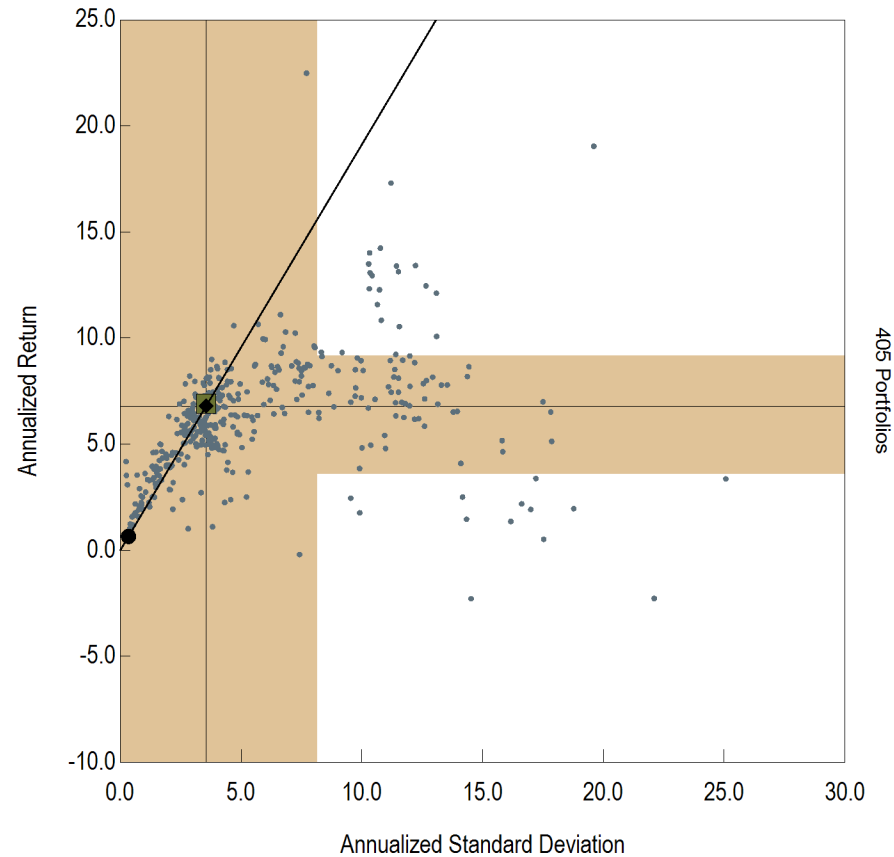
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



- BlackRock U.S. Debt Fund
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

- BlackRock U.S. Debt Fund
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

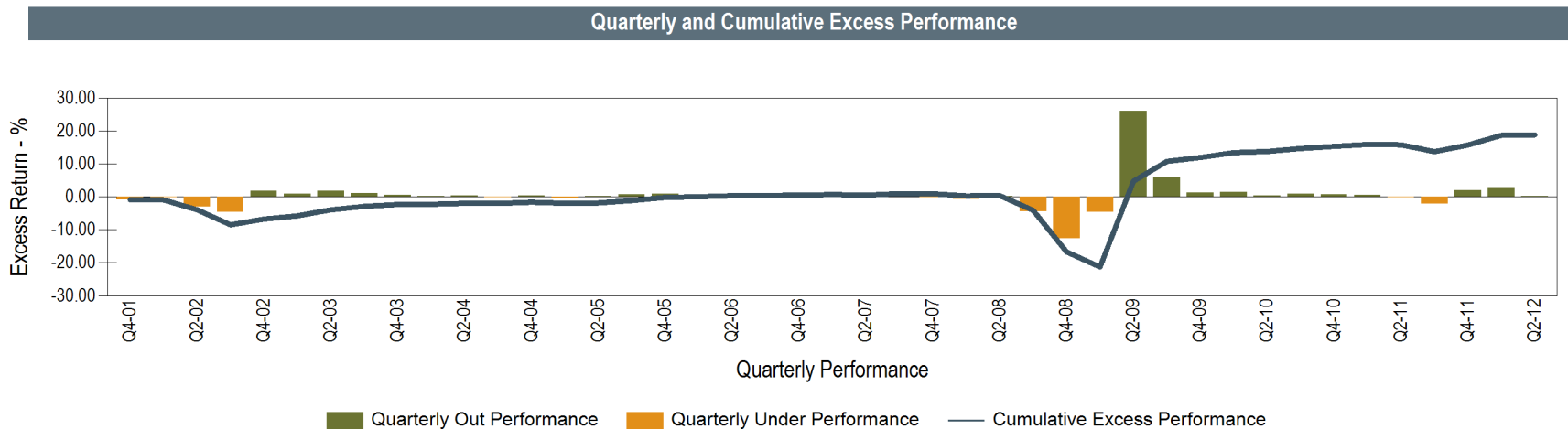
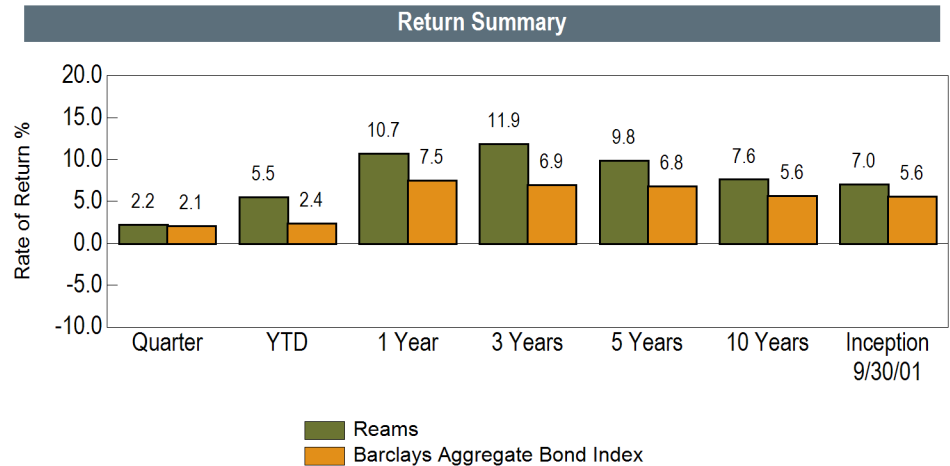
Manager Performance

Benchmark: Barclays Aggregate Bond Index

Reams' investment process revolves around the manager's ability to combine top-down macroeconomic portfolio positioning with bottom-up bond selection. The top-down interest rate positioning is somewhat contrarian in that the manager uses real interest rates to gauge when the market is expensive and when it is cheap, increasing duration when the market is cheap and decreasing duration when it is expensive.

The manager attempts to exploit its relatively small size and uncover issues not widely followed by Wall Street. The manager prefers to hold securities by underlying collateral. The firm tends to avoid residential mortgages in favor of commercial mortgages.

Account Information	
Account Name	Reams
Account Structure	Separate Account
Investment Style	Active
Inception Date	9/30/01
Account Type	U.S. Fixed Income
Benchmark	Barclays Aggregate Bond Index
Universe	eA All US Fixed Inc Net

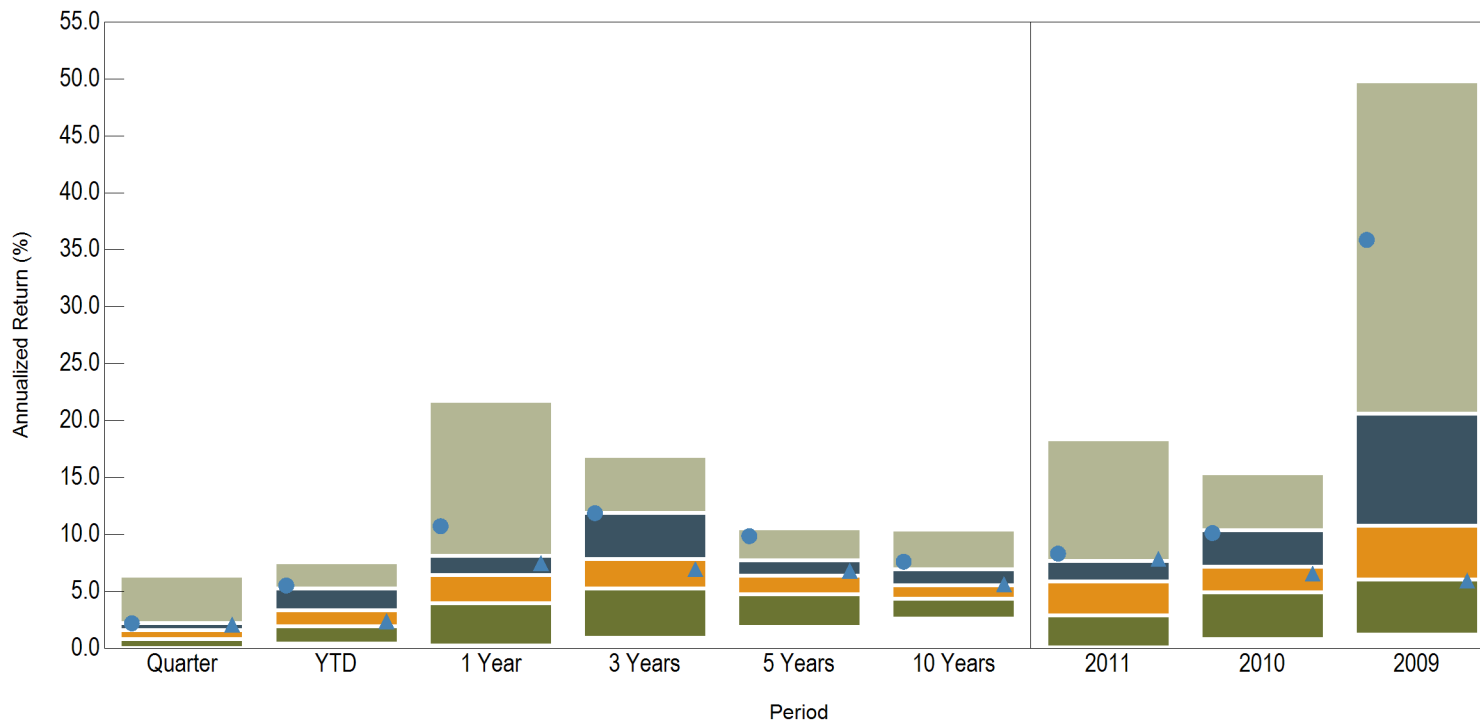


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending June 30, 2012



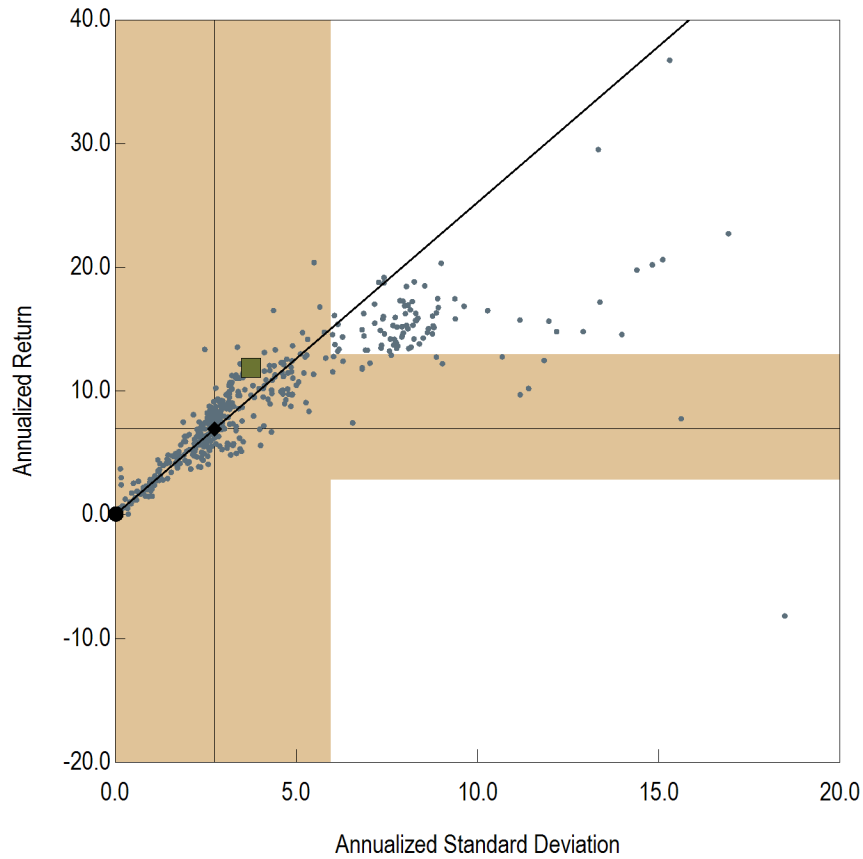
	Return (Rank)								
5th Percentile	6.4	7.5	21.7	16.8	10.5	10.4	18.3	15.3	49.8
25th Percentile	2.2	5.3	8.1	11.9	7.8	7.0	7.7	10.4	20.6
Median	1.6	3.3	6.5	7.9	6.4	5.6	5.9	7.2	10.8
75th Percentile	0.8	2.0	4.0	5.3	4.7	4.4	2.9	4.9	6.1
95th Percentile	0.0	0.4	0.3	0.9	1.9	2.6	0.1	0.8	1.2
# of Portfolios	519	519	510	465	405	301	483	425	427
● Reams	2.2 (27)	5.5 (22)	10.7 (14)	11.9 (26)	9.8 (7)	7.6 (21)	8.3 (19)	10.1 (27)	35.9 (13)
▲ Barclays Aggregate Bond Index	2.1 (33)	2.4 (69)	7.5 (38)	6.9 (60)	6.8 (43)	5.6 (49)	7.8 (24)	6.5 (59)	5.9 (77)

Risk Profile

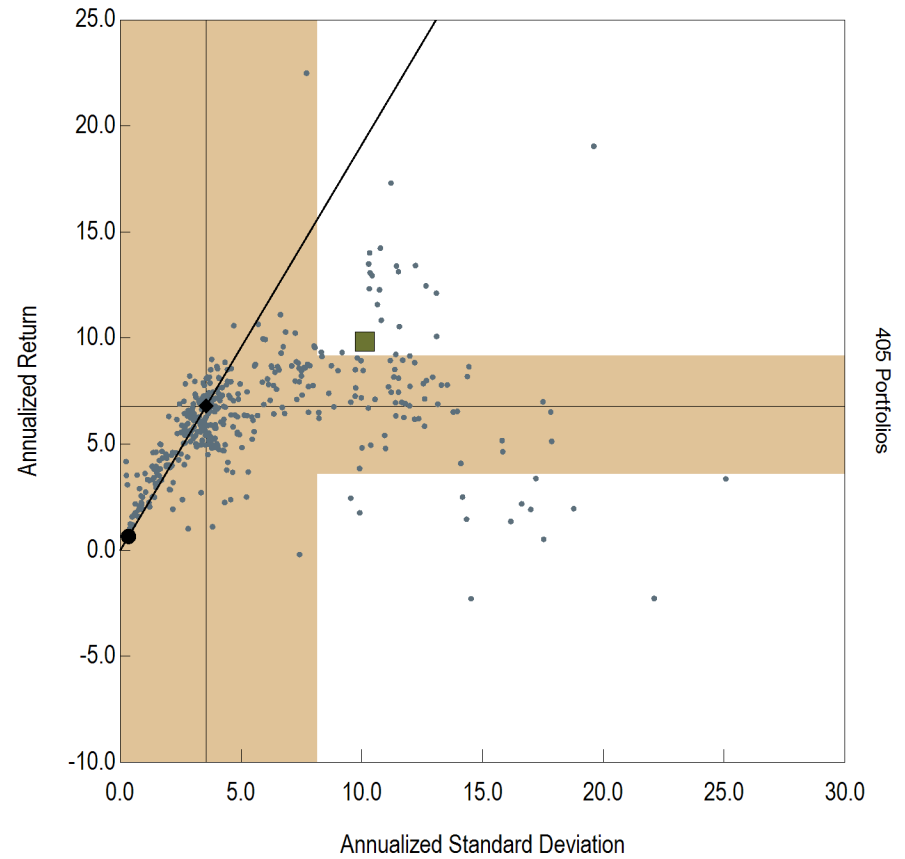
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



- Reams
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

- Reams
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

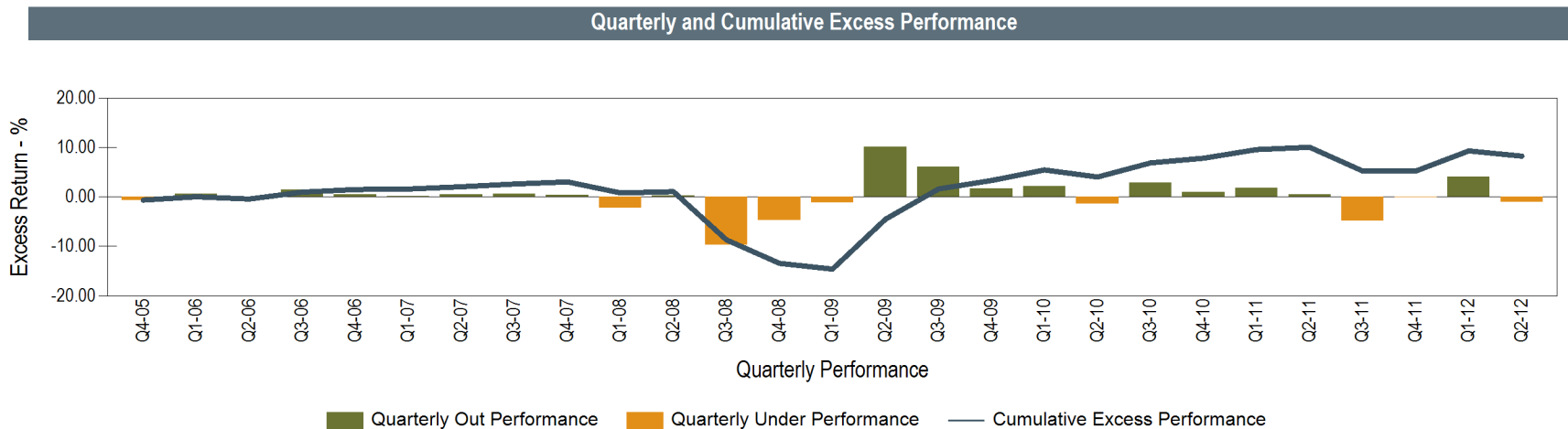
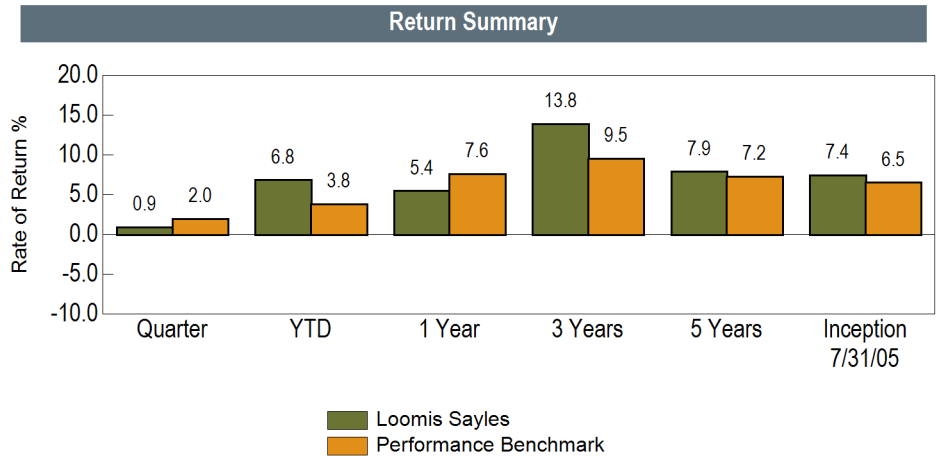
Manager Performance

Benchmark: Performance Benchmark

Loomis Sayles' fixed income philosophy is rooted in identifying undervalued securities through in-house credit research. Its philosophy emphasizes identifying issuers whose credit ratings appear likely to be upgraded or downgraded. The fixed income analysts use forward-looking analyses of cash flow, along with source and application of funds, to identify factors that may affect a debt issuer's future credit rating. Loomis Sayles believes that considerable value can be added by holding under-rated issues for which the firm has projected a credit upgrading.

Loomis typically allocates up to 40% of its assets to high yield securities and its portfolio's duration is significantly higher than that of the broad bond market. The manager also invests in convertible securities. The performance benchmark for the strategy is 60% Barclays Capital Aggregate Bond Index and 40% Barclays Capital High Yield Index.

Account Information	
Account Name	Loomis Sayles
Account Structure	Separate Account
Investment Style	Active
Inception Date	7/31/05
Account Type	Global Fixed Income
Benchmark	Performance Benchmark
Universe	eA All US Fixed Inc Net

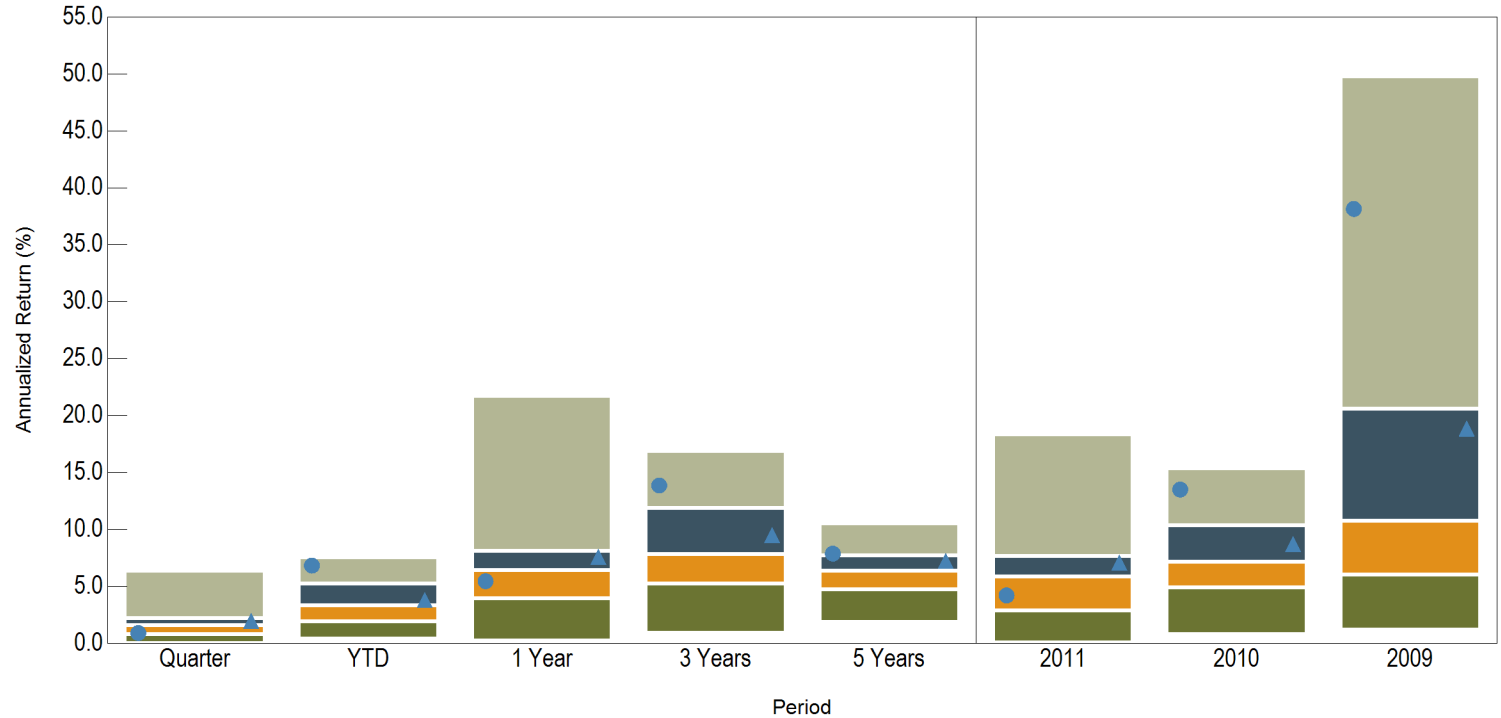


Universe Comparison

Benchmark: Performance Benchmark

Universe: eA All US Fixed Inc Net

Ending June 30, 2012



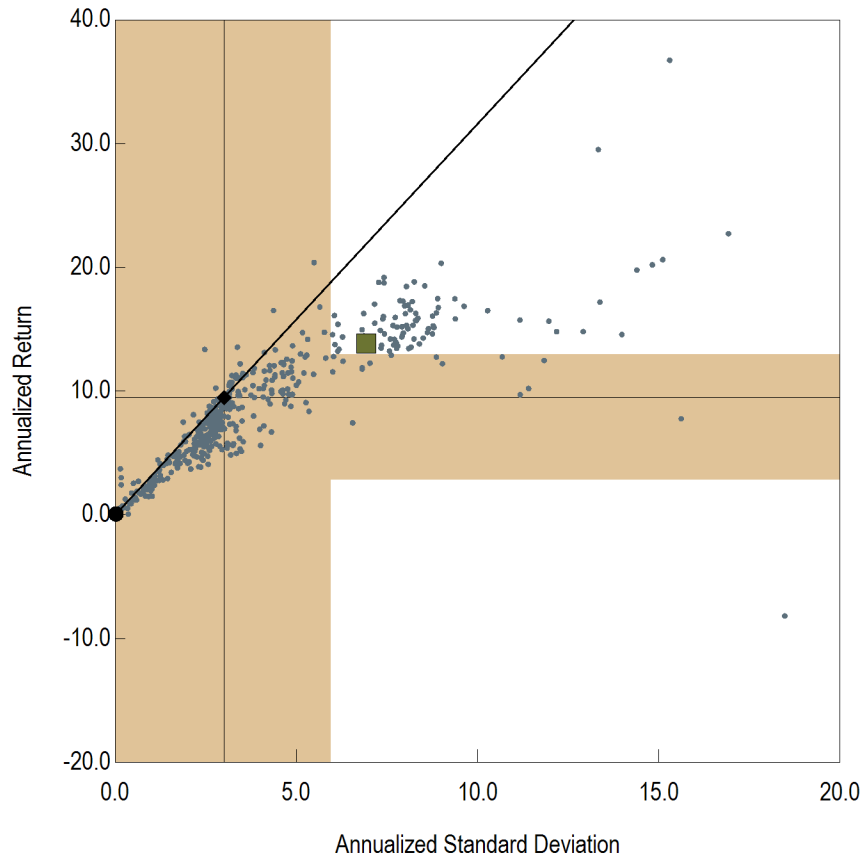
	Return (Rank)															
5th Percentile	6.4	7.5	21.7	16.8	10.5	18.3	15.3	49.8								
25th Percentile	2.2	5.3	8.1	11.9	7.8	7.7	10.4	20.6								
Median	1.6	3.3	6.5	7.9	6.4	5.9	7.2	10.8								
75th Percentile	0.8	2.0	4.0	5.3	4.7	2.9	4.9	6.1								
95th Percentile	0.0	0.4	0.3	0.9	1.9	0.1	0.8	1.2								
# of Portfolios	519	519	510	465	405	483	425	427								
● Loomis Sayles	0.9	(75)	6.8	(10)	5.4	(63)	13.8	(17)	7.9	(23)	4.2	(67)	13.5	(12)	38.1	(12)
▲ Performance Benchmark	2.0	(38)	3.8	(44)	7.6	(36)	9.5	(39)	7.2	(32)	7.1	(35)	8.7	(34)	18.8	(29)

Risk Profile

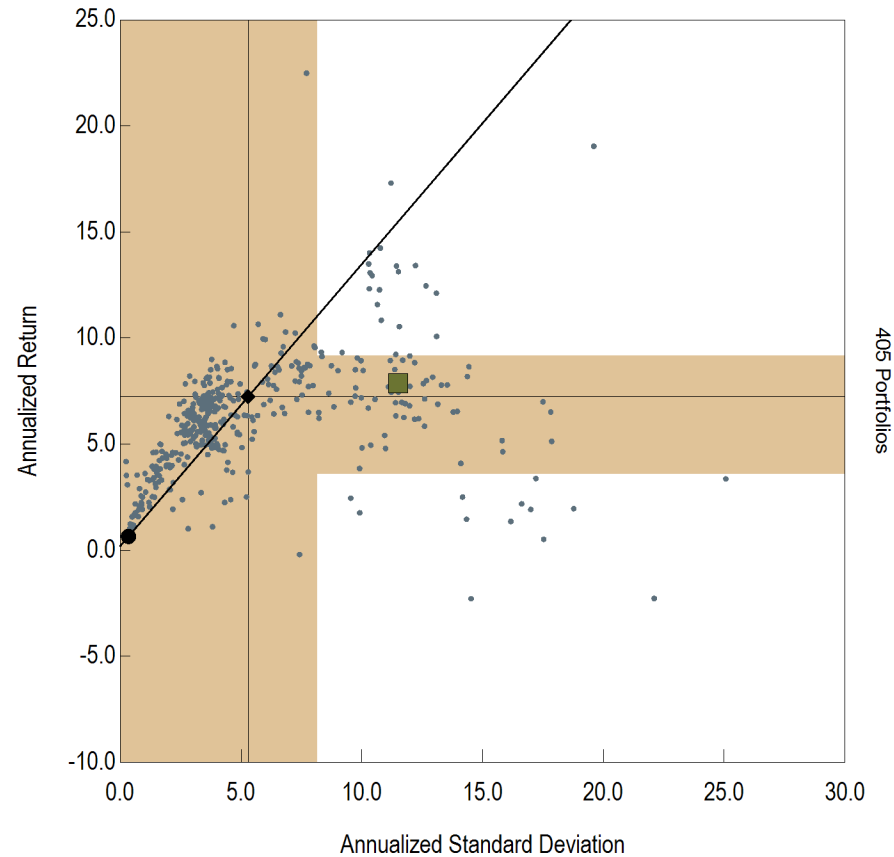
Benchmark: Performance Benchmark

Universe: eA All US Fixed Inc Net

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



- Loomis Sayles
- ◆ Performance Benchmark
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

- Loomis Sayles
- ◆ Performance Benchmark
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

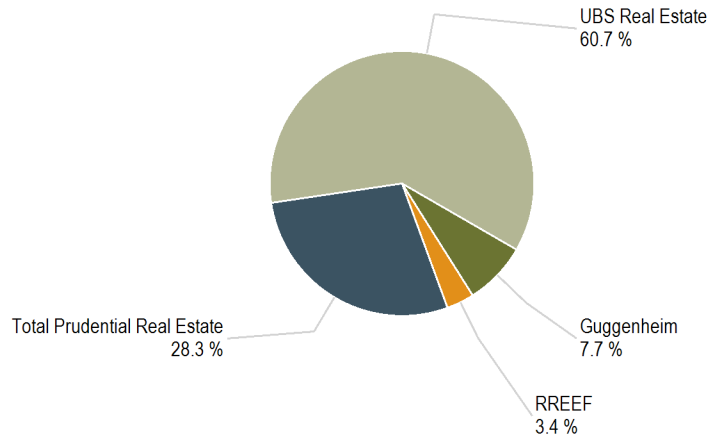


Total Real Estate

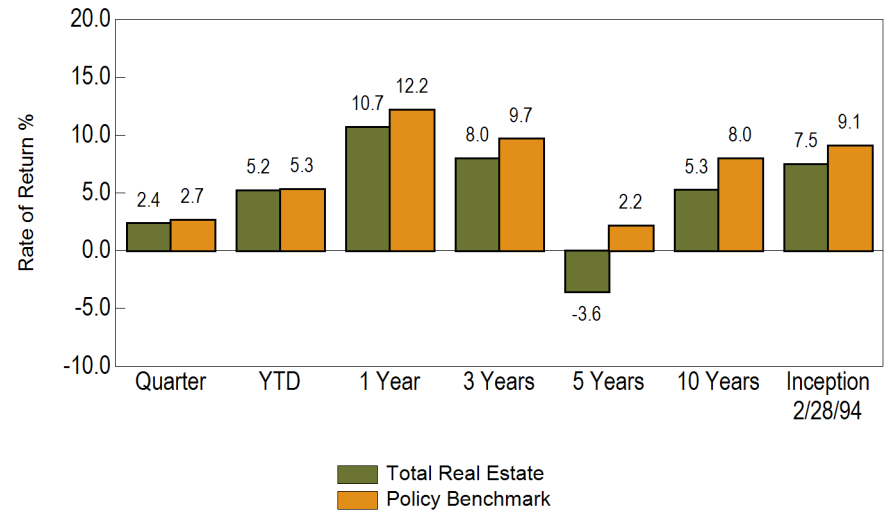
Overview

Benchmark: Policy Benchmark

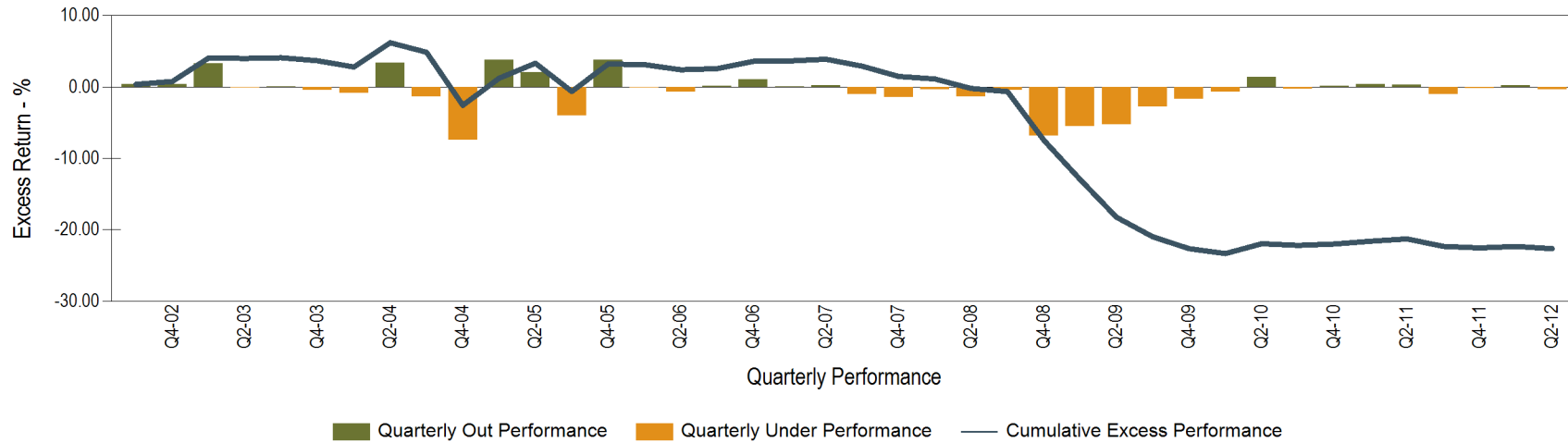
Current Allocation



Return Summary



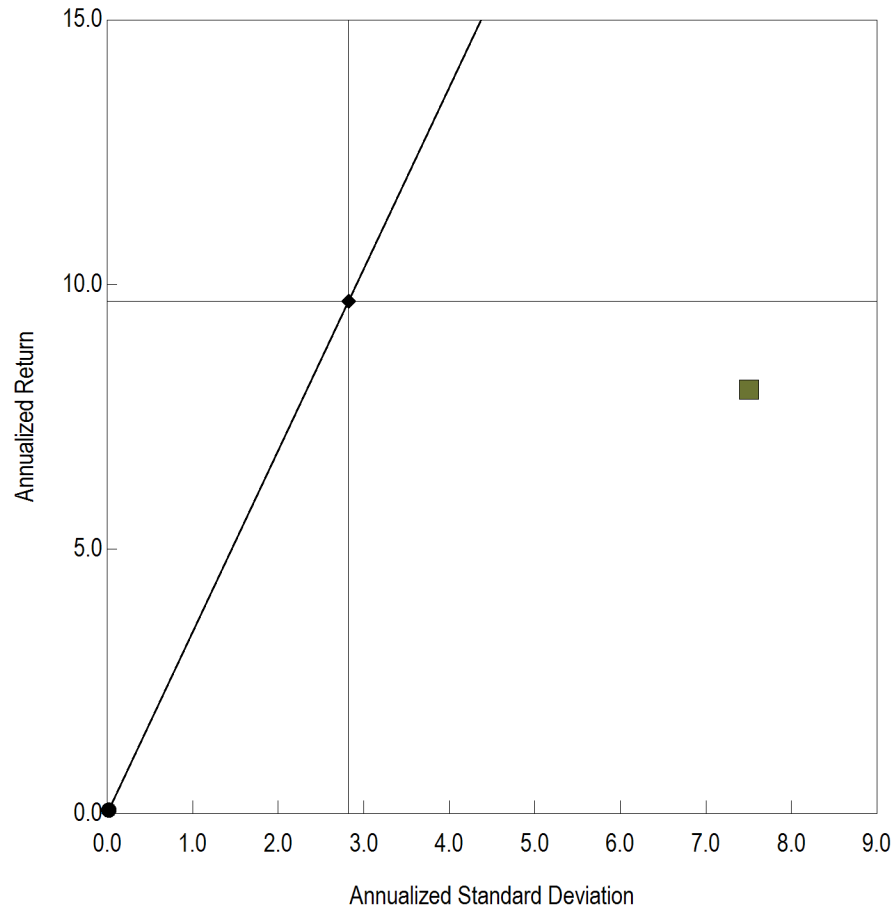
Quarterly and Cumulative Excess Performance



Risk Profile

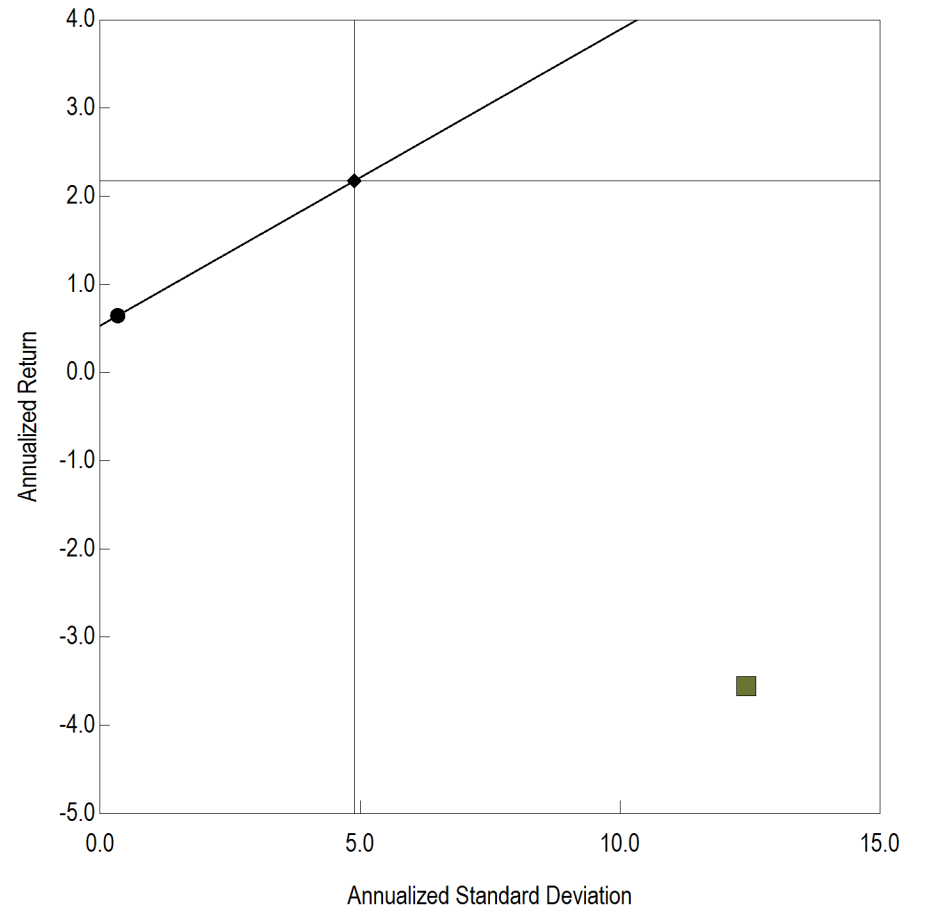
Benchmark: Policy Benchmark

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



- Total Real Estate
- ◆ Policy Benchmark
- Risk Free

Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



- Total Real Estate
- ◆ Policy Benchmark
- Risk Free

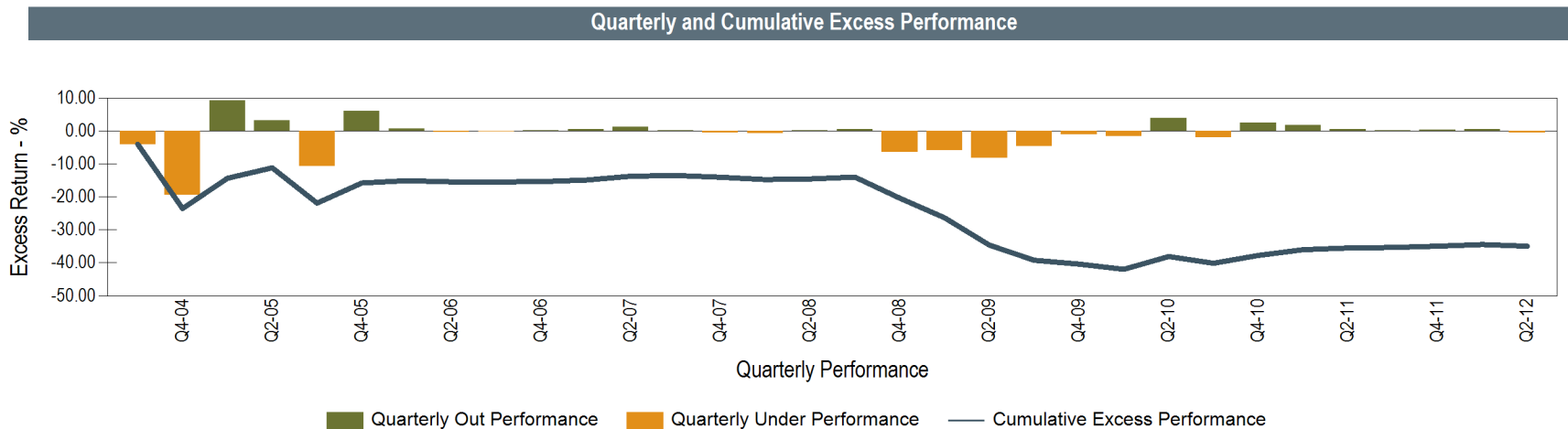
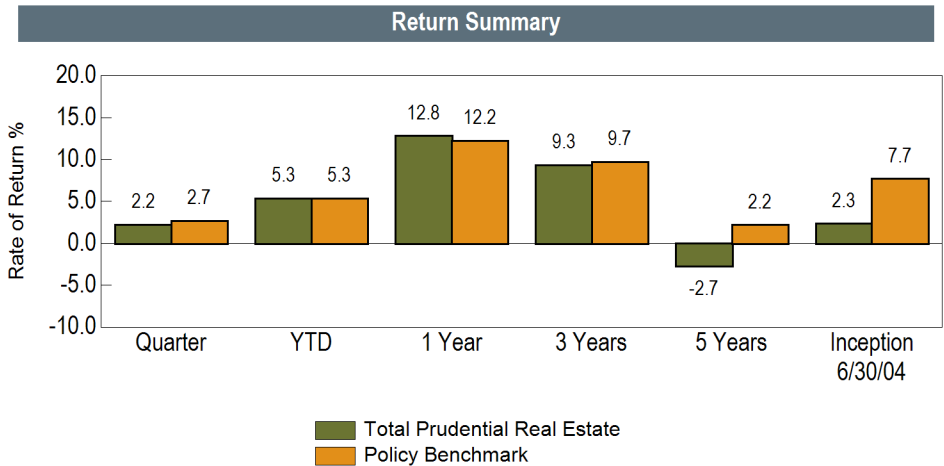
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Manager Performance

Benchmark: Policy Benchmark

Prudential's PRISA is a core-only product with no value-added component. The manager utilizes low leverage (max 30%) and is diversified across both property types and regions. PRISA has a dedicated team of 15 regional research professionals who work on the portfolio. In constructing the PRISA portfolio, the lead portfolio manager annually develops a forward-looking three-year forecast. The forecast is based on macroeconomic predictions, along with input from the manager's proprietary software systems. The transaction team utilizes this forward-looking forecast in its search for potential properties.

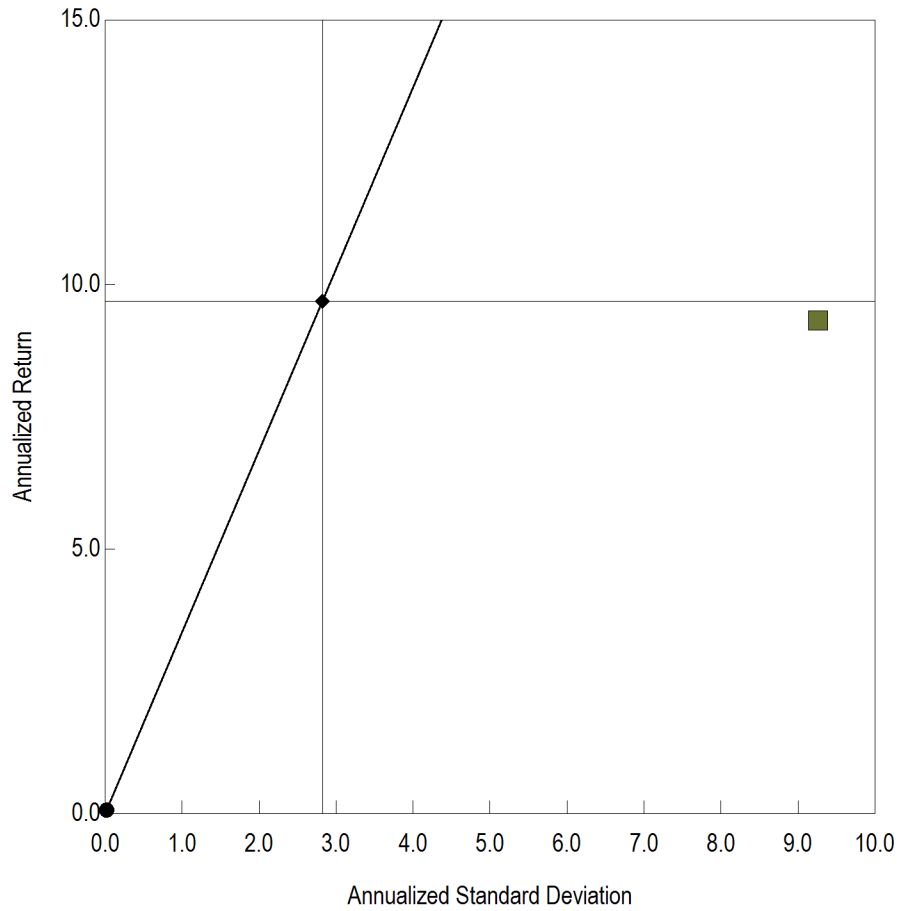
Account Information	
Account Name	Total Prudential Real Estate
Account Structure	Other
Investment Style	Active
Inception Date	6/30/04
Account Type	Real Estate
Benchmark	Policy Benchmark
Universe	



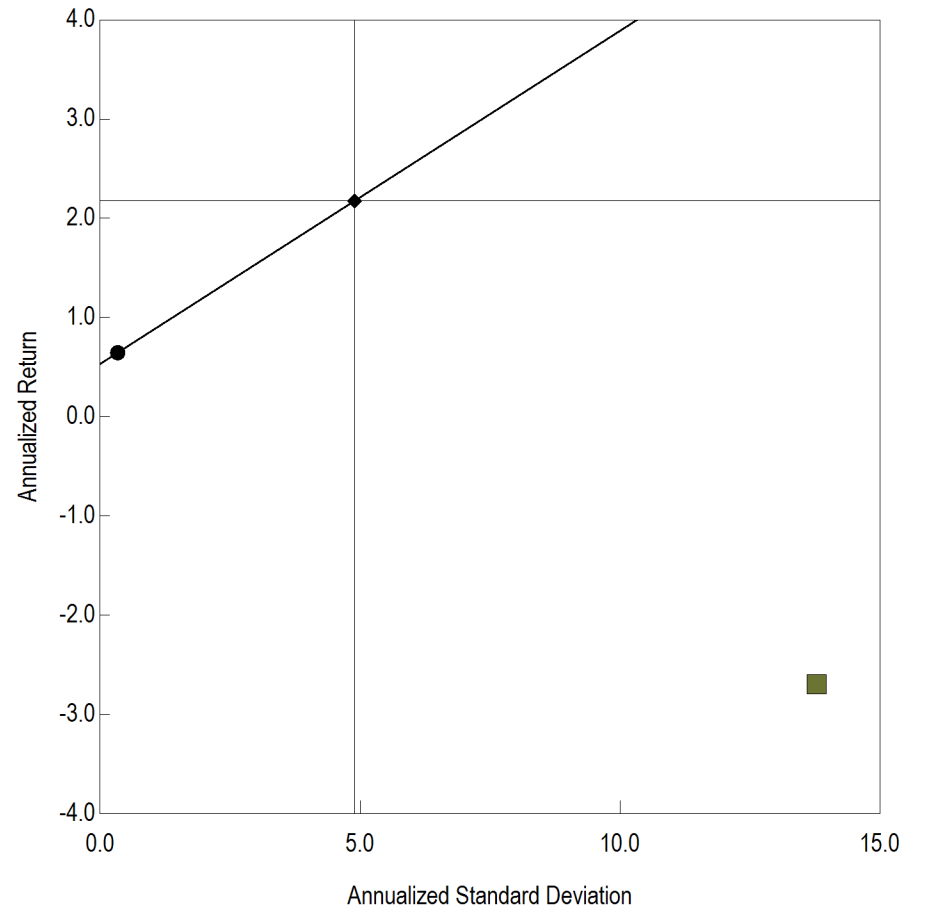
Risk Profile

Benchmark: Policy Benchmark

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012

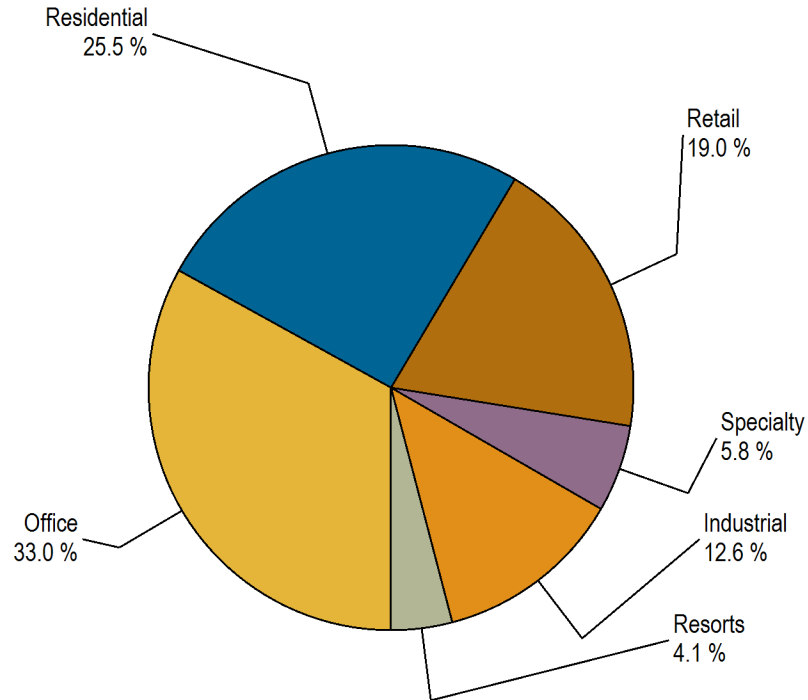


- Total Prudential Real Estate
- ◆ Policy Benchmark
- Risk Free

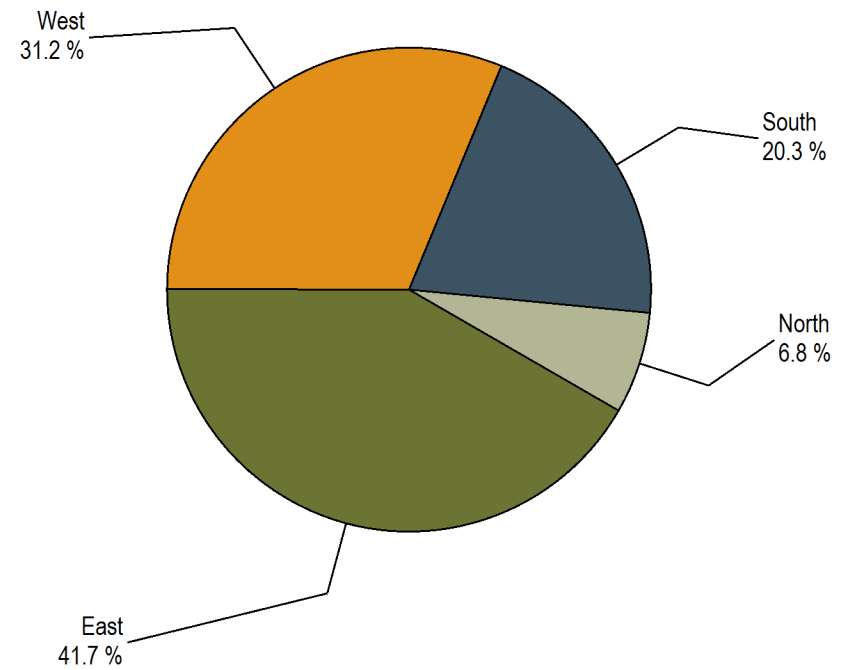
- Total Prudential Real Estate
- ◆ Policy Benchmark
- Risk Free

Manager Analysis

Property Type Allocation



Geographic Diversification



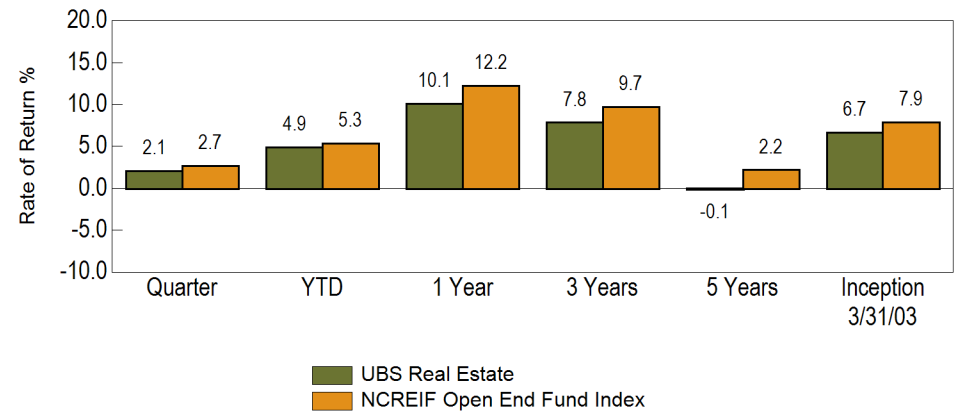
Manager Performance

Benchmark: NCREIF Open End Fund Index

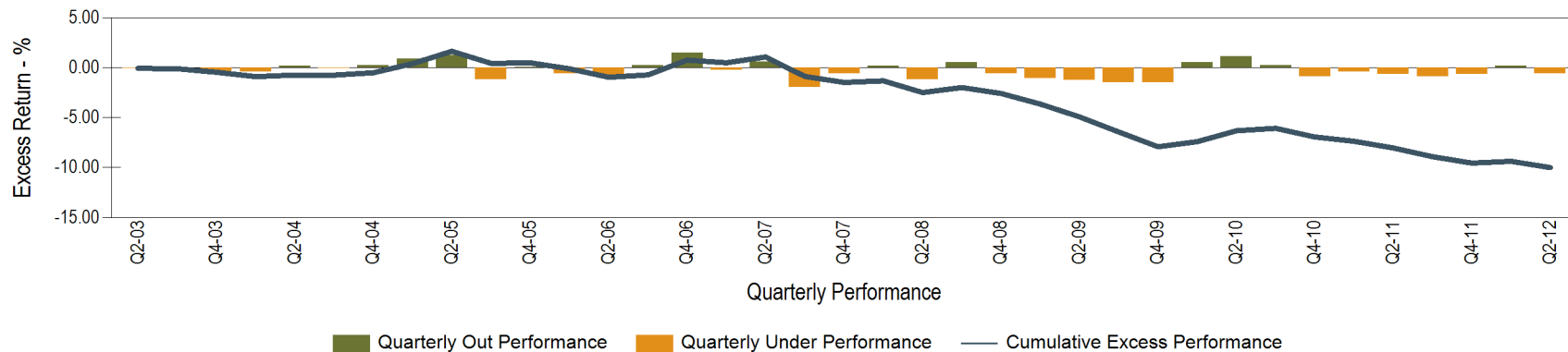
Account Information

Account Name	UBS Real Estate
Account Structure	Other
Investment Style	Active
Inception Date	3/31/03
Account Type	Real Estate
Benchmark	NCREIF Open End Fund Index
Universe	

Return Summary



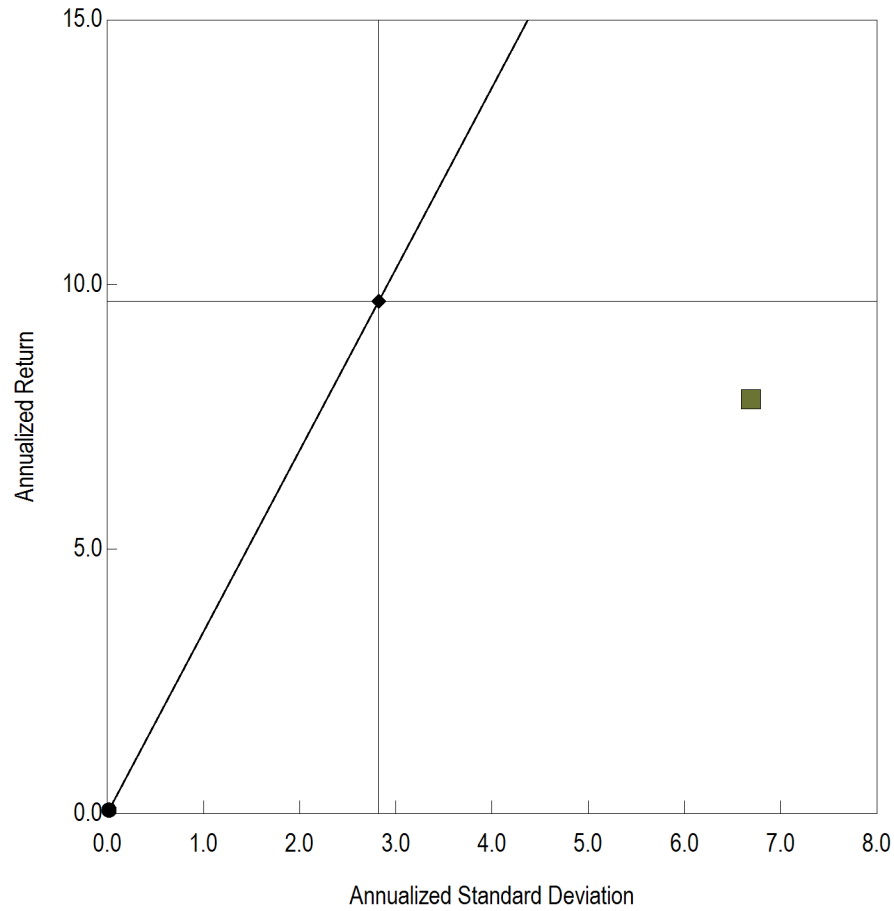
Quarterly and Cumulative Excess Performance



Risk Profile

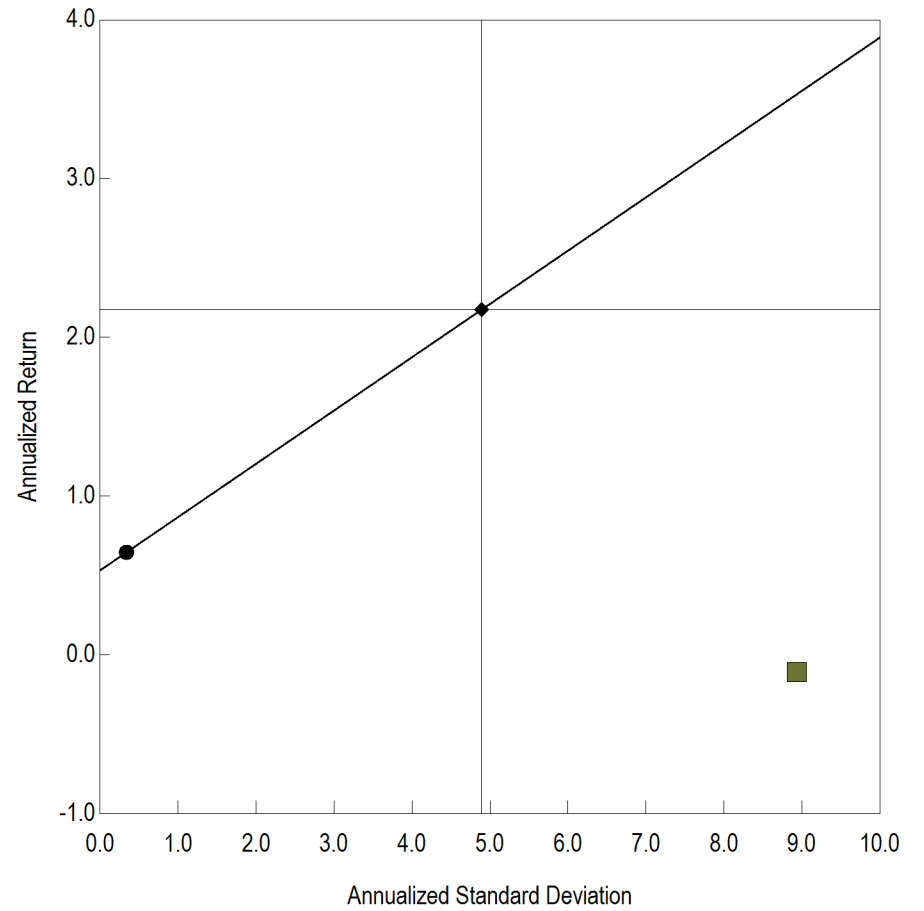
Benchmark: NCREIF Open End Fund Index

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



- UBS Real Estate
- ◆ NCREIF Open End Fund Index
- Risk Free

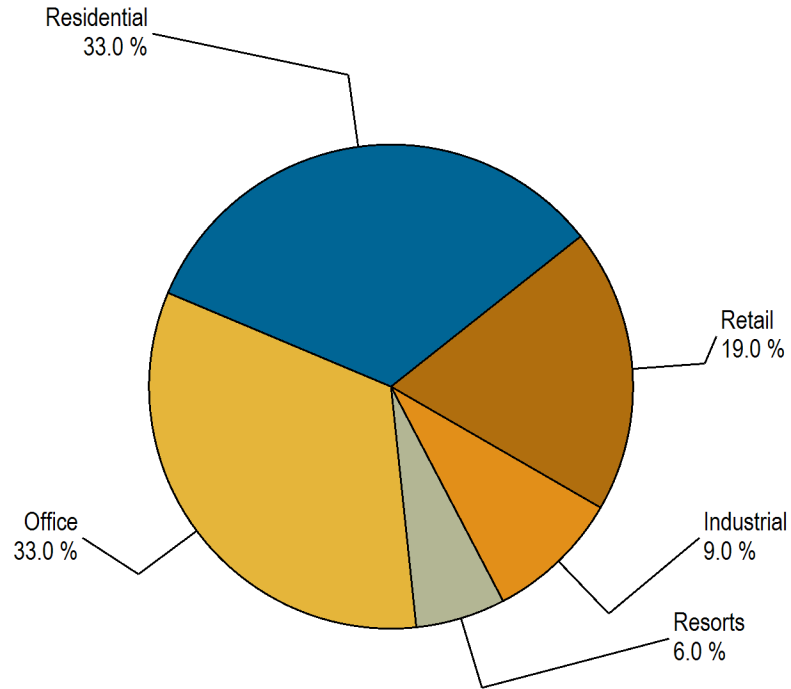
Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



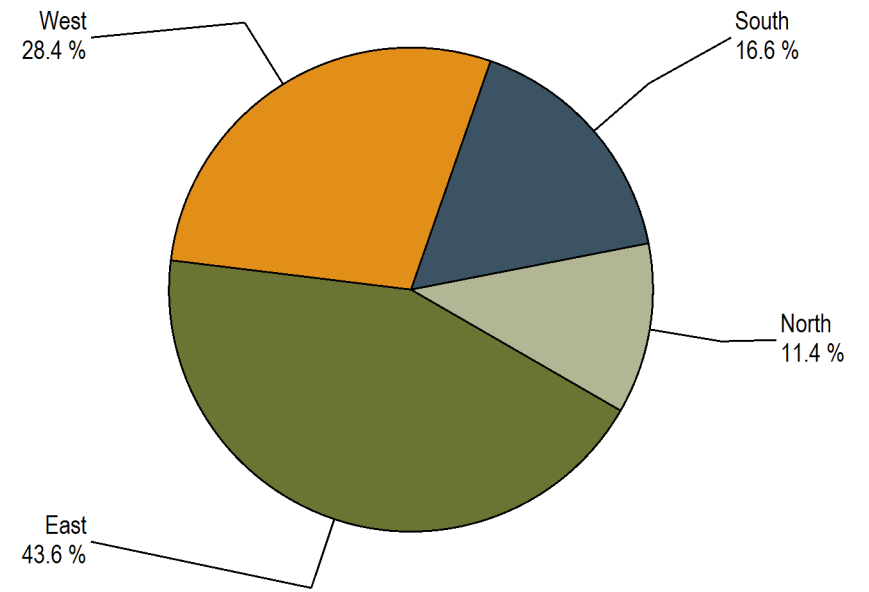
- UBS Real Estate
- ◆ NCREIF Open End Fund Index
- Risk Free

Manager Analysis

Property Type Allocation



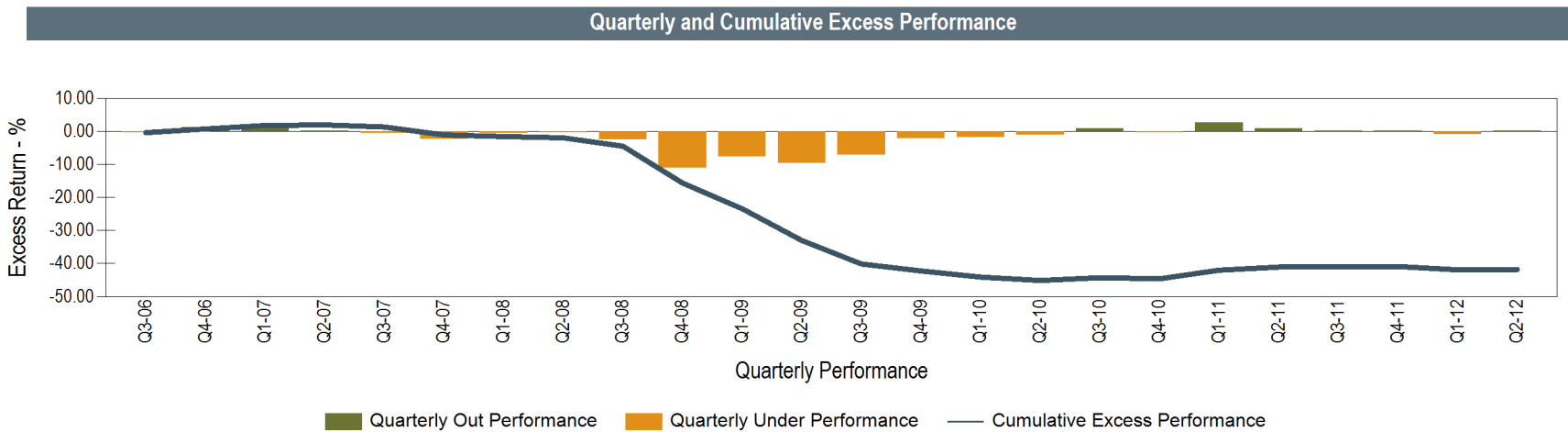
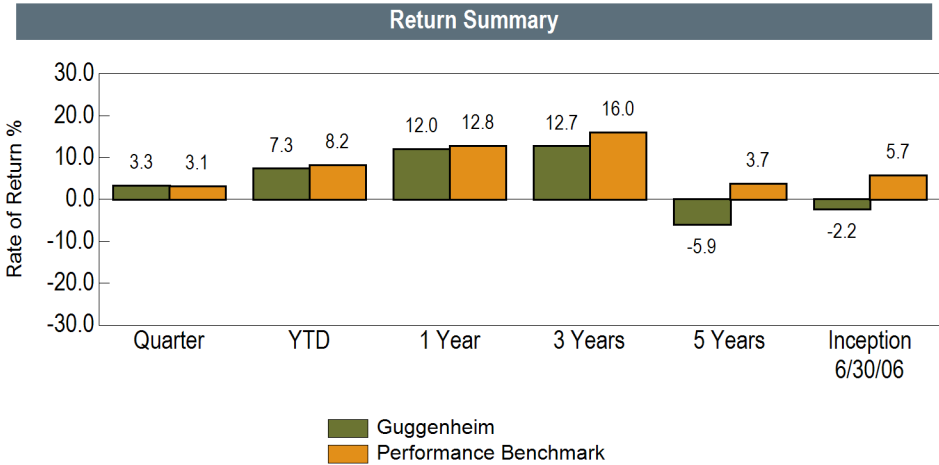
Geographic Diversification



Manager Performance

Benchmark: Performance Benchmark

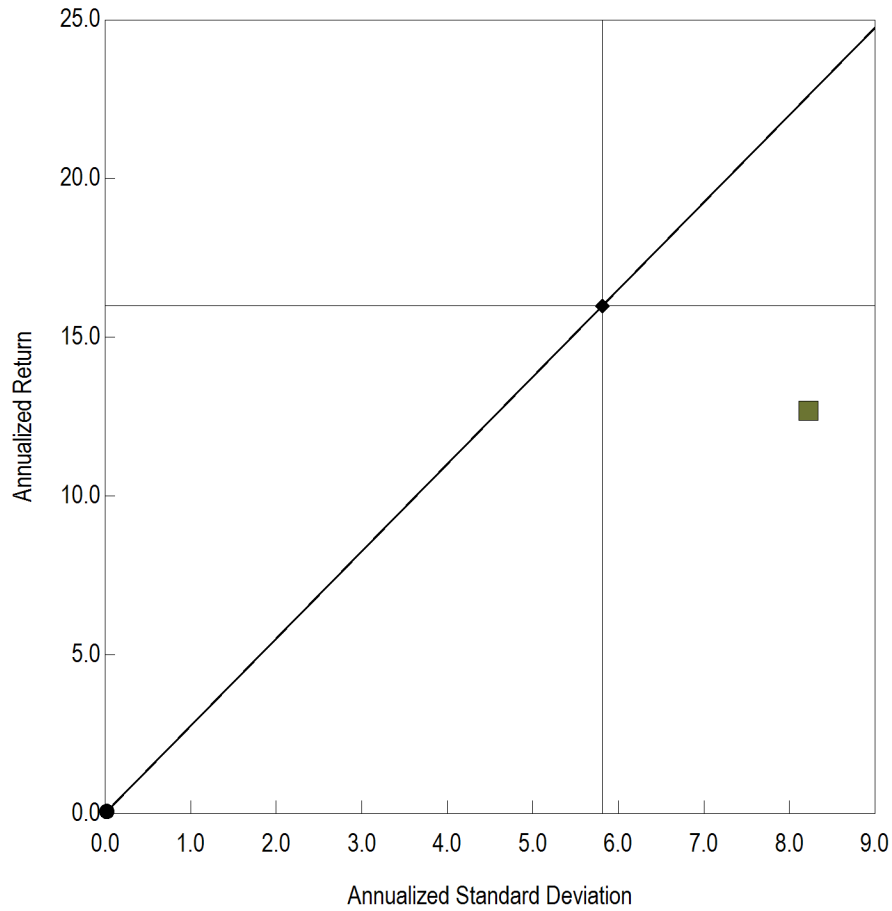
Account Information	
Account Name	Guggenheim
Account Structure	Other
Investment Style	Active
Inception Date	6/30/06
Account Type	Real Estate
Benchmark	Performance Benchmark
Universe	



Risk Profile

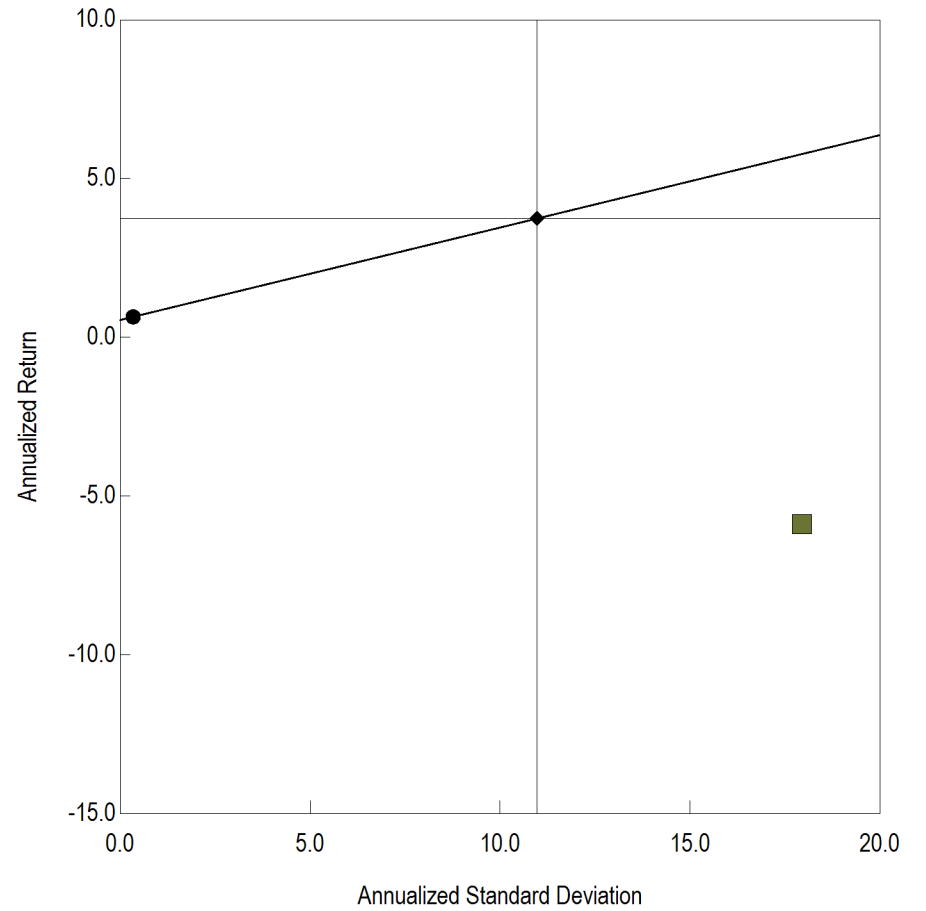
Benchmark: Performance Benchmark

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012



- Guggenheim
- ◆ Performance Benchmark
- Risk Free

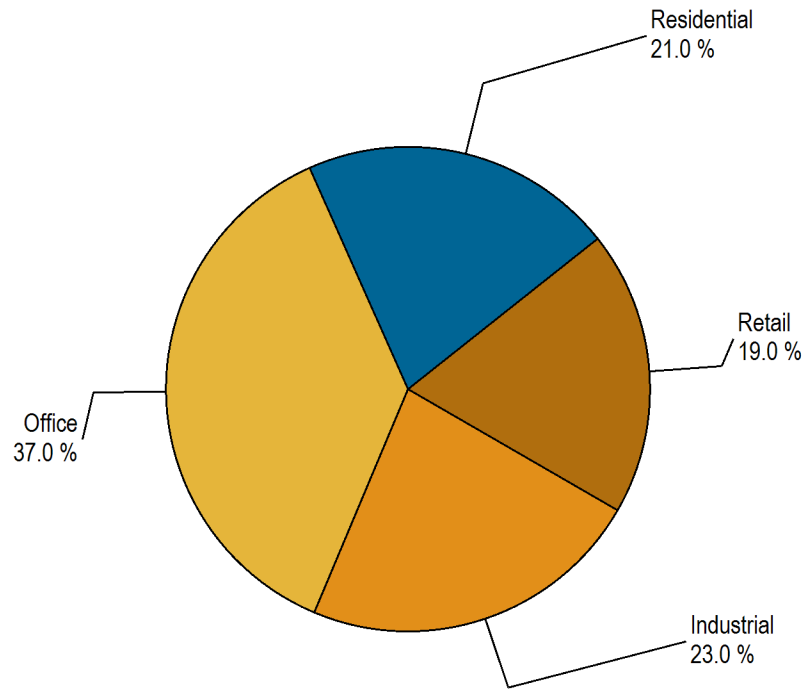
Annualized Return vs. Annualized Standard Deviation
5 Years Ending June 30, 2012



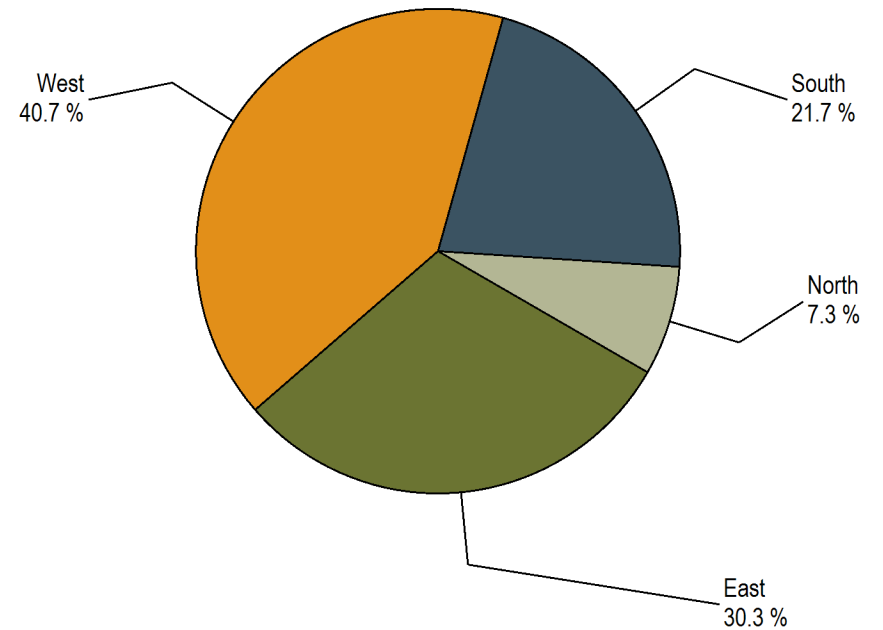
- Guggenheim
- ◆ Performance Benchmark
- Risk Free

Manager Analysis

Property Type Allocation



Geographic Diversification



Note: Geographic Diversification figures are as of 03/31/2012 as 06/30/2012 data is not available.

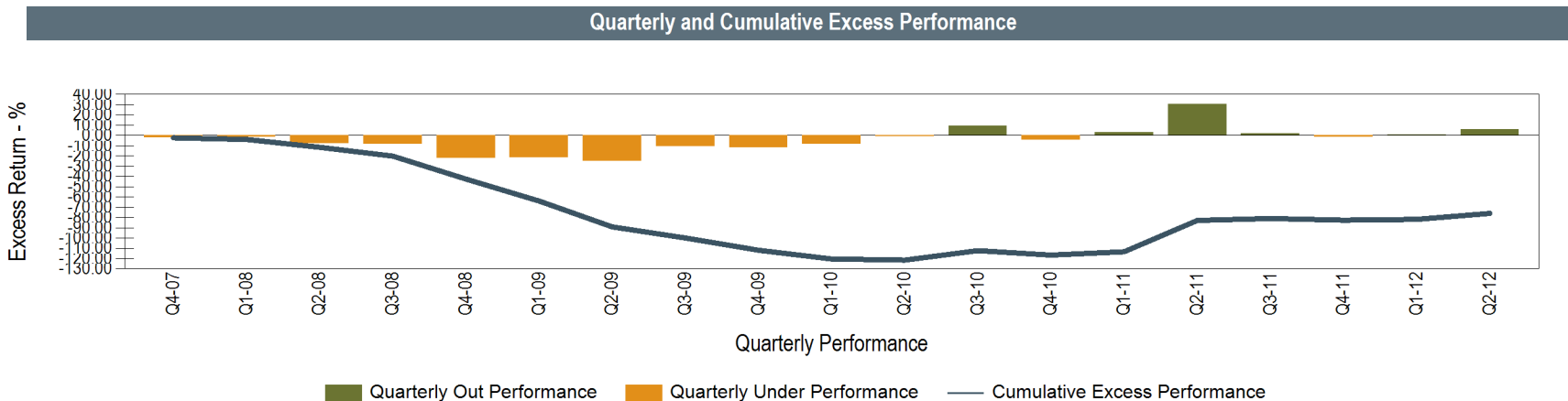
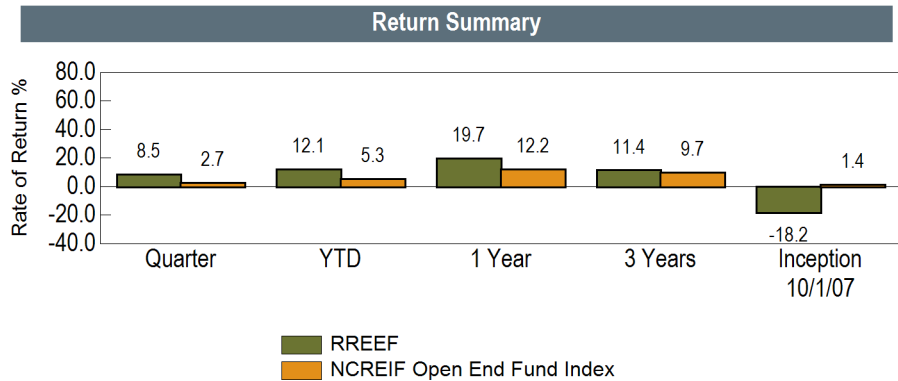
Manager Performance

Benchmark: NCREIF Open End Fund Index

RREEF employs 600+ real estate investment professionals in 115 offices located in every major metropolitan market nationwide. RREEF America III (RA III) is a \$600 million open-end private REIT that pursues value-added investment opportunities in the U.S. The RREEF research process, dubbed the Market Profile Process, is led by Asieh Mansour, Ph. D and is roughly 65% bottom up asset-specific fundamental research and 25% top down market and demographic research. The remainder focuses on the investment performance of real estate in both public market and private market settings. This process is executed by the 17 members of the full-time research staff.

RA III has a target total fund size of \$1-2 billion, which RA III management expects to reach over a five year period. RREEF expects RA III to produce more than one-half of its total return from realized and unrealized gains resulting from the improvements it makes in the fund's assets. RA III investments will include income-producing properties, properties requiring re-positioning, and speculative development. The fund is scheduled to have a 15-year life and will commence an orderly liquidation of assets on January 22, 2016. RA III shareholders and the Board of Directors are considering a proposal to extend product life. As a REIT, oversight of RA III is maintained by an independent board that approves: the investment plan, dispositions, financing, and quarterly valuations.

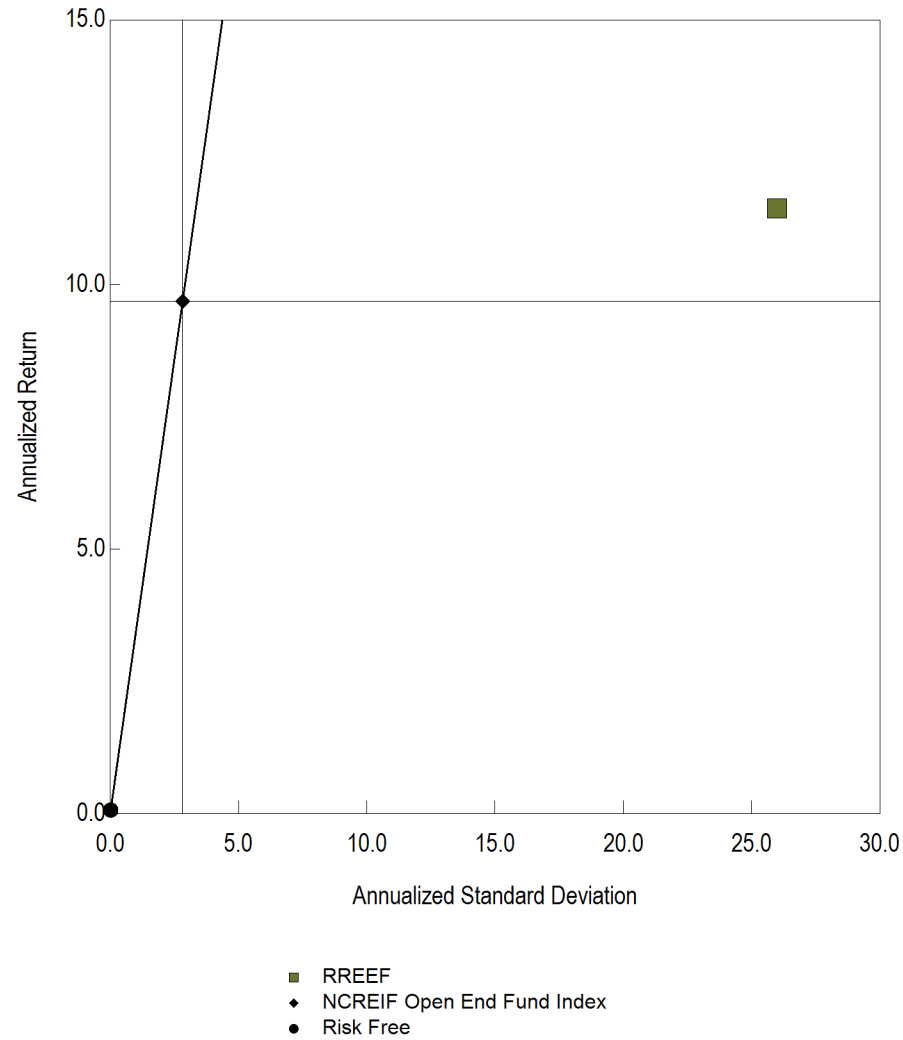
Account Information	
Account Name	RREEF
Account Structure	Other
Investment Style	Active
Inception Date	10/01/07
Account Type	Real Estate
Benchmark	NCREIF Open End Fund Index
Universe	



Risk Profile

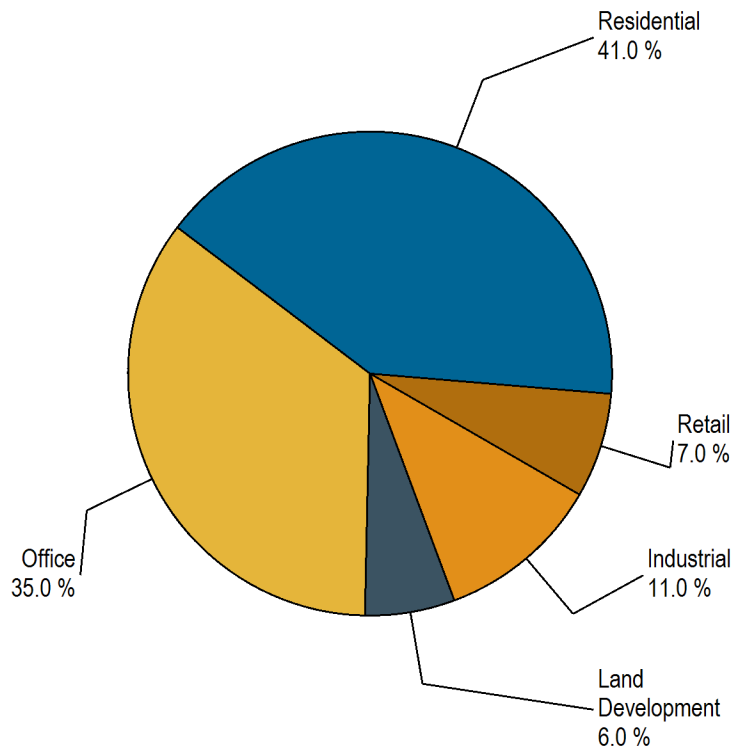
Benchmark: NCREIF Open End Fund Index

Annualized Return vs. Annualized Standard Deviation
3 Years Ending June 30, 2012

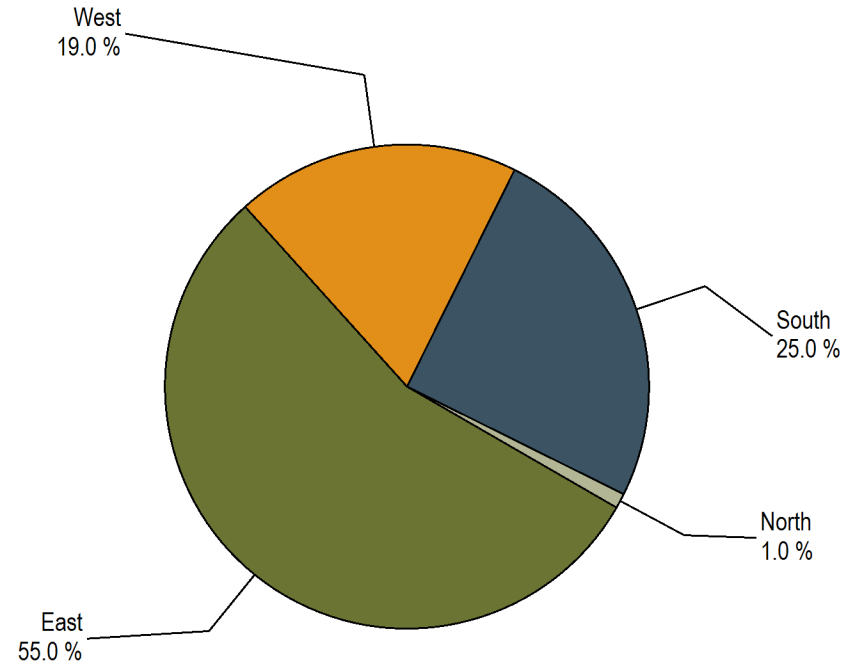


Manager Analysis

Property Type Allocation



Geographic Diversification





Private Equity

Overview

Adams Street Partnership

	As of 03/31/2012
Inception Date	May 2010
Capital Committed	\$85.0 million
Capital Called	\$17.06 million
Distributions	\$0.0 million
Carrying Values	\$19.56 million
Net IRR Since Inception*	29.1%

Pantheon Ventures

	As of 03/31/2012
Inception Date	January 2010
Capital Committed	\$15.0 million
Capital Called	\$3.98 million
Distributions	\$0.45 million
Carrying Values	\$4.61 million
Net IRR Since Inception**	N/A

*Due to the relatively short investment period of the Pension's investments, the internal rate of return (IRR) is might not be meaningful.

**Due to the relatively short investment period of the Pension's investments, returns are not shown. An internal rate of return (IRR) will be calculated for this investment once a meaningful level of capital has been invested for an appropriate period of time.



Appendix

Fee Schedule

Account	Fee Schedule	Market Value As of 6/30/2012	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Total U.S. Equity	No Fee	\$1,196,073,174	37.4%	--	--
BlackRock Extended Equity Index Fund	0.08% of First \$50.0 Mil, 0.06% of Next \$50.0 Mil, 0.04% Thereafter	\$28,845,144	0.9%	\$23,076	0.08%
Western U.S. Index Plus	0.15% of Assets	\$111,402,502	3.5%	\$167,104	0.15%
BlackRock Equity Market Fund	0.03% of First \$250.0 Mil, 0.02% Thereafter	\$1,055,825,528	33.0%	\$236,165	0.02%
Total Non-U.S. Equity	No Fee	\$531,184,817	16.6%	--	--
BlackRock ACWI ex-U.S. Index	0.12% of First \$100.0 Mil, 0.10% Thereafter	\$265,166,040	8.3%	\$285,166	0.11%
Sprucegrove	0.90% of First \$5.0 Mil, 0.65% of Next \$10.0 Mil, 0.55% of Next \$25.0 Mil, 0.50% of Next \$35.0 Mil, 0.25% of Next \$225.0 Mil, 0.20% Thereafter	\$140,627,582	4.4%	\$586,569	0.42%
Hexavest	0.60% of First \$10.0 Mil, 0.50% of Next \$30.0 Mil, 0.40% of Next \$40.0 Mil	\$51,098,115	1.6%	\$254,392	0.50%
Walter Scott	1.00% of First \$50.0 Mil, 0.85% of Next \$25.0 Mil, 0.60% Thereafter	\$74,293,080	2.3%	\$706,491	0.95%
Total Global Equity	No Fee	\$267,070,236	8.3%	--	--
GMO Global	0.65% of Assets	\$149,524,495	4.7%	\$971,909	0.65%
Acadian	0.95% of First \$25.0 Mil, 0.90% Thereafter	\$10,461	0.0%	\$99	0.95%
BlackRock Global MSCI ACWI Equity Index	No Fee	\$117,535,280	3.7%	--	--
Total U.S. Fixed Income	No Fee	\$824,507,336	25.8%	--	--
Western	0.30% of First \$100.0 Mil, 0.15% Thereafter	\$247,955,848	7.8%	\$521,934	0.21%

Fee Schedule

Account	Fee Schedule	Market Value As of 6/30/2012	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
BlackRock U.S. Debt Fund	0.06% of First \$100.0 Mil, 0.04% of Next \$400.0 Mil, 0.02% Thereafter	\$131,199,405	4.1%	\$72,480	0.06%
Reams	0.20% of First \$200.0 Mil, 0.15% Thereafter	\$327,201,040	10.2%	\$590,802	0.18%
Loomis Sayles	0.50% of First \$20.0 Mil, 0.40% of Next \$30.0 Mil, 0.30% Thereafter	\$118,151,043	3.7%	\$424,453	0.36%
Total Global Fixed Income	No Fee	\$65,400,000	2.0%	--	--
Loomis Sayles Global Fixed Income	No Fee	\$65,400,000	2.0%	--	--
Total Real Estate	No Fee	\$283,213,127	8.9%	--	--
Total Prudential Real Estate	0.81% of Assets	\$80,018,268	2.5%	\$648,148	0.81%
UBS Real Estate	0.96% of Assets	\$171,825,600	5.4%	\$1,649,526	0.96%
Guggenheim	0.60% of Assets	\$21,787,344	0.7%	\$130,724	0.60%
RREEF	0.30% of Assets	\$9,581,915	0.3%	\$28,746	0.30%
Private Equity	No Fee	\$26,877,068	0.8%	--	--
Adams Street Partners	1.00% of Assets	\$21,594,177	0.7%	\$215,942	1.00%
Pantheon Ventures	1.00% of Assets	\$5,282,891	0.2%	\$52,829	1.00%
Total Cash	No Fee	\$4,564,461	0.1%	--	--
Clifton Group	0.15% of First \$25.0 Mil, 0.10% of Next \$75.0 Mil, 0.40% Thereafter	\$4,564,461	0.1%	\$6,847	0.15%
Investment Management Fee		\$3,198,890,219	100.0%	\$7,573,401	0.24%

Note: Western's fees for both U.S. and Fixed Income products are calculated together. The first \$100 million of the combined assets is billed at 30bps, all assets thereafter are billed at 15bps.

Market Returns

	Second Quarter	1-Year	Annualized Periods Ending 6/30/12			
			3-Year	5-Year	10-Year	15-Year
Domestic Stock Indices:						
Dow Jones US Total Stock Index	-3.1	4.0	16.9	0.6	6.1	5.3
S&P 500 Index	-2.8	5.4	16.4	0.2	5.3	4.8
Russell 3000 Index	-3.1	3.8	16.7	0.4	5.8	5.2
Russell 1000 Value Index	-2.2	3.0	15.8	-2.2	5.3	5.7
Russell 1000 Growth Index	-4.0	5.8	17.5	2.9	6.0	3.9
Russell MidCap Value Index	-3.3	-0.4	19.9	-0.1	8.2	8.5
Russell MidCap Growth Index	-5.6	-3.0	19.0	1.9	8.5	6.4
Russell 2000 Value Index	-3.0	-1.4	17.4	-1.0	6.5	7.6
Russell 2000 Growth Index	-3.9	-2.7	18.1	2.0	7.4	4.2
Domestic Bond Indices:						
Barclays Capital Aggregate Index	2.1	7.5	6.9	6.8	5.6	6.3
Barclays Capital Govt/Credit Index	2.6	8.8	7.3	6.9	5.8	6.4
Barclays Capital Long Govt/Credit Index	7.3	24.6	14.4	11.0	8.7	8.6
Barclays Capital 1-3 Year Govt/Credit Index	0.2	1.1	2.3	3.7	3.4	4.5
Barclays Capital U.S. MBS Index	1.1	5.0	5.4	6.7	5.4	6.1
Barclays Capital High Yield Index	1.8	7.3	16.3	8.4	10.2	7.0
Barclays Capital Universal Index	2.0	7.4	7.6	6.8	6.0	6.4
Real Estate Indices:						
NCREIF Property Index	2.7	12.0	8.8	2.5	8.3	9.4
NCREIF ODCE Index	2.3	11.3	7.4	-1.8	5.6	7.3
Dow Jones Real Estate Securities Index	3.7	12.8	33.5	1.8	10.3	9.5
FTSE NAREIT US Real Estate Index	4.0	12.5	32.4	2.6	10.3	9.5
Foreign/Global Stock Indices:						
MSCI All Country World Index	-5.6	-6.5	10.8	-2.7	5.7	3.8
MSCI All Country World IMI	-5.7	-6.9	11.3	-2.4	6.2	4.1
MSCI All Country World ex-U.S. Index	-7.6	-14.6	7.0	-4.6	6.7	3.7
MSCI All Country World ex-U.S. IMI	-7.8	-14.8	7.4	-4.5	7.2	3.8
MSCI All Country World ex-U.S. Small Cap Index	-8.9	-16.4	10.4	-3.7	10.1	5.3
MSCI EAFE Index	-7.1	-13.8	6.0	-6.1	5.1	2.9
MSCI EAFE IMI	-7.3	-14.0	6.3	-5.9	5.6	3.1
MSCI EAFE Index (in local currency)	-5.4	-8.6	4.4	-7.5	2.1	1.6
MSCI Emerging Markets IMI	-8.8	-16.3	10.0	0.0	14.1	4.5
Foreign Bond Indices:						
Citigroup World Gov't Bond Index	0.2	0.4	5.1	7.4	7.1	5.8
Citigroup Hedged World Gov't Bond Index	1.1	6.2	3.7	4.8	4.5	5.5
Cash Equivalents:						
Treasury Bills (30-Day)	0.0	0.0	0.1	0.6	1.4	2.4
Hewitt EnnisKnupp STIF Index	0.1	0.2	0.3	1.3	2.1	3.1
Inflation Index:						
Consumer Price Index	0.0	1.7	2.1	2.0	2.5	2.4

Benchmark and Universe Descriptions

Total Fund

Policy Portfolio- As of April 2010, the return is based on a combination of 37% DJ U.S. Total Stock Market Index, 27% Barclays Aggregate Bond Index, 18% MSCI All Country World Ex-U.S. Index, 10% MSCI All Country World Index and 8% NCREIF Real Estate Index. Prior to April 2010, the return was based on a combination of 40% DJ U.S. Total Stock Market Index, 27% Barclays Aggregate Bond Index, 18% MSCI All Country World Ex-U.S. Index, 7% MSCI All Country World Index and 8% NCREIF Real Estate Index. Prior to June 2008, the return was based on a combination of 47% DJ U.S. Total Stock Market Index, 27% Barclays Aggregate Bond Index, 14% MSCI All Country World Ex-U.S. Index, 4% MSCI All Country World Index and 8% NCREIF Real Estate Index. Prior to October 2007, the return was based on a combination of 47% DJ U.S. Total Stock Market Index, 29% Barclays Aggregate Bond Index, 14% MSCI All Country World Ex-U.S. Index, 4% MSCI All Country World Index and 6% NCREIF Real Estate Index. Prior to June 2005, the return was based on a combination of 49% Russell 3000 Index, 29% Barclays Aggregate Bond Index, 16% MSCI All Country World Ex-U.S. Index and 6% NCREIF Real Estate Index. Prior to April 2003, the return was based on a combination of 49% Russell 3000 Index, 32% Barclays Aggregate Bond Index, 16% MSCI All Country World Ex-U.S. Index and 3% NCREIF Real Estate Index. Prior to May 2002 the return was based on a combination of 49% Russell 3000 Index, 32% Barclays Aggregate Bond Index, 16% MSCI EAFE Index and 3% NCREIF Real Estate Index. Prior to April 2002 the return was based on a combination of 53% Russell 3000 Index, 32 Barclays Aggregate Bond Index, 12% MSCI Europe, Australasia and Far East (EAFE) Index and 3% NCREIF Real Estate Index. Prior to October 2001, the policy portfolio consisted of a combination of 53% Russell 3000, 22% Barclays Aggregate Bond Index, 12% MSCI Europe, Australasia and Far East (EAFE) Index, 3% NCREIF Real Estate Index, and 10% Solomon Brothers World Government Bond Index Hedged. Historically, the policy return is based on the historic policy allocations provided by the VCERA staff.

Public Fund Universe - An equal-weighted index that is designed to represent the average return earned by U.S. public pension funds. The index is calculated based on a universe of 116 funds compiled by BNY Mellon Performance & Risk Analytics, LLC as of 06/30/2012.

Total U.S. Equity

Benchmark. The DJ U.S. Total Stock Market Index.

Universe. A universe of 1,119 domestic stock portfolios compiled by eVestment as of 06/30/2012.

BlackRock Extended Equity Index Fund

Benchmark. The DJ U.S. Completion Total Stock Market Index.

Universe. A universe 105 small-mid cap stock portfolios compiled by eVestment as of 06/30/2012.

Benchmark and Universe Descriptions

Western U.S. Index Plus

Benchmark. The S&P 500 Index.

Universe. A universe of 1,119 domestic stock portfolios compiled by eVestment as of 06/30/2102.

BlackRock Equity Market Fund

Benchmark. The DJ U.S. Total Stock Market Index.

Universe. A universe of 1,119 domestic stock portfolios compiled by eVestment as of 06/30/2012.

Total Non-U.S. Equity

Benchmark. The Morgan Stanley Capital International All Country World ex-U.S. Free Index. Prior to May 2002, the Morgan Stanley Capital International EAFE-Free Stock Index.

Universe. A universe of 134 international stock portfolios compiled by eVestment as of 06/30/2012.

BlackRock ACWI ex U.S.

Benchmark. The MSCI All Country World ex-U.S. IMI Index

Universe. A universe of 134 international stock portfolios compiled by eVestment as of 06/30/2012.

Sprucegrove

Benchmark. The Morgan Stanley Capital International EAFE-Free Stock Index.

Universe. A universe of 134 international stock portfolios compiled by eVestment as of 06/30/2012.

Benchmark and Universe Descriptions

Hexavest

Benchmark. The Morgan Stanley Capital International EAFE-Free Stock Index.

Universe. A universe of 134 international stock portfolios compiled by eVestment as of 06/30/2012.

Walter Scott

Benchmark. The Morgan Stanley Capital International All Country World ex-U.S. Free Index.

Universe. A universe of 134 international stock portfolios compiled by eVestment as of 06/30/2012.

Total Global Equity

Benchmark. The Morgan Stanley Capital International All Country World Index.

Universe. A universe of 219 global stock portfolios compiled by eVestment as of 06/30/2102.

Grantham Mayo Van Otterloo (GMO)

Benchmark. The Morgan Stanley Capital International All Country World Index.

Universe. A universe of 219 global stock portfolios compiled by eVestment as of 06/30/2012.

Benchmark and Universe Descriptions

Total Fixed Income

Benchmark. The BlackRock Aggregate Bond Index.

Universe. A universe of 519 fixed income stock portfolios compiled by eVestment as of 06/30/2012.

Western Asset Management

Benchmark. The BlackRock Aggregate Bond Index.

Universe. A universe of 519 fixed income stock portfolios compiled by eVestment as of 06/30/2012.

BlackRock U.S. Debt Index Fund

Benchmark. The BlackRock Aggregate Bond Index.

Universe. A universe of 519 fixed income stock portfolios compiled by eVestment as of 06/30/2012.

Reams

Benchmark. The BlackRock Aggregate Bond Index.

Universe. A universe of 519 fixed income stock portfolios compiled by eVestment as of 06/30/2012.

Benchmark and Universe Descriptions

Loomis Sayles

Benchmark. 60% of the BlackRock Aggregate Bond Index and 40% of the BlackRock High Yield Index.

Universe. A universe of 519 fixed income stock portfolios compiled by eVestment as of 06/30/2012.

Total Real Estate

Benchmark. The National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Fund. Prior to January 2006, the NCREIF Property Index.

Prudential Real Estate

Benchmark. The National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Fund. Prior to January 2006, the NCREIF Property Index.

UBS RESA

Benchmark. The National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Fund.

Guggenheim

Benchmark. 70% of the National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Fund and 30% of the NAREIT Index.

RREEF

Benchmark. The National Council of Real Estate Investment Fiduciaries (NCREIF) Open-End Fund.

Total Alternatives

Benchmark. London Interbank Offered Rate (LIBOR) + 3%

K2 Advisors

Benchmark. London Interbank Offered Rate (LIBOR) + 3%

Benchmark Descriptions

Russell 3000 Index- A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.

S&P 500 Index- A capitalization-weighted index representing the 500 largest publicly traded U.S. stocks.

MSCI Europe, Australasia, Far East (EAFE) Foreign Index- A capitalization-weighted index of 20 stock markets in Europe, Australia, Asia and the Far East.

MSCI All Country World Index - An index of major world stock markets, including the U.S., representing countries according to their approximate share of world market capitalization. The weights are adjusted to reflect foreign currency fluctuations relative to the U.S. dollar.

BlackRock Aggregate Bond Index- A market value-weighted index consisting of the Barclays Corporate, Government and Mortgage-Backed Indices. This index is the broadest available measure of the aggregate U.S. fixed income market.

NCREIF Open End Fund Index- A capitalization-weighted index of privately owned investment grade income-producing properties representing approximately \$67 billion in assets.

Description of Terms

Rank - A representation of the percentile position of the performance of a given portfolio, relative to a universe of similar funds. For example, a rank of 25 for a given manager indicates outperformance by that manager of 75% of other funds in that same universe.

Universe - A distribution of the returns achieved by a group of funds with similar investment objectives.

U.S. Stock Universe - The rankings are based on a universe that is designed to represent the average equity return earned by U.S. institutional investors (public funds, corporate funds, and endowment/foundations). The universe is calculated based on data provided by eVestment Alliance and includes 914 funds.

Non-U.S. Equity Universe - The rankings are based on a universe that is designed to represent the average international equity return earned by U.S. institutional investors (public funds, corporate funds, and endowment/foundations). The universe is calculated based on data provided by eVestment Alliance and includes 128 funds.

Global Equity Universe - The rankings are based on a universe that is designed to represent the average global equity return earned by U.S. institutional investors (public funds, corporate funds, and endowment/foundations). The universe is calculated based on data provided by eVestment Alliance and includes 123 funds.

Fixed Income Universe - The rankings are based on a universe that is designed to represent the average fixed income return earned by U.S. institutional investors (public funds, corporate funds, and endowment/foundations). The universe is calculated based on data provided by eVestment Alliance and includes 354 funds.

Ratio of Cumulative Wealth Graph - An illustration of a portfolio's cumulative, unannualized performance relative to that of its benchmark. An upward sloping line indicates superior fund performance. Conversely, a downward sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

Risk-Return Graph - The horizontal axis, annualized standard deviation, is a statistical measure of risk, or the volatility of returns. The vertical axis is the annualized rate of return. As most investors generally prefer less risk to more risk and always prefer greater returns, the upper left corner of the graph is the most attractive place to be. The line on this exhibit represents the risk and return tradeoffs associated with market portfolios or index funds.

Style Map - This illustration represents the manager's style compared to that of the broadest stock index (the DJ U.S. Total Stock Market Index). Any manager falling above the axis is referred to as large-cap and any manager falling below the axis is considered to be medium- to small-cap.