

Performance Analysis Report

for

**Merced County Employees'
Retirement Association**

For the Period Ending December 31, 2012

Milliman, Inc.

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I - Executive Summary and Overview

Quarterly Overview

Market Overview

Domestic Equity Markets

US equities were mixed on concerns about the presidential election and the “fiscal cliff” of automatic spending cuts and tax increases, and their resulting impact on the U.S. economy. For the fourth quarter of 2012, the S&P 500 index returned -0.4% compared to 6.4% in the third quarter 2012. Small cap stocks posted better returns than large cap stocks with the Russell 2000® Index up 1.9% versus 5.3% for the prior quarter.

Five of the S&P 500 sectors had positive returns during the fourth quarter while five had negative returns. The Financials sector had the greatest gain at 5.9%, followed by Industrials 3.7%, Materials 2.7%, Consumer Discretionary 2.1%, and Healthcare 0.1%. The negative sectors were Consumer Staples at -1.7%, followed by Energy -2.7%, Utilities -2.9%, Information Technology -5.7% and Telecommunications Services -6.0%.

In the quarter, value stocks outperformed growth securities in both the large cap and small cap areas of the market. In domestic large capitalization stocks, the Russell 1000® Value Index returned 1.5% compared to the Russell 1000® Growth Index return of -1.3%. In small caps, the Russell 2000® Value Index returned 3.2%, while the Russell 2000® Growth Index returned 0.5%.

International Equity Markets

The international equity markets made substantial gains helped by a more positive outlook for China and by the European Central Bank providing stimulus and guiding recovery efforts in debt challenged countries. The MSCI EAFE Index returned 6.6% during the quarter, while emerging markets were up 5.6%.

Domestic Bond Markets

The Federal Reserve announced its intentions to increase securities purchases (“QE3”) and keep short term interest low until unemployment falls below 6.5%, the first time it has tied rates to an economic milestone. Most fixed income segments rose modestly in the fourth quarter of 2012. The Barclays Capital Aggregate Bond Index returned 0.2% during the quarter.

Longer-duration bonds outperformed short this quarter. The Barclays Long Government/Credit Index returned 0.4% while the shorter Barclays 1-3 Year Government/ Credit Index returned 0.2%. The Barclays Credit Index returned 1.0% compared to -0.1% for the Barclays Treasury Index. The Barclays Mortgage Index returned -0.2%, while high yield securities as measured by the Merrill Lynch High Yield Master II Index returned 3.2%.

Real Estate

The domestic real estate market, as measured by the NCREIF ODCE Property Index, was up 2.4% for the fourth quarter of 2012. The FTSE NAREIT Equity Index, which measures the domestic public REIT market, returned 2.6%. Global real estate securities, as measured by the FTSE EPRA/NAREIT Global Developed Markets Index, returned 6.3%.

Watch List Review

WHV – Small Cap Domestic Equity

There has been concern with WHV's small cap domestic equity portfolio for several quarters. Over the past three, performance has significantly deviated from most of the long-term history. Three-year results trail the Russell 2000 by 2.2% and trail the benchmark by slightly less than 3.0% in the past year. Several meetings and conference calls have been held with the firm. The firm was placed on the watch list on November 8, 2012.

UBS Realty

In the most recent quarter, UBS Realty trailed the performance of its benchmark. Over the past one- and two- year periods, UBS Realty has underperformed the NCREIF ODCE Index but consistently ranks above the median real estate manager over most trailing time periods. Over all longer time periods, UBS Realty outperforms the NCREIF ODCE Index and ranks in the top quartile of defined benefit real estate funds. Since inception, UBS significantly outperforms the ODCE and the real estate median. UBS provided Milliman with an update at a meeting on January 31, 2013.

Historical Watch List Overview

Firm	Date placed on watch	Recommendation
AXA Investment Managers	July 14, 2011	Removed 11/08/12

Delta Asset Management was terminated during the second quarter of 2011. Their assets were moved to the Mellon Large Cap Growth Index temporarily, and then used to fund the Association's new, mid cap passive allocation on July 19, 2011, also managed by Mellon.

GMO was placed on the watch list at the February 25, 2010 Board meeting. Due to improved performance results, the firm was taken off the watch list on May 26, 2011.

Earnest Partners' domestic equity portfolio was placed on the watch list on November 10, 2011. The firm was terminated by the Board at the August 23, 2012 Board meeting. Assets were moved to the Mellon large cap value index on September 6, 2012.

AXA was placed pm watch due to the departure of the firm's three senior and founding partners in June, 2011. The key portfolio managers presented to the Board in Merced on 1/26/12 and an on-site due diligence visit was conducted 2/15/12. The Board decided to retain AXA. Results have slipped a little behind the benchmark in the 4th quarter of 2012, but are above the benchmark during the past year. AXA was removed from the watch list in November, 2012.

Merced County Employees' Retirement Association

Asset Allocation Summary

- The Merced County Employees' Retirement Association had a total market value of \$539,784,582 as of December 31, 2012, which represents an increase of \$16,094,849 from the September 30, 2012 market value of \$523,689,733.
- The overall increase in the Fund's market value was the result of a \$13,725,810 of investment gains in market value minus a \$2,371,640 in net cash outflow. The Treasurer's cash account increased by \$1.7 million and Other Real Estate was revalued at \$430,000.

Fourth quarter, 2012 Performance Summary

Total Plan

- The Retirement Association had a return of 2.7% during the fourth quarter of 2012, and ranked in the 4th percentile of the total public defined benefit universe. The Total fund outperformed the benchmark return of 2.2%.
- Over the past year, the Retirement Association's return of 12.3% underperformed the 13.2% return of the Fund's benchmark and ranked in the 46th percentile in the universe of total public defined benefit funds.
- During the past three years, the Retirement Association has returned 8.8% and ranked in the 35th percentile of the universe. This return was 0.2% below the Fund benchmark. The return over the past four years is also well above median.
- Over the past ten years, the Retirement Association return of 6.6% slightly trailed the benchmark (6.7%), and ranked in the 83rd percentile of all public defined benefit funds.

Total Domestic Equity

- The Retirement Association had a total domestic equity return of 1.3% during the fourth quarter of 2012, and ranked in the 47th percentile of the total domestic equity universe. This return exceeded the 0.2% return of the Russell 3000® and the -0.4% return of the S&P 500.
- Over the past year, the Employees' Retirement Association's domestic equity return of 15.3% underperformed the 16.4% return of the Russell 3000® and the 16.0% return of the S&P 500 and ranked in the 58th percentile in the universe of total funds.
- Over the past ten years, the Employees' Retirement Association domestic equity segment returned 7.8%, slightly better than the 7.7% return of the Russell 3000®, and ranked in the 78th percentile. These results were better than the S&P 500, which returned 7.1% over the ten year period.

Domestic Equity Portfolios

- Mellon Capital's large capitalization growth portfolio had a return of -1.3% in the fourth quarter, matching the return of the Russell 1000 Growth® Index. The portfolio ranked in the 64th percentile of the large cap growth equity manager universe.
- Mellon Capital's large capitalization value portfolio returned 1.5% during the quarter, matching the return of the Russell 1000 Value® Index. Mellon Capital's fourth quarter performance ranked in the 45th percentile in the universe of large cap value equity managers.

- Mellon Capital's mid-capitalization portfolio returned 3.6%, matching the benchmark return and ranked in the 28th percentile of mid-capitalization equity managers.
- WHV's small capitalization core portfolio return of 3.4% outperformed the 1.9% return of the Russell 2000®. The WHV portfolio ranked in the 36th percentile in the universe of small cap equity managers.

International Equity Portfolios

- The GMO portfolio returned 7.0% in the fourth quarter, outperforming the 6.6% return of its benchmark, the MSCI EAFE and ranked in the 36th percentile of core international equity managers.
- The UBS international small cap portfolio returned 8.1% in the fourth quarter, significantly better than the 3.6% return of the MSCI EAFE Small Cap Growth Index, and ranked in the 9th percentile of international small cap equity managers.
- The international portfolio managed by Earnest Partners returned 9.2% in the fourth quarter, outperforming the 6.6% return of the MSCI EAFE benchmark. The fourth quarter performance ranked in the 9th percentile of international equity returns.
- Wells Capital returned 5.3%, marginally below the 5.6% return for the MSCI Emerging Markets Index. Wells Capital ranked in the 75th percentile of Emerging Markets equity portfolios.
- The total international equity segment returned 7.7%, better than the international equity benchmark return of 5.8% and ranked in the 22nd percentile of all international developed portfolios.

Fixed Income Portfolios

- The AXA high yield bond portfolio returned 3.1% in the fourth quarter, slightly underperforming the return of its benchmark, the BofA Merrill Lynch High Yield Master II Index at 3.2%. AXA's return ranked in the 52nd percentile of high yield fixed income managers.
- Barrow Hanley returned 0.3% in the fourth quarter, matching the return of the Barrow Hanley Benchmark which is a blend of the Barclays Aggregate and Barclays US TIPS Index. Barrow Hanley outperformed the Barclays Aggregate return of 0.2% and ranked in the 66th percentile of core fixed income portfolios.
- The total fixed income segment returned 0.8% in the fourth quarter of 2012, and outperformed the Barclays U.S. Aggregate. The total fixed income return ranked in the 18th percentile.

Real Estate Portfolios

- UBS Realty had a fourth quarter return of 2.0%, below the 2.4% return of the UBS Real Estate Benchmark. The UBS real estate fund's performance ranked in the 50th percentile in the universe of DB real estate funds.
- European Investors returned 7.8% in the fourth quarter, outperforming the FTSE EPRA/NAREIT Developed Index return of 5.8%, and ranked in the 34th percentile of global REIT managers.
- The Real Estate composite returned 3.2% and trailed the 3.5% return of the Real Estate Benchmark but ranked in the 10th percentile of all DB real estate portfolios.

Private Equity Portfolios (Gross of Fees)

- Adam Street Partners had a fourth quarter return of -0.7%.
- Invesco Partnership had a fourth quarter return of -6.9%.
- Pantheon Ventures had a fourth quarter return of -1.2%.
- Pantheon Secondary had a fourth quarter return of -2.6%.
- Pantheon Ventures II had a fourth quarter return of -3.3%.
- The total private equity segment return of -3.3%, which underperformed the S&P 500+5% benchmark of 0.8% in the fourth quarter. Please recall that the private equity returns are two quarters lagged versus the benchmark. Performance results for private equity lag the benchmark over all trailing time periods.
- We have added an additional private equity benchmark which is based on a peer group of private equity managers, the Cambridge US Private Equity Index.

II – Asset Allocation and Asset Growth Review

Comments on Asset Allocation

The Merced County Employees' Retirement Association had a total market value of \$539,784,582 as of December 31, 2012, which represents an increase of \$16,094,849 from the September 30, 2012 market value of \$523,689,733.

Net Contributions/Withdrawals

- Net cash flow was negative and totaled approximately \$2.4 million during the fourth quarter. Significant withdrawals were made from Mellon Growth (\$12.5 million), Mellon Value (\$12.5 million), and Barrow Hanley (\$1.1 million). Contributions were made to Mellon Tangent (\$25.0 million). For the private equity managers, net contributions went to Adams Street (\$12 thousand), and Pantheon Ventures II (\$56.5 thousand); net withdrawals were made from Pantheon Secondary (\$200 thousand), Pantheon Ventures (\$94 thousand) and Invesco (\$485 thousand). Net cash outflow to the STIF account was (\$510 thousand).
- The Treasurer's cash account increased by \$1.5 million.

Investment Gains/Losses

- During the fourth quarter of 2012, the Retirement Association experienced an investment gain of \$13.7 million. The Retirement Association's domestic equity managers posted a fourth quarter investment gain of approximately \$2.1 million, the international equity managers gained \$10.2 million, the fixed income managers gained approximately \$1.3 million, the real estate managers had a total gain of \$1.1 million. On a two quarter lag, the private equity managers had a combined investment loss of \$1.0 million. The cash account gained \$1,360.

Current Actual Asset Allocation

- As shown in the *Actual & Target Asset Allocation* table as of December 31, 2012, the Retirement Association had a 29.6% allocation to domestic equity managers, 22.7% to international equity, 3.8% to emerging market equity, 29.5% to fixed income, 7.0% to real estate, 5.0% to private equity and 2.3% to cash equivalents.
- Relative to September 30, 2012, the Retirement Association had lower allocations to fixed income (29.5% vs. 30.2%), domestic equity (29.6% vs. 29.8%), and to private equity (5.0% vs. 5.5%). The Retirement Association had higher allocations to international equity (22.7% vs. 21.5%), emerging market equity (3.8% vs. 3.7%) and cash (2.3% vs. 2.2%). Real estate was unchanged (7.0% vs. 7.0%).

Merced County Employees' Retirement Association

Asset Allocation by Manager

Asset Allocation by Manager

As Of December 31, 2012

	Total Market Value	% of Portfolio	Large Cap	Mid Cap	Small Cap	Intl. Equity	Fixed In.	EM	Real Estate	Priv. Equity	Cash
Domestic Equity											
Large Cap Equity											
Mellon Tangent	\$25,420,261	4.8%	\$25,420,261								
Large Core Capitalization Equity											
Earnest Partners	\$173	0.0%	\$173								
Large Growth Capitalization Equity											
Mellon Large Growth	\$37,618,068	7.0%	\$37,618,068								
Large Value Capitalization Equity											
Mellon Large Value	\$35,610,051	6.7%	\$35,610,051								
Mid Capitalization Equity											
Mellon Mid Cap	\$25,304,340	4.7%		\$25,304,340							
Small Capitalization Equity											
WHV	\$35,672,539	6.7%			\$35,672,539						
International Equity											
GMO	\$47,222,163	8.8%				\$47,222,163					
UBS Intl	\$19,399,087	3.6%				\$19,399,087					
Earnest Partners Intl	\$55,872,725	10.4%				\$55,872,725					
Wells Capital	\$20,648,991	3.9%						\$20,648,991			
Fixed Income											
AXA High Yield	\$30,014,351	5.6%					\$30,014,351				
Barrow Hanley	\$129,402,048	24.2%					\$129,402,048				
Core Portfolio											
Workout Portfolio											
TIPS Portfolio											
Real Estate											
UBS Realty	\$29,179,717	5.5%							\$29,179,717		
European Investors	\$8,266,560	1.5%							\$8,266,560		

Merced County Employees' Retirement Association

Asset Allocation by Manager

	Total Market Value	% of Portfolio	Large Cap	Mid Cap	Small Cap	Intl. Equity	Fixed In.	EM	Real Estate	Priv. Equity	Cash
Other Real Estate	\$430,000	0.1%							\$430,000		
Private Equity											
Adams Street Partners	\$7,406,730	1.4%								\$7,406,730	
Invesco Partnership	\$8,570,593	1.6%								\$8,570,593	
Pantheon Ventures	\$4,133,906	0.8%								\$4,133,906	
Pantheon Secondary	\$6,138,864	1.1%								\$6,138,864	
Pantheon Ventures II	\$819,599	0.2%								\$819,599	
Cash											
STIF	\$8,343,136	1.6%									\$8,343,136
Treasury Cash	\$4,310,679	0.8%									\$4,310,679
Total	\$535,043,903	100.0%	\$98,648,553	\$25,304,340	\$35,672,539	\$122,493,975	\$159,416,399	\$20,648,991	\$37,876,278	\$27,069,692	\$12,653,815
Percent of Total			18.4%	4.7%	6.7%	22.9%	29.8%	3.9%	7.1%	5.1%	2.4%
Difference from Target (%)			-0.6%	0.7%	0.7%	2.9%	-4.2%	-0.1%	-0.9%	0.1%	2.4%
Difference from Target (\$)			-\$3,009,789	\$3,902,584	\$3,569,904	\$15,485,194	-\$22,498,528	-\$752,765	-\$4,927,235	\$317,497	\$12,653,815

The non-managed Treasury Cash and Other Real Estate balances are not included in the Total Fund Market Value of \$535,043,903 for performance measurement and attribution analysis purposes. The Retirement Association's combined market value with the previously mentioned accounts is \$539,784,582 as of 12/31/12.

Merced County Employees' Retirement Association

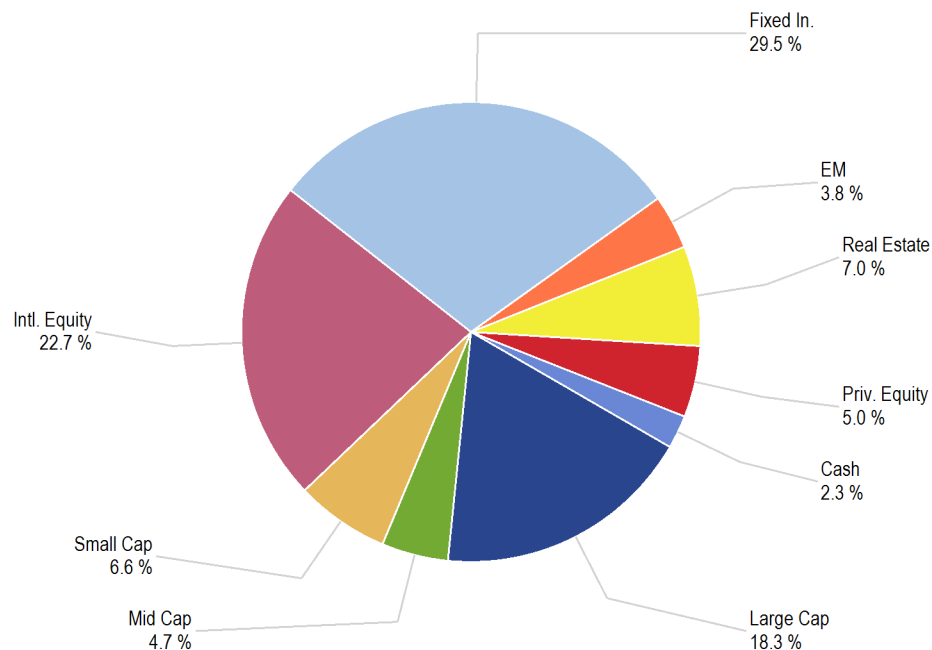
Analysis of Change in Market Value of Assets

	Quarter Ending December 31, 2012					
	Beginning Market Value	Withdrawals	Contributions	Net Cash Flow	Net Investment Change	Ending Market Value
Mellon Tangent	--	\$0	\$25,000,000	\$25,000,000	\$420,261	\$25,420,261
Earnest Partners	\$12,494	-\$12,551	\$229	-\$12,322	\$1	\$173
Mellon Large Growth	\$50,985,704	-\$12,500,000	\$1	-\$12,499,999	-\$867,637	\$37,618,068
Mellon Large Value	\$47,638,820	-\$12,500,000	\$0	-\$12,500,000	\$471,231	\$35,610,051
Mellon Mid Cap	\$24,420,877	\$0	\$0	\$0	\$883,463	\$25,304,340
WHV	\$34,507,186	-\$164	\$5,455	\$5,292	\$1,160,061	\$35,672,539
GMO	\$44,217,277	\$0	\$0	\$0	\$3,004,887	\$47,222,163
UBS Intl	\$17,943,284	\$0	\$0	\$0	\$1,455,803	\$19,399,087
Earnest Partners Intl	\$51,174,470	-\$22,736	\$0	-\$22,736	\$4,720,992	\$55,872,725
Wells Capital	\$19,612,547	\$0	\$0	\$0	\$1,036,444	\$20,648,991
AXA High Yield	\$29,110,233	\$0	\$0	\$0	\$904,118	\$30,014,351
Barrow Hanley	\$130,079,420	-\$1,121,346	\$0	-\$1,121,346	\$443,974	\$129,402,048
Core Portfolio	--	--	--	--	--	--
Workout Portfolio	--	--	--	--	--	--
TIPS Portfolio	--	--	--	--	--	--
UBS Realty	\$28,621,339	-\$281,890	\$281,890	\$0	\$558,379	\$29,179,717
European Investors	\$7,690,177	\$0	\$0	\$0	\$576,384	\$8,266,560
Adams Street Partners	\$7,487,003	-\$207,615	\$220,100	\$12,485	-\$92,758	\$7,406,730
Invesco Partnership	\$9,723,476	-\$485,500	\$0	-\$485,500	-\$667,383	\$8,570,593
Pantheon Ventures	\$4,285,572	-\$150,000	\$56,250	-\$93,750	-\$57,916	\$4,133,906
Pantheon Secondary	\$6,531,949	-\$250,000	\$50,000	-\$200,000	-\$193,085	\$6,138,864
Pantheon Ventures II	\$795,897	\$0	\$56,470	\$56,470	-\$32,768	\$819,599
STIF	\$8,852,010	-\$3,320,703	\$2,810,469	-\$510,234	\$1,360	\$8,343,136
Total	\$523,689,733	-\$30,852,504	\$28,480,864	-\$2,371,640	\$13,725,810	\$535,043,903

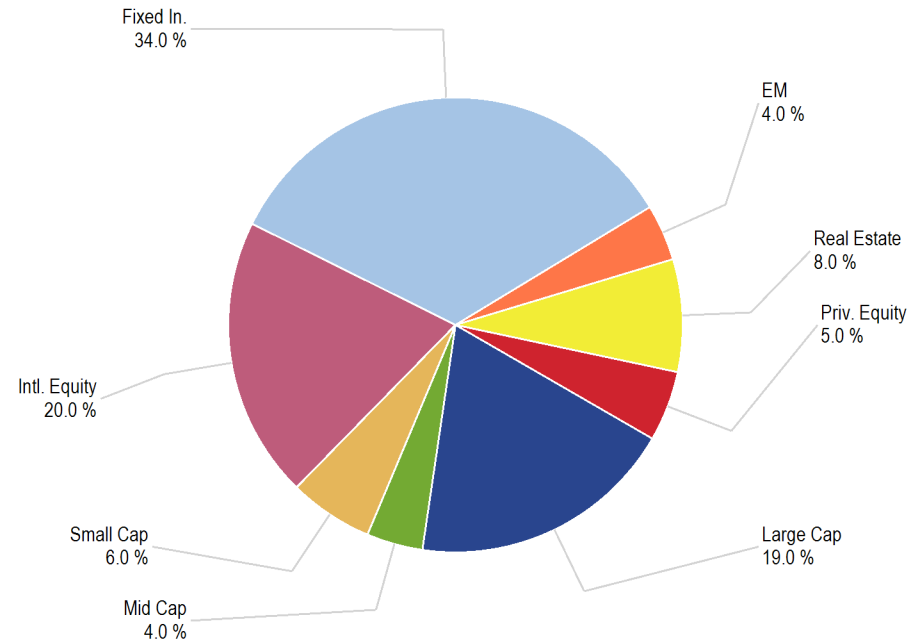
Merced County Employees' Retirement Association

Actual & Target Asset Allocation

Current Allocation



Target Allocation



Allocation vs. Targets and Policy

	Current Balance	Current Allocation	Policy	Difference	Target Ranges	Within IPS Range?
Large Cap	\$98,648,553	18.3%	19.0%	-\$3,910,518	16.0% - 22.0%	Yes
Mid Cap	\$25,304,340	4.7%	4.0%	\$3,712,957	3.0% - 5.0%	Yes
Small Cap	\$35,672,539	6.6%	6.0%	\$3,285,464	5.0% - 7.0%	Yes
Intl. Equity	\$122,493,975	22.7%	20.0%	\$14,537,059	16.0% - 24.0%	Yes
Fixed In.	\$159,416,399	29.5%	34.0%	-\$24,110,358	19.0% - 47.0%	Yes
EM	\$20,648,991	3.8%	4.0%	-\$942,392	3.0% - 5.0%	Yes
Real Estate	\$37,876,278	7.0%	8.0%	-\$5,306,489	6.0% - 10.0%	Yes
Priv. Equity	\$27,069,692	5.0%	5.0%	\$80,463	0.0% - 8.0%	Yes
Cash	\$12,653,815	2.3%	0.0%	\$12,653,815	0.0% - 3.0%	Yes
Total	\$539,784,582	100.0%	100.0%			

III - Performance Review

Comments on Investment Manager Performance

Total Fund Performance

- The Merced County Employees' Retirement Association Total Fund had a return of 2.7% versus 2.2% for the benchmark during the fourth quarter of 2012, and ranked in the 4th percentile of the total fund universe.
- Over the past year, the Association's return of 12.3% underperformed the 13.2% return of the Association's benchmark and ranked in the 46th percentile of total public defined benefit funds.
- Over the past two years the total fund returned 6.5%, trailing the benchmark return of 7.4%. The total fund ranked in the 46th percentile over two years.
- During the past three years, the Total Fund returned 8.8% and ranked in the 35th percentile of the universe. Total Fund rankings are strong over the past quarter through three years, despite slight underperformance versus the benchmark.
- Over the past five years, the Association returned 1.8%, underperforming the 2.7% return of the benchmark, and ranked in the 89th percentile.
- The total fund returned 6.6% over the ten year period, slightly trailing the benchmark of 6.7% and ranked in the 83rd percentile of the total fund universe.
- Since inception the total fund significantly outperforms the benchmark (8.1% versus 5.2%).

Domestic Equity Portfolio Performance

Earnest Partners and Mellon Tangent

- The Earnest Partners domestic equity portfolio was terminated in the third quarter of 2012. Mellon Tangent-Add Strategy was funded in the fourth quarter of 2012. The strategy will have a full quarter of performance in the first quarter of 2013.

Mellon Capital

- The Mellon Large Capitalization Growth portfolio returned -1.3% in the fourth quarter, matching the return of the Russell 1000® Growth Index. Mellon's fourth quarter performance ranked in the 64th percentile in the universe of large cap growth equity managers. Performance over seven years at 5.2% matches the benchmark.
- The Mellon Large Capitalization Value portfolio returned 1.5% in the fourth quarter, matching the return of the Russell 1000® Value Index. Mellon's fourth quarter performance ranked in the 45th percentile of large cap value equity managers. Seven-year performance at 3.4% slightly exceeds the benchmark.
- The Mellon Mid Cap portfolio returned 3.6% for the fourth quarter, matching the return of the Russell MidCap® Index. Mellon's fourth quarter performance ranked in the 28th percentile of mid cap equity managers.

WHV Investment Management

- WHV's small cap portfolio returned 3.4% in the fourth quarter, outperforming the 1.9% return of the Russell 2000® and ranked in the 36th percentile of equity managers.
- Over one year, WHV returned 13.5%, significantly trailing the benchmark return of 16.3%, and ranked in the 73rd percentile in the universe of small cap equity managers. WHV has outperformed its benchmark over the four, seven and ten year periods. The ten year return of 13.1% ranks in the 16th percentile of small cap equity managers and significantly outperformed the benchmark return of 9.7%.
- Since inception, the portfolio is significantly above the benchmark (12.1% versus 7.3%, respectively).

International Equity and Emerging Market Portfolio Performance

GMO

- The GMO international equity portfolio returned 7.0% in the fourth quarter, which outperformed the 6.6% return of the MSCI EAFE Index and ranked in the 36th percentile of international equity managers.
- Over the past year GMO returned 17.9% and matched the benchmark, while ranking in the 82nd percentile of international equity managers. Two year results are above the benchmark (3.6% vs. 2.0%). Three and five year results are also above the benchmark.

UBS

- The UBS international small cap growth portfolio returned 8.1% in the fourth quarter, outperforming the 3.6% return of the MSCI EAFE Small Cap Growth Index and ranked in the 9th percentile of international small cap equity managers.
- Over the past year UBS returned 25.5%, exceeding the 18.7% return of the MSCI EAFE Small Cap Growth Index, and ranked in the 24th percentile of small cap international equity managers. Three-year results are above the benchmark (10.6% vs. 8.4%) and ranks in the 36th percentile. Five year results exceed the index (0.6% versus -0.9%, respectively) and the portfolio is better than the index since inception (0.4% versus -1.7% respectively).

Earnest Partners International

- The Earnest international equity portfolio had a fourth quarter return of 9.2% versus 6.6% for the MSCI EAFE. The fourth quarter return ranked in the 9th percentile of international equity managers.
- Over the past year, Earnest returned 17.8%, slightly below the 17.9% of the MSCI EAFE Index, and ranked in the 83rd percentile of international equity managers.
- Two, three, and four year results are substantially above the benchmark.

Wells Capital

- The emerging markets portfolio managed by Wells Capital returned 5.3% in the fourth quarter, below the MSCI Emerging Markets Index return of 5.6%.

Fixed Income Portfolio Performance

AXA

- The AXA high yield portfolio returned 3.1% in the fourth quarter of 2012, slightly underperforming the BofA Merrill Lynch High Yield Master II Index return of 3.2% and ranked in the 52nd percentile of high yield bond managers. The portfolio outperforms its benchmark over the last year (16.1% vs. 15.6%, respectively) and has a strong ranking.
- Over the two year period the portfolio returned 10.9% versus 9.8% for the benchmark and ranks in the 19th percentile of high yield managers.

Barrow Hanley

- The Barrow Hanley portfolio returned 0.3% in the fourth quarter of 2012, above the 0.2% return of the Barclays U.S. Aggregate, and ranked in the 66th percentile. Results over the past year are above the Aggregate benchmark (5.9% versus 4.7%, respectively) and rank in the 51st percentile.
- Over the two year period Barrow Hanley returned 7.1% versus 6.7% for the Barclays U.S. Aggregate Bond Index and ranked in the 39th percentile.

Real Estate Portfolio Performance

UBS Realty

- UBS Realty had a 2.0% return in the fourth quarter, underperforming the 2.4% return of the UBS Real Estate benchmark and ranked in the 50th percentile in the universe of defined benefit real estate managers.
- Over the past year, UBS returned 10.1%, underperforming the 10.9% return for the UBS real estate benchmark and ranked in the 46th percentile in the universe of real estate managers. As explained by UBS, the underperformance is due to their lower debt usage. During the past ten years UBS returned 7.8%, underperforming the benchmark return of 8.9% and ranked in the 15th percentile.
- Over the three year period UBS outperformed the NCREIF ODCE Property Index. This index is the most appropriate comparison benchmark.

European Investors

- European Investors had a return of 7.8% for the fourth quarter, outperforming the 5.8% return of its benchmark, the FTSE/EPRA NAREIT Developed Real Estate Index.
- Over the past year, European Investors returned 30.4%, also outperforming the index return of 28.7% and ranked in the 47th percentile of global real estate funds. Three and four year results are above the benchmark. Over the four year period, European Investors ranks in the 13th percentile of global real estate funds.

Private Equity Portfolio Performance

Adams Street Partners

- Adams Street returned -0.7% in the fourth quarter.
- Over the past year, Adams Street has returned 5.6% and 8.6% over seven years.

Invesco Partnership

- The Invesco Partnership posted a -6.9% return in the fourth quarter.
- Over the past year, Invesco has returned -3.6%; 9.2% over five years and 10.8% over seven years.

Pantheon Ventures

- Pantheon Ventures posted a -1.2% return in the fourth quarter.
- Over the past year, Pantheon returned -2.6%. The five year return is 4.5%, and seven years is 3.3%.

Pantheon Secondary

- Pantheon Secondary returned -2.6% in the fourth quarter.
- Over the past year, Pantheon Secondary returned -6.3%. The five year return is 2.9%.

Pantheon Ventures II

- Pantheon Ventures II had a -3.3% return in the fourth quarter. Over the past year Pantheon II has returned -0.5%.

Investment Management Fee Summary

- In the fourth quarter of 2012, investment management fees reduced performance in Mellon Capital's Large Growth was lowered by 1 basis point, Large Value by 4 basis points and Mid Cap by 1 basis point; WHV's gross performance was lowered by approximately 20 basis points, UBS's international equity gross performance was lowered by approximately 25 basis points, Earnest Partners' International Equity portfolio was lowered by 19 basis points, Wells Capital was lowered by 26 basis points and GMO's gross performance was lowered by approximately 17 basis points. European Investors' gross performance was lowered by approximately 27 basis points and UBS Realty was lowered by approximately 22 basis points. AXA was lowered by 10 basis points and Barrow Hanley was lowered by 6 basis points.

Merced County Employees' Retirement Association

Cumulative Performance Results by Manager - Before Fees

	Ending December 31, 2012																		Inception	
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Total Fund	2.7%	4	7.6%	10	12.3%	46	6.5%	46	8.8%	35	11.7%	39	1.8%	89	4.2%	90	6.6%	82	8.1%	Jan-95
<i>Fund Benchmark</i>	2.2%	18	7.0%	28	13.2%	20	7.4%	13	9.0%	27	11.8%	35	2.7%	75	4.7%	81	6.7%	80	5.2%	Jan-95
<i>IF Public DB Gross Median</i>	1.7%		6.4%		11.9%		6.3%		8.4%		11.2%		3.5%		5.3%		7.4%		8.3%	Jan-95
Domestic Equity	1.3%	47	6.6%	56	15.3%	58	6.0%	71	10.0%	74	15.6%	59	1.3%	78	4.0%	80	7.8%	78	8.4%	Jan-95
<i>Russell 3000</i>	0.2%	63	6.5%	57	16.4%	45	8.4%	41	11.2%	58	15.3%	64	2.0%	68	4.3%	73	7.7%	81	8.6%	Jan-95
<i>S&P 500</i>	-0.4%	74	6.0%	65	16.0%	50	8.8%	36	10.9%	63	14.6%	73	1.7%	74	4.1%	78	7.1%	90	8.5%	Jan-95
<i>eA All US Equity Gross Median</i>	1.1%		7.0%		16.0%		7.7%		11.7%		16.6%		3.2%		5.4%		9.6%		10.4%	Jan-95
Mellon Tangent	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	Oct-12
<i>S&P 500</i>	-0.4%	--	6.0%	--	16.0%	--	8.8%	--	10.9%	--	14.6%	--	1.7%	--	4.1%	--	7.1%	--	-0.4%	Oct-12
Large Growth Capitalization Equity																				
Mellon Large Growth	-1.3%	64	4.7%	62	15.4%	53	8.8%	33	11.4%	35	17.4%	30	3.2%	35	5.2%	49	--	--	7.9%	Mar-03
<i>Russell 1000 Growth</i>	-1.3%	64	4.7%	63	15.3%	55	8.8%	34	11.4%	36	17.3%	31	3.1%	37	5.2%	51	7.5%	65	7.8%	Mar-03
<i>eA US Large Cap Growth Equity Gross Median</i>	-0.9%		5.4%		15.7%		7.3%		10.5%		16.3%		2.6%		5.2%		8.1%		8.5%	Mar-03
Large Value Capitalization Equity																				
Mellon Large Value	1.5%	45	8.1%	42	17.6%	30	8.7%	40	10.9%	40	13.1%	65	0.7%	74	3.4%	76	--	--	8.2%	Mar-03
<i>Russell 1000 Value</i>	1.5%	45	8.1%	43	17.5%	30	8.6%	43	10.9%	41	13.0%	68	0.6%	74	3.3%	76	7.4%	76	8.1%	Mar-03
<i>eA US Large Cap Value Equity Gross Median</i>	1.3%		7.6%		15.7%		8.3%		10.4%		13.8%		1.6%		4.5%		8.2%		9.0%	Mar-03
Mid Capitalization Equity																				
Mellon Mid Cap	3.6%	28	9.3%	29	18.0%	31	--	--	--	--	--	--	--	--	--	--	--	--	25.9%	Oct-11
<i>S&P 400 MidCap</i>	3.6%	28	9.2%	30	17.9%	31	7.6%	42	13.6%	33	19.1%	38	5.1%	29	6.3%	49	10.5%	58	25.8%	Oct-11
<i>eA US Mid Cap Equity Gross Median</i>	2.4%		7.4%		16.1%		7.2%		12.8%		18.4%		4.0%		6.2%		10.9%		23.5%	Oct-11
Small Capitalization Equity																				
WHV	3.4%	36	8.3%	46	13.5%	73	3.0%	86	10.0%	88	19.5%	39	3.2%	73	6.1%	51	13.1%	16	12.1%	Apr-97
<i>Russell 2000</i>	1.9%	58	7.2%	61	16.3%	49	5.6%	68	12.2%	69	15.8%	79	3.6%	69	4.8%	73	9.7%	82	7.3%	Apr-97
<i>eA US Small Cap Equity Gross Median</i>	2.5%		7.9%		16.2%		7.0%		13.5%		18.5%		4.9%		6.2%		11.2%		10.3%	Apr-97
International Equity	7.7%	22	16.3%	23	18.1%	70	3.0%	54	7.1%	39	13.5%	41	-0.6%	35	4.6%	33	9.4%	64	5.4%	Jan-99
<i>Intl. Equity Benchmark</i>	5.8%	69	14.0%	59	15.8%	88	1.1%	80	3.4%	89	10.0%	84	-3.6%	84	2.4%	82	8.5%	80	3.6%	Jan-99
<i>MSCI EAFE Gross</i>	6.6%	44	14.0%	56	17.9%	72	2.0%	70	4.0%	80	10.5%	76	-3.2%	77	2.7%	77	8.7%	77	3.8%	Jan-99
<i>eA All EAFE Equity Gross Median</i>	6.4%		14.4%		20.4%		3.2%		6.1%		12.4%		-1.8%		3.8%		10.0%		6.6%	Jan-99

Merced County Employees' Retirement Association

Cumulative Performance Results by Manager - Before Fees

	Ending December 31, 2012																		Inception	
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
GMO	7.0%	36	13.8%	69	17.9%	82	3.6%	41	6.2%	50	9.6%	94	-2.0%	53	--	--	--	--	-2.0%	Oct-07
MSCI EAFE Gross	6.6%	46	14.0%	62	17.9%	82	2.0%	81	4.0%	87	10.5%	79	-3.2%	76	2.7%	84	8.7%	78	-3.4%	Oct-07
eA EAFE Core Equity Gross Median	6.4%		14.8%		21.0%		3.3%		6.2%		13.0%		-1.8%		3.9%		9.6%		-2.4%	Oct-07
UBS Intl	8.1%	9	20.1%	2	25.5%	24	1.5%	81	10.6%	36	21.3%	17	0.6%	34	--	--	--	--	0.4%	Oct-07
MSCI EAFE Small Cap Growth	3.6%	99	12.4%	90	18.7%	91	0.9%	83	8.4%	75	16.4%	69	-0.9%	74	3.2%	79	11.5%	89	-1.7%	Oct-07
S&P Dev ex-US SCG	3.8%	99	13.2%	85	17.8%	92	0.6%	85	7.3%	81	16.3%	69	-1.4%	81	--	--	--	--	-2.1%	Oct-07
MSCI EAFE Small Cap Gross	6.0%	50	14.5%	71	20.4%	83	0.8%	84	7.5%	78	16.3%	69	-0.5%	59	2.5%	91	12.3%	75	-1.4%	Oct-07
eA EAFE Small Cap Equity Gross Median	6.0%		16.0%		23.6%		3.3%		9.9%		17.6%		-0.1%		4.8%		13.6%		-1.2%	Oct-07
Earnest Partners Intl	9.2%	9	18.4%	8	17.8%	83	3.7%	40	7.9%	34	18.2%	11	--	--	--	--	--	--	3.6%	Jul-08
MSCI EAFE Gross	6.6%	46	14.0%	62	17.9%	82	2.0%	81	4.0%	87	10.5%	79	-3.2%	76	2.7%	84	8.7%	78	-1.1%	Jul-08
eA EAFE Core Equity Gross Median	6.4%		14.8%		21.0%		3.3%		6.2%		13.0%		-1.8%		3.9%		9.6%		0.2%	Jul-08
Wells Capital	5.3%	75	12.8%	82	--	--	--	--	--	--	--	--	--	--	--	--	--	--	3.2%	Apr-12
MSCI Emerging Markets	5.6%	70	13.8%	65	18.2%	68	-1.8%	62	4.7%	62	19.6%	70	-0.9%	64	8.4%	64	16.5%	80	3.6%	Apr-12
MSCI Emerging Markets Gross	5.6%	70	13.9%	63	18.6%	68	-1.5%	58	5.0%	60	20.0%	66	-0.6%	56	8.7%	61	16.9%	75	3.9%	Apr-12
eA Emg Mkts Equity Gross Median	6.5%		14.6%		20.9%		-0.5%		6.3%		21.1%		-0.1%		9.5%		18.1%		5.0%	Apr-12
Fixed Income	0.8%	18	3.6%	15	7.7%	14	7.8%	16	7.7%	26	8.0%	41	4.5%	98	4.7%	99	4.5%	99	6.3%	Jan-95
Barclays Aggregate	0.2%	82	1.8%	87	4.2%	90	6.0%	84	6.2%	84	6.1%	84	5.9%	85	5.9%	84	5.2%	88	6.7%	Jan-95
eA US Core Fixed Inc Gross Median	0.5%		2.7%		5.9%		6.9%		7.1%		7.6%		6.8%		6.4%		5.7%		7.1%	Jan-95
AXA High Yield	3.1%	49	7.9%	43	16.1%	36	10.9%	19	--	--	--	--	--	--	--	--	--	--	11.8%	Apr-10
BofA Merrill Lynch US High Yield Master II TR	3.2%	46	7.9%	42	15.6%	47	9.8%	65	11.6%	59	21.6%	21	10.0%	38	9.1%	47	10.4%	38	10.8%	Apr-10
eA US High Yield Fixed Inc Gross Median	3.1%		7.7%		15.5%		10.1%		11.7%		19.3%		9.7%		9.0%		10.0%		11.1%	Apr-10
Barrow Hanley	0.3%	66	2.6%	55	5.9%	51	7.1%	39	--	--	--	--	--	--	--	--	--	--	6.9%	Apr-10
Barrow Hanley Benchmark*	0.3%	74	2.0%	80	4.7%	81	6.7%	57	--	--	--	--	--	--	--	--	--	--	6.7%	Apr-10
Barclays Aggregate	0.2%	82	1.8%	87	4.2%	90	6.0%	84	6.2%	84	6.1%	84	5.9%	85	5.9%	84	5.2%	88	6.1%	Apr-10
eA US Core Fixed Inc Gross Median	0.5%		2.7%		5.9%		6.9%		7.1%		7.6%		6.8%		6.4%		5.7%		6.9%	Apr-10
Core Portfolio	0.3%	--	2.4%	--	5.5%	--	6.5%	--	--	--	--	--	--	--	--	--	--	--	--	
Workout Portfolio	3.2%	--	13.6%	--	25.0%	--	10.7%	--	--	--	--	--	--	--	--	--	--	--	--	
TIPS Portfolio	0.7%	39	2.8%	46	6.9%	30	10.0%	30	--	--	--	--	--	--	--	--	--	--	--	
Barclays US TIPS	0.7%	41	2.8%	36	7.0%	23	10.2%	16	8.9%	22	9.5%	20	7.0%	33	6.7%	24	6.7%	18	--	
Inflation-Protected Bond MStar MF Median	0.6%		2.7%		6.7%		9.8%		8.6%		9.0%		6.7%		6.4%		6.4%		--	

Merced County Employees' Retirement Association

Cumulative Performance Results by Manager - Before Fees

	Ending December 31, 2012																		Inception	
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Real Estate	3.2%	10	6.2%	15	14.1%	16	11.6%	66	13.5%	50	5.8%	12	1.6%	9	5.3%	9	8.1%	14	8.7%	Apr-99
Real Estate Benchmark	3.2%	10	6.8%	12	15.3%	16	12.1%	60	12.1%	72	4.1%	13	1.9%	8	5.8%	4	8.3%	13	8.2%	Apr-99
IF All DB Real Estate Gross Median	2.0%		4.7%		10.7%		13.1%		13.4%		0.9%		-1.2%		2.8%		6.1%		6.6%	Apr-99
UBS Realty	2.0%	50	4.5%	55	10.1%	56	11.6%	66	13.3%	53	3.1%	14	0.9%	18	4.8%	14	7.8%	15	8.4%	Apr-99
UBS Real Estate Benchmark	2.4%	36	5.2%	34	10.9%	46	13.1%	51	14.2%	43	5.5%	12	3.0%	5	6.6%	3	8.9%	12	8.7%	Apr-99
NCREIF (ODCE) Index	2.4%	36	5.2%	34	10.9%	46	13.4%	41	14.4%	38	1.3%	45	-1.1%	42	3.6%	32	6.7%	28	7.4%	Apr-99
NCREIF Property Index	2.5%	24	4.9%	42	10.5%	51	12.4%	58	12.6%	63	4.4%	12	2.1%	6	6.0%	3	8.4%	12	8.7%	Apr-99
IF All DB Real Estate Gross Median	2.0%		4.7%		10.7%		13.1%		13.4%		0.9%		-1.2%		2.8%		6.1%		6.6%	Apr-99
European Investors	7.8%	34	12.4%	60	30.4%	47	11.4%	10	13.8%	13	20.9%	13	--	--	--	--	--	--	4.5%	Apr-08
European Investors Benchmark	5.8%	79	11.6%	72	28.7%	64	10.1%	27	13.4%	18	18.5%	46	0.6%	58	--	--	--	--	1.9%	Apr-08
Global Real Estate MStar MF Median	7.1%		13.2%		30.2%		9.3%		12.0%		18.3%		1.1%		4.4%		11.1%		2.3%	Apr-08
Private Equity	-3.3%	--	1.1%	--	-1.7%	--	13.2%	--	13.2%	--	4.3%	--	5.9%	--	7.7%	--	--	--	7.0%	Jul-05
SP500 Plus 5%	0.8%	--	8.5%	--	21.7%	--	14.2%	--	16.4%	--	20.2%	--	6.7%	--	9.3%	--	12.4%	--	9.8%	Jul-05
Cambridge U.S Private Equity Index	3.6%	--	3.5%	--	14.9%	--	14.2%	--	15.5%	--	8.7%	--	5.8%	--	11.5%	--	14.7%	--	13.0%	Jul-05
Adams Street Partners	-0.7%	--	4.6%	--	5.6%	--	16.8%	--	14.9%	--	6.2%	--	5.4%	--	8.6%	--	--	--	8.4%	Oct-05
Invesco Partnership	-6.9%	--	-2.3%	--	-3.6%	--	16.4%	--	17.2%	--	7.4%	--	9.2%	--	10.8%	--	--	--	9.2%	Jul-05
Pantheon Ventures	-1.2%	--	6.4%	--	-2.6%	--	10.4%	--	12.5%	--	3.6%	--	4.5%	--	3.3%	--	--	--	3.3%	Jan-06
Pantheon Secondary	-2.6%	--	-1.6%	--	-6.3%	--	7.2%	--	7.0%	--	-0.6%	--	2.9%	--	--	--	--	--	7.4%	Jul-07
Pantheon Ventures II	-3.3%	--	4.5%	--	-0.5%	--	--	--	--	--	--	--	--	--	--	--	--	--	-0.5%	Jan-12

1 Prior to 4th quarter of 2001, the UBS real estate benchmark was 100% Wilshire Real Estate Funds. In subsequent periods, the benchmark is 100% NCREIF Property Index. As of the 1st quarter 2010, the benchmark is 100% NCREIF ODCE Property Index.

2 Prior to 1st quarter 2010, the European Investors benchmark was 100% FTSE EPRA/NAREIT Global RE Index. As of the 1st quarter 2010, the benchmark is 100% FTSE EPRA/NAREIT Developed Index.

3 Prior to 1st quarter of 2002, the Real Estate Composite benchmark was 100% Wilshire Real Estate Funds. In subsequent periods, the benchmark is 100% NCREIF Property Index. As of the 1st quarter 2010, the benchmark is 75% NCREIF ODCE Property Index and 25% FTSE EPRA/NAREIT Developed Index.

4 The Barrow Hanley Benchmark is 82.8% Barclays US Aggregate and 17.2% Barclays US TIPS.

As of 4/01/12, the Total Fund benchmark is 19% S&P 500, 4% S&P 400, 6% Russell 2000®, 20% EAFE, 4% MSCI Emerging Markets, 24% Barclays Aggregate, 5% ML High Yield Master II, 5% Barclays U.S. TIPS, 6% NCREIF ODCE Property Index, 2% FTSE EPRA/NAREIT Developed Index and 5% S&P 500 + 5.0% (private equity)

Merced County Employees' Retirement Association

Calendar Year Performance Results by Manager - Before Fees

	YTD	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank	2004	Rank	2003	Rank
Total Fund	12.3%	46	12.3%	46	0.9%	47	13.7%	32	20.7%	36	-29.7%	92	7.9%	68	13.2%	33	7.8%	36	10.0%	55	19.9%	40
<i>Fund Benchmark</i>	13.2%	20	13.2%	20	1.9%	23	12.4%	62	20.6%	37	-26.8%	72	6.5%	94	13.2%	33	5.7%	54	9.7%	56	19.9%	40
<i>IF Public DB Gross Median</i>	11.9%		11.9%		0.8%		13.0%		17.9%		-21.6%		8.4%		11.6%		6.2%		10.2%		18.0%	
Domestic Equity	15.3%	58	15.3%	58	-2.5%	66	18.5%	55	34.1%	39	-40.2%	72	7.1%	49	14.9%	53	8.5%	51	11.0%	75	34.0%	51
<i>Russell 3000</i>	16.4%	45	16.4%	45	1.0%	39	16.9%	61	28.3%	60	-37.3%	54	5.1%	60	15.7%	45	6.1%	71	11.9%	68	31.0%	63
<i>S&P 500</i>	16.0%	50	16.0%	50	2.1%	30	15.1%	73	26.5%	67	-37.0%	51	5.5%	59	15.8%	44	4.9%	81	10.9%	76	28.7%	75
<i>eA All US Equity Gross Median</i>	16.0%		16.0%		-0.4%		19.6%		30.9%		-36.9%		6.8%		15.1%		8.5%		15.0%		34.0%	
<i>Mellon Tangent</i>	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>S&P 500</i>	16.0%	--	16.0%	--	2.1%	--	15.1%	--	26.5%	--	-37.0%	--	5.5%	--	15.8%	--	4.9%	--	10.9%	--	28.7%	--
Large Growth Capitalization Equity																						
<i>Mellon Large Growth</i>	15.4%	53	15.4%	53	2.7%	22	16.7%	45	37.2%	34	-38.4%	51	11.8%	64	9.2%	51	5.3%	69	6.4%	78	--	--
<i>Russell 1000 Growth</i>	15.3%	55	15.3%	55	2.6%	22	16.7%	46	37.2%	33	-38.4%	51	11.8%	63	9.1%	53	5.3%	69	6.3%	78	29.8%	48
<i>eA US Large Cap Growth Equity Gross Median</i>	15.7%		15.7%		-0.3%		16.1%		34.0%		-38.4%		13.8%		9.2%		7.4%		9.7%		29.2%	
Large Value Capitalization Equity																						
<i>Mellon Large Value</i>	17.6%	30	17.6%	30	0.4%	51	15.5%	35	19.9%	75	-36.8%	67	-0.1%	80	22.2%	17	7.2%	58	16.5%	34	--	--
<i>Russell 1000 Value</i>	17.5%	30	17.5%	30	0.4%	51	15.5%	35	19.7%	75	-36.8%	68	-0.2%	80	22.2%	17	7.0%	60	16.5%	34	30.0%	53
<i>eA US Large Cap Value Equity Gross Median</i>	15.7%		15.7%		0.5%		14.3%		24.3%		-35.1%		4.2%		19.0%		7.9%		15.1%		30.5%	
Mid Capitalization Equity																						
<i>Mellon Mid Cap</i>	18.0%	31	18.0%	31	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
<i>S&P 400 MidCap</i>	17.9%	31	17.9%	31	-1.7%	52	26.6%	33	37.4%	53	-36.2%	30	8.0%	59	10.3%	72	12.5%	47	16.5%	63	35.6%	60
<i>eA US Mid Cap Equity Gross Median</i>	16.1%		16.1%		-1.4%		24.5%		37.9%		-40.1%		9.7%		13.7%		12.1%		18.3%		37.3%	
Small Capitalization Equity																						
<i>WHV</i>	13.5%	73	13.5%	73	-6.5%	80	25.3%	68	53.4%	10	-42.5%	81	11.1%	23	16.5%	46	23.3%	2	24.1%	25	47.7%	43
<i>Russell 2000</i>	16.3%	49	16.3%	49	-4.2%	67	26.9%	58	27.2%	71	-33.8%	36	-1.6%	67	18.4%	33	4.6%	81	18.3%	58	47.3%	44
<i>eA US Small Cap Equity Gross Median</i>	16.2%		16.2%		-2.2%		27.5%		33.5%		-36.0%		2.1%		15.8%		8.1%		19.8%		45.8%	
International Equity	18.1%	70	18.1%	70	-10.1%	30	15.8%	27	35.0%	57	-41.4%	30	12.0%	57	26.3%	62	11.6%	93	21.5%	46	31.4%	92
<i>Intl. Equity Benchmark</i>	15.8%	88	15.8%	88	-11.7%	47	8.2%	78	32.5%	67	-43.1%	41	11.6%	59	26.9%	55	14.0%	79	20.7%	52	39.2%	55
<i>MSCI EAFE Gross</i>	17.9%	72	17.9%	72	-11.7%	47	8.2%	78	32.5%	67	-43.1%	41	11.6%	59	26.9%	55	14.0%	79	20.7%	52	39.2%	55
<i>eA All EAFE Equity Gross Median</i>	20.4%		20.4%		-12.0%		11.7%		36.5%		-44.1%		13.2%		27.3%		17.5%		21.0%		39.9%	

Merced County Employees' Retirement Association

Calendar Year Performance Results by Manager - Before Fees

	YTD	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank	2004	Rank	2003	Rank
GMO	17.9%	82	17.9%	82	-8.9%	18	11.5%	55	20.5%	99	-37.5%	6	--	--	--	--	--	--	--	--	--	--
MSCI EAFE Gross	17.9%	82	17.9%	82	-11.7%	47	8.2%	85	32.5%	65	-43.1%	41	11.6%	59	26.9%	64	14.0%	85	20.7%	58	39.2%	55
eA EAFE Core Equity Gross Median	21.0%		21.0%		-11.9%		11.8%		35.4%		-44.1%		12.8%		28.4%		17.9%		21.5%		39.8%	
UBS Intl	25.5%	24	25.5%	24	-17.9%	94	31.3%	9	59.9%	18	-52.3%	87	--	--	--	--	--	--	--	--	--	--
MSCI EAFE Small Cap Growth	18.7%	91	18.7%	91	-14.2%	61	25.3%	42	44.1%	58	-48.0%	51	4.7%	79	24.3%	84	22.6%	64	26.8%	69	54.1%	61
S&P Dev ex-US SCG	17.8%	92	17.8%	92	-14.2%	60	22.0%	76	48.2%	49	-49.0%	62	--	--	--	--	--	--	--	--	--	--
MSCI EAFE Small Cap Gross	20.4%	83	20.4%	83	-15.7%	77	22.4%	73	47.3%	53	-46.8%	43	1.8%	86	19.7%	95	26.6%	46	31.3%	42	62.1%	24
eA EAFE Small Cap Equity Gross Median	23.6%		23.6%		-13.5%		24.6%		48.1%		-48.0%		10.2%		30.5%		26.0%		29.8%		55.6%	
Earnest Partners Intl	17.8%	83	17.8%	83	-8.7%	13	16.6%	25	55.4%	4	--	--	--	--	--	--	--	--	--	--	--	--
MSCI EAFE Gross	17.9%	82	17.9%	82	-11.7%	47	8.2%	85	32.5%	65	-43.1%	41	11.6%	59	26.9%	64	14.0%	85	20.7%	58	39.2%	55
eA EAFE Core Equity Gross Median	21.0%		21.0%		-11.9%		11.8%		35.4%		-44.1%		12.8%		28.4%		17.9%		21.5%		39.8%	
Wells Capital	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
MSCI Emerging Markets	18.2%	68	18.2%	68	-18.4%	48	18.9%	64	78.5%	57	-53.3%	42	39.4%	60	32.2%	70	34.0%	70	25.6%	59	55.8%	76
MSCI Emerging Markets Gross	18.6%	68	18.6%	68	-18.2%	45	19.2%	62	79.0%	54	-53.2%	37	39.8%	58	32.6%	62	34.5%	66	26.0%	56	56.3%	72
eA Emg Mkts Equity Gross Median	20.9%		20.9%		-18.6%		20.1%		79.5%		-54.0%		40.5%		34.2%		36.5%		26.5%		59.2%	
Fixed Income	7.7%	14	7.7%	14	7.9%	42	7.5%	44	9.1%	49	-8.3%	96	5.7%	84	4.7%	30	2.6%	58	4.8%	24	4.7%	42
Barclays Aggregate	4.2%	90	4.2%	90	7.8%	46	6.5%	76	5.9%	80	5.2%	37	7.0%	47	4.3%	69	2.4%	78	4.3%	60	4.1%	66
eA US Core Fixed Inc Gross Median	5.9%		5.9%		7.7%		7.3%		8.9%		4.1%		6.9%		4.5%		2.7%		4.5%		4.5%	
AXA High Yield	16.1%	36	16.1%	36	6.0%	30	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
BofA Merrill Lynch US High Yield Master II TR	15.6%	47	15.6%	47	4.4%	60	15.2%	42	57.5%	16	-26.4%	82	2.2%	82	11.7%	30	2.7%	81	10.9%	55	28.1%	24
eA US High Yield Fixed Inc Gross Median	15.5%		15.5%		4.9%		14.9%		45.0%		-21.2%		3.5%		10.5%		3.7%		11.2%		24.2%	
Barrow Hanley	5.9%	51	5.9%	51	8.3%	24	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Barrow Hanley Benchmark*	4.7%	81	4.7%	81	8.8%	13	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Barclays Aggregate	4.2%	90	4.2%	90	7.8%	46	6.5%	76	5.9%	80	5.2%	37	7.0%	47	4.3%	69	2.4%	78	4.3%	60	4.1%	66
eA US Core Fixed Inc Gross Median	5.9%		5.9%		7.7%		7.3%		8.9%		4.1%		6.9%		4.5%		2.7%		4.5%		4.5%	
Core Portfolio	5.5%	--	5.5%	--	7.6%	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Workout Portfolio	25.0%	--	25.0%	--	-2.0%	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Merced County Employees' Retirement Association

Calendar Year Performance Results by Manager - Before Fees

	YTD	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank	2004	Rank	2003	Rank
TIPS Portfolio	6.9%	30	6.9%	30	13.1%	40	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Barclays US TIPS	7.0%	23	7.0%	23	13.6%	9	6.3%	41	11.4%	26	-2.4%	54	11.6%	20	0.5%	37	2.9%	20	8.5%	26	8.4%	15
Inflation-Protected Bond MStar MF Median	6.7%		6.7%		12.9%		6.2%		10.9%		-2.2%		11.2%		0.3%		2.5%		8.3%		7.7%	
Real Estate	14.1%	16	14.1%	16	9.3%	87	17.2%	18	-14.3%	11	-13.7%	86	13.9%	74	16.7%	30	21.1%	23	14.5%	23	9.5%	39
Real Estate Benchmark	15.3%	16	15.3%	16	9.1%	88	12.2%	73	-16.9%	11	-6.5%	28	15.8%	34	16.6%	32	20.1%	32	14.5%	23	9.0%	47
IF All DB Real Estate Gross Median	10.7%		10.7%		14.6%		15.1%		-29.5%		-9.0%		15.4%		15.6%		18.6%		11.9%		8.6%	
UBS Realty	10.1%	56	10.1%	56	13.2%	69	16.8%	27	-22.3%	13	-7.5%	34	13.9%	74	16.7%	30	21.1%	23	14.5%	23	9.5%	39
UBS Real Estate Benchmark	10.9%	46	10.9%	46	15.3%	38	16.4%	29	-16.9%	11	-6.5%	28	15.8%	34	16.6%	32	20.1%	32	14.5%	23	9.0%	47
NCREIF (ODCE) Index	10.9%	46	10.9%	46	16.0%	33	16.4%	29	-29.8%	57	-10.0%	59	16.0%	32	16.3%	39	21.4%	22	13.1%	30	9.3%	45
NCREIF Property Index	10.5%	51	10.5%	51	14.3%	53	13.1%	70	-16.9%	11	-6.5%	28	15.8%	34	16.6%	32	20.1%	32	14.5%	23	9.0%	47
IF All DB Real Estate Gross Median	10.7%		10.7%		14.6%		15.1%		-29.5%		-9.0%		15.4%		15.6%		18.6%		11.9%		8.6%	
European Investors	30.4%	47	30.4%	47	-4.9%	13	18.8%	34	44.8%	13	--	--	--	--	--	--	--	--	--	--	--	--
European Investors Benchmark	28.7%	64	28.7%	64	-5.8%	35	20.4%	12	35.1%	74	-47.7%	70	--	--	--	--	--	--	--	--	--	--
Global Real Estate MStar MF Median	30.2%		30.2%		-6.9%		17.7%		36.4%		-45.7%		-7.1%		41.2%		14.4%		36.2%		41.9%	
Private Equity	-1.7%	--	-1.7%	--	30.3%	--	13.2%	--	-18.4%	--	12.5%	--	19.6%	--	5.5%	--	--	--	--	--	--	--
SP500 Plus 5%	21.7%	--	21.7%	--	7.2%	--	20.7%	--	32.7%	--	-33.7%	--	10.8%	--	21.5%	--	10.1%	--	16.4%	--	35.0%	--
Cambridge U.S Private Equity Index	14.9%	--	14.9%	--	13.4%	--	18.2%	--	-9.4%	--	-4.8%	--	30.6%	--	23.6%	--	36.9%	--	19.3%	--	12.1%	--
Adams Street Partners	5.6%	--	5.6%	--	29.2%	--	11.2%	--	-16.2%	--	2.6%	--	19.5%	--	14.3%	--	--	--	--	--	--	--
Invesco Partnership	-3.6%	--	-3.6%	--	40.4%	--	19.0%	--	-17.4%	--	16.5%	--	18.7%	--	11.7%	--	--	--	--	--	--	--
Pantheon Ventures	-2.6%	--	-2.6%	--	25.2%	--	16.8%	--	-19.1%	--	8.1%	--	16.7%	--	-13.6%	--	--	--	--	--	--	--
Pantheon Secondary	-6.3%	--	-6.3%	--	22.5%	--	6.7%	--	-20.4%	--	18.2%	--	--	--	--	--	--	--	--	--	--	--
Pantheon Ventures II	-0.5%	--	-0.5%	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Merced County Employees' Retirement Association

Cumulative Performance Results by Manager - Net of Fees

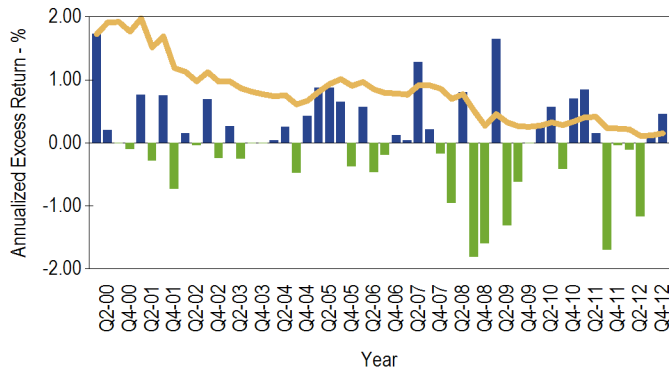
	Ending December 31, 2012									Inception	
	3 Mo	Fiscal YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Total Fund	2.6%	7.4%	11.8%	--	--	--	--	--	--	--	Jan-95
Fund Benchmark	2.2%	7.0%	13.2%	7.4%	9.0%	11.8%	2.7%	4.7%	6.7%	5.2%	Jan-95
Domestic Equity	1.3%	6.5%	15.0%	--	--	--	--	--	--	--	Jan-95
Russell 3000	0.2%	6.5%	16.4%	8.4%	11.2%	15.3%	2.0%	4.3%	7.7%	8.6%	Jan-95
S&P 500	-0.4%	6.0%	16.0%	8.8%	10.9%	14.6%	1.7%	4.1%	7.1%	8.5%	Jan-95
Mellon Tangent	--	--	--	--	--	--	--	--	--	--	Oct-12
S&P 500	-0.4%	6.0%	16.0%	8.8%	10.9%	14.6%	1.7%	4.1%	7.1%	-0.4%	Oct-12
Large Growth Capitalization Equity											
Mellon Large Growth	-1.3%	4.7%	15.3%	8.8%	11.3%	17.3%	3.1%	5.1%	--	7.8%	Mar-03
Russell 1000 Growth	-1.3%	4.7%	15.3%	8.8%	11.4%	17.3%	3.1%	5.2%	7.5%	7.8%	Mar-03
Large Value Capitalization Equity											
Mellon Large Value	1.5%	8.1%	17.5%	8.6%	10.8%	13.0%	0.6%	3.3%	--	8.1%	Mar-03
Russell 1000 Value	1.5%	8.1%	17.5%	8.6%	10.9%	13.0%	0.6%	3.3%	7.4%	8.1%	Mar-03
Mid Capitalization Equity											
Mellon Mid Cap	3.6%	9.3%	17.9%	--	--	--	--	--	--	25.8%	Oct-11
S&P 400 MidCap	3.6%	9.2%	17.9%	7.6%	13.6%	19.1%	5.1%	6.3%	10.5%	25.8%	Oct-11
Small Capitalization Equity											
WHV	3.2%	7.8%	12.6%	2.2%	9.1%	18.6%	2.4%	5.3%	12.2%	11.2%	Apr-97
Russell 2000	1.9%	7.2%	16.3%	5.6%	12.2%	15.8%	3.6%	4.8%	9.7%	7.3%	Apr-97
International Equity	7.5%	15.8%	17.2%	--	--	--	--	--	--	--	Jan-99
Intl. Equity Benchmark	5.8%	14.0%	15.8%	1.1%	3.4%	10.0%	-3.6%	2.4%	8.5%	3.6%	Jan-99
MSCI EAFE Gross	6.6%	14.0%	17.9%	2.0%	4.0%	10.5%	-3.2%	2.7%	8.7%	3.8%	Jan-99
GMO	6.8%	13.4%	17.1%	3.0%	5.6%	8.9%	-2.6%	--	--	-2.5%	Oct-07
MSCI EAFE Gross	6.6%	14.0%	17.9%	2.0%	4.0%	10.5%	-3.2%	2.7%	8.7%	-3.4%	Oct-07
UBS Intl	7.9%	19.5%	24.4%	0.6%	9.6%	20.1%	-0.4%	--	--	-0.5%	Oct-07
MSCI EAFE Small Cap Growth	3.6%	12.4%	18.7%	0.9%	8.4%	16.4%	-0.9%	3.2%	11.5%	-1.7%	Oct-07
S&P Dev ex-US SCG	3.8%	13.2%	17.8%	0.6%	7.3%	16.3%	-1.4%	--	--	-2.1%	Oct-07
MSCI EAFE Small Cap Gross	6.0%	14.5%	20.4%	0.8%	7.5%	16.3%	-0.5%	2.5%	12.3%	-1.4%	Oct-07

Merced County Employees' Retirement Association

Cumulative Performance Results by Manager - Net of Fees

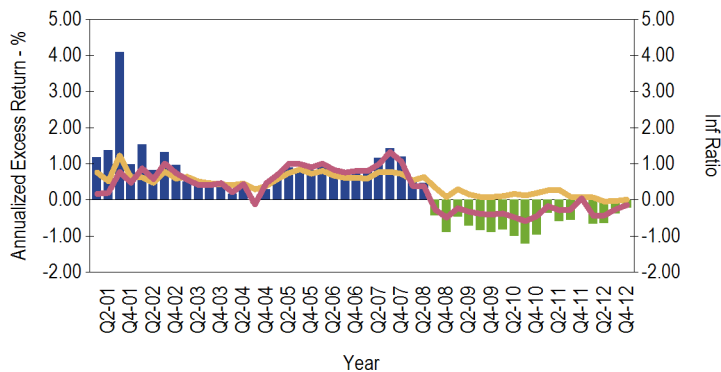
	Ending December 31, 2012									Inception	
	3 Mo	Fiscal YTD	1 Yr	2 Yrs	3 Yrs	4 Yrs	5 Yrs	7 Yrs	10 Yrs	Return	Since
Earnest Partners Intl	9.0%	18.0%	17.0%	3.0%	7.1%	17.4%	--	--	--	2.9%	Jul-08
MSCI EAFE Gross	6.6%	14.0%	17.9%	2.0%	4.0%	10.5%	-3.2%	2.7%	8.7%	-1.1%	Jul-08
Wells Capital	5.0%	12.3%	--	--	--	--	--	--	--	2.5%	Apr-12
MSCI Emerging Markets	5.6%	13.8%	18.2%	-1.8%	4.7%	19.6%	-0.9%	8.4%	16.5%	3.6%	Apr-12
MSCI Emerging Markets Gross	5.6%	13.9%	18.6%	-1.5%	5.0%	20.0%	-0.6%	8.7%	16.9%	3.9%	Apr-12
Fixed Income	0.8%	3.4%	7.4%	--	--	--	--	--	--	--	Jan-95
Barclays Aggregate	0.2%	1.8%	4.2%	6.0%	6.2%	6.1%	5.9%	5.9%	5.2%	6.7%	Jan-95
AXA High Yield	3.0%	7.7%	15.6%	10.5%	--	--	--	--	--	11.4%	Apr-10
BofA Merrill Lynch US High Yield Master II TR	3.2%	7.9%	15.6%	9.8%	11.6%	21.6%	10.0%	9.1%	10.4%	10.8%	Apr-10
Barrow Hanley	0.3%	2.5%	5.7%	6.8%	--	--	--	--	--	6.7%	Apr-10
Barrow Hanley Benchmark*	0.3%	2.0%	4.7%	6.7%	--	--	--	--	--	6.7%	Apr-10
Barclays Aggregate	0.2%	1.8%	4.2%	6.0%	6.2%	6.1%	5.9%	5.9%	5.2%	6.1%	Apr-10
Real Estate	3.0%	5.7%	13.1%	--	--	--	--	--	--	--	Apr-99
Real Estate Benchmark	3.2%	6.8%	15.3%	12.1%	12.1%	4.1%	1.9%	5.8%	8.3%	8.2%	Apr-99
UBS Realty	1.7%	4.1%	9.3%	10.5%	12.1%	2.0%	-0.2%	3.6%	6.5%	7.1%	Apr-99
UBS Real Estate Benchmark	2.4%	5.2%	10.9%	13.1%	14.2%	5.5%	3.0%	6.6%	8.9%	8.7%	Apr-99
NCREIF (ODCE) Index	2.4%	5.2%	10.9%	13.4%	14.4%	1.3%	-1.1%	3.6%	6.7%	7.4%	Apr-99
NCREIF Property Index	2.5%	4.9%	10.5%	12.4%	12.6%	4.4%	2.1%	6.0%	8.4%	8.7%	Apr-99
European Investors	7.5%	12.1%	29.4%	10.3%	12.7%	19.7%	--	--	--	3.4%	Apr-08
European Investors Benchmark	5.8%	11.6%	28.7%	10.1%	13.4%	18.5%	0.6%	--	--	1.9%	Apr-08
Private Equity	-3.7%	0.4%	-3.1%	--	--	--	--	--	--	--	Jul-05
SP500 Plus 5%	0.8%	8.5%	21.7%	14.2%	16.4%	20.2%	6.7%	9.3%	12.4%	9.8%	Jul-05
Cambridge U.S Private Equity Index	3.6%	3.5%	14.9%	14.2%	15.5%	8.7%	5.8%	11.5%	14.7%	13.0%	Jul-05
Adams Street Partners	-1.2%	3.6%	3.3%	14.3%	12.3%	3.6%	2.5%	3.3%	--	1.8%	Oct-05
Invesco Partnership	-7.2%	-2.7%	-4.5%	15.8%	16.9%	7.2%	9.0%	10.7%	--	9.1%	Jul-05
Pantheon Ventures	-1.4%	6.0%	-3.4%	9.5%	11.4%	2.5%	3.1%	1.3%	--	1.3%	Jan-06
Pantheon Secondary	-3.0%	-2.4%	-7.6%	5.6%	5.4%	-2.2%	1.0%	--	--	4.9%	Jul-07
Pantheon Ventures II	-4.1%	2.8%	-3.6%	--	--	--	--	--	--	-3.6%	Jan-12

Annualized Excess Performance



■ Quarterly Out Performance
■ Quarterly Under Performance
— Annualized Excess Performance

Annualized Excess Performance and Information Ratio

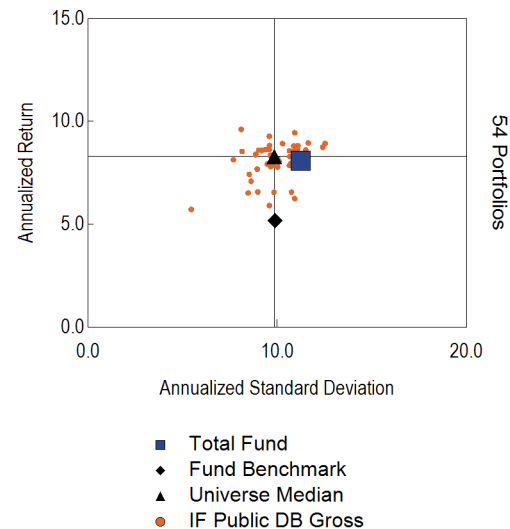


■ Rolling 3 Year Out Performance
■ Rolling 3 Year Under Performance
— Annualized Excess Performance
— Rolling 3 Year Information Ratio vs. Fund Benchmark

Top Holdings

ARM HDG.SPN.ADR 1:3	0.99%
APPLE	0.99%
ICICI BK.ADR 1:2	0.86%
UNITED INDL.	0.80%
RIO TINTO SPN.ADR 1:1	0.79%
BANCO SANTANDER SA ADR 1:1	0.77%
DIAGEO	0.77%
SAMSUNG ELECTRONICS	0.72%
EXXON MOBIL	0.72%
GETINGE	0.66%
Total	8.07%

Annualized Return vs. Annualized Standard Deviation
18 Years Ending December 31, 2012



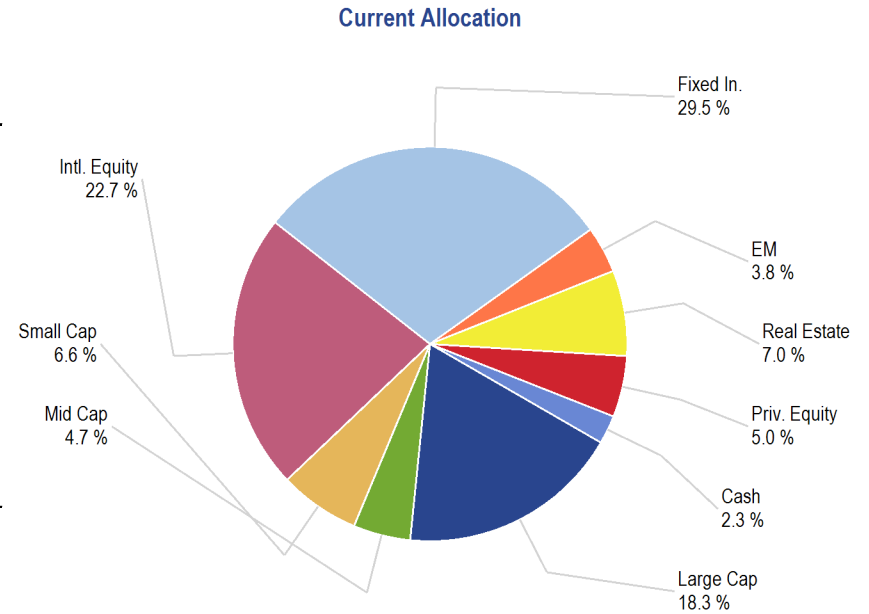
	Portfolio	Russell 3000
Number of Holdings	2,765	2,969
Weighted Avg. Market Cap. (\$B)	43.54	84.81
Median Market Cap. (\$B)	4.14	0.99
Price To Earnings	17.40	18.03
Price To Book	2.98	2.93
Price To Sales	2.18	2.17
Return on Equity (%)	16.95	17.60
Yield (%)	2.16	2.10
Beta	0.60	1.00
R-Squared	0.94	1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	2.60	5.56
Book Value Growth-5 Yrs.	9.91	8.75
EPS Growth 1 Yr (\$ Wtd. Median)	2.50	4.57
EPS Growth 5 Yrs (\$ Wtd. Median)	6.96	4.56
Sales/Growth-1 Yr	12.93	12.42
Sales/Growth-5 Yrs.	9.40	8.60
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	5.94	9.94
Materials	3.98	4.07
Industrials	6.71	11.24
Consumer Discretionary	5.86	12.51
Consumer Staples	3.77	9.29
Health Care	5.59	11.78
Financials	10.81	16.85
Information Technology	8.10	18.19
Telecommunications	1.68	2.70
Utilities	1.68	3.45
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	43.54	84.81
Median Market Cap. (\$B)	4.14	0.99
Large Cap. (%)	22.72	40.35
Medium/Large Cap. (%)	20.91	25.60
Medium Cap. (%)	15.21	17.24
Medium/Small Cap. (%)	21.00	9.68
Small Cap. (%)	20.16	7.13

Total Fund

\$535.0 Million and 100.0% of Fund

	Total Fund			Benchmark			Attribution Effect		
	% Weight	Return		% Weight	Return		Manager	Asset Class	Total
Small Cap Equity	6.6	4.73 %		6.0	1.85 %		0.19	0.00	0.19
Mid Cap Equity	4.7	3.62		4.0	3.61		0.00	0.01	0.01
Large Cap Equity	18.8	1.16		19.0	-0.38		0.29	0.00	0.29
International Equity	25.4	7.74		24.0	5.78		0.50	0.05	0.55
Fixed Income	24.8	0.34		29.0	0.21		0.03	0.08	0.11
High Yield	5.6	3.07		5.0	3.18		-0.01	0.01	0.00
Global Real Estate	1.5	7.76		2.0	5.76		0.03	-0.02	0.01
Real Estate	5.5	1.95		6.0	2.77		-0.04	0.00	-0.05
Private Equity	5.5	-3.32		5.0	0.85		-0.23	-0.01	-0.24
Cash	1.7	0.02		0.0	0.00		0.00	-0.04	-0.04
	100.00	2.96		100.00	2.11		0.76	0.08	0.84

*Total Returns will vary slightly from the actual performance due to calculation methodology



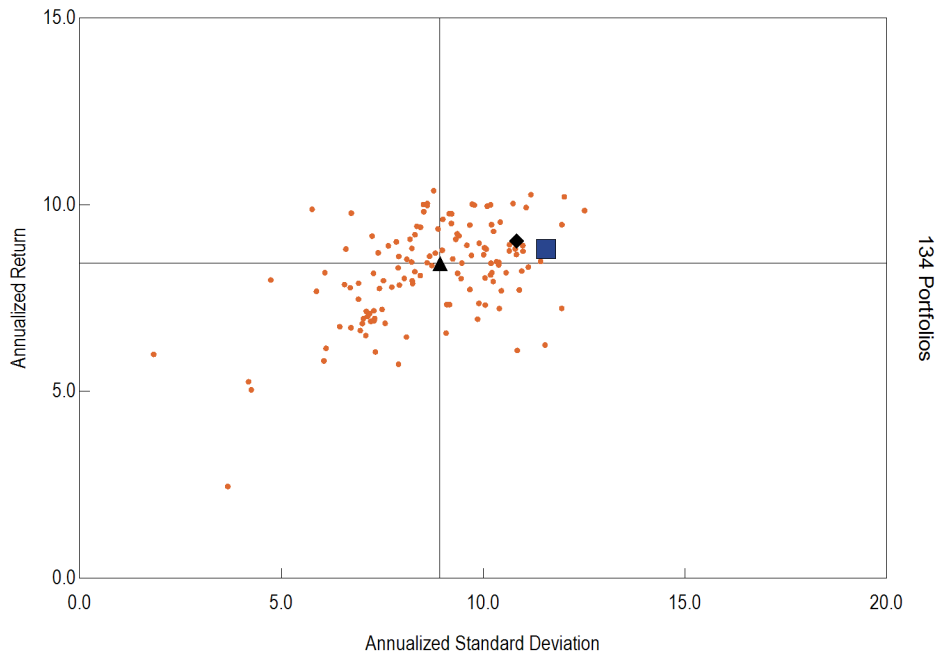
Ending December 31, 2012

Inception

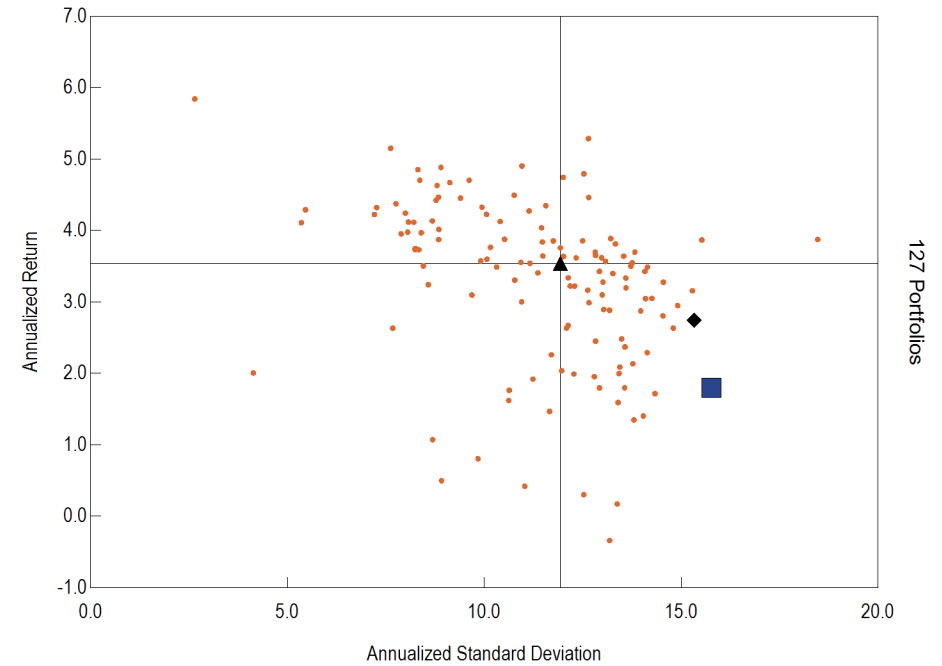
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Total Fund	2.7%	4	7.6%	10	12.3%	46	6.5%	46	8.8%	35	11.7%	39	1.8%	89	4.2%	90	6.6%	82	8.1%	Jan-95
<i>Fund Benchmark</i>	2.2%	18	7.0%	28	13.2%	20	7.4%	13	9.0%	27	11.8%	35	2.7%	75	4.7%	81	6.7%	80	5.2%	Jan-95
<i>IF Public DB Gross Median</i>	1.7%		6.4%		11.9%		6.3%		8.4%		11.2%		3.5%		5.3%		7.4%		8.3%	Jan-95

	Fiscal YTD	Rank	Fiscal 2012	Rank	Fiscal 2011	Rank	Fiscal 2010	Rank	Fiscal 2009	Rank	Fiscal 2008	Rank	Fiscal 2007	Rank	Fiscal 2006	Rank	Fiscal 2005	Rank	Fiscal 2004	Rank
Total Fund	12.3%	46	12.3%	46	0.9%	47	13.7%	32	20.7%	36	-29.7%	92	7.9%	68	13.2%	33	7.8%	36	10.0%	55
<i>Fund Benchmark</i>	13.2%	20	13.2%	20	1.9%	23	12.4%	62	20.6%	37	-26.8%	72	6.5%	94	13.2%	33	5.7%	54	9.7%	56
<i>IF Public DB Gross Median</i>	11.9%		11.9%		0.8%		13.0%		17.9%		-21.6%		8.4%		11.6%		6.2%		10.2%	

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



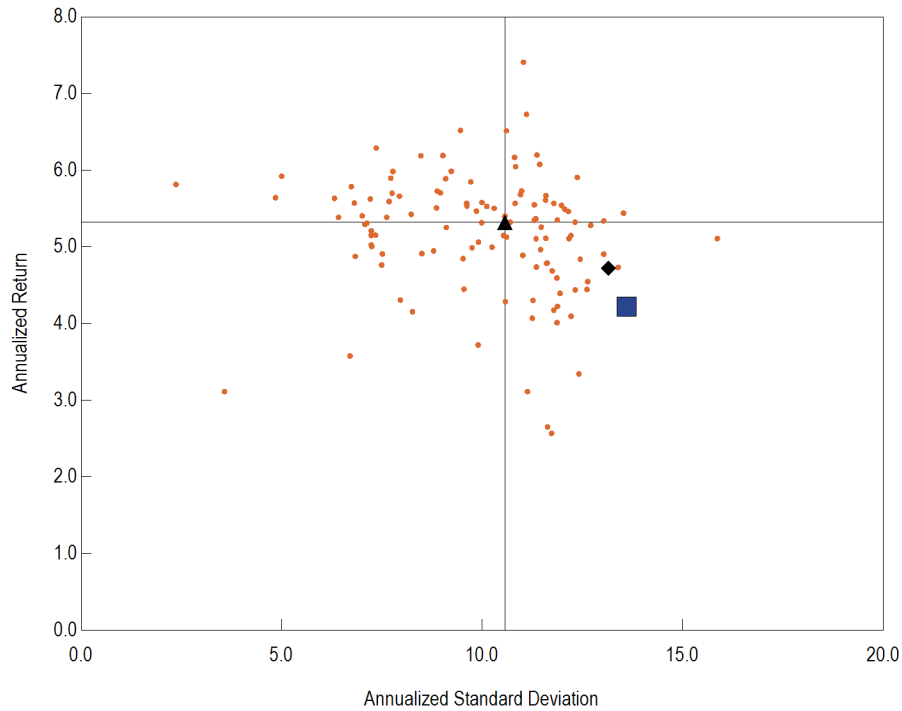
Risk vs. Return for 3 Years Ending December 31, 2012

Rank within IF Public DB Gross (USD) (peer)	Annualized Return	Percentile Rank	Standard Deviation
Total Fund	8.8%	35	11.6%
Fund Benchmark	9.0%	27	10.8%
Median for this Universe	8.4%		8.9%

Risk vs. Return for 5 Years Ending December 31, 2012

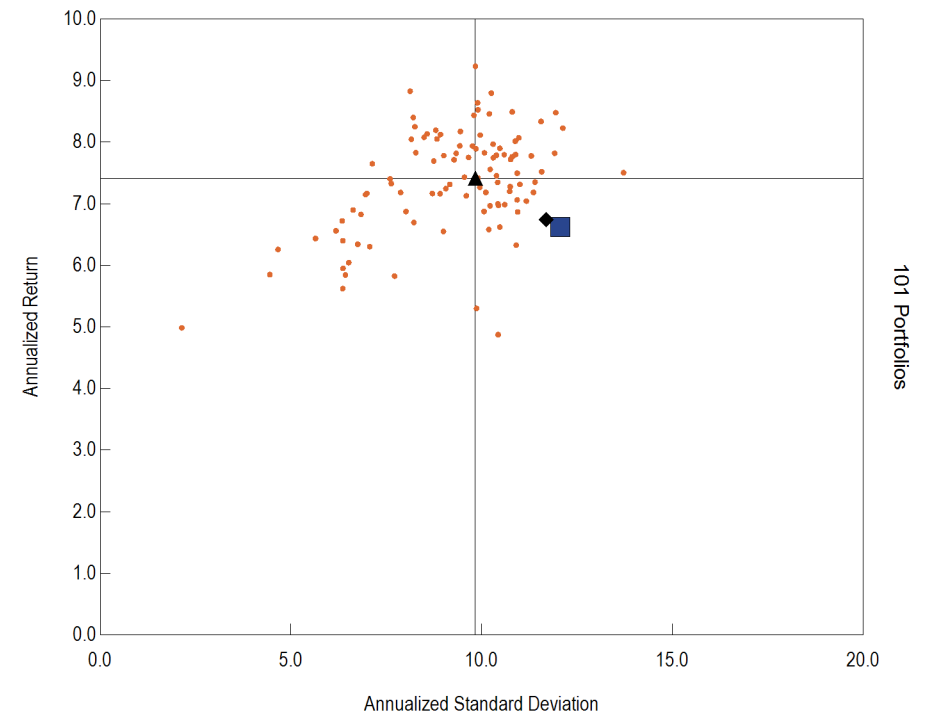
Rank within IF Public DB Gross (USD) (peer)	Annualized Return	Percentile Rank	Standard Deviation
Total Fund	1.8%	89	15.8%
Fund Benchmark	2.7%	75	15.3%
Median for this Universe	3.5%		11.9%

Annualized Return vs. Annualized Standard Deviation
7 Years Ending December 31, 2012



- Total Fund
- ◆ Fund Benchmark
- ▲ Universe Median
- IF Public DB Gross

Annualized Return vs. Annualized Standard Deviation
10 Years Ending December 31, 2012



- Total Fund
- ◆ Fund Benchmark
- ▲ Universe Median
- IF Public DB Gross

Risk vs. Return for 7 Years Ending December 31, 2012

Rank within IF Public DB Gross (USD) (peer)	Annualized Return	Percentile Rank	Standard Deviation
Total Fund	4.2%	90	13.6%
Fund Benchmark	4.7%	81	13.2%
Median for this Universe	5.3%		10.6%

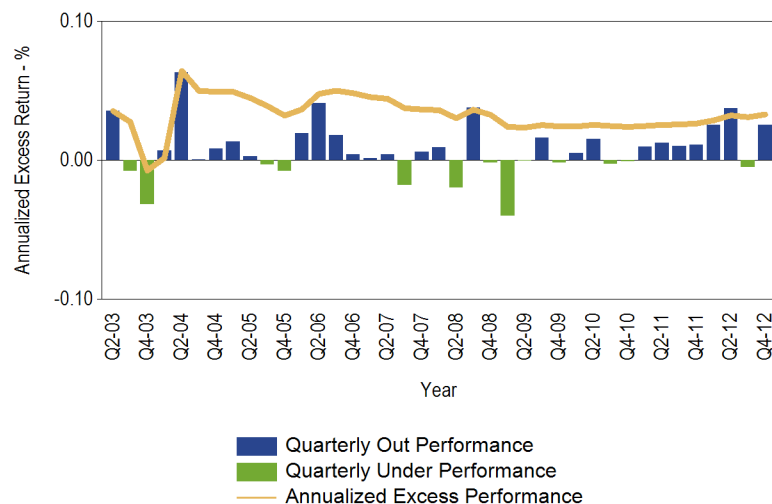
Risk vs. Return for 10 Years Ending December 31, 2012

Rank within IF Public DB Gross (USD) (peer)	Annualized Return	Percentile Rank	Standard Deviation
Total Fund	6.6%	82	12.1%
Fund Benchmark	6.7%	80	11.7%
Median for this Universe	7.4%		9.8%

Mellon Large Growth

\$37.6 Million and 7.0% of Fund

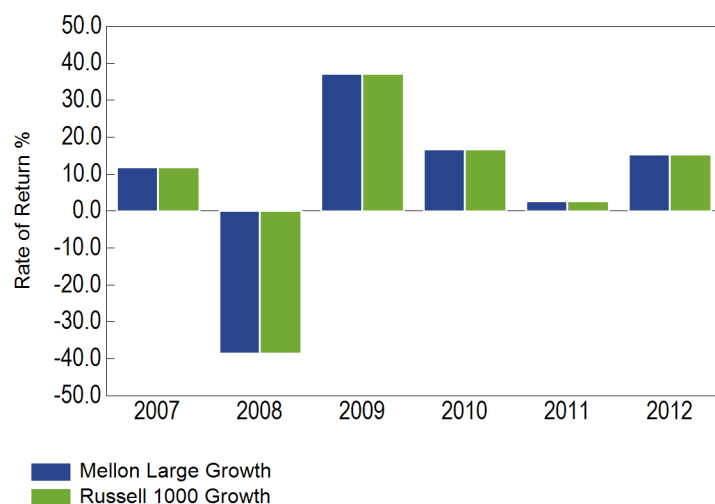
Annualized Excess Performance



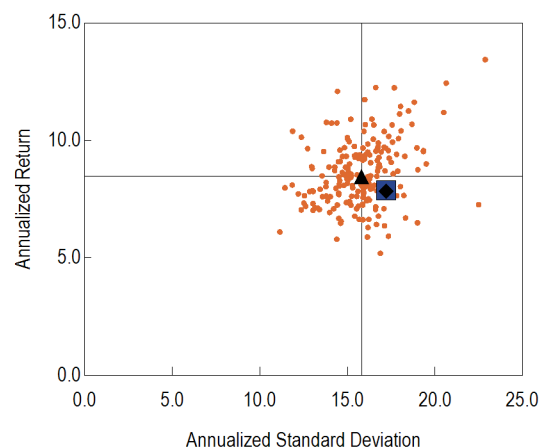
Top Holdings

APPLE	7.05%
INTERNATIONAL BUS.MCHS.	2.95%
MICROSOFT	2.85%
GOOGLE 'A'	2.60%
COCA COLA	1.99%
PHILIP MORRIS INTL.	1.87%
ORACLE	1.80%
VERIZON COMMUNICATIONS	1.74%
PEPSICO	1.53%
QUALCOMM	1.50%
Total	25.88%

Return Summary Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation 9 Years 9 Months Ending December 31, 2012



	Portfolio	Russell 1000 Growth
Number of Holdings	561	571
Weighted Avg. Market Cap. (\$B)	97.81	97.79
Median Market Cap. (\$B)	6.69	6.34
Price To Earnings	21.00	20.29
Price To Book	5.36	4.91
Price To Sales	3.04	2.94
Return on Equity (%)	30.09	25.56
Yield (%)	1.83	1.82
Beta	1.00	1.00
R-Squared	1.00	1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	7.29	11.48
Book Value Growth-5 Yrs.	12.34	12.80
EPS Growth 1 Yr (\$ Wtd. Median)	10.21	9.73
EPS Growth 5 Yrs (\$ Wtd. Median)	12.25	11.95
Sales/Growth-1 Yr	16.92	16.63
Sales/Growth-5 Yrs.	12.90	10.05
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	4.04	4.04
Materials	4.02	4.01
Industrials	12.72	12.72
Consumer Discretionary	16.71	16.74
Consumer Staples	12.55	12.50
Health Care	12.00	11.99
Financials	4.57	4.59
Information Technology	30.91	30.92
Telecommunications	2.28	2.28
Utilities	0.20	0.20
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	97.81	97.79
Median Market Cap. (\$B)	6.69	6.34
Large Cap. (%)	45.42	46.38
Medium/Large Cap. (%)	26.82	26.15
Medium Cap. (%)	20.32	20.06
Medium/Small Cap. (%)	7.01	7.01
Small Cap. (%)	0.43	0.40

Mellon Capital Large Growth Performance Attribution vs. Russell 1000 Growth

	Attribution Effects			Returns		Ending Sector Weights	
	Total	Selection	Allocation	Portfolio	Benchmark	Portfolio	Benchmark
	Effects	Effect	Effect				
Energy	0.01%	0.00%	0.00%	-1.47%	-1.49%	4.04%	4.04%
Materials	0.00%	0.00%	0.00%	4.25%	4.23%	4.02%	4.01%
Industrials	0.05%	0.01%	0.04%	7.05%	6.93%	12.72%	12.72%
Cons. Disc.	-0.02%	-0.02%	0.00%	0.83%	0.96%	16.71%	16.74%
Cons. Staples	-0.02%	0.00%	-0.02%	-2.50%	-2.48%	12.55%	12.50%
Health Care	-0.01%	-0.01%	0.00%	-0.31%	-0.25%	12.00%	11.99%
Financials	0.00%	0.00%	0.00%	4.35%	4.46%	4.57%	4.59%
Info. Tech	0.12%	0.07%	0.05%	-6.57%	-6.80%	30.91%	30.92%
Telecomm.	0.00%	0.00%	0.00%	-1.67%	-1.50%	2.28%	2.28%
Utilities	0.00%	0.00%	0.00%	-6.44%	-6.66%	0.20%	0.20%
Cash	0.00%	0.00%	--	--	--	0.00%	0.00%
Portfolio	0.13%	=	0.05% + 0.08%	-1.22%	-1.35%	100.00%	100.00%
Method Effect				-0.08%	0.03%		
Combined Performance				-1.30%	-1.32%		

eA US Large Cap Growth Equity Gross Accounts



	Return (Rank)				
5th Percentile	2.3	21.6	13.8	6.0	7.4
25th Percentile	0.1	18.2	11.9	3.6	5.8
Median	-0.9	15.7	10.5	2.6	5.2
75th Percentile	-1.7	13.4	9.0	1.2	4.4
95th Percentile	-2.9	10.2	7.1	-1.1	2.8
# of Portfolios	274	274	268	259	233
• Mellon Large Growth	-1.3 (64)	15.4 (53)	11.4 (35)	3.2 (35)	5.2 (49)
▲ Russell 1000 Growth	-1.3 (64)	15.3 (55)	11.4 (36)	3.1 (37)	5.2 (51)

Ending December 31, 2012

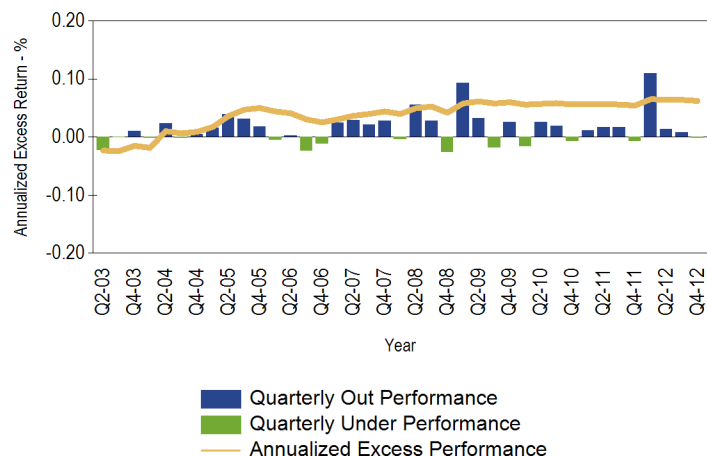
Inception

	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Mellon Large Growth	-1.3%	64	4.7%	62	15.4%	53	8.8%	33	11.4%	35	17.4%	30	3.2%	35	5.2%	49	--	--	7.9%	Mar-03
Russell 1000 Growth	-1.3%	64	4.7%	63	15.3%	55	8.8%	34	11.4%	36	17.3%	31	3.1%	37	5.2%	51	7.5%	65	7.8%	Mar-03
eA US Large Cap Growth Equity Gross Median	-0.9%		5.4%		15.7%		7.3%		10.5%		16.3%		2.6%		5.2%		8.1%		8.5%	Mar-03
	YTD	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank		
Mellon Large Growth	15.4%	53	15.4%	53	2.7%	22	16.7%	45	37.2%	34	-38.4%	51	11.8%	64	9.2%	51	5.3%	69		
Russell 1000 Growth	15.3%	55	15.3%	55	2.6%	22	16.7%	46	37.2%	33	-38.4%	51	11.8%	63	9.1%	53	5.3%	69		
eA US Large Cap Growth Equity Gross Median	15.7%		15.7%		-0.3%		16.1%		34.0%		-38.4%		13.8%		9.2%		7.4%			

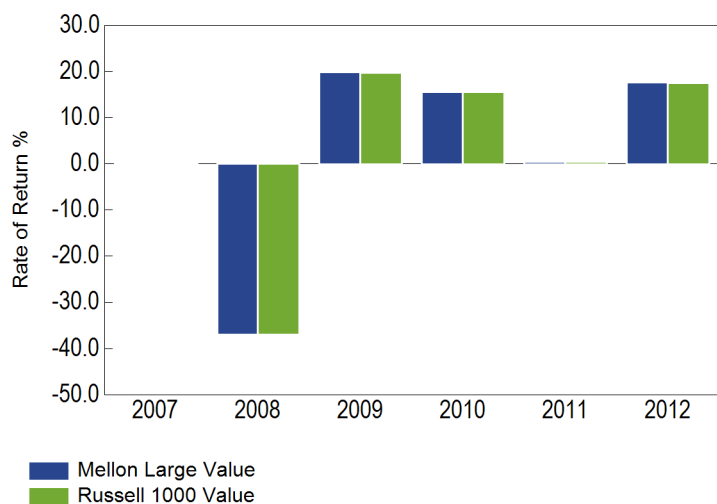
Mellon Large Value

\$35.6 Million and 6.7% of Fund

Annualized Excess Performance



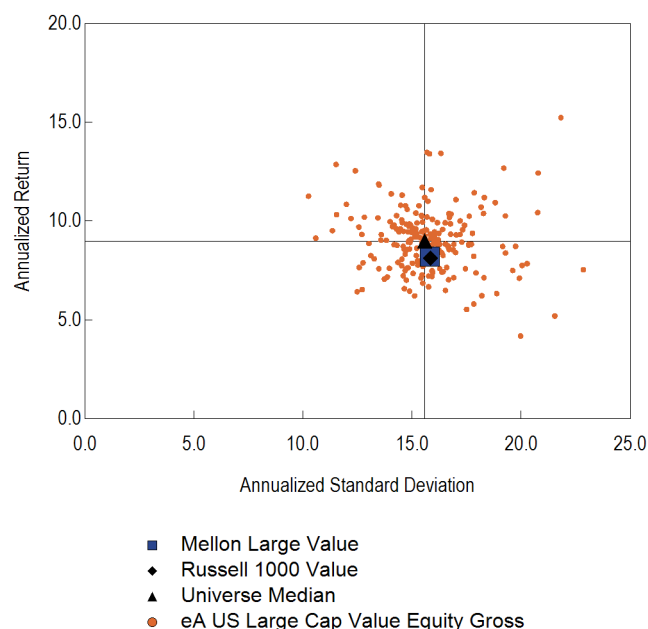
Return Summary Ending December 31, 2012



Top Holdings

EXXON MOBIL	5.41%
GENERAL ELECTRIC	3.00%
CHEVRON	2.85%
AT&T	2.64%
PFIZER	2.51%
PROCTER & GAMBLE	2.31%
WELLS FARGO & CO	2.24%
JP MORGAN CHASE & CO.	2.24%
BERKSHIRE HATHAWAY 'B'	2.14%
JOHNSON & JOHNSON	2.00%
Total	27.34%

Annualized Return vs. Annualized Standard Deviation 9 Years 9 Months Ending December 31, 2012

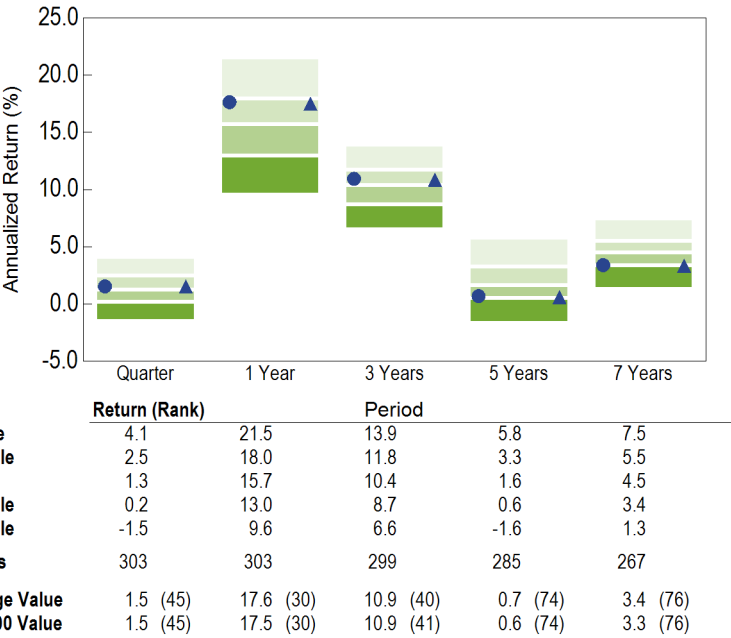


	Portfolio	Russell 1000 Value
Number of Holdings	690	696
Weighted Avg. Market Cap. (\$B)	86.00	85.95
Median Market Cap. (\$B)	5.02	4.97
Price To Earnings	15.95	16.69
Price To Book	1.92	1.90
Price To Sales	1.68	1.56
Return on Equity (%)	13.62	12.90
Yield (%)	2.56	2.52
Beta	1.00	1.00
R-Squared	1.00	1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	0.94	3.83
Book Value Growth-5 Yrs.	6.02	6.03
EPS Growth 1 Yr (\$ Wtd. Median)	0.44	-2.31
EPS Growth 5 Yrs (\$ Wtd. Median)	2.49	-0.47
Sales/Growth-1 Yr	9.08	7.90
Sales/Growth-5 Yrs.	4.92	4.91
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	16.14	16.14
Materials	3.91	3.93
Industrials	9.16	9.15
Consumer Discretionary	8.27	8.27
Consumer Staples	7.19	7.18
Health Care	11.55	11.53
Financials	27.44	27.47
Information Technology	6.38	6.39
Telecommunications	3.41	3.41
Utilities	6.55	6.54
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	86.00	85.95
Median Market Cap. (\$B)	5.02	4.97
Large Cap. (%)	40.72	41.14
Medium/Large Cap. (%)	29.39	29.19
Medium Cap. (%)	17.12	17.33
Medium/Small Cap. (%)	11.36	11.07
Small Cap. (%)	1.41	1.27

Mellon Capital Large Value Performance Attribution vs. Russell 1000 Value

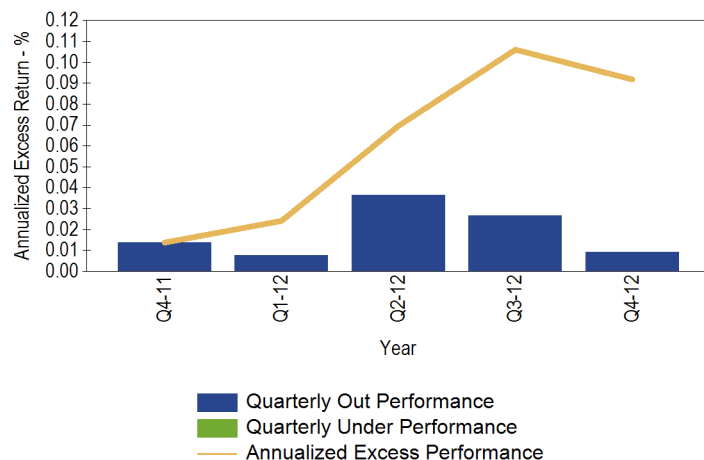
	Attribution Effects			Returns		Ending Sector Weights			
	Total Effects	Selection Effect	Allocation Effect	Portfolio	Benchmark	Portfolio	Benchmark		
Energy	-0.02%	-0.03%	0.01%	-3.07%	-2.90%	16.14%	16.14%		
Materials	0.02%	0.02%	0.00%	2.89%	2.48%	3.91%	3.93%		
Industrials	0.01%	0.01%	0.00%	2.06%	1.96%	9.16%	9.15%		
Cons. Disc.	-0.02%	-0.01%	-0.01%	6.75%	6.90%	8.27%	8.27%		
Cons. Staples	0.01%	0.01%	0.00%	-0.11%	-0.18%	7.19%	7.18%		
Health Care	0.00%	0.00%	0.00%	0.35%	0.36%	11.55%	11.53%		
Financials	-0.05%	-0.05%	-0.01%	5.05%	5.22%	27.44%	27.47%		
Info. Tech	-0.02%	-0.03%	0.01%	2.13%	2.60%	6.38%	6.39%		
Telecomm.	0.00%	-0.01%	0.01%	-8.19%	-7.98%	3.41%	3.41%		
Utilities	-0.01%	-0.01%	-0.01%	-2.37%	-2.27%	6.55%	6.54%		
Cash	0.00%	0.00%	--	--	--	0.00%	0.00%		
Portfolio	-0.09%	=	-0.10%	+	0.01%	1.35%	1.45%	100.00%	100.00%
Method Effect						0.17%	0.07%		
Combined Performance						1.52%	1.52%		

eA US Large Cap Value Equity Gross Accounts



	Ending December 31, 2012										Inception									
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Mellon Large Value	1.5%	45	8.1%	42	17.6%	30	8.7%	40	10.9%	40	13.1%	65	0.7%	74	3.4%	76	--	--	8.2%	Mar-03
Russell 1000 Value	1.5%	45	8.1%	43	17.5%	30	8.6%	43	10.9%	41	13.0%	68	0.6%	74	3.3%	76	7.4%	76	8.1%	Mar-03
eA US Large Cap Value Equity Gross Median	1.3%		7.6%		15.7%		8.3%		10.4%		13.8%		1.6%		4.5%		8.2%		9.0%	Mar-03
	YTD	Rank	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank		
Mellon Large Value	17.6%	30	17.6%	30	0.4%	51	15.5%	35	19.9%	75	-36.8%	67	-0.1%	80	22.2%	17	7.2%	58		
Russell 1000 Value	17.5%	30	17.5%	30	0.4%	51	15.5%	35	19.7%	75	-36.8%	68	-0.2%	80	22.2%	17	7.1%	60		
eA US Large Cap Value Equity Gross Median	15.7%		15.7%		0.5%		14.3%		24.3%		-35.1%		4.2%		19.0%		7.9%			

Annualized Excess Performance

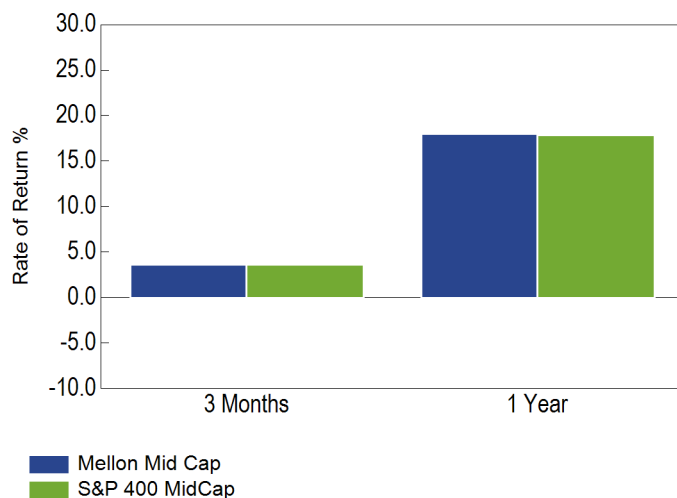


Top Holdings

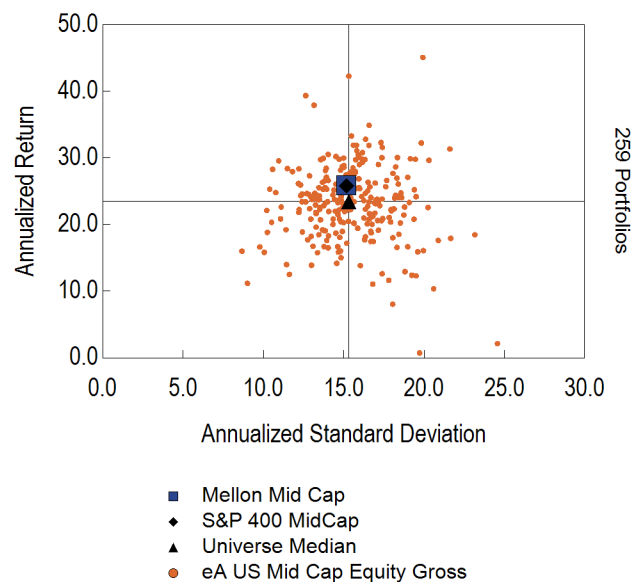
REGENERON PHARMS.	1.07%
EQUINIX	0.84%
HOLLYFRONTIER	0.80%
KANSAS CTY.STHN.	0.77%
AMETEK	0.77%
VERTEX PHARMS.	0.76%
RACKSPACE HOSTING	0.68%
MACERICH	0.67%
PVH	0.66%
TRIMBLE NAVIGATION	0.64%
Total	7.65%

	Portfolio	S&P 400 MidCap
Number of Holdings	400	400
Weighted Avg. Market Cap. (\$B)	4.16	4.16
Median Market Cap. (\$B)	2.80	2.80
Price To Earnings	23.70	21.46
Price To Book	3.04	2.69
Price To Sales	2.41	2.08
Return on Equity (%)	14.62	13.74
Yield (%)	1.50	1.48
Beta		1.00
R-Squared		1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	1.57	5.34
Book Value Growth-5 Yrs.	8.43	7.94
EPS Growth 1 Yr (\$ Wtd. Median)	10.47	5.89
EPS Growth 5 Yrs (\$ Wtd. Median)	6.87	6.00
Sales/Growth-1 Yr	12.96	12.83
Sales/Growth-5 Yrs.	7.58	8.26
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	6.07	6.08
Materials	7.20	7.22
Industrials	17.32	17.34
Consumer Discretionary	13.28	13.30
Consumer Staples	3.81	3.82
Health Care	9.39	9.39
Financials	22.04	21.93
Information Technology	15.48	15.51
Telecommunications	0.51	0.51
Utilities	4.91	4.90
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	4.16	4.16
Median Market Cap. (\$B)	2.80	2.80
Large Cap. (%)	0.00	0.00
Medium/Large Cap. (%)	0.00	0.00
Medium Cap. (%)	18.56	18.60
Medium/Small Cap. (%)	64.84	64.96
Small Cap. (%)	16.59	16.44

Return Summary Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation 1 Year 3 Months Ending December 31, 2012

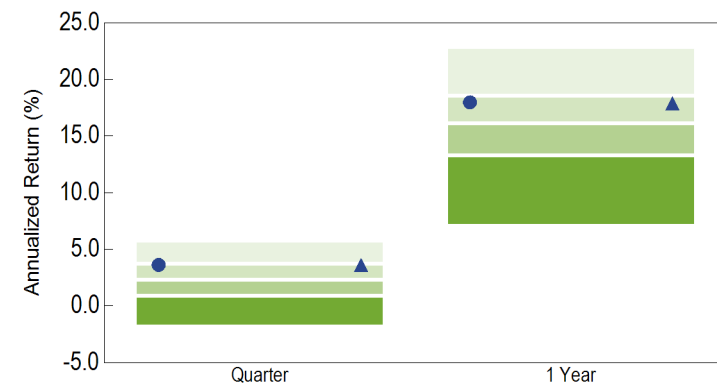


Mellon Capital MidCap Performance Attribution vs. S&P 400 MidCap

	Attribution Effects			Returns		Ending Sector Weights			
	Total Effects	Selection Effect	Allocation Effect	Portfolio	Benchmark	Portfolio	Benchmark		
Energy	0.02%	0.04%	-0.01%	3.77%	3.06%	6.07%	6.08%		
Materials	0.03%	0.03%	0.00%	7.10%	6.60%	7.20%	7.22%		
Industrials	0.07%	0.05%	0.01%	10.63%	10.31%	17.32%	17.34%		
Cons. Disc.	-0.02%	-0.01%	-0.01%	2.05%	2.15%	13.28%	13.30%		
Cons. Staples	0.01%	-0.03%	0.04%	12.85%	13.74%	3.81%	3.82%		
Health Care	-0.03%	-0.03%	0.00%	-1.95%	-1.60%	9.39%	9.39%		
Financials	0.01%	0.01%	0.01%	1.92%	1.89%	22.04%	21.93%		
Info. Tech	0.02%	0.02%	0.00%	2.38%	2.24%	15.48%	15.51%		
Telecomm.	0.00%	0.00%	0.00%	-6.10%	-6.62%	0.51%	0.51%		
Utilities	0.00%	0.00%	0.00%	-0.54%	-0.58%	4.91%	4.90%		
Cash	0.00%	0.00%	--	--	--	0.00%	0.00%		
Portfolio	0.12%	=	0.08%	+	0.04%	3.75%	3.63%	100.00%	100.00%
Method Effect						-0.14%	-0.02%		
Combined Performance						3.62%	3.61%		

5th Percentile
 25th Percentile
 Median
 75th Percentile
 95th Percentile
 # of Portfolios
 • Mellon Mid Cap
 ▲ S&P 400 MidCap

eA US Mid Cap Equity Gross Accounts



Return (Rank)	Period	
5.7		22.8
3.7		18.6
2.4		16.1
0.9		13.3
-1.8		7.1
260		260
3.6 (28)		18.0 (31)
3.6 (28)		17.9 (31)

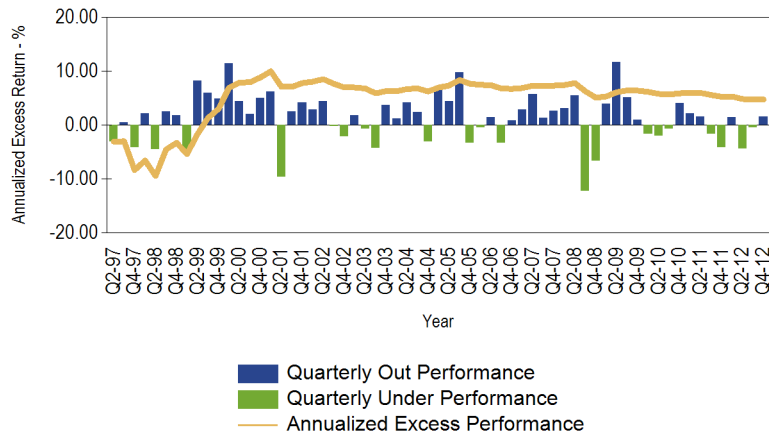
Ending December 31, 2012

Inception

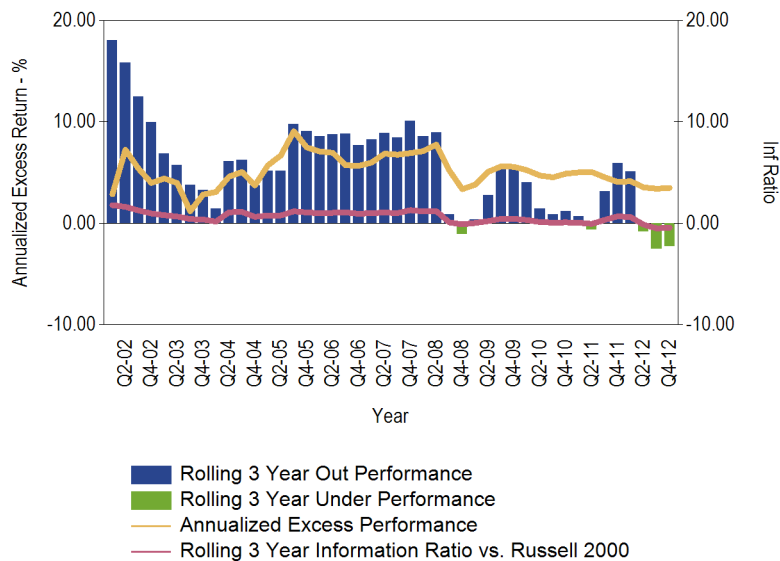
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Mellon Mid Cap	3.6%	28	9.3%	29	18.0%	31	--	--	--	--	--	--	--	--	--	--	--	--	25.9%	Oct-11
S&P 400 MidCap	3.6%	28	9.2%	30	17.9%	31	7.6%	42	13.6%	33	19.1%	38	5.1%	29	6.3%	49	10.5%	58	25.8%	Oct-11
eA US Mid Cap Equity Gross Median	2.4%		7.4%		16.1%		7.2%		12.8%		18.4%		4.0%		6.2%		10.9%		23.5%	Oct-11

	2012	Rank
Mellon Mid Cap	18.0%	31
S&P 400 MidCap	17.9%	31
eA US Mid Cap Equity Gross Median	16.1%	

Annualized Excess Performance

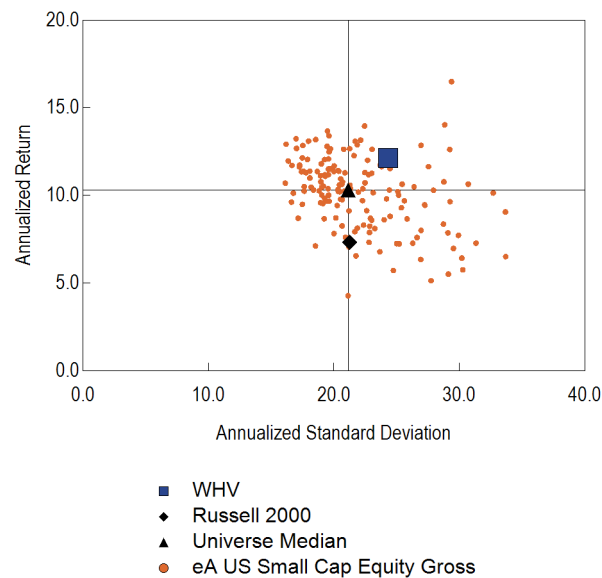


Annualized Excess Performance and Information Ratio



Top Holdings

CHART INDUSTRIES	3.20%
ATWOOD OCEANICS	3.17%
DRIL-QUIP	3.07%
BRISTOW GROUP	3.02%
GULFMARK OFFSHORE 'A'	2.38%
LUFKIN INDUSTRIES	2.32%
INTL.RECTIFIER	1.89%
DELUXE	1.81%
VISHAY INTERTECHNOLOGY	1.79%
EB TEMPORARY INVESTMENT FD II	1.66%
Total	24.31%

Annualized Return vs. Annualized Standard Deviation
15 Years 9 Months Ending December 31, 2012

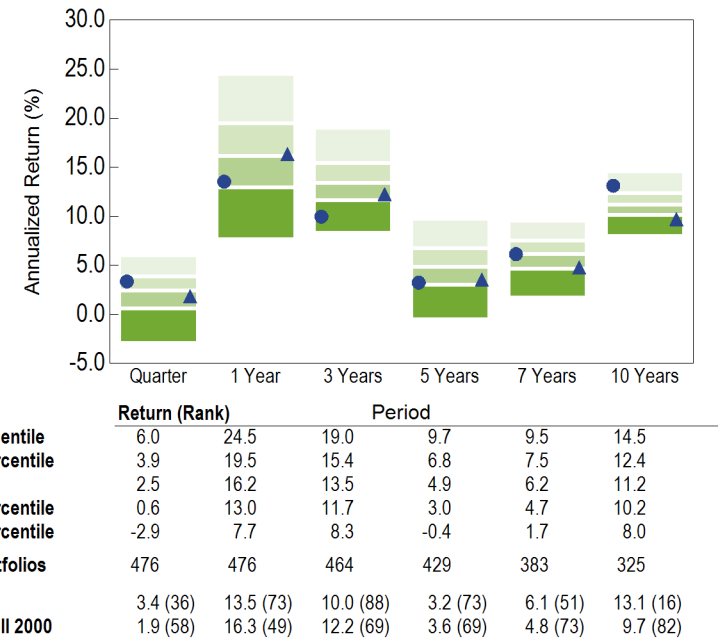
	Portfolio	Russell 2000
Number of Holdings	90	1,978
Weighted Avg. Market Cap. (\$B)	1.34	1.31
Median Market Cap. (\$B)	1.16	0.50
Price To Earnings	13.98	15.52
Price To Book	2.25	2.37
Price To Sales	1.72	2.08
Return on Equity (%)	6.63	9.58
Yield (%)	0.65	1.16
Beta	1.07	1.00
R-Squared	0.96	1.00

HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	-1.62	-11.15
Book Value Growth-5 Yrs.	8.64	5.39
EPS Growth 1 Yr (\$ Wtd. Median)	1.57	3.56
EPS Growth 5 Yrs (\$ Wtd. Median)	3.76	1.92
Sales/Growth-1 Yr	13.43	12.94
Sales/Growth-5 Yrs.	8.61	6.89
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	15.04	6.00
Materials	6.39	5.29
Industrials	19.01	15.48
Consumer Discretionary	9.85	14.02
Consumer Staples	1.24	3.56
Health Care	11.78	12.09
Financials	8.92	22.89
Information Technology	25.02	16.59
Telecommunications	0.00	0.71
Utilities	1.14	3.36
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	1.34	1.31
Median Market Cap. (\$B)	1.16	0.50
Large Cap. (%)	0.00	0.00
Medium/Large Cap. (%)	0.00	0.00
Medium Cap. (%)	0.00	0.00
Medium/Small Cap. (%)	11.65	16.77
Small Cap. (%)	88.35	83.23

Wentworth Hauser Performance Attribution vs. Russell 2000

	Attribution Effects			Returns		Ending Sector Weights	
	Total Effects	Selection Effect	Allocation Effect	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.55%	0.62%	-0.07%	3.29%	-0.80%	15.04%	6.00%
Materials	0.45%	0.34%	0.11%	10.37%	5.56%	6.39%	5.29%
Industrials	-0.39%	-0.74%	0.35%	5.47%	9.55%	19.01%	15.48%
Cons. Disc.	0.63%	0.74%	-0.12%	10.37%	3.07%	9.85%	14.02%
Cons. Staples	-0.03%	-0.05%	0.03%	-4.20%	-1.56%	1.24%	3.56%
Health Care	-0.24%	-0.39%	0.15%	-11.09%	-7.62%	11.78%	12.09%
Financials	-0.27%	0.08%	-0.35%	3.43%	2.57%	8.92%	22.89%
Info. Tech	-0.19%	-0.34%	0.15%	0.47%	1.84%	25.02%	16.59%
Telecomm.	0.04%	0.00%	0.04%	--	-5.59%	0.00%	0.71%
Utilities	0.06%	0.00%	0.07%	-3.16%	-2.92%	1.14%	3.36%
Cash	0.00%	0.00%	0.00%	0.02%	--	1.61%	0.00%
Portfolio	0.62%	=	0.25%	+	0.37%	2.33%	1.71%
Method Effect							
Combined Performance							

eA US Small Cap Equity Gross Accounts



Ending December 31, 2012

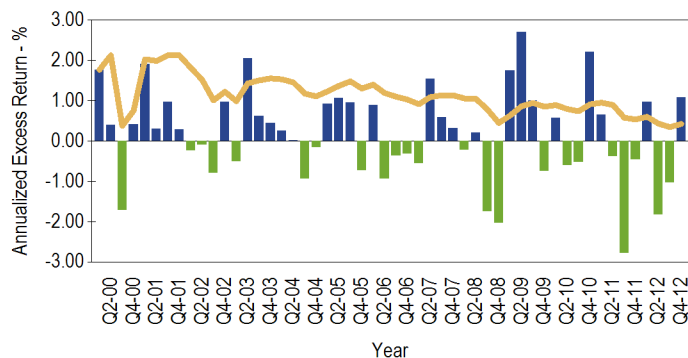
Inception

	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
WHV	3.4%	36	8.3%	46	13.5%	73	3.0%	86	10.0%	88	19.5%	39	3.2%	73	6.1%	51	13.1%	16	12.1%	Apr-97
Russell 2000	1.9%	58	7.2%	61	16.3%	49	5.6%	68	12.2%	69	15.8%	79	3.6%	69	4.8%	73	9.7%	82	7.3%	Apr-97
eA US Small Cap Equity Gross Median	2.5%		7.9%		16.2%		7.0%		13.5%		18.5%		4.9%		6.2%		11.2%		10.3%	Apr-97
	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank	2004	Rank	2003	Rank
WHV	13.5%	73	-6.5%	80	25.3%	68	53.4%	10	-42.5%	81	11.1%	23	16.5%	46	23.3%	2	24.1%	25	47.7%	43
Russell 2000	16.3%	49	-4.2%	67	26.9%	58	27.2%	71	-33.8%	36	-1.6%	67	18.4%	33	4.6%	81	18.3%	58	47.3%	44
eA US Small Cap Equity Gross Median	16.2%		-2.2%		27.5%		33.5%		-36.0%		2.1%		15.8%		8.1%		19.8%		45.8%	

Domestic Equity

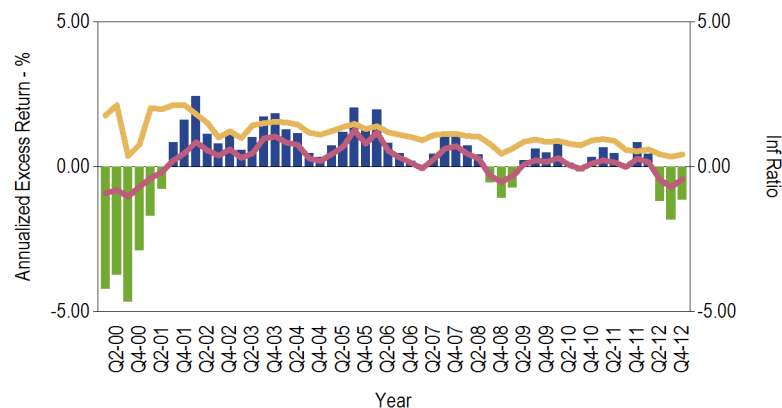
\$159.6 Million and 29.8% of Fund

Annualized Excess Performance



■ Quarterly Out Performance
■ Quarterly Under Performance
— Annualized Excess Performance

Annualized Excess Performance and Information Ratio

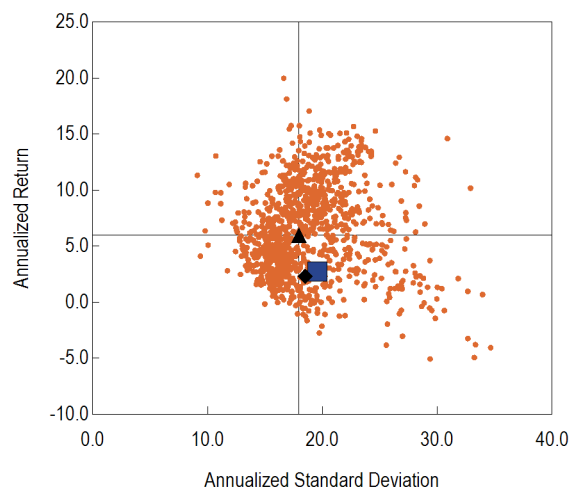


■ Rolling 3 Year Out Performance
■ Rolling 3 Year Under Performance
— Annualized Excess Performance
— Rolling 3 Year Information Ratio vs. Russell 3000

Top Holdings

EB DV TANGENT-ADDED FUND	15.92%
APPLE	1.66%
EXXON MOBIL	1.21%
ATWOOD OCEANICS	0.75%
DRIL-QUIP	0.72%
CHART INDUSTRIES	0.72%
INTERNATIONAL BUS.MCHS.	0.70%
BRISTOW GROUP	0.67%
MICROSOFT	0.67%
GENERAL ELECTRIC	0.67%
Total	23.69%

Annualized Return vs. Annualized Standard Deviation 13 Years Ending December 31, 2012



■ Domestic Equity
◆ Russell 3000
▲ Universe Median
● eA All US Equity Gross

Merced County Employees' Retirement Association

	Portfolio	Russell 3000
Number of Holdings	1,168	2,969
Weighted Avg. Market Cap. (\$B)	51.59	84.81
Median Market Cap. (\$B)	4.06	0.99
Price To Earnings	18.35	18.03
Price To Book	3.17	2.93
Price To Sales	2.23	2.17
Return on Equity (%)	16.55	17.60
Yield (%)	1.65	2.10
Beta	1.09	1.00
R-Squared	0.99	1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	2.19	5.56
Book Value Growth-5 Yrs.	8.89	8.75
EPS Growth 1 Yr (\$ Wtd. Median)	6.51	4.57
EPS Growth 5 Yrs (\$ Wtd. Median)	5.91	4.56
Sales/Growth-1 Yr	13.43	12.42
Sales/Growth-5 Yrs.	7.71	8.60
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	8.87	9.94
Materials	4.39	4.07
Industrials	12.04	11.24
Consumer Discretionary	10.09	12.51
Consumer Staples	5.44	9.29
Health Care	9.52	11.78
Financials	12.69	16.85
Information Technology	16.76	18.19
Telecommunications	1.38	2.70
Utilities	2.54	3.45
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	51.59	84.81
Median Market Cap. (\$B)	4.06	0.99
Large Cap. (%)	23.64	40.35
Medium/Large Cap. (%)	15.38	25.60
Medium Cap. (%)	13.80	17.24
Medium/Small Cap. (%)	20.34	9.68
Small Cap. (%)	26.84	7.13

Fourth Quarter, 2012

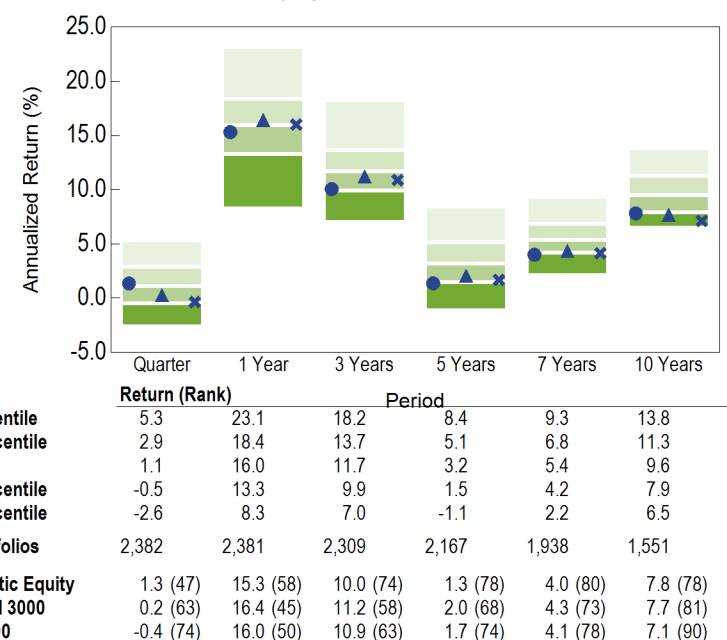
Domestic Equity

\$159.6 Million and 29.8% of Fund

Domestic Equity Performance Attribution vs. Russell 3000

	Attribution Effects			Returns		Ending Sector Weights	
	Total Effects	Selection Effect	Allocation Effect	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.23%	0.24%	0.00%	-0.28%	-2.56%	8.87%	9.94%
Materials	0.18%	0.15%	0.04%	6.41%	3.55%	4.39%	4.07%
Industrials	0.27%	0.13%	0.13%	6.21%	5.21%	12.04%	11.24%
Cons. Disc.	0.12%	0.13%	-0.01%	4.00%	2.94%	10.09%	12.51%
Cons. Staples	0.10%	0.06%	0.03%	-0.77%	-1.62%	5.44%	9.29%
Health Care	-0.23%	-0.24%	0.00%	-2.67%	-0.58%	9.52%	11.78%
Financials	-0.18%	-0.12%	-0.06%	4.04%	4.85%	12.69%	16.85%
Info. Tech	0.36%	0.42%	-0.05%	-2.72%	-4.77%	16.76%	18.19%
Telecomm.	0.05%	0.00%	0.05%	-5.59%	-5.58%	1.38%	2.70%
Utilities	0.02%	0.01%	0.01%	-2.06%	-2.44%	2.54%	3.45%
Cash	0.00%	0.00%	0.00%	0.02%	--	0.36%	0.00%
Portfolio	0.91%	=	0.77%	+	0.14%	1.10%	0.19%
Method Effect						0.23%	0.06%
Combined Performance						1.34%	0.25%

eA All US Equity Gross Accounts



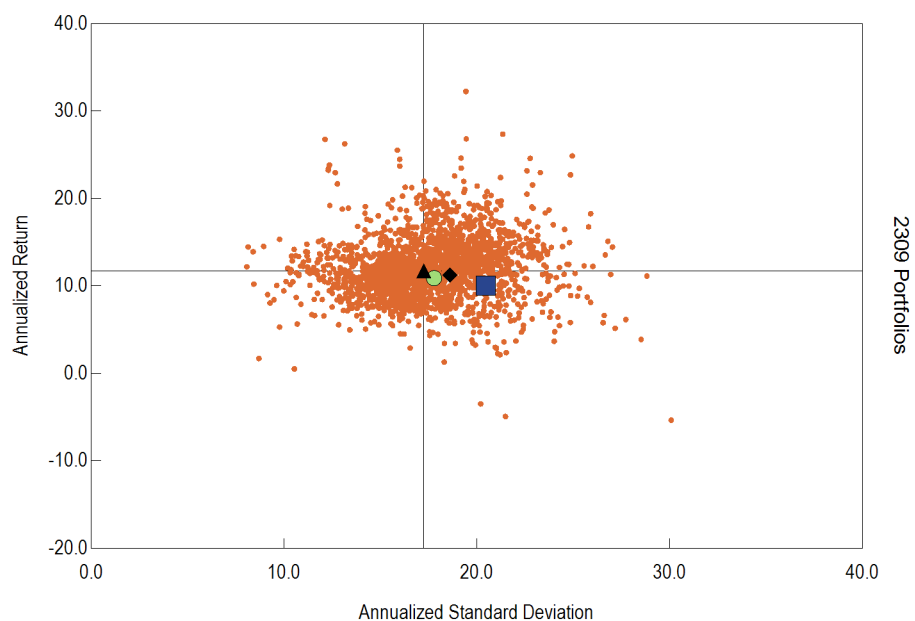
Ending December 31, 2012

Inception

	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Domestic Equity	1.3%	47	6.6%	56	15.3%	58	6.0%	71	10.0%	74	15.6%	59	1.3%	78	4.0%	80	7.8%	78	8.4%	Jan-95
Russell 3000	0.2%	63	6.5%	57	16.4%	45	8.4%	41	11.2%	58	15.3%	64	2.0%	68	4.3%	73	7.7%	81	8.6%	Jan-95
S&P 500	-0.4%	74	6.0%	65	16.0%	50	8.8%	36	10.9%	63	14.6%	73	1.7%	74	4.1%	78	7.1%	90	8.5%	Jan-95
eA All US Equity Gross Median	1.1%		7.0%		16.0%		7.7%		11.7%		16.6%		3.2%		5.4%		9.6%		10.4%	Jan-95

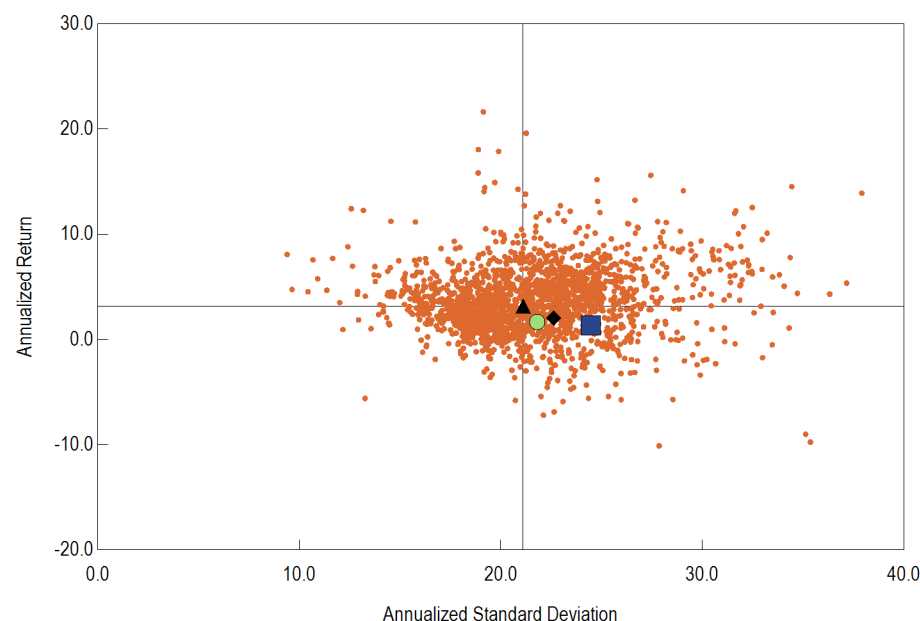
	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank	2004	Rank	2003	Rank
Domestic Equity	15.3%	58	-2.5%	66	18.5%	55	34.1%	39	-40.2%	72	7.1%	49	14.9%	53	8.5%	51	11.0%	75	34.0%	51
Russell 3000	16.4%	45	1.0%	39	16.9%	61	28.3%	60	-37.3%	54	5.1%	60	15.7%	46	6.1%	72	11.9%	68	31.1%	63
S&P 500	16.0%	50	2.1%	30	15.1%	73	26.5%	67	-37.0%	51	5.5%	59	15.8%	45	4.9%	81	10.9%	76	28.7%	75
eA All US Equity Gross Median	16.0%		-0.4%		19.6%		30.9%		-36.9%		6.8%		15.1%		8.5%		15.0%		34.0%	

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2012



- Domestic Equity
- ◆ Russell 3000
- S&P 500
- ▲ Universe Median
- eA All US Equity Gross

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



- Domestic Equity
- ◆ Russell 3000
- S&P 500
- ▲ Universe Median
- eA All US Equity Gross

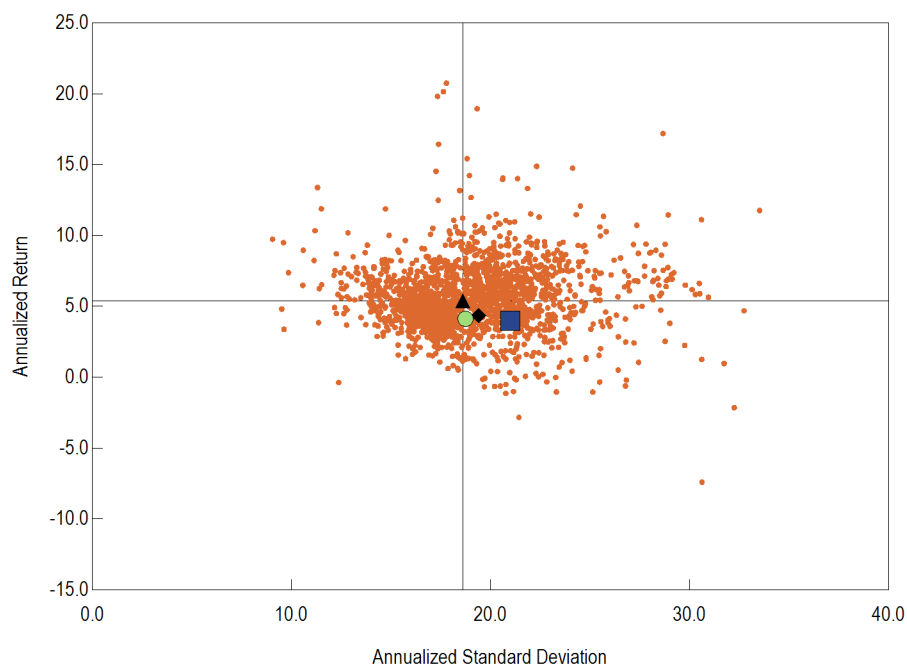
Risk vs. Return for 3 Years Ending December 31, 2012

Rank within eA All US Equity Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
Domestic Equity	10.0%	74	20.5%
Russell 3000	11.2%	58	18.6%
S&P 500	10.9%	63	17.8%
Median for this Universe	11.7%		17.3%

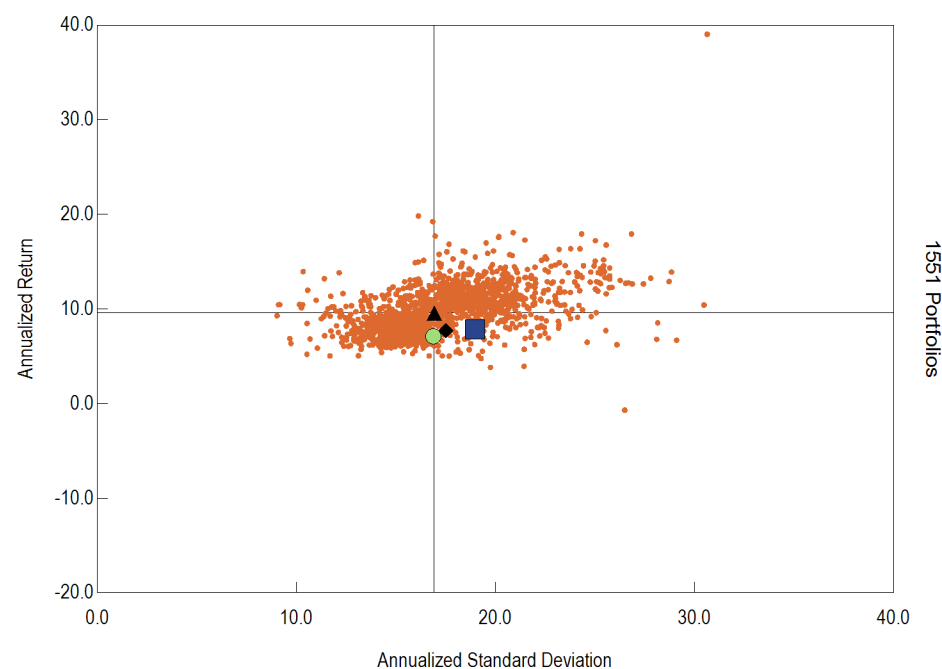
Risk vs. Return for 5 Years Ending December 31, 2012

Rank within eA All US Equity Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
Domestic Equity	1.3%	78	24.5%
Russell 3000	2.0%	68	22.6%
S&P 500	1.7%	74	21.8%
Median for this Universe	3.2%		21.1%

Annualized Return vs. Annualized Standard Deviation
7 Years Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation
10 Years Ending December 31, 2012



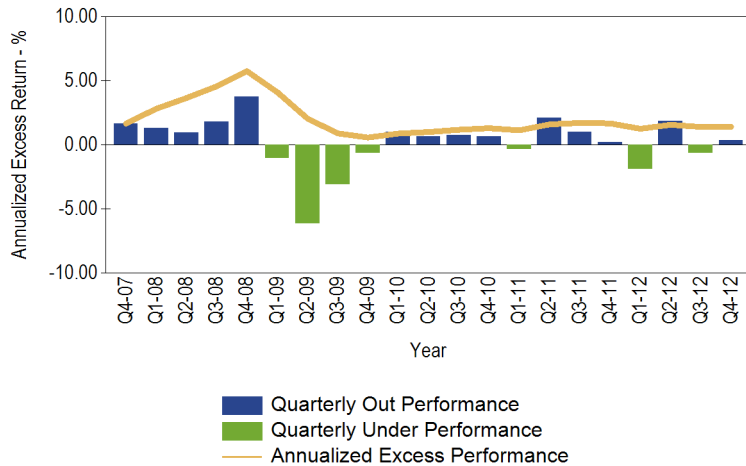
Risk vs. Return for 7 Years Ending December 31, 2012

Rank within eA All US Equity Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
Domestic Equity	4.0%	80	21.0%
Russell 3000	4.3%	73	19.4%
S&P 500	4.1%	78	18.7%
Median for this Universe	5.4%		18.6%

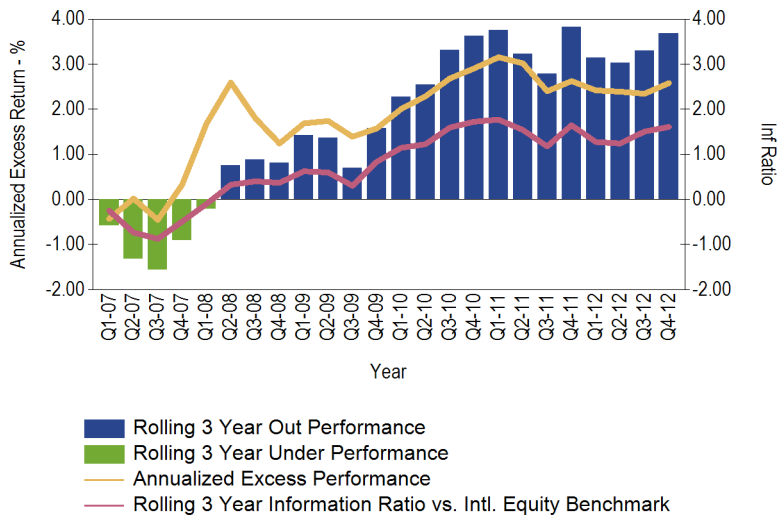
Risk vs. Return for 10 Years Ending December 31, 2012

Rank within eA All US Equity Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
Domestic Equity	7.8%	78	19.0%
Russell 3000	7.7%	81	17.5%
S&P 500	7.1%	90	16.9%
Median for this Universe	9.6%		16.9%

Annualized Excess Performance



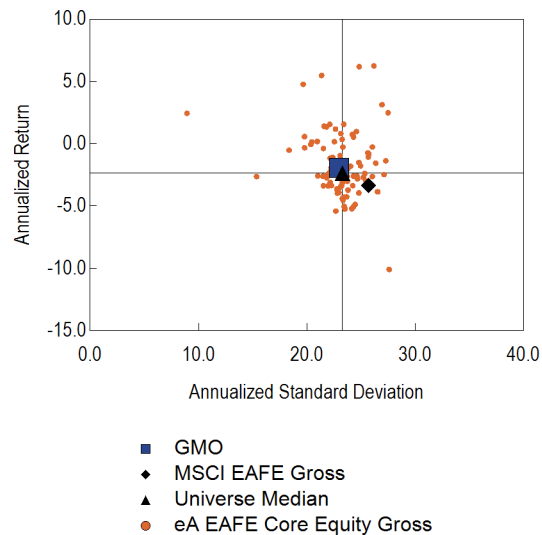
Annualized Excess Performance and Information Ratio



Top Holdings

BANCO SANTANDER SA ADR 1:1	4.92%
TOTAL	3.56%
ASTRAZENECA SPN.ADR.1:1	2.04%
BP	1.93%
RIO TINTO SPN.ADR 1:1	1.91%
VODAFONE GP.SP.N.ADR 1:10	1.71%
BARCLAYS	1.63%
TELEFONICA ADR 1:1	1.59%
ROYAL DUTCH SHELL A ADR 1:2	1.59%
ENERSIS SPN.ADR 1:50	1.58%
Total	22.46%

Annualized Return vs. Annualized Standard Deviation
5 Years 3 Months Ending December 31, 2012



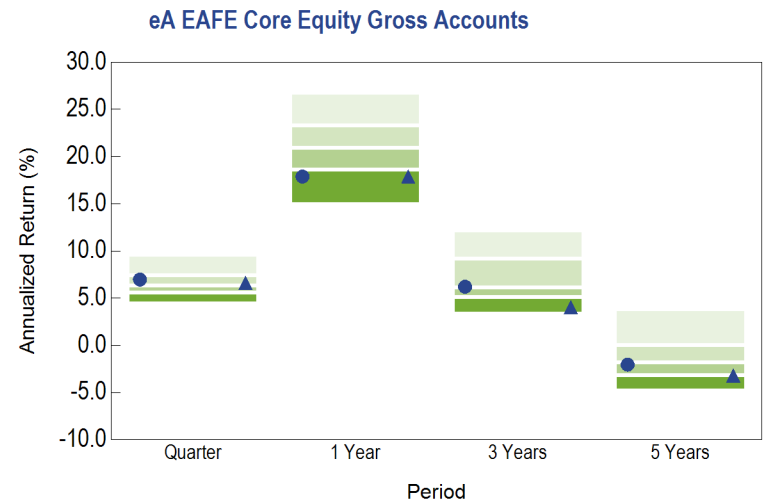
Portfolio MSCI EAFE

Number of Holdings	979	909
Weighted Avg. Market Cap. (\$B)	45.79	52.94
Median Market Cap. (\$B)	3.94	7.42
Price To Earnings	11.74	16.00
Price To Book	2.42	1.95
Price To Sales	1.42	1.51
Return on Equity (%)	14.98	13.46
Yield (%)	4.10	3.35
Beta	0.95	1.00
R-Squared	0.99	1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	0.33	5.00
Book Value Growth-5 Yrs.	6.75	5.73
EPS Growth 1 Yr (\$ Wtd. Median)	-11.93	-3.46
EPS Growth 5 Yrs (\$ Wtd. Median)	2.13	0.50
Sales/Growth-1 Yr	10.83	5.08
Sales/Growth-5 Yrs.	6.64	4.66
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	12.87	7.69
Materials	5.01	9.82
Industrials	10.32	12.58
Consumer Discretionary	7.85	10.70
Consumer Staples	8.09	11.61
Health Care	10.00	9.79
Financials	20.51	24.72
Information Technology	6.09	4.34
Telecommunications	7.78	4.89
Utilities	7.98	3.86
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	45.79	52.94
Median Market Cap. (\$B)	3.94	7.42
Large Cap. (%)	33.30	0.00
Medium/Large Cap. (%)	25.43	0.00
Medium Cap. (%)	17.12	0.00
Medium/Small Cap. (%)	11.24	0.00
Small Cap. (%)	12.90	0.00

International Equity Performance Attribution
Versus MSCI EAFE Gross - Quarter Ending December 31, 2012

	Returns and Ending Weights				Attribution Effects			
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Total Effects
Totals								
Americas	2.2%	--	20.3%	0.0%	-1.1%	1.6%	0.0%	0.5%
Europe	6.3%	7.0%	56.4%	65.4%	0.0%	-0.8%	-0.6%	-1.4%
Asia/Pacific	2.6%	6.0%	23.0%	34.1%	-1.0%	-1.0%	0.7%	-1.3%
Other	14.2%	-3.8%	0.4%	0.5%	0.4%	-0.1%	0.0%	0.3%
Total	4.6%	6.6%	100.0%	100.0%	-1.8%	-0.2%	0.0%	-2.0%
Totals								
Developed	4.2%	6.6%	96.3%	100.0%	-1.6%	-1.6%	-0.1%	-3.3%
Emerging*	6.0%	--	3.7%	0.0%	-0.4%	1.6%	0.1%	1.3%

*Emerging contains securities from non-benchmark countries.



	Return (Rank)			
5th Percentile	9.6	26.8	12.1	3.8
25th Percentile	7.5	23.3	9.2	0.1
Median	6.4	21.0	6.2	-1.8
75th Percentile	5.6	18.6	5.2	-3.1
95th Percentile	4.5	15.0	3.4	-4.8
# of Portfolios	111	110	106	96
• GMO	7.0 (36)	17.9 (82)	6.2 (50)	-2.0 (53)
▲ MSCI EAFE Gross	6.6 (46)	17.9 (82)	4.0 (87)	-3.2 (76)

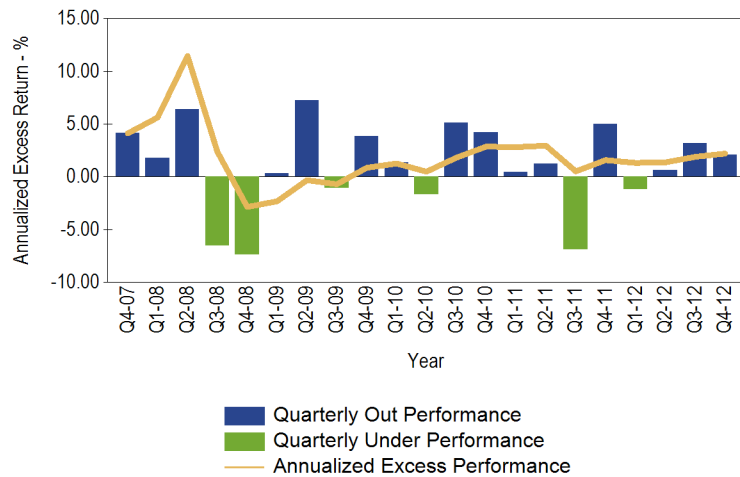
Ending December 31, 2012

Inception

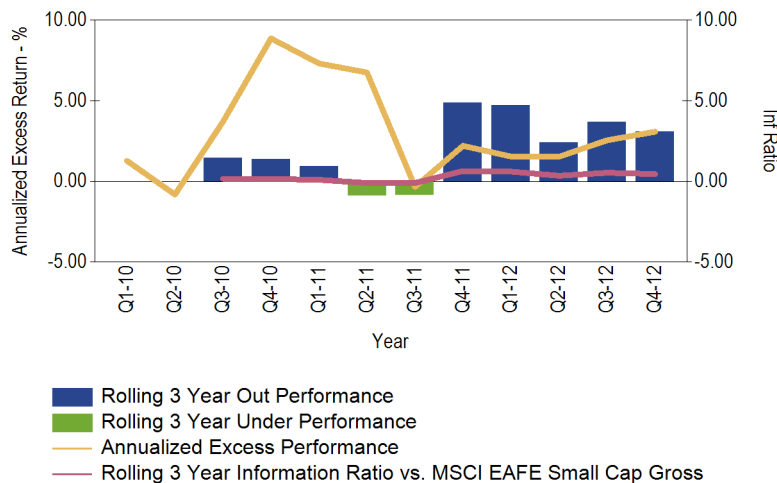
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
GMO	7.0%	36	13.8%	69	17.9%	82	3.6%	41	6.2%	50	9.6%	94	-2.0%	53	--	--	--	--	-2.0%	Oct-07
MSCI EAFE Gross	6.6%	46	14.0%	62	17.9%	82	2.0%	81	4.0%	87	10.5%	79	-3.2%	76	2.7%	84	8.7%	78	-3.4%	Oct-07
eA EAFE Core Equity Gross Median	6.4%		14.8%		21.0%		3.3%		6.2%		13.0%		-1.8%		3.9%		9.6%		-2.4%	Oct-07

	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank
GMO	17.9%	82	-8.9%	18	11.5%	55	20.5%	99	-37.5%	6
MSCI EAFE Gross	17.9%	82	-11.7%	47	8.2%	85	32.5%	65	-43.1%	41
eA EAFE Core Equity Gross Median	21.0%		-11.9%		11.8%		35.4%		-44.1%	

Annualized Excess Performance



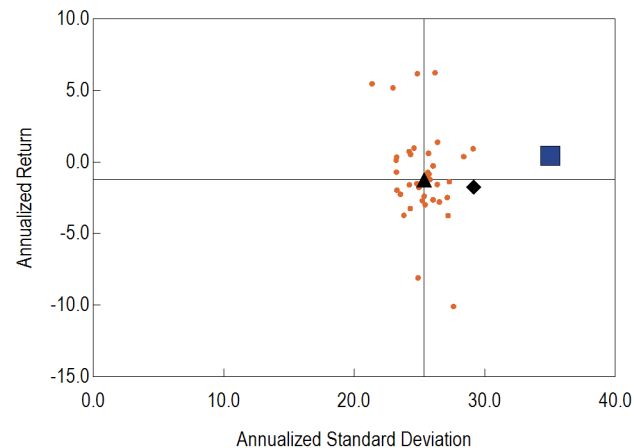
Annualized Excess Performance and Information Ratio



Top Holdings

MAKINO MILL. MACHINE	2.52%
ASOS	2.48%
ATLAS IRON	2.25%
VISCOFAN	2.21%
TADANO	2.19%
GREAT PORTLAND ESTATES	2.15%
GEMALTO	2.11%
CALSONIC KANSEI	2.03%
ELEKTA 'B'	1.96%
AUSTRIAMICROSYSTEMS	1.92%
Total	21.83%

Annualized Return vs. Annualized Standard Deviation 5 Years 3 Months Ending December 31, 2012



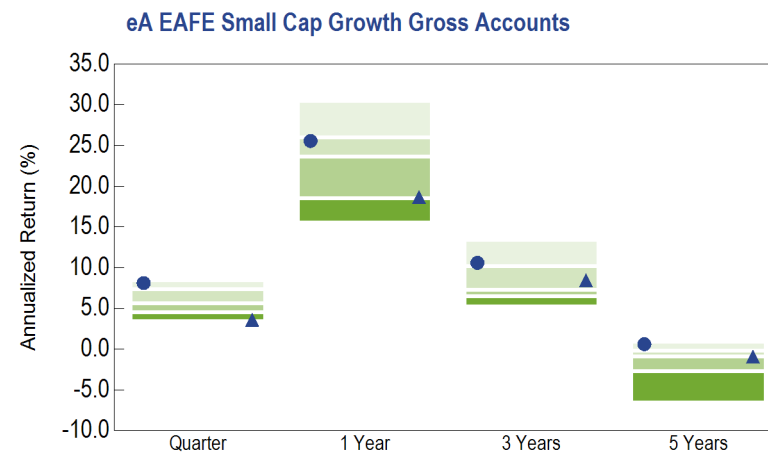
- UBS Intl
- ◆ MSCI EAFE Small Cap
- ▲ Universe Median
- eA EAFE Small Cap Equity Gross

	Portfolio	MSCI EAFE Small Cap
Number of Holdings	84	2,177
Weighted Avg. Market Cap. (\$B)	2.87	1.72
Median Market Cap. (\$B)	2.52	0.71
Price To Earnings	17.49	14.22
Price To Book	2.77	1.69
Price To Sales	2.17	1.20
Return on Equity (%)	17.37	11.21
Yield (%)	1.72	2.70
Beta	1.22	1.00
R-Squared	0.97	1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	5.05	2.89
Book Value Growth-5 Yrs.	14.87	5.59
EPS Growth 1 Yr (\$ Wtd. Median)	9.84	2.39
EPS Growth 5 Yrs (\$ Wtd. Median)	11.12	1.27
Sales/Growth-1 Yr	13.87	7.23
Sales/Growth-5 Yrs.	12.05	5.80
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	4.38	4.93
Materials	14.07	11.08
Industrials	18.93	21.61
Consumer Discretionary	18.56	18.73
Consumer Staples	9.09	6.04
Health Care	5.49	5.49
Financials	22.42	20.40
Information Technology	7.06	8.76
Telecommunications	0.00	1.26
Utilities	0.00	1.70
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	2.87	1.72
Median Market Cap. (\$B)	2.52	0.71
Large Cap. (%)	0.00	0.00
Medium/Large Cap. (%)	0.00	0.00
Medium Cap. (%)	8.49	0.00
Medium/Small Cap. (%)	51.52	0.00
Small Cap. (%)	40.00	0.00

International Equity Performance Attribution
Versus MSCI EAFE Small Cap Growth - Quarter Ending December 31, 2012

	Returns and Ending Weights				Attribution Effects			
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	Total Effects
Totals								
Americas	1.0%	--	4.3%	0.0%	-0.2%	0.3%	-0.1%	0.1%
Europe	6.2%	5.8%	56.5%	57.4%	0.2%	0.4%	0.3%	0.8%
Asia/Pacific	4.7%	0.3%	37.2%	41.6%	1.0%	-1.3%	1.4%	1.1%
Other	18.0%	21.5%	2.1%	1.1%	0.1%	0.4%	0.0%	0.4%
Total	5.9%	3.5%	100.0%	100.0%	1.0%	-0.2%	1.5%	2.4%
Totals								
Developed	4.7%	3.5%	85.6%	100.0%	-0.3%	-0.5%	1.5%	0.7%
Emerging*	18.4%	--	14.4%	0.0%	1.1%	0.5%	0.1%	1.7%

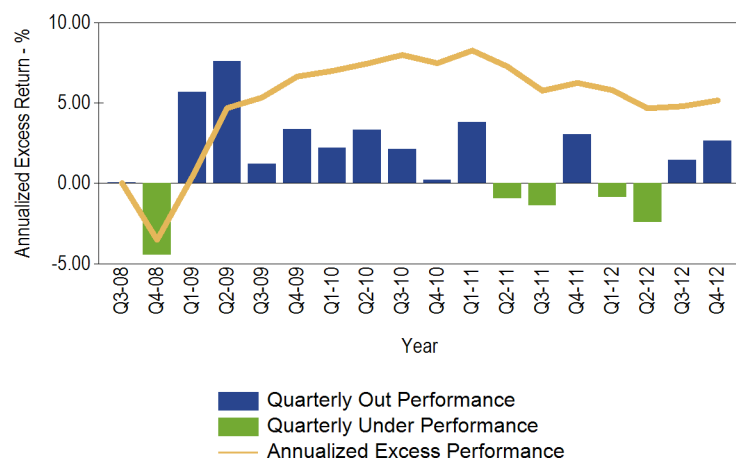
*Emerging contains securities from non-benchmark countries.



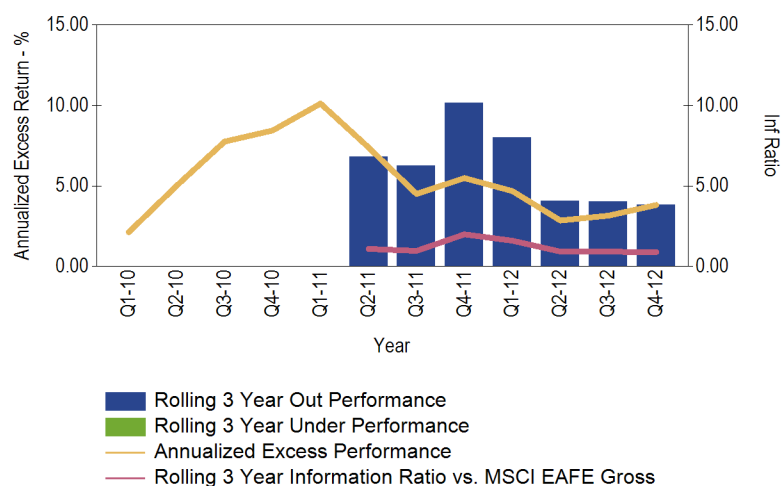
	Return (Rank)	Period			
5th Percentile	8.4	30.4	13.3	0.9	
25th Percentile	7.4	26.0	10.2	-0.1	
Median	5.7	23.6	7.3	-0.9	
75th Percentile	4.6	18.6	6.5	-2.7	
95th Percentile	3.5	15.6	5.3	-6.5	
# of Portfolios	10	10	10	9	
UBS Intl	8.1 (9)	25.5 (28)	10.6 (11)	0.6 (10)	
MSCI EAFE Small Cap Growth	3.6 (94)	18.7 (75)	8.4 (41)	-0.9 (51)	

	Ending December 31, 2012																		Inception	
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
UBS Intl	8.1%	9	20.1%	2	25.5%	24	1.5%	81	10.6%	36	21.3%	17	0.6%	34	--	--	--	--	0.4%	Oct-07
MSCI EAFE Small Cap Growth	3.6%	99	12.4%	90	18.7%	91	0.9%	83	8.4%	75	16.4%	69	-0.9%	74	3.2%	79	11.5%	89	-1.7%	Oct-07
S&P Dev ex-US SCG	3.8%	99	13.2%	85	17.8%	92	0.6%	85	7.3%	81	16.3%	69	-1.4%	81	--	--	--	--	-2.1%	Oct-07
									2012	Rank		Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank
UBS Intl									25.5%	24			-17.9%	94	31.3%	9	59.9%	18	-52.3%	
MSCI EAFE Small Cap Growth									18.7%	91			-14.2%	61	25.3%	42	44.1%	58	-48.0%	51
S&P Dev ex-US SCG									17.8%	92			-14.2%	60	22.0%	76	48.2%	49	-49.0%	62

Annualized Excess Performance



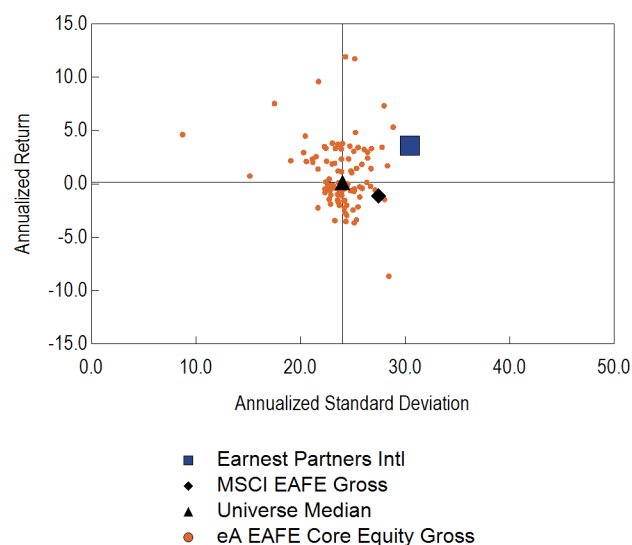
Annualized Excess Performance and Information Ratio



Top Holdings

ARM HDG.SPN.ADR 1:3	4.79%
UNITED INDL.	3.85%
ICICI BK.ADR 1:2	3.67%
GETINGE	3.16%
CORE LABORATORIES	3.01%
SHIRE	2.69%
DIAGEO	2.60%
DENSO	2.53%
BASF	2.49%
SCHOELLER-BLECKMANN	2.43%
Total	31.22%

Annualized Return vs. Annualized Standard Deviation 4 Years 6 Months Ending December 31, 2012



Portfolio MSCI EAFE

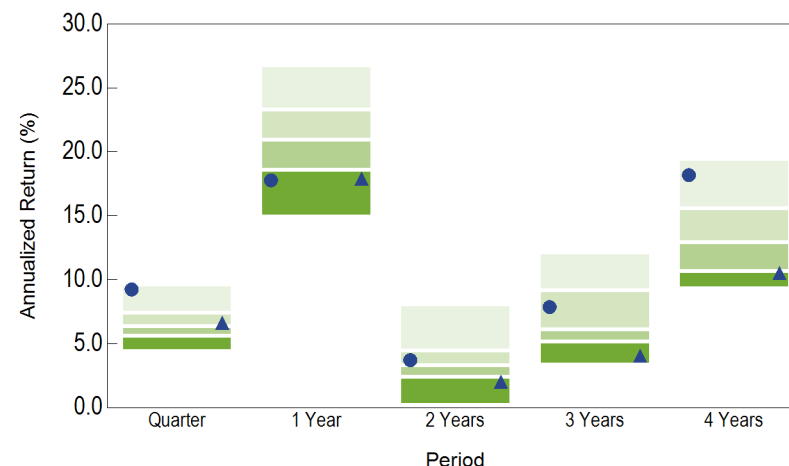
Number of Holdings	63	909
Weighted Avg. Market Cap. (\$B)	36.32	52.94
Median Market Cap. (\$B)	17.14	7.42
Price To Earnings	18.15	16.00
Price To Book	2.79	1.95
Price To Sales	1.86	1.51
Return on Equity (%)	18.35	13.46
Yield (%)	2.06	3.35
Beta	1.05	1.00
R-Squared	0.96	1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	2.50	5.00
Book Value Growth-5 Yrs.	11.16	5.73
EPS Growth 1 Yr (\$ Wtd. Median)	-0.10	-3.46
EPS Growth 5 Yrs (\$ Wtd. Median)	8.43	0.50
Sales/Growth-1 Yr	10.56	5.08
Sales/Growth-5 Yrs.	11.14	4.66
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	12.08	7.69
Materials	12.64	9.82
Industrials	9.45	12.58
Consumer Discretionary	6.36	10.70
Consumer Staples	3.75	11.61
Health Care	13.50	9.79
Financials	25.68	24.72
Information Technology	12.57	4.34
Telecommunications	1.54	4.89
Utilities	0.00	3.86
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	36.32	52.94
Median Market Cap. (\$B)	17.14	7.42
Large Cap. (%)	21.05	0.00
Medium/Large Cap. (%)	33.86	0.00
Medium Cap. (%)	16.51	0.00
Medium/Small Cap. (%)	20.73	0.00
Small Cap. (%)	7.85	0.00

International Equity Performance Attribution
Versus MSCI EAFE - Quarter Ending December 31, 2012

	Returns and Ending Weights				Attribution Effects			Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	
Totals								
Americas	2.4%	--	13.9%	0.0%	-0.8%	1.2%	0.0%	0.4%
Europe	10.9%	7.0%	43.1%	65.4%	1.8%	-1.2%	-0.7%	-0.1%
Asia/Pacific	10.0%	6.0%	38.8%	34.1%	-0.2%	0.4%	1.5%	1.6%
Other	16.6%	-3.8%	2.7%	0.5%	0.6%	-0.2%	0.0%	0.5%
Cash	0.0%	--	1.4%	--	0.0%	0.0%	0.0%	0.0%
Total	9.0%	6.6%	100.0%	100.0%	1.5%	0.1%	0.8%	2.4%
Totals								
Developed	8.0%	6.6%	71.4%	100.0%	0.7%	-2.2%	0.6%	-0.9%
Emerging*	13.2%	--	27.2%	0.0%	1.2%	1.9%	0.1%	3.3%
Cash	0.0%	--	1.4%	--	0.0%	0.0%	0.0%	0.0%

*Emerging contains securities from non-benchmark countries.

eA EAFE Core Equity Gross Accounts



	Return (Rank)				
5th Percentile	9.6	26.8	8.1	12.1	19.4
25th Percentile	7.5	23.3	4.5	9.2	15.6
Median	6.4	21.0	3.3	6.2	13.0
75th Percentile	5.6	18.6	2.4	5.2	10.7
95th Percentile	4.5	15.0	0.2	3.4	9.3
# of Portfolios	111	110	108	106	100
• Earnest Partners Intl	9.2 (9)	17.8 (83)	3.7 (40)	7.9 (34)	18.2 (11)
▲ MSCI EAFE Gross	6.6 (46)	17.9 (82)	2.0 (81)	4.0 (87)	10.5 (79)

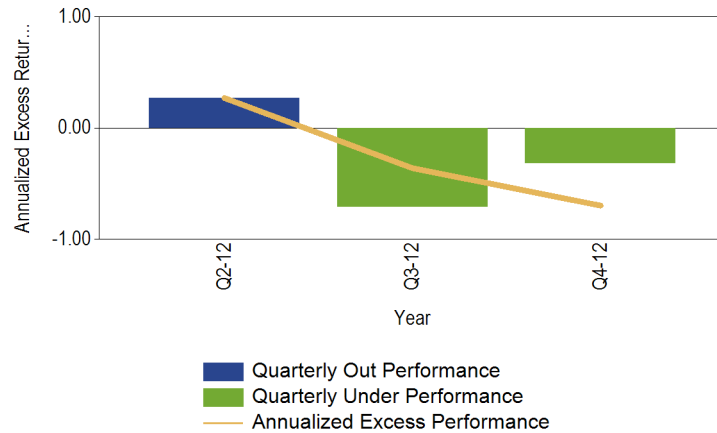
Ending December 31, 2012

Inception

	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Earnest Partners Intl	9.2%	9	18.4%	8	17.8%	83	3.7%	40	7.9%	34	18.2%	11	--	--	--	--	--	--	3.6%	Jul-08
MSCI EAFE Gross	6.6%	46	14.0%	62	17.9%	82	2.0%	81	4.0%	87	10.5%	79	-3.2%	76	2.7%	84	8.7%	78	-1.1%	Jul-08
eA EAFE Core Equity Gross Median	6.4%		14.8%		21.0%		3.3%		6.2%		13.0%		-1.8%		3.9%		9.6%		0.2%	Jul-08

	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank
Earnest Partners Intl	17.8%	83	-8.7%	13	16.6%	25	55.4%	4	--	--
MSCI EAFE Gross	17.9%	82	-11.7%	47	8.2%	85	32.5%	65	-43.1%	41
eA EAFE Core Equity Gross Median	21.0%		-11.9%		11.8%		35.4%		-44.1%	

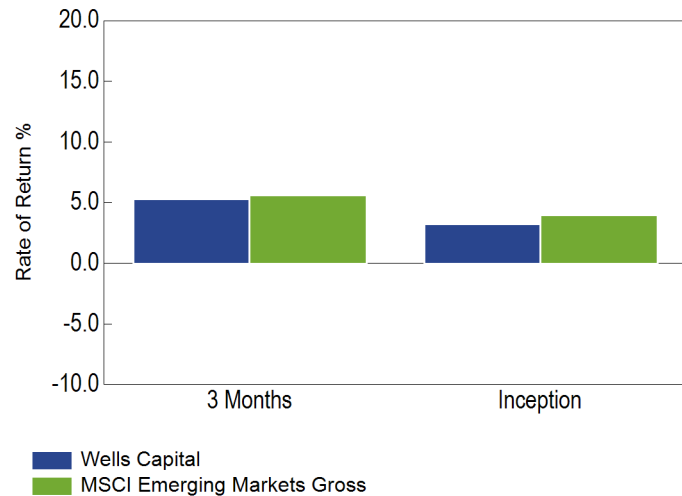
Annualized Excess Performance



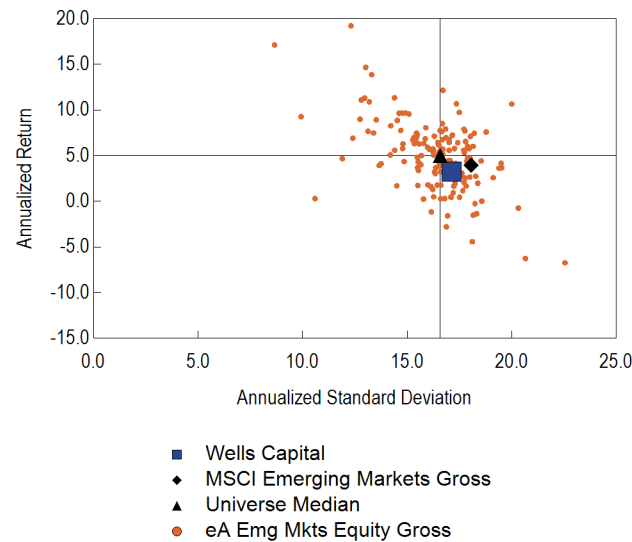
Top Holdings

SAMSUNG ELECTRONICS	5.29%
CHINA MOBILE SPN.ADR 1:5	3.30%
TAIWAN SEMICON.SPN.ADR 1:5	3.05%
BNC.BRADESCO PF.SPN.ADR 1:1	2.81%
GRUPO TELEVISA SPN.ADR 1:5	2.44%
ISHARES MSCI EMRG.MKTS. IDX.FD.	2.43%
CHINA LF.IN.SPN.ADR 'H' 1:15	2.25%
COMPANHIA DE BEB.DAS AMRS.PN ADR.1:1	2.16%
SINA	2.14%
PTRO.BRAO.ADR 1:2	2.08%
Total	27.95%

Return Summary Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation 9 Months Ending December 31, 2012



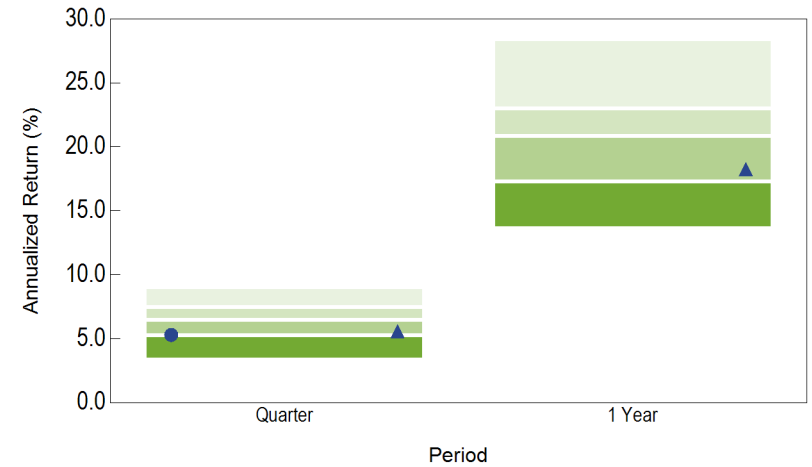
	Portfolio	MSCI Emerging Markets Gross
Number of Holdings	119	821
Weighted Avg. Market Cap. (\$B)	44.43	37.84
Median Market Cap. (\$B)	11.61	4.73
Price To Earnings	20.46	15.98
Price To Book	3.08	2.48
Price To Sales	2.50	1.98
Return on Equity (%)	19.44	18.66
Yield (%)	2.31	2.57
Beta		1.00
R-Squared		1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	8.91	13.36
Book Value Growth-5 Yrs.	14.27	16.05
EPS Growth 1 Yr (\$ Wtd. Median)	0.00	0.35
EPS Growth 5 Yrs (\$ Wtd. Median)	10.64	14.76
Sales/Growth-1 Yr	16.38	18.53
Sales/Growth-5 Yrs.	15.43	16.84
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	11.67	12.53
Materials	5.47	11.75
Industrials	4.43	6.46
Consumer Discretionary	9.58	7.88
Consumer Staples	15.52	8.74
Health Care	0.00	1.27
Financials	22.02	26.51
Information Technology	15.31	13.77
Telecommunications	10.86	7.72
Utilities	0.25	3.36
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	44.43	37.84
Median Market Cap. (\$B)	11.61	4.73
Large Cap. (%)	21.83	0.00
Medium/Large Cap. (%)	34.46	0.00
Medium Cap. (%)	24.30	0.00
Medium/Small Cap. (%)	15.94	0.00
Small Cap. (%)	3.49	0.00

International Equity Performance Attribution
Versus MSCI Emerging Markets Gross - Quarter Ending December 31, 2012

	Returns and Ending Weights				Attribution Effects			Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	
Totals								
Americas	3.6%	4.0%	36.7%	21.4%	-0.3%	0.6%	0.1%	0.4%
Europe	8.4%	3.9%	4.7%	8.0%	0.3%	-0.1%	-0.2%	0.0%
Asia/Pacific	6.9%	6.0%	51.1%	60.4%	0.4%	-0.3%	0.1%	0.1%
Other	5.3%	7.7%	7.4%	10.1%	-0.2%	-0.2%	0.1%	-0.3%
Total	5.7%	5.6%	100.0%	100.0%	0.1%	0.0%	0.0%	0.1%
Totals								
Developed	-2.2%	--	16.4%	0.0%	-0.8%	0.6%	0.0%	-0.2%
Emerging*	6.7%	5.6%	83.6%	100.0%	0.9%	-0.6%	0.0%	0.4%

*Emerging contains securities from non-benchmark countries.

eA Emg Mkts Equity Gross Accounts



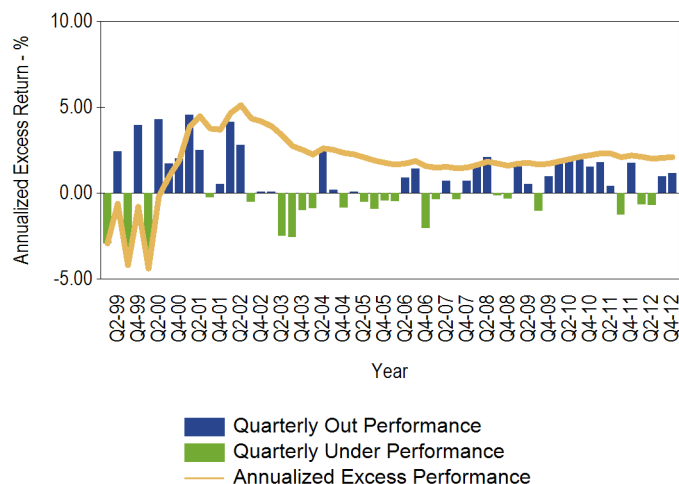
	Return (Rank)		Period	
5th Percentile	9.0		28.4	
25th Percentile	7.5		23.0	
Median	6.5		20.9	
75th Percentile	5.3		17.3	
95th Percentile	3.4		13.7	
# of Portfolios	155		155	
● Wells Capital	5.3	(75)	--	(--)
▲ MSCI Emerging Markets	5.6	(70)	18.2	(68)

Ending December 31, 2012

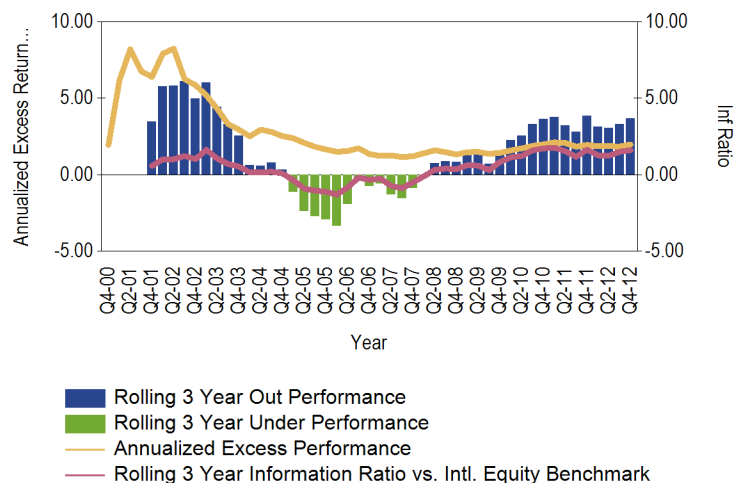
Inception

	3 Mo	Rank	YTD	Rank	Fiscal YTD	Rank	1 Yr	Rank	3 Yrs	Rank	5 Yrs	Rank	Return	Since
Wells Capital	5.3%	75	--	--	12.8%	82	--	--	--	--	--	--	3.2%	Apr-12
MSCI Emerging Markets	5.6%	70	18.2%	68	13.8%	65	18.2%	68	4.7%	62	-0.9%	64	3.6%	Apr-12
MSCI Emerging Markets Gross	5.6%	70	18.6%	68	13.9%	63	18.6%	68	5.0%	60	-0.6%	56	3.9%	Apr-12
eA Emg Mkts Equity Gross Median	6.5%		20.9%		14.6%		20.9%		6.3%		-0.1%		5.0%	Apr-12

Annualized Excess Performance



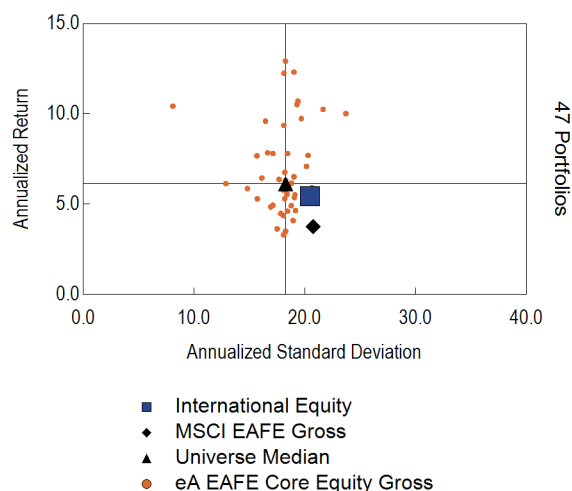
Annualized Excess Performance and Information Ratio



Top Holdings

ARM HDG.SPN.ADR 1:3	1.98%
ICICI BK.ADR 1:2	1.71%
UNITED INDL.	1.59%
RIO TINTO SPN.ADR 1:1	1.58%
BANCO SANTANDER SA ADR 1:1	1.54%
DIAGEO	1.53%
SAMSUNG ELECTRONICS	1.43%
GETINGE	1.30%
CORE LABORATORIES	1.25%
SCHOELLER-BLECKMANN	1.21%
Total	15.12%

Annualized Return vs. Annualized Standard Deviation 14 Years Ending December 31, 2012



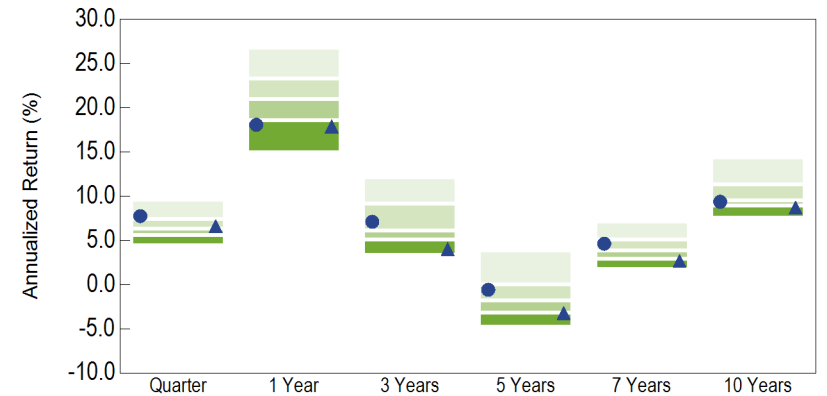
	Portfolio	MSCI EAFE
Number of Holdings	1,172	909
Weighted Avg. Market Cap. (\$B)	35.46	52.94
Median Market Cap. (\$B)	4.32	7.42
Price To Earnings	16.46	16.00
Price To Book	2.80	1.95
Price To Sales	2.14	1.51
Return on Equity (%)	17.35	13.46
Yield (%)	2.66	3.35
Beta	1.05	1.00
R-Squared	0.99	1.00
HISTORICAL GROWTH MEASURES		
Dividends/Share-5 Yrs.	3.02	5.00
Book Value Growth-5 Yrs.	10.90	5.73
EPS Growth 1 Yr (\$ Wtd. Median)	0.00	-3.46
EPS Growth 5 Yrs (\$ Wtd. Median)	7.11	0.50
Sales/Growth-1 Yr	12.12	5.08
Sales/Growth-5 Yrs.	10.56	4.66
INDUSTRY SECTOR DISTRIBUTION (% Equity)		
Energy	11.17	7.69
Materials	9.49	9.82
Industrials	10.37	12.58
Consumer Discretionary	9.00	10.70
Consumer Staples	7.49	11.61
Health Care	9.40	9.79
Financials	23.11	24.72
Information Technology	10.16	4.34
Telecommunications	4.54	4.89
Utilities	2.50	3.86
COMPANY SIZE DISTRIBUTION		
Weighted Ave. Market Cap. (\$B)	35.46	52.94
Median Market Cap. (\$B)	4.32	7.42
Large Cap. (%)	21.80	0.00
Medium/Large Cap. (%)	26.46	0.00
Medium Cap. (%)	16.63	0.00
Medium/Small Cap. (%)	21.67	0.00
Small Cap. (%)	13.45	0.00

International Equity Performance Attribution Versus MSCI EAFE - Quarter Ending December 31, 2012

	Returns and Ending Weights				Attribution Effects			Total Effects
	Manager Return	Index Return	Manager Weight	Index Weight	Selection Effect	Allocation Effect	Currency Effect	
Totals								
Americas	2.6%	--	17.7%	0.0%	-0.9%	1.4%	0.0%	0.5%
Europe	8.2%	7.0%	43.8%	65.4%	0.7%	-1.2%	-0.7%	-1.2%
Asia/Pacific	7.1%	6.0%	35.4%	34.1%	-1.0%	0.1%	1.3%	0.4%
Other	12.1%	-3.8%	2.6%	0.5%	0.7%	-0.2%	0.0%	0.4%
Cash	0.0%	--	0.6%	--	0.0%	0.0%	0.0%	0.0%
Total	6.8%	6.6%	100.0%	100.0%	-0.5%	0.1%	0.6%	0.2%
Totals								
Developed	5.8%	6.6%	73.5%	100.0%	-0.7%	-2.6%	0.5%	-2.7%
Emerging*	9.1%	--	26.0%	0.0%	0.3%	2.4%	0.1%	2.9%
Cash	0.0%	--	0.6%	--	0.0%	0.0%	0.0%	0.0%

*Emerging contains securities from non-benchmark countries.

eA EAFE Core Equity Gross Accounts



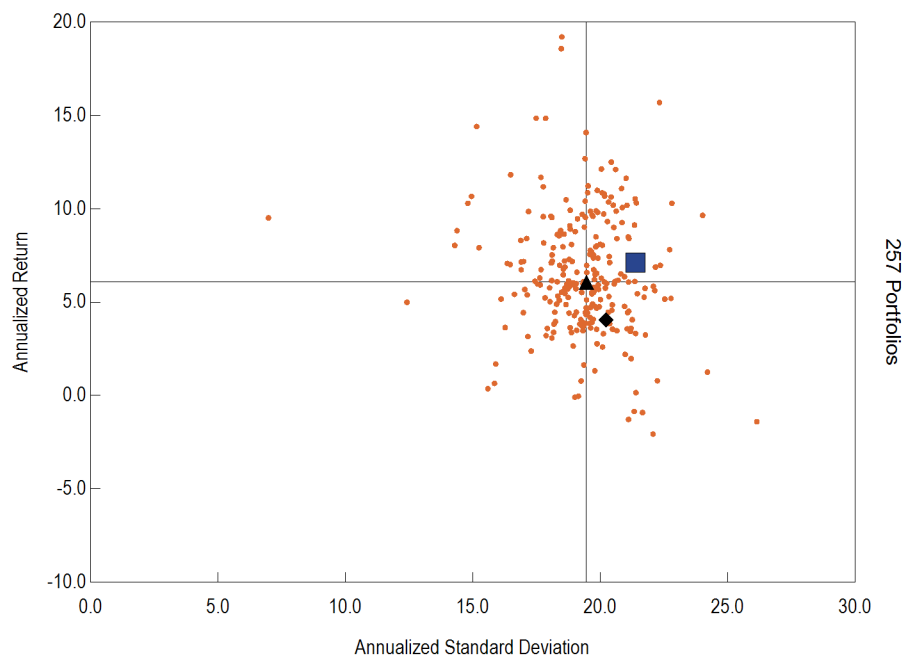
	Period					
Return (Rank)	Quarter	1 Year	3 Years	5 Years	7 Years	10 Years
5th Percentile	9.6	26.8	12.1	3.8	7.1	14.3
25th Percentile	7.5	23.3	9.2	0.1	5.1	11.3
Median	6.4	21.0	6.2	-1.8	3.9	9.6
75th Percentile	5.6	18.6	5.2	-3.1	2.9	9.0
95th Percentile	4.5	15.0	3.4	-4.8	1.8	7.6
# of Portfolios	111	110	106	96	76	63
● International Equity	7.7 (18)	18.1 (81)	7.1 (41)	-0.6 (39)	4.6 (32)	9.4 (62)
▲ MSCI EAFE Gross	6.6 (46)	17.9 (82)	4.0 (87)	-3.2 (76)	2.7 (84)	8.7 (78)

Ending December 31, 2012

Inception

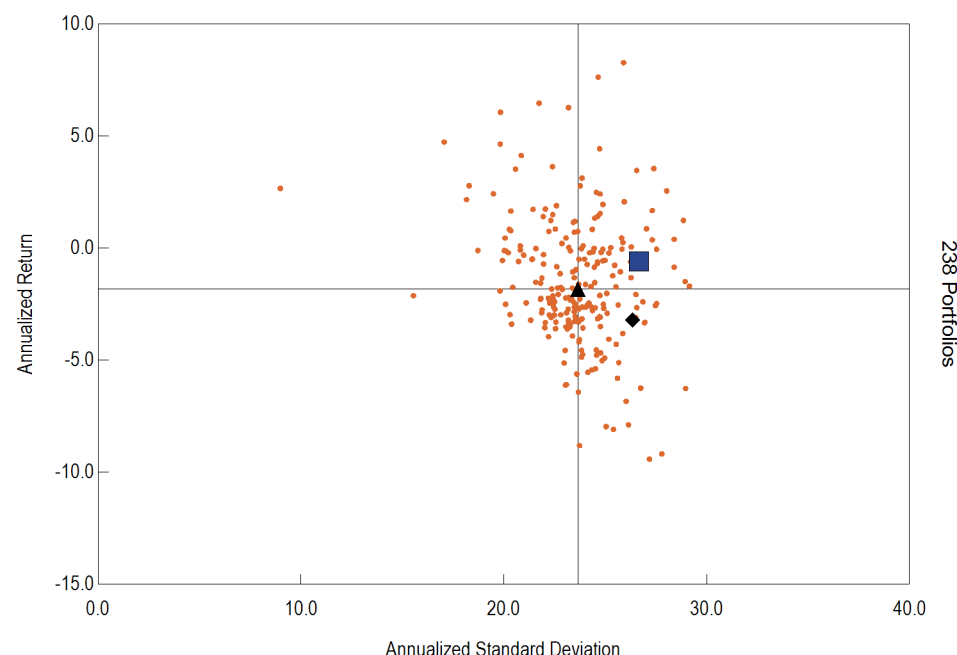
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
International Equity	7.7%	22	16.3%	23	18.1%	70	3.0%	54	7.1%	39	13.5%	41	-0.6%	35	4.6%	33	9.4%	64	5.4%	Jan-99
Intl. Equity Benchmark	5.8%	69	14.0%	59	15.8%	88	1.1%	80	3.4%	89	10.0%	84	-3.6%	84	2.4%	82	8.5%	80	3.6%	Jan-99
MSCI EAFE Gross	6.6%	44	14.0%	56	17.9%	72	2.0%	70	4.0%	80	10.5%	76	-3.2%	77	2.7%	77	8.7%	77	3.8%	Jan-99
eA All EAFE Equity Gross Median	6.4%		14.4%		20.4%		3.2%		6.1%		12.4%		-1.8%		3.8%		10.0%		6.6%	Jan-99
	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank	2004	Rank	2003	Rank
International Equity	18.1%	70	-10.1%	30	15.8%	27	35.0%	57	-41.4%	30	12.0%	57	26.3%	62	11.6%	93	21.5%	46	31.4%	92
Intl. Equity Benchmark	15.8%	88	-11.7%	47	8.2%	78	32.5%	67	-43.1%	41	11.6%	59	26.9%	55	14.0%	79	20.7%	52	39.2%	55
MSCI EAFE Gross	17.9%	72	-11.7%	47	8.2%	78	32.5%	67	-43.1%	41	11.6%	59	26.9%	55	14.0%	79	20.7%	52	39.2%	55
eA All EAFE Equity Gross Median	20.4%		-12.0%		11.7%		36.5%		-44.1%		13.2%		27.3%		17.5%		21.0%		39.9%	

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2012



- International Equity
- ◆ MSCI EAFE Gross
- ▲ Universe Median
- eA All EAFE Equity Gross

Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



- International Equity
- ◆ MSCI EAFE Gross
- ▲ Universe Median
- eA All EAFE Equity Gross

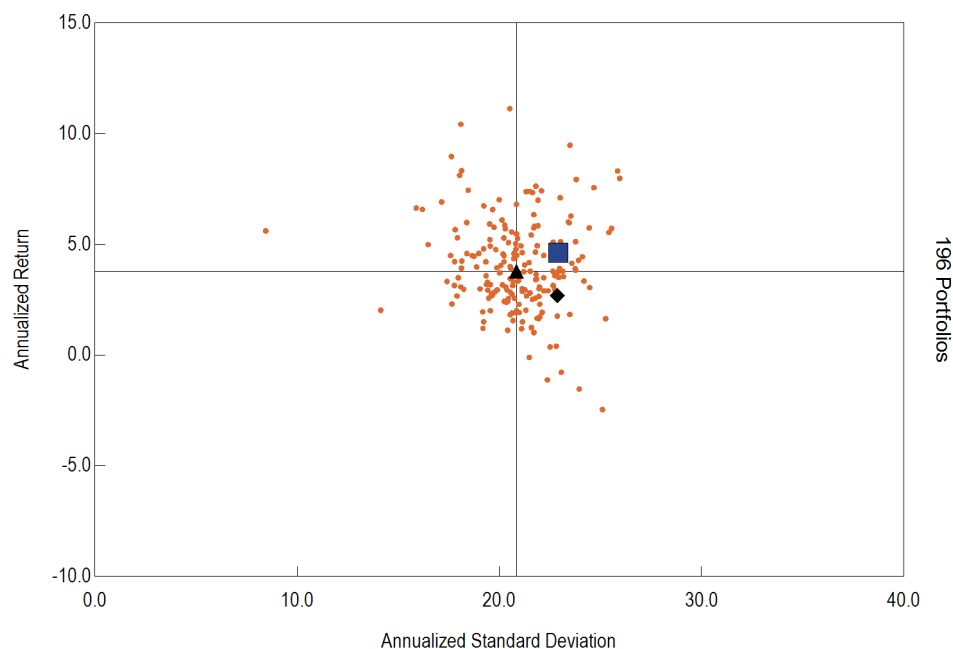
Risk vs. Return for 3 Years Ending December 31, 2012

Rank within eA All EAFE Equity Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
International Equity	7.1%	39	21.4%
MSCI EAFE Gross	4.0%	80	20.2%
Median for this Universe	6.1%		19.5%

Risk vs. Return for 5 Years Ending December 31, 2012

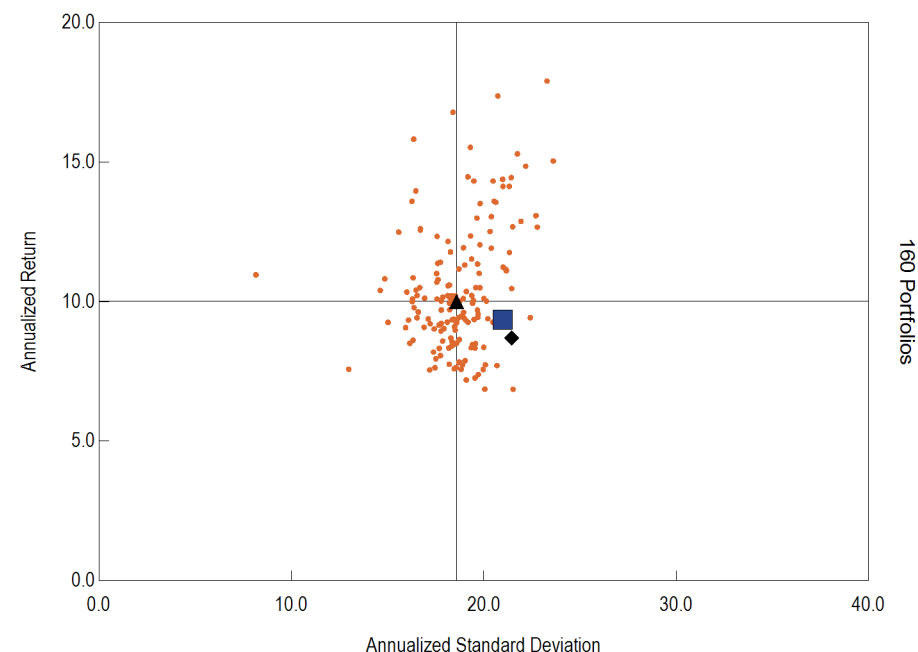
Rank within eA All EAFE Equity Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
International Equity	-0.6%	35	26.7%
MSCI EAFE Gross	-3.2%	77	26.3%
Median for this Universe	-1.8%		23.7%

Annualized Return vs. Annualized Standard Deviation
7 Years Ending December 31, 2012



- International Equity
- ◆ MSCI EAFE Gross
- ▲ Universe Median
- eA All EAFE Equity Gross

Annualized Return vs. Annualized Standard Deviation
10 Years Ending December 31, 2012



- International Equity
- ◆ MSCI EAFE Gross
- ▲ Universe Median
- eA All EAFE Equity Gross

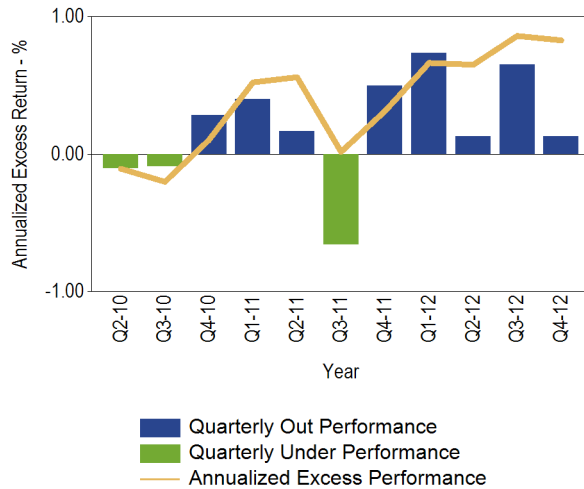
Risk vs. Return for 7 Years Ending December 31, 2012

Rank within eA All EAFE Equity Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
International Equity	4.6%	33	22.9%
MSCI EAFE Gross	2.7%	77	22.9%
Median for this Universe	3.8%		20.8%

Risk vs. Return for 10 Years Ending December 31, 2012

Rank within eA All EAFE Equity Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
International Equity	9.4%	64	21.0%
MSCI EAFE Gross	8.7%	77	21.4%
Median for this Universe	10.0%		18.6%

Annualized Excess Performance

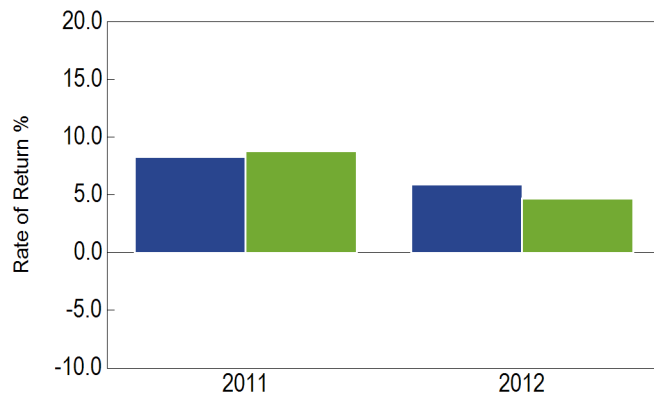


Top Holdings

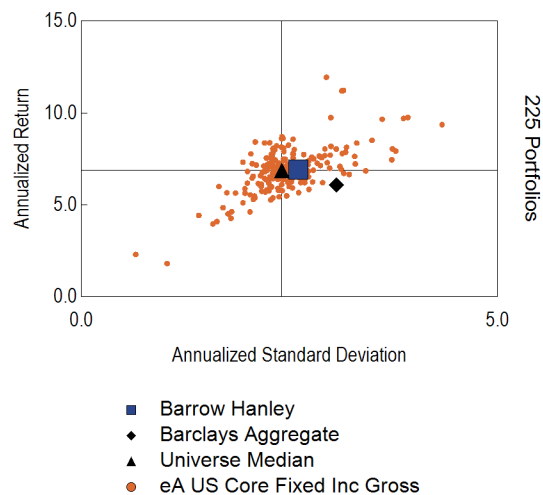
UNITED STATES TREASURY	29.37%
FN 30YR	5.55%
FH 30yr GOLD	2.42%
EB TEMPORARY INVESTMENT FD II	1.99%
FN AC3278	1.89%
FG G05753	1.82%
UST 2.375 01/15/17	1.47%
FN AH3373	1.42%
FN 995024	1.30%
CMO BEAR STEARNS COML MTG SECS TR 2006-PWR13 CL-A4 DUE 09-11-2041 REG	1.15%
Total	48.38%

Portfolio Characteristics	Barrow	BC. Aggregate
Eff Duration (Yrs.)	5.0	5.1
Yield to Maturity (%)	3.3	7.0
Wtd Avg. Coupon (%)	3.5	3.6
Maturity	6.0	1.7
Quality	Aa2	AA1/AA2
Sector	Barrow	Aggregate
Corporate	43.3 %	21.5 %
Government	19.4	46.7
Mortgage	30.8	29.6
Foreign	0.0	0.0
CMBS	4.5	2.2
Cash	2.0	0.0
Quality	Barrow	Aggregate
Govt/Agency	0.0 %	0.0 %
AAA	57.5	73.1
AA	4.7	5.0
A	21.5	11.0
BBB	16.3	10.8
BB	0.0	0.0
Less than BB	0.0	0.0
Not Rated	0.0	0.0

Return Summary Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation 2 Years 9 Months Ending December 31, 2012

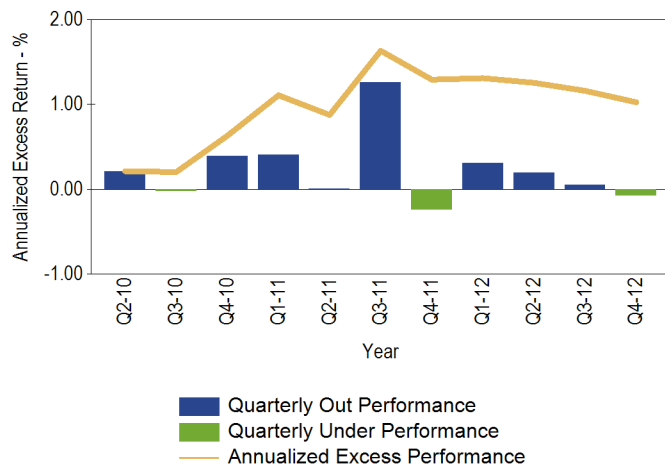


	Ending December 31, 2012																		Inception	
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Barrow Hanley	0.3%	66	2.6%	55	5.9%	51	7.1%	39	--	--	--	--	--	--	--	--	--	--	6.9%	Apr-10
Barrow Hanley Benchmark*	0.3%	74	2.0%	80	4.7%	81	6.7%	57	--	--	--	--	--	--	--	--	--	--	6.7%	Apr-10
Barclays Aggregate	0.2%	82	1.8%	87	4.2%	90	6.0%	84	6.2%	84	6.1%	84	5.9%	85	5.9%	84	5.2%	88	6.1%	Apr-10
eA US Core Fixed Inc Gross Median	0.5%		2.7%		5.9%		6.9%		7.1%		7.6%		6.8%		6.4%		5.7%		6.9%	Apr-10

	2012	Rank	2011	Rank
Barrow Hanley	5.9%	51	8.3%	24
Barrow Hanley Benchmark*	4.7%	81	8.8%	13
Barclays Aggregate	4.2%	90	7.8%	46
eA US Core Fixed Inc Gross Median	5.9%		7.7%	

*The Barrow Hanley benchmark is 17.2% Barclays Capital US TIPS, and 82.8% Barclays Capital US Aggregate.

Annualized Excess Performance

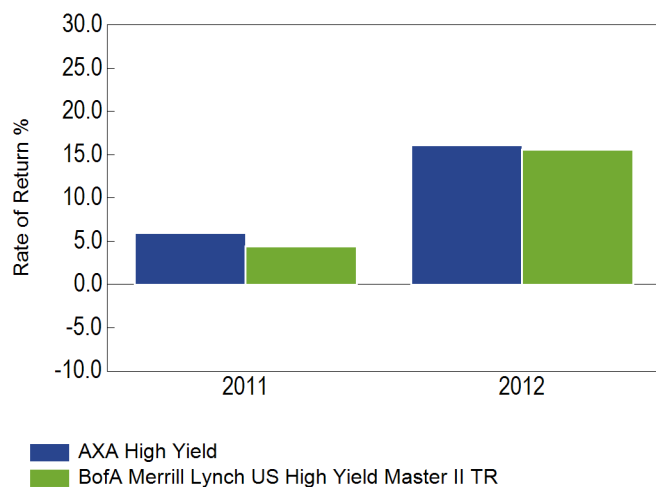


Top Holdings

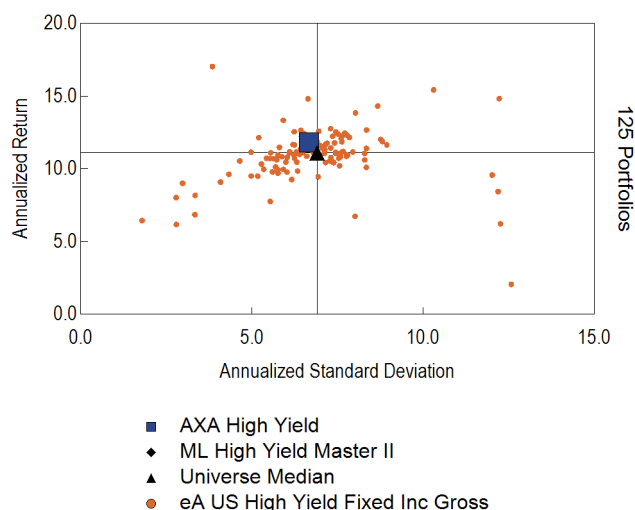
EB TEMPORARY INVESTMENT FD II	3.89%
FMG RESOURCES (AUGUST 2006) PTY LTD	1.33%
CIT GROUP INC	1.24%
DYNCORP INTERNATIONAL INC	1.08%
AMC ENTERTAINMENT INC	1.03%
ACE CASH EXPRESS INC	0.98%
WSTCR 11.000 10/15/16 '11	0.89%
SITFN 11.500 04/01/18 '14	0.84%
INTELSAT LUXEMBOURG SA	0.82%
AIRCASTLE LTD	0.80%
Total	12.92%

Portfolio Characteristics	AXA	ML HY Master II
Eff Duration (Yrs.)	3.2	3.8
Wtd Avg. Yield (%)	8.2	7.5
Wtd Avg. Coupon (%)	8.6	7.8
Maturity	6.0	6.8
Quality	B2	B1
Sector	AXA	ML HY II
Corporate	100.0%	100.0%
Government	0.0	0.0
Mortgage	0.0	0.0
Foreign	0.0	0.0
CMBS	0.0	0.0
Cash	0.0	0.0
Quality	AXA	ML HY II
Govt/Agency	0.0%	0.0%
AAA	0.0	0.0
AA	0.0	0.0
A	0.0	0.0
BBB	2.3	3.2
BB	25.5	41.0
Less than BB	67.7	55.7
Not Rated	0.7	0.0
Cash	3.9	0.0

Return Summary Ending December 31, 2012

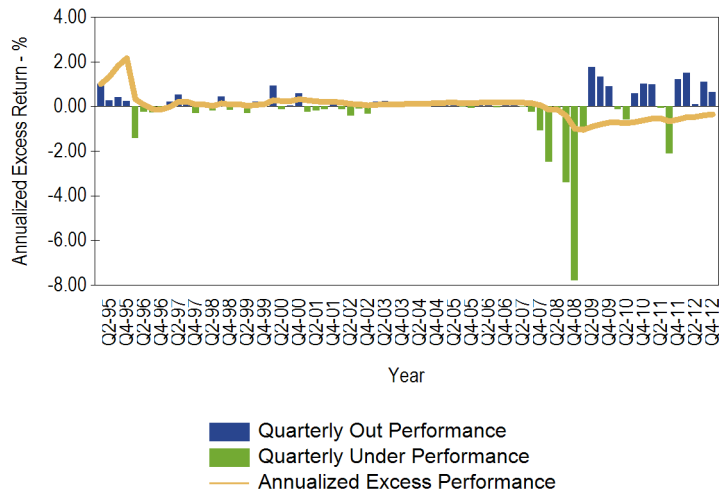


Annualized Return vs. Annualized Standard Deviation 2 Years 9 Months Ending December 31, 2012



																			Inception	
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
AXA High Yield	3.1%	49	7.9%	43	16.1%	36	10.9%	19	--	--	--	--	--	--	--	--	--	--	11.8%	Apr-10
<i>BofA Merrill Lynch US High Yield Master II TR</i>	3.2%	46	7.9%	42	15.6%	47	9.8%	65	11.6%	59	21.6%	21	10.0%	38	9.1%	47	10.4%	38	10.8%	<i>Apr-10</i>
<i>eA US High Yield Fixed Inc Gross Median</i>	3.1%		7.7%		15.5%		10.1%		11.7%		19.3%		9.7%		9.0%		10.0%		11.1%	<i>Apr-10</i>
									2012	Rank	2011	Rank								
AXA High Yield									16.1%	36	6.0%	30								
<i>BofA Merrill Lynch US High Yield Master II TR</i>									15.6%	47	4.4%	60								
<i>eA US High Yield Fixed Inc Gross Median</i>									15.5%		4.9%									

Annualized Excess Performance

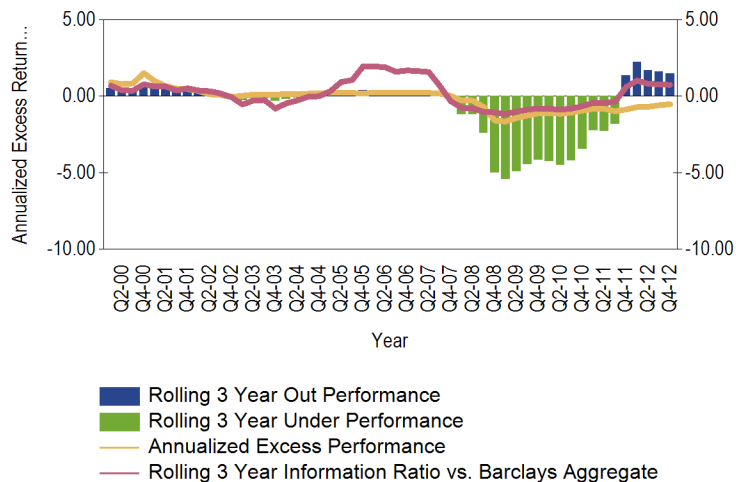


Top Holdings

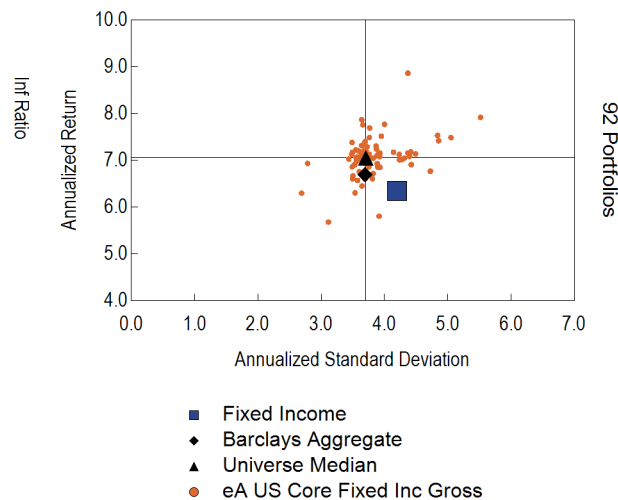
UNITED STATES TREASURY	23.84%
FN 30yr	4.51%
EB TEMPORARY INVESTMENT FD II	2.35%
FH 30yr GOLD	1.97%
FN AC3278	1.54%
FG G05753	1.47%
UST 2.375 01/15/17	1.19%
FN AH3373	1.15%
FN 995024	1.06%
CMO BEAR STEARNS COML MTG SECS TR 2006-PWR13 CL-A4 DUE 09-11-2041 REG	0.93%
Total	40.00%

Portfolio Characteristics	Total Fixed Income	Barclays Aggregate
Mkt Value	159,416,399	
Eff Duration (Yrs.)	4.7	5.1
Wtd Avg. Yield (%)	4.2	7.0
Wtd Avg. Coupon (%)	4.5	3.6
Maturity	6.0	1.7
Quality	AA	AA1/AA2
Sector		
Corporate	54.0	21.5
Government	15.7	46.7
Mortgage	25.0	29.6
Foreign	0.0	0.0
ABS/CMBS	3.7	2.2
Cash	1.6	0.0
Quality		
Govt/Agency	0.0	0.0
AAA	46.7	73.1
AA	3.8	5.0
A	17.5	11.0
BBB	13.7	10.8
BB	4.8	0.0
Less than BB	12.7	0.0
Not Rated	0.1	0.0
Cash	0.7	0.0
	100.0	

Annualized Excess Performance and Information Ratio



Annualized Return vs. Annualized Standard Deviation 18 Years Ending December 31, 2012

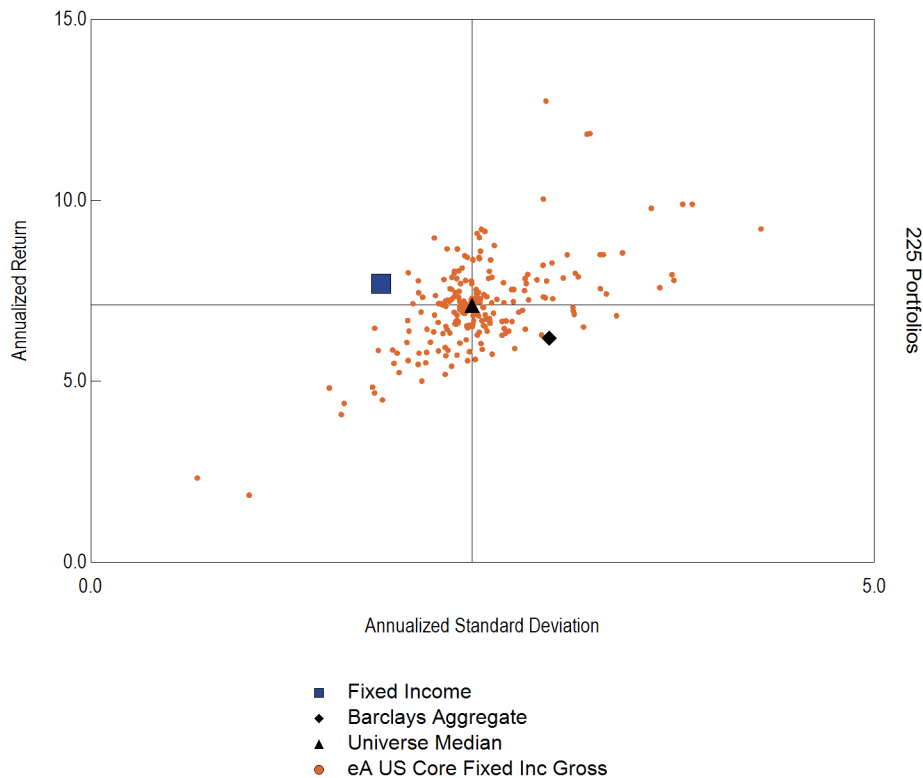


Fixed Income

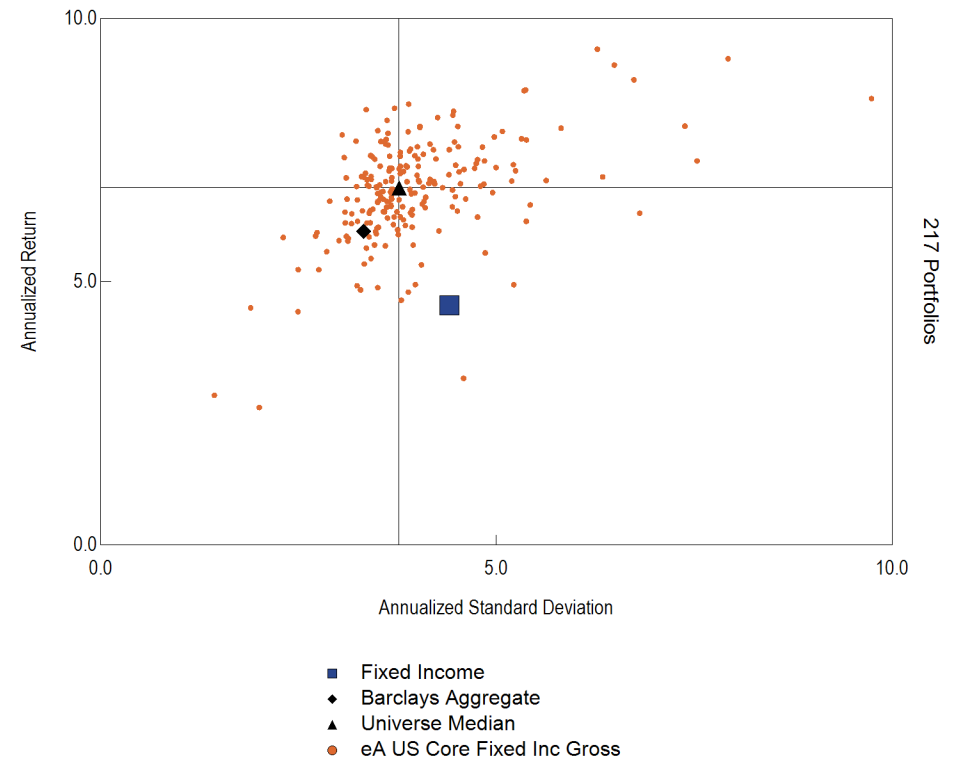
\$159.4 Million and 29.8% of Fund

	Ending December 31, 2012																		Inception	
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
Fixed Income	0.8%	18	3.6%	15	7.7%	14	7.8%	16	7.7%	26	8.0%	41	4.5%	98	4.7%	99	4.5%	99	6.3%	Jan-95
<i>Barclays Aggregate</i>	0.2%	82	1.8%	87	4.2%	90	6.0%	84	6.2%	84	6.1%	84	5.9%	85	5.9%	84	5.2%	88	6.7%	Jan-95
<i>eA US Core Fixed Inc Gross Median</i>	0.5%		2.7%		5.9%		6.9%		7.1%		7.6%		6.8%		6.4%		5.7%		7.1%	Jan-95
	2012	Rank	2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank	2004	Rank	2003	Rank
Fixed Income	7.7%	14	7.9%	42	7.5%	44	9.1%	49	-8.3%	96	5.7%	84	4.7%	30	2.6%	58	4.8%	24	4.7%	42
<i>Barclays Aggregate</i>	4.2%	90	7.8%	46	6.5%	76	5.9%	80	5.2%	37	7.0%	47	4.3%	69	2.4%	78	4.3%	60	4.1%	66
<i>eA US Core Fixed Inc Gross Median</i>	5.9%		7.7%		7.3%		8.9%		4.1%		6.9%		4.5%		2.7%		4.5%		4.5%	

Annualized Return vs. Annualized Standard Deviation
3 Years Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation
5 Years Ending December 31, 2012



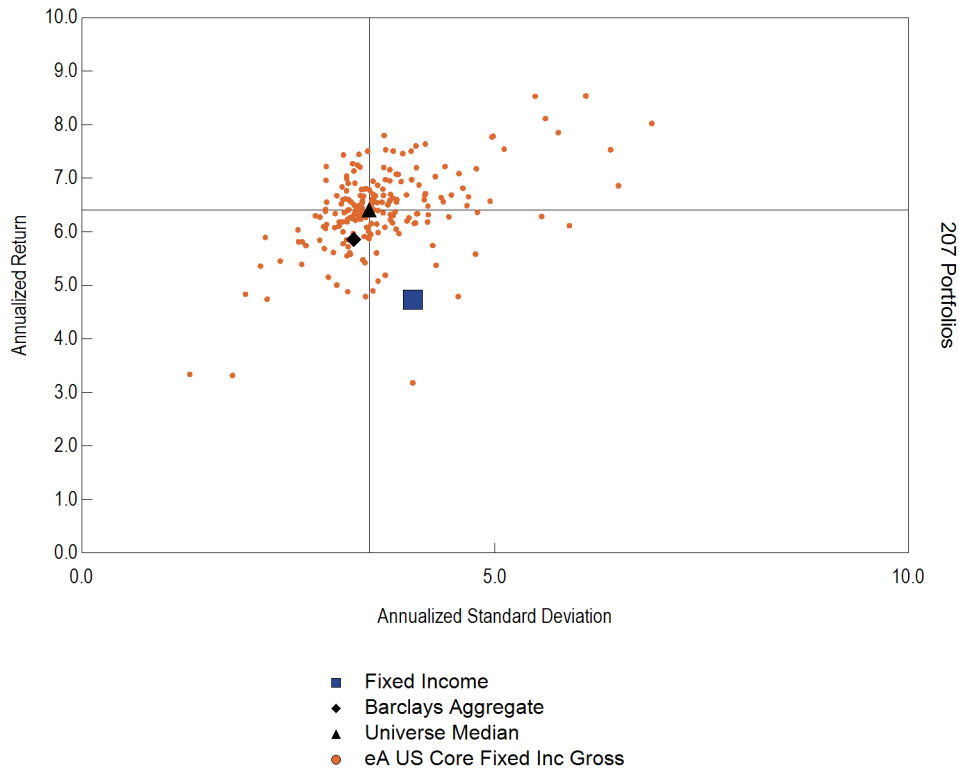
Risk vs. Return for 3 Years Ending December 31, 2012

Rank within eA US Core Fixed Inc Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
Fixed Income	7.7%	26	1.9%
Barclays Aggregate	6.2%	84	2.9%
Median for this Universe	7.1%		2.4%

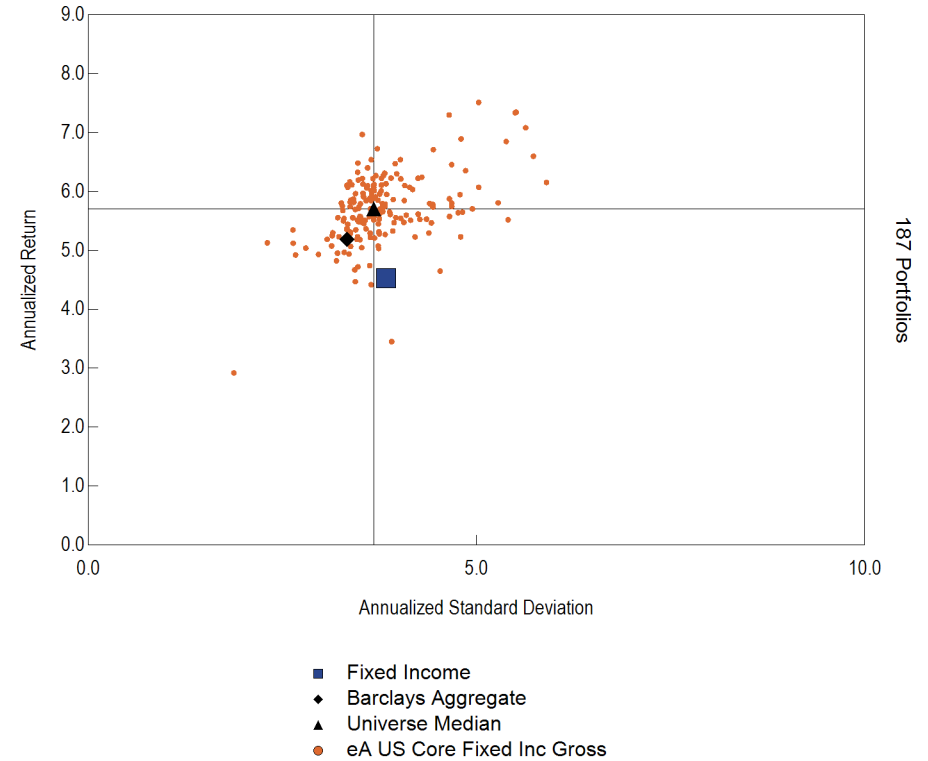
Risk vs. Return for 5 Years Ending December 31, 2012

Rank within eA US Core Fixed Inc Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
Fixed Income	4.5%	98	4.4%
Barclays Aggregate	5.9%	85	3.3%
Median for this Universe	6.8%		3.8%

Annualized Return vs. Annualized Standard Deviation
7 Years Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation
10 Years Ending December 31, 2012



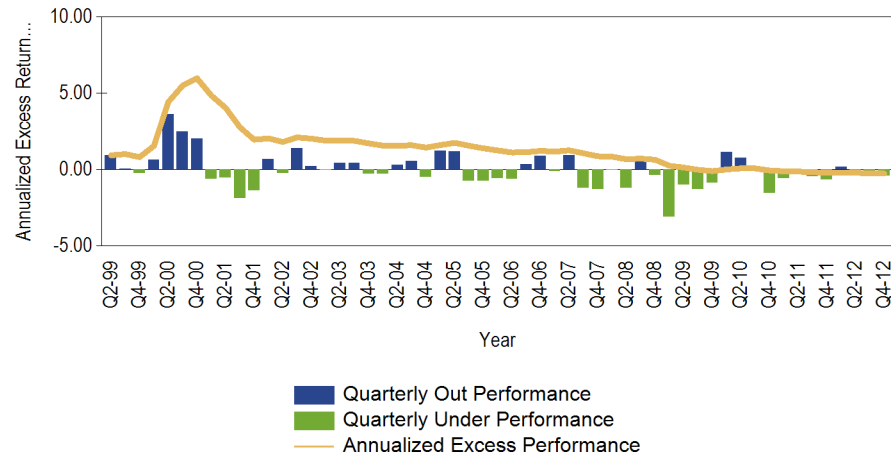
Risk vs. Return for 7 Years Ending December 31, 2012

Rank within eA US Core Fixed Inc Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
Fixed Income	4.7%	99	4.0%
Barclays Aggregate	5.9%	84	3.3%
Median for this Universe	6.4%		3.5%

Risk vs. Return for 10 Years Ending December 31, 2012

Rank within eA US Core Fixed Inc Gross (USD) (manager)	Annualized Return	Percentile Rank	Standard Deviation
Fixed Income	4.5%	99	3.8%
Barclays Aggregate	5.2%	88	3.3%
Median for this Universe	5.7%		3.7%

Annualized Excess Performance



**Portfolio Distribution
By Type**

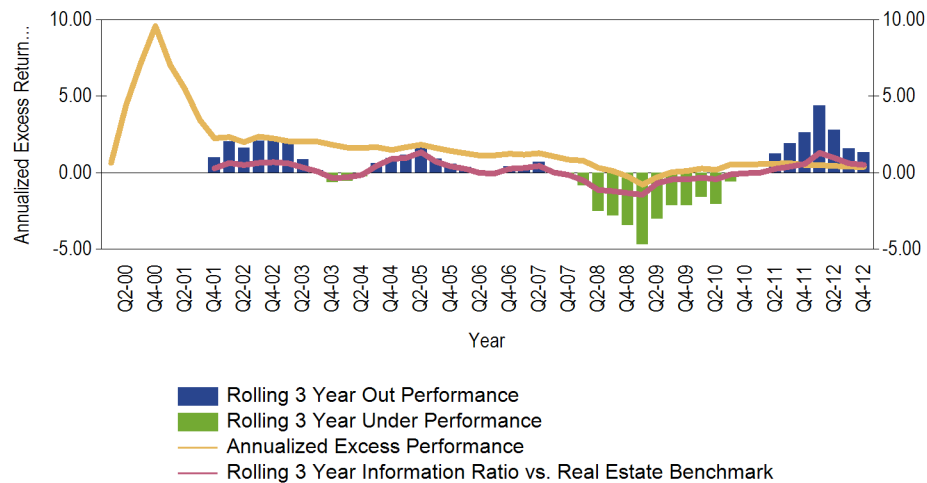
	Percent of Total
Apartments	32.4 %
Retail	19.2
Office	33.2
Industrial	9.3
Hotel	6.0

**Portfolio Distribution
By Geographic Region**

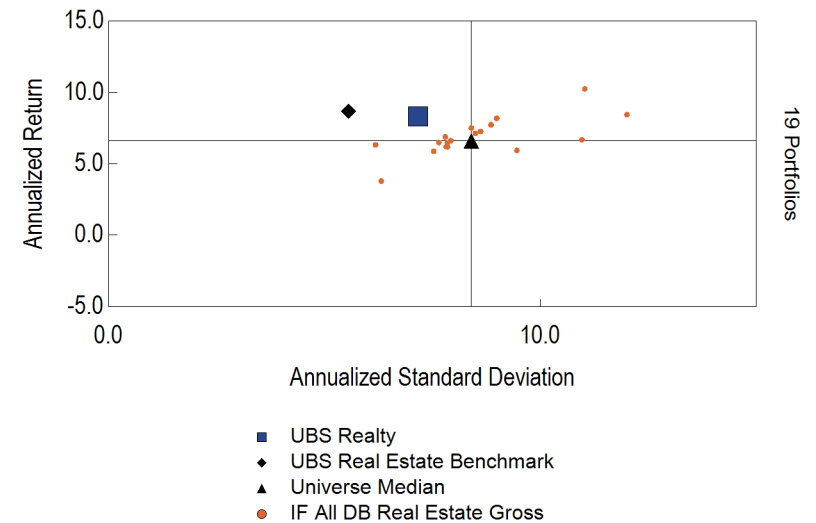
	Percent of Total
West	28.4 %
Midwest	11.1
East	43.2
South	17.4

*Distribution data as of 9/30/12

Annualized Excess Performance and Information Ratio

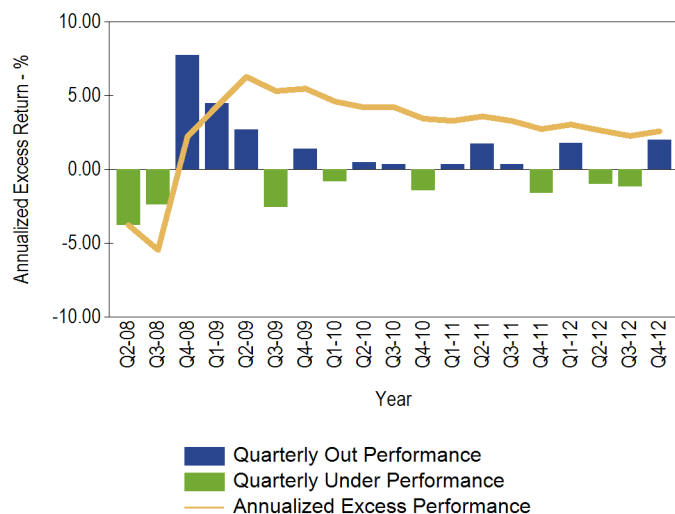


Annualized Return vs. Annualized Standard Deviation
13 Years 9 Months Ending December 31, 2012



	Ending December 31, 2012																		Inception	
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
UBS Realty	2.0%	50	4.5%	55	10.1%	56	11.6%	66	13.3%	53	3.1%	14	0.9%	18	4.8%	14	7.8%	15	8.4%	Apr-99
UBS Real Estate Benchmark	2.4%	36	5.2%	34	10.9%	46	13.1%	51	14.2%	43	5.5%	12	3.0%	5	6.6%	3	8.9%	12	8.7%	Apr-99
NCREIF (ODCE) Index	2.4%	36	5.2%	34	10.9%	46	13.4%	41	14.4%	38	1.3%	45	-1.1%	42	3.6%	32	6.7%	28	7.4%	Apr-99
NCREIF Property Index	2.5%	24	4.9%	42	10.5%	51	12.4%	58	12.6%	63	4.4%	12	2.1%	6	6.0%	3	8.4%	12	8.7%	Apr-99
IF All DB Real Estate Gross Median	2.0%		4.7%		10.7%		13.1%		13.4%		0.9%		-1.2%		2.8%		6.1%		6.6%	Apr-99
	2012	Rank		2011	Rank	2010	Rank	2009	Rank	2008	Rank	2007	Rank	2006	Rank	2005	Rank	2004	Rank	
UBS Realty	10.1%	56		13.2%	69	16.8%	27	-22.3%	13	-7.5%	34	13.9%	74	16.7%	30	21.1%	23	14.5%	23	
UBS Real Estate Benchmark	10.9%	46		15.3%	38	16.4%	29	-16.9%	11	-6.5%	28	15.8%	34	16.6%	32	20.1%	32	14.5%	23	
NCREIF (ODCE) Index	10.9%	46		16.0%	33	16.4%	29	-29.8%	57	-10.0%	59	16.0%	32	16.3%	39	21.4%	22	13.1%	30	
NCREIF Property Index	10.5%	51		14.3%	53	13.1%	70	-16.9%	11	-6.5%	28	15.8%	34	16.6%	32	20.1%	32	14.5%	23	
IF All DB Real Estate Gross Median	10.7%			14.6%		15.1%		-29.5%		-9.0%		15.4%		15.6%		18.6%		11.9%		

Annualized Excess Performance



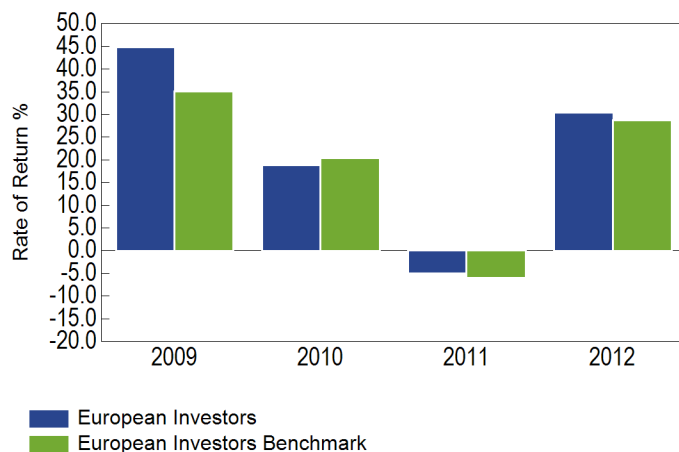
Top Holdings as of 09/30/2012

SIMON PROPERTY GROUP INC	6.31%
BOSTON PROPERTIES INC	3.53%
HEALTH CARE REIT, INC.	3.51%
EQUITY RESIDENTIAL	3.49%
RIOCAN REAL ESTATE INVESTMENT TRUST	3.07%
ESSEX PROPERTY TRUST	2.90%
VENTAS INC	2.86%
PROLOGIS INC	2.72%
PUBLIC STORAGE	2.69%
HYSAN DEVELOPMENT CO., LTD.	2.65%

Top Countries as of 09/30/2012

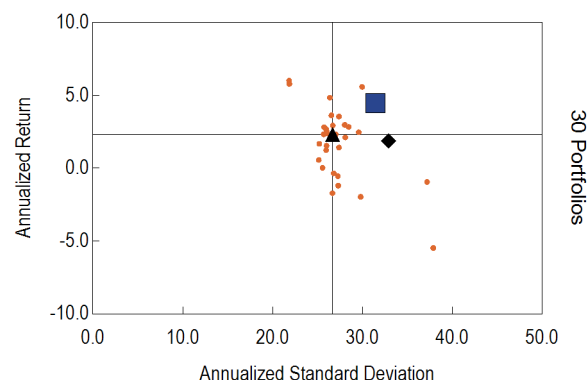
United States	41.51%
Hong Kong	13.28%
Japan	8.61%
United Kingdom	6.56%
Canada	5.64%
France	4.99%
Singapore	4.52%
China	3.98%
Australia	2.95%
Thailand	1.54%

Return Summary Ending December 31, 2012



Annualized Return vs. Annualized Standard Deviation

4 Years 9 Months Ending December 31, 2012



Top Regions as of 09/30/2012

UNITED STATES	41.51%
ASIA DEVELOPED	17.80%
JAPAN	8.61%
UNITED KINGDOM	6.56%
EUROZONE	6.06%

European Investors

\$8.3 Million and 1.5% of Fund

	Ending December 31, 2012																		Inception	
	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yrs	Rank	3 Yrs	Rank	4 Yrs	Rank	5 Yrs	Rank	7 Yrs	Rank	10 Yrs	Rank	Return	Since
European Investors	7.8%	34	12.4%	60	30.4%	47	11.4%	10	13.8%	13	20.9%	13	--	--	--	--	--	--	4.5%	Apr-08
European Investors Benchmark	5.8%	79	11.6%	72	28.7%	64	10.1%	27	13.4%	18	18.5%	46	0.6%	58	--	--	--	--	1.9%	Apr-08
Global Real Estate MStar MF Rank	34		60		47		10		13		13		--		--		--		12	Apr-08

	2012	Rank	2011	Rank	2010	Rank	2009	Rank
European Investors	30.4%	47	-4.9%	13	18.8%	34	44.8%	13
European Investors Benchmark	28.7%	64	-5.8%	35	20.4%	12	35.1%	74
Global Real Estate MStar MF Rank	47		13		34		13	

V - Appendix

Description of Managers' Investment Philosophy, Process & Style

AXA Investment Managers

AXA believes that the key to superior long-term returns in the high yield bond market is compounding high current income and avoiding principal losses through detailed fundamental credit analysis. They invest in non-investment grade bonds of U.S. companies which have improving fundamentals and a high probability of out-performance due to their price stability or total return potential. To add incremental value and reduce risk, they actively manage interest rate risk and sector risk.

The AXA Core High Yield strategy is a total return investment strategy with a goal of generating high total returns by investing in the full maturity spectrum of non-investment grade debt of U.S. companies. Fundamental credit analysis and risk valuing, coupled with portfolio positioning using their Market Segmentation Tools, allows them to balance risk and extract alpha for their clients' portfolios.

Barrow, Hanley, Mewhinney & Strauss, Inc.

Core Fixed Income portfolios are invested in undervalued bond sectors and securities, which provide a high yield to maturity. If the yield to maturity premium of a bond sector or security is high relative to its historical range, then it will be evaluated for credit quality and supply/demand characteristics. Given that a bond meets certain fundamental requirements, it is evaluated by the firm's relative return model. The purpose of this analysis is to determine if the bond's yield to maturity premium can be converted into a total return premium. In rising interest rate environments, the process emphasizes high current yield, high quality and a conservative maturity structure.

The firm is a value manager, investing in a duration-neutral, bottom-up fashion, with individual security valuation and selection as the primary focus. BHMS believes the global fixed income markets are fragmented, producing temporary inefficiencies that provide opportunities for active management employing a research-driven selection process.

BHMS's credit research provides its clients with a unique advantage in corporate bonds. Its record of identifying companies that earn credit rating upgrades while minimizing exposure to those experiencing rating downgrades, converts yield advantage into total return advantage, regardless of the direction of interest rates.

The firm's TIPS portfolio philosophy is that an inflation-hedged portfolio should be actively managed and should consist primarily of Treasury Inflation Protected Securities (TIPS). Barrow Hanley compares the current breakeven / implied inflation rate to a long-term average CPI inflation rate to choose a duration position. The implied inflation rate is a reflection of economic conditions and their impact on future inflation factors, such as payroll expense, commodity prices, currencies, fiscal policy, and Federal Reserve monetary policy.

The firm will calculate the short-term CPI carry to determine whether it will be over- or underweighted in shorter maturities. Pressures of the new-issue calendar impact the maturity distribution of the portfolio. When the "Real Yield" is higher than that implied in the Treasury coupon market, valuations suggest an opportunity to overweight longer maturity TIPS holdings versus shorter maturities. In such instances, BHMS may consider positioning the TIPS portfolio duration marginally longer than that of the Index. When the "Real Yield" is below that implied in the Treasury coupon market, valuations suggest a strategy to overweight shorter maturity issues. In such instances, BHMS may position the TIPS portfolio duration marginally shorter than that of the Index.

Barrow Hanley utilizes its quantitative model to calculate the yield of every issue relative to a fitted yield curve for the TIPS market, which allows us to take advantage of inefficiencies. The "Yield Beta" (volatility of yield) is lower for TIPS versus the Treasury coupon market, creates the basis for arbitrage opportunities among various TIPS issues. BHMS utilizes its "value" disciplines to exploit these opportunities through active management and individual security selection decisions to add incremental total return.

Mellon Capital - Russell 1000 Growth, Value, Mid Cap Indexes and Tangent Added

Mellon's indexing approach is disciplined and structured, with the singular objective of duplicating the fundamental characteristics and performance of the index by using common stock shares. The firm seeks to minimize risk (deviation from the benchmark) through implementing full index replication, and attempts to match the index's allocation to securities and sector weightings. During large index changes, such as the Russell rebalance, tracking error in the portfolio may widen, as portfolio managers and traders implement strategic trading methods which have added value to the funds. Mellon pursues a more cost-effective method of rebalancing that incorporates monitoring the risk of mistracking the index. Prior to an index rebalance, the firm begins to direct contributions and reinvestments to the stocks being added to the new index. If Mellon needs to raise cash for withdrawals, it sells those stocks dropping out of the index. As the rebalance date approaches, the firm pursues more substantial rebalance trading on the open market and through external crossing networks. Mellon Capital's approach of full replication has a low tolerance for index, sector, and name weights. The firm uses proprietary trading techniques and tightly controls trading orders to ensure best execution. After identifying and selecting stocks that Mellon Capital believes qualify as bargains based on these fundamental and conceptual considerations, the firm's objective is to be a patient investor. Mellon Capital believes that this is the proven long-term method for creating wealth in the stock market.

The Mid Cap Stock Index Fund fully replicates all of the holdings in the S&P Mid Cap 400 Index. Custody fees for the Fund are paid by Mellon Capital and not charged to Fund participants. The Fund has an annual audit and the cost of the audit is paid by the participants of the Fund. The senior members of the mid cap index investment team have been working together for at least 11 years. The firm's mid cap index commingled fund employs a strategic trading approach to minimize transaction costs. The tracking error for the EB DV Mid Cap Stock Index Fund is 5 basis points. When trading the Mid Cap Stock Index Fund, portfolio managers may be able to take advantage of internal crossing opportunities, which could lead to reduced transaction costs.

The Domestic Tangent Added Strategy seeks to outperform the S&P 500, while keeping a risk level similar to that of the overall equity market. Asset classes held by the strategy are the domestic stock market (S&P 500), domestic bond market (US Treasury Bonds) and cash equivalents (91 day TBills). Through the firm's proprietary asset allocation model, the identify the market's current anticipation of expected return and over/under-weight the respective asset classes versus historic (equilibrium) valuation levels. The strategy may over or under-weight an asset class (stocks, bonds or cash) by 50%.

WHV Investment Management Small Cap Equity Portfolio

WHV invests in a portfolio of diversified, GARP-style (Growth at a Reasonable Price) small capitalization equity securities targeted to outperform the Russell 2000 Index over periods of five years or more. The firm employs a multiple manager structure with four portfolio managers. Three portfolio managers of the WHV small cap equity team focus on bottom-up fundamental analysis to select securities, while one member of the strategy utilizes a top-down sector rotation strategy supported by fundamental research. The combined portfolio of approximately 100 stocks is composed of companies with market capitalizations within a \$100 million to \$2.5 billion range. The portfolio may hold securities up to a \$4 billion level. In relation to the Russell 2000 Index the portfolio is expected to have a lower P/E level, a greater earnings per share growth rate, and a consistent median market capitalization exposure. Annual turnover is approximately 50%.

GMO

The GMO International Equity Asset Allocation Strategy seeks to outperform its benchmark by 3%-4% per annum with low risk relative to the MSCI EAFE Index. The International Equity Asset Allocation Strategy's investment approach encompasses the best investment ideas at GMO and GMO's ability to add alpha on two levels: asset allocation decisions and asset class implementation decisions. The Strategy allocates to multiple international equity asset classes, including value and growth, small cap and large cap, and developed and emerging asset classes. The alpha from both the asset allocation and the stock selection is uncorrelated and represents excellent diversification within the overall portfolio. Furthermore, GMO believes in the power of mean reversion at all investment levels - both in the asset allocation process and the stock selection process. By using a disciplined approach to both, GMO believes the International Equity Asset Allocation Strategy can outperform the market taking less absolute risk than the benchmark.

UBS (International Small Capitalization Growth Equity)

The Fund is a collective investment fund of the UBS (US) Group Trust. The Fund is maintained by UBS Global Asset Management Trust Company, which has retained its affiliate, UBS Global Asset Management (Americas) Inc., to act as investment subadviser (UBS Global AM). The Fund is operated and maintained as a total return fund exclusively for the collective investment and reinvestment of the assets of its participants. This Fund consists of an actively managed portfolio investing in small capitalization growth companies in developed and emerging markets outside the United States that UBS Global AM believes possess dominant market positions or franchises, a major technological edge, or a unique competitive advantage. To this end, UBS Global AM considers earnings revision trends, expected earnings growth rates, sales acceleration, price earnings multiples and positive stock price momentum, when selecting securities. UBS Global AM believes that these companies can sustain an above average return on invested capital at a higher level, over given current market prices.

Earnest Partners - International Equity Portfolio

The Earnest Partners International Equity Portfolio seeks to outperform the benchmark while controlling volatility and risk. Earnest Partners implements this philosophy using a screen developed in-house called Return Pattern Recognition®, thorough fundamental analysis, and risk management that minimize the likelihood of meaningfully underperforming the benchmark.

Companies are unique and Earnest Partners considers the differences in selecting companies that make good investments. The first step in their investment process is to screen the relevant universe to identify stocks that are likely to outperform based on their financial characteristics and the current environment. The characteristics include valuation measures, market trends, operating trends, growth measures, profitability measures, and macroeconomics. Stocks that pass their initial screen are further filtered to confirm that their country of origin provides the economic and political backdrop that will allow for attractive investment returns.

The approximately 150 best companies that pass the aforementioned screens are put through a third more rigorous review. In this step, they develop an investment thesis for each company. This thesis must be tested. The test generally includes conversations with the company's management team and industry specialists, review of the company's financial reports, analysis of industry and company-specific studies, and independent field research. The firm seeks companies in attractive industries with developed strategies, talented and honest management teams, sufficient funding, and strong financial results.

The final step in their investment process is to construct a portfolio that includes those stocks the firm expects to have the best performance and that blend together well. Their clients are primarily concerned about the risk of meaningfully underperforming the assigned benchmark. Hence, they focus their attention on reducing this possibility. The firm uses a statistical approach called downside deviation to measure and then constrain the likelihood of significantly underperforming the benchmark. Using this information, the firm selects investments that blend together to manage downside risk. The result is a client portfolio of approximately 50 stocks with high expected excess returns and limited risk of meaningful underperformance.

Wells Capital/Berkeley Street Emerging Markets Equity

The firm offers its Berkeley Street Emerging Markets Equity strategy through segregated accounts, a U.S.-domiciled mutual fund (Wells Fargo Advantage Emerging Markets Equity Fund), a Luxembourg-domiciled UCITS fund and a commingled (3c1) fund.

The Berkeley Street Emerging Markets Equity team seeks to invest in quality companies at compelling prices. Quality companies are defined as those that are able to sustain high profitability over a long period of time. Such companies not only create value for investors from profitable investment of retained earnings and dividend payout, but also preserve value and protect investors from the risk of permanent capital loss. Companies must have a strong competitive position, demonstrable financial strength and profitability, quality management dedicated to public shareholders' interest, and a favorable growth prospect supported by major long-term trends. The firm also places an equal emphasis on understanding each company's intrinsic value and will only invest in a company's stock when it is at a meaningful discount to intrinsic value.

Formal allocations to regions, countries or sectors are a residual of the process, but stock decisions take account of the firm's top-down views. Among the top-down factors considered are macroeconomic forecasts, real economic growth prospects, fiscal and monetary policy, currency issues, and demographic and political risks. In the "Quality Pool Maintenance" stage of the process, analysts use a variety of tools, including quantitative and qualitative screens, company discussions, and other valued sources of reliable information, research trips and attendance at conferences. This screening work is to ensure that the analysts' in-depth research focus is on stocks that satisfy the firm's quality emphasis. The balance of the process is centered upon in-depth fundamental research.

The Berkeley Street Emerging Markets strategy is core-oriented with exposure to both growth and value securities. Within the strategy, the firm pursues a measured participation approach in styles: 50% to 70% growth, 20% to 30% cyclical, and 10% to 20% moderate growth. Each style has its own investment thesis and expectations.

The firm creates a pool of approximately 300 companies that are high quality - known as their "Quality Pool". These companies are identified through a process of screening the overall universe of stocks and may involve a lengthy process of gaining a deep understanding of these companies. This pool of stocks is the source for portfolio construction decisions where the trigger for inclusion is valuation. By using this approach, the firm is able to concentrate on companies that have strong underlying attributes, such as competitive advantage, financial condition and management, and avoid being distracted by price movements of lower quality stocks and by market momentum. This pool is relatively stable with less than a 5% annual turnover.

UBS Realty

The Real Estate Separate Account is an actively managed core portfolio of equity real estate. The Trumbull Property Fund seeks to provide attractive returns while limiting downside risk. The investment objective of the account is to provide at least a 5% annual real rate of return (i.e., return adjusted for inflation) over any three- to five-year period.

European Investors

The firm's objective in managing global real estate securities portfolios is to achieve total returns consistent with global real estate while providing liquidity and flexibility of public markets. Their investment management philosophy centers around the belief that superior risk adjusted returns can best be achieved by investing in a portfolio of high quality real estate companies capable of sustainable and predictable long-term cash flow growth. In assessing the merits of potential investments, they place a high priority on the quality of management, depth of the team, their vision for the company and competitive advantages. They strive to invest in companies that are managed by real estate professionals who understand the importance of asset rotation. The best property companies, (or REITs), are managed by professionals who combine effective real estate decision-making skills with understanding the need to create value for shareholders.

They believe that global property markets are inefficient relative to other markets, and seek to take advantage of pricing anomalies that are discovered through their research and fundamental approach to valuing companies. Companies are evaluated based on financial models (DDM, DCF and NAV), management visits and property tours. The strategy has a total return target of 10-12% over a market cycle.

Given their extensive experience in the real estate industry, they are comfortable investing in companies that generate additional value through development - and a significant portion of the universe of international property companies have a development component to their business. The stock market tends to misprice this aspect of real estate companies so they spend a significant amount of time and energy researching the upside potential for each company.

Adams Street Partners

Adam Street Partners believe the most critical aspect of investing is manager selection. Adams Street Partners focuses its investments with fund managers who have experience in making, managing and exiting investments. Adam believes that, while investors may be compensated for investing with an experienced manager executing a high-risk strategy, they are less likely to be compensated for investing with inexperienced managers. Adam aims to avoid partnerships that historically have had a high loss rate in portfolio companies.

A private equity transaction usually involves the purchase of (or investment in) a company or asset, an ensuing holding period in which value can be created organically, through acquisition or by restructuring, and a successful sale of the business. Numerous opportunities arise for the best managers with competitive advantages to excel in one or more stages of the private equity value chain. Adams Street Partners' knowledge of private equity has assisted in identifying a set of characteristics required by a manager to outperform. These advantages can be in Origination, Due Diligence, Negotiation and Structuring. Private equity markets are becoming more efficient, with the volume of auctioned transactions increasing in more mature market segments such as large buyouts in the U.S. or U.K. Investment banks are increasingly appointed by the (usually corporate) vendors in an effort to maximize proceeds, making it important for private equity firms to have distinctive plans for value creation. In other environments, the ability to source, analyze and complete a transaction is a crucial step in the private equity value chain.

Invesco Partnership

IPC believes that private equity offers the potential for above average returns to those investors who understand the long-term nature and risks of the asset class and whose investment profile allows for illiquid holdings and interim volatility. A well-diversified portfolio of private equity investments has the potential to contribute to greater absolute portfolio returns while dampening risk. This belief is grounded in two decades of alternative asset investing across various market and economic cycles.

Pantheon Ventures and Pantheon Ventures II

All potential investments are evaluated within the context of each client's investment objectives (i.e., either funds-of-funds or separate accounts). When assessing prospective private equity investments, Pantheon focuses on the appropriateness of the investment for the client, the experience of the management team, their investment process and past performance results. Pantheon incorporates both a top-down and bottom-up analysis into its investment process. The process is designed to maximize the probability that the best investments will be included in the portfolio, while ensuring adequate diversification and risk management. Pantheon Ventures II is invested in Europe, the US, and Asia.

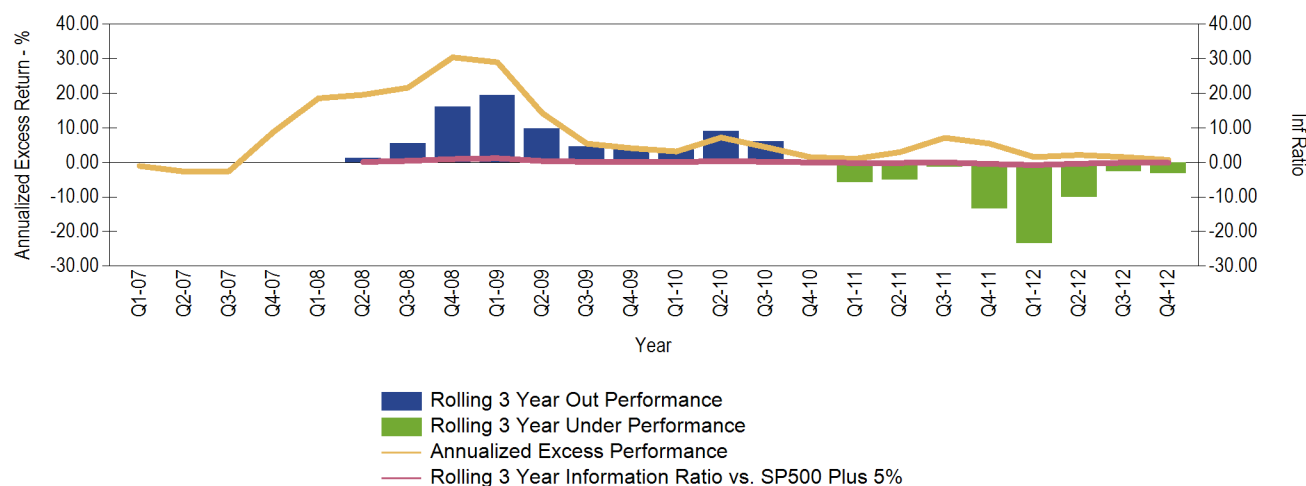
Pantheon Ventures - Secondary Fund

Pantheon's core investment strategy is to create a diversified portfolio of appropriately priced, high quality private equity assets. Pantheon takes a strategic and global approach to origination across the full range of transaction opportunities including:

- secondary fund portfolios
- secondary direct and co-investment portfolios or single co-investments
- hybrid/mixed secondary fund and direct portfolios
- hybrid/mixed secondary fund and primary fund portfolios
- single fund secondaries, subject to allocation
- other secondary assets with private equity return characteristics.

Pantheon may consider young secondaries (i.e, funds in which less than 40% of committed capital is drawn down) that are part of a portfolio.

Annualized Excess Performance and Information Ratio



	Since Inception Gross of Fees		Since Inception Net of Fees		
	<u>Time-Weighted</u>	<u>IRR</u>	<u>Time-Weighted</u>	<u>IRR</u>	<u>Inception</u>
PRIVATE EQUITY INVESTMENTS					
Adams Street Partners	8.4%	7.8%	1.8%	4.7%	02/11/05
Invesco	9.2%	1.5%	<i>n/a</i> *	<i>n/a</i> *	06/14/04
Pantheon Ventures	3.3%	0.9%	1.3%	0.7%	06/15/05
Pantheon Ventures - Secondary	7.4%	18.8%	4.9%	6.4%	10/25/06
Pantheon Ventures II	-0.5%	-1.1%	-3.6%	-4.1%	05/24/11

The Retirement Association funded three additional Pantheon accounts with the following inception dates: Asia Fund VI (6/30/11), European Fund VII (4/12/11), and USA Fund IX (6/20/11). These accounts been included in the Pantheon Ventures II composite. Adams Street added four funds to their line-up: 2011 Direct, Emerging Markets, Non-US Developed, and US Fund. Additional investments will be reflected in the Invesco accounts.

*Historically, due to the management fees being paid from another account other than the fund itself, the net of fee performance returns are not available. As of the first quarter 2012, Milliman will be reporting net of fee returns for the Invesco account in the performance tables at the beginning of the report.

Merced County Employees' Retirement Association

Equity Portfolio Profile

	As Of 12/31/12				
	Russell 1000	Mellon Large Value	Russell 1000 Value	Mellon Large Growth	Russell 1000 Growth
Characteristics					
Wtg. Avg. Market Cap. (Bil)	91.71	86.00	85.95	97.81	97.79
Median Market Cap (Bil)	5.69	5.02	4.97	6.69	6.34
P/E Ratio	18.38	15.95	16.69	21.00	20.29
Yield	2.17	2.56	2.52	1.83	1.82
EPS Growth - 5 Yrs.	5.14	-1.68	-0.47	13.68	11.95
Price to Book	3.25	1.92	1.90	5.36	4.91
Beta (holdings; domestic)	1.08	1.16	1.16	0.99	0.99
Sector Distribution					
Energy	10.26	16.14	16.14	4.04	4.04
Materials	3.97	3.91	3.93	4.02	4.01
Industrials	10.89	9.16	9.15	12.72	12.72
Consumer Discretionary	12.39	8.27	8.27	16.71	16.74
Consumer Staples	9.76	7.19	7.18	12.55	12.50
Health Care	11.75	11.55	11.53	12.00	11.99
Financials	16.35	27.44	27.47	4.57	4.59
Information Technology	18.32	6.38	6.39	30.91	30.92
Telecommunications Services	2.86	3.41	3.41	2.28	2.28
Utilities	3.46	6.55	6.54	0.20	0.20
Cap. Quintile - Russell 1000					
1 Above 184.65	19.33	21.05	21.03	17.53	17.54
2 64.32 - 184.65	20.30	16.32	16.30	24.56	24.52
3 28.51 - 64.32	20.18	17.90	17.90	22.57	22.59
4 10.44 - 28.51	20.17	23.55	23.58	16.56	16.56
5 0.00 - 10.44	20.02	21.18	21.19	18.78	18.79
Cap. Quintile - Russell 1000 Value					
1 Above 185.63	18.04	18.53	18.52	17.53	17.54
2 60.06 - 185.63	23.30	21.34	21.31	25.45	25.40
3 23.16 - 60.06	22.24	19.99	20.02	24.57	24.59
4 10.07 - 23.16	17.82	20.12	20.13	15.38	15.38
5 0.00 - 10.07	18.59	20.01	20.02	17.07	17.09
Cap. Quintile - Russell 1000 Growth					
1 Above 162.59	22.61	25.53	25.51	19.52	19.53
2 66.15 - 162.59	15.78	11.48	11.46	20.39	20.35
3 32.84 - 66.15	17.37	14.81	14.78	20.10	20.10
4 11.05 - 32.84	23.17	26.12	26.17	19.99	20.00
5 0.00 - 11.05	21.07	22.07	22.07	20.00	20.02

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Equity Portfolio Profile

	As Of 12/31/12			
	Mellon Mid Cap	S&P 400 MidCap	WHV	Russell 2000
Characteristics				
Wtg. Avg. Market Cap. (Bil)	4.16	4.16	1.34	1.31
Median Market Cap (Bil)	2.80	2.80	1.16	0.50
P/E Ratio	23.70	21.46	13.98	15.52
Yield	1.50	1.48	0.65	1.16
EPS Growth - 5 Yrs.	6.16	6.00	4.16	1.92
Price to Book	3.04	2.69	2.25	2.37
Beta (holdings; domestic)	1.25	1.25	1.60	1.38
Sector Distribution				
Energy	6.07	6.08	15.04	6.00
Materials	7.20	7.22	6.39	5.29
Industrials	17.32	17.34	19.01	15.48
Consumer Discretionary	13.28	13.30	9.85	14.02
Consumer Staples	3.81	3.82	1.24	3.56
Health Care	9.39	9.39	11.78	12.09
Financials	22.04	21.93	8.92	22.89
Information Technology	15.48	15.51	25.02	16.59
Telecommunications Services	0.51	0.51	0.00	0.71
Utilities	4.91	4.90	1.14	3.36
Cap. Quintile - Russell MidCap				
1 Above 13.02	1.07	1.08	0.00	0.00
2 9.55 - 13.02	1.52	1.53	0.00	0.00
3 6.48 - 9.55	9.06	9.07	0.00	0.00
4 3.94 - 6.48	33.12	33.20	0.00	0.64
5 0.00 - 3.94	55.23	55.12	100.00	99.36
Cap. Quintile - Russell 2000				
1 Above 2.02	85.07	85.07	15.94	19.91
2 1.42 - 2.02	10.53	10.52	24.65	20.00
3 0.96 - 1.42	3.25	3.26	18.89	20.08
4 0.57 - 0.96	1.07	1.06	25.33	20.00
5 0.00 - 0.57	0.07	0.10	15.19	20.01

Merced County Employees' Retirement Association

Calculated vs. Manager Produced Performance

	As Calculated <u>By Milliman</u>	As Calculated <u>By Manager</u>
Equity Portfolios		
Mellon Capital - Large Growth	-1.3	-1.3
Mellon Capital - Large Value	1.5	1.5
Mellon Capital - Mid Cap	3.6	3.6
WHV	3.4	3.4
International Equity Portfolio		
UBS	8.1	8.1
GMO	7.0	7.0
Earnest Partners	9.2	9.3
Wells Capital	5.3	5.3
Fixed Income Portfolio		
Barrow Hanley	0.3	0.3
Axa	3.1	3.2
Real Estate Portfolio		
UBS Realty	2.0	2.0
European Investors *	7.5	7.5

*Net of fees

Definitions

Coupon - Bond instruments typically pay interest in the form of semi-annual coupon payments. If the annual coupon payment value is divided by the par value of the bond, the coupon rate is derived.

Duration - The bond portfolio duration most commonly referred to is the Macaulay duration. This is a weighted average maturity, expressed in years. All coupon and principal payments are weighted by the present value term for the expected time of payment.

Investment Gain/Loss - The difference in the total dollar value of the portfolio over the past quarter. Changes impacting the dollar value of the portfolio include realized and unrealized capital gains and all cash flows. Cash flows, either contributions or withdrawals, which are made by the plan sponsor are excluded from this calculation.

Income Yield - As referred to in this report, the income yield is calculated on common stock holdings, and is the ratio of the last twelve months dividend payments as a percentage of the most recent quarter-ending stock market value.

Market Capitalization - A security's quarter-ending market value, or closing price times the number of common stock shares outstanding.

Maturity - The maturity for an individual bond is calculated as the number of years till principal payment. For a portfolio of bonds, the maturity is a weighted average maturity, where the weighting factors are the individual security's percentage of total portfolio market capitalization.

Percentile - For a range of investment manager performance results, from highest to lowest, a percentile is the performance range spanning one percent of the total range.

Price/Book Value - For an individual common stock, this is the stock's price divided by book value per share. Book value per share is the company's common stockholders equity divided by the number of common shares outstanding.

Price/Earnings Ratio - The ratio of a common stock's price divided by earnings per share. The ratio is used as a valuation technique employed by investment managers.

Net Contributions - The sum of contributions to and withdrawals from a portfolio, exclusive of regular interest and dividend payments, and miscellaneous expenses.

Portfolio Beta - A common stock's beta, market risk, is the sensitivity of the stock's price in relation to a 1% change in the price of the market benchmark, the S&P 500. A portfolio beta simply weights the individual issues by their percentage of total portfolio market capitalization.

Return On Equity - For a common stock, this is the annual net, after-tax earnings divided by total common stockholders equity.

Risk/Reward (Sharpe) Ratio - This is the difference in a portfolio's annualized return, for the past five years, and the annualized return for 90-day Treasury Bills, divided by the annualized standard deviation for the same time period. The statistic is a risk-adjusted return. The higher the value, the better.

Standard Deviation - The degree of variability of a time series, such as quarterly returns, relative to the average. Standard deviation measures the volatility of the time series.