



StanCERA

**Monthly Investment Performance
Summary**

**Provided by
Strategic Investment Solutions Inc.**

September 2008

U.S. EQUITY

What a September! Lehman Brothers declares the largest bankruptcy in U.S. history. It was unable to find a buyer at a price it found acceptable or to secure a government bailout. Merrill Lynch anticipating that it would be the market's next target agrees to sell itself to Bank of America for 1.8 times tangible book value. (Two of the four remaining independent investment banks disappeared within a 24-hour period with Morgan Stanley and Goldman Sachs remaining). The Federal Reserve holds Fed Funds rates at 2.0%, contrary to expectations for a cut that was priced into Fed Funds futures. AIG with its share price dropping quickly looks to JPMorgan and Goldman Sachs to provide financing to meet the collateral demands of its counterparties. Deciding that AIG (unlike Lehman) was actually "too big to fail," the Fed lent it up to \$85 billion in exchange for a 79.8% equity stake in the company. AIG's failure highlights the problems in the multi-trillion dollar credit default swap market. T-bill yields fall below 0% on Wednesday (9/17) and fear spreads to the only remaining two investment banks (Morgan Stanley and Goldman Sachs) as CDS trade at record levels. The oldest money-market fund, Reserve Primary becomes the first in 14-years to fall below \$1 NAV on Lehman losses. Barclays purchases Lehman's North American investment banking business for \$1.75 billion. The Federal Reserve and central banks in Europe and Asia pump up to \$180 billion into money markets to free up lending between banks. Stock markets soar and Treasuries sell off at the end of Thursday (9/18) on speculation that the government would be meeting that night. The U.S. government on Friday (9/19) announces a broad rescue plan for the financial system, including a program to buy hundreds of billions of dollars of bad mortgages and other forms of debt that have been weighing down U.S. financial companies. The U.S. Treasury Department also announces a temporary program to guarantee deposits in U.S. money market mutual funds. Funds will have to pay a fee to participate in the program. The U.S. Securities and Exchange Commission (SEC) temporarily prohibited the short selling of stock in 799 financial services companies. The ban is scheduled to expire on October 2, 2008. The Federal Reserve on Sunday (9/21) said it had granted a request by the last two investment banks to change their status to bank holding companies.

U.S. stocks plunged further on Monday, September 29, 2008 after the House of Representatives rejected a \$700 billion plan to rescue the financial system. The DJIA fell 778 points for its largest point drop ever. The MSCI World Index of 23 developed markets fell 6.9 percent for the day, the most in 21 years. The S&P 500 sank to its lowest level since October 2004. U.S. Treasury Secretary Henry Paulson said he will work with Congress to pass another financial-rescue plan. The Federal Reserve will pump an additional \$630 billion into the global financial system, flooding banks with cash to alleviate the worst banking crisis since the Great Depression.

This is the 10th bear market since WWII. The average bear market has been -33% and the present 2007-2008 bear market is off -26% as of month-end. Value outperformed Growth and small caps outperformed large caps in the month of September. The Russell 1000 Growth Index was down -11.6% for the month of September, while the Russell 1000 Value Index was down -7.3%. In the small cap class, the Russell 2000 Growth Index was down -11.3% and the Russell 2000 Value Index was up down -4.7%. The S&P 500 Index was down for the month of September by -8.9% and closed the month with a trailing P/E ratio of 23.2 (estimated twelve-month forward P/E ratio of 14.2) and a dividend yield of 2.5%.

Corporate merger activity highlights for the month included: French energy giant GDF Suez will buy FirstLight Power, which owns 15 power plants in Massachusetts and Connecticut, for \$1.9 billion; Coca-Cola, the world's largest soft drinks maker, made a \$2.5 billion offer to buy juice maker China Huiyuan; Altria will buy UST for \$10.4 billion to combine Copenhagen and Skoal with its cigarettes; King Pharmaceuticals will attempt a hostile takeover of Alpharma and will raise its bid to \$1.6 billion; Merrill Lynch's sale to Bank of America, valued at \$40 billion, will create the nation's largest financial services company; British bank Lloyds will buy its rival HBOS to create a \$50 billion mortgage company; MidAmerican Energy, a unit of Berkshire Hathaway, will acquire Constellation Energy for \$4.7 billion; Sanofi-Aventis will buy Czech drug maker Zentiva for \$2.6 billion; Electricite de France will buy British Energy, a U.K. nuclear power plant operator, for \$23 billion; Barclays completed its \$1.75 billion

acquisition of Lehman Brothers North American investment banking and capital markets operations and infrastructure; Berkshire Hathaway will buy \$5 billion of Goldman Sachs preferred stock and will receive warrants to buy \$5 billion of common stock within 5 years; Sinopec will buy Tanganyika Oil for about \$1.9 billion; Wm. Wrigley shareholders approved the sale of the company to Mars for \$23 billion; Washington Mutual was seized by federal regulators and acquired by J.P. Morgan Chase for \$1.9 billion; Morgan Stanley agreed to sell a 21% stake to Japan's Mitsubishi UFJ Financial Group for \$9 billion; and, Lehman Brothers' mutual fund arm Neuberger Berman will be acquired by Bain Capital Partners and Hellman & Friedman for \$2.15 billion.

FIXED INCOME

The Federal Reserve held U.S. interest rates steady in September saying it was worried both about economic weakness and price pressures.

Long-term interest rates were unchanged in September. The bellwether 10-year Treasury note ended the month at 3.83% up from 3.82% at the close of August. At month-end, the 30-year long bond yield was 4.30% and the 3-month T-bill was at 0.90%. The Lehman Aggregate Index was down by -1.3% in September. High yield bonds suffered as spreads continued to widen. The Merrill Lynch US High Yield Master II Index was down by -8.3%.

On the economic front, the following key data was released in September:

*The Institute for Supply Management reported that its reading for U.S. manufacturing activity contracted slightly in August to 49.9 from 50.0 in July.

*The Commerce Dept. reported that new orders at U.S. factories rose 1.3% in July.

*Productivity, the amount of output for every hour of work, jumped 4.3% at an annual rate in the 2nd quarter, a full percentage point higher than expected.

*Health care costs are estimated to increase 5.7% in 2009 for worker and their employers, following this year's 5.7% hike and a 6.1% jump in 2007.

*The Labor Dept. reported that the unemployment rate hit a five-year high of 6.1% in August as 84,000 U.S. jobs were lost.

*A record 1.25 million homes were in foreclosure during the 2nd quarter of 2008. Foreclosure filings in

August rose 27% versus a year ago, a significantly slower pace than in previous months.

*The Federal Reserve reported that consumer borrowing grew at an annual rate of 2.1% in July, the slowest pace since a 1.9% rise last December.

*The Congressional Budget Office estimates that the federal budget deficit will jump by \$246 billion to \$407 billion this year. The Federal government ran a budget deficit of \$112 billion in August.

*The Commerce Dept. reported that the U.S. trade deficit rose 5.7% to \$62.2 billion in July, the largest since March 2007.

*Wholesale inflation plunged in August by the largest amount in nearly two years.

*Crude oil sank below \$100 a barrel for the first time in five months.

*Consumer prices dropped 0.1% in August, the first monthly decline in nearly two years as Americans finally got a break from surging energy prices.

*Producer prices fell 0.9% in August on a 4.6% plunge in energy prices.

*Construction of new homes and apartments fell to the lowest level in 17 years last month, falling 6.2% to an annual rate of 895,000 units.

*The Philadelphia Federal Reserve Bank reported that its business activity index soared to 3.8 in September from a minus 12.7 in August, rising into positive territory for the first time in 10 months.

*Retail sales fell 0.3% in August despite an incentive-driven 2.0% jump in motor vehicles. Year-over-year, retail sales are now up just 1.6%, the least since the 2000-2001 downturn.

*Business inventories rose 1.1% in July.

*Existing home sales dropped 2.2% to a 4.9 million unit annual pace in August while the median national home price declined 9.5% to \$203,100. Sales of new U.S. single family homes fell 11.5% to an annual pace of 460,000 in August, the lowest point in more than 17 years.

*The Commerce Dept. reported that new orders for durable goods plunged by 4.5%, the biggest monthly drop this year.

*The Commerce Dept. reported that Gross Domestic Product expanded at a 2.8% rate in the 2nd quarter rather than the 3.3% rate it estimated a month ago.

*Consumer spending was unchanged in August.

The Conference Board's consumer confidence index increased to 59.8 in September, a 3rd consecutive increase, from 58.5 in August.

NON-U.S. MARKETS

The European Commission lowered its forecast for eurozone growth this year. GDP is now expected to remain essentially unchanged in the second half of 2008, implying that it will grow 1.3% for the year as a whole compared to 1.7% in their previous projection.

The Cabinet Office in Japan revised second quarter GDP growth down to -0.7% primarily on lower business spending.

Non-U.S. markets were off sharply in the month of September led by emerging markets. The MSCI ACWI Ex-U.S. was down by -15.0% (US dollars) in September. Developed stocks (EAFE) were down -14.4% while Emerging Markets were down by -17.5%.

CONCLUSIONS

The financial system is clearly entering a new and prolonged phase of the financial crisis. The first phase (3/07 – 9/08) lasted as long as financial institutions were able to raise capital from sovereign wealth funds and other sources to replace the initial losses that they were announcing. According to Bloomberg News, the world's largest 100 banks and securities firms have already written off \$506 billion in assets during this credit crisis. Against these losses, these institutions have raised \$350 billion of new equity. Also, during this initial phase there was "hope" that housing prices would stabilize and provide a floor for the trillions of dollars of mortgage paper that Wall Street had issued. The second phase of the credit crisis has claimed some visible victims (Fannie Mae, Freddie Mac, Bear Stearns, IndyMac Bank, Lehman Brothers, Merrill Lynch, Wachovia Bank, AIG, Washington Mutual) with more to follow (we suspect).

Banks without a deposit base have little choice but to shrink the amount of loans that they have outstanding and can no longer fund. As credit outstanding drops, the economy slows down. The global financial institutions have little choice but to

downsize to decrease their overall risk. Banks that are vertically integrated with strong deposit bases are most likely to be the survivors (JP Morgan and Wells Fargo), and those like the investment banks with no deposit bases will go away (Bear Stearns, Lehman). Unfortunately, we still have a long way to go in this de-leveraging (taking off risk) process and a recession will almost surely be part of our future.

MARKET UPDATE

For September 2008

US Equity Indices	Style	Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
Russell 3000	Broad US Equity	(9.40%)	(8.73%)	(18.81%)	(21.52%)	0.26%	5.70%	3.80%
Russell 200	Large Cap Equity	(8.39%)	(7.85%)	(19.50%)	(21.99%)	0.16%	4.33%	1.92%
Russell 200 Growth	Large Cap Growth	(10.04%)	(10.00%)	(19.07%)	(19.33%)	0.43%	2.95%	(0.55%)
Russell 200 Value	Large Cap Value	(6.65%)	(5.54%)	(19.95%)	(24.54%)	(0.03%)	(5.88%)	4.05%
S&P 500	Large Cap Equity	(8.91%)	(8.37%)	(19.29%)	(21.98%)	0.22%	5.17%	3.06%
Russell 1000	Large Cap Equity	(9.53%)	(9.35%)	(19.50%)	(22.10%)	0.13%	5.49%	3.49%
Russell 1000 Growth	Large Cap Growth	(11.58%)	(12.33%)	(20.27%)	(20.88%)	0.05%	3.74%	0.59%
Russell 1000 Value	Large Cap Value	(7.35%)	(6.11%)	(18.85%)	(23.56%)	0.09%	7.12%	5.55%
Russell Mid Cap	Mid Cap Equity	(12.26%)	(12.91%)	(19.50%)	(22.36%)	0.09%	8.62%	8.34%
Russell Mid Cap Growth	Mid Cap Growth	(15.28%)	(17.75%)	(23.35%)	(24.65%)	(0.75%)	6.53%	5.51%
Russell Mid Cap Value	Mid Cap Value	(9.05%)	(7.52%)	(15.46%)	(20.50%)	0.50%	9.97%	9.19%
Russell 2000	Small Cap Equity	(7.97%)	(1.11%)	(10.38%)	(14.48%)	1.83%	8.15%	7.81%
Russell 2000 Growth	Small Cap Growth	(11.30%)	(6.99%)	(15.29%)	(17.07%)	1.45%	6.63%	4.67%
Russell 2000 Value	Small Cap Value	(4.69%)	4.96%	(5.37%)	(12.25%)	2.00%	9.45%	10.14%
DJW US REIT Index	REITS	(0.42%)	4.78%	1.25%	(12.46%)	5.18%	13.43%	13.04%
Non-US Indices								
MSCI ACWI Ex-US	Broad Non-US Equity	(15.02%)	(21.91%)	(29.85%)	(30.32%)	2.64%	11.34%	N/A-
MSCI AC World Index	Global Equity	(12.50%)	(16.61%)	(25.54%)	(26.87%)	1.29%	8.00%	N/A-
MSCI EAFE	Developed Non-US Equity	(14.42%)	(20.50%)	(28.91%)	(30.13%)	1.58%	10.16%	5.42%
MSCI Emerging Mkts.	Emerging Non-US Equity	(17.49%)	(26.86%)	(35.37%)	(33.01%)	8.69%	19.05%	14.79%
ML GI Govt Bond ex. US	Global Bonds	(1.65%)	(4.07%)	1.02%	4.90%	5.48%	5.55%	5.29%
Euro	Currency	(4.59%)	(10.85%)	(3.93%)	(1.23%)	5.22%	3.82%	1.78%
Japanese Yen	Currency	2.22%	(0.15%)	5.23%	8.34%	2.20%	1.02%	2.52%
UK Pound Sterling	Currency	(2.28%)	(10.44%)	(10.46%)	(12.51%)	0.25%	1.42%	0.48%
US Fixed Income Indices								
Merrill Lynch 3-month T-Bill	Cash	0.12%	0.42%	1.41%	2.34%	4.07%	3.24%	3.47%
Lehman Aggregate	Core Bonds	(1.34%)	(0.49%)	0.63%	3.65%	4.15%	3.78%	5.20%
Lehman US Universal	Core Bonds Plus	(1.87%)	(1.16%)	(0.33%)	2.32%	3.89%	3.90%	5.38%
Lehman Gov't/Credit	Core Bonds	(2.54%)	(1.64%)	(0.67%)	2.41%	3.60%	3.34%	5.00%
LB US Credit	Corporate Bonds	(6.57%)	(6.38%)	(6.83%)	(4.79%)	0.86%	1.94%	4.50%
LB Mortgage Backed Securities	Mortgages	0.75%	1.87%	3.84%	7.02%	5.52%	4.84%	5.68%
Merrill Lynch High Yield Master II High Yield Bonds		(8.30%)	(9.48%)	(10.64%)	(11.68%)	0.91%	4.26%	4.32%

(not annualized if less than 1 year)

Source: mpi Stylus

Preliminary data

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING SEPTEMBER 30, 2008
PRELIMINARY BASIS

SUMMARY OF INVESTMENTS

<u>ASSET CLASS</u>	<u>MARKET VALUE</u>	<u>PERCENT</u>	<u>NEW TARGET</u>	<u>POLICY RANGE</u>
DOMESTIC EQUITIES	483,926,027	42.0%	46.4%	36.5% - 56.3%
INTERNATIONAL EQUITIES	196,538,745	17.1%	20.0%	16.0% - 24.0%
FIXED INCOME	427,239,689	37.1%	30.6%	27.6% - 33.6%
REAL ESTATE	16,409,347	1.4%	3.0%	1.5% - 4.5%
CASH (equity managers only)	26,768,120	2.3%	0.0%	0.0% - 3.0%
TOTAL PORTFOLIO	1,150,881,928	100.0%	100.0%	

	<u>CURRENT</u>	<u>TARGET</u>
DODGE & COX - LARGE CAP VALUE	16.3%	17.5%
DELAWARE - LARGE CAP GROWTH	8.2%	8.9%
LOOMIS SAYLES - LARGE CAP GROWTH	5.3%	5.9%
RUSSELL 2000 VALUE i-Shares	5.7%	5.0%
MAZAMA - SMALL CAP GROWTH	3.7%	4.3%
BNY - S&P 500 INDEX	4.6%	4.8%
LSV ASSET MGMT - INTL EQ	8.5%	10.0%
PYRAMIS - INTL EQ	9.1%	10.0%
DODGE & COX FIXED INCOME	37.1%	30.6%
INVESCO - GLOBAL REIT	1.4%	3.0%
TOTALS	100%	100%

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING SEPTEMBER 30, 2008
PRELIMINARY BASIS

GROWTH OF ASSETS AND CHANGES IN ALLOCATION

ASSET CLASS MARKET VALUE	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
DOMESTIC EQUITIES	483,926,027	553,486,075	-12.57%	684,498,013	-29.30%
INTERNATIONAL EQUITIES	196,538,745	234,812,781	-16.30%	312,444,578	-37.10%
FIXED INCOME	427,239,689	446,280,281	-4.27%	443,707,791	-3.71%
REAL ESTATE	16,409,347	17,872,663	-8.19%	0	N/A
<u>CASH (equity managers only)</u>	<u>26,768,120</u>	<u>24,222,342</u>	<u>10.51%</u>	<u>15,411,042</u>	<u>73.69%</u>
TOTAL PORTFOLIO	1,150,881,928	1,276,674,141	-9.85%	1,456,061,425	-20.96%
ASSET ALLOCATION (ACTUAL)					
DOMESTIC EQUITIES	42.05%	43.35%	-1.3%	47.01%	-5.0%
INTERNATIONAL EQUITIES	17.08%	18.39%	-1.3%	21.46%	-4.4%
FIXED INCOME	37.12%	34.96%	2.2%	30.47%	6.6%
REAL ESTATE	1.43%	1.40%	0.0%	0.00%	1.4%
<u>CASH (equity managers only)</u>	<u>2.33%</u>	<u>1.90%</u>	<u>0.4%</u>	<u>1.06%</u>	<u>1.3%</u>
TOTAL PORTFOLIO	100.0%	100.0%	0.0%	100.0%	0.0%

* % Change represents changes in cash balances, including cash transfers, and does not represent investment returns

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING SEPTEMBER 30, 2008
PRELIMINARY BASIS

MANAGER ALLOCATION

ASSET CLASS	MARKET VALUE	PERCENT	POLICY	
			TARGET	RANGE
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	187,209,799	16.3%	17.5%	14.5% - 20.5%
DELAWARE - LARGE CAP GROWTH	94,357,932	8.2%	8.9%	6.9% - 10.9%
LOOMIS SAYLES - LARGE CAP GROWTH	61,129,044	5.3%	5.9%	4.5% - 7.3%
RUSSELL 2000 Value i-Shares	65,496,034	5.7%	5.0%	3.9% - 6.1%
MAZAMA - SMALL CAP GROWTH	42,878,122	3.7%	4.3%	2.9% - 5.7%
BNY - S&P 500 INDEX	<u>52,895,373</u>	<u>4.6%</u>	<u>4.8%</u>	3.8% - 5.8%
TOTAL DOMESTIC EQUITIES	503,966,303	43.8%	46.4%	
FIXED INCOME				
DODGE & COX	<u>427,239,689</u>	<u>37.1%</u>	<u>30.6%</u>	27.6% - 33.6%
TOTAL FIXED INCOME	427,239,689	37.1%	30.6%	
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	98,074,185	8.5%	10.0%	8.0% - 12.0%
PYRAMIS	<u>105,192,403</u>	<u>9.1%</u>	<u>10.0%</u>	8.0% - 12.0%
TOTAL INTERNATIONAL EQUITIES	<u>203,266,588</u>	<u>17.7%</u>	<u>20.0%</u>	
REAL ESTATE				
INVESCO	<u>16,409,347</u>	<u>1.4%</u>	<u>3.0%</u>	1.5% - 4.5%
TOTAL REAL ESTATE	16,409,347	1.4%	3.0%	
TOTAL StanCERA PORTFOLIO	<u><u>1,150,881,928</u></u>	<u><u>100.0%</u></u>	<u><u>100.0%</u></u>	

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING 9/30/08
PRELIMINARY

	TOTAL FUND			
	CASH	BONDS	EQUITIES	TOTAL
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	13,904,791		173,305,007	187,209,799
DELAWARE - LARGE CAP GROWTH	963,467		93,394,465	94,357,932
LOOMIS SAYLES - LARGE CAP GROWTH	2,285,160		58,843,885	61,129,044
RUSSELL 2000 Value i-Shares	2,732,469		62,763,564	65,496,034
MAZAMA - SMALL CAP GROWTH	154,389		42,723,733	42,878,122
BNY - S&P 500 INDEX	0		52,895,373	52,895,373
TOTAL DOMESTIC EQUITIES	20,040,276		483,926,027	503,966,303
FIXED INCOME				
DODGE & COX	10,364,839	416,874,850		427,239,689
TOTAL FIXED INCOME	10,364,839	416,874,850		427,239,689
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	4,000,335		94,073,851	98,074,185
PYRAMIS	2,727,509		102,464,894	105,192,403
TOTAL INTERNATIONAL EQUITIES	6,727,844		196,538,745	203,266,588
REAL ESTATE				
INVESCO	0		16,409,347	16,409,347
TOTAL REAL ESTATE	0		16,409,347	16,409,347
TOTAL STANCERA PORTFOLIO	37,132,959	416,874,850	696,874,119	1,150,881,928

3.2% 36.2% 60.6% 100.0%

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING SEPTEMBER 30, 2008
PRELIMINARY BASIS

CURRENT PERFORMANCE

	MARKET VALUE	SEPT.	ALPHA	AUGUST	ALPHA	FISCAL YTD	ALPHA
DOMESTIC EQUITIES							
DODGE & COX - LARGE CAP VALUE	173,305,007	-12.62%	-5.27%	0.85%	-0.85%	-10.96%	-4.85%
<i>RUSSELL 1000 VALUE</i>		-7.35%		1.70%		-6.11%	
DELAWARE - LARGE CAP GROWTH	93,394,465	-14.06%	-2.48%	1.77%	0.69%	-14.29%	-1.96%
<i>RUSSELL 1000 GROWTH</i>		-11.58%		1.08%		-12.33%	
LOOMIS SAYLES - LARGE CAP GROWTH	58,843,885	-15.58%	-4.00%	-2.35%	-3.43%	-20.56%	-8.23%
<i>RUSSELL 1000 GROWTH</i>		-11.58%		1.08%		-12.33%	
R2000 V i-Shares	62,763,564	-3.07%	1.62%	5.08%	0.33%	6.39%	1.43%
<i>RUSSELL 2000 VALUE</i>		-4.69%		4.75%		4.96%	
MAZAMA - SMALL CAP GROWTH	42,723,733	-13.92%	-0.70%	2.04%	0.36%	-15.17%	-3.08%
<i>RUSSELL 2500 GROWTH</i>		-13.22%		1.68%		-12.09%	
BNY - S&P 500 INDEX	52,895,373	-8.89%	0.02%	1.45%	0.00%	-8.34%	0.03%
<i>S&P 500</i>		-8.91%		1.45%		-8.37%	
TOTAL DOMESTIC EQUITY	483,926,027	-11.88%	-2.48%	1.25%	-0.30%	-11.13%	-2.40%
<i>Russell 3000 Index</i>		-9.40%		1.55%		-8.73%	
FIXED INCOME							
DODGE & COX	427,239,689	-3.62%	-2.28%	0.55%	-0.40%	-3.58%	-3.09%
<i>LEHMAN AGGREGATE BOND</i>		-1.34%		0.95%		-0.49%	
INTERNATIONAL INVESTMENTS							
LSV ASSET MGMT	94,073,851	-15.38%	-0.36%	-4.04%	0.64%	-21.52%	0.39%
<i>MSCI ACWI Free ex-US</i>		-15.02%		-4.68%		-21.91%	
PYRAMIS	102,464,894	-15.65%	-0.63%	-4.97%	-0.29%	-23.34%	-1.43%
<i>MSCI ACWI Free ex-US</i>		-15.02%		-4.68%		-21.91%	
TOTAL INTERNATIONAL EQUITY	196,538,745	-15.52%	-0.50%	-4.52%	0.16%	-22.46%	-0.55%
<i>MSCI ACWI Free ex-US</i>		-15.02%		-4.68%		-21.91%	
REAL ESTATE							
INVESCO	16,409,347	-8.19%	1.07%	-2.43%	-0.36%	-9.91%	0.50%
<i>FTSE EPRA/NAREIT Global REIT</i>		-9.26%		-2.07%		-10.41%	
CASH & SHORT-TERM INVESTMENTS							
CASH	26,768,120	0.19%	0.07%	0.21%	0.07%	0.60%	0.18%
<i>90 DAY TREASURY BILL</i>		0.12%		0.14%		0.42%	
TOTAL StanCERA Fund	1,150,881,928	-9.64%	-1.79%	-0.18%	-0.37%	-10.82%	-2.38%
<i>Policy Index</i>		-7.85%		0.19%		-8.44%	
<i>Actuary Rate of Assumption (8.16%)</i>		0.66%	-10.30%	0.66%	-0.84%	2.00%	-12.82%
<i>Actuary Rate of Inflation (4.00%)</i>		0.33%	-9.97%	0.33%	-0.51%	1.00%	-11.82%