



## Stanislaus County Employees' Retirement Association

832 12th Street, Ste. 600, Modesto, CA 95354 • PO Box 3150, Modesto, CA 95353 • [www.stancera.org](http://www.stancera.org) • 209-525-6393 • 209-558-4976 Fax

### AGENDA

#### BOARD OF RETIREMENT

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

**July 28, 2015**  
**2:00 p.m.**

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

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

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

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

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

**AUDIO:** All Board of Retirement regular meetings are audio recorded. Audio recordings of the meetings are available after the meetings at [http://www.stancera.org/agenda\\_schedule](http://www.stancera.org/agenda_schedule).

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

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

1. Meeting Called to Order
2. Roll Call
3. Announcements
4. Public Comment
5. Consent Items
  - a. Approval of the July 8, 2015 Meeting Minutes [View](#)
6. Annual Performance Report
  - a. Dodge and Cox Fixed Income and Equity [View](#)
    1. Value Added Report [View](#)
  - b. Raven Capital Management LLC

7. Strategic Investment Solutions (SIS), Inc.
  - a. Monthly Flash Report for the Month Ending June 30, 2015 [View](#)
  - b. Report on “Top 10 Holdings” of StanCERA Investment Managers as of June 30, 2015 [View](#)
8. Closed Session
  - a. Conference with Legal Counsel – Pending Litigation – One Case:  
Stanislaus County Employees’ Retirement Association v. Buck Consultants, LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152  
Government Code Section 54956.9(d)(4)
  - b. Conference with Legal Counsel – Pending Litigation – One Case:  
O’Neal et al v. Stanislaus County Employees’ Retirement Association  
Stanislaus County Superior Court Case No. 648469  
Government Code Section 54956.9(d)(1)
  - c. Conference with Legal Counsel – Pending Litigation – One Case:  
Nasrawi et al v. Buck Consultants, LLC, et.al, Santa Clara County  
Superior Court Case No. 1-11-CV202224; Court of Appeal, Sixth Appellate  
District, Case No. H038894  
Government Code Section 54956.9(d)(1)
9. Members’ Forum (Information and Future Agenda Requests Only)
10. Adjournment



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### PLEASE POST FOR EMPLOYEE VIEWING

#### BOARD OF RETIREMENT MINUTES

July 8, 2015

**Trustees Present:** Maria DeAnda, Jim DeMartini, Michael O'Neal,  
Jeff Grover, Jason Gordo, Mike Lynch, Donna Riley  
and Jegen Raja for Gordon Ford

**Trustees Absent:** Gordon Ford

**Alternate Trustee** Joan Clendenin, Alternate Retiree Representative

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

**Others Present:** Fred Silva, General Legal Counsel

1. Meeting Called to Order

Meeting called to order 1:03 p.m. by Trustee DeAnda, Chair

2. Roll Call

3. Announcements

Rick Santos, Director announced that MID will be doing an engineering study which should be complete by the end of the month that lays out the cost of burying the power lines so window washing can commence on the building. A rough estimate of the price was \$250,000 plus any additional cost AT&T will charge to bury communication lines

Director announced that Scott Smith, StanCERA special counsel approved of the side letter and LPA with the Raven III fund. Consequently, StanCERA has entered into a contract with that fund. StanCERA made its first capital commitment to the fund on Monday, July 6<sup>th</sup>.

Director announced that he would be on vacation for the July 28<sup>th</sup> investment meeting.

Kathy Herman, Fiscal Services Manager announced that letters regarding Fiduciary Insurance dues and due dates will be mailed soon.

4. Public Comment

None

5. Consent Items

a. Approval of the June 23, 2015 Meeting Minutes

b. StanCERA Quarter 2 2015 Complaint Log

5. Consent Items (cont)

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

1. Anderson, Margaret – BHRS – Effective 07-01-2015
2. Anderson, Theresa – HSA – Effective 07-18-2015
3. Blakely, William, – Sheriff – Effective 07-26-15, \*
4. Brock, Charlene– Library – Effective 07-01-2015
5. Broderick, Peter – HSA – Effective 03-31-2015
6. Camara, Joe – Sheriff – Effective 07-26-2015 \*
7. Clegg, Stephen – DER– Effective. 04-06-15
8. De Chari, Dina – Probation – Effective 07-08-2015 \*
9. Grom, Charles – Sheriff – Effective 06-27-2015 \*
10. Heidorn, Cynthia – City Of Ceres– Effective 07-18-2015
11. Hernandez, Linda – CSA – Effective 07-11-2015
12. Housewright, Joann – HSA– Effective 07-03-2015
13. Leimbach, Sulu – CSA – Effective 07-03-2015
14. Lindvall, Karen – DCSS – Effective 07-10-2015
15. Malekos, Olivia – CSA – Effective 07-07-2015
16. Stearns, William – DA – Effective 07-10-2015

*\* Indicates Safety Personnel*

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

1. Carriedo, Claudia – CSA – Effective 06-05-2015
2. Chea, Boravuth – CSA – Effective 05-31-2015
3. Maroudas, George – City of Ceres – Effective 02-19-2015
4. Meeds, Madison – HSA – Effective 04-10-2015
5. Navarro, Naomi – Courts – Effective 04-20-2015
6. Nemeth, Sheila – Sheriff – Effective 06-01-2015

*\* Indicates Safety Personnel*

e. Executive Director Goals Update Quarter 2 2015

Motion was made by Trustee Gordo and seconded by Trustee O'Neal to approve consent items as printed.

Motion carried unanimously

6. Executive Director

a. Discussion and Action Regarding New Meeting Schedule

Motion was made by Trustee Gordo and seconded by Trustee Riley to move to single monthly retirement board meetings held on the 3<sup>rd</sup> Wednesday of the month at 1:00 p.m.

This change will take effect January 1, 2016 with a review in one year.

Roll Call Vote

Trustee DeAnda	Yes	Trustee Grover	Yes	Trustee Gordo	Yes
Trustee Riley	Yes	Trustee Lynch	Yes	Jegen Raja for Gordon Ford	Yes
Trustee O'Neal	Yes	Trustee DeMartini	No		

6. Motion passed 7/1  
Executive Director (cont.)

b. Monthly Staff Report

7. Closed Session

Motion was made by Trustee O'Neal and seconded by Trustee Riley to go into closed session at 1:28 p.m.

Motion carried unanimously

- a. Conference with Legal Counsel – Pending Litigation – One Disability Case:  
Government Code Section 54956.9(d)(1)

Motion was made by Trustee Riley and seconded by Trustee Grover to go into open session at 1:31p.m.

Motion carried unanimously

Break at 1:32 p.m.  
Return to meeting 1:52 p.m.

Nothing to report out for closed session

7. Closed Session (cont.)

Motion was made by Trustee Gordo and seconded by Trustee O'Neal to go into closed session at 1:55 p.m.

Motion carried unanimously

- b. Conference with Legal Counsel – Pending Litigation – One Case:  
Stanislaus County Employees' Retirement Association v. Buck Consultants, LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152  
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Superior Court Case No. 1-11-CV202224; Court of Appeal, Sixth Appellate  
District, Case No. H038894  
Government Code Section 54956.9(d)(1)
- e. Interview of Investment Consultants to Function as an Investment Officer  
Government Code Section 54957(b)(1)



Motion was made by Trustee Riley and seconded by Trustee Grover to go into open session at 4:35 p.m.

Motion carried unanimously

7. Closed Session (cont.)

Read out From Closed session Item 7.e

Motion was made by Trustee Gordo and seconded by Trustee Lynch to authorize the Executive Director to finalize the terms of the contract and enter in to an agreement with Verus for a 3 year term with an option to renew.

Motion carried unanimously

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

Kellie Gomes announced that a correction will be made to the agenda in the minutes to reflect Stephen Clegg is a Service Retirement under sections 31499.14, 31670, 31662.2 & 31810 not a Deferred Retirement as stated on the agenda.

9. Adjournment

Meeting adjourned at 4:39 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:  
Fred Silva, GENERAL LEGAL COUNSEL

By:   
Fred Silva, General Legal Counsel

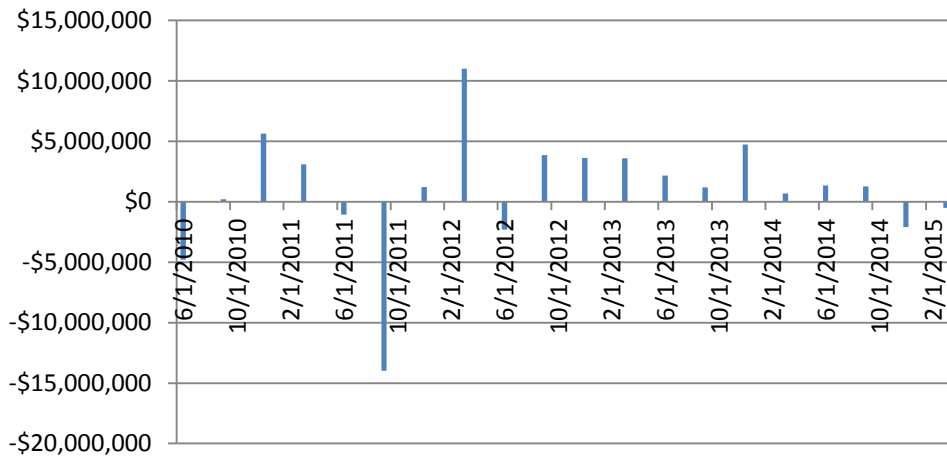
# Dodge & Cox Fixed Income

7/28/15  
Item # 6.a.1

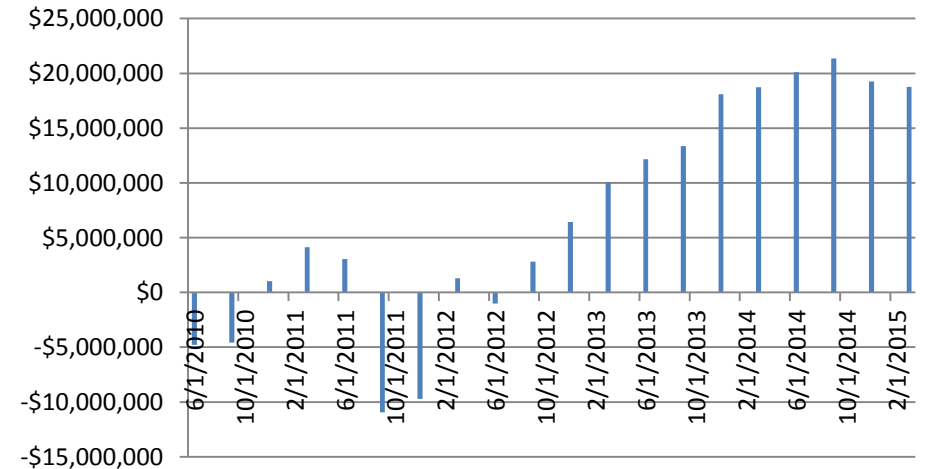


Quarter		Fees			
<u>Begin Date</u>	<u>End Date</u>	<u>Active Return</u>	<u>Managerial</u>	<u>Custodial</u>	<u>Value Added</u>
4/1/2010	6/30/2010	-\$4,695,333	\$98,358	\$1,122	-\$4,794,813
7/1/2010	9/30/2010	\$304,813	\$100,758	\$1,230	\$202,825
10/1/2010	12/31/2010	\$5,724,549	\$100,934	\$1,240	\$5,622,375
1/1/2011	3/31/2011	\$3,197,808	\$102,236	\$1,378	\$3,094,194
4/1/2011	6/30/2011	-\$969,737	\$107,254	\$1,662	-\$1,078,653
7/1/2011	9/30/2011	-\$13,865,344	\$116,701	\$1,899	-\$13,983,943
10/1/2011	12/31/2011	\$1,326,142	\$115,860	\$1,433	\$1,208,849
1/1/2012	3/31/2012	\$11,121,304	\$113,310	\$1,364	\$11,006,630
4/1/2012	6/30/2012	-\$2,191,044	\$113,009	\$1,363	-\$2,305,417
7/1/2012	9/30/2012	\$3,967,160	\$113,951	\$1,395	\$3,851,813
10/1/2012	12/31/2012	\$3,730,794	\$113,934	\$1,355	\$3,615,505
1/1/2013	3/31/2013	\$3,702,213	\$114,526	\$11,741	\$3,575,946
4/1/2013	6/30/2013	\$2,279,219	\$110,496	\$11,520	\$2,157,204
7/1/2013	9/30/2013	\$1,298,298	\$108,799	\$11,616	\$1,177,882
10/1/2013	12/31/2013	\$4,842,996	\$106,646	\$11,529	\$4,724,821
1/1/2014	3/31/2014	\$789,086	\$106,850	\$12,264	\$669,972
4/1/2014	6/30/2014	\$1,467,846	\$107,964	\$12,280	\$1,347,602
7/1/2014	9/30/2014	\$1,367,551	\$106,193	\$8,055	\$1,253,304
10/1/2014	12/31/2014	-\$1,979,397	\$105,034	\$5,187	-\$2,089,618
1/1/2015	3/31/2015	-\$396,038	\$104,680	\$5,059	-\$505,777

Quarterly Value Added



Cumulative Value Added



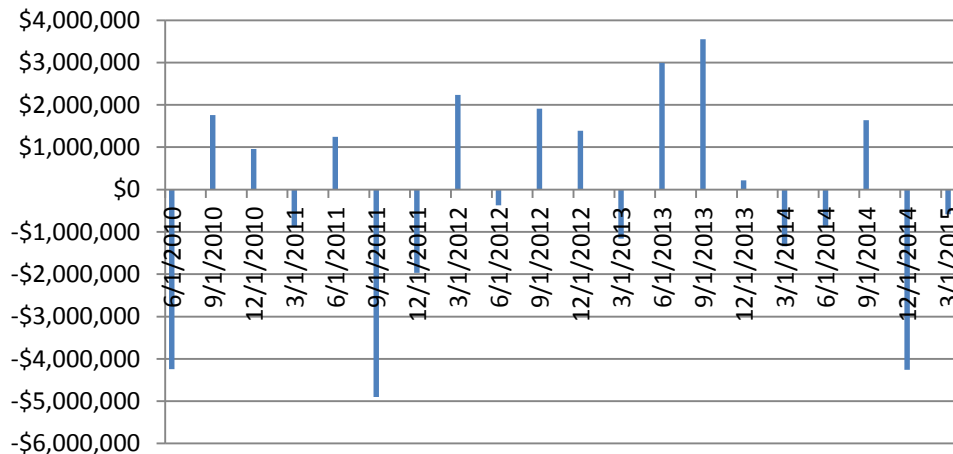
# Dodge & Cox Equity

7/28/15  
Item # 6.a.1

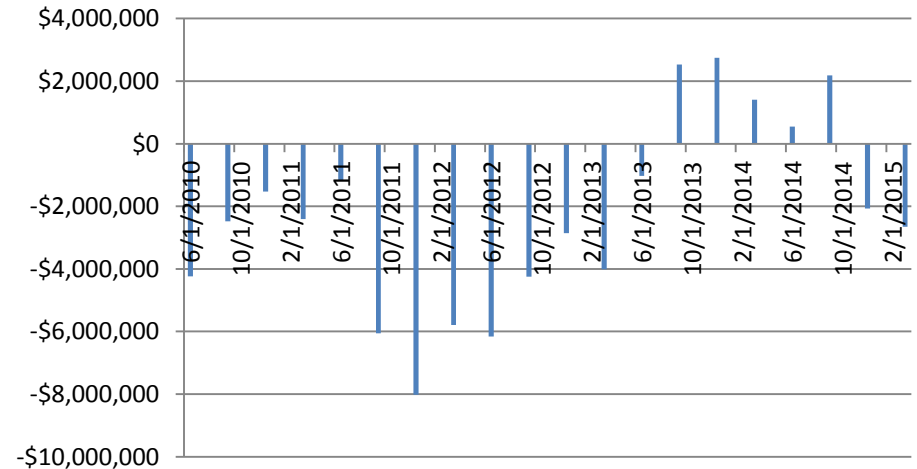


Quarter		Fees			
<u>Begin Date</u>	<u>End Date</u>	<u>Active Return</u>	<u>Managerial</u>	<u>Custodial</u>	<u>Value Added</u>
4/1/2010	6/30/2010	-\$4,161,579	\$74,563	\$3,098	-\$4,239,240
7/1/2010	9/30/2010	\$1,841,032	\$79,904	\$1,950	\$1,759,178
10/1/2010	12/31/2010	\$1,043,825	\$86,729	\$2,258	\$954,839
1/1/2011	3/31/2011	-\$785,178	\$90,267	\$2,092	-\$877,536
4/1/2011	6/30/2011	\$1,340,497	\$88,927	\$3,314	\$1,248,256
7/1/2011	9/30/2011	-\$4,824,229	\$72,824	\$3,136	-\$4,900,189
10/1/2011	12/31/2011	-\$1,888,926	\$75,694	\$2,344	-\$1,966,964
1/1/2012	3/31/2012	\$2,303,140	\$68,984	\$1,476	\$2,232,680
4/1/2012	6/30/2012	-\$301,101	\$67,711	\$2,236	-\$371,048
7/1/2012	9/30/2012	\$1,983,489	\$71,825	\$1,072	\$1,910,592
10/1/2012	12/31/2012	\$1,467,208	\$73,225	\$2,092	\$1,391,891
1/1/2013	3/31/2013	-\$1,072,291	\$79,186	\$4,665	-\$1,156,142
4/1/2013	6/30/2013	\$3,074,425	\$80,061	\$6,119	\$2,988,245
7/1/2013	9/30/2013	\$3,641,556	\$81,796	\$6,026	\$3,553,733
10/1/2013	12/31/2013	\$313,275	\$87,811	\$5,815	\$219,650
1/1/2014	3/31/2014	-\$1,247,256	\$88,200	\$5,993	-\$1,341,450
4/1/2014	6/30/2014	-\$759,263	\$88,840	\$6,566	-\$854,669
7/1/2014	9/30/2014	\$1,730,824	\$89,424	\$4,980	\$1,636,420
10/1/2014	12/31/2014	-\$4,165,855	\$90,706	\$3,743	-\$4,260,303
1/1/2015	3/31/2015	-\$491,894	\$85,463	\$2,741	-\$580,098

Quarterly Value Added



Cumulative Value Added





# Investment Review for:

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

## Stanislaus County Employees' Retirement Association

July 28, 2015

### *Representing Dodge & Cox:*

Wendell W. Birkhofer, Vice President, Portfolio Manager

Deirdre A. Curry, Vice President

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# Fixed Income Portfolio Review

# Portfolio Summary

June 30, 2015

Stanislaus County Employees Retirement Association-Bond Acct

Account # 1607

	Market Value 6/30/15	%	Estimated Annual Income	Current Yield
Fixed Income Securities	\$363,191,111	97.0 %	\$15,605,286	4.3 %
Cash	8,266,207	2.2	827	0.0
Total Under Management	\$371,457,318	99.2 %	\$15,606,112	4.2 %
Accrued Income	3,005,441	0.8		
Total	\$374,462,759	100.0 %	\$15,606,112	4.2 %

# Time Weighted Total Rates of Return (%)

June 30, 2015

Stanislaus County Employees Retirement Association-Bond Acct

Account # 1607

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since 12/31/83
<b>Account Summary</b>							
Fixed Income Securities	-1.12	0.43	1.93	3.90	4.99	5.77	8.91
Total Portfolio *	-1.10	0.39	1.82	3.79	4.88	5.66	8.85
Total Portfolio (Net of Fees)	-1.12	0.35	1.74	3.71	4.79	5.58	8.74
<b>Comparative Indices</b>							
Barclays U.S. Aggregate Bond Index	-1.68	-0.10	1.85	1.83	3.36	4.44	7.55

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

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

# Performance Attribution

One Year Ending June 30, 2015

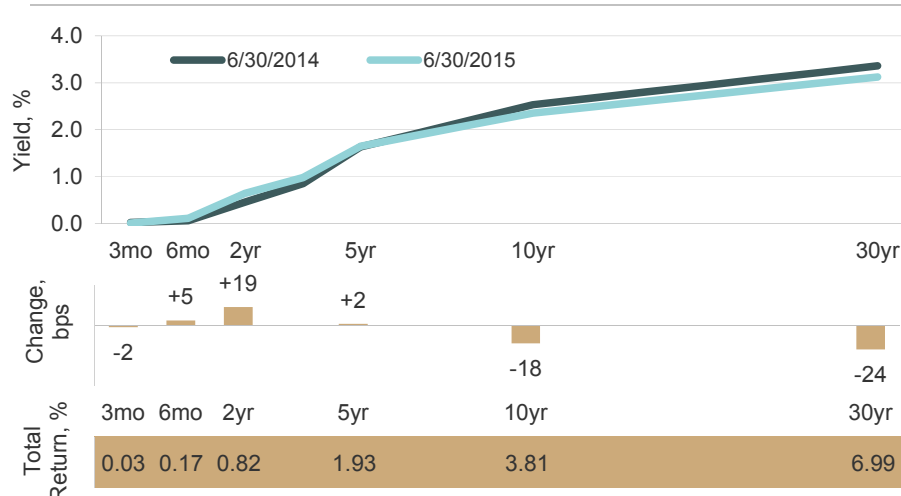
## Stanislaus County Employees Retirement Association-Bond Acct

Portfolio (gross of fees): 1.82%

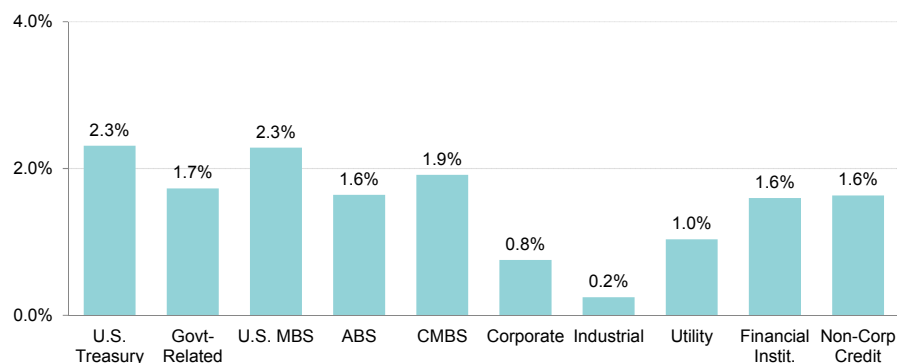
Barclays U.S. Aggregate Bond Index: 1.85%

Difference: -0.03%

### Treasury Yield Changes



### Barclays U.S. Aggregate Bond Index Sector Returns



Sources: Bloomberg LP, Barclays POINT.

The above information is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified are subject to change without notice and may not represent an account's entire holdings. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by advisory fees and other expenses incurred in the management of your account. For example, if an annual management fee of .60% were deducted quarterly from your account, a ten-year annualized cumulative composite return of 10.00% would be reduced by .64% to 9.36%. Information on Dodge & Cox investment advisory fees can be found in its Form ADV Part 2A.

### Relative Contributors

- Security selection was positive, particularly among the portfolio's non-U.S. domiciled and/or lower-rated holdings. Strong performers included Cigna, Dillard's, Bank of America and JP Morgan capital securities, Royal Bank of Scotland, and Telecom Italia.
- The portfolio's **nominal yield advantage** benefited returns.

### Relative Detractors

- The portfolio's **defensive duration positioning** detracted from relative returns as interest rates declined year-over-year.
- The portfolio's **overweight to corporate bonds** detracted from relative returns given the sector's relative underperformance.
- Although issue-specific performance was positive as a whole, **certain holdings** underperformed, most notably AT&T, Petrobras, Rio Oil Finance Trust, and Time Warner Cable.

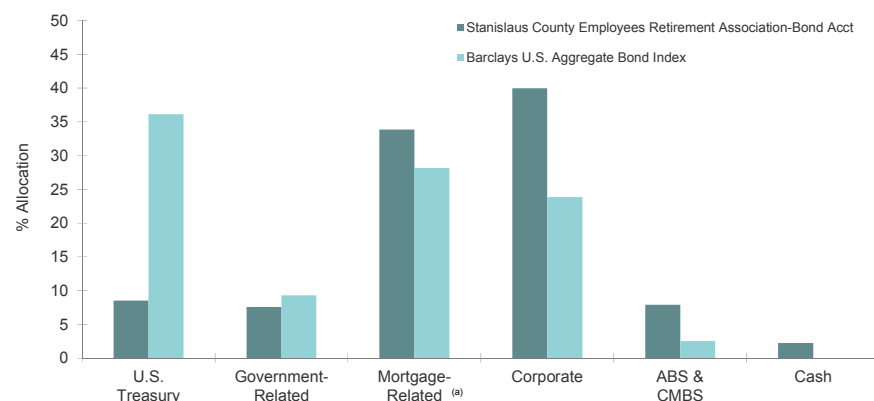


# Portfolio Structure

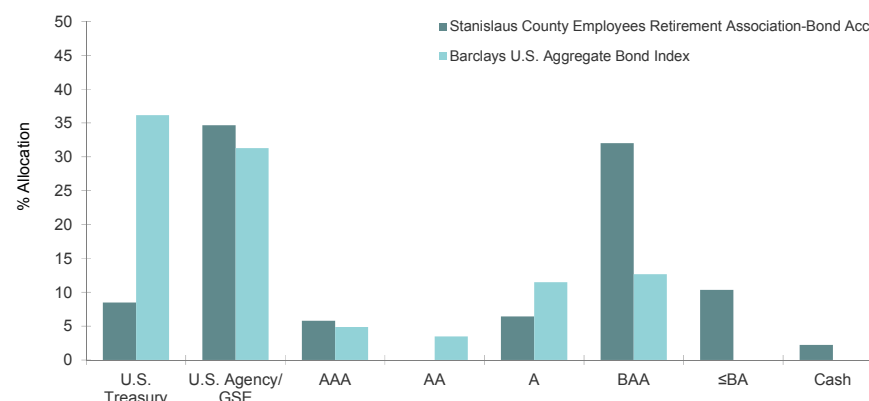
June 30, 2015

## Stanislaus County Employees Retirement Association-Bond Acct

### Sector Composition



### Quality Composition



### Weighted-Average Summary Characteristics

	Stanislaus County Employees Retirement Association-Bond Acct	Barclays U.S. Aggregate Bond Index
Yield-to-Worst <sup>(b)</sup>	2.85%	2.39%
Quality <sup>(c)</sup>	A+	AA
Effective Duration	4.5 Years	5.6 Years

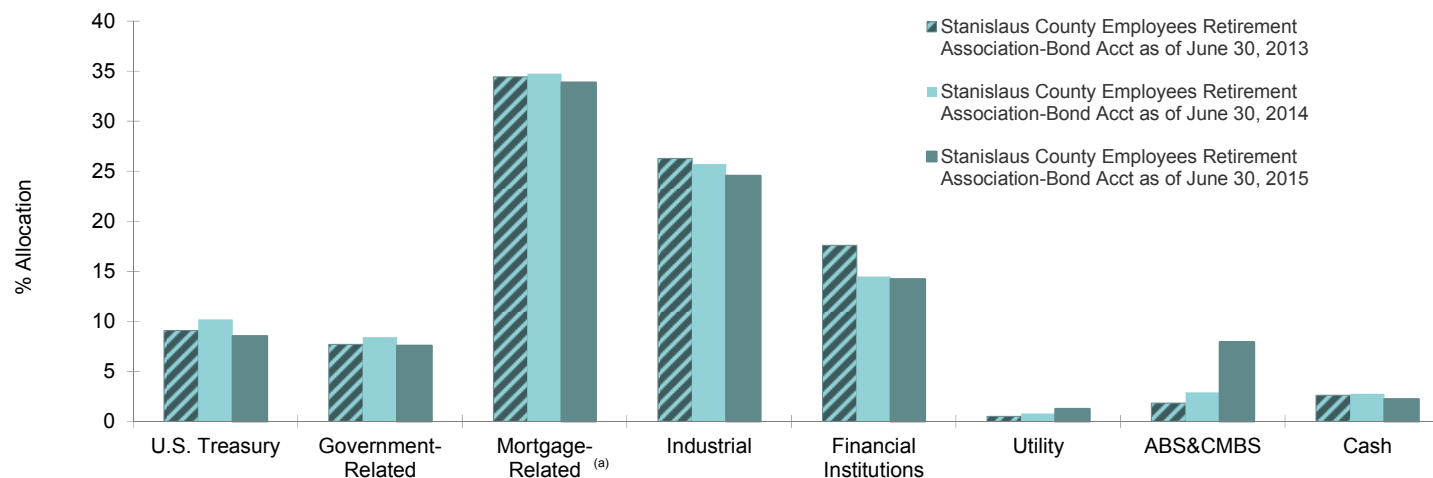
<sup>(a)</sup>The portfolio's mortgage-related holdings may include Agency multifamily mortgage securities; the Index classifies these securities under CMBS – Agency CMBS. <sup>(b)</sup>Yield and principal value fluctuate with market conditions. <sup>(c)</sup>In calculating a portfolio's weighted average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

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

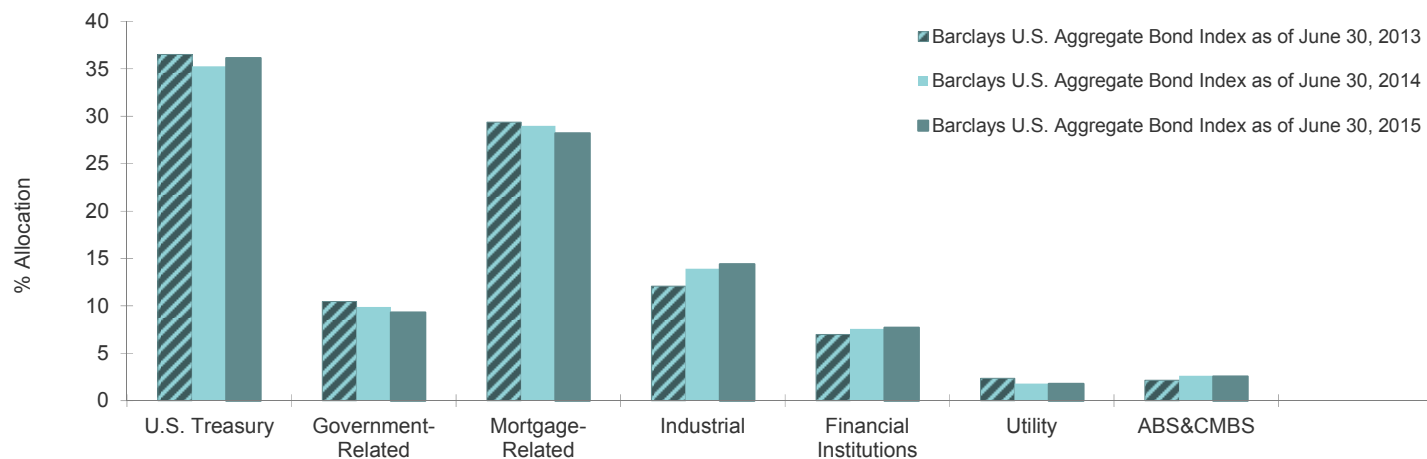
# Changes in the Portfolio

June 30, 2015

## Stanislaus County Employees Retirement Association-Bond Acct



## Barclays U.S. Aggregate Bond Index



<sup>(a)</sup>The portfolio's mortgage-related holdings may include Agency multifamily mortgage securities; the Index classifies these securities under CMBS – Agency CMBS.

Source: The YieldBook, Inc., Bloomberg LP, and Interactive Data's BondEdge, Barclays POINT. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The mention of specific securities is not a recommendation to buy, sell, or hold any particular security and is not indicative of Dodge & Cox's current or future trading activity.

# Portfolio Composition by Theme

June 30, 2015

## Stanislaus County Employees Retirement Association-Bond Acct

### U.S. Treasury Securities 8.5%

Various U.S. Treasury Notes	8.5%	<ul style="list-style-type: none"> <li>▪ Generally maintain a lower-than-market weighting</li> <li>▪ Used to control portfolio duration and yield curve exposure</li> <li>▪ Currently maintain lower-than-market duration</li> <li>▪ Increase portfolio yield through holding off-the-run issues</li> </ul>
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### Mortgage-Related Securities 33.8%

Seasoned Pass-Throughs	22.5%	<ul style="list-style-type: none"> <li>▪ Predominantly GSE-guaranteed</li> <li>▪ Yield advantage and total-return potential vs. similar duration alternatives</li> <li>▪ Emphasize stable average-life investments to provide defensive feature</li> </ul>
Collateralized Mortgage Obligations	6.3%	
Agency Multifamily	0.3%	
"Hybrid" ARMs	4.7%	

### Government-Related Securities 7.5%

Small Business Admin. - 504 Program	0.8%	<ul style="list-style-type: none"> <li>▪ U.S. Agencies add incremental yield with little added credit risk</li> </ul>
Petroleo Brasileiro SA	2.4%	<ul style="list-style-type: none"> <li>▪ Non-U.S. entities provide diversification and attractive risk/reward</li> </ul>
Petroleos Mexicanos		
Spain Government International		
New Jersey Turnpike Authority RB	4.3%	<ul style="list-style-type: none"> <li>▪ Taxable munis provide diversification and compelling risk/reward</li> </ul>
State of California GO		
State of Illinois GO		

### Corporate Securities 40.0%<sup>(a)</sup>

Allergan PLC	Health Net, Inc.	<ul style="list-style-type: none"> <li>▪ Seek stable-to-improving corporate credits to build portfolio yield and enhance relative total return potential</li> <li>▪ Emphasize non-callable and call-protected securities for durability of cash flows and to preserve appreciation potential</li> </ul>
AT&T, Inc.	Hewlett-Packard Co.	
Bank of America Corp.	HSBC Holdings PLC	
Barclays PLC	JPMorgan Chase & Co.	
Becton, Dickinson and Co.	Kinder Morgan, Inc.	
BNP Paribas SA	Lafarge SA	
Boston Properties, Inc.	Lloyds Banking Group PLC	
Boston Scientific Corp.	Macy's, Inc.	
Burlington Northern Santa Fe LLC <sup>(b)</sup>	Naspers, Ltd.	
Capital One Financial Corp.	Navient Corp.	
Cemex SAB de CV	Nordstrom, Inc.	
Cigna Corp.	Norfolk Southern Corp.	
Citigroup, Inc.	RELX Capital Inc.	
Cox Enterprises, Inc.	Royal Bank of Scotland Group PLC	
CRH PLC	Telecom Italia SPA	
CSX Corp.	Time Warner Cable, Inc.	
Dillard's, Inc.	Time Warner, Inc.	
Dominion Resources, Inc.	TransCanada Corp.	
Dow Chemical Co.	Twenty-First Century Fox, Inc.	
Eaton Corp. PLC	Union Pacific Corp.	
Enel SPA	Unum Group	
Equity Residential	Verizon Communications, Inc.	
Ford Motor Credit Co. LLC <sup>(b)</sup>	Vulcan Materials Co.	
General Electric Co.	Xerox Corp.	
HCA Holdings, Inc.		

### Asset-Backed Securities 7.9%

American Express Master Trust	<ul style="list-style-type: none"> <li>▪ Seek well-structured securities with attractive risk/reward</li> </ul>
Chase Issuance Trust	
Ford Credit Auto Owner Trust	
Rio Oil Finance Trust	
SLM Student Loan Trust (Private Loans)	

### Cash 2.2%

<sup>(a)</sup>Except as noted, investments grouped by parent company. Actual securities may be issued by the listed parent company or one of its subsidiaries. <sup>(b)</sup>Subsidiary.

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# Portfolio Credit Holdings by Sector<sup>(a)</sup>

June 30, 2015

## Stanislaus County Employees Retirement Association-Bond Acct Barclays U.S. Aggregate Bond Index (Benchmark)

Corporate: Financial Institutions		Corporate: Industrial		Corporate: Utility		Non-Corporate Credit			
Banking	9.1 5.3	Basic Industry	1.5 1.2	Technology	1.2 1.4	Electric	1.2 1.6	Sovereign	0.3 1.5
Bank of America Corp.		Dow Chemical Co.		Hewlett-Packard Co.		Dominion Resources, Inc.		Spain Government International	
Barclays PLC				Xerox Corp.		Enel SPA			
BNP Paribas SA		Capital Goods	2.7					Supranational	0.0
Capital One Financial Corp.			1.1	Transportation	2.1	Natural Gas	0.0		1.6
Citigroup, Inc.		Cemex SAB de CV			0.5		0.1	Foreign Agency	2.2
HSBC Holdings PLC		CRH PLC		Burlington Northern Santa Fe LLC <sup>(b)</sup>					1.7
JPMorgan Chase & Co.		Eaton Corp. PLC		CSX Corp.		Other Utility	0.0	Petroleo Brasileiro SA	
Lloyds Banking Group PLC		Lafarge SA		Norfolk Southern Corp.			0.0	Petroleos Mexicanos	
Royal Bank of Scotland Group PLC		Vulcan Materials Co.		Union Pacific Corp.					
Brokerage	0.0 0.2	Consumer Cyclical	2.7 1.6	Communications	10.8 2.4			Local Government	4.3 1.2
		Dillard's, Inc.		AT&T, Inc.				New Jersey Tumpike Authority RB	
Finance Companies	1.6 0.5	Ford Motor Credit Co. LLC <sup>(b)</sup>		Cox Enterprises, Inc.				State of California GO	
		Macy's, Inc.		Naspers, Ltd.				State of Illinois GO	
General Electric Co.		Nordstrom, Inc.		RELX Capital Inc.					
Navient Corp.		Consumer Non-Cyclical	1.6 3.4	Telecom Italia SPA					
Insurance	1.8 1.1	Allergan PLC		Time Warner Cable, Inc.					
Cigna Corp.		Becton, Dickinson and Co.		Time Warner, Inc.					
Health Net, Inc.		Boston Scientific Corp.		Twenty-First Century Fox, Inc.					
Unum Group		HCA Holdings, Inc.		Verizon Communications, Inc.					
				Other Industrial	0.0 0.1				
REITS	1.7 0.6	Energy	1.8 2.7						
		Kinder Morgan, Inc.							
Boston Properties, Inc.		TransCanada Corp.							
Equity Residential									
Other Financial	0.0 0.0								
Portfolio Total	14.2				24.5		1.2	6.7	46.7
Benchmark Total	7.7				14.4		1.8	6.1	30.0

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# Ten Largest Credit Holdings<sup>(a)</sup>

June 30, 2015

## Stanislaus County Employees Retirement Association-Bond Acct

Issuer <sup>(b)</sup>	% of Portfolio	Duration	Yield-to-Worst (%) <sup>(c)</sup>	Ratings		
				Moody's	S&P	Fitch
Bank of America Corp.	1.98	8.1	4.26	Baa2	BBB-	BBB+
State of Illinois GO	1.90	1.7	2.47	A3	A-	A-
Telecom Italia SPA	1.85	5.5	4.47	Ba1	BB+	BBB-
Cox Enterprises, Inc.	1.75	5.6	3.64	Baa2	BBB	BBB+
Verizon Communications, Inc.	1.65	12.4	4.91	Baa1	BBB+	A-
State of California GO	1.60	12.6	4.41	Aa3	A+	A+
Macy's, Inc.	1.52	7.9	4.14	Baa2	BBB+	BBB+
Kinder Morgan, Inc.	1.48	10.1	5.42	Baa3	BBB-	BBB-
Dow Chemical Co.	1.48	5.7	3.44	Baa2	BBB	BBB
Petroleos Mexicanos	1.47	11.4	5.65	A3	BBB+	BBB+
<b>Portfolio Weight of Ten Largest Credit Holdings</b>	<b>16.69</b>					

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

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



# Non-U.S. Exposure in a U.S. Dollar Portfolio

June 30, 2015

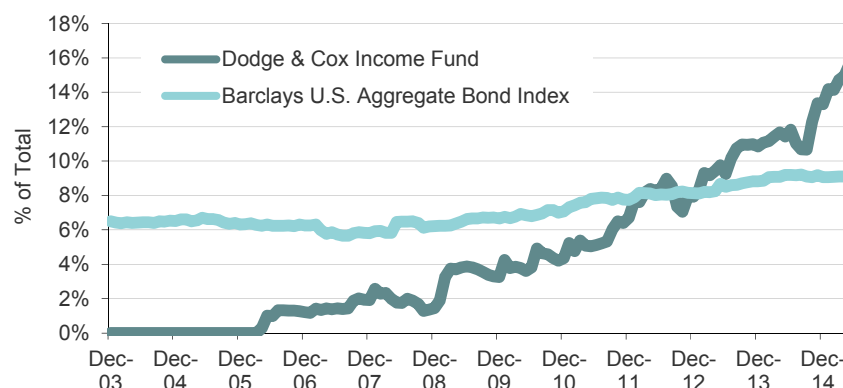
## Dodge & Cox Income Fund

*In recent years, Dodge & Cox has increasingly invested in U.S. dollar-denominated debt in global corporations, quasi-sovereigns, and sovereigns in our core fixed income portfolios. Our global research capabilities, increased market opportunities, and attractive valuations have all contributed to this trend.*

### Non-U.S. domiciled credit holdings are geographically diversified

Emerging Market Issuers	OAS <sup>(a)</sup>	Country of HQ	% Non-U.S. Revenue <sup>(b)</sup>	Fund Weight
Rio Oil Finance Trust <sup>(c)</sup>	506	Brazil	100%	2.04%
Petroleo Brasileiro SA	454	Brazil	100%	0.76%
Naspers, Ltd.	255	South Africa	100%	0.50%
Export-Import Bank of Korea	94	South Korea	100%	0.05%
Cemex SAB de CV	399	Mexico	77%	1.18%
Petroleos Mexicanos	299	Mexico	70%	1.54%
				<b>6.06%</b>
Developed Market Issuers	OAS <sup>(a)</sup>	Country of HQ	% Non-U.S. Revenue <sup>(b)</sup>	Fund Weight
Telecom Italia SPA	299	Italy	100%	1.62%
Enel SPA	255	Italy	100%	0.71%
Lloyds Banking Group PLC	230	UK	100%	0.34%
Kingdom of Spain	91	Spain	100%	0.18%
Lafarge SA	70	France	92%	0.65%
Royal Bank of Scotland PLC	296	UK	93%	1.34%
BNP Paribas SA	217	France	90%	0.84%
HSBC Holdings PLC	218	UK	87%	1.29%
Barclays PLC	273	UK	78%	0.60%
TransCanada Corp.	328	Canada	54%	0.36%
Reed Elsevier PLC	147	UK	50%	0.39%
Eaton Corp. PLC	105	Ireland	48%	0.19%
CRH PLC	172	Ireland	47%	0.37%
Allergan PLC	159	Ireland	20%	0.78%
				<b>9.64%</b>

### Non-U.S. credit holdings in Income Fund vs. Barclays U.S. Aggregate Bond Index



### Many U.S. domiciled credit holdings have significant non-U.S. sales<sup>(d)</sup>

Issuer	OAS <sup>(a)</sup>	% Non-U.S. Revenue <sup>(b)</sup>	Fund Weight
Dow Chemical Co.	216	67%	1.16%
Hewlett-Packard Co.	100	65%	0.21%
Becton, Dickinson and Co.	154	60%	0.10%
Citigroup, Inc.	65	58%	1.45%
General Electric Co.	98	52%	1.00%
Boston Scientific Corp.	145	47%	0.04%
Twenty-First Century Fox, Inc.	235	44%	0.52%
			<b>4.49%</b>

<sup>(a)</sup>OAS (option-adjusted spread) is the option-adjusted yield differential between stated index and comparable U.S. Treasuries. OAS does not translate into a return. <sup>(b)</sup>Revenues based on year end filings. <sup>(c)</sup>Asset-backed security.

Source: Bloomberg LP, FactSet, Barclays POINT. All holdings are U.S. dollar denominated. <sup>(d)</sup>Issuers shown are U.S. domiciled and derive over 40% of revenue from outside of the U.S.

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# Equity Portfolio Review

Portfolio Summary

June 30, 2015

Stanislaus County Employees Retirement Association - Equity

Account # 827

	Market Value 6/30/15	%	Estimated Annual Income	Current Yield
Equity Securities	\$182,540,866	98.1 %	\$3,400,543	1.9 %
Cash	3,590,140	1.9	1,436	0.0
Total Under Management	\$186,131,006	100.0 %	\$3,401,979	1.8 %

# Time Weighted Total Rates of Return (%)

June 30, 2015

Stanislaus County Employees Retirement Association - Equity

Account # 827

	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Since 12/31/72
<b>Account Summary *</b>							
Equity Securities	2.69	1.39	5.18	20.82	18.42	7.79	12.02
Total Portfolio **	2.65	1.41	5.08	20.22	18.02	7.86	12.03
Total Portfolio (Net of Fees)	2.61	1.33	4.91	20.01	17.81	7.67	11.81
<b>Comparative Indices</b>							
Standard & Poor's 500 Composite	0.28	1.24	7.43	17.31	17.35	7.90	10.24
Russell 1000 Value Index	0.10	-0.62	4.14	17.35	16.50	7.05	N.A.

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

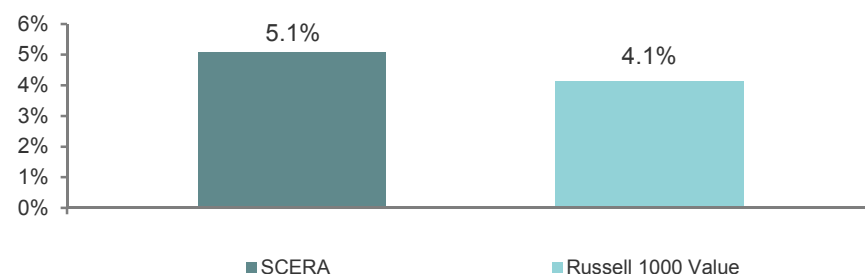
\* Account established 6/14/68; performance prior to 12/31/72 is not available.

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

# Comparative Investment Results

One Year Ending June 30, 2015

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



Key Contributors to Relative Results	Average Weight		Performance	
	Account	Index	Account	Index
Consumer Discretionary	16%	6%	+17%	+12%
Utilities	-	6%	-	-4%
Materials	1%	3%	+18%	-5%

Strongest performing holdings: Cigna (+76%), UnitedHealth (+52%), Target (+45%), Liberty Ventures (+37%), and Synopsys (+30%)

### Key Detractors from Relative Results

Health Care	17%	14%	+14%	+21%
Consumer Staples	3%	7%	-6%	+9%
Information Technology	24%	9%	+3%	+4%

Weakest performing holdings: Weatherford (-47%), Sprint (-47%), NOW (-45%), Apache (-42%), and National Oilwell Varco (-40%)

Source: FactSet. Holding period performance is shown for each security and may be shorter than the performance period shown for the account due to the timing of purchases and sales. Sectors are ranked by total relative effect from attribution analysis. Individual holdings are ranked by holding period total return. FactSet returns can vary from other sources due to methodology differences. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by advisory fees and other expenses incurred in the management of your account. For example, if an annual management fee of .60% were deducted quarterly from your account, a ten-year annualized cumulative composite return of 10.00% would be reduced by .64% to 9.36%. Information on Dodge & Cox investment advisory fees can be found in its Form ADV Part 2A.



# Performance Attribution: Holdings

One Year Ending June 30, 2015

## Stanislaus County Employees Retirement Association - Equity

### Top Five Contributors

	Average Weight	Total Return	Contribution to Return
Time Warner	3.3%	+26.5%	+0.79%
Cigna	1.1%	+76.2%	+0.73%
UnitedHealth	1.7%	+51.6%	+0.73%
Time Warner Cable	2.8%	+23.9%	+0.62%
Charles Schwab	2.8%	+22.3%	+0.55%

### Bottom Five Detractors

Apache	1.6%	-41.9%	-0.83%
Schlumberger	2.7%	-25.5%	-0.70%
Weatherford	0.7%	-46.7%	-0.49%
National Oilwell Varco	0.9%	-39.5%	-0.46%
Chevron	1.5%	-23.3%	-0.39%

### Ten Largest Holdings

	Average Weight	Total Return	Contribution to Return
Wells Fargo	4.1%	+9.9%	+0.38%
Hewlett-Packard	4.1%	-9.2%	-0.27%
Microsoft	4.0%	+8.7%	+0.33%
Capital One	4.0%	+8.3%	+0.28%
Novartis	3.5%	+11.1%	+0.39%
Time Warner	3.3%	+26.5%	+0.79%
Comcast	2.9%	+13.9%	+0.38%
Charles Schwab	2.8%	+22.3%	+0.55%
Time Warner Cable	2.8%	+23.9%	+0.62%
Schlumberger	2.7%	-25.5%	-0.70%

Source: FactSet. Holding period performance is shown for each security and may be shorter than the performance period shown for the account, due to the timing of purchases and sales. FactSet returns can vary from other sources due to methodology differences. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by advisory fees and other expenses incurred in the management of your account. For example, if an annual management fee of .60% were deducted quarterly from your account, a ten-year annualized cumulative composite return of 10.00% would be reduced by .64% to 9.36%. Information on Dodge & Cox investment advisory fees can be found in its Form ADV Part 2A.

# Dodge & Cox Equity Investment Process

## Deliberate and Focused Team Approach to Investing

### Investment Research by Global Industry Analysts

#### *Idea Generation:*

*Identify investment action items within area of industry expertise*

- Meet management teams, customers, and suppliers
- Monitor company financial reports
- Attend industry conferences and field trips
- Monitor industry news
- Review valuation screens

#### *Due Diligence:*

*Develop 360-degree assessment of company and prospects*

- Interview management, competitors, and industry experts
- Analyze financial statements, filings, and news
- Evaluate governance
- Develop financial model with three-to-five year forecasts of downside, base case, and upside scenarios
- Collaborate with other members of research staff

Investment  
Advocacy



Written report  
and oral  
presentation

### Investment Decision-Making by Appropriate Policy Committee

#### *Portfolio Construction:*

*Construct a diversified portfolio on a bottom-up basis*

- Review and discuss investment recommendations by analysts
- Approve buy/sell list with target weightings
- Review industry and geographic weightings
- Maintain appropriate diversification by sector and geography
- Develop agenda for review

#### *Sell Discipline*

- We continually monitor the valuation and fundamentals of individual holdings. We consider the sale of the security when:
  - The price of a company's stock reflects more optimistic expectations regarding the company's future prospects than our own expectations;
  - In our assessment, a company's long-term fundamentals have deteriorated, even if valuation has not changed significantly; or
  - We see more attractive opportunities elsewhere.
- "All-cash portfolio" exercise: In this exercise, with a focus on our three- to five-year investment horizon, our portfolio managers and research analysts build a portfolio from the ground up, literally starting with a blank sheet. We then gather to compare and discuss our results. This exercise typically generates both purchase and sale candidates, which are then subject to further analysis.

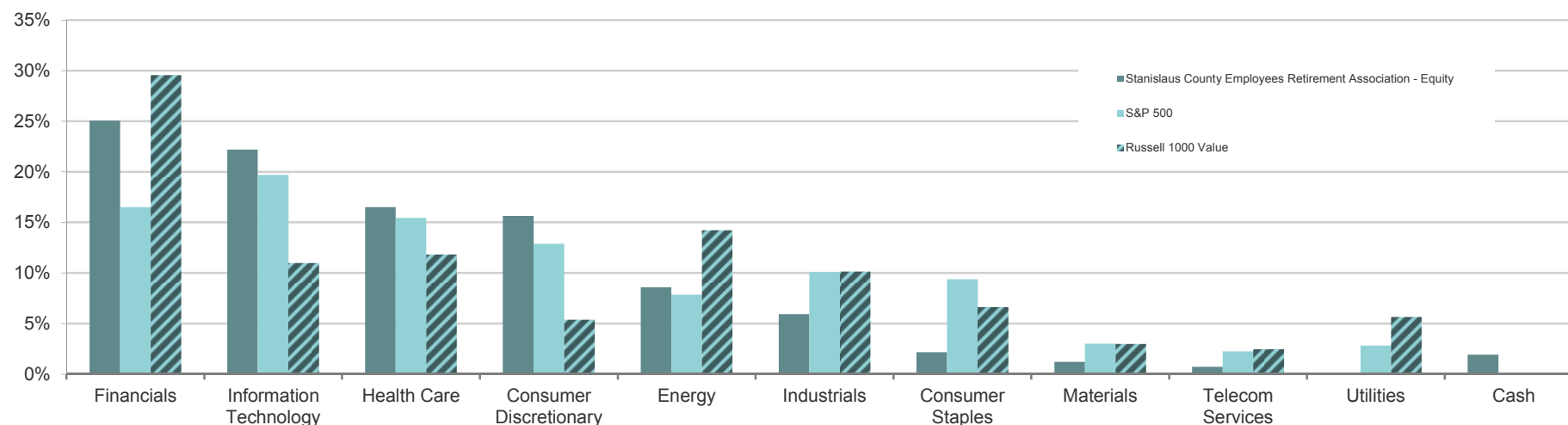
Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit [dodgeandcox.com](http://dodgeandcox.com) or call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

# Portfolio Structure

June 30, 2015

## Stanislaus County Employees Retirement Association - Equity

### Sector Analysis



### Representative Portfolio Characteristics<sup>(d)</sup>

	Dodge & Cox	S&P 500	Russell Value
Number of holdings	64	502	684
Price/earnings (forward) <sup>(a)</sup>	15.0x	17.5x	16.0x
Price/cash flow <sup>(b)</sup>	10.5x	12.9x	10.9x
Price/sales <sup>(b)</sup>	1.5x	1.9x	1.6x
Price/book value	2.0x	2.8x	1.9x
Weighted average market cap.	\$114B	\$135B	\$106B
Median market cap.	\$48B	\$18B	\$8B
Dividend yield (trailing) <sup>(c)</sup>	1.8%	2.1%	2.5%

### Stanislaus County Employees Ten Largest Equity Holdings<sup>(e)</sup>

Capital One Financial Corporation	4.3%
Wells Fargo & Company	4.3%
Microsoft Corporation	3.9%
Novartis AG Sponsored ADR	3.6%
Hewlett-Packard Company	3.5%
Time Warner	3.4%
Time Warner Cable	3.4%
Charles Schwab Corporation	3.1%
Schlumberger NV	2.9%
Comcast Corporation Class A	2.8%
<b>Total Weight</b>	<b>35.1%</b>

<sup>(a)</sup>Portfolio estimate excludes negative earners. S&P 500 estimate is top-down. <sup>(b)</sup>Portfolio calculation excludes Financials and Utilities. <sup>(c)</sup>Dodge & Cox portfolio indicated dividend yield is 1.9%. <sup>(d)</sup>The representative portfolio characteristics are based on one of the largest and oldest fully discretionary tax-exempt equity accounts that has not experienced recent material cash flow events or investment guideline changes. Representative account holdings are subject to change and new accounts may have different holdings. <sup>(e)</sup>Weighting excludes cash and mutual funds.

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

# Portfolio Holdings

June 30, 2015

## Stanislaus County Employees Retirement Association - Equity

Technology, Media, and Telecommunications		Finance		Health Care		Industrials, Energy, and Utilities		Consumer	
<b>ELECTRONIC MEDIA</b>	12.2%	<b>BANKS</b>	10.7%	<b>HEALTH CARE SERVICES</b>	6.1%	<b>ENERGY</b>	8.8%	<b>CONSUMER DURABLES</b>	0.2%
Comcast Corporation Class A		Bank of America Corporation		Cigna Corporation		Apache Corporation		NVR, Inc.	
DISH Network Corporation Class A		BB&T Corporation		Express Scripts Holding Company		Baker Hughes Incorporated		<b>CONSUMER PRODUCTS</b>	0.5%
News Corporation Class A		JPMorgan Chase & Co.		UnitedHealth Group Incorporated		Chevron Corporation		Coach, Inc.	
Time Inc.		SunTrust Banks, Inc.		<b>MEDICAL DEVICES</b>	0.8%	National Oilwell Varco, Inc.		<b>RETAIL &amp; DISTRIBUTION</b>	5.2%
Time Warner Cable Inc.		Wells Fargo & Company		Medtronic Plc		Schlumberger NV			
Time Warner Inc.		<b>FINANCIAL SERVICES</b>	12.5%			Weatherford International plc			
Twenty-First Century Fox, Inc. Class A				<b>PHARMACEUTICALS</b>	9.9%	<b>GENERAL INDUSTRIAL</b>	2.2%		
<b>TECHNOLOGY</b>	22.6%	Bank of New York Mellon Corporation				Danaher Corporation		CarMax, Inc.	
Cadence Design Systems, Inc.		Capital One Financial Corporation		GlaxoSmithKline plc Sponsored ADR		General Electric Company		Liberty Interactive Corporation QVC	
Cisco Systems, Inc.		Goldman Sachs Group, Inc.		Merck & Co., Inc.		Royal Philips NV Sponsored ADR		Priceline Group Inc	
Corning Incorporated		Charles Schwab Corporation		Novartis AG Sponsored ADR		<b>INDUSTRIAL COMMODITIES</b>	1.3%	Target Corporation	
eBay Inc.		<b>INSURANCE</b>	2.3%	Pfizer Inc.				Wal-Mart Stores, Inc.	
EMC Corporation		AEGON N.V. ADR		Sanofi Sponsored ADR		Celanese Corporation Class A			
Google Inc. Class A		MetLife, Inc.				<b>NON TECH BUSINESS SERVICES</b>	1.6%		
Google Inc. Class C						ADT Corporation			
Hewlett-Packard Company						Tyco International PLC			
Juniper Networks, Inc.						<b>TRADING COMPANIES &amp; DISTRIBUTORS</b>	0.0%		
Maxim Integrated Products, Inc.						NOW Inc			
Microsoft Corporation						<b>TRANSPORTATION</b>	2.2%		
NetApp, Inc.						FedEx Corporation			
Symantec Corporation									
Synopsys, Inc.									
TE Connectivity Ltd.									
<b>TELECOM</b>	0.8%								
Sprint Corp.									
<b>Portfolio Total</b>	<b>35.6%</b>		<b>25.5%</b>		<b>16.8%</b>		<b>16.1%</b>		<b>6.0%</b>
<b>S&amp;P 500 Index</b>	<b>25.6%</b>		<b>16.6%</b>		<b>15.4%</b>		<b>23.9%</b>		<b>18.4%</b>
<b>Russell 1000 Value</b>	<b>14.8%</b>		<b>29.6%</b>		<b>11.8%</b>		<b>33.1%</b>		<b>10.8%</b>

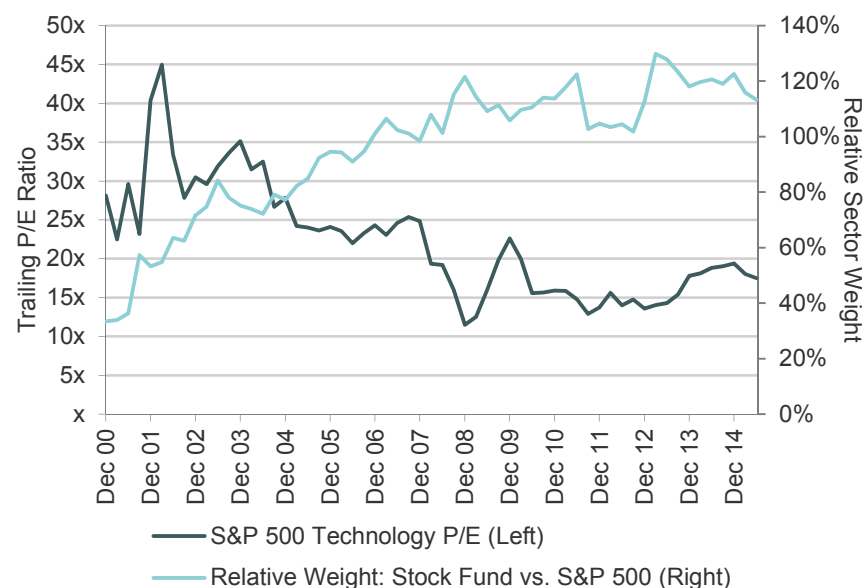
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# Technology Sector & Industry Exposure

June 30, 2015

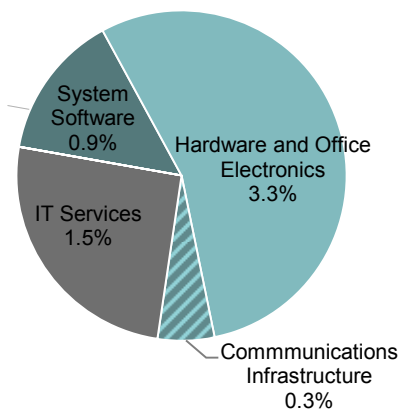
## Dodge & Cox Stock Fund

As Valuations Have Declined, The Fund's Technology Sector Exposure Has Increased to High Absolute and Relative Weightings

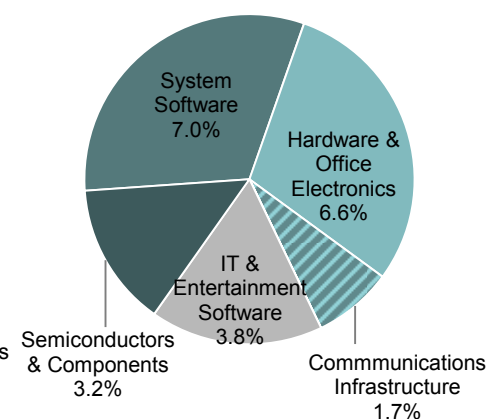


Stock Fund Technology Sector Holdings Industry Weights

December 2000  
6.1%



June 2015  
22.3%



## Observations

- The Fund's sector and industry weightings are a result of our individual security selection process.
- As valuations have declined, the Fund's exposures within the sector have increased over time, especially within the Software, Hardware, and Semiconductor & Components industries.
- Company fundamentals could benefit from increased capital spending and continued products and services innovation.

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

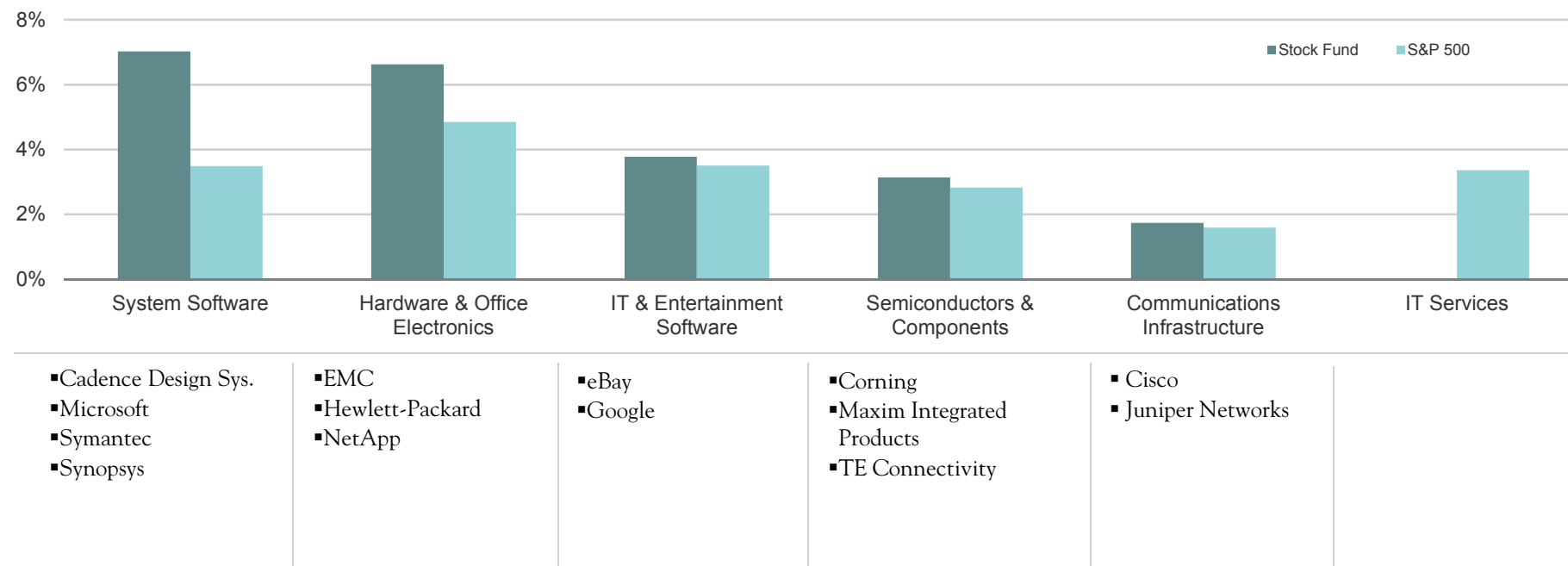


# Technology: Diversification Within the Sector

June 30, 2015

## Dodge & Cox Stock Fund

### Stock Fund Technology Holdings (22.3%) vs. the S&P 500 Index (19.7%)



### More Than One-Fifth of the Fund's Holdings Are in Technology – with Representation in Five Subsectors

- Fourteen holdings with diversified revenue streams.
- Overweight in Software and Hardware.
- Underweight in IT Services

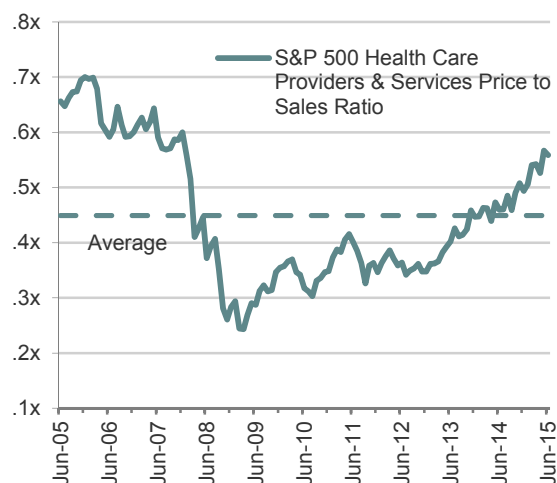
Source: FactSet. The above information is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed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

# Health Care Providers & Services

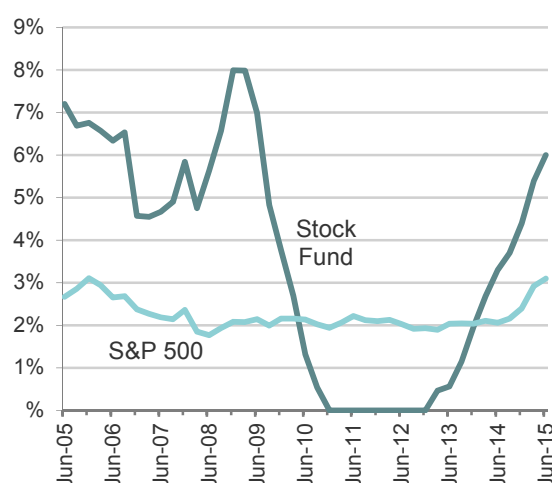
June 30, 2015

## Dodge & Cox Stock Fund (6.0%) vs. S&P 500 Index (3.1%)

### Valuation



### Weighting: Dodge & Cox vs. S&P 500



### Investment Thesis

#### Opportunities

- Dominant franchises with significant scale
- Well positioned to benefit from the implementation of the Affordable Care Act (ACA)
- Valuations remain attractive

#### Risks

- Regulatory risk
- Cyclical nature of the business
- Shifts in the industry may disrupt profitability for some companies

## Stock Fund Health Care Services Holdings (% of Fund)

### Express Scripts (2.4%):

- Express Scripts is the largest U.S. independent pharmacy benefit manager. Operations include pharmacy benefit management services and mail order and specialty pharmacy services.
- Express Scripts helps customers lower drug costs through its purchasing scale and by influencing patient behavior.
- The company's asset-light operating model has resulted in high returns on capital and strong free cash flow generation.

### UnitedHealth Group (2.0%):

- UnitedHealth is the largest healthcare benefits and services company in the United States. It is the most diversified insurer, with leading share in all major insurance markets.
- UnitedHealth operates in all 50 states in the United States and 20 other countries worldwide.
- The company is positioned to grow from international expansion, integrated healthcare services, and government outsourcing of Medicare and Medicaid programs.

### Cigna (1.6%):

- Cigna is one of the largest managed care organizations in the United States.
- Cigna is a market leader in the growing self-insured commercial segment and is a low cost provider of Medicare Advantage products, which should benefit from an aging population.
- The company generates ~15% of earnings from its fast-growing international segment, which serves growing demand from multinational corporations.

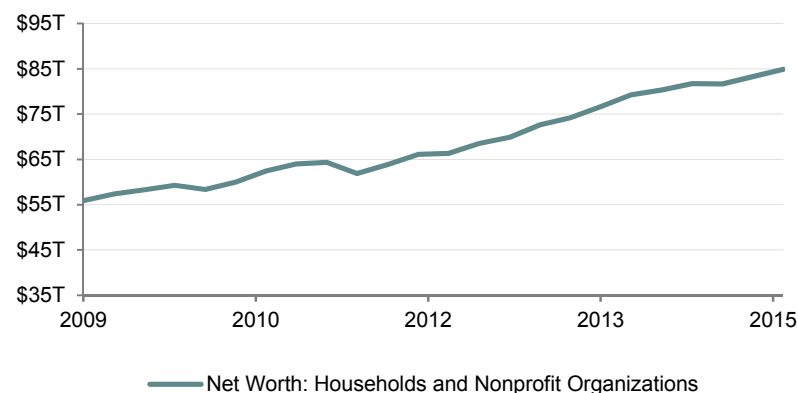
Source: FactSet. The above information is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed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

# U.S. Consumer Trends

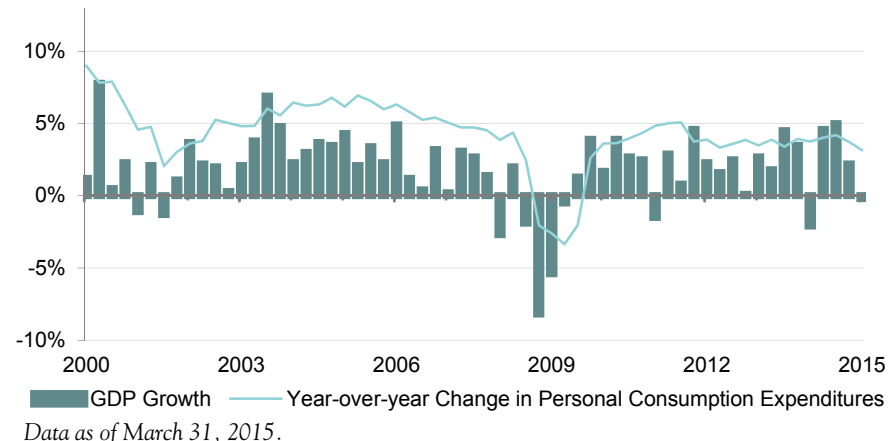
June 30, 2015

## Dodge & Cox Stock Fund

### Household Wealth Has Increased, a Positive for Consumer Spending and Economic Growth

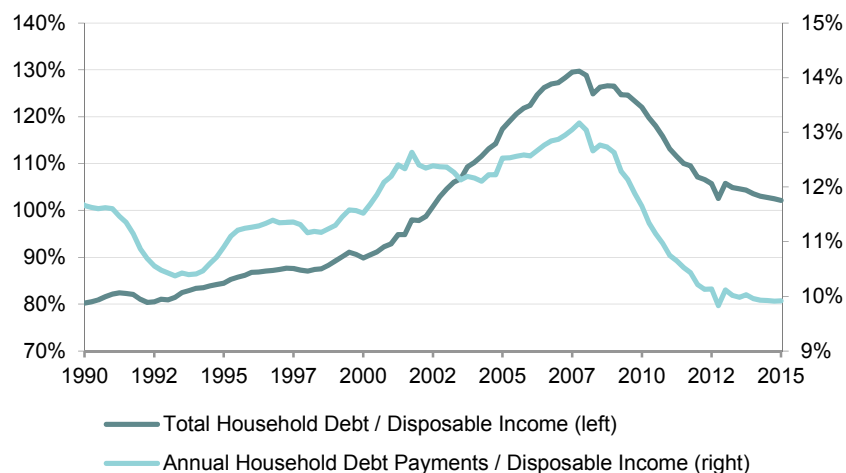


Data as of March 31, 2015.



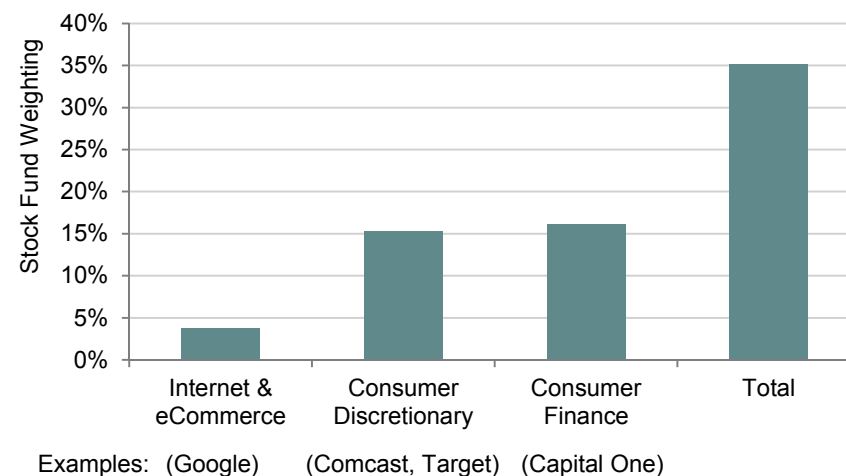
Data as of March 31, 2015.

### Debt to Disposable Income Has Decreased



Data as of March 31, 2015.

### The Fund Has Significant Exposure to the U.S. Consumer



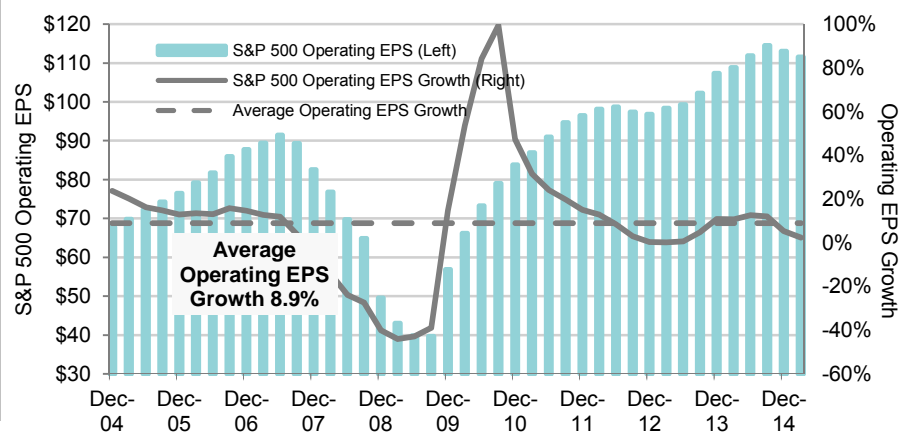
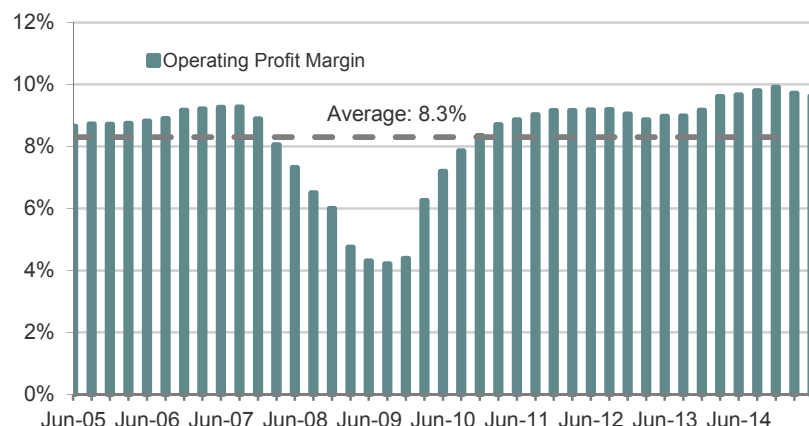
Source: Bloomberg, Bureau of Economic Analysis, FactSet, Federal Reserve Bank of St. Louis. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations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

# U.S. Equity Fundamentals

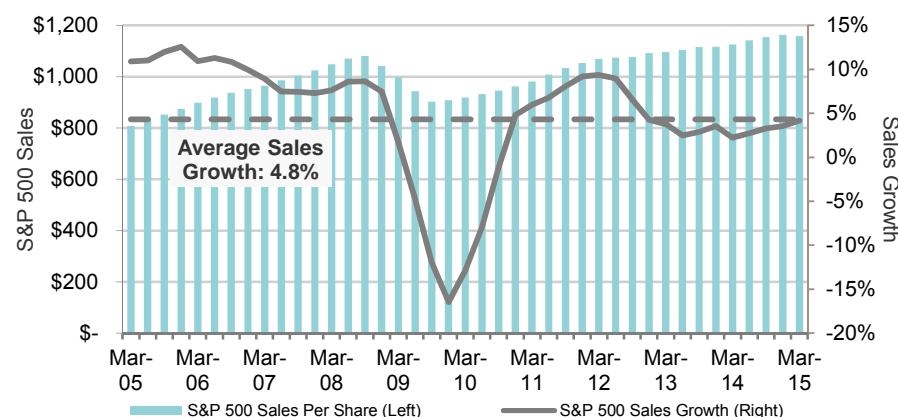
June 30, 2015

## S&P 500 Index

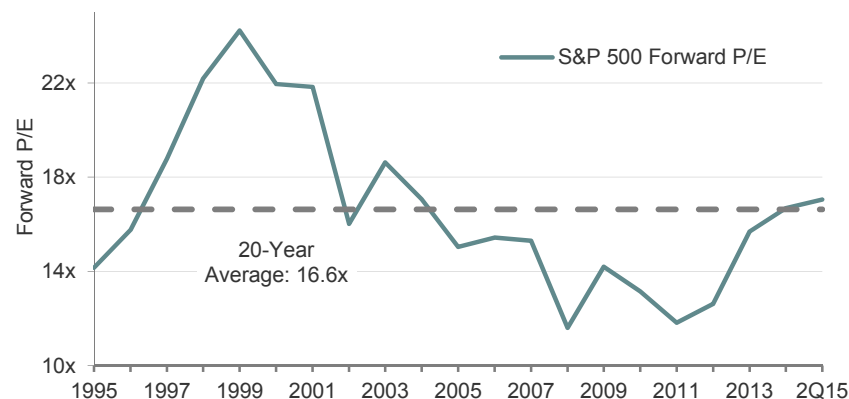
### Large U.S. Corporations Are Seeing High Margins and Earnings



### Sales Growth Has Room to Improve



### Valuations Are Reasonable Relative to Historical Averages



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

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## Update on Dodge & Cox

# Key Characteristics of Our Organization

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June 30, 2015

## **Over 80 Years of Investment Experience**

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

## **Independent Organization**

Ownership of Dodge & Cox is limited to active employees of the firm. Currently there are 79 shareholders and 242<sup>(a)</sup> total employees.

## **One Business**

Dodge & Cox is solely in the business of investing our clients' assets. We apply a consistent investment approach to managing equity, debt, and balanced portfolios.

## **Single Investment Office Location**

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

## **Independent Research Staff**

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

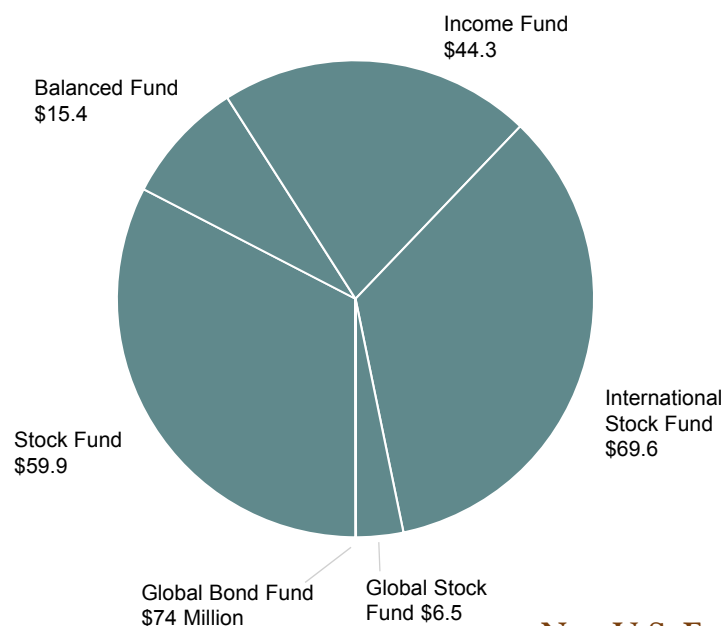
<sup>(a)</sup>Includes employees of wholly owned subsidiary Dodge & Cox Worldwide Investments Ltd. (UK).

# Dodge & Cox Assets Under Management (\$ in Billions)

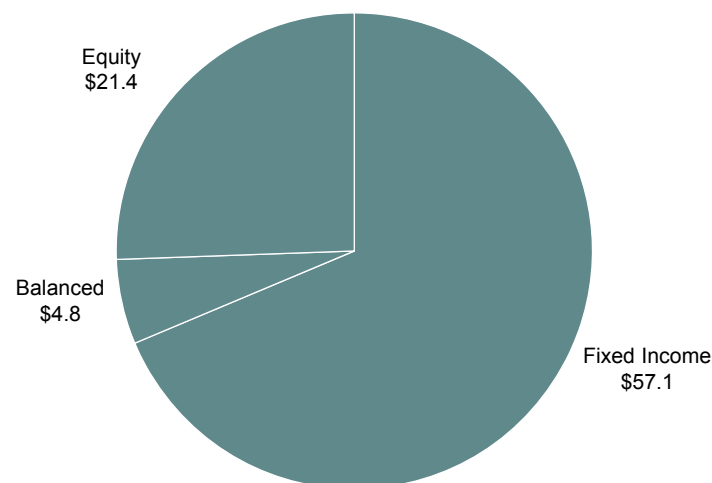
June 30, 2015

**\$281.3 in Total Assets: \$174.4 in Equities / \$106.9 in Fixed Income**

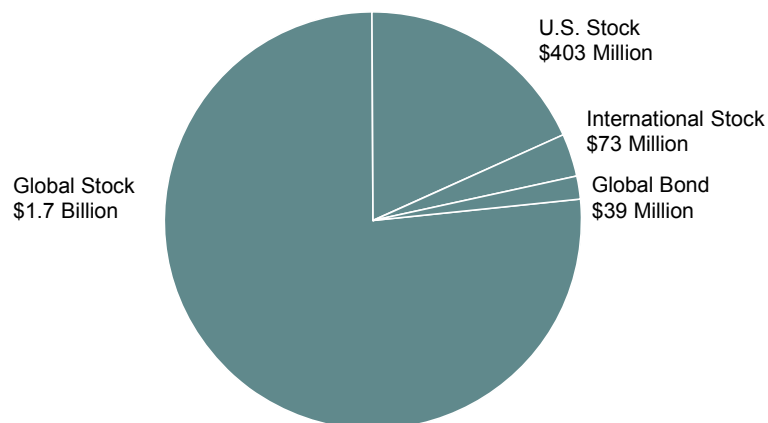
**Dodge & Cox Funds: \$195.8 Billion**



**Separate Accounts: \$83.3 Billion**



**Non-U.S. Funds (Irish UCITS): \$2.2 Billion**



*Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit [dodgeandcox.com](http://dodgeandcox.com) or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.*

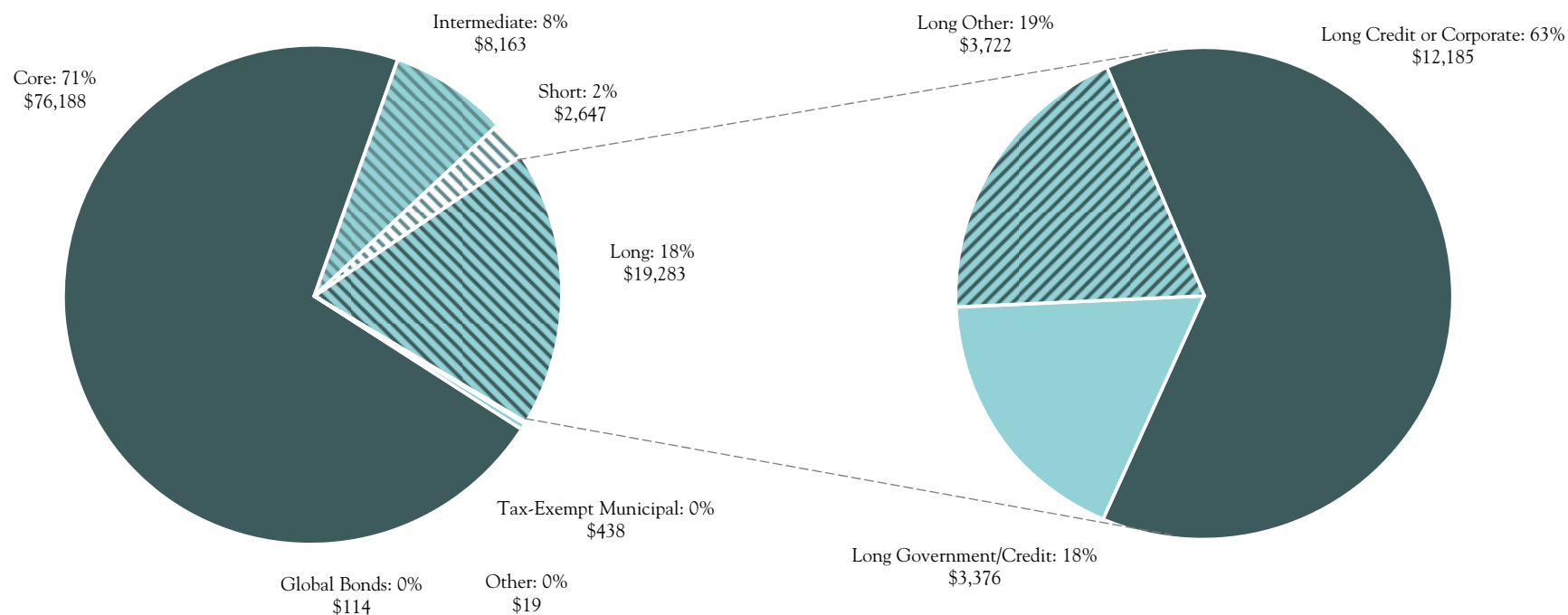
# Fixed Income Asset Breakdown (\$ in millions)

June 30, 2015

\$106,852 in Total Fixed Income Assets

Fixed Income Strategy Type

Long Duration Benchmark Type



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



# Experienced and Stable Investment Team

June 30, 2015

## Investment Policy Committee

John Gunn	43	Diana Strandberg	27
Bryan Cameron	32	David Hoeft	22
Charles Pohl	31	Steven Voorhis	19
Gregory Serrurier	31	Philippe Barret	<u>11</u>
Wendell Birkhofer	28	<i>Average Tenure:</i>	27

## International Investment Policy Committee

Bryan Cameron	32	Roger Kuo	17
Charles Pohl	31	Keiko Horkan	15
Gregory Serrurier	31	Richard Callister	13
Diana Strandberg	27	Englebert Bangayan	<u>13</u>
Mario DiPrisco	17	<i>Average Tenure:</i>	22

## Global Stock Investment Policy Committee

Charles Pohl	31	Karol Marcin	15
Diana Strandberg	27	Lily Beischer	14
Steven Voorhis	19	Raymond Mertens	<u>12</u>
Roger Kuo	17	<i>Average Tenure:</i>	19

## Fixed Income Investment Policy Committee

Dana Emery	32	James Dignan	16
Charles Pohl	31	Lucy Johns	13
Thomas Dugan	21	Adam Robinson	13
Larissa Roesch	18	Anthony Brekke	<u>12</u>
		<i>Average Tenure:</i>	20

## Global Bond Investment Policy Committee

Dana Emery	32	James Dignan	16
Diana Strandberg	27	Lucy Johns	13
Thomas Dugan	21	Adam Robinson	<u>13</u>
		<i>Average Tenure:</i>	20

## Global Industry Analysts and PMs / Years at D&C / Coverage

John Gunn	43	Former Chairman
Bryan Cameron	32	Senior Vice President, Director of Research
Charles Pohl	31	Chairman, Chief Investment Officer
Gregory Serrurier	31	Senior Vice President, Portfolio Manager
Wendell Birkhofer	28	Portfolio Manager
Lynn Poole	28	Portfolio Manager
Diana Strandberg	27	Senior Vice President, Dir. of Intl. Equity
Kevin Johnson	26	Portfolio Manager, Energy
Steven Cassriel	23	Portfolio Manager
David Hoeft	22	Senior Vice President, Assoc. Dir. of Research, Computer Hardware & Software
Steven Voorhis	19	Pharmaceuticals
John Iannuccillo	18	Aerospace, Electrical Equipment, Paper, Analytical Instruments
Mario DiPrisco	17	Banks (EMEA, Latin America)
Roger Kuo	17	Media, Internet
Keiko Horkan	15	Banks (U.S., Japan), Specialty / Consumer Finance, Japan
Karol Marcin	15	Insurance
Amanda Nelson	15	Telecom Equipment, Electric Utilities, Natural Gas Pipelines, EEMEA
Lily Beischer	14	Telecom (Asia, EM), Retail, Footwear & Apparel, Cosmetics
Richard Callister	13	Machinery, Medical Devices, EM Asia (ex. China & India)
Englebert Bangayan	13	Energy, Oil Services, Commercial Services, Homebuilders, EM Asia Industrial
Raymond Mertens	12	Commercial Printing, Healthcare Services, Consumer Products
Philippe Barret, Jr.	11	Brokers, Investment Managers & Exchanges, Banks (Asia ex. Japan, Central Europe, Middle East), Trust Banks
Karim Fakhry	9	Appliances, Building Products & Home Improvement (U.S.), Biotech & Pharma
Joel-Patrick Millsap	9	Telecom Services (South America, Africa, Europe), Autos
Kathleen McCarthy	8	Beverages, Restaurants, EMEA Consumer, Building Products (Int'l.), Tobacco, Latin America
Paritosh Somani	8	Metals & Mining, Computer Services, EM Asia Consumer, India
Tae Yamaura	7	Connectors, Logic Semiconductors, Japan
Arun Palakurthy	7	Consumer Electronics, Memory Semiconductors, Telecom Services (Americas), Video Games
Benjamin Garosi	6	Chemicals, Transportation
Hallie Marshall	6	Portfolio Manager
Salil Phadnis	4	Energy, Oil, REITs, Hotels
Sophie Chen	3	Greater China
Robert Turley	2	Asset Allocation, Economics, Portfolio Strategy
Rameez Dossa	2	Banks (Europe)

## Fixed Income Analysts and PMs / Years at D&C / Coverage

Dana Emery	32	Chief Executive Officer, President, Director of Fixed Income
Shirlee Neil	23	Corporates, Portfolio Transitions
Thomas Dugan	21	Senior Vice President, Associate Director of Fixed Income, Mortgage-Backed Securities
Stephanie Notowich	20	Mortgage-Backed Securities, Portfolio Manager
Kent Radsspinner	19	Asset-Backed Securities, TIPS, Treasury Futures, Portfolio Manager
Nancy Kellerman	19	Municipals, Treasury Trading
Larissa Roesch	18	Corporates, Portfolio Manager
James Dignan	16	Mortgage-Backed Securities
E. Saul Peña	15	Corporates
Thinh Le	14	Corporates
Lucy Johns	13	Corporates, Global Bonds, Portfolio Manager
Jay Stock	13	Analytics Systems, Treasury Futures
Adam Robinson	13	Corporates, Portfolio Manager
Damon Blechen	13	Corporates, Global Bonds
Anthony Brekke	12	Corporates, Portfolio Manager
Nils Reuter	12	Mortgage-Backed Securities
Linda Chong	10	Mortgage- and Asset-Backed Securities
Nicholas Lockwood	8	Municipals, Treasury Trading
Allen Feldman	8	Mortgage-Backed Securities, Analytics Systems
Michael Kiedel	7	Corporates, Taxable Municipals
Matthew Schefer	7	Corporates, Global Bonds, Emerging Markets
Masato Nakagawa	3	Mortgage-Backed Securities
Mimi Yang	1	Global Bonds
Jose Ursua	new	Macroeconomics, Currency, Global Bonds
David Strasburg	new	Corporates

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

# Employee Update – Investment Professionals

January 1, 2010 – June 30, 2015

Hired			Retired/Resigned		Years with Firm	
<b>2015</b>			<b>Retired</b>			
David H. Strasburg	Fixed Income Analyst	2Q	<b>2015</b>			
<b>2014</b>			Robert B. Thompson	Fixed Income Portfolio Manager	23	2Q
Jose F. Ursua	Fixed Income Analyst	4Q	<b>2014</b>			
Mimi Yang	Global Bond Portfolio Associate	2Q	Kenneth E. Olivier	Chairman Emeritus	35	4Q
<b>2013</b>			<b>2011</b>			
Salil A. Phadnis	Global Industry Analyst	3Q	Peter C. Lambert	Fixed Income Portfolio Manager	23	4Q
Rameez Dossa	Global Industry Analyst	3Q	<b>Resigned</b>			
Molly K. Myers <sup>(a)</sup>	Portfolio Manager (PCG)	2Q	<b>2015</b>			
Robert S. Turley	Portfolio Analyst	2Q	Michele L. Cobble	Equity Trader	12	2Q
Allen C. Feldman <sup>(a)</sup>	Fixed Income Analyst	1Q	<b>2014</b>			
<b>2012</b>			Gabriel Sod Hoffs	Fixed Income Analyst	3	2Q
Sophie Chen	Global Industry Analyst	4Q	<b>2011</b>			
Masato Nakagawa	Fixed Income Analyst/Trader	3Q	Jacob Gofman	Global Industry Analyst	16	3Q
<b>2011</b>						
Hallie W. Marshall	Portfolio Manager	3Q				
Gabriel Sod Hoffs	Fixed Income Analyst	3Q				
Matthew B. Schefer <sup>(a)</sup>	Fixed Income Analyst	3Q				

## Annual Total Employees<sup>(b)</sup>

2010	2011	2012	2013	2014
206	216	220	228	237

<sup>(a)</sup>Internally Promoted <sup>(b)</sup>Includes employees of wholly owned subsidiary Dodge & Cox Worldwide Investments Ltd. (UK).

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## Supplemental Exhibits

## Key Investment Risks

### Permanent Loss

The possibility that you lose money



## How We Seek to Mitigate Risk in Fixed Income Portfolios

### In-depth Knowledge of Each Investment

- An important first step is knowing what is in the portfolio, including an in-depth analysis of the risks and the opportunities at the issuer and security levels
- Ongoing monitoring by industry analyst, credit analysts, traders, and portfolio managers

### Experience and Perspective

- The stability of our team results in significant intellectual capital/institutional knowledge about bond markets and fixed income securities; team decision-making provides perspective and experience as we evaluate investments

### Valuation Discipline

- Total return potential is highly dependent on initial purchase price

### Portfolio Diversification

- We select securities that are diversified by sector and various investment themes

### Loss of Future Purchasing Power

The possibility that inflation erodes purchasing power over time



### Defensive Duration Positioning

- A shorter duration mitigates the risk of relative price declines when rates rise

### Yield Advantage<sup>(a)</sup>

- The reinvestment and compounding of incremental yield can offset price declines over longer time periods

### Fully Invested

- Cash generally does not generate positive real returns, and timing the market can be hazardous to long-term returns

### Low Fees and Low Turnover

- Reduces the costs of ownership

### Volatility and Relative Underperformance

The possibility that the market assigns a higher or lower value to assets at any given time



### Long-term Investment Horizon

- Volatility dampens significantly as holding period lengthens

### Incremental Buy and Sell Opportunities

- Short-term price movements provide an opportunity for long-term investors to make interim adjustments to portfolio holdings

### Persistence and Patience

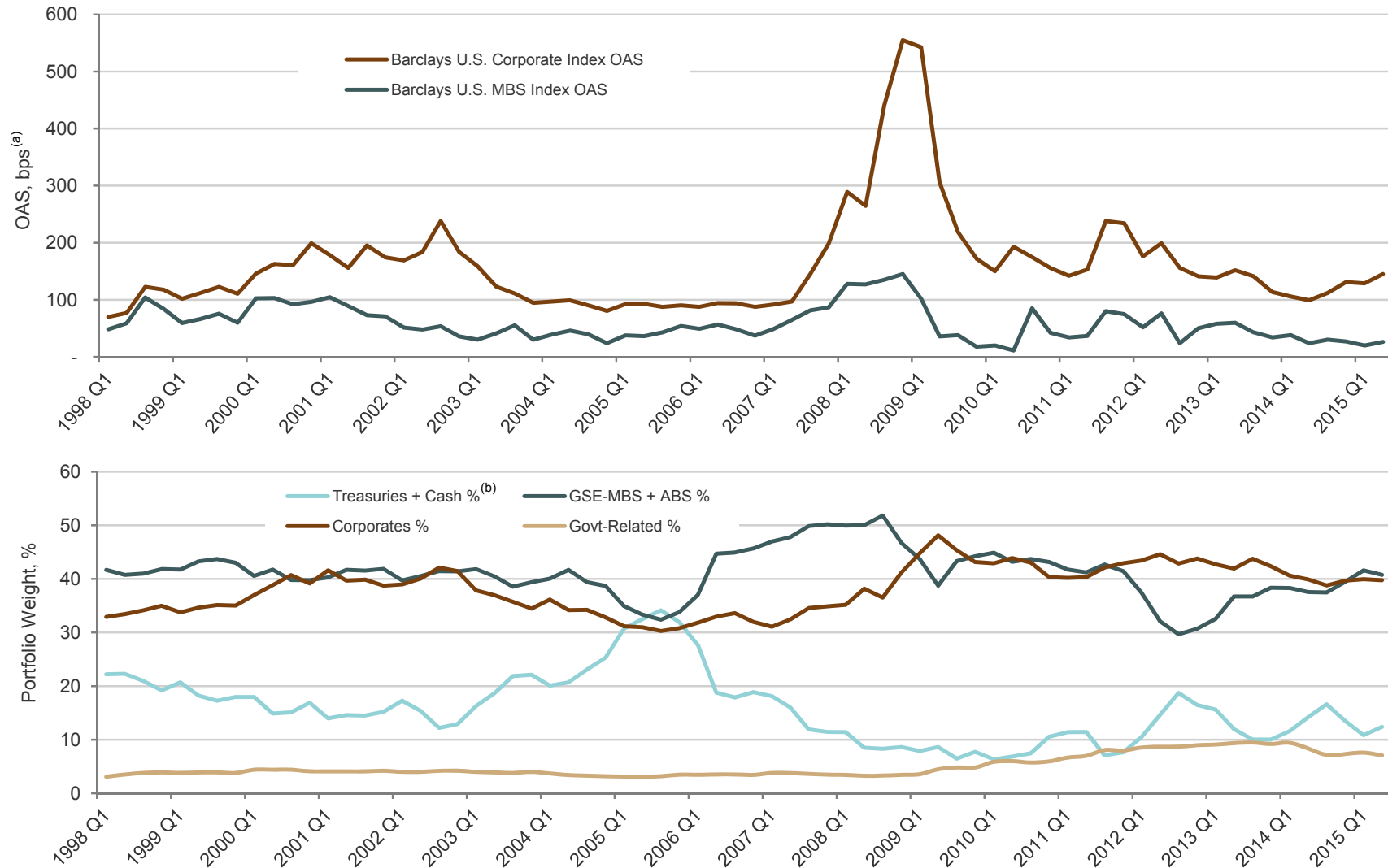
- The fortitude to stay the course through past periods of underperformance and volatility enabled us to build many positions that delivered strong subsequent returns

<sup>(a)</sup> Total return (which includes both yield and change in principal value) will fluctuate with market conditions. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Opinions expressed are subject to change without notice. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit [www.dodgeandcox.com](http://www.dodgeandcox.com) or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

# Sector Weightings Over Time

June 30, 2015

## Fixed Income Tax-Exempt Composite – Supplemental Exhibit



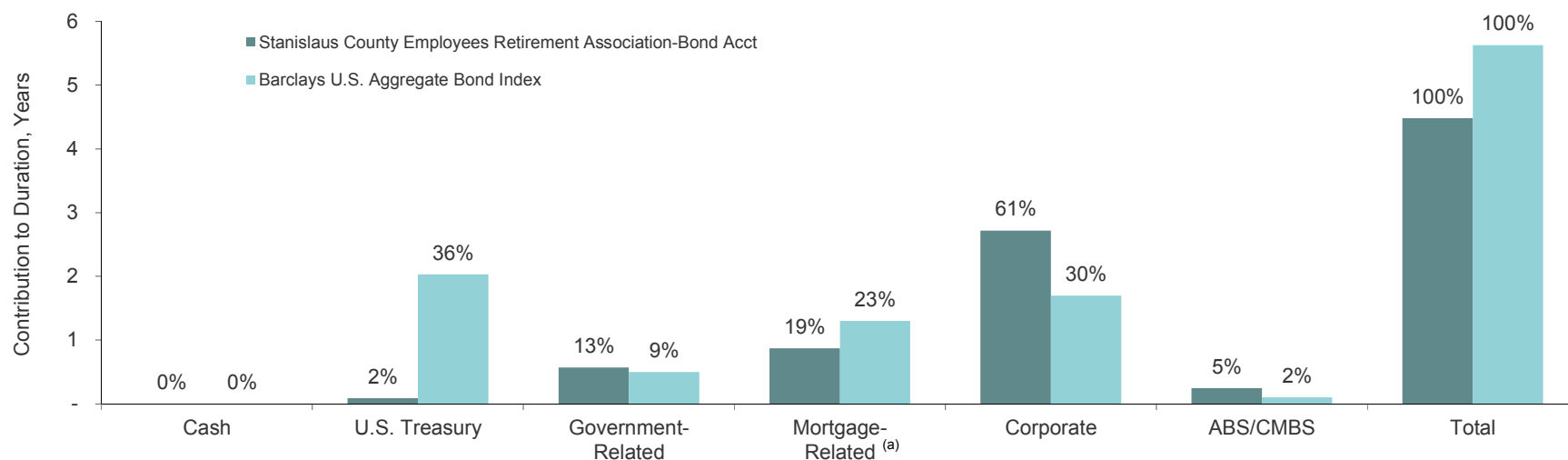
<sup>(a)</sup>OAS (option-adjusted spread) is the option-adjusted yield differential between stated index and comparable U.S. Treasuries. OAS does not translate into a return. <sup>(b)</sup> 2010 and later data as presented includes the effect of a short position in 10-year Treasury futures contracts.

Sources: Barclays, AS400 portfolio system. This exhibit supplements and must be accompanied or preceded by Dodge & Cox's Fixed Income Tax-Exempt Composite. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice.

# Contribution to Duration (by Sector)

June 30, 2015

## Stanislaus County Employees Retirement Association-Bond Acct



Weight (%)	2.23	0.00	8.50	36.14	7.55	9.30	33.85	28.18	39.97	23.86	7.91	2.52	100.00	100.00
Duration (Years)	0.00	0.00	1.02	5.61	7.51	5.36	2.57	4.61	6.80	7.11	3.07	4.11	4.48	5.63
Contribution to Duration <sup>(b)</sup>	0.00	0.00	0.09	2.03	0.57	0.50	0.87	1.30	2.72	1.70	0.24	0.10	4.48	5.63

<sup>(a)</sup>The portfolio's mortgage-related holdings may include Agency multifamily mortgage securities; the Index classifies these securities under CMBS – Agency CMBS. <sup>(b)</sup>Contribution to Duration = Portfolio weightings (%) x Duration (Years).

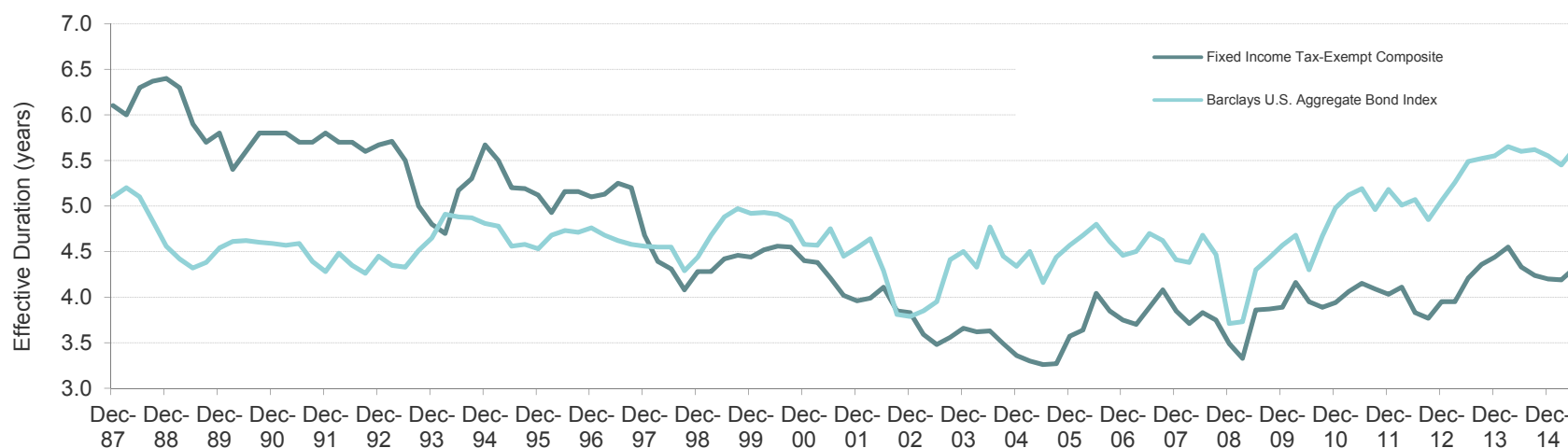
Source: The YieldBook, Inc., Bloomberg LP, Interactive Data's BondEdge, Barclays POINT. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Opinions expressed are subject to change without notice.

# Duration Positioning

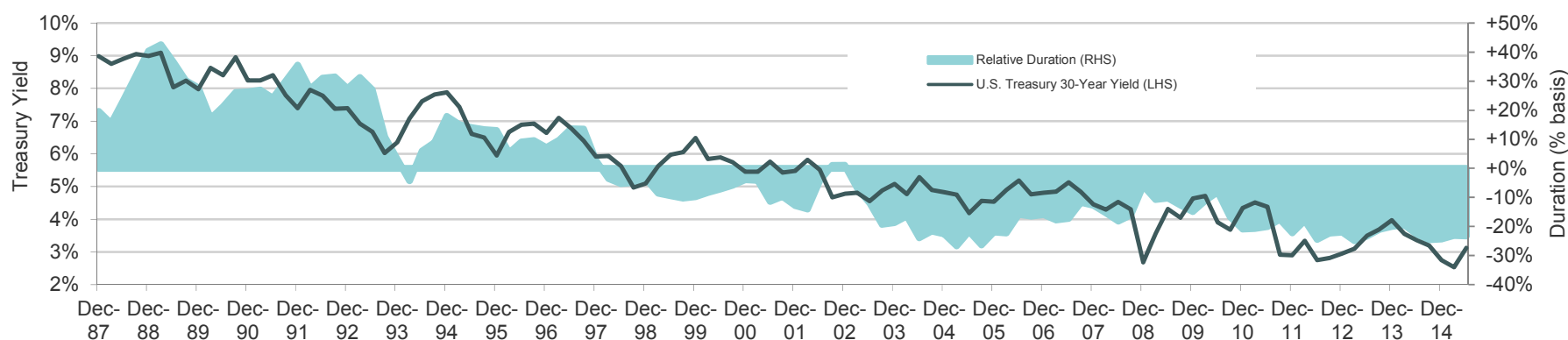
June 30, 2015

## Fixed Income Tax-Exempt Composite – Supplemental Exhibit

### Effective Duration – Quarterly Data December 1987 – June 2015



### Relative Effective Duration vs. 30- Year U.S. Treasury Yield

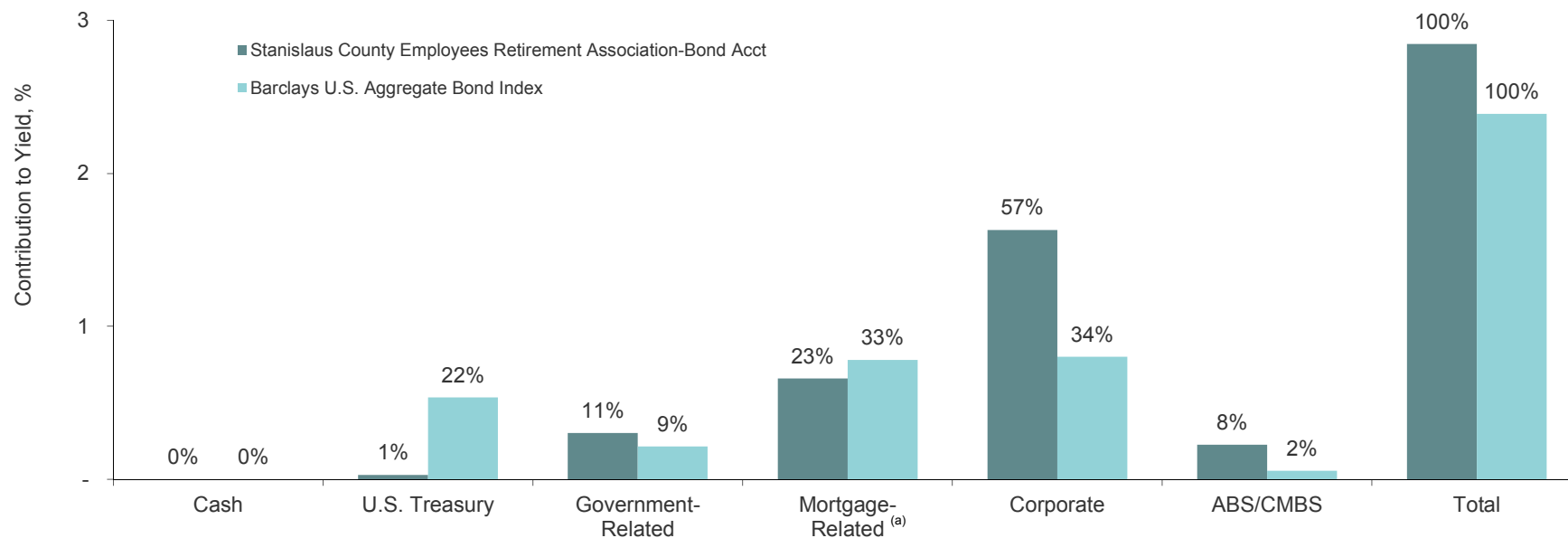


Source: Barclays POINT and Bloomberg LP. This exhibit supplements and must be accompanied or preceded by Dodge & Cox's Fixed Income Tax-Exempt Composite. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice.

# Contribution to Yield (by Sector)

June 30, 2015

## Stanislaus County Employees Retirement Association-Bond Acct



Weight (%)	2.23	0.00	8.50	36.14	7.55	9.30	33.85	28.18	39.97	23.86	7.91	2.52	100.00	100.00
Yield (%) <sup>(b)</sup>	0.01	0.00	0.34	1.48	4.00	2.31	1.95	2.77	4.08	3.36	2.86	2.25	2.85	2.39
Contribution to Yield <sup>(c)</sup>	0.00	0.00	0.03	0.54	0.30	0.21	0.66	0.78	1.63	0.80	0.23	0.06	2.85	2.39

<sup>(a)</sup>The portfolio's mortgage-related holdings may include Agency multifamily mortgage securities; the Index classifies these securities under CMBS – Agency CMBS. <sup>(b)</sup>Yield and principal value fluctuate with market conditions. <sup>(c)</sup>Contribution to Yield = Portfolio weightings (%) x Yield to Worst (%).

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

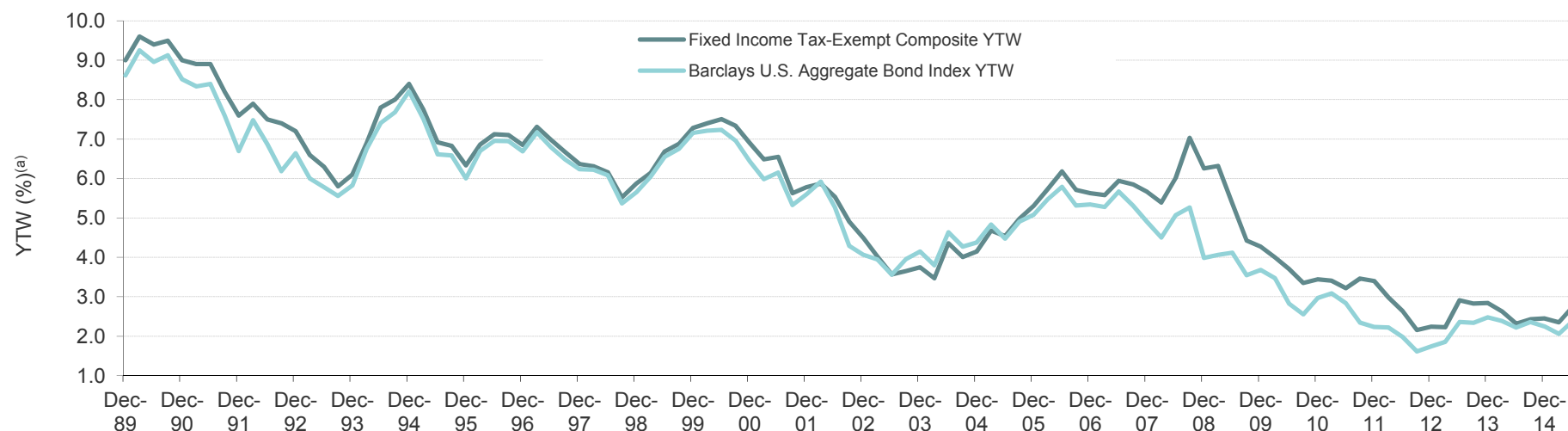


# Yield Advantage

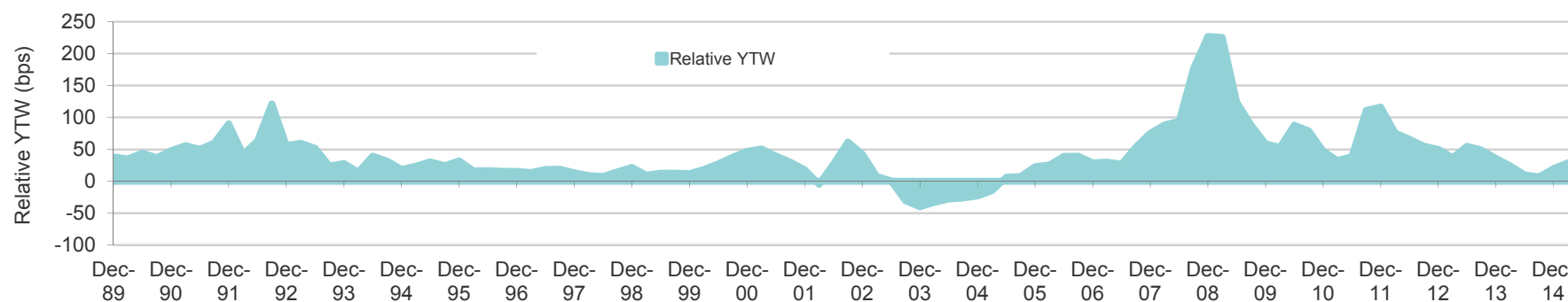
June 30, 2015

## Fixed Income Tax-Exempt Composite – Supplemental Exhibit

### Yield-to-Worst (YTW) – Quarterly Data March 1989 – June 2015



### Relative YTW



<sup>(a)</sup>Yield and Principal value fluctuate with market conditions

Source: Interactive Data's BondEdge, Barclays POINT and Bloomberg LP. This exhibit supplements and must be accompanied or preceded by Dodge & Cox's Fixed Income Tax-Exempt Composite. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice.

# MBS Investing at Dodge & Cox

June 30, 2015

## Dodge & Cox Income Fund

### Key Elements of our Mortgage-Backed Securities (MBS) Strategy

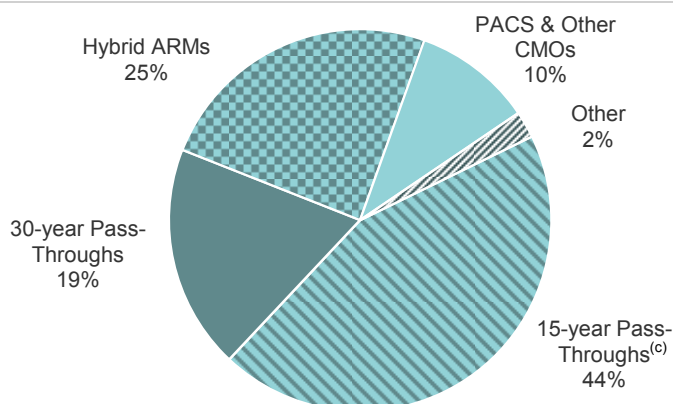
- Provides portfolio with incremental yield, high credit quality, and strong liquidity in the intermediate part of the yield curve.
- Focus on GSE- and Agency-guaranteed collateral, opportunistically investing in non-Index Agency MBS.
- Utilize fundamental research on borrower, loan, and program characteristics to identify attractive total return opportunities over a robust range of interest rate scenarios. Avoid highly volatile securities with pronounced asymmetric return profiles.
- Calibrate overall MBS allocation based on relative value, incorporating dynamic scenario analysis of potential total returns vs. similar-duration alternatives.

### Current Strategy

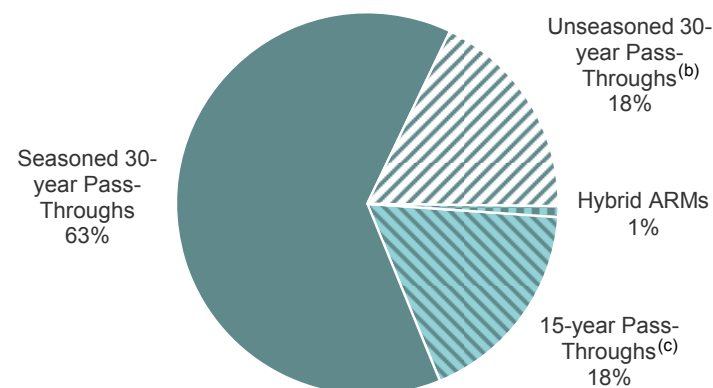
- Given lower MBS yield premiums, we believe the best prospective total return opportunities exist in the less negatively convex portion of the MBS universe.
- Specifically, we believe 15- and 20-year MBS pass-throughs, hybrid ARMs, and CMO floaters provide compelling total return profiles in the current environment.
- No exposure to newly-produced, long-duration, lower-coupon 30-year MBS.
- High dollar price MBS exposure primarily limited to very seasoned securities and securities precluded from special refinance programs.
- Faster than expected prepayments would detract from current strategy's performance, as most securities are valued well above par.

## Income Fund MBS Portfolio Composition vs. Barclays U.S. MBS Index

Income Fund MBS Portfolio<sup>(a)</sup> (33.7% of Fund)



Barclays U.S. MBS Index (28.2% of Barclays U.S. Agg)



Source: Barclays POINT. <sup>(a)</sup>The Fund's mortgage-related holdings may include Agency multifamily mortgage securities; the Index classifies these securities under CMBS – Agency CMBS. <sup>(b)</sup>Weighted-average maturity of > 340 months. <sup>(c)</sup>Includes 20-Year Pass-Throughs. The above information is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified are subject to change without notice and may not represent an account's entire holdings. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and charges and expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit [www.dodgeandcox.com](http://www.dodgeandcox.com) or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

# Below Investment Grade Philosophy: Focus on Fallen Angels

June 30, 2015

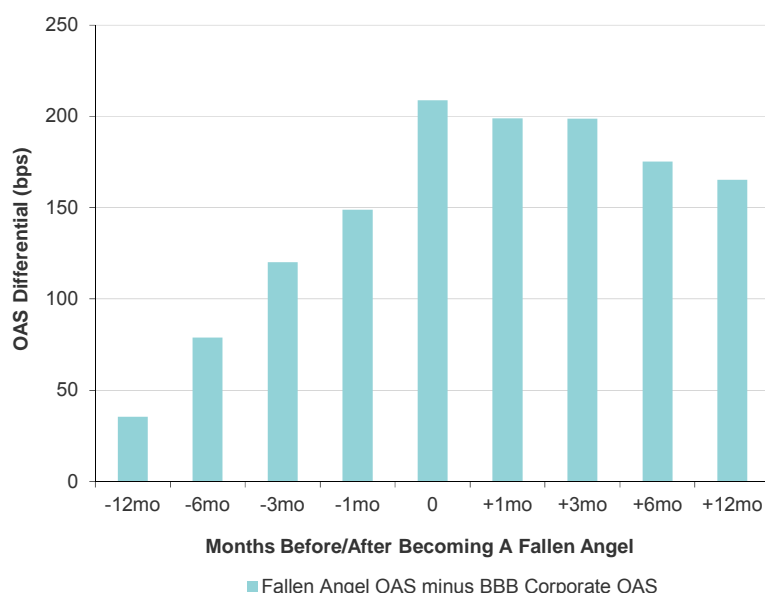
When making investment decisions, we perform our own independent analysis of each issuer's creditworthiness rather than rely on the credit rating agencies. Within the below investment grade sector, most of our holdings are "Fallen Angels" (i.e. issuers that were previously rated investment grade) rather than original-issue high yield issuers.

Many Fallen Angels offer attractive characteristics that have contributed to their historical outperformance vs. original-issue high yield bonds over longer time periods:

- Larger, scale businesses
- Simpler capital structure / greater financing flexibility
- Strategically motivated to return to investment grade
- Non-callable, longer maturity securities

Credit ratings are often lagging indicators. Spreads generally underperform ahead of the downgrade then outperform afterwards.

Fallen Angels have outperformed original-issue high yield bonds in more than 96% of rolling 3-year periods over the last 20 years.



The "Fallen Angel" date for each security is determined by the transition from the Barclays U.S. Corporate Index into the Barclays U.S. HY Index. The chart on the left is based on the median spread difference for Fallen Angels from January 1994 – June 2015

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

# Below Investment Grade Holdings<sup>(a)</sup>

June 30, 2015

## Stanislaus County Employees Retirement Association-Bond Acct

Issuer <sup>(b)</sup>	Ratings			% of Portfolio	Duration	Yield-to-Worst (%) <sup>(c)</sup>
	Moody's	S&P	Fitch			
Petroleo Brasileiro SA	Ba2	BBB-	BBB-	0.71	4.7	6.18
Cemex SAB de CV	NR	B+	BB-	1.26	5.4	6.06
Bank of America capital securities	Ba1	BB	BBB-	1.09	11.9	5.63
Royal Bank of Scotland Group sub notes	Ba2	BB	BBB	1.34	6.2	4.95
Barclays sub notes	Baa3	BB+	A-	0.50	7.5	4.93
Vulcan Materials Co.	Ba3	BB+	BB+	0.48	4.9	4.59
Telecom Italia SPA	Ba1	BB+	BBB-	1.85	5.5	4.47
Naspers, Ltd.	Baa3	NR	BB+	0.52	4.3	4.13
HCA Holdings, Inc.	Ba2	BBB-	BB+	0.28	3.9	3.65
Navient Corp.	Ba3	BB	BB	0.75	1.6	3.48
Health Net, Inc.	Ba2	BB	BB	0.36	1.8	3.25
Citigroup capital securities	Ba1	BB	BBB-	1.01	0.3	3.07
Lafarge SA	Ba1	BB+	BB+	0.20	1.0	1.86
Total Weighted Average					5.2	4.65

### Total Portfolio Weightings (%)

Highest (Moody's/S&P/Fitch)	3.05
Middle (Moody's/S&P/Fitch)	9.14
Lowest (Moody's/S&P/Fitch)	10.35

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

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

# Energy: Recent Developments

June 30, 2015

## Dodge & Cox Income Fund

During 2014, Global Oil Prices Plummeted Almost 50% (Second-Largest Drop in Oil Prices Over the Past 20 Years)



## Income Fund Oil Exposure

We believe most of the issuers we own in this sector have strong credit fundamentals and can withstand the present level of oil prices for an extended period.

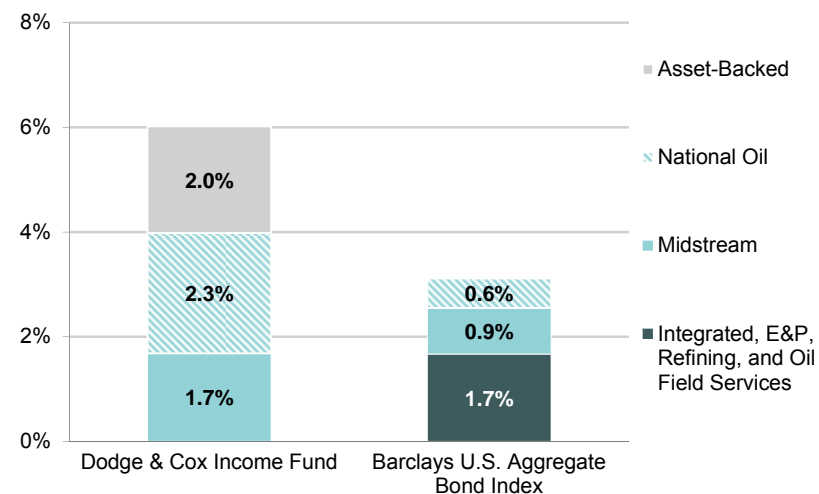
**Petrobras:** New business plan forecasts deleveraging in an environment of \$60 oil in '15 and \$70 oil in '16-'19, along with import parity on fuel prices.

**Rio Oil:** Credit quality is strongly tied to Petrobras production and oil prices. Debt service coverage is forecast to trough at 2.5x in mid-2016, assuming mid-\$60s oil price.

**PEMEX:** Relatively low sensitivity to changes in oil prices due to exceptionally high tax rate.

**Kinder Morgan:** Low direct oil exposure. ~85% of EBDA is fee-based, ~94% is fee-based or hedged.

## Current Energy Positioning



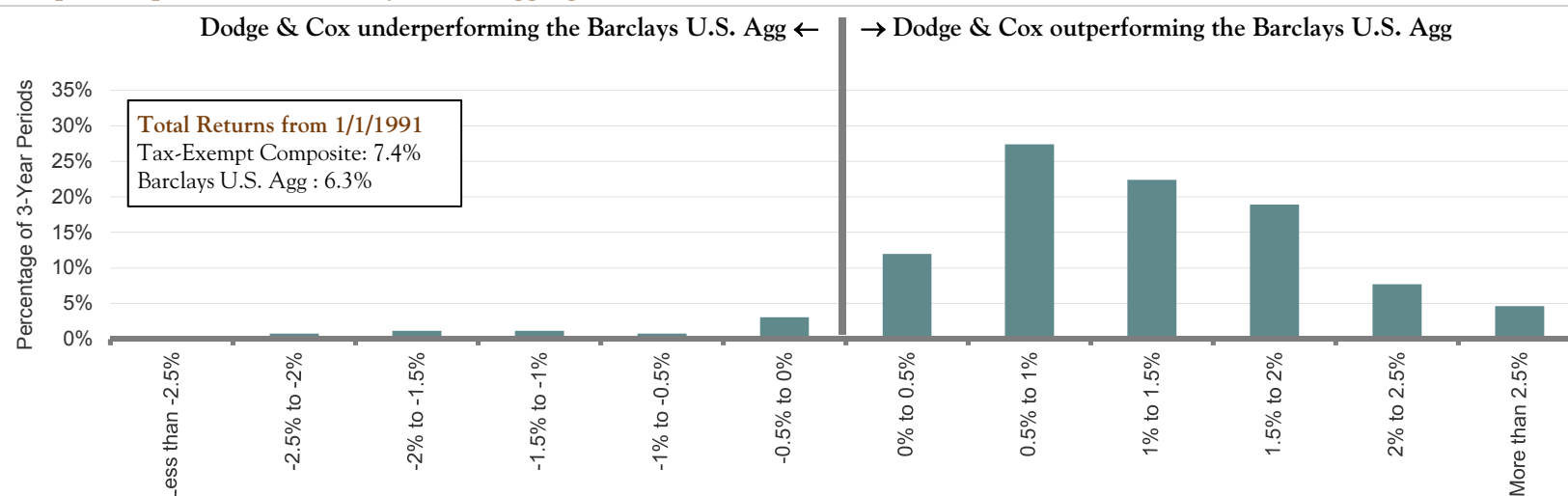
Source: Bloomberg, Barclays POINT. The above information is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information.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

# Long-Term Record

June 30, 2015

## Fixed Income Tax-Exempt Composite – Supplemental Exhibit

### Distribution of Gross-of-Fee 3-Year Return Differences since 1991: Tax-Exempt Composite Less Barclays U.S. Aggregate Bond Index



### Frequency of Dodge & Cox Outperformance (Gross of Fees):

	Since 1991	Since 2001	
<b>Number of 3-year periods:</b>	259	139	
Percentage of periods with Dodge & Cox outperformance:	93%	88%	<div>For example, during 93% of all 3-year periods that started on or after 1/1/1991, the Dodge &amp; Cox Fixed Income Tax-Exempt Composite outperformed the Barclays U.S. Aggregate Bond Index.</div>
Mean return differential (annualized):	1.10%	1.13%	
<b>Number of 5-year periods:</b>	235	115	
Percentage of periods with Dodge & Cox outperformance:	95%	90%	
Mean return differential (annualized):	1.02%	1.04%	
<b>Number of 10-year periods:</b>	175	55	
Percentage of periods with Dodge & Cox outperformance:	99%	100%	
Mean return differential (annualized):	0.91%	1.04%	

Source: Barclays. Analysis begins 1/1/91, rolling in monthly increments, with the first 3-year period ending 12/31/93 and the last period ending 6/30/15. "Since 1991" refers to periods beginning 1/1/91 and later. "Since 2001" refers to periods beginning 1/1/01 and later.

This exhibit supplements and must be accompanied or preceded by Dodge & Cox's Fixed Income Tax-Exempt Composite. Returns represent past performance and do not guarantee future results. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by advisory fees and other expenses incurred in the management of your account. For example, if an annual management fee of 0.40% were deducted quarterly from each account, a ten year annualized cumulative composite return of 10.00% would be reduced by .43% to 9.57%. Information on Dodge & Cox investment advisory fees can be found in its Form ADV, Part II.

# Fixed Income Tax-Exempt Composite

June 30, 2015

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

Annual Returns for  
Years Ended December 31,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Total Composite	2.57	5.80	5.28	0.24	16.11	7.83	5.59	8.33	0.98	6.23
Barclays U.S. Agg Bond Index <sup>(a)</sup>	2.43	4.33	6.96	5.24	5.93	6.56	7.86	4.23	-2.02	5.95

Annualized Cumulative Returns for  
Periods Ended June 30, 2015

	Since Inception 12/31/90 <sup>(a)</sup>	10 Years	9 Years	8 Years	7 Years	6 Years	5 Years	4 Years	3 Years	2 Years	1 Year	YTD. <sup>(b)</sup>
Total Composite	7.43	5.63	6.17	6.07	6.31	6.19	4.85	4.44	3.72	4.32	1.78	0.33
Barclays U.S. Agg Bond Index <sup>(a)</sup>	6.26	4.44	5.04	4.91	4.60	4.36	3.36	3.21	1.83	3.11	1.85	-0.10

Statistics (\$ millions) at December 31,

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	6/30/15 <sup>(a)</sup> 2014
Number of Accounts	155	136	141	134	125	119	122	116	110	110	115
Ending Market Value (\$)	25,307	26,486	29,998	25,565	23,667	23,737	24,122	24,244	20,728	22,872	22,295
Average Account Size (\$)	163	195	213	191	189	199	198	209	188	208	194
Median Account Size (\$)	93	106	116	107	97	96	98	109	99	111	112
Standard Deviation (%)	0.2	0.1	0.2	0.6	1.1	0.3	0.2	0.4	0.2	0.1	0.1
Total Firm Assets (\$)	166,407	212,314	235,754	143,179	172,461	189,356	174,948	189,510	224,417	269,574	281,296
% of Total Firm Assets (%)	15.2	12.5	12.7	17.9	13.7	12.5	13.8	12.8	9.2	8.5	7.9

<sup>(a)</sup>This information is not covered by the report of independent accountants. <sup>(b)</sup> Unannualized rate of return.

Dodge & Cox claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Dodge & Cox has been independently verified for annual periods since 12/31/1991. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Fixed Income Tax-Exempt Composite has been examined for annual periods since 12/31/1991. The verification and performance examination reports are available upon request.

Page 1 of 2

# Fixed Income Tax-Exempt Composite

June 30, 2015

## Notes to the Composite

1. The Fixed Income Tax-Exempt Composite is comprised of core fixed income accounts that are managed free of tax constraints. The accounts are invested in diversified portfolios consisting primarily of high-quality bonds and other fixed income securities, including U.S. government obligations, mortgage and asset-backed securities, corporate bonds and collateralized mortgage obligations. The accounts' objectives are to seek a high and stable rate of current income, consistent with long-term preservation of capital.
2. This composite was created on January 1, 1993.
3. Dodge & Cox, an independent investment adviser registered under the Investment Advisers Act of 1940, is an autonomous investment firm for purposes of determining the Total Firm Assets under management and firmwide compliance.
4. Cash reserves and equivalents are included in the Total Composite returns. Segments of multiple-asset portfolios are not included in this composite.
5. Valuations and performance are computed in U.S. dollars.
6. Performance is generally reported gross of withholding tax on dividends, interest income and capital gains.
7. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by the advisory fees and other expenses incurred in the management of the accounts. For example, if an annual management fee of 0.40% were deducted quarterly from each account, a ten year annualized cumulative composite return of 10.00% would be reduced by 0.43% to 9.57%. Information on Dodge & Cox investment advisory fees can be found in its Form ADV, Part II.
8. The unmanaged index shown for comparative purposes does not reflect the deduction of any fees.  
The Barclays U.S. Aggregate Bond Index is a widely recognized, unmanaged index of U.S. dollar-dominated investment-grade fixed income securities.
9. This report may only be presented to prospective clients on a one-on-one basis.
10. The performance data represents past performance; the results shown should not be considered as a representation of gain/loss which may be realized from an investment made today.
11. A complete list and description of all Dodge & Cox composites, as well as additional information regarding policies for valuing portfolios, calculating and reporting returns is available upon request.
12. Accounts with asset size below \$4,000,000 prior to October 1, 2001 and \$5,000,000 thereafter are excluded from the composite.
13. The Annualized Cumulative Rate of Return is equivalent to the annual rate of return which, if earned in each year of the indicated multi-year period, would produce the actual cumulative rate of return over the entire period.
14. Total Firm Assets are calculated at a point in time. Internal dispersion is calculated by using the asset-weighted standard deviation of annual gross returns of those portfolios that were included in the composite for the year.
15. Results include accounts present for an entire measurement period, except for accounts subject to material client restrictions. The measurement period is defined as a full quarter prior to January 1, 2000 and as a full month thereafter.
16. Before January 1, 2005, trade date accounting was utilized except for a maximum of 10% or less of accounts which used settlement date accounting, at the client's request.
17. On January 1, 2006, 29 accounts were removed from the Fixed Income Tax-Exempt composite, as they were determined to have sufficiently restrictive credit quality guidelines to warrant their removal. A new composite has been created for accounts with more restrictive credit quality guidelines.
18. Current annual fees for Core Fixed Income Accounts are:
  - 0.35% on the next \$25 million
  - 0.25% on the next \$75 million
  - 0.15% on the next \$150 million
  - 0.12% thereafter
19. 3 year annualized standard deviation at:

	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011
Total Composite	2.5	2.7	2.7	2.7	5.3
Barclays U.S. Aggregate Bond Index	3.0 <sup>(a)</sup>	2.8 <sup>(a)</sup>	2.9 <sup>(a)</sup>	2.7 <sup>(a)</sup>	4.2 <sup>(a)</sup>



# Performance Attribution: Sectors

One Year Ending June 30, 2015

Stanislaus County Employees Retirement Association - Equity (+5.1%) vs. Russell 1000 Value (+4.1%)  
Twelve-Month Equity Total Return, Gross of Fees

	Account		Index		Total Impact on Return vs. Index
	Average Weight	Total Return	Average Weight	Total Return	
Consumer Discretionary	15.5%	+17.0%	6.5%	+12.1%	+1.4%
Utilities	-	-	6.2%	-4.0%	+0.5%
Materials	1.4%	+18.3%	3.2%	-5.2%	+0.4%
Energy	8.9%	-29.7%	11.9%	-22.2%	+0.1%
Financials	24.0%	+12.1%	29.4%	+10.2%	+0.1%
Industrials	6.8%	+1.3%	10.2%	+2.2%	+0.0%
Telecommunication Services	0.5%	-46.5%	2.2%	+2.8%	-0.2%
Information Technology	23.6%	+3.4%	9.3%	+3.9%	-0.2%
Consumer Staples	2.7%	-6.2%	7.2%	+8.7%	-0.5%
Health Care	16.5%	+14.0%	14.0%	+20.9%	-0.6%

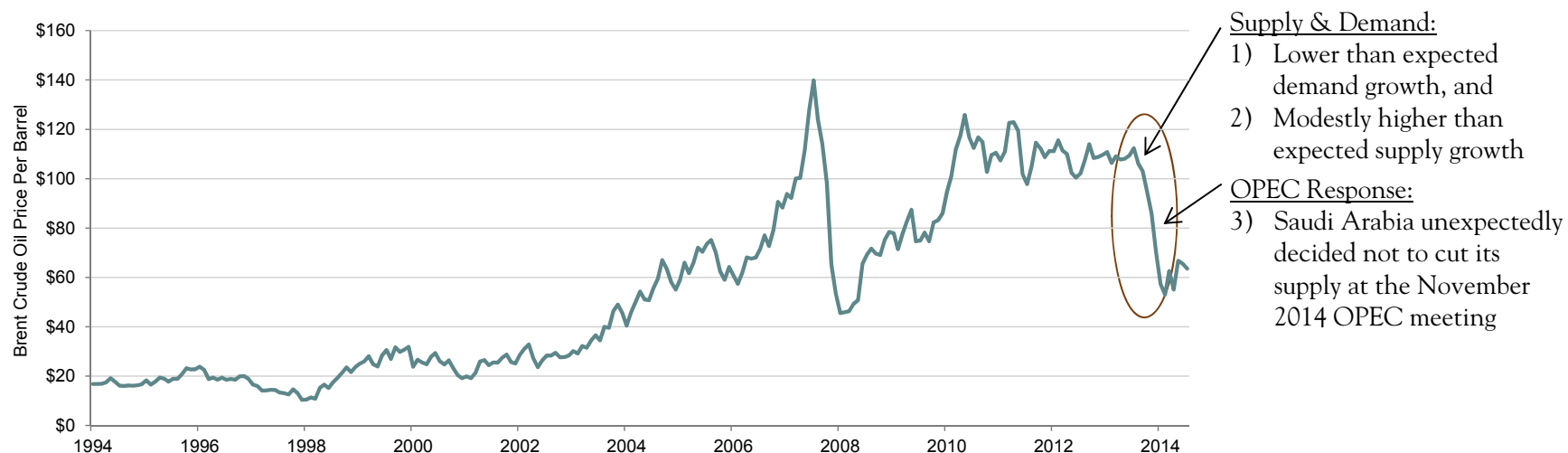
Source: FactSet. Sectors are ranked by total relative effect from attribution analysis. FactSet returns can vary from other sources due to methodology differences. Performance figures do not reflect the deduction of investment advisory fees and other expenses. Returns will be reduced by advisory fees and other expenses incurred in the management of your account. For example, if an annual management fee of .60% were deducted quarterly from your account, a ten-year annualized cumulative composite return of 10.00% would be reduced by .64% to 9.36%. Information on Dodge & Cox investment advisory fees can be found in its Form ADV Part 2A.

# Energy: Recent Developments

June 30, 2015

## Dodge & Cox Stock Fund

During 2014, Global Oil Prices Plummeted Almost 50% (Second-Largest Drop in Oil Prices Over the Past 20 Years)

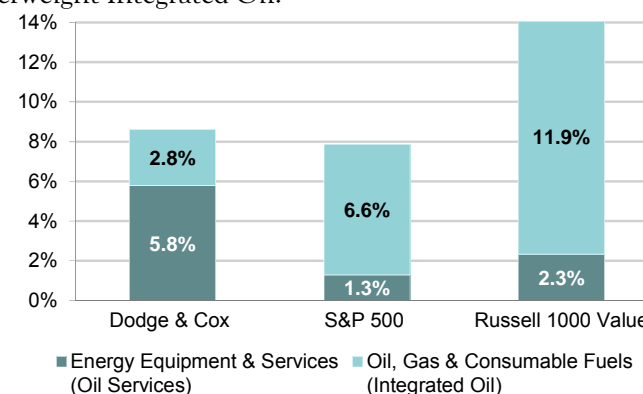


### Forecasting Oil Prices Is Difficult. Our Observations Include:

- **Supply response:** We are seeing cuts to exploration and production budgets that are likely to impact supply growth in the coming years.
- **Demand response:** We are starting to see early indications of increased consumer demand for oil at lower prices (e.g., higher number of vehicle miles traveled).
- **New sources of oil require a higher price to be developed:** Industry exploration success has declined and discoveries are increasingly found in deepwater, which are more expensive to develop than onshore resources.

### Current Energy Positioning

We are assessing the risk-reward outlook for all holdings based on cost curve and oil price scenarios. The Fund is overweight Oil Services and underweight Integrated Oil.



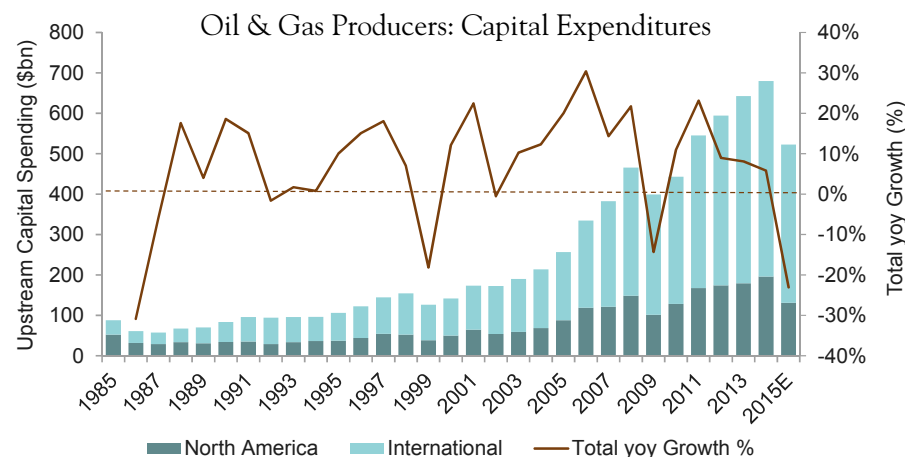
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# Finding Value in Oil Services

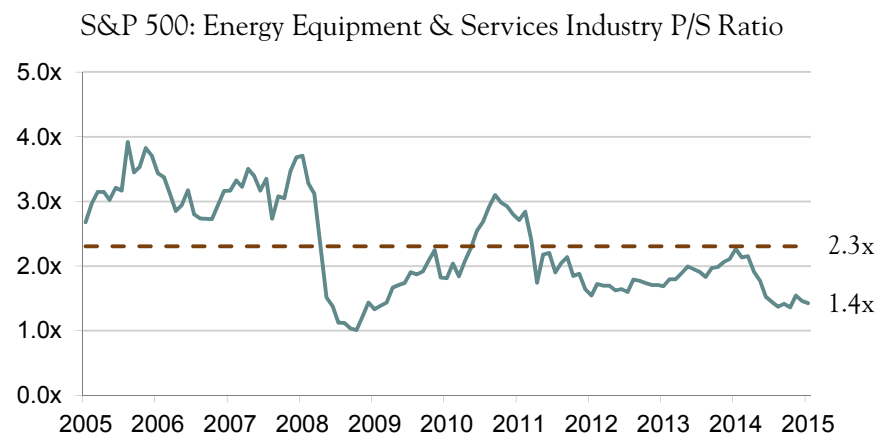
June 30, 2015

## Dodge & Cox Stock Fund

### Oil Services Revenue Depends on Capital Spending

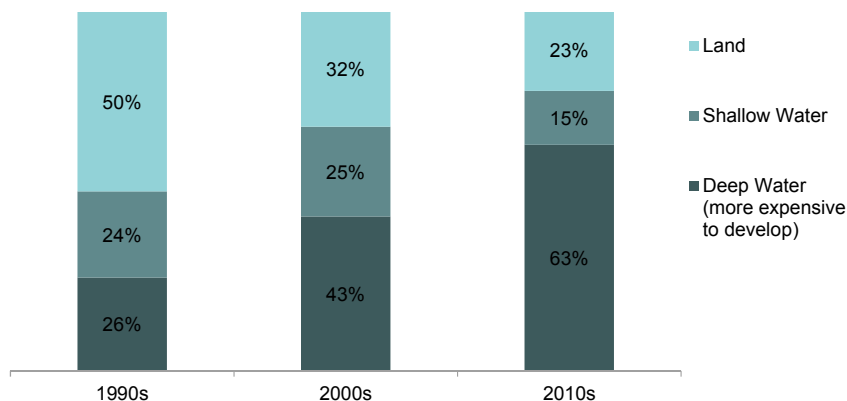


### Concerns About Budget Cuts Have Impacted Valuations

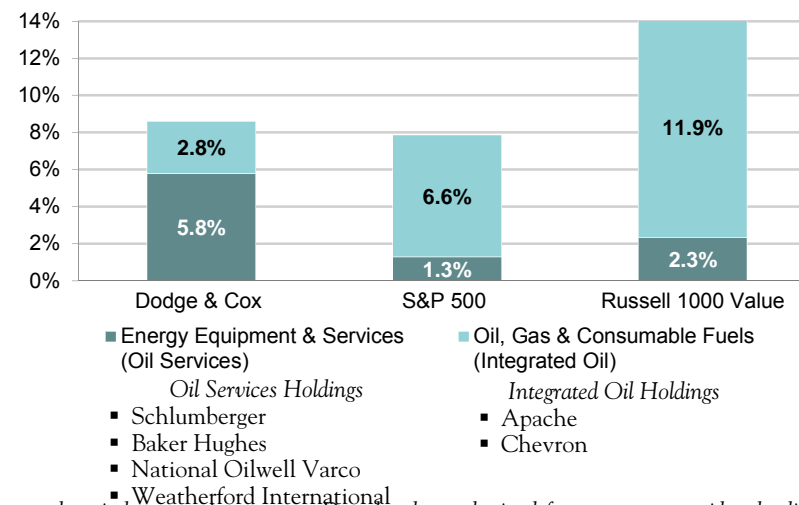


### Long-Term Growth Opportunity: Oil Services' Expertise Is Needed

Incremental Oil Resources Are Becoming More Difficult and Service-Intensive To Develop



### We Have Been Adding to Oil Services



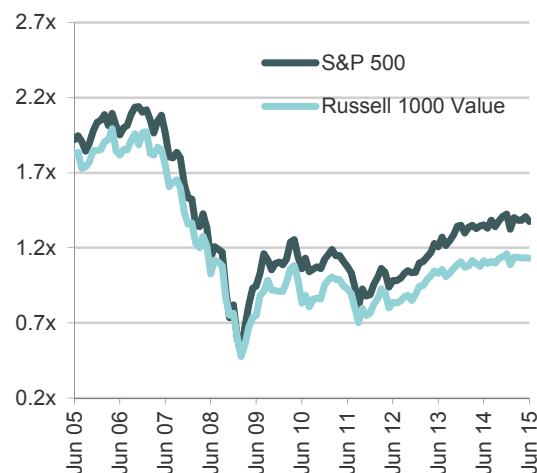
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# Financial Services

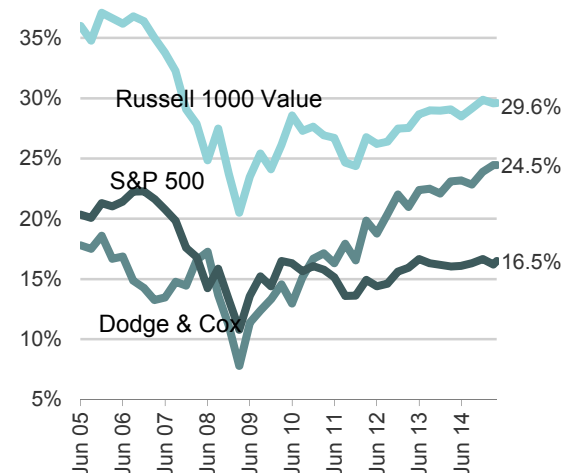
June 30, 2015

## Representative Equity Portfolio – Supplemental Exhibit

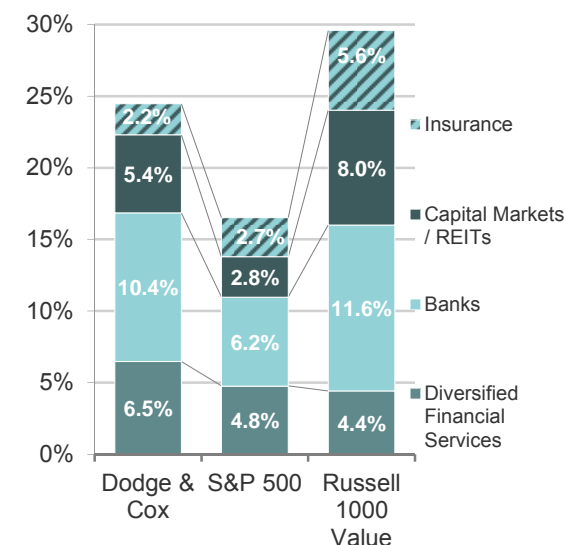
### Modest Valuations: Financials Sector Price-to-Book Ratio



### Financials Weighting: Dodge & Cox vs. Indexes



### Industries Within Financials: Comparative Weighting



### Opportunities

- Leverage to improving economy, lower expenses, better loan and revenue growth, higher margins
- Increasing market share
- Industry-leading technology platforms

### Industry Risks

- Impact of regulatory reform
- Extended low interest rate environment
- Weaker than expected economy

### Holdings

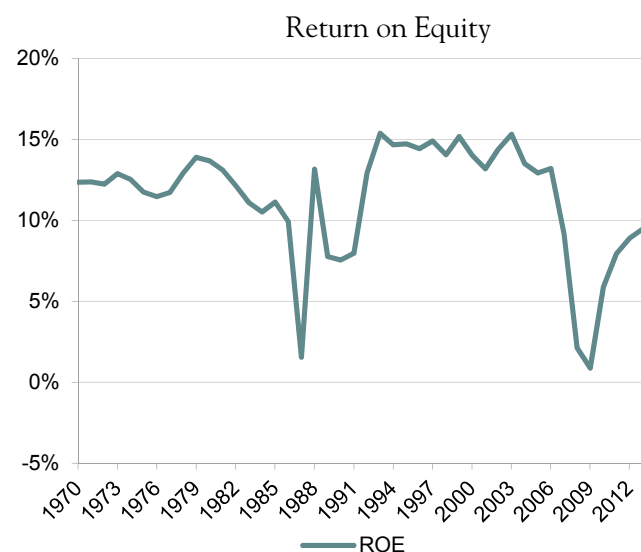
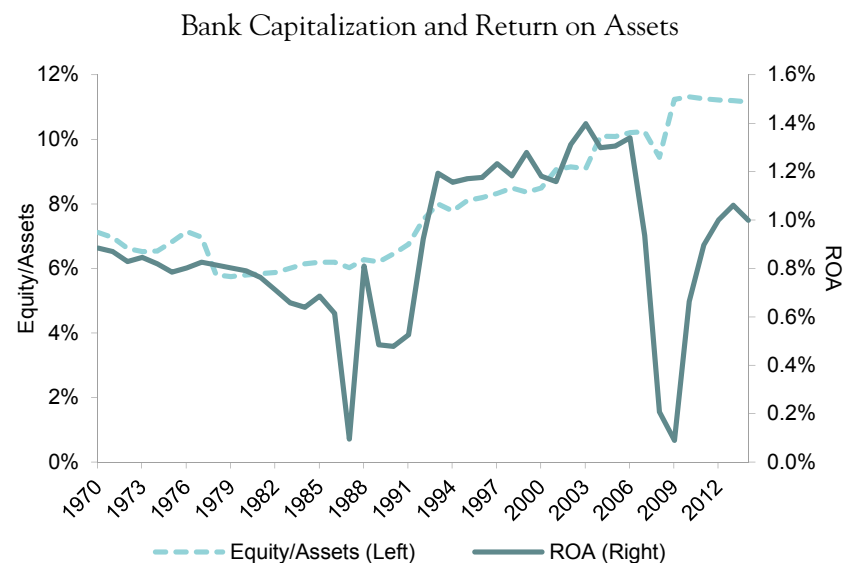
- Diversified Financial Services: Bank of New York Mellon, Capital One
- Banks: Bank of America, BB&T, JPMorgan Chase, SunTrust, Wells Fargo
- Capital Markets / REITs: Charles Schwab, Goldman Sachs
- Insurance: Aegon, MetLife

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

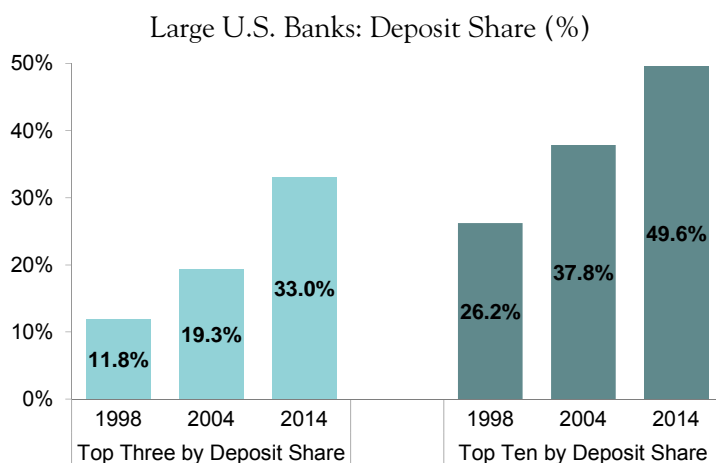
# U.S. Banks' Profitability & Capital Requirements

June 30, 2015

Although Capital Requirements Have Increased, Banks Have Raised ROAs and Maintained ROEs Over Time<sup>(a)</sup>



## The Industry Has Consolidated



## Key Observations

- Since 1990, regulators have required banks to hold more capital and comply with numerous new rules.
- We believe U.S. regulators will require the biggest U.S. banks to maintain larger capital levels to protect against potential losses.
- Due to industry consolidation, market share in businesses, such as deposit taking, has increased for the largest U.S. banks.
- We believe economies of scale will help profitability approach historical averages.

<sup>(a)</sup>For all FDIC-insured commercial banks. ROA = return on assets. ROE = return on equity. Annual data as of December 31, 2014.

Source: FDIC, SNL Financial. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice.

# Pharmaceuticals: Finding Investment Value

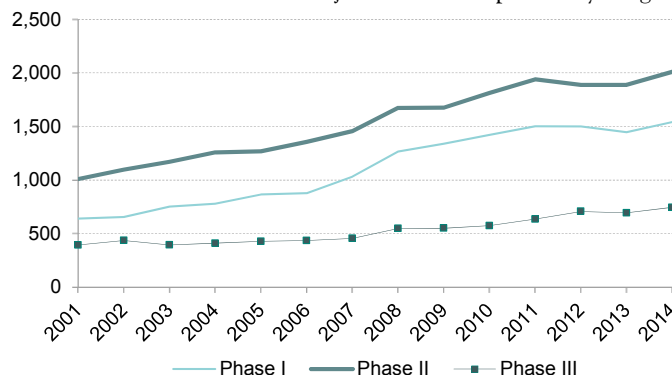
June 30, 2015

## Representative Equity Portfolio – Supplemental Exhibit

### Key Pillars of Our Investment Thesis:

- **Increased R&D Productivity:** Overall industry R&D pipelines have become larger and new drug approvals are on the upswing

Worldwide Active R&D Projects in Development by Stage



- **Long-Term Growth Opportunity In Emerging Markets:**

	Percent of Sales from Emerging Markets <sup>(a)</sup>
Sanofi	34%
GlaxoSmithKline	27%
Roche	26%
Novartis	26%
Pfizer	23%
Merck	22%

### Risks:

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

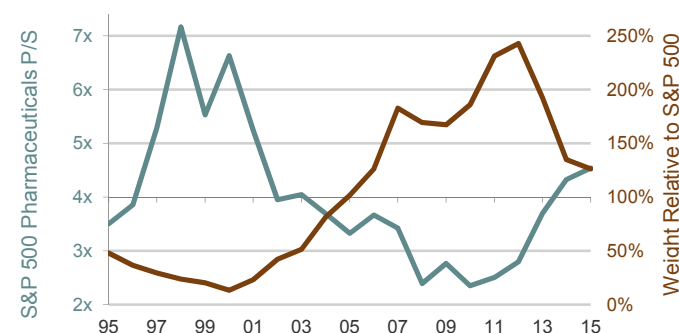
<sup>(a)</sup>Data as of December 31, 2014.

Source: Bank of America Merrill Lynch and FactSet. The representative portfolio characteristics are based on one of the largest and oldest fully discretionary tax-exempt equity accounts that has not experienced recent material cash flow events or investment guideline changes. Representative account holdings are subject to change and new accounts may have different holdings. Emerging market sales from company reports and Dodge & Cox estimates. The above information is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. The information provided is historical and does not predict future results or profitability. This is not a recommendation to buy, sell, or hold any security and is not indicative of Dodge & Cox's current or future trading activity. The securities identified are subject to change without notice and may not represent an account's entire holdings. This exhibit supplements and must be accompanied or preceded by Dodge & Cox's Tax-Exempt Equity Composite.

- **Durable Business Franchises with Significant Barriers to Entry:**

- The Fund's Pharma holdings have reasonable valuations, strong balance sheets, high free cash flow, and cost cutting opportunities that help mitigate the investment risk.

Relative Weighting Has Fallen as Valuation Has Risen



- The ability to integrate three core competencies (the funding of early-stage drug compounds, the development of new drugs, and the global commercialization of drugs) creates barriers to entry.

### Understanding Risk:

- Downside scenarios incorporate severe price cuts
- Regular meetings with branded and generic competitors
- Regular meetings with physicians to explore product markets

# Dodge & Cox Equity Tax-Exempt Composite

June 30, 2015

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

	Annual Returns for Years Ended December 31,										6 Mos.†
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Total Composite	9.57	19.05	0.64	-41.99	31.39	14.17	-3.29	22.19	40.13	10.86	1.42
S & P 500 Index †	4.90	15.79	5.51	-36.99	26.45	15.06	2.12	15.99	32.41	13.69	1.24
Russell 1000 Value Index †	7.07	22.21	-0.18	-36.84	19.69	15.51	0.39	17.50	32.54	13.46	-0.62

	Annualized Cumulative Returns for Periods Ended December 31, 2014									
	10 YRS	9 YRS	8 YRS	7 YRS	6 YRS	5 YRS	4 YRS	3 YRS	2 YRS	1 YR
Total Composite	7.69	7.48	6.11	6.92	18.39	15.95	16.40	23.82	24.64	10.86
S & P 500 Index †	7.68	7.99	7.05	7.27	17.22	15.46	15.56	20.42	22.69	13.69
Russell 1000 Value Index †	7.30	7.33	5.60	6.45	16.13	15.43	15.41	20.90	22.63	13.46

	Statistics (\$ millions) at December 31,										6 Mos.†
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Number of Accounts	184	192	185	165	160	146	137	120	126	128	123
Ending Market Value (\$)	22,823	26,075	23,520	12,554	14,928	14,993	13,094	12,983	16,253	18,441	17,852
Average Account Size (\$)	124	136	127	76	93	103	96	108	129	144	145
Median Account Size (\$)	58	55	56	33	41	45	45	52	58	55	54
Standard Deviation (%)	0.3	0.4	0.3	0.9	1.5	0.5	0.5	0.3	0.5	0.2	0.2
Total Firm Assets (\$)	166,407	212,314	235,754	143,179	172,461	189,356	174,948	189,510	224,417	269,574	281,296
% of Total Firm Assets (%)	13.7	12.3	10.0	8.8	8.7	7.9	7.5	6.9	7.2	6.8	6.3

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

Dodge & Cox claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Dodge & Cox has been independently verified for annual periods since 12/31/1991. Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. The Equity Tax-Exempt Composite has been examined for annual periods since 12/31/1991. The verification and performance examination reports are available upon request.

Page 1 of 2

# Dodge & Cox Equity Tax-Exempt Composite

June 30, 2015

## Notes to the Composite

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

0.60% on the first \$25 million

0.40% thereafter

18. 3 year annualized standard deviation at	6/30/2015	6/30/2014	6/30/2013	6/30/2012	6/30/2011
Total Composite:	9.2	14.0	15.8	18.6	24.9
S & P 500 Index:	8.6 †	12.3 †	13.6 †	16.1 †	21.2 †
Russell 1000 Value Index:	8.9 †	13.0 †	14.1 †	16.8 †	22.6 †



# Investment Policy Committee

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**John A. Gunn** (I) – *Former Chairman*. Mr. Gunn graduated from Stanford University in 1966 and received his M.B.A. from the Stanford Graduate School of Business in 1972. He joined Dodge & Cox in 1972. He is a former Trustee of the Dodge & Cox Funds. Mr. Gunn is a former member of the Board of Governors of the CFA Institute, a CFA charterholder, and a Chartered Investment Counselor.

**Charles F. Pohl** (I,IP,G,F) – *Chairman and Chief Investment Officer*. Mr. Pohl received his B.A. degree in 1980 and his M.B.A. degree in 1981 from the University of Chicago. He was with Wells Fargo Investment Advisors from 1981 until joining Dodge & Cox in 1984. Mr. Pohl is Chairman and a Trustee of the Dodge & Cox Funds. He is a Director and shareholder of the firm and a CFA charterholder.

**Bryan Cameron** (I,IP,P) – *Senior Vice President and Director of Research*. Mr. Cameron received his B.A. degree in Economics from the University of California, Davis in 1980 and his M.B.A. from the Stanford Graduate School of Business in 1983. Mr. Cameron worked for Dodge & Cox for one year before entering the M.B.A. program and rejoined the firm in 1983. He is a shareholder of the firm and a CFA charterholder.

**Diana S. Strandberg** (I,IP,G,GB) – *Senior Vice President and Director of International Equity*. Ms. Strandberg graduated from the University of California, Berkeley (Phi Beta Kappa) in 1981 and received her M.B.A. degree from the Harvard Business School in 1986. After two years as a securities analyst at the First Boston Corporation, she joined Dodge & Cox in 1988. Ms. Strandberg is a Senior Vice President of the Dodge & Cox Funds. She is a Director and shareholder of the firm and a CFA charterholder.

**David C. Hoeft** (I) – *Senior Vice President and Associate Director of Research*. Mr. Hoeft received his B.A. degree (Phi Beta Kappa) from the University of Chicago in 1989 and his M.B.A. from the Harvard Business School in 1993. Prior to entering graduate school, he worked for two years as a consultant to the energy industry. He joined Dodge & Cox in 1993. He is a Director and shareholder of the firm and a CFA charterholder.

**Gregory R. Serrurier** (I,IP,P) – *Senior Vice President*. Mr. Serrurier received his B.S. degree in 1979 from Oregon State University and his M.B.A. from the Stanford Graduate School of Business in 1984. He joined Dodge & Cox in 1984. He is a shareholder of the firm, a CFA charterholder, and a Chartered Investment Counselor.

**Wendell W. Birkhofer** (I,P) – *Vice President*. Mr. Birkhofer received his B.A. degree from Stanford University in 1978 and his M.B.A. from the Stanford Graduate School of Business in 1987. Prior to entering the M.B.A. program, he worked for six years with Wen Birkhofer & Co., an investment broker dealer firm in Los Angeles. He joined Dodge & Cox in 1987. Mr. Birkhofer is a former member of the Board of Governors of the Investment Adviser Association. He is a shareholder of the firm, a CFA charterholder, and a Chartered Investment Counselor.

**Steven C. Voorhis** (I,G) – *Vice President*. Mr. Voorhis received his B.A. and M.A. degrees from Stanford University in 1992 and his M.B.A. from the Harvard Business School in 1996. Prior to graduate school, he worked at Goldman Sachs as a financial analyst. He joined Dodge & Cox in 1996. Mr. Voorhis is a shareholder of the firm and a CFA charterholder.

**Philippe Barret, Jr.** (I) – *Vice President*. Mr. Barret received his B.A. degree (magna cum laude) from Washington and Lee University in 1998 and his M.B.A. degree from the Stanford Graduate School of Business in 2004. Between degrees, he worked as a financial analyst at JP Morgan and American Securities Capital Partners, LLC. Mr. Barret joined Dodge & Cox in 2004. He is a shareholder of the firm and a CFA charterholder.

I = Member of Investment Policy Committee      F = Member of Fixed Income Investment Policy Committee      IP = Member of International Investment Policy Committee  
G = Member of Global Stock Investment Policy Committee      GB = Member of Global Bond Investment Policy Committee      P = Private Client Group Policy Committee

# Source Citations

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## Barclays

*Barclays U.S. Aggregate Index:* The Barclays U.S. Aggregate Bond Index is a widely recognized, unmanaged index of U.S. dollar-denominated, investment-grade, taxable fixed income securities.

*Barclays Global Aggregate Index:* The Barclays Global Aggregate Bond Index is a widely recognized, unmanaged index of multi-currency, investment-grade fixed income securities.

Barclays POINT is a portfolio analytics platform.

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## MSCI

*MSCI EAFE:* The MSCI EAFE (Europe, Australasia, Far East) Index is a broad-based, unmanaged equity market index aggregated from 22 developed market country indices, excluding the United States.

*MSCI World:* The MSCI World Index is a broad-based, unmanaged equity market index aggregated from 24 developed market country indices, including the United States.

*MSCI ACWI:* The MSCI ACWI (All Country World Index) Index is a broad-based, unmanaged equity market index aggregated from 45 developed and emerging market country indices.

*MSCI ACWI ex US:* The MSCI ACWI (All Country World Index) ex US Index is a broad-based, unmanaged equity market index aggregated from 44 developed and emerging market country indices, excluding the United States.

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7/28/15  
item # 7.a

STANISLAUS COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

**MONTHLY FLASH REPORT**

**JUNE 30, 2015**

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333 BUSH STREET | SAN FRANCISCO | 94104 | 415.362.3484

## U.S. EQUITY

Markets were generally flat for most of June, but dropped precipitously toward month-end as the Greek crisis worsened. China's stock market correction and associated contagion fears also became a viable culprit to U.S. equity weakness.

The Russell 3000 ended the month down -1.67%. The Russell 1000 Growth Index was down -1.76% and the Russell 1000 Value Index was down -2.00%. The Russell 2000 Growth Index was up +1.34% and the Russell 2000 Value was also up +0.13% for the month. The S&P 500 Index ended the month down -1.94%.

The S&P 500 Index has a trailing P/E ratio of 21.30 and a forward 12-month estimate P/E ratio of 17.25 and a dividend yield of 2.02%.

Corporate merger highlights for the month included:

General Electric will sell its fleet management arm in the U.S., Mexico, Australia and New Zealand to Canada's Element Financial for \$6.9 billion; European Union regulators approved Siemens' \$7.6 billion purchase of U.S. oilfield equipment maker Dresser-Rand; U.S. health insurer Aetna is reportedly close to buying rival Humana which is valued at nearly \$28 billion; European retailers Ahold and Delhaize announce a \$29 billion merger, creating one of the largest supermarket groups in the U.S. and in Europe; 3M will buy protection equipment company Capital Safety from private equity firm KKR & Co for \$1.8 billion; Lone Star Funds will acquire real estate investment trust Home Properties for about \$7.6 billion; Sequential Brands Group will buy Martha Stewart Living Omni media in a deal valued at about \$353 million; Allergan will buy Kythera Biopharmaceuticals, which is preparing to launch an injection aimed at reducing double chins, for about \$2.1 billion; Hill-Rom will acquire privately held Welch Allyn for \$2.1 billion; Cosmetics group Coty won auctions to acquire 3 businesses from Procter & Gamble for as much as \$12 billion; Cox Automotive, the owner of Autotrader and Kelley Blue Book, will buy Dealertrack Technologies in a deal valued at \$4 billion; CVS Health will acquire Target's U.S. pharmacy and clinics businesses for about \$1.9 billion; Standard Pacific and the Ryland Group agreed to merge creating a company with a combined market value of about \$5.2 billion; Hudson's Bay, one of N. America's oldest firms and operator of Saks Fifth Avenue, will buy Germany's 135-year old Galeria Kaufhof for \$3.19 billion; German pharmaceutical manufacturer Bayer will

sell its diabetes care business to Panasonic Healthcare Holdings for about \$1.1 billion; Insurer Tokio Marine Holdings will acquire U.S.-based HCC Insurance Holdings for \$7.5 billion; Integrated Silicon Solutions will be acquired by Cypress Semiconductor for \$643 million; GE will sell its private equity financing unit to Canada Pension Plan Investment Board in a deal valued at about \$12 billion; Campbell Soup will buy salsa maker Garden of Eatin' for \$231 million to expand in the fresh and organic packaged foods business; Apollo Global Management won the bidding for Saint-Gobain's glass bottle unit Verallia with an offer valuing the business at \$3.27 billion; Cardinal Health will acquire the Harvard Drug Group in a \$1.12 billion deal designed to expand its distribution of generic drugs; OPKO Health will buy clinical laboratory operator Bio-Reference Laboratories in a deal valued at \$1.47 billion; Intel will buy fellow chip maker Altera for \$16.7 billion to allow it to sell cheaper semi-custom-made chips; Enterprise Products will buy pipeline and processing assets in Texas from Pioneer Natural Resources and India's Reliance Industries for \$2.15 billion; Propane retailer Ferrellgas Partners will buy midstream services provider Bridger Logistics for \$837 million; U.S. data center company Equinix will buy British peer TelecityGroup in a deal worth \$3.6 billion;

## FIXED INCOME

In spite of a Greece-related flight to quality at quarter end, "dovish" comments from the Fed and benign inflation data (e.g. May Core CPI +1.7% YoY), U.S. intermediate and long-term yields rose for the quarter as U.S. economic activity reaccelerated (e.g. second quarter average monthly nonfarm payrolls +221K vs. +195K first quarter average). The rise in U.S. yields was also driven by higher global government bond yields as deflationary concerns in Europe abated. The Fed indicated that barring disappointing economic news the first Fed funds rate increase will take place later this year, but the committee anticipates that the pace of subsequent increases will be gradual.

The yield on the bellwether 10-year U.S. Treasury rose to 2.34% at a close of June, up from 2.10% at the end of May. At month end, the 30-year bond yield was 3.10% with the 3-month T-bill at 0.01%. The Barclays Capital US Aggregate Index was down by -1.09% in June.

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

## THE GOOD

- \*The National Association of Realtors reported that its Pending Home Sales Index increased 0.9% to 112.6, the highest level since April 2006.
- \*The U of M consumer sentiment index rose to 96.1 this month, its highest level since January, suggesting that spending will strengthen this year.
- \*For the first six months of 2015, the consumer optimism has improved at the fastest pace since 2004.
- \*Consumer spending surged in May by 0.9%, the biggest monthly increase in nearly six years – and a sign of stronger economic growth ahead.
- \*Personal income rose in May a healthy 0.5%.
- \*The Commerce Department reported that non-defense capital goods orders excluding aircraft, a closely watched proxy for business spending plans, rose 0.4% last month.
- \*The National Association of Realtors reported that sales of existing homes rose 5.1% in May to a seasonally adjusted annual rate of 5.35 million; the fastest pace since November 2009 and rebounding from the drop in April.
- \*The Conference Board's index of leading indicators, designed to predict the future health of the economy, rose 0.7% in May, matching April's gain.
- \*Manufacturing in the Fed's Philadelphia region expanded this month at the fastest pace since December, also suggesting an improving economy.
- \*The University of Michigan's consumer sentiment index surged to 94.6 in early June from 90.7 in May.
- \*Inventories held by businesses rose 0.4% in April compared to March.
- \*Americans stepped up their spending at retailers in May, especially for autos, clothes and building materials, in a sign that strong job growth has begun to boost store sales – retail sales rose a seasonally adjusted 1.2%.
- \*The U.S. posted a budget deficit of \$82.4 billion in May, a 37% drop from the same period last year.
- \*The U.S. government reported employers added a hefty 280,000 jobs in May, well above recent averages.
- \*The U.S. Commerce Department reported that the U.S. trade gap narrowed 26.6% to \$40.9 billion in April, the largest decrease since early 2009 and about \$3 billion less than forecast.
- \*CoreLogic reported that housing prices rose 2.7% in April to take the year-on-year gain to 6.8%

\*The Commerce Department reported that construction spending jumped 2.2% to an annual rate of \$1.0 trillion, the highest level since November 2008.

## THE NOT SO GOOD

- \*Unemployment rates rose in 25 U.S. states in May.
- \*Consumer prices increased in May be the largest amount in more than two year, reflecting the biggest one-month jump in gas prices in nearly six years.
- \*The U.S. Energy Information Administration reported that crude inventories have fallen for seven weeks in a row.
- \*Housing starts dropped 11.1% in May to a seasonally adjusted annual pace of 1.04 million units.
- \*The Federal Reserve reported that industrial output unexpectedly fell 0.2% in May after a revised 0.5% drop in April.
- \*The producer price index, which measures inflation pressures before they reached consumers, spiked 0.5% in May, the Labor Department reported.
- \*The Labor Dept. reported that employer costs for employee compensation grew 4.9% in the year ending March 31<sup>st</sup>.
- \*The Thomson Reuters/IPSOS Primary Consumer Confidence Sentiment Index fell to 55.0 in June from 56.7 in May, declining for the 2<sup>nd</sup> consecutive month and to its lowest level this year.
- \*U.S worker productivity declined more sharply in the first three months of the year (3.1%) than previously thought while labor costs rose more quickly (6.7%).
- \*The Institute for Supply Management reported that it services index fell to 55.7 in May from 57.8 in April.
- \*The Commerce Department reported that factory orders fell 0.4% in April, marking the eighth decline in 9 months.

## NON-U.S. MARKETS

The overall Eurozone unemployment rate remained unchanged at 11.1% in May, but that still leaves it down from a peak of 12.1% in mid-2013 and 11.3% at the beginning of this year. Unemployment varies widely by country, with the low of 4.7% in Germany and a high of 22.5% in Spain. It is probably even higher in Greece, but their second quarter data are yet to be released.

In the U.K., growth slowed in the first quarter, but not by as much as initially thought. GDP rose 0.4%, compared to 0.3% in the preliminary estimate and 0.8%



in the fourth quarter. Consumer spending and business investment powered growth while international trade exerted a large drag. GDP rose a solid 2.9% y/y, highlighting the relative strength of the U.K economy in 2014.

After sliding over the winter, Japan retail sales rebounded in May, although it is too soon to know if this represents a turning point. Sales jumped 1.7% the second consecutive gain. Industrial production continues to weaken as production fell 2.2% in May, the third decline in the last four months. Manufacturing confidence is drifting sideways at a solid but unspectacular level.

In China, equity markets have rallied since the beginning of the year, driven by momentum and liquidity which drew in swaths of unsophisticated speculators. 67% of those opening new brokerage accounts in China have less than a high school education. The latest sharp market correction has triggered a series of unsuccessful government measures designed to stabilize the sell-off. However, the slump has caused valuations to correct as well, providing potential opportunities for more sophisticated, longer-term institutional investors.

Non-U.S. equities were negative in June. The MSCI ACWI Ex-U.S. was down -2.75%. Developed stocks (EAFE) were down -2.80% while Emerging Markets down -2.52% for the month.

## CONCLUSION

Market participants face several complex transitions. First, the U.S. must at some point move to gradually tightening financial conditions, after an extraordinary surge of easing over recent years. This transition is likely to be associated with moderating international capital flows, gradually rising financing costs, and heightened risks of further currency depreciation among most developing economies. It has already been associated with episodes of market volatility whenever markets perceived the moves to be sooner rather than later. Even with the U.S. Federal Reserve expected to leave interest rates on hold (short term), the market will still be focused on policymakers for clear signals on when the central bank will make its first interest rate hike in nearly a decade. Once again, the main point of interest will be any change in the nuances of bank Chair Janet Yellen's language after the central bank's announcement.

## Monthly Market Update

### US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Jun-15	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	-1.67	0.14	1.94	7.29	15.91	17.73	17.54	9.65	8.15
Russell TOP 200 Index	-1.79	0.87	1.42	7.70	15.88	17.08	17.29	9.23	7.63
Russell TOP 200 Growth Index	-1.83	0.71	3.86	11.07	18.92	17.55	18.63	10.66	8.95
Russell TOP 200 Value Index	-1.75	1.04	-1.06	4.33	12.91	16.58	15.93	7.75	6.29
S&P 500 Index	-1.94	0.28	1.23	7.42	15.70	17.31	17.34	9.42	7.89
Russell 1000 Index	-1.88	0.11	1.71	7.37	16.01	17.73	17.58	9.59	8.13
Russell 1000 Growth Index	-1.76	0.12	3.96	10.56	18.46	17.99	18.59	10.50	9.10
Russell 1000 Value Index	-2.00	0.11	-0.61	4.13	13.55	17.34	16.50	8.59	7.05
Russell Mid-Cap Index	-2.07	-1.54	2.35	6.63	16.30	19.26	18.23	10.51	9.40
Russell Mid-Cap Growth Index	-1.61	-1.14	4.18	9.45	17.45	19.24	18.69	10.34	9.69
Russell Mid-Cap Value Index	-2.56	-1.97	0.41	3.67	15.09	19.13	17.73	10.61	8.89
Russell 2000 Index	0.75	0.42	4.75	6.49	14.74	17.81	17.08	10.44	8.40
Russell 2000 Value Index	0.13	-1.20	0.76	0.78	11.13	15.50	14.81	9.31	6.87
Russell 2000 Growth Index	1.34	1.98	8.74	12.34	18.37	20.11	19.33	11.52	9.86
DJ US REIT Index	-4.42	-10.00	-5.75	5.21	9.17	8.67	14.43	7.60	6.78
DJ-UBS US Commodity Index	1.73	4.66	-3.21	-23.71	-9.14	-8.76	-3.91	-10.91	-2.62
DJ-UBS US Gold Index	-1.51	-1.05	-2.62	-11.72	-2.49	-10.36	-1.77	2.68	9.48

### Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Jun-15	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	-2.75	0.72	4.34	-4.85	7.86	9.92	8.23	1.94	6.01
MSCI AC World Index	-2.31	0.52	2.97	1.23	11.85	13.61	12.52	5.35	6.97
MSCI EAFE Index	-2.80	0.84	5.88	-3.82	9.25	12.45	10.03	2.45	5.60
MSCI Emerging Markets index	-2.52	0.82	3.12	-4.77	4.50	4.08	4.03	1.18	8.46
ML Global Government Bond Ex. U.S. Index	0.60	-1.20	-4.20	-12.73	-3.83	-6.26	-0.78	1.18	2.46
Euro	1.63	3.74	-7.92	-18.62	-7.42	-4.24	-1.88	-4.83	-0.83
Japanese Yen	1.41	-1.99	-2.02	-17.21	-9.90	-13.28	-6.28	-2.03	-0.99
UK Pound Sterling	3.06	5.94	0.86	-8.02	1.83	0.09	1.00	-3.31	-1.30

### US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Jun-15	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
ML 3-month T-bill Total Return Index	0.00	0.01	0.01	0.02	0.04	0.06	0.08	0.22	1.42
BarCap Aggregate Bond Index	-1.09	-1.68	-0.10	1.86	3.11	1.83	3.35	4.59	4.44
ML U.S. Corp/Govt Master Index	-1.20	-2.05	-0.19	1.98	3.18	1.88	3.61	4.65	4.41
ML U.S. Corporate Master Index	-1.64	-2.66	-0.46	1.01	4.44	3.54	5.25	6.38	5.21
BarCap Mortgage Backed Securities Index	-0.76	-0.74	0.31	2.28	3.46	1.92	2.89	4.44	4.56
ML U.S. High Yield Master Index	-1.53	-0.04	2.49	-0.53	5.41	6.74	8.37	9.02	7.67
JPM EMBI Global	-1.69	-0.29	1.76	-1.57	4.55	3.44	6.52	7.44	7.34

# Preliminary

Stanislaus County Employees' Retirement Association

## Performance Summary

Periods Ending June 30, 2015

	Market Value	1 Mo	5/1/15 - 5/31/15	Fiscal YTD
<b>Total Fund</b>	<b>\$1,827,790,717</b>	<b>-1.11%</b>	<b>0.44%</b>	<b>4.19%</b>
<i>Policy Index</i>		<u>-1.49%</u>	<u>0.39%</u>	<u>3.60%</u>
Excess Return		0.38%	0.05%	0.59%
<b>US Equity</b>	<b>\$840,256,435</b>	<b>-0.87%</b>	<b>1.50%</b>	<b>7.96%</b>
<i>US Equity Blended</i>		<u>-1.35%</u>	<u>1.50%</u>	<u>7.28%</u>
Excess Return		0.48%	0.00%	0.68%
BlackRock Russell 1000 Growth	\$111,465,717	-1.75%	1.41%	10.63%
<i>Russell 1000 Growth</i>		<u>-1.76%</u>	<u>1.41%</u>	<u>10.56%</u>
Excess Return		0.01%	0.00%	0.07%
Jackson Square	\$166,822,111	-1.11%	2.03%	12.70%
<i>Russell 1000 Growth</i>		<u>-1.76%</u>	<u>1.41%</u>	<u>10.56%</u>
Excess Return		0.65%	0.62%	2.14%
BlackRock Russell 1000 Value	\$123,636,832	-1.96%	1.21%	4.29%
<i>Russell 1000 Value</i>		<u>-2.00%</u>	<u>1.20%</u>	<u>4.14%</u>
Excess Return		0.04%	0.01%	0.15%
Dodge & Cox-Equity	\$186,333,892	-1.18%	1.22%	5.04%
<i>Russell 1000 Value</i>		<u>-2.00%</u>	<u>1.20%</u>	<u>4.14%</u>
Excess Return		0.82%	0.02%	0.90%
<b>Legato Capital</b>	<b>\$90,670,423</b>	<b>3.02%</b>	<b>2.35%</b>	<b>12.88%</b>
<i>Russell 2000 Growth</i>		<u>1.34%</u>	<u>3.67%</u>	<u>12.34%</u>
Excess Return		1.68%	-1.32%	0.54%
<b>Capital Prospects</b>	<b>\$87,908,296</b>	<b>-0.01%</b>	<b>0.69%</b>	<b>3.40%</b>
<i>Russell 2000 Value</i>		<u>0.13%</u>	<u>0.83%</u>	<u>0.78%</u>
Excess Return		-0.14%	-0.14%	2.62%



# Preliminary

## Stanislaus County Employees' Retirement Association

### Performance Summary

Periods Ending June 30, 2015

	Market Value	1 Mo	5/1/15 - 5/31/15	Fiscal YTD
Mellon S&P 500	\$73,419,164	-1.94%	1.29%	7.45%
S&P 500		<u>-1.94%</u>	<u>1.29%</u>	<u>7.42%</u>
Excess Return		0.00%	0.00%	0.03%
<b>International Equity</b>	<b>\$356,374,984</b>	<b>-2.44%</b>	<b>-1.27%</b>	<b>-3.19%</b>
MSCI ACWI ex US		<u>-2.75%</u>	<u>-1.47%</u>	<u>-4.85%</u>
Excess Return		0.31%	0.20%	1.66%
LSV Asset Mgt	\$177,581,242	-2.51%	-1.84%	-4.46%
MSCI ACWI ex USA Gross		<u>-2.75%</u>	<u>-1.47%</u>	<u>-4.85%</u>
Excess Return		0.24%	-0.37%	0.39%
Pyramis	\$178,793,743	-2.37%	-0.51%	-1.72%
MSCI ACWI ex USA Gross		<u>-2.75%</u>	<u>-1.47%</u>	<u>-4.85%</u>
Excess Return		0.38%	0.96%	3.13%
<b>US Fixed Income</b>	<b>\$484,894,837</b>	<b>-0.97%</b>	<b>-0.14%</b>	<b>1.90%</b>
Barclays Aggregate		<u>-1.09%</u>	<u>-0.24%</u>	<u>1.86%</u>
Excess Return		0.12%	0.10%	0.04%
Dodge & Cox-Fixed	\$374,620,624	-0.98%	-0.13%	1.97%
Barclays Aggregate		<u>-1.09%</u>	<u>-0.24%</u>	<u>1.86%</u>
Excess Return		0.11%	0.11%	0.11%
PIMCO	\$110,274,213	-0.95%	-0.15%	1.64%
Barclays Aggregate		<u>-1.09%</u>	<u>-0.24%</u>	<u>1.86%</u>
Excess Return		0.14%	0.09%	-0.22%
<b>Real Estate</b>	<b>\$30,718,678</b>	<b>-1.89%</b>	<b>-0.02%</b>	<b>8.68%</b>
DJ US Select RESI		<u>-4.42%</u>	<u>-0.06%</u>	<u>5.25%</u>
Excess Return		2.53%	0.04%	3.43%
American Strategic Value Realty	\$7,973,478	0.00%	0.00%	--

# Preliminary

## Stanislaus County Employees' Retirement Association

### Performance Summary

Periods Ending June 30, 2015

	Market Value	1 Mo	5/1/15 - 5/31/15	Fiscal YTD
BlackRock US Real Estate	\$12,686,555	-4.42%	-0.06%	5.21%
<i>DJ US Select RESI TR USD</i>		<u>-4.42%</u>	<u>-0.06%</u>	<u>5.25%</u>
Excess Return		0.00%	0.00%	-0.04%
Greenfield Gap	\$10,058,510	0.00%	0.00%	--
<i>NCREIF ODCE +1%</i>		<u>0.11%</u>	<u>0.08%</u>	<u>11.21%</u>
Excess Return		-0.11%	-0.08%	
<b>Direct Lending</b>	<b>\$102,508,194</b>	<b>1.10%</b>	<b>0.37%</b>	<b>8.29%</b>
<i>9% Annual</i>		<u>0.72%</u>	<u>0.72%</u>	<u>9.00%</u>
Excess Return		0.38%	-0.35%	-0.71%
Medley Capital	\$32,358,659	0.00%	0.00%	5.84%
Raven Capital	\$30,373,064	0.00%	-0.17%	5.13%
White Oak Pinnacle	\$39,776,471	2.88%	1.10%	13.87%
<b>Infrastructure</b>	<b>\$10,521,639</b>	<b>0.00%</b>	<b>--</b>	<b>--</b>
<i>CPI-U Headline +5%</i>		<u>0.89%</u>	<u>0.52%</u>	<u>4.44%</u>
Excess Return		-0.89%		
MS Infrastructure Partners II	\$10,521,639	0.00%	--	--
<i>CPI-U Headline +5%</i>		<u>0.89%</u>	<u>0.52%</u>	<u>4.44%</u>
Excess Return		-0.89%		
12th Street Building	\$2,500,000	0.00%	0.00%	0.00%
Cash Account	\$15,950	0.27%	0.01%	516.27%

# Preliminary

Stanislaus County Employees' Retirement Association

## Policy Allocation

As of June 30, 2015

ASSET CLASS	MARKET VALUE	PERCENT	CURRENT POLICY		TARGET POLICY	
			ALLOCATION	RANGE	ALLOCATION	RANGE
<b>DOMESTIC EQUITIES</b>	<b>840,256,435</b>	<b>46.0%</b>	<b>46.7%</b>	<b>41.7% - 51.7%</b>	<b>38.2%</b>	<b>32.2% - 44.2%</b>
BlackRock Russell 1000 Growth	111,465,717	6.1%	5.5%	4.0% - 6.0%	4.6%	
Jackson Square	166,822,111	9.1%	8.5%	7.0% - 10.0%	6.7%	
BlackRock Russell 1000 Value	123,636,832	6.8%	6.5%	5.5% - 6.5%	5.5%	
Dodge & Cox - Equity	186,333,892	10.2%	9.7%	7.7% - 11.7%	8.9%	
Legato Capital	90,670,423	5.0%	5.5%	4.0% - 6.0%	3.7%	
Capital Prospects	87,908,296	4.8%	5.5%	4.0% - 6.0%	4.0%	
Mellon S&P 500	73,419,164	4.0%	5.5%	4.0% - 6.0%	4.8%	
<b>INTERNATIONAL EQUITIES</b>	<b>356,374,984</b>	<b>19.5%</b>	<b>18.0%</b>	<b>15.0% - 21.0%</b>	<b>18.0%</b>	<b>15.0% - 21.0%</b>
LSV Asset Mgt	177,581,242	9.7%	9.0%	7.5% - 10.5%	9.0%	
Pyramis	178,793,743	9.8%	9.0%	7.5% - 10.5%	9.0%	
<b>FIXED INCOME</b>	<b>484,894,837</b>	<b>26.5%</b>	<b>29.8%</b>	<b>26.0% - 33.6%</b>	<b>29.8%</b>	<b>26.0% - 33.6%</b>
Dodge & Cox - Fixed	374,620,624	20.5%	23.8%	20.8% - 26.8%	23.8%	
PIMCO	110,274,213	6.0%	6.0%	5.0% - 7.0%	6.0%	
<b>ALTERNATIVES:</b>	<b>146,248,511</b>	<b>8.0%</b>	<b>5.5%</b>		<b>14.0%</b>	
<b>REAL ESTATE</b>	<b>33,218,678</b>	<b>1.8%</b>	<b>1.5%</b>	<b>1.0% - 2.0%</b>	<b>3.5%</b>	<b>1.0% - 4.5%</b>
American Strategic Value Fund	7,973,478	0.4%				
BlackRock US Real Estate	12,686,555	0.7%	1.5%	0.0% - 2.0%	0.0%	
Greenfield Gap	10,058,510	0.6%	0.0%	0.0% - 1.5%	1.0%	
12th Street Building	2,500,000	0.1%	0.0%		0.0%	
Unallocated Private Real Estate	0	0.0%	0.0%		2.5%	
<b>DIRECT LENDING</b>	<b>102,508,194</b>	<b>5.6%</b>	<b>4.0%</b>	<b>2.0% - 6.0%</b>	<b>7.5%</b>	<b>2.5% - 9.0%</b>
Medley Capital	32,358,659	1.8%	1.0%	1.0% - 3.0%	2.1%	
Raven Capital	30,373,064	1.7%	1.5%	1.0% - 3.0%	2.7%	
White Oak Pinnacle	39,776,471	2.2%	1.5%	1.0% - 3.0%	2.7%	
<b>INFRASTRUCTURE</b>	<b>10,521,639</b>	<b>0.6%</b>	<b>0.0%</b>		<b>0.0%</b>	
MS Infrastructure	10,521,639	0.6%				
<b>CASH</b>	<b>15,950</b>	<b>0.0%</b>	<b>0.0%</b>	<b>0.0% - 3.0%</b>	<b>0.0%</b>	<b>0.0% - 3.0%</b>
<b>TOTAL PORTFOLIO</b>	<b>1,827,790,717</b>	<b>100.0%</b>	<b>100.0%</b>		<b>100.0%</b>	

# Preliminary

Stanislaus County Employees' Retirement Association

## Asset Class Market Value Summary

As of June 30, 2015

ASSET CLASS	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
<b>MARKET VALUE</b>					
DOMESTIC EQUITIES	840,256,435	848,263,252	-0.94%	851,396,556	-1.31%
INTERNATIONAL EQUITIES	356,374,984	365,466,469	-2.49%	328,558,658	8.47%
FIXED INCOME	484,894,837	492,368,200	-1.52%	505,355,926	-4.05%
DIRECT LENDING	102,508,194	101,981,485	0.52%	74,084,730	38.37%
REAL ESTATE	33,218,678	33,214,120	0.01%	27,848,530	19.28%
INFRASTRUCTURE	10,521,639	10,521,639	0.00%	-	N/A
CASH	15,950	15,909	0.26%	1,235	N/A
<b>TOTAL PORTFOLIO</b>	<b>1,827,790,717</b>	<b>1,851,831,073</b>	<b>-1.30%</b>	<b>1,787,245,635</b>	<b>2.27%</b>
<b>ASSET ALLOCATION (ACTUAL)</b>					
DOMESTIC EQUITIES	45.97%	45.81%	0.2%	47.64%	-1.7%
INTERNATIONAL EQUITIES	19.50%	19.74%	-0.2%	18.38%	1.1%
FIXED INCOME	26.53%	26.59%	-0.1%	28.28%	-1.7%
DIRECT LENDING	5.61%	5.51%	0.1%	4.15%	1.5%
REAL ESTATE	1.82%	1.79%	0.0%	1.56%	0.3%
INFRASTRUCTURE	0.58%	0.57%	N/A	-	N/A
CASH	0.00%	0.00%	0.0%	0.00%	N/A
<b>TOTAL PORTFOLIO</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.0%</b>	<b>100.0%</b>	<b>0.0%</b>
* % Change represents changes in cash balances, including cash transfers, and does not represent investment returns					

STANCERA  
Price Monitor Position Report

BlackRock  
Passive Large Cap Growth Manager  
Positions as of June 30, 2015

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	6/30/2015 \$ PX	7/17/2015 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	60,163	\$7,546,229	6.77%	0.41%	125.43	129.62	3.34%	-0.54%
Microsoft Corp.	MSFT	48,979	\$2,162,435	1.94%	0.12%	44.15	46.62	5.59%	1.72%
Facebook Inc.	FB	24,172	\$2,073,262	1.86%	0.11%	85.77	94.97	10.73%	6.85%
Walt Disney	DIS	17,871	\$2,039,823	1.83%	0.11%	114.14	118.86	4.14%	0.26%
Google Inc. - Class A	GOOGL	3,777	\$2,039,823	1.83%	0.11%	540.04	699.62	29.55%	25.67%
Google Inc. - Class C	GOOG	3,833	\$1,995,236	1.79%	0.11%	520.51	672.93	29.28%	25.40%
Amazon Com inc	AMZN	4,288	\$1,861,477	1.67%	0.10%	434.09	483.01	11.27%	7.39%
Verizon Communications	VZ	38,981	\$1,816,891	1.63%	0.10%	46.61	47.59	2.10%	-1.78%
Gilead Sciences Inc	GILD	14,947	\$1,750,012	1.57%	0.10%	117.08	118.26	1.01%	-2.87%
Coca-Cola Co.	KO	41,768	\$1,638,546	1.47%	0.09%	39.23	41.25	5.15%	1.27%
TOP TEN HOLDINGS			\$24,923,734	22.36%	1.36%	Russell 1000 Growth:		<b>3.88%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$111,465,717**  
\$1,827,790,717

STANCERA  
Price Monitor Position Report

BlackRock  
Passive Large Cap Value Manager  
Positions as of June 30, 2015

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	6/30/2015 \$ PX	7/17/2015 \$ PX	Position % Change	Relative % Change
EXXON MOBIL CORP	XOM	48,444	\$4,030,561	3.26%	0.22%	83.20	82.61	-0.71%	-1.58%
GENERAL ELECTRIC CO	GE	120,519	\$3,202,194	2.59%	0.18%	26.57	27.24	2.52%	1.65%
WELLS FARGO & CO	WFC	56,059	\$3,152,739	2.55%	0.17%	56.24	57.94	3.02%	2.15%
JPMORGAN CHASE & CO	JPM	44,338	\$3,004,375	2.43%	0.16%	67.76	69.21	2.14%	1.27%
BERKSHIRE HATHAWAY INC	BRK-B	21,437	\$2,917,829	2.36%	0.16%	136.11	143.88	5.71%	4.84%
JOHNSON & JOHNSON	JNJ	28,924	\$2,818,920	2.28%	0.15%	97.46	100.08	2.69%	1.82%
PROCTER & GAMBLE CO	PG	33,343	\$2,608,737	2.11%	0.14%	78.24	82.24	5.11%	4.24%
PFIZER INC	PFE	75,222	\$2,522,191	2.04%	0.14%	33.53	35.07	4.59%	3.72%
BANK OF AMERICA	BAC	130,756	\$2,225,463	1.80%	0.12%	17.02	18.10	6.35%	5.47%
AT&T INC	T	59,869	\$2,126,554	1.72%	0.12%	35.52	35.01	-1.44%	-2.31%
TOP TEN HOLDINGS			\$28,609,563	23.14%	1.57%	Russell 1000 Value		<b>0.87%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$123,636,832**  
\$1,827,790,717

STANCERA  
Price Monitor Position Report

BNY - S&P 500 Index  
Passive S&P 500 Index Fund  
Positions as of June 30, 2015

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	6/30/2015 \$ PX	7/17/2015 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	23,121	\$2,900,057	3.95%	0.16%	125.43	129.62	3.34%	0.10%
Microsoft Corp	MSFT	33,425	\$1,475,725	2.01%	0.08%	44.15	46.62	5.59%	2.35%
Exxon Mobil Corp	XOM	16,325	\$1,358,255	1.85%	0.07%	83.20	82.61	-0.71%	-3.95%
Johnson & Johnson	JNJ	11,225	\$1,093,946	1.49%	0.06%	97.46	100.08	2.69%	-0.56%
General Electric Co	GE	40,067	\$1,064,578	1.45%	0.06%	26.57	27.24	2.52%	-0.72%
Wells Fargo & Co.	WFC	18,929	\$1,064,578	1.45%	0.06%	56.24	57.94	3.02%	-0.22%
Berkshire Hathaway Inc.	BRK-B	7,552	\$1,027,868	1.40%	0.06%	136.11	143.88	5.71%	2.46%
JPMorgan Chase & Co.	JPM	14,953	\$1,013,184	1.38%	0.06%	67.76	69.21	2.14%	-1.11%
Procter & Gamble	PG	11,167	\$873,688	1.19%	0.05%	78.24	82.24	5.11%	1.87%
Pfizer Inc.	PFE	25,181	\$844,320	1.15%	0.05%	33.53	35.07	4.59%	1.35%
TOP TEN HOLDINGS			\$12,716,199	17.32%	0.70%	S&P 500 Index:		<b>3.25%</b>	

Total Portfolio Value  
Total StanCERA Value

<b>\$73,419,164</b>
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\$1,827,790,717

STANCERA  
Price Monitor Position Report

Dodge & Cox Equity  
Active US Large Cap Value Manager  
Positions as of June 30, 2015

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	6/30/2015 \$ PX	7/17/2015 \$ PX	Position % Change	Relative % Change
CAPITAL ONE FINANCIAL CORP	COF	90,000	\$7,917,300	4.25%	0.43%	4.33%	87.97	90.99	3.43%	-0.45%
WELLS FARGO & CO	WFC	138,072	\$7,765,169	4.17%	0.42%	4.25%	56.24	57.94	3.02%	-0.86%
MICROSOFT CORP	MSFT	160,000	\$7,064,000	3.79%	0.39%	3.86%	44.15	46.62	5.59%	1.72%
NOVARTIS AG-SPONSORED ADR	NVS	66,500	\$6,539,610	3.51%	0.36%	3.58%	98.34	105.81	7.60%	3.72%
HEWLETT-PACKARD CO	HPQ	210,005	\$6,302,250	3.38%	0.34%	3.45%	30.01	30.36	1.17%	-2.71%
TIME WARNER INC	TWX	72,032	\$6,296,317	3.38%	0.34%	3.44%	87.41	89.69	2.61%	-1.27%
TIME WARNER CABLE	TWC	35,068	\$6,248,065	3.35%	0.34%	3.42%	178.17	189.01	6.08%	2.21%
SCHWAB (CHARLES) CORP	SCHW	175,000	\$5,713,750	3.07%	0.31%	3.13%	32.65	34.79	6.55%	2.68%
SCHLUMBERGER LTD	SLB	61,000	\$5,257,590	2.82%	0.29%	2.88%	86.19	83.71	-2.88%	-6.76%
COMCAST CORP-CLASS A	CMCSA	84,063	\$5,055,548	2.71%	0.28%	2.76%	60.14	64.27	6.87%	2.99%
TOP TEN HOLDINGS			\$64,159,599	34.43%	3.51%	35.10%	Russell 1000 Growth:		<b>3.88%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$186,333,892**  
\$1,827,790,717



STANCERA  
Price Monitor Position Report

Jackson Square Partners  
Active Large Cap Growth Portfolio  
Positions as of June 30, 2015

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	6/30/2015 \$ PX	7/17/2015 \$ PX	Position % Change	Relative % Change
Celgene Corporation	CELG	79,575	\$9,209,613	5.52%	0.50%	0.87%	115.74	134.52	16.23%	12.35%
QUALCOMM Incorporated	QCOM	143,916	\$9,013,459	5.40%	0.49%	0.15%	62.63	64.34	2.73%	-1.15%
eBay Inc.	EBAY	142,242	\$8,568,658	5.14%	0.47%	0.69%	60.24	66.29	10.04%	6.16%
Visa Inc. Class A	V	125,375	\$8,418,931	5.05%	0.46%	1.24%	67.15	70.88	5.55%	1.68%
MasterCard Incorporated Class A	MA	81,475	\$7,616,283	4.57%	0.42%	0.88%	93.48	96.08	2.78%	-1.10%
Walgreens Boots Alliance Inc	WBA	87,696	\$7,405,050	4.44%	0.41%	0.10%	84.44	95.75	13.39%	9.52%
Equinix Inc	EQIX	28,699	\$7,289,546	4.37%	0.40%	0.14%	254.00	263.50	3.74%	-0.14%
Valeant Pharmaceuticals International, Inc.	VRX	28,497	\$6,330,609	3.79%	0.35%	0.00%	222.15	236.10	6.28%	2.40%
Liberty Interactive Corporation QVC Group	QVCA	224,175	\$6,220,856	3.73%	0.34%	0.05%	27.75	29.04	4.65%	0.77%
Allergan plc	AGN	19,753	\$5,994,245	3.59%	0.33%	0.51%	303.46	316.21	4.20%	0.32%
TOP TEN HOLDINGS			\$76,067,250	45.60%	4.16%	4.63%	Russell 1000 Growth:		3.88%	

Total Portfolio Value  
Total StanCERA Value

<b>\$166,822,111</b>
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\$1,827,790,717

STANCERA  
Price Monitor Position Report

Capital Prospects  
Active US Small Cap Value Manager  
Positions as of June 30, 2015

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000V	6/30/2015 \$ PX	7/17/2015 \$ PX	Position % Change	Relative % Change
Hillenbrand, Inc	HI	40,661	\$1,248,298	1.42%	0.07%	0.10%	30.70	28.71	-6.48%	-5.95%
Regal Beloit Corp	RBC	15,138	\$1,098,854	1.25%	0.06%	0.00%	72.59	68.18	-6.08%	-5.55%
Littelfuse, Inc	LFUS	10,654	\$1,010,945	1.15%	0.06%	0.11%	94.89	92.26	-2.77%	-2.24%
MB Financial, Inc	MBFI	27,822	\$958,200	1.09%	0.05%	0.14%	34.44	35.00	1.63%	2.16%
Allete, Inc	ALE	20,087	\$931,828	1.06%	0.05%	0.12%	46.39	47.77	2.97%	3.50%
Amern Equity	AEL	30,954	\$835,129	0.95%	0.05%	0.00%	26.98	27.15	0.63%	1.16%
First AM	FAF	21,971	\$817,547	0.93%	0.04%	0.21%	37.21	38.07	2.31%	2.84%
Steelcase Inc.	SCS	43,234	\$817,547	0.93%	0.04%	0.08%	18.91	18.52	-2.06%	-1.53%
Cinemark Holdings, Inc	CNK	20,133	\$808,756	0.92%	0.04%	0.00%	40.17	41.12	2.36%	2.89%
Iberiabank Corp	IBKC	11,596	\$791,175	0.90%	0.04%	0.14%	68.23	67.40	-1.22%	-0.69%
TOP TEN HOLDINGS			\$9,318,279	10.60%	0.51%	0.90%	Russell 2000 Value:		<b>-0.53%</b>	

Total Portfolio Value  
Total StanCERA Value

<b>\$87,908,296</b>
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\$1,827,790,717

STANCERA  
Price Monitor Position Report

Legato Capital Management  
Active US Small Cap Growth Manager  
Positions as of June 30, 2015

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000G	6/30/2015 \$ PX	7/17/2015 \$ PX	Position % Change	Relative % Change
LifeLock, Inc.	LOCK	110,457	\$1,811,495	2.00%	0.10%	0.16%	16.40	16.13	-1.65%	-3.74%
Synchronoss Technologies, Inc.	SNCR	35,012	\$1,601,099	1.77%	0.09%	0.19%	45.73	46.18	0.98%	-1.11%
Ligand Pharmaceuticals Incorporated	LGND	15,215	\$1,535,194	1.69%	0.08%	0.19%	100.90	105.53	4.59%	2.49%
Dealertrack Technologies, Inc.	TRAK	22,560	\$1,416,542	1.56%	0.08%	0.11%	62.79	62.26	-0.84%	-2.94%
Constant Contact, Inc.	CTCT	45,705	\$1,314,476	1.45%	0.07%	0.10%	28.76	31.36	9.04%	6.94%
AmSurg Corp.	AMSG	18,407	\$1,287,570	1.42%	0.07%	0.09%	69.95	69.54	-0.59%	-2.68%
Echo Global Logistics, Inc	ECHO	38,523	\$1,258,161	1.39%	0.07%	0.10%	32.66	33.09	1.32%	-0.78%
FleetMatics Group Ltd.	FLTIX	25,466	\$1,192,573	1.32%	0.07%	0.19%	46.83	50.31	7.43%	5.34%
Stamps.com Inc.	STMP	15,845	\$1,165,717	1.29%	0.06%	0.11%	73.57	76.09	3.43%	1.33%
Advisory Board Company	ABCO	20,710	\$1,132,216	1.25%	0.06%	0.24%	54.67	58.59	7.17%	5.07%
TOP TEN HOLDINGS			\$13,715,041	15.13%	0.75%	1.48%	Russell 2000 Growth:		2.10%	

Total Portfolio Value  
Total StanCERA Value

**\$90,670,423**  
\$1,827,790,717

STANCERA  
Price Monitor Position Report

LSV Asset Management  
International Large Cap Value  
Positions as of May 31, 2015

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	6/30/2015 \$ PX*	7/17/2015 \$ PX*	Position % Change	Relative % Change
MAGNA INTERNATIONAL INC	MGA	Canada	54,139	\$3,036,639	1.71%	0.17%	0.13%	56.09	54.09	-3.57%	-4.90%
ROYAL DUTCH SHELL	RDS	London	15,049	\$2,663,719	1.50%	0.15%	0.99%	177.00	167.25	-5.51%	-6.84%
SAMSUNG ELECTRONICS COMPANY LIM	SSNLF	Korea	2,272	\$2,521,654	1.42%	0.14%	0.80%	1110.00	1110.00	0.00%	-1.34%
NIPPON TELEGRAPH AND TELEPHONE C	NTT	Japan	68,508	\$2,486,137	1.40%	0.14%	0.15%	36.29	37.37	2.98%	1.64%
DAIMLER AG	DAI.DE	Germany	28,277	\$2,308,556	1.30%	0.13%	0.49%	81.64	84.44	3.43%	2.09%
SANOFI S.A.	SNY	London	46,251	\$2,290,798	1.29%	0.13%	0.65%	49.53	53.60	8.22%	6.88%
BANK OF CHINA LIMITED	IDCBY	China	139,016	\$2,202,007	1.24%	0.12%	0.29%	15.84	14.72	-7.07%	-8.41%
VOLKSWAGEN AG	VOW3.DE	Germany	10,587	\$2,202,007	1.24%	0.12%	0.21%	208.00	200.00	-3.85%	-5.18%
BAE SYSTEMS PLC	BAESY	London	76,366	\$2,166,491	1.22%	0.12%	0.12%	28.37	30.18	6.38%	5.04%
ALLIANZ SE	ALV.DE	Germany	15,381	\$2,148,733	1.21%	0.12%	0.40%	139.70	154.15	10.34%	9.01%
TOP TEN HOLDINGS				\$24,026,742	13.53%	1.31%	4.23%	MSCI ACWI ex-U.S.		1.34%	

Total Portfolio Value  
Total StanCERA Value

<b>\$177,581,242</b>
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\$1,827,790,717

\*Company quotes are provided directly in USD

STANCERA  
Price Monitor Position Report

Pyramis Global Advisors  
Active Non-US Growth Manager  
Positions as of June 30, 2015

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	6/30/2015 PX*	7/17/2015 PX*	Position % Change	Relative % Change
ROCHE HLDGS AG (GENUSSCHEINE)	7110388	Switzerland	9,556	\$2,679,013	1.50%	0.15%	1.08%	35.07	36.54	4.19%	2.86%
NESTLE SA (REG)	7123870	Switzerland	35,410	\$2,557,568	1.43%	0.14%	1.27%	67.80	72.95	7.60%	6.26%
NOVARTIS AG (REG)	7103065	Switzerland	25,219	\$2,486,684	1.39%	0.14%	1.24%	98.34	105.81	7.60%	6.26%
MITSUBISHI UFJ FINL GRP INC	6335171	Japan	320,100	\$2,301,508	1.29%	0.13%	0.50%	7.22	7.32	1.39%	0.05%
TOYOTA MOTOR CORP	6900643	Tokyo	33,900	\$2,272,559	1.27%	0.12%	1.00%	133.75	135.36	1.20%	-0.13%
HSBC HOLDINGS PLC (UK REG)	540528	London	229,940	\$2,061,633	1.15%	0.11%	0.94%	570.10	580.20	1.77%	0.44%
LLOYDS BANKING GROUP PLC	870612	London	1,439,826	\$1,930,187	1.08%	0.11%	0.42%	1.36	1.32	-2.94%	-4.28%
ING GROEP NV CVA	7154182	Amsterdam	115,850	\$1,911,676	1.07%	0.10%	0.35%	16.58	17.19	3.68%	2.34%
SANOFI	5671735	Paris	19,434	\$1,910,693	1.07%	0.10%	0.64%	49.53	53.60	8.22%	6.88%
UBS GROUP AG	BRJL176	London	82,951	\$1,760,118	0.98%	0.10%	0.42%	21.20	22.58	6.51%	5.17%
TOP TEN HOLDINGS				\$21,871,639	12.23%	1.20%	7.86%	MSCI ACWI ex-US:		<b>1.34%</b>	

Total Portfolio Value  
Total StanCERA Value

**\$178,793,743**  
\$1,827,790,717

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