



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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AGENDA

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

**March 25, 2014
2:00 p.m.**

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

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

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

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

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

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

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

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

1. Meeting Called to Order
2. Roll Call
3. Announcements
4. Public Comment
5. Consent Items
 - a. Approval of the March 12, 2014 Administrative Meeting Minutes [View](#)
 - b. Correspondence – White Oak Pinnacle Fund, L.P.
 - c. Correspondence – Medley Opportunity Fund II LP
 - d. Northern Trust, Global Custody, Securities Lending and Related Services – Signature Resolution [View](#)

5. Consent Items (Cont.)
 - e. New Brown Act Requirements Exhibit [View](#)
6. CHEIRON (Formerly EFI)
 - a. Discussion and Action on CHEIRON Actuaries Presentation of the 2013 Final Actuarial Valuation [View](#)
7. Annual Update Direct Lending Report – Medley Opportunity Fund II LP
8. StanCERA's Real Estate Asset Class
 - a. Discussion and Action Regarding New Investment Commitments to StanCERA's Real Estate Asset Class [View](#)
 - i. Presentation by American Realty Advisors
 - ii. Presentation by Greenfield Partners, LLC
9. Strategic Investment Solutions (SIS), Inc.
 - a. Monthly Performance Review for the Month Ending February 28, 2014 [View](#)
 - b. Report on "Top 10 Holdings" of StanCERA Investment Managers as of February 28, 2014 [View](#)
10. Executive Director
 - a. Discussion and Action Regarding an Investment Policy Change [View](#)
 - b. Update on Assets Under Management by Inview [View](#)
 - c. Discussion and Action Regarding the Extension of the Investment Contract with Strategic Investment Solutions, Inc [View](#)
11. Closed Session
 - a. Conference with Legal Counsel – Pending Litigation – One Case:
Stanislaus County Employees' Retirement Association v. Buck Consultants, LLC,
Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9(d)(4)
 - b. Conference with Legal Counsel – Pending Litigation – One Case:
O'Neal et al v. Stanislaus County Employees' Retirement Association
Stanislaus County Superior Court Case No. 648469
Government Code Section 54956.9(d)(1)

11. Closed Session (Cont.)

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

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

13. Adjournment



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PLEASE POST FOR EMPLOYEE VIEWING

BOARD OF RETIREMENT MINUTES

March 12, 2014

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

Alternate Member: Joan Clendenin, Alternate Retiree Representative

Members Absent: NONE

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

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

1. Meeting Called to Order

Meeting called to order at 2:03 p.m. by Gordon Ford, Chair.

2. Roll Call

3. Announcements

4. Public Comment

5. Consent Items

a. Approval of the February 25, 2014 Investment Meeting Minutes

Kellie Gomes noted a correction to the minutes (Item 5a) to add the nay vote by Trustee O'Neal on Item 8.a (preliminary actuarial valuation) in the February 25, 2014 minutes

b. Correspondence – Raven Asset –Based Opportunity Fund I LP

c. Correspondence – Medley Opportunity Fund II LP

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

1. Arevalo, Maria, Public Defender, Effective 03-29-2014
2. Barnes, Clarence, Sheriff, Effective 02-22-2014
3. Black, Dawn, CSA, Effective 03-04-2014
4. Borges, Michael, City Of Ceres, Effective 03-15-2014
5. Boss, Doris, District Attorney, Effective 03-08-2014
6. Bronken, Renette, HSA, Effective 03-29-2014
7. Contreras, Elizabeth, LAFCO, Effective 03-31-2014
8. Czopek, E. Vanessa, Library, Effective 03-20-2014
9. Diaz, Alberta, CSA, Effective 03-04-2014
10. Dickson, Gary, StanCOG, Effective 03-04-2014
11. Duran, Juanita, Public Defender, Effective 03-29-2014
12. Ellis, Bradley, ESMAD, Effective 03-01-2014
13. Farson, Melvin, GSA, Effective 02-21-2014
14. Fontan, Adelaide, BHRS, Effective 03-06-2014
15. Frad, Gerald, BHRS, Effective 03-29-2014
16. Freitas, Janice, CSA, Effective 03-08-2014
17. Gandy, Ronald, BHRS, Effective 03-27-2014
18. Glinskas, Michael, Sheriff, Effective 03-01-2014
19. Glover, Linda, HSA, Effective 03-22-2014
20. Gonzales, Dorothy, Sheriff Effective 03-29-2014
21. Haugh, Diane, Public Works, Effective 03-29-2014
22. Hill, Peggy, CSA, Effective 03-04-2014
23. Holbrooks, Ross, District Attorney, Effective 03-29-2014
24. Horn, Mary Ellen, DCSS, Effective 03-22-2014
25. Hutsell, Glenn, BHRS, Effective 03-29-2014
26. Jackson, Mary, CEO, Effective 03-22-2014
27. James, John, HSA, Effective 03-13-2014
28. Kelly, Marie, HSA, Effective 03-08-2014
29. Lamere, Corrine, BHRS, Effective 03-28-2014
30. Leighton, Mary, CSA, Effective 03-29-2014
31. Lynn, Cathie, HSA, Effective 03-08-2014
32. Madden, Karen, HSA, Effective 03-22-2014
33. Martinez, Melinda, Superior Court, Effective 03-29-2014
34. Morgan, Kathy, CSA, Effective 03-29-2014
35. Mwembu, Paddy, Auditor/Controller, Effective 01-04-2014
36. Navarro, Josephine, CSA, Effective 03-29-2014
37. Niemeyer, Nancy, Ag Commissioner, Effective 03-29-2014
38. Ochoa, Sally, Clerk-Recorder, Effective 03-04-2014
39. Pettit, Roy, Sheriff, Effective 09-21-2013
40. Reid, Richard, Public Defender, Effective 03-29-2014
41. Rowley, Donald, DER, Effective 03-29-2014
42. Santana, Deanna, DCSS Effective 03-15-2014
43. Satariano, Sherrie, DCSS Effective 03-28-2014
44. Thomas, Marietta, Ag Commissioner, Effective 03-08-2014
45. Thompson, Joanne, CSA, Effective 03-04-2014
46. Toler-Guell, Deborah, CSA, Effective 03-29-2014

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

(Cont)

47. Unruh, Kim, Sheriff, Effective 03-29-2014
48. Van Diemen, Nick, Treasurer/Tax Collector, Effective 03-31-2014
49. Washburn, Mary, Assessor, Effective 03-15-2014
50. Watson, Connie, Sheriff, Effective 03-21-2014
51. Wee, John, DCSS, Effective 03-28-2014

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

1. Festejo, Carol, BHRS, Effective 01-4-2014
2. Kilgore, Casandra, DCSS, Effective 02-7-2014
3. Lyon-Christy, Misti, DCSS, Effective 12-26-2013
4. Minter, Sara, DCSS, Effective 2-14-2014
5. Moreno, Allisa, CSA, Effective 2-7-2014
6. Portillo, Vanessa, Alliance Worknet, Effective 01-25-2014
7. Sanborn, Kristopher, Sheriff, Effective 01-23-2014
8. Tlascala, Marty, Sheriff, Effective 02-19-2014
9. Vieira, April, District Attorney, Effective 02-08-2014

Motion was made by Maria De Anda and seconded by Donna Riley to approve the above consent items with the above mentioned change to the February 25, 2014 minutes.

6. Executive Director

a. Response to Trustee Inquiry Regarding Disability

2:06 p.m. Trustee Michael O'Neal Arrived

Dawn Lea gave an update on StanCERA's role regarding distributing information to prospective disabled members and their opportunities to return to work.

Peggy Huntsinger from the County's Risk Management Department presented a summary on the County's hiring process and the case disability management process

b. Legal Update: Three California Court Rulings on Retiree Health Care

Dawn Lea gave a brief overview of three recent Court rulings regarding the vested rights of retiree health care. These Court rulings indicate that currently the Courts are not considering these benefits as vested

c. Monthly Staff Report

The Director gave a brief update on the 5 most important topics/issues that staff has been working on over the last few weeks:

Public Record Act Request
Contract with Northern Trust

c. Monthly Staff Report (Cont.)

Strategic Realignment
PRIMA Capital Advisors LLC Investment
31680.4; Reinstatement from Retirement

d. Discussion and Action on the SACRS' May 13-16, 2014, Spring Conference
Voting Proxy Form

Motion was made by Jeff Grover and seconded by Jim DeMartini to approve the appointment of Trustee Gharat and Trustee O'Neal to be the voting delegate and alternate voting delegate, respectively, at this year's Spring 2014 SACRS Conference

Motion Carried

e. Discussion and Action on the State Association of County Retirement Systems' (SACRS) Nominating Committee's Recommended Ballot for the Board of Directors' Elections at the May 16, 2014, Business Meeting

Motion was made by Mike Lynch and seconded by Maria De Anda to approve the proposed SACRS Nominating Committee's recommendations for the SACRS Executive staff for the coming year.

Motion Carried

7. Closed Session

Motion was made by Darin Gharat and seconded by Donna Riley to enter into closed session at 2:34 p.m.

- a. Conference with Legal Counsel - Disability Retirement – Section 31724 - Ortega, Sandra, CSA, Non-Service Connected, Effective 10-24-13
Government Code Section 54956.9(d)(1)

2:56 p.m. Trustee Michael O'Neal and Trustee Joan Clendenin recused themselves and did not return stating they have no items for Members' Forum.

- b. Conference with Legal Counsel – Pending Litigation – One Case:
Stanislaus County Employees' Retirement Association v. Buck Consultants, LLC,
Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9(d)(4)
- c. Conference with Legal Counsel – Pending Litigation – One Case:
O'Neal et al v. Stanislaus County Employees' Retirement Association
Stanislaus County Superior Court Case No. 648469
Government Code Section 54956.9(d)(1)

7. Closed Session (Cont.)

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

Motion was made by Darin Gharat and seconded by Jeff Grover to enter into open session at 3:24p.m.

Read out from closed session is as follows:

Item 7.a

Motion was made by Maria De Anda and seconded by Donna Riley to accept staff recommendation to grant a non-service connected disability retirement for Sandra Ortega effective October 24, 2013.

Motion Carried

No Other Items to Report Out From Closed Session

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

Trustee Gordo requested that StanCERA work with a consultant regarding additional due diligence on prospective real estate investments.

Trustee Gharat expressed thanks for staff's hard work processing 51 new retirement applications over the last month.

Director suggested the idea of a reconfiguration of the Board room. The new configuration would lend itself to a more formal setting whereby staff and the public would be sitting opposite Trustees.

9. Adjournment

Meeting adjourned at 3:30 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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**For the Board of Retirement meeting
Held on March 25, 2014**

3/25/14
Item 5.d

TO: Board of Retirement

FROM: Kathy Herman, Fiscal Services & Operations Manager

- I. SUBJECT: Northern Trust, Global Custody, Securities Lending and Related Services - Signature Resolution
- II. ITEM TYPE: Action
- III. STAFF RECOMMENDATION: Adopt the Signature Resolution giving designated staff authority to direct Northern Trust (Northern), as custodian of the Stanislaus County Employees' Retirement Association (StanCERA) custody account, with respect to all matters pertaining to the Agreement and the relationship between StanCERA and Northern.
- IV. ANALYSIS: Section 28 of the StanCERA Master Custody Agreement between StanCERA and Northern, effective as of May 1, 2014 (the "Agreement"), requires that the person(s) authorized to direct Northern, as custodian of the StanCERA custody account, with respect to all matters pertaining to the Agreement and the relationship between StanCERA and Northern be named in a Signature Resolution and Certification letter.
- V. RISK: None identified.
- VI. STRATEGIC PLAN: Objective #4: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently
- VII. ADMINISTRATIVE BUDGET IMPACT: Pursuant to Government Code section 31596.1, fees for the Custodial banking and related services are not included in the administrative budget.

Kathy Herman, Fiscal Services & Operations Manager

Dawn Lea, Benefits Manager

**RESOLUTIONS OF
STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

The following resolutions were duly adopted by the Board of Retirement (the "Board") of Stanislaus County Employees' Retirement Association ("StanCERA"), at a meeting held on March 25, 2014:

Signing Authority

WHEREAS, StanCERA will enter into certain Global Master Custody, Security Lending and ancillary agreements effective May 1, 2014, by and between StanCERA and Northern Trust Company, as Custodian ("Northern"); and

WHEREAS, the Board desires to authorize certain persons to direct Northern Trust in the carrying out of administrative matters and payments, asset transfers and investments and benefit distributions related thereto.

NOW, THEREFORE, BE IT RESOLVED,

"I, Gordon Ford, Chair of Stanislaus County Employees' Retirement Association ("StanCERA"), having authority pursuant to the documents governing StanCERA, hereby certify, in accordance with Section 28 of the StanCERA Master Custody Agreement between StanCERA and The Northern Trust Company ("Northern"), effective as of May 1, 2014 (the "Agreement"), that the person(s) whose names appear in this writing (the "Signatory Resolution") are authorized to direct Northern, as custodian of the StanCERA custody account, with respect to all matters pertaining to the Agreement and the relationship between StanCERA and Northern.

Name	Title	Signature
Rick Santos	Executive Director	_____
Kathy Herman	Fiscal Services & Operations Manager	_____
Dawn Lea	Benefits Manager	_____

RESOLVED FURTHER, that to authorize any direction to Northern Trust, the signature of at least one (1) of the persons named above is required.

RESOLVED FURTHER, that telephone instructions from the persons named above shall not be authorized.

IN WITNESS WHEREOF, the undersigned Chair of the Board of Retirement of StanCERA certifies that the foregoing resolutions were duly adopted by the Board of Retirement of StanCERA at a meeting held on the date first mentioned above at which a quorum was present.

By: _____

Name: Gordon Ford

Title: Chair, Board of Retirement

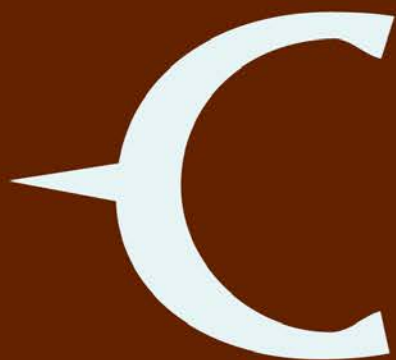
Changes to Brown Act

Effective January 1, 2014

California Senate Bill 751, recently signed into law, will require all legislative bodies to publicly report any action taken in any meeting, and the vote or abstention on that action of each member present. The bill is effective January 1, 2014. In order to comply with these requirements, legislative bodies must verify the vote or abstention of each member, and publicly announce the action taken and the vote or abstention of each member in attendance. This information should also be noted in the minutes. As a practical matter, votes may need to be taken by roll call or in another manner that allows verification of the vote of each member in order to comply with the requirements of SB 751.

The Brown Act already requires legislative bodies to report individual votes on actions taken during teleconferenced meetings and on certain actions taken in closed session. SB 751 will extend this requirement to actions taken in open session in any meeting of a legislative body subject to the Brown Act. The legislative history of the bill indicates that its purpose is to improve the ability of the public and others who monitor legislative meetings of local agencies to know how members voted on a particular action. Additional revisions to the Brown Act resulting from the recent passage of AB 246 and AB 381 are also effective January 1, 2014:

- The Brown Act authorizes legislative bodies of local agencies to hold closed sessions only for certain purposes. Among those purposes is to hold closed sessions with certain state and local officials on matters posing a threat to the security of facilities or public services. AB 246 amends Section 54957 to authorize the legislative body of a local agency to hold these closed sessions with the Governor, as well as the other listed officials.
- With certain exceptions, meetings are to be open and public. Agendas and other documents distributed to the governing board are discloseable records with certain exceptions. AB 381 amends Section 54957.5 to include certain *alternative investments* among the types of information exempted from disclosure under the Brown Act.



**Stanislaus County
Employees' Retirement
Association**

**Actuarial Valuation
as of
June 30, 2013**

Produced by [Cheiron](#)

March 25, 2014

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LETTER OF TRANSMITTAL

March 25, 2014

Board of Retirement
Stanislaus County Employees' Retirement Association
832 12th Street, Suite 600
Modesto, CA 95353

Dear Members of the Board:

At your request, we have conducted an actuarial valuation of the Stanislaus County Employees' Retirement Association (StanCERA, the Fund, the Plan) as of June 30, 2013. This report contains information on the Plan's assets and liabilities. This report also discloses employer contribution levels and required disclosures under the Governmental Accounting Standards Board Statement Nos. 25 and 27. Your attention is called to the Foreword in which we refer to the general approach employed in the preparation of this report.

The purpose of this report is to present the results of the annual actuarial valuation of StanCERA. This report is for the use of StanCERA and its auditors in preparing financial reports in accordance with applicable law and accounting requirements. Any other user of this report is not an intended user and is considered a third party.

Cheiron's report was prepared solely for StanCERA for the purposes described herein, except that the Plan auditor may rely on this report solely for the purpose of completing an audit related to the matters herein. It is not intended to benefit any third party, and Cheiron assumes no duty or liability to any such party.

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

Sincerely,
Cheiron



Robert T. McCrory, FSA, FCA, EA, MAAA
Principal Consulting Actuary



Graham A. Schmidt, ASA, MAAA
Consulting Actuary



STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013

FOREWORD

Cheiron has performed the actuarial valuation of the Stanislaus County Employees' Retirement Association as of June 30, 2013. The valuation is organized as follows:

- In Section I, the **Executive Summary**, we describe the purpose of an actuarial valuation, summarize the key results found in this valuation and disclose important trends;
- The **Main Body** of the report presents details on the Plan's
 - Section II - Assets
 - Section III - Liabilities
 - Section IV- Contributions
 - Section V- Required Accounting Disclosures (GASB)
- In the **Appendices** we conclude our report with detailed information describing Plan membership (Appendix A), actuarial assumptions and methods employed in the valuation (Appendix B), a summary of pertinent Plan provisions (Appendix C), a glossary of key actuarial terms (Appendix D), and tables containing member contribution rates (Appendix E).

The results of this report rely on future Plan experience conforming to the underlying assumptions. To the extent that actual Plan experience deviates from the underlying assumptions, the results would vary accordingly.

In preparing our report, we relied without audit, on information supplied by the StanCERA staff. This information includes, but is not limited to, Plan provisions, employee data, and financial information. We performed an informal examination of the obvious characteristics of the data for reasonableness and consistency in accordance with Actuarial Standard of Practice No. 23.

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**SECTION I
EXECUTIVE SUMMARY**

The primary purpose of the actuarial valuation and this report is to measure, describe, and identify the following as of the valuation date:

- The funded status of the Plan,
- Past and expected trends in the funding progress of the Plan,
- Employer and employee contribution rates for Plan Year 2014-2015; and
- Information required by the Governmental Accounting Standards Board (GASB).

In the balance of this Executive Summary we present (A) the basis upon which this year's valuation was completed, (B) the key findings of this valuation including a summary of all key results, (C) an examination of the historical trends, and (D) the projected outlook for the Plan.

A. Valuation Basis

This valuation determines the employer contributions required for the employers' fiscal years beginning July 1, 2014. The employers include the County of Stanislaus and related employers, the City of Ceres and other participating Special Districts.

The Plan's funding policy is to collect contributions from the employers and employees equal to the sum of:

- The Normal Cost under the Entry Age Normal Cost Method,
- Amortization of the Unfunded Actuarial Liability (UAL), and
- The Fund's expected administrative expenses.

The UAL payment is determined as the amount needed to fund the outstanding UAL as of June 30, 2013 over a period of 23 years as a level percentage of pay.

This valuation was prepared based on the Plan provisions shown in Appendix C. There have been changes in Plan provisions since the prior valuation, notably the inclusion of the new benefit provisions required for new members hired on or after January 1, 2013 as a result of enactment of the California Public Employees' Pension Reform Act of 2013 (PEPRA).

Actuarial experience studies are performed every three years. This valuation was performed on the basis of the economic and demographic assumptions and methods that were determined in the Actuarial Experience Study performed by EFI/Cheiron as of June 30, 2012 and adopted by the Board on January 22, 2013. A summary of the assumptions and methods used in the current valuation is shown in Appendix B.

Due to the merger of EFI and Cheiron, the June 30, 2013 actuarial valuation was prepared using Cheiron's valuation system. We replicated the results using the legacy EFI valuation software prior to performing the June 30, 2013 actuarial valuation. The liability and contribution rate results both matched within 2.5% between the valuation systems.

SECTION I
EXECUTIVE SUMMARY

B. Key Findings of this Valuation

The key results of the June 30, 2013 actuarial valuation are as follows:

- The actuarially determined employer contribution rate increased from 20.73% of payroll to 22.94% of payroll for the current valuation, reflecting a 2-year phase-in of the impact of changes to the Actuarial Cost Method. Without the phase-in, the employer contribution rate would have increased to 24.00% of payroll for the current valuation.
- The Plan's funded ratio, the ratio of Actuarial Assets over Actuarial Liability, decreased slightly from 76.9% last year to 76.7% as of June 30, 2013 before any changes in actuarial methods or assumptions.
- The Plan's funded ratio increased from 76.7% to 79.4% following method and assumption changes. The change in the Actuarial Cost Method accounted for most of this 2.7% increase.
- The Unfunded Actuarial Liability (UAL) is the excess of the Plan's Actuarial Liability over the Actuarial Value of Assets. The Plan experienced a decrease in the UAL from \$436.9 million to \$395.1 million as of June 30, 2013. This decrease in UAL was primarily due to the change in Actuarial Cost Method.
- During the year ended June 30, 2013, the return on Plan assets was 13.9% on a market value basis net of investment (but not administrative) expenses, as compared to the 7.75% assumption. The Actuarial Value of Assets recognizes 20% of the difference between the expected and actual return on the market value of assets (MVA). This method of smoothing the asset gains and losses returned 7.0% on the smoothed value of assets, an actuarial asset loss of \$10.2 million. The loss in the Actuarial Value of Assets reflected the continued recognition of investment losses from 2011-12.
- During the 2012-13 Plan Year, the actuarial liabilities of the Plan increased slightly more than expected due to salary changes and new entrants. These and other unexpected changes resulted in a small liability loss of \$8.5 million.
- There were changes in the Actuarial Cost Methods which reduced the Actuarial Liability, offset by changes in the valuation software and minor assumption changes which increased the Actuarial Liability. The net impact of the method, assumption and software changes was a reduction in the Actuarial Liability of \$63.4 million.
- Overall participant membership increased compared to last year. There were 329 new hires and rehires during 2012-2013 and the total active population increased from 3,894 to 3,924. Total projected payroll increased from \$215,057,468 to \$222,897,794.
- The Actuarial Experience Study as of June 30, 2012 recommended changes to the Actuarial Cost Method – from the Aggregate Entry-Age-to-Decrement method to the Individual Entry-

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**SECTION I
EXECUTIVE SUMMARY**

Age-to-Final-Decrement method. The Retirement Board adopted these changes for the June 30, 2013 valuation. The County requested, and the Retirement Board agreed to implement, a two year phase-in of the impact of these changes on the employer contribution rates. The schedule of required employer contributions with and without the phase-in is shown in Table I-1 below.

Table I-I Development of Phased Employer Contributions		
Plan Year	Full Contribution	Phased Contribution
2014-15	24.0%	22.9%
2015-16	24.0%	24.0%
2016-17	23.7%	23.7%
2017-18	23.3%	23.4%

The net impact of the phase-in is to reduce the employer contribution rate by just over 1.0% from what it would have been without phase-in for 2014-15. This is followed by contributions higher than they would have been without phase-in by approximately 0.0%-0.1% of pay in the years 2016-17 and later. This phase-in of rate increases is consistent with practices described by the California Actuarial Advisory Panel (CAAP), as well as other actuarial organizations.

On the next page we present Tables I-2 and I-3 which summarize the key results of the valuation with respect to assets and liabilities, contributions and membership. The results are presented and compared for both the current and prior Plan year.

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**SECTION I
EXECUTIVE SUMMARY**

Table I-2			
Stanislaus County Employees' Retirement Association			
Summary of Key Valuation Results			
(in millions)			
Valuation Date	June 30, 2012	June 30, 2013	
Fiscal Year End	2014	2015	
Actuarial Liability	\$ 1,888.7	\$ 1,919.2	
Actuarial Value of Assets*	\$ 1,451.8	\$ 1,524.1	
Unfunded Actuarial Liability (actuarial value)	\$ 436.9	\$ 395.2	
Funding Ratio (actuarial value)	76.9%	79.4%	
Net Employer Contribution Rate**	20.73%	24.00%	

* Net of non-valuation reserves

** Prior to phase in of the actuarial cost method change

Table I-3			
Membership Total			
Item	June 30, 2012	June 30, 2013	% Change
Actives	3,894	3,924	0.8%
Current Inactives	902	925	2.5%
Retired Members	3,142	3,249	3.4%
Total Members	7,938	8,098	2.0%
Ratio of Retired Members to Active Members	80.7%	82.8%	
Active Member Payroll (FYE 2013/2014)	\$ 215,057,468	\$ 222,897,794	3.6%
Average Pay per Active	\$ 55,228	\$ 56,804	2.9%

We note in Table I-3 that the ratio of retirement members to active members continues to increase, indicating the ongoing maturation of the Plan.

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Assets and Liabilities

Table I-4 presents a comparison between the June 30, 2012 and June 30, 2013 StanCERA assets, liabilities, Unfunded Actuarial Liability, and funding ratios, both on a market and smoothed basis.

Table I-4 indicates that the Actuarial Liability increased by 1.6% and the Actuarial Value of Assets increased by 5.0%, resulting in an increase in the funding ratio from 76.9% as of June 30, 2012 to 79.4% as of June 30, 2013. StanCERA employs a commonly used actuarial smoothing method on the market value that dampens market volatility, so the Actuarial Value of Assets increased by less than the market value, because of the impact of deferred investment losses from 2011-12 and deferred investment gains from the current year. The funding ratio measured on a market value of assets basis was also 79.4% as of June 30, 2013.

Section II provides additional information explaining the development of the Actuarial Value of Assets.

Table I-4			
Assets & Liabilities			
(in millions)			
Item	June 30, 2012	June 30, 2013	% Change
Actuarial Liability			
Actives*	\$ 827.8	\$ 776.2	-6.2%
Current Inactives	73.4	77.2	5.2%
Retired Members	987.5	1,065.8	7.9%
Total Actuarial Liability	\$ 1,888.7	\$ 1,919.2	1.6%
Market Value of Assets (MVA)	\$ 1,386.2	\$ 1,523.0	9.9%
Actuarial Value of Assets (AVA)	\$ 1,451.8	\$ 1,524.1	5.0%
Unfunded Actuarial Liability - MVA	\$ 502.5	\$ 396.2	-21.2%
Unfunded Actuarial Liability - AVA	\$ 436.9	\$ 395.1	-9.6%
Funding Ratio - MVA	73.4%	79.4%	6.0%
Funding Ratio - AVA	76.9%	79.4%	2.5%

* Decline in active Actuarial Liability primarily due to change in Actuarial Cost Method.

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Changes in UAL

The Unfunded Actuarial Liability (UAL) for StanCERA decreased by \$41.8 million, from \$436.9 million to \$395.1 million. Table I-5 below presents the specific components of the change in the UAL.

As noted above, the return on the actuarial assets used to compute the UAL and the employer contribution rate was 7.0% during the 2012-13 Plan year. Investment returns lower than the assumed rate of 7.75% increased the UAL by \$10.2 million. There were also small liability losses that increased the UAL by \$8.5 million, partly due to salary losses and new entrants. Assumption changes increased the UAL by \$10.3 million, while the changes in the Actuarial Cost Method and actuarial software combined to reduce the UAL by \$73.7 million.

The expected change in the UAL due to the yearly amortization of the UAL balance - an increase of \$2.9 million, as a result of negative amortization for the current year - combined with the above UAL changes to produce an overall reduction of \$41.8 million in the UAL last year.

Table I-5	
Increase in Unfunded Actuarial Liability	
Experience	in millions
1. Unfunded actuarial liability, 6/30/2012	\$ 436.9
2. Expected change in unfunded actuarial liability	\$ 2.9
3. Unfunded increase due to investment loss	10.2
4. Unfunded increase due to liability loss	8.5
5. Unfunded decrease due to change in actuarial cost method	(73.7)
6. Unfunded increase due to assumption changes	10.3
7. Total change in unfunded actuarial liability	\$ (41.8)
8. Unfunded actuarial liability, 6/30/2013	\$ 395.1

Changes in Employer Contributions

Thus far the experience of the 2012-13 Plan year has been presented in terms of the UAL and funded ratio. Table I-6 on the next page summarizes the impact of actuarial experience and changes in assumptions on the employer contribution rate.

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Table I-6 Employer Contribution Reconciliation				
Item	Total	Normal Cost	Amortization	Admin Expense
FYE 2014 Net Employer Contribution Rate	20.73%	5.88%	13.87%	0.98%
Change Due to Asset Loss	0.33%	0.00%	0.33%	0.00%
Change Due to Demographic Losses	0.61%	0.00%	0.60%	0.01%
Change Due to Methods / Assumptions				
Actuarial Cost Method (Individual EAN-to-Final)	2.13%	5.70%	-3.57%	0.00%
Valuation Software	-0.10%	-0.48%	0.43%	-0.05%
Economic Assumptions (Wage Growth and Crediting)	<u>0.30%</u>	<u>0.17%</u>	<u>0.13%</u>	<u>0.00%</u>
FYE 2015 Net Employer Contribution Rate - Full	24.00%	11.27%	11.79%	0.94%
<i>Impact of Phase-in</i>	<i>-1.07%</i>	<i>-2.85%</i>	<i>1.79%</i>	<i>0.00%</i>
FYE 2015 Net Employer Contribution Rate - Phased	22.94%	8.42%	13.58%	0.94%

A review of the changes in the employer contribution rate from the prior valuation reveals that Plan experience during the year – including demographic and salary changes, as well as asset experience – resulted in a net increase in the employer contribution rate of 0.94% of pay before changes in the actuarial methods and assumptions are taken into account:

- Asset experience produced an investment gain on a market basis, but deferred losses produced an investment loss in the actuarial (smoothed) value of Plan assets which increased the contribution rate by 0.33% of pay.

The assets of the Plan returned 13.9% (net of investment expenses) on a market basis, higher than the assumed rate of 7.75%. Under the actuarial asset smoothing policy, 20% of this gain is recognized in the current year. The actuarial and market value of assets are now very close, with a net \$1.1 million in deferred losses as of June 30, 2013.

- Demographic experience increased cost by 0.61% of pay.

The demographic experience of the Plan – rates of retirement, death, disability, and termination, as well as salary and COLA changes – caused an increase in cost. Salary experience, new entrants and lower than expected mortality rates contributed to this increase, offset by lower than expected Cost of Living Adjustments (COLAs) for current retirees.

Changes to the Plan's Actuarial Cost Method, economic assumptions and the actuarial software used to compute the Plan's liabilities resulted in an increase in the contribution rate of 2.33% of pay.

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- The Experience Study (and the outside Actuarial Audit performed by Segal in 2013) recommended a change in the Actuarial Cost Method: from the Aggregate Entry Age-to-Decrement Method to the Individual Entry Age-to-Final-Decrement. This change will bring the Plan's funding calculations in line with those that must be used for disclosure purposes for the new Government Account Standards Board pension accounting standards (GASB 67/68). The change in Cost Method reduced the Actuarial Liability and amortization payment, but increased the Normal Cost, for a net increase of 2.13% in the contribution rate.
- As a result of merger between Cheiron and EFI Actuaries, the valuation software was changed to use Cheiron's system: Proval, which is recognized as an industry standard. As part of the change in actuarial software, a minor modification was made to allocate Normal Costs over each member's years of benefit service, rather than vesting service. This change is required under the new GASB standards.

The software was also updated to apply the terminal pay load to all service retirements, rather than just those with at least 20 years of service, as recommended by Segal as part of the actuarial audit. The net impact of the change in valuation software was to reduce the contribution rate by 0.1% of pay.

- Economic assumptions were changed.

The interest crediting rate for employee contributions was increased from 0% to 0.25% for the 2013 valuation. Additionally, the base salary increase assumption for County Safety Members was increased for 2014 to 13.40% (previously 3.50%), dropping back down to 3.50% for 2015 and thereafter. This assumption change is a one-time event in recognition of negotiations which resulted in substantial salary increases in exchange for the employer no longer picking up the members' employee contributions. These economic assumption changes increased Plan contributions by 0.30% of pay.

Plan Risk

Table I-7 below shows the ratio of assets to active member payroll for StanCERA.

Table I-7	
Asset to Payroll Ratio as of June 30, 2013	
Active Member Payroll	222,897,794
Assets (Market Value)	1,523,019,807
Ratio of Assets to Payroll	6.83
Ratio with 100% Funding	8.61

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One of the most important measures of a plan's risk is the ratio of plan assets to payroll. The table above shows StanCERA's assets as a percentage of active member payroll. This ratio indicates the sensitivity of the Plan to the returns earned on Plan assets. We note in the table that Plan assets currently are nearly 7 times covered payroll for the Plan; as funding improves and the Plan reaches 100% funding, the ratio of asset to payroll will increase to nearly 9 times payroll, perhaps higher depending on the Plan's future demographic makeup.

To appreciate the impact of the ratio of assets to payroll on plan cost, consider the situation for a new plan with almost no assets. Even if the assets suffer a bad year of investment returns, the impact on the plan cost is nil, because the assets are so small.

On the other hand, consider the situation for StanCERA. Suppose StanCERA's assets lose 10% of their value in a year. Since they were assumed to earn 7.75%, there is an actuarial loss of 17.75% of Plan assets. Based on the current ratio of asset to payroll (683%), that means the loss in assets is about 120% of active payroll (683% of the 17.75% loss). There is only one source of funding to make up for this loss: the employers. Consequently, barring future offsetting investment gains, the employer has to make up the asset loss in future contributions. In this example of a one year loss of 10%, this shortfall will eventually require an additional annual amortization payment in the vicinity of 8.14% of payroll if amortized over 23 years.

As the Plan matures and becomes better funded, the ratio of asset to payroll will increase. When assets are 861% of pay, the 10% loss discussed above will translate to a loss of over 151% of payroll, which when amortized over 23 years will increase the employer contribution by 10.24% of member pay. Therefore, the Plan is likely to become significantly more sensitive to market variation in the future than it is today.

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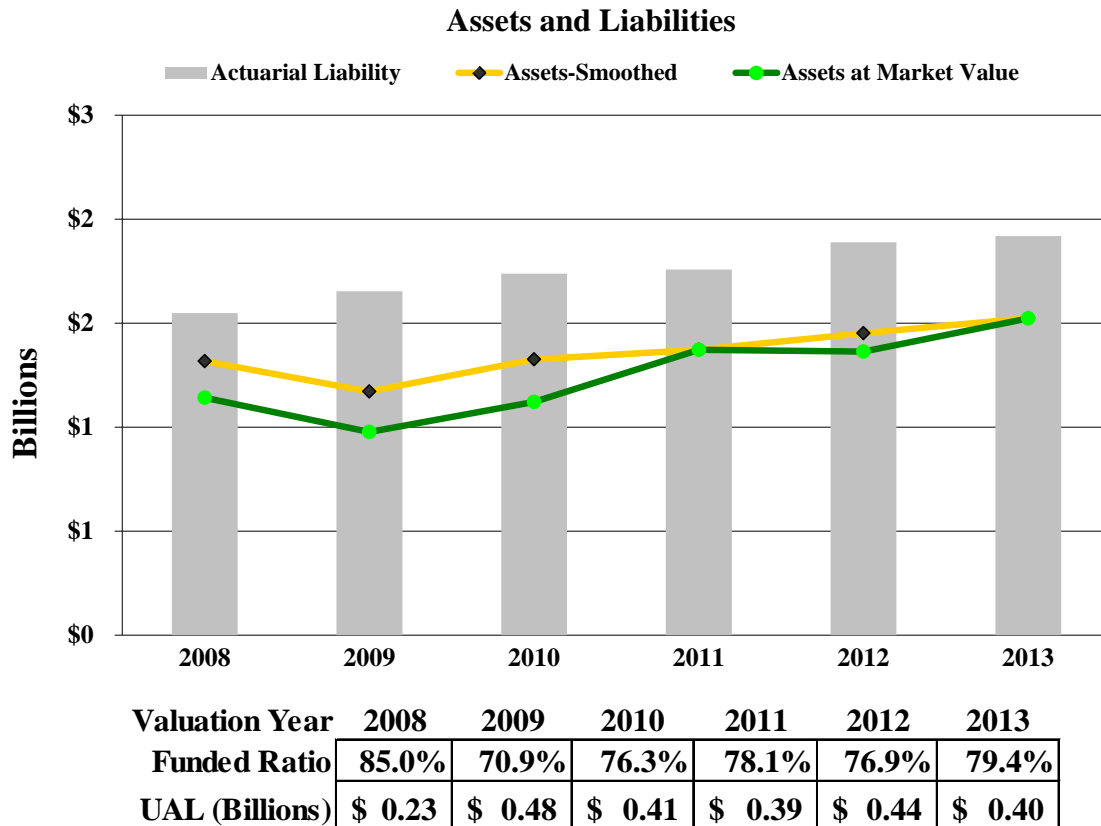
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C. Historical Trends

Despite the fact that for most retirement plans the greatest attention is given to the current valuation results and in particular the size of the current Unfunded Actuarial Liability and the employer contribution, it is important to remember that each valuation is merely a snapshot in the long-term progress of a pension fund. It is more important to judge a current year's valuation result relative to historical trends, as well as trends expected into the future.

Assets and Liabilities

The chart on the next page compares the Market Value of Assets (MVA) and Actuarial Value of Assets (AVA) to the Actuarial Liabilities. The percentage shown in the table below the graph is the ratio of the Actuarial Value of Assets to the Actuarial Liability (the funded ratio). The funded ratio has declined from 85.0% in 2007 to 79.4% as of June 30, 2013, primarily as a result of the asset losses in 2008-2009.

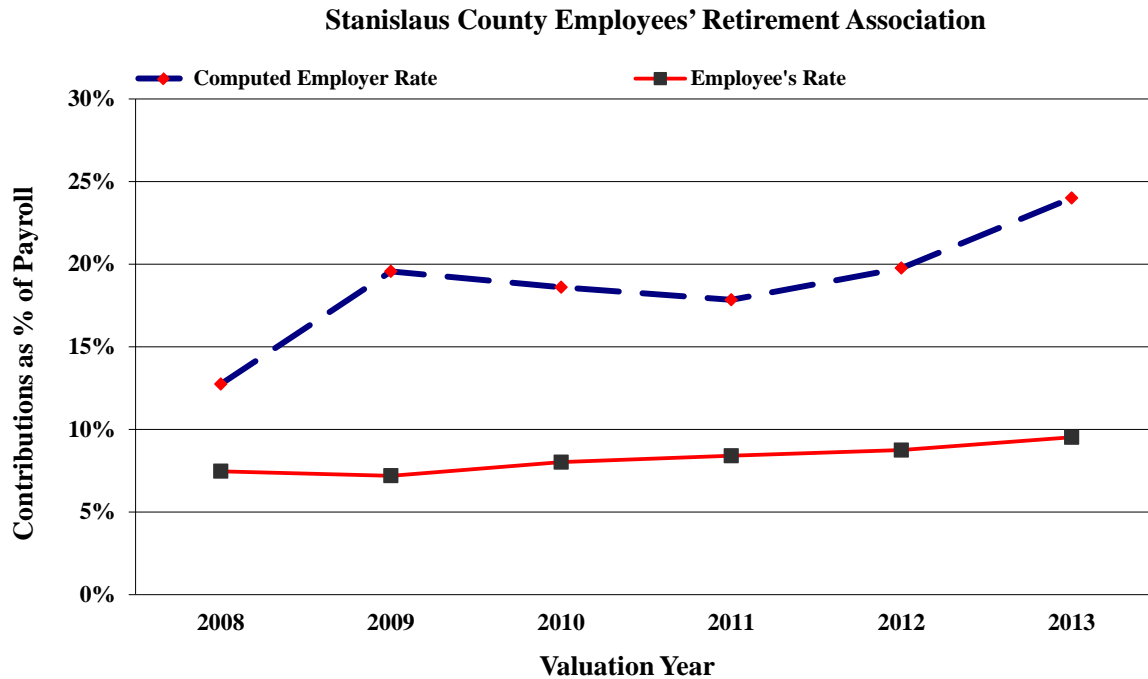


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Contribution Trends

In the chart below, we present the historical trends for the StanCERA contribution rates. The employer contribution rates have risen since 2008 as result of the investment losses from 2008-2009, compounded by demographic losses and changes to the actuarial assumptions and methods. The impact of these changes was offset to some extent by an extension to the amortization period and additional infusions from the non-valuation reserves. The average employee contribution rates have also increased as the Plan's economic and demographic assumptions have changed.



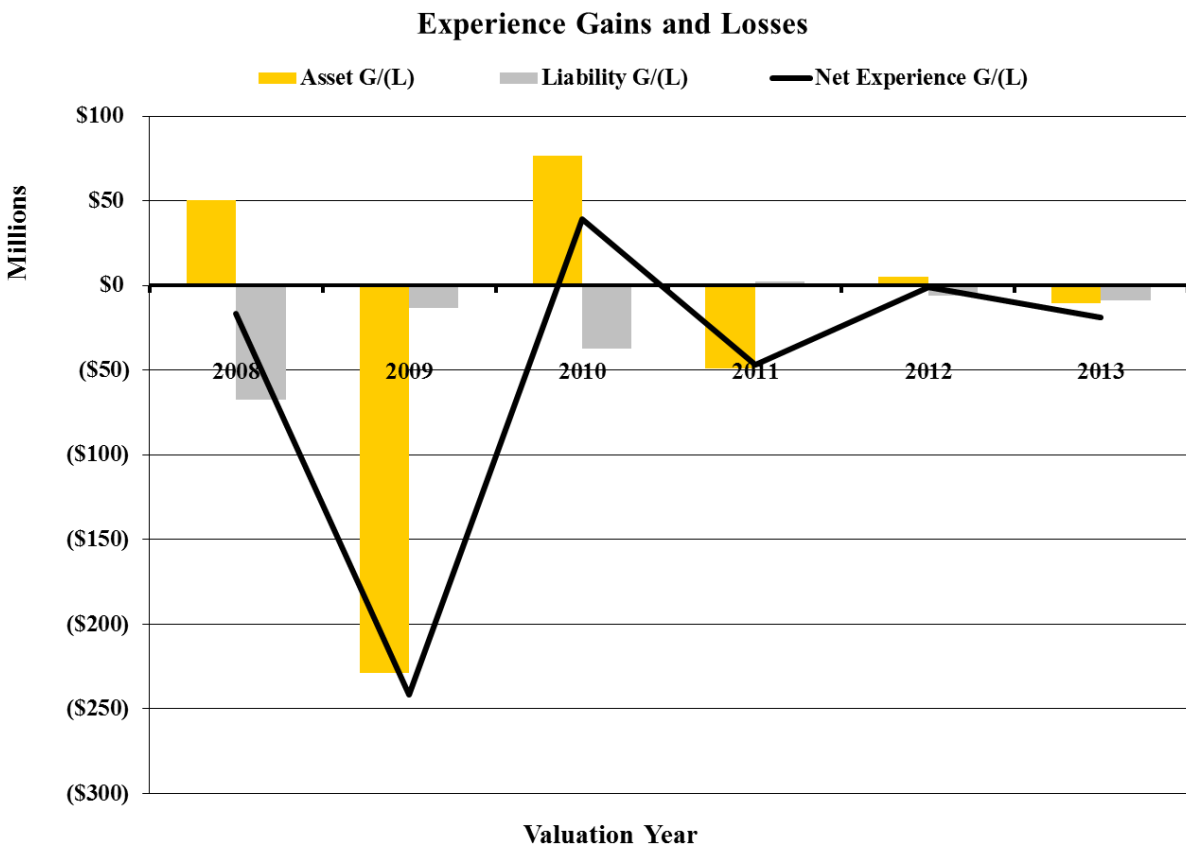
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Gains and Losses

The following chart for StanCERA presents the pattern of annual gains and losses, broken into the investment and liability components. The investment gains and losses represent the changes on a smoothed basis (i.e. based on the Actuarial Value of Assets). The chart does not include any changes in StanCERA's assets and liabilities attributable to changes to actuarial methods, procedures or assumptions or Plan benefit changes.

The investment loss in 2008-2009 was by far the most significant gain or loss during the last six years. Even though the Plan was using actuarial smoothing of the assets, there was a significant loss reflected in the June 30, 2009 valuation, because the amount of smoothing was limited by the 80/120% corridor around the market value of assets (the return on the smoothed value of assets for 2008-2009 was -9.6%). The Plan also experienced substantial liability losses in 2008 and 2010.



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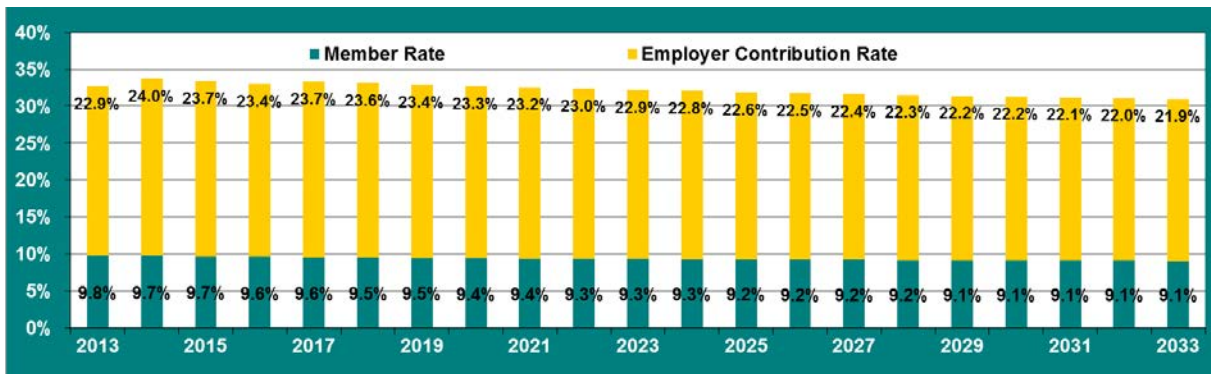
D. Future Expected Financial Trends

The analysis of projected financial trends is an important component of this valuation. In this Section, we present our assessment of the implications of the June 30, 2013 valuation results in terms of benefit security (assets over liabilities). All the projections in this section are based on the current investment return assumption of 7.75%. We have assumed future total payroll increases of 3.50% per year.

The following graph shows the expected employer contribution rate based on achieving the 7.75% assumption **each year** for the next 20 years. This scenario is highly unlikely: even if the Plan does achieve an **average** return of 7.75% over this time period, the returns in each given year will certainly vary. The graph also includes the 2-year phase-in of the impact of the Actuarial Cost Method change.

The contribution rate graph shows that employer contribution rates are expected to stay relatively stable over the next 20 years, as the current unfunded liability amortization period extends past the end of the projection period (23 years).

Projection Of Contributions, 7.75% Return Each Year



The total contribution rate (employer plus employee) is approximately 33% of member payroll for the June 30, 2013 valuation; it is expected to decrease gradually to 31% if all actuarial assumptions are met over the next 23 years. After 23 years, the employer contribution rate is expected to drop due to the end of the current unfunded liability amortization period, to a level around 9% of pay, representing the expected total Normal Cost plus administrative expenses.

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Asset and Liability Projections:

The following graph shows the projection of assets and liabilities assuming that assets will earn the 7.75% assumption each year during the projection period.

Projection Of Assets And Liabilities, 7.75% Return Each Year
(\$ millions)



The graph above shows that the projected funded status increases over the next 20 years to gradually approach 100%, as can be expected based on the amortization policy, assuming the actuarial assumptions are achieved.

However, as above, it is the **actual** return on Plan assets that will determine the future funding status and contribution rate to the Fund. The Actuarial Value of Assets and market value of assets are within 0.1% of each other as of June 30, 2013, so it is difficult to see the orange line that represents the Actuarial Value of Assets.

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Pension Plan assets play a key role in the financial operation of the Plan and in the decisions the Board may make with respect to future deployment of those assets. The level of assets, the allocation of assets among asset classes, and the methodology used to measure assets will likely impact benefit levels, employer contributions, and the ultimate security of participants' benefits.

In this section, we present detailed information on Plan assets including:

- **Disclosure** of Plan assets as of June 30, 2012 and June 30, 2013;
- Statement of the **changes** in market values during the year;
- Development of the **Actuarial Value of Assets**;
- An assessment of historical **investment performance versus inflation**; and
- An allocation of the unfunded liability between the **valuation subgroups**.

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Disclosure

There are two types of asset values disclosed in the valuation, the market value of assets and the Actuarial Value of Assets. The market value represents “snap-shot” or “cash-out” values which provide the principal basis for measuring financial performance from one year to the next. Market values, however, can fluctuate widely with corresponding swings in the marketplace. As a result, market values are usually not as suitable for long-range planning as are the Actuarial Value of Assets which reflect smoothing of annual investment returns.

Table II-1 on the next page discloses and compares each asset class as of June 30, 2012 and June 30, 2013.

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Table II-1		
Statement of Assets at Market Value		
	Fiscal Year ending	Fiscal Year ending
Assets	June 30, 2012	June 30, 2013
Cash and Cash Equivalents	\$ 39,960,025	\$ 44,461,336
Total Cash and Cash Equivalents	\$ 39,960,025	\$ 44,461,336
Receivables:		
Interest and Dividends	\$ 6,288,878	6,090,300
Contributions	1,814,176	2,380,496
Securities Transactions	40,078,393	24,536,517
Total Receivables	\$ 48,181,447	33,007,313
Fixed Assets		
Capitalized Software	\$ 599,528	\$ 473,903
Real Estate Occupied	1,764,829	1,745,853
Real Estate Leased	1,176,787	1,164,133
Other	219,695	433,193
Total Fixed Assets	\$ 3,760,839	\$ 3,817,082
Investments at Market Value:		
Fixed Income	\$ 515,494,956	\$ 505,014,355
Equities	830,965,033	986,464,083
Collateral on Loaned Securities	112,214,531	113,001,370
Other	0	29,098,868
Total Investments	\$ 1,458,674,520	\$ 1,633,578,676
Liabilities		
Accounts Payable	\$ (8,241,988)	\$ (9,708,506)
Security Transactions Payable	(39,036,066)	(43,986,634)
Collateral Held for Loaned Securities	(116,551,048)	(115,636,154)
Other	(572,483)	(720,118)
Total Liabilities	\$ (164,401,585)	\$ (170,051,412)
Market Value of Assets	\$ 1,386,175,246	\$ 1,544,812,995

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Changes in Market Value

The components of asset change are:

- Contributions (employers and employee)
- Benefit payments
- Expenses (investment and administrative)
- Investment income (realized and unrealized)

Table II-2 on the next page shows the components of change in the market value of assets during the fiscal years ending June 30, 2012 and June 30, 2013.

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Table II-2		
Changes in Market Values		
<u>Additions</u>	<u>Fiscal Year ending June 30, 2012</u>	<u>Fiscal Year ending June 30, 2013</u>
Contributions		
Employers' Contribution	\$ 27,314,032	\$ 39,077,480
Members' Contributions	20,525,295	20,285,888
Total Contributions	\$ 47,839,327	\$ 59,363,368
Net Investment Income		
Net Appreciation/(Depreciation) in		
Fair Value of Investments	\$ (29,202,695)	\$ 159,601,338
Interest and Dividends	37,434,050	38,144,730
Commission Recapture	37,189	28,794
Other Investment Income	571	114,770
Total Investment Income	\$ 8,269,115	\$ 197,889,632
Investment Expense	(4,937,605)	(8,845,829)
Net Investment Income	\$ 3,331,510	\$ 189,043,803
Securities Lending Activities		
Securities Lending Income	\$ 713,368	\$ 546,343
Depreciation in Securities Lending Collateral	(106,208)	561,097
Expenses from Securities Lending Activities	(213,916)	(162,956)
Net Securities Lending Income	393,244	944,484
Total Net Investment Income	\$ 3,724,754	\$ 189,988,287
Total Additions	\$ 51,564,081	\$ 249,351,655
<u>Deductions</u>		
Benefits	\$ 80,157,222	\$ 87,102,798
Other Benefits (Ventura)	0	0
Refunds	1,832,811	1,545,763
Administrative Costs	2,144,748	2,065,345
Other Administrative Costs (Ventura)	0	0
Total Deductions	\$ 84,134,781	\$ 90,713,906
Net Increase/(Decrease)	\$ (32,570,700)	\$ 158,637,749
Net Assets Beginning of Year	\$ 1,418,745,946	\$ 1,386,175,246
Net Assets End of Year	\$ 1,386,175,246	\$ 1,544,812,995
Approximate Return	0.27%	13.86%

SECTION II
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Actuarial Value of Assets (AVA)

The Actuarial Value of Assets represents a “smoothed” value developed by the actuary to reduce the volatile results which could develop due to short-term fluctuations in the market value of assets. For this Plan, the Actuarial Value of Assets is calculated on a modified market-related value. The market value of assets is adjusted to recognize, over a five year period, investment earnings which are greater than (or less than) the assumed investment return. However, in no event will the Actuarial Value of Assets be less than 80% or more than 120% of market value on the valuation date.

The Valuation Assets are the portion of the Actuarial Assets dedicated to funding the basic pension benefits. The Valuation Assets exclude the value of any non-valuation reserves, such as reserves established for lump sum death benefits (which are not included in the valuation liabilities) and legal contingencies. The Valuation Assets also exclude the value of any non-valuation contingency reserves which have been established according to the Board’s funding policy.

The following table shows the development of the Actuarial Asset and Valuation Assets values. Note, the Actuarial Value of Assets was reset to equal the market value as of June 30, 2011. This was done by eliminating the prior gain/loss bases (i.e. by setting the expected returns equal to the actual returns).

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Table II-3 Development of Actuarial Value of Assets for 6/30/2013	
Item	Total
1. Market Value as of 6/30/2012	\$ 1,386,175,246
2. Non-Investment Cash Flow for 2012-2013	(29,285,193)
3. Expected Return in 2012-2013	106,314,954
4. Expected Market Value as of 6/30/2013: (1 + 2 + 3)	\$ 1,463,205,007
5. Actual Return in 2012-2013	187,922,942
6. Actual Return Above Expected in 2012-2013: (5 - 3)	81,607,988
7. Market Value as of 6/30/2013	\$ 1,544,812,995
8. Deferred Recognition of Returns Above Expected	
a. 2012-2013 (80% of \$81,607,988)	65,286,390
b. 2011-2012 (60% of -\$110,579,921)	(66,347,953)
c. 2010-2011 (40% of \$0)	0
d. 2009-2010 (20% of \$0)	0
e. Total	\$ (1,061,562)
9. Preliminary Actuarial Value of Assets: (7 - 8e)	\$ 1,545,874,557
10. Corridor Limit	
a. 80% of Net Market Value	1,108,940,197
b. 120% of Net Market Value	1,663,410,295
11. Actuarial Value after Corridor as of 6/30/2013	\$ 1,545,874,557
12. Rate of Return on Actuarial Value of Assets	7.03%
13. Ratio of Actuarial Value to Market Value: (11 ÷ 7)	100.1%
14. Special (Non Valuation) Reserves:	
a. \$5,000 Death Benefits	\$ 5,855,000
b. Health Insurance Reserves	117
c. Special COL Reserve	0
d. Legal Contingency Reserve	2,500,240
e. Tier 3 Disability Reserve	6,187
f. Contingency Reserve	13,431,644
g. Total Special Reserves (Market Value)	\$ 21,793,188
15. Adjusted Total Special Reserves (100.1% of Market, Except Contingency)	\$ 21,798,934
16. Pension Reserves at Actuarial Value (Valuation Assets): (11 - 14)	\$ 1,524,075,624

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Historical Investment Performance

The following table shows the historical annual asset returns on a market value, Actuarial Value, and valuation asset basis, as well in the increase in the Consumer Price Index (CPI) since 1996. Note that the returns prior to 2013 are expressed net of investment and administrative expenses; the returns for 2013 (and future years) will be expressed net of investment expenses only.

Table II-4 Net Return on Assets vs. Increase in Consumer Price Index				
Year Ended June 30	Net Return at Market Value	Net Return at Actuarial Value	Net Return at Valuation Assets	Increase in Consumer Price Index*
1996				2.8%
1997	20.4%			2.3%
1998	13.4%			1.7%
1999	10.6%			2.0%
2000	6.3%			3.7%
2001	7.0%			3.2%
2002	-4.5%			1.1%
2003	5.2%		4.9%	2.1%
2004	6.1%		6.3%	3.3%
2005	8.2%		5.5%	2.5%
2006	9.9%		10.8%	4.3%
2007	16.0%	10.8%	0.6%	2.7%
2008	-8.5%	8.0%	16.7%	5.0%
2009	-17.2%	-9.6%	-9.4%	-1.4%
2010	15.6%	13.0%	14.7%	1.1%
2011	22.1%	3.5%	4.2%	3.6%
2012	0.1%	6.4%	6.5%	1.7%
2013	13.9%	7.0%	7.2%	1.8%
15-Year Compound Average	5.6%	N/A	N/A	N/A
10-Year Compound Average	6.0%	N/A	6.1%	2.4%
5-Year Compound Average	5.9%	3.8%	4.3%	1.3%

* Based on All Urban Consumers - U.S. City Average, June indices.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013

SECTION II
ASSETS

Allocation of Unfunded Actuarial Liability by Valuation Subgroup

The following table shows the allocation of the Unfunded Actuarial Liability between the two valuation subgroups (County Members and City of Ceres / Special District Members). The Valuation Assets are reduced by the liability associated with the inactive members and the refundable contribution balances for active members, and the remaining assets are allocated to each subgroup based on their share of the active liability. These UAL balances are used to calculate each subgroup's amortization payment.

<p style="text-align: center;">Table II-5 Allocation of 6/30/2013 Unfunded Liability (in thousands)</p>				
	County		CERES	Total
1. Valuation Assets			\$	1,524,076
2. Accumulated Employee Contributions	180,145		11,823	191,968
3. Inactive Actuarial Liability			\$	1,142,993
4. Net Assets for Distribution [1 - 2 - 3]			\$	189,114
5. Active Actuarial Liability	726,240		49,994	776,234
6. Allocation of Remaining Assets	93.56%		6.44%	100.00%
7. Remaining Assets	176,934		12,180	189,114
8. Total Assets for Actives [2 + 7]	357,080		24,003	381,083
9. Active Funded Ratio [8 ÷ 5]	49.17%		48.01%	49.09%
10. Unfunded Actuarial Liability [5 - 8]	\$ 369,160	\$	25,991	\$ 395,151

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**SECTION III
LIABILITIES**

In this section, we present detailed information on Plan liabilities including:

- **Disclosure** of Plan liabilities at June 30, 2012 and June 30, 2013;
- Statement of **changes** in these liabilities during the year.

Disclosure

Several types of liabilities are calculated and presented in this report. Each type is distinguished by the people ultimately using the figures and the purpose for which they are using them.

- **Present Value of Future Benefits:** Used for measuring all future Plan obligations, represents the amount of money needed today to fully pay off all benefits of the Plan both earned as of the valuation date and those to be earned in the future by current Plan participants, under the current Plan provisions.
- **Actuarial Liability:** Used for funding calculations and GASB disclosures, this liability is calculated taking the Present Value of Future Benefits and subtracting the present value of future Member Contributions and future Employer Normal Costs under an acceptable actuarial funding method. The method used for this Plan is called the **Entry Age Normal** (EAN) funding method.
- **Unfunded Actuarial Liability:** The excess of the Actuarial Liability over the Valuation Assets.

Table III-1 on the following page discloses each of these liabilities for the current and prior valuations. With respect to each disclosure, a subtraction of the appropriate value of Plan assets yields, for each respective type, a **net surplus** or an **Unfunded Actuarial Liability**.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**SECTION III
LIABILITIES**

<p style="text-align: center;">Table III-1 Present Value of Future Benefits and Actuarial Liability (in thousands)</p>				
Item	General	Safety	June 30, 2013 Total	June 30, 2012 Total
Present Value of Future Benefits				
Actives	\$ 822,920	\$ 306,760	\$ 1,129,680	\$ 1,084,875
Terminated Vested	57,978	19,223	77,201	73,399
Retirees	700,173	201,892	902,065	819,752
Disabled	41,491	59,319	100,810	98,472
Beneficiaries	40,445	22,473	62,918	69,322
Total StanCERA	\$ 1,663,007	\$ 609,666	\$ 2,272,673	\$ 2,145,821
Actuarial Liability				
Total Present Value of Benefits	\$ 1,663,007	\$ 609,666	\$ 2,272,673	\$ 2,145,821
Present Value of Future Normal Costs				
Employer Portion	130,879	70,701	201,581	103,195
Employee Portion	106,924	44,942	151,866	153,913
Actuarial Liability	\$ 1,425,203	\$ 494,024	\$ 1,919,227	\$ 1,888,713
Valuation Assets	\$ 1,136,966	\$ 387,110	\$ 1,524,076	\$ 1,451,764
Funded Ratio	79.8%	78.4%	79.4%	76.9%
Unfunded Actuarial Liability/(Surplus)	\$ 288,238	\$ 106,913	\$ 395,151	\$ 436,949

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**SECTION III
LIABILITIES**

The following table shows the Actuarial Liabilities for each of the valuation subgroups (General and Safety), split by members' status.

<p style="text-align: center;">Table III-2 Liabilities by Group as of June 30, 2013 (in thousands)</p>			
Actuarial Liability	General	Safety	Total
Actuarial Liability			
Actives	\$ 585,117	\$ 191,117	\$ 776,233
Terminated Vested	57,978	19,223	77,201
Retirees	700,173	201,892	902,065
Disabled	41,491	59,319	100,810
Beneficiaries	40,445	22,473	62,918
Total	\$ 1,425,204	\$ 494,024	\$ 1,919,227

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013

**SECTION III
LIABILITIES**

Changes in Liabilities

Each of the Liabilities disclosed in the prior tables are expected to change at each valuation. The components of that change, depending upon which liability is analyzed, can include:

- New hires since the last valuation
- Benefits accrued since the last valuation
- Plan amendments increasing benefits
- Passage of time which adds interest to the prior liability
- Benefits paid to retirees since the last valuation
- Participants retiring, terminating, or dying at rates different than expected
- A change in actuarial or investment assumptions
- A change in the actuarial funding method

Unfunded liabilities will change because of all of the above, and also due to changes in Plan assets resulting from:

- Employer contributions different than expected
- Investment earnings different than expected
- A change in the method used to measure Plan assets

Table III-3	
Development of 2013 Experience Gain/(Loss)	
(in millions)	
Item	Cost
1. Unfunded Actuarial Liability at June 30, 2012	\$ 436.9
2. Middle of year actuarial liability payment	(29.8)
3. Interest to end of year on 1 and 2	<u>32.7</u>
4. Expected Unfunded Actuarial Liability at June 30, 2013 (1+2+3)	\$ 439.8
5. Actual Unfunded Liability at June 30, 2013	<u>395.1</u>
6. Difference: (4 - 5)	\$ 44.7
7. Portion of difference due to:	
a. Investment experience	\$ (10.2)
b. Salary increases	(2.3)
d. Assumption changes	(10.3)
e. Change in Software	(38.2)
f. Change in Actuarial Cost Method	111.9
g. New entrant loss	(4.2)
h. Other experience	<u>(2.0)</u>
j. Total	44.7

SECTION IV CONTRIBUTIONS

In the process of evaluating the financial condition of any pension plan, the actuary analyzes the assets and liabilities to determine what level of contributions is needed to properly maintain the funding status of the Plan. Typically, the actuarial process will use a funding technique that will result in a pattern of contributions that are both stable and predictable.

For this Plan, the actuarial funding method used to determine the Normal Cost and the Unfunded Actuarial Liability is the **Entry Age Normal (EAN)** cost method. There are three components to the total contribution: the **Normal Cost rate** (employee and employer), the **Unfunded Actuarial Liability rate** (UAL rate), and the **administrative expense** contribution.

The Normal Cost rate is determined in the following steps. First, an individual Normal Cost rate is determined by taking the value, as of entry age into the Plan, of each member's projected future benefits. This value is then divided by the value, also at entry age, of the member's expected future salary producing a Normal Cost rate that should remain relatively constant over a member's career (Entry-Age-to-Final-Decrement). In prior years, the Normal Cost rate was determined separately for each benefit, and at each possible age (Entry-Age-to-Decrement).

Beginning with the current valuation, the total Normal Cost is computed by adding the expected dollar amount of each active member's Normal Cost for the current year – known as the Individual Entry Age Method. In prior years, the total Normal Cost was computed in aggregate by dividing the future Normal Costs for all members by the present value of future salaries for all members, a method sometimes referred to as the Aggregate Entry Age Method.

The total Normal Cost is adjusted with interest to the middle of the year, to reflect the fact that the Normal Cost contributions are paid throughout the year as member payroll payments are made. Finally, the total Normal Cost rate is reduced by the member contribution rate to produce the employer Normal Cost rate. For the current valuation, the member contribution rate for each subgroup is determined by adding the expected contributions for each member and dividing by the projected pay for each subgroup. In prior years the member contribution rate was determined by dividing the present value of future member contributions by the present value of future salaries.

The Unfunded Actuarial Liability (UAL) is the difference between the EAN Actuarial Liability and the Actuarial Value of Assets. The UAL payment is determined as the amount needed to fund the UAL over a closed 23 year period as a level percentage of payroll.

Beginning with the June 30, 2012 actuarial valuation, the Board adopted a policy of adding an amount equal to the expected annual administrative expense to the employer's required contribution. Prior to the June 30, 2012 actuarial valuation, the administrative expenses were included as an offset to the assumed earnings rate, and were shared between the employees and employers. For the June 30, 2013 valuation, this amount is estimated to be \$2.1 million.

For the current valuation, the Board adopted a two-year phase-in of the impact of the Actuarial Cost Method change on the employer contribution rate.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013

**SECTION IV
CONTRIBUTIONS**

The table below presents the calculation of the contribution rates for the Plan for this valuation and compares the total contribution rate with the prior year rate. The tables on the following pages contain more details on the calculation of the UAL amortization payments, as well as details on the calculation of the contribution rates for each group and tier.

<p style="text-align: center;">Table IV-1 Development of the Net Employer Contribution Rate as of June 30, 2013 for FYE 2015</p>						
	General		June 30, 2013 Safety		COMPOSITE	June 30, 2012 COMPOSITE
	County	Ceres	County	Ceres		
1. Total Normal Cost Rate	18.26%	18.90%	31.21%	30.72%	20.79%	14.62%
2. Member Contribution Rate	<u>8.72%</u>	<u>8.46%</u>	<u>12.90%</u>	<u>12.80%</u>	9.52%	8.74%
3. Employer Normal Cost Rate (1-2)	9.54%	10.44%	18.31%	17.92%	11.27%	5.88%
4. UAL Amortization	10.93%	10.28%	15.71%	14.29%	11.79%	13.87%
5. Administrative Expense Rate	<u>0.84%</u>	<u>0.85%</u>	<u>1.39%</u>	<u>1.32%</u>	0.94%	0.98%
6. Net Employer Contribution Rate (3+4+5)	21.31%	21.57%	35.41%	33.53%	24.00%	20.73%
7. Phase-In of Actuarial Cost Method Change	<u>-0.83%</u>	<u>-0.83%</u>	<u>-2.06%</u>	<u>-2.06%</u>	-1.07%	
8. Final Employer Contribution Rate (6+7)	20.48%	20.74%	33.35%	31.47%	22.93%	20.73%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**SECTION IV
CONTRIBUTIONS**

Table IV-2 contains the details of the calculations of the UAL rates for the Plan.

<p style="text-align: center;">Table IV-2 Development of UAL Amortization Rates</p>					
	General		Safety		TOTAL
	County	Ceres	County	Ceres	
Salary Scale:					
2013	3.50%	3.50%	13.40%	3.50%	N/A
2014+	3.50%	3.50%	3.50%	3.50%	N/A
Amortization Factor	14.7447	14.7447	16.0629	14.7447	N/A
Payroll	\$ 172,156,329	\$ 7,204,939	\$ 36,384,672	\$ 7,151,854	\$ 222,897,794
Unfunded Actuarial Liability (actuarial value)	\$ 277,320,158	\$ 10,917,401	\$ 91,840,037	\$ 15,073,423	\$ 74,747,157
UAL Amortization	\$ 18,808,097	\$ 740,428	\$ 5,717,512	\$ 1,022,293	\$ 26,288,329
UAL Amortization Rate	10.93%	10.28%	15.71%	14.29%	11.79%

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013

**SECTION IV
CONTRIBUTIONS**

Tables IV-3 and IV-4 contain the calculations of the employer contribution rates for each group and tier, and reflects the 2-year phase-in of the Actuarial Cost Method change.

Table IV-3 Development of the General Member Contribution Rate as of June 30, 2013 for FYE 2015							
	Tier 1	Tier 2	Tier 3	Tier 4	Tier 5	PEPRA	TOTAL
<u>County</u>							
A. Total Normal Cost Rate	20.88%	14.94%	3.08%	15.52%	18.81%	15.26%	18.26%
B. Member Contribution Rate	<u>7.32%</u>	<u>7.49%</u>	<u>0.00%</u>	<u>1.09%</u>	<u>9.12%</u>	<u>7.63%</u>	8.72%
C. Employer Normal Cost Rate (A-B)	13.56%	7.45%	3.08%	14.43%	9.69%	7.63%	9.54%
D. UAL Amortization Rate	10.93%	10.93%	10.93%	10.93%	10.93%	10.93%	10.93%
E. Administrative Expense Rate	<u>1.00%</u>	<u>0.75%</u>	<u>0.57%</u>	<u>1.04%</u>	<u>0.84%</u>	<u>0.76%</u>	0.84%
F. Net June 30, 2013 Contribution Rate (C+D+E)	25.49%	19.13%	14.58%	26.40%	21.46%	19.32%	21.31%
G. Impact of Phase-In of Actuarial Cost Method Change	-0.83%	-0.83%	-0.83%	-0.83%	-0.83%	-0.83%	-0.83%
H. Phase-In June 30, 2013 Contribution Rate (F+G)	24.66%	18.30%	13.75%	25.57%	20.63%	18.49%	20.48%
<u>Ceres and Other Districts</u>							
A. Total Normal Cost Rate		15.47%		12.15%	19.33%	15.41%	18.90%
B. Member Contribution Rate		<u>7.69%</u>		<u>0.00%</u>	<u>8.76%</u>	<u>7.70%</u>	8.46%
C. Employer Normal Cost Rate (A-B)		7.78%		12.15%	10.57%	7.71%	10.44%
D. UAL Amortization Rate		10.28%		10.28%	10.28%	10.28%	10.28%
E. Administrative Expense Rate		<u>0.74%</u>		<u>0.92%</u>	<u>0.85%</u>	<u>0.73%</u>	0.85%
F. Net June 30, 2013 Contribution Rate (C+D+E)		18.80%		23.35%	21.70%	18.72%	21.57%
G. Impact of Phase-In of Actuarial Cost Method Change		-0.83%		-0.83%	-0.83%	-0.83%	-0.83%
H. Phase-In June 30, 2013 Contribution Rate (F+G)		17.97%		22.52%	20.87%	17.89%	20.74%

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013

**SECTION IV
CONTRIBUTIONS**

Table IV-4 Development of the Safety Member Contribution Rate as of June 30, 2013 for FYE 2015					
	Tier 2	Tier 4	Tier 5	PEPRA	TOTAL
<u>County</u>					
A. Total Normal Cost Rate	26.25%	34.61%	31.89%	25.64%	31.21%
B. Member Contribution Rate	<u>12.18%</u>	<u>5.14%</u>	<u>13.00%</u>	<u>12.82%</u>	<u>12.90%</u>
C. Employer Normal Cost Rate (A-B)	14.07%	29.47%	18.89%	12.82%	18.31%
D. UAL Amortization Rate	15.71%	15.71%	15.71%	15.71%	15.71%
E. Administrative Expense Rate	<u>1.22%</u>	<u>1.84%</u>	<u>1.41%</u>	<u>1.17%</u>	<u>1.39%</u>
F. Net June 30, 2013 Contribution Rate (C+D+E)	31.00%	47.02%	36.01%	29.70%	35.41%
G. Impact of Phase-In of Actuarial Cost Method Change	-2.06%	-2.06%	-2.06%	-2.06%	-2.06%
H. Phase-In June 30, 2013 Contribution Rate (F+G)	28.94%	44.96%	33.95%	27.64%	33.35%
<u>Ceres and Other Districts</u>					
A. Total Normal Cost Rate		28.07%	30.77%	25.64%	30.72%
B. Member Contribution Rate		<u>0.00%</u>	<u>13.04%</u>	<u>12.82%</u>	<u>12.80%</u>
C. Employer Normal Cost Rate (A-B)		28.07%	17.73%	12.82%	17.92%
D. UAL Amortization Rate		14.29%	14.29%	14.29%	14.29%
E. Administrative Expense Rate		<u>1.73%</u>	<u>1.31%</u>	<u>1.17%</u>	<u>1.32%</u>
F. Net June 30, 2013 Contribution Rate (C+D+E)		44.09%	33.33%	28.28%	33.53%
G. Impact of Phase-In of Actuarial Cost Method Change		-2.06%	-2.06%	-2.06%	-2.06%
H. Phase-In June 30, 2013 Contribution Rate (F+G)		42.03%	31.27%	26.22%	31.47%

SECTION V
ACCOUNTING STATEMENT INFORMATION

Statement No. 25 of the Governmental Accounting Standards Board (GASB 25) establishes standards for disclosure of pension information by public employee retirement systems (PERS) and governmental employers in notes to financial statements and supplementary information.

The GASB adopted Statement Nos. 67 and 68 which replace GASB Statement Nos. 25 and 27. GASB 67 is effective for periods beginning after June 15, 2013 (first effective June 30, 2014 for the Plan) and GASB 68 is effective for fiscal years beginning after June 15, 2014 (first effective for the fiscal year July 1, 2014 to June 30, 2015 for the Employers). The following is a brief summary of some of these changes:

- The liabilities would need to be based on the Entry Age Normal Cost method (which is the method the Plan is currently using), and the discount rate assumption might need to be reduced if projected contributions plus assets are not able to cover projected pension benefits (not expected to be an issue for StanCERA).
- The market value of assets would be compared to the liabilities, instead of the smoothed Actuarial Value of Assets, to determine the unfunded liability.
- A portion of unfunded liabilities would be reported directly on each of the employer's balance sheet.
- The Annual Required Contribution (ARC) would be replaced with Pension Expense which equals: Normal Cost + Interest Cost - Expected Asset Earnings + Amortization of changes in total pension liability + smoothing of asset returns over a five-year period.
- Amortization periods of changes in total pension liability would vary depending upon the basis for the gain or loss. These periods would be immediate for plan changes and expected working lifetime of both active and inactive members for other total pension liability changes.

In accordance with GASB 25, we have prepared the following disclosures:

Schedule of Funding Progress

The schedule of funding progress compares the assets used for funding purposes to the comparable liabilities to determine how well the Plan is funded and how this status has changed over the past several years.

The GASB 25 Actuarial Accrued Liability is the same as the Actuarial Liability calculated for funding purposes. The GASB 25 liability is compared to the Actuarial Value of Assets to determine the funding ratio.

Schedule of Employer Contributions

The schedule of employer contributions shows whether the employer has made contributions that are consistent with an actuarial method of funding the benefits to be provided consistent with the parameters established by GASB 25.

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**SECTION V
ACCOUNTING STATEMENT INFORMATION**

Solvency Test

The solvency test shows the portion of actuarial liabilities for active member contributions, inactive members, and the employer financed portion of the active members that are covered by the Actuarial Value of Assets.

The Actuarial Accrued Liability under GASB 25 is determined assuming that the Plan is ongoing and participants continue to terminate employment, retire, etc., in accordance with the actuarial assumptions. Liabilities are discounted at the assumed valuation interest rate of 7.75%.

Table V-1				
GASB No. 25				
(in thousands)				
Item	June 30, 2012	June 30, 2013	% Change	
GASB No. 25 Basis				
1. Actuarial Liabilities				
a. Members Currently Receiving Payments	\$ 987,546	\$ 1,065,792		7.9%
b. Vested Terminated and Inactive Members	73,399	77,201		5.2%
c. Active Members	<u>827,768</u>	<u>776,234</u>		<u>-6.2%</u>
d. Total Actuarial Liability	\$ 1,888,713	\$ 1,919,227		1.6%
2. Valuation Assets	\$ 1,451,764	\$ 1,524,076		5.0%
3. Unfunded Actuarial Liability	\$ 436,950	\$ 395,151		-9.6%
4. Ratio of Actuarial Value of Assets to Actuarial Liability (2)/(1)(d)	76.87%	79.41%		3.3%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**SECTION V
ACCOUNTING STATEMENT INFORMATION**

<p style="text-align: center;">Table V-2 Schedule of Funding Progress (dollars in thousands)</p>						
Actuarial Valuation Date	Valuation Assets¹	Actuarial Liability (AL)	Unfunded AL	Funded Ratio	Covered Payroll	Unfunded AL as a % of Covered Payroll
June 30, 2000	\$ 679,421	\$ 666,114	\$ (13,307)	102.0%	\$ 157,010	-8.5%
June 30, 2001	784,114	781,495	(2,619)	100.3%	174,595	-1.5%
June 30, 2002	878,821	870,768	(8,053)	100.9%	196,471	-4.1%
June 30, 2003	937,797	958,095	20,298	97.9%	197,664	10.3%
June 30, 2004	993,180	1,035,345	42,165	95.9%	199,963	21.1%
June 30, 2005	1,049,691	1,116,310	66,619	94.0%	211,681	31.5%
June 30, 2006	1,154,048	1,194,904	40,856	96.6%	219,768	18.6%
6/30/2006 (Rev)	1,154,048	1,329,375 ²	175,327	86.8%	212,011	82.7%
June 30, 2008	1,317,167 ³	1,548,824	231,657	85.0%	242,009	95.7%
June 30, 2009	1,171,767	1,653,716	481,949	70.9%	248,316	194.1%
June 30, 2010	1,325,801	1,737,824	412,023	76.3%	231,538	178.0%
June 30, 2011	1,372,046	1,757,717	385,671	78.1%	221,541	174.1%
June 30, 2012	1,451,764	1,888,713	436,950	76.9%	215,057	203.2%
June 30, 2013	1,524,076	1,919,227	395,151	79.4%	222,898	177.3%

¹ Excludes value of non-valuation reserves.

² The Accrued Liability as of June 30, 2006 was recomputed to reflect the change in Actuary and in the retirement, termination and refund assumptions.

³ Includes \$50 million transferred from Non-Valuation to Valuation Reserves as of 6/30/2008.

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**SECTION V
ACCOUNTING STATEMENT INFORMATION**

Table V-3				
Schedule of Employer Contributions				
(Dollars in Thousands)				
Year Ended	Annual	Actual	Percentage	
June, 30	Required	Contribution	Contributed	
	Contribution			
2000	\$ 5,899	\$ 5,899	100.0%	
2001	7,509	7,509	100.0%	
2002	11,341	11,341	100.0%	
2003	16,208	16,208	100.0%	
2004	17,114	17,114	100.0%	
2005	19,793	19,793	100.0%	
2006	22,549	22,549	100.0%	
2007	32,563	32,563	100.0%	
2008	22,555	22,555	100.0%	
2009	23,411	23,411	100.0%	
2010	31,814	31,814 ¹	100.0%	
2011	47,657	47,657 ²	100.0%	
2012	41,614	41,614 ³	100.0%	
2013	39,077	39,077	100.0%	

¹ The Actual Contribution was comprised of a \$21,814,194 payment by the employers, plus an additional \$10,000,000 in assets transferred from the non-valuation to valuation reserves.

² The Actual Contribution was comprised of a \$26,256,729 payment by the employers, plus an additional \$21,400,000 in assets transferred from the non-valuation to valuation reserves.

³ The Actual Contribution was comprised of a \$27,314,032 payment by the employers, plus an additional \$14,300,000 in assets transferred from the non-valuation to valuation reserves.

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SECTION V
ACCOUNTING STATEMENT INFORMATION

Table V-4
GFOA SOLVENCY TEST

(dollars in thousands)

Valuation Date June 30,	(1)	(2)	(3)	(Details in thousands)						
	Active Member Contributions	Retirees And Beneficiaries	Active And Terminated Members	Actuarial Accrued Liabilities	Valuation Assets	Portion of Actuarial Liabilities Covered by Reported Assets				
						(1)	(2)	(3)		
2003	\$ 176,622	\$ 455,784	\$ 325,689	\$ 958,095	\$ 928,022	100%	100%	91%		
2004	166,806	518,922	349,617	1,035,345	993,180	100%	100%	88%		
2005	205,556	551,810	358,994	1,116,310	1,049,691	100%	100%	81%		
2006 ¹	219,907	619,109	355,888	1,194,904	1,154,048	100%	100%	89%		
2008 ²	272,657	739,838	536,329	1,548,824	1,317,167	100%	100%	57%		
2009	298,342	781,082	574,292	1,653,716	1,171,767	100%	100%	16%		
2010	323,940	829,323	584,561	1,737,824	1,325,801	100%	100%	30%		
2011	337,201	897,384	523,133	1,757,718	1,372,046	100%	100%	26%		
2012	351,569	987,546	549,598	1,888,713	1,451,764	100%	100%	20%		
2013 ³	191,968	1,065,792	661,466	1,919,227	1,524,076	100%	100%	40%		

¹ Results recalculated, reflecting Level 1 assumption changes (new retirement, termination and withdrawal decrements) & new EFI EAN methodology.

² Reflects transfer as of June 30, 2008 of \$50 million from Non-Valuation to Valuation Reserves.

³ Reflects change to include only refundable contribution balance.

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

The data for this valuation was provided by the StanCERA as of June 30, 2013. Cheiron did not audit any of the data; however, it was reviewed to ensure that it complies with generally accepted actuarial standards.

	<u>General Members</u>		<u>Safety Members</u>		<u>Total</u>	
	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013
Active Participants						
Number	3,233	3,230	661	694	3,894	3,924
Average Age	46.36	46.44	39.14	38.84	45.14	45.09
Average Service	11.76	11.75	11.01	10.66	11.63	11.56
Average Pay (does not reflect impact of furloughs)	\$ 55,447	\$ 54,625	\$ 63,022	\$ 61,370	\$ 56,733	\$ 55,818
Service Retired						
Number	2,148	2,236	295	317	2,443	2,553
Average Age	69.01	69.19	64.05	64.15	68.41	68.56
Average Annual Total Benefit	\$ 25,759	\$ 26,721	\$ 48,952	\$ 48,989	\$ 28,559	\$ 29,486
Beneficiaries						
Number	311	312	84	85	395	397
Average Age	73.20	73.38	64.81	66.41	71.42	71.88
Average Annual Total Benefit	\$ 15,069	\$ 15,529	\$ 25,373	\$ 25,838	\$ 17,261	\$ 17,736
Duty Disabled						
Number	108	107	112	113	220	220
Average Age	65.06	65.57	56.51	57.14	60.70	61.24
Average Annual Total Benefit	\$ 22,137	\$ 22,723	\$ 34,076	\$ 35,097	\$ 28,215	\$ 29,079
Ordinary Disabled						
Number	78	73	6	6	84	79
Average Age	64.51	64.56	56.15	57.15	63.92	64.00
Average Annual Total Benefit	\$ 14,092	\$ 15,651	\$ 19,043	\$ 19,424	\$ 14,446	\$ 15,938
Total In Pay						
Number	2,645	2,728	497	521	3,142	3,249
Average Age	69.21	69.40	62.39	62.92	68.13	68.36
Average Annual Total Benefit	\$ 24,010	\$ 24,988	\$ 41,253	\$ 41,859	\$ 26,737	\$ 27,693
Terminated Vested						
Number	554	556	99	103	653	659
Average Age	49.82	49.80	43.66	43.91	48.89	48.88
Average Service	7.59	7.64	6.34	6.67	7.40	7.49
Transfers						
Number	180	193	69	73	249	266
Average Age	45.68	45.45	37.46	37.33	43.40	43.22
Average Service	5.41	5.61	6.20	5.94	5.63	5.70
Total Inactives						
Number	734	749	168	176	902	925
Average Age	48.81	48.68	41.11	41.18	47.37	47.25
Average Service	7.06	7.12	6.29	6.36	6.91	6.98

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

Data pertaining to active and inactive Members and their beneficiaries as of the valuation date was supplied by the Plan Administrator on electronic media. As is usual in studies of this type, Member data was neither verified nor audited.

Plan Year Ending	Added During Year	Allowance Added	Removed During Year	Allowance Removed	At End of Year	Annual Allowance	% Increase in Retiree Allowance	Average Annual Allowance
2008	369	\$ 9,084,777	(148)	\$ (1,731,738)	2,666	\$ 63,296,000	19.18%	\$ 23,742
2009	156	\$ 2,168,425	(71)	\$ (647,870)	2,751	\$ 66,720,003	5.41%	\$ 24,253
2010	159	\$ 3,349,900	(80)	\$ (751,427)	2,830	\$ 71,464,735	7.11%	\$ 25,334
2011	263	\$ 4,724,416	(78)	\$ (1,194,042)	3,015	\$ 74,826,404	4.70%	\$ 25,732
2012	226	\$ 3,565,634	(99)	\$ (978,729)	3,142	\$ 80,157,222	7.12%	\$ 26,737
2013	198	\$ 6,036,138	(91)	\$ (1,144,584)	3,249	\$ 89,975,736	12.25%	\$ 27,694

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

Active and Vested Participant Data as of July 1, 2013

	County						Ceres and Other Districts						Total County, Ceres and Other Districts	
	General Members		Safety Members		Total		General Members		Safety Members		Total			
	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013
Active Participants														
Number	3,113	3,114	578	606	3,691	3,720	120	116	83	88	203	204	3,894	3,924
Average Age	46.39	46.47	39.36	39.06	45.29	45.26	45.66	45.64	37.66	37.34	42.39	42.06	45.14	45.09
Average Service	11.76	11.75	11.08	10.70	11.66	11.58	11.69	11.94	10.53	10.41	11.22	11.28	11.63	11.56
Average Pay*	\$ 55,233	\$ 54,384	\$ 59,879	\$ 58,724	\$ 55,961	\$ 55,091	\$ 61,014	\$ 61,077	\$ 84,909	\$ 79,587	\$ 70,784	\$ 69,062	\$ 56,734	\$ 55,818
Terminated Vested														
Number	536	537	87	91	623	628	18	19	12	12	30	31	653	659
Average Age	49.86	49.92	43.74	44.10	49.01	49.08	48.61	46.39	43.06	42.42	46.39	44.85	48.89	48.88
Average Service	7.60	7.70	6.32	6.78	7.42	7.57	7.35	6.07	6.50	5.80	7.01	5.97	7.40	7.49
Transfers														
Number	167	177	61	65	228	242	13	16	8	8	21	24	249	266
Average Age	45.77	45.39	37.04	36.81	43.44	43.09	44.48	46.10	40.60	41.60	43.00	44.60	43.40	43.22
Average Service	5.45	5.50	6.17	5.88	5.64	5.60	4.94	6.86	6.43	6.43	5.51	6.72	5.63	5.70
Total Inactives														
Number	703	714	148	156	851	870	31	35	20	20	51	55	902	925
Average Age	48.89	48.80	40.98	41.06	47.52	47.41	46.88	46.26	42.07	42.09	44.99	44.74	47.37	47.25
Average Service	7.09	7.15	6.26	6.41	6.94	7.02	6.34	6.43	6.47	6.05	6.39	6.29	6.91	6.98

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
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County Members

	General Members												Safety Members					
	Tier 1		Tier 2		Tier 3		Tier 4		Tier 5		PEPRA		Tiers 1 & 4		Tiers 2 & 5		PEPRA	
	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013
Active Participants																		
Number	0	1	246	294	19	17	75	63	2,773	2,596	N/A	143	2	2	576	563	N/A	41
Average Age	0.00	54.25	35.60	36.07	50.99	51.27	58.63	59.45	46.99	47.79		37.48	56.37	57.37	39.30	39.71		29.15
Average Service	0.00	12.86	0.81	1.61	15.15	15.84	31.89	32.68	12.17	12.99		0.28	23.61	24.57	11.04	11.41		0.22
Average Pay*	\$ 0	\$ 35,161	\$ 40,558	\$ 42,170	\$ 46,242	\$ 46,667	\$ 65,919	\$ 69,948	\$ 56,307	\$ 56,439		\$ 36,395	\$ 70,618	\$ 72,745	\$ 59,841	\$ 59,977		\$ 40,833
Terminated Vested																		
Number	41	32	186	176	29	30	2	1	278	298	N/A	0	2	1	85	90	N/A	0
Average Age	60.17	60.93	51.74	52.39	52.40	53.32	62.00	63.65	46.74	46.89			58.00	64.76	43.41	43.87		
Average Service	10.63	9.93	4.68	4.58	10.50	10.60	5.31	5.55	8.82	9.01			6.50	6.08	6.32	6.79		
Transfers																		
Number	10	9	20	20	8	9	3	2	126	137	N/A	0	0	0	61	65	N/A	0
Average Age	58.93	59.67	52.77	48.76	45.88	47.81	54.86	56.11	43.40	43.65			0.00	0.00	37.04	36.81		
Average Service	5.71	5.52	3.70	3.28	11.70	10.95	19.56	14.33	4.97	5.33			0.00	0.00	6.17	5.88		
Total Inactives																		
Number	51	41	206	196	37	39	5	3	404	435	N/A	0	2	1	146	155	N/A	0
Average Age	59.93	60.66	51.84	52.02	50.99	52.05	57.72	58.62	45.69	45.87			58.00	64.76	40.75	40.91		
Average Service	9.66	8.96	4.59	4.45	10.76	10.68	13.86	11.41	7.62	7.85			6.50	6.08	6.26	6.41		

* All payroll figures shown are annual

CERES and Other District Members

	General Members												Safety Members					
	Tier 1		Tier 2		Tier 3		Tier 4		Tier 5		PEPRA		Tiers 1 & 4		Tiers 2 & 5		PEPRA	
	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013	7/1/2012	7/1/2013
Active Participants																		
Number	1	0	5	5	0	0	3	3	111	101	N/A	7	1	1	82	87	N/A	0
Average Age	74.28	0.00	45.12	46.12	0.00	0.00	57.45	58.45	45.11	45.83		36.99	55.59	56.59	37.44	37.12		0.00
Average Service	38.85	0.00	9.35	9.15	0.00	0.00	36.98	37.98	10.86	12.12		0.17	32.20	33.20	10.26	10.15		0.00
Average Pay*	\$ 55,190	\$ 0	\$ 39,238	\$ 41,390	\$ 0	\$ 0	\$ 65,399	\$ 65,346	\$ 61,929	\$ 63,763		\$ 34,559	\$ 141,292	\$ 139,458	\$ 84,221	\$ 78,898		\$ 0
Terminated Vested																		
Number	1	1	10	9	0	0	0	0	7	9	N/A	0	0	0	12	12	N/A	0
Average Age	58.13	59.13	49.54	51.00	0.00	0.00	0.00	0.00	45.93	40.36			0.00	0.00	43.06	42.42		
Average Service	5.32	5.32	5.29	5.46	0.00	0.00	0.00	0.00	10.59	6.76			0.00	0.00	6.50	5.80		
Transfers																		
Number	0	0	2	3	0	0	0	0	11	13	N/A	0	0	0	8	8	N/A	0
Average Age	0.00	0.00	49.30	48.98	0.00	0.00	0.00	0.00	43.60	45.43			0.00	0.00	40.60	41.60		
Average Service	0.00	0.00	3.12	3.32	0.00	0.00	0.00	0.00	5.27	7.68			0.00	0.00	6.43	6.43		
Inactives																		
Number	1	1	12	12	0	0	0	0	18	22	N/A	0	0	0	20	20	N/A	0
Average Age	58.13	59.13	49.50	50.50	0.00	0.00	0.00	0.00	44.51	43.36			0.00	0.00	42.07	42.09		
Average Service	5.32	5.32	4.93	4.93	0.00	0.00	0.00	0.00	7.34	7.31			0.00	0.00	6.47	6.05		

* All payroll figures shown are annual

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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Valuation Date	Plan Type	Number	Annual Payroll	Average Annual Salary	Increase in Average Pay
June 30, 2003	General	3,626	\$163,505,000	\$45,092	6.76%
	Safety	637	\$34,159,000	\$53,625	3.98%
	Total	4,263	\$197,664,000	\$46,367	5.23%
June 30, 2004	General	3,618	\$164,462,000	\$45,457	0.81%
	Safety	630	\$35,501,000	\$56,351	5.08%
	Total	4,248	\$199,963,000	\$47,072	1.52%
June 30, 2005	General	3,651	\$173,399,000	\$47,494	4.48%
	Safety	687	\$38,282,000	\$55,723	-1.11%
	Total	4,338	\$211,681,000	\$48,797	3.66%
June 30, 2006	General	3,702	\$179,767,000	\$48,559	2.24%
	Safety	689	\$40,001,000	\$58,057	4.19%
	Total	4,391	\$219,768,000	\$50,050	2.57%
June 30, 2008	General	3,719	\$230,942,000	\$62,098	27.88%
	Safety	731	\$44,638,000	\$61,064	5.18%
	Total	4,450	\$275,580,000	\$61,928	23.73%
June 30, 2009	General	3,627	\$201,144,000	\$55,457	-10.69%
	Safety	739	\$47,172,000	\$63,832	4.53%
	Total	4,366	\$248,316,000	\$56,875	-8.16%
June 30, 2010	General	3,464	\$202,200,198	\$58,372	5.26%
	Safety	685	\$46,630,275	\$68,073	6.64%
	Total	4,149	\$248,830,473	\$59,974	5.45%
June 30, 2011	General	3,232	\$184,906,498	\$57,211	-1.99%
	Safety	637	\$41,800,298	\$65,621	-3.60%
	Total	3,869	\$226,706,796	\$58,596	-2.30%
June 30, 2012	General	3,233	\$179,260,736	\$55,447	-3.08%
	Safety	661	\$41,657,273	\$63,022	-3.96%
	Total	3,894	\$220,918,009	\$56,733	-3.18%
June 30, 2013	General	3,230	\$176,437,755	\$54,625	-1.48%
	Safety	694	\$42,590,563	\$61,370	-2.62%
	Total	3,924	\$219,028,318	\$55,818	-1.61%

*Actuarial valuation was not performed for fiscal year ending June 30, 2007

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX A
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StanCERA Membership – Retired Members as of June 30, 2013

Age	County				Ceres and Other Districts				Total	
	<u>General Members</u>		<u>Safety Members</u>		<u>General Members</u>		<u>Safety Members</u>			
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
35-39	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
40-44	0	\$ 0	1	\$ 44,514	0	\$ 0	0	\$ 0	1	\$ 44,514
45-49	0	\$ 0	5	\$ 50,505	0	\$ 0	1	\$ 5,233	6	\$ 42,960
50-54	77	\$ 19,153	38	\$ 40,728	1	\$ 7,369	4	\$ 77,537	120	\$ 27,833
55-59	232	\$ 29,602	60	\$ 49,373	7	\$ 23,847	1	\$ 150,691	300	\$ 33,826
60-64	470	\$ 32,044	68	\$ 49,144	12	\$ 25,649	3	\$ 72,104	553	\$ 34,225
65-69	542	\$ 29,458	59	\$ 55,322	13	\$ 29,101	0	\$ 0	614	\$ 31,936
70-74	351	\$ 24,291	40	\$ 47,093	7	\$ 26,318	0	\$ 0	398	\$ 26,619
75-79	197	\$ 21,111	21	\$ 52,407	6	\$ 38,085	0	\$ 0	224	\$ 24,500
80-84	159	\$ 21,308	7	\$ 29,413	0	\$ 0	0	\$ 0	166	\$ 21,649
85-89	105	\$ 19,387	8	\$ 28,414	0	\$ 0	0	\$ 0	113	\$ 20,026
90-94	46	\$ 18,458	1	\$ 16,792	0	\$ 0	0	\$ 0	47	\$ 18,423
95+	11	\$ 13,493	0	\$ 0	0	\$ 0	0	\$ 0	11	\$ 13,493
All Ages	2,190	\$ 26,701	308	\$ 48,205	46	\$ 27,677	9	\$ 75,820	2,553	\$ 29,486

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX A
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StanCERA Membership – Service-Connected Disabled Members as of June 30, 2013

Age	County				Ceres and Other Districts				Total	
	<u>General Members</u>		<u>Safety Members</u>		<u>General Members</u>		<u>Safety Members</u>			
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
25-29	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
30-34	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
35-39	1	\$ 13,868	2	\$ 33,127	0	\$ 0	0	\$ 0	3	\$ 26,707
40-44	2	\$ 20,865	13	\$ 34,373	0	\$ 0	1	\$ 27,461	16	\$ 32,253
45-49	1	\$ 27,497	13	\$ 33,728	0	\$ 0	0	\$ 0	14	\$ 33,283
50-54	4	\$ 25,886	15	\$ 28,009	1	\$ 27,157	0	\$ 0	20	\$ 27,541
55-59	17	\$ 21,353	23	\$ 35,123	1	\$ 21,274	0	\$ 0	41	\$ 29,076
60-64	24	\$ 21,806	20	\$ 40,914	1	\$ 25,701	3	\$ 36,418	48	\$ 30,762
65-69	22	\$ 22,922	13	\$ 33,534	3	\$ 19,441	1	\$ 73,534	39	\$ 27,489
70-74	15	\$ 24,296	4	\$ 34,129	0	\$ 0	0	\$ 0	19	\$ 26,366
75-79	6	\$ 23,676	3	\$ 34,165	0	\$ 0	0	\$ 0	9	\$ 27,173
80-84	8	\$ 24,883	2	\$ 41,472	0	\$ 0	0	\$ 0	10	\$ 28,201
85-89	1	\$ 16,068	0	\$ 0	0	\$ 0	0	\$ 0	1	\$ 16,068
90-94	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
95+	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
All Ages	101	\$ 22,761	108	\$ 34,775	6	\$ 22,076	5	\$ 42,050	220	\$ 29,079

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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StanCERA Membership – Nonservice-Connected Disabled Members as of June 30, 2013

Age	County				Ceres and Other Districts				Total	
	<u>General Members</u>		<u>Safety Members</u>		<u>General Members</u>		<u>Safety Members</u>			
	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit	Number	Annual Average Benefit
35-39	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
40-44	1	\$ 87,807	1	\$ 20,566	0	\$ 0	0	\$ 0	2	\$ 54,187
45-49	6	\$ 15,114	0	\$ 0	0	\$ 0	0	\$ 0	6	\$ 15,114
50-54	7	\$ 17,061	1	\$ 23,461	0	\$ 0	0	\$ 0	8	\$ 17,861
55-59	8	\$ 16,171	2	\$ 20,404	0	0	0	0	10	\$ 17,018
60-64	16	\$ 13,550	1	\$ 13,134	0	0	0	0	17	\$ 13,526
65-69	18	\$ 17,435	1	\$ 18,574	0	0	0	0	19	\$ 17,495
70-74	8	\$ 12,163	0	\$ 0	0	0	0	0	8	\$ 12,163
75-79	4	\$ 9,959	0	\$ 0	0	0	0	0	4	\$ 9,959
80-84	3	\$ 11,856	0	\$ 0	0	0	0	0	3	\$ 11,856
85-89	1	\$ 6,386	0	\$ 0	0	0	0	0	1	\$ 6,386
90-94	1	\$ 5,508	0	\$ 0	0	\$ 0	0	\$ 0	1	\$ 5,508
95+	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0	0	\$ 0
All Ages	73	\$ 15,651	6	\$ 19,424	0	\$ 0	0	\$ 0	79	\$ 15,938

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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StanCERA Membership – Beneficiaries as of June 30, 2013

Age	County				Ceres and Other Districts				Total	
	<u>General Members</u>		<u>Safety Members</u>		<u>General Members</u>		<u>Safety Members</u>			
	Annual Average Number	Annual Average Benefit	Annual Average Number	Annual Average Benefit	Annual Average Number	Annual Average Benefit	Annual Average Number	Annual Average Benefit	Annual Average Number	Annual Average Benefit
0-24	0	\$ 0	2	\$ 16,434	0	\$ 0	0	\$ 0	2	\$ 16,434
25-29	1	\$ 33,784	0	\$ 0	0	\$ 0	0	\$ 0	1	\$ 33,784
30-34	1	\$ 6,899	0	\$ 0	0	\$ 0	0	\$ 0	1	\$ 6,899
35-39	2	\$ 7,059	0	\$ 0	0	\$ 0	0	\$ 0	2	\$ 7,059
40-44	6	\$ 12,963	3	\$ 25,375	0	\$ 0	0	\$ 0	9	\$ 17,100
45-49	7	\$ 9,034	2	\$ 47,302	0	\$ 0	0	\$ 0	9	\$ 17,538
50-54	10	\$ 11,884	8	\$ 20,088	0	\$ 0	1	\$ 32,382	19	\$ 16,417
55-59	18	\$ 9,587	8	\$ 17,829	0	\$ 0	0	\$ 0	26	\$ 12,123
60-64	34	\$ 18,826	13	\$ 20,365	1	\$ 10,332	0	\$ 0	48	\$ 19,066
65-69	46	\$ 14,343	12	\$ 37,080	0	\$ 0	0	\$ 0	58	\$ 19,047
70-74	35	\$ 17,693	12	\$ 28,659	0	\$ 0	0	\$ 0	47	\$ 20,493
75-79	40	\$ 20,355	9	\$ 27,927	0	\$ 0	0	\$ 0	49	\$ 21,746
80-84	41	\$ 17,742	10	\$ 28,263	0	\$ 0	0	\$ 0	51	\$ 19,805
85-89	44	\$ 13,866	2	\$ 6,619	0	\$ 0	0	\$ 0	46	\$ 13,551
90-94	17	\$ 10,788	2	\$ 17,390	0	\$ 0	0	\$ 0	19	\$ 11,483
95+	9	\$ 10,340	1	\$ 21,296	0	\$ 0	0	\$ 0	10	\$ 11,436
All Ages	311	\$ 15,545	84	\$ 25,760	1	\$ 10,332	1	\$ 32,382	397	\$ 17,736

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

StanCERA Membership – Benefit Form Elections as of June 30, 2013

	County		Ceres and Other Districts		Total
	General	Safety	General	Safety	
Service Retired					
Option #0 (Unmodified 60% to Spouse)	1,830	272	37	7	2,146
Option #1 (Cash Refund)	161	7	2	0	170
Option #2 (100% Continuance)	173	28	7	2	210
Option #3 (50% Continuance)	26	1	0	0	27
Total Service Retired	2,190	308	46	9	2,553
Ordinary Disability					
Option #0 (Unmodified 60% to Spouse)	68	4	0	0	72
Option #1 (Cash Refund)	2	2	0	0	4
Option #2 (100% Continuance)	3	0	0	0	3
Option #3 (50% Continuance)	0	0	0	0	0
Total Ordinary Disability	73	6	0	0	79
Duty Disability					
Option #0 (Unmodified 100% to Spouse)	90	98	5	4	197
Option #1 (Cash Refund)	1	0	1	0	2
Option #2 (100% Continuance)	6	9	0	1	16
Option #3 (50% Continuance)	4	1	0	0	5
Total Duty Disability	101	108	6	5	220
Total					

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2013
General Members (County)**

Count

Age	Years of Service												Total Count
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	12	8	1	0	1	3	0	0	0	0	0	0	25
25-29	58	62	7	3	6	53	0	0	0	0	0	0	189
30-34	54	48	5	2	21	154	42	0	0	0	0	0	326
35-39	34	34	4	0	11	176	133	17	0	0	0	0	409
40-44	19	18	10	0	7	138	139	75	17	0	0	0	423
45-49	19	12	3	3	15	126	111	109	52	23	1	0	474
50-54	18	14	2	1	9	96	129	95	81	32	12	0	489
55-59	10	9	2	4	8	92	112	73	67	40	25	13	455
60-64	4	4	2	1	3	44	75	48	49	14	9	10	263
65-69	0	0	0	0	0	11	22	9	4	3	3	1	53
70 & Over	0	0	0	0	0	1	5	1	0	0	0	1	8
Total Count	228	209	36	14	81	894	768	427	270	112	50	25	3,114

Compensation

Age	Years of Service												Avg. Comp.
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	\$36,909	\$31,167	\$31,583	\$0	\$37,832	\$47,700	\$0	\$0	\$0	\$0	\$0	\$0	\$36,190
25-29	\$41,551	38,376	44,549	43,056	36,864	44,420	0	0	0	0	0	0	41,300
30-34	\$35,945	40,077	41,220	48,918	49,336	48,111	48,950	0	0	0	0	0	44,999
35-39	\$32,823	46,213	53,332	0	46,892	50,981	53,594	49,373	0	0	0	0	49,771
40-44	\$43,133	39,857	41,508	0	48,593	52,398	57,158	60,599	63,165	0	0	0	54,579
45-49	\$38,025	40,735	43,736	74,575	52,924	54,727	59,349	62,391	61,316	66,638	70,717	0	57,882
50-54	\$44,628	52,449	58,937	38,643	58,997	53,230	58,060	58,599	64,776	69,163	65,821	0	58,572
55-59	\$39,982	50,861	68,425	46,639	49,183	53,064	55,918	61,372	64,718	72,554	65,597	63,908	59,139
60-64	\$53,356	30,655	101,719	120,569	46,984	49,356	56,890	62,900	53,014	73,953	58,546	58,672	57,055
65-69	\$0	0	0	0	0	66,807	67,139	66,293	103,463	68,184	58,437	143,660	70,678
70 & Over	\$0	0	0	0	0	248,592	84,540	45,145	0	0	0	75,518	98,995
Average	\$38,897	\$41,361	\$49,092	\$56,893	\$49,510	\$51,625	\$56,818	\$60,639	\$62,432	\$70,428	\$64,055	\$65,468	\$54,384

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2013
General Members (Ceres and Other Districts)**

Count

Age	Years of Service												Total Count
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	1	1	0	0	0	0	0	0	0	0	0	0	2
25-29	3	3	0	0	0	1	0	0	0	0	0	0	7
30-34	3	0	2	1	0	6	3	0	0	0	0	0	15
35-39	1	2	0	0	1	3	7	2	0	0	0	0	16
40-44	0	1	0	0	1	7	2	1	0	0	0	0	12
45-49	1	0	0	1	0	6	7	1	1	3	0	0	20
50-54	0	0	2	0	1	2	6	2	2	1	1	0	17
55-59	1	0	0	0	0	4	5	2	2	3	0	1	18
60-64	0	0	0	0	0	4	1	1	0	0	0	0	6
65-69	0	0	0	0	0	1	0	0	0	0	0	1	2
70 & Over	0	0	0	1	0	0	0	0	0	0	0	0	1
Total Count	10	7	4	3	3	34	31	9	5	7	1	2	116

Compensation

Age	Years of Service												Avg. Comp.
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	\$33,444	\$51,686	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$42,565
25-29	\$45,483	45,442	0	0	0	63,853	0	0	0	0	0	0	48,090
30-34	\$34,572	0	44,336	45,136	0	61,045	58,494	0	0	0	0	0	51,952
35-39	\$37,415	40,956	0	0	49,783	49,713	67,375	61,641	0	0	0	0	57,072
40-44	\$0	117,708	0	0	108,599	51,337	49,824	78,351	0	0	0	0	63,639
45-49	\$34,708	0	0	76,524	0	60,069	68,901	65,050	63,518	69,257	0	0	64,514
50-54	\$0	0	54,106	0	40,618	79,316	63,663	59,875	70,540	61,983	71,689	0	63,761
55-59	\$32,628	0	0	0	0	55,858	76,800	82,544	57,889	60,611	0	65,843	64,922
60-64	\$0	0	0	0	0	76,171	77,556	49,484	0	0	0	0	71,954
65-69	\$0	0	0	0	0	52,980	0	0	0	0	0	58,505	55,743
70 & Over	\$0	0	0	121,073	0	0	0	0	0	0	0	0	121,073
Average	\$37,836	\$55,376	\$49,221	\$80,911	\$66,333	\$59,964	\$66,858	\$66,779	\$64,075	\$64,512	\$71,689	\$62,174	\$61,077

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2013
Safety Members (County)**

Count

Age	Years of Service												Total Count
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	20	4	0	0	0	0	0	0	0	0	0	0	24
25-29	21	18	0	3	9	19	0	0	0	0	0	0	70
30-34	12	8	2	3	6	78	21	0	0	0	0	0	130
35-39	4	1	1	3	0	42	54	15	0	0	0	0	120
40-44	1	2	0	0	2	18	27	47	6	0	0	0	103
45-49	0	1	0	0	0	8	19	21	31	6	0	0	86
50-54	5	0	0	0	0	6	12	11	7	3	0	0	44
55-59	1	0	0	0	0	3	4	4	3	2	1	0	18
60-64	1	0	0	1	0	3	2	2	0	0	0	0	9
65-69	0	0	0	0	0	0	1	0	0	0	0	0	1
70 & Over	0	0	0	0	0	0	0	0	1	0	0	0	1
Total Count	65	34	3	10	17	177	140	100	48	11	1	0	606

Compensation

Age	Years of Service												Avg. Comp.
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	\$43,078	\$42,615	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$43,001
25-29	\$38,497	43,565	0	52,060	50,743	56,308	0	0	0	0	0	0	46,791
30-34	\$43,497	44,433	48,409	51,688	52,610	56,516	59,015	0	0	0	0	0	54,558
35-39	\$31,818	41,060	48,286	51,810	0	57,263	60,395	63,378	0	0	0	0	58,242
40-44	\$31,557	51,644	0	0	48,928	57,289	60,360	70,991	62,869	0	0	0	64,150
45-49	\$0	54,559	0	0	0	59,748	58,618	65,203	69,287	90,278	0	0	66,338
50-54	\$51,148	0	0	0	0	54,211	69,042	73,867	65,429	67,926	0	0	65,541
55-59	\$31,569	0	0	0	0	82,539	58,705	66,520	57,721	69,756	76,300	0	64,948
60-64	\$59,989	0	0	55,380	0	116,780	58,370	64,601	0	0	0	0	79,072
65-69	\$0	0	0	0	0	0	59,108	0	0	0	0	0	59,108
70 & Over	\$0	0	0	0	0	0	0	0	61,811	0	0	0	61,811
Average	\$41,509	\$44,382	\$48,368	\$52,206	\$51,189	\$58,280	\$60,595	\$68,643	\$67,043	\$80,451	\$76,300	\$0	\$58,724

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Age & Service Distribution of Active Members by Count and Average Compensation as of June 30, 2013
General Members (Ceres and Other Districts)**

Count

Age	Years of Service												Total Count
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	
Under 20	0	0	0	0	0	0	0	0	0	0	0	0	0
20-24	0	3	0	0	0	0	0	0	0	0	0	0	3
25-29	1	5	0	1	2	7	1	0	0	0	0	0	17
30-34	0	0	3	0	3	8	2	0	0	0	0	0	16
35-39	0	0	0	0	0	8	8	2	0	0	0	0	18
40-44	0	1	0	1	0	5	10	3	2	0	0	0	22
45-49	0	0	0	0	0	0	0	4	1	0	0	0	5
50-54	0	0	0	0	0	0	0	1	1	1	0	0	3
55-59	0	0	0	0	0	1	1	0	0	1	1	0	4
60-64	0	0	0	0	0	0	0	0	0	0	0	0	0
65-69	0	0	0	0	0	0	0	0	0	0	0	0	0
70 & Over	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Count	1	9	3	2	5	29	22	10	4	2	1	0	88

Compensation

Age	Years of Service												Avg. Comp.
	0	1	2	3	4	5-9	10-14	15-19	20-24	25-29	30-34	35 & Over	
Under 20	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
20-24	\$0	\$48,951	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$48,951
25-29	\$66,529	45,326	0	72,444	69,881	67,617	75,958	0	0	0	0	0	62,038
30-34	\$0	0	68,373	0	65,454	80,552	75,794	0	0	0	0	0	74,843
35-39	\$0	0	0	0	0	75,950	84,685	105,892	0	0	0	0	83,159
40-44	\$0	62,139	0	58,807	0	74,139	84,655	101,658	92,741	0	0	0	83,121
45-49	\$0	0	0	0	0	0	0	95,834	94,644	0	0	0	95,596
50-54	\$0	0	0	0	0	0	0	82,992	112,207	94,247	0	0	96,482
55-59	\$0	0	0	0	0	95,169	151,484	0	0	125,584	139,458	0	127,924
60-64	\$0	0	0	0	0	0	0	0	0	0	0	0	0
65-69	\$0	0	0	0	0	0	0	0	0	0	0	0	0
70 & Over	\$0	0	0	0	0	0	0	0	0	0	0	0	0
Average	\$66,529	\$48,403	\$68,373	\$65,625	\$67,225	\$75,559	\$86,503	\$98,309	\$98,083	\$109,916	\$139,458	\$0	\$79,587

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Reconciliation of Plan Membership Since Prior Valuation
All Members**

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2012	3,894	249	219	653	84	220	2,443	395	8,157
New Entrants	320	0	0	0	0	0	0	0	320
Rehires	9	0	(5)	(4)	0	0	0	0	0
Duty Disabilities	(3)	0	0	0	0	3	0	0	0
Ordinary Disabilities	(1)	0	0	0	1	0	0	0	0
Retirements	(121)	(9)	0	(40)	0	0	170	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	1	0	1
Vested Terminations	(64)	0	0	64	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	(1)	(1)	(15)	17	0
Died, Without Beneficiary, and Other Terminations	(34)	0	29	0	(5)	(3)	(30)	0	(43)
Transfers	(10)	25	(5)	(10)	0	0	0	0	0
Beneficiary Deaths	0	0	0	0	0	0	0	(20)	(20)
Domestic Relations Orders	0	0	0	0	0	0	0	4	4
Withdrawals Paid	(66)	(1)	(37)	(11)	0	0	0	0	(115)
Member Reclassifications	0	2	(4)	7	0	1	(16)	1	(9)
July 1, 2013	3,924	266	197	659	79	220	2,553	397	8,295

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Reconciliation of Plan Membership Since Prior Valuation
General Members (County)**

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2012	3,113	167	189	536	78	102	2,107	310	6,602
New Entrants	237	0	0	0	0	0	0	0	237
Rehires	9	0	(5)	(4)	0	0	0	0	0
Duty Disabilities	0	0	0	0	0	0	0	0	0
Ordinary Disabilities	(1)	0	0	0	1	0	0	0	0
Retirements	(101)	(7)	0	(33)	0	0	141	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	1	0	1
Vested Terminations	(50)	0	0	50	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	(1)	0	(13)	14	0
Died, Without Beneficiary, and Other Terminations	(31)	0	26	0	(5)	(2)	(30)	0	(42)
Transfers	(8)	16	(3)	(6)	0	0	0	0	(1)
Beneficiary Deaths	0	0	0	0	0	0	0	(18)	(18)
Domestic Relations Orders	0	0	0	0	0	0	0	4	4
Withdrawals Paid	(54)	(1)	(35)	(9)	0	0	0	0	(99)
Member Reclassifications	0	2	(3)	3	0	1	(16)	1	(12)
July 1, 2013	3,114	177	169	537	73	101	2,190	311	6,672

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Reconciliation of Plan Membership Since Prior Valuation
Safety Members (County)**

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2012	578	61	22	87	6	106	289	84	1,233
New Entrants	66	0	0	0	0	0	0	0	66
Rehires	0	0	0	0	0	0	0	0	0
Duty Disabilities	(3)	0	0	0	0	3	0	0	0
Ordinary Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(15)	(2)	0	(4)	0	0	21	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	0	0	0
Vested Terminations	(8)	0	0	8	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	0	0	(2)	2	0
Died, Without Beneficiary, and Other Terminations	(3)	0	3	0	0	(1)	0	0	(1)
Transfers	(2)	6	(2)	(1)	0	0	0	0	1
Beneficiary Deaths	0	0	0	0	0	0	0	(2)	(2)
Domestic Relations Orders	0	0	0	0	0	0	0	0	0
Withdrawals Paid	(7)	0	(2)	(2)	0	0	0	0	(11)
Member Reclassifications	0	0	0	3	0	0	0	0	3
July 1, 2013	606	65	21	91	6	108	308	84	1,289

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013

APPENDIX A
MEMBERSHIP INFORMATION

Reconciliation of Plan Membership Since Prior Valuation
General Members (Ceres and Other Districts)

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2012	120	13	6	18	0	6	41	1	205
New Entrants	10	0	0	0	0	0	0	0	10
Rehires	0	0	0	0	0	0	0	0	0
Duty Disabilities	0	0	0	0	0	0	0	0	0
Ordinary Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(3)	0	0	(2)	0	0	5	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	0	0	0
Vested Terminations	(6)	0	0	6	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	0	0	0	0	0
Died, Without Beneficiary, and Other Terminations	0	0	0	0	0	0	0	0	0
Transfers	0	3	0	(3)	0	0	0	0	0
Beneficiary Deaths	0	0	0	0	0	0	0	0	0
Domestic Relations Orders	0	0	0	0	0	0	0	0	0
Withdrawals Paid	(5)	0	0	0	0	0	0	0	(5)
Member Reclassifications	0	0	0	0	0	0	0	0	0
July 1, 2013	116	16	6	19	0	6	46	1	210

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX A
MEMBERSHIP INFORMATION**

**Reconciliation of Plan Membership Since Prior Valuation
Safety Members (Ceres and Other Districts)**

	Actives	Transfers	Non Vested Terminations due Refunds	Vested Terminations	Ordinary Disabled	Duty Disabled	Retired	Beneficiaries	Total
July 1, 2012	83	8	2	12	0	6	6	0	117
New Entrants	7	0	0	0	0	0	0	0	7
Rehires	0	0	0	0	0	0	0	0	0
Duty Disabilities	0	0	0	0	0	0	0	0	0
Ordinary Disabilities	0	0	0	0	0	0	0	0	0
Retirements	(2)	0	0	(1)	0	0	3	0	0
Retirements from General with Safety Service	0	0	0	0	0	0	0	0	0
Vested Terminations	0	0	0	0	0	0	0	0	0
Died, With Beneficiaries' Benefit Payable	0	0	0	0	0	(1)	0	1	0
Died, Without Beneficiary, and Other Terminations	0	0	0	0	0	0	0	0	0
Transfers	0	0	0	0	0	0	0	0	0
Beneficiary Deaths	0	0	0	0	0	0	0	0	0
Domestic Relations Orders	0	0	0	0	0	0	0	0	0
Withdrawals Paid	0	0	0	0	0	0	0	0	0
Member Reclassifications	0	0	(1)	1	0	0	0	0	0
July 1, 2013	88	8	1	12	0	5	9	1	124

APPENDIX B
STATEMENT OF CURRENT ACTUARIAL ASSUMPTIONS AND METHODS

The assumptions and methods used in the actuarial valuation as of July 1, 2013 are:

Actuarial Methods

1. Actuarial Cost Method

Annual contributions to the Stanislaus County Employees' Retirement Association (the Plan) are computed under the Entry Age Normal Actuarial Cost Method, computed to the final decrement.

Under this Cost Method, the Normal Cost is calculated as the amount necessary to fund Members' benefits as a level percentage of total payroll over their projected working lives. At each valuation date, the Actuarial Accrued Liability is equal to the difference between the liability for the Members' total projected benefit and the present value of future Normal Cost contributions.

The excess of the Actuarial Accrued Liability over Plan assets is the Unfunded Actuarial Accrued Liability, and the liability for each valuation group is amortized as a level percentage of payroll over a closed period (23 years as of the current valuation).

Amounts may be added to or subtracted from the Unfunded Actuarial Accrued Liability due to Plan amendments or changes in actuarial assumptions.

The total Plan cost is the sum of the Normal Cost (computed on an Individual basis), the amortization of the Unfunded Actuarial Accrued Liability, and the expected Administrative Expenses.

2. Actuarial Value of Plan Assets

The Actuarial Value of Plan assets is modified market-related value. The market value of assets is adjusted to recognize, over a five-year period, differences between actual investment earnings and the assumed investment return. The Actuarial Value of Assets is limited to no less than 80% and no more than 120% of the market value. As of June 30, 2011, the Actuarial Value was reset to equal market value.

The detailed calculations of the Actuarial Value of Plan assets are shown in Section II.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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APPENDIX B
STATEMENT OF CURRENT ACTUARIAL ASSUMPTIONS AND METHODS

Actuarial Assumptions

1. Rate of Return

The annual rate of return on all Plan assets is assumed to be 7.75%, net of investment expenses.

2. Cost of Living

The cost of living as measured by the Consumer Price Index (CPI) will increase at the rate of 3.25% per year.

3. Administrative Expenses

An allowance of \$2,100,000 for Plan administrative expenses has been included in the annual cost calculated.

4. Interest Credited to Employee Accounts

The employee accounts are credited with 0.25% interest annually.

5. Increases in Pay

Base salary increase: Safety Members employed at a County location
13.40% for 2013, 3.50% thereafter

All other Members
3.50% for 2013 and thereafter

Assumed pay increases for active Members consist of increases due to base salary adjustments (as noted above), plus service-based increases due to longevity and promotion, as shown below.

Longevity & Promotion Increases		
Service	General	Safety
0	4.00%	8.00%
1	4.00%	7.00%
2	4.00%	6.00%
3	4.00%	5.00%
4	4.00%	4.00%
5-9	2.00%	2.00%
10-19	1.00%	1.00%
20-29	0.50%	1.00%
30+	0.50%	0.50%

APPENDIX B
STATEMENT OF CURRENT ACTUARIAL ASSUMPTIONS AND METHODS

6. PEPRA Compensation Limit

The assumption used for increasing the compensation limit that applies to PEPRA members is 3.25%

7. Post Retirement COLA

100% of CPI up to 3% annually with banking, 2.7% annual increases assumed.

8. Social Security Wage Base

General Plan 3 members have their benefits offset by an assumed Social Security Benefit. For projecting the Social Security Benefit, the annual Social Security Wage Base increase is assumed to be 3.5% per year.

9. Internal Revenue Code Section 415 Limit

The Internal Revenue Code Section 415 maximum benefit limitations are not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

10. Internal Revenue Code Section 401(a)(17)

The Internal Revenue Code Section 401(a)(17) maximum compensation limitation is not reflected in the valuation for funding purposes. Any limitation is reflected in a member's benefit after retirement.

11. Family Composition

Percentage married for all active members who retire, become disabled or die during active service is shown in the following table. Women are assumed to be three years younger than men.

Percentage Married	
Gender	Percentage
Males	90%
Females	50%

12. Accumulated Vacation Time Load

Active members' service retirement and related benefits are loaded by 2.5% for Safety Members and 3.5% for General Members for conversion of vacation time.

13. Rates of Separation

Rates of termination apply to all active Members who terminate their employment.

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013

APPENDIX B
STATEMENT OF CURRENT ACTUARIAL ASSUMPTIONS AND METHODS

Separate rates of termination are assumed among Safety and General Members.

Termination Rates			
Years of Service	<u>General</u>		<u>Safety</u>
	Male	Female	All
0	24.0%	14.0%	15.0%
1	14.0%	9.4%	15.0%
2	11.7%	7.9%	10.5%
3	9.4%	7.9%	10.0%
4	7.1%	7.1%	6.0%
5	5.0%	5.0%	3.7%
10	3.5%	3.5%	3.4%
15	2.9%	2.9%	1.9%
20	1.5%	1.5%	0.0%
25	1.3%	1.3%	0.0%
30+	0.0%	0.0%	0.0%

Termination rates do not apply once a member is eligible for retirement.

14. Withdrawal

Rates of withdrawal apply to active Members who terminate their employment and withdraw their member contributions, forfeiting entitlement to future Plan benefits. Separate rates of withdrawal are assumed among Safety and General Members, and are based on service. The rates do not overlap with the service retirement rates.

50% of all General Member terminations with less than ten years of service are assumed to take a refund of contributions, as well as 20% of those with ten or more years of service.

35% of all Safety Member terminations with less than ten years of service are assumed to take a refund of contributions, and 10% of those with ten or more years are assumed to take a refund.

15. Vested Termination and Reciprocal Transfers

Rates of vested termination apply to active Members who terminate their employment after five years of service and leave their member contributions on deposit with the Plan. Alternatively, those who terminate their employment with less than five years of service can leave their member contributions with the Plan and transfer to a reciprocal employer, therefore retaining entitlement to future Plan benefits.

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Vested terminated Tier 3 General Members are assumed to begin receiving benefits at age 65 while all other General Members are assumed to begin at age 58; terminated Safety Members are assumed to begin receiving benefits at age 53. 25% of vested terminated General Members are assumed to be reciprocal; 50% of vested terminated Safety Members are assumed to be reciprocal.

Reciprocal members are assumed to receive 4% annual pay increases from the date of transfer to the assumed retirement date.

16. Rates of Service-Connected Disability

Separate rates of duty disability are assumed among Safety and General Members; rates for both sexes for Safety Members are combined. Below are sample rates:

Rates of Service-Connected Disability			
Age	<u>General</u>		<u>Safety</u>
	Male	Female	All
20	0.0043%	0.0002%	0.0759%
25	0.0102%	0.0004%	0.1932%
30	0.0211%	0.0008%	0.3457%
35	0.0284%	0.0024%	0.5309%
40	0.0401%	0.0056%	0.7426%
45	0.0613%	0.0101%	1.1297%
50	0.0897%	0.0162%	1.5092%
55	0.1227%	0.0249%	1.7230%
60	0.1637%	0.0349%	0.0000%
65	0.0000%	0.0000%	0.0000%

17. Rates of Nonservice-Connected Disability

Separate rates of ordinary disability are assumed among Safety and General Members; rates for both sexes for Safety Members are combined. The rates shown are applied after five Years of Service. Below are sample rates:

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STATEMENT OF CURRENT ACTUARIAL ASSUMPTIONS AND METHODS

Rates of Non Service-Connected Disability			
Age	<u>General</u>		<u>Safety</u>
	Male	Female	All
20	0.0130%	0.0025%	0.0173%
25	0.0307%	0.0050%	0.0409%
30	0.0316%	0.0100%	0.0421%
35	0.0426%	0.0281%	0.0568%
40	0.0602%	0.0446%	0.0802%
45	0.0920%	0.0808%	0.1227%
50	0.1345%	0.1295%	0.1793%
55	0.1840%	0.1990%	0.2453%
60	0.2456%	0.2764%	0.0000%
65	0.0000%	0.0000%	0.0000%

18. Rates of Mortality for Healthy Lives

Rates of mortality for active Members are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA). Duty related mortality rates are only applicable for Safety Active Members. Sample rates are as follows:

Mortality Rates			
Age	<u>Ordinary Death - General and Safety</u>		<u>Duty Death</u>
	Male	Female	Safety All
20	0.0235%	0.0138%	0.0150%
25	0.0308%	0.0156%	0.0189%
30	0.0402%	0.0216%	0.0254%
35	0.0699%	0.0381%	0.0357%
40	0.0919%	0.0522%	0.0564%
45	0.1161%	0.0814%	0.0885%
50	0.1487%	0.1189%	0.0703%
55	0.2469%	0.2314%	0.1055%
60	0.4887%	0.4573%	0.0000%
65	0.9607%	0.8780%	0.0000%
70	1.6413%	1.5145%	0.0000%

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19. Rates of Mortality for Disabled Retirees

Rates of mortality for disabled Members are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA) set forward 7 years. Sample rates are as follows:

Disabled Mortality Rates		
Age	Male	Female
45	0.178%	0.152%
50	0.333%	0.315%
55	0.647%	0.602%
60	1.237%	1.100%
65	2.016%	1.832%
70	3.611%	2.963%
75	6.854%	4.892%
80	12.062%	8.892%
85	20.397%	14.843%
90	28.808%	21.098%

20. Retired Member and Beneficiary Mortality

Rates of mortality for retired Members and their beneficiaries are specified by the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA). Sample rates are shown below.

Retired Mortality Rates		
Age	Male	Female
45	0.116%	0.081%
50	0.149%	0.119%
55	0.247%	0.231%
60	0.489%	0.457%
65	0.961%	0.868%
70	1.641%	1.514%
75	2.854%	2.393%
80	5.265%	3.987%
85	9.624%	6.866%
90	16.928%	12.400%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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STATEMENT OF CURRENT ACTUARIAL ASSUMPTIONS AND METHODS**

21. Mortality Improvement

No mortality improvement is explicitly assumed; however we build a margin in our mortality assumption between the actual and expected number of deaths in order to assume some future mortality improvements. The experience study report for the period covering July 1, 2009 to June 30, 2012 contains a full description of these margins.

22. Rates of Retirement

Retirement is assumed to occur among eligible members in accordance with the table below:

Rates of Retirement		
Age	General	Safety
40-44	0.00%	5.00%
45-49	0.00%	5.00%
50	5.00%	15.00%
51	4.00%	15.00%
52	4.00%	15.00%
53	5.00%	15.00%
54	6.00%	15.00%
55	10.00%	15.00%
56	10.00%	15.00%
57	10.00%	20.00%
58	12.00%	30.00%
59	15.00%	30.00%
60	18.00%	100.00%
61	18.00%	100.00%
62	30.00%	100.00%
63	25.00%	100.00%
64	25.00%	100.00%
65	40.00%	100.00%
66	30.00%	100.00%
67	30.00%	100.00%
68	30.00%	100.00%
69	30.00%	100.00%
70	100.00%	100.00%

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STATEMENT OF CURRENT ACTUARIAL ASSUMPTIONS AND METHODS

23. Changes in Actuarial Assumptions

Interest Credited to Employee Accounts:

Last year's valuation assumed employee accounts were credited with 0.00% interest annually.

Increases in Pay

Base salary increase: 3.50% for all members (no special increase for County Safety for 2014).

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PLAN PROVISIONS

All actuarial calculations are based on our understanding of the statutes governing the StanCERA as contained in the County Employees Retirement Law (CERL) of 1937, with provisions adopted by the County Board of Supervisors, a district Board of Directors, or the StanCERA Board, effective through June 30, 2013. The benefit and contribution provisions of this law are summarized briefly below, (along with corresponding references to the State Code). This summary does not attempt to cover all the detailed provisions of the law.

A. Definitions

Compensation: Compensation means the cash remuneration for services paid by the employer. It includes base pay and certain differential, incentive, and special pay allowances defined by the Board of Retirement. Overtime is excluded, with the exception of overtime paid under the Fair Labor Standards Act that is regular and recurring.

For Tier 6 (PEPRA) members, only pensionable compensation up to the Social Security Taxable Wage Base (\$113,700 for 2013) will count for computing Plan benefits and employee contributions and employer contributions for those participating in Social Security. For those not participating in Social Security, the compensation cap is 120% of the Taxable Wage Base (\$136,440 for 2013). In addition, it is possible that some sources of compensation, such as any payments deemed to be terminal or special pays, may be excluded from the benefit and contribution computations for PEPRA members.

Credited Service: In general, Credited Service is earned for the period during which Member Contributions are paid. Since Tier 3 Members participate in a non-contributory Plan, their Credited Service is calculated based on their date of Membership only.

Temporary service for which the Member was not credited, or service for which the Member withdrew his or her Member Contributions, may be purchased by paying or repaying the Member Contributions with interest. The categories of services that credit may be purchased for are listed below:

- **Prior Part-time Service:** If a Member worked for an employer within the Association on a part-time or 'extra help' basis before his membership in the Retirement Association, the Member may buyback this service.
- **Intermittent Part-time Service**

APPENDIX C
PLAN PROVISIONS

- **Prior full time Service:** Member may buyback full time service that may have been cashed out upon termination.
- **Leave of Absence (Including absence with State Disability or Worker's Compensation):**): No unpaid leave of absence can be bought back except for absence due to medical reasons of up to one year.
- **Public Service:** Only Tier 1 and 4 Members may buy back this service.
- **Military Time:** Only Tier 1 and 4 Members may buy back this service.
- **Enhance Prior Tier Service:** Applies to certain active and deferred Members with Tier 1, 2 or 3 service.
- **Military "call up"**
- **AB 2766:** Only Safety Employees can buy back this service.

A percentage of credited sick leave may be credited according to the Member's applicable bargaining unit.

Final

Compensation: For Members belonging to Tier 2, Tier 3 and Tier 6, Final Compensation means the highest Compensation earned during any thirty six consecutive months of the Member's employment. For all others, it is the highest Compensation earned during any twelve months of employment.

General Member: Any Member who is not a Safety Member is a General Member.

Safety Member: Any sworn Member engaged in law enforcement, probation, or fire suppression is a Safety Member.

B. Membership

Eligibility: All full-time, permanent employees of Stanislaus County, City of Ceres, Stanislaus County Superior Court, Salida Sanitary District, East Side Mosquito Abatement, Keyes Community Services, Hills Ferry Cemetery and StanCOG hired on or after October 1, 1988 become Members on their date of appointment. All others hired before October 1, 1988 became Members on the first day of the calendar month following their date of appointment.

APPENDIX C
PLAN PROVISIONS

Detailed membership eligibility according to Tier and membership date is shown in Table 1 on the following page.

C. Service Retirement

Eligibility: Tier 3 General Members are eligible to retire at age 55 if they have earned ten years of Credited Service. Tier 6 (PEPRA) General Members are eligible to retire at age 52 if they have earned five years of Credited Service. All other General Members are eligible to retire at age 50 if they have earned five years of Credited Service and have been an Association member for at least ten years. Alternatively, General non-PEPRA Members are eligible to retire at any age after having earned 30 years of Credited Service, or upon reaching age 70 with no service requirement.

Safety Members are eligible to retire at age 50 if they have earned five years of Credited Service and have been an Association member for at least ten years. Alternatively, Safety Members are eligible to retire at any age after having earned 20 years of Credited Service, or upon reaching age 70 with no service requirement. The 20-year Credited Service retirement eligibility is not applicable to Tier 6 (PEPRA) Safety Members.

Benefit Amount: The Service Retirement Benefit payable to the Member is equal to the Member's Final Compensation multiplied by credited service, the benefit factor from Table 1 and the age factor from Table 2 corresponding to the Member's code section. The appropriate code sections for each group are listed in Table 1.

For Tier 3 Members with Credited Service up to thirty five years, the percentage of Final Compensation may not exceed 70% and for those with more than thirty five years, it may not exceed 80%. For all other non-PEPRA Members, the percentage of Final Compensation may not exceed 100%. For those members integrated with Social Security (other than Tiers 3 and 6), Retirement Benefits based on the first \$350 of monthly Final Average Compensation are reduced by one-third.

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX C
PLAN PROVISIONS**

Table 1: Member Group Descriptions

Group	Open or Closed	FAP	Max Cola	Code Section	Description	Top Retirement Factor Age	Benefit Factor
General Tier I	Closed	1	3	31676.12	2% at 57	62	2.00%
General Tier II	Open	3	3	31676.1	2% at 62	65	1.67%
General Tier III	Closed	3	0	31499.14	Non-Contributory	65	First 35 Years: 2.0% of FAS less 1/35 th of Social Security benefit at age 65. Next 10 Years: 1% of FAS
General Tier IV	Closed	1	3	31676.14	2% at 55	65	1.67%
General Tier V	Closed	1	3	31676.14	2% at 55	65	1.67%
General Tier VI	Open	3	3	7522.20	PEPRA	67	1.00%
Safety Tier II	Open	3	3	31664	2% at 50	50	2.00%
Safety Tier IV	Closed	1	3	31664.1	3% at 50	50	3.00%
Safety Tier V	Closed	1	3	31664.1	3% at 50	50	3.00%
Safety Tier VI	Open	3	3	7522.25 (2)	PEPRA	57	1.00%

Table 2: Age Factors

Age	Safety 2% at Age 50 CERL §: 31664	Safety 3% at Age 50 CERL §: 31664.1	Safety PEPRA GC§: 7522.25 Opt2	General 2% at Age 62 CERL §: 31676.1	General 2% at Age 57 CERL §: 31676.12	General 2% at Age 55 CERL §: 31676.14	General 2% at Age 65 CERL §: 31499.14	General PEPRA GC§: 7522.20
41	0.6258	0.6258	N/A	N/A	N/A	N/A	N/A	N/A
42	0.6625	0.6625	N/A	N/A	N/A	N/A	N/A	N/A
43	0.7004	0.7004	N/A	N/A	N/A	N/A	N/A	N/A
44	0.7397	0.7397	N/A	N/A	N/A	N/A	N/A	N/A
45	0.7805	0.7805	N/A	N/A	N/A	N/A	N/A	N/A
46	0.8226	0.8226	N/A	N/A	N/A	N/A	N/A	N/A
47	0.8678	0.8678	N/A	N/A	N/A	N/A	N/A	N/A
48	0.9085	0.9085	N/A	N/A	N/A	N/A	N/A	N/A
49	0.9522	0.9522	N/A	N/A	N/A	N/A	N/A	N/A
50	1.0000	1.0000	2.0000	0.7091	0.6681	0.8850	N/A	N/A
51	1.0516	1.0000	2.1000	0.7457	0.7056	0.9399	N/A	N/A
52	1.1078	1.0000	2.2000	0.7816	0.7454	1.0000	N/A	1.0000
53	1.1692	1.0000	2.3000	0.8181	0.7882	1.0447	N/A	1.1000
54	1.2366	1.0000	2.4000	0.8556	0.8346	1.1048	N/A	1.2000
55	1.3099	1.0000	2.5000	0.8954	0.8850	1.1686	0.3900	1.3000
56	1.3099	1.0000	2.6000	0.9382	0.9399	1.2365	0.4300	1.4000
57	1.3099	1.0000	2.7000	0.9846	1.0000	1.3093	0.4700	1.5000
58	1.3099	1.0000	2.7000	1.0350	1.0447	1.3608	0.5100	1.6000
59	1.3099	1.0000	2.7000	1.0899	1.1048	1.4123	0.5600	1.7000
60	1.3099	1.0000	2.7000	1.1500	1.1686	1.4638	0.6100	1.8000
61	1.3099	1.0000	2.7000	1.1947	1.2365	1.5153	0.6700	1.9000
62	1.3099	1.0000	2.7000	1.2548	1.3093	1.5668	0.7400	2.0000
63	1.3099	1.0000	2.7000	1.3186	1.3093	1.5668	0.8200	2.1000
64	1.3099	1.0000	2.7000	1.3865	1.3093	1.5668	0.9000	2.2000
65	1.3099	1.0000	2.7000	1.4593	1.3093	1.5668	1.0000	2.3000
66	1.3099	1.0000	2.7000	1.4593	1.3093	1.5668	1.0000	2.4000
67	1.3099	1.0000	2.7000	1.4593	1.3093	1.5668	1.0000	2.5000

Form of Benefit: The Service Retirement Benefit will be paid monthly beginning at retirement and for the life of the Member. If the member selects the unmodified benefit form, in the event of the Member's death 60% of the

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benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms are also available.

Annually on April 1, benefits for all retired members other than those in Tier 3 are adjusted to reflect changes in the CPI for the San Francisco Bay Area since the prior year. Benefits may be increased or decreased, but the cumulative changes shall never reduce the benefit below the original monthly allowance. Annual increases may not exceed the COLA figures shown in Table 1, but CPI increases above this figure are "banked" and used for future increases when the CPI increases by less than the figures shown.

In addition, ad hoc cost of living adjustments have been granted in the past and may be granted in the future.

A lump sum benefit of \$5,000 will be payable upon the death of a retired member. No death benefit is payable for Tier 3 retired members.

D. Service-Connected Disability:

Eligibility: All non-Tier 3 Members are eligible for Service-Connected Disability Retirement benefits at any age if they are permanently disabled as a result of injuries or illness sustained in the line of duty. Tier 3 Members are not eligible to receive disability benefits.

Benefit Amount: The Service-Connected Disability Retirement Benefit payable to Members is equal to the greater of 50% of their Final Compensation or – if the Member is eligible at disability for a Service Retirement Benefit – the Service Retirement Benefit accrued on the date of disability.

Form of Benefit: The Service-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement and for the life of the Member; in the event of the Member's death, 100% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

APPENDIX C
PLAN PROVISIONS

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member.

E. Nonservice-Connected Disability

Eligibility: Tier 3 Members are not eligible to receive disability benefits. All other Members are eligible for Nonservice-Connected Disability Retirement benefits if they are permanently disabled at any age after earning five years of Credited Service.

Benefit Amount: The Nonservice-Connected Disability Retirement Benefit payable to Tier 1 General Members is equal to the greatest of:

- 1.8% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.8% of Final Compensation at disability multiplied by years of Credited Service projected to age 62, but not to exceed one-third of Final Compensation; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

The Nonservice-Connected Disability Retirement Benefit payable to Tiers 2, 4 5, and 6 General Members is equal to the greatest of:

- 1.5% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.5% of Final Compensation at disability multiplied by years of Credited Service projected to age 65, but not to exceed one-third of Final Compensation; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

The Nonservice-Connected Disability Retirement Benefit payable to Safety Members is equal to the greatest of:

- 1.8% of Final Compensation at disability multiplied by years of Credited Service at disability;
- 1.8% of Final Compensation at disability multiplied by years of Credited Service projected to age 55, but not to exceed one-third of Final Compensation; or
- If the Member is eligible at disability for a Service Retirement Benefit, the Service Retirement Benefit accrued on the date of disability.

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PLAN PROVISIONS

Form of Benefit: The Nonservice-Connected Disability Retirement Benefit will be paid monthly beginning at the effective date of disability retirement, and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump sum benefit of \$5,000 will be payable upon the death of the member.

F. Death Benefit

Eligibility: A Tier 3 Member's survivors are not eligible to receive death benefits. All other Members' survivors are eligible to receive different Death benefits dependent on the Member's cause of death and retirement eligibility.

Benefit Amount: In the event the Member's death resulted from injury or illness sustained in connection with the Member's duties, the Death Benefit payable to a surviving spouse, domestic partner or eligible dependent children will be the greater of 50% of the Member's Final Compensation at the time of death or the Service Retirement Benefit.

In the event the Member's death did not result from injury or illness sustained in connection with the Member's duties and at the time of death, the Member was eligible for Service Retirement or Non-Service Connected Disability (i.e. the employee was employed at least five years), the Death Benefit payable to the spouse, partner or children will be 60% of the survivor benefit based on benefit due on Member's date of death.

In all other cases, the designated beneficiary (not necessarily a spouse/partner/child) will receive a refund of the Member's contributions with interest plus one month of Final Compensation for each year of service to a maximum of six years.

Form of Benefit: Annuity death benefits will be paid monthly beginning at the Member's death and for the life of the surviving spouse/partner or to the age of majority of dependent minor children if there is no spouse/partner. Lump sum benefits will be paid as described above.

APPENDIX C
PLAN PROVISIONS

COLA adjustments (as described for the annuity benefits) are also available.

G. Withdrawal Benefits

Eligibility: Tier 3 Members are not eligible to receive withdrawal benefits. All other Members are eligible for a Withdrawal Benefit upon termination of employment, if not eligible to receive or electing to waive a monthly benefit.

Benefit Amount: The Withdrawal Benefit is a refund of the Member's accumulated Contributions with interest. Upon receipt of the Withdrawal Benefit the Member forfeits all Credited Service.

Form of Benefit: The Withdrawal Benefit is paid in a lump sum upon election by the Member.

H. Deferred Vested Benefit

Eligibility: A Member is eligible for a Deferred Vested Benefit upon termination of employment after earning five years of Credited Service, including reciprocity service from another system. For Tier 3 Members, the vesting requirement is ten years of Credited Service.

The Member must leave his or her Member Contributions with interest on deposit with the Plan. This requirement does not apply to Tier 3 Members since they participate in a non-contributory Plan.

Benefit Amount: The Deferred Vested Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service and Final Compensation on the date of termination.

Form of Benefit: The Deferred Vested Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available. A lump

APPENDIX C
PLAN PROVISIONS

sum benefit of \$5,000 will be payable upon the death of the member. No death benefit is payable for Tier 3 retired members.

I. Reciprocal Benefit

Eligibility: A Member is eligible for a Reciprocal Benefit upon termination of employment after earning five years of Credited Service and entry, within a specified period of time, into another retirement system recognized as a reciprocal system by the Plan. For Tier 3 Members, the vesting requirement is ten years of Credited Service.

The Member must leave his or her Member Contributions with interest on deposit with the Plan. This requirement does not apply to Tier 3 Members since they participate in a non-contributory Plan.

Benefit Amount: The Reciprocal Benefit is computed in the same manner as the Service Retirement Benefit, but it is based on Credited Service on the date of termination and Final Compensation on the date of retirement; Final Compensation is based on the highest of the Compensation earned under this Plan or the reciprocal plan.

Form of Benefit: The Reciprocal Benefit will be paid monthly beginning at retirement and for the life of the Member; in the event of the Member's death, 60% of the benefit will continue for the life of the Member's spouse or to the age of majority of dependent minor children if there is no spouse. For Tier 3 Members, the benefit payable to beneficiary is limited to 50%. In the event there is no surviving spouse or minor children, any unpaid remainder of the Member's accumulated contributions will be paid to the Member's designated beneficiary.

Actuarially equivalent optional benefit forms and COLA adjustments (as described for the Service Retirement benefit) are also available.

A lump sum benefit of \$5,000 will be payable upon the death of the member. No death benefit is payable for Tier 3 retired members.

J. Optional Benefit Forms

Prior to retirement, a member may elect to convert his retirement allowance into a benefit of equivalent actuarial value in accordance with one of the optional forms described below.

1. A reduced retirement allowance payable during his life with the provision that on his death the excess, if any, of his accumulated

**APPENDIX C
PLAN PROVISIONS**

- deductions at the time of retirement over the annuity payments made to him will be paid to his designated beneficiary or estate; or
2. A reduced retirement allowance payable during his life with the provision that after his death the reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement; or
 3. A reduced retirement allowance payable during his life with the provision that after his death an allowance of one-half of his reduced allowance will be continued for life to the beneficiary designated by him at the time of his retirement.

In addition, a member participating in Social Security may elect to receive an increased monthly allowance before age 62 (earliest possible receipt of Social Security benefits) and then take a reduced monthly allowance at age 62 and after. This option will not affect any monthly payments payable to a beneficiary. This option is not available to those receiving a disability benefit.

K. Member Contributions

Other than Tiers 3 and 6, all Members contribute a percentage of Compensation to the Plan through payroll deduction. The percentage contributed depends on the Member's nearest age upon joining the Plan. Members do not contribute after earning 30 years of Credited Service.

Tier 6 (PEPRA) Members must contribute half of the Normal Cost of the Plan. Contributions for these members will be based on the Normal Cost associated with their benefits; General and Safety members will pay different rates. Members will continue to contribute after earnings 30 years of service.

City of Ceres members in Tiers 1 and 4 pay the Tier 2 and 5 rates ("Full" rates), rather than the rates for their respective Tiers ("Half" rates).

Interest is credited semiannually to each Member's accumulated contributions. The crediting rate is set by the Board; the current annual rate is 0.00%.

The employee contribution rates are shown in the Appendix E.

L. Changes in Plan Provisions

There have been no changes in Plan provisions for the non-PEPRA tiers since the prior review. The PEPRA (Tier 6) tiers were included for the first time in the current valuation.

**APPENDIX D
GLOSSARY**

1. Actuarial Assumptions

Assumptions as to the occurrence of future events affecting pension costs such as mortality, withdrawal, disability, retirement, changes in compensation, and rates of investment return.

2. Actuarial Cost Method

A procedure for determining the Actuarial Present Value of pension plan benefits and expenses and for developing an allocation of such value to each year of service, usually in the form of a Normal Cost and an Actuarial Liability.

3. Actuarial Gain (Loss)

The difference between actual experience and that expected based upon a set of Actuarial Assumptions during the period between two Actuarial Valuation dates, as determined in accordance with a particular Actuarial Cost Method.

4. Actuarial Liability

The portion of the Actuarial Present Value of Projected Benefits which will not be paid by future Normal Costs. It represents the value of the past Normal Costs with interest to the valuation date.

5. Actuarial Present Value (Present Value)

The value as of a given date of a future amount or series of payments. The Actuarial Present Value discounts the payments to the given date at the assumed investment return and includes the probability of the payment being made.

6. Actuarial Valuation

The determination, as of a specified date, of the Normal Cost, Actuarial Liability, Actuarial Value of Assets, and related Actuarial Present Values for a pension plan.

7. Actuarial Value of Assets

The value of cash, investments and other property belonging to a pension plan as used by the actuary for the purpose of an Actuarial Valuation. The purpose of an Actuarial Value of Assets is to smooth out fluctuations in market values.

**APPENDIX D
GLOSSARY**

8. Actuarially Equivalent

Of equal Actuarial Present Value, determined as of a given date, with each value based on the same set of actuarial assumptions.

9. Amortization Payment

The portion of the pension plan contribution which is designed to pay interest and principal on the Unfunded Actuarial Liability in order to pay for that liability in a given number of years.

10. Entry Age Normal Actuarial Cost Method

A method under which the Actuarial Present Value of the Projected Benefits of each individual included in an Actuarial Valuation is allocated on a level basis over the earnings of the individual between entry age and assumed exit ages.

11. Funded Ratio

The ratio of the Actuarial Value of Assets to the Actuarial Liability.

12. Normal Cost

That portion of the Actuarial Present Value of pension plan benefits and expenses which is allocated to a valuation year by the Actuarial Cost Method.

13. Projected Benefits

Those pension plan benefit amounts which are expected to be paid in the future under a particular set of Actuarial Assumptions, taking into account such items as increases in future compensation and service credits.

14. Unfunded Actuarial Liability

The excess of the Actuarial Liability over the Actuarial Value of Assets.

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX E
MEMBER CONTRIBUTION RATES**

Employee contribution rates vary by member Group and Tier. City of Ceres members in Tiers 1 and 4 pay the Tier 2 and 5 rates ("Full" rates), rather than the rates for their respective Tiers ("Half" rates).

The rates were changed following an experience study covering the period 2009-2012. The current employee contribution rates are shown in the following tables.

Current rates were determined by EFI based on an interest rate of 7.75% per annum, an average salary increase of 3.50% per year, and the Retired Pensioners (RP) 2000 tables published by the Society of Actuaries (projected from 2000 to 2020 using Scale AA) with no age adjustment. The rates are blended using a male/female weighting of 25% male / 75% female for General members, and 80% male / 20% female for Safety members. Basic and COLA rates were determined based on an assumption that members would cease making contributions after 30 years of service.

Employee contribution rates for Tier 6 (PEPRA) members are determined based on half the Normal Cost for the PEPRA members (computed separately for General and Safety members, and for County and Ceres / Other District members). Due to the passage of SB13, contribution rates for PEPRA members are not rounded, and are recomputed each year.

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX E
MEMBER CONTRIBUTION RATES**

General Tier 1				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
16	2.08%	3.12%	1.14%	1.71%
17	2.08%	3.12%	1.14%	1.71%
18	2.08%	3.12%	1.14%	1.71%
19	2.08%	3.12%	1.14%	1.71%
20	2.08%	3.12%	1.14%	1.71%
21	2.10%	3.15%	1.16%	1.74%
22	2.12%	3.18%	1.18%	1.77%
23	2.14%	3.21%	1.20%	1.80%
24	2.16%	3.24%	1.22%	1.83%
25	2.17%	3.26%	1.24%	1.86%
26	2.19%	3.28%	1.26%	1.89%
27	2.20%	3.30%	1.28%	1.92%
28	2.21%	3.31%	1.30%	1.95%
29	2.22%	3.32%	1.32%	1.99%
30	2.22%	3.33%	1.35%	2.02%
31	2.27%	3.41%	1.37%	2.05%
32	2.32%	3.48%	1.39%	2.09%
33	2.37%	3.56%	1.42%	2.13%
34	2.43%	3.64%	1.45%	2.17%
35	2.48%	3.73%	1.48%	2.21%
36	2.54%	3.81%	1.50%	2.25%
37	2.60%	3.90%	1.53%	2.30%
38	2.66%	3.99%	1.56%	2.34%
39	2.72%	4.08%	1.59%	2.39%
40	2.77%	4.16%	1.62%	2.43%
41	2.73%	4.09%	1.64%	2.46%
42	2.78%	4.17%	1.67%	2.50%
43	2.83%	4.25%	1.69%	2.53%
44	2.89%	4.33%	1.71%	2.56%
45	2.94%	4.42%	1.73%	2.59%
46	3.00%	4.51%	1.75%	2.62%
47	3.07%	4.60%	1.76%	2.64%
48	3.13%	4.70%	1.77%	2.66%
49	3.20%	4.80%	1.78%	2.67%
50	3.24%	4.86%	1.78%	2.68%
51	3.29%	4.93%	1.77%	2.66%
52	3.33%	5.00%	1.75%	2.63%
53	3.39%	5.08%	1.69%	2.54%
54	3.44%	5.17%	1.65%	2.47%
55	3.45%	5.17%	1.61%	2.41%
56	3.45%	5.17%	1.53%	2.30%
57	3.45%	5.17%	1.48%	2.23%
58	3.45%	5.18%	1.44%	2.16%
59+	3.45%	5.18%	1.41%	2.11%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX E
MEMBER CONTRIBUTION RATES**

General Tier 2				
Entry	Basic	Basic	COL	COL
Age	First \$350	Over \$350	First \$350	Over \$350
16	3.26%	4.89%	0.93%	1.40%
17	3.26%	4.89%	0.93%	1.40%
18	3.26%	4.89%	0.93%	1.40%
19	3.26%	4.89%	0.93%	1.40%
20	3.26%	4.89%	0.93%	1.40%
21	3.29%	4.94%	0.94%	1.42%
22	3.32%	4.99%	0.96%	1.44%
23	3.35%	5.03%	0.97%	1.46%
24	3.38%	5.07%	0.99%	1.48%
25	3.40%	5.11%	1.00%	1.50%
26	3.43%	5.14%	1.01%	1.52%
27	3.44%	5.17%	1.03%	1.54%
28	3.46%	5.19%	1.05%	1.57%
29	3.47%	5.21%	1.06%	1.59%
30	3.48%	5.22%	1.08%	1.62%
31	3.56%	5.34%	1.10%	1.65%
32	3.64%	5.46%	1.12%	1.68%
33	3.72%	5.58%	1.14%	1.71%
34	3.81%	5.71%	1.16%	1.74%
35	3.89%	5.84%	1.18%	1.78%
36	3.98%	5.97%	1.21%	1.81%
37	4.07%	6.11%	1.23%	1.85%
38	4.16%	6.24%	1.26%	1.88%
39	4.24%	6.37%	1.28%	1.92%
40	4.32%	6.48%	1.30%	1.96%
41	4.35%	6.53%	1.32%	1.99%
42	4.44%	6.65%	1.34%	2.02%
43	4.52%	6.78%	1.36%	2.05%
44	4.61%	6.91%	1.38%	2.07%
45	4.70%	7.05%	1.40%	2.09%
46	4.79%	7.19%	1.41%	2.12%
47	4.89%	7.34%	1.43%	2.14%
48	4.98%	7.47%	1.44%	2.16%
49	5.06%	7.58%	1.45%	2.18%
50	5.12%	7.68%	1.46%	2.19%
51	5.19%	7.79%	1.46%	2.19%
52	5.27%	7.90%	1.46%	2.19%
53	5.32%	7.98%	1.45%	2.17%
54	5.34%	8.01%	1.43%	2.14%
55	5.35%	8.02%	1.40%	2.10%
56	5.35%	8.02%	1.34%	2.00%
57	5.35%	8.03%	1.30%	1.94%
58	5.55%	8.32%	1.26%	1.89%
59+	5.76%	8.63%	1.23%	1.85%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX E
MEMBER CONTRIBUTION RATES**

General Tier 4				
Entry	Basic	Basic	COL	COL
Age	First \$350	Over \$350	First \$350	Over \$350
16	1.93%	2.90%	1.21%	1.81%
17	1.93%	2.90%	1.21%	1.81%
18	1.93%	2.90%	1.21%	1.81%
19	1.93%	2.90%	1.21%	1.81%
20	1.93%	2.90%	1.21%	1.81%
21	1.94%	2.91%	1.23%	1.84%
22	1.95%	2.93%	1.25%	1.88%
23	1.96%	2.94%	1.27%	1.91%
24	1.97%	2.95%	1.29%	1.94%
25	1.97%	2.96%	1.32%	1.97%
26	2.02%	3.03%	1.34%	2.00%
27	2.06%	3.10%	1.36%	2.04%
28	2.11%	3.17%	1.38%	2.07%
29	2.16%	3.24%	1.40%	2.10%
30	2.21%	3.31%	1.42%	2.14%
31	2.26%	3.39%	1.45%	2.17%
32	2.31%	3.47%	1.47%	2.21%
33	2.36%	3.55%	1.50%	2.25%
34	2.42%	3.63%	1.53%	2.29%
35	2.46%	3.70%	1.56%	2.33%
36	2.43%	3.64%	1.58%	2.38%
37	2.47%	3.71%	1.61%	2.42%
38	2.52%	3.78%	1.64%	2.46%
39	2.57%	3.85%	1.67%	2.51%
40	2.62%	3.93%	1.70%	2.55%
41	2.67%	4.00%	1.72%	2.58%
42	2.72%	4.09%	1.74%	2.62%
43	2.78%	4.17%	1.76%	2.65%
44	2.84%	4.27%	1.78%	2.67%
45	2.88%	4.32%	1.80%	2.70%
46	2.92%	4.38%	1.81%	2.71%
47	2.96%	4.44%	1.81%	2.72%
48	3.01%	4.51%	1.82%	2.73%
49	3.06%	4.59%	1.82%	2.73%
50	3.06%	4.59%	1.81%	2.72%
51	3.06%	4.60%	1.79%	2.69%
52	3.07%	4.60%	1.77%	2.65%
53	3.07%	4.60%	1.70%	2.56%
54+	3.07%	4.60%	1.66%	2.49%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX E
MEMBER CONTRIBUTION RATES**

General Tier 5				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
16	3.86%	5.79%	1.21%	1.81%
17	3.86%	5.79%	1.21%	1.81%
18	3.86%	5.79%	1.21%	1.81%
19	3.86%	5.79%	1.21%	1.81%
20	3.86%	5.79%	1.21%	1.81%
21	3.89%	5.83%	1.23%	1.84%
22	3.91%	5.86%	1.25%	1.88%
23	3.92%	5.89%	1.27%	1.91%
24	3.94%	5.91%	1.29%	1.94%
25	3.95%	5.92%	1.32%	1.97%
26	4.04%	6.06%	1.34%	2.00%
27	4.13%	6.19%	1.36%	2.04%
28	4.22%	6.33%	1.38%	2.07%
29	4.32%	6.48%	1.40%	2.10%
30	4.42%	6.62%	1.42%	2.14%
31	4.52%	6.77%	1.45%	2.17%
32	4.62%	6.93%	1.47%	2.21%
33	4.73%	7.09%	1.50%	2.25%
34	4.84%	7.26%	1.53%	2.29%
35	4.93%	7.39%	1.56%	2.33%
36	4.85%	7.28%	1.58%	2.38%
37	4.94%	7.41%	1.61%	2.42%
38	5.04%	7.55%	1.64%	2.46%
39	5.13%	7.70%	1.67%	2.51%
40	5.23%	7.85%	1.70%	2.55%
41	5.34%	8.01%	1.72%	2.58%
42	5.45%	8.17%	1.74%	2.62%
43	5.56%	8.35%	1.76%	2.65%
44	5.69%	8.53%	1.78%	2.67%
45	5.76%	8.64%	1.80%	2.70%
46	5.84%	8.76%	1.81%	2.71%
47	5.93%	8.89%	1.81%	2.72%
48	6.02%	9.03%	1.82%	2.73%
49	6.12%	9.18%	1.82%	2.73%
50	6.13%	9.19%	1.81%	2.72%
51	6.13%	9.19%	1.79%	2.69%
52	6.13%	9.20%	1.77%	2.65%
53	6.14%	9.20%	1.70%	2.56%
54+	6.14%	9.21%	1.66%	2.49%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
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**APPENDIX E
MEMBER CONTRIBUTION RATES**

Safety Tier 2				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
20	4.83%	7.24%	2.05%	3.08%
21	4.92%	7.38%	2.11%	3.17%
22	5.01%	7.51%	2.16%	3.23%
23	5.10%	7.65%	2.20%	3.30%
24	5.20%	7.79%	2.24%	3.35%
25	5.29%	7.94%	2.28%	3.41%
26	5.39%	8.09%	2.32%	3.47%
27	5.49%	8.24%	2.36%	3.53%
28	5.60%	8.39%	2.40%	3.60%
29	5.70%	8.55%	2.44%	3.66%
30	5.81%	8.71%	2.48%	3.72%
31	5.87%	8.81%	2.53%	3.80%
32	5.99%	8.98%	2.58%	3.87%
33	6.10%	9.15%	2.63%	3.95%
34	6.22%	9.34%	2.69%	4.03%
35	6.35%	9.53%	2.74%	4.11%
36	6.48%	9.72%	2.80%	4.20%
37	6.62%	9.93%	2.85%	4.28%
38	6.75%	10.12%	2.91%	4.37%
39	6.86%	10.29%	2.97%	4.45%
40	6.96%	10.45%	3.03%	4.55%
41	7.07%	10.61%	3.08%	4.62%
42	7.20%	10.79%	3.12%	4.69%
43	7.29%	10.93%	3.16%	4.74%
44	7.33%	11.00%	3.19%	4.78%
45	7.32%	10.97%	3.20%	4.80%
46	7.26%	10.88%	3.21%	4.82%
47	7.15%	10.73%	3.23%	4.85%
48	7.41%	11.11%	3.24%	4.86%
49+	7.68%	11.52%	3.23%	4.84%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX E
MEMBER CONTRIBUTION RATES**

Safety Tier 4				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
20	2.56%	3.85%	2.68%	4.02%
21	2.61%	3.92%	2.76%	4.14%
22	2.66%	3.99%	2.81%	4.21%
23	2.71%	4.06%	2.86%	4.28%
24	2.76%	4.14%	2.90%	4.35%
25	2.81%	4.22%	2.94%	4.41%
26	2.86%	4.29%	2.98%	4.47%
27	2.92%	4.37%	3.01%	4.52%
28	2.97%	4.46%	3.05%	4.57%
29	3.03%	4.54%	3.08%	4.62%
30	3.08%	4.63%	3.11%	4.66%
31	3.07%	4.60%	3.16%	4.73%
32	3.13%	4.69%	3.21%	4.81%
33	3.19%	4.78%	3.26%	4.90%
34	3.25%	4.88%	3.32%	4.98%
35	3.32%	4.98%	3.38%	5.07%
36	3.39%	5.08%	3.45%	5.17%
37	3.46%	5.19%	3.51%	5.27%
38	3.54%	5.30%	3.57%	5.36%
39	3.62%	5.43%	3.64%	5.46%
40	3.67%	5.51%	3.71%	5.57%
41	3.73%	5.60%	3.70%	5.56%
42	3.79%	5.69%	3.70%	5.56%
43	3.87%	5.80%	3.71%	5.56%
44	3.95%	5.93%	3.71%	5.57%
45	3.98%	5.97%	3.71%	5.57%
46	3.98%	5.97%	3.72%	5.59%
47	3.96%	5.94%	3.74%	5.61%
48	3.91%	5.86%	3.75%	5.62%
49+	3.84%	5.76%	3.74%	5.60%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX E
MEMBER CONTRIBUTION RATES**

Safety Tier 5				
Entry Age	Basic First \$350	Basic Over \$350	COL First \$350	COL Over \$350
20	5.13%	7.69%	2.68%	4.02%
21	5.22%	7.83%	2.76%	4.14%
22	5.32%	7.98%	2.81%	4.21%
23	5.42%	8.13%	2.86%	4.28%
24	5.52%	8.28%	2.90%	4.35%
25	5.62%	8.43%	2.94%	4.41%
26	5.73%	8.59%	2.98%	4.47%
27	5.83%	8.75%	3.01%	4.52%
28	5.94%	8.91%	3.05%	4.57%
29	6.05%	9.08%	3.08%	4.62%
30	6.17%	9.25%	3.11%	4.66%
31	6.13%	9.20%	3.16%	4.73%
32	6.25%	9.38%	3.21%	4.81%
33	6.38%	9.56%	3.26%	4.90%
34	6.50%	9.75%	3.32%	4.98%
35	6.63%	9.95%	3.38%	5.07%
36	6.77%	10.16%	3.45%	5.17%
37	6.92%	10.38%	3.51%	5.27%
38	7.07%	10.61%	3.57%	5.36%
39	7.24%	10.86%	3.64%	5.46%
40	7.35%	11.02%	3.71%	5.57%
41	7.46%	11.19%	3.70%	5.56%
42	7.59%	11.38%	3.70%	5.56%
43	7.73%	11.60%	3.71%	5.56%
44	7.90%	11.85%	3.71%	5.57%
45	7.96%	11.93%	3.71%	5.57%
46	7.96%	11.94%	3.72%	5.59%
47	7.91%	11.87%	3.74%	5.61%
48	7.82%	11.73%	3.75%	5.62%
49+	7.68%	11.52%	3.74%	5.60%

**STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION
ACTUARIAL VALUATION REPORT AS OF JUNE 30, 2013**

**APPENDIX E
MEMBER CONTRIBUTION RATES**

PEPRA Rates			
General (County)		General (Ceres)	Safety
7.63%		7.70%	12.82%
Assumptions:			
Interest:	7.75%		
Salary:	2013 Valuation Scale (Service based, includes wage inflation at 3.50%)		
Mortality:	Because the PEPRA contributions rates are based on 50% of the actual Normal Cost, the mortality rates are the same as those used in the Actuarial Valuation (RP2000 table projected from 2000 to 2020 using Scale AA)		
Note:	There were no Ceres/District PEPRA Safety members as of June 30, 2013, so County data was used to set all Safety PEPRA rates		



**STANISLAUS COUNTY
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3/25/14
Item# 8.a

**For the Board of Retirement meeting
Held on March 25, 2014**

TO: Board of Retirement

FROM: Rick Santos, Executive Director

- I. SUBJECT: New Investment Commitments to StanCERA's Real Estate Asset Class
- II. ITEM TYPE: Discussion and Action
- III. STAFF RECOMMENDATION: See Analysis Below
- IV. ANALYSIS: Today, StanCERA will entertain 2 prospective Real Estate Investment proposals from American Realty Advisors and Greenfield Partners, LLC. As a result of our asset-liability study completed late in 2012, the Board agreed to commit 3.5% of the fund's total assets to the real estate space. As of February 28, 3.5% of the total fund equates to approximately \$60 million.

At our last investment meeting, the Board also decided to allocate that \$60 million in the following way:

- a) 75% to private value added and 25% to private core
- b) For private value added allocate to 2 managers, for private core, 1 manager
- c) Within the private value added space, allocate to 1 open ended fund and 1 closed ended fund

Both American and Greenfield are managers that work in the Value Added space. Further, American is an open ended fund, while Greenfield is closed ended. Thus should the Board decide today to allocate the entire 75% (approximately \$45 million) across some combination of American and Greenfield, then all 3 conditions above will have been satisfied, pending allocation of the remaining 25% to a private core manager.

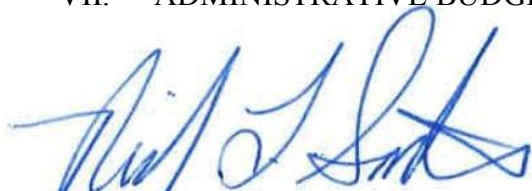
At our last investment meeting, Trustee Gordo recommended that staff look into securing the services of an investment consultant with expertise in the real estate space to do further due diligence on prospective managers. Staff recently received a proposal from such a firm and will most likely bring the proposal before the Board at our April 9th meeting for approval.

Consequently, should the Board choose to allocate some or even all of the \$45 million to either American or Greenfield, or both, staff recommends commitment of the allocation pending legal review by Hanson & Bridgett and possible further due diligence.

V. RISK: None

VI. STRATEGIC PLAN: Invest StanCERA assets in such a way that efficiently maximizes the ability to meet current and future benefit obligations while balancing the need for contribution stability and sustainability

VII. ADMINISTRATIVE BUDGET IMPACT: To be determined



Rick Santos, Executive Director



Kathy Herman, Operations Manager

MARKET UPDATE

FOR FEBRUARY 2014

U.S. EQUITY

February 2014 was a reversal of January with all equity and fixed income indices up, even emerging markets. Growth and “risk on” continued to beat value and “risk off”.

Large Caps performed in-line with Small Caps. The Russell 1000 Growth Index was up +5.2% and the Russell 1000 Value Index up by +4.3% for the month. The Russell 2000 Growth Index was up +4.8% and the Russell 2000 Value was up by +4.6%. The S&P 500 Index ended the month higher by +4.6%.

The S&P 500 Index has a trailing P/E ratio of 18.1, a forward 12-month estimate P/E ratio of 15.9 and dividend yield of 1.9%.

Corporate merger highlights for the month included: Smith & Nephew will buy ArthroCare for \$1.7 billion to add products for minimally invasive surgery used in sport medicine; Zynga will buy NaturalMotion, a popular mobile developer, for \$527 million; Entegris will acquire fellow chip industry supplier ATMI for \$1.15 billion; Illinois Tool Works is selling its packaging division to The Carlyle Group for \$3.2 billion; Coca-Cola purchased a 10% stake in Green Mountain Coffee for \$1.25 billion; Alibaba, China’s largest e-commerce firm, offered to acquire AutoNavi in a deal valuing the Chinese digital mapping and navigation firm at \$1.45 billion; Continental, Europe’s 2nd largest maker of car parts, will buy Veyance Technologies from Carlyle Group for about \$1.9 billion; Deutsche Telekom acquired the outstanding 39% stake of T-Mobile Czech Republic for \$1.1 billion; Health care products company Mallinckrodt will buy Cadence Pharmaceuticals for about \$1.2 billion; L’Oreal, the world’s largest cosmetics maker, agreed to buy back 8% of its stock from Nestle for \$8.2 billion; Mexico’s Grupo Bimbo will acquire Canada Bread for \$1.66 billion; Jos. A. Bank Clothiers is buying the parent company of Eddie Bauer in a deal valued at \$825 million; Japanese e-commerce giant Rakuten will buy call and messaging app provider Viber Media for \$900 million; Generic drug maker Actavis will acquire specialty pharmaceuticals company Forest Laboratories in a deal valued at \$25 billion; Signet Jewelers, the nation’s largest specialty jewelry chain, will acquire rival Zale Corp. for \$1.4 billion; Canadian Natural Resources will buy the Canadian conventional natural-gas assets of Devon Energy for \$2.85 billion; RF Micro Devices will buy

TriQuint Semiconductor for \$1.6 billion; and, Elliott Management raised its bid for Riverbed Technology, a networking equipment company, to \$3.36 billion.

FIXED INCOME

The U.S. economy grew at a 2.4% annual rate in the fourth quarter, sharply less than the earlier estimate of 3.2%, in part because consumers spent less than initially estimated.

The Congressional Budget Office estimated that the U.S. deficit for fiscal 2014 will total \$514 billion, or 3% of GDP, which is a decrease of \$46 billion from its prior projection. The deficit through the first four months of this budget year is down -36.6% from a year ago to \$184 billion, signaling further improvement in the nation’s finances.

For all of 2013, the U.S. trade deficit dropped -11.8% to \$471.5 billion, the lowest level since 2009; exports hit record levels rising +2.8%.

A surprising weak jobs report for January for the second straight month renewed concern that the U.S. economy might be slowing in the first quarter of 2014. A harsh winter has also led to a steep drop in U.S. factory output. The Federal Reserve said factory production plunged -0.8% in January.

The yield on the bellwether 10-year Treasury note fell to 2.66% at the close of February from its January close at 2.73%. At month-end, the 30-year bond yield was 3.59% with the 3-month T-bill at 0.05%. The Barclays Capital US Aggregate Index was up +0.53% in February.

Janet Yellen was sworn in to succeed Ben Bernanke, becoming the first woman to lead the Federal Reserve.

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

THE GOOD

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

*The University of Michigan's index of consumer sentiment rose to 81.6 from 81.2 in January.

*The Institute for Supply Management reported that its non-manufacturing index climbed to 54 in January from 53 in December.

*The Labor Dept. reported that its seasonally adjusted producer price index for final demand rose +0.2% in January.

*The Labor Dept. also announced that the consumer price index rose just +0.1% in January, down from a +0.2% gain in December. Prices have risen +1.6% in the past 12 months.

*The S&P/Cash-Shiller composite index of single family home prices in 20 metropolitan areas gained +0.8% on a seasonally adjusted basis in January. The 20-city composite index rose +13.4% year-on-year.

*Sales of new single-family homes started 2014 with strength, rising +9.6% in January to a seasonally adjusted annual rate of 468,000, the fastest pace in more than five years.

THE NOT SO GOOD

*The Institute for Supply Management reported that its index of national factory activity fell to 51.3 in January, its lowest level since May 2013.

*GM's U.S. vehicle sales fell -12% in January, Ford's dropped -7%, Chrysler's rose +8% Nissan's jumped +12% and Volkswagen's plunged -19%.

*The Congress Dept. reported that orders for goods purchased in U.S. factories fell -1.5% in December.

*U.S. productivity growth slowed in the 4th quarter and turned in a weak gain for all of 2013 with a slight increase of +0.6%, down from a +1.5% increase in 2012.

*The Empire State index slipped to 4.5 in February after soaring to 12.5 in January, which was its highest level since May 2012.

*The Commerce Dept. reported that housing starts tumbled 16% to a seasonally adjusted annual rate of 880,000 units in January, the lowest level since last September.

*U.S. home sales dropped -5.1% in January to the worst pace in 18 months, as cold weather, tight supply, and higher buying costs held back purchases.

*The Commerce Dept. reported that orders for durable goods fell a seasonally adjusted -1% from December.

NON-U.S. MARKETS

UK GDP rose +0.7% in the fourth quarter, unrevised from the initial estimate and left GDP +2.7% higher from a year ago.

The European Central Bank left interest rates at a record low of 0.25% in February. Fourth-quarter 2013 GDP data confirmed that a gradual recovery is underway. Overall Eurozone GDP rose +0.3%, the third consecutive increase following six declines. GDP rose +0.5% year-over-year, the fastest since the end of 2011.

The Bank of Japan left administered interest rates and its quantitative easing program unchanged, but decided to extend and expand some of its lending programs. The loan programs, which were due to expire in March, will now be extended. Japan's recovery continues although at a sluggish pace. GDP rose +0.3% in the fourth quarter last year, following a similar gain in the third quarter.

Non-U.S. Developed equities were higher in February. The MSCI ACWI Ex-U.S. was up +5.0% (US dollars) for the month. International Developed stocks (EAFE) were up by +5.6% while Emerging Markets gained +3.3% for the month.

CONCLUSION

The disparity between Emerging Markets Equities performance and U.S. Equities has been significant over the past three years. The MSCI Emerging Markets Index is down -2.0% annualized over the past three years to February 2014 while the Russell 3000 Index is up +14.6%.

Emerging Markets Equities and Debt are each beginning to look attractive from a relative value standpoint versus the U.S. Markets. As always, flows and geopolitical events can overwhelm these attractive relative valuations in the short-term. Emerging Markets will have to face a world of normalizing liquidity. EM countries that are able to adapt to this environment should perform well going forward while others may find growth more challenging.

For those with a longer-term investment horizon, we would expect that EM Equities and Debt to offer higher risk-adjusted return potential than their U.S. counterparts.

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Feb-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	4.74	4.11	1.43	26.74	20.01	14.58	23.86	6.68	7.67
Russell TOP 200 Index	4.24	2.93	0.34	25.11	18.90	14.38	21.99	6.13	6.61
Russell TOP 200 Growth Index	4.61	4.04	1.30	28.07	18.22	15.21	22.78	8.50	7.16
Russell TOP 200 Value Index	3.87	1.81	-0.62	22.22	19.56	13.56	21.20	3.78	6.03
S&P 500 Index	4.57	3.51	0.96	25.37	19.27	14.35	23.00	6.35	7.16
Russell 1000 Index	4.75	4.14	1.40	26.34	19.81	14.60	23.63	6.63	7.58
Russell 1000 Growth Index	5.15	5.07	2.15	29.14	18.97	15.06	24.02	8.47	7.77
Russell 1000 Value Index	4.32	3.17	0.62	23.44	20.50	14.05	23.18	4.66	7.24
Russell Mid-Cap Index	5.87	6.90	3.81	29.11	21.87	15.07	27.84	7.87	10.08
Russell Mid-Cap Growth Index	6.28	7.28	3.97	31.61	20.78	14.84	27.49	8.61	9.66
Russell Mid-Cap Value Index	5.40	6.46	3.62	26.50	22.65	15.13	28.09	6.79	10.09
Russell 2000 Index	4.71	3.82	1.81	31.56	22.48	14.41	26.63	7.35	8.71
Russell 2000 Value Index	4.58	2.43	0.53	26.19	21.45	12.79	25.14	5.44	8.09
Russell 2000 Growth Index	4.83	5.13	3.02	37.06	23.44	15.98	28.05	9.16	9.19
DJ US REIT Index	5.12	10.00	9.39	6.20	11.00	9.41	29.52	1.35	8.59
DJ-UBS US Commodity Index TR	6.24	7.87	6.55	-1.84	-4.80	-6.86	4.90	-2.64	0.69
DJ-UBS US Gold Index TR	6.60	5.66	9.88	-16.65	-12.67	-2.73	6.26	9.18	11.84

U.S. Equities continue to rally in Feb. 62V

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Feb-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	5.05	1.19	0.29	12.73	9.91	4.45	17.78	2.52	7.62
MSCI AC World Index	4.88	2.48	0.71	18.77	14.26	8.94	20.21	4.33	7.42
MSCI EAFE Index	5.59	2.88	1.34	19.78	14.98	7.12	18.14	2.23	7.14
MSCI Emerging Markets Index	3.33	-4.74	-3.35	-5.67	-2.58	-1.66	17.24	3.83	10.26
ML Global Government Bond Ex. U.S. Index	1.18	1.55	3.29	-1.58	-3.49	-0.28	3.91	5.02	4.12
Euro	2.42	1.44	0.23	5.65	1.61	0.00	1.69	0.64	1.06
Japanese Yen	-0.08	0.29	2.98	-9.61	-10.95	-7.06	-0.84	2.15	0.68
UK Pound Sterling	1.97	2.31	1.18	10.40	2.42	1.00	3.29	-2.21	-1.01

Strong month! EM lag

US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Feb-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.02	0.01	0.08	0.10	0.09	0.12	0.97	1.66
BarCap Aggregate Bond Index	0.53	1.44	2.02	0.15	1.63	3.83	5.13	4.99	4.56
ML U.S. Corp/Govt Master Index	0.64	1.52	2.24	-0.26	1.78	4.22	5.44	5.02	4.52
ML U.S. Corporate Master Index	1.10	2.72	2.90	1.42	4.21	6.03	9.83	6.04	5.38
BarCap Mortgage Backed Securities Index	0.34	1.43	1.91	0.64	1.27	2.97	3.93	4.89	4.66
ML U.S. High Yield Master Index	2.01	3.33	2.77	8.37	10.06	8.78	18.69	8.45	8.51
JPM EMBI Global	3.24	2.78	2.19	-3.03	3.93	7.26	12.08	7.38	8.44

yields fall spreads narrow

A

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING FEB 28, 2014
PRELIMINARY BASIS

SUMMARY OF INVESTMENTS

ASSET CLASS	MARKET VALUE	PERCENT	CURRENT POLICY ALLOCATION	RANGE	TARGET POLICY ALLOCATION	RANGE
DOMESTIC EQUITIES	818,441,557	47.2%	46.7%	41.7% - 51.7%	38.2%	32.2% - 44.2%
INTERNATIONAL EQUITIES	311,692,008	18.0%	18.0%	15.0% - 21.0%	18.0%	15.0% - 21.0%
FIXED INCOME	499,921,806	28.8%	29.8%	26.0% - 33.6%	29.8%	26.0% - 33.6%
ALTERNATIVES:	88,028,324	5.1%	5.5%		14.0%	
DIRECT LENDING	64,577,216	3.7%	4.0%	2.0% - 6.0%	7.5%	2.5% - 9.0%
REAL ESTATE	23,451,108	1.4%	1.5%	1.0% - 2.0%	3.5%	1.0% - 4.5%
INFRASTRUCTURE	0	0.0%	0.0%	0.0% - 0.0%	3.0%	0.0% - 4.0%
SECURITY LENDING	(528,520)	0.0%	0.0%	0.0% - 0.0%	0.0%	0.0% - 0.0%
CASH (equity managers only)	17,972,084	1.0%	0.0%	0.0% - 3.0%	0.0%	0.0% - 3.0%
TOTAL PORTFOLIO	1,735,527,260	100.0%	100.0%		100.0%	

	ACTUAL	CURRENT ALLOCATION	TARGET ALLOCATION
DODGE & COX - LARGE CAP VALUE	10.8%	9.7%	8.9%
BlackRock - R1000 VALUE INDEX	6.3%	6.5%	5.5%
DELAWARE - LARGE CAP GROWTH	8.7%	8.5%	6.7%
BlackRock - R1000 GROWTH INDEX	5.6%	5.5%	4.6%
CAPITAL PROSPECTS	5.5%	5.5%	4.0%
LEGATO CAPITAL	5.3%	5.5%	3.7%
BNY S&P 500 INDEX	5.7%	5.5%	4.8%
LSV ASSET MGMT INTL EQ	8.9%	9.0%	9.0%
PYRAMIS INTL EQ	9.3%	9.0%	9.0%
DODGE & COX FIXED INCOME	22.6%	23.8%	23.8%
PIMCO	6.2%	6.0%	6.0%
MEDLEY	1.3%	1.0%	2.1%
RAVEN	1.2%	1.5%	2.7%
WHITE OAK	1.2%	1.5%	2.7%
BlackRock - US REAL ESTATE SECURITIES INDEX	1.4%	1.5%	1.5%
Unallocated Private Real Estate	0.0%	0.0%	2.0%
Infrastructure	0.0%	0.0%	3.0%
SECURITY LENDING	0.0%	0.0%	0.0%
TOTALS	100.0%	100.0%	100.0%

*Future
cap calls
Direct lending
from U.S. Equities*

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING FEB. 28, 2014
PRELIMINARY BASIS

ASSET CLASS	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
MARKET VALUE					
DOMESTIC EQUITIES	818,441,557	782,443,167	4.60%	673,701,363	21.48%
INTERNATIONAL EQUITIES	311,692,008	299,314,693	4.14%	269,478,681	15.66%
FIXED INCOME	499,921,806	497,719,937	0.44%	537,874,085	-7.06%
DIRECT LENDING	64,577,216	64,577,216	0.00%	0	N/A
REAL ESTATE	23,451,108	22,307,127	5.13%	22,074,420	6.24%
SECURITIES LENDING	(528,520)	(560,301)	5.67%	(921,258)	42.63%
CASH (equity managers only)	17,972,084	15,026,040	19.61%	16,930,101	6.15%
TOTAL PORTFOLIO	1,735,527,260	1,680,827,879	3.25%	1,519,137,392	14.24%
ASSET ALLOCATION (ACTUAL)					
DOMESTIC EQUITIES	47.16%	46.55%	0.6%	44.35%	2.8%
INTERNATIONAL EQUITIES	17.96%	17.81%	0.2%	17.74%	0.2%
FIXED INCOME	28.81%	29.61%	-0.8%	35.41%	-6.6%
DIRECT LENDING	3.72%	3.84%	-0.1%	0.00%	3.7%
REAL ESTATE SECURITIES	1.35%	1.33%	0.0%	1.45%	-0.1%
SECURITY LENDING	-0.03%	-0.03%	0.0%	-0.06%	0.0%
CASH (equity managers only)	1.04%	0.89%	0.1%	1.11%	-0.1%
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 FEB 28, 2014
PRELIMINARY BASIS

ASSET CLASS	MARKET VALUE	PERCENT	CURRENT POLICY TARGET	RANGE
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	187,367,557	10.8%	9.7%	7.7% - 11.7%
BLACKROCK R1000 VALUE INDEX	110,177,488	6.3%	6.5%	5.5% - 6.5%
DELAWARE - LARGE CAP GROWTH	150,745,144	8.7%	8.5%	7.0% - 10.0%
BLACKROCK - R1000 GROWTH INDEX	96,804,940	5.6%	5.5%	4.0% - 6.0%
CAPITAL PROSPECTS SMALL CAP VALUE	95,613,501	5.5%	5.5%	4.0% - 6.0%
LEGATO CAPITAL SMALL CAP GROWTH	92,770,472	5.3%	5.5%	4.0% - 6.0%
BNY S&P 500 INDEX	98,153,314	5.7%	5.5%	4.0% - 6.0%
TOTAL DOMESTIC EQUITIES	831,632,416	47.9%	46.7%	
FIXED INCOME				
DODGE & COX	392,981,178	22.6%	23.8%	20.8% - 26.8%
PIMCO	106,940,628	6.2%	6.0%	5.0% - 7.0%
TOTAL FIXED INCOME	499,921,806	28.8%	29.8%	
DIRECT LENDING				
MEDLEY CAPITAL	22,593,960	1.3%	1.0%	1.0% - 3.0%
RAVEN CAPITAL	20,913,388	1.2%	1.5%	1.0% - 3.0%
WHITE OAK	21,069,868	1.2%	1.5%	1.0% - 3.0%
TOTAL DIRECT LENDING	64,577,216	3.7%	4.0%	
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	154,944,648	8.9%	9.0%	7.5% - 10.5%
PYRAMIS	161,528,584	9.3%	9.0%	7.5% - 10.5%
TOTAL INTERNATIONAL EQUITIES	316,473,233	18.2%	18.0%	
REAL ESTATE SECURITIES				
BlackRock US RE SECURITIES INDEX	23,451,108	1.4%	1.5%	1.0% - 2.0%
TOTAL REAL ESTATE	23,451,108	1.4%	1.5%	1.0% - 2.0%
SECURITIES LENDING				
	(528,520)	0.0%	0.0%	0.0% - 0.0%
TOTAL STANCERA PORTFOLIO	1,735,527,260	100.0%	100.0%	

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING FEB 28, 2014
PRELIMINARY

	CASH	BONDS	EQUITIES	TOTAL
DOMESTIC EQUITIES				
DODGE & COX LARGE CAP VALUE	3,687,578		183,679,979	187,367,557
BLACKROCK R1000 VALUE INDEX	0		110,177,488	110,177,488
DELAWARE LARGE CAP GROWTH	3,174,479		147,570,665	150,745,144
BLACKROCK R1000 GROWTH INDEX	0		96,804,940	96,804,940
CAPITAL PROSPECTS - SMALL CAP VALUE	3,791,602		91,821,899	95,613,501
LEGATO CAPITAL SMALL CAP GROWTH	2,536,971		90,233,501	92,770,472
BNY S&P 500 INDEX	228		98,153,085	98,153,314
TOTAL DOMESTIC EQUITIES	13,190,859		818,441,557	831,632,416
FIXED INCOME				
DODGE & COX	7,357,942	385,623,236		392,981,178
PIMCO	7,384,004	99,556,624		106,940,628
TOTAL FIXED INCOME	14,741,946	485,179,860		499,921,806
DIRECT LENDING				
MEDLEY	0	22,593,960		22,593,960
RAVEN	0	20,913,388		20,913,388
WHITE OAK	0	21,069,868		21,069,868
TOTAL DIRECT LENDING	0	64,577,216		64,577,216
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	1,534,799		153,409,849	154,944,648
PYRAMIS	3,246,425		158,282,159	161,528,584
TOTAL INTERNATIONAL EQUITIES	4,781,224		311,692,008	316,473,233
REAL ESTATE SECURITIES				
BLACKROCK US REAL ESTATE SECURITIES INDEX	143		23,450,965	23,451,108
TOTAL REAL ESTATE	143		23,450,965	23,451,108
SECURITIES LENDING	(528,520)			(528,520)
TOTAL STANCERA PORTFOLIO	32,185,653	549,757,076	1,153,584,530	1,735,527,260
	1.9%	31.7%	66.5%	100.0%

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING FEB. 28, 2014

PRELIMINARY BASIS

Active Managers
FYTD 8 months
wow!!

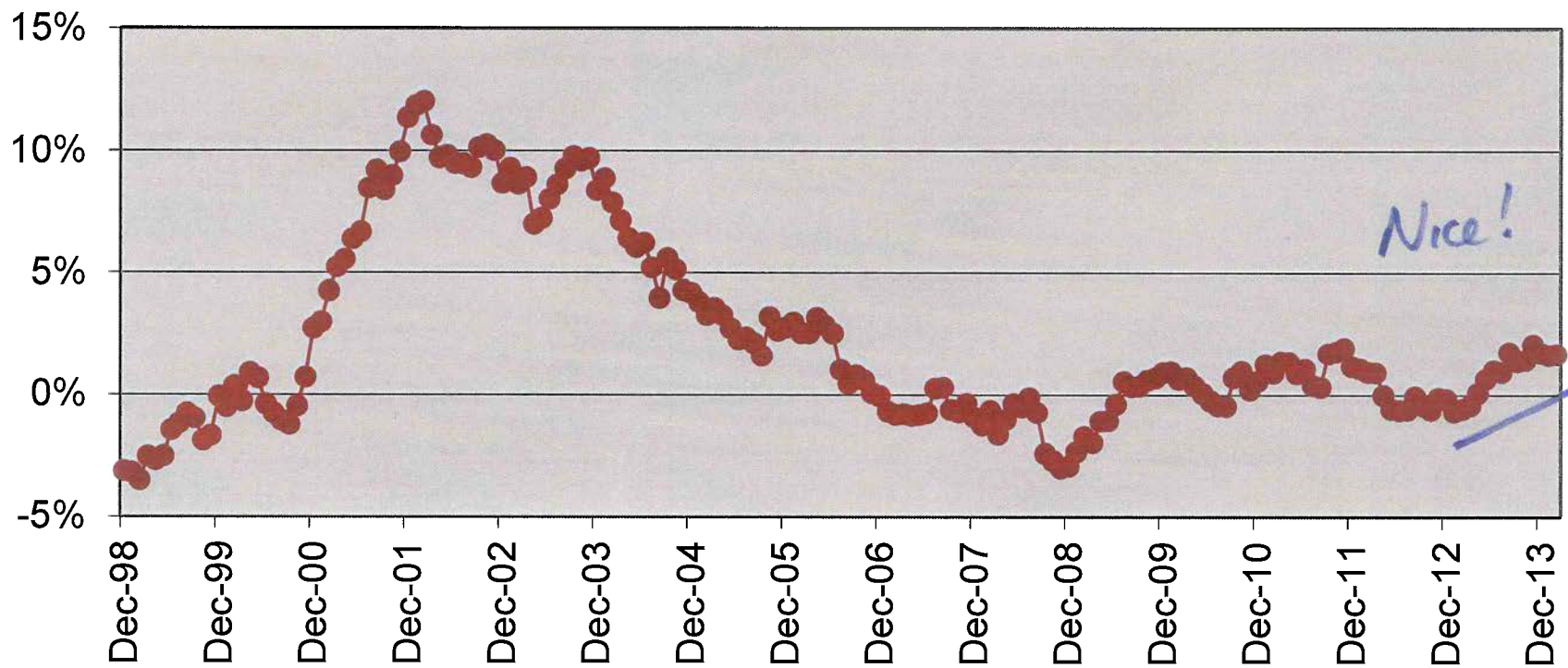
	MARKET VALUE	FEB	ALPHA	JAN	ALPHA	FISCAL YTD	ALPHA
DOMESTIC EQUITIES							
DODGE & COX - LARGE CAP VALUE	183,679,979	4.18%	-0.14%	-3.13%	0.42%	19.96%	4.96%
RUSSELL 1000 VALUE		4.32%		-3.55%		15.00%	
BLACKROCK - R1000 VALUE INDEX	110,177,488	4.33%	0.01%	-3.54%	0.01%	15.12%	0.12%
RUSSELL 1000 VALUE		4.32%		-3.55%		15.00%	
DELAWARE - LARGE CAP GROWTH	147,570,665	6.76%	1.61%	-3.71%	-0.86%	25.87%	3.93%
RUSSELL 1000 GROWTH		5.15%		-2.85%		21.94%	
BLACKROCK - R1000 GROWTH INDEX	96,804,940	5.14%	-0.01%	-2.85%	0.00%	21.92%	-0.02%
RUSSELL 1000 GROWTH		5.15%		-2.85%		21.94%	
CAPITAL PROSPECTS	91,821,899	3.89%	-0.69%	-3.74%	0.13%	20.59%	2.37%
RUSSELL 2000 VALUE		4.58%		-3.87%		18.22%	
LEGATO CAPITAL	90,233,501	4.50%	-0.33%	-1.02%	0.71%	26.87%	1.17%
RUSSELL 2000 GROWTH		4.83%		-1.73%		25.70%	
BNY - S&P 500 INDEX	98,153,085	4.57%	0.00%	-3.46%	0.00%	17.42%	0.00%
S&P 500		4.57%		-3.46%		17.42%	
TOTAL DOMESTIC EQUITY	818,441,557	4.83%	0.09%	-2.38%	0.76%	21.98%	3.20%
Russell 3000 Index		4.74%		-3.16%		18.78%	
FIXED INCOME							
DODGE & COX	392,981,178	0.54%	0.01%	1.45%	-0.03%	4.05%	1.26%
BARCLAYS US AGGREGATE BOND		0.53%		1.48%		2.79%	
PIMCO	106,940,628	0.47%	-0.06%	1.55%	0.07%	2.43%	-0.36%
BARCLAYS US AGGREGATE BOND		0.53%		1.48%		2.79%	
TOTAL FIXED INCOME	499,921,806	0.52%	-0.01%	1.47%	-0.01%	3.63%	0.84%
BARCLAYS US AGGREGATE BOND		0.53%		1.48%		2.79%	
DIRECT LENDING							
MEDLEY CAPITAL	22,593,960	0.00%	-0.75%	1.59%	0.84%	2.54%	-3.46%
CUSTOM 9% ANNUAL		0.75%		0.75%		6.00%	
RAVEN CAPITAL	20,913,388	0.00%	-0.75%	-0.19%	-0.94%	6.22%	0.22%
CUSTOM 9% ANNUAL		0.75%		0.75%		6.00%	
WHITE OAK	21,069,868	0.00%	-0.75%	0.20%	-0.55%	6.87%	2.37%
CUSTOM 9% ANNUAL		0.75%		0.75%		4.50%	
TOTAL DIRECT LENDING	64,577,216	0.00%	-0.75%	0.57%	-0.18%	4.20%	-1.80%
CUSTOM 9% ANNUAL		0.75%		0.75%		6.00%	
INTERNATIONAL EQUITY							
LSV ASSET MGMT	153,409,849	4.68%	-0.37%	-4.36%	0.18%	18.41%	2.84%
MSCI ACWI ex-US		5.05%		-4.54%		15.57%	
PYRAMIS	158,282,159	4.42%	-0.63%	-3.62%	0.92%	16.55%	0.88%
MSCI ACWI ex-US		5.05%		-4.54%		15.57%	
TOTAL INTERNATIONAL EQUITY	311,692,008	4.55%	-0.50%	-3.99%	0.55%	17.44%	1.87%
MSCI ACWI ex-US		5.05%		-4.54%		15.57%	
REAL ESTATE SECURITIES							
BlackRock US RE Index	23,451,108	5.13%	0.00%	4.00%	0.00%	4.80%	0.00%
DOW JONES US SELECT RE INDEX		5.13%		4.00%		4.80%	
SECURITIES LENDING							
BNY MELLON	(528,520)						
CASH and SHORT-TERM INVESTMENTS							
CASH	17,972,084	0.01%	0.00%	0.01%	0.00%	0.10%	0.01%
90-day US Treasury Bill		0.01%		0.01%		0.09%	
Total StanCERA Fund	1,735,527,260	3.41%	0.09%	-1.70%	0.04%	14.12%	1.94%
Current Policy Index*		3.32%		-1.74%		12.18%	
Actuary Rate of Assumption (7.75%)		0.64%	2.77%	0.64%	-2.34%	5.18%	8.94%
Actuary Rate of Inflation (3.25%)		0.27%	3.14%	0.27%	-1.97%	2.17%	11.95%

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

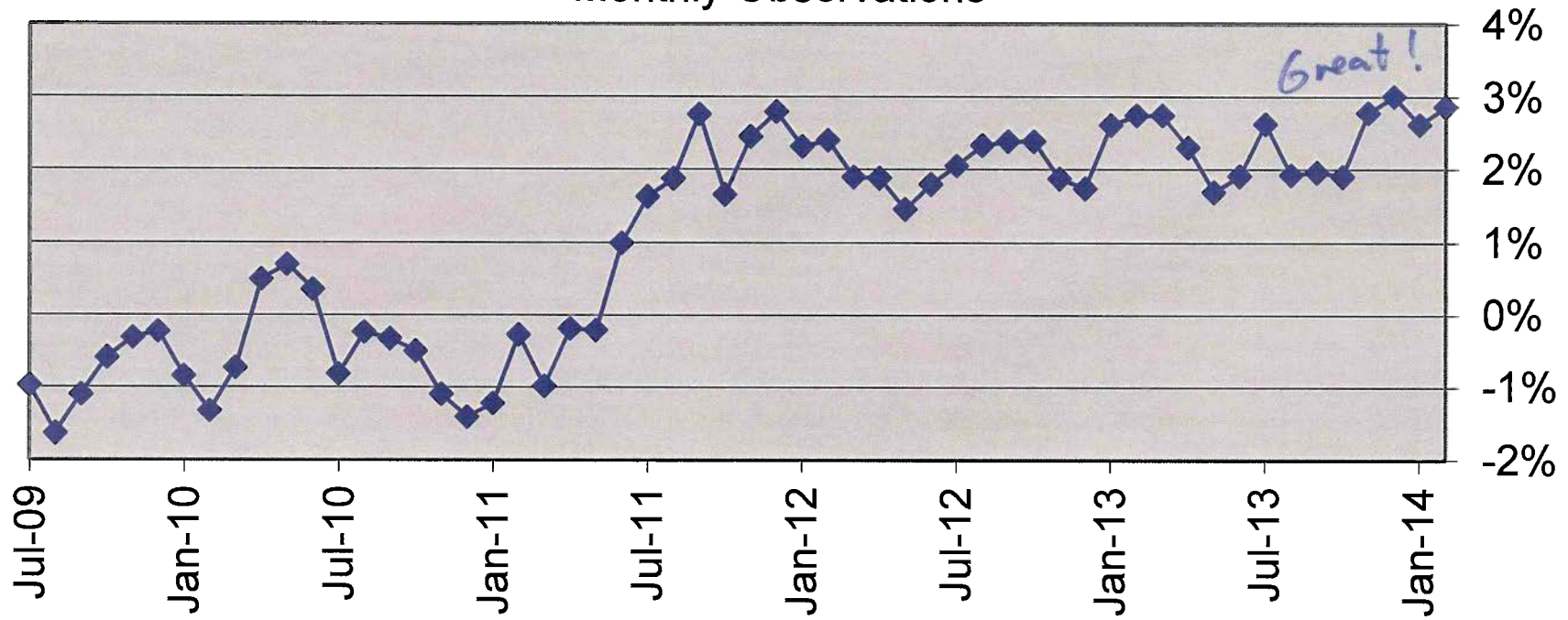
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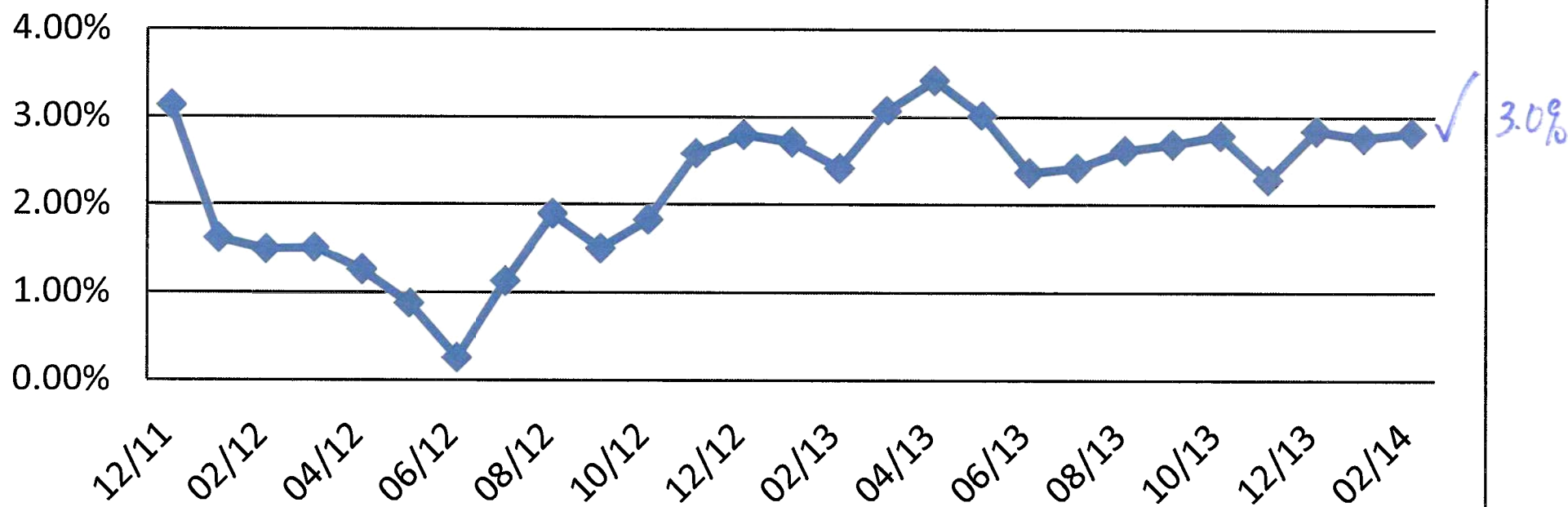
Dodge & Cox Equity
Rolling 3-Years Annualized Alpha
Monthly Observations



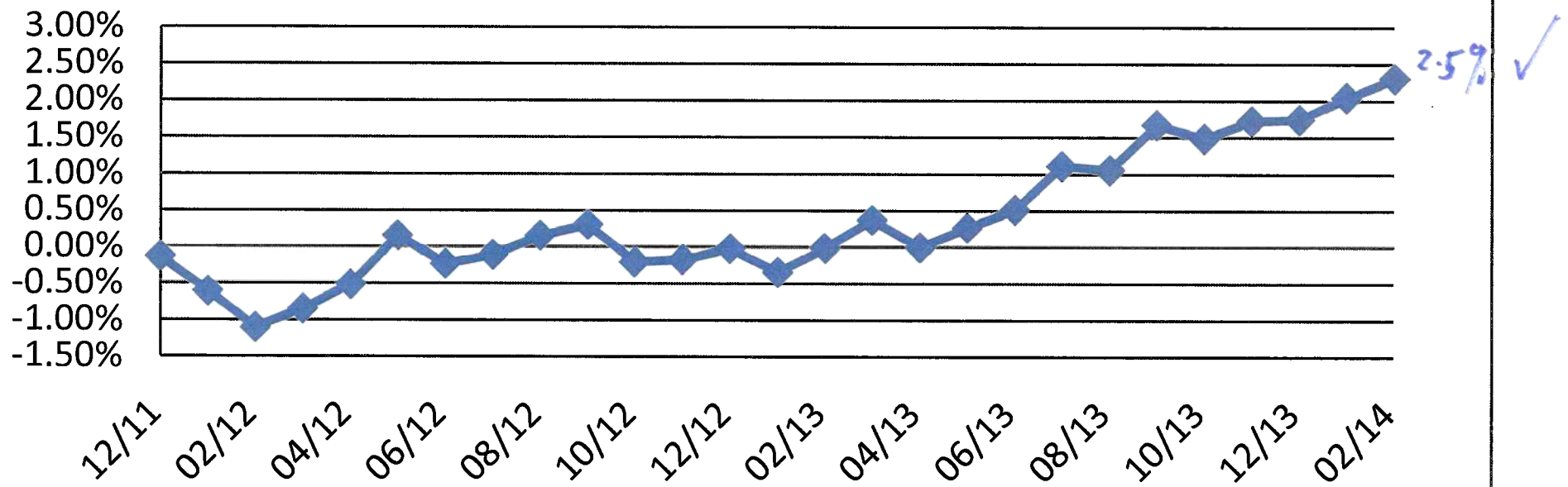
Delaware
Rolling 3-Years Annualized Alpha
Monthly Observations



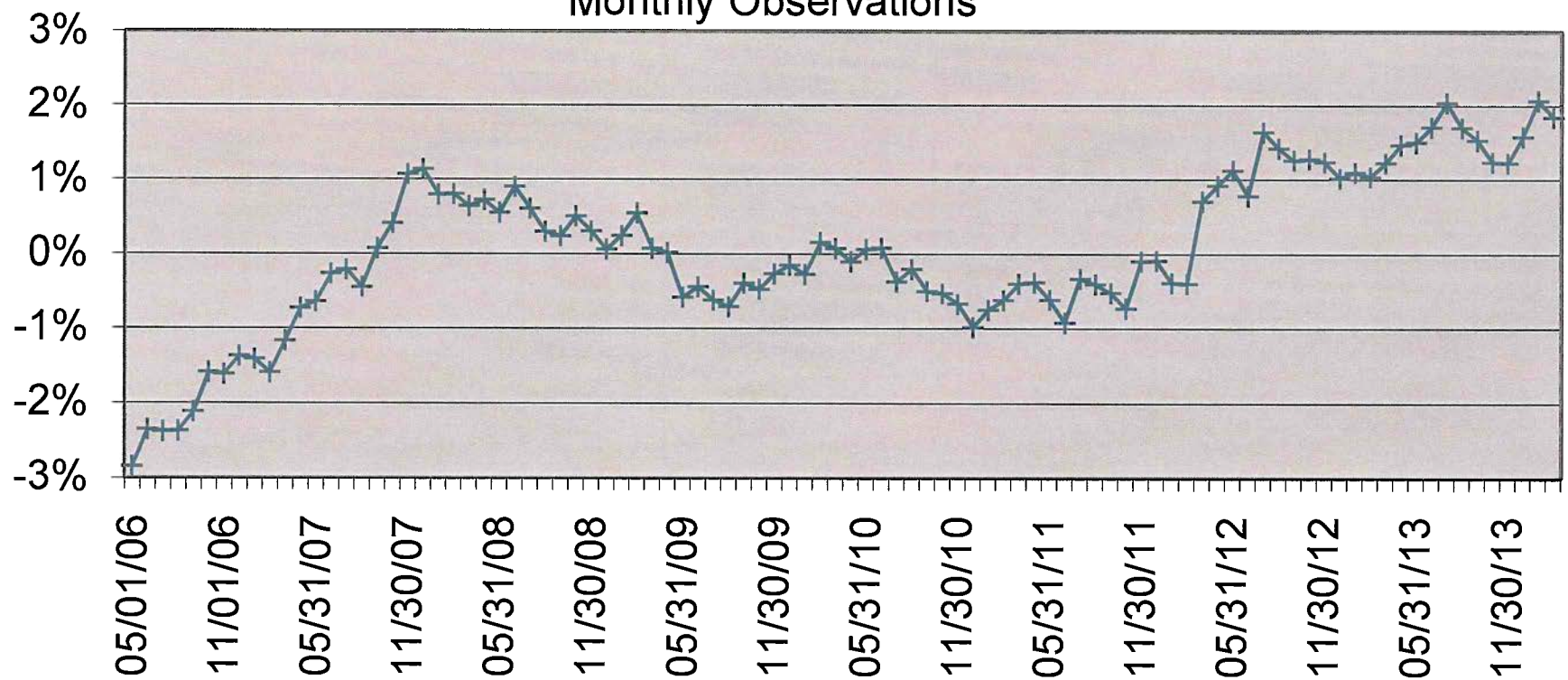
Capital Prospects
Rolling 3-Year
Alphas
Monthly Observations



Legato Rolling
3-Year Alphas
Annualized
Monthly Observations

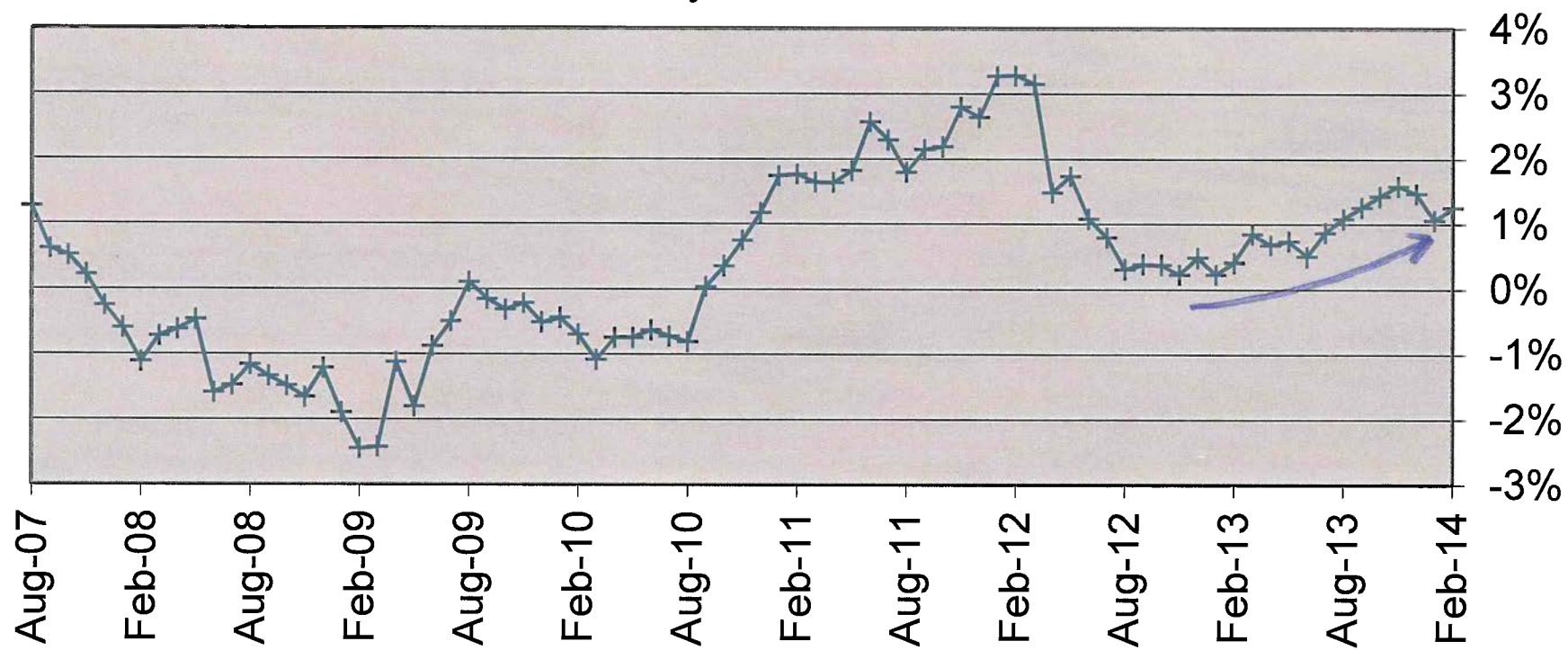


Pyramis (May 2006)
Rolling 3-Years Annualized Alpha
Monthly Observations

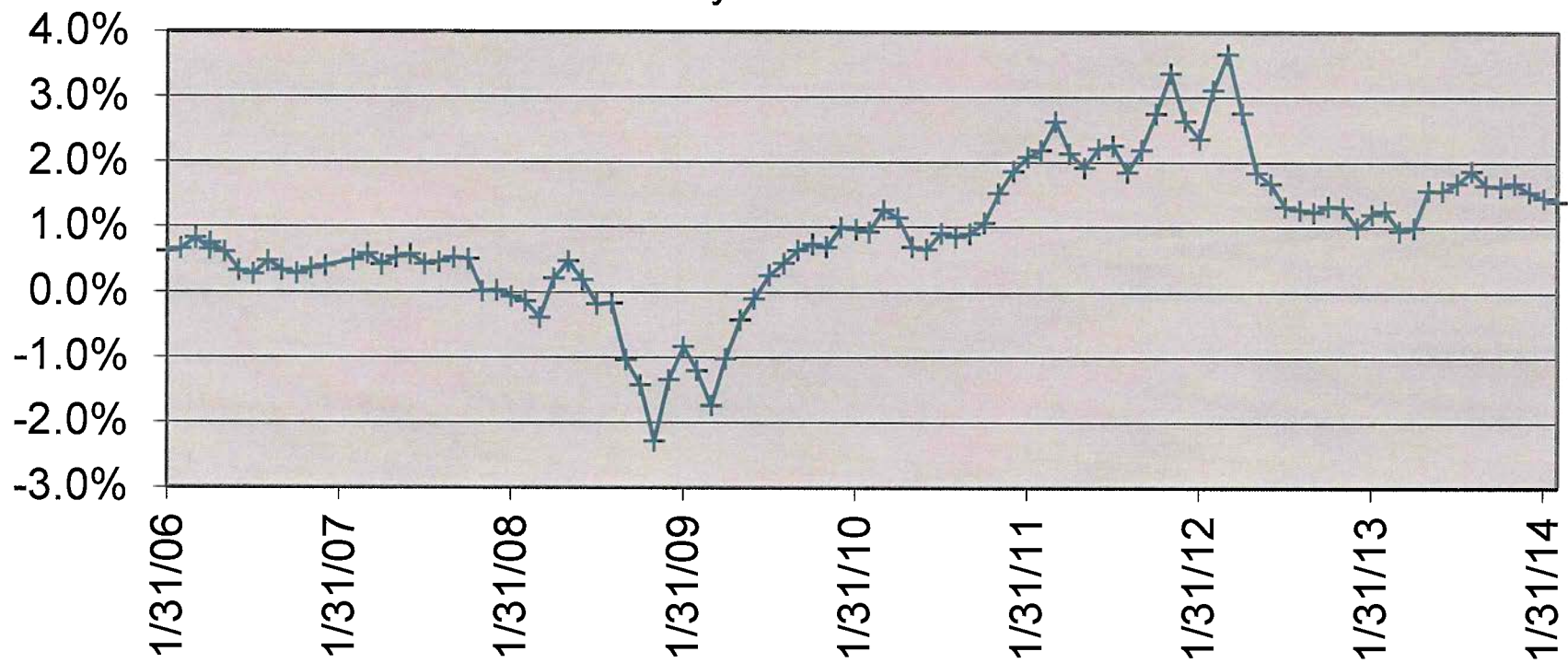


2.0%

LSV
Rolling 3-Years Annualized Alpha
Monthly Observations

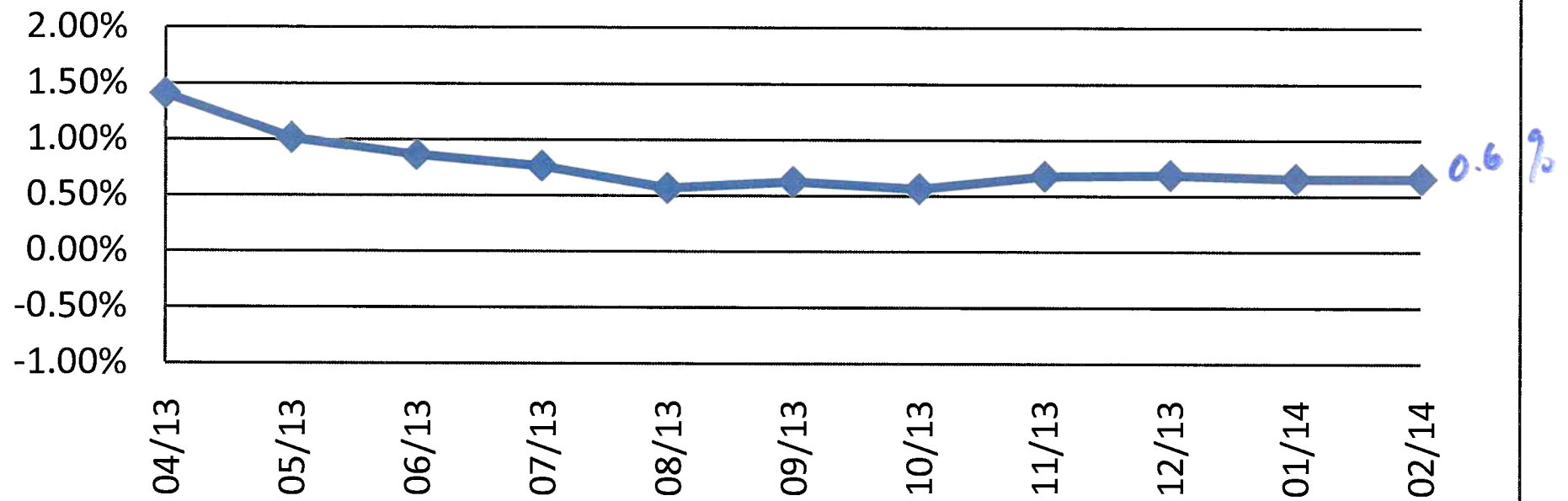


Dodge & Cox Fixed Income
Rolling 3-Year Alphas Annualized
Monthly Observations



1.5%

PIMCO Rolling
3-Year Alphas
Annualized
Monthly Observations



STANCERA
Price Monitor Position Report

BlackRock
Passive Large Cap Growth Manager
Positions as of February 28, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	2/28/2014 \$ PX	3/18/2014 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	6,613	\$3,480,285	3.78%	0.21%	526.24	526.74	0.10%	0.56%
Google Inc.	GOOG	2,461	\$2,992,308	3.25%	0.18%	1215.65	1192.1	-1.94%	-1.47%
Microsoft Corp.	MSFT	77,146	\$2,955,480	3.21%	0.18%	38.31	38.05	-0.68%	-0.21%
INTL Business Machines	IBM	9,746	\$1,804,592	1.96%	0.11%	185.17	185.81	0.35%	0.81%
Verizon Communications	VZ	37,347	\$1,776,971	1.93%	0.11%	47.58	46.31	-2.67%	-2.20%
Coca-Cola Co.	KO	35,671	\$1,362,651	1.48%	0.08%	38.2	38.27	0.18%	0.65%
Amazon.com Inc	AMZN	3,534	\$1,279,787	1.39%	0.08%	362.1	375.04	3.57%	4.04%
Oracle Corp	ORCL	32,252	\$1,261,373	1.37%	0.08%	39.11	38.22	-2.28%	-1.81%
QUALCOMM, Inc.	QCOM	16,509	\$1,242,959	1.35%	0.07%	75.29	77.02	2.30%	2.77%
Philip Morris Intl.	PM	15,135	\$1,224,545	1.33%	0.07%	80.91	80.28	-0.78%	-0.31%
TOP TEN HOLDINGS			\$19,380,952	21.05%	1.15%	Russell 1000 Growth:		-0.47%	

Total Portfolio Value
Total StanCERA Value

\$92,071,030
\$1,680,577,809

STANCERA
Price Monitor Position Report

BlackRock
Passive Large Cap Value Manager
Positions as of February 28, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	2/28/2014 \$ PX	3/18/2014 \$ PX	Position % Change	Relative % Change
EXXON MOBIL CORP	XOM	49,035	\$4,720,584	4.47%	0.28%	96.27	94.32	-2.03%	-2.49%
GENERAL ELECTRIC CO	GE	116,511	\$2,967,526	2.81%	0.08%	25.47	25.43	-0.16%	-0.62%
WELLS FARGO & CO	WFC	56,420	\$2,619,027	2.48%	0.08%	46.42	48.13	3.68%	3.22%
JOHNSON & JOHNSON	JNJ	28,087	\$2,587,345	2.45%	0.15%	92.12	93.93	1.96%	1.50%
CHEVRON CORP	CVX	21,793	\$2,513,421	2.38%	0.15%	115.33	115.07	-0.23%	-0.69%
BERKSHIRE HATHAWAY INC	BRK-B	21,617	\$2,502,860	2.37%	0.15%	115.78	123.36	6.55%	6.08%
PROCTER & GAMBLE CO	PG	31,282	\$2,460,618	2.33%	0.06%	78.66	79.84	1.50%	1.04%
JPMORGAN CHASE & CO	JPM	43,120	\$2,450,057	2.32%	0.06%	56.82	57.58	1.34%	0.87%
PFIZER INC	PFE	73,671	\$2,365,572	2.24%	0.06%	32.11	31.42	-2.15%	-2.61%
BANK OF AMERICA	BAC	125,858	\$2,080,436	1.97%	0.12%	16.53	17.11	3.51%	3.04%
TOP TEN HOLDINGS			\$27,267,446	25.82%	1.21%	Russell 1000 Value		0.46%	

Total Portfolio Value
Total StanCERA Value

\$105,605,910
\$1,680,577,809

STANCERA
Price Monitor Position Report

Capital Prospects
Active US Small Cap Value Manager
Positions as of February 28, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000V	2/28/2014 \$ PX	3/18/2014 \$ PX	Position % Change	Relative % Change
Hillenbrand, Inc	HI	46,549	\$1,390,887	1.50%	0.08%	0.10%	29.88	31.89	6.73%	5.66%
Belden Inc	BDC	18,255	\$1,316,706	1.42%	0.08%	0.19%	72.13	72.18	0.07%	-1.00%
Littelfuse, Inc	LFUS	12,184	\$1,149,800	1.24%	0.07%	0.12%	94.37	92.31	-2.18%	-3.25%
Regal Beloit Corp	RBC	15,352	\$1,131,255	1.22%	0.07%	0.00%	73.69	71.10	-3.51%	-4.58%
Broadridge	BR	25,048	\$945,803	1.02%	0.06%	0.00%	37.76	37.48	-0.74%	-1.81%
Meredith Corporation	MDP	20,011	\$936,530	1.01%	0.06%	0.10%	46.80	45.16	-3.50%	-4.57%
Polyone Corporation	POL	24,480	\$917,985	0.99%	0.05%	0.22%	37.50	37.07	-1.15%	-2.22%
MB Financial, Inc	MBFI	29,461	\$899,440	0.97%	0.05%	0.10%	30.53	31.63	3.60%	2.53%
Iberiabank Corp	IBKC	13,732	\$899,440	0.97%	0.05%	0.12%	65.50	69.66	6.35%	5.28%
First AM	FAF	33,043	\$890,168	0.96%	0.05%	0.00%	26.94	27.21	1.00%	-0.07%
TOP TEN HOLDINGS			\$10,478,014	11.30%	0.62%	0.95%	Russell 2000 Value:		1.07%	

Total Portfolio Value
Total StanCERA Value

\$92,725,790
\$1,680,577,809

STANCERA
Price Monitor Position Report

Delaware Investments Advisers
Active Large Cap Growth Portfolio
Positions as of February 28, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	2/28/2014 \$ PX	3/18/2014 \$ PX	Position % Change	Relative % Change
Visa Inc. Class A	V	39,075	\$8,828,606	6.25%	0.53%	1.19%	225.94	223.78	-0.96%	-0.49%
MasterCard Incorporated Class A	MA	104,000	\$8,082,880	5.72%	0.48%	0.92%	77.72	77.83	0.14%	0.61%
EOG Resources, Inc.	EOG	40,925	\$7,752,014	5.49%	0.46%	0.49%	189.42	187.23	-1.16%	-0.69%
Google Inc. Class A	GOOG	6,125	\$7,445,856	5.27%	0.44%	3.30%	1215.65	1192.10	-1.94%	-1.47%
Walgreen Co.	WAG	103,650	\$7,043,018	4.99%	0.42%	0.49%	67.95	67.34	-0.90%	-0.43%
priceline.com Incorporated	PCLN	5,200	\$7,013,968	4.97%	0.42%	0.70%	1348.84	1287.96	-4.51%	-4.05%
Celgene Corporation	CELG	43,250	\$6,952,438	4.92%	0.41%	0.68%	160.75	150.23	-6.54%	-6.08%
Crown Castle International Corp.	CCI	90,925	\$6,901,208	4.89%	0.41%	0.26%	75.90	74.88	-1.34%	-0.88%
QUALCOMM Incorporated	QCOM	89,975	\$6,774,218	4.80%	0.40%	1.31%	75.29	77.02	2.30%	2.77%
Adobe Systems Incorporated	ADBE	94,775	\$6,504,408	4.61%	0.39%	0.14%	68.63	68.17	-0.67%	-0.20%
TOP TEN HOLDINGS			\$73,298,612	51.91%	4.36%	9.46%	Russell 1000 Growth:		-0.47%	

Total Portfolio Value
Total StanCERA Value

\$141,198,792
\$1,680,577,809

STANCERA
Price Monitor Position Report

Dodge & Cox Equity
Active US Large Cap Value Manager
Positions as of February 28, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	2/28/2014 \$ PX	3/18/2014 \$ PX	Position % Change	Relative % Change
WELLS FARGO & CO	WFC	160,072	\$7,430,542	4.13%	0.44%	2.40%	46.42	48.13	3.68%	4.15%
COMCAST CORP-CLASS A	CMCSA	135,063	\$6,981,406	3.88%	0.42%	0.10%	51.69	50.78	-1.76%	-1.29%
HEWLETT-PACKARD CO	HPQ	232,705	\$6,953,225	3.87%	0.41%	0.60%	29.88	29.48	-1.34%	-0.87%
CAPITAL ONE FINANCIAL CORP	COF	92,500	\$6,792,275	3.78%	0.40%	0.50%	73.43	73.83	0.54%	1.01%
MERCK & CO. INC.	MRK	117,500	\$6,696,325	3.72%	0.40%	1.80%	56.99	56.26	-1.28%	-0.81%
MICROSOFT CORP	MSFT	170,000	\$6,512,700	3.62%	0.39%	0.00%	38.31	38.05	-0.68%	-0.21%
NOVARTIS AG-ADR	NVS	66,000	\$5,489,880	3.05%	0.33%	0.00%	83.18	82.15	-1.24%	-0.77%
SCHWAB (CHARLES) CORP	SCHW	204,000	\$5,408,040	3.01%	0.32%	0.30%	26.51	26.51	0.00%	0.47%
TIME WARNER INC	TWX	80,232	\$5,385,974	2.99%	0.32%	0.70%	67.13	66.67	-0.69%	-0.22%
GLAXOSMITHKLINE PLC-SPON ADR	GSK	95,000	\$5,314,300	2.95%	0.32%	0.00%	55.94	54.55	-2.48%	-2.02%
TOP TEN HOLDINGS			\$62,964,667	35.01%	3.75%	6.40%	Russell 1000 Growth:		-0.47%	

Total Portfolio Value
Total StanCERA Value

\$179,843,482
\$1,680,577,809

STANCERA
Price Monitor Position Report

Legato Capital Management
Active US Small Cap Growth Manager
Positions as of February 28, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000G	2/28/2014 \$ PX	3/18/2014 \$ PX	Position % Change	Relative % Change
CoStar Group, Inc.	CSGP	7,737	\$1,555,446	1.75%	0.09%	0.65%	201.04	208.47	3.70%	3.62%
athenahealth, Inc.	ATHN	6,637	\$1,286,715	1.45%	0.08%	0.81%	193.87	174.91	-9.78%	-9.85%
Ultimate Software Group, Inc.	ULTI	7,701	\$1,278,366	1.44%	0.08%	0.52%	166.00	156.66	-5.63%	-5.70%
Cepheid	CPHD	22,968	\$1,232,463	1.39%	0.07%	0.41%	53.66	54.02	0.67%	0.60%
Intercept Pharmaceuticals, Inc.	ICPT	2,866	\$1,176,493	1.33%	0.07%	0.34%	410.50	407.16	-0.81%	-0.89%
Portfolio Recovery Associates, Inc.	PRAA	18,040	\$978,309	1.10%	0.06%	0.31%	54.23	57.34	5.73%	5.66%
MAXIMUS, Inc.	MMS	19,621	\$937,688	1.06%	0.06%	0.37%	47.79	45.69	-4.39%	-4.47%
Dealertrack Technologies, Inc.	TRAK	17,100	\$924,597	1.04%	0.06%	0.24%	54.07	53.24	-1.54%	-1.61%
United Natural Foods, Inc.	UNFI	12,697	\$919,009	1.04%	0.05%	0.41%	72.38	74.17	2.47%	2.40%
PAREXEL International Corporation	PRXL	17,058	\$913,797	1.03%	0.05%	0.35%	53.57	56.34	5.17%	5.10%
TOP TEN HOLDINGS			\$11,202,883	12.62%	0.67%	4.41%	Russell 2000 Growth:		0.07%	

Total Portfolio Value
Total StanCERA Value

\$88,773,625
\$1,680,577,809

STANCERA
Price Monitor Position Report

BNY - S&P 500 Index
Passive S&P 500 Index Fund
Positions as of February 28, 2014

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	2/28/2014 \$ PX	3/18/2014 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	5,083	\$2,675,085	2.85%	0.16%	526.24	526.74	0.10%	0.03%
Exxon Mobil Corp	XOM	24,082	\$2,318,407	2.47%	0.14%	96.27	94.32	-2.03%	-2.09%
Google Inc.	GOOG	1,552	\$1,886,639	2.01%	0.11%	1215.65	1192.10	-1.94%	-2.00%
Microsoft	MSFT	42,631	\$1,633,210	1.74%	0.10%	38.31	38.05	-0.68%	-0.74%
Johnson & Johnson	JNJ	16,201	\$1,492,416	1.59%	0.09%	92.12	93.93	1.96%	1.90%
General Electric Co	GE	56,752	\$1,445,484	1.54%	0.09%	25.47	25.43	-0.16%	-0.22%
Wells Fargo & Co.	WFC	28,106	\$1,304,690	1.39%	0.08%	46.42	48.13	3.68%	3.62%
Berkshire Hathaway Inc.	BRK-B	10,782	\$1,248,373	1.33%	0.07%	115.78	123.36	6.55%	6.48%
Chevron Corp	CVX	10,824	\$1,248,373	1.33%	0.07%	115.33	115.07	-0.23%	-0.29%
Procter & Gamble	PG	15,513	\$1,220,214	1.30%	0.07%	78.66	79.84	1.50%	1.44%
TOP TEN HOLDINGS			\$16,472,889	17.55%	0.98%	S&P 500 Index:		0.06%	

Total Portfolio Value
Total StanCERA Value

\$93,862,617

\$1,680,577,809

STANCERA
Price Monitor Position Report

LSV Asset Management
International Large Cap Value
Positions as of February 28, 2014

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	2/28/2014 \$ PX*	3/18/2014 \$ PX*	Position % Change	Relative % Change
ROYAL DUTCH SHELL	RDS-A	London	47,531	\$3,463,619	2.34%	0.21%	1.34%	72.87	71.85	-1.40%	0.59%
ASTRAZENECA PLC	AZN	London	46,092	\$3,123,178	2.11%	0.19%	0.48%	67.76	65.90	-2.74%	-0.76%
BT GROUP PLC	BT	Paris	40,776	\$2,812,340	1.90%	0.17%	0.31%	68.97	65.51	-5.02%	-3.03%
LEGAL & GENERAL GROUP PLC	LGEN.L	Japan	10,775	\$2,590,313	1.75%	0.15%	0.13%	240.40	230.50	-4.12%	-2.13%
ALLIANZ SE	ALV.DE	Germany	18,374	\$2,383,088	1.61%	0.14%	0.46%	129.70	120.50	-7.09%	-5.11%
MAGNA INTERNATIONAL INC	MGA	Canada	26,076	\$2,323,881	1.57%	0.14%	0.11%	89.12	95.58	7.25%	9.23%
BASF SE	BASFY	Germany	18,784	\$2,146,260	1.45%	0.13%	0.60%	114.26	108.44	-5.09%	-3.11%
DAIMLER AG	DAI.DE	Germany	31,349	\$2,116,656	1.43%	0.13%	0.50%	67.52	64.41	-4.61%	-2.62%
SANOFI S.A.	SNY	London	38,546	\$1,998,242	1.35%	0.12%	0.70%	51.84	50.07	-3.41%	-1.43%
SWISS RE LTD	SSREY	Switzerland	20,743	\$1,939,034	1.31%	0.12%	0.18%	93.48	92.23	-1.34%	0.65%
TOP TEN HOLDINGS				\$24,896,610	16.82%	1.48%	4.81%	MSCI ACWI ex-U.S.		-1.99%	

Total Portfolio Value
Total StanCERA Value

\$148,017,897

\$1,680,577,809

*Company quotes are provided directly in USD

STANCERA
Price Monitor Position Report

Pyramis Global Advisors
Active Non-US Growth Manager
Positions as of February 28, 2014

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	2/28/2014 PX*	3/18/2014 PX*	Position % Change	Relative % Change
NESTLE SA (REG)	7123870	Switzerland	34,091	\$2,577,725	1.63%	0.15%	1.33%	66.35	65.00	-2.03%	-0.05%
ROYAL DUTCH SHELL PLC CL A(NL)	B09CBL4	Amsterdam	62,708	\$2,291,245	1.45%	0.14%	1.30%	26.45	25.90	-2.08%	-0.09%
HSBC HOLDINGS PLC (UK REG)	540528	London	194,885	\$2,056,588	1.30%	0.12%	1.08%	10.51	9.98	-5.04%	-3.06%
BAYER AG	5069211	Germany	13,439	\$1,909,955	1.21%	0.11%	0.64%	141.22	133.08	-5.76%	-3.78%
SANOFI	5671735	Paris	18,258	\$1,899,599	1.20%	0.11%	0.68%	25.34	25.28	-0.24%	1.75%
LLOYDS BANKING GROUP PLC	870612	London	1,343,489	\$1,858,151	1.17%	0.11%	0.38%	1.41	1.29	-8.51%	-6.52%
UBS AG (REGD)	B18YFJ4	Germany	83,498	\$1,788,837	1.13%	0.11%	0.43%	130.65	130.65	0.00%	1.99%
ALLIANZ SE (REGD)	5231485	London	9,452	\$1,693,185	1.07%	0.10%	0.45%	21.36	20.41	-4.45%	-2.46%
TOYOTA MOTOR CORP	6900643	Hong Kong	29,500	\$1,687,655	1.07%	0.10%	0.86%	57.30	54.94	-4.12%	-2.13%
GLAXOSMITHKLINE PLC	925288	London	55,773	\$1,562,304	0.99%	0.09%	0.75%	55.94	54.55	-2.48%	-0.50%
TOP TEN HOLDINGS				\$19,325,244	12.22%	1.15%	7.90%	MSCI ACWI ex-US:		-1.99%	

Total Portfolio Value
Total StanCERA Value

\$154,684,757
\$1,680,577,809

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



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**For the Board of Retirement meeting
Held on March 25, 2014**

3/25/14
Item#10.a

TO: Board of Retirement


FROM: Rick Santos, Executive Director


- I. SUBJECT: Investment Policy Change
- II. ITEM TYPE: Discussion and Action
- III. STAFF RECOMMENDATION: Within StanCERA's Investment Policy, change the definition of the maximum allowable maturity of cash equivalents held in the fixed income portfolio from 360 days to a duration of no more than 1 year.
- IV. ANALYSIS: A few weeks ago, PIMCO notified StanCERA that their policy regarding cash equivalents they hold as collateral while waiting to settle transactions is in conflict with StanCERA's policy. Regarding cash equivalents held within the fixed income portfolio, StanCERA's policy states the following:

"Cash equivalent reserves shall consist of cash instruments having quality ratings by at least one rating agency of A-1, P-1 or higher, maturing in 360 days or less."

PIMCO's policy states that cash equivalents held must have duration of one year or less. Duration can be defined as a weighted average maturity measure where the weights are a combination of the timing and size of the cash flows produced by the security. For typical securities with duration of exactly 1, the maturity of that security generally cannot be much greater than 1 year. Consequently, this change is of little consequence to the portfolio and does not introduce any additional risk.

- V. RISK: None
- VI. STRATEGIC PLAN: Invest StanCERA assets in such a way that efficiently maximizes the ability to meet current and future benefit obligations while balancing the need for contribution stability and sustainability
- VII. ADMINISTRATIVE BUDGET IMPACT: None


Rick Santos, Executive Director


Kathy Herman, Operations Manager



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**For the Board of Retirement meeting
Held on March 25, 2014**

3/25/14
Item# 10.b

TO: Board of Retirement

FROM: Rick Santos, Executive Director

- I. SUBJECT: Update on Assets Under Management by Inview
- II. ITEM TYPE: Information
- III. STAFF RECOMMENDATION: None
- IV. ANALYSIS: Several months ago, staff was asked to monitor the amount of StanCERA's assets under management by Inview relative to the total amount of assets Inview manages. After discussion with Capital Prospects (manager of managers for StanCERA's small cap portfolio), StanCERA had approximately \$21.1 million of assets invested with Inview as of December 31, 2013. As of this same date, Inview's total assets under management were approximately \$85 million. Consequently, StanCERA assets under management by Inview represent about 24.8% of their total.
- V. RISK: None
- VI. STRATEGIC PLAN: Refine StanCERA's business and policy practices in ways that enhance stakeholder awareness, the delivery of member services and the ability of the Organization to administer the System effectively and efficiently.
- VII. ADMINISTRATIVE BUDGET IMPACT: None

Rick Santos, Executive Director

Kathy Herman, Operations Manager



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For the Retirement Board meeting
Held on March 25, 2014

3/25/14
Item# 10.c

TO: Retirement Board

FROM: Kathy Herman, Operations Manager

- I. SUBJECT: Extension of Investment Consultant Service Contract with Strategic Investment Solutions (SIS) Primary Consultant – Paul Harte
- II. RECOMMENDATION: Authorize the Executive Director to enter into an agreement to extend the contract with Strategic Investment Solutions for two years.

ANALYSIS: The current contract for investment consultant services expires on June 30, 2014. On November 7, 2012 the Board of Retirement adopted an asset mix that includes a 13.5% allocation into alternative investments. (Direct Lending, Real Estate and Infrastructure). This was a significant change to StanCERA's investment manager structure. Direct Lending was implemented in 2013 and SIS is currently working with the Board of Retirement to select Real Estate managers.

On December 11, 2013 the Board of Retirement approved the transition of custody banks from the Bank of New York Mellon to Northern Trust.

On October 9, 2014 the Board of Retirement approved the three year Strategic Plan, which included action items for the realignment of the staffing structure and the possible addition of in-house investment staff. Staff is currently working on this realignment and how the position may interact and/or inherit some of the duties of the investment consultant.

Maintaining SIS as the investment consultant for the next two years will provide the Board of Retirement and staff time to fully vet managers and implement the adopted asset mix, complete the custody bank transition, and finalize the strategic plan action items listed above.

SIS has agreed to extend the current contract for up to three years at no additional charge.

Total fees paid to SIS:	FY 2012-2013	\$155,000
	FY 2013-2014	\$170,000 <i>proposed</i>
	FY 2014-2015	\$170,000 <i>proposed</i>

- III. RISK: Not extending this contract could cause a delay in the implementation of the approved asset allocation.
- IV. STRATEGIC PLAN: Invest StanCERA assets in such a way that efficiently maximizes the ability to meet current and future benefit obligations while balancing the need for contribution stability and sustainability.
- V. BUDGET IMPACT: Pursuant to Government Code section 31596.1, fees for the investment consultant are not included in the administrative budget.


Kathy Herman, Operations Manager


Rick Santos, Executive Director