



MERCED COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION

INVESTMENT PERFORMANCE ANALYSIS

FOURTH QUARTER 2013

STRATEGIC INVESTMENT SOLUTIONS, INC.

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- Improvements in economic fundamentals in the US and confidence that the Federal Reserve can taper while maintaining low rates through forward guidance led to broad increases in the major indices during the fourth quarter. This led to a 10.5% rise in the S&P 500 total return index in the fourth quarter, despite fears over policy uncertainty during the US government shutdown.
- Sentiment also improved for emerging market equities on aggregate. The MSCI EM Net Return Index rose 1.8% during the fourth quarter.
- In the Eurozone, the European Central Bank cut interest rates 25 bps to 0.25% as a result of weakening inflation expectations. Improved sentiment and loose monetary policy helped to lift Europe ex-UK in the fourth quarter, where equities rose 8.1%. The euro rose 1.8% against the dollar in the fourth quarter, driven by strong economic fundamentals.
- The yen fell 6.7% in the fourth quarter as monetary easing in the form of Abenomics continued.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. With confidence declining among North American institutions, the Global ICI fell 5.4 points during the quarter to 95.9 in December and still remains below the neutral level of 100.
- For the period ending 12/31/2013, the one-quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one-quarter lag), were -0.7% and 2.6%; one-year, 2.5% and 11.0%; three-year, 9.4% and 12.7%; and five-year, 16.5% and 3.4%.
- Preliminary results for 2013 indicate that US commercial real estate witnessed increased demand across all property sectors; this demand was driven by increasing employment, the recovery of the housing markets, the strong stock markets and a US economy picking up speed. Supply of new commercial real estate continued to be constrained.
- At the same time, REIT prices in the US were impacted by the increase in Treasury yields and an expectation that interest rates will continue to rise with the tapering of the quantitative easing program of the Fed.

MARKET SUMMARY

Equity Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
S&P 500	10.5	32.4	16.2
Dow Jones Industrial Average	10.2	29.7	15.7
NASDAQ	10.7	38.3	16.3
Russell 1000	10.2	33.1	16.3
Russell 2000	8.7	38.8	15.7
Russell 3000	10.1	33.6	16.2
MSCI EAFE (Net)	5.7	22.8	8.2
MSCI Emerging Markets (Net)	1.8	-2.6	-2.1
MSCI All Country World ex US	4.8	15.3	5.1

Bond Markets

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
Barclays Capital Aggregate	-0.1	-2.0	3.3
Barclays Capital Gov/Credit	0.0	-2.4	3.6
Barclays Capital Universal	0.2	-1.3	3.8
Barclays Capital Corp. High Yield	3.6	7.4	9.3
CG Non-US World Govt.	-1.2	-4.6	0.6

Non-Public Markets

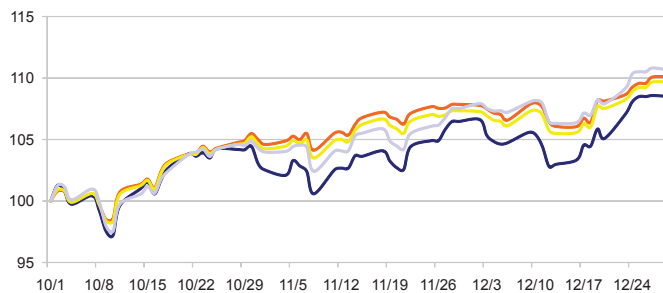
lagged quarterly

	<u>QTR</u>	<u>1 Year</u>	<u>3 Year</u>
NCREIF Property	2.6	11.0	12.7
State Street Private Equity Index	5.3	15.6	12.8

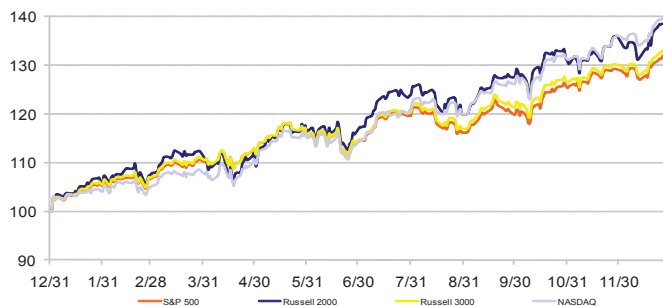
U.S. Equity Market

- U.S. equities, as measured by the S&P 500 total return index, rose 10.5% during the quarter as markets became confident that Federal Reserve forward guidance will be successful and economic conditions improved.
- Technology stocks again outperformed, with the NASDAQ returning 10.7% in Q4.
- Small caps, as measured by the Russell 2000 index, rose 8.7%.

Equity Index – Quarterly Growth Rate



Equity Index – 1-Year Growth Rate

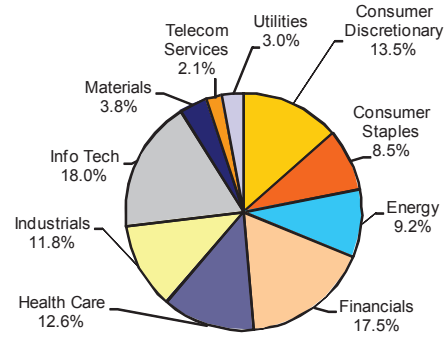


U.S. MARKETS

U.S. Equity – Russell 3000

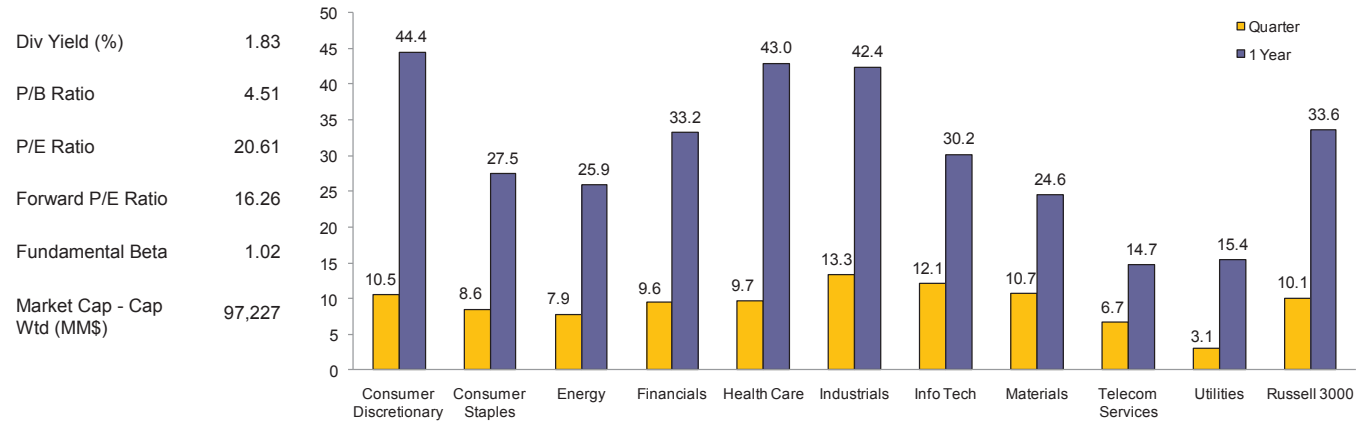
- Stronger economic metrics led to strong gains across most sectors; industrials rose 13.3% in the fourth quarter, while information technology stocks rose 12.1%.
- Defensive sectors were the relative underperformers, but still rose. Telecom climbed 6.7% and utilities rose 3.1%.
- Overall, the Russell 3000 index returned 10.1% during the fourth quarter; the yearly return was 33.6%.

Ending Sector Weights



Characteristics

Sector Returns (%)



Contribution to Return:

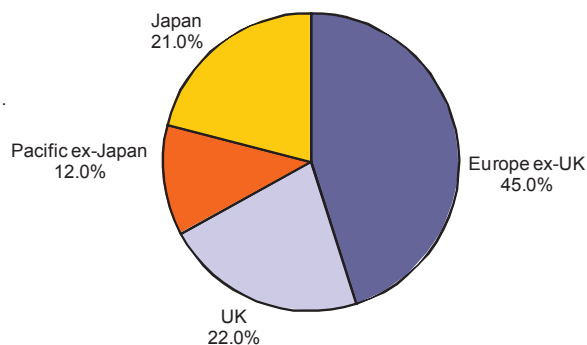
Qtr	1.4	0.7	0.7	1.7	1.2	1.5	2.1	0.4	0.1	0.1	10.1
1 Year	5.6	2.6	2.5	5.7	5.0	4.7	5.5	1.0	0.4	0.5	33.6

NON-U.S. MARKETS

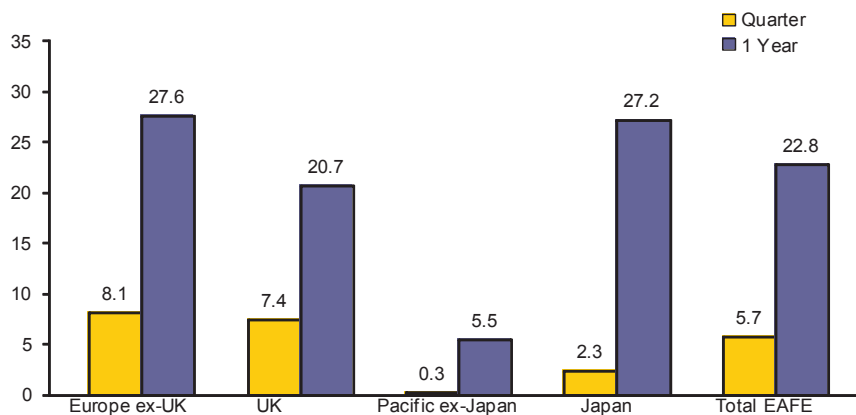
Developed Equity – MSCI EAFE (Net)

- An improved European outlook boosted Europe ex-UK in the fourth quarter, where equities rose 8.1%.
- Japanese equities rose 2.3% during the fourth quarter, driven by a weaker yen. However, Pacific ex-Japan strengthened by only 0.3% in the fourth quarter as tapering fears may have limited gains.
- Overall, the MSCI EAFE index rose 5.7% in the fourth quarter.

Ending Regional Weights



Regional Returns (%)



Contribution to Return:

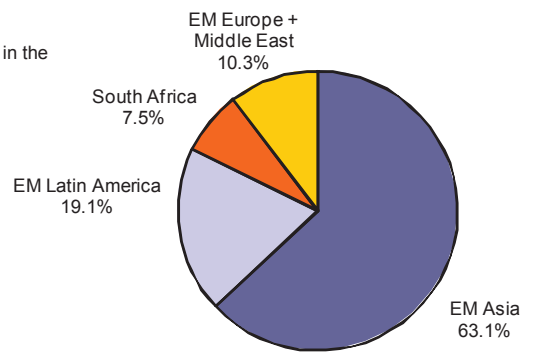
Qtr	3.7	1.6	0.0	0.5	5.7
1 Yr	12.4	4.6	0.7	5.7	22.8

NON-U.S. MARKETS

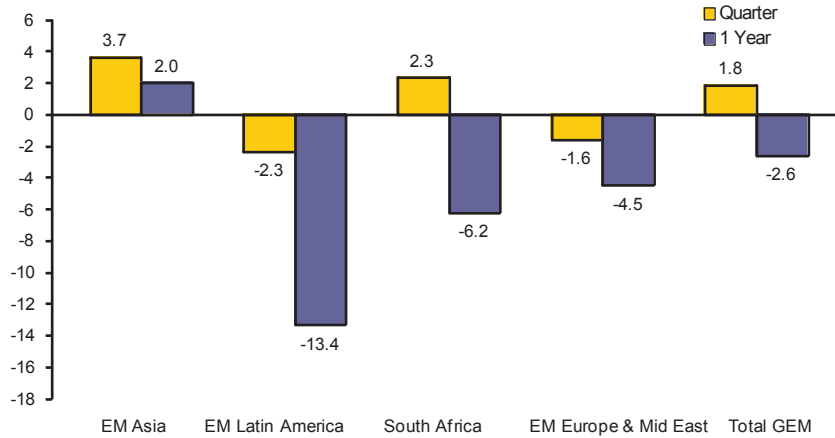
Emerging Markets Equity – MSCI EM (Net)

- Despite the onset of Fed tapering, emerging market equities rose on average, led by stronger Chinese growth. The MSCI EM index rose 1.8% in the fourth quarter.
- Selectivity is apparent in the EM space. On a regional basis, EM Asia outperformed, rising 3.7% in the fourth quarter, driven by strong returns in Indian equities.
- Latin America underperformed, falling 2.3% in the fourth quarter.

Ending Regional Weights



Regional Returns (%)



Contribution to Return:

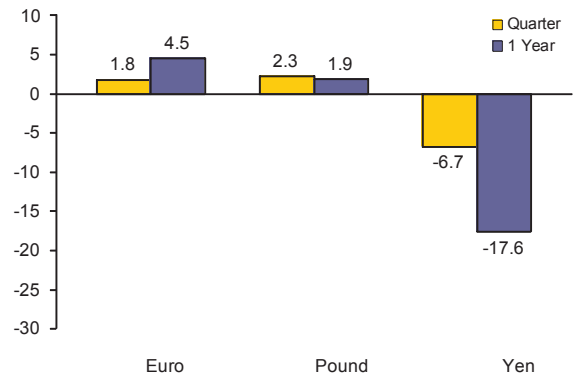
	EM Asia	EM Latin America	South Africa	EM Europe & Mid East	Total GEM
Qtr	2.3	-0.4	0.2	-0.2	1.8
1 Yr	1.3	-2.6	-0.5	-0.5	-2.6

CURRENCY AND BOND MARKETS

Currency Markets

- With stronger sentiment in Europe, the euro rose 1.8% against the dollar in the fourth quarter.
- The U.S. dollar trade-weighted index, which measures the dollar's movement against a basket of currencies, fell 0.2% in the fourth quarter.
- Abenomics has continued to help weaken the yen; the yen fell 6.7% in the fourth quarter.

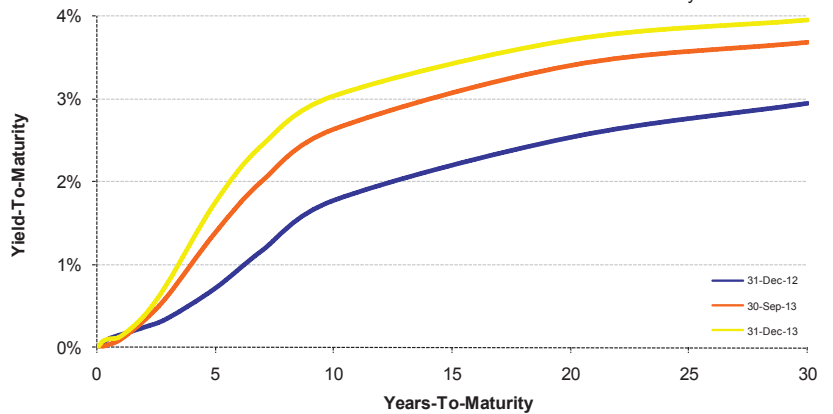
Currency Returns (%)



Yield Curve

- The long-end of the U.S. yield curve rose on a quarterly basis as investors pondered the effects of Fed tapering.
- Ten-year yields rose forty basis points during the fourth quarter.

INTEREST RATE TERM STRUCTURE
Government Issues - 3 Months to 30 Years Maturity

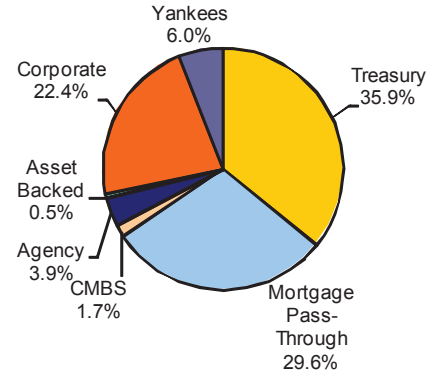


BOND MARKETS

U.S. Bond Market Returns – Barclays Capital Aggregate

- With the announcement of Fed tapering and improving economic fundamentals, Treasury bonds fell 0.8% in the fourth quarter and 2.8% for the year.
- Lower-rated corporate bonds outperformed during the fourth quarter, with BAA rated securities returning 1.3%.

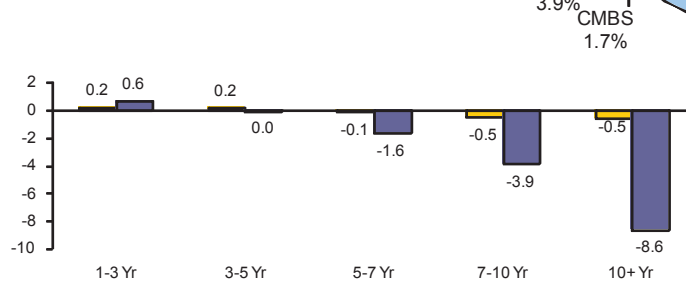
Sector Weights



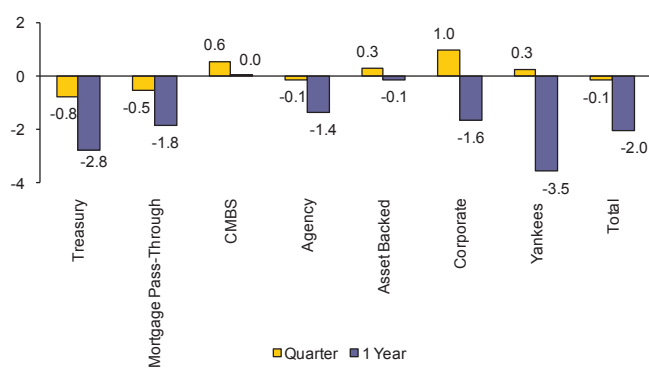
Quality Performance (%)



Duration Performance (%)



Sector Performance (%)

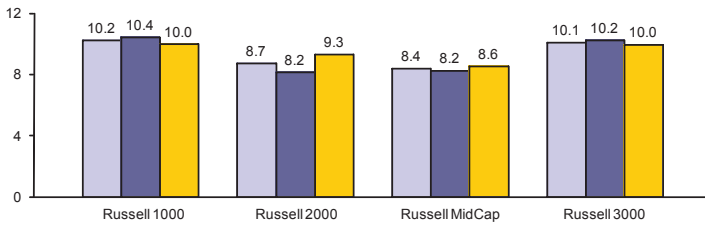


STYLE & CAPITALIZATION

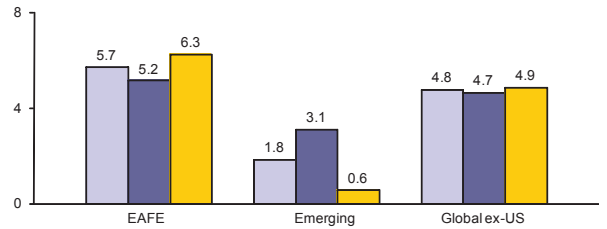
Style & Capitalization Returns

- Equities in EAFE again outperformed, rising 5.7% during the quarter. Emerging market equities were the relative underperformers in the fourth quarter, as investors remained fearful of the potential ramifications of capital outflows from emerging market economies.
- Large cap equities in the U.S. outperformed, with large cap growth stocks rising 10.4% in the fourth quarter.
- Overall, non-U.S. equities rose 4.8% in the fourth quarter.

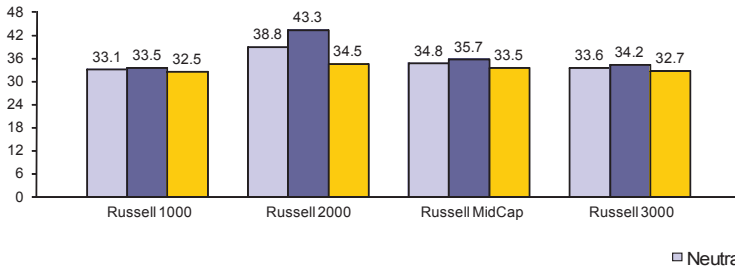
Russell US Style Returns (%) – Quarter



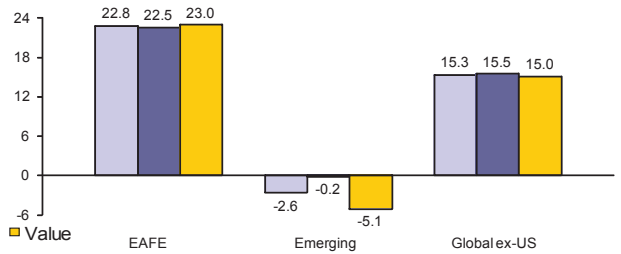
MSCI Non-US Style Returns (%) – Quarter



Russell US Style Returns (%) – 1 Year



MSCI Non-US Style Returns (%) – 1 Year



- The composite fund returned 5.5% in the fourth quarter of 2013 and ranked in the 27th percentile among other \$250mm-\$1B public funds (4.8% median). The fund beat its policy index (4.7%) during this time period. Longer term, the three- and five-year returns of 9.6% and 12.6%, ranked just above and right at the median among its peer public plans (9.6% and 12.6%, respectively).

- Fourth quarter results were enhanced by the following factors:
 1. The Mellon Tangent Added Fund surpassed its benchmark, the S&P 500 Index (12.1% vs. 10.5%) and ranked in the 8th percentile among large cap core managers. It was helped by its extended long exposure to S&P 500 equity. One-year relative results were good for Mellon (39.1% vs. 32.4%).
 2. The Mellon Large Growth Index Fund returned 10.4% for the quarter. The Fund matched the Russell 1000 Growth Index but ranked below the large cap growth manager median (11.0%).
 3. The Mellon Large Value Index Fund (10.0%) matched the Russell 1000 Value Index return and was ahead of its median large cap value manager return of 9.9%.
 4. In its first full quarter, small cap manager PanAgora was ahead of the Russell 2000 Index (9.8% vs. 8.7%) and ranked in the second quartile among small cap managers (9.5% median). Select investments in Industrials and Info Tech, plus intra-quarter trading, were beneficial.
 5. In its first full quarter, international small cap manager Copper Rock out-performed the MSCI World ex US Small Cap Index (8.8% vs. 5.6%) and ranked in the top quartile among EAFE small cap equity managers (median of 7.5%). Performance alpha was primarily derived from investments in the UK, Ireland, and Canada.
 6. EARNEST Partners (5.3%) was above par with the MSCI ACWI ex-US Index and ranked 65th among ACWI ex-US Core equity managers (median of 6.1%). The portfolio carried positive stock selection in the Materials (Norsk Hydro), Energy (Transocean) and Consumer Discretionary sectors. Over three years, EARNEST (7.4%) was surpassed by its benchmark (7.9%).
 7. GMO's return of 6.6% out-performed the MSCI EAFE Index return of 5.7%. It placed below the median among EAFE core equity managers (7.0% median). It carried select financial and utilities investments and a tilt to value. Three-year results led the benchmark (10.3% vs. 8.7%).

Executive Performance Summary

Fourth Quarter 2013

8. Barrow Hanley's 0.0% return beat the Barclays Aggregate Index, -0.1%, and ranked in the third quartile among core bond managers, with a median return of 0.2%. The portfolio's overweight to Financials, Communications and Energy issues and BBB-rated holdings boosted relative returns. Effective 6/1/2013, the Barclays Aggregate Index was linked to its prior benchmark. BH was up 4.0% for three years while its benchmark was up 3.5%.
- Fourth quarter results were hindered by the following factors:
 1. WHV, 7.6%, trailed the median small cap equity manager (9.5%) and the Russell 2000 Index (8.7%). Below par stock selection in the Energy (Hornbeck Offshore Services, Gulfmark Offshore) and Industrials (Dolan, Chart Industries, Republic Airways) sectors dampened performance. Three-year returns were behind its benchmark (13.7% vs. 15.7%).
 2. The Wells Capital portfolio returned 0.5%, ranking in the 90th percentile among emerging market managers (median of 2.8%). The MSCI Emerging Markets Index was up 1.9%. Its largest stock detractors for the quarter were All America Latina Logistica, Belle International, and Tiger Brands. One-year relative results were good for Wells (-0.6% vs. -2.3%).
 3. The AXA 3.3% return was surpassed by its benchmark, the BofA ML US High Yield Master II Index (3.5%) and ranked in the third quartile among high yield managers, median return of 3.5%. The portfolio's security selection within the higher-yielding, equity-like portion of the market and shorter-than-benchmark duration were negative attributes to performance. Three year returns fared better than its benchmark (10.7% vs. 9.0%).
 4. The Real Estate Composite added 1.9%, while its blended benchmark, the 75% NCREIF ODCE/ 25% FTSE NAREIT Developed Index appreciated 2.3%. European Investors beat the FTSE NAREIT Developed Index (0.3% vs. -0.5%). UBS Trumbull Property was behind the NCREIF ODCE Index (2.3% vs. 3.2%).
 5. The Private Equity Composite carried a quarterly time-weighted rate of return (one-quarter lagged) of 3.9% while its benchmark, the Russell 3000 +3% Index 1Q Lag appreciated 7.4%. New investor Invesco VI was flat for the quarter. Pantheon I gained the most, at 5.8%. Adams Street, Invesco IV, Pantheon II and Pantheon Secondary carried quarterly returns of 5.0%, 5.3% 3.1% and 0.4%, respectively.

Merced County Employees' Retirement Association

Performance Summary

Periods Ending December 31, 2013

	Market Value	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
Total Fund *	620,548,021	5.5	27	11.2	18	16.2	33	14.2	40	9.6	44	12.6	52	4.6	76	6.3	80	8.5	Dec-94
Policy Index ¹		4.7	57	10.0	46	15.9	40	14.7	34	10.3	20	12.7	42	5.1	49	6.4	62	5.7	
IFx Public DB \$250mm-\$1B Gross Median		4.8		9.8		14.9		14.0		9.6		12.6		5.1		6.8		8.5	
US Equity	216,907,240	10.3	29	17.9	39	35.9	26	25.2	42	15.2	81	19.4	40	6.5	61	8.0	63	9.7	Dec-94
US Equity Custom Index ²		10.0	49	17.3	58	33.8	61	24.8	53	16.3	43	18.8	60	6.5	61	7.9	64	9.8	
IFx All DB US Eq Gross Median		10.0		17.5		34.4		24.9		16.2		19.1		6.7		8.2		10.0	
Mellon Tangent	55,829,014	12.1	8	18.9	20	39.1	7											39.1	Dec-12
Mellon Tangent - net		12.0		18.9		39.0												39.0	
S&P 500 Index		10.5	41	16.3	65	32.4	58											32.4	
eA US Large Cap Core Equity Gross Median		10.3		17.1		32.9												32.9	
Large Cap Growth																			
Mellon Large Growth	56,485,722	10.4	60	19.4	67	33.5	56	24.1	58	16.5	40	20.4	36	8.3	47	7.9	70	10.0	Mar-03
Mellon Large Growth - net		10.4		19.4		33.4		24.0		16.4		20.3		8.2		7.8		9.9	
Russell 1000 Growth Index		10.4	60	19.4	67	33.5	56	24.0	58	16.5	42	20.4	37	8.2	48	7.8	71	10.0	
eA US Large Cap Growth Equity Gross Median		11.0		21.0		34.3		24.6		15.7		19.7		8.2		8.5		10.6	
Large Cap Value																			
Mellon Large Value	54,665,556	10.0	48	14.4	71	32.6	60	24.9	46	16.1	48	16.8	66	4.6	87	7.6	76	10.3	Mar-03
Mellon Large Value - net		10.0		14.4		32.5		24.8		16.0		16.6		4.5		7.6		10.2	
Russell 1000 Value Index		10.0	48	14.3	71	32.5	60	24.8	46	16.1	49	16.7	68	4.5	88	7.6	78	10.2	
eA US Large Cap Value Equity Gross Median		9.9		15.7		33.6		24.4		16.0		17.5		6.2		8.6		11.1	
Small Cap																			
PanAgora ³	21,960,796	9.8	43															9.8	Aug-13
PanAgora - net		9.8																9.8	
WHV	27,966,152	7.6	82	17.8	83	38.4	67	25.4	79	13.7	87	23.1	49	8.8	58	12.4	20	13.5	Mar-97
WHV - net		7.6		17.6		37.7		24.5		12.8		22.2		8.0		11.5		12.6	
Russell 2000 Index		8.7	66	19.8	62	38.8	65	27.1	65	15.7	75	20.1	80	7.2	83	9.1	87	9.0	
eA US Small Cap Equity Gross Median		9.5		20.9		41.5		28.5		17.6		22.9		9.1		10.8		12.1	

* Managers are ranked against the eVestment Alliance (eA) style universes. Asset class composites are ranked against the InvestorForce (IF) universes.

** Since inception returns are based on the first full quarter of performance.

*** Since inception date denotes last day of the month.

¹ Effective 7/1/13, Policy Index is 25% Russell 1000 / 4% Russell 2000 / 24% MSCI ACWI ex US / 29% Barclays Aggregate / 5% ML HY II / 6% NCREIFODCE / 2% FTSE EPRA/NAREIT Dev / 5% Russell 3000 + 3% 1QL.

² Effective 6/1/13, benchmark is 86% Russell 1000 / 14% Russell 2000. As of 1/1/1995, benchmark was 100% Russell 3000.

³ Funded on 9/26/13.

Merced County Employees' Retirement Association

Performance Summary

Periods Ending December 31, 2013

	Market Value	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
International Equity	167,217,401	5.6	44	16.1	47	17.1	57	17.6	61	7.5	39	14.2	28	3.5	26	8.1	36	6.2	Dec-98
International Equity Custom Index ⁴		4.8	69	15.5	59	17.8	52	17.7	59	6.9	48	11.9	66	1.5	65	6.9	66	4.6	
IFx All DB ex-US Eq Gross Median		5.4		16.0		18.0		18.4		6.8		13.0		2.3		7.4		6.3	
Copper Rock ⁵	23,732,266	8.8	23															8.8	Aug-13
Copper Rock - net		8.7																8.7	
MSCI World ex USA Small Cap		5.6	89															14.5	
eA EAFE Small Cap Equity Gross Median		7.5																16.2	
EARNEST Partners	64,292,467	5.3	65	16.1	57	15.1	91	16.4	93	7.4	60	17.5	13					5.6	Jun-08
EARNEST Partners - net		5.3		15.9		14.5		15.7		6.7		16.8						4.9	
Earnest Custom Index ⁶		4.8	84	15.5	68	20.6	35	19.3	50	7.9	52	12.5	97					2.5	
eA ACWI ex-US Core Equity Gross Median		6.1		16.4		19.0		19.1		8.1		14.3						3.8	
GMO	58,673,536	6.6	63	19.8	41	25.0	55	21.4	74	10.3	49	12.5	90	3.9	41			2.0	Dec-07
GMO - net		6.4		19.4		24.2		20.6		9.6		11.8		3.3				1.4	
MSCI EAFE Gross Index		5.7	80	18.0	70	23.3	76	20.6	82	8.7	85	13.0	85	2.3	85			0.8	
eA EAFE Core Equity Gross Median		7.0		19.1		25.4		23.0		10.3		14.7		3.4				2.0	
Wells Capital	20,519,132	0.5	90	6.0	79	-0.6	62											1.5	Mar-12
Wells Capital - net		0.5		5.8		-1.4												0.6	
MSCI Emerging Markets Gross Index		1.9	70	7.9	63	-2.3	78											0.9	
eA Emg Mkts Equity Gross Median		2.8		8.7		1.0												3.5	
US Fixed Income	155,834,935	0.7	31	1.9	22	0.3	21	4.0	32	5.2	40	6.5	57	4.1	94	4.1	90	6.0	Dec-94
US Fixed Income Custom Index ⁷		0.4	43	1.2	38	-1.5	54	1.3	77	3.4	84	4.5	84	5.0	77	4.6	78	6.2	
IFx All DB US Fix Inc Gross Median		0.3		0.9		-1.4		2.6		4.6		6.9		5.8		5.3		6.9	
AXA	33,075,086	3.3	66	6.4	27	10.2	14	13.1	20	10.7	8							11.4	Mar-10
AXA - net		3.3		6.3		9.9		12.7		10.3								11.0	
BofA Merrill Lynch US High Yield Master II TR		3.5	49	5.8	48	7.4	55	11.4	52	9.0	64							9.9	
eA US High Yield Fixed Inc Gross Median		3.5		5.8		7.6		11.6		9.3								10.3	
Barrow Hanley	122,759,849	0.0	62	0.8	51	-2.0	79	1.9	61	4.0	50							4.5	Mar-10
Barrow Hanley - net		0.0		0.8		-2.1		1.7		3.8								4.3	
Barrow Hanley Custom Index ⁸		-0.1	84	0.4	83	-2.5	95	1.0	91	3.5	75							4.1	
eA US Core Fixed Inc Gross Median		0.2		0.8		-1.4		2.2		4.0								4.5	

⁴ Effective 7/1/13, benchmark is 100% MSCI AWCI ex US. As of 4/1/12, benchmark was 83% MSCI EAFE / 17% MSCI Emerging Markets. As of 1/1/99, 100% MSCI EAFE.

⁵ Funded on 9/5/13.

⁶ Effective 7/1/13, benchmark is 100% MSCI ACWI ex US. As of 7/1/08, benchmark was 100% MSCI EAFE.

⁷ Effective 6/1/13, benchmark is 85.29% Barclays Aggregate / 14.71% BoFA Merrill Lynch HY II. As of 4/1/13, benchmark was 70.58% Barclays Aggregate / 14.71% ML HY II / 14.71% Barclays US TIPS.

⁸ Effective 6/1/13, benchmark is 100% Barclays Aggregate. As of 4/1/2010, benchmark was 82.8% Barclays Aggregate / 17.2% Barclays US TIPS.

Merced County Employees' Retirement Association

Performance Summary

Periods Ending December 31, 2013

	Market Value	3 Mo	Rank	Fiscal YTD	Rank	1 Yr	Rank	2 Yr	Rank	3 Yr	Rank	5 Yr	Rank	7 Yr	Rank	10 Yr	Rank	Since Inception**	Since Inception Date***
Real Estate Composite	40,970,600	1.9	65	4.5	69	8.5	76	11.2	63	10.6	77	6.3	16	4.2	10	8.0	15	8.7	Mar-99
Real Estate Custom Index ⁹		2.3	57	5.7	60	11.7	60	13.5	28	12.0	60	5.5	17	5.1	2	8.6	10	8.5	
IFx All DB Real Estate Gross Median		2.6		6.1		12.4		11.8		12.9		3.5		2.7		6.4		7.2	
European Investors	8,317,056	0.3	34	2.3	57	1.6	83	15.2	61	8.1	25	16.8	14					4.0	Mar-08
European Investors - net		0.1		1.8		0.6		14.1		7.0		15.6						2.9	
European Investors Custom Index ¹⁰		-0.5	62	1.9	66	4.4	40	15.9	58	8.2	21	15.6	34	0.0	54			2.3	
Global Real Estate MStar MF Median		-0.2		2.9		3.9		16.4		7.1		14.8		0.2				2.5	
UBS Trumbull Property	32,223,544	2.3	57	5.1	65	10.4	67	10.3	74	11.2	67	4.6	26	4.0	11	7.9	22	8.5	Mar-99
UBS Trumbull Property - net		2.3		4.8		9.7		9.5		10.3		3.5		2.9		6.6		7.3	
NCREIF ODCE ¹¹		3.2	28	6.9	33	14.0	22	12.4	39	13.6	40	7.2	15	6.3	1	9.4	4	10.1	
IFx All DB Real Estate Gross Median		2.6		6.1		12.4		11.8		12.9		3.5		2.7		6.4		7.2	
Other Real Estate	430,000																		
Private Equity Composite	26,383,132	3.9	23	6.0	33	2.8	88	0.5	97	9.6	49	4.0	94	7.3	51			6.5	Jun-05
Russell 3000 + 3% 1Q Lagged ¹²		7.4	3	10.3	7	38.0	1	29.6	1	21.6	2	23.6	2	11.3	11			12.8	
IFx All DB Private Equity Net Median		0.2		3.5		8.9		9.3		9.5		8.3		7.4				8.7	
Adams Street	8,452,737	5.0		6.0		14.0		9.7		15.9		7.7		8.5				9.1	Sep-05
Invesco IV	6,475,999	5.3		8.0		-6.8		-5.2		8.1		4.4		8.0				7.2	Jun-05
Invesco VI ¹³	1,610,065	0.0																0.0	Jun-13
Pantheon I	3,655,254	5.8		9.3		8.6		2.8		9.8		4.6		6.7				3.9	Dec-05
Pantheon II	1,245,550	3.1		4.0		13.6		6.3										6.3	Dec-11
Pantheon Secondary	4,943,527	0.4		2.9		-1.9		-4.1		4.1		-0.9						5.9	Jun-07
Cash	11,072,474	0.9		0.9		1.1		0.6		0.9		2.2		6.8		5.7		5.6	Sep-03
Treasury Cash	2,162,239																		

⁹ Effective 1/1/10, benchmark is 75% NCREIF ODCE / 25% FTSE EPRA NAREIT Developed. As of 1/1/02, benchmark was 100% NCREIF Property.

¹⁰ Effective 1/1/10, benchmark is 100% FTSE EPRA NAREIT Developed. As of 4/1/2008, benchmark was 100% FTSE EPRA NAREIT Global.

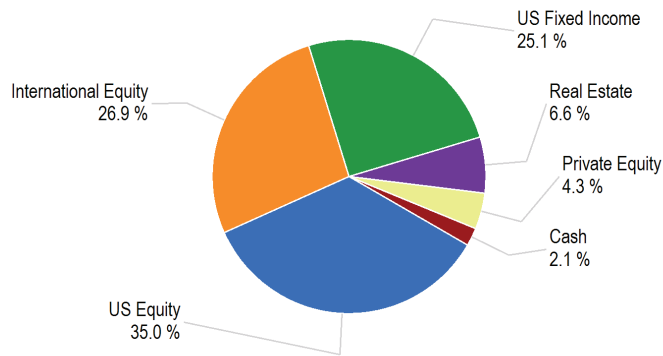
¹¹ Effective 1/1/10, benchmark is 100% NCREIF ODCE. As of 1/1/02, benchmark was 100% NCREIF Property.

¹² Effective 4/1/13, benchmark is 100% Russell 3000 + 3% 1Q Lagged. As of 7/1/05, benchmark was 100% S&P 500 + 5% .

¹³ Funded 7/1/13.

Asset Allocation Analysis

As of December 31, 2013

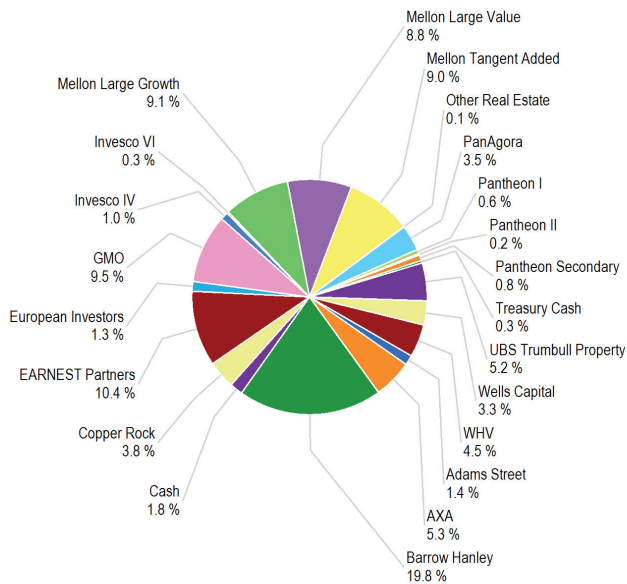


	Actual \$	Actual %
US Equity	\$216,907,240	35.0%
International Equity	\$167,217,401	26.9%
US Fixed Income	\$155,834,935	25.1%
Real Estate	\$40,970,600	6.6%
Private Equity	\$26,383,132	4.3%
Cash	\$13,234,713	2.1%
Total	\$620,548,021	

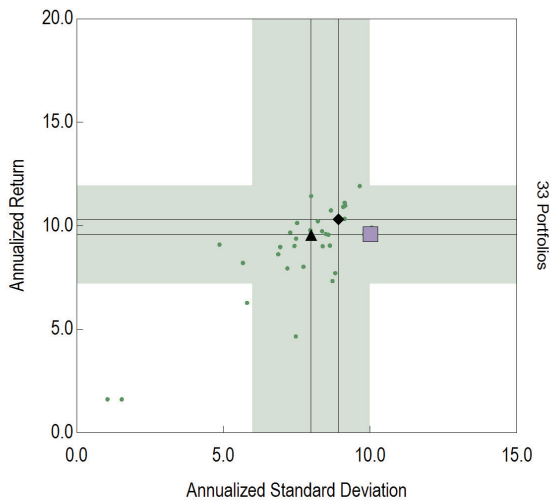
Merced County Employees' Retirement Association

Manager Allocation Analysis - Total Plan

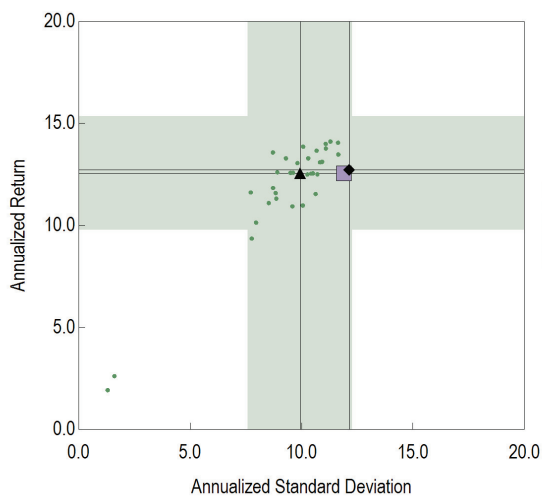
As of December 31, 2013



	Current Balance	Current Allocation
Mellon Tangent Added	\$55,829,014	9.0%
Mellon Large Growth	\$56,485,722	9.1%
Mellon Large Value	\$54,665,556	8.8%
PanAgora	\$21,960,796	3.5%
WHV	\$27,966,152	4.5%
Copper Rock	\$23,732,266	3.8%
EARNEST Partners	\$64,292,467	10.4%
GMO	\$58,673,536	9.5%
Wells Capital	\$20,519,132	3.3%
AXA	\$33,075,086	5.3%
Barrow Hanley	\$122,759,849	19.8%
European Investors	\$8,317,056	1.3%
UBS Trumbull Property	\$32,223,544	5.2%
Other Real Estate	\$430,000	0.1%
Adams Street	\$8,452,737	1.4%
Invesco IV	\$6,475,999	1.0%
Invesco VI	\$1,610,065	0.3%
Pantheon I	\$3,655,254	0.6%
Pantheon II	\$1,245,550	0.2%
Pantheon Secondary	\$4,943,527	0.8%
Cash	\$11,072,474	1.8%
Treasury Cash	\$2,162,239	0.3%
Total	\$620,548,021	100.0%

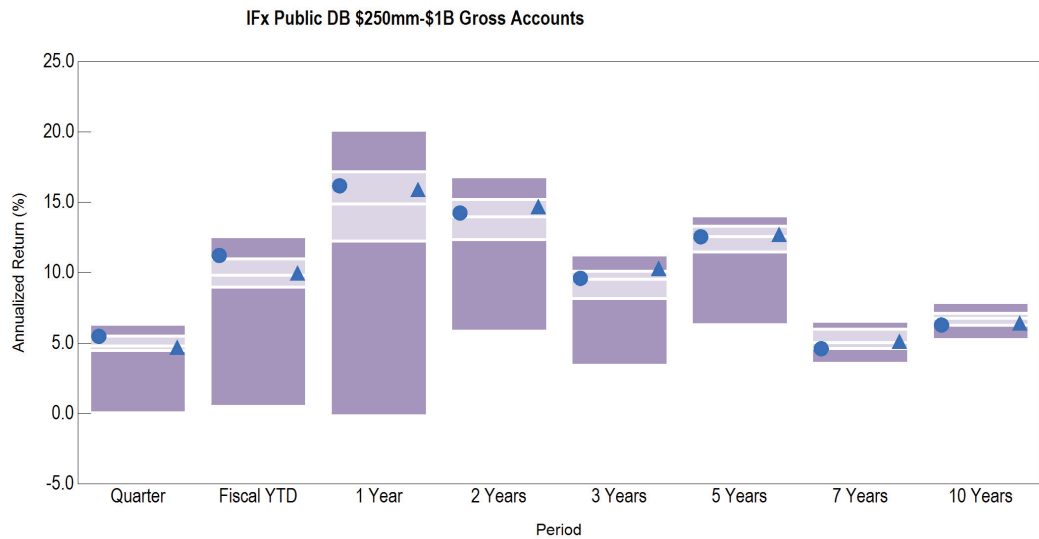


	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Total Fund	9.6%	44	10.0%	99	1.0	92
Policy Index	10.3%	20	8.9%	80	1.1	58
IFx Public DB \$250mm-\$1B Gross Median	9.6%	--	8.0%	--	1.2	--

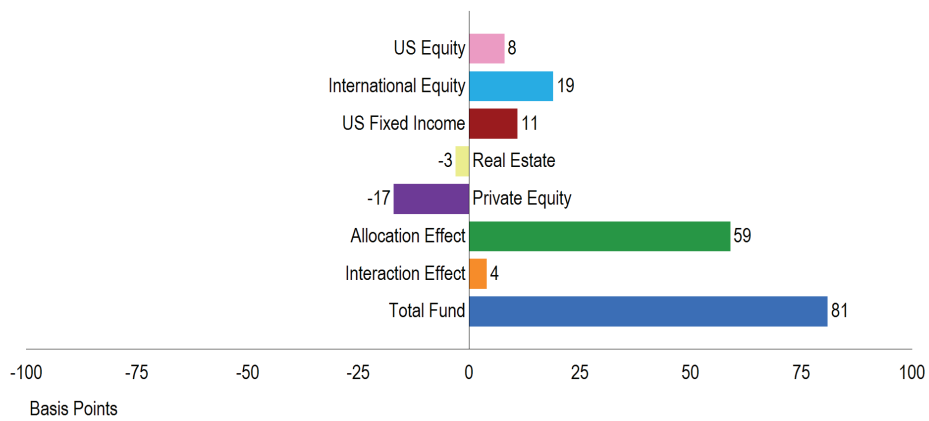


- Total Fund
- ◆ Policy Index
- ▲ Universe Median
- 68% Confidence Interval
- IFX Public DB \$250mm-\$1B Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Total Fund	12.6%	52	11.9%	99	1.0	99
Policy Index	12.7%	42	12.1%	99	1.0	99
IFX Public DB \$250mm-\$1B Gross Median	12.6%	--	9.9%	--	1.3	--



	Return (Rank)							
5th Percentile	6.3	12.5	20.1	16.8	11.2	14.0	6.5	7.9
25th Percentile	5.5	11.0	17.2	15.2	10.1	13.3	6.0	7.1
Median	4.8	9.8	14.9	14.0	9.6	12.6	5.1	6.8
75th Percentile	4.5	9.0	12.3	12.4	8.2	11.5	4.6	6.3
95th Percentile	0.1	0.5	-0.1	5.9	3.4	6.3	3.6	5.3
# of Portfolios	35	35	35	34	33	32	26	25
● Total Fund	5.5 (27)	11.2 (18)	16.2 (33)	14.2 (40)	9.6 (44)	12.6 (52)	4.6 (76)	6.3 (80)
▲ Policy Index	4.7 (57)	10.0 (46)	15.9 (40)	14.7 (34)	10.3 (20)	12.7 (42)	5.1 (49)	6.4 (62)

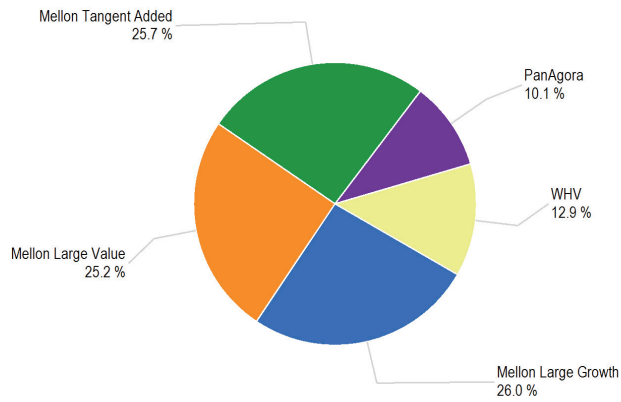


Attribution Summary							
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	10.31%	10.02%	0.29%	0.08%	0.27%	0.01%	0.37%
International Equity	5.62%	4.81%	0.81%	0.19%	0.00%	0.03%	0.22%
US Fixed Income	0.71%	0.39%	0.32%	0.11%	0.30%	-0.02%	0.39%
Real Estate	1.87%	2.29%	-0.41%	-0.03%	0.03%	0.00%	0.00%
Private Equity	3.91%	7.39%	-3.48%	-0.17%	-0.01%	0.02%	-0.17%
Total	5.56%	4.75%	0.81%	0.18%	0.59%	0.04%	0.81%

Merced County Employees' Retirement Association

Manager Allocation Analysis - US Equity

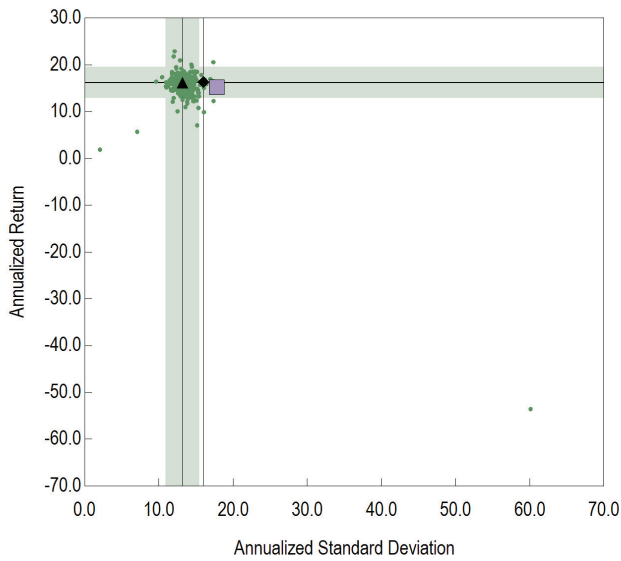
As of December 31, 2013



	Actual \$	Actual %
Mellon Large Growth	\$56,485,722	26.0%
Mellon Large Value	\$54,665,556	25.2%
Mellon Tangent Added	\$55,829,014	25.7%
PanAgora	\$21,960,796	10.1%
WHV	\$27,966,152	12.9%
Total	\$216,907,240	

Risk vs. Return 3 Year - US Equity

Period Ending December 31, 2013

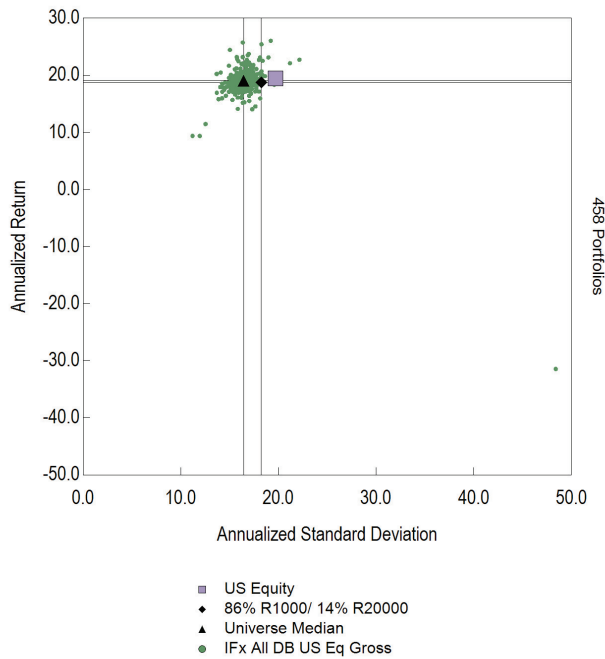


	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Equity	15.2%	81	17.8%	99	0.8	98
86% R1000/ 14% R20000	16.3%	43	16.0%	99	1.0	92
IFx All DB US Eq Gross Median	16.2%	--	13.2%	--	1.2	--

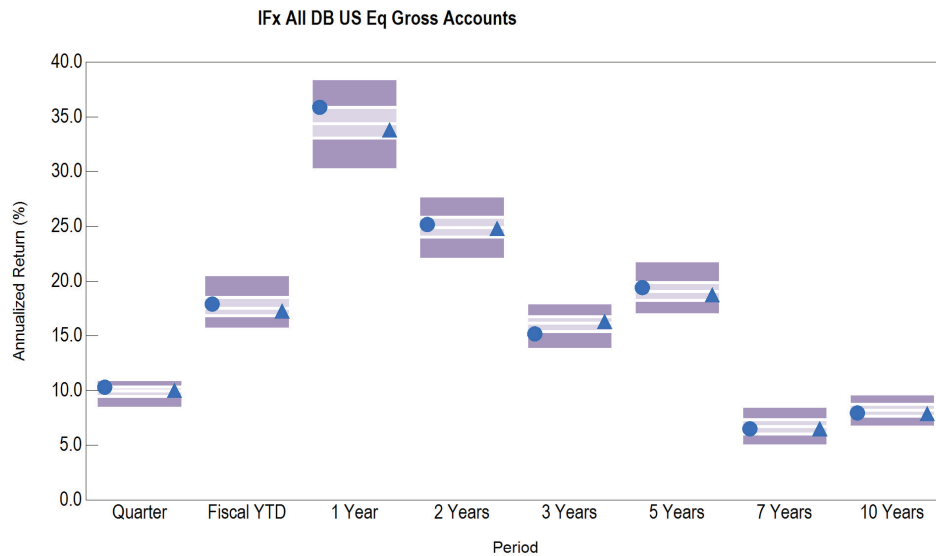
- US Equity
- ◆ 86% R1000/ 14% R20000
- ▲ Universe Median
- 68% Confidence Interval
- IFx All DB US Eq Gross

Risk vs. Return 5 Year - US Equity

Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Equity	19.4%	40	19.7%	99	1.0	97
86% R1000/ 14% R20000	18.8%	60	18.2%	98	1.0	94
IFx All DB US Eq Gross Median	19.1%	--	16.4%	--	1.2	--



	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	11.0	20.6	38.5	27.8	18.0	21.8	8.5	9.7
25th Percentile	10.4	18.5	35.9	25.9	16.8	19.9	7.4	8.8
Median	10.0	17.5	34.4	24.9	16.2	19.1	6.7	8.2
75th Percentile	9.5	16.9	33.1	24.0	15.4	18.3	6.1	7.7
95th Percentile	8.4	15.7	30.2	22.0	13.8	16.9	5.0	6.7
# of Portfolios	628	628	620	596	566	458	423	335
● US Equity	10.3 (29)	17.9 (39)	35.9 (26)	25.2 (42)	15.2 (81)	19.4 (40)	6.5 (61)	8.0 (63)
▲ 86% R1000/ 14% R2000	10.0 (49)	17.3 (58)	33.8 (61)	24.8 (53)	16.3 (43)	18.8 (60)	6.5 (61)	7.9 (64)

Characteristics

	Portfolio	Russell 3000
Number of Holdings	1,100	3,019
Weighted Avg. Market Cap. (\$B)	90.7	100.3
Median Market Cap. (\$B)	8.9	1.4
Price To Earnings	21.8	20.6
Price To Book	3.9	2.7
Price To Sales	2.4	1.8
Return on Equity (%)	17.5	16.3
Yield (%)	1.7	1.8
Beta (holdings; domestic)	1.2	1.1

Top Holdings

APPLE	2.4%
EXXON MOBIL	2.1%
GOOGLE 'A'	1.4%
MICROSOFT	1.4%
GENERAL ELECTRIC	1.3%
JOHNSON & JOHNSON	1.2%
CHEVRON	1.1%
PROCTER & GAMBLE	1.0%
JP MORGAN CHASE & CO.	1.0%
WELLS FARGO & CO	1.0%

Best Performers

	Return %
PZENA INV.MAN.CLA (PZN)	74.1%
SPRINT (S)	72.9%
3D SYSTEMS (DDD)	72.1%
CROSS COUNTRY HLTHCR. (CCRN)	65.2%
DYNAVAX TECHNOLOGIES (DVAX)	64.7%
SOLARCITY (SCTY)	64.2%
SUNEDISON (SUNE)	63.7%
PHARMERICA (PMC)	62.0%
TREX COMPANY (TREX)	60.6%
CRYOLIFE (CRY)	58.9%

Worst Performers

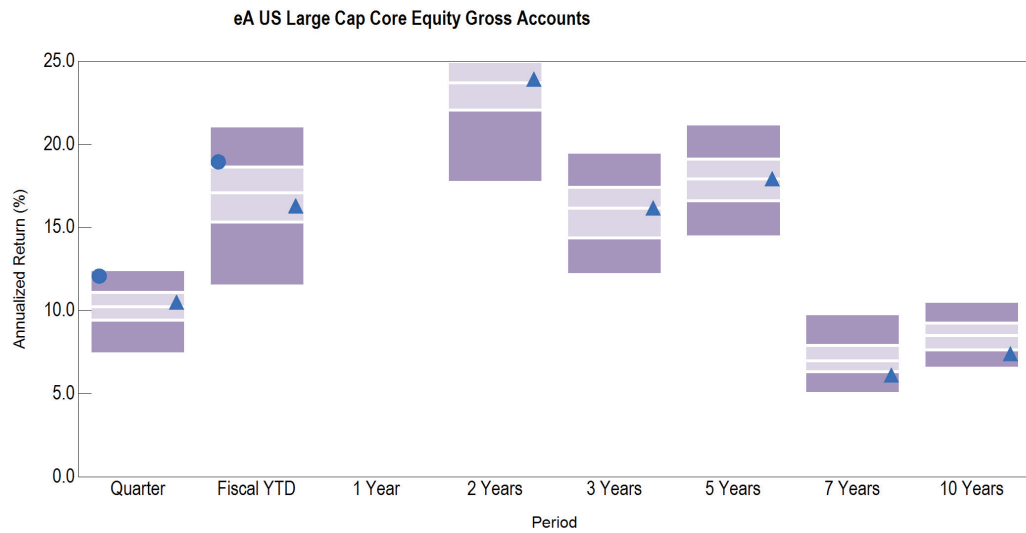
	Return %
DOLAN (DOLN)	-69.5%
ARIAD PHARMS. (ARIA)	-62.9%
EPIZYME (EPZM)	-48.0%
GLOBAL GEOPHYSICAL SVS. (GGS)	-40.6%
NATIONSTAR MGE.HOLDINGS (NSM)	-34.3%
COBALT INTL.ENERGY (CIE)	-33.8%
SUPPORT.COM (SPRT)	-30.5%
AMERICAN SUPERCONDUCTOR (AMSC)	-29.9%
OSI SYSTEMS (OSIS)	-28.6%
RACKSPACE HOSTING (RAX)	-25.8%

US Equity Performance Attribution vs. Russell 3000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.2%	-0.2%	0.0%	0.0%	5.4%	7.8%	9.7%	9.5%			
Materials	0.0%	0.0%	0.0%	0.0%	10.4%	10.4%	4.5%	3.8%			
Industrials	-0.1%	-0.1%	0.1%	0.0%	11.9%	13.1%	13.7%	11.4%			
Cons. Disc.	-0.2%	-0.2%	0.0%	0.0%	9.0%	10.5%	13.1%	13.4%			
Cons. Staples	0.0%	0.0%	0.0%	0.0%	8.2%	8.6%	6.9%	8.7%			
Health Care	-0.1%	-0.1%	0.0%	0.0%	9.1%	9.8%	12.8%	12.6%			
Financials	0.0%	0.0%	0.0%	0.0%	9.3%	9.5%	16.3%	17.4%			
Info. Tech	-0.1%	-0.1%	0.0%	0.0%	11.7%	12.2%	17.3%	17.8%			
Telecomm.	0.0%	0.0%	0.0%	0.0%	7.5%	6.7%	1.9%	2.2%			
Utilities	0.1%	0.0%	0.0%	0.0%	3.9%	3.1%	2.6%	3.1%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	1.2%	0.0%			
Portfolio	-0.8%	=	-0.8%	+	0.0%	+	0.0%	9.3%	10.1%	100.0%	100.0%

U.S. Effective Style Map





	Return (Rank)							
	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	12.4	21.1	39.6	28.4	19.5	21.2	9.8	10.5
25th Percentile	11.1	18.6	35.5	25.8	17.4	19.1	7.9	9.3
Median	10.3	17.1	32.9	23.7	16.2	17.9	7.0	8.5
75th Percentile	9.4	15.4	30.8	22.1	14.4	16.6	6.3	7.7
95th Percentile	7.4	11.5	25.4	17.7	12.2	14.5	5.0	6.6
# of Portfolios	262	261	261	260	256	242	224	183
● Mellon Tangent Added	12.1 (8)	18.9 (20)	39.1 (7)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ S&P 500	10.5 (41)	16.3 (65)	32.4 (58)	23.9 (47)	16.2 (50)	17.9 (50)	6.1 (81)	7.4 (87)

Equity Only Summary Statistics - Mellon Tangent Added

Quarter Ending December 31, 2013

Characteristics

	Portfolio	S&P 500
Number of Holdings	502	500
Weighted Avg. Market Cap. (\$B)	116.1	116.1
Median Market Cap. (\$B)	16.4	16.4
Price To Earnings	21.5	20.3
Price To Book	4.1	3.9
Price To Sales	2.5	2.2
Return on Equity (%)	18.9	17.9
Yield (%)	2.0	2.0
Beta (holdings; domestic)	1.1	1.1

Top Holdings

APPLE	3.1%
EXXON MOBIL	2.7%
GOOGLE 'A'	1.9%
MICROSOFT	1.7%
GENERAL ELECTRIC	1.7%
JOHNSON & JOHNSON	1.6%
CHEVRON	1.5%
PROCTER & GAMBLE	1.3%
JP MORGAN CHASE & CO.	1.3%
WELLS FARGO & CO	1.3%

Best Performers

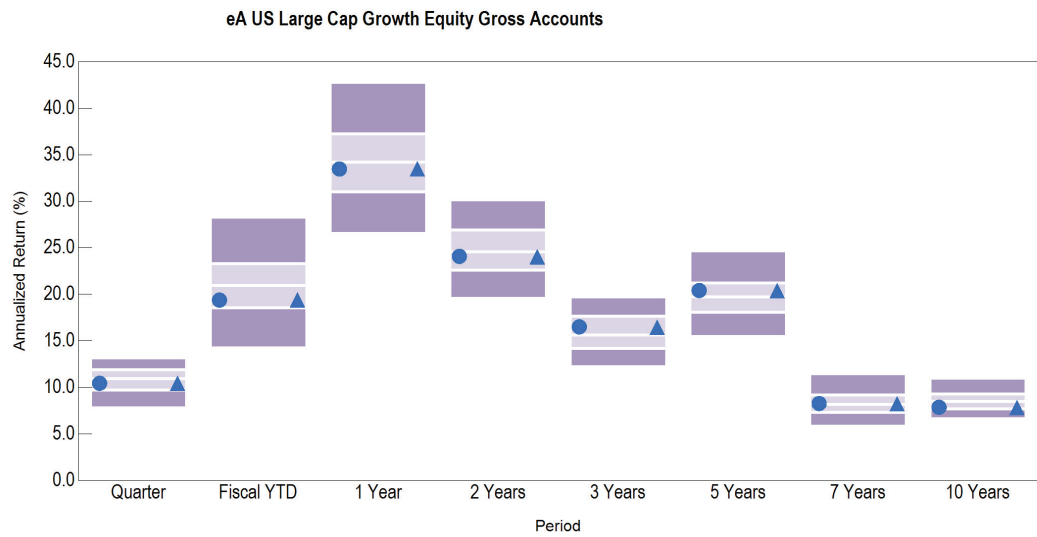
	Return %
VALERO ENERGY (VLO)	48.3%
US STEEL (X)	43.5%
MARATHON PETROLEUM (MPC)	43.4%
LSI (LSI)	41.6%
FOREST LABS. (FRX)	40.3%
FIRST SOLAR (FSLR)	35.9%
EXPEDIA (EXPE)	34.8%
PHILLIPS 66 (PSX)	34.2%
HEWLETT-PACKARD (HPQ)	34.0%
TESORO (TSO)	33.6%

Worst Performers

	Return %
JABIL CIRCUIT (JBL)	-19.2%
TERADATA (TDC)	-17.9%
NEWMONT MINING (NEM)	-17.3%
AVON PRODUCTS (AVP)	-16.1%
ANADARKO PETROLEUM (APC)	-14.5%
QUEST DIAGNOSTICS (DGX)	-13.4%
HEALTH CARE REIT (HCN)	-13.1%
ALTERA (ALTR)	-12.1%
REGENERON PHARMS. (REGN)	-12.0%
JDS UNIPHASE (JDSU)	-11.7%

Total Returns - Large Cap Growth Equity

Periods Ending December 31, 2013



	Return (Rank)							
	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	13.1	28.3	42.8	30.1	19.7	24.7	11.4	11.0
25th Percentile	11.9	23.3	37.3	27.0	17.7	21.2	9.2	9.3
Median	11.0	21.0	34.3	24.6	15.7	19.7	8.2	8.5
75th Percentile	9.8	18.6	31.0	22.6	14.2	18.1	7.4	7.7
95th Percentile	7.8	14.3	26.6	19.6	12.2	15.5	5.9	6.7
# of Portfolios	275	274	274	271	268	259	235	201
● Mellon Large Growth	10.4 (60)	19.4 (67)	33.5 (56)	24.1 (58)	16.5 (40)	20.4 (36)	8.3 (47)	7.9 (70)
▲ Russell 1000 Growth	10.4 (60)	19.4 (67)	33.5 (56)	24.0 (58)	16.5 (42)	20.4 (37)	8.2 (48)	7.8 (71)

Equity Only Summary Statistics - Mellon Large Growth

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	619	625
Weighted Avg. Market Cap. (\$B)	97.5	102.9
Median Market Cap. (\$B)	8.1	8.1
Price To Earnings	25.2	23.4
Price To Book	6.2	5.1
Price To Sales	3.2	2.2
Return on Equity (%)	24.4	21.8
Yield (%)	1.6	1.6
Beta (holdings; domestic)	1.0	1.0

Top Holdings

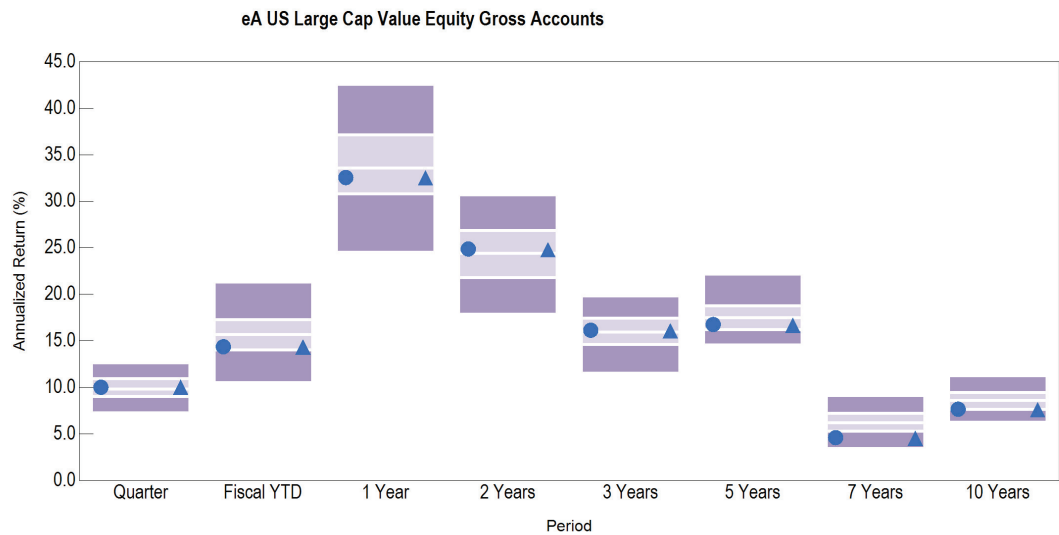
APPLE	4.1%
MICROSOFT	3.2%
GOOGLE 'A'	3.1%
INTERNATIONAL BUS.MCHS.	2.0%
COCA COLA	1.6%
AMAZON.COM	1.5%
PHILIP MORRIS INTL.	1.5%
VERIZON COMMUNICATIONS	1.4%
ORACLE	1.4%
PEPSICO	1.3%

Best Performers

	Return %
EQUINAIRE CHEMTECH (IN:KIC)	342.8%
AUROBINDO PHARMA (IN:ROB)	97.4%
ADANI ENTERPRISES (IN:ADE)	88.8%
ABAN OFFSHORE (IN:ALC)	83.4%
DARTY (UKIR:DRTY)	74.5%
PZENA INV.MAN.CLA (PZN)	74.1%
SPRINT (S)	72.9%
3D SYSTEMS (DDD)	72.1%
CROSS COUNTRY HLTHCR. (CCRN)	65.2%
DYNAVAX TECHNOLOGIES (DVAX)	64.7%

Worst Performers

	Return %
ARIAD PHARMS. (ARIA)	-62.9%
NATIONSTAR MGE.HOLDINGS (NSM)	-34.3%
COBALT INTL.ENERGY (CIE)	-33.8%
RACKSPACE HOSTING (RAX)	-25.8%
PHARMACYCLICS (PCYC)	-23.5%
RAYONIER (RYN)	-23.5%
TESLA MOTORS (TSLA)	-22.2%
ULTA SALON CO&FRA. (ULTA)	-19.2%
TERADATA (TDC)	-17.9%
AVON PRODUCTS (AVP)	-16.1%



	Return (Rank)							
	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	12.6	21.3	42.5	30.7	19.8	22.2	9.1	11.2
25th Percentile	11.0	17.3	37.2	26.9	17.4	18.8	7.3	9.5
Median	9.9	15.7	33.6	24.4	16.0	17.5	6.2	8.6
75th Percentile	9.1	14.0	30.8	21.8	14.6	16.2	5.3	7.7
95th Percentile	7.3	10.5	24.6	17.9	11.6	14.6	3.4	6.3
# of Portfolios	310	310	310	309	305	294	274	231
● Mellon Large Value	10.0 (48)	14.4 (71)	32.6 (60)	24.9 (46)	16.1 (48)	16.8 (66)	4.6 (87)	7.6 (76)
▲ Russell 1000 Value	10.0 (48)	14.3 (71)	32.5 (60)	24.8 (46)	16.1 (49)	16.7 (68)	4.5 (88)	7.6 (78)

Equity Only Summary Statistics - Mellon Large Value

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	656	662
Weighted Avg. Market Cap. (\$B)	110.1	115.3
Median Market Cap. (\$B)	6.6	6.5
Price To Earnings	18.6	17.2
Price To Book	2.3	1.8
Price To Sales	1.9	1.5
Return on Equity (%)	13.2	12.2
Yield (%)	2.2	2.2
Beta (holdings; domestic)	1.2	1.2

Top Holdings

EXXON MOBIL	4.8%
GENERAL ELECTRIC	3.1%
CHEVRON	2.6%
JOHNSON & JOHNSON	2.4%
PROCTER & GAMBLE	2.4%
JP MORGAN CHASE & CO.	2.4%
WELLS FARGO & CO	2.4%
BERKSHIRE HATHAWAY 'B'	2.3%
PFIZER	2.2%
AT&T	2.0%

Best Performers

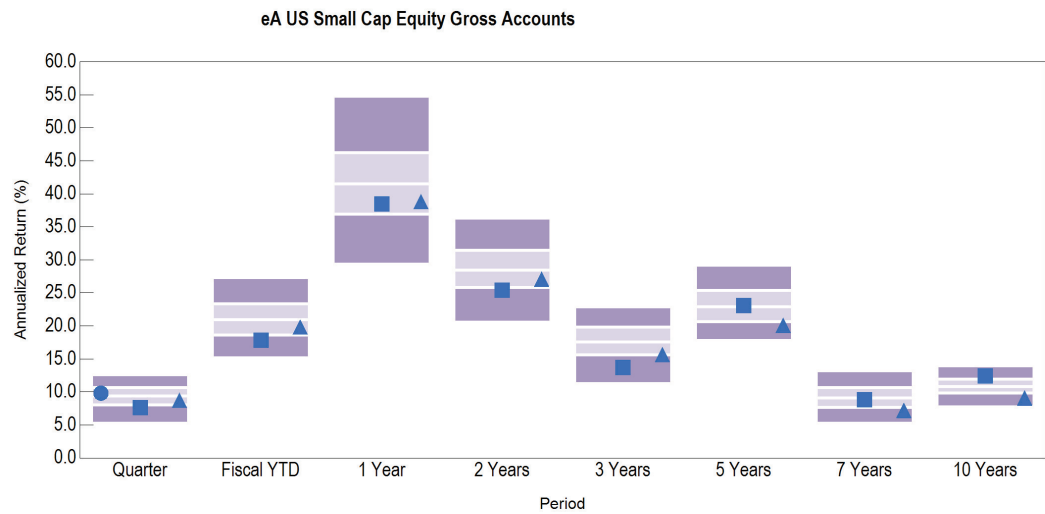
	Return %
SPRINT (S)	72.9%
VALERO ENERGY (VLO)	48.3%
US.STEEL (X)	43.5%
MARATHON PETROLEUM (MPC)	43.4%
PBF ENERGY CL.A (PBF)	41.6%
LSI (LSI)	41.6%
SPIRIT AEROSYSTEMS CL.A (SPR)	40.6%
FOREST LABS. (FRX)	40.3%
ENVISION HEALTHCARE HDG. (EVHC)	36.5%
FIRST SOLAR (FSLR)	35.9%

Worst Performers

	Return %
COBALT INTL.ENERGY (CIE)	-33.8%
JABIL CIRCUIT (JBL)	-19.2%
NUANCE COMMS. (NUAN)	-18.6%
SEARS HOLDINGS (SHLD)	-17.6%
NEWMONT MINING (NEM)	-17.3%
COVANTA HOLDING (CVA)	-16.2%
ANADARKO PETROLEUM (APC)	-14.5%
SPROUTS FARMERS MARKET (SFM)	-13.4%
QUEST DIAGNOSTICS (DGX)	-13.4%
HEALTH CARE REIT (HCN)	-13.1%

Total Returns - Small Cap Equity

Periods Ending December 31, 2013



Return (Rank)

5th Percentile	12.6	27.3	54.7	36.3	22.9	29.2	13.2	13.9
25th Percentile	10.7	23.4	46.3	31.5	19.8	25.4	10.7	12.0
Median	9.5	20.9	41.5	28.5	17.6	22.9	9.1	10.8
75th Percentile	8.1	18.7	36.9	25.8	15.6	20.7	7.7	9.8
95th Percentile	5.3	15.2	29.4	20.6	11.3	17.8	5.3	7.7
# of Portfolios	494	494	494	494	485	465	407	349
● PanAgora	9.8 (43)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
■ WHV	7.6 (82)	17.8 (83)	38.4 (67)	25.4 (79)	13.7 (87)	23.1 (49)	8.8 (58)	12.4 (20)
▲ Russell 2000	8.7 (66)	19.8 (62)	38.8 (65)	27.1 (65)	15.7 (75)	20.1 (80)	7.2 (83)	9.1 (87)

Characteristics

	Portfolio	Russell 2000
Number of Holdings	304	2,004
Weighted Avg. Market Cap. (\$B)	1.7	1.8
Median Market Cap. (\$B)	0.7	0.7
Price To Earnings	26.3	33.6
Price To Book	3.4	2.4
Price To Sales	2.3	1.6
Return on Equity (%)	14.4	9.8
Yield (%)	0.8	1.2
Beta (holdings; domestic)	1.4	1.4

Top Holdings

ISIS PHARMACEUTICALS	1.77%
CENTENE	1.74%
ENERSYS	1.49%
PORTLAND GEN.ELEC.	1.43%
TEXAS CAPITAL BANCSHARES	1.36%
EMCOR GROUP	1.29%
SOVRAN SELF STORAGE	1.28%
ESTERLINE TECHS.	1.28%
MINERALS TECHS.	1.27%
TENNECO	1.22%

Best Performers

	Return %
PZENA INV.MAN.CL.A (PZN)	74.1%
CROSS COUNTRY HLTHCR. (CCRN)	65.2%
DYNAVAX TECHNOLOGIES (DVAX)	64.7%
PHARMERICA (PMC)	62.0%
CRYOLIFE (CRY)	58.9%
CALAMP (CAMP)	58.8%
STRAIGHT PATH COMMS.CL.B (STRP)	55.7%
SYMMETRICOM DEAD - DELIST.27/11/13 (UKIR:#NA)	49.0%
CHELSEA THERP.INTL. (CHTP)	48.3%
SELECT MEDICAL HOLDINGS (SEM)	45.6%

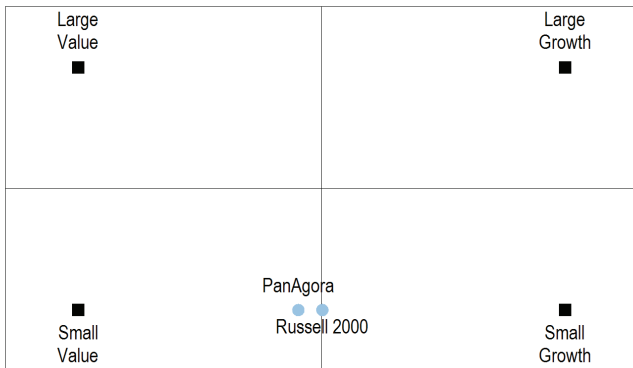
Worst Performers

	Return %
EPIZYME (EPZM)	-48.00%
GLOBAL GEOPHYSICAL SVS. (GGS)	-40.59%
SUPPORT.COM (SPRT)	-30.46%
AMERICAN SUPERCONDUCTOR (AMSC)	-29.91%
IMMUNOMEDICS (IMMU)	-25.81%
NEW YORK & CO. (NWY)	-24.39%
RENEWABLE ENERGY GROUP (REGI)	-24.36%
CALIX NETWORKS (CALX)	-24.27%
EPL OIL & GAS (EPL)	-23.20%
ADDUS HOMECARE (ADUS)	-22.51%

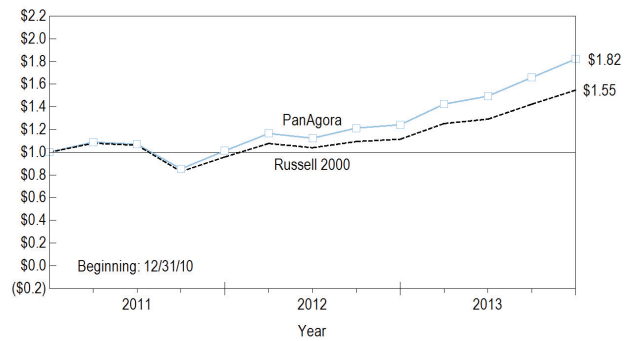
PanAgora Performance Attribution vs. Russell 2000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-0.2%	-0.3%	0.0%	0.0%	1.2%	6.2%	4.9%	5.5%			
Materials	0.1%	0.1%	0.0%	0.0%	13.0%	11.2%	5.6%	4.9%			
Industrials	0.7%	0.4%	0.1%	0.1%	14.0%	10.9%	18.7%	14.4%			
Cons. Disc.	-1.0%	-0.8%	0.0%	-0.3%	3.6%	9.2%	18.4%	13.6%			
Cons. Staples	-0.1%	-0.1%	0.0%	0.0%	3.1%	5.7%	3.1%	3.9%			
Health Care	-0.2%	-0.1%	0.0%	0.0%	7.6%	8.6%	15.1%	13.1%			
Financials	-0.4%	-0.4%	0.0%	0.1%	7.3%	9.1%	19.6%	22.6%			
Info. Tech	0.6%	0.8%	0.1%	-0.3%	11.6%	7.5%	11.4%	18.1%			
Telecomm.	0.1%	0.1%	0.0%	0.1%	12.9%	5.3%	1.6%	0.8%			
Utilities	0.2%	0.3%	0.0%	-0.1%	14.9%	6.0%	1.5%	3.1%			
Cash	0.0%	--	--	--	--	--	0.0%	0.0%			
Portfolio	-0.2%	=	-0.1%	+	0.3%	+	-0.4%	8.5%	8.7%	100.0%	100.0%

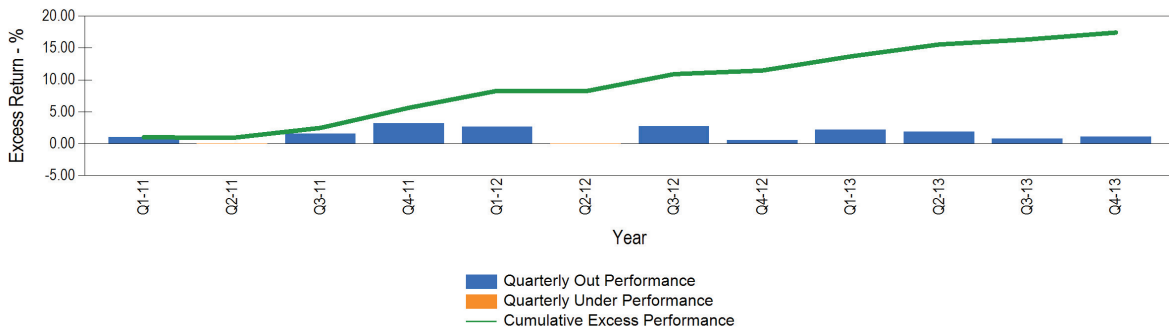
U.S. Effective Style Map



Growth of a Dollar



Quarterly and Cumulative Excess Performance



Characteristics

	Portfolio	Russell 2000
Number of Holdings	92	2,004
Weighted Avg. Market Cap. (\$B)	1.8	1.8
Median Market Cap. (\$B)	1.4	0.7
Price To Earnings	22.2	33.6
Price To Book	2.6	2.4
Price To Sales	1.6	1.6
Return on Equity (%)	11.0	9.8
Yield (%)	0.6	1.2
Beta (holdings; domestic)	1.5	1.4

Top Holdings

DRIL-QUIP	3.3%
BRISTOW GROUP	3.0%
ATWOOD OCEANICS	2.6%
CHART INDUSTRIES	2.6%
OFFICE DEPOT	2.6%
GULFMARK OFFSHORE 'A'	2.3%
AMKOR TECH.	2.1%
VISHAY INTERTECHNOLOGY	1.6%
ACCURAY	1.6%
INTL.RECTIFIER	1.6%

Best Performers

	Return %
SUNEDISON (SUNE)	63.7%
TREX COMPANY (TREX)	60.6%
AMKOR TECH. (AMKR)	43.2%
AFFYMETRIX (AFFX)	38.3%
KCG HOLDINGS CLA (KCG)	37.9%
PRIVATEBANCORP (PVTB)	35.2%
R R DONNELLEY & SONS (RRD)	30.5%
CENTURY ALUMINUM (CENX)	30.3%
ALTRA INDUSTRIAL MOTION (AIMC)	27.6%
AEROVIRONMENT (AVAV)	26.1%

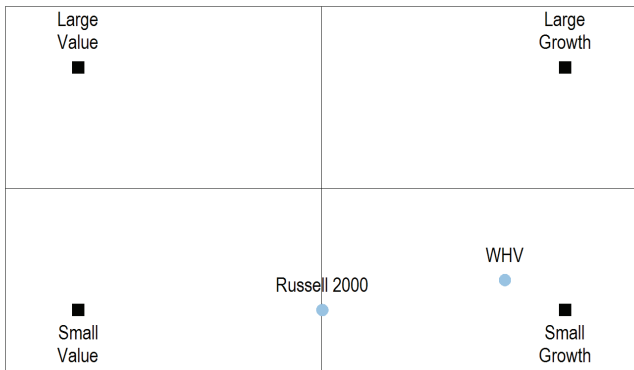
Worst Performers

	Return %
DOLAN (DOLN)	-69.5%
OSI SYSTEMS (OSIS)	-28.6%
NXSTAGE MEDICAL (NXTM)	-24.0%
CHART INDUSTRIES (GTLS)	-22.3%
INTERDIGITAL (IDCC)	-20.8%
MOLYCORP (MCP)	-14.3%
HORNBECK OFFS.SVS. (HOS)	-14.3%
FLOTEK INDS. (FTK)	-12.7%
PRTF.REC.ASSOCS. (PRAA)	-11.8%
REPUBLIC AIRWAYS HDG. (RJET)	-10.1%

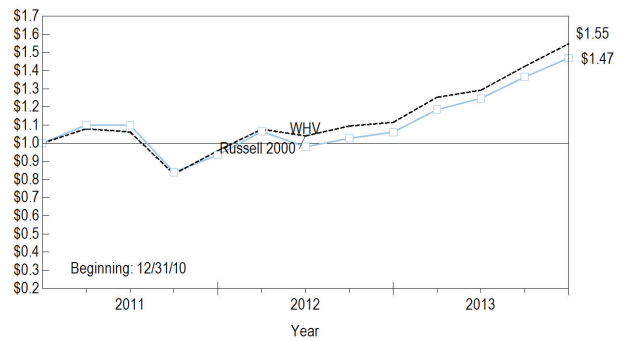
WHV Performance Attribution vs. Russell 2000

	Total Effects	Attribution Effects			Returns		Sector Weights				
		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	-1.5%	-0.5%	-0.2%	-0.8%	-2.2%	6.2%	14.9%	5.5%			
Materials	-0.2%	-0.2%	0.1%	-0.1%	7.6%	11.2%	7.7%	4.9%			
Industrials	-1.0%	-0.7%	0.2%	-0.4%	5.8%	10.9%	22.2%	14.4%			
Cons. Disc.	0.2%	0.4%	0.0%	-0.2%	12.2%	9.2%	6.8%	13.6%			
Cons. Staples	0.1%	--	0.1%	--	--	5.7%	0.0%	3.9%			
Health Care	-0.2%	-0.2%	0.0%	0.0%	7.1%	8.6%	11.0%	13.1%			
Financials	0.1%	0.3%	-0.1%	-0.2%	10.5%	9.1%	10.3%	22.6%			
Info. Tech	-0.1%	0.0%	-0.1%	0.0%	7.4%	7.5%	23.8%	18.1%			
Telecomm.	0.0%	--	0.0%	--	--	5.3%	0.0%	0.8%			
Utilities	0.0%	-0.2%	0.1%	0.1%	0.2%	6.0%	1.0%	3.1%			
Cash	-0.2%	0.0%	-0.2%	0.0%	0.0%	--	2.2%	0.0%			
Portfolio	-2.7%	=	-1.0%	+	-0.1%	+	-1.5%	6.0%	8.7%	100.0%	100.0%

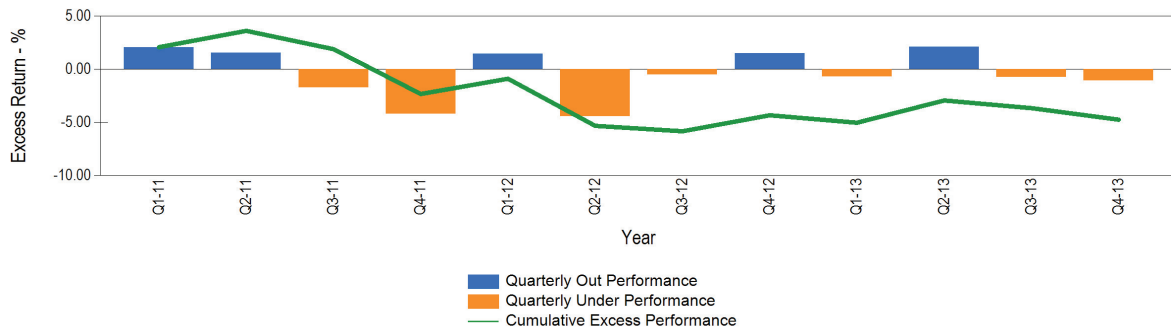
U.S. Effective Style Map



Growth of a Dollar

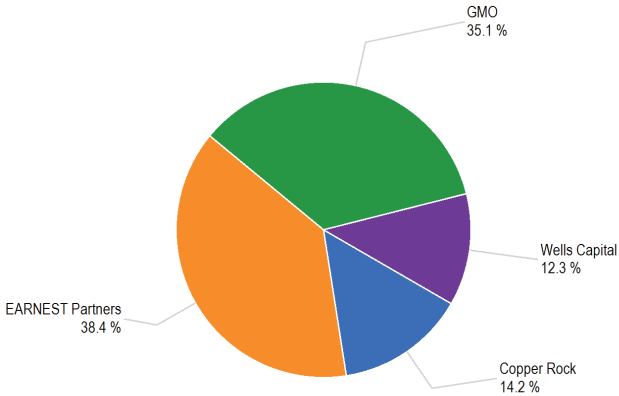


Quarterly and Cumulative Excess Performance



Merced County Employees' Retirement Association
Manager Allocation Analysis - International Equity

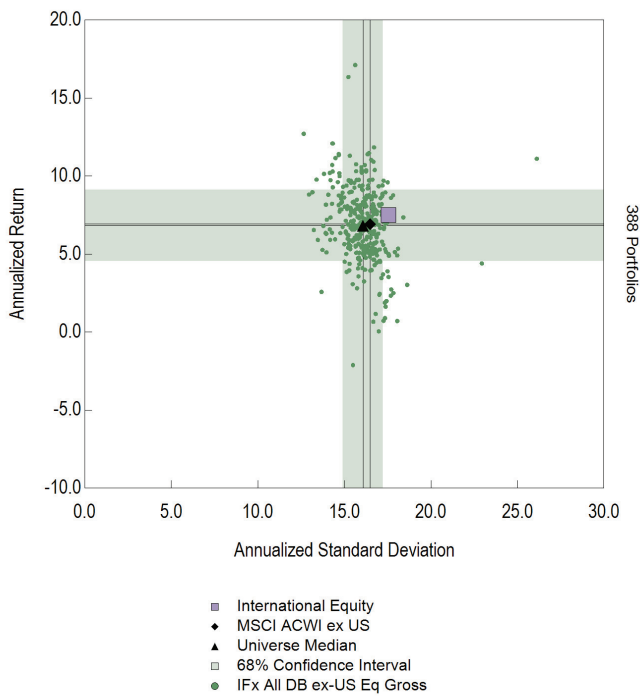
As of December 31, 2013



	Actual \$	Actual %
Copper Rock	\$23,732,266	14.2%
EARNEST Partners	\$64,292,467	38.4%
GMO	\$58,673,536	35.1%
Wells Capital	\$20,519,132	12.3%
Total	\$167,217,401	

Risk vs. Return 3 Year - International Equity

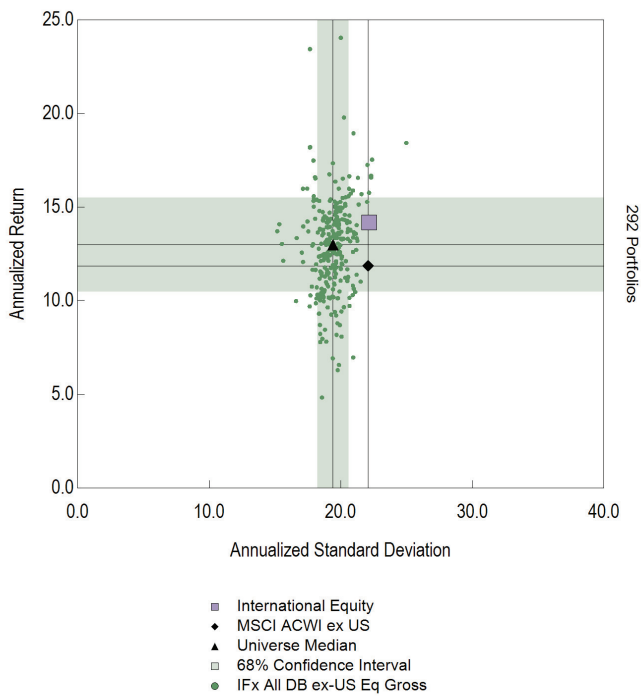
Period Ending December 31, 2013



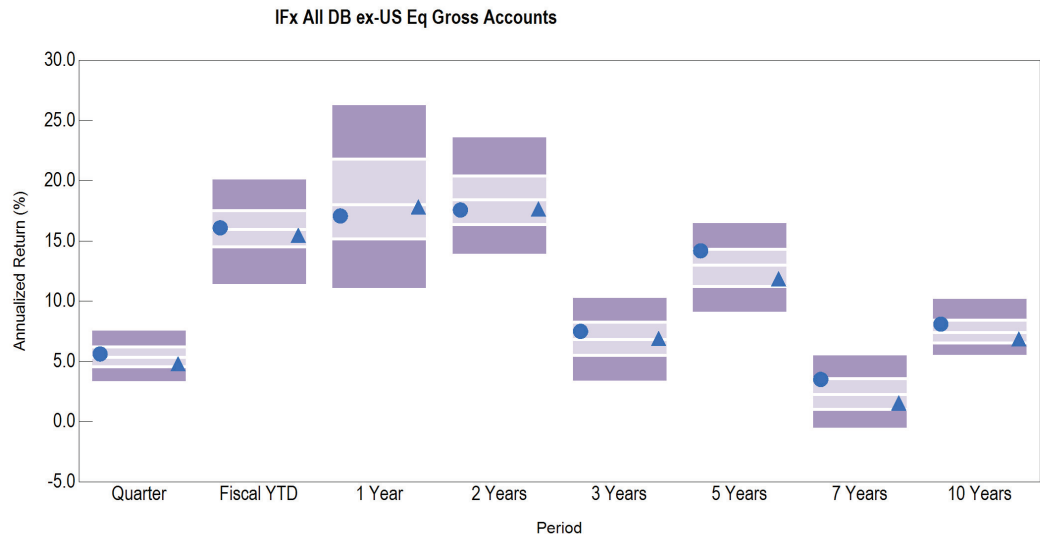
	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
International Equity	7.5%	39	17.5%	96	0.4	52
MSCI ACWI ex US	6.9%	48	16.5%	69	0.4	56
IFx All DB ex-US Eq Gross Median	6.8%	--	16.1%	--	0.4	--

Risk vs. Return 5 Year - International Equity

Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
International Equity	14.2%	28	22.2%	99	0.6	60
MSCI ACWI ex US	11.9%	66	22.1%	99	0.5	87
IFx All DB ex-US Eq Gross Median	13.0%	--	19.4%	--	0.7	--



Return (Rank)

5th Percentile	7.6	20.2	26.4	23.7	10.4	16.6	5.6	10.3
25th Percentile	6.2	17.5	21.8	20.4	8.3	14.3	3.6	8.5
Median	5.4	16.0	18.0	18.4	6.8	13.0	2.3	7.4
75th Percentile	4.6	14.5	15.2	16.4	5.5	11.2	1.0	6.5
95th Percentile	3.2	11.3	11.0	13.8	3.3	9.0	-0.6	5.4
# of Portfolios	425	424	415	405	388	292	253	165
● International Equity	5.6 (44)	16.1 (47)	17.1 (57)	17.6 (61)	7.5 (39)	14.2 (28)	3.5 (26)	8.1 (36)
▲ MSCI ACWI ex US	4.8 (69)	15.5 (59)	17.8 (52)	17.7 (59)	6.9 (48)	11.9 (66)	1.5 (65)	6.9 (66)

Equity Only Summary Statistics - International Equity

Quarter Ending December 31, 2013

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	1,531	1,824
Weighted Avg. Market Cap. (\$B)	41.8	55.6
Median Market Cap. (\$B)	4.9	6.8
Price To Earnings	18.6	18.2
Price To Book	2.8	2.4
Price To Sales	1.6	1.8
Return on Equity (%)	15.0	15.0
Yield (%)	2.6	2.8
Beta (holdings; global)	1.1	1.0

Top Holdings

ARM HDG.SPN.ADR 1:3	1.9%
CORE LABORATORIES	1.9%
TOTAL	1.7%
SHIRE	1.5%
DENSO	1.4%
BP	1.2%
ROCHE HOLDING	1.2%
DNB	1.2%
ICON	1.2%
AMADEUS IT HOLDING	1.2%

Best Performers

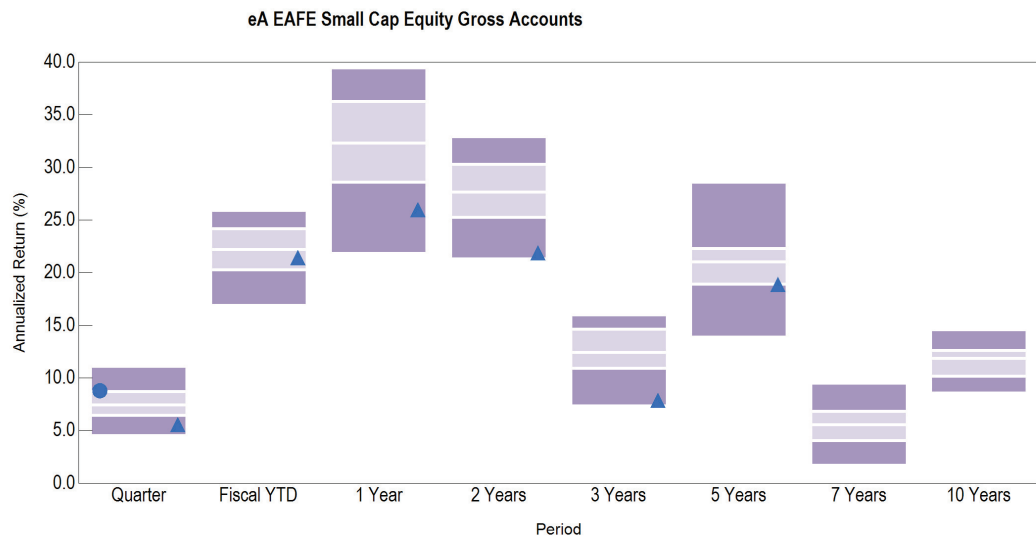
	Return %
EQUINAIRE CHEMTECH (IN:KIC)	342.8%
AUROBINDO PHARMA (IN:ROB)	97.4%
ADANI ENTERPRISES (IN:ADE)	88.8%
ABAN OFFSHORE (IN:ALC)	83.4%
DARTY (UKIR:DRTY)	74.5%
GOLDEN OCEAN GROUP (N:GOGL)	63.8%
TATA STEEL (IN:TIS)	58.1%
JAIPRAKASH ASSOCIATES (IN:JKA)	57.9%
GREENCORE GROUP (UKIR:GNCL)	57.0%
COMPAGNIA ASSICURAZIONE MILANO (I:MI)	52.9%

Worst Performers

	Return %
CHORUS (Z:CHOR)	-47.3%
ENEVA ON (BR:MPX)	-46.1%
KOZA ANADOLU MTL.MIE. (TK:KOZ)	-44.7%
PRINCE FROG INTL.HDG. (K:PFIT)	-41.1%
BANGCHAK PETROLEUM FB (Q:BNKF)	-39.2%
BUMI RESOURCES (ID:BMH)	-37.3%
ZHAOJIN MINING IND.'H' (K:ZHAO)	-35.8%
NITTO DENKO (J:IF@N)	-35.2%
TPK HOLDING (TW:TPK)	-35.0%
KOZA ALTIN ISLETMELERI (TK:KAI)	-34.9%

Total Returns - EAFE Small Cap Equity

Periods Ending December 31, 2013



	Return (Rank)							
	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	11.1	25.9	39.5	32.9	16.0	28.6	9.5	14.6
25th Percentile	8.7	24.2	36.3	30.3	14.7	22.3	6.8	12.7
Median	7.5	22.2	32.3	27.7	12.5	21.1	5.6	11.9
75th Percentile	6.5	20.3	28.6	25.3	11.0	18.9	4.1	10.2
95th Percentile	4.5	16.9	21.9	21.4	7.4	13.9	1.7	8.6
# of Portfolios	48	48	48	47	45	41	36	23
● Copper Rock	8.8 (23)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)
▲ MSCI World ex US Small Cap	5.6 (89)	21.4 (63)	26.0 (83)	21.9 (94)	7.9 (93)	18.9 (77)	-- (--)	-- (--)

Merced County Employees' Retirement Association
Equity Only Summary Statistics - Copper Rock

Quarter Ending December 31, 2013

Characteristics

	Portfolio	MSCI World ex USA Small Cap
Number of Holdings	94	2,412
Weighted Avg. Market Cap. (\$B)	2.7	2.3
Median Market Cap. (\$B)	2.3	0.9
Price To Earnings	20.8	18.7
Price To Book	3.5	2.2
Price To Sales	1.5	1.5
Return on Equity (%)	18.6	12.7
Yield (%)	1.8	2.2
Beta (holdings: global)	1.0	1.1

Top Holdings

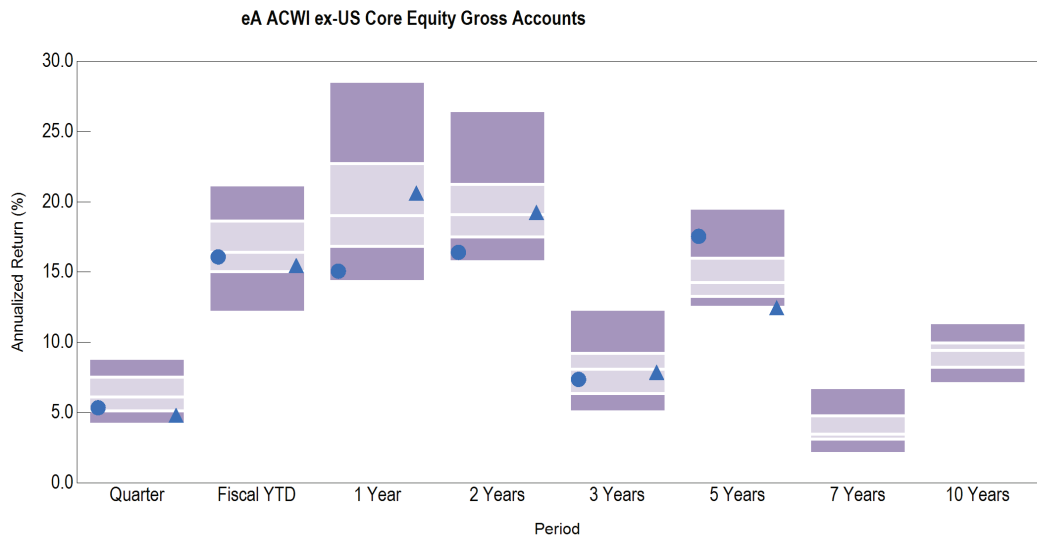
SAVILLS	1.8%
GREENCORE GROUP	1.8%
PLASTIC OMNIUM	1.7%
GN STORE NORD	1.7%
TOPDANMARK	1.7%
UBISOFT ENTM.	1.6%
NORMA GROUP	1.5%
HUHTAMAKI	1.5%
FASTIGHETS BALDER 'B'	1.5%
BANCA GENERALI	1.5%

Best Performers

	Return %
GREENCORE GROUP (UKIR:GNCL)	57.0%
HARGREAVES LANSDOWN (UKIR:HL.)	41.4%
BLINKX (UKIR:BLNX)	39.0%
BANCA GENERALI (I:BANC)	37.2%
HORIZON NORTH LOGISTICS (C:HNL)	33.4%
TALKTALK TELECOM GROUP (UKIR:TALK)	31.5%
SERIA (J:SERI)	29.7%
BANKINTER 'R' (E:BKT)	28.1%
TOWNGAS CHINA (K:PANV)	27.4%
AURELIUS (D:AR4)	26.8%

Worst Performers

	Return %
PRINCE FROG INTL.HDG. (K:PFIT)	-41.1%
ILUKA RESOURCES (A:ILUX)	-27.9%
KAKAKU.COM (J:KAKA)	-24.7%
HIS (J:HISS)	-14.1%
JAPAN PETROLEUM EXP. (J:JPEC)	-11.8%
TGS-NOPEC GEOPHS. (N:TGS)	-9.9%
ASIAN PAY TV.TRUST UNT. (T:ASPT)	-9.8%
CHIYODA COMPANY (J:CHDA)	-9.4%
UBISOFT ENTM. (F:UBI)	-8.4%
INTERTAPE POLYMER GP. (C:ITP)	-8.1%



	Return (Rank)							
	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	8.8	21.2	28.6	26.5	12.3	19.5	6.8	11.4
25th Percentile	7.5	18.6	22.8	21.3	9.2	16.0	4.8	10.0
Median	6.1	16.4	19.0	19.1	8.1	14.3	3.5	9.5
75th Percentile	5.1	15.0	16.8	17.5	6.4	13.3	3.1	8.2
95th Percentile	4.2	12.2	14.3	15.8	5.1	12.5	2.1	7.1
# of Portfolios	70	70	70	69	65	59	49	29
● EARNEST Partners	5.3 (65)	16.1 (57)	15.1 (91)	16.4 (93)	7.4 (60)	17.5 (13)	-- (--)	-- (--)
▲ MSCI ACWI ex US	4.8 (84)	15.5 (68)	20.6 (35)	19.3 (50)	7.9 (52)	12.5 (97)	-- (--)	-- (--)

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	56	1,824
Weighted Avg. Market Cap. (\$B)	42.9	55.6
Median Market Cap. (\$B)	22.6	6.8
Price To Earnings	19.1	18.2
Price To Book	3.5	2.4
Price To Sales	2.8	1.8
Return on Equity (%)	14.7	15.0
Yield (%)	2.0	2.8
Beta (holdings; global)	1.1	1.0

Top Holdings

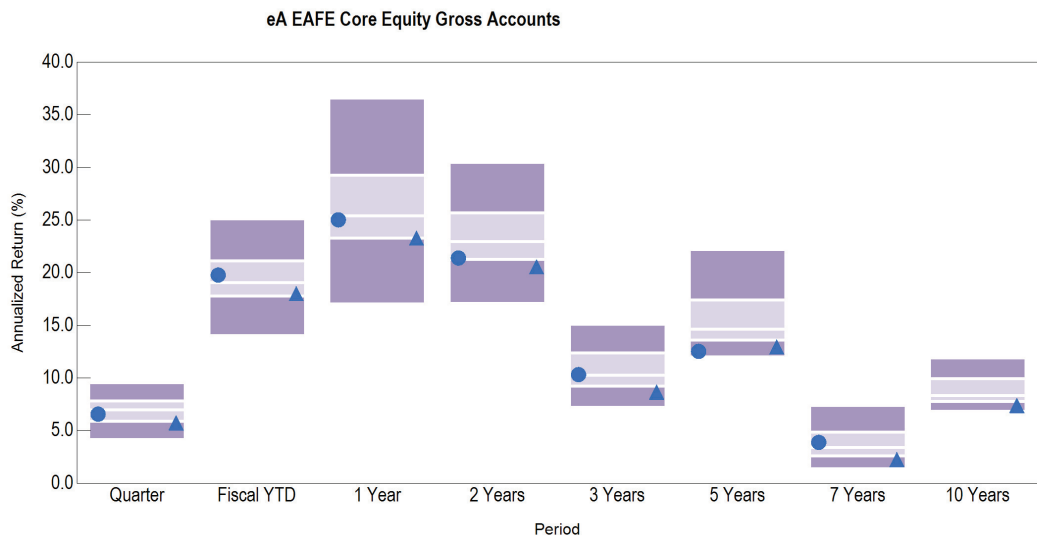
ARM HDG.SPN.ADR 1:3	5.3%
CORE LABORATORIES	5.1%
SHIRE	4.0%
DENSO	3.8%
ICON	3.2%
AMADEUS IT HOLDING	3.2%
GETINGE	3.1%
DNB	3.1%
ROCHE HOLDING	3.0%
DIAGEO	2.9%

Best Performers

	Return %
CARNIVAL (CCL)	23.9%
CHINA OILFIELD SVS.'H' (K:CHOL)	23.7%
ICICI BK.ADR 1:2 (IBN)	21.9%
AMADEUS IT HOLDING (E:AMS)	20.9%
DNB (N:DNB)	17.8%
SHIRE (UKIR:SHP)	17.7%
SOCIETE GENERALE (F:SGE)	16.7%
RIO TINTO SPN.ADR 1:1 (RIO)	15.7%
HITACHI (J:HC@N)	14.9%
ARM HDG.SPN.ADR 1:3 (ARMH)	13.7%

Worst Performers

	Return %
DAPHNE INTL.HOLDINGS (K:PRIS)	-26.2%
NATURA ON (BR:NAT)	-21.1%
TKI.GARANTI BKSJ. (TK:GAR)	-17.7%
AKBANK (TK:AKB)	-15.2%
ORIENT OVERSEAS (INTL.) (K:OROC)	-14.5%
BANCOLOMBIA PF.SPN.ADR 1:4 (CIB)	-14.1%
BNC.BRADESCO PF.SPN.ADR 1:1 (BBD)	-8.4%
ERICSSON 'B' ADR 1:1 (ERIC)	-8.3%
SUBSEA 7 (N:SUBC)	-7.9%
MINDRAY MED.INTL.SPN. ADR.'A' 1:1 (MR)	-6.5%



	Return (Rank)							
	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	9.5	25.1	36.6	30.5	15.1	22.2	7.4	11.9
25th Percentile	7.9	21.2	29.3	25.7	12.4	17.5	4.9	10.0
Median	7.0	19.1	25.4	23.0	10.3	14.7	3.4	8.3
75th Percentile	5.9	17.8	23.3	21.3	9.3	13.6	2.6	7.8
95th Percentile	4.2	14.0	17.1	17.1	7.2	12.0	1.4	6.9
# of Portfolios	115	115	115	114	109	97	87	64
● GMO	6.6 (63)	19.8 (41)	25.0 (55)	21.4 (74)	10.3 (49)	12.5 (90)	3.9 (41)	-- (-)
▲ MSCI EAFE Gross	5.7 (80)	18.0 (70)	23.3 (76)	20.6 (82)	8.7 (85)	13.0 (85)	2.3 (85)	7.4 (87)

Characteristics

	Portfolio	MSCI EAFE Gross
Number of Holdings	1,377	904
Weighted Avg. Market Cap. (\$B)	57.4	63.0
Median Market Cap. (\$B)	5.3	9.1
Price To Earnings	17.0	18.8
Price To Book	1.8	2.4
Price To Sales	1.0	1.7
Return on Equity (%)	12.5	13.7
Yield (%)	3.5	2.9
Beta (holdings; global)	1.2	1.0

Top Holdings

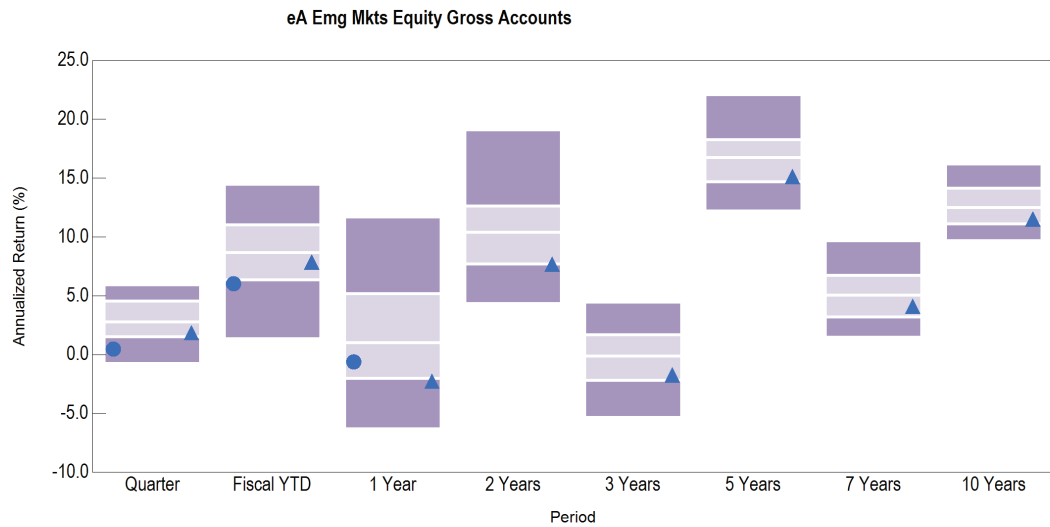
	Return %
TOTAL	4.7%
BP	3.4%
VODAFONE GROUP	2.9%
TELEFONICA	2.8%
ASTRAZENECA	2.6%
ROYAL DUTCH SHELL A(LON)	2.6%
ENI	2.0%
ROYAL DUTCH SHELL B	2.0%
E ON	1.7%
ENEL	1.6%

Best Performers

	Return %
EQUINAIRE CHEMTECH (IN:KIC)	342.8%
AUROBINDO PHARMA (IN:ROB)	97.4%
ADANI ENTERPRISES (IN:ADE)	88.8%
ABAN OFFSHORE (IN:ALC)	83.4%
DARTY (UKIR:DRTY)	74.5%
GOLDEN OCEAN GROUP (N:GOGL)	63.8%
TATA STEEL (IN:TIS)	58.1%
JAIPRAKASH ASSOCIATES (IN:JKA)	57.9%
COMPAGNIA ASSICURAZIONE MILANO (I:MI)	52.9%
BANK OF INDIA (IN:BOI)	52.5%

Worst Performers

	Return %
CHORUS (Z:CHOR)	-47.3%
ENEVA ON (BR:MPX)	-46.1%
KOZA ANADOLU MTL.MIE. (TK:KOZ)	-44.7%
BANGCHAK PETROLEUM FB (Q:BNKF)	-39.2%
BUMI RESOURCES (ID:BMH)	-37.3%
ZHAOJIN MINING IND.'H' (K:ZHAO)	-35.8%
NITTO DENKO (J:IF@N)	-35.2%
TPK HOLDING (TW:TPK)	-35.0%
KOZA ALTIN ISLETMELERI (TK:KAJ)	-34.9%
HYUNDAI MERCHANT MARINE (KO:HMA)	-34.4%



	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	5.9	14.5	11.7	19.1	4.4	22.1	9.6	16.2								
25th Percentile	4.6	11.1	5.2	12.6	1.7	18.3	6.8	14.2								
Median	2.8	8.7	1.0	10.4	-0.1	16.8	5.1	12.5								
75th Percentile	1.6	6.4	-2.0	7.7	-2.1	14.7	3.2	11.2								
95th Percentile	-0.7	1.4	-6.3	4.4	-5.3	12.2	1.5	9.7								
# of Portfolios	199	199	198	186	164	133	103	77								
● Wells Capital	0.5 (90)	6.0 (79)	-0.6 (62)	-- (--)	-- (--)	-- (--)	-- (--)	-- (--)								
▲ MSCI Emerging Markets Gross	1.9 (70)	7.9 (63)	-2.3 (78)	7.7 (76)	-1.7 (73)	15.2 (70)	4.1 (65)	11.5 (70)								

Merced County Employees' Retirement Association
Equity Only Summary Statistics - Wells Capital

Quarter Ending December 31, 2013

Characteristics

	Portfolio	MSCI Emerging Markets Gross
Number of Holdings	880	824
Weighted Avg. Market Cap. (\$B)	39.8	36.2
Median Market Cap. (\$B)	4.8	4.6
Price To Earnings	18.7	16.0
Price To Book	3.4	2.4
Price To Sales	2.8	2.1
Return on Equity (%)	19.1	17.7
Yield (%)	2.4	2.6
Beta (holdings; global)	1.1	1.0

Top Holdings

SAMSUNG ELECTRONICS	4.9%
TAIWAN SEMICON.SPN.ADR 1:5	3.6%
SINA	3.1%
CHINA MOBILE	2.8%
BNC.BRADESCO PF.SPN.ADR 1:1	2.6%
FOM.ECO.MEXNO.SAB DE CV SPN.ADR 1:10	2.5%
AMBEV SPONSORED ADR 1:1	2.2%
CHINA LIFE INSURANCE 'H'	2.2%
LOJAS AMERIC PN	1.9%
CNOOC	1.8%

Best Performers

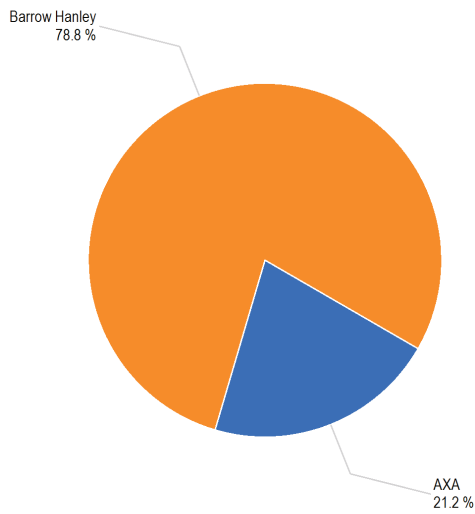
	Return %
ADANI ENTERPRISES (IN:ADE)	88.8%
TATA STEEL (IN:TIS)	58.1%
JAIPRAKASH ASSOCIATES (IN:JKA)	57.9%
BANK OF INDIA (IN:BOI)	52.5%
CHINA EVERBRIGHT INTL. (K:CHEI)	51.6%
HAIER ELECTRONICS GP. (K:WIL)	49.8%
SIDER.NACIONAL ON (BR:DN3)	47.3%
GOME ELECT.APP.HLDG. (K:CAPT)	44.5%
CHINA TAIPING IN.HDG. (K:CINS)	43.0%
JSW STEEL (IN:JVS)	41.1%

Worst Performers

	Return %
ENEVA ON (BR:MPX)	-46.1%
BUMI RESOURCES (ID:BMH)	-37.3%
ZHAOJIN MINING IND.'H' (K:ZHAO)	-35.8%
TPK HOLDING (TW:TPK)	-35.0%
KOZA ALTIN ISLETMELERI (TK:KAI)	-34.9%
HYUNDAI MERCHANT MARINE (KO:HMA)	-34.4%
BROOKFIELD ON (BR:BIS)	-32.6%
GOLD FIELDS (R:GFIJ)	-31.4%
GOLD FIELDS SPN.ADR 1:1 (GFI)	-30.0%
ALL AMER LAT ON (BR:P3M)	-29.3%

Manager Allocation Analysis - US Fixed Income

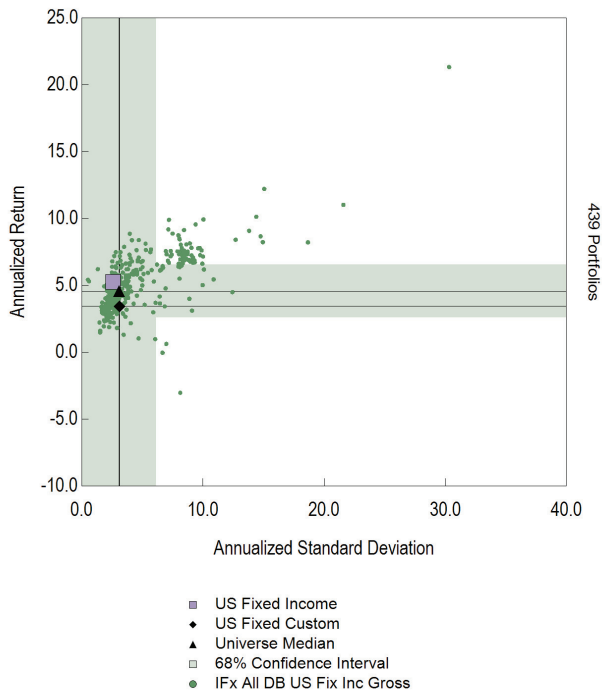
As of December 31, 2013



	Actual \$	Actual %
AXA	\$33,075,086	21.2%
Barrow Hanley	\$122,759,849	78.8%
Total	\$155,834,935	

Risk vs. Return 3 Year - US Fixed Income

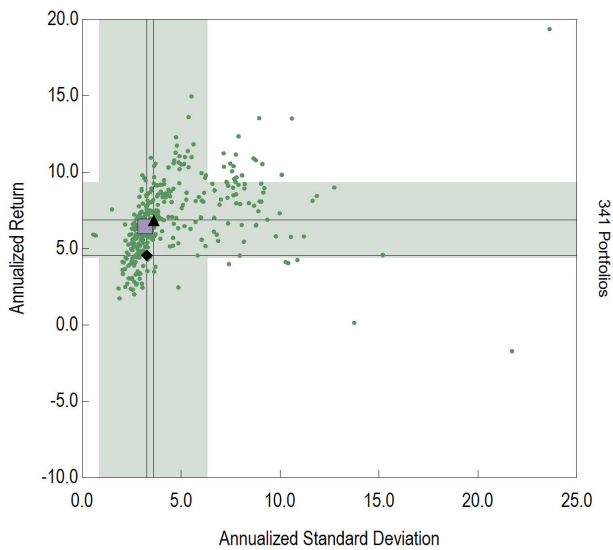
Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Fixed Income	5.2%	40	2.6%	25	2.0	9
US Fixed Custom	3.4%	84	3.1%	52	1.1	71
IFx All DB US Fix Inc Gross Median	4.6%	--	3.1%	--	1.3	--

Risk vs. Return 5 Year - US Fixed Income

Period Ending December 31, 2013

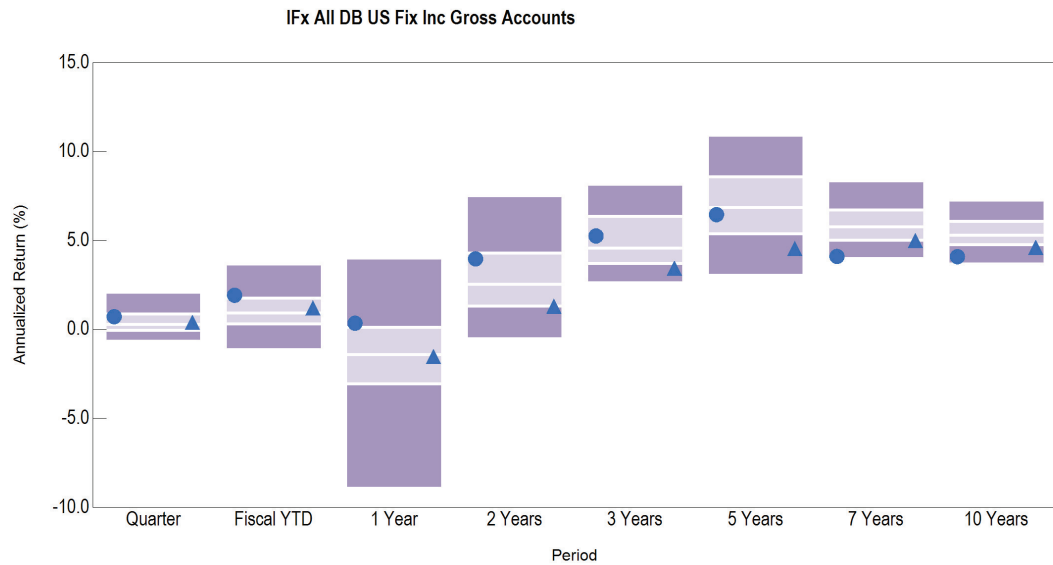


- US Fixed Income
- ◆ US Fixed Custom
- ▲ Universe Median
- 68% Confidence Interval
- IFx All DB US Fix Inc Gross

	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Fixed Income	6.5%	57	3.0%	32	2.1	27
US Fixed Custom	4.5%	84	2.9%	25	1.5	65
IFx All DB US Fix Inc Gross Median	6.9%	--	3.6%	--	1.8	--

Total Returns - US Fixed Income

Periods Ending December 31, 2013

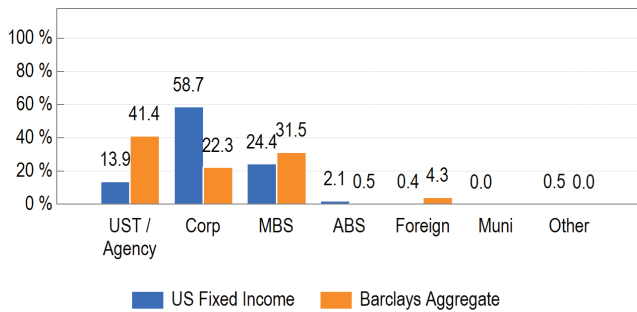


	Return (Rank)							
	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	2.1	3.7	4.0	7.5	8.1	10.9	8.3	7.3
25th Percentile	0.9	1.8	0.1	4.3	6.4	8.6	6.7	6.1
Median	0.3	0.9	-1.4	2.6	4.6	6.9	5.8	5.3
75th Percentile	0.0	0.3	-3.0	1.3	3.7	5.4	5.0	4.8
95th Percentile	-0.7	-1.1	-8.9	-0.5	2.6	3.0	4.0	3.7
# of Portfolios	484	483	482	465	439	341	303	245
● US Fixed Income	0.7 (31)	1.9 (22)	0.3 (21)	4.0 (32)	5.2 (40)	6.5 (57)	4.1 (94)	4.1 (90)
▲ US Fixed Custom	0.4 (43)	1.2 (38)	-1.5 (54)	1.3 (77)	3.4 (84)	4.5 (84)	5.0 (77)	4.6 (78)

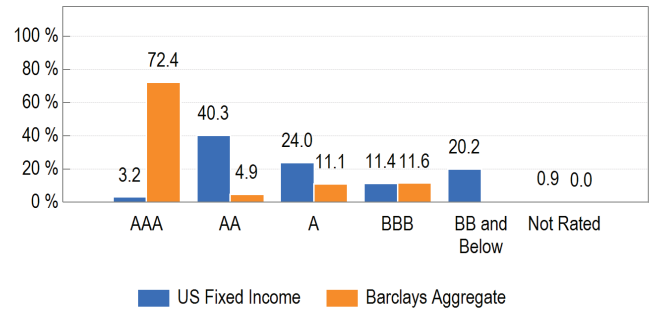
Merced County Employees' Retirement Association
 Bond Summary Statistics - US Fixed Income

As of December 31, 2013

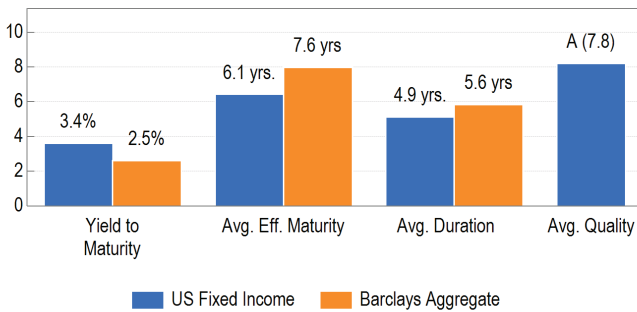
Sectors
 US Fixed Income



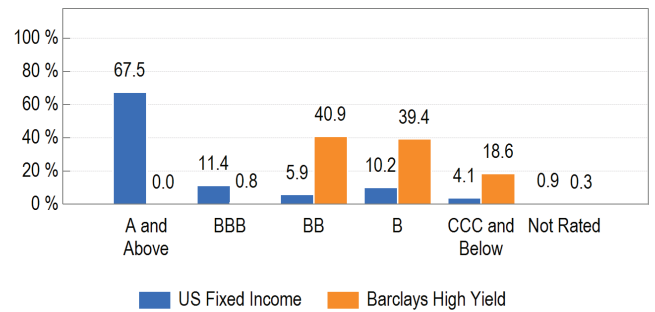
Quality Ratings
 US Fixed Income

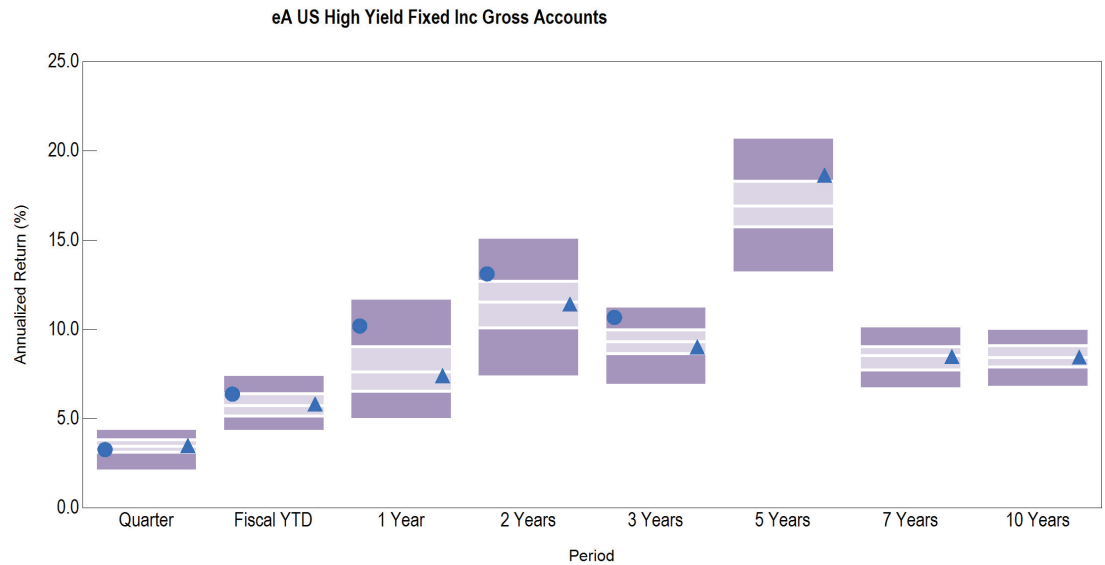


Characteristics
 US Fixed Income



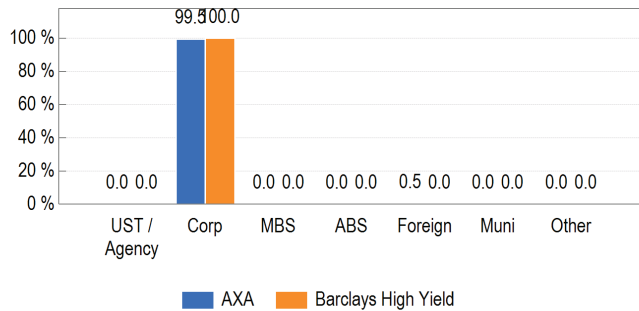
High Yield Quality Ratings
 US Fixed Income



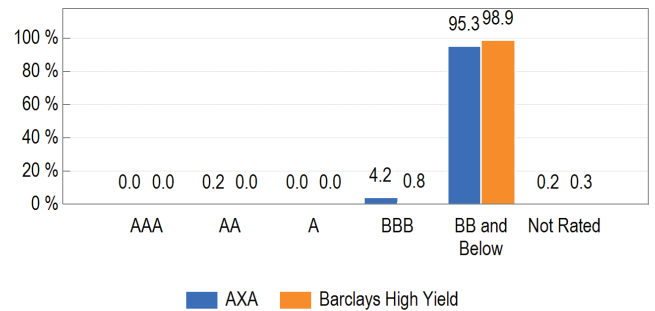


	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	4.4		7.5		11.7		15.2		11.3		20.8		10.2		10.1	
25th Percentile	3.8		6.4		9.1		12.7		10.0		18.3		9.1		9.1	
Median	3.5		5.8		7.6		11.6		9.3		16.9		8.6		8.5	
75th Percentile	3.1		5.2		6.6		10.1		8.7		15.8		7.7		7.9	
95th Percentile	2.1		4.3		5.0		7.4		6.9		13.2		6.7		6.8	
# of Portfolios	130		130		130		125		118		108		101		90	
● AXA	3.3	(66)	6.4	(27)	10.2	(14)	13.1	(20)	10.7	(8)	--	(--)	--	(--)	--	(--)
▲ BofA Merrill Lynch US High Yield Master II TR	3.5	(49)	5.8	(48)	7.4	(55)	11.4	(52)	9.0	(64)	18.6	(21)	8.5	(53)	8.5	(50)

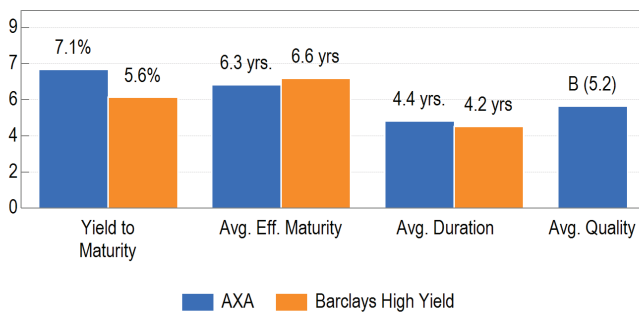
Sectors
AXA



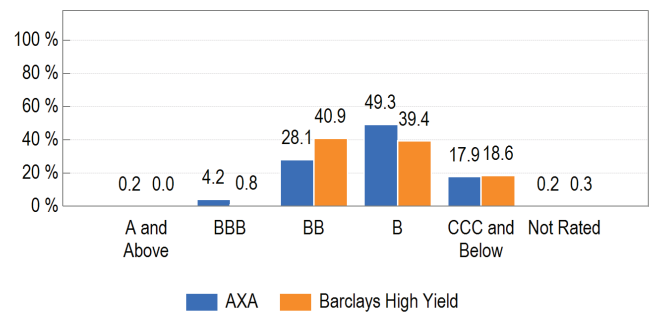
Quality Ratings
AXA

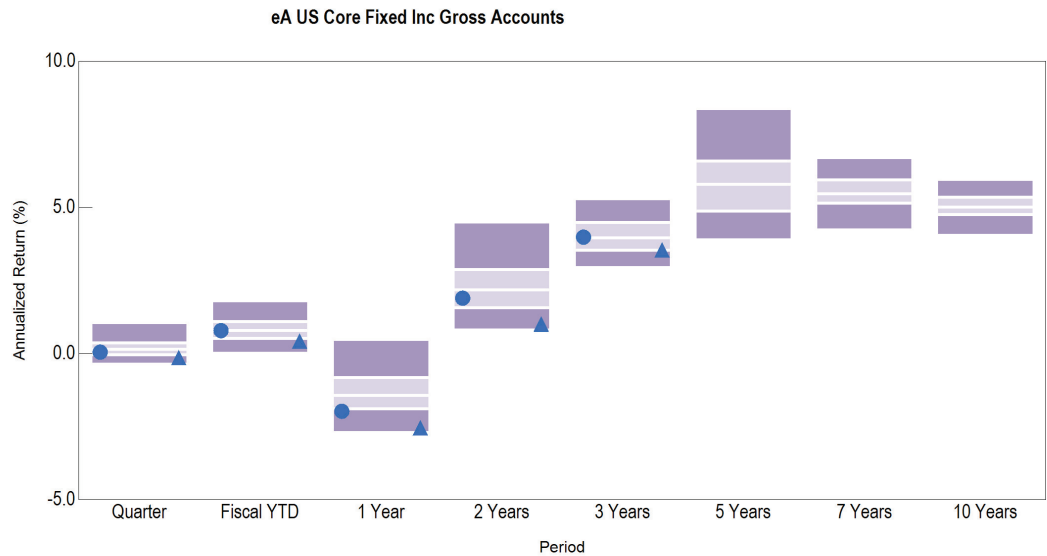


Characteristics
AXA



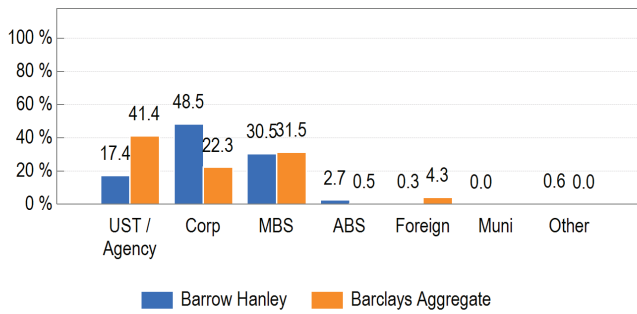
High Yield Quality Ratings
AXA



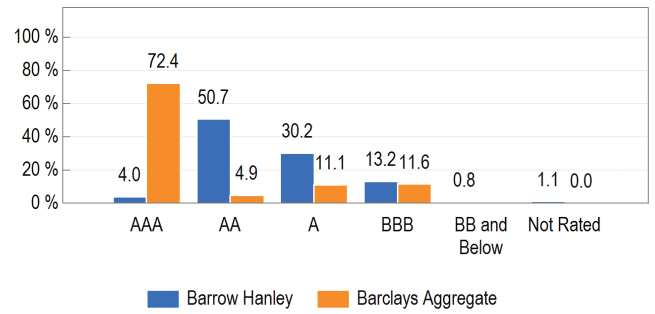


	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	1.0	1.8	0.5	4.5	5.3	8.4	6.7	5.9								
25th Percentile	0.4	1.1	-0.8	2.9	4.5	6.6	6.0	5.4								
Median	0.2	0.8	-1.4	2.2	4.0	5.8	5.5	5.0								
75th Percentile	0.0	0.5	-1.9	1.6	3.5	4.9	5.2	4.8								
95th Percentile	-0.4	0.0	-2.7	0.8	2.9	3.9	4.2	4.1								
# of Portfolios	209	209	209	209	207	201	194	181								
● Barrow Hanley	0.0 (62)	0.8 (51)	-2.0 (79)	1.9 (61)	4.0 (50)	-- (--)	-- (--)	-- (--)								
▲ Barclays Aggregate	-0.1 (84)	0.4 (83)	-2.5 (95)	1.0 (91)	3.5 (75)	-- (--)	-- (--)	-- (--)								

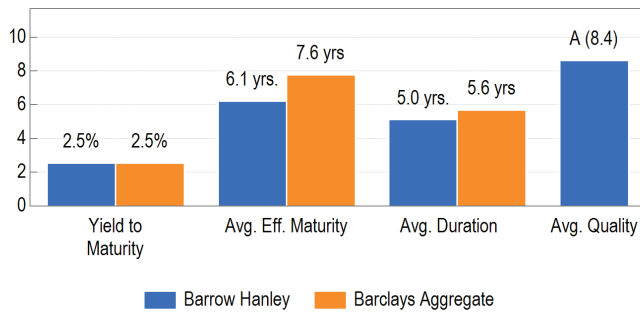
Sectors
Barrow Hanley



Quality Ratings
Barrow Hanley



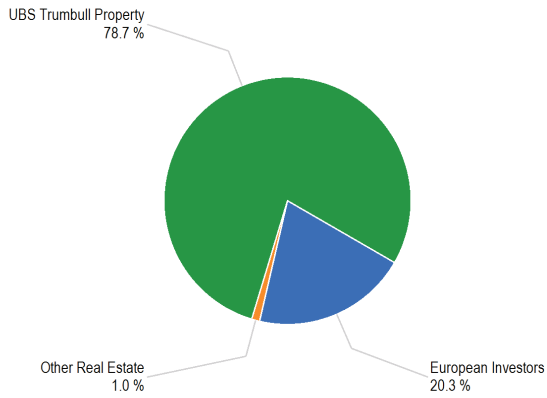
Characteristics
Barrow Hanley



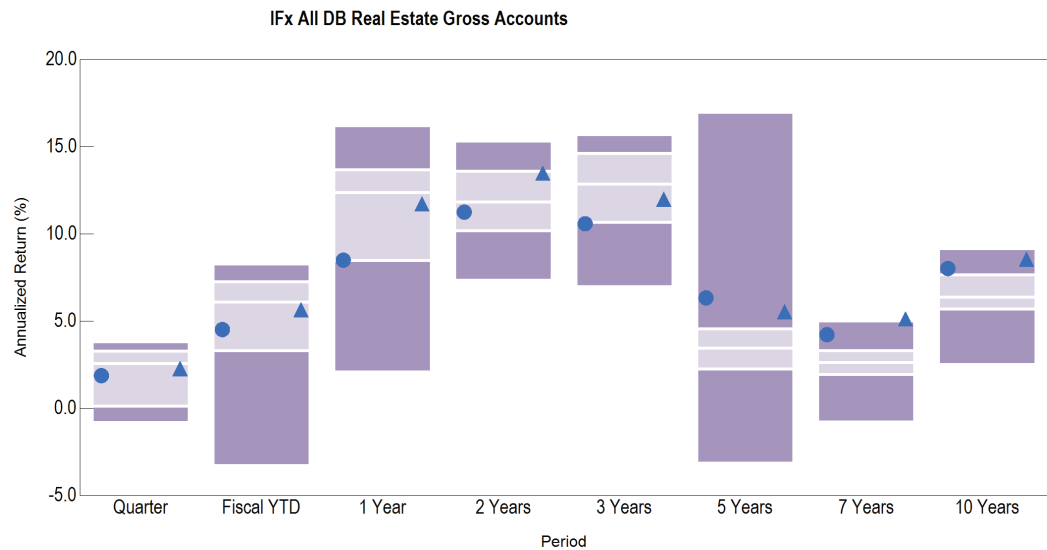
Merced County Employees' Retirement Association

Manager Allocation Analysis - Real Estate

As of December 31, 2013



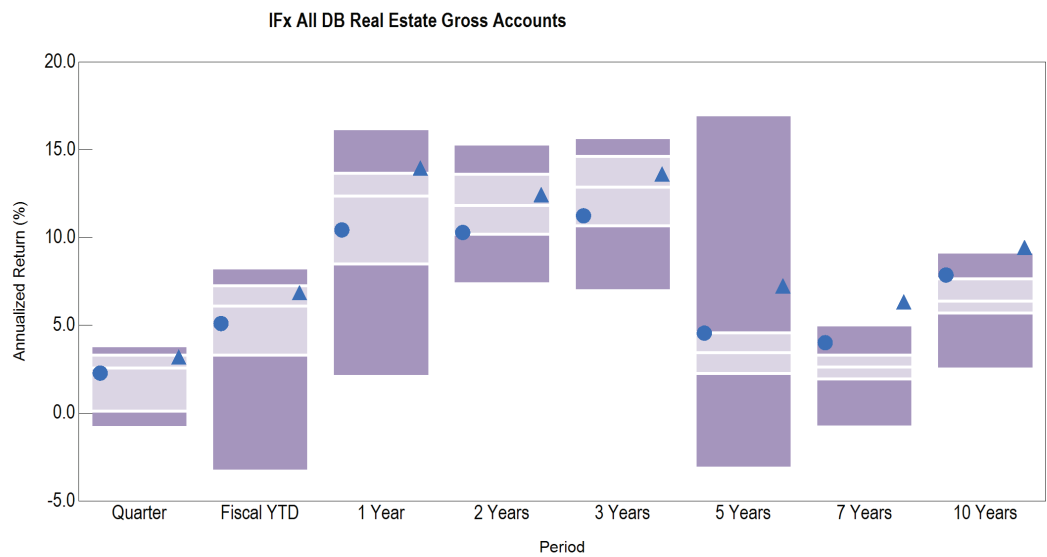
	Actual \$	Actual %
European Investors	\$8,317,056	20.3%
Other Real Estate	\$430,000	1.0%
UBS Trumbull Property	\$32,223,544	78.7%
Total	\$40,970,600	



	Quarter	Fiscal YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
5th Percentile	3.8	8.3	16.2	15.3	15.7	17.0	5.0	9.1
25th Percentile	3.3	7.3	13.7	13.6	14.6	4.6	3.3	7.7
Median	2.6	6.1	12.4	11.8	12.9	3.5	2.7	6.4
75th Percentile	0.1	3.3	8.5	10.2	10.7	2.3	2.0	5.7
95th Percentile	-0.8	-3.3	2.1	7.4	7.0	-3.1	-0.8	2.5
# of Portfolios	108	108	105	101	97	92	83	48
● Real Estate	1.9 (65)	4.5 (69)	8.5 (76)	11.2 (63)	10.6 (77)	6.3 (16)	4.2 (10)	8.0 (15)
▲ RE Custom	2.3 (57)	5.7 (60)	11.7 (60)	13.5 (28)	12.0 (60)	5.5 (17)	5.1 (2)	8.6 (10)



	Return (Rank)							
5th Percentile	2.2	8.0	6.7	23.5	9.1	17.8	1.7	8.9
25th Percentile	0.5	4.6	5.2	18.8	8.1	15.8	0.6	8.2
Median	-0.2	2.9	3.9	16.4	7.1	14.8	0.2	7.9
75th Percentile	-0.9	1.6	2.6	14.3	6.8	14.0	-1.6	6.8
95th Percentile	-3.1	-3.3	-2.9	9.6	-0.5	12.9	-4.0	2.8
# of Portfolios	54	54	48	48	43	37	28	13
● European Investors	0.3 (34)	2.3 (57)	1.6 (83)	15.2 (61)	8.1 (25)	16.8 (14)	-- (--)	-- (--)
▲ FTSE NAREIT Developed	-0.5 (62)	1.9 (66)	4.4 (40)	15.9 (58)	8.2 (21)	15.6 (34)	0.0 (54)	-- (--)



	Return (Rank)							
5th Percentile	3.8	8.3	16.2	15.3	15.7	17.0	5.0	9.1
25th Percentile	3.3	7.3	13.7	13.6	14.6	4.6	3.3	7.7
Median	2.6	6.1	12.4	11.8	12.9	3.5	2.7	6.4
75th Percentile	0.1	3.3	8.5	10.2	10.7	2.3	2.0	5.7
95th Percentile	-0.8	-3.3	2.1	7.4	7.0	-3.1	-0.8	2.5
# of Portfolios	108	108	105	101	97	92	83	48
● UBS Trumbull Property	2.3 (57)	5.1 (65)	10.4 (67)	10.3 (74)	11.2 (67)	4.6 (26)	4.0 (11)	7.9 (22)
▲ NCREIF ODCE	3.2 (28)	6.9 (33)	14.0 (22)	12.4 (39)	13.6 (40)	7.2 (15)	6.3 (1)	9.4 (4)