



Ventura County Employees' Retirement Association

Third Quarter 2012

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CONTENTS

1	Market Environment
17	Total Fund
33	Total U.S. Equity
39	Total U.S. Equity Managers
47	Total Non-U.S. Equity
53	Total Non-U.S. Equity Managers
63	Total Global Equity
69	Total Global Equity Managers
75	Total U.S. Fixed Income
81	Total U.S. Fixed Income Managers
93	Total Global Fixed Income
96	Global Fixed Income Managers
99	Total Real Estate
104	Total Real Estate Managers
116	Private Equity
118	Appendix

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Market Environment

Third Quarter 2012

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Market Highlights

Returns of the Major Capital Markets

	Third Quarter	Year-to-Date	Periods Ending 09/30/2012			
			1-Year	3-Year ¹	5-Year ¹	10-Year ¹
Equity						
MSCI All Country World IMI	6.8%	13.0%	21.1%	7.6%	-1.7%	9.0%
MSCI All Country World	6.8%	12.9%	21.0%	7.2%	-2.1%	8.6%
Dow Jones U.S. Total Stock Market	6.2%	16.2%	30.2%	13.4%	1.5%	8.7%
Russell 3000	6.2%	16.1%	30.2%	13.3%	1.3%	8.5%
S&P 500	6.4%	16.4%	30.2%	13.2%	1.1%	8.0%
Russell 2000	5.3%	14.2%	31.9%	13.0%	2.2%	10.2%
MSCI All Country World ex-U.S. IMI	7.5%	10.7%	14.4%	3.5%	-3.8%	10.2%
MSCI All Country World ex-U.S.	7.4%	10.4%	14.5%	3.2%	-4.1%	9.8%
MSCI EAFE	6.9%	10.1%	13.8%	2.1%	-5.2%	8.2%
MSCI EAFE (100% Hedged)	3.9%	6.3%	10.4%	-1.5%	-8.5%	2.6%
MSCI EAFE (Local Currency)	4.7%	9.1%	13.5%	1.3%	-6.2%	4.9%
MSCI Emerging Markets	7.7%	12.0%	16.9%	5.6%	-1.3%	17.0%
Fixed Income						
Barclays Global Aggregate	3.3%	4.8%	5.0%	5.0%	6.2%	6.4%
Barclays Aggregate Bond	1.6%	4.0%	5.2%	6.2%	6.5%	5.3%
Barclays Long Gov't	0.3%	4.5%	6.4%	11.9%	10.9%	7.7%
Barclays Long Credit	5.2%	11.3%	14.9%	12.7%	10.6%	8.6%
Barclays Long Gov't/Credit	3.1%	8.3%	11.1%	12.5%	10.9%	8.1%
Barclays High Yield	4.5%	12.1%	19.4%	12.9%	9.3%	11.0%
SSB Non-U.S. WGBI	4.0%	4.0%	3.5%	4.0%	6.6%	7.3%
JP Morgan EMBI Global (Emerging Markets)	6.8%	14.7%	20.6%	12.3%	10.3%	12.5%
Commodities						
Dow Jones-UBS Commodity	9.7%	5.6%	6.0%	5.3%	-3.0%	5.2%
Goldman Sachs Commodity	11.5%	3.5%	12.7%	6.5%	-5.4%	3.4%
Hedge Funds						
HFRI Fund-Weighted Composite ²	2.9%	4.7%	5.5%	3.9%	1.4%	6.8%
HFRI Fund of Funds ²	2.3%	3.3%	2.8%	1.5%	-1.6%	3.6%
Real Estate						
NAREIT U.S. Equity REITS	0.2%	15.1%	32.6%	20.4%	2.1%	11.4%
NCREIF ODCE	2.5%	7.5%	10.4%	11.1%	-2.0%	5.7%
Private Equity						
Thomson Reuters VentureXpert ³	5.1%	5.1%	9.1%	17.4%	6.1%	11.0%
Infrastructure						
Macquarie Global Infrastructure - North America ⁴	2.0%	5.5%	17.2%	15.3%	4.4%	n/a

MSCI Indices and NCREIF ODCE show net returns. MSCI EAFE (100% Hedged) shows price return; all other indices show total returns.

¹ Periods are annualized.

² Latest 5 months of HFR data are estimated by HFR and may change in the future.

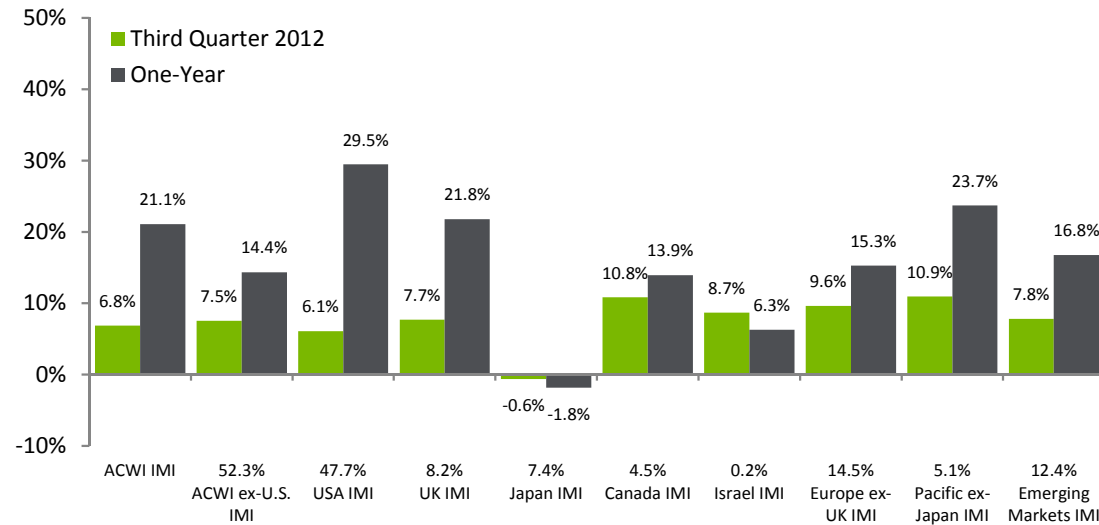
³ Benchmark is as of 03/31/2012.

⁴ Benchmark began in January 2004.

- U.S. economic growth and job growth picked up during the third quarter.
- European economic data improved after a weak second quarter.
- QE3 was announced in mid-September. The U.S. Federal Reserve's plan is to purchase \$40 billion of mortgage backed securities per month on an open-ended basis.
- The European Central Bank (ECB) decided to keep Eurozone interest rates at low levels. In September, ECB president Mario Draghi announced a plan for direct intervention in Eurozone bond markets in an attempt to contain the ongoing debt crisis.
- Non-U.S. equities outperformed U.S. equities during the third quarter. The strongest performing segment was the Emerging Markets area.
- The 10-year U.S. Treasury yield was broadly flat during the third quarter; however, on an intra-quarter basis, the yield was volatile. The yield reached a low of 1.39% and a high of 1.88% during the quarter.
- In aggregate, commodities produced positive returns during the quarter. The main drivers were a resurgence in risk appetite and the ongoing U.S. drought, which elevated grain prices.

Global Equity Markets

**GLOBAL MSCI IMI INDEX RETURNS
AS OF 09/30/2012**

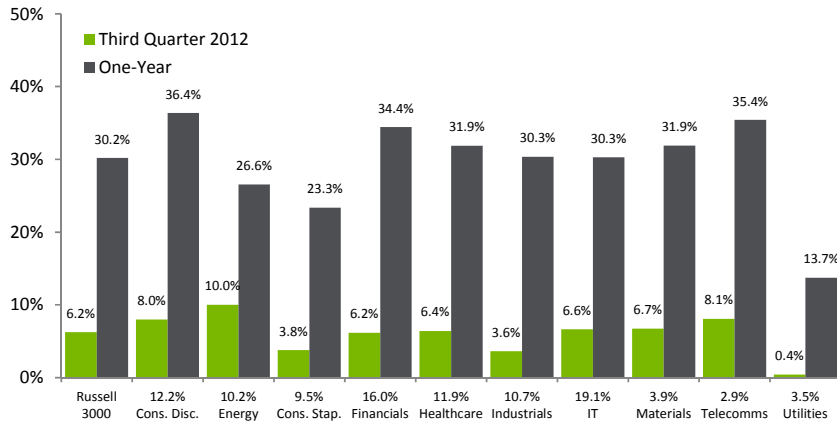


Source: MSCI

- Positive economic data coupled with QE3 and a calming of the Eurozone debt crisis spurred a resurgence in risk appetite during the third quarter.
- Most equity markets around the world posted positive returns during the quarter. The best performing market was Pacific ex-Japan, and the worst performing market was Japan.

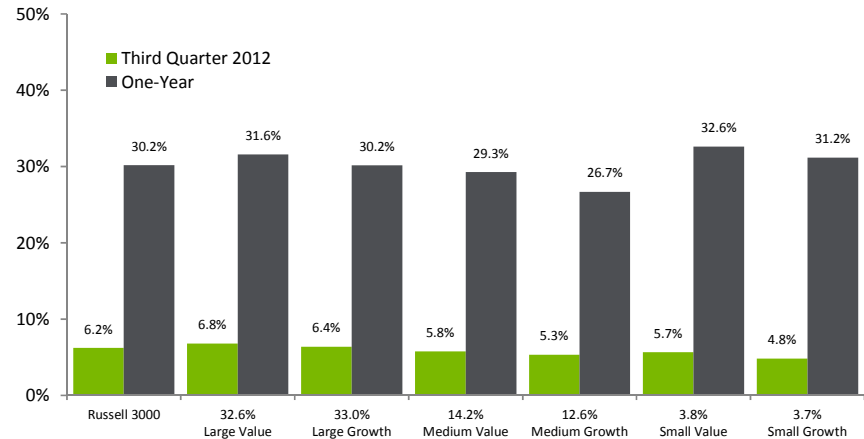
U.S. Equity Markets

**RUSSELL GICS SECTOR RETURNS
AS OF 09/30/2012**



Source: Russell Indexes

**RUSSELL STYLE RETURNS
AS OF 09/30/2012**

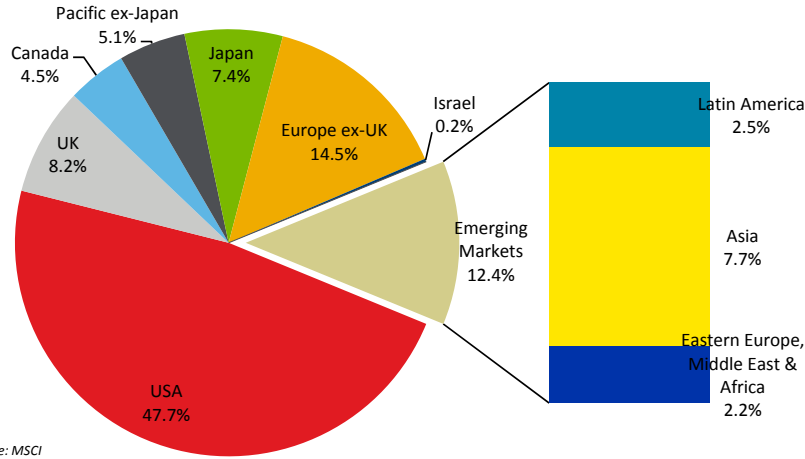


Source: Russell Indexes

- Generally positive U.S. economic data and the launch of QE3 led to positive momentum in the domestic equity market during the quarter.
- The Russell 3000 rose 6.2% during the quarter and returned 30.2% during the one-year period.
- The Consumer Discretionary, Energy, and Telecommunications sectors were the best performing sectors during the third quarter, posting returns of 8.0%, 10.0%, and 8.1%, respectively. The Industrials and Utilities sectors were the worst performing areas, producing returns of 3.6% and 0.4%, respectively, during the third quarter.
- Large cap outperformed small cap and mid cap during the third quarter. Value modestly outperformed growth across all segments of the market during the quarter.

Global Equity Markets

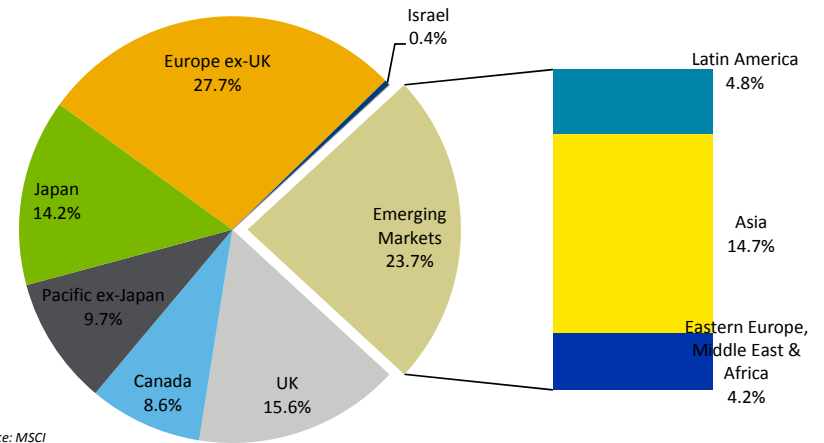
MSCI ALL COUNTRY WORLD IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 09/30/2012



Source: MSCI

- The two exhibits on this slide illustrate the percent each country/region represents of the global equity market as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index.

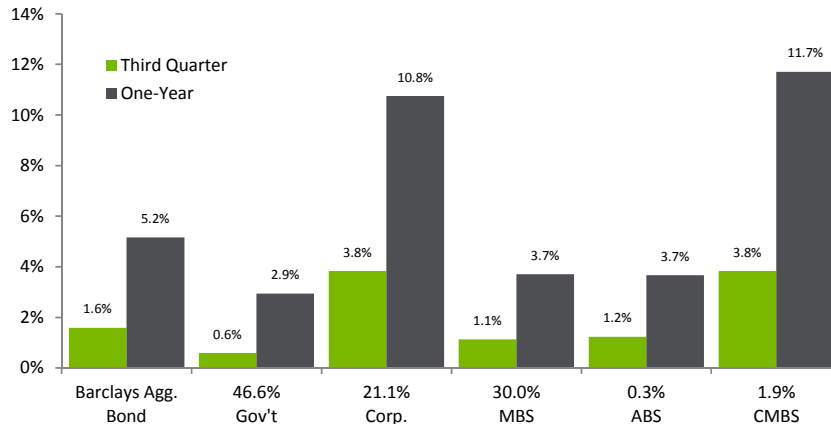
MSCI ALL COUNTRY WORLD EX-U.S. IMI INDEX
GEOGRAPHIC ALLOCATION AS OF 09/30/2012



Source: MSCI

U.S. Fixed Income Markets

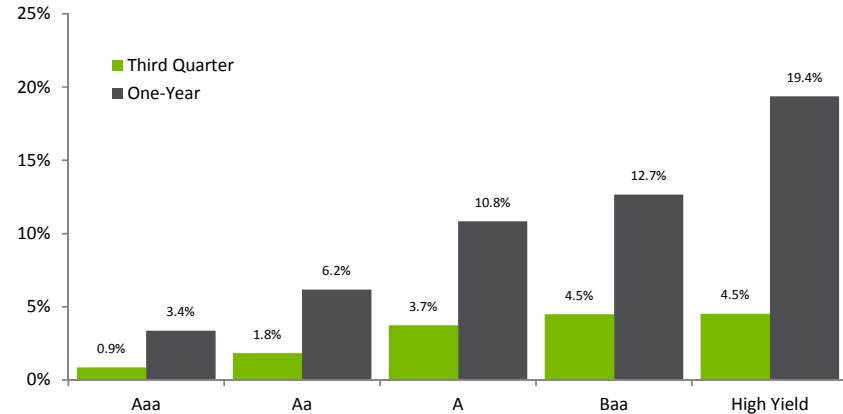
BARCLAYS AGGREGATE RETURNS BY SECTOR
AS OF 09/30/2012



Source: Barclays Live

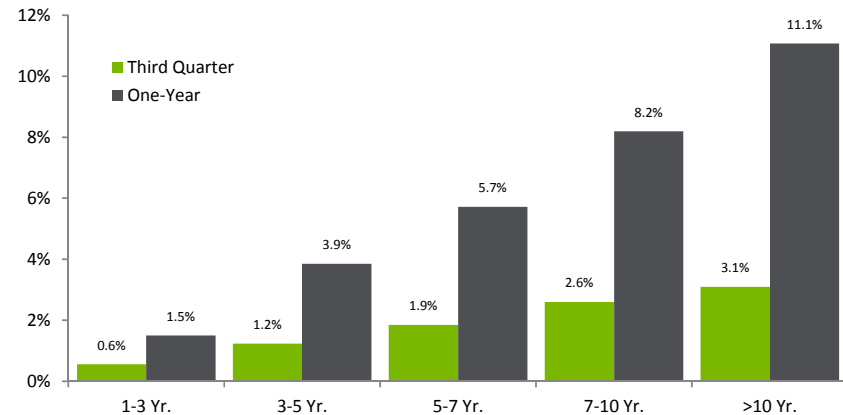
- The Barclays Aggregate returned 1.6% in the third quarter.
- Corporate bonds and commercial mortgage-backed securities were the strongest performing sectors, each returning 3.8% over the course of the third quarter.
- In the investment grade area, lower quality bonds outperformed higher quality bonds. This held true for the quarter and the preceding one-year period.
- High yield bonds outperformed investment grade bonds. High yield benefited from massive inflows of capital as investors searched for yield.
- Long duration bonds outperformed intermediate and short duration bonds.

BARCLAYS AGGREGATE RETURNS BY QUALITY AND HIGH YIELD RETURNS
AS OF 09/30/2012



Source: Barclays Live

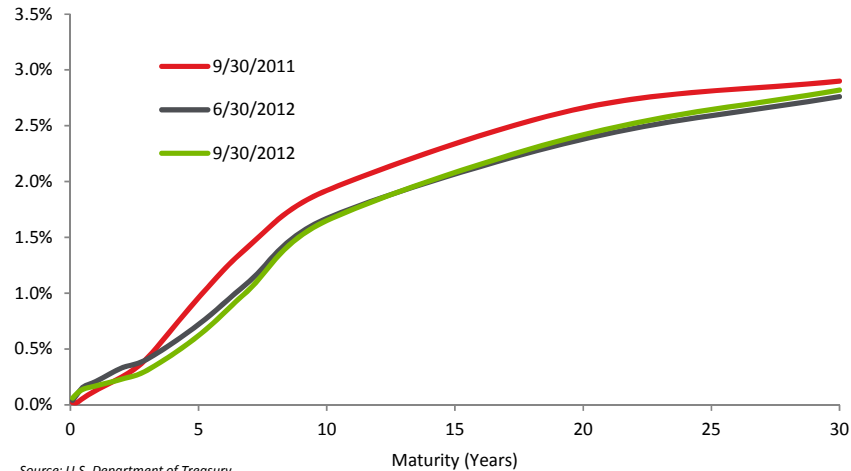
BARCLAYS AGGREGATE RETURNS BY MATURITY
AS OF 09/30/2012



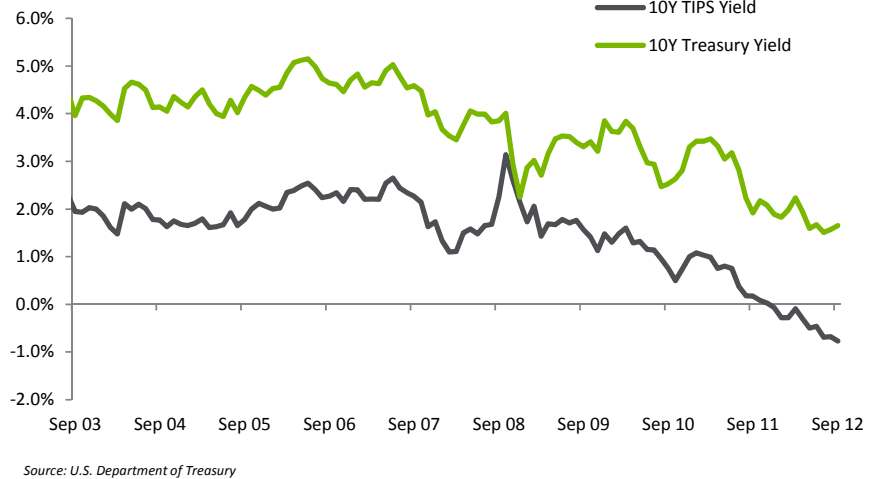
Source: Barclays Live

U.S. Fixed Income Markets

U.S. TREASURY YIELD CURVE



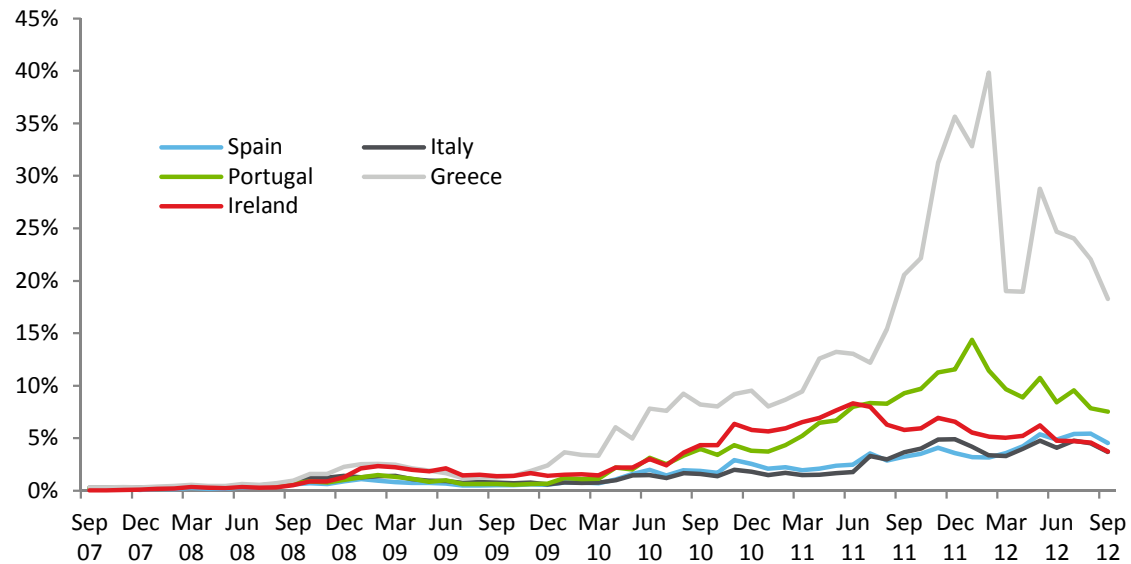
U.S. 10-YEAR TREASURY AND TIPS YIELDS



- The Treasury yield curve steepened slightly during the quarter. The intermediate (1 to 10 years) segment of the yield curve fell, while the long end of the yield curve rose slightly.
- While the 10-year U.S. Treasury yield ended the quarter near its starting point, the yield was volatile on an intra-quarter basis. The yield reached a low of 1.39% and a high of 1.88% during the quarter.
- 10-year TIPS yields continued their push further into negative territory. The 10-year real yield fell to -0.77% as of quarter-end.

European Fixed Income Markets

**EUROZONE PERIPHERAL BOND SPREADS
(10-YEAR SPREADS OVER GERMAN BUNDS)**



Source: DataStream

- Spain was one of the key focal points of the Eurozone debt crisis during the quarter as speculation was rife that it would ask for a European bailout. This led to the spread between 10-year yields on Spanish debt and German Bunds reaching a record high of approximately 640 bps on July 24, 2012. With reassurances from the Spanish government, announcements from the ECB, and the recently announced Draghi Plan, Spanish-German yield spreads have fallen, albeit with significant volatility. The yield spread ended the quarter at 456 bps.
- 10-year yield spreads over German Bunds decreased for the rest of the Eurozone periphery as well.

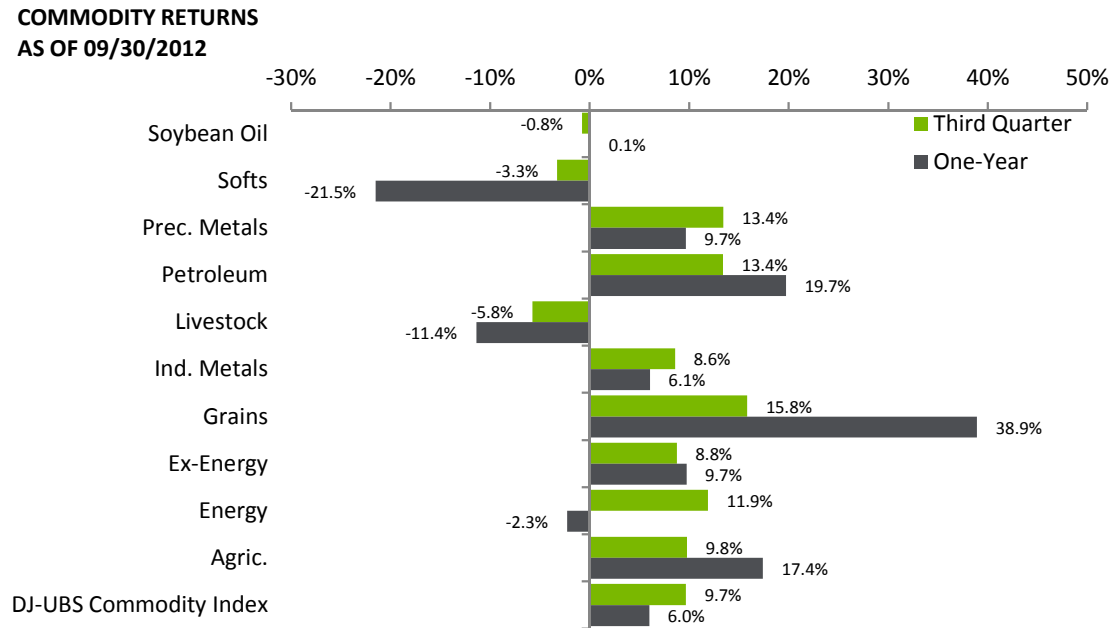
Credit Spreads

Spread (bps)	9/30/2012	6/30/2012	9/30/2011	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	49	77	90	-28	-41
Long Gov't	4	5	5	-1	-1
Long Credit	191	228	246	-37	-55
Long Gov't/Credit	114	130	132	-16	-18
MBS	24	76	80	-52	-56
CMBS	155	235	351	-80	-196
ABS	44	59	77	-15	-33
Corporate	156	199	238	-43	-82
High Yield	551	615	807	-64	-256
Global Emerging Markets	332	408	495	-76	-163

Source: Barclays Live

- Credit spreads fell during the quarter; this was driven by modest falls in U.S. Treasury yields and more significant reductions in headline credit yields.
- Unsurprisingly, the sectors that saw the largest reductions in spreads were the sectors that are generally favored when risk appetites increase (high yield and emerging market debt) and the sectors most affected by QE3 (Mortgage-backed related).
- Credit spreads across every segment as of September 30, 2012 were lower relative to a year ago.

Commodities



Source: Dow Jones-UBS

- Driven by very strong gains in grains and petroleum, the Dow Jones-UBS Commodity Index increased by 9.7% during the third quarter.
- The strongest performing segment of the market was grains. This was caused by higher than normal temperatures and below average rainfall in the U.S. East and Midwest that boosted grain prices.
- Softs and Livestock were the worst performing sectors of the market during the third quarter.

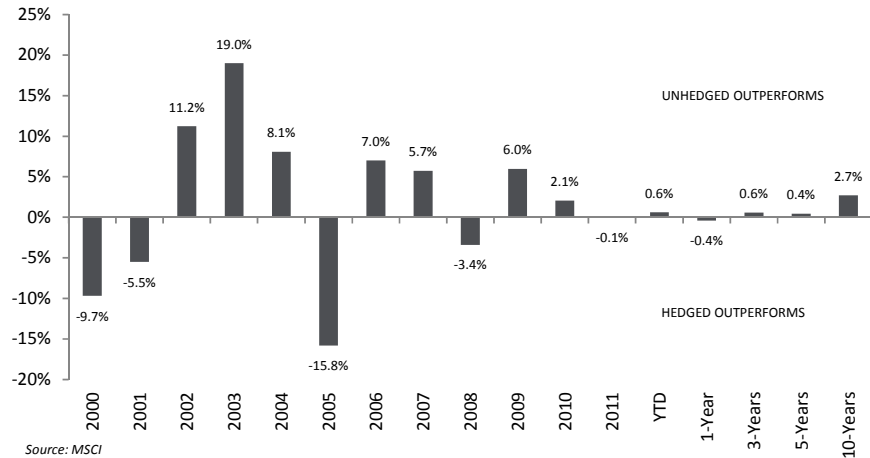
Currency

**TRADE WEIGHTED U.S. DOLLAR INDEX
(1997 = 100)**



Source: Federal Reserve

**DIFFERENCE BETWEEN MSCI EAFE UNHEDGED AND HEDGED INDICES
AS OF 09/30/2012**

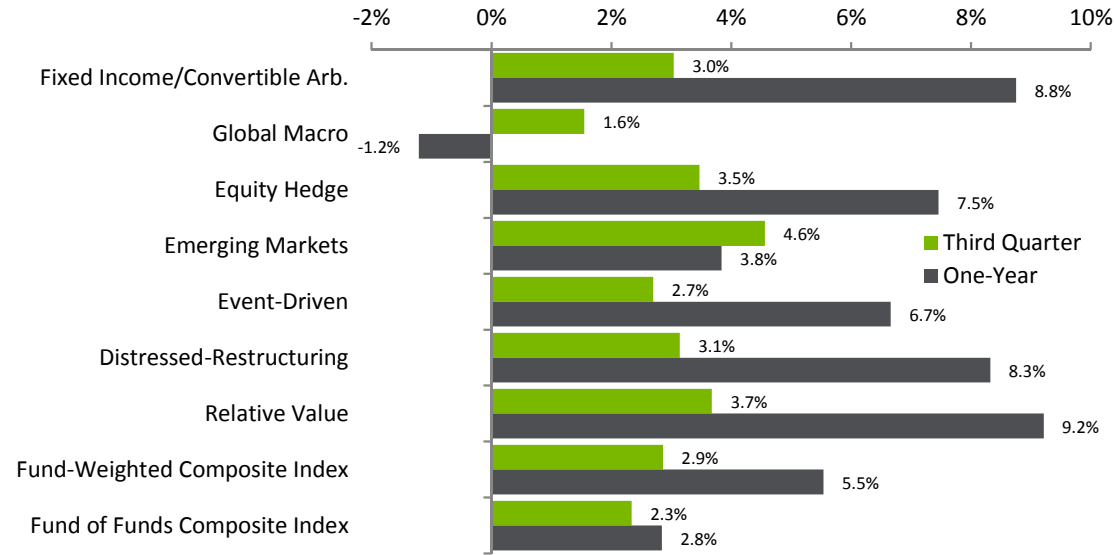


Source: MSCI

- As measured through the broad trade weighted U.S. dollar index, the U.S. dollar marginally depreciated during the quarter and the one year period.
- The MSCI EAFE Unhedged Index slightly outperformed the MSCI EAFE 100% Hedged Index during the year-to-date period reflecting the depreciation of the U.S. dollar. The unhedged index outperformed the hedged index during the last 3, 5, and 10 year periods.

Hedge Fund Markets Overview

**HEDGE FUND PERFORMANCE
AS OF 09/30/2012**

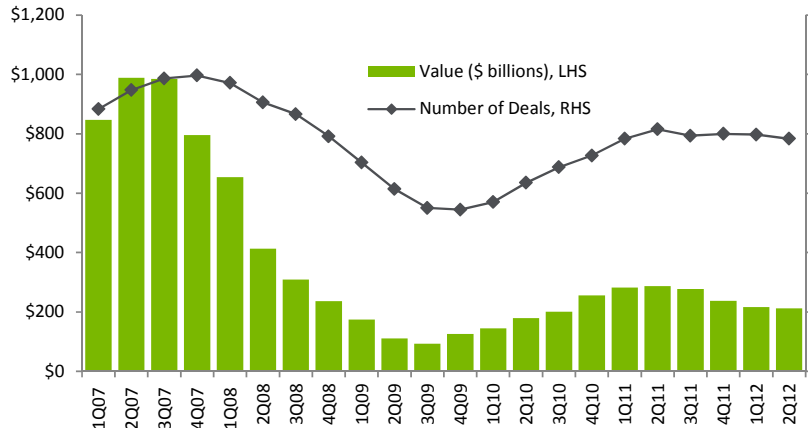


Source: HFR

- All major hedge fund strategy types posted positive returns in the third quarter. The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 2.9% and 2.3%, respectively.
- Relative Value and Emerging Markets strategies were the strongest performers during the quarter.

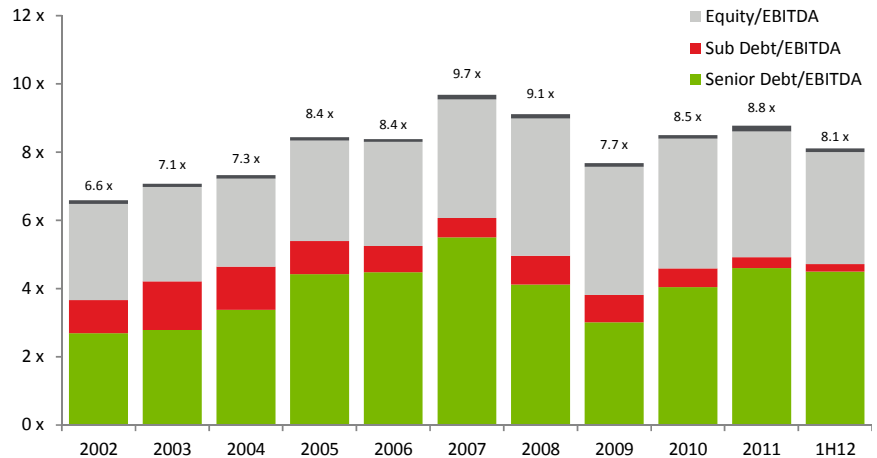
Private Equity Market Overview – Q2 2012

LTM GLOBAL SPONSOR M&A DEAL VOLUME AND VALUE
(TRAILING 12 MONTH DATA)



Source: ThomsonOne

PURCHASE PRICE MULTIPLES

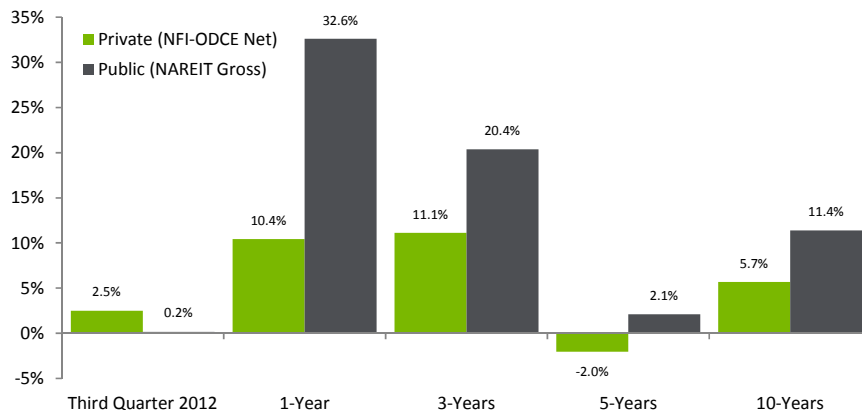


Source: S&P

- **Fundraising:** Continues to improve: LTM levels (\$301B) healthy but not at excessive levels. Remains well below pre-crisis levels (\$591B). Overhang significant (\$750B) but decreasing.
- **Buyout:** Deal volume vacillating quarter to quarter but trending slightly downward. Small and middle market deals comprise bulk of activity although some activity being seen in the large market. Purchase price multiples are decreasing and are just below the 10 year average; European activity remains slow due to economic uncertainty.
- **Venture capital:** LTM investment levels (\$27.9B) declined for 2 consecutive quarters. 2Q activity increased but still below 2011 quarterly average(\$7.3B); median pre-money valuations increased across all deal stages; number of exits down ~16% to 2011 quarterly average, number of IPOs stalled after poor Facebook debut but IPO pipeline building.
- **Mezzanine:** U.S. mezzanine lenders continue to target smaller transactions as they are getting squeezed out of larger transactions in favor of high yield. They are also receiving increased competition from Unitranche structures. Europe continues to favor mezzanine lenders as CLOs have limited cash to re-invest and European banks are dealing with capital constraints.
- **Distressed Debt:** Default rates increased slightly for two consecutive quarters 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 leveraged loan capacity.
- **Secondaries:** \$10 billion raised in 1H 2012, expect record-breaking year; 1H 2012 \$12.3 billion in transactions roughly flat with the record 2011 level; pricing discounts decreased to 11% for Buyout and 26% for Venture.
- **Infrastructure:** Fundraising down slightly from 2011; YTD activity lowest level since 2007.

U.S. Commercial Real Estate Markets

PRIVATE VS. PUBLIC REAL ESTATE RETURNS
AS OF 09/30/2012



Sources: NCREIF, NAREIT

Measured improvements are expected to continue:

- Demand has stabilized and new supply remains low; however, more consistent employment growth is needed to keep positive momentum going.
- Sector fundamentals are expected to continue to more widely firm; helping to support current pricing levels.
- Underwriting to remain favorable (for now), though downward pressure to continue on net operating income as leases expire and re-sign at today's substantially lower rates.
- Apartment sector development is on the horizon; all other property type development to remain minimal near term.
- Liquidity should continue to improve, albeit still segmented and below "normal period" levels.

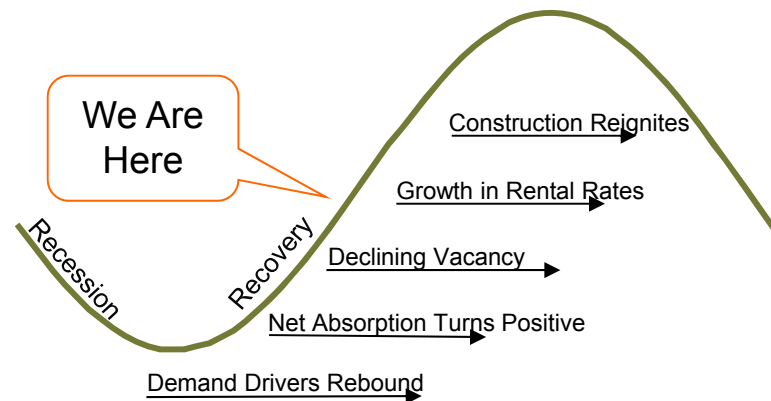
Performance should remain attractive:

- Core real estate returns are expected to return closer to long run average levels (7-9%).
- Non-Core real estate opportunities remain attractive due to lagged recovery in pricing, improving fundamentals, and lenders' increased willingness to deal with distressed assets.

Bumps in the road likely still exist:

- Economic/political bumps may cause some short-term headwinds along the recovery path as investor confidence remains shaky.
- Refinancing overhang still requires resolutions.
- Silver lining: turmoil and uncertainty are catalysts in private markets for investment opportunities, particularly for investors in the higher risk non-Core space.

CURRENT POSITION IN REAL ESTATE RECOVERY CYCLE



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Total Fund

Highlights

Return Summary

	Qtr	YTD	1 Yr	3 Yrs	5 Yrs
Dow Jones US Total Stock Index	6.2 %	16.2 %	30.2 %	13.4 %	1.5 %
MSCI All Country World ex-U.S. Index	7.4 %	10.4 %	14.5 %	3.2 %	-4.1 %
MSCI EAFE Index	6.9 %	10.1 %	13.8 %	2.1 %	-5.2 %
MSCI Emerging Markets Index	7.7 %	12.0 %	16.9 %	5.6 %	-1.3 %
MSCI All Country World Index	6.8 %	12.9 %	21.0 %	7.2 %	-2.1 %
Barclays Aggregate Bond Index	1.6 %	4.0 %	5.2 %	6.2 %	6.5 %

3Q 2012 Market Commentary

Monetary stimulus from central banks across the globe drove equity markets higher during the third quarter as financial markets rebounded following a volatile second quarter. News of loose monetary policies in the U.S and abroad boosted returns in September as the rally, which began in June, continued during the third quarter.

According to the Bureau of Labor Statistics (BLS), the unemployment rate fell from 8.2% to 7.8%, and U.S. employers created 438,000 jobs in the third quarter. During the 1 year period through July, home prices increased 1.6%, as measured by the S&P/Case Shiller Index, signaling that the real estate market may have found a floor during the second quarter amidst an environment with sub-4% 30 year mortgage rates and population growth exceeding the rate of new home construction. 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 mid-2015. In mid-September, the FOMC announced a third round of quantitative easing, dubbed QE3. Under the new program, the Fed will purchase agency mortgage backed securities at a pace of \$40 billion per month in an attempt to put downward pressure on longer-term interest rates, support mortgage markets and help to make broader financial conditions more accommodative. Together, QE3 and Operation Twist, the program to purchase long-term Treasuries while simultaneously selling shorter dated securities, will increase the Federal Reserve's holdings of longer dated securities by approximately \$85 billion per month through the end of the year. Additionally, the Fed has committed to continue QE3 until economic conditions improve.

Unsurprisingly, global equity markets surged in anticipation of and following the announcement of QE3 by the Fed, in conjunction with similar announcements in Europe. In the week prior to the Fed's announcement of QE3, Mario Draghi, the President of the European Central Bank, announced a new bond buying program that would purchase unlimited amounts of government bonds from troubled euro states that face high borrowing costs. While equity markets reached multi-year highs during the quarter, fundamentals weakened as earnings guidance continued to be negative for U.S. corporations, as a result of anemic global economic conditions. The U.S. equity market, as measured by the Dow Jones U.S. Total Stock Market Index, gained 6.2% during the third quarter. From a capitalization standpoint, large-cap stocks outperformed small-cap stocks, while from a style perspective, value outperformed growth slightly during the quarter. Utilities was the worst performing sector during the quarter, rising 0.4%, while the Energy sector was the best performing sector, gaining 10.0% during the quarter. As a result of the stabilizing effort by the ECB, the non-U.S. equity market, as measured by the MSCI All Country World ex-U.S. Investable Market Index, rose 7.5% during the quarter. Emerging markets gained 7.7%, according to the MSCI Emerging Market Index, as commodity-rich developing countries benefited from increased demand for oil and other commodities during the quarter. The U.S. bond market, as measured by the Barclays Aggregate Bond Index, returned 1.6% during the third quarter. Long duration bonds outperformed intermediate and short duration bonds, while high yield bonds gained 4.5%, as investors sought yield in a low interest rate environment.

Highlights

Commentary on Investment Performance

The Total Fund returned 5.1% during the third quarter, outperforming the return of the Policy Portfolio by 15 basis points. The Fund's U.S. Fixed Income component added value over their benchmark. Partially offsetting results were the below-benchmark returns from the, Non-U.S. Equity, Global Equity and Real Estate components.

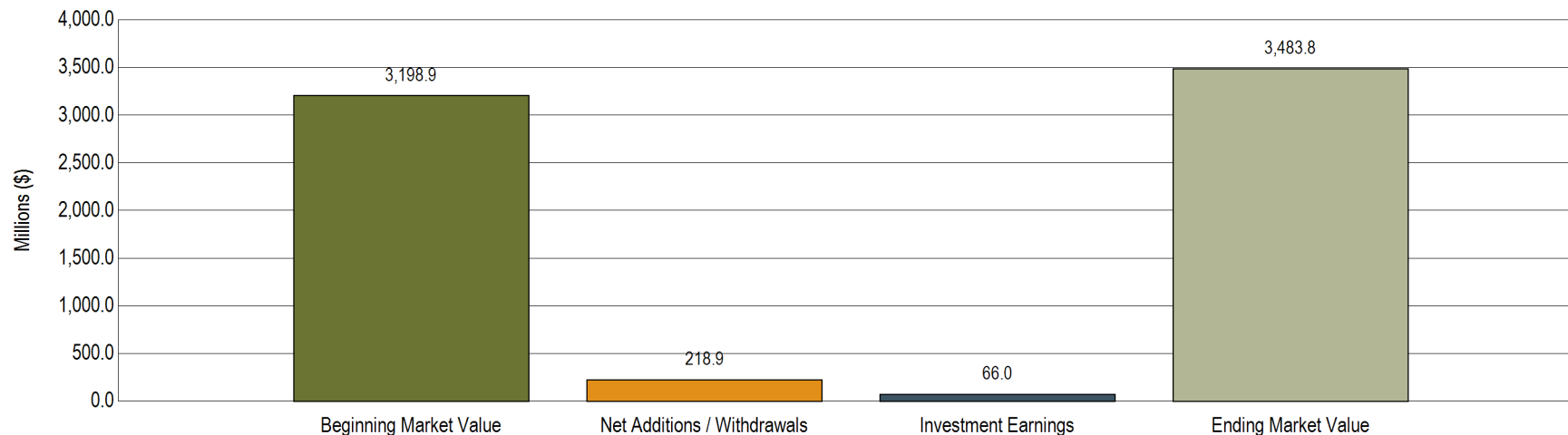
For the one-year ending September 30, 2012, the Total Fund advanced 19.2%, outpacing the return of the Policy Portfolio by 107 basis points. Overperformance was mainly attributed to above-benchmark returns from the U.S. Fixed Income, U.S. Equity and Non-U.S. Equity components.

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 period, it has outperformed the benchmark during the three-year and one-year period. The Fund's annualized since inception return rose to 7.9% 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 year-to-date period.

Plan Summary

Change in Market Value
From July 1, 2012 To September 30, 2012



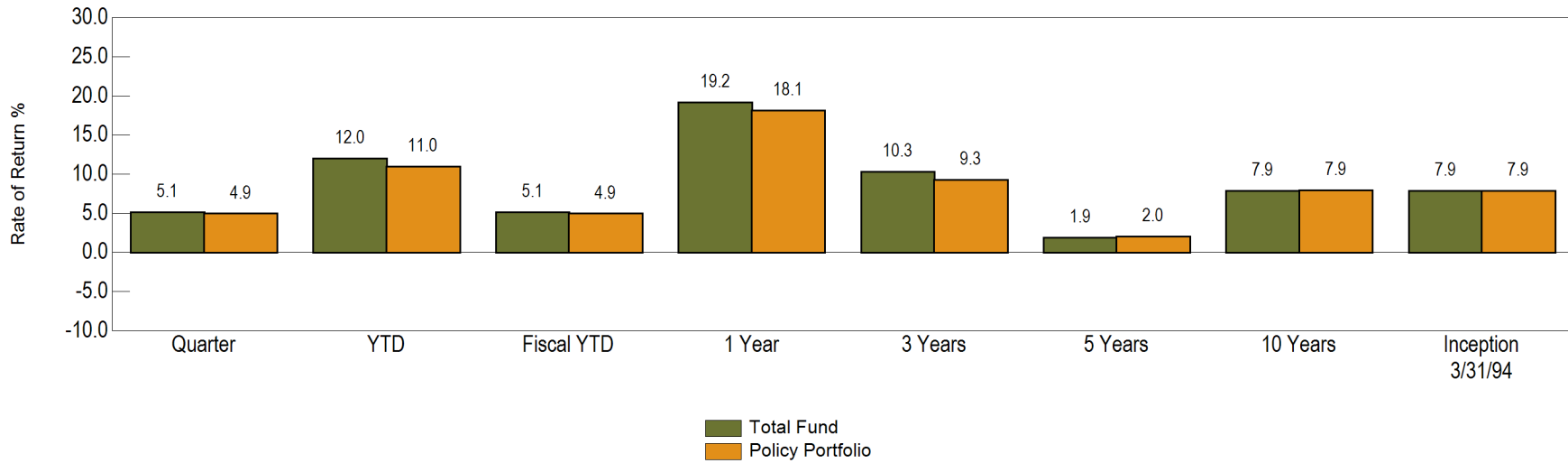
Summary of Cash Flows

Sources of Portfolio Growth	Third Quarter	Year-To-Date	One Year
Beginning Market Value	\$3,198,890,219	\$3,069,762,197	\$2,927,905,337
Net Additions/Withdrawals	\$218,859,750	\$144,602,542	\$104,073,321
Investment Earnings	\$66,012,424	\$269,397,655	\$451,783,735
Ending Market Value	\$3,483,762,393	\$3,483,762,393	\$3,483,762,393

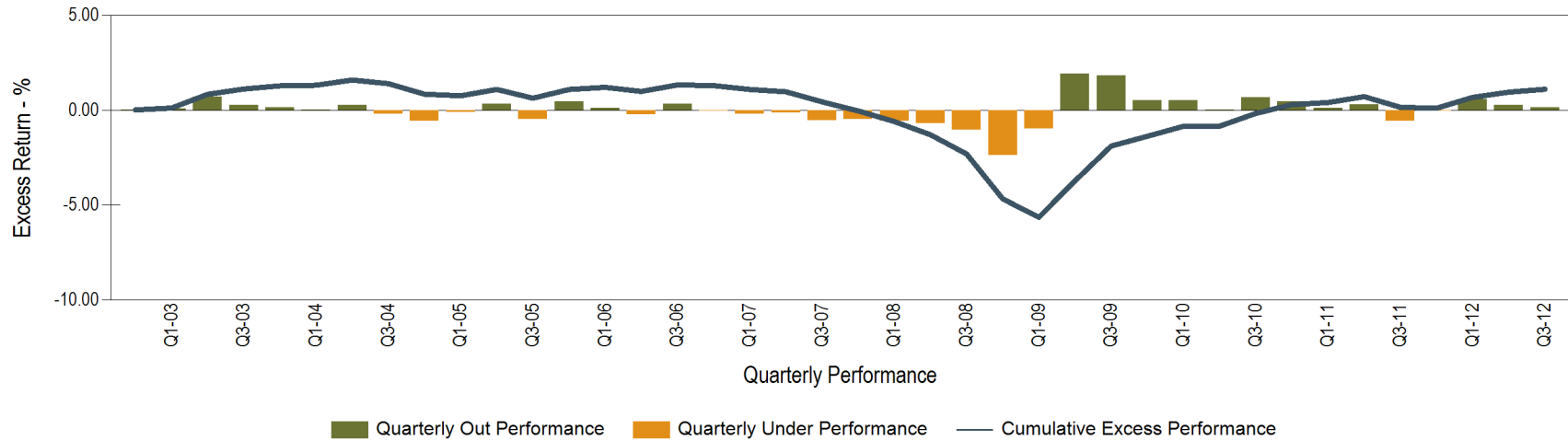
Plan Performance

Benchmark: Policy Portfolio

Return Summary



Quarterly and Cumulative Excess Performance



VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Period Ending 9/30/2012

	Year-to-Date	3rd Quarter	Fiscal Year-to-Date	1 Year Ending 9/30/2012	3 Years Ending 9/30/2012	5 Years Ending 9/30/2012	10 Years Ending 9/30/2012	Since Inception	Inception Date
BlackRock Extended Equity	15.1	5.5	5.5	30.6	14.5	2.9	--	10.8	10/31/02
Dow Jones U.S. Completion Total Stock Market Index	14.7	5.3	5.3	30.0	14.2	2.9	--	10.8	
Western U.S. Index Plus	20.6	7.9	7.9	34.2	18.4	-2.8	--	-3.0	5/31/07
S&P 500 Index	16.4	6.4	6.4	30.2	13.2	1.1	--	1.0	
BlackRock Equity Market Fund	16.2	6.2	6.2	30.4	13.5	--	--	3.3	5/31/08
Dow Jones U.S. Total Stock Market Index	16.2	6.2	6.2	30.2	13.4	--	--	3.2	
Total U.S. Equity	16.6	6.4	6.4	30.8	14.0	0.8	8.1	7.9	12/31/93
Performance Benchmark**	16.2	6.2	6.2	30.2	13.4	1.5	8.6	8.3	
BlackRock All Country World ex-U.S.	10.9	7.5	7.5	14.6	3.6	-3.6	--	-1.1	3/31/07
MSCI All Country World ex-U.S. IM Index	10.7	7.5	7.5	14.4	3.5	-3.8	--	-1.2	
Sprucegrove	10.8	6.0	6.0	15.5	6.0	-2.2	9.8	7.8	3/31/02
MSCI EAFE Index	10.1	6.9	6.9	13.8	2.1	-5.2	8.2	5.3	
MSCI All Country World ex-U.S. Index	10.4	7.4	7.4	14.5	3.2	-4.1	9.8	6.8	
Hexavest	11.5	7.2	7.2	15.9	--	--	--	0.7	12/31/10
MSCI EAFE Index	10.1	6.9	6.9	13.8	--	--	--	-1.9	
Walter Scott	15.2	6.3	6.3	16.7	--	--	--	2.5	12/31/10
MSCI All Country World ex-U.S. Index	10.4	7.4	7.4	14.5	--	--	--	-2.7	
Total International	12.0	7.0	7.0	15.9	4.2	-3.6	9.4	6.4	3/31/94
Performance Benchmark	10.4	7.4	7.4	14.5	3.2	-4.1	9.8	5.0	
GMO Global Fund	11.7	5.8	5.8	18.8	8.3	-0.2	--	5.7	4/30/05
MSCI All Country World Index	12.9	6.8	6.8	21.0	7.2	-2.1	--	4.8	
BlackRock MSCI ACWI Equity Index	--	6.9	6.9	--	--	--	--	--	4/30/12
MSCI All Country World Index	--	6.8	6.8	--	--	--	--	--	
Total Global Equity	11.2	6.2	6.2	18.6	7.5	-2.7	--	3.8	4/30/05
MSCI All Country World Index	12.9	6.8	6.8	21.0	7.2	-2.1	--	4.8	
Loomis Sayles Global Fixed Income*****	--	3.7	3.7	--	--	--	--	--	6/30/12
Barclays Capital Global Aggregate Bond Index	--	3.3	3.3	--	--	--	--	--	
Total Global Fixed Income	--	3.7	3.7	--	--	--	--	--	6/30/12
Barclays Capital Global Aggregate Bond Index	--	3.3	3.3	--	--	--	--	--	

VENTURA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION (Continued)

Period Ending 9/30/2012

	Year-to-Date	3rd Quarter	Fiscal Year-to-Date	1 Year Ending 9/30/2012	3 Years Ending 9/30/2012	5 Years Ending 9/30/2012	10 Years Ending 9/30/2012	Since Inception	Inception Date
Western	8.6	3.5	3.5	10.1	9.8	7.4	6.6	7.0	12/31/96
Barclays Capital Aggregate Bond Index	4.0	1.6	1.6	5.2	6.2	6.5	5.3	6.3	
BlackRock U.S. Debt Fund	4.1	1.6	1.6	5.2	6.3	6.6	5.4	6.2	11/30/95
Barclays Capital Aggregate Bond Index	4.0	1.6	1.6	5.2	6.2	6.5	5.3	6.2	
Reams	8.6	3.0	3.0	12.0	9.5	9.8	7.9	7.2	9/30/01
Barclays Capital Aggregate Bond Index	4.0	1.6	1.6	5.2	6.2	6.5	5.3	5.6	
Loomis Sayles	13.0	5.8	5.8	16.0	11.5	8.5	--	8.0	7/31/05
Performance Benchmark***	6.3	2.4	2.4	9.2	8.0	7.3	--	6.6	
Total Fixed Income	8.5	3.3	3.3	10.8	9.5	8.7	7.0	6.9	2/28/94
Barclays Capital Aggregate Bond Index	4.0	1.6	1.6	5.2	6.2	6.5	5.3	6.3	
Total Prudential Real Estate	7.0	1.6	1.6	10.3	13.0	-3.2	--	2.4	6/30/94
Policy Benchmark	8.0	2.7	2.7	10.9	11.9	1.9	--	7.8	
UBS Real Estate	7.2	2.3	2.3	9.4	10.5	-0.1	--	6.7	3/31/03
NCREIF Open End Fund Index	8.0	2.7	2.7	10.9	11.9	1.9	--	7.9	
Guggenheim	9.5	2.1	2.1	16.9	13.6	-6.0	--	-1.8	6/30/06
NCREIF Open-End Fund Property Index*****	8.2	0.0	0.0	15.5	13.5	3.1	--	5.5	
RREEF	20.7	7.6	7.6	22.0	20.2	-16.1	--	-16.1	10/31/07
NCREIF Open End Fund Index	8.0	2.7	2.7	10.9	11.9	1.9	--	1.9	
Total Real Estate****	7.4	2.1	2.1	10.1	11.1	-3.7	5.2	7.5	3/31/94
Policy Benchmark	8.0	2.7	2.7	10.9	11.9	1.9	8.1	9.1	
Total Private Equity*****	7.2	-1.5	-1.5	--	--	--	--	--	
Adams Street Partners	7.8	-1.8	-1.8	--	--	--	--	--	
Pantheon	5.2	0.9	0.9	--	--	--	--	--	
Total Fund	12.0	5.1	5.1	19.2	10.3	1.9	7.9	7.9	3/31/94*****
Policy Portfolio	11.0	4.9	4.9	18.1	9.3	2.0	7.9	7.9	
Total Fund (ex-Private Equity)	11.5	4.9	4.9	--	--	--	--	--	
Total Fund (ex-Clifton)	11.8	5.0	5.0	18.7	10.1	1.8	7.8	7.9	

*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 9/30/2012

(\$ 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	\$30,428						\$30,428	0.9%	
Western Index Plus	\$120,362						\$120,362	3.5%	
BlackRock Equity Market Fund	\$1,121,545						\$1,121,545	32.2%	
Total U.S. Equity	\$1,272,334						\$1,272,334	36.5%	36.0%
BlackRock ACWI ex-U.S. Index		\$321,508					\$321,508	9.2%	
Sprucegrove		\$149,189					\$149,189	4.3%	
Hexavest		\$65,178					\$65,178	1.9%	
Walter Scott		\$79,200					\$79,200	2.3%	
Total Non-U.S. Equity		\$615,075					\$615,075	17.7%	19.0%
GMO Global Equity	\$77,355	\$91,174	\$0				\$168,529	4.8%	
BlackRock MSCI ACWI Equity Index	\$62,804	\$62,804	\$0				\$125,608	3.6%	
Total Global Equity	\$140,158	\$153,978	\$0				\$294,136	8.4%	10.0%
Western			\$276,910				\$276,910	7.9%	
BlackRock U.S. Debt Fund			\$133,337				\$133,337	3.8%	
Reams			\$242,021				\$242,021	6.9%	
Loomis Sayles Global**			\$67,808				\$67,808	1.9%	
Loomis Sayles**			\$119,089				\$119,089	3.4%	
PIMCO Global			\$101,000				\$101,000	2.9%	
Total Fixed Income			\$940,166				\$940,166	27.0%	27.0%
Prudential Real Estate				\$81,438			\$81,438	2.3%	
UBS Real Estate				\$175,725			\$175,725	5.0%	
Guggenheim				\$22,252			\$22,252	0.6%	
RREEF				\$10,311			\$10,311	0.3%	
Total Real Estate				\$289,726			\$289,726	8.3%	8.0%
Adams Street Partners					\$24,467		\$24,467	0.7%	
Pantheon Ventures					\$5,929		\$5,929	0.2%	
Total Private Equity					\$30,396		\$30,396	0.9%	0.0%
Clifton Group						\$41,928	\$41,928	1.2%	
Total Cash						\$41,928	\$41,928	1.2%	0.0%
Total Assets	\$1,412,493	\$769,052	\$940,166	\$289,726	\$30,396	\$41,928	\$3,483,762	100.0%	100.0%
Percent of Total	40.5%	22.1%	27.0%	8.3%	0.9%	1.2%	100.0%		

* Asset allocation reflects net exposure

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.

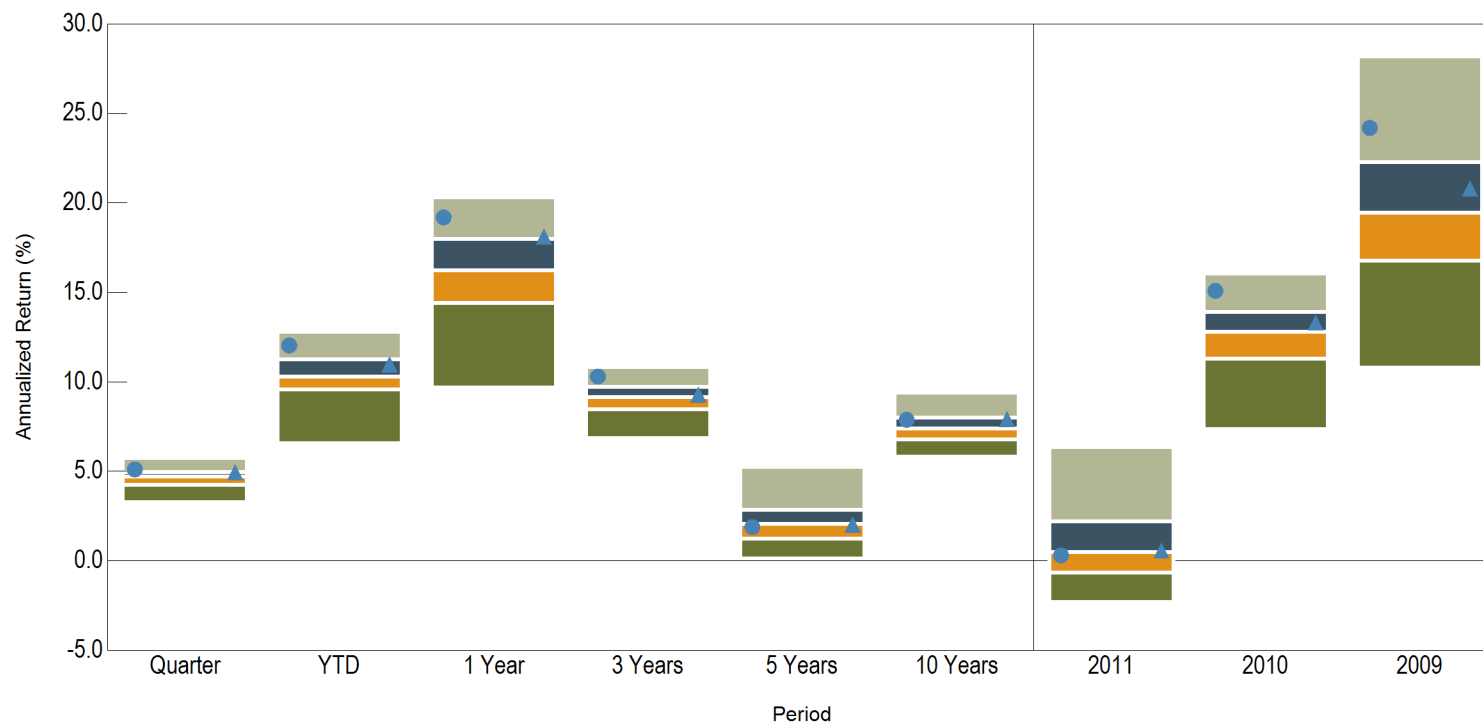
Manager	Date Added	Reason	Follow-up Date
RREEF	February 2009	Performance	July 2012

Universe Comparison

Benchmark: Policy Portfolio

Universe: Public Funds Net

Ending September 30, 2012



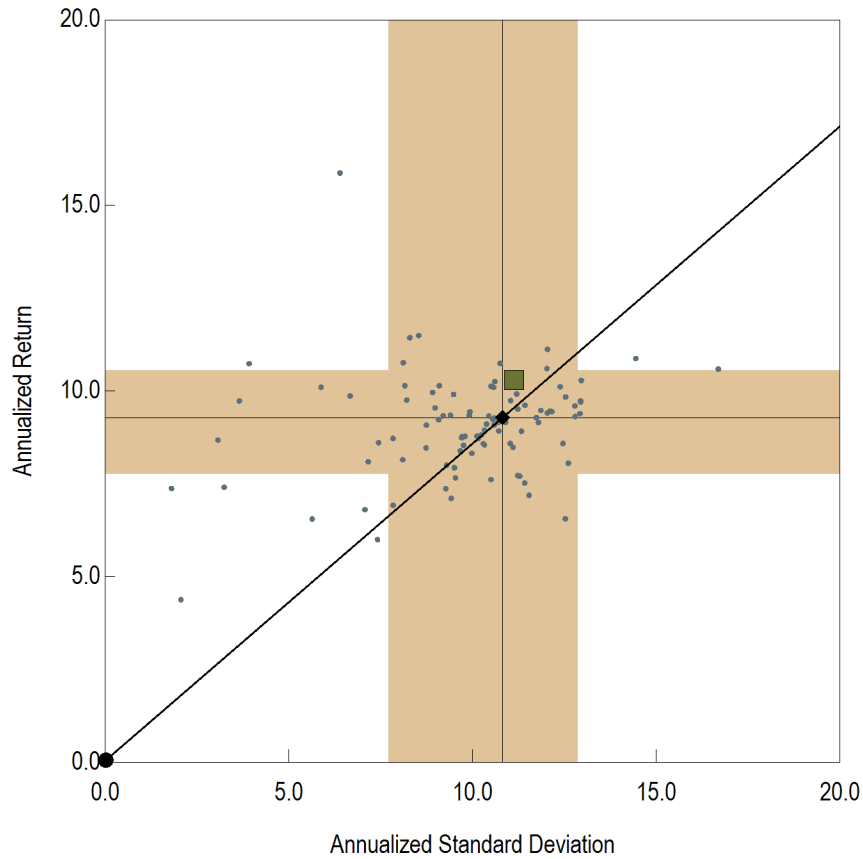
	Return (Rank)									
5th Percentile	5.7	12.8	20.3	10.8	5.2	9.4	6.3	16.1	28.2	
25th Percentile	5.0	11.3	18.0	9.7	2.9	8.0	2.2	13.9	22.3	
Median	4.7	10.3	16.3	9.2	2.1	7.4	0.5	12.8	19.5	
75th Percentile	4.3	9.6	14.4	8.5	1.2	6.8	-0.6	11.3	16.8	
95th Percentile	3.3	6.6	9.7	6.9	0.1	5.8	-2.3	7.4	10.8	
# of Portfolios	107	107	107	95	92	81	111	113	110	
● Total Fund	5.1 (18)	12.0 (11)	19.2 (17)	10.3 (11)	1.9 (54)	7.9 (31)	0.3 (55)	15.1 (10)	24.2 (13)	
▲ Policy Portfolio	4.9 (28)	11.0 (35)	18.1 (24)	9.3 (46)	2.0 (51)	7.9 (31)	0.6 (49)	13.3 (43)	20.8 (38)	

Risk Profile

Benchmark: Policy Portfolio

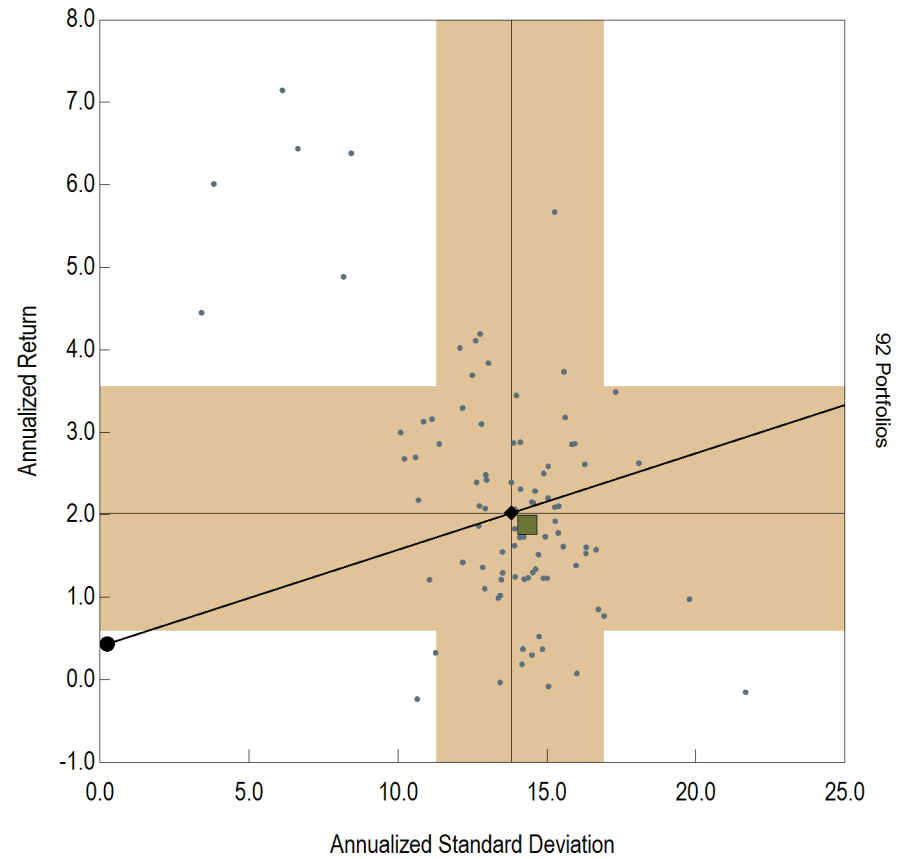
Universe: Public Funds Net

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



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

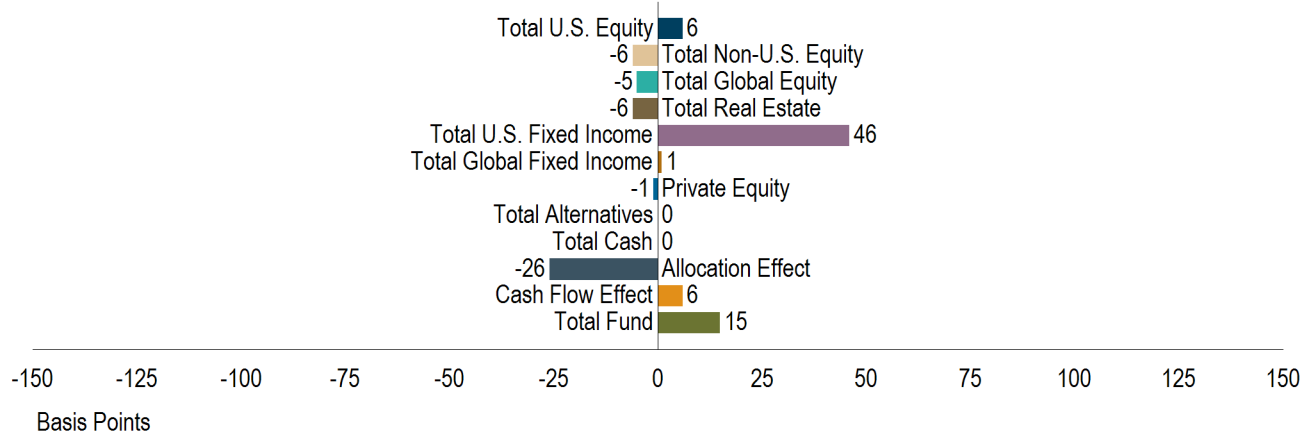
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2012



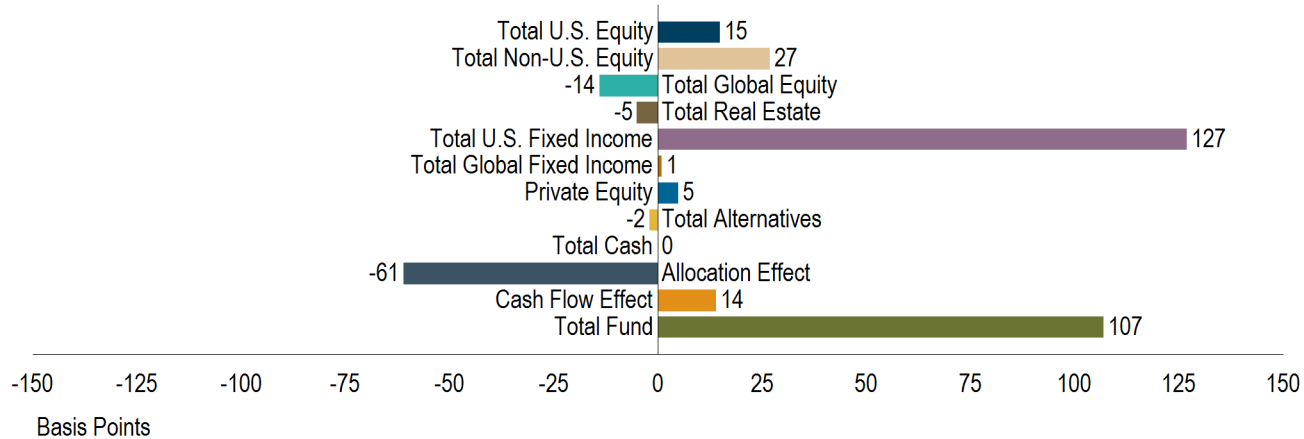
- Total Fund
- ◆ Policy Portfolio
- Risk Free
- 68% Confidence Interval
- Public Funds Net

Attribution

**TOTAL FUND ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/12**



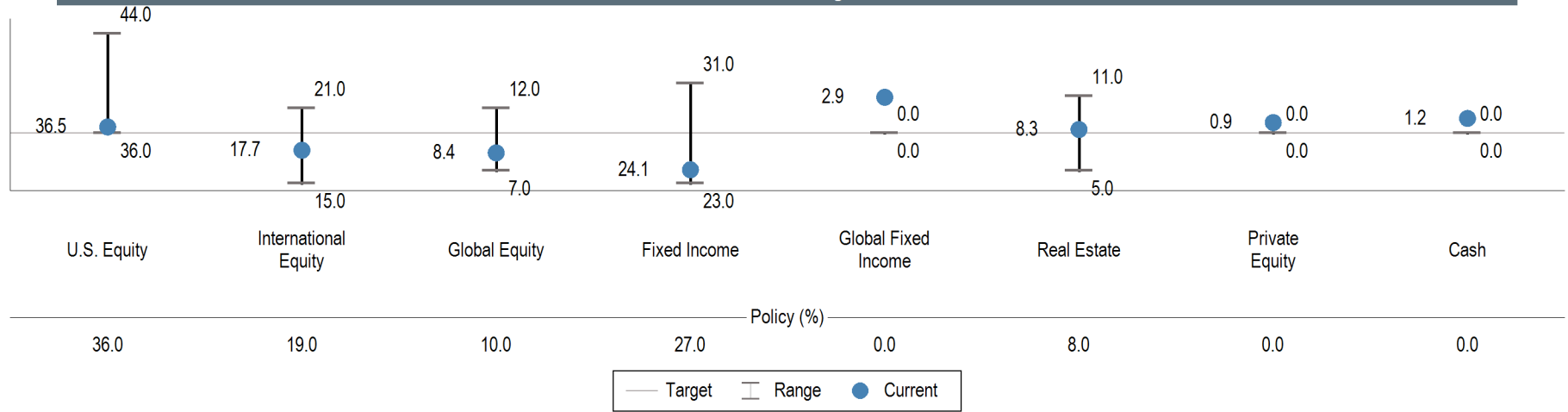
**TOTAL FUND ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/12**



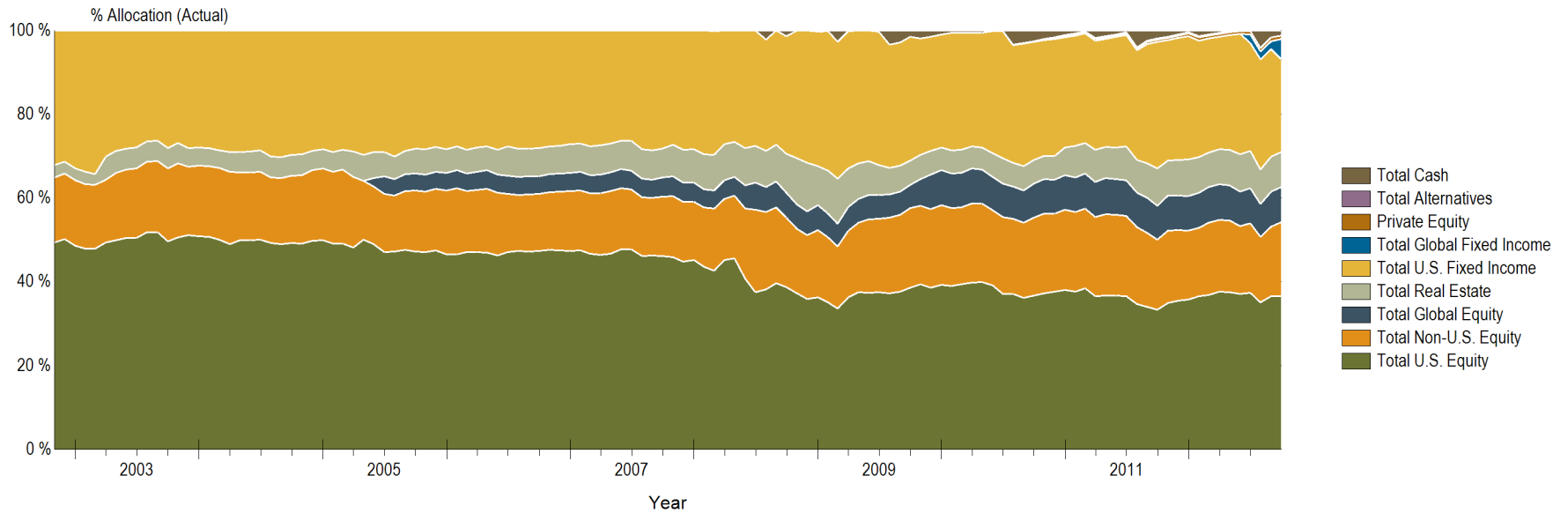
Note: The Cash Flow Effect exhibited in this quarter's and over the one year attribution charts represents the effect the Clifton Group had on the Total Fund.

Asset Allocation

Actual vs. Target



Asset Allocation History 10 Years Ending September 30, 2012



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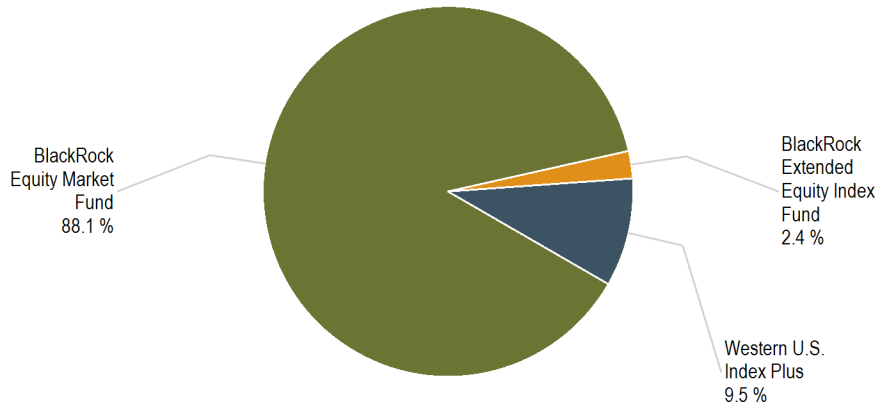


Total U.S. Equity

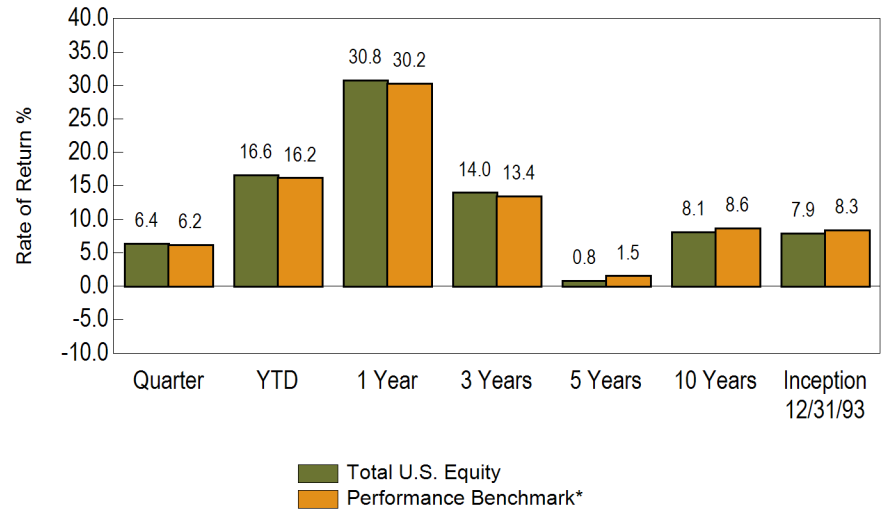
Overview

Benchmark: Performance Benchmark*

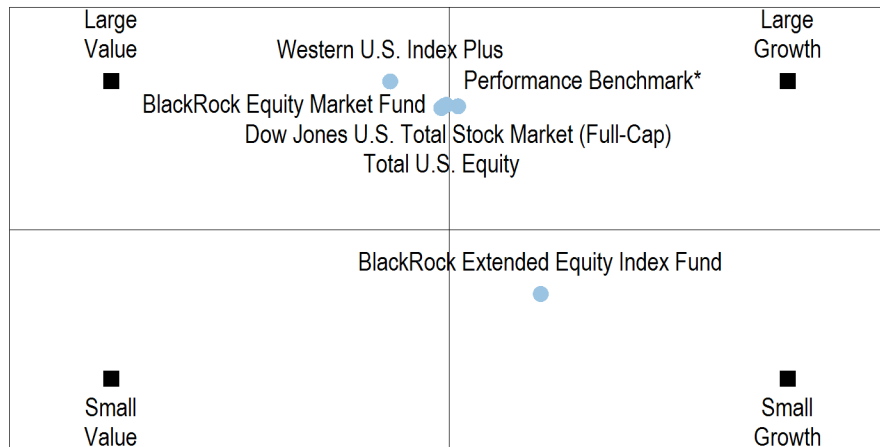
Current Allocation



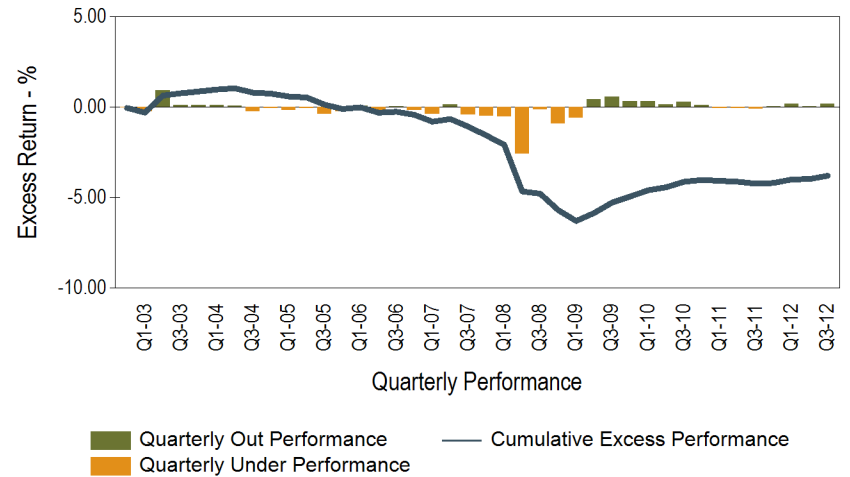
Return Summary



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



Quarterly and Cumulative Excess Performance

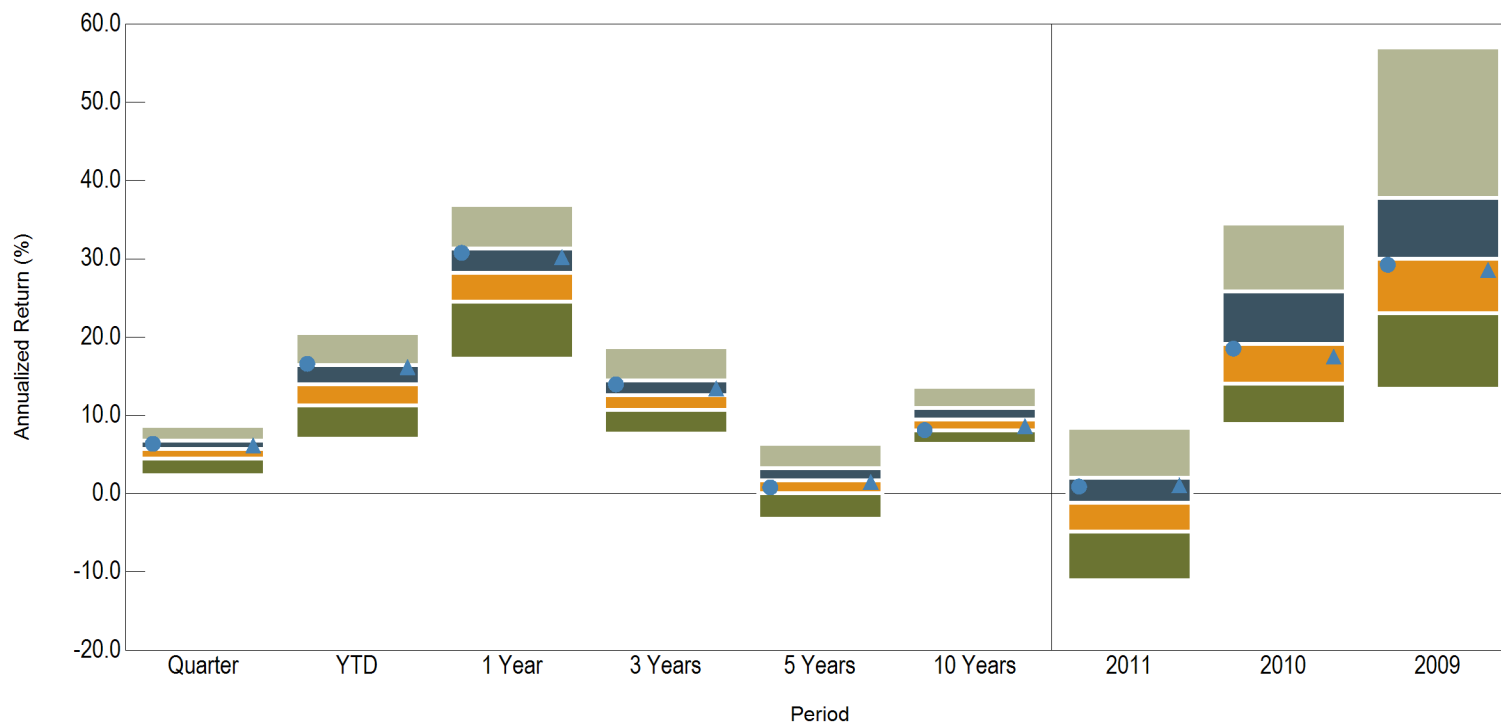


Universe Comparison

Benchmark: Performance Benchmark*

Universe: eA All US Equity Net

Ending September 30, 2012



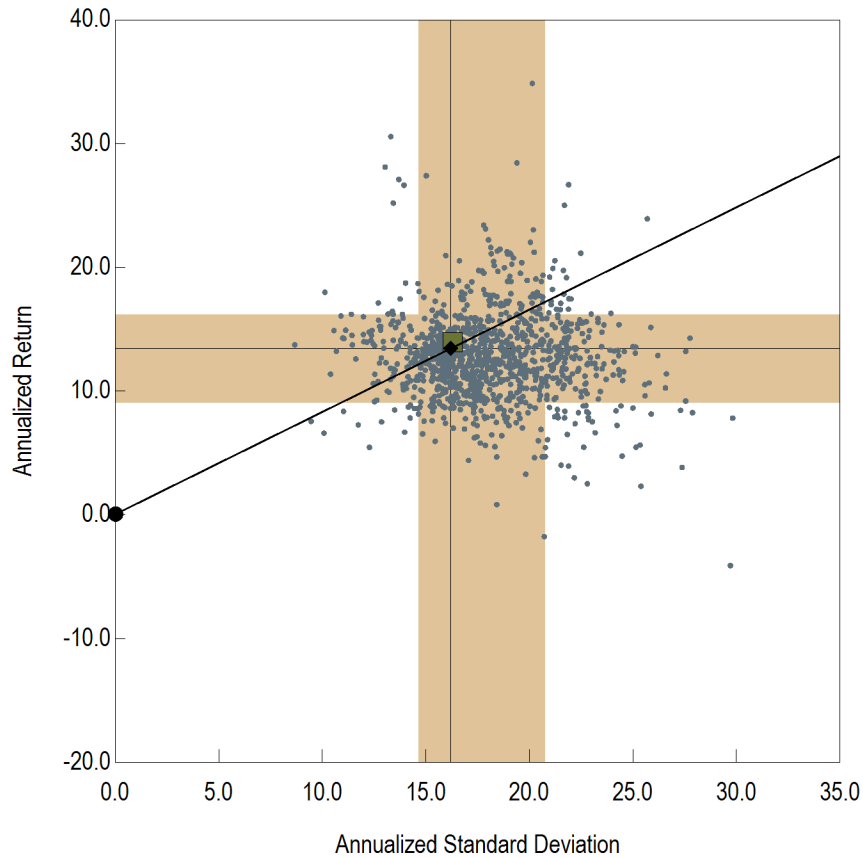
	Return (Rank)																	
5th Percentile	8.6	20.5	36.9	18.7	6.3	13.6	8.4	34.5	56.9									
25th Percentile	6.8	16.5	31.4	14.5	3.3	11.0	2.1	25.9	37.8									
Median	5.8	14.0	28.3	12.6	1.8	9.5	-1.1	19.1	30.0									
75th Percentile	4.5	11.3	24.5	10.7	0.1	8.1	-4.8	14.1	23.1									
95th Percentile	2.4	7.0	17.3	7.7	-3.1	6.4	-11.0	8.9	13.4									
# of Portfolios	1,222	1,187	1,174	1,110	971	655	1,081	1,035	1,153									
● Total U.S. Equity	6.4	(36)	16.6	(25)	30.8	(31)	14.0	(32)	0.8	(66)	8.1	(75)	0.9	(35)	18.5	(53)	29.2	(53)
▲ Performance Benchmark*	6.2	(40)	16.2	(29)	30.2	(35)	13.4	(38)	1.5	(55)	8.6	(67)	1.1	(33)	17.5	(58)	28.6	(55)

Risk Profile

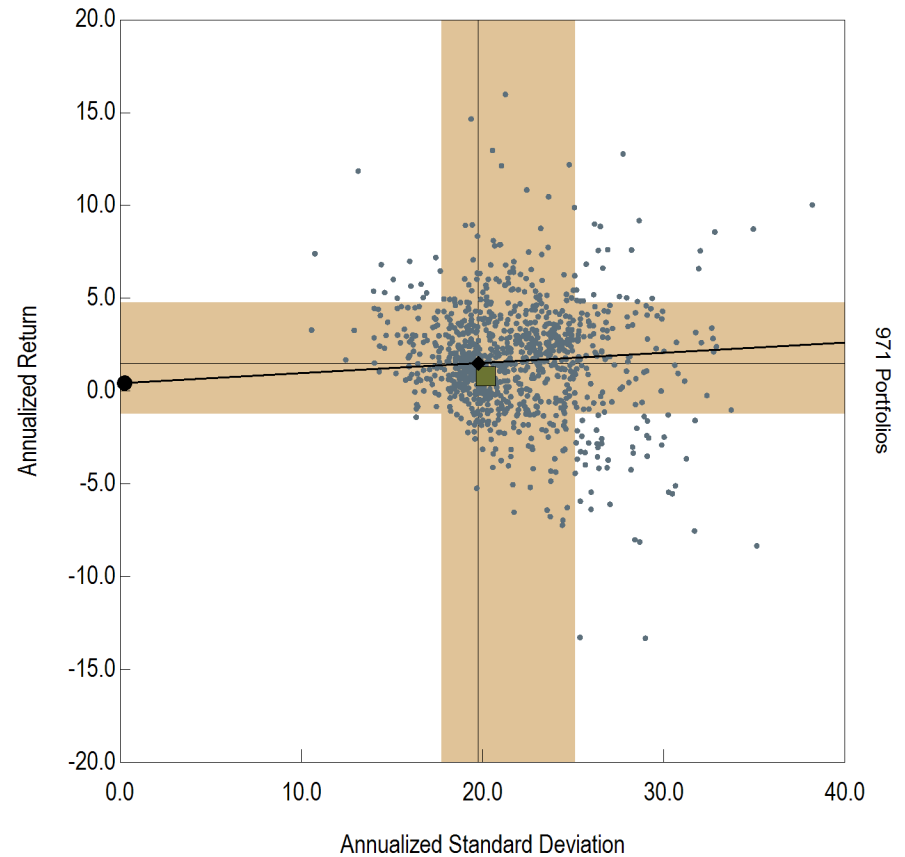
Benchmark: Performance Benchmark*

Universe: eA All US Equity Net

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



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

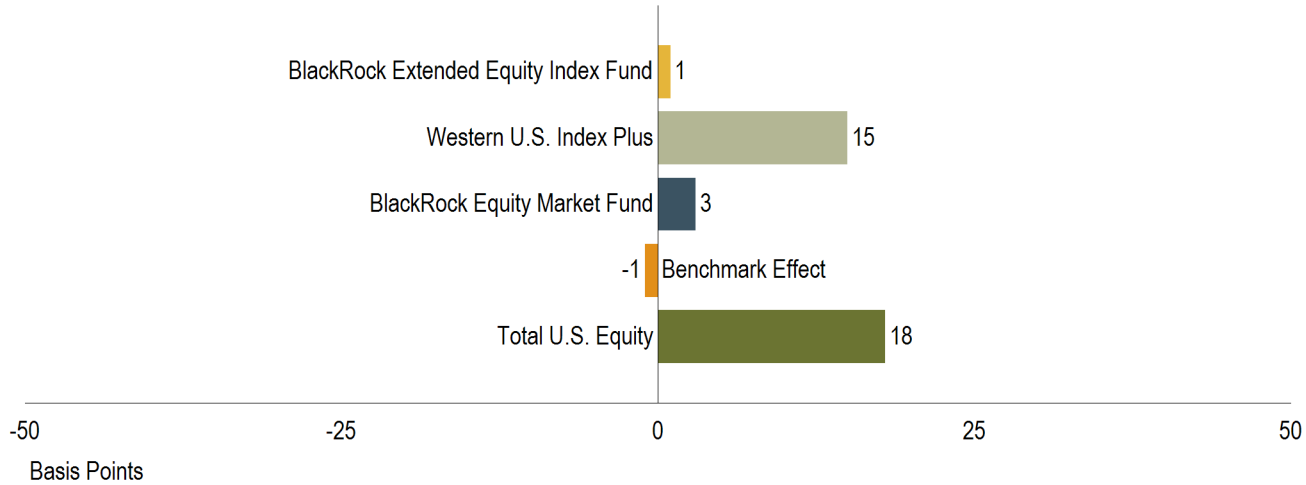


- Total U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All US Equity Net

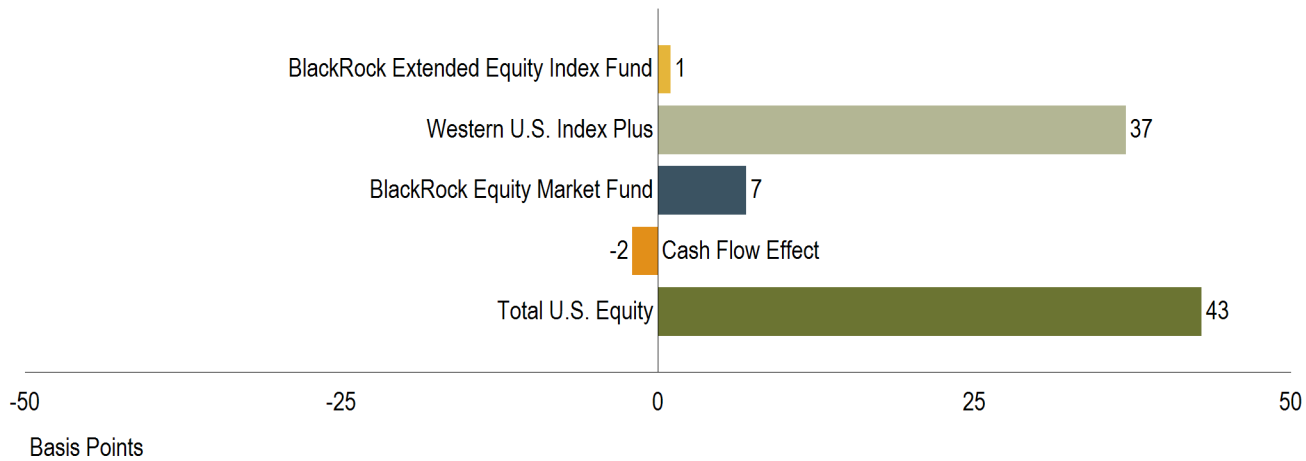
- Total U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All US Equity Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/12**



**MANAGER ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/12**



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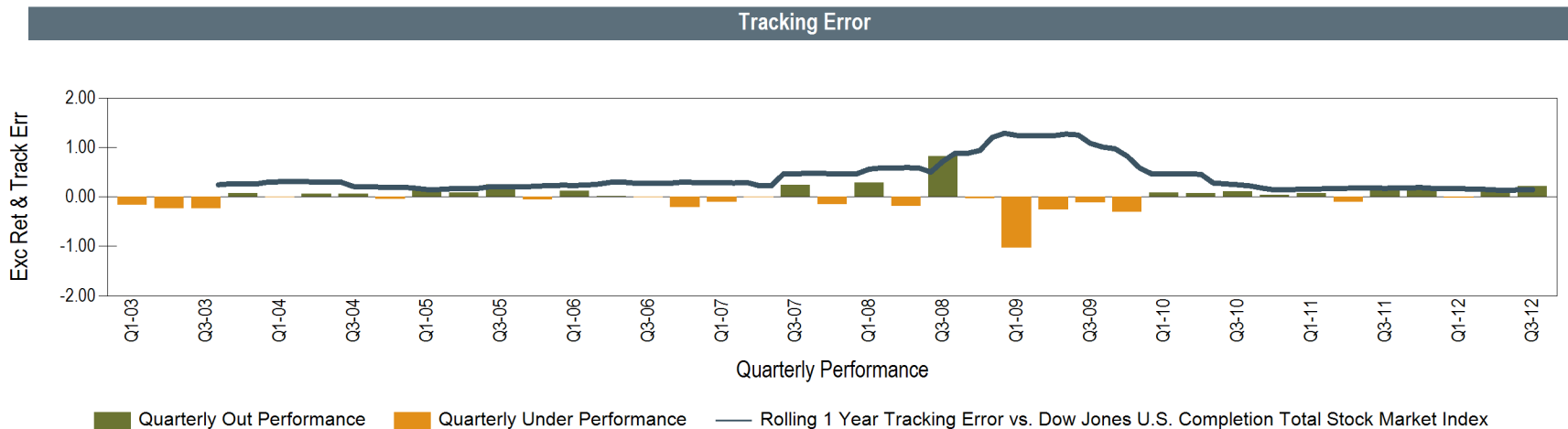
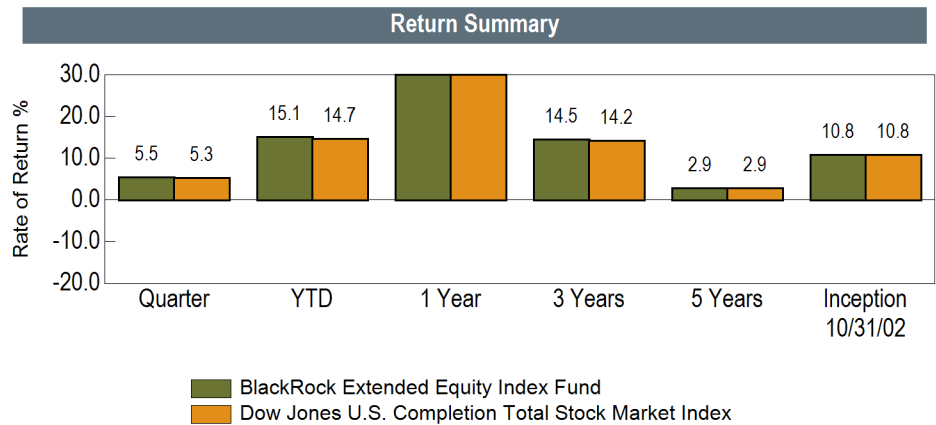
Manager Performance

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

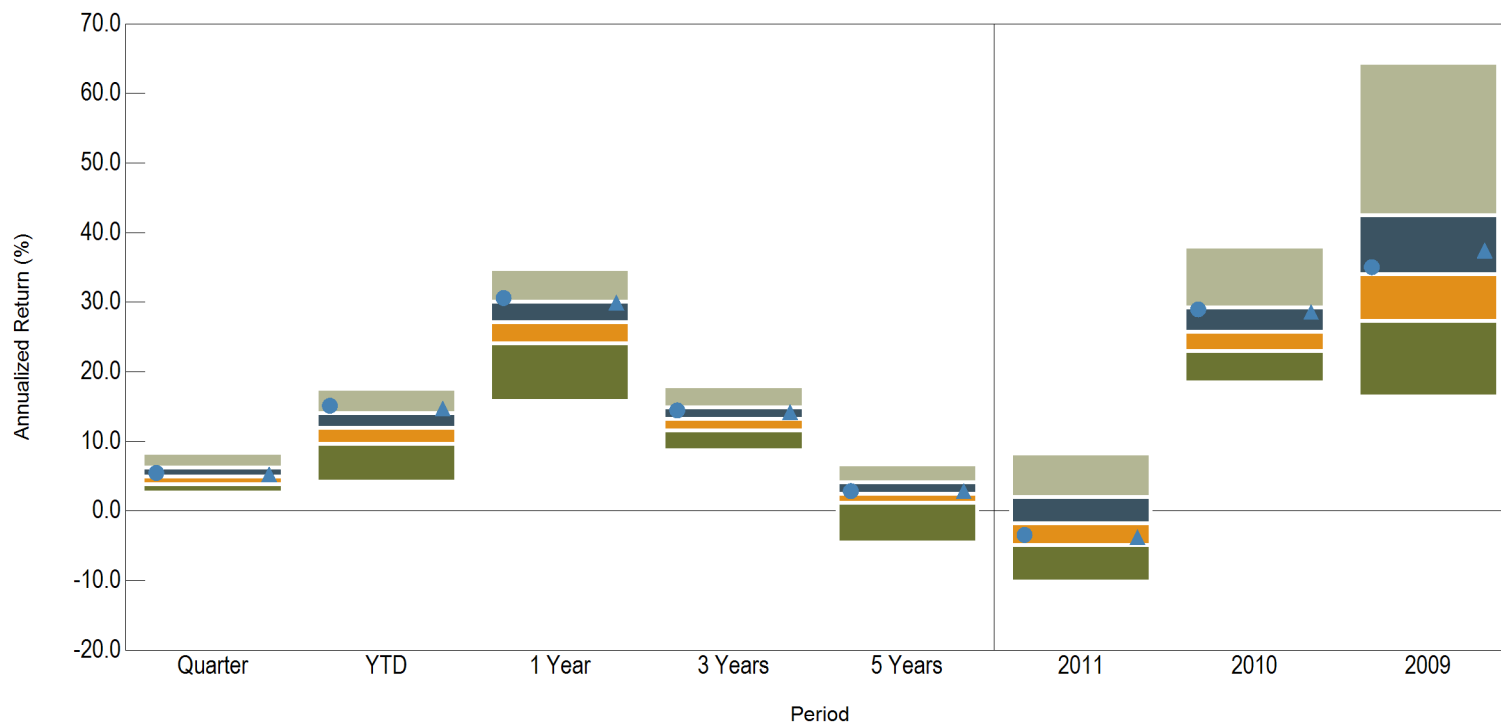


Universe Comparison

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

Universe: eA US Small-Mid Cap Equity Net

Ending September 30, 2012



Return (Rank)

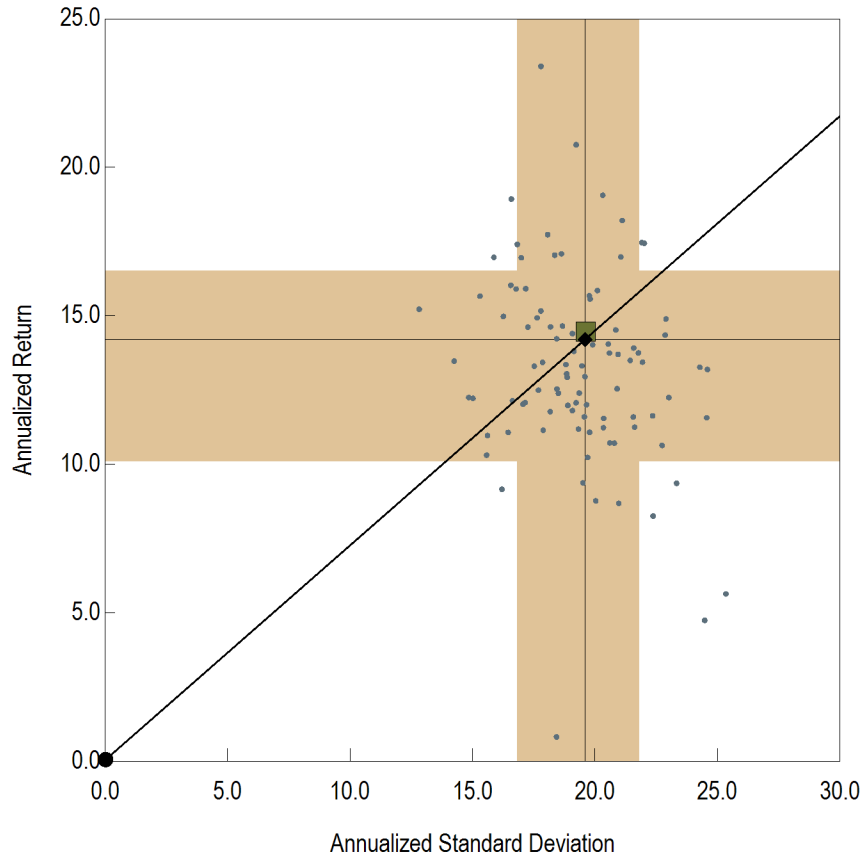
5th Percentile	8.4	17.5	34.7	17.9	6.6	8.3	38.0	64.3
25th Percentile	6.3	14.1	30.1	15.0	4.2	2.1	29.3	42.5
Median	5.0	12.0	27.1	13.3	2.5	-1.7	25.8	34.1
75th Percentile	3.9	9.7	24.2	11.6	1.2	-4.9	23.0	27.4
95th Percentile	2.7	4.3	15.9	8.7	-4.5	-10.1	18.5	16.5
# of Portfolios	107	105	103	95	87	93	89	97
● BlackRock Extended Equity Index Fund	5.5 (42)	15.1 (15)	30.6 (21)	14.5 (32)	2.9 (45)	-3.4 (66)	29.0 (28)	35.0 (46)
▲ Dow Jones U.S. Completion Total Stock Mark	5.3 (45)	14.7 (18)	30.0 (27)	14.2 (36)	2.9 (45)	-3.8 (67)	28.6 (34)	37.4 (38)

Risk Profile

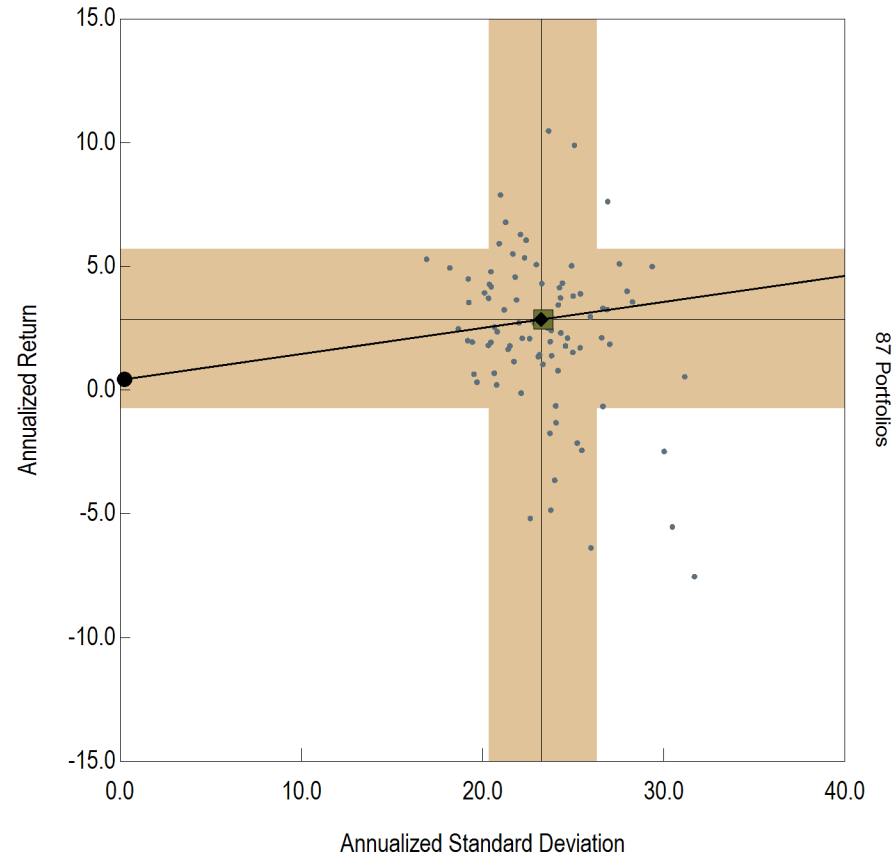
Benchmark: Dow Jones U.S. Completion Total Stock Market Index

Universe: eA US Small-Mid Cap Equity Net

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



Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 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

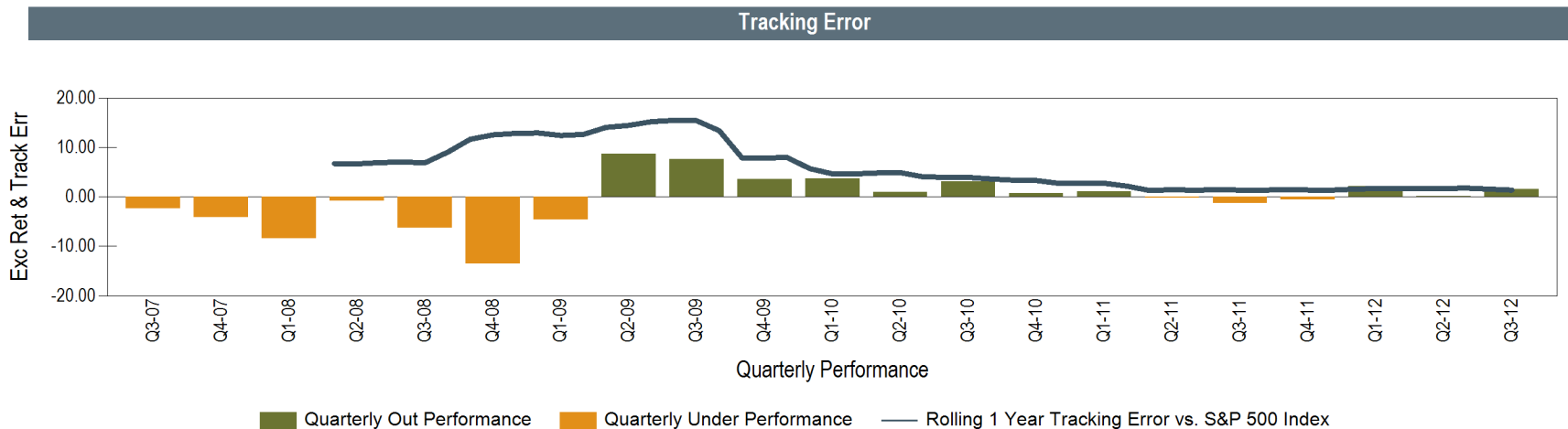
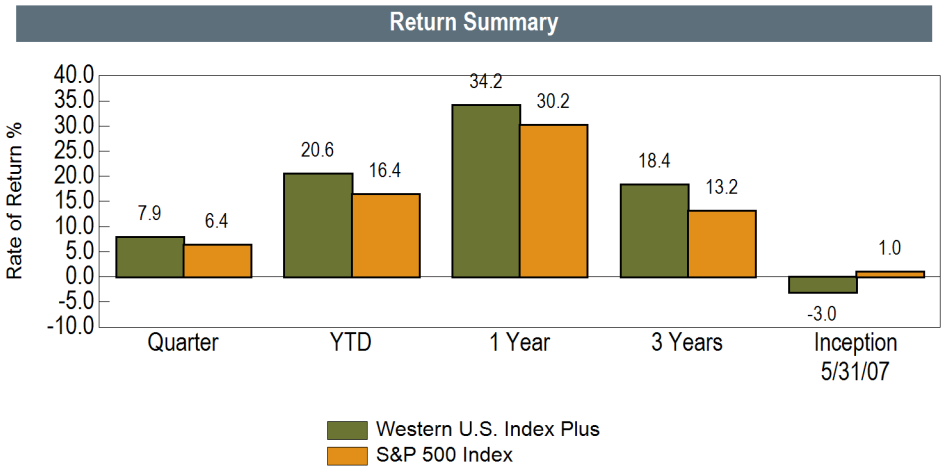
- BlackRock Extended Equity Index Fund
- ◆ Dow Jones U.S. Completion Total Stock Market Index
- Risk Free
- 68% Confidence Interval
- eA US Small-Mid Cap Equity Net

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

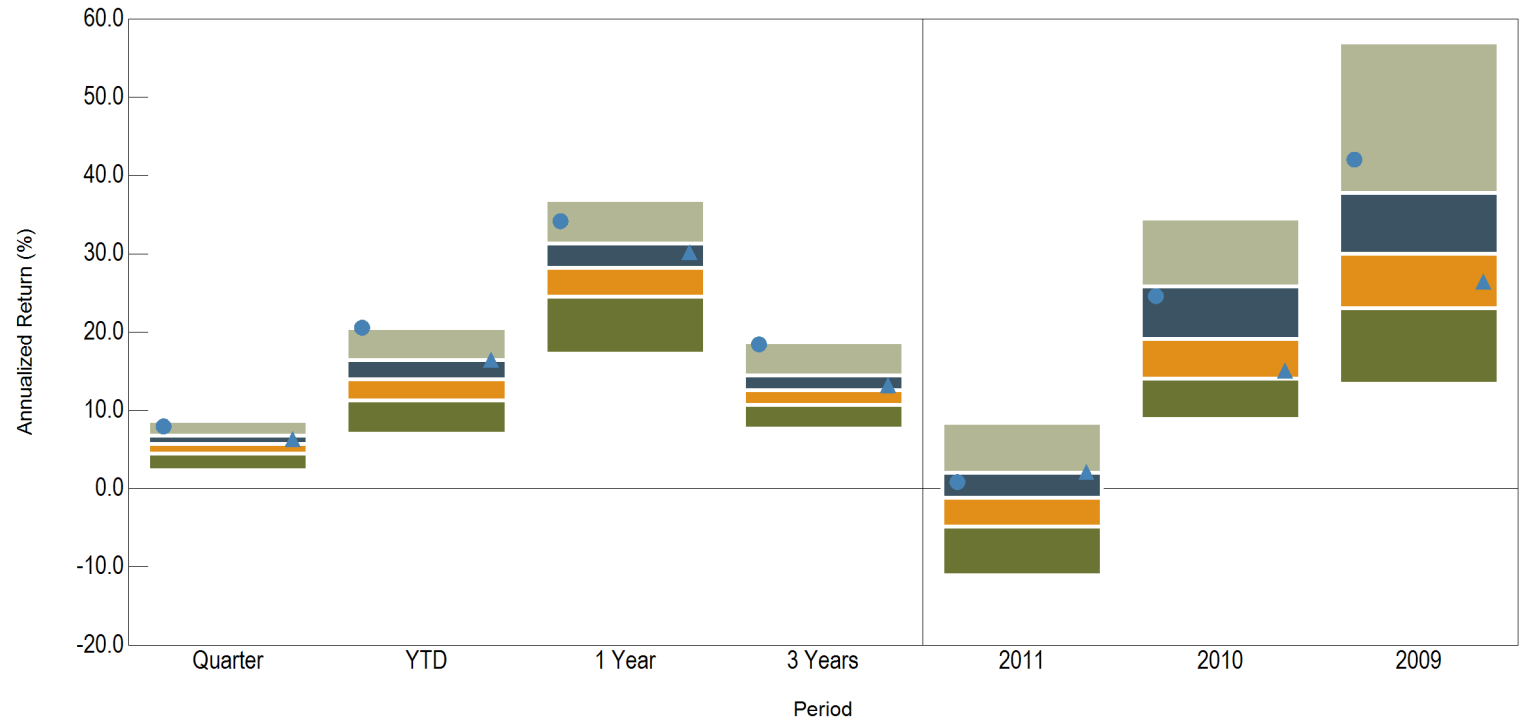


Universe Comparison

Benchmark: S&P 500 Index

Universe: eA All US Equity Net

Ending September 30, 2012



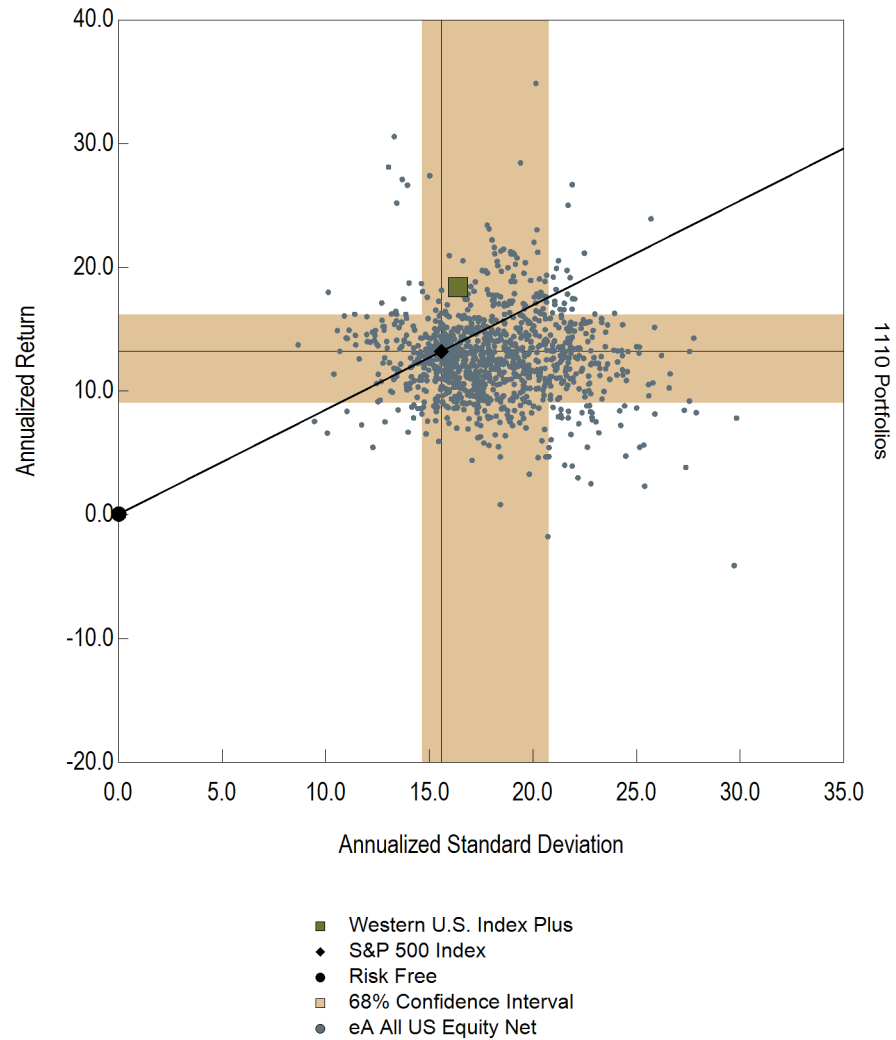
	Return (Rank)													
5th Percentile	8.6	20.5	36.9	18.7	8.4	34.5	56.9							
25th Percentile	6.8	16.5	31.4	14.5	2.1	25.9	37.8							
Median	5.8	14.0	28.3	12.6	-1.1	19.1	30.0							
75th Percentile	4.5	11.3	24.5	10.7	-4.8	14.1	23.1							
95th Percentile	2.4	7.0	17.3	7.7	-11.0	8.9	13.4							
# of Portfolios	1,222	1,187	1,174	1,110	1,081	1,035	1,153							
● Western U.S. Index Plus	7.9	(11)	20.6	(5)	34.2	(12)	18.4	(6)	0.8	(36)	24.6	(30)	42.0	(17)
▲ S&P 500 Index	6.4	(36)	16.4	(26)	30.2	(35)	13.2	(41)	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 September 30, 2012

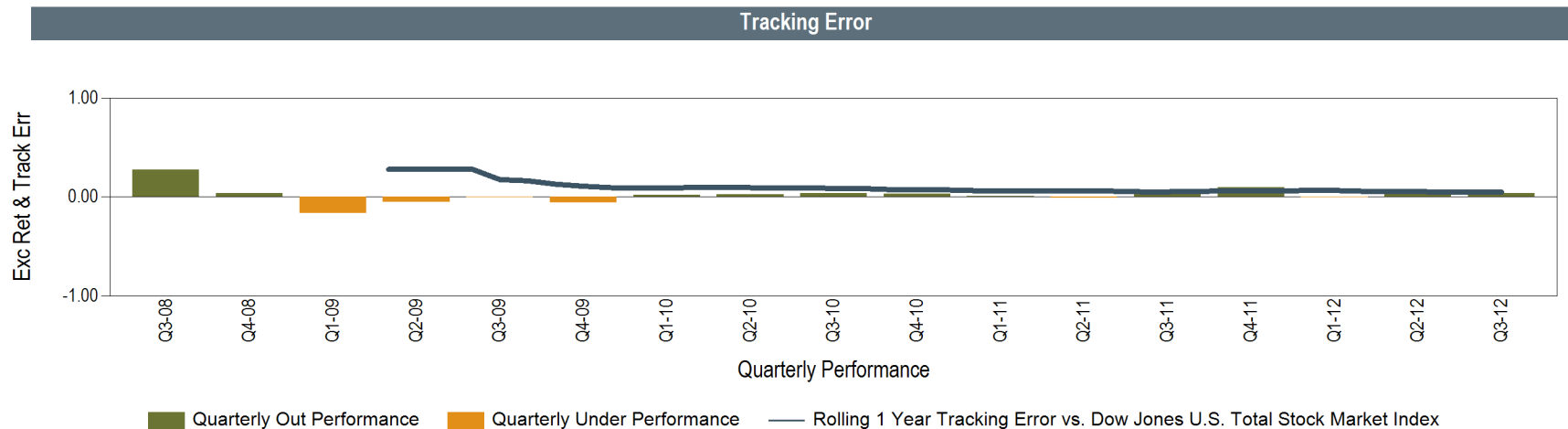
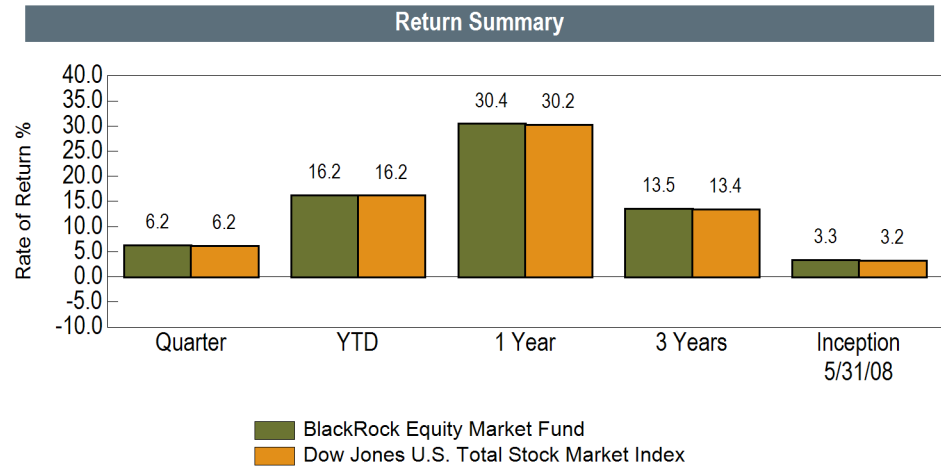


Manager Performance

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

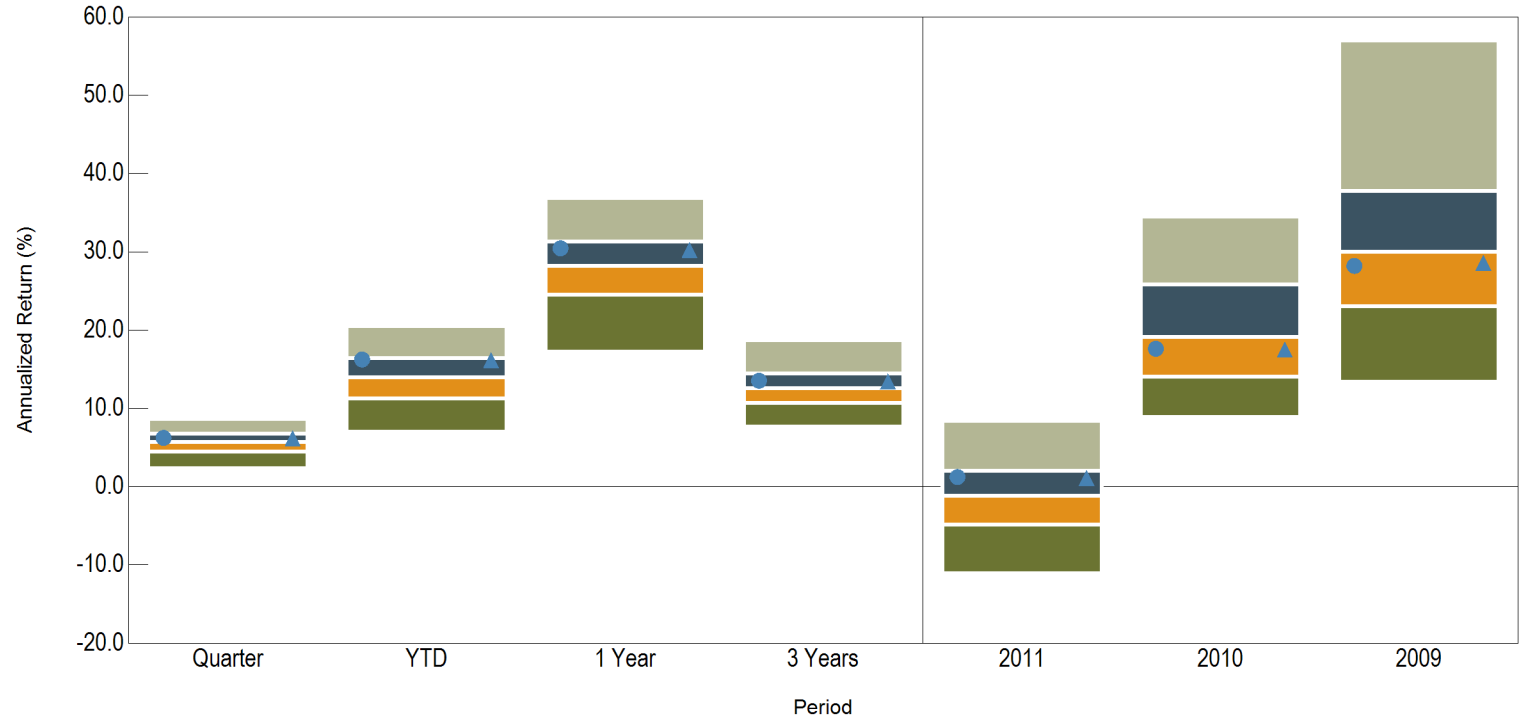


Universe Comparison

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

Universe: eA All US Equity Net

Ending September 30, 2012



	Return (Rank)													
5th Percentile	8.6	20.5	36.9	18.7	8.4	34.5	56.9							
25th Percentile	6.8	16.5	31.4	14.5	2.1	25.9	37.8							
Median	5.8	14.0	28.3	12.6	-1.1	19.1	30.0							
75th Percentile	4.5	11.3	24.5	10.7	-4.8	14.1	23.1							
95th Percentile	2.4	7.0	17.3	7.7	-11.0	8.9	13.4							
# of Portfolios	1,222	1,187	1,174	1,110	1,081	1,035	1,153							
● BlackRock Equity Market Fund	6.2	(39)	16.2	(28)	30.4	(33)	13.5	(36)	1.2	(32)	17.6	(57)	28.2	(57)
▲ Dow Jones U.S. Total Stock Market Index	6.2	(40)	16.2	(29)	30.2	(35)	13.4	(38)	1.1	(33)	17.5	(58)	28.6	(55)

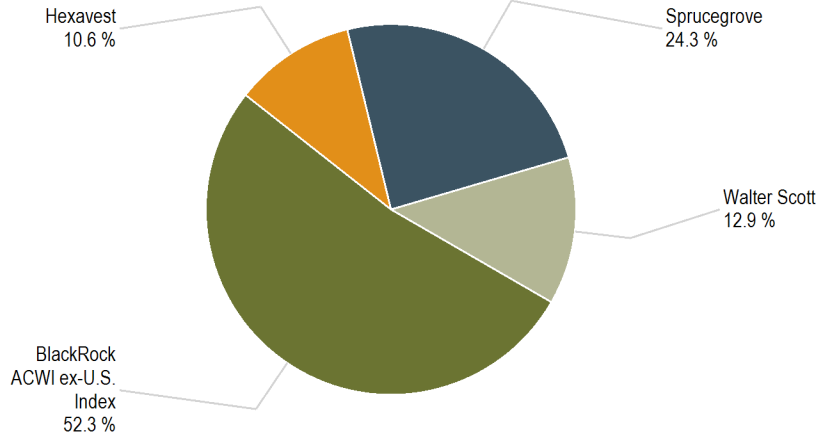


Total Non-U.S. Equity

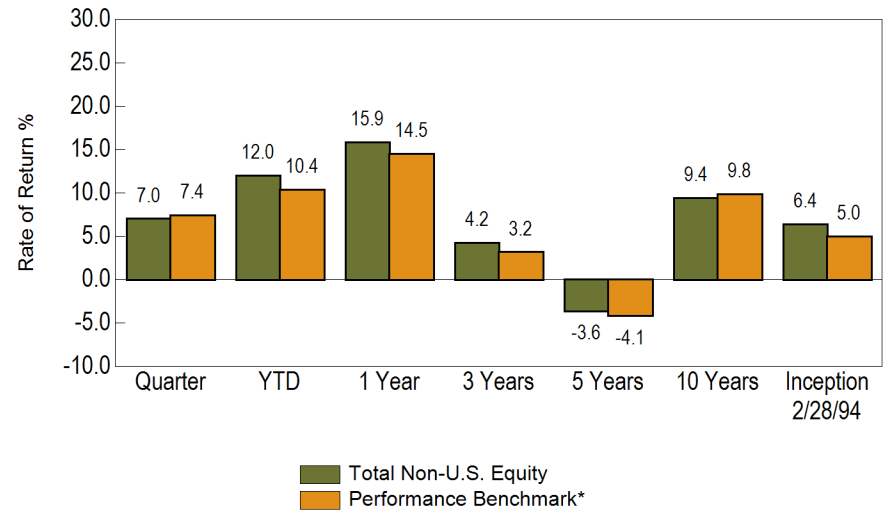
Overview

Benchmark: Performance Benchmark*

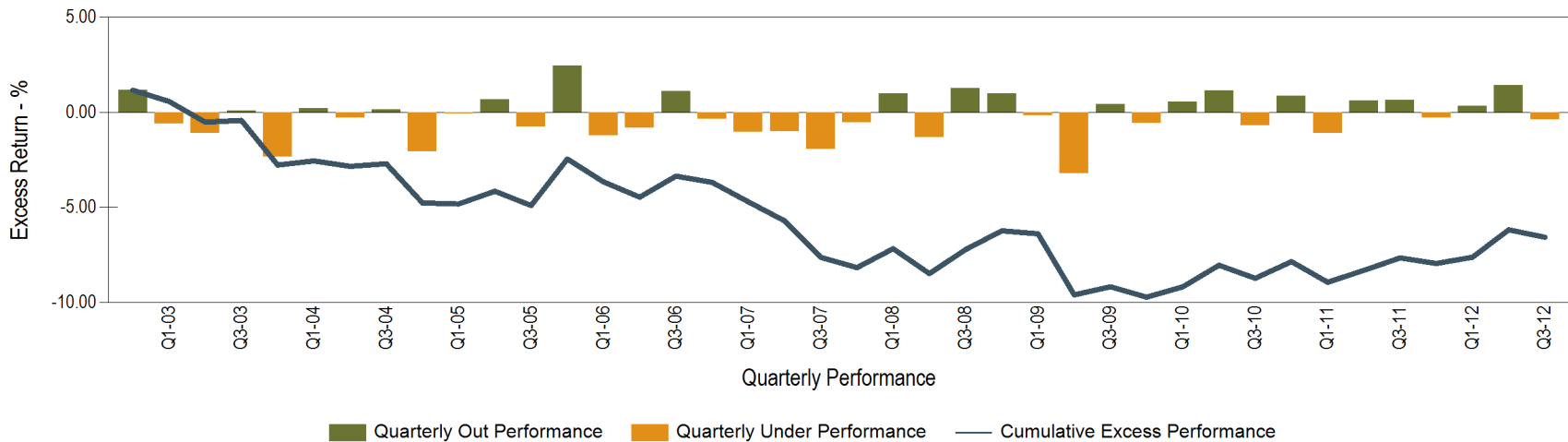
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

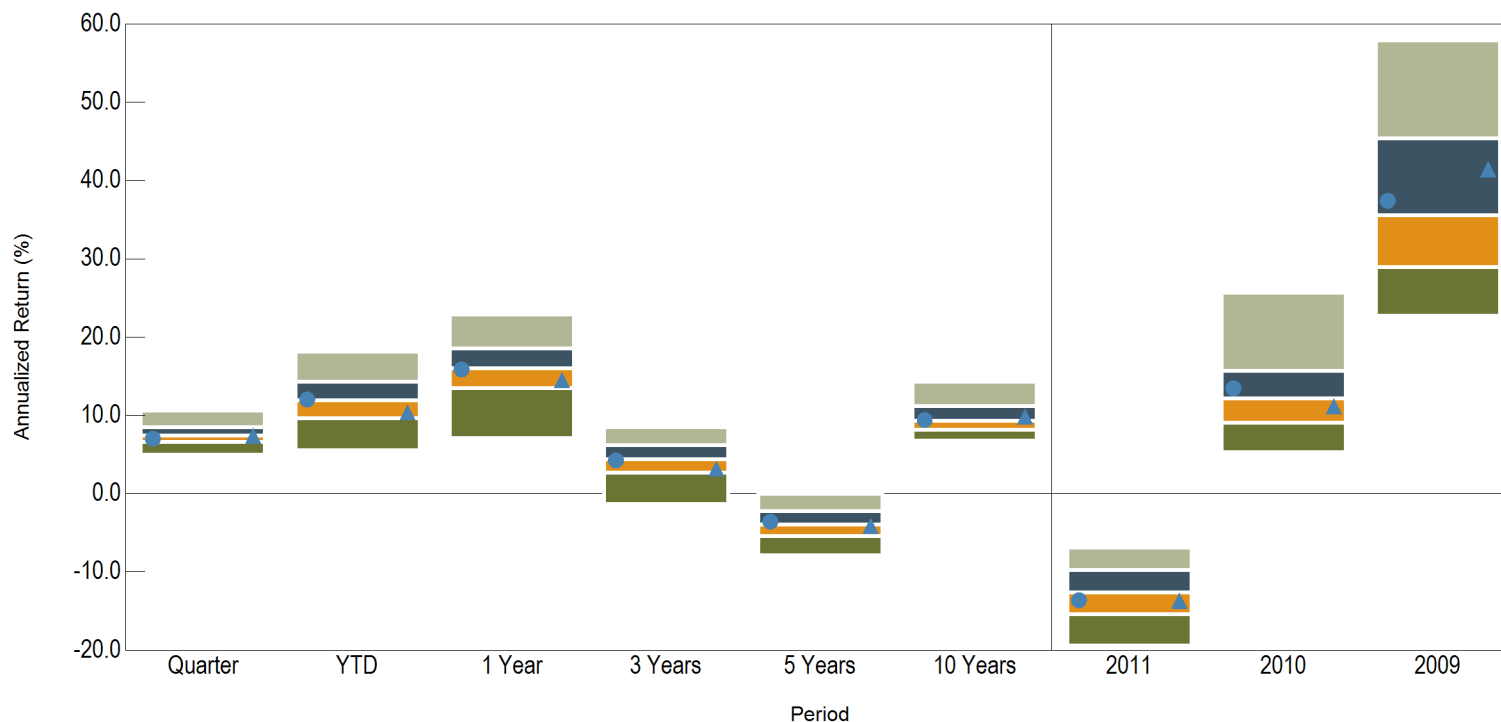


Universe Comparison

Benchmark: Performance Benchmark*

Universe: eA All EAFE Equity Net

Ending September 30, 2012



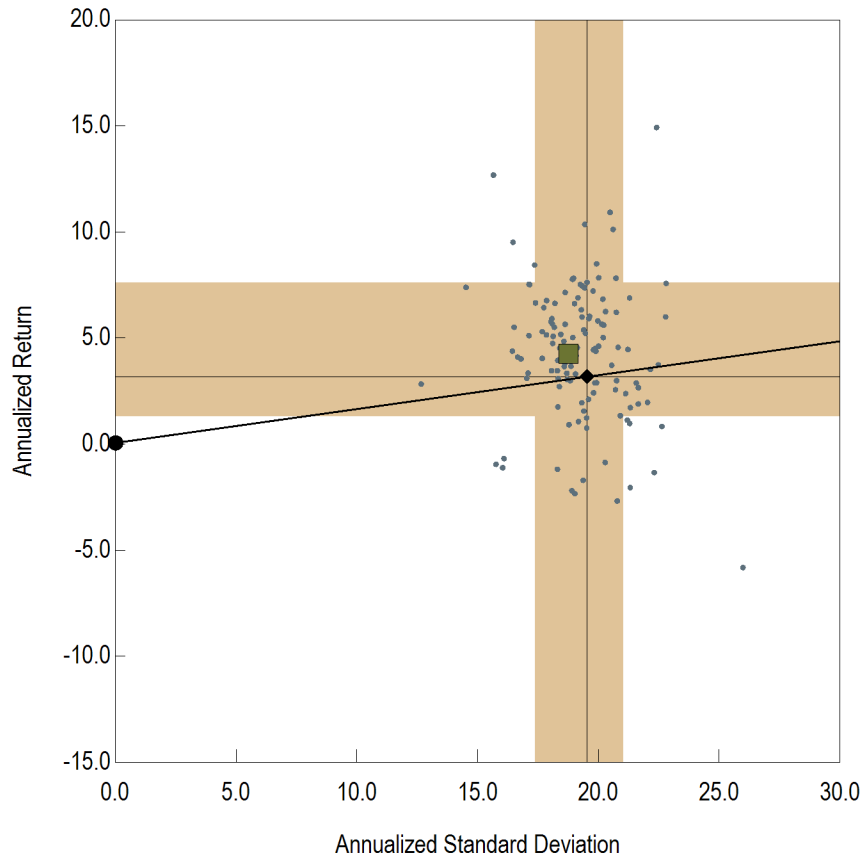
	Return (Rank)									
	Quarter	YTD	1 Year	3 Years	5 Years	10 Years	2011	2010	2009	2009
5th Percentile	10.6	18.1	22.8	8.5	-0.1	14.2	-6.9	25.6	57.9	
25th Percentile	8.6	14.3	18.5	6.2	-2.2	11.3	-9.7	15.7	45.4	
Median	7.5	12.0	16.1	4.5	-3.9	9.3	-12.6	12.2	35.6	
75th Percentile	6.7	9.7	13.5	2.7	-5.3	8.2	-15.4	9.1	29.0	
95th Percentile	5.0	5.6	7.2	-1.3	-7.8	6.8	-19.4	5.3	22.8	
# of Portfolios	135	134	131	126	109	77	129	143	173	
● Total Non-U.S. Equity	7.0 (66)	12.0 (50)	15.9 (54)	4.2 (54)	-3.6 (42)	9.4 (46)	-13.6 (59)	13.5 (38)	37.4 (45)	
▲ Performance Benchmark*	7.4 (54)	10.4 (69)	14.5 (65)	3.2 (68)	-4.1 (53)	9.8 (36)	-13.7 (60)	11.2 (54)	41.4 (35)	

Risk Profile

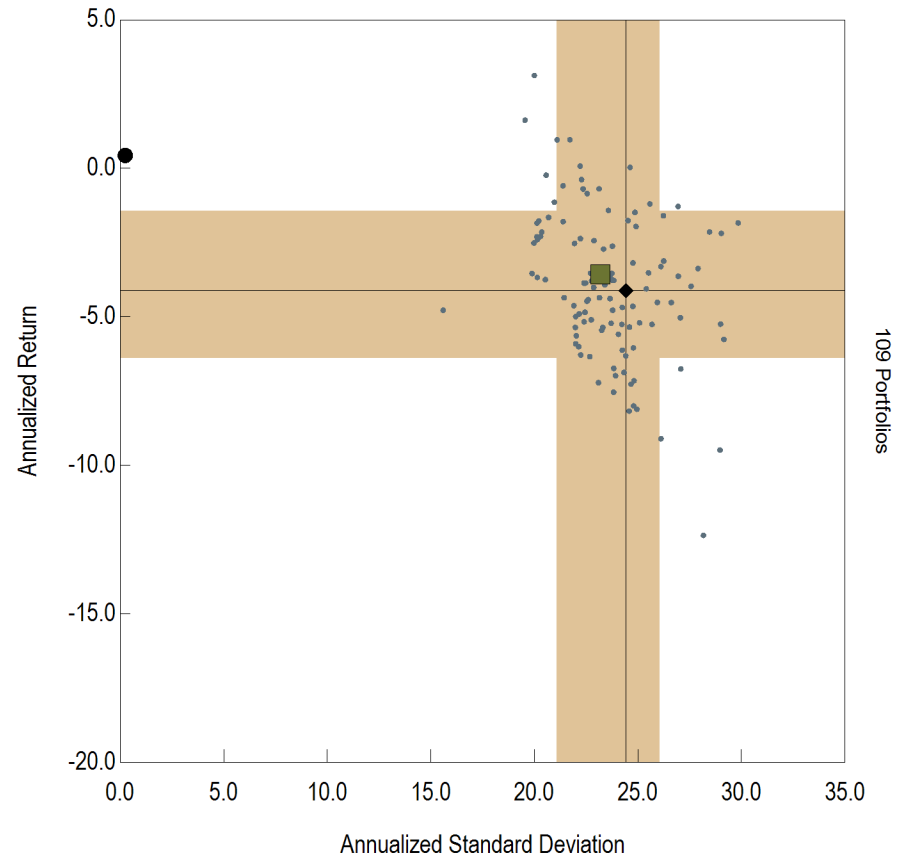
Benchmark: Performance Benchmark*

Universe: eA All EAFE Equity Net

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



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

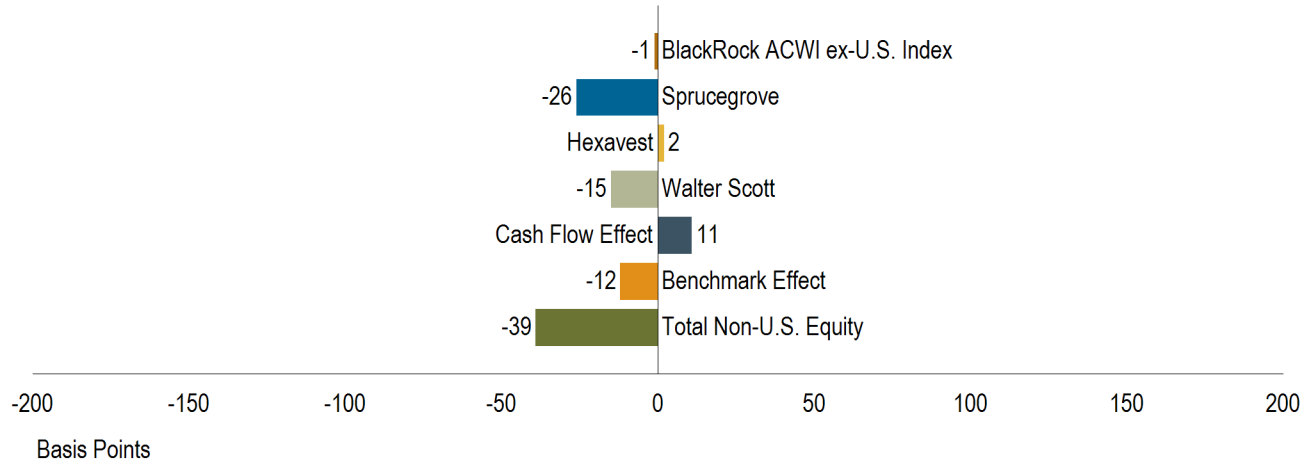


- Total Non-U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

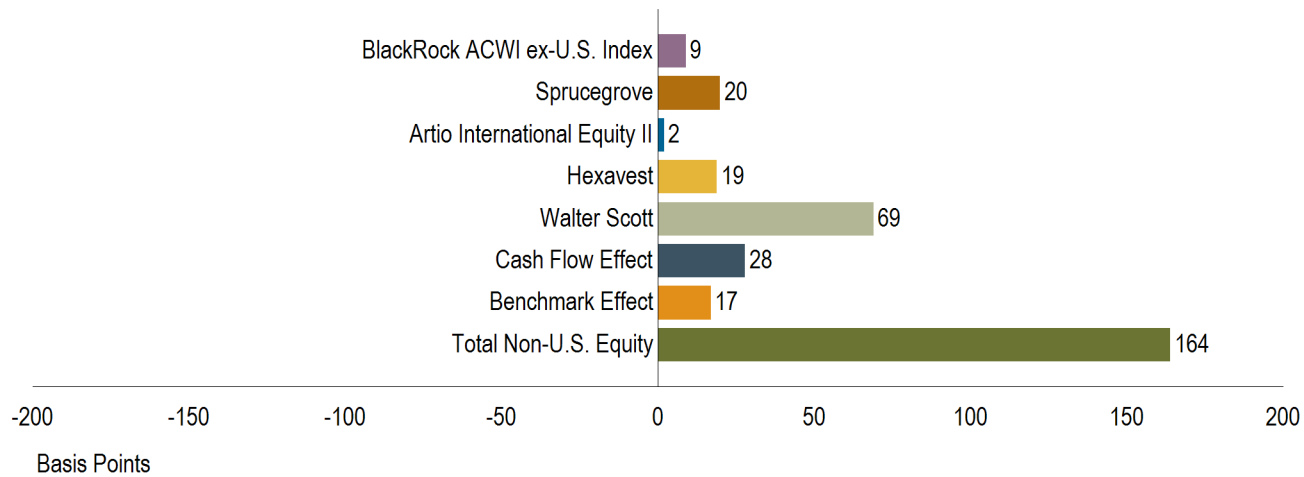
- Total Non-U.S. Equity
- ◆ Performance Benchmark*
- Risk Free
- 68% Confidence Interval
- eA All EAFE Equity Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/12**



**MANAGER ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/12**



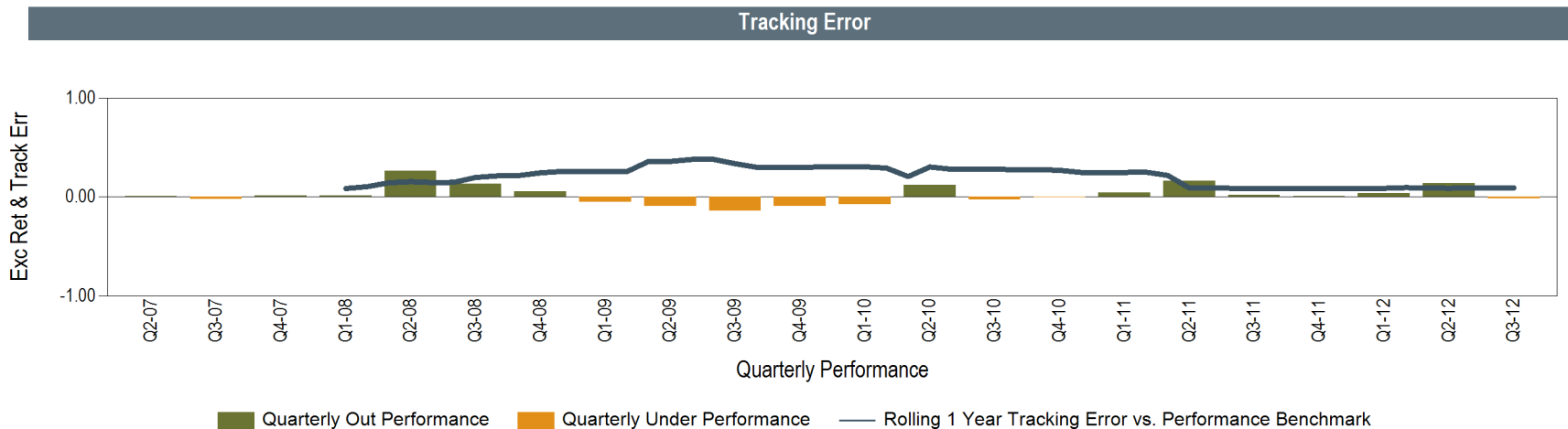
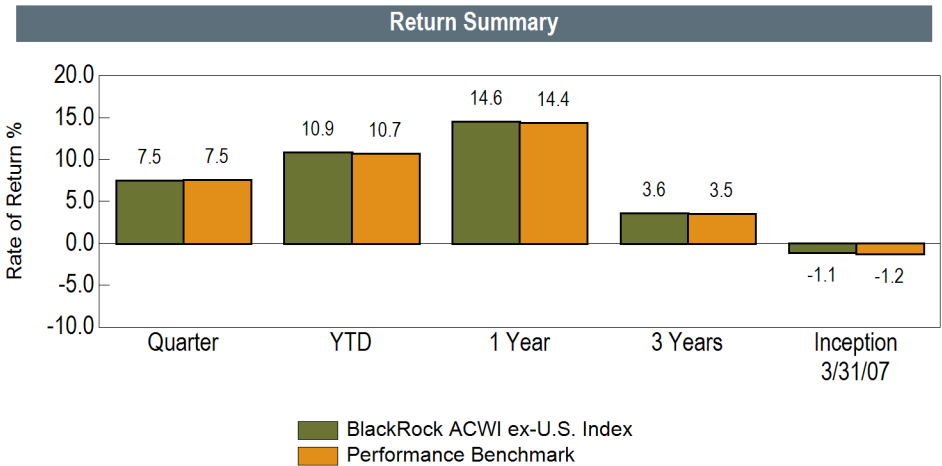
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Manager Performance

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

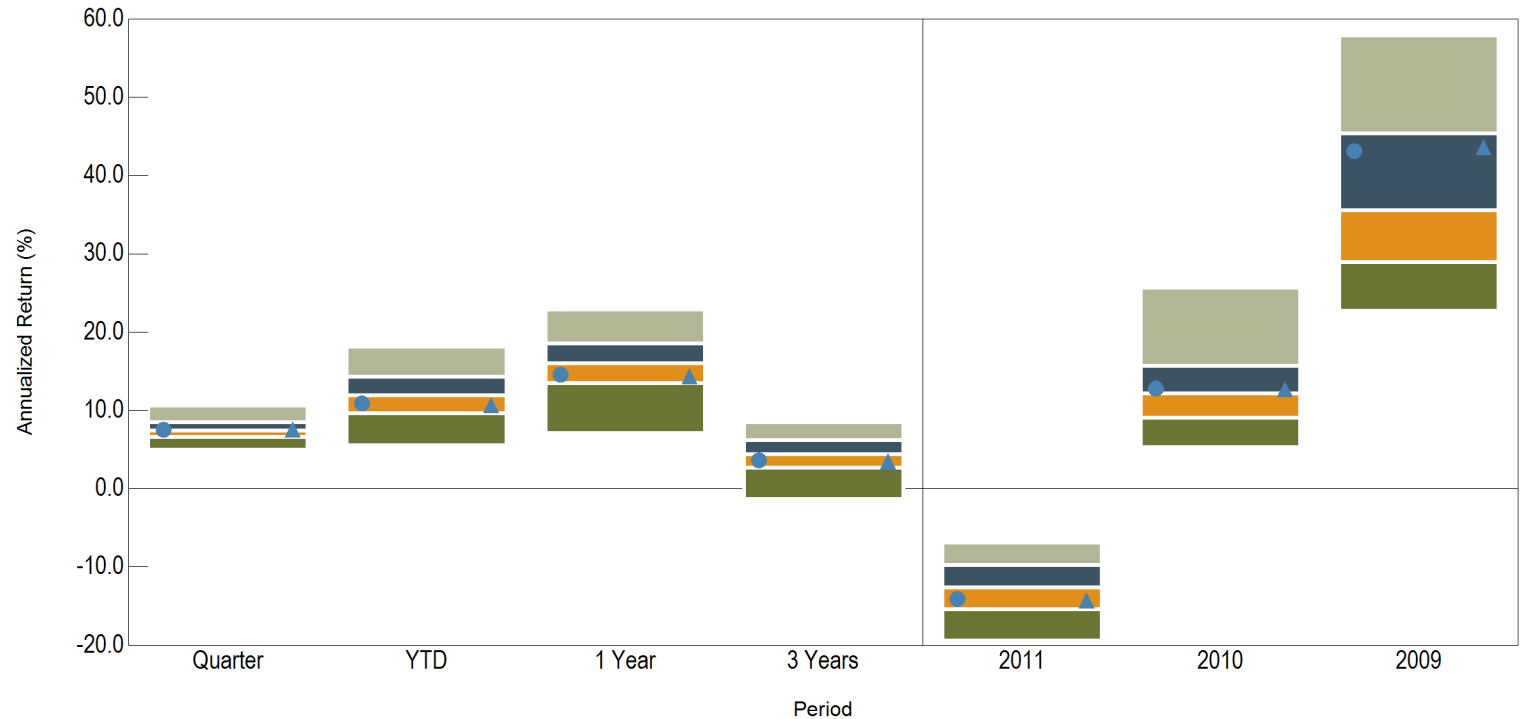


Universe Comparison

Benchmark: Performance Benchmark

Universe: eA All EAFE Equity Net

Ending September 30, 2012



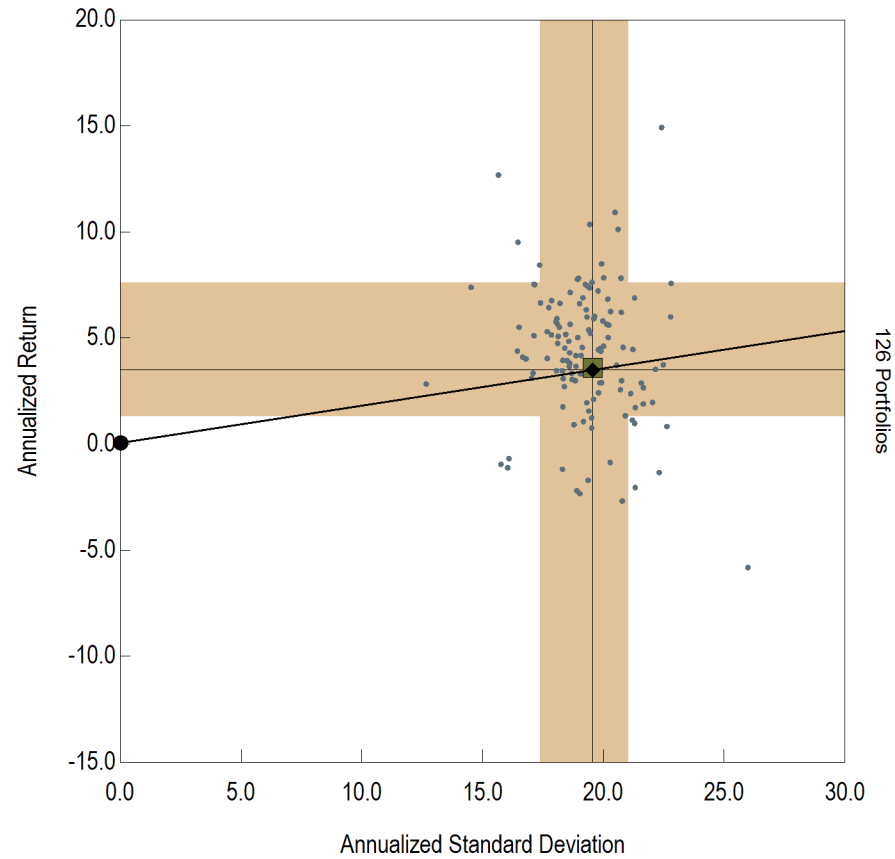
	Return (Rank)													
5th Percentile	10.6	18.1	22.8	8.5	-6.9	25.6	57.9							
25th Percentile	8.6	14.3	18.5	6.2	-9.7	15.7	45.4							
Median	7.5	12.0	16.1	4.5	-12.6	12.2	35.6							
75th Percentile	6.7	9.7	13.5	2.7	-15.4	9.1	29.0							
95th Percentile	5.0	5.6	7.2	-1.3	-19.4	5.3	22.8							
# of Portfolios	135	134	131	126	129	143	173							
● BlackRock ACWI ex-U.S. Index	7.5	(48)	10.9	(65)	14.6	(65)	3.6	(63)	-14.1	(65)	12.8	(45)	43.1	(31)
▲ Performance Benchmark	7.5	(48)	10.7	(67)	14.4	(65)	3.5	(64)	-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 September 30, 2012



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

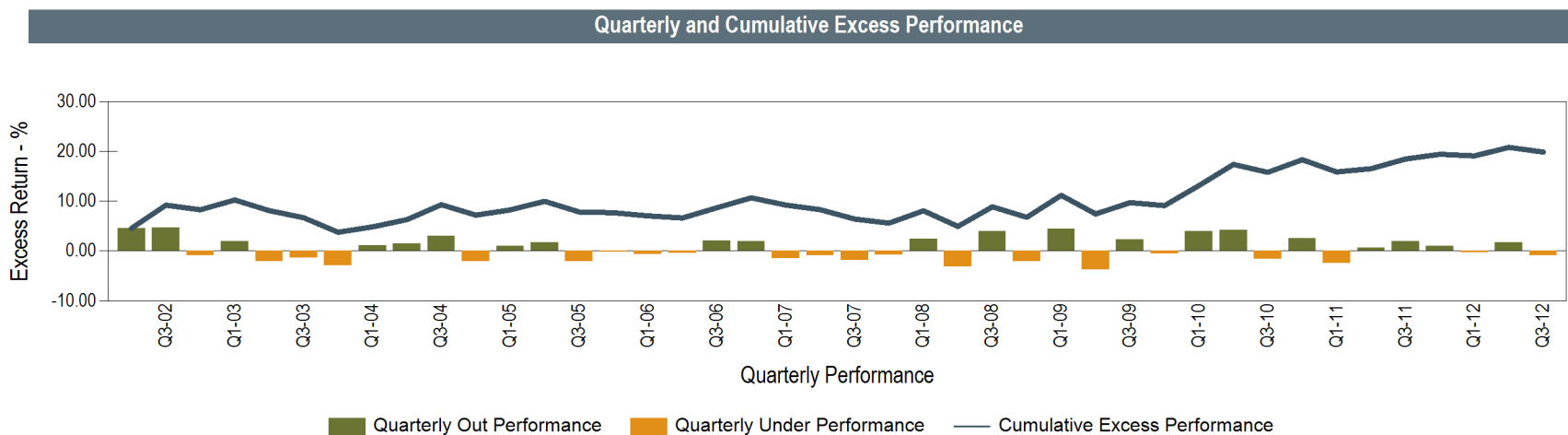
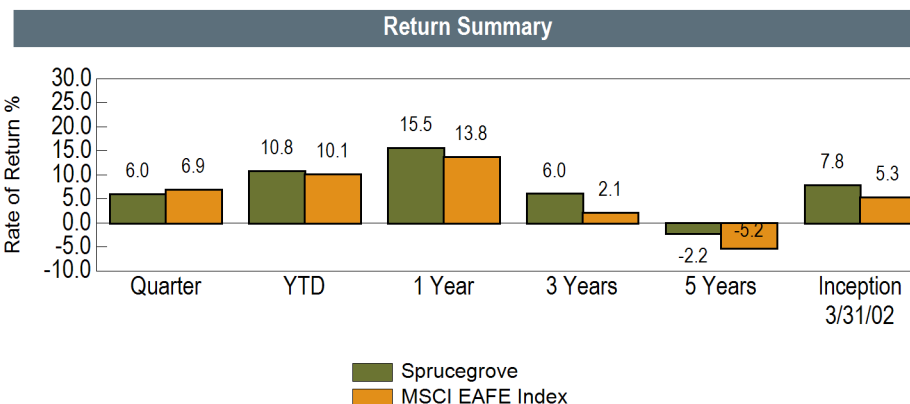
Manager Performance

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 September 30, 2012



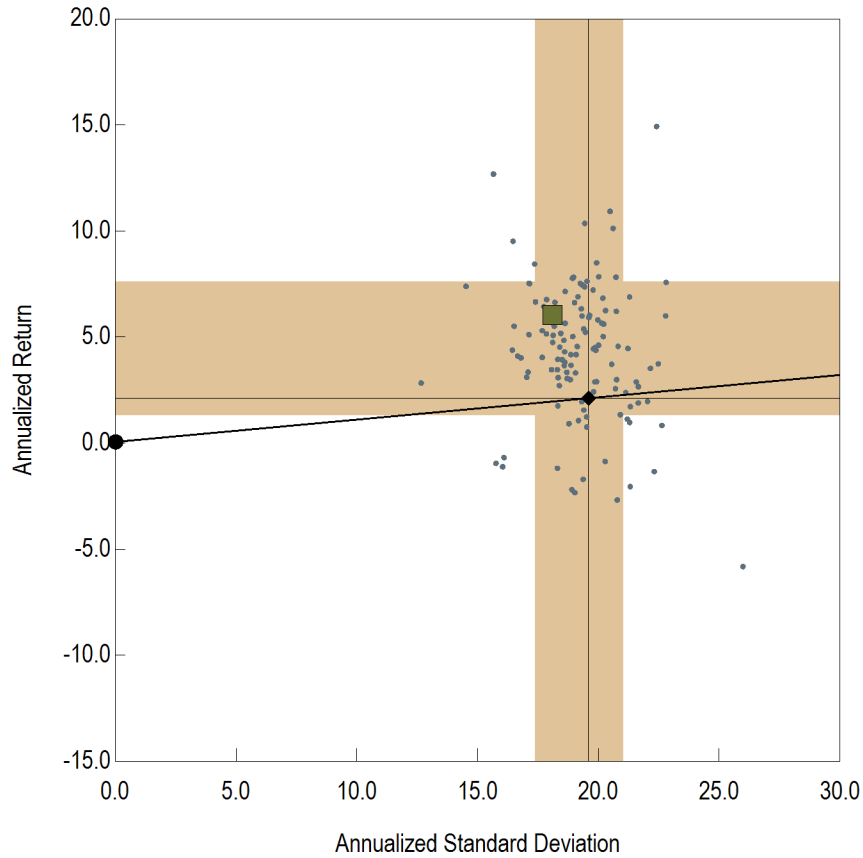
	Return (Rank)															
	Quarter		YTD		1 Year		3 Years		5 Years		2011		2010		2009	
5th Percentile	10.6		18.1		22.8		8.5		-0.1		-6.9		25.6		57.9	
25th Percentile	8.6		14.3		18.5		6.2		-2.2		-9.7		15.7		45.4	
Median	7.5		12.0		16.1		4.5		-3.9		-12.6		12.2		35.6	
75th Percentile	6.7		9.7		13.5		2.7		-5.3		-15.4		9.1		29.0	
95th Percentile	5.0		5.6		7.2		-1.3		-7.8		-19.4		5.3		22.8	
# of Portfolios	135		134		131		126		109		129		143		173	
● Sprucegrove	6.0	(89)	10.8	(66)	15.5	(58)	6.0	(27)	-2.2	(25)	-10.8	(31)	18.7	(15)	36.1	(48)
▲ MSCI EAFE Index	6.9	(67)	10.1	(72)	13.8	(72)	2.1	(80)	-5.2	(73)	-12.1	(45)	7.8	(83)	31.8	(65)

Risk Profile

Benchmark: MSCI EAFE Index

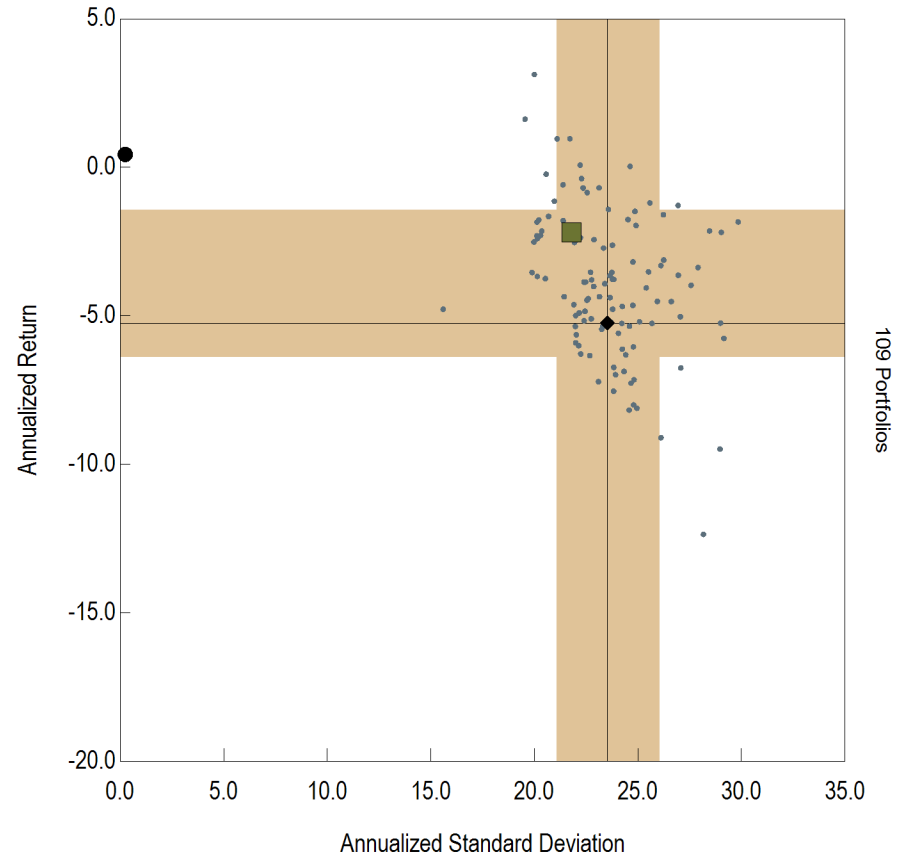
Universe: eA All EAFE Equity Net

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



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

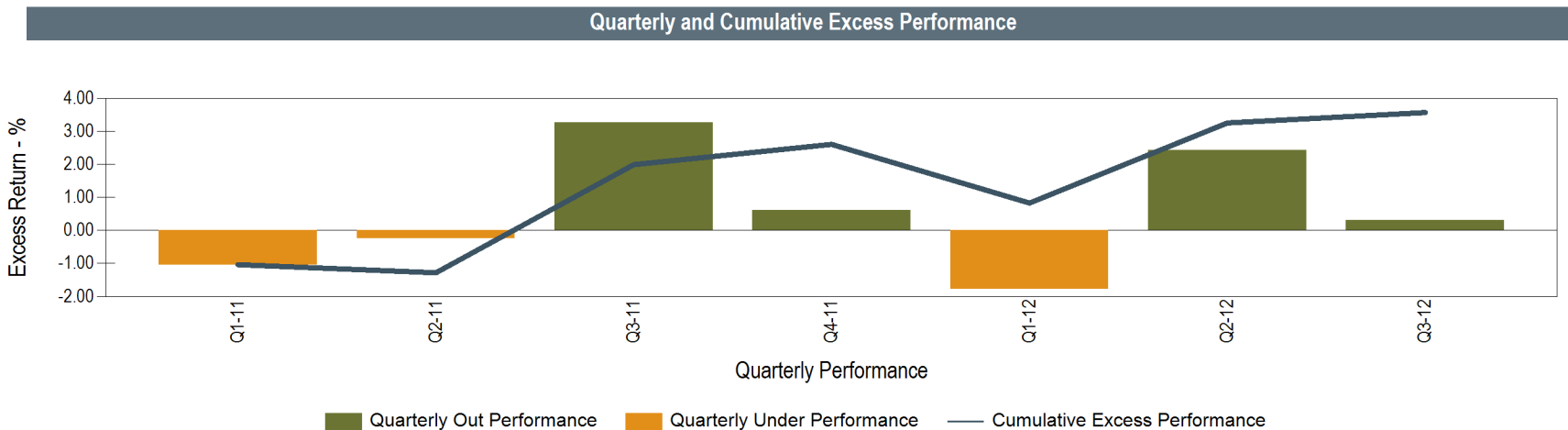
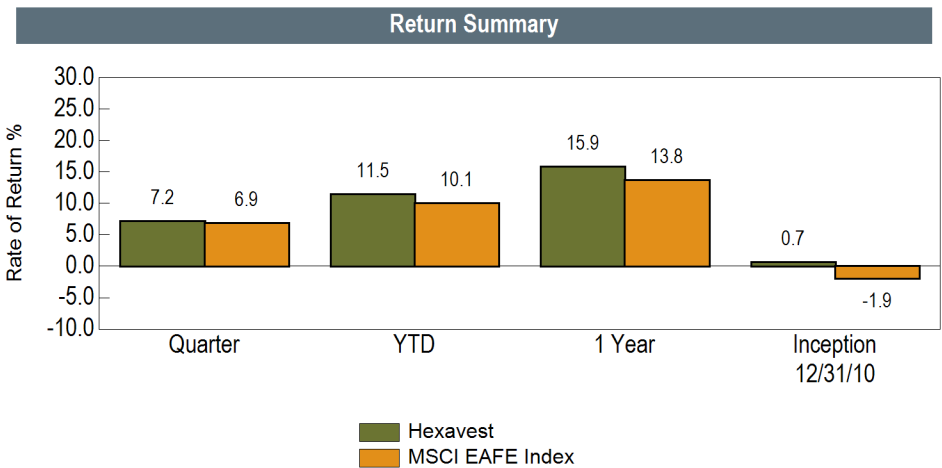
Manager Performance

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

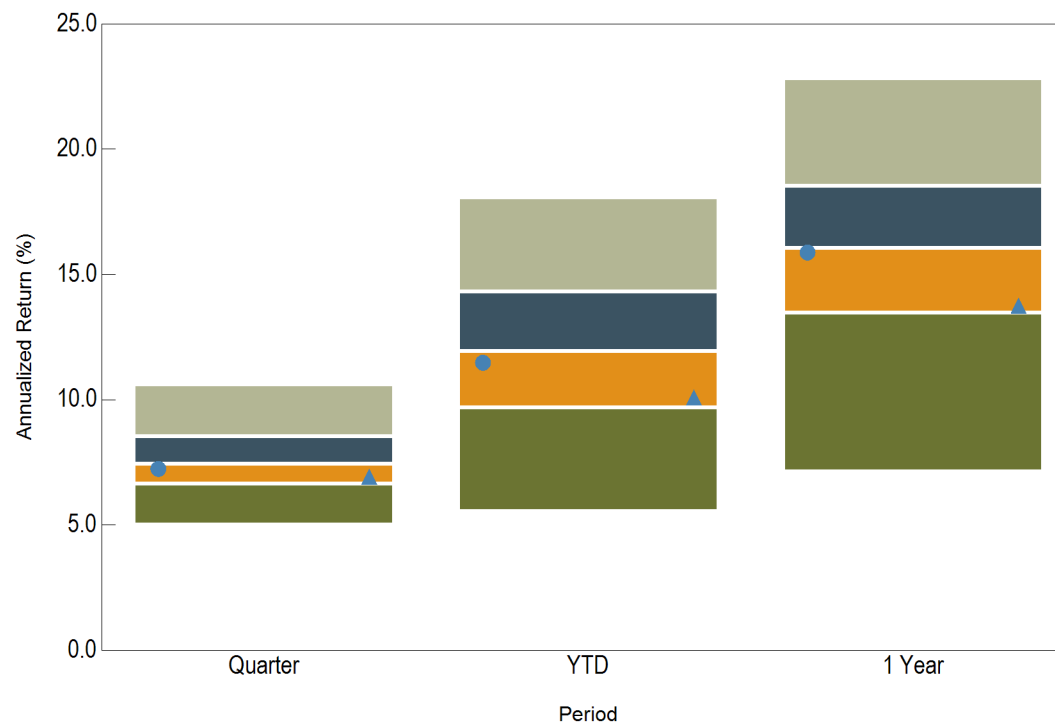


Universe Comparison

Benchmark: MSCI EAFE Index

Universe: eA All EAFE Equity Net

Ending September 30, 2012



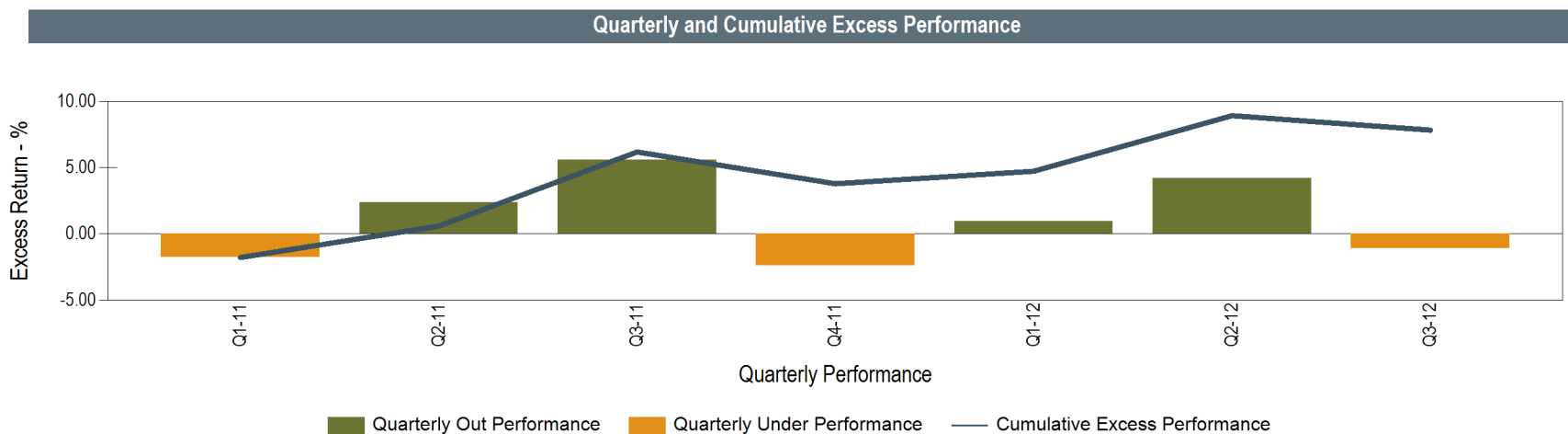
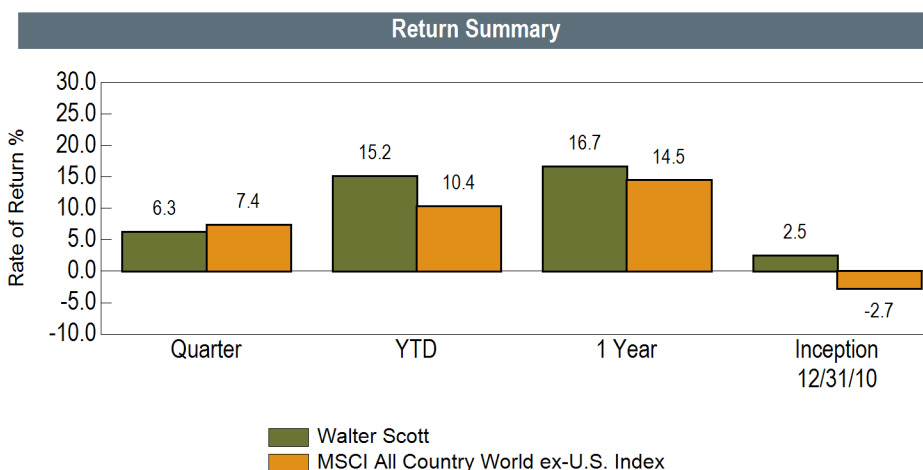
	Return (Rank)		
5th Percentile	10.6	18.1	22.8
25th Percentile	8.6	14.3	18.5
Median	7.5	12.0	16.1
75th Percentile	6.7	9.7	13.5
95th Percentile	5.0	5.6	7.2
# of Portfolios	135	134	131
● Hexavest	7.2 (61)	11.5 (54)	15.9 (53)
▲ MSCI EAFE Index	6.9 (67)	10.1 (72)	13.8 (72)

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

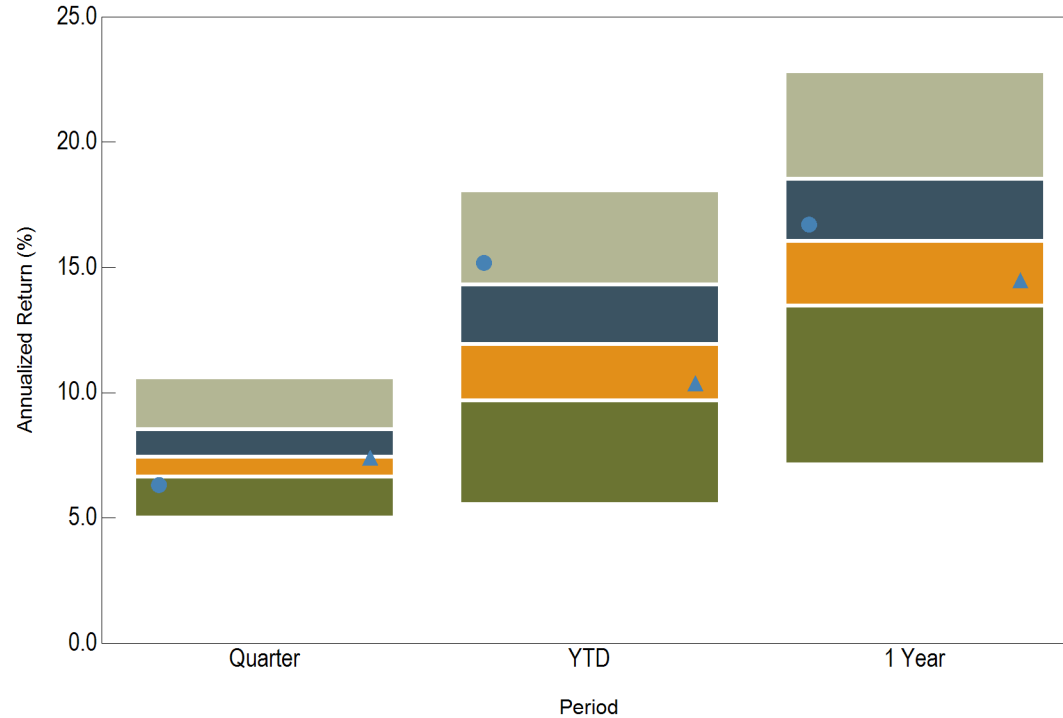


Universe Comparison

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

Universe: eA All EAFE Equity Net

Ending September 30, 2012



	Return (Rank)		
5th Percentile	10.6	18.1	22.8
25th Percentile	8.6	14.3	18.5
Median	7.5	12.0	16.1
75th Percentile	6.7	9.7	13.5
95th Percentile	5.0	5.6	7.2
# of Portfolios	135	134	131
● Walter Scott	6.3 (82)	15.2 (18)	16.7 (45)
▲ MSCI All Country World ex-U.S. Index	7.4 (54)	10.4 (69)	14.5 (65)

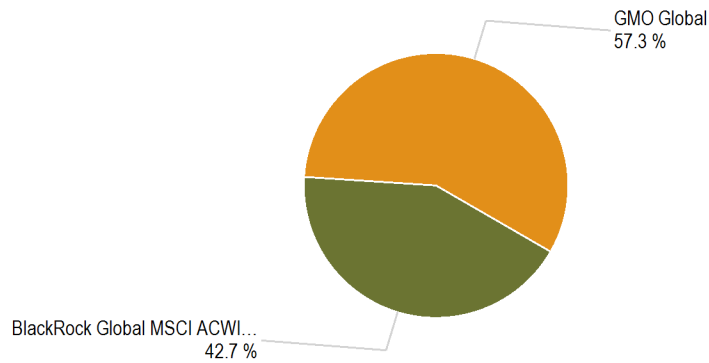


Total Global Equity

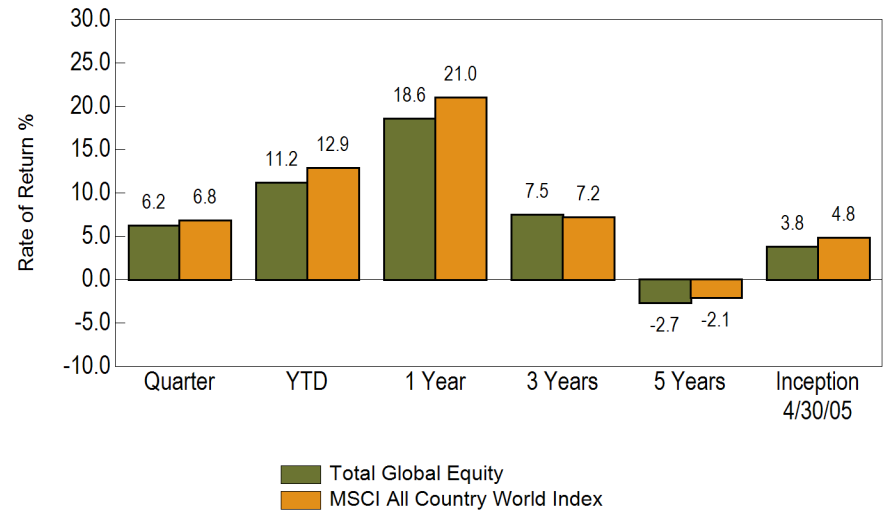
Overview

Benchmark: MSCI All Country World Index

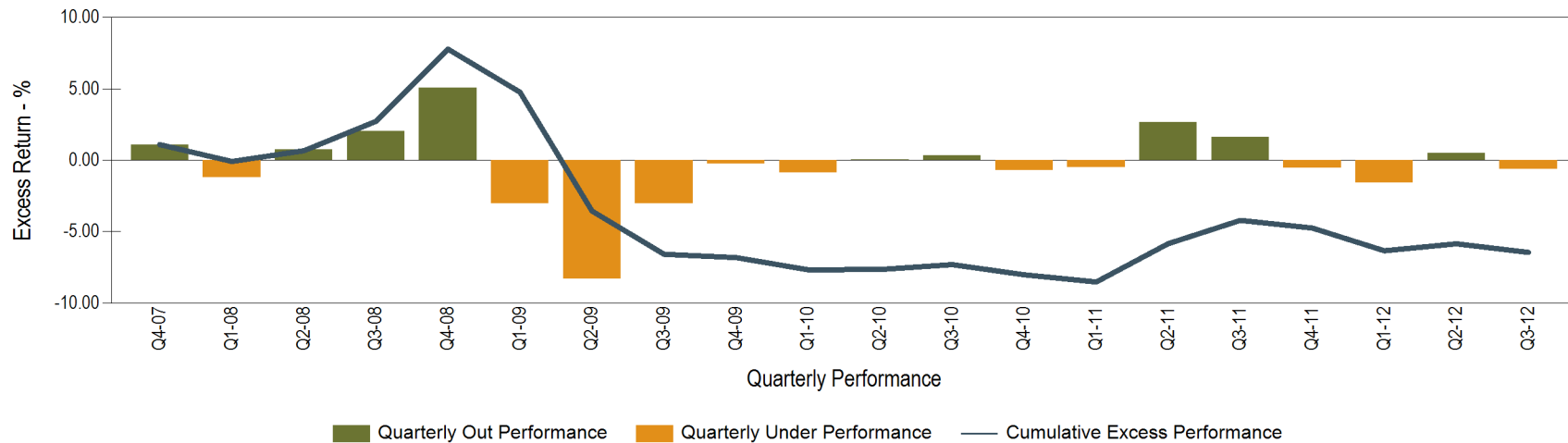
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

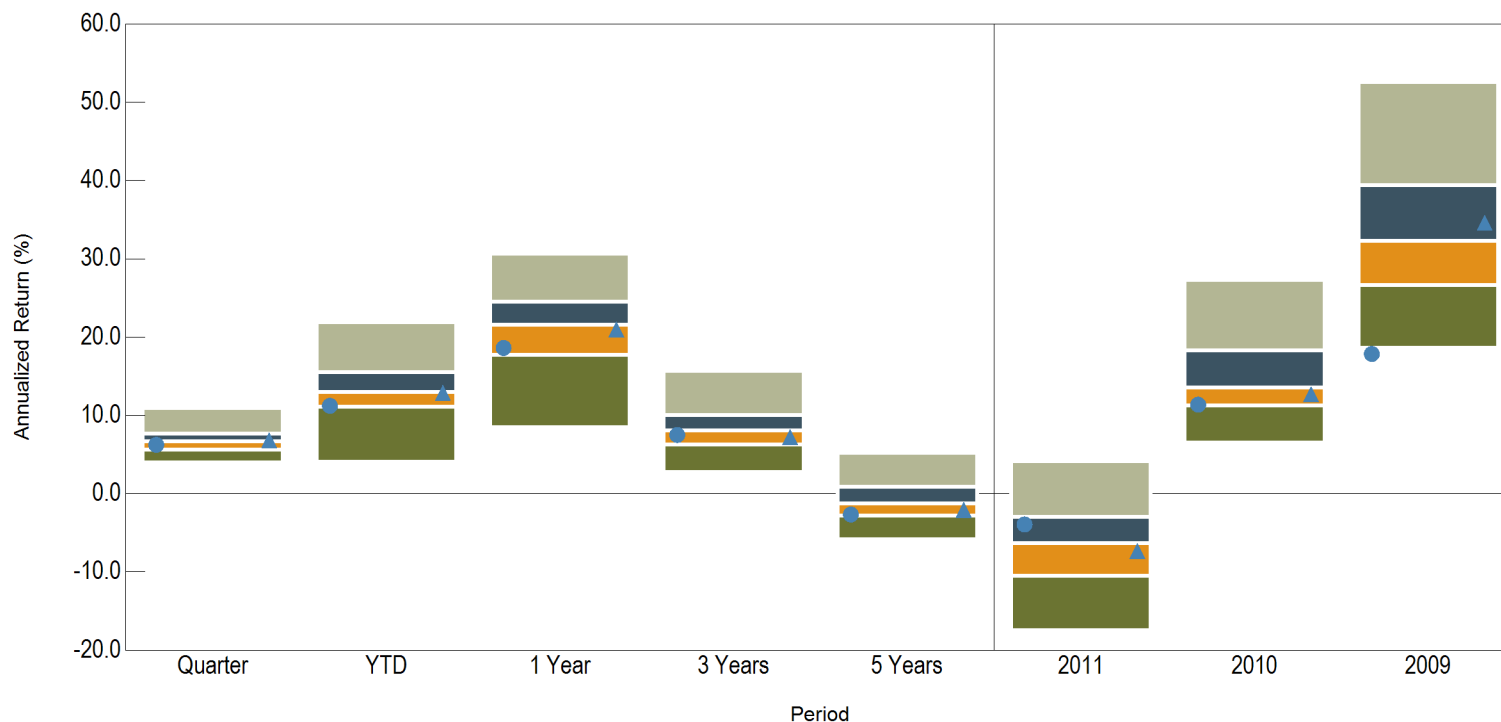


Universe Comparison

Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

Ending September 30, 2012



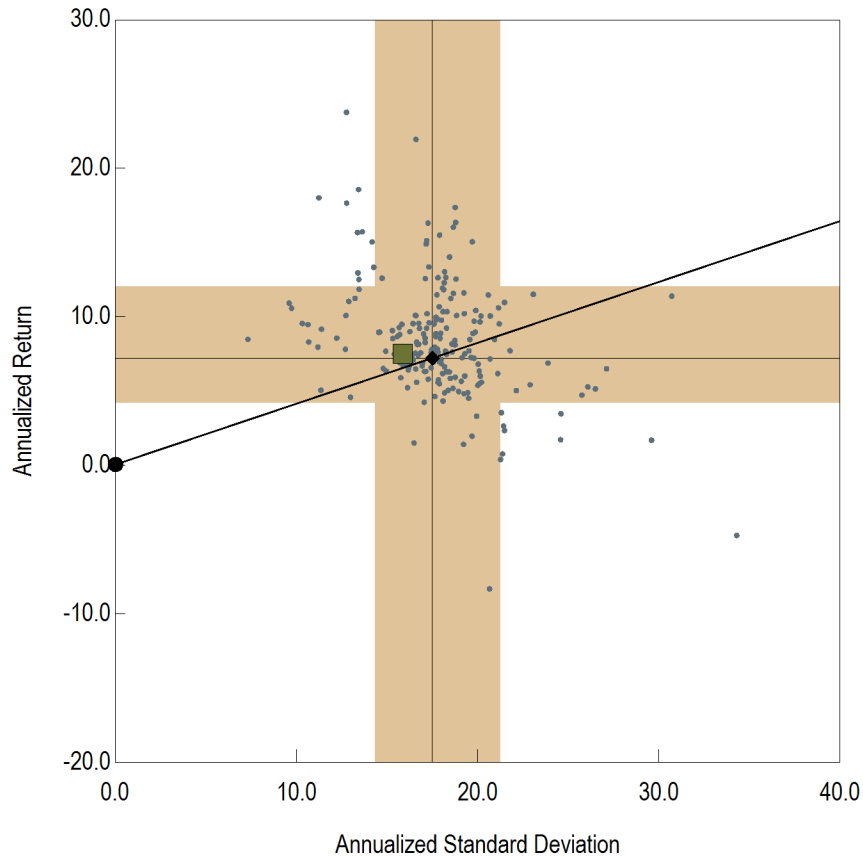
	Return (Rank)															
5th Percentile	10.9	21.9	30.6	15.6	5.1	4.1	27.2	52.6								
25th Percentile	7.7	15.5	24.6	10.1	0.9	-2.9	18.3	39.5								
Median	6.7	13.1	21.6	8.1	-1.2	-6.3	13.6	32.4								
75th Percentile	5.7	11.2	17.8	6.3	-2.8	-10.4	11.3	26.7								
95th Percentile	4.0	4.1	8.6	2.8	-5.8	-17.4	6.6	18.7								
# of Portfolios	240	237	233	205	169	186	140	103								
● Total Global Equity	6.2	(63)	11.2	(75)	18.6	(72)	7.5	(59)	-2.7	(75)	-3.9	(35)	11.4	(75)	17.8	(96)
▲ MSCI All Country World Index	6.8	(46)	12.9	(54)	21.0	(57)	7.2	(63)	-2.1	(66)	-7.3	(56)	12.7	(56)	34.6	(46)

Risk Profile

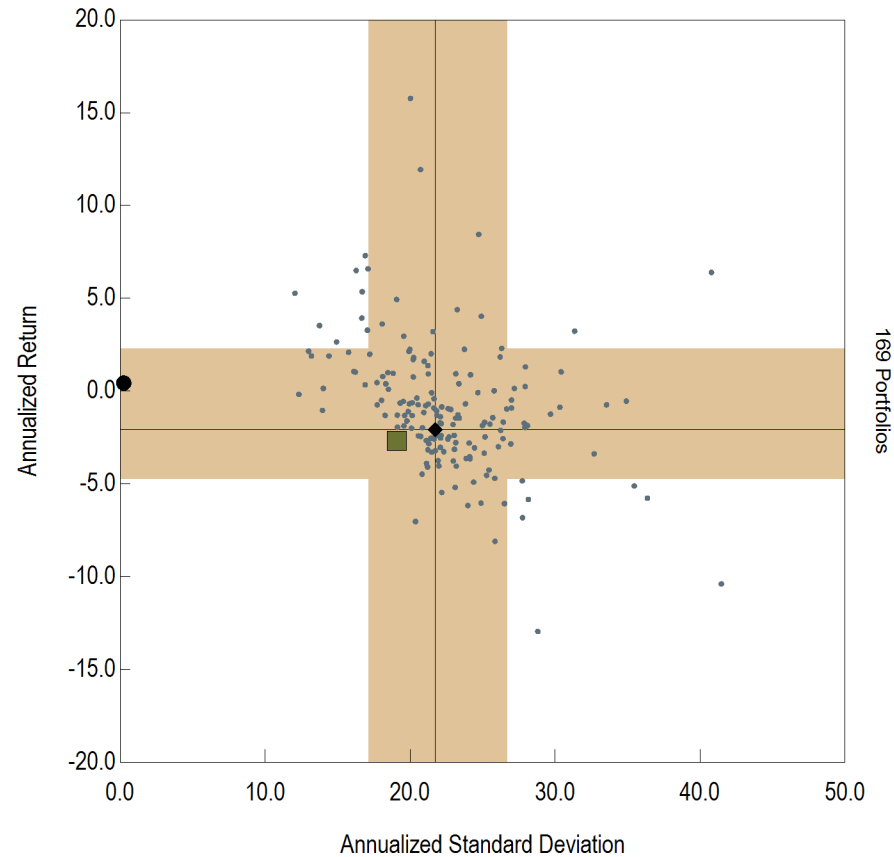
Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

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



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

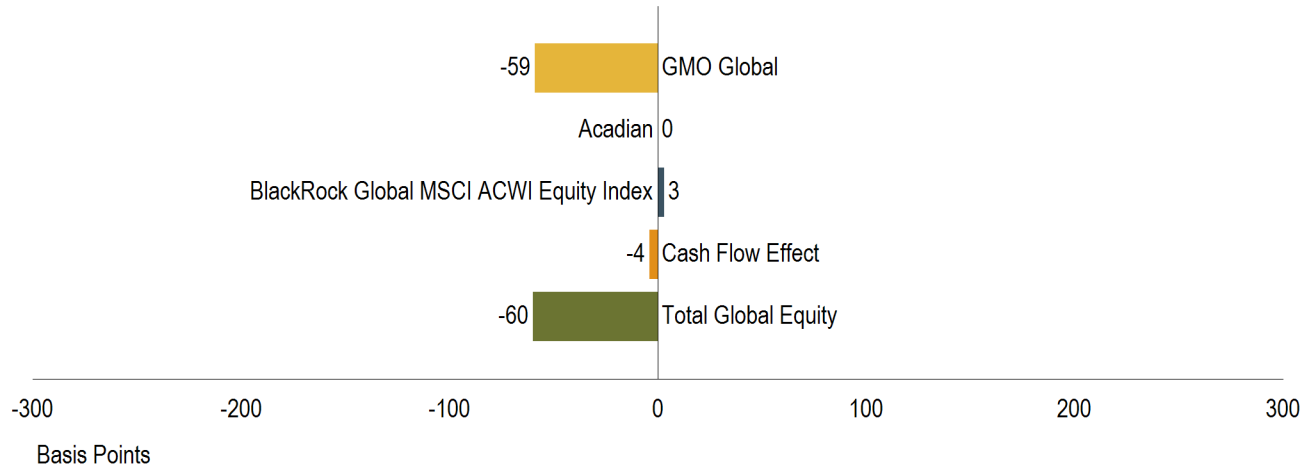


- Total Global Equity
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

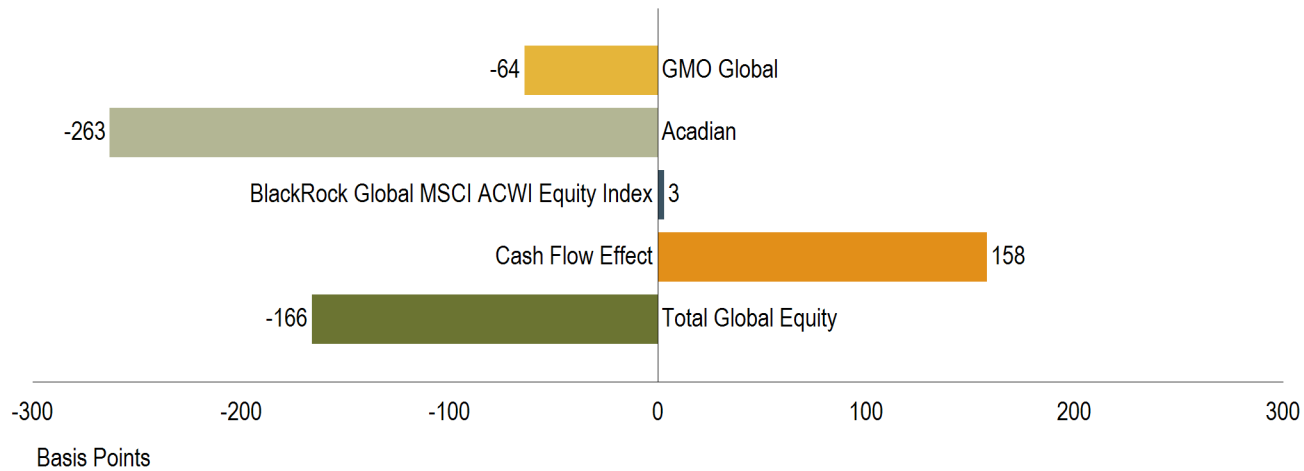
- Total Global Equity
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/12**



**MANAGER ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/12**



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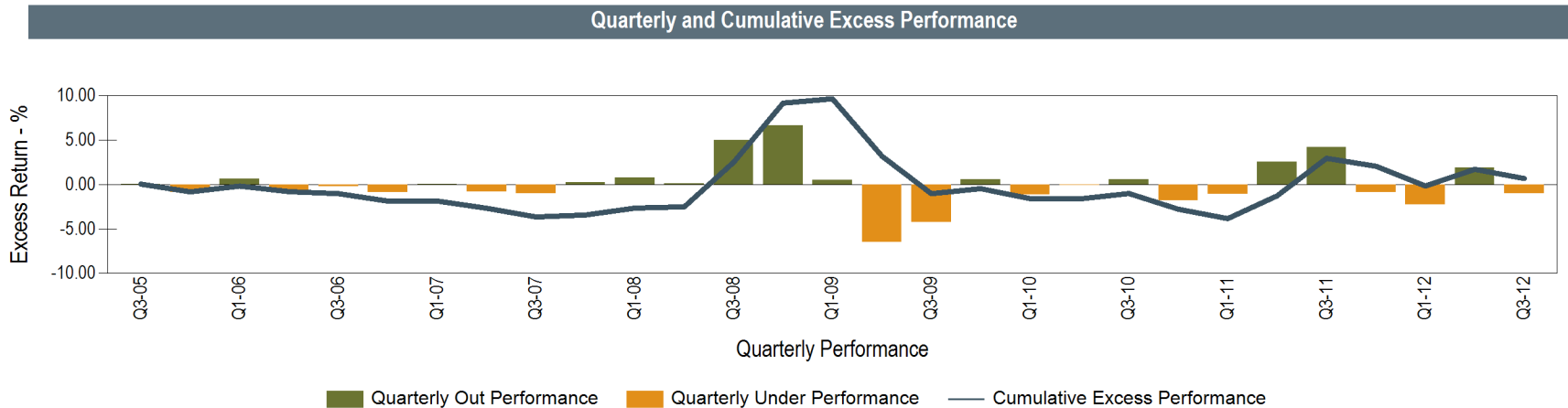
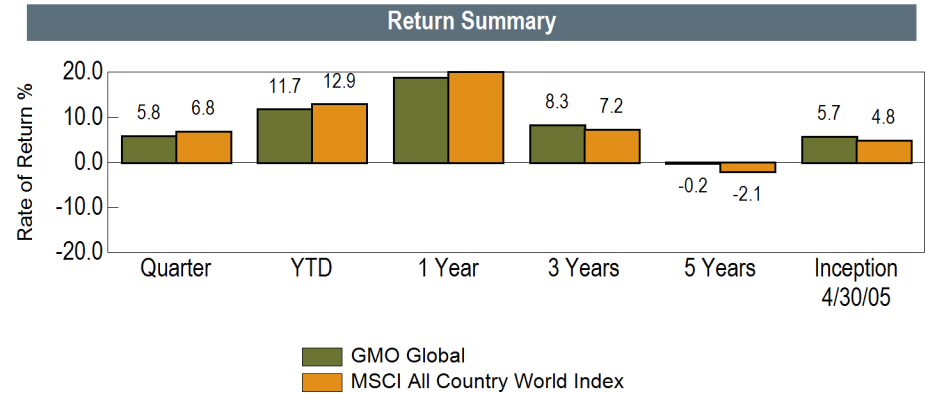
Manager Performance

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

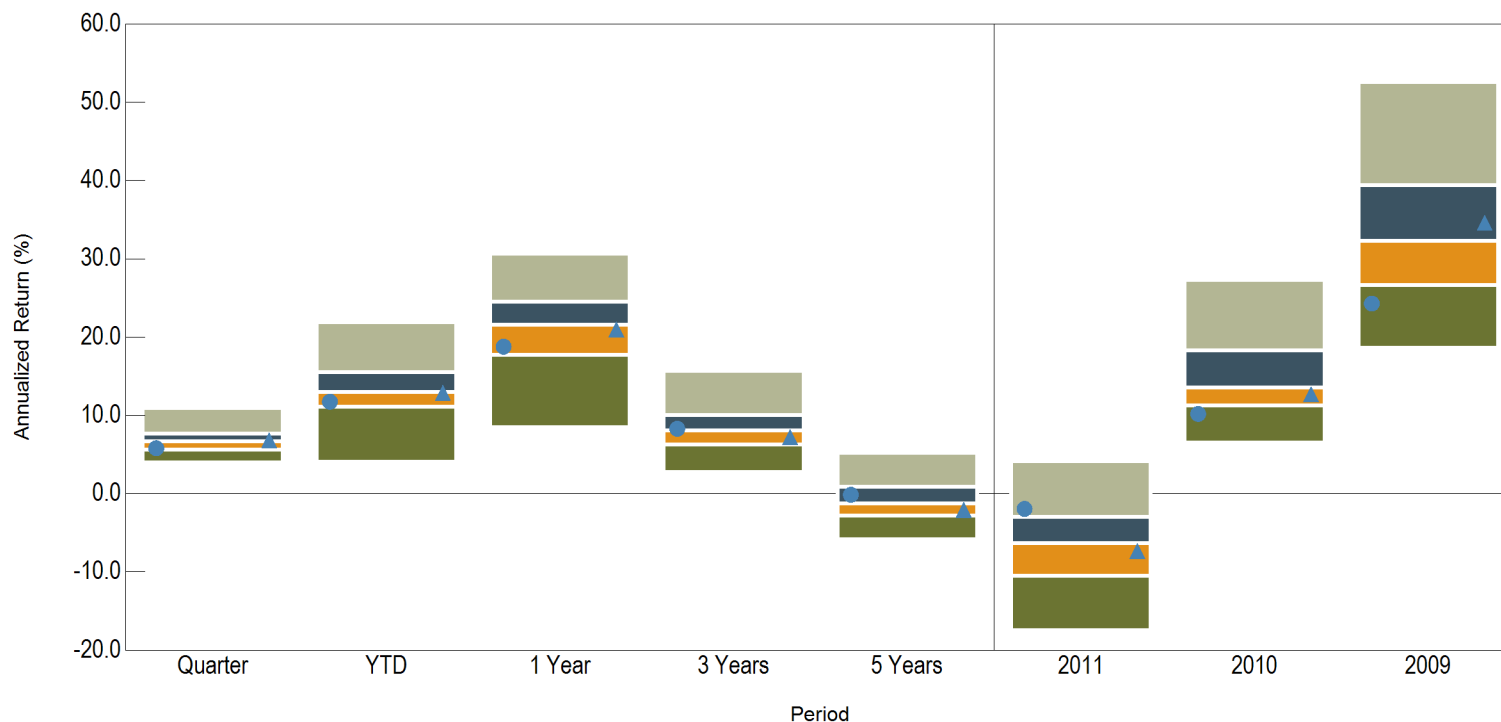


Universe Comparison

Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

Ending September 30, 2012



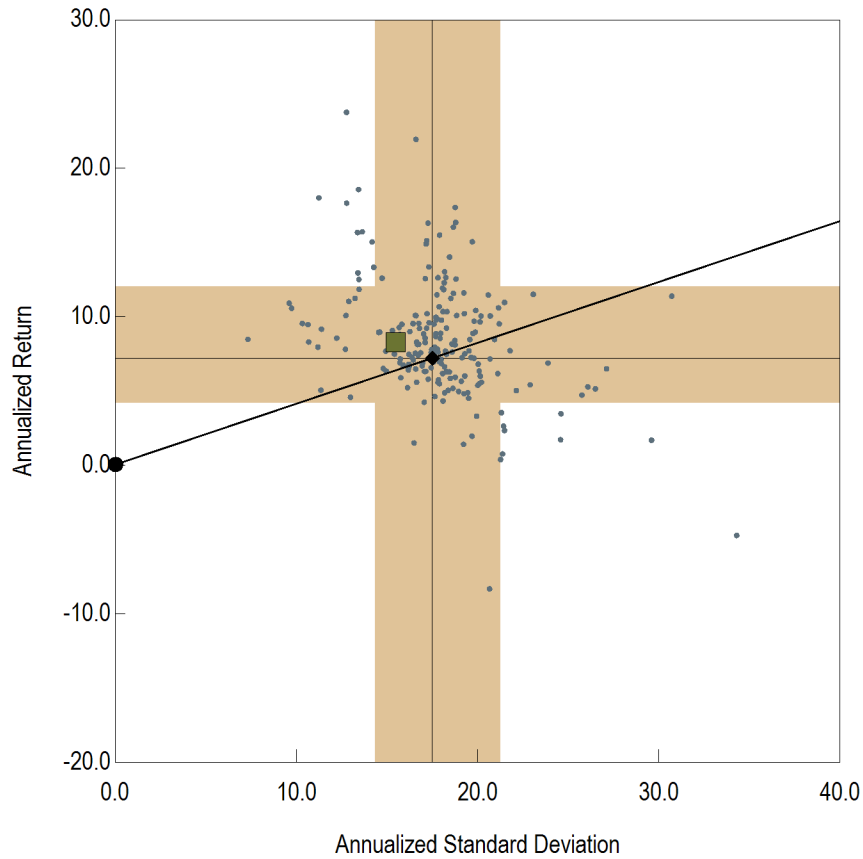
	Return (Rank)															
5th Percentile	10.9	21.9	30.6	15.6	5.1	4.1	27.2	52.6								
25th Percentile	7.7	15.5	24.6	10.1	0.9	-2.9	18.3	39.5								
Median	6.7	13.1	21.6	8.1	-1.2	-6.3	13.6	32.4								
75th Percentile	5.7	11.2	17.8	6.3	-2.8	-10.4	11.3	26.7								
95th Percentile	4.0	4.1	8.6	2.8	-5.8	-17.4	6.6	18.7								
# of Portfolios	240	237	233	205	169	186	140	103								
● GMO Global	5.8	(74)	11.7	(70)	18.8	(71)	8.3	(48)	-0.2	(34)	-2.0	(20)	10.2	(88)	24.3	(86)
▲ MSCI All Country World Index	6.8	(46)	12.9	(54)	21.0	(57)	7.2	(63)	-2.1	(66)	-7.3	(56)	12.7	(56)	34.6	(46)

Risk Profile

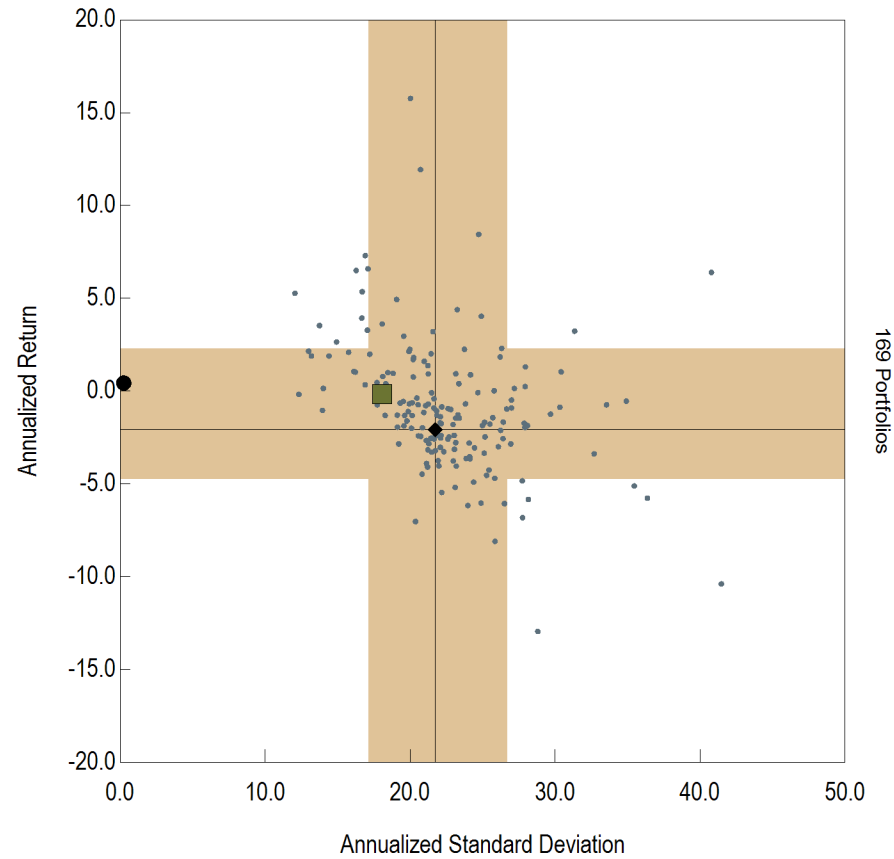
Benchmark: MSCI All Country World Index

Universe: eA All Global Equity Net

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



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



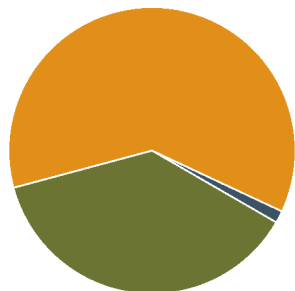
- GMO Global
- ◆ MSCI All Country World Index
- Risk Free
- 68% Confidence Interval
- eA All Global Equity Net

- 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	\$63,190,827	37.5%
Non-US Equity	\$103,029,819	61.1%
US Fixed Inc.	\$2,308,168	1.4%
Non-US Fixed Inc.	\$0	0.0%
Alternative	\$0	0.0%
Real Estate	\$0	0.0%
Cash	\$0	0.0%
Other	\$0	0.0%
Total	\$168,528,815	

Characteristics

	Portfolio	MSCI ACWI Gross
Number of Holdings	1,628	2,440
Weighted Avg. Market Cap. (\$B)	89.84	77.34
Median Market Cap. (\$B)	4.60	7.02
Price To Earnings	14.33	16.59
Price To Book	2.92	3.14
Price To Sales	1.90	1.92
Return on Equity (%)	29.71	17.53
Yield (%)	3.38	2.75
Beta	0.87	1.00
R-Squared	0.97	1.00

Top Holdings

	Weight %
JOHNSON & JOHNSON	2.15%
TOTAL	2.11%
ORACLE	2.11%
PFIZER	1.96%
GOOGLE 'A'	1.93%
COCA COLA	1.87%
MICROSOFT	1.85%
PHILIP MORRIS INTL.	1.80%
SANOFI	1.74%
CISCO SYSTEMS	1.68%
Total	19.19%

Best Performers

	Portfolio Weight %	Index Weight %	Return %
AIRPORTS OF THAILAND FB	0.02%		125.00%
PUBLIC POWER	0.02%		97.33%
BANGKOK DUSIT MED.SVS.FB	0.04%		94.46%
TRINITY MIRROR	0.00%		91.74%
ARAB COTTON GINNING	0.01%		81.35%
KINROSS GD.WTS.17/09/14	0.00%		81.31%
GAFISA SA ADR 1:2	0.00%		72.05%
DEXIA	0.00%		71.56%
GAFISA ON	0.00%		68.72%
HEMARAJ LAND AND DEV.FB	0.01%		64.16%

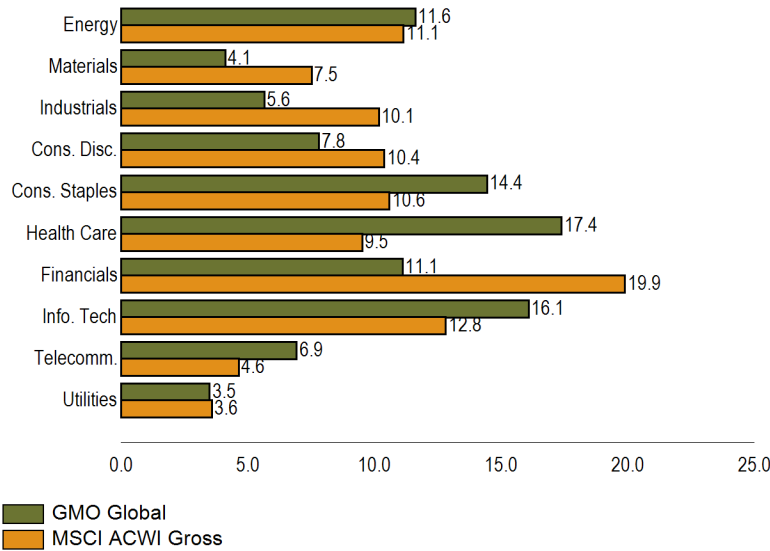
Worst Performers

	Portfolio Weight %	Index Weight %	Return %
BAKRIE TELECOM	0.00%		-63.20%
FONDIARIA-SAI	0.00%		-54.97%
ADTRAN	0.00%		-42.51%
AHRESTY	0.00%		-41.21%
NIPPON CHEMI-CON	0.00%		-40.81%
TRAN PAULIST PN	0.00%		-40.52%
AFRICA	0.00%		-39.69%
TOYO CONSTRUCTION	0.00%		-38.19%
HOKKAIDO ELEC.POWER	0.00%	0.01%	-36.81%
FERROTEC	0.00%		-36.71%

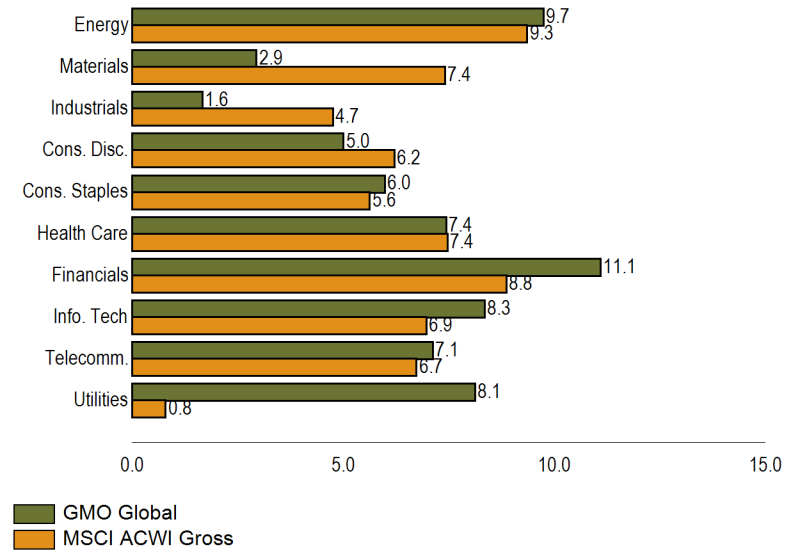
Sector Attribution

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	-0.01%		-0.03%		0.03%		0.00%
Materials	-0.17%		-0.12%		-0.15%		0.10%
Industrials	-0.03%		-0.08%		0.04%		0.01%
Cons. Disc.	-0.04%		-0.01%		-0.07%		0.03%
Cons. Staples	-0.50%		-0.15%		-0.20%		-0.15%
Health Care	0.06%		0.02%		0.00%		0.03%
Financials	0.02%		0.26%		-0.12%		-0.12%
Info. Tech	0.27%		0.21%		0.02%		0.04%
Telecomm.	0.00%		-0.05%		0.04%		0.01%
Utilities	0.25%		0.04%		0.15%		0.07%
Cash	0.00%		--		0.00%		--
Portfolio	-0.15%	=	0.09%	+	-0.27%	+	0.03%

Country Allocation

Benchmark: MSCI All Country World Index

Versus MSCI ACWI Gross - Quarter Ending September 30, 2012				
	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
Americas				
Brazil*	2.6%	1.6%	5.3%	4.8%
Canada	1.0%	4.3%	8.3%	10.7%
Chile*	0.1%	0.2%	3.6%	1.2%
Colombia*	0.0%	0.2%	--	2.9%
Mexico*	0.5%	0.6%	1.1%	6.7%
Peru*	0.0%	0.1%	--	2.9%
United States	39.3%	47.5%	6.4%	6.4%
Total-Americas	43.4%	54.5%	6.0%	6.6%
Europe				
Austria	0.2%	0.1%	12.5%	6.7%
Belgium	0.7%	0.4%	10.3%	10.1%
Czech Republic*	0.2%	0.0%	10.4%	11.2%
Denmark	0.3%	0.4%	9.4%	11.3%
Finland	0.1%	0.3%	21.4%	10.6%
France	4.8%	3.3%	11.7%	7.3%
Germany	2.7%	2.9%	13.2%	14.4%
Greece	0.1%	0.0%	3.3%	0.3%
Hungary*	0.0%	0.0%	6.9%	9.6%
Ireland	0.2%	0.1%	16.7%	-1.5%
Italy	2.0%	0.8%	7.4%	7.6%
Luxembourg	0.0%	0.0%	8.3%	7.0%
Netherlands	2.2%	0.8%	4.6%	9.0%
Norway	0.1%	0.3%	21.8%	13.6%
Poland*	0.2%	0.2%	26.5%	13.6%
Portugal	0.1%	0.1%	14.0%	13.1%
Russia*	2.0%	0.7%	10.1%	8.3%
Spain	2.2%	1.0%	9.8%	11.6%
Sweden	0.3%	1.1%	13.8%	10.6%
Switzerland	3.4%	3.0%	7.8%	7.8%
United Kingdom	10.3%	8.3%	9.4%	7.1%
Total-Europe	32.1%	23.8%	10.5%	8.8%

Versus MSCI ACWI Gross - Quarter Ending September 30, 2012				
	Manager Allocation (USD)	Index Allocation (USD)	Manager Return (USD)	Index Return (USD)
AsiaPacific				
Australia	1.8%	3.1%	9.1%	10.5%
China*	2.0%	2.2%	3.3%	4.6%
Hong Kong	0.6%	1.1%	9.7%	12.4%
India*	0.8%	0.8%	13.0%	15.5%
Indonesia*	0.8%	0.3%	11.3%	7.5%
Japan	12.7%	7.8%	1.0%	-0.9%
Korea*	1.5%	1.9%	10.3%	9.8%
Malaysia*	0.0%	0.4%	4.4%	5.5%
New Zealand	0.2%	0.0%	12.5%	15.9%
Philippines*	0.4%	0.1%	6.1%	4.4%
Singapore	0.7%	0.7%	7.8%	10.6%
Sri Lanka*	0.0%	0.0%	16.8%	7.0%
Taiwan*	0.9%	1.4%	10.9%	11.8%
Thailand*	0.7%	0.3%	20.3%	11.3%
Total-AsiaPacific	23.0%	20.2%	4.8%	5.6%
Other				
Egypt*	0.3%	0.0%	20.2%	24.1%
Israel	0.1%	0.2%	19.8%	6.0%
Morocco*	0.0%	0.0%	-6.1%	-3.3%
Nigeria	0.0%	0.0%	34.5%	7.0%
South Africa*	0.5%	1.0%	5.0%	6.4%
Turkey*	0.7%	0.2%	7.9%	8.2%
Total-Other	1.5%	1.5%	9.7%	7.0%

* Asterisk denotes Emerging Markets countries

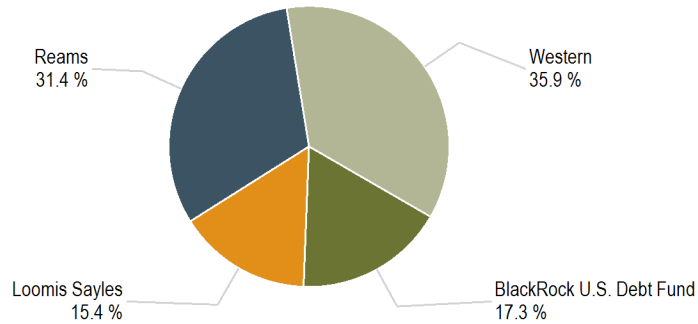


Total U.S. Fixed Income

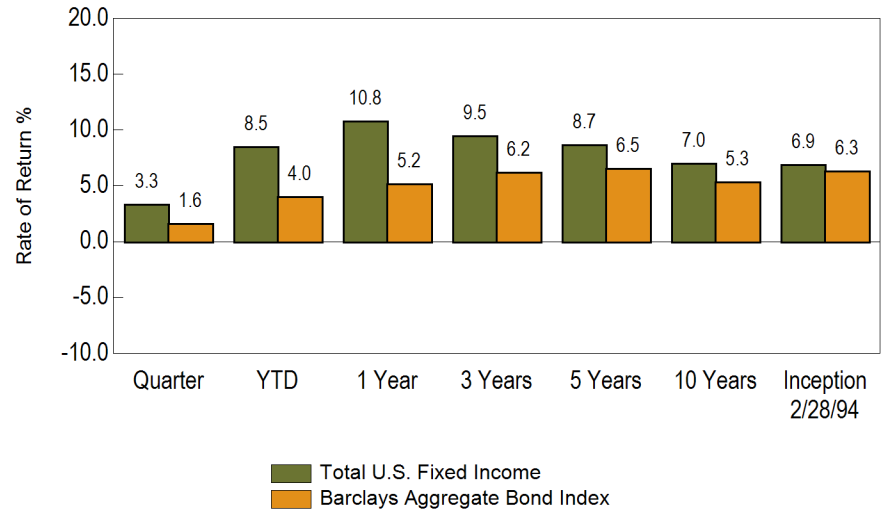
Overview

Benchmark: Barclays Aggregate Bond Index

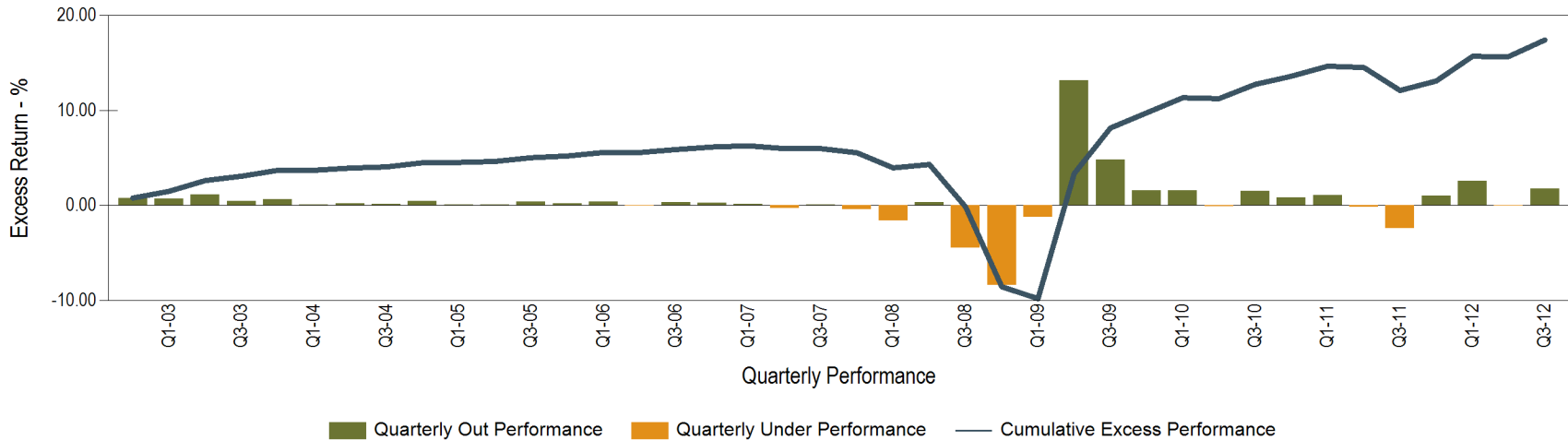
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

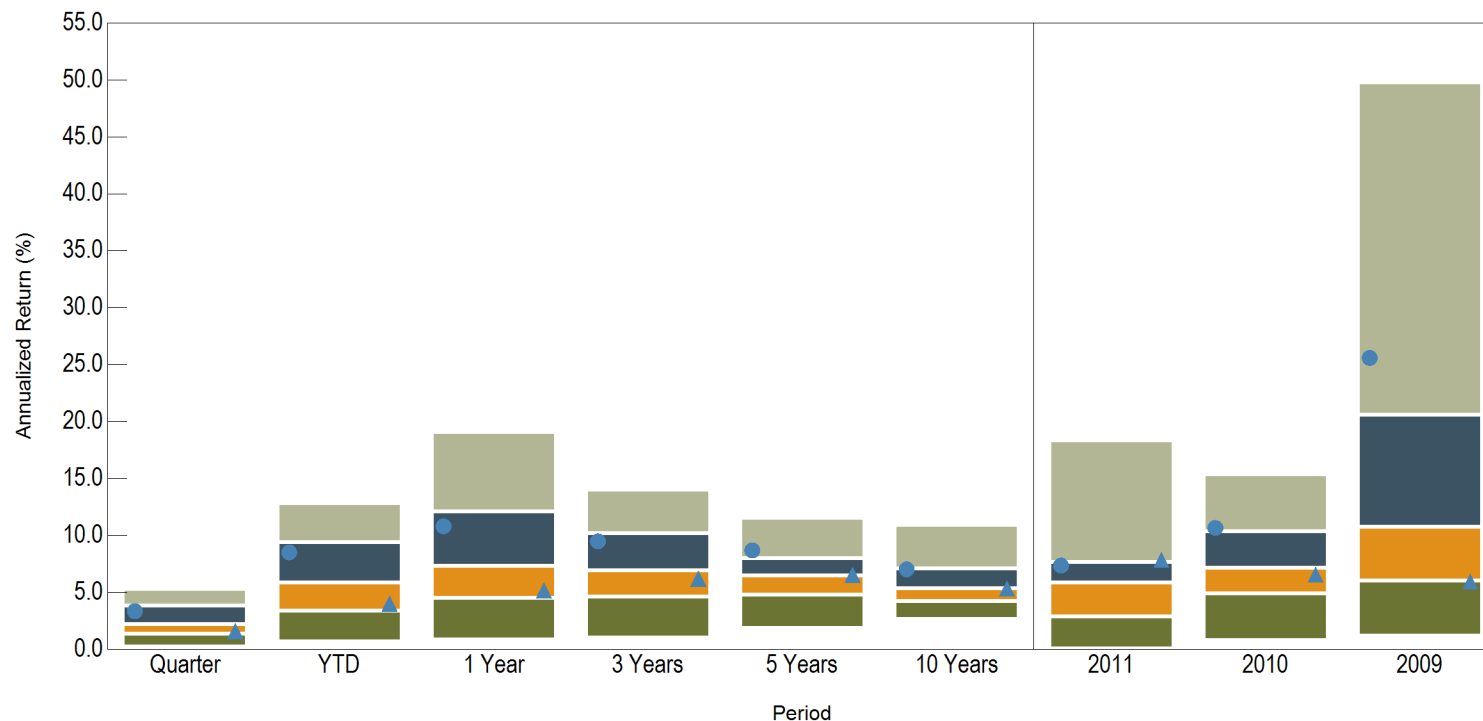


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending September 30, 2012



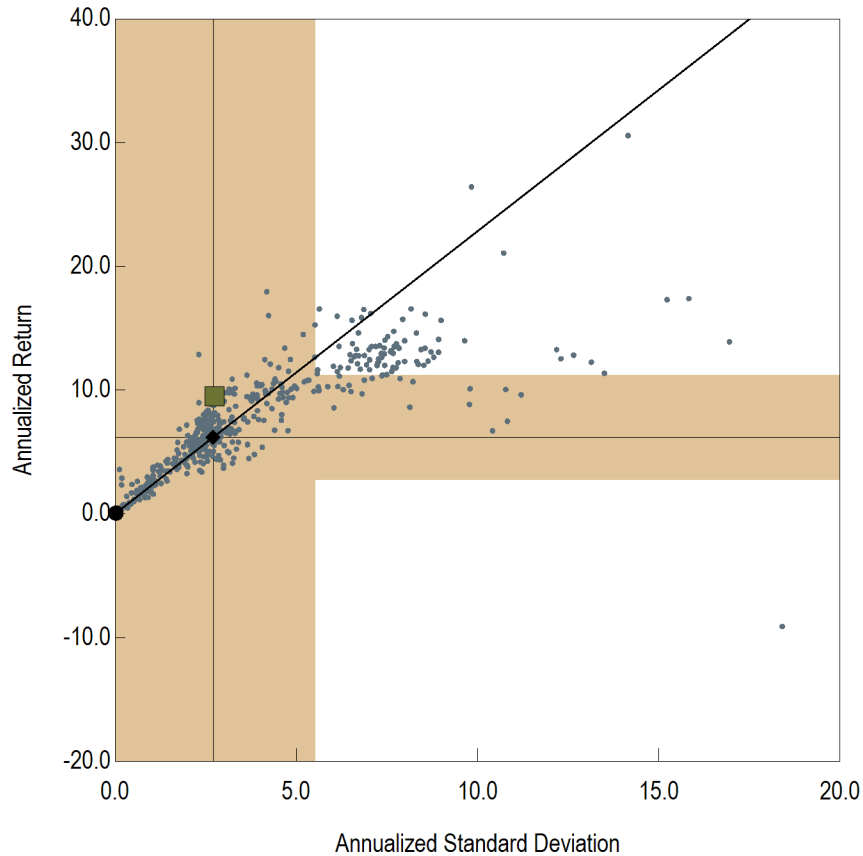
	Return (Rank)								
5th Percentile	5.3	12.8	19.1	14.0	11.5	10.9	18.3	15.3	49.8
25th Percentile	3.8	9.4	12.1	10.2	8.0	7.2	7.7	10.4	20.6
Median	2.2	5.9	7.4	7.0	6.5	5.4	5.9	7.2	10.8
75th Percentile	1.4	3.4	4.5	4.7	4.8	4.3	2.9	4.9	6.1
95th Percentile	0.3	0.7	0.9	1.1	1.9	2.7	0.1	0.8	1.2
# of Portfolios	555	548	542	498	418	318	483	425	427
● Total U.S. Fixed Income	3.3 (32)	8.5 (32)	10.8 (31)	9.5 (32)	8.7 (18)	7.0 (27)	7.3 (30)	10.6 (25)	25.6 (22)
▲ Barclays Aggregate Bond Index	1.6 (70)	4.0 (70)	5.2 (70)	6.2 (61)	6.5 (50)	5.3 (52)	7.8 (24)	6.5 (59)	5.9 (77)

Risk Profile

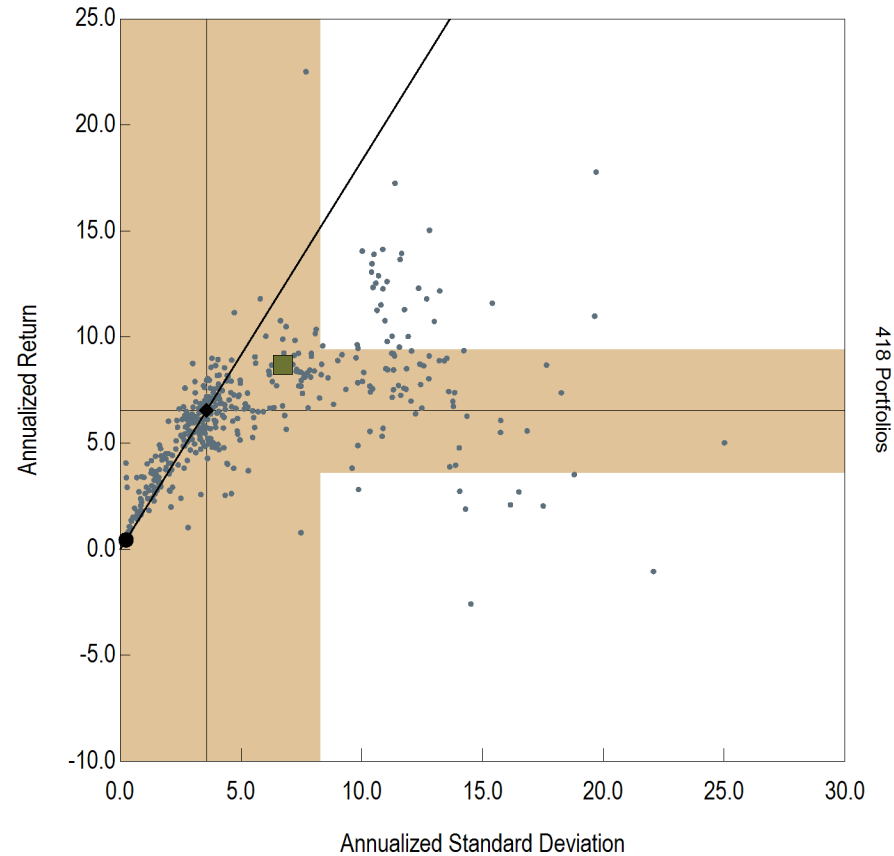
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

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



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

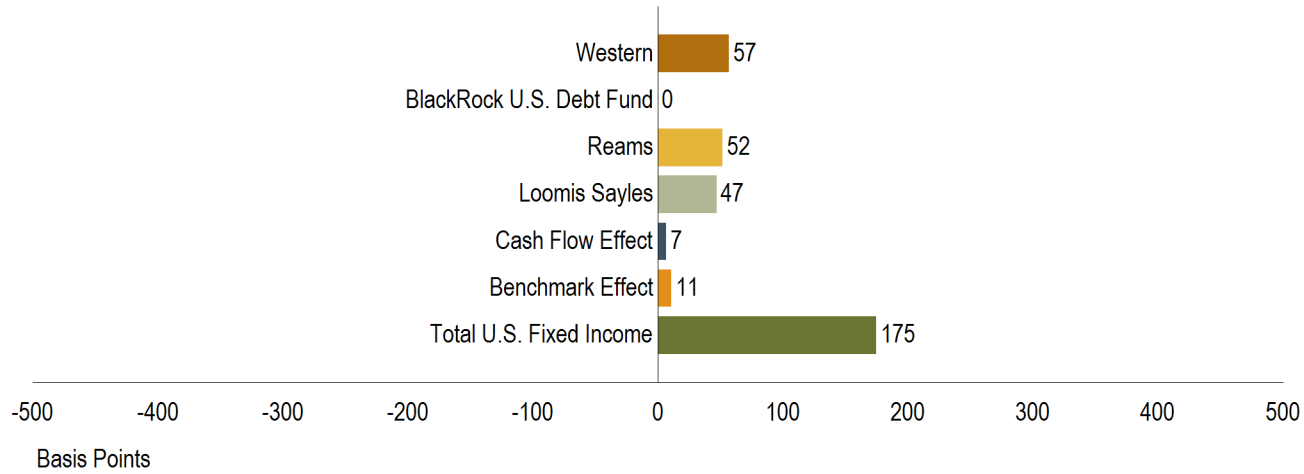


- Total U.S. Fixed Income
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

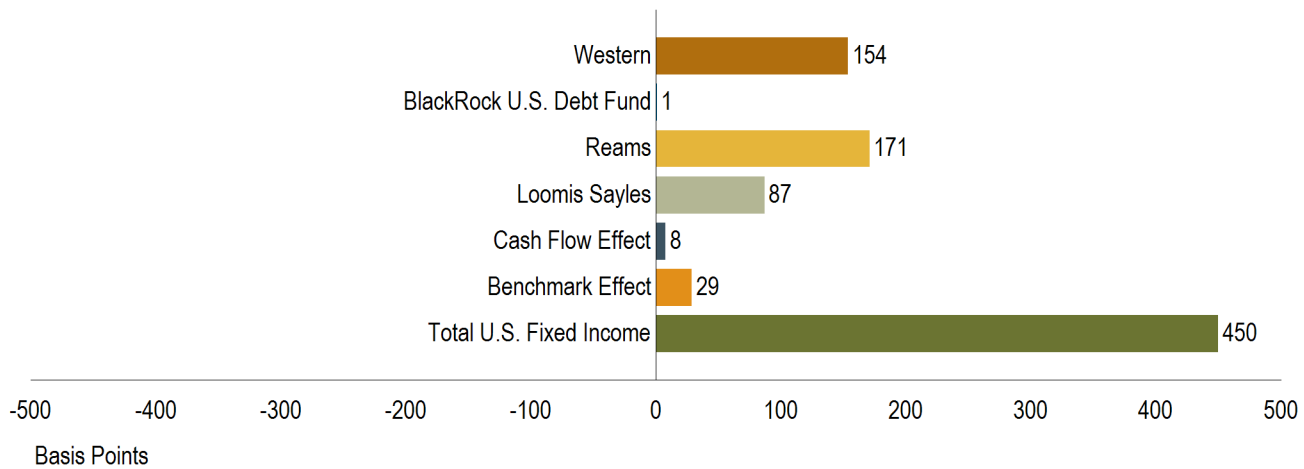
- Total U.S. Fixed Income
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

Attribution

**MANAGER ATTRIBUTION ANALYSIS
3 MONTHS ENDING 9/30/12**



**MANAGER ATTRIBUTION ANALYSIS
9 MONTHS ENDING 9/30/12**



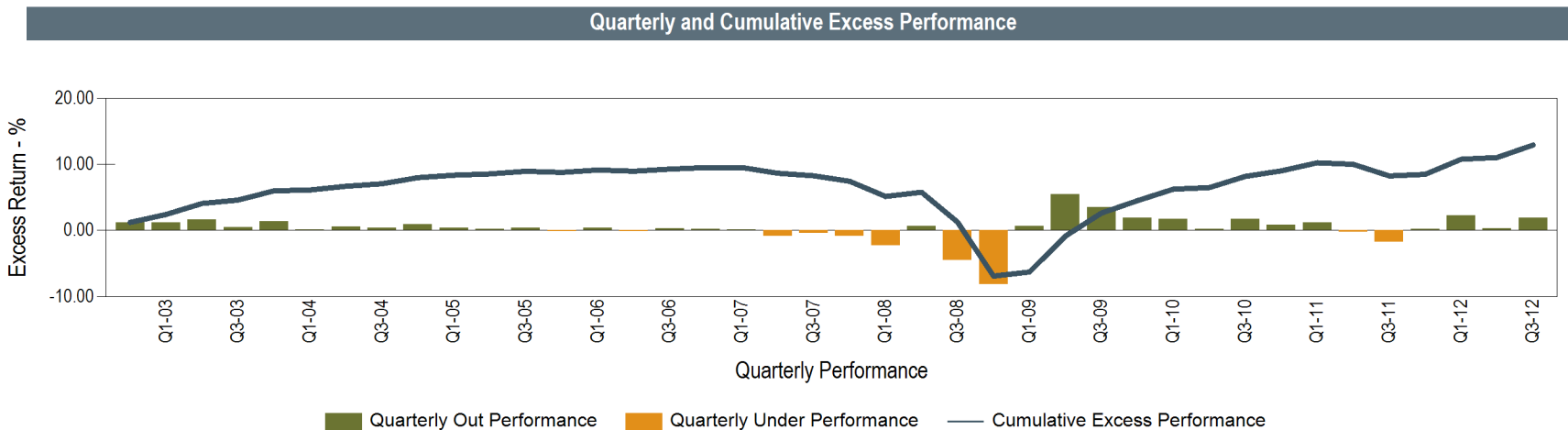
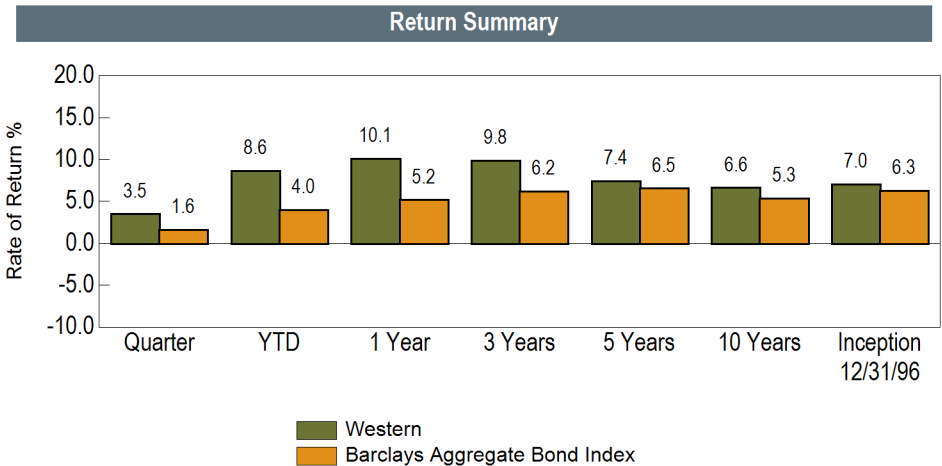
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Manager Performance

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

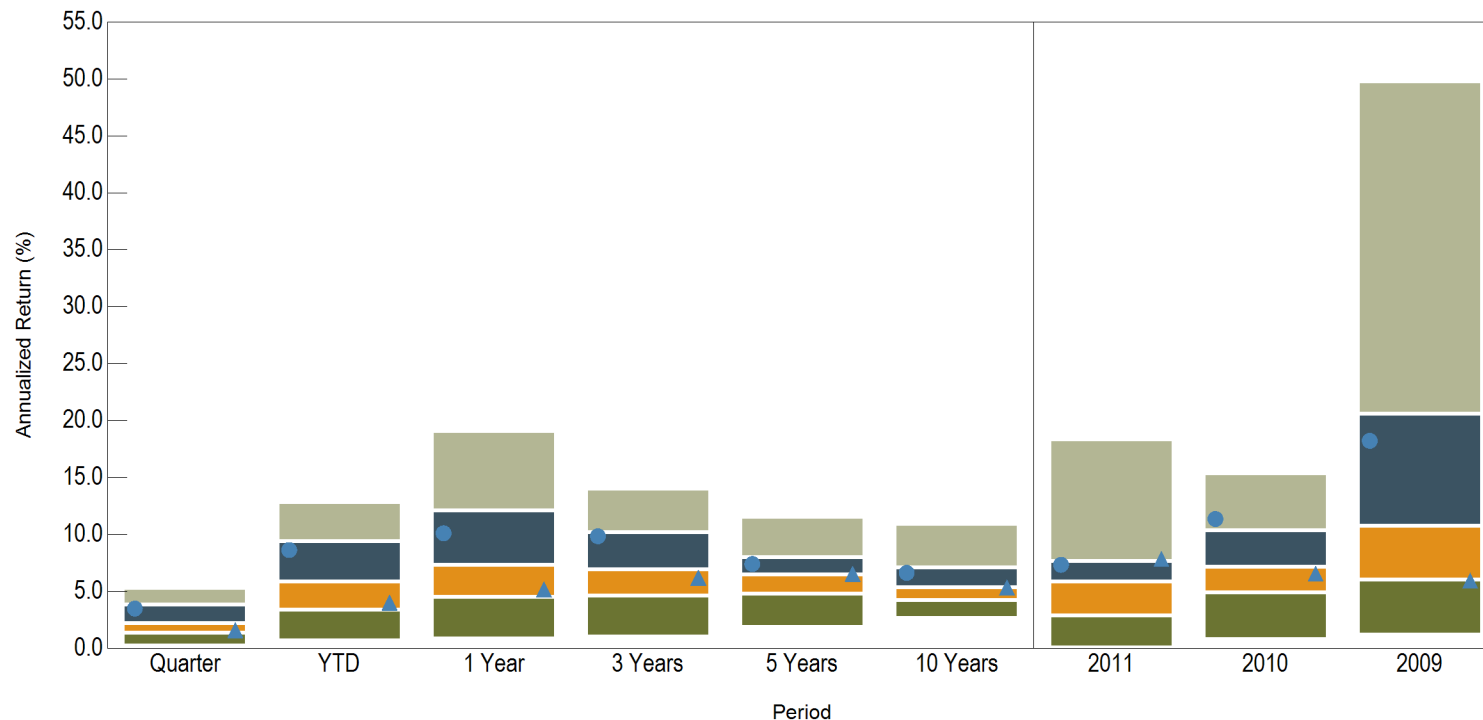


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending September 30, 2012



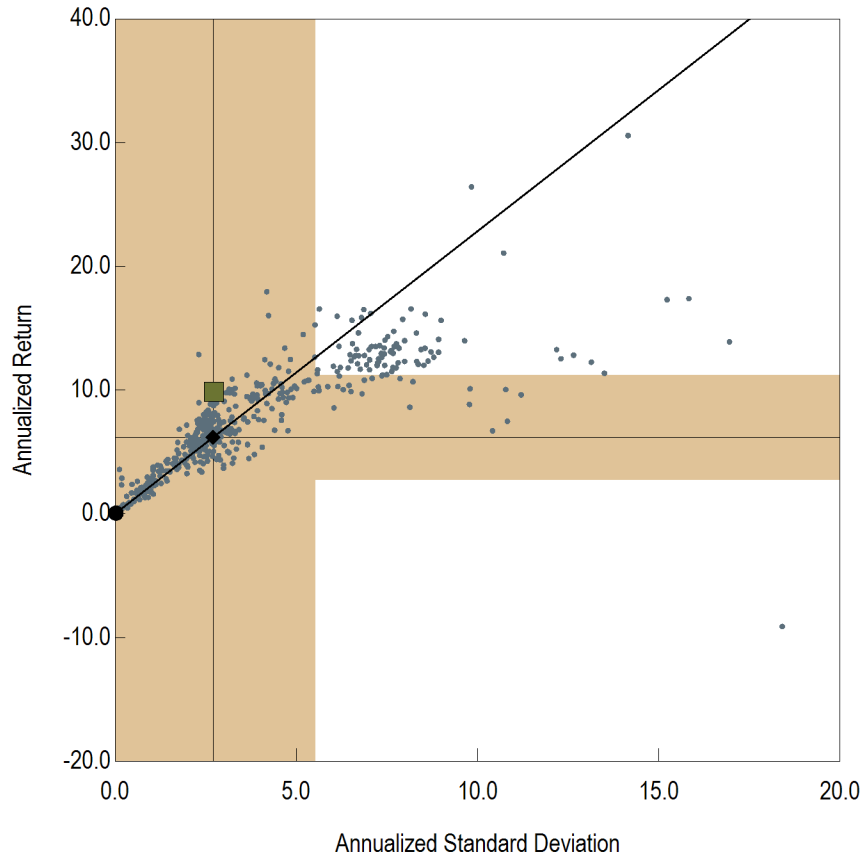
	Return (Rank)								
5th Percentile	5.3	12.8	19.1	14.0	11.5	10.9	18.3	15.3	49.8
25th Percentile	3.8	9.4	12.1	10.2	8.0	7.2	7.7	10.4	20.6
Median	2.2	5.9	7.4	7.0	6.5	5.4	5.9	7.2	10.8
75th Percentile	1.4	3.4	4.5	4.7	4.8	4.3	2.9	4.9	6.1
95th Percentile	0.3	0.7	0.9	1.1	1.9	2.7	0.1	0.8	1.2
# of Portfolios	555	548	542	498	418	318	483	425	427
● Western	3.5 (31)	8.6 (31)	10.1 (35)	9.8 (29)	7.4 (33)	6.6 (33)	7.3 (31)	11.3 (20)	18.2 (31)
▲ Barclays Aggregate Bond Index	1.6 (70)	4.0 (70)	5.2 (70)	6.2 (61)	6.5 (50)	5.3 (52)	7.8 (24)	6.5 (59)	5.9 (77)

Risk Profile

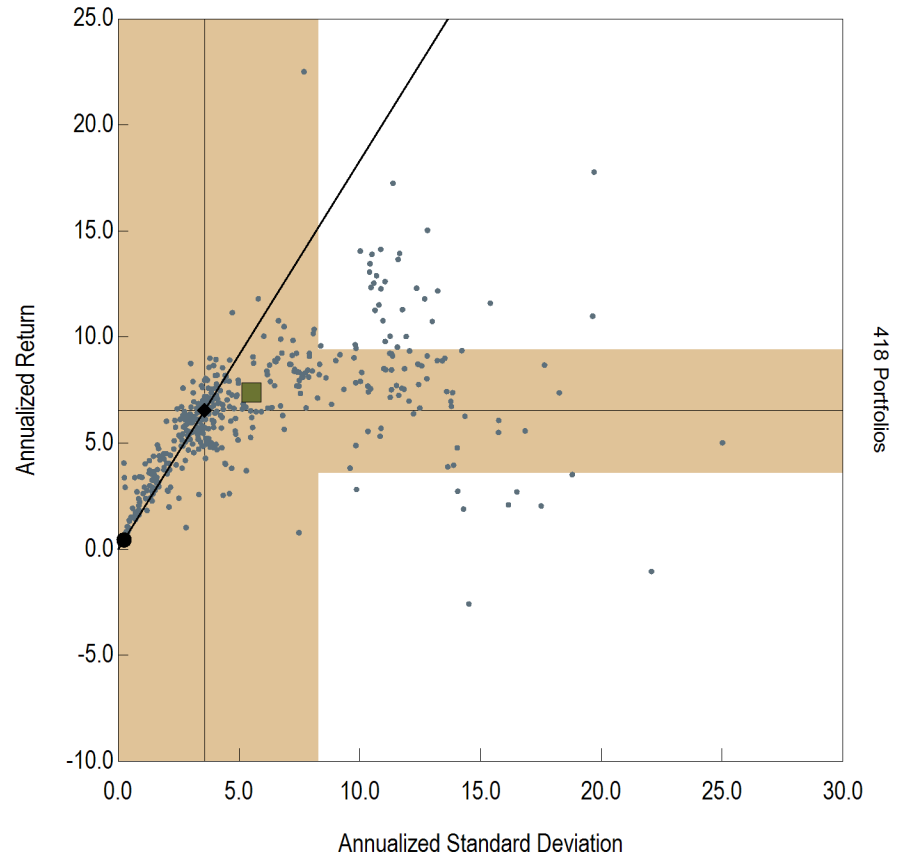
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

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



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



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

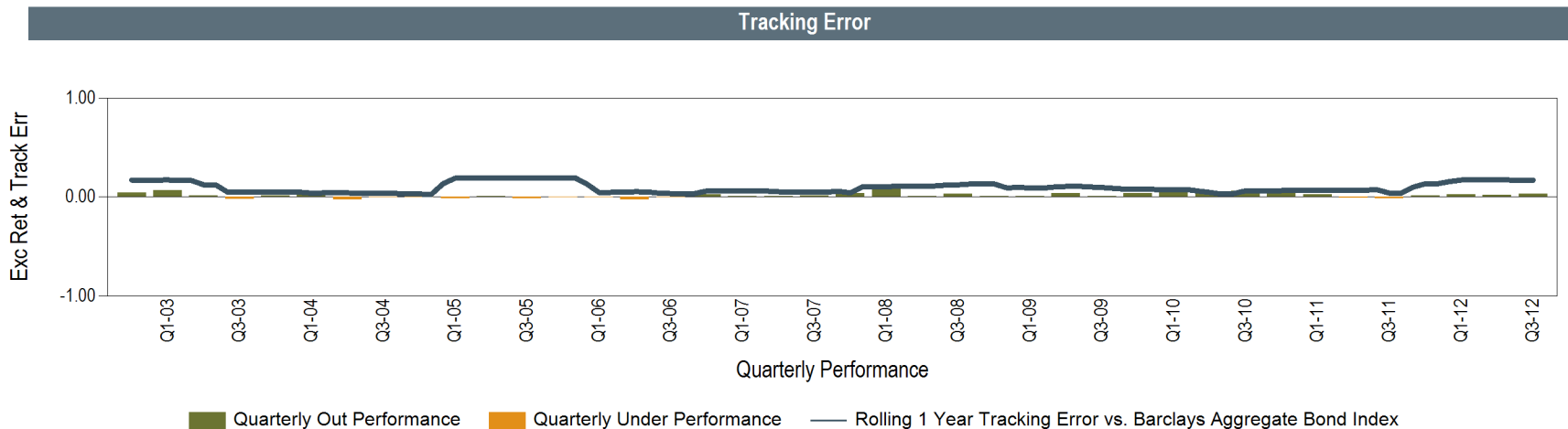
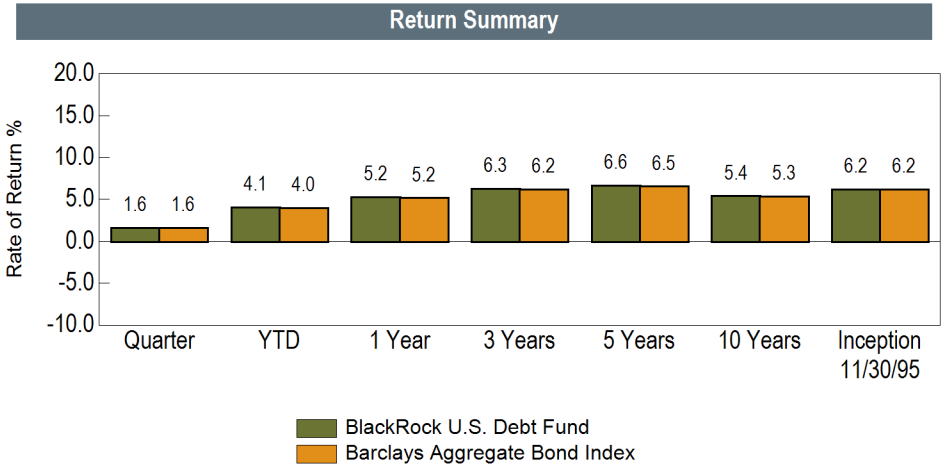
- Western
- ◆ Barclays Aggregate Bond Index
- Risk Free
- 68% Confidence Interval
- eA All US Fixed Inc Net

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

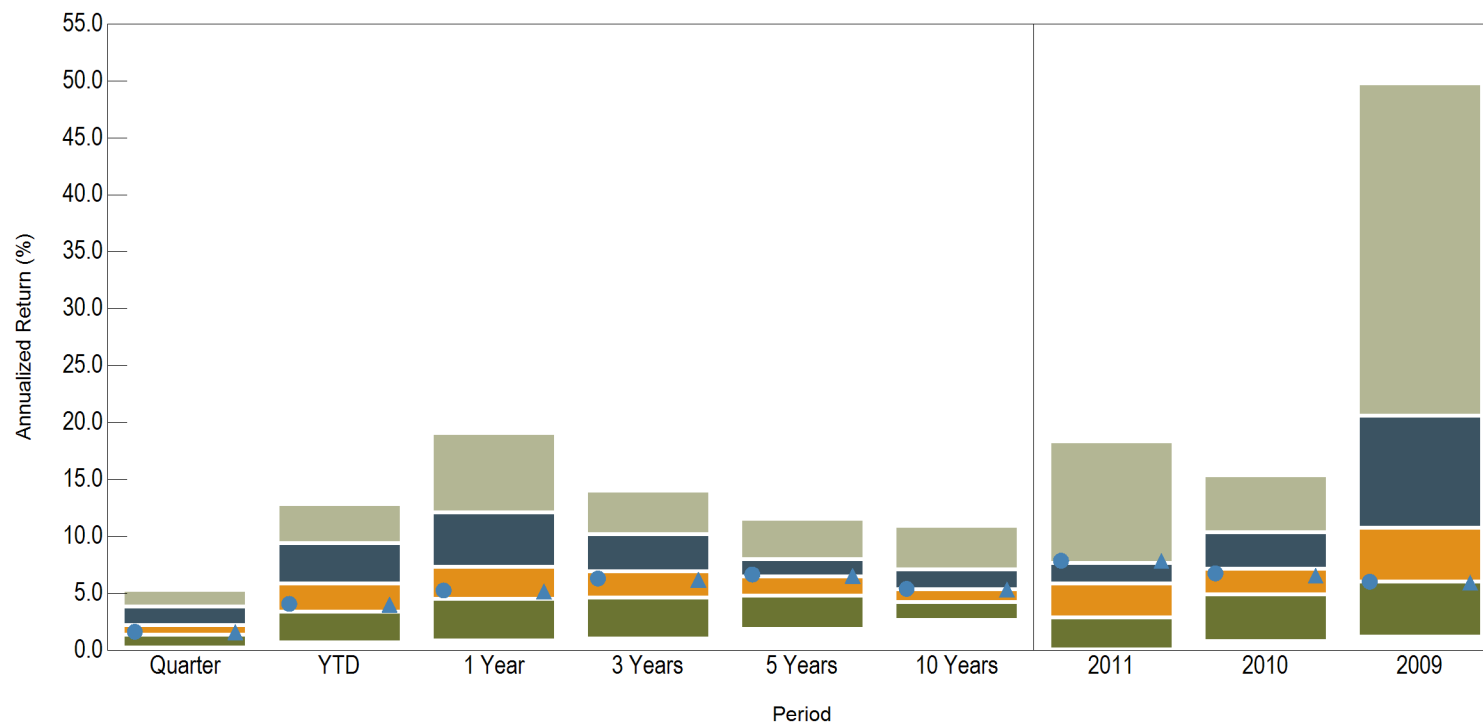


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending September 30, 2012



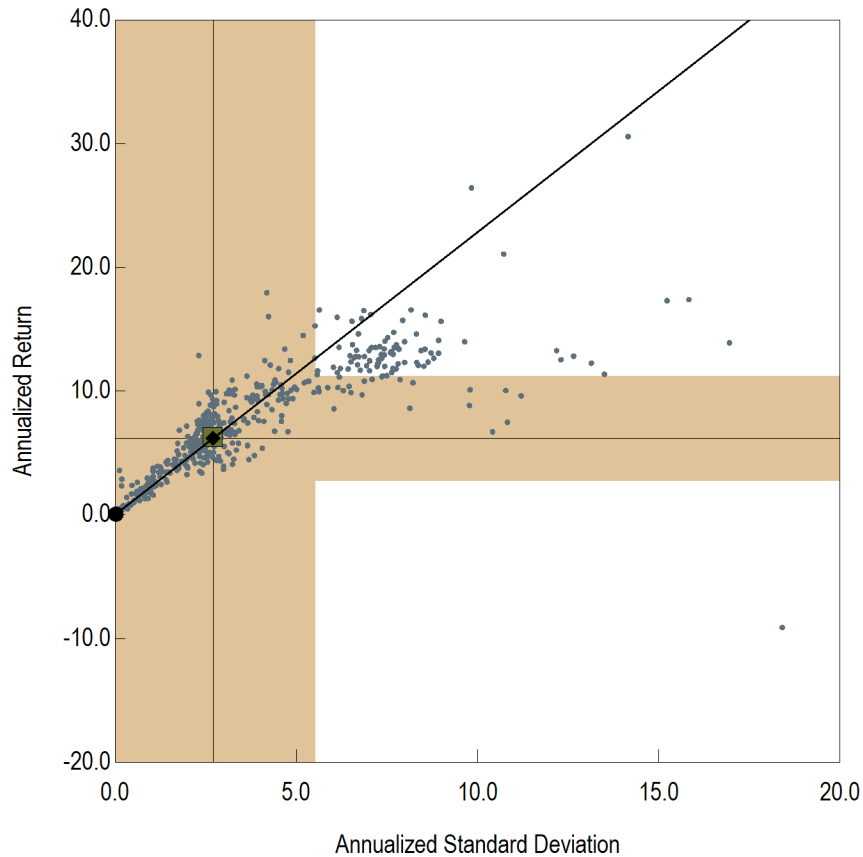
	Return (Rank)								
5th Percentile	5.3	12.8	19.1	14.0	11.5	10.9	18.3	15.3	49.8
25th Percentile	3.8	9.4	12.1	10.2	8.0	7.2	7.7	10.4	20.6
Median	2.2	5.9	7.4	7.0	6.5	5.4	5.9	7.2	10.8
75th Percentile	1.4	3.4	4.5	4.7	4.8	4.3	2.9	4.9	6.1
95th Percentile	0.3	0.7	0.9	1.1	1.9	2.7	0.1	0.8	1.2
# of Portfolios	555	548	542	498	418	318	483	425	427
● BlackRock U.S. Debt Fund	1.6 (69)	4.1 (69)	5.2 (69)	6.3 (60)	6.6 (47)	5.4 (50)	7.9 (23)	6.7 (56)	6.0 (76)
▲ Barclays Aggregate Bond Index	1.6 (70)	4.0 (70)	5.2 (70)	6.2 (61)	6.5 (50)	5.3 (52)	7.8 (24)	6.5 (59)	5.9 (77)

Risk Profile

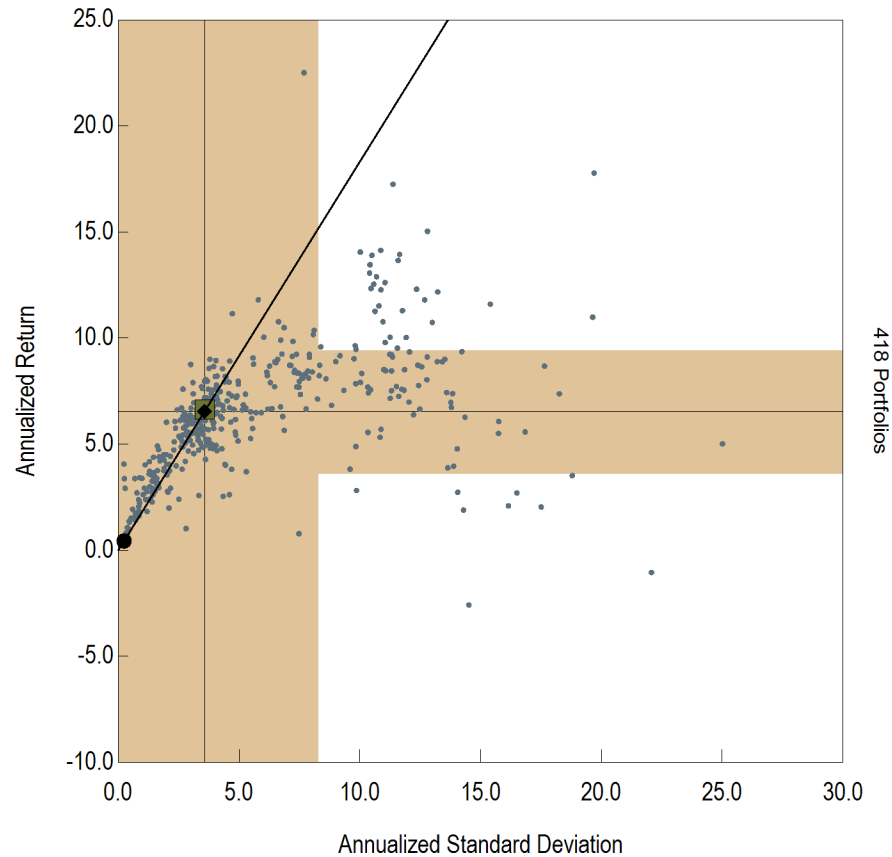
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

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



Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 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

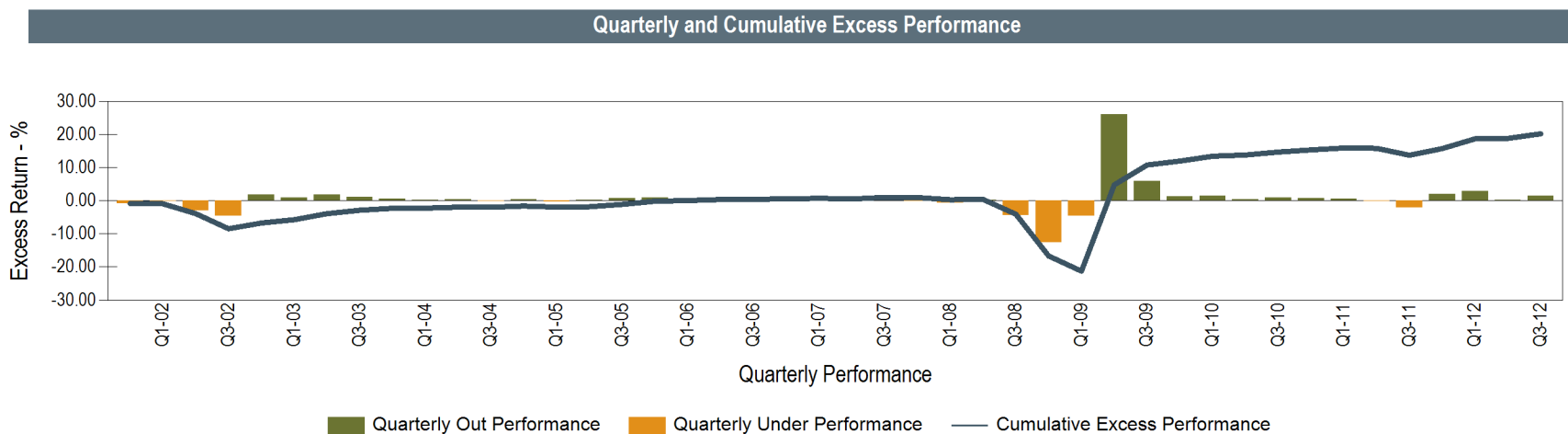
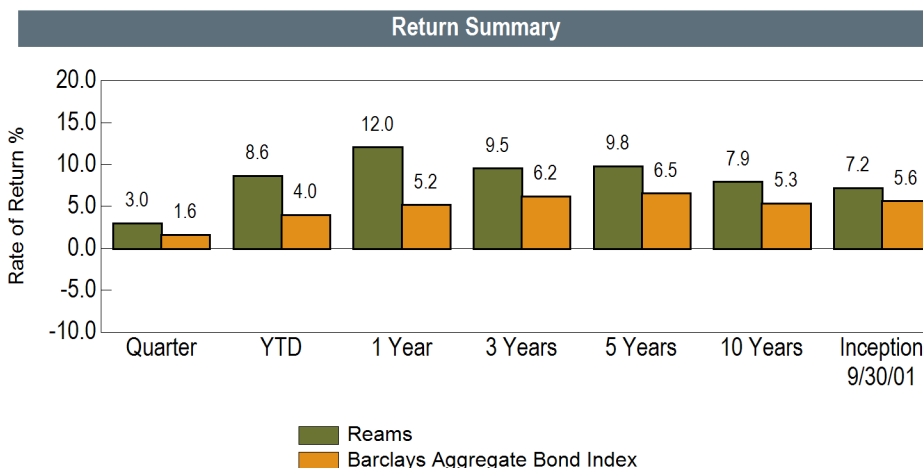
Manager Performance

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

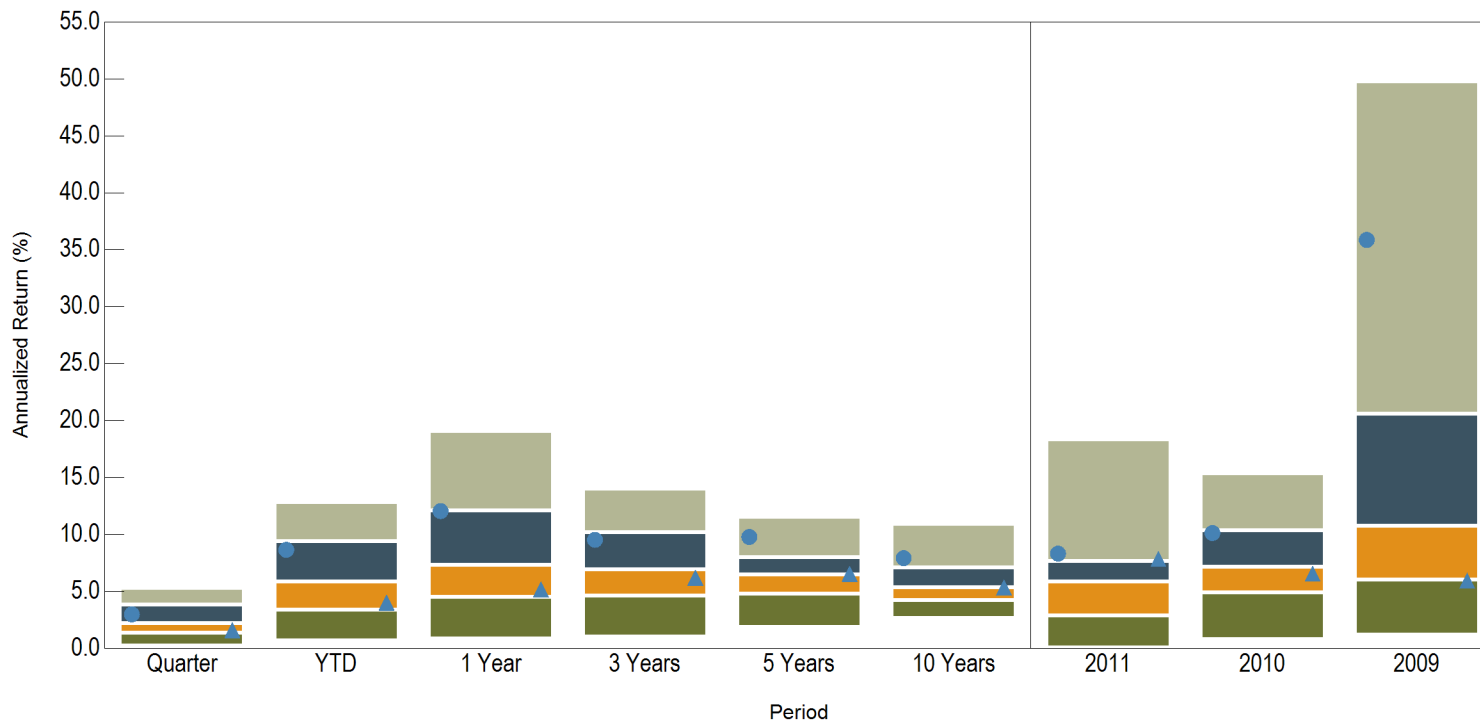


Universe Comparison

Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

Ending September 30, 2012



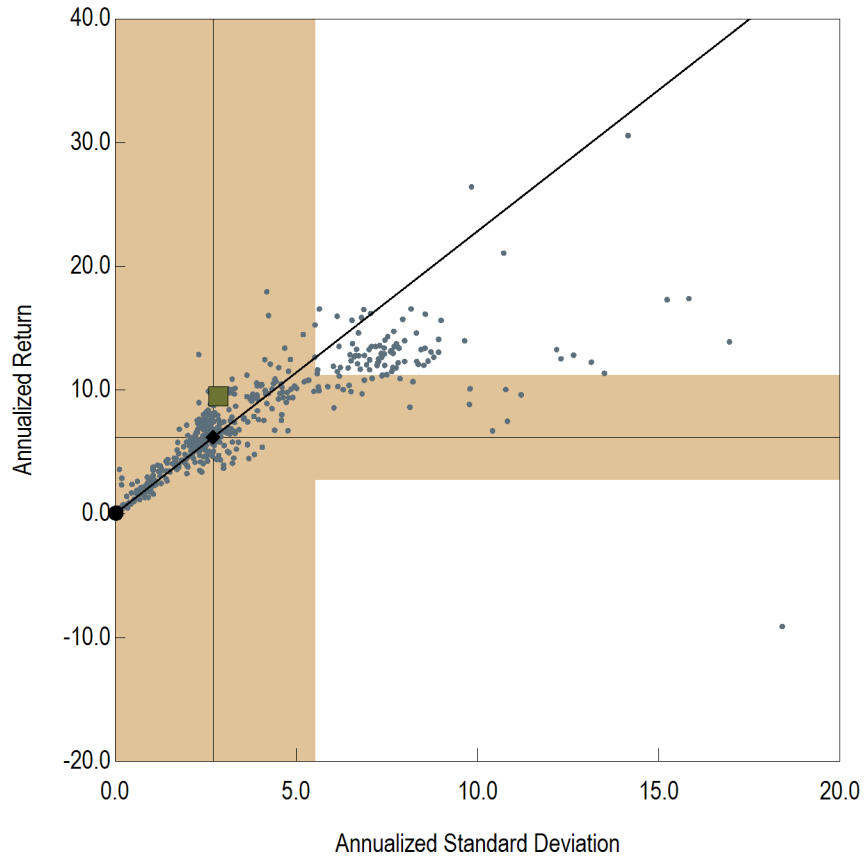
	Return (Rank)								
5th Percentile	5.3	12.8	19.1	14.0	11.5	10.9	18.3	15.3	49.8
25th Percentile	3.8	9.4	12.1	10.2	8.0	7.2	7.7	10.4	20.6
Median	2.2	5.9	7.4	7.0	6.5	5.4	5.9	7.2	10.8
75th Percentile	1.4	3.4	4.5	4.7	4.8	4.3	2.9	4.9	6.1
95th Percentile	0.3	0.7	0.9	1.1	1.9	2.7	0.1	0.8	1.2
# of Portfolios	555	548	542	498	418	318	483	425	427
● Reams	3.0 (37)	8.6 (31)	12.0 (26)	9.5 (32)	9.8 (9)	7.9 (22)	8.3 (19)	10.1 (27)	35.9 (13)
▲ Barclays Aggregate Bond Index	1.6 (70)	4.0 (70)	5.2 (70)	6.2 (61)	6.5 (50)	5.3 (52)	7.8 (24)	6.5 (59)	5.9 (77)

Risk Profile

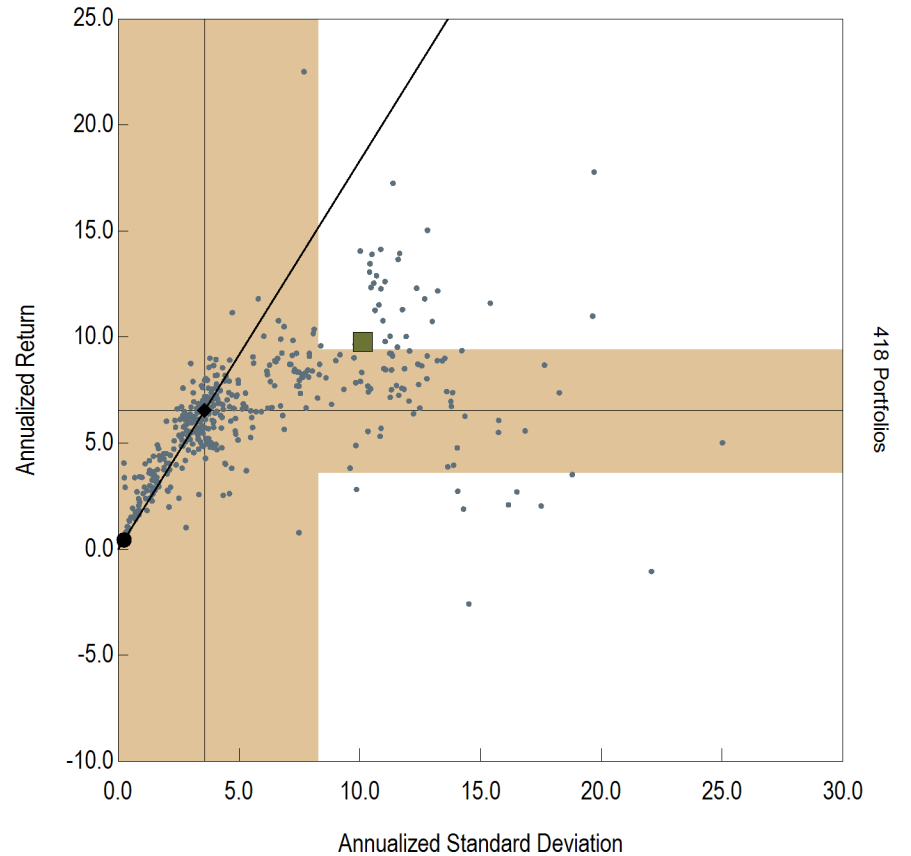
Benchmark: Barclays Aggregate Bond Index

Universe: eA All US Fixed Inc Net

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



Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 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

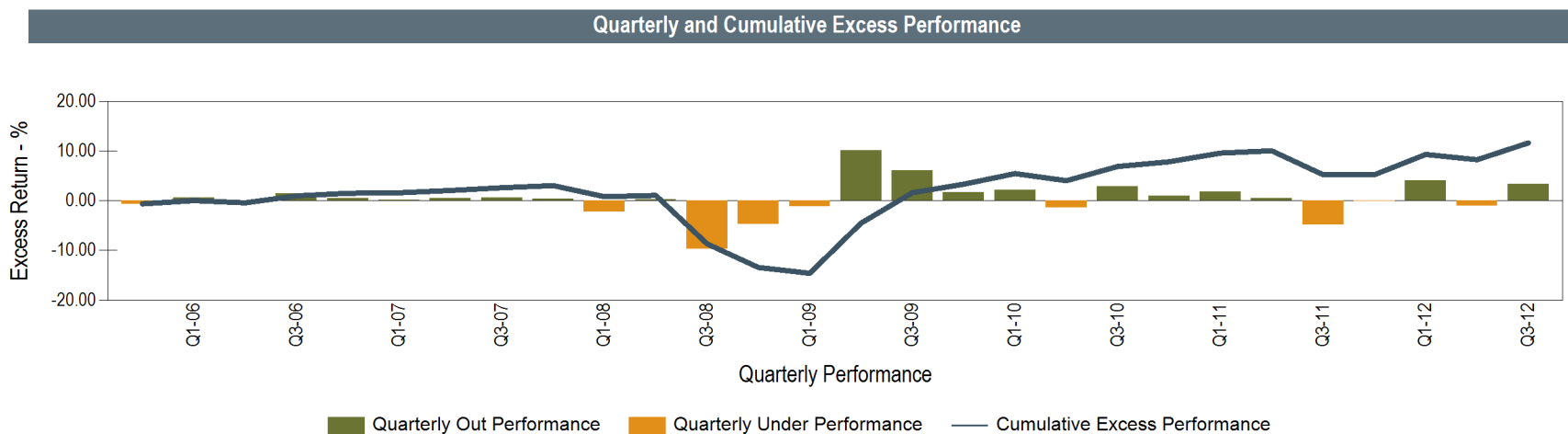
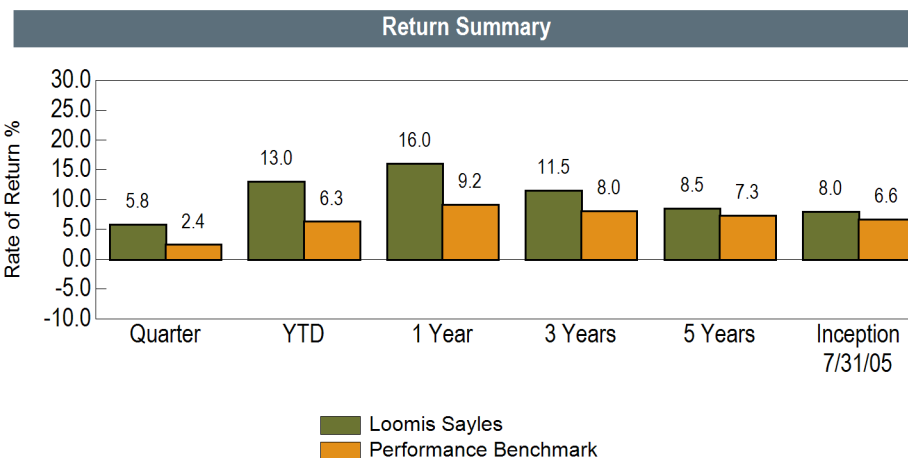
Manager Performance

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

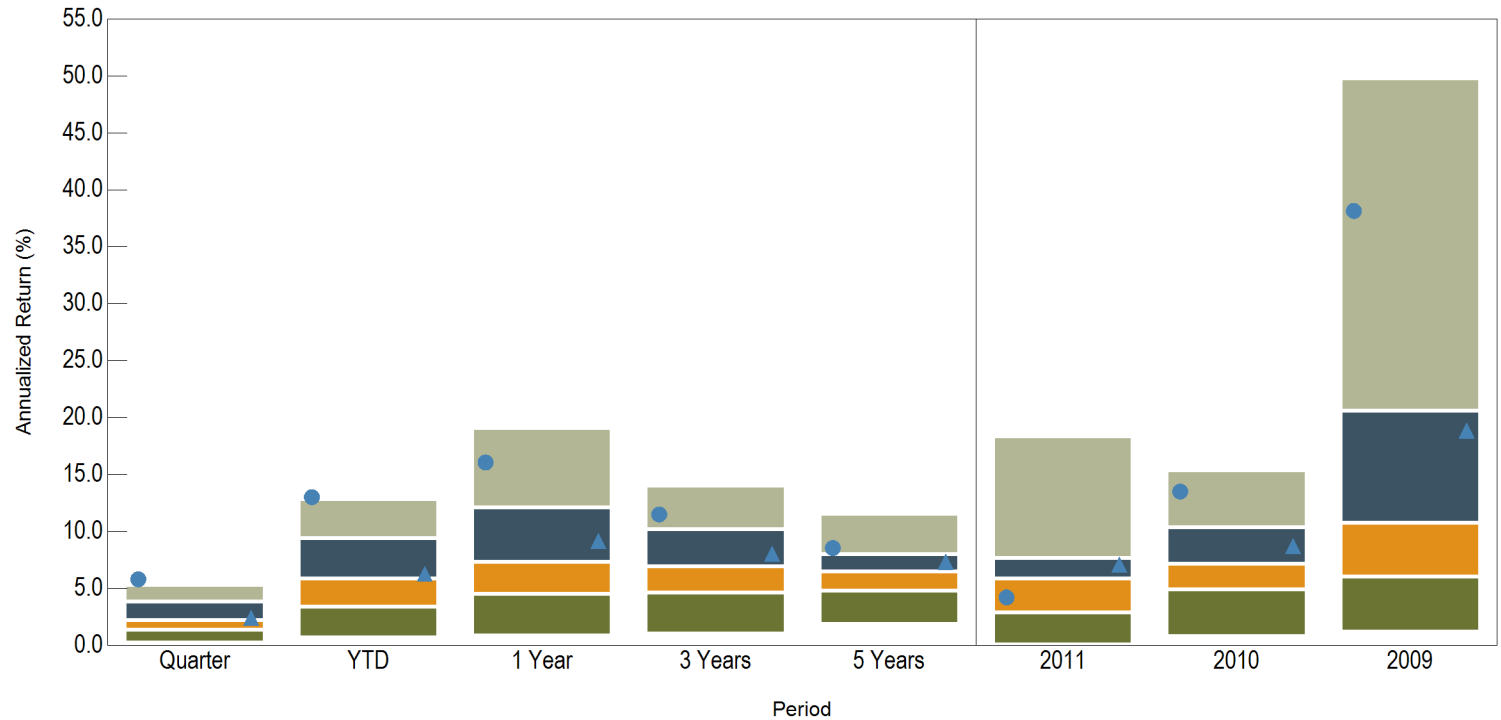


Universe Comparison

Benchmark: Performance Benchmark

Universe: eA All US Fixed Inc Net

Ending September 30, 2012



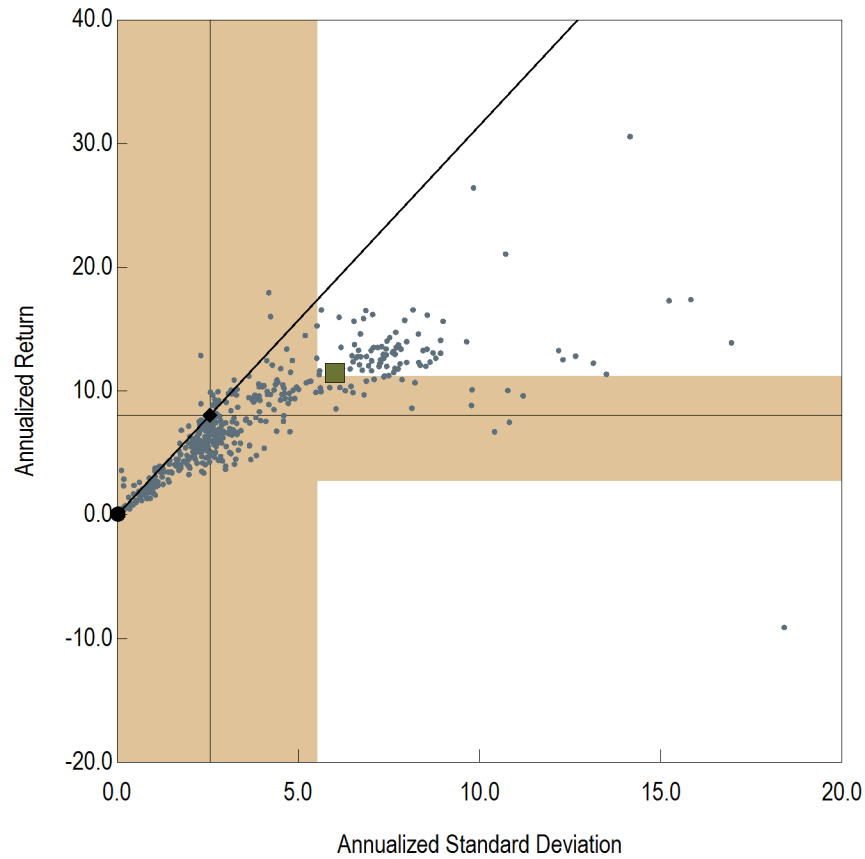
	Return (Rank)															
5th Percentile	5.3	12.8	19.1	14.0	11.5	18.3	15.3	49.8								
25th Percentile	3.8	9.4	12.1	10.2	8.0	7.7	10.4	20.6								
Median	2.2	5.9	7.4	7.0	6.5	5.9	7.2	10.8								
75th Percentile	1.4	3.4	4.5	4.7	4.8	2.9	4.9	6.1								
95th Percentile	0.3	0.7	0.9	1.1	1.9	0.1	0.8	1.2								
# of Portfolios	555	548	542	498	418	483	425	427								
● Loomis Sayles	5.8	(3)	13.0	(5)	16.0	(14)	11.5	(19)	8.5	(19)	4.2	(67)	13.5	(12)	38.1	(12)
▲ Performance Benchmark	2.4	(46)	6.3	(46)	9.2	(40)	8.0	(40)	7.3	(35)	7.1	(35)	8.7	(34)	18.8	(29)

Risk Profile

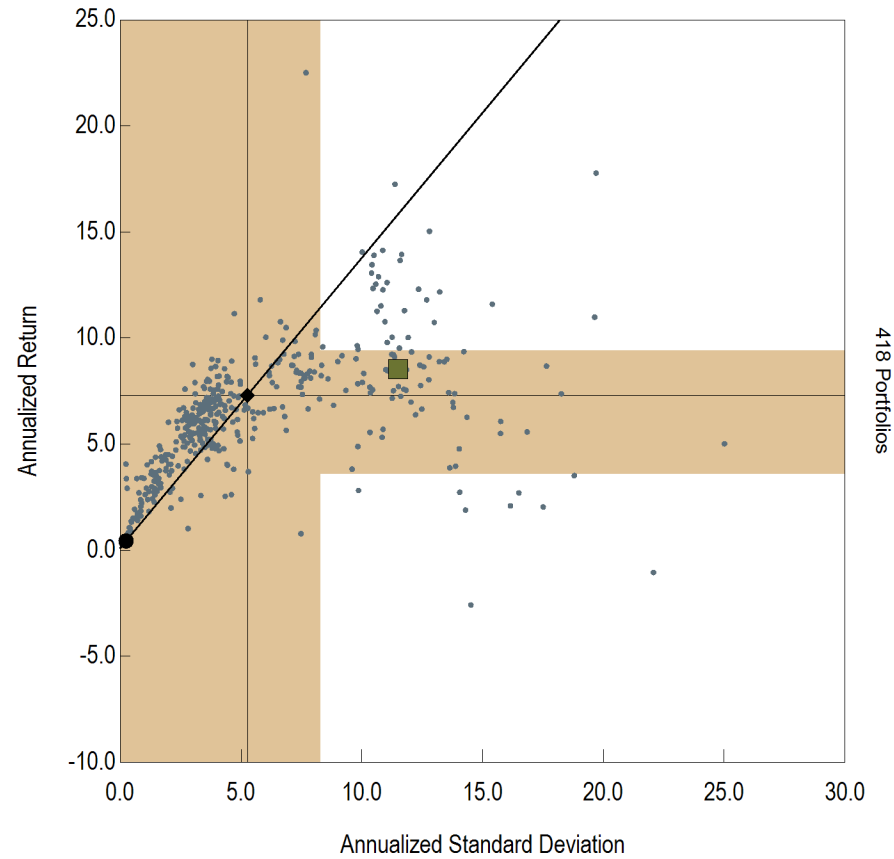
Benchmark: Performance Benchmark

Universe: eA All US Fixed Inc Net

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



Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 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

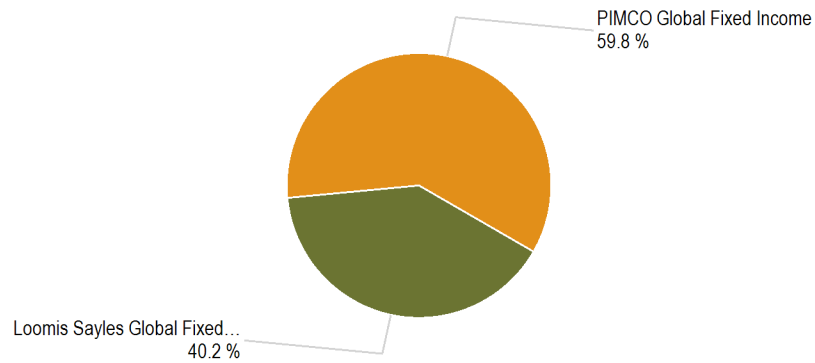


Total Global Fixed Income

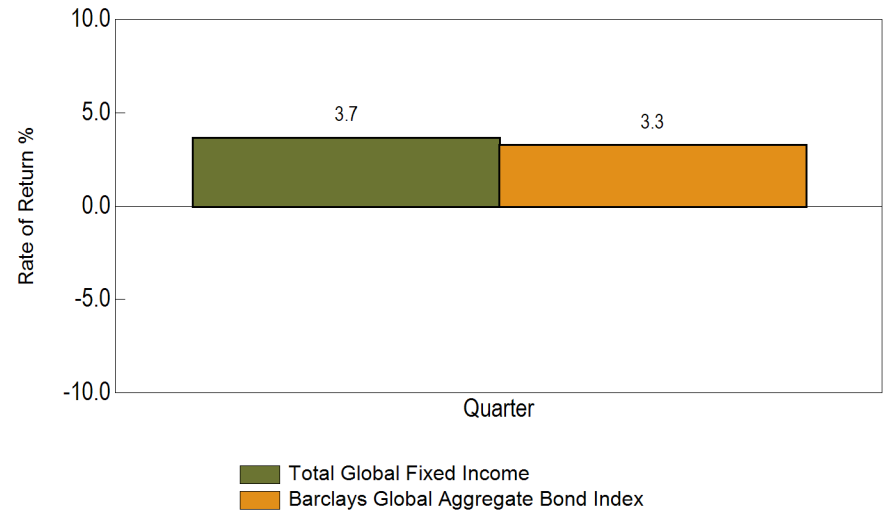
Overview

Benchmark: Barclays Global Aggregate Bond Index

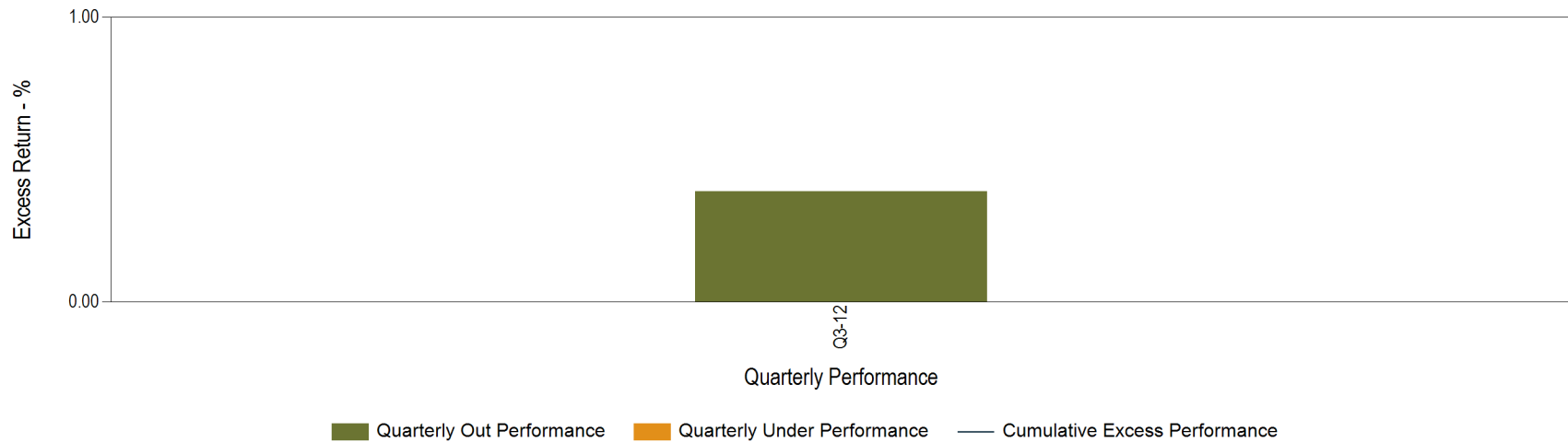
Current Allocation



Return Summary



Quarterly and Cumulative Excess Performance

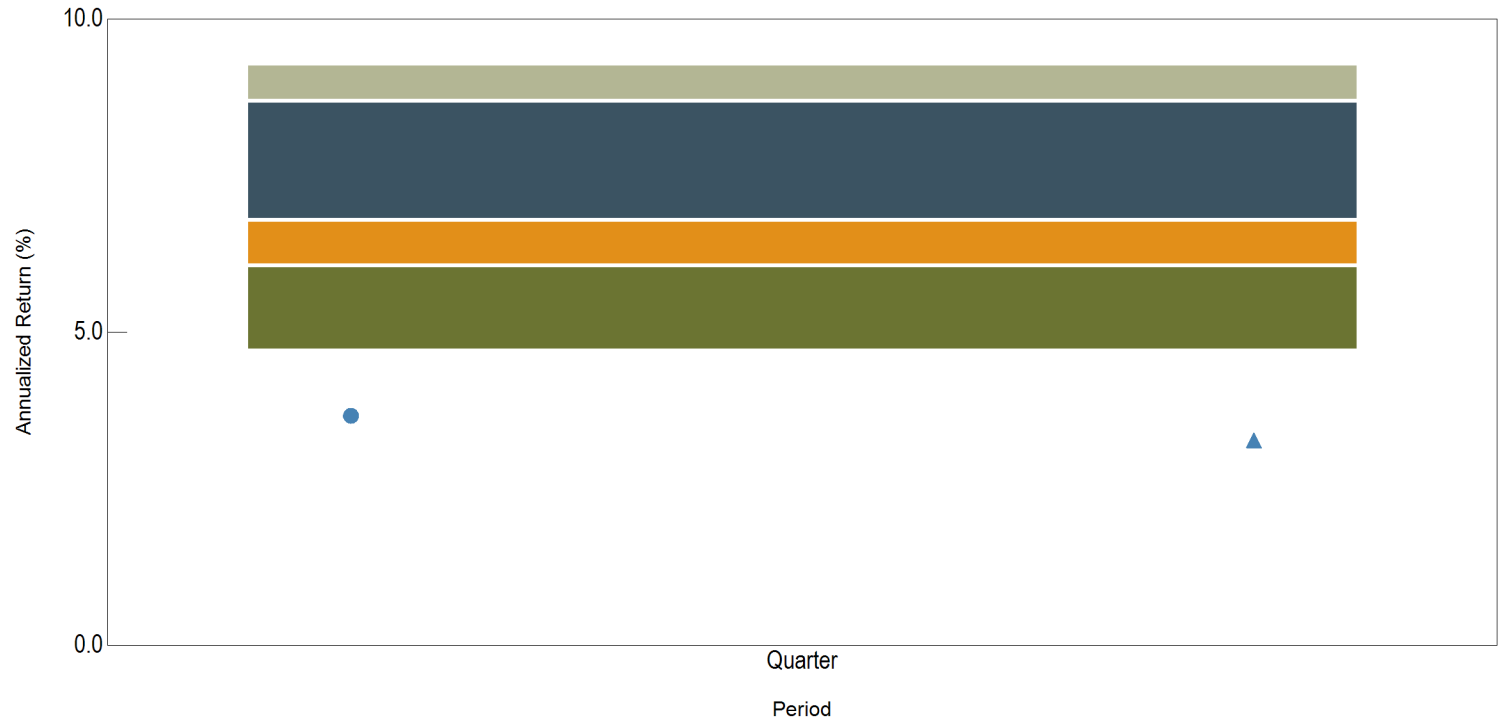


Universe Comparison

Benchmark: Barclays Global Aggregate Bond Index

Universe:

Ending September 30, 2012



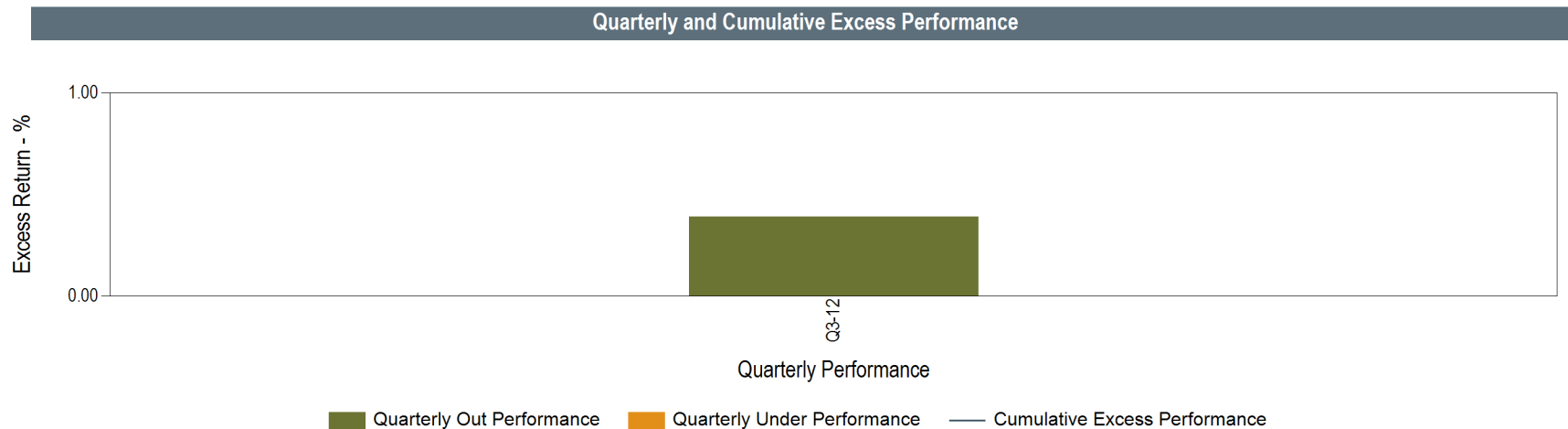
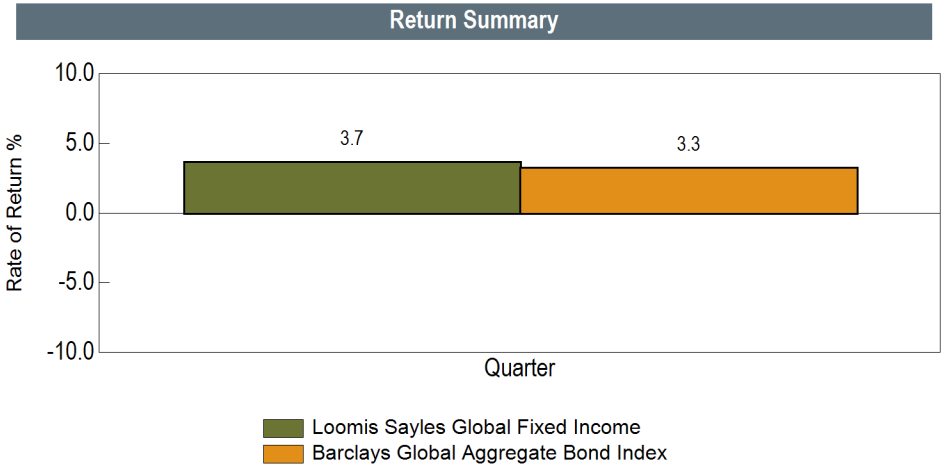
Return (Rank)

5th Percentile	9.3	
25th Percentile	8.7	
Median	6.8	
75th Percentile	6.1	
95th Percentile	4.7	
# of Portfolios	24	
● Total Global Fixed Income	3.7	(99)
▲ Barclays Global Aggregate Bond Index	3.3	(99)

Manager Performance

Benchmark: Barclays Global Aggregate Bond Index

Account Information	
Account Name	Loomis Sayles Global Fixed Income
Account Structure	Separate Account
Investment Style	Passive
Inception Date	4/01/12
Account Type	
Benchmark	Barclays Global Aggregate Bond Index
Universe	

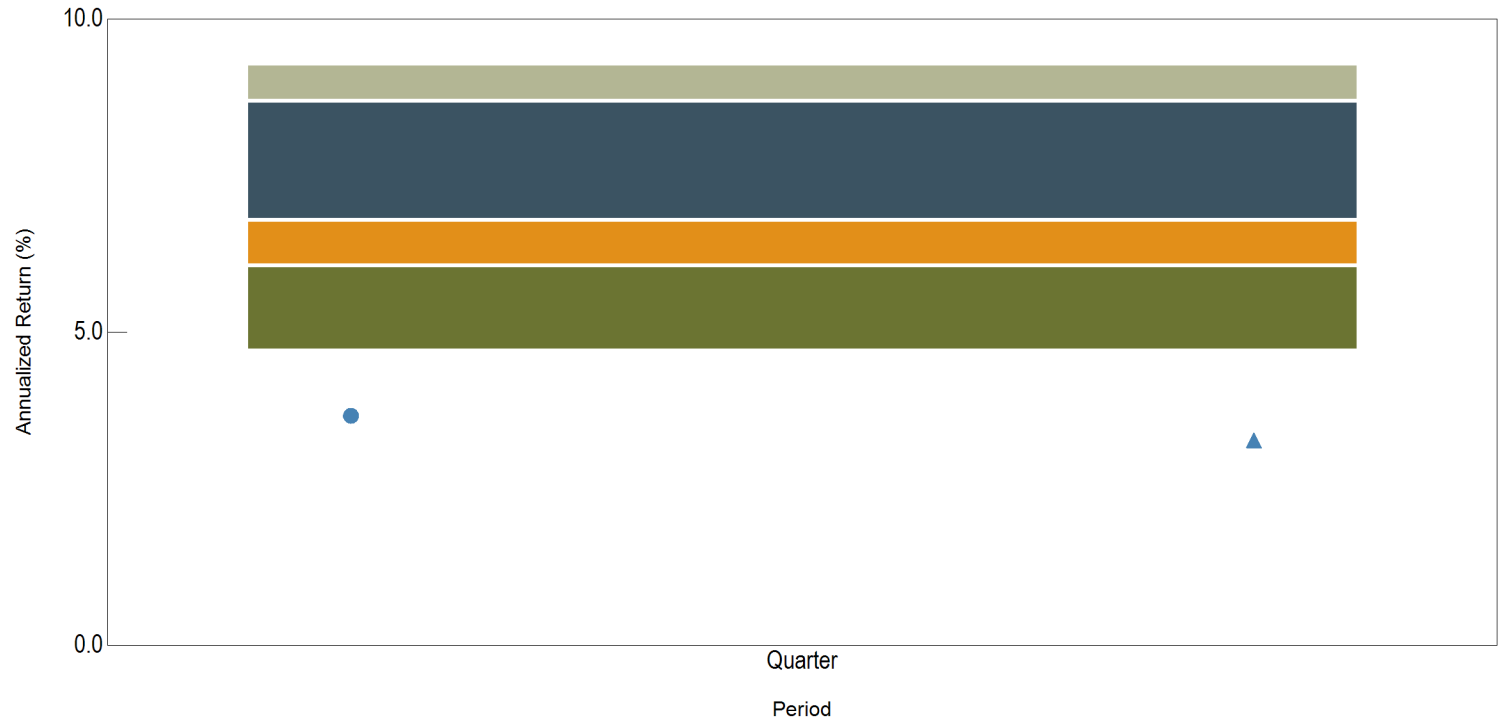


Universe Comparison

Benchmark: Barclays Global Aggregate Bond Index

Universe:

Ending September 30, 2012



	Return (Rank)	
5th Percentile	9.3	
25th Percentile	8.7	
Median	6.8	
75th Percentile	6.1	
95th Percentile	4.7	
# of Portfolios	24	
● Loomis Sayles Global Fixed Income	3.7	(99)
▲ Barclays Global Aggregate Bond Index	3.3	(99)

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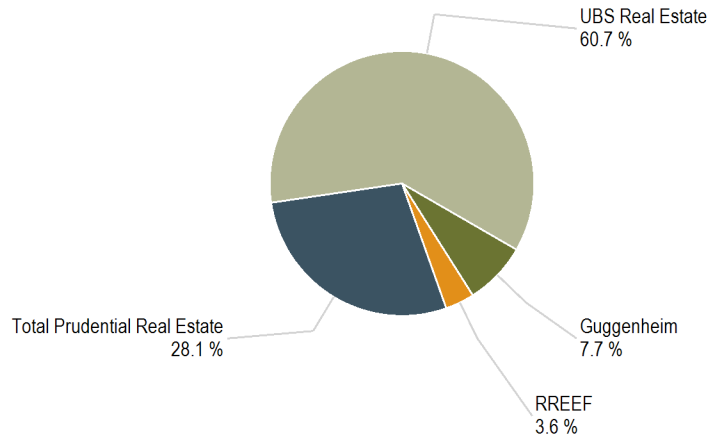


Total Real Estate

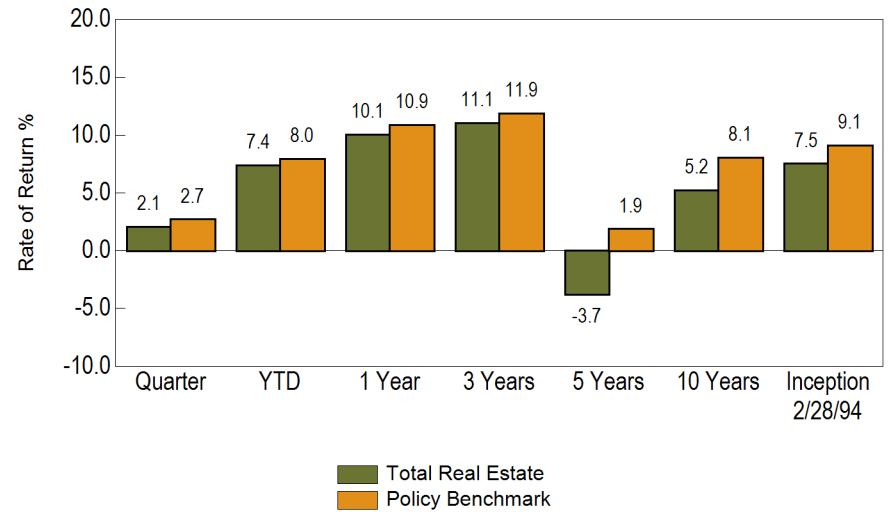
Overview

Benchmark: Policy Benchmark

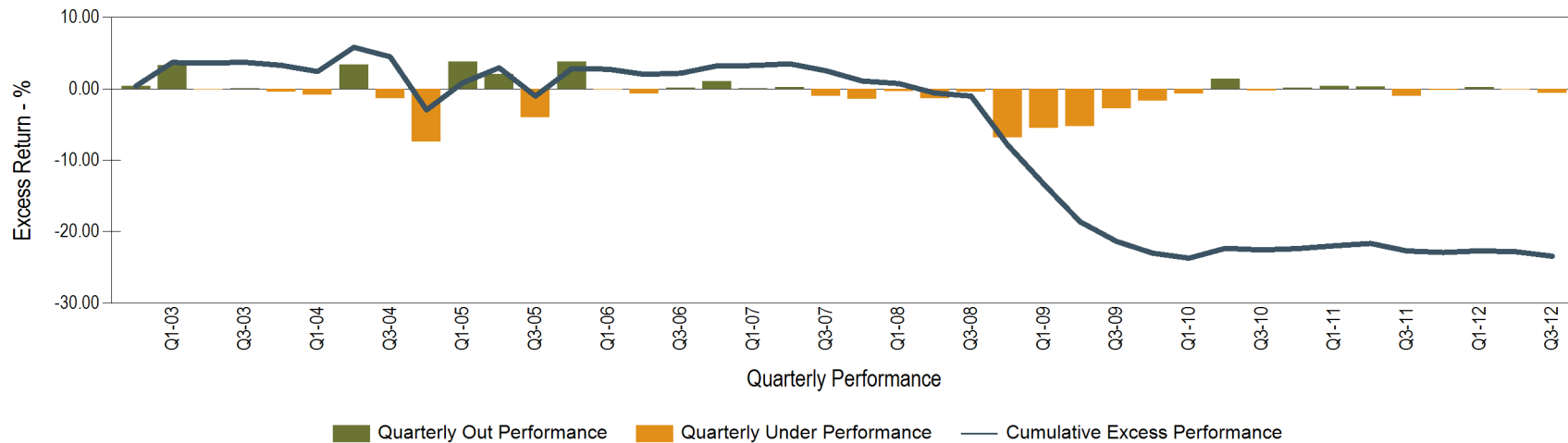
Current Allocation



Return Summary



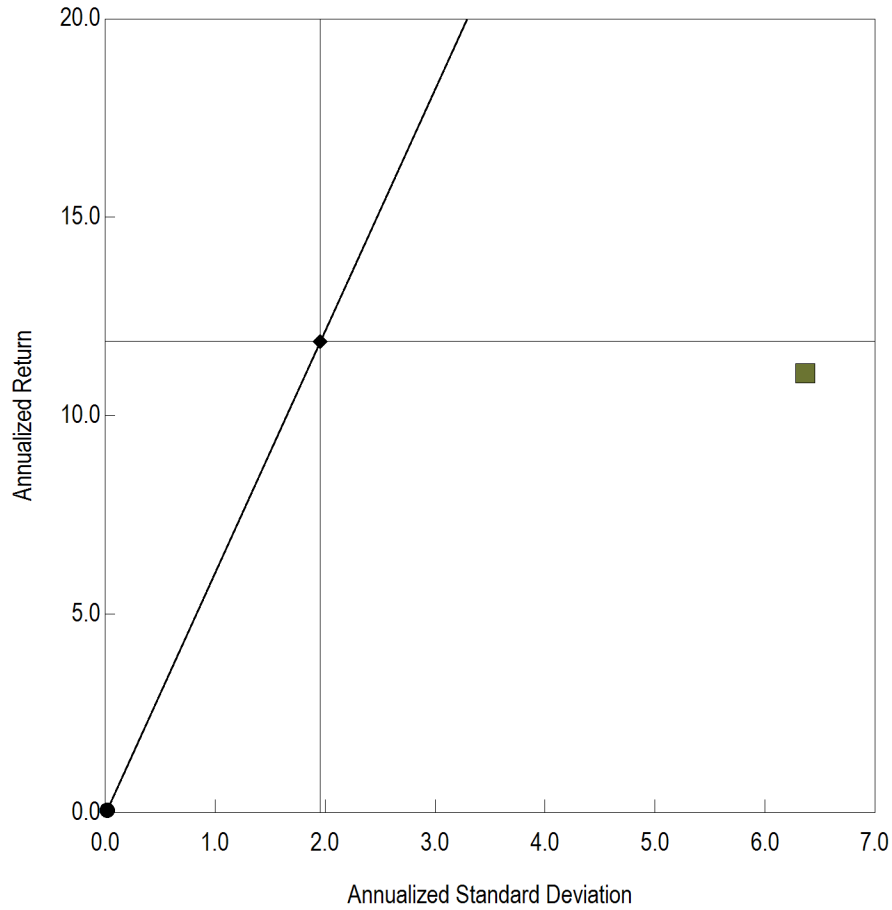
Quarterly and Cumulative Excess Performance



Risk Profile

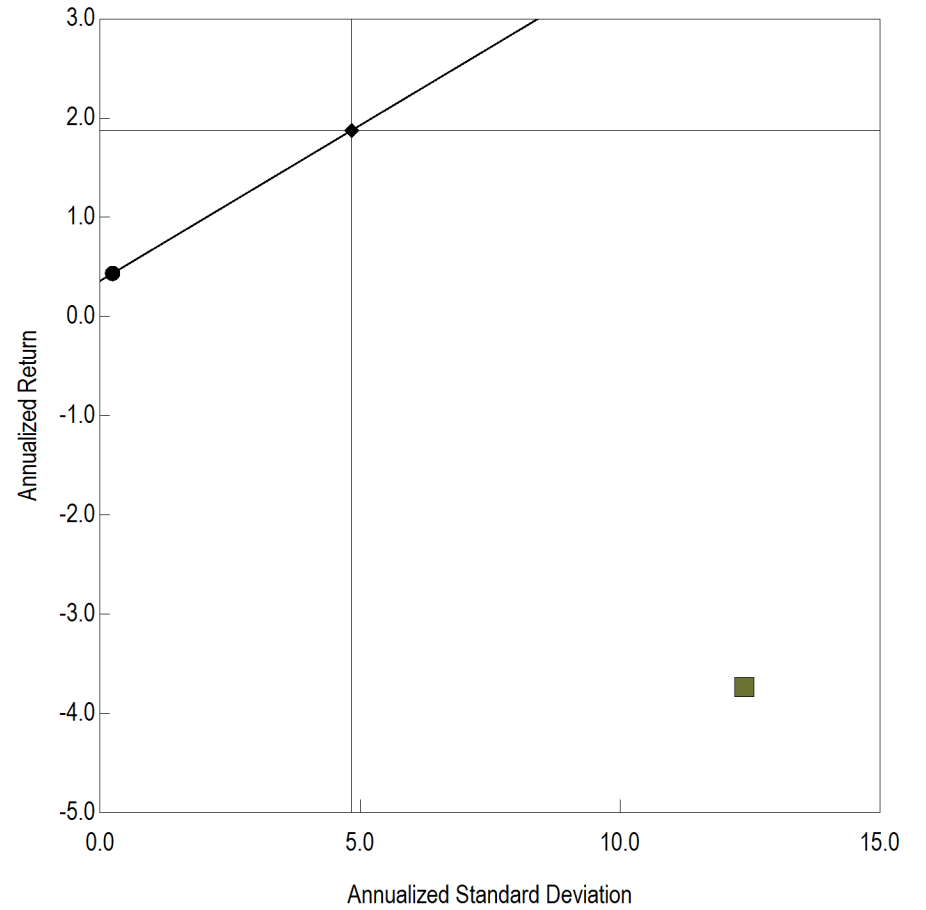
Benchmark: Policy Benchmark

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



- Total Real Estate
- ◆ Policy Benchmark
- Risk Free

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

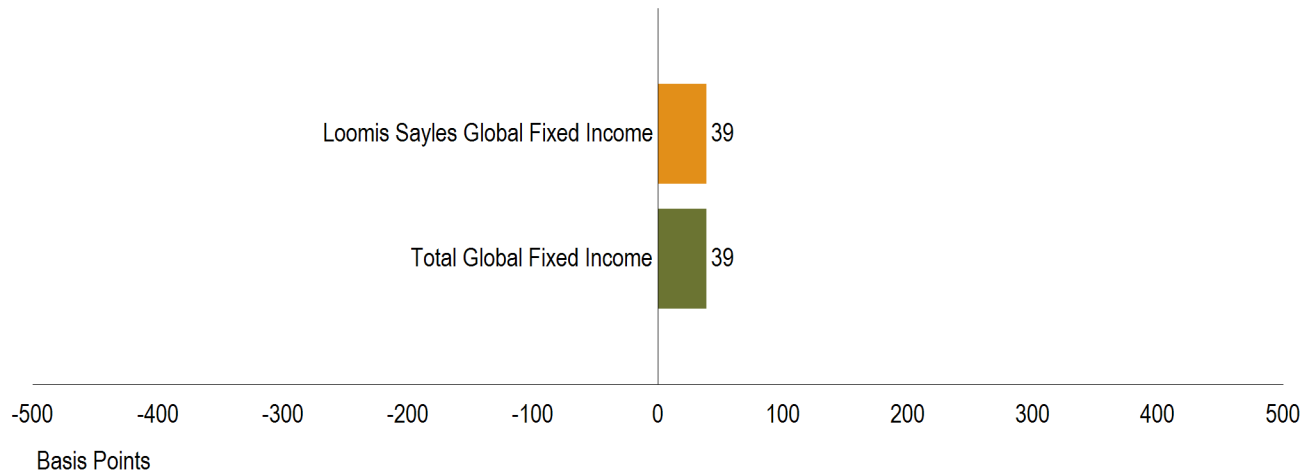


- Total Real Estate
- ◆ Policy Benchmark
- Risk Free

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Attribution

MANAGER ATTRIBUTION ANALYSIS 3 MONTHS ENDING 9/30/12

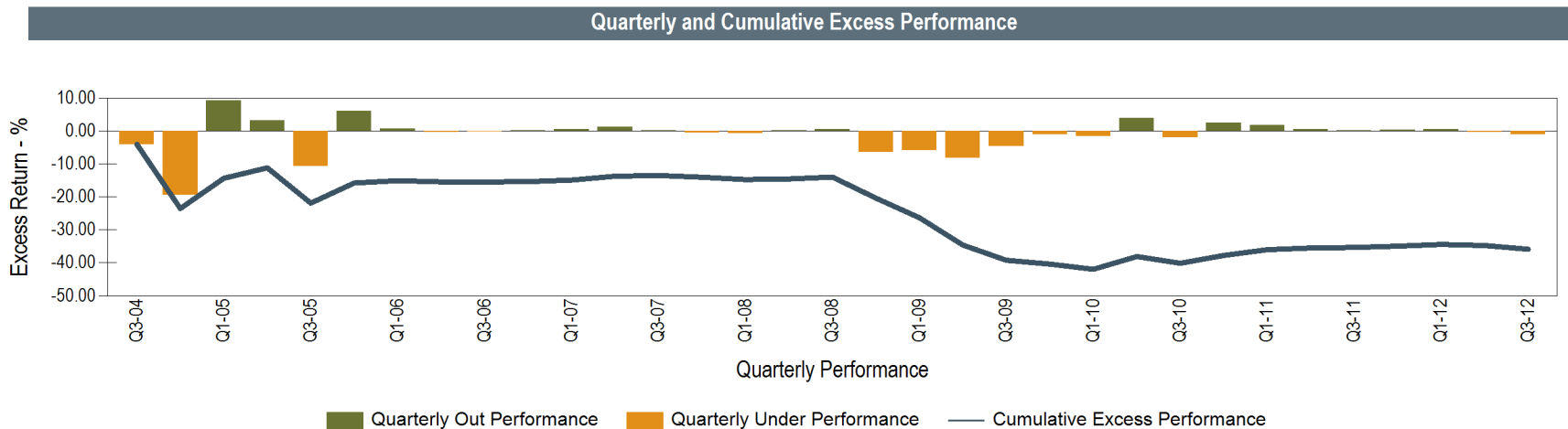
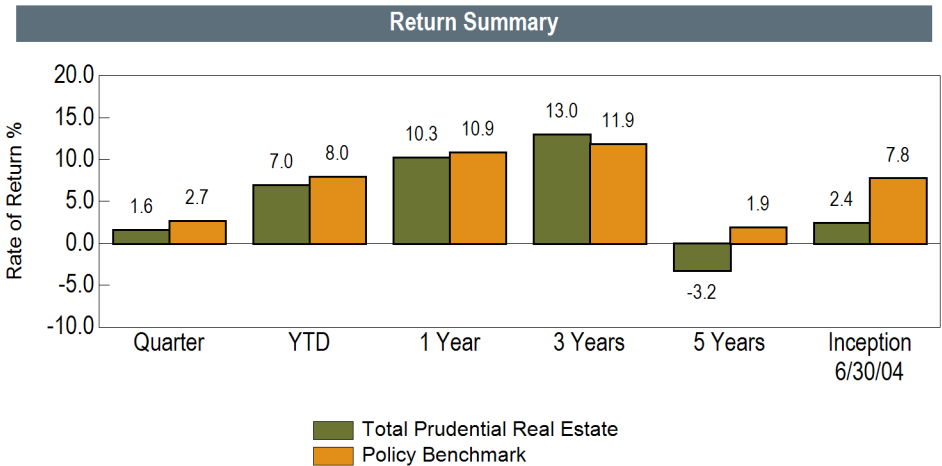


Manager Performance

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.

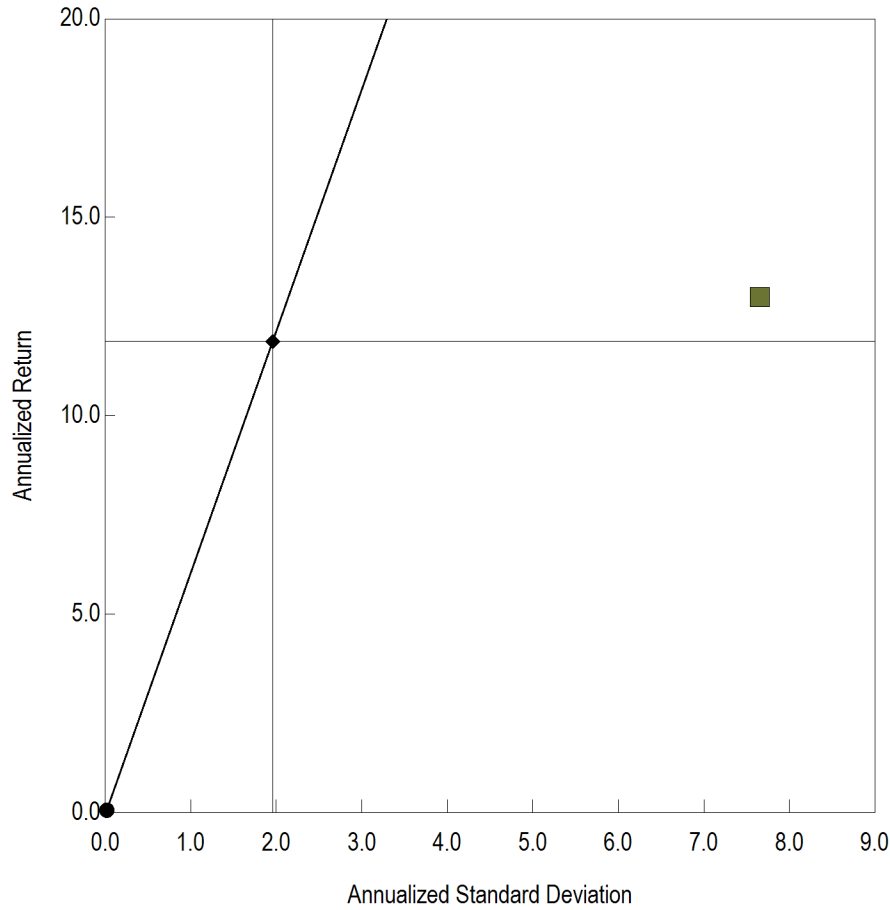
Account Information	
Account Name	Total Prudential Real Estate
Account Structure	Other
Investment Style	Active
Inception Date	6/30/04
Account Type	Real Estate
Benchmark	Policy Benchmark
Universe	



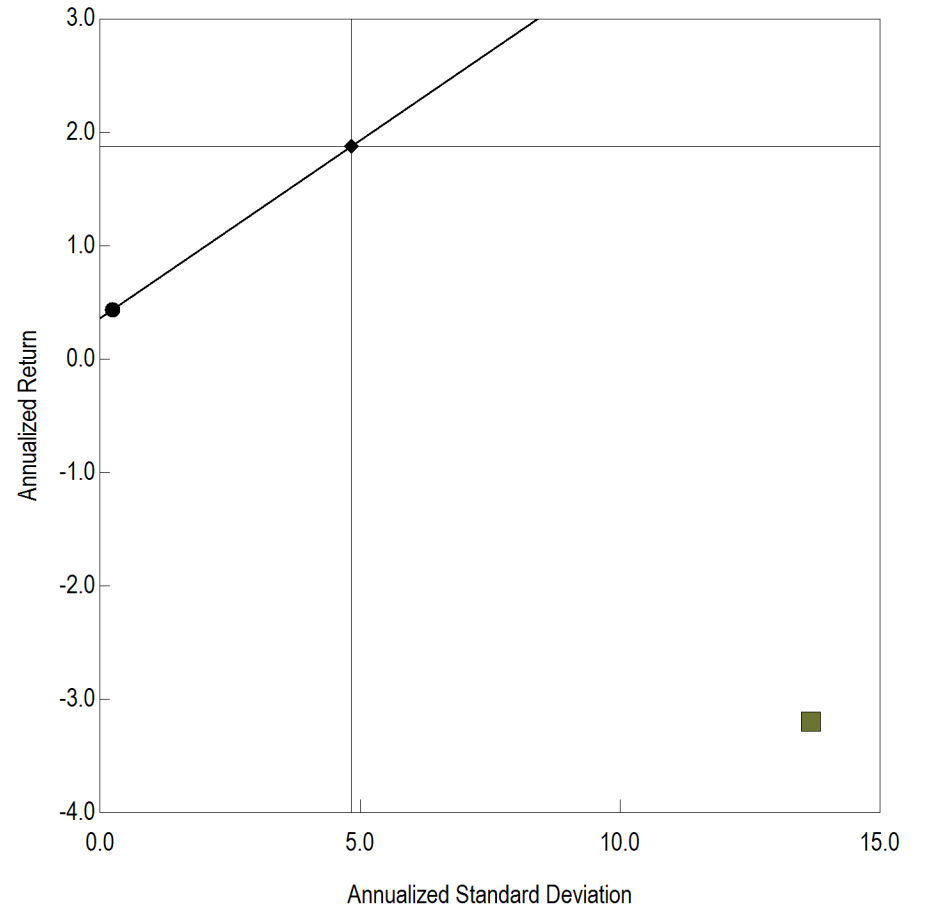
Risk Profile

Benchmark: Policy Benchmark

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



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

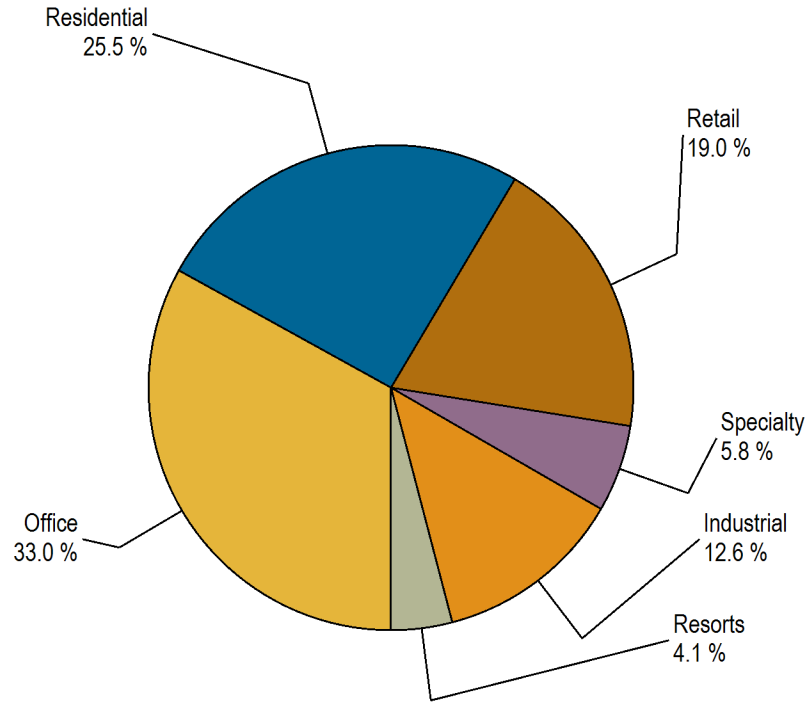


- Total Prudential Real Estate
- ◆ Policy Benchmark
- Risk Free

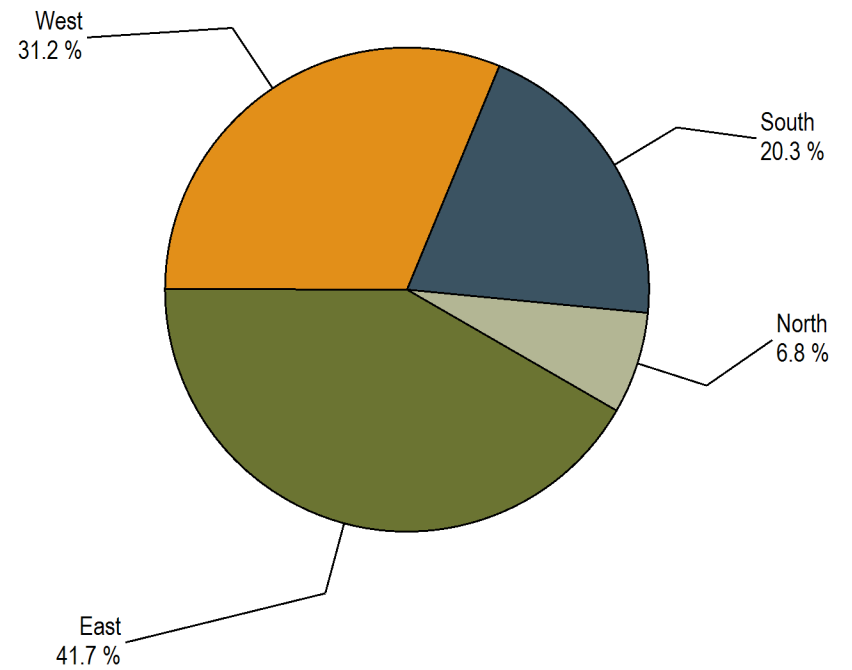
- Total Prudential Real Estate
- ◆ Policy Benchmark
- Risk Free

Manager Analysis

Property Type Allocation



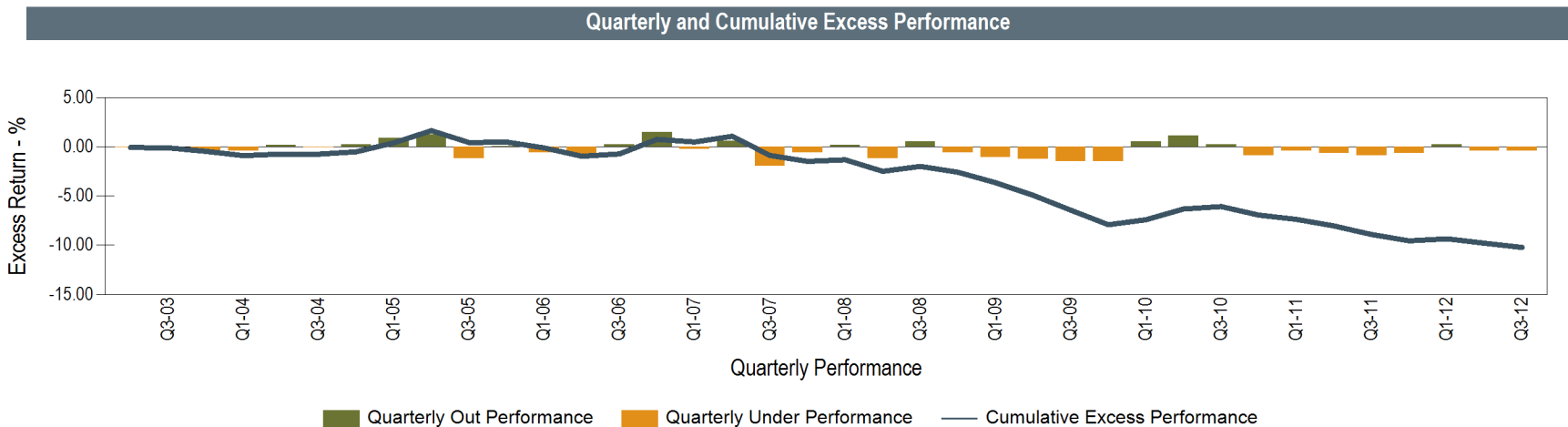
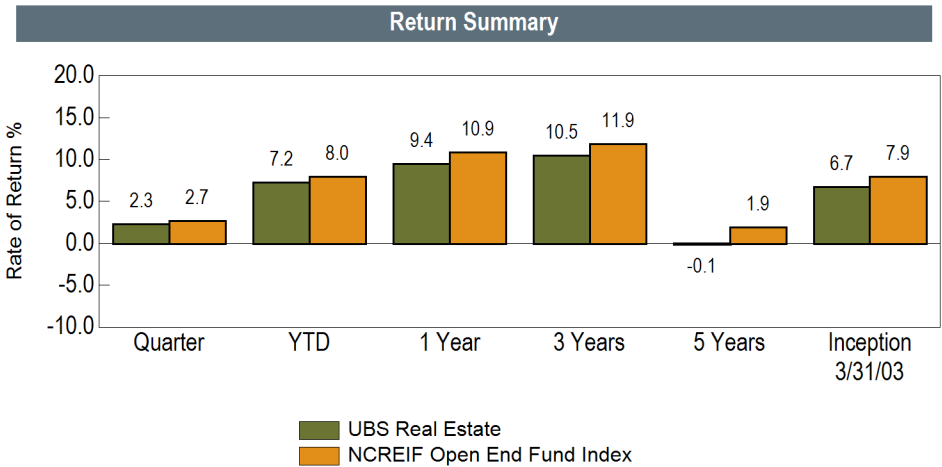
Geographic Diversification



Manager Performance

Benchmark: NCREIF Open End Fund Index

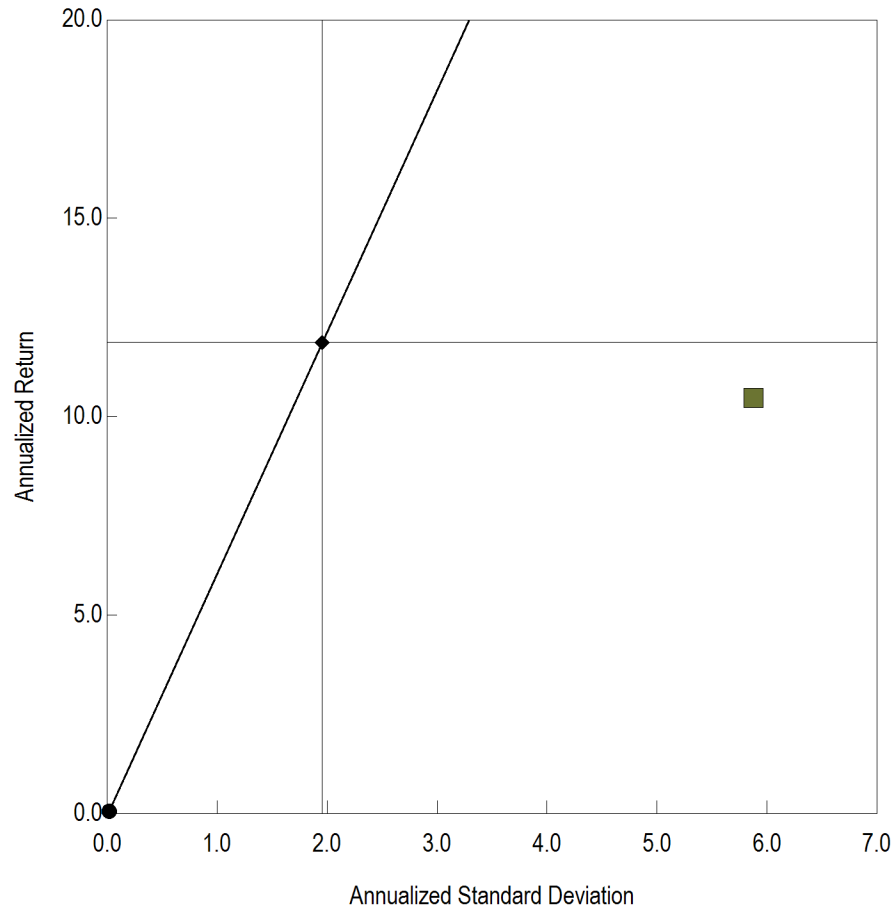
Account Information	
Account Name	UBS Real Estate
Account Structure	Other
Investment Style	Active
Inception Date	3/31/03
Account Type	Real Estate
Benchmark	NCREIF Open End Fund Index
Universe	



Risk Profile

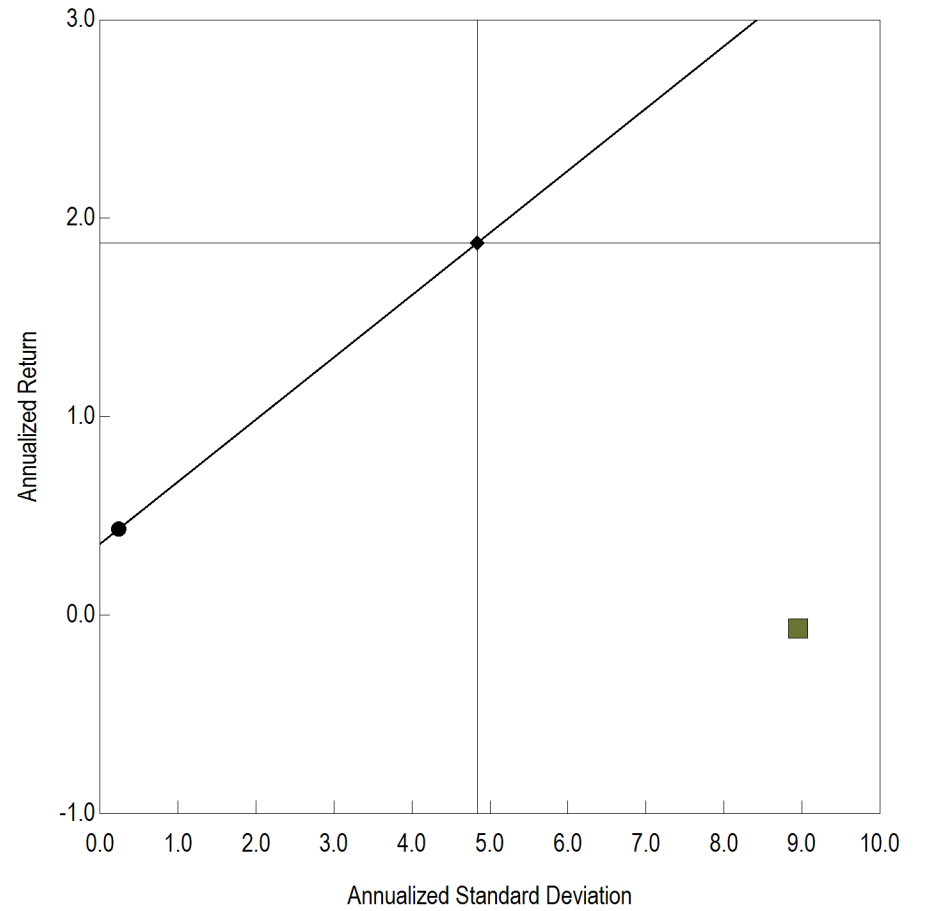
Benchmark: NCREIF Open End Fund Index

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



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

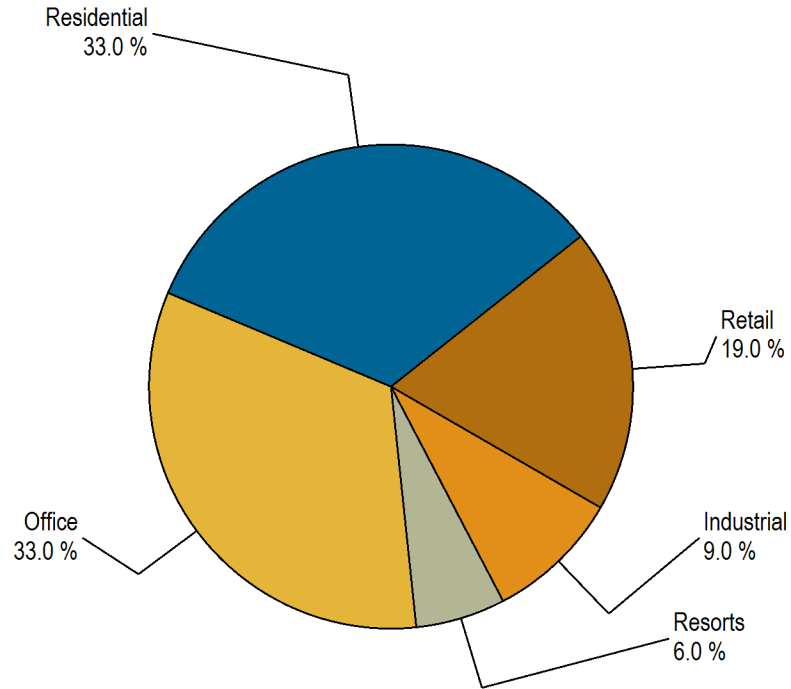
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2012



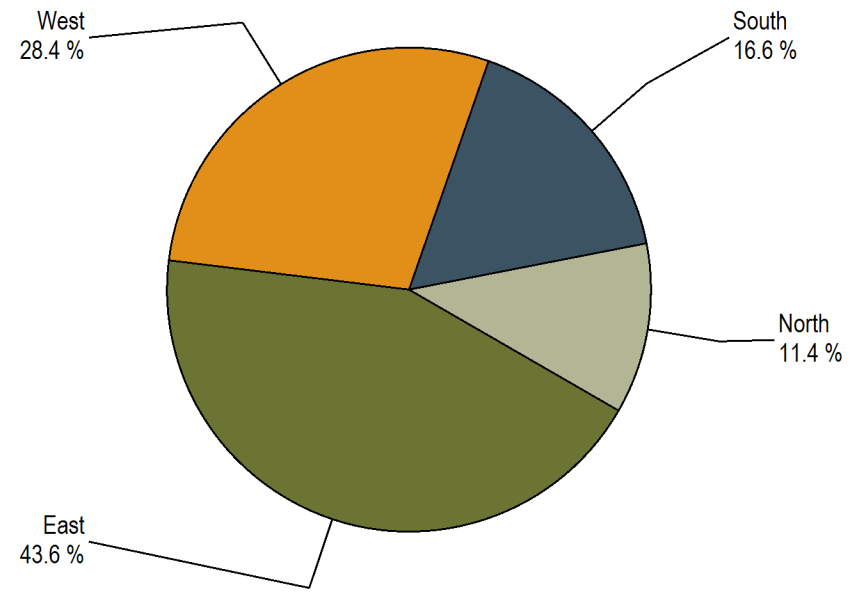
- UBS Real Estate
- ◆ NCREIF Open End Fund Index
- Risk Free

Manager Analysis

Property Type Allocation



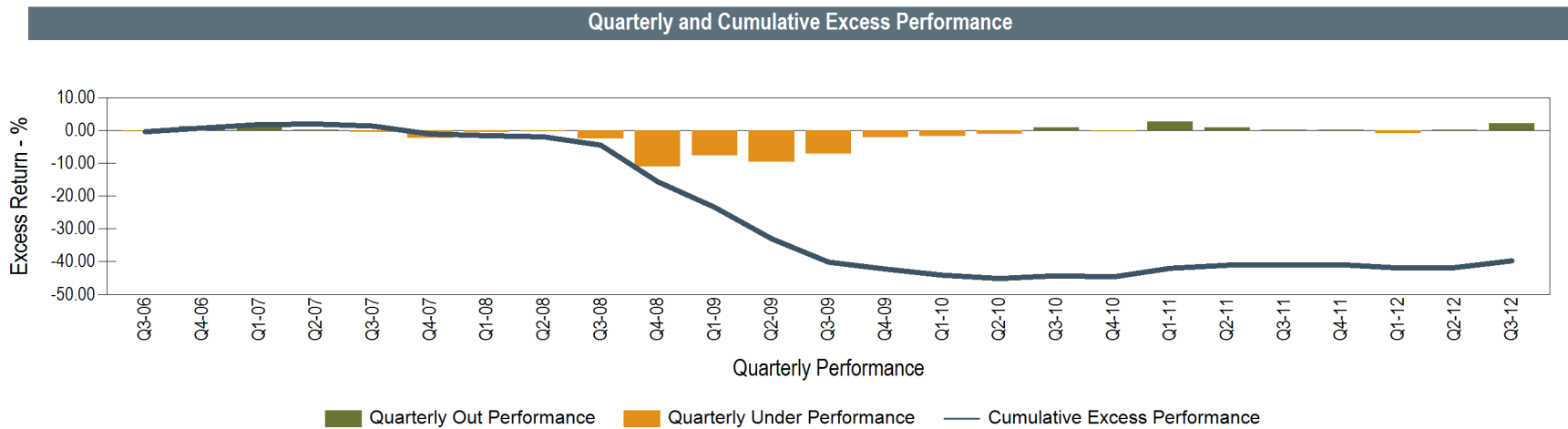
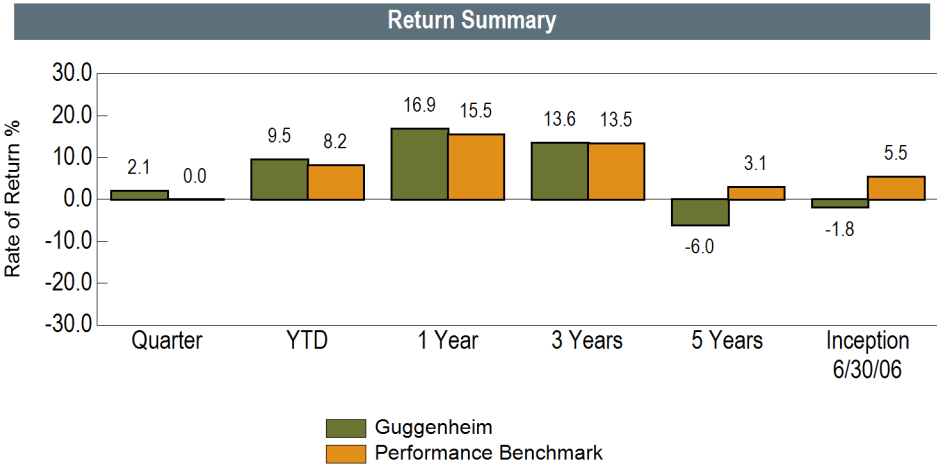
Geographic Diversification



Manager Performance

Benchmark: Performance Benchmark

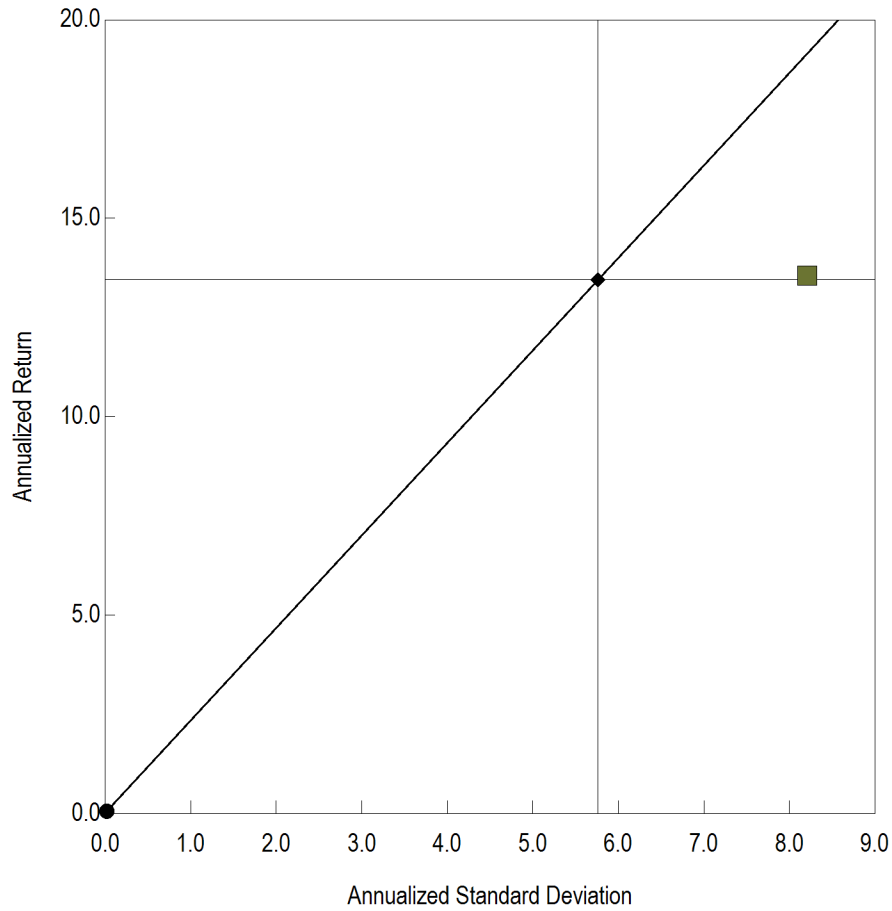
Account Information	
Account Name	Guggenheim
Account Structure	Other
Investment Style	Active
Inception Date	6/30/06
Account Type	Real Estate
Benchmark	Performance Benchmark
Universe	



Risk Profile

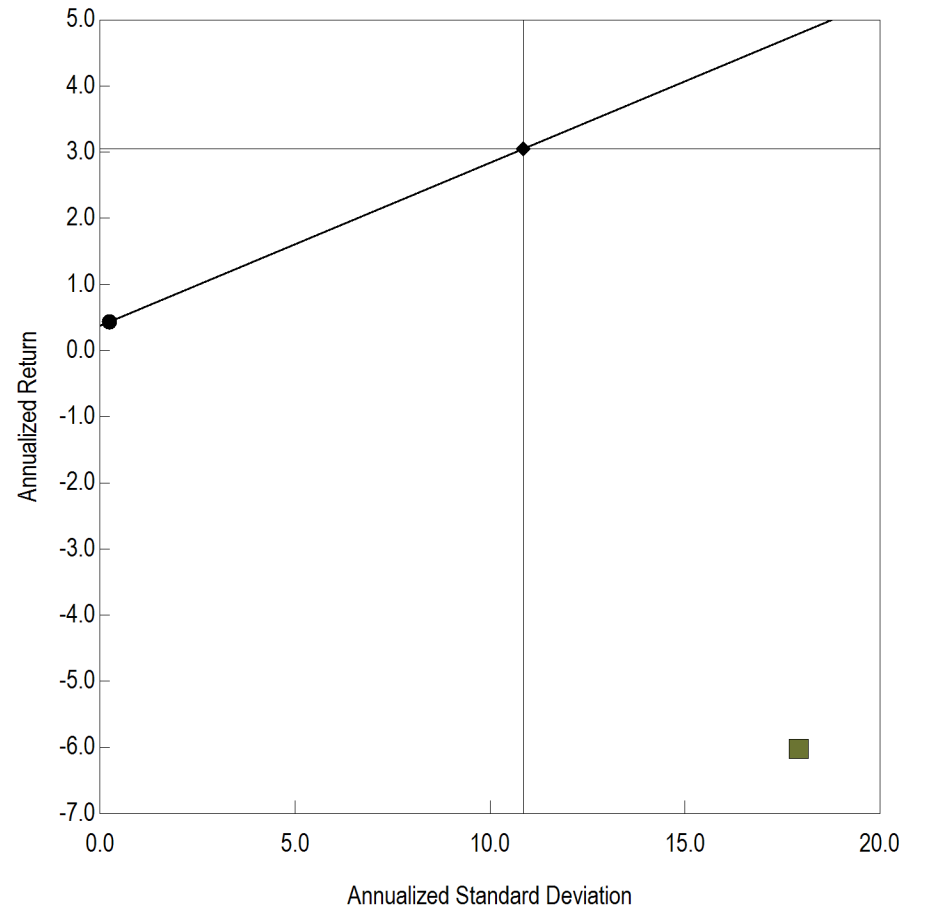
Benchmark: Performance Benchmark

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



- Guggenheim
- ◆ Performance Benchmark
- Risk Free

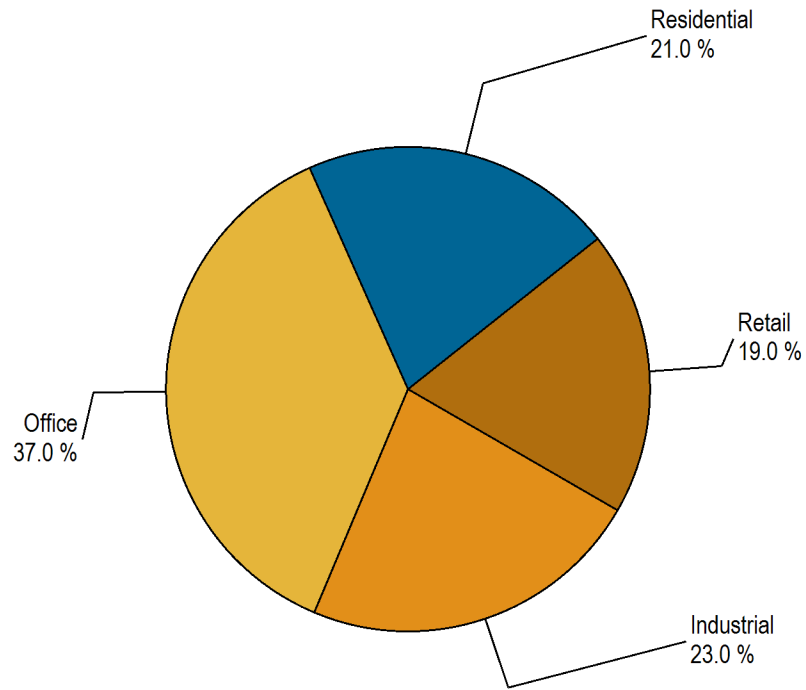
Annualized Return vs. Annualized Standard Deviation
5 Years Ending September 30, 2012



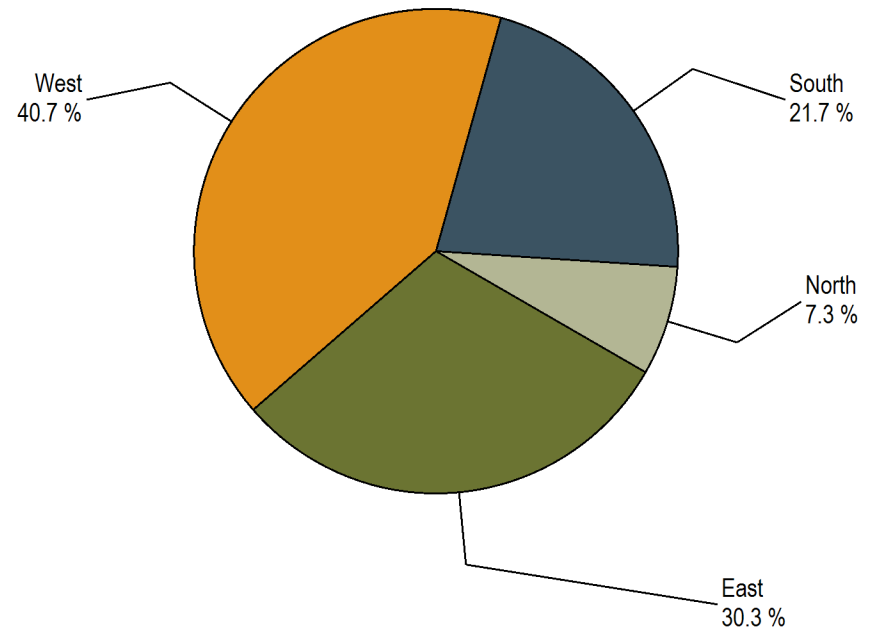
- Guggenheim
- ◆ Performance Benchmark
- Risk Free

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.

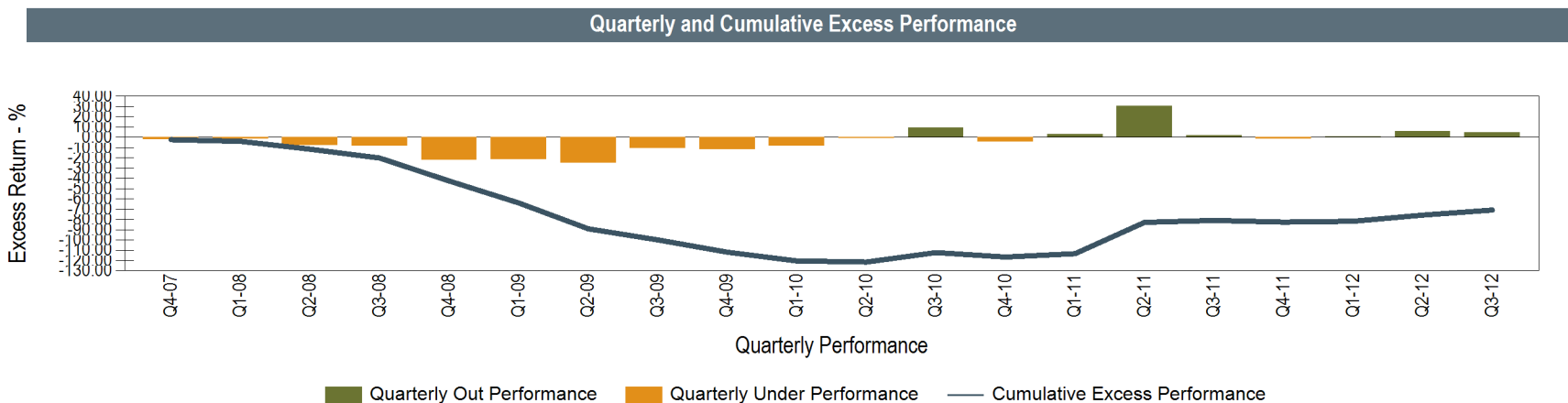
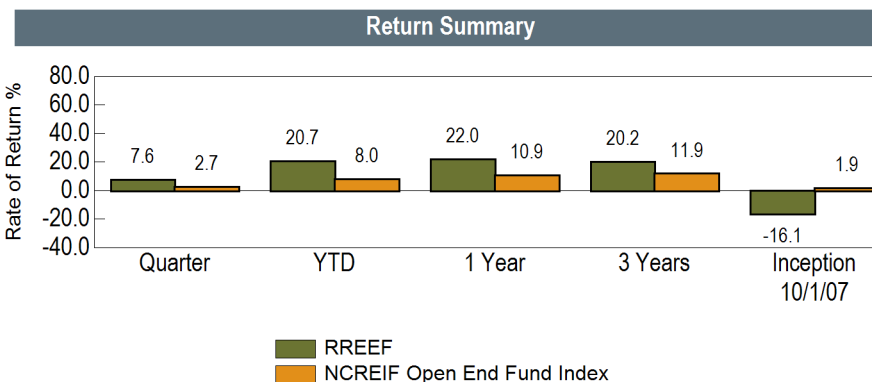
Manager Performance

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.

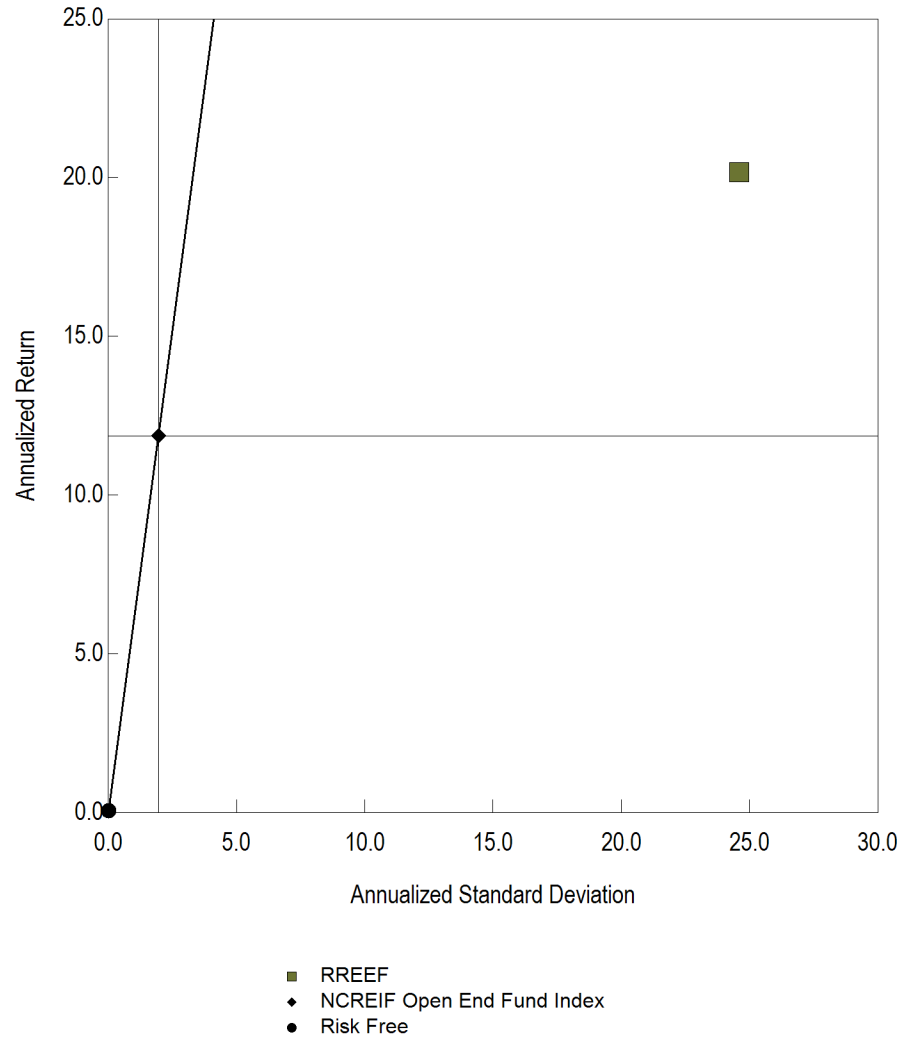
Account Information	
Account Name	RREEF
Account Structure	Other
Investment Style	Active
Inception Date	10/01/07
Account Type	Real Estate
Benchmark	NCREIF Open End Fund Index
Universe	



Risk Profile

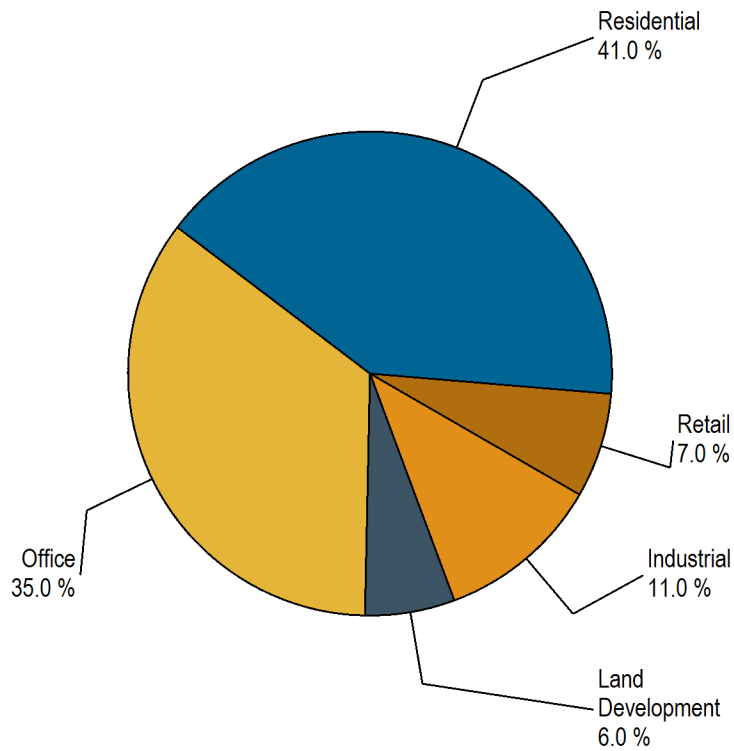
Benchmark: NCREIF Open End Fund Index

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

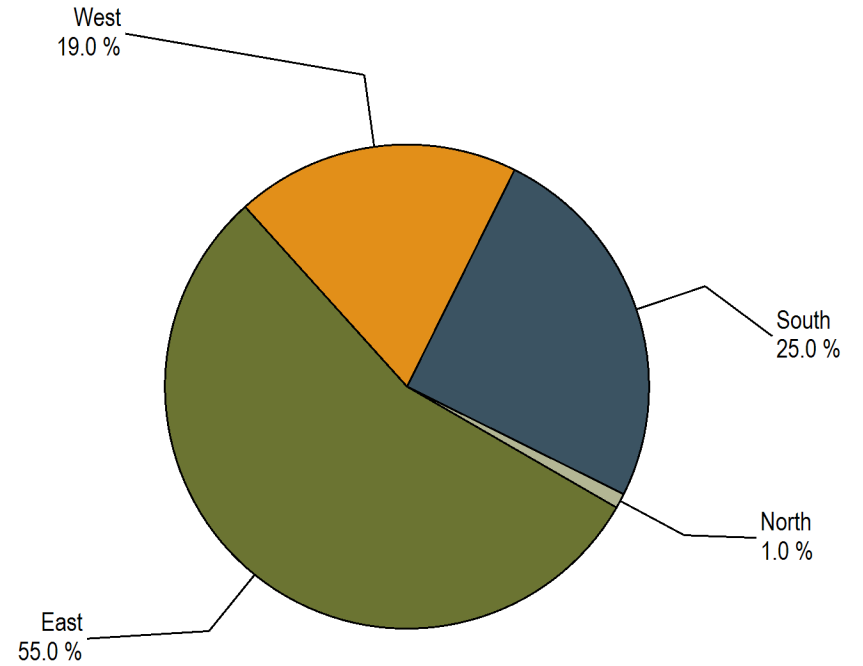


Manager Analysis

Property Type Allocation



Geographic Diversification





Private Equity

Overview

Adams Street Partnership

	As of 06/30/2012
Inception Date	May 2010
Capital Committed	\$85.0 million
Capital Called	\$22.36 million
Distributions	\$0.0 million
Carrying Values	\$21.21 million
Fee %	1.00%
Fee	\$850,000
Net IRR Since Inception*	22.0%

Pantheon Ventures

	As of 06/30/2012
Inception Date	January 2010
Capital Committed	\$15.0 million
Capital Called	\$4.65 million
Distributions	\$0.90 million
Carrying Values	\$4.88 million
Fee %	1.00%
Fee	\$150,000
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 9/30/2012	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Total U.S. Equity	No Fee	\$1,272,334,358	36.8%	--	--
BlackRock Extended Equity Index Fund	0.08% of First \$50.0 Mil, 0.06% of Next \$50.0 Mil, 0.04% Thereafter	\$30,427,679	0.9%	\$24,342	0.08%
Western U.S. Index Plus	0.15% of Assets	\$120,361,597	3.5%	\$180,542	0.15%
BlackRock Equity Market Fund	0.03% of First \$250.0 Mil, 0.02% Thereafter	\$1,121,545,081	32.5%	\$249,309	0.02%
Total Non-U.S. Equity	No Fee	\$615,074,604	17.8%	--	--
BlackRock ACWI ex-U.S. Index	0.12% of First \$100.0 Mil, 0.10% Thereafter	\$321,507,822	9.3%	\$341,508	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	\$149,189,079	4.3%	\$607,973	0.41%
Hexavest	0.60% of First \$10.0 Mil, 0.50% of Next \$30.0 Mil, 0.40% of Next \$40.0 Mil	\$65,177,902	1.9%	\$310,712	0.48%
Walter Scott	1.00% of First \$50.0 Mil, 0.85% of Next \$25.0 Mil, 0.60% Thereafter	\$79,199,802	2.3%	\$737,699	0.93%
Total Global Equity	No Fee	\$294,136,347	8.5%	--	--
GMO Global	0.65% of Assets	\$168,528,646	4.9%	\$1,095,436	0.65%
BlackRock Global MSCI ACWI Equity Index	No Fee	\$125,607,701	3.6%	--	--
Total Real Estate	No Fee	\$289,726,490	8.4%	--	--
Total Prudential Real Estate	0.81% of Assets	\$81,437,992	2.4%	\$659,648	0.81%
UBS Real Estate	0.96% of Assets	\$175,724,746	5.1%	\$1,686,958	0.96%
Guggenheim	0.60% of Assets	\$22,252,349	0.6%	\$133,514	0.60%
RREEF	0.30% of Assets	\$10,311,403	0.3%	\$30,934	0.30%

Fee Schedule

Account	Fee Schedule	Market Value As of 9/30/2012	% of Portfolio	Estimated Annual Fee (\$)	Estimated Annual Fee (%)
Total U.S. Fixed Income	No Fee	\$771,357,534	22.3%	--	--
Western	0.30% of First \$100.0 Mil, 0.15% Thereafter	\$276,910,225	8.0%	\$565,365	0.20%
BlackRock U.S. Debt Fund	0.06% of First \$100.0 Mil, 0.04% of Next \$400.0 Mil, 0.02% Thereafter	\$133,337,366	3.9%	\$73,335	0.06%
Reams	0.20% of First \$200.0 Mil, 0.15% Thereafter	\$242,021,195	7.0%	\$463,032	0.19%
Loomis Sayles	0.50% of First \$20.0 Mil, 0.40% of Next \$30.0 Mil, 0.30% Thereafter	\$119,088,748	3.4%	\$427,266	0.36%
Total Global Fixed Income	No Fee	\$168,808,139	4.9%	--	--
Loomis Sayles Global Fixed Income	No Fee	\$67,808,139	2.0%	--	--
PIMCO Global Fixed Income	No Fee	\$101,000,000	2.9%	--	--
Total Cash	No Fee	\$41,927,026	1.2%	--	--
Clifton Group	0.15% of First \$25.0 Mil, 0.10% of Next \$75.0 Mil, 0.40% Thereafter	\$41,927,026	1.2%	\$54,427	0.13%
Investment Management Fee		\$3,453,364,498	100.0%	\$7,642,000	0.22%

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. Additionally, the Estimated Annual Fee does not include the Private Equity asset class fees of \$1 million as detailed on page 114.

Market Returns

	Third Quarter	1-Year	Annualized Periods Ending 9/30/12			
			3-Year	5-Year	10-Year	15-Year
Domestic Stock Indices:						
Dow Jones US Total Stock Index	6.2	30.2	13.4	1.5	8.7	5.0
S&P 500 Index	6.4	30.2	13.2	1.1	8.0	4.7
Russell 3000 Index	6.2	30.2	13.3	1.3	8.5	5.0
Russell 1000 Value Index	6.5	30.9	11.8	-0.9	8.2	5.5
Russell 1000 Growth Index	6.1	29.2	14.7	3.2	8.4	3.8
Russell MidCap Value Index	5.8	29.3	13.9	1.7	11.0	8.0
Russell MidCap Growth Index	5.3	26.7	14.7	2.5	11.1	5.8
Russell 2000 Value Index	5.7	32.6	11.7	1.3	9.7	7.1
Russell 2000 Growth Index	4.8	31.2	14.2	3.0	10.5	3.4
Domestic Bond Indices:						
Barclays Capital Aggregate Index	1.6	5.2	6.2	6.5	5.3	6.2
Barclays Capital Govt/Credit Index	1.7	5.7	6.5	6.6	5.4	6.2
Barclays Capital Long Govt/Credit Index	3.1	11.1	12.5	10.9	8.1	8.4
Barclays Capital 1-3 Year Govt/Credit Index	0.5	1.4	2.0	3.3	3.2	4.4
Barclays Capital U.S. MBS Index	1.1	3.7	5.0	6.4	5.2	6.0
Barclays Capital High Yield Index	4.5	19.4	12.9	9.3	11.0	7.0
Barclays Capital Universal Index	2.0	6.4	6.7	6.6	5.7	6.3
Real Estate Indices:						
NCREIF Property Index	2.3	11.0	10.9	2.3	8.4	9.3
NCREIF ODCE Index	2.5	10.5	11.1	-2.0	5.7	7.2
Dow Jones Real Estate Securities Index	-0.4	32.0	20.4	1.4	11.4	8.6
FTSE NAREIT US Real Estate Index	1.0	33.8	20.7	2.3	11.5	8.8
Foreign/Global Stock Indices:						
MSCI All Country World Index	6.8	21.0	7.2	-2.1	8.6	4.1
MSCI All Country World IMI	6.8	21.1	7.6	-1.7	9.0	4.4
MSCI All Country World ex-U.S. Index	7.4	14.5	3.2	-4.1	9.8	4.3
MSCI All Country World ex-U.S. IMI	7.5	14.4	3.5	-3.8	10.2	4.5
MSCI All Country World ex-U.S. Small Cap Index	8.5	13.4	5.9	-2.2	13.2	6.4
MSCI EAFE Index	6.9	13.8	2.1	-5.2	8.2	3.4
MSCI EAFE IMI	7.0	13.6	2.4	-4.9	8.6	3.7
MSCI EAFE Index (in local currency)	4.7	13.5	1.3	-6.2	4.9	1.7
MSCI Emerging Markets IMI	7.8	16.8	5.8	-1.1	17.0	5.9
Foreign Bond Indices:						
Citigroup World Gov't Bond Index	4.0	3.5	4.0	6.6	7.3	6.0
Citigroup Hedged World Gov't Bond Index	1.8	4.9	3.6	4.6	4.3	5.4
Cash Equivalents:						
Treasury Bills (30-Day)	0.0	0.0	0.1	0.4	1.4	2.3
Hewitt EnnisKnupp STIF Index	0.1	0.2	0.3	1.0	2.1	3.0
Inflation Index:						
Consumer Price Index	0.8	2.0	2.3	2.1	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 107 funds compiled by BNY Mellon Performance & Risk Analytics, LLC as of 09/30/2012.

Total U.S. Equity

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

Universe. A universe of 1,222 domestic stock portfolios compiled by eVestment as of 09/30/2012.

BlackRock Extended Equity Index Fund

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

Universe. A universe 107 small-mid cap stock portfolios compiled by eVestment as of 09/30/2012.

Benchmark and Universe Descriptions

Western U.S. Index Plus

Benchmark. The S&P 500 Index.

Universe. A universe of 1,222 domestic stock portfolios compiled by eVestment as of 09/30/2102.

BlackRock Equity Market Fund

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

Universe. A universe of 1,222 domestic stock portfolios compiled by eVestment as of 09/30/2012.

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 135 international stock portfolios compiled by eVestment as of 09/30/2012.

BlackRock ACWI ex U.S.

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

Universe. A universe of 135 international stock portfolios compiled by eVestment as of 09/30/2012.

Sprucegrove

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

Universe. A universe of 135 international stock portfolios compiled by eVestment as of 09/30/2012.

Benchmark and Universe Descriptions

Hexavest

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

Universe. A universe of 135 international stock portfolios compiled by eVestment as of 09/30/2012.

Walter Scott

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

Universe. A universe of 135 international stock portfolios compiled by eVestment as of 09/30/2012.

Total Global Equity

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

Universe. A universe of 240 global stock portfolios compiled by eVestment as of 09/30/2102.

Grantham Mayo Van Otterloo (GMO)

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

Universe. A universe of 240 global stock portfolios compiled by eVestment as of 09/30/2012.

Total Fixed Income

Benchmark. The BlackRock Aggregate Bond Index.

Universe. A universe of 555 fixed income stock portfolios compiled by eVestment as of 09/30/2012.

Benchmark and Universe Descriptions

Western Asset Management

Benchmark. The BlackRock Aggregate Bond Index.

Universe. A universe of 555 fixed income stock portfolios compiled by eVestment as of 09/30/2012.

BlackRock U.S. Debt Index Fund

Benchmark. The BlackRock Aggregate Bond Index.

Universe. A universe of 555 fixed income stock portfolios compiled by eVestment as of 09/30/2012.

Reams

Benchmark. The BlackRock Aggregate Bond Index.

Universe. A universe of 555 fixed income stock portfolios compiled by eVestment as of 09/30/2012.

Loomis Sayles

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

Universe. A universe of 555 fixed income stock portfolios compiled by eVestment as of 09/30/2012.

Total Global Fixed Income

Benchmark. The Barclays Global Aggregate Bond Index.

Universe. A universe of 24 fixed income stock portfolios compiled by eVestment as of 09/30/2012.

Benchmark and Universe Descriptions

Loomis Sayles Global Fixed Income

Benchmark. The Barclays Global Aggregate Bond Index.

Universe. A universe of 24 fixed income stock portfolios compiled by eVestment as of 09/30/2012.

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%

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.