



**STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION**  
832 12<sup>th</sup> 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

**May 22, 2012  
2:00 p.m.**

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

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

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

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

**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. Closed Session
  - a. Conference with Legal Counsel – Pending Litigation – One Case:  
In Re: Bank of New York Mellon Corporation Foreign Exchange Transactions  
Litigation, U.S. District Court, Southern District of New York,  
Case Numbers 12-mdl-2335 (LAK) and 1:12-cv-03067 (LAK)  
Government Code Section 54956.9(a)

5. Closed Session (Cont.)

- b. 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  
Government Code Section 54956.9(b)
- 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(a)

6. Consent Items

- a. Approval of the April 24, 2012, Investment Meeting Minutes [View](#)
- b. StanCERA Investment Managers Review List for Quarter Ending  
March 31, 2012 [View](#)
- c. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
  - 1. Claudia Cunningham, Auditor-Controller, Effective 05-05-12
  - 2. Bernard Fairfield, Public Defender, Effective 04-16-12
  - 3. Kathleen Gomez, HSA, Effective 05-18-12
  - 4. Sharyn Holt, HSA, Effective 05-05-12
  - 5. Linda Macy, County Counsel, Effective 04-10-12
  - 6. James Munoz, Sheriff, Effective 05-01-12
  - 7. Mark Phillips, City of Ceres, Effective 03-01-12
  - 8. Martha Selover, Sheriff, Effective 03-10-12
  - 9. Robin Vanderheiden, BHRS, Effective 05-04-12
- d. Approval of Deferred Retirement(s) – **Section 31700**
  - 1. Agustin Alberto, CSA, Effective 08-31-11
  - 2. Cindy Sokun Am, CSA, Effective 03-27-12
  - 3. Steven M. Berkowitz, BHRS, Effective 03-16-12
  - 4. Jennifer B. Carlsen, BHRS, Effective 01-04-12
  - 5. Christie Ceballos, HSA, Effective 12-02-11
  - 6. Laura Guerrero, Sheriff, Effective 04-20-12
  - 7. Carol Foutz, Probation, Effective 02-09-12
  - 8. Joana Frank, CSA, Effective 04-03-12
  - 9. Trang, Nguyen, CSA, Effective 01-20-12
  - 10. Teresa Olson, HSA, Effective 03-02-12
  - 11. Stephen Spiegel, CSA, Effective 05-04-12
  - 12. George Justin Vasquez, CSA, Effective 04-18-12

6. Consent Items (Cont.)

e. Approval of Death Benefit(s) – **Section 31781**

1. Francisco Alvarez, Deceased, May 13, 2012, Active Member, Options Pursuant to Government Code Sections 31781, 31781.1, and 31781.3

7. Strategic Investment Solutions (SIS), Inc.

- a. StanCERA's Investment Performance Analysis for the Quarter Ending March 31, 2012 [View](#)
- b. Discussion and Action on StanCERA's Quarterly Manager Review List – Performance Through March 31, 2012 [View](#)
- c. StanCERA's Monthly Performance Review for the Month Ending April 30, 2012 [View](#)
- d. Report on "Top 10 Holdings" by StanCERA Investment Managers [View](#)
- e. Discussion and Action on the Disposition of the RAFI Long Short Fund [View](#)

8. Administrator

- a. Presentation, Discussion and Action on StanCERA's 2012-2013 Fiscal Year Administrative Budget [View](#)

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

10. Adjournment



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## PLEASE POST FOR EMPLOYEE VIEWING

### BOARD OF RETIREMENT MINUTES

April 24, 2012

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

**Alternate Member Present:** Joan Clendenin, Alternate Retiree Representative

**Staff Present:** Rick Santos, Executive Director  
Kathy Herman, Operations Manager  
Dawn Lea, Benefits Manager  
Kathy Johnson, Accountant

**Others Present:** Fred Silva, General Legal Counsel  
Paul Harte, Strategic Investment Solutions (SIS), Inc.  
Sue Curran, Brian Higgins, Brian Hoesly, & Jack Ryan, Pyramis Global Advisors via teleconference  
Keith Bruch & Bhaskaran Swaminathan, LSV Asset Management  
Doris Foster & Stan Risen, County Chief Executive Office

1. Meeting called to order at 1.59 p.m. by Jim DeMartini, Chair.

2. **Roll Call**

3. **Announcements**

None.

4. **Public Comment**

None.

5. **Consent Items**

Motion was made by Jeff Grover and seconded by Gordon Ford to approve the following items as listed.

Motion carried.

a. Approval of the April 11, 2012, Administrative Meeting Minutes



6. **Semi-Annual Performance Report by Pyramis Global Advisors**

Sue Curran, Senior Vice President and Relationship Manager, Brian Higgins, Senior Account Executive, Jake Ryan, Investment Trading Operations, and Brian Hoesly, Institutional Portfolio Manager, presented StanCERA's semi-annual international growth equity investment performance results via teleconference.

StanCERA's cumulative return (gross of fees) for international growth equity for the first quarter ending March 2012, is 12.23%, compared with the benchmark MSCI AC Word Ex US index rate of return of 11.23%. Total net assets as of March 31, 2012 are \$126.23 million, with a return of -5.68% for the past 12 months.

7. **Semi-Annual Performance Report by LSV Asset Management**

Mr. Bruch, CFA, Partner & Director, Client Portfolio Services, and Bhaskaran Swaminathan, Partner & Director of Research presented StanCERA's semi-annual international value equity investment performance for the period ending March 31, 2012.

As of March 31, 2012, StanCERA's international value equity portfolio is \$122 million. StanCERA's 2012 first quarter return was 11.0% (net of fees), above the benchmark MSCI ACWI Ex US return of 10.7%. Since inception as of September 14, 2004, the portfolio has added investment earnings of \$68 million to the original \$81 million and \$27 million in withdrawals.

8. **Strategic Investment Solutions (SIS), Inc.**

a. Monthly Performance Review for the Month Ending March 31, 2012

Mr. Harte presented the monthly performance review for the period ending March 31, 2012. StanCERA's portfolio is \$1.427 billion. The overall rate of return for this fiscal year to date is 2.95%, below the policy index of 4.0%, and the assumption rate of 6.00%, and above actuary rate of inflation of 2.63%.

b. Report on "Top 10 Holdings" by StanCERA Investment Managers

c. Discussion and action on Disposition of Stop Loss on the RAFI Long Short Fund

Motion was made by Gordon Ford and seconded by Jim DeMartini to liquidate the RAFI Long Short Fund.

Roll Call Yes: J. DeMartini, G. Ford, M. Lynch, and D. Riley

Roll Call No: M. De Anda, D. Gharat, J. Grover, R. Martin, and M. O'Neal

Motion failed by a 5-4 vote

9. **Executive Director**

a. Update on Disposition of Lehman Brothers Holdings Within the Securities Lending Portfolio

9. **Executive Director (Cont.)**

b. Discussion and Action Regarding Pension Cost Saving Measures

No action taken.

Discussion took place regarding emergency cost saving measures and a response/statement to Sacramento regarding StanCERA's perspective on the matter. Staff will work with the County regarding the current proposal(s) on the table, deciding what parts we would endorse. Staff will report back to the Board for further discussion and action.

10. **Committee Reports & Recommendations and Action**

**STANDING COMMITTEES**

a. Internal Governance Committee – Maria De Anda, Chair

i. Discussion and Action on Adoption of Policies, Procedures, and Guidelines

Motion was made by Mike Lynch and seconded by Darin Gharat to adopt the policies as presented.

Motion carried.

11. **Closed Session**

Motion was made by Darin Gharat and seconded by Michael O'Neal to commence to Closed Session at 4:29 p.m.

Motion carried.

Motion was made by Darin Gharat and seconded by Michael O'Neal to return to Open Session at 4:34 p.m.

Motion carried.

Ms. Herman read the findings of the Closed Session:

- a. Conference with Legal Counsel – Pending Litigation Voortman v. Stanislaus County Employees' Retirement Association  
Court of Appeal of the State of California Fifth Appellate District  
Case No. F062610

Motion was made by Mike Lynch and seconded by Ron Martin to instruct Disability Counsel for StanCERA to seek publication of the court opinion and to recover court costs.

Motion carried unanimously.

11. **Closed Session (Cont.)**

- b. In Re Bank of New York Mellon Corporation False Claims Act Foreign Exchange Litigation, Ex rel. FX Analytics v. The Bank of New York Mellon Corporation  
U. S. District Court, Northern District, Case No. 3:11-cv-05683-JCS

No report.

- c. Conference with Legal Counsel – Pending Litigation – One Case:  
Nasrawi et al v. Buck Consultants, LLC, Santa Clara County  
Superior Court Case No. 1-11-CV202224

No report.

- d. Conference with Legal Counsel – Pending Litigation – One Case:  
O'Neal et al v. Stanislaus County Employees' Retirement Association  
Court of Appeal of the State of California Fifth Appellate District  
Case No. F061439

No report.

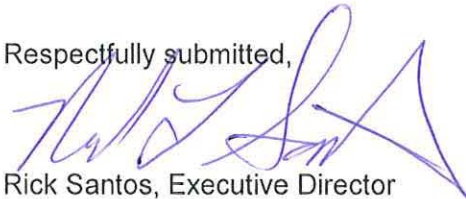
12. **Members' Forum (Information and Future Agenda Requests Only)**

None.

13. **Adjournment**

Meeting adjourned at 4:38 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

05/22/12

Item #6b

StanCERA Investment Managers

**Total Fund**

Taken From SIS Quarterly Investment Performance Analysis Reports

3/31/2009 through 3/31/2012

	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012
1 Quarter	63	7	11	7	13	92	29	16	45	68	85	30	16
1 Year/Fiscal Year To Date	71	31	7	5	7	16	36	19	22	30	77	85	70
Over 3 years	90	74	51	35	31	47	41	38	13	16	8	14	10
Over 5 years	93	77	52	45	37	43	47	41	47	38	59	54	43

Note: Ranking 1 is highest & 100 lowest

Revised 5/17/2012

StanCERA Investment Managers

**Peer Ranking For Returns Over 5 Years**

Taken From SIS Quarterly Investment Performance Analysis Reports

3/31/2009 through 3/31/2012

	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012
S&P 500	71	75	83	73	73	69	67	68	66	64	60	61	58
BlackRock 1,000 V	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Delaware	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	43	34	32
Dodge & Cox	66	55	40	57	58	59	70	71	75	69	72	73	73
Legato	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capital Prospects	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LSV	n/a	n/a	35	36	41	34	40	31	35	40	48	42	39
Pyramis	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	34	34	24	27
Dodge & Cox FI	63	36	15	18	18	22	25	16	18	21	36	39	27
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Invesco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Research Affiliates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis Sayles	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
I Shares	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Managers in red no longer managing funds													

Note: Ranking 1 is highest & 100 lowest

Revised 5/17/2012

StanCERA Investment Managers  
**Peer Ranking For Returns Over 3 Years**  
 Taken From SIS Quarterly Investment Performance Analysis Reports  
 3/31/2009 through 3/31/2012

	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/30/2011	3/31/2012
S&P 500	60	64	74	67	64	62	60	62	62	57	52	50	56
BlackRock 1,000 V	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Delaware	n/a	n/a	65	51	59	49	54	68	60	26	15	6	11
Dodge & Cox	73	66	57	54	57	70	62	65	61	60	46	39	35
Legato	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	61	62
Capital Prospects	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	64	66
LSV	83	63	48	53	54	52	52	39	34	29	26	17	23
Pyramis	n/a	43	31	31	26	27	45	48	39	54	38	36	34
Dodge & Cox FI	66	44	25	29	18	33	27	16	11	15	17	32	20
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Invesco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	18	14	20	6	6
Research Affiliates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Loomis Sayles	n/a	n/a	98	96	97	98	n/a	n/a	n/a	n/a	n/a	n/a	n/a
I Shares	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Managers in red no longer managing funds

Note: Ranking 1 is highest & 100 lowest

Revised 5/17/2012

StanCERA Investment Managers

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

Taken From SIS Quarterly Investment Performance Analysis Reports

3/31/2009 through 3/31/2012

	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012
S&P 500	53	50	61	48	56	56	47	46	55	52	32	28	35
BlackRock 1,000 V	n/a	n/a	n/a	n/a	n/a	n/a	50	59	68	64	44	30	50
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	47	47	49	29	23	34
Delaware	27	23	19	20	54	39	13	55	52	35	16	2	8
Dodge & Cox	73	53	18	39	40	59	83	23	41	39	63	83	81
Legato	36	24	39	64	63	62	66	69	71	60	56	61	58
Capital Prospects	64	61	76	89	85	82	40	43	39	42	34	42	56
LSV	81	53	17	12	16	13	34	47	25	35	46	48	54
Pyramis	70	71	41	19	21	28	28	22	26	37	60	34	35
Dodge & Cox FI	62	23	7	22	18	29	45	21	22	27	70	89	72
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	56	59	56	30	14	25
Invesco	90	62	17	5	6	8	11	8	11	15	94	95	76
Research Affiliates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100
Loomis Sayles	91	97	84	30	26	35	n/a	n/a	n/a	n/a	n/a	n/a	n/a
I Shares	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Managers in red no longer managing funds

Note: Ranking 1 is highest & 100 lowest

Revised 5/17/2012



StanCERA Investment Managers  
**Peer Ranking For Returns Over One Quarter**  
Taken From SIS Quarterly Investment Performance Analysis Reports  
3/31/2009 through 3/31/2012

	3/31/2009	6/30/2009	9/30/2009	12/31/2009	3/31/2010	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012
S&P 500	41	51	67	47	56	46	51	53	60	53	30	50	65
BlackRock 1,000 V	n/a	n/a	n/a	73	42	25	65	44	59	57	35	42	76
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	50	53	36	52	30	25	67
Delaware	15	43	75	6	95	34	24	87	27	26	7	10	40
Dodge & Cox	52	21	31	63	42	78	44	21	73	38	73	65	34
Legato	36	25	69	54	60	42	69	52	63	27	56	65	41
Capital Prospects	36	70	87	71	52	34	31	67	43	50	37	73	71
LSV	39	5	8	36	45	26	71	28	12	71	61	51	66
Pyramis	24	30	33	19	38	40	36	22	56	71	61	42	41
Dodge & Cox FI	73	10	28	20	16	93	72	8	22	71	90	41	10
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	25	91	63	23	13	54	79
Invesco	81	5	5	10	15	92		29	60	42	99	7	3
Loomis Sayles	22	92	69	10	23	67	n/a	n/a	n/a	n/a	n/a	n/a	n/a
I Shares	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Managers in red no longer managing funds

Note: Ranking 1 is highest & 100 lowest

Revised 5/17/2012



05/22/12  
Item #7a

STANISLAUS COUNTY EMPLOYEES' RETIREMENT  
ASSOCIATION

**INVESTMENT PERFORMANCE SUMMARY  
ANALYSIS**

MARCH 31, 2012

STRATEGIC INVESTMENT SOLUTIONS, INC.

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



## Capital Market Review

- The massive injection of global liquidity supplied by major central banks, supplemented by the continuation in positive U.S. economic surprises, had a marked effect on risk appetite. This led to global equities outperforming global bonds by a wide margin, with renewed asset purchases by the Bank of Japan pushing the annualized returns of Japanese equities into positive territory.
- Improving economic data in the U.S. and European policy moves managed to buoy equity and fixed income markets. Indeed, investors tilted their portfolios away from treasuries this quarter and towards lower quality credits. Aligned with higher growth prospects, the U.S. yield curve steepened in the first quarter.
- Aggregate commodity prices initially reacted favorably to the surge in market liquidity with commodity indices rising more than 6 percent at their peak in Q1. However, prices pulled back towards quarter end, holding flat versus Q4. Oil prices remained resilient, continuing to weigh on the outlook for global growth.
- Emerging markets fared better than their developed counterparts. In the U.S., blue chip stocks of the Dow Jones Industrial Average lagged the higher beta NASDAQ and Russell indices. By sector, information technology, financial stocks and consumer discretionary provided the strongest performance while utilities slipped into the negative.
- The second round of the Long Term Refinancing Operations, compounded by the successful resolution of the Greek debt exchange, helped lift demand for the euro in the first quarter as well as appetite for the carry strategy. Consequently, demand for funding currencies deteriorated, illustrated by the sharp decline in the Japanese yen this quarter.
- The State Street Investor Confidence Index<sup>®</sup> measures risk appetite by analyzing buying and selling patterns of institutional investors. Firmer confidence was evident in Asia this quarter, however, the improvement in sentiment for Europe was most pronounced.
- For the period ending 3/31/12, the one quarter returns for, respectively, the NAREIT Equity index and the NCREIF Property index (one quarter lag), were 10.79% and 2.96%; one year, 12.83% and 14.26%; three years, 42.34% and 2.43%; and five years, -0.06% and 3.09%.
- The first quarter of 2012 continues to be dominated by the overhang of macro-level factors, including European Union and US debt and a potential China slowdown. However, if some of these risks lessen, there may be multiple expansion for real estate assets even with slowing earnings and GDP growth as investors deal with a paucity of alternatives.
- A large continuing concern is the state of the US housing market. US home equity values have been a drag on recovery since the Great Recession. If housing is close to a bottom (or at a bottom) then a recovery will have a positive impact on the US economy going forward, with the real estate markets benefiting from any housing recovery.

## Executive Performance Summary

- The composite fund returned 8.6% in the first quarter of 2012 and ranked in the 16<sup>th</sup> percentile among other public funds greater than \$100 million (7.5% median). The fund beat its policy index (7.6%) during this time period. Longer term, the three and five-year returns of 19.4% and 3.3%, ranked above the median among total public plans (16.2% and 3.1%, respectively).
  
- First quarter results were enhanced by the following factors:
  1. The Mellon Capital S&P 500 Index Fund returned 12.6% for the quarter. The Fund matched the S&P 500 Index and ranked with the median large cap core manager.
  2. The BlackRock Russell 1000 Growth Index Fund returned 14.7% for the quarter, matched its benchmark return and trailed the peer median of 15.7%.
  3. Delaware's return of 16.3% ranked in the second quartile among large cap growth managers (median 15.7%), and was ahead of its benchmark, the Russell 1000 Growth Index (14.7%). Above par Consumer Discretionary (Priceline.com, Lowe) and Energy (EOG Resources, El Paso) investments helped relative performance. Over three years, Delaware returned above its benchmark and peer group median.
  4. The BlackRock Russell 1000 Value Index Fund (11.2%) slightly led its benchmark (11.1%) and was behind its median large cap value manager return of 12.3%.
  5. Dodge & Cox-Equity, 13.1%, returned above the median large cap value manager (12.3%) and the Russell 1000 Value Index (11.1%), ranking its portfolios in the 34<sup>th</sup> percentile among its peers. Strong stock selection in Financials (Bank of America, Goldman Sachs, SunTrust Banks) and zero exposure in the Utilities sectors boosted performance. Three year returns were ahead of its benchmark (23.9% vs. 22.8%).
  6. Fund of funds manager Legato Capital surpassed its benchmark, the Russell 2000 Growth Index (13.5% vs. 13.3%) and ranked in the 41<sup>st</sup> percentile among small cap growth managers. It was helped by its Consumer Discretionary and Industrials stock picks. Eudaimonia led during the quarter, at 17.1%. Over three years, Legato returned below its benchmark and peer group median.

## Executive Performance Summary

7. Fund of funds manager Capital Prospects appreciated 11.9% for the quarter, and ranked in the 71<sup>st</sup> percentile among its peers (13.0% median). The Russell 2000 Value Index returned 11.6%. The portfolio was supported by its stock selection in the Info Tech and Materials sectors and under-exposure to Utilities. Walhausen gained the most, adding 15.2% during the quarter. Three-year returns placed the portfolio behind its large cap value peer median.
  8. Pyramis' return of 12.2% beat the MSCI ACWI-ex US Index return of 11.3%. It placed in the second quartile among ACWI ex US equity managers (11.7% median). It fared well due to its security selection in the telecommunication services (no holdings of Spain's Telefonica) and materials (Germany's Lanxess and HeidelbergCement) sectors. Its three-year results led the benchmark (20.5% vs. 19.6%).
  9. The Dodge & Cox-Fixed Income 3.0% return led its benchmark, the Barclays Capital Aggregate Index (0.3%), and ranked in the top quartile among core bond managers, median return of 1.1%. D&C's significant overweight to corporates (specifically, financials), agency MBS exposure and shorter relative duration boosted relative returns. D&C was up 10.9% for three years while its benchmark was up 6.8%.
  10. PIMCO returned 0.5%, as the Barclays Aggregate Index gained 0.3%. The median core bond manager return was 1.1%. PIMCO's exposure to emphasis on financial bonds and exposure to emerging markets, high yield credits and BABs boosted performance.
  11. The Invesco Realty Fund added 12.9% during the quarter. Its benchmark, the FTSE EPRA/NAREIT Global Index carried the same result. Invesco ranked in the 3<sup>rd</sup> percentile among global real estate portfolios.
- First quarter results were hindered by the following factor:
    1. LSV (11.2%) was slightly below par with the MSCI ACWI -ex US (11.3%) and ranked 66<sup>th</sup> among ACWI -ex US equity managers (median of 11.7%). LSV carried an underweight to Germany and overweight to Spain. Over three years, LSV (23.3%) surpassed its benchmark (19.6%).

**Executive Performance Summary**

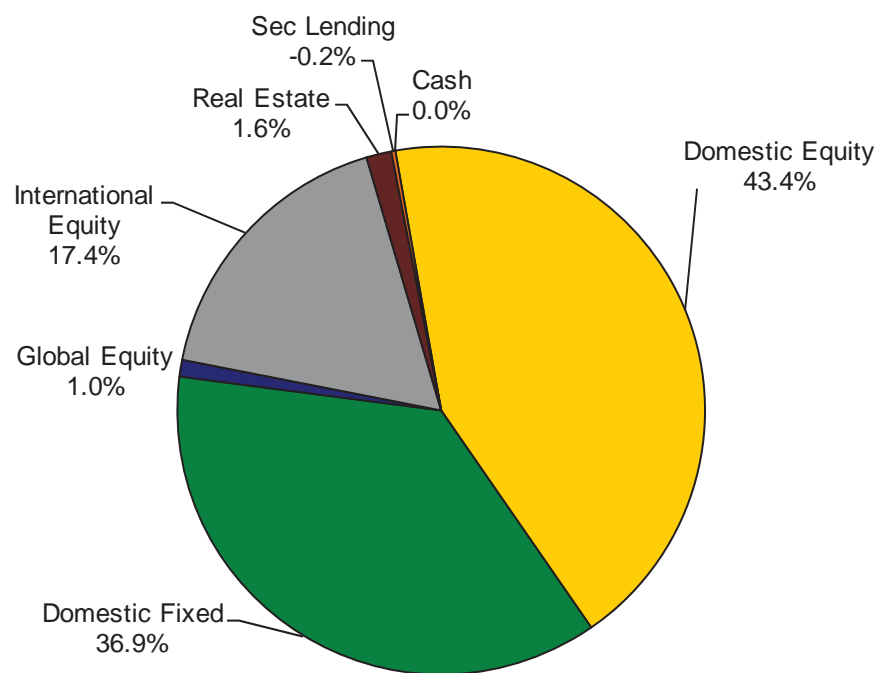
2. Global long/short strategy RAFI trailed the 1 month US Government T-Bill (-7.4% vs. 0.0%). RAFI ranked in the bottom percentile among market neutral hedge fund managers. Shorting US growth and going long European/international value positions stalled performance.

## StanCERA

StanCERA Plan

As of March 31, 2012

### Allocation by Manager Type

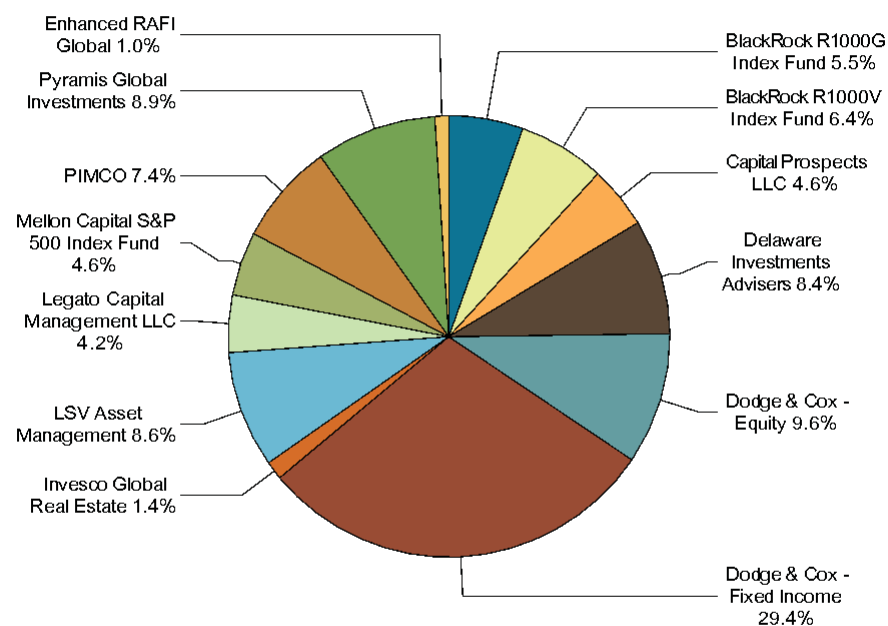


Manager	Market Value	Current%
Cash	6,244	0.0
Domestic Equity	618,681,846	43.4
Domestic Fixed	526,019,887	36.9
Global Equity	14,732,637	1.0
International Equity	248,791,726	17.4
Real Estate	22,118,361	1.6
Sec Lending	-3,537,690	-0.2
Total	1,426,813,011	100.0

# StanCERA

As of March 31, 2012

## Manager Allocation Analysis - Total Plan



FUND	Ending Market Value	Current %
BlackRock R1000G Index Fund	77,812,505	5.5
BlackRock R1000V Index Fund	91,188,965	6.4
Capital Prospects LLC	65,151,317	4.6
Cash (BlackRock)	6,244	0.0
Delaware Investments Advisers	120,489,602	8.4
Dodge & Cox - Equity	137,677,622	9.6
Dodge & Cox - Fixed Income	419,763,305	29.4
Invesco Global Real Estate	19,346,925	1.4
LSV Asset Management	122,512,447	8.6
Legato Capital Management LLC	60,129,943	4.2
Mellon Capital S&P 500 Index Fund	66,231,891	4.6
PIMCO	106,256,582	7.4
Pyramis Global Investments	126,279,279	8.9
12th St Bldg	2,771,436	0.2
Security Lending Liability	-3,537,690	-0.2
Enhanced RAFI Global	14,732,637	1.0
<b>TOTAL</b>	<b>1,426,813,011</b>	<b>100.0</b>

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



# StanCERA

Periods Ending March 31, 2012

## Performance Summary

	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR	
<b>Total Fund *</b>	<b>8.6</b>	<b>16</b>	<b>3.0</b>	<b>55</b>	<b>4.0</b>	<b>70</b>	<b>8.7</b>	<b>66</b>	<b>19.4</b>	<b>10</b>	<b>3.3</b>	<b>43</b>
<i>Policy Index</i> <sup>1</sup>	7.6	49	3.6	26	4.5	41	8.7	65	18.4	21	3.2	45
<i>Public Plan &gt; \$100 Million Median</i>	7.5		3.1		4.4		9.2		16.2		3.1	
<b>US EQUITY MANAGERS</b>												
LARGE CORE												
<b>Mellon Capital - gross of fees</b>	<b>12.6</b>	<b>65</b>	<b>8.4</b>	<b>35</b>	<b>8.5</b>	<b>37</b>	<b>12.1</b>	<b>42</b>	<b>23.5</b>	<b>56</b>	<b>2.1</b>	<b>58</b>
<i>Mellon Capital - net of fees</i>	12.6		8.4		8.5		11.9		23.4		2.0	
<i>S&amp;P 500 Index</i>	12.6	63	8.4	34	8.5	38	12.0	46	23.4	62	2.0	65
LARGE GROWTH												
<b>BlackRock R1000G - gross of fees</b> <sup>2</sup>	<b>14.7</b>	<b>67</b>	<b>10.3</b>	<b>34</b>	<b>11.2</b>	<b>33</b>						
<i>BlackRock R1000G - net of fees</i>	14.7		10.3		11.2							
<b>Delaware</b>	<b>16.3</b>	<b>40</b>	<b>16.9</b>	<b>8</b>	<b>19.2</b>	<b>8</b>	<b>19.0</b>	<b>9</b>	<b>27.8</b>	<b>11</b>	<b>6.2</b>	<b>32</b>
<i>Delaware - net of fees</i>	16.1		16.5		18.6		18.4		27.2		5.7	
<i>Russell 1000 Growth Index</i>	14.7	68	10.2	36	11.0	36	14.6	39	25.3	33	5.1	49
LARGEVALUE												
<b>BlackRock R1000V - gross of fees</b>	<b>11.2</b>	<b>76</b>	<b>5.4</b>	<b>50</b>	<b>4.9</b>	<b>54</b>	<b>10.0</b>	<b>48</b>				
<i>BlackRock R1000V - net of fees</i>	11.2		5.4		4.9		10.0					
<b>Dodge &amp; Cox - gross of fees</b>	<b>13.1</b>	<b>34</b>	<b>3.2</b>	<b>81</b>	<b>3.4</b>	<b>73</b>	<b>8.4</b>	<b>82</b>	<b>23.9</b>	<b>35</b>	<b>-0.9</b>	<b>73</b>
<i>Dodge &amp; Cox - net of fees</i>	13.0		3.1		3.2		8.1		23.6		-1.1	
<i>Russell 1000 Value Index</i>	11.1	77	5.3	52	4.8	57	9.8	55	22.8	57	-0.8	73
SMALL GROWTH												
<b>Legato Capital - gross of fees</b>	<b>13.5</b>	<b>41</b>	<b>0.9</b>	<b>58</b>	<b>2.2</b>	<b>55</b>	<b>14.6</b>	<b>65</b>	<b>28.2</b>	<b>62</b>		
<i>Legato Capital - net of fees</i>	13.3		0.2		1.3		13.6		27.1			
<i>Russell 2000 Growth Index</i>	13.3	45	1.3	54	0.7	62	14.9	60	28.4	60		
SMALL VALUE												
<b>Capital Prospects - gross of fees</b>	<b>11.9</b>	<b>71</b>	<b>2.3</b>	<b>56</b>	<b>-0.4</b>	<b>60</b>	<b>11.7</b>	<b>37</b>	<b>27.8</b>	<b>66</b>		
<i>Capital Prospects - net of fees</i>	11.7		1.7		-1.1		10.8		26.8			
<i>Russell 2000 Value Index</i>	11.6	76	1.6	67	-1.1	63	9.2	72	25.4	85		
<b>US Equity Composite</b>	<b>13.5</b>	<b>38</b>	<b>6.7</b>	<b>38</b>	<b>6.9</b>	<b>39</b>	<b>12.4</b>	<b>47</b>	<b>24.9</b>	<b>51</b>	<b>1.1</b>	<b>83</b>
<i>80% R1000/20% R2000</i>	13.0	45	6.5	40	6.4	42	12.8	42	25.0	50	2.6	56
<i>Russell 3000 Index</i>	12.9	48	7.2	34	7.2	37	12.2	52	24.3	56	2.2	65

Rankings: 1=highest, 100=low est.

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

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

<sup>2</sup> Funded 7/6/10.

# StanCERA

Periods Ending March 31, 2012

## Performance Summary

	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR	
INTERNATIONAL EQUITY MANAGERS												
LSV - gross of fees	11.2	66	-7.8	54	-7.1	57	4.1	40	23.3	23	-1.7	39
LSV - net of fees	11.1		-8.2		-7.7		3.5		22.6		-2.3	
Pyramis - gross of fees	12.2	41	-6.5	35	-5.8	36	4.1	44	20.5	34	-0.3	27
Pyramis - net of fees	12.1		-6.9		-6.3		3.6		19.9		-0.8	
International Equity Composite	11.7	48	-7.1	37	-6.6	48	4.0	44	21.9	30	-1.0	36
MSCI ACWI -ex US Index	11.3	62	-7.3	42	-6.7	49	2.9	57	19.6	39	-1.1	37
US FIXED INCOME MANAGER												
CORE												
Dodge & Cox - gross of fees	3.0	10	5.0	72	7.2	73	6.8	56	10.9	20	7.3	27
Dodge & Cox - net of fees	2.9		5.0		7.1		6.7		10.8		7.2	
PIMCO - gross of fees	0.5	79	6.0	25	8.5	21						
PIMCO - net of fees	0.4		5.7		8.1							
Barclays Aggregate Index	0.3	89	5.3	60	7.7	56	6.4	77	6.8	80	6.2	78
US Fixed Income Composite	2.5	34	5.1	53	7.3	49	6.8	58	11.0	38	7.4	40
Barclays Aggregate Index	0.3	78	5.3	47	7.7	42	6.4	70	6.8	76	6.2	68
SPECIAL SITUATIONS												
GLOBAL REAL ESTATE												
Invesco - gross of fees	12.9	3	0.5	76	4.3	73	10.6	62	28.3	6		
Invesco - net of fees	12.7		-0.2		3.3		9.6		27.3			
FTSE EPRA/NAREIT	12.9	3	0.2	77	3.2	77	11.0	60	31.5	5		
GLOBAL LONG/SHORT EQUITY												
Enhanced RAFI - gross of fees <sup>3</sup>	-7.4	100	-26.1	100								
Enhanced RAFI - net of fees	-7.4		-26.2									
Citigroup 1 month T-Bill	0.0	86	0.0	69								
Special Situations Composite	3.1	25	-13.1	99								
REAL ESTATE												
12th Street	0.0											

Rankings: 1=highest, 100=low est.

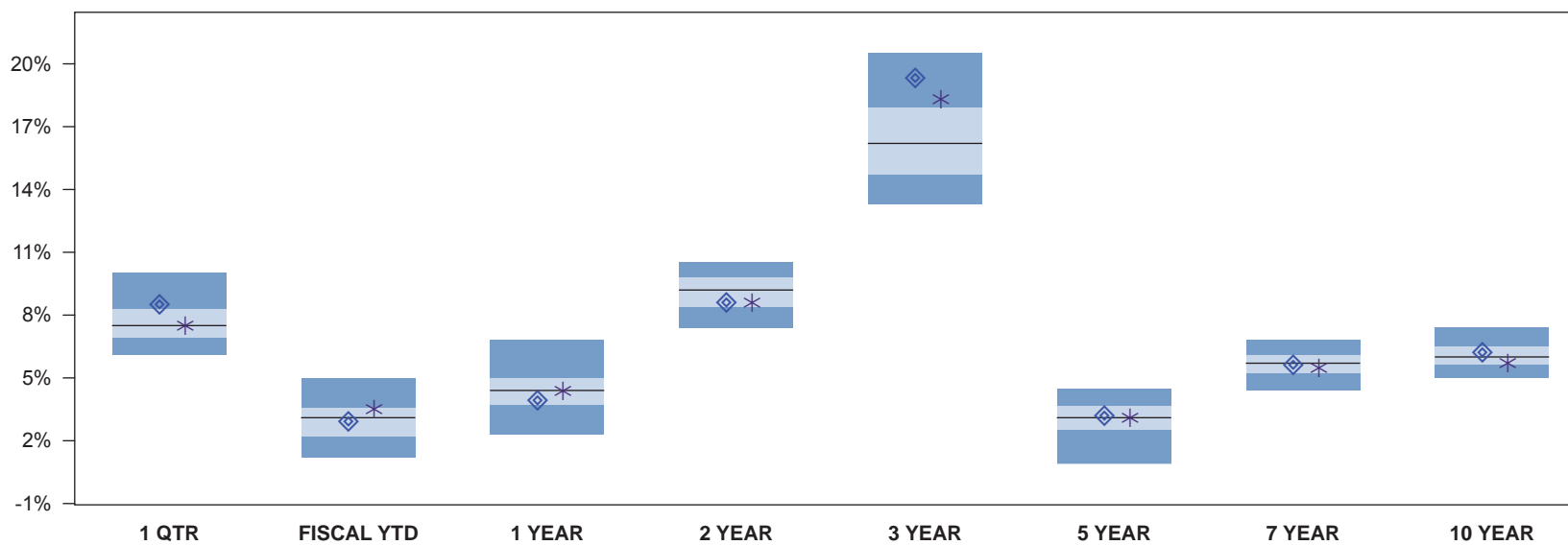
<sup>3</sup> Funded on 6/23/2011.

## StanCERA

PUBLIC FUNDS > \$100 MILLION

Periods Ending March 31, 2012

### Total Returns



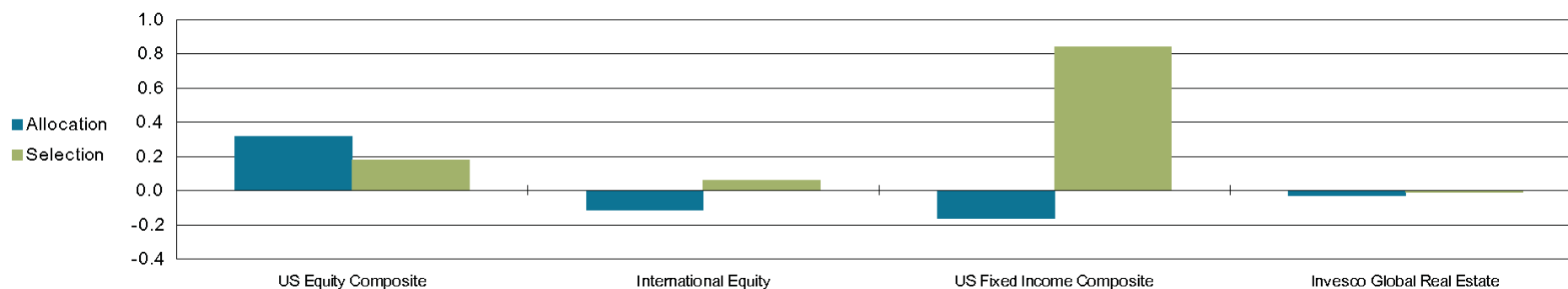
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
◆ StanCERA Plan	8.6	16	3.0	55	4.0	70	8.7	66	19.4	10	3.3	43	5.7	45	6.3	30
* Investment Policy Index	7.6	49	3.6	26	4.5	41	8.7	65	18.4	21	3.2	45	5.6	53	5.8	63
Median	7.5		3.1		4.4		9.2		16.2		3.1		5.7		6.0	

# StanCERA

December 31, 2011 Through March 31, 2012

## Total Plan Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED			
	Fund	Index	Difference	Fund	Index	Difference	Allocation	Selection	Total	Timing
StanCERA Plan										
US Equity Composite 80% R1/20% R2	41.9	41.4	0.5	13.47	12.98	0.48	0.32	0.18	0.50	
International Equity MSCI ACWI-ex US	17.0	20.0	-3.0	11.74	11.34	0.40	-0.11	0.06	-0.05	
US Fixed Income Composite BARCLAYS AGGREGATE BOND	39.8	37.1	2.7	2.47	0.30	2.17	-0.16	0.84	0.69	
Invesco Global Real Estate FTSE EPRA/NAREIT DEVELOPED INDEX	1.3	1.5	-0.2	12.89	12.90	-0.00	-0.03	-0.01	-0.04	
StanCERA Plan Investment Policy Index	100.0	100.0	0.0	8.63	7.61	1.01	0.03	1.07	1.10	-0.16



## Capital Market Review

### U.S. MARKETS

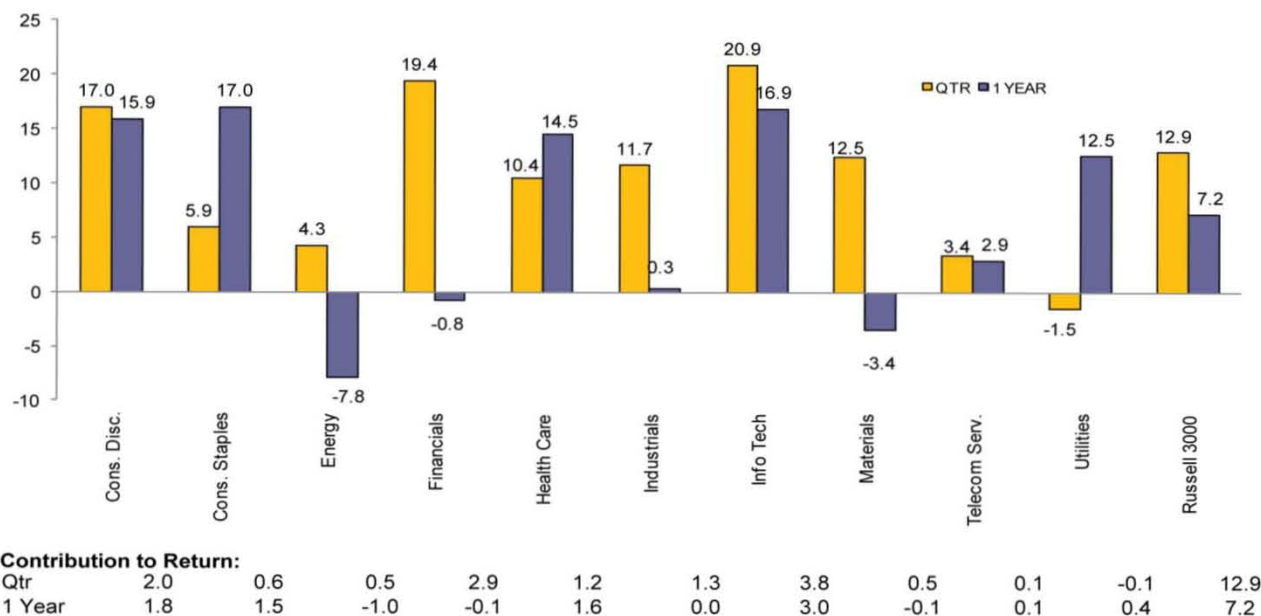
## U.S. Equity – Russell 3000

- The positive trend of economic surprises continued to support U.S. stocks this year. The broad-based U.S. equity aggregate registered an impressive 12.9 percent gain in the first quarter. Outperformers included information technology, consumer discretionary and financials sectors, which all surpassed the aggregate index.
- Consistent with diminished enthusiasm for safer investments, utilities posted a negative quarter while consumer staples also lagged the broad index.
- Equity valuations in the fourth quarter were slightly richer relative to longer term trends, with the aggregate market price-to-earnings ratio recording above its trailing five-year average of 17.21.

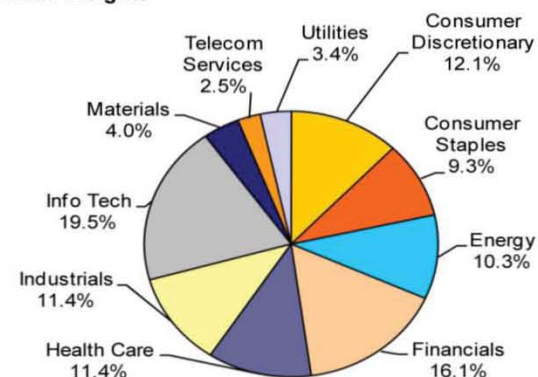
### Characteristics

Div Yield (%)	1.91
P/B Ratio	3.71
P/E Ratio	18.46
Forward P/E Ratio	13.52
Fundamental Beta	1.03
Market Cap - Cap Wtd (MM\$)	90,802

### Sector Returns (%)

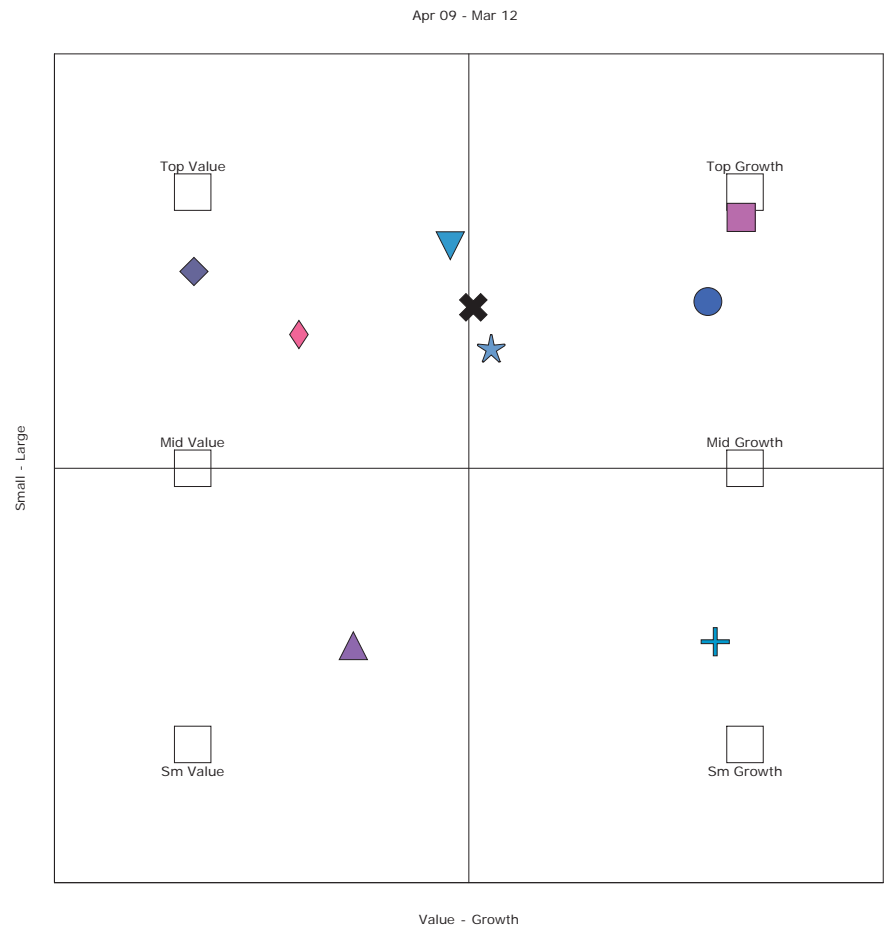


### Ending Sector Weights



Returns Based Style Analysis - US Equity Composite

US Equity Style Map

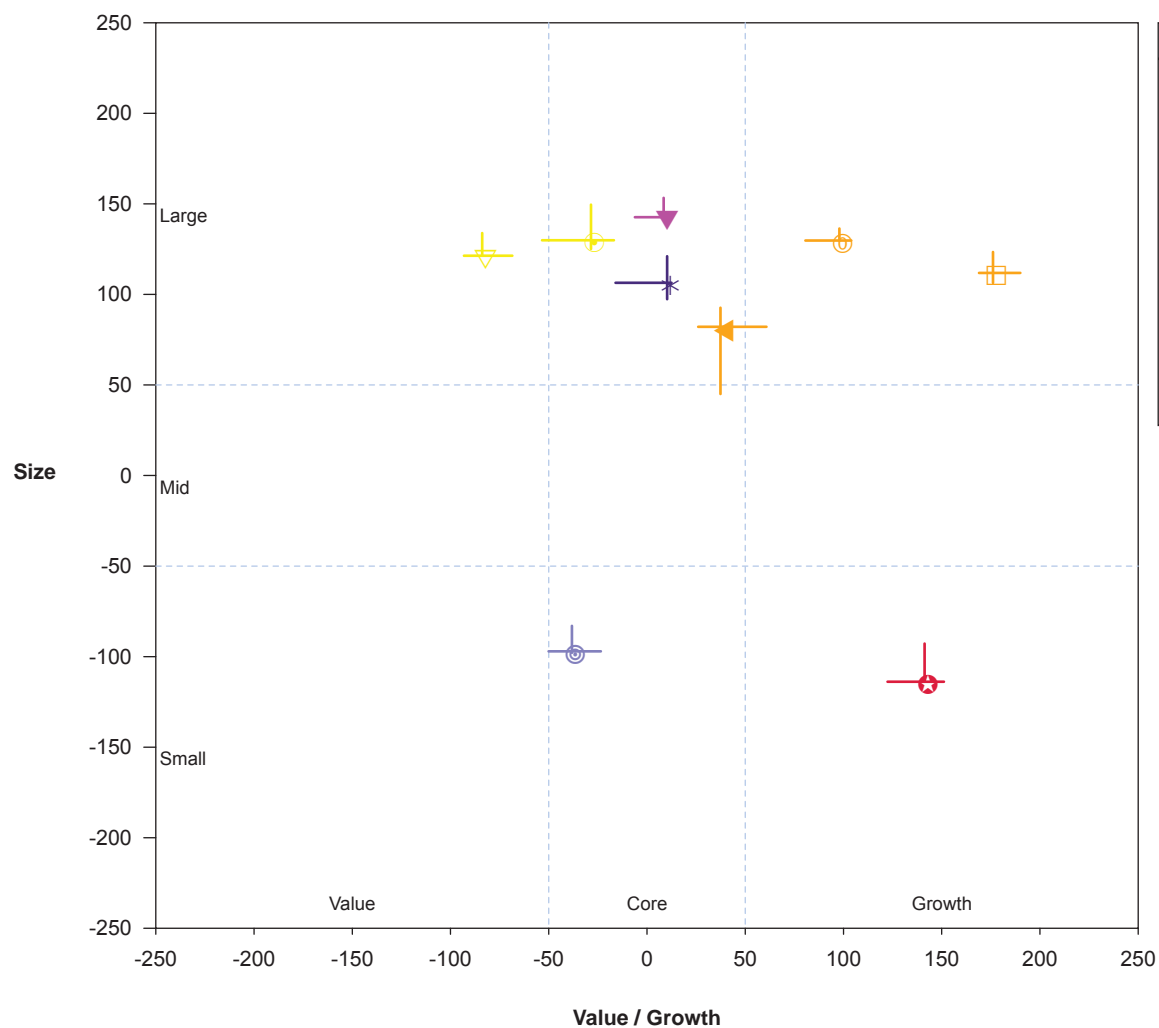


Legend			
● BlackRock Russell 1000 Growth Index Fund	◆ BlackRock Russell 1000 Value Index Fund	▲ Capital Prospects	■ Delaware Investments Advisers
◆ Dodge & Cox -Equity	+ Legato Capital	▼ Mellon S&P 500 Index Fund	★ StanCERA Equity Composite
✕ Russell 3000 Index			

# StanCERA

Period Ending March 31, 2012

## US Equity Style Analysis - Drift Over Time



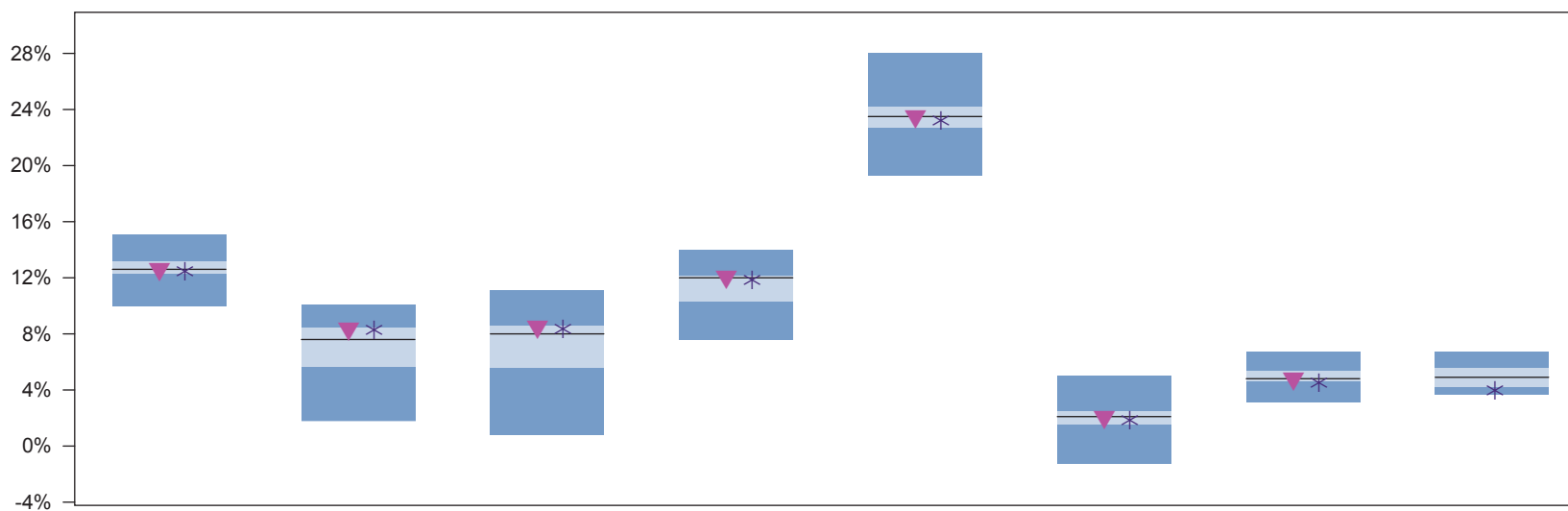
FUND	Value / Growth	Size
BlackRock R1000G Index Fund	97.90	129.77
BlackRock R1000V Index Fund	-83.86	121.36
Capital Prospects LLC	-38.18	-97.09
Delaware Investments Advisers	176.10	111.91
Dodge & Cox - Equity	-28.47	129.92
Leqato Capital Manaqement LLC	141.27	-113.83
Mellon Capital S&P 500 Index Fund	8.45	142.63
<b>US Equity Composite</b>	<b>37.38</b>	<b>82.11</b>
* RUSSELL 3000	10.26	106.45

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

# StanCERA

US Equity Funds - Large Core  
Periods Ending March 31, 2012

## Total Returns



	1 QTR	FISCAL YTD	1 YEAR	2 YEAR	3 YEAR	5 YEAR	7 YEAR	10 YEAR
▼ Mellon Capital S&P 500 Ind	12.6 65	8.4 35	8.5 37	12.1 42	23.5 56	2.1 58	4.8 64	
* S&P 500	12.6 63	8.4 34	8.5 38	12.0 46	23.4 62	2.0 65	4.7 70	4.1 89
Median	12.6	7.6	8.0	12.0	23.5	2.1	4.8	4.9

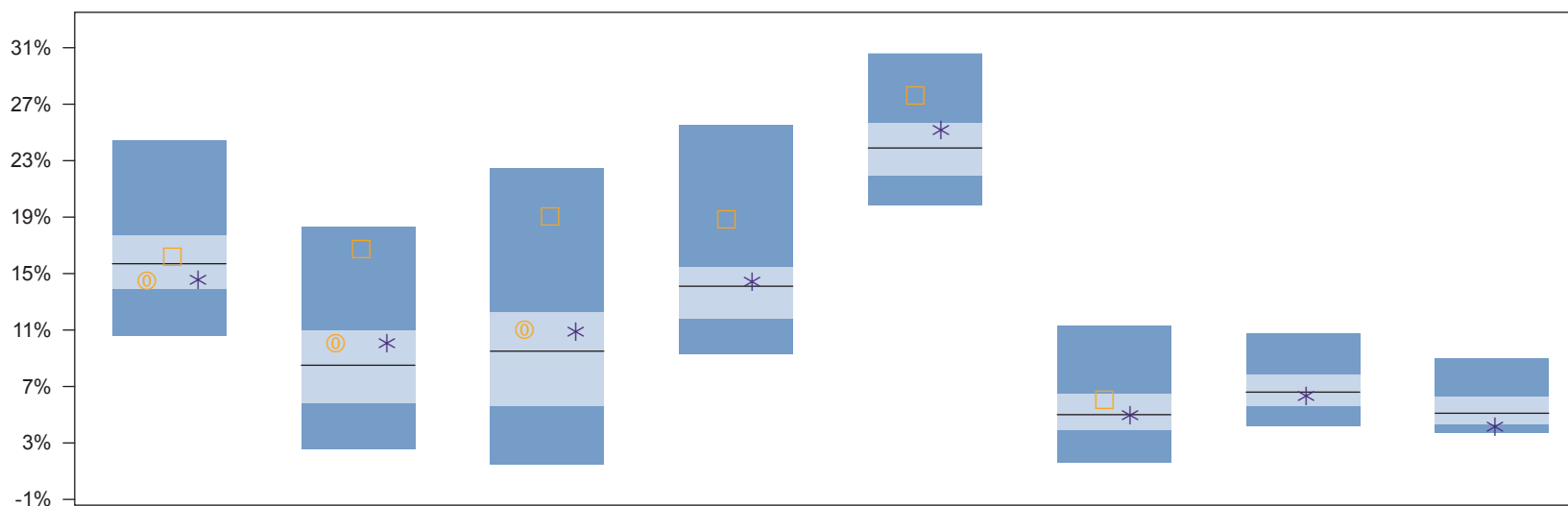


# StanCERA

US Equity Funds - Large Growth

Periods Ending March 31, 2012

## Total Returns



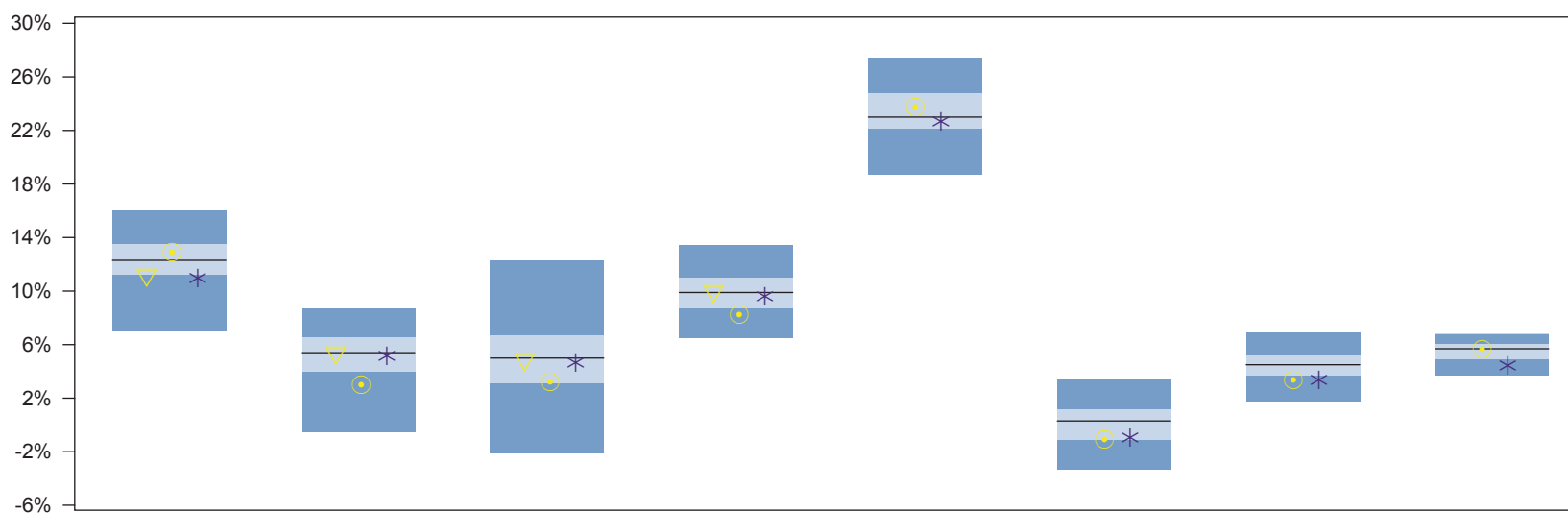
		1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR
●	BlackRock R1000G Index F	14.7	67	10.3	34	11.2	33									
□	Delaware Investments Advis	16.3	40	16.9	8	19.2	8	19.0	9	27.8	11	6.2	32			
*	RUSSELL 1000 GROWTH	14.7	68	10.2	36	11.0	36	14.6	39	25.3	33	5.1	49	6.5	54	4.3
	Median	15.7		8.5		9.5		14.1		23.9		5.0		6.6		5.1

# StanCERA

US Equity Funds - Large Value

Periods Ending March 31, 2012

## Total Returns



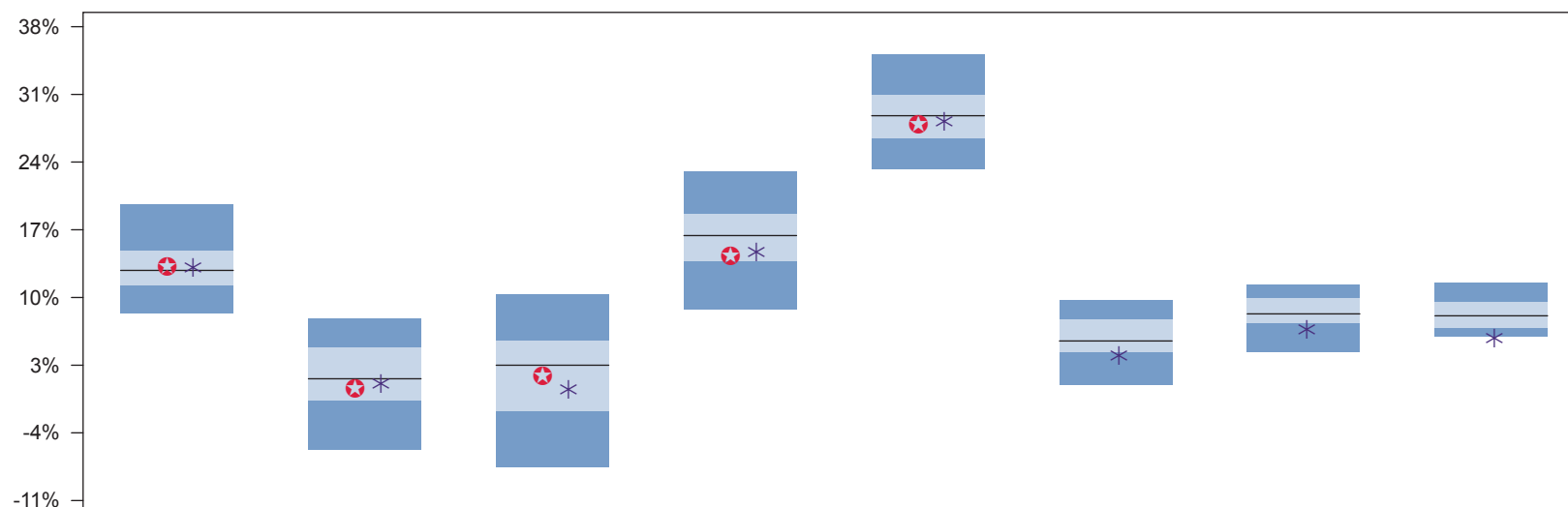
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
▽ BlackRock R1000V Index F	11.2	76	5.4	50	4.9	54	10.0	48								
● Dodge & Cox - Equity	13.1	34	3.2	81	3.4	73	8.4	82	23.9	35	-0.9	73	3.5	79	5.8	44
* Russell 1000 Value Index	11.1	77	5.3	52	4.8	57	9.8	55	22.8	57	-0.8	73	3.5	79	4.6	84
Median	12.3		5.4		5.0		9.9		23.0		0.3		4.5		5.7	

# StanCERA

US Equity Funds - Small Growth

Periods Ending March 31, 2012

## Total Returns



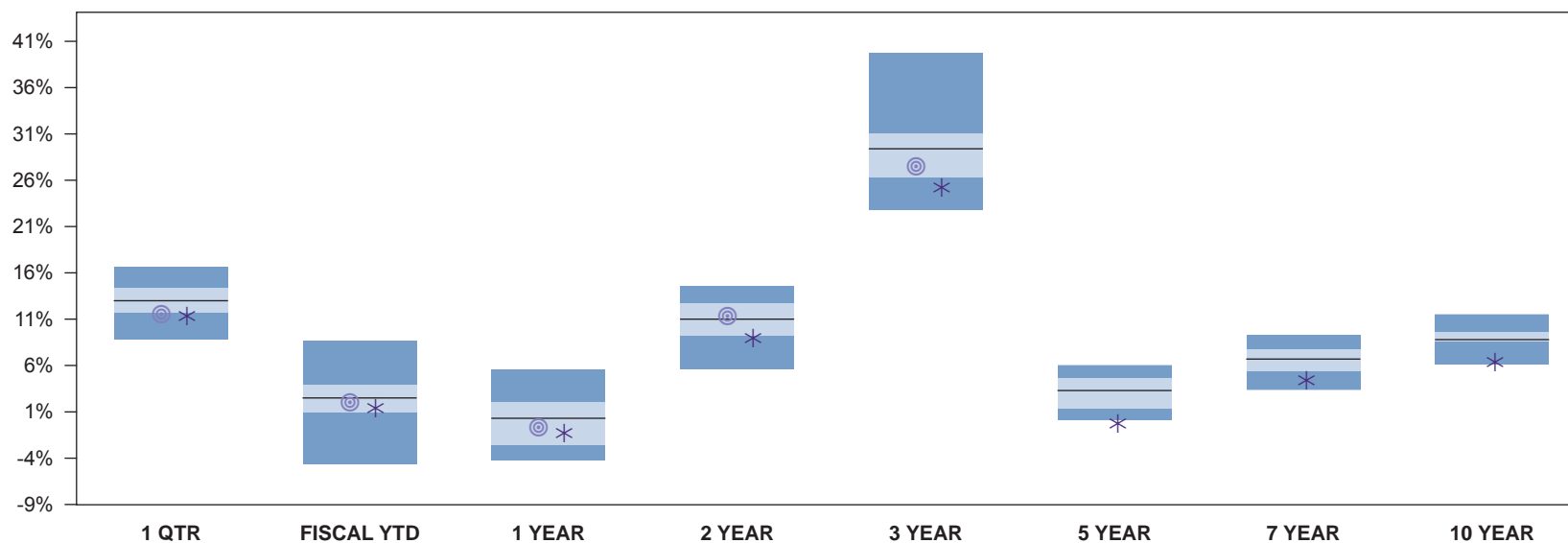
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
★ Legato Capital Management	13.5	41	0.9	58	2.2	55	14.6	65	28.2	62						
* RUSSELL 2000 GROWTH	13.3	45	1.3	54	0.7	62	14.9	60	28.4	60	4.2	79	6.9	86	6.0	94
Median	12.8		1.6		3.0		16.4		28.8		5.5		8.3		8.1	

# StanCERA

US Equity Funds - Small Value

Periods Ending March 31, 2012

## Total Returns



	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
● Capital Prospects LLC	11.9	71	2.3	56	-0.4	60	11.7	37	27.8	66						
* RUSSELL 2000 VALUE	11.6	76	1.6	67	-1.1	63	9.2	72	25.4	85	0.0	96	4.6	83	6.6	93
Median	13.0		2.5		0.3		11.0		29.4		3.3		6.7		8.8	

# StanCERA

BlackRock Russell 1000 Growth Index Fund  
Quarter Ending March 31, 2012

## Equity Only Summary Statistics

Portfolio Characteristics		
	BlackRock R1000 Growth	RUSSELL 1000 GROWTH
Total Number of Securities	584	585
Average Market Cap (000's)	119,684,253	119,351,164
Median Market Cap (000's)	6,503,930	6,503,930
P/E Ratio	18.32	18.33
Dividend Yield	1.47	1.47
Beta	0.97	0.97
Price/Book Ratio	5.52	5.54
Return on Equity	29.44	29.52
Earnings Growth - 5 Years	16.22	16.24

Ten Largest Holdings		
Name	\$	Weight
APPLE INC	5,777,723	7.6
EXXON MOBIL CORP	3,286,192	4.3
INTL BUSINESS MACHINES CORP	2,633,911	3.4
MICROSOFT CORP	2,494,304	3.3
GOOGLE INC CL A	1,682,050	2.2
COCA COLA CO/THE	1,523,941	2.0
PHILIP MORRIS INTERNATIONAL	1,486,403	1.9
QUALCOMM INC	1,183,610	1.6
ORACLE CORP	1,167,349	1.5
PEPSICO INC	1,093,090	1.4

Ten Best Performers	
Name	Return
AMYLIN PHARMACEUTICALS INC	119.3
REGENERON PHARMACEUTICALS	110.4
COBALT INTERNATIONAL ENERGY	93.5
LENDER PROCESSING SERVICES	73.3
ILLUMINA INC	72.6
SKYWORKS SOLUTIONS INC	70.5
FOSSIL INC	66.3
MARRIOTT VACATIONS WORLD	66.1
NETFLIX INC	66.0
SOLUTIA INC	61.9

Ten Worst Performers	
Name	Return
EXCO RESOURCES INC	-36.2
WEBMD HEALTH CORP	-31.9
APOLLO GROUP INC CL A	-28.3
FIRST SOLAR INC	-25.8
ARCH COAL INC	-25.6
ALPHA NATURAL RESOURCES INC	-25.6
QUICKSILVER RESOURCES INC	-24.9
ULTRA PETROLEUM CORP	-23.6
GOODYEAR TIRE + RUBBER CO	-20.8
POLYPORE INTERNATIONAL INC	-20.1

## StanCERA

BlackRock R1000G Index Fund

Benchmark: RUSSELL 1000 GROWTH

Quarter Ending March 31, 2012

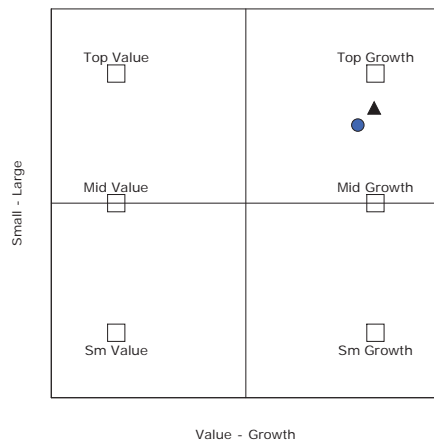
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
BlackRock R1000G Index Fund									
CONSUMER DISCRETIONARY	14.0	14.1	-0.1	17.1	17.0	0.1	-0.01	0.01	-0.00
CONSUMER STAPLES	12.8	12.8	-0.0	6.4	6.4	0.0	0.00	0.00	0.00
ENERGY	11.0	11.1	-0.0	3.0	3.0	0.0	0.00	0.00	0.00
FINANCIALS	4.2	3.9	0.3	16.4	16.3	0.1	0.00	0.02	0.02
HEALTH CARE	10.6	10.6	-0.0	14.0	14.0	-0.0	0.00	0.00	0.00
INDUSTRIALS	12.8	12.9	-0.1	12.4	12.4	0.0	0.00	0.00	0.00
INFORMATION TECHNOLOGY	27.9	27.9	-0.1	23.8	23.8	-0.0	-0.02	0.00	-0.02
MATERIALS	5.3	5.3	0.0	12.6	12.8	-0.1	-0.01	-0.02	-0.03
TELECOMMUNICATION SERVICES	1.2	1.2	0.0	5.0	5.0	-0.0	-0.01	-0.01	-0.02
UTILITIES	0.1	0.1	-0.0	-0.8	-0.8	0.0	0.00	0.00	0.00
TOTAL	100.0	100.0	0.0	14.7	14.7	-0.0	-0.04	0.00	-0.03

## Returns Based Style Analysis - BlackRock Russell 1000 Growth Index Fund

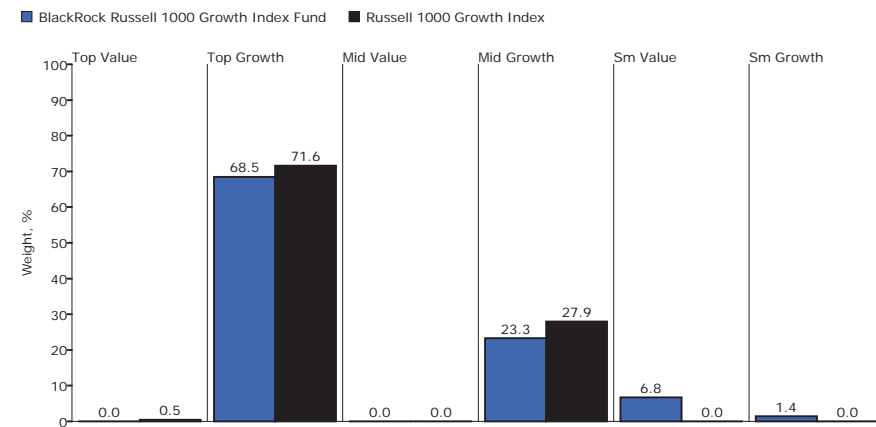
### US Equity Style Map

Apr 09 - Mar 12



### US Equity Style Exposures

Apr 09 - Mar 12

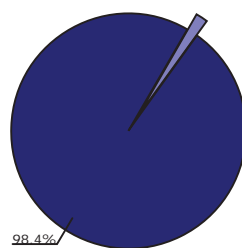
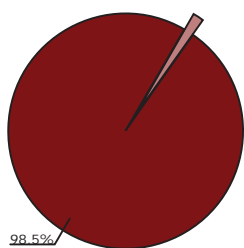


### R-Squared (Style Analysis)

Apr 09 - Mar 12

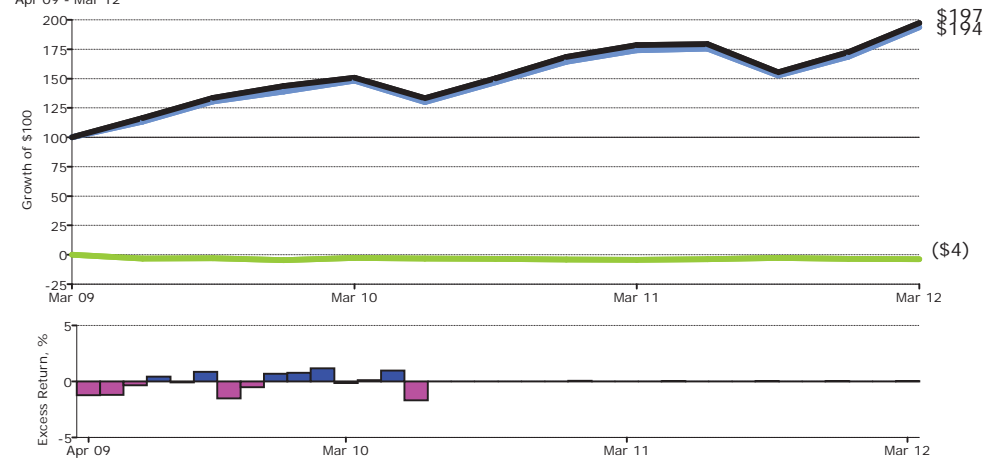
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Apr 09 - Mar 12



### Legend

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

■ Total ■ Style ■ Selection

# StanCERA

BlackRock Russell 1000 Value Index Fund  
Quarter Ending March 31, 2012

## Equity Only Summary Statistics

Portfolio Characteristics		
	BlackRock R1000 Value	RUSSELL 1000 VALUE
Total Number of Securities	655	654
Average Market Cap (000's)	76,819,864	76,680,613
Median Market Cap (000's)	4,980,230	4,987,625
P/E Ratio	15.10	15.11
Dividend Yield	2.45	2.45
Beta	1.07	1.06
Price/Book Ratio	1.95	1.95
Return on Equity	13.18	13.17
Earnings Growth - 5 Years	0.88	0.89

Ten Largest Holdings		
Name	\$	Weight
GENERAL ELECTRIC CO	2,675,876	2.9
CHEVRON CORP	2,555,680	2.8
AT+T INC	2,325,038	2.6
JPMORGAN CHASE + CO	2,296,954	2.5
PFIZER INC	2,250,810	2.5
PROCTER + GAMBLE CO/THE	2,200,448	2.4
WELLS FARGO + CO	1,963,365	2.2
INTEL CORP	1,873,658	2.1
JOHNSON +JOHNSON	1,809,320	2.0
BERKSHIREHATHAWAY INC CL B	1,785,869	2.0

Ten Best Performers	
Name	Return
SEARS HOLDINGS CORP	108.5
COBALT INTERNATIONAL ENERGY	93.5
BANK OF AMERICA CORP	72.3
TEREX CORP	66.5
WHIRLPOOLCORP	63.1
WESTLAKE CHEMICAL CORP	61.2
REGIONS FINANCIAL CORP	53.5
LEVEL 3 COMMUNICATIONS INC	51.4
TEXTRON INC	50.6
FEDERATEDINVESTORS INC CL B	49.8

Ten Worst Performers	
Name	Return
EDUCATIONMANAGEMENT CORP	-51.1
EXCO RESOURCES INC	-36.2
RADIOSHACK CORP	-34.7
SUPERVALU INC	-28.7
ARCH COAL INC	-25.6
ALPHA NATURAL RESOURCES INC	-25.6
QUICKSILVER RESOURCES INC	-24.9
GENON ENERGY INC	-20.3
ORCHARD SUPPLY HARDWARE STOR	-17.4
FRONTIER COMMUNICATIONS CORP	-17.2



## StanCERA

BlackRock R1000V Index Fund

Benchmark: RUSSELL 1000 VALUE

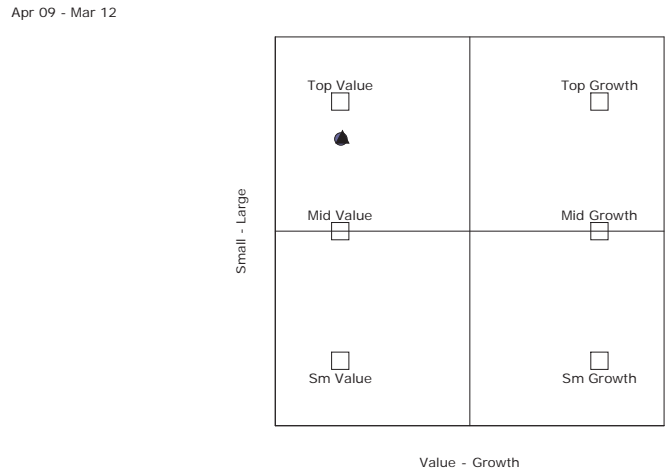
Quarter Ending March 31, 2012

### Equity Performance Attribution

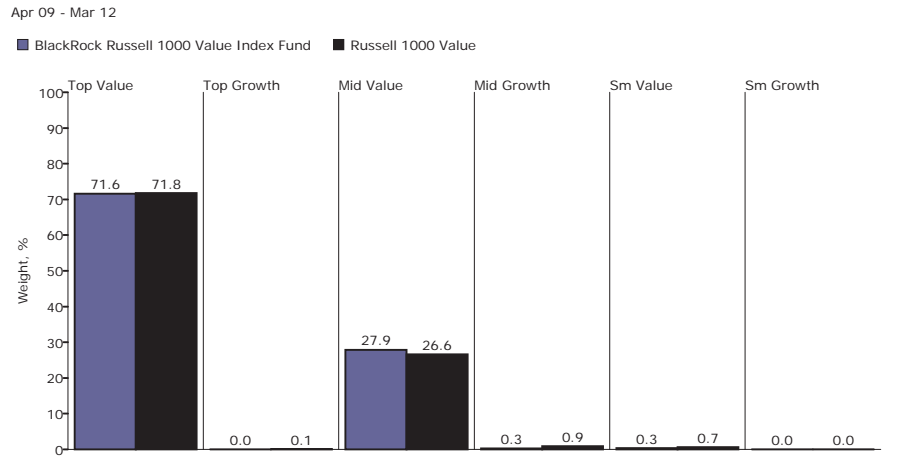
	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
<b>BlackRock R1000V Index Fund</b>									
CONSUMER DISCRETIONARY	8.9	9.0	-0.1	16.5	16.5	0.1	-0.01	0.01	-0.00
CONSUMER STAPLES	8.0	8.1	-0.0	4.7	4.7	0.0	0.00	0.00	0.00
ENERGY	12.1	12.3	-0.1	5.1	5.1	0.0	0.01	0.00	0.01
FINANCIALS	24.9	24.4	0.5	21.4	21.4	-0.0	0.05	-0.01	0.03
HEALTH CARE	12.7	12.8	-0.1	6.7	6.8	-0.0	0.00	0.00	0.00
INDUSTRIALS	9.2	9.3	-0.1	10.9	10.9	0.0	0.00	0.00	0.00
INFORMATION TECHNOLOGY	8.8	8.8	-0.0	13.4	13.4	-0.0	-0.01	0.00	-0.00
MATERIALS	2.6	2.6	-0.0	12.1	12.3	-0.2	-0.00	-0.00	-0.01
PREFERRED STOCK	0.0	0.0	0.0	-	-	-	-0.00	0.00	-0.00
TELECOMMUNICATION SERVICES	4.8	4.8	-0.0	2.9	2.9	0.0	0.00	0.00	0.00
UTILITIES	7.9	7.9	-0.0	-1.6	-1.5	-0.1	0.00	-0.01	-0.01
TOTAL	100.0	100.0	0.0	11.1	11.1	-0.0	0.04	-0.01	0.03

Returns Based Style Analysis - BlackRock Russell 1000 Value Index Fund

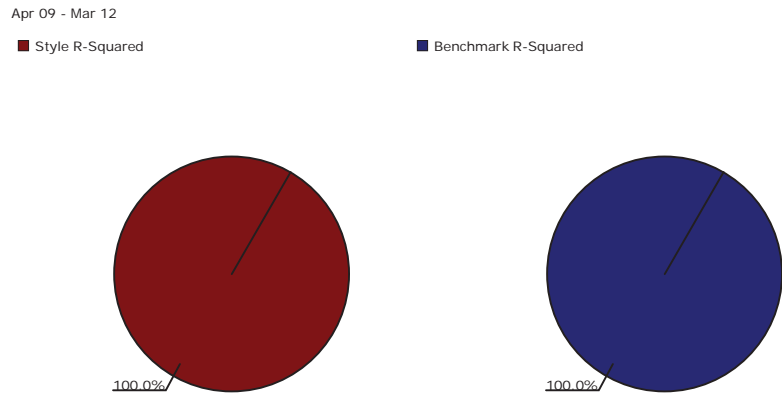
US Equity Style Map



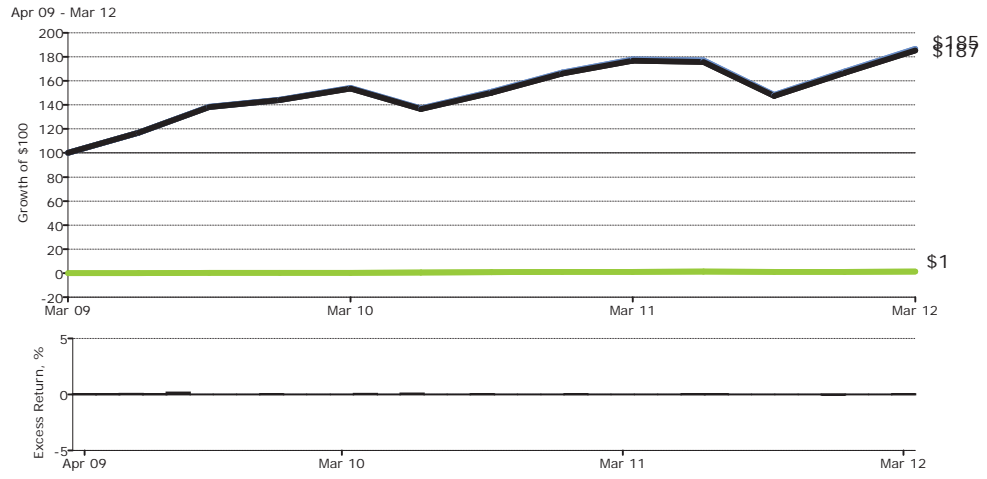
US Equity Style Exposures



R-Squared (Style Analysis)



Cumulative Total, Style & Selection Return



Legend

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

# StanCERA

Capital Prospects LLC  
Quarter Ending March 31, 2012

## Equity Only Summary Statistics

Portfolio Characteristics		
	Capital Prospects	RUSSELL 2000 VALUE
Total Number of Securities	342	1,339
Average Market Cap (000's)	1,990,561	1,186,409
Median Market Cap (000's)	1,193,970	457,190
P/E Ratio	14.80	15.67
Dividend Yield	1.59	2.09
Beta	1.23	1.24
Price/Book Ratio	1.99	1.59
Return on Equity	12.84	7.67
Earnings Growth - 5 Years	3.91	(2.59)

Ten Largest Holdings		
Name	\$	Weight
REGAL BELOIT CORP	912,325	1.4
LITTELFUSE INC	831,339	1.3
BELDEN INC	772,227	1.2
HANES BRANDS INC	749,843	1.2
MEREDITH CORP	704,350	1.1
BRINK S CO/THE	664,660	1.1
GULFPORT ENERGY CORP	649,172	1.0
NEWELL RUBBERMAID INC	640,448	1.0
HEXCEL CORP	638,546	1.0
BROADRIDGE FINANCIAL SOLUTIONS	592,968	0.9

Ten Best Performers	
Name	Return
GEORGIA GULF CORP	79.0
GLOBAL CASH ACCESS HOLDINGS	75.3
LENDER PROCESSING SERVICES	73.3
AEGEAN MARINE PETROLEUM INC	69.6
ENERGYSOLUTIONS INC DEP SHS	58.6
CABELA S INC	50.1
CHEMTURA CORP	49.7
US AIRWAYS GROUP INC	49.7
MATRIX SERVICE CO	48.4
PENN REAL ESTATE INVEST TRST	47.9

Ten Worst Performers	
Name	Return
SUPERVALU INC	-28.7
INTERDIGITAL INC	-20.0
CLOUD PEAK ENERGY INC	-17.5
RTI BIOLOGICS INC	-16.7
WORLD ACCEPTANCE CORP	-16.7
NORTHERN OIL AND GAS INC	-13.5
PATTERSON UTI ENERGY INC	-13.2
ATRION CORPORATION	-12.3
MEADOWBROOK INSURANCE GROUP	-12.2
ALLIANT TECHSYSTEMS INC	-12.0

## StanCERA

Capital Prospects LLC

Benchmark: RUSSELL 2000 VALUE

Quarter Ending March 31, 2012

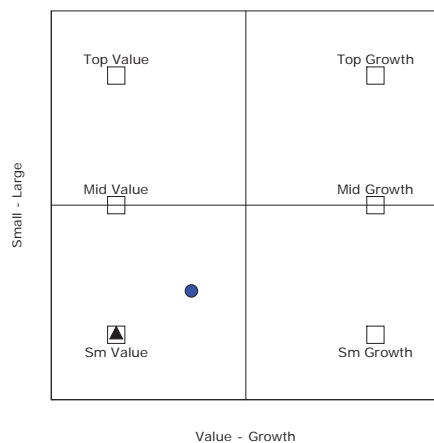
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
Capital Prospects LLC									
COMMINGLED FUND	0.2	0.0	0.2	-	-	-	-0.02	0.00	-0.02
CONSUMER DISCRETIONARY	17.6	12.8	4.8	14.4	18.0	-3.6	0.28	-0.61	-0.34
CONSUMER STAPLES	3.9	3.1	0.8	4.7	9.4	-4.7	-0.02	-0.18	-0.20
ENERGY	6.1	3.9	2.2	5.2	6.9	-1.7	-0.09	-0.10	-0.20
FINANCIALS	23.0	36.9	-13.8	12.9	11.8	1.2	-0.03	0.26	0.23
HEALTH CARE	5.8	5.3	0.5	6.2	11.3	-5.1	-0.00	-0.29	-0.29
INDUSTRIALS	21.4	14.9	6.5	12.7	12.6	0.1	0.06	0.03	0.09
INFORMATION TECHNOLOGY	11.5	9.9	1.5	17.8	12.8	5.0	0.02	0.57	0.59
MATERIALS	5.8	5.2	0.6	20.2	12.9	7.3	0.01	0.42	0.43
TELECOMMUNICATION SERVICES	0.0	0.8	-0.7	-4.9	14.1	-19.0	-0.02	-0.01	-0.02
UTILITIES	4.6	7.3	-2.6	-1.8	-2.2	0.4	0.33	0.02	0.35
TOTAL	100.0	100.0	-0.0	12.3	11.6	0.7	0.52	0.09	0.61

## Returns Based Style Analysis - Capital Prospects

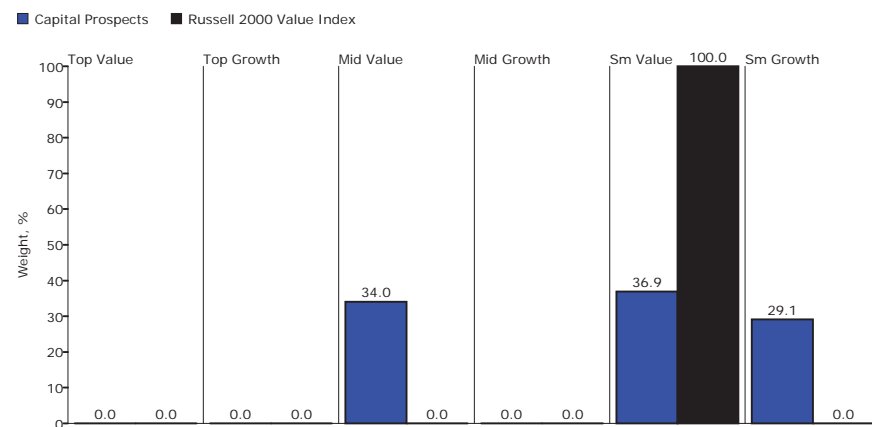
### US Equity Style Map

Apr 09 - Mar 12



### US Equity Style Exposures

Apr 09 - Mar 12

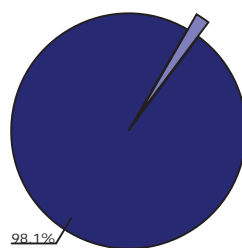
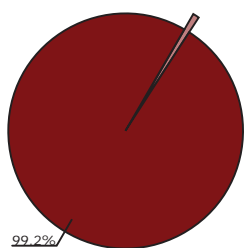


### R-Squared (Style Analysis)

Apr 09 - Mar 12

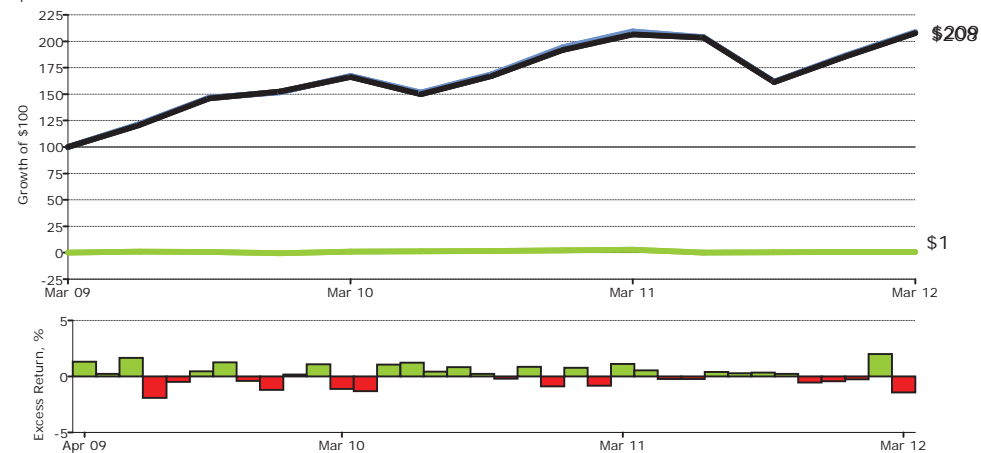
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Apr 09 - Mar 12



### Legend

▲ Russell 2000 Value Index ● Capital Prospects

■ Total  
■ Selection

■ Style

# StanCERA

Delaware Investments Advisers  
Quarter Ending March 31, 2012

## Equity Only Summary Statistics

Portfolio Characteristics		
	Delaware	RUSSELL 1000 GROWTH
Total Number of Securities	29	585
Average Market Cap (000's)	87,660,302	119,351,164
Median Market Cap (000's)	22,838,010	6,503,930
P/E Ratio	19.75	18.33
Dividend Yield	0.73	1.47
Beta	0.99	0.97
Price/Book Ratio	4.86	5.54
Return on Equity	20.00	29.52
Earnings Growth - 5 Years	18.27	16.24

Ten Largest Holdings		
Name	\$	Weight
APPLE INC	10,132,395	8.5
QUALCOMM INC	6,608,626	5.5
VISA INC CLASS A SHARES	6,407,400	5.4
EOG RESOURCES INC	6,104,945	5.1
MASTERCARD INC CLASS A	6,097,830	5.1
CROWN CASTLE INTL CORP	5,643,372	4.7
PRICELINE.COM INC	5,596,500	4.7
GOOGLE INC CL A	5,578,788	4.7
ALLERGAN INC	5,477,682	4.6
INTUIT INC	4,674,432	3.9

Ten Best Performers	
Name	Return
PRICELINE.COM INC	53.4
APPLE INC	48.0
TERADATA CORP	40.5
QUALCOMM INC	24.8
NOVO NORDISK A S	22.5
ADOBE SYSTEMS INC	21.4
CME GROUP INC	21.0
CROWN CASTLE INTL CORP	19.1
CATERPILLAR INC	18.1
STAPLES INC	17.3

Ten Worst Performers	
Name	Return
APOLLO GROUP INC CL A	-28.3
CTrip.com INTL ADR	-7.5
GOOGLE INC CL A	-0.7
WALGREEN CO	2.0
PERRIGO CO	6.3
VERISIGN INC	7.3
ALLERGAN INC	8.8
EL PASO CORP	11.3
MASTERCARD INC CLASS A	12.8
NIKE INC CL B	12.9

## StanCERA

Delaware Investments Advisers

Benchmark: RUSSELL 1000 GROWTH

Quarter Ending March 31, 2012

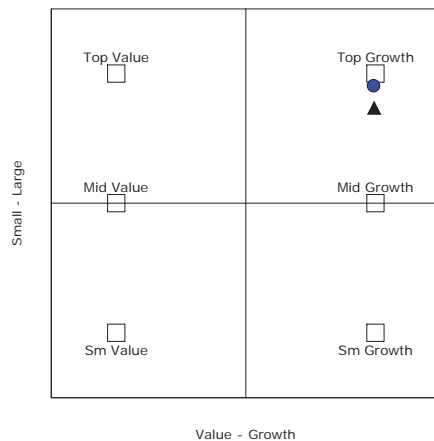
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
<i>Delaware Investments Advisers</i>									
CONSUMER DISCRETIONARY	13.1	14.1	-1.1	25.0	17.0	8.0	-0.04	1.01	0.97
CONSUMER STAPLES	2.0	12.8	-10.8	2.0	6.4	-4.4	0.79	-0.09	0.71
ENERGY	7.7	11.1	-3.3	12.4	3.0	9.4	0.35	0.73	1.07
FINANCIALS	6.7	3.9	2.8	17.1	16.3	0.8	0.04	0.07	0.11
HEALTH CARE	10.1	10.6	-0.6	12.5	14.0	-1.6	0.00	-0.16	-0.15
INDUSTRIALS	8.5	12.9	-4.4	-7.4	12.4	-19.8	0.09	-1.68	-1.59
INFORMATION TECHNOLOGY	44.4	27.9	16.5	20.6	23.8	-3.2	1.28	-1.29	-0.03
MATERIALS	2.8	5.3	-2.5	16.8	12.8	4.0	0.04	0.11	0.15
TELECOMMUNICATION SERVICES	4.6	1.2	3.4	19.1	5.0	14.0	-0.31	0.67	0.36
UTILITIES	0.0	0.1	-0.1	-	-0.8	-	0.01	-0.00	0.01
TOTAL	100.0	100.0	0.0	16.6	14.7	1.8	2.27	-0.65	1.61

## Returns Based Style Analysis - Delaware Investment Advisers

### US Equity Style Map

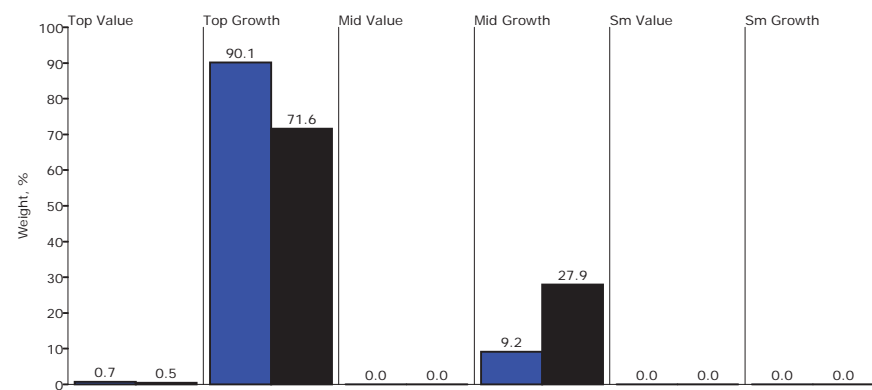
Apr 09 - Mar 12



### US Equity Style Exposures

Apr 09 - Mar 12

■ Delaware Investments Advisers ■ Russell 1000 Growth Index

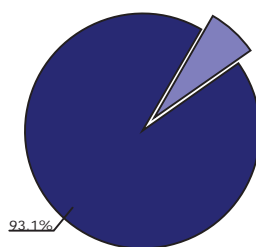
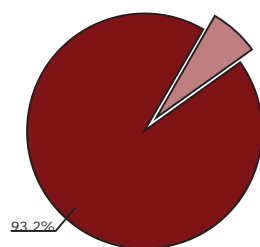


### R-Squared (Style Analysis)

Apr 09 - Mar 12

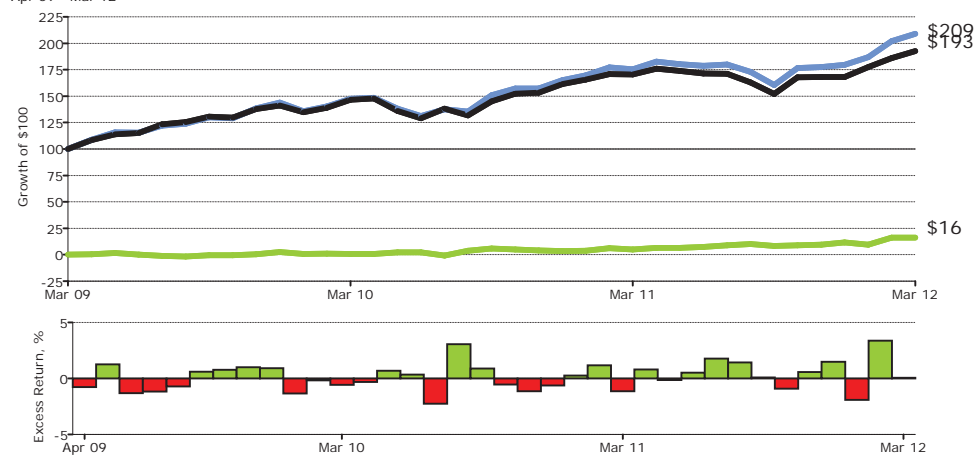
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Apr 09 - Mar 12



### Legend

▲ Russell 1000 Growth Index ● Delaware Investments Advisers

■ Total ■ Style ■ Selection



# StanCERA

Dodge & Cox - Equity  
Quarter Ending March 31, 2012

## Equity Only Summary Statistics

Portfolio Characteristics		
	Dodge & Cox	RUSSELL 1000 VALUE
Total Number of Securities	72	654
Average Market Cap (000's)	76,342,221	76,680,613
Median Market Cap (000's)	20,606,670	4,987,625
P/E Ratio	15.36	15.11
Dividend Yield	1.96	2.45
Beta	1.12	1.06
Price/Book Ratio	2.01	1.95
Return on Equity	14.13	13.17
Earnings Growth - 5 Years	0.41	0.89

Ten Largest Holdings		
Name	\$	Weight
COMCAST CORP CLASS A	6,003,891	4.4
WELLS FARGO + CO	5,464,858	4.0
CAPITAL ONE FINANCIAL CORP	5,155,950	3.8
HEWLETT PACKARD CO	4,885,269	3.6
MERCK + CO. INC.	4,704,000	3.5
GENERAL ELECTRIC CO	4,616,100	3.4
PFIZER INC	4,302,550	3.2
SANOFI AVENTIS ADR	3,807,381	2.8
TIME WARNER INC	3,776,208	2.8
MICROSOFT CORP	3,709,325	2.7

Ten Best Performers	
Name	Return
BANK OF AMERICA CORP	72.3
EQUINIX INC	55.3
CEMEX SABSPONS ADR PART CER	49.7
AEGON	38.3
GOLDMAN SACHS GROUP INC	37.9
SUNTRUST BANKS INC	36.8
CAPITAL ONE FINANCIAL CORP	31.9
TIME WARNER CABLE	29.1
SCHWAB (CHARLES) CORP	28.2
COMPUTER SCIENCES CORP	27.2

Ten Worst Performers	
Name	Return
BAKER HUGHES INC	-13.5
HEWLETT PACKARD CO	-7.0
PITNEY BOWES INC	-3.2
KONINKLIJKE PHILIPS ELECTRS N	-2.9
VODAFONE GROUP PLC NEW	-1.3
UNILEVER PLC	-0.5
GLAXOSMITHKLINE PLC	0.2
NOVARTIS AG	1.2
CHEVRON CORP	1.6
XEROX CORP	2.0

## StanCERA

Dodge & Cox - Equity

Benchmark: RUSSELL 1000 VALUE

Quarter Ending March 31, 2012

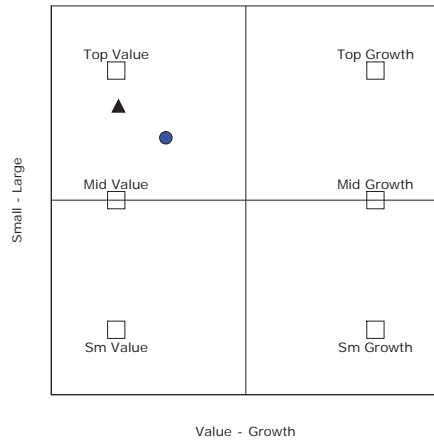
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
<b>Dodge &amp; Cox - Equity</b>									
CONSUMER DISCRETIONARY	18.4	9.0	9.4	16.5	16.5	0.0	0.45	0.01	0.45
CONSUMER STAPLES	3.3	8.1	-4.7	2.2	4.7	-2.5	0.28	-0.09	0.18
ENERGY	8.7	12.3	-3.6	-0.5	5.1	-5.6	0.20	-0.49	-0.30
FINANCIALS	16.4	24.4	-8.1	31.0	21.4	9.6	-0.75	1.52	0.76
HEALTH CARE	21.0	12.8	8.1	4.2	6.8	-2.6	-0.34	-0.55	-0.90
INDUSTRIALS	7.7	9.3	-1.6	13.2	10.9	2.3	0.00	0.18	0.18
INFORMATION TECHNOLOGY	18.0	8.8	9.2	13.2	13.4	-0.2	0.19	-0.05	0.14
MATERIALS	3.6	2.6	1.0	17.8	12.3	5.5	0.01	0.21	0.22
TELECOMMUNICATION SERVICES	2.9	4.8	-1.9	6.0	2.9	3.1	0.14	0.09	0.23
UTILITIES	0.0	7.9	-7.9	-	-1.5	-	0.90	-0.00	0.90
TOTAL	100.0	100.0	0.0	13.2	11.1	2.1	1.07	0.80	1.88

## Returns Based Style Analysis - Dodge & Cox

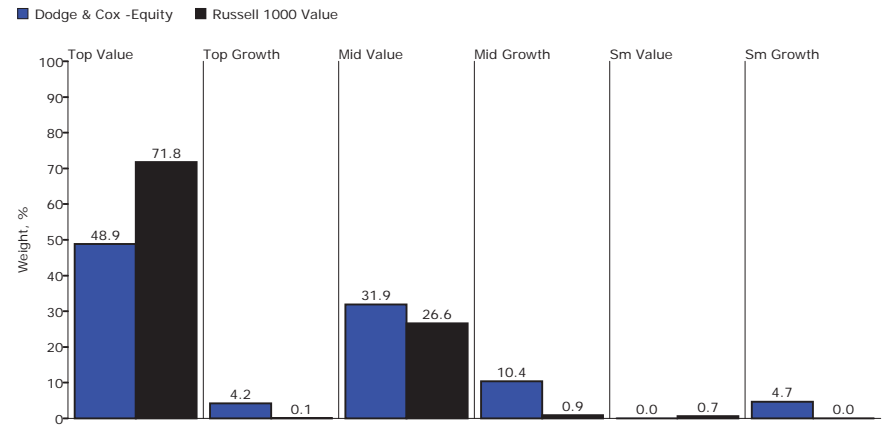
### US Equity Style Map

Apr 09 - Mar 12



### US Equity Style Exposures

Apr 09 - Mar 12

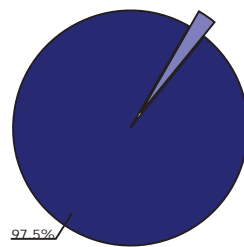
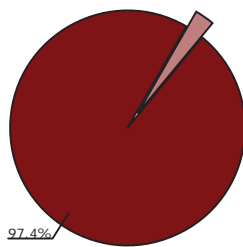


### R-Squared (Style Analysis)

Apr 09 - Mar 12

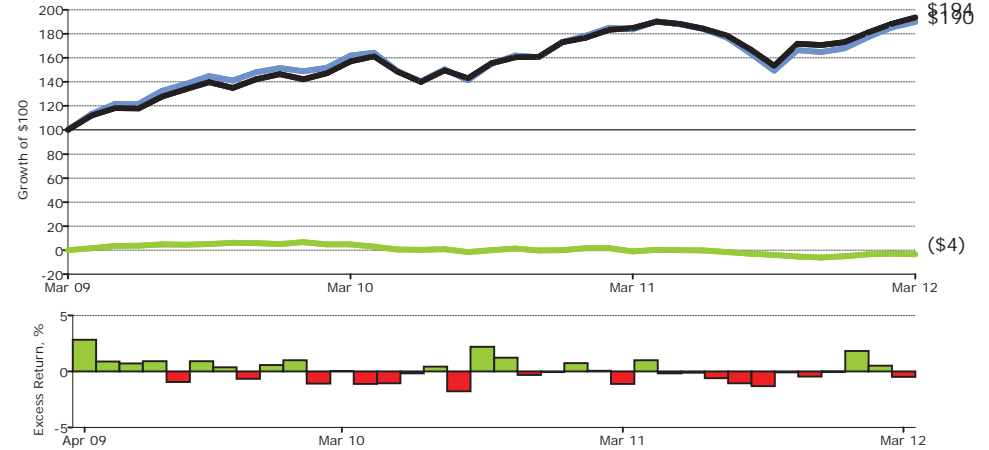
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Apr 09 - Mar 12



### Legend

▲ Russell 1000 Value ● Dodge & Cox -Equity

■ Total ■ Style ■ Selection

# StanCERA

Legato Capital Management LLC  
Quarter Ending March 31, 2012

## Equity Only Summary Statistics

Portfolio Characteristics		
	Legato Capital	RUSSELL 2000 GROWTH
Total Number of Securities	417	1,145
Average Market Cap (000's)	1,609,166	1,554,599
Median Market Cap (000's)	960,845	597,880
P/E Ratio	25.98	20.44
Dividend Yield	0.30	0.72
Beta	1.07	1.13
Price/Book Ratio	4.76	4.44
Return on Equity	12.20	15.13
Earnings Growth - 5 Years	12.61	14.98

Ten Largest Holdings		
Name	\$	Weight
CEPHEID INC	733,531	1.6
ULTIMATE SOFTWARE GROUP INC	695,134	1.5
UNITED NATURAL FOODS INC	656,833	1.4
LKQ CORP	613,114	1.3
NATIONAL INSTRUMENTS CORP	599,633	1.3
SEMTECH CORP	576,600	1.3
ROLLINS INC	562,686	1.2
PORTFOLIORECOVERY ASSOCIATE	547,941	1.2
ATHENAHEALTH INC	547,524	1.2
NEOGEN CORP	484,820	1.1

Ten Best Performers	
Name	Return
ARCTIC CATINC	89.9
PHARMACYCLICS INC	87.3
SMITH + WESSON HOLDING CORP	77.7
AFFYMAX INC	77.6
GLOBAL CASH ACCESS HOLDINGS	75.3
LIONS GATEENTERTAINMENT W/D	67.3
MAKO SURGICAL CORP	67.2
ERESEARCHTECHNOLOGY INC	66.7
AMERICAN VANGUARD CORP	63.0
MEDIVATIONINC	62.1

Ten Worst Performers	
Name	Return
VOCUS INC	-40.0
INTERMOLECULAR INC	-27.6
BALCHEM CORP	-25.4
POLYPORE INTERNATIONAL INC	-20.1
IPC THE HOSPITALIST CO	-19.3
ANGIODYNAMICS INC	-17.3
GENTEX CORP	-16.9
CARBO CERAMICS INC	-14.3
ONYX PHARMACEUTICALS INC	-14.3
ALLSCRIPTS HEALTHCARE SOLU	-12.4

## StanCERA

Legato Capital Management LLC

Benchmark: RUSSELL 2000 GROWTH

Quarter Ending March 31, 2012

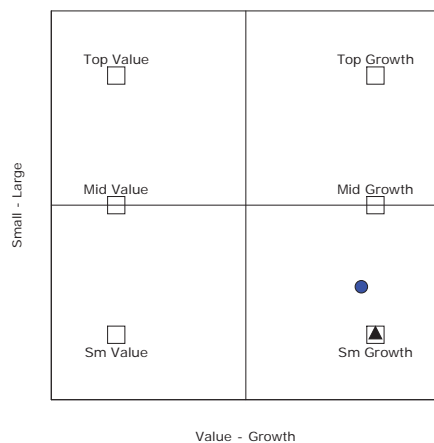
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
Legato Capital Management LLC									
CONSUMER DISCRETIONARY	13.7	14.0	-0.3	22.0	18.3	3.6	-0.01	0.49	0.47
CONSUMER STAPLES	3.6	4.2	-0.6	14.7	9.3	5.4	0.03	0.19	0.22
ENERGY	6.7	7.1	-0.4	5.1	8.3	-3.2	0.02	-0.22	-0.20
FINANCIALS	7.4	9.8	-2.4	9.1	11.6	-2.5	0.04	-0.19	-0.15
HEALTH CARE	20.5	18.7	1.8	12.8	14.8	-2.1	0.03	-0.41	-0.39
INDUSTRIALS	15.8	18.4	-2.6	12.1	9.5	2.6	0.09	0.41	0.50
INFORMATION TECHNOLOGY	29.8	22.3	7.5	14.5	16.0	-1.5	0.17	-0.42	-0.24
MATERIALS	1.2	4.4	-3.2	19.1	11.8	7.3	0.05	0.09	0.14
RIGHTS / WARRANTS	0.0	0.0	0.0	-	-	-	0.00	0.00	0.00
TELECOMMUNICATION SERVICES	1.2	0.8	0.4	20.6	11.6	9.0	-0.01	0.11	0.10
UTILITIES	0.1	0.2	-0.1	-25.9	3.5	-29.5	0.01	-0.04	-0.03
TOTAL	100.0	100.0	0.0	13.8	13.3	0.5	0.42	0.00	0.43

## Returns Based Style Analysis - Legato Capital

### US Equity Style Map

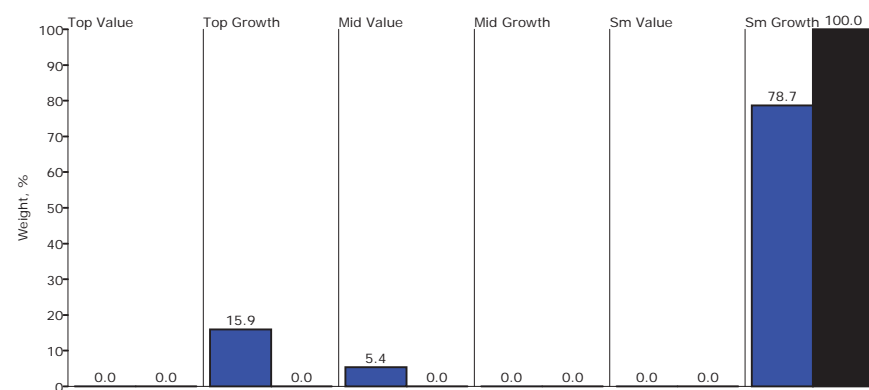
Apr 09 - Mar 12



### US Equity Style Exposures

Apr 09 - Mar 12

■ Legato Capital ■ Russell 2000 Growth Index

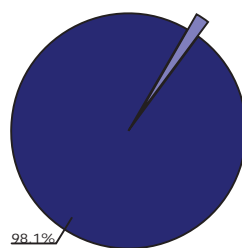
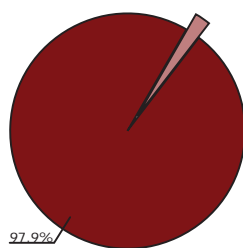


### R-Squared (Style Analysis)

Apr 09 - Mar 12

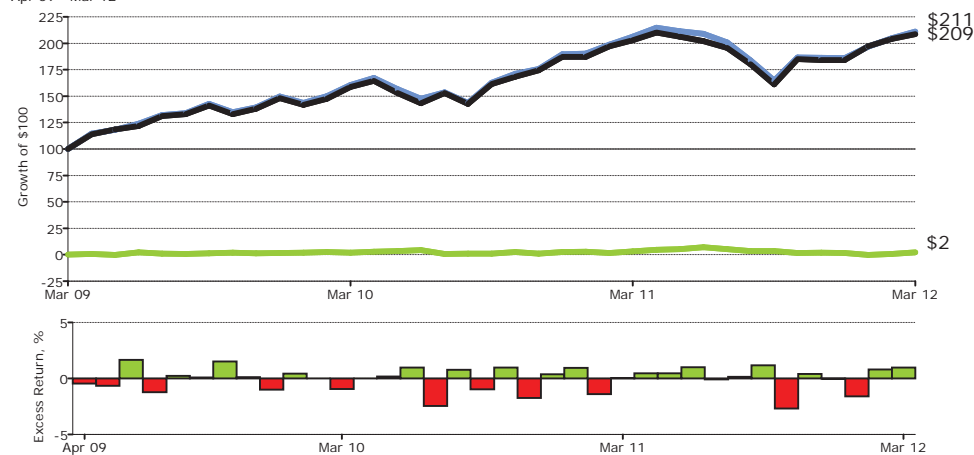
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Apr 09 - Mar 12



### Legend

▲ Russell 2000 Growth Index ● Legato Capital

■ Total ■ Style

■ Selection

# StanCERA

Mellon S&P 500 Index Fund  
Quarter Ending March 31, 2012

## Equity Only Summary Statistics

Portfolio Characteristics		
	Mellon S&P 500	S&P 500
Total Number of Securities	492	500
Average Market Cap (000's)	111,346,561	110,204,188
Median Market Cap (000's)	12,169,850	12,425,760
P/E Ratio	16.51	16.43
Dividend Yield	2.06	2.03
Beta	1.00	1.00
Price/Book Ratio	3.86	3.83
Return on Equity	22.59	22.42
Earnings Growth - 5 Years	8.62	8.54

Ten Largest Holdings		
Name	\$	Weight
APPLE INC	2,903,146	4.5
EXXON MOBIL CORP	2,122,940	3.3
INTL BUSINESS MACHINES CORP	1,255,085	1.9
MICROSOFT CORP	1,250,328	1.9
GENERAL ELECTRIC CO	1,112,715	1.7
CHEVRON CORP	1,100,537	1.7
AT+T INC	961,015	1.5
PROCTER + GAMBLE CO/THE	960,834	1.5
JOHNSON +JOHNSON	939,743	1.4
WELLS FARGO + CO	934,359	1.4

Ten Best Performers	
Name	Return
SEARS HOLDINGS CORP	108.5
BANK OF AMERICA CORP	72.3
NETFLIX INC	66.0
WHIRLPOOLCORP	63.1
REGIONS FINANCIAL CORP	53.5
PRICELINE.COM INC	53.4
SALESFORCE.COM INC	52.3
TEXTRON INC	50.6
FEDERATEDINVESTORS INC C	49.8
ADVANCED MICRO DEVICES	48.5

Ten Worst Performers	
Name	Return
SUPERVALU INC	-28.7
APOLLO GROUP INC CL A	-28.3
FIRST SOLAR INC	-25.8
ALPHA NATURAL RESOURCES INC	-25.6
GOODYEAR TIRE + RUBBER CO	-20.8
ELECTRONICARTS INC	-20.0
CABOT OIL+ GAS CORP	-17.8
FRONTIER COMMUNICATIONS CORP	-17.2
NEWMONT MINING CORP	-14.0
NRG ENERGY INC	-13.5

## StanCERA

Mellon Capital S&P 500 Index Fund

Benchmark: S&P 500

Quarter Ending March 31, 2012

### Equity Performance Attribution

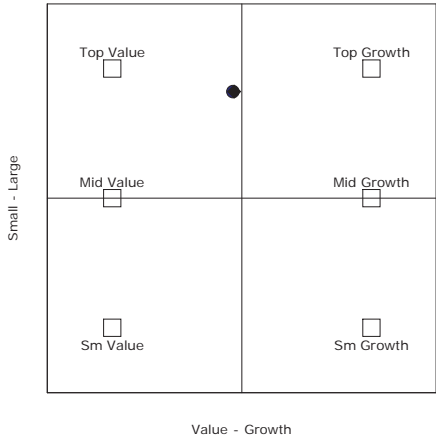
	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
Mellon Capital S&P 500 Index Fund									
CONSUMER DISCRETIONARY	10.8	10.7	0.2	16.2	16.3	-0.1	0.01	-0.02	-0.02
CONSUMER STAPLES	11.8	11.4	0.4	5.5	5.6	-0.0	-0.03	-0.01	-0.04
ENERGY	12.5	12.5	-0.0	4.2	3.9	0.3	0.00	0.04	0.04
FINANCIALS	12.6	13.3	-0.7	23.4	22.3	1.1	-0.07	0.13	0.07
HEALTH CARE	11.9	11.6	0.3	9.1	9.2	-0.2	-0.01	-0.03	-0.04
INDUSTRIALS	10.9	10.7	0.2	11.0	11.0	-0.1	-0.01	-0.01	-0.02
INFORMATION TECHNOLOGY	19.3	19.3	-0.1	21.5	21.3	0.2	-0.01	0.04	0.03
MATERIALS	3.5	3.6	-0.1	11.2	10.9	0.3	0.00	0.01	0.01
TELECOMMUNICATION SERVICES	3.0	3.1	-0.1	2.0	2.1	-0.1	0.01	0.02	0.02
UTILITIES	3.8	3.8	-0.0	-1.4	-1.6	0.1	0.00	0.01	0.01
TOTAL	100.0	100.0	0.0	12.7	12.6	0.1	-0.11	0.17	0.05



Returns Based Style Analysis - Mellon Capital S&P 500

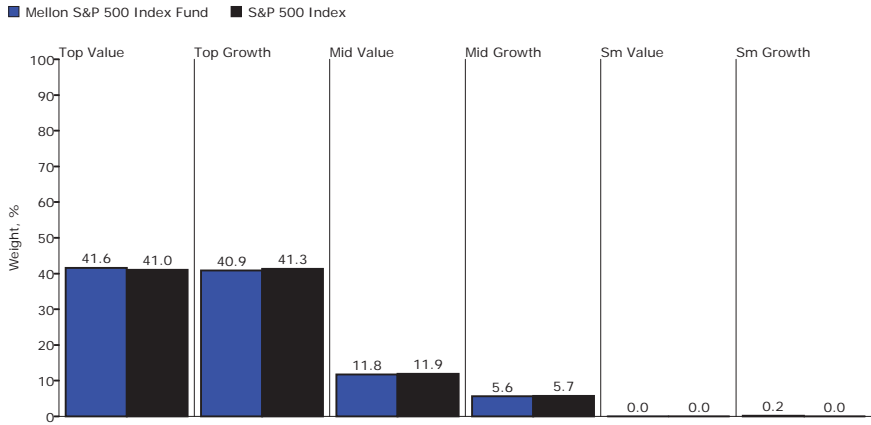
US Equity Style Map

Apr 09 - Mar 12



US Equity Style Exposures

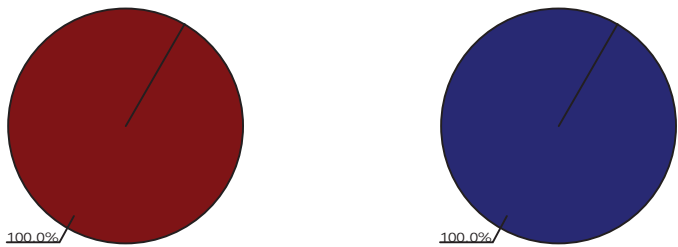
Apr 09 - Mar 12



R-Squared (Style Analysis)

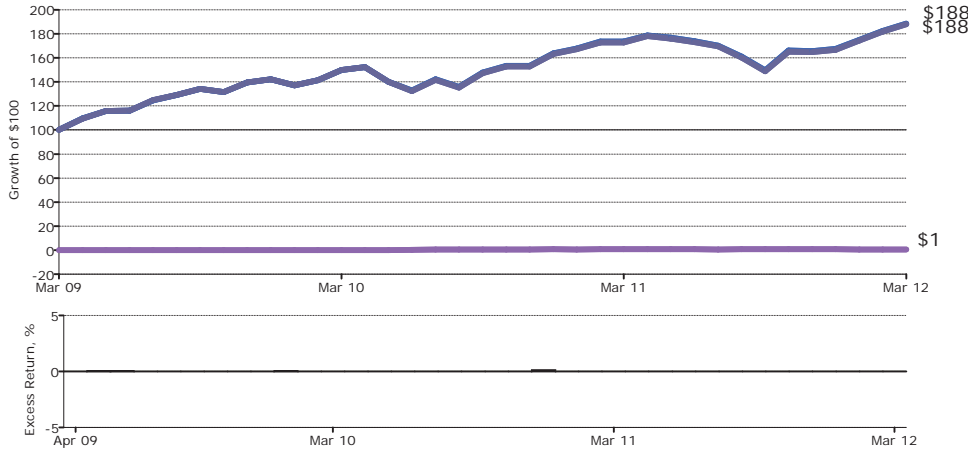
Apr 09 - Mar 12

■ Style R-Squared      ■ Benchmark R-Squared



Cumulative Total, Style & Selection Return

Apr 09 - Mar 12



Legend

▲ S&P 500 Index      ● Mellon S&P 500 Index Fund

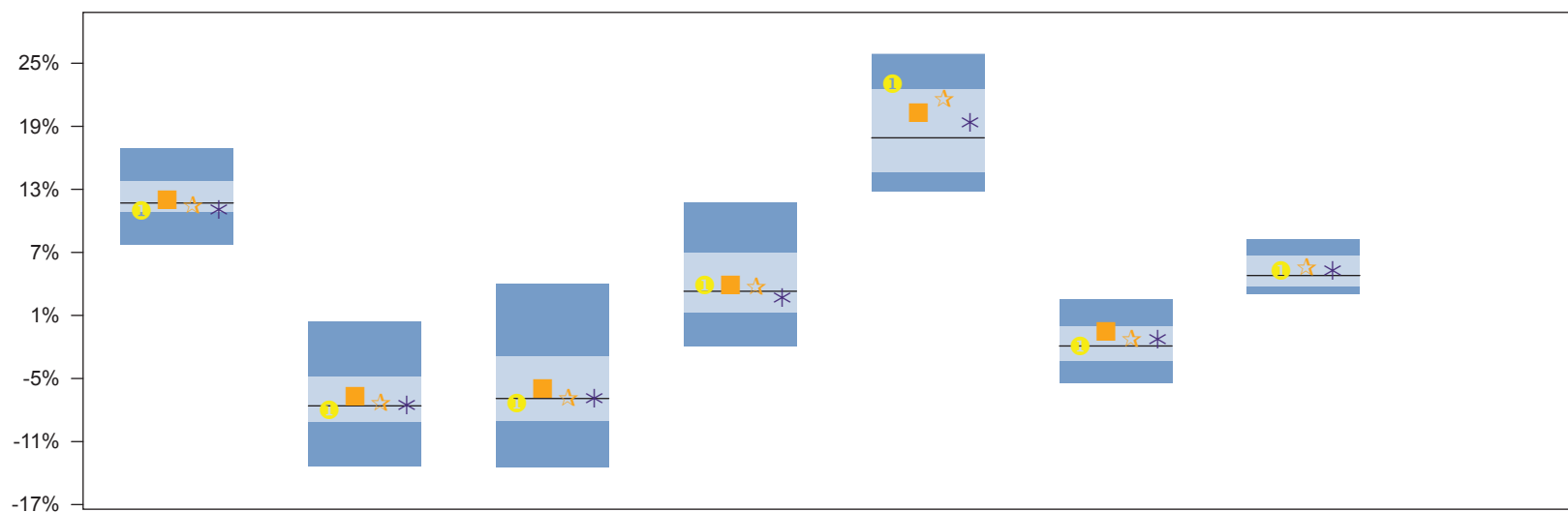
■ Total      ■ Style  
■ Selection

# StanCERA

Intl Equity All Country ex-US

Periods Ending March 31, 2012

## Total Returns



	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
① LSV Asset Management	11.2	66	-7.8	54	-7.1	57	4.1	40	23.3	23	-1.7	39	5.5	35		
■ Pyramis Global Investments	12.2	41	-6.5	35	-5.8	36	4.1	44	20.5	34	-0.3	27				
☆ International Equity	11.7	48	-7.1	37	-6.6	48	4.0	44	21.9	30	-1.0	36	5.8	33		
* MSCI ACWI-ex US	11.3	62	-7.3	42	-6.7	49	2.9	57	19.6	39	-1.1	37	5.5	35		
Median	11.7		-7.6		-6.9		3.3		17.9		-1.9		4.8			

# StanCERA

LSV Asset Management  
Quarter Ending March 31, 2012

## Equity Only Summary Statistics

Portfolio Characteristics		
	LSV Asset Management	MSCI ACWI ex US
Total Number of Securities	61	1,844
Average Market Cap (000's)	9,012	44,767
Median Market Cap (000's)	1,913	5,940
P/E Ratio	8.62	12.36
Dividend Yield	3.60	3.34
Beta	0.75	1.00
Price/Book Ratio	1.58	2.48
Return on Equity	17.35	17.35
Earnings Growth - 5 Yrs	5.96	3.04

Ten Largest Holdings		
Name	\$	Weight
CHINA PETROLEUM + CHEMICAL H	1,874,189	4.6
COMPANHIA DE SANEAMENTO BASICO	1,762,260	4.5
BASF AG NPV	1,668,312	4.1
BANK OF CHINA LTD, BEIJING	1,352,544	3.3
IMPERIAL HOLDINGS LTD	1,145,149	2.8
ROYAL DUTCH SHELL	1,073,184	2.7
BANCO DO BRASIL SA SPON ADR	1,046,150	2.6
GAZPROM OAO SPON ADR	997,960	2.5
PETROLEO BRASILEIRO SPON ADR	976,392	2.4
KONINKLUKE KPN NV	969,875	2.4

Ten Best Performers	
Name	Return
BANK OF IRELAND THE GOVERNORAN	100.0
GRUMA S.A.B.	45.9
COMPANHIA DE SANEAMENTO BASICO	43.1
COOKSON GROUP PLC	37.7
MAEDA ROADCONSTRUCTION CO	29.8
ASUSTEK COMPUTER INC	29.2
TOFAS(TURK OTOMOBIL FAB)	28.7
IMPERIAL HOLDINGS LTD	28.0
SELCUK ECZA DEPOSU	27.9
LITE ON IT CORP	25.1

Ten Worst Performers	
Name	Return
DAH CHONG HONG	-9.9
KONINKLUKE KPN NV	-7.9
PAPERLINX	-4.8
ELBIT SYSTEMS LTD	-4.5
WM MORRISON SUPERMARKET	-3.8
CENTRAIS ELETRICAS BRASILEI	-3.6
SALLY MALAY MINING	-2.4
HERACLES GEN CEM	-1.5
DRAX GROUP	-0.1
EQSTRA HOLDINGS LT	0.8

# StanCERA

LSV Asset Management

Index: MSCI AC WORLD ex US

Quarter Ending March 31, 2012

## GLOBAL ATTRIBUTION - BASE RETURNS

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
LSV Asset Management									
EUROPE	45.3	44.1	1.3	7.9	10.7	-2.5	-0.01	-1.25	-1.26
AUSTRIA	1.3	0.2	1.1	8.2	16.5	-7.1	0.05	-0.18	-0.13
BELGIUM	0.0	0.6	-0.6		19.0		-0.05	-0.02	-0.07
DENMARK	0.0	0.7	-0.7		17.8		-0.04	-0.02	-0.07
EURO	22.7	0.0	22.7				-2.29	0.00	-2.29
FINLAND	0.6	0.6	0.0	19.0	16.8	1.9	0.00	0.01	0.01
FRANCE	0.6	6.2	-5.6	12.2	12.2	-0.0	-0.05	-0.02	-0.07
GERMANY	0.0	5.4	-5.4		20.9		-0.46	-0.02	-0.49
GREECE	0.1	0.1	-0.0	-1.5	13.5	-13.3	-0.00	-0.03	-0.03
IRELAND	0.0	0.2	-0.2	18.4	9.5	8.2	0.00	-0.05	-0.05
ITALY	0.0	1.5	-1.5		8.9		0.03	-0.02	0.01
NETHERLANDS	1.0	1.7	-0.7	-7.9	8.7	-15.3	0.02	-0.19	-0.18
NORWAY	0.7	0.6	0.1		15.1		0.00	-0.18	-0.18
PORTUGAL	0.0	0.2	-0.2		1.6		0.01	-0.02	-0.01
SPAIN	0.0	2.2	-2.2		-3.3		0.29	-0.05	0.24
SWEDEN	0.7	2.1	-1.4	15.6	14.4	1.1	-0.04	-0.05	-0.09
SWITZERLAND	3.8	5.9	-2.1		10.0		0.02	-0.40	-0.38
UNITED KINGDOM	13.9	15.9	-2.0	9.0	7.6	1.2	0.06	0.13	0.19
PACIFIC	20.8	23.7	-2.9	8.7	11.3	-2.3	-0.00	-0.54	-0.54
AUSTRALIA	4.4	5.9	-1.4	4.7	8.9	-3.9	0.03	-0.21	-0.18
HONG KONG	1.6	1.9	-0.3	-6.0	13.4	-17.1	-0.01	-0.33	-0.34
JAPAN	14.3	14.7	-0.5	15.2	11.3	3.6	-0.00	0.50	0.50
NEW ZEALAND	0.0	0.1	-0.1		16.3		-0.00	-0.02	-0.03
SINGAPORE	0.5	1.1	-0.6		19.3		-0.05	-0.12	-0.17

# StanCERA

LSV Asset Management

Index: MSCI AC WORLD ex US

Quarter Ending March 31, 2012

## GLOBAL ATTRIBUTION - BASE RETURNS

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
NORTH AMERICA	10.3	8.4	2.0	28.3	6.4	20.6	-0.09	2.26	2.17
CANADA	7.8	8.4	-0.6	9.7	6.4	3.1	0.02	0.20	0.23
UNITED STATES	2.5	0.0	2.5	38.8			-0.26	0.98	0.72
EMERGING MARKETS	17.2	23.4	-6.1	16.4	14.0	2.0	-0.16	0.34	0.18
ARGENTINA	0.0	0.0	-0.0		-6.3		0.01	-0.05	-0.05
BRAZIL	4.1	3.5	0.6	21.3	13.8	6.6	0.01	0.30	0.32
CHILE	0.0	0.4	-0.4		17.7		-0.02	-0.02	-0.05
CHINA	2.2	4.2	-2.0	6.4	9.9	-3.2	0.02	-0.10	-0.08
COLOMBIA	0.0	0.2	-0.2		18.1		-0.01	-0.02	-0.04
CZECH REPUBLIC	0.0	0.1	-0.1		9.3		0.00	-0.02	-0.02
EGYPT	0.0	0.1	-0.1		41.0		-0.02	-0.02	-0.04
HUNGARY	0.0	0.1	-0.1		22.8		-0.01	-0.02	-0.03
INDIA	0.8	1.4	-0.6	16.0	20.1	-3.3	-0.05	-0.06	-0.10
INDONESIA	0.0	0.7	-0.7		4.1		0.04	-0.02	0.02
JORDAN	0.0	0.0	-0.0		4.5		0.00	-0.02	-0.02
KOREA, REPUBLIC OF	2.2	3.5	-1.3	17.0	15.2	1.5	-0.05	-0.01	-0.06
MALAYSIA	0.2	0.8	-0.6	24.4	8.5	14.6	0.01	-0.01	-0.00
MEXICO	0.0	1.1	-1.1		15.6		-0.04	-0.02	-0.07
MOROCCO	0.0	0.0	-0.0		4.0		0.00	-0.02	-0.02
PAKISTAN	0.0	0.0	-0.0		22.4		-0.00	-0.02	-0.03
PERU	0.0	0.2	-0.2		12.4		-0.00	-0.02	-0.03
PHILIPPINES	0.0	0.2	-0.2		21.2		-0.02	-0.02	-0.04
POLAND	0.0	0.3	-0.3		17.5		-0.02	-0.02	-0.04
RUSSIA	2.7	1.5	1.2	16.7	18.6	-1.6	0.08	-0.13	-0.05
SOUTH AFRICA	2.2	1.8	0.3	18.0	11.2	6.1	0.00	0.15	0.15
TAIWAN	2.0	2.5	-0.5	10.1	14.5	-3.8	-0.02	-0.11	-0.13

**StanCERA**

LSV Asset Management

Index: MSCI AC WORLD ex US

Quarter Ending March 31, 2012

**GLOBAL ATTRIBUTION - BASE RETURNS**

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
THAILAND	0.0	0.5	-0.5		21.1		-0.04	-0.02	-0.06
TURKEY	0.8	0.3	0.6	28.4	27.1	1.0	0.08	0.01	0.09
OTHER	0.6	0.4	0.1	-4.5	8.6	-12.1	-0.00	-0.15	-0.16
ISRAEL	0.6	0.4	0.1	-4.5	8.6	-12.1	-0.00	-0.15	-0.16
Unclassified	5.7	0.0	5.7	24.7			-0.58	1.41	0.82
Unclassified	5.7	0.0	5.7	24.7			-0.58	1.41	0.82
TOTAL	100.0	100.0	0.0	14.9	11.2	3.3	-0.83	2.03	1.19

# StanCERA

Pyramis Global Investments  
Quarter Ending March 31, 2012

## Equity Only Summary Statistics

Portfolio Characteristics		
	Pyramis Global Investments	MSCI ACWI ex US Value
Total Number of Securities	236	1,844
Average Market Cap (000's)	53,946	44,767
Median Market Cap (000's)	3,522	5,940
P/E Ratio	11.04	12.36
Dividend Yield	2.16	3.34
Beta	0.97	1.00
Price/Book Ratio	2.78	2.48
Return on Equity	20.32	17.35
Earnings Growth - 5 Yrs	15.95	3.04

Ten Largest Holdings		
Name	\$	Weight
SAMSUNG ELECTRONICS CO LTD	1,391,772	4.6
FIDELITY REVERE STR TR	661,697	2.2
HYUNDAI MOTOR CO	603,465	2.0
HON HAI PRECISION INDUSTRY	547,350	1.8
TAIWAN SEMICONDUCTOR MANUFA	533,761	1.8
GAZPROM O A O	447,509	1.5
SBERBANK	435,926	1.4
PETROLEO BRASILEIRO SPON ADF	419,078	1.4
CNOOC LTD	407,510	1.4
ITAU UNIBANCO HLDNG PREF ADR	357,952	1.2

Ten Best Performers	
Name	Return
INTERNATIONAL PERS	56.3
TATA MOTORS LTD	54.0
CEMEX SABSPONS ADR PART CER	49.7
SHENZHOU INTERNATIONAL GROUF	41.6
TATA STEELLTD	40.7
CIA SANEAMENTO BASICO DE	39.2
HON HAI PRECISION INDUSTRY	38.1
COPA HOLDINGS SA CLASS A	35.0
LENOVO GROUP (RED CHIP)	34.9
CIPUTRA DEVELOPMENT TBK PT	33.3

Ten Worst Performers	
Name	Return
RANDGOLD RES LTD	-13.8
GAJAH TUNGGAL	-10.8
DAH CHONG HONG	-9.9
DONGBU INSURANCE	-8.3
PHILIP MORRIS CR AS	-7.8
CHINA POWER INTL	-6.6
QUALICORP SA	-6.6
CHINA STHN AIRLINE	-5.6
HYUNDAI MARINE & FIRE IN	-5.5
AQUARIUS PLATINUM LTD	-4.7

# StanCERA

Pyramis Global Investments

Index: MSCI AC WORLD ex US

Quarter Ending March 31, 2012

## GLOBAL ATTRIBUTION - BASE RETURNS

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
Pyramis Global Investments									
EUROPE	39.1	44.1	-5.0	15.3	10.7	4.2	0.03	1.65	1.68
AUSTRIA	0.0	0.2	-0.2		16.5		-0.01	-0.01	-0.02
BELGIUM	0.0	0.6	-0.6		19.0		-0.05	-0.01	-0.05
DENMARK	0.8	0.7	0.1		17.8		0.01	-0.24	-0.23
EURO	14.6	0.0	14.6				-1.47	0.00	-1.47
FINLAND	0.0	0.6	-0.6		16.8		-0.03	-0.01	-0.04
FRANCE	0.7	6.2	-5.5	17.6	12.2	4.8	-0.05	-0.05	-0.10
GERMANY	1.0	5.4	-4.3	19.4	20.9	-1.3	-0.37	-0.02	-0.40
GREECE	0.0	0.1	-0.1		13.5		-0.00	-0.01	-0.01
IRELAND	0.0	0.2	-0.2		9.5		0.00	-0.01	-0.00
ITALY	0.0	1.5	-1.5		8.9		0.03	-0.01	0.03
NETHERLANDS	0.1	1.7	-1.6		8.7		0.04	-0.02	0.02
NORWAY	0.2	0.6	-0.5		15.1		-0.02	-0.03	-0.05
PORTUGAL	0.0	0.2	-0.2		1.6		0.01	-0.01	0.01
SPAIN	0.2	2.2	-2.0	14.4	-3.3	18.3	0.26	-0.04	0.22
SWEDEN	0.8	2.1	-1.3	19.2	14.4	4.2	-0.04	-0.05	-0.08
SWITZERLAND	5.3	5.9	-0.6	15.3	10.0	4.8	0.01	0.19	0.20
UNITED KINGDOM	15.4	15.9	-0.5	11.7	7.6	3.8	0.02	0.53	0.55
PACIFIC	19.5	23.7	-4.3	5.9	11.3	-4.8	-0.00	-1.02	-1.02
AUSTRALIA	4.9	5.9	-0.9	4.3	8.9	-4.2	0.02	-0.23	-0.21
HONG KONG	2.9	1.9	1.0	6.9	13.4	-5.7	0.02	-0.28	-0.26
JAPAN	11.2	14.7	-3.5	4.2	11.3	-6.3	-0.00	-0.79	-0.79
NEW ZEALAND	0.2	0.1	0.1	34.3	16.3	15.5	0.01	0.03	0.04
SINGAPORE	0.2	1.1	-0.9	26.5	19.3	6.0	-0.07	-0.07	-0.14



# StanCERA

Pyramis Global Investments

Index: MSCI AC WORLD ex US

Quarter Ending March 31, 2012

## GLOBAL ATTRIBUTION - BASE RETURNS

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
NORTH AMERICA	10.6	8.4	2.2	11.3	6.4	4.6	-0.10	0.52	0.42
CANADA	7.7	8.4	-0.6	4.1	6.4	-2.1	0.03	-0.18	-0.15
UNITED STATES	2.8	0.0	2.8	20.3			-0.29	0.57	0.29
EMERGING MARKETS	20.2	23.4	-3.2	12.6	14.0	-1.2	-0.08	-0.28	-0.37
ARGENTINA	0.0	0.0	-0.0		-6.3		0.01	-0.09	-0.08
BRAZIL	3.6	3.5	0.2	13.8	13.8	0.0	0.00	0.00	0.00
CHILE	0.3	0.4	-0.2	1.9	17.7	-13.5	-0.01	-0.05	-0.06
CHINA	2.6	4.2	-1.5	11.5	9.9	1.5	0.02	-0.04	-0.03
COLOMBIA	0.0	0.2	-0.2	2.4	18.1	-13.3	-0.01	-0.01	-0.02
CZECH REPUBLIC	0.4	0.1	0.3	-0.4	9.3	-8.9	-0.01	-0.13	-0.13
EGYPT	0.0	0.1	-0.0	12.8	41.0	-20.1	-0.01	-0.01	-0.03
HUNGARY	0.1	0.1	0.0	11.4	22.8	-9.3	0.00	-0.11	-0.10
INDIA	1.3	1.4	-0.2	13.5	20.1	-5.5	-0.01	-0.09	-0.10
INDONESIA	1.4	0.7	0.7	4.0	4.1	-0.1	-0.04	-0.10	-0.14
JORDAN	0.0	0.0	-0.0		4.5		0.00	-0.01	-0.01
KOREA, REPUBLIC OF	4.7	3.5	1.2	13.5	15.2	-1.5	0.04	-0.18	-0.13
MALAYSIA	0.2	0.8	-0.6	1.0	8.5	-6.9	0.01	-0.02	-0.01
MEXICO	0.1	1.1	-1.0	19.4	15.6	3.3	-0.04	-0.08	-0.12
MOROCCO	0.0	0.0	-0.0		4.0		0.00	-0.01	-0.00
PAKISTAN	0.0	0.0	-0.0		22.4		-0.00	-0.01	-0.01
PERU	0.1	0.2	-0.0	20.4	12.4	7.1	-0.00	-0.08	-0.08
PHILIPPINES	0.1	0.2	-0.1	2.8	21.2	-15.2	-0.00	-0.03	-0.03
POLAND	0.0	0.3	-0.3	22.6	17.5	4.4	-0.02	-0.08	-0.10
RUSSIA	1.3	1.5	-0.1	21.9	18.6	2.8	-0.01	-0.04	-0.05
SOUTH AFRICA	1.0	1.8	-0.8	13.0	11.2	1.6	-0.00	-0.07	-0.07
TAIWAN	1.7	2.5	-0.9	14.6	14.5	0.1	-0.03	-0.08	-0.11

## StanCERA

Pyramis Global Investments

Index: MSCI AC WORLD ex US

Quarter Ending March 31, 2012

### GLOBAL ATTRIBUTION - BASE RETURNS

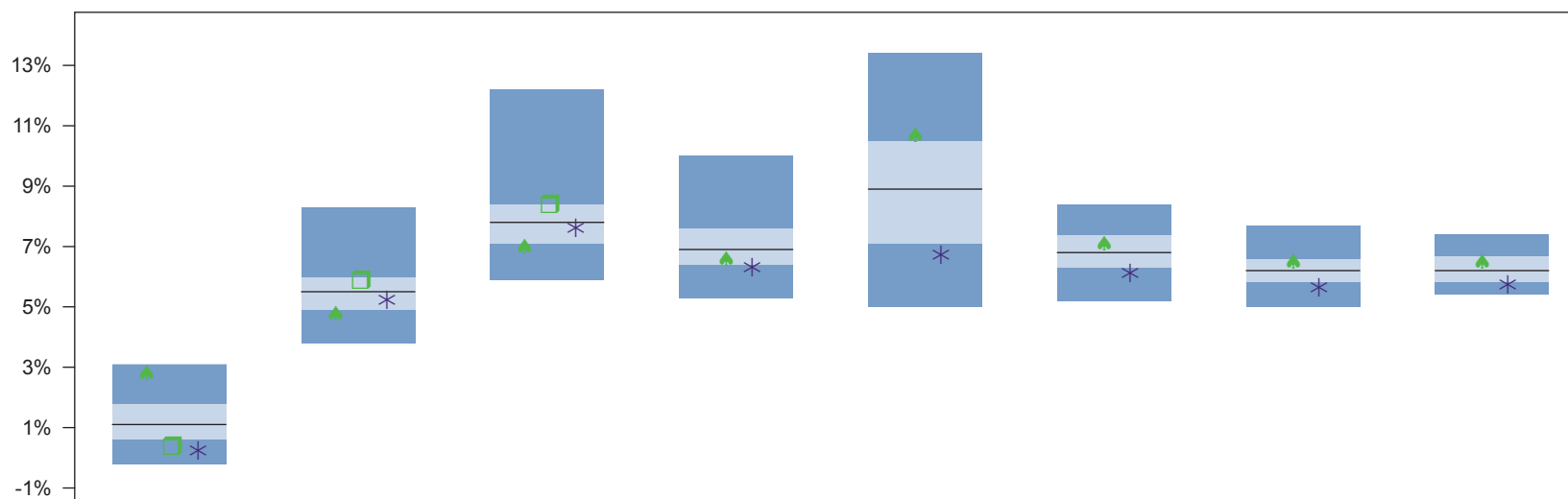
	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Fund	Index	Relative	Allocation	Selection	Total
THAILAND	0.8	0.5	0.3	18.8	21.1	-1.9	0.03	-0.11	-0.08
TURKEY	0.4	0.3	0.1	13.4	27.1	-10.8	0.01	-0.15	-0.13
OTHER	0.0	0.4	-0.4	14.1	8.6	5.1	0.01	-0.08	-0.07
ISRAEL	0.0	0.4	-0.4	14.1	8.6	5.1	0.01	-0.08	-0.07
Unclassified	10.6	0.0	10.6	15.6			-1.07	1.66	0.57
GEORGIAN LARI	0.0	0.0	0.0				-0.00	0.00	-0.00
Unclassified	10.6	0.0	10.6	15.6			-1.07	1.65	0.56
TOTAL	100.0	100.0	-0.0	12.0	11.2	0.7	-1.22	2.43	1.18

# StanCERA

US Fixed Income Funds - Core

Periods Ending March 31, 2012

## Total Returns



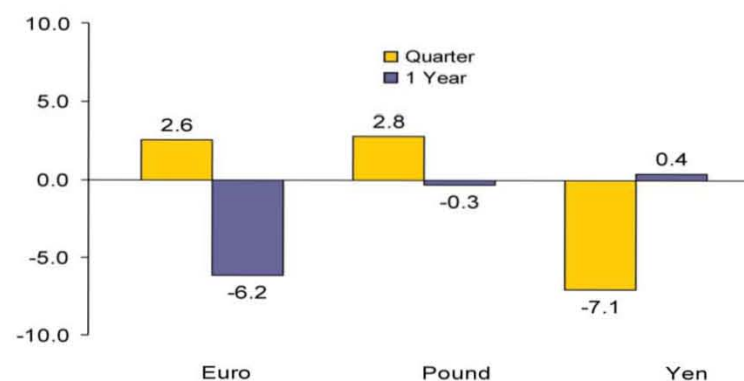
	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR		7 YEAR		10 YEAR	
▲ Dodge & Cox - Fixed Income	3.0	10	5.0	72	7.2	73	6.8	56	10.9	20	7.3	27	6.7	21	6.7	27
□ PIMCO	0.5	79	6.0	25	8.5	21										
* BARCLAYS AGGREGATE	0.3	89	5.3	60	7.7	56	6.4	77	6.8	80	6.2	78	5.7	82	5.8	76
Median	1.1		5.5		7.8		6.9		8.9		6.8		6.2		6.2	

## CURRENCY AND BOND MARKETS

### Currency Markets

- The European Central Bank (ECB) injected further liquidity (€529.53 billion Euros) into the financial system through a second round of Long Term Refinancing Operations this February, in the process solidifying both risk engagement and the euro by association. Indeed, the euro strengthened 2.6 percent in the first quarter, buoyed by the resolution of Greece's bailout impasse. Higher demand for riskier assets also elevated the British pound a further 2.8 percent in Q1.
- Not surprisingly, the yen weakened sharply relative to dollar in the first quarter on the back of renewed interest in carry trade. The carry strategy yielded close to 3 percent this quarter, highlighting increased selling of funding currencies.
- Decreased appetite for safe-haven currencies negatively impacted the U.S. dollar in Q1. The U.S. dollar trade-weighted index, which measures the dollar's movement against a basket of currencies, weakened 1.5 percent in Q1.

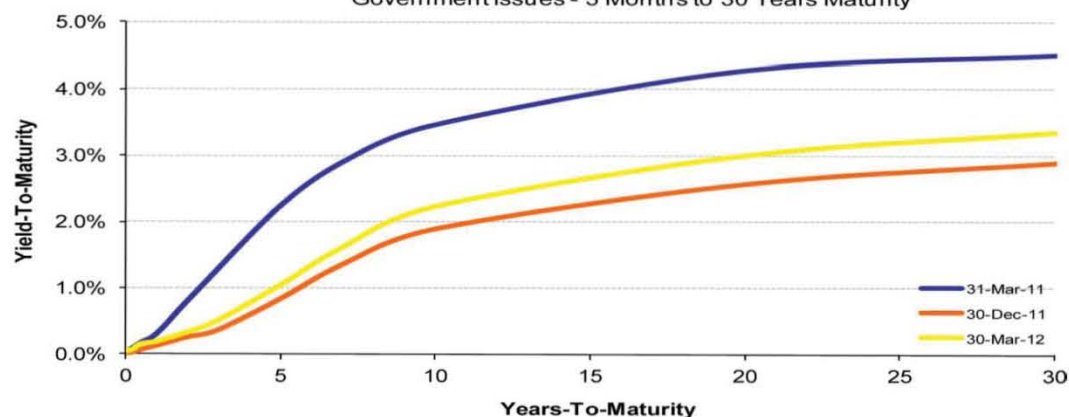
Currency Returns (%)



### Yield Curve

- The first quarter in 2012 noted a higher degree of optimism in the US and the Europe. While the employment conditions and growth data in the U.S. improved, the dollar swap arrangement by the ECB continued to lift investor sentiment.
- Consequently, the U.S. yield curve steepened in the first quarter, with yields on longer term notes rising close to 0.5 percent relative to shorter maturities, consistent with the more confident U.S. economic outlook.

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



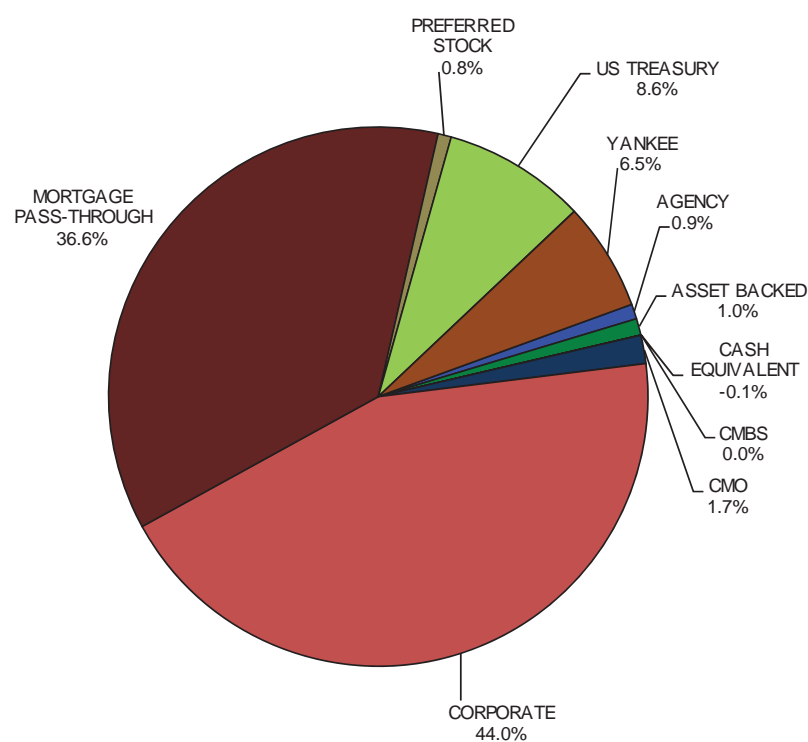
# StanCERA

Dodge & Cox – Fixed Income

INDEX: BARCLAYS AGGREGATE BOND

AS OF: March 31, 2012

## FIXED INCOME SECTOR ALLOCATION



SECTOR	PORTFOLIO	INDEX	DIFF %
AGENCY	0.9	5.6	-4.7
ASSET BACKED	1.0	0.2	0.8
CASH EQUIVALENT	-0.1	0.0	-0.1
CMBS	0.0	2.0	-2.0
CMO	1.7	0.0	1.7
CORPORATE	44.0	20.6	23.4
MORTGAGE PASS-THROUGH	36.6	30.0	6.6
PREFERRED STOCK	0.8	0.0	0.8
US TREASURY	8.6	36.0	-27.4
YANKEE	6.5	5.5	1.0
TOTAL	100.0	100.0	0.0

# StanCERA

Dodge & Cox – Fixed Income  
As of March 31, 2012

## Bond Summary Statistics

### Portfolio Characteristics

	Dodge & Cox	BC AGGREGATE
Total Number of Securities	194	7,600
Current Coupon	5.7	3.9
Yield To Maturity	3.3	2.1
Average Maturity	6.7	6.7
Duration	4.8	5.1
Quality	20.1	22.6

### Duration (Years)

Range	% Held
0 to 1	10.4
1 to 3	37.5
3 to 4	9.1
4 to 6	16.0
6 to 8	8.9
8 to 10	3.3
Over 10	12.9
Unclassified	1.8

### Quality

Range	% Held
Treasury	-0.1
Agency	0.0
AAA	44.3
AA	4.7
A	15.1
BAA	22.5
BA	6.3
Below BA	3.8
Other	3.5

### Yield To Maturity (Years)

Range	% Held
0 to 5	81.6
5 to 7	14.1
7 to 9	2.5
9 to 11	0.0
11 to 13	0.0
Over 13	0.0
Unclassified	1.8

### Avg Maturity (Years)

Range (Yrs)	% Held
0 to 1	8.2
1 to 3	12.0
3 to 5	38.7
5 to 10	23.2
10 to 20	8.5
Over 20	7.6
Unclassified	1.8

### Coupon (%)

Range	% Held
0 to 5	19.7
5 to 7	59.9
7 to 9	17.1
9 to 11	1.6
11 to 13	0.0
Over 13	0.0
Unclassified	1.8

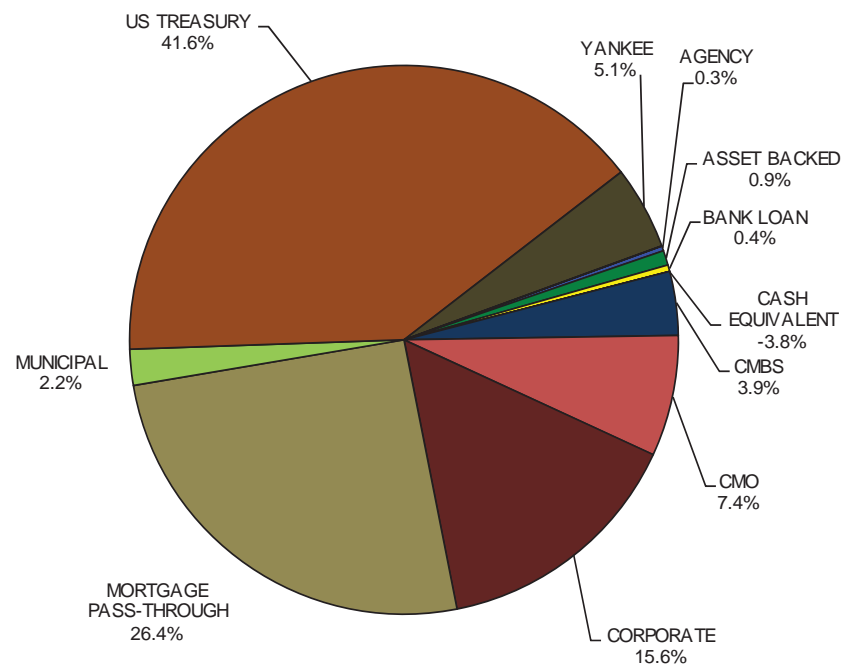
# StanCERA

PIMCO

INDEX: BARCLAYS AGGREGATE BOND

AS OF: March 31, 2012

## FIXED INCOME SECTOR ALLOCATION



SECTOR	PORTFOLIO	INDEX	DIFF %
AGENCY	0.3	5.6	-5.3
ASSET BACKED	0.9	0.2	0.7
BANK LOAN	0.4	0	0.4
CASH EQUIVALENT	-3.8	0.0	-3.8
CMBS	3.9	2.0	1.9
CMO	7.4	0.0	7.4
CORPORATE	15.6	20.6	-5.0
MORTGAGE PASS-THROUGH	26.4	30.0	-3.6
MUNICIPAL	2.2	0.0	2.2
US TREASURY	41.6	36.0	5.6
YANKEE	5.1	5.5	-0.4
TOTAL	100.0	100.0	0.0

# StanCERA

PIMCO

As of March 31, 2012

## Bond Summary Statistics

### Portfolio Characteristics

	PIMCO	BC AGGREGATE
Total Number of Securities	160	7,600
Current Coupon	3.0	3.9
Yield To Maturity	2.4	2.1
Average Maturity	6.1	6.7
Duration	5.0	5.1
Quality	22.5	22.6

### Duration (Years)

Range	% Held
0 to 1	6.3
1 to 3	24.5
3 to 4	12.2
4 to 6	14.9
6 to 8	25.1
8 to 10	9.6
Over 10	5.7
Unclassified	1.8

### Quality

Range	% Held
Treasury	-3.8
Agency	0.0
AAA	72.7
AA	4.3
A	6.2
BAA	7.8
BA	0.9
Below BA	1.4
Other	10.6

### Yield To Maturity (Years)

Range	% Held
0 to 5	92.8
5 to 7	4.8
7 to 9	0.0
9 to 11	0.4
11 to 13	0.0
Over 13	0.3
Unclassified	1.8

### Avg Maturity (Years)

Range (Yrs)	% Held
0 to 1	-1.3
1 to 3	14.6
3 to 5	31.6
5 to 10	48.1
10 to 20	0.9
Over 20	4.3
Unclassified	1.8

### Coupon (%)

Range	% Held
0 to 5	74.9
5 to 7	17.7
7 to 9	4.7
9 to 11	0.8
11 to 13	0.0
Over 13	0.0
Unclassified	1.8



StanCERA Manager Review List  
Performance Through March 31, 2012

Returns are Gross of Fees

Manager Name	Status	Expected Manager Tracking Error (bps)	Benchmark	6 Month Alpha > -1 St. Dev	12 Month Alpha > -1 St. Dev	Annualized Alpha 3 Years	Annualized Alpha 5 Years	Peer Ranking 3 Years	Peer Ranking 5 Years	Manager in Compliance with Guidelines	Organization Personnel Continuity	Adherence to Style
<i>Domestic Equity</i>												
Dodge & Cox (Lg Cap Value)	Good Standing	600	R1000V	Yes	Yes	110	-10	35	73	Yes	Yes	Yes
BlackRock (Passive Lg Cap Value)	Good Standing	0	R1000V	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes
Delaware (Lg Cap Growth)	Good Standing	500	R1000G	Yes	Yes	250	110	11	32	Yes	Yes	Yes
BlackRock (Passive Lg Cap Growth)	Good Standing	0	R1000G	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes
Mellon Capital (Passive SP 500)	Good Standing	0	S&P 500	Yes	Yes	10	10	56	58	Yes	Yes	Yes
Capital Prospects (Sm Cap Value)	Good Standing	400	R2000V	Yes	Yes	240	N/A	66	N/A	Yes	Yes	Yes
Legato (Small Cap Growth)	Good Standing	400	R2000G	Yes	Yes	-20	N/A	62	N/A	Yes	Yes	Yes
<i>International Equity</i>												
LSV Asset	Good Standing	600	MSCI ACWI ex US	Yes	Yes	370	-60	23	39	Yes	Yes	Yes
Pyramis	Good Standing	400	MSCI ACWI ex US	Yes	Yes	90	80	34	27	Yes	Yes	Yes
<i>Global REITS</i>												
INVESCO	Good Standing	600	FTSE EPRA/NAREIT	Yes	Yes	-320	N/A	6	N/A	Yes	Yes	Yes
<i>Global Long/Short Equity</i>												
Research Affiliates	Under Review	1000	3-mos. T-bills	No	N/A	N/A	N/A	N/A	N/A	Yes	Yes	Yes
<i>Fixed Income</i>												
Dodge & Cox	Good Standing	300	Barclays Aggregate	Yes	Yes	410	110	20	27	Yes	Yes	Yes
PIMCO	Good Standing	100	Barclays Aggregate	Yes	Yes	N/A	N/A	N/A	N/A	Yes	Yes	Yes

**Note:**

1.0 x reported negative tracking error equates to the bottom 15% of the expected return distribution, assuming an alpha of 0%

If a manager has an expected tracking error of 800 basis points, that manager would be Under Review if its return was 800 basis points below the benchmark for the 6 and or 12 months time periods

If the manager has a negative alpha for 3 and or 5 years or is ranked in the bottom quartile, that manager could be placed on Under Review Status

Capital Prospects first full quarter was Q1 - 2009. 2-year period to 3/12 shows a return of +11.7% vs. +9.2% for R2000V Index. Since inception performance alpha is positive.

Legato first full quarter was Q1 - 2009. 2-year period to 3/12 shows a return of +14.6% vs. +14.9% for R2000G Index. Since inception performance alpha is positive.

LSV has a 3-yr alpha of +370 bps up from +260 bps last quarter with above-average peer group rankings. Recommend keep in "Good Standing".

INVESCO has a 3-yr alpha of -320 bps but above-average peer group rankings (6). Recommend keep in "Good Standing".

Research Affiliates poor 3 quarter performance of -26.2% for StanCERA. RAFI has suspended fees for StanCERA until negative realized performance has been reversed. Recommend maintaining "Under Review" status.

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

# MARKET UPDATE

FOR APRIL 2012

## U.S. EQUITY

Risk appetites wane as worries over Spain grow. Equities fall and the Euro weakens. Oil and gold trade lower. U.S. Treasuries rally on risk aversion and weaker payroll growth.

Stocks took a breather in April. Growth once again outperformed Value for the month and large caps once again outperformed small caps. The Russell 1000 Growth Index was down -0.1% for the month and the Russell 1000 Value Index was down -1.0%. The Russell 2000 Growth Index was down -1.6% and the Russell 2000 Value was down -1.5%. The S&P 500 Index ended the month down -0.6%.

The S&P 500 Index has a trailing 12-month P/E ratio of 15.9 (estimated P/E ratio of 13.3 on forward looking twelve-month operating earnings) and a dividend yield of 2.0%. Earnings results for the quarter ending March 2012 were substantially stronger than expected, with 81% of companies exceeding expectations, according to Thomson Reuters data.

The average CEO pay packages of a majority of companies within the S&P 500 was \$12.9 million in 2011, an increase of 14% from 2010.

Corporate merger highlights for the month included: Avon Products, a direct seller of cosmetics, rejected a \$10 billion offer from beauty company Coty; Express Scripts received regulatory approval for its \$29.1 billion acquisition of Medco Health Services; Molson Coors Brewing will buy brewer StarBev from CVC Capital Partners for \$3.5 billion to expand in Central and Eastern European beer markets; Facebook will spend \$1 billion to acquire Instagram, a mobile only photo-sharing application; Penn Virginia Resources will buy pipeline firm Chief Gathering for \$1 billion to expand its presence in the Marcellus Shale in Pennsylvania and West Virginia; Anheuser-Busch InBev will buy a 51% in Dominican Republic brewer Cerveceria Nacional Dominicana for \$1.2 billion; Stratasy, a leader in 3D printing and direct digital manufacturing, will merge with Object in a deal that values the combined company at about \$1.4 billion; Toshiba will acquire IBM's point-of-sale systems operations, which include terminals used in retail stores, for about \$850 million; SXC Health Solutions, a pharmacy benefit manager, will merge with Catalyst Health Solutions in a deal valued at \$4.4 billion; Knology will be acquired by cable operator

WideOpenWest for \$750 million; Human Genome Sciences rejected an unsolicited bid worth around \$2.6 billion from partner GlaxoSmithKline; French food group Danone raised its offer for Pfizer's infant nutrition business to nearly \$11 billion in an attempt to outbid rival Nestle; Watson Pharmaceuticals will acquire Swiss rival Actavis for \$5.9 billion; Royal Dutch Shell will buy Cove Energy for \$1.8 billion, securing a stake in gas fields discovered off Mozambique; Amgen will buy Mustafa Nevzat Pharmaceuticals for almost \$700 million to expand in Turkey; Suburban Propane will acquire Inergy's retail propane operations for \$1.8 billion; Energy Transfer Partners will buy Sunoco for \$5.3 billion to get into the more lucrative crude oil transportation business; and, Hologic, a maker of diagnostic, medical and surgical devices, will acquire Gen-Probe for \$3.7 billion.

Carlyle Group is eyeing a market valuation of \$7.5 to \$8.0 billion in an IPO, as the U.S. private equity firm prepares to kick off a marketing campaign to investors.

## FIXED INCOME

The Commerce Dept. reported that the economy expanded at an annual rate of 2.2% in the 1<sup>st</sup> quarter, compared with a 3.0% gain in the final quarter of 2011. First quarter GDP slowed slightly more than generally expected. Consumer spending rose a solid 2.9% while government purchases were down -3.0%. Year-over-year GDP rose 2.1%.

A report from Moody's said that the U.S. economy is on track to grow at about 2.5% through mid-next year before accelerating to 4% by mid-2014.

The FOMC minutes stated that QE3 remains a possibility, but it would require the economy "to lose momentum," or inflation "to remain below its mandate consistent rate of 2 percent over the medium term." The latest Feb Beige Book was upbeat. The economy continued to expand at a "modest to moderate pace" from mid-February to late March. As expected, the Fed made no change to its monetary policy leaving its target range for the fed funds policy rate at 0-0.25%.

The Labor Dept. reported that the U.S. unemployment rate slipped to 8.2% in March from February's 8.3%.

Long-term interest rates were lower in the month of April. The bellwether 10-year Treasury note ended the month yielding 1.92% down sharply from 2.21% at the close of March. At month-end, the 30-year bond yield was 3.12% with the 3-month T-bill at 0.10%. The Barclays Capital US Aggregate Index was up +1.1% in April with Long U.S. Government the strongest sector up +4.3%.

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

## THE GOOD

\*The Commerce Dept. reported that consumer spending increased 0.8% in February and was revised up to 0.4% gain in January from a previously reported 0.2% gain.

\*The Commerce Dept. reported that new orders for manufactured goods increased 1.3% in February.

\*Chrysler's U.S. vehicle sales surged 34% in March, GM's jumped 12%, Toyota's rose 11% and Ford's increased 5%.

\*The U.S. purchasing managers' index (PMI) rose 1.0 point to 53.4, pushing it further above the 50.0 mark that differentiates between expansion and contraction.

\*The International Council of Shopping Centers reported that based on its tally of 22 retailers, March same-store sales rose 4.1%.

\*Global advertising spending grew 6.2% to \$131 billion in the 4<sup>th</sup> quarter compared to a year ago.

\*The Commerce Dept. reported that the U.S. trade deficit shrank 12.4% to \$46 billion in February, the biggest month-to-month decline since May 2009.

\*Home foreclosure filings dropped 4% in March compared with February and fell 17% compared with a year ago.

\*The Labor Dept. reported that its Consumer Price Index increased 0.3% in March and that year-on-year consumer prices rose 2.7%, down from a reading of 2.9% in February.

\*Producer prices (PPI) remained unchanged in March as a 1.0% drop in energy offset a 0.2% increase in food and a 0.3% gain in core.

\*The Commerce Dept. reported that retail sales rose a better-than-expected 0.8% in March following a 1% increase in February.

\*For the 1<sup>st</sup> quarter, industrial production rose at an annual rate of 5.4%, with manufacturing advancing at a 10.4% rate, the largest gain since the 2<sup>nd</sup> quarter of 2010.

## THE NOT SO GOOD

\*The Commerce Dept. reported that construction spending fell 1.1% in February after a 0.8% drop in January.

\*The Institute for Supply Management reported that its services sector index fell to 56.0 last month from 57.3 in February.

\*Wholesale inventories increased 0.9% to a record \$478.9 billion in February following an upwardly revised 0.6% rise in January.

\*The Labor Dept. reported that U.S. import prices rose 1.9% in March, the biggest gains since April 2011 and that export prices increased 0.9%.

\*The National Association of Home Builders reported that the NAHB/Wells Fargo Housing Market index slipped to 25 from 28 in March.

\*Business inventories rose 0.6% to \$1.58 trillion in February.

\*The Commerce Dept. reported that builders broke ground at a seasonally adjusted annual pace of 654,000 homes in March, down 5.8% from February.

\*The National Association of Realtors reported that existing home sales slipped 2.6% to an annual rate of 4.48 million units in March.

\*The Philadelphia's Federal Reserve's business condition index fell to 8.5 from 12.5 in March.

\*The Commerce Dept. reported that new home sales slipped 7.1% in March to a seasonally adjusted 328,000 unit annual rate.

\*The median price for a new home fell 1% to 234,500 in March. Year-over-year the median price was up 6.3%.

\*The Commerce Dept. reported that durable goods orders dropped 4.2% in March, the largest decline since January 2009.

\*The Commerce Dept. reported that consumer spending increased just 0.3% last month after a 0.9% gain in February and incomes grew 0.4% following a 0.3 gain in February.

The consumer confidence index fell to 69.2 from a revised 69.5, according to the New-York based Conference Board. The Univ. of Michigan index posted at 76.4 in April, just 0.2 point higher than March.

## NON-U.S. MARKETS

The Group of 20 nations pledged more than \$430 billion to bulk up the IMF's war chest to fight any widening of Europe's debt crisis.

The U.K. economy has fallen back into recession as GDP contracted -0.2% in Q1. The Bank of England left monetary policy unchanged in April with the Bank Rate held at 0.50% and the asset purchase target was left unchanged at 325 billion pounds, the level to which it was raised in February. Industrial production rose 0.4% in February. Producers' output prices rose 0.6% for the second straight month in March primarily driven by a 2.4% jump in petroleum products.

The European Central Bank (ECB) left its key policy rate, the minimum bid rate unchanged at 1.0%. The unemployment rate in the euro zone rose another tick to 10.8% in February, the eighth consecutive increase and the highest level in the history of the euro zone. February industrial production data were disappointing. German output fell 1.3% although German business sentiment appears to have stabilized at an elevated level. Greece's unemployment rate rose to 21.8% and there is renewed worries that the country may once again default on their sovereign debt within two years. The preliminary estimates of the purchasing managers' indexes for April were worrisome as overall euro zone PMI fell 1.7 points to 46.0, the lowest level since June 2009.

The Bank of Japan (BoJ) left its policy rate unchanged at 0.0% - 0.1% and also left the size of its 30 trillion yen asset purchase program and 35 trillion yen credit-lending program unchanged. Industrial production fell 1.6% in February after rebounding sharply in the five months immediately after the earthquake the recovery appears to have stalled. Retail sales continued the mostly downbeat theme in Japanese activity data falling a greater than expected -1.2% in March.

China's GDP growth fell a greater than expected -0.8% to 8.1% year-over-year. China posted a trade surplus of \$5.35 billion in March, lifting its trade surplus for the first quarter to \$670 million.

Non-U.S. equities were down for the month of April. The MSCI ACWI Ex-U.S. was down -1.5% (US

dollars) in March. Developed stocks (EAFE) were down -1.8% while Emerging Markets lost -1.2% for the month.

## CONCLUSION

Spain has dominated the macro-economic discussions in the markets. Unemployment in Spain continues to soar. The jobless rate rose 1.6% in the first quarter to 24.4%. It was as low as 8.0% in 2007 before the recession. The rate for people under 25 years is now at 52.0% up from 48.5% in the previous quarter.

The reemergence of stress in the European debt markets and deteriorating economic fundamentals in the major periphery countries such as Spain continues to worry the markets. Spain is too big to bail out and also too big to fail. Spain's economy contracted by -0.4% in the first quarter from the fourth. Spain appears to be in trouble and that the size of the problem is quite large relative to the resources that policy makers have to deal with it.

Most U.S. economic data released in the first quarter was better than expected. However, recent economic statistics released over the past month have exhibited growth moderating as 80% of major U.S. statistics have come in below consensus. The likely path for the U.S. economy is one of gradual cooling, with growth rates around a base 2.5%. The U.S. still stands way ahead of the recovery in the developed markets of Europe and Japan.

The three major issues confronting the markets today are:

- 1) European Debt Crisis and European Recession
- 2) Slowdown in China Growth (hard or soft landing?)
- 3) U.S. path of economic recovery (New Normal is base case)

The main question that investors have to answer is what has already been discounted by the financial markets and what has not as it relates to these three major issues and other issues and potential geopolitical risks.



## Monthly Market Update

### US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Apr-12	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	-0.66	6.74	12.13	3.40	10.63	19.92	1.25	5.33	5.17
Russell TOP 200 Index	-0.68	7.41	12.11	5.94	10.76	18.70	0.89	4.48	4.01
Russell TOP 200 Growth Index	-0.22	8.59	14.51	10.21	14.22	20.78	4.45	6.45	4.50
Russell TOP 200 Value Index	-1.17	6.19	9.70	1.82	7.35	16.62	-2.62	2.51	3.52
S&P 500 Index	-0.63	7.08	11.88	4.76	10.81	19.46	1.01	4.91	4.71
Russell 1000 Index	-0.58	7.03	12.25	4.11	10.84	19.88	1.23	5.23	5.09
Russell 1000 Growth Index	-0.15	8.06	14.51	7.26	13.86	21.44	4.11	6.76	5.16
Russell 1000 Value Index	-1.02	5.98	9.99	1.03	7.90	18.32	-1.73	3.60	4.83
Russell Mid-Cap Index	-0.33	6.13	12.56	-0.03	11.05	22.98	2.19	7.17	8.03
Russell Mid-Cap Growth Index	0.00	6.77	14.52	0.78	13.31	23.57	3.55	7.85	7.50
Russell Mid-Cap Value Index	-0.66	5.49	10.67	-0.81	9.03	22.43	0.50	6.27	7.95
Russell 2000 Index	-1.54	3.39	10.70	-4.25	8.17	20.34	1.45	6.43	6.19
Russell 2000 Growth Index	-1.64	3.66	11.42	-4.42	11.60	21.83	3.27	7.62	6.06
Russell 2000 Value Index	-1.45	3.12	9.98	-4.06	4.84	18.77	-0.49	5.14	6.07
DJ US REIT Index	3.01	7.19	14.09	10.40	16.58	32.74	-0.15	7.14	10.63
DJ-UBS US Commodity Index TR	-0.42	-1.97	0.46	-19.42	2.51	8.63	-3.08	0.87	5.45
DJ-UBS US Gold Index TR	-0.45	-4.51	5.88	6.24	17.90	22.27	18.32	19.94	17.39

### Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Apr-12	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	-1.49	2.70	9.69	-12.48	2.58	14.04	-2.30	5.68	7.50
MSCI AC World Index	-1.08	4.69	10.81	-5.21	6.27	16.49	-0.75	5.35	6.09
MSCI EAFE Index	-1.84	3.40	8.94	-12.38	2.41	12.30	-4.25	3.79	5.89
MSCI Emerging Markets index	-1.18	1.29	12.79	-12.34	2.99	18.67	3.77	12.76	14.26
ML Global Government Bond Ex. U.S. Index	2.41	-1.48	-0.29	4.06	9.82	9.02	8.69	5.88	8.30
Euro	-0.61	1.11	1.96	-10.79	-0.23	-0.04	-0.61	0.36	3.92
Japanese Yen	3.07	-4.50	-3.64	1.62	8.51	7.21	8.40	3.98	4.87
UK Pound Sterling	1.63	2.90	4.49	-2.64	3.00	3.10	-4.08	-2.29	1.09

### US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Apr-12	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.02	0.01	0.05	0.11	0.13	1.14	2.07	1.89
BarCap Aggregate Bond Index	1.11	0.53	1.41	7.54	6.44	7.06	6.37	5.68	5.71
ML U.S. Corp/Govt Master Index	1.35	0.48	1.52	8.47	6.96	7.68	6.37	5.62	5.84
ML U.S. Corporate Master Index	1.28	1.53	3.75	8.62	8.09	12.92	6.87	6.08	6.61
BarCap Mortgage Backed Securities Index	0.65	0.81	1.22	5.74	5.31	5.39	6.36	5.82	5.52
ML U.S. High Yield Master Index	1.03	3.21	6.13	5.21	9.22	19.47	7.67	8.52	8.80
JPM EMBI Global	1.76	4.86	6.70	13.00	11.15	15.12	8.79	9.68	11.03

## Monthly Market Update

### US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Apr-12	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	-0.66	6.74	12.13 ✓	3.40	10.63	19.92	1.25	5.33	5.17
Russell TOP 200 Index	-0.68	7.41	12.11	5.94	10.76	18.70	0.89	4.48	4.01
Russell TOP 200 Growth Index	-0.22	8.59	14.51	10.21	14.22	20.78	4.45	6.45	4.50
Russell TOP 200 Value Index	-1.17	6.19	9.70	1.82	7.35	16.62	-2.62	2.51	3.52
S&P 500 Index	-0.63	7.08	11.88	4.76	10.81	19.46	1.01	4.91	4.71
Russell 1000 Index	-0.58	7.03	12.25	4.11	10.84	19.88	1.23	5.23	5.09
Russell 1000 Growth Index	-0.15	8.06	14.51	7.26	13.86	21.44	4.11	6.76	5.16
Russell 1000 Value Index	-1.02	5.98	9.99	1.03	7.90	18.32	-1.73	3.60	4.83
Russell Mid-Cap Index	-0.33	6.13	12.56	-0.03	11.05	22.98	2.19	7.17	8.03
Russell Mid-Cap Growth Index	0.00	6.77	14.52	0.78	13.31	23.57	3.55	7.85	7.50
Russell Mid-Cap Value Index	-0.66	5.49	10.67	-0.81	9.03	22.43	0.50	6.27	7.95
Russell 2000 Index	-1.54	3.39	10.70	-4.25	8.17	20.34	1.45	6.43	6.19
Russell 2000 Growth Index	-1.64	3.66	11.42	-4.42	11.60	21.83	3.27	7.62	6.06
Russell 2000 Value Index	-1.45	3.12	9.98	-4.06	4.84	18.77	-0.49	5.14	6.07
DJ US REIT Index	3.01	7.19	14.09	10.40	16.58	32.74	-0.15	7.14	10.63
DJ-UBS US Commodity Index TR	-0.42	-1.97	0.46	-19.42	2.51	8.63	-3.08	0.87	5.45
DJ-UBS US Gold Index TR	-0.45	-4.51	5.88	6.24	17.90	22.27	18.32	19.94	17.39

*Equities  
take a  
breather  
in April  
small caps  
weaker*

### Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Apr-12	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	-1.49	2.70	9.69	-12.48	2.58	14.04	-2.30	5.68	7.50
MSCI AC World Index	-1.08	4.69	10.81	-5.21	6.27	16.49	-0.75	5.35	6.09
MSCI EAFE Index	-1.84	3.40	8.94	-12.38	2.41	12.30	-4.25	3.79	5.89
MSCI Emerging Markets Index	-1.18	1.29	12.79	-12.34	2.99	18.67	3.77	12.76	14.26
ML Global Government Bond Ex. U.S. Index	2.41	-1.48	-0.29	4.06	9.82	9.02	8.69	5.88	8.30
Euro	-0.61	1.11	1.96	-10.79	-0.23	-0.04	-0.61	0.36	3.92
Japanese Yen	3.07	-4.50	-3.64	1.62	8.51	7.21	8.40	3.98	4.87
UK Pound Sterling	1.63	2.90	4.49	-2.64	3.00	3.10	-4.08	-2.29	1.09

### US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Apr-12	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.02	0.01	0.05	0.11	0.13	1.14	2.07	1.89
BarCap Aggregate Bond Index	1.11	0.53	1.41	7.54	6.44	7.06	6.37	5.68	5.71
ML U.S. Corp/Govt Master Index	1.35	0.48	1.52	8.47	6.96	7.68	6.37	5.62	5.84
ML U.S. Corporate Master Index	1.28	1.53	3.75	8.62	8.09	12.92	6.87	6.08	6.61
BarCap Mortgage Backed Securities Index	0.65	0.81	1.22	5.74	5.31	5.39	6.36	5.82	5.52
ML U.S. High Yield Master Index	1.03	3.21	6.13	5.21	9.22	19.47	7.67	8.52	8.80
JPM EMBI Global	1.76	4.86	6.70	13.00	11.15	15.12	8.79	9.68	11.03

*Bonds  
rally  
in Apr.*

A

**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING APR 30, 2012**  
PRELIMINARY BASIS

**SUMMARY OF INVESTMENTS**

ASSET CLASS	MARKET VALUE	PERCENT	POLICY	
			TARGET	RANGE
DOMESTIC EQUITIES	606,488,180	42.8% ✓	40.9%	35.9% - 45.9%
INTERNATIONAL EQUITIES	241,230,243	17.0% ✓	19.0%	16.0% - 22.0%
FIXED INCOME	528,756,489	37.3% =	37.1%	33.4% - 40.8%
SPECIAL SITUATIONS	32,657,049	2.3%	3.0%	2.0% - 4.0%
SECURITY LENDING	(2,651,393)	-0.2%	0.0%	0.0% - 0.0%
CASH (equity managers only)	10,379,496	0.7%	0.0%	0.0% - 3.0%
TOTAL PORTFOLIO	1,416,860,064	100.0%	100.0%	

	CURRENT	TARGET
DODGE & COX · LARGE CAP VALUE	9.6%	9.8%
BGI · R1000 VALUE INDEX	6.4%	6.0%
DELAWARE · LARGE CAP GROWTH	8.4%	6.8%
BGI · R1000 GROWTH INDEX	5.5%	5.0%
CAPITAL PROSPECTS	4.6%	4.5%
LEGATO CAPITAL	4.2%	4.0%
BNY - S&P 500 INDEX	4.6%	4.8%
LSV ASSET MGMT · INTL EQ	8.4%	9.5%
PYRAMIS · INTL EQ	8.9%	9.5%
DODGE & COX FIXED INCOME	29.7%	29.6%
PIMCO	7.6%	7.5%
INVESCO · GLOBAL REIT	1.4%	1.5%
RAFI · LONG SHORT	0.9%	1.5%
SECURITY LENDING	-0.2%	0.0%
TOTALS	100.0%	100.0%

**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING APR 30, 2012**  
PRELIMINARY BASIS

**GROWTH OF ASSETS AND CHANGES IN ALLOCATION**

ASSET CLASS MARKET VALUE	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
DOMESTIC EQUITIES	606,488,180	610,586,972	-0.67%	643,064,874	-5.69%
INTERNATIONAL EQUITIES	241,230,243	247,728,617	-2.62%	310,922,098	-22.41%
FIXED INCOME	528,756,489	526,019,093	0.52%	463,495,757	14.08%
SPECIAL SITUATIONS	32,657,049	34,079,562	-4.17%	19,766,512	65.21%
SECURITIES LENDING	(2,651,393)	(2,476,383)	-7.07%	(2,607,640)	-1.68%
CASH (equity managers only)	10,379,496	11,359,897	-8.63%	13,089,480	-20.70%
TOTAL PORTFOLIO	1,416,860,064	1,427,297,758	-0.73%	1,447,731,080	-2.13%
ASSET ALLOCATION (ACTUAL)		-411MM		-331MM	
DOMESTIC EQUITIES	42.81%	42.78%	0.0%	44.42%	-1.6%
INTERNATIONAL EQUITIES	17.03%	17.36%	-0.3%	21.48%	-4.5%
FIXED INCOME	37.32%	36.85%	0.5%	32.02%	5.3%
SPECIAL SITUATIONS	2.30%	2.39%	-0.1%	1.37%	0.9%
SECURITY LENDING	-0.19%	-0.17%	0.0%	-0.18%	0.0%
CASH (equity managers only)	0.73%	0.80%	-0.1%	0.90%	-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 APR 30, 2012**  
PRELIMINARY BASIS

**MANAGER ALLOCATION**

ASSET CLASS	MARKET VALUE	PERCENT	POLICY TARGET	RANGE
<b>DOMESTIC EQUITIES</b>				
DODGE & COX - LARGE CAP VALUE	136,248,705	9.6%	9.8%	7.8% - 11.8%
BLACKROCK - R1000 VALUE INDEX	90,277,865	6.4%	6.0%	5.0% - 7.0%
DELAWARE - LARGE CAP GROWTH	119,339,319	8.4% 	6.8%	5.3% - 8.3%
BLACKROCK - R1000 GROWTH INDEX	77,688,496	5.5%	5.0%	4.0% - 6.0%
CAPITAL PROSPECTS - SMALL CAP VALUE	64,479,707	4.6%	4.5%	3.5% - 5.5%
LEGATO CAPITAL - SMALL CAP GROWTH	59,471,293	4.2%	4.0%	3.0% - 5.0%
BNY - S&P 500 INDEX	65,302,768	4.6%	4.8%	3.8% - 5.8%
TOTAL DOMESTIC EQUITIES	612,808,151	43.3%	40.9%	
<b>FIXED INCOME</b>				
DODGE & COX	421,059,692	29.7%	29.6%	27.1% - 32.1%
PIMCO	107,696,798	7.6%	7.5%	6.0% - 9.0%
TOTAL FIXED INCOME	528,756,489	37.3%	37.1%	
<b>INTERNATIONAL INVESTMENTS</b>				
LSV ASSET MGMT.	119,664,765	8.4% 	9.5%	8.0% - 11.0%
PYRAMIS	125,625,002	8.9% 	9.5%	8.0% - 11.0%
TOTAL INTERNATIONAL EQUITIES	245,289,767	17.3%	19.0%	
<b>SPECIAL SITUATIONS</b>				
INVESCO (Global REITs)	19,720,320	1.4%	1.5%	0.0% - 3.0%
RAFI (Global Long/Short Equity)	12,936,729	0.9%	1.5%	0.0% - 3.0%
TOTAL SPECIAL SITUATIONS	32,657,049	2.3%	3.0%	0.0% - 3.0%
SECURITIES LENDING	(2,651,393)	-0.2%	0.0%	0.0% - 0.0%
TOTAL StanCERA PORTFOLIO	1,416,860,064	100.0%	100.0%	

**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING APR 30, 2012**  
**PRELIMINARY**

	TOTAL FUND			
	CASH	BONDS	EQUITIES	TOTAL
<b>DOMESTIC EQUITIES</b>				
DODGE & COX - LARGE CAP VALUE	1,913,778		134,334,927	136,248,705
BLACKROCK - R1000 VALUE INDEX	6,244		90,271,620	90,277,865
DELAWARE - LARGE CAP GROWTH	456,384		118,882,935	119,339,319
BLACKROCK - R1000 GROWTH INDEX	0		77,688,496	77,688,496
CAPITAL PROSPECTS - SMALL CAP VALUE	2,044,366		62,435,341	64,479,707
LEGATO CAPITAL - SMALL CAP GROWTH	1,898,987		57,572,306	59,471,293
BNY - S&P 500 INDEX	213		65,302,554	65,302,768
TOTAL DOMESTIC EQUITIES	6,319,972		606,488,180	612,808,151
<b>FIXED INCOME</b>				
DODGE & COX	8,672,661	412,387,031		421,059,692
PIMCO	14,517,173	93,179,625		107,696,798
TOTAL FIXED INCOME	23,189,833	505,566,656		528,756,489
<b>INTERNATIONAL INVESTMENTS</b>				
LSV ASSET MGMT.	2,419,339		117,245,427	119,664,765
PYRAMIS	1,640,185		123,984,817	125,625,002
TOTAL INTERNATIONAL EQUITIES	4,059,524		241,230,243	245,289,767
<b>SPECIAL SITUATIONS</b>				
INVESCO (Global REITs)	0		19,720,320	19,720,320
RAFI (Global Long/Short Equity)	0		12,936,729	12,936,729
TOTAL SPECIAL SITUATIONS	0		32,657,049	32,657,049
<b>SECURITIES LENDING</b>				
	(2,651,393)			(2,651,393)
TOTAL STANCERA PORTFOLIO	30,917,936	505,566,656	880,375,472	1,416,860,064

2.2%  35.7% 62.1% 100.0%

**STANCERA**  
**MONTHLY PERFORMANCE REVIEW**  
**PERIOD ENDING APR 30, 2012**  
**PRELIMINARY BASIS**

**CURRENT PERFORMANCE**

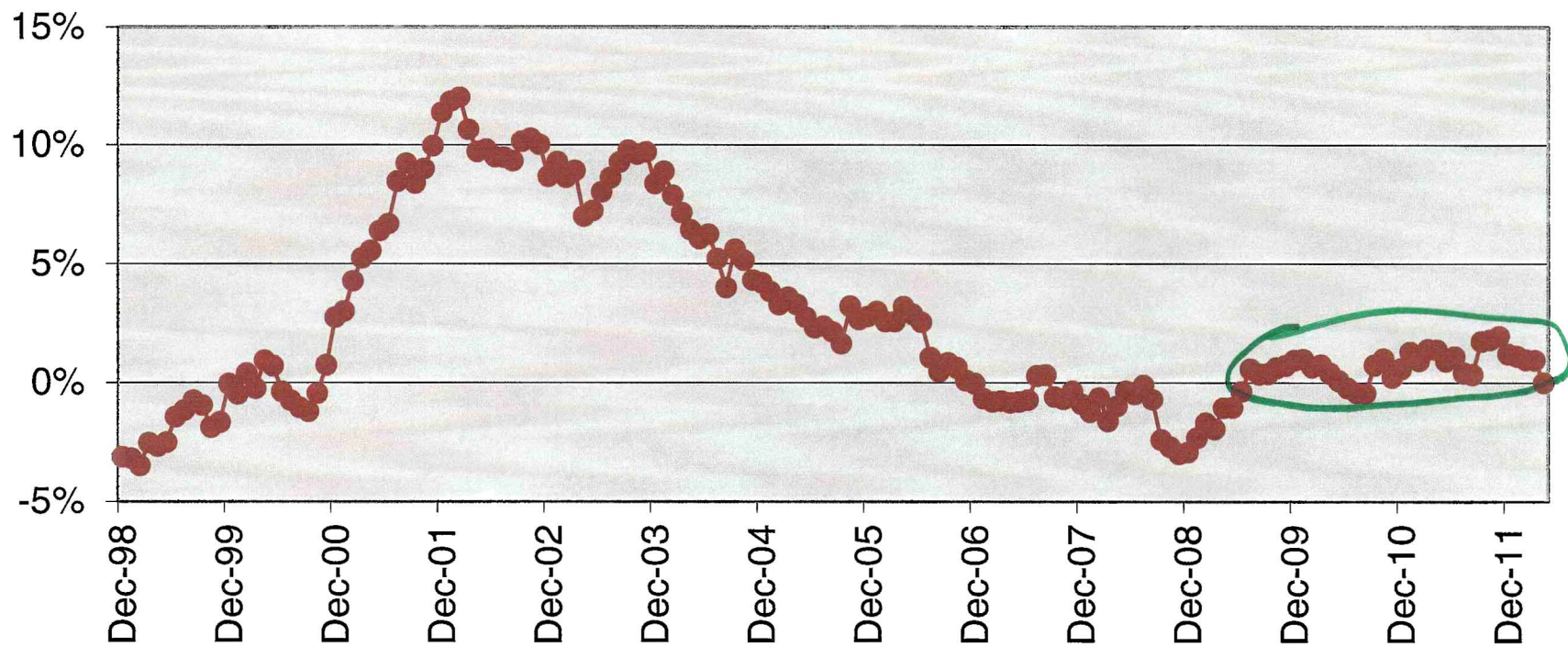
	MARKET VALUE	APR	ALPHA	MAR	ALPHA	FISCAL YTD	ALPHA
<b>DOMESTIC EQUITIES</b>							
DODGE & COX - LARGE CAP VALUE	134,334,927	-1.04%	-0.02%	2.49%	-0.47%	1.44%	-2.82%
RUSSELL 1000 VALUE		-1.02%		2.96%		4.26%	
BLACKROCK - R1000 VALUE INDEX	90,271,620	-1.01%	0.01%	2.98%	0.02%	4.34%	0.08%
RUSSELL 1000 VALUE		-1.02%		2.96%		4.26%	
DELAWARE - LARGE CAP GROWTH	118,882,935	-0.95%	-0.80%	3.34%	0.05%	15.82%	5.80%
RUSSELL 1000 GROWTH		-0.15%		3.29%		10.02%	
BLACKROCK - R1000 GROWTH INDEX	77,688,496	-0.16%	-0.01%	3.31%	0.02%	10.13%	0.11%
RUSSELL 1000 GROWTH		-0.15%		3.29%		10.02%	
CAPITAL PROSPECTS	62,435,341	-1.03%	0.42%	1.66%	-1.44%	1.23%	0.76%
RUSSELL 2000 VALUE		-1.45%		3.10%		0.47%	
LEGATO CAPITAL	57,572,306	-1.10%	0.54%	3.01%	0.98%	-0.24%	0.15%
RUSSELL 2000 GROWTH		-1.64%		2.03%		-0.39%	
BNY - S&P 500 INDEX	65,302,554	-0.65%	-0.02%	3.30%	0.01%	7.75%	-0.01%
S&P 500		-0.63%		3.29%		7.76%	
<b>TOTAL DOMESTIC EQUITY</b>	<b>606,488,180</b>	<b>-0.87%</b>	<b>-0.21%</b>	<b>2.88%</b>	<b>-0.20%</b>	<b>5.80%</b>	<b>-0.70%</b>
Russell 3000 Index		-0.66%		3.08%		6.50%	
<b>FIXED INCOME</b>							
DODGE & COX	421,059,692	0.91%	-0.20%	0.07%	0.62%	6.03%	-0.44%
BARCLAYS US AGGREGATE BOND		1.11%		-0.55%		6.47%	
PIMCO	107,696,798	1.36%	0.25%	-0.44%	0.11%	7.44%	0.97%
BARCLAYS US AGGREGATE BOND		1.11%		-0.55%		6.47%	
<b>TOTAL FIXED INCOME</b>	<b>528,756,489</b>	<b>1.00%</b>	<b>-0.11%</b>	<b>-0.03%</b>	<b>0.52%</b>	<b>6.20%</b>	<b>-0.27%</b>
BARCLAYS US AGGREGATE BOND		1.11%		-0.55%		6.47%	
<b>INTERNATIONAL INVESTMENTS</b>							
LSV ASSET MGMT	117,245,427	-2.32%	-0.83%	-1.46%	-0.14%	-9.91%	-1.13%
MSCI ACWI Free ex-US		-1.49%		-1.32%		-8.78%	
PYRAMIS	123,984,817	-2.22%	-0.73%	1.07%	2.38%	-6.98%	1.80%
MSCI ACWI Free ex-US		-1.49%		-1.32%		-8.78%	
<b>TOTAL INTERNATIONAL EQUITY</b>	<b>241,230,243</b>	<b>-2.27%</b>	<b>-0.78%</b>	<b>-0.16%</b>	<b>1.16%</b>	<b>-8.40%</b>	<b>0.38%</b>
MSCI ACWI Free ex-US		-1.49%		-1.32%		-8.78%	
<b>SPECIAL SITUATIONS</b>							
INVESCO	19,720,320	1.93%	-0.42%	1.88%	0.67%	1.89%	-0.68%
FTSE EPRA/NAREIT Global REIT		2.85%		1.21%		2.58%	
RAFI - LS	12,936,729	-12.19%	-12.20%	-7.42%	-7.42%	-35.32%	-35.40%
US 1- month LIBOR		0.01%		0.00%		0.08%	
<b>SECURITIES LENDING</b>							
BNY MELLON	(2,651,393)						
<b>CASH and SHORT-TERM INVESTMENTS</b>							
CASH	10,379,496	0.01%	0.00%	0.01%	0.02%	0.09%	0.06%
90 DAY TREASURY BILL		0.01%		-0.01%		0.03%	
<b>TOTAL StanCERA Fund</b>	<b>1,416,860,064</b>	<b>-0.52%</b>	<b>-0.37%</b>	<b>1.15%</b>	<b>0.35%</b>	<b>2.42%</b>	<b>-1.43%</b>
Policy Index		-0.15%		0.80%		3.84%	
Actuary Rate of Assumption (8.00%)		0.66%	-1.18%	0.66%	0.49%	6.67%	-4.25%
Actuary Rate of Inflation (3.50%)		0.29%	-0.81%	0.29%	0.86%	2.93%	-0.52%

• Lg Cap Growth Strong!  
 • Sm. Caps beta relative weaker

Bonds Fiscal YTD still strong!

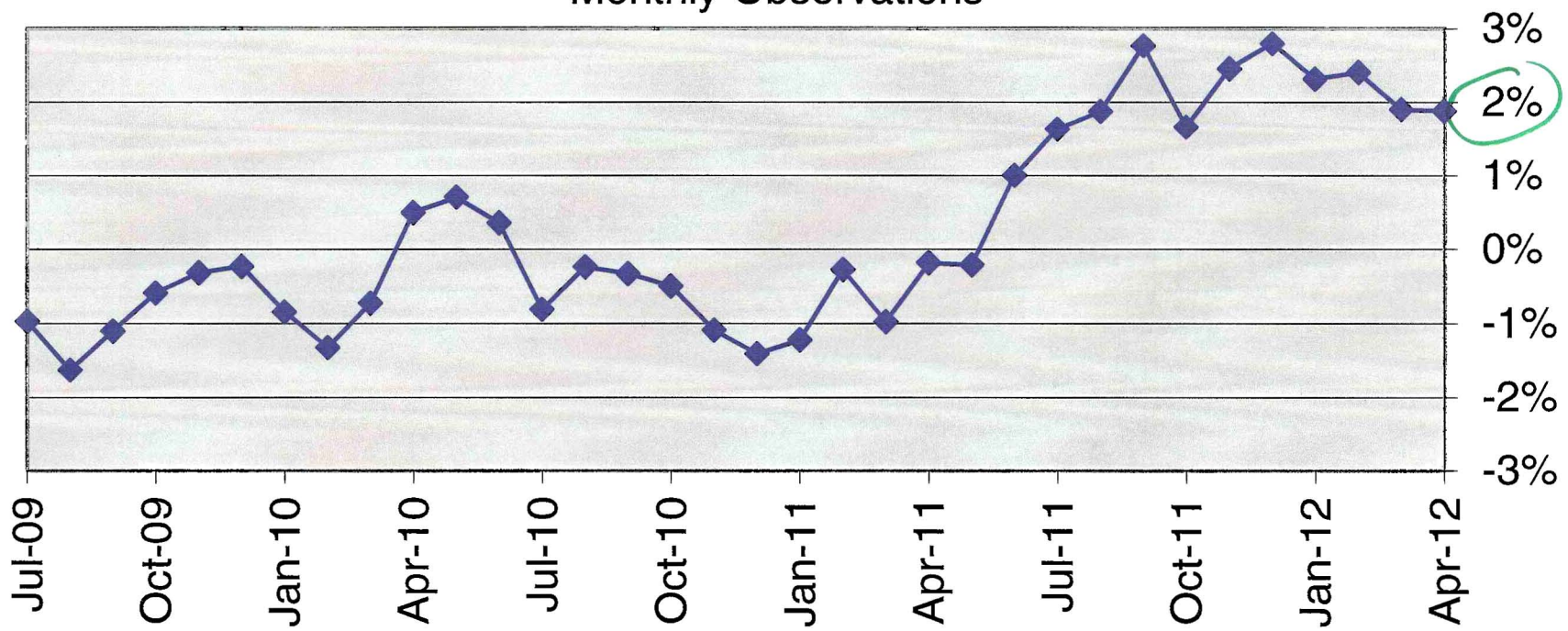
Non-US Equities continue to underperform

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



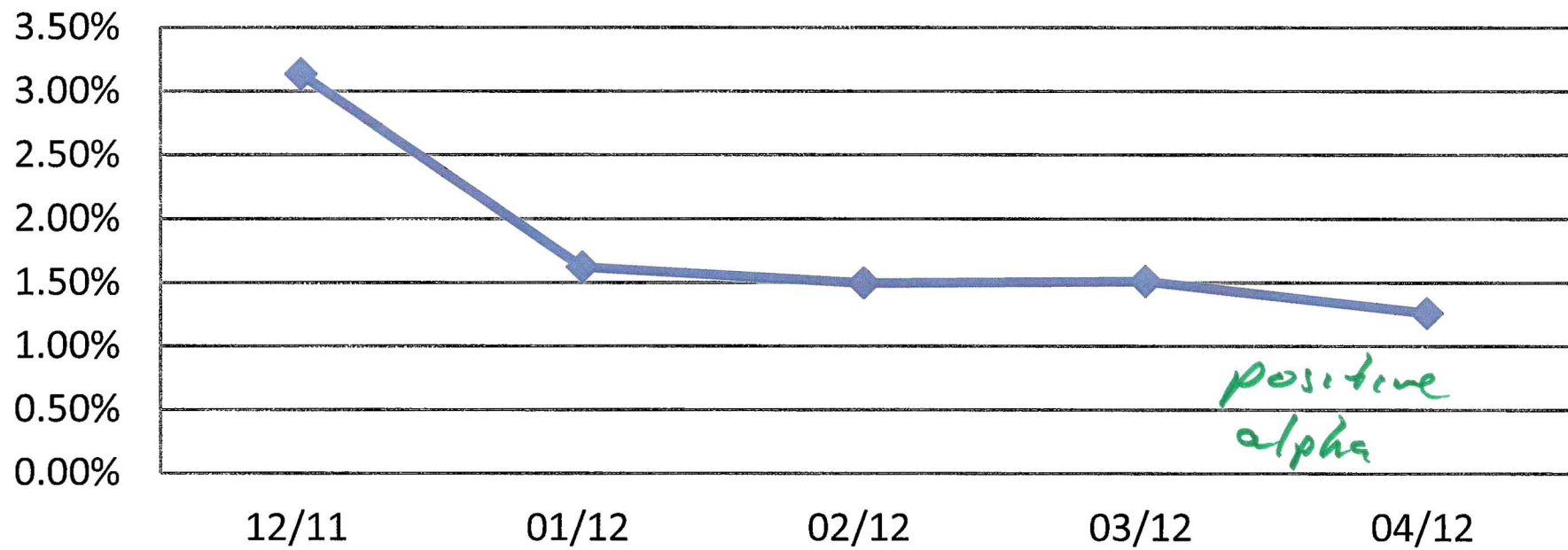


Delaware  
Rolling 3-Years Annualized Alpha  
Monthly Observations



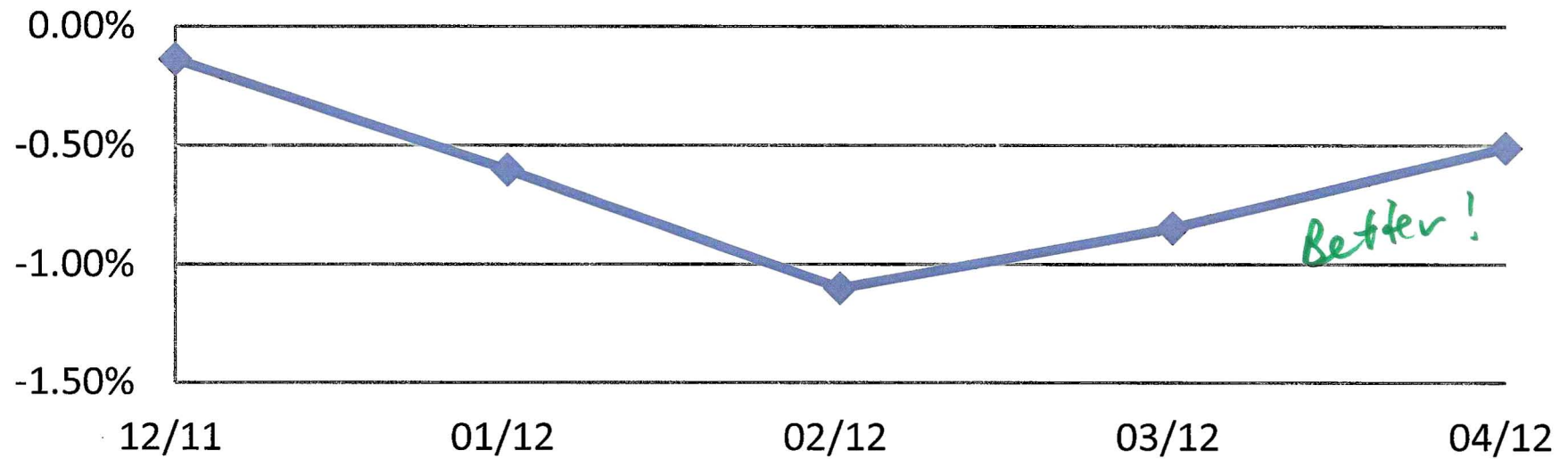
7

Capital Prospects  
Rolling 3-Year  
Alphas  
Monthly Observatons

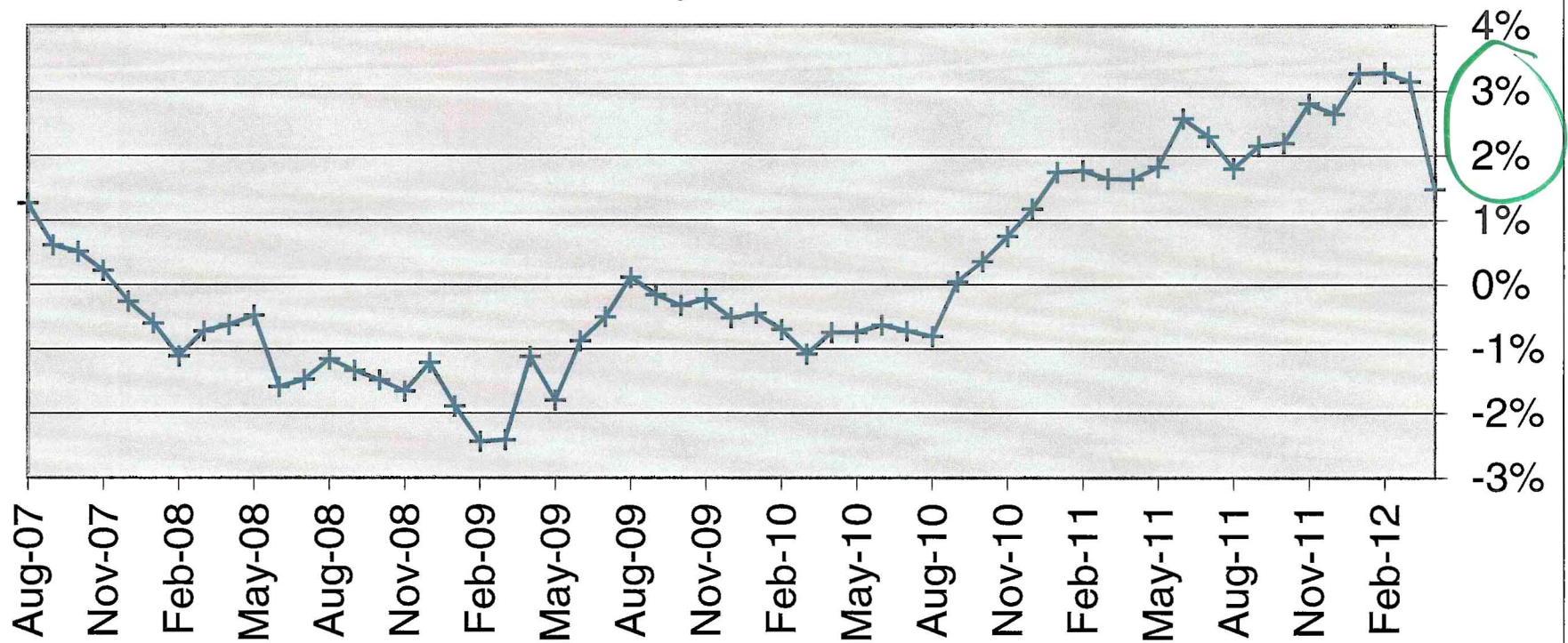


8

Legato Rolling  
3-Year Alphas  
Annualized  
Monthly Observations

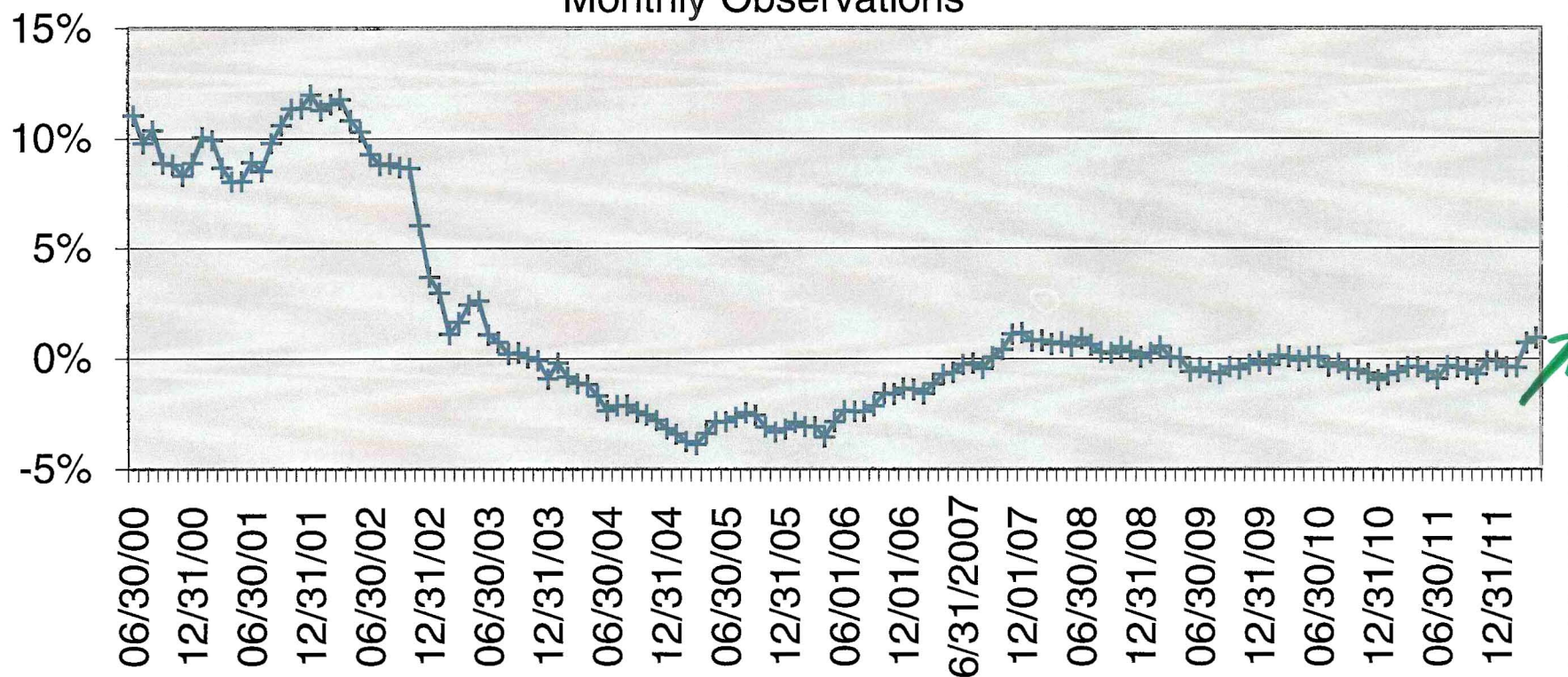


LSV  
Rolling 3-Years Annualized Alpha  
Monthly Observations



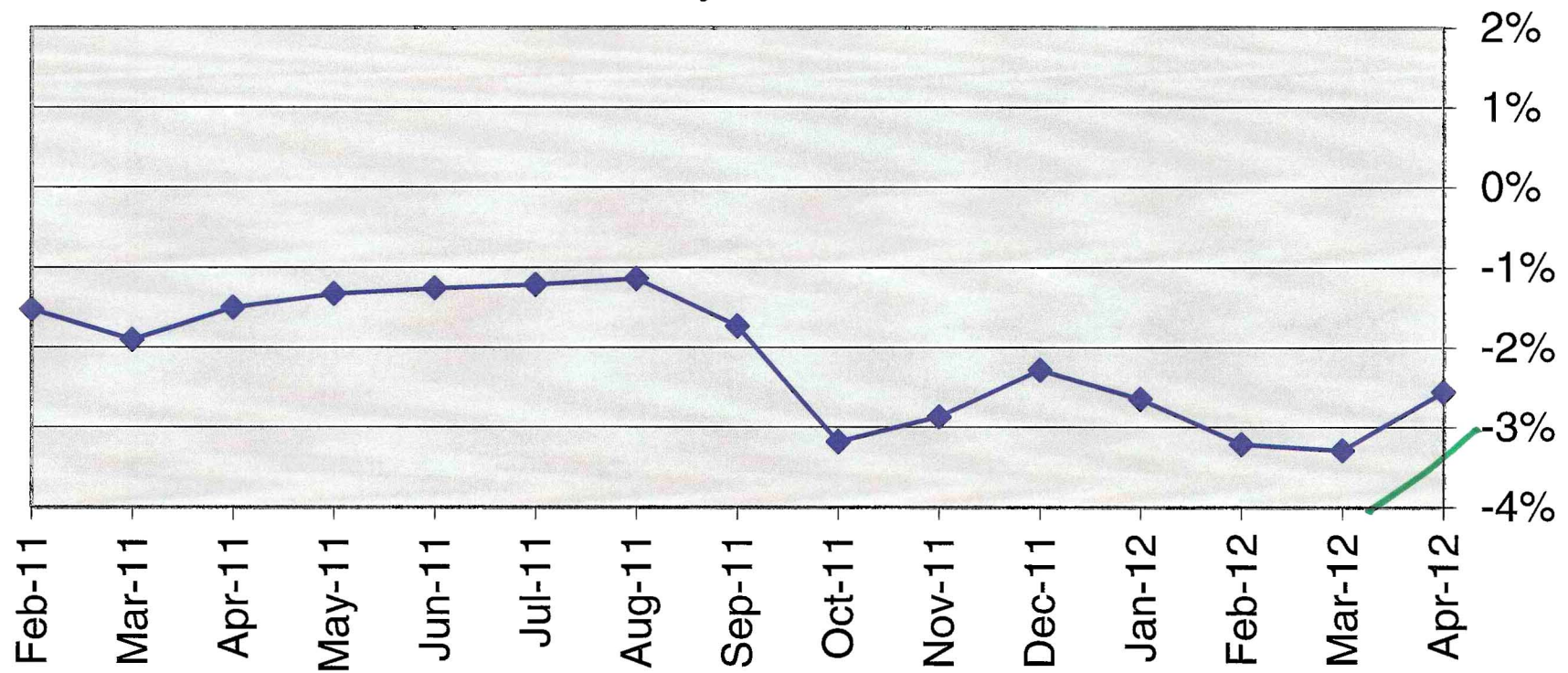


Pyramis (May 2006)  
Rolling 3-Years Annualized Alpha  
Monthly Observations

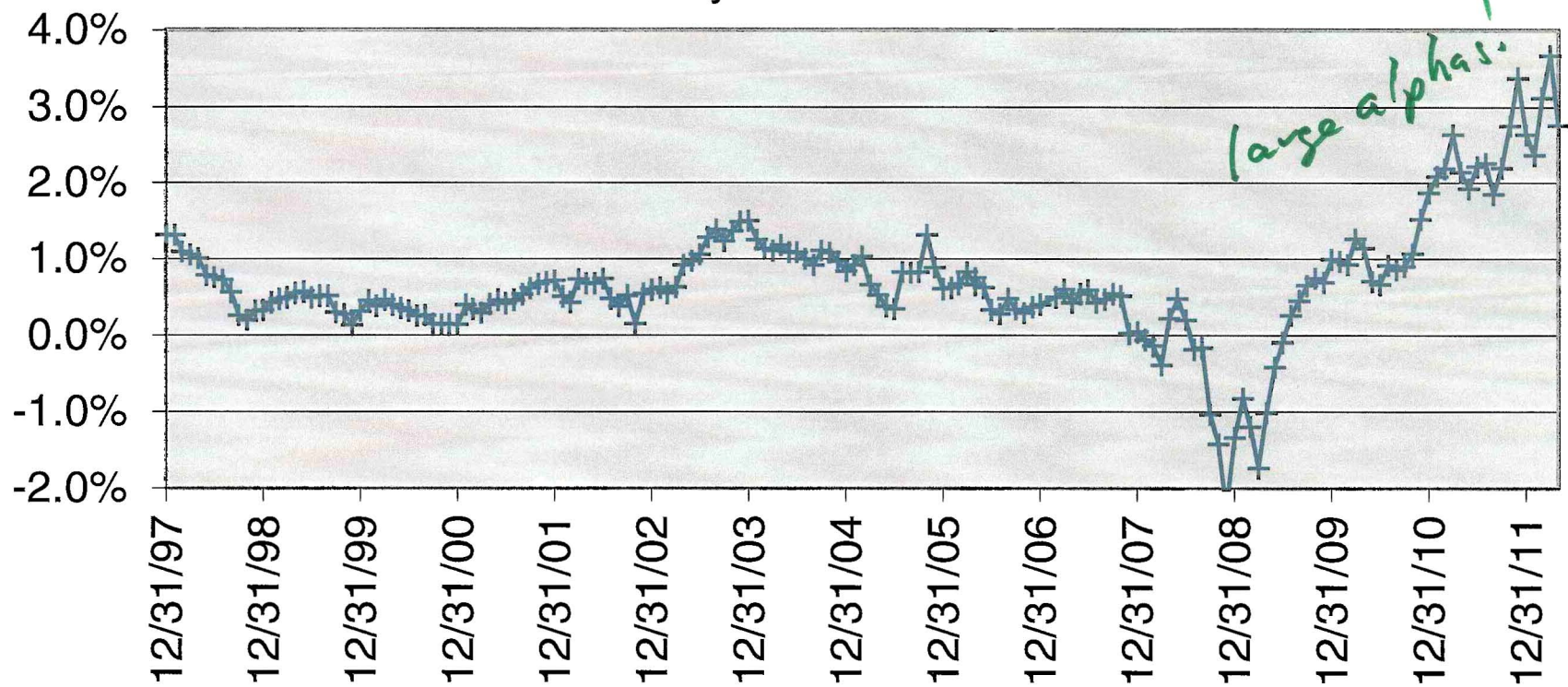


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INVESCO  
Rolling 3-Years Annualized Alpha  
Monthly Observations



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





05/22/12  
Item #7d

STANCERA  
Price Monitor Position Report

BlackRock  
Passive Large Cap Growth Manager  
Positions as of April 30, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	9,765	\$5,702,336	7.34%	0.40%	583.98	553.17	-5.28%	-0.52%
Exxon Mobil Corp	XOM	38,421	\$3,317,299	4.27%	0.23%	86.34	81.79	-5.27%	-0.51%
INTL Business Machines	IBM	12,981	\$2,688,022	3.46%	0.19%	207.08	199.04	-3.88%	0.88%
Microsoft Corp.	MSFT	78,125	\$2,501,570	3.22%	0.18%	32.02	30.21	-5.65%	-0.89%
Google Inc.	GOOG	2,839	\$1,716,916	2.21%	0.12%	604.85	611.11	1.03%	5.79%
Coca-Cola Co.	KO	22,089	\$1,685,840	2.17%	0.12%	76.32	76.57	0.33%	5.09%
Philip Morris Intl.	PM	17,011	\$1,522,695	1.96%	0.11%	89.51	84.72	-5.35%	-0.59%
Pepsico Inc.	PEP	18,127	\$1,196,403	1.54%	0.08%	66.00	67.85	2.80%	7.56%
Oracle Corp	ORCL	39,373	\$1,157,559	1.49%	0.08%	29.40	27.06	-7.96%	-3.20%
Qualcomm, Inc.	QCOM	17,892	\$1,142,021	1.47%	0.08%	63.83	61.44	-3.74%	1.02%
TOP TEN HOLDINGS			\$22,630,659	29.13%	1.60%	Russell 1000 Growth:		<b>-4.76%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$77,688,496**  
\$1,416,860,064

STANCERA  
Price Monitor Position Report

BlackRock  
Passive Large Cap Value Manager  
Positions as of April 30, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change	Relative % Change
AT&T INC	T	80,924	\$2,663,197	2.95%	0.19%	32.91	33.35	1.34%	5.94%
GENERAL ELECTRIC CO	GE	57,333	\$1,122,586	2.91%	0.08%	19.58	18.40	-6.03%	-1.43%
CHEVRON CORP	CVX	10,572	\$1,126,567	2.85%	0.08%	106.56	100.90	-5.31%	-0.71%
PFIZER INC	PFE	103,682	\$2,374,308	2.63%	0.17%	22.90	22.30	-2.62%	1.98%
PROCTER & GAMBLE CO	PG	35,181	\$2,238,891	2.48%	0.16%	63.64	63.72	0.13%	4.73%
WELLS FARGO & CO	WFC	59,429	\$1,986,113	2.20%	0.14%	33.42	32.24	-3.53%	1.07%
JPMORGAN CHASE & CO	JPM	18,802	\$808,103	2.15%	0.06%	42.98	36.24	-15.68%	-11.08%
BERKSHIRE HATHAWAY INC	BRK/B	9,995	\$804,122	2.10%	0.06%	80.45	80.21	-0.30%	4.30%
JOHNSON & JOHNSON	JNJ	12,780	\$831,988	2.07%	0.06%	65.10	63.61	-2.29%	2.31%
INTEL CORP	INTL	84,058	\$1,805,557	2.00%	0.13%	21.48	19.20	-10.61%	-6.01%
TOP TEN HOLDINGS			\$15,761,432	24.34%	1.13%	Russell 1000 Value		<b>-4.60%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$90,277,865**  
\$1,416,860,064

STANCERA  
Price Monitor Position Report

Capital Prospects  
Active US Small Cap Value Manager  
Positions as of April 30, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000V	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change	Relative % Change
Regal Beloit Corp	RBC	14,397	\$973,837	1.51%	0.07%	0.00%	67.64	59.86	-11.50%	-7.23%
The Brink's Co	BCO	32,765	\$832,240	1.29%	0.06%	0.03%	25.40	23.68	-6.77%	-2.50%
Littelfuse Inc	LFUS	11,968	\$750,028	1.16%	0.05%	0.00%	62.67	59.30	-5.38%	-1.11%
Hanesbrands Inc	HBI	26,258	\$741,001	1.15%	0.05%	0.00%	28.22	26.46	-6.24%	-1.97%
Belden Inc	BDC	21,206	\$732,876	1.14%	0.05%	0.04%	34.56	33.39	-3.39%	0.88%
Meredith Corp	MDP	23,815	\$686,580	1.06%	0.05%	0.17%	28.83	28.78	-0.17%	4.10%
Newell Rubbermaid Inc	NWL	37,196	\$676,972	1.05%	0.05%	0.00%	18.20	18.01	-1.04%	3.23%
Gulfport Energy Corp	GPOR	24,224	\$634,416	0.98%	0.04%	0.00%	26.19	21.35	-18.48%	-14.21%
Broadridge Financial S	BR	25,653	\$595,406	0.92%	0.04%	0.00%	23.21	21.22	-8.57%	-4.30%
Polyone Corporation	POL	42,289	\$586,121	0.91%	0.04%	0.06%	13.86	13.59	-1.95%	2.32%
TOP TEN HOLDINGS			\$7,209,476	11.18%	0.51%	0.30%	Russell 2000 Value:		<b>-4.27%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$64,479,707**  
\$1,416,860,064

## STANCERA

## Price Monitor Position Report

Delaware Investments Advisers  
Active Large Cap Growth Portfolio  
Positions as of April 30, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	16,900	\$9,869,262	8.27%	0.70%	7.38%	583.98	553.17	-5.28%	-0.52%
Visa Inc.	V	54,300	\$6,677,814	5.60%	0.47%	0.28%	122.98	116.61	-5.18%	-0.42%
MasterCard Inc. Cl A	MA	14,500	\$6,557,915	5.50%	0.46%	0.66%	452.27	414.47	-8.36%	-3.60%
QUALCOMM Inc.	QCOM	97,100	\$6,197,893	5.19%	0.44%	1.46%	63.83	61.44	-3.74%	1.02%
EOG Resources Inc.	EOG	54,950	\$6,034,060	5.06%	0.43%	0.40%	109.81	99.21	-9.65%	-4.89%
Crown Castle International Corp.	CCI	105,800	\$5,989,338	5.02%	0.42%	0.22%	56.61	54.28	-4.12%	0.64%
priceline.com Inc.	PCLN	7,800	\$5,934,396	4.97%	0.42%	0.52%	760.82	662.33	-12.95%	-8.19%
Allergan Inc.	AGN	57,400	\$5,510,400	4.62%	0.39%	0.40%	96.00	91.25	-4.95%	-0.19%
Google Inc. Cl A	GOOG	8,200	\$4,959,770	4.16%	0.35%	2.08%	604.85	611.11	1.03%	5.79%
VeriSign Inc.	VRSN	111,100	\$4,567,321	3.83%	0.32%	0.09%	41.11	39.79	-3.21%	1.55%
TOP TEN HOLDINGS			\$62,298,169	52.20%	4.40%	13.50%	Russell 1000 Growth:		<b>-4.76%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$119,339,319**  
\$1,416,860,064

STANCERA  
Price Monitor Position Report

Dodge & Cox Equity  
Active US Large Cap Value Manager  
Positions as of April 30, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000V	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change	Relative % Change
COMCAST CORP-CLASS A	CMCSA	200,063	\$6,131,192	4.50%	0.43%	0.70%	30.33	28.85	-4.88%	-0.28%
WELLS FARGO & CO	WFC	160,072	\$5,313,699	3.90%	0.38%	2.20%	33.43	32.24	-3.56%	1.04%
CAPITAL ONE FINANCIAL CORP	COF	92,500	\$5,177,451	3.80%	0.37%	0.40%	55.48	51.28	-7.57%	-2.97%
HEWLETT-PACKARD CO	HPQ	205,005	\$5,041,202	3.70%	0.36%	0.70%	24.76	22.40	-9.53%	-4.93%
MERCK & CO. INC.	MRK	122,500	\$4,768,705	3.50%	0.34%	1.70%	39.24	37.74	-3.82%	0.78%
GENERAL ELECTRIC CO	GE	230,000	\$4,496,207	3.30%	0.32%	3.00%	19.58	18.40	-6.03%	-1.43%
PFIZER INC	PFE	190,000	\$4,359,959	3.20%	0.31%	2.60%	22.93	22.30	-2.75%	1.85%
SANOFI-ADR	SNY	98,255	\$3,814,964	2.80%	0.27%	-	38.18	34.60	-9.38%	-4.78%
TIME WARNER INC	TWX	100,032	\$3,814,964	2.80%	0.27%	0.50%	37.46	35.28	-5.82%	-1.22%
MICROSOFT CORP	MSFT	115,000	\$3,678,715	2.70%	0.26%	-	32.02	30.21	-5.65%	-1.05%
TOP TEN HOLDINGS			\$46,597,057	34.10%	3.29%	11.80%	Russell 1000 Value:		<b>-4.60%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$136,248,705**  
\$1,416,860,064



## STANCERA

## Price Monitor Position Report

Legato Capital Management

Active US Small Cap Growth Manager

Positions as of April 30, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000G	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change	Relative % Change
PORTFOLIO RECOVERY ASSOCIATES II	praa	11,022	\$785,021	1.32%	0.06%	0.20%	68.82	70.48	2.41%	7.69%
ULTIMATE SOFTWARE GROUP INC	ulti	17,536	\$755,285	1.27%	0.05%	0.33%	77.16	76.93	-0.30%	4.98%
UNITED NATURAL FOODS INC	unfi	9,486	\$719,603	1.21%	0.05%	0.40%	49.29	50.78	3.02%	8.30%
HEALTHSOUTH CORP	hls	37,429	\$713,656	1.20%	0.05%	-	22.39	20.38	-8.98%	-3.70%
CEPHEID INC	cphd	32,292	\$695,814	1.17%	0.05%	0.42%	38.41	37.86	-1.43%	3.85%
LKQ CORP	lkqx	14,077	\$683,920	1.15%	0.05%	-	33.45	35.50	6.13%	11.41%
SEMTECH CORP	smtc	22,651	\$636,343	1.07%	0.04%	0.30%	27.26	24.82	-8.95%	-3.67%
GEO GROUP INC	geo	32,421	\$630,396	1.06%	0.04%	-	20.71	22.44	8.35%	13.63%
NATIONAL INSTRUMENTS CORP	nati	19,670	\$588,766	0.99%	0.04%	-	27.20	26.49	-2.61%	2.67%
ROLLINS INC COM	rol	21,025	\$576,872	0.97%	0.04%	0.22%	21.25	21.22	-0.14%	5.14%
TOP TEN HOLDINGS			\$6,785,675	11.41%	0.48%	1.87%	Russell 2000 Growth:		<b>-5.28%</b>	

Total Portfolio Value

**\$ 59,471,293**

Total StanCERA Value

\$1,416,860,064

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

STANCERA  
Price Monitor Position Report

BNY - S&P 500 Index  
Passive S&P 500 Index Fund  
Positions as of April 30, 2012

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	4,797	\$2,801,489	4.29%	0.20%	583.98	553.17	-5.28%	-0.61%
Exxon Mobil Corp	XOM	24,203	\$2,089,689	3.20%	0.15%	86.34	81.79	-5.27%	-0.60%
INTL Business Machines	IBM	6,055	\$1,253,813	1.92%	0.09%	207.08	199.04	-3.88%	0.79%
Microsoft Corp.	MSFT	38,137	\$1,221,162	1.87%	0.09%	32.02	30.21	-5.65%	-0.98%
Chevron Corp	CVX	10,173	\$1,084,026	1.66%	0.08%	106.56	100.9	-5.31%	-0.64%
AT&T	T	32,542	\$1,070,965	1.64%	0.08%	32.91	33.35	1.34%	6.01%
General Electric Co	GE	54,030	\$1,057,905	1.62%	0.07%	19.58	18.4	-6.03%	-1.36%
Procter & Gamble	PG	14,981	\$953,420	1.46%	0.07%	63.64	63.72	0.13%	4.79%
Johnson & Johnson	JNJ	14,545	\$946,890	1.45%	0.07%	65.10	63.61	-2.29%	2.38%
Coca Cola Co	KO	12,321	\$940,360	1.44%	0.07%	76.32	76.57	0.33%	5.00%
TOP TEN HOLDINGS			\$13,419,719	20.55%	0.95%	S&P 500 Index:		<b>-4.67%</b>	

Total Portfolio Value  
Total StanCERA Value

<b>\$65,302,768</b>
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\$1,416,860,064

STANCERA  
Price Monitor Position Report

LSV Asset Management  
International Large Cap Value  
Positions as of April 30, 2012

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	4/30/2012 PX	5/15/2012 PX	Position % Change	Relative % Change
ROYAL DUTCH SHELL PLC	RDS/A	London	49,177	\$3,518,144	2.94%	0.25%	1.54%	71.54	63.84	-10.76%	-2.52%
SANOFI S.A.	SNY	Paris	62,371	\$2,381,329	1.99%	0.17%	0.58%	38.18	34.60	-9.38%	-1.13%
CHINA PETROLEUM & CHEMICAL CORP	SNP	Hong Kong	18,380	\$1,938,569	1.62%	0.14%	0.12%	105.47	96.73	-8.29%	-0.04%
COMPANIA SANEAMENTO BASICO EST	SBS	Brazil	24,036	\$1,902,670	1.59%	0.13%	0.03%	79.16	71.99	-9.06%	-0.81%
ASTRAZENECA PLC	AZN	London	43,068	\$1,890,703	1.58%	0.13%	0.39%	43.90	42.39	-3.44%	4.80%
NOVARTIS AG	NVS	Switzerland	33,186	\$1,830,871	1.53%	0.13%	0.87%	55.17	52.29	-5.22%	3.02%
ENI - ENTE NAZIONALE IDROCARBURI	ENI	Italy	84,421	\$1,711,206	1.43%	0.12%	0.36%	20.27	18.33	-9.57%	-1.33%
BASF SE	BASFY.PK	Germany	19,934	\$1,639,407	1.37%	0.12%	0.51%	82.24	72.70	-11.60%	-3.36%
VODAFONE GROUP PUBLIC LIMITED	VOD	London	58,499	\$1,627,441	1.36%	0.11%	0.95%	27.82	27.32	-1.80%	6.45%
ALLIANZ SE	ALV.DE	Germany	18,906	\$1,591,541	1.33%	0.11%	0.34%	84.18	77.15	-8.35%	-0.11%
TOP TEN HOLDINGS				\$20,031,882	16.74%	1.41%	5.69%	MSCI ACWI ex-U.S.		<b>-8.24%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$119,664,765**  
\$1,416,860,064

## STANCERA

## Price Monitor Position Report

Pyramis Global Advisors

Active Non-US Growth Manager

Positions as of April 30, 2012

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change	Relative % Change
ROYAL DUTCH SHELL PLC CL A(NL)	B09CBL4	Amsterdam	58095	\$2,066,078	1.65%	0.15%	1.50%	71.54	63.84	-10.76%	-2.52%
NESTLE SA (REG)	7123870	Switzerland	30756	\$1,884,023	1.50%	0.13%	1.34%	55.60	54.75	-1.53%	6.72%
BP PLC	798059	London	225629	\$1,630,425	1.30%	0.12%	0.91%	43.41	38.18	-12.05%	-3.80%
SAMSUNG ELECTRONICS CO LTD	6771720	So. Korea	1234	\$1,518,090	1.21%	0.11%	0.90%	273.50	256.00	-6.40%	1.85%
VODAFONE GROUP PLC	B16GWD5	London	535681	\$1,483,121	1.18%	0.10%	0.92%	27.82	27.32	-1.80%	6.45%
SANOFI	5671735	Paris	17635	\$1,345,831	1.07%	0.09%	0.58%	38.18	34.60	-9.38%	-1.13%
ROCHE HLDGS GENUSSSCHEINE	7110388	Switzerland	7146	\$1,305,356	1.04%	0.09%	0.85%	45.82	41.10	-10.30%	-2.06%
BRITISH AMER TOBACCO PLC (UK)	287580	London	23400	\$1,200,360	0.96%	0.08%	0.67%	102.92	99.62	-3.21%	5.04%
TORONTO-DOMINION BANK	2897222	Canada	13000	\$1,098,608	0.87%	0.08%	0.51%	84.45	78.55	-6.99%	1.26%
SAP AG	4846288	Germany	16296	\$1,080,370	0.86%	0.08%	0.40%	66.29	60.79	-8.30%	-0.05%
TOP TEN HOLDINGS				\$14,612,262	11.73%	1.03%	8.58%	MSCI ACWI ex-US:		<b>-8.24%</b>	

Total Portfolio Value

**\$125,625,002**

Total StanCERA Value

\$1,416,860,064

STANCERA  
Price Monitor Position Report

Research Affiliates  
Enhanced Rafi Global Long Short  
Positions as of April 30, 2012

Long Positions	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change
Bank of America Corp.	BAC-US	35,084	\$284,530	2.20%	0.02%	8.11	7.30	-9.99%
Royal Dutch Shell PLC (CL A)	RDSA-NL	8,668	\$232,913	1.80%	0.02%	26.87	25.28	-5.92%
Citigroup Inc.	C-US	6,140	\$202,926	1.57%	0.01%	33.05	27.79	-15.92%
BP PLC	BP-GB	4,652	\$201,942	1.56%	0.01%	43.41	38.18	-12.05%
Total S.A.	FP-FR	3,807	\$183,171	1.42%	0.01%	48.11	43.63	-9.31%
ConocoPhillips*	COP-US	2,348	\$168,190	1.30%	0.01%	71.63	52.53	-26.66%
Allianz SE	ALV-DE	1,997	\$168,087	1.30%	0.01%	84.18	77.15	-8.35%
AT&T Inc.	T-US	4,917	\$161,813	1.25%	0.01%	32.91	33.35	1.34%
General Electric Co.	GE-US	7,984	\$156,327	1.21%	0.01%	19.58	18.40	-6.03%
JPMorgan Chase & Co.	JPM-US	3,565	\$153,210	1.18%	0.01%	42.98	36.24	-15.68%
TOP TEN HOLDINGS			\$1,913,109	14.79%	0.14%			

\*ConocoPhillips spun off Refining Assets. Shareholders received 1 share of Phillips 66 (NYSE:PSX) for every 2 shares of COP.

Short Positions	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	4/30/2012 \$ PX	5/15/2012 \$ PX	Position % Change
Apple Inc.	AAPL-US	517	\$301,646	2.33%	0.02%	583.98	553.17	5.28%
Unilever	ULVR-GB; l	7,792	\$267,415	2.07%	0.02%	34.32	33.12	3.50%
Cisco Systems Inc.	CSCO-US	7,930	\$159,859	1.24%	0.01%	20.16	16.54	17.96%
BG Group PLC	BG-GB	4,981	\$159,678	1.23%	0.01%	32.06	28.51	11.07%
Schlumberger Ltd.	SLB-US	2,010	\$149,005	1.15%	0.01%	74.14	65.52	11.63%
BHP Billiton PLC	BLT-GB	1,966	\$146,107	1.13%	0.01%	74.30	65.77	11.48%
Philip Morris International Inc.	PM-US	1,610	\$144,128	1.11%	0.01%	89.51	84.72	5.35%
Coca-Cola Co.	KO-US	1,817	\$138,643	1.07%	0.01%	76.32	76.57	-0.33%
Unibail-Rodamco S.A.	UL-FR	727	\$135,887	1.05%	0.01%	186.89	177.10	5.24%
Saipem S.p.A.	SPM-IT	2,724	\$134,555	1.04%	0.01%	49.39	44.12	10.66%
TOP TEN HOLDINGS			\$1,736,924	13.43%	0.12%			

Total Portfolio Value  
Total StanCERA Value

**\$12,936,729**  
\$1,416,860,064

05/22/12 Item #7e

**Fwd: Important Notice Re: Enhanced RAFI Global Long Short LP**

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**From:** Kathy Herman  
**To:** Kelly Cerny  
**Date:** 5/17/2012 4:10 PM  
**Subject:** Fwd: Important Notice Re: Enhanced RAFI Global Long Short LP

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>>> Durrell Brown 5/17/2012 2:29 PM >>>



*Sent on behalf of John M. West, CFA*

May 17, 2012

Ms. Kathy Herman  
Stanislaus County Employees' Retirement Association  
832 12th Street Suite 600  
P.O. Box 3150  
Modesto, CA 95353-3150  
Dear Kathy:

On February 8, 2012, the Commodity Futures Trading Commission (CFTC) issued final regulations that repeal the futures, swaps, and other derivatives contracts. CFTC's changes require Research Affiliates Management, the general partner of all of our funds, to register as a CPO given the explicit use of these securities in the Enhanced RAFI® Global Long Short and three other Research Affiliates limited partnerships. In addition, the elimination of the exemption will require Research Affiliates, LLC, a registered investment advisor, to register as a commodity trading advisor (CTA). The effective date for the new rule, based on our prior claim of the exemption, is December 31, 2012.

As you are aware, the current variant of the Enhanced RAFI Global Long Short portfolio, as well as a new design we were about to propose, uses swaps. Unfortunately, we do not see an avenue to effectively implement this strategy utilizing other securities. We are exploring offering a similar portfolio through one of our affiliates, but do not have anything definitive at this time.

Our research-centric business model, which leverages affiliate distribution and administration, translates to lean internal compliance and operations functions. The record-keeping, financial reporting, and required disclosures that these new regulations impose will be a severe burden on our organizational structure. Simply put, this registration is incompatible with our business model.

Therefore, it is with great regret that we will be closing the Enhanced RAFI Global Long Short and two other funds that necessitate futures and swap implementation (a fourth strategy can be efficiently implemented without the affected securities). We anticipate the effective date of this closure on September 1, 2012. We would like to discuss options with you for transitioning your assets out of the Enhanced RAFI Global Long Short limited partnership.

We sincerely apologize for the disruption these changes will cause. All three strategies that will close as a result of this new requirement have Research Affiliates employee owner capital, and while we wish to continue to manage them for ourselves and our clients, it is not feasible under such a regulatory environment.

5/17/2012.

Your account manager will contact you with additional details.

Sincerely,

John M. West, CFA  
Director, Institutional Client Group  
JMW/drb

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

Phone (209) 525-6393  
Fax (209) 558-4976  
[www.stancera.org](http://www.stancera.org)  
e-mail: [retirement@stancera.org](mailto:retirement@stancera.org)

**May 22, 2012 Board of Retirement Meeting**

**05/22/12  
Item #8a**

TO: The Board of Retirement  
FROM: Kathy Herman, Operations Manager

- I. SUBJECT:** Administrative Budget for Fiscal Year 2012-2013 (**Attachment I**)
- II. RECOMMENDATION:** Adopt the final Fiscal Year 2012-2013 Administrative Budget with any changes that result from the Retirement Board's review at this meeting.
- III. ANALYSIS:**

Please find attached the Fiscal Year 2012-2013 (FY12/13) StanCERA Administrative budget figures. The Fiscal Year 2012-2013 budget includes upgrading Microsoft Office 2003 to Microsoft Office 2010, a mounted projector for the Board Room and replacement of one copier. FY12/13 should see stability in the staffing of StanCERA, since all positions have now been filled and no other staff members are planning retirement at this time.

**Review of This Year's (FY 2011-2012) Administrative Budget and Expenditures**

Total estimated expenditures were in line with the original budget. FY11/12 saw many staffing changes. The Operations Manager, the Benefits Manager, the Administrator and the I.T. Coordinator retired. The resulting vacancies created some salary savings, which help offset some of the termination cash-outs. Several recruitments were conducted to give current staff and previous County employees' the opportunity to promote and/or be rehired. The first recruitment was started in May 2011 and one year later May 2012 all positions have finally been filled. In FY11/12, four people were hired and four others promoted. Unfortunately, the shortage of help and continual transition of staff throughout the year did slow down some processes and made it necessary to utilize temporary staff to segregate some functions and maintain work flow until full time staff could be hired.

Disability retirement applications were up, however, we have implemented a new disability process which allows for an initial legal review to determine if additional medical justification will actually be required to make a determination on a pending disability application. Converting over to the new process has created a current decrease in medical exam costs, since the legal determination on some of these cases is still pending and as was done in the past, staff is not immediately sending these applicants out for examination.

Several open lawsuits continued to drive up other legal fees as well.

Utilities rose during the fiscal year and were adjusted by the County. Staff continued to be cautious with office supplies, software and equipment purchases with resulting expenditures. Travel and education costs for Retirement Board members and staff were well below the budgeted amounts. StanCERA was able to save some money on the Executive search for the new Director. Depreciation was not budgeted correctly in FY11/12 and consequently the actual amount was \$20,000 more than the budget. This has been corrected for FY12/13.



## ANALYSIS CONT.

### **FY 2012 – 2013 Budget Limitation Approach (Changed January 1, 2011)**

Government Code section 31580.2 within the 1937 Act was amended effective January 1, 2011 to allow for expenditures for administrative services (other than software, hardware and computer technology consulting services) to be the greater of 0.21% of the accrued actuarial liability or \$2,000,000. The accrued actuarial liability of StanCERA as of June 30, 2011 was \$1,757,717,511. The total accrued actuarial liability of 0.21% is \$3,691,207. We have shown the costs related to the IT Coordinator, computer technology software, hardware and consulting services separately in this budget (see “Budget Code Section 31580.2 (2)(b)” column in **Attachment I**).

### **FY 2012 – 2013 Administrative Budget Request**

A total of \$2,169,874 is requested for all administrative expenses in FY12/13 including costs related to computer technology. The total of administrative expenses (excluding computer technology costs) of \$1,982,801 is 0.11% of the accrued actuarial liability as of June 30, 2011, below the 0.21% legal limit. The 6<sup>th</sup> Floor lease revenue for 10 months is included and will offset increased 6<sup>th</sup> floor expenses.

Salaries include eleven full-time staff and one part-time or extra help staff. See **Attachment II** for the organizational chart. Ten full-time staff members will take a **6% deduction** in pay for the fiscal year. The salary budget, which is approximately \$194,000 below FY 11/12 levels, includes about \$32,000 total for all potential merit increases for those staff who have not reached the top of their pay range. **Excluded** now for three years are bonuses, professional development and other items relating to compensation that are in line with Stanislaus County personnel policies.

The budget for Employee Benefits did not decrease as much. Retirement cost increased approximately \$22,000, however health care costs decreased by \$44,000, partially due to staff selecting less expensive high deductible plans. FICA and the self funded insurances (unemployment and workers compensation) are also down \$20,000, for an overall decrease in Salary and Benefits of approximately \$236,000.

We are budgeting \$10,000 for Computer Software Support. This is a marked increase. This year, in addition to typical support and upgrades, StanCERA will be upgrading all staff computers to Microsoft Office 2010, which is now the standard for the County. Licenses are approximately \$500 each. The new I.T. Coordinator is experienced in Microsoft Office 2010 which should prevent additional costs for training once the upgrade is complete. The contractual costs for annual maintenance \$42,000 and disaster recovery \$10,500 with Tyler Technologies for our pension system are included.

The estimated legal costs include \$65,000 for Disability Counsel, \$150,000 for General Legal Counsel based on current expenditure levels and \$200,000 for other counsel costs in anticipation of possible litigation costs.

Costs related to the processing of disability retirement applications (medical exams, hearing costs, etc.) are anticipated to be around \$35,000 for the year, in line with last year’s budgeted amount.

## **ANALYSIS CONT.**

The SBT (additional IT support) budgeted amount, \$21,099, is provided by SBT and we anticipate that this figure provided for FY 12/13 is within a reasonable range of costs at this time. The breakout of amounts includes the \$4,571 for telecommunications and \$16,528 for computer-related services.

The budgeted amount for Other Professional Services of \$10,000 is higher in anticipation of hiring a facilitator, should the Board of Retirement decide to hold Strategic Planning workshops, to update the three-year Strategic Plan this year.

The \$14,000 amount budgeted for office supplies is in line with this years estimated expenditures and still \$2,270 below FY10/11.

We regularly budget \$6,000 each year for the replacement of personal computers or other computer equipment and supplies to keep staff current with modern technology consistent with the Retirement Board's Strategic Plan goal.

The amounts budgeted for Central Services & Mail Room are amounts that have been provided by Stanislaus County. The services include auditor (payroll and disbursement), purchasing, risk management (safety and insurance programs) and personnel (recruitment and policy).

The amounts budgeted for the 12<sup>th</sup> Street janitorial, maintenance and utilities is projected by the County. These "12<sup>th</sup> Street" costs include only building common areas. Janitorial, maintenance and utilities costs for the entire 6<sup>th</sup> floor are now recognized in its appropriate account. In previous years, staff had combined the entire 6<sup>th</sup> floor janitorial expense with the 12<sup>th</sup> Street common cost, which explains the decrease in that item in this year's budget.

The Other County Services (A-87) budget is used by the County to true up capital charges and costs and is adjusted up or down each year.

Last fiscal year was the fifth (final) phase of five phases budgeted to assist Stanislaus County Chief Executive Office/Risk Management Division in defraying the cost of job tasks analyses. The job tasks analyses assisted StanCERA staff with disability retirement determinations by having available the various specific tasks that each job classification performs for medical reviews as applicants are examined to see whether or not the applicant can perform the job duties.

The Contract Services budget of \$45,000 includes services related to confidential shredding, alarm service and web site services as well as broker fees related to the leasing of the vacant space on the 6<sup>th</sup> floor.

The 6<sup>th</sup> Floor budget of \$54,618 includes the costs of regular janitorial services provided by United Building Services, some potential for extraordinary cleaning that may be needed (e.g. carpet cleaning or window washing) as well as additional cost due to the lease of the vacant space. This budget item will ultimately be offset by the estimated lease revenue of \$43,618 (10 months).

## **ANALYSIS CONT.**

We have budgeted for Communications and Printing a total of \$31,500 which includes payroll advice notices, the Popular Annual Financial Report, semi-annual member statements, and distribution of StanCERA's newsletter via U.S. Postal services to active members (employees). Payroll distribution is no longer an option for active members. While staff continue to look at more efficient ways of delivery, experience from 1937 Act system members indicates that electronic newsletters are not read as frequently by members as printed newsletters.

Publications include mostly the Wall Street Journal (WSJ) subscriptions but can also include SACRS materials such as 1937 Act law manuals or other publications. A budgeted amount of \$2,500 is in line with this fiscal year's estimated expenditures.

The Other Office Expense budgeted at \$25,000 for FY12/13 includes copier and document storage expenses as well as other items needed for securing critically important historical documents such as Retirement Board minutes in paper format as well as electronically. This year we anticipate having to replace one of the copiers.

We are maintaining higher budgeted amounts than this fiscal year's estimated expenditures for both Retirement Board member and staff education and travel. We have several new staff members, who along with Trustees need training including CALAPRS New Trustee training and SACRS Investment training as well as the regular SACRS, CALAPRS and NCPERS conferences, seminars and symposiums to help bring them "up to speed." With StanCERA's needs for education in investment, tax, actuarial and benefits arenas, maintaining this budget allows for Board members and staff to receive appropriate training and is in line with the Retirement Board's Strategic Plan goal to keep current and up to date.

The Meeting Allowance budget has been maintained at \$16,000 for FY 2012 – 2013 to reflect the actual costs experienced this past fiscal year with some allowance for additional special meetings.

The \$52,537 budgeted for Insurance includes the estimated cost of Automobile Liability, General Liability and Fiduciary insurances in FY 2012 – 2013. The Fiduciary Insurance annual coverage cost increased to \$45,000 and is based on the 6/30/2011 fund balance.

The costs of Memberships (SACRS, CALAPRS and NCPERS) rose slightly and the budgeted amount of \$10,000 reflects the estimated expenditures for FY 2011-2012.

The depreciation of \$173,491 includes depreciation of the Tyler computer project of \$125,626, the condominium interest (office) of \$42,030 and various pieces of office and recording equipment of \$5,835.

#### **IV. RISK:**

Government Code section 31580.2 allows for expenditures for administrative services (other than software, hardware and computer technology consulting services) to be the greater of 0.21% of the accrued actuarial liability or \$2,000,000. In FY12/13, we continue to exercise prudence in budgeting administrative expenses and are submitting a budget which is only 0.11% of the accrued actuarial liability and well below the allotted legal amount.

#### **V. STRATEGIC PLAN:**

Goal 3 – StanCERA will maintain excellence in governance and customer service through continuous organizational improvement.

#### **VI. BUDGET IMPACT:**

Overall, the budget on an expense basis increased by only \$900 (see **Attachment III** for the major changes), whereas on a cash flow basis actually decreased by about \$59,000 from Fiscal Year 2011-2012.

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Kathy Herman, Operations Manager

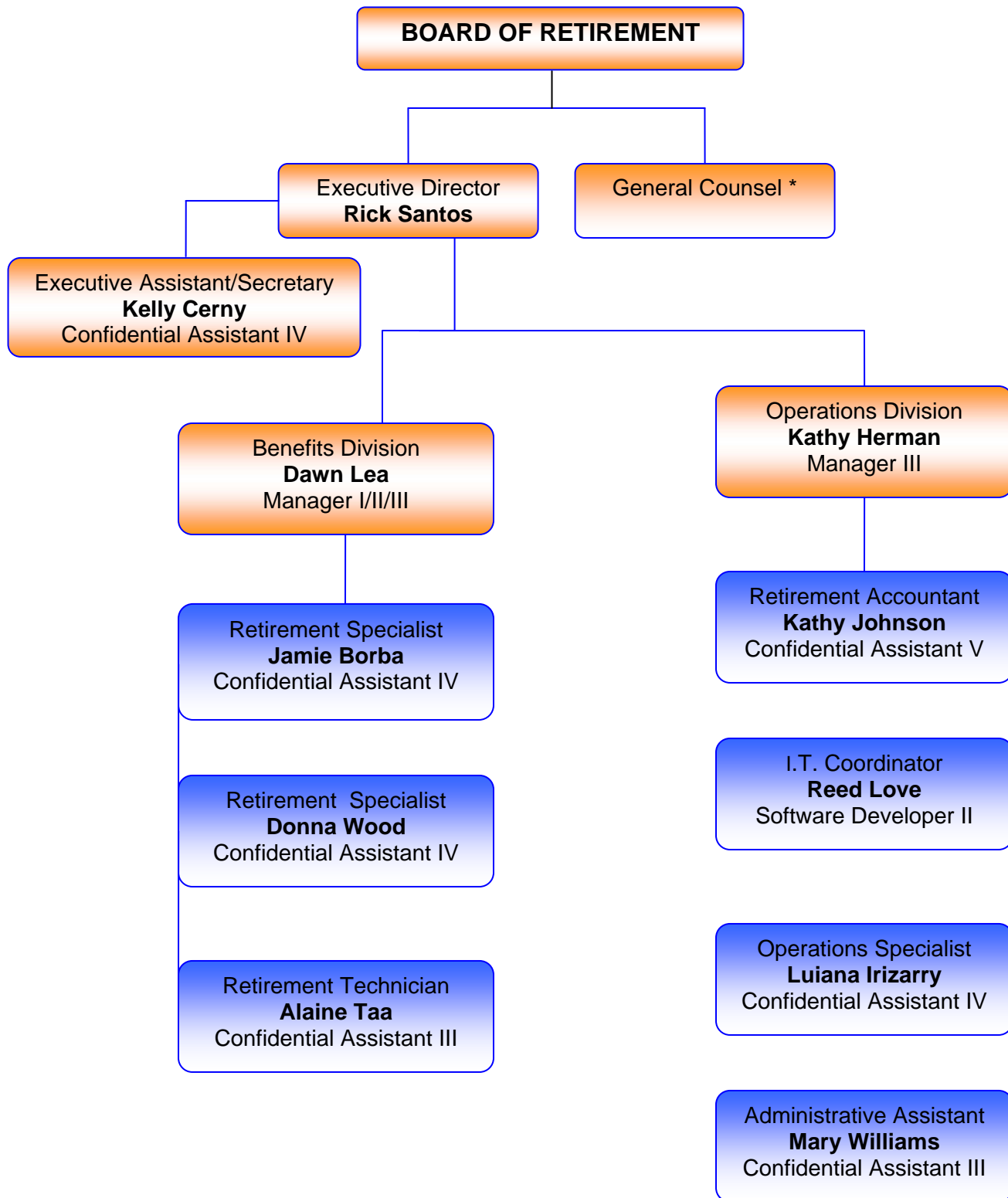
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Rick Santos, Executive Director

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION FISCAL YEAR 2012-2013 ADMINISTRATIVE BUDGET						
FUND/ORG: 6100/0064410	FY 11/12 Budget	FY 11/12 ESTIMATED	FY 12/13 BUDGET REQUEST	CODE SECTION 31580.2(2)(b)	TOTAL	INC/ DEC %
ACCT DESCRIPTION						
<b>EXPENDITURES:</b>						
SALARIES & BENEFITS						
745201 SALARIES AND WAGES	995,804	935,557	738,718	62,798	801,516	-19.51%
745202 EMPLOYEE BENEFITS	462,269	348,390	381,121	39,248	420,369	-9.06%
SALARIES & FRINGE TOTAL	1,458,073	1,283,947	1,119,839	102,046	1,221,885	-16.20%
SERVICES & SUPPLIES						
745211 COMPUTER SOFTWARE SUPPORT	3,125	0	0	10,000	10,000	220.00%
745211a ANNUAL TYLER MAINTENANCE	40,000	38,688	0	42,000	42,000	5.00%
745211b ANNUAL TYLER DISASTER MAINT.	10,000	11,967	0	10,500	10,500	5.00%
745212 COUNTY COUNSEL	10,000	1,909	0		-	-100.00%
745213a Disability Legal Counsel ( TD)	65,000	64,272	65,000		65,000	0.00%
745213b Other Legal Counsel	34,000	64,963	200,000		200,000	488.24%
745213c Outside General Counsel	150,000	136,878	150,000		150,000	0.00%
745214 MEDICAL EXAMS, REVIEWS, HEARINGS	35,000	16,800	35,000		35,000	0.00%
745215 STANCO SBT DEPT	20,670	20,379	4,571	16,528	21,099	2.08%
745216 OTHER PROFESSIONAL SERVICES	5,000	1,690	10,000		10,000	100.00%
745216a Recruitment Expense (Executive)	22,000	13,649	0		-	-100.00%
745231 OFFICE SUPPLIES	14,000	13,748	14,000		14,000	0.00%
745232 EQUIPMENT & COMPUTER SUPPLIES	6,000	5,449		6,000	6,000	0.00%
745233 CENTRAL SERVICES & MAIL ROOM	36,020	29,339	35,620		35,620	-1.11%
745234a 12th Street Janitorial	10,000	654	1,200		1,200	-88.00%
745234b 12th Street Maintenance	49,320	22,551	24,127		24,127	-51.08%
745234c 12th Street Utilities	30,800	35,496	36,414		36,414	18.23%
745234d Other County Services ( A-87)	(2,782)	(3,597)	6,583		6,583	121.37%
745234f Tx Funds To Risk Management	4,500	0	0		-	-100.00%
745235 Contract Services	25,000	27,124	45,000		45,000	80.00%
745236 6th Floor Maint, Janitorial, etc. (RJ)	0	10,760	54,618		54,618	n/a
745237 Communications & Printing	31,500	27,327	31,500		31,500	0.00%
745238 Publications	2,500	2,076	2,500		2,500	0.00%
745239 Other Office Expense	25,000	22,388	25,000		25,000	0.00%
745250 Fiduciary Travel	30,000	21,011	30,000		30,000	0.00%
745251 Fiduciary Education	27,910	10,832	27,910		27,910	0.00%
745252 Staff Education & Travel	18,000	17,150	22,000		22,000	22.22%
745253 Fiduciary Meeting Allowance	16,000	11,600	16,000		16,000	0.00%
745254 Insurance	43,540	51,620	52,537		52,537	20.66%
745255 Memberships	8,500	9,573	10,000		10,000	17.65%
745299 Depreciation	150,407	170,251	47,865	125,626	173,491	15.35%
SERVICES & SUPP. TOTAL	921,010	856,547	947,445	210,654	1,158,099	25.74%
TOTAL BUDGET	2,379,083	2,140,494	2,067,284	312,700	2,379,983	0.04%
PERCENTAGE OF MAXIMUM	65%	59%	56%	N/A	N/A	
MAXIMUM ALLOWABLE = BASED ON 0.21% (.0021 or 21 bp) OF ACTUARIAL ACCRUED LIABILITY	3,649,430 1,737,824,000	3,649,430 1,737,824,000	3,691,207 1,757,717,511			
Valuation Year ACTUAL BASIS POINTS	6/30/10 0.13%	6/30/10 0.12%	06/30/11 0.11%			
6th Floor Lease Revenue			43,618		43,618	
CAPITAL EXPENDITURES						
84420 COMPUTER / AV EQUIPMENT	0	6,482	7,000		7,000	100.00%
84790 SOFTWARE DEVELOPMENT (Tyler)	0	0	0	0	0	
TOTAL CAPITAL EXPENDITURES	0	6,482	7,000	0	7,000	100.00%
TOTAL CASH OUT-FLOW (excludes depreciation)	2,228,676	1,976,725	1,982,801	187,074	2,169,874	

**ORGANIZATIONAL CHART**

Effective 2012



\* Retirement Board utilizes private general legal counsel for administrative legal services.  
Private attorneys provide legal assistance for disability retirement applications.

**Major \$ Changes in Expense Budget - FY 11-12 to 12-13**  
Attachment III

