



**STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION**  
832 12th Street, Suite 600  
Modesto, CA 95354  
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## AGENDA

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

**April 22, 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](http://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 April 9, 2014 Administrative Meeting Minutes [View](#)
  - b. Correspondence – White Oak Pinnacle Fund, L.P.
  - c. StanCERA Complaint Log of January 16, 2014 through March 31, 2014 [View](#)

6. Annual Update Direct Lending Report – White Oak Global Advisors, LLC
7. Strategic Investment Solutions (SIS), Inc.
  - a. Report on On-Site Visit to PIMCO [View](#)
  - b. Monthly Performance Review for the Month Ending March 31, 2014 [View](#)
  - c. Report on “Top 10 Holdings” of StanCERA Investment Managers as of March 31, 2014 [View](#)

8. Committee Reports and Recommendations for Action

STANDING COMMITTEES

- a. Internal Governance Committee
    - i. Discussion and Action to Approve the Professional Service Contracts – Legal Services [View](#)
  - b. Due Diligence Committee
    - i. Discussion and Action to Approve Schedule of the 2014 - 2017 Due Diligence Calendar [View](#)
9. Closed Session
- a. Discussion and Action Regarding Allocation of StanCERA's Real Estate Assets Government Code Section 54956.81
  - b. Conference with Legal Counsel – Pending Litigation – One Case: Stanislaus County Employees' Retirement Association v. Buck Consultants, LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152 Government Code Section 54956.9(d)(4)
  - c. Conference with Legal Counsel – Pending Litigation – One Case: O'Neal et al v. Stanislaus County Employees' Retirement Association Stanislaus County Superior Court Case No. 648469 Government Code Section 54956.9(d)(1)
  - d. Conference with Legal Counsel – Pending Litigation – One Case: Nasrawi et al v. Buck Consultants, LLC, et.al, Santa Clara County Superior Court Case No. 1-11-CV202224; Court of Appeal, Sixth Appellate District, Case No. H038894 Government Code Section 54956.9(d)(1)
10. Members' Forum (Information and Future Agenda Requests Only)
11. Adjournment



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## **PLEASE POST FOR EMPLOYEE VIEWING**

### **BOARD OF RETIREMENT MINUTES**

**April 9, 2014**

**Members Present:** Gordon Ford, Donna Riley, Maria De Anda, Mike Lynch,  
Darin Gharat, Jeff Grover and Jim DeMartini

**Members Absent:** Jason Gordo, Michael O'Neal, and Joan Clendenin, Alternate  
Retiree Representative

**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 2:01p.m. by Gordon Ford, Chair.

2. Roll Call

3. Announcements

Kellie Gomes announced a change to the minutes from March 25, 2014, Item 10.c. The minutes were changed to reflect that Item 10.c. had passed unanimously.

Director announced Item 5.b. (Executive Director Goal Update) on the consent from today's meeting needed an addition to an item reflecting the fact the RFP for an investment consultant will commence beginning Quarter 1, 2015

4. Public Comment

5. Consent Items

- a. Approval of the March 25, 2014 Investment Meeting Minutes
- b. Executive Director Goals Update Quarter 1 2014
- c. Correspondence – White Oak Pinnacle Fund, L.P.

5. Consent Items (Cont.)

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

1. Alvord, Kirsten - Alliance Worknet - Effective 04-21-2014
2. Christopherson, Laurann - HSA - Effective 03-29-2014
3. Ellenburg, Judy - Sheriff - Effective 05-02-2014
4. Griepsma, Judy - Stan Reg 911 - Effective 03-26-2014
5. Jackson, Charlene – BHRS - Effective 03-29-2014
6. Maner, Douglas - District Attorney - Effective 03-12-2014
7. Raya, Soledad – Sheriff - Effective 03-29-2014
8. Wright, Wm. Dean - County Counsel - Effective 03-29-2014

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

1. Hedrick, Amanda – CSA - Effective 10-03-13
2. Kinnear-Hughes - Marci, CSA - Effective 01-18-14
3. Mallory, Dionetta, - CSA - Effective 03-21-14
4. Porter, Curtis – Sheriff - Effective 03-05-14
5. Saini, Preet – DCSS - Effective 05-19-10

f. Approval of Disability Retirement – **Section 31724**

1. Griffin, Neal - BHRS - Non-Service Connected - Effective 04-10-14

Motion was made by Jeff Grover and seconded by Darin Gharat to approve the above consent items with the noted revisions referenced in announcements.

Motion Carried

6. Executive Director

a. StanCERA Monthly Staff Report

Director gave an update on 5 issues Staff has been/currently working on that are of importance to the Organization and to the Board of Retirement:

Benefit Services  
Custodian Bank Transition  
Alternative Investment  
StanCERA Lawsuits  
Asset Liability Management Process

7. 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)
- 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)

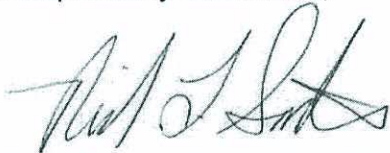
8. Members' Forum (Information and Future Agenda Requests Only)

Director announced that StanCERA was terminating its potential investment into the PRIMA fund unless the Board wanted to Agendize for further discussion and action. There were too many issues that StanCERA and PRIMA were too far apart on to warrant further negotiation and additional legal fees.

9. Adjournment

Meeting adjourned at 2:15 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 April 22, 2014**

04/22/14  
Item# 5.c

TO: Retirement Board

FROM: Mary Williams, Administrative Assistant

SUBJECT: StanCERA Complaint Log

There were twenty (20) retiree complaints logged between January 16, 2014, and March 31, 2014. All of these are Health Insurance complaints. A summary of these complaints follows:

Number of Complaints	Caller Status	Nature of Complaints
1	Retiree	RESCO Insurance failed to continue retiree's dental and vision insurance when he converted to Risk Management's health insurance coverage on 1/1/2014.
1	Retiree	RESCO Insurance premium was not withheld from retiree's payroll.
1	Retiree	RESCO Insurance did not send promised insurance enrollment forms to retiree.
5	Retiree	RESCO Insurance vision coverage was not honored at retirees' optometrists even though premiums were being deducted from retirees' payroll. (1 more complaint was not recorded as it was mentioned along with 1 of the following items.)
3	Retiree	RESCO Insurance dental coverage was not honored at retirees' dentists even though premiums were being deducted from retirees' payroll.
1	Retiree	RESCO Insurance prescription coverage was not honored at retiree's pharmacy even though premiums were being deducted from retiree's payroll.
1	Retiree	StanCERA payroll staff rejected retiree's RESCO Insurance form in March because of a dating error and as a result did not deduct insurance premium from retiree's payroll. Retiree felt that a phone call should have been placed to him by StanCERA staff when the invalid form was received from RESCO Insurance in addition to when his 2014 enrollment form was not received in time for December's enrollment deadline. Retiree felt StanCERA staff provided the "worst customer service" as a result of these failures.
2	Retiree	RESCO Insurance premiums have not been adjusted to reflect premium reductions due to deaths of covered spouses.
1	Retiree	RESCO Insurance did not send promised insurance id card to retiree.
1	Retiree	RESCO Insurance coverage will terminate; however, insurance premiums are still being withheld from payroll.
1	Retiree	RESCO sent an invoice for past due premiums even though retiree had premium deducted from payroll.



- |   |         |   |
|---|---------|---|
| 1 | Retiree | Retiree was in hospital during open enrollment period and is being denied health insurance coverage to cover that surgery because she was unable to complete the forms in a timely manner |
| 1 | Retiree | RESCO Insurance dental and vision coverage were terminated without explanation.   |

The number of complaints increased by 1 complaint compared to the previous report period October 1, 2013, through January 15, 2014.

  
Mary Williams, Administrative Assistant

  
Kathy Herman, Operations Manager

**MEMORANDUM**

DATE: April 22, 2014  
TO: StanCERA Board of Retirement  
StanCERA Staff  
FROM: Paul S. Harte  
SUBJECT: PIMCO  
April 8, 2014 Onsite Visit

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**Overview**

In an announcement on January 29, 2014, PIMCO publicized the following internal personnel moves: Mark Kiesel, Morningstar Fixed Income Manager of the Year in 2012; Virginie Maisonneuve, Global Head of Equities; Scott Mather, Head of Global Portfolio Management; and Mihir Worah, Head of Real Return Portfolio Management, will join Andrew Balls, Head of European Portfolio Management and Dan Ivascyn, Morningstar Fixed Income Manager of the Year in 2013, as Deputy Chief Investment Officers (total of six). In their expanded roles, each individual will oversee Portfolio Management teams, strategy formation, implementation, and risk management.

PIMCO had previously announced that Mohamed El-Erian was leaving the company as CEO and Co-CIO. Bill Gross will continue to be CIO of the firm. Doug Hodge, who previously was COO, will now be CEO. Jay Jacobs, Head of Talent Management, will now be President of the firm. Craig Dawson, Head of PIMCO Germany, will now serve as Head of Strategic Business Management and Kim Stafford, Executive Office, will now serve as Head of Talent Management.

In addition, Marc Seidner, a Managing Director and Portfolio Manager, has decided to return to Boston to take a role outside of PIMCO. Marc joined the firm in 2009 and was also the **Lead Portfolio Manager for StanCERA. Marc will be replaced on the StanCERA portfolio by Tony Crescenzi, Executive Vice President and Portfolio Manager.** Chuck Lahr, a Managing Director and Equities Portfolio Manager, will also be leaving PIMCO.

**Transition of Duties**

PIMCO has made substantial organizational changes with the departure of Mohamed El-Erian. Prior to Mohamed's departure the firm's leadership was concentrated in two individuals (Gross and El-Erian). PIMCO will now have six Deputy CIOs in leadership positions. It is apparent that these six individuals will eventually compete to take over the CIO role when Gross decides to step down. Presently, Bill Gross is the sole CIO and will be assisted by these six Deputy CIOs. These seven investment professionals also sit on the Investment Committee and are joined by six additional members: Chris Dialynas, Christian



Stracke, Saumil Parikh, **Tony Crescenzi (StanCERA's new Portfolio Manager)**, Qi Wang (rotating member), and Jon Horne (rotating member).

PIMCO has a total of 246 portfolio managers, 65 analytics/asset experts, and 52 credit research analysts. The depth, experience, and talent of PIMCO's investment professionals are evident based on investment track record and diverse professional experiences. Jay Jacobs stressed that the appointment of the new Deputy CIOs was firmly based on the individuals' track record as solid investors and strong leaders.

Jay further stated that the departure of Mohamed was due to the strong personalities of both Bill Gross and Mohamed, disagreements on how the firm should be run and themes in the investment portfolios. Jay stated that Mohamed's departure was initially amicable but became contentious after both parties began challenging one another in the press.

## StanCERA Portfolio

Tony Crescenzi, Executive VP and Portfolio Manager, has taken over the lead role for the StanCERA Core Fixed Income portfolio. Tony is an experienced investor who is also a member of the firm's Investment Committee. Having written five books over his 31-year career, Tony displayed an impressive understanding of the fixed income space during our interview. It is in our opinion that Mr. Crescenzi is a viable replacement for Marc Seidner and a capable portfolio manager for StanCERA going forward.

A performance review of the StanCERA portfolio is as follows as of March 31, 2014:

	1 month	3 months	6 months	1 year	2 years	3 years	Inception*
Return gross	-0.4	1.6	1.3	-1.0	2.3	4.3	4.5
Return net	-0.4	1.5	1.1	-1.3	1.9	4.0	4.1
Benchmark	-0.2	1.8	1.7	-0.1	1.8	3.8	3.7

\*Inception date May 14, 2010

Portfolio value as of March 31, 2014 is \$106,622,431

## Performance Summary

PIMCO portfolio performance was adversely affected in calendar year 2013 as a result of the rise in real rates during May to June period. The portfolio today has a slightly defensive effective duration of 4.9 years versus 5.3 years for the benchmark. The yield to maturity on the portfolio is at 2.5%. PIMCO is expecting US yields to be range bound between 2.5% and 3.0%; shifting up by 25 basis points by year-end to a range of 2.75% to 3.25%.

PIMCO's total return strategy includes the following themes in the StanCERA portfolio:

- Interest rate strategy focused on the front end of yield curve
- Interest rate strategy of TIPS 10–20 year maturities
- Strategic positioning—neutral agency MBS
- Strategic positioning—limit corporate exposure (different from Dodge & Cox)

- Tactical positioning currency favor U.S. dollar
- Overweight Spain/Italy sovereign bonds
- Overweight Municipals

### **Recommendation**

The StanCERA portfolio manager, Marc Seidner, leaving is a loss but his replacement, Tony Crescenzi, is a capable investment professional who likewise sits on the firm's Investment Committee. The onsite visit to PIMCO further confirmed that Mohamed El-Erian's departure was accompanied by significant negative media coverage. But the resulting firm structure has elevated a number of attractive investment professionals and is preferred to the former concentrated structure of two individuals running the company.

Strategic Investment Solutions continues to believe PIMCO is a good complement to Dodge & Cox. StanCERA has a roughly 80% weighting to Dodge & Cox (overweight U.S. Corporates and underweight U.S. Treasuries) and a 20% weighting to PIMCO, which pursues more diversified sources of excess returns. Strategic Investment Solutions recommends that StanCERA retain PIMCO as the portfolio's second fixed income manager.

# MARKET UPDATE

FOR MARCH 2014

## U.S. EQUITY

For the month of March, Value outperform Growth and Large Caps outperform Small Caps. The Russell 1000 Growth Index was down -1.0% while the Russell 1000 Value Index up by +2.4% for the month. The Russell 2000 Growth Index was down -2.5% and the Russell 2000 Value was up by +1.2%. The S&P 500 Index ended the month higher by +0.8%.

The S&P 500 Index has a trailing P/E ratio of 17.7, a forward 12-month estimate P/E ratio of 15.6 and dividend yield of 2.0%.

Corporate merger highlights for the month included:

Caesars Entertainment, the largest owners of casinos in the U.S., will sell four properties to an affiliate for \$2.2 billion; Numericable and its shareholder, Altice, are preparing an offer valued at about \$20 billion to merge with Vivendi's French telecom unit, SFR; Albertson's parent, Cerberus, will buy grocery chain Safeway in a package that may approach \$9 billion; Minerals Technologies will buy Amcol International for \$1.7 billion; Hochtief, Germany's largest builder, offered \$1.05 billion to raise its stake in Leighton Holdings to 74%; United Rentals acquired privately held National Pump, the second-largest specialty pump rental company in North America, for \$780 million; Men's Wearhouse will buy smaller rival Jos. A. Bank for \$1.8 billion; Blackstone Group has invested \$8 billion since April 2012 to buy 43,000 homes in 14 cities, making it the largest single-family home landlord; RWE, Germany's second largest utility, will sell its oil and gas production arm to investors led by Russian tycoon, Mikhail Fridman, for \$7.1 billion; Vodafone will buy Spain's largest cable operator, Ono, for \$10 billion; J.P. Morgan Chase will sell its physical commodities business to Mercuria Energy for \$3.5 billion; Horizon Pharma will buy specialty pharmaceutical company, Vidara Therapeutics International, for about \$660 million; Volkswagen declined to raise its \$9.33 billion bid for Scania; Media General, a broadcaster in Richmond, VA. will pay \$1.6 billion to buy competitor Lin Media; Canada Pension Plan Investment Board will acquire U.S. life insurer, Wilton Re Holdings, for \$1.8 billion; Singapore state investor Temasek Holdings will buy almost a quarter of health and beauty retailer, A.S. Watson, for about \$5.7 billion; A consortium of private equity firms will buy Nordic card payment company, Nets, for \$3.1 billion; Walt Disney will buy privately held Maker Studios for \$500 million; Facebook will buy

Oculus VR, a maker of virtual-reality glasses for gaming, for \$2 billion; Johnson & Johnson will sell its Ortho-Clinical Group for \$4 billion; and, Encana Corp. will sell some natural gas assets in Wyoming's Jonah field to a TPG Capital affiliate for \$1.8 billion.

## FIXED INCOME

The U.S. economy grew at a 2.6% annual rate in the fourth quarter, slightly more than previously estimated.

The yield on the bellwether 10-year Treasury note rose to 2.77% at the close of March from its February close at 2.66%. At month-end, the 30-year bond yield was 3.56% with the 3-month T-bill at 0.05%. The Barclays Capital U.S. Aggregate Index was down -0.17% in March. EM Debt was the strongest sector within fixed income as the JPM EMBI Global rose +1.26% for March.

New York Fed President William Dudley stated that it is reasonable to expect an increase in interest rates around mid-2015. A survey of economists estimates that the Federal Reserve will start raising U.S. interest rates in the third quarter of next year.

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

## THE GOOD

\*Markit reported that the final reading of its U.S. Manufacturing Purchasing Managers Index rose to 57.1 in February, up from January's 53.7.

\*The Institute for Supply Management reported its index of national factory activity increased to 53.2 in February after slumping in January to 51.3.

\*Americans' household net worth increased nearly \$3 trillion during last year's fourth quarter to a record \$80.7 trillion.

\*Retail sales rose a seasonally adjusted +0.3% in February, according to the Commerce Dept.

\*The Commerce Dept. reported that the producer price index, which measures price changes before they reach the consumer, dropped -0.1% in February, the latest sign that inflation is tame.

\*The New York Fed's index of manufacturing conditions index increased to 5.61 in March from a reading of 4.48 in February.

\*The Federal Reserve reported that factory production surged +0.8% in February.

\*The current account gap, which measures the flows of goods, services and investments into and out of the country, narrowed to \$81.1 billion, the smallest since the third quarter in 1999.

\*The consumer price index nudged up 0.1% in February.

\*The Conference Board's index of leading indicators increased 0.5% in February, the largest amount in three months.

\*The Commerce Dept. reported that orders for durable goods increased by 2.2% in February, ending two straight months of declines.

The Conference Board's Consumer Confidence Index rose to 82.3 in March, up from 78.3 in February, and the highest level since January 2008.

## THE NOT SO GOOD

\*Global shipments of personal computers fell -9.8% to 315.1 million units last year with future declines expected.

\*U.S. productivity grew at an even slower annual rate than previously thought in the final three months of last year with a new estimate of 1.8%, down from the 3.2% previously reported.

\*The U.S. trade deficit rose slightly in January to \$39.1 billion as a rise in imports of oil and other foreign goods offset a solid increase in exports.

\*Sales at wholesalers dropped -1.9% in January, the biggest decline since March 2009.

\*A survey by the Employee Benefits Research Institute found that 36% of current workers say they have saved \$1,000 or less for retirement.

\*The Commerce Dept. reported that housing starts slipped -0.2% in February to a seasonally adjusted annual rate of 907,000 units and was the third straight month of declines.

\*Sales of existing U.S. homes slipped in February to their lowest level since July 2012 due to severe weather, rising prices, and a tight supply.

\*Americans barely increased spending in February following a weak January, strong evidence that the severe winter will hold back the economy in the first quarter—spending rose 0.3% in February.

## NON-U.S. MARKETS

UK GDP rose 0.7% in the fourth quarter, unrevised from previous estimate. This was the third consecutive solid gain, lifting GDP 2.7% from a year earlier.

The purchasing managers' indexes in the Eurozone suggest that manufacturing condition deteriorated slightly for the second straight month in March. The headline index slipped -0.2 point to 53.0, which followed a -0.8 point decline in February.

Japanese GDP growth was downgraded for the second half of 2013. Headline growth for both Q3 and Q4 were trimmed by -0.1 point to anemic +0.2% growth.

China's manufacturing barometers fell again in March suggesting broader growth is continuing to slow.

Russia's central bank raised interest rates in March as the ruble dropped to its lowest level ever against the US dollar.

Non-U.S. Developed equities were relatively unchanged in March. The MSCI ACWI Ex-U.S. was up +0.3% (US dollars) for the month. International Developed stocks (EAFE) were up down -0.6% while Emerging Markets gained +3.1% for the month.

## CONCLUSION

Geopolitical tensions (Ukraine) and doubts over U.S. monetary policy loom over the financial markets. Global markets are struggling in recent weeks. China is another concern due to disappointing economic figures released recently suggesting a slowdown in growth. That said, global equity markets ended March relatively flat following a very strong five-year period. One would expect to see a bit more volatility for the rest of 2014.

## Monthly Market Update

### US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Mar-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	0.53	1.97	1.97	22.61	18.52	14.61	21.93	6.60	7.86
Russell TOP 200 Index	1.05	1.39	1.39	21.92	17.48	14.89	20.25	6.12	6.92
Russell TOP 200 Growth Index	-0.61	0.68	0.68	22.80	15.73	15.16	20.61	8.32	7.35
Russell TOP 200 Value Index	2.75	2.11	2.11	21.07	19.26	14.63	19.89	3.93	6.47
S&P 500 Index	0.84	1.81	1.81	21.86	17.84	14.66	21.16	6.31	7.42
Russell 1000 Index	0.64	2.05	2.05	22.41	18.35	14.75	21.73	6.57	7.80
Russell 1000 Growth Index	-1.01	1.12	1.12	23.22	16.47	14.62	21.68	8.23	7.86
Russell 1000 Value Index	2.39	3.02	3.02	21.57	20.16	14.80	21.75	4.78	7.58
Russell Mid-Cap Index	-0.27	3.53	3.53	23.51	20.37	14.39	25.55	7.71	10.05
Russell Mid-Cap Growth Index	-1.85	2.04	2.04	24.22	18.35	13.52	24.73	8.24	9.47
Russell Mid-Cap Value Index	1.54	5.22	5.22	22.95	22.22	15.17	26.35	6.85	10.24
Russell 2000 Index	-0.68	1.12	1.12	24.90	20.52	13.18	24.31	7.08	8.53
Russell 2000 Value Index	1.24	1.78	1.78	22.65	20.35	12.74	23.33	5.44	8.07
Russell 2000 Growth Index	-2.46	0.48	0.48	27.19	20.69	13.61	25.24	8.63	8.87
DJ US REIT Index	0.88	10.35	10.35	4.35	8.68	10.27	28.92	1.85	8.05
DJ-UBS US Commodity Index TR	0.41	6.99	6.99	-2.10	-2.56	-7.37	4.24	-2.72	0.43
DJ-UBS US Gold Index TR	-2.87	6.72	6.72	-19.85	-12.86	-4.32	6.08	8.89	10.68

March  
Flat  
Month  
Value &  
Growth

### Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Mar-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	0.32	0.61	0.61	12.80	10.82	4.63	16.04	2.16	7.59
MSCI AC World Index	0.50	1.21	1.21	17.17	14.14	9.14	18.43	4.10	7.53
MSCI EAFE Index	-0.57	0.77	0.77	18.06	14.89	7.72	16.56	1.78	7.01
MSCI Emerging Markets index	3.09	-0.37	-0.37	-1.07	0.60	-2.54	14.83	3.70	10.45
ML Global Government Bond Ex. U.S. Index	-0.51	2.76	2.76	-1.78	-3.16	-0.37	3.55	4.90	3.85
Euro	-0.21	0.02	0.02	7.33	1.73	-0.97	0.75	0.50	1.15
Japanese Yen	-0.89	2.06	2.06	-8.71	-10.61	-6.98	-0.83	1.97	0.10
UK Pound Sterling	-0.52	0.66	0.66	9.79	2.15	1.32	3.07	-2.30	-0.97

EM Rally

### US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Mar-14	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.01	0.01	0.07	0.09	0.08	0.12	0.91	1.65
BarCap Aggregate Bond Index	-0.17	1.84	1.84	-0.10	1.82	3.75	4.80	4.96	4.46
ML U.S. Corp/Govt Master Index	-0.13	2.11	2.11	-0.47	2.11	4.17	5.15	5.02	4.41
ML U.S. Corporate Master Index	0.07	2.97	2.97	1.42	4.56	6.04	9.89	6.13	5.28
BarCap Mortgage Backed Securities Index	-0.32	1.58	1.58	0.20	1.08	2.76	3.57	4.80	4.58
ML U.S. High Yield Master Index	0.22	2.99	2.99	7.51	10.24	8.71	17.95	8.45	8.46
JPM EMBI Global	1.26	3.47	3.47	-1.06	4.53	7.15	11.54	7.42	8.31

EM Rally

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

**SUMMARY OF INVESTMENTS**

ASSET CLASS	MARKET VALUE	PERCENT	CURRENT POLICY		TARGET POLICY	
			ALLOCATION	RANGE	ALLOCATION	RANGE
DOMESTIC EQUITIES	810,913,866	46.8%	46.7%	41.7% - 51.7%	38.2%	32.2% - 44.2%
INTERNATIONAL EQUITIES	311,784,102	18.0%	18.0%	15.0% - 21.0%	18.0%	15.0% - 21.0%
FIXED INCOME	501,598,607	29.0%	29.8%	26.0% - 33.6%	29.8%	26.0% - 33.6%
ALTERNATIVES:	93,220,736	5.4%	5.5%		14.0%	
DIRECT LENDING	69,570,798	4.0%	4.0%	2.0% - 6.0%	7.5%	2.5% - 9.0%
REAL ESTATE	23,649,938	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	(501,827)	0.0%	0.0%	0.0% - 0.0%	0.0%	0.0% - 0.0%
CASH (equity managers only)	14,339,756	0.8%	0.0%	0.0% - 3.0%	0.0%	0.0% - 3.0%

TOTAL PORTFOLIO	1,731,355,241	100.0%	100.0%	100.0%
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	ACTUAL	CURRENT ALLOCATION	TARGET ALLOCATION
DODGE & COX - LARGE CAP VALUE	10.5%	9.7%	8.9%
BlackRock - R1000 VALUE INDEX	6.5%	6.5%	5.5%
DELAWARE - LARGE CAP GROWTH	8.5%	8.5%	6.7%
BlackRock - R1000 GROWTH INDEX	5.5%	5.5%	4.6%
CAPITAL PROSPECTS	5.6%	5.5%	4.0%
LEGATO CAPITAL	5.1%	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	22.8%	23.8%	23.8%
PIMCO	6.2%	6.0%	6.0%
MEDLEY	1.6%	1.0%	2.1%
RAVEN	1.5%	1.5%	2.7%
WHITE OAK	1.0%	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%

*US Equities  
to fund  
Future  
Alternatives  
Cap. Calls*

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

ASSET CLASS	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
<b>MARKET VALUE</b>					
DOMESTIC EQUITIES	810,913,866	818,441,557	-0.92%	703,114,107	15.33%
INTERNATIONAL EQUITIES	311,784,102	311,692,008	0.03%	270,934,858	15.08%
FIXED INCOME	501,598,607	499,921,806	0.34%	537,705,652	-6.72%
DIRECT LENDING	69,570,798	64,616,765	7.67%	0	N/A
REAL ESTATE	23,649,938	23,451,108	0.85%	22,669,753	4.32%
SECURITIES LENDING	(501,827)	(528,520)	5.05%	(921,258)	45.53%
CASH (equity managers only)	14,339,756	17,972,084	-20.21%	15,529,626	-7.66%
TOTAL PORTFOLIO	1,731,355,241	1,735,566,808	-0.24%	1,549,032,738	11.77%
<b>ASSET ALLOCATION (ACTUAL)</b>					
DOMESTIC EQUITIES	46.84%	47.16%	-0.3%	45.39%	1.4%
INTERNATIONAL EQUITIES	18.01%	17.96%	0.0%	17.49%	0.5%
FIXED INCOME	28.97%	28.80%	0.2%	34.71%	-5.7%
DIRECT LENDING	4.02%	3.72%	0.3%	0.00%	4.0%
REAL ESTATE SECURITIES	1.37%	1.35%	0.0%	1.46%	-0.1%
SECURITY LENDING	-0.03%	-0.03%	0.0%	-0.06%	0.0%
CASH (equity managers only)	0.83%	1.04%	-0.2%	1.00%	-0.2%
TOTAL PORTFOLIO	100.0%	100.0%	0.0%	100.0%	0.0%

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

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

ASSET CLASS	MARKET VALUE	PERCENT	CURRENT POLICY TARGET	RANGE
<b>DOMESTIC EQUITIES</b>				
DODGE & COX - LARGE CAP VALUE	182,082,976	10.5%	9.7%	7.7% - 11.7%
BLACKROCK - R1000 VALUE INDEX	112,785,294	6.5%	6.5%	5.5% - 6.5%
DELAWARE - LARGE CAP GROWTH	146,937,414	8.5%	8.5%	7.0% - 10.0%
BLACKROCK - R1000 GROWTH INDEX	95,834,277	5.5%	5.5%	4.0% - 6.0%
CAPITAL PROSPECTS - SMALL CAP VALUE	96,844,454	5.6%	5.5%	4.0% - 6.0%
LEGATO CAPITAL - SMALL CAP GROWTH	88,329,496	5.1%	5.5%	4.0% - 6.0%
BNY - S&P 500 INDEX	98,979,061	5.7%	5.5%	4.0% - 6.0%
TOTAL DOMESTIC EQUITIES	821,792,971	47.5%	46.7%	
<b>FIXED INCOME</b>				
DODGE & COX	395,081,339	22.8%	23.8%	20.8% - 26.8%
PIMCO	106,517,268	6.2%	6.0%	5.0% - 7.0%
TOTAL FIXED INCOME	501,598,607	29.0%	29.8%	
<b>DIRECT LENDING</b>				
MEDLEY CAPITAL	27,186,792	1.6%	1.0%	1.0% - 3.0%
RAVEN CAPITAL	25,623,118	1.5%	1.5%	1.0% - 3.0%
WHITE OAK	16,760,888	1.0%	1.5%	1.0% - 3.0%
TOTAL DIRECT LENDING	69,570,798	4.0%	4.0%	
<b>INTERNATIONAL INVESTMENTS</b>				
LSV ASSET MGMT.	154,897,784	8.9%	9.0%	7.5% - 10.5%
PYRAMIS	160,346,969	9.3%	9.0%	7.5% - 10.5%
TOTAL INTERNATIONAL EQUITIES	315,244,753	18.2%	18.0%	
<b>REAL ESTATE SECURITIES</b>				
BlackRock - US RE SECURITIES INDEX	23,649,938	1.4%	1.5%	1.0% - 2.0%
TOTAL REAL ESTATE	23,649,938	1.4%	1.5%	1.0% - 2.0%
<b>SECURITIES LENDING</b>				
	(501,827)	0.0%	0.0%	0.0% - 0.0%
<b>TOTAL STANCERA PORTFOLIO</b>	<b>1,731,355,241</b>	<b>100.0%</b>	<b>100.0%</b>	

**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING MAR. 31, 2014**  
**PRELIMINARY**

	CASH	BONDS	EQUITIES	TOTAL
<b>DOMESTIC EQUITIES</b>				
DODGE & COX - LARGE CAP VALUE	3,687,578		178,395,398	182,082,976
BLACKROCK - R1000 VALUE INDEX	0		112,785,294	112,785,294
DELAWARE - LARGE CAP GROWTH	3,174,479		143,762,934	146,937,414
BLACKROCK - R1000 GROWTH INDEX	0		95,834,277	95,834,277
CAPITAL PROSPECTS - SMALL CAP VALUE	3,077,004		93,767,450	96,844,454
LEGATO CAPITAL - SMALL CAP GROWTH	939,815		87,389,681	88,329,496
BNY - S&P 500 INDEX	228		98,978,833	98,979,061
TOTAL DOMESTIC EQUITIES	10,879,105		810,913,866	821,792,971
<b>FIXED INCOME</b>				
DODGE & COX	12,258,411	382,822,928		395,081,339
PIMCO	5,610,513	100,906,755		106,517,268
TOTAL FIXED INCOME	17,868,924	483,729,683		501,598,607
<b>DIRECT LENDING</b>				
MEDLEY	0	27,186,792		27,186,792
RAVEN	0	25,623,118		25,623,118
WHITE OAK	0	16,760,888		16,760,888
TOTAL DIRECT LENDING	0	69,570,798		69,570,798
<b>INTERNATIONAL INVESTMENTS</b>				
LSV ASSET MGMT.	1,180,345		153,717,439	154,897,784
PYRAMIS	2,280,305		158,066,663	160,346,969
TOTAL INTERNATIONAL EQUITIES	3,460,651		311,784,102	315,244,753
<b>REAL ESTATE SECURITIES</b>				
BLACKROCK - US REAL ESTATE SECURITIES INDEX	137		23,649,801	23,649,938
TOTAL REAL ESTATE	137		23,649,801	23,649,938
<b>SECURITIES LENDING</b>				
	(501,827)			(501,827)
<b>TOTAL STANCERA PORTFOLIO</b>	<b>31,706,990</b>	<b>553,300,482</b>	<b>1,146,347,769</b>	<b>1,731,355,241</b>
	1.8%	32.0%	66.2%	100.0%

**STANCERA**  
MONTHLY PERFORMANCE REVIEW  
PERIOD ENDING MAR. 31, 2014

PRELIMINARY BASIS

	MARKET VALUE	MAR	ALPHA	FEB	ALPHA	FISCAL YTD	ALPHA
<b>DOMESTIC EQUITIES</b>							
DODGE & COX - LARGE CAP VALUE	178,395,398	1.42%	-0.97%	4.18%	-0.14%	21.66%	3.91%
RUSSELL 1000 VALUE		2.39%		4.32%		17.75%	
BLACKROCK - R1000 VALUE INDEX	112,785,294	2.37%	-0.02%	4.33%	0.01%	17.85%	0.10%
RUSSELL 1000 VALUE		2.39%		4.32%		17.75%	
DELAWARE - LARGE CAP GROWTH	143,762,934	-2.53%	-1.52%	6.76%	1.01%	22.70%	1.99%
RUSSELL 1000 GROWTH		-1.01%		5.15%		20.71%	
BLACKROCK - R1000 GROWTH INDEX	95,834,277	-1.00%	0.01%	5.14%	-0.01%	20.70%	-0.01%
RUSSELL 1000 GROWTH		-1.01%		5.15%		20.71%	
CAPITAL PROSPECTS	93,767,450	1.29%	0.05%	3.89%	-0.69%	22.14%	2.45%
RUSSELL 2000 VALUE		1.24%		4.58%		19.69%	
LEGATO CAPITAL	87,389,681	-2.68%	-0.22%	4.50%	-0.33%	23.47%	0.86%
RUSSELL 2000 GROWTH		-2.46%		4.83%		22.61%	
BNY - S&P 500 INDEX	98,978,833	0.84%	0.00%	4.57%	0.00%	18.41%	0.00%
S&P 500		0.84%		4.57%		18.41%	
TOTAL DOMESTIC EQUITY	810,913,866	0.04%	-0.49%	4.83%	0.09%	21.93%	2.52%
Russell 3000 Index		0.53%		4.74%		19.41%	
<b>FIXED INCOME</b>							
DODGE & COX	395,081,339	0.05%	0.22%	0.54%	0.01%	4.10%	1.48%
BARCLAYS US AGGREGATE BOND		-0.17%		0.53%		2.62%	
PIMCO	106,517,268	-0.40%	-0.23%	0.47%	-0.06%	2.02%	-0.60%
BARCLAYS US AGGREGATE BOND		-0.17%		0.53%		2.62%	
TOTAL FIXED INCOME	501,598,607	-0.04%	0.13%	0.52%	-0.01%	3.59%	0.97%
BARCLAYS US AGGREGATE BOND		-0.17%		0.53%		2.62%	
<b>DIRECT LENDING</b>							
MEDLEY CAPITAL	27,186,792	0.00%	-0.75%	0.00%	-0.75%	2.54%	-4.21%
CUSTOM 9% ANNUAL		0.75%		0.75%		6.75%	
RAVEN CAPITAL	25,623,118	0.00%	-0.75%	0.00%	-0.75%	6.22%	-0.53%
CUSTOM 9% ANNUAL		0.75%		0.75%		6.75%	
WHITE OAK	16,760,888	0.00%	-0.75%	0.19%	-0.56%	7.07%	1.82%
CUSTOM 9% ANNUAL		0.75%		0.75%		5.25%	
TOTAL DIRECT LENDING	69,570,798	0.00%	-0.75%	0.06%	-0.69%	4.20%	-2.55%
CUSTOM 9% ANNUAL		0.75%		0.75%		6.75%	
<b>INTERNATIONAL EQUITY</b>							
LSV ASSET MGMT	153,717,439	-0.03%	-0.29%	4.68%	-0.37%	18.36%	2.81%
MSCI ACWI ex-US		0.26%		5.05%		15.57%	
PYRAMIS	158,066,663	-0.73%	-0.99%	4.42%	-0.63%	15.69%	0.12%
MSCI ACWI ex-US		0.26%		5.05%		15.57%	
TOTAL INTERNATIONAL EQUITY	311,784,102	-0.39%	-0.65%	4.55%	-0.50%	16.98%	1.41%
MSCI ACWI ex-US		0.26%		5.05%		15.57%	
<b>REAL ESTATE SECURITIES</b>							
BlackRock US RE Index	23,649,938	0.85%	-0.01%	5.13%	0.00%	5.69%	-0.01%
DOW JONES US SELECT RE INDEX		0.88%		5.13%		5.70%	
<b>SECURITIES LENDING</b>							
BNY MELLON	(501,827)						
<b>CASH and SHORT-TERM INVESTMENTS</b>							
CASH	14,339,756	0.01%	0.00%	0.01%	0.00%	0.11%	0.01%
90-day US Treasury Bill		0.01%		0.01%		0.10%	
Total StanCERA Fund	1,731,355,241	-0.07%	-0.28%	3.41%	0.09%	14.04%	1.62%
Current Policy Index*		0.21%		3.32%		12.42%	
Actuary Rate of Assumption (7.75%)		0.64%	-0.71%	0.64%	2.77%	5.81%	8.23%
Actuary Rate of Inflation (3.25%)		0.27%	-0.34%	0.27%	3.14%	2.44%	11.60%

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

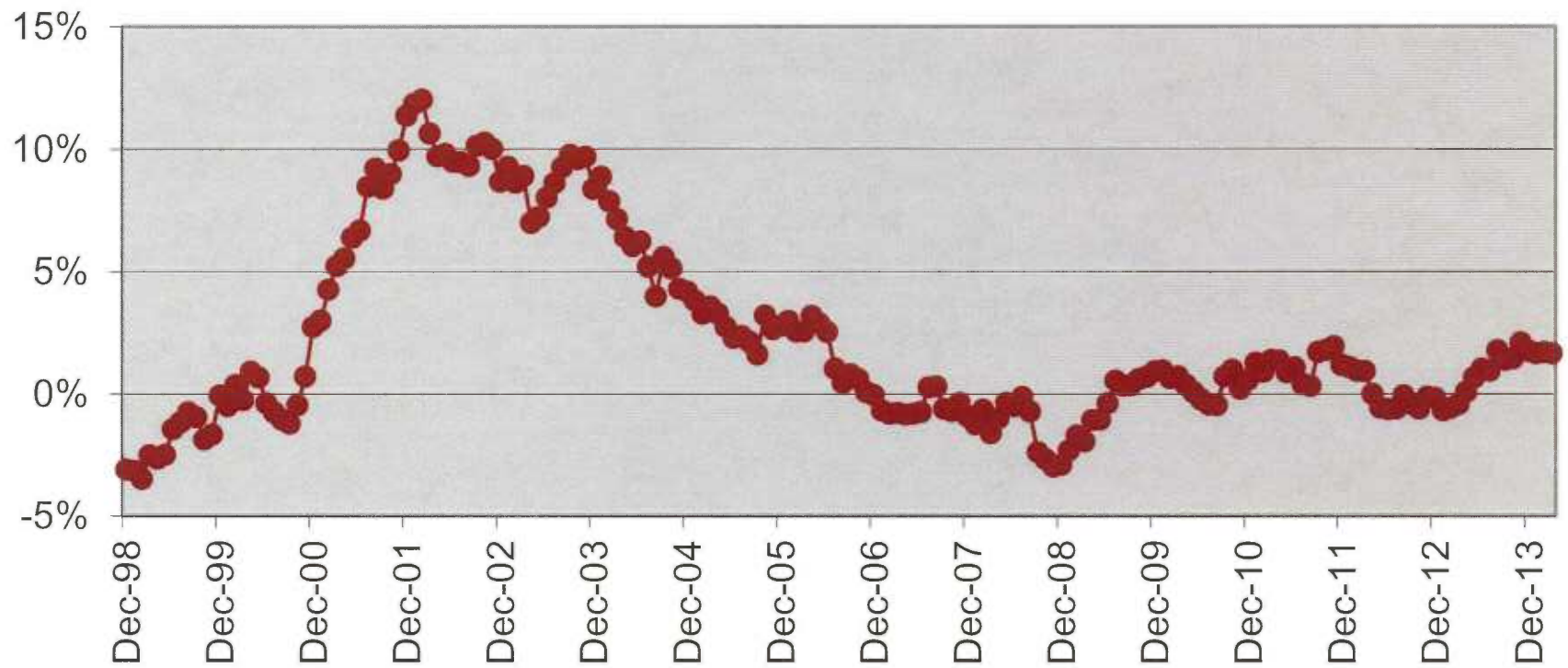
Page 5

Flat March  
slightly  
policy

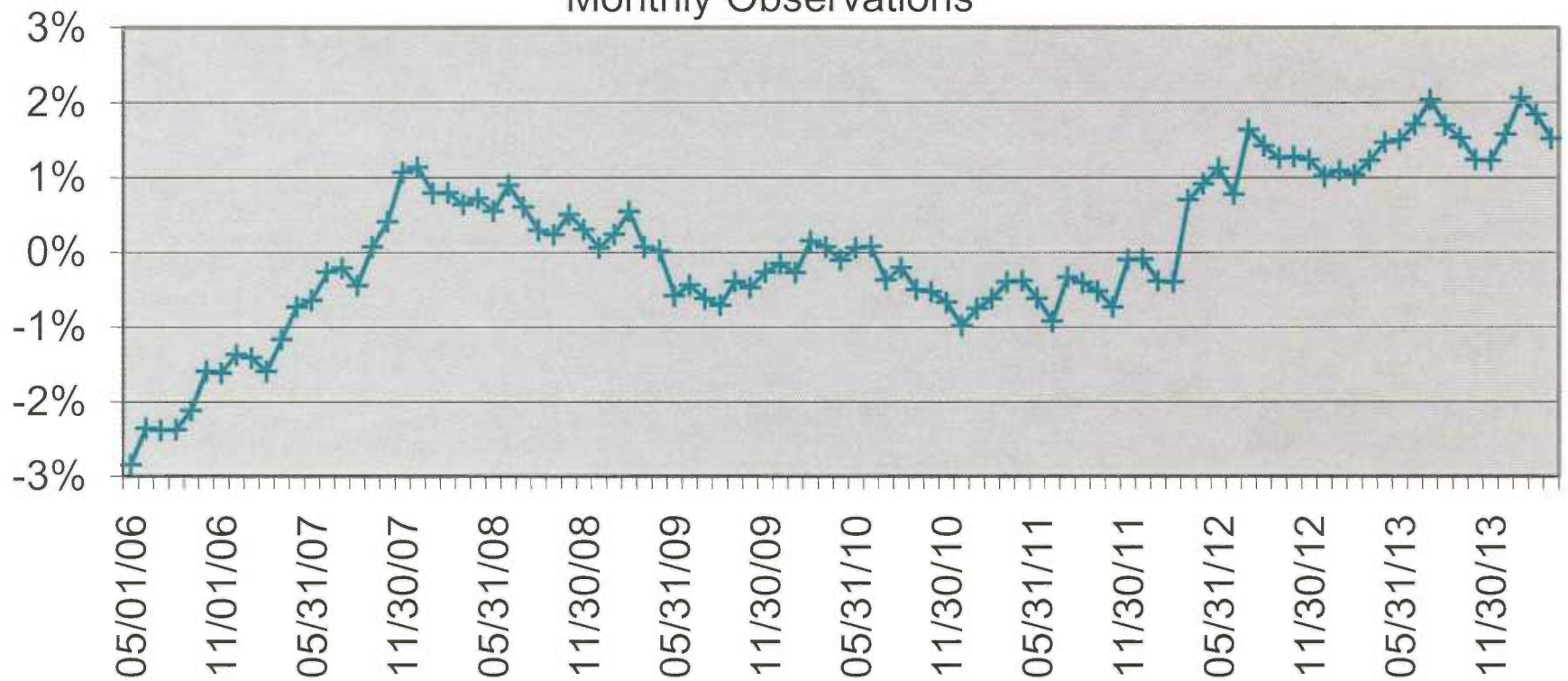
9 mos. Fiscal YTD  
still quite good!  
+1490!

5

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

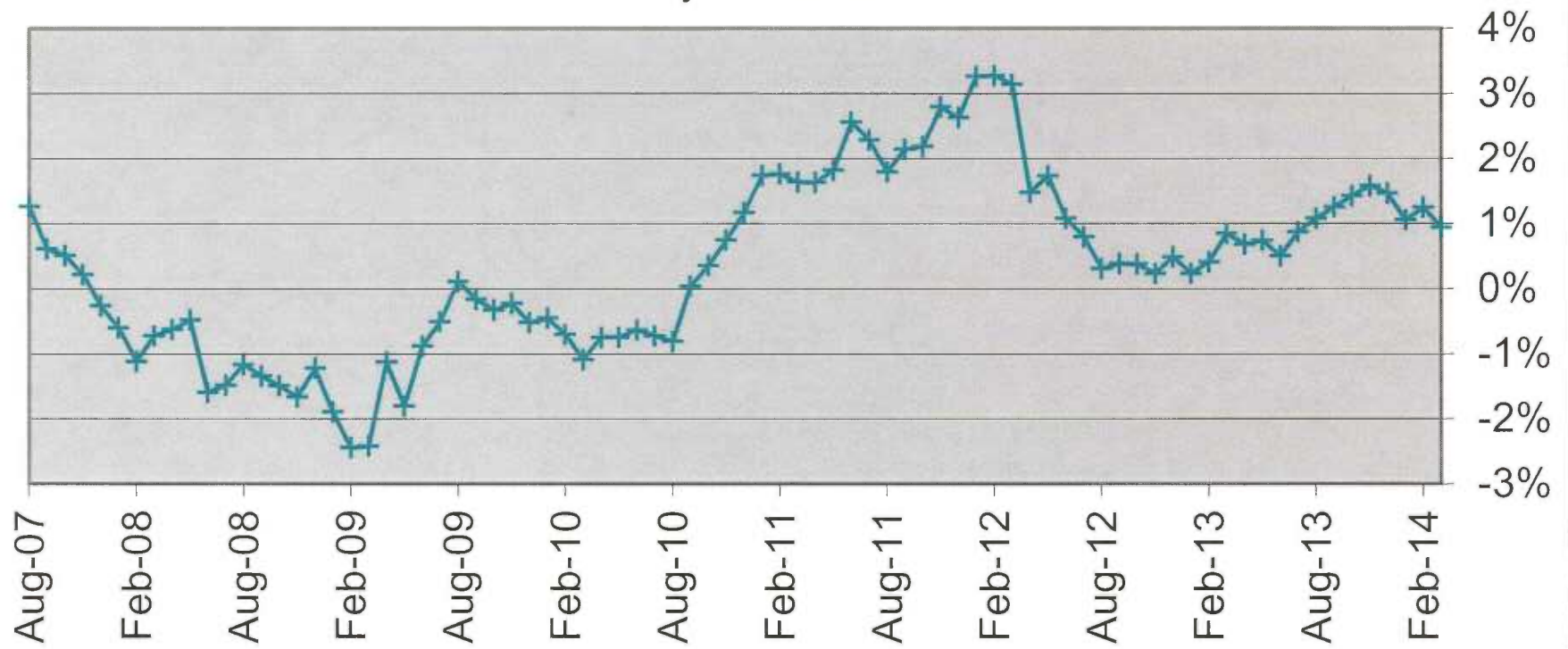


Pyramis (May 2006)  
Rolling 3-Years Annualized Alpha  
Monthly Observations

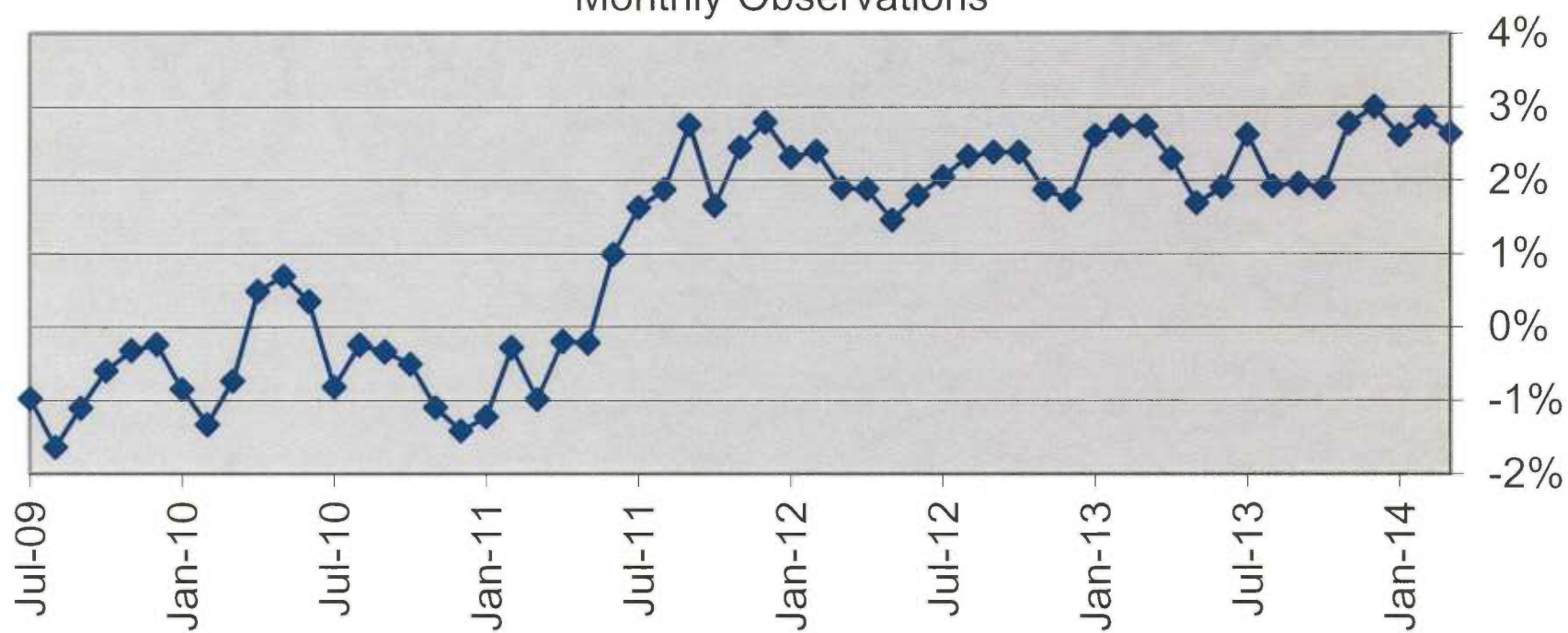




LSV  
Rolling 3-Years Annualized Alpha  
Monthly Observations

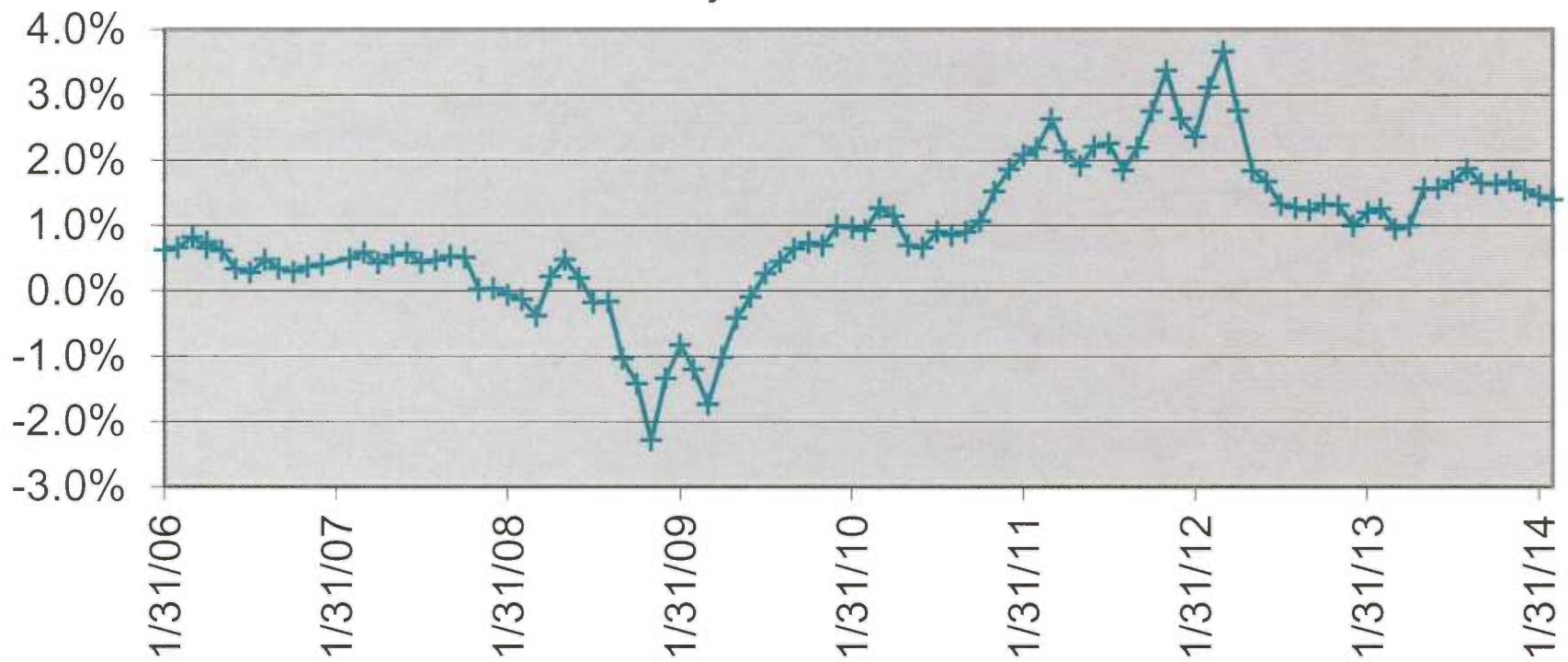


Delaware  
Rolling 3-Years Annualized Alpha  
Monthly Observations

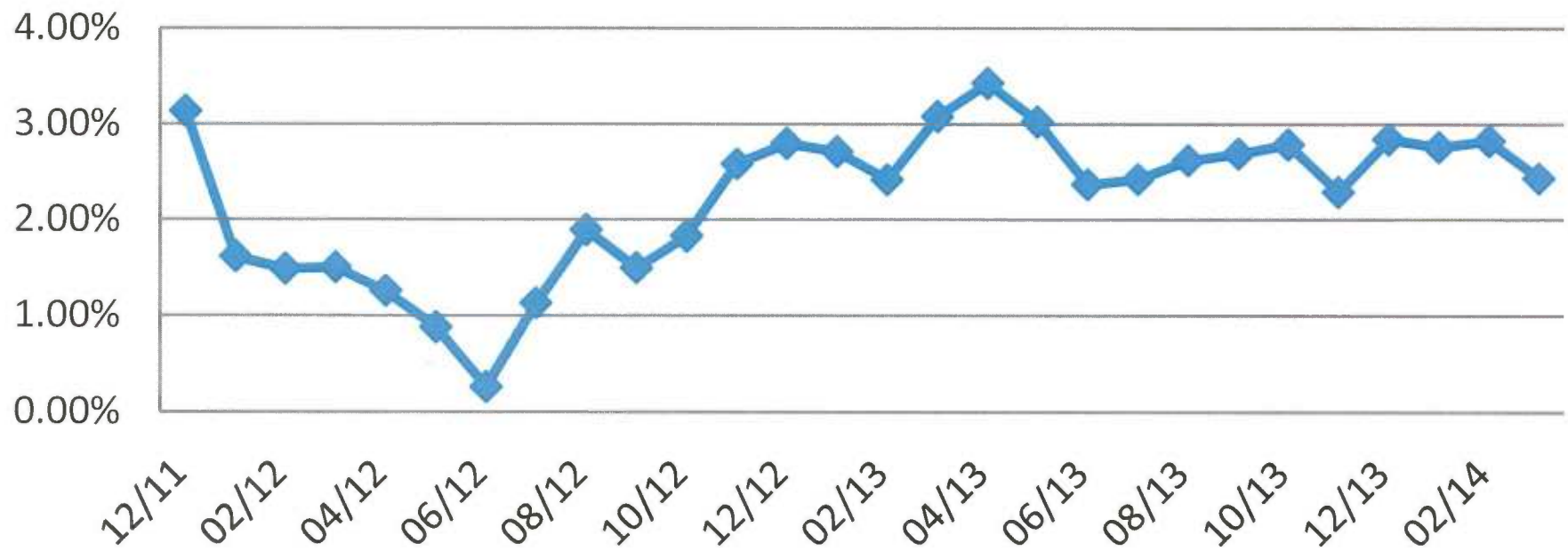




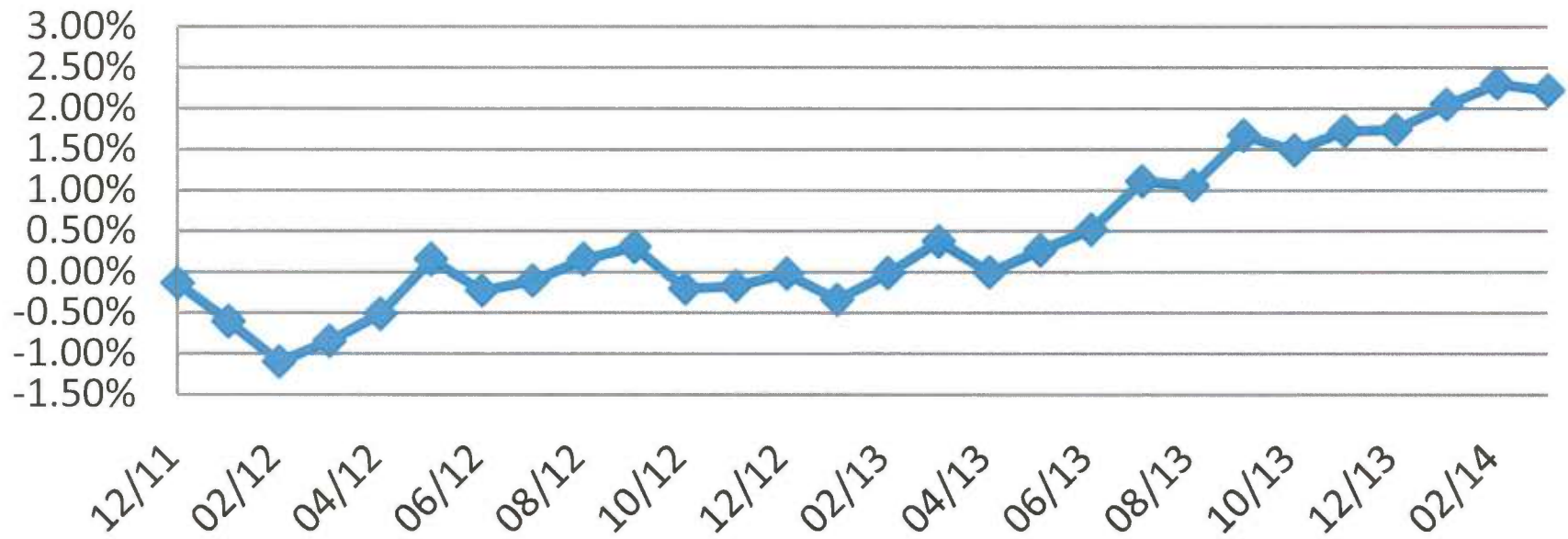
Dodge & Cox Fixed Income  
Rolling 3-Year Alphas Annualized  
Monthly Observations



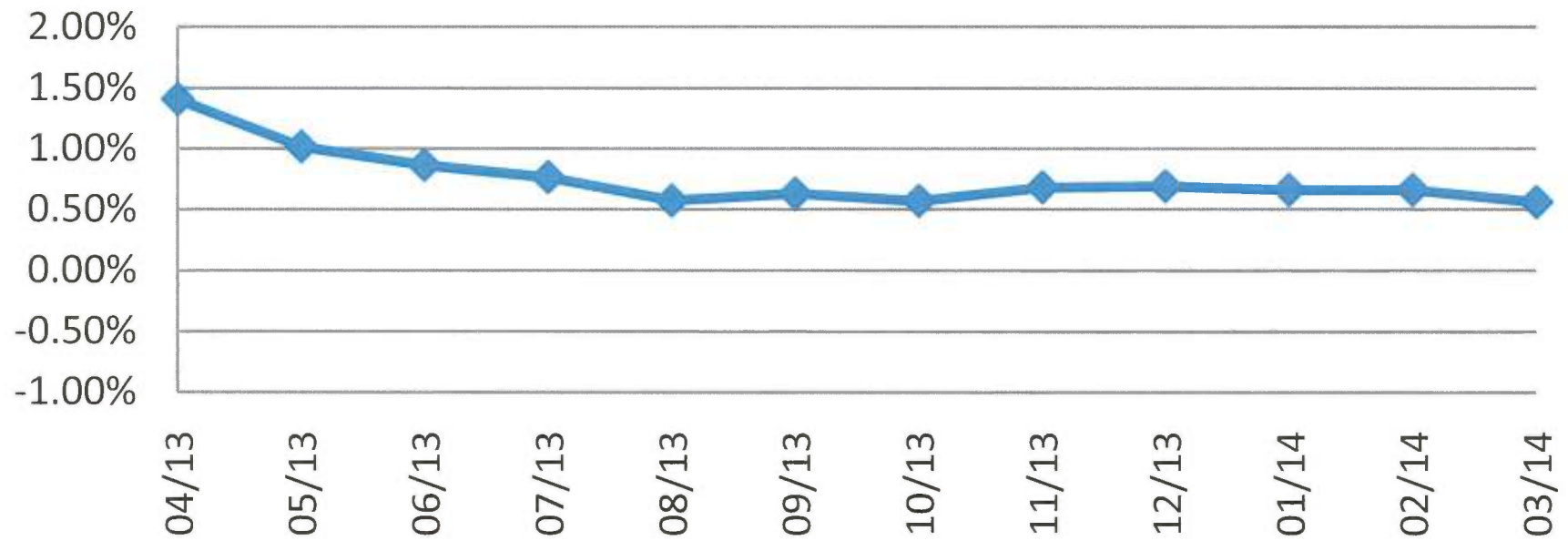
Capital Prospects  
Rolling 3-Year  
Alphas  
Monthly Observations



Legato Rolling  
3-Year Alphas  
Annualized  
Monthly Observations



PIMCO Rolling  
3-Year Alphas  
Annualized  
Monthly Observations



STANCERA  
Price Monitor Position Report

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

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	3/31/2014 \$ PX	4/15/2014 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	6,749	\$3,622,536	3.78%	0.21%	536.74	517.96	-3.50%	-1.30%
Microsoft Corp.	MSFT	75,985	\$3,114,614	3.25%	0.18%	40.99	39.75	-3.03%	-0.83%
Verizon Communications	VZ	64,668	\$3,076,280	3.21%	0.18%	47.57	46.92	-1.37%	0.83%
INTL Business Machines	IBM	9,758	\$1,878,352	1.96%	0.11%	192.49	197.02	2.35%	4.55%
Coca-Cola Co.	KO	47,843	\$1,849,602	1.93%	0.11%	38.66	40.18	3.93%	6.13%
Google Inc. - Class A	GOOG	2,547	\$1,418,347	1.48%	0.08%	556.97	536.44	-3.69%	-1.49%
Google Inc. - Class C	GOOGL	2,392	\$1,332,096	1.39%	0.08%	556.97	548.7	-1.48%	0.71%
Philip Morris Intl.	PM	16,037	\$1,312,930	1.37%	0.08%	81.87	84.38	3.07%	5.26%
QUALCOMM, Inc.	QCOM	16,406	\$1,293,763	1.35%	0.07%	78.86	79.49	0.80%	2.99%
Oracle Corp	ORCL	31,156	\$1,274,596	1.33%	0.07%	40.91	39.73	-2.88%	-0.69%
TOP TEN HOLDINGS			\$20,173,115	21.05%	1.17%	Russell 1000 Growth:		<b>-2.20%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$95,834,277**  
\$1,731,355,241

STANCERA  
Price Monitor Position Report

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

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	3/31/2014 \$ PX	4/15/2014 \$ PX	Position % Change	Relative % Change
EXXON MOBIL CORP	XOM	53,806	\$5,255,795	4.66%	0.30%	97.68	98.68	1.02%	2.32%
GENERAL ELECTRIC CO	GE	123,720	\$3,203,102	2.84%	0.08%	25.89	25.82	-0.27%	1.02%
JOHNSON & JOHNSON	JNJ	29,623	\$2,909,861	2.58%	0.08%	98.23	99.20	0.99%	2.28%
WELLS FARGO & CO	WFC	56,687	\$2,819,632	2.50%	0.16%	49.74	48.78	-1.93%	-0.63%
CHEVRON CORP	CVX	23,523	\$2,797,075	2.48%	0.16%	118.91	120.30	1.17%	2.46%
BERKSHIRE HATHAWAY INC	BRK-B	21,389	\$2,673,011	2.37%	0.15%	124.97	123.77	-0.96%	0.34%
PROCTER & GAMBLE CO	PG	32,884	\$2,650,454	2.35%	0.06%	80.60	80.84	0.30%	1.59%
JPMORGAN CHASE & CO	JPM	40,871	\$2,481,276	2.20%	0.06%	60.71	54.80	-9.73%	-8.44%
PFIZER INC	PFE	74,441	\$2,391,048	2.12%	0.06%	32.12	29.89	-6.94%	-5.65%
AT&T CORP	T	65,607	\$2,300,820	2.04%	0.13%	35.07	35.68	1.74%	3.03%
TOP TEN HOLDINGS			\$29,482,076	26.14%	1.27%	Russell 1000 Value		<b>-1.30%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$112,785,294**  
\$1,731,355,241

STANCERA  
Price Monitor Position Report

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

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000V	3/31/2014 \$ PX	4/15/2014 \$ PX	Position % Change	Relative % Change
Hillenbrand, Inc	HI	47,329	\$1,530,142	1.58%	0.09%	0.11%	32.33	30.48	-5.72%	-2.64%
Belden Inc	BDC	18,506	\$1,288,031	1.33%	0.07%	0.18%	69.60	73.13	5.07%	8.16%
Regal Beloit Corp	RBC	16,516	\$1,200,871	1.24%	0.07%	0.00%	72.71	74.54	2.52%	5.60%
Littelfuse, Inc	LFUS	12,307	\$1,152,449	1.19%	0.07%	0.12%	93.64	98.37	5.05%	8.14%
MB Financial, Inc	MBFI	32,219	\$997,498	1.03%	0.06%	0.10%	30.96	29.28	-5.43%	-2.34%
Iberiabank Corp	IBKC	13,805	\$968,445	1.00%	0.06%	0.12%	70.15	66.42	-5.32%	-2.23%
Meredith Corporation	MDP	20,232	\$939,391	0.97%	0.05%	0.10%	46.43	47.26	1.79%	4.87%
Broadridge	BR	25,032	\$929,707	0.96%	0.05%	0.00%	37.14	35.79	-3.63%	-0.55%
Polyone Corporation	POL	24,304	\$890,969	0.92%	0.05%	0.22%	36.66	37.51	2.32%	5.40%
First AM	FAF	33,558	\$890,969	0.92%	0.05%	0.00%	26.55	26.30	-0.94%	2.14%
TOP TEN HOLDINGS			\$10,788,472	11.14%	0.62%	0.95%	Russell 2000 Value:		<b>-3.08%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$96,844,454**  
\$1,731,355,241



STANCERA  
Price Monitor Position Report

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

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	3/31/2014 \$ PX	4/15/2014 \$ PX	Position % Change	Relative % Change
Visa Inc. Class A	V	39,075	\$8,434,730	5.74%	0.49%	1.15%	215.86	204.05	-5.47%	-3.28%
EOG Resources, Inc.	EOG	81,850	\$8,028,257	5.46%	0.46%	0.51%	196.17	101.11	-48.46%	-46.26%
MasterCard Incorporated Class A	MA	104,000	\$7,768,800	5.29%	0.45%	0.89%	74.70	72.15	-3.41%	-1.22%
Microsoft Corporation	MSFT	185,850	\$7,617,992	5.18%	0.44%	3.49%	40.99	39.75	-3.03%	-0.83%
QUALCOMM Incorporated	QCOM	89,975	\$7,095,429	4.83%	0.41%	1.39%	78.86	79.49	0.80%	2.99%
Walgreen Co.	WAG	103,650	\$6,844,010	4.66%	0.40%	0.48%	66.03	66.01	-0.03%	2.17%
Google Inc. Class A	GOOGL	6,125	\$6,826,374	4.65%	0.39%	3.07%	1114.51	548.70	-50.77%	-48.57%
Crown Castle International Corp.	CCI	90,925	\$6,708,447	4.57%	0.39%	0.25%	73.78	73.50	-0.38%	1.82%
Liberty Interactive Corporation Class A	LINTA	216,350	\$6,246,025	4.25%	0.36%	0.01%	28.87	29.16	1.00%	3.20%
Adobe Systems Incorporated	ADBE	94,775	\$6,230,509	4.24%	0.36%	0.13%	65.74	62.11	-5.52%	-3.33%
TOP TEN HOLDINGS			\$71,800,570	48.86%	4.15%	11.37%	Russell 1000 Growth:		<b>-2.20%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$146,937,414**  
\$1,731,355,241

STANCERA  
Price Monitor Position Report

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

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	3/31/2014 \$ PX	4/15/2014 \$ PX	Position % Change	Relative % Change
HEWLETT-PACKARD CO	HPQ	232,705	\$7,530,333	4.20%	0.43%	0.70%	32.36	32.39	0.09%	2.29%
WELLS FARGO & CO	WFC	146,072	\$7,265,621	4.10%	0.42%	2.50%	49.74	48.78	-1.93%	0.27%
CAPITAL ONE FINANCIAL CORP	COF	92,500	\$7,137,300	4.00%	0.41%	0.50%	77.16	74.52	-3.42%	-1.23%
MICROSOFT CORP	MSFT	170,000	\$6,968,300	3.90%	0.40%	0.00%	40.99	39.75	-3.03%	-0.83%
NOVARTIS AG-ADR	NVS	66,000	\$5,611,320	3.10%	0.32%	0.00%	85.02	83.79	-1.45%	0.75%
COMCAST CORP-CLASS A	CMCSA	110,363	\$5,520,357	3.10%	0.32%	0.10%	50.04	48.41	-3.26%	-1.06%
GENERAL ELECTRIC CO	GE	200,000	\$5,178,000	2.90%	0.30%	2.80%	25.89	25.82	-0.27%	1.93%
SANOFI-ADR	SNY	98,255	\$5,136,771	2.90%	0.30%	0.00%	52.28	51.54	-1.42%	0.78%
TIME WARNER INC	TWX	78,232	\$5,110,896	2.90%	0.30%	0.60%	65.33	63.28	-3.14%	-0.94%
GLAXOSMITHKLINE PLC-SPON ADR	GSK	95,000	\$5,075,850	2.80%	0.29%	0.00%	53.43	52.32	-2.08%	0.12%
TOP TEN HOLDINGS			\$60,534,748	33.90%	3.50%	7.20%	Russell 1000 Growth:		<b>-2.20%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$182,082,976**  
\$1,731,355,241

STANCERA  
Price Monitor Position Report

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

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000G	3/31/2014 \$ PX	4/15/2014 \$ PX	Position % Change	Relative % Change
Cepheid	CPHD	25,826	\$1,332,105	1.51%	0.08%	0.41%	51.58	46.14	-10.55%	-4.77%
Ultimate Software Group, Inc.	ULTI	7,915	\$1,084,355	1.23%	0.06%	0.44%	137.00	128.38	-6.29%	-0.52%
Portfolio Recovery Associates, Inc.	PRAA	17,884	\$1,034,768	1.17%	0.06%	0.34%	57.86	58.09	0.40%	6.17%
CoStar Group, Inc.	CSGP	5,343	\$997,752	1.13%	0.06%	0.63%	186.74	155.27	-16.85%	-11.08%
United Natural Foods, Inc.	UNFI	12,697	\$900,471	1.02%	0.05%	0.41%	70.92	65.64	-7.45%	-1.67%
Grand Canyon Education, Inc.	LOPE	18,549	\$866,238	0.98%	0.05%	0.25%	46.70	44.89	-3.88%	1.90%
MAXIMUS, Inc.	MMS	18,901	\$847,899	0.96%	0.05%	0.36%	44.86	42.31	-5.68%	0.09%
Neogen Corporation	NEOG	18,663	\$838,902	0.95%	0.05%	0.19%	44.95	42.10	-6.34%	-0.56%
Lithia Motors, Inc. Class A	LAD	11,816	\$785,291	0.89%	0.05%	0.17%	66.46	67.00	0.81%	6.59%
Synchronoss Technologies, Inc.	SNCR	22,821	\$782,532	0.89%	0.05%	0.12%	34.29	30.99	-9.62%	-3.85%
TOP TEN HOLDINGS			\$9,470,314	10.72%	0.55%	3.32%	Russell 2000 Growth:		<b>-5.78%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$88,329,496**  
\$1,731,355,241

STANCERA  
Price Monitor Position Report

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

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	3/31/2014 \$ PX	4/15/2014 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	5,256	\$2,820,903	2.85%	0.16%	536.74	517.96	-3.50%	-2.02%
Exxon Mobil Corp	XOM	26,244	\$2,563,558	2.59%	0.15%	97.68	98.68	1.02%	2.50%
Microsoft	MSFT	43,706	\$1,791,521	1.81%	0.10%	40.99	39.75	-3.03%	-1.55%
Johnson & Johnson	JNJ	16,928	\$1,662,848	1.68%	0.10%	98.23	99.20	0.99%	2.47%
General Electric Co	GE	60,404	\$1,563,869	1.58%	0.09%	25.89	25.82	-0.27%	1.21%
Wells Fargo & Co.	WFC	28,058	\$1,395,605	1.41%	0.08%	49.74	48.78	-1.93%	-0.45%
Chevron Corp	CVX	11,570	\$1,375,809	1.39%	0.08%	118.91	120.30	1.17%	2.65%
Berkshire Hathaway Inc.	BRK-B	10,692	\$1,336,217	1.35%	0.08%	124.97	123.77	-0.96%	0.52%
Procter & Gamble	PG	16,456	\$1,326,319	1.34%	0.08%	80.60	80.84	0.30%	1.78%
JPMorgan Chase & Co.	JPM	20,706	\$1,257,034	1.27%	0.07%	60.71	54.80	-9.73%	-8.26%
TOP TEN HOLDINGS			\$17,093,684	17.27%	0.99%	S&P 500 Index:		<b>-1.48%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$98,979,061**  
\$1,731,355,241

STANCERA  
Price Monitor Position Report

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

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	3/31/2014 \$ PX*	4/15/2014 \$ PX*	Position % Change	Relative % Change
ROYAL DUTCH SHELL	RDS-A	London	49,399	\$3,609,118	2.33%	0.21%	1.32%	73.06	74.84	2.44%	3.10%
ASTRAZENECA PLC	AZN	London	47,272	\$3,066,976	1.98%	0.18%	0.45%	64.88	62.52	-3.64%	-2.97%
MAGNA INTERNATIONAL INC	MGA	Canada	27,181	\$2,617,773	1.69%	0.15%	0.12%	96.31	96.14	-0.18%	0.49%
ALLIANZ SE	ALV.DE	Germany	19,189	\$2,354,446	1.52%	0.14%	0.43%	122.70	117.20	-4.48%	-3.82%
DAIMLER AG	DAI.DE	Germany	32,520	\$2,230,528	1.44%	0.13%	0.51%	68.59	63.99	-6.71%	-6.04%
BASF SE	BASFY	Germany	19,331	\$2,153,079	1.39%	0.12%	0.56%	111.38	106.59	-4.30%	-3.63%
SANOFI S.A.	SNY	London	39,702	\$2,075,630	1.34%	0.12%	0.68%	52.28	51.54	-1.42%	-0.75%
CHINA PETROLEUM & CHEMICAL	SNP	Hong Kong	22,672	\$2,029,161	1.31%	0.12%	0.13%	89.50	88.81	-0.77%	-0.11%
NOVARTIS AG	NVS	Switzerland	23,867	\$2,029,161	1.31%	0.12%	1.07%	85.02	83.79	-1.45%	-0.78%
SWISS RE LTD	SSREY	Switzerland	21,720	\$2,013,671	1.30%	0.12%	0.18%	92.71	83.66	-9.76%	-9.10%
TOP TEN HOLDINGS				\$24,179,544	15.61%	1.40%	5.45%	MSCI ACWI ex-U.S.		<b>-0.67%</b>	

Total Portfolio Value  
Total StanCERA Value

<b>\$154,897,784</b>
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\$1,731,355,241

\*Company quotes are provided directly in USD

STANCERA  
Price Monitor Position Report

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

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	3/31/2014 PX*	4/15/2014 PX*	Position % Change	Relative % Change
NESTLE SA (REG)	7123870	Switzerland	34,365	\$2,588,997	1.64%	0.15%	1.33%	66.50	66.70	0.30%	0.97%
ROYAL DUTCH SHELL PLC CL A(NL)	B09CBL4	Amsterdam	64,005	\$2,339,459	1.48%	0.14%	1.30%	26.52	27.00	1.81%	2.48%
SANOFI	5671735	Paris	19,329	\$2,016,130	1.27%	0.12%	0.68%	25.32	25.17	-0.59%	0.07%
HSBC HOLDINGS PLC (UK REG)	540528	London	196,453	\$1,989,663	1.26%	0.11%	1.04%	10.08	10.34	2.58%	3.25%
BAYER AG	5069211	Germany	14,223	\$1,924,608	1.22%	0.11%	0.61%	135.26	126.84	-6.23%	-5.56%
LLOYDS BANKING GROUP PLC	870612	London	1,394,874	\$1,735,959	1.10%	0.10%	0.34%	1.25	1.20	-4.00%	-3.33%
ROCHE HOLDINGS AG (GENUSSCHEIN)	7110388	Germany	5,455	\$1,636,469	1.03%	0.09%	1.15%	37.72	36.14	-4.19%	-3.52%
UBS AG (REGD)	B18YFJ4	Germany	78,694	\$1,626,708	1.03%	0.09%	0.41%	130.65	130.65	0.00%	0.67%
TOYOTA MOTOR CORP	6900643	Hong Kong	28,600	\$1,617,940	1.02%	0.09%	0.85%	57.10	53.19	-6.85%	-6.18%
ALLIANZ SE (REGD)	5231485	London	9,528	\$1,611,292	1.02%	0.09%	0.42%	20.72	19.86	-4.15%	-3.48%
TOP TEN HOLDINGS				\$19,087,225	12.07%	1.10%	8.13%	MSCI ACWI ex-US:		<b>-0.67%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$160,346,969**  
\$1,731,355,241

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



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

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

**For the Internal Governance Committee meeting  
Held on April 22, 2014**

TO: Internal Governance Committee

FROM: Kathy Herman, Operations Manager

- I. SUBJECT: Professional Service Contracts – Legal Services
- II. ITEM #: 8.a.
- III. ITEM TYPE: Discussion and Action
- IV. STAFF RECOMMENDATION: Direct staff to negotiate and enter into professional service contracts with Reed Smith LLP (fiduciary & litigation), Hanson Bridgett LLP (tax and benefits), Ted Cabral (disability) and Damrell, Nelson, Schrimp, Pallios, Pachters & Silva (general & litigation) in accordance with StanCERA's purchasing policy. Contracts would be based on the approved Fiscal Year 2013-2014 budget, current fees, specific projects and/or a limited duration.
- V. ANALYSIS: On December 12, 1981, the County Board of Supervisors adopted Government Code Section 31529.5, granting StanCERA the ability to hire private legal counsel if County Counsel could not provide the Board with legal services due to conflict or a variety of other reasons. Until 2009, County Counsel acted as General Counsel and special counsel was engaged as needed.

The Board of Retirement first retained outside Counsel for disability work in 1995. Then in May 2004, Bob Blum of Hanson Bridgett LLP was engaged by the Board for tax and benefit issues including domestic orders. In 2009, Harvey Leiderman of Reed Smith LLP was hired as temporary Fiduciary Counsel and later engaged to handle litigation due to multiple lawsuits. In 2010, Scott Smith of Hanson Bridgett LLP, was engaged to review and analyze an investment contract. Mr. Smith has been engaged to review multiple contracts since then. In 2009, the County determined it could no longer provide General Counsel services to the Board of Retirement and the Board retained Fred Silva of Damrell, Nelson, Schrimp, Pallios, Pachters & Silva. As issues confronting the Board of Retirement have become more complex, it has become necessary to engage multiple specialized law firms. Currently StanCERA is working with four different law firms on multiple issues.

These law firms continue to provide good service, no trustee has voiced any concern regarding this service and fees are consistent with other firms with similar expertise and locations. In addition, each of the attorneys and their assistants have spent hundreds of hours working with the Board, with StanCERA staff, studying the law and becoming experts in assisting StanCERA with legal issues. As with the retirement of Bob Blum, his partner was able to maintain the continuity of the IRS voluntary compliance program without the added cost or delays of starting from scratch.



On June 28, 2011 StanCERA adopted a purchasing policy that reflects the County's policy with some exceptions. (attachment1) Section VI, F, page 41& 42 of the County's policy (attachment 2) describes which contracts and procurements do not require competitive bidding.

Some engagement letters are correctly specific. However, most of the engagement letters currently in place for the law firms are old and open ended. Stanislaus County purchasing department recommends all contracts be established for a finite period of time, and have either a per-project, annual or a total not-to-exceed dollar amount. The contracts can be extended or amended as needed or at the end of a term.

- VI. RISK: Considerable effort was done by the County in drafting contracts which protect all parties involved while insuring deliverables are received. Not updating out of date engagement letters with standardized approved contracts could put the Board of Retirement at risk by delaying access to expert legal counsel as needed.
- VII. STRATEGIC PLAN: Strategic Objective # 3 Optimize StanCERA's organizational resources, Ensure organizational quality and performance through continuous improvement
- VIII. ADMINISTRATIVE BUDGET IMPACT: Updated contracts will be based on current year's approved budget and fees. (attachment 3)



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Rick Santos, Executive Director



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Kathy Herman, Operations Manager

Stanislaus County Employees' Retirement Association's  
**Purchasing Policy**  
(Board Approved June 28, 2011)


Stanislaus County purchasing policies and procedures are meant to manage all aspects of the County procurement process (they are located @<http://intranet/departments/GSA/gsa-files/divisions/policies-procedures.pdf> . StanCERA views these policies and procedures as fair and adequate. StanCERA will adopt and will abide by the Stanislaus County purchasing policies and procedures with the following exceptions:

“StanCERA Executive Director or his designee” should be substituted for “purchasing or purchasing department” through out the policy except for the sale of surplus property section. StanCERA will coordinate monitor, and record all phases of StanCERA’s procurement of supplies equipment, materials, and services. StanCERA will also be responsible for the leasing of any StanCERA property. StanCERA will administer and manage all of its own contracts. StanCERA will use County purchasing agent to sell any StanCERA surplus personal property. StanCERA will consult with County purchasing agent as necessary for any assistance.

References in the policy to the County Board of Supervisors and County affiliations are not applicable to StanCERA procurements.

As a separate legal entity, StanCERA reserves the right to modify and/or reject any of the County purchasing policies and procedures as it deems appropriate. Any such modifications and/or rejections will be documented and approved by the Retirement Board.

Revised 04/24/2012

		<b>Stanislaus County</b> <b>General Services Agency</b>	
Agency Policies and Procedures		Division:	Purchasing
Section:	05-Purchasing	Prepared by:	Jim Nelson, Manager
Policy Number:	05-01	Approved by:	Julie Mefferd, Director
Title:	Purchasing Division Policies & Procedures	Version:	02/27/09
Effective Date:	March 2009	Reference #:	n/a

# **STANISLAUS COUNTY GENERAL SERVICES AGENCY PURCHASING DIVISION**

## **POLICIES AND PROCEDURES**

person's or firm's entry on the Bid List. Such person or firm shall, however, remain entered on the Bid List for purposes of evaluation in the case of the County's receipt of a bid from such person or firm in the future.

- c. A person or firm may be declared "not responsible" if he, she, or it is (1) slow or provides unsatisfactory deliveries; (2) in violation of applicable federal, state, or local laws, ordinances, rules, or regulations; or (3) fails to respond to bid requests.
- d. Before declaring an entrant on the Bid List to be "not responsible," the Purchasing Agent shall make a reasonable effort to give such person or firm an opportunity to correct the problem.

### 3. Vendor Performance

Stanislaus County has developed many fine business relationships over the years with both local and national firms. Occasionally, it is to be expected that shipments will be delayed. However, the vendor who continually defaults on delivery promises of supplies, materials, equipment, or services which do not conform to specifications can expect to have the firm's name removed from the County's Bid List. Bidders whose bids are returned as undeliverable by the U.S. Postal Service or United Parcel Service, etc., can expect their firm's name to be removed from the County's Bid List.

## **F. CONTRACTS AND PROCUREMENTS NOT REQUIRING COMPETITIVE BIDDING**

### 1. Summary/Policy

The County is not required to engage in a competitive bid process for contract and procurements which fall under the following categories:

- a. Where competitive bidding is not required by law.
- b. Where the procurement is deemed to be a "small purchase," the estimated cost of which does not exceed Five Thousand Dollars (\$5,000);
- c. Where the estimated cost of the procurement is greater than Five Thousand Dollars (\$5,000), but is less than Twenty Five Thousand Dollars (\$25,000), a Request for Quotation (RFQ) may be utilized.
- d. Where the equipment, materials, supplies, or services are needed on an emergency basis;
- e. Where the procurement qualifies as a sole source procurement as hereinafter defined; or

- f. Where the procurement or contract is for professional services.

These categories of contracts and the appropriate procedures pertaining to each category are described below.

2. Where Competitive Bidding Is Not Required By Law

Absent a statutory requirement, a public entity is not bound to engage in competitive bidding.

**Ref. San Diego SAFE v. Superior Ct., (1988) 198 CA 3d. 1466. Grayden v. Pasadena Redevelopment Agency (1980) 104 CA 3d 631.**

3. Small Purchases - Procurements Not to Exceed \$5,000

The following procedures are to be followed for the procurement of supplies, equipment, materials, or services that do not require an expenditure of more than \$5,000.

a. Store Issue/Requisition Form

- 1) The requesting department shall initiate the procurement by submitting an electronic requisition, hereafter referred to as "requisition," to Purchasing for approval. The requisition shall specify the products or services to be procured. Prior to submission, the requisition shall be approved by the head of the requesting department or authorized designee.
- 2) The requisition shall include the following information: (a) department number; (b) fund, org, and account number; (c) a specific description of the desired products or services, using, whenever possible, dimensions, sizes, and catalog numbers; (d) the quantity of desired products or services; (e) the date on which the products or services are required; (f) the place of delivery for the product or service; and (g) authorized signature. The requisition should also include the name of suggested vendors or suppliers; Purchasing, however, shall make the final determination as to the appropriate vendor.

b. Purchasing Action

Purchasing staff shall review the requesting department's requisition and accompanying documentation for completeness. The accuracy of the requesting department's justification documentation shall be confirmed by Purchasing.

c. Fixed Assets

**CURRENT HOURLY LEGAL FEES**

TYPE	TED CABRAL	Fred Silva DAMREL NELSON	HANSON BRIDGETT	REED SMITH
Partner	185.00			
Fred Silva (Partner)		320.00		
Kirin Virk (Gen)		265.00		
Erick Lewis (DRO)		185.00		
Tyler Kelly (NAS)		165.00		
<u>Tax Compliance</u>				
Judith Boyette (Partner)			504.00	
Christopher Karachale (Senior Counsel)			375.00	
Nancy Hilu (Senior Counsel)			333.00	
<u>Tax/Benefits/QDRO</u>				
Judith Boyette (Partner)			504.00	
Nancy Hilu (Senior Counsel)			375.00	
Andrew Kjeldgaard (Of Counsel)			450.00	
Megan Drat (Prac Supp Anlst)			175.00	
<u>Fiduciary</u>				
Scott Smith (Partner)NT			504.00	
Natalie Morsette (Associate) PRIMA			261.00	
Christopher Karachale (Senior Counsel) Raven			375.00	
Harvey Leiderman				560.00
JR Rieger				425.00
KK Galusha				415.00
R Macapagal				270.00

**Legal Expenses**

LAW FIRM	Fiscal Year 2008-2009	Fiscal Year 2009- 2010	Fiscal Year 2010-2011	Fiscal Year 2011-2012	Fiscal Year 2012-2013
Hanson Bridget					
Tax & Benefit	\$ 1,973.79	\$ 15,635.40	\$ 34,059.47	\$ 2,630.55	\$ 10,985.20
Investment	-	-	28,137.44	4,262.10	41,124.13
Reed Smith					
Fiduciary	-	3,640.00	896.00	1,635.50	24,972.50
Litigation	34,810.50	50,150.37	35,238.88	71,001.82	82,424.45
Travelers Reimb	-	-	-	-	(36,575.48)
Damrell... Silva					
General	1,125.00	67,541.65	77,290.72	75,022.65	71,074.78
Litigation	-	11,407.30	3,732.00	49,417.88	31,432.59
Travelers Reimb	-	-	-	-	(10,000.00)
Cabral					
Disibility	28,606.06	44,590.19	57,194.49	46,265.88	52,034.54
Total Legal Fees	\$ 66,515.35	\$ 192,964.91	\$ 236,549.00	\$ 250,236.38	\$ 267,472.71
Total Litigation	\$ 34,810.50	\$ 61,557.67	\$ 38,970.88	\$ 120,419.70	\$ 67,281.56
	<i>not engaged for full year except for Ted Cabral</i>	<i>IRS Compliance Program</i>			<i>PEPRA IRS</i>

Due Diligence Calendar  
2014 - 2017

**2014**

Dodge and Cox	San Francisco
Strategic Investment Solutions, Inc.	San Francisco
Blackrock	San Francisco
Delaware Investments	San Francisco

**2015**

White Oak	San Francisco
Medley	San Francisco/NY
Capital Prospects	Stamford, CT
Pyramis	Smithfield, RI
Raven	New York

**2016**

LSV	Chicago, IL
Cherion	Oakland
PIMCO	Newport Beach
Notrthern Trust	Chicago, IL

**2017**

BYN Mellan Capital Management	San Francisco
Legato Capital	San Francisco
Other Alternative Class Managers (Not Yet Identified)	