



**StanCERA**

**Monthly Investment Performance  
Summary**

**Provided by  
Strategic Investment Solutions Inc.**

**April 2010**

## U.S. EQUITY

April was another positive month for the equity markets.

Value performed better than growth and small caps outperformed large caps. The Russell 1000 Growth Index was up +1.1% for the month of April, while the Russell 1000 Value Index was up +2.6%. In the small cap class, the Russell 2000 Growth Index was up +4.2% and the Russell 2000 Value Index was up an impressive +7.0%. The S&P 500 Index ended the month up +1.6% with a trailing 12-month P/E ratio of 21.0 (estimated P/E ratio of 15.1 on forward looking twelve-month operating earnings) and a dividend yield of 1.8%.

Despite the continued recovery in the financial markets, global equity markets were rattled during the month of April by the Greece IMF/European Union bailout and the SEC announcement that it is bringing suit against Goldman Sachs for fraud associated with its marketing of CDOs.

The sentiment towards domestic stock mutual fund managers is at record high optimism (low cash/assets) at 3.3%. The customers of mutual funds and ETFs are holding above-average stock and bond positions and thus below-average cash. Sentiment appears stretched enough to the upside to begin to provide a warning as a contrary indicator.

Corporate merger activity highlights for the month included: Bright Food Group, Shanghai's largest food company, raised its offer for CSR's sugar unit to \$1.6 billion; Oil and gas explorer SandRidge Energy will buy fellow developer Arena Resources for \$1.6 billion; Xcel Energy will pay \$739 million to buy 2 Calpine power plants in Colorado; ConocoPhillips will sell its stake in Syncrude Canada to Sinopec Shanghai Petrochemical Co. for \$4.65 billion; DynCorp International, a military contractor, accepted a \$1.5 billion takeover bid from Cerberus Capital Management; Visa will buy CyberSource, a technology company that processes online payments

for \$2 billion; CenturyTel will acquire Qwest Communications for \$10.6 billion; TPG Capital will buy American Tire Distributors Holdings for \$1.3 billion; Hertz Global, the world's largest car rental company, will buy rival Dollar Thrifty Automotive for \$1.2 billion; Charles River Laboratories will buy WuXi Pharma Tech for about \$1.6 billion; and, Palm agreed to be bought out by Hewlett-Packard for about \$1.4 billion.

## FIXED INCOME

The International Monetary Fund increased growth forecasts for global gross domestic product to 4.2% this year and 4.3% next year.

The Fed's Beige Book summary of regional economic conditions said that economic activity expanded somewhat in 11 of the central bank's 12 districts. The Federal Reserve concluded a two-day policy meeting at the end of April and issued a more confident note saying that the economy is strengthening but pledged to hold rates at record lows to make sure it gains traction.

Long-term interest rates fell during the month of April. The bellwether 10-year Treasury note ended the month yielding 3.66% down from 3.83% at the close of March. At month-end, the 30-year long bond yield was 4.53% and the 3-month T-bill was at 0.16%. The Barclays Capital US Aggregate Index was up by +1.04% in April. High yield bonds continued their strong rally with the Merrill Lynch US High Yield Master II up +2.2% for the month.

On the economic front, the following key data was released in April as the balance of recent U.S. statistics have been pointing to rising growth:

\*The Commerce Dept. reported that construction spending fell 1.3% in February to a seasonally adjusted annual rate of \$846 billion, the slowest rate in nearly 7 1/2 years.

\*The ISM reported that its manufacturing index rose from 56.5 in February to 59.6 in March, the fastest rate since July 2004. The ISM service index also rose to 55.4 in March from 53.0 in February.

\*Outstanding consumer credit dropped by \$11.5 billion, or a 5.6% annual rate, to \$2.45 trillion in February.

\*Thomson Reuters reported that March same-store sales for top U.S. retail chains increased by 9.1% over last year, the largest monthly gain since it began keeping records in 2000.

\*The Commerce Dept. reported that inventories at the wholesale level were up 0.6% in February, a sign that stronger demand is prompting businesses to restock.

\*The Commerce Dept. reported that the trade deficit for February increased by 7.4% to \$39.7 billion.

\*The Labor Dept. reported that consumer prices edged up by 0.1% in March and increased 2.3% over the past 12 months.

\*The Commerce Dept. reported that total retail sales jumped 1.6% in March, the largest monthly increase since November.

\*The Fed reported that industrial production increased by just 0.1% in March.

\*The Commerce Dept. reported that the number of building permits issued during March, considered a gauge of future construction activity, rose 7.5% to a seasonally adjusted annual rate of 685,000, the highest since October 2008.

\*The Conference Board's index of leading economic indicators jumped a more than expected 1.4% in March, the fastest rate in 10 months.

\*The National Realtors Association reported that sales of existing homes jumped 6.8% in March to an annual rate of 5.33 million units. The national median price of an existing home in March rose slightly to \$170,700 from a year earlier.

\*The S&P/Case-Shiller home price index of property values in 20 cities increased 0.6% in February, the 1<sup>st</sup> gain since December 2006.

The Conference Board reported that its Consumer Confidence Index rose to 57.9 in April up from 52.3 in March, the highest reading since September, 2008.

## NON-U.S. MARKETS

Britain's economy grew by a weaker than expected 0.2% in the first quarter.

Euro area GDP was unchanged between the third and fourth quarters of 2009, and shrank by 2.2% in the fourth quarter compared with the same period a year earlier. Euro-area industrial production rose by 0.9% during the month of February, 4.1% higher than a year earlier. The European Central Bank left its policy rate unchanged at 1.00% this week.

Greece's current account deficit was 3.25 billion euros in February, more than two and a half times last February's figure of 1.25 billion euros.

As expected, the Bank of Japan left its policy interest rate unchanged at 0.10% this month.

The Reserve Bank of Australia raised the cash target 25 basis points to 4.25%. The Bank has now tightened five times over the past six policy meetings, hiking its policy rate a cumulative 125 basis points.

Russia's economy shrank at an annual rate of 3.8% in the fourth quarter of 2009 after contracting by 7.7% in the third quarter. GDP fell by 7.9% in 2009 as a whole.

GDP in China grew by 11.9% in the year to the end of the first quarter, while industrial production rose by 18.1% in the 12 months to the end of March. Inflation was 2.4% in March, down from 2.7% in February. China reported a \$7.24 billion March trade deficit, its first monthly trade deficit in nearly six years. China is

continuing its tightening cycle to control growth and inflation.

Non-U.S. Developed markets were mixed in the month of April. The MSCI ACWI Ex-U.S. was up down -0.8% (US dollars) in April. Developed stocks (EAFE) were down by -1.7% while Emerging Markets stocks were up by +1.2% for the month.

## CONCLUSIONS

One of the largest risks in the financial markets is that the market is maybe expecting more earnings growth than the economy can deliver. A second concern is that interest rates may begin to rise, especially short-term rates. Interest rates probably have not risen enough at this point in time to really be a concern to equities but continue to be a growing risk. Last June, the yield on the 10-year benchmark Treasury bond hit 4.00% and earlier in April 2010 the yield hit the same level before retreating. Will yields break through the 4.00% level anytime soon?

One of the main reasons profits have exceeded consensus expectations in the most recent quarterly releases is that it was generally believed the consumer was in very bad shape since consumption is approximately 70% of overall GDP. Jobs have been hard to find as evidenced by the unemployment rate at about 10% and income has been stagnant over the past couple of years. Employment has just recently begun to rise in the US, Canada and Australia. The US Federal Reserve, The Bank of Japan, the Bank of England and the European Central Bank continue to leave policy rates unchanged at historical low levels.

Consumers have dipped deep into their savings as the personal savings rate has declined from a high of 6.4% to the latest reading of 3.1%. Consumers have already spent much of their savings and it remains to be seen how much

more can be spent. We believe that the reality remains that households and small businesses continue to be credit constrained.

There is every reason to believe the world economy is improving. That said, markets will continue to have to deal with the European Union (Greece, Portugal, Spain, Italy) crisis; the status of the global recovery with the pending ending of quantitative easing; and, the impact of the SEC complaint against Goldman Sachs (government re-regulation).

The economy is now entering its third phase of this economic recovery cycle. The first phase was the quantitative easing and liquidity injections coordinated by global central banks and governments. The second phase was the cutting of costs and management of inventories by corporations. The third and next phase should be the economic recovery as evidenced by demand picking up primarily by developed markets consumers and capital spending by corporations. The question that remains is what will be the extent of this recovery and whether economic growth can surprise to the upside? Also, will growth and corporate earnings surpass the expectations already reflected in the prices of securities in the markets?

# MARKET UPDATE

For April 2010

US Equity Indices	Style	Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
Russell 3000	Broad US Equity	2.16%	12.28%	8.23%	40.90%	(4.56%)	3.28%	0.50%
Russell 200	Large Cap Equity	1.09%	9.74%	5.68%	36.31%	(5.20%)	2.07%	(1.69%)
Russell 200 Growth	Large Cap Growth	0.41%	8.87%	3.97%	35.06%	(1.59%)	3.50%	(4.51%)
Russell 200 Value	Large Cap Value	1.78%	10.66%	7.51%	37.63%	(8.74%)	0.63%	1.26%
S&P 500	Large Cap Equity	1.58%	11.04%	7.05%	38.84%	(5.05%)	2.63%	(0.19%)
Russell 1000	Large Cap Equity	1.85%	11.67%	7.65%	40.21%	(4.71%)	3.06%	0.16%
Russell 1000 Growth	Large Cap Growth	1.12%	10.64%	5.81%	38.16%	(1.93%)	4.05%	(3.63%)
Russell 1000 Value	Large Cap Value	2.59%	12.71%	9.55%	42.28%	(7.66%)	1.93%	3.48%
Russell Mid Cap	Mid Cap Equity	3.76%	16.65%	12.76%	50.83%	(3.32%)	5.65%	5.74%
Russell Mid Cap Growth	Mid Cap Growth	2.97%	15.47%	10.87%	46.95%	(2.49%)	5.74%	(0.39%)
Russell Mid Cap Value	Mid Cap Value	4.50%	17.76%	14.55%	54.39%	(4.81%)	5.18%	8.89%
Russell 2000	Small Cap Equity	5.66%	19.41%	15.01%	48.95%	(2.79%)	5.74%	4.91%
Russell 2000 Growth	Small Cap Growth	4.20%	17.38%	12.13%	45.20%	(1.93%)	6.06%	(0.06%)
Russell 2000 Value	Small Cap Value	7.00%	21.27%	17.72%	52.44%	(3.89%)	5.26%	9.58%
DJW US REIT Index	REITS	7.07%	24.71%	17.58%	72.10%	(9.96%)	3.58%	11.38%
<b>Non-US Indices</b>								
MSCI ACWI Ex-US	Broad Non-US Equity	(0.81%)	6.00%	0.83%	40.97%	(5.42%)	6.94%	3.71%
MSCI AC World Index	Global Equity	0.22%	8.12%	3.46%	40.00%	(5.17%)	4.98%	1.58%
MSCI EAFE	Developed Non-US Equity	(1.73%)	3.76%	(0.80%)	35.02%	(8.45%)	4.34%	2.05%
MSCI Emerging Mkts.	Emerging Non-US Equity	1.23%	9.82%	3.72%	57.55%	4.30%	16.92%	11.32%
ML Global Ex-US Bond	Global Bonds	(0.78%)	(2.49%)	(2.61%)	7.03%	6.68%	4.21%	7.02%
Euro	Currency	(1.73%)	(4.34%)	(7.33%)	0.34%	(0.87%)	0.59%	3.85%
Japanese Yen	Currency	(0.61%)	(3.57%)	(0.97%)	4.65%	8.33%	2.22%	1.40%
British Pound	Currency	0.91%	(4.48%)	(5.21%)	3.30%	(8.53%)	(4.33%)	(0.22%)
<b>US Fixed Income Indices</b>								
ML 3-month T-Bill	Cash	0.01%	0.02%	0.02%	0.15%	1.84%	2.86%	2.80%
Barclays US Aggregate	Core Bonds	1.04%	1.29%	2.84%	8.30%	6.32%	5.38%	6.43%
Barclays US Universal	Core Bonds Plus	1.11%	1.63%	3.17%	10.47%	6.13%	5.53%	6.58%
ML US Gov't/Credit	Core Bonds	1.22%	1.31%	2.96%	9.14%	5.98%	5.08%	6.38%
ML US Corporate Master	Corporate Bonds	1.76%	2.49%	4.55%	23.23%	6.07%	5.28%	7.01%
Barclays Mortgage Backed Securities	Mortgages	0.60%	0.81%	2.15%	5.54%	7.07%	6.02%	6.53%
Merrill Lynch High Yield Master II	High Yield Bonds	2.24%	5.57%	7.17%	44.20%	6.85%	8.38%	7.43%

(not annualized if less than 1 year)

Source: mpi Stylus

Preliminary data

**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING APRIL 30, 2010**  
**PRELIMINARY BASIS**

**SUMMARY OF INVESTMENTS**

ASSET CLASS	MARKET VALUE	PERCENT	POLICY	
			TARGET	RANGE
DOMESTIC EQUITIES	567,752,332	44.3%	46.4%	36.5% - 56.3%
INTERNATIONAL EQUITIES	260,334,983	20.3%	20.0%	16.0% - 24.0%
FIXED INCOME	358,502,491	28.0%	32.1%	29.1% - 35.1%
REAL ESTATE	16,472,152	1.3%	1.5%	0.0% - 3.0%
SECURITY LENDING	(2,743,273)	-0.2%	0.0%	0.0% - 0.0%
CASH (equity managers only)	82,171,152	6.4%	0.0%	0.0% - 3.0%
<b>TOTAL PORTFOLIO</b>	<b>1,282,489,837</b>	<b>100.0%</b>	<b>100.0%</b>	

	CURRENT	TARGET
DODGE & COX - LARGE CAP VALUE	15.8%	14.5%
BGI - R1000 VALUE INDEX	3.4%	3.0%
DELAWARE - LARGE CAP GROWTH	9.3%	8.9%
LOOMIS SAYLES - LARGE CAP GROWTH	6.0%	5.9%
CAPITAL PROSPECTS	5.8%	5.0%
LEGATO CAPITAL	4.5%	4.3%
BNY - S&P 500 INDEX	5.0%	4.8%
LSV ASSET MGMT - INTL EQ	10.9%	10.0%
PYRAMIS - INTL EQ	10.3%	10.0%
DODGE & COX FIXED INCOME	28.0%	32.1%
INVESCO - GLOBAL REIT	1.3%	1.5%
SECURITY LENDING	-0.2%	0.0%
<b>TOTALS</b>	<b>100.0%</b>	<b>100.0%</b>

**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING APR. 30, 2010**  
PRELIMINARY BASIS

**GROWTH OF ASSETS AND CHANGES IN ALLOCATION**

<u>ASSET CLASS</u>	<u>CURRENT</u> <u>MONTH</u>	<u>PRIOR</u> <u>MONTH</u>	<u>% CHANGE *</u>	<u>PRIOR</u> <u>YEAR</u>	<u>% CHANGE *</u>
<b>MARKET VALUE</b>					
DOMESTIC EQUITIES	567,752,332	616,923,216	-7.97%	393,780,249	44.18%
INTERNATIONAL EQUITIES	260,334,983	269,849,789	-3.53%	183,193,081	42.11%
FIXED INCOME	358,502,491	355,742,958	0.78%	373,838,573	-4.10%
REAL ESTATE	16,472,152	16,052,368	2.62%	11,044,779	49.14%
SECURITIES LENDING	(2,743,273)	(2,695,145)			
CASH (equity managers only)	82,171,152	14,311,111	474.18%	18,342,036	347.99%
<b>TOTAL PORTFOLIO</b>	<b>1,282,489,837</b>	<b>1,270,184,296</b>	<b>0.97%</b>	<b>980,198,718</b>	<b>30.84%</b>
<b>ASSET ALLOCATION (ACTUAL)</b>					
DOMESTIC EQUITIES	44.27%	48.57%	-4.3%	40.17%	4.1%
INTERNATIONAL EQUITIES	20.30%	21.24%	-0.9%	18.69%	1.6%
FIXED INCOME	27.95%	28.01%	-0.1%	38.14%	-10.2%
REAL ESTATE	1.28%	1.26%	0.0%	1.13%	0.2%
SECURITY LENDING	-0.21%	-0.21%	0.0%		
CASH (equity managers only)	6.41%	1.13%	5.3%	1.87%	4.5%
<b>TOTAL PORTFOLIO</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>

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

**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING MAR. 31, 2010**  
PRELIMINARY BASIS

**MANAGER ALLOCATION**

ASSET CLASS	MARKET VALUE	PERCENT	POLICY	
			TARGET	RANGE
<b>DOMESTIC EQUITIES</b>				
DODGE & COX - LARGE CAP VALUE	203,010,040	15.8%	14.5%	11.5% - 17.5%
BGI - R1000 VALUE INDEX	43,806,913	3.4%	3.0%	2.0% - 4.0%
DELAWARE - LARGE CAP GROWTH	119,534,145	9.3%	8.9%	6.9% - 10.9%
LOOMIS SAYLES - LARGE CAP GROWTH	77,111,156	6.0%	5.9%	4.5% - 7.3%
CAPITAL PROSPECTS - SMALL CAP VALUE	74,315,714	5.8%	5.0%	3.9% - 6.1%
LEGATO CAPITAL - SMALL CAP GROWTH	57,119,197	4.5%	4.3%	2.9% - 5.7%
BNY - S&P 500 INDEX	<u>63,914,647</u>	<u>5.0%</u>	<u>4.8%</u>	3.8% - 5.8%
TOTAL DOMESTIC EQUITIES	638,811,811	49.8%	46.4%	
<b>FIXED INCOME</b>				
DODGE & COX	<u>358,502,491</u>	<u>28.0%</u>	<u>32.1%</u>	29.1% - 35.1%
TOTAL FIXED INCOME	358,502,491	28.0%	32.1%	
<b>INTERNATIONAL INVESTMENTS</b>				
LSV ASSET MGMT.	139,428,275	10.9%	10.0%	8.0% - 12.0%
PYRAMIS	<u>132,018,381</u>	<u>10.3%</u>	<u>10.0%</u>	8.0% - 12.0%
TOTAL INTERNATIONAL EQUITIES	<u>271,446,656</u>	<u>21.2%</u>	<u>20.0%</u>	
<b>REAL ESTATE</b>				
INVESCO	<u>16,472,152</u>	<u>1.3%</u>	<u>1.5%</u>	0.0% - 3.0%
TOTAL REAL ESTATE	16,472,152	1.3%	1.5%	
SECURITIES LENDING	<u>(2,743,273)</u>	<u>-0.2%</u>	<u>0.0%</u>	0.0% - 0.0%
TOTAL StanCERA PORTFOLIO	<u>1,282,489,837</u>	<u>100.0%</u>	<u>100.0%</u>	

**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING APR. 30, 2010**  
**PRELIMINARY**

	TOTAL FUND			
	CASH	BONDS	EQUITIES	TOTAL
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	24,091,155		178,918,885	203,010,040
BGI - R1000 VALUE INDEX	6,222		43,800,691	43,806,913
DELAWARE - LARGE CAP GROWTH	27,669,197		91,864,949	119,534,145
LOOMIS SAYLES - LARGE CAP GROWTH	7,679,471		69,431,685	77,111,156
CAPITAL PROSPECTS - SMALL CAP VALUE	9,063,366		65,252,347	74,315,714
LEGATO CAPITAL - SMALL CAP GROWTH	2,549,878		54,569,319	57,119,197
BNY - S&P 500 INDEX	190		63,914,456	63,914,647
TOTAL DOMESTIC EQUITIES	71,059,479		567,752,332	638,811,811
FIXED INCOME				
DODGE & COX	13,830,805	344,671,686		358,502,491
TOTAL FIXED INCOME	13,830,805	344,671,686		358,502,491
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	10,343,805		129,084,470	139,428,275
PYRAMIS	767,868		131,250,513	132,018,381
TOTAL INTERNATIONAL EQUITIES	11,111,673		260,334,983	271,446,656
REAL ESTATE				
INVESCO	0		16,472,152	16,472,152
TOTAL REAL ESTATE	0		16,472,152	16,472,152
SECURITIES LENDING	(2,743,273)			(2,743,273)
TOTAL STANCERA PORTFOLIO	93,258,685	344,671,686	844,559,467	1,282,489,837

	7.3%	26.9%	65.9%	100.0%
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**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING APR. 30, 2010**  
**PRELIMINARY BASIS**

**CURRENT PERFORMANCE**

	MARKET VALUE	APRIL	ALPHA	MAR	ALPHA	FISCAL YTD	ALPHA
<b>DOMESTIC EQUITIES</b>							
<b>DODGE &amp; COX - LARGE CAP VALUE</b>	<b>178,918,885</b>	<b>1.45%</b>	<b>-1.14%</b>	<b>6.55%</b>	<b>0.04%</b>	<b>35.07%</b>	<b>-1.52%</b>
<i>RUSSELL 1000 VALUE</i>		2.59%		6.51%		36.59%	
<b>BGI - R1000 VALUE INDEX***</b>	<b>43,800,691</b>	<b>2.65%</b>	<b>0.06%</b>	<b>6.51%</b>	<b>0.00%</b>	<b>25.14%</b>	<b>0.35%</b>
<i>RUSSELL 1000 VALUE</i>		2.59%		6.51%		24.79%	
<b>DELAWARE - LARGE CAP GROWTH</b>	<b>91,864,949</b>	<b>0.69%</b>	<b>-0.43%</b>	<b>5.24%</b>	<b>-0.54%</b>	<b>28.73%</b>	<b>-1.45%</b>
<i>RUSSELL 1000 GROWTH</i>		1.12%		5.78%		30.18%	
<b>LOOMIS SAYLES - LARGE CAP GROWTH</b>	<b>69,431,685</b>	<b>1.05%</b>	<b>-0.07%</b>	<b>7.19%</b>	<b>1.41%</b>	<b>31.41%</b>	<b>1.23%</b>
<i>RUSSELL 1000 GROWTH</i>		1.12%		5.78%		30.18%	
<b>CAPITAL PROSPECTS*</b>	<b>65,252,347</b>	<b>5.69%</b>	<b>-1.31%</b>	<b>7.20%</b>	<b>-1.12%</b>	<b>45.28%</b>	<b>-4.39%</b>
<i>RUSSELL 2000 VALUE</i>		7.00%		8.32%		49.67%	
<b>LEGATO CAPITAL**</b>	<b>54,569,319</b>	<b>4.19%</b>	<b>-0.01%</b>	<b>7.22%</b>	<b>-0.72%</b>	<b>34.96%</b>	<b>-0.43%</b>
<i>RUSSELL 2000 GROWTH**</i>		4.20%		7.94%		35.39%	
<b>BNY - S&amp;P 500 INDEX</b>	<b>63,914,456</b>	<b>1.58%</b>	<b>0.00%</b>	<b>6.03%</b>	<b>0.00%</b>	<b>31.29%</b>	<b>0.06%</b>
<i>S&amp;P 500</i>		1.58%		6.03%		31.23%	
<b>TOTAL DOMESTIC EQUITY</b>	<b>567,752,332</b>	<b>2.07%</b>	<b>-0.09%</b>	<b>6.45%</b>	<b>0.15%</b>	<b>33.03%</b>	<b>-0.29%</b>
<i>Russell 3000 Index</i>		2.16%		6.30%		33.32%	
<b>FIXED INCOME</b>							
<b>DODGE &amp; COX</b>	<b>358,502,491</b>	<b>0.78%</b>	<b>-0.26%</b>	<b>0.97%</b>	<b>1.09%</b>	<b>11.91%</b>	<b>5.02%</b>
<i>BARCLAYS US AGGREGATE BOND</i>		1.04%		-0.12%		6.89%	
<b>INTERNATIONAL INVESTMENTS</b>							
<b>LSV ASSET MGMT</b>	<b>129,084,470</b>	<b>0.09%</b>	<b>0.90%</b>	<b>6.02%</b>	<b>-0.83%</b>	<b>29.76%</b>	<b>4.43%</b>
<i>MSCI ACWI Free ex-US</i>		-0.81%		6.85%		25.33%	
<b>PYRAMIS</b>	<b>131,250,513</b>	<b>-0.67%</b>	<b>0.14%</b>	<b>6.89%</b>	<b>0.04%</b>	<b>28.15%</b>	<b>2.82%</b>
<i>MSCI ACWI Free ex-US</i>		-0.81%		6.85%		25.33%	
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>260,334,983</b>	<b>-0.30%</b>	<b>0.51%</b>	<b>6.44%</b>	<b>-0.41%</b>	<b>28.56%</b>	<b>3.23%</b>
<i>MSCI ACWI Free ex-US</i>		-0.81%		6.85%		25.33%	
<b>REAL ESTATE</b>							
<b>INVESCO</b>	<b>16,472,152</b>	<b>2.62%</b>	<b>0.09%</b>	<b>6.37%</b>	<b>-0.66%</b>	<b>35.07%</b>	<b>-4.54%</b>
<i>FTSE EPRA/NAREIT Global REIT</i>		2.53%		7.03%		39.61%	
<b>SECURITIES LENDING</b>							
<b>BNY MELLON</b>	<b>(2,743,273)</b>						
<b>CASH and SHORT-TERM INVESTMENTS</b>							
<b>CASH</b>	<b>82,171,152</b>	<b>0.01%</b>	<b>0.00%</b>	<b>0.01%</b>	<b>0.00%</b>	<b>0.17%</b>	<b>0.03%</b>
<i>90 DAY TREASURY BILL</i>		0.01%		0.01%		0.14%	
<b>TOTAL StanCERA Fund</b>	<b>1,282,489,837</b>	<b>1.21%</b>	<b>-0.21%</b>	<b>4.87%</b>	<b>0.44%</b>	<b>25.66%</b>	<b>2.22%</b>
<i>Policy Index</i>		1.42%		4.43%		23.44%	
<i>Actuary Rate of Assumption (8.16%)</i>		0.66%	<b>0.55%</b>	0.66%	<b>4.21%</b>	6.67%	<b>18.99%</b>
<i>Actuary Rate of Inflation (4.00%)</i>		0.33%	<b>0.88%</b>	0.33%	<b>4.54%</b>	3.33%	<b>22.33%</b>

\* Capital Prospects funded 12/31/2008 and replaced the Russell 2000 Value ishares. \*\*Legato Capital funded 12/22/2008 and replaced Mazama Capital.

\*\*\* BGI R1000 Value Index funded close of 7/31/09.