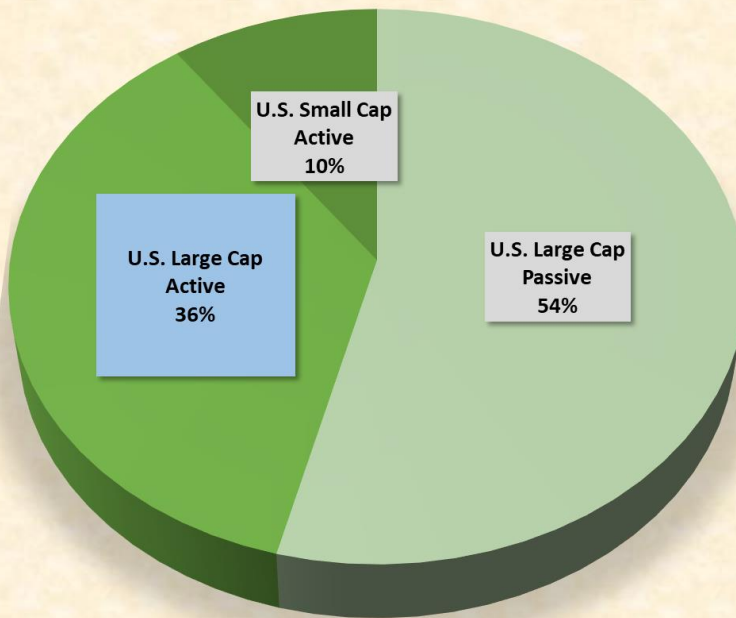


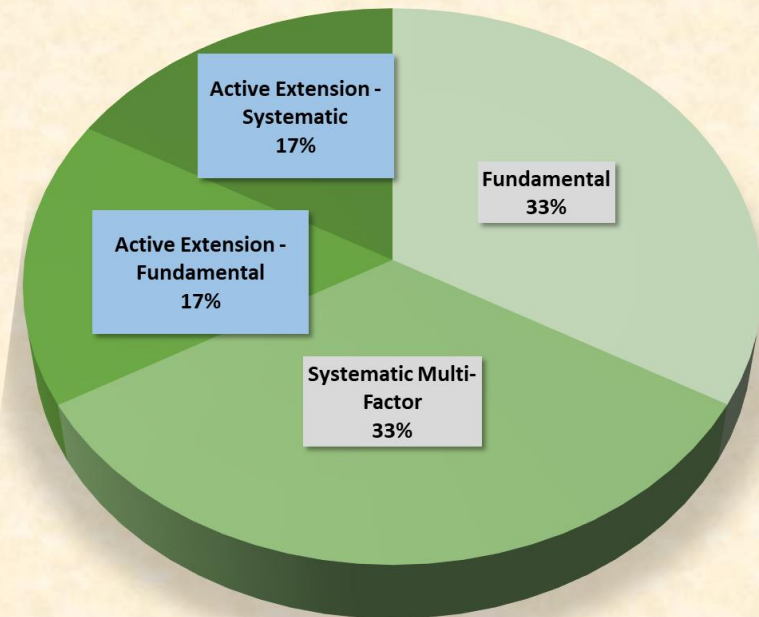
SCERS U.S. Equity Structure

- 20% of total plan: 54% passive/46% active
- Active Extension 1/3 of U.S. Large Cap Active Portfolio
 - Fundamental/systematic split

U.S. Equity Structure

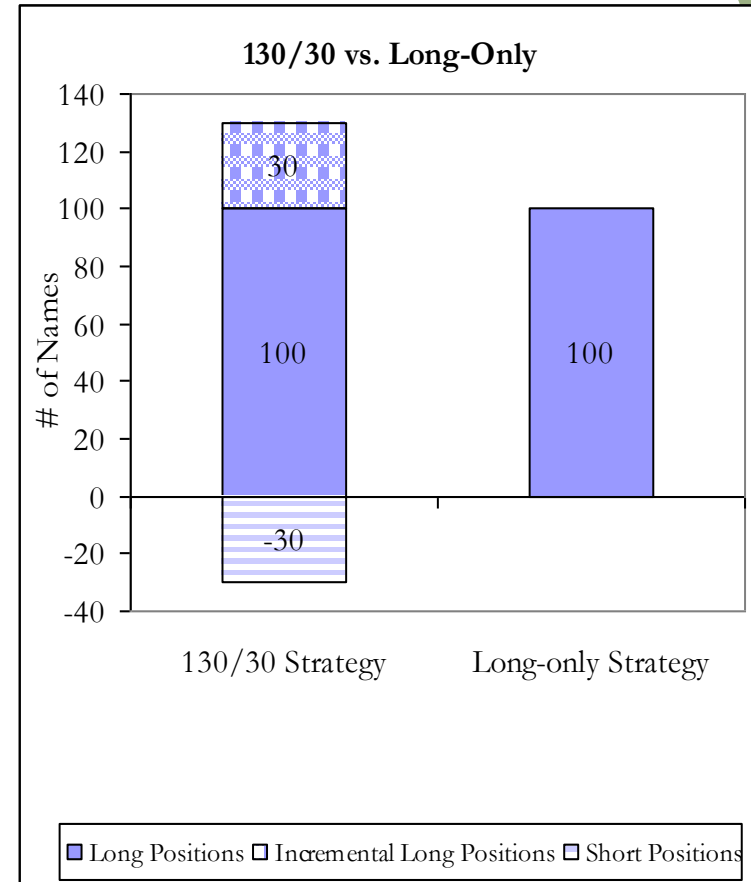


U.S. Large Cap Active Structure



Active Extension

- Increases the breadth of the investable universe
- Return enhancing strategy that give managers more latitude
 - Extra source of excess returns - long only portfolio plus extension portfolio
- Considerations:
 - Beta 1, 100% net strategy with leverage
 - Not a risk reducer



Hypothetical Equity Manager Research Universe

Typically ignored by long-only managers

