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Press Release

For immediate release
January 3, 2008
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County pension fund awarded highest rating from Standard & Poor's

SAN DIEGO COUNTY – The San Diego County Employees Retirement Association (SDCERA) announced today that Standard & Poor's Ratings Services assigned its highest issuer credit rating of AAA to the County pension fund. Standard & Poor's issuer credit rating is an assessment of the organization's overall capacity to pay its financial obligations.

S&P cited strong fund management, improving funding status, and improved credit quality of the pension system's sponsor (San Diego County), among its reasons for the rating.

"This rating confirms the SDCERA fund and our investment strategies continue to be sound. Put together with our high funding ratio and our fourth straight year of double-digit investment returns, members and the public can be assured that SDCERA has been, and continues to be fully capable of providing County employees their promised benefits", said Brian White, Chief Executive Officer.

The rating was based on several factors, including:

- The strength of SDCERA's management team, which maintains transparent and extensive business and planning practices in all areas.
- SDCERA's use of prudent actuarial assumptions including its use of a five-year

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asset-smoothing methodology, and its ability to consistently outperform its investment return assumption of 8.25%.

- SDCERA's high funded ratio, which compares the plan's assets to its liabilities, of 89.7% as of June 30, 2007.
- The improved credit rating of County of San Diego, which S&P raised to AA+.

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 approximately 35,000 eligible employees, former employees who are vested, and retirees of the County of San Diego.

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