



Strength. Service. Commitment.

Press Release

For immediate release
August 28, 2008
Contact: Brian White, 619.515.6844

SDCERA posts gains despite a difficult market

SAN DIEGO COUNTY – San Diego County Employees Retirement Association (SDCERA) eked out a return of 1.51%, for the year ended June 30, 2008 – well ahead of the S&P 500, which fell 13.1%, and most other public pension funds. The Wilshire Associates' Trust Universe Comparison Service (TUCS), reports that the median public pension fund suffered a loss of 4.51% over the same period. SDCERA's return yielded gains of \$73 million for the fund.

The positive performance for the year was largely driven by the fund's diversified approach, which produced double digit gains in global fixed income, commodities and inflation-linked securities, as well as strong returns in emerging market equities, which more than offset the poorly performing U.S. and international equity markets. The returns for the \$8.4 billion fund place it in the top 4% of U.S. public pension funds.

In addition to this year's positive returns, the Board of Retirement voted to apply all available deferred gains from previous years, \$390 million, to reduce the unfunded liability. This move decreases the unfunded liability to an estimated \$425 million — about half what it was last year at this time — and increases the funded ratio from 89.7% to an estimated 95% as of June 30, 2008. Final funded ratio and unfunded liability figures will be released when an actuarial study is completed in November.

Although SDCERA's one-year return is short of its 8.25% assumed rate of return, it comes after four straight years of double digit gains. SDCERA's returns rank first among

- more-

SDCERA posts gains despite a difficult market

Page 2—2—2

public retirement fund returns for the three-year period with 10.96% and the five-year period with 13.90%.

“SDCERA continues to provide long-term financial stability for our members. In these challenging economic times, when many people are worried about their financial futures, SDCERA members can take comfort in the knowledge that their pensions are secure,” said Chief Executive Officer Brian White.

SDCERA is an independent association established by the County Employees Retirement Law of 1937, which governs 20 California county retirement systems. SDCERA provides retirement benefits for over 35,000 eligible employees, former employees who are vested, and retirees of the County of San Diego.

###