



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
832 12th Street, Suite 600
Modesto, CA 95354
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www.stancera.org
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AGENDA

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

**February 28, 2012
2:00 p.m.**

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

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

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

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

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

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.

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 8, 2012, Administrative Meeting Minutes [View](#)
- b. Approval of the February 17, 2012, Special Meeting Minutes [View](#)
- c. StanCERA Investment Managers Review List for Quarter Ending December 31, 2011 [View](#)

6. Report on Board Portal Systems and Demonstration of the "Diligent BoardBooks" [View](#)

- a. Discussion and Action on Potential Acquisition of a Board Portal System for Board of Retirement Meetings

7. Semi-Annual Performance Report by Dodge & Cox - Fixed Income and Large Cap Value Equity Securities [View](#)

8. Semi-Annual Performance Report by PIMCO – Core Fixed Income [View](#)

9. Strategic Investment Solutions (SIS), Inc.

- a. Investment Performance Analysis for Fourth Quarter Ending December 31, 2011 [View](#)
- b. Monthly Performance Review for the Month Ending January 31, 2012 [View](#)
- c. Report on "Top 10 Holdings" by StanCERA Investment Managers as of January 31, 2012 [View](#)
- d. Investment Manager Review List – Performance Through December 31, 2011 [View](#)
- e. StanCERA Investment Management Fees for Calendar Year 2011 [View](#)
- f. Discussion and Direction – "Stop-Loss" Guidelines for StanCERA's Special Situations Fund [View](#)
- g. Discussion of Potential Investment Educational Topics for 2012

10. Executive Director Report

- a. Discussion and Action Re: Entering Into Lease with Raymond James for Office Space at 832 12th St., 6th Floor
- b. Verbal Update on the Determination of Tax Compliance Letter Submission to the Internal Revenue Service (IRS)
- c. Verbal Update on Visits to StanCERA's Special Districts, February 15-16, 2012

11. Closed Session

Pursuant to Government Code Section 54956.9(a) regarding litigation, the following matter(s) will be heard in closed session.

- a. Conference with Legal Counsel – Pending Litigation – One Case:
In Re Bank of New York Mellon Corporation False Claims Act Foreign Exchange Litigation, Ex rel. FX Analytics v. The Bank of New York Mellon Corporation
U. S. District Court, Northern District, Case No. 3:11-cv-05683-JCS
- b. Conference with Legal Counsel – Pending Litigation – One Case:
Dennis Nasrawi et al v. Buck Consultants, LLC, Santa Clara County Superior Court Case No. 1-11-CV202224

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

13. Adjournment



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PLEASE POST FOR EMPLOYEE VIEWING

BOARD OF RETIREMENT MINUTES

February 8, 2012

Members Present: Jim DeMartini, Gordon Ford, Darin Gharat, Mike Lynch, Ron Martin, Michael O'Neal and Donna Riley

Members Absent: *Maria De Anda, Jeff Grover*

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Luiana Irizarry, Administrative Assistant
Kathy Herman, Operations Manager
Dawn Lea, Benefits Manager
Kathy Johnson, Accountant
Michele Silva, Retiring Benefits Manager

Others Present: Fred Silva, General Legal Counsel
Stan Risen and Doris Foster County Chief Executive Office

1. Meeting called to order at 2:00 p.m. by Jim DeMartini, Chair.

2. **Roll Call**

3. **Announcements**

Mr. Santos congratulated Michele Silva, StanCERA Benefits Manager, on her retirement.

Mr. Santos announced the Board will discuss a potential "Stop Loss" agreement for special investments at the February 28, 2012 Board of Retirement meeting.

Mr. Santos announced that a conflict will prevent him from attending the February 28, 2012 Board of Retirement meeting.

4. **Public Comment**

None.

5. **Consent Items**

Mr. DeMartini requested to pull Consent Item #5d for discussion.

Consent Item Pulled for Discussion

5c. Receipt of the 2012 Board of Retirement Standing Committee Assignments

Mr. DeMartini announced that Donna Riley requested that she be removed from the Strategic Planning Committee, Gordon Ford was assigned in her place.

Motion was made by Michael O'Neal and seconded by Darin Gharat to approve the 2012 Board of Retirement Standing Committee Assignments, replacing Donna Riley on the Strategic Planning Committee with Gordon Ford.

Motion Carried

Motion was made by Darin Gharat and seconded by Ron Martin to approve the following items as listed.

Motion Carried

- a. Approval of the January 24, 2012, Investment Meeting Minutes
- b. Approval of the Cost of Living Adjustment (COLA) Effective April 1, 2012, for Payment on May 1, 2012, per Government Code Section 31870.1
- d. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
 - 1. Frank Brown, SBT, Effective 01-28-12
 - 2. Roxanne Dawson, DCSS, Effective 01-14-12
 - 3. David Day, Sheriff, Effective 02-25-12
 - 4. Berta De French, Superior Courts, Effective 01-18-12
 - 5. Gordon Divanian, Ag Commissioner, Effective 01-20-12
 - 6. Lawana Earl, HSA, Effective 02-04-12
 - 7. Sheila Edwards-Carol, CSA, Effective 02-13-12
 - 8. Virginia Grayston, HSA, Effective 02-02-12
 - 9. Darlene Leonard, Sheriff, Effective 01-22-12
 - 10. Linda Marion, CSA, Effective 02-04-12
 - 11. Julie Mueller, Public Guardian, **Effective 01-04-12 (Correction see list of 01/11/12 Board of Retirement Meeting)**
 - 12. Paula O'Leary, Alliance Worknet, Effective 02-24-12
 - 13. Mark Ottoboni, Sheriff, Effective 02-24-12
 - 14. Carol Palmer, BHRS, Effective 02-02-12
 - 15. Frank Payne, Jr., Sheriff, Effective 02-11-12
 - 16. Michele Silva, StanCERA, Effective 02-11-12
 - 17. Wanda Silveira, DCSS, Effective 02-02-12
 - 18. Lex Snow, Public Works, Effective 02-04-12
 - 19. Tanya Stowe, HSA, Effective 02-01-12
 - 20. Gary Gene Thompson, Sheriff, Effective 02-07-12

5. **Consent Items (Cont.)**

e. Approval of Deferred Retirement(s) – **Section 31700**

1. Debra Bush, CSA, Effective 01-04-12
2. Randy Crook, OES, Effective 06-21-11
3. Kathryn Harwell, CSA, 12-17-11
4. Vincent Kimbrough, Sheriff, Effective 06-07-11
5. Anneka Rogers, Alliance Worknet, Effective 01-08-11
6. Shannon Sandobal, County Fire Service Fund, Effective 06-21-11
7. Gary Grant Thompson, Superior Courts, Effective 10-22-11
8. Katherine Trent, Superior Courts, Effective 07-02-11
9. Matthew Wagner, Sheriff, Effective 01-30-11

f. Approval of Death Benefit

1. Sandra Hopp, Deceased, January 24, 2012, Active Member,
Option Pursuant to Government Code Sections 31781, 31781.1, or 31781.3

6. **Executive Director Report**

- a. Board Study Session – Plan Maturity and Pension Risk
- b. Verbal Update on Disability Meeting with Staff of Risk Management, Sheriff,
and Chief Executive Offices on December 16, 2011

Ms. Lea reported that the meeting regarding disability retirements gave each department the opportunity to explain their connection to the disability process. This opened new path ways in obtaining necessary records to process disabilities timely. Sheriff Christianson explained that he does not intend to make any permanent accommodations with staff levels the way they are now. It has been agreed that StanCERA will begin hosting semi-annual disability meetings in an effort to continue an open line of communication with interested parties.

7. **Committee Reports and Recommendations for Action**

STANDING COMMITTEES

- a. Internal Governance Committee, Maria De Anda, Chair
 - i. Discussion and Action on Attendance and Travel Costs for The Los Angeles County Employees' Retirement Association's (LACERA) 5th Annual Pension Trustees Round-Up, February 27-28, 2012, Los Angeles, CA

Motion was made by Mike Lynch and seconded by Michael O'Neal to approve attendance and travel costs for The Los Angeles County Employees' Retirement Association's (LACERA) 5th Annual Pension Trustees Round-Up, February 27-28, 2012, Los Angeles, CA

Motion carried.

8. **Closed Session**

Motion was made by Darin Gharat and seconded by Ron Martin to commence to Closed Session at 3:21 p.m.

Motion carried.

Mr. Gharat recused himself at 3:22 p.m.

Mr. Gharat returned at 3:27 p.m.

Motion was made by Darin Gharat and seconded by Mike Lynch to return to Open Session at 4:35 p.m.

Motion carried.

Heard Out of Order

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

Mr. Santos gave a brief update on the Administrator's Roundtable in Burbank on January 27th. One of the topics discussed was pension reform. The general feeling was that we should be preparing ourselves for the potential of administering a hybrid pension plan.

Mr. Santos suggested that at some point in the near future, staff may be bringing an item to the Board looking for guidance and direction on research for the administration of a hybrid plan.

Mr. DeMartini made a request to have more presentations on alternative investments.

Mr. DeMartini suggested that in the future, all members listed 2nd on Standing Committee changes for the coming year would be designated as Vice-Chair.

Heard Out of Order

8. **Closed Session**

Motion was made by Darin Gharat and seconded by Ron Martin to return to Closed Session at 4:44 p.m.

Motion carried.

Motion was made by Darin Gharat and seconded by Ron Martin to return to Open Session at 4:49 p.m.

Motion carried.

8. **Closed Session - Heard out of Order (Cont.)**

Ms. Irizarry read the findings of the Closed Session:

- a. Conference with Legal Counsel - Discussion and Action - One Case:
Charley Eugene Corle v. Stanislaus County Employees' Retirement
Association, et al., Stanislaus County Superior Court Case No. 644754
Government Code Section 54956.9(a)

Motion was made by Michael O'Neal and seconded by Ron Martin to approve
the Memorandum of Costs submitted by Charley Corle.

Motion carried unanimously.

- b. Conference with Legal Counsel - Discussion and Action on the
Administrative Recommendation for Retired Member Arnulfo Garcia's
Application for a Service-Connected Disability Retirement Benefit
Government Code Section 54956.9(b)(1)

Motion was made by Ron Martin and seconded by Darin Gharat to approve
Arnulfo Garcia's application for a service-connected disability retirement benefit
effective July 31, 2010.

Motion carried unanimously.

- c. Conference with Legal Counsel – Real Estate Negotiations
Government Code Section 54956.8

Motion was made by Darin Gharat and seconded by Mike Lynch to approve
the following staff recommendations:

1. Approve the continued use of Bosso Williams, APC (Teresa "Terry" V. Rein,
primary) as counsel for current and future issues regarding the vacant space on
the 6th floor of 832 12th Street.
2. Reject RJI's current proposal and direct staff to continue negotiations with the help
of Terry Rein and Peter Zeff with parameters to be determined by the Board of
Retirement.
3. In the event that RJI rejects all offers, give staff direction to begin research and put
together a project plan to be approved by the Board for build-out of the 6th floor
vacant space.

Motion carried unanimously.

8. **Closed Session - Heard out of Order (Cont.)**

Mr. Santos recused himself at 4:29 p.m.

- d. Conference with Legal Counsel – Personnel Matter Pursuant to Government Code Section 54957(b)(1)

Motion was made to authorize counsel to draft an amendment to the Executive Director's Personnel Agreement.

Motion carried unanimously.

Mr. Santos returned at 4:33 p.m.

Mr. O'Neal and Joan Clendenin recused themselves at 4:37 p.m.

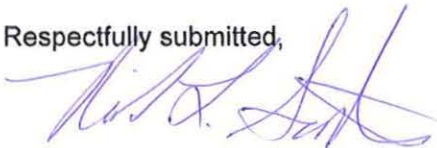
- e. Conference with Legal Counsel - Pending Litigation – One Case:
Dennis Nasrawi et al v. Buck Consultants, LLC, Santa Clara County
Superior Court Case No. 1-11-CV202224
Government Code Section 54956.9(a)

No Report

10. **Adjournment**

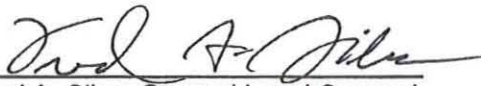
Meeting adjourned at 4:52 p.m.

Respectfully submitted,



Rick Santos, Executive Director

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

By: 
Fred A. Silva, General Legal Counsel



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PLEASE POST FOR EMPLOYEE VIEWING

SPECIAL MEETING

BOARD OF RETIREMENT MINUTES

February 17, 2012

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

Members Absent: *Jim DeMartini and Donna Riley*

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Kathy Herman, Operations Manager
Kelly Cerny Executive Board Secretary

Others Present: Fred Silva, General Legal Counsel
Peter Zeff, PMZ Realty
Terry Rein, Esq., Bosso Williams via
teleconference

1. Meeting called to order at 2:02 p.m. by Darin Gharat, Vice Chair

2. **Roll Call**

3. **Announcements**

None.

4. **Public Comment**

None.

Mr. Gharat asked Board members to take a few minutes to review the documents presented for Closed Session.

5. **Closed Session**

Motion was made by Michael O'Neal and seconded by Maria De Anda to commence to Closed Session at 2:07 p.m.

Motion carried.

Motion was made by Michael O'Neal and seconded by Ron Martin to return to Open Session at 2:34 p.m.

Motion carried.

Ms. Cerny read the findings of the Closed Session:

- a. Conference with Legal Counsel – Real Estate Negotiations
Government Code Section 54956.8

Property: 832 12th Street, Modesto, California
Agency Negotiator: Rick Santos, StanCERA Executive Director
Negotiating Party: Raymond James
Under Negotiation: Amount of Rent and Terms of Lease

Motion was made by Ron Martin and seconded by Maria De Anda to accept the letter of intent between StanCERA and Raymond James, and direct staff to draft a lease based on the information in this Letter of Intent and present the lease to the Board of Retirement for action in March 2012.

Motion carried.

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

None.


7. **Adjournment**

Meeting adjourned at 2:36 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

02/28/12

Item #5c

StanCERA Investment Managers

Total Fund

Taken From SIS Quarterly Investment Performance Analysis Reports

6/30/08 through 6/30/11

	12/31/2008	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011
1 Quarter	56	63	7	11	7	13	92	29	16	45	68	85	30
1 Year/Fiscal Year To Date	72	71	31	7	5	7	16	36	19	22	30	77	85
Over 3 years	92	90	74	51	35	31	47	41	38	13	16	8	14
Over 5 years	91	93	77	52	45	37	43	47	41	47	38	59	54

Note: Ranking 1 is highest & 100 lowest

StanCERA Investment Managers

Peer Ranking For Returns Over 1 Year/Fiscal Year To Date

Taken From SIS Quarterly Investment Performance Analysis Reports

12/31/08 through 12/31/11

	12/31/2008	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011
S&P 500	56	53	50	61	48	56	56	47	46	55	52	32	28
BlackRock 1,000 V	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50	59	68	64	44	30
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	47	47	49	29	23
Delaware	50	27	23	19	20	54	39	13	55	52	35	16	2
Dodge & Cox	71	73	53	18	39	40	59	83	23	41	39	63	83
Legato	n/a	36	24	39	64	63	62	66	69	71	60	56	61
Capital Prospects	n/a	64	61	76	89	85	82	40	43	39	42	34	42
LSV	82	81	53	17	12	16	13	34	47	25	35	46	48
Pyramis	84	70	71	41	19	21	28	28	22	26	37	60	34
Dodge & Cox FI	57	62	23	7	22	18	29	45	21	22	27	70	89
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56	59	56	30	14
Invesco	93	90	62	17	5	6	8	11	8	11	15	94	95
Research Affiliates	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
Loomis Sayles	89	91	97	84	30	26	35	n/a	n/a	n/a	n/a	n/a	n/a
I Shares	27	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 2/22/2012

StanCERA Investment Managers
Peer Ranking For Returns Over One Quarter
 Taken From SIS Quarterly Investment Performance Analysis Reports
 12/31/08 through 12/31/11

	12/31/2008	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011
S&P 500	57	41	51	67	47	56	46	51	53	60	53	30	50
BlackRock 1,000 V	n/a	n/a	n/a	n/a	73	42	25	65	44	59	57	35	42
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	50	53	36	52	30	25
Delaware	35	15	43	75	6	95	34	24	87	27	26	7	10
Dodge & Cox	44	52	21	31	63	42	78	44	21	73	38	73	65
Legato	n/a	36	25	69	54	60	42	69	52	63	27	56	65
Capital Prospects	n/a	36	70	87	71	52	34	31	67	43	50	37	73
LSV	81	39	5	8	36	45	26	71	28	12	71	61	51
Pyramis	77	24	30	33	19	38	40	36	22	56	71	61	42
Dodge & Cox FI	44	73	10	28	20	16	93	72	8	22	71	90	41
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	25	91	63	23	13	54
Invesco	92	81	5	5	10	15	92		29	60	42	99	7
Loomis Sayles	82	22	92	69	10	23	67	n/a	n/a	n/a	n/a	n/a	n/a
I Shares	58	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 2/22/2012

StanCERA Investment Managers

Peer Ranking For Returns Over 3 Years

Taken From SIS Quarterly Investment Performance Analysis Reports

12/31/08 through 12/31/11

	12/31/2008	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/30/2011
S&P 500	61	60	64	74	67	64	62	60	62	62	57	52	50
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
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
Delaware	n/a	n/a	n/a	65	51	59	49	54	68	60	26	15	6
Dodge & Cox	75	73	66	57	54	57	70	62	65	61	60	46	39
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	61
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	64
LSV	80	83	63	48	53	54	52	52	39	34	29	26	17
Pyramis	n/a	n/a	43	31	31	26	27	45	48	39	54	38	36
Dodge & Cox FI	59	66	44	25	29	18	33	27	16	11	15	17	32
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
Invesco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	18	14	20	6
Research Affiliates	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
Loomis Sayles	n/a	n/a	n/a	98	96	97	98	n/a	n/a	n/a	n/a	n/a	n/a
I Shares	48	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

StanCERA Investment Managers

Peer Ranking For Returns Over 5 Years

Taken From SIS Quarterly Investment Performance Analysis Reports

12/31/08 through 12/31/11

	12/31/2008	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011
S&P 500	72	71	75	83	73	73	69	67	68	66	64	60	61
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
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
Delaware	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	43	34
Dodge & Cox	58	66	55	40	57	58	59	70	71	75	69	72	73
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
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
LSV	n/a	n/a	n/a	35	36	41	34	40	31	35	40	48	42
Pyramis	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	34	34	24
Dodge & Cox FI	63	63	36	15	18	18	22	25	16	18	21	36	39
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
Invesco	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
Research Affiliates	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
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
I Shares	86	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



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

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

**For the Retirement Board meeting
Held on February 28, 2012
Page 1 of 3**

02/28/12

Item #6

TO: Retirement Board

FROM: Joyce Parker, IT Coordinator

I. SUBJECT: Board Portal systems.

II. RECOMENDATIONS:

1. Approve the goals and requirements as stated.
2. Direct staff to pursue detailed pricing from major vendors and bring back for approval.
OR
Direct staff to pursue generic no/low cost options for secure transmission of confidential documents.

III. ANALYSIS: October 20, 2011 Trustee Jeff Grover coordinated a demonstration of the "Diligent Boardbooks" Board Portal System. Attending the demonstration were Trustee Mike Lynch and StanCERA staff Kelly Cerny, Kathy Herman and Joyce Parker.

An evaluation of available Board Portal systems was initiated. Four systems were evaluated; Diligent BoardBooks, BoardVantage, BoardEffects, and Sire. All systems met the stated requirements (see page 3). The primary differences in the systems were the additional features included and the initial and on-going costs. Examples of additional features are; board calendaring, meeting RSVP, individual task lists, board polling and e-voting, discussion forums and chat, board member directory and profiles and board meeting videos. Since StanCERA's needs are not anticipated to include use of the additional features, the higher priced systems with extraneous features were not further considered. Staff gave additional consideration to systems that used native "apps" because they have a security edge in the current technology environment.

Hardware (iPads) for Board Portal system access would also need to be procured. Either participating Board members can purchase their own iPads and be free to use them for personal access or StanCERA can purchase the iPads and standard County policy use restrictions will apply. *Both scenarios would require StanCERA IT support.*

StanCERA currently supports two Board agenda disbursement systems; paper and an unsecured web site. A Board Portal system would not eliminate the need for either of these systems. The paper disbursement will be needed for Board members who prefer paper and the web agenda posting will be required for public access. *Adding a Board Portal system will be a net addition to staff agenda preparation workload.*

OPTIONS:

1. No Change: Continue with paper disbursement of agenda packets and web posting of all but confidential material.
2. No/low cost option: Encourage Trustees to use the current web access for the public agenda and addendums and use a cloud based system (Such as Google Docs, Google Sites, or various other free/low cost option with secured access) for board access to confidential material. The StanCERA retirement board already has an established secure site for sharing committee information and documents (<https://sites.google.com/site/stanceraboard/>). A similar approach could be used for accessing confidential agenda documents. Additional security could be added by encrypting the documents on the site. This approach is basically hardware agnostic so Trustees could use their preferred device.
3. Purchase Board Portal system: There are several Board Portal systems commercially available; reviews for Diligent Boardbooks, BoardEffect, BoardVantage and Directors Desk are available. All seem to meet the above requirements and include additional features. All come with support. A Buyer's Guide to board portal systems can be found here: <http://www.greatboards.org/pubs/Board-Portal-Buying-Guide-final.pdf>

IV. BUDGET IMPACT:

In addition to the current cost of \$34,500 per year for agenda preparation and web posting, budgeting for all Board Portal systems must include initial hardware purchase, system set up, staff training and on-going licensing based on the number of users. iPads start at \$500 each. A reasonable estimate for Board Portal yearly licensing is \$1000 per user. If all board members use the system, plus 3 staff members, on-going costs would be \$14,000 per year. System set up and training costs vary and may be negotiable.

V. STRATEGIC PLAN:

Goal 3: StanCERA will maximize its efficiency and customer service through the implementation of current technology.

Joyce Parker, IT Coordinator

Kathy Herman, Operations Manager

**StanCERA Board Portal System
Proposed Goals and Requirements**

GOALS:

1. Increase Trustee efficiency and ease of access.
2. Reduce or eliminate hard-copy dispersal of board agendas and agenda addendums, including confidential documents.
3. Increase security of disbursed confidential materials.

REQUIREMENTS:

1. All documents must be available from any location at all times.
2. Documents must be available using multiple devices regardless of hardware or operating systems.
3. Documents must be easily accessible and clearly navigable.
4. Documents should allow and save individual annotations.
5. Confidential documents must be secure.
6. Minimize redundancy in Board materials preparation and dispersement.

Investment Review

- I. Dodge & Cox Update
- II. Fixed Income Portfolio Review
- III. Equity Portfolio Review
- IV. Supplemental Exhibits

Stanislaus County Employees' Retirement Association

February 28, 2012

Representing Dodge & Cox:

Steven H. Cassriel, Vice President

Robert B. Thompson, Vice President

This information was prepared at the above-named client's request in connection with a review of the client's account. Dodge & Cox does not guarantee the future performance of any account (including Dodge & Cox mutual funds) or any specific level of performance, the success of any investment decision or strategy that Dodge & Cox may use, or the success of Dodge & Cox's overall management of an account. Investment decisions made for a client's account by Dodge & Cox are subject to various market, currency, economic, political, and business risks (foreign investing, especially in developing countries, has special risks such as currency and market volatility and political and social instability), and those investment decisions will not always be profitable. While every effort is made to ensure accuracy, no representation is made that all information in this presentation is accurate or complete. Neither the information nor any opinion expressed in this presentation constitutes an offer to buy or sell the securities mentioned. This information is the confidential and proprietary product of Dodge & Cox. Any unauthorized use, reproduction, or disclosure is strictly prohibited.

Dodge & Cox Update

Key Characteristics of Our Organization

January 1, 2012

Over 80 Years of Investment Experience

Dodge & Cox was founded in 1930. We have a stable and well-qualified team of investment professionals, most of whom have spent their entire careers at Dodge & Cox.

Independent Organization

Ownership of Dodge & Cox is limited to active employees of the firm. Currently there are 80 shareholders and 216 total employees.

One Business

Dodge & Cox provides domestic, international and global equity, fixed income, and balanced account management.

Single Investment Office Location

We maintain close communication among our investment professionals by managing investments from one office in San Francisco.

Independent Research Staff

Thorough fundamental analysis of each investment allows us to make independent, long-term decisions for our clients' portfolios.

Dodge & Cox Assets Under Management (\$ in billions)

December 31, 2011

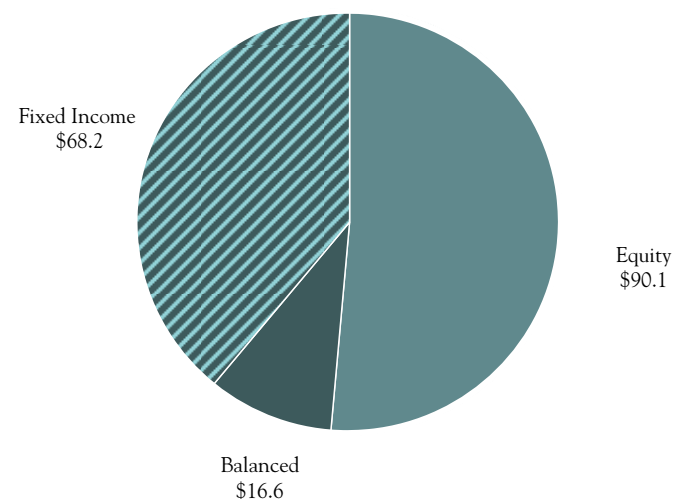
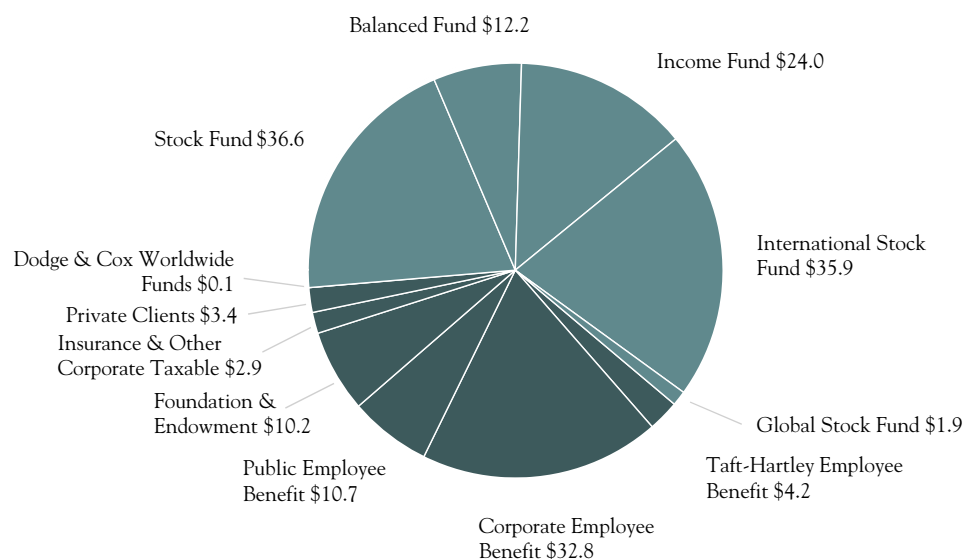
\$174.9 in Total Assets: \$102.5 in Equities / \$72.4 in Fixed Income

Client Type

Account Type

Dodge & Cox Funds: \$110.6 billion
 Dodge & Cox Worldwide Funds (Ireland): \$128 million

 Separate Accounts: \$64.2 billion



Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Experienced & Stable Investment Team

December 31, 2011

Industry Analysts & Equity Managers / Years / Coverage

	Years	
John Gunn	39	Chairman Emeritus
Kenneth Olivier	32	Chairman and Chief Executive Officer
Bryan Cameron	28	Senior Vice President and Director of Research
Charles Pohl	27	Co-President and Chief Investment Officer
Gregory Serrurier	27	Senior Vice President and Portfolio Manager
Wendell Birkhofer	24	Portfolio Manager
Diana Strandberg	23	Senior Vice President and Director of International Equity
Kevin Johnson	22	Portfolio Manager/Energy, Integrated Oils
Steven Cassriel	19	Portfolio Manager / Railroads, Air Freight, Airlines
David Hoeft	18	Senior Vice President and Associate Director of Research, Computer Hardware & Software
Steven Voorhis	15	Pharmaceuticals, India
John Iannuccillo	14	Aerospace, Electrical Equipment, Paper, Analytical Instruments
Mario DiPrisco	13	Banks (EMEA, Latin America), Latin America
Roger Kuo	13	Media & Entertainment, Internet, EM, China, Hong Kong
Keiko Horkan	11	Banks (U.S. & Japan), Specialty / Consumer Finance, Japan
Karol Marcin	11	Insurance, Central Europe
Amanda Nelson	11	Telecom Equipment, Natural Gas Pipelines, Electric Utilities, Turkey, Greece
Lily Beischer	10	Telecom (Asia), Retail, Footwear & Apparel, Cosmetics, Philippines, Indonesia
Richard Callister	9	Machinery, Medical Devices, Scandinavia
Englebert Bangayan	9	Commercial Services, Transportation, Homebuilders, EM Asia Industrial, Oil Services
Raymond Mertens	8	REITs, Hotels, Commercial Printing, Healthcare Services, Consumer Products
Philippe Barret, Jr.	7	Banks (Regional U.S., Asia ex. Japan), Brokers, Investment Managers & Exchanges, Imaging
Karim Fakhr	5	Appliances, Building Products & Home Improvement (U.S.), Biotech & Pharma
Joel-Patrick Millsap	5	Telecom Services (South America, Africa & Europe), Autos
Kathleen McCarthy	4	Beverages, Restaurants, EMEA Consumer, Building Products (International)
Paritosh Somani	4	Metals & Mining, Computer Services, EM Asia Consumer
Tae Yamaura	3	Connectors, Logic Semiconductors, Japan
Arun Palakurthy	3	Consumer Electronics, Memory Semiconductors, Telecom Services (Americas), Video Games
Benjamin Garosi	2	Chemicals
Hallie Marshall	New	Special Projects

Fixed Income Analysts & Managers / Years / Coverage

Dana Emery	28	Co-President and Director of Fixed Income, Corporates
Robert Thompson	19	Agencies, Special Situations
Shirlee Neil	19	Corporates
Thomas Dugan	17	Senior Vice President and Associate Director of Fixed Income, Mortgage-Backed Securities
Stephanie Notowich	16	Mortgage-Backed Securities
Kent Radspinner	15	Asset-Backed Securities, TIPS
Nancy Kellerman	14	Municipals
Larissa Roesch	14	Corporates, Scandinavia, Thailand
James Dignan	12	Mortgage-Backed Securities
E. Saul Peña	11	Corporates
Thinh Le	10	Corporates
Jay Stock	9	Analytics Systems, Other Research
Adam Rubinson	9	Corporates, Auto Finance
Anthony Brekke	8	Corporates
Nils Reuter	8	Mortgage-Backed Securities
Lucinda Johns	7	Corporates, South Africa
Linda Chong	6	Mortgage & Asset-Backed Securities, Korea, Malaysia
Nicholas Lockwood	4	Municipals, Treasury Trading
Michael Kiedel	3	Corporates
Matthew Schefer	3	Corporates
Gabriel Sod Hoffs	New	Macroeconomy, Currency

Investment Policy Committee

Stock & Balanced Funds, Separately Managed Equity & Balanced Portfolios

	Years		Years
John Gunn	39	Wendell Birkhofer	24
Kenneth Olivier	32	Diana Strandberg	23
Bryan Cameron	28	David Hoeft	18
Charles Pohl	27	Steven Voorhis	15
Gregory Serrurier	27	Average Tenure:	26

International Investment Policy Committee

International Stock Fund

John Gunn	39	Diana Strandberg	23
Bryan Cameron	28	Mario DiPrisco	13
Charles Pohl	27	Roger Kuo	13
Gregory Serrurier	27	Keiko Horkan	11
		Average Tenure:	23

Global Investment Policy Committee

Global Stock Fund

John Gunn	39	Roger Kuo	13
Charles Pohl	27	Karol Marcin	11
Diana Strandberg	23	Lily Beischer	10
Steven Voorhis	15	Average Tenure:	20

Fixed Income Investment Policy Committee

Income & Balanced Funds, Separately Managed Fixed Income & Balanced Portfolios

Dana Emery	28	Larissa Roesch	14
Charles Pohl	27	James Dignan	12
Robert Thompson	19	Adam Rubinson	9
Thomas Dugan	17	Anthony Brekke	8
Kent Radspinner	15	Average Tenure:	17

Years of experience at Dodge & Cox are updated annually in May.

Fixed Income Portfolio Review

Stanislaus County Employees Retirement Association-Bond Acct

Account # 1607

December 31, 2011 Portfolio Summary

	Market Value 12/31/11	%	Estimated Annual Income	Current Yield
Fixed Income Securities	\$403,879,744	97.5 %	\$22,215,411	5.5 %
Cash	6,154,727	1.5	615	-
Total Under Management	\$410,034,471	99.0 %	\$22,216,026	5.4%
Accrued Income	4,298,088	1.0		
Total	\$414,332,559	100.0 %	\$22,216,026	5.4%

Stanislaus County Employees Retirement Association-Bond Acct

Account # 1607

December 31, 2011 Time Weighted Total Rates of Return

<u>Account Summary</u>	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/83
Fixed Income Securities	1.46%	5.61%	10.05%	7.06%	6.51%	9.44%
Total Portfolio *	1.42	5.49	9.79	6.90	6.39	9.40
Total Portfolio (Net of Fees)	1.40	5.40	9.70	6.81	6.30	9.29
 <u>Comparative Indices</u>						
Barclays Capital US Aggregate Bond Index	1.12	7.86	6.78	6.51	5.78	8.24

NOTE: Performance returns do not reflect the deduction of investment management fees and are annualized for periods greater than one year, unless otherwise noted.

* Before 4/1/01, Account No. 1607 did not include cash equivalents.

Stanislaus County Employees Retirement Association-Bond Acct

Account # 1607

January 31, 2012 Time Weighted Total Rates of Return

<u>Account Summary</u>	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/83
Fixed Income Securities	2.11%	2.43%	7.43%	10.41%	7.47%	6.68%	9.50%
Total Portfolio *	2.07	2.36	7.26	10.14	7.30	6.55	9.45
Total Portfolio (Net of Fees)	2.06	2.34	7.18	10.05	7.21	6.47	9.34

Comparative Indices

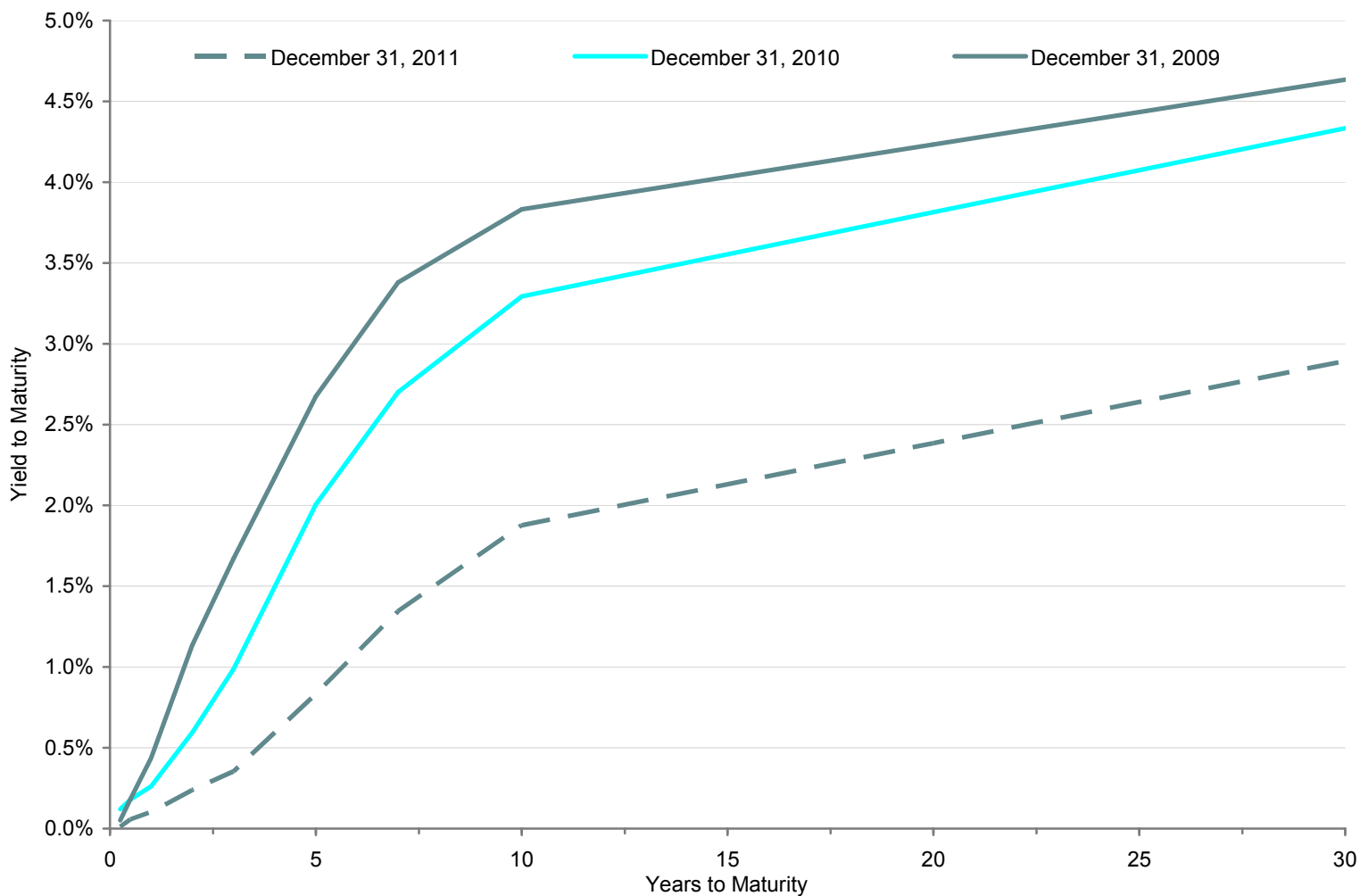
Barclays Capital US Aggregate Bond Index	0.88	1.90	8.68	7.41	6.70	5.79	8.25
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NOTE: Performance returns do not reflect the deduction of investment management fees and are annualized for periods greater than one year, unless otherwise noted.

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U.S. Treasury Yield Curves

December 31, 2011

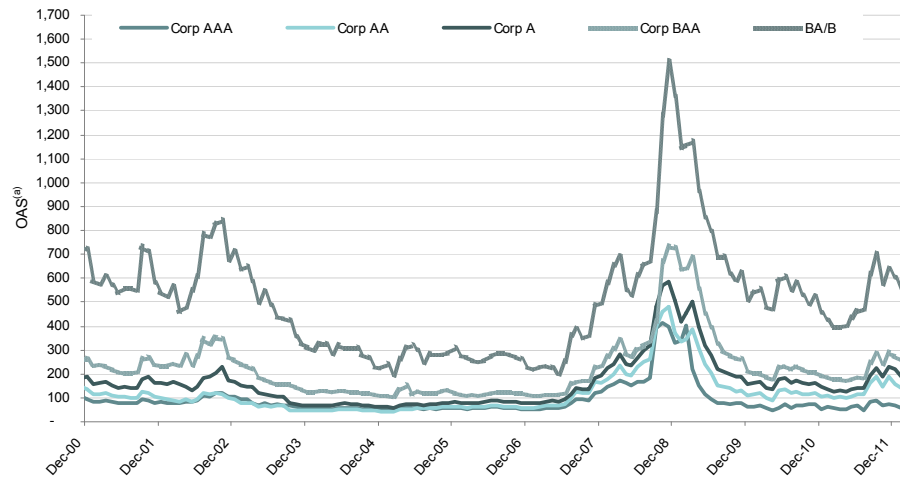


Source: Bloomberg LP. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

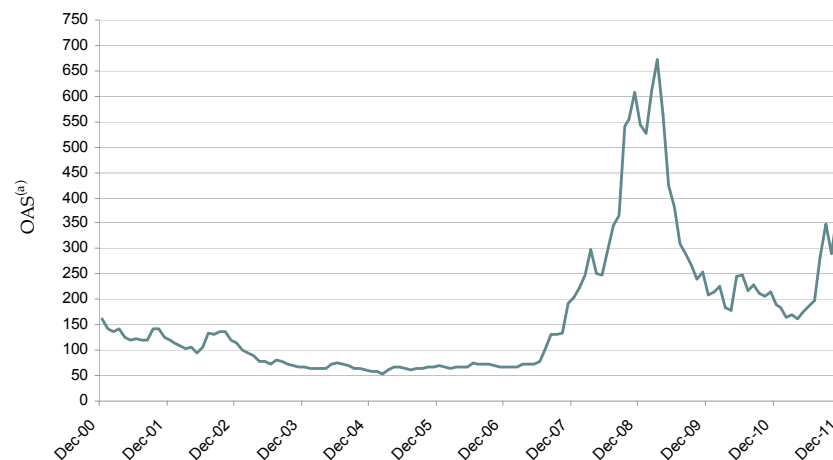
U.S. Bond Market Conditions

January 31, 2012

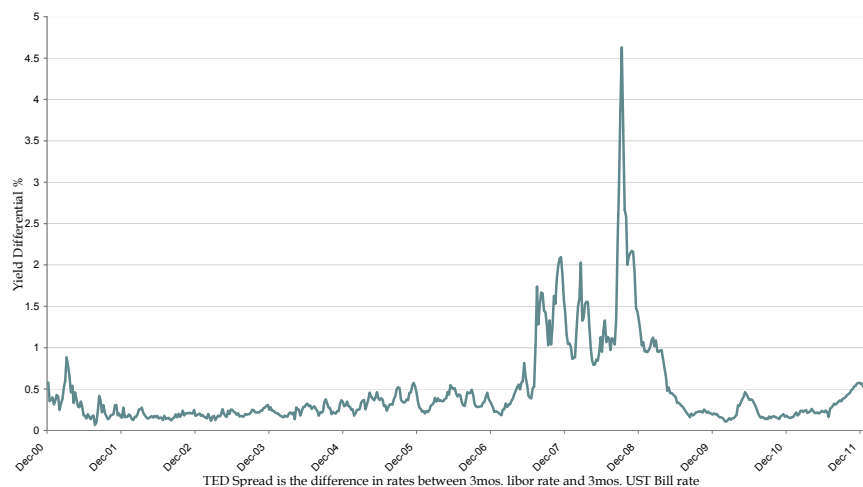
Barclays Capital Quality Rating Indices



Barclays Capital Banking Index



TED Spread



Barclays Capital U.S. MBS Index



^(a)OAS (option-adjusted spread) is the option-adjusted yield differential between stated index and comparable U.S. Treasuries. OAS does not translate into a return.

Source: Barclays Capital, Bloomberg. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Performance Attribution

One Year Ending December 31, 2011

Stanislaus County Employees Retirement Association-Bond Acct

Portfolio (gross of fees): 5.49%

Barclays Capital Aggregate Bond Index: 7.86%

Market Changes

- Treasury yields declined for the year: two-year Treasury yields declined by 35 bps to 0.24%, 5-year Treasuries declined by 117 bps to 0.83%, 10-year Treasuries declined by 142 bps to 1.88%, and 30-year Treasuries declined by 144 bps to 2.89%. For the year, the Treasury sector returned 9.8%.^(a)
- The investment-grade corporate sector returned 8.2% and underperformed comparable-duration Treasuries for the year by 3.7%. Financial Institutions returned 3.2% and significantly underperformed the Industrial (+10.5%) and Utility (+13.2%) sectors.
- Agency-guaranteed MBS returned 6.2% for the period and underperformed comparable-duration Treasuries by 1.1%.

Dodge & Cox – Relative Return Factors

- The portfolio's *corporate sector overweight* hampered relative returns as the corporate sector underperformed considerably in 2011, most notably during the third quarter. The portfolio's *overweight to Financial Institutions* was a particular headwind as this sector fared the worst for the year.
- The portfolio's *shorter relative duration* and Treasury sector underweight detracted significantly from relative returns as interest rates declined and Treasuries outperformed other broad sectors.
- Many *individual issues* performed well, including AT&T, Dow Chemical, HCA, and Macy's, but this was offset by underperformance among certain financial and/or lower-rated corporate holdings (e.g., AIG, Bank of America, Citigroup, Sprint).
- The portfolio's Agency MBS outperformed comparable-duration alternatives.
- The portfolio's *nominal yield advantage* benefited relative returns.
- The portfolio's *taxable municipal holdings* performed extremely well relative to credit and MBS alternatives.

^(a)Source of sector returns: Barclays Capital indices.

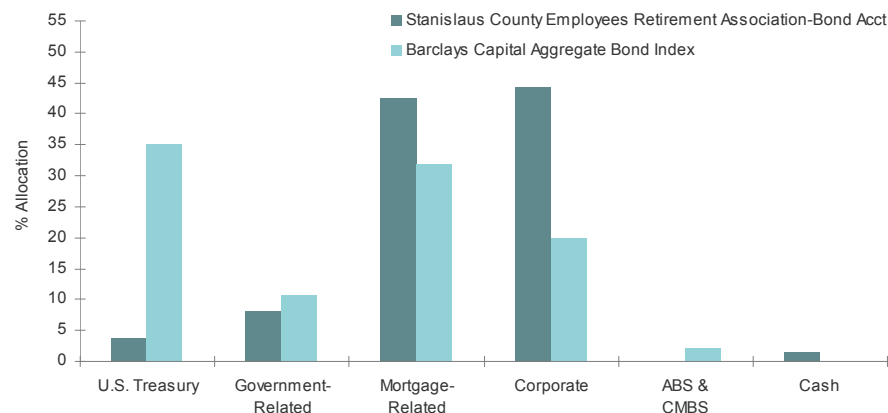
The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings.

Portfolio Structure

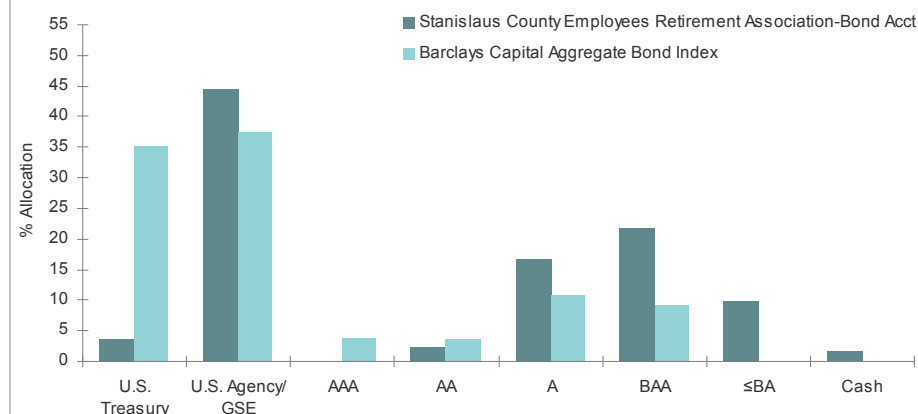
December 31, 2011

Stanislaus County Employees Retirement Association-Bond Acct

Sector Composition



Quality Composition



Weighted-Average Summary Characteristics

	Stanislaus County Employees Retirement Association-Bond Acct	Barclays Capital Aggregate Bond Index
Yield-to-Maturity ^(a)	3.50%	2.24%
Quality ^(b)	A+	AA+
Effective Maturity	6.7 Years	7.1 Years
Effective Duration	4.1 Years	5.0 Years

^(a)Yield and principal value fluctuate with market conditions. ^(b)In calculating a portfolio's weighted average quality, Dodge & Cox translates each security's rating from an alpha value to a numerical value (if a security is unrated, Dodge & Cox assigns a rating in accordance with our internal policy), calculates a weighted average numerical rating, and then translates the resulting number back into an alpha value based on the same scale. All cash and portfolio holdings are included in this calculation. Both Dodge & Cox and the Barclays Index apply a methodology using a linear numerical scoring system. Other methodologies could produce a lower weighted-average quality. The portfolio's weighted average quality is not a rating of the portfolio by an independent rating agency and should not be considered an assessment of the stability or safety of the portfolio.

Source: The YieldBook, Inc., Bloomberg LP, Interactive Data's BondEdge, Barclays Capital POINT. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice.

Equity Portfolio Review

Stanislaus County Employees Retirement Association - Equity

Account # 827

December 31, 2011 Portfolio Summary

	Market Value 12/31/11	%	Estimated Annual Income	Current Yield
Equity Securities	\$120,443,349	98.9%	\$2,759,075	2.3 %
Cash	1,355,484	1.1	136	-
Total Under Management	\$121,798,833	100.0%	\$2,759,211	2.3%

Stanislaus County Employees Retirement Association - Equity

Account # 827

December 31, 2011 Time Weighted Total Rates of Return

<u>Account Summary *</u>	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/72
Equity Securities	12.3%	-3.5%	13.4%	-3.5%	4.8%	11.3%
Total Portfolio **	12.4	- 3.1	13.0	- 3.0	5.0	11.3
Total Portfolio (Net of Fees)	12.4	- 3.3	12.8	- 3.1	4.8	11.1
 <u>Comparative Indices</u>						
Standard & Poor's 500 Composite	11.8	2.1	14.1	- 0.3	2.9	9.6
Russell 1000 Value Index	13.1	0.4	11.6	- 2.6	3.9	N.A.

NOTE: Performance returns do not reflect the deduction of investment management fees and are annualized for periods greater than one year, unless otherwise noted.

* Account established 6/14/68; performance prior to 12/31/72 is not available.

** Before 4/1/01, Account No. 827 did not include cash equivalents.

Stanislaus County Employees Retirement Association - Equity

Account # 827

January 31, 2012 Time Weighted Total Rates of Return

<u>Account Summary *</u>	1 Month	3 Months	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/72
Equity Securities	5.9%	6.3%	- 1.0%	19.6%	- 2.9%	5.4%	11.4%
Total Portfolio **	5.8	6.7	- 0.6	18.8	- 2.3	5.6	11.5
Total Portfolio (Net of Fees)	5.8	6.6	- 0.8	18.6	- 2.5	5.4	11.2
 <u>Comparative Indices</u>							
Standard & Poor's 500 Composite	4.5	5.3	4.2	19.2	0.3	3.5	9.7
Russell 1000 Value Index	3.8	5.3	1.9	17.6	- 2.2	4.4	N.A.

NOTE: Performance returns do not reflect the deduction of investment management fees and are annualized for periods greater than one year, unless otherwise noted.

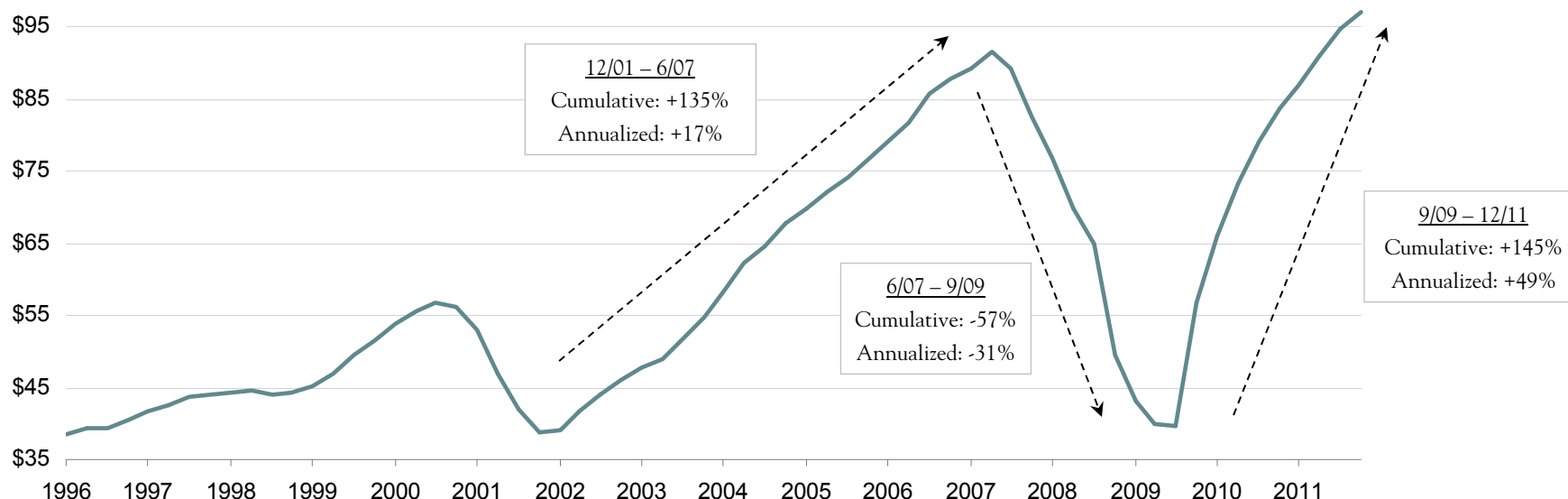
* Account established 6/14/68; performance prior to 12/31/72 is not available.

** Before 4/1/01, Account No. 827 did not include cash equivalents.

Corporate Earnings Rebounding

December 31, 2011

Q1 96 – Q4 11E: S&P 500 Operating Earnings per Share, Rolling 4 Quarters

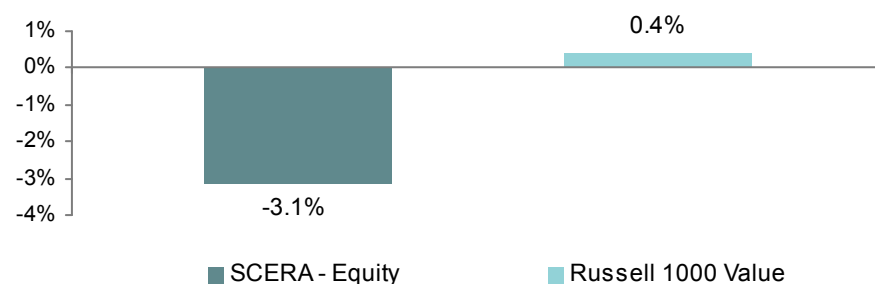


Source: Standard & Poor's. Operating earnings estimates are bottom-up, which include estimates of each firm in the index. The final quarter includes estimated earnings, which may be higher than actual earnings. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Comparative Investment Results

One Year Ending December 31, 2011

Stanislaus County Employees Retirement Association-Equity vs. Russell 1000 Value Twelve-Month Total Return, Gross of Fees



Key Contributors to Relative Results	Average Weight		Performance	
	Account	Index	Account	Index
Financials	17%	26%	-21%	-17%
Consumer Discretionary	17%	9%	+6%	+5%
Health Care	19%	13%	+13%	+17%

Strongest performing holdings: DISH Network (+57%), Regeneron Pharmaceuticals (+53%), Lowe's (+34%), Pfizer (+29%), and Electronic Arts (+28%)

Key Detractors from Relative Results

Information Technology	20%	7%	-12%	-2%
Utilities	-	7%	-	+19%
Energy	10%	13%	-6%	+4%

Weakest performing holdings: Nokia (-51%), Computer Sciences Corp. (-51%), Genworth Financial (-50%), Bank of America (-49%), and Sony (-49%)

Source: FactSet. Holding period performance is shown for each security and may be shorter than the performance period shown for the account due to the timing of purchases and sales. Sectors are ranked by total relative effect from attribution analysis. Individual holdings are ranked by holding period total return. FactSet returns can vary from other sources due to methodology differences. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by advisory fees and other expenses incurred in the management of your account. The securities identified do not represent the account's entire holdings; holdings are subject to change at any time without notice. Returns represent past performance and do not guarantee future results.

Performance Attribution: Sectors

One Year Ending December 31, 2011

Stanislaus County Employees Retirement Association-Equity (-3.1%) vs. Russell 1000 Value (+0.4%)
Twelve-Month Total Return, Gross of Fees

	Account		Index		Total Impact on Return vs. Index
	Average Weight	Total Return	Average Weight	Total Return	
Financials	17.2%	-20.7%	26.2%	-17.1%	+0.9%
Consumer Discretionary	17.3%	+6.4%	8.6%	+5.2%	+0.7%
Health Care	18.8%	+13.0%	12.6%	+17.2%	+0.3%
Industrials	7.3%	-2.3%	9.0%	+0.0%	-0.2%
Materials	3.2%	-13.2%	2.9%	-6.8%	-0.2%
Consumer Staples	3.1%	+16.6%	8.7%	+13.5%	-0.4%
Telecommunication Services	3.0%	-12.0%	4.9%	+5.3%	-0.5%
Energy	10.3%	-5.6%	12.7%	+4.4%	-1.0%
Utilities	-	-	7.2%	+18.9%	-1.1%
Information Technology	19.8%	-11.7%	7.2%	-2.2%	-2.4%

Source: FactSet. Sectors are ranked by total relative effect from attribution analysis. FactSet returns can vary from other sources due to methodology differences. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by advisory fees and other expenses incurred in the management of your account. The securities identified do not represent the account's entire holdings; holdings are subject to change at any time without notice. Returns represent past performance and do not guarantee future results.

Performance Attribution: Holdings

One Year Ending December 31, 2011

Stanislaus County Employees Retirement Association-Equity

Top Five Contributors

	Average Weight	Total Return	Contribution to Return
Pfizer	2.9%	+28.8%	+0.80%
News Corp.	2.8%	+23.8%	+0.69%
Amgen	2.6%	+18.2%	+0.54%
GlaxoSmithKline	2.5%	+22.6%	+0.47%
Comcast	3.9%	+10.5%	+0.44%

Bottom Five Detractors

Hewlett-Packard	4.1%	-37.9%	-1.90%
Bank of America	0.5%	-49.1%	-0.79%
Sony	1.2%	-48.9%	-0.77%
Bank of New York Mellon	2.0%	-32.9%	-0.76%
Sprint Nextel	1.2%	-44.7%	-0.67%

Ten Largest Holdings

	Average Weight	Total Return	Contribution to Return
Hewlett-Packard	4.1%	-37.9%	-1.90%
Comcast	3.9%	+10.5%	+0.44%
Wells Fargo	3.4%	-9.5%	-0.21%
Capital One	3.4%	-0.2%	-0.01%
General Electric	3.2%	+1.3%	+0.08%
Merck	3.1%	+9.5%	+0.39%
Schlumberger	3.0%	-17.2%	-0.59%
Occidental Petroleum	3.0%	-2.6%	-0.10%
Pfizer	2.9%	+28.8%	+0.80%
Novartis	2.8%	+0.5%	-0.07%

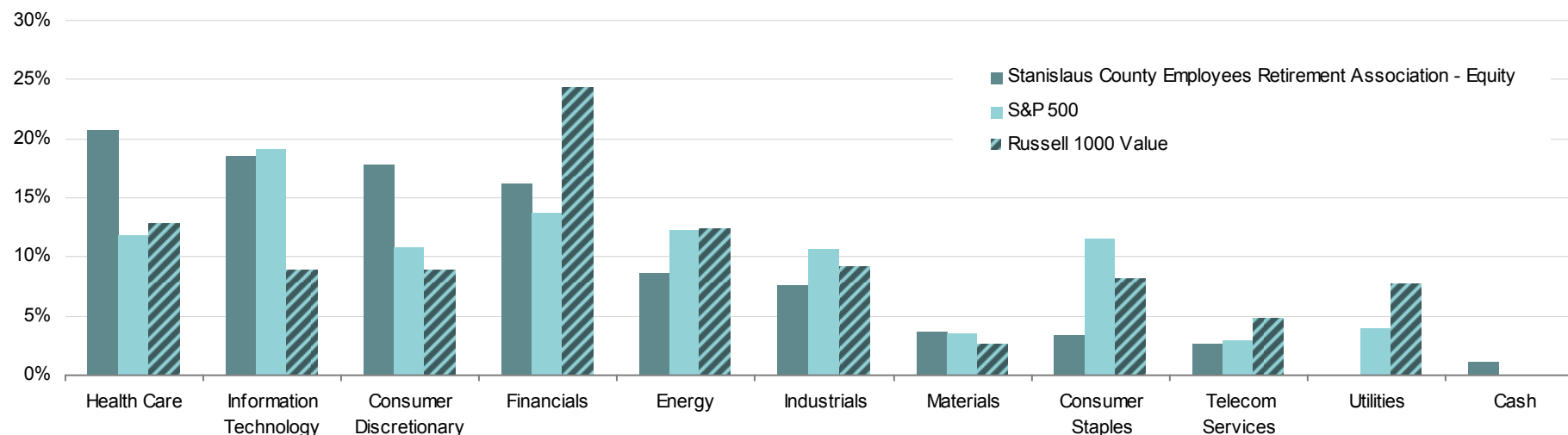
Source: FactSet. Holding period performance is shown for each security and may be shorter than the performance period shown for the account, due to the timing of purchases and sales. FactSet returns can vary from other sources due to methodology differences. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by advisory fees and other expenses incurred in the management of your account. The securities identified do not represent the account's entire holdings; holdings are subject to change at any time without notice. Returns represent past performance and do not guarantee future results.

Portfolio Structure

December 31, 2011

Stanislaus County Employees Retirement Association-Equity

Sector Analysis



Representative Portfolio Characteristics^(d)

	Dodge & Cox	S&P 500	Russell Value
Number of holdings	73	500	656
Price/earnings (forward) ^(a)	10.0x	12.1x	11.2x
Price/cash flow ^(b)	7.3x	9.2x	8.1x
Price/sales ^(b)	1.1x	1.3x	1.1x
Price/book value	1.4x	2.1x	1.5x
Weighted average market cap.	\$74B	\$96B	\$75B
Median market cap.	\$20B	\$11B	\$5B
Dividend yield (trailing) ^(c)	2.3%	2.2%	2.6%

SCERA Ten Largest Equity Holdings^(e)

Comcast	3.9%
Merck	3.8%
Hewlett-Packard	3.7%
Wells Fargo	3.7%
General Electric	3.4%
Pfizer	3.4%
Capital One	3.2%
Amgen	3.2%
Sanofi	3.0%
Time Warner	3.0%
Total Weight	34.5%

^(a)Portfolio estimate excludes negative earners. S&P 500 estimate is top-down. ^(b)Portfolio calculation excludes Financials and Utilities. ^(c)Dodge & Cox portfolio indicated dividend yield is 2.3%. ^(d)The representative portfolio characteristics are based on one of the largest and oldest fully discretionary tax-exempt equity accounts that has not experienced recent material cash flow events or investment guideline changes, and do not reflect characteristics of the client account named above. ^(e)Weighting excludes cash and mutual funds.

Source: Bank of New York Mellon, Bloomberg LP, FactSet, Standard & Poor's. This information was prepared at the client's request in connection with a review of the client's account.

Portfolio Holdings

December 31, 2011

Stanislaus County Employees Retirement Association-Equity

Technology, Media, and Telecommunications		Health Care		Finance		Industrials, Energy, and Utilities		Consumer	
CONSUMER ELECTRONICS	1.2%	MEDICAL DEVICES	1.6%	BANKS	6.0%	ENERGY	8.7%	CONSUMER DURABLES	0.2%
Panasonic Corp. ADS		Boston Scientific Corp.		BB&T Corp.		Baker Hughes Inc.		NVR Inc.	
Sony Corp. ADS		Medtronic Inc.		HSBC Holdings PLC ADS		Chevron Corp.		CONSUMER PRODUCTS	0.8%
ELECTRONIC MEDIA	12.1%	PHARMACEUTICALS	19.4%	SunTrust Banks Inc.		Occidental Petroleum Corp.		Unilever PLC ADS	
Comcast Corp. Cl A		Amgen Inc.		Wells Fargo & Co.		GENERAL INDUSTRIAL	5.1%	RETAIL & DISTRIBUTION	6.1%
DISH Network Corp. Cl A		GlaxoSmithKline PLC ADS		FINANCIAL SERVICES	9.4%	General Electric Co.		CarMax Inc.	
Liberty Global Class C		Merck & Co Inc		Bank of America Corp.		Koninklijke Philips Electronics N.V. A		Home Depot Inc.	
Liberty Global Inc. Cl A		Novartis AG ADS		Bank of New York Mellon Corp.		Tyco International Ltd.		Liberty Interactive Series A	
News Corp. Cl A		Pfizer Inc.		Capital One Financial Corp.		INDUSTRIAL COMMODITIES	3.6%	Lowe's Cos.	
Time Warner Cable Inc.		Sanofi ADS		Credit Suisse Group AG ADS		Celanese Corp. (Series A)		Wal-Mart Stores Inc.	
Time Warner Inc.				Goldman Sachs Group Inc.		Cemex S.A.B. de C.V. ADS			
TECHNOLOGY	18.9%			Legg Mason Inc.		Domtar Corp.			
Adobe Systems Inc.				Charles Schwab Corp.		Dow Chemical Co.			
AOL Inc.				INSURANCE	0.9%	Vulcan Materials Co.			
BMC Software Inc.				Aegon N.V. ADS		NON TECH BUSINESS SERVICES	0.7%		
Cadence Design Systems Inc.				Genworth Financial Inc. Cl A		McGraw-Hill Cos.			
Computer Sciences Corp.						TRANSPORTATION	2.4%		
Compuware Corp.						FedEx Corp.			
Corning Inc.									
eBay Inc.									
Equinix Inc.									
Hewlett-Packard Co.									
Maxim Integrated Products Inc.									
Microsoft Corp.									
Molex Inc. Cl A									
NetApp Inc.									
Nokia Corp. (ADR)									
Pitney Bowes Inc.									
Symantec Corp.									
Synopsys Inc.									
TE Connectivity Ltd.									
Xerox Corp.									
TELECOM	2.7%								
Sprint Nextel Corp.									
Vodafone Group PLC ADS									
Portfolio Total	34.9%		21.0%		16.4%		20.5%		7.2%
S&P 500 Index	25.2%		11.9%		13.4%		30.2%		19.4%
Russell 1000 Value	17.1%		12.9%		24.4%		31.9%		13.7%

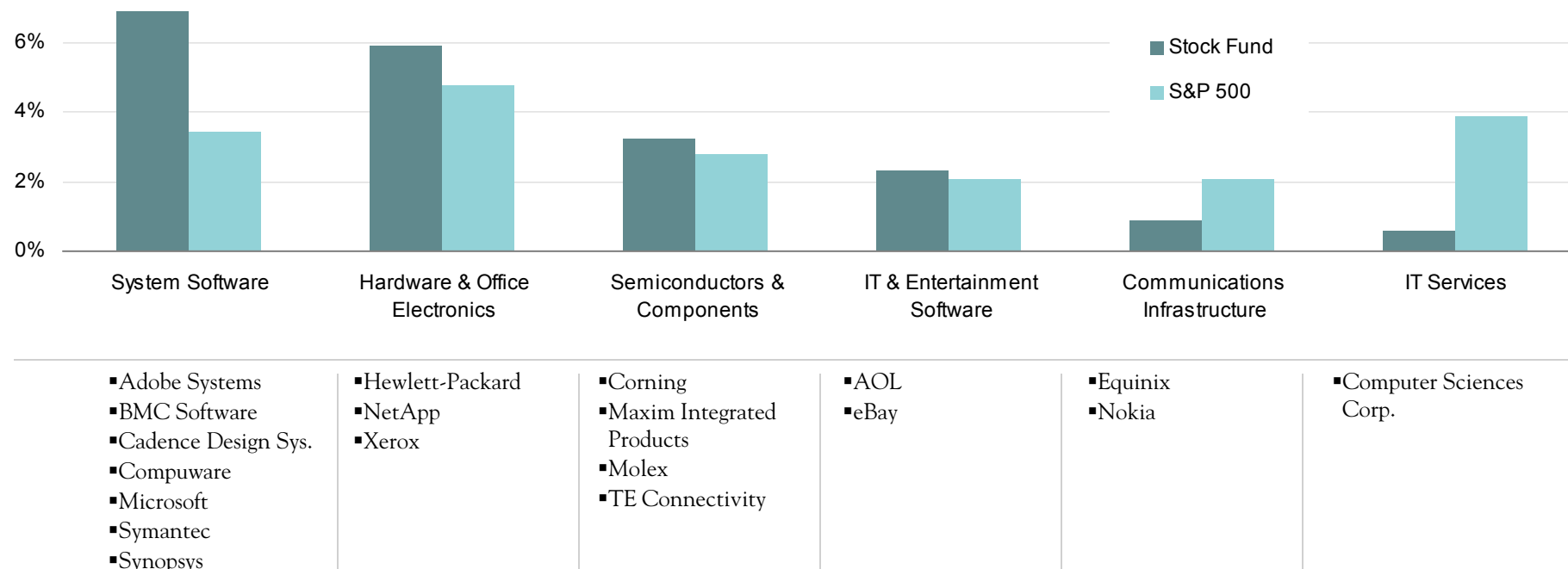
The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. This is not a recommendation to buy or sell any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings.

Technology: Diversification Within the Sector

December 31, 2011

Dodge & Cox Stock Fund

Dodge & Cox Technology Holdings (19.8%) vs. the S&P 500 Index (19.0%)



- Exposure: The Fund is modestly overweight in technology, and well diversified within the sector.
- The Fund also owns these technology-related holdings: Sony, Panasonic, and Pitney Bowes.

Source: FactSet. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Financial Services

December 31, 2011

Dodge & Cox Tax-Exempt Equity Composite

Opportunities

- Depressed valuations
- Solid core businesses
- Industry-leading technology platforms
- Increasing market share
- Leverage to improving economy (lower credit losses, better loan and revenue growth)

Industry Risks

- Impact of pending regulatory reform
- Potential rise in interest rates and/or inflation
- Sensitivity to slowing economy
- Liquidity
- Potential for additional equity dilution if more capital is needed

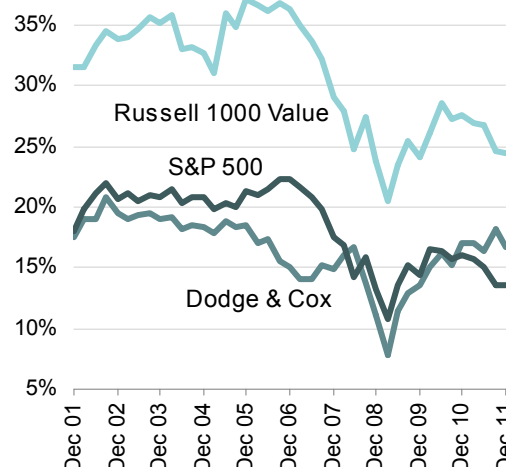
Holdings

- Capital Markets / REITs: *Charles Schwab, Credit Suisse, Goldman Sachs*
- Insurance: *Aegon, Genworth Financial*
- Diversified Financial Services: *Bank of America, Bank of New York Mellon, Capital One, Legg Mason*
- Banks: *BB&T, HSBC, SunTrust, Wells Fargo*

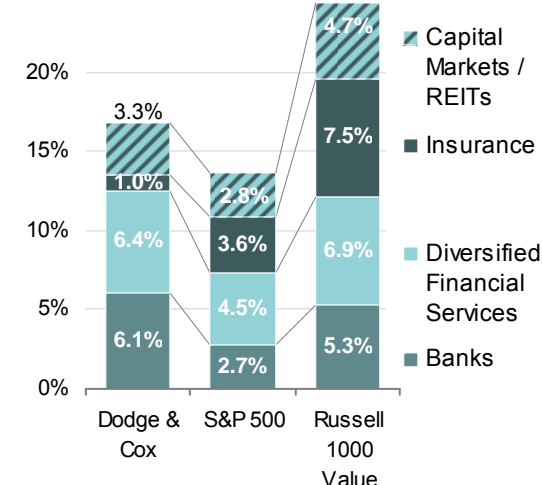
Declining Valuations: S&P 500 Financials Price-to-Book Ratio



Financials Weighting: Dodge & Cox vs. Indexes



Industries Within Financials: Comparative Weighting

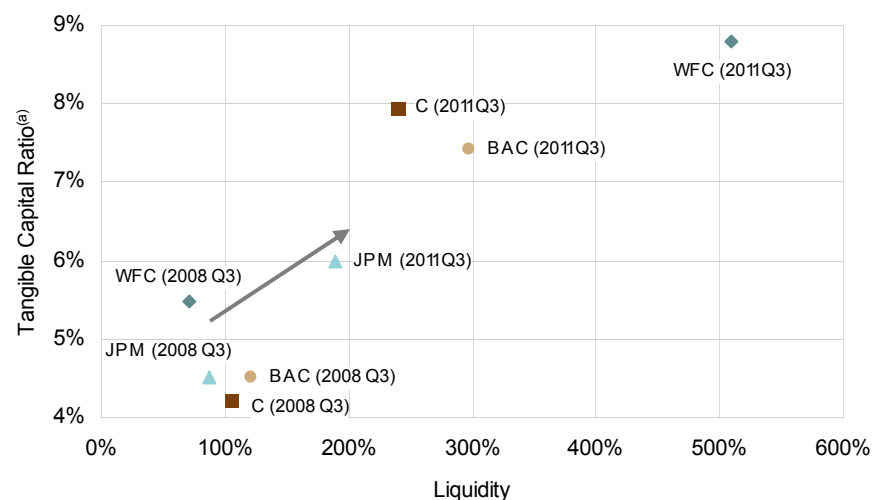


Source: FactSet. Weightings are from a composite of Dodge & Cox tax-exempt equity accounts managed without restrictions, and exclude cash. Securities rounding to less than 0.1% are excluded. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings. This exhibit supplements and must be accompanied or preceded by Dodge & Cox's Tax-Exempt Equity Composite.

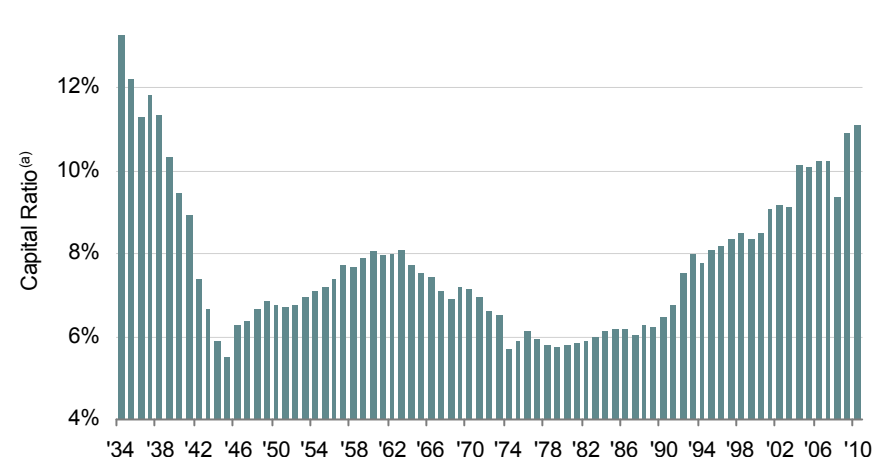
Financial Services: 2008 vs. 2011

September 30, 2011

Major Banks' Capital Ratios and Liquidity Have Improved



Capital Ratios for U.S. Commercial Banks Are Rebounding



Concerns during both periods included: a slowing economy, a fear of financial crisis in Europe, and the uncertain regulatory impact.

Differences:	Third Quarter 2008	Third Quarter 2011
Credit Quality	Deteriorating loss rates; average-to-low reserves for losses	Improving; high reserves for losses
Capital Levels	Declining as credit losses rose	Highest since the 1940s, and improving
Liquidity	Low cash, limited government protection	Lots of cash, very liquid, increased government insurance on deposits
Valuation	Moderate: 0.7–1.8x price-to-book ratio	Attractive: 0.3–1.0x price-to-book ratio

Source: Capital IQ, FDIC. ^(a)For chart at left, tangible capital ratio is tangible equity divided by tangible assets. Liquidity is (cash, treasuries, and agency securities) divided by (commercial paper and short-term debt). For chart at right, capital ratio is equity divided by assets, which is the only annual capital ratio calculation available from 1934.

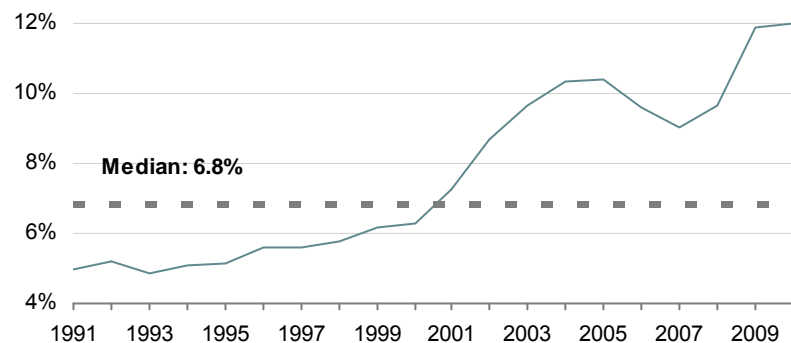
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Corporate Balance Sheets Are Strong

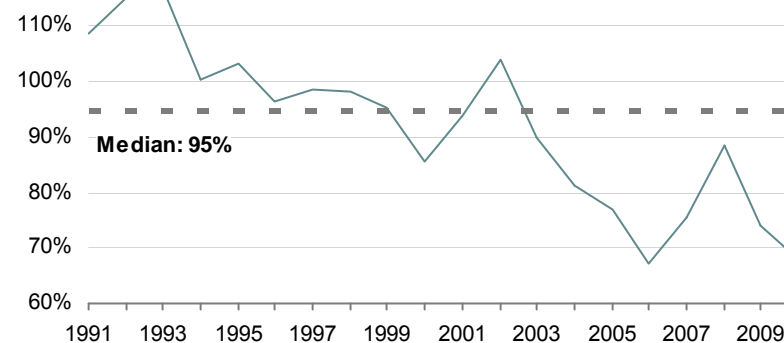
December 31, 2011

S&P Industrials: 1991 – 2010

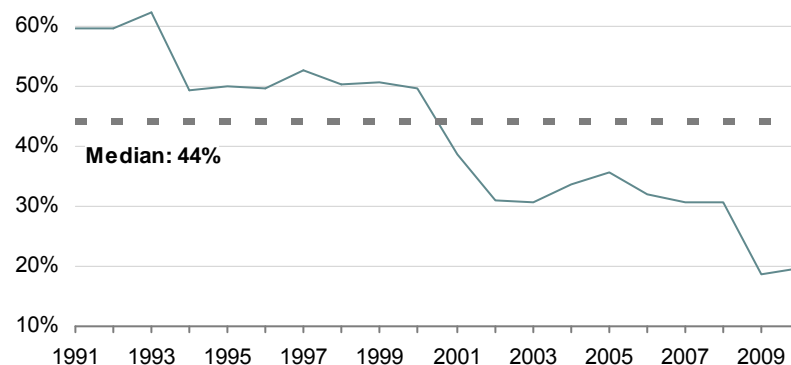
Cash / Assets



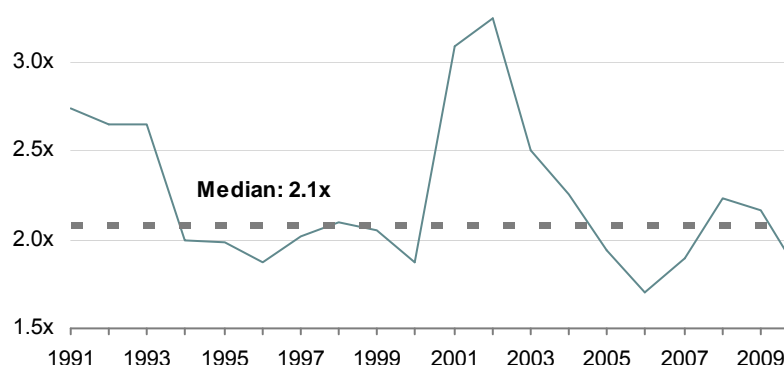
Total Debt / Total Equity



Short-Term Debt / Long-Term Debt



Total Debt / EBITDA

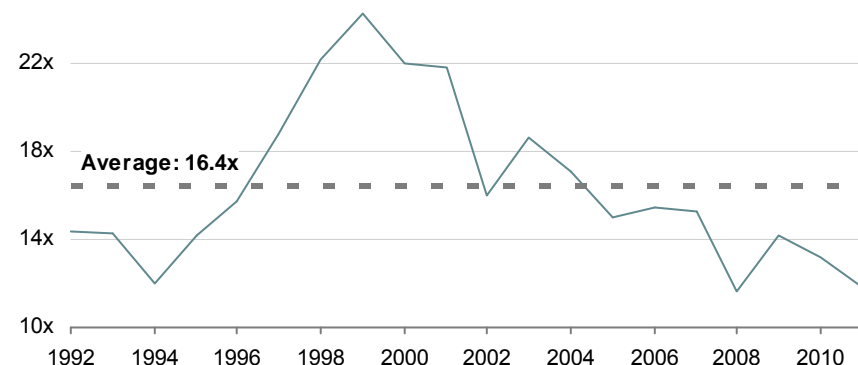


Source: Standard & Poor's. EBITDA is Earnings Before Interest, Taxes, Depreciation, and Amortization. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Current Market Environment

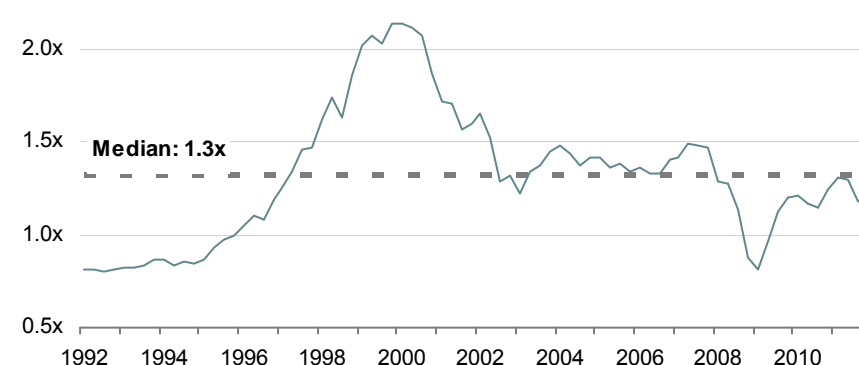
December 31, 2011

S&P 500 Forward Price-to-Earnings: Jan 92 – Dec 11



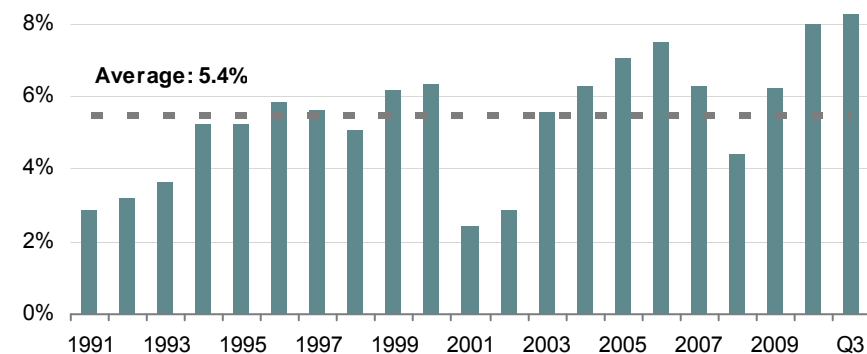
Source: Morgan Stanley.

S&P Industrials Price-to-Sales: Jan 92 – Dec 11



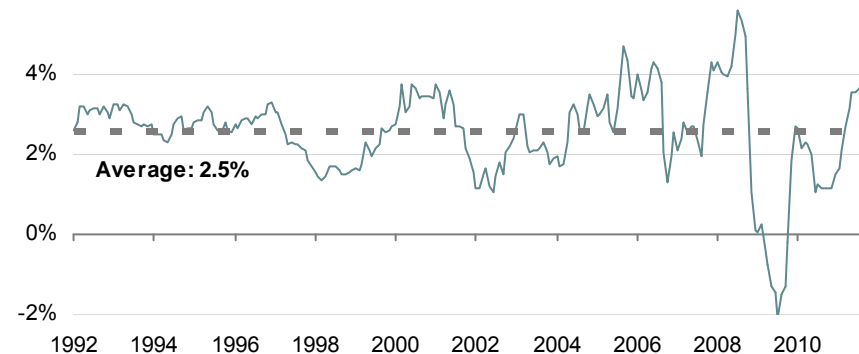
Source: The Leuthold Group.

S&P Industrials Net Profit Margin: Jan 91 – Sep 11



Source: Standard & Poor's.

Consumer Price Index: Jan 92 – Dec 11



Source: Department of Labor.

P/E uses 12-month, forward diluted estimates, including negatives. Net profit margin uses reported diluted EPS. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Markets Experienced Dramatic Volatility, Economic Challenges Remain

- Extreme short-term volatility: The S&P 500 daily price change exceeded 1% on more than half of the quarter's 63 trading days, and exceeded 2% on 14 days.
- European sovereign debt concerns continue.
- Worldwide growth is slowing and the U.S. economy has been struggling to expand.
- U.S. unemployment remains high but is improving, and dipped to under 9% during the quarter.

However, Private Sector Fundamentals Are Good

- Corporate profits and earnings have surpassed previous highs.
- Corporate balance sheets are healthy: Cash levels have risen, and debt and leverage have declined.
- Capital spending is rising.

Optimism about the Long-Term Opportunities for Equities

- Investor pessimism creates opportunity and valuations are reasonable: The S&P 500 traded at 12.1 times forward earnings at quarter end.
- Equity dividend yields are attractive: The S&P 500 dividend yield at quarter end was 2.2%, similar to the 10-year treasury yield.

Optimism about the Long-Term Opportunities for Dodge & Cox's portfolio

- The portfolio sells at a discount to the S&P 500 and has an emphasis on Health Care, Financials, and Information Technology.
- Bank holdings are healthier now than in 2008, with improved liquidity, more stable sources of funding, stronger capital ratios, higher reserves for loan losses, and better asset quality.
- Emerging markets remain a source of growth for many companies—notably technology, telecommunications, pharmaceuticals, and financial services.

Source: Bank of New York Mellon, Bloomberg, L.P., FactSet. Forward earnings are estimated. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

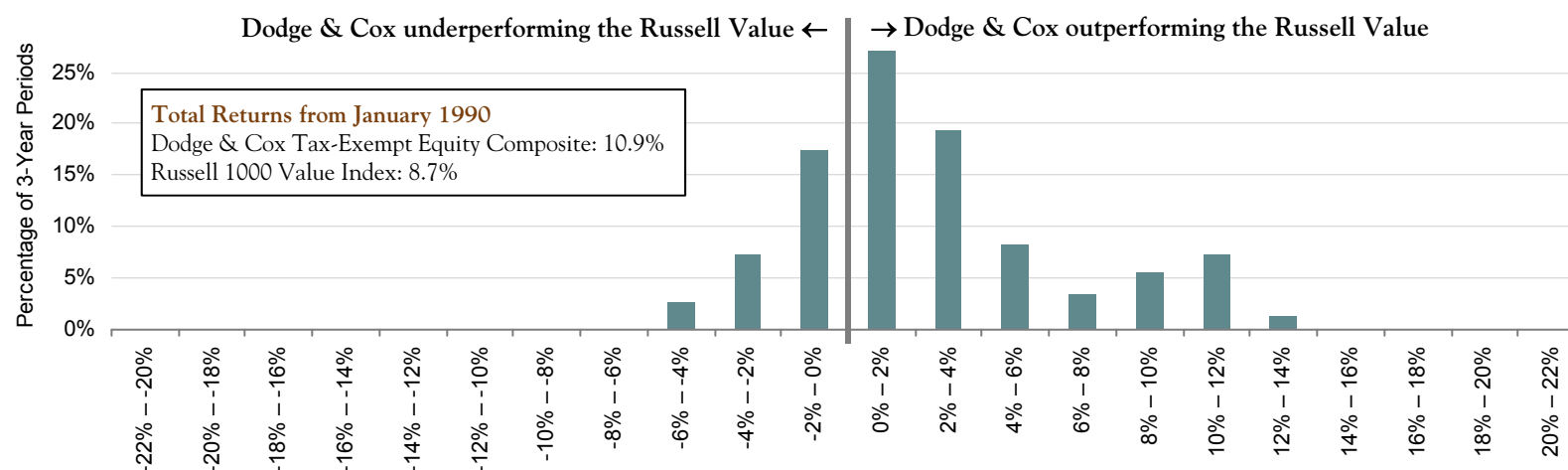
Supplemental Exhibits

Long-Term Record

December 31, 2011

Our investment philosophy has led to outperformance over several market cycles

Distribution of 3-Year Return Differences: Tax-Exempt Equity Composite Returns (Gross of Fees) Less Russell 1000 Value Index Returns



Frequency of Dodge & Cox Outperformance

	Since 1990	Last 10 Years	Last 5 Years
Number of 3-year periods:	229	120	60
Percentage of periods with Dodge & Cox outperformance:	72%	82%	63%
Mean return differential (annualized):	2.5%	3.3%	0.0%
Number of 5-year periods:	205	120	60
Percentage of periods with Dodge & Cox outperformance:	75%	75%	50%
Mean return differential (annualized):	2.7%	3.6%	0.5%
Number of 10-year periods:	145	120	60
Percentage of periods with Dodge & Cox outperformance:	100%	100%	100%
Mean return differential (annualized):	3.5%	3.8%	3.5%

What followed underperformance?

Of the 3-year periods of *underperformance* since January 1990, Dodge & Cox beat the index in the subsequent 3-year period 100% of the time with an average return differential of 7.2%.

Returns represent past performance and do not guarantee future results.

Audited returns for the Dodge & Cox tax-exempt equity composite begin in January 1990. Periods are in rolling monthly increments, with the first 3-year period ending 12/92 and the last period ending 12/11. For analysis of subsequent returns, all periods with subsequent 3-year performance were reviewed, through the period ending 12/08. Dividends are reinvested. Returns represent past performance and do not guarantee future results. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by advisory fees and other expenses incurred in the management of your account. For example, if an annual management fee of .60% were deducted quarterly from your account, a ten-year annualized cumulative composite return of 10.00% would be reduced by .64% to 9.36%. Information on Dodge & Cox investment advisory fees can be found in its Form ADV Part 2A. This exhibit supplements and must be accompanied or preceded by Dodge & Cox's Tax-Exempt Equity Composite.

Dodge & Cox Equity Tax-Exempt Composite

December 31, 2011

Total Rates of Return (%) (Gross of Fees)

	Annual Returns for Years Ended December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Total Composite	-10.57	35.21	20.00	9.57	19.05	0.64	-41.99	31.39	14.17	-3.29
S & P 500 Index †	-22.10	28.67	10.86	4.90	15.79	5.51	-36.99	26.45	15.06	2.12
Russell 1000 Value Index †	-15.52	30.03	16.48	7.07	22.21	-0.18	-36.84	19.69	15.51	0.39

	Annualized Cumulative Returns for Periods Ended December 31, 2011									
	10 YRS	9 YRS	8 YRS	7 YRS	6 YRS	5 YRS	4 YRS	3 YRS	2 YRS	1 YR
Total Composite	4.83	6.70	3.59	1.44	0.14	-3.27	-4.22	13.20	5.08	-3.29
S & P 500 Index †	2.92	6.15	3.63	2.64	2.26	-0.25	-1.63	14.11	8.40	2.12
Russell 1000 Value Index †	3.89	6.31	3.66	1.95	1.12	-2.64	-3.24	11.55	7.68	0.39

	Statistics (\$ millions) at December 31,									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Number of Accounts	158	176	178	184	192	185	165	160	146	137
Ending Market Value (\$)	11,768	17,154	20,985	22,823	26,075	23,520	12,554	14,928	14,993	13,094
Average Account Size (\$)	74	97	118	124	136	127	76	93	103	96
Median Account Size (\$)	36	47	52	58	55	56	33	41	45	45
Standard Deviation (%)	0.4	0.9	0.4	0.3	0.4	0.3	0.9	1.5	0.5	0.5
Total Firm Assets (\$)	70,112	107,993	142,904	166,407	212,314	235,754	143,179	172,461	189,356	174,948
% of Total Firm Assets (%)	16.8	15.9	14.7	13.7	12.3	10.0	8.8	8.7	7.9	7.5

† This information is not covered by the report of independent accountants.

Dodge & Cox claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the Global Investment Performance Standards (GIPS®). Dodge & Cox has been independently verified for annual periods since 12/31/1991. The verification reports are available upon request. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Page 1 of 2

Dodge & Cox Equity Tax-Exempt Composite

December 31, 2011

Notes to the Composite

1. The Equity Tax-Exempt Composite is comprised of equity accounts that are managed free of tax constraints. The accounts are invested in diversified portfolios of common and preferred stocks. The accounts' objectives are to seek long-term growth of principal and income.
2. This composite was created on January 1, 1993.
3. Dodge & Cox, an independent investment adviser registered under the Investment Advisers Act of 1940, is an autonomous investment firm for purposes of determining the Total Firm Assets under management and firmwide compliance.
4. Cash reserves and equivalents are included in the Total Composite returns. Segments of multiple-asset portfolios are not included in this composite.
5. Valuations and performance are computed in U.S. dollars.
6. Performance is generally reported gross of withholding tax on dividends, interest income and capital gains.
7. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by the advisory fees and other expenses incurred in the management of the accounts.
For example, if an annual management fee of 0.60% were deducted quarterly from each account, a ten year annualized cumulative composite return of 10.00% would be reduced by 0.64% to 9.36%.
Information on Dodge & Cox investment advisory fees can be found in its Form ADV, Part II.
8. Unmanaged indices shown for comparative purposes do not reflect the deduction of any fees.
9. This report may only be presented to prospective clients on a one-on-one basis.
10. The performance data represents past performance; the results shown should not be considered as a representation of gain/loss which may be realized from an investment made today.
11. A complete list and description of all Dodge & Cox composites, as well as additional information regarding policies for calculating and reporting returns, is available upon request.
12. Cash Only Segment performance, presented as supplemental information, is calculated using the yield from a representative money market fund held by the accounts.
13. Accounts with asset size below \$4,000,000 prior to October 1, 2001 and \$5,000,000 thereafter are excluded from the composite.
14. The Annualized Cumulative Rate of Return is equivalent to the annual rate of return which, if earned in each year of the indicated multi-year period, would produce the actual cumulative rate of return over the entire period.
15. Total Firm Assets are calculated at a point in time.
16. Results are for accounts present for the entire measurement period, except for accounts subject to material client restrictions. The measurement period is defined as a full quarter prior to January 1, 2000 and as a full month thereafter.
17. Before January 1, 2005, trade date accounting was utilized except for a maximum of 10% or less of accounts which used settlement date accounting, at the client's request.
18. Current annual fees for Equity Accounts are:
 - 0.60% on the first \$25 million
 - 0.40% thereafter
19. 3 year annualized standard deviation at 12/31/2011
 - Total Composite: 22.3
 - S & P 500 Index: 18.9
 - Russell 1000 Value: 20.9

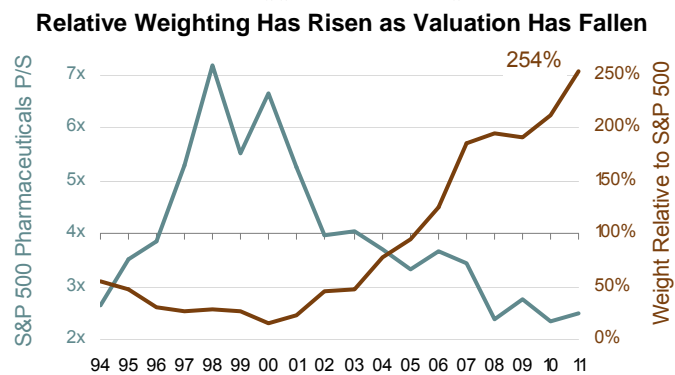
Pharmaceuticals: Finding Investment Value

December 31, 2011

Dodge & Cox Tax-Exempt Equity Composite

Investment Thesis:

- Extremely low valuations, along with strong balance sheets, high free cash flow, and cost-cutting opportunities help mitigate investment risk



- Long-term growth opportunity in emerging markets

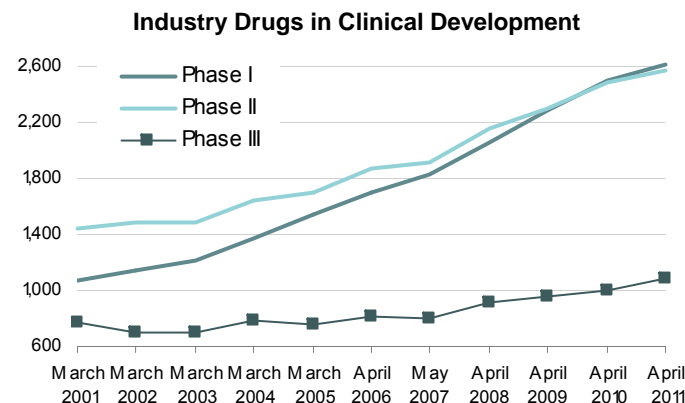
	<u>Percent of Sales from Emerging Markets</u>
Sanofi	30%
Roche	24%
Novartis	24%
GlaxoSmithKline	22%
Merck	19%
Pfizer	18%
Amgen	0%

Risks:

- Drug reimbursement, especially from government buyers
- Innovation is not successful
- Expensive M&A

Source: Bank of America Merrill Lynch and FactSet. Weightings are from a composite of Dodge & Cox tax-exempt equity accounts managed without restrictions, and exclude cash. Securities rounding to less than 0.1% have been excluded. Emerging market sales from company reports and Dodge & Cox estimates. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings. This exhibit supplements and must be accompanied or preceded by Dodge & Cox's Tax-Exempt Equity Composite.

- Investment in innovation



- Big Pharma expertise essential to new product success

- Drug development
- Regulatory approval
- Sales and marketing

Understanding Risk:

- Due diligence trips to Washington, D.C.
- Downside scenarios incorporate severe price cuts
- Regular meetings with branded and generic competitors
- Regular meetings with physicians to explore product markets

Technology: Strong Franchises, Low Valuations

December 31, 2011

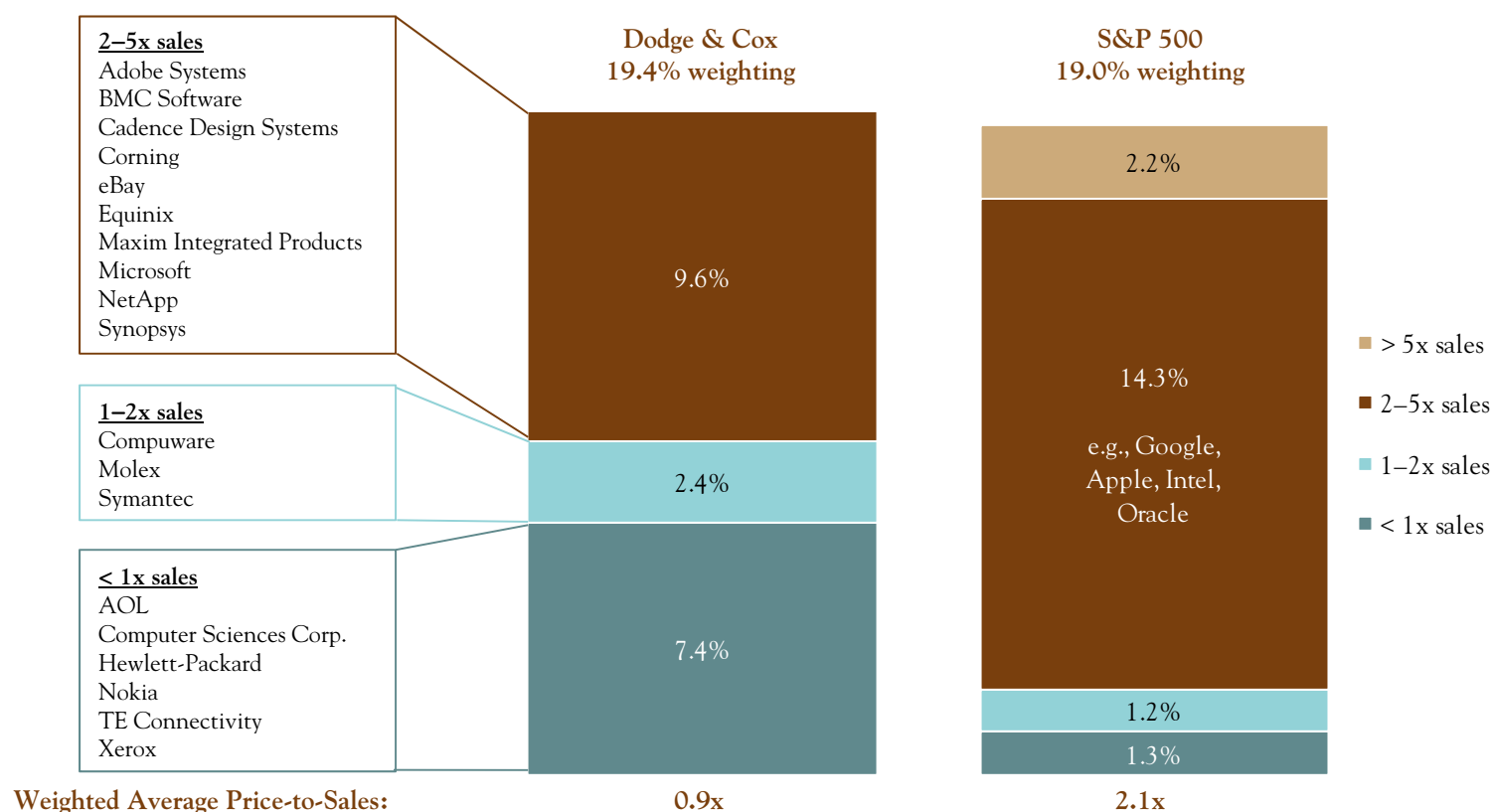
Dodge & Cox Tax-Exempt Equity Composite

In general, investors have limited visibility of future earnings:

- Growth generally driven by innovation and disruption
- Intense competition, short product cycles, and product obsolescence
- Significant investments in R&D with uncertain outcomes

As a result, we look for:

- Low valuation: not paying for current or future prosperity
- Industry leadership (brand, distribution, and market share) and focus
- Sustained R&D effort and strong intellectual property portfolio
- Financial stability



Source: FactSet. Weightings are from a composite of Dodge & Cox tax-exempt equity accounts managed without restrictions, and exclude cash. Securities rounding to less than a 0.1% weighting are omitted. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings. This exhibit supplements and must be accompanied or preceded by Dodge & Cox's Tax-Exempt Equity Composite.

Consumer Discretionary: Significant Media Exposure

December 31, 2011

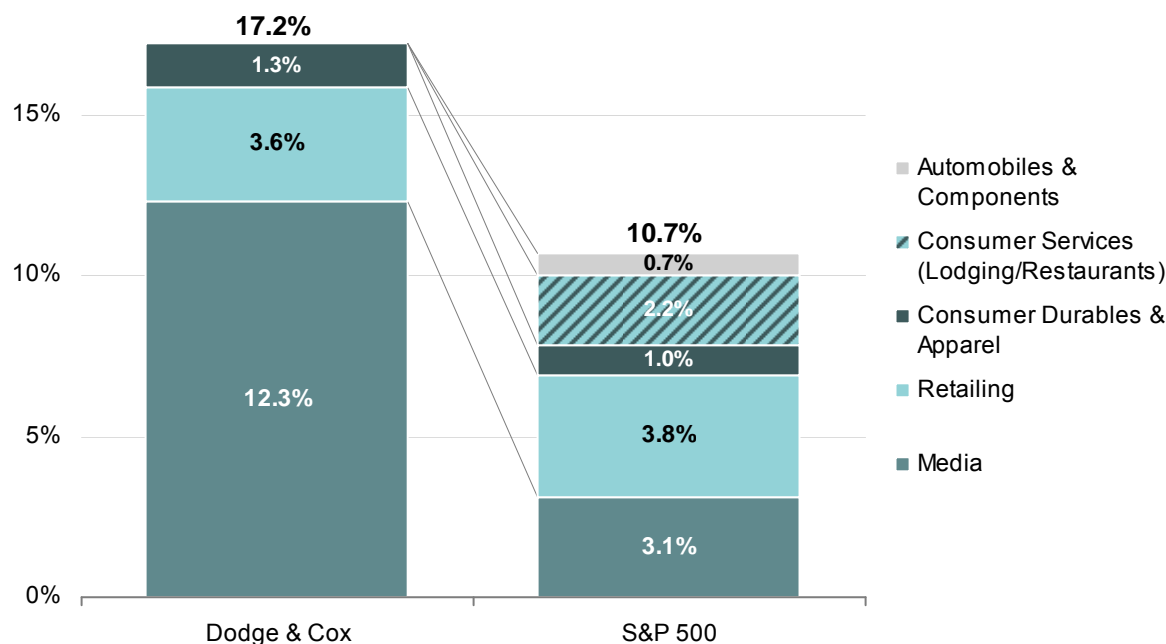
Dodge & Cox Representative Account

Consumer Durables (Electronics): 1.3%
NVR, Panasonic, Sony

Retailing: 3.6%
CarMax, Home Depot, Liberty Interactive, Lowe's

Media: 12.3%
Comcast, DISH Network, Liberty Global, McGraw-Hill, News Corp., Time Warner Cable, Time Warner

Additional "Media" Exposure: 0.2%
AOL (in Technology)



Sector exposure is well diversified

- Some companies are purely domestic, others have global franchises.
- Some are cyclical, others are less economically sensitive.
- Rapid technological change is impacting all companies: opportunity for some, and risk for others.
- The portfolio has exposure to diverse business models: some sell impulse purchase products, while others have recurring subscription revenues.

Source: FactSet. The representative portfolio characteristics are based on one of the largest and oldest fully discretionary tax-exempt equity accounts that has not experienced recent material cash flow events or investment guideline changes, and do not reflect characteristics of the client account named above. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings.

Foreign Exposure in a Domestic Portfolio

December 31, 2011

Dodge & Cox Stock Fund

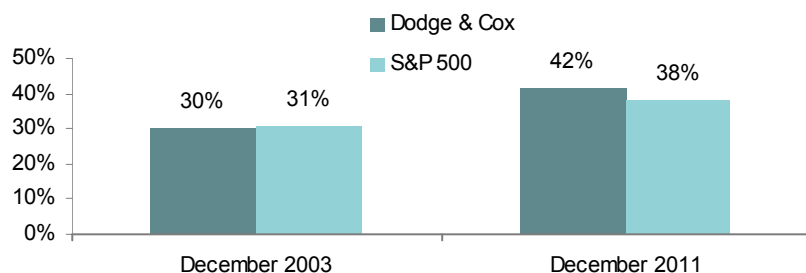
Foreign Holdings Not in the S&P 500 Index (17.3% of Fund)

	Non-U.S. Sales (%)	Fund Weight (%)
Europe		15.7%
GlaxoSmithKline (UK)	71%	2.9%
Vodafone (UK)	71%	1.6%
Unilever (UK)	67%	0.7%
HSBC (UK)	79%	0.6%
Novartis (Switzerland)	70%	2.7%
Roche (Switzerland)	71%	2.1%
Credit Suisse (Switzerland)	64%	0.3%
Sanofi (France)	70%	3.2%
Aegon (Netherlands)	59%	0.7%
Philips Electronics (Netherlands)	72%	0.4%
Nokia (Finland)	96%	0.7%
Asia		1.2%
Sony (Japan)	81%	0.8%
Panasonic (Japan)	90%	0.4%
Emerging Markets		0.3%
Cemex (Mexico)	84%	0.3%

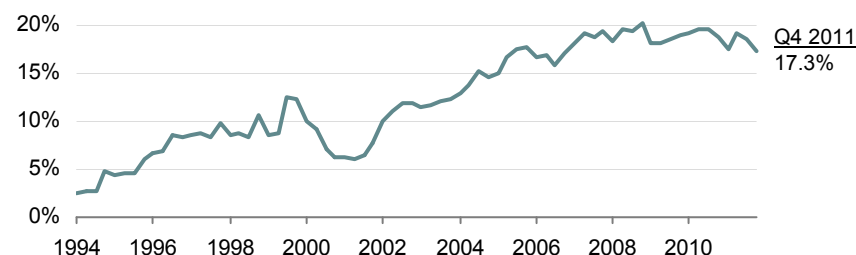
U.S. Holdings With Non-U.S. Sales > 50% (30.1% of Fund)

	Non-U.S. Sales (%)	Fund Weight (%)
Hewlett-Packard	65%	4.1%
Merck	56%	3.5%
General Electric	53%	3.2%
Pfizer	57%	2.9%
Schlumberger	71%	2.6%
eBay	54%	2.0%
Symantec	51%	1.5%
Chevron	51%	1.5%
Dow Chemical	67%	1.5%
Baker Hughes	58%	1.4%
Maxim Integrated Products	84%	1.2%
TE Connectivity	72%	1.1%
Synopsys	54%	1.0%
Tyco International	52%	0.7%
Celanese	74%	0.6%
Cadence Design Systems	59%	0.6%
Adobe	51%	0.5%
Liberty Global	100%	0.2%
Corning	74%	0.2%

Percentage of Company Sales from Outside the United States



Fund Assets in Foreign Holdings Not in the S&P 500 Index



Source: Bloomberg LP, FactSet. Foreign holdings are non-U.S. incorporated but U.S. dollar-denominated. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Portfolio Composition by Theme

December 31, 2011

Stanislaus County Employees Retirement Association-Bond Acct

U.S. Treasury Securities 3.7%

Various U.S. Treasury Notes	3.7 %	<ul style="list-style-type: none"> ■ Generally maintain a lower-than-market weighting ■ Used to control portfolio duration and yield curve exposure ■ Currently maintain lower-than-market duration ■ Increase portfolio yield through holding off-the-run issues
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Mortgage-Related Securities 42.4%

Seasoned Pass-Throughs	38.6 %	■ Predominantly GSE-guaranteed
Collateralized Mortgage Obligations	2.0 %	■ Yield advantage and total-return potential vs. similar duration alternatives
Fannie Mae D.U.S. Multifamily	0.5 %	■ Emphasize stable average-life investments to provide defensive feature
"Hybrid" ARMs	1.3 %	

Government-Related Securities 8.1%

Small Business Administration PC (504)	1.9 %	■ U.S. Agencies add incremental yield with little added credit risk
California Taxable G.O.	6.2 %	■ Taxable munis provide diversification and compelling risk/reward
Illinois Taxable G.O.		
Los Angeles School Dist Taxable G.O.		
New Jersey Turnpike Authority		

Corporate Securities 44.3%^(a)

Ally Financial, Inc.	Hewlett-Packard Co.	■ Seek stable-to-improving corporate credits to build portfolio yield and enhance relative total return potential
American International Group, Inc.	HSBC Holdings PLC	■ Emphasize non-callable and call-protected securities for durability of cash flows and to preserve appreciation potential
AT&T, Inc.	JPMorgan Chase & Co.	
Bank of America Corp.	Lafarge SA	
Barclays PLC	Liberty Interactive Corp.	
Boston Properties, Inc.	Macy's Inc.	
Boston Scientific Corp.	News Corp.	
Burlington Northern Santa Fe Corp. ^(b)	Nordstrom, Inc.	
Capital One Financial Corp.	Norfolk Southern Corp.	
CIGNA Corp.	Reed Elsevier Group PLC	
Citigroup, Inc.	Royal Bank of Scotland PLC	
Comcast Corp.	SLM Corp.	
Covidien PLC	Sprint Nextel Corp.	
Cox Communications, Inc.	Telecom Italia SpA	
CSX Corp.	Time Warner Cable, Inc.	
Dillard's, Inc.	Time Warner, Inc.	
Dow Chemical Co.	Union Pacific Corp.	
FedEx Corp.	Unum Group	
Ford Motor Credit Company ^(b)	Vulcan Materials Company	
General Electric Co.	WellPoint, Inc.	
HCA, Inc.	Wells Fargo & Co.	
Health Net, Inc.	Xerox Corp.	

Cash 1.5%

^(a)Except as noted, investments grouped by parent company. Actual securities maybe issued by the listed parent company or one of its subsidiaries. ^(b)Subsidiary.

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Ten-Year U.S. Treasury Yields

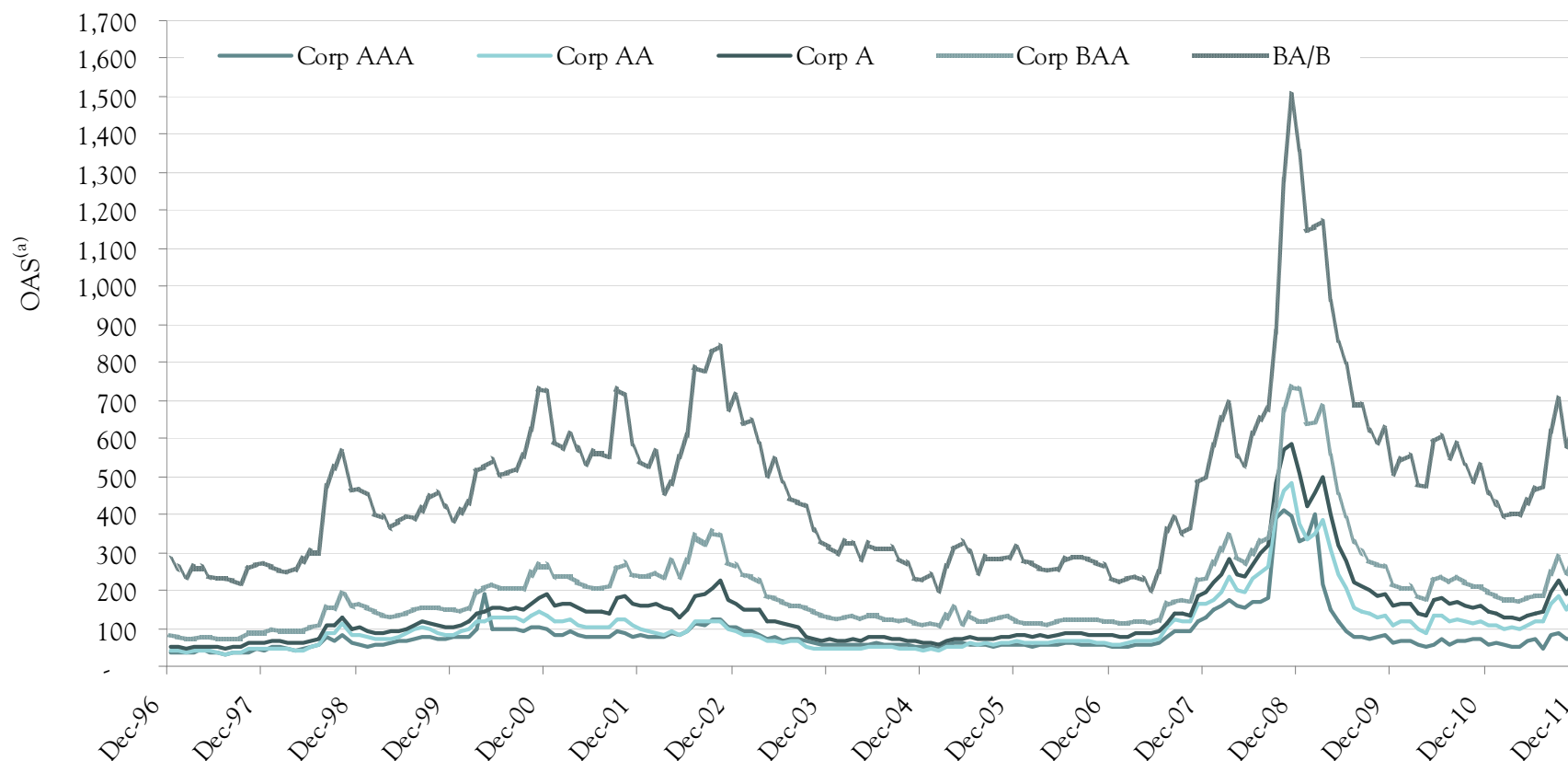
May 1967- December 2011



Source: Bloomberg LP "GT 10-Year" or rolling "new issued" UST Ten-year note. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Corporate Spread Comparison By Quality Rating

December 31, 2011



^(a)The option-adjusted spread (OAS) is the instrument's current spread over the benchmark minus that component of the spread that is attributable to the cost of the embedded options. OAS does not translate into a return.

Source: POINT/Global Family of Indices. ©2011 Barclays Capital Inc. Used with permission. Barclays Capital and POINT are registered trademarks of Barclays Capital Inc. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Below Investment Grade Holdings^(a)

December 31, 2011

Stanislaus County Employees Retirement Association-Bond Acct

Issuer ^(b)	Ratings			% of Portfolio	Duration	Yield-to-Maturity (%) ^(c)
	Moody's	S & P	Fitch			
Sprint Nextel Corp.	B3	B+	B+	0.64	4.1	10.51
Liberty Interactive Corp.	B3	BB	BB	0.27	8.8	8.77
Dillard's, Inc.	B2	BB-	BB	0.27	8.7	8.58
Bank of America capital securities	Ba1	BB+	BBB-	1.15	9.6	8.48
SLM Corp.	Ba1	BBB-	BBB-	0.50	5.0	7.85
Citigroup capital securities	Baa3	BB	BBB	0.79	3.3	6.77
Ally Financial, Inc.	B1	B+	BB	1.54	1.9	6.29
Vulcan Materials Company	Ba2	BB	NR	0.55	6.2	6.20
Lafarge SA	Ba1	BB+	BB+	1.24	3.4	5.79
Health Net, Inc.	Ba3	BB	BB	0.32	4.6	5.51
Macy's, Inc.	Ba1	BBB-	BBB-	1.47	8.5	5.30
Ford Motor Credit Company ^(d)	Ba1	BB+	BB+	1.91	5.1	4.87
HCA, Inc.	B3	B-	B+	1.92	1.5	4.63
Boston Scientific Corp.	Ba1	BBB-	BBB-	1.05	5.2	3.86
Total Weighted Average:					4.9	6.06

Total Portfolio Weightings (%):

Highest (Moody's/S&P/Fitch) =	8.66
Middle (Moody's/S&P/Fitch) =	9.81
Lowest (Moody's/S&P/Fitch) =	13.62

^(a)Weighted average statistics. ^(b)Except as noted, investments grouped by parent company. Actual securities may be issued by the listed parent company or one of its subsidiaries. ^(c)Yield and principal value fluctuate with market conditions. ^(d)Subsidiary.

Source: The YieldBook, Inc., Bloomberg LP, Interactive Data's BondEdge. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy or sell any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings.

Basic Reasons That Companies Experience Severe Financial Difficulty as Observed by Dodge & Cox

(e.g., file for bankruptcy, default, or see a significant bond rating downgrade.)

Industrial Companies

- Weak player in a cyclical or declining business
- Poorly financed and unable to withstand a business downturn
- Changes in the legal/regulatory environment
- Produces a “fad” product
- Access to liquidity materially changes

Financial Companies

- High concentration in a particular disfavored asset class
- Large off-balance sheet liabilities that lack transparency
- Changes in the legal/regulatory environment
- Lack of systemic importance to the economy
- Heavy reliance on short-term or confidence-based funding sources

Questions We Ask to Evaluate a Company’s Potential for Weakness

Economic and Industry Risk Assessment

- What is the industry’s exposure to the business cycle? Do emerging technologies or regulatory instability threaten the industry?
- What is the industry’s importance within the overall economy? Is this a commodity-like product/service in a low profitability industry?
If so, what is the supply/demand balance likely to be going forward? What do capital expenditures look like (for the company and its competitors)?
- Is the industry expanding or contracting? Is the industry consolidating or fragmenting? Does it need more or fewer players?
Is there an increasingly dominant or disruptive competitor?

Company-Specific Risk Assessment

- What is the firm’s market share? Is it increasing or decreasing? What could reverse this trend over the course of a market cycle?
Are there major contracts that expire prior to the maturity of our debt?
- What is management’s attitude towards debt? Are there specific goals in terms of credit ratings or debt level? Are they likely to do a levered acquisition?
- Does the firm face potential environmental liabilities, litigation exposure, or regulatory actions that could result in a severely adverse outcome?
- Are there any reasons for the firm to go into bankruptcy (e.g. labor contracts or other fixed commitments that might need to be abrogated)?

Balance Sheet, Operating History, and Downside Cashflow Model

- How stable are earnings and cash flows? What’s the potential range of outcomes over a cycle? What’s the firm’s financial position relative to its peers?
- Are there substantial off-balance sheet assets or liabilities or odd securities in the company’s capital structure?

Credit Metrics and Liquidity Analysis

- How large of a cash cushion exists for emergency situations? What happens if the firm is unable to refinance expiring credit arrangements?
Does the firm own any non-core assets? How marketable are they? Are they generating cash flow?
- Specific emphasis is placed on leverage, coverage, and industry-specific ratios, both on an absolute basis and relative to peers.
Is there anything misleading in the ratios?

Issue-Specific Risk Assessment

- Are there any structural or subordination issues, significant covenants, ratings triggers, guarantees, etc. associated with the debt?

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Ten Largest Credit Holdings^(a)

December 31, 2011

Stanislaus County Employees Retirement Association-Bond Acct

Credit Securities ^(b)	% of Portfolio	Duration	Yield-to-Maturity (%) ^(c)	Ratings		
				Moody's	S&P	Fitch
California Taxable G.O.	3.13	12.3	5.89	A1	A-	A-
Bank of America Corp.	2.53	7.1	7.85	Baa2	BBB	BBB+
Citigroup, Inc.	2.31	2.3	5.62	Baa1	BBB	A-
HCA, Inc.	1.92	1.5	4.63	B3	B-	B+
Ford Motor Credit Company ^(d)	1.91	5.1	4.87	Ba1	BB+	BB+
Illinois Taxable G.O.	1.74	4.6	4.12	A1	A+	A
Time Warner, Inc.	1.65	11.5	5.23	Baa2	BBB	BBB
General Electric Co.	1.57	5.7	3.56	Aa2	AA+	NR
Time Warner Cable, Inc.	1.55	5.8	4.08	Baa2	BBB	BBB
Xerox Corp.	1.54	3.7	3.34	Baa2	BBB-	BBB

Portfolio Weight of Ten Largest Credit Holdings

19.85

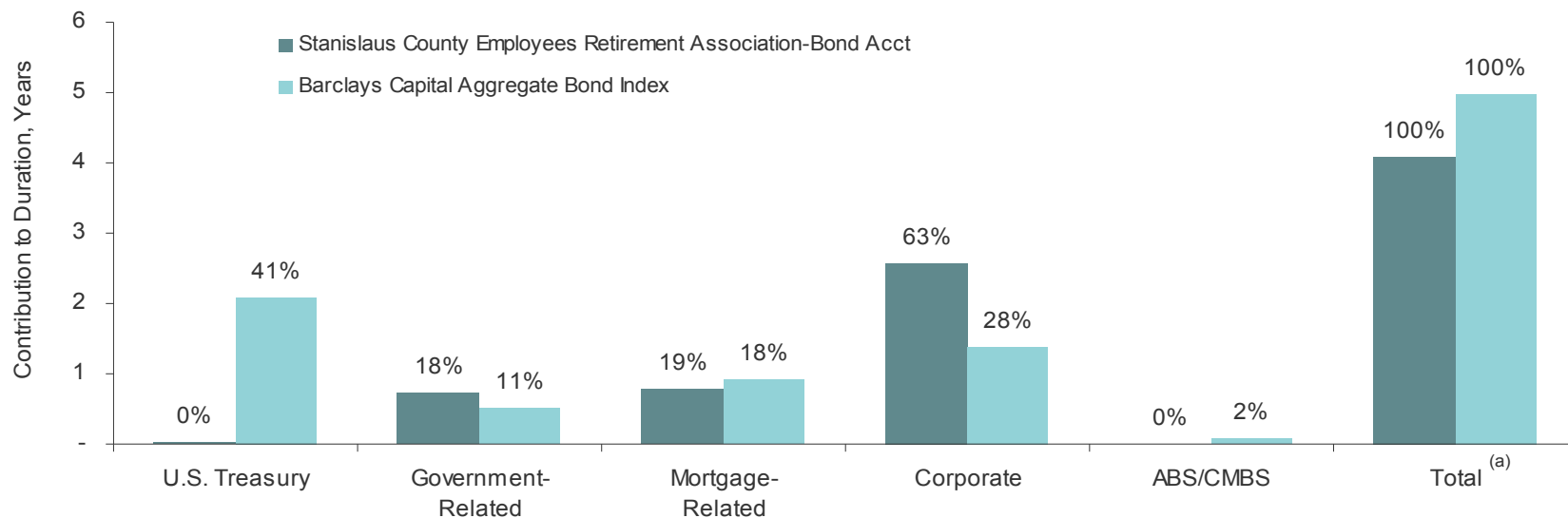
^(a)Weighted average statistics. ^(b)Except as noted, Corporate investments grouped by parent company. Actual securities maybe issued by the listed parent company or one of its subsidiaries. ^(c)Yield and principal value fluctuate with market conditions. ^(d)Subsidiary.

Source: The YieldBook, Inc., Bloomberg LP, Interactive Data's BondEdge. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy or sell any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings.

Contribution to Duration (by Sector)

December 31, 2011

Stanislaus County Employees Retirement Association-Bond Acct



Weight (%)	3.65	35.15	8.11	10.84	42.47	31.79	44.27	19.95	0.00	2.27	100.00	100.00
Duration (Years)	0.51	5.92	8.89	4.76	1.84	2.87	5.78	6.87	0.00	3.31	4.08	4.95
Contribution to Duration ^(b)	0.02	2.08	0.72	0.52	0.78	0.91	2.56	1.38	0.00	0.08	4.08	4.95

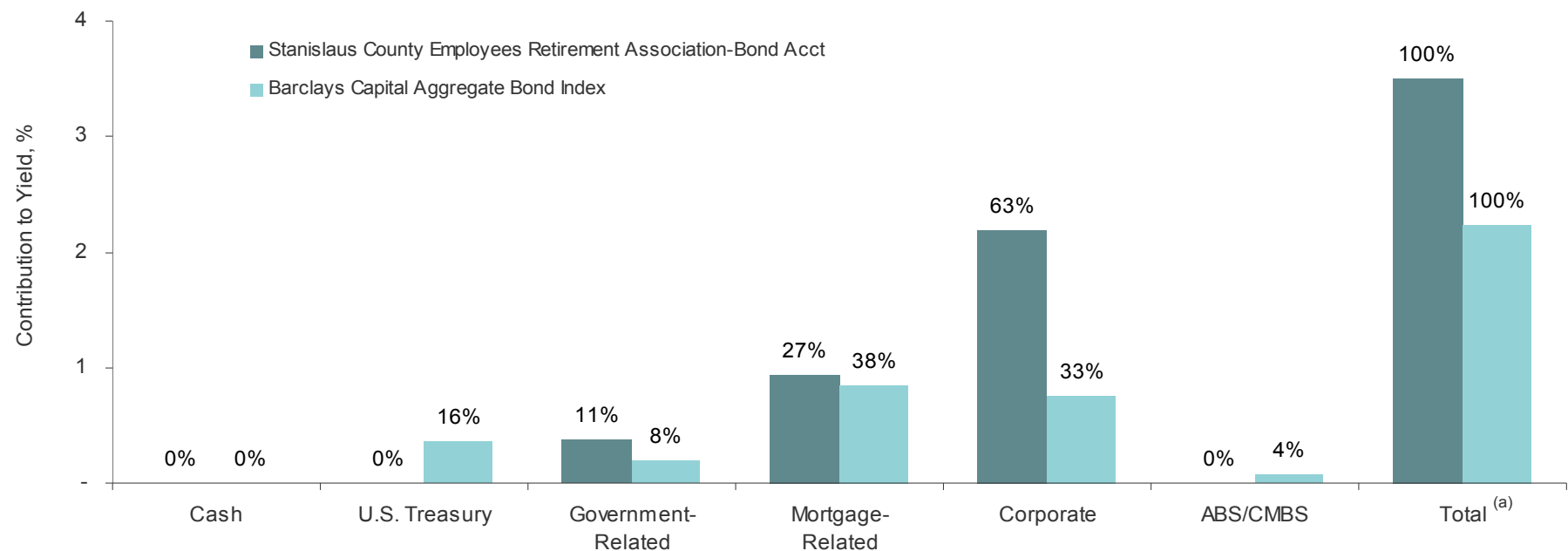
^(a)Portfolio cash weight = 1.50% (not shown in chart). Contribution to duration from cash is zero. ^(b)Contribution to Duration = Portfolio weightings (%) x Duration (Years).

Source: The YieldBook, Inc., Bloomberg LP, Interactive Data's BondEdge, Barclays Capital POINT. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Opinions expressed are subject to change without notice.

Contribution to Yield (by Sector)

December 31, 2011

Stanislaus County Employees Retirement Association-Bond Acct



Weight (%)	1.50	0.00	3.65	35.15	8.11	10.84	42.47	31.79	44.27	19.95	0.00	2.27	100.00	100.00
Yield (%)	0.01	0.00	0.09	1.03	4.66	1.84	2.18	2.68	4.96	3.74	0.00	3.45	3.50	2.24
Contribution to Yield ^(b)	0.00	0.00	0.00	0.36	0.38	0.19	0.93	0.85	2.19	0.75	0.00	0.08	3.50	2.24

^(a)Yield and principal value fluctuate with market conditions. ^(b)Contribution to Yield = Portfolio weightings (%) x Yield to Maturity (%).

Source: The YieldBook, Inc., Bloomberg LP, Interactive Data's BondEdge, Barclays Capital POINT. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy or sell any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified do not represent an account's entire holdings.

Strategy Review

02/28/12

Item #8

Stanislaus County Employees Retirement

28 February 2012



Biography

R. Matthew Clark, CFA

Mr. Clark is a senior vice president and account manager in the Newport Beach office with a focus on institutional client servicing. Prior to joining PIMCO in 2002, he served as an officer in the U.S. Army for eight years, achieving the rank of captain. He has nine years of investment experience and holds an MBA from Harvard Business School. He received an undergraduate degree from Trinity University, San Antonio. Mr. Clark can be reached at (949) 720-6287 or at matt.clark@pimco.com.

Todd A. Staley

Mr. Staley is an account manager in the Newport Beach office, focusing on institutional client servicing. Prior to joining PIMCO in 2011, he worked as a structured finance associate on the non-mortgage asset backed securitization team at Bank of America. He has four years of investment experience and holds an MBA from the Kenan-Flagler Business School at the University of North Carolina as well as an undergraduate degree from the University of Cincinnati. Mr. Staley can be reached at (949) 720-6660 or at todd.staley@pimco.com.

Agenda

1. Market review & performance
2. Outlook and strategy
3. PIMCO update
4. Appendix

High quality bias resulted in fourth quarter outperformance

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Market Value as of 31 Dec '10	\$78,930,847
Contributions / Withdrawals	\$20,000,000
Net Investment Earnings	\$6,836,842
Market Value as of 31 Dec '11	\$105,767,689

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

	Since Inception 31 May '10	1 Yr.	6 Mos.	3 Mos.	YTD 31 Jan '12
Before fees (%)	7.61	8.59	5.42	1.21	1.05
After fees (%)	7.26	8.19	5.23	1.12	1.05
Benchmark (%)	6.55	7.84	4.98	1.12	0.88
Before fees alpha (bps)	106	75	44	9	17

As of 31 December 2011

All periods longer than one year are annualized.

Benchmark: Barclays Capital U.S. Aggregate Bond Index

U.S. Treasuries rallied in 2011 as Europe's debt crisis accelerated and liquidity conditions deteriorated

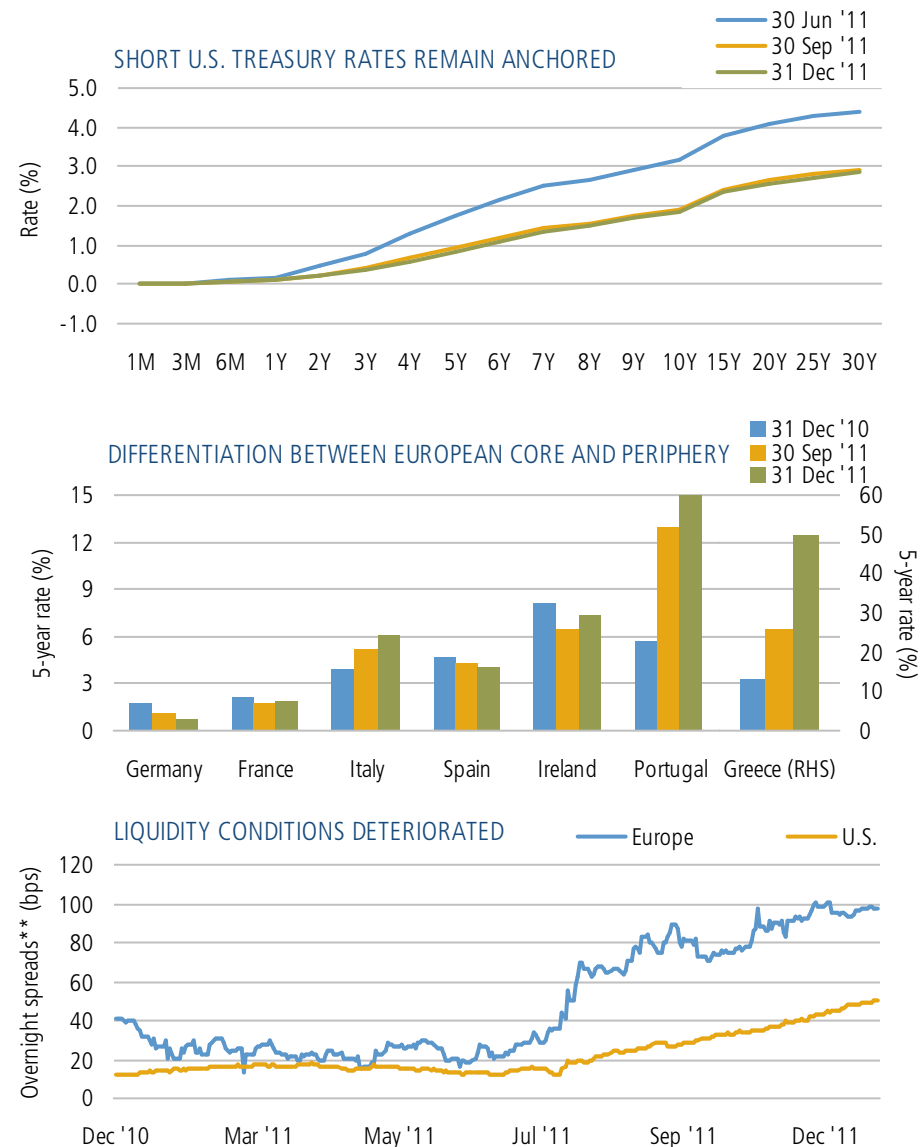
- Treasuries rallied sharply in 2011, led by the long end of the curve, as investors reacted to extraordinary events:
 - Europe's accelerating debt crisis
 - Washington's debt ceiling debacle
 - S&P's downgrade of the U.S. credit rating
 - The Fed's Operation Twist announcement

- Balance sheet concerns infected both core and peripheral European countries, with Greek, Portuguese and Italian yields soaring

- An example of the increased focus on core countries was French CDS*, where spreads widened past similar Brazilian levels

- Bid-ask spreads widened and lending slowed

- Central banks took steps to improve liquidity:
 - ECB: Unlimited 3-year collateralized lending
 - Fed: Globally coordinated currency swaps

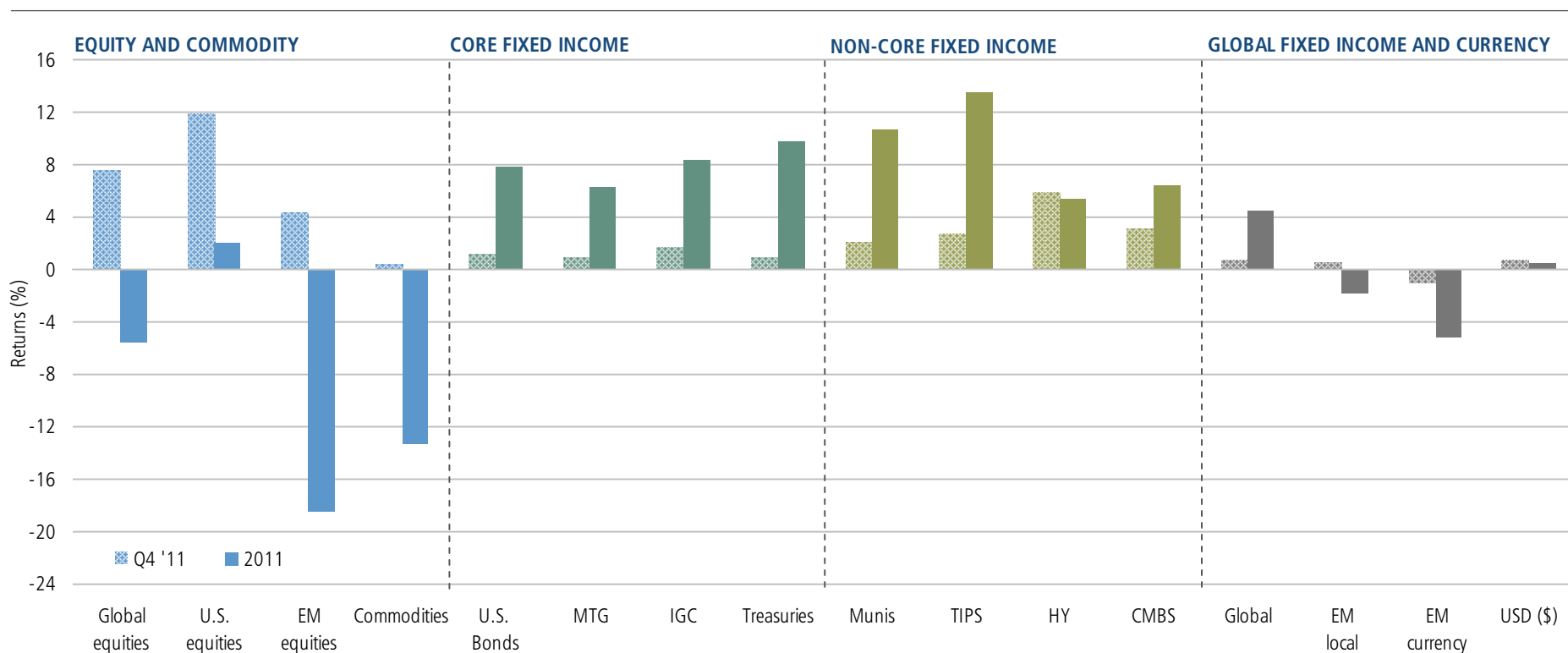


As of 31 December 2011

* Credit default swaps

** Based on LIBOR OIS and Euribor OIS
SOURCE: Bloomberg Financial Markets

Treasuries outperform in 2011 amid a series of unexpected events



- Q4 rebound in global equities offset much of the Q3 sell-off
- While developed market equities ended the year higher, EM equities and commodities lost value in 2011

- U.S. Treasuries outperformed most asset classes in a flight to quality
- Agency MBS and Investment Grade Corporates underperformed but delivered solidly positive returns in 2011

- TIPS outperformed on improved inflation expectations and the second half's Treasury rally in 2011
- High Yield and CMBS underperformed as investors fled riskier asset classes in Q3

- Global sovereigns rallied alongside Treasuries, albeit in differentiated fashion
- The U.S. Dollar remained a safe haven during the year, appreciating relative to other currencies

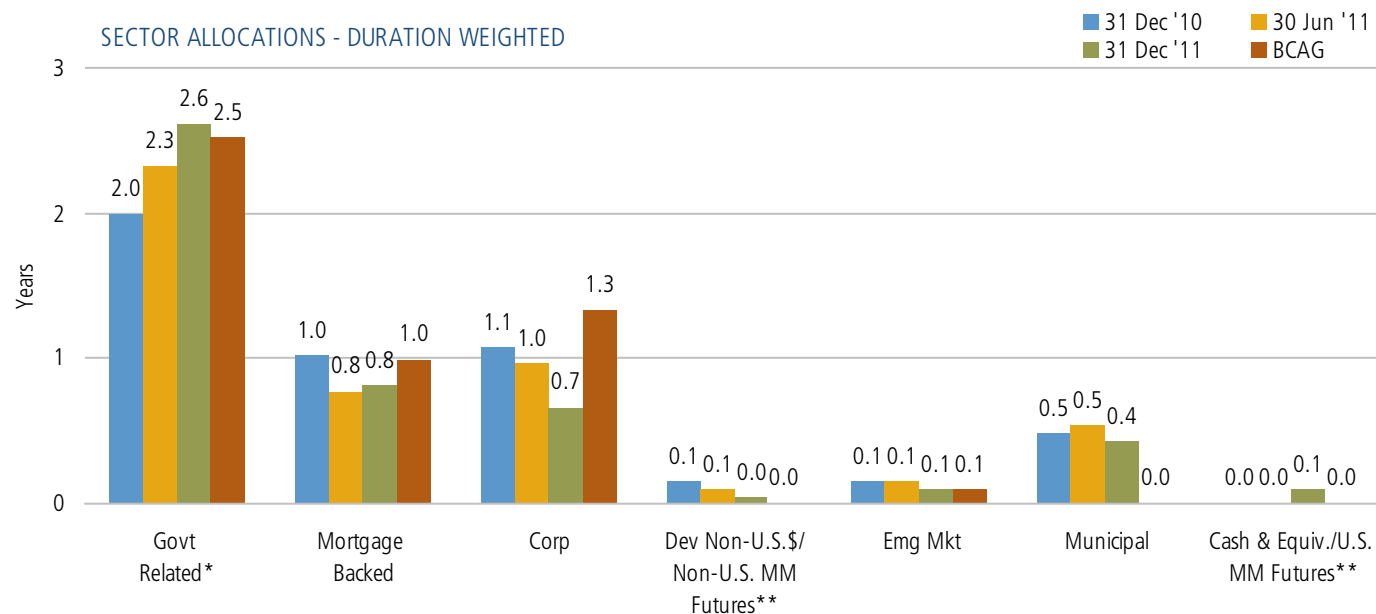
As of 31 December 2011

SOURCE: Barclays Capital Live, Federal Reserve, JPMorgan, Bloomberg Financial Markets, PIMCO

Barclays Capital U.S. Aggregate; Barclays Capital MBS Fixed Rate Mortgage; Barclays Capital Investment Grade Credit; Barclays Capital U.S. Treasury; Barclays Capital Municipal Bond; Barclays Capital U.S. TIPS; BofA Merrill Lynch U.S. High Yield BB-B Rated; Barclays Capital CMBS ERISA-Eligible; JPMorgan GBI Global ex-U.S. USD Hedged Index, JPMorgan GBI-EM Global Diversified (Unhedged); JP Morgan ELMI+ Unhedged; Dollar Index Spot; MSCI World; S&P500; MSCI EM; DJ-UBS Commodity

Portfolio positioning

STANISLAUS COUNTY EMPLOYEES'		31 Dec '10	30 Jun '11	31 Dec '11
Effective Duration (yrs.)	Portfolio	4.9	4.8	4.8
	Index	5.0	5.2	4.9
Total Curve Duration ¹		0.2	0.1	-0.1
Yield to Maturity (%)		3.4	2.9	2.3



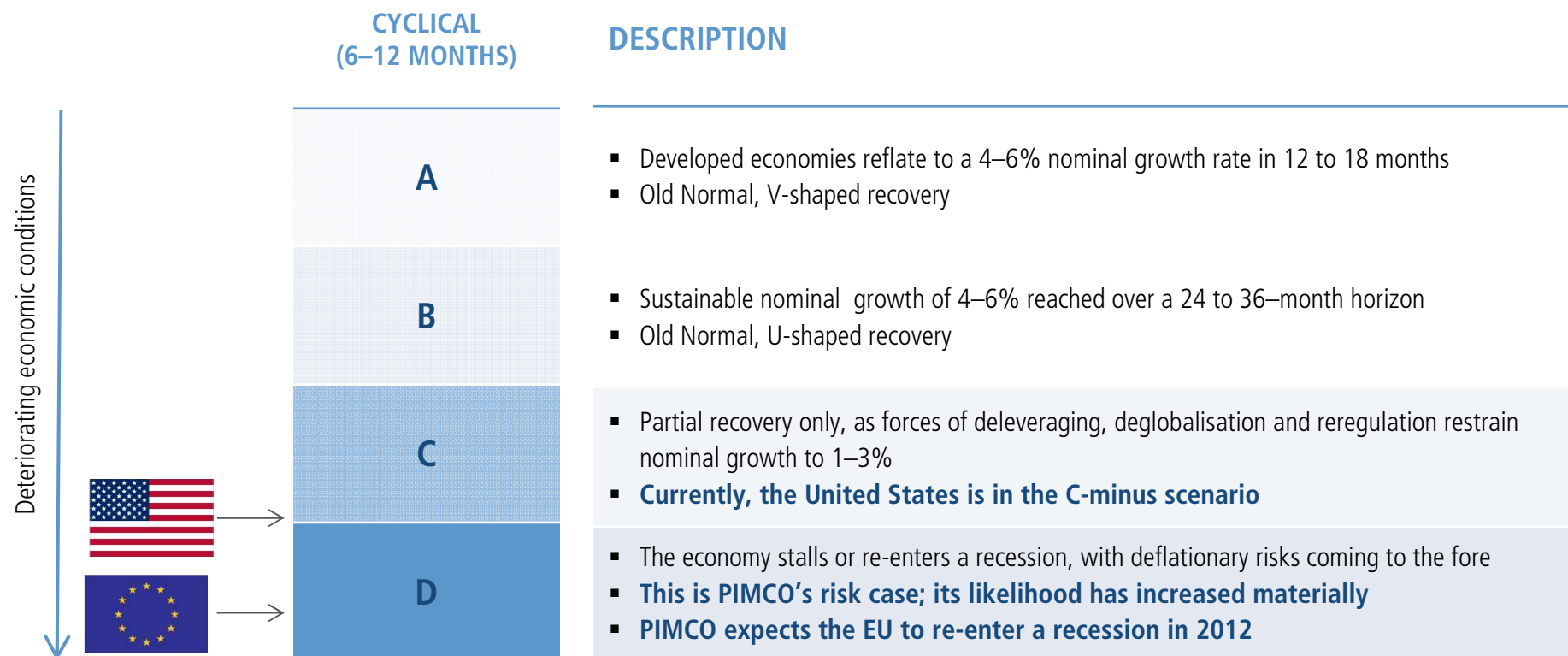
NOTE: 'Other' is comprised of Convertibles, Euro/Yankees, Preferred Stock

¹ Measures a portfolio's price sensitivity relative to the benchmark to changes in the slope of the yield curve, measured between the 2-30 year Government yields, holding the 10 year yield constant. For every 1 basis point of steepening (flattening), a portfolio with curve duration of 1 year will rise (fall) in price by 1 basis point relative to the benchmark.

* Gov't-Related may include nominal and inflation-protected Treasuries, agency debt, interest rate swaps, Treasury futures and options, and FDIC-guaranteed corporate securities.

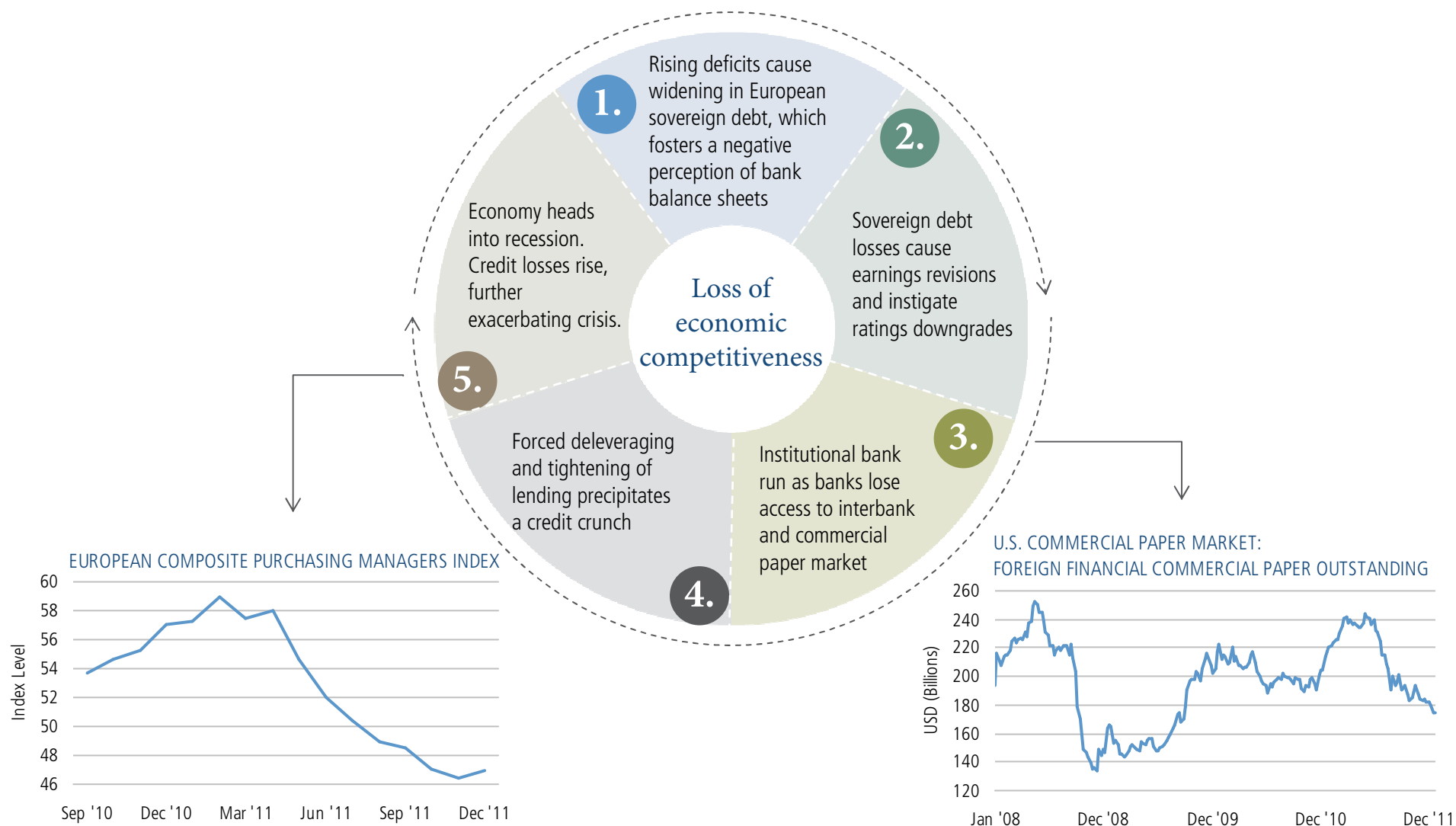
** As of 31 Dec '10, 30 Jun '11 & 31 Dec '11; Non U.S. MM Futures exposure is 0 yrs, 0 yrs, & 0 yrs, respectively; U.S. MM Futures exposure is 0 yrs, 0 yrs, & 0 yrs, respectively.

PIMCO's cyclical framework for growth in the developed world



As of 31 December 2011

European recessionary risks pose new threat to financial system



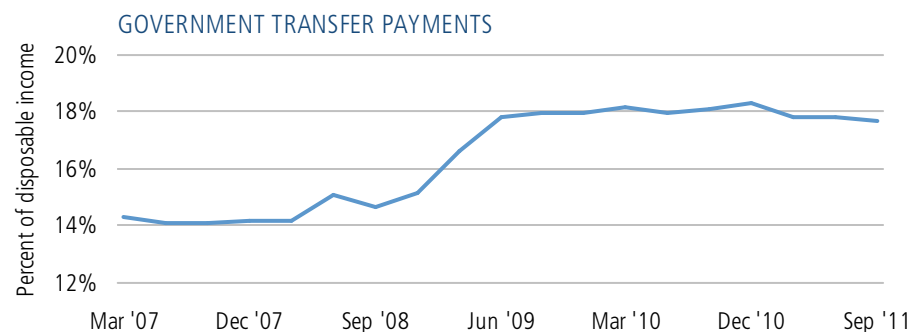
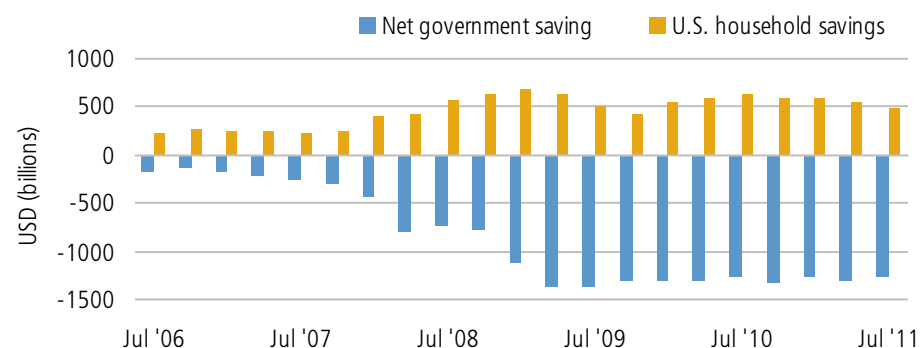
Without a meaningful outside balance sheet, these negative dynamics will persist

As of 31 December 2011
SOURCE: Bloomberg, PIMCO

U.S. austerity and Chinese slowdown raise risk of global slowing

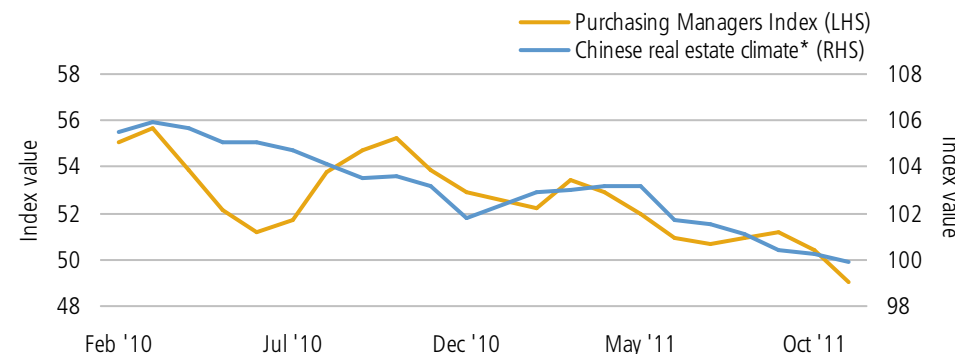
Developed markets: Fiscal duress

- Consumer deleveraging since the crisis has been offset by increased government spending
- Politicization of continued U.S. borrowing, however, has steered the discourse towards a reduction in government support
- Retrenchment of the U.S., federal, state and local balance sheets will have meaningful effect on consumer spending given increased reliance on government transfer payments
- Developed market tilt towards austerity over stimulus will continue to impair global growth



Emerging markets: Potential deceleration

- The Chinese property market has been stagnating meaningfully as restrictive monetary policy and macro-prudential measures have limited credit
- Chinese manufacturing activity has also fallen due to knock-on effects from depressed European aggregate demand



As of 31 December 2011

SOURCE: Bloomberg, BEA

* Chinese real estate climate represented by a Bloomberg Composite Index comprising of RMB/sqm prices in major Chinese metropolitan areas

PIMCO's broad market portfolio strategy

Themes

Generally defensive, selectively offensive posture

Prefer yield over price appreciation

Focus on downside protection given increasing macroeconomic volatility



DEVELOPED EQUITIES

- Remain cautious on market beta
- Favor multinationals and value opportunities globally
- Generate income through dividends



EM EQUITIES

- Favor Emerging Markets over Developed Markets
- Utilize tail risk hedging to protect portfolios in times of extreme market stress



GLOBAL FIXED INCOME

- Plan to favor interest rate risk of "cleanest dirty shirts" sovereigns
 - Australia, Canada, U.S., Brazil
 - Favor select, higher rated Investment Grade Corporates



REAL ASSETS

- Favor monetary over industrial commodities
- Favor longer dated TIPS
- Continue to avoid REITS
- Favor USD as reserve currency versus other developed currencies

As of 31 December 2011

"Safe Spread" is defined as sectors that we believe are most likely to withstand the vicissitudes of a wide range of possible economic scenarios. All investments contain risk and may lose value.

Portfolio strategy: Retain exposure to high quality spread sectors while maintaining above-benchmark duration

INTEREST RATE STRATEGIES

Targeted exposure	Supporting details
Overweight to interest rate duration	Economic headwinds, continued volatility will keep rates from spiking in the near term
Exposure to non-U.S. duration	Sources of high quality duration including Canada, Australia, and Brazil offer yield compression potential
Extend average maturity to intermediate part of the yield curve	Overweight the 5–10 year portion of the curve as the 0–5 year portion provides a limited source of roll down and carry

STRATEGIC POSITIONING

Targeted exposure	Supporting details
Overweight to Investment Grade Credit	<ol style="list-style-type: none">1) Maintain reduced overweight to financials2) Retain up-in-quality bias, focusing on high quality Emerging Markets, Municipals, and other sources of high quality spread3) Reduce exposure to securities at risk of permanent loss
Overweight to agency MBS; maintain select non-agency exposure	Maintain agency MBS overweight as a source of high quality yield while keeping exposure to senior CMBS and non-agency RMBS

TACTICAL POSITIONING

Targeted exposure	Supporting details
Reduced exposure to High Yield credit	High yield will be most vulnerable in another contraction given limited fiscal policies available to buttress a downturn
Reduced exposure to currencies	Maintain reduced exposures due to concerns of heightened volatility; focus on basket of emerging Asian currencies

PIMCO snapshot

History

- Founded in 1971
- Investment solutions include fixed income, active equities and alternatives
- Assets under management: \$ 1,357.23 B

People

Employees	2,038	
▪ Investment professionals	604	
▪ Technical and support	1,434	
Highly experienced	Average Years	
	<u>Experience</u>	<u>at PIMCO</u>
▪ All investment professionals	13	6
▪ Senior professionals	19	9

Global presence

Offices	IPs
Amsterdam	1
Hong Kong	12
London	100
Munich	57
New York	88
Newport Beach	297
Singapore	10
Sydney	10
Tokyo	20
Toronto	6
Zurich	3



As of 31 December 2011
SOURCE: PIMCO

Supported by a robust investment process, PIMCO continues to grow

Equities	ETFs	Alternatives
<ul style="list-style-type: none">Continued to build out equity team in 2011<ul style="list-style-type: none">John Longhurst – Head of EM Equity ResearchCliff Remily & Brad Kinkelaar – Equity Income Portfolio Managers13 total new hires	<ul style="list-style-type: none">Expanding ETF platform to provide clients choices in investment vehiclesTargeted regional and credit market exposure<ul style="list-style-type: none">Australia, Canada, GermanyHigh yieldInnovation in active ETF offerings	<ul style="list-style-type: none">Jennifer Bridwell, Managing Director who spearheaded development of several PIMCO alternative strategies, appointed Global Head of Alternatives Product Development<ul style="list-style-type: none">Capitalize on opportunities created by market dislocationsDevelopment of full range of investment vehicles to meet client needs

Regulatory leadership: PIMCO is well-prepared for a new regulatory climate

- PIMCO is a founding buy-side member with both CME and ICE clearing platforms
- PIMCO has successfully cleared all of the current buy side clearing eligible products, and is actively engaged with an extensive set of counterparties and custodian banks

Sustainable and Responsible Investing: PIMCO becomes a signatory to the United Nations Principles for Responsible Investment (UNPRI)

- PIMCO's secular process and our long-standing emphasis on sustainability underpins our focus on the longer term dynamics that are at the core of ESG issues
- Environmental, Social and Governance (ESG) analysis continues to be part of both our top-down macroeconomic analysis and bottom-up credit research
- Becoming a signatory of the UNPRI has thus been a natural and important step for PIMCO

As of 31 December 2011
SOURCE: PIMCO

Assets under management by strategy

ASSETS UNDER MANAGEMENT BY ASSET CLASS AND STRATEGY

ALTERNATIVE INVESTMENTS

Absolute Return Strategies	Long/short or unconstrained bond strategies, benchmarked to LIBOR indices	\$37.88
Commodities	Commodity-linked exposures enhanced with active bond portfolios	24.71
Real Estate	Real Estate-linked exposure backed by inflation index bonds	0.41
CBO / CLO	Collateralized bonds / loan obligations	4.89

ASSET ALLOCATION

Asset Allocation Strategies	Global Multi Asset, All Asset, All Asset All Authority, RealRetirement	56.55
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EQUITIES

StocksPLUS®	Combines derivatives-based equity exposure with active bond management	11.75
Active Equities	Pathfinder, Emerging Markets	1.38

FIXED INCOME

Intermediate*	Total Return, Moderate Duration	518.74
Cash Management*	Money Market, Short-Term, Low Duration	120.22
Long Duration	Focus on long-term bonds; asset liability management	106.76
Real Return	TIPS** and other inflation-hedging strategies	78.37
Credit	Investment Grade Corporates, High Yield, Credit Absolute Return	130.21
Mortgages	Emphasis on management of mortgage pass-throughs	42.85
Global	Non-U.S. and global multiple currency formats	103.66
Emerging Markets	Emerging market debt, EM local currency, active EM currency	53.90
Diversified Income	Global credit combining corporate and emerging markets debt	19.96
Municipals	Tax-efficient total return management	13.59
Other		31.30

Total Assets Under Management:	\$ 1,357.23 B
---------------------------------------	----------------------

As of 31 December 2011. SOURCE: PIMCO

Potential differences in asset totals are due to rounding.

* Stable value assets have not been netted from U.S. Total Return, U.S. Moderate Duration and U.S. Low Duration assets. Total stable value assets equal \$30.9 B.

** Treasury Inflation-Protected Securities (TIPS).

PIMCO cyclical forum economic forecasts

	REAL GDP		HEADLINE INFLATION	
	CURRENT ¹	PIMCO FORECAST Q4 '11 – Q4 '12	CURRENT ¹	PIMCO FORECAST Q4 '11 – Q4 '12
U.S.	1.5%	0.0% to 1.0%	3.4%	1.5% to 2.0%
Europe	1.4%	-1.5% to -1.0%	2.5%	1.0% to 1.5%
U.K.	0.5%	-0.5% to 0.0%	4.5%	2.0% to 2.5%
Japan	-0.2%	0.5% to 1.0%	0.1%	-1.0% to -0.5%
China	9.0%	6.75% to 7.25%	6.2%	4.0% to 5.0%
BRIM ²	4.0%	3.0% to 4.0%	6.2%	5.0% to 5.5%
World	2.5%	1.0% to 1.5%	3.1%	1.75% to 2.25%

As of 31 December 2011

SOURCE: PIMCO, Bloomberg

¹ Current data for real GDP growth and inflation represent 12-month actual figures Q3 2010 – Q3 2011.

² Brazil/Russia/India/Mexico

02/28/12

Item #9a

STANISLAUS COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION

**INVESTMENT PERFORMANCE SUMMARY
ANALYSIS**

DECEMBER 31, 2011

STRATEGIC INVESTMENT SOLUTIONS, INC.

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

Capital Market Review

- Global equities performed on par with global bonds in the last quarter of 2011, as policy moves in Europe and better-than-expected US economic news improved sentiment, particularly for equity markets.
- Global commodity prices continued to head lower in the fourth quarter driven by falling agricultural and industrial metals prices. Aggregate commodity indices ended the year down more than 10 percent. After reaching a record high in September, gold prices moderated notably as the US dollar strengthened.
- US stocks fared better than their international and emerging markets counterparts. Domestically, blue chip stocks of the Dow Jones Industrial Average outperformed the S&P 500, NASDAQ and Russell indices. By sector, information technology and health care ended 2011 with the strongest performance while materials, consumer discretionary and utilities sectors finished the year in negative territory.
- Improving economic data in the US and European policy moves managed to buoy equity markets, yet failed to prompt a broader shift in investment sentiment and risk appetite. Indeed, investors remained cautious and firmly vested in bonds. The US yield curve witnessed limited movement across the term spectrum in the fourth quarter.
- Despite currency market interventions by the Bank of Japan designed to weaken the yen, the currency was mostly unmoved in the fourth quarter and ultimately ended up as the best performer among G10 currencies, strengthening over 5 percent in 2011. At the other end of the scale, the euro was the worst performer in the fourth quarter and for the year in aggregate.
- For the period ending 12/31/11, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), were 15.22% and 3.30%; one year, 8.29% and 16.10%; three years, 21.05% and -1.45%; and five years, -1.42% and 3.40%.
- The fourth quarter of 2011 was characterized by very strong markets for global real estate securities, as global macroeconomic conditions became marginally more positive. Global markets have become bifurcated between the “haves” (New York, London, D.C., Singapore) and the “have nots” (Greece, Italy, etc.)
- Question marks still exist about the situation in Europe and bank capital requirements that have made financing somewhat difficult. Still, predications about an impending distressed environment have not been borne out; the relatively high yields offered by REITs and quality real estate have been attractive to investors.

Executive Performance Summary

- The composite fund returned 6.1% in the fourth quarter of 2011 and ranked in the 30th percentile among other public funds greater than \$100 million (5.3% median). The fund trailed its policy index (6.3%) during this time period. Longer term, the three and five-year returns of 13.6% and 2.0%, ranked above and with the median among total public plans (11.1% and 2.0%, respectively).

- Fourth quarter results were enhanced by the following factors:
 1. The Mellon Capital S&P 500 Index Fund returned 11.8% for the quarter. The Fund matched the S&P 500 Index and ranked with the median large cap core manager.
 2. The BlackRock Russell 1000 Growth Index Fund returned 10.6% for the quarter, matched its benchmark return and led the peer median of 9.8%.
 3. Delaware's return of 11.9% ranked in the top quartile among large cap growth managers (median 9.8%), and was ahead of its benchmark, the Russell 1000 Growth Index (10.6%). Above par Info Tech (Verisign, Google) and Energy (EOG Resources) investments helped relative performance. Over three years, Delaware returned above its benchmark and peer group median.
 4. The BlackRock Russell 1000 Value Index Fund (13.1%) matched its benchmark and was ahead of its median large cap value manager return of 12.8%.
 5. LSV (4.1%) was above par with the MSCI ACWI -ex US (3.8%) and ranked 51st among ACWI -ex US equity managers (median of 4.2%). LSV investments France, the UK and Brazil performed well. Over three years, LSV (13.8%) surpassed its benchmark (11.2%).
 6. Pyramis' return of 4.5% beat the MSCI ACWI-ex US Index return of 3.8%. It placed in the second quartile among ACWI ex US equity managers (4.2% median). It fared well due to its security selection in the European telecommunication services (UK's Vodafone) and healthcare (Germany's Bayer) sectors. Three-year results led its benchmark (11.8% vs. 11.2%).

Executive Performance Summary

7. The Dodge & Cox-Fixed Income 1.4% return led its benchmark, the Barclays Capital Aggregate Index (1.1%), and ranked in the second quartile among core bond managers, median return of 1.2%. D&C's significant overweight to corporates, agency MBS exposure and nominal yield advantage boosted relative returns. D&C was up 9.9% for three years while its benchmark was up 6.8%.
 8. PIMCO returned 1.2%, as the Barclays Aggregate Index gained 1.1%. The median core bond manager return was 1.2%. PIMCO's exposure to US duration and non-US interest rates (Canada) and bonds of financial companies boosted performance.
 9. The Invesco Realty Fund added 8.6% during the quarter. Its benchmark, the FTSE EPRA/NAREIT Global Index was up 7.4%. Invesco ranked in the 7th percentile among global real estate portfolios.
- Fourth quarter results were hindered by the following factor:
 1. Dodge & Cox-Equity, 12.5%, returned below the median large cap value manager (12.8%) and the Russell 1000 Value Index (13.1%), ranking its portfolios in the 65th percentile among its peers. Poor stock selection in Info Tech (BMC Software, Computer Sciences) and Financials (Credit Suisse, Bank of America) sectors dampened performance. Three year returns were ahead of its benchmark (13.0% vs. 11.5%).
 2. Fund of funds manager Legato Capital was surpassed by its benchmark, the Russell 2000 Growth Index (12.5% vs. 15.0%) and ranked in the 65th percentile among small cap growth managers. It was hurt by its Financials and Industrials stock picks. Stephens Investments trailed during the quarter, at 12.1%. Over three years, Legato returned above its benchmark but not its peer group median.
 3. Fund of funds manager Capital Prospects appreciated 15.1% for the quarter, and ranked in the 73rd percentile among its peers (15.9% median). The Russell 2000 Value Index returned 16.0%. The portfolio was impacted by its stock selection in the Consumer Discretionary sector and portfolio turnover. Ten gained the least, adding 13.2% during the quarter. Three-year returns placed the portfolio behind its large cap value peer median.

Executive Performance Summary

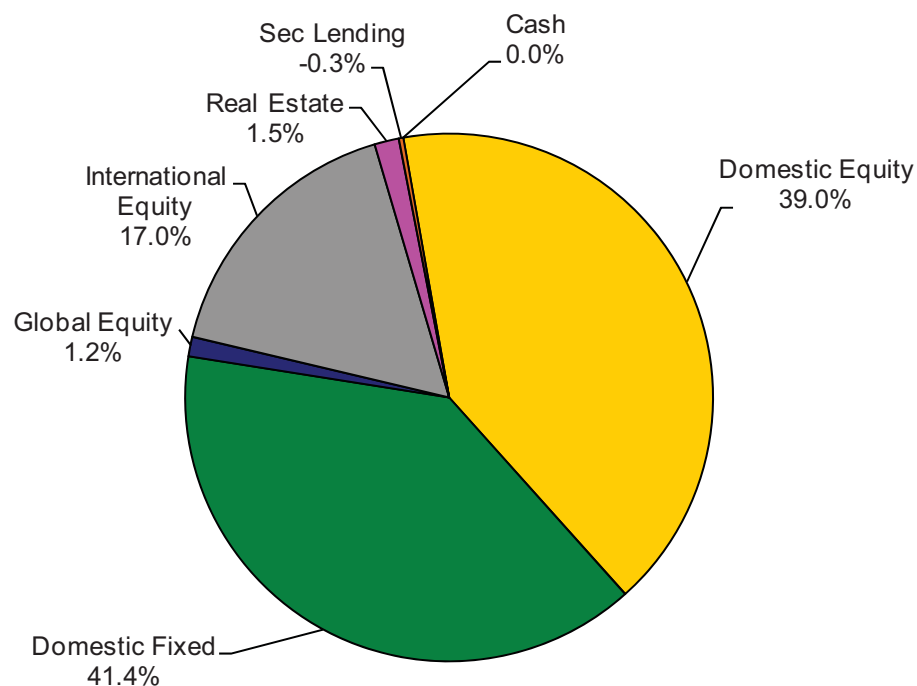
4. Global long/short strategy RAFI trailed the 1 month US Government T-Bill (-7.0% vs. 0.0%). RAFI ranked in the bottom percentile among market neutral hedge fund managers. Shorting US and going long European positions stalled performance.

StanCERA

StanCERA Plan

As of December 31, 2011

Allocation by Manager Type

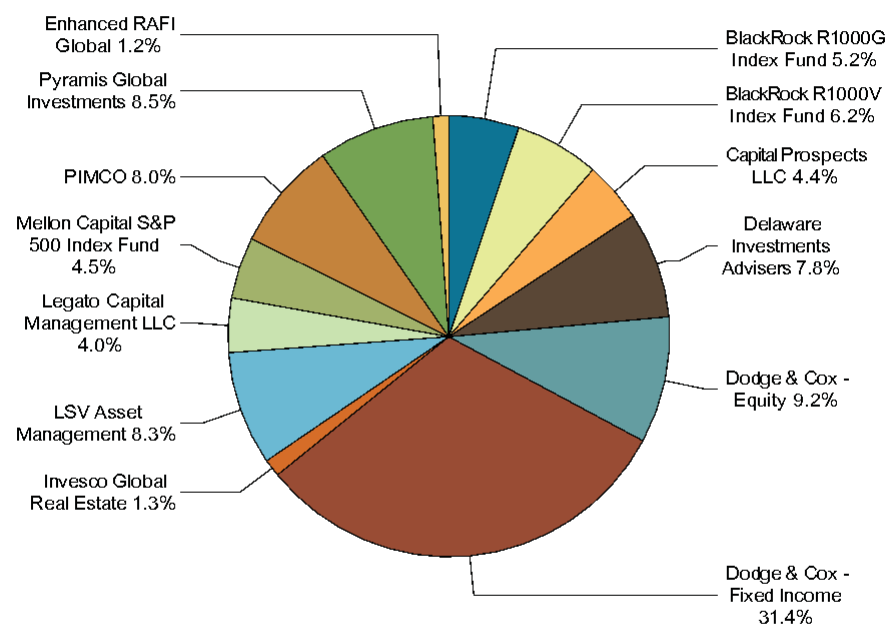


Manager	Market Value	Current%
Cash	6,225	0.0
Domestic Equity	547,124,071	41.4
Domestic Fixed	520,193,044	39.3
Global Equity	15,912,657	1.2
International Equity	222,659,564	16.8
Real Estate	19,938,871	1.5
Sec Lending	-3,725,200	-0.3
Total	1,322,109,231	100.0

StanCERA

As of December 31, 2011

Manager Allocation Analysis - Total Plan



FUND	Ending Market Value	Current %
BlackRock R1000G Index Fund	68,319,797	5.2
BlackRock R1000V Index Fund	82,033,534	6.2
Capital Prospects LLC	58,208,611	4.4
Cash (BlackRock)	6,225	0.0
Delaware Investments Advisers	103,622,847	7.8
Dodge & Cox - Equity	122,225,301	9.2
Dodge & Cox - Fixed Income	414,494,878	31.4
Invesco Global Real Estate	17,167,435	1.3
LSV Asset Management	110,138,186	8.3
Legato Capital Management LLC	52,967,132	4.0
Mellon Capital S&P 500 Index Fund	59,746,850	4.5
PIMCO	105,698,167	8.0
Pyramis Global Investments	112,521,378	8.5
12th St Bldg	2,771,436	0.2
Security Lending Liability	-3,725,200	-0.3
Enhanced RAFI Global	15,912,657	1.2
TOTAL	1,322,109,231	100.0

OTHERS category includes managers with less than 1% of Total Ending Market Value.

StanCERA

Periods Ending December 31, 2011

Performance Summary

	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR	
Total Fund *	6.1	30	-5.2	80	-0.3	85	6.5	72	13.6	14	2.0	54
<i>Policy Index</i> ¹	6.3	21	-3.9	35	0.5	65	6.7	64	12.4	26	2.0	51
<i>Public Plan > \$100 Million Median</i>	5.3		-4.4		0.9		7.0		11.1		2.0	
US EQUITY MANAGERS												
LARGE CORE												
Mellon Capital - gross of fees	11.8	50	-3.7	28	2.1	33	8.4	39	14.2	50	-0.2	61
<i>Mellon Capital - net of fees</i>	11.8		-3.7		1.9		8.3		14.1		-0.2	
<i>S&P 500 Index</i>	11.8	53	-3.7	31	2.1	40	8.4	49	14.1	63	-0.3	67
LARGE GROWTH												
BlackRock R1000G - gross of fees ²	10.6	25	-3.9	23	2.8	27						
<i>BlackRock R1000G - net of fees</i>	10.6		-3.8		2.8							
Delaware	11.9	10	0.6	2	8.9	4	11.7	13	21.5	6	3.2	34
<i>Delaware - net of fees</i>	11.8		0.3		8.3		11.2		20.9		2.7	
<i>Russell 1000 Growth Index</i>	10.6	27	-3.9	25	2.6	30	9.5	38	18.0	24	2.5	46
LARGEVALUE												
BlackRock R1000V - gross of fees	13.1	42	-5.2	30	0.5	43	7.8	35				
<i>BlackRock R1000V - net of fees</i>	13.1		-5.2		0.5		7.8					
Dodge & Cox - gross of fees	12.5	65	-8.7	83	-3.0	77	5.3	79	13.0	39	-2.9	73
<i>Dodge & Cox - net of fees</i>	12.4		-8.8		-3.2		5.1		12.7		-3.1	
<i>Russell 1000 Value Index</i>	13.1	41	-5.2	31	0.4	46	7.7	38	11.5	70	-2.6	69
SMALL GROWTH												
Legato Capital - gross of fees	12.7	65	-11.1	61	-2.0	60	11.4	70	19.8	61		
<i>Legato Capital - net of fees</i>	12.5		-11.6		-2.9		10.4		18.7			
<i>Russell 2000 Growth Index</i>	15.0	37	-10.6	54	-2.9	64	12.0	68	19.0	69		
SMALL VALUE												
Capital Prospects - gross of fees	15.1	73	-8.6	42	-4.0	39	10.8	38	16.9	64		
<i>Capital Prospects - net of fees</i>	14.9		-9.0		-4.8		10.0		16.0			
<i>Russell 2000 Value Index</i>	16.0	45	-8.9	49	-5.5	50	8.5	70	12.4	97		
US Equity Composite	12.4	45	-5.9	43	0.5	46	8.6	54	16.0	49	-1.1	85
<i>80% R1000/ 20% R2000</i>	12.5	44	-5.8	42	0.7	45	9.3	45	15.7	51	0.5	57
<i>Russell 3000 Index</i>	12.1	49	-5.0	36	1.0	42	8.7	53	14.9	61	0.0	65

Rankings: 1=highest, 100=low est.

* Total Fund and US managers are ranked against appropriate peer universes. Other managers and asset class composites are ranked against asset class universes.

¹ Effective 7/1/2011, Policy Index is 32.4% Russell 1000, 8.5% Russell 2000, 19% MSCI ACWI-ex US, 37.1% Barclays Aggregate, 1.5% FTSE EPRA/NAREIT, 1.5% Citigroup 1-month T-Bill. MSCI ACWI-ex US return is linked with previous MSCI EAFE returns. Effective 5/1/10, Policy Index is 32.9% Russell 1000, 8.5% Russell 2000, 20% MSCI ACWI-ex US, 37.1% Barclays Aggregate, 1.5% FTSE EPRA/NAREIT. MSCI ACWI-ex US return is linked with previous MSCI EAFE returns.

² Funded 7/6/10.

StanCERA

Periods Ending December 31, 2011

Performance Summary

	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR	
INTERNATIONAL EQUITY MANAGERS												
LSV - gross of fees	4.1	51	-17.1	48	-12.5	42	-0.4	44	13.8	17	-2.9	42
LSV - net of fees	3.9		-17.3		-13.0		-1.0		13.1		-3.5	
Pyramis - gross of fees	4.5	42	-16.7	34	-13.5	49	-0.8	46	11.8	36	-1.9	24
Pyramis - net of fees	4.4		-16.9		-13.9		-1.3		11.2		-2.4	
International Equity Composite	4.3	47	-16.9	44	-13.1	45	-0.7	46	12.7	27	-2.4	37
MSCI ACWI -ex US Index	3.8	63	-16.8	35	-13.3	48	-1.6	50	11.2	38	-2.5	38
US FIXED INCOME MANAGER												
CORE												
Dodge & Cox - gross of fees	1.4	41	2.0	89	5.4	88	6.7	76	9.9	32	7.0	39
Dodge & Cox - net of fees	1.4		1.9		5.3		6.6		9.8		6.9	
PIMCO - gross of fees	1.2	54	5.4	14	8.6	14						
PIMCO - net of fees	1.1		5.2		8.2							
Barclays Aggregate Index	1.1	65	5.0	26	7.8	34	7.2	60	6.8	80	6.5	74
US Fixed Income Composite	1.3	53	2.5	51	5.9	52	7.0	61	10.1	40	7.2	41
Barclays Aggregate Index	1.1	63	5.0	23	7.8	29	7.2	57	6.8	75	6.5	63
SPECIAL SITUATIONS												
GLOBAL REAL ESTATE												
Invesco - gross of fees	8.6	7	-11.0	95	-5.6	89	5.7	67	14.6	6		
Invesco - net of fees	8.3		-11.5		-6.5		4.8		13.7			
FTSE EPRA/NAREIT	7.4	9	-11.2	95	-5.8	89	6.5	65	16.2	5		
GLOBAL LONG/SHORT EQUITY												
Enhanced RAFI - gross of fees ³	-7.0	100	-20.2	100								
Enhanced RAFI - net of fees	-7.0		-20.2									
Citigroup 1 month T-Bill	0.0	50	0.0	29	0.1	43	0.1	64				
Special Situations Composite	0.5	46	-15.8	100	-10.2	98	3.1	50				
REAL ESTATE												
12th Street	0.0											

Rankings: 1=highest, 100=low est.

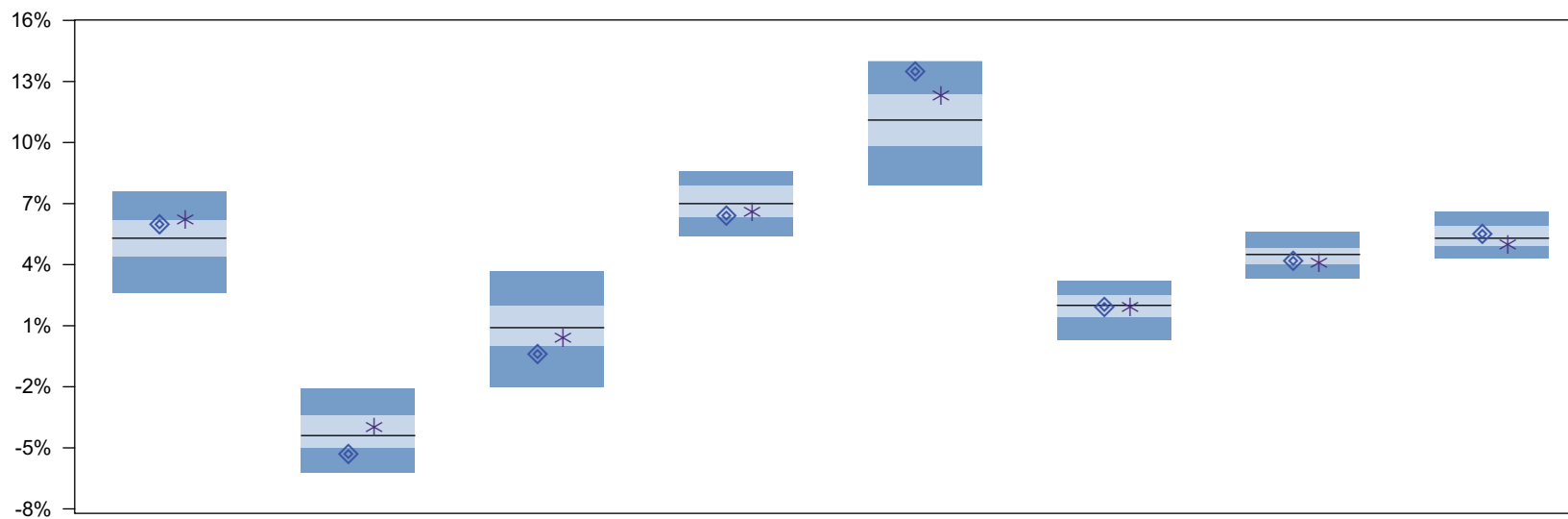
³ Funded on 6/23/2011.

StanCERA

PUBLIC FUNDS > \$100 MILLION

Periods Ending December 31, 2011

Total Returns



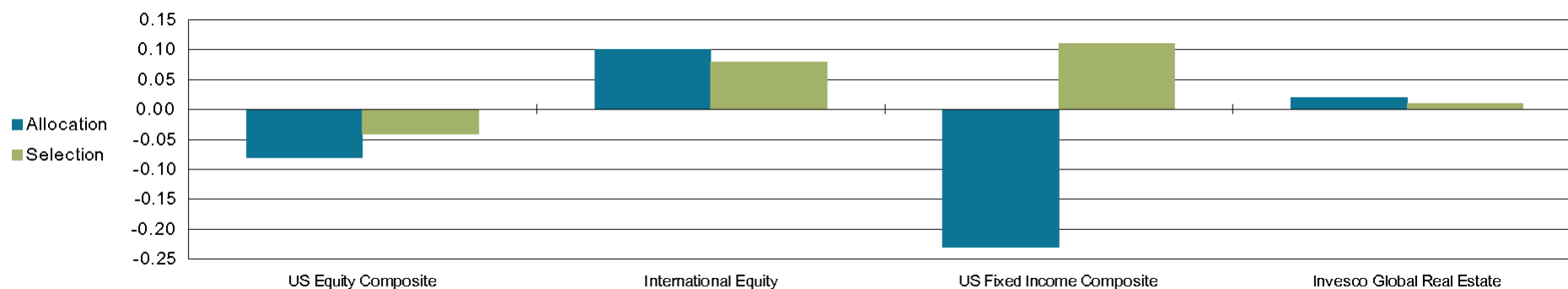
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
◆ StanCERA Plan	6.1	30	-5.2	80	-0.3	85	6.5	72	13.6	14	2.0	54	4.3	60	5.6	37
* Investment Policy Index	6.3	21	-3.9	35	0.5	65	6.7	64	12.4	26	2.0	51	4.2	61	5.1	64
Median	5.3		-4.4		0.9		7.0		11.1		2.0		4.5		5.3	

StanCERA

September 30, 2011 Through December 31, 2011

Total Plan Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED			
	Fund	Index	Difference	Fund	Index	Difference	Allocation	Selection	Total	Timing
StanCERA Plan										
US Equity Composite 80% R1/20% R2	39.5	41.4	-1.9	12.39	12.48	-0.09	-0.08	-0.04	-0.12	
International Equity MSCI ACWI-ex US	17.2	20.0	-2.8	4.30	3.77	0.53	0.10	0.08	0.17	
US Fixed Income Composite BC AGGREGATE	41.9	37.1	4.8	1.34	1.12	0.22	-0.23	0.11	-0.12	
Invesco Global Real Estate FTSE EPRA/NAREIT DEVELOPED INDEX	1.3	1.5	-0.2	8.63	7.36	1.27	0.02	0.01	0.03	
StanCERA Plan Investment Policy Index	100.0	100.0	0.0	6.14	6.35	-0.20	-0.19	0.15	-0.03	-0.16

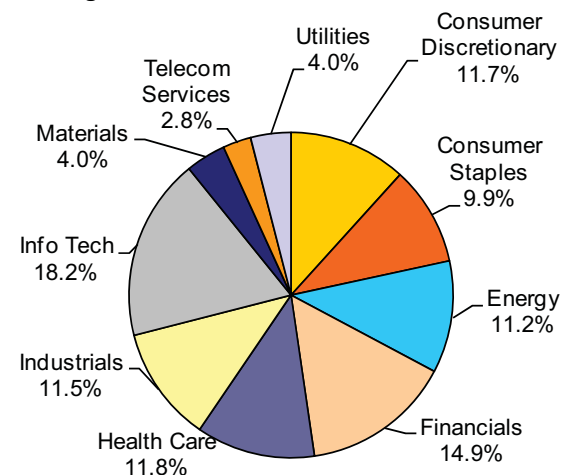


DOMESTIC MARKETS

Domestic Equity – Russell 3000

- The fourth quarter of 2011 witnessed an equity rebound across sectors. Telecom services, materials, consumer discretionary and financials sectors all outperformed the aggregate index.
- Information technology and health care ended 2011 with the highest returns on the back of earnings stability, while softening commodity prices and moribund consumer sentiment contributed to the overall negative performance of materials, consumer discretionary and utilities sectors in 2011.
- Equity valuations in the fourth quarter were slightly richer relative to longer term trends, with the aggregate market price-to-earnings ratio recording above its trailing five-year average of 17.21.

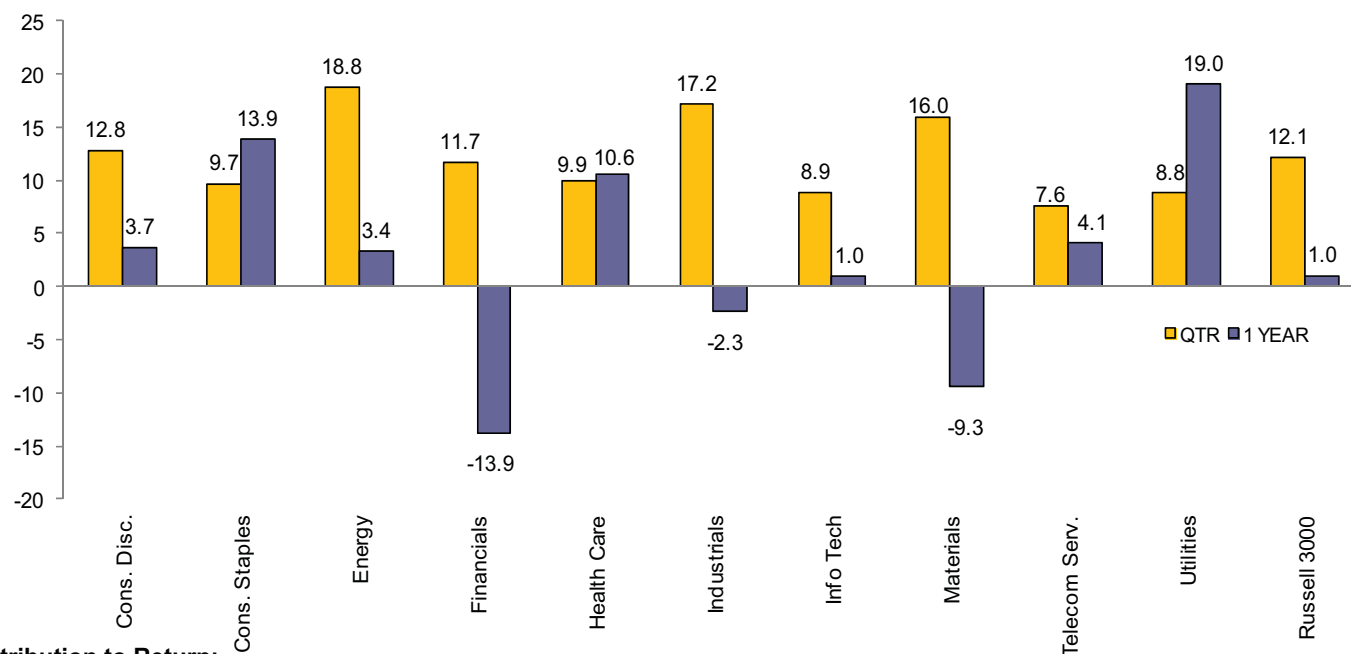
Ending Sector Weights



Characteristics

Div Yield (%)	2.05
P/B Ratio	3.29
P/E Ratio	18.15
Forward P/E Ratio	12.41
Fundamental Beta	1.05
Market Cap - Cap Wtd (MM\$)	78,077

Sector Returns (%)

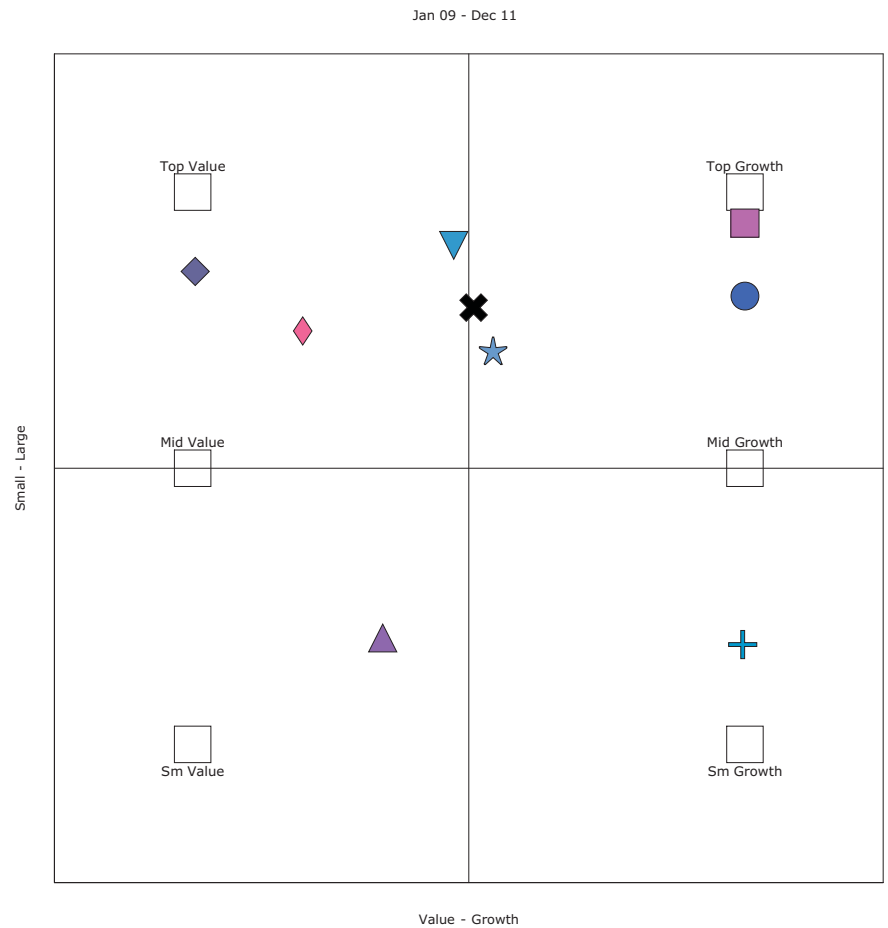


Contribution to Return:

Qtr	1.5	1.0	2.0	1.8	1.2	1.9	1.7	0.6	0.2	0.4	12.1
1 Year	0.4	1.3	0.4	-2.3	1.2	-0.3	0.2	-0.4	0.1	0.6	1.0

Returns Based Style Analysis - US Equity Composite

US Equity Style Map

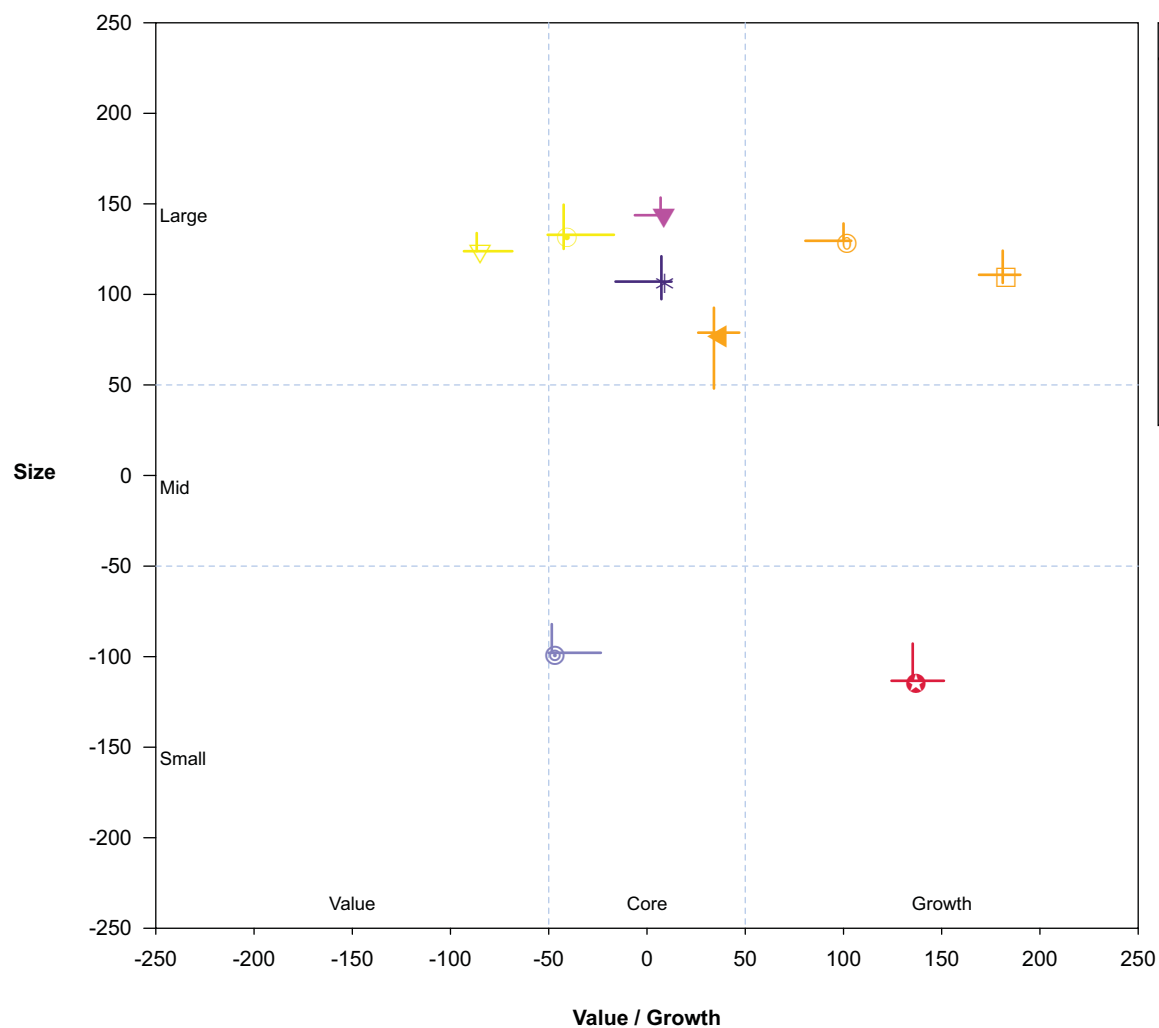


Legend			
● BlackRock Russell 1000 Growth Index Fund	◆ BlackRock Russell 1000 Value Index Fund	▲ Capital Prospects	■ Delaware Investments Advisers
◆ Dodge & Cox -Equity	⊕ Legato Capital	▼ Mellon S&P 500 Index Fund	★ StanCERA Equity Composite
✕ Russell 3000 Index			

StanCERA

Period Ending December 31, 2011

US Equity Style Analysis - Drift Over Time



FUND	Value / Growth	Size
BlackRock R1000G Index Fund	100.03	129.62
BlackRock R1000V Index Fund	-86.67	123.85
Capital Prospects LLC	-48.46	-97.91
Delaware Investments Advisers	181.02	110.86
Dodge & Cox - Equity	-42.43	132.93
Legato Capital Management LLC	135.27	-113.37
Mellon Capital S&P 500 Index Fund	6.89	143.75
US Equity Composite	34.05	78.89
* RUSSELL 3000	7.35	107.11

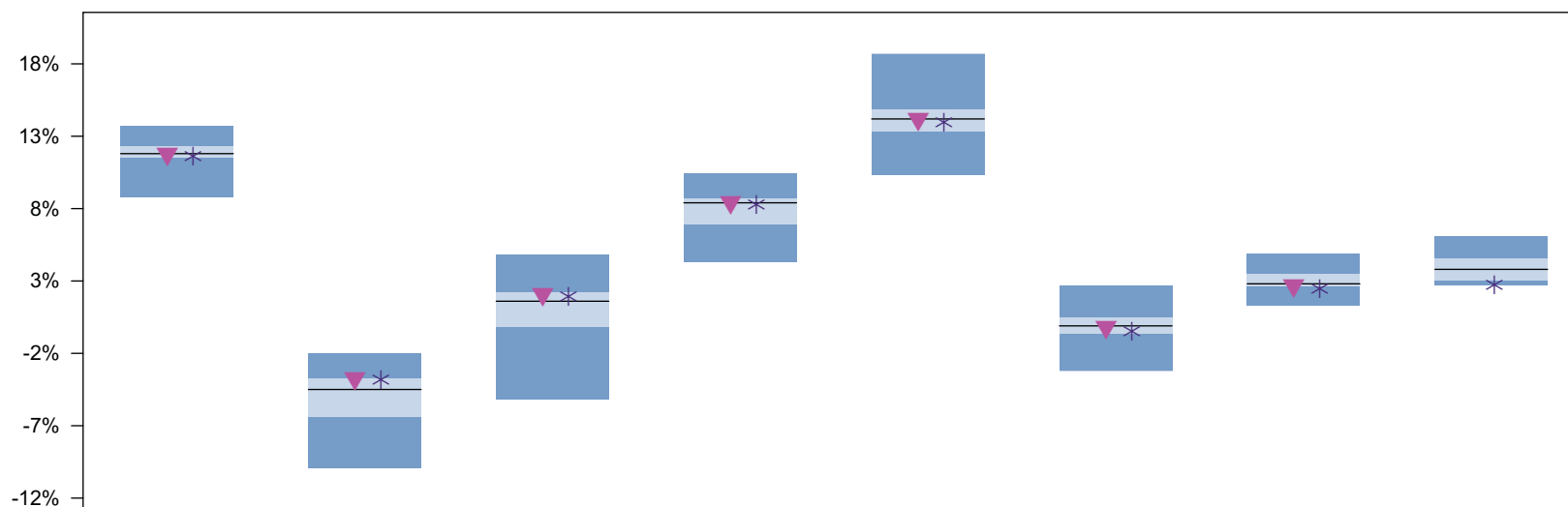
* Equity style analysis is based on Morningstar@ Size and VCG Scores and Morningstar Style Box(TM) methodology

StanCERA

US Equity Funds - Large Core

Periods Ending December 31, 2011

Total Returns



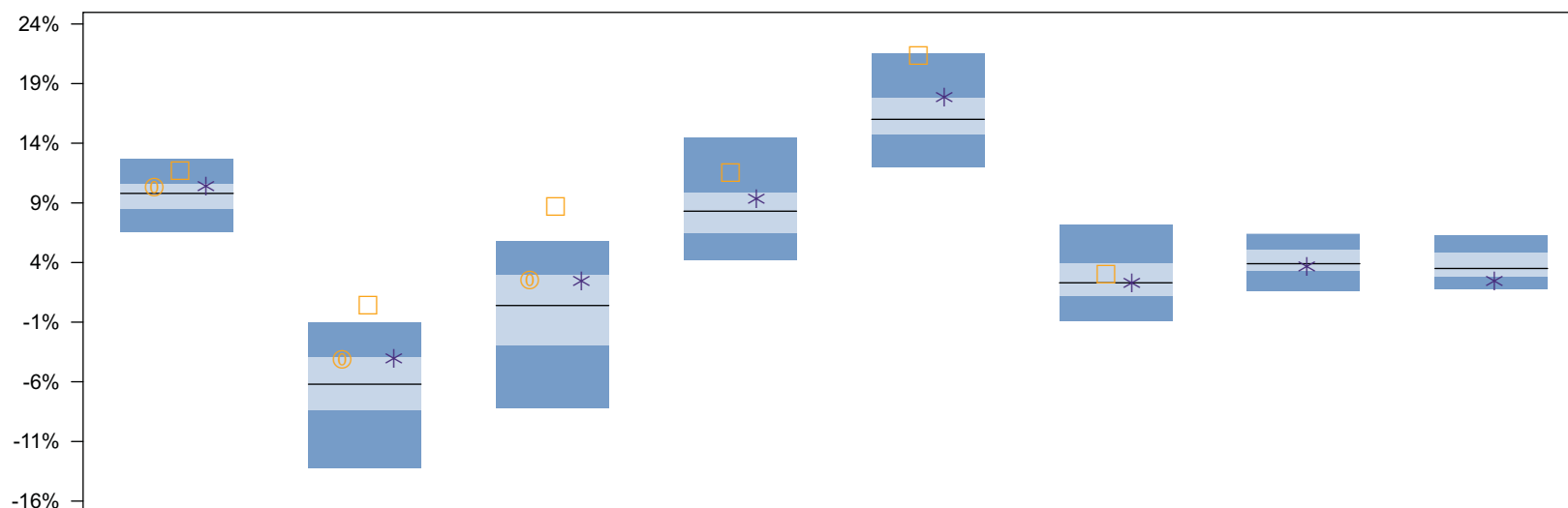
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
▼ Mellon Capital S&P 500 Inde	11.8	50	-3.7	28	2.1	33	8.4	39	14.2	50	-0.2	61	2.7	67		
* S&P 500	11.8	53	-3.7	31	2.1	40	8.4	49	14.1	63	-0.3	67	2.6	73	2.9	91
Median	11.8		-4.5		1.6		8.4		14.2		-0.1		2.8		3.8	

StanCERA

US Equity Funds - Large Growth

Periods Ending December 31, 2011

Total Returns



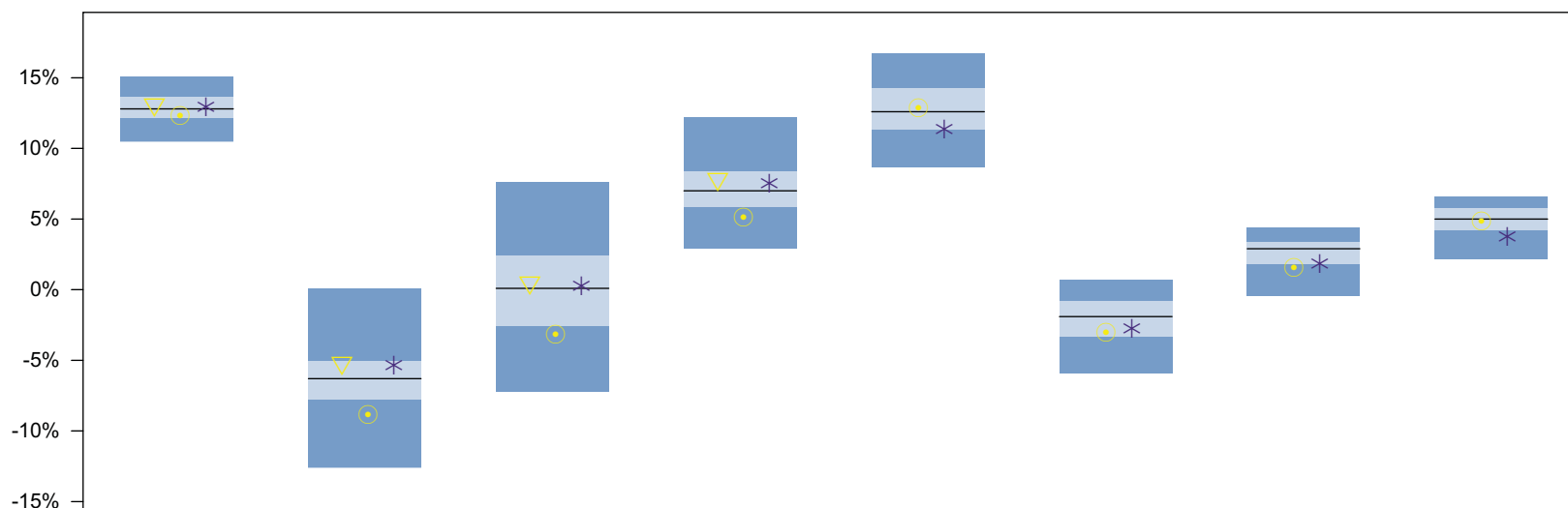
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
⦿ BlackRock R1000G Index Fu	10.6	25	-3.9	23	2.8	27										
□ Delaware Investments Advise	11.9	10	0.6	2	8.9	4	11.7	13	21.5	6	3.2	34				
* RUSSELL 1000 GROWTH	10.6	27	-3.9	25	2.6	30	9.5	38	18.0	24	2.5	46	3.8	53	2.6	83
Median	9.8		-6.2		0.4		8.3		16.0		2.3		3.9		3.5	

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US Equity Funds - Large Value

Periods Ending December 31, 2011

Total Returns



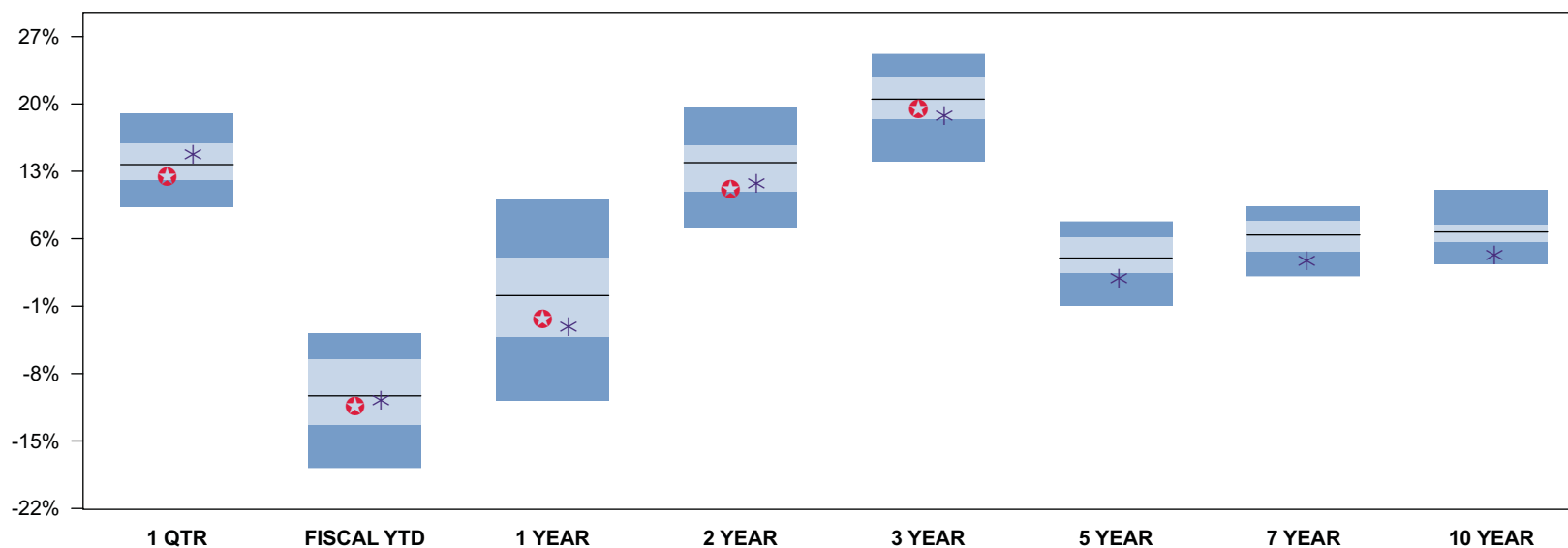
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
▽ BlackRock R1000V Index Fu	13.1	42	-5.2	30	0.5	43	7.8	35								
● Dodge & Cox - Equity	12.5	65	-8.7	83	-3.0	77	5.3	79	13.0	39	-2.9	73	1.7	78	5.0	52
* Russell 1000 Value Index	13.1	41	-5.2	31	0.4	46	7.7	38	11.5	70	-2.6	69	2.0	75	3.9	81
Median	12.8		-6.3		0.1		7.0		12.6		-1.9		2.9		5.0	

StanCERA

US Equity Funds - Small Growth

Periods Ending December 31, 2011

Total Returns



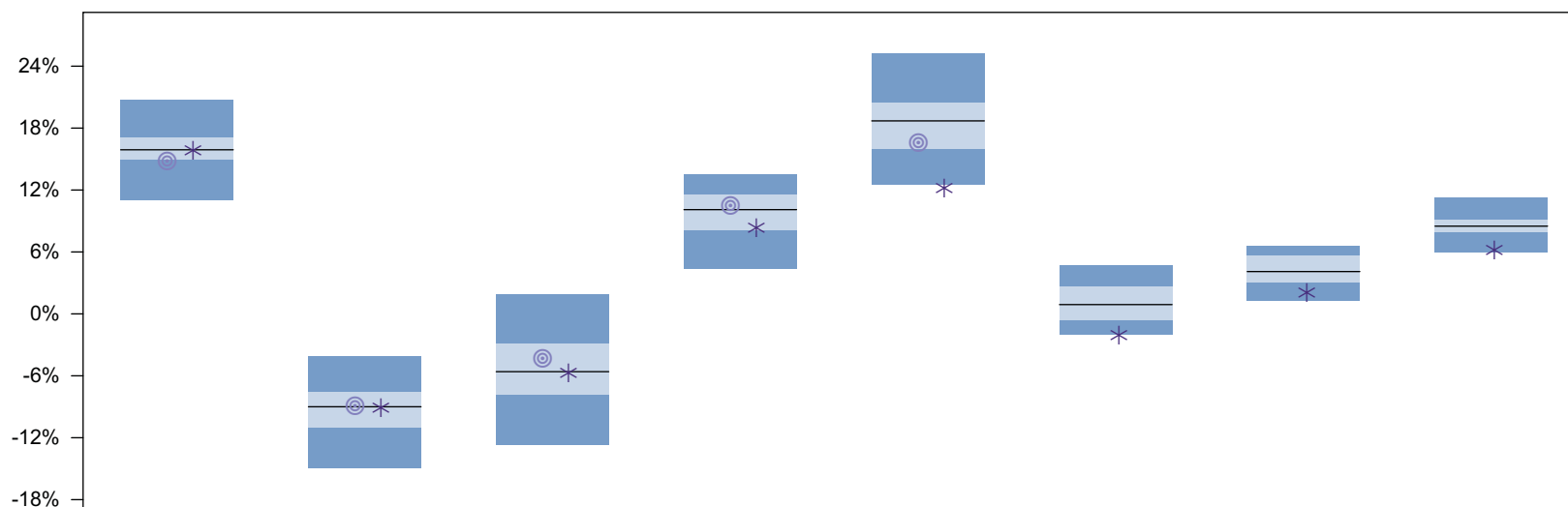
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
★ Legato Capital Management	12.7	65	-11.1	61	-2.0	60	11.4	70	19.8	61						
* RUSSELL 2000 GROWTH	15.0	37	-10.6	54	-2.9	64	12.0	68	19.0	69	2.1	79	3.9	90	4.5	91
Median	13.7		-10.3		0.1		13.9		20.5		4.0		6.4		6.7	

StanCERA

US Equity Funds - Small Value

Periods Ending December 31, 2011

Total Returns



	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
● Capital Prospects LLC	15.1	73	-8.6	42	-4.0	39	10.8	38	16.9	64						
* RUSSELL 2000 VALUE	16.0	45	-8.9	49	-5.5	50	8.5	70	12.4	97	-1.9	95	2.3	84	6.4	92
Median	15.9		-9.0		-5.6		10.1		18.7		0.9		4.1		8.5	

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BlackRock Russell 1000 Growth Index Fund
Quarter Ending December 31, 2011

Equity Only Summary Statistics

Portfolio Characteristics		
	BlackRock R1000 Growth	RUSSELL 1000 GROWTH
Total Number of Securities	589	586
Average Market Cap (000's)	97,314,149	97,102,931
Median Market Cap (000's)	5,648,870	5,646,475
P/E Ratio	17.47	17.47
Dividend Yield	1.61	1.61
Beta	0.98	0.98
Price/Book Ratio	4.89	4.88
Return on Equity	27.06	27.03
Earnings Growth - 5 Years	14.26	14.26

Ten Largest Holdings		
Name	\$	Weight
APPLE INC	3,951,820	5.8
EXXON MOBIL CORP	3,251,353	4.8
INTL BUSINESS MACHINES CORP	2,349,986	3.5
MICROSOFT CORP	2,032,694	3.0
GOOGLE INC CL A	1,715,248	2.5
COCA COLACO/THE	1,458,583	2.1
PHILIP MORRIS INTERNATIONAL	1,332,765	2.0
PEPSICO INC	1,106,604	1.6
MCDONALD SCORP	1,098,412	1.6
ORACLE CORP	1,039,533	1.5

Ten Best Performers	
Name	Return
COBALT INTERNATIONAL ENERGY	101.3
AKAMAI TECHNOLOGIES INC	62.4
LAMAR ADVERTISING CO A	61.5
WESCO INTERNATIONAL INC	58.0
PHARMASSET INC	55.6
LYONDELLBASELL INDU CL A	54.2
EL PASO CORP	52.1
AMERIGROUP CORP	51.4
OIL STATES INTERNATIONAL INC	50.0
F5 NETWORKS INC	49.4

Ten Worst Performers	
Name	Return
GREEN MOUNTAIN COFFEE ROASTI	-51.7
FIRST SOLAR INC	-46.6
ROVI CORP	-42.8
HUMAN GENOME SCIENCES INC	-41.8
NETFLIX INC	-38.8
ACME PACKET INC	-27.4
MOLYCORP INC	-27.0
ILLUMINA INC	-25.5
VERTEX PHARMACEUTICALS INC	-25.4
MEMC ELECTRONIC MATERIALS	-24.8

StanCERA

BlackRock R1000G Index Fund

Benchmark: RUSSELL 1000 GROWTH

Quarter Ending December 31, 2011

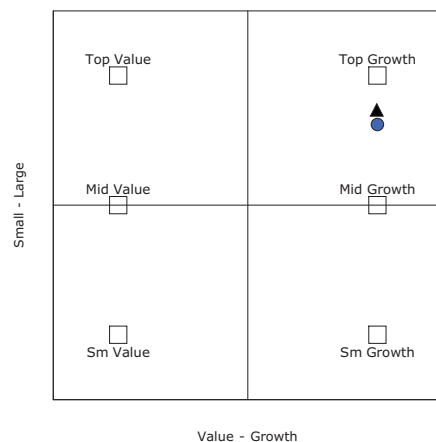
Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
BlackRock R1000G Index Fund									
CONSUMER DISCRETIONARY	14.3	14.3	0.0	9.3	9.3	0.1	-0.00	0.01	0.01
CONSUMER STAPLES	13.1	13.0	0.0	9.0	9.0	0.0	-0.00	0.00	0.00
ENERGY	10.3	10.3	0.0	18.7	18.6	0.1	0.00	0.01	0.02
FINANCIALS	3.8	3.8	-0.0	12.1	12.3	-0.1	-0.00	-0.00	-0.01
HEALTH CARE	11.0	11.0	0.0	7.3	7.2	0.1	-0.00	0.01	0.01
INDUSTRIALS	12.3	12.3	0.0	15.6	15.6	0.1	0.00	0.01	0.01
INFORMATION TECHNOLOGY	28.7	28.7	0.0	7.3	7.3	0.0	-0.00	0.00	0.00
MATERIALS	5.1	5.1	0.0	15.6	15.6	-0.1	0.00	-0.00	-0.00
TELECOMMUNICATION SERVICES	1.2	1.2	0.0	9.3	9.3	-0.0	-0.00	-0.00	-0.00
UTILITIES	0.1	0.1	-0.0	3.8	3.9	-0.0	0.00	-0.00	0.00
TOTAL	100.0	100.0	0.0	10.6	10.6	0.0	0.00	0.03	0.03

Returns Based Style Analysis - BlackRock Russell 1000 Growth Index Fund

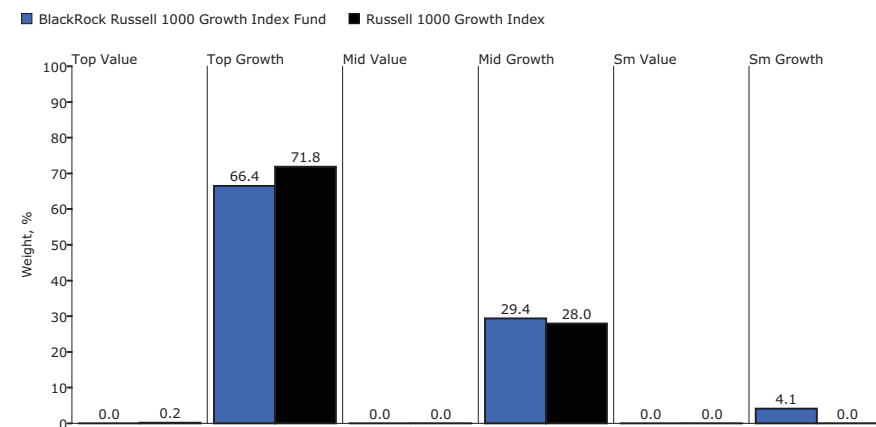
US Equity Style Map

Jan 09 - Dec 11



US Equity Style Exposures

Jan 09 - Dec 11

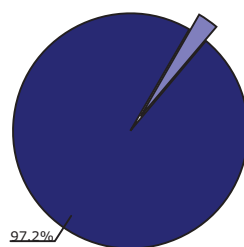
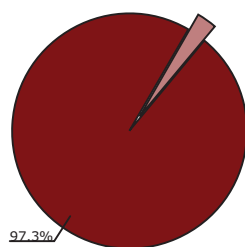


R-Squared (Style Analysis)

Jan 09 - Dec 11

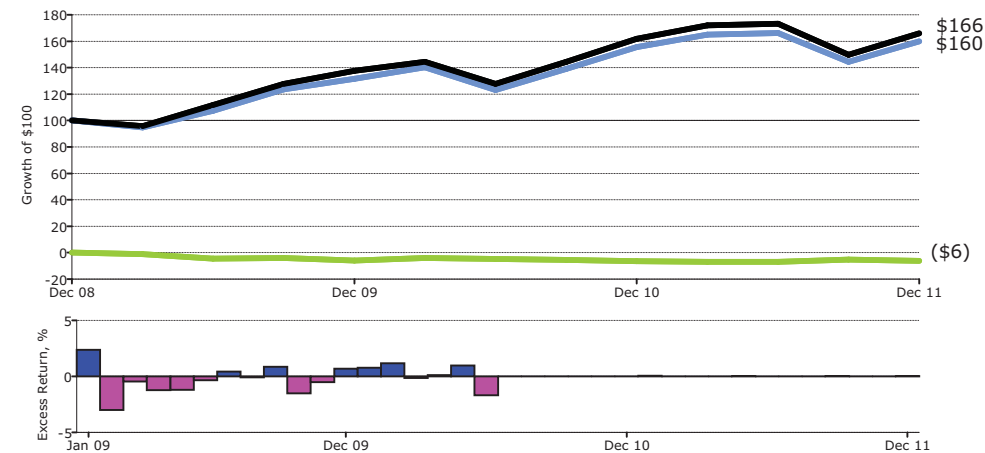
■ Style R-Squared

■ Benchmark R-Squared



Cumulative Total, Style & Selection Return

Jan 09 - Dec 11



Legend

▲ Russell 1000 Growth Index ● BlackRock Russell 1000 Growth Index Fund

■ Total ■ Style ■ Selection

StanCERA

BlackRock Russell 1000 Value Index Fund
Quarter Ending December 31, 2011

Equity Only Summary Statistics

Portfolio Characteristics		
	BlackRock R1000 Value	RUSSELL 1000 VALUE
Total Number of Securities	658	653
Average Market Cap (000's)	72,225,596	72,210,948
Median Market Cap (000's)	4,656,710	4,656,710
P/E Ratio	13.76	13.76
Dividend Yield	2.61	2.60
Beta	1.07	1.07
Price/Book Ratio	1.81	1.81
Return on Equity	12.79	12.79
Earnings Growth - 5 Years	0.62	0.62

Ten Largest Holdings		
Name	\$	Weight
CHEVRON CORP	2,534,165	3.1
GENERAL ELECTRIC CO	2,386,480	2.9
AT+T INC	2,250,005	2.8
PROCTER + GAMBLE CO	2,182,788	2.7
PFIZER INC	2,148,225	2.6
JOHNSON + JOHNSON	1,797,833	2.2
BERKSHIREHATHAWAY INC	1,678,142	2.1
JPMORGAN CHASE + CO	1,660,038	2.0
INTEL CORP	1,615,417	2.0
WELLS FARGO + CO	1,584,017	1.9

Ten Best Performers	
Name	Return
COBALT INTERNATIONAL ENERGY	101.3
EDUCATIONMANAGEMENT CORP	88.6
AKAMAI TECHNOLOGIES INC	62.4
PLAINS EXPLORATION + PRODUCT	61.7
LAMAR ADVERTISING CO A	61.5
PULTEGROUP INC	59.7
MBIA INC	59.4
WESCO INTERNATIONAL INC	58.0
LYONDELLBASELL INDU CL A	54.2
EL PASO CORP	52.1

Ten Worst Performers	
Name	Return
SEARS HOLDINGS CORP	-44.7
CAREER EDUCATION CORP	-38.9
VERTEX PHARMACEUTICALS INC	-25.4
MEMC ELECTRONIC MATERIALS	-24.8
SPRINT NEXTEL CORP	-23.0
NII HOLDINGS INC	-21.0
ABERCROMBIE + FITCH CO CL A	-20.3
HOSPIRA INC	-17.9
CLEARWIRECORP CLASS A	-16.7
CREE RESEARCH INC	-15.2

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BlackRock R1000V Index Fund

Benchmark: RUSSELL 1000 VALUE

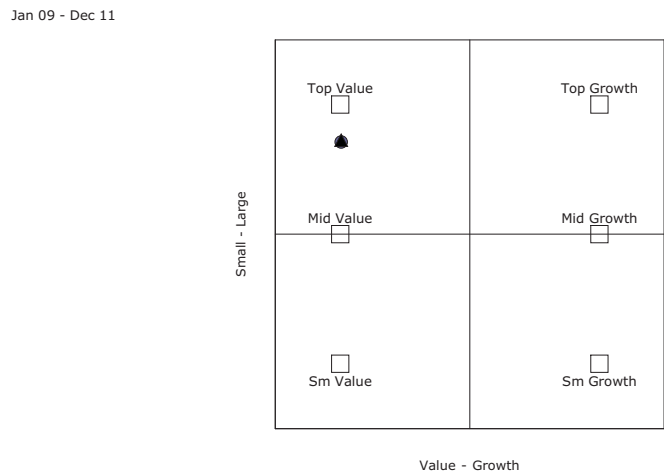
Quarter Ending December 31, 2011

Equity Performance Attribution

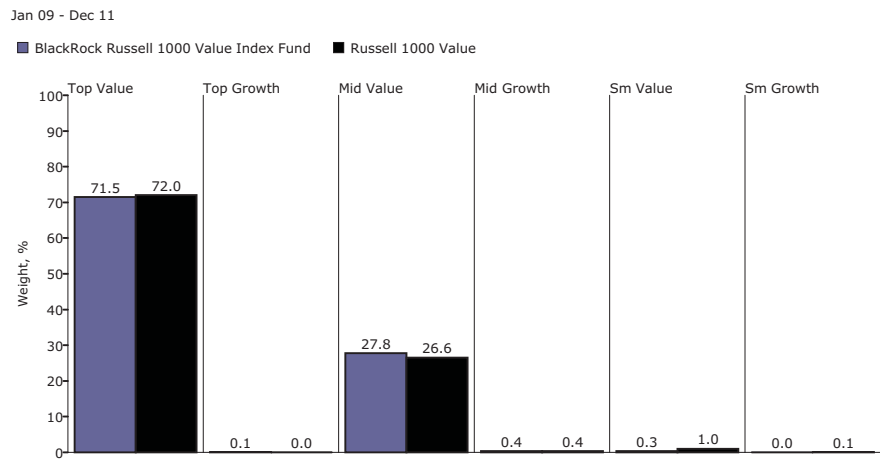
	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
BlackRock R1000V Index Fund									
CONSUMER DISCRETIONARY	8.8	8.8	-0.0	17.8	17.9	-0.1	-0.00	-0.01	-0.01
CONSUMER STAPLES	8.0	8.1	-0.1	10.7	10.7	0.0	0.00	-0.00	0.00
ENERGY	11.6	11.7	-0.1	18.5	18.5	0.0	-0.00	0.00	-0.00
FINANCIALS	25.3	24.8	0.5	11.0	11.0	0.0	-0.01	0.00	-0.01
HEALTH CARE	13.0	13.1	-0.1	11.7	11.7	-0.0	0.00	-0.00	0.00
INDUSTRIALS	8.7	8.8	-0.1	18.3	18.2	0.1	-0.00	0.00	0.00
INFORMATION TECHNOLOGY	8.8	8.8	0.0	13.3	13.3	0.0	0.00	0.01	0.01
MATERIALS	2.5	2.6	-0.0	17.2	17.2	-0.0	-0.00	-0.00	-0.00
TELECOMMUNICATION SERVICES	5.0	5.1	-0.0	7.5	7.5	-0.0	0.00	-0.00	0.00
UTILITIES	8.2	8.3	-0.1	8.6	8.7	-0.1	0.01	-0.01	-0.00
TOTAL	100.0	100.0	0.0	13.1	13.1	0.0	-0.00	-0.00	-0.00

Returns Based Style Analysis - BlackRock Russell 1000 Value Index Fund

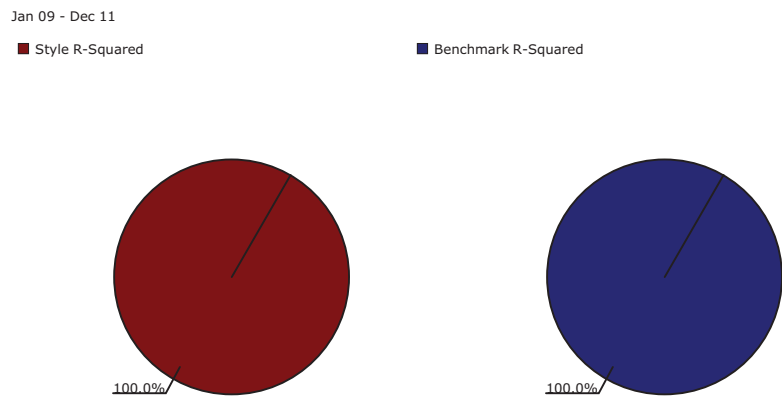
US Equity Style Map



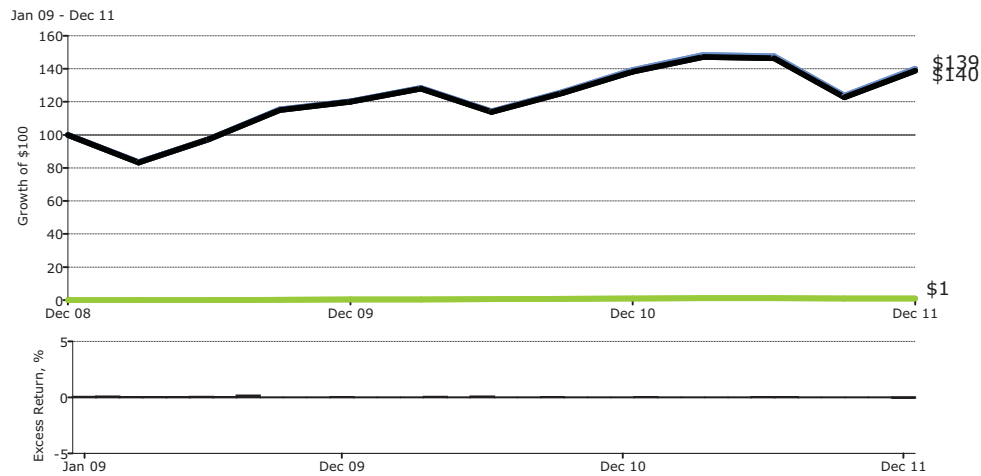
US Equity Style Exposures



R-Squared (Style Analysis)



Cumulative Total, Style & Selection Return



Legend

- ▲ Russell 1000 Value
- BlackRock Russell 1000 Value Index Fund
- Total
- Style
- Selection

StanCERA

Capital Prospects LLC
Quarter Ending December 31, 2011

Equity Only Summary Statistics

Portfolio Characteristics		
	Capital Prospects	RUSSELL 2000 VALUE
Total Number of Securities	341	1,343
Average Market Cap (000's)	1,870,545	1,085,924
Median Market Cap (000's)	1,112,060	411,790
P/E Ratio	14.27	13.64
Dividend Yield	1.71	2.20
Beta	1.30	1.31
Price/Book Ratio	1.77	1.42
Return on Equity	12.28	7.22
Earnings Growth - 5 Years	2.57	(2.13)

Ten Largest Holdings		
Name	\$	Weight
REGAL BELOIT CORP	709,400	1.3
BRINKS CO	696,031	1.2
BELDEN INC	677,914	1.2
MEADOWBROOK INSURANCE GROUP	667,735	1.2
MEREDITH CORP	659,595	1.2
GULFPORT ENERGY CORP	628,875	1.1
HEXCEL CORP	619,122	1.1
NEWELL RUBBERMAID INC	580,754	1.0
LITTELFUSE INC	569,872	1.0
BROADRIDGE FINANCIAL SOLUTION	559,240	1.0

Ten Best Performers	
Name	Return
MULTIMEDIAGAMES INC	96.5
MITCHAM INDS INC	95.0
AMERICAN DENTAL PARTNERS INC	94.9
LIN TV CORP CL A	94.0
MCCLATCHYCO CLASS A	78.3
GLOBAL CASH ACCESS HOLDINGS	73.8
GEORESOURCES INC	64.8
FAIR ISAAC CORP	64.3
STONE ENERGY CORP	62.7
PULTEGROUP INC	59.7

Ten Worst Performers	
Name	Return
SCHOOL SPECIALTY INC	-64.9
IMPERIAL SUGAR CO	-44.6
XERIUM TECHNOLOGIES INC	-37.5
PHH CORP	-33.5
CHRISTOPHER + BANKS CORP	-32.6
TELECOMMUNICATION SYSTEMS A	-31.9
AMERICAN GREETINGS CORP CL A	-31.0
WET SEAL INC/THE CLASS A	-27.2
JAKKS PACIFIC INC	-25.1
IMATION CORP	-21.6

StanCERA

Capital Prospects LLC

Benchmark: RUSSELL 2000 VALUE

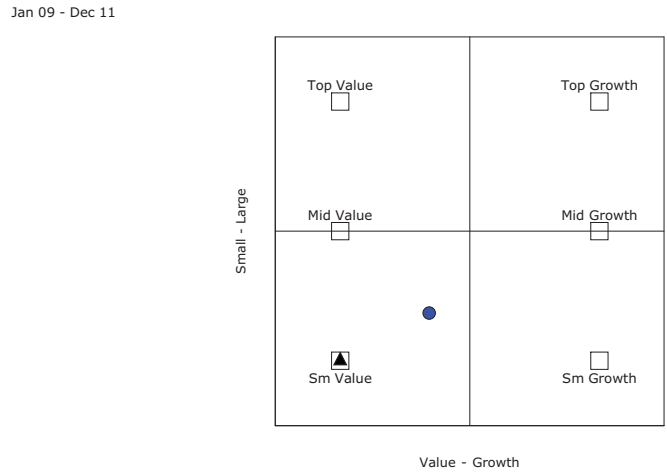
Quarter Ending December 31, 2011

Equity Performance Attribution

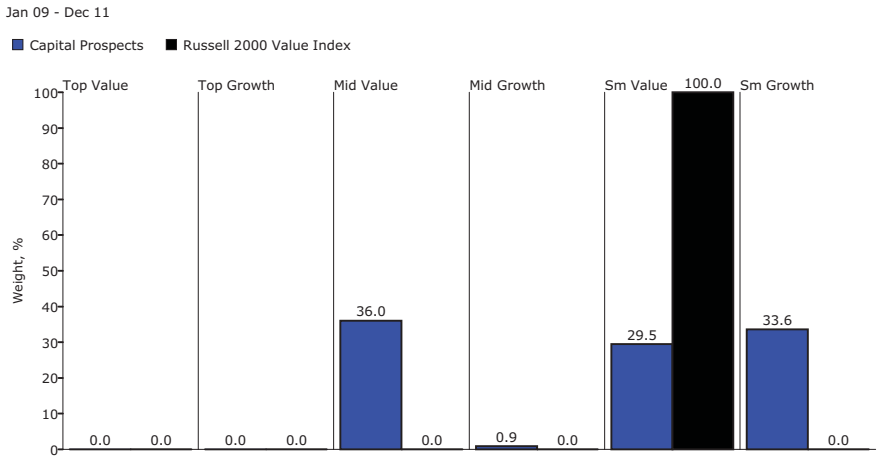
	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
Capital Prospects LLC									
COMMINGLED FUND	0.2	0.0	0.2	-	-	-	-0.03	0.00	-0.03
CONSUMER DISCRETIONARY	17.6	12.3	5.3	14.0	19.3	-5.3	0.14	-0.90	-0.77
CONSUMER STAPLES	4.5	3.1	1.4	11.8	12.4	-0.6	-0.05	-0.03	-0.08
ENERGY	5.7	3.9	1.8	20.3	16.9	3.5	0.01	0.21	0.22
FINANCIALS	24.6	36.4	-11.8	17.3	17.1	0.1	-0.10	0.04	-0.06
HEALTH CARE	6.2	5.3	0.9	12.6	13.5	-0.9	-0.03	-0.06	-0.08
INDUSTRIALS	19.7	14.4	5.3	18.5	17.9	0.6	0.07	0.14	0.21
INFORMATION TECHNOLOGY	11.6	10.1	1.5	13.8	13.6	0.2	-0.04	0.04	0.00
MATERIALS	5.2	5.5	-0.3	16.1	16.0	0.1	0.00	0.01	0.02
TELECOMMUNICATION SERVICES	0.0	0.9	-0.9	-1.0	10.9	-11.9	0.04	-0.00	0.04
UTILITIES	4.6	8.0	-3.4	11.1	11.1	-0.1	0.15	0.00	0.15
TOTAL	100.0	100.0	0.0	15.8	16.2	-0.4	0.17	-0.55	-0.38

Returns Based Style Analysis - Capital Prospects

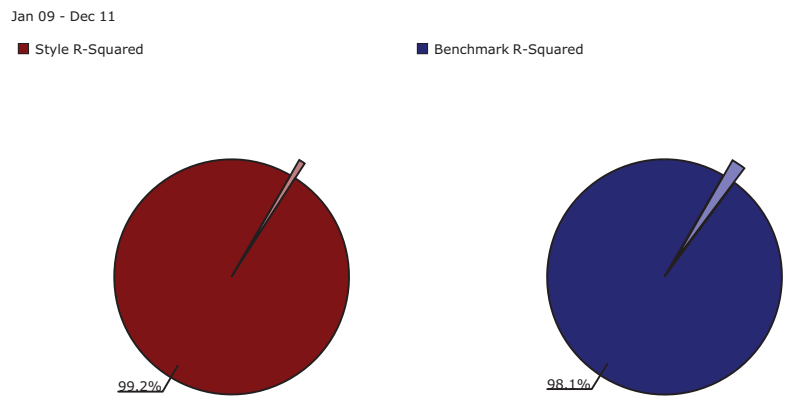
US Equity Style Map



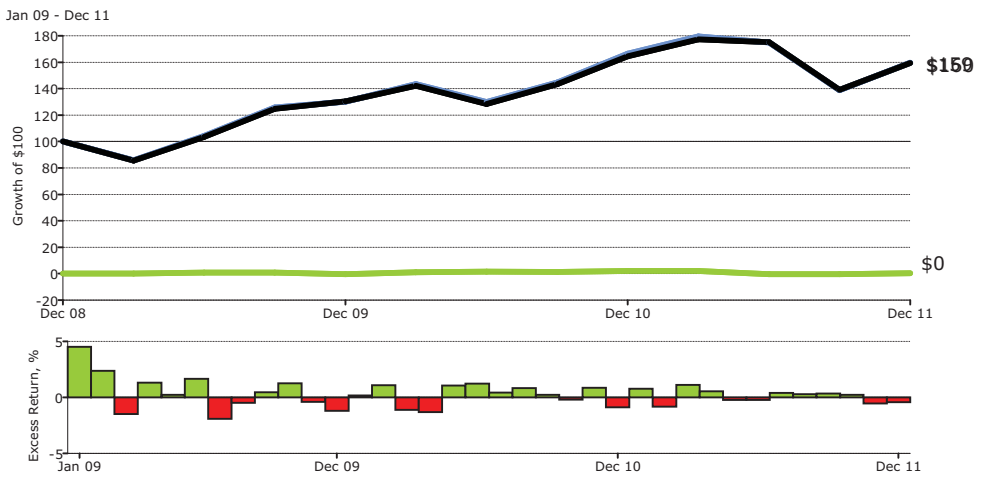
US Equity Style Exposures



R-Squared (Style Analysis)



Cumulative Total, Style & Selection Return



Legend

- ▲ Russell 2000 Value Index
- Capital Prospects
- Total
- Style
- Selection

StanCERA

Delaware Investments Advisers
Quarter Ending December 31, 2011

Equity Only Summary Statistics

Portfolio Characteristics		
	Delaware	RUSSELL 1000 GROWTH
Total Number of Securities	28	586
Average Market Cap (000's)	66,940,661	97,102,931
Median Market Cap (000's)	21,860,340	5,646,475
P/E Ratio	20.28	17.47
Dividend Yield	0.70	1.61
Beta	0.99	0.98
Price/Book Ratio	3.96	4.88
Return on Equity	22.29	27.03
Earnings Growth - 5 Years	17.13	14.26

Ten Largest Holdings		
Name	\$	Weight
APPLE INC	7,695,000	7.5
VISA INC CLASS A SHARES	5,797,363	5.7
MASTERCARD INC CLASS A	5,704,146	5.6
GOOGLE INCCL A	5,619,330	5.5
EOG RESOURCES INC	5,413,125	5.3
QUALCOMM INC	5,311,370	5.2
ALLERGAN INC	5,036,276	4.9
CROWN CASTLE INTL CORP	4,739,840	4.6
VERISIGN INC	4,593,592	4.5
APOLLO GROUP INC CL A	4,584,337	4.5

Ten Best Performers	
Name	Return
EOG RESOURCES INC	39.0
APOLLO GROUP INC CL A	36.0
LOWE S COS INC	32.1
GOOGLE INCCL A	25.6
VERISIGN INC	24.8
CATERPILLAR INC	23.4
VISA INC CLASS A SHARES	18.7
MASTERCARD INC CLASS A	17.6
ADOBE SYSTEMS INC	17.0
NOVO NORDISK A S	15.8

Ten Worst Performers	
Name	Return
CTIP COM INTL ADR	-27.2
POLYCOM INC	-11.3
TERADATA CORP	-9.4
CME GROUP INC	-0.5
PERRIGO CO	0.3
WALGREEN CO	1.2
EXPEDITORSINTL WASH INC	1.6
INTERCONTINENTALEXCHANGE INC	1.9
PRICELINE.COM INC	4.1
STAPLES INC	5.2

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Delaware Investments Advisers

Benchmark: RUSSELL 1000 GROWTH

Quarter Ending December 31, 2011

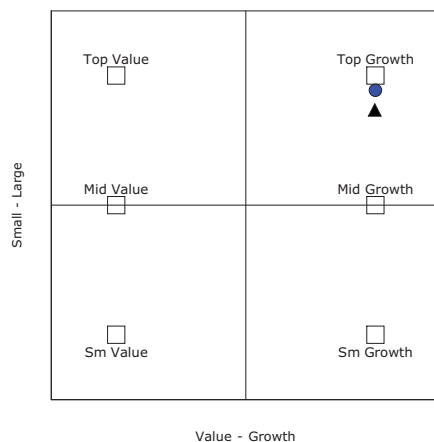
Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
<i>Delaware Investments Advisers</i>									
CONSUMER DISCRETIONARY	14.5	14.3	0.2	6.0	9.3	-3.2	-0.00	-0.50	-0.50
CONSUMER STAPLES	3.0	13.0	-10.1	1.2	9.0	-7.8	0.15	-0.25	-0.11
ENERGY	4.0	10.3	-6.3	39.0	18.6	20.4	-0.45	0.81	0.36
FINANCIALS	7.5	3.8	3.6	0.8	12.3	-11.4	0.05	-0.88	-0.83
HEALTH CARE	11.4	11.0	0.3	8.3	7.2	1.1	-0.01	0.14	0.12
INDUSTRIALS	7.6	12.3	-4.8	21.8	15.6	6.3	-0.21	0.47	0.26
INFORMATION TECHNOLOGY	44.7	28.7	16.0	13.1	7.3	5.9	-0.49	2.55	2.05
MATERIALS	2.8	5.1	-2.3	13.6	15.6	-2.0	-0.11	-0.08	-0.19
TELECOMMUNICATION SERVICES	4.7	1.2	3.4	10.2	9.3	0.8	-0.04	0.05	0.01
UTILITIES	0.0	0.1	-0.1	-	3.9	-	0.01	-0.02	-0.02
TOTAL	100.0	100.0	0.0	11.9	10.6	1.3	-1.10	2.26	1.14

Returns Based Style Analysis - Delaware Investment Advisers

US Equity Style Map

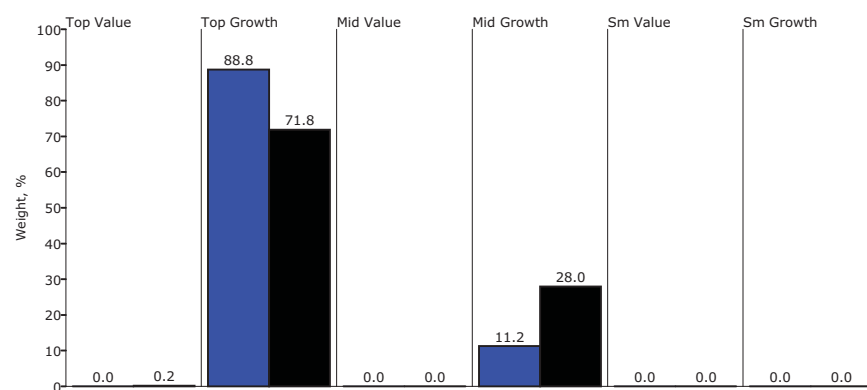
Jan 09 - Dec 11



US Equity Style Exposures

Jan 09 - Dec 11

■ Delaware Investments Advisers ■ Russell 1000 Growth Index

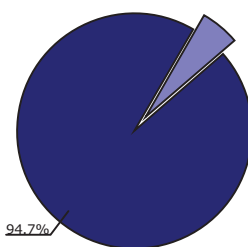
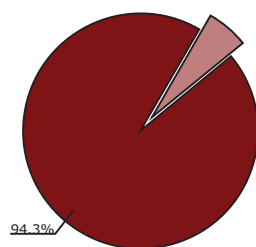


R-Squared (Style Analysis)

Jan 09 - Dec 11

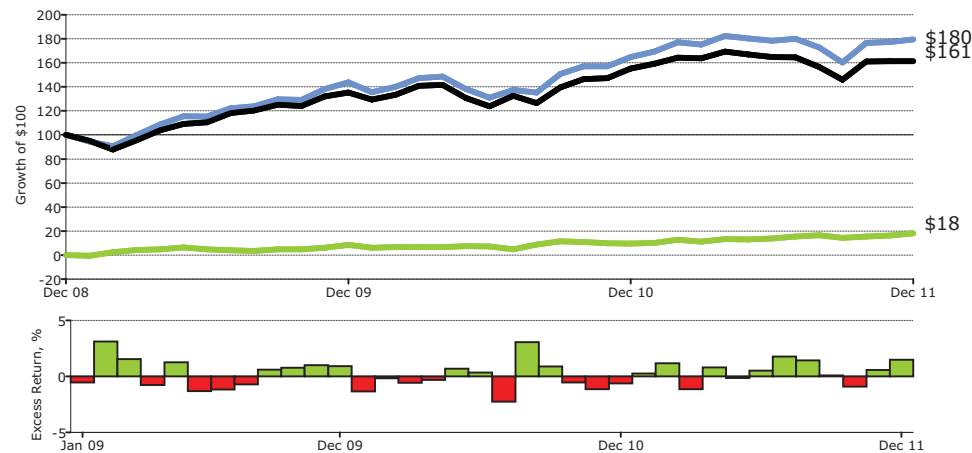
■ Style R-Squared

■ Benchmark R-Squared



Cumulative Total, Style & Selection Return

Jan 09 - Dec 11



Legend

▲ Russell 1000 Growth Index ● Delaware Investments Advisers

■ Total
■ Selection

■ Style

StanCERA

Dodge & Cox - Equity
Quarter Ending December 31, 2011

Equity Only Summary Statistics

Portfolio Characteristics		
	Dodge & Cox	RUSSELL 1000 VALUE
Total Number of Securities	73	653
Average Market Cap (000's)	71,730,505	72,210,948
Median Market Cap (000's)	19,399,740	4,656,710
P/E Ratio	14.29	13.76
Dividend Yield	2.21	2.60
Beta	1.16	1.07
Price/Book Ratio	2.01	1.81
Return on Equity	11.58	12.79
Earnings Growth - 5 Years	0.85	0.62

Ten Largest Holdings		
Name	\$	Weight
COMCAST CORP CLASS A	4,743,494	3.9
MERCK + CO. INC.	4,618,250	3.9
HEWLETT PACKARD CO	4,508,129	3.8
WELLS FARGO + CO	4,411,584	3.7
GENERAL ELECTRIC CO	4,119,300	3.4
PFIZER INC	4,111,600	3.4
CAPITAL ONE FINANCIAL CORP	3,911,825	3.2
AMGEN INC	3,852,600	3.2
SANOFI AVENTIS ADR	3,656,010	3.0
TIME WARNER INC	3,615,156	3.0

Ten Best Performers	
Name	Return
CEMEX SABSPONS ADR PART CER	70.6
VULCAN MATERIALS CO	42.8
CELANESE CORP SERIES A	36.3
LOWE S COS INC	32.1
OCCIDENTALPETROLEUM CORP	31.7
DOW CHEMICAL CO/THE	29.2
HOME DEPOT INC	28.8
CARMAX INC	27.8
AOL INC	25.8
PFIZER INC	23.6

Ten Worst Performers	
Name	Return
SPRINT NEXTEL CORP	-23.0
BMC SOFTWARE INC	-15.0
NOKIA CORPSPON ADR	-14.8
PANASONIC CORP	-11.9
COMPUTER SCIENCES CORP	-11.0
CREDIT SUISSE GROUP	-10.5
BOSTON SCIENTIFIC CORP	-9.6
BANK OF AMERICA CORP	-9.0
LEGG MASON INC	-5.9
SONY CORP	-5.1

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Dodge & Cox - Equity

Benchmark: RUSSELL 1000 VALUE

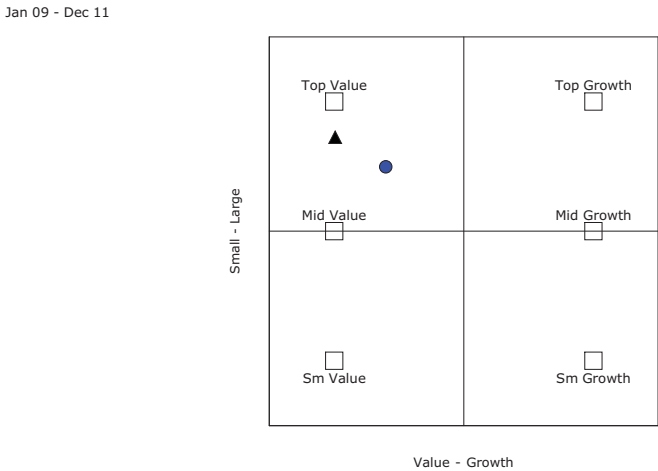
Quarter Ending December 31, 2011

Equity Performance Attribution

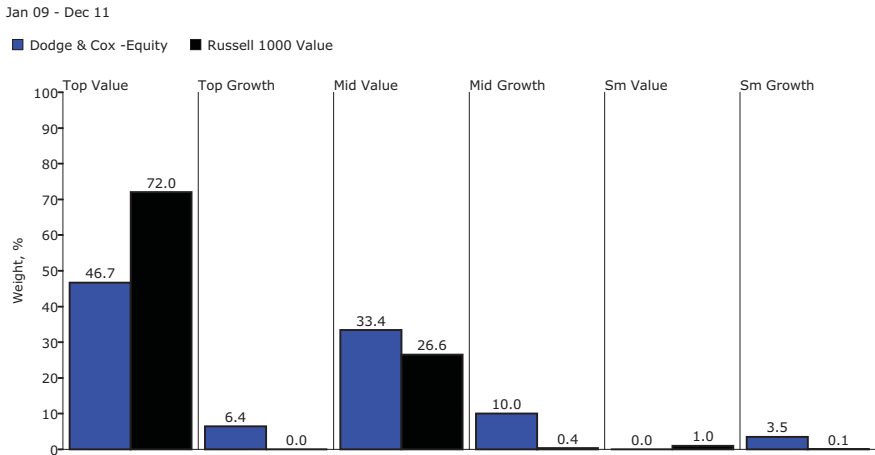
	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
Dodge & Cox - Equity									
CONSUMER DISCRETIONARY	17.7	8.8	8.9	14.3	17.9	-3.6	0.37	-0.62	-0.25
CONSUMER STAPLES	3.3	8.1	-4.8	13.9	10.7	3.2	0.11	0.14	0.25
ENERGY	8.5	11.7	-3.2	18.8	18.5	0.3	-0.15	0.06	-0.09
FINANCIALS	18.0	24.8	-6.8	6.4	11.0	-4.6	0.13	-0.81	-0.67
HEALTH CARE	20.7	13.1	7.6	12.7	11.7	1.0	-0.10	0.25	0.15
INDUSTRIALS	7.7	8.8	-1.1	18.4	18.2	0.2	-0.05	0.05	-0.00
INFORMATION TECHNOLOGY	18.1	8.8	9.3	7.6	13.3	-5.7	0.01	-1.02	-1.01
MATERIALS	2.9	2.6	0.3	36.1	17.2	18.9	0.01	0.58	0.60
TELECOMMUNICATION SERVICES	3.2	5.1	-1.9	-0.5	7.5	-8.0	0.10	-0.25	-0.16
UTILITIES	0.0	8.3	-8.3	-	8.7	-	0.33	0.00	0.33
TOTAL	100.0	100.0	0.0	12.2	13.1	-1.0	0.77	-1.61	-0.86

Returns Based Style Analysis - Dodge & Cox

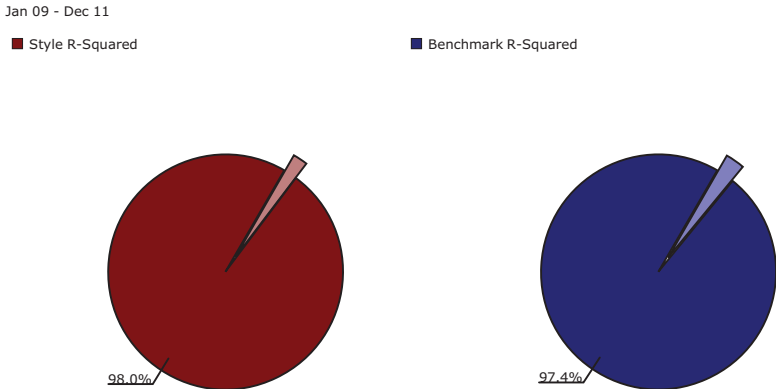
US Equity Style Map



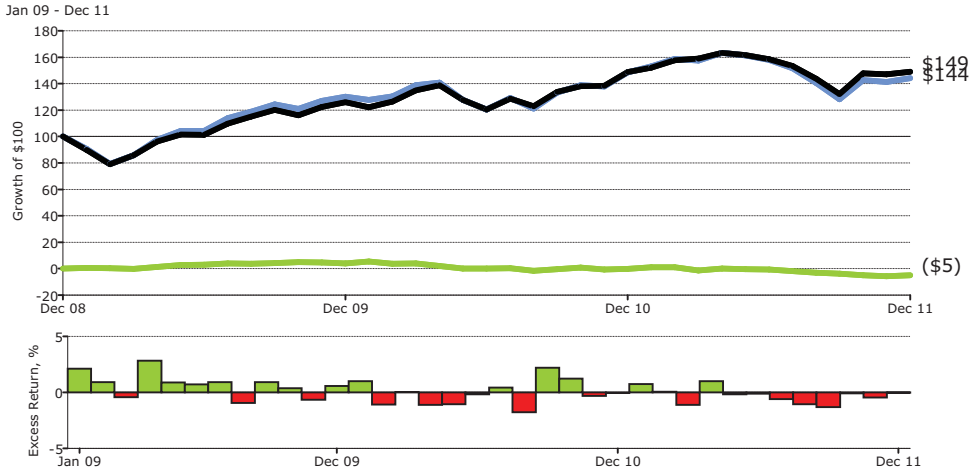
US Equity Style Exposures



R-Squared (Style Analysis)



Cumulative Total, Style & Selection Return



Legend

- ▲ Russell 1000 Value
- Dodge & Cox -Equity
- Total
- Style
- Selection

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Legato Capital Management LLC
Quarter Ending December 31, 2011

Equity Only Summary Statistics

Portfolio Characteristics		
	Legato Capital	RUSSELL 2000 GROWTH
Total Number of Securities	433	1,151
Average Market Cap (000's)	1,511,055	1,397,335
Median Market Cap (000's)	894,690	538,900
P/E Ratio	19.77	21.25
Dividend Yield	0.28	0.73
Beta	1.17	1.20
Price/Book Ratio	4.33	4.04
Return on Equity	11.79	12.70
Earnings Growth - 5 Years	11.85	15.07

Ten Largest Holdings		
Name	\$	Weight
CEPHEID INC	735,376	1.4
PORTFOLIORECOVERY ASSOCIATE	674,930	1.3
ULTIMATE SOFTWARE GROUP INC	617,728	1.2
LKQ CORP	610,624	1.2
KNOLOGY INC	607,632	1.2
ROLLINS INC	587,541	1.1
UNITED NATURAL FOODS INC	561,220	1.1
HEALTHSOUTH CORP	560,492	1.1
NATIONAL INSTRUMENTS CORP	544,820	1.1
GEO GROUP INC	534,962	1.0

Ten Best Performers	
Name	Return
INHIBITEXINC	344.7
COMPLETE PRODUCTION SERVICES	78.0
SILICON MOTION TECHNOLOGY CORP	77.2
DEALERTRACK HOLDINGS INC	74.0
KENEXA CORP	70.7
ZOLL MEDICAL CORP	67.4
VIRNETX HOLDING CORP	66.6
GEORESOURCES INC	64.8
METRO HEALTH NETWORKS INC	64.5
STRATASYSINC	64.0

Ten Worst Performers	
Name	Return
DIAMOND FOODS INC	-59.5
SHUTTERFLYINC	-44.7
ECHELON CORP	-30.5
MOLYCORP INC	-27.0
MAKO SURGICAL CORP	-26.3
MARCHEX INC CLASS B	-26.3
NUVASIVE INC	-26.2
QUALITY SYSTEMS INC	-23.3
POLYPORE INTERNATIONAL INC	-22.2
8X8 INC	-22.1

StanCERA

Legato Capital Management LLC

Benchmark: RUSSELL 2000 GROWTH

Quarter Ending December 31, 2011

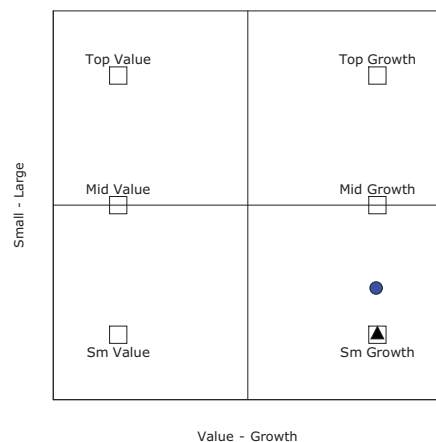
Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
Legato Capital Management LLC									
CONSUMER DISCRETIONARY	14.6	14.2	0.4	12.5	13.6	-1.2	-0.01	-0.17	-0.18
CONSUMER STAPLES	3.9	4.5	-0.6	7.4	6.2	1.2	0.04	0.08	0.12
ENERGY	4.3	6.3	-2.0	31.2	28.8	2.4	-0.25	0.14	-0.11
FINANCIALS	7.4	9.9	-2.5	6.4	13.4	-7.0	0.04	-0.52	-0.48
HEALTH CARE	23.6	19.2	4.3	11.5	12.9	-1.4	-0.09	-0.33	-0.42
INDUSTRIALS	14.5	17.3	-2.8	17.2	21.1	-3.9	-0.15	-0.55	-0.70
INFORMATION TECHNOLOGY	28.7	23.0	5.7	13.3	12.5	0.8	-0.14	0.26	0.12
MATERIALS	2.3	4.4	-2.1	8.1	13.5	-5.4	0.03	-0.12	-0.09
TELECOMMUNICATION SERVICES	0.6	1.1	-0.5	17.6	9.5	8.1	0.02	0.08	0.11
UTILITIES	0.1	0.2	-0.1	18.4	25.3	-6.8	-0.01	-0.01	-0.02
TOTAL	100.0	100.0	0.0	13.3	15.1	-1.9	-0.51	-1.13	-1.64

Returns Based Style Analysis - Legato Capital

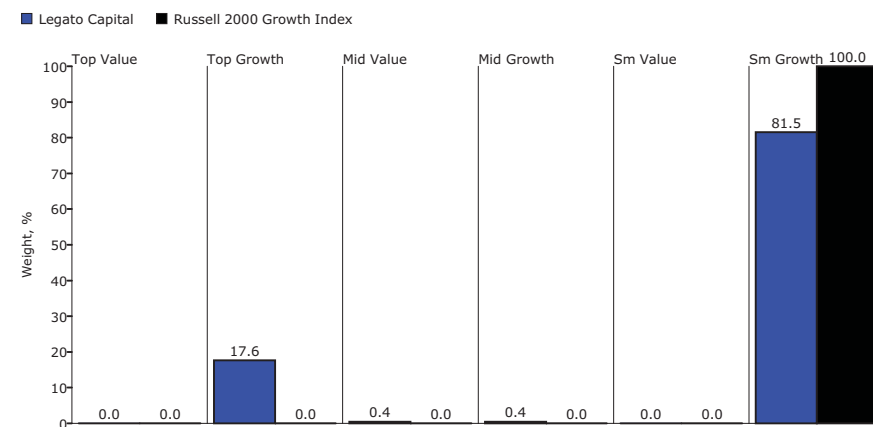
US Equity Style Map

Jan 09 - Dec 11



US Equity Style Exposures

Jan 09 - Dec 11

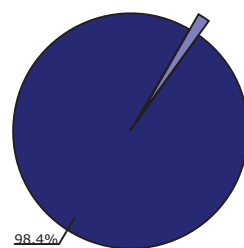
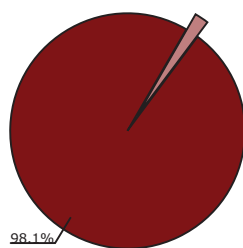


R-Squared (Style Analysis)

Jan 09 - Dec 11

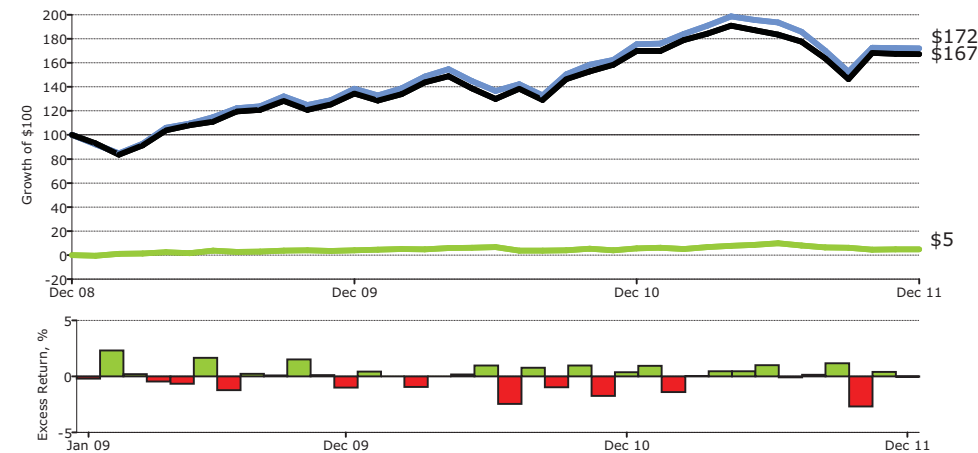
■ Style R-Squared

■ Benchmark R-Squared



Cumulative Total, Style & Selection Return

Jan 09 - Dec 11



Legend

▲ Russell 2000 Growth Index ● Legato Capital

■ Total
■ Selection

■ Style

StanCERA

Mellon S&P 500 Index Fund
Quarter Ending December 31, 2011

Equity Only Summary Statistics

Portfolio Characteristics		
	Mellon S&P 500	S&P 500
Total Number of Securities	492	499
Average Market Cap (000'	95,670,370	92,910,253
Median Market Cap (000's	10,953,810	11,040,940
P/E Ratio	15.50	15.52
Dividend Yield	2.22	2.16
Beta	1.00	1.01
Price/Book Ratio	3.40	3.37
Return on Equity	21.01	20.72
Earnings Growth - 5 Year:	7.40	7.41

Ten Largest Holdings		
Name	\$	Weight
EXXON MOBIL CORP	2,127,207	3.6
APPLE INC	1,970,809	3.4
INTL BUSINESS MACHINES (1,134,478	1.9
CHEVRON CORP	1,109,184	1.9
MICROSOFT CORP	1,017,338	1.7
GENERAL ELECTRIC CO	998,909	1.7
PROCTER + GAMBLE CO	960,680	1.6
AT+T INC	937,954	1.6
JOHNSON + JOHNSON	937,369	1.6
PFIZER INC	870,629	1.5

Ten Best Performers	
Name	Return
AKAMAI TECHNOLOGIES INC	62.4
PULTEGROUP INC	59.7
EL PASO CORP	52.1
NOVELLUS SYSTEMS INC	51.5
F5 NETWORKS INC	49.4
MASCO CORP	48.6
LENNAR CORP A	45.5
HELMERICH+ PAYNE	43.9
VULCAN MATERIALS CO	42.8
RYDER SYSTEM INC	42.5

Ten Worst Performers	
Name	Return
FIRST SOLAR INC	-46.6
SEARS HOLDINGS CORP	-44.7
NETFLIX INC	-38.8
SPRINT NEXTEL CORP	-23.0
ABERCROMBIE + FITCH CO CL A	-20.3
HOSPIRA INC	-17.9
NRG ENERGY INC	-14.6
FRONTIER COMMUNICATIONS CORP	-12.8
CHESAPEAKE ENERGY CORP	-12.8
E TRADE FINANCIAL CORP	-12.6

StanCERA

Mellon Capital S&P 500 Index Fund

Benchmark: S&P 500

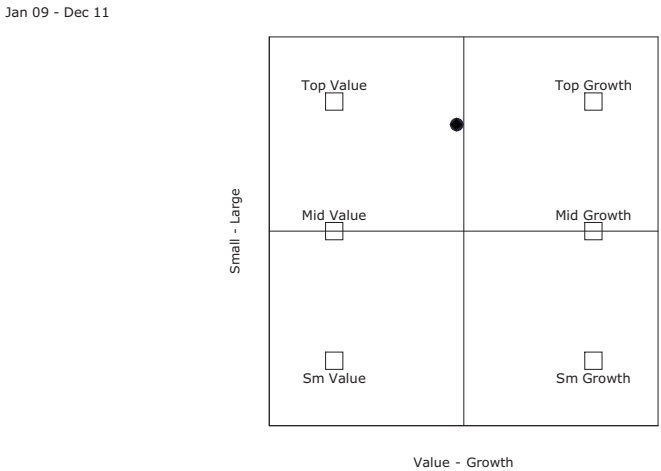
Quarter Ending December 31, 2011

Equity Performance Attribution

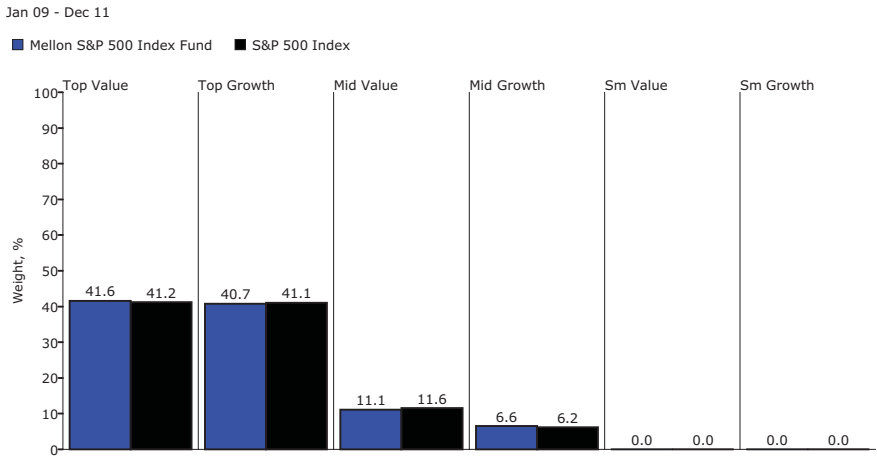
	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
Mellon Capital S&P 500 Index Fund									
CONSUMER DISCRETIONARY	10.0	10.6	-0.6	15.3	12.7	2.6	-0.00	0.26	0.25
CONSUMER STAPLES	12.1	11.7	0.4	10.3	10.2	0.1	-0.01	0.01	0.00
ENERGY	11.9	11.6	0.3	18.2	18.2	0.0	0.02	0.00	0.02
FINANCIALS	12.6	13.6	-1.0	11.2	10.8	0.4	0.01	0.05	0.06
HEALTH CARE	12.2	12.1	0.1	9.9	10.1	-0.2	-0.00	-0.03	-0.03
INDUSTRIALS	10.6	10.3	0.2	16.2	16.4	-0.1	0.01	-0.02	-0.01
INFORMATION TECHNOLOGY	19.8	19.4	0.4	8.9	8.9	0.1	-0.01	0.01	0.00
MATERIALS	3.4	3.4	0.0	15.3	15.3	0.1	0.00	0.00	0.00
TELECOMMUNICATION SERVICES	3.4	3.3	0.1	7.9	7.9	-0.0	-0.00	-0.01	-0.01
UTILITIES	3.9	4.0	-0.1	8.2	8.3	-0.1	0.00	-0.01	-0.01
TOTAL	100.0	100.0	0.0	12.2	11.9	0.3	0.01	0.27	0.28

Returns Based Style Analysis - Mellon Capital S&P 500

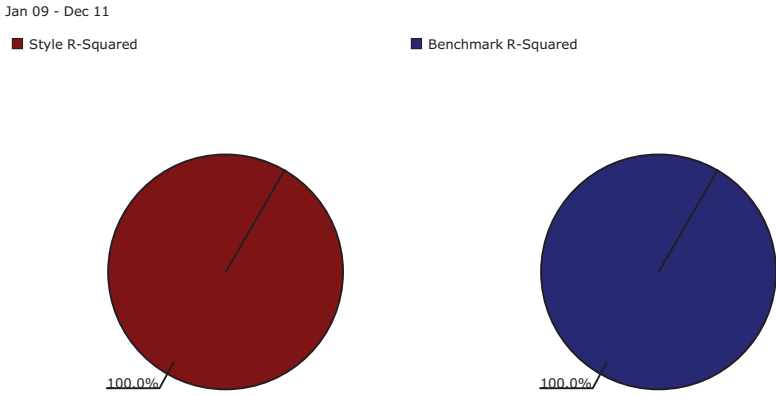
US Equity Style Map



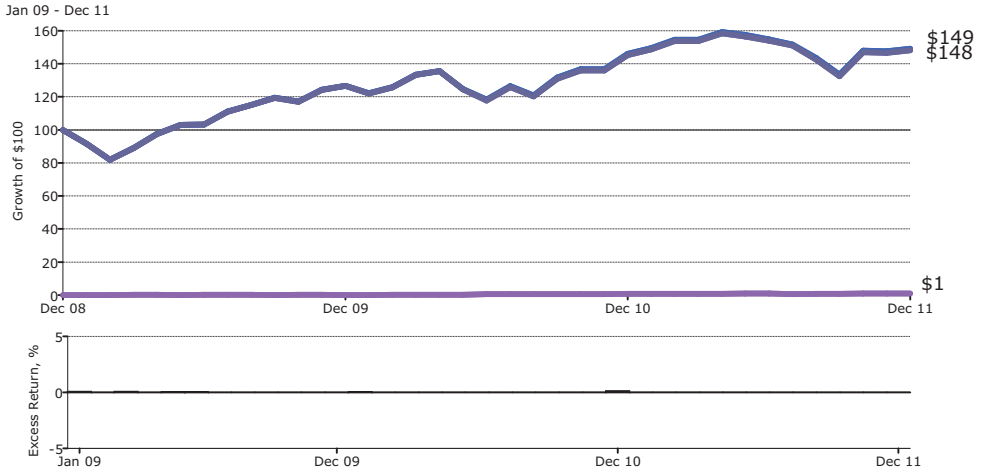
US Equity Style Exposures



R-Squared (Style Analysis)



Cumulative Total, Style & Selection Return



Legend

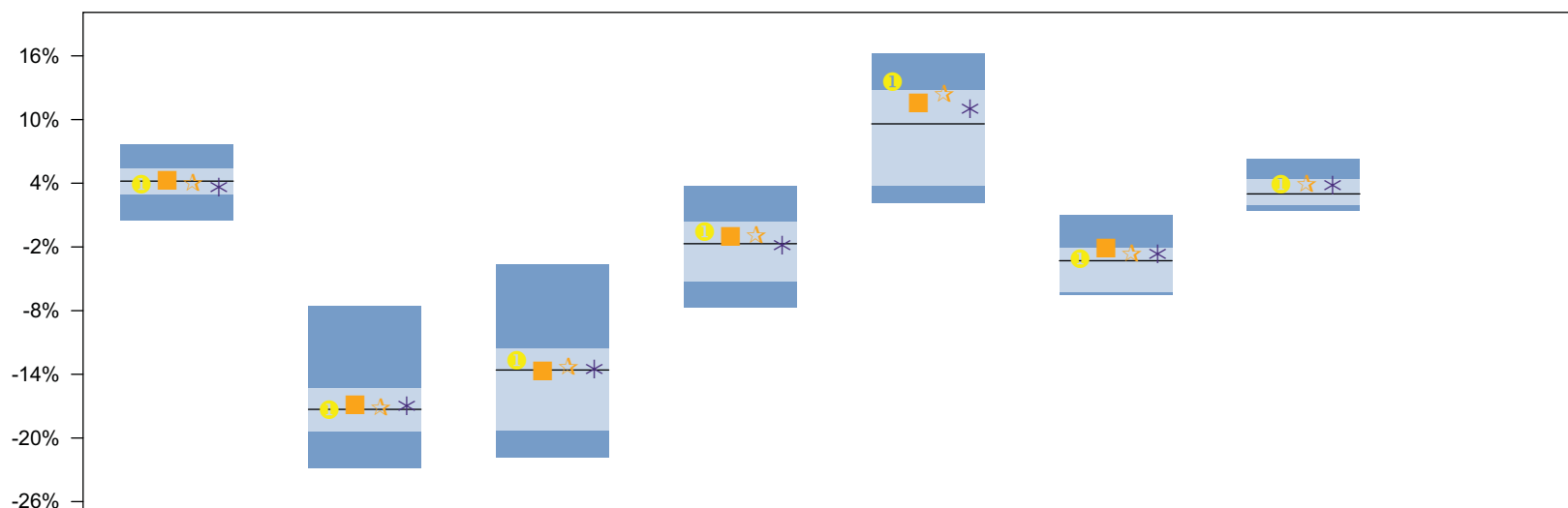
- ▲ S&P 500 Index
- Mellon S&P 500 Index Fund
- Total
- Style
- Selection

StanCERA

Intl Equity All Country ex-US

Periods Ending December 31, 2011

Total Returns



	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
① LSV Asset Management	4.1	51	-17.1	48	-12.5	42	-0.4	44	13.8	17	-2.9	42	4.1	31		
■ Pyramis Global Investments	4.5	42	-16.7	34	-13.5	49	-0.8	46	11.8	36	-1.9	24				
☆ International Equity	4.3	47	-16.9	44	-13.1	45	-0.7	46	12.7	27	-2.4	37	4.2	30		
* MSCI ACWI-ex US	3.8	63	-16.8	35	-13.3	48	-1.6	50	11.2	38	-2.5	38	4.0	33		
Median	4.2		-17.3		-13.6		-1.7		9.6		-3.3		3.0			

StanCERA

LSV Asset Management

Quarter Ending December 31, 2011

Equity Only Summary Statistics

Portfolio Characteristics		
	LSV Asset Management	MSCI ACWI ex US
Total Number of Securities	61	1,846
Average Market Cap (000's)	9,458	41,871
Median Market Cap (000's)	1,917	5,218
P/E Ratio	7.72	11.86
Dividend Yield	4.33	3.56
Beta	0.63	0.99
Price/Book Ratio	1.34	2.37
Return on Equity	16.91	18.96
Earnings Growth - 5 Yrs	9.05	3.78

Ten Largest Holdings		
Name	\$	Weight
CHINA PETROLEUM + CHEMICAL H	1,809,337	5.1
BASF AG NPV	1,336,185	3.8
COMPANHIA DE SANEAMENTO BASICO	1,279,950	3.6
BANK OF CHINA LTD, BEIJING	1,235,457	3.5
ROYAL DUTCH SHELL	1,121,868	3.2
KONINKLIJKE KPN NV	1,059,723	3.0
BANCO DO BRASIL SA SPON ADR	935,162	2.7
PETROLEO BRASILEIRO SPON ADR	897,318	2.5
BOLIDEN AB NEW	897,204	2.5
DAH CHONG HONG HLD	875,344	2.5

Ten Best Performers	
Name	Return
PATNI COMPUTER SYSTEMS ADR	39.5
TRELLEBORGAB B SHS	33.1
COMPANHIA DE SANEAMENTO BASICO	20.1
MOBILE TELESYSTEMS	19.3
IMPERIAL HOLDINGS LTD	17.3
DRB HICOMBHD	17.2
HUHTAMAKI OYJ	16.4
PAPERLINX	15.1
PETROLEO BRASILEIRO SPON ADR	14.4
DRAX GROUP	13.6

Ten Worst Performers	
Name	Return
HERACLES GEN CEM	-27.2
GIGA BYTE TECHNOLOGY	-20.9
SELCUK ECZA DEPOSU	-19.1
KYORIN HOLDINGS INC	-16.3
LITE ON IT CORP	-14.7
GEO CO LTD	-14.1
TOFAS(TURK OTOMOBIL FAB)	-10.8
MIRACA HOLDINGS INC	-10.4
ASUSTEK COMPUTER	-6.7
AUSTRIA TECHNOLOGY NPV	-6.3

StanCERA

LSV Asset Management

Index: MSCI AC WORLD ex US (NET)

Quarter Ending December 31, 2011

GLOBAL ATTRIBUTION - BASE RETURNS

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
LSV Asset Management									
EUROPE	46.4	43.5	2.9	10.4	5.4	4.8	0.05	2.28	2.32
AUSTRIA	1.4	0.2	1.2	-6.3	-5.1	-1.3	-0.10	-0.02	-0.12
BELGIUM	0.0	0.7	-0.7		2.2		0.01	-0.00	0.01
DENMARK	0.0	0.7	-0.7		8.3		-0.03	-0.00	-0.03
EURO	22.4	0.0	22.4				-0.80	0.00	-0.80
FINLAND	0.6	0.6	-0.1	16.4	-1.9	18.6	0.00	0.10	0.10
FRANCE	0.6	6.2	-5.7	11.2	2.7	8.3	0.06	0.05	0.11
GERMANY	0.0	5.3	-5.3		3.9		-0.01	-0.00	-0.01
GREECE	0.1	0.1	-0.0	-27.2	-27.5	0.5	0.01	0.00	0.01
IRELAND	0.0	0.2	-0.1	2.8	22.4	-16.0	-0.03	-0.01	-0.03
ITALY	0.0	1.6	-1.6		0.7		0.05	-0.00	0.05
NETHERLANDS	1.5	1.7	-0.1	-4.9	6.6	-10.7	-0.00	-0.17	-0.18
NORWAY	1.2	0.6	0.6	-1.4	9.4	-9.9	0.03	-0.13	-0.10
PORTUGAL	0.0	0.2	-0.2		-9.5		0.02	0.00	0.02
SPAIN	0.0	2.4	-2.4		-2.2		0.14	0.00	0.14
SWEDEN	1.2	2.0	-0.8	36.8	8.8	25.7	-0.04	0.33	0.29
SWITZERLAND	4.7	5.9	-1.2	12.6	4.1	8.1	-0.00	0.39	0.39
UNITED KINGDOM	12.9	15.2	-2.4	13.0	9.1	3.6	-0.12	0.49	0.37
PACIFIC	27.0	24.8	2.2	-0.7	-0.3	-0.4	-0.08	-0.11	-0.20
AUSTRALIA	5.4	5.8	-0.4	3.4	7.5	-3.8	-0.02	-0.22	-0.24
HONG KONG	2.7	1.9	0.9	12.4	6.3	5.8	0.02	0.17	0.19
JAPAN	18.3	15.9	2.4	-6.5	-3.9	-2.8	-0.18	-0.50	-0.67
NEW ZEALAND	0.0	0.1	-0.1		-2.2		0.01	0.00	0.01
SINGAPORE	0.6	1.2	-0.6		-1.0		0.03	0.01	0.03

StanCERA

LSV Asset Management

Index: MSCI AC WORLD ex US (NET)

Quarter Ending December 31, 2011

GLOBAL ATTRIBUTION - BASE RETURNS

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
NORTH AMERICA	8.1	8.2	-0.1	-0.1	5.0	-4.8	-0.00	-0.41	-0.41
CANADA	7.1	8.2	-1.1	5.1	5.0	0.0	-0.01	0.00	-0.01
UNITED STATES	1.0	0.0	1.0	-1.2			-0.04	-0.01	-0.05
EMERGING MARKETS	16.5	23.0	-6.5	6.0	4.4	1.6	-0.04	0.28	0.23
ARGENTINA	0.0	0.0	-0.0		-2.7		0.00	-0.00	0.00
BRAZIL	3.0	3.3	-0.4	13.1	8.8	4.0	-0.02	0.13	0.11
CHILE	0.0	0.4	-0.4		8.1		-0.02	-0.00	-0.02
CHINA	2.2	3.9	-1.6	4.2	8.1	-3.6	-0.07	-0.09	-0.16
COLOMBIA	0.0	0.2	-0.2		2.2		0.00	-0.00	0.00
CZECH REPUBLIC	0.0	0.1	-0.1		-1.9		0.01	0.00	0.01
EGYPT	0.0	0.1	-0.1		-11.7		0.01	0.00	0.01
HUNGARY	0.0	0.1	-0.1		-2.4		0.00	0.00	0.00
INDIA	0.2	1.7	-1.5	39.5	-14.2	62.7	0.26	0.13	0.39
INDONESIA	0.0	0.7	-0.7		5.7		-0.01	-0.00	-0.01
JORDAN	0.0	0.0	-0.0		0.5		0.00	-0.00	-0.00
KOREA, REPUBLIC OF	2.3	3.4	-1.0	1.2	5.9	-4.5	-0.02	-0.11	-0.13
MALAYSIA	0.1	0.8	-0.6	17.2	11.7	5.0	-0.05	0.01	-0.04
MEXICO	0.4	1.1	-0.6	7.1	9.4	-2.2	-0.04	-0.01	-0.05
MOROCCO	0.0	0.0	-0.0		-10.0		0.01	0.00	0.01
PAKISTAN	0.0	0.0	-0.0		-8.8		0.00	0.00	0.00
PERU	0.0	0.1	-0.1		12.5		-0.01	-0.00	-0.01
PHILIPPINES	0.0	0.2	-0.2		7.0		-0.00	-0.00	-0.01
POLAND	0.0	0.3	-0.3		-6.1		0.03	-0.00	0.03
RUSSIA	3.2	1.5	1.7	12.3	6.2	5.8	0.04	0.20	0.24
SOUTH AFRICA	2.1	1.8	0.3	8.1	7.0	1.1	0.01	0.03	0.04
TAIWAN	2.1	2.6	-0.5	-2.6	-0.4	-2.2	0.02	-0.05	-0.03

StanCERA

LSV Asset Management

Index: MSCI AC WORLD ex US (NET)

Quarter Ending December 31, 2011

GLOBAL ATTRIBUTION - BASE RETURNS

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
THAILAND	0.0	0.4	-0.4		11.5		-0.03	-0.00	-0.03
TURKEY	0.8	0.3	0.5	-15.0	-15.7	0.8	-0.09	0.01	-0.08
OTHER	0.6	0.4	0.2	3.3	4.6	-1.3	0.00	-0.01	-0.01
ISRAEL	0.6	0.4	0.2	3.3	4.6	-1.3	0.00	-0.01	-0.01
Unclassified	1.4	0.0	1.4				-0.05	0.00	-0.05
Unclassified	1.4	0.0	1.4				-0.05	0.00	-0.05
TOTAL	100.0	100.0	0.0	4.8	3.7	1.1	-0.13	2.01	1.87

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Pyramis Global Investments
Quarter Ending December 31, 2011

Equity Only Summary Statistics

Portfolio Characteristics		
	Pyramis Global Investments	MSCI ACWI ex US Value
Total Number of Securities	117	1,846
Average Market Cap (000's)	11,761	41,871
Median Market Cap (000's)	4,858	5,218
P/E Ratio	20.34	11.86
Dividend Yield	1.45	3.56
Beta	0.40	0.99
Price/Book Ratio	2.87	2.37
Return on Equity	14.60	18.96
Earnings Growth - 5 Yrs	5.71	3.78

Ten Largest Holdings		
Name	\$	Weight
ROYAL DUTCH SHELL	2,518,575	7.5
NESTLE SA CHF	1,769,740	5.3
BRITISH AMERICAN TOBACCO ORD	1,106,413	3.3
UBS AG CHF0.1 (POST	944,448	2.8
SAP AG COMMON	838,766	2.5
ANHEUSER-BUSCH INBEV NV	816,985	2.4
BASF AG NPV	798,842	2.4
HSBC	783,929	2.4
NOVO-NORDISK AS DKK2	753,449	2.2
WOLSELEY PLC	737,583	2.2

Ten Best Performers	
Name	Return
PICC PROPERTY + CA	29.9
AOZORA BANK LTD	18.4
ARYZTA AG	14.6
PORSCHE AUTOMOBIL HLDG PFD	14.2
GS YUASA CORP	13.7
GREE INC	11.5
SUMITOMO HEAVY INDUSTRIES	11.4
INTERTEK GROUP PLC	10.3
PARK24 COLTD	9.8
SCHINDLERHOLDING AG REG	9.4

Ten Worst Performers	
Name	Return
DENA CO LTD	-29.4
EXEDY	-24.7
KAKAKU.COM. INC	-12.2
SYSMEX CORP	-10.3
JAPAN RETAIL FUND INVESTMENT	-8.4
HITACHI TRNSPT SYS	-8.2
HITACHI METALS LTD	-7.0
TREASURY WINE ESTATES LTD	-4.9
DON QUIJOTE	-4.8
SUNDRUG CO LTD	-4.3

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Pyramis Global Investments

Index: MSCI AC WORLD ex US (NET)

Quarter Ending December 31, 2011

GLOBAL ATTRIBUTION - BASE RETURNS

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
Pyramis Global Investments									
EUROPE	54.2	43.5	10.7	7.3	5.4	1.8	0.17	1.10	1.28
AUSTRIA	0.0	0.2	-0.2		-5.1		0.02	0.00	0.02
BELGIUM	0.0	0.7	-0.7		2.2		0.01	0.01	0.02
DENMARK	1.6	0.7	0.9	2.2	8.3	-5.6	0.04	-0.18	-0.14
EURO	19.7	0.0	19.7				-0.70	0.00	-0.70
FINLAND	0.0	0.6	-0.6		-1.9		0.04	0.00	0.04
FRANCE	1.4	6.2	-4.9	-0.1	2.7	-2.7	0.05	-0.03	0.03
GERMANY	2.6	5.3	-2.7	8.7	3.9	4.5	-0.01	0.12	0.12
GREECE	0.0	0.1	-0.1		-27.5		0.03	0.00	0.03
IRELAND	0.0	0.2	-0.2		22.4		-0.03	0.01	-0.02
ITALY	0.2	1.6	-1.4	-1.0	0.7	-1.7	0.04	0.01	0.05
NETHERLANDS	0.0	1.7	-1.7		6.6		-0.05	0.01	-0.03
NORWAY	0.5	0.6	-0.2	17.2	9.4	7.2	-0.01	0.04	0.03
PORTUGAL	0.0	0.2	-0.2		-9.5		0.02	0.00	0.02
SPAIN	0.4	2.4	-2.0	4.0	-2.2	6.4	0.12	0.02	0.14
SWEDEN	0.5	2.0	-1.5	21.0	8.8	11.2	-0.07	0.06	-0.02
SWITZERLAND	6.6	5.9	0.7	12.2	4.1	7.7	0.01	0.63	0.63
UNITED KINGDOM	20.9	15.2	5.7	6.8	9.1	-2.1	0.29	-0.56	-0.27
PACIFIC	30.2	24.8	5.4	-3.5	-0.3	-3.2	-0.21	-1.06	-1.27
AUSTRALIA	6.6	5.8	0.8	-0.8	7.5	-7.7	0.03	-0.63	-0.60
HONG KONG	1.9	1.9	0.0	1.2	6.3	-4.8	0.00	-0.18	-0.18
JAPAN	21.2	15.9	5.3	-4.3	-3.9	-0.4	-0.39	-0.17	-0.56
NEW ZEALAND	0.3	0.1	0.2	3.3	-2.2	5.6	-0.01	0.11	0.10
SINGAPORE	0.3	1.2	-0.9		-1.0		0.04	0.00	0.05

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Pyramis Global Investments

Index: MSCI AC WORLD ex US (NET)

Quarter Ending December 31, 2011

GLOBAL ATTRIBUTION - BASE RETURNS

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
NORTH AMERICA	6.5	8.2	-1.7	12.9	5.0	7.5	-0.02	0.51	0.49
CANADA	6.0	8.2	-2.2	12.9	5.0	7.5	-0.03	0.47	0.44
UNITED STATES	0.5	0.0	0.5				-0.02	0.00	-0.02
EMERGING MARKETS	0.0	23.0	-23.0	29.9	4.4	24.4	-0.15	0.01	-0.13
ARGENTINA	0.0	0.0	-0.0		-2.7		0.01	-0.00	0.01
BRAZIL	0.0	3.3	-3.3		8.8		-0.16	0.01	-0.15
CHILE	0.0	0.4	-0.4		8.1		-0.02	0.01	-0.00
CHINA	0.0	3.9	-3.8	29.9	8.1	20.1	-0.16	0.01	-0.15
COLOMBIA	0.0	0.2	-0.2		2.2		0.01	0.01	0.02
CZECH REPUBLIC	0.0	0.1	-0.1		-1.9		0.01	0.00	0.01
EGYPT	0.0	0.1	-0.1		-11.7		0.01	0.00	0.01
HUNGARY	0.0	0.1	-0.1		-2.4		0.01	0.00	0.01
INDIA	0.0	1.7	-1.7		-14.2		0.30	-0.00	0.30
INDONESIA	0.0	0.7	-0.7		5.7		-0.01	0.01	-0.00
JORDAN	0.0	0.0	-0.0		0.5		0.00	0.01	0.01
KOREA, REPUBLIC OF	0.0	3.4	-3.4		5.9		-0.07	0.01	-0.06
MALAYSIA	0.0	0.8	-0.8		11.7		-0.06	0.01	-0.05
MEXICO	0.0	1.1	-1.1		9.4		-0.06	0.01	-0.05
MOROCCO	0.0	0.0	-0.0		-10.0		0.01	0.00	0.01
PAKISTAN	0.0	0.0	-0.0		-8.8		0.01	0.00	0.01
PERU	0.0	0.1	-0.1		12.5		-0.01	0.01	0.00
PHILIPPINES	0.0	0.2	-0.2		7.0		-0.00	0.01	0.01
POLAND	0.0	0.3	-0.3		-6.1		0.04	-0.00	0.04
RUSSIA	0.0	1.5	-1.5		6.2		-0.03	0.01	-0.02
SOUTH AFRICA	0.0	1.8	-1.8		7.0		-0.06	0.01	-0.04
TAIWAN	0.0	2.6	-2.6		-0.4		0.11	0.00	0.11

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Pyramis Global Investments

Index: MSCI AC WORLD ex US (NET)

Quarter Ending December 31, 2011

GLOBAL ATTRIBUTION - BASE RETURNS

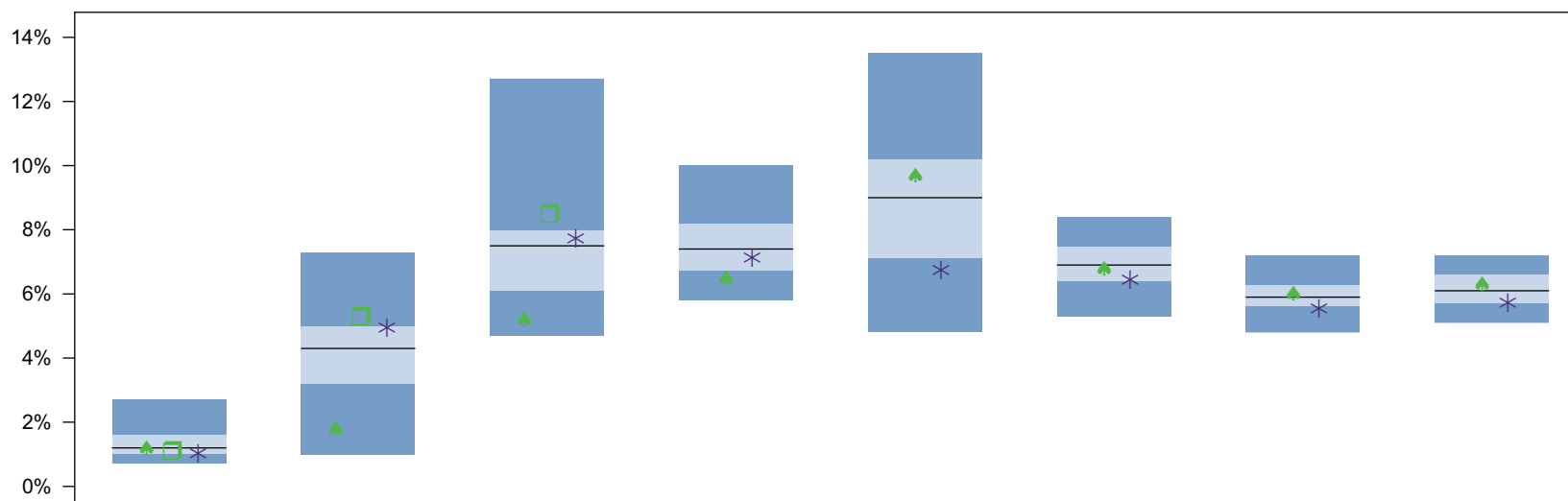
	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
THAILAND	0.0	0.4	-0.4		11.5		-0.03	0.01	-0.02
TURKEY	0.0	0.3	-0.3		-15.7		0.07	0.00	0.07
OTHER	0.0	0.4	-0.4		4.6		-0.00	0.01	0.01
ISRAEL	0.0	0.4	-0.4		4.6		-0.00	0.01	0.01
Unclassified	9.0	0.0	9.0				-0.32	0.00	-0.32
Unclassified	9.0	0.0	9.0				-0.32	0.00	-0.32
TOTAL	100.0	100.0	0.0	1.6	3.7	-2.1	-0.53	0.56	0.03

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US Fixed Income Funds - Core

Periods Ending December 31, 2011

Total Returns



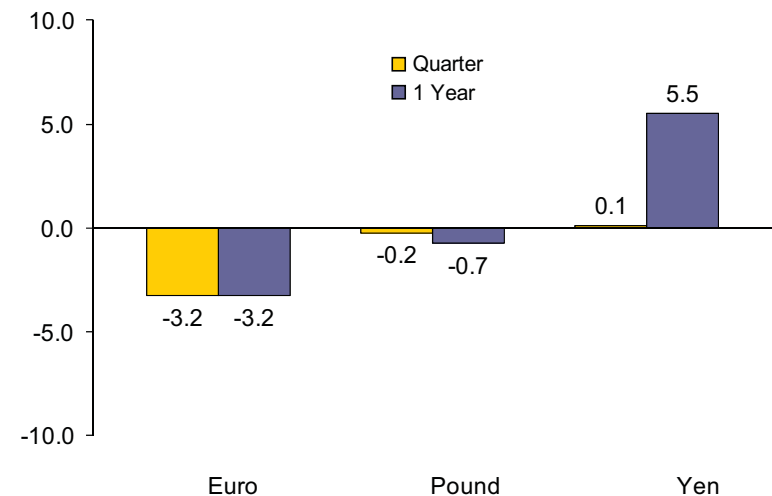
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
▲ Dodge & Cox - Fixed Income	1.4	41	2.0	89	5.4	88	6.7	76	9.9	32	7.0	39	6.2	33	6.5	28
■ PIMCO	1.2	54	5.4	14	8.6	14										
* BC AGGREGATE	1.1	65	5.0	26	7.8	34	7.2	60	6.8	80	6.5	74	5.6	77	5.8	74
Median	1.2		4.3		7.5		7.4		9.0		6.9		5.9		6.1	

CURRENCY AND BOND MARKETS

Currency Markets

- The fiscal crisis in peripheral Europe and accompanying fragile economic outlook continued to weigh on the euro, which ended the year as the worst performer amongst G10 currencies. While the ECB's Long Term Refinancing Operations sparked sizable demand and a consequent improvement in the outlook for European bank liquidity, it also contributed to a weaker euro.
- Despite government interventions to weaken the currency, the yen barely budged in the fourth quarter. While the US dollar is typically a highly sought-after safe haven currency during crisis, the yen stood out as the only currency in G10 to have appreciated against the dollar in 2011, strengthening 5.5 percent for the year.
- Plagued by uncertainties in the Eurozone and expectations of increased quantitative easing, the pound received tepid endorsement, ending the year 0.7 percent weaker against the dollar.

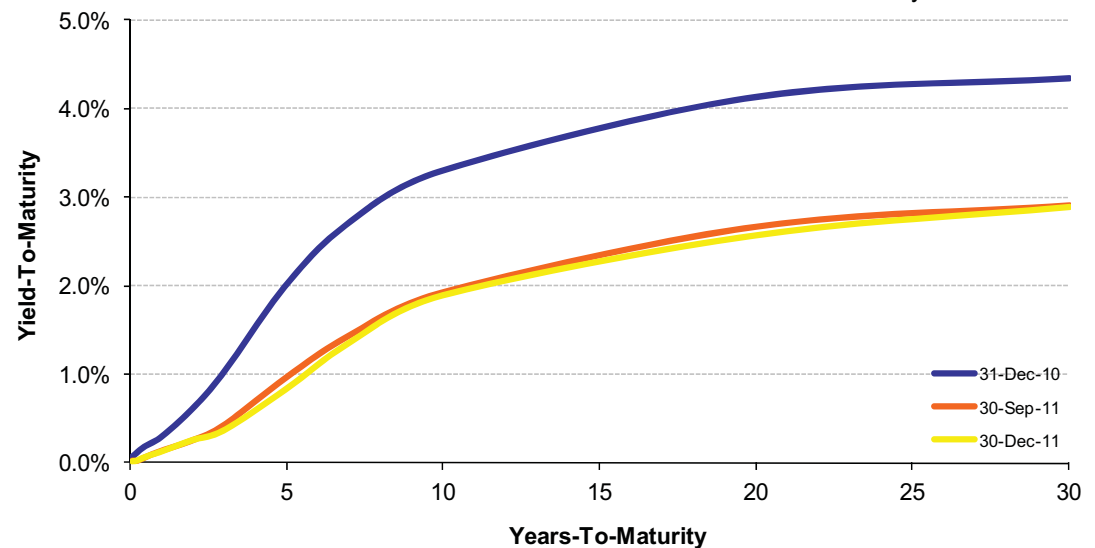
Currency Returns (%)



Yield Curve

- The final quarter in 2011 saw some glimmers of optimism from the US and the Europe. Employment conditions and growth data improved gradually in the US, while the dollar swap announcement and the ECB's policy responses managed to arrest contagion within the Eurozone. However, investors remained cautious and defensive—illustrated by the US yield curve, which barely moved in the fourth quarter—adopting a continued cautious stance.

INTEREST RATE TERM STRUCTURE
Government Issues - 3 Months to 30 Years Maturity



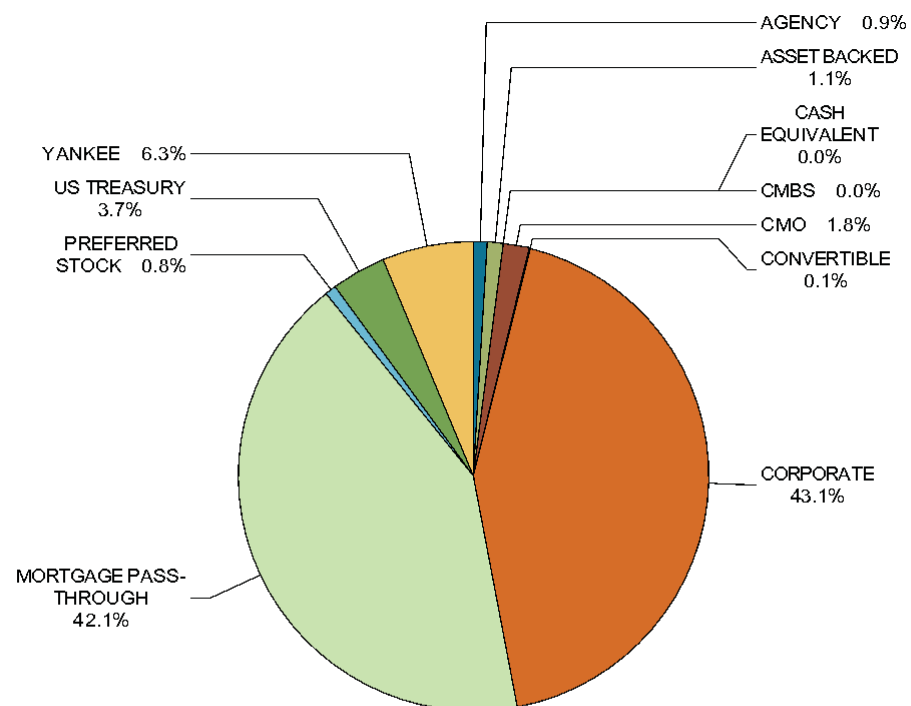
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Dodge & Cox - Fixed Income

INDEX: BC AGGREGATE

AS OF: December 31, 2011

FIXED INCOME SECTOR ALLOCATION



SECTOR	PORTFOLIO WEIGHT %	INDEX WEIGHT %	DIFF %
AGENCY	0.9	5.6	-4.7
ASSET BACKED	1.1	0.2	0.9
CASH EQUIVALENT	0.0	0.0	0.0
CMBS	0.0	2.1	-2.1
CMO	1.8	0.0	1.8
CONVERTIBLE	0.1	0.0	0.1
CORPORATE	43.1	20.4	22.7
MORTGAGE PASS-THROUGH	42.1	30.6	11.5
PREFERRED STOCK	0.8	0.0	0.8
US TREASURY	3.7	35.9	-32.2
YANKEE	6.3	5.2	1.1
TOTAL	100.0	100.0	0.0

StanCERA

Dodge & Cox – Fixed Income
As of December 31, 2011

Bond Summary Statistics

Portfolio Characteristics

	Dodge & Cox	BC AGGREGATE
Total Number of Securities	198	7,604
Current Coupon	5.9	4.1
Yield To Maturity	3.7	2.2
Average Maturity	7.0	6.9
Duration	5.0	5.2
Quality	20.2	22.7

Duration (Years)

Range	% Held
0 to 1	15.3
1 to 3	34.9
3 to 4	8.5
4 to 6	14.3
6 to 8	9.5
8 to 10	3.3
Over 10	12.0
Unclassified	2.2

Quality

Range	% Held
Treasury	0.0
Agency	0.0
AAA	47.4
AA	4.6
A	13.7
BAA	18.0
BA	8.4
Below BA	4.7
Other	3.2

Yield To Maturity (Years)

Range	% Held
0 to 5	75.2
5 to 7	16.8
7 to 9	4.6
9 to 11	1.2
11 to 13	0.0
Over 13	0.0
Unclassified	2.2

Avg Maturity (Years)

Range (Yrs)	% Held
0 to 1	3.7
1 to 3	13.4
3 to 5	40.0
5 to 10	25.3
10 to 20	7.1
Over 20	8.3
Unclassified	2.2

Coupon (%)

Range	% Held
0 to 5	14.1
5 to 7	65.6
7 to 9	16.4
9 to 11	1.6
11 to 13	0.0
Over 13	0.0
Unclassified	2.2

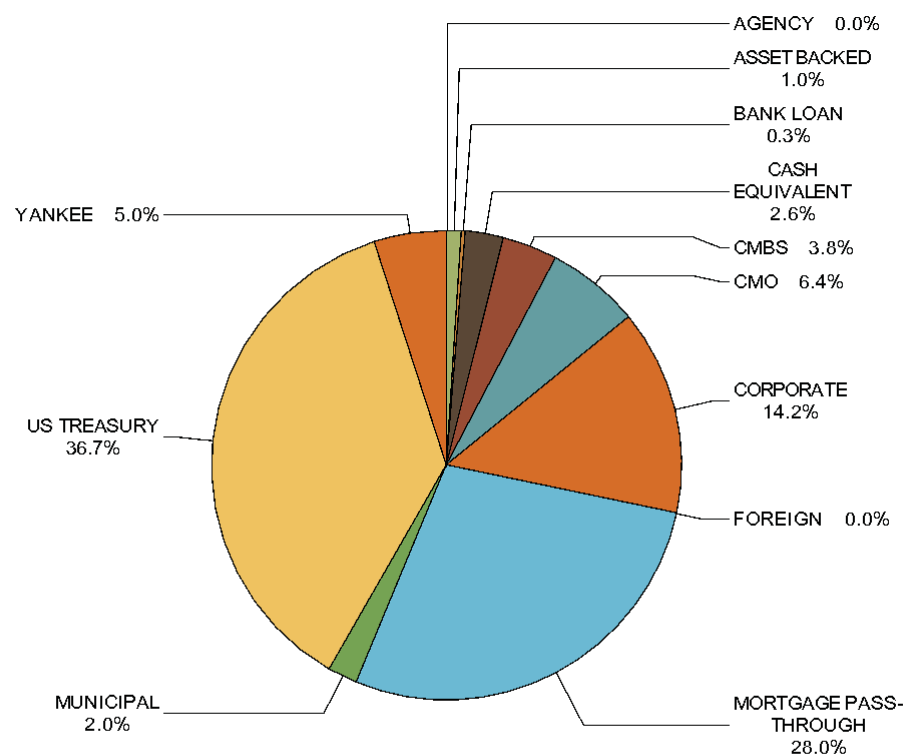
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PIMCO

INDEX: BC AGGREGATE

AS OF: December 31, 2011

FIXED INCOME SECTOR ALLOCATION



SECTOR	PORTFOLIO WEIGHT %	INDEX WEIGHT %	DIFF %
AGENCY	0.0	5.6	-5.6
ASSET BACKED	1.0	0.2	0.7
BANK LOAN	0.3	0.0	0.3
CASH EQUIVALENT	2.6	0.0	2.6
CMBS	3.8	2.1	1.7
CMO	6.4	0.0	6.4
CORPORATE	14.2	20.4	-6.2
FOREIGN	0.0	0.0	0.0
MORTGAGE PASS-THROUGH	28.0	30.6	-2.6
MUNICIPAL	2.0	0.0	2.0
US TREASURY	36.7	35.9	0.8
YANKEE	5.0	5.2	-0.2
TOTAL	100.0	100.0	0.0

StanCERA

PIMCO

As of December 31, 2011

Bond Summary Statistics

Portfolio Characteristics

	PIMCO	BC AGGREGATE
Total Number of Securities	158	7,604
Current Coupon	2.8	4.1
Yield To Maturity	2.0	2.2
Average Maturity	5.9	6.9
Duration	4.8	5.2
Quality	22.6	22.7

Duration (Years)

Range	% Held
0 to 1	9.2
1 to 3	26.4
3 to 4	14.4
4 to 6	9.5
6 to 8	5.4
8 to 10	27.8
Over 10	5.3
Unclassified	2.0

Quality

Range	% Held
Treasury	2.6
Agency	0.0
AAA	74.4
AA	3.5
A	5.9
BAA	8.9
BA	0.8
Below BA	0.9
Other	3.2

Yield To Maturity (Years)

Range	% Held
0 to 5	90.3
5 to 7	6.7
7 to 9	0.9
9 to 11	0.0
11 to 13	0.0
Over 13	0.0
Unclassified	2.1

Avg Maturity (Years)

Range (Yrs)	% Held
0 to 1	3.9
1 to 3	17.5
3 to 5	21.9
5 to 10	49.6
10 to 20	0.8
Over 20	4.3
Unclassified	2.0

Coupon (%)

Range	% Held
0 to 5	76.5
5 to 7	15.6
7 to 9	4.8
9 to 11	1.1
11 to 13	0.0
Over 13	0.0
Unclassified	2.0

MARKET UPDATE

FOR JANUARY 2012

U.S. EQUITY

Stock markets started 2012 on a positive note as returns for the first month of the year ended up being the strongest January in 15 years. Growth decidedly outperformed Value for the month and small caps outperformed large caps. The Russell 1000 Growth Index was up 6.0% for the month and the Russell 1000 Value Index was up 3.8%. The Russell 2000 Growth Index was up 7.5% and the Russell 2000 Value was up 6.7%. The S&P 500 Index ended the month up 4.5%.

The S&P 500 Index has a trailing 12-month P/E ratio of 15.1 (estimated P/E ratio of 12.8 on forward looking twelve-month operating earnings) and a dividend yield of 2.0%. Earnings growth came in at 14% for 2011 and combined with stagnant stock market prices, translated into a 14% contraction in the P/E ratio. The P/E ratio contracted for the sixth time in the last eight years in 2011.

Corporate merger activity highlights for the month included: Total bought a 25% stake in the Utica Shale area of Ohio from Chesapeake Energy and EnerVest for \$2.3 billion; Bristol-Myers Squibb will acquire Inhibitex, a maker of hepatitis C drugs, for \$2.5 billion; Air Products will sell its homecare business in Belgium, Germany, France, Portugal and Spain to The Linde Group for \$750 million; Westlake Chemical made an unsolicited, \$1.0 billion bid for rival chemical company Georgia Gulf; and, Britain's DS Smith will buy the recycled packaging operations of Swedish rival SCA Packaging for \$2 billion.

FIXED INCOME

The fourth quarter GDP rose by a 2.8% annual rate, the best since mid-2010, but hardly stellar given the large 1.9% contribution from inventories. Final sales grew by just 0.8%; business fixed investment slowed dramatically; and, government spending once again declined significantly.

The Federal Open Market Committee (FOMC) left the federal funds target unchanged at 0-25 basis points in January. The Federal Reserve announced that it plans to keep short-term interest rates at current record lows into 2014. The FOMC also downgraded U.S. GDP projections to grow by 2.2%-2.7% in 2012 (compared to their 2.5%-2.9% estimate last November) and by 2.8%-3.2% in 2013 (compared to 3.0% to 3.5%).

The U.S. Bureau of Labor Statistics reported that the unemployment rate fell to 8.5% in December. Employers added a total of 1.64 million workers in 2011, the best year for the American worker since 2006, after a 940,000 increase in 2010. The January employment report was also quite positive. Payrolls rose by a much larger than expected 243,000, the most since last April and the unemployment rate dropped another two ticks to 8.3%, the fifth consecutive decline and the lowest level since February 2009.

Long-term interest rates were pretty much unchanged in the month of January. The bellwether 10-year Treasury note ended the month yielding 1.89% up from 1.87% at the close of December. At month-end, the 30-year long bond yield was 2.99% with the 3-month T-bill at 0.07%. The Barclays Capital US Aggregate Index was up by +0.9% in January. Spread products narrowed significantly in the month as evidenced by the Bank of America Merrill Lynch High Yield Master II Index gaining 2.8% for the month.

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

THE GOOD

*The Institute for Supply Management reported that its manufacturing index rose to 53.9 in December from 52.7 in November, the fastest pace in six months.

*The Commerce Dept. reported that construction spending rose by 1.2% in November.

*The Commerce Dept. reported that orders for manufactured goods increased 1.8% in November snapping two consecutive months of decline.

*Chrysler's vehicle sales rose 37% in December, GM's rose 4.5% and Ford's increased by 10%.

*Overall December retail sales rose 3.4% at the 22 retailers tracked by Thomson Reuters same-store sales index, compared with the 3.3% analyst forecast. For all of 2011, retail sales totaled a record \$4.7 trillion, a gain of nearly 8% over 2010 and the largest percentage increase since 1999.

*The Commerce Dept. reported that wholesale inventories edged up 0.1% in November, falling short of analysts' expectations of a 0.5% gain.

*The Federal Reserve transferred \$77 billion in earnings to the U.S. Treasury during 2011, slightly less than the record \$79 billion transferred in 2010.

*The Empire State Manufacturing index rose to 13.5 in January from a revised 8.2 in December.

*The National Association of Realtors reported that existing homes sales rose 5% in December to a seasonally adjusted annual rate of 4.6 million.

*Industrial production rose 0.4% in December. Manufacturing posted a robust 0.9% gain, the strongest in 12 months.

*Inflation is improving as the CPI was unchanged in December as energy fell 1.3% and food rose 0.2%. Overall inflation posted a 3.0% gain for calendar year 2011. Meanwhile, core inflation rose by 2.2% for 2011.

Consumer confidence continues to improve. The Univ. of Michigan index rose 5.0 points in January to 75.0, the fifth consecutive gain and the highest level since February 2011.

THE NOT SO GOOD

*The amount the U.S. government owes to its creditors, along with IOUs to government retirement and other programs, now tops \$15.2 trillion, nearly equal to the value of all goods and services the U.S. economy produces in one year.

*The Commerce Dept. reported that housing starts fell 4.1% to an annualized rate of 679,000 in December, after strong gains in November had put starts at their highest level since April 2010.

*After previous recessions, housing accounted for at least 15% of U.S. economic growth; since the recession ended in June 2009; it has contributed just 4%.

*Retail sales disappointed, posting a smaller than expected 0.1% gain for December, and the weakest reading since last May.

*Consumer credit was up by \$20.4 billion in November, the largest increase in borrowing in a decade.

*The deficit on international trade in goods and services widened by \$4.5 billion in November to \$47.8 billion, the largest gap since June. Exports fell 0.9% while imports rose by 1.3%.

*The Federal government budget deficit rose to \$86.0 billion in December from \$78.1 billion in the same month one year ago.

NON-U.S. MARKETS

The Bank of Canada left its policy rate unchanged at 1.00% in January. Manufacturing sales rose 2.0% in

November, the fourth gain in the past five months. Consumer prices (CPI) fell 0.6% in December.

Britain's economy contracted by -0.2% in the final quarter of 2011. The Bank of England left monetary policy unchanged in January. The Bank Rate was held at 0.50%. Inflation prices are easing as the PPI fell 0.2% in December. CPI inflation also improved in the UK for the third straight month as core inflation fell to 3.0% year-over-year in December.

Standard & Poor's downgraded its credit rating for the European Financial Stability Facility, the euro zone's bail-out fund, cutting it one notch to AA+. The move followed S&P's decision to also strip France and Austria of their AAA status and further reduce the ratings of seven other European countries. As a result of S&P's downgrade, Portugal joined Greece as the second country to receive "junk" status. The European Central Bank's large provision of liquidity has stabilized funding markets and in turn has bought time for European policy makers to address the issues facing the euro zone.

The European Central Bank kept its policy interest rate unchanged at 1.00% in January. Inflation in the euro zone fell to 2.7% in December, the first fall in five months and another consideration for the ECB as it considers further cuts to interest rates. The unemployment rate posted at 10.3% in November, its highest reading ever in the euro era.

The November industrial production in the euro area was mixed, but the trend indicates a contraction in output in the final quarter of the year. In Germany, production fell 0.6% month-over-month.

Germany's GDP grew by 3% last year according to a first estimate. But the German economy may have contracted slightly in the fourth quarter. German investor sentiment improved substantially in January as the headline Zew index of expectations soared 32.2 points, the largest on record. The German government cut its GDP forecast for 2012 to 0.7% from the 1.0% figure projected in October.

Japan recorded its first trade deficit since 1980. The earthquake and tsunami in March hurt exporting manufacturers, and the subsequent nuclear shutdown caused the country to import more energy. The Japanese all industry activity index posted a large 1.1% decline in November.

China's economy continues to slow. GDP rose 8.9% year-over-year in the fourth quarter. For 2011, the economy expanded 9.2%, down from 10.4% in 2010. China's full year trade surplus totaled \$155 billion, representing a drop of 14.5% from 2010 levels and the weakest annual result in three years. China's imports rose by 11.8% in December, compared with the same month in 2010, the slowest pace of growth in two years. China's CPI inflation rate edged down to 4.1% year-over-year in December. Inflation peaked at 6.5% in July.

The IMF has significantly downgraded its global growth expectations and expects World GDP to expand 3.8% in 2011 and 3.3% in 2012 versus the 4.0% gains it projected in both years in its September forecast. Emerging economies are expected to expand on average by 6.2% in 2011 and 5.4% in 2012 and advanced economies by 1.6% in 2011 and 1.2% in 2012. By comparison, The World Bank cut its growth forecast for emerging countries this year to 5.4% and for developed countries to 1.4%. For the 17 countries that use the euro, it forecast a contraction of -0.3%.

Non-U.S. equities were also strong for the month of January. The MSCI ACWI Ex-U.S. was up by +6.8% (US dollars) in January. Developed stocks (EAFE) were up 5.4% while Emerging Markets gained a strong +11.4% for the month.

CONCLUSION

Equities got off the year to a good start in January as fear seems to have eased and U.S. economic activity is looking better. Many of the depressing elements of the economic and financial outlook improved in the past few weeks but still have not disappeared.

January 2012 marked the fourteenth month of economic expansion. GDP and profits of U.S. companies are at record highs.

U.S. corporations have healthy balance sheets with large cash positions and low debt levels, and have been spending a large share of their excess cash buying back their own shares. European and Japanese profits have tended to lag the recovery in U.S. profits over the past few years. These recent divergences have resulted in U.S. equities over the past two years to outperform Japanese equities by 50% and European equities by 35%.

Valuations continue to be attractive with the S&P 500 priced at 13 times earnings on a forward-looking basis. The last time stocks sold at their current forward-looking multiple was 1991, a year when the 10-year U.S. Treasury was priced to yield 8%, compared to 2% today.

Monetary policy remains accommodative and there are no signs of tightening on the horizon. The Federal Reserve also may commence with a third round of quantitative easing should the economy show signs of faltering from where we are today.

During the latter-half of 2011, stock markets around the world suffered from the contagion of the European debt crisis. Eurozone uncertainty, political uncertainty, and a weaker outlook for developed markets continue to threaten the financial markets in 2012.

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Jan-12	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	5.05	5.62	5.05	3.86	13.46	20.24	0.60	4.09	4.16
Russell TOP 200 Index	4.38	5.50	4.38	4.69	11.96	17.87	0.03	3.22	2.65
Russell TOP 200 Growth Index	5.45	5.82	5.45	7.37	14.37	20.75	3.29	4.82	2.56
Russell TOP 200 Value Index	3.31	5.17	3.31	2.14	9.59	14.92	-3.17	1.62	2.80
S&P 500 Index	4.48	5.32	4.48	4.22	12.84	19.24	0.33	3.64	3.52
Russell 1000 Index	4.87	5.47	4.87	3.95	13.22	20.01	0.55	4.03	3.97
Russell 1000 Growth Index	5.97	5.62	5.97	6.07	15.21	22.31	3.17	5.18	3.38
Russell 1000 Value Index	3.78	5.33	3.78	1.88	11.28	17.63	-2.16	2.76	4.36
Russell Mid-Cap Index	6.06	5.40	6.06	2.25	16.43	25.73	1.94	6.11	7.69
Russell Mid-Cap Growth Index	7.25	5.14	7.25	3.42	17.84	26.87	3.14	6.38	6.38
Russell Mid-Cap Value Index	4.91	5.68	4.91	1.19	15.19	24.54	0.39	5.53	8.08
Russell 2000 Index	7.07	7.38	7.07	2.86	16.24	23.03	1.19	4.85	6.45
Russell 2000 Growth Index	7.48	6.67	7.48	4.94	18.75	25.16	3.19	5.69	5.62
Russell 2000 Value Index	6.65	8.10	6.65	0.73	13.69	20.85	-0.90	3.87	6.95
DJ US REIT Index	6.43	7.05	6.43	12.41	25.75	32.72	-2.49	7.22	10.85
DJ-UBS US Commodity Index TR	2.47	-3.56	2.47	-12.06	5.79	9.25	-1.63	1.78	6.96
DJ-UBS US Gold Index TR	10.89	0.57	10.89	29.65	25.88	22.41	20.40	21.23	19.00

January
Strong
Month!
Small caps
+ Growth

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Jan-12	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	6.81	0.26	6.81	-8.34	4.22	17.22	-1.26	5.21	7.93
MSCI AC World Index	5.84	2.55	5.84	-2.97	7.99	18.21	-0.48	4.52	5.65
MSCI EAFE Index	5.35	-0.67	5.35	-9.16	2.59	13.90	-3.39	3.22	6.25
MSCI Emerging Markets index	11.36	2.70	11.36	-6.35	7.24	27.60	5.16	12.37	15.05
ML Global Government Bond Ex. U.S. Index	1.21	1.11	1.21	9.94	9.31	8.36	9.75	6.13	8.97
Euro	0.84	-6.15	0.84	-4.52	-2.95	0.71	0.15	0.06	4.28
Japanese Yen	0.90	2.26	0.90	7.45	9.04	5.61	9.67	4.46	5.78
UK Pound Sterling	1.54	-2.23	1.54	-1.48	-0.76	3.06	-4.22	-2.52	1.11

Int'l
Equities
pick
up
E.M.

US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Jan-12	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.00	0.00	0.09	0.11	0.15	1.40	2.16	1.94
BarCap Aggregate Bond Index	0.88	1.90	0.88	8.66	6.85	7.40	6.70	5.64	5.78
ML U.S. Corp/Govt Master Index	1.03	2.08	1.03	9.63	7.40	7.71	6.73	5.58	5.87
ML U.S. Corporate Master Index	2.18	2.21	2.18	9.60	8.60	12.82	7.03	5.79	6.47
BarCap Mortgage Backed Securities Index	0.41	1.30	0.41	6.61	5.32	5.91	6.61	5.76	5.64
ML U.S. High Yield Master Index	2.83	3.11	2.83	5.27	10.44	22.48	7.62	7.66	8.78
JPM EMBI Global	1.76	2.35	1.76	11.12	11.00	16.27	8.52	8.88	11.03

Agg Bond
up!
spreads
narrow

A

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JAN 31, 2012
PRELIMINARY BASIS

SUMMARY OF INVESTMENTS

ASSET CLASS	MARKET VALUE	PERCENT	POLICY	
			TARGET	RANGE
DOMESTIC EQUITIES	567,367,884	41.4%	40.9%	35.9% - 45.9%
INTERNATIONAL EQUITIES	235,813,638	17.2%	19.0%	16.0% - 22.0%
FIXED INCOME	527,719,924	38.5%	37.1%	33.4% - 40.8%
SPECIAL SITUATIONS	34,117,347	2.5%	3.0%	2.0% - 4.0%
SECURITY LENDING	(2,550,762)	-0.2%	0.0%	0.0% - 0.0%
CASH (equity managers only)	8,913,492	0.6%	0.0%	0.0% - 3.0%
TOTAL PORTFOLIO	1,371,381,523	100.0%	100.0%	

	CURRENT	TARGET
DODGE & COX - LARGE CAP VALUE	9.4%	9.8%
BGI - R1000 VALUE INDEX	6.2%	6.0%
DELAWARE - LARGE CAP GROWTH	7.9%	6.8%
BGI - R1000 GROWTH INDEX	5.2%	5.0%
CAPITAL PROSPECTS	4.5%	4.5%
LEGATO CAPITAL	4.1%	4.0%
BNY - S&P 500 INDEX	4.6%	4.8%
LSV ASSET MGMT - INTL EQ	8.6%	9.5%
PYRAMIS - INTL EQ	8.7%	9.5%
DODGE & COX FIXED INCOME	30.7%	29.6%
PIMCO	7.8%	7.5%
INVESCO - GLOBAL REIT	1.3%	1.5%
RAFI - LONG SHORT	1.1%	1.5%
SECURITY LENDING	-0.2%	0.0%
TOTALS	100.0%	100.0%



STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JAN 31, 2012
PRELIMINARY BASIS

GROWTH OF ASSETS AND CHANGES IN ALLOCATION

ASSET CLASS MARKET VALUE	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
DOMESTIC EQUITIES	567,367,884	540,668,320	4.94%	604,572,409	-6.15%
INTERNATIONAL EQUITIES	235,813,638	218,687,961	7.83%	290,526,717	-18.83%
FIXED INCOME	527,719,924	520,193,044	1.45%	454,105,661	16.21%
SPECIAL SITUATIONS	34,117,347	33,080,091	3.14%	18,518,347	84.24%
SECURITIES LENDING	(2,550,762) ✓	(2,607,640) ✓	2.18%	(2,664,518) ✓	4.27%
CASH (equity managers only)	8,913,492	10,433,580	-14.57%	11,844,136	-24.74%
TOTAL PORTFOLIO	1,371,381,523	1,320,455,356	3.86%	1,376,902,752	-0.40%
ASSET ALLOCATION (ACTUAL)					
DOMESTIC EQUITIES	41.37% ✓	40.95%	0.4%	43.91%	-2.5%
INTERNATIONAL EQUITIES	<u>17.20%</u>	16.56%	0.6%	21.10%	-3.9%
FIXED INCOME	38.48%	39.39%	-0.9%	32.98%	5.5%
SPECIAL SITUATIONS	2.49%	2.51%	0.0%	1.34%	1.1%
SECURITY LENDING	-0.19%	-0.20%	0.0%	-0.19%	0.0%
CASH (equity managers only)	0.65%	0.79%	-0.1%	0.86%	-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

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STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JAN 31, 2012
PRELIMINARY BASIS

MANAGER ALLOCATION

ASSET CLASS	MARKET VALUE	PERCENT	POLICY TARGET	RANGE
DOMESTIC EQUITIES				
DODGE & COX · LARGE CAP VALUE	128,561,072	9.4%	9.8%	7.8% - 11.8%
BLACKROCK · R1000 VALUE INDEX	85,152,845	6.2%	6.0%	5.0% - 7.0%
DELAWARE · LARGE CAP GROWTH	107,818,339	7.9%	6.8%	5.3% - 8.3%
BLACKROCK · R1000 GROWTH INDEX	71,879,465	5.2%	5.0%	4.0% - 6.0%
CAPITAL PROSPECTS · SMALL CAP VALUE	61,933,114	4.5%	4.5%	3.5% - 5.5%
LEGATO CAPITAL · SMALL CAP GROWTH	56,088,971	4.1%	4.0%	3.0% - 5.0%
BNY · S&P 500 INDEX	62,425,508	4.6%	4.8%	3.8% - 5.8%
TOTAL DOMESTIC EQUITIES	573,859,313	41.8%	40.9%	
FIXED INCOME				
DODGE & COX	420,916,249	30.7%	29.6%	27.1% - 32.1%
PIMCO	106,803,675	7.8%	7.5%	6.0% - 9.0%
TOTAL FIXED INCOME	527,719,924	38.5%	37.1%	
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	118,270,649	8.6%	9.5%	8.0% - 11.0%
PYRAMIS	119,965,051	8.7%	9.5%	8.0% - 11.0%
TOTAL INTERNATIONAL EQUITIES	238,235,701	17.4%	19.0%	
SPECIAL SITUATIONS				
INVESCO (Global REITs)	18,447,872	1.3%	1.5%	0.0% - 3.0%
RAFI (Global Long/Short Equity)	15,669,475	1.1%	1.5%	0.0% - 3.0%
TOTAL SPECIAL SITUATIONS	34,117,347	2.5%	3.0%	0.0% - 3.0%
SECURITIES LENDING	(2,550,762)	-0.2%	0.0%	0.0% - 0.0%
TOTAL STANCERA PORTFOLIO	1,371,381,523	100.0%	100.0%	

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JAN 31, 2012
 PRELIMINARY

	TOTAL FUND			
	CASH	BONDS	EQUITIES	TOTAL
DOMESTIC EQUITIES				
DODGE & COX LARGE CAP VALUE	1,223,797		127,337,276	128,561,072
BLACKROCK - R1000 VALUE INDEX	6,244		85,146,600	85,152,845
DELAWARE - LARGE CAP GROWTH	1,473,206		106,345,133	107,818,339
BLACKROCK R1000 GROWTH INDEX	0		71,879,465	71,879,465
CAPITAL PROSPECTS - SMALL CAP VALUE	2,327,947		59,605,167	61,933,114
LEGATO CAPITAL SMALL CAP GROWTH	1,460,028		54,628,943	56,088,971
BNY - S&P 500 INDEX	208		62,425,299	62,425,508
TOTAL DOMESTIC EQUITIES	6,491,430		567,367,884	573,859,313
FIXED INCOME				
DODGE & COX	13,279,229	407,637,020		420,916,249
PIMCO	13,731,570	93,072,104		106,803,675
TOTAL FIXED INCOME	27,010,799	500,709,125		527,719,924
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	1,008,780		117,261,869	118,270,649
PYRAMIS	1,413,283		118,551,769	119,965,051
TOTAL INTERNATIONAL EQUITIES	2,422,062		235,813,638	238,235,701
SPECIAL SITUATIONS				
INVESCO (Global REITs)	0		18,447,872	18,447,872
RAFI (Global Long/Short Equity)	0		15,669,475	15,669,475
TOTAL SPECIAL SITUATIONS	0		34,117,347	34,117,347
SECURITIES LENDING				
	(2,550,762)			(2,550,762)
TOTAL STANCERA PORTFOLIO	33,373,529	500,709,125	837,298,869	1,371,381,523

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STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JAN 31, 2012

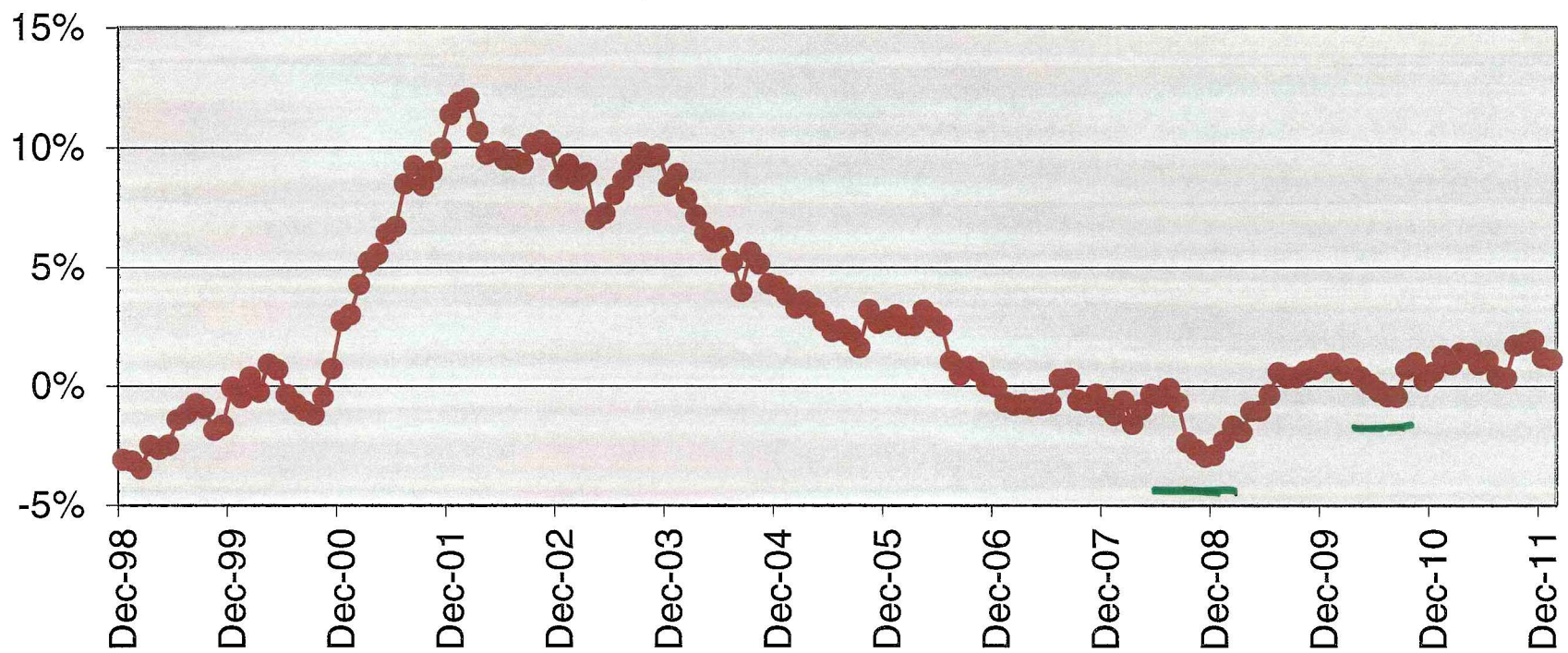
PRELIMINARY BASIS

CURRENT PERFORMANCE

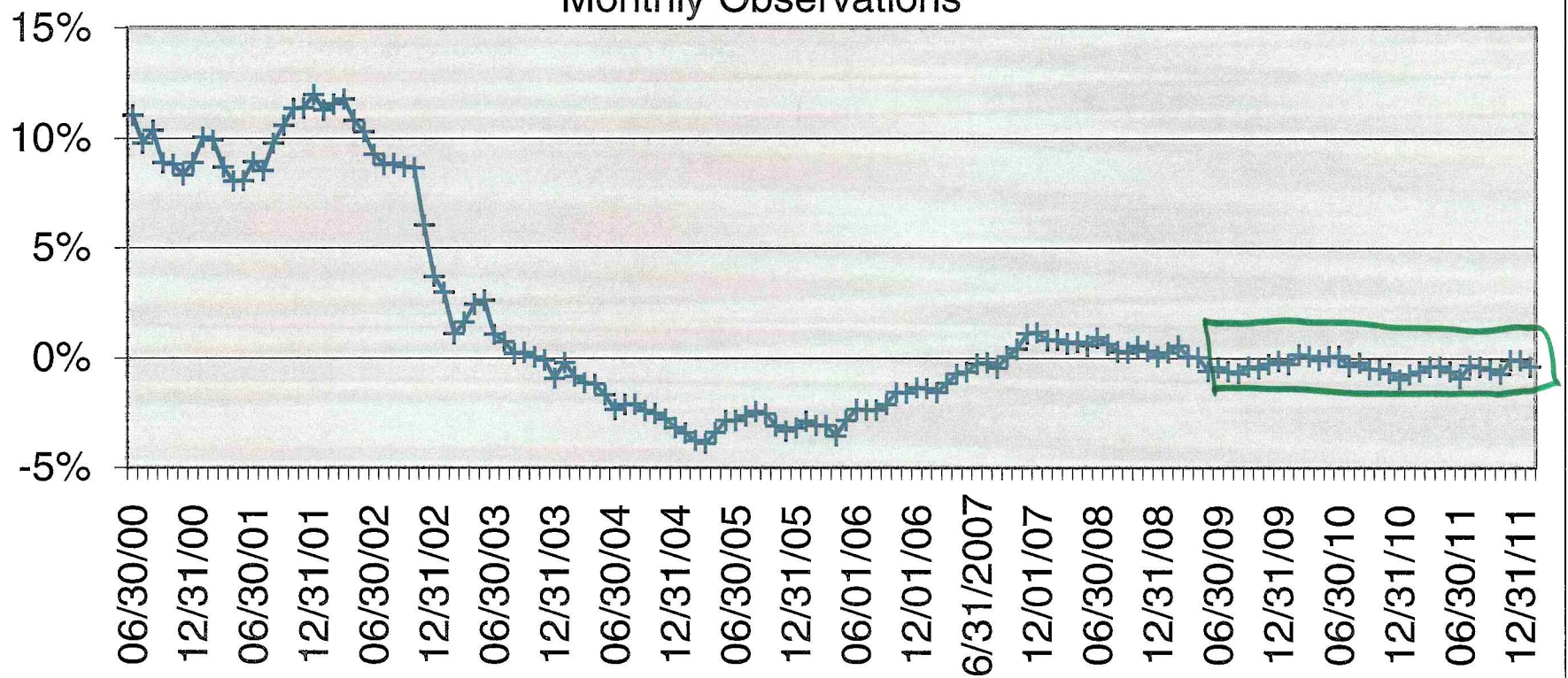
	MARKET VALUE	JAN	ALPHA	DEC	ALPHA	FISCAL YTD	ALPHA
DOMESTIC EQUITIES							
DODGE & COX - LARGE CAP VALUE	127,337,276	5.62%	1.84%	1.24%	-0.78%	-4.28%	-2.65%
RUSSELL 1000 VALUE		3.78%		2.02%		-1.63%	
BLACKROCK - R1000 VALUE INDEX	85,146,600	3.79%	0.01%	2.00%	-0.02%	-1.59%	0.04%
RUSSELL 1000 VALUE		3.78%		2.02%		-1.63%	
DELAWARE - LARGE CAP GROWTH	106,345,133	4.05%	-1.92%	1.15%	1.47%	4.63%	2.82%
RUSSELL 1000 GROWTH		5.97%		-0.32%		1.81%	
BLACKROCK - R1000 GROWTH INDEX	71,879,465	5.97%	0.00%	-0.29%	0.03%	1.89%	0.08%
RUSSELL 1000 GROWTH		5.97%		-0.32%		1.81%	
CAPITAL PROSPECTS	59,605,167	6.40%	-0.25%	1.15%	-0.42%	-2.77%	0.10%
RUSSELL 2000 VALUE		6.65%		1.57%		-2.87%	
LEGATO CAPITAL	54,628,943	5.89%	-1.59%	-0.25%	-0.03%	-5.92%	-2.01%
RUSSELL 2000 GROWTH		7.48%		-0.22%		-3.91%	
BNY S&P 500 INDEX	62,425,299	4.48%	0.00%	1.03%	0.01%	0.65%	0.01%
S&P 500		4.48%		1.02%		0.64%	
TOTAL DOMESTIC EQUITY	567,367,884	5.08%	0.03%	1.12%	0.30%	-1.17%	-0.96%
Russell 3000 Index		5.05%		0.82%		-0.21%	
FIXED INCOME							
DODGE & COX	420,916,249	2.04%	1.16%	1.44%	0.34%	4.12%	-1.78%
BARCLAYS US AGGREGATE BOND		0.88%		1.10%		5.90%	
PIMCO	106,803,675	1.05%	0.17%	1.09%	-0.01%	6.55%	0.65%
BARCLAYS US AGGREGATE BOND		0.88%		1.10%		5.90%	
TOTAL FIXED INCOME	527,719,924	1.84%	0.96%	1.37%	0.27%	4.48%	-1.42%
BARCLAYS US AGGREGATE BOND		0.88%		1.10%		5.90%	
INTERNATIONAL INVESTMENTS							
LSV ASSET MGMT	117,261,869	7.38%	0.69%	-0.73%	0.37%	-10.96%	0.22%
MSCI ACWI Free ex-US		6.69%		-1.10%		-11.18%	
PYRAMIS	118,551,769	6.62%	-0.07%	-1.58%	-0.48%	-11.17%	0.01%
MSCI ACWI Free ex-US		6.69%		-1.10%		-11.18%	
TOTAL INTERNATIONAL EQUITY	235,813,638	7.00%	0.31%	-1.17%	-0.07%	-11.05%	0.13%
MSCI ACWI Free ex-US		6.69%		-1.10%		-11.18%	
SPECIAL SITUATIONS							
INVESCO	18,447,872	7.46%	-0.30%	-0.27%	-1.21%	-4.68%	-0.33%
FTSE EPRA/NAREIT Global REIT		7.76%		0.94%		-4.35%	
RAFI - LS	15,669,475	-1.53%	-1.54%	1.64%	1.63%	-21.65%	-21.69%
US 1- month LIBOR		0.01%		0.01%		0.05%	
SECURITIES LENDING							
BNY MELLON	(2,550,762)						
CASH and SHORT-TERM INVESTMENTS							
CASH	8,913,492	0.01%	0.00%	0.01%	0.02%	0.07%	0.06%
90 DAY TREASURY BILL		0.01%		-0.01%		0.01%	
TOTAL StanCERA Fund	1,371,381,523	4.09%	0.20%	0.80%	0.26%	-1.54%	-1.95%
Policy Index		3.89%		0.54%		0.41%	
Actuary Rate of Assumption (8.00%)		0.66%	3.43%	0.66%	0.14%	4.69%	-6.23%
Actuary Rate of Inflation (3.50%)		0.29%	3.80%	0.29%	0.51%	2.04%	-3.58%

5

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

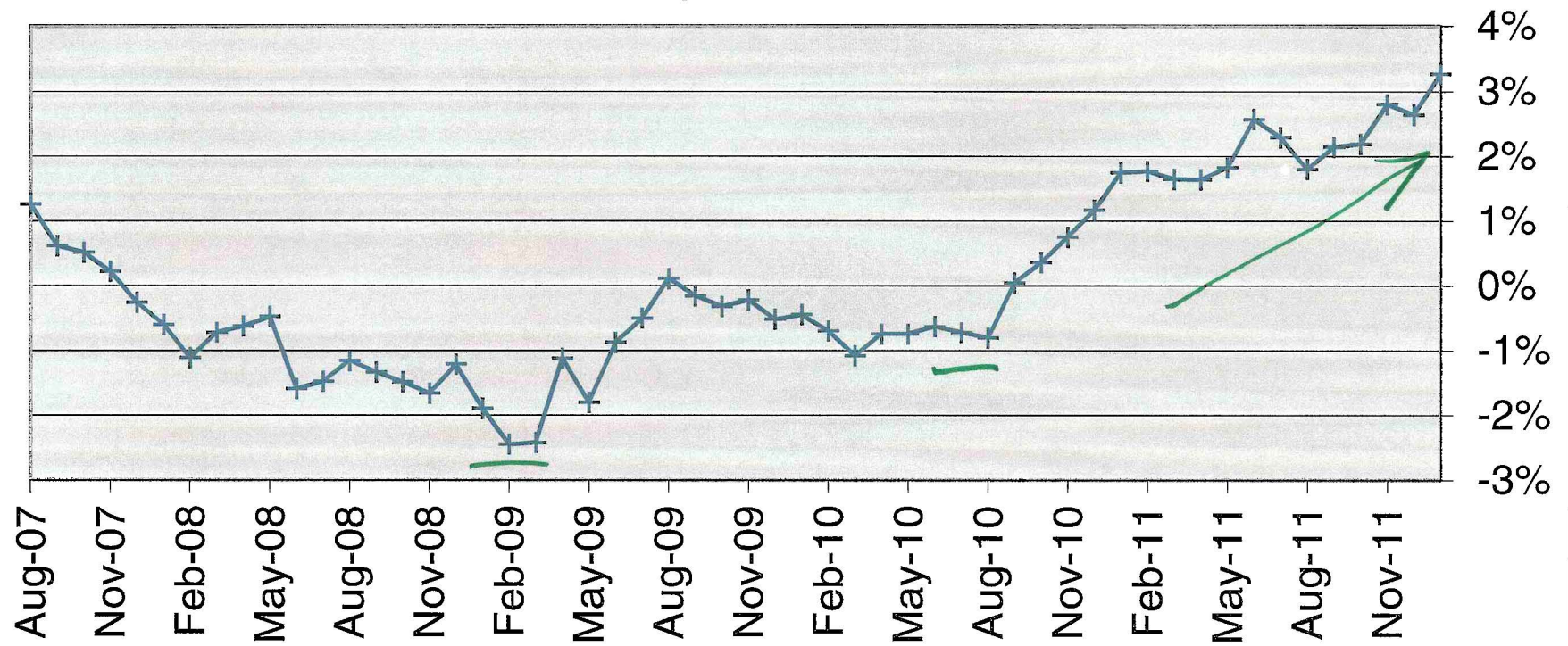


Pyramis (May 2006)
Rolling 3-Years Annualized Alpha
Monthly Observations



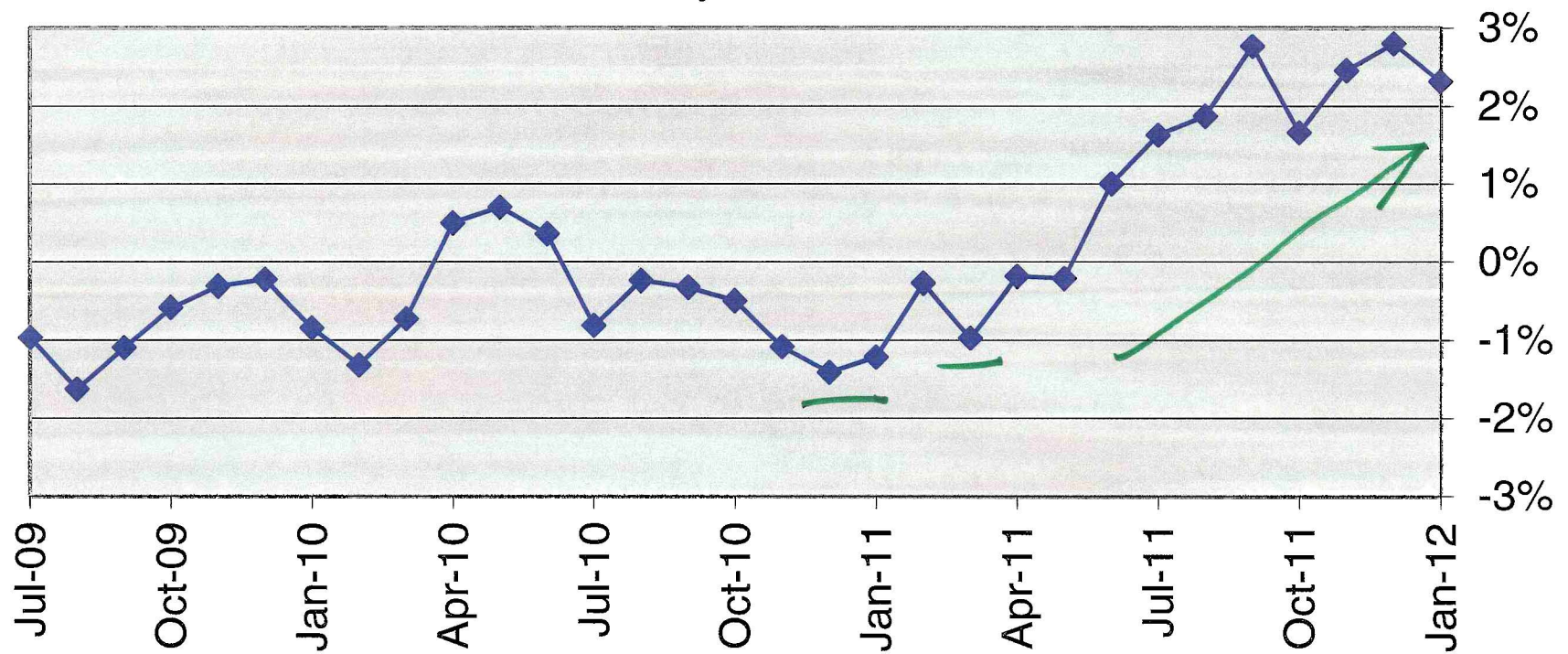
7

LSV
Rolling 3-Years Annualized Alpha
Monthly Observations

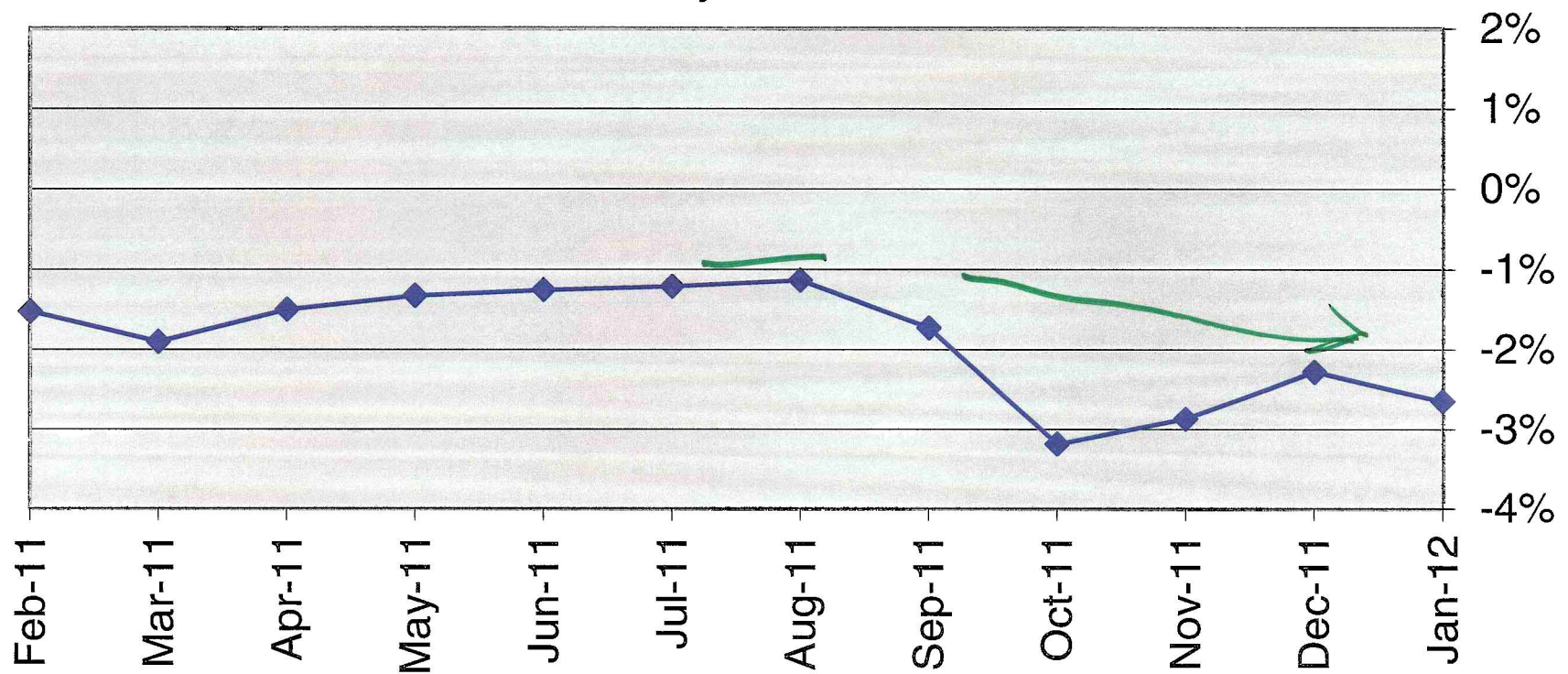


8

Delaware
Rolling 3-Years Annualized Alpha
Monthly Observations

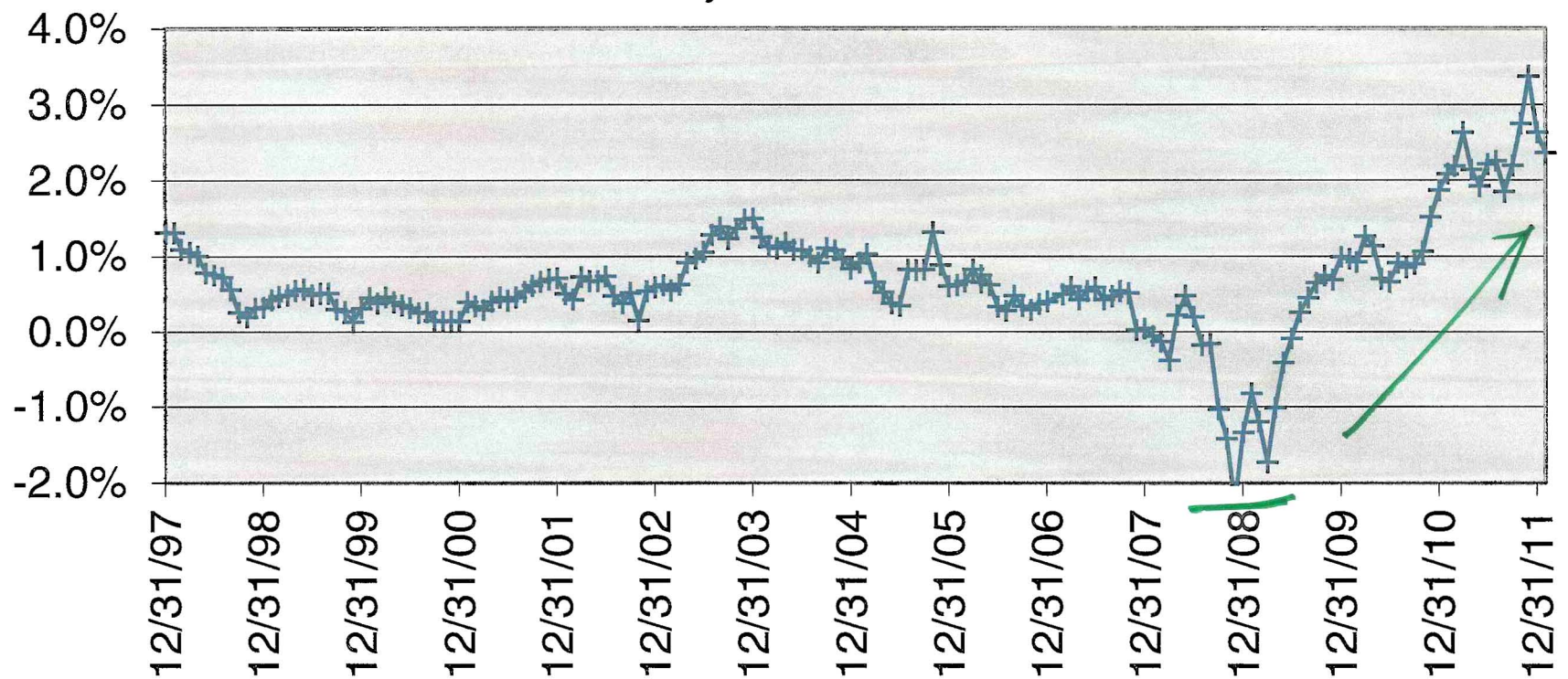


INVESCO
Rolling 3-Years Annualized Alpha
Monthly Observations



10

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



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02/28/12

Item #9c

STANCERA
Price Monitor Position Report

BlackRock
Passive Large Cap Growth Manager
Positions as of January 31, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	12/31/2011 \$ PX	2/17/2012 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	10,336	\$4,715,293	6.56%	0.34%	456.19	502.21	10.09%	6.08%
Exxon Mobil Corp	XOM	37,631	\$3,133,945	4.36%	0.23%	83.28	85.41	2.56%	-1.45%
INTL Business Machines	IBM	12,439	\$2,386,398	3.32%	0.17%	191.85	193.02	0.61%	-3.40%
Microsoft Corp.	MSFT	77,906	\$2,285,767	3.18%	0.17%	29.34	31.29	6.65%	2.64%
Google Inc.	GOOG	2,689	\$1,559,784	2.17%	0.11%	580.11	606.52	4.55%	0.54%
Coca-Cola Co.	KO	20,543	\$1,387,274	1.93%	0.10%	67.53	68.86	1.97%	-2.04%
Philip Morris Intl.	PM	17,977	\$1,344,146	1.87%	0.10%	74.77	81.94	9.59%	5.58%
Oracle Corp	ORCL	38,985	\$1,099,756	1.53%	0.08%	28.21	28.95	2.62%	-1.39%
Pepsico Inc.	PEP	16,418	\$1,078,192	1.50%	0.08%	65.67	62.73	-4.48%	-8.49%
McDonald's Corp	MCD	10,668	\$1,056,628	1.47%	0.08%	99.05	99.26	0.21%	-3.80%
TOP TEN HOLDINGS			\$20,047,183	27.89%	1.46%	Russell 1000 Growth:		4.01%	

Total Portfolio Value
Total StanCERA Value

\$71,879,465
\$1,371,381,523

STANCERA
Price Monitor Position Report

BlackRock
Passive Large Cap Value Manager
Positions as of January 31, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	1/31/2012 \$ PX	2/17/2012 \$ PX	Position % Change	Relative % Change
General Electric Co.	GE	131,985	\$2,469,433	2.90%	0.18%	18.71	19.01	1.60%	-2.18%
Chevron Corp.	CVX	10,969	\$1,122,586	2.90%	0.08%	102.34	106.52	4.08%	0.30%
AT&T Inc.	T	38,306	\$1,126,567	2.58%	0.08%	29.41	30.02	2.07%	-1.71%
Pfizer Inc.	PFE	98,501	\$2,086,245	2.45%	0.15%	21.18	21.33	0.71%	-3.07%
Procter & Gamble	PG	32,824	\$2,069,214	2.43%	0.15%	63.04	65.2	3.43%	-0.35%
JP Morgan Chase & Co.	JPM	49,311	\$1,839,301	2.16%	0.13%	37.3	38.00	1.88%	-1.90%
Johnson & Johnson	JNJ	12,261	\$808,103	2.05%	0.06%	65.91	64.92	-1.50%	-5.28%
Intel Corp	INTL	31,338	\$804,122	2.05%	0.06%	25.66	23.83	-7.13%	-10.91%
Berkshire Hathaway Inc.	BKR.B	10,616	\$831,988	2.01%	0.06%	78.37	78.91	0.69%	-3.09%
Wells Fargo & Co	WFC	58,252	\$1,694,542	1.99%	0.12%	29.09	30.37	4.40%	0.62%
TOP TEN HOLDINGS			\$14,852,100	23.52%	1.09%	Russell 1000 Value		3.78%	

Total Portfolio Value
Total StanCERA Value

\$85,152,845
\$1,371,381,523

STANCERA
Price Monitor Position Report

STANCERA
Price Monitor Position Report

Capital Prospects
Active US Small Cap Value Manager
Positions as of January 31, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000V	1/31/2012 \$ PX	2/17/2012 \$ PX	Position % Change	Relative % Change
Belden Inc	BDC	21,166	\$829,904	1.34%	0.06%	0.05%	39.21	39.75	1.38%	-2.86%
Regal Beloit Corp	RBC	14,510	\$823,710	1.33%	0.06%	0.00%	56.77	69.38	22.21%	17.97%
The Brink's Co	BCO	28,121	\$792,744	1.28%	0.06%	0.03%	28.19	23.76	-15.71%	-19.95%
Gulfport Energy Corp	GPOR	22,240	\$730,811	1.18%	0.05%	0.00%	32.86	36.33	10.56%	6.32%
Meredith Corp	MDP	22,618	\$712,231	1.15%	0.05%	0.20%	31.49	34.06	8.16%	3.92%
Littelfuse Inc	LFUS	13,847	\$699,844	1.13%	0.05%	0.00%	50.54	54.75	8.33%	4.09%
Newell Rubbermaid Inc	NWL	37,556	\$693,651	1.12%	0.05%	0.00%	18.47	19.10	3.41%	-0.83%
Hexcel Corp New	HXL	26,680	\$668,878	1.08%	0.05%	0.06%	25.07	25.72	2.59%	-1.65%
Hanesbrands Inc	HBI	26,435	\$650,298	1.05%	0.05%	0.00%	24.60	26.99	9.72%	5.48%
Meadowbrook Ins	MIG	65,225	\$650,298	1.05%	0.05%	0.09%	9.97	9.71	-2.61%	-6.85%
TOP TEN HOLDINGS			\$7,252,368	11.71%	0.53%	0.43%	Russell 2000 Value:		4.24%	

Total Portfolio Value
Total StanCERA Value

\$61,933,114

\$1,371,381,523

STANCERA
Price Monitor Position Report

Delaware Investments Advisers
Active Large Cap Growth Portfolio
Positions as of January 31, 2011

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	1/31/2012 \$ PX	2/17/2012 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	9,300	\$4,248,043	3.94%	0.31%	6.20%	456.48	502.21	10.02%	6.01%
EOG Resources Inc.	EOG	26,950	\$2,857,186	2.65%	0.21%	0.42%	106.14	117.62	10.82%	6.81%
Visa Inc.	V	28,000	\$2,814,059	2.61%	0.21%	0.25%	100.64	113.80	13.08%	9.07%
QUALCOMM Inc.	QCOM	47,900	\$2,814,059	2.61%	0.21%	1.44%	58.82	62.27	5.87%	1.86%
MasterCard Inc. CI A	MA	7,500	\$2,663,113	2.47%	0.19%	0.56%	355.57	393.15	10.57%	6.56%
Crown Castle International Corp.	CCI	51,900	\$2,512,167	2.33%	0.18%	0.21%	48.48	50.81	4.81%	0.80%
Google Inc. CI A	GOOG	4,300	\$2,490,604	2.31%	0.18%	2.14%	580.11	606.52	4.55%	0.54%
Allergan Inc.	AGN	28,200	\$2,479,822	2.30%	0.18%	0.39%	87.91	88.06	0.17%	-3.84%
VeriSign Inc.	VRSN	63,100	\$2,339,658	2.17%	0.17%	0.09%	37.04	37.20	0.43%	-3.58%
Apollo Group Inc. CI A	APOL	41,700	\$2,188,712	2.03%	0.16%	0.09%	52.41	52.19	-0.42%	-4.43%
TOP TEN HOLDINGS			\$27,407,422	25.42%	2.00%	11.79%	Russell 1000 Growth:		4.01%	

Total Portfolio Value
Total StanCERA Value

\$107,818,339
\$1,371,381,523

STANCERA
Price Monitor Position Report

Dodge & Cox Equity
Active US Large Cap Value Manager
Positions as of January 31, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000V	1/31/2012 \$ PX	2/17/2012 \$ PX	Position % Change	Relative % Change
COMCAST CORP-CLASS A	CMCSA	200,063	\$5,319,675	4.14%	0.39%	0.60%	26.59	28.65	7.75%	3.99%
HEWLETT-PACKARD CO	HPQ	175,005	\$4,896,639	3.81%	0.36%	0.80%	27.98	28.89	3.25%	-0.51%
MERCK & CO. INC.	MRK	122,500	\$4,686,850	3.65%	0.34%	1.80%	38.26	38.14	-0.31%	-4.07%
WELLS FARGO & CO	WFC	160,072	\$4,675,703	3.64%	0.34%	2.00%	29.21	30.37	3.97%	0.21%
GENERAL ELECTRIC CO	GE	230,000	\$4,303,300	3.35%	0.31%	3.00%	18.71	19.01	1.60%	-2.16%
CAPITAL ONE FINANCIAL CORP	COF	92,500	\$4,231,875	3.29%	0.31%	0.30%	45.75	49.29	7.74%	3.98%
AMGEN INC	AMGN	60,000	\$4,074,600	3.17%	0.30%	0.90%	67.91	68.89	1.44%	-2.32%
PFIZER INC	PFE	190,000	\$4,066,000	3.16%	0.30%	2.50%	21.40	21.33	-0.33%	-4.09%
TIME WARNER INC	TWX	100,032	\$3,707,185	2.88%	0.27%	0.60%	37.06	37.90	2.27%	-1.49%
SANOFI-ADR	SNY	98,255	\$3,648,208	2.84%	0.27%	0.00%	37.13	37.11	-0.05%	-3.81%
TOP TEN HOLDINGS			\$43,610,035	33.92%	3.18%	12.50%	Russell 1000 Value:		3.76%	

Total Portfolio Value
Total StanCERA Value

\$128,561,072
\$1,371,381,523

STANCERA
Price Monitor Position Report

Legato Capital Management
Active US Small Cap Growth Manager
Positions as of January 31, 2011

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000G	1/31/2012 \$ PX	2/17/2012 \$ PX	Position % Change	Relative % Change
CEPHEID INC	cphd	17,506	\$771,314	1.38%	0.06%	0.46%	44.06	42.61	-3.29%	-8.54%
PORTFOLIO RECOVERY ASSOCIATES II	praa	10,992	\$713,930	1.27%	0.05%	0.19%	64.95	70.58	8.67%	3.42%
LKQ CORP	lkqx	20,300	\$661,780	1.18%	0.05%	0.00%	32.60	32.68	0.25%	-5.00%
SEMTECH CORP	smtc	22,651	\$645,100	1.15%	0.05%	0.31%	28.48	29.55	3.76%	-1.49%
KNOLOGY INC	knol	42,791	\$644,860	1.15%	0.05%	0.07%	15.07	16.10	6.83%	1.58%
ULTIMATE SOFTWARE GROUP INC	ulti	9,486	\$632,621	1.13%	0.05%	0.29%	66.69	69.10	3.61%	-1.64%
UNITED NATURAL FOODS INC	unfi	14,027	\$617,889	1.10%	0.05%	0.36%	44.05	45.83	4.04%	-1.21%
HEALTHSOUTH CORP	hls	31,720	\$611,879	1.09%	0.04%	0.00%	19.29	20.59	6.74%	1.49%
ROLLINS INC COM	rol	26,442	\$565,594	1.01%	0.04%	0.23%	21.39	20.88	-2.38%	-7.63%
NATIONAL INSTRUMENTS CORP	nati	20,995	\$564,975	1.01%	0.04%	0.00%	26.91	27.33	1.56%	-3.69%
TOP TEN HOLDINGS			\$6,429,945	11.46%	0.47%	1.91%	Russell 2000 Growth:		5.25%	

Total Portfolio Value
Total StanCERA Value

\$ 56,088,971
\$1,371,381,523

Legato recommends the client compare these statements independently against custodial records.

STANCERA
Price Monitor Position Report

BNY - S&P 500 Index
Passive S&P 500 Index Fund
Positions as of January 31, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	1/31/2012 \$ PX	2/17/2012 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	5,200	\$2,372,169	3.80%	0.17%	456.19	502.21	10.09%	6.49%
Exxon Mobil Corp	XOM	24,811	\$2,066,284	3.31%	0.15%	83.28	85.41	2.56%	-1.04%
Intl Business Machines Corp	IBM	6,052	\$1,161,114	1.86%	0.08%	191.85	193.02	0.61%	-2.99%
Microsoft Corp	MSFT	39,362	\$1,154,872	1.85%	0.08%	29.34	31.29	6.65%	3.05%
Chevron Corp	CVX	10,492	\$1,073,719	1.72%	0.08%	102.34	106.52	4.08%	0.48%
General Electric Co.	GE	54,385	\$1,017,536	1.63%	0.07%	18.71	19.01	1.60%	-2.00%
Procter & Gamble	PG	14,458	\$911,412	1.46%	0.07%	63.04	65.2	3.43%	-0.17%
Johnson & Johnson	JNJ	13,733	\$905,170	1.45%	0.07%	65.91	64.92	-1.50%	-5.10%
AT&T	T	30,778	\$905,170	1.45%	0.07%	29.41	30.02	2.07%	-1.53%
Pfizer Inc	PFE	39,200	\$830,259	1.33%	0.06%	21.18	21.33	0.71%	-2.89%
TOP TEN HOLDINGS			\$12,397,706	19.86%	0.90%	S&P 500 Index:		3.60%	

Total Portfolio Value
Total StanCERA Value

\$62,425,508
\$1,371,381,523

STANCERA

Price Monitor Position Report

LSV Asset Management

International Large Cap Value

Positions as of January 31, 2011

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	1/31/2012 PX	2/17/2012 PX	Position % Change	Relative % Change
ROYAL DUTCH SHELL	RDS/A	48,455	\$3,418,022	2.89%	0.25%	1.55%	70.54	73.04	3.54%	-0.22%
SANOFI S.A.	SNY	60,521	\$2,247,142	1.90%	0.16%	0.58%	37.13	37.11	-0.05%	-3.81%
CHINA PETROLEUM & CHEMICAL CORPORATION	SNP	17,718	\$2,128,872	1.80%	0.16%	0.14%	120.15	119.50	-0.54%	-4.30%
ASTRAZENECA PLC	AZN	43,794	\$2,022,428	1.71%	0.15%	0.44%	46.18	45.09	-2.36%	-6.12%
NOVARTIS AG	NVS	32,200	\$1,750,406	1.48%	0.13%	0.87%	54.36	56.61	4.14%	0.38%
ENI - ENTE NAZIONALE IDROCARBURI	ENI	90,431	\$1,655,789	1.40%	0.12%	0.36%	18.31	18.78	2.57%	-1.19%
OLD MUTUAL PLC	OML.L	10,693	\$1,561,173	1.32%	0.11%	0.09%	146.00	157.70	8.01%	4.25%
COMPANIA SANEAMENTO BASICO EST SAO PAULO	SBS	23,335	\$1,537,518	1.30%	0.11%	0.03%	65.89	74.86	13.61%	9.85%
VODAFONE GROUP PUBLIC LIMITED COMPANY	VOD	56,777	\$1,537,518	1.30%	0.11%	0.94%	27.08	27.57	1.81%	-1.95%
ALLIANZ SE	ALV.DE	18,291	\$1,537,518	1.30%	0.11%	0.34%	84.06	88.01	4.70%	0.94%
TOP TEN HOLDINGS			\$19,396,386	16.40%	1.41%	5.34%	MSCI ACWI ex-U.S.		3.76%	

Total Portfolio Value

\$118,270,649

Total StanCERA Value

\$1,371,381,523

STANCERA
Price Monitor Position Report
STANCERA
Price Monitor Position Report

Pyramis Global Advisors
Active Non-US Growth Manager
Positions as of January 31, 2011

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	1/31/2012 \$ PX	2/17/2012 \$ PX	Position % Change	Relative % Change
ROYAL DUTCH SHELL PLC CL A(NL)	B09CBL4	67457	\$2,391,288	1.99%	0.17%	1.52%	71.36	72.87	2.12%	-1.64%
NESTLE SA (REG)	7123870	30646	\$1,757,913	1.47%	0.13%	1.28%	57.53	60.99	6.01%	2.25%
BP PLC	798059	228767	\$1,699,796	1.42%	0.12%	0.95%	45.91	47.62	3.72%	-0.04%
VODAFONE GROUP PLC	B16GWD5	558676	\$1,505,805	1.26%	0.11%	0.92%	27.08	27.79	2.62%	-1.14%
SANOFI	5671735	16240	\$1,200,494	1.00%	0.09%	0.57%	37.13	37.18	0.13%	-3.63%
ROCHE HLDGS GENUSSSCHEINE	7110388	7021	\$1,189,508	0.99%	0.09%	0.80%	42.80	44.07	2.97%	-0.79%
SAMSUNG ELECTRONICS CO LTD	6771720	1176	\$1,158,811	0.97%	0.08%	0.73%	492.50	520.50	5.69%	1.93%
BRITISH AMER TOBACCO PLC (UK)	287580	23900	\$1,100,158	0.92%	0.08%	0.61%	92.21	99.14	7.52%	3.76%
UBS AG (REGD)	B18YFJ4	78994	\$1,076,332	0.90%	0.08%	0.33%	13.59	14.33	5.45%	1.69%
BAYER AG	5069211	15249	\$1,068,750	0.89%	0.08%	0.39%	70.52	74.27	5.32%	1.56%
TOP TEN HOLDINGS			\$14,148,855	11.79%	1.03%	8.11%	MSCI ACWI ex-US:		3.76%	

Total Portfolio Value
Total StanCERA Value

\$119,965,051
\$1,371,381,523

STANCERA
Price Monitor Position Report

Research Affiliates
Enhanced Rafi Global Long Short
Positions as of January 31, 2012

Long Positions	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	1/31/2012 \$ PX	2/17/2012 \$ PX	Position % Change
ENI S.p.A.	ENI-IT	7,148	\$318,090	2.03%	0.02%	44.50	45.59	2.45%
BT Group PLC	BT.A-GB	6,788	\$219,373	1.40%	0.02%	32.32	33.72	4.33%
Valero Energy Corp.	VLO-US	8,347	\$199,002	1.27%	0.01%	23.84	25.35	6.33%
BP PLC	BP-GB	7,138	\$324,358	2.07%	0.02%	45.44	46.65	2.66%
General Electric Co.	GE-US	16,247	\$303,988	1.94%	0.02%	18.71	19.01	1.60%
Verizon Communications Inc.	VZ-US	5,867	\$220,940	1.41%	0.02%	37.66	38.05	1.04%
Chevron Corp.	CVX-US	2,159	\$220,940	1.41%	0.02%	102.34	106.52	4.08%
ING Groep N.V.	INGA-NL	55,609	\$387,036	2.47%	0.03%	6.96	6.71	-3.59%
ConocoPhillips	COP-US	3,686	\$249,145	1.59%	0.02%	67.60	72.78	7.66%
Bank of America Corp.	BAC-US	28,130	\$200,569	1.28%	0.01%	7.13	8.09	13.46%
TOP TEN HOLDINGS			\$2,643,440	16.87%	0.19%			

Short Positions	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	1/31/2012 \$ PX	2/17/2012 \$ PX	Position % Change
Cisco Systems Inc.	CSCO-US	9,410	\$184,900	1.18%	0.01%	19.65	20.19	2.75%
Apple Inc.	AAPL-US	765	\$349,429	2.23%	0.03%	456.48	502.21	10.02%
Saipem S.p.A.	SPM-IT	5,693	\$203,703	1.30%	0.01%	35.78	37.65	5.23%
McDonald's Corp.	MCD-US	1,693	\$167,663	1.07%	0.01%	99.05	99.26	0.21%
QUALCOMM Inc.	QCOM-US	3,010	\$177,065	1.13%	0.01%	58.82	62.27	5.87%
BG Group PLC	BG-GB	13,463	\$225,640	1.44%	0.02%	16.76	17.56	4.77%
Philip Morris International Inc.	PM-US	2,620	\$195,868	1.25%	0.01%	74.77	81.94	9.59%
Coca-Cola Co.	KO-US	2,668	\$180,199	1.15%	0.01%	67.53	68.86	1.97%
Google Inc. Cl A	GOOG-US	297	\$172,364	1.10%	0.01%	580.11	606.52	4.55%
Schlumberger Ltd.	SLB-US	2,710	\$203,703	1.30%	0.01%	75.17	78.06	3.84%
TOP TEN HOLDINGS			\$2,060,536	13.15%	0.15%			

Total Portfolio Value
Total StanCERA Value

\$15,669,475
\$1,371,381,523

02/28/12

Item #9d

StanCERA Manager Review List

Performance Through December 31, 2011

Returns are Gross of Fees

		Expected Manager								Manager		
Manager Name	Status	Tracking Error (bps)	Benchmark	6 Month	12 Month	Annualized	Annualized	Peer	Peer	in Compliance with Guidelines	Organization Personnel Continuity	Adherence to Style
				Alpha > -1 St. Dev	Alpha > -1 St. Dev	Alpha 3 Years	Alpha 5 Years	Ranking 3 Years	Ranking 5 Years			
Domestic Equity												
Dodge & Cox (Lg Cap Value)	Good Standing	600	R1000V	Yes	Yes	150	-30	39	73	Yes	Yes	Yes
BlackRock (Passive Lg Cap Value)	Good Standing	0	R1000V	Yes	Yes	N/A-	N/A-	N/A-	N/A-	Yes	Yes	Yes
Delaware (Lg Cap Growth)	Good Standing	500	R1000G	Yes	Yes	350	70	6	34	Yes	Yes	Yes
BlackRock (Passive Lg Cap Growth)	Good Standing	0	R1000G	Yes	Yes	N/A-	N/A-	N/A-	N/A-	Yes	Yes	Yes
Mellon Capital (Passive SP 500)	Good Standing	0	S&P 500	Yes	Yes	10	-10	50	61	Yes	Yes	Yes
Capital Prospects (Sm Cap Value)	Good Standing	400	R2000V	Yes	Yes	450	N/A-	64	N/A-	Yes	Yes	Yes
Legato (Small Cap Growth)	Good Standing	400	R2000G	Yes	Yes	80	N/A-	61	N/A-	Yes	Yes	Yes
International Equity												
LSV Asset	Good Standing	600	MSCI ACWI ex US	Yes	Yes	260	-40	17	42	Yes	Yes	Yes
Pyramis	Good Standing	400	MSCI ACWI ex US	Yes	Yes	60	60	27	37	Yes	Yes	Yes
Global REITS												
INVESCO	Good Standing	600	FTSE EPRA/NAREIT	Yes	Yes	-160	N/A-	6	N/A-	Yes	Yes	Yes
Global Long/Short Equity												
Research Affiliates	Under Review	1000	3-mos. T-bills	No	N/A-	N/A-	N/A-	N/A-	N/A-	Yes	Yes	Yes
Fixed Income												
Dodge & Cox	Good Standing	300	Barclays Aggregate	Yes	Yes	310	50	32	39	Yes	Yes	Yes
PIMCO	Good Standing	100	Barclays Aggregate	Yes	Yes	N/A-	N/A-	N/A-	N/A-	Yes	Yes	Yes

Note:

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 800 basis points, that manager would be Under Review if its return was 800 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

Capital Prospects first full quarter was Q1 - 2009. 2-year period to 12/11 shows a return of +10.8% vs. +8.5% for R2000V Index. Since inception performance alpha is positive.

Legato first full quarter was Q1 - 2009. 2-year period to 12/11 shows a return of +11.4% vs. +12.0% for R2000G Index. Since inception performance alpha is positive.

LSV has a 3-yr alpha of +260 bps up from +160 bps last quarter with above-average peer group rankings. Recommend keep in "Good Standing".

INVESCO has a 3-yr alpha of -160 bps but above-average peer group rankings (6). Recommend keep in "Good Standing".

Research Affiliates poor 2 quarter performance of -20.2% for StanCERA. RAFI has suspended fees for StanCERA until negative realized performance has been reversed. Recommend placing on "Under Review" status.

PIMCO hired Q2-2010. Above benchmark short-term performance since hired (+80 bps alpha past 12 months).

02/28/12

Item #9e

STANCERA INVESTMENT MANAGEMENT FEES - 2011

ASSET TYPE / MANAGER	QUARTER 1		QUARTER 2		QUARTER 3		QUARTER 4		TOTAL 2011	
	Dollars	Bps	Dollars	Bps	Dollars	Bps	Dollars	Bps	Dollars	Bps
Fixed Income										
DODGE & COX	102,236	2.7	107,254	2.5	116,701	2.7	115,860	2.8	442,051	10.70
PIMCO	73,072	9.2	74,250	9.1	76,362	9.4	79,352	7.5	303,035	35.20
Total Fixed Income	175,307	3.8	181,504	3.5	193,063	3.7	195,212	3.7	745,087	14.70
US Equities										
DODGE & COX	90,267	4.7	88,927	4.9	72,824	5.1	75,694	6.2	327,712	20.90
DELAWARE	125,411	12.4	129,638	12.6	123,443	13.8	127,986	12.4	506,478	51.20
LEGATO	151,931	21.7	154,501	25.8	117,446	25.4	119,430	22.5	543,308	95.40
CAPITAL PROSPECTS	139,484	18.3	136,107	21.3	105,623	21.5	108,585	18.7	489,799	79.80
MELLON	6,003	0.9	7,670	1.2	4,721	1.0	5,271	0.9	23,665	4.00
BGI/BLACKROCK R1000V	6,218	0.5	6,176	0.5	5,340	0.6	6,139	0.4	23,873	2.00
BGI/BLACKROCK R1000G										
Total US Equities	519,314	8.2	523,019	8.9	429,397	8.8	443,105	7.8	1,914,835	33.70
Non-US Equities										
LSV	206,820	14.0	205,220	15.4	163,726	15.9	168,642	15.3	744,408	60.60
PYRAMIS	174,287	11.6	173,911	12.9	153,665	13.8	148,898	13.2	650,761	51.50
Total Non-US Equities	381,107	12.8	379,131	14.1	317,391	14.9	317,540	14.3	1,395,169	56.10
Real Estate										
Invesco - REIT	32,423	17.4	33,524	17.3	31,721	18.7	29,593	17.2	127,260	70.60
Total Real Estate	32,423	17.4	33,524	17.3	31,721	18.7	29,593	17.2	127,260	70.60
Global L/S Equities										
RAFI - L/S			50,000	*25.0	0	0.0	0	0.0	50,000	25.00
Total Global L/S/ Equities			50,000	25.0	0	0.0	0	0.0	0	25.00
TOTAL STANCERA PLAN	1,108,152	7.9	1,117,178	8.0	971,572	7.7	985,449	7.3	4,182,351	30.90

* RAFI subtracted \$50,000 from the \$20M commitment as part of the initial purchase fee agreement

STANCERA INVESTMENT MANAGEMENT FEES - 2011

For the 12 months Ending December 31, 2011

Asset Type / Manager	2011 Return		2011 Alpha		2011 Fees bps	Annual Fees Investment bps
	Gross	Net	Gross	Net		
Fixed Income						
Dodge & Cox	5.4%	5.3%	-2.4%	-2.5%	10.7	23
PIMCO	8.6%	8.2%	0.8%	0.4%	35.2	23
Total Fixed Income	5.9%	5.7%	-1.9%	-2.1%	14.7	
US Equities						
Dodge & Cox	-3.0%	-3.2%	-3.4%	-3.6%	20.9	48
DELAWARE	8.9%	8.3%	6.3%	5.7%	51.2	50
LEGATO	-2.0%	-2.9%	0.9%	0.0%	95.4	100
CAPITAL PROSPECTS	-4.0%	-4.8%	1.5%	0.7%	79.8	100
MELLON	2.1%	2.1%	0.0%	0.0%	4.0	
BLACKROCK 1000V	0.5%	0.5%	0.0%	0.0%	2.0	
BLACKROCK 1000G	2.8%	2.8%	0.0%	0.0%	0.0	
Total US Equities	0.5%	0.2%	-0.2%	-0.5%	33.7	
Non-US Equities						
LSV	-12.5%	-13.0%	0.8%	0.3%	60.6	59
PYRAMIS	-13.5%	-13.9%	-0.2%	-0.6%	51.5	59
Total Non-US Equities	-13.1%	-13.6%	0.2%	-0.3%	56.1	
Special Situations						
RAFI - L/S*	-20.2%	-20.4%	-20.2%	-20.4%	25.0	
Invesco - REIT	-5.6%	-6.2%	0.2%	-0.4%	70.6	70
Total Special Situations	-10.2%	-10.7%	-10.3%	-10.8%	53.6	
TOTAL STANCERA PLAN	-0.3%	-0.6%	-0.8%	-1.1%	30.9	

*RAFI - L/S was funded July 1st, 2011

	Total Fund Alpha Impact (net)
Primary Contributors	
Delaware	47
PIMCO	3
Capital Prospects	3
Primary Detractors	
D&C (Fixed)	-80
D&C (Eq)	-34
RAFI - L/S	-31

StanCERA Special Situations Fund Stop-Loss Guidelines

“Stop Loss” order is an order placed to sell a share/security/portfolio when it reaches a certain price below the market/portfolio asset level as per the risk taking capacity of an investor. A “stop loss” order is designed to limit an investor’s loss on a security/portfolio. It is solely decided as per the investor’s choice.

The stop activates the order if shares/portfolio value sinks to a certain price (or asset level). The “stop loss” order is immediate if it is a stock (or in the case of StanCERA’s RAFI – LS fund at the end of the current month) and sells the share (liquidates the portfolio) after the specified price/portfolio value) has been reached.

The primary benefit of a “stop loss” order is to limit an investor’s loss on a security position or on a manager’s portfolio asset value.

POSITIVES

- **Do not have to monitor on a daily basis.**
- **Limits your losses on a particular stock/portfolio. You can think of it as an insurance policy.**
- **Keeps you on track without clouding your judgment with emotion.**

NEGATIVES

- **“Stop loss” can be activated by a short-term fluctuation in price. The key is to pick a stop loss percentage that allows for a stock/portfolio value to fluctuate day-to-day while preventing as much downside risk as possible – no hard rules for selecting the level at which stops should be placed.**
- **The danger of placing a stop-loss after a large downward movement has occurred and then getting stopped out at a potential low point.**

Instead of placing a stop-loss, one can continue to keep an eye on the stock/portfolio asset value and not rely on some trigger to do the selling. SIS, Inc. does report monthly performance to the StanCERA Board and updates performance mid-month. SIS, Inc. does have the ability to watch StanCERA’s Special Situations Fund performance on a daily basis.