



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
832 12th Street, Suite 600
Modesto, CA 95354
MAIL: P.O. Box 3150 Modesto 95353-3150

Phone (209) 525-6393
Fax (209) 558-5976
www.stancera.org
e-mail: retirement@stancera.org

AGENDA

BOARD OF RETIREMENT
832 12th Street, Suite 600 – **Wesley W. Hall Board Room**
Modesto, CA 95354

October 28, 2014
2:00 p.m.

The Board of Retirement welcomes you to its meetings, which are regularly held on the second Wednesday and the fourth Tuesday of each month. Your interest is encouraged and appreciated.

CONSENT ITEMS: These matters include routine administrative actions and are identified under the Consent Items heading.

PUBLIC COMMENT: Matters under jurisdiction of the Board, may be addressed by the general public before or during the regular agenda. However, California law prohibits the Board from taking action on any matter which is not on the posted agenda unless it is determined an emergency by the Board of Retirement. Any member of the public wishing to address the Board during the "Public Comment," period shall be permitted to be heard once up to three minutes. Please complete a Public Comment Form and give it to the Chair of the Board. Any person wishing to make a presentation to the Board must submit the presentation in written form, with copies furnished to all Board members. Presentations are limited to three minutes.

BOARD AGENDAS & MINUTES: Board agendas, Minutes and copies of items to be considered by the Board of Retirement are customarily posted on the Internet by Friday afternoon preceding a meeting at the following website: www.stancera.org.

Materials related to an item on this Agenda submitted to the Board after distribution of the agenda packet are available for public inspection at StanCERA, 832 12th Street, Suite 600, Modesto, CA 95354, during normal business hours.

AUDIO: All Board of Retirement regular meetings are audio recorded. Audio recordings of the meetings are available after the meetings at <http://www.stancera.org/sections/aboutus/agendas>.

NOTICE REGARDING NON-ENGLISH SPEAKERS: Board of Retirement meetings are conducted in English and translation to other languages is not provided. Please make arrangements for an interpreter if necessary.

REASONABLE ACCOMMODATIONS: In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the Board Secretary at (209) 525-6393. Notification 72 hours prior to the meeting will enable StanCERA to make reasonable arrangements to ensure accessibility to this meeting.

1. Meeting Called to Order
2. Roll Call
3. Announcements
4. Public Comment
5. Consent Items
 - a. Approval of the October 8, 2014 Investment Meeting Minutes [View](#)
 - b. Correspondence – Mendocino County [View](#)

5. Consent Items (Cont.)
 - c. Correspondence – SACRS [View](#)
 - d. Correspondence – Raven Capital Management LLC
6. Closed Session
 - a. Discussion and Action Regarding Legato Capital Management Government Code Section 54956.81
7. Annual Update and Review – Pyramis Global Advisors [View](#)
 - a. Quarterly Value Added Report [View](#)
8. Strategic Investment Solutions (SIS), Inc.
 - a. Monthly Performance Review for the Month Ending September 30, 2014 [View](#)
 - b. Report on “Top 10 Holdings” by StanCERA Investment Managers as of September 30, 2014 [View](#)
9. Executive Director
 - a. Quarterly Alternative Investment Update [View](#)
10. Closed Session
 - a. Discussion and Action Regarding Pryamis Global Advisors Government Code Section 54956.81
 - b. Discussion and Action Regarding Executive Director Annual Review
 - c. Discussion and Action Regarding Allocation of StanCERA's Real Estate Assets Government Code Section 54956.81
 - d. Conference with Legal Counsel – Pending Litigation – One Case: Stanislaus County Employees' Retirement Association v. Buck Consultants, LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152 Government Code Section 54956.9(d)(4)
 - e. Conference with Legal Counsel – Pending Litigation – One Case: O'Neal et al v. Stanislaus County Employees' Retirement Association Stanislaus County Superior Court Case No. 648469 Government Code Section 54956.9(d)(1)

- f. Conference with Legal Counsel – Pending Litigation – One Case:
Nasrawi et al v. Buck Consultants, LLC, et.al, Santa Clara County
Superior Court Case No. 1-11-CV202224; Court of Appeal, Sixth Appellate
District, Case No. H038894 Government Code Section 54956.9(d)(1)

- 11. Members' Forum (Information and Future Agenda Requests Only)
- 12. Adjournment



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PLEASE POST FOR EMPLOYEE VIEWING

BOARD OF RETIREMENT MINUTES

October 8, 2014

Members Present: Gordon Ford, Maria De Anda, Darin Gharat, Michael O'Neal
Jim DeMartini, Donna Riley, Jeff Grover, Mike Lynch
and Jason Gordo

Member Absent: None

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Kathy Herman, Fiscal Services/Operations Manager
Kellie Gomes, Executive Board Secretary

Others Present: Fred Silva, General Legal Counsel
Doris Foster, Chief Executive Office

1. Meeting called to order at 2:02 p.m. by Gordon Ford, Chair.
2. Roll Call
3. Announcements

Joan Clendenin pulled Item # 5.g.3 for closed session discussion

Kellie Gomes noted minutes for September 23, 2014 would be amended to reflect that Members Forum was held prior to closed session.

4. Public Comment

None

5. Consent Items

- a. Approval of the September 23, 2014 Investment Meeting Minutes
- b. Executive Director Goals Update Quarter 3 2014
- c. StanCERA Complaint Log
- d. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
 - 1. Banks, Robert – Sheriff – Effective 10-05-2014
 - 2. Blair, Susan – CSA – Effective 10-23-2014
 - 3. Blancett, Donna – CSA – Effective 10-04-2014
 - 4. Coito, Cathy – CSA – Effective 10-04-2014
 - 5. Figueroa, Luis – Assessor – Effective 10-01-2014
 - 6. Hernandez, John – CSA – Effective 10-04-2014
 - 7. Hidalgo, John – CSA – Effective 10-13-2014
 - 8. Miller, Georgeanna – DCSS – Effective 10-25-2014
 - 9. Ortiz, Mary – HSA – Effective 09-20-2014
 - 10. Potter, Jeffrey – Parks & Recreation – Effective 10-25-2014
 - 11. Ratana, Kam – CSA – Effective 10-04-2014
 - 12. Rodriguez, Maria E. – HSA – Effective 10-02-2014
 - 13. Takher, Daljit – HSA – Effective 10-08-2014
 - 14. Williams, David – GSA – Effective 10-18-2014
- e. Approval of Deferred Retirement(s) – **Section 31700**
 - 1. Canales, Vincent – StanCOG – Effective 08-16-2014
 - 2. Daniels, Richard – CSA – Effective 08-09-2014
 - 3. Hernandez, Kimberly – CSA – Effective 08-23-2014
 - 4. Jensen, Jill – CSA – Effective 06-03-2014
 - 5. Segarini, Rochelle – CSA – Effective 08-30-2014
 - 6. Thrasher, Deborah – OES – Effective 09-06-2014
 - 7. Urbina, Jorge – BHRS – Effective 07-19-2014
- f. Approval of Death Benefit – **Sections 31781, 31781.1, and 31781.3**
 - 1. LaFromboise, Candice Lynn Deceased, September 25, 2014, Active Member
 - 2. Davis, Jamie, Deceased, September 17, 2014, Deferred Member
 - 3. Brimoanbi, Claudia, Deceased, September 8, 2014, Active Member
- g. Approval of Disability Retirement – **Section 31724**
 - 1. Guzman, Regina - CSA, Non-Service Connected, Effective 03-19-2014
 - 2. Holcomb, Kimberly - BHRS, Non-Service Connected, Effective 06-11-14
 - 3. Humble, Jennifer - Sheriff, Service-Connected, Effective 02-06-14

5. Consent Items

h. Withdrawal of Application for a Disability –**Section 31727**

1. Byers, Raymond – Public Works

Motion was made by Maria De Anda and seconded by Michael O’Neal to approve consent items as presented with the change to the September 23, 2014 minutes as noted in announcements and without Item 5.g.3 that was pulled for closed session discussion.

Motion carried unanimously.

6. Executive Director

a. StanCERA Monthly Staff Report – Rick Santos

b. StanCERA 10-Year Strategic Realignment

Rick Santos and staff reviewed the 10 year plan for the Board. A 5-10 year replacement plan for the pension software system was included in the presentation. The Board directed staff to move up implementation of pension software and other I.T. solutions as quickly as possible.

3:26 p.m. Fred Silva left meeting

3:30 p.m. Fred Silva returned to meeting

3:31 p.m. Doris Foster left meeting

3:54 p.m. Doris Foster returned to meeting

c. Discussion and Action to Creation/Funding of Investment Officer classification

Rick Santos gave a presentation regarding the need for an investment officer position. The Board directed staff to do more research by completing the Request for Proposal for an Investment Consultant then return to the Board for further discussion and action.

d. Legislative / Legal Update – Dawn Lea

8. Members’ Forum (Information and Future Agenda Requests Only)

9. Closed Session

Motion was made by Michael O’Neal and seconded by Jason Gordo to enter into closed session at 4:21 p.m.

Motion carried unanimously

4:32 p.m. Darin Gharat recused himself from Item # 5.g.3.

9 Closed Session (Cont.)

- a. Discussion and Action Regarding Allocation of StanCERA's Real Estate Assets
Government Code Section 54956.81
- b. Conference with Legal Counsel – Pending Litigation – One Case:
Stanislaus County Employees' Retirement Association v. Buck Consultants,
LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
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District, Case No. H038894 Government Code Section 54956.9(d)(1)

4:10 p.m. Jeff Grover left meeting

4:14 p.m. Mike Lynch left meeting

4:31 p.m. Michael O'Neal and Joan Clendenin recused themselves

4:32 p.m. Darin Gharat returned to closed session

Motion was made by Jason Gordo and seconded by Darin Gharat to enter into open session at 4:46 p.m.

Motion carried unanimously

Kellie Gomes reported Motion was made by Maria De Anda and seconded by Michael O'Neal to approve Item # 5.g.3 application for service connected disability retirement for Jennifer Humble as recommended by staff.

Darin Gharat recused himself

Mike Lynch and Jeff Grover were not present for vote

Roll Call vote passed 4-2

Jim DeMartini Nay

Jason Gordo Nay

9. Adjournment

Meeting adjourned at 4:48 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:
FRED A. SILVA, GENERAL LEGAL COUNSEL

By: 
Fred A. Silva, General Legal Counsel

James M. Andersen
Interim Retirement Administrator



Telephone: (707) 463-4328
(707) 467-6473
Fax: (707) 467-6472

MENDOCINO COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
625-B KINGS COURT
UKIAH, CALIFORNIA 95482-5027

RECEIVED

SEP 24 2014

StanCERA

Date: September 17, 2014

To: State Association of County Retirement Systems (SACRS) President Yves Cherry and SACRS Executive Director Robert Palmer

From: Mendocino County Employee's Retirement Association (MCERA) Board of Retirement

Re: Should SACRS Fund an "Educational Program" on the Benefits of Defined Benefit Plans?

The MCERA Board of Retirement (BOR) has carefully considered the proposal that SACRS fund a professional public relations firm to educate the public on the positive aspects of Defined Benefit (DB) plans, such as our existing CERL plans. The subject was originally broached in a memo to all SACRS Systems in April. The issue was revisited in a memo dated June 19 which announced the appointment of an ad hoc committee and posed a number of questions to be considered. An additional update was provided in a memo dated July 28. We understand this issue will be a topic of consideration at the November conference.

MCERA is the smallest of all SACRS systems measured by assets. We are fortunate to be able to call on the collective knowledge base of SACRS and other SACRS Systems. We greatly appreciate that SACRS has maintained a focus on supporting our role as trustees and fiduciaries. Government Code Section 31595(a) defines the fiduciary responsibility of the Boards of Trustees of the individual SACRS Systems to be narrowly focused on providing benefits to plan participants and their beneficiaries; minimizing employer contributions; and defraying reasonable expenses of administering the system. We do not believe it is wise for SACRS to exceed the legislative mandate of its constituent members. To do so threatens to create divisiveness within SACRS while undermining the credibility of SACRS in the legislative and public arenas.

SACRS is not new to education - the mission of SACRS (as stated in Article I. Section 2. of the bylaws) is "to serve the 1937 Act Retirement Systems by exchanging information, providing education and analyzing legislation." Therefore, the question is not: "To Educate Or Not To Educate" as posed in the July 28 memo. Instead, SACRS is now being asked to embark on a thinly veiled lobbying campaign by funding a "professional public relations firm to educate the public on the benefits of DB plans," as stated in the June 19 memo. To answer the questions posed by that memo: we do not believe SACRS has a role

in "educating" the public on DB plans; SACRS would jeopardize its position as an "Honest Broker" if it does so; SACRS should not retain a communications firm for this purpose; SACRS has no obligation to become involved with initiative campaigns and would be wise not to.

The July 28 memo references a more modest goal of internal education to the SACRS Systems regarding the positive aspects of defined benefits but still contemplates the assistance of a professional communications firm. A truly educational program, in contrast to a lobbying campaign, would not be limited to describing the positive aspects of defined benefit programs, but would objectively present the pros and cons of both defined benefit and defined contribution plans.

In summary, we do not believe the proposed "educational program" is prudent for the following reasons: 1) it conflicts with SACRS mission statement and the mandates of GC Section 31595(a); 2) it is not an appropriate use of members assets; 3) it may please some plan members or sponsors and offend others; 4) it will undermine SACRS credibility with the legislature; 5) it threatens to create divisiveness within SACRS.

Now that the perceived "threat" of the Ventura initiative has passed, we believe consideration of the proposal for SACRS to fund a public lobbying campaign should shift from "go slow" to "no go." There is no shortage of information on the benefits of defined benefit plans and no shortage of interest groups dedicated to "educating" the public on the issue. We strongly believe SACRS will continue to best serve all SACRS Systems by focusing on its historic mission and avoiding the partisan political arena.

Sincerely,



Shari Schapmire, Chair
Mendocino County Board of Retirement

Cc: Retirement Administrators of all 1937 Act Retirement Systems

JM/TS/JZ/BOR

Date: October 7, 2014
Memo To: SACRS Member Systems
From: Ad Hoc Committee on Education and Communication
Skip Murphy, Gregg Rademacher, Richard Stensrud, Tracy Towner and
Jeff Wickman
RE: Assessing SACRS Communications Needs and Interests

Since being named by President Yves Chery in June, the SACRS Ad Hoc Committee on Education and Communications has met twice, corresponded regularly and talked with our colleagues about proposals to engage in an educational program. Our deliberations have been guided by the SACRS mission: “to serve the 1937 Act Retirement Systems by exchanging information, providing education, and analyzing legislation.” Tracy Towner of the Ventura County Employees Retirement Association has volunteered to serve as chair of the ad hoc committee.

We presented our initial recommendations to the SACRS Board of Directors in September. Any SACRS education effort should focus on the needs of our members in support of our historic mission “to provide forums for disseminating knowledge of and developing expertise in the operation of county retirement systems.” The board endorsed our recommendation to strengthen internal communications and initiate a dialogue on communications needs with SACRS member systems. Our goal is to assess an appropriate way for the SACRS member systems to work together on better educating and informing our members on issues important to funds operating under the County Employees Retirement Law of 1937.

This memo is the first step in that process. We will meet again in mid-October to plan a series of surveys, conversations, meetings, and a symposium designed to assess the primary communications capacities, needs and interests of our member systems. We will present that outline at the November conference and, with your help, refine our time line so that we can capture the goals and interests of all 20 systems. During the process of engagement, member systems will help formulate a proposal to be considered by all members sometime in 2015.

SACRS has a strong history of working on critical educational initiatives ranging from our membership conferences to the SACRS magazine, the new trustee interactive CD, and sponsoring our public pension investment management training program. Member systems have raised the concern that additional communication and education activities might be needed to keep pace with changes in the environment in which we operate and to provide SACRS members with information not available to individual systems.

Continued

For instance, in 2008 we collectively gathered information about the total benefits we pay in a year and commissioned a study to assess the cumulative impact of those payments on the California economy and on jobs in the state. The work we are about to begin will let us know if that kind of study is again useful to member systems or whether there are other studies and activities that might benefit from cooperation among the systems.

Whatever the member outreach process reveals, our collective SACRS approach to refining a cohesive communications program for our association needs to not only reflect our mission and history but continue to encourage the diversity of our membership while meeting the new challenges facing our systems.

Please contact any of us with your thoughts about how to shape this information gathering effort. Feel free to forward comments to SACRS at SACRS@SACRS.ORG

Pyramis Global Advisors®

International Growth

October 28, 2014

PRESENTATION TO:
Stanislaus County Employees' Retirement Association



Chris Steward, CFA
Co-Lead Portfolio Manager

Eileen Dobb, CFA
*Lead Portfolio Manager,
Asia Growth Strategies*

Sue Curran
*Senior Vice President,
Relationship Manager*
401-292-4722
sue.curran@pyramis.com

Table of Contents

1. Pyramis International Growth Investment Process
2. Market Environment
3. Investment Performance & Positioning
4. Appendix
 - A. Important Information
 - B. Biographies

See "Important Information" for a discussion of performance data, some of the principal risks related to any of the investment strategies referred to in this presentation and other information related to this presentation.



Pyramis International Growth Investment Process

Pyramis International Growth Portfolio Management

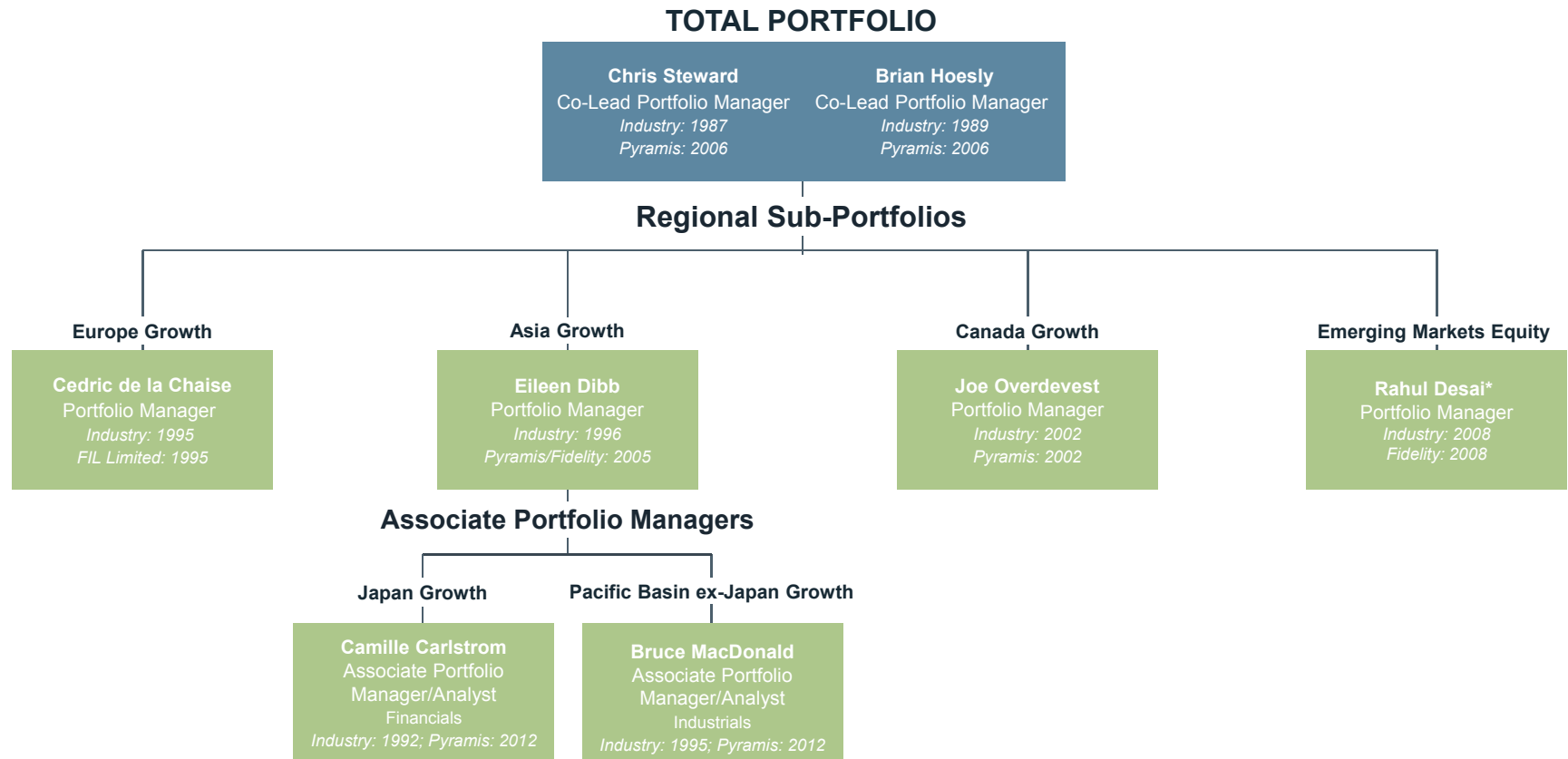


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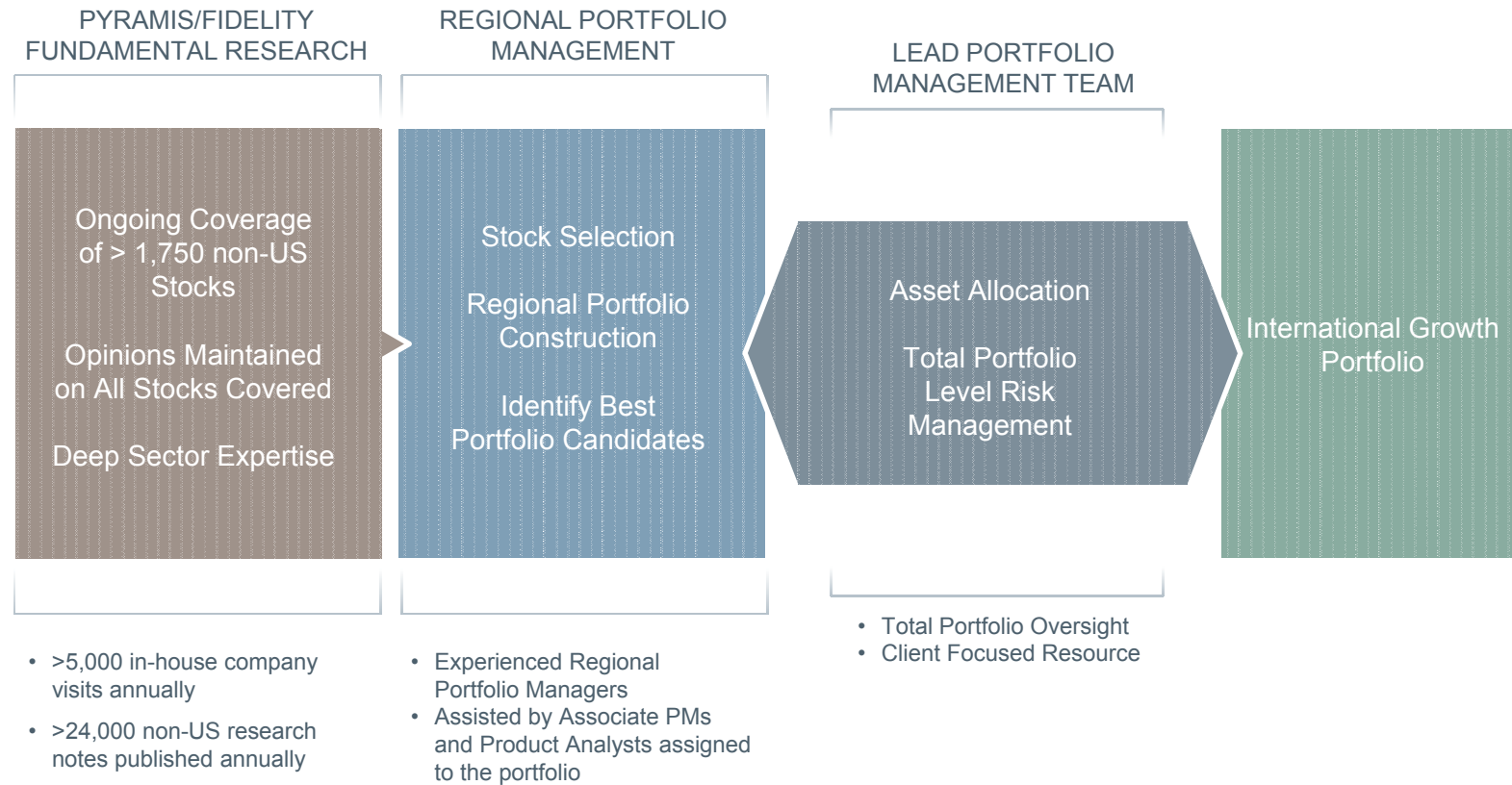
*Effective June 05, 2014, Rahul Desai assumed portfolio management responsibilities of the Emerging Markets Equity sub-portfolio, replacing Ashish Swarup.

Pyramis International Growth Dedicated Resources

Europe	Asia		Canada	Emerging Markets
	Associate Portfolio Managers/Analysts			
	Japan	Pacific Basin Ex-Japan		
	Camille Carlstrom Associate Portfolio Manager/Analyst Financials	Bruce MacDonald Associate Portfolio Manager/Analyst Industrials Hong Kong		
	Product Analysts			
Access to 67 London-based Fundamental Analysts	Fei Chen Industrials, Materials	Tom Quarmby Financials Hong Kong	Access to 11 Canadian Fundamental Analysts	Access to 26 Regional EM Equity Analysts
	Robert Lee Consumer Discretionary Hong Kong			Access to 6 EM Debt Analysts
	Benny Lo Technology Hong Kong			Access to 2 EM Quantitative Analyst

Illustration does not indicate reporting hierarchy.
As of June 30, 2014.

Pyramis International Growth Investment Process

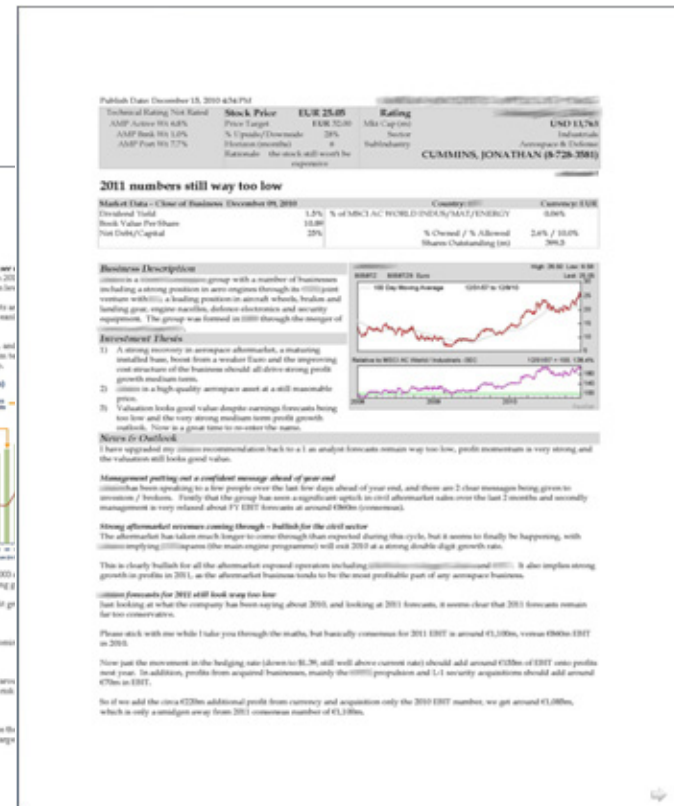


For illustrative purposes only.
Research resources described herein include the combined resources of Pyramis and Fidelity Investments.

Step 1: Proprietary Research

Fundamental Research

- Company meetings
- Written notes
- Face-to-face
- Analyst ratings
- Analyst model portfolio



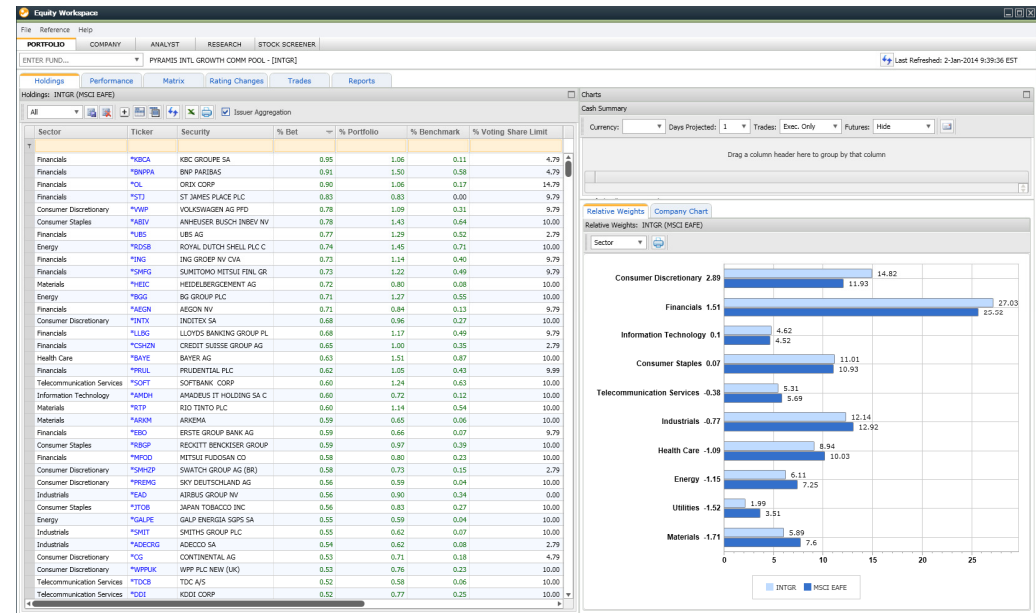
For illustrative purposes only.

Step 2: Stock Selection

Identify Best Ideas

Selection Process:

- Total return target based on proprietary 2–3 yr forward earnings potential and target valuation metrics
- Fundamental prospects:
 - Top line growth: volume, pricing
 - Operating profit margin evolution
 - Porter Competitive Analysis
 - Secular story tied to company
 - Potential for increasing cash flow
 - Management quality and use of capital
 - Balance sheet strength
 - Strategy and economics of M&A
 - Ownership structure
- Target valuation metrics for company fundamentals



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Step 3: Portfolio Construction

Disciplined Portfolio Construction and Risk Management

Buy/Sell Discipline:

- Region, sector and liquidity exposures
- Return potential to target price = “upside”
- Seek to exit positions when full valuations are reached, investment thesis deteriorates or better potential elsewhere
- Monitor investment thesis
- Realization of catalysts
- Monitor liquidity and trade execution

Fund View - Global/Intl						
Short Name	TE %	Beta	Fund Bas...	Market Capit...	ROA	LT Debt/Capital
ISMAL	4.90%	0.97%	USD			
FOEP	1.46%	0.98%	USD	40,839,007,458.7057	4.6996	35.8479
FCISC	3.53%	0.98%	CAD	1,724,474,848.1426	5.0154	22.8263
CHEVGRP	1.78%	0.98%	USD	42,015,566,237.1832	5.4190	35.5692
PYSEMPL	3.78%	0.99%	USD	21,517,999,397.5417	6.7952	22.0237

Trade	Risk Decomp	Risk Factor Model	GICS Sector	GICS Industry Group	GICS Industry	GICS Sub-Indus
Fund Factor Return & Exposure View: Risk Model - GEM2						
Factor	Fund Exp	Long Fund Exp	BM Exp	Rel Exp	Factor Returns %	
Momentum	0.1243	0.1243	0.1511	-(0.0268)	-(0.0224)	
Volatility	0.0615	0.0615	0.1153	-(0.0538)	0.267	
Value	-(0.0865)	-(0.0865)	-(0.1893)	0.1028	-(0.6610)	
Size	-(1.7663)	-(1.7663)	-(1.6640)	-(0.1023)	1.227	

Trade	Risk Decomp	Risk Factor Model	GICS Sector	GICS Industry Group	GICS Industry	GICS Sub-Indus
Fund GICS Sector View						
GICS Sector	Fund Stoc...	BM Stock ...	Fund %	BM %	Rel %	Fund Ctr... Re
Energy	12	172	4.41	5.79	-(1.38)%	-(0.03)%
Materials	27	414	11.71	13.12	-(1.41)%	-(0.19)%
Industrials	43	736	21.02	22.68	-(1.66)%	-(0.20)%
Consumer Discretionary	35	583	17.83	17.66	0.16%	-(0.22)%
Consumer Staples	12	195	7.15	5.36	1.78%	-(0.06)%
Health Care	10	191	5.92	5.55	0.37%	-(0.04)%
Financials	32	535	16.88	17.03	-(0.14)%	-(0.14)%
Information Technology	19	358	9.88	9.18	0.70%	-(0.04)%
Telecommunication Services	3	28	1.35	1.32	0.03%	-(0.01)%
Utilities	6	68	2.99	2.20	0.79%	-(0.02)%
Undefined	0	9	0.00	0.09	-(0.09)%	0.00%
Cash	1	0	0.85	0.00	0.85%	0.00%

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International Growth Asset Allocation Process

Lead PM team determines regional asset allocation utilizing Fidelity's broad and deep resources

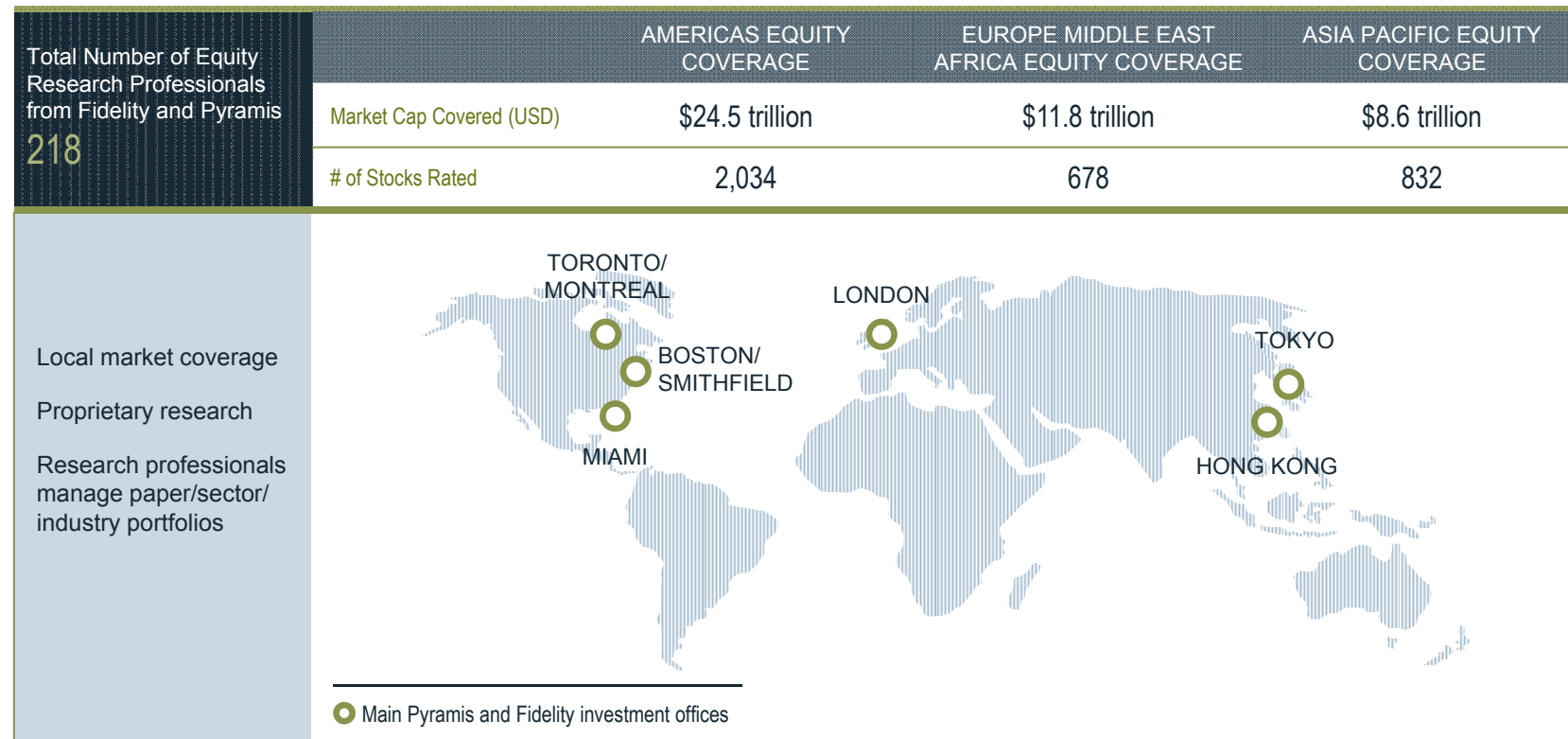
Qualitative inputs are the primary focus, leveraging Fidelity's vast global network of research analysts, supported by quantitative and technical inputs

- **Economic Insight from Locally-Based Research**
 - Utilize vast fundamental research resources of the Fidelity global enterprise
 - Capitalize on the competitive strength of the firm – fundamental research
 - Generate insights across the global supply chain
- **Unique Regional Perspective Combining Portfolio Management and Macroeconomic Research**
 - Integrate views of International Growth regional PMs and other regional experts
 - Employ the macroeconomic modeling and expertise of FMR's Asset Allocation Research Team (AART)
 - Incorporate macroeconomic views from outside experts including brokers and independent research providers
- **Quantitative inputs**
 - Equity valuation metrics, bond market trends, interest-rate forecasts, and currency trends
 - Regular technical analysis meetings with International Growth Team to examine trends in markets, currencies and stocks

Research resources described herein include the combined resources of Pyramis and Fidelity Investments.



Our Equity Research Coverage Spans the Globe



Research professionals include research analysts and associates as of June 30, 2014 and reflects the combined resources of Pyramis and Fidelity Investments. Market Cap covered reflects the aggregate market capitalization of securities for which Pyramis and Fidelity analysts and associates provided at least one rating during the prior 3 months. Represents coverage of free float-adjusted index. Calculation of Market Cap Covered is based on Total Market Cap across indices and cannot be adjusted for free-float.

Pyramis International Growth—Investment Parameters

Factors	Parameters
Regional weights	Benchmark weight \pm 5.0%
Country weights	Benchmark weight \pm 5.0%
Industry group weights	Benchmark weight \pm 10.0%
Security weights	Benchmark weight \pm 3.0%
Market capitalization	Benchmark weighted average \pm 15.0%

Benchmark: MSCI EAFE (N) Index.

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Market Environment

3Q14 Market Summary

- Global equity markets retreated; MSCI EAFE (net) -5.9%, ACWI ex-US (net) -5.0%.
- US was the only major market to post a positive quarterly return of 0.6% for the S&P500.
- Stocks in the European periphery countries gave back much of their first half gains.
- New Zealand and Australia, first-half high flyers, also retrenched.
- Japan was the best of the worst non-US developed markets, returning -2.3% for Q3.*

Source: MSCI.

Past performance is no guarantee of future results.

*Benchmark: MSCI Japan (N) Index.

Outlook

Moderate global GDP growth outlook remains in place.

- IMF trimming global growth forecasts
- US growth leads the pack
- Europe growth projected at less than 1%
- Japan growth is tentative and uncertain
- China growth continues to slow – some projections suggest mid-6% for 2015

Continued patience required on Abe's reforms

- The pace of structural reform has disappointed with few concrete details
- Next consumption tax increase to be decided in Q4
- Concerns linger over 7.1% GDP drop in Q2 following the April 3% tax increase

Risks

Central bank policy in US, Europe, or Japan falters

Geopolitical risks remain high

- Ukraine conflict intensifies
- ISIS/ISIL expand their influence beyond the Gulf States
- Hong Kong protests prompt crack down by China



Investment Performance & Positioning

Pyramis International Growth—Investment Results (Gross)

As of September 30, 2014

PERFORMANCE RETURNS (%)

	Cumulative		Annualized					
	3-Month	YTD	1-Year	3-Year	5-Year	Since Inception	Inception Date	TNA (USD Mil)
Stanislaus County IG (G)	(4.65)	(2.30)	3.64	13.36	7.52	3.62	5/11/2006	156.75
Stanislaus County IG (N)	(4.76)	(2.63)	3.16	12.82	7.00	3.12		
MSCI AC Wld ex US (N)	(5.27)	0.00	4.77	11.79	6.03	2.56		
Active Return-Gross	0.62	(2.30)	(1.13)	1.57	1.49	1.06		
Active Return-Net	0.51	(2.63)	(1.61)	1.03	0.97	0.56		
Stanislaus County IG - Europe (G)	(6.52)	(4.34)	4.53	18.24	9.38	5.14		
MSCI Eur/MSI Eur & ME(N)	(6.95)	(1.76)	5.97	15.48	6.78	2.58		
Active Return-Gross	0.43	(2.58)	(1.44)	2.76	2.60	2.56		
Stanislaus County IG - Japan (G)	0.75	(2.78)	0.78	12.85	8.87	(0.53)		
MSCI Japan (N)	(2.30)	(1.64)	0.62	9.16	5.41	(1.19)		
Active Return-Gross	3.05	(1.14)	0.16	3.69	3.46	0.66		
Stanislaus County IG - PB ex Japan (G)	(6.87)	(2.98)	(1.36)	8.49	3.81	6.40		
MSCI Pacific ex Japan (N)	(5.90)	1.07	1.35	12.08	7.33	6.38		
Active Return-Gross	(0.97)	(4.05)	(2.71)	(3.59)	(3.52)	0.02		
Stanislaus County IG - Canada (G)	(4.78)	8.69	16.58	16.57		11.18	12/2/2009	
MSCI Canada (N)	(4.47)	6.61	10.87	8.86		5.29		
Active Return-Gross	(0.31)	2.08	5.71	7.71		5.89		
Stanislaus County IG - Emerging Markets (G)	(2.82)	0.38	2.65	5.58	3.21	2.12	5/11/2006	
MSCI EM IMI(G)/EM(G) Link	(3.08)	3.37	5.22	7.89	4.95	4.61		
Active Return-Gross	0.26	(2.99)	(2.57)	(2.31)	(1.74)	(2.49)		

Client data shown.

(N)= Net Dividend Withholding Taxes.

Net performance is less the client advisory fee charged employing this strategy; other fees and expenses may reduce returns.

Past performance is no guarantee of future results.



International Growth—Contributors and Detractors

Quarter Ended September 30, 2014

TOP CONTRIBUTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
HITACHI METALS LTD	0.4	0.0	0.4	19.5	MATERIALS	JAPAN
ASTELLAS PHARMA INC	0.7	0.2	0.5	14.2	HEALTH CARE	JAPAN
KEPCO PLANT SER & ENG CO LTD	0.4	0.0	0.4	15.6	INDUSTRIALS	KOREA (SOUTH)
SANOI	1.3	0.7	0.6	6.6	HEALTH CARE	FRANCE
MURATA MFG CO LTD	0.4	0.1	0.3	21.7	INFORMATION TECHNOLOGY	JAPAN

TOP DETRACTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
VOLKSWAGEN AG	0.9	0.2	0.6	(20.9)	CONSUMER DISCRETIONARY	GERMANY
ARKEMA	0.4	0.0	0.3	(30.7)	MATERIALS	FRANCE
CONTINENTAL AG	0.8	0.1	0.7	(17.8)	CONSUMER DISCRETIONARY	GERMANY
CHINA MOBILE LIMITED	0.0	0.4	(0.4)	20.8	TELECOMM SERVICES	CHINA
SANDS CHINA LTD	0.3	0.1	0.2	(31.7)	CONSUMER DISCRETIONARY	HONG KONG

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International Growth—Sector Attribution

Quarter Ended September 30, 2014

Sector	Relative Weight (%)	Stock Selection (bps)	Sector Selection (bps)	Total Contribution (bps)
Industrials	0.8	27	(1)	26
Information Technology	0.2	20	1	21
Financials	(4.0)	28	(8)	20
Consumer Staples	(0.2)	14	0	14
Energy	(2.8)	(2)	13	11
Health Care	3.0	(10)	18	8
Utilities	(1.4)	(1)	(1)	(2)
Materials	(1.6)	(13)	7	(6)
Telecommunication Services	(0.5)	(9)	(2)	(11)
Consumer Discretionary	3.5	(14)	(9)	(22)

Benchmark is MSCI AC Wld ex US (N).
 Past performance is no guarantee of future results.
 Client data shown.

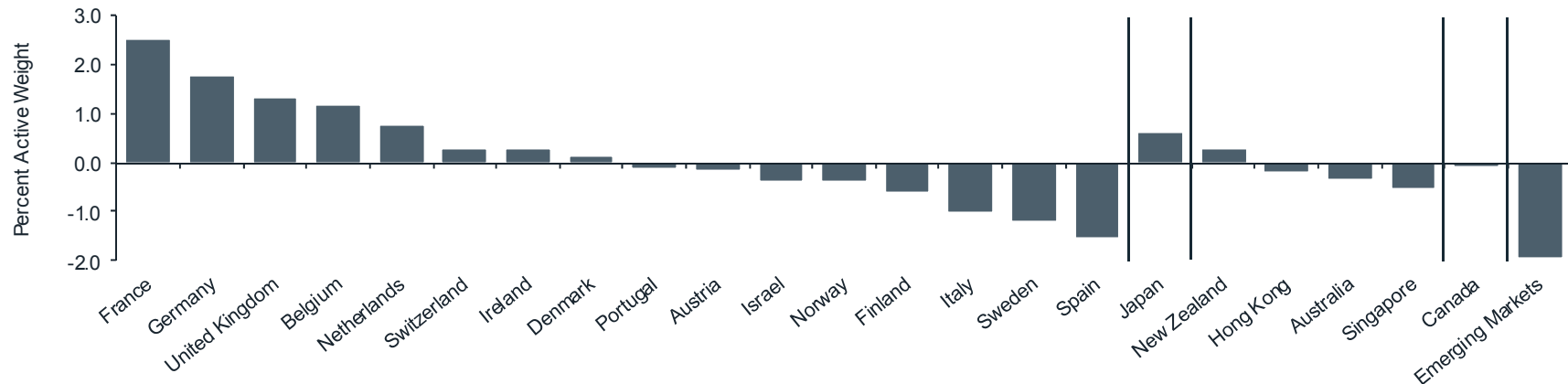
Pyramis International Growth—Regional and Country Allocations

As of September 30, 2014

REGIONAL ALLOCATION

	Portfolio Weight (%)	MSCI AC Wld ex US (N) Index (%)	Difference
Europe	49.4	47.5	1.9
Japan	15.4	14.8	0.6
Pacific ex Japan	8.1	8.6	(0.5)
Canada	7.5	7.6	(0.1)
Emerging Markets	19.6	21.5	(1.9)

ACTIVE WEIGHT VERSUS Index* (%)

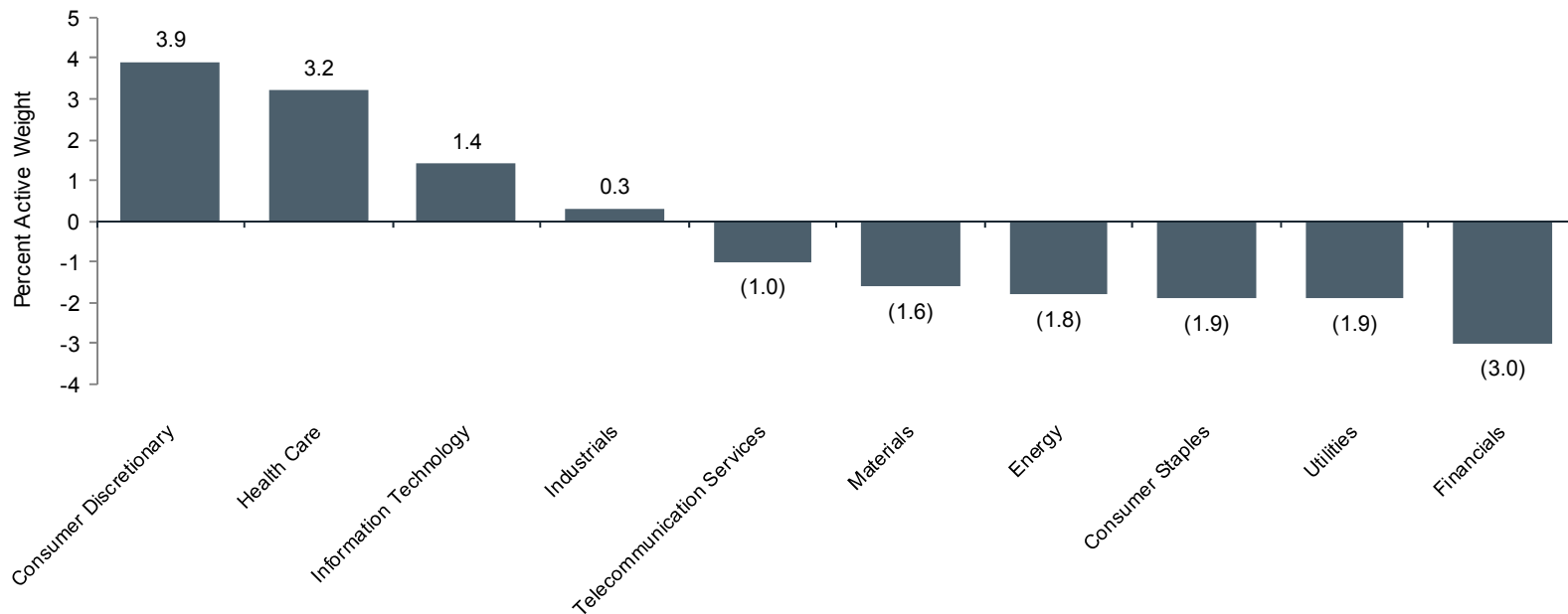


*Relative to the MSCI AC Wld ex US (N).
Client data shown.

International Growth—Sector Relative Weights

As of September 30, 2014

ACTIVE WEIGHT VERSUS INDEX* (%)



*Relative to the MSCI AC Wld ex US (N).
Client data shown.

International Growth—Top 10 Active Weights

As of September 30, 2014

Holdings	Top 10 Positive Active* (%)
LLOYDS BANKING GROUP PLC	0.7
KBC GROUPE SA	0.7
SANOFI	0.7
ING GROEP NV CVA	0.6
CONTINENTAL AG	0.6
WOLSELEY PLC	0.6
REED ELSEVIER NV	0.6
FRESENIUS SE & CO KGAA	0.6
ALLIANZ SE (REGD)	0.6
VOLKSWAGEN AG	0.6
Total	6.4

Holdings	Top 10 Negative Active* (%)
BANCO SANTANDER SA (SPAIN)	(0.6)
AUSTRALIA & NZ BANKING GRP	(0.4)
DAIMLER AG (GERW)	(0.4)
BANCO BILBAO VIZ ARGENTARIA SA	(0.4)
CHINA MOBILE LIMITED	(0.4)
BHP BILLITON LTD	(0.4)
UNILEVER NV CVA (BEARER)	(0.4)
TELEFONICA SA	(0.3)
BG GROUP PLC	(0.3)
TENCENT HOLDINGS LIMITED	(0.3)
Total	(4.0)

*Relative to the MSCI AC Wld ex US (N).

Past performance is no guarantee of future results. Not representative of manager's entire portfolio or all recommendations. Not a recommendation or offer to buy or sell securities. Client data shown.



Appendix

Europe Growth—Contributors and Detractors

Quarter Ended September 30, 2014

TOP CONTRIBUTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
SANOFI	2.6	1.4	1.2	6.6	HEALTH CARE	FRANCE
TESCO PLC	0.0	0.4	(0.4)	(37.9)	CONSUMER STAPLES	UNITED KINGDOM
ASML HOLDING NV	1.3	0.4	0.9	6.9	INFORMATION TECHNOLOGY	NETHERLANDS
DAIMLER AG (GERW)	0.0	0.9	(0.9)	(18.1)	CONSUMER DISCRETIONARY	GERMANY
ING GROEP NV CVA	1.8	0.6	1.2	1.7	FINANCIALS	NETHERLANDS

TOP DETRACTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
VOLKSWAGEN AG	1.7	0.5	1.2	(20.9)	CONSUMER DISCRETIONARY	GERMANY
ARKEMA	0.7	0.1	0.7	(30.7)	MATERIALS	FRANCE
CONTINENTAL AG	1.7	0.3	1.4	(17.8)	CONSUMER DISCRETIONARY	GERMANY
ILIAD GROUP SA	0.6	0.1	0.5	(29.8)	TELECOM SERVICES	FRANCE
SCHNEIDER ELECTRIC SE	1.3	0.5	0.8	(18.2)	INDUSTRIALS	FRANCE

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Europe Growth—Sector Attribution

Quarter Ended September 30, 2014

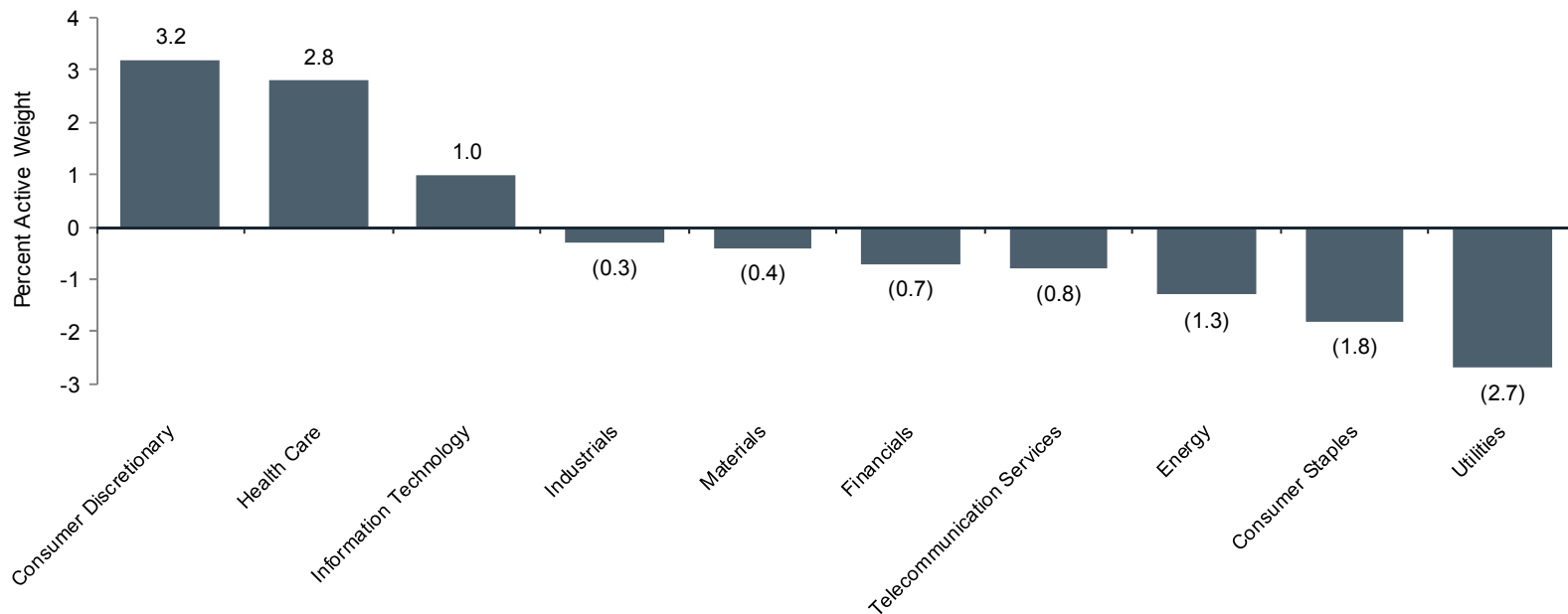
Sector	Relative Weight (%)	Stock Selection (bps)	Sector Selection (bps)	Total Contribution (bps)
Financials	(0.8)	42	(3)	40
Consumer Staples	(2.0)	28	1	29
Energy	(1.7)	11	8	19
Health Care	2.7	(10)	19	10
Industrials	0.3	9	0	9
Information Technology	0.6	1	2	3
Utilities	(2.8)	(1)	(2)	(3)
Telecommunication Services	(0.9)	(4)	0	(4)
Consumer Discretionary	3.6	(1)	(21)	(22)
Materials	(0.2)	(41)	2	(39)

Benchmark is MSCI Eur/MSCI Eur & ME (N).
 Past performance is no guarantee of future results.
 Client data shown.

Europe Growth—Sector Relative Weights

As of September 30, 2014

ACTIVE WEIGHT VERSUS INDEX* (%)



*Relative to the MSCI Eur/MSCI Eur & ME (N).
Client data shown.

Europe Growth—Top 10 Active Weights

As of September 30, 2014

Holdings	Top 10 Positive Active* (%)
LLOYDS BANKING GROUP PLC	1.4
KBC GROUPE SA	1.4
SANOFI	1.3
CONTINENTAL AG	1.3
ING GROEP NV CVA	1.3
WOLSELEY PLC	1.3
REED ELSEVIER NV	1.3
FRESENIUS SE & CO KGAA	1.2
ALLIANZ SE (REGD)	1.2
VOLKSWAGEN AG	1.2
Total	12.8

Holdings	Top 10 Negative Active* (%)
BANCO SANTANDER SA (SPAIN)	(1.3)
DAIMLER AG (GERW)	(0.9)
BANCO BILBAO VIZ ARGENTARIA SA	(0.8)
UNILEVER NV CVA (BEARER)	(0.8)
TELEFONICA SA	(0.7)
BG GROUP PLC	(0.7)
ENI SPA	(0.7)
GLENCORE PLC	(0.7)
ASTRAZENECA PLC (UK)	(0.7)
RECKITT BENCKISER GROUP PLC	(0.7)
Total	(7.9)

*Relative to the MSCI Eur/MSCI Eur & ME (N).

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Japan Growth—Contributors and Detractors

Quarter Ended September 30, 2014

TOP CONTRIBUTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
HITACHI METALS LTD	3.0	0.1	2.9	19.5	MATERIALS	JAPAN
ASTELLAS PHARMA INC	4.4	1.1	3.3	14.2	HEALTH CARE	JAPAN
MURATA MFG CO LTD	2.6	0.7	1.9	21.7	INFORMATION TECHNOLOGY	JAPAN
SEIKO EPSON CORP	2.7	0.2	2.5	13.6	INFORMATION TECHNOLOGY	JAPAN
MITSUBISHI ELECTRIC CORP ORD	3.6	0.9	2.7	8.6	INDUSTRIALS	JAPAN

TOP DETRACTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
ORIX CORP	3.4	0.7	2.7	(16.7)	FINANCIALS	JAPAN
NIPPON SHOKUBAI CO LTD	1.8	0.0	1.8	(16.5)	MATERIALS	JAPAN
SUMITOMO REALTY & DEV CO LTD	2.1	0.5	1.6	(16.8)	FINANCIALS	JAPAN
MITSUMI FUDOSAN CO	3.2	1.1	2.1	(8.9)	FINANCIALS	JAPAN
HITACHI CAPITAL CORPORATION	1.0	0.0	1.0	(13.2)	FINANCIALS	JAPAN

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Japan Growth—Sector Attribution

Quarter Ended September 30, 2014

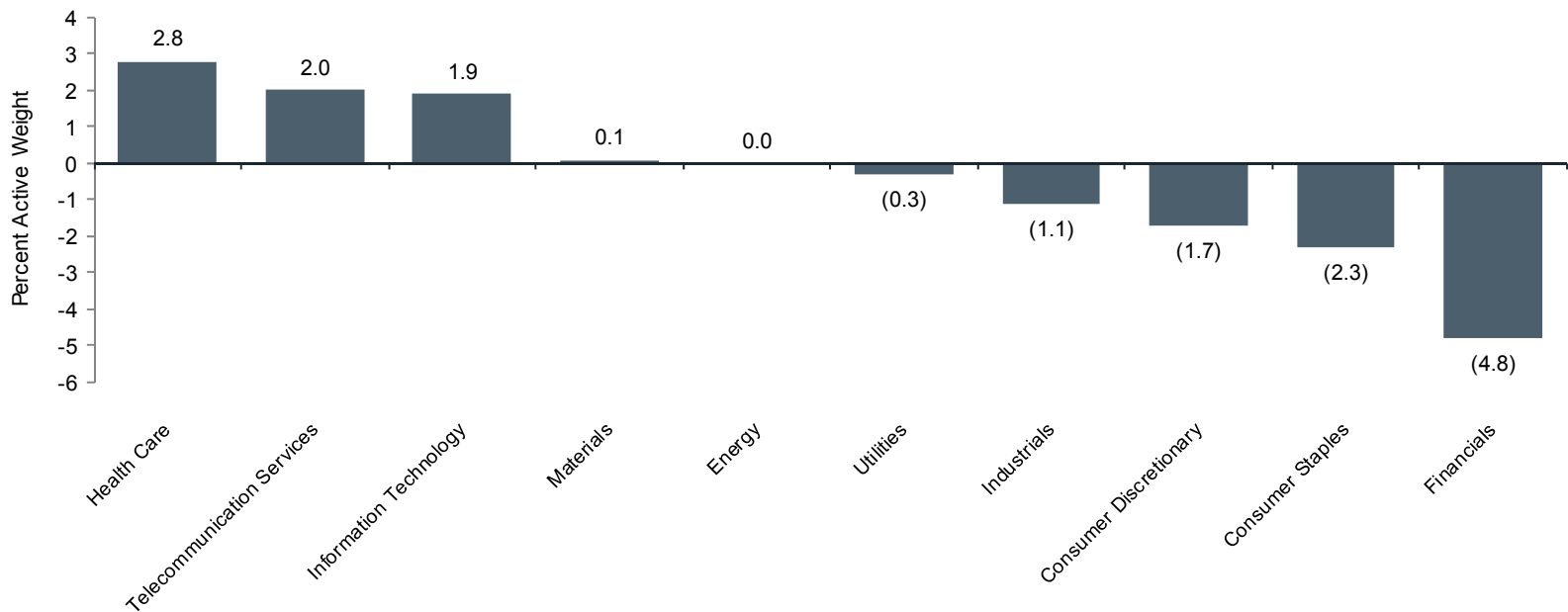
Sector	Relative Weight (%)	Stock Selection (bps)	Sector Selection (bps)	Total Contribution (bps)
Industrials	(1.5)	108	(3)	104
Information Technology	1.8	90	5	96
Health Care	2.7	47	10	57
Materials	0.4	43	1	44
Consumer Discretionary	(1.1)	28	(4)	23
Consumer Staples	(1.1)	9	3	11
Energy	0.0	3	0	3
Utilities	(2.0)	(4)	3	0
Telecommunication Services	2.1	(5)	(2)	(7)
Financials	(4.3)	(54)	23	(31)

Benchmark is Benchmark is MSCI Japan (N).
 Past performance is no guarantee of future results.
 Client data shown.

Japan Growth—Sector Relative Weights

As of September 30, 2014

ACTIVE WEIGHT VERSUS INDEX* (%)



*Relative to the MSCI Japan (N).
Client data shown.

Japan Growth—Top 10 Active Weights

As of September 30, 2014

Holdings	Top 10 Positive Active* (%)
ASTELLAS PHARMA INC	3.5
HITACHI METALS LTD	2.8
MITSUBISHI ELECTRIC CORP ORD	2.7
ORIX CORP	2.4
SEIKO EPSON CORP	2.2
NIDEC CORP	2.1
MITSUMI FUDOSAN CO	2.0
SOFTBANK CORP	1.9
BRIDGESTONE CORP	1.9
KDDI CORP	1.8
Total	23.4

Holdings	Top 10 Negative Active* (%)
HONDA MOTOR CO LTD	(2.1)
MIZUHO FINANCIAL GROUP INC	(1.5)
CANON INC	(1.4)
MITSUBISHI UFJ FINL GRP INC	(1.3)
JAPAN TOBACCO INC	(1.3)
TAKEDA PHARMACEUTICAL CO LTD	(1.3)
MITSUBISHI CORP	(1.1)
MITSUBISHI ESTATE CO LTD	(1.0)
MITSUMI & CO LTD	(1.0)
SHIN-ETSU CHEMICAL CO LTD	(1.0)
Total	(13.0)

*Relative to the MSCI Japan (N).

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Pacific Basin ex-Japan Growth—Contributors and Detractors

Quarter Ended September 30, 2014

TOP CONTRIBUTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
AUSTRALIA & NZ BANKING GRP	0.0	5.0	(5.0)	(14.0)	FINANCIALS	AUSTRALIA
RAMSAY HEALTH CARE LTD	4.0	0.4	3.7	3.0	HEALTH CARE	AUSTRALIA
AIA GROUP LTD	6.1	3.8	2.2	3.3	FINANCIALS	HONG KONG
LEND LEASE GROUP (STAPLED)	2.4	0.4	1.9	4.4	FINANCIALS	AUSTRALIA
BHP BILLITON LTD	3.5	6.6	(3.1)	(11.0)	MATERIALS	AUSTRALIA

TOP DETRACTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
SANDS CHINA LTD	2.1	1.0	1.1	(28.0)	CONSUMER DISCRETIONARY	HONG KONG
JAMES HARDIE INDUSTRIES PLC CDI	2.2	0.3	1.9	(19.9)	MATERIALS	AUSTRALIA
MELCO INTL DEVELOPMENT LTD	1.1	0.0	1.1	(19.0)	CONSUMER DISCRETIONARY	HONG KONG
HONG KONG EXCHS & CLEARING LTD	0.6	1.4	(0.8)	(5.3)	FINANCIALS	HONG KONG
RYMAN HEALTHCARE GROUP LTD	2.3	0.2	2.2	(18.7)	HEALTH CARE	NEW ZEALAND

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Pacific Basin ex-Japan Growth—Sector Attribution

Quarter Ended September 30, 2014

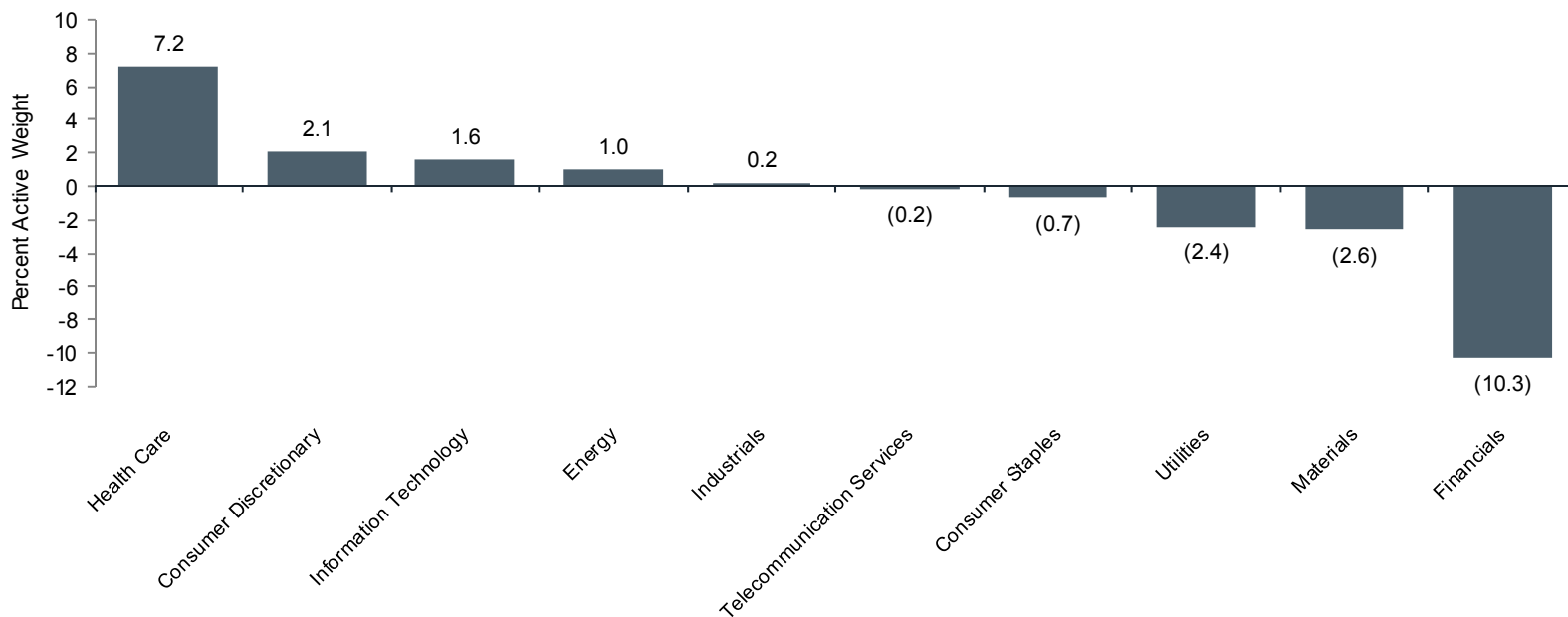
Sector	Relative Weight (%)	Stock Selection (bps)	Sector Selection (bps)	Total Contribution (bps)
Information Technology	1.0	33	(3)	31
Health Care	6.5	(40)	50	10
Consumer Staples	(0.3)	0	0	0
Materials	(2.7)	(18)	15	(3)
Telecommunication Services	(1.3)	(2)	(4)	(6)
Energy	0.2	(9)	1	(7)
Utilities	(2.3)	2	(9)	(8)
Consumer Discretionary	2.4	8	(37)	(29)
Industrials	2.5	(24)	(9)	(33)
Financials	(9.3)	(68)	(10)	(78)

Benchmark is MSCI Pacific ex Japan (N).
 Past performance is no guarantee of future results.
 Client data shown.

Pacific Basin ex-Japan Growth—Sector Relative Weights

As of September 30, 2014

ACTIVE WEIGHT VERSUS INDEX* (%)



*Relative to the MSCI Pacific ex Japan (N).
Client data shown.

Pacific Basin ex-Japan Growth—Top 10 Active Weights

As of September 30, 2014

Holdings	Top 10 Positive Active* (%)
RAMSAY HEALTH CARE LTD	3.8
RYMAN HEALTHCARE GROUP LTD	2.8
AIA GROUP LTD	2.3
TECHTRONIC INDUSTRIES CO LTD	2.2
LEND LEASE GROUP (STAPLED)	2.1
MACQUARIE GROUP LTD	2.0
REA GROUP LTD	2.0
DBS GROUP HOLDINGS LTD	1.9
JAMES HARDIE INDUSTRIES PLC CDI	1.9
CHEUNG KONG HLDGS LTD	1.9
Total	22.9

Holdings	Top 10 Negative Active* (%)
AUSTRALIA & NZ BANKING GRP	(4.8)
BHP BILLITON LTD	(4.2)
NATIONAL AUSTRALIA BANK LTD	(2.4)
SINGAPORE TELECOM LTD (SING)	(1.5)
SUN HUNG KAI PROPERTIES LTD	(1.5)
OVERSEA-CHINESE BKG CORP LTD	(1.4)
SCENTRE GROUP STAPLED UNIT	(1.0)
WESFARMERS LTD	(1.0)
CLP HLDGS LTD	(1.0)
ORIGIN ENERGY LIMITED	(0.9)
Total	(19.7)

*Relative to the MSCI Pacific ex Japan (N).

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Canada Growth—Contributors and Detractors

Quarter Ended September 30, 2014

TOP CONTRIBUTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
CANADIAN PAC RAILWAY LTD	6.8	2.4	4.5	14.7	INDUSTRIALS	CANADA
SUNCOR ENERGY INC	0.0	4.1	(4.1)	(14.7)	ENERGY	CANADA
KEYERA CORP	3.4	0.5	2.9	10.0	ENERGY	CANADA
TIM HORTONS INC (CANA)	1.8	0.6	1.1	31.2	CONSUMER DISCRETIONARY	CANADA
DHX MEDIA LTD	0.9	0.0	0.9	24.2	CONSUMER DISCRETIONARY	CANADA

TOP DETRACTORS

Security	Average Portfolio Weight (%)	Average Benchmark Weight (%)	Average Active Weight (%)	Total Return (%)	Sector	Country
AUTOCANADA INC	2.3	0.0	2.3	(34.2)	CONSUMER DISCRETIONARY	CANADA
CANADIAN NATL RAILWAY CO	0.1	3.9	(3.8)	(5.1)	INDUSTRIALS	CANADA
VALEANT PHARMACEUTICALS INTL	1.2	2.6	(1.5)	(5.9)	HEALTH CARE	CANADA
RAGING RIVER EXPLORATION INC	1.2	0.0	1.2	(21.2)	ENERGY	CANADA
TRANSCANADA CORP	0.0	2.5	(2.5)	8.6	ENERGY	CANADA

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Canada Growth—Sector Attribution

Quarter Ended September 30, 2014

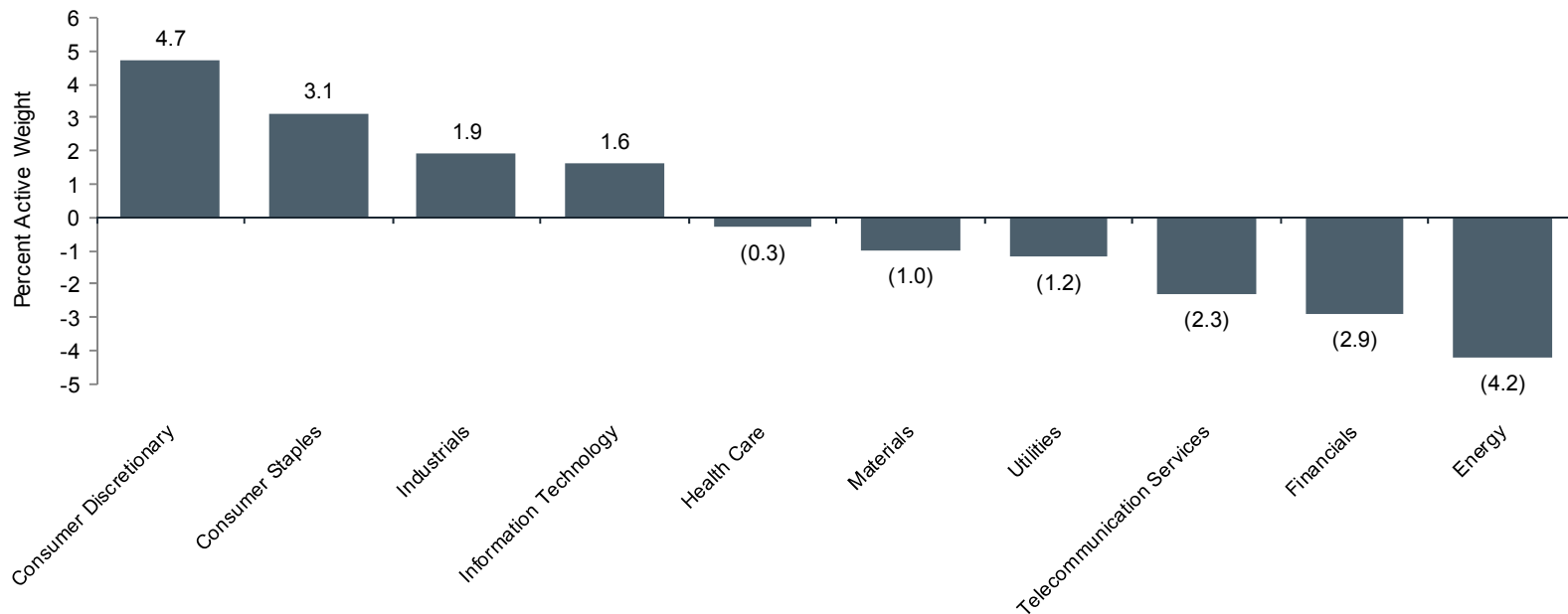
Sector	Relative Weight (%)	Stock Selection (bps)	Sector Selection (bps)	Total Contribution (bps)
Energy	(2.0)	46	9	55
Industrials	0.5	25	6	32
Consumer Staples	0.6	9	7	16
Utilities	(1.2)	0	2	2
Information Technology	1.8	(19)	13	(5)
Materials	(0.8)	(11)	4	(7)
Telecommunication Services	(1.9)	(8)	(2)	(11)
Financials	(3.3)	(15)	(12)	(27)
Health Care	(1.7)	10	(38)	(28)
Consumer Discretionary	5.8	(89)	27	(62)

Benchmark is MSCI Canada (N).
 Past performance is no guarantee of future results.
 Client data shown.

Canada Growth—Sector Relative Weights

As of September 30, 2014

ACTIVE WEIGHT VERSUS INDEX* (%)



*Relative to the MSCI Canada (N).
Client data shown.

Canada Growth—Top 10 Active Weights

As of September 30, 2014

Holdings	Top 10 Positive Active* (%)
CANADIAN PAC RAILWAY LTD	5.0
ROYAL BANK OF CANADA	4.1
TORONTO-DOMINION BANK	4.0
KEYERA CORP	3.0
TIM HORTONS INC (CANA)	3.0
PRAIRIESKY RTY LTD	3.0
SECURE ENERGY SVCS INC	2.8
CONSTELLATION SOFTWARE INC	2.8
LOBLAW COS LTD	2.7
BROOKFIELD ASSET INC VTG CL A	2.6
Total	32.8

Holdings	Top 10 Negative Active* (%)
SUNCOR ENERGY INC	(3.8)
BANK OF MONTREAL	(3.4)
ENBRIDGE INC	(2.9)
CANADIAN NATL RAILWAY CO	(2.8)
TRANSCANADA CORP	(2.6)
CANADIAN IMP BK OF COMMERCE	(2.6)
MANULIFE FINANCIAL CORP (CANA)	(2.6)
BANK OF NOVA SCOTIA	(1.7)
SUN LIFE FINANCIAL INC	(1.6)
CENOVUS ENERGY INC	(1.5)
Total	(25.5)

*Relative to the MSCI Canada (N).

Past performance is no guarantee of future results. Not representative of manager's entire portfolio or all recommendations. Not a recommendation or offer to buy or sell securities. Client data shown.

Emerging Markets—Top Contributors & Detractors

Quarter Ended September 30, 2014

TOP CONTRIBUTORS

Security	Portfolio Average Weight (%)	Benchmark Average Weight (%)	Relative Weight (%)	Relative Return (%)	Sector	Country
KEPCO PLANT SER & ENG CO LTD	2.1	0.0	2.1	15.6	INDUSTRIALS	SOUTH KOREA
FAR EAST HORIZON LTD	1.1	0.0	1.1	15.0	FINANCIALS	CHINA
BEST PACIFIC INTL HOLD LTD	0.5	0.0	0.5	34.9	CONSUMER DISCRETIONARY	CHINA
LUPIN LTD	1.1	0.0	1.1	18.7	HEALTH CARE	INDIA
KOTAK MAHINDRA BANK LTD	1.1	0.0	1.1	18.5	FINANCIALS	INDIA

TOP DETRACTORS

Security	Portfolio Average Weight (%)	Benchmark Average Weight (%)	Relative Weight (%)	Relative Return (%)	Sector	Country
CHINA MOBILE LIMITED	0.0	1.5	(1.5)	20.9	TELECOM SERVICES	CHINA
NTPC LTD	0.9	0.1	0.8	(14.6)	UTILITIES	INDIA
AFRICAN BANK INVESTMENTS LTD	0.1	0.0	0.1	(100.0)	FINANCIALS	SOUTH AFRICA
FLEURY SA	0.9	0.0	0.9	(23.9)	HEALTH CARE	BRAZIL
SANDS CHINA LTD	0.4	0.0	0.4	(17.7)	CONSUMER DISCRETIONARY	CHINA

Client data shown.

Past performance is no guarantee of future results. Holdings data shown does not represent all of the securities purchased, sold or recommended to clients and may change at any time. Portfolio weights are rounded and a zero weight represents either no holding or a very small weight.

Benchmark: MSCI EM IMI(G)/EM(G) Link (N).



Emerging Markets—Sector Attribution

Quarter Ended September 30, 2014

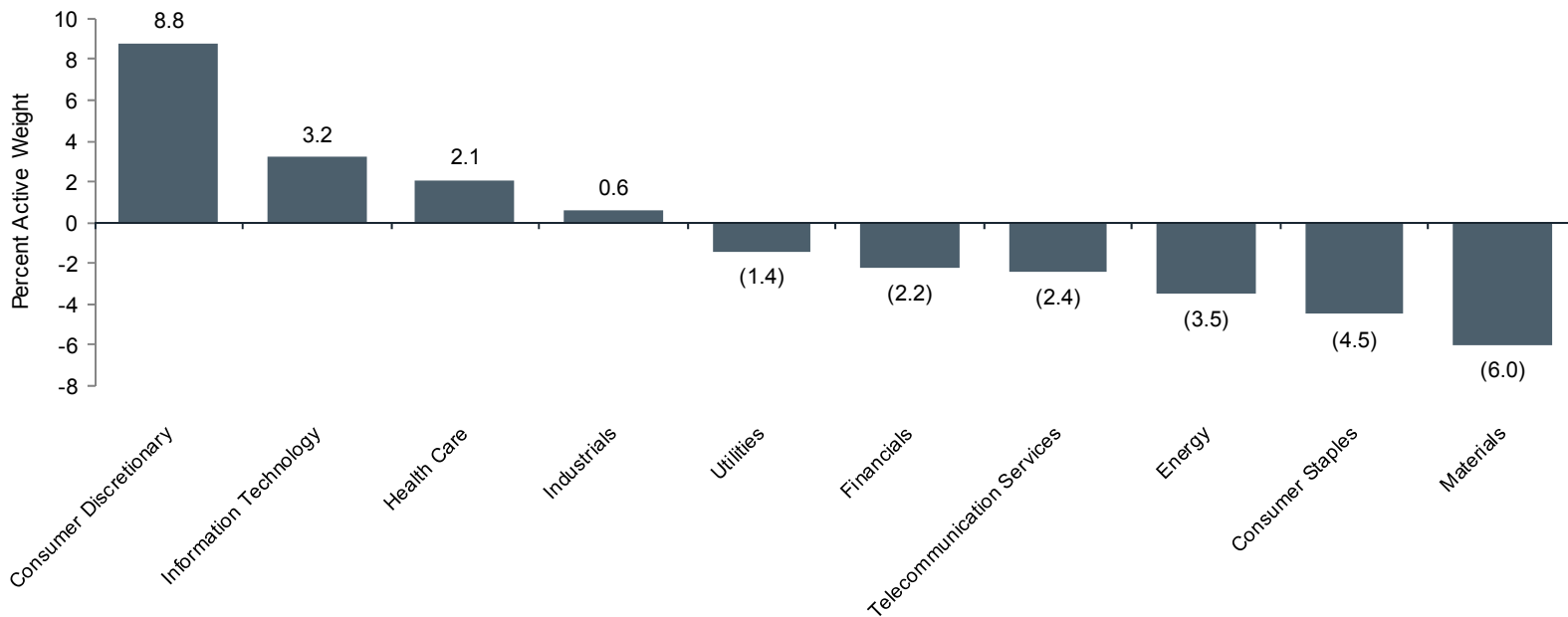
Sector	Relative Weight (%)	Stock Selection (Bps)	Sector Selection (Bps)	Total Contribution (Bps)
Financials	(7.4)	128	(25)	103
Materials	(6.7)	17	29	46
Industrials	1.7	36	(3)	33
Information Technology	(1.6)	3	18	21
Energy	(8.0)	(13)	22	9
Consumer Discretionary	4.7	2	(13)	(11)
Health Care	2.5	(54)	24	(30)
Utilities	3.0	(24)	(8)	(32)
Telecommunication Services	0.2	(45)	5	(40)
Consumer Staples	4.0	(51)	(13)	(64)

Benchmark: MSCI EM IMI(G)/EM(G) Link (N).
 Past performance is no guarantee of future results.
 Client data shown.

Emerging Markets—Sector Relative Weights

As of September 30, 2014

ACTIVE WEIGHT VERSUS INDEX* (%)



*Relative to the MSCI EM IMI(G)/EM(G) Link (N).
Client data shown.

Emerging Markets—Top 10 Active Weights

As of September 30, 2014

Holdings	Top 10 Positive Active* (%)
HOUSING DEV FN CORP LTD(DEMAT)	2.2
FAR EAST HORIZON LTD	2.2
COMMERCIAL INTL BK EGYPT SAE	2.0
SANDS CHINA LTD	2.0
OIL SEARCH LTD	1.9
SAMSUNG ELECTRONICS CO LTD	1.9
KEPCO PLANT SER & ENG CO LTD	1.9
SAMSUNG FIRE & MARINE INS	1.8
TATA MOTORS LTD (DEMATERIALISE	1.8
LUPIN LTD	1.7
Total	19.5

Holdings	Top 10 Negative Active* (%)
TENCENT HOLDINGS LIMITED	(1.7)
CHINA MOBILE LIMITED	(1.5)
PETROLEO BRASILEIRO-PETROBRAS	(1.1)
CHINA CONSTRUCTION BANK CORP H	(1.1)
INDUSTRIAL & COM BK OF CHINA H	(1.0)
GAZPROM OAO (RUB)	(0.9)
HON HAI PRECISION IND CO LTD	(0.9)
BANCO BRADESCO SA	(0.9)
ITAU UNIBANCO HOLDING SA	(0.8)
BANK OF CHINA LTD H	(0.8)
Total	(10.8)

*Relative to the MSCI EM IMI(G)/EM(G) Link (N).

Past performance is no guarantee of future results. Not representative of manager's entire portfolio or all recommendations.

Not a recommendation or offer to buy or sell securities.

Client data shown.

Important Information

Read this important information carefully before making any investment. Speak with your relationship manager if you have any questions.

Risks

Past performance is no guarantee of future results. An investment may be risky and may not be suitable for an investor's goals, objectives and risk tolerance. Investors should be aware that an investment's value may be volatile and any investment involves the risk that you may lose money.

The value of a strategy's investments will vary day to day in response to many factors, including in response to adverse issuer, political, regulatory, market or economic developments. The value of an individual security or a particular type of security can be more volatile than the market as a whole and can perform differently from the value of the market as a whole. Nearly all accounts are subject to volatility in non-US markets, either through direct exposure or indirect effects on US markets from events abroad, including fluctuations in foreign currency exchange rates and, in the case of less developed markets, currency illiquidity.

Derivatives may be volatile and involve significant risk, such as, credit risk, currency risk, leverage risk, counterparty risk and liquidity risk. Using derivatives can disproportionately increase losses and reduce opportunities for gains in certain circumstances. Investments in derivatives may have limited liquidity and may be harder to value, especially in declining markets. Derivatives involve leverage because they can provide investment exposure in an amount exceeding the initial investment. Leverage can magnify investment risks and cause losses to be realized more quickly. A small change in the underlying asset, instrument, or index can lead to a significant loss. Assets segregated to cover these transactions may decline in value and are not available to meet redemptions. Government legislation or regulation could affect the use of these transactions and could limit the ability to pursue such investment strategies.

The performance of international strategies depends upon currency values, political and regulatory environments, and overall economic factors in the countries in which they invest. Foreign markets, particularly emerging markets, can be more volatile than the U.S. market due to increased risks of adverse issuer, political, regulatory, market, or economic developments and can perform differently from the U.S. market. Foreign exchange rates also can be extremely volatile. The risks are particularly significant for strategies that focus on a single country or region.

The securities, derivatives and currency markets of emerging market countries are generally smaller, less developed, less liquid, and more volatile than the securities, derivatives and currency markets of the United States and other developed markets and disclosure and regulatory standards in many respects are less stringent. There also may be a lower level of monitoring and regulation of markets in emerging market countries and the activities of investors in such markets and enforcement of existing regulations may be extremely limited. Government enforcement of existing market regulations is limited, and any enforcement may be arbitrary and the results may be difficult to predict. Emerging market countries are more likely than developed market countries to experience political uncertainty and instability, including the risk of war, terrorism, nationalization, limitations on the removal of funds or other assets, or diplomatic developments that affect investments in these countries. In many cases, governments of emerging market countries continue to exercise significant control over their economies. In addition, there is a heightened possibility of expropriation or confiscatory taxation, imposition of withholding taxes on interest payments, or other similar developments that could affect investments in those countries.

These materials contain statements that are "forward-looking statements," which are based on certain assumptions of future events. Forward-looking statements are based on information available on the date hereof, and Pyramis does not assume any duty to update any forward-looking statement. Actual events may differ from those assumed. There can be no assurance that forward-looking statements, including any projected returns, will materialize or that actual market conditions and/or performance results will not be materially different or worse than those presented.

Important Information, continued

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If representative account information is shown, it is based on an account in the subject strategy's composite that generally reflects that strategy's management and is not based on performance.

Index or benchmark performance shown does not reflect the deduction of advisory fees, transaction charges and other expenses, which if charged would reduce performance. Investing directly in an index is not possible.

* * * *

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Biographies

Chris Steward, CFA

Co-Lead Portfolio Manager

Chris Steward is an institutional portfolio manager at Pyramis Global Advisors, a Fidelity Investments company. In this role, he is co-lead portfolio manager for the Pyramis International Growth strategy and a member of the Select International Small Cap portfolio management team.

Prior to joining Pyramis in 2006, Chris was a vice president and portfolio advisor at Wellington Management. In that role, he conducted investment reviews with prospects and clients on a broad range of equity, fixed income, and asset allocation products. Chris also worked with the global asset allocation and global fixed income groups at Putnam Investments; he served as an analyst and portfolio manager in his five years with the global bond group at Scudder, Stevens & Clark. Additionally, Chris worked for five years as an analyst in various capacities with the Federal Reserve Bank of New York. He has been in the investments industry since 1987.

Chris earned his bachelor of arts degree from Vassar College and his master of arts degree in economics from Cambridge University in England. In addition to being a Chartered Financial Analyst (CFA) charterholder, Chris also has authored and co-authored numerous texts on international investing, one of which was a required reading for Level III of the CFA program.

Brian Hoesly, CFA

Co-Lead Portfolio Manager

Brian Hoesly is an institutional portfolio manager at Pyramis Global Advisors, a Fidelity Investments company. In this role, he is co-lead portfolio manager for the Pyramis International Growth strategy and a member of the International Value portfolio management team.

Prior to joining Pyramis in 2006, Brian was a vice president at Wellington Management, working with clients invested in multiple strategies, including international equities and asset allocation. He actively conducted portfolio reviews on a wide array of strategies articulating performance, process, holdings, and investment themes on behalf of portfolio management teams. Prior to that, he served in the product and investment areas of Mellon Trust, the global data research group at Interactive Data Corporation, and with Kidder, Peabody & Co., Inc. Brian has been in the investments industry since 1987.

Brian earned his bachelor of science degree from the University of Wisconsin and his master's degree in business administration from Boston University. He is a Chartered Financial Analyst (CFA) charterholder and a member of the Boston Securities Analysts Society.

Biographies

Cedric de la Chaise

Portfolio Manager, European Equities

Cedric is a Portfolio Manager in the European Equities Group at FIL Limited. Based in London, he is responsible for managing pan-European equity portfolios on behalf of institutional clients. Prior to assuming his current role, he was an assistant portfolio manager for Fidelity's European Growth fund. Previously, Cedric served as sector leader for the Consumer Team and managed the Global Consumer Sector Fund, was a sector leader for European Financials, and worked as an equity analyst covering European media, insurance, retailers, and micro-cap stocks. He joined FIL Limited in 1995.

Cedric earned his M.Sc. from Warwick Business School.

Eileen Dobb, CFA

Lead Portfolio Manager, Asia Growth Strategies

Eileen Dobb is lead portfolio manager, Asia Growth Strategies at Pyramis Global Advisors, a Fidelity Investments company. In this role, she manages the Pyramis Asian Growth strategies including Pyramis Japan Growth and Pyramis Pac Basin Growth.

Prior to assuming her current role at Pyramis, Eileen worked as a portfolio manager for Pyramis Japan Growth from 2008 to 2013. Previously, Eileen was responsible for researching and analyzing Asian stocks for a global equity portfolio managed by Fidelity Investments. Prior to joining Fidelity in 2005, she was a vice president and a regional analyst at Wellington Management Company, where she managed dedicated Japan portfolios. Prior to joining Wellington in 1999, she was an international equity analyst at DuPont Pension Fund, beginning in 1997. Eileen also served in a number of roles at The Dai-ichi Mutual Life Insurance Company from 1992 through 1996. She has been in the investments industry since 1996.

Eileen earned her bachelor of arts degree in international relations and Japanese studies from Bucknell University and her master of business administration degree from the Wharton School at the University of Pennsylvania. She completed a program of study at the Center for Japanese Studies at Nanzan University in Nagoya, Japan and is fluent in Japanese. She is a Chartered Financial Analyst (CFA) charterholder and a former board member of the Boston Security Analysts Society.

Biographies

Joe Overdevest

Portfolio Manager

Joe Overdevest is a portfolio manager at Pyramis Global Advisors, a Fidelity Investments Company. In this role, Joe manages the Canadian Focused Equity strategy, the Canadian equity sub-portfolio of Pyramis International Growth strategy, and the Canadian equity sub-portfolio of Fidelity Global Fund. He is a portfolio co-manager of Fidelity Global Natural Resources Fund and manages the equity sub-portfolio of Fidelity Canadian Asset Allocation Fund. He is also portfolio co-manager of Pyramis Canadian Systematic Equity and Pyramis Canadian Core Equity.

Before assuming his current role, Joe was a research analyst with Team Canada, the research and portfolio management team for investment products sold through Fidelity Investments Canada ULC. Previous areas of coverage include Canadian oil and gas, diversified financials, telecommunications, retail, consumer durables, and automotive parts. He has been in the investments industry since 2002.

Joe earned his bachelor of business administration honours degree from Wilfrid Laurier University.

Rahul Desai

Portfolio Manager

Rahul Desai is a portfolio manager at Pyramis Global Advisors, a Fidelity Investments company. In this role he is responsible for managing the Pyramis Emerging Markets All Cap strategy.

Prior to assuming his current role in June 2014, Rahul worked as a research analyst on the Emerging Markets team at Fidelity Management & Research Company (FMRCO), covering Europe, Middle East, Africa (EMEA) and Latin America consumer and industrials from 2012 to 2014, EMEA and Latin America banks from 2011 to 2012, and EMEA banks from 2008 to 2011. Before joining Fidelity in 2008, Rahul was a summer associate at The Capital Group Companies in London in 2007, and a senior associate at The Boston Consulting Group in Singapore from 2003 to 2006 focusing on Asian and African markets.

Rahul earned his bachelor of computing degree in computer science from the National University of Singapore and his master of business administration degree from Harvard Business School.

Biographies

Camille Carlstrom

Associate Portfolio Manager/Analyst

Camille Carlstrom is an associate portfolio manager/analyst at Pyramis Global Advisors, a Fidelity Investments company. In this role, she focuses on the Japan Growth strategy within the International Growth team.

Camille joined Fidelity in 2012. Prior to her current role, she was an analyst at Putnam Investments, Investment Division from August 2000 to September 2012. Her primary responsibilities included fundamental research coverage of more than 100 financial sector stocks, banks, insurance, credit cards, brokerage, and real estate, across developed and emerging Asia. From 2004 to 2009, she co-managed the Asian Financials Fund, which was a sleeve of a diversified fund specializing in Asian financials. From 2003 to 2009, she co-managed the early career program for equity research. Previously, she was a business analyst at Putnam Investments, Corporate Development from August 2000 to October 2001. Prior roles also include serving as an investment associate at Putnam Investments, Investment Division from September 1996 to July 1998 and an assistant national bank examiner at the Office of the Comptroller of the Currency, Supervision Department from June 1992 to August 1996. She has been in the investments industry since 1996.

Camille earned her bachelor of arts degree in finance and accounting from Villanova University and her master of business administration degree from the MIT Sloan School of Management.

Bruce MacDonald

Associate Portfolio Manager/Analyst

Bruce MacDonald is an associate portfolio manager/analyst at Pyramis Global Advisors, a Fidelity Investments company. In this role, he works as an Asian Industrials analyst and associate Portfolio Manager on the Asia Pacific portfolio in Hong Kong.

Prior to joining Pyramis, Bruce focused on global industrials and utilities at Martin Currie Investment Management in Edinburgh. Prior to that, he held research positions at Teather & Greenwood, Deutsche Bank, and Smith New Court. Before entering financial services, Bruce began his career as an officer in the Royal Navy before working as aerospace engineer for Westland Helicopters. He has been in the investments industry since 1993.

Bruce earned his bachelor of science degree in aeronautical engineering from Glasgow University, his master of science degree in aerospace engineering from Princeton, and his master of business administration degree from the University of Bath.

Biographies

Sue Curran

Senior Vice President, Relationship Manager

Sue Curran is senior vice president, relationship manager at Pyramis Global Advisors, a Fidelity Investments company. In this role, she is responsible for overall management of institutional client relationships, including many large public and corporate pension funds, throughout the U.S.

Sue joined Fidelity in 2001. Prior to assuming her current role, she was a director at Deutsche Asset Management responsible for covering public funds in the Western region of the U.S. Before joining Deutsche Asset Management, she was a vice president of public funds at Bank of America. Prior to that, Sue held various management and sales positions at Merrill Lynch. She has been in the investments industry since 1980.

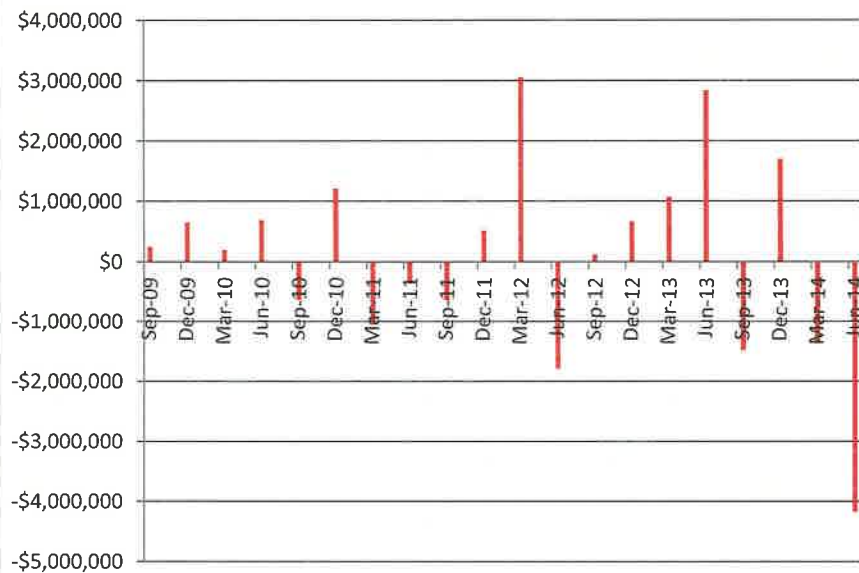
Sue earned her bachelor of arts degree from Wheaton College. She also holds the Financial Industry Regulatory Authority (FINRA) Series 7 and 63 licenses.

Pyramis Quarterly Value Added

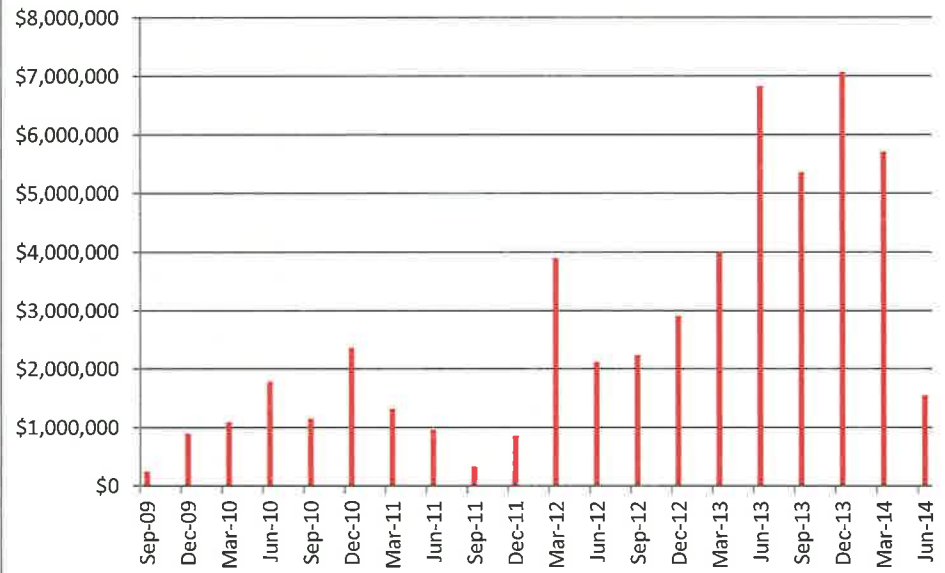
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Quarter	Begin Date	End Date	Fees			Value Added
			Alpha	Managerial	Custodial	
1	6/30/2009	9/30/2009	\$475,247	\$151,346	\$78,481	\$245,420
2	9/30/2009	12/31/2009	\$899,710	\$157,601	\$85,989	\$656,121
3	12/31/2009	3/31/2010	\$439,347	\$157,772	\$86,437	\$195,138
4	3/31/2010	6/30/2010	\$934,572	\$154,446	\$86,232	\$693,894
5	6/30/2010	9/30/2010	-\$387,602	\$159,074	\$86,739	-\$633,414
6	9/30/2010	12/31/2010	\$1,481,008	\$168,380	\$96,144	\$1,216,484
7	12/31/2010	3/31/2011	-\$772,440	\$174,287	\$101,681	-\$1,048,408
8	3/31/2011	6/30/2011	-\$81,072	\$173,911	\$103,461	-\$358,445
9	6/30/2011	9/30/2011	-\$383,265	\$153,665	\$98,953	-\$635,883
10	9/30/2011	12/31/2011	\$749,781	\$148,898	\$86,186	\$514,697
11	12/31/2011	3/31/2012	\$3,315,164	\$155,807	\$101,988	\$3,057,369
12	3/31/2012	6/30/2012	-\$1,542,684	\$151,167	\$89,339	-\$1,783,190
13	6/30/2012	9/30/2012	\$367,768	\$154,539	\$92,086	\$121,143
14	9/30/2012	12/31/2012	\$937,742	\$160,345	\$107,241	\$670,156
15	12/31/2012	3/31/2013	\$1,346,178	\$167,103	\$102,864	\$1,076,211
16	3/31/2013	6/30/2013	\$3,098,710	\$169,551	\$87,738	\$2,841,421
17	6/30/2013	9/30/2013	-\$1,227,803	\$171,817	\$63,218	-\$1,462,838
18	9/30/2013	12/31/2013	\$1,939,479	\$181,175	\$50,982	\$1,707,322
19	12/31/2013	3/31/2014	-\$1,113,822	\$179,698	\$65,276	-\$1,358,796
20	3/31/2014	6/30/2014	-\$3,920,672	\$184,067	\$60,323	-\$4,165,062

Pyramis Quarterly Value Added



Pyramis Quarterly Cumulative Value Added



MARKET UPDATE

FOR SEPTEMBER 2014

U.S. EQUITY

September was a poor month for global equities that resulted in a flat third quarter.

In the U.S., Growth outperformed Value and Large Caps outperformed Small Caps. For the month, the Russell 1000 Growth Index was down by -1.5% and the Russell 1000 Value Index down by -2.1%. The Russell 2000 Growth was down by -5.4% and the Russell 2000 Value Indices lost -6.8%. The S&P 500 Index ended the month lower by -1.4%.

The S&P 500 Index has a trailing P/E ratio of 18.9, a forward 12-month estimate P/E ratio of 16.5 and dividend yield of 1.9%.

The one-year return for the S&P 500 Index was +19.7% vs. +3.9% for the Russell 2000 (small cap) Index. This spread of +15.8% in favor of Large Caps is at a historical extreme.

Corporate merger highlights for the month included: Manulife Financial will acquire the Canadian operations of Standard Life for \$3.7 billion; Electrolux will pay \$3.3 billion to acquire GE's appliance business; Family Dollar Stores rejected Dollar General's proposed \$9.1 billion sweetened takeover offer; Global Cash Access, which provides cash services to casinos, will buy slot machine maker Multimedia Games Holding for about \$1.2 billion; General Mills offered \$820 million; Japanese e-commerce Rakuten will buy U.S. online shopping operator Ebates for about \$1.0 billion; Eastern Chemical is buying specialty chemical company Taminco for approximately \$1.7 billion; TRW Automotive will be acquired by Germany's ZF Friedrichshafen in a deal valued at \$13.5 billion; Microsoft will buy Sweden's games developer Mojang for \$2.5 billion; Cognizant will buy TriZetto, an IT and services provider to health-care providers and payers, for \$2.7 billion; U.S. healthcare group Danaher will acquire Swiss dental-implant maker Nobel Biocare for \$2.2 billion; Anheuser-Busch InBev is talking to banks about financing what could be roughly \$122 billion deal to buy global beer rival SABMiller; Alliance Data, which manages credit cards and loyalty programs for retailers, will buy Conversant – formerly known as ValueClick – for about \$2.3 billion; Orange made a \$4.3 billion offer for Spanish broadband and cellphone operator Jazztel; Auxillium Pharmaceuticals received an unsolicited buyout offer worth about \$2.2 billion from Endo International; Bayer plans to spin off its polymer division in an IPO; the unit is valued at about \$10 billion;

SAP will buy Bellevue, WA.-based travel and expense management software company Concur Tech for \$7.4 billion; Merck will buy Sigma-Aldrich, the world's largest supplier of biochemical and organic chemicals to research laboratories, for \$17 billion; Siemens will acquire U.S. oilfield equipment maker Dresser-Rand Group for \$7.6 billion; Robert Bosch plans to buy full control of its home-appliance venture from partner Siemens for \$3.9 billion; Silver Lake is in advanced talks to acquire online photo-sharing service Shutterfly for at least \$2 billion; Intel will pay up to \$1.5 billion for a 20% stake in a Chinese mobile venture to design and make Intel-branded chips; Bill Gross, who co-founded and led the giant fund manager Pimco for more than four decades, is leaving the company to join Janus Capital; Encana, Canada's 2nd largest natural gas producer, will buy Athlon Energy for \$5.9 billion; Vista Equity Partners will acquire Tibco Software for \$4.3 billion; Japan's SoftBank is in talks to acquire DreamWorks Animation in a deal valued at an estimated \$3.4 billion; News Corp. will buy Move Inc., the owner of property websites such as realtor.com, for about \$950 million; and, Johnson & Johnson will pay \$1.75 billion for Alios BioPharma, a biotechnology company that is working on treatments for viral diseases.

Alibaba's initial public offering became the biggest ever at \$25 billion, after the company's bankers exercised an option to boost the deal size by 15%.

FIXED INCOME

The Commerce Dept. announced that gross domestic product grew at a 4.6% annual rate in the April-June quarter, the fastest pace in more than two years and higher than the government's previous estimate of 4.2%.

The Labor Dept. reported that employers created a lower-than-expected 142,000 jobs in August and the unemployment rate dipped to 6.1% from 6.2% in July.

Economists expect that continued employment gains will spur consumer spending and translate into annual growth of around 3% in the second-half of this year.

The yield on the bellwether 10-year Treasury note rose to 2.52% at the close of September from its August close at 2.35%. At month-end, the 30-year bond yield was 3.21% with the 3-month T-bill at 0.02%. The Barclays Capital US Aggregate Index was down -0.7% in September.

U.S. employers are planning to give pay raises averaging 3% next year, about par with the 2.9% average raise in 2014 and 2013.

The median U.S. household income was \$51,939 in 2013.

On the economic front, the following key data was released in September and once again decidedly positive:

THE GOOD

*The Commerce Dept. reported that the trade deficit narrowed 0.6% to \$40.5 billion in July, the lowest point in six months.

*Total light vehicle sales in August were 1.59 million, up 5.5% from the year-ago period and the highest level of auto sales since January 2006.

*Average hourly wages rose 0.2% to \$24.53 in August.

*The federal government ran a \$128.8 billion budget deficit in August, down 13% from a year ago, remaining on track for the lowest deficit for the entire year since 2008.

*The Labor Dept. reported that its producer price index for final demand was unchanged in August as gasoline and food costs fell.

*The Labor Dept. also reported that its Consumer Price Index declined -0.2% in August as a broad decline in energy prices offset increases in food and shelter costs.

*Strong stock market gains and higher home prices boosted Americans' net worth in the April-June quarter to a record \$81.5 trillion.

*The Conference Board's index of leading indicators rose +0.2% in August, the seventh straight increase, pointing to an economy that is gaining traction.

*Sales of new single-family homes leaped by +18% last month to a seasonally adjusted annual rate of 504,000, the highest rate since May 2008.

*The Commerce Dept. reported that the median sales price of a new house rose 8% from August 2013 to \$275,600.

*The national average price of gas is \$3.35; it is predicted that up to 30 states could have an average price below \$3.00 per gallon by year-end.

The University of Michigan's index of consumer sentiment rose to 84.6 in September, the second-highest level in the past seven years.

THE NOT SO GOOD

*Total outstanding consumer credit, excluding loans secured by real estate like home mortgages, rose at a seasonally adjusted annual rate of 9.7% in July to \$3.24 trillion.

*The Federal Reserve reported that output at manufacturing plants fell -0.4% in August after a 0.7% rise in July.

*The Federal Reserve also reported that industrial production fell -0.1% in August from July.

*The National Association of Realtors reported sales of previously owned homes fell -1.8% to a seasonally adjusted rate of 5.05 million, the first drop in five months.

NON-U.S. MARKETS

The Bank of England as expected left policy unchanged and thus very easy. The Bank Rate was left at 0.50% and the stock of asset purchases at 375 billion pounds.

The European Central Bank cut interest rates to a record low rate of 0.05% from 0.15% to try to lift inflation from extremely low levels. The ECB also announced that an ABS purchase program and a covered bond purchase program would begin in October.

Germany stumbled in the second quarter as GDP fell by -0.2% unchanged from the preliminary estimate.

Japan's GDP plunged -1.8% in the second quarter. In Q2, private domestic demand plunged -3.7% while public demand was unchanged. The Bank of Japan left policy unchanged as expected. The Monetary Policy Board pledged to continue expanding the monetary base by 60-70 trillion yen a year, and to purchase enough Japanese Government Securities to increase the amount outstanding on the Bank's balance sheet by 50 trillion yen a year.

China's industrial output growth in August slipped to +6.9%, the lowest level since the 2008 financial crisis. China's central bank is injecting a combined \$81.4 billion of liquidity into the country's top banks in an effort to shore up a faltering economy.

Non-U.S. equities were lower in September. The MSCI ACWI Ex-U.S. was down -4.8% (US dollars) for the month. International Developed stocks (EAFE) were down -3.8% while Emerging Markets lost -7.4% for the month.

CONCLUSION

The U.S. economy appears to be on a stronger economic footing than a year ago. Recent spending growth has been about as strong as any time over the current expansion, as businesses are responding to hiring more workers. The current U.S. expansion is typical of mid-expansions, as strong spending growth and employment begin to support one another. The reliance on extremely easy monetary policy to drive the U.S. economy is gradually diminishing. As a result, investors are watching the Federal Reserve to see if they will continue to move away from their easy monetary policy going forward.

The majority of global assets have rallied over the first eight months of the year driven by shrinking risk premiums and falling discount rates rather than by shifts in economic conditions. This appears to have begun to change in September and into October as markets have corrected led by the riskier assets (US Small Cap, EM Equities and Commodities). Volatility is also rising. Concern over global growth outside of the United States has been a primary factor with the increase in volatility. Is this recent increase in volatility a correction within a long bull market rally off of its lows from March 2009? Or is it something more?

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Sep-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	-2.08	0.01	6.95	17.76	19.66	23.08	15.78	6.24	8.44
Russell TOP 200 Index	-1.04	1.71	8.46	20.46	19.24	23.00	15.39	5.79	7.73
Russell TOP 200 Growth Index	-0.78	2.52	8.88	21.40	18.70	22.41	16.37	7.71	8.57
Russell TOP 200 Value Index	-1.30	0.89	8.05	19.53	19.77	23.59	14.39	3.85	6.86
S&P 500 Index	-1.40	1.13	8.34	19.73	19.54	22.99	15.70	6.02	8.11
Russell 1000 Index	-1.75	0.65	7.97	19.01	19.95	23.23	15.90	6.26	8.46
Russell 1000 Growth Index	-1.45	1.49	7.89	19.15	19.21	22.45	16.50	7.57	8.94
Russell 1000 Value Index	-2.06	-0.19	8.07	18.89	20.58	23.93	15.26	4.81	7.84
Russell Mid-Cap Index	-3.34	-1.66	6.87	15.83	21.72	23.79	17.19	7.46	10.34
Russell Mid-Cap Growth Index	-2.90	-0.73	5.73	14.43	20.81	22.74	17.12	7.45	10.24
Russell Mid-Cap Value Index	-3.80	-2.65	8.20	17.46	22.50	24.72	17.24	7.28	10.17
Russell 2000 Index	-6.05	-7.36	-4.41	3.93	16.26	21.26	14.29	6.04	8.19
Russell 2000 Value Index	-6.75	-8.58	-4.74	4.13	15.01	20.61	13.02	5.08	7.25
Russell 2000 Growth Index	-5.35	-6.13	-4.05	3.79	17.52	21.91	15.51	6.92	9.03
DJ US REIT Index	-5.82	-3.00	14.69	13.44	8.98	16.19	15.77	3.66	8.21
DJ-UBS US Commodity Index TR	-4.86	-10.54	-4.21	-5.22	-9.90	-4.89	-1.09	-5.05	-0.89
DJ-UBS US Gold Index TR	-5.33	-7.90	1.20	-8.37	-17.46	-9.60	3.24	6.39	10.34

September
A sea
of red
small caps
very
weak

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Sep-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	-4.81	-5.19	0.39	5.22	10.94	12.29	6.50	0.30	7.54
MSCI AC World Index	-3.20	-2.20	4.16	11.89	15.09	17.24	10.65	2.95	7.84
MSCI EAFE Index	-3.81	-5.83	-0.99	4.70	14.08	14.16	7.04	0.27	6.80
MSCI Emerging Markets index	-7.39	-3.36	2.75	4.66	2.98	7.56	4.76	0.13	11.03
ML Global Government Bond Ex. U.S. Index	-4.63	-5.69	-0.53	-3.62	-7.22	-3.86	0.56	3.63	3.66
Euro	-4.10	-7.73	-8.32	-6.68	-0.91	-1.99	-2.88	-1.68	0.17
Japanese Yen	-5.30	-7.65	-4.18	-10.55	-15.78	-11.10	-3.98	0.68	0.05
UK Pound Sterling	-2.38	-5.19	-2.12	0.11	0.20	1.34	0.27	-3.21	-1.09

Non-US
also
down
SM weak

US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Sep-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.01	0.03	0.05	0.07	0.07	0.10	0.53	1.59
BarCap Aggregate Bond Index	-0.68	0.17	4.10	3.96	1.10	2.43	4.12	4.95	4.62
ML U.S. Corp/Govt Master Index	-0.85	0.26	4.49	4.31	1.06	2.63	4.35	5.00	4.62
ML U.S. Corporate Master Index	-1.24	0.05	6.00	7.08	2.82	5.47	6.56	6.40	5.51
BarCap Mortgage Backed Securities Index	-0.16	0.18	4.22	3.78	1.26	2.07	3.48	4.87	4.69
ML U.S. High Yield Master Index	-2.08	-1.91	3.53	7.14	7.08	10.86	10.34	8.43	8.12
JPM EMBI Global	-2.41	-1.65	7.29	8.27	1.77	7.69	7.95	7.80	8.38

Yields
up in
sept

A

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING SEPT. 30, 2014
PRELIMINARY BASIS

SUMMARY OF INVESTMENTS

ASSET CLASS	MARKET VALUE	PERCENT	CURRENT POLICY ALLOCATION	RANGE	TARGET POLICY ALLOCATION	RANGE
DOMESTIC EQUITIES	835,560,446	47.6%	✓ 46.7%	41.7% - 51.7%	38.2%	32.2% - 44.2%
INTERNATIONAL EQUITIES	307,731,591	17.5%	✓ 18.0%	15.0% - 21.0%	18.0%	15.0% - 21.0%
FIXED INCOME	496,596,149	28.3%	✓ 29.8%	26.0% - 33.6%	29.8%	26.0% - 33.6%
ALTERNATIVES:	99,409,042	5.7%	✓ 5.5%		14.0%	
DIRECT LENDING	74,539,894	4.2%	4.0%	2.0% - 6.0%	7.5%	2.5% - 9.0%
REAL ESTATE	24,869,148	1.4%	1.5%	1.0% - 2.0%	3.5%	1.0% - 4.5%
INFRASTRUCTURE	0	0.0%	0.0%	0.0% - 0.0%	3.0%	0.0% - 4.0%
CASH (NT +equity managers only)	15,397,556	0.9%	✓ 0.0%	0.0% - 3.0%	0.0%	0.0% - 3.0%
TOTAL PORTFOLIO	1,754,694,784	100.0%	100.0%		100.0%	
			ACTUAL	CURRENT ALLOCATION	TARGET ALLOCATION	
DODGE & COX - LARGE CAP VALUE		10.9%		9.7%	8.9%	
BlackRock - R1000 VALUE INDEX		6.7%		6.5%	5.5%	
JACKSON SQUARE - LARGE CAP GROWTH		8.9%		8.5%	6.7%	
BlackRock - R1000 GROWTH INDEX		5.8%		5.5%	4.6%	
CAPITAL PROSPECTS		5.2%		5.5%	4.0%	
LEGATO CAPITAL		4.7%		5.5%	3.7%	
BNY - S&P 500 INDEX		5.9%		5.5%	4.8%	
LSV ASSET MGMT - INTL EQ		8.9%		9.0%	9.0%	
PYRAMIS - INTL EQ		8.9%		9.0%	9.0%	
DODGE & COX FIXED INCOME		22.1%		23.8%	23.8%	
PIMCO		6.2%		6.0%	6.0%	
MEDLEY		1.6%		1.0%	2.1%	
RAVEN		1.5%		1.5%	2.7%	
WHITE OAK		1.1%		1.5%	2.7%	
BlackRock - US REAL ESTATE SECURITIES INDEX		1.2%		1.5%	0.0%	
Greenfield GAP VII		0.2%		0.0%	1.0%	
Unallocated Private Real Estate		0.0%		0.0%	2.5%	
Infrastructure		0.0%		0.0%	3.0%	
TOTALS		100.0%		100.0%	100.0%	

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING SEPT. 30, 2014
PRELIMINARY BASIS

ASSET CLASS	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
MARKET VALUE					
DOMESTIC EQUITIES	835,560,446	854,672,314	-2.24%	743,086,397	12.44%
INTERNATIONAL EQUITIES	307,731,591	322,865,087	-4.69%	292,483,237	5.21%
FIXED INCOME	496,596,149	502,557,026	-1.19%	501,747,837	-1.03%
DIRECT LENDING	74,539,894	74,568,968	-0.04%	41,081,249	81.45%
REAL ESTATE	24,869,148	26,054,969	-4.55%	21,681,897	14.70%
SECURITIES LENDING	0	0	0.00%	(677,511)	100.00%
CASH (NT +equity managers only)	15,397,556	17,477,094	-11.90%	24,165,432	-36.28%
TOTAL PORTFOLIO	1,754,694,784	1,798,195,458	-2.42%	1,623,568,538	8.08%
ASSET ALLOCATION (ACTUAL)					
DOMESTIC EQUITIES	47.62%	47.53%	0.1%	45.77%	1.8%
INTERNATIONAL EQUITIES	17.54%	17.95%	-0.4%	18.01%	-0.5%
FIXED INCOME	28.30%	27.95%	0.4%	30.90%	-2.6%
DIRECT LENDING	4.25%	4.15%	0.1%	2.53%	1.7%
REAL ESTATE SECURITIES	1.42%	1.45%	0.0%	1.34%	0.1%
SECURITY LENDING	0.00%	0.00%	0.0%	-0.04%	0.0%
CASH (equity managers only)	0.88%	0.97%	-0.1%	1.49%	-0.6%
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

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STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING SEPT. 30, 2014
PRELIMINARY BASIS

ASSET CLASS	MARKET VALUE	PERCENT	CURRENT POLICY TARGET	RANGE
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	192,009,751	10.9%	9.7%	7.7% - 11.7%
BLACKROCK - R1000 VALUE INDEX	118,358,600	6.7%	6.5%	5.5% - 6.5%
JACKSON SQUARE - LARGE CAP GROWTH	156,121,209	8.9%	8.5%	7.0% - 10.0%
BLACKROCK - R1000 GROWTH INDEX	102,271,001	5.8%	5.5%	4.0% - 6.0%
CAPITAL PROSPECTS - SMALL CAP VALUE	91,984,378	5.2%	5.5%	4.0% - 6.0%
LEGATO CAPITAL - SMALL CAP GROWTH	82,813,285	4.7%	5.5%	4.0% - 6.0%
BNY - S&P 500 INDEX	102,860,347	5.9%	5.5%	4.0% - 6.0%
TOTAL DOMESTIC EQUITIES	846,418,571	✓ 48.2%	46.7%	
FIXED INCOME				
DODGE & COX	388,031,622	22.1%	23.8%	20.8% - 26.8%
PIMCO	108,564,527	6.2%	6.0%	5.0% - 7.0%
TOTAL FIXED INCOME	496,596,149	✓ 28.3%	29.8%	
DIRECT LENDING				
MEDLEY CAPITAL	28,859,417	1.6%	1.0%	1.0% - 3.0%
RAVEN CAPITAL	25,542,542	1.5%	1.5%	1.0% - 3.0%
WHITE OAK	20,137,935	1.1%	1.5%	1.0% - 3.0%
TOTAL DIRECT LENDING	74,539,894	✓ 4.2%	4.0%	
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	155,524,138	8.9%	9.0%	7.5% - 10.5%
PYRAMIS	156,717,733	8.9%	9.0%	7.5% - 10.5%
TOTAL INTERNATIONAL EQUITIES	312,241,871	✓ 17.8%	18.0%	
REAL ESTATE				
BlackRock - US RE SECURITIES INDEX	21,396,037	1.2%	1.5%	0.0% - 2.0%
Greenfield - GAP VII	3,473,111	0.2%	0.0%	0.0% - 1.5%
TOTAL REAL ESTATE	24,869,148	✓ 1.4%	1.5%	1.0% - 2.0%
CASH - NORTHERN TRUST	29,151	0.0%	0.0%	
TOTAL STANCERA PORTFOLIO	1,754,694,784	100.0%	100.0%	

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STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING SEPT. 30, 2014
 PRELIMINARY

	CASH	BONDS	EQUITIES	TOTAL
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	5,977,953		186,031,798	192,009,751
BLACKROCK - R1000 VALUE INDEX	0		118,358,599	118,358,600
JACKSON SQ. - LARGE CAP GROWTH	888,747		155,432,482	156,121,209
BLACKROCK - R1000 GROWTH INDEX	0		102,271,001	102,271,001
CAPITAL PROSPECTS - SMALL CAP VALUE	2,993,949		88,990,429	91,984,378
LEGATO CAPITAL - SMALL CAP GROWTH	1,197,246		81,616,039	82,813,285
BNY - S&P 500 INDEX	230		102,860,117	102,860,347
TOTAL DOMESTIC EQUITIES	10,858,125		835,560,448	846,418,571
FIXED INCOME				
DODGE & COX	2,422,154	385,609,468		388,031,622
PIMCO	1,764,207	106,800,320		108,564,527
TOTAL FIXED INCOME	4,186,361	492,409,788		496,596,149
DIRECT LENDING				
MEDLEY	0	28,859,417		28,859,417
RAVEN	1,590,433	23,952,109		25,542,542
WHITE OAK	0	20,137,935		20,137,935
TOTAL DIRECT LENDING	1,590,433	72,949,461		74,539,894
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	2,729,980		152,794,178	155,524,138
PYRAMIS	1,780,320		154,937,413	156,717,733
TOTAL INTERNATIONAL EQUITIES	4,510,280		307,731,591	312,241,871
REAL ESTATE				
BLACKROCK - US REAL ESTATE SECURITIES INDEX	1		21,396,037	21,396,037
GREENFIELD GAP VII	136,238		3,336,873	3,473,111
TOTAL REAL ESTATE	136,239		24,732,910	24,869,148
NORTHERN TRUST CASH	29,151			29,151
TOTAL STANCERA PORTFOLIO	21,310,589	565,359,249	1,168,024,947	1,754,694,784

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STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING SEPT. 30, 2014
PRELIMINARY BASIS

	MARKET VALUE	SEPT	ALPHA	AUGUST	ALPHA	FISCAL YTD	ALPHA
DOMESTIC EQUITIES							
DODGE & COX - LARGE CAP VALUE	186,031,798	-1.25%	0.81%	3.08%	-0.60%	0.79%	0.97%
RUSSELL 1000 VALUE		-2.06%		3.68%		-0.18%	
BLACKROCK - R1000 VALUE INDEX	118,358,599	-2.05%	0.01%	3.68%	0.00%	-0.17%	0.01%
RUSSELL 1000 VALUE		-2.06%		3.68%		-0.18%	
JACKSON SQ. - LARGE CAP GROWTH	155,432,462	-0.88%	0.57%	2.47%	-2.11%	0.73%	-0.76%
RUSSELL 1000 GROWTH		-1.45%		4.58%		1.49%	
BLACKROCK - R1000 GROWTH INDEX	102,271,001	-1.44%	0.01%	4.58%	0.00%	1.50%	0.01%
RUSSELL 1000 GROWTH		-1.45%		4.58%		1.49%	
CAPITAL PROSPECTS	88,990,429	-5.55%	1.20%	4.60%	0.25%	-6.01%	2.57%
RUSSELL 2000 VALUE		-5.75%		4.35%		-8.58%	
LEGATO CAPITAL	81,616,039	-3.64%	1.71%	4.45%	-1.13%	-4.84%	1.29%
RUSSELL 2000 GROWTH		-5.35%		5.58%		-6.13%	
BNY - S&P 500 INDEX	102,860,117	-1.40%	0.00%	4.00%	0.00%	1.13%	0.01%
S&P 500		-1.40%		4.00%		1.12%	
TOTAL DOMESTIC EQUITY	835,560,446	-2.03%	0.05%	3.65%	-0.55%	-0.56%	-0.59%
Russell 3000 Index		-2.08%		4.20%		0.03%	
FIXED INCOME							
DODGE & COX	388,031,622	-0.29%	0.38%	0.97%	-0.13%	0.52%	0.36%
BARCLAYS US AGGREGATE BOND		-0.68%		1.10%		0.16%	
PIMCO	108,564,527	-0.74%	-0.06%	0.97%	-0.13%	-0.11%	-0.27%
BARCLAYS US AGGREGATE BOND		-0.68%		1.10%		0.16%	
TOTAL FIXED INCOME	496,596,149	-0.39%	0.29%	0.97%	-0.13%	0.38%	0.22%
BARCLAYS US AGGREGATE BOND		-0.68%		1.10%		0.16%	
DIRECT LENDING							
MEDLEY CAPITAL	28,859,417	0.00%	-0.75%	0.00%	-0.75%	1.91%	-0.34%
CUSTOM 9% ANNUAL		0.75%		0.75%		2.25%	
RAVEN CAPITAL	25,542,542	0.86%	0.11%	1.02%	0.27%	2.60%	0.35%
CUSTOM 9% ANNUAL		0.75%		0.75%		2.25%	
WHITE OAK	20,137,935	0.00%	-0.75%	0.64%	-0.11%	1.22%	-1.03%
CUSTOM 9% ANNUAL		0.75%		0.75%		2.25%	
TOTAL DIRECT LENDING	74,539,894	0.29%	-0.46%	1.13%	0.38%	1.38%	-0.87%
CUSTOM 9% ANNUAL		0.75%		0.75%		2.25%	
INTERNATIONAL EQUITY							
LSV ASSET MGMT	152,794,178	-5.43%	-0.59%	1.08%	0.53%	-4.93%	0.34%
MSCI ACWI ex-US		-4.84%		0.55%		-5.27%	
PYRAMIS	154,937,413	-3.98%	0.86%	0.71%	0.16%	-4.62%	0.55%
MSCI ACWI ex-US		-4.84%		0.55%		-5.27%	
TOTAL INTERNATIONAL EQUITY	307,731,591	-4.70%	0.14%	0.89%	0.34%	-4.76%	0.51%
MSCI ACWI ex-US		-4.84%		0.55%		-5.27%	
REAL ESTATE							
BlackRock US RE Index	21,396,037	-5.83%	0.00%	2.82%	0.00%	3.01%	6.01%
DOW JONES US SELECT RE INDEX		-5.83%		2.82%		-3.00%	
Greenfield GAP VII	3,473,111	0.00%	0.00%	4.13%	4.13%	0.00%	0.00%
NCREIF ODCE + 100 bps		0.00%		0.00%		0.00%	
TOTAL REAL ESTATE	24,869,148	-5.01%	0.14%	2.68%	-0.24%	-2.41%	0.58%
DOW JONES US SELECT RE INDEX		-5.83%		2.82%		-2.99%	
CASH and SHORT-TERM INVESTMENTS							
CASH (NT + MANAGERS)	15,371,482	0.01%	0.00%	0.01%	0.00%	0.03%	0.00%
90-day US Treasury Bill		0.01%		0.01%		0.03%	
Total StanCERA Fund	1,754,868,710	-2.03%	0.32%	2.22%	-0.29%	-1.07%	0.22%
Current Policy Index*		-2.35%		2.51%		-1.29%	
Actuary Rate of Assumption (7.75%)		0.64%	-2.67%	0.64%	1.58%	1.93%	-3.00%
Actuary Rate of Inflation (3.25%)		0.27%	-2.30%	0.27%	1.95%	0.81%	-1.88%

Good excess returns
in Sept and 3 mos.
for US Equity Managers

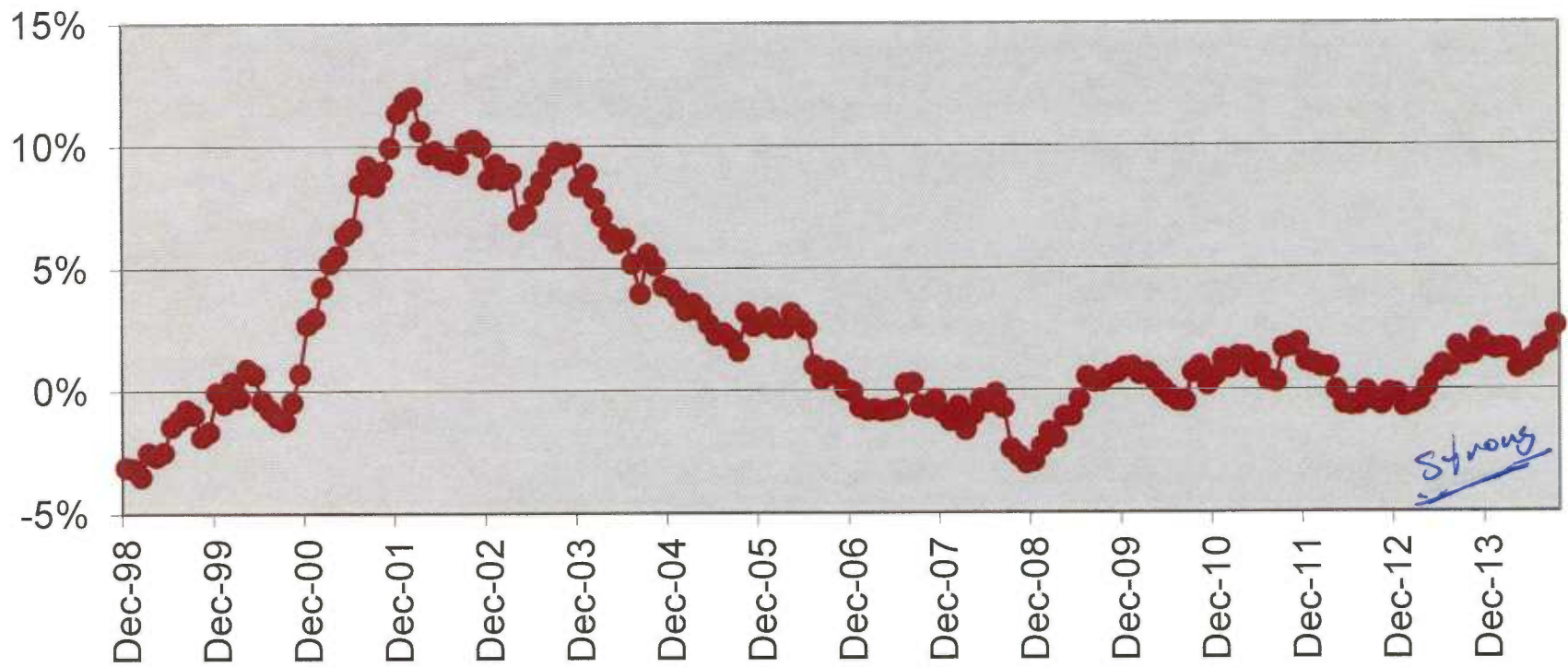
offset by

Small Cap overweight
Legato much better
month

correction finally
happening

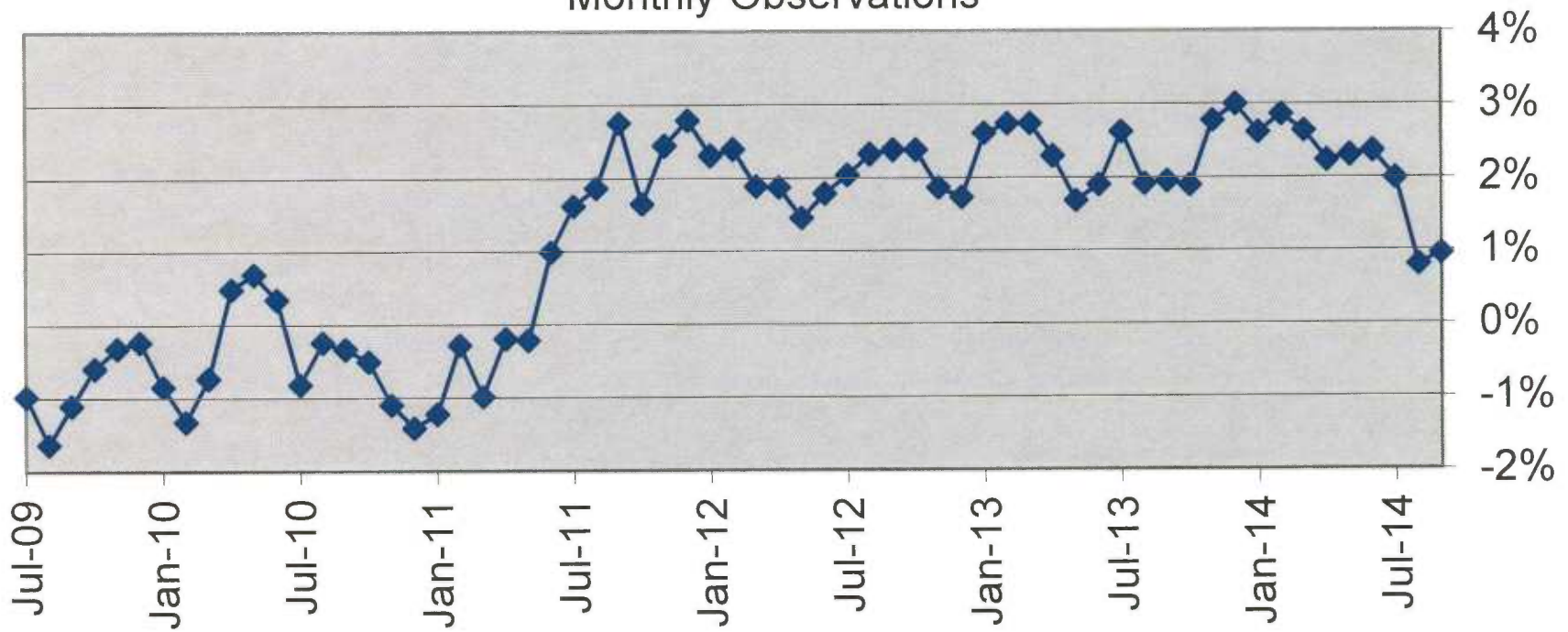
(5)

Dodge & Cox Equity
Rolling 3-Years Annualized Alpha
Monthly Observations

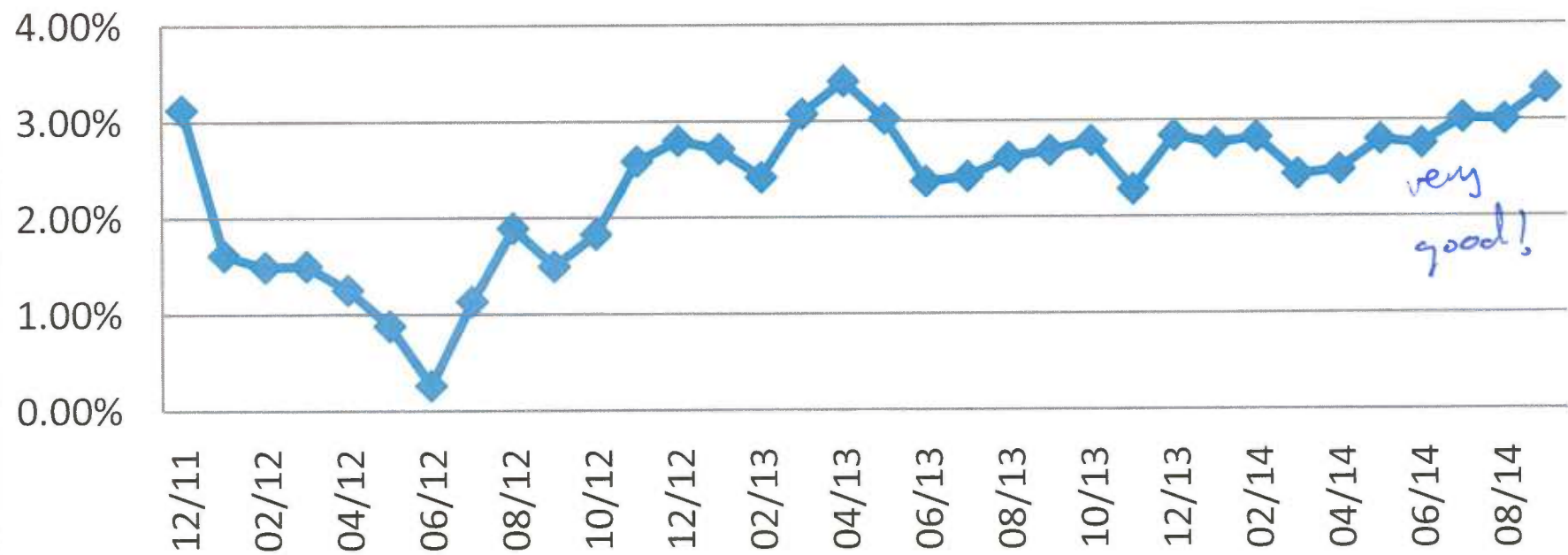


Sydney

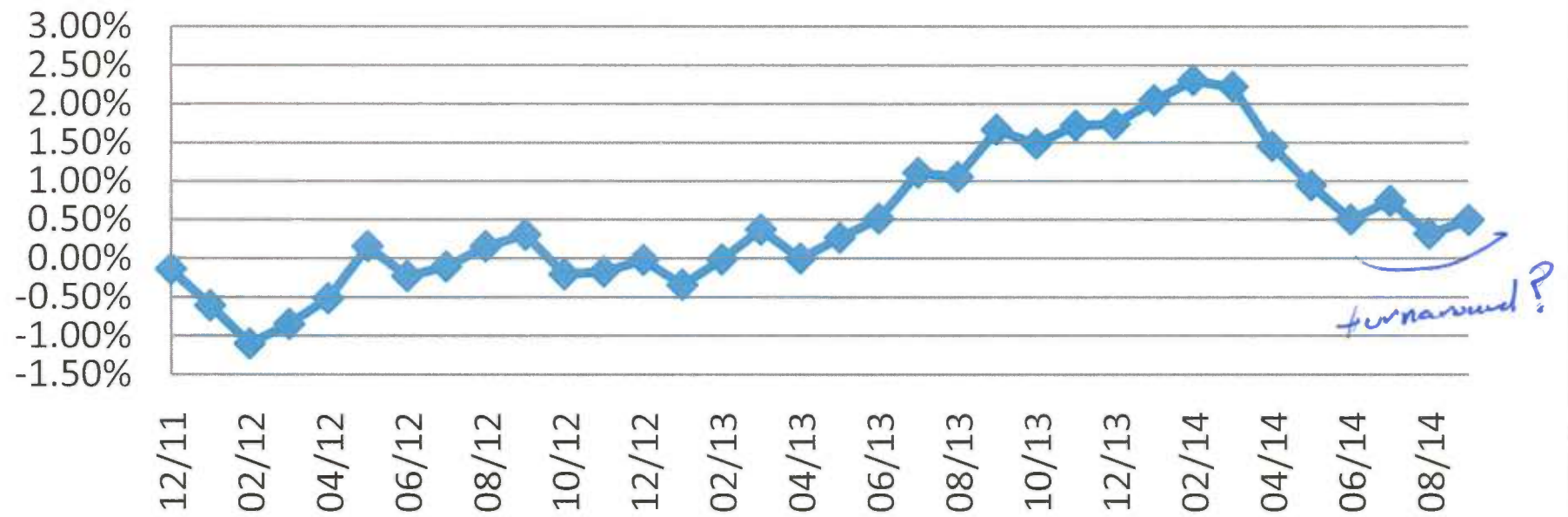
Jackson Square
Rolling 3-Years Annualized Alpha
Monthly Observations



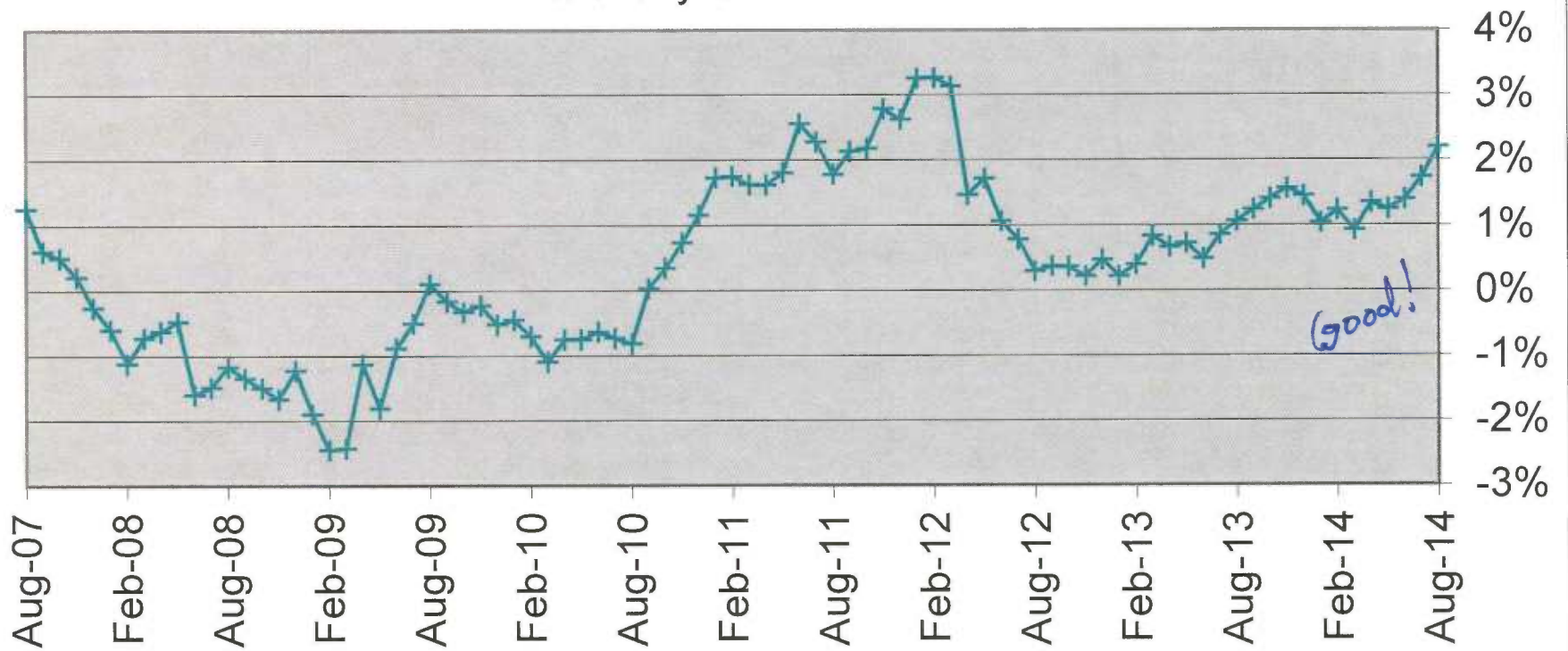
Capital Prospects
Rolling 3-Year
Alphas
Monthly Observations



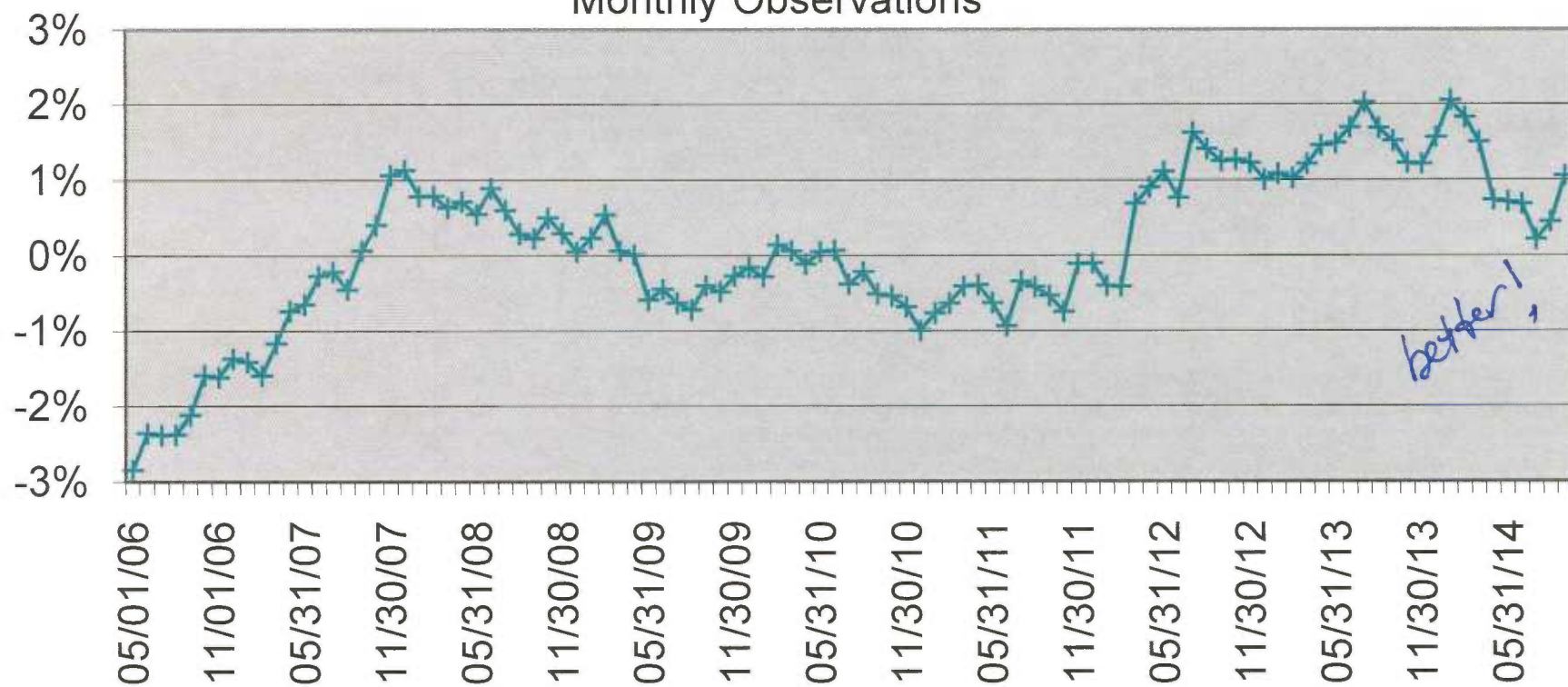
Legato Rolling
3-Year Alphas
Annualized
Monthly Observations



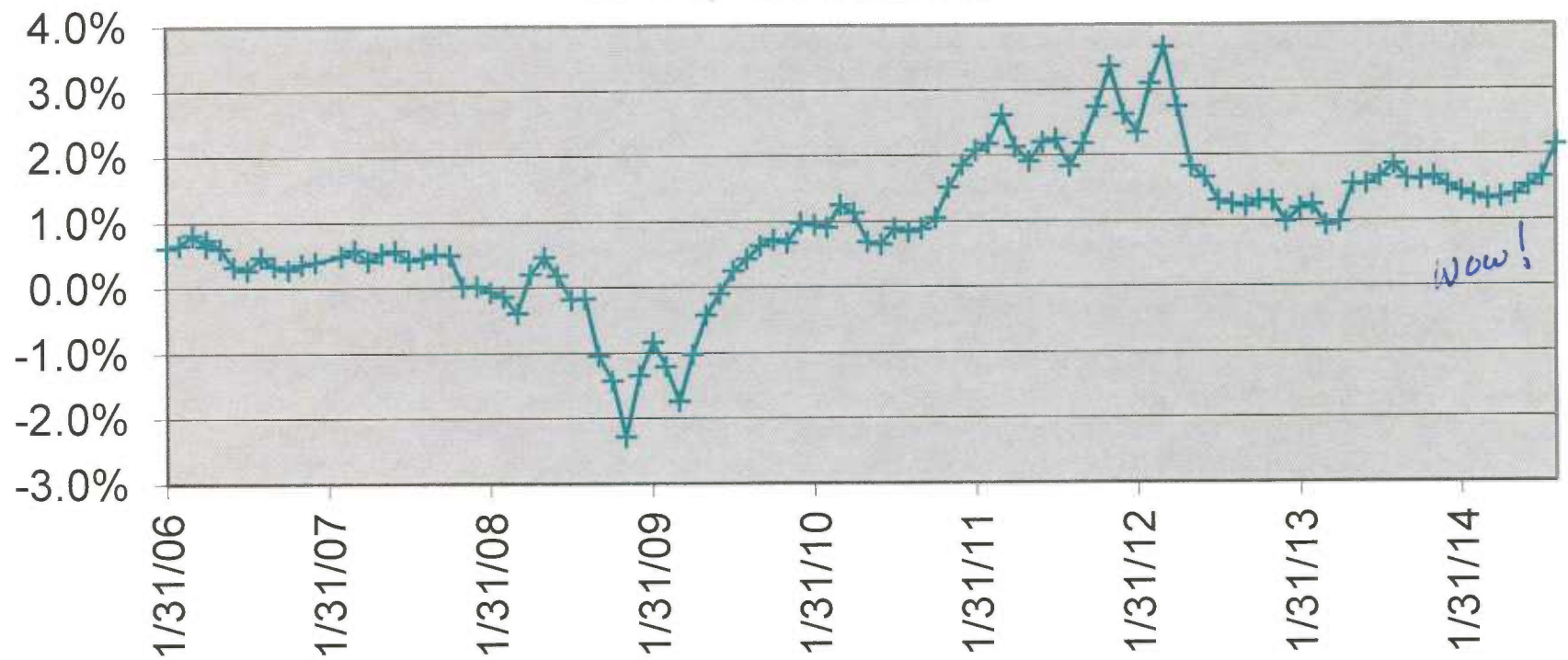
LSV
Rolling 3-Years Annualized Alpha
Monthly Observations



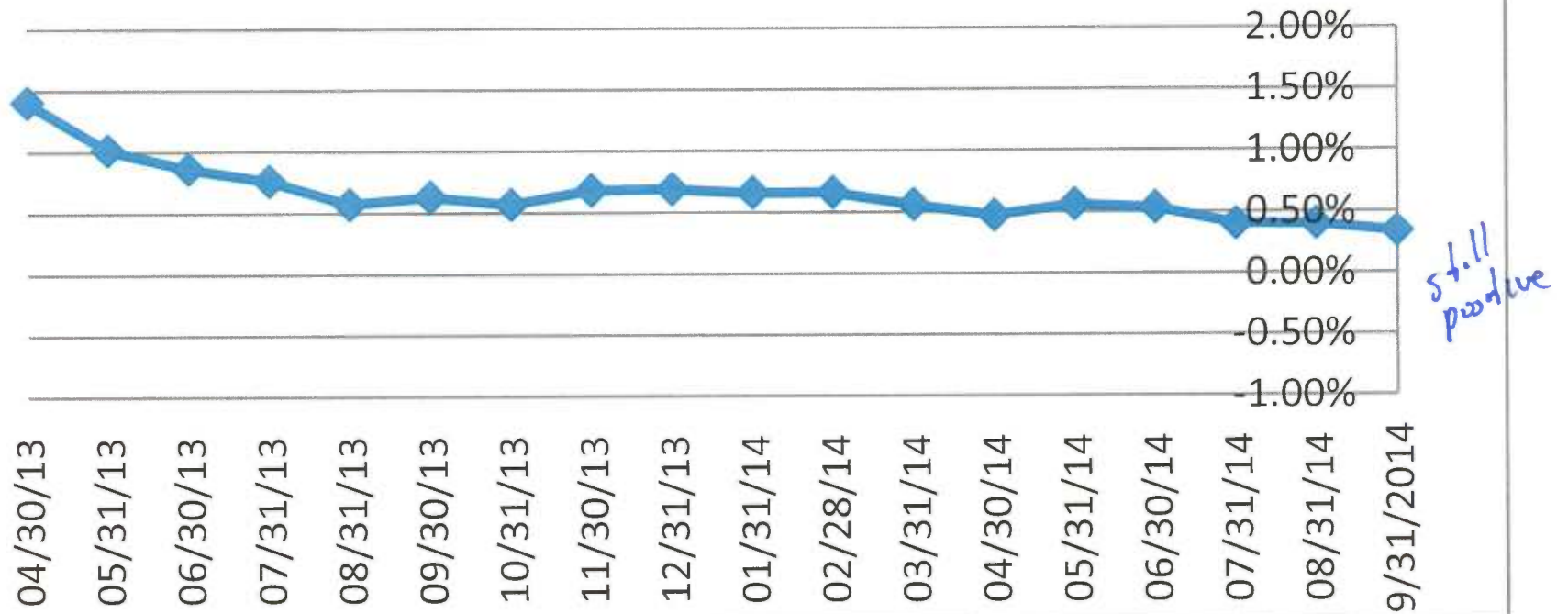
Pyramis (May 2006)
Rolling 3-Years Annualized Alpha
Monthly Observations



Dodge & Cox Fixed Income
Rolling 3-Year Alphas Annualized
Monthly Observations



PIMCO Rolling
3-Year Alphas
Annualized
Monthly Observations



STANCERA
Price Monitor Position Report

BlackRock
Passive Large Cap Growth Manager
Positions as of September 30, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	9/30/2014 \$ PX	10/15/2014 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	60,906	\$6,136,260	6.00%	0.35%	100.75	97.54	-3.19%	2.43%
Microsoft Corp.	MSFT	52,062	\$2,413,596	2.36%	0.14%	46.36	43.22	-6.77%	-1.15%
Verizon Communications	VZ	41,735	\$2,086,328	2.04%	0.12%	49.99	47.92	-4.14%	1.48%
INTL Business Machines	IBM	9,482	\$1,799,970	1.76%	0.10%	189.83	181.75	-4.26%	1.36%
Coca-Cola Co.	KO	41,954	\$1,789,743	1.75%	0.10%	42.66	43.23	1.34%	6.96%
Google Inc. - Class A	GOOG	2,763	\$1,595,428	1.56%	0.09%	577.36	530.03	-8.20%	-2.58%
Google Inc. - Class C	GOOGL	2,677	\$1,574,973	1.54%	0.09%	588.41	540.73	-8.10%	-2.48%
Gilead Sciences	SLB	15,488	\$1,574,973	1.54%	0.09%	101.69	89.21	-12.27%	-6.65%
Facebook Inc.	FB	19,150	\$1,513,611	1.48%	0.09%	79.04	73.21	-7.38%	-1.76%
Pepscio	PEP	15,600	\$1,452,248	1.42%	0.08%	93.09	91.77	-1.42%	4.20%
TOP TEN HOLDINGS			\$21,937,130	21.45%	1.25%	Russell 1000 Growth:		-5.62%	

Total Portfolio Value
Total StanCERA Value

\$102,271,001
\$1,754,694,784

STANCERA
Price Monitor Position Report

BlackRock
Passive Large Cap Value Manager
Positions as of September 30, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	9/30/2014 \$ PX	10/15/2014 \$ PX	Position % Change	Relative % Change
EXXON MOBIL CORP	XOM	53,862	\$5,065,748	4.28%	0.29%	94.05	90.22	-4.07%	1.38%
BERKSHIRE HATHAWAY INC	BRK-B	22,191	\$3,065,488	2.59%	0.17%	138.14	135.64	-1.81%	3.65%
GENERAL ELECTRIC CO	GE	114,108	\$2,923,457	2.47%	0.17%	25.62	24.28	-5.23%	0.22%
JOHNSON & JOHNSON	JNJ	26,983	\$2,876,114	2.43%	0.16%	106.59	98.21	-7.86%	-2.41%
WELLS FARGO & CO	WFC	55,220	\$2,864,278	2.42%	0.16%	51.87	47.85	-7.75%	-2.30%
CHEVRON CORP	CVX	23,906	\$2,852,442	2.41%	0.16%	119.32	109.27	-8.42%	-2.97%
PROCTER & GAMBLE CO	PG	30,530	\$2,556,546	2.16%	0.15%	83.74	82.95	-0.94%	4.51%
JPMORGAN CHASE & CO	JPM	41,260	\$2,485,531	2.10%	0.14%	60.24	55.53	-7.82%	-2.36%
PFIZER INC	PFE	73,649	\$2,177,798	1.84%	0.12%	29.57	28.19	-4.67%	0.79%
AT&T CORP	T	60,791	\$2,142,291	1.81%	0.12%	35.24	33.87	-3.89%	1.57%
TOP TEN HOLDINGS			\$29,009,693	24.51%	1.65%	Russell 1000 Value		-5.46%	

Total Portfolio Value
Total StanCERA Value

\$118,358,600

\$1,754,694,784

STANCERA
Price Monitor Position Report

BNY - S&P 500 Index
Passive S&P 500 Index Fund
Positions as of September 30, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	9/30/2014 \$ PX	10/15/2014 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	35,529	\$3,579,540	3.48%	0.20%	100.75	97.54	-3.19%	2.25%
Exxon Mobil Corp	XOM	25,483	\$2,396,646	2.33%	0.14%	94.05	90.22	-4.07%	1.36%
Microsoft	MSFT	47,037	\$2,180,639	2.12%	0.12%	46.36	43.22	-6.77%	-1.34%
Johnson & Johnson	JNJ	15,923	\$1,697,196	1.65%	0.10%	106.59	98.21	-7.86%	-2.43%
Berkshire Hathaway Inc.	BRK-B	11,020	\$1,522,333	1.48%	0.09%	138.14	135.64	-1.81%	3.62%
General Electric Co	GE	59,018	\$1,512,047	1.47%	0.09%	25.62	24.28	-5.23%	0.20%
Wells Fargo & Co.	WFC	27,366	\$1,419,473	1.38%	0.08%	51.87	47.85	-7.75%	-2.32%
Procter & Gamble	PG	16,460	\$1,378,329	1.34%	0.08%	83.74	82.95	-0.94%	4.49%
Chevron Corp	CVX	10,948	\$1,306,326	1.27%	0.07%	119.32	109.27	-8.42%	-2.99%
JPMorgan Chase & Co.	JPM	21,344	\$1,285,754	1.25%	0.07%	60.24	55.53	-7.82%	-2.39%
TOP TEN HOLDINGS			\$18,278,284	17.77%	1.04%	S&P 500 Index:		-5.43%	

Total Portfolio Value
Total StanCERA Value

\$102,860,347

\$1,754,694,784

STANCERA
Price Monitor Position Report

Dodge & Cox Equity
Active US Large Cap Value Manager
Positions as of September 30, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	9/30/2014 \$ PX	10/15/2014 \$ PX	Position % Change	Relative % Change
HEWLETT-PACKARD CO	HPQ	225,805	\$8,009,303	4.31%	0.46%	0.70%	35.47	32.80	-7.53%	-1.91%
MICROSOFT CORP	MSFT	170,000	\$7,881,200	4.24%	0.45%	1.40%	46.36	43.22	-6.77%	-1.15%
WELLS FARGO & CO	WFC	146,072	\$7,576,754	4.07%	0.43%	2.50%	51.87	47.85	-7.75%	-2.13%
CAPITAL ONE FINANCIAL CORP	COF	92,500	\$7,549,850	4.06%	0.43%	0.50%	81.62	79.21	-2.95%	2.67%
NOVARTIS AG-SPONSORED ADR	NVS	68,600	\$6,457,318	3.47%	0.37%	0.00%	94.13	86.22	-8.40%	-2.78%
COMCAST CORP-CLASS A	CMCSA	110,363	\$5,935,322	3.19%	0.34%	0.10%	53.78	50.85	-5.45%	0.17%
TIME WARNER INC	TWX	78,232	\$5,883,828	3.16%	0.34%	0.70%	75.21	72.21	-3.99%	1.63%
SANOFI-ADR	SNY	98,255	\$5,544,529	2.98%	0.32%	0.00%	56.43	51.50	-8.74%	-3.12%
SCHWAB (CHARLES) CORP	SCHW	180,000	\$5,290,200	2.84%	0.30%	0.30%	29.39	25.32	-13.85%	-8.23%
FEDEX CORP	FDX	30,900	\$4,988,805	2.68%	0.28%	0.30%	161.45	153.82	-4.73%	0.89%
TOP TEN HOLDINGS			\$65,117,109	35.00%	3.71%	6.50%	Russell 1000 Growth:		-5.62%	

Total Portfolio Value
Total StanCERA Value

\$192,009,751
\$1,754,694,784

STANCERA
Price Monitor Position Report

Jackson Square Partners
Active Large Cap Growth Portfolio
Positions as of September 30, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	9/30/2014 \$ PX	10/15/2014 \$ PX	Position % Change	Relative % Change
Celgene Corporation	CELG	104,200	\$9,876,076	6.33%	0.56%	0.74%	94.78	86.55	-8.68%	-3.06%
Microsoft Corporation	MSFT	206,525	\$9,574,499	6.13%	0.55%	2.42%	46.36	43.22	-6.77%	-1.15%
Allergan, Inc.	AGN	47,750	\$8,508,573	5.45%	0.48%	0.52%	178.19	177.59	-0.34%	5.28%
eBay Inc.	EBAY	139,200	\$7,882,896	5.05%	0.45%	0.70%	56.63	50.24	-11.28%	-5.66%
Visa Inc. Class A	V	36,600	\$7,809,342	5.00%	0.45%	1.05%	213.37	200.25	-6.15%	-0.53%
QUALCOMM Incorporated	QCOM	100,050	\$7,480,739	4.79%	0.43%	1.23%	74.77	71.20	-4.77%	0.85%
MasterCard Incorporated Class A	MA	97,350	\$7,196,112	4.61%	0.41%	0.73%	73.92	71.30	-3.54%	2.08%
Crown Castle International Corp.	CCI	88,250	\$7,106,773	4.55%	0.41%	0.26%	80.53	79.54	-1.23%	4.39%
EOG Resources, Inc.	EOG	69,150	\$6,847,233	4.39%	0.39%	0.53%	99.02	88.17	-10.96%	-5.34%
Walgreen Co.	WAG	112,950	\$6,694,547	4.29%	0.38%	0.42%	59.27	60.95	2.83%	8.45%
TOP TEN HOLDINGS			\$78,976,788	50.59%	4.50%	8.60%	Russell 1000 Growth:		-5.62%	

Total Portfolio Value
Total StanCERA Value

\$156,121,209
\$1,754,694,784

STANCERA
Price Monitor Position Report

Capital Prospects
Active US Small Cap Value Manager
Positions as of September 30, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000V	9/30/2014 \$ PX	10/15/2014 \$ PX	Position % Change	Relative % Change
Hillenbrand, Inc	HI	44,369	\$1,370,567	1.49%	0.08%	0.12%	30.89	30.92	0.10%	1.56%
Littelfuse, Inc	LFUS	12,095	\$1,030,225	1.12%	0.06%	0.12%	85.18	81.14	-4.74%	-3.28%
Regal Beloit Corp	RBC	15,176	\$975,034	1.06%	0.06%	0.00%	64.25	63.66	-0.92%	0.55%
MB Financial, Inc	MBFI	32,567	\$901,447	0.98%	0.05%	0.11%	27.68	26.97	-2.57%	-1.10%
Asbury Auto GP	ABG	13,279	\$855,455	0.93%	0.05%	0.12%	64.42	65.21	1.23%	2.69%
First AM	FAF	31,543	\$855,455	0.93%	0.05%	0.18%	27.12	27.27	0.55%	2.02%
Deluxe Corporation	DLX	15,509	\$855,455	0.93%	0.05%	0.17%	55.16	53.71	-2.63%	-1.16%
Iberiabank Corp	IBKC	13,685	\$855,455	0.93%	0.05%	0.12%	62.51	61.82	-1.10%	0.36%
Hexcel Corp New	HXL	21,548	\$855,455	0.93%	0.05%	0.00%	39.70	38.03	-4.21%	-2.74%
Verint Systems Inc	VRNT	15,383	\$855,455	0.93%	0.05%	0.21%	55.61	52.58	-5.45%	-3.98%
TOP TEN HOLDINGS			\$9,410,002	10.23%	0.54%	1.15%	Russell 2000 Value:		-1.46%	

Total Portfolio Value
Total StanCERA Value

\$91,984,378
\$1,754,694,784

STANCERA
Price Monitor Position Report

Legato Capital Management
Active US Small Cap Growth Manager
Positions as of September 30, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000G	9/30/2014 \$ PX	10/15/2014 \$ PX	Position % Change	Relative % Change
iShares Russell 2000 Growth ETF	IWO	22,302	\$2,892,346	3.49%	0.16%	--	129.69	125.03	-3.59%	0.00%
Synchronoss Technologies, Inc.	SNCR	39,074	\$1,788,808	2.16%	0.10%	0.20%	45.78	43.00	-6.07%	-2.48%
Constant Contact, Inc.	CTCT	49,164	\$1,334,311	1.61%	0.08%	0.11%	27.14	28.44	4.79%	8.38%
Cardtronics, Inc.	CATM	35,870	\$1,262,624	1.52%	0.07%	0.19%	35.20	35.05	-0.43%	3.17%
LifeLock, Inc.	LOCK	78,812	\$1,126,223	1.36%	0.06%	0.14%	14.29	15.23	6.58%	10.17%
Echo Global Logistics, Inc	ECHO	43,175	\$1,016,771	1.23%	0.06%	0.07%	23.55	24.83	5.44%	9.03%
Shutterfly, Inc.	SFLY	19,776	\$963,882	1.16%	0.05%	0.14%	48.74	41.51	-14.83%	-11.24%
AmSurg Corp.	AMSG	18,734	\$937,637	1.13%	0.05%	0.06%	50.05	49.14	-1.82%	1.78%
Akorn, Inc.	AKRX	25,836	\$937,072	1.13%	0.05%	0.28%	36.27	34.95	-3.64%	-0.05%
Advent Software, Inc.	ADVS	26,685	\$842,179	1.02%	0.05%	0.20%	31.56	31.31	-0.79%	2.80%
TOP TEN HOLDINGS			\$13,101,853	15.82%	0.75%	1.39%	Russell 2000 Growth:		-3.59%	

Total Portfolio Value
Total StanCERA Value

\$82,813,285

\$1,754,694,784

STANCERA
Price Monitor Position Report

LSV Asset Management
International Large Cap Value
Positions as of September 30, 2014

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	9/30/2014 \$ PX*	10/15/2014 \$ PX*	Position % Change	Relative % Change
MAGNA INTERNATIONAL INC	MGA	Canada	27,529	\$2,612,805	1.68%	0.15%	0.12%	94.91	85.00	-10.44%	-4.83%
ASTRAZENECA PLC	AZN	London	34,179	\$2,441,729	1.57%	0.14%	0.50%	71.44	68.41	-4.24%	1.37%
SANOFI S.A.	SNY	London	40,514	\$2,286,205	1.47%	0.13%	0.74%	56.43	51.50	-8.74%	-3.13%
ALLIANZ SE	ALV.DE	Germany	17,691	\$2,270,652	1.46%	0.13%	0.41%	128.35	119.55	-6.86%	-1.25%
CHINA PETROLEUM & CHEMICAL-H	SNP	Hong Kong	22,965	\$2,006,261	1.29%	0.11%	0.12%	87.36	85.53	-2.09%	3.51%
DAIMLER AG	DAI.DE	Germany	30,219	\$1,835,185	1.18%	0.10%	0.41%	60.73	57.07	-6.03%	-0.42%
CANADIAN IMPERIAL BANK	CM.TO	Toronto	17,935	\$1,804,080	1.16%	0.10%	0.20%	100.59	95.93	-4.63%	0.97%
OLD MUTUAL PLC	OML.L	London	9,843	\$1,788,528	1.15%	0.10%	0.33%	181.70	169.50	-6.71%	-1.11%
ENI - ENTE NAZIONALE IDROCARBURI	E	Italy	37,852	\$1,788,528	1.15%	0.10%	0.46%	47.25	41.10	-13.02%	-7.41%
BASF SE	BASFY	Germany	19,192	\$1,757,423	1.13%	0.10%	0.08%	91.57	84.76	-7.44%	-1.83%
TOP TEN HOLDINGS				\$20,591,396	13.24%	1.17%	3.37%	MSCI ACWI ex-U.S.		-5.61%	

Total Portfolio Value
Total StanCERA Value

\$155,524,136

\$1,754,694,784

*Company quotes are provided directly in USD

STANCERA
Price Monitor Position Report

Pyramis Global Advisors
Active Non-US Growth Manager
Positions as of September 30, 2014

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	9/30/2014 PX*	10/15/2014 PX*	Position % Change	Relative % Change
ROYAL DUTCH SHELL PLC CL A(NL)	B09CBL4	Amsterdam	73,771	\$2,826,024	1.80%	0.16%	1.35%	30.33	26.44	-12.83%	-7.22%
NESTLE SA (REG)	7123870	Switzerland	34,365	\$2,473,271	1.58%	0.14%	1.30%	70.25	67.00	-4.63%	0.98%
ROCHE HLDGS AG (GENUSSCHEINE)	7110388	Germany	200,332	\$2,288,799	1.46%	0.13%	1.14%	36.99	34.29	-7.30%	-1.69%
SANOFI	5671735	Paris	19,280	\$2,221,439	1.42%	0.13%	0.74%	56.43	51.50	-8.74%	-3.13%
HSBC HOLDINGS PLC (UK REG)	540528	London	6,916	\$2,033,374	1.30%	0.12%	1.06%	10.19	9.82	-3.63%	1.98%
BAYER AG	5069211	Germany	1,394,874	\$1,888,193	1.20%	0.11%	0.64%	36.99	34.29	-7.30%	-1.69%
NOVARTIS AG (REG)	7103065	Germany	13,193	\$1,846,400	1.18%	0.11%	1.19%	94.13	86.22	-8.40%	-2.80%
LLOYDS BANKING GROUP PLC	870612	London	28,600	\$1,738,261	1.11%	0.10%	0.39%	1.24	1.17	-5.65%	-0.04%
TOYOTA MOTOR CORP	6900643	Tokyo	19,136	\$1,685,052	1.07%	0.10%	0.89%	117.53	110.06	-6.36%	-0.75%
ALLIANZ SE (REGD)	5231485	Germany	9,757	\$1,581,982	1.01%	0.09%	0.41%	128.35	119.55	-6.86%	-1.25%
TOP TEN HOLDINGS				\$20,582,795	13.13%	1.17%	9.11%	MSCI ACWI ex-US:		-5.61%	

Total Portfolio Value
Total StanCERA Value

\$156,717,733
\$1,754,694,784

*Company quotes are provided in foreign currency and then converted to USD



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
832 12th Street, Suite 600
Modesto, CA 95354
P.O. Box 3150 Modesto, CA 95353-3150

Phone (209) 525-6393
Fax (209) 558-4976
www.stancera.org
e-mail: retirement@stancera.org

**For the Board of Retirement meeting
Held on October 28, 2014**

TO: The Board of Retirement

FROM: Rick Santos, Executive Director

- I. SUBJECT: Quarterly Alternative Investment Update
- II. ITEM NUMBER: 9.a
- III. ITEM TYPE: Information and Discussion
- IV. STAFF RECOMMENDATION: None
- V. ANALYSIS: On July 9th 2014, the StanCERA Board of Retirement discussed an agenda item regarding potential concerns within their Alternative Investment portfolio. One of ideas that came out of that meeting was to create a standing quarterly agenda item to discuss the alternative investment class. This item represents the first quarterly discussion on the topic.

Accompanying this item are attachments that contain information the Board of Retirement should find useful to assess and analyze and promote useful dialogue within the group.
- VI. RISK: None
- VII. STRATEGIC PLAN: Invest StanCERA assets in such a way that efficiently maximizes the ability to meet current and future benefit obligations while balancing the need for contribution stability and sustainability
- VIII. ADMINISTRATIVE BUDGET IMPACT: None



Rick Santos, Executive Director

Kathy Herman, Operations Manager