StanCERA

Monthly Investment Performance Summary

Provided by
Strategic Investment Solutions Inc.

June 2010

The Market Commentary, Market Indices and the Monthly Investment Report are compiled and presented by SIS.

U.S. EQUITY

Global equity markets continued to sell-off during the month of June. The broad U.S. equity market is down about 13% over the past eight weeks with the S&P 500 Index recording ten consecutive down days to close out the worst quarter since the market meltdown in 2008. For the second quarter, the S&P 500 Index lost 12 percent, the Dow fell 10 percent and the Nasdaq dropped 12 percent as worries about sovereign debt and the sustainability of the weak U.S. economic recovery caused investors to pull back from equity markets that had reached a peak in late April.

The world has enjoyed a decent recovery over the past fifteen months, but the government stimulus appears to be running its course and global developed market interest rates are already as low as they can go. The hope was that consumer demand would be contributing to growth around this time but that seems to be in question as the latest economic statistics released have been below expectations. The global macro environment is looking more precarious now than it has since the first quarter of 2009 and that might explain the recent sell-off in global equity markets.

Investors may also be concerned about a potential slowdown in China as there is now a growing fear that the government will tighten monetary policy further. The Chinese stock market is at a 13-month low. Global equity prices during the 13-month rally from March 2009 to April 2010 have exhibited something of a V-shaped recover while the same cannot be said for underlying demand, and equity markets seemed to readjust for a slower growth and a different type of recovery.

June was a poor month for all stocks. Growth performed slightly better than value (on a relative basis) and large caps fared better than small caps. The Russell 1000 Growth Index was down -5.5% for the month of June, while the Russell 1000 Value Index was down by a similar -5.6%. In the small cap class, the Russell 2000 Growth Index was down -6.7% and the Russell 2000 Value Index was down -8.7%. The S&P 500 Index ended the month down -6.2%. The Dow Jones Industrial Index has a trailing 12-month P/E ratio of 14.1 (estimated P/E ratio of 12.0 on forward looking twelve-month operating earnings) and a dividend yield of 2.9%.

Richard Russell of Dow Theory Letters said, "Historically, primary bear markets tend to last one-third to one-half as longs as the preceding primary bull market. On that basis, this primary bear market could carry to 2016. I'd be surprised if a 27-year bull market could be corrected in less than three years."

Corporate merger activity highlights for the month included: Covidien will acquire medical device maker ev3 for $2.6 million; Alimentation Couche-Tard, a Canadian convenience-store chain, began an unsolicited $1.9 billion tender offer for Casey's General Stores; ABB, the world's largest supplier of power grids, will buy Britain's Chloride Group for $1.25 billion; Grifols, a European maker of blood plasma products, will acquire North Carolina based Talecris Biotherapeutics for $3.4 billion; Marsh & McLennan will sell Kroll, its corporate risk consulting operation, to Altegrity for $1.1 billion; Allscripts-Misys Healthcare Solutions will buy rival Eclipsys for $1.3 billion; Cablevision will pay $1.3 billion for mid-sized cable TV provider Bresnan Communications; Brazilian meat packer Marfrig Foods agreed to buy U.S. distributor Keystone Foods for $1.3 billion; Corn Products International, a U.S. corn refiner and maker of sweeteners, agreed to buy Akzo Nobel's National Starch unit for $1.3 billion; Ralcorp will buy American Italian Pasta Co. for $1.2 billion; GM is preparing for an initial public offering that would sell 20% of the Treasury's stake in the automaker and reduce the U.S. to a minority owner; AXA, Europe's 2nd largest insurer, will sell most of its British life and savings units to Resolution for $4.1 billion; Noble, an offshore oil and gas driller, will buy Norway's Frontier Drilling for $2.1 billion; BASF will acquire Cognis, a specialty chemicals supplier to the health market, for about $3.8 billion; Sumitomo will buy a 30% stake in Usiminas, Brazil's largest maker of flat steel, for $1.9 billion; and, Celgene will acquire Abraxis BioScience for $2.9 billion.

FIXED INCOME

The Commerce Dept. reported that gross domestic product grew at an annual rate of 2.7% in the 1st quarter, revised down from the previous reading of a 3.0% rise.

The U.S. economy added 431,000 jobs in May, and the unemployment rate declined by 0.2 percentage points to 9.7%. However, the boost came almost entirely from the government which provided 390,000 of the new jobs, and mostly temporary, to handle the census. Private employers added just 41,000 jobs, less than a fifth of the 218,000 jobs added in April.

Long-term interest rates fell once again during the month of June as investors' continued to seek the safety of US Treasury securities. The bellwether 10-year Treasury note ended the month yielding 2.93% down from 3.30% at the close of May. At month-end, the 30-year long bond yield was 3.87% and the 3-month T-bill was at 0.16%. The Barclays Capital US Aggregate Index was up by +1.57% in June. Long-term U.S. Treasury bonds benefited from the flight to safety and were up by +4.5%.

The House of Representatives approved the Dodd-Frank bill, which if passed by the Senate, will bring the most sweeping changes to America's financial regulatory system since the Great Depression.

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

*The Institute for Supply Management reported that its service index was unchanged at 55.4 in May.

*The Federal Reserve reported that consumer borrowing increased by $855 million in April, the second gain in the past 15 months.

*The Fed's Beige Book report found that economic activity improved across all 12 regions. The last time all regions were in a growth mode was roughly before the recession started in December 2007.

*The Commerce Dept. reported that wholesale inventories increased 0.4% in April following a 0.7% gain in March.

*Wholesale sales rose 0.7% in April following a 2.4% surge in March.

*The Commerce Dept. reported that the trade deficit rose to $40.3 billion in April from a revised $40.0 billon in March and was the largest deficit since December 2008.

*The Commerce Dept. reported that retail sales fell by 1.2% in May, the largest decline in eight months.

*The National Association of Home Builders/Wells Fargo confidence index dropped to 17 from 22 in May, the largest decrease since November 2008.

*The Commerce Dept. reported that new home construction dropped 10% in May to a seasonally adjusted annual rate of 539,000 units, the lowest level since December.

*The Federal Reserve reported that industrial production rose 1.2% in May, the biggest increase since August 2009 and left output 7.6% higher than a year earlier.

*The Labor Dept. reported that the Consumer Price Index dropped 0.2% in May, following a 0.1% drop in April.

*The Conference Board's leading economic index rose 0.4% in May.

*The National Association of Realtors reported that sales of existing homes fell 2.2% in May to an annual rate of 5.66 million units. Meanwhile, The Commerce Dept. reported that new home sales plunged 33% in May to a seasonally adjusted pace of 300,000, the slowest sales pace on records dating back to 1963.

*The Commerce Dept. reported that durable goods orders fell 1.1% in May.

*The Commerce Dept. reported that consumer spending, which accounts for 70% of economic activity, rose 0.2% and personal income increased 0.4% in May.

*The Commerce Dept. reported that the personal savings rate bumped up to 4% in May from 3.8% in April.

*ADP reported that the U.S. economy gained 13,000 jobs in June, less than the 61,000 increase forecast by economists.

The Conference Board reported that its Consumer Confidence Index fell by almost 10 points to 52.9 in June, down from a revised 62.7 in May.

NON-U.S. MARKETS

The Bank of Canada increased its key interest rate to 0.50% from a record-low rate of 0.25%.

The euro fell below $1.20 for the first time in more than 4 years during the month of June. Euro-zone industrial production rose 0.8% in April. German consumer prices rose by 1.2% in the year to the end of May and German industrial production rose by 0.9% in April compared with the previous month. The jobless rate for the euro region as a whole inched up in April by a tenth of a percentage point to 10.1%. Euro-area inflation inched up by a tenth of a percentage point to 1.6% in May. In the euro area, industrial output rose by 9.5% in the year to the end of April. The year-over-year growth rate was the highest since 1991.

The yield on ten-year Spanish government bonds rose in mid-month June amid speculation of a Greek-style bail-out for Spain and more worries about the country's banks.

Japan's core consumer prices fell in April for the 14th month in a row, declining by 1.5% in the year to the end of April. The country's unemployment rate rose by a tenth of a percentage point to 5.1% in April.

Australia's GDP rose by 2.7% in the 12 months to the end of the first quarter.

China's inflation rate rose to 3.1% in May from 2.8% in April.

In India, GDP grew by 8.6% in the first quarter from a year earlier, bringing growth for the 2009-2010 financial year, which ended on March 31st to 7.4%.

In South Korea, GDP growth in the year to the end of the first quarter was revised up by 0.3 percentage points to 8.1%.

Brazil's industrial production surged by 17.4% in the year to the end of April.

Non-U.S. Developed markets held up better vs. the U.S. equity markets in the month of June. The MSCI ACWI Ex-U.S. was down -1.3% (US dollars) in June. Developed stocks (EAFE) were down by -1.0% while Emerging Markets stocks were down by -0.7% for the month.

CONCLUSIONS

The Economist, in a recent issue stated, "This special report will argue that, for the developed world, the debt-financed model has reached its limit. Most of the options for dealing with the debt overhang are unpalatable. As has already been seen in Greece and Ireland, each government will have to find its own way of reducing the burden. The battle between borrowers and creditors may be the defining struggle of the next generation."

Sovereign risk issues are far from over. U.S. municipal risk issues may be the next major debt class to make the headlines as tax revenues

continue to be in a slump and pension fund costs continue to escalate.
Global equity markets have sold off in May and June.
Consumer confidence dropped sharply in June and needs to be watched closely along with the unemployment rate. Corporations continue to weather the storm quite well and equity valuations have come down to reasonable levels. The big question that needs time to be answered is "what will the shape of the recovery be going forward?"

MARKET UPDATE

For June 2010

US Equity Indices	Style	Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years
Russell 3000	Broad US Equity	(5.75%)	(11.32%)	(6.05%)	15.72%	(9.47%)	(0.48%)	(0.92%)
Russell 200	Large Cap Equity	(5.28%)	(12.07%)	(8.07%)	11.62%	(10.02%)	(1.23%)	(3.03%)
Russell 200 Growth	Large Cap Growth	(5.17%)	(12.33%)	(9.23%)	10.89%	(6.56%)	0.06%	(5.99%)
Russell 200 Value	Large Cap Value	(5.39%)	(11.79%)	(6.83%)	12.41%	(13.41%)	(2.54%)	0.25%
S&P 500	Large Cap Equity	(5.23%)	(11.43%)	(6.65%)	14.43%	(9.81%)	(0.79%)	(1.59%)
Russell 1000	Large Cap Equity	(5.57%)	(11.44%)	(6.40%)	15.23%	(9.54%)	(0.56%)	(1.22%)
Russell 1000 Growth	Large Cap Growth	(5.51%)	(11.74%)	(7.65%)	13.62%	(6.91%)	0.38%	(5.14%)
Russell 1000 Value	Large Cap Value	(5.63%)	(11.15%)	(5.12%)	16.92%	(12.32%)	(1.64%)	2.38%
Russell Mid Cap	Mid Cap Equity	(6.25%)	(9.87%)	(2.06%)	25.13%	(8.19%)	1.22%	4.24%
Russell Mid Cap Growth	Mid Cap Growth	(6.36%)	(10.20%)	(3.31%)	21.30%	(7.53%)	1.37%	(1.99%)
Russell Mid Cap Value	Mid Cap Value	(6.14%)	(9.57%)	(0.88%)	28.91%	(9.44%)	0.71%	7.55%
Russell 2000	Small Cap Equity	(7.75%)	(9.92%)	(1.95%)	21.48%	(8.60%)	0.37%	3.00%
Russell 2000 Growth	Small Cap Growth	(6.71%)	(9.22%)	(2.31%)	17.96%	(7.54%)	1.14%	(1.72%)
Russell 2000 Value	Small Cap Value	(8.73%)	(10.60%)	(1.64%)	25.07%	(9.85%)	(0.51%)	7.48%
DJW US REIT Index	REITS	(5.36%)	(4.13%)	5.28%	55.68%	(10.33%)	(0.36%)	9.74%
Non-US Indices								
MSCI ACWI Ex-US	Broad Non-US Equity	(1.26%)	(12.26%)	(10.80%)	10.87%	(10.28%)	3.84%	2.27%
MSCI AC World Index	Global Equity	(3.05%)	(11.96%)	(9.11%)	12.30%	(10.01%)	1.69%	0.19%
MSCI EAFE	Developed Non-US Equity	(0.97%)	(13.75%)	(12.93%)	6.38%	(12.94%)	1.35%	0.56%
MSCI Emerging Mkts.	Emerging Non-US Equity	(0.72%)	(8.29%)	(6.04%)	23.48%	(2.22%)	13.07%	10.33%
ML Global Ex-US Bond	Global Bonds	1.82%	(0.96%)	(2.78%)	2.02%	7.70%	5.04%	6.60%
Euro	Currency	(0.18%)	(9.47%)	(14.63%)	(12.67%)	(3.20%)	0.23%	2.48%
Japanese Yen	Currency	2.88%	5.59%	5.20%	9.03%	11.75%	4.60%	1.80%
British Pound	Currency	2.97%	(1.37%)	(7.35%)	(9.15%)	(9.32%)	(3.55%)	(0.12%)
US Fixed Income Indices								
ML 3-month T-Bill	Cash	0.01%	0.04%	0.05%	0.16%	1.57%	2.77%	2.69%
Barclays US Aggregate	Core Bonds	1.57%	3.49%	5.33%	9.50%	7.55%	5.54%	6.47%
Barclays US Universal	Core Bonds Plus	1.55%	3.14%	5.24%	10.60%	7.22%	5.56%	6.59%
ML US Gov't/Credit	Core Bonds	1.78%	3.83%	5.61%	9.84%	7.26%	5.22%	6.45%
ML US Corporate Master	Corporate Bonds	2.06%	3.26%	6.09%	16.32%	7.11%	5.16%	6.96%
Barclays Mortgage Backed Securitie	Mortgages	1.12%	2.87%	4.46%	7.47%	8.23%	6.25%	6.54%
Merrill Lynch High Yield Master II	High Yield Bonds	1.30%	(0.07%)	4.74%	27.53%	6.39%	7.10%	7.12%

(not annualized if less than 1 year)
Source: mpi Stylus
Preliminary data

STANCERA

MONTHLY PERFORMANCE REVIEW

PERIOD ENDING JUNE 30, 2010

PRELIMINARY BASIS

SUMMARY OF INVESTMENTS

ASSET CLASS	MARKET VALUE	PERCENT	POLICY TARGET	POLICY RANGE
DOMESTIC EQUITIES	483,504,268	41.1%	41.4%	35.1% - 47.7%
INTERNATIONAL EQUITIES	230,895,863	19.6%	20.0%	17.0% - 23.0%
FIXED INCOME	440,989,975	37.4%	37.1%	33.4% - 40.8%
REAL ESTATE	14,663,597	1.2%	1.5%	1.0% - 2.0%
SECURITY LENDING	(2,817,652)	-0.2%	0.0%	0.0% - 0.0%
CASH (equity managers only)	10,603,441	0.9%	0.0%	0.0% - 3.0%
TOTAL PORTFOLIO	1,177,839,494	100.0%	100.0%	

	CURRENT	TARGET
DODGE & COX - LARGE CAP VALUE	12.9%	13.3%
BGI - R1000 VALUE INDEX	3.2%	3.0%
DELAWARE - LARGE CAP GROWTH	6.6%	6.8%
LOOMIS SAYLES - LARGE CAP GROWTH	5.1%	5.0%
CAPITAL PROSPECTS	4.9%	4.5%
LEGATO CAPITAL	4.3%	4.0%
BNY - S&P 500 INDEX	4.7%	4.8%
LSV ASSET MGMT - INTL EQ	9.8%	10.0%
PYRAMIS - INTL EQ	10.0%	10.0%
DODGE & COX FIXED INCOME	30.9%	32.1%
PIMCO	6.6%	5.0%
INVESCO - GLOBAL REIT	1.2%	1.5%
SECURITY LENDING	-0.2%	0.0%
TOTALS	100.0%	100.0%

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JUNE 30, 2010
PRELIMINARY BASIS

GROWTH OF ASSETS AND CHANGES IN ALLOCATION

ASSET CLASS	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
MARKET VALUE					
DOMESTIC EQUITIES	483,504,268	519,021,491	-6.84%	440,736,427	9.70%
INTERNATIONAL EQUITIES	230,895,863	233,045,274	-0.92%	206,580,513	11.77%
FIXED INCOME	440,989,975	434,602,849	1.47%	334,163,637	31.97%
REAL ESTATE	14,663,597	15,008,065	-2.30%	12,195,668	20.24%
SECURITIES LENDING	(2,817,652)	(2,743,273)			
CASH (equity managers only)	10,603,441	8,783,558	20.72%	50,116,826	-78.84%
TOTAL PORTFOLIO	1,177,839,494	1,207,717,965	-2.47%	1,043,793,070	12.84%
ASSET ALLOCATION (ACTUAL)					
DOMESTIC EQUITIES	41.05%	42.98%	-1.9%	42.22%	-1.2%
INTERNATIONAL EQUITIES	19.60%	19.30%	0.3%	19.79%	-0.2%
FIXED INCOME	37.44%	35.99%	1.5%	32.01%	5.4%
REAL ESTATE	1.24%	1.24%	0.0%	1.17%	0.1%
SECURITY LENDING	-0.24%	-0.23%	0.0%		
CASH (equity managers only)	0.90%	0.73%	0.2%	4.80%	-3.9%
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 JUNE 30, 2010

PRELIMINARY BASIS

MANAGER ALLOCATION

ASSET CLASS	MARKET VALUE	PERCENT	POLICY TARGET	POLICY RANGE
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	152,487,143	12.9%	13.3%	10.8% - 15.8%
BGI - R1000 VALUE INDEX	37,976,688	3.2%	3.0%	2.0% - 4.0%
DELAWARE - LARGE CAP GROWTH	77,575,639	6.6%	6.8%	5.3% - 8.3%
LOOMIS SAYLES - LARGE CAP GROWTH	60,558,068	5.1%	5.0%	4.0% - 6.0%
CAPITAL PROSPECTS - SMALL CAP VALUE	57,206,146	4.9%	4.5%	3.5% - 5.5%
LEGATO CAPITAL - SMALL CAP GROWTH	50,379,033	4.3%	4.0%	3.0% - 5.0%
BNY - S&P 500 INDEX	55,738,478	4.7%	4.8%	3.8% - 5.8%
TOTAL DOMESTIC EQUITIES	491,921,196	41.8%	41.4%	
FIXED INCOME				
DODGE & COX	363,388,451	30.9%	32.1%	29.1% - 35.1%
PIMCO	77,601,524	6.6%	5.0%	4.0% - 6.0%
TOTAL FIXED INCOME	440,989,975	37.4%	37.1%	
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	115,533,896	9.8%	10.0%	8.0% - 12.0%
PYRAMIS	117,548,482	10.0%	10.0%	8.0% - 12.0%
TOTAL INTERNATIONAL EQUITIES	233,082,377	19.8%	20.0%	
REAL ESTATE				
INVESCO	14,663,597	1.2%	1.5%	0.0% - 3.0%
TOTAL REAL ESTATE	14,663,597	1.2%	1.5%	
SECURITIES LENDING	(2,817,652)	-0.2%	0.0%	0.0% - 0.0%
TOTAL StanCERA PORTFOLIO	1,177,839,494	100.0%	100.0%	

STANCERA

MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JUNE 30, 2010

PRELIMINARY

TOTAL FUND

	CASH	BONDS	EQUITIES	TOTAL
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	3,842,015		148,645,128	152,487,143
BGI - R1000 VALUE INDEX	6,222		37,970,466	37,976,688
DELAWARE - LARGE CAP GROWTH	1,104,680		76,470,959	77,575,639
LOOMIS SAYLES - LARGE CAP GROWTH	106,363		60,451,705	60,558,068
CAPITAL PROSPECTS - SMALL CAP VALUE	1,755,895		55,450,252	57,206,146
LEGATO CAPITAL - SMALL CAP GROWTH	1,601,563		48,777,470	50,379,033
BNY - S&P 500 INDEX	190		55,738,287	55,738,478
TOTAL DOMESTIC EQUITIES	8,416,927		483,504,268	491,921,196
FIXED INCOME				
DODGE & COX	12,708,524	350,679,927		363,388,451
PIMCO	0	77,601,524		77,601,524
TOTAL FIXED INCOME	12,708,524	428,281,452		440,989,975
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	1,998,418		113,535,478	115,533,896
PYRAMIS	188,096		117,360,386	117,548,482
TOTAL INTERNATIONAL EQUITIES	2,186,514		230,895,863	233,082,377
REAL ESTATE				
INVESCO	0		14,663,597	14,663,597
TOTAL REAL ESTATE	0		14,663,597	14,663,597
SECURITIES LENDING	(2,817,652)			(2,817,652)
TOTAL STANCERA PORTFOLIO	20,494,314	428,281,452	729,063,729	1,177,839,494
	1.7%	36.4%	61.9%	100.0%

STANCERA

MONTHLY PERFORMANCE REVIEW

PERIOD ENDING JUNE 30, 2010

PRELIMINARY BASIS

CURRENT PERFORMANCE

	MARKET VALUE	JUNE	ALPHA	MAY	ALPHA	FISCAL YTD	ALPHA
DOMESTIC EQUITIES							
DODGE & COX - LARGE CAP VALUE	**148,645,128**	**-5.81%**	**-0.18%**	**-9.25%**	**-1.03%**	**15.45%**	**-1.47%**
RUSSELL 1000 VALUE		*-5.63%*		*-8.22%*		*16.92%*	
BGI - R1000 VALUE INDEX* **	**37,970,466**	**-5.55%**	**0.08%**	**-8.21%**	**0.01%**	**8.49%**	**0.41%**
RUSSELL 1000 VALUE		*-5.63%*		*-8.22%*		*8.08%*	
DELAWARE - LARGE CAP GROWTH	**76,470,959**	**-5.23%**	**0.28%**	**-6.86%**	**0.77%**	**13.63%**	**0.01%**
RUSSELL 1000 GROWTH		*-5.51%*		*-7.63%*		*13.62%*	
LOOMIS SAYLES - LARGE CAP GROWTH	**60,451,705**	**-6.29%**	**-0.78%**	**-7.17%**	**0.46%**	**14.31%**	**0.69%**
RUSSELL 1000 GROWTH		*-5.51%*		*-7.63%*		*13.62%*	
CAPITAL PROSPECTS*	**55,450,252**	**-7.49%**	**1.24%**	**-7.45%**	**1.00%**	**24.39%**	**-0.68%**
RUSSELL 2000 VALUE		*-8.73%*		*-8.45%*		*25.07%*	
LEGATO CAPITAL**	**48,777,470**	**-5.73%**	**0.98%**	**-6.44%**	**0.17%**	**19.03%**	**1.07%**
*RUSSELL 2000 GROWTH** *		*-6.71%*		*-6.61%*		*17.96%*	
BNY - S&P 500 INDEX	**55,738,287**	**-5.23%**	**0.00%**	**-7.98%**	**0.01%**	**14.50%**	**0.07%**
S&P 500		*-5.23%*		*-7.99%*		*14.43%*	
TOTAL DOMESTIC EQUITY	**483,504,268**	**-5.88%**	**-0.13%**	**-7.91%**	**-0.01%**	**15.31%**	**-0.41%**
Russell 3000 Index		*-5.75%*		*-7.90%*		*15.72%*	
FIXED INCOME							
DODGE & COX	**363,388,451**	**1.42%**	**-0.15%**	**-0.06%**	**-0.90%**	**13.43%**	**3.93%**
BARCLAYS US AGGREGATE BOND		*1.57%*		*0.84%*		*9.50%*	
PIMCO****	**77,601,524**	**1.69%**	**0.12%**	**1.75%**	**0.91%**	**3.47%**	**1.05%**
BARCLAYS US AGGREGATE BOND		*1.57%*		*0.84%*		*2.42%*	
TOTAL FIXED INCOME	**440,989,975**	**1.45%**	**-0.12%**	**0.25%**	**-0.59%**	**13.75%**	**4.25%**
BARCLAYS US AGGREGATE BOND		*1.57%*		*0.84%*		*9.50%*	
INTERNATIONAL INVESTMENTS							
LSV ASSET MGMT	**113,535,478**	**-0.84%**	**0.42%**	**-9.97%**	**0.44%**	**15.83%**	**4.96%**
MSCI ACWI Free ex-US		*-1.26%*		*-10.41%*		*10.87%*	
PYRAMIS	**117,360,386**	**-0.93%**	**0.33%**	**-10.12%**	**0.29%**	**13.33%**	**2.46%**
MSCI ACWI Free ex-US		*-1.26%*		*-10.41%*		*10.87%*	
TOTAL INTERNATIONAL EQUITY	**230,895,863**	**-0.89%**	**0.37%**	**-10.05%**	**0.36%**	**14.61%**	**3.74%**
MSCI ACWI Free ex-US		*-1.26%*		*-10.41%*		*10.87%*	
REAL ESTATE							
INVESCO	**14,663,597**	**-2.30%**	**-0.36%**	**-8.89%**	**-0.50%**	**20.24%**	**-5.18%**
FTSE EPRA/NAREIT Global REIT		*-1.94%*		*-8.39%*		*25.42%*	
SECURITIES LENDING							
BNY MELLON	**(2,817,652)**						
CASH and SHORT-TERM INVESTMENTS							
CASH	**10,603,441**	**0.01%**	**0.00%**	**0.01%**	**0.00%**	**0.19%**	**0.03%**
90 DAY TREASURY BILL		*0.01%*		*0.01%*		*0.16%*	
TOTAL StanCERA Fund	**1,177,839,494**	**-2.23%**	**-0.04%**	**-5.61%**	**-0.46%**	**15.97%**	**1.45%**
Policy Index		*-2.19%*		*-5.15%*		*14.52%*	
Actuary Rate of Assumption (8.16%)		*0.66%*	**-2.89%**	*0.66%*	**-6.27%**	*8.16%*	**7.81%**
Actuary Rate of Inflation (4.00%)		*0.33%*	**-2.56%**	*0.33%*	**-5.94%**	*4.00%*	**11.97%**

** 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.* ****PIMCO funded 5/1/10