



# Alameda County Employees' Retirement Association

## Monthly Performance Report

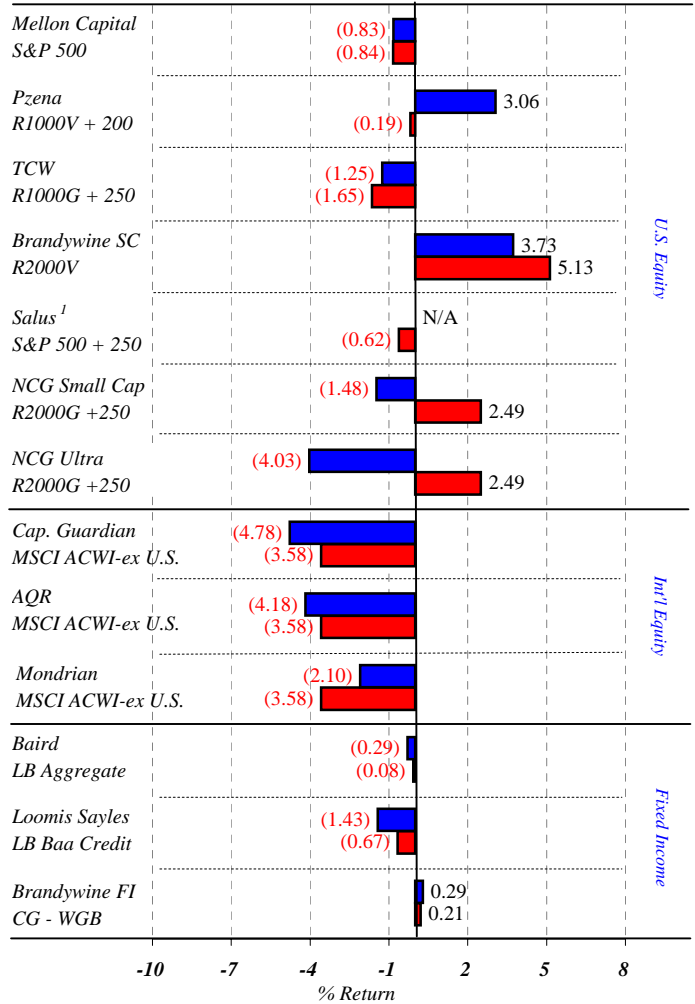
Period Ending July 31, 2008

Portfolio Summary					
Portfolio Value					
<b>Beginning Market Value</b>	<b>\$</b>	<b>5,089,656,816</b>			
<b>Ending Market Value</b>		<b>5,015,744,953</b>			
<b>Monthly Unrealized Gain / (Loss)</b>		<b>(73,911,863)</b>			
Manager	Market Value \$	% of Fund	Jul Return	1 yr Return	3 yr Return
<b>U.S. Equity</b>					
Mellon Capital	748,229,099	14.92	(0.83)	(11.05)	2.89
Pzena	335,974,369	6.70	3.06	(27.49)	N/A
Trust Co. of the West	379,639,849	7.57	(1.25)	(4.12)	0.74
Brandywine Small Cap	159,963,185	3.19	3.73	(13.71)	(1.49)
Salus <sup>1</sup>	111,383	0.00	N/A	N/A	N/A
NCG Small Cap	145,066,156	2.89	(1.48)	(1.11)	12.26
NCG Ultra	49,191,906	0.98	(4.03)	(16.88)	N/A
Bivium <sup>2</sup>	52,388,374	1.04	N/A	N/A	N/A
<b>Total U.S. Equity<sup>3</sup></b>	<b>1,870,596,494</b>	<b>37.29</b>	<b>(0.15)</b>	<b>(12.75)</b>	<b>1.44</b>
<b>Int'l Equity</b>					
Capital Guardian	598,552,481	11.93	(4.78)	(8.58)	14.36
AQR	264,615,283	5.28	(4.18)	N/A	N/A
Mondrian	460,340,769	9.18	(2.10)	(10.24)	11.95
<b>Total Int'l Equity</b>	<b>1,323,508,533</b>	<b>26.39</b>	<b>(3.74)</b>	<b>(8.96)</b>	<b>13.49</b>
<b>Fixed Income</b>					
Baird Advisors	723,374,932	14.42	(0.29)	2.37	3.50
Loomis Sayles	381,390,121	7.60	(1.43)	2.27	4.93
Brandywine Global FI	279,525,297	5.57	0.29	9.05	6.14
<b>Total Fixed Income</b>	<b>1,384,290,350</b>	<b>27.60</b>	<b>(0.50)</b>	<b>3.68</b>	<b>4.41</b>
<b>Real Estate</b>					
<b>Total Real Estate</b>	<b>383,097,622</b>	<b>7.64</b>	<b>0.00</b>	<b>7.15</b>	<b>12.72</b>
<b>Cash / Other</b>					
Cash Acct. <sup>4</sup>	54,251,955	1.08	0.16	2.27	4.62
<b>Total Fund<sup>5</sup></b>	<b>\$5,015,744,953</b>	<b>100.0</b>	<b>(1.21)</b>	<b>(6.09)</b>	<b>6.04</b>
<b>Policy Index<sup>5</sup></b>			<b>(1.16)</b>	<b>(3.56)</b>	<b>6.95</b>
<b>Relative Performance</b>			<b>(0.05)</b>	<b>(2.53)</b>	<b>(0.91)</b>

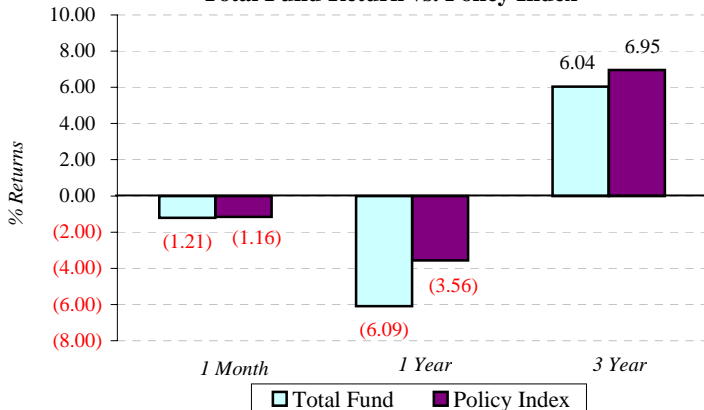
### Monthly Summary

ACERA's total Fund returned -1.21% in July, underperforming the Policy Index by 5 bps. The Domestic Equity asset classes outperformed its benchmark by 65 bps, while the International Equity and Fixed Income asset classes underperformed their benchmarks by 16 bps and 34 bps, respectively. Pzena outperformed its benchmark by 325 bps whereas NCG Ultra underperformed its benchmark by 652 bps. The ending market value of the total Fund was \$5,015,744,953.

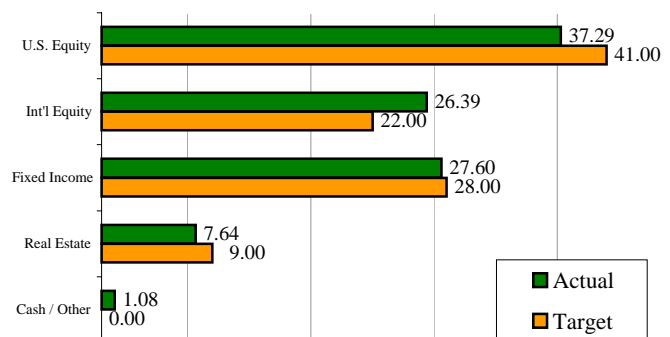
### Monthly Return - Account vs. Benchmark



### Total Fund Return vs. Policy Index



### Asset Allocation - Actual vs. Target<sup>6</sup>



<sup>1</sup> Salus account was liquidated starting 7/24/08. Thus the account does not have a full month return.

<sup>2</sup> Bivium was funded on 7/31/08. Performance will be calculated starting August 2008.

<sup>3</sup> Total U.S. Equity includes a total of \$32,173 in the transition account.

<sup>4</sup> Cash account includes Salus' liquidation proceeds.

<sup>5</sup> Total Fund calculated using Q1 2008 RE market value and returns; Policy Index calculated using Q1 2008 NPI returns and represents the pre-03/08 target asset allocation.

<sup>6</sup> Pre-03/08 target asset allocation. SIS and Staff are working on the implementation of the current target asset allocation adopted by the Board in March 2008.

Data provided by State Street Analytics

Prepared by: Investment Staff

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