

# EXHIBIT 3

**SAN DIEGO CITY EMPLOYEES  
RETIREMENT SYSTEM:  
REPORT ON THE MAYOR'S  
BLUE RIBBON COMMITTEE ON  
CITY FINANCES**

2/5/2003

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1-122003 #2

## SDCERS: CURRENT STATUS

- The Investments of the Fund as of  
December 31, 2002:

Equities (51.0%)	\$1,228,211,382
Fixed Income (38.7%)	\$932,300,222
Real Estate (10.1%)	\$243,665,393
Cash (0.2%)	\$5,194,336
<b>TOTAL MARKET VALUE</b>	<b>\$2,409,371,333</b>

2/5/2003

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# SDCERS INVESTMENT PERFORMANCE

Despite difficult market conditions, the SDCERS Retirement Fund has performed in the top 15% of performance for Public Funds for the past one year, three years and five years:

Fund's 1,3 & 5 year Annualized Returns (as of 6/30/02)	-2.48%, +3.69%, & +6.97%
Average Public Fund's 1,3 & 5 year Annualized Returns (as of 6/30/02)	-5.15%, +0.52%, & +5.57%

2/5/2003