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

February 25, 2014
1:00 p.m.

TIME CHANGE

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 February 12, 2014 Administrative Meeting Minutes **View**

   b. StanCERA Investment Managers Peer Rankings for Quarter Ending December 31, 2013 **View**

6. Annual Update Direct Lending Report – Raven Capital Management

7. Strategic Investment Solutions (SIS), Inc.

   a. Investment Performance Analysis for the Fourth Quarter Ending December 31, 2013 **View**

   b. Monthly Performance Review for the Month Ending January 31, 2014 **View**

   c. StanCERA Investment Managers Review List for Quarter Ending December 31, 2013 **View**

   d. Report on "Top 10 Holdings" of StanCERA Investment Managers as of January 31, 2014 **View**

   e. Discussion and Action Regarding the 2014 Proposed Real Estate Implementation Plan **View**

8. CHEIRON (Formerly EFI)

   a. Discussion and Action on CHEIRON Actuaries Presentation of the June 30, 2013 Actuarial Valuation **View**

9. Executive Director

   a. 2013 Quarter 4 Value Added Report **View**

10. Closed Session

    a. Discussion and Action Regarding Northern Trust Global Custody and Securities Lending Contracts Government Code Section 54956.81. Roll Call Vote Required

    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
       Government Code Section 54956.9(d)(4)

    c. 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)

    d. 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)

    e. Discussion and Action Regarding the Raven Capital Management Partnership Agreement Proposed Amendment Government Code Section 54956.81.
       Roll Call Vote Required

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

12. Adjournment

TOP

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PLEASE POST FOR EMPLOYEE VIEWING

BOARD OF RETIREMENT MINUTES **February 12, 2014**

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

Alternate Member: Joan Clendenin Alternate Retiree Representative

Members Absent: Jason Gordo, Jim DeMartini

Staff Present: Rick Santos, Executive Director
Kellie Gomes, Executive Board Secretary
Kathy Herman, Operations Manager
Dawn Lea, Benefits Manager

Others Present: Fred Silva, General Legal Counsel
Doris Foster, County Chief Executive Office
Scott Smith, Hanson Bridgett LLP

1. Meeting Called to Order

   Meeting called to order at 2:02 p.m. by Gordon Ford, Chair.

2. Roll Call

3. Announcements

4. Public Comment

   None

5. Consent Items

   a. Approval of the January 28, 2014, Administrative/Investment Meeting Minutes

   b. Receipt of the Internal Revenue Service (IRS) Compliance – Voluntary Correction Program (VCP) and Favorable Determination Letter

c. Approval of the Cost of Living Adjustment (COLA) Effective April 1, 2014, for Payment on May 1, 2014, per Government Code Section 31870.1

d. 2013 Updated Continuing Education Record

e. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**

1. Mary Barraza, CSA, Effective 2-11-14
2. Jon Bradford, Assessor, Effective 02-19-14
3. Janette Gurule, CSA, Effective 02-04-14
4. Linda Homen, CSA, Effective 02-04-14
5. Don Hosley, Assessor, Effective 02-08-14
6. Eve-Lynn Manning, CSA, Effective 02-12-14
7. John Minor, DA, Effective 02-08-14
8. Mary Schortner, CEO-Risk Management, Effective 02-08-14
9. Lynnette Strong, BHRS, Effective 02-04-14
10. Rochelle Tilton, Planning, Effective 02-01-14

f. Approval of Deferred Retirement(s) – Section 31700

1. Keri Brasil, Superior Court, Effective 01-04-14
2. Bryan Briggs, Ceres, Effective 11-16-13
3. Brian Munguia, Sheriff, Effective 01-25-14
4. Ramiro Nevarez, Probation, Effective 01-11-14
5. Eduardo Rodriguez, DA, Effective 12-28-13
6. Stephen Snyder, DCSS, Effective 01-22-14
7. Paul Teso, Sheriff, Effective 01-22-14
8. Douglas Wells, Probation, Effective 12-20-13

g. Approval of Disability Retirement – Section 31724

1. Marianna Gutierrez, CSA, Non-Service Connected, Effective 07-24-13
2. Jon Rivera, Sheriff, Service Connected, Effective 03-21-13

Item 5d was pulled by Gordon Ford for a correction to his education record. Trustee Ford stated that he did not attend the Opal Summit in January 2013.

Item 5g was pulled by Joan Clendenin for further discussion. Trustee Clendenin wished to discuss control issues associated with the disability process. Trustee Clendenin was advised to discuss these issues in Member's Forum (Item 9) for further consideration.

Trustee Grover asked that the minutes (Item 5a) for January 28, 2014 be changed to reflect Trustee Grover's absence on that date.

Motion was made by Darin Gharat and seconded by Maria De Anda to approve consent items 5a, 5b, 5c, 5e and 5f with the correction to the February 12th minutes (5a) reflecting Trustee Grover's absence at the January 28th meeting.

Motion carried

Motion was made by Jeff Grover and seconded by Darin Gharat to approve 5d with the correction to Trustee Ford's record as noted above.

Motion carried

Motion was made by Maria De Anda and seconded by Michael O'Neal to approve item 5g.

Motion carried

6. Executive Director

   a. Discussion and Action Regarding Section 31680.4 - Reinstatement from Retirement

Motion was made by Jeff Grover and seconded by Darin Gharat to direct StanCERA staff to begin research involving implementation of Government Code Section 31680.4

Motion Carried

7. Closed Session

Motion was made by Maria De Anda and seconded by Michael O'Neal to enter into closed session 2:18 p.m.

Motion Carried

   a. Discussion and Action Regarding Northern Trust Global Custody and Securities Lending Contracts, Gov Code Section 54956.81. Roll call vote required

Motion was made by Darin Gharat and seconded by Jeff Grover to approve staff recommendation if negotiated language can be agreed upon to the satisfaction of StanCERA Counsel and the Executive Director. If agreement can be reached, then staff is directed to:

> Authorize the Executive Director to notify the Bank of New York Mellon of the termination of the current contracts for Custodial, Securities Lending, Electronic Access Services, Client Brokerage-Commission Recapture and other related services
>
> Authorize the Executive Director to enter into a five-year agreement with Northern Trust for Custodial, Securities Lending, Electronic Access Services, Client Brokerage-Commission Recapture and other related services effective April 1, 2014 as laid out in the current contract

Authorize the Executive Director or his designee to sign contracts and necessary documents to facilitate the transition of assets from the Bank of New York Mellon to Northern Trust

7. Closed Session (Cont.)

Roll call vote:

Gordon Ford	Yes
Donna Riley	Yes
Maria DeAnda	Yes
Jason Gordo	Absent
Mike Lynch	Yes
Jim DeMartini	Absent
Darin Gharat	Yes
Michael O'Neal	Yes
Jeff Grover	Yes
Joan Clendenin	Alternate Vote not Required

Motion Carried

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
   Government Code Section 54956.9(d)(4)

c. Conference with Legal Counsel – Pending Litigation – One Case:
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d. 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)

Motion was made by Mike Lynch and seconded by Michael O'Neal to enter into open session at 2:52 p.m.

Motion Carried

No Other Items to Report Out From Closed Session.

9. Members' Forum (Information and Future Agenda Requests Only)

- Trustee Clendenin asked that staff agendize a future item discussing disabilities and control issues pertaining to costs, how StanCERA compares to other systems (disabilities vs. exposure) and the issue of fraud and who may be responsible for ferreting out fraud and prosecuting
- Director announced that normally Graham Schmidt, StanCERA's actuary, presents the actuarial valuation at this time, however, he will be unavailable but will be present for our investment meeting at the end of the month
- Director noted that our investment meeting on February 25, 2014 will be a full slate and that we will be convening at 1:00 p.m. instead of our normal 2:00 p.m.

10. Adjournment

Meeting adjourned at 2:54 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

02/25/14
Item# 5.b

TOP

StanCERA Investment Managers Peer Ranking
Total Fund
Taken From SIS Quarterly Investment Performance Analysis Reports
09/30/2010 through 12/31/2013

	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013
1 Quarter	29	16	45	68	85	30	16	69	5	27	13	38	14	14
1 Year	36	19	22	30	77	85	70	62	12	5	6	22	13	12
Over 3 years	41	38	13	16	8	14	10	23	21	28	27	14	9	10
Over 5 years	47	41	47	38	59	54	43	41	62	61	12	8	2	3

Note: Ranking 1 is highest & 100 lowest

Revised 02/18/14

StanCERA Investment Managers Peer Ranking
Peer Ranking For Returns Over 5 Years
Taken From SIS Quarterly Investment Performance Analysis Reports
09/30/2010 through 12/31/2013

	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013
S&P 500	67	68	66	64	60	61	58	54	33	38	29	16	55	48
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Delaware	n/a	n/a	n/a	n/a	43	34	32	22	21	23	16	11	8	10
BlackRock 1,000 V	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dodge & Cox	70	71	75	69	72	73	73	65	73	71	55	50	23	17
Legato	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capital Prospects	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	45
LSV	40	31	35	40	48	42	39	56	74	67	62	60	34	19
Pyramis	n/a	n/a	n/a	34	34	24	27	26	60	68	71	64	74	71
Dodge & Cox FI	25	16	18	21	36	39	27	33	25	15	8	9	6	9
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
BlackRock US Real Estate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Ranking 1 is highest & 100 lowest

Revised 02/18/14

StanCERA Investment Managers Peer Ranking
Peer Ranking For Returns Over 3 Years
Taken From SIS Quarterly Investment Performance Analysis Reports
09/30/2010 through 12/31/2013

	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/30/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013
S&P 500	60	62	62	57	52	50	56	44	20	11	18	16	48	50
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	29	39	39
Delaware	54	68	60	26	15	6	11	12	4	7	4	5	6	5
BlackRock 1,000 V	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	41	45	47
Dodge & Cox	62	65	61	60	46	39	35	62	55	44	50	23	19	17
Legato	n/a	n/a	n/a	n/a	n/a	61	62	58	60	59	53	54	39	40
Capital Prospects	n/a	n/a	n/a	n/a	n/a	64	66	48	42	21	22	34	32	30
LSV	52	39	34	29	26	17	23	34	49	57	57	71	60	70
Pyramis	45	48	39	54	38	36	34	34	67	65	74	72	67	68
Dodge & Cox FI	27	16	11	15	17	32	20	38	31	40	39	17	9	12
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	45	52	52
BlackRock US Real Estate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Ranking 1 is highest & 100 lowest

Revised 02/18/14

StanCERA Investment Managers Peer Ranking

Peer Ranking For Returns Over 1 Year

Taken From SIS Quarterly Investment Performance Analysis Reports

09/30/2010 through 12/31/2013

	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013
S&P 500	47	46	55	52	32	28	35	34	24	16	18	29	63	58
BlackRock 1,000 G	n/a	47	47	49	29	23	34	27	37	53	37	37	62	56
Delaware	13	55	52	35	16	2	8	4	24	36	29	57	41	39
BlackRock 1,000 V	50	59	68	64	44	30	50	26	19	30	17	44	59	59
Dodge & Cox	83	23	41	39	63	83	81	55	4	3	7	29	18	15
Legato	66	69	71	60	56	61	58	35	34	24	16	28	28	41
Capital Prospects	40	43	39	42	34	42	56	37	35	9	9	68	29	53
LSV	34	47	25	35	46	48	54	78	64	75	69	53	54	39
Pyramis	28	22	26	37	60	34	35	37	80	52	35	40	52	61
Dodge & Cox FI	45	21	22	27	70	89	72	77	12	9	20	7	4	3
Pimco	n/a	56	59	56	30	14	25	19	55	54	28	74	63	89
BlackRock US Real Estate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Invesco	11	8	11	15	94	95	76	76	n/a	n/a	n/a	n/a	n/a	n/a
Research Affiliates	n/a	n/a	n/a	n/a	n/a	n/a	100	100	n/a	n/a	n/a	n/a	n/a	n/a
Loomis Sayles	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Managers in red no longer managing funds

Note: Ranking 1 is highest & 100 lowest

Revised 02/18/14

StanCERA Investment Managers Peer Ranking

Peer Ranking For Returns Over 1 Quarter

Taken From SIS Quarterly Investment Performance Analysis Reports

09/30/2010 through 12/31/2013

	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013	9/30/2013	12/31/2013
S&P 500	51	53	60	53	30	50	65	29	14	24	49	28	71	41
BlackRock 1,000 G	50	53	36	52	30	25	67	24	55	64	34	48	64	60
Delaware	24	87	27	26	7	10	40	44	40	40	16	88	36	41
BlackRock 1,000 V	65	44	59	57	35	42	76	19	33	45	30	62	81	48
Dodge & Cox	44	21	73	38	73	65	34	22	7	24	50	19	22	12
Legato	69	52	63	27	56	65	41	13	52	51	31	38	46	64
Capital Prospects	31	67	43	50	37	73	71	21	15	10	47	80	24	59
LSV	71	28	12	71	61	51	66	83	31	75	26	66	33	24
Pyramis	36	22	56	71	61	42	41	44	38	43	50	37	68	58
Dodge & Cox FI	72	8	22	71	90	41	10	83	21	9	7	9	11	5
Pimco	25	91	63	23	13	54	79	12	57	52	29	90	42	95
BlackRock US Real Estate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Invesco		29	60	42	99	7	3	47	n/a	n/a	n/a	n/a	n/a	n/a
Loomis Sayles	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Managers in red no longer managing funds

Note: Ranking 1 is highest & 100 lowest

Revised 02/18/14

02/25/14
Item# 7.a

TOP

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

INVESTMENT PERFORMANCE ANALYSIS

FOURTH QUARTER 2013

STRATEGIC INVESTMENT SOLUTIONS, INC.

333 Bush Street, Suite 2000
San Francisco, CA 94104
(415) 362-3484

TABLE OF CONTENTS

- Improvements in economic fundamentals in the US and confidence that the Federal Reserve can taper while maintaining low rates through forward guidance led to broad increases in the major indices during the fourth quarter. This led to a 10.5% rise in the S&P 500 total return index in the fourth quarter, despite fears over policy uncertainty during the US government shutdown.

- Sentiment also improved for emerging market equities on aggregate. The MSCI EM Net Return Index rose 1.8% during the fourth quarter.

- In the Eurozone, the European Central Bank cut interest rates 25 bps to 0.25% as a result of weakening inflation expectations. Improved sentiment and loose monetary policy helped to lift Europe ex-UK in the fourth quarter, where equities rose 8.1%. The euro rose 1.8% against the dollar in the fourth quarter, driven by strong economic fundamentals.

- The yen fell 6.7% in the fourth quarter as monetary easing in the form of Abenomics continued.

- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. With confidence declining among North American institutions, the Global ICI fell 5.4 points during the quarter to 95.9 in December and still remains below the neutral level of 100.

- For the period ending 12/31/2013, the one-quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one-quarter lag), were -0.7% and 2.6%; one-year, 2.5% and 11.0%; three-year, 9.4% and 12.7%; and five-year, 16.5% and 3.4%.

- Preliminary results for 2013 indicate that US commercial real estate witnessed increased demand across all property sectors; this demand was driven by increasing employment, the recovery of the housing markets, the strong stock markets and a US economy picking up speed. Supply of new commercial real estate continued to be constrained.

- At the same time, REIT prices in the US were impacted by the increase in Treasury yields and an expectation that interest rates will continue to rise with the tapering of the quantitative easing program of the Fed.

U.S. Equity Market

Equity Markets

	QTR	1 Year	3 Year
S&P 500	10.5	32.4	16.2
Dow Jones Industrial Average	10.2	29.7	15.7
NASDAQ	10.7	38.3	16.3
Russell 1000	10.2	33.1	16.3
Russell 2000	8.7	38.8	15.7
Russell 3000	10.1	33.6	16.2
MSCI EAFE (Net)	5.7	22.8	8.2
MSCI Emerging Markets (Net)	1.8	-2.6	-2.1
MSCI All Country World ex US	4.8	15.3	5.1

Bond Markets

	QTR	1 Year	3 Year
Barclays Capital Aggregate	-0.1	-2.0	3.3
Barclays Capital Gov/Credit	0.0	-2.4	3.6
Barclays Capital Universal	0.2	-1.3	3.8
Barclays Capital Corp. High Yield	3.6	7.4	9.3
CG Non-US World Govt.	-1.2	-4.6	0.6

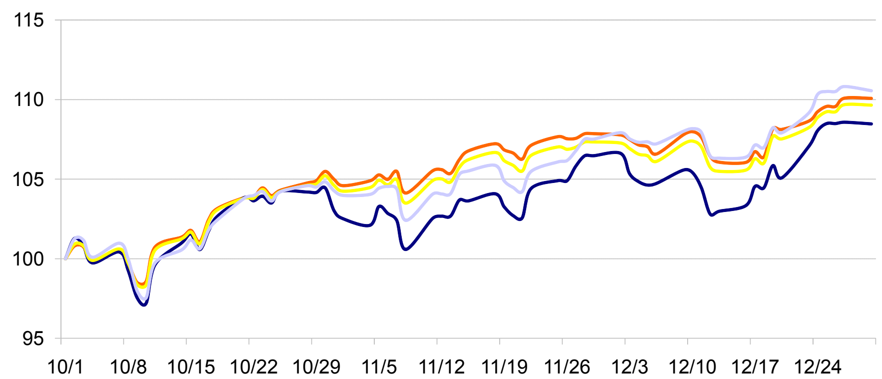
Non-Public Markets

lagged quarterly

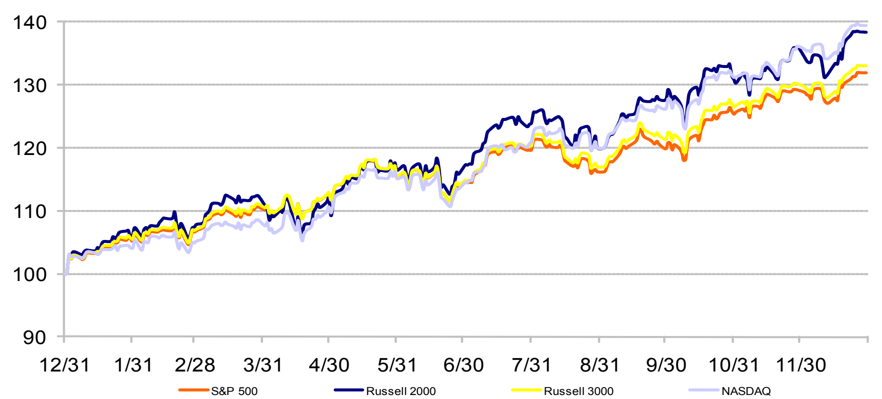
	QTR	1 Year	3 Year
NCREIF Property	2.6	11.0	12.7
State Street Private Equity Index	5.3	15.6	12.8

- U.S. equities, as measured by the S&P 500 total return index, rose 10.5% during the quarter as markets became confident that Federal Reserve forward guidance will be successful and economic conditions improved.
- Technology stocks again outperformed, with the NASDAQ returning 10.7% in Q4.
- Small caps, as measured by the Russell 2000 index, rose 8.7%.

Equity Index – Quarterly Growth Rate



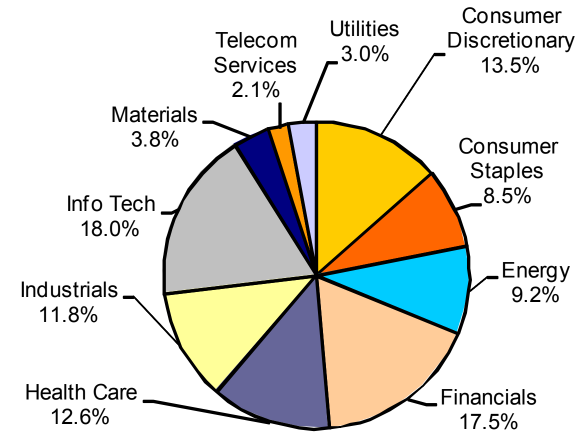
Equity Index – 1-Year Growth Rate



U.S. Equity – Russell 3000

- Stronger economic metrics led to strong gains across most sectors; industrials rose 13.3% in the fourth quarter, while information technology stocks rose 12.1%.
- Defensive sectors were the relative underperformers, but still rose. Telecom climbed 6.7% and utilities rose 3.1%.
- Overall, the Russell 3000 index returned 10.1% during the fourth quarter; the yearly return was 33.6%.

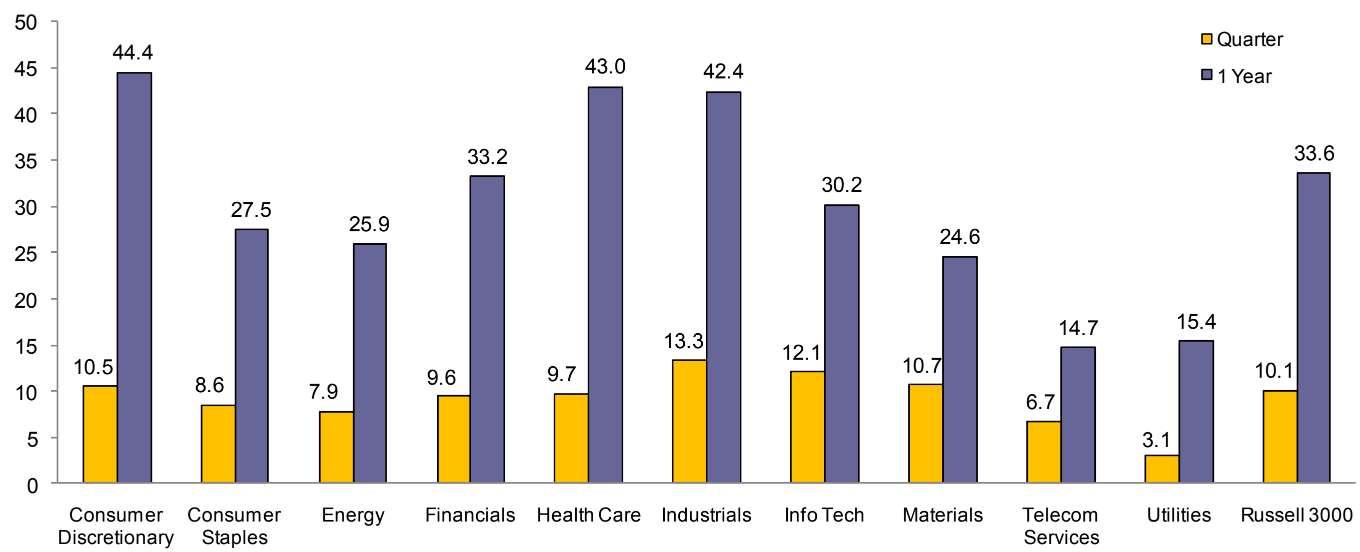
Ending Sector Weights



Characteristics

Div Yield (%)	1.83
P/B Ratio	4.51
P/E Ratio	20.61
Forward P/E Ratio	16.26
Fundamental Beta	1.02
Market Cap - Cap Wtd (MM$)	97,227

Sector Returns (%)



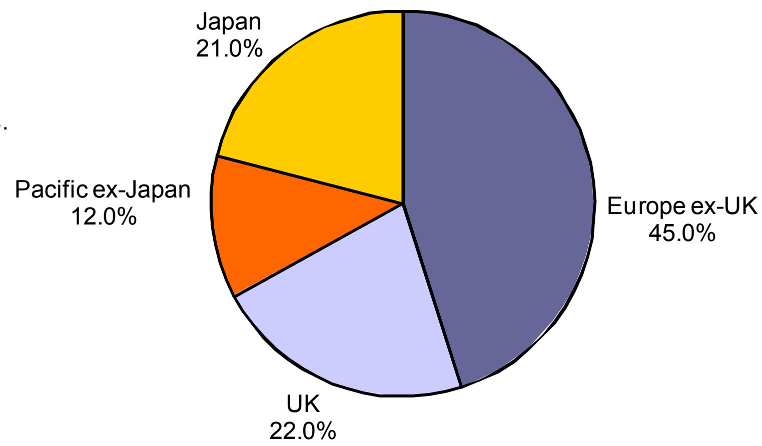
Contribution to Return:

	Consumer Discretionary	Consumer Staples	Energy	Financials	Health Care	Industrials	Info Tech	Materials	Telecom Services	Utilities	Russell 3000
Qtr	1.4	0.7	0.7	1.7	1.2	1.5	2.1	0.4	0.1	0.1	10.1
1 Year	5.6	2.6	2.5	5.7	5.0	4.7	5.5	1.0	0.4	0.5	33.6

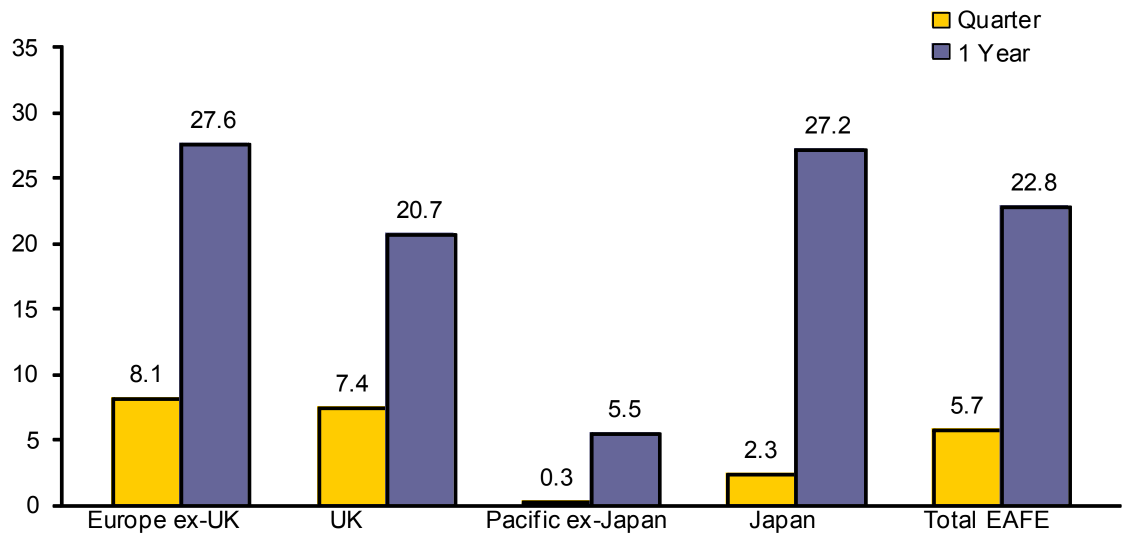
Developed Equity – MSCI EAFE (Net)

- An improved European outlook boosted Europe ex-UK in the fourth quarter, where equities rose 8.1%.
- Japanese equities rose 2.3% during the fourth quarter, driven by a weaker yen. However, Pacific ex-Japan strengthened by only 0.3% in the fourth quarter as tapering fears may have limited gains.
- Overall, the MSCI EAFE index rose 5.7% in the fourth quarter.

Ending Regional Weights



Regional Returns (%)



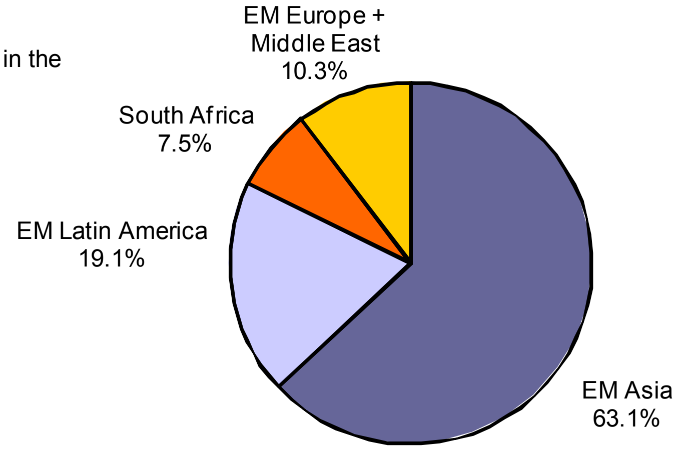
Contribution to Return:

Qtr	3.7	1.6	0.0	0.5	5.7
1 Yr	12.4	4.6	0.7	5.7	22.8

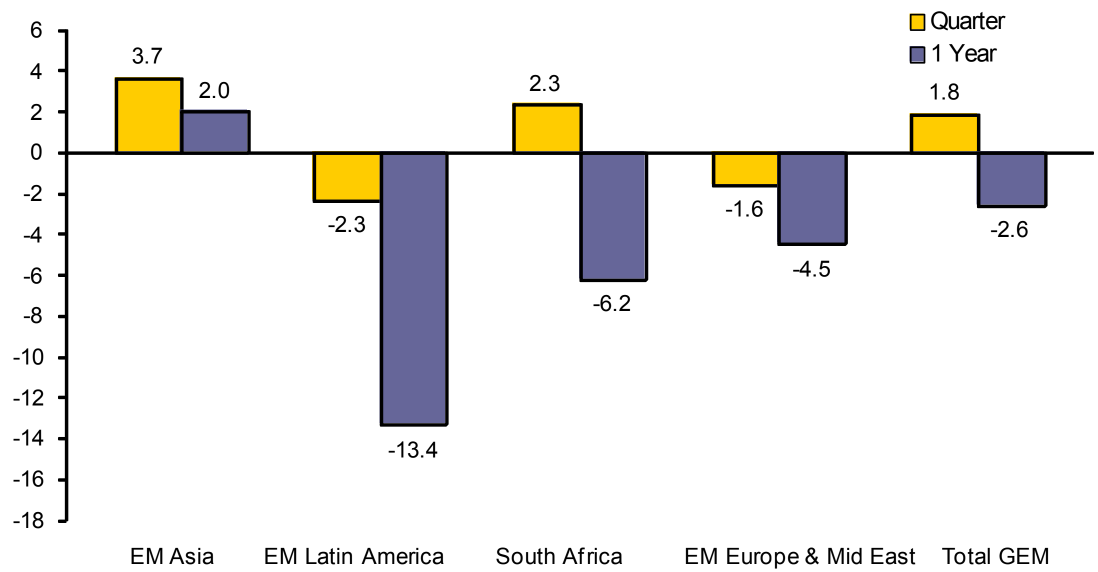
Emerging Markets Equity – MSCI EM (Net)

- Despite the onset of Fed tapering, emerging market equities rose on average, led by stronger Chinese growth. The MSCI EM index rose 1.8% in the fourth quarter.
- Selectivity is apparent in the EM space. On a regional basis, EM Asia outperformed, rising 3.7% in the fourth quarter, driven by strong returns in Indian equities.
- Latin America underperformed, falling 2.3% in the fourth quarter.

Ending Regional Weights



Regional Returns (%)



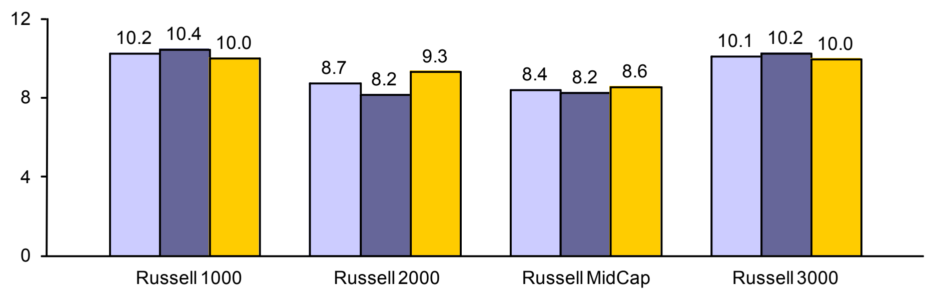
Contribution to Return:

Qtr	2.3	-0.4	0.2	-0.2	1.8
1 Yr	1.3	-2.6	-0.5	-0.5	-2.6

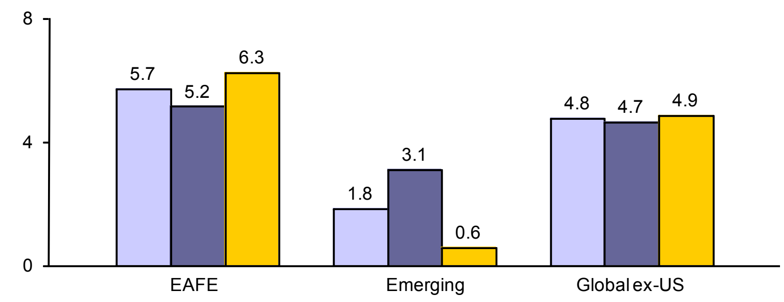
Style & Capitalization Returns

- Equities in EAFE again outperformed, rising 5.7% during the quarter. Emerging market equities were the relative underperformers in the fourth quarter, as investors remained fearful of the potential ramifications of capital outflows from emerging market economies.
- Large cap equities in the U.S. outperformed, with large cap growth stocks rising 10.4% in the fourth quarter.
- Overall, non-U.S. equities rose 4.8% in the fourth quarter.

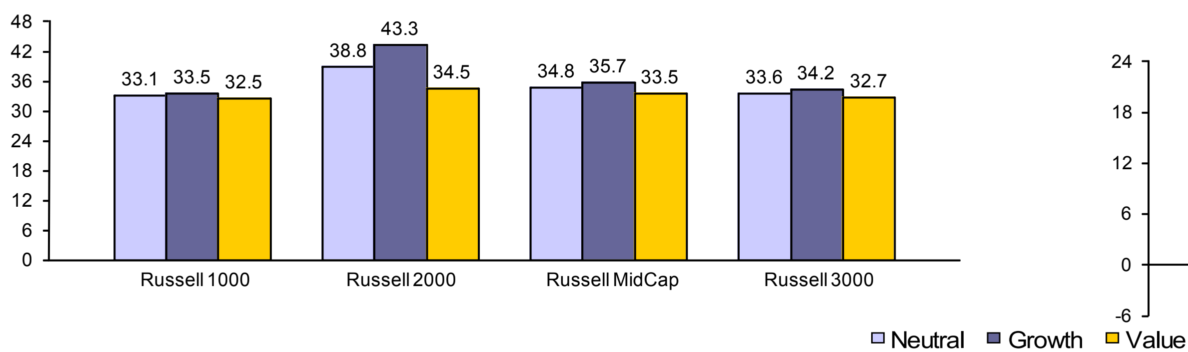
Russell US Style Returns (%) – Quarter



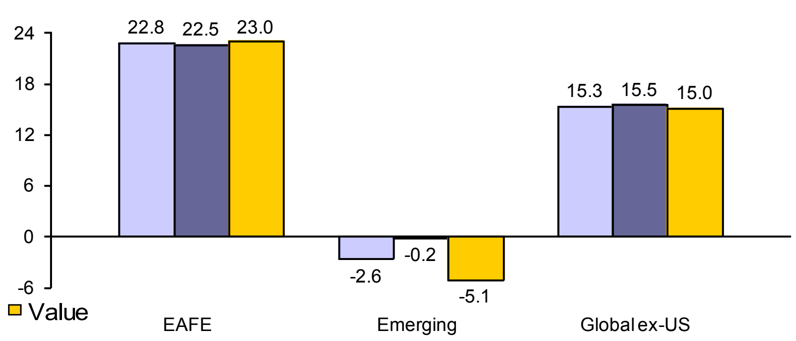
MSCI Non-US Style Returns (%) – Quarter



Russell US Style Returns (%) – 1 Year



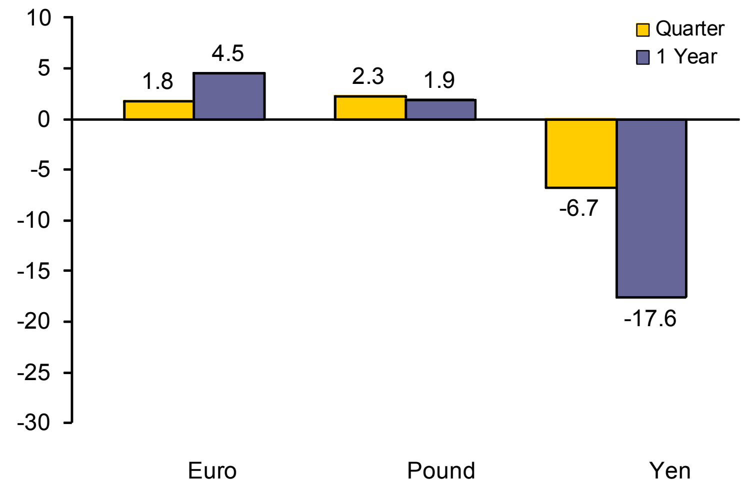
MSCI Non-US Style Returns (%) – 1 Year



Currency Markets

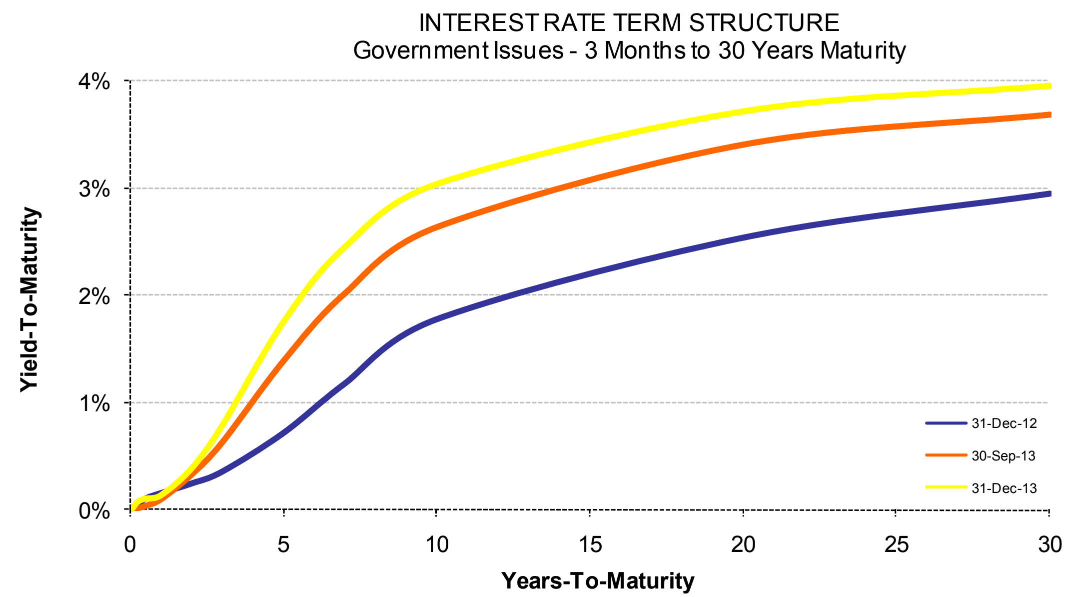
- With stronger sentiment in Europe, the euro rose 1.8% against the dollar in the fourth quarter.
- The U.S. dollar trade-weighted index, which measures the dollar's movement against a basket of currencies, fell 0.2% in the fourth quarter.
- Abenomics has continued to help weaken the yen; the yen fell 6.7% in the fourth quarter.

Currency Returns (%)



Yield Curve

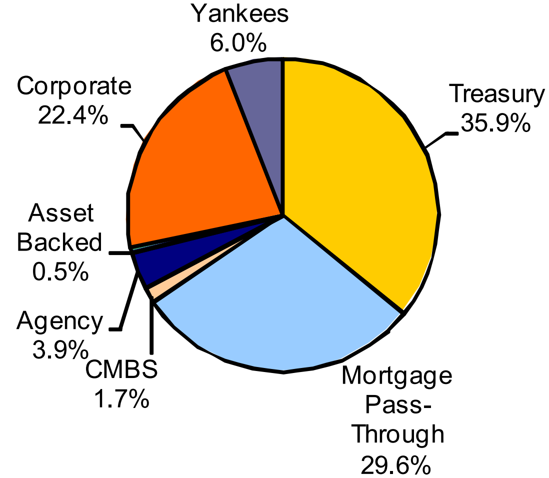
- The long-end of the U.S. yield curve rose on a quarterly basis as investors pondered the effects of Fed tapering.
- Ten-year yields rose forty basis points during the fourth quarter.



U.S. Bond Market Returns – Barclays Capital Aggregate

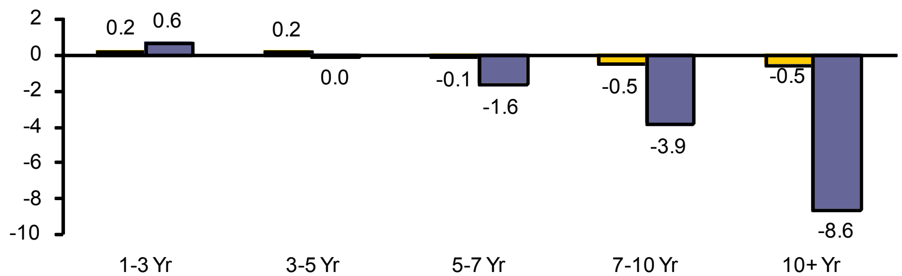
- With the announcement of Fed tapering and improving economic fundamentals, Treasury bonds fell 0.8% in the fourth quarter and 2.8% for the year.
- Lower-rated corporate bonds outperformed during the fourth quarter, with BAA rated securities returning 1.3%.

Sector Weights

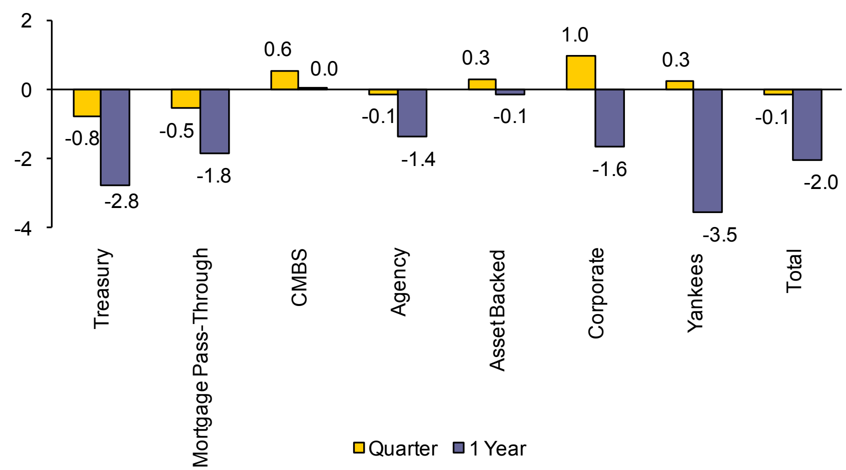


Quality Performance (%)

Duration Performance (%)



Sector Performance (%)



- The composite fund returned 6.3% in the fourth quarter of 2013 and ranked in the 14th percentile among other public funds (5.0% median). The fund beat its policy index (5.2%) during this time period. Longer term, the three and five-year returns of 10.9% and 14.9%, ranked above the median among public plans (9.5% and 12.2%, respectively).

- Fourth quarter results were enhanced by the following factors:

1. The Mellon Capital S&P 500 Index Fund returned 10.5% for the quarter. The Fund matched the S&P 500 Index and ranked above the median large cap core manager (10.3%).

2. The BlackRock Russell 1000 Growth Index Fund returned 10.4% for the quarter and matched its benchmark. The large cap growth equity median return is 11.0%.

3. Delaware's return of 11.2% compared favorably to the Russell 1000 Growth Index's (10.4%); it ranked in the second quartile among large cap growth managers. Above par Consumer Discretionary (Liberty Intact), Healthcare (Perigo, Allergan) and Info Tech (Google, Mastercard) investments increased relative performance. Over three years, Delaware returned above its benchmark and peer group median.

4. The BlackRock Russell 1000 Value Index Fund (10.0%) and matched its benchmark return and was ahead of its median large cap value manager return of 9.9%.

5. Dodge & Cox-Equity, 11.9%, out-performed the median large cap value manager (9.9%) and the Russell 1000 Value Index (10.0%), ranking its portfolio in the 12th percentile among its peers. Above par stock selection in the Financials (Aegon, Charles Schwab) and Info Tech (AOL, Hewlett-Packard, Google), plus overweight to Info Tech sectors lifted performance. Three year returns were in front of its benchmark (18.1% vs. 16.1%).

6. Fund of funds manager Capital Prospects edged out its benchmark, the Russell 2000 Value Index (9.4% vs. 9.3%) and ranked in the 59th percentile among small cap value managers. Performance attributed was primarily from its Financials stock picks. Bernzott led during the quarter, at 11.6%. Channing contributed the least, at 8.7% during the quarter. Pacific Ridge replaced Haber Trilix at November end. For the three-year period, Capital Prospects was in front of its benchmark (17.9% vs. 14.5%).

7. Pyramis' return of 6.1% outperformed the MSCI ACWI ex US Index return of 4.8%. It placed below the median among ACWI ex US growth equity managers (6.3% median). Industrials (EasyJet, Larsen & Toubro), Energy (no holdings of Petrobras), Financials (China Taiping Insurance) and Consumer Discretionary (Continental, Volkswagen) detracted. Its three-year results led the benchmark (7.3% vs. 5.6%).

8. LSV (6.3%) was above par with the MSCI ACWI ex US (4.8%) and ranked 24^{th} among ACWI ex US value equity managers (median of 5.9%). LSV carried relatively strong French, Australian, and Swiss investments. Its value tilt was a positive factor. Over three years, LSV (7.1%) surpassed its benchmark (5.6%).

9. The Dodge & Cox 1.1% return outperformed its benchmark, the Barclays Aggregate Index (-0.1%), and ranked in the top quartile among core bond managers, median return of 0.2%. The portfolio's shorter relative duration, nominal yield advantage, and security selection and overweight to Corporates boosted relative returns. D&C was up 4.9% for three years while its benchmark was up 3.3%.

10. The BlackRock US Real Estate Index Fund slightly led its benchmark, the DJ US Select RESI (-1.0% vs. -1.1%).

- Fourth quarter results were hindered by the following factors:

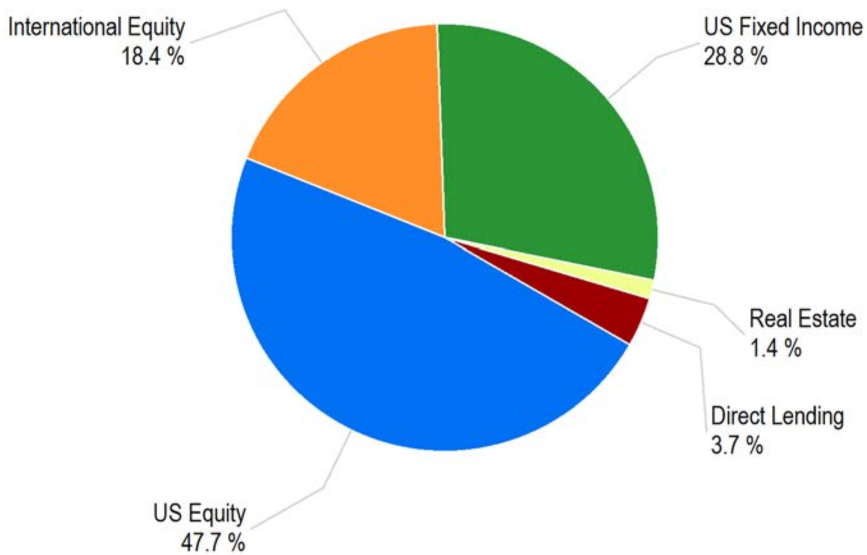
1. Fund of funds manager Legato gained 8.0% for the quarter and ranked in the 64^{th} percentile among other small cap growth managers (8.8% median). The Russell 2000 Growth Index returned 8.2%. The portfolio was hurt by its cash drag and stock selection in the Energy and Industrials sectors. Stephens Investment appreciated 5.9% while CastleArk added the most, up 10.7% during the quarter. Over three years, Legato returned above its benchmark (19.5% vs. 16.8%).

2. PIMCO returned -0.3%, as the Barclays Aggregate Index dropped 0.1%. The median core bond manager return was 0.2%. PIMCO's underweight to investment-grade corporate bonds and Agency MBS dampened performance. Over three years, the portfolio returned above its benchmark and with its peer group median.

3. Direct Lending investments added 1.7% and below its target return of 9% per annum or 2.2% per quarter. Quarterly returns for Medley, Raven and White Oak were -0.5%, 1.8% and 3.7%, respectively.

Asset Allocation Analysis

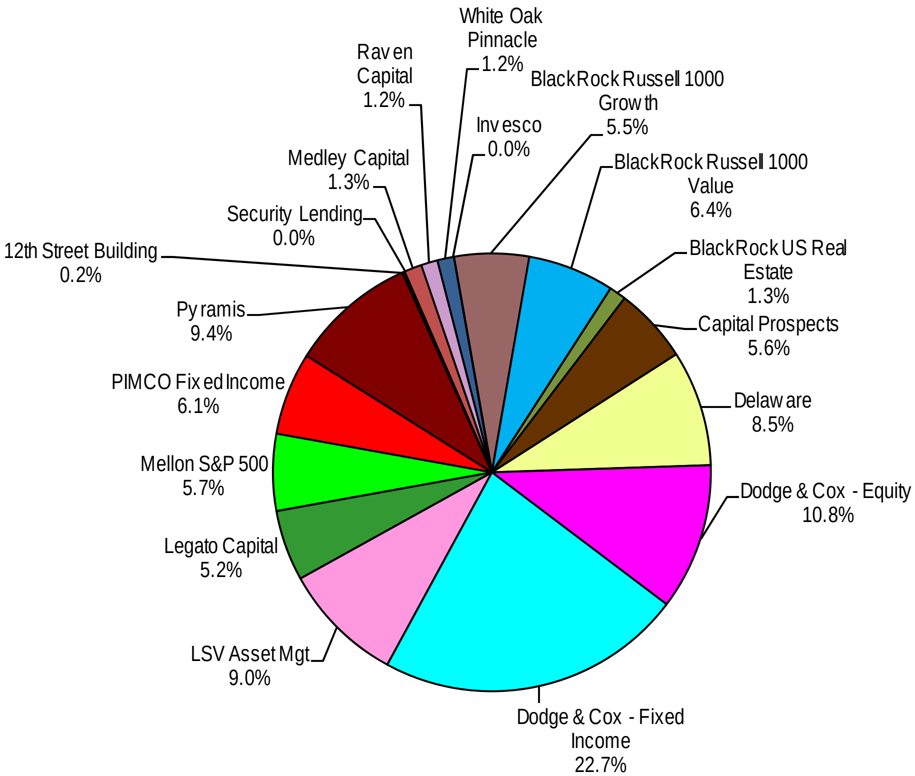
As of December 31, 2013



	Actual $	Actual %
US Equity	$819,072,480	47.7%
International Equity	$315,269,649	18.4%
US Fixed Income	$493,524,743	28.8%
Opportunistic	$0	0.0%
Real Estate	$24,221,549	1.4%
Direct Lending	$64,219,628	3.7%
Other	($596,363)	0.0%
Total	$1,715,711,686	

Manager Allocation Analysis – Total Plan

As of December 31, 2013



Manager	Market Value	Current %
BlackRock Russell 1000 Growth	$ 94,772,905	5.5%
BlackRock Russell 1000 Value	$ 109,487,191	6.4%
BlackRock US Real Estate	$ 21,449,971	1.3%
Capital Prospects	$ 95,617,938	5.6%
Delaware	$ 146,632,022	8.5%
Dodge & Cox - Equity	$ 185,655,627	10.8%
Dodge & Cox - Fixed Income	$ 388,696,352	22.7%
LSV Asset Mgt	$ 154,766,738	9.0%
Legato Capital	$ 89,685,167	5.2%
Mellon S&P 500	$ 97,221,628	5.7%
PIMCO Fixed Income	$ 104,828,390	6.1%
Pyramis	$ 160,502,911	9.4%
12th Street Building	$ 2,771,436	0.2%
Security Lending	$ (596,363)	0.0%
Medley Capital	$ 22,240,287	1.3%
Raven Capital	$ 20,952,219	1.2%
White Oak Pinnacle	$ 21,027,122	1.2%
Invesco	$ 141	0.0%
Total	$ 1,715,711,686	100.0%

Performance Summary

Periods Ending December 31, 2013

	FISCAL 1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR	
Total Fund *	6.3	14	12.3	9	19.8	12	17.0	6	10.9	10	14.9	3
Policy Index [1]	*5.2*	*45*	*10.5*	*42*	*16.0*	*46*	*14.1*	*48*	*9.4*	*53*	*13.1*	*27*
IFx Public DB median	*5.0*		*10.1*		*15.5*		*14.0*		*9.5*		*12.2*	
US EQUITY MANAGERS												
LARGE CORE												
Mellon S&P 500 - gross of fees	10.5	41	16.3	65	32.4	58	23.9	47	16.2	50	18.0	48
Mellon S&P 500 - net of fees	*10.5*		*16.3*		*32.4*		*23.9*		*16.1*		*17.9*	
S&P 500 Index	*10.5*	*41*	*16.3*	*65*	*32.4*	*58*	*23.9*	*47*	*16.2*	*50*	*17.9*	*50*
LARGE GROWTH												
BlackRock Russell 1000 Growth - gross of fees	10.4	60	19.4	67	33.5	56	24.1	58	16.6	39		
BlackRock Russell 1000 Growth - net of fees	10.4		19.4		33.5		24.0		16.5			
Delaware - gross of fees	11.2	41	22.4	35	35.6	39	26.0	35	20.0	5	23.3	10
Delaware - net of fees	11.1		22.1		34.9		25.4		19.5		22.7	
Russell 1000 Growth Index	*10.4*	*60*	*19.4*	*67*	*33.5*	*56*	*24.0*	*58*	*16.5*	*42*	*20.4*	*37*
LARGE VALUE												
BlackRock Russell 1000 Value- gross of fees	10.0	48	14.4	71	32.6	59	24.9	46	16.2	47		
BlackRock Russell 1000 Value - net of fees	10.0		14.4		32.6		24.8		16.1			
Dodge & Cox Equity - gross of fees	11.9	12	18.9	12	39.1	15	30.4	6	18.1	17	19.6	17
Dodge & Cox Equity - net of fees	11.8		18.8		38.8		30.2		17.9		19.4	
Russell 1000 Value Index	*10.0*	*48*	*14.3*	*72*	*32.5*	*60*	*24.8*	*46*	*16.1*	*49*	*16.7*	*68*
SMALL GROWTH												
Legato Capital - gross of fees	8.0	64	22.7	61	47.3	41	31.9	28	19.5	40		
Legato Capital - net of fees	7.8		22.1		46.0		30.9		18.5			
Russell 2000 Growth Index	*8.2*	*60*	*22.0*	*67*	*43.3*	*70*	*28.1*	*63*	*16.8*	*73*		

Rankings: 1=highest, 100=lowest.

* Managers are ranked against the eVestment Alliance (eA) style universes. Asset class composites are ranked against the InvestorForce (IFx) universes.

[1] Effective 12/1/13, Policy Index is 37.3% Russell 1000 / 9.4% Russell 2000 / 18% MSCI ACWI ex US / 29.8% Barclays Aggregate / 1.5% DJ US Select RESI / 4% 9% -Annual.

Performance Summary

Periods Ending December 31, 2013

	FISCAL 1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR	
SMALL VALUE												
Capital Prospects - gross of fees	9.4	59	20.6	32	37.9	53	30.6	26	17.9	30	22.2	45
Capital Prospects - net of fees	9.2		20.2		36.8		29.8		17.1		21.4	
Russell 2000 Value Index	*9.3*	*61*	*17.6*	*78*	*34.5*	*78*	*26.0*	*67*	*14.5*	*78*	*17.6*	*95*
US Equity Composite	10.5	21	19.2	15	36.9	13	27.5	7	17.8	7	20.5	15
80% R1000/ 20% R2000	*9.9*	*55*	*17.5*	*54*	*34.3*	*53*	*25.2*	*42*	*16.4*	*40*	*19.4*	*40*
Russell 3000 Index	*10.1*	*42*	*17.1*	*66*	*33.6*	*67*	*24.7*	*57*	*16.2*	*48*	*18.7*	*61*
IFx All DB US Eq Gross Median	*10.0*		*17.5*		*34.4*		*24.9*		*16.2*		*19.1*	
INTERNATIONAL EQUITY MANAGERS												
LSV Asset Mgt - gross of fees	6.3	24	18.3	28	20.4	39	18.5	51	7.1	70	15.7	19
LSV Asset Mgt - net of fees	6.1		17.9		19.8		17.9		6.6		15.0	
Pyramis - gross of fees	6.1	58	15.8	67	19.6	61	19.4	56	7.3	68	14.8	71
Pyramis - net of fees	6.0		15.5		19.1		18.9		6.8		14.2	
International Equity Composite	6.2	27	17.0	33	20.0	36	19.0	44	7.1	44	15.2	15
MSCI ACWI ex US Index	*4.8*	*69*	*15.5*	*59*	*15.8*	*70*	*16.6*	*72*	*5.6*	*74*	*13.3*	*45*
IFx All DB ex-US Eq Gross Median	*5.4*		*16.0*		*18.0*		*18.4*		*6.8*		*13.0*	
US FIXED INCOME MANAGER												
CORE												
Dodge & Cox Fixed - gross of fees	1.1	5	2.0	3	0.9	3	4.6	5	4.9	12	7.7	9
Dodge & Cox Fixed - net of fees	1.1		2.0		0.8		4.5		4.8		7.6	
PIMCO Fixed Income - gross of fees	-0.3	95	0.4	87	-2.2	89	1.7	72	4.0	52		
PIMCO Fixed Income - net of fees	-0.4		0.2		-2.5		1.4		3.6			
Barclays Aggregate Index	*-0.1*	*84*	*0.4*	*83*	*-2.0*	*82*	*1.0*	*91*	*3.3*	*88*	*4.4*	*87*
US Fixed Income Composite	0.8	29	1.6	28	0.3	22	4.0	30	4.6	50	7.6	38
Barclays Aggregate Index	*-0.1*	*82*	*0.4*	*71*	*-2.0*	*67*	*1.0*	*82*	*3.3*	*88*	*4.4*	*86*
IFx All DB US Fix Inc Gross Median	*0.3*		*0.9*		*-1.4*		*2.6*		*4.6*		*6.9*	

Performance Summary

Periods Ending December 31, 2013

	FISCAL 1 QTR	FISCAL YTD	1 YEAR	2 YEAR	3 YEAR	5 YEAR
REAL ESTATE						
BlackRock US Real Estate - gross of fees [2]	-1.0	-4.1	1.4			
BlackRock US Real Estate - net of fees	-1.1	-4.1	1.3			
DJ US Select RESI TR USD	*-1.1*	*-4.1*	*1.3*			
12th Street Building	0.0					
DIRECT LENDING						
Medley Capital [3]	-0.5	1.6				
Raven Capital [4]	1.8	-6.7				
White Oak Pinnacle [5]	3.7					
Direct Lending Composite	1.7	0.5				
9% Annual	*2.2*	*4.4*				

[2] Funded on 9/26/2012.

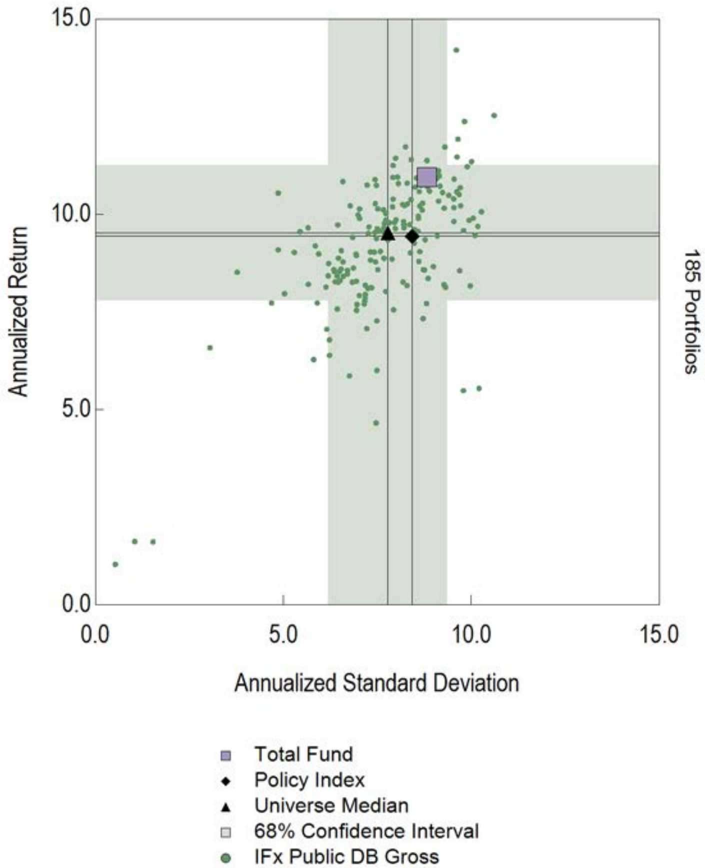
[3] Funded on 5/16/2013.

[4] Funded on 5/22/2013.

[5] Funded on 8/02/2013.

Risk vs. Return 3 Year - Total Plan

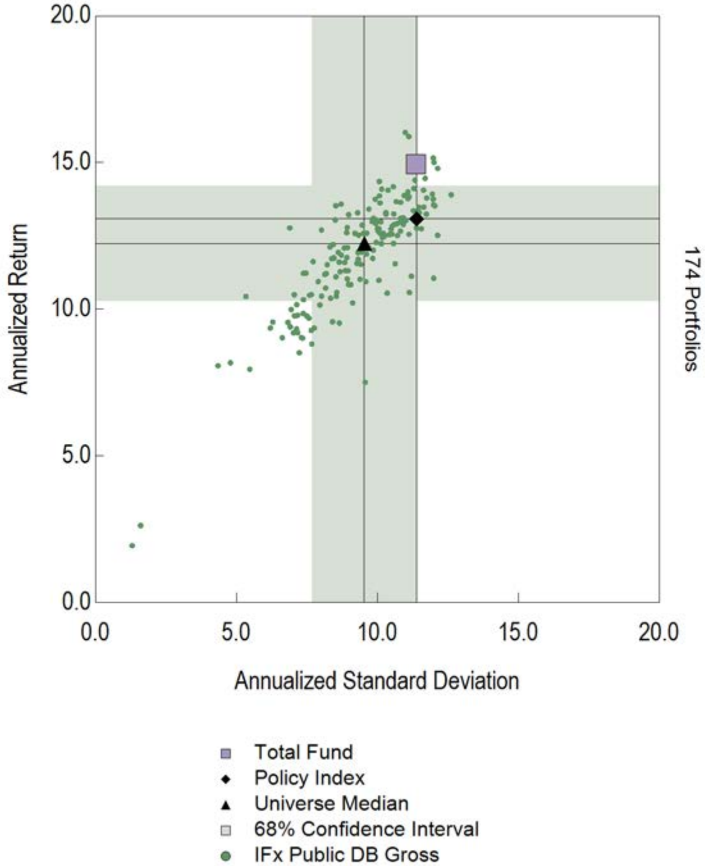
Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Total Fund	10.9%	10	8.8%	77	1.2	43
Policy Index	9.4%	53	8.4%	65	1.1	70
IFx Public DB Gross Median	9.5%	--	7.8%	--	1.2	--

Risk vs. Return 5 Year - Total Plan

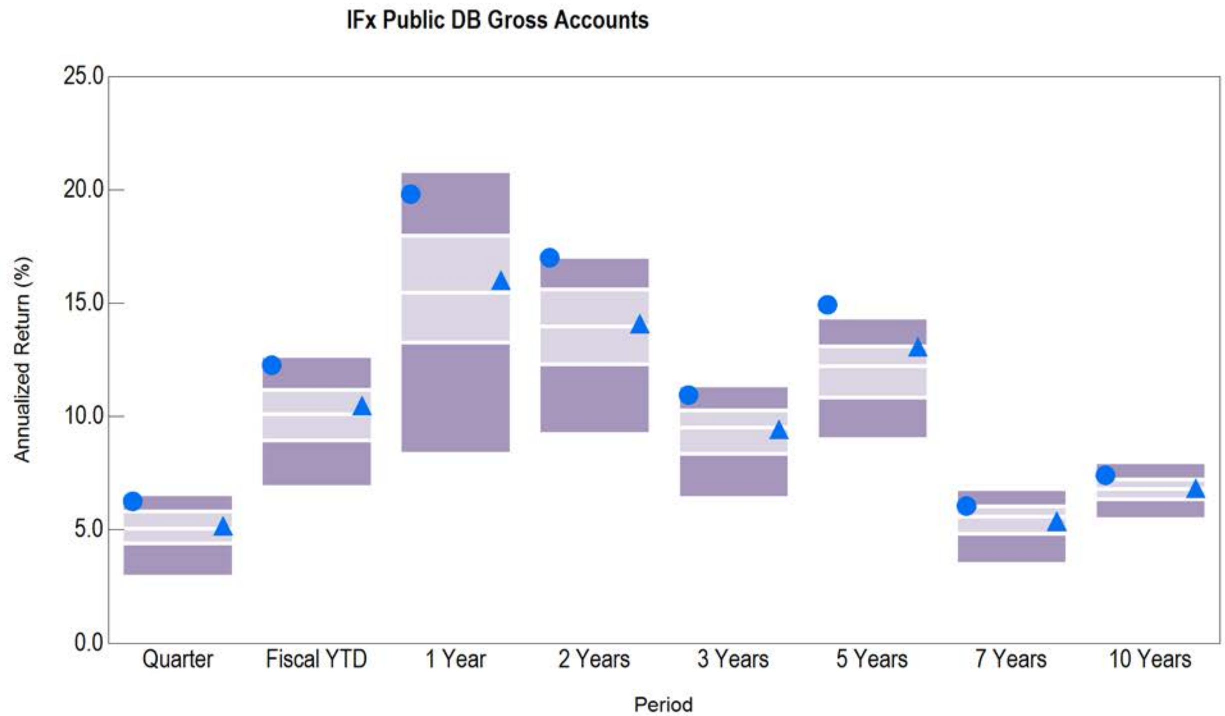
Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
Total Fund	14.9%	3	11.4%	89	1.3	38
Policy Index	13.1%	27	11.4%	90	1.1	89
IFx Public DB Gross Median	12.2%	--	9.5%	--	1.3	--

Total Returns - Total Plan

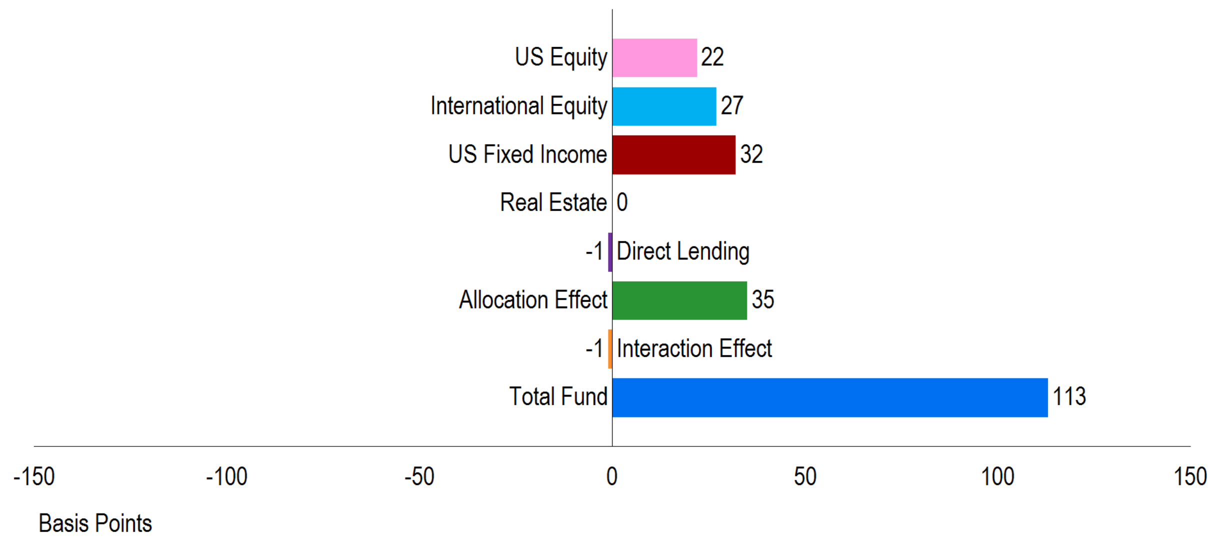
Periods Ending December 31, 2013



	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
	Return (Rank)															
5th Percentile	6.6		12.7		20.8		17.0		11.4		14.4		6.8		8.0	
25th Percentile	5.8		11.2		18.0		15.6		10.3		13.1		6.1		7.2	
Median	5.0		10.1		15.5		14.0		9.5		12.2		5.6		6.8	
75th Percentile	4.4		9.0		13.3		12.3		8.4		10.8		4.8		6.3	
95th Percentile	3.0		6.9		8.4		9.2		6.4		9.0		3.5		5.5	
# of Portfolios	212		212		212		205		185		174		160		144	
● Total Fund	6.3	(14)	12.3	(9)	19.8	(12)	17.0	(6)	10.9	(10)	14.9	(3)	6.0	(26)	7.4	(18)
▲ Policy Index	5.2	(45)	10.5	(42)	16.0	(46)	14.1	(48)	9.4	(53)	13.1	(27)	5.4	(58)	6.8	(50)

Performance Attribution - Total Plan

Quarter Ending December 31, 2013

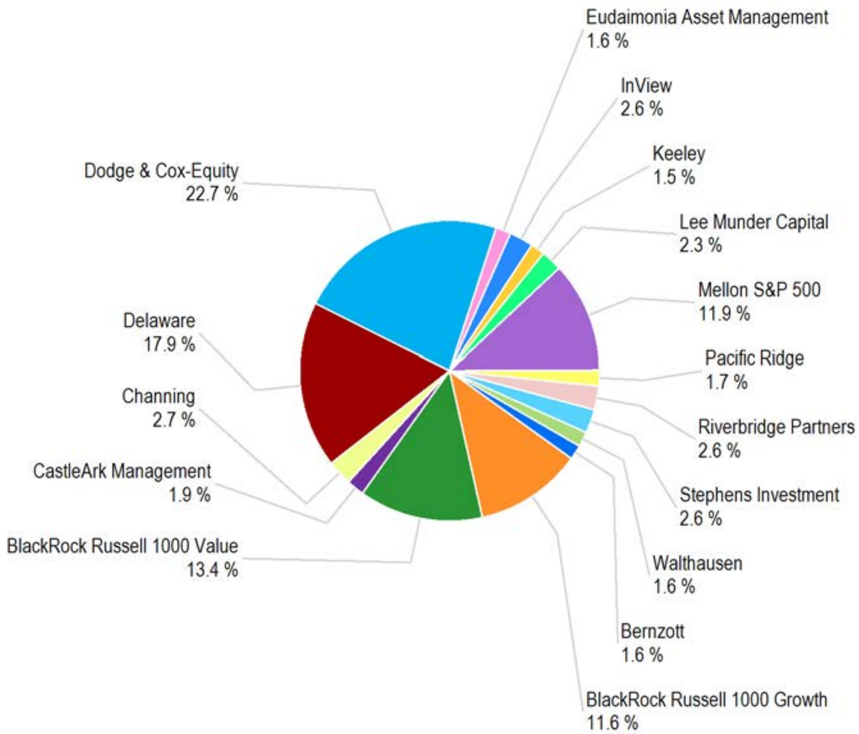


Attribution Summary

	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	10.45%	9.93%	0.53%	0.22%	0.19%	0.02%	0.43%
International Equity	6.18%	4.81%	1.37%	0.27%	0.00%	-0.01%	0.25%
US Fixed Income	0.79%	-0.14%	0.92%	0.32%	0.17%	-0.03%	0.45%
Real Estate	-1.05%	-1.08%	0.03%	0.00%	0.01%	0.00%	0.01%
Direct Lending	1.71%	2.18%	-0.47%	-0.01%	-0.01%	0.01%	-0.02%
Total	**6.29%**	**5.16%**	**1.13%**	**0.79%**	**0.35%**	**-0.01%**	**1.13%**

Manager Allocation Analysis - US Equity

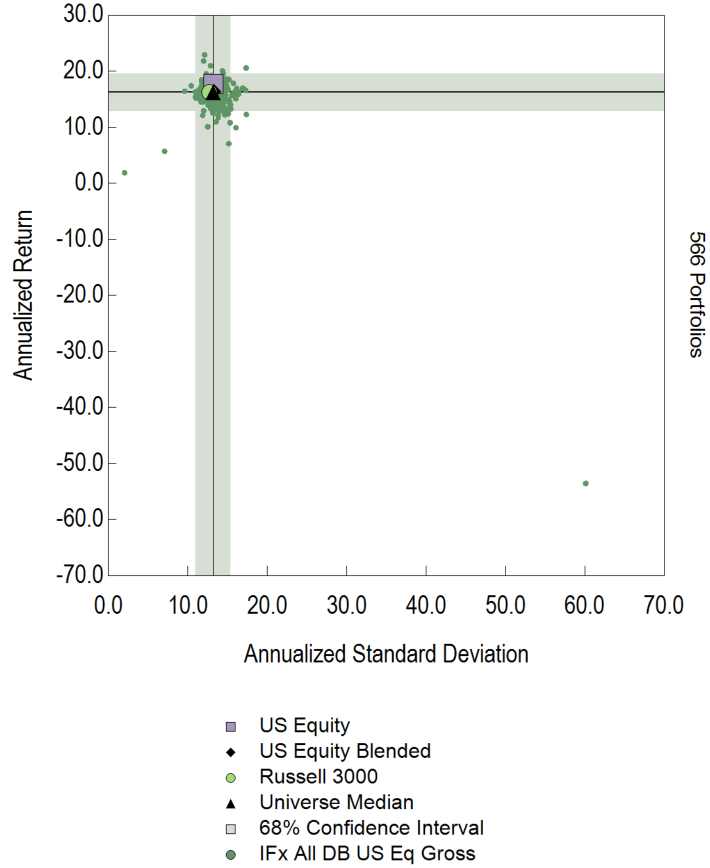
As of December 31, 2013



	Actual $	Actual %
Bernzott	$12,906,453	1.6%
BlackRock Russell 1000 Growth	$94,772,905	11.6%
BlackRock Russell 1000 Value	$109,487,191	13.4%
Capital Prospects Transition	$0	0.0%
Cash	$0	0.0%
CastleArk Management	$15,595,404	1.9%
Channing	$22,287,346	2.7%
Delaware	$146,632,022	17.9%
Dodge & Cox-Equity	$185,655,627	22.7%
Eudaimonia Asset Management	$13,354,043	1.6%
InView	$21,082,870	2.6%
Keeley	$12,486,099	1.5%
Lee Munder Capital	$18,660,062	2.3%
Mellon S&P 500	$97,221,628	11.9%
Pacific Ridge	$13,694,763	1.7%
Riverbridge Partners	$21,080,946	2.6%
Stephens Investment	$20,994,712	2.6%
Walthausen	$13,160,407	1.6%
Total	$819,072,480	

Risk vs. Return 3 Year - US Equity

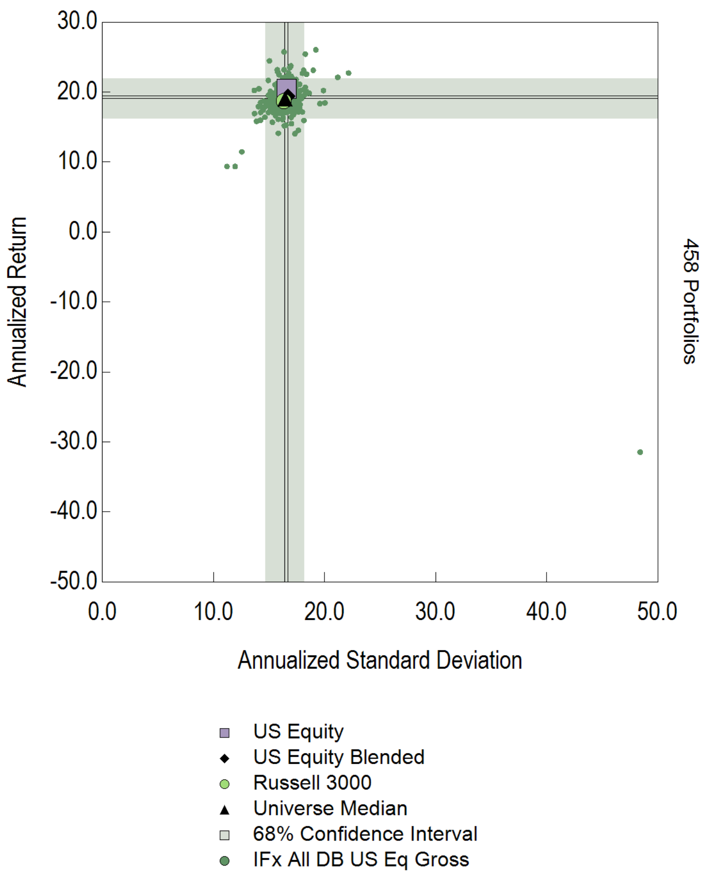
Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Equity	17.8%	7	13.2%	53	1.3	14
US Equity Blended	16.4%	40	13.3%	55	1.2	50
Russell 3000	16.2%	48	12.7%	28	1.3	34
IFx All DB US Eq Gross Median	16.2%	--	13.2%	--	1.2	--

Risk vs. Return 5 Year - US Equity

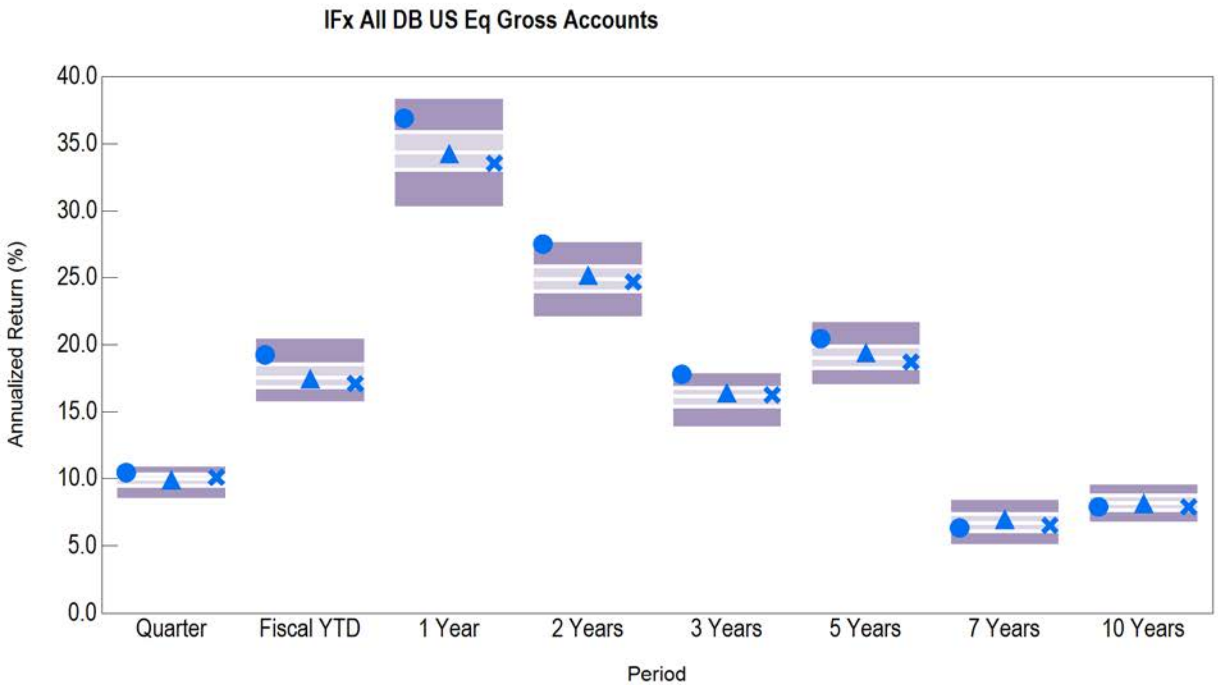
Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Equity	20.5%	15	16.6%	59	1.2	19
US Equity Blended	19.4%	40	16.7%	67	1.2	48
Russell 3000	18.7%	61	16.3%	42	1.1	61
IFx All DB US Eq Gross Median	19.1%	--	16.4%	--	1.2	--

Total Returns - US Equity

Periods Ending December 31, 2013



Return (Rank)	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	11.0		20.6		38.5		27.8		18.0		21.8		8.5		9.7	
25th Percentile	10.4		18.5		35.9		25.9		16.8		19.9		7.4		8.8	
Median	10.0		17.5		34.4		24.9		16.2		19.1		6.7		8.2	
75th Percentile	9.5		16.9		33.1		24.0		15.4		18.3		6.1		7.7	
95th Percentile	8.4		15.7		30.2		22.0		13.8		16.9		5.0		6.7	
# of Portfolios	628		628		620		596		566		458		423		335	
● US Equity	10.5	(21)	19.2	(15)	36.9	(13)	27.5	(7)	17.8	(7)	20.5	(15)	6.3	(68)	7.9	(65)
▲ US Equity Blended	9.9	(55)	17.5	(54)	34.3	(53)	25.2	(42)	16.4	(40)	19.4	(40)	7.0	(40)	8.2	(53)
✕ Russell 3000	10.1	(42)	17.1	(66)	33.6	(67)	24.7	(57)	16.2	(48)	18.7	(61)	6.5	(62)	7.9	(65)

Equity Only Summary Statistics - US Equity

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 3000
Number of Holdings	1,567	3,019
Weighted Avg. Market Cap. ($B)	79.9	100.3
Median Market Cap. ($B)	5.5	1.4
Price To Earnings	23.4	20.6
Price To Book	4.2	2.7
Price To Sales	2.8	1.8
Return on Equity (%)	17.8	16.3
Yield (%)	1.5	1.8
Beta (holdings; domestic)	1.2	1.1

Top Holdings

MICROSOFT	2.1%
GOOGLE 'A'	1.9%
APPLE	1.4%
WELLS FARGO & CO	1.4%
GENERAL ELECTRIC	1.3%
VISA 'A'	1.3%
MASTERCARD	1.3%
LIBERTY INTACT.'A'	1.2%
COMCAST 'A'	1.2%
QUALCOMM	1.1%

Best Performers

	Return %
FONAR (FONR)	267.6%
QUANTUM FUEL SYS.TECHS. WWD. (QTWW)	145.3%
HORIZON PHARMA (HZNP)	127.5%
ICAD (ICAD)	121.3%
AK STEEL HLDG. (AKS)	118.7%
GALENA BIOPHARMA (GALE)	117.5%
ZELTIQ AESTHETICS (ZLTQ)	109.6%
PUMA BIOTECHNOLOGY (PBYI)	92.9%
THERAPEUTICSMD (TXMD)	77.8%
GASTAR EXPLORATION (GST)	75.2%

Worst Performers

	Return %
AMARIN ADR 1:1 (AMRN)	-68.8%
ARIAD PHARMS. (ARIA)	-62.9%
STEMLINE THERAPEUTICS (STML)	-56.7%
CYAN (CYNI)	-47.4%
GAIN CAPITAL HOLDINGS (GCAP)	-40.0%
ACACIA RESH.-ACI.TECHS. (ACTG)	-36.4%
RALLY SOFTWARE DEV. (RALY)	-35.1%
NATIONSTAR MGE.HOLDINGS (NSM)	-34.3%
COBALT INTL.ENERGY (CIE)	-33.8%
LIQUIDITY SERVICES (LQDT)	-32.4%

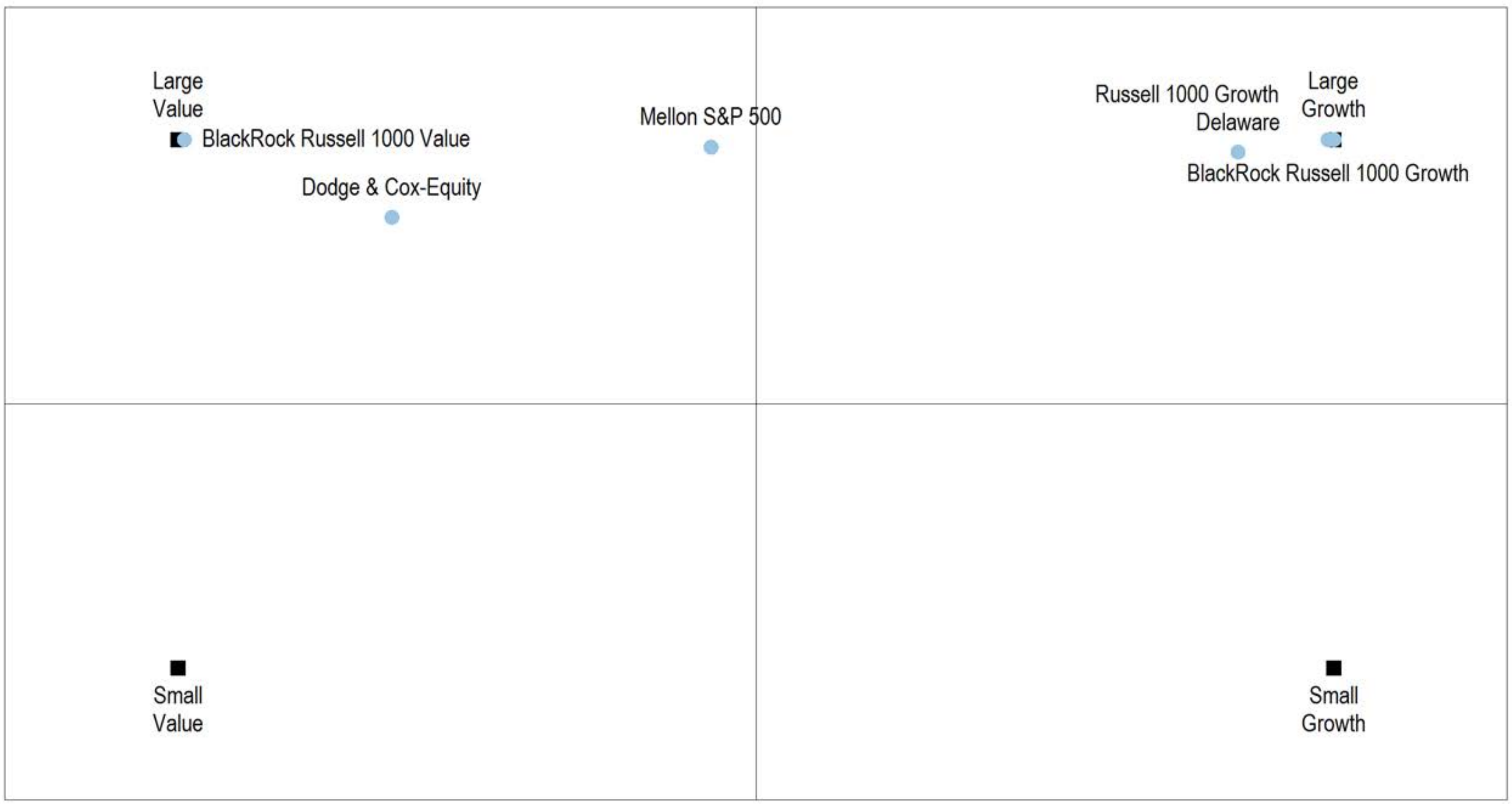
Equity Sector Attribution - US Equity

Quarter Ending December 31, 2013

US Equity Performance Attribution vs. Russell 3000

	Attribution Effects					Returns		Sector Weights	
	Total Effects		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	-0.3%		-0.4%	0.0%	0.1%	3.4%	7.8%	8.7%	9.5%
Materials	0.0%		0.0%	0.0%	0.0%	10.3%	10.4%	3.3%	3.8%
Industrials	-0.1%		0.0%	-0.1%	0.0%	13.0%	13.1%	9.5%	11.4%
Cons. Disc.	0.2%		0.2%	0.0%	0.0%	11.7%	10.5%	14.1%	13.4%
Cons. Staples	0.0%		-0.1%	0.1%	0.1%	7.2%	8.6%	5.2%	8.7%
Health Care	0.0%		0.0%	0.0%	0.0%	9.8%	9.7%	13.9%	12.6%
Financials	0.5%		0.6%	0.0%	-0.1%	12.8%	9.5%	16.3%	17.4%
Info. Tech	0.2%		0.0%	0.2%	0.0%	12.4%	12.2%	22.8%	17.9%
Telecomm.	0.0%		0.0%	0.0%	0.0%	9.1%	6.7%	2.1%	2.2%
Utilities	0.2%		0.0%	0.2%	0.0%	4.0%	3.1%	1.5%	3.2%
Cash	-0.2%		0.0%	-0.2%	0.0%	0.0%	--	2.6%	0.0%
Portfolio	**0.6%**	**=**	**0.3% +**	**0.2% +**	**0.1%**	**10.7%**	**10.1%**	**100.0%**	**100.0%**

U.S. Effective Style Map



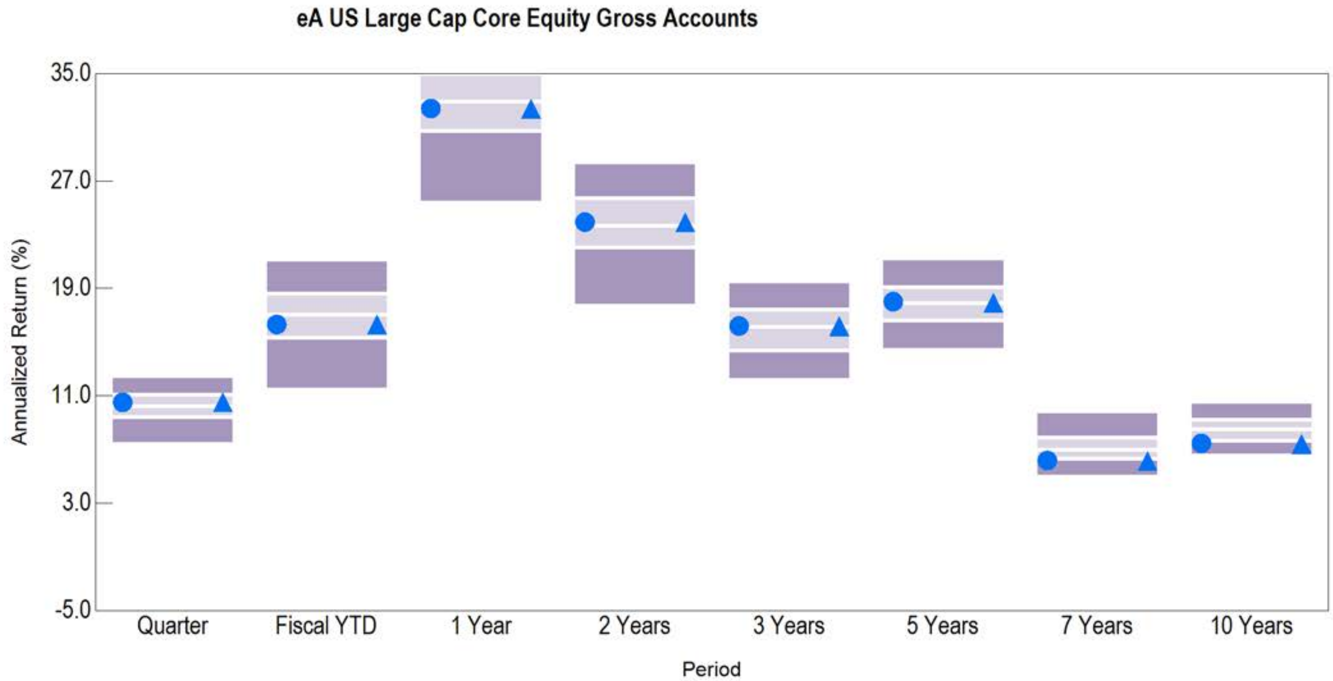
Return Based Style Analysis - US Equity

3 Years Ending December 31, 2013

U.S. Effective Style Map

Total Returns - Large Cap Core Equity

Periods Ending December 31, 2013



Return (Rank)	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	12.4		21.1		39.6		28.4		19.5		21.2		9.8		10.5	
25th Percentile	11.1		18.6		35.5		25.8		17.4		19.1		7.9		9.3	
Median	10.3		17.1		32.9		23.7		16.2		17.9		7.0		8.5	
75th Percentile	9.4		15.4		30.8		22.1		14.4		16.6		6.3		7.7	
95th Percentile	7.4		11.5		25.4		17.7		12.2		14.5		5.0		6.6	
# of Portfolios	262		261		261		260		256		242		224		183	
● Mellon S&P 500	10.5	(41)	16.3	(65)	32.4	(58)	23.9	(47)	16.2	(50)	18.0	(48)	6.2	(80)	7.5	(86)
▲ S&P 500	10.5	(41)	16.3	(65)	32.4	(58)	23.9	(47)	16.2	(50)	17.9	(50)	6.1	(81)	7.4	(87)

Equity Only Summary Statistics - Mellon S&P 500

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	625	625
Weighted Avg. Market Cap. ($B)	97.5	102.9
Median Market Cap. ($B)	8.0	8.1
Price To Earnings	25.2	23.4
Price To Book	6.2	5.1
Price To Sales	3.2	2.2
Return on Equity (%)	24.4	21.8
Yield (%)	1.6	1.6
Beta (holdings; domestic)	1.0	1.0

Top Holdings

APPLE	3.1%
EXXON MOBIL	2.7%
GOOGLE 'A'	1.9%
MICROSOFT	1.7%
GENERAL ELECTRIC	1.7%
JOHNSON & JOHNSON	1.6%
CHEVRON	1.5%
PROCTER & GAMBLE	1.3%
JP MORGAN CHASE & CO.	1.3%
WELLS FARGO & CO	1.3%

Best Performers

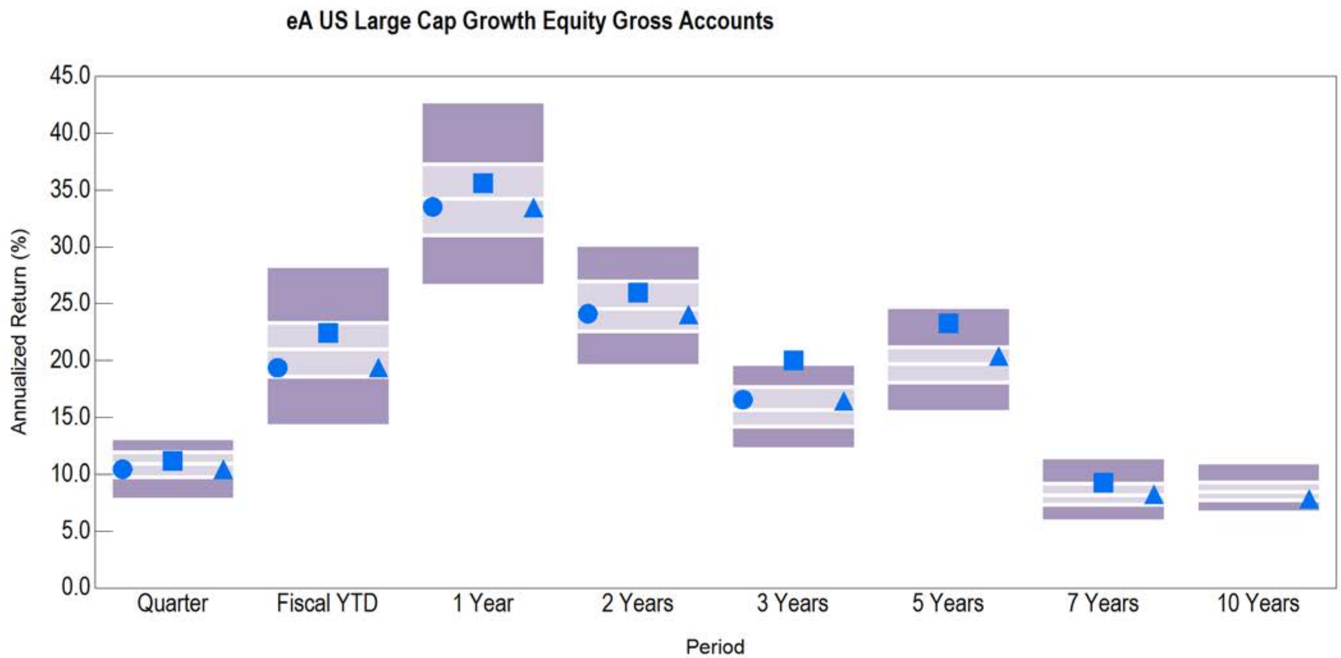
	Return %
VALERO ENERGY (VLO)	48.3%
US.STEEL (X)	43.5%
MARATHON PETROLEUM (MPC)	43.4%
LSI (LSI)	41.6%
FOREST LABS. (FRX)	40.3%
FIRST SOLAR (FSLR)	35.9%
EXPEDIA (EXPE)	34.8%
PHILLIPS 66 (PSX)	34.2%
HEWLETT-PACKARD (HPQ)	34.0%
TESORO (TSO)	33.6%

Worst Performers

	Return %
JABIL CIRCUIT (JBL)	-19.2%
TERADATA (TDC)	-17.9%
NEWMONT MINING (NEM)	-17.3%
AVON PRODUCTS (AVP)	-16.1%
ANADARKO PETROLEUM (APC)	-14.5%
QUEST DIAGNOSTICS (DGX)	-13.4%
HEALTH CARE REIT (HCN)	-13.1%
ALTERA (ALTR)	-12.1%
REGENERON PHARMS. (REGN)	-12.0%
JDS UNIPHASE (JDSU)	-11.7%

Total Returns - Large Cap Growth Equity

Periods Ending December 31, 2013



Return (Rank)	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	13.1		28.3		42.8		30.1		19.7		24.7		11.4		11.0	
25th Percentile	11.9		23.3		37.3		27.0		17.7		21.2		9.2		9.3	
Median	11.0		21.0		34.3		24.6		15.7		19.7		8.2		8.5	
75th Percentile	9.8		18.6		31.0		22.6		14.2		18.1		7.4		7.7	
95th Percentile	7.8		14.3		26.6		19.6		12.2		15.5		5.9		6.7	
# of Portfolios	275		274		274		271		268		259		235		201	
● BlackRock Russell 1000 Growth	10.4	(60)	19.4	(67)	33.5	(56)	24.1	(58)	16.6	(39)	--	(--)	--	(--)	--	(--)
■ Delaware	11.2	(41)	22.4	(35)	35.6	(39)	26.0	(35)	20.0	(5)	23.3	(10)	9.3	(25)	--	(--)
▲ Russell 1000 Growth	10.4	(60)	19.4	(67)	33.5	(56)	24.0	(58)	16.5	(42)	20.4	(37)	8.2	(48)	7.8	(71)

Equity Only Summary Statistics - BlackRock Russell 1000 Growth

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	625	625
Weighted Avg. Market Cap. ($B)	97.5	102.9
Median Market Cap. ($B)	8.0	8.1
Price To Earnings	25.2	23.4
Price To Book	6.2	5.1
Price To Sales	3.2	2.2
Return on Equity (%)	24.4	21.8
Yield (%)	1.6	1.6
Beta (holdings; domestic)	1.0	1.0

Top Holdings

EXXON MOBIL	4.8%
GENERAL ELECTRIC	3.1%
CHEVRON	2.6%
JOHNSON & JOHNSON	2.4%
PROCTER & GAMBLE	2.4%
JP MORGAN CHASE & CO.	2.4%
WELLS FARGO & CO	2.4%
BERKSHIRE HATHAWAY 'B'	2.3%
PFIZER	2.2%
AT&T	2.0%

Best Performers

	Return %
SPRINT (S)	72.9%
3D SYSTEMS (DDD)	72.1%
SOLARCITY (SCTY)	64.2%
ENDO HEALTH SOLUTIONS (ENDP)	48.5%
HOMEAWAY (AWAY)	46.2%
NU SKIN ENTERPRISES 'A' (NUS)	44.7%
UNITED THERAPEUTICS (UTHR)	43.4%
LSI (LSI)	41.6%
SPIRIT AEROSYSTEMS CL.A (SPR)	40.6%
AVIS BUDGET GROUP (CAR)	40.2%

Worst Performers

	Return %
ARIAD PHARMS. (ARIA)	-62.9%
NATIONSTAR MGE.HOLDINGS (NSM)	-34.3%
COBALT INTL.ENERGY (CIE)	-33.8%
RACKSPACE HOSTING (RAX)	-25.8%
PHARMACYCLICS (PCYC)	-23.5%
RAYONIER (RYN)	-23.5%
TESLA MOTORS (TSLA)	-22.2%
ULTA SALON CO&FRA. (ULTA)	-19.2%
TERADATA (TDC)	-17.9%
AVON PRODUCTS (AVP)	-16.1%

Equity Only Summary Statistics - Delaware

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	31	625
Weighted Avg. Market Cap. ($B)	81.9	102.9
Median Market Cap. ($B)	37.2	8.1
Price To Earnings	27.3	23.4
Price To Book	6.0	5.1
Price To Sales	4.8	2.2
Return on Equity (%)	22.5	21.8
Yield (%)	1.0	1.6
Beta (holdings; domestic)	0.9	1.0

Top Holdings

VISA 'A'	6.0%
MASTERCARD	6.0%
CELGENE	5.1%
LIBERTY INTACT.'A'	5.0%
EOG RES.	4.8%
GOOGLE 'A'	4.8%
QUALCOMM	4.6%
CROWN CASTLE INTL.	4.6%
PRICELINE.COM	4.2%
WALGREEN	4.1%

Best Performers

	Return %
GOOGLE 'A' (GOOG)	27.9%
LIBERTY INTACT.'A' (LINTA)	25.1%
INTERCONTINENTAL EX.GP. (ICE)	24.5%
PERRIGO (PRGO)	24.5%
MASTERCARD (MA)	24.3%
ALLERGAN (AGN)	22.9%
APPLE (AAPL)	18.4%
VERISIGN (VRSN)	17.5%
VERIFONE SYSTEMS (PAY)	17.3%
VISA 'A' (V)	16.8%

Worst Performers

	Return %
KINDER MORGAN WTS. (KMIW)	-18.3%
TERADATA (TDC)	-17.9%
SYNGENTA SPN.ADR 5:1 (SYT)	-1.7%
EBAY (EBAY)	-1.7%
EOG RES. (EOG)	-0.7%
PROGRESSIVE OHIO (PGR)	0.1%
CROWN CASTLE INTL. (CCI)	0.5%
L BRANDS (LB)	1.7%
KINDER MORGAN (KMI)	2.4%
WALGREEN (WAG)	7.3%

Equity Sector Attribution - Delaware

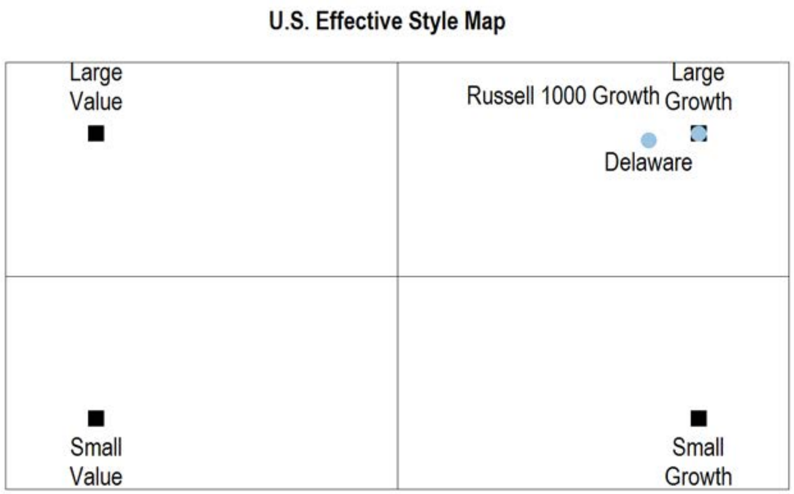
Quarter Ending December 31, 2013

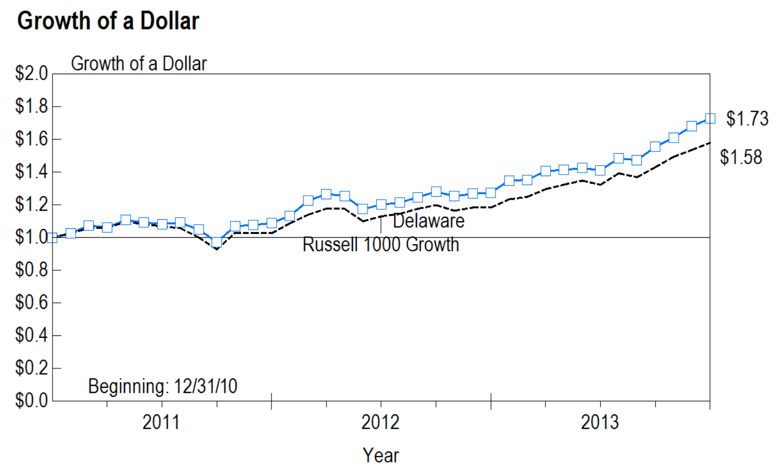
Delaware Performance Attribution vs. Russell 1000 Growth

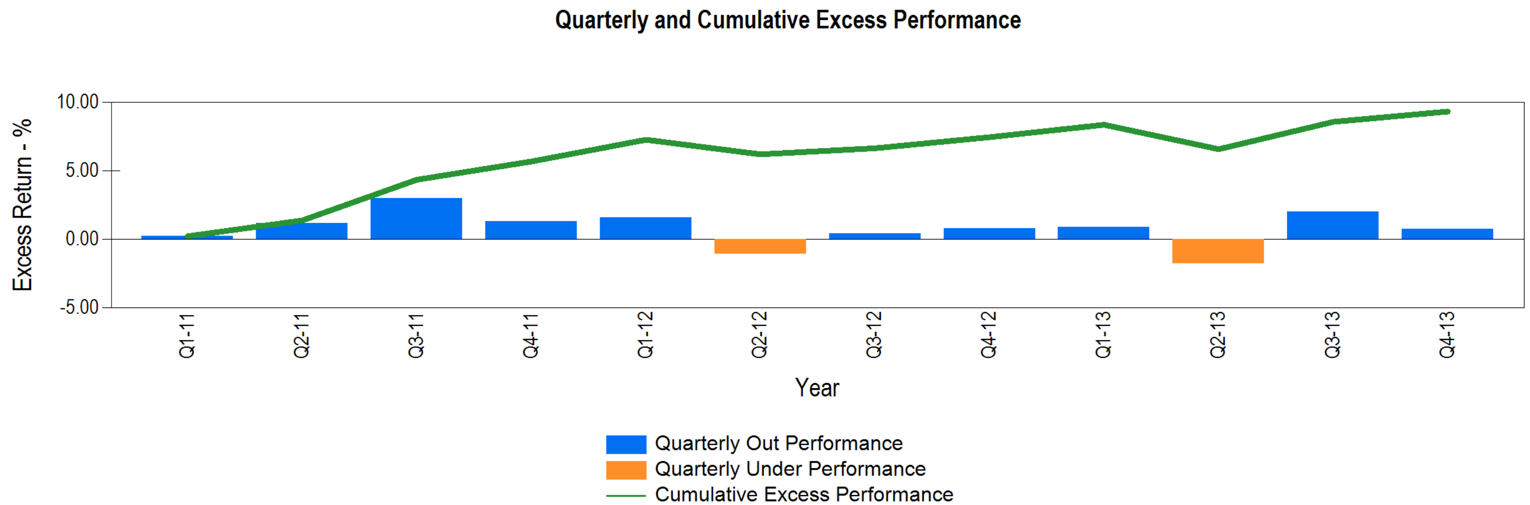
	Attribution Effects						Returns		Sector Weights	
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	-0.5%		-0.1%		-0.4%		-0.1%	0.6%	1.7%	10.3%	4.8%
Materials	-0.2%		-0.5%		0.0%		0.3%	-1.7%	9.8%	2.1%	4.5%
Industrials	-0.2%		--		-0.2%		--	--	12.1%	0.0%	12.2%
Cons. Disc.	0.5%		0.7%		0.0%		-0.2%	13.6%	10.4%	15.0%	19.9%
Cons. Staples	0.2%		0.0%		0.2%		0.0%	7.3%	7.4%	4.1%	12.3%
Health Care	0.6%		0.6%		0.0%		0.0%	15.3%	10.9%	12.5%	12.2%
Financials	0.1%		0.1%		0.0%		0.0%	11.8%	10.7%	8.3%	5.3%
Info. Tech	0.9%		0.4%		0.3%		0.2%	14.2%	12.8%	40.3%	26.5%
Telecomm.	-0.4%		-0.1%		-0.1%		-0.2%	0.5%	6.4%	4.6%	2.0%
Utilities	0.0%		--		0.0%		--	--	8.7%	0.0%	0.2%
Cash	-0.2%		0.0%		-0.2%		0.0%	0.0%	--	2.7%	0.0%
Portfolio	**0.7%**	**=**	**1.0%**	**+**	**-0.4%**	**+**	**0.1%**	**11.1%**	**10.4%**	**100.0%**	**100.0%**

Return Based Style Analysis - Delaware

3 Years Ending December 31, 2013

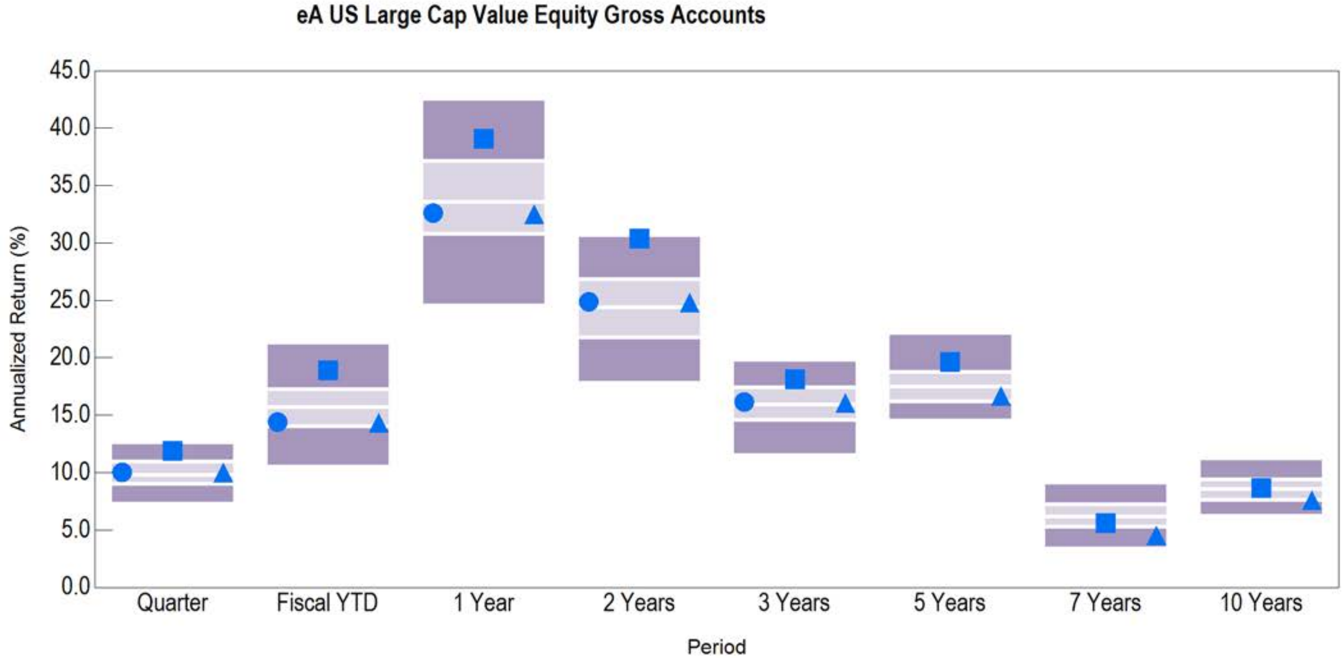






Total Returns - Large Cap Value Equity

Periods Ending December 31, 2013



Return (Rank)	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	12.6		21.3		42.5		30.7		19.8		22.2		9.1		11.2	
25th Percentile	11.0		17.3		37.2		26.9		17.4		18.8		7.3		9.5	
Median	9.9		15.7		33.6		24.4		16.0		17.5		6.2		8.6	
75th Percentile	9.1		14.0		30.8		21.8		14.6		16.2		5.3		7.7	
95th Percentile	7.3		10.5		24.6		17.9		11.6		14.6		3.4		6.3	
# of Portfolios	310		310		310		309		305		294		274		231	
● BlackRock Russell 1000 Value	10.0	(48)	14.4	(71)	32.6	(59)	24.9	(46)	16.2	(47)	--	(--)	--	(--)	--	(--)
■ Dodge & Cox-Equity	11.9	(12)	18.9	(12)	39.1	(15)	30.4	(6)	18.1	(17)	19.6	(17)	5.6	(68)	8.7	(48)
▲ Russell 1000 Value	10.0	(48)	14.3	(72)	32.5	(60)	24.8	(46)	16.1	(49)	16.7	(68)	4.5	(88)	7.6	(78)

Equity Only Summary Statistics - BlackRock Russell 1000 Value

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	663	662
Weighted Avg. Market Cap. ($B)	110.2	115.3
Median Market Cap. ($B)	6.4	6.5
Price To Earnings	18.6	17.2
Price To Book	2.3	1.8
Price To Sales	1.9	1.5
Return on Equity (%)	13.2	12.2
Yield (%)	2.2	2.2
Beta (holdings; domestic)	1.2	1.2

Top Holdings

EXXON MOBIL	4.8%
GENERAL ELECTRIC	3.1%
CHEVRON	2.6%
JOHNSON & JOHNSON	2.4%
PROCTER & GAMBLE	2.4%
JP MORGAN CHASE & CO.	2.4%
WELLS FARGO & CO	2.4%
BERKSHIRE HATHAWAY 'B'	2.3%
PFIZER	2.2%
AT&T	2.0%

Best Performers

	Return %
SPRINT (S)	72.9%
VALERO ENERGY (VLO)	48.3%
US.STEEL (X)	43.5%
MARATHON PETROLEUM (MPC)	43.4%
PBF ENERGY CL.A (PBF)	41.6%
LSI (LSI)	41.6%
SPIRIT AEROSYSTEMS CL.A (SPR)	40.6%
FOREST LABS. (FRX)	40.3%
FIRST SOLAR (FSLR)	35.9%
AOL (AOL)	34.8%

Worst Performers

	Return %
COBALT INTL.ENERGY (CIE)	-33.8%
JABIL CIRCUIT (JBL)	-19.2%
NUANCE COMMS. (NUAN)	-18.6%
SEARS HOLDINGS (SHLD)	-17.6%
NEWMONT MINING (NEM)	-17.3%
COVANTA HOLDING (CVA)	-16.2%
ANADARKO PETROLEUM (APC)	-14.5%
QUEST DIAGNOSTICS (DGX)	-13.4%
HEALTH CARE REIT (HCN)	-13.1%
BIG LOTS (BIG)	-12.9%

Equity Only Summary Statistics - Dodge & Cox Equity

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	70	662
Weighted Avg. Market Cap. ($B)	103.2	115.3
Median Market Cap. ($B)	34.7	6.5
Price To Earnings	19.8	17.2
Price To Book	2.7	1.8
Price To Sales	1.9	1.5
Return on Equity (%)	16.1	12.2
Yield (%)	1.9	2.2
Beta (holdings; domestic)	1.3	1.2

Top Holdings

WELLS FARGO & CO	4.0%
CAPITAL ONE FINL.	3.9%
COMCAST 'A'	3.8%
HEWLETT-PACKARD	3.6%
MICROSOFT	3.5%
MERCK & CO.	3.2%
GENERAL ELECTRIC	3.1%
TIME WARNER	3.1%
NOVARTIS 'B' SPN.ADR 1:1	2.9%
CHARLES SCHWAB	2.9%

Best Performers

	Return %
SPRINT (S)	72.9%
FOREST LABS. (FRX)	40.3%
AOL (AOL)	34.8%
HEWLETT-PACKARD (HPQ)	34.0%
DISH NETWORK 'A' (DISH)	28.7%
AEGON NV.ADR.1:1 (AEG)	28.1%
GOOGLE 'A' (GOOG)	27.9%
FEDEX (FDX)	26.1%
LIBERTY INTACT.'A' (LINTA)	25.1%
NOKIA SPN.ADR 1:10 (NOK)	24.6%

Worst Performers

	Return %
MAXIM INTEGRATED PRDS. (MXIM)	-5.6%
SYMANTEC (SYMC)	-4.1%
NETAPP (NTAP)	-3.1%
CARMAX (KMX)	-3.0%
EBAY (EBAY)	-1.7%
ADT (ADT)	-0.2%
MOLEX 'A' (MOLXA)	0.9%
WEATHERFORD INTL. (WFT)	1.0%
APACHE (APA)	1.2%
SCHLUMBERGER (SLB)	2.3%

Equity Sector Attribution - Dodge & Cox Equity

Quarter Ending December 31, 2013

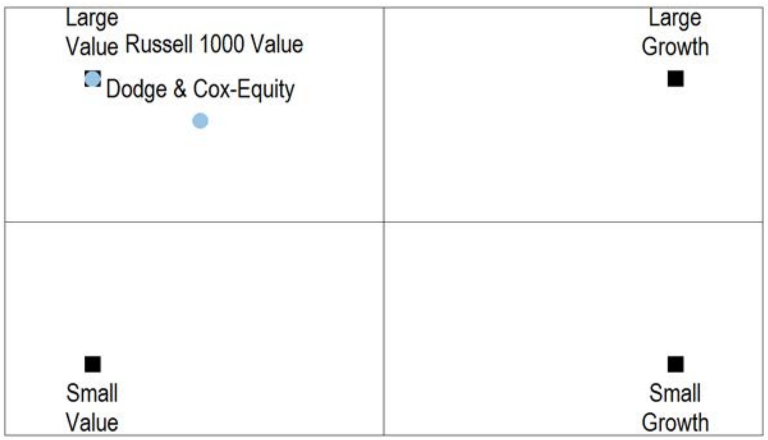
Dodge & Cox-Equity Performance Attribution vs. Russell 1000 Value

	Attribution Effects					Returns		Sector Weights	
	Total Effects		Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	-0.5%		-0.8%	0.0%	0.4%	4.4%	10.0%	7.9%	15.0%
Materials	0.0%		0.0%	0.0%	0.0%	12.0%	11.1%	3.2%	2.9%
Industrials	0.2%		0.3%	-0.1%	-0.1%	18.1%	14.9%	7.9%	10.0%
Cons. Disc.	0.4%		0.1%	0.1%	0.2%	13.3%	11.2%	14.5%	6.5%
Cons. Staples	-0.2%		-0.3%	-0.1%	0.2%	7.1%	11.6%	2.0%	5.8%
Health Care	-0.4%		-0.2%	0.0%	-0.1%	7.1%	8.9%	17.4%	13.0%
Financials	1.3%		1.6%	0.0%	-0.3%	14.7%	9.3%	22.8%	29.0%
Info. Tech	0.5%		0.1%	0.2%	0.1%	13.4%	11.9%	19.7%	9.0%
Telecomm.	0.4%		0.8%	0.0%	-0.4%	40.6%	7.1%	1.1%	2.6%
Utilities	0.5%		--	0.5%	--	--	2.6%	0.0%	6.2%
Cash	-0.3%		0.0%	-0.3%	0.0%	0.0%	--	3.4%	0.0%
Portfolio	**2.0%**	**=**	**1.6% +**	**0.4% +**	**-0.1%**	**12.0%**	**10.0%**	**100.0%**	**100.0%**

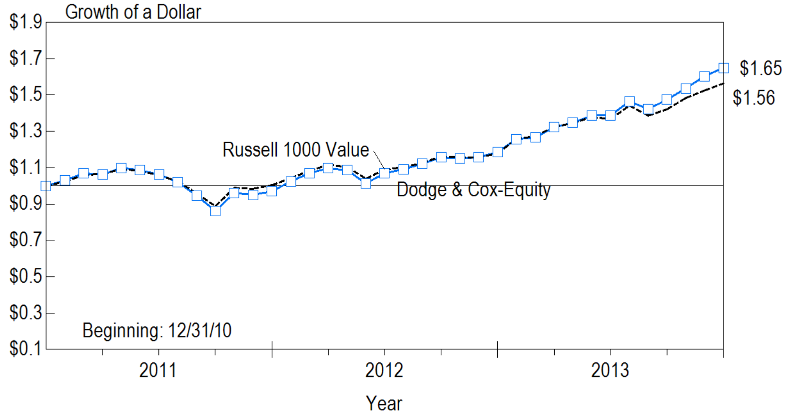
Return Based Style Analysis - Dodge & Cox Equity

3 Years Ending December 31, 2013

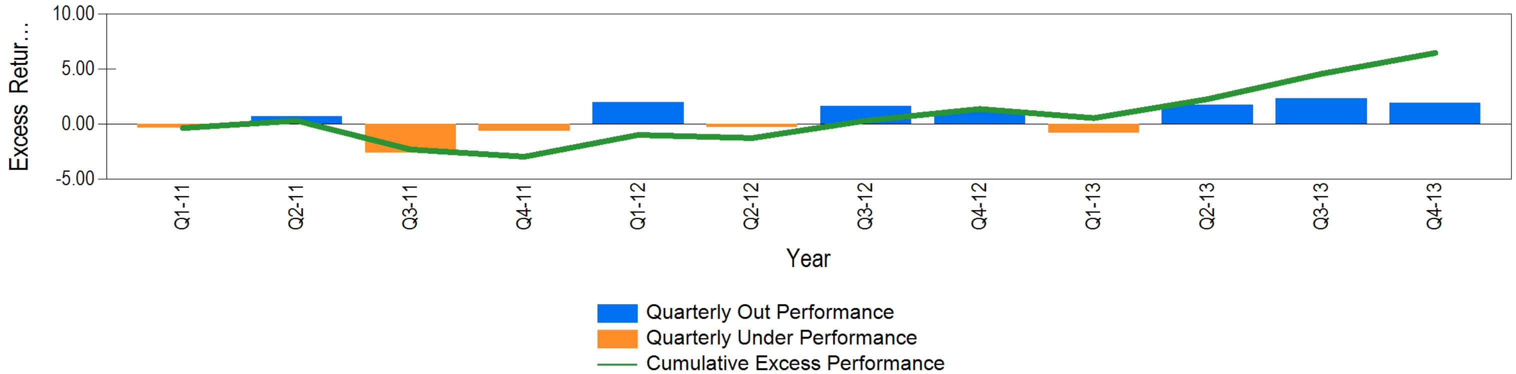
U.S. Effective Style Map



Growth of a Dollar



Quarterly and Cumulative Excess Performance



Total Returns - Small Cap Growth Equity

Periods Ending December 31, 2013

	Return (Rank)															
5th Percentile	12.9		29.7		58.2		37.2		23.1		29.7		13.9		14.2	
25th Percentile	10.3		25.2		50.6		32.2		20.6		26.2		11.6		11.8	
Median	8.8		23.2		45.6		29.5		18.8		24.4		10.1		10.8	
75th Percentile	7.4		21.0		42.6		27.0		16.6		22.6		8.5		9.8	
95th Percentile	5.0		17.4		35.6		23.0		12.5		19.0		5.5		6.3	
# of Portfolios	160		160		160		160		158		152		134		116	
● Legato Capital	8.0	(64)	22.7	(61)	47.3	(41)	31.9	(28)	19.5	(40)	24.5	(50)	--	(--)	--	(--)
▲ Russell 2000 Growth	8.2	(60)	22.0	(67)	43.3	(70)	28.1	(63)	16.8	(73)	22.6	(76)	8.9	(70)	9.4	(79)

Equity Only Summary Statistics - Legato Capital

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	457	1,174
Weighted Avg. Market Cap. ($B)	2.2	2.0
Median Market Cap. ($B)	1.5	0.9
Price To Earnings	34.7	43.9
Price To Book	5.6	4.3
Price To Sales	3.3	1.8
Return on Equity (%)	13.6	13.2
Yield (%)	0.4	0.6
Beta (holdings; domestic)	1.3	1.3

Top Holdings

COSTAR GP.	1.6%
ULTIMATE SOFTWARE GP.	1.3%
CEPHEID	1.2%
UTD.NTRL.FOODS	1.1%
PRTF.REC.ASSOCS.	1.1%
ATHENAHEALTH	1.0%
VANTIV CLASS A	1.0%
MAXIMUS	1.0%
NEOGEN	1.0%
ADVISORY BOARD	1.0%

Best Performers

	Return %
FONAR (FONR)	267.6%
QUANTUM FUEL SYS.TECHS. WWD. (QTWW)	145.3%
HORIZON PHARMA (HZNP)	127.5%
ICAD (ICAD)	121.3%
AK STEEL HLDG. (AKS)	118.7%
GALENA BIOPHARMA (GALE)	117.5%
ZELTIQ AESTHETICS (ZLTQ)	109.6%
PUMA BIOTECHNOLOGY (PBYI)	92.9%
THERAPEUTICSMD (TXMD)	77.8%
GASTAR EXPLORATION (GST)	75.2%

Worst Performers

	Return %
AMARIN ADR 1:1 (AMRN)	-68.8%
ARIAD PHARMS. (ARIA)	-62.9%
STEMLINE THERAPEUTICS (STML)	-56.7%
CYAN (CYNI)	-47.4%
GAIN CAPITAL HOLDINGS (GCAP)	-40.0%
ACACIA RESH.-ACI.TECHS. (ACTG)	-36.4%
RALLY SOFTWARE DEV. (RALY)	-35.1%
LIQUIDITY SERVICES (LQDT)	-32.4%
EGAIN (EGAN)	-32.1%
REPROS THERAPEUTICS (RPRX)	-31.7%

Equity Sector Attribution - Legato Capital

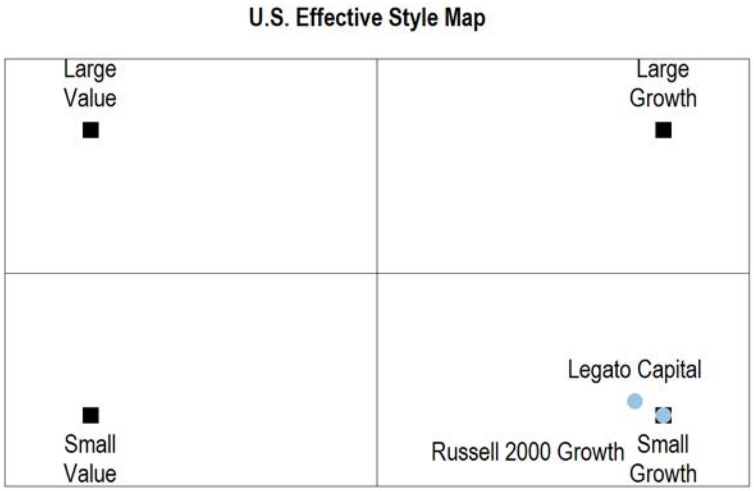
Quarter Ending December 31, 2013

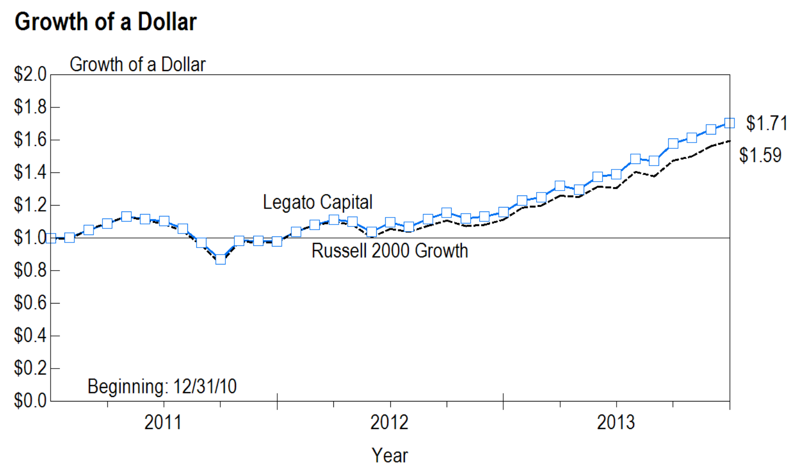
Legato Capital Performance Attribution vs. Russell 2000 Growth

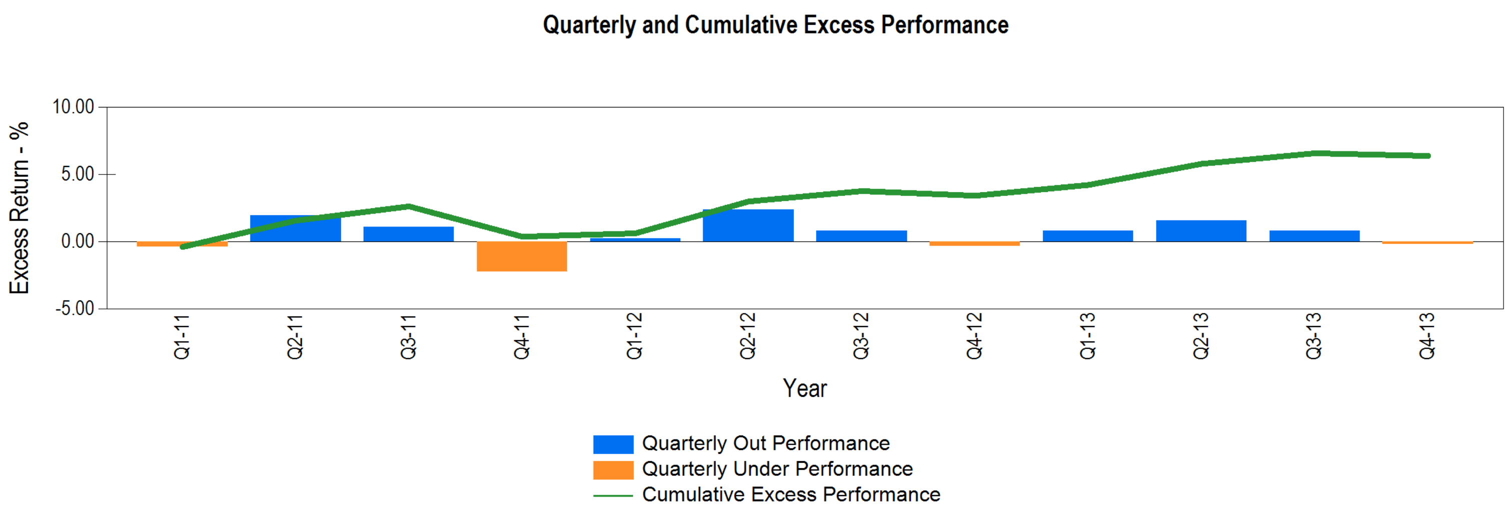
	Attribution Effects						Returns		Sector Weights	
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	-0.2%		-0.2%		0.0%		0.0%	1.2%	6.9%	4.3%	3.9%
Materials	0.1%		0.3%		0.0%		-0.2%	16.1%	9.6%	1.3%	5.1%
Industrials	-0.2%		-0.2%		0.0%		0.0%	9.2%	10.6%	15.0%	15.3%
Cons. Disc.	0.3%		0.3%		0.0%		0.0%	10.4%	8.5%	14.9%	16.7%
Cons. Staples	0.0%		-0.1%		0.0%		0.0%	4.3%	5.9%	2.8%	4.9%
Health Care	0.0%		0.0%		0.0%		0.0%	7.7%	7.8%	21.5%	21.1%
Financials	0.0%		0.0%		0.0%		0.0%	7.9%	7.9%	7.8%	7.1%
Info. Tech	0.0%		0.0%		0.0%		0.0%	7.0%	6.9%	28.5%	24.9%
Telecomm.	-0.1%		-0.1%		0.0%		0.0%	2.0%	12.2%	0.9%	0.9%
Utilities	0.0%		--		0.0%		--	--	7.8%	0.0%	0.1%
Cash	-0.2%		0.0%		-0.2%		0.0%	0.0%	--	2.7%	0.0%
Portfolio	**-0.5%**	**=**	**0.0%**	**+**	**-0.3%**	**+**	**-0.3%**	**7.6%**	**8.1%**	**99.6%**	**100.0%**

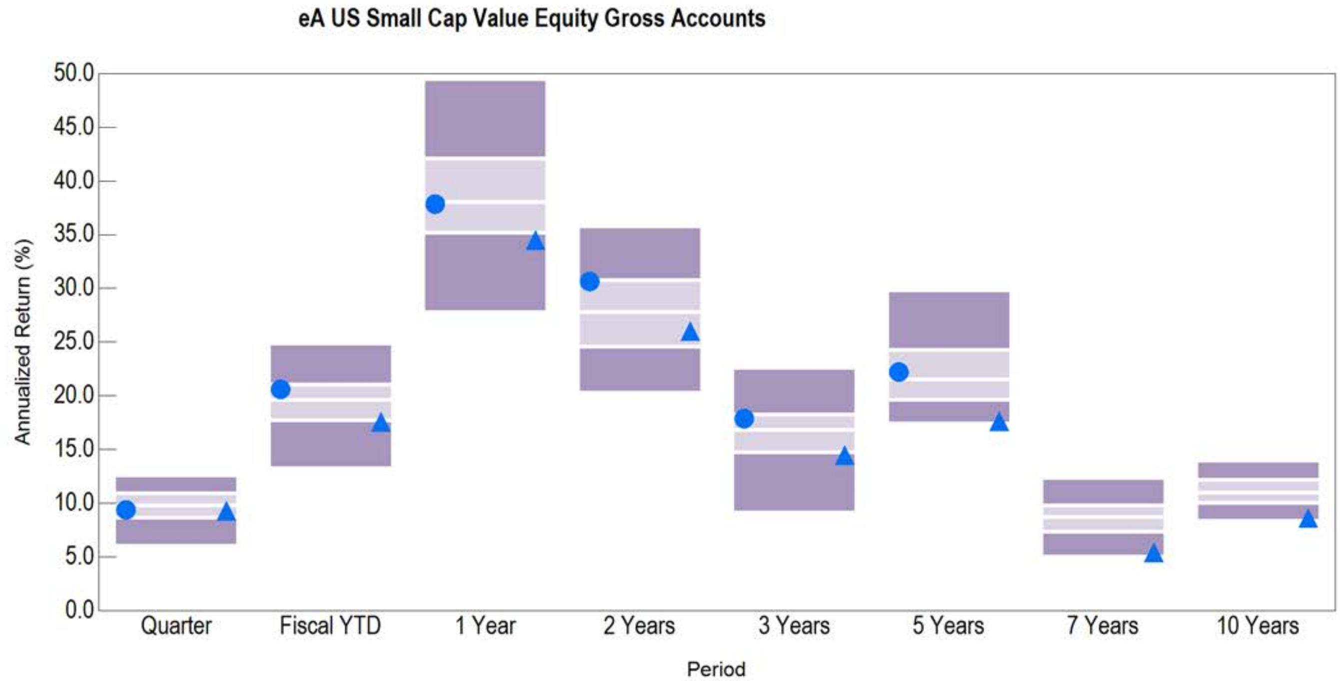
Return Based Style Analysis - Legato Capital

3 Years Ending December 31, 2013









	Return (Rank)															
5th Percentile	12.6		24.9		49.4		35.8		22.6		29.8		12.3		14.0	
25th Percentile	11.0		21.1		42.1		30.8		18.3		24.3		9.8		12.2	
Median	9.8		19.7		38.1		27.8		16.8		21.6		8.7		11.0	
75th Percentile	8.7		17.7		35.2		24.6		14.8		19.7		7.4		10.0	
95th Percentile	6.1		13.3		27.8		20.3		9.2		17.5		5.0		8.4	
# of Portfolios	199		199		199		199		197		190		166		146	
● **Capital Prospects**	9.4	(59)	20.6	(32)	37.9	(53)	30.6	(26)	17.9	(30)	22.2	(45)	--	(--)	--	(--)
▲ **Russell 2000 Value**	9.3	(61)	17.6	(78)	34.5	(78)	26.0	(67)	14.5	(78)	17.6	(95)	5.4	(94)	8.6	(95)

Equity Only Summary Statistics - Capital Prospects

Quarter Ending December 31, 2013

Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	244	1,394
Weighted Avg. Market Cap. ($B)	2.6	1.5
Median Market Cap. ($B)	1.9	0.6
Price To Earnings	22.7	26.7
Price To Book	3.0	1.6
Price To Sales	1.7	1.4
Return on Equity (%)	15.0	6.7
Yield (%)	1.4	1.9
Beta (holdings; domestic)	1.4	1.4

Top Holdings

HILLENBRAND	1.6%
BELDEN	1.6%
REGAL BELOIT	1.4%
LITTELFUSE	1.4%
BROADRIDGE FINL.SLTN.	1.2%
FIRST AMER.FINL.	1.2%
MB FINL.	1.1%
MEREDITH	1.1%
IBERIABANK	1.1%
POLYONE	1.1%

Best Performers

	Return %
AMKOR TECH. (AMKR)	43.2%
MERCER INTL. (MERC)	40.6%
SPIRIT AEROSYSTEMS CL.A (SPR)	40.6%
NCI BUILDING SYS. (NCS)	37.7%
OCH-ZIFF CAP.MAN.GP.CL.A (OZM)	37.3%
PRIVATEBANCORP (PVTB)	35.2%
CAMBREX (CBM)	35.1%
OUTERWALL (OUTR)	34.5%
WILSHIRE BANC. (WIBC)	33.8%
VIEWPOINT FINANCIAL GP. (VPFG)	33.5%

Worst Performers

	Return %
RADIOSHACK (RSH)	-23.8%
EPL OIL & GAS (EPL)	-23.2%
MEDASSETS (MDAS)	-22.0%
EXCO RESOURCES (XCO)	-19.5%
STRAYER ED. (STRA)	-17.0%
STEINER LEISURE (STNR)	-15.8%
TRIANGLE PETROLEUM (TPLM)	-15.3%
FLEXTRONICS INTL. (FLEX)	-14.5%
NCR (NCR)	-14.0%
DANA HOLDING (DAN)	-13.9%

Equity Sector Attribution - Capital Prospects

Quarter Ending December 31, 2013

Capital Prospects Performance Attribution vs. Russell 2000 Value

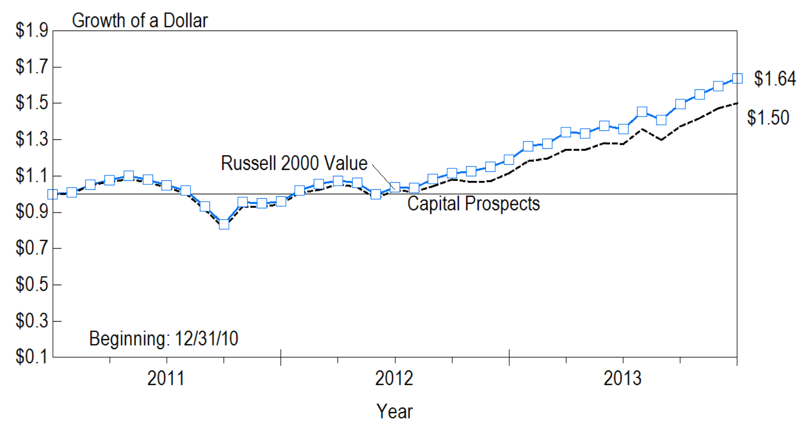
	Attribution Effects						Returns		Sector Weights	
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	-0.2%		-0.4%		0.1%		0.0%	1.5%	6.0%	6.7%	7.4%
Materials	0.0%		0.0%		0.1%		0.0%	12.1%	12.9%	6.9%	4.6%
Industrials	0.3%		0.1%		0.2%		0.0%	12.4%	11.8%	19.1%	13.7%
Cons. Disc.	-0.3%		-0.2%		0.0%		-0.1%	7.9%	9.5%	16.2%	10.9%
Cons. Staples	0.1%		0.1%		0.0%		0.0%	7.9%	5.3%	2.9%	2.8%
Health Care	-0.3%		-0.3%		0.0%		-0.1%	5.4%	12.3%	4.9%	4.6%
Financials	0.9%		1.5%		0.0%		-0.6%	13.2%	9.3%	21.4%	38.5%
Info. Tech	-0.1%		-0.1%		0.0%		0.0%	8.5%	9.2%	13.1%	10.9%
Telecomm.	0.1%		--		0.1%		--	--	-4.4%	0.0%	0.7%
Utilities	0.1%		0.0%		0.1%		0.0%	5.6%	6.1%	2.4%	6.0%
Cash	-0.4%		0.0%		-0.4%		0.0%	0.0%	--	6.3%	0.0%
Portfolio	**0.1%**	**=**	**0.7%**	**+**	**0.2%**	**+**	**-0.8%**	**9.3%**	**9.3%**	**100.0%**	**100.0%**

Return Based Style Analysis - Capital Prospects

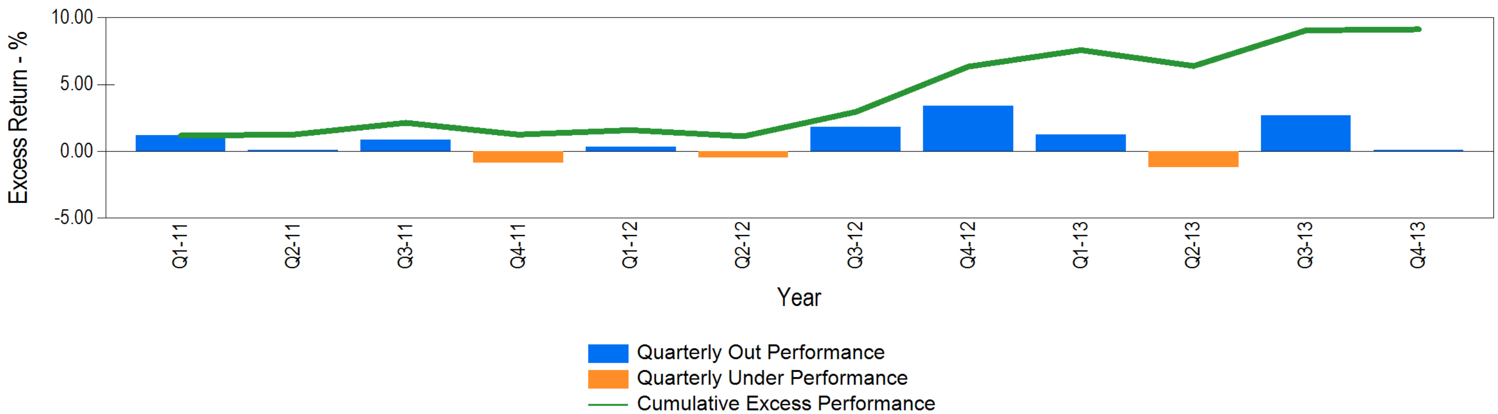
3 Years Ending December 31, 2013

U.S. Effective Style Map

Growth of a Dollar

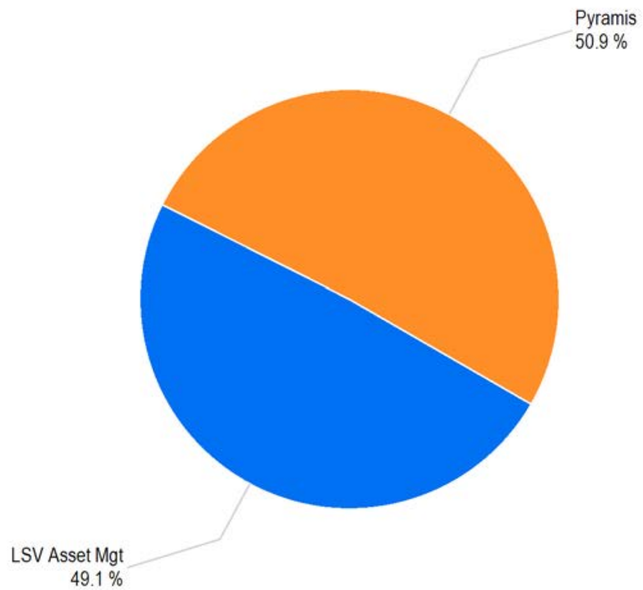


Quarterly and Cumulative Excess Performance



Manager Allocation Analysis - International Equity

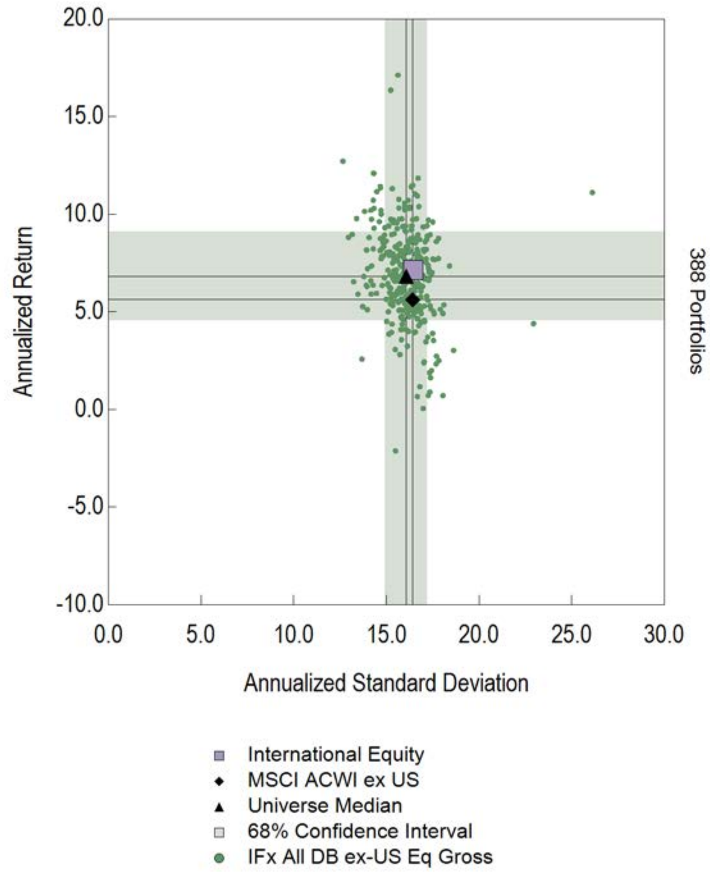
As of December 31, 2013



	Actual $	Actual %
LSV Asset Mgt	$154,766,738	49.1%
Pyramis	$160,502,911	50.9%
Total	$315,269,649	

Risk vs. Return 3 Year - International Equity

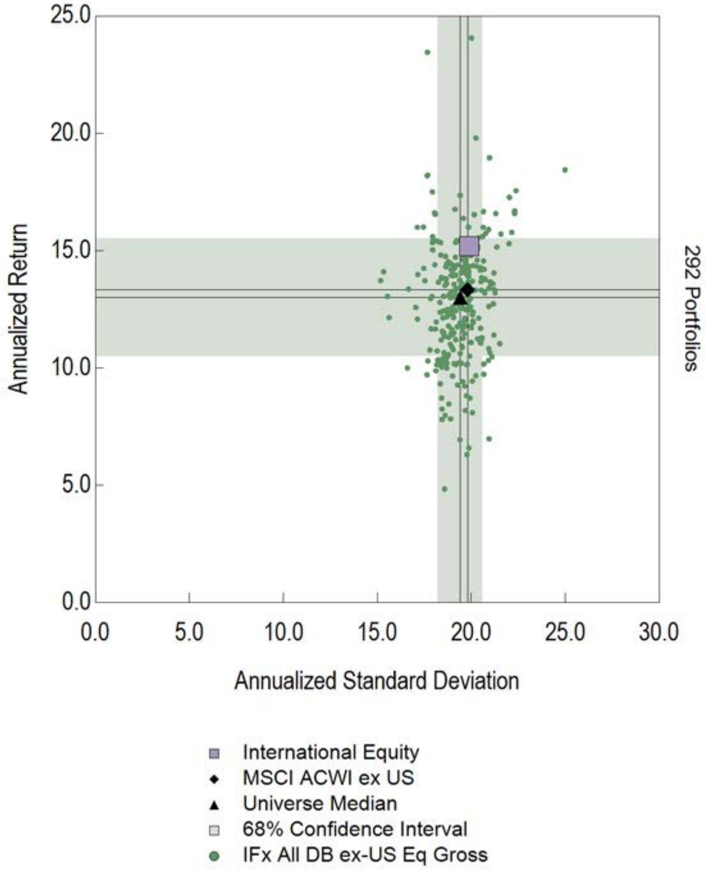
Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
International Equity	7.1%	44	16.5%	68	0.4	48
MSCI ACWI ex US	5.6%	74	16.4%	67	0.3	75
IFx All DB ex-US Eq Gross Median	6.8%	--	16.1%	--	0.4	--

Risk vs. Return 5 Year - International Equity

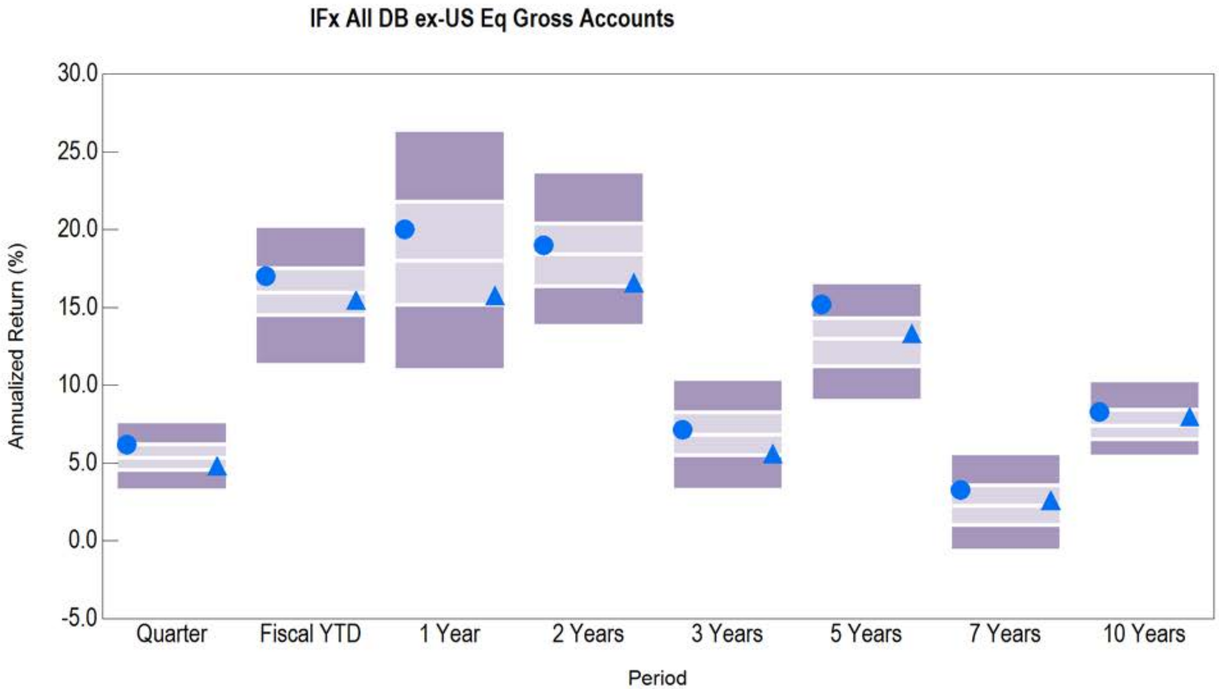
Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
International Equity	15.2%	15	19.9%	69	0.8	17
MSCI ACWI ex US	13.3%	45	19.8%	66	0.7	46
IFx All DB ex-US Eq Gross Median	13.0%	--	19.4%	--	0.7	--

Total Returns - International Equity

Periods Ending December 31, 2013



Return (Rank)	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	7.6		20.2		26.4		23.7		10.4		16.6		5.6		10.3	
25th Percentile	6.2		17.5		21.8		20.4		8.3		14.3		3.6		8.5	
Median	5.4		16.0		18.0		18.4		6.8		13.0		2.3		7.4	
75th Percentile	4.6		14.5		15.2		16.4		5.5		11.2		1.0		6.5	
95th Percentile	3.2		11.3		11.0		13.8		3.3		9.0		-0.6		5.4	
# of Portfolios	425		424		415		405		388		292		253		165	
● International Equity	6.2	(27)	17.0	(33)	20.0	(36)	19.0	(44)	7.1	(44)	15.2	(15)	3.3	(30)	8.3	(31)
▲ MSCI ACWI ex US	4.8	(69)	15.5	(59)	15.8	(70)	16.6	(72)	5.6	(74)	13.3	(45)	2.6	(42)	8.0	(39)

Equity Only Summary Statistics - International Equity

Quarter Ending December 31, 2013

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	411	1,824
Weighted Avg. Market Cap. ($B)	50.5	55.6
Median Market Cap. ($B)	11.8	6.8
Price To Earnings	17.6	18.2
Price To Book	2.4	2.4
Price To Sales	1.4	1.8
Return on Equity (%)	14.9	15.0
Yield (%)	3.0	2.8
Beta (holdings; global)	1.1	1.0

Top Holdings

SANOFI	1.5%
ALLIANZ	1.5%
BT GROUP	1.4%
ROYAL DUTCH SHELL A	1.2%
BAYER	1.1%
BASF	1.1%
DAIMLER	1.1%
VODAFONE GROUP	1.1%
SUMITOMO MITSUI FINL.GP.	1.0%
ASTRAZENECA	1.0%

Best Performers

	Return %
TATA STEEL GDR (REG S) (WI) (UKIR:TTST)	60.7%
ARRIUM (A:ARIX)	37.2%
MELCO INTL.DEV. (K:MELO)	37.0%
JOHNSON ELECTRIC HDG. (K:JNEL)	34.3%
LIXIL GROUP (J:LIXI)	33.3%
POSTNL (H:PNL)	32.1%
SANDS CHINA (K:SNDC)	32.1%
MOUNT GIBSON IRON (A:MGXX)	32.1%
CONTINENTAL (D:CON)	29.7%
BANCO POPOLARE (I:BP)	29.0%

Worst Performers

	Return %
BANGCHAK PETROLEUM FB (Q:BNKF)	-39.2%
NITTO DENKO (J:IF@N)	-35.2%
ILUKA RESOURCES (A:ILUX)	-27.9%
QBE INSURANCE GROUP (A:QBEX)	-24.9%
KAKAKU.COM (J:KAKA)	-24.7%
FORD OTOMOTIV SANAYI (TK:OTO)	-23.1%
PAPERLINX (A:PPXX)	-21.1%
KOMATSU (J:KM@N)	-18.2%
CALBEE (J:CALB)	-16.2%
FUJI MACH.MNFG. (J:FUMF)	-15.7%

Equity Sector Attribution - International Equity

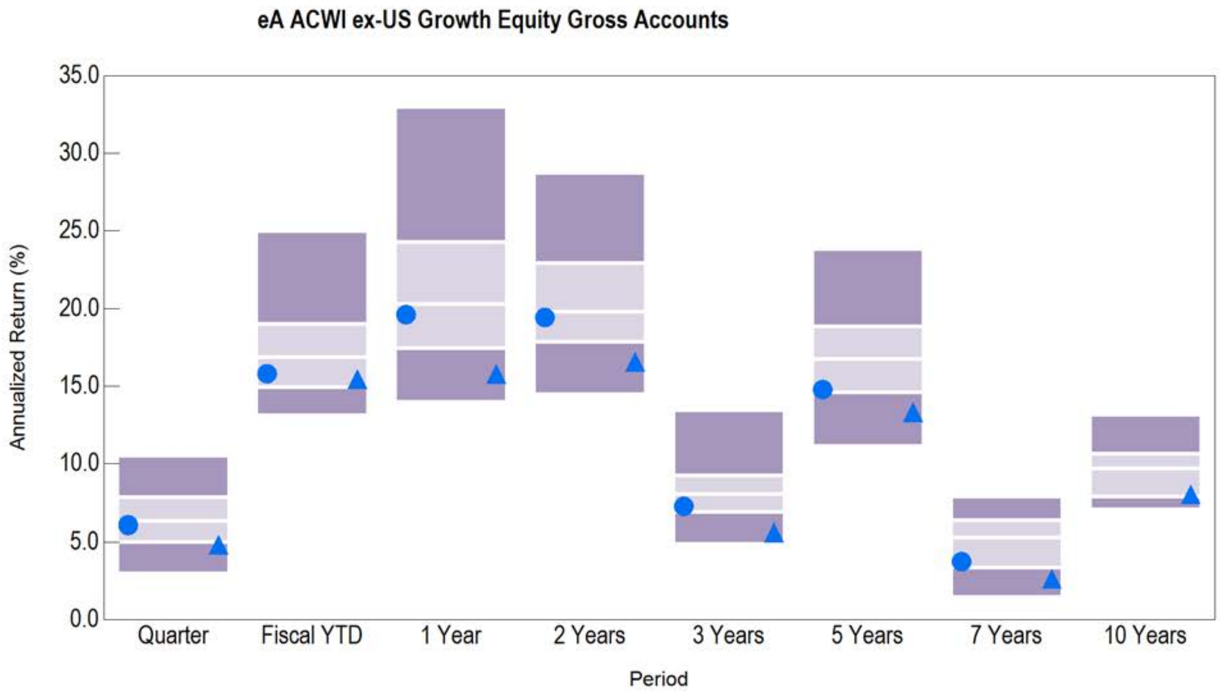
Quarter Ending December 31, 2013

International Equity Performance Attribution vs. MSCI ACWI ex USA Gross

	Attribution Effects							Returns		Sector Weights	
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.2%		0.1%		0.0%		0.1%	5.2%	2.9%	8.9%	9.7%
Materials	0.3%		0.3%		0.0%		0.0%	6.2%	2.3%	8.6%	8.5%
Industrials	0.1%		0.2%		0.0%		-0.1%	6.2%	5.2%	11.4%	11.1%
Cons. Disc.	0.1%		0.1%		0.0%		0.0%	6.2%	4.9%	11.1%	10.7%
Cons. Staples	-0.1%		-0.1%		0.1%		0.0%	0.2%	2.5%	7.7%	10.2%
Health Care	0.0%		0.0%		0.0%		0.0%	7.6%	7.4%	8.9%	7.7%
Financials	0.7%		0.6%		0.0%		0.1%	7.7%	5.1%	27.4%	26.6%
Info. Tech	-0.1%		0.0%		-0.1%		0.0%	5.7%	7.9%	4.8%	6.4%
Telecomm.	0.3%		0.2%		0.1%		0.0%	11.0%	8.2%	7.4%	5.7%
Utilities	0.2%		0.2%		0.0%		0.0%	8.4%	2.2%	2.4%	3.4%
Cash	-0.1%		0.0%		-0.1%		0.0%	0.0%	--	1.6%	0.0%
Portfolio	**1.7%**	**=**	**1.5%**	**+**	**0.1%**	**+**	**0.1%**	**6.5%**	**4.8%**	**100.0%**	**100.0%**

Total Returns - ACWI ex-US Growth Equity

Periods Ending December 31, 2013



Return (Rank)	Quarter		Fiscal YTD		1 Year		2 Years		3 Years		5 Years		7 Years		10 Years	
5th Percentile	10.5		25.0		33.0		28.7		13.4		23.8		7.9		13.1	
25th Percentile	7.9		19.1		24.3		23.0		9.3		18.9		6.4		10.7	
Median	6.3		16.9		20.3		19.8		8.1		16.8		5.3		9.7	
75th Percentile	5.0		15.0		17.5		17.9		6.9		14.6		3.4		7.9	
95th Percentile	3.0		13.1		14.0		14.5		4.9		11.2		1.5		7.1	
# of Portfolios	46		46		46		46		45		40		37		27	
● Pyramis	6.1	(58)	15.8	(67)	19.6	(61)	19.4	(56)	7.3	(68)	14.8	(71)	3.7	(71)	--	(--)
▲ MSCI ACWI ex USA Gross	4.8	(80)	15.5	(70)	15.8	(85)	16.6	(90)	5.6	(89)	13.3	(88)	2.6	(88)	8.0	(74)

Equity Only Summary Statistics - Pyramis

Quarter Ending December 31, 2013

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	253	1,824
Weighted Avg. Market Cap. ($B)	64.9	55.6
Median Market Cap. ($B)	14.6	6.8
Price To Earnings	21.5	18.2
Price To Book	3.3	2.4
Price To Sales	1.9	1.8
Return on Equity (%)	16.7	15.0
Yield (%)	2.3	2.8
Beta (holdings; global)	1.1	1.0

Top Holdings

NESTLE 'R'	1.9%
TOYOTA MOTOR	1.7%
ROYAL DUTCH SHELL A	1.7%
BAYER	1.7%
SANOFI	1.6%
HSBC HDG. (ORD $0.50)	1.6%
VODAFONE GROUP	1.5%
LLOYDS BANKING GROUP	1.3%
ALLIANZ	1.3%
SOFTBANK	1.2%

Best Performers

	Return %
MELCO INTL.DEV. (K:MELO)	37.0%
LIXIL GROUP (J:LIXI)	33.3%
SANDS CHINA (K:SNDC)	32.1%
CONTINENTAL (D:CON)	29.7%
AKER SOLUTIONS (N:AKSO)	27.2%
BADGER DAYLIGHTING (C:BAD)	26.9%
SOFTBANK (J:SFTB)	26.5%
SECURE ENERGY SERVICES (C:SES)	25.3%
FRESENIUS (D:FRE)	24.2%
ING GROEP (H:ING)	23.1%

Worst Performers

	Return %
NITTO DENKO (J:IF@N)	-35.2%
ILUKA RESOURCES (A:ILUX)	-27.9%
QBE INSURANCE GROUP (A:QBEX)	-24.9%
KAKAKU.COM (J:KAKA)	-24.7%
KOMATSU (J:KM@N)	-18.2%
CALBEE (J:CALB)	-16.2%
NIHON KOHDEN (J:NIKK)	-14.7%
TULLOW OIL (UKIR:TLW)	-14.6%
NEW WORLD DEV. (K:NWDV)	-13.6%
WESTFIELD GROUP (A:WDCX)	-12.3%

Equity Sector Attribution - Pyramis

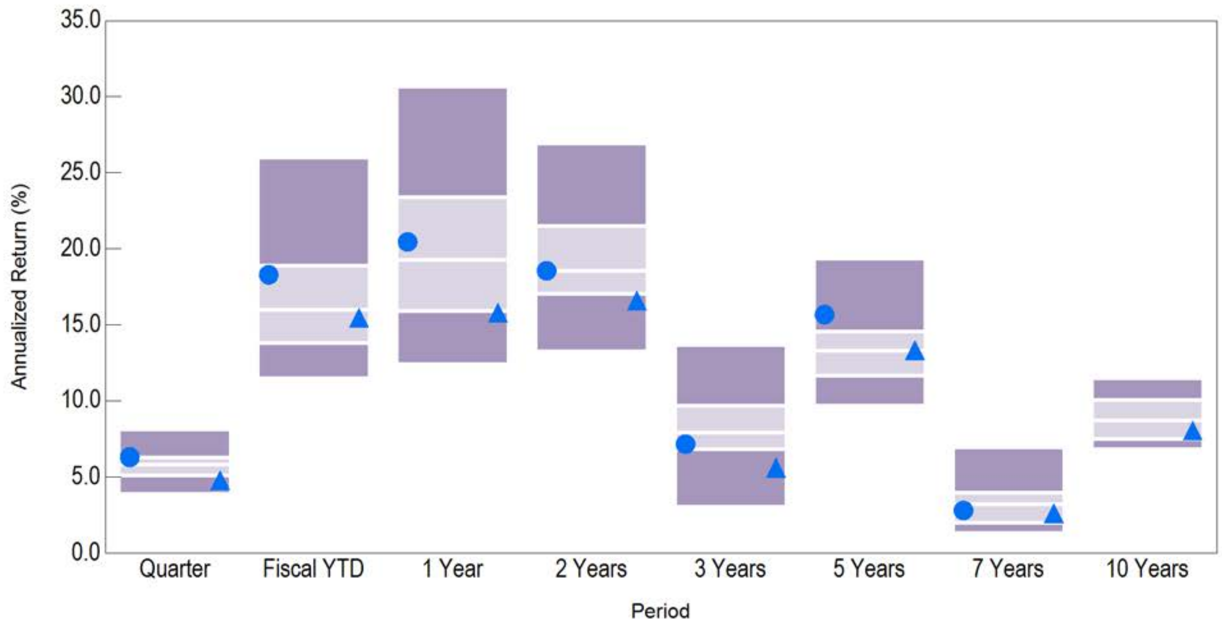
Quarter Ending December 31, 2013

Pyramis Performance Attribution vs. MSCI ACWI ex USA Gross

	Attribution Effects						Returns		Sector Weights	
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.5%		0.5%		0.1%		-0.1%	8.9%	2.9%	6.3%	9.7%
Materials	-0.1%		-0.1%		0.0%		0.0%	1.6%	2.3%	9.3%	8.5%
Industrials	0.5%		0.4%		0.0%		0.1%	9.6%	5.2%	11.2%	11.1%
Cons. Disc.	0.5%		0.3%		0.1%		0.1%	8.3%	4.9%	14.9%	10.7%
Cons. Staples	0.0%		0.0%		0.0%		0.0%	2.5%	2.5%	9.7%	10.2%
Health Care	0.2%		0.1%		0.0%		0.0%	9.0%	7.4%	10.0%	7.7%
Financials	0.4%		0.5%		0.0%		-0.1%	6.5%	5.1%	25.7%	26.6%
Info. Tech	-0.1%		0.0%		0.0%		-0.1%	6.4%	7.9%	5.5%	6.4%
Telecomm.	0.3%		0.6%		0.0%		-0.2%	17.0%	8.2%	4.2%	5.7%
Utilities	0.1%		-0.1%		0.1%		0.1%	1.9%	2.2%	1.3%	3.4%
Cash	-0.1%		0.0%		-0.1%		0.0%	0.0%	--	1.8%	0.0%
Portfolio	**2.2%**	**=**	**2.3%**	**+**	**0.1%**	**+**	**-0.3%**	**7.0%**	**4.8%**	**100.0%**	**100.0%**

Total Returns - ACWI ex-US Value Equity

Periods Ending December 31, 2013



	Return (Rank)															
5th Percentile	8.1		26.0		30.7		26.9		13.7		19.3		6.9		11.5	
25th Percentile	6.3		18.9		23.4		21.5		9.7		14.6		4.0		10.0	
Median	5.9		16.0		19.3		18.6		7.9		13.3		3.3		8.7	
75th Percentile	5.1		13.8		15.9		17.1		6.8		11.6		2.0		7.5	
95th Percentile	3.9		11.5		12.4		13.3		3.1		9.7		1.4		6.8	
# of Portfolios	34		34		34		33		32		29		27		20	
● LSV Asset Mgt	6.3	(24)	18.3	(28)	20.4	(39)	18.5	(51)	7.1	(70)	15.7	(19)	2.8	(54)	--	(--)
▲ MSCI ACWI ex USA Gross	4.8	(86)	15.5	(60)	15.8	(78)	16.6	(77)	5.6	(79)	13.3	(50)	2.6	(63)	8.0	(65)

Equity Only Summary Statistics - LSV Asset Mgt

Quarter Ending December 31, 2013

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	203	1,824
Weighted Avg. Market Cap. ($B)	38.5	55.6
Median Market Cap. ($B)	7.8	6.8
Price To Earnings	14.3	18.2
Price To Book	1.6	2.4
Price To Sales	0.9	1.8
Return on Equity (%)	13.4	15.0
Yield (%)	3.6	2.8
Beta (holdings; global)	1.1	1.0

Top Holdings

ASTRAZENECA	1.8%
BT GROUP	1.7%
ALLIANZ	1.6%
LEGAL & GENERAL	1.6%
ROYAL DUTCH SHELL B	1.5%
MAGNA INTL.	1.4%
SANOFI	1.4%
BASF	1.3%
DAIMLER	1.3%
SWISS RE	1.3%

Best Performers

	Return %
TATA STEEL GDR (REG S) (WI) (UKIR:TTST)	60.7%
ARRIUM (A:ARIX)	37.2%
JOHNSON ELECTRIC HDG. (K:JNEL)	34.3%
POSTNL (H:PNL)	32.1%
MOUNT GIBSON IRON (A:MGXX)	32.1%
BANCO POPOLARE (I:BP)	29.0%
HELLENIC TELECOM.ORG. (G:HTO)	27.8%
AEGON (H:AGN)	27.7%
TENAGA NASIONAL (L:TENN)	27.1%
FINMECCANICA (I:FNC)	26.7%

Worst Performers

	Return %
BANGCHAK PETROLEUM FB (Q:BNKF)	-39.2%
FORD OTOMOTIV SANAYI (TK:OTO)	-23.1%
PAPERLINX (A:PPXX)	-21.1%
FUJI MACH.MNFG. (J:FUMF)	-15.7%
BOART LONGYEAR (A:BLYX)	-15.3%
DAISHIN SECURITIES (KO:DSE)	-13.7%
PANORAMIC RESOURCES (A:PANX)	-13.0%
PTRO.BRAO.ADR 1:2 (PBRA)	-12.2%
SELCUK ECZA DEPOSU (TK:SLC)	-12.0%
IMPERIAL (R:IPLJ)	-10.7%

Equity Sector Attribution - LSV Asset Mgt

Quarter Ending December 31, 2013

LSV Asset Mgt Performance Attribution vs. MSCI ACWI ex USA Gross

	Attribution Effects						Returns		Sector Weights	
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.0%		-0.1%		0.0%		0.1%	3.5%	2.9%	11.0%	9.7%
Materials	0.7%		0.7%		0.0%		0.0%	10.5%	2.3%	8.0%	8.5%
Industrials	-0.2%		-0.1%		0.0%		-0.2%	3.3%	5.2%	11.5%	11.1%
Cons. Disc.	-0.1%		-0.3%		0.0%		0.2%	2.3%	4.9%	7.9%	10.7%
Cons. Staples	-0.2%		-0.4%		0.1%		0.1%	-2.9%	2.5%	6.0%	10.2%
Health Care	-0.1%		0.0%		0.0%		0.0%	6.1%	7.4%	7.9%	7.7%
Financials	1.0%		0.7%		0.0%		0.3%	8.5%	5.1%	28.9%	26.6%
Info. Tech	-0.2%		-0.1%		-0.1%		0.0%	5.2%	7.9%	4.2%	6.4%
Telecomm.	0.2%		0.1%		0.1%		0.0%	9.1%	8.2%	10.1%	5.7%
Utilities	0.3%		0.2%		0.0%		0.0%	10.7%	2.2%	3.2%	3.4%
Cash	-0.1%		0.0%		-0.1%		0.0%	0.0%	--	1.4%	0.0%
Portfolio	**1.3%**	**=**	**0.7%**	**+**	**0.1%**	**+**	**0.5%**	**6.1%**	**4.8%**	**100.0%**	**100.0%**

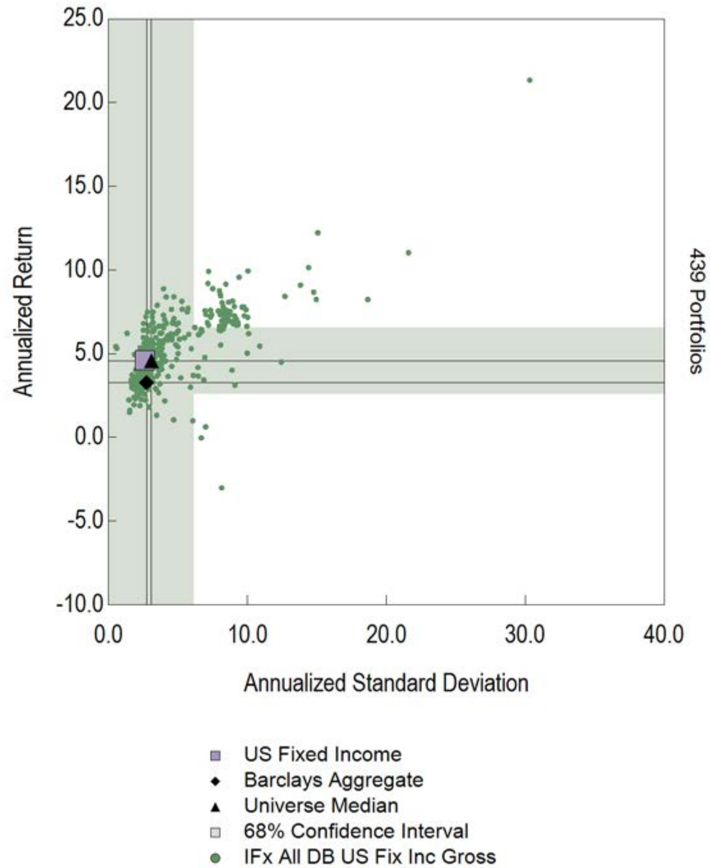
Manager Allocation Analysis - US Fixed Income

As of December 31, 2013

	Actual $	Actual %
Dodge & Cox-Fixed	$388,696,352	78.8%
PIMCO Fixed Income	$104,828,390	21.2%
Total	$493,524,743	

Risk vs. Return 3 Year - US Fixed Income

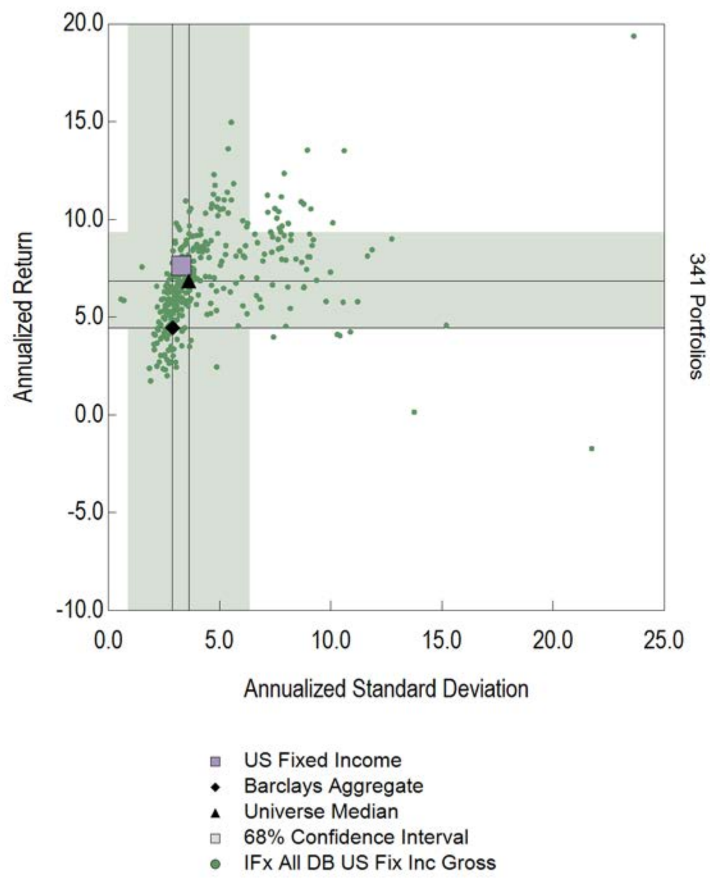
Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Fixed Income	4.6%	50	2.6%	25	1.7	19
Barclays Aggregate	3.3%	88	2.7%	36	1.2	66
IFx All DB US Fix Inc Gross Median	4.6%	--	3.1%	--	1.3	--

Risk vs. Return 5 Year - US Fixed Income

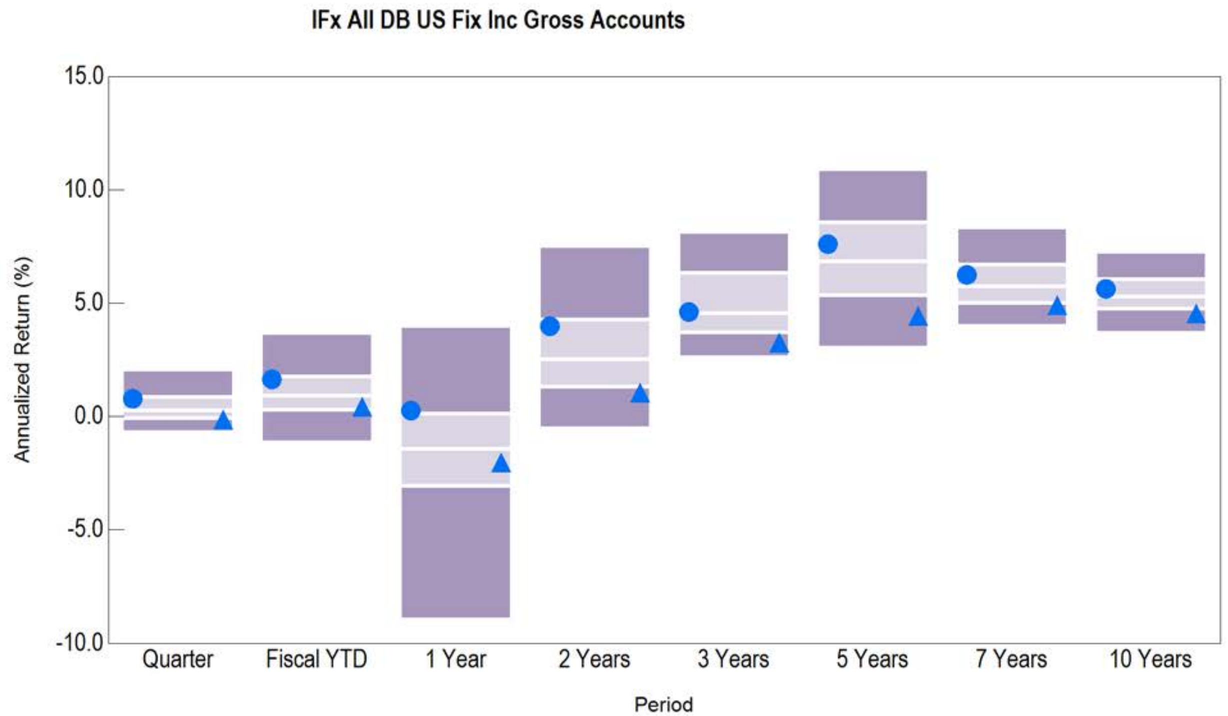
Period Ending December 31, 2013



	Anlzd Return	Anlzd Return Rank	Anlzd Standard Deviation	Anlzd Standard Deviation Rank	Sharpe Ratio	Sharpe Ratio Rank
US Fixed Income	7.6%	38	3.3%	40	2.3	16
Barclays Aggregate	4.4%	86	2.9%	24	1.5	65
IFx All DB US Fix Inc Gross Median	6.9%	--	3.6%	--	1.8	--

Total Returns - US Fixed Income

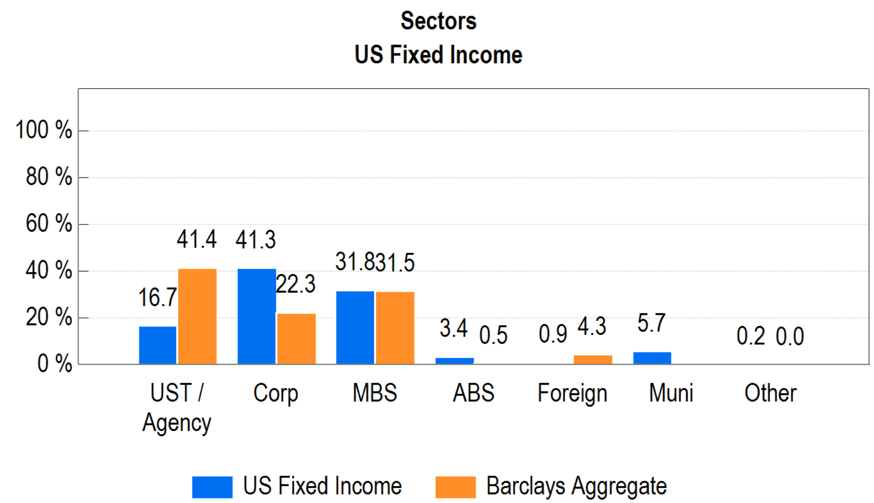
Periods Ending December 31, 2013

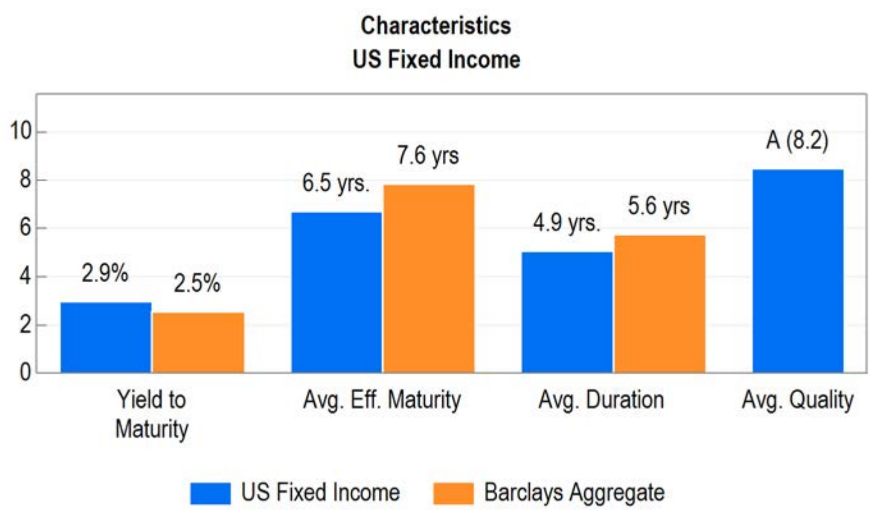


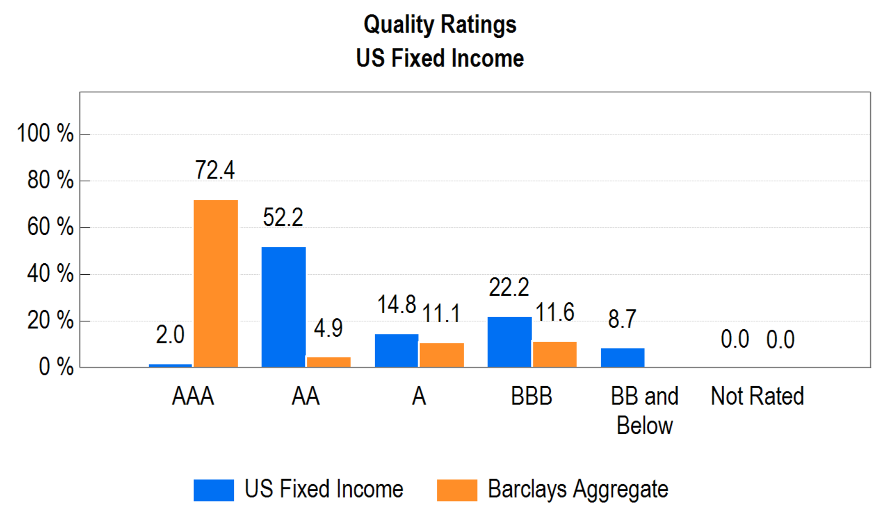
	Return (Rank)															
5th Percentile	2.1		3.7		4.0		7.5		8.1		10.9		8.3		7.3	
25th Percentile	0.9		1.8		0.1		4.3		6.4		8.6		6.7		6.1	
Median	0.3		0.9		-1.4		2.6		4.6		6.9		5.8		5.3	
75th Percentile	0.0		0.3		-3.0		1.3		3.7		5.4		5.0		4.8	
95th Percentile	-0.7		-1.1		-8.9		-0.5		2.6		3.0		4.0		3.7	
# of Portfolios	484		483		482		465		439		341		303		245	
● US Fixed Income	0.8	(29)	1.6	(28)	0.3	(22)	4.0	(30)	4.6	(50)	7.6	(38)	6.3	(35)	5.6	(38)
▲ Barclays Aggregate	-0.1	(82)	0.4	(71)	-2.0	(67)	1.0	(82)	3.3	(88)	4.4	(86)	4.9	(80)	4.5	(81)

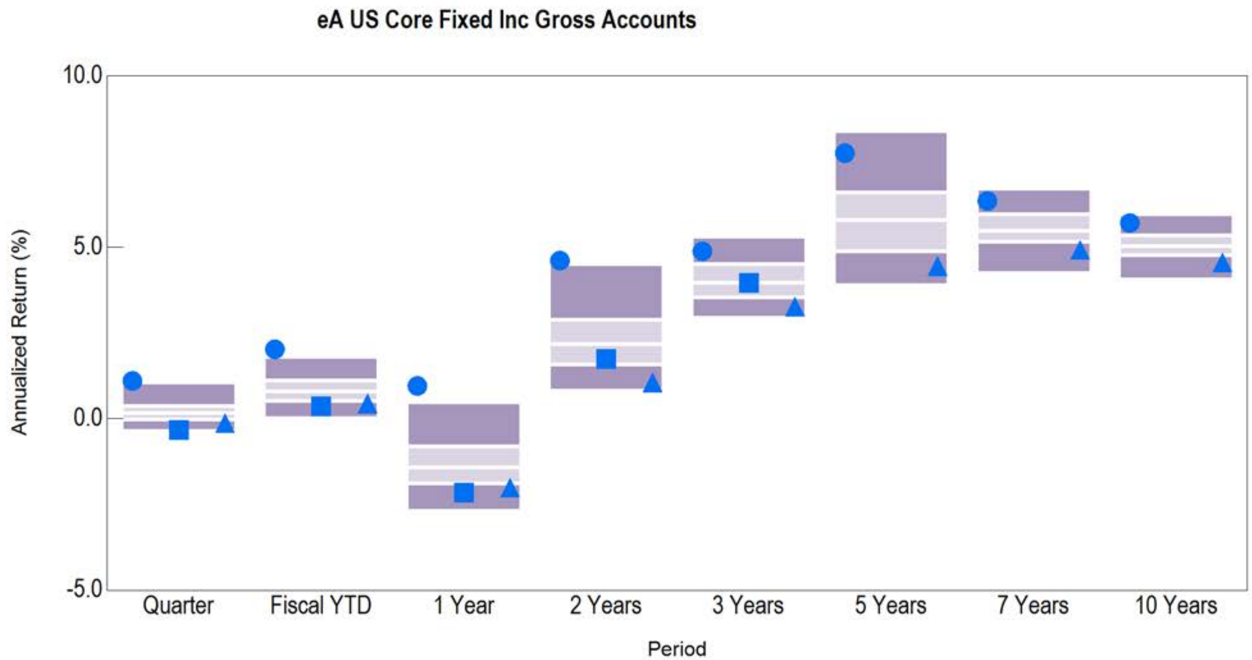
Bond Summary Statistics - US Fixed Income

As of December 31, 2013







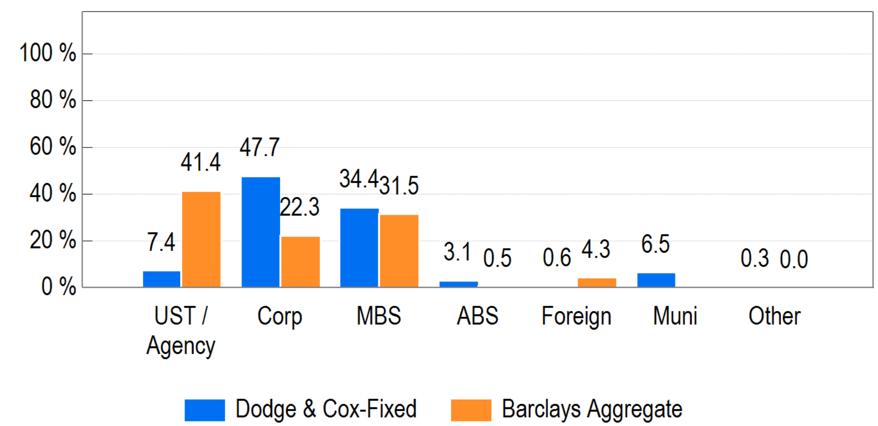


	Return (Rank)															
5th Percentile	1.0		1.8		0.5		4.5		5.3		8.4		6.7		5.9	
25th Percentile	0.4		1.1		-0.8		2.9		4.5		6.6		6.0		5.4	
Median	0.2		0.8		-1.4		2.2		4.0		5.8		5.5		5.0	
75th Percentile	0.0		0.5		-1.9		1.6		3.5		4.9		5.2		4.8	
95th Percentile	-0.4		0.0		-2.7		0.8		2.9		3.9		4.2		4.1	
# of Portfolios	209		209		209		209		207		201		194		181	
● Dodge & Cox-Fixed	1.1	(5)	2.0	(3)	0.9	(3)	4.6	(5)	4.9	(12)	7.7	(9)	6.3	(12)	5.7	(10)
■ PIMCO Fixed Income	-0.3	(95)	0.4	(87)	-2.2	(89)	1.7	(72)	4.0	(52)	--	(--)	--	(--)	--	(--)
▲ Barclays Aggregate	-0.1	(84)	0.4	(83)	-2.0	(82)	1.0	(91)	3.3	(88)	4.4	(87)	4.9	(86)	4.5	(87)

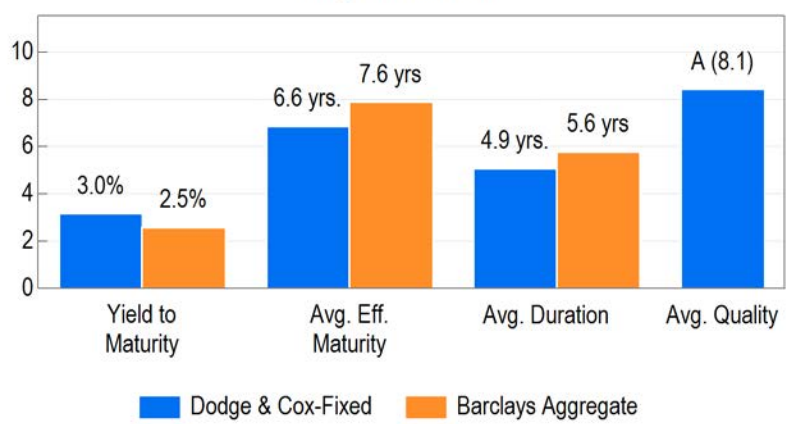
Bond Summary Statistics - Dodge & Cox Fixed Income

As of December 31, 2013

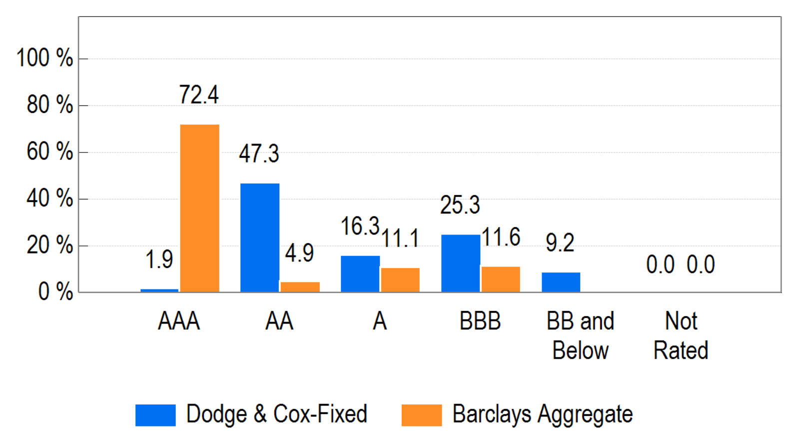
Sectors
Dodge & Cox-Fixed



Characteristics
Dodge & Cox-Fixed



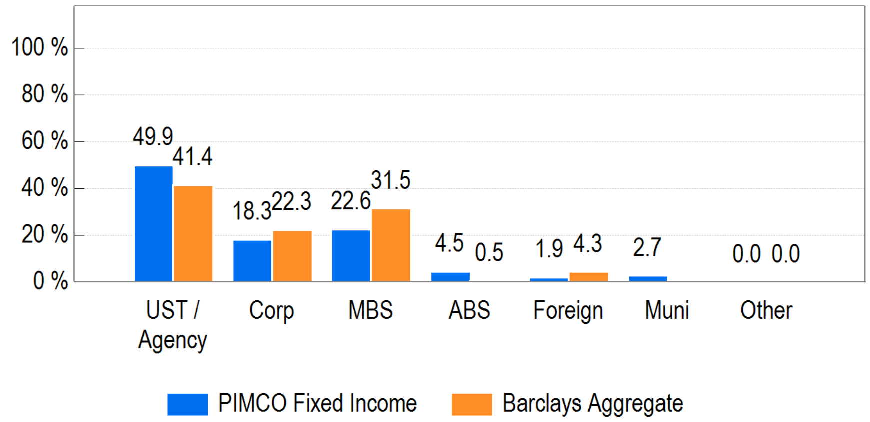
Quality Ratings
Dodge & Cox-Fixed



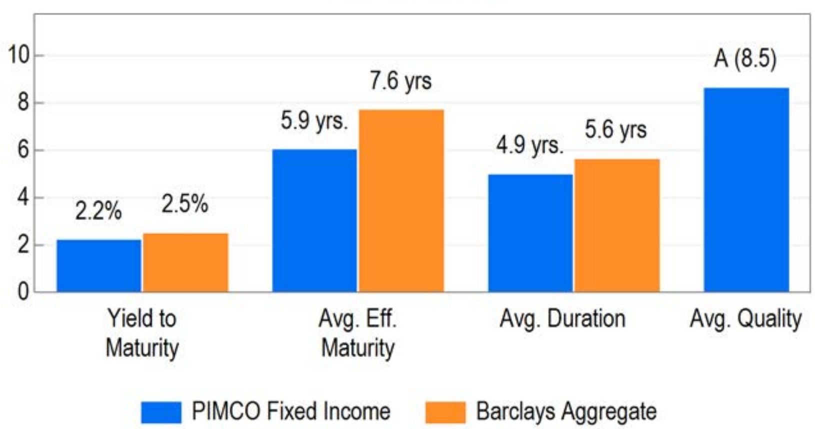
Bond Summary Statistics - PIMCO Fixed Income

As of December 31, 2013

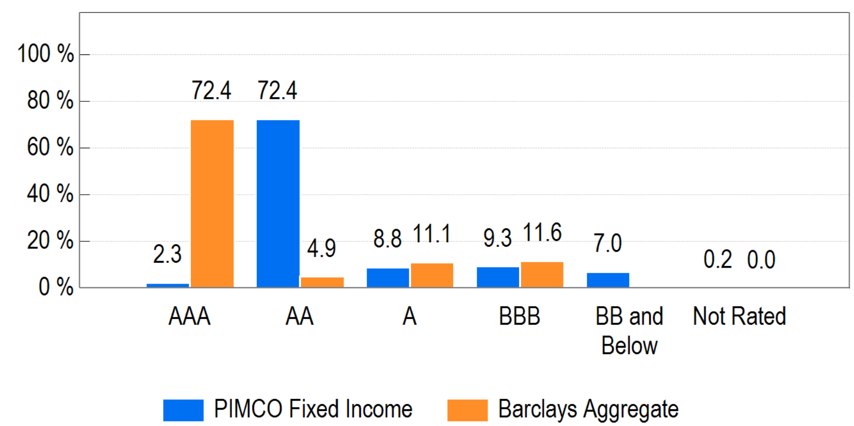
Sectors
PIMCO Fixed Income



Characteristics
PIMCO Fixed Income



Quality Ratings
PIMCO Fixed Income



MARKET UPDATE

FOR JANUARY 2014

TOP

U.S. EQUITY

January 2014 was the first month since June 2013 that markets experienced poor returns. Microcaps, REITS, and bonds were the monthly exceptions all realizing gains.

Growth outperformed Value and Small Caps outperformed Large Caps. The Russell 1000 Growth Index was down -2.9% and the Russell 1000 Value Index down by -3.6% for the month. The Russell 2000 Growth Index was down -1.7% and the Russell 2000 Value was down by -3.9%. The S&P 500 Index ended the month lower by -3.5%.

The S&P 500 Index has a trailing P/E ratio of 17.3, a forward 12-month estimate P/E ratio of 15.2 and dividend yield of 1.95%.

Corporate merger highlights for the month included: Fiat will buy the remaining shares of Chrysler for $3.65 billion; T-Mobile will buy spectrum licenses from Verizon Wireless to improve its high-speed wireless services in a deal worth $3.3 billion; Men's Wearhouse stepped up its efforts to buy Jos. A. Bank taking a newly increased $1.6 billion offer directly to shareholders; Coated paper maker Verso Paper will buy NewPage Holdings in a deal valued at $1.4 billion; Forest Laboratories will acquire specialty pharmaceutical company Aptalis for $2.9 billion; Riverbed Technology rejected Elliott Management's $3.08 billion offer; Suntory Holdings agreed to a $16 billion deal to buy Beam Inc., making the Japanese company the world's 3rd largest maker of distilled drinks; Amec, the 2nd largest U.K. oil and gas engineering firm, will buy U.S. Foster Wheeler for $3.2 billion; Goldcorp launched an unsolicited bid to acquire smaller rival Osisko Mining for $2.4 billion; Charter Communications offered to buy Time Warner Cable for $61 billion; Carlyle Group is close to acquiring Johnson & Johnson's blood-testing business for about $4 billion; Investment firm Apollo will buy the Chuck E. Cheese restaurant chain for $950 million; Anheuser-Busch InBev is in advanced talks to buy South Korea's Oriental Brewery for more than $4.5 billion; VMWare will buy mobile security company AirWatch in a deal valued at about $1.5 billion to tap in the rising demand for software security; China's Lenovo will buy IBM's low-end server business for $2.3 billion; Liberty Global finalized a takeover of Ziggo in a deal that values the Dutch operator and its debt at $13.7 billion; KKR will buy Sedgwick Claims Management Services, a provider of insurance claims processing, for $2.4 billion; and, Google will sell Motorola Mobility to China's Lenovo for $2.9 billion.

FIXED INCOME

The U.S. economy grew at a 3.2% annual rate in the October-December 2013 quarter on the strength of the strongest consumer spending in three years. The World Bank upgraded its forecast for global growth in 2014 to +3.2%. The International Monetary Fund forecasts that the world economy will grow +3.7% in 2014 and that the U.S. economy will increase +2.8%.

The U.S. Consumer Price Index increased +1.5% for all of 2013.

President Obama is ordering an increase in the federal hourly minimum wage to $10.10 for workers on new federal government contracts.

For the first three months of the budget year, the Treasury posted a deficit of $173 billion, down -41% from the same period a year earlier.

The yield on the bellwether 10-year Treasury note rose to 2.73% at the close of January from its December close at 3.04%. At month-end, the 30-year bond yield was 3.67% with the 3-month T-bill at 0.07%. The Barclays Capital US Aggregate Index was up +1.48% in January.

According to Ben Bernanke in his last speech as Fed Chairman, the Fed is no less committed to a highly accommodative policy now that it has begun to trim its bond-buying stimulus program.

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

THE GOOD

*U.S. construction spending climbed to its highest level in nearly five years; it was the eighth straight month that construction spending rose.

*The Commerce Dept. reported that orders for goods produced in U.S. factories jumped 1.8% in November.

*Global IT spending is forecast to grow by +3.1% to $3.8 trillion this year after a broadly flat 2013.

*The Commerce Dept. reported that the trade gap fell 12.9% to $34.3 billion in November, the smallest deficit since October 2009.

*U.S. import prices were unchanged in December after declining the prior two months. From a year ago, imported prices were down -1.3%.

*Overall industrial production increased +0.3% in December, a fifth consecutive monthly gain.

*The Conference Board's index of leading indicators rose +0.1% in December suggesting that economic growth will remain steady early in 2014.

*Sales of existing U.S. homes edged up slightly in December, helping to lift sales for 2013 to the highest level in seven years.

*The median sales price of a new home rose by +4.6% to $270,200 from Dec. 2012 to Dec. 2013.

*U.S. consumer spending rose +0.4% in December as Americans increased their spending at a solid pace for the second straight month even though their income was flat.

THE NOT SO GOOD

*Employers added a scant 74,000 jobs in December, the weakest month of hiring in three years, raising questions about whether the U.S. job market can sustain its recent strong gains.

*The Labor Dept. reported that its seasonally adjusted producer price index rose +0.4% in December, the biggest rise since June, after slipping -0.1% in November.

*The Consumer Price index rose +0.3% in December.

*Durable goods orders dropped -4.3% in December, pulled down by weak demand for transportation equipment, primary metals, computers and capital goods.

The University of Michigan's index of consumer sentiment fell -1.3 points to 81.2 in January.

NON-U.S. MARKETS

Canada's GDP rose by a respectable +0.2% in November which puts the fourth quarter on pace to post a gain around +3.0% (annual rate).

The recovery in the U.K. continues to gain momentum as GDP rose by +0.7% in Q4, the fourth consecutive gain. For 2013 overall, GDP rose by +1.9%, the most in six years.

The latest consumer spending data were downbeat for both Germany and France. However, consumer confidence surveys were generally solid, with signs of improvement in Germany, France, and Italy. Inflation remains low as the January flash estimate for the overall Eurozone slipped a tick to +0.7% year-over-year.

Japanese industrial production in December jumped +1.1%. Output was up a robust +7.3% form a year earlier.

China's manufacturing growth slowed in December for the first time in six months with a PMI index of 51.0 – a reading above 50 signals expansion. China's inflation rate eased in December to +2.5% amid signs that the world's 2nd largest economy may be slowing down.

Non-U.S. Developed equities were lower in January. The MSCI ACWI Ex-U.S. was down -4.5% (US dollars) for the month. International Developed stocks (EAFE) were down -4.0% while Emerging Markets lost -6.5% for the month.

CONCLUSION

The U.S. Federal Reserve met widely held market expectations by tapering again in January. The monetary policy set by the Federal Open Market Committee (FOMC) unanimously voted to reduce the pace of asset purchases by another $10 billion to $65 billion per month ($35 billion in longer-dated Treasuries and $30 billion in mortgage-backed securities) beginning in February. Moreover, the FOMC signaled that it expected to taper in "further measured steps" at future meetings.

Risk appetites remained under pressure in January 2014. The performance within Emerging Markets continued to suffer as investors began to question the sustainability of growth in an environment of normalizing global liquidity. The slowdown in China was just one concern related to emerging markets. Turkey continued to struggle with negative news flow, as the Lira plummeted to record lows, prompting its Central Bank to dramatically raise rates.

As outflows from both emerging markets equities and bonds continued, there was a definitive sense of nervousness during the month across global equity markets.

The U.S. equity markets have now corrected 5% from the highs made during the first few days of 2014. On average U.S. equity markets correct 5% three times a year. The current 5% correction in January 2014 was the longest the market went (between 5% corrections) since 2006. The market corrects 10% on average every 20 months. U.S. equity markets have been very strong since the lows made in March 2009. It should not be a huge surprise that markets are now correcting.

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Jan-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	-3.16	2.28	-3.16	22.60	19.72	14.18	20.03	5.72	7.32
Russell TOP 200 Index	-3.74	2.01	-3.74	21.59	19.03	14.05	18.33	5.13	6.28
Russell TOP 200 Growth Index	-3.17	2.54	-3.17	24.07	18.39	14.60	19.80	7.40	6.72
Russell TOP 200 Value Index	-4.32	1.48	-4.32	19.18	19.66	13.51	16.80	2.87	5.84
S&P 500 Index	-3.46	2.00	-3.46	21.52	19.12	13.93	19.19	5.37	6.83
Russell 1000 Index	-3.19	2.21	-3.19	22.23	19.60	14.14	19.84	5.66	7.23
Russell 1000 Growth Index	-2.85	2.74	-2.85	24.35	18.76	14.37	20.88	7.40	7.30
Russell 1000 Value Index	-3.55	1.65	-3.55	20.02	20.30	13.82	18.69	3.79	7.01
Russell Mid-Cap Index	-1.95	2.65	-1.95	23.68	20.88	14.32	23.77	7.02	9.69
Russell Mid-Cap Growth Index	-2.17	3.17	-2.17	25.08	19.74	14.03	23.97	7.64	9.17
Russell Mid-Cap Value Index	-1.69	2.07	-1.69	22.14	21.74	14.46	23.41	6.08	9.78
Russell 2000 Index	-2.77	3.12	-2.77	27.03	21.11	14.69	22.26	6.52	8.31
Russell 2000 Growth Index	-1.73	4.40	-1.73	32.13	22.53	16.36	24.10	8.38	8.66
Russell 2000 Value Index	-3.87	1.77	-3.87	22.04	19.64	12.97	20.37	4.58	7.81
DJ US REIT Index	4.06	-1.10	4.06	1.87	7.66	9.22	22.06	0.31	8.23
DJ-UBS US Commodity Index TR	0.30	0.73	0.30	-11.38	-6.39	-8.32	2.70	-3.02	0.72
DJ-UBS US Gold Index TR	3.07	-6.45	3.07	-25.76	-16.12	-3.02	5.23	8.59	10.97

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Jan-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	-4.53	-3.49	-4.53	6.20	10.22	3.65	14.37	1.89	7.36
MSCI AC World Index	-3.98	-0.86	-3.98	13.28	14.37	8.27	16.66	3.55	7.10
MSCI EAFE Index	-4.02	-1.80	-4.02	12.39	15.08	6.35	14.37	1.56	6.80
MSCI Emerging Markets index	-6.47	-9.16	-6.47	-9.85	-1.32	-3.03	15.13	3.26	10.40
ML Global Government Bond Ex. U.S. Index	2.09	-1.74	2.09	-4.11	-5.33	-0.49	2.66	5.21	3.94
Euro	-2.13	-0.81	-2.13	-0.65	1.50	-0.55	1.03	0.53	0.82
Japanese Yen	3.06	-3.80	3.06	-10.52	-13.53	-7.04	-2.51	2.47	0.37
UK Pound Sterling	-0.77	2.29	-0.77	3.66	2.05	0.86	2.65	-2.47	-1.02

US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Jan-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	0.01	0.03	0.01	0.08	0.10	0.10	0.13	1.02	1.67
BarCap Aggregate Bond Index	1.48	0.53	1.48	0.12	1.35	3.73	4.93	5.14	4.62
ML U.S. Corp/Govt Master Index	1.59	0.50	1.59	-0.30	1.41	4.08	5.15	5.18	4.57
ML U.S. Corporate Master Index	1.78	1.31	1.78	1.03	4.08	5.89	9.24	6.18	5.38
BarCap Mortgage Backed Securities Index	1.56	0.46	1.56	0.63	1.15	2.94	3.98	5.02	4.71
ML U.S. High Yield Master Index	0.74	1.74	0.74	6.73	10.20	8.53	17.41	8.35	8.29
JPM EMBI Global	-1.02	-2.72	-1.02	-6.20	3.78	6.17	11.10	7.15	8.14

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JAN. 31, 2014
PRELIMINARY BASIS

SUMMARY OF INVESTMENTS

ASSET CLASS	MARKET VALUE	PERCENT	CURRENT POLICY ALLOCATION	CURRENT POLICY RANGE	TARGET POLICY ALLOCATION	TARGET POLICY RANGE
DOMESTIC EQUITIES	782,443,167	46.6%	46.7%	41.7% - 51.7%	38.2%	32.2% - 44.2%
INTERNATIONAL EQUITIES	299,314,693	17.8%	18.0%	15.0% - 21.0%	18.0%	15.0% - 21.0%
FIXED INCOME	497,719,937	29.6%	29.8%	26.0% - 33.6%	29.8%	26.0% - 33.6%
ALTERNATIVES:	86,634,273	5.2%	5.5%		14.0%	
DIRECT LENDING	64,327 146	3.8%	4.0%	2.0% - 6.0%	7.5%	2.5% - 9.0%
REAL ESTATE	22,307 127	1.3%	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%
SECURITY LENDING	(560,301)	0.0%	0.0%	0.0% - 0.0%	0.0%	0.0% - 0.0%
CASH (equity managers only)	15,026,040	0.9%	0.0%	0.0% - 3.0%	0.0%	0.0% - 3.0%
TOTAL PORTFOLIO	1,680,577,809	100.0%	100.0%		100.0%	

	ACTUAL	CURRENT ALLOCATION	TARGET ALLOCATION
DODGE & COX - LARGE CAP VALUE	10.7%	9.7%	8.9%
BlackRock - R1000 VALUE INDEX	6.3%	6.5%	5.5%
DELAWARE - LARGE CAP GROWTH	8.4%	8.5%	6.7%
BlackRock - R1000 GROWTH INDEX	5.5%	5.5%	4.6%
CAPITAL PROSPECTS	5.5%	5.5%	4.0%
LEGATO CAPITAL	5.3%	5.5%	3.7%
BNY - S&P 500 INDEX	5.6%	5.5%	4.8%
LSV ASSET MGMT - INTL EQ	8.8%	9.0%	9.0%
PYRAMIS - INTL EQ	9.2%	9.0%	9.0%
DODGE & COX FIXED INCOME	23.3%	23.8%	23.8%
PIMCO	6.3%	6.0%	6.0%
MEDLEY	1.3%	1.0%	2.1%
RAVEN	1.2%	1.5%	2.7%
WHITE OAK	1.3%	1.5%	2.7%
BlackRock - US REAL ESTATE SECURITIES INDEX	1.3%	1.5%	1.5%
Unallocated Private Real Estate	0.0%	0.0%	2.0%
Infrastructure	0.0%	0.0%	3.0%
SECURITY LENDING	0.0%	0.0%	0.0%
TOTALS	100.0%	100.0%	100.0%

Revised current Allocation

Direct Lending to 4.0%

Future Alternative increases to be sourced from US Equity

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STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JAN. 31, 2014
PRELIMINARY BASIS

ASSET CLASS	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
MARKET VALUE					
DOMESTIC EQUITIES	782,443,167	808,475,855	-3.22%	666,812,870	17.34%
INTERNATIONAL EQUITIES	299,314,693	312,509,415	-4.22%	271,065,384	10.42%
FIXED INCOME	497,719,937	493,519,932	0.85%	536,893,645	-7.30%
DIRECT LENDING	64,327,146	64,219,628	0.17%	0	N/A
REAL ESTATE	22,307 127	21,449,971	4.00%	21,890,696	1.90%
SECURITIES LENDING	(560,301)	(596,363)	6.05%	(1,025,713)	45.37%
CASH (equity managers only)	15,026,040	13,342,488	12.62%	16,930,101	-11.25%
TOTAL PORTFOLIO	1,680,577,809	1,712,920,926	-1.89%	1,512,566,982	11.11%
		-$32 MM		+$168 MM	
ASSET ALLOCATION (ACTUAL)					
DOMESTIC EQUITIES	46.56%	47.20%	-0.6%	44.08%	2.5%
INTERNATIONAL EQUITIES	17.81%	18.24%	-0.4%	17.92%	-0.1%
FIXED INCOME	29.62%	28.81%	0.8%	35.50%	-5.9%
DIRECT LENDING	3.83%	3.75%	0.1%	0.00%	3.8%
REAL ESTATE SECURITIES	1.33%	1.25%	0.1%	1.45%	-0.1%
SECURITY LENDING	-0.03%	-0.03%	0.0%	-0.07%	0.0%
CASH (equity managers only)	0.89%	0.78%	0.1%	1.12%	-0.2%
TOTAL PORTFOLIO	100.0%	100.0%	0.0%	100.0%	0.0%

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

STANCERA

MONTHLY PERFORMANCE REVIEW

PERIOD ENDING JAN 31, 2014

PRELIMINARY BASIS

ASSET CLASS	MARKET VALUE	PERCENT	CURRENT TARGET	POLICY RANGE
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	179,843,482	10.7%	9.7%	7.7% - 11.7%
BLACKROCK - R1000 VALUE INDEX	105,605,910	6.3%	6.5%	5.5% - 6.5%
DELAWARE - LARGE CAP GROWTH	141,198,792	8.4%	8.5%	7.0% - 10.0%
BLACKROCK - R1000 GROWTH INDEX	92,071,030	5.5%	5.5%	4.0% - 6.0%
CAPITAL PROSPECTS - SMALL CAP VALUE	92,725,790	5.5%	5.5%	4.0% - 6.0%
LEGATO CAPITAL - SMALL CAP GROWTH	88,773,625	5.3%	5.5%	4.0% - 6.0%
BNY - S&P 500 INDEX	93,862,617	5.6%	5.5%	4.0% - 6.0%
TOTAL DOMESTIC EQUITIES	794,081,246	47.3%	46.7%	
FIXED INCOME				
DODGE & COX	391,275,873	23.3%	23.8%	20.8% - 26.8%
PIMCO	106,444,064	6.3%	6.0%	5.0% - 7.0%
TOTAL FIXED INCOME	497,719,937	29.6%	29.8%	
DIRECT LENDING				
MEDLEY CAPITAL	22,343,890	1.3%	1.0%	1.0% - 3.0%
RAVEN CAPITAL	20,913,388	1.2%	1.5%	1.0% - 3.0%
WHITE OAK	21,069,868	1.3%	1.5%	1.0% - 3.0%
TOTAL DIRECT LENDING	64,327,146	3.8%	4.0%	
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT	148,017,897	8.8%	9.0%	7.5% - 10.5%
PYRAMIS	154,684,757	9.2%	9.0%	7.5% - 10.5%
TOTAL INTERNATIONAL EQUITIES	302,702,653	18.0%	18.0%	
REAL ESTATE SECURITIES				
BlackRock - US RE SECURITIES INDEX	22,307,127	1.3%	1.5%	1.0% - 2.0%
TOTAL REAL ESTATE	22,307,127	1.3%	1.5%	1.0% - 2.0%
SECURITIES LENDING	(560,301)	0.0%	0.0%	0.0% - 0.0%
TOTAL StanCERA PORTFOLIO	1,680,577,809	100.0%	100.0%	

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JAN. 31, 2014
PRELIMINARY

	CASH	BONDS	EQUITIES	TOTAL
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	3,037,395		176,806,087	179,843,482
BLACKROCK - R1000 VALUE INDEX	0		105,605,910	105,605,910
DELAWARE - LARGE CAP GROWTH	3,174,479		138,024,313	141,198,792
BLACKROCK - R1000 GROWTH INDEX	0		92,071,030	92,071,030
CAPITAL PROSPECTS - SMALL CAP VALUE	3,076,131		89,649,659	92,725,790
LEGATO CAPITAL - SMALL CAP GROWTH	2,349,846		86,423,778	88,773,625
BNY - S&P 500 INDEX	228		93,862,388	93,862,617
TOTAL DOMESTIC EQUITIES	11,638,079		782,443,167	794,081,246
FIXED INCOME				
DODGE & COX	4,496,221	386,779,652		391,275,873
PIMCO	5,664,159	100,779,906		106,444,064
TOTAL FIXED INCOME	10,160,380	487,559,558		497,719,937
DIRECT LENDING				
MEDLEY	0	22,343,890		22,343,890
RAVEN	0	20,913,388		20,913,388
WHITE OAK	0	21,069,868		21,069,868
TOTAL DIRECT LENDING	0	64,327,146		64,327,146
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	997,183		147,020,714	148,017,897
PYRAMIS	2,390,778		152,293,979	154,684,757
TOTAL INTERNATIONAL EQUITIES	3,387,960		299,314,693	302,702,653
REAL ESTATE SECURITIES				
BLACKROCK - US REAL ESTATE SECURITIES INDEX	0		22,307,127	22,307,127
TOTAL REAL ESTATE	0		22,307,127	22,307,127
SECURITIES LENDING	(560,301)			(560,301)
TOTAL STANCERA PORTFOLIO	24,626,119	551,886,704	1,104,064,986	1,680,577,809
	1.5%	32.8%	65.7%	100.0%

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STANCERA

MONTHLY PERFORMANCE REVIEW

PERIOD ENDING JAN. 31, 2014

PRELIMINARY BASIS

	MARKET VALUE	JAN	ALPHA	DEC	ALPHA	FISCAL YTD	ALPHA
DOMESTIC EQUITIES							
DODGE & COX - LARGE CAP VALUE	176,806,087	-3.13%	0.42%	1.31%	-1.22%	15.14%	4.90%
RUSSELL 1000 VALUE		-3.55%		2.53%		10.24%	
BLACKROCK - R1000 VALUE INDEX	105,605,910	-3.54%	0.01%	2.53%	0.00%	10.35%	0.11%
RUSSELL 1000 VALUE		-3.55%		2.53%		10.24%	
DELAWARE - LARGE CAP GROWTH	138,024,313	-3.71%	-0.86%	2.86%	0.00%	17.90%	1.93%
RUSSELL 1000 GROWTH		-2.85%		2.86%		15.97%	
BLACKROCK - R1000 GROWTH INDEX	92,071,030	2.86%	5.71%	2.83%	-0.03%	15.96%	-0.01%
RUSSELL 1000 GROWTH		-2.85%		2.86%		15.97%	
CAPITAL PROSPECTS	89,649,659	-3.01%	0.86%	2.64%	0.76%	16.95%	3.91%
RUSSELL 2000 VALUE		-3.87%		1.88%		13.04%	
LEGATO CAPITAL	86,423,778	-1.02%	0.71%	2.47%	0.42%	21.40%	1.49%
RUSSELL 2000 GROWTH		-1 73%		2.05%		19.91%	
BNY - S&P 500 INDEX	93,862,388	-3.46%	0.00%	2.53%	0.00%	12.29%	0.00%
S&P 500		-3.46%		2 53%		12 29%	
TOTAL DOMESTIC EQUITY	782,443,167	-2.38%	0.78%	3.50%	0.60%	16.36%	2.96%
Russell 3000 Index		-3.16%		2.90%		13.40%	
FIXED INCOME							
DODGE & COX	391,275,873	1.45%	-0.03%	-0.07%	0.50%	3.49%	1.24%
BARCLAYS US AGGREGATE BOND		1.48%		-0.57%		2.25%	
PIMCO	106,444,064	1.55%	0.07%	-0.79%	-0.22%	1.92%	-0.33%
BARCLAYS US AGGREGATE BOND		1.48%		-0.57%		2.25%	
TOTAL FIXED INCOME	497,719,937	1.47%	-0.01%	-0.11%	0.46%	3.09%	0.84%
BARCLAYS US AGGREGATE BOND		1.48%		-0.57%		2.25%	
DIRECT LENDING							
MEDLEY CAPITAL	22,343,890	0.47%	-0.28%	0.00%	-0.75%	0.93%	-3.57%
CUSTOM 9% ANNUAL		0.75%		0.75%		4.50%	
RAVEN CAPITAL	20,913,388	-0.19%	-0.94%	1.27%	0.52%	6.42%	1.92%
CUSTOM 9% ANNUAL		0.75%		0.75%		4.50%	
WHITE OAK	21,069,868	0.20%	-0.55%	-5.92%	-6.67%	6.65%	2.88%
CUSTOM 9% ANNUAL		0.75%		0.75%		3.77%	
TOTAL DIRECT LENDING	64,327,146	0.17%	-0.58%	-1.52%	-2.27%	3.80%	-1.45%
CUSTOM 9% ANNUAL		0.75%		0.75%		5.25%	
INTERNATIONAL EQUITY							
LSV ASSET MGMT	147,020,714	-4.36%	0.18%	1.09%	0.19%	13.12%	3.11%
MSCI ACWI ex-US		-4.54%		0.90%		10.01%	
PYRAMIS	152,293,979	-3.62%	0.92%	1.56%	0.66%	11.61%	1.60%
MSCI ACWI ex-US		-4.54%		0.90%		10.01%	
TOTAL INTERNATIONAL EQUITY	299,314,693	-3.99%	0.55%	1.33%	0.43%	12.33%	2.32%
MSCI ACWI ex-US		-4.54%		0.90%		10.01%	
REAL ESTATE SECURITIES							
BlackRock US RE Index	22,307,127	4.00%	0.00%	0.54%	0.00%	-0.26%	0.00%
DOW JONES US SELECT RE INDEX		4.00%		0.54%		-0.26%	
SECURITIES LENDING							
BNY MELLON	(560,301)						
CASH and SHORT-TERM INVESTMENTS							
CASH	15,026,040	0.01%	0.00%	0.01%	0.00%	0.09%	0.01%
90-day US Treasury Bill		0.01%		0.01%		0.08%	
Total StanCERA Fund	1,680,577,809	-1.88%	-0.14%	1.42%	0.36%	10.18%	1.60%
*Current Policy Index**		-1.74%		1.06%		8.58%	
Actuary Rate of Assumption (7 75%)		0.64%	-2.52%	0.64%	0.78%	4.54%	5.64%
Actuary Rate of Inflation (3.25%)		0.27%	-2.15%	0.27%	1.15%	1.90%	8.28%

*Policy Index represents Current Policy Index that will be built up over time to reach the Target Policy Index.

Great Active Excess Returns!

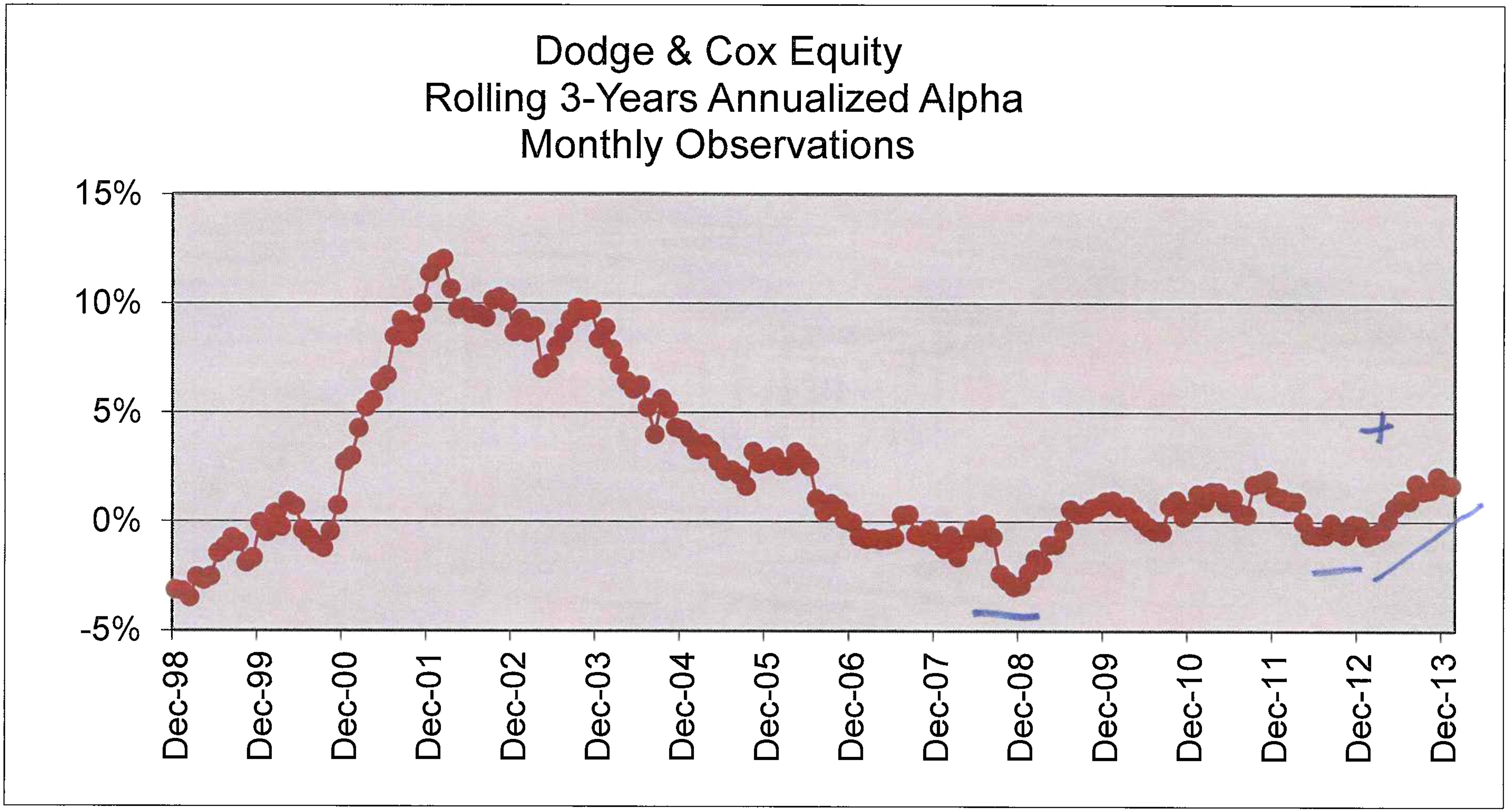
D+C FI

Direct Lending has mitigated J-curve effect

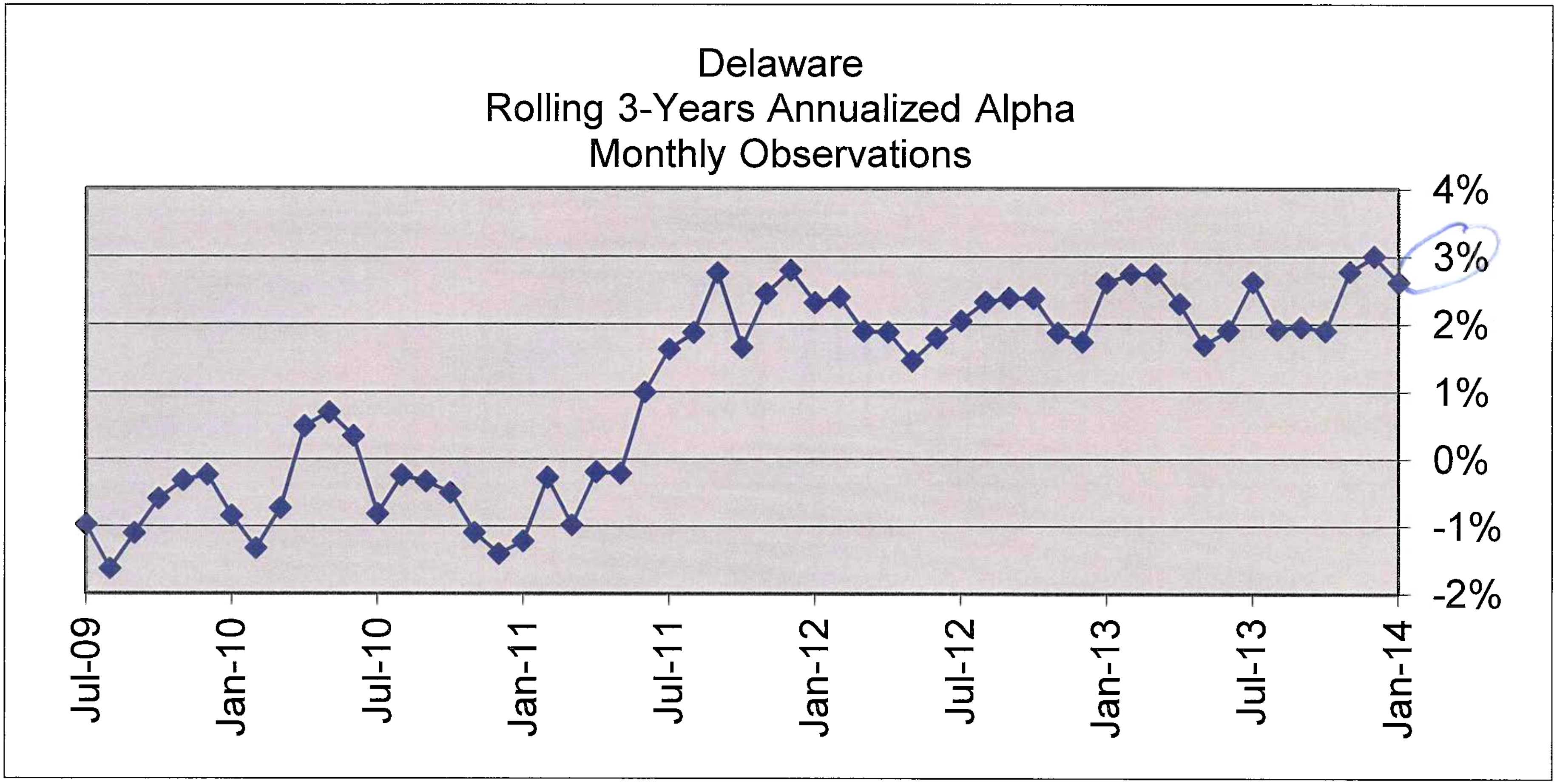
Great Active Excess Returns?

Jan. correction, Fund held up well. Fiscal YTD very strong!

5

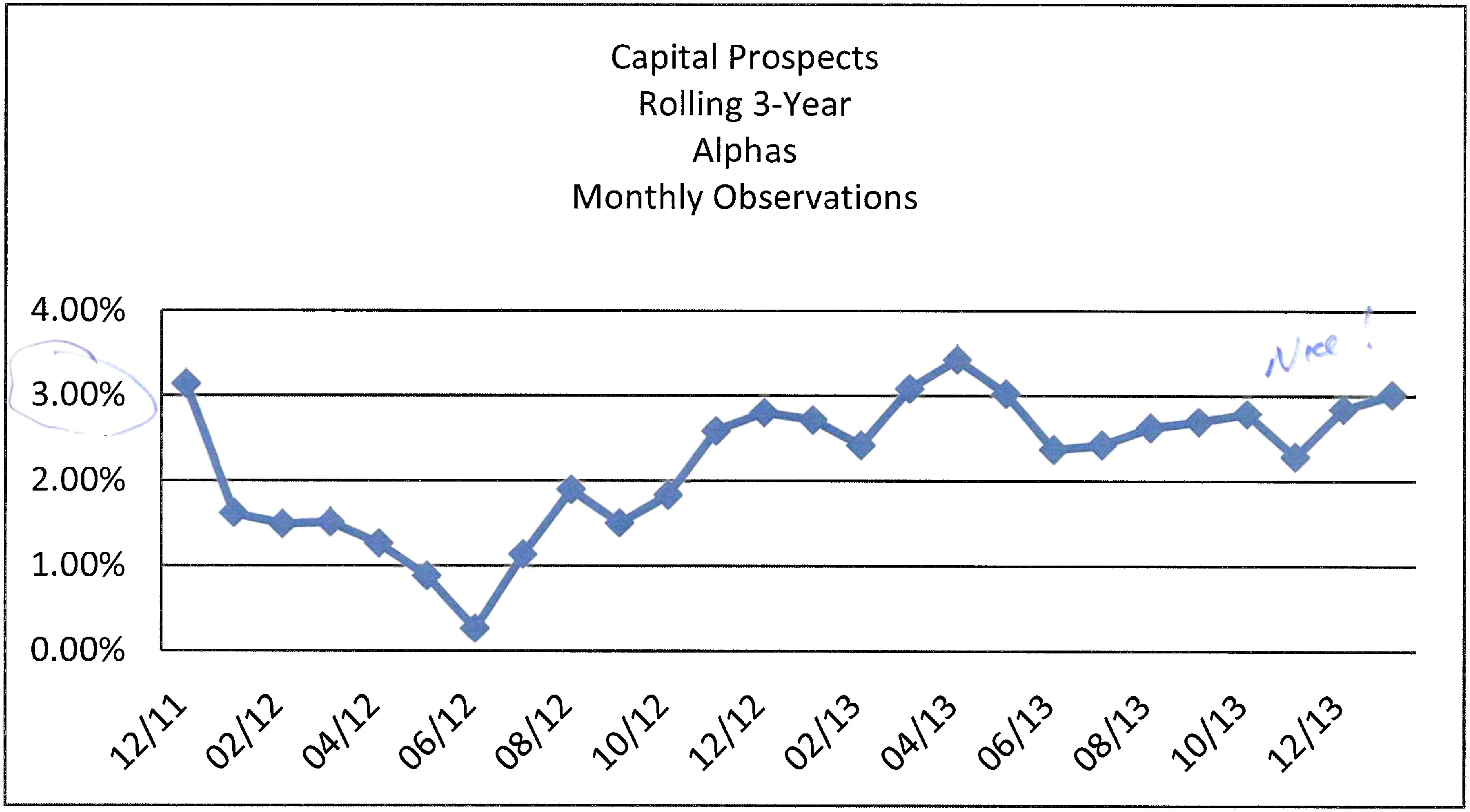

Dodge & Cox Equity
Rolling 3-Years Annualized Alpha
Monthly Observations
15%
10%
5%
0%
-5%
Dec-98
Dec-99
Dec-00
Dec-01
Dec-02
Dec-03
Dec-04
Dec-05
Dec-06
Dec-07
Dec-08
Dec-09
Dec-10
Dec-11
Dec-12
Dec-13
+
–
–

6

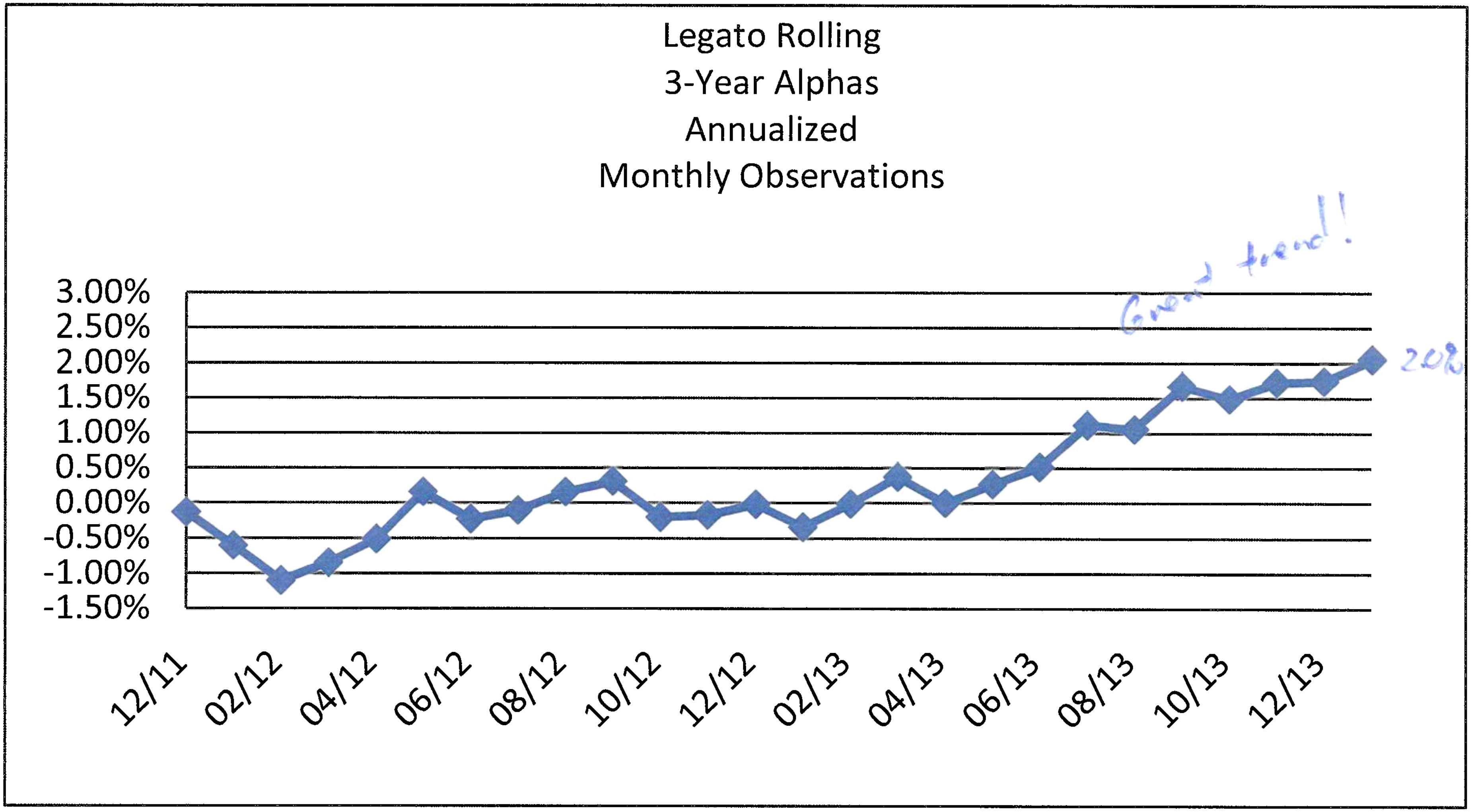


Delaware
Rolling 3-Years Annualized Alpha
Monthly Observations
4%
3%
2%
1%
0%
-1%
-2%
Jul-09
Jan-10
Jul-10
Jan-11
Jul-11
Jan-12
Jul-12
Jan-13
Jul-13
Jan-14

7


Capital Prospects
Rolling 3-Year
Alphas
Monthly Observations
4.00%
3.00%
2.00%
1.00%
0.00%
12/11
02/12
04/12
06/12
08/12
10/12
12/12
02/13
04/13
06/13
08/13
10/13
12/13
Nice!

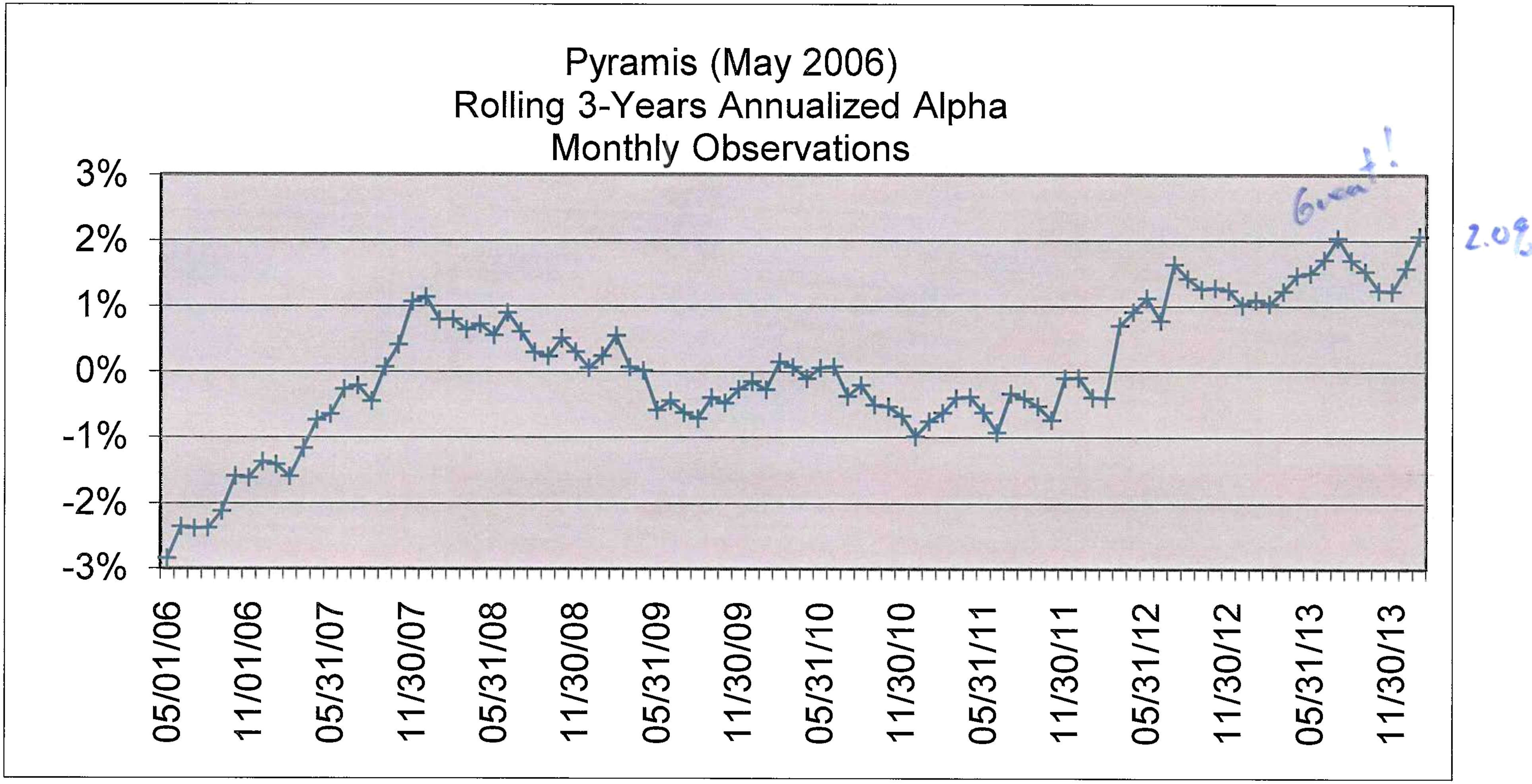
8


Legato Rolling
3-Year Alphas
Annualized
Monthly Observations
Great trend!
3.00%
2.50%
2.00%
1.50%
1.00%
0.50%
0.00%
-0.50%
-1.00%
-1.50%
2.0%
12/11
02/12
04/12
06/12
08/12
10/12
12/12
02/13
04/13
06/13
08/13
10/13
12/13

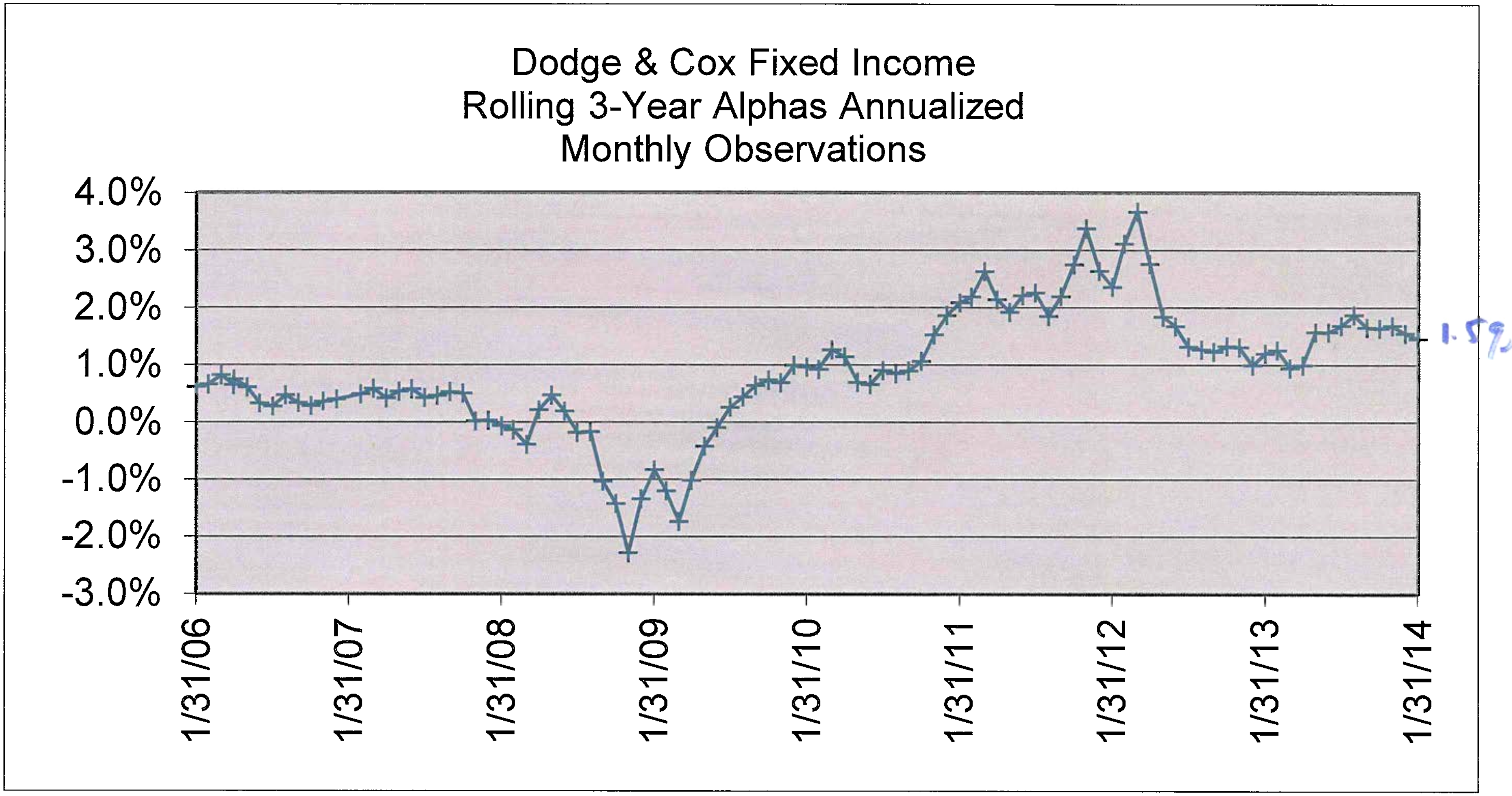
9


LSV
Rolling 3-Years Annualized Alpha
Monthly Observations
4%
3%
2%
1%
0%
-1%
-2%
-3%
Aug-07
Feb-08
Aug-08
Feb-09
Aug-09
Feb-10
Aug-10
Feb-11
Aug-11
Feb-12
Aug-12
Feb-13
Aug-13

10


Pyramis (May 2006)
Rolling 3-Years Annualized Alpha
Monthly Observations
3%
2%
1%
0%
-1%
-2%
-3%
05/01/06
11/01/06
05/31/07
11/30/07
05/31/08
11/30/08
05/31/09
11/30/09
05/31/10
11/30/10
05/31/11
11/30/11
05/31/12
11/30/12
05/31/13
11/30/13
Great!
2.0%

11


Dodge & Cox Fixed Income
Rolling 3-Year Alphas Annualized
Monthly Observations
4.0%
3.0%
2.0%
1.0%
0.0%
-1.0%
-2.0%
-3.0%
1/31/06
1/31/07
1/31/08
1/31/09
1/31/10
1/31/11
1/31/12
1/31/13
1/31/14
1.5%

02/25/14
Item# 7.c

TOP

StanCERA Manager Review List
Performance Through December 31, 2013

Returns are Gross of Fees

Manager Name	**Status**	**Expected Manager Tracking Error (bps)**	**Benchmark**	**6 Month Alpha > -1 St. Dev**	**12 Month Alpha > -1 St. Dev**	**Annualized Alpha 3 Years**	**Annualized Alpha 5 Years**	**Peer Ranking 3 Years**	**Peer Ranking 5 Years**	**Manager in Compliance with Guidelines**	**Organization Personnel Continuity**	**Adherence to Style**
Domestic Equity												
Dodge & Cox (Lg Cap Value)	Good Standing	500	R1000V	Yes	Yes	200	290	17	17	Yes	Yes	Yes
BlackRock (Passive Lg Cap Value)	Good Standing	0	R1000V	Yes	Yes	10	N/A-	47	N/A-	Yes	Yes	Yes
Delaware (Lg Cap Growth)	Good Standing	500	R1000G	Yes	Yes	350	290	5	10	Yes	Yes	Yes
BlackRock (Passive Lg Cap Growth)	Good Standing	0	R1000G	Yes	N/A-	10	N/A-	39	N/A-	Yes	Yes	Yes
Mellon Capital (Passive SP 500)	Good Standing	0	S&P 500	Yes	Yes	0	10	50	48	Yes	Yes	Yes
Capital Prospects (Sm Cap Value)	Good Standing	400	R2000V	Yes	Yes	340	460	30	45	Yes	Yes	Yes
Legato (Small Cap Growth)	Good Standing	400	R2000G	Yes	Yes	N/A-	270	40	N/A-	Yes	Yes	Yes
International Equity												
LSV Asset	Good Standing	400	MSCI ACWI ex US	Yes	Yes	150	240	70	19	Yes	Yes	Yes
Pyramis	Good Standing	400	MSCI ACWI ex US	Yes	Yes	170	150	68	71	Yes	Yes	Yes
US REITS												
BlackRock (Passive)	Good Standing	600	DJ US RESI	Yes	Yes	N/A-	N/A-	N/A-	N/A-	Yes	Yes	Yes
Fixed Income												
Dodge & Cox	Good Standing	200	Barclays Aggregate	Yes	Yes	160	330	12	9	Yes	Yes	Yes
PIMCO	Good Standing	100	Barclays Aggregate	Yes	Yes	70	N/A-	52	N/A-	Yes	Yes	Yes
Direct Lending												
Medley	Good Standing	300	9% Annual Return	Yes	N/A-	N/A-	N/A-	N/A-	N/A-	Yes	Yes	Yes
Raven	Good Standing	300	9% Annual Return	Yes	N/A-	N/A-	N/A-	N/A-	N/A-	Yes	Yes	Yes
White Oak	Good Standing	300	9% Annual Return	Yes	N/A-	N/A-	N/A-	N/A-	N/A-	Yes	Yes	Yes

Notes:
1.0 x reported negative tracking error equates to the bottom 15% of the expected return distribution, assuming an alpha of 0%
If a manager has an expected tracking error of 500 basis points, that manager would be Under Review if its return was 500 basis points below the benchmark for the 6 and or 12 months time periods
If the manager has a negative alpha for 3 and or 5 years or is ranked in the bottom quartile, that manager could be placed on Under Review Status

02/25/14
Item# 7.d

STANCERA
Price Monitor Position Report

TOP

BlackRock
Passive Large Cap Growth Manager
Positions as of January 31, 2014

Company	Symbol	# Shares	$ Value Position	Weight Manager	Weight StanCERA	1/31/2014 $ PX	2/14/2014 $ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	7,449	$3,728,877	4.05%	0.22%	500.6	543.99	8.67%	5.25%
Google Inc.	GOOG	2,503	$2,955,480	3.21%	0.18%	1180.97	1202.8	1.85%	-1.57%
Microsoft Corp.	MSFT	77,131	$2,918,652	3.17%	0.17%	37.84	37.62	-0.58%	-4.00%
INTL Business Machines	IBM	10,527	$1,859,835	2.02%	0.11%	176.68	183.69	3.97%	0.55%
Coca-Cola Co.	KO	37,977	$1,436,308	1.56%	0.09%	37.82	38.93	2.93%	-0.48%
Oracle Corp	ORCL	37,427	$1,381,065	1.50%	0.08%	36.9	37.98	2.93%	-0.49%
Verizon Communications	VZ	27,418	$1,316,616	1.43%	0.08%	48.02	46.51	-3.14%	-6.56%
QUALCOMM, Inc.	QCOM	17,615	$1,307,409	1.42%	0.08%	74.22	76.28	2.78%	-0.64%
Philip Morris Intl.	PM	16,496	$1,288,994	1.40%	0.08%	78.14	80.39	2.88%	-0.54%
Amazon.com Inc	AMZN	3,440	$1,233,752	1.34%	0.07%	358.69	357.35	-0.37%	-3.79%
TOP TEN HOLDINGS			$19,426,987	21.10%	1.16%	Russell 1000 Growth:		**3.42%**	

Total Portfolio Value	**$92,071,030**
Total StanCERA Value	$1,680,577,809

STANCERA
Price Monitor Position Report

BlackRock
Passive Large Cap Value Manager
Positions as of January 31, 2014

Company	Symbol	# Shares	$ Value Position	Weight Manager	Weight StanCERA	1/31/2014 $ PX	2/14/2014 $ PX	Position % Change	Relative % Change
EXXON MOBIL CORP	XOM	54,086	$4,984,599	4.72%	0.30%	92.16	94.11	2.12%	-1.08%
GENERAL ELECTRIC CO	GE	126,912	$3,189,298	3.02%	0.08%	25.13	25.74	2.43%	-0.77%
JOHNSON & JOHNSON	JNJ	29,723	$2,629,587	2.49%	0.08%	88.47	92.76	4.85%	1.65%
WELLS FARGO & CO	WFC	57,531	$2,608,466	2.47%	0.16%	45.34	46.13	1.74%	-1.45%
CHEVRON CORP	CVX	22,705	$2,534,542	2.40%	0.15%	111.63	113.48	1.66%	-1.54%
JPMORGAN CHASE & CO	JPM	45,592	$2,523,981	2.39%	0.15%	55.36	58.15	5.04%	1.85%
PROCTER & GAMBLE CO	PG	32,666	$2,502,860	2.37%	0.06%	76.62	79.40	3.63%	0.43%
PFIZER INC	PFE	77,815	$2,365,572	2.24%	0.06%	30.40	31.94	5.07%	1.87%
BERKSHIRE HATHAWAY INC	BRK-B	21,102	$2,355,012	2.23%	0.06%	111.60	114.95	3.00%	-0.19%
BANK OF AMAERICA	BAC	124,836	$2,090,997	1.98%	0.12%	16.75	16.70	-0.30%	-3.49%
TOP TEN HOLDINGS			$27,784,915	26.31%	1.23%	Russell 1000 Value		**3.19%**	

Total Portfolio Value	**$105,605,910**
Total StanCERA Value	$1,680,577,809

STANCERA
Price Monitor Position Report

Capital Prospects
Active US Small Cap Value Manager
Positions as of January 31, 2014

Company	Symbol	# Shares	$ Value Position	Weight Manager	Weight StanCERA	Weight R2000V	1/31/2014 $ PX	2/14/2014 $ PX	Position % Change	Relative % Change
Hillenbrand, Inc	HI	47,956	$1,298,161	1.40%	0.08%	0.09%	27.07	29.70	9.72%	8.02%
Belden Inc	BDC	18,628	$1,205,435	1.30%	0.07%	0.18%	64.71	69.31	7.11%	5.41%
Regal Beloit Corp	RBC	16,270	$1,205,435	1.30%	0.07%	0.00%	74.09	72.75	-1.81%	-3.50%
Littelfuse, Inc	LFUS	12,433	$1,112,709	1.20%	0.07%	0.12%	89.50	92.66	3.53%	1.84%
Broadridge	BR	25,551	$927,258	1.00%	0.06%	0.00%	36.29	37.28	2.73%	1.03%
Iberiabank Corp	IBKC	14,084	$927,258	1.00%	0.06%	0.12%	65.84	65.37	-0.71%	-2.41%
Matrix SVC Co	MTRX	35,284	$927,258	1.00%	0.06%	0.04%	26.28	30.13	14.65%	12.96%
Polyone Corporation	POL	26,076	$927,258	1.00%	0.06%	0.22%	35.56	36.04	1.35%	-0.34%
First AM	FAF	35,774	$927,258	1.00%	0.06%	0.21%	25.92	26.71	3.05%	1.35%
MB Financial, Inc	MBFI	29,699	$834,532	0.90%	0.05%	0.10%	28.10	29.24	4.06%	2.36%
TOP TEN HOLDINGS			$10,292,563	11.10%	0.61%	1.08%	Russell 2000 Value:		**1.69%**	

Total Portfolio Value	**$92,725,790**
Total StanCERA Value	$1,680,577,809

STANCERA
Price Monitor Position Report

Delaware Investments Advisers
Active Large Cap Growth Portfolio
Positions as of January 31, 2014

Company	Symbol	# Shares	$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	1/31/2014 $ PX	2/14/2014 $ PX	Position % Change	Relative % Change
Visa Inc. Class A	V	39,075	$8,417,927	5.96%	0.50%	1.20%	215.43	226.00	4.91%	1.49%
MasterCard Incorporated Class A	MA	104,000	$7,870,720	5.57%	0.47%	0.94%	75.68	77.39	2.26%	-1.16%
Google Inc. Class A	GOOG	6,125	$7,233,441	5.12%	0.43%	3.39%	1180.97	1202.80	1.85%	-1.57%
EOG Resources, Inc.	EOG	40,925	$6,762,447	4.79%	0.40%	0.45%	165.24	176.96	7.09%	3.68%
QUALCOMM Incorporated	QCOM	89,975	$6,677,945	4.73%	0.40%	1.36%	74.22	76.28	2.78%	-0.64%
Celgene Corporation	CELG	43,250	$6,570,973	4.65%	0.39%	0.67%	151.93	163.93	7.90%	4.48%
Crown Castle International Corp.	CCI	90,925	$6,452,038	4.57%	0.38%	0.25%	70.96	75.02	5.72%	2.31%
Liberty Interactive Corporation Class A	LINTA	223,350	$5,965,679	4.23%	0.35%	0.01%	26.71	28.53	6.81%	3.40%
priceline.com Incorporated	PCLN	5,200	$5,953,428	4.22%	0.35%	0.63%	1144.89	1279.98	11.80%	8.38%
Walgreen Co.	WAG	103,650	$5,944,328	4.21%	0.35%	0.44%	57.35	64.78	12.96%	9.54%
TOP TEN HOLDINGS			$67,848,925	48.05%	4.04%	9.33%	Russell 1000 Growth:		**3.42%**	

Total Portfolio Value	**$141,198,792**
Total StanCERA Value	$1,680,577,809

STANCERA
Price Monitor Position Report

Dodge & Cox Equity
Active US Large Cap Value Manager
Positions as of January 31, 2014

Company	Symbol	# Shares	$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	1/31/2014 $ PX	2/14/2014 $ PX	Position % Change	Relative % Change
COMCAST CORP-CLASS A	CMCSA	135,063	$7,354,180	4.09%	0.44%	0.10%	54.45	53.70	-1.38%	-4.79%
WELLS FARGO & CO	WFC	160,072	$7,257,664	4.04%	0.43%	2.40%	45.34	46.13	1.74%	-1.67%
HEWLETT-PACKARD CO	HPQ	232,705	$6,748,445	3.75%	0.40%	0.60%	29.00	30.02	3.52%	0.10%
CAPITAL ONE FINANCIAL CORP	COF	92,500	$6,531,425	3.63%	0.39%	0.50%	70.61	72.40	2.54%	-0.88%
MICROSOFT CORP	MSFT	170,000	$6,434,500	3.58%	0.38%	0.00%	37.84	37.62	-0.58%	-4.00%
MERCK & CO. INC.	MRK	117,500	$6,223,975	3.46%	0.37%	1.80%	52.97	55.44	4.66%	1.25%
NOVARTIS AG-ADR	NVS	66,000	$5,218,620	2.90%	0.31%	0.00%	79.07	82.94	4.89%	1.48%
SCHWAB (CHARLES) CORP	SCHW	204,000	$5,063,280	2.82%	0.30%	0.30%	24.82	25.45	2.54%	-0.88%
TIME WARNER INC	TWX	80,232	$5,040,976	2.80%	0.30%	0.70%	62.83	65.30	3.93%	0.52%
GENERAL ELECTRIC CO	GE	200,000	$5,026,000	2.79%	0.30%	2.90%	25.13	25.74	2.43%	-0.99%
TOP TEN HOLDINGS			$60,899,065	33.86%	3.62%	9.30%	Russell 1000 Growth:		**3.42%**	

Total Portfolio Value	**$179,843,482**
Total StanCERA Value	$1,680,577,809

STANCERA
Price Monitor Position Report

Legato Capital Management
Active US Small Cap Growth Manager
Positions as of January 31, 2014

Company	Symbol	# Shares	$ Value Position	Weight Manager	Weight StanCERA	Weight R2000G	1/31/2014 $ PX	2/14/2014 $ PX	Position % Change	Relative % Change
CoStar Group, Inc.	CSGP	7,737	$1,331,073.48	1.50%	0.08%	0.58%	172.04	181.60	5.56%	3.88%
Ultimate Software Group, Inc.	ULTI	7,701	$1,257,034.23	1.42%	0.07%	0.54%	163.23	163.65	0.26%	-1.42%
Cepheid	CPHD	22,968	$1,214,088.48	1.37%	0.07%	0.42%	52.86	51.17	-3.20%	-4.87%
athenahealth, Inc.	ATHN	6,637	$978,492.91	1.10%	0.06%	0.64%	147.43	189.01	28.20%	26.53%
Portfolio Recovery Associates, Inc.	PRAA	18,040	$905,968.80	1.02%	0.05%	0.30%	50.22	50.71	0.98%	-0.70%
Intercept Pharmaceuticals, Inc.	ICPT	2,866	$862,322.08	0.97%	0.05%	0.26%	300.88	346.51	15.17%	13.49%
United Natural Foods, Inc.	UNFI	12,697	$857,936.29	0.97%	0.05%	0.40%	67.57	69.32	2.59%	0.92%
Advisory Board Company	ABCO	13,182	$834,552.42	0.94%	0.05%	0.27%	63.31	61.42	-2.99%	-4.66%
PAREXEL International Corporation	PRXL	17,058	$832,600.98	0.94%	0.05%	0.33%	48.81	51.70	5.92%	4.25%
MAXIMUS, Inc.	MMS	19,621	$831,341.77	0.94%	0.05%	0.34%	42.37	46.50	9.75%	8.07%
TOP TEN HOLDINGS			$9,905,411.44	11.16%	0.59%	4.08%	Russell 2000 Growth:		**1.67%**	

Total Portfolio Value	**$88,773,625**
Total StanCERA Value	$1,680,577,809

STANCERA
Price Monitor Position Report

BNY - S&P 500 Index
Passive S&P 500 Index Fund
Positions as of January 31, 2014

Company	Symbol	# Shares	$ Value Position	Weight Manager	Weight StanCERA	1/31/2014 $ PX	2/14/2014 $ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	5,531	$2,768,947	2.95%	0.16%	500.60	543.99	8.67%	5.36%
Exxon Mobil Corp	XOM	26,684	$2,459,201	2.62%	0.15%	92.16	94.11	2.12%	-1.19%
Google Inc.	GOOG	1,558	$1,839,707	1.96%	0.11%	1180.97	1202.80	1.85%	-1.46%
Microsoft	MSFT	41,425	$1,567,506	1.67%	0.09%	37.84	37.62	-0.58%	-3.89%
General Electric Co	GE	60,882	$1,529,961	1.63%	0.09%	25.13	25.74	2.43%	-0.88%
Johnson & Johnson	JNJ	17,187	$1,520,574	1.62%	0.09%	88.47	92.76	4.85%	1.54%
Wells Fargo & Co.	WFC	28,776	$1,304,690	1.39%	0.08%	45.34	46.13	1.74%	-1.56%
Chevron Corp	CVX	11,351	$1,267,145	1.35%	0.08%	111.63	113.48	1.66%	-1.65%
JP Morgan Chase & Co	JPM	22,381	$1,238,987	1.32%	0.07%	55.36	58.15	5.04%	1.74%
Procter & Gamble	PG	16,171	$1,238,987	1.32%	0.07%	76.62	79.40	3.63%	0.32%
TOP TEN HOLDINGS			$16,735,705	17.83%	1.00%	S&P 500 Index:		**3.30%**	

Total Portfolio Value	**$93,862,617**
Total StanCERA Value	$1,680,577,809

STANCERA
Price Monitor Position Report

LSV Asset Management
International Large Cap Value
Positions as of January 31, 2014

Company	Symbol	Market	# Shares	$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	1/31/2014 $ PX*	2/14/2014 $ PX*	Position % Change	Relative % Change
ROYAL DUTCH SHELL	RDS-A	London	48,839	$3,374,808	2.28%	0.20%	1.30%	69.10	71.59	3.60%	-0.89%
ASTRAZENECA PLC	AZN	London	47,319	$3,004,763	2.03%	0.18%	0.46%	63.50	67.40	6.14%	1.65%
BT GROUP PLC	BT	Paris	42,727	$2,693,926	1.82%	0.16%	0.29%	63.05	66.44	5.38%	0.88%
LEGAL & GENERAL GROUP PLC	LGEN.L	Japan	11,000	$2,368,286	1.60%	0.14%	0.12%	215.30	238.90	10.96%	6.47%
ALLIANZ SE	ALV.DE	Germany	18,652	$2,309,079	1.56%	0.14%	0.44%	123.80	129.65	4.73%	0.23%
MAGNA INTERNATIONAL INC	MGA	Canada	27,039	$2,294,277	1.55%	0.14%	0.11%	84.85	87.39	2.99%	-1.50%
BASF SE	BASFY	Germany	19,307	$2,072,251	1.40%	0.12%	0.57%	107.33	113.22	5.49%	0.99%
DAIMLER AG	DAI.DE	Germany	31,686	$1,968,638	1.33%	0.12%	0.47%	62.13	67.01	7.85%	3.36%
SANOFI S.A.	SNY	London	39,956	$1,953,836	1.32%	0.12%	0.68%	48.90	50.42	3.11%	-1.39%
NOVARTIS AG	NVS	Switzerland	23,774	$1,879,827	1.27%	0.11%	1.06%	79.07	82.94	4.89%	0.40%
TOP TEN HOLDINGS				$23,919,692	16.16%	1.42%	5.50%	MSCI ACWI ex-U.S.		**4.49%**	

Total Portfolio Value	**$148,017,897**
Total StanCERA Value	$1,680,577,809

*Company quotes are provided directly in USD

STANCERA
Price Monitor Position Report

Pyramis Global Advisors
Active Non-US Growth Manager
Positions as of January 31, 2014

Company	Symbol	Market	# Shares	$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	1/31/2014 PX*	2/14/2014 PX*	Position % Change	Relative % Change
NESTLE SA (REG)	7123870	Switzerland	32,409	$2,354,676	1.52%	0.14%	1.34%	65.60	66.00	0.61%	-3.88%
ROYAL DUTCH SHELL PLC CL A(NL)	B09CBL4	Amsterdam	60,032	$2,073,287	1.34%	0.12%	1.28%	25.61	25.97	1.41%	-3.09%
TOYOTA MOTOR CORP	6900643	Hong Kong	34,500	$2,003,324	1.30%	0.12%	0.91%	57.15	57.86	1.24%	-3.25%
BAYER AG	5069211	Germany	15,119	$1,995,853	1.29%	0.12%	0.62%	132.00	138.45	4.89%	0.39%
SANOFI	5671735	Paris	19,785	$1,942,381	1.26%	0.12%	0.67%	24.95	24.78	-0.68%	-5.17%
HSBC HOLDINGS PLC (UK REG)	540528	London	185,233	$1,908,721	1.23%	0.11%	1.10%	10.25	10.61	3.51%	-0.98%
VODAFONE GROUP PLC	B16GWD5	London	474,286	$1,765,879	1.14%	0.11%	1.03%	2.76	2.65	-3.99%	-8.48%
LLOYDS BANKING GROUP PLC	870612	London	1,262,703	$1,728,633	1.12%	0.10%	0.39%	1.35	1.35	0.00%	-4.49%
UBS AG (REGD)	B18YFJ4	Germany	78,819	$1,565,675	1.01%	0.09%	0.41%	130.65	130.65	0.00%	-4.49%
ALLIANZ SE (REGD)	5231485	London	9,007	$1,503,723	0.97%	0.09%	0.43%	19.87	20.84	4.88%	0.39%
TOP TEN HOLDINGS				$18,842,152	12.18%	1.12%	8.18%	MSCI ACWI ex-US:		**4.49%**	

Total Portfolio Value	**$154,684,757**
Total StanCERA Value	$1,680,577,809

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

STRATEGIC INVESTMENT SOLUTIONS, INC.

333 BUSH STREET, STE. 2000
SAN FRANCISCO, CALIFORNIA 94104

TEL 415/362-3484 ■ FAX 415/362-2752

MEMORANDUM

DATE: February 25, 2014

TO: Stanislaus County Employees' Retirement Association

FROM: Paul Harte and Nathan Pratt

SUBJECT: 2014 Proposed Real Estate Implementation Plan

EXECUTIVE SUMMARY

The main objective for 2014 is for StanCERA to formally select a long-term allocation target mix that best suits the plan's approach to funding and opportunities within the real estate asset class. StanCERA at the February 2014 Financial Meeting should consider three alternative asset allocation mixes to make a selection.

StanCERA should consider investing in diversified core and value-added private real estate investments that SIS believes will create a sound and prudently managed portfolio. New private investments will be focused on generating high current income for the portfolio with longer dated properties that better match the liabilities of the StanCERA retirement plan.

The existing REIT portfolio shall be reviewed as a potential source of funding these new private funds.

PURPOSE AND OBJECTIVES

This memo sets forth the 2014 Real Estate Implementation Plan for StanCERA with respect to its real estate investment asset class. This Implementation Plan presents real estate investment planning and procedures for calendar year 2014 within the guidelines set forth in the StanCERA Investment Policy.

This Implementation Plan is the investment plan for the Real Estate Policy, which outlines the long-term objectives and policies for the investment in and management of the asset class of real estate. The Implementation Plan shall be reviewed periodically and revised, if necessary, to incorporate changes in the real estate portfolio, real estate markets, and capital markets.

REAL ESTATE MARKET CONDITIONS

Returns remained strong in calendar year 2013 in private real estate as measured by the NCREIF and NCREIF ODCE indices, despite the concern over U.S. Federal Reserve "Tapering". The NCREIF-ODCE

Index continued its three-year run of double-digit annualized returns reflecting a continued rise in transaction pricing for top tier core assets.

Despite upward pressure on interest rates and political uncertainty in 2013, institutional-quality real estate experienced improvements in fundamentals, an increase in sales volume, and slightly firmer pricing.

Due to the scarcity and cost of debt capital, transaction volumes for commercial real estate were down substantially in 2008 and 2009. However, transaction volumes have increased steadily since that time. During the 12 months ended September 30, 2013, transactions totaled $351 billion, an increase of 37% over the same period a year earlier. Transaction activity continues to be focused on higher quality assets in prime markets that offer a secure income stream; however, there has been increased activity in secondary markets as of late.

Currently, U.S. real estate transactions are near the level they would be if the volume had grown 10% per year since 2001; this is likely the result of normalization after mid-decade volatility, increased investor interest in the asset class, and growth in sources of capital.

Cap rates are expected to remain relatively stable in 2014 as a result of a combination of factors including improving fundamentals, availability of debt, and demand for commercial real estate. In addition cap rate spread to 10-year Treasury rates remains above historic averages, especially in office, retail and industrial real estate sectors.

NPI Cap Rate less 10-Year U.S. Treasury Yield	
3Q 2013 CRE Transaction Cap Rate:	6.1%
3Q 2013 UST 10-Yr Yield:	2.6%
Current Spread:	+3.5%
High Spread (since 1983)	+5.8%
Low Spread (since 1983)	-5.8%
Average Spread	+1.9%

Commercial Real Estate Direct reported that CMBS issuance for 2013 was $80.3 billion, up 82% from 2012 levels. CMBS lenders continue to be optimistic for a strong 2014 with volumes expected to reach the $100-$120 billion range as lending standards loosen moderately and leasing to secondary/tertiary properties increase.

There remains over $1 billion of CMBS debt maturing in 2014-2017. Notably, there is a significant amount of maturing CMBS debt that will require action from the borrowers. This level of debt presents both opportunities in the debt space (PRIMA) as well as distressed situations where owners will be focused to liquidate holdings that they will be unable to refinance at the same loan-to-value levels as when the properties were originally acquired.

As of the end of 2013, property yields remain historically low but relatively attractive when compared to other fixed income alternatives. The low interest rate environment of the past several years has been quite beneficial to real estate investors. As reported by NCREIF, the all property valuation cap rate was 5.7%, down approximately 130 basis points from the recent peak of 7.0% in the first quarter of 2010.

NCREIF trailing returns by Property type:

Private RE Property Sector	Q3 2014 Return	1-year Return (to 9/30/13)
Apartment	2.5%	10.8%
Office	2.4%	9.7%
Retail	2.7%	13.2%
Industrial	3.1%	11.7%

The Real Estate Securities (REITs) outlook is fundamentally based upon the performance of the global economy as well as the economic factors of each local market and is overlaid to the performance of the local stock market. While local market supply and demand should drive long-term valuations, the near term returns for real estate securities will be dominated by the macroeconomic environment. The dividend yield for global real estate securities for 2014 is approximately 3.6% or about 50 bps below the long-term average of 4.1%.

Global REITs have appreciated significantly since reaching a low in March 2009. The FTSE/NARIET Global Index has now appreciated approximately 190%. Real Estate Courtland Partners REIT score continues to reside in the “Trim” area.

2014 STRATEGIC OBJECTIVES

StanCERA currently has a 1.3% allocation ($22.3 million) to US REITs. The overall target allocation to the Real Estate asset class is 3.5%, or a total of $58.8 million.

SIS recommends accomplishing the following objectives in 2014:

1) StanCERA’s real estate allocation is currently 1.3% in the US REITs Index Fund at BlackRock. StanCERA should consider allocating to new private real estate investment opportunities in 2014 based upon current market conditions and attractive opportunities within various segments of the marketplace.
2) StanCERA needs to consider and approve a long-term target for the Real Estate portfolio. Suggested reasonable allocations would be:

RE Segments	Expected Return/Risk	Current Portfolio	Alternative #1	Alternative #2	Alternative #3
Public Market REITS	6.2%/18.0%	100%	33.3%	0%	0%
Private Core	7.0%/10.0%	0%	33.3%	50%	25%
Private Value Added	11.0%/16.0%	0%	33.3%	50%	75%
Private Opportunistic	15.0%/25.0%	0%	0%	0%	0%
Expected Return (Geometric)		6.20%	8.32%	9.11%	10.08
Expected Risk (Standard Dev.)		18.0%	12.96%	12.35%	14.07
Sharpe Ratio		0.26	0.53	0.62	0.61

The chosen long-term target for the Real Estate asset class should meet StanCERA's long-term inflation-adjusted objective of a 5-6% net return while meeting its objectives of current income generation, an inflation hedge and asset class diversification.

3) Private Core Investments: Consider committing up to $15 million to $29 million to one or more diversified core open-ended funds (depending on whether Alternative 1, 2 or 3 is chosen). This allocation would provide portfolio income returns within a diversified portfolio of properties.

   Starting in 2010 through present, a considerable amount of capital has flowed into core assets. The result has been sub-5% cap rates for "trophy" assets in key coastal markets and considerable appreciation across most of the core spectrum. While prices for quality core assets have increased, income returns are still relatively attractive compared to income returns on other asset classes and there may be continued appreciation over the next several years as leases potentially reset to higher levels.

   StanCERA should consider traditional core open-ended funds that have exhibited strong performance.

4) Valued Added Investments: Consider committing up to $20 million to $44 million to one or more value-added open-ended or closed-ended funds. SIS continues to see opportunities in the value added space that will generate a large component of total return from current income.

5) Opportunistic Investments: No allocations in 2014. The opportunistic space within private real estate is deemed to be "too risky" for an allocation.

6) Public Securities: The StanCERA portfolio currently has 100% of its Real Estate exposure in US REITs. Any initial private real estate exposure would decrease the current REIT allocation. No further allocation to Public Securities is necessary.

STANCERA REAL ESTATE ASSET CLASS ALLOCATION – BOARD ACTION DECISION

Strategic Investment Solutions, Inc. recommends that StanCERA consider either Alternative #2 or Alternative #3 for their Real Estate asset allocation targets with a slight preference to Alternative #3 due to the current market conditions within the core real estate segment.

Alternative #3 has the highest expected return and a similar Sharpe ratio to Alternative #2. A total of $15 million would be allocated to Core RE and the balance $44 million would be allocated to Value Added RE in Alternative #3. If Alternative #2 is selected it would be split $29.5 million to each Core and Value Added.

NEXT STEPS – REAL ESTATE IMPLEMENTATION

After the StanCERA board makes a decision on where we allocate assets within Real Estate, the following implementation steps will need to be performed:

1. Sizing the correct number of funds for each of the Real Estate segments
    a. For Alternative #2 with $29.5 million to each Core and Value Added 1-2 managers for each segment appears to be ideal
    b. For Alternative #3 with $15 million to Core just 1 manager appears to be ideal and with $44 million to Value Added 2 managers appears to be ideal

2. Deciding on whether to hire an open-end or close-end funds
    a. Open-end funds
        i. Better liquidity than closed-end
        ii. Longer life
        iii. Easier from an administration stand-point
        iv. Potential cues to get in and out
    b. Close-end funds
        i. Smaller boutique managers may have compelling returns
        ii. Depends who is currently raising funds in the market

3. Managers to bring to StanCERA
    a. SIS experience in Private RE space to recommend "preferred" managers
    b. StanCERA Board can make recommendations for consideration
    c. Prefer not to go route of advertising in publication(s)

The main objective for calendar year 2014 is to select a long-term target allocation to the real estate asset class. Once that has been chosen, a plan will be implemented to properly structure the real estate asset class and select appropriate managers.

STANISLAUS COUNTY EMPLOYEES'
RETIREMENT ASSOCIATION

REAL ESTATE ASSET CLASS INTRODUCTION

JANUARY 28, 2013

STRATEGIC INVESTMENT SOLUTIONS, INC.

333 Bush Street, Suite 2000
San Francisco, CA 94104
(415) 362-3484

Paul S. Harte
Sr. Vice President

Nathan Pratt
Consultant Analyst

Real Estate Asset Class Introduction

Agenda

- StanCERA Real Estate – Capital Markets Expectations and Asset Allocation
- Introduction of Private Real Estate Asset Class
- Proposed Three Private RE Partnerships
  - American Realty Advisors
  - JP Morgan
  - Greenfield Partners
- Next Steps

Summary of Updated Capital Market Projections

	EXPECTED RETURN DEC 2012	EXPECTED STD DEV DEC 2012	EXPECTED RETURN DEC 2013	EXPECTED STD DEV DEC 2013
US LARGE CAP EQUITY	8.0%	18.0%	7.6%	17.0%
US SMALL CAP EQUITY	8.3%	21.0%	7.9%	19.5%
INTL DEVELOPED EQUITY	8.0%	18.5%	7.8%	20.0%
EM MARKET EQUITY	8.5%	27.5%	8.5%	32.0%
US FIXED INCOME	2.8%	4.5%	2.9%	5.0%
DIRECT LENDING	8.3%	10.0%	8.3%	10.0%
REAL ESTATE	6.6%	18.5%	6.2%	18.0%
INFRASTRUCTURE	7.1%	25.0%	6.7%	26.0%
CASH	1.5%	1.0%	1.5%	1.0%
CPI	2.4%	1.2%	2.3%	1.2%

Real Estate expected return of 6.2% and expected risk of 18.0% is based upon US REITs. Private RE has a different set of returns and correlations.

StanCERA Revised Portfolio Expectations

	Dec 2012	Dec 2012	Dec 2013	Dec 2013
	Current	**New Policy**	Current	**New Policy**
Asset	Mix	**Mix**	Mix	**Mix**
--------------	---	---	---	---
US Lrg Cap	33.10%	30.50%	33.40%	30.50%
US Sml Cap	8.30%	7.70%	8.50%	7.70%
US Fixed	37.10%	**29.80%**	35.60%	**29.80%**
Intl Stock	15.00%	13.50%	14.00%	13.50%
EM Stock	5.00%	4.50%	5.00%	4.50%
Real Estate	1.50%	3.50%	1.50%	3.50%
Dir Lend	0.00%	7.50%	2.00%	7.50%
Infrastructure	0.00%	3.00%	0.00%	3.00%
--------------	---	---	---	---
Totals	100.00%	100.00%	100.00%	100.00%
Exp. Return (Gm Mean)	6.63%	**7.00%**	6.57%	**6.86%**
Std Dev	11.30%	11.65%	11.15%	11.49%
SIS Infl	2.40%	2.40%	2.30%	2.30%
SIS Real	4.23%	**4.60%**	4.27%	**4.56%**
Actuary Inflation Rate				3.25%
SIS Real + Actuary Infl.				7.81%
Actuary Assumed Rate				7.75%

StanCERA Real Estate needs to go from a 1.5% to a 3.5% target weight, or an additional 2.0%. Focus will be on Private RE.

Private Real Estate - Introduction

- Private Real Estate remains a key asset class in Inflation-Hedged portfolios
  - The rental income has positive correlation to inflation
  - The land value provides the better inflation hedge longer term

- Private Real Estate has delivered fairly steady returns with attractive income characteristics for longer duration assets

- Cap rate compression presents an issue for new investors particularly in core real estate

Private Real Estate Returns

- National Council of Real Estate Investment Fiduciaries (NCREIF) Property Index is a time series composite of total rate of return measure of investment performance of a very large pool of individual commercial real estate properties acquired in the private market for investment performance only.

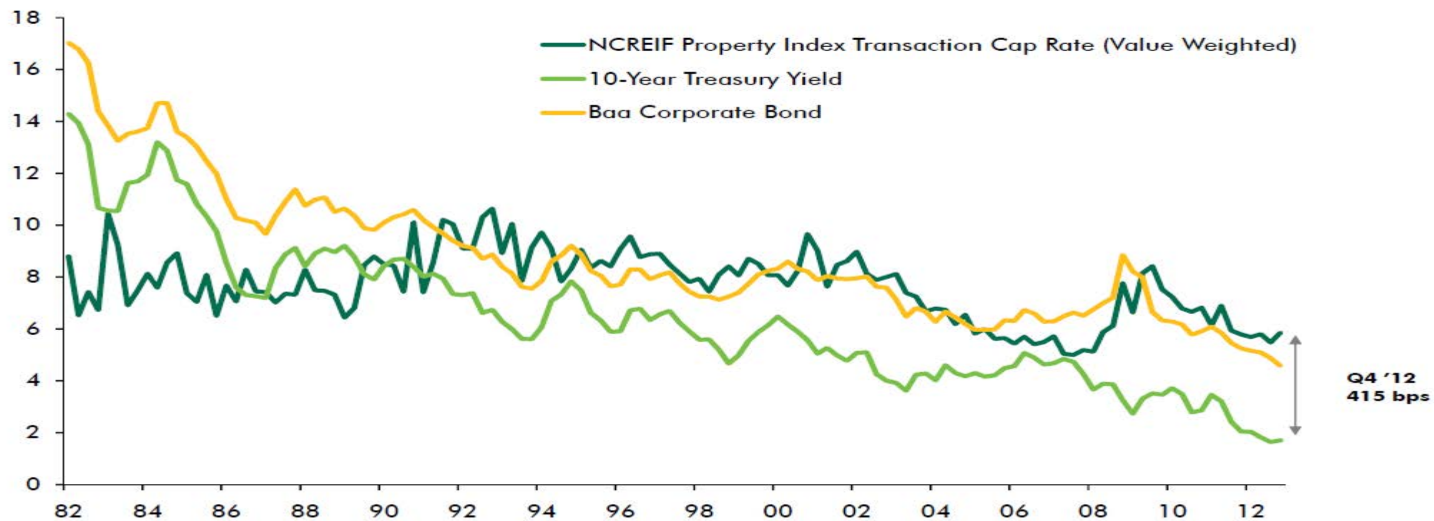
- BlackRock US Real Estate Securities Index Fund is an open-end fund with its net assets in a portfolio of equity investments that are primarily engaged in or related to the real estate industry inside the U.S. and tracks the Dow Jones US Select Real Estate Securities Index. StanCERA is an investor in this fund.

Year	NCREIF Return	BlackRock US RE Fund
2013 YTD	8.25%	2.42%
2012	10.54%	17.13%
2011	14.26%	8.85%
2010	13.11%	28.46%
2009	-16.98%	29.25%
2008	-6.43%	-39.69%
2007	15.84%	-17.66%
2006	16.82%	35.53%
2005	20.16%	13.79%
2004	14.68%	34.69%

The NCREIF Index tends to be less volatile than the BlackRock REIT Index due to valuation pricing methodology and a lower correlation to the equity markets

Private Real Estate Cap Rate

- Core real estate has largely recovered from the '08-'09 period and in certain markets has hit high valuations again.
- Opportunistic, **value-add** and core real estate in secondary cities still have attractive valuations relative to other income producing assets.
- Real estate cap rates are a way of quoting observed property prices in relation to expected first year asset-level income. The first year income yield on an income property investment. Defined as net operating income (NOI) to current market value (V).



Private Real Estate Construction

Primary categories of portfolio construction within the private real estate allocation consist of the following:

- Risk/Return
  - Core
  - Value added
  - Opportunistic
- Investment Structure
  - Closed-end Funds
  - Open-end Funds
  - REITs
  - Direct Property/Separate Accounts
- Additional Portfolio Factors
  - Property and Geographical Diversification
  - Capital Structure
  - Leverage
  - Liquidity

Private Real Estate Return/Risk Profiles

■ Core	6-8% Return	Lower Risk
■ Core Plus	9-10% Return	
■ Value Added	11-12% Return	Middle Risk
■ Value Plus	13-14% Return	
■ Opportunistic	15%+ Return	Higher Risk

Total Net of Fees, Nominal Returns

Investment Structure

Structure	Advantages	Concerns
OPEN-END FUNDS (Private)	• Immediate diversification • Long track records • Conservative strategy • Large organizations • Right to redeem with quarterly liquidity	• Potential exit queue delays • Alignment of interests (no co-investment) • Reasonableness of share values (appraised-based) • Manager/ownership changes (bank sponsors)
CLOSED-END FUNDS (Private)	• Finite life • Incentive fees based on performance • Manager alignment through co-investment • Higher return targets • Specific strategies	• Can include non-traditional property types • Typically smaller organizations • High asset concentration • Illiquid
REITs (Public)	• Total return • Dividend yields • Liquidity • Alignment of interests • Cost of REIT management	• Volatility • Liquidity (generally small caps) • Stock or Real Estate? • Manager talent • Depth of market in certain property types

StanCERA Existing RE Portfolio

Real Estate		Current $	Current %	Target $	Current %
BlackRock	US RE Securities Fund	$21,333,960	1.26%	$59,218,666	3.50%
Total StanCERA		$1,691,961,894	100.00%		
Values as of 11/30/13					

StanCERA to get to a 3.5% Real Estate asset class target needs consideration to:

1. Keep existing BlackRock public markets REIT portfolio and add about $38 million to fund 1-2 new private real estate managers, or
2. Terminate BlackRock public markets REIT portfolio and add about $59.2 million to fund 2-3 new private real estate managers

StanCERA Real Estate Strategy

SIS preference for StanCERA within the RE Asset Class would be:

- Place 100% of 3.5% RE Target in Private Real Estate
  - Correlation benefits – reduce equity dependent exposure within RE asset class
  - Longer dated securities to better match StanCERA's liabilities
  - Private nature should equate to higher, more stable returns
- Focus on the Value added space within the Private RE Asset Class
  - Core space today is crowded with corresponding low yields and cap rates
  - Opportunistic space tends to be higher in risk along with higher amounts of leverage
  - Value added space has the best risk/return profile within the private real estate class
- Look to hire 2-3 top quartile Value Added Private Real Estate Managers
  - Place bulk of assets in open-ended space
    - Liquidity
    - Ability to place all of assets in existing fund up-front
    - Reduce burden of capital calls for StanCERA Staff
  - Consider one mandate in private closed-end space with top quartile manager

StanCERA Real Estate Strategy

Private Real Estate Value-Added Manager Search

- Open-End Funds
  - Review Top 100 Commingled RE Funds
  - Fund Type Open-End and Strategy Value-added
  - **JP Morgan** and Clarion Partners
  - SIS experience – Add **American Realty**
- Closed-End Funds
  - Review Funds out in the market raising capital
  - Fund Type Closed-End and Strategy Value-added
  - Preference to stay away from the largest private closed-end funds
  - SIS experience with other clients employing a Private Real Estate strategy – Add **Greenfield Partners**
- Recommend an initial review of 3 Funds:
  - JP Morgan – JPMCB Special Situation Property Fund (Open-End and Value-Added) Cue to get in is 12-months subject to change
  - American Realty – American Strategic Value Realty Fund, LP (Open-End and Value-Added)
  - Greenfield Partners – GAP VII (Closed-End and Value-Added)

Value-Added Manager Comparison

	American Strategic Value Realty Fund, LP	JPMCB Special Situation Property Fund (1 yr. cue)	GAP VII
Current (open-ended) Targeted (closed-ended) Fund Size	$303.6 million (open-ended commingled fund). Inception date 12/30/2009	$3.3 billion (open-ended commingled fund). Inception date 1/1/1998.	$750 million
Sponsor	American Realty Advisors, a privately-held real estate manager founded in 1988, specializing in core and value-added investing	J.P. Morgan Asset Management, a subsidiary of JP Morgan Chase, a publicly-traded NYSE company. One of the largest real estate investment managers with over 40 years of experience	Greenfield Partners is a privately-held company founded by Gene Gorab in 1997. Greenfield has sponsored 9 investment vehicles
GP Co-Investment	American Realty will co-invest an amount equal to 1% of the aggregate commitments of the Limited Partners, up to a total maximum of $5 million.	JP Morgan individuals can not invest in fund because of its legal structure as a bank commingled trust.	1%
Strategy	The fund seeks to provide income and appreciation to the moderately higher risk of value-added real estate investments	The fund seeks maximum flexibility, moderate leverage to develop, renovate and/or re-lease to create value. Focus on first tier markets	Contrarian approach seeking investment types that are out of favor, with an emphasis on current income
Expected Returns	11-13% net	10-12% net	13% net
Management Fees	1.25% up to $10 million; 1.20% next $15 million; 1.10% next $25 million; 1.00% on commitment thereafter	1.25% of the NAV plus a debt component whereby total fees capped at 1.60% of the NAV	1.5% on committed capital
Preferred Return	10% IRR over a 3-year period	Not applicable	9% IRR
Incentive Fees after recovery of Capital and Preferred Return (LP/GP ratio)	80/20 (with a clawback)	Not applicable	GP catch-up to 20% of cumulative distributions at 50/50 only above a 6% return; 80/20 thereafter

Value-Added Manager Performance

American Realty Advisors				
Net of Fees Annualized Returns				
				Since
as of 9/30/13	2013 YTD	1-Year	3-Years	Inception*
Income	3.72%	4.59%	4.03%	3.19%
Appreciation	4.59%	5.85%	7.27%	10.66%
Total Return	8.31%	10.63%	11.55%	14.20%
*Since inception date 12/30/2009				

JPMCB Special Situation Property Fund					
Net of Fees Annualized Returns					
					Since
as of 9/30/13	2013 YTD	1-Year	3-Years	5-Years	Inception*
Income	2.3%	3.3%	4.3%	4.3%	5.5%
Appreciation	12.2%	14.0%	14.8%	-5.1%	2.1%
Total Return	14.5%	17.3%	19.1%	-0.8%	7.6%
*Since inception date 1/1/1998					

Greenfield Partners Track Record						
Fund	GAP I	GAP II	GAP III	GAP IV	GAP V	GAP VI
Year Formed	1997	2000	2002	2005	2007	2011
Net IRR	18.1%	10.8%	8.4%	N/M	11.0%	15.9%
Multiple	1.9x	1.4x	1.6x	0.6x	1.6x	1.8x

Investment Deployment Considerations

Scenario I – Retain BlackRock US RE Securities at current $ amount

Fund	$ Amount
BlackRock US RE Securities Fund	$21.3 million
Private RE Fund #1	$19 million
Private RE Fund #2	$19 million

Scenario II – Terminate BlackRock and hire 2-3 new Private RE Managers

Fund	$ Amount
BlackRock US RE Securities Fund	$0 million
Private RE Fund #1	$20 million
Private RE Fund #2	$20 million
Private RE Fund #3	$20 million

Private Real Estate commitments can vary based upon the number of managers hired and the conviction level for each individual manager

StanCERA Real Estate Next Steps

- Direction from StanCERA Board to proceed in reviewing Private Real Estate Value-Added funds (January 2014)
- Invite Private Real Estate Managers to present to StanCERA Board (February 2014 to June 2014)
  - Greenfield VII
  - American Strategic Value Realty Fund, LP
  - JPMCP Special Situations Property Fund
  - Other Funds?
- Finalize Real Estate Structure (Q1-Q2 2014)
  - Retain or Terminate BlackRock Real Estate Securities Fund
  - Hiring of Private Real Estate Managers

CHEIRON CLASSIC VALUES, INNOVATIVE ADVICE

02/25/14
Item# 8.a

TOP

Stanislaus County Employees' Retirement Association

June 30, 2013 Preliminary Actuarial Valuation Results

February 25, 2014

Graham A. Schmidt, ASA, FCA

Topics

- StanCERA 2013 Actuarial Valuation
  - Executive Summary/Highlights
  - Changes Since Last Valuation
- Closing Remarks
- Appendix

Executive Summary

Stanislaus County Employees' Retirement Association
Summary of Key Valuation Results
(in millions)

Valuation Date	**June 30, 2012**	**June 30, 2013**	**June 30, 2013**
Fiscal Year End	**2014**	**2015**	**2015**
		(Baseline)	*(New Assmp/Mthd)*
Actuarial Liability	$ 1,888.7	$ 1,988.2	$ 1,919.1
Actuarial Value of Assets	1,451.8	1,524.1	1,524.1
Unfunded Actuarial Liability (Actuarial Value)	$ 436.9	$ 464.1	$ 395.0
Funding Ratio (Actuarial Value)	76.9%	76.7%	79.4%
Market Value of Assets	1,363.8	1,523.0	1,523.0
Unfunded Liability (Market Value)	$ 524.9	$ 465.2	$ 396.1
Funding Ratio (Market Value)	72.2%	76.6%	79.4%
Net Employer Contribution Rate	20.73%	21.66%	24.22%

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Highlights

- Investment return on market value of assets was 13.9%, net of investment expenses, compared to the 7.75% assumed rate of return.
- The actuarial return on assets was 7.0% which resulted in a $10.2 M loss and increased the contribution rate by 0.33%. The recognized market gains from FY2013 were more than offset by the 20% portion of the FY2012 losses recognized under the 5 year smoothing method.
- Demographic losses – including rates of retirement, disability, death and other terminations, as well as individual salary changes and overall payroll growth – increased costs by 0.61% of pay.

Highlights

- A change to the actuarial cost method (from the Aggregate Entry Age-to-Decrement to the Individual Entry Age-to-Final-Decrement) would increase the employer contribution rate by 2.13% of payroll and increase the funded ratio by 4.5%
  - Recommended in the most recent Experience Study performed by EFI and as part of recent actuarial audit performed by Segal
  - Individual Entry Age-to-Final required for new GASB pension disclosure and expense calculations, and is preferred under CAAP funding policy document ("Model" vs "Acceptable with Conditions")
  - Individual Entry Age-to-Final is already being used for Tier 6 (PEPRA) members
  - Entry Age-to-Decrement not supported under Cheiron software

Highlights

- A change to the actuarial software – necessitated as part of the Cheiron/EFI merger – reduced the contribution rate by 0.05% of pay
- Two recommended changes to the economic assumptions would increase the contribution rate by 0.47% of pay
  - Incorporate negotiated base pay increase of 13.4% for County Safety members
  - Increase expected interest crediting rate on refundable member contributions from 0.00% to 0.25% annually

Changes Since Last Valuation

Stanislaus County Employees' Retirement Association
Employer Contribution Reconciliation
(in millions)

	Total	Normal Cost	Amortization	Admin Exp
FYE 2014 Net Employer Contribution Rate	20.73%	5.88%	13.87%	0.98%
Change Due to Asset Loss	0.33%	0.00%	0.33%	0.00%
Change Due to Demographic Gains	0.45%	0.00%	0.44%	0.01%
Change Due to Effect of Payroll on Amortization	0.16%	0.00%	0.16%	0.00%
Change Due to Methods / Assumptions				
Valuation Software	-0.05%	-0.48%	0.48%	-0.05%
Liability Cost Method (Individual EAN-to-Final)	2.13%	5.70%	-3.57%	0.00%
Economic Assumptions (Wage Growth and Crediting)	0.47%	0.17%	0.30%	0.00%
FYE 2015 Net Employer Contribution Rate	24.22%	11.27%	12.01%	0.94%

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Closing Remarks

- Request direction from Board for assumptions and methods to use in June 30, 2013 Actuarial Valuation Report
  - Recommend adoption of economic assumptions
    - Modify wage growth assumption for negotiated County Safety increase
    - Set refundable employee contribution interest crediting rate to 0.25% per year
    - Maintain all other assumptions from 2012 actuarial valuation
  - Recommend adoption of actuarial method change (Aggregate Entry Age-to-Decrement -> Individual Entry Age-to-Final-Decrement)
- Confirm continuation of closed amortization policy
  - 23 years for 2013 valuation, 22 years for 2014
  - No impact on current valuation

Appendix

Stanislaus County Employees' Retirement Association
Membership Total

Item	June 30, 2012	June 30, 2013	% Change
Actives	3,894	3,924	0.77%
Current Inactives	902	920	2.00%
In-Pay Members	3,142	3,249	3.41%
Total Members	7,938	8,093	1.95%
Active Member Payroll (FYE 2013/2014)	$ 215,057,468	$ 222,897,794	3.65%
Average Pay per Active	$ 55,228	$ 56,804	2.85%

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Appendix

Stanislaus County Employees' Retirement Association
Contributions

Item	FYE 2014	FYE 2015	% Change
Gross Normal Cost %	14.62%	20.79%	42.20%
Employee Contributions	8.74%	9.52%	8.92%
Employer Normal Cost %	5.88%	11.27%	91.67%
Administrative Expense %	0.98%	0.94%	-4.08%
Amortization of UAL %	13.87%	12.01%	-13.41%
Net Employer Contribution Rate: (3 + 4 + 5)	20.73%	24.22%	16.84%

Required Disclosures

- The purpose of this presentation is the preliminary results of the June 30, 2013 actuarial valuation and the impact of the recommended assumption changes for the Stanislaus County Employees' Retirement Association (StanCERA).

- In preparing this presentation, we relied on information (some oral and some written) supplied by the Staff at StanCERA. This information includes, but is not limited to, the plan provisions, employee data, and financial information.

- To the best of our knowledge, this presentation has been prepared in accordance with generally recognized and accepted actuarial principles and practices which are consistent with the Code of Professional Conduct and applicable Actuarial Standards of Practice set out by the Actuarial Standards Board. Furthermore, as credentialed actuaries, we meet the Qualification Standards of the American Academy of Actuaries to render the opinion contained in this report. This presentation does not address any contractual or legal issues. We are not attorneys and our firm does not provide any legal services or advice.

- This presentation was prepared solely for the Board of Trustees of the Stanislaus County Employees' Retirement Association for the purposes described therein. This presentation is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

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

02/25/14
Item#9.a

TOP

For the Retirement Board meeting
Held on February 25, 2014

TO: Retirement Board

FROM: Rick Santos, Executive Director

I. SUBJECT: 2013 Quarter 4 Value Added Report

II. RECOMMENDATION: None; Information item only

III. ANALYSIS: This report is meant to associate the fees StanCERA pays to manage its active portfolio with the returns the active managers are achieving. Among other things, the report shows all fees StanCERA pays in an attempt to earn a return greater than its policy benchmark. It breaks this information down by each active manager and shows how much value a manager is adding to the portfolio. "Value Added" in its purest form can simply be defined as the dollar returns a manager earns above the benchmark, less all fees StanCERA pays associated with that manager. The exhibits below are presented to the Board on a quarterly basis and the dialogue in red focuses specifically on notable information in this quarter's report.

Quarterly Value Added Report

- *Value Added Summary* – This summary gives aggregate information for our current active managers since June 30, 2008 and for the most recent 12 month period. It also gives the same information by asset class and style. The analysis contains the following items:

    - Changes in portfolio value by cause
    - Total fees paid broken out by managerial and custodial
    - Total value added
    - Total value added as a % of portfolio value. This can be considered a measure of efficiency. The higher the statistic, the more value he/she is adding for each dollar he/she is managing
    - Average monthly value added
    - Probability of achieving positive value added in any given month. This can be considered a measure of consistency. The higher the probability, the more likely the manager is to add value in a given month

    - The quarter 4 value added summary shows that since June 30, 2008, all of StanCERA's current active managers have added value to the portfolio

    - For the most recently completed quarter/year, StanCERA active managers added $8,479,161/$29,805,883 in value, respectively

  - Over the long term, all managers have demonstrated a greater than 50% ability to earn value in any given month

  - Over the long term, StanCERA's Small Cap Managers have provided the greatest relative value and has been the most likely to add value from month to month

  While all managers have added value in the long run, it is important to realize that performance like this is transitory and should not necessarily be expected in the future.

- *Total Fee Summary* - This summary shows fees in dollars and expressed in annualized basis points since June 30, 2008 and for the most recently completed 12 month period. The expression in annualized basis points allows one to weigh the reduction in the manager's total return due to the fees StanCERA pays to achieve those returns. The exhibit includes all fees paid to all active managers (including terminated) over the specified period.

  - Custodial fees remained fairly stable for the calendar year 2013, with a slight decrease shown in the fourth quarter

  - Custodial fees for those managers that trade more have decreased over the last year, particularly over the past quarter. This is due to the fee structure implemented in early 2013, which focuses on performance fees and less on trade frequency

  - StanCERA's total external fees in basis points to manage the portfolio continue to be right around 35 basis points. This compares quite closely with other 1937 Act Systems of similar size to StanCERA

- *Individual Manager Quarterly Value Added Summary* - This summary gives the value added by quarter since June 30, 2008. It shows the quarterly components of value added; namely alpha, managerial and custodial fees. The exhibit also plots a graph of the value added each quarter and also a cumulative graph. If the cumulative graph tends to be rising in the most current quarters, the manager's recent performance can be considered to be improving and vice versa.

  - The individual manager quarterly value added summary provides data support to the value added summary and total fee summary.

IV. RISK: None

V. Strategy C: Investment Information. Review investment decisions regularly and ensure that the Board has a full range of information to make informed decisions regarding investment policy.

VI. BUDGET IMPACT: None

Rick Santos, Executive Director

Luiana M. Irizarry

Luiana Irizarry, Investment/Accounting Technician

Value Added Summary

12/31/2012 Through 12/31/2013

By Current Active Managers

Current Active Managers	Beginning	Passive Return	Alpha	Net Cash Flows	Ending	Fees: Managerial	Fees: Custodial	Value Added: Total	Value Added: % of Portfolio	Monthly Average Value Added	Monthly Probability of Adding Value
DODGE & COX - LARGE CAP VALUE	142,901,928	46,780,510	5,956,965	(12,632,875)	183,006,527	(328,855)	(22,625)	$5,605,485	3.4%	467,124	63.2%
DELAWARE - LARGE CAP GROWTH	119,846,418	38,713,532	2,030,382	(16,479,317)	144,111,015	(650,527)	(18,032)	$1,361,822	1.0%	113,485	53.3%
CAPITAL PROSPECTS*	69,014,132	24,669,511	1,936,438	(3,160,955)	92,459,127	(641,315)	(37,724)	$1,257,399	1.6%	104,783	57.5%
Legato Capital*	60,586,103	27,453,209	2,029,659	(2,651,281)	87,417,690	(701,120)	(94,734)	$1,233,806	1.7%	102,817	56.2%
LSV ASSET MGMT	127,027,295	20,979,412	6,072,465	(435,964)	153,643,209	(809,671)	(163,849)	$5,098,945	3.6%	424,912	79.9%
Pyramis	132,988,496	21,792,159	5,156,564	(1,071,013)	158,866,206	(689,646)	(304,802)	$4,162,116	2.9%	346,843	66.7%
DODGE & COX FI	425,372,810	(8,152,831)	12,122,726	(40,646,353)	388,696,352	(440,467)	(46,406)	$11,635,854	2.9%	969,654	75.1%
PIMCO**	111,807,994	(2,221,742)	(152,023)	(4,610,649)	104,823,580	(363,496)	(34,024)	($549,544)	-0.5%	(45,795)	42.6%

* Funded December 2008
** Funded May 2010

By Asset Class

Value Added By Asset Class	Beginning	Passive Return	Alpha	Net Cash Flows	Ending	Fees: Managerial	Fees: Custodial	Value Added: Total	Value Added: % of Portfolio	Monthly Average Value Added	Monthly Probability of Adding Value
1. Equity											
a. Domestic	392,348,581	137,616,762	11,953,444	(34,924,428)	506,994,359	(2,321,817)	(173,115)	$9,458,512	2.1%	$788,209	58.1%
b. International	260,015,791	42,771,572	11,229,029	(1,506,977)	312,509,415	(1,499,317)	(468,651)	$9,261,061	3.2%	$771,755	73.1%
Equity Total	652,364,372	180,388,333	23,182,474	(36,431,405)	819,503,774	(3,821,134)	(641,767)	$18,719,573	2.5%	$1,559,964	64.1%
2. Fixed Income	537,180,804	(10,374,573)	11,970,703	(45,257,002)	493,519,932	(803,963)	(80,429)	$11,086,310	2.2%	$923,859	68.3%
3. Total Equity and Fixed Income	1,189,545,176	170,013,761	35,153,177	(81,688,407)	1,313,023,706	(4,625,097)	(722,196)	$29,805,883	2.4%	$2,483,824	66.0%

By Style

Value Added By Asset Class	Beginning	Passive Return	Alpha	Net Cash Flows	Ending	Fees: Managerial	Fees: Custodial	Value Added: Total	Value Added: % of Portfolio	Monthly Average Value Added	Monthly Probability of Adding Value
Large Cap	262,748,346	85,494,043	7,987,347	(29,112,193)	327,117,542	(979,382)	(40,657)	$6,967,307	2.4%	$580,609	58.7%
Small Cap	129,600,235	52,122,719	3,966,098	(5,812,235)	179,876,817	(1,342,435)	(132,458)	$2,491,205	1.6%	$207,600	56.9%
Value	338,943,355	92,429,433	13,965,868	(16,229,794)	429,108,863	(1,779,841)	(224,199)	$11,961,829	3.1%	$996,819	68.3%
Growth	313,421,017	87,958,900	9,216,605	(20,201,611)	390,394,912	(2,041,293)	(417,568)	$6,757,744	1.9%	$563,145	59.5%

Value Added Summary

6/30/2008 Through 12/31/2013

By Current Active Managers

	Changes in Portfolio Value					Fees		Value Added		Monthly	
Current Active Managers	Beginning	Passive Return	Alpha	Net Cash Flows	Ending	Managerial	Custodial	Total	% of Portfolio	Average Value Added	Probability of Adding Value
DODGE & COX - LARGE CAP VALUE	200,945,261	89,954,297	6,666,578	(114,559,609)	183,006,527	(1,745,464)	(79,761)	$4,841,353	2.5%	73,354	51.5%
DELAWARE - LARGE CAP GROWTH	109,513,726	75,995,456	12,931,773	(54,329,941)	144,111,015	(2,913,141)	(53,638)	$9,964,994	7.9%	150,985	54.7%
CAPITAL PROSPECTS*	45,896,605	64,428,020	8,990,572	(26,856,070)	92,459,127	(2,504,129)	(127,313)	$6,359,130	9.2%	105,985	56.7%
Legato Capital*	27,545,658	64,948,951	3,738,341	(8,815,260)	87,417,690	(2,616,914)	(384,529)	$736,898	1.3%	12,282	50.9%
LSV ASSET MGMT	122,047,987	42,841,738	13,103,549	(24,350,065)	153,643,209	(4,000,284)	(626,763)	$8,476,502	6.1%	128,432	55.7%
Pyramis	135,901,315	37,965,061	7,997,610	(22,997,780)	158,866,206	(3,437,610)	(1,868,341)	$2,691,658	1.8%	40,783	51.9%
DODGE & COX FI	449,128,361	101,958,018	39,928,522	(202,318,549)	388,696,352	(2,349,082)	(116,438)	$37,463,002	8.9%	567,621	56.0%
PIMCO**	76,314,966	10,761,354	2,509,936	15,237,324	104,823,580	(1,204,149)	(82,546)	$1,223,241	1.4%	28,447	56.0%

* Funded December 2008

** Funded May 2010

By Asset Class

	Changes in Portfolio Value					Fees		Value Added		Monthly	
Value Added By Asset Class	Beginning	Passive Return	Alpha	Net Cash Flows	Ending	Managerial	Custodial	Total	% of Portfolio	Average Value Added	Probability of Adding Value
1. Equity											
a. Domestic	383,901,250	295,326,725	32,327,264	(204,560,880)	506,994,359	(9,779,649)	(645,240)	$21,902,375	4.9%	$331,854	53.0%
b. International	257,949,302	80,806,799	21,101,159	(47,347,845)	312,509,415	(7,437,894)	(2,495,105)	$11,168,160	3.9%	$169,215	53.7%
Equity Total	641,850,552	376,133,524	53,428,423	(251,908,724)	819,503,774	(17,217,543)	(3,140,345)	$33,070,535	4.5%	$501,069	53.3%
2. Fixed Income	525,443,327	112,719,372	42,438,457	(187,081,224)	493,519,932	(3,553,231)	(198,984)	$38,686,243	7.6%	$586,155	56.0%
3. Total Equity and Fixed Income	1,167,293,879	488,852,896	95,866,880	(438,989,949)	1,313,023,706	(20,770,774)	(3,339,329)	$71,756,777	5.8%	$1,087,224	54.5%

By Style

	Changes in Portfolio Value					Fees		Value Added		Monthly	
Value Added By Asset Class	Beginning	Passive Return	Alpha	Net Cash Flows	Ending	Managerial	Custodial	Total	% of Portfolio	Average Value Added	Probability of Adding Value
Large Cap	310,458,987	165,949,754	19,598,352	(168,889,550)	327,117,542	(4,658,606)	(133,398)	$14,806,348	4.6%	$224,339	52.7%
Small Cap	73,442,263	129,376,971	12,728,912	(35,671,330)	179,876,817	(5,121,043)	(511,842)	$7,096,027	5.6%	$107,516	54.5%
Value	368,889,853	197,224,055	28,760,699	(165,765,744)	429,108,863	(8,249,877)	(833,837)	$19,676,984	4.9%	$298,136	53.6%
Growth	272,960,699	178,909,469	24,667,724	(86,142,980)	390,394,912	(8,967,666)	(2,306,508)	$13,393,550	4.0%	$202,933	52.9%

Total Fee Summary

12/31/2012 Through 12/31/2013

Manager	Average Dollars Managed	Managerial Fees Total	Managerial Fees Annualized Basis Points	Custodial Fees Total	Custodial Fees Annualized Basis Points	Total Fees Total	Total Fees Annualized Basis Points
DODGE & COX - LARGE CAP VALUE	164,754,169	328,855	20.0	22,625	1.4	351,480	21.3
MAZAMA - SMALL CAP GROWTH	-	-	0.0	-	0.0	-	0.0
* Terminated 12/2008							
DELAWARE - LARGE CAP GROWTH	130,909,774	650,527	49.7	18,032	1.4	668,560	51.1
LOOMIS SAYLES - LARGE CAP GROWTH	-	-	0.0	-	0.0	-	0.0
* Terminated 6/2010							
Capital Prospects - By Manager							
Bernzott	11,532,931	89,784		5,281		95,066	
Channing	19,111,715	148,785		8,752		157,537	
InView	17,958,422	139,807		8,224		148,031	
Keeley	10,626,772	82,730		4,866		87,596	
Ten/Pacific Ridge	11,203,419	87,219		5,131		92,349	
Walthausen	11,944,822	92,991		5,470		98,461	
CAPITAL PROSPECTS	82,378,080	641,315	77.9	37,724	4.6	679,040	82.4
Legato - By Manager							
CastleArk	12,479,714	115,685		15,631		131,316	
Lee Munder/Crosswinds	16,261,445	150,741		20,368		171,108	
Eudaimonia	10,588,848	98,157		13,263		111,419	
Riverbridge	18,152,311	168,269		22,736		191,005	
Stephens	18,152,311	168,269		22,736		191,005	
LEGATO CAPITAL	75,634,628	701,120	92.7	94,734	12.5	795,853	105.2
LSV ASSET MGMT	139,176,970	809,671	58.2	163,849	11.8	973,520	69.9
PYRAMIS	144,913,004	689,646	47.6	304,802	21.0	994,448	68.6
DODGE & COX FI	408,326,856	440,467	10.8	46,406	1.1	486,873	11.9
PIMCO	108,981,233	363,496	33.4	34,024	3.1	397,520	36.5
* Inception Date 5/2010							
INVESCO	-	-	0.0	-	0.0	-	0.0
* Terminated 9/2012							
RAFI**	-	-	0.0	-	0.0	-	0.0
* Terminated 6/2012							
STRATEGIC INVESTMENT SOLUTIONS	1,592,638,269	163,878	1.0	N/A	N/A	163,878	1.0
TOTAL	1,592,638,269	4,788,976	30.1	722,196	4.5	5,511,172	34.6

** RAFI fees are taken from the actual portfolio

Total Fee Summary

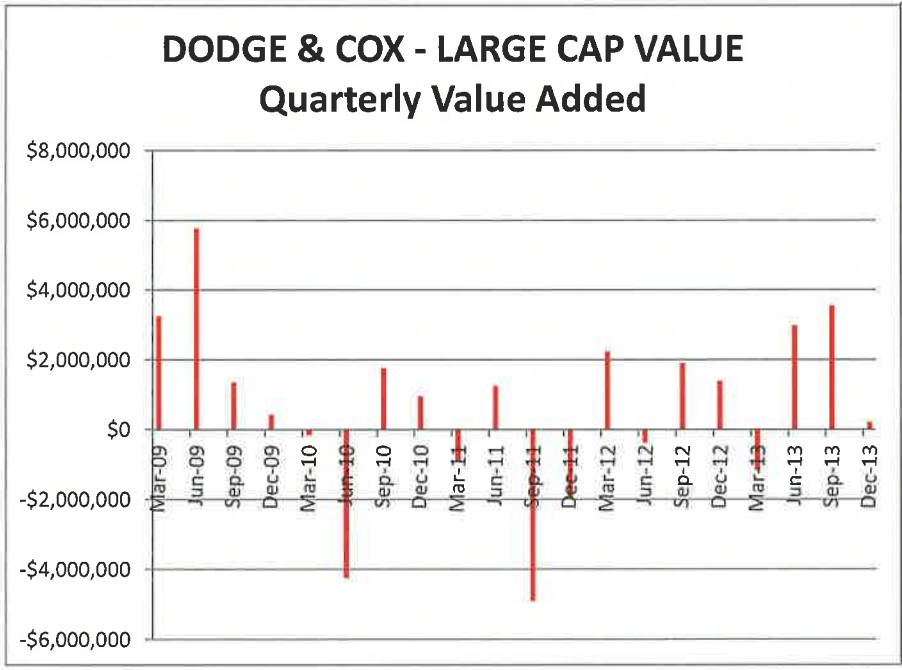
6/30/2008 Through 12/31/2013

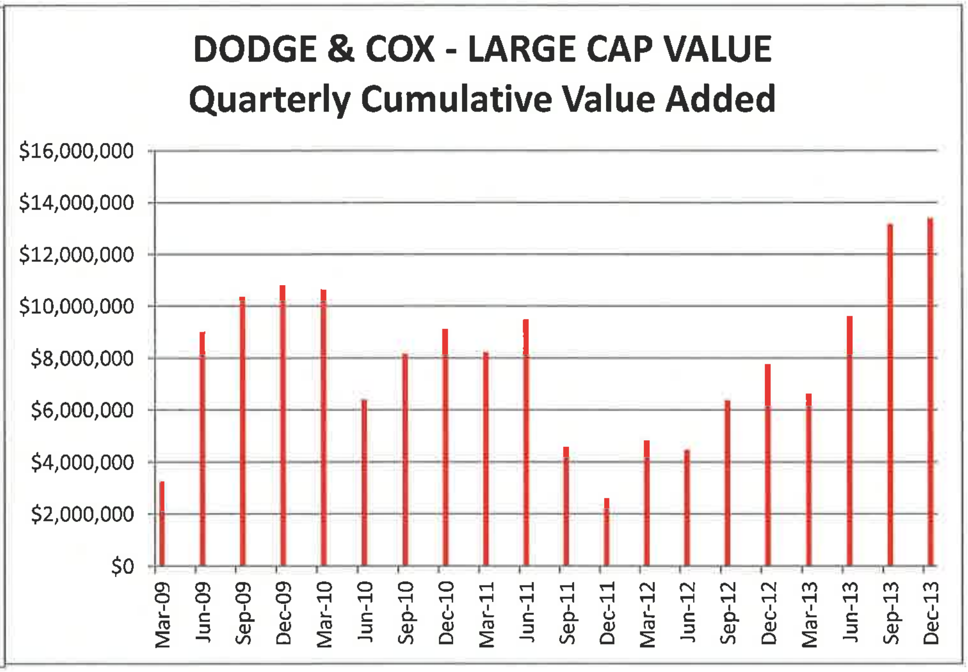
Manager	Average Dollars Managed	Managerial Fees Total	Managerial Fees Annualized Basis Points	Custodial Fees Total	Custodial Fees Annualized Basis Points	Total Fees Total	Total Fees Annualized Basis Points
DODGE & COX - LARGE CAP VALUE	158,455,382	1,745,464	20.0	79,761	0.9	1,825,225	20.9
MAZAMA - SMALL CAP GROWTH	40,030,714	142,341	71.1	1,500	0.7	143,841	71.9
* Terminated 12/2008							
DELAWARE - LARGE CAP GROWTH	105,455,420	2,913,141	50.2	53,638	0.9	2,966,779	51.2
LOOMIS SAYLES - LARGE CAP GROWTH	60,225,299	475,494	39.5	6,888	0.6	482,382	40.0
* Terminated 6/2010							
Capital Prospects - By Manager							
Bernzott	8,957,706	350,578		17,824		368,402	
Channing	14,844,199	580,958		29,537		610,495	
InView	13,948,429	545,900		27,754		573,654	
Keeley	8,253,887	323,033		16,423		339,456	
Ten/Pacific Ridge	8,701,772	340,561		17,315		357,876	
Walthausen	9,277,625	363,099		18,460		381,559	
CAPITAL PROSPECTS	63,983,618	2,504,129	78.3	127,313	4.0	2,631,442	82.3
Legato - By Manager							
CastleArk	9,249,813	432,167		63,447		495,614	
Lee Munder/Crosswinds	12,052,786	563,126		82,674		645,800	
Eudaimonia	7,848,326	366,687		53,834		420,521	
Riverbridge	13,454,273	628,606		92,287		720,893	
Stephens	13,454,273	628,606		92,287		720,893	
LEGATO CAPITAL	56,059,470	2,619,191	93.4	384,529	13.7	3,003,720	107.2
LSV ASSET MGMT	121,274,357	4,000,284	60.0	626,763	9.4	4,627,047	69.4
PYRAMIS	124,184,859	3,437,610	50.3	1,868,341	27.4	5,305,952	77.7
DODGE & COX FI	397,935,954	2,349,082	10.7	116,438	0.5	2,465,520	11.3
PIMCO	96,826,019	1,227,415	35.4	82,546	2.4	1,309,961	37.8
* Inception Date 5/2010							
INVESCO	16,336,383	332,519	47.9	89	0.0	332,608	47.9
* Terminated 9/2012							
RAFI**	-	-	0.0	-	0.0	-	0.0
* Terminated 6/2012							
STRATEGIC INVESTMENT SOLUTIONS	1,318,979,305	839,199	1.2	N/A	N/A	839,199	1.2
TOTAL	1,318,979,305	22,585,870	31.1	3,347,806	4.6	25,933,676	35.7

** RAFI fees are taken from the actual portfolio

DODGE & COX - LARGE CAP VALUE Quarterly Value Added

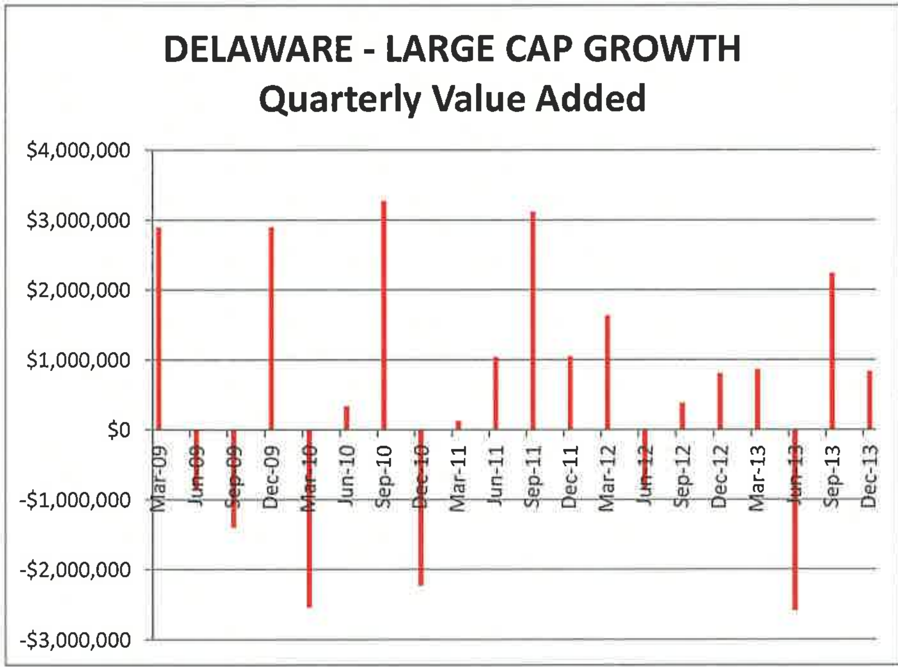
Quarter	Begin Date	End Date	Alpha	Fees Managerial	Fees Custodial	Value Added
1	12/31/2008	3/31/2009	$3,320,784	$64,395	$2,674	**$3,253,715**
2	3/31/2009	6/30/2009	$5,845,442	$74,654	$3,077	**$5,767,711**
3	6/30/2009	9/30/2009	$1,446,821	$85,652	$3,656	**$1,357,513**
4	9/30/2009	12/31/2009	$515,303	$88,756	$3,951	**$422,596**
5	12/31/2009	3/31/2010	-$57,048	$92,709	$4,133	**-$153,890**
6	3/31/2010	6/30/2010	-$4,161,579	$74,563	$3,843	**-$4,239,985**
7	6/30/2010	9/30/2010	$1,841,032	$79,904	$3,502	**$1,757,626**
8	9/30/2010	12/31/2010	$1,043,825	$86,729	$3,831	**$953,265**
9	12/31/2010	3/31/2011	-$785,178	$90,267	$4,207	**-$879,651**
10	3/31/2011	6/30/2011	$1,340,497	$88,927	$4,313	**$1,247,257**
11	6/30/2011	9/30/2011	-$4,824,229	$72,824	$3,136	**-$4,900,189**
12	9/30/2011	12/31/2011	-$1,888,926	$75,694	$2,344	**-$1,966,964**
13	12/31/2011	3/31/2012	$2,303,140	$68,984	$1,476	**$2,232,680**
14	3/31/2012	6/30/2012	-$301,101	$67,711	$2,236	**-$371,048**
15	6/30/2012	9/30/2012	$1,983,489	$71,825	$1,072	**$1,910,592**
16	9/30/2012	12/31/2012	$1,467,208	$73,225	$2,092	**$1,391,891**
17	12/31/2012	3/31/2013	-$1,072,291	$79,186	$4,665	**-$1,156,142**
18	3/31/2013	6/30/2013	$3,074,425	$80,061	$6,119	**$2,988,245**
19	6/30/2013	9/30/2013	$3,641,556	$81,796	$6,026	**$3,553,733**
20	9/30/2013	12/31/2013	$313,275	$87,811	$5,815	**$219,650**

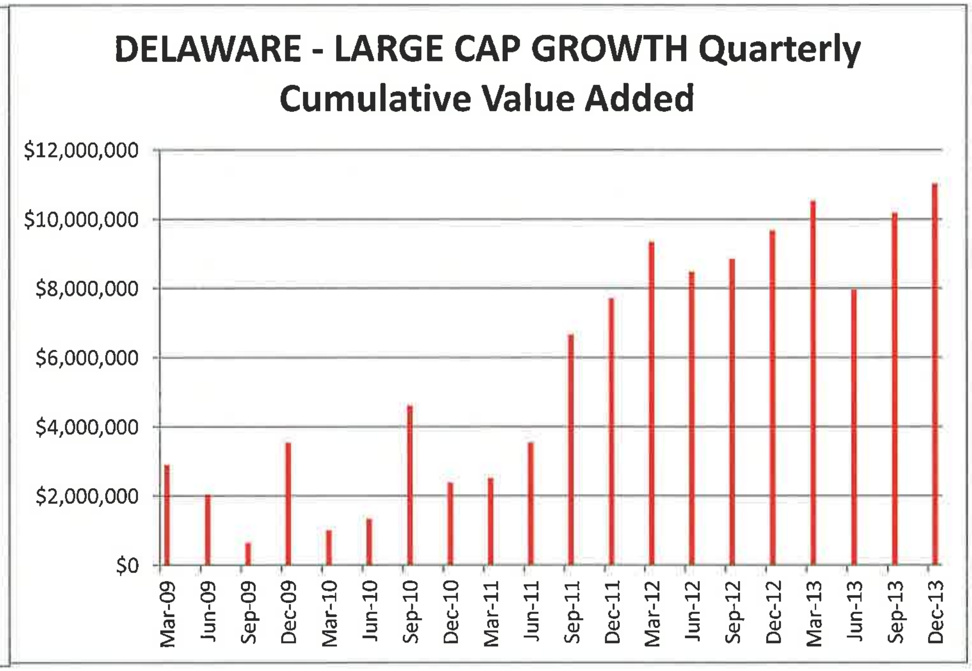




DELAWARE - LARGE CAP GROWTH Quarterly Value Added

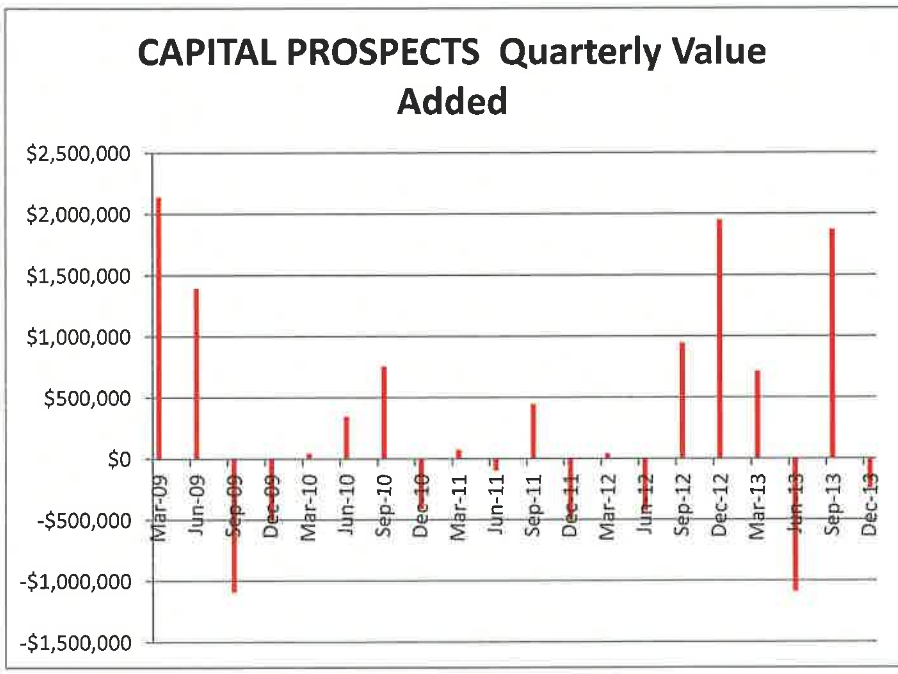
Quarter	Begin Date	End Date	Alpha	Fees Managerial	Fees Custodial	Value Added
1	12/31/2008	3/31/2009	$2,993,541	$95,708	$1,663	**$2,896,170**
2	3/31/2009	6/30/2009	-$731,767	$116,062	$1,990	**-$849,819**
3	6/30/2009	9/30/2009	-$1,263,475	$131,961	$2,328	**-$1,397,764**
4	9/30/2009	12/31/2009	$3,043,032	$143,212	$2,567	**$2,897,254**
5	12/31/2009	3/31/2010	-$2,395,031	$144,649	$2,638	**-$2,542,317**
6	3/31/2010	6/30/2010	$442,133	$106,047	$2,071	**$334,015**
7	6/30/2010	9/30/2010	$3,378,675	$101,839	$1,790	**$3,275,046**
8	9/30/2010	12/31/2010	-$2,113,459	$115,269	$2,050	**-$2,230,778**
9	12/31/2010	3/31/2011	$253,486	$125,411	$2,242	**$125,833**
10	3/31/2011	6/30/2011	$1,170,665	$129,638	$2,322	**$1,038,706**
11	6/30/2011	9/30/2011	$3,241,561	$123,443	$1,098	**$3,117,020**
12	9/30/2011	12/31/2011	$1,180,312	$127,986	$1,178	**$1,051,148**
13	12/31/2011	3/31/2012	$1,778,217	$141,840	$1,694	**$1,634,683**
14	3/31/2012	6/30/2012	-$723,810	$142,009	$1,954	**-$867,773**
15	6/30/2012	9/30/2012	$528,838	$145,968	$1,824	**$381,046**
16	9/30/2012	12/31/2012	$957,854	$147,904	$2,026	**$807,924**
17	12/31/2012	3/31/2013	$1,030,783	$159,111	$4,988	**$866,684**
18	3/31/2013	6/30/2013	-$2,421,912	$156,738	$4,430	**-$2,583,080**
19	6/30/2013	9/30/2013	$2,406,424	$160,682	$4,282	**$2,241,460**
20	9/30/2013	12/31/2013	$1,015,086	$173,996	$4,333	**$836,758**

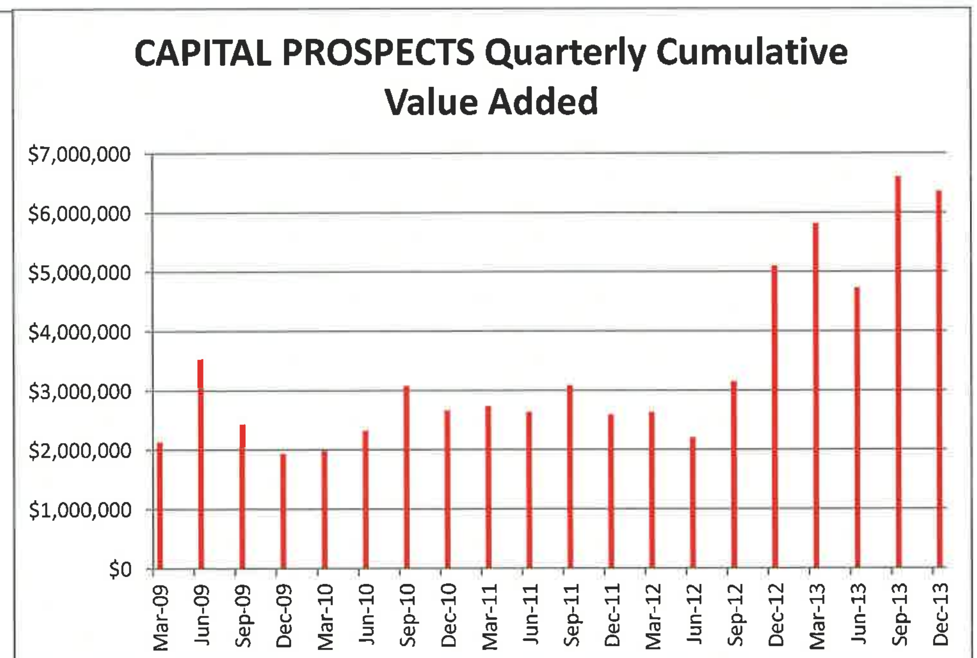




CAPITAL PROSPECTS Quarterly Value Added

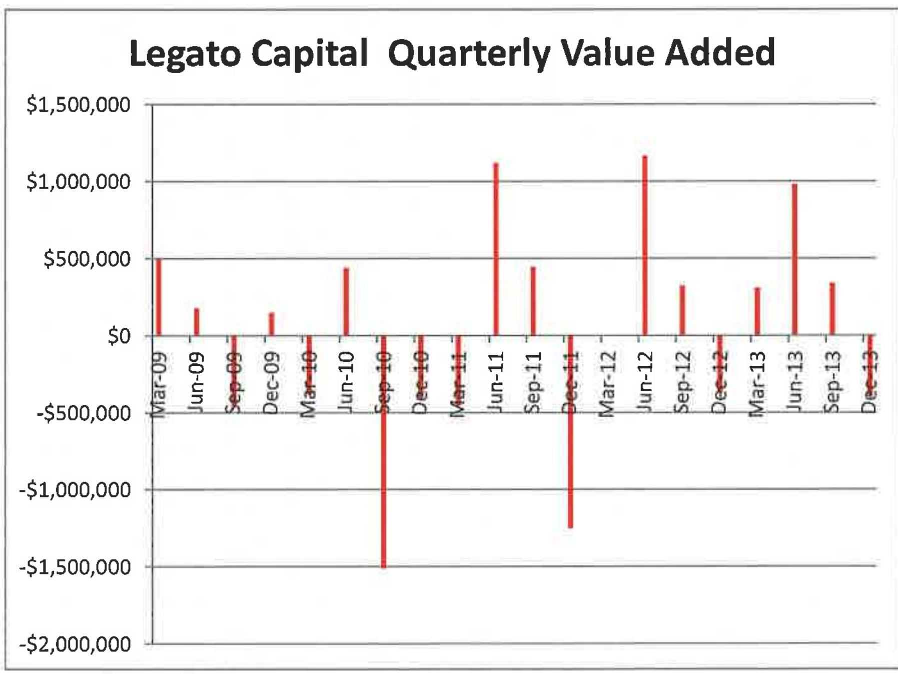
				Fees		
Quarter	Begin Date	End Date	Alpha	Managerial	Custodial	Value Added
1	12/31/2008	3/31/2009	$2,220,882	$78,443	$3,791	**$2,138,648**
2	3/31/2009	6/30/2009	$1,489,736	$94,328	$4,567	**$1,390,841**
3	6/30/2009	9/30/2009	-$975,854	$110,157	$5,394	**-$1,091,405**
4	9/30/2009	12/31/2009	-$380,938	$113,833	$5,743	**-$500,514**
5	12/31/2009	3/31/2010	$172,742	$123,719	$6,177	**$42,846**
6	3/31/2010	6/30/2010	$469,514	$120,854	$6,150	**$342,510**
7	6/30/2010	9/30/2010	$873,418	$113,604	$5,703	**$754,112**
8	9/30/2010	12/31/2010	-$279,802	$127,372	$6,342	**-$413,516**
9	12/31/2010	3/31/2011	$218,674	$139,484	$7,044	**$72,145**
10	3/31/2011	6/30/2011	$44,992	$136,107	$7,163	**-$98,278**
11	6/30/2011	9/30/2011	$557,229	$105,623	$5,628	**$445,978**
12	9/30/2011	12/31/2011	-$378,530	$108,585	$4,888	**-$492,003**
13	12/31/2011	3/31/2012	$163,761	$119,481	$5,222	**$39,057**
14	3/31/2012	6/30/2012	-$301,042	$117,427	$5,636	**-$424,106**
15	6/30/2012	9/30/2012	$1,072,679	$122,499	$5,054	**$945,126**
16	9/30/2012	12/31/2012	$2,086,673	$131,297	$5,086	**$1,950,290**
17	12/31/2012	3/31/2013	$868,837	$147,222	$7,282	**$714,334**
18	3/31/2013	6/30/2013	-$924,866	$154,313	$7,805	**-$1,086,983**
19	6/30/2013	9/30/2013	$2,047,762	$165,329	$9,476	**$1,872,957**
20	9/30/2013	12/31/2013	-$55,295	$174,451	$13,162	**-$242,909**

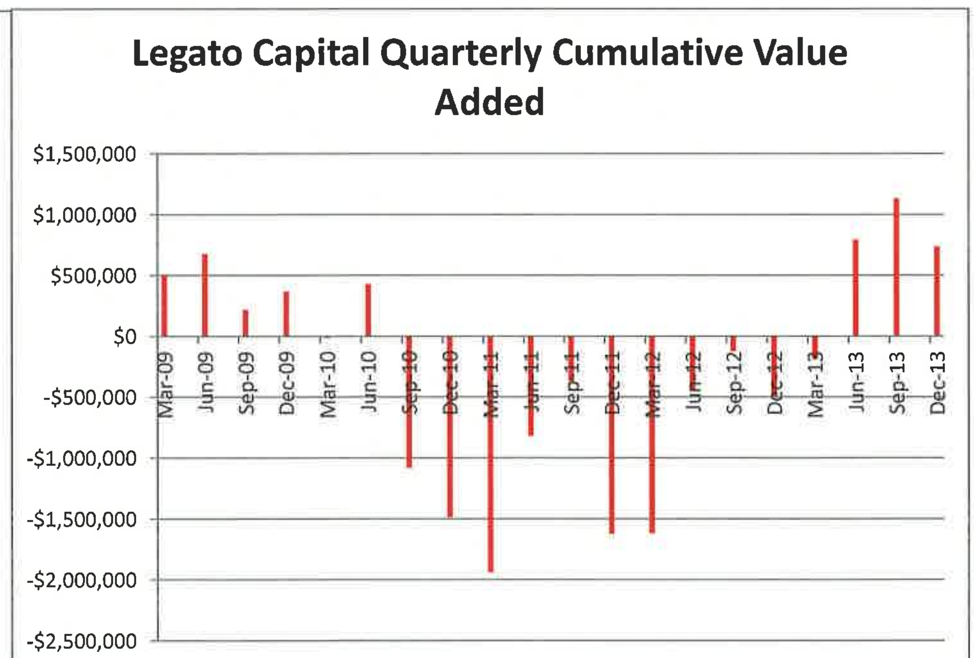




Legato Capital Quarterly Value Added

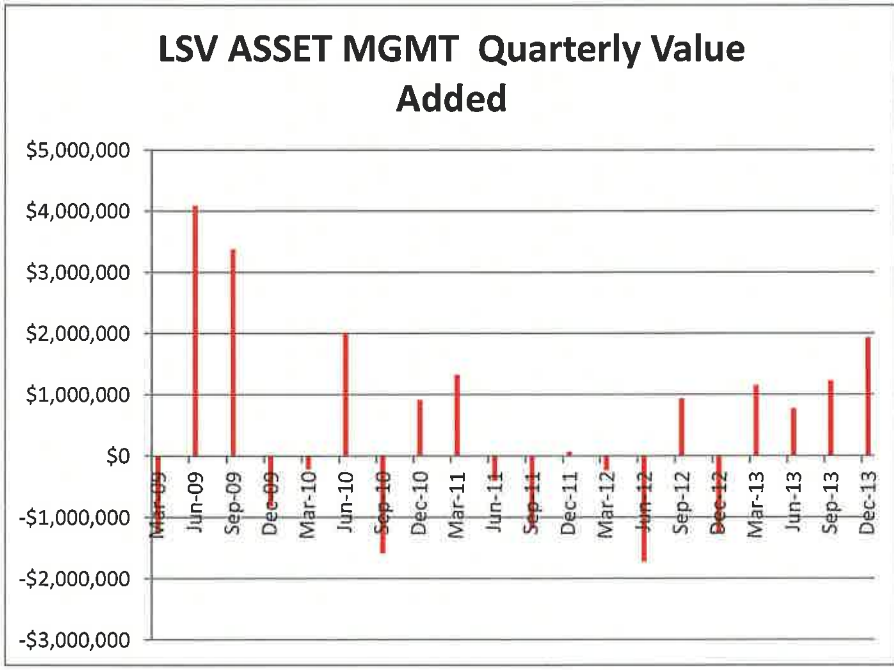
Quarter	Begin Date	End Date	Alpha	Fees Managerial	Fees Custodial	Value Added
1	12/31/2008	3/31/2009	$565,974	$57,874	$8,675	**$499,424**
2	3/31/2009	6/30/2009	$262,526	$73,140	$10,728	**$178,658**
3	6/30/2009	9/30/2009	-$337,613	$104,616	$15,387	**-$457,616**
4	9/30/2009	12/31/2009	$274,823	$108,982	$16,133	**$149,708**
5	12/31/2009	3/31/2010	-$246,517	$116,353	$17,238	**-$380,108**
6	3/31/2010	6/30/2010	$579,733	$120,704	$18,097	**$440,932**
7	6/30/2010	9/30/2010	-$1,377,562	$117,787	$17,211	**-$1,512,560**
8	9/30/2010	12/31/2010	-$246,064	$137,368	$19,740	**-$403,172**
9	12/31/2010	3/31/2011	-$280,084	$151,931	$22,252	**-$454,267**
10	3/31/2011	6/30/2011	$1,299,087	$154,501	$23,323	**$1,121,263**
11	6/30/2011	9/30/2011	$582,439	$117,446	$18,692	**$446,301**
12	9/30/2011	12/31/2011	-$1,117,167	$119,430	$16,508	**-$1,253,105**
13	12/31/2011	3/31/2012	$159,474	$130,946	$22,688	**$5,841**
14	3/31/2012	6/30/2012	$1,322,961	$131,021	$22,120	**$1,169,820**
15	6/30/2012	9/30/2012	$479,877	$135,442	$19,914	**$324,521**
16	9/30/2012	12/31/2012	-$213,207	$138,254	$21,088	**-$372,549**
17	12/31/2012	3/31/2013	$485,352	$153,975	$21,977	**$309,400**
18	3/31/2013	6/30/2013	$1,167,286	$164,612	$21,657	**$981,017**
19	6/30/2013	9/30/2013	$546,533	$183,840	$23,292	**$339,402**
20	9/30/2013	12/31/2013	-$169,512	$198,693	$27,808	**-$396,013**

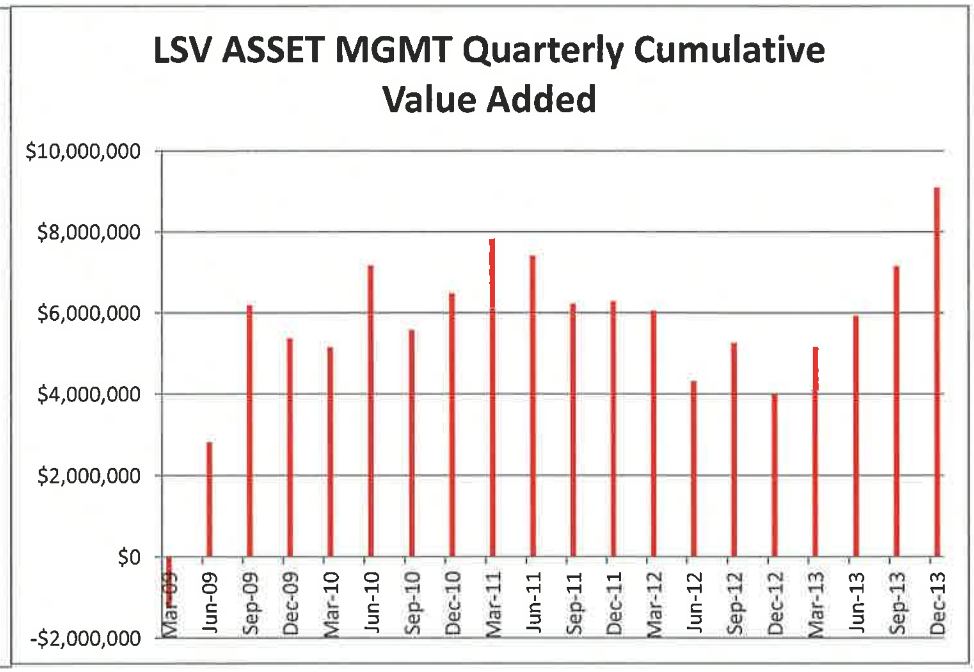




LSV ASSET MGMT Quarterly Value Added

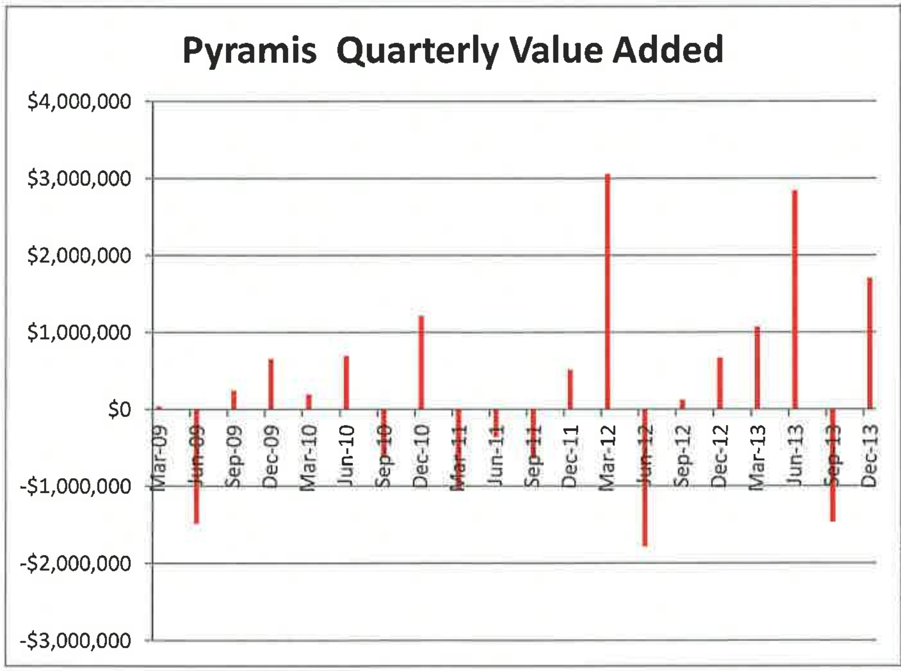
Quarter	Begin Date	End Date	Alpha	Fees Managerial	Fees Custodial	Value Added
1	12/31/2008	3/31/2009	-$1,129,287	$125,734	$17,929	**-$1,272,950**
2	3/31/2009	6/30/2009	$4,280,311	$163,383	$22,515	**$4,094,412**
3	6/30/2009	9/30/2009	$3,601,604	$193,494	$27,633	**$3,380,477**
4	9/30/2009	12/31/2009	-$594,243	$198,631	$30,417	**-$823,291**
5	12/31/2009	3/31/2010	$12,530	$197,281	$31,000	**-$215,751**
6	3/31/2010	6/30/2010	$2,217,667	$175,374	$28,763	**$2,013,530**
7	6/30/2010	9/30/2010	-$1,372,452	$193,603	$28,530	**-$1,594,585**
8	9/30/2010	12/31/2010	$1,147,771	$204,620	$31,330	**$911,821**
9	12/31/2010	3/31/2011	$1,566,189	$206,820	$33,859	**$1,325,510**
10	3/31/2011	6/30/2011	-$164,056	$205,220	$34,467	**-$403,742**
11	6/30/2011	9/30/2011	-$1,004,436	$163,726	$19,932	**-$1,188,094**
12	9/30/2011	12/31/2011	$251,061	$168,642	$15,576	**$66,843**
13	12/31/2011	3/31/2012	-$33,570	$180,121	$26,254	**-$239,945**
14	3/31/2012	6/30/2012	-$1,538,936	$168,468	$21,326	**-$1,728,730**
15	6/30/2012	9/30/2012	$1,147,740	$181,141	$26,629	**$939,969**
16	9/30/2012	12/31/2012	-$1,051,237	$189,009	$23,035	**-$1,263,282**
17	12/31/2012	3/31/2013	$1,391,454	$191,543	$43,031	**$1,156,880**
18	3/31/2013	6/30/2013	$1,004,560	$190,029	$39,759	**$774,771**
19	6/30/2013	9/30/2013	$1,475,950	$208,847	$38,465	**$1,228,639**
20	9/30/2013	12/31/2013	$2,200,502	$219,252	$42,595	**$1,938,655**

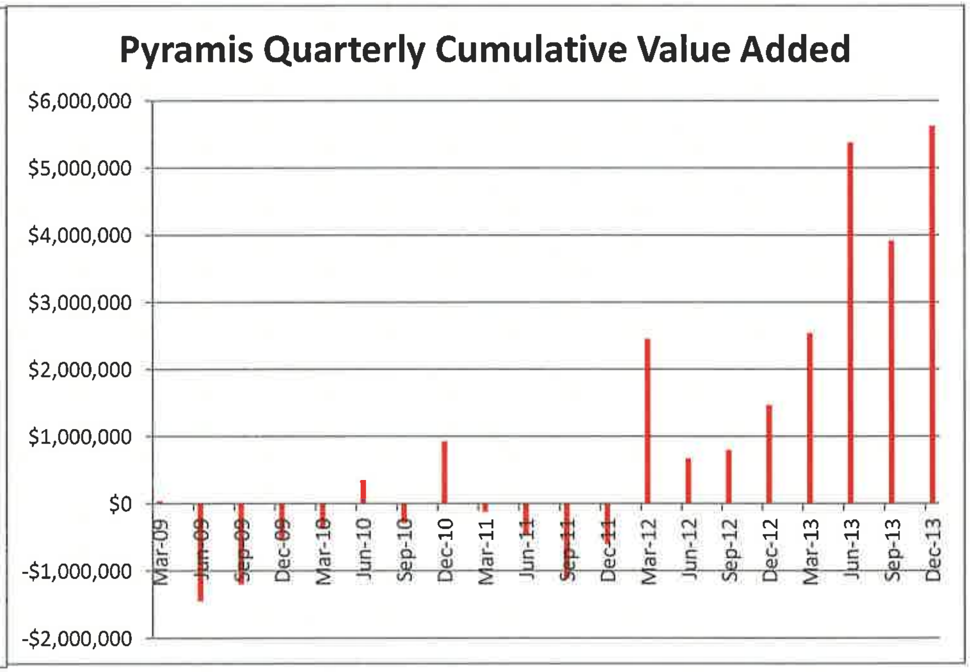




Pyramis Quarterly Value Added

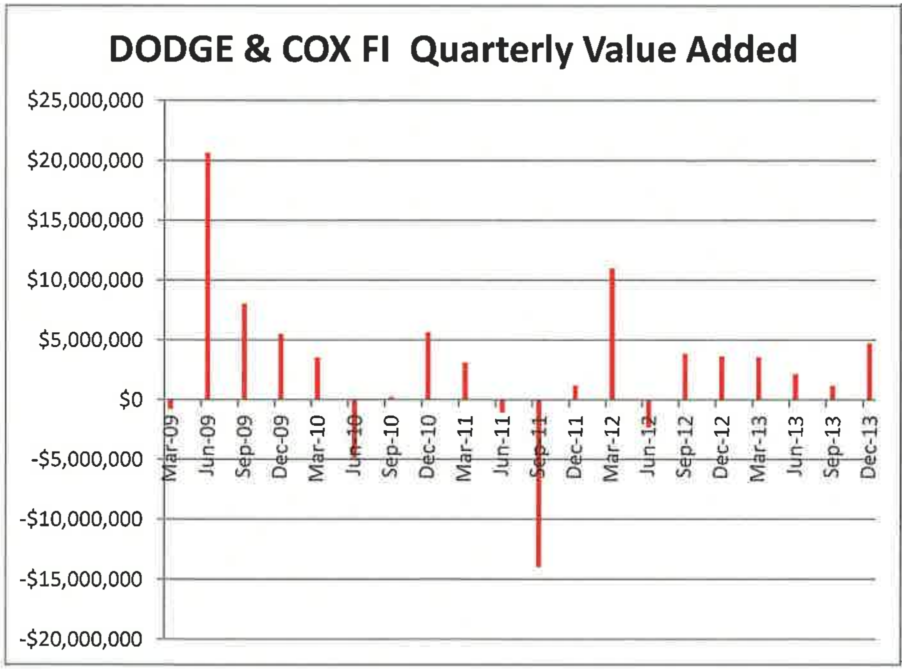
Quarter	Begin Date	End Date	Alpha	Fees: Managerial	Fees: Custodial	Value Added
1	12/31/2008	3/31/2009	$209,883	$118,436	$54,570	**$36,876**
2	3/31/2009	6/30/2009	-$1,281,976	$137,529	$65,502	**-$1,485,008**
3	6/30/2009	9/30/2009	$475,247	$151,346	$78,481	**$245,420**
4	9/30/2009	12/31/2009	$899,710	$157,601	$85,989	**$656,121**
5	12/31/2009	3/31/2010	$439,347	$157,772	$86,437	**$195,138**
6	3/31/2010	6/30/2010	$934,572	$154,446	$86,232	**$693,894**
7	6/30/2010	9/30/2010	-$387,602	$159,074	$86,739	**-$633,414**
8	9/30/2010	12/31/2010	$1,481,008	$168,380	$96,144	**$1,216,484**
9	12/31/2010	3/31/2011	-$772,440	$174,287	$101,681	**-$1,048,408**
10	3/31/2011	6/30/2011	-$81,072	$173,911	$103,461	**-$358,445**
11	6/30/2011	9/30/2011	-$383,265	$153,665	$98,953	**-$635,883**
12	9/30/2011	12/31/2011	$749,781	$148,898	$86,186	**$514,697**
13	12/31/2011	3/31/2012	$3,315,164	$155,807	$101,988	**$3,057,369**
14	3/31/2012	6/30/2012	-$1,542,684	$151,167	$89,339	**-$1,783,190**
15	6/30/2012	9/30/2012	$367,768	$154,539	$92,086	**$121,143**
16	9/30/2012	12/31/2012	$937,742	$160,345	$107,241	**$670,156**
17	12/31/2012	3/31/2013	$1,346,178	$167,103	$102,864	**$1,076,211**
18	3/31/2013	6/30/2013	$3,098,710	$169,551	$87,738	**$2,841,421**
19	6/30/2013	9/30/2013	-$1,227,803	$171,817	$63,218	**-$1,462,838**
20	9/30/2013	12/31/2013	$1,939,479	$181,175	$50,982	**$1,707,322**

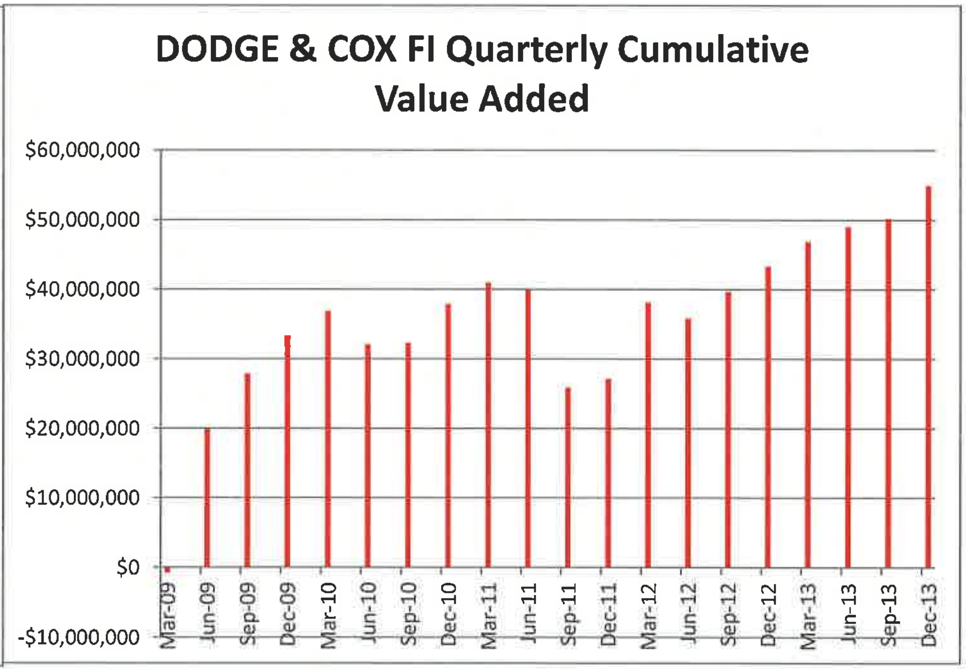




DODGE & COX FI Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees Managerial	Custodial	Value Added
1	12/31/2008	3/31/2009	-$674,934	$101,942	$5,231	**-$782,108**
2	3/31/2009	6/30/2009	$20,762,262	$93,348	$5,185	**$20,663,728**
3	6/30/2009	9/30/2009	$8,095,535	$96,022	$4,765	**$7,994,748**
4	9/30/2009	12/31/2009	$5,598,814	$94,950	$4,729	**$5,499,134**
5	12/31/2009	3/31/2010	$3,610,418	$96,543	$4,719	**$3,509,156**
6	3/31/2010	6/30/2010	-$4,695,333	$98,358	$4,807	**-$4,798,498**
7	6/30/2010	9/30/2010	$304,813	$100,758	$4,940	**$199,115**
8	9/30/2010	12/31/2010	$5,724,549	$100,934	$5,014	**$5,618,601**
9	12/31/2010	3/31/2011	$3,197,808	$102,236	$5,036	**$3,090,536**
10	3/31/2011	6/30/2011	-$969,737	$107,254	$5,260	**-$1,082,251**
11	6/30/2011	9/30/2011	-$13,865,344	$116,701	$1,899	**-$13,983,943**
12	9/30/2011	12/31/2011	$1,326,142	$115,860	$1,433	**$1,208,849**
13	12/31/2011	3/31/2012	$11,121,304	$113,310	$1,364	**$11,006,630**
14	3/31/2012	6/30/2012	-$2,191,044	$113,009	$1,363	**-$2,305,417**
15	6/30/2012	9/30/2012	$3,967,160	$113,951	$1,395	**$3,851,813**
16	9/30/2012	12/31/2012	$3,730,794	$113,934	$1,355	**$3,615,505**
17	12/31/2012	3/31/2013	$3,702,213	$114,526	$11,741	**$3,575,946**
18	3/31/2013	6/30/2013	$2,279,219	$110,496	$11,520	**$2,157,204**
19	6/30/2013	9/30/2013	$1,298,298	$108,799	$11,616	**$1,177,882**
20	9/30/2013	12/31/2013	$4,842,996	$106,646	$11,529	**$4,724,821**





PIMCO Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees Managerial	Fees Custodial	Value Added
1	3/31/2010	6/30/2010	$780,844	$46,533	$2,719	**$731,591**
2	6/30/2010	9/30/2010	$689,748	$73,608	$4,686	**$611,454**
3	9/30/2010	12/31/2010	-$302,620	$72,769	$4,742	**-$380,131**
4	12/31/2010	3/31/2011	$134,401	$73,072	$4,688	**$56,641**
5	3/31/2011	6/30/2011	$56,698	$74,250	$4,779	**-$22,331**
6	6/30/2011	9/30/2011	$263,605	$76,362	$4,339	**$182,904**
7	9/30/2011	12/31/2011	$100,614	$79,352	$4,814	**$16,448**
8	12/31/2011	3/31/2012	$233,707	$89,913	$5,312	**$138,482**
9	3/31/2012	6/30/2012	$592,931	$91,631	$4,314	**$496,986**
10	6/30/2012	9/30/2012	$610,260	$93,044	$4,589	**$512,627**
11	9/30/2012	12/31/2012	$190,266	$93,384	$4,741	**$92,141**
12	12/31/2012	3/31/2013	$502,849	$93,617	$8,030	**$401,202**
13	3/31/2013	6/30/2013	-$564,526	$91,614	$8,540	**-$664,680**
14	6/30/2013	9/30/2013	$121,688	$89,248	$9,381	**$23,058**
15	9/30/2013	12/31/2013	-$212,034	$89,017	$8,072	**-$309,124**