



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

**Phone (209) 525-6393
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www.stancera.org
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AGENDA

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

**August 27, 2013
2:00 p.m.**

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

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

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

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

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

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

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

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

1. Meeting Called to Order
2. Roll Call
3. Announcements
4. Public Comment
5. Consent Items
 - a. Approval of the August 14, 2013 Administrative Meeting Minutes [View](#)
 - b. Approval of Service Retirement(s) – **Sections 31499.14, 31670, 31662.2 & 31810**
 1. Doralee Boles, Public Works Effective 08-07-2013
This retirement was omitted on the August 14, 2013 agenda

5. Consent Items (Cont.)

- c. StanCERA Investment Managers Peer Rankings for Quarter Ending March 31, 2013 [View](#)
- d. Strategic Plan Update [View](#)

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

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

8. Strategic Investment Solutions (SIS), Inc.

- a. StanCERA's Quarterly Manager Review List – Performance Through June 30, 2013 [View](#)
- b. Investment Performance Analysis for the Quarter Ending June 30, 2013 [View](#)
- c. Monthly Performance Review for the Month Ending July 31, 2013 [View](#)
- d. Report on “Top 10 Holdings” of StanCERA Investment Managers as of July 31, 2013 [View](#)

9. Executive Director

- a. 2013 Quarter 2 Value Added Report [View](#)
- b. New Legislation Update AB 1380 – Dawn Lea [View](#)
- c. Discussion and Action for Approval of Trustee Attendance at the Opal Summit in Santa Barbara – Kellie Gomes [View](#)

10. 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)

10. Closed Session(Cont)

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

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

12. Adjournment



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PLEASE POST FOR EMPLOYEE VIEWING

BOARD OF RETIREMENT MINUTES

August 14, 2013

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

Members Absent: None

Alternate Member Joan Clendenin, Alternate Retiree Representative

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

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

1. Meeting Called to Order

Meeting called to order at 2:01p.m. by Darin Gharat, Chair.

2. Roll Call

3. Announcements

None

4. Public Comment

None

5. Consent Items

Motion was made by Maria De Anda and seconded by Jeff Grover to approve the following Items:

Motion carried

- a. Approval of the July 23, 2013 Investment Meeting Minutes

5. Consent Items (Cont.)

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

1. Connie Chase, Sheriff, Effective 08-06-2013
2. Elaine Emery, HSA, Effective 08-17-2013
3. Karen Francis, HSA, Effective 08-10-2013
4. David Gavett, BHRS, Effective, 08-10-2013
5. Edward Judy, Probation, Effective 08-25-2013
6. Sylvia Murillo, CEO, Effective 08-10-2013
7. Barbara Pearce-Chiesa, BHRS, Effective 08-16-2013
8. Silvia Tijerina, Superior Court, Effective 08-10-2013
9. Karin Tramel, Public Works, Effective 08-01-2013
10. Hiep Voquy, BHRS, Effective 08-03-2013

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

1. Anthony Bejaran, Sheriff, Effective 07-12-2013
2. Daniel W. Fairchild, City of Ceres, Effective 07-21-2013
3. Mandy Smith, Sheriff, Effective 06-01-2013
4. Augusto F. Solidum, Superior Court, Effective 07-11-2013

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

1. Arlene Cross, CSA, Service Connected, Effective 03-29-12
2. Raymond Kiernan, Sheriff, Service Connected, Effective 04-06-13

6. Committee Reports and Recommendations for Action

STANDING COMMITTEES

a. Internal Governance Committee

- i. Annual Financial Audit - Macias Gini & O'Connell, CPAs Entrance Conference for year ending June 30, 2013.

Trustee De Anda reported that The Committee met with Rick Green from the auditing firm MGO. Mr. Green discussed how the audit will proceed and their processes for certifying StanCERA's financial statements. Time was also spent discussing the implementation of GASB 67/68 which sets new standards for Governmental accounting pension standards. The Annual Financial Audit will begin on August 19, 2013.

6. Committee Reports and Recommendations for Action (Cont)

STANDING COMMITTEES

a. Internal Governance Committee

ii. Discussion and Action regarding Salary Band for Executive Director.

Motion was made by Jim DeMartini and seconded by Jeff Grover to accept the Internal Governance Committee's recommendation to reassign the Executive Director's Salary Band to M01 H with an annual salary as follows:

Min Rate \$128,252.80 - Mid Rate \$160,305.60 - Max Rate \$ 192,358.40.

This band most closely matches the responsibilities, qualifications, credentials and education level required of the position of Executive Director. This band is within the County's current Salary Classification system.

Motion carried

7. Executive Director

a. Discussion and Action to Appoint a Board of Retirement Trustee to the Custody Bank Search/Request for Proposal Evaluation Team – Kathy Herman

Trustee Donna Riley was appointed to the custodial bank evaluation team

b. Discussion and Action Regarding White Oak Pinnacle Fund Investment Advisory Committee

Motion was made by Jeff Grover and seconded by Mike Lynch to authorize Rick Santos, Director, to consent to the appointment of DMS Offshore Investment Services as an independent third party advisory committee, to oversee governance issues for the Pinnacle Fund pending further review of the fund.

Motion carried

c. Discussion and Action Regarding Active Manager Excess Cash Holdings

A study session regarding the cash holdings of our active managers and potential solutions for equitizing such was discussed. The study session focused on a cash overlay solution which would entail the use of futures contracts. The Board directed staff to include this service in the RFP for a new custodian bank and to have SIS bring to the Board potential managers regarding this strategy for discussion.

9. Members' Forum (Information and Future Agenda Requests Only)
(Heard Out of Order to Accommodate Recused Closed Session Trustees)

Trustee Ford asked the Director to request any side letters of investors that may have joined the Medley and White Oak funds after StanCERA's initial commitment.

It was requested that approval for attendance of the Investment Funds Summit sponsored by the Opal Financial Group be calendared for our next meeting on the 27th.

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)
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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)

Trustee Micheal O'Neal and Joan Clendenin recused themselves at 3:29 p.m

Motion was made by Jeff Grover and seconded by Maria DeAnda to move in to closed session at 3:30 p.m.

Motion carried

Motion was made by Maria DeAnda and seconded by Donna Riley to move out of closed Session at 3:31p.m.

Motion carried

No matters to report for closed session.

10. Adjournment

Meeting adjourned at 3:31 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Rick Santos".

Rick Santos, Executive Director

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

By: 
Fred A. Silva, General Legal Counsel

8/27/13
Item # 5.c

StanCERA Investment Managers Peer Ranking

Total Fund

Taken From SIS Quarterly Investment Performance Analysis Reports

06/30/2010 through 06/30/2013

	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013
1 Quarter	92	29	16	45	68	85	30	16	69	5	27	13	38
1 Year	16	36	19	22	30	77	85	70	62	12	5	6	22
Over 3 years	47	41	38	13	16	8	14	10	23	21	28	27	14
Over 5 years	43	47	41	47	38	59	54	43	41	62	61	12	8

Note: Ranking 1 is highest & 100 lowest

Revised 08/19/2013

StanCERA Investment Managers Peer Ranking

Peer Ranking For Returns Over 1 Quarter

Taken From SIS Quarterly Investment Performance Analysis Reports

06/30/2010 through 06/30/2013

	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013
S&P 500	46	51	53	60	53	30	50	65	29	14	24	49	28
BlackRock 1,000 G	n/a	50	53	36	52	30	25	67	24	55	64	34	48
Delaware	34	24	87	27	26	7	10	40	44	40	40	16	88
BlackRock 1,000 V	25	65	44	59	57	35	42	76	19	33	45	30	62
Dodge & Cox	78	44	21	73	38	73	65	34	22	7	24	50	19
Legato	42	69	52	63	27	56	65	41	13	52	51	31	38
Capital Prospects	34	31	67	43	50	37	73	71	21	15	10	47	80
LSV	26	71	28	12	71	61	51	66	83	31	75	26	66
Pyramis	40	36	22	56	71	61	42	41	44	38	43	50	37
Dodge & Cox FI	93	72	8	22	71	90	41	10	83	21	9	7	9
Pimco	n/a	25	91	63	23	13	54	79	12	57	52	29	90
BlackRock US Real Estate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Invesco	92		29	60	42	99	7	3	47	n/a	n/a	n/a	n/a
Loomis Sayles	67	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Managers in red no longer managing funds													

Note: Ranking 1 is highest & 100 lowest

Revised 08/19/2013

StanCERA Investment Managers Peer Ranking

Peer Ranking For Returns Over 1 Year

Taken From SIS Quarterly Investment Performance Analysis Reports

06/30/2010 through 06/30/2013

	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013
S&P 500	56	47	46	55	52	32	28	35	34	24	16	18	29
BlackRock 1,000 G	n/a	n/a	47	47	49	29	23	34	27	37	53	37	37
Delaware	39	13	55	52	35	16	2	8	4	24	36	29	57
BlackRock 1,000 V	n/a	50	59	68	64	44	30	50	26	19	30	17	44
Dodge & Cox	59	83	23	41	39	63	83	81	55	4	3	7	29
Legato	62	66	69	71	60	56	61	58	35	34	24	16	28
Capital Prospects	82	40	43	39	42	34	42	56	37	35	9	9	68
LSV	13	34	47	25	35	46	48	54	78	64	75	69	53
Pyramis	28	28	22	26	37	60	34	35	37	80	52	35	40
Dodge & Cox FI	29	45	21	22	27	70	89	72	77	12	9	20	7
Pimco	n/a	n/a	56	59	56	30	14	25	19	55	54	28	74
BlackRock US Real Estate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Invesco	8	11	8	11	15	94	95	76	76	n/a	n/a	n/a	n/a
Research Affiliates	n/a	n/a	n/a	n/a	n/a	n/a	n/a	100	100	n/a	n/a	n/a	n/a
Loomis Sayles	35	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Managers in red no longer managing funds

Note: Ranking 1 is highest & 100 lowest

Revised 08/19/2013

StanCERA Investment Managers Peer Ranking

Peer Ranking For Returns Over 3 Years

Taken From SIS Quarterly Investment Performance Analysis Reports

06/30/2010 through 06/30/2013

	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/30/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013
S&P 500	62	60	62	62	57	52	50	56	44	20	11	18	16
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	29
Delaware	49	54	68	60	26	15	6	11	12	4	7	4	5
BlackRock 1,000 V	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	41
Dodge & Cox	70	62	65	61	60	46	39	35	62	55	44	50	23
Legato	n/a	n/a	n/a	n/a	n/a	n/a	61	62	58	60	59	53	54
Capital Prospects	n/a	n/a	n/a	n/a	n/a	n/a	64	66	48	42	21	22	34
LSV	52	52	39	34	29	26	17	23	34	49	57	57	71
Pyramis	27	45	48	39	54	38	36	34	34	67	65	74	72
Dodge & Cox FI	33	27	16	11	15	17	32	20	38	31	40	39	17
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	45
BlackRock US Real Estate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Ranking 1 is highest & 100 lowest

Revised 08/19/2013

StanCERA Investment Managers Peer Ranking

Peer Ranking For Returns Over 5 Years

Taken From SIS Quarterly Investment Performance Analysis Reports

06/30/2010 through 06/30/2013

	6/30/2010	9/30/2010	12/31/2010	3/31/2011	6/30/2011	9/30/2011	12/31/2011	3/31/2012	6/30/2012	9/30/2012	12/31/2012	3/31/2013	6/30/2013
S&P 500	69	67	68	66	64	60	61	58	54	33	38	29	16
BlackRock 1,000 G	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Delaware	n/a	n/a	n/a	n/a	n/a	43	34	32	22	21	23	16	11
BlackRock 1,000 V	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Dodge & Cox	59	70	71	75	69	72	73	73	65	73	71	55	50
Legato	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Capital Prospects	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
LSV	34	40	31	35	40	48	42	39	56	74	67	62	60
Pyramis	n/a	n/a	n/a	n/a	34	34	24	27	26	60	68	71	64
Dodge & Cox FI	22	25	16	18	21	36	39	27	33	25	15	8	9
Pimco	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
BlackRock US Real Estate	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Note: Ranking 1 is highest & 100 lowest

Revised 08/19/2013



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8/27/13
Item# 5.d

**For the Retirement Board meeting
Held on August 27, 2013**

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: Strategic Planning Update
- II. ITEM TYPE: Information
- III. STAFF RECOMMENDATION: None
- IV. ANALYSIS: On July 17, 2013, the Board of Retirement and senior management participated in a one-day strategic planning session. The session included a mix of general education, background on strategic planning, and an opportunity for the Board and management to identify and prioritize a number of strategic or operational issues to be addressed in the foreseeable future. Based on the issues identified, the Board directed staff to develop a strategic plan that would include initiatives along with expected deliverables, timing, responsible parties, and expected budget implications, if any.
 - Staff is meeting bi-weekly to develop high level objectives
 - First draft for discussion and direction presented October 9, 2013
 - Final draft for discussion and action presented on October 22, 2013
 - Action plan to accomplish objectives presented on February 12, 2014
- V. RISK: No additional risk identified at this time.
- VI. STRATEGIC PLAN: In process
- VII. ADMINISTRATIVE BUDGET IMPACT: No additional cost at this time.

Rick Santos, Executive Director

Kathy Herman, Operations Manager

Strategy Review

Stanislaus County (CA) Employees' Retirement Association

August 2013

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The Morningstar Fixed Income Fund Manager of the Year award is based on the strength of the manager, performance, strategy, and firm's stewardship.

Client-specific update – not for public distribution



Biography

R. Matthew Clark, CFA

Mr. Clark is a senior vice president and account manager in the Newport Beach office with a focus on institutional client servicing. Prior to joining PIMCO in 2002, he served as an officer in the U.S. Army for eight years, achieving the rank of captain. He has 10 years of investment experience and holds an MBA from Harvard Business School. He received an undergraduate degree from Trinity University, San Antonio. Mr. Clark can be reached at (949) 720-6287 or at matt.clark@pimco.com.

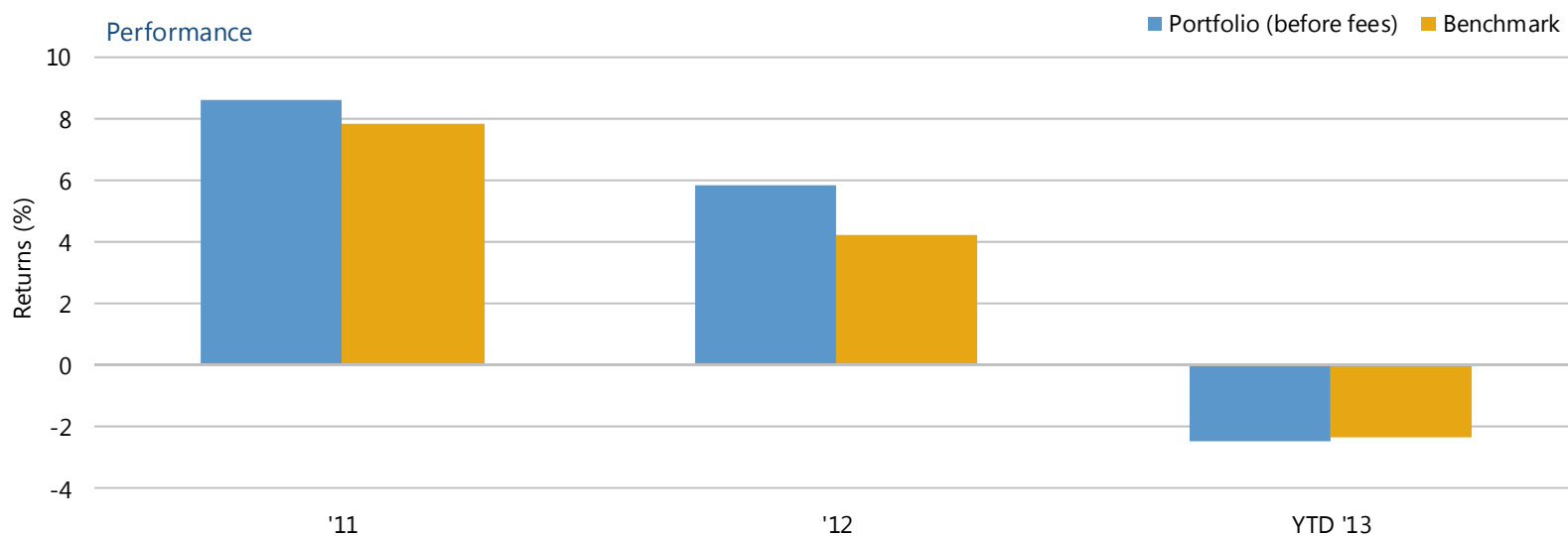
Agenda

1. Performance and market review
2. Outlook and strategy
3. PIMCO update
4. Appendix

Performance review

Stanislaus County Employees' Retirement Association

Account Inception 3 May '10	\$	75,000,000
Market value as of 31 Jul '13	\$	109,076,648.0



Stanislaus County Employees' Retirement Association

	Since inception 14 May '10	3 Yrs.	2 Yrs.	1 Yr.	6 Mos.	3 Mos.	1 Mo.	YTD 31 Jul '13
Before fees (%)	4.9	4.4	4.3	0.0	-2.5	-2.9	-1.9	-2.5
After fees (%)	4.6	4.1	3.9	-0.4	-2.7	-2.9	-1.9	-2.6
Benchmark (%)	3.9	3.5	3.3	-0.7	-2.4	-2.3	-1.6	-2.3

As of 30 June 2013

All periods longer than one year are annualized

Benchmark: Barclays U.S. Aggregate Index

Q2 2013: Fed policy communications weighed heavily on markets

What we expected

- U.S. economy would show modest improvements but growth would remain anemic
- Fed would continue to support markets with low policy rates and quantitative easing
- Europe would continue to flounder and Japan's reflationary experiment would meet early challenges

Positioning

- PIMCO sought to guard against decoupling of asset prices from fundamentals by reducing credit and spread risks
 - Underweighted credit to avoid overvalued assets
 - Increased duration to neutral/overweight in anticipation of low growth and **gradual, eventual** Fed tapering
 - Favored longer dated TIPS as a hedge against future inflation

What happened

- Markets sold off after Fed Chairman Bernanke's discussions of QE tapering; rates rose sharply
- TIPS underperformed nominal bonds as inflation expectations fell further and technical factors detracted
- Emerging markets price-adjusted downward as internal fundamentals, including political unrest, weighed

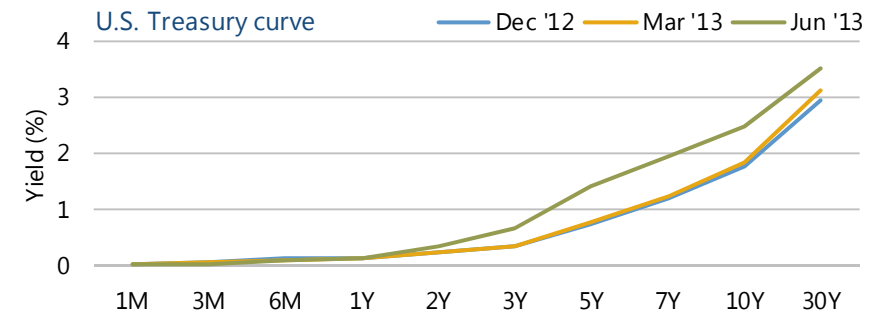
Looking forward

- PIMCO's rigorous, time-tested investment process will remain focused on being strategically defensive and opportunistically offensive, seeking returns while protecting clients from undue risks
- Nominal rates may again fall as the economy will likely underperform Fed economic projections
- Real yields are now positive beyond seven years; inflation valuations becoming attractive on absolute and relative basis

Volatility increased as investors interpreted “tapering” as “tightening”

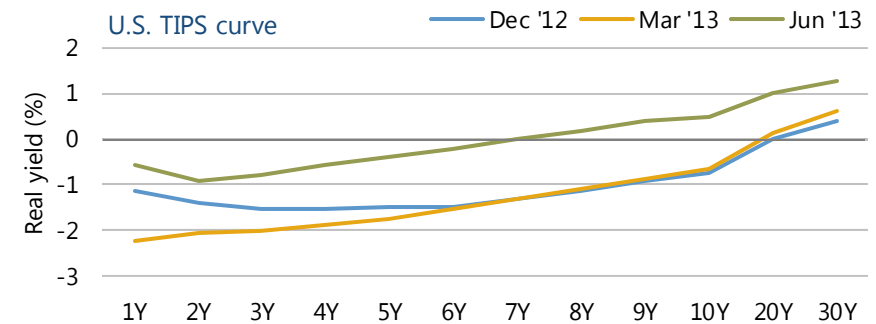
Nominal yields increased as the Fed’s communications strategy befuddles investors

- Fed funds rate anchors long-term yields through 2015 or later
- Timing on tapering remains data-dependent



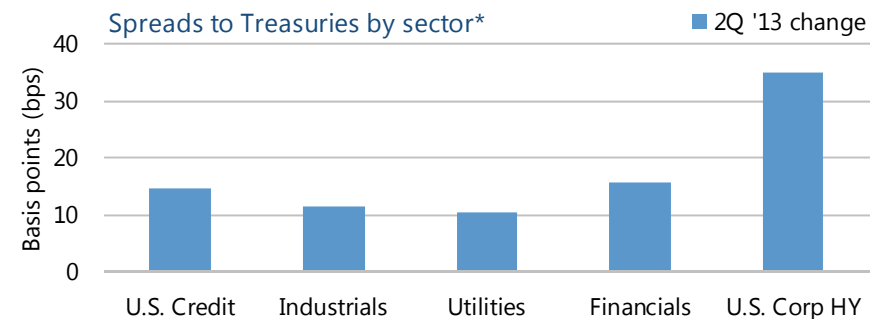
Sell-off in TIPS due to fundamental and technical factors

- Fundamentals: Reduced inflation expectations on Fed tapering comments
- Technicals: Significant liquidations from risk parity funds and passive ETFs magnified impact on market



Spreads widened on indiscriminate selling

- Correlations spiked higher
- Liquidity diminished as bid/ask spreads widened



As of 30 June 2013

SOURCE: Bloomberg, Barclays

* Barclays U.S. Credit Index and subindex components

Global sectors pressured as investors question effectiveness of central banks

Emerging markets saw first outflows since 2011

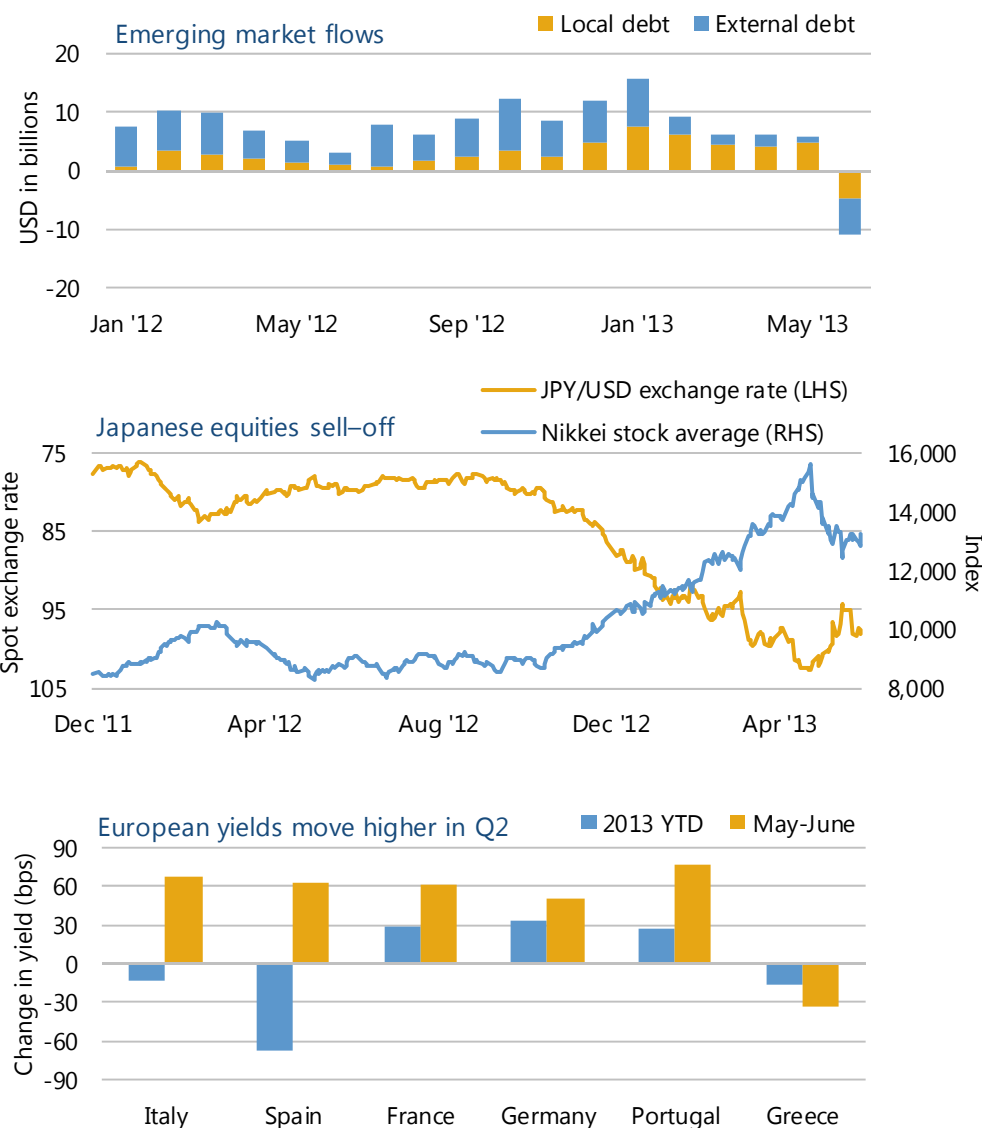
- Sell-off impacts all countries regardless of starting fundamentals
- Brazil increased its benchmark policy rate 50 bps to rein in inflation in spite of weak growth

Yen carry trade unwound

- The market questioned the effectiveness of Abenomics
- Leveraged positions decreased as Nikkei fell over 20% peak to trough

Europe was not immune to bond volatility

- ECB cut rates 25 bps in May amid euro area slowdown
- First quarter yield compression dampened May–June volatility



As of 30 June 2013
SOURCE: Haver, JPMorgan

Portfolio positioning

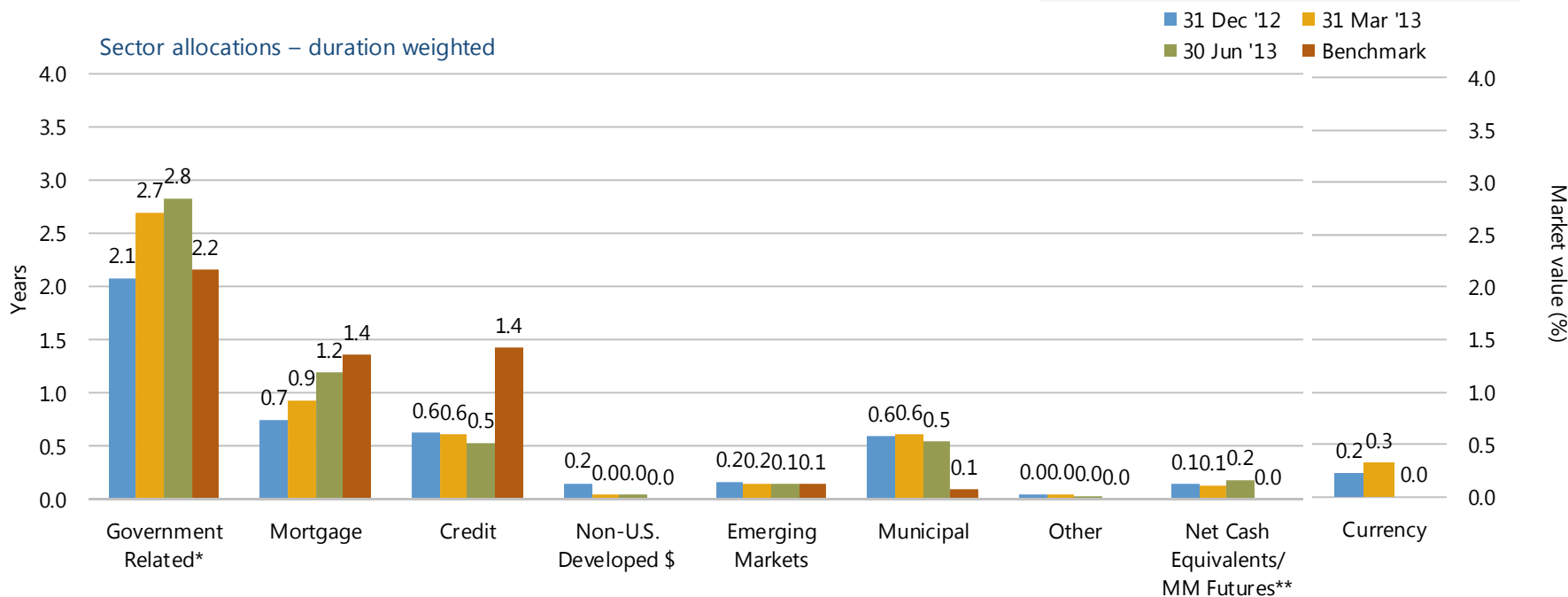
Stanislaus County Employees' Retirement Association

CHARACTERISTICS		31 Dec '12	31 Mar '13	30 Jun '13
Effective duration ¹ (yrs.)	Portfolio	4.6	5.2	5.5
	Index	4.7	4.8	5.2

Yield to maturity (%)	1.9	2.0	2.7
-----------------------	-----	-----	-----

Total curve duration² : 0.1

ATTRIBUTION	FY '13	Q2 '13
Interest rates:		
U.S.:	-	-
Non-U.S.:	-	-
TIPS / Real:	+	-
Mortgages:	+	-
Credit:	-	0
Emerging markets:	+	+
Municipals:	+	+



Benchmark is the Barclays U.S. Aggregate Bond Index, formerly known as the Barclays Capital U.S. Aggregate Bond Index

NOTE: "Other" is comprised of convertibles, euro/yankees, preferred stock

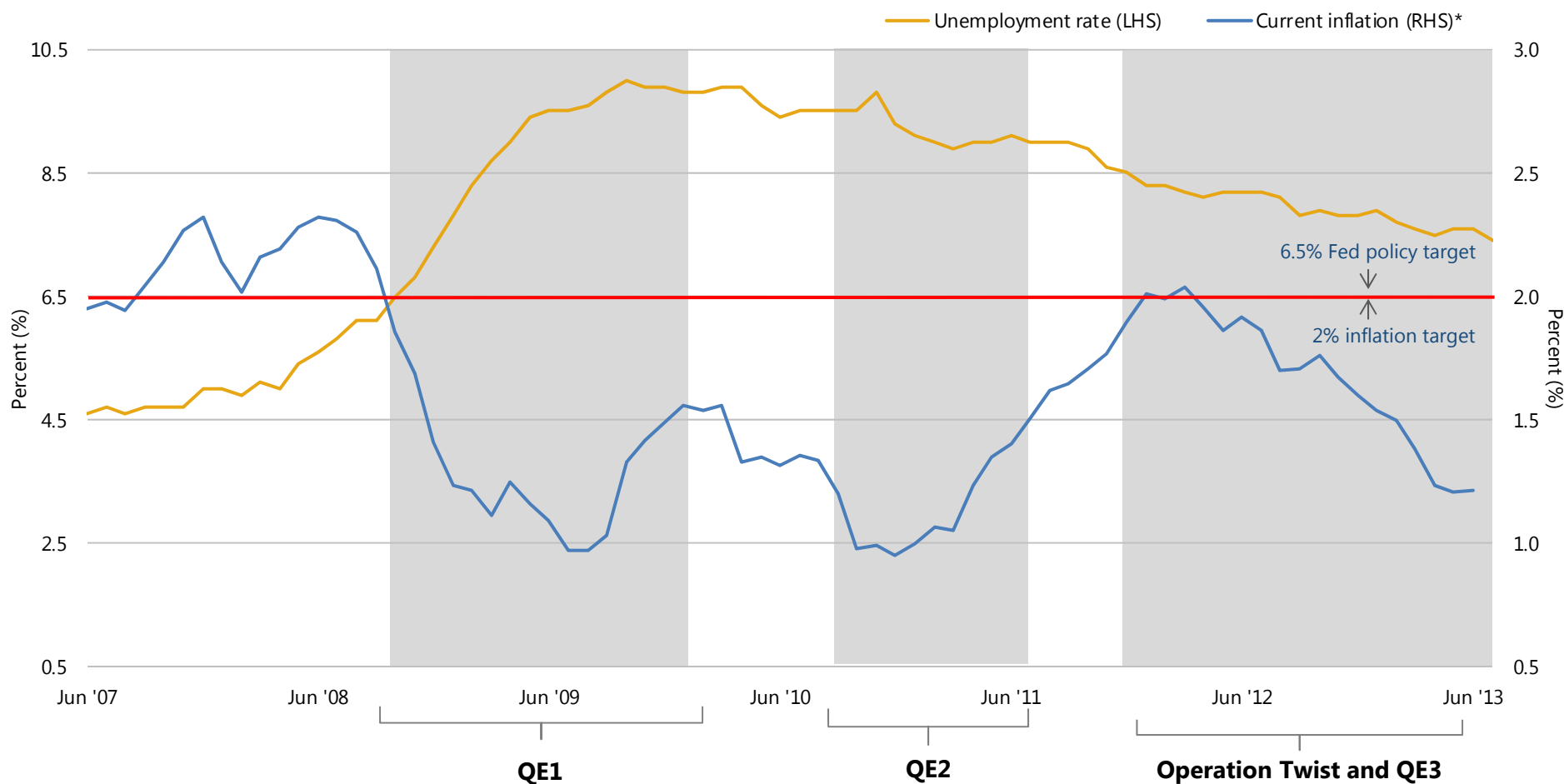
¹ In November 2011 PIMCO modified its duration calculation to account for the potential that holders of securities subject to credit risk may, in the event of default, recover a portion of their investment prior to maturity. The duration for the portfolio reflects the revised calculation.

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

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

** As of 31 Dec '12, 31 Mar '13 and 30 Jun '13; Non-U.S. MM Futures exposure is 0 yrs, 0 yrs, and 0 yrs; U.S. MM Futures exposure is 0 yrs, 0 yrs, and 0 yrs, respectively.

Quantitative easing may recede but Fed likely to keep policy rate low



Unemployment and inflation in the New Normal are missing Fed targets and point to continued accommodative policy

As of 31 July 2013

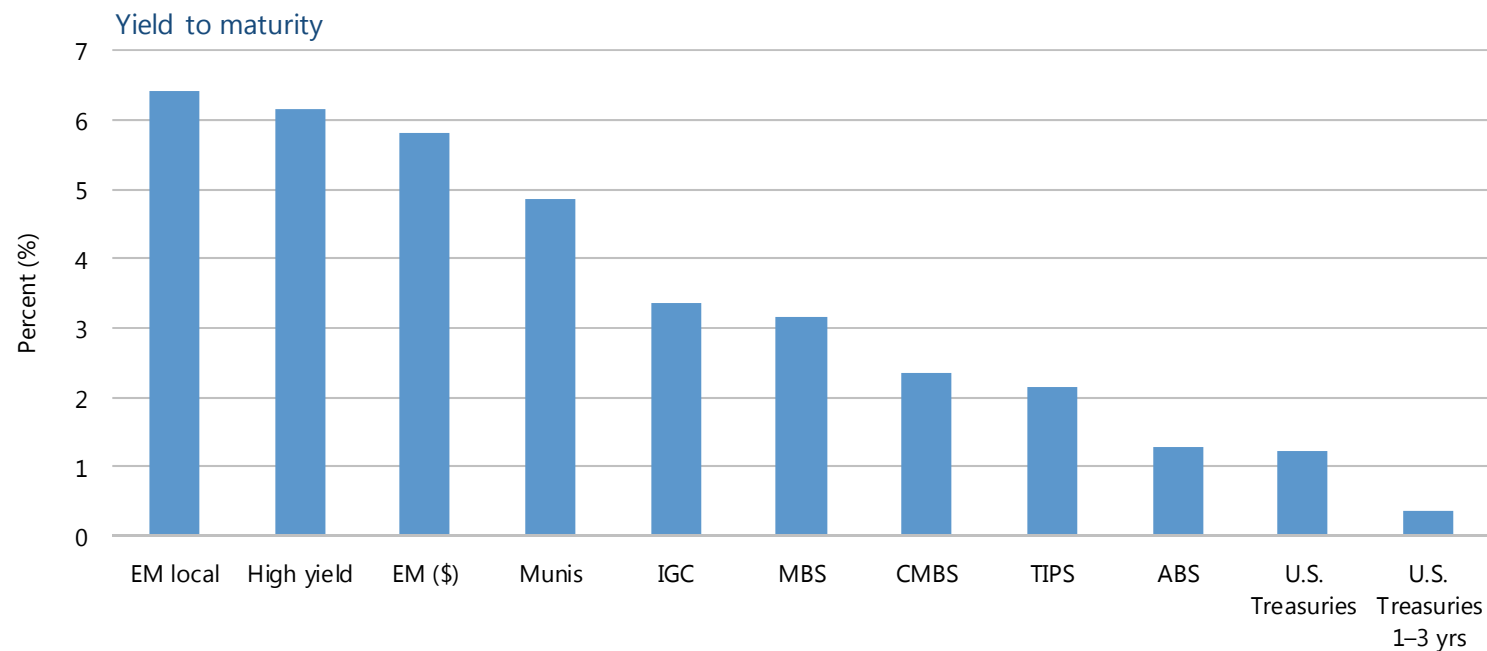
SOURCE: Haver Analytics, BEA

Inflation data is current as of 31 July 2013 and reflect recently released comprehensive revisions to the national income and product accounts published by the BEA every five years to more accurately portray the evolving U.S. economy given improved methodologies and newly available data.

* Year-over-year percentage change in the core personal consumption expenditure deflator

Yield levels at end of second quarter may present future opportunities as markets digest Fed policy and economic data

- Despite recent volatility, bonds retain their portfolio diversification benefits
- Fixed income investments of intermediate duration offer meaningful carry
- Opportunities remain for investors willing to look outside core fixed income



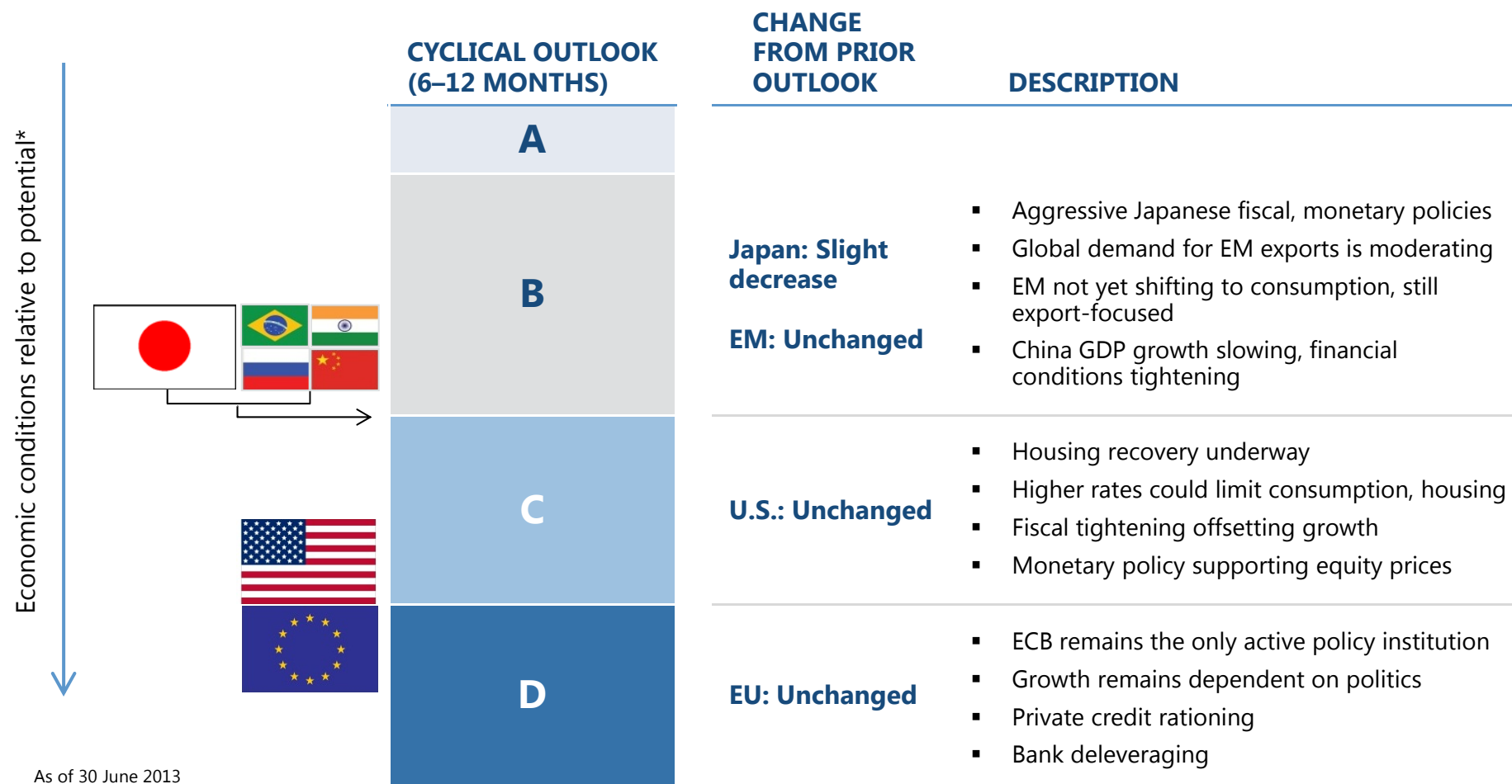
As of 30 June 2013

SOURCE: Barclays, Bloomberg, JP Morgan

JPM GBI-EM Global Diversified; USD Unhedged, BofA Merrill Lynch U.S. High Yield BB-B Rated; JPM GBI-EM Global Diversified USD Hedged; Barclays U.S. Taxable Municipal (Agg Eligible) Index; Barclays U.S. Corporate Investment Grade Index; Barclays U.S. Agency Fixed Rate MBS Index; Barclays US CMBS Index; Barclays U.S. TIPS Index; Barclays U.S. ABS Index; Barclays U.S. Treasury Index; Barclays U.S. Treasury Index: 1-3 yr

PIMCO's cyclical framework for the global economic outlook

The global economy continues to rely on liquidity provided by central banks



As of 30 June 2013

SOURCE: PIMCO

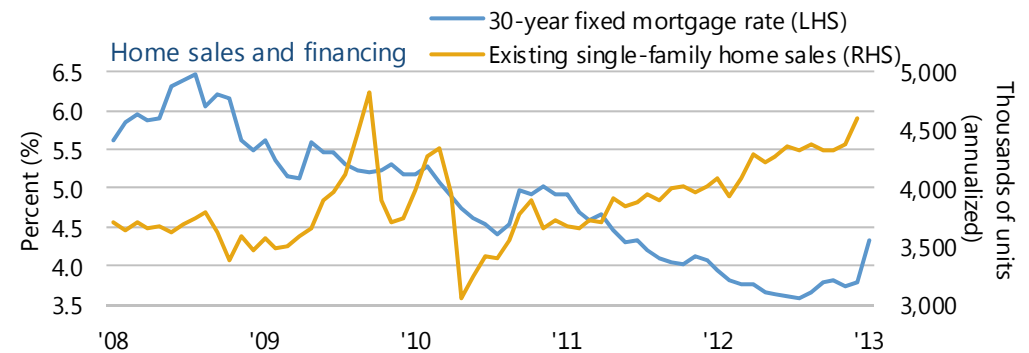
For illustrative purposes only

* Potential economic conditions are specific to each geographic region

Global growth still framed by New Normal dynamics

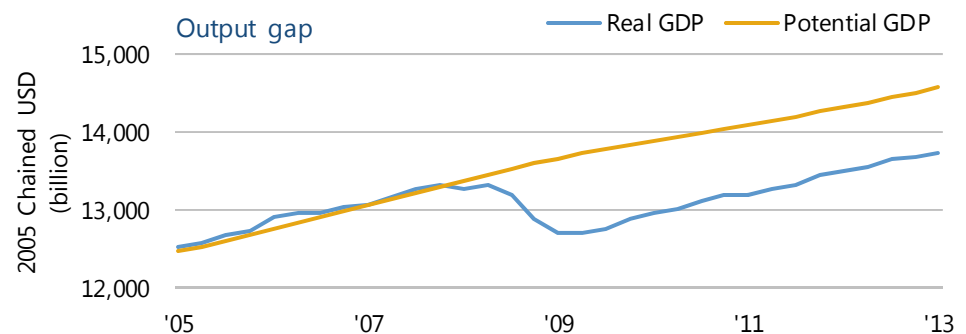
Spike in rates could slow housing recovery

- Housing should make a positive contribution to growth in 2013, but higher rates will weigh on demand
- Rising home prices may slow as inventory builds, muting wealth effects



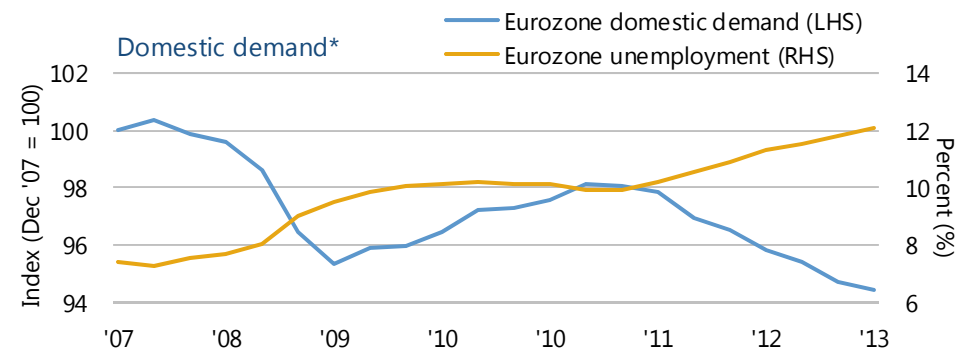
Structural factors unsupportive of higher rates

- PIMCO continues to expect the U.S. economy to grow below its potential over the cyclical horizon
- Excess capacity will keep inflation subdued while fiscal tightening exerts a considerable drag



Eurozone economies remain constrained

- Growth prospects look bleak amid a deepening recession in the periphery and a slowdown in the core
- Eurozone unemployment rate is now 12.2%, a new record



As of 30 June 2013

SOURCE: Bloomberg, Haver Analytics, BEA, Eurostat, CAO, CBO

* Eurozone domestic demand is Gross domestic product minus net exports

Total Return portfolio strategy:

De-risking continues, liquidity remains paramount

Interest rate strategies

Overweight duration	Overweight U.S. while targeting select countries
Target intermediate U.S. maturities	Overweight the 5–10 year portion of the curve to gain carry; underweight long maturities
TIPS: Favor long maturities	Retain inflation-linked bonds with improved valuations. Utilize as long-term inflation protection and a hedge on geopolitical risk.

Strategic positioning

Neutral to overweight agency MBS	1) Agency MBS becoming attractive due to technical sell-off 2) Continue holding non-agency MBS as valuations are fair on a liquidity-adjusted basis
Limit investment grade credit	1) Reduce exposure to financials 2) Retain up-in-quality bias across IG sectors

Tactical positioning

Municipals	Maintain holdings in Build America Bonds
------------	--

As of 30 June 2013

PIMCO snapshot

History

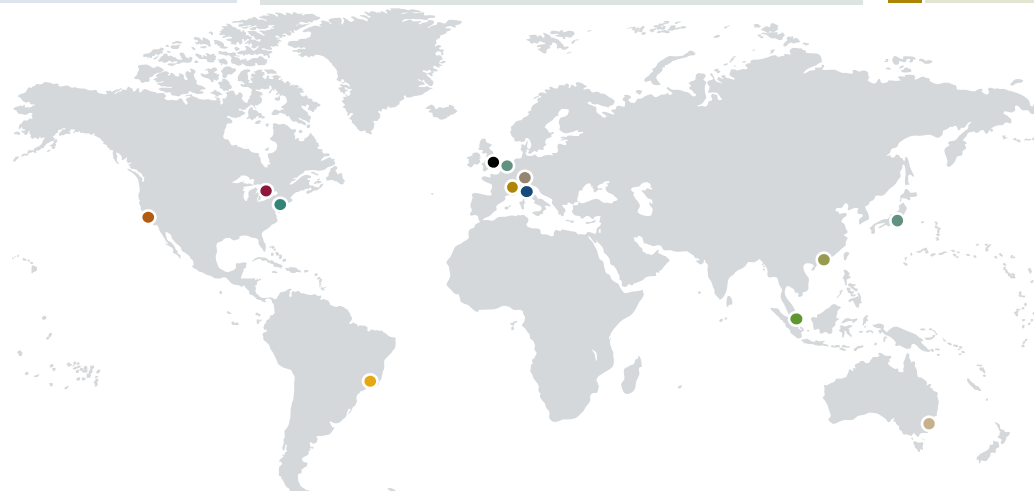
- Founded in 1971
- Investment solutions include fixed income, active equities, alternatives and asset allocation
- Assets under management: \$1.97 trillion
 - \$1.60 trillion in third-party client assets
 - Full complement of vehicles to meet client needs (mutual funds, separate accounts, LPs, ETFs)

People

Employees	2,380
▪ Investment professionals	687
▪ Technical and support	1,693
Highly experienced	Avg Yrs Experience Avg Yrs at PIMCO
▪ All investment professionals	13 6
▪ Senior professionals	19 9

Global presence

Offices	IPs
Amsterdam	2
Hong Kong	14
London	121
Milan	2
Munich	59
New York	109
Newport Beach	322
Rio de Janeiro	2
Singapore	13
Sydney	9
Tokyo	25
Toronto	5
Zurich	4



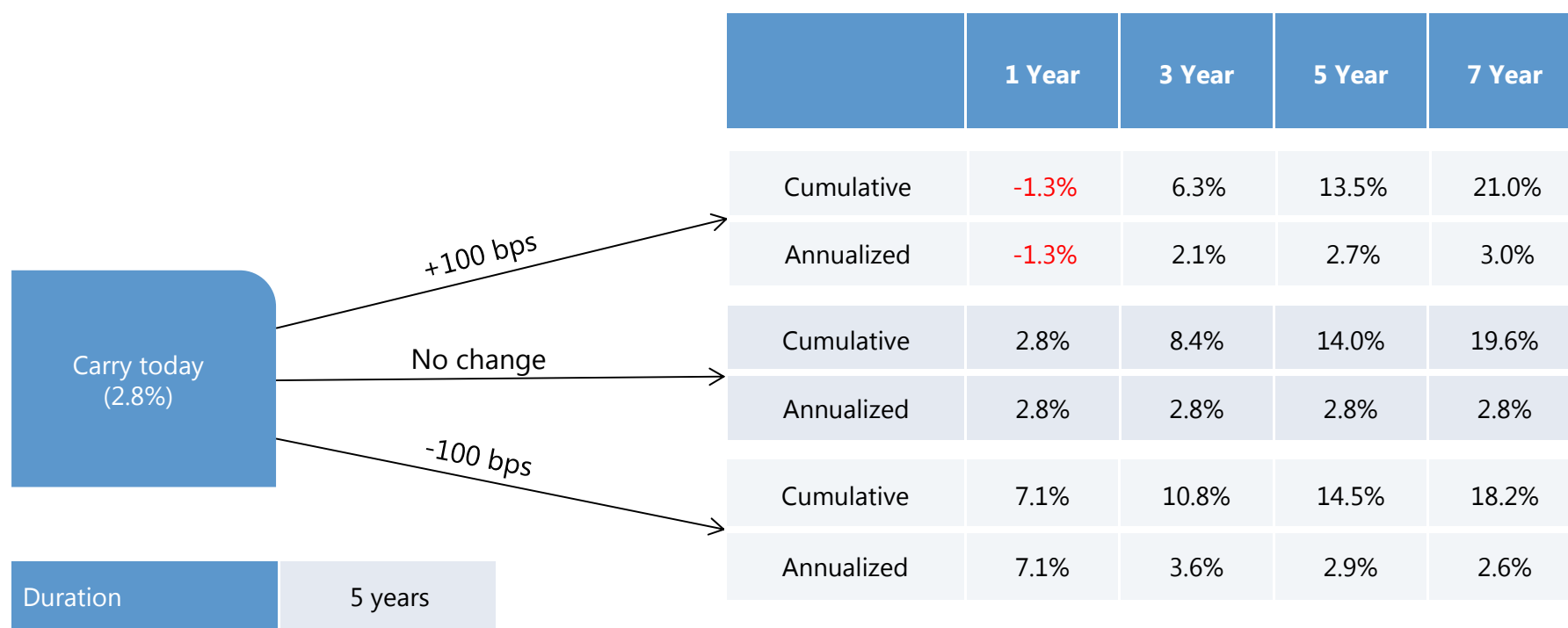
As of 30 June 2013

Effective 31 March 2012, PIMCO began reporting the assets managed on behalf of its parent's affiliated companies as part of its assets under management

Appendix

Are rising rates bad for bonds?

- Rising rates can negatively affect bond returns in the short-term
- However, this impact is not likely to be long-lasting as higher yields will offset lower prices
- This is highlighted in the table below, which shows hypothetical performance a U.S. bond index under different rate scenarios*:



As of 25 June 2013

SOURCE: PIMCO

* Hypothetical example for illustrative purposes only. Table is a hypothetical illustration of the performance of the Barclays U.S. Aggregate Bond Index over various time horizons using different interest rate scenarios. Assumes that rates change on day one and remain constant over the time period depicted. This chart is provided for illustrative purposes and is not indicative of past or future performance of any PIMCO product.

Assets under management by strategy

Alternatives		Billions (\$)
Liquid Absolute Return	Unconstrained bond strategies, credit absolute return, other absolute return strategies	43.80
Hedge Funds	Global macro, long/short credit, multi-asset volatility arbitrage strategies	12.13
Opportunistic/Distressed	Opportunistic strategies focusing on real estate related assets (residential, commercial), corporate credit	7.10
Asset Allocation		
Asset Allocation Strategies	Global Multi Asset, All Asset, EM Multi Asset, Real Retirement, Inflation-Response Multi Asset, DRA	91.73
Equities		
StocksPLUS®	Combines derivatives-based equity exposure with active bond management	16.60
Active Equities	Pathfinder, Emerging Markets, Dividend, Global Long/Short	4.08
Real Return		
Inflation-Linked Bonds	U.S., Global	75.46
Commodities	Actively managed commodity exposure enhanced with actively managed collateral portfolios	23.95
Real Estate	Real-estate linked exposure enhanced with actively managed collateral portfolios	1.46
Fixed Income		
Intermediate*	Total Return, Moderate Duration	557.28
Credit	Investment Grade Corporates, Bank Loans, High Yield Corporates, Convertibles	174.78
Cash Management*	Money Market, Short-Term, Low Duration	144.10
Long Duration	Focus on long-term bonds; asset liability management	112.90
Global	Non-U.S. and global multiple currency formats	119.25
Emerging Markets	Local debt, external debt, currency	74.13
Mortgages	Agency MBS, structured credit (non-Agency MBS, CMBS, and ABS)	51.61
Income	Income-oriented, insurance income	46.72
Diversified Income	Global credit combining corporate and emerging markets debt	27.69
Municipals	Tax-efficient total return management	14.20
Other		10.31
Total assets under management		\$ 1,609.26 B
Stable Value	Stable income with emphasis on principal stability	30.40
Tail-Risk Hedging**	Pooled and customized portfolios of actively managed tail-risk hedges	43.79

As of 30 June 2013

SOURCE: PIMCO

Assets reflect those managed on behalf of third-party clients and exclude affiliated assets. Fund of funds assets have been netted from each strategy.

Potential differences in asset totals are due to rounding.

* Stable value assets have not been netted from U.S. Total Return, U.S. Moderate Duration and U.S. Low Duration assets

** Tail-risk hedging assets reflect total notional value of dedicated mandates and are not counted towards PIMCO total assets under management

PIMCO resources: Credit

PIMCO's bottom-up credit expertise utilized in core and dedicated strategies

MORNINGSTAR FIXED INCOME MANAGER OF THE YEAR 2012	TOP-DOWN, BOTTOM-UP BALANCE	DEDICATED CREDIT STRATEGIES
<ul style="list-style-type: none"> Mark Kiesel and the PIMCO analyst team recognized for their track record Morningstar recognized the team for their bottom-up analysis over both short and long term periods 	<ul style="list-style-type: none"> Credit team focuses on identifying value in sectors that can outperform GDP Requires a clear focus on both absolute and risk-adjusted returns 	<ul style="list-style-type: none"> Corporate bonds Credit absolute return

Mark Kiesel
Global Head of Corporate Bond Portfolios
20 years of experience

Christian Stracke
Head of Global Credit Research
14 years of experience

Luke Spajic
Head of U.S. Credit Research
17 years of experience

Philippe Bodereau
Head of European Credit Research
17 years of experience

Raja Mukherji
Head of Asia Credit Research
18 years of experience

50 CREDIT ANALYSTS:

U.S. – 30

U.K. – 8

Germany – 3

Asia – 8

South America – 1

Financials	Industrials	Basic industry	Energy	Consumer non-cyclical	Consumer cyclical
Telecom / media	Auto / transportation	Utilities	Municipals	Specialists	Distressed credit

As of 30 June 2013
SOURCE: PIMCO

Investment Review

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

Stanislaus County Employees' Retirement Association

August 27, 2013

Representing Dodge & Cox:

Wendell W. Birkhofer, Vice President & Portfolio Manager

Robert B. Thompson, Vice President & Portfolio Manager

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

Dodge & Cox Update

Key Characteristics of Our Organization

June 30, 2013

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 77 shareholders and 224 total employees.

One Business

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

Single Investment Office Location

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

Independent Research Staff

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

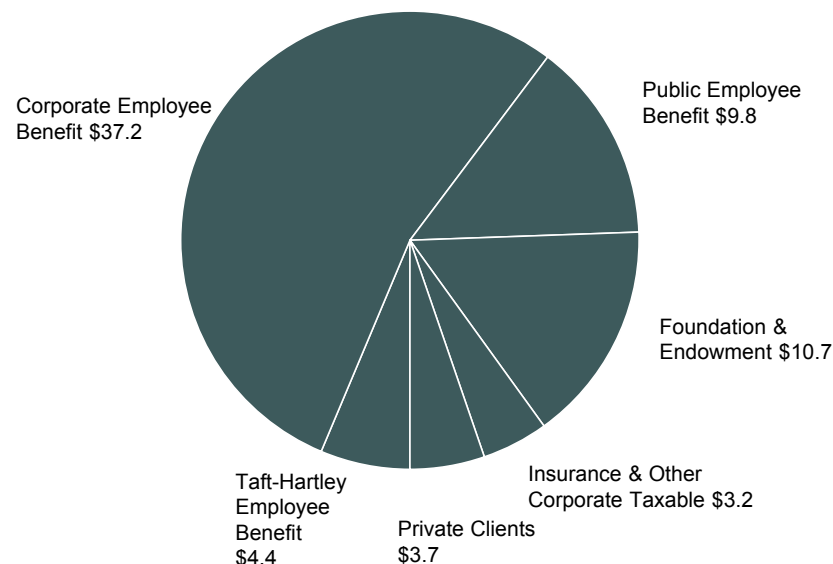
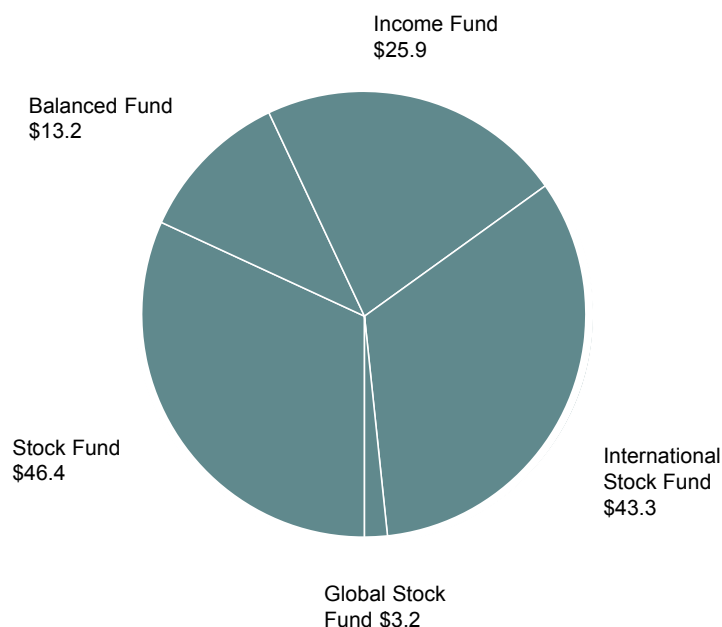
Dodge & Cox Assets Under Management (\$ in billions)

June 30, 2013

\$201.3 in Total Assets: \$124.1 in Equities / \$77.2 in Fixed Income

Dodge & Cox Funds: \$132.0 Billion

Separate Accounts: \$69.0 Billion



Non-U.S. Funds (Irish UCITS): \$300 Million

Annual AUM Change						
Year-End	Total	Change	Fixed		Equity	Change
			Income	Change		
2008	\$143.2	-39.3%	\$57.6	-16.8%	\$85.6	-48.6%
2009	\$172.5	20.5%	\$63.5	10.2%	\$109.0	27.4%
2010	\$189.4	9.8%	\$68.7	8.2%	\$120.7	10.7%
2011	\$174.9	-7.6%	\$72.4	5.5%	\$102.5	-15.1%
2012	\$189.5	8.3%	\$77.8	7.5%	\$111.7	9.0%

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

Experienced & Stable Investment Team

June 30, 2013

Industry Analysts & Equity Managers / Years at D&C / Coverage

John Gunn	41	Former Chairman
Kenneth Olivier	34	Chairman Emeritus
Charles Pohl	29	Chairman and Chief Investment Officer
Bryan Cameron	30	Senior Vice President and Director of Research
Gregory Serrurier	29	Senior Vice President and Portfolio Manager
Wendell Birkhofer	26	Portfolio Manager
Diana Strandberg	25	Senior Vice President and Director of International Equity
Kevin Johnson	24	Portfolio Manager/Energy, Integrated Oils
Steven Cassriel	21	Portfolio Manager / Railroads, Air Freight, Airlines (U.S.)
David Hoeft	20	Senior Vice President and Associate Director of Research, Computer Hardware & Software
Steven Voorhis	17	Pharmaceuticals, India
John Iannuccillo	16	Aerospace, Electrical Equipment, Paper, Analytical Instruments
Mario DiPrisco	15	Banks (EMEA, Latin America), Latin America
Roger Kuo	15	Media & Entertainment, Internet, EM, China, Hong Kong
Keiko Horkan	13	Banks (U.S. & Japan), Specialty / Consumer Finance, Japan
Karol Marcin	13	Insurance, Central Europe
Amanda Nelson	13	Telecom Equipment, Natural Gas Pipelines, Electric Utilities, Turkey, Greece
Lily Beischer	12	Telecom (Asia), Retail, Footwear & Apparel, Cosmetics, Philippines, Indonesia
Richard Callister	11	Machinery, Medical Devices, Scandinavia
Englebert Bangayan	11	Commercial Services, Airlines / Marine (Int'l), Homebuilders, EM Asia Industrial, Oil Services
Raymond Mertens	10	REITs, Hotels, Commercial Printing, Healthcare Services, Consumer Products
Philippe Barret, Jr.	9	Brokers, Investment Managers & Exchanges, Banks (Asia ex. Japan, Central Europe, Middle East), Trust Banks
Karim Fakhry	7	Appliances, Building Products & Home Improvement (U.S.), Biotech & Pharma
Joel-Patrick Millsap	7	Telecom Services (South America, Africa & Europe), Autos
Kathleen McCarthy	6	Beverages, Restaurants, EMEA Consumer, Building Products (Int'l.), Tobacco
Paritosh Somani	6	Metals & Mining, Computer Services, EM Asia Consumer
Tae Yamaura	5	Connectors, Logic Semiconductors, Japan
Arun Palakurthy	5	Consumer Electronics, Memory Semiconductors, Telecom Services (Americas), Video Games
Benjamin Garosi	4	Chemicals, Transportation
Hallie Marshall	2	Special Projects
Sophie Chen	new	China
Robert Turley	new	Portfolio Analyst

Fixed Income Analysts & Managers / Years at D&C / Coverage

Dana Emery	30	Chief Executive Officer, President, and Director of Fixed Income, Corporates
Robert Thompson	21	Municipals
Shirlee Neil	21	Corporates, Portfolio Transitions
Thomas Dugan	19	Senior Vice President and Associate Director of Fixed Income, Mortgage-Backed Securities
Stephanie Notowich	18	Mortgage-Backed Securities
Kent Radspinner	17	Asset-Backed Securities, TIPS, Treasury Futures
Nancy Kellerman	17	Municipals
Larissa Roesch	16	Corporates
James Dignan	14	Mortgage-Backed Securities
E. Saul Peña	13	Corporates
Thinh Le	12	Corporates
Lucinda Johns	12	Corporates, Global Bonds
Jay Stock	11	Analytics Systems, Treasury Futures, Other Research
Adam Rubinson	11	Corporates, Auto Finance
Damon Blechen	11	Corporates, Global Bonds (transitioned from Equity Trading)
Anthony Brekke	10	Corporates
Nils Reuter	10	Mortgage-Backed Securities
Linda Chong	8	Asset-Backed and Mortgage-Backed Securities, Korea, Malaysia
Nicholas Lockwood	6	Municipals, Treasury Trading
Michael Kiedel	5	Corporates, Taxable Municipals
Matthew Schefer	5	Corporates, Global Bonds
Gabriel Sod Hoffs	2	Macroeconomy, Currency, Global Bonds
Masato Nakagawa	new	Mortgage-Backed Securities

Investment Policy Committee

Stock & Balanced Funds, Separately Managed Equity, & Balanced Portfolios

	Years at D&C		Years at D&C
John Gunn	41	Diana Strandberg	25
Bryan Cameron	30	David Hoeft	20
Charles Pohl	29	Steven Voorhis	17
Gregory Serrurier	29	Philippe Barret	<u>9</u>
Wendell Birkhofer	26	Average Tenure:	25

International Investment Policy Committee

International Stock Fund

John Gunn	41	Mario DiPrisco	15
Bryan Cameron	30	Roger Kuo	15
Charles Pohl	29	Keiko Horkan	13
Gregory Serrurier	29	Richard Callister	<u>11</u>
Diana Strandberg	25	Average Tenure:	23

Global Investment Policy Committee

Global Stock Fund

John Gunn	41	Roger Kuo	15
Charles Pohl	29	Karol Marcin	13
Diana Strandberg	25	Lily Beischer	<u>12</u>
Steven Voorhis	17	Average Tenure:	22

Fixed Income Investment Policy Committee

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

Dana Emery	30	Larissa Roesch	16
Charles Pohl	29	James Dignan	14
Robert Thompson	21	Lucinda Johns	12
Thomas Dugan	19	Adam Rubinson	11
Kent Radspinner	17	Anthony Brekke	<u>10</u>
		Average Tenure:	18

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

Fixed Income Portfolio Review

Stanislaus County Employees Retirement Association-Bond Acct**Account # 1607****June 30, 2013 Portfolio Summary**

	Market Value 6/30/13	%	Estimated Annual Income	Current Yield
Fixed Income Securities	\$389,033,007	96.5%	\$18,397,271	4.7%
Cash	10,485,297	2.6	1,049	-
Total Under Management	\$399,518,304	99.1%	\$18,398,320	4.6%
Accrued Income	3,656,802	.9		
Total	\$403,175,106	100.0%	\$18,398,320	4.6%

Stanislaus County Employees Retirement Association-Bond Acct

Account # 1607

June 30, 2013 Time Weighted Total Rates of Return

<u>Account Summary</u>	3 Months	Year-to- Date	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/83
Fixed Income Securities	-1.79%	-1.03%	2.74%	5.33%	7.39%	5.67%	9.21%
Total Portfolio *	- 1.73	- 0.98	2.67	5.22	7.19	5.58	9.16
Total Portfolio (Net of Fees)	- 1.75	- 1.02	2.59	5.14	7.10	5.50	9.05

Comparative Indices

Barclays U.S. Aggregate Bond Index	- 2.33	- 2.45	- 0.67	3.53	5.20	4.53	7.86
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NOTE: Performance returns do not reflect the deduction of investment management fees and are annualized for periods greater than one year, unless otherwise noted.

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

Stanislaus County Employees Retirement Association-Bond Acct

Account # 1607

July 31, 2013 Time Weighted Total Rates of Return

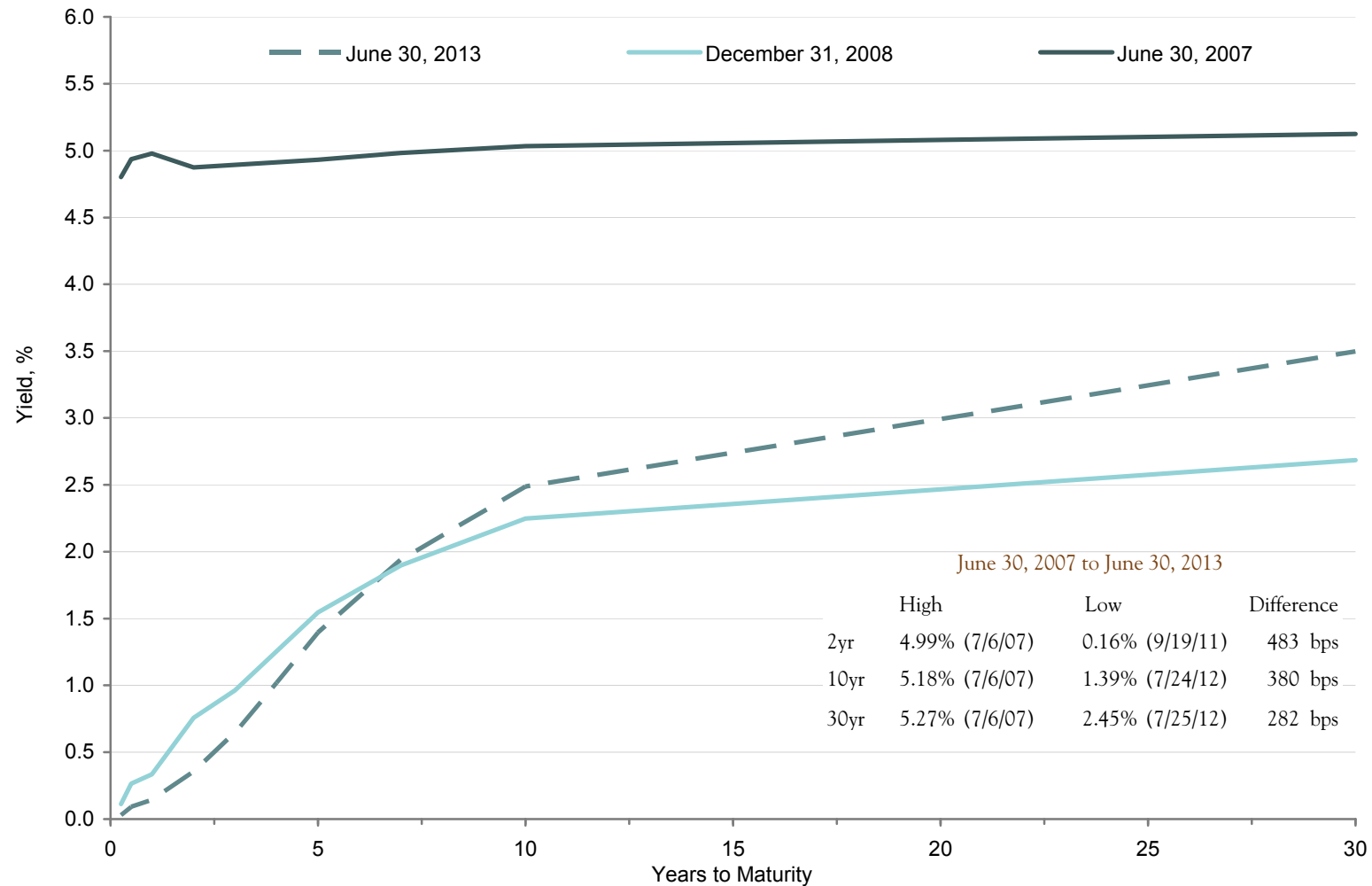
<u>Account Summary</u>	1 Month	3 Months	Year-to- Date	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/83
Fixed Income Securities	0.48%	-2.20%	-0.55%	1.64%	5.10%	7.59%	5.98%	9.20%
Total Portfolio *	0.47	- 2.14	- 0.51	1.62	4.99	7.38	5.88	9.15
Total Portfolio (Net of Fees)	0.46	- 2.16	- 0.56	1.54	4.91	7.29	5.79	9.04
<u>Comparative Indices</u>								
Barclays U.S. Aggregate Bond Index	0.14	- 3.17	- 2.31	- 1.89	3.21	5.25	4.90	7.85

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.

U.S. Treasury Yield Curves

June 30, 2013



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

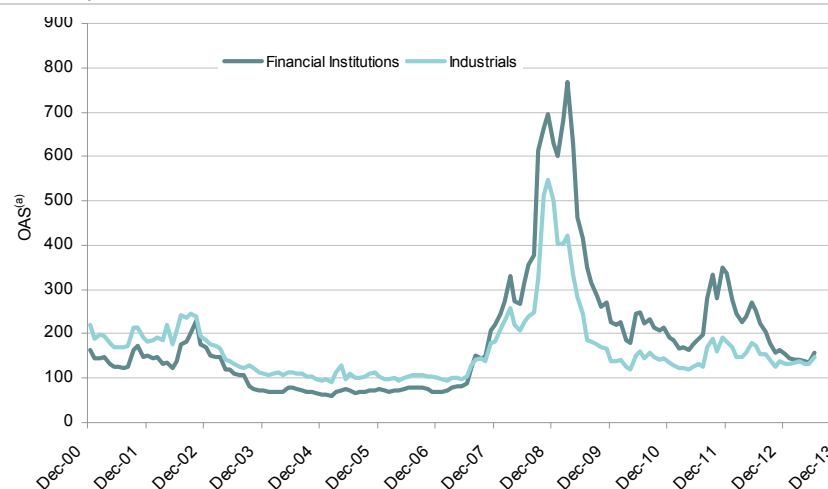
U.S. Corporate and MBS Bond Market Conditions

June 30, 2013

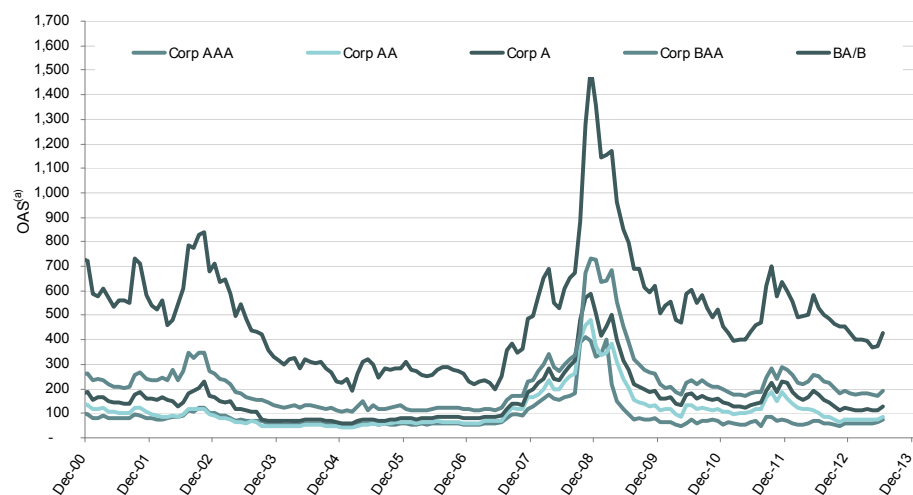
Barclays U.S. MBS Index



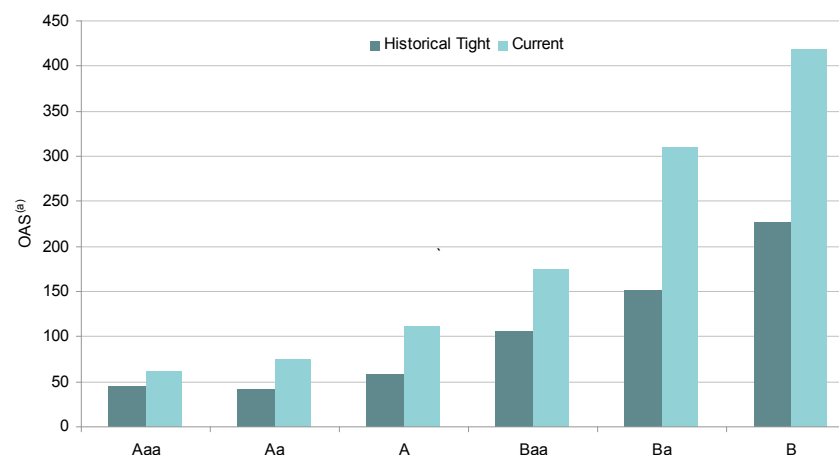
Barclays U.S. Financial Institutions and Industrials indices



Corporate OAS^(a) Over Time



Barclays Corporate Indices by Rating^(b)



^(a)OAS (option-adjusted spread) is the option-adjusted yield differential between stated index and comparable U.S. Treasuries. OAS does not translate into a return. ^(b)OAS data between 1/31/2000-6/30/2013.

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

Performance Attribution

Year to Date Through June 30, 2013

Stanislaus County Employees Retirement Association-Bond Acct

Portfolio (Gross of Fees): -0.98%
Barclays U.S. Aggregate Bond Index: -2.45%

Market Changes

- U.S. Treasury yields rose year-to-date: 2-year Treasury yields rose by 11 bps to 0.36%, 5-year Treasuries rose 67 bps to 1.39%, 10-year Treasuries rose 73 bps to 2.49%, and 30-year Treasuries rose 55 bps to 3.50%. For the period, the Treasury sector returned -2.1%.^(a)
- The investment-grade corporate sector returned -3.4%, underperforming comparable-duration Treasuries by 0.3 percentage points. Financial Institutions (-1.9% return) outperformed Industrials (-4.1% return) and Utilities (-4.0% return).
- Agency-guaranteed MBS returned -2.0%, underperforming similar-duration Treasuries by 0.5 percentage points.

Dodge & Cox – Relative Return Factors

- The portfolio's **shorter relative duration** added to relative returns.
- The portfolio's **nominal yield advantage** was a positive factor.
- Many of the portfolio's **Financial sector and lower-rated corporate holdings** performed well, including Bank of America, Citigroup floating rate notes, Dillard's, HCA, and Hewlett-Packard.
- The portfolio's **large overweight to holdings within the Financial Institutions sub-sector** added to relative returns.
- The portfolio's **MBS** had a positive effect on relative returns; security selection was the primary contributor.
- The portfolio's **overweight to corporate bonds** hurt returns given the underperformance of the Corporate sector.

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

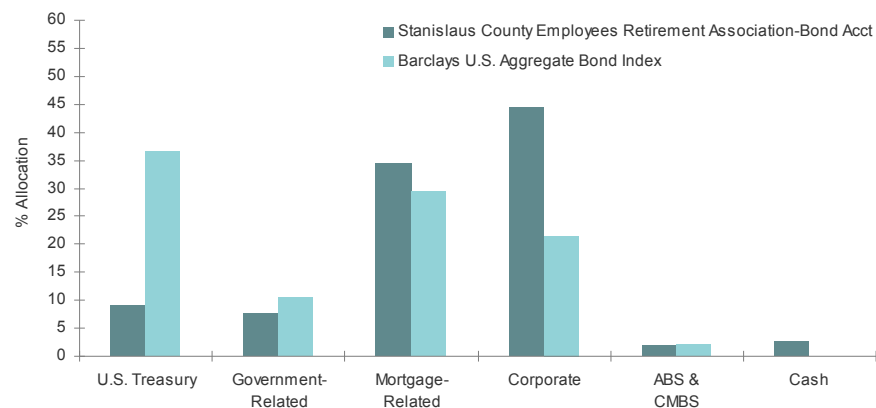
The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change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

Portfolio Structure

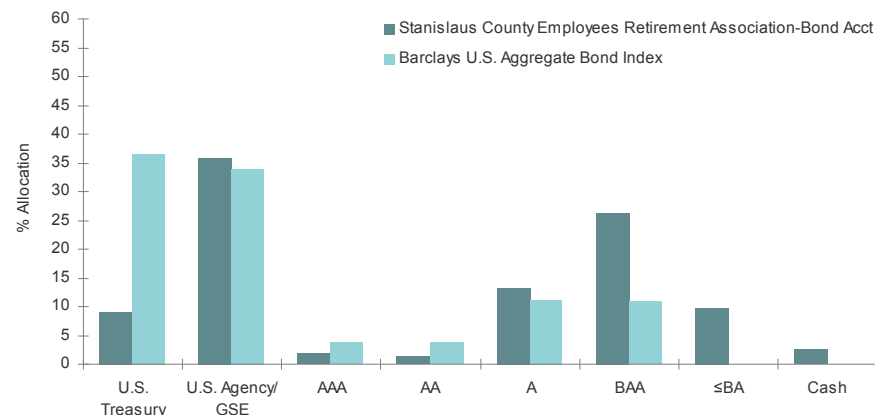
June 30, 2013

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 ^(a)	2.82%	2.36%
Quality ^(b)	A+	AA
Effective Maturity	6.4 Years	7.5 Years
Effective Duration	4.0 Years	5.5 Years

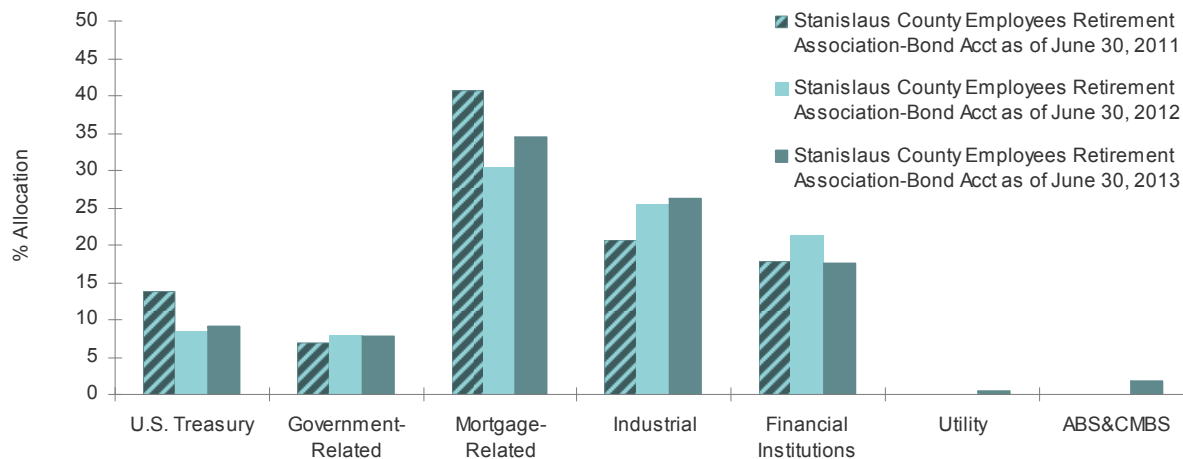
^(a)Yield and principal value fluctuate with market conditions. ^(b)In calculating a portfolio's weighted average quality, Dodge & Cox translates each security's rating from an alpha value to a numerical value (if a security is unrated, Dodge & Cox assigns a rating in accordance with our internal policy),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

Source: The YieldBook, Inc., Bloomberg LP, Interactive Data's BondEdge, Barclays 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.

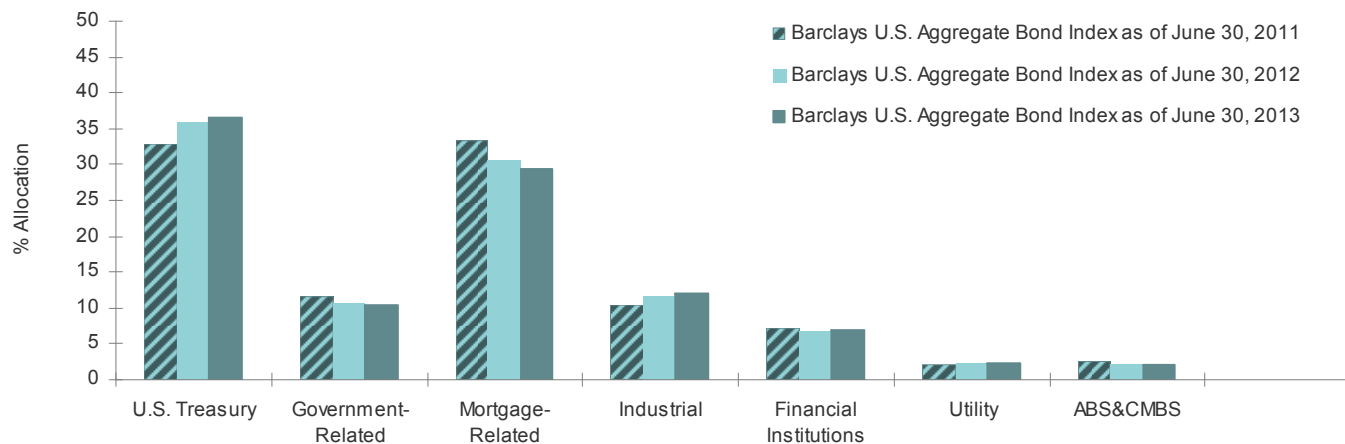
Changes in the Portfolio

June 30, 2013

Stanislaus County Employees Retirement Association-Bond Acct



Barclays U.S. Aggregate Bond Index

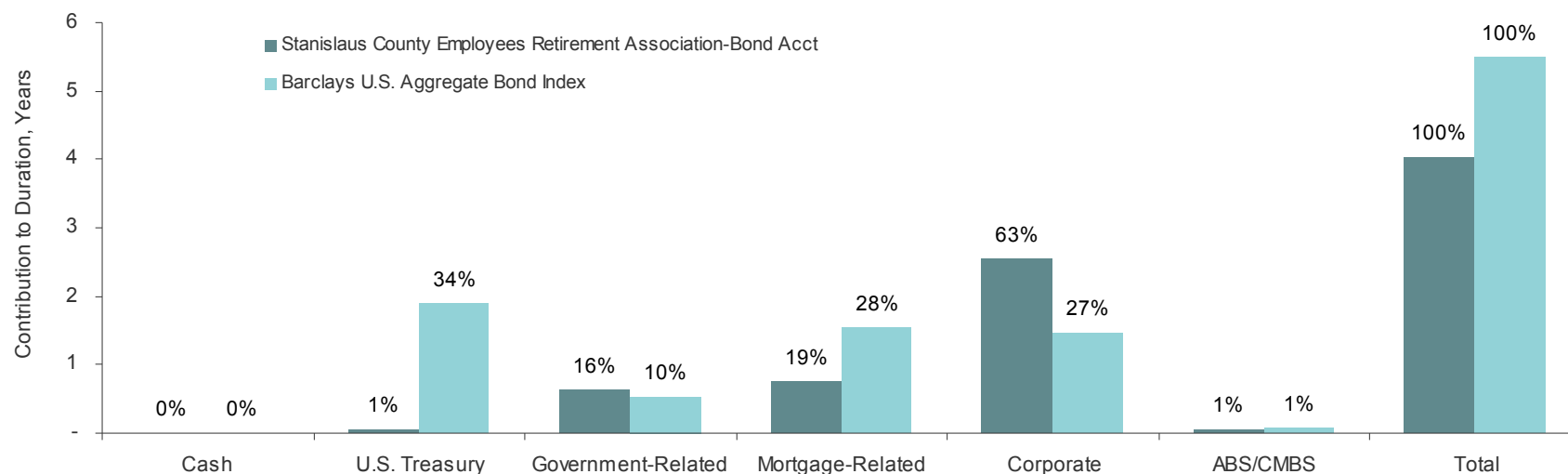


Source: The YieldBook, Inc., Bloomberg LP, and Interactive Data's BondEdge, Barclays POINT. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations 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.

Contribution to Duration (by Sector)

June 30, 2013

Stanislaus County Employees Retirement Association-Bond Acct



Weight (%)	2.62	0.00	9.07	36.52	7.68	10.47	34.44	29.36	44.38	21.46	1.81	2.15	100.00	100.00
Duration (Years)	0.00	0.00	0.51	5.15	8.12	5.11	2.20	5.22	5.64	6.87	2.76	3.08	3.98	5.49
Contribution to Duration ^(a)	0.00	0.00	0.05	1.88	0.62	0.54	0.76	1.53	2.50	1.47	0.05	0.07	3.98	5.49

^(a)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.

Equity Portfolio Review

Stanislaus County Employees' Retirement Association - Equity June 30, 2013

Governing Investment Guideline Documents

Stanislaus County Employees' Retirement Association Statement of Investment Policy as revised July 2011

Side letter of understanding related to "Corporate Fraudulent Behavior Notification Guidelines" signed January 25, 2011

Side letter of understanding confirming we are not subject to restrictions outlined under the "Non-U.S. Equity Security Holdings" section

Benchmark

- Russell 1000 Value Index

Investment Objectives

- Outperform the Russell 1000 Value Index, net of management fees
- Rank in the top 40% of an appropriate peer group of actively managed portfolios

Selected Guidelines*

- Equity holdings in any single issuer must not exceed 5% of all shares outstanding
- Equity holdings in any single issue must not exceed 8% of the portfolio, measured at time of purchase
- Equity holdings in ADRs and other foreign companies (excluding foreign companies in the S&P 500 Index) must not exceed 20% of the portfolio, measured at market
- Equity sector may not exceed the greater of three times the Russell 1000 Value commitment to that sector or 25% of the portfolio, measured at time of purchase
- All equity investments must be traded on an established U.S. exchange, including NASDAQ

*The selected guidelines are provided for discussion purposes only, are not comprehensive, and should not be relied upon as a summary of all guidelines applicable to the account.

Stanislaus County Employees Retirement Association - Equity**Account # 827****June 30, 2013 Portfolio Summary**

	Market Value 6/30/13	%	Estimated Annual Income	Current Yield
Equity Securities	\$161,152,516	99.2%	\$3,373,929	2.1 %
Cash	1,371,297	0.8	137	-
Total Under Management	\$162,523,813	100.0%	\$3,374,066	2.1%

Stanislaus County Employees Retirement Association - Equity

Account # 827

June 30, 2013 Time Weighted Total Rates of Return

<u>Account Summary *</u>	3 Months	Year-to- Date	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/72
Equity Securities	5.2%	17.7%	31.1%	20.1%	7.3%	8.9%	11.8%
Total Portfolio **	5.1	17.1	29.9	19.6	7.5	8.9	11.9
Total Portfolio (Net of Fees)	5.0	17.0	29.7	19.4	7.3	8.7	11.6
 <u>Comparative Indices</u>							
Standard & Poor's 500 Composite	2.9	13.8	20.6	18.5	7.0	7.3	10.0
Russell 1000 Value Index	3.2	15.9	25.3	18.5	6.7	7.8	N.A.

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

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

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

Stanislaus County Employees Retirement Association - Equity

Account # 827

July 31, 2013 Time Weighted Total Rates of Return

<u>Account Summary *</u>	1 Month	3 Months	Year-to- Date	1 Year	3 Years	5 Years	10 Years	Since Inception 12/31/72
Equity Securities	5.8%	9.2%	24.5%	35.7%	19.5%	8.3%	9.1%	12.0%
Total Portfolio **	5.7	8.9	23.7	34.4	19.0	8.5	9.1	12.0
Total Portfolio (Net of Fees)	5.7	8.9	23.6	34.2	18.8	8.3	8.9	11.8
 <u>Comparative Indices</u>								
Standard & Poor's 500 Composite	5.1	6.1	19.6	25.0	17.7	8.3	7.6	10.1
Russell 1000 Value Index	5.4	7.2	22.2	30.7	18.0	7.9	8.2	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.

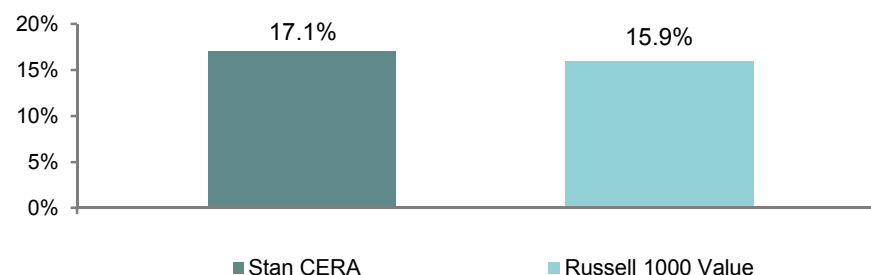
* Account established 6/14/68; performance prior to 12/31/72 is not available.

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

Comparative Investment Results

Year to Date Through June 30, 2013

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



Key Contributors to Relative Results	Average Weight		Performance	
	Account	Index	Account	Index
Information Technology	22%	7%	+25%	+26%
Energy	7%	16%	+9%	+9%
Telecommunication Services	4%	3%	+22%	+8%

Strongest performing holdings: Hewlett-Packard Company (+76%), Boston Scientific Corporation (+62%), Genworth Financial, Inc. Class A (+52%), The Charles Schwab Corporation (+49%), and Panasonic Corporation Sponsored ADR (+44%)

Key Detractors from Relative Results

Industrials	7%	9%	+9%	+15%
Financials	21%	28%	+19%	+19%
Consumer Staples	2%	7%	+9%	+17%

Weakest performing holdings: J. C. Penney Company, Inc. (-21%), Domtar Corporation (-19%), The ADT Corporation (-14%), Vulcan Materials Company (-7%), and Nokia Oyj Sponsored ADR (-5%)

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

Performance Attribution: Sectors

Year to Date Through June 30, 2013

Stanislaus County Employees Retirement Association – Equity (+17.1%) vs. Russell 1000 Value (+15.9%)
Six-Month Equity Total Return, Gross of Fees

	Account		Index		Total Impact on Return vs. Index
	Average Weight	Total Return	Average Weight	Total Return	
Information Technology	22.0%	+25.5%	6.6%	+25.8%	+1.3%
Energy	6.7%	+8.8%	15.7%	+9.2%	+0.6%
Telecommunication Services	3.7%	+22.4%	3.2%	+8.2%	+0.5%
Utilities	-	-	6.5%	+11.2%	+0.3%
Materials	3.4%	-1.4%	3.6%	-2.5%	+0.1%
Health Care	17.7%	+18.1%	11.8%	+20.1%	-0.1%
Consumer Discretionary	15.5%	+17.9%	8.4%	+19.9%	-0.1%
Consumer Staples	2.3%	+9.0%	7.3%	+16.9%	-0.2%
Financials	21.4%	+19.0%	27.9%	+19.3%	-0.3%
Industrials	7.4%	+8.9%	9.0%	+14.8%	-0.4%

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

Performance Attribution: Holdings

Year to Date Through June 30, 2013

Stanislaus County Employees Retirement Association – Equity

Top Five Contributors

	Average Weight	Total Return	Contribution to Return
Hewlett-Packard Company	2.9%	+76.2%	+1.69%
The Charles Schwab Corporation	2.3%	+48.9%	+0.95%
Microsoft Corporation	3.1%	+31.3%	+0.92%
Wells Fargo & Company	3.8%	+22.6%	+0.81%
Time Warner	3.2%	+22.1%	+0.75%

Bottom Five Detractors

J. C. Penney Company, Inc.	0.3%	-21.2%	-0.13%
The ADT Corporation	0.5%	-13.8%	-0.06%
Domtar Corporation	0.1%	-19.3%	-0.03%
Vulcan Materials Company	0.8%	-7.0%	-0.02%
Apache Corporation	0.1%	-0.7%	-0.02%

Ten Largest Holdings

	Average Weight	Total Return	Contribution to Return
Wells Fargo & Company	3.8%	+22.6%	+0.81%
Comcast Corporation Class A	3.7%	+12.3%	+0.49%
Merck & Co., Inc.	3.5%	+15.6%	+0.55%
Capital One Financial Corporation	3.4%	+9.1%	+0.31%
General Electric Company	3.3%	+12.3%	+0.41%
Time Warner	3.2%	+22.1%	+0.75%
Sanofi Sponsored ADR	3.2%	+11.3%	+0.37%
Microsoft Corporation	3.1%	+31.3%	+0.92%
Novartis AG Sponsored ADR	3.0%	+15.1%	+0.47%
Hewlett-Packard Company	2.9%	+76.2%	+1.69%

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

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.

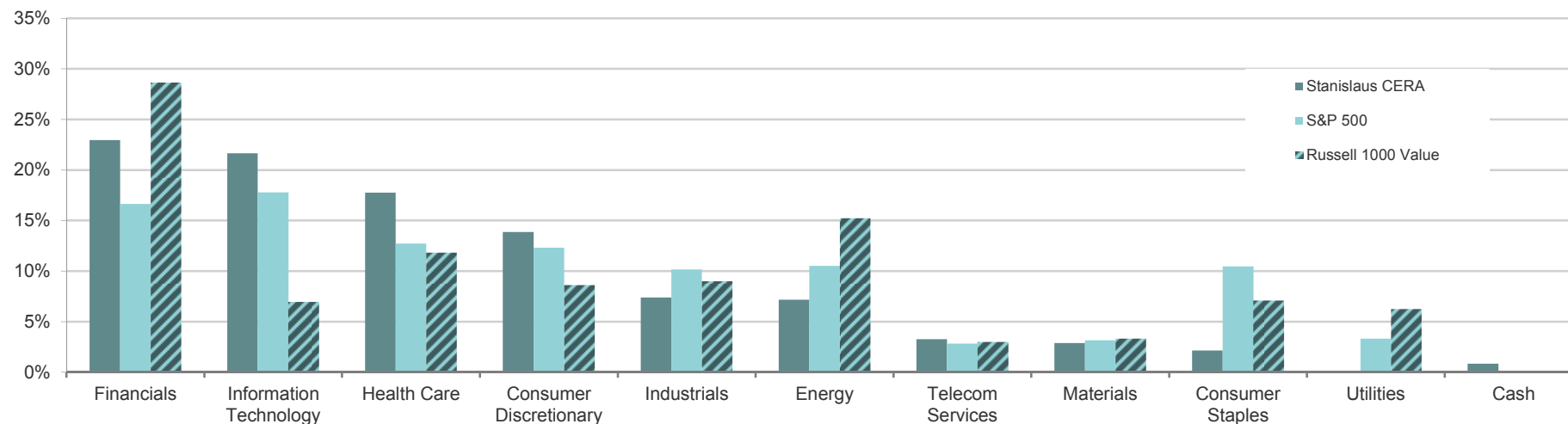
Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979.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

Portfolio Structure

June 30, 2013

Stanislaus County Employees Retirement Association – Equity

Sector Analysis



Representative Portfolio Characteristics^(d)

	Dodge & Cox	S&P 500	Russell Value
Number of holdings	72	500	696
Price/earnings (forward) ^(a)	12.5x	14.3x	13.3x
Price/cash flow ^(b)	9.2x	11.2x	9.9x
Price/sales ^(b)	1.3x	1.6x	1.3x
Price/book value	1.8x	2.4x	1.7x
Weighted average market cap.	\$94B	\$108B	\$99B
Median market cap.	\$23B	\$15B	\$6B
Dividend yield (trailing) ^(c)	2.0%	2.2%	2.4%

Stan CERA Ten Largest Equity Holdings^(e)

Wells Fargo & Company	4.1%
Capital One Financial Corporation	3.6%
Microsoft Corporation	3.5%
Comcast Corporation Class A	3.5%
Hewlett-Packard Company	3.5%
Merck & Co., Inc.	3.5%
Sanofi Sponsored ADR	3.1%
General Electric Company	3.0%
GlaxoSmithKline plc Sponsored ADR	2.9%
Novartis AG Sponsored ADR	2.9%
Total Weight	33.7%

^(a)Portfolio estimate excludes negative earners. S&P 500 estimate is top-down. ^(b)Portfolio calculation excludes Financials and Utilities. ^(c)Dodge & Cox portfolio indicated dividend yield is 2.1%. ^(d)The representative portfolio characteristics are based on one of the largest and oldest fully discretionary tax-exempt equity accounts that has not experienced recent material cash flow events or investment guideline changes. Representative account holdings are subject to change and new accounts may have different holdings. ^(e)Weighting excludes cash and mutual funds.

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

Portfolio Holdings

June 30, 2013

Stanislaus County Employees Retirement Association – Equity

Technology, Media, and Telecommunications		Health Care		Finance		Industrials, Energy, and Utilities		Consumer	
ELECTRONIC MEDIA	11.6%	HEALTH CARE SERVICES	1.0%	BANKS	6.5%	ENERGY	7.2%	CONSUMER DURABLES	0.2%
Comcast Corporation Class A		Cigna Corporation		BB&T Corporation		Apache Corporation		NVR, Inc.	
DISH Network Corporation Class A		UnitedHealth Group Incorporated		HSBC Holdings plc Sponsored ADR		Baker Hughes Incorporated			
Time Warner Cable Inc.				SunTrust Banks, Inc.		Chevron Corporation		CONSUMER PRODUCTS	1.2%
Time Warner Inc.		MEDICAL DEVICES	1.8%	Wells Fargo & Company		Schlumberger N.V. (Schlumberger Li			
Twenty-First Century Fox, Inc. Class .						Weatherford International Ltd.		Coach, Inc.	
		Boston Scientific Corporation		FINANCIAL SERVICES	13.8%			Unilever PLC Sponsored ADR	
TECHNOLOGY	21.9%	Medtronic, Inc.				GENERAL INDUSTRIAL	3.7%		
				Bank of America Corporation				RETAIL & DISTRIBUTION	3.1%
Adobe Systems Incorporated		PHARMACEUTICALS	15.1%	The Bank of New York Mellon Corp.		General Electric Company			
Amdocs Limited				Capital One Financial Corporation		Royal Philips NV Sponsored ADR		CarMax, Inc.	
AOL Inc.		GlaxoSmithKline plc Sponsored ADI		The Goldman Sachs Group, Inc.				Liberty Interactive Corporation Class	
Cadence Design Systems, Inc.		Merck & Co., Inc.		JPMorgan Chase & Co.		INDUSTRIAL COMMODITIES	2.9%	Wal-Mart Stores, Inc.	
Computer Sciences Corporation		Novartis AG Sponsored ADR		The Charles Schwab Corporation					
Compuware Corporation		Pfizer Inc.				Celanese Corporation Class A			
Corning Incorporated		Sanofi Sponsored ADR		INSURANCE	2.2%	Domtar Corporation			
eBay Inc.						The Dow Chemical Company			
Google Inc. Class A				AEGON N.V. ADR		Vulcan Materials Company			
Hewlett-Packard Company				Genworth Financial, Inc. Class A					
Maxim Integrated Products, Inc.				MetLife, Inc.		NON TECH BUSINESS SERVICES	2.3%		
Microsoft Corporation									
Molex Incorporated Class A						The ADT Corporation			
NetApp, Inc.						McGraw Hill Financial, Inc.			
Nokia Oyj Sponsored ADR						Tyco International Ltd.			
Pitney Bowes Inc.									
Symantec Corporation						TRANSPORTATION	2.1%		
Synopsys, Inc.									
TE Connectivity Ltd.						FedEx Corporation			
Xerox Corporation									
TELECOM	3.3%								
Sprint Nextel Corporation									
Vodafone Group Plc Sponsored ADR									

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.

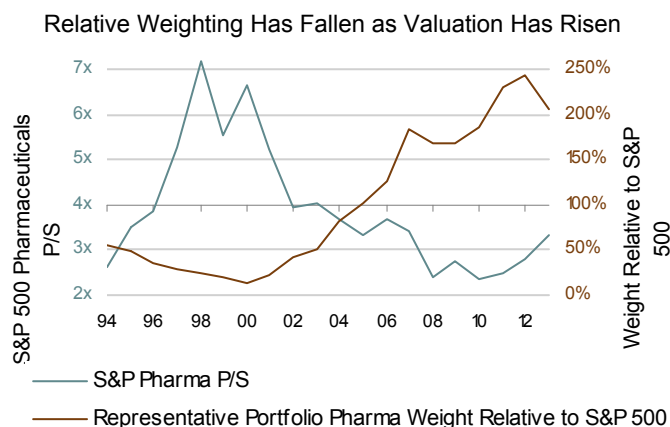
Pharmaceuticals: Finding Investment Value

June 30, 2013

Dodge & Cox Representative Equity Portfolio

Investment Thesis:

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



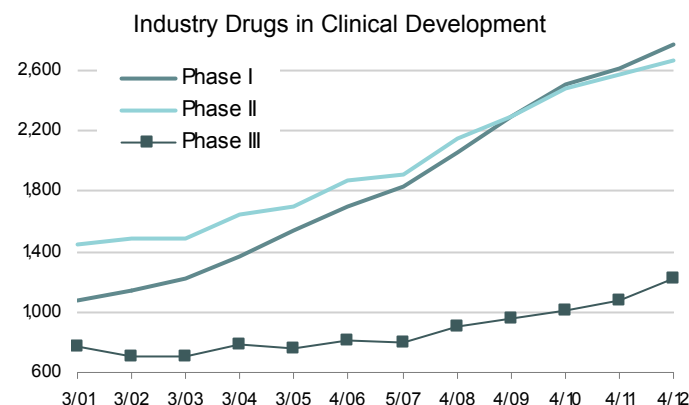
- Long-term growth opportunity in emerging markets

	<u>Percent of Sales from Emerging Markets</u>
Sanofi	32%
Roche	29%
GlaxoSmithKline	26%
Novartis	24%
Merck	19%
Pfizer	17%

Risks:

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

- Investment in innovation



- Big Pharma expertise essential to new product success

- Drug development
- Regulatory approval
- Sales and marketing

Understanding Risk:

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

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.

Stable Industries: Significant Exposure

June 30, 2013

Dodge & Cox Stock Fund

Telecommunication Services: 3.1%

Sprint Nextel, Vodafone

Cable & Satellite: 6.3%

Comcast, DISH Network, Time Warner Cable

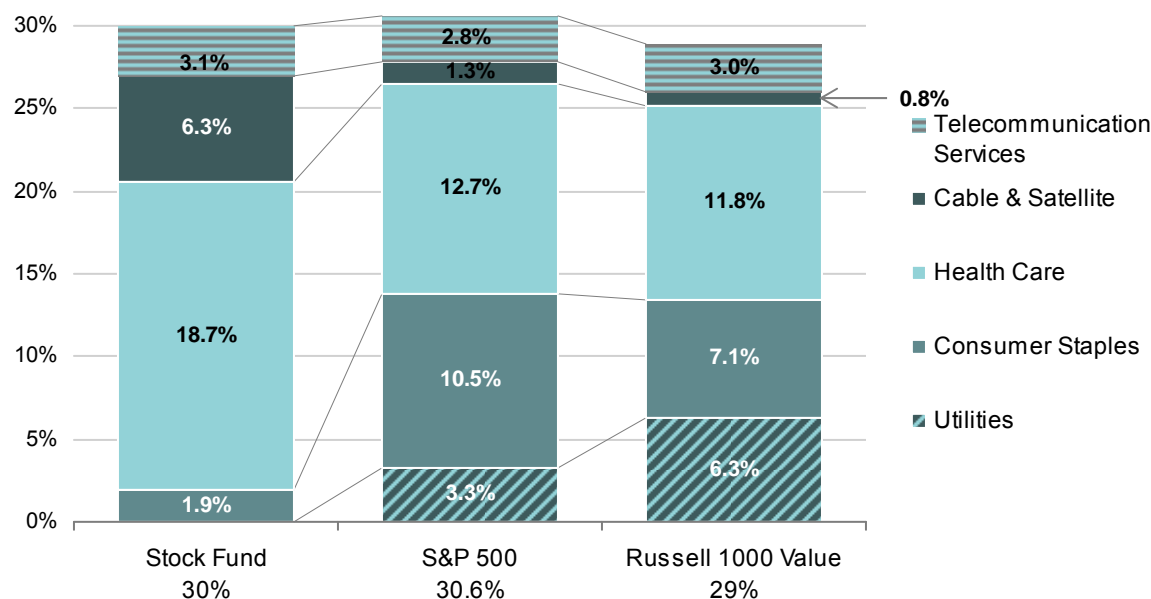
Health Care: 18.7%

Boston Scientific, Cigna, GlaxoSmithKline, Medtronic, Merck, Novartis, Pfizer, Roche, Sanofi, UnitedHealth Group

Consumer Staples: 1.9%

Unilever, Wal-Mart

Utilities: 0%



The portfolio has significant exposure to less economically sensitive companies

- Telecom, cable and satellite: recurring subscription revenues
- Health care (primarily pharmaceuticals): strong balance sheets and free cash flow
- Consumer staples : consistent purchasing patterns and cash flows

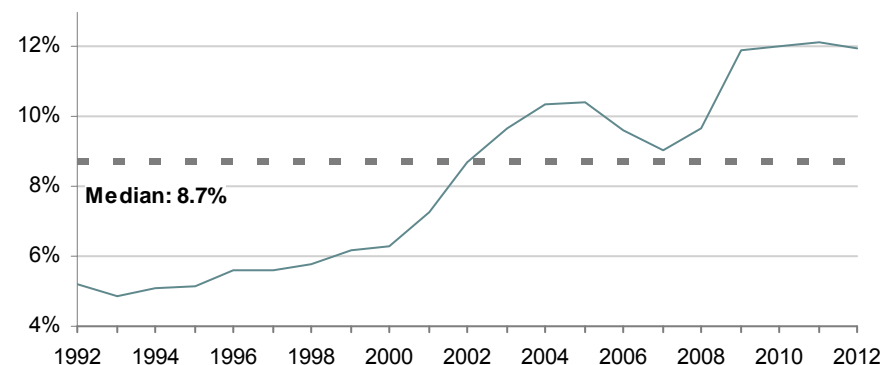
Source: FactSet. The above is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are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

Corporate Balance Sheets Are Strong

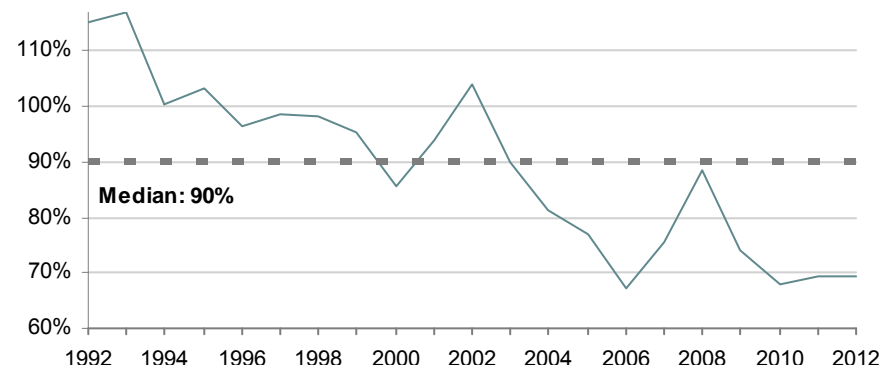
June 30, 2013

S&P Industrials: 1992 – 2012

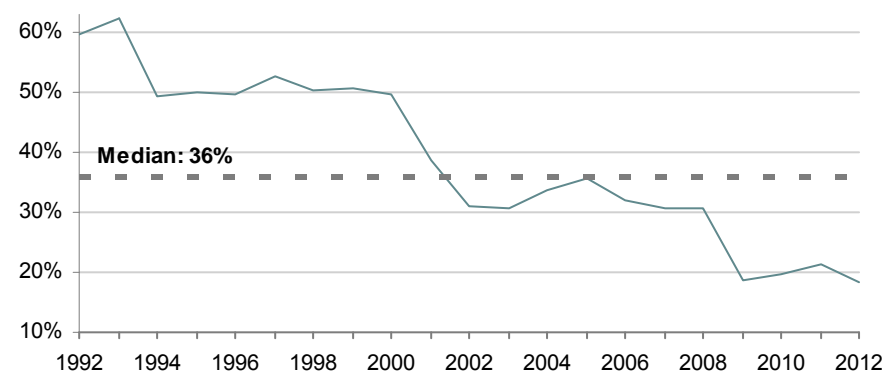
Cash / Assets



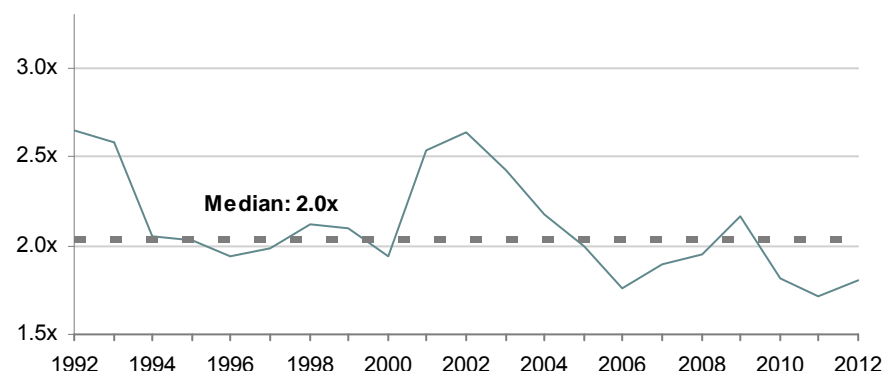
Total Debt / Total Equity



Short-Term Debt / Long-Term Debt



Total Debt / EBITDA



Source: Standard & Poor's. Reflects data published 5/2013. EBITDA is Earnings Before Interest, Taxes, Depreciation, and Amortization. The above information is not a complete analysis of every material fact concerning any market, industry, or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes no representations as to the completeness or accuracy of such information. Opinions expressed are subject to change without notice. Before investing in any Dodge & Cox Fund, you should carefully consider the Fund's investment objectives, risks, and management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Current Market Environment

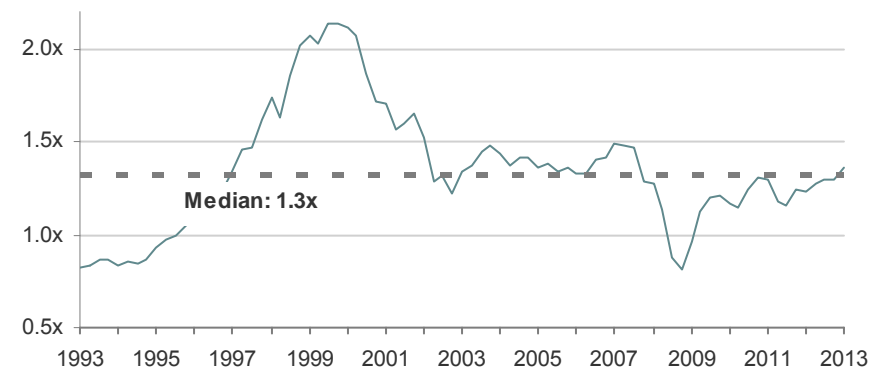
June 30, 2013

S&P 500 Forward Price-to-Earnings: Jul 93 – Jun 13



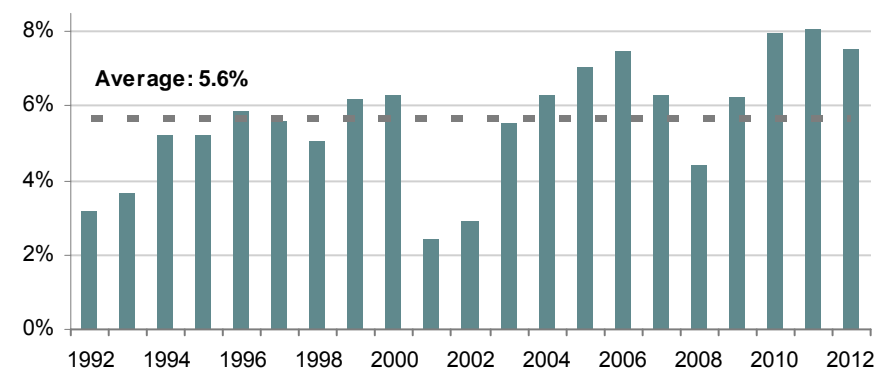
Source: Morgan Stanley.

S&P Industrials Price-to-Sales: Jul 93 – Jun 13



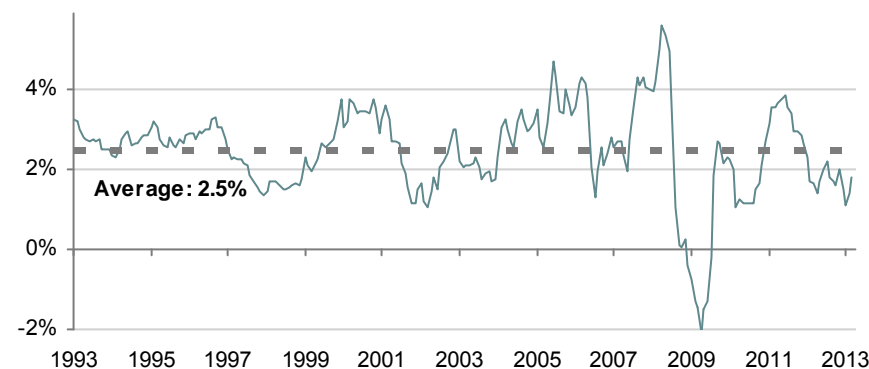
Source: The Leuthold Group.

S&P Industrials Net Profit Margin: Jan 93 – Dec 12



Source: Standard & Poor's.

Consumer Price Index: Jul 93 – Jun 13



Source: Department of Labor.

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

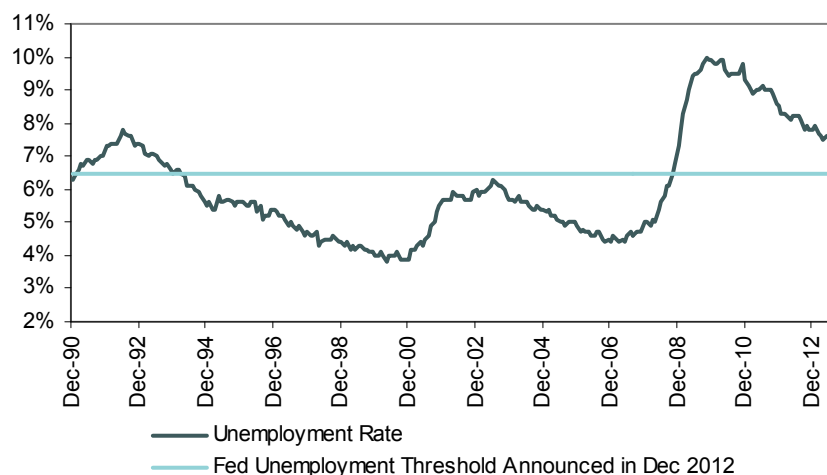
Supplemental Exhibits

Economic Environment

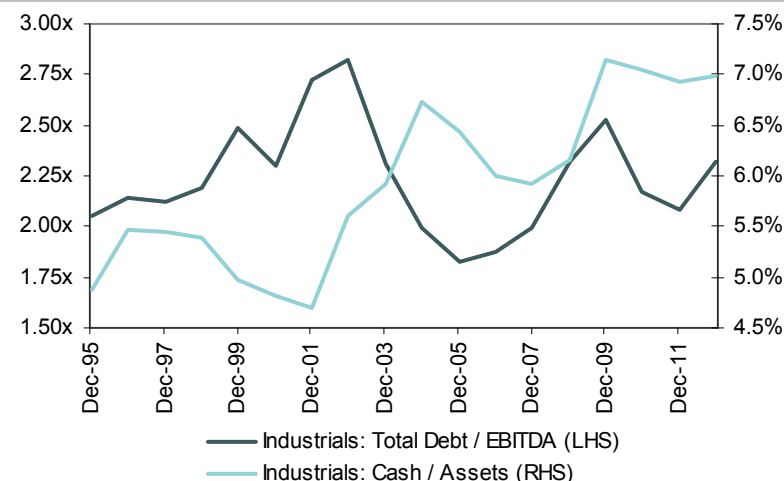
June 30, 2013

The U.S. economy is growing only modestly, but there are some reasons for longer-term optimism.

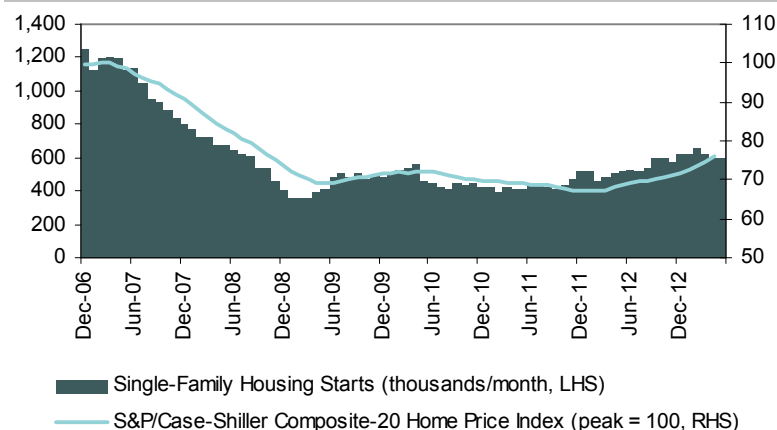
Unemployment continues to improve steadily.



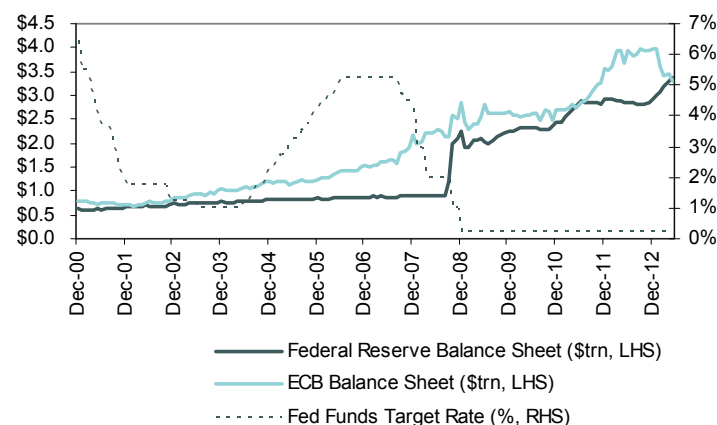
Solid corporate fundamentals create a base for growth in investment and hiring.^(a)



The housing market appears to have stabilized.



Central banks are pursuing aggressive monetary policy.



^(a)Corporate balance sheet and leverage statistics are based on the constituents of the Barclays Industrials Index as of March 31, 2013.

Source: Federal Reserve, Bloomberg, Barclays POINT, ECB Balance Sheet size includes national central banks within the Eurosystem. 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 management fees and other expenses. To obtain a Fund's prospectus and summary prospectus, which contain this and other important information, visit www.dodgeandcox.com or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Portfolio Composition by Theme

June 30, 2013

Stanislaus County Employees Retirement Association-Bond Acct

U.S. Treasury Securities 9.1%

Various U.S. Treasury Notes	9.1%	<ul style="list-style-type: none"> ▪ Generally maintain a lower-than-market weighting ▪ Used to control portfolio duration and yield curve exposure ▪ Currently maintain lower-than-market duration ▪ Increase portfolio yield through holding off-the-run issues
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Mortgage-Related Securities 34.4%

Seasoned Pass-Throughs	28.0%	▪ Predominantly GSE-guaranteed
Collateralized Mortgage Obligations	3.8%	▪ Yield advantage and total-return potential vs. similar duration alternatives
Fannie Mae D.U.S. Multifamily	0.2%	▪ Emphasize stable average-life investments to provide defensive feature
"Hybrid" ARMs	2.5%	

Government-Related Securities 7.7%

Small Business Administration PC (504)	1.4%	▪ U.S. Agencies add incremental yield with little added credit risk
Kingdom of Spain	0.5%	▪ Non-U.S. entities provide diversification and attractive risk/reward
California Taxable G.O.	5.8%	▪ Taxable munis provide diversification and compelling risk/reward
Illinois Taxable G.O.		
L.A. School District Taxable G.O.		
New Jersey Turnpike Authority		

Corporate Securities 44.4%^(a)

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

Asset-Backed Securities 1.8%

Chase Issuance Trust	▪ Add incremental yield with little added credit risk
Various SLM Student Loan Trust Securities (Private Loans)	

Cash 2.6%

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

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Portfolio Holdings by Sector^(a)

June 30, 2013

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

Corporate: Financial Institutions		Corporate: Industrial		Corporate: Utility		Other Sectors			
Banking	9.9 4.5	Basic Industry	1.4 1.2	Technology	2.4 1.1	Electric	0.5 1.5	U.S. Treasuries	9.1 36.5
Ally Financial, Inc.		Dow Chemical Co.		Hewlett-Packard Co.		Enel SpA		Government-Related	7.7
Bank of America Corp.				Xerox Corp.					10.5
Capital One Financial Corp.		Capital Goods	2.3			Natural Gas	0.0		
Citigroup, Inc.			1.1	Transportation	3.3		0.8	California Taxable G.O.	
HSBC Holdings PLC		Eaton Corporation PLC			0.4			Illinois Taxable G.O.	
JPMorgan Chase & Co.		Lafarge SA		Burlington Northern Santa Fe LLC ^(b)				Kingdom of Spain	
Royal Bank of Scotland PLC		Vulcan Materials Company		CSX Corp.		Other Utility	0.0	L.A. School District Taxable G.O.	
				FedEx Corp.			0.0	New Jersey Turnpike Authority	
Brokerage	0.6 0.2	Consumer Cyclical	5.5 1.6	Norfolk Southern Corp.				Small Business Administration PC (504)	
Legg Mason, Inc.		Dillard's, Inc.		Union Pacific Corp.				Mortgage-Related	34.4 29.4
Finance Companies	2.6 0.6	Ford Motor Credit Company LLC ^(b)		Communications	8.5 2.1				
General Electric Co.		Macy's, Inc.						ABS/CMBS	1.8 2.2
SLM Corp.		Nordstrom, Inc.		AT&T, Inc.					
		Time Warner, Inc.		Comcast Corp.					
				Cox Communications, Inc.					
Insurance	2.7 1.2	Consumer Non-Cyclical	2.9 3.0	Liberty Interactive Corp.					
				Reed Elsevier PLC					
American International Group, Inc.		Boston Scientific Corp.		Sprint Nextel Corp.				Cash	2.6 0.0
Cigna Corp.		Covidien PLC		Telecom Italia SpA					
Health Net, Inc.		HCA, Inc.		Time Warner Cable, Inc.					
Unum Group				Twenty-First Century Fox Inc.					
WellPoint, Inc.		Energy	0.0 1.5	Other Industrial	0.0 0.1				
REITS	1.9 0.5								
Boston Properties, Inc.									
Equity Residential									
Other Financial	0.0 0.0								
Portfolio Total	17.6				26.3		0.5		55.6
Benchmark Total	7.0				12.1		2.4		78.5

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Below Investment Grade Holdings^(a)

June 30, 2013

Stanislaus County Employees Retirement Association-Bond Acct

Issuer ^(b)	Ratings			% of Portfolio	Duration	Yield-to-Worst (%) ^(c)
	Moody's	S&P	Fitch			
Liberty Interactive Corp.	B2	BB	BB	0.31	9.0	7.49
Royal Bank of Scotland sub notes	Ba2	BB+	BBB-	0.45	7.2	6.83
Dillard's, Inc.	Ba3	BB+	BBB-	0.32	8.8	6.79
Bank of America capital securities	Ba2	BB+	BB+	1.00	12.5	5.75
Health Net, Inc.	Ba3	BB	BB	0.33	3.5	5.27
Vulcan Materials Company	Ba3	BB	NR	0.59	5.4	5.16
SLM Corp.	Ba1	BBB-	BB+	1.28	3.2	4.73
Sprint Nextel Corp.	B3	B+	B+	0.52	3.1	4.26
Ford Motor Credit Company ^(d)	Baa3	BB+	BBB-	1.77	4.4	3.46
Citigroup capital securities	Ba2	BB	BB+	0.86	2.1	3.36
HCA, Inc.	B3	B-	B+	1.53	1.7	3.18
Ally Financial, Inc.	B1	B+	BB-	1.14	0.6	3.09
Lafarge SA	Ba1	BB+	BB+	1.35	2.2	3.05
Total Weighted Average					4.1	4.18

Total Portfolio Weightings (%)

Highest (Moody's/S&P/Fitch)	7.63
Middle (Moody's/S&P/Fitch)	9.69
Lowest (Moody's/S&P/Fitch)	11.46

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

Source: The YieldBook, Inc., Bloomberg LP, Interactive Data's BondEdge. The above 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.

Ten Largest Credit Holdings^(a)

June 30, 2013

Stanislaus County Employees Retirement Association-Bond Acct

Issuer ^(b)	% of Portfolio	Duration	Yield-to-Worst (%) ^(c)	Ratings		
				Moody's	S&P	Fitch
California Taxable G.O.	2.67	12.4	5.16	A1	A	A-
Bank of America Corp.	2.52	7.4	4.26	Baa3	BBB	BBB
Citigroup, Inc.	2.07	1.9	2.60	Baa3	BBB	BBB+
Illinois Taxable G.O.	1.83	3.4	2.92	A3	A-	A-
Ford Motor Credit Company ^(d)	1.77	4.4	3.46	Baa3	BB+	BBB-
Time Warner, Inc.	1.65	10.9	5.37	Baa2	BBB	BBB+
Macy's, Inc.	1.59	9.1	4.77	Baa3	BBB	BBB
Xerox Corp.	1.57	2.5	2.08	Baa2	BBB-	BBB
HCA, Inc.	1.53	1.7	3.18	B3	B-	B+
Time Warner Cable, Inc.	1.52	4.8	4.20	Baa2	BBB	BBB
Portfolio Weight of Ten Largest Credit Holdings	18.74					

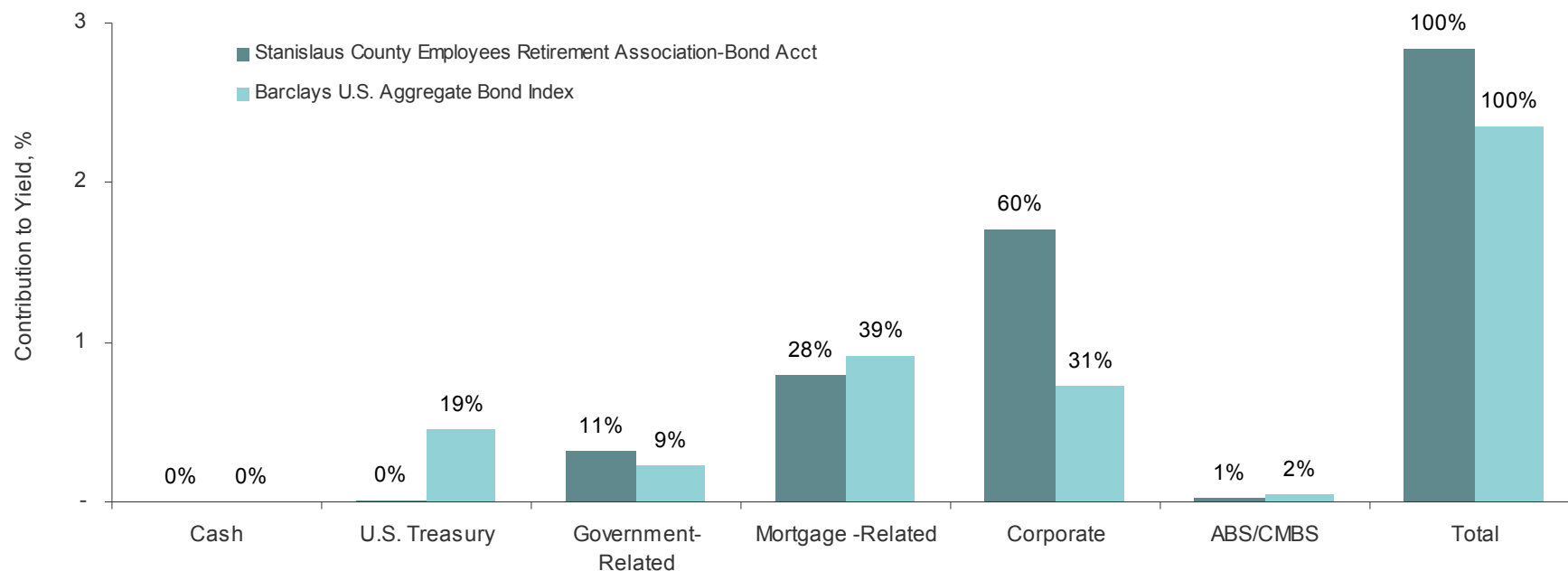
^(a)Weighted average statistics. ^(b)Except as noted, Corporate investments grouped by parent company. Actual securities maybe issued by the listed parent company or one of its subsidiaries. ^(c)Yield and principal value fluctuate with market conditions. ^(d)Subsidiary.

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Contribution to Yield (by Sector)

June 30, 2013

Stanislaus County Employees Retirement Association-Bond Acct



Weight (%)	2.62	0.00	9.07	36.52	7.68	10.47	34.44	29.36	44.38	21.46	1.81	2.15	100.00	100.00
Yield (%)	0.01	0.00	0.13	1.24	4.06	2.12	2.30	3.12	3.78	3.35	1.51	2.14	2.82	2.36
Contribution to Yield ^(b)	0.00	0.00	0.01	0.45	0.31	0.22	0.79	0.92	1.68	0.72	0.03	0.05	2.82	2.36

^(a)Yield and principal value fluctuate with market conditions. ^(b)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.

Summary of Transactions

Year to Date Through June 30, 2013

Stanislaus County Employees Retirement Association – Equity

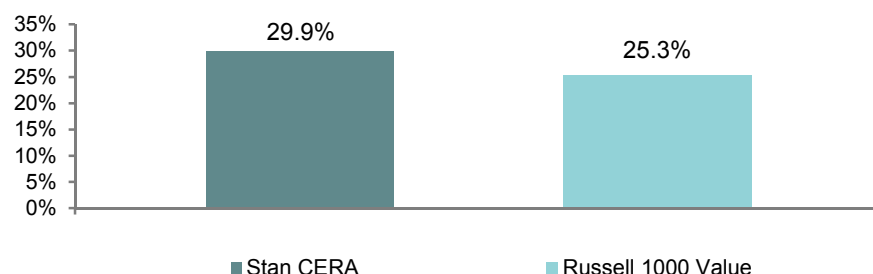
	New Purchases	Significant Additions	Sales	Significant Trims
Energy	APACHE CORP WEATHERFORD INTL LTD	CHEVRON CORP	OCCIDENTAL PETROLEUM CORP	
Consumer Discretionary	COACH INC		J.C. PENNEY CO INC LIBERTY GLOBAL PLC-A LIBERTY GLOBAL PLC-SERIES C PANASONIC CORP-SPON ADR SONY CORP-SPONSORED ADR	COMCAST CORP-CLASS A TWENTY-FIRST CENTURY FOX INC
Health Care	UNITEDHEALTH GROUP INC			
Finance			CREDIT SUISSE GROUP-SPON ADR LEGG MASON INC	
Information Technology			BMC SOFTWARE INC DELL INC	EBAY INC
Telecommunication Services				SPRINT NEXTEL CORP

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Comparative Investment Results

One Year Ending June 30, 2013

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



Key Contributors to Relative Results	Average Weight		Performance	
	Account	Index	Account	Index
Telecommunication Services	4%	3%	+69%	+10%
Utilities	-	7%	-	+8%
Consumer Discretionary	16%	8%	+39%	+40%

Strongest performing holdings: Sprint Nextel Corporation (+115%), Genworth Financial, Inc. Class A (+102%), Nokia Sponsored ADR (+81%), Computer Sciences Corporation (+80%), and CarMax, Inc. (+78%)

Key Detractors from Relative Results

Industrials	8%	9%	+16%	+24%
Consumer Staples	2%	7%	+14%	+27%

Weakest performing holdings: J. C. Penney Company, Inc. (-33%), Sony Corporation Sponsored ADR (-15%), Domtar Corporation (-11%), Occidental Petroleum Corporation (-3%), and Apache Corporation (-1%)

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

Performance Attribution: Sectors

One Year Ending June 30, 2013

Stanislaus County Employees Retirement Association – Equity (+29.9%) vs. Russell 1000 Value (+25.3%)
Twelve-Month Equity Total Return, Gross of Fees

	Account		Index		Total Impact on Return vs. Index
	Average Weight	Total Return	Average Weight	Total Return	
Telecommunication Services	3.6%	+69.4%	3.4%	+9.5%	+1.8%
Utilities	-	-	6.7%	+8.3%	+1.2%
Consumer Discretionary	16.2%	+38.6%	8.2%	+40.2%	+0.9%
Information Technology	20.9%	+30.7%	6.5%	+29.6%	+0.8%
Materials	3.6%	+19.0%	3.7%	+7.1%	+0.6%
Health Care	17.8%	+29.3%	11.7%	+27.8%	+0.6%
Energy	7.1%	+8.9%	16.2%	+15.7%	+0.4%
Financials	20.8%	+37.8%	27.3%	+34.3%	+0.2%
Consumer Staples	2.4%	+13.9%	7.3%	+26.7%	-0.3%
Industrials	7.6%	+16.2%	9.0%	+24.3%	-0.5%

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

Performance Attribution: Holdings

One Year Ending June 30, 2013

Stanislaus County Employees Retirement Association – Equity

Top Five Contributors

	Average Weight	Total Return	Contribution to Return
Sprint Nextel Corporation	2.5%	+115.3%	+2.16%
Time Warner	3.2%	+53.5%	+1.63%
Comcast Corporation Class A	4.1%	+32.4%	+1.38%
Sanofi Sponsored ADR	3.1%	+39.6%	+1.24%
The Charles Schwab Corporation	2.0%	+66.9%	+1.21%

Bottom Five Detractors

J. C. Penney Company, Inc.	0.4%	-33.3%	-0.26%
Sony Corporation Sponsored ADR	0.2%	-15.4%	-0.16%
Occidental Petroleum Corporation	1.5%	-2.8%	-0.06%
Apache Corporation	0.0%	-0.7%	-0.02%
Domtar Corporation	0.1%	-11.1%	-0.01%

Ten Largest Holdings

	Average Weight	Total Return	Contribution to Return
Comcast Corporation Class A	4.1%	+32.4%	+1.38%
Wells Fargo & Company	3.9%	+26.9%	+0.99%
Merck & Co., Inc.	3.7%	+15.5%	+0.61%
Capital One Financial Corporation	3.6%	+15.8%	+0.60%
General Electric Company	3.4%	+15.0%	+0.52%
Time Warner	3.2%	+53.5%	+1.63%
Sanofi Sponsored ADR	3.1%	+39.6%	+1.24%
Novartis AG Sponsored ADR	2.9%	+30.4%	+0.90%
Microsoft Corporation	2.8%	+16.4%	+0.54%
GlaxoSmithKline plc Sponsored ADR	2.8%	+15.4%	+0.43%

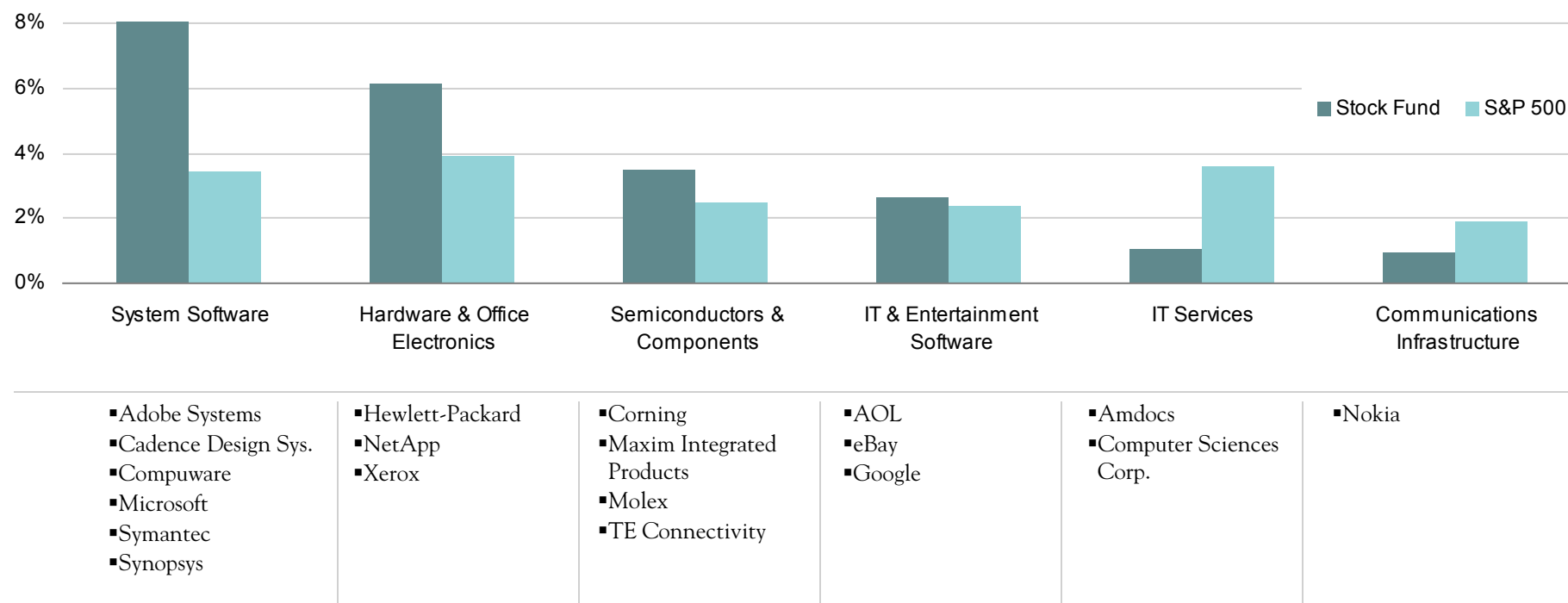
Source: FactSet. Holding period performance is shown for each security and may be shorter than the performance period shown for the account, due to the timing of purchases and sales. FactSet returns can vary from other sources due to methodology differences. Performance figures do not reflect the deduction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

Technology: Diversification Within the Sector

June 30, 2013

Dodge & Cox Stock Fund

Dodge & Cox Technology Holdings (22.4%) vs. the S&P 500 Index (17.8%)



- Exposure: The Fund is modestly overweight in technology, and well diversified within the sector.
- The Fund also holds these technology-related companies (0.5% total weighting): Panasonic and Pitney Bowes.

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 or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Financial Services

June 30, 2013

Dodge & Cox Representative Equity Portfolio

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

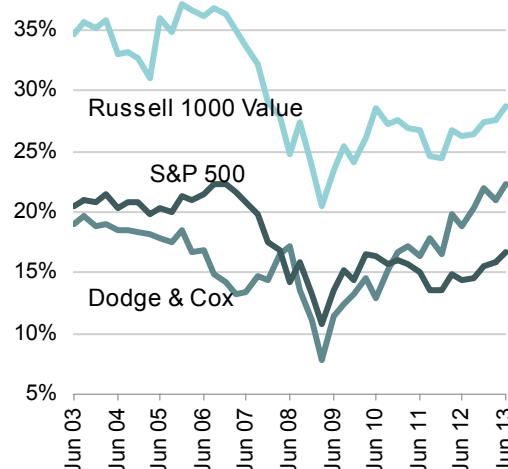
Holdings

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

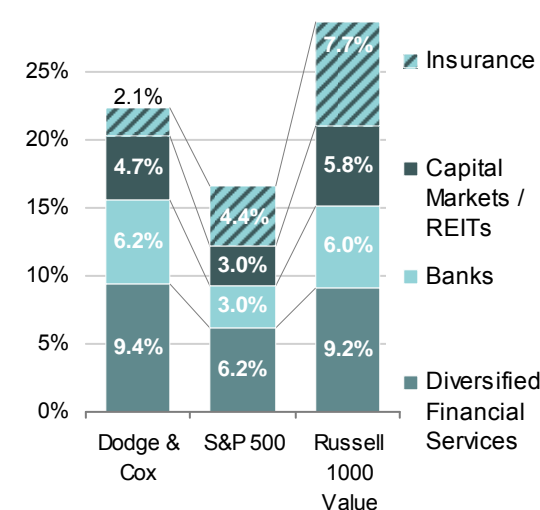
Modest Valuations: S&P 500 Financials Price-to-Book Ratio



Financials Weighting: Dodge & Cox vs. Indexes



Industries Within Financials: Comparative Weighting



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.

Foreign Exposure in a Domestic Portfolio

June 30, 2013

Dodge & Cox Stock Fund

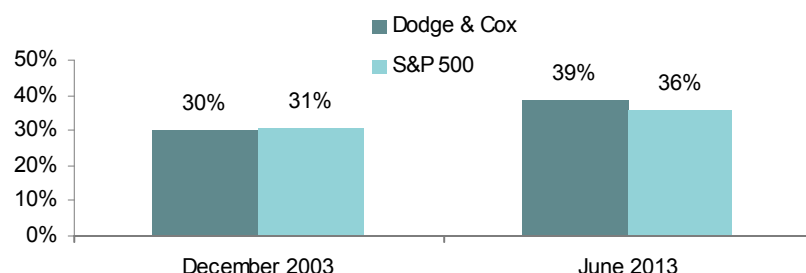
Foreign Holdings Not in the S&P 500 Index (16.6% of Fund)

	Non-U.S. Sales (%)	Fund Weight (%)
Europe		16.1%
Sanofi (France)	67%	3.1%
Novartis (Switzerland)	67%	2.9%
GlaxoSmithKline (UK)	68%	2.7%
Roche (Switzerland)	64%	2.4%
Nokia (Finland)	93%	1.0%
Aegon (Netherlands)	33%	1.0%
Vodafone (UK)	100%	0.8%
HSBC (UK)	85%	0.7%
Unilever (UK)	67%	0.6%
Philips (Netherlands)	72%	0.5%
Weatherford International (Switzerland)	55%	0.4%
Asia		0.5%
Panasonic (Japan)	86%	0.5%

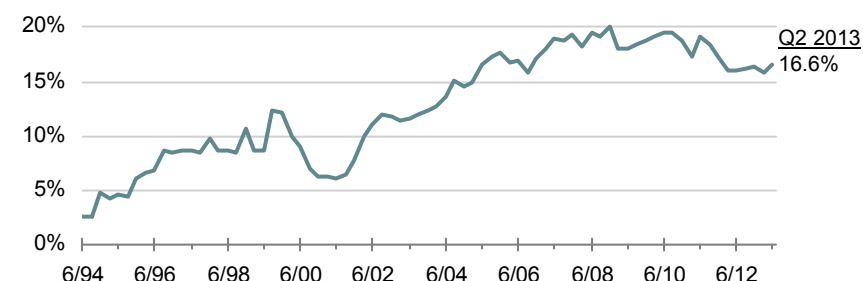
U.S. Holdings With Non-U.S. Sales > 50% (29.7% of Fund)

	Non-U.S. Sales (%)	Fund Weight (%)
Hewlett-Packard	65%	3.7%
Merck	57%	3.0%
General Electric	53%	2.7%
Schlumberger	50%	2.5%
Pfizer	61%	2.5%
Symantec	52%	1.8%
Chevron	74%	1.8%
Google Inc. Cl A	53%	1.5%
Baker Hughes	54%	1.4%
TE Connectivity	68%	1.4%
Adobe	55%	1.3%
Dow Chemical	68%	1.2%
Corning	73%	1.0%
Synopsys	52%	1.0%
Celanese Corp. Ser -A-	72%	0.9%
eBay	52%	0.7%
Apache Corp.	63%	0.7%
Maxim Integrated Products	88%	0.4%
Cadence Design Systems	57%	0.4%

Percentage of Company Sales from Outside the United States



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

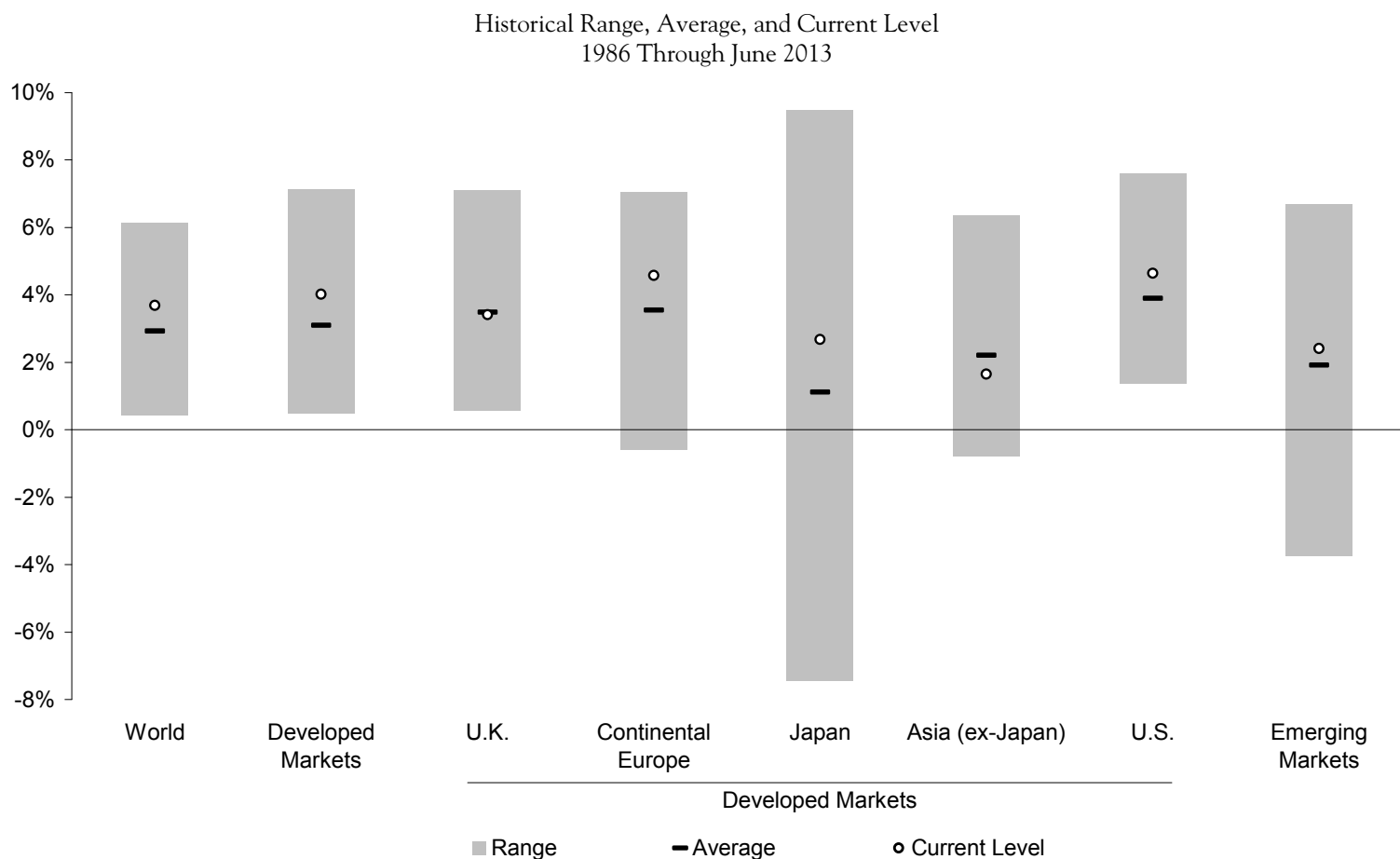


Source: Bloomberg LP, FactSet. Foreign holdings are non-U.S. incorporated but U.S. dollar-denominated. The above information is not a complete analysis of every material fact concerning any market, industry or investment. Data has been obtained from sources considered reliable, but Dodge & Cox makes 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 or call 800-621-3979. Please read the prospectus and summary prospectus carefully before investing.

Valuations Are Attractive

June 30, 2013

Nominal Free Cash Flow Yield by Region^(a)



^(a) Companies in the Empirical Research universe. Market capitalization-weighted data excluding Financials. Emerging Markets since 1992.

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

Dodge & Cox Equity Tax-Exempt Composite

June 30, 2013

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

	Annual Returns for Years Ended December 31,										6 Mo.†
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Total Composite	35.21	20.00	9.57	19.05	0.64	-41.99	31.39	14.17	-3.29	22.19	17.29
S & P 500 Index †	28.67	10.86	4.90	15.79	5.51	-36.99	26.45	15.06	2.12	15.99	13.84
Russell 1000 Value Index †	30.03	16.48	7.07	22.21	-0.18	-36.84	19.69	15.51	0.39	17.50	15.91

	Annualized Cumulative Returns for Periods Ended December 31, 2012									
	10 YRS	9 YRS	8 YRS	7 YRS	6 YRS	5 YRS	4 YRS	3 YRS	2 YRS	1 YR
Total Composite	8.16	5.51	3.82	3.03	0.57	0.56	15.39	10.50	8.71	22.19
S & P 500 Index †	7.10	4.94	4.22	4.12	2.29	1.66	14.58	10.87	8.83	15.99
Russell 1000 Value Index †	7.38	5.12	3.78	3.31	0.46	0.59	13.01	10.86	8.61	17.50

	Statistics (\$ millions) at December 31,										6 Mo.†
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Number of Accounts	176	178	184	192	185	165	160	146	137	120	123
Ending Market Value (\$)	17,154	20,985	22,823	26,075	23,520	12,554	14,928	14,993	13,094	12,983	14,614
Average Account Size (\$)	97	118	124	136	127	76	93	103	96	108	119
Median Account Size (\$)	47	52	58	55	56	33	41	45	45	52	55
Standard Deviation (%)	0.9	0.4	0.3	0.4	0.3	0.9	1.5	0.5	0.5	0.3	0.2
Total Firm Assets (\$)	107,993	142,904	166,407	212,314	235,754	143,179	172,461	189,356	174,948	189,510	201,270
% of Total Firm Assets (%)	15.9	14.7	13.7	12.3	10.0	8.8	8.7	7.9	7.5	6.9	7.3

† 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, 2013

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.
9. This report may only be presented to prospective clients on a one-on-one basis.
10. The performance data represents past performance; the results shown should not be considered as a representation of gain/loss which may be realized from an investment made today.
11. A complete list and description of all Dodge & Cox composites, as well as additional information regarding policies for calculating and reporting returns, is available upon request.
12. 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.
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 6/30/2013
 - Total Composite: 15.8
 - S & P 500 Index: 136 †
 - Russell 1000 Value Index: 14.1 †

Investment Policy Committee

John A. Gunn (I,IP,G) – *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 Trustee of the Dodge & Cox Funds. Mr. Gunn is a former member of the Board of Governors of the CFA Institute. He is a Director and shareholder of the firm, 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 a Senior Vice President 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) – *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 Investment Policy Committee P = Private Client Group Policy Committee

Fixed Income Investment Policy Committee

Slide 1 of 2

Dana Morton Emery (F) – *Chief Executive Officer, President, and Director of Fixed Income*. Ms. Emery received her B.A. degree from Stanford University in 1983. She joined Dodge & Cox in 1983. Ms. Emery is a Senior Vice President and a Trustee of the Dodge & Cox Funds. She is a Director and shareholder of the firm, 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 a Senior Vice President of the Dodge & Cox Funds. He is a Director and shareholder of the firm and a CFA charterholder.

Thomas S. Dugan (F) – *Senior Vice President and Associate Director of Fixed Income*. Mr. Dugan received his B.A. from Brown University in 1987 and his M.B.A. from the University of California, Berkeley in 1992. Before graduate school he worked as a fixed income securities trader for J.P. Morgan Securities. Prior to joining Dodge & Cox in 1993, he worked in the Czech Republic as an advisor to a Czech investment fund. Mr. Dugan is a Director and shareholder of the firm and a CFA charterholder.

Robert B. Thompson (F) – *Vice President*. Mr. Thompson received his A.B. degree from Stanford in 1971, served as a U.S. Navy submarine officer, and then returned to Stanford to obtain his M.B.A. in 1977. He worked in the fixed income departments of three major securities firms and as a principal of a small San Francisco-based investment management firm. He joined Dodge & Cox in 1992. He is a shareholder of the firm, a CFA charterholder, a Chartered Investment Counselor, and a past president of the CFA Society of San Francisco.

Kent E. Radspinner (F) – *Vice President*. Mr. Radspinner received his B.S. degree from the University of Minnesota in 1988 and his M.P.P.M. from the Yale School of Management in 1996. Between degrees, he served in the U.S. Navy. He joined Dodge & Cox in 1996. Mr. Radspinner is a shareholder of the firm and a CFA charterholder.

Larissa K. Roesch (F) – *Vice President*. Ms. Roesch received her A.B. degree (cum laude) in music and mathematics from Dartmouth College in 1988. She received her M.B.A. from the Haas School of Business at the University of California, Berkeley in 1997. Prior to graduate school, she worked for seven years in the performing arts industry. She joined Dodge & Cox in 1997. Ms. Roesch is a shareholder of the firm and a CFA charterholder.

James H. Dignan (F) – *Vice President*. Mr. Dignan received his A.B. from Columbia University in 1991 in Philosophy / Economics. He received an M.A. in Economics from New York University in 1994 and his M.B.A. from Northwestern's J.L. Kellogg Graduate School of Management in 1996. Prior to joining Dodge & Cox in 1999, he worked in portfolio management for Fannie Mae. Mr. Dignan is a shareholder of the firm and a CFA charterholder.

Anthony J. Brekke (F) – *Vice President*. Mr. Brekke received his B.A. degree from the University of Iowa in 1997 and his M.B.A. degree from the Haas School of Business at the University of California, Berkeley in 2003. Prior to entering the Haas School, he worked for four years as an auditor with the National Futures Association. He joined Dodge & Cox in 2003. Mr. Brekke is a shareholder of the firm and a CFA charterholder.

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IP = Member of International Investment Policy Committee

G = Member of Global Investment Policy Committee

Fixed Income Investment Policy Committee

Slide 2 of 2

Adam S. Robinson (F) – *Vice President*. Mr. Robinson graduated from Columbia College in 1988 and received his J.D. degree from the Stanford Law School in 1991. From 1991 to 1997 he practiced corporate law at Sullivan & Cromwell. Prior to joining Dodge & Cox in 2002, he worked in the fixed income and investment banking divisions of Goldman Sachs. Mr. Robinson is a shareholder of the firm and a CFA charterholder.

Lucinda I. Johns (F) – *Vice President*. Ms. Johns received her B.A. degree (magna cum laude) from Williams College in 1996 and her M.B.A. degree from the UCLA Anderson School of Management in 2004. Prior to graduate school, she worked for approximately two years each at Merrill Lynch as a financial analyst, Dodge & Cox as a research assistant, and NBC Internet as a Senior Product Manager. Ms. Johns rejoined Dodge & Cox in 2004. She is a shareholder of the firm and a CFA charterholder.

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StanCERA Manager Review List
Performance Through June 30, 2013

Returns are Gross of Fees

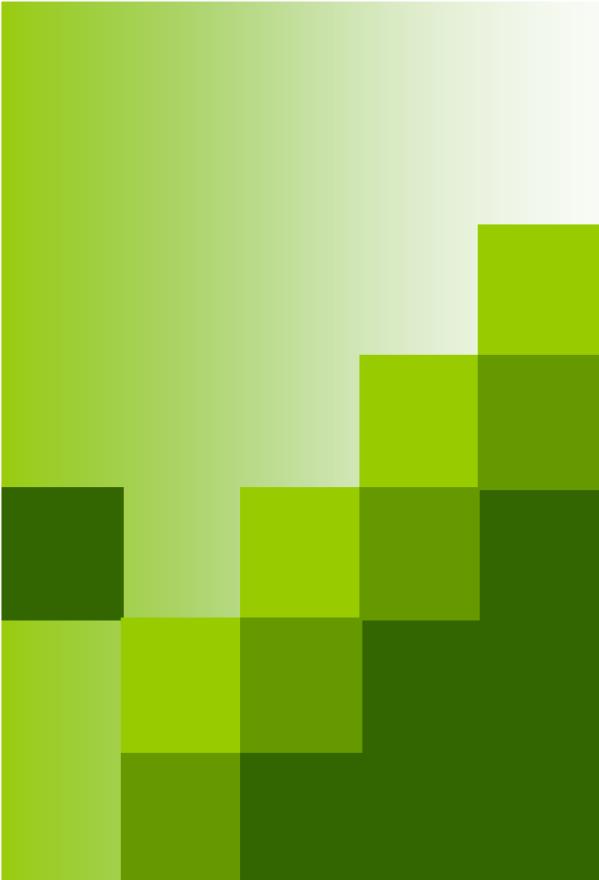
Manager Name	Status	Expected Manager Tracking Error (bps)	Benchmark	6 Month Alpha > -1 St. Dev	12 Month Alpha > -1 St. Dev	Annualized Alpha 3 Years	Annualized Alpha 5 Years	Peer Ranking 3 Years	Peer Ranking 5 Years	Manager in Compliance with Guidelines	Organization Personnel Continuity	Adherence to Style
<i>Domestic Equity</i>												
Dodge & Cox (Lg Cap Value)	Good Standing	600	R1000V	Yes	Yes	310	80	23	50	Yes	Yes	Yes
BlackRock (Passive Lg Cap Value)	Good Standing	0	R1000V	Yes	Yes	0	N/A	41	N/A	Yes	Yes	Yes
Delaware (Lg Cap Growth)	Good Standing	500	R1000G	Yes	Yes	440	180	5	11	Yes	Yes	Yes
BlackRock (Passive Lg Cap Growth)	Good Standing	0	R1000G	Yes	Yes	0	N/A	29	N/A	Yes	Yes	Yes
Mellon Capital (Passive SP 500)	Good Standing	0	S&P 500	Yes	Yes	0	0	16	16	Yes	Yes	Yes
Capital Prospects (Sm Cap Value)	Good Standing	400	R2000V	Yes	Yes	300	N/A	34	N/A	Yes	Yes	Yes
Legato (Small Cap Growth)	Good Standing	400	R2000G	Yes	Yes	130	N/A	54	N/A	Yes	Yes	Yes
<i>International Equity</i>												
LSV Asset	Good Standing	600	MSCI ACWI ex US	Yes	Yes	50	130	71	60	Yes	Yes	Yes
Pyramis	Good Standing	400	MSCI ACWI ex US	Yes	Yes	200	80	72	64	Yes	Yes	Yes
<i>REITS</i>												
BlackRock (Passive US Real Estate Securities)	Good Standing	0	DJ US Select RESI	N/A	N/A	N/A	N/A	N/A	N/A	Yes	Yes	Yes
<i>Fixed Income</i>												
Dodge & Cox	Good Standing	300	Barclays Aggregate	Yes	Yes	160	200	17	9	Yes	Yes	Yes
PIMCO	Good Standing	100	Barclays Aggregate	Yes	Yes	90	N/A	45	N/A	Yes	Yes	Yes

Note:

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

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

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



STANISLAUS COUNTY EMPLOYEES' RETIREMENT
ASSOCIATION

INVESTMENT PERFORMANCE ANALYSIS

SECOND QUARTER 2013

STRATEGIC INVESTMENT SOLUTIONS, INC.

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

- The discussion of tapering quantitative easing and a potential unwind of financial repression by the Federal Reserve led to a pull-back in the major indices in mid-June. However, concerns about the effects of fewer purchases by the Fed eased by month-end, more so for developed equity markets as the S&P 500 total return index rose 2.9% in the second quarter.
- Relative calm in Europe helped boost the euro, which rose 1.2% against the dollar in the second quarter.
- Fears of Fed tapering and a Chinese slowdown hurt sentiment towards emerging market equities. The MSCI EM Total Return Index fell 8.1% during the second quarter.
- Growth fears also impacted Pacific ex-Japan in the second quarter, where equities fell 10.9%.
- The State Street Investor Confidence Index® (ICI) measures risk appetite by analyzing buying and selling patterns of institutional investors. As a result of improving confidence in the North American region, the Global ICI rose 11.9 points to 106.8 in June, rising above the neutral level of 100. Confidence also increased among Asian and European institutions.
- For the period ending 6/30/13, the one quarter return for the NAREIT index was (1.6%), the one year return was 9.4%, and the three year return was 18.2%. For the NCREIF Property index (one quarter lag), the one quarter return was 2.6%; the one year return was 10.5%, and the three year return was 13.3%.
- The IMF cut World GDP growth forecasts, now at 3.1% in 2013 and 3.8% in 2014, down from 3.5% and 4.0%, respectively, at the beginning of the year. Perhaps as a result, President Mario Dragi of the ECB pledged to keep rates low.
- In the US, REITs sold off dramatically after Bernanke's tapering discussion, with the increase in the 10-year government putting downward pressure on real asset pricing as debt financing becomes more costly. At the same time, a reduction in concerns about financial catastrophes, combined with a low yield environment, has prompted a recovery in housing values.

Executive Performance Summary

Second Quarter 2013

- The composite fund returned 0.3% in the second quarter of 2013 and ranked in the 38th percentile among other public funds (0.0% median). The fund beat its policy index (-0.3%) during this time period. Longer term, the three and five-year returns of 12.3% and 6.5%, ranked above the median among public plans (10.8% and 5.4%, respectively).

- Second quarter results were enhanced by the following factors:
 1. The Mellon Capital S&P 500 Index Fund returned 2.9% for the quarter. The Fund matched the S&P 500 Index and its median for passive S&P 500 manager (2.9%).
 2. The BlackRock Russell 1000 Growth Index Fund returned 2.1% for the quarter and matched its benchmark. The large cap growth equity median return is 2.0%.
 3. The BlackRock Russell 1000 Value Index Fund (3.2%) matched its benchmark return but was behind its median large cap value manager return of 3.8%.
 4. Dodge & Cox-Equity, 4.9%, out-performed the median large cap value manager (3.8%) and the Russell 1000 Value Index (3.2%), ranking its portfolio in the 19th percentile among its peers. Above par stock selection in the Financials (MetLife, Charles Schwab) and triple-weight in the Info Tech sectors lifted performance. Three year returns were in front of its benchmark (19.6% vs. 18.5%).
 5. Fund of funds manager Legato gained 5.3% for the quarter and ranked in the 38th percentile among other small cap growth managers (4.6% median). The Russell 2000 Growth Index returned 3.7%. The portfolio was helped by its stock selection in the Consumer Discretionary and Financials sectors. EAM appreciated 6.5% while Stephens added the least, up 3.5% during the quarter. Over three years, Legato returned above its benchmark (21.3% vs. 20.0%).
 6. LSV (-2.4%) was above par with the MSCI ACWI ex US (-2.9%) but ranked 66th among ACWI -ex US value equity managers (median of -1.0%). LSV carried relatively strong British, Canadian and Thai investments. Its value tilt was a positive factor. Over three years, LSV (9.0%) surpassed its benchmark (8.5%).

Executive Performance Summary

Second Quarter 2013

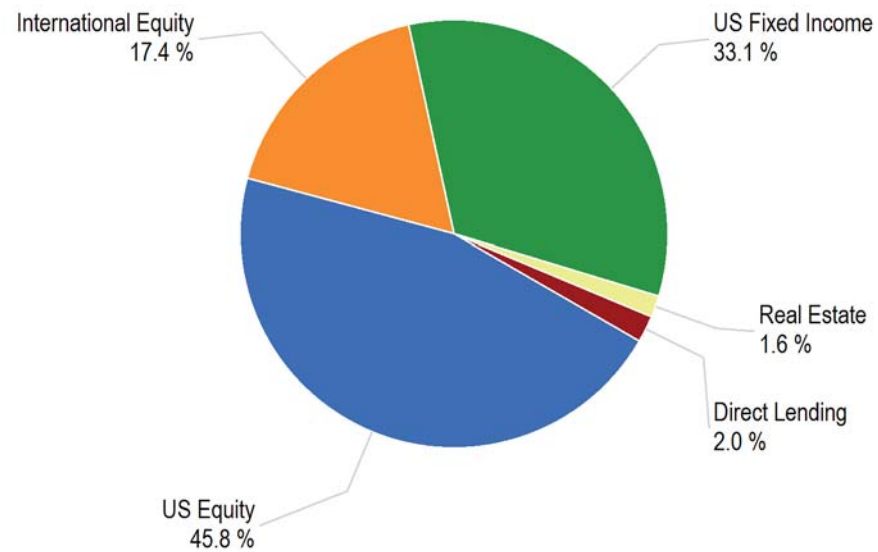
7. Pyramis' return of -0.9% out-performed the MSCI ACWI ex US Index return of -2.9%. It placed at the median among ACWI ex US growth equity managers (-1.5% median). Financials (Lloyds Bank, UBS), materials (no holdings of Vale), info tech (no holdings of Samsung) and consumer discretionary (Fuji Heavy Industries, Continental) sectors contributed to performance. On a regional level, all five regions outperformed. Its three-year results led the benchmark (10.5% vs. 8.5%).
8. The Dodge & Cox -1.8% return out-performed its benchmark, the Barclays Aggregate Index (-2.3%), and ranked in the top quartile among core bond managers, median return of -2.4%. D&C's shorter relative duration, nominal yield advantage, and security selection within MBS boosted relative returns. D&C was up 5.1% for three years while its benchmark was up 3.5%.
9. The BlackRock US Real Estate Index Fund matched its benchmark, the DJ US Select RESI, -1.3%.

● Second quarter results were hindered by the following factors:

1. Delaware's return of 0.3% compared unfavorably to the Russell 1000 Growth Index's (2.1%); it ranked in the bottom quartile among large cap growth managers. Subpar Consumer Staples (Walgreen) and Healthcare (Allergan) investments dampened relative performance. Over three years, Delaware returned above its benchmark and peer group median.
2. Fund of funds manager Capital Prospects was surpassed by its benchmark, the Russell 2000 Value Index (1.3% vs. 2.5%) and ranked in the 80th percentile among small cap value managers. It was hurt by its Consumer Discretionary and Industrials stock picks. Bernzott trailed during the quarter, at -0.2%. Walthausen contributed the most, at 2.8% during the quarter. For the three year period, Capital Prospects was in front of its benchmark (20.3% vs. 17.3%). Ten Asset was liquidated in June to fund Haber Trilix.
3. PIMCO returned -2.8%, as the Barclays Aggregate Index lost 2.3%. The median core bond manager return was -2.4%. PIMCO's inflation-linked bonds and focus on intermediate maturities held back performance. Over three years, the portfolio returned above its benchmark and peer group median.
4. Direct Lending investments Medley and Raven were funded in mid-May. Their target return is 9% per annum or 0.7% per month. Medley was not valued yet. Raven depreciated 7.0% in June.

Asset Allocation Analysis

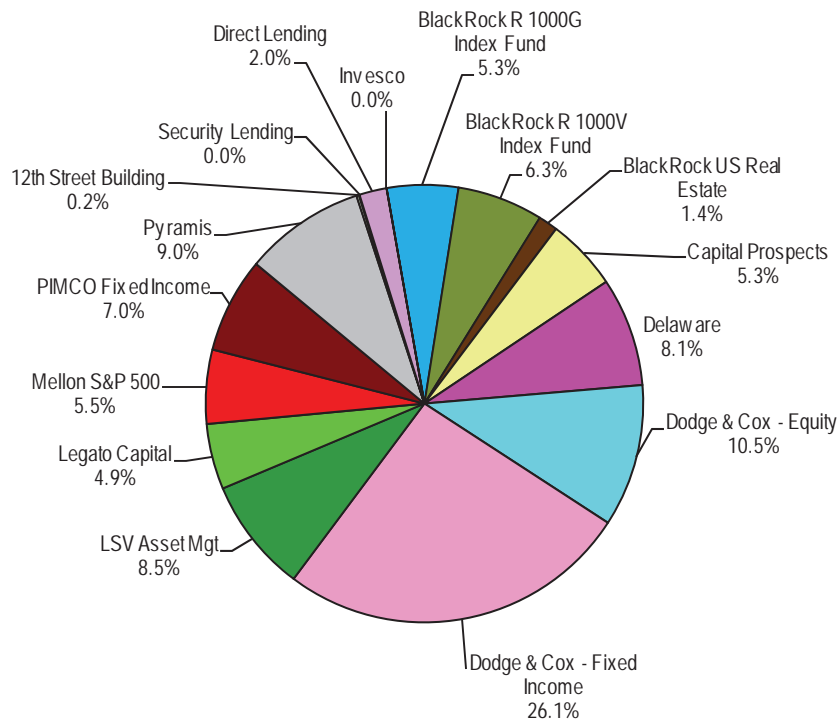
As of June 30, 2013



	Actual \$	Actual %
US Equity	\$709,241,739	45.9%
International Equity	\$269,446,222	17.4%
US Fixed Income	\$511,987,307	33.1%
Opportunistic	\$0	0.0%
Real Estate	\$25,148,785	1.6%
Direct Lending	\$31,287,271	2.0%
Other	(\$760,078)	0.0%
Total	\$1,546,351,245	

Manager Allocation Analysis – Total Plan

As of June 30, 2013



Manager	Market Value	Current %
BlackRock R 1000G Index Fund	\$ 81,631,256	5.3%
BlackRock R 1000V Index Fund	\$ 98,154,086	6.3%
BlackRock US Real Estate	\$ 22,377,219	1.4%
Capital Prospects	\$ 82,385,211	5.3%
Delaware	\$ 124,506,584	8.1%
Dodge & Cox - Equity	\$ 162,836,213	10.5%
Dodge & Cox - Fixed Income	\$ 402,991,869	26.1%
LSV Asset Mgt	\$ 130,850,684	8.5%
Legato Capital	\$ 75,122,726	4.9%
Mellon S&P 500	\$ 84,605,663	5.5%
PIMCO Fixed Income	\$ 108,995,438	7.0%
Pyramis	\$ 138,595,538	9.0%
12th Street Building	\$ 2,771,436	0.2%
Security Lending	\$ (760,078)	0.0%
Direct Lending	\$ 31,287,271	2.0%
Invesco	\$ 129	0.0%
Total	\$ 1,546,351,245	100.0%

Performance Summary

Periods Ending June 30, 2013

	1 QTR		YTD		Fiscal Year 2013		2 YEAR		3 YEAR		5 YEAR	
Total Fund *	0.3	38	6.5	22	14.5	10	7.4	21	12.3	14	6.5	8
<i>Policy Index ¹</i>	-0.3	64	5.0	54	11.5	55	6.5	50	11.2	43	5.4	51
<i>IFx Public DB median</i>	0.0		5.2		11.7		6.5		10.8		5.4	
US EQUITY MANAGERS												
LARGE CORE												
Mellon Capital - gross of fees	2.9	28	13.8	29	20.6	16	12.8	12	18.5	16	7.1	16
<i>Mellon Capital - net of fees</i>	2.9		13.8		20.6		12.8		18.4		7.0	
<i>S&P 500 Index</i>	2.9	31	13.8	35	20.6	37	12.8	60	18.5	42	7.0	93
LARGE GROWTH												
BlackRock R1000G - gross of fees	2.1	48	11.8	37	17.2	52	11.4	31	18.8	29		
<i>BlackRock R1000G - net of fees</i>	2.1		11.8		17.2		11.4		18.8			
Delaware	0.3	88	10.8	57	17.4	49	14.2	7	21.1	5	9.3	11
<i>Delaware - net of fees</i>	0.2		10.5		16.8		13.7		20.5		8.8	
<i>Russell 1000 Growth Index</i>	2.1	49	11.8	38	17.1	53	11.3	32	18.7	32	7.5	38
LARGEVALUE												
BlackRock R1000V - gross of fees	3.2	62	15.9	44	25.4	42	13.7	32	18.6	41		
<i>BlackRock R1000V - net of fees</i>	3.2		15.9		25.3		13.7		18.6			
Dodge & Cox - gross of fees	4.9	19	17.0	29	29.7	14	14.3	25	19.6	23	7.5	50
<i>Dodge & Cox - net of fees</i>	4.9		16.9		29.4		14.1		19.4		7.3	
<i>Russell 1000 Value Index</i>	3.2	62	15.9	44	25.3	43	13.6	36	18.5	42	6.7	63
SMALL GROWTH												
Legato Capital - gross of fees	5.3	38	20.1	28	26.9	36	12.3	25	21.3	54		
<i>Legato Capital - net of fees</i>	5.1		19.5		25.8		11.4		20.3			
<i>Russell 2000 Growth Index</i>	3.7	66	17.4	61	23.7	57	9.7	58	20.0	69		
SMALL VALUE												
Capital Prospects - gross of fees	1.3	80	14.3	68	31.0	23	13.7	28	20.3	34		
<i>Capital Prospects - net of fees</i>	1.1		13.9		30.1		13.0		19.5			
<i>Russell 2000 Value Index</i>	2.5	61	14.4	67	24.8	67	10.9	66	17.3	76		
US Equity Composite	3.0	37	14.8	23	24.1	13	13.3	7	19.7	11	7.6	39
<i>80% R1000/ 20% R2000</i>	2.7	57	14.3	44	21.8	50	12.1	35	19.1	26	7.6	38
<i>Russell 3000 Index</i>	2.7	62	14.1	59	21.5	63	12.3	29	18.6	45	7.2	53
<i>IFx All DB US Eq Gross Median</i>	2.8		14.2		21.8		11.7		18.5		7.3	

Rankings: 1=highest, 100=lowest.

* Managers are ranked against the eVestment Alliance (eA) style universes. Asset class composites are ranked against the InvestorForce (IFx) universes.

¹ Effective 6/1/2013, Policy Index is 33.4% Russell 1000, 8.5% Russell 2000, 19% MSCI ACWI -ex US, 35.6% Barclays Aggregate, 1.5% DJ US Select REIT, 2% 9% Annual.

Performance Summary

Periods Ending June 30, 2013

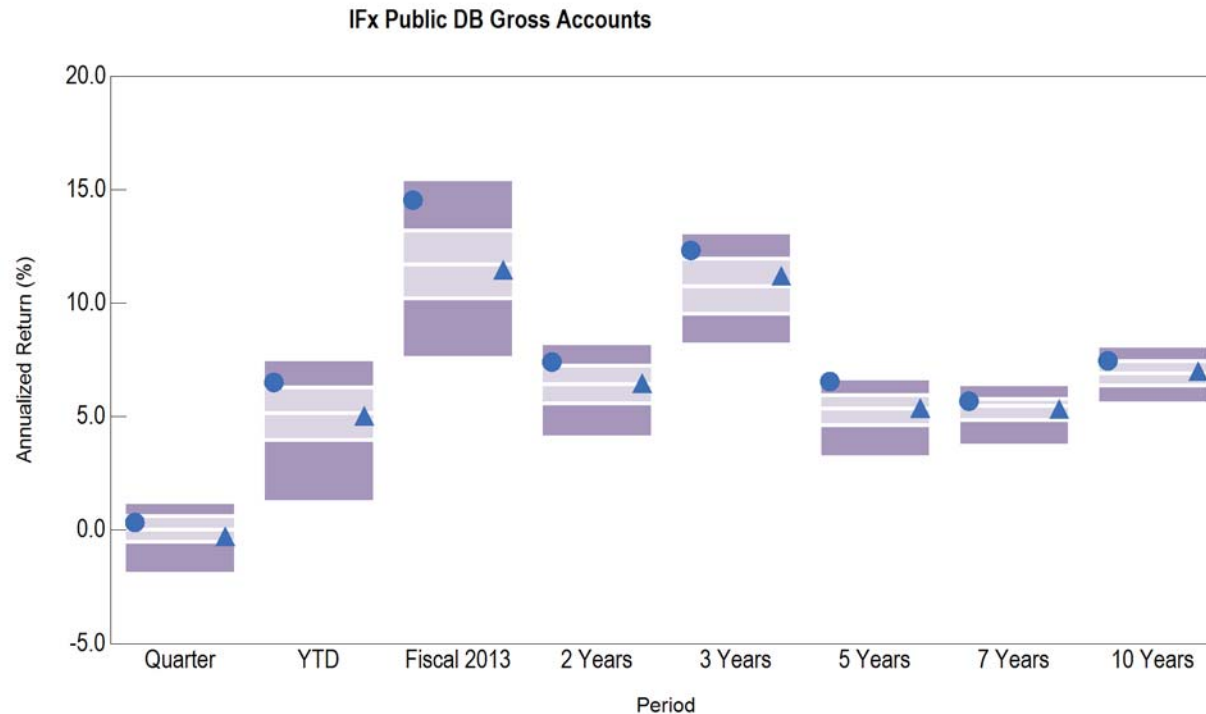
	1 QTR		YTD		Fiscal Year 2013		2 YEAR		3 YEAR		5 YEAR	
INTERNATIONAL EQUITY MANAGERS												
LSV - gross of fees	-2.4	66	1.8	53	16.9	58	-0.7	73	9.0	71	1.0	60
LSV - net of fees	-2.5		1.5		16.2		-1.3		8.4		0.4	
Pyramis - gross of fees	-0.9	37	3.3	40	17.9	32	1.3	49	10.5	72	0.5	64
Pyramis - net of fees	-1.0		3.0		17.4		0.9		10.0		0.0	
International Equity Composite	-1.6	48	2.6	38	17.4	34	0.3	49	9.7	47	0.7	36
MSCI ACWI -ex US Index	-2.9	78	0.3	75	14.1	72	-1.0	73	8.5	72	-0.3	58
IFx All DB ex-US Eq Gross Median	-1.8		1.6		15.8		0.2		9.5		0.0	
US FIXED INCOME MANAGER CORE												
Dodge & Cox - gross of fees	-1.8	9	-1.0	7	2.6	7	4.6	31	5.1	17	7.2	9
Dodge & Cox - net of fees	-1.8		-1.1		2.5		4.5		5.0		7.1	
PIMCO - gross of fees	-2.8	90	-2.5	74	0.0	67	4.3	44	4.4	45		
PIMCO - net of fees	-2.9		-2.7		-0.4		4.0		4.1			
Barclays Aggregate Index	-2.3	38	-2.4	66	-0.7	87	3.3	86	3.5	88	5.2	90
US Fixed Income Composite	-2.0	29	-1.4	27	2.0	28	4.4	57	4.9	52	7.2	33
Barclays Aggregate Index	-2.3	45	-2.4	63	-0.7	75	3.3	85	3.5	86	5.2	81
IFx All DB US Fix Inc Gross Median	-2.4		-2.1		0.7		4.6		5.0		6.4	
REAL ESTATE												
BlackRock US Real Estate - gross of fees ²	-1.3		5.7									
BlackRock US Real Estate - net of fees	-1.3		5.7									
DJ US Select RESI TR USD	-1.3		5.7									
12th Street	0.0											
DIRECT LENDING												
Medley Capital ³												
Raven Capital ⁴												
Direct Lending Composite												
9% Annual												

² Funded on 9/26/2012.

³ Funded on 5/16/2013.

⁴ Funded on 5/22/2013.

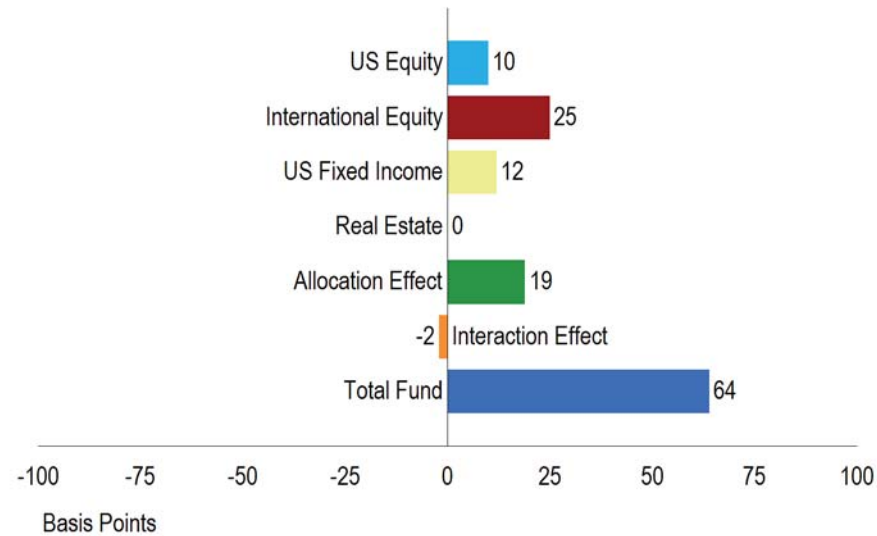
Periods Ending June 30, 2013



	Return (Rank)							
5th Percentile	1.2	7.5	15.5	8.2	13.1	6.7	6.4	8.1
25th Percentile	0.6	6.3	13.2	7.3	12.0	6.0	5.8	7.5
Median	0.0	5.2	11.7	6.5	10.8	5.4	5.5	6.9
75th Percentile	-0.5	4.0	10.2	5.6	9.5	4.6	4.9	6.4
95th Percentile	-1.9	1.2	7.6	4.1	8.2	3.2	3.7	5.6
# of Portfolios	188	187	183	174	160	149	143	126
● Total Fund	0.3 (38)	6.5 (22)	14.5 (10)	7.4 (21)	12.3 (14)	6.5 (8)	5.7 (35)	7.5 (24)
▲ Policy Index	-0.3 (64)	5.0 (54)	11.5 (55)	6.5 (50)	11.2 (43)	5.4 (51)	5.3 (59)	7.0 (48)

Performance Attribution - Total Plan

Quarter Ending June 30, 2013



Attribution Summary

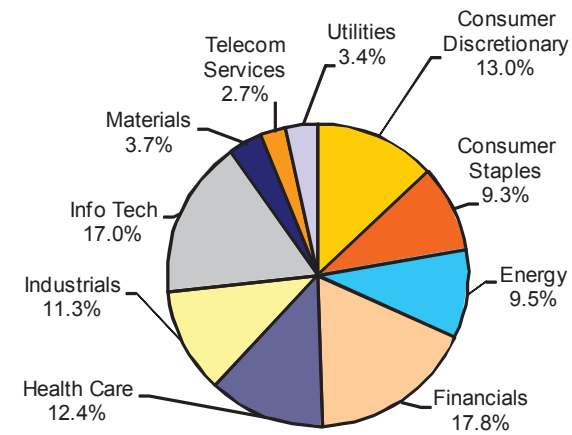
	Wtd. Actual Return	Wtd. Index Return	Excess Return	Selection Effect	Allocation Effect	Interaction Effects	Total Effects
US Equity	2.98%	2.75%	0.24%	0.10%	0.11%	0.01%	0.22%
International Equity	-1.63%	-2.90%	1.27%	0.25%	0.02%	-0.01%	0.25%
US Fixed Income	-2.00%	-2.32%	0.32%	0.12%	0.06%	-0.01%	0.17%
Real Estate	-1.29%	-1.29%	0.00%	0.00%	0.00%	0.00%	0.00%
Direct Lending	--	--	--	--	--	--	--
Total	0.34%	-0.29%	0.63%	0.47%	0.19%	-0.02%	0.64%

U.S. MARKETS

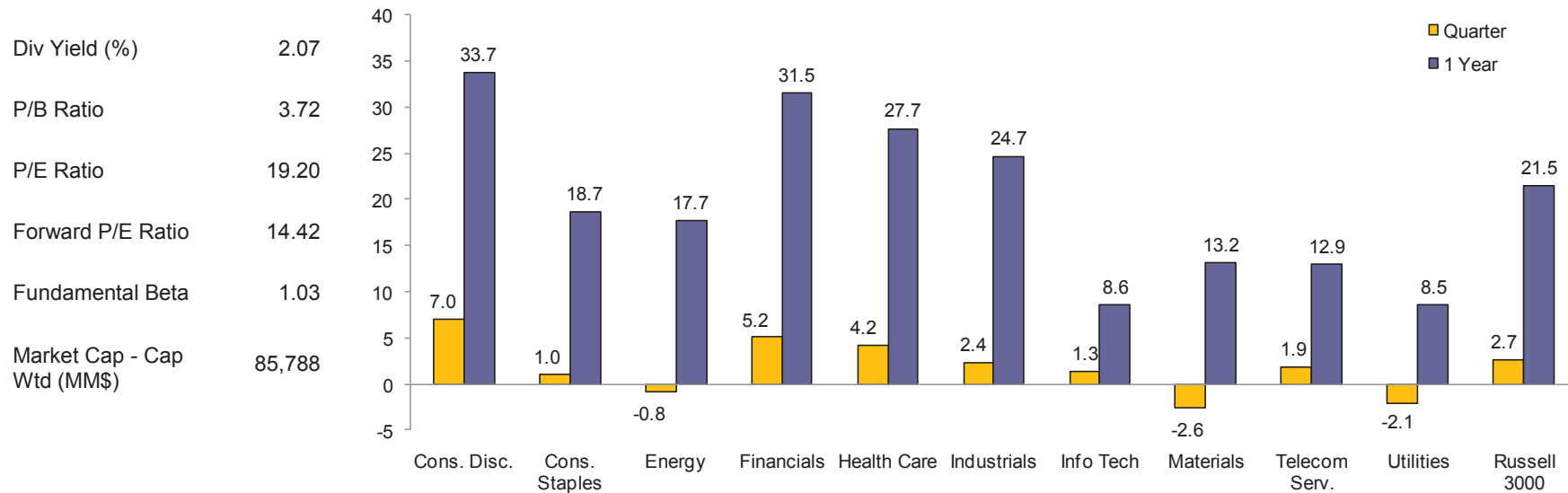
U.S. Equity – Russell 3000

- China growth concerns and lingering Fed tapering fears impacted commodity related sectors; energy fell 0.8% in the second quarter, while materials stocks declined 2.6%.
- Nevertheless, higher beta consumer discretionary and financial sectors were more resilient, gaining 7.0% and 5.2%, respectively, by the end of the quarter.
- Overall, the Russell 3000 index returned 2.7% during the quarter; the one year return was 21.5%.

Ending Sector Weights



Characteristics

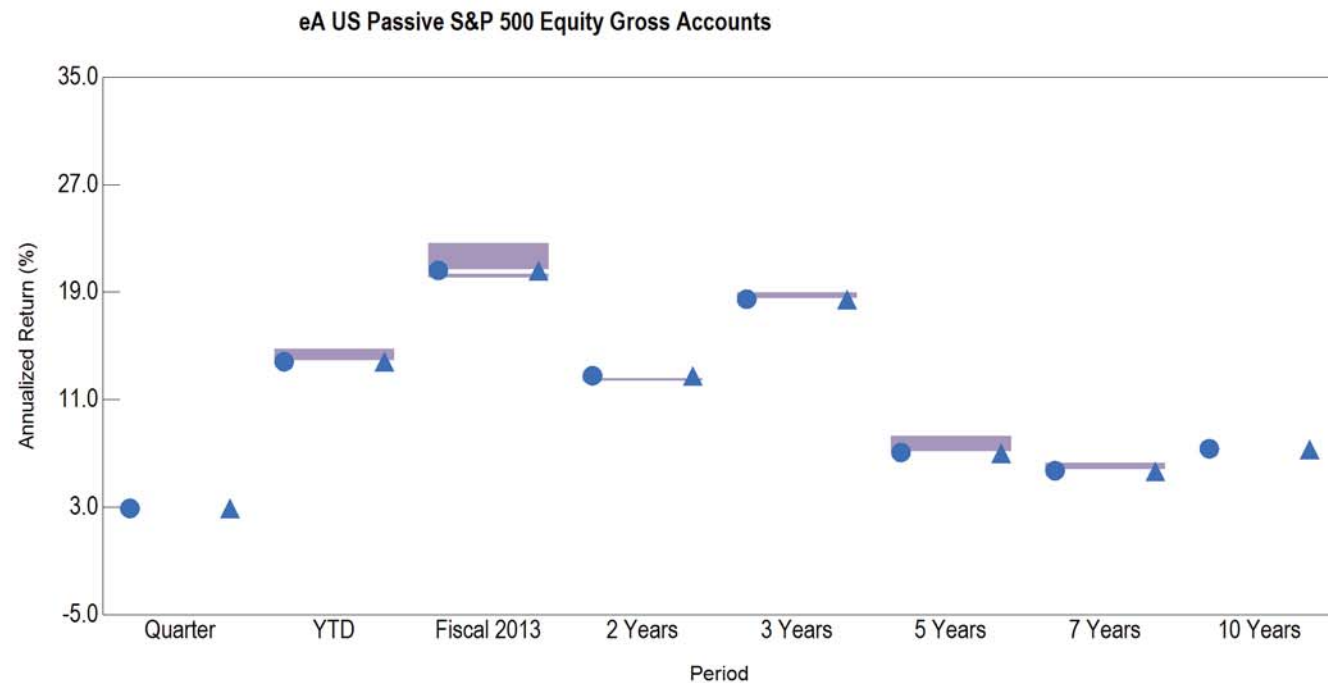


Contribution to Return:

Qtr	0.9	0.1	-0.1	0.9	0.5	0.3	0.2	-0.1	0.0	-0.1	2.7
1 Year	4.0	1.8	1.7	5.1	3.3	2.8	1.6	0.5	0.4	0.3	21.5

Total Returns - Passive S&P 500

Periods Ending June 30, 2013

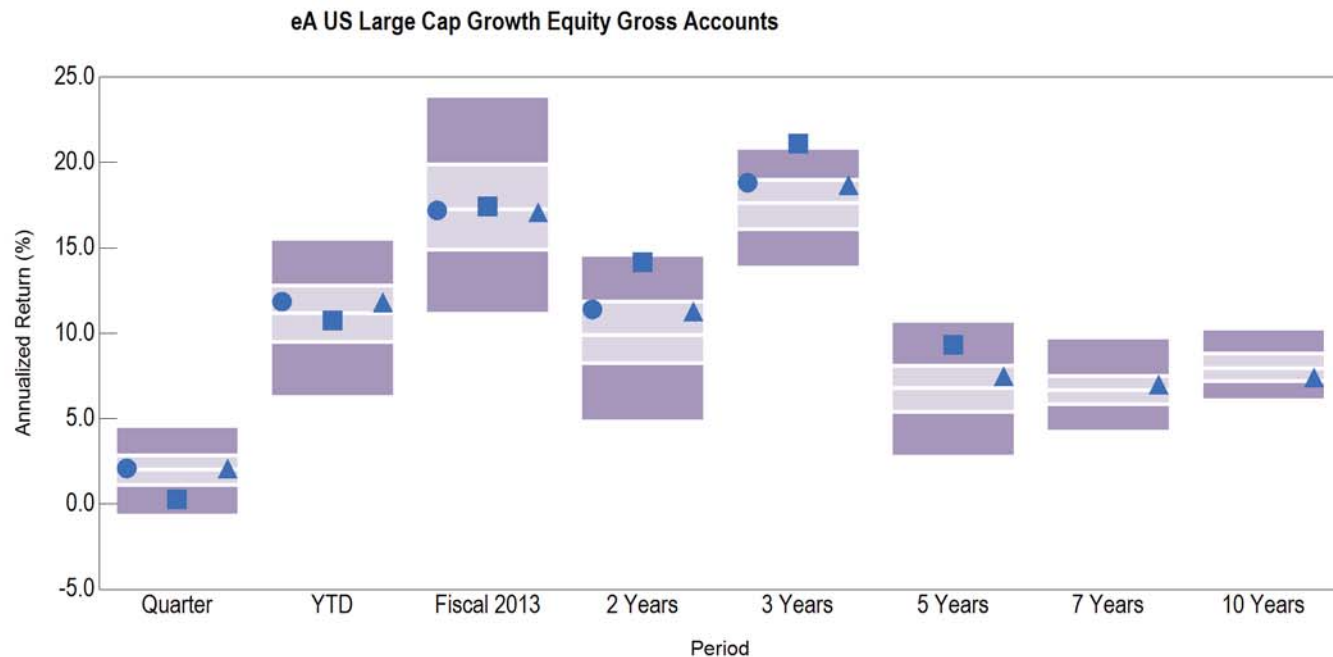


Return (Rank)

5th Percentile	3.1	14.9	22.8	12.8	19.1	8.4	6.4	7.5
25th Percentile	2.9	13.8	20.6	12.8	18.5	7.1	5.7	7.4
Median	2.9	13.8	20.6	12.8	18.4	7.1	5.7	7.3
75th Percentile	2.9	13.8	20.6	12.8	18.4	7.0	5.7	7.3
95th Percentile	2.9	13.6	20.0	12.3	18.3	6.8	5.6	7.0
# of Portfolios	14	14	14	14	14	14	14	13
● Mellon S&P 500	2.9 (28)	13.8 (29)	20.6 (16)	12.8 (12)	18.5 (16)	7.1 (16)	5.7 (55)	7.3 (29)
▲ S&P 500	2.9 (31)	13.8 (35)	20.6 (37)	12.8 (60)	18.5 (42)	7.0 (93)	5.7 (93)	7.3 (92)

Total Returns - Large Cap Growth

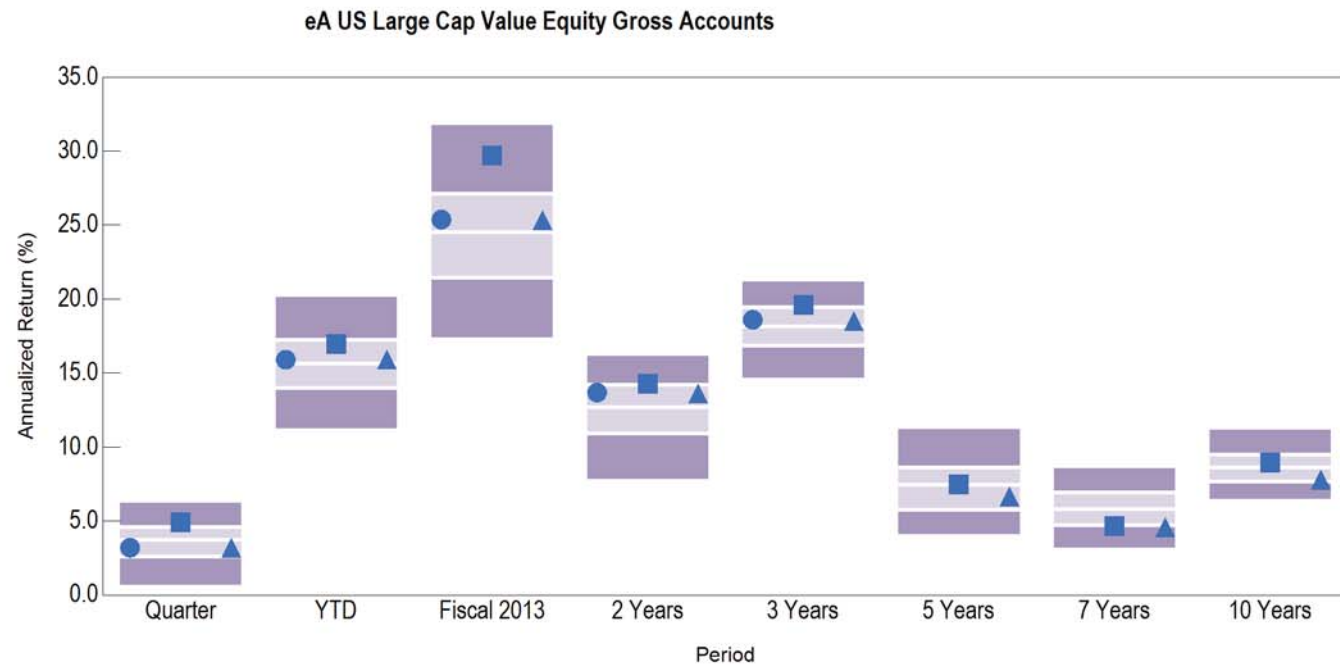
Periods Ending June 30, 2013



	Return (Rank)											
5th Percentile	4.6	15.5	23.9	14.6	20.8	10.7	9.7	10.3				
25th Percentile	2.9	12.8	19.9	11.9	19.0	8.1	7.5	8.8				
Median	2.0	11.2	17.3	9.9	17.7	6.8	6.7	8.0				
75th Percentile	1.1	9.5	14.9	8.2	16.1	5.4	5.9	7.2				
95th Percentile	-0.7	6.3	11.2	4.9	13.9	2.8	4.3	6.1				
# of Portfolios	268	268	268	266	263	251	230	197				
● BlackRock Russell 1000 Growth	2.1 (48)	11.8 (37)	17.2 (52)	11.4 (31)	18.8 (29)	-- (--)	-- (--)	-- (--)				
■ Delaware	0.3 (88)	10.8 (57)	17.4 (49)	14.2 (7)	21.1 (5)	9.3 (11)	-- (--)	-- (--)				
▲ Russell 1000 Growth	2.1 (49)	11.8 (38)	17.1 (53)	11.3 (32)	18.7 (32)	7.5 (38)	7.0 (40)	7.4 (70)				

Total Returns - Large Cap Value

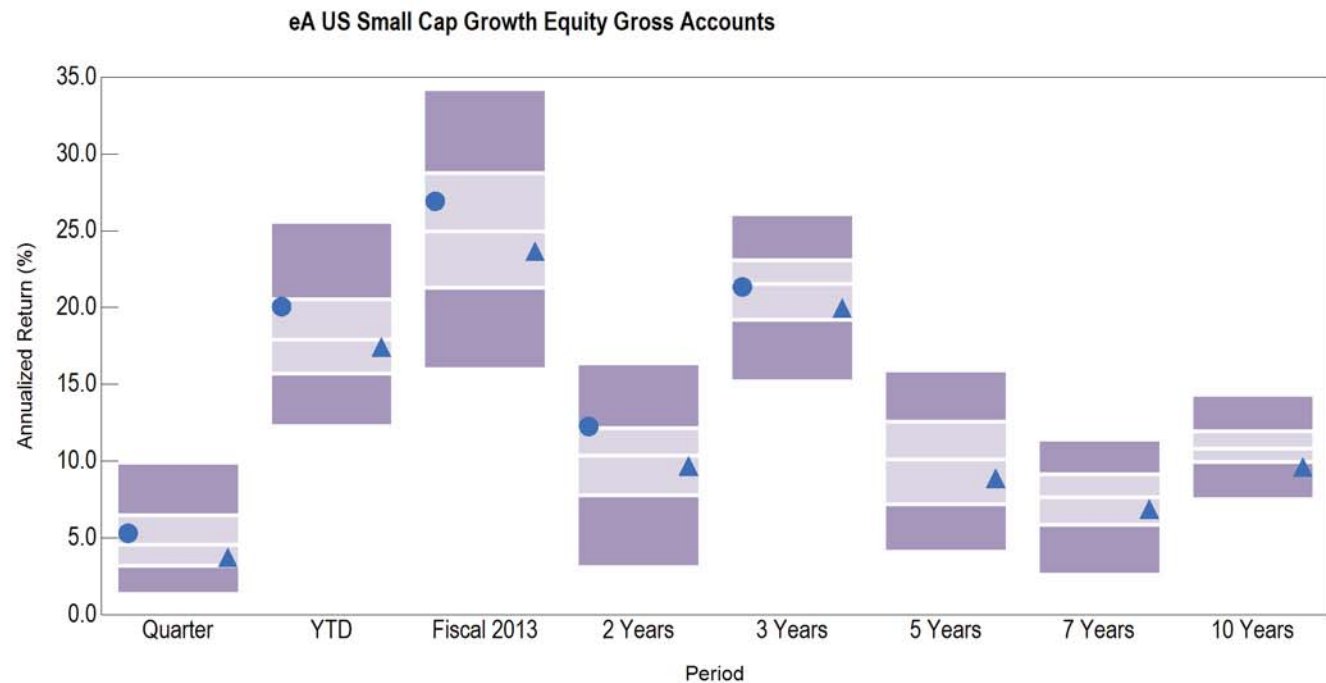
Periods Ending June 30, 2013



	Return (Rank)											
5th Percentile	6.4		20.3		31.9		16.3		21.3		11.3	
25th Percentile	4.6		17.3		27.2		14.2		19.5		8.6	
Median	3.8		15.7		24.6		12.7		18.2		7.5	
75th Percentile	2.6		14.0		21.5		10.9		16.9		5.8	
95th Percentile	0.6		11.2		17.3		7.7		14.6		4.0	
# of Portfolios	298		298		298		295		291		282	
● BlackRock Russell 1000 Value	3.2	(62)	15.9	(44)	25.4	(42)	13.7	(32)	18.6	(41)	--	(--)
■ Dodge & Cox-Equity	4.9	(19)	17.0	(29)	29.7	(14)	14.3	(25)	19.6	(23)	7.5	(50)
▲ Russell 1000 Value	3.2	(62)	15.9	(44)	25.3	(43)	13.6	(36)	18.5	(42)	6.7	(63)

Total Returns - Small Cap Growth

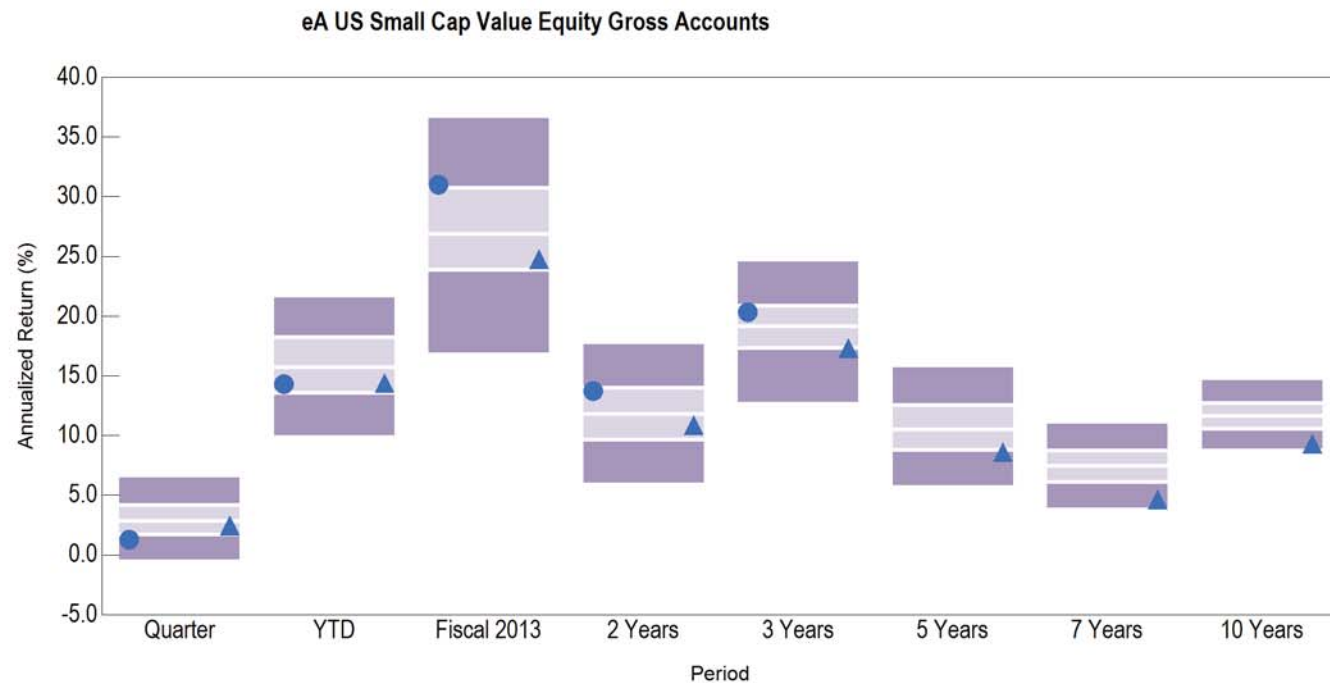
Periods Ending June 30, 2013



	Return (Rank)											
5th Percentile	9.9		25.6		34.2		16.4		26.1		15.9	
25th Percentile	6.5		20.6		28.8		12.2		23.1		12.6	
Median	4.6		18.0		25.0		10.4		21.6		10.1	
75th Percentile	3.2		15.7		21.3		7.8		19.2		7.2	
95th Percentile	1.4		12.3		16.0		3.1		15.2		4.1	
# of Portfolios	157		157		157		157		153		142	
● Legato Capital	5.3	(38)	20.1	(28)	26.9	(36)	12.3	(25)	21.3	(54)	--	(--)
▲ Russell 2000 Growth	3.7	(66)	17.4	(61)	23.7	(57)	9.7	(58)	20.0	(69)	8.9	(62)
											6.9	(63)
											9.6	(78)

Total Returns - Small Cap Value

Periods Ending June 30, 2013



	Return (Rank)															
5th Percentile	6.6	21.7	36.7	17.8	24.7	15.9	11.1	14.8								
25th Percentile	4.2	18.3	30.8	14.0	20.9	12.6	8.8	12.7								
Median	2.9	15.7	26.9	11.8	19.2	10.5	7.5	11.7								
75th Percentile	1.7	13.6	23.9	9.7	17.4	8.9	6.1	10.6								
95th Percentile	-0.5	9.9	16.8	5.9	12.7	5.7	3.8	8.8								
# of Portfolios	190	190	190	190	186	175	157	137								
● Capital Prospects	1.3 (80)	14.3 (68)	31.0 (23)	13.7 (28)	20.3 (34)	-- (--)	-- (--)	-- (--)								
▲ Russell 2000 Value	2.5 (61)	14.4 (67)	24.8 (67)	10.9 (66)	17.3 (76)	8.6 (79)	4.6 (91)	9.3 (94)								

Equity Only Summary Statistics - BlackRock Russell 1000 Growth Index Fund

Quarter Ending June 30, 2013

Characteristics	Portfolio	Russell 1000 Growth
Number of Holdings	578	575
Weighted Avg. Market Cap. (\$B)	90.0	90.0
Median Market Cap. (\$B)	7.1	7.1
Price To Earnings	22.5	21.6
Price To Book	5.3	5.1
Price To Sales	3.1	3.0
Return on Equity (%)	26.6	23.9
Yield (%)	1.8	1.8
Beta (holdings; domestic)	1.0	1.0

Top Holdings

EXXON MOBIL	5.0%
GENERAL ELECTRIC	2.9%
CHEVRON	2.8%
WELLS FARGO & CO	2.4%
JP MORGAN CHASE & CO.	2.4%
BERKSHIRE HATHAWAY 'B'	2.3%
PROCTER & GAMBLE	2.3%
AT&T	2.3%
PFIZER	2.2%
JOHNSON & JOHNSON	2.2%

Best Performers

	Return %
TESLA MOTORS (TSLA)	183.3%
ITT EDUCATIONAL SVS. (ESI)	77.1%
ADVANCED MICRO DEVC. (AMD)	60.0%
WARNER CHILCOTT CL.A (WCRX)	48.9%
VERTEX PHARMS. (VRTX)	45.6%
GROUPON (GRPN)	39.7%
NU SKIN ENTERPRISES 'A' (NUS)	39.0%
ILLUMINA (ILMN)	38.6%
ACTAVIS (ACT)	37.0%
THOR INDUSTRIES (THO)	34.9%

Worst Performers

	Return %
ALLIED NEVADA GOLD (ANV)	-60.6%
ROYAL GOLD (RGLD)	-40.6%
SOLARWINDS (SWI)	-34.3%
FORTINET (FTNT)	-26.1%
SOUTHERN COPPER (SCCO)	-26.0%
IRON MNT. (IRM)	-26.0%
CARBO CERAMICS (CRR)	-25.7%
PALO ALTO NETWORKS (PANW)	-25.5%
RACKSPACE HOSTING (RAX)	-24.9%
ALLERGAN (AGN)	-24.5%

Equity Only Summary Statistics - BlackRock Russell 1000 Value Index Fund

Quarter Ending June 30, 2013

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	699	696
Weighted Avg. Market Cap. (\$B)	93.5	93.5
Median Market Cap. (\$B)	5.6	5.6
Price To Earnings	18.1	17.2
Price To Book	2.1	2.1
Price To Sales	1.8	1.7
Return on Equity (%)	13.2	13.1
Yield (%)	2.4	2.4
Beta (holdings; domestic)	1.2	1.2

Top Holdings

EXXON MOBIL	5.0%
GENERAL ELECTRIC	2.9%
CHEVRON	2.8%
WELLS FARGO & CO	2.4%
JP MORGAN CHASE & CO.	2.4%
BERKSHIRE HATHAWAY 'B'	2.3%
PROCTER & GAMBLE	2.3%
AT&T	2.3%
PFIZER	2.2%
JOHNSON & JOHNSON	2.2%

Best Performers

	Return %
T-MOBILE US (TMUS)	125.4%
CLEARWIRE 'A' (CLWR)	54.2%
NII HDG. (NIHD)	54.0%
GAMESTOP 'A' (GME)	51.5%
MICRON TECHNOLOGY (MU)	43.7%
DREAMWORKS ANIMATION SKG 'A' (DWA)	35.3%
THOR INDUSTRIES (THO)	34.9%
HOWARD HUGHES (HHC)	33.7%
GREEN MNT.COF.ROASTERS (GMCR)	32.5%
BOOZ ALLEN HAMILTN.HLDG. (BAH)	30.0%

Worst Performers

	Return %
WALTER ENERGY (WLT)	-63.3%
ALPHA NATURAL RESOURCES (ANR)	-36.2%
PEABODY ENERGY (BTU)	-30.5%
NEWMONT MINING (NEM)	-27.8%
AMERICAN CAPITAL AGENCY (AGNC)	-26.5%
SOUTHERN COPPER (SCCO)	-26.0%
IRON MNT. (IRM)	-26.0%
MCDERMOTT INTL. (MDR)	-25.6%
PALO ALTO NETWORKS (PANW)	-25.5%
TEREX (TEX)	-23.6%

Stanislaus County Employees' Retirement Association

Equity Only Summary Statistics - Capital Prospects

Quarter Ending June 30, 2013

Characteristics

	Portfolio	Russell 2000 Value
Number of Holdings	243	1,392
Weighted Avg. Market Cap. (\$B)	2.3	1.4
Median Market Cap. (\$B)	1.6	0.5
Price To Earnings	20.3	17.8
Price To Book	2.6	1.7
Price To Sales	1.6	1.8
Return on Equity (%)	15.0	8.2
Yield (%)	1.6	1.6
Beta (holdings; domestic)	1.4	1.4

Top Holdings

HILLENBRAND	1.7%
REGAL BELOIT	1.5%
BELDEN	1.5%
MEREDITH	1.4%
LITTELFUSE	1.4%
HEXCEL	1.2%
MB FINL.	1.2%
POLYONE	1.1%
WADDELL & REED FINL.'A'	1.0%
SMITH (AO)	1.0%

Best Performers

	Return %
SUNEDISON (SUNE)	85.7%
POWER-ONE (PWER)	52.7%
MERITOR (MTOR)	49.0%
CHIQUITA BRANDS INTL. (CQB)	40.7%
LIN MEDIA 'A' (LIN)	39.2%
AEGEAN MARINE PTL.NET. (ANW)	38.2%
AMER.AXLE & MNFG. (AXL)	36.5%
ADAMS RES.& EN. (AE)	35.5%
ALTISOURCE PRTF.SLTN. (ASPS)	35.2%
MEDIDATA SOLUTIONS (MDSO)	33.6%

Worst Performers

	Return %
LONE PINE RESOURCES (LPR)	-72.5%
WALTER ENERGY (WLT)	-63.3%
GENCO SHIP.& TRDG. (GNK)	-43.4%
RUCKUS WIRELESS (RKUS)	-39.0%
KEMET (KEM)	-34.2%
LOUISIANA PACIFIC (LPX)	-31.5%
AXIAL (AXLL)	-31.4%
AURICO GOLD (NYS) (AUQ)	-30.0%
MISTRAS GROUP (MG)	-27.4%
HALCON RESOURCES (HK)	-27.2%

Equity Sector Attribution - Capital Prospects

Quarter Ending June 30, 2013

Capital Prospects Performance Attribution vs. Russell 2000 Value

	Attribution Effects							Returns		Sector Weights	
	Total Effects		Selection Effect	Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark	
Energy	0.1%		0.1%		0.0%		0.0%	-2.6%	-3.6%	5.5%	6.4%
Materials	0.0%		0.2%		-0.2%		0.1%	-4.2%	-6.9%	7.5%	5.5%
Industrials	-0.8%		-0.4%		-0.1%		-0.2%	-2.0%	1.0%	20.9%	12.6%
Cons. Disc.	-0.6%		-0.7%		0.4%		-0.3%	4.8%	10.5%	17.5%	12.1%
Cons. Staples	-0.1%		-0.1%		0.0%		0.0%	4.1%	8.8%	3.1%	2.6%
Health Care	-0.5%		-0.4%		0.0%		-0.1%	-4.1%	5.1%	5.8%	4.4%
Financials	0.7%		0.6%		0.3%		-0.3%	1.9%	0.3%	22.9%	37.7%
Info. Tech	0.0%		0.1%		0.0%		0.0%	9.2%	8.3%	10.9%	11.9%
Telecomm.	0.0%		--		0.0%		--	--	9.1%	0.0%	0.5%
Utilities	0.1%		0.1%		0.1%		0.0%	0.6%	-0.1%	3.3%	6.3%
Cash	-0.1%		0.0%		-0.1%		0.0%	0.0%	--	2.7%	0.0%
Portfolio	-1.1%	=	-0.6%	+	0.5%	+	-1.0%	1.3%	2.4%	100.0%	100.0%

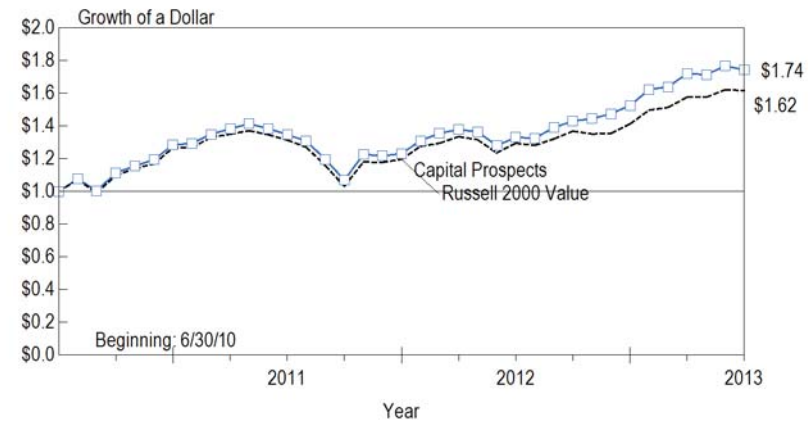
Return Based Style Analysis - Capital Prospects

3 Years Ending June 30, 2013

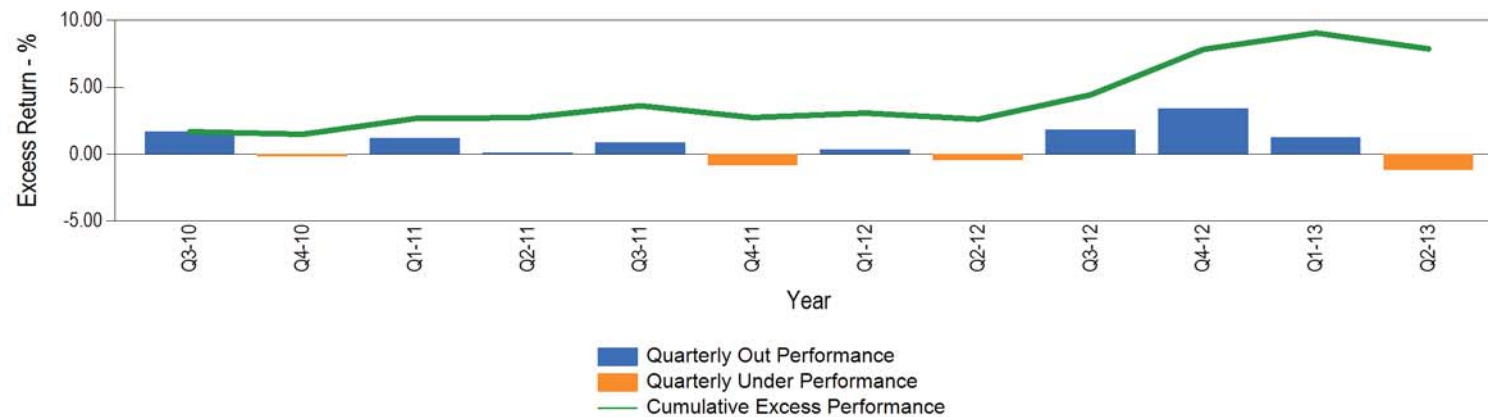
U.S. Effective Style Map



GROWTH OF A DOLLAR



Quarterly and Cumulative Excess Performance



Equity Only Summary Statistics - Delaware

Quarter Ending June 30, 2013

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	30	575
Weighted Avg. Market Cap. (\$B)	58.3	90.0
Median Market Cap. (\$B)	30.6	7.1
Price To Earnings	29.8	21.6
Price To Book	5.0	5.1
Price To Sales	4.8	3.0
Return on Equity (%)	20.8	23.9
Yield (%)	1.0	1.8
Beta (holdings; domestic)	1.1	1.0

Top Holdings

VISA 'A'	6.4%
EOG RES.	5.5%
MASTERCARD	5.3%
CROWN CASTLE INTL.	5.2%
ADOBE SYSTEMS	5.0%
KINDER MORGAN	4.9%
QUALCOMM	4.7%
LIBERTY INTACT.'A'	4.5%
CELGENE	4.3%
PRICELINE.COM	4.3%

Best Performers

	Return %
CME GROUP (CME)	24.5%
PRICELINE.COM (PCLN)	20.1%
L BRANDS (LTD)	10.9%
GOOGLE 'A' (GOOG)	10.9%
INTERCONTINENTAL EX. (ICE)	9.0%
NIKE 'B' (NKE)	8.3%
VISA 'A' (V)	7.8%
LIBERTY INTACT.'A' (LINTA)	7.7%
MASTERCARD (MA)	6.3%
SALLY BEAUTY HOLDINGS (SBH)	5.9%

Worst Performers

	Return %
ALLERGAN (AGN)	-24.5%
VERIFONE SYSTEMS (PAY)	-18.7%
TERADATA (TDC)	-14.2%
APPLE (AAPL)	-9.8%
QUALCOMM (QCOM)	-8.2%
INTUIT (INTU)	-6.8%
WALGREEN (WAG)	-6.8%
VERISIGN (VRSN)	-5.5%
SYNGENTA SPN.ADR 5:1 (SYT)	-4.8%
EBAY (EBAY)	-4.6%

Equity Sector Attribution - Delaware

Quarter Ending June 30, 2013

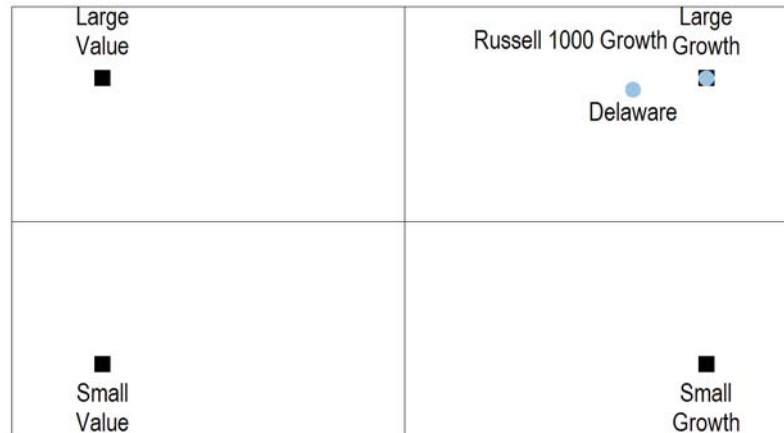
Delaware Performance Attribution vs. Russell 1000 Growth

	Attribution Effects						Returns		Sector Weights			
	Total Effects		Selection Effect		Allocation Effect		Interaction Effects		Portfolio	Benchmark	Portfolio	Benchmark
Energy	0.1%		0.1%		-0.2%		0.2%		1.3%	-1.6%	10.4%	4.3%
Materials	-0.1%		-0.2%		0.0%		0.1%		-4.8%	0.9%	2.4%	3.9%
Industrials	-0.1%		-0.9%		-0.1%		0.8%		-4.5%	2.6%	1.3%	13.0%
Cons. Disc.	0.2%		0.7%		-0.2%		-0.2%		11.3%	7.2%	11.1%	16.8%
Cons. Staples	-0.3%		-1.0%		0.1%		0.6%		-6.8%	1.2%	4.5%	12.8%
Health Care	-1.5%		-1.5%		0.0%		0.0%		-8.4%	3.0%	13.5%	12.4%
Financials	0.7%		0.4%		0.0%		0.3%		9.3%	1.5%	8.7%	4.8%
Info. Tech	-0.6%		-0.2%		-0.3%		-0.1%		-1.2%	-0.5%	41.3%	29.4%
Telecomm.	0.0%		0.0%		0.0%		0.0%		3.9%	3.7%	4.9%	2.3%
Utilities	0.0%		--		0.0%		--		--	-7.2%	0.0%	0.2%
Cash	0.0%		0.0%		0.0%		0.0%		0.0%	--	1.9%	0.0%
Portfolio	-1.7%	=	-2.7%	+	-0.7%	+	1.7%		0.4%	2.0%	100.0%	100.0%

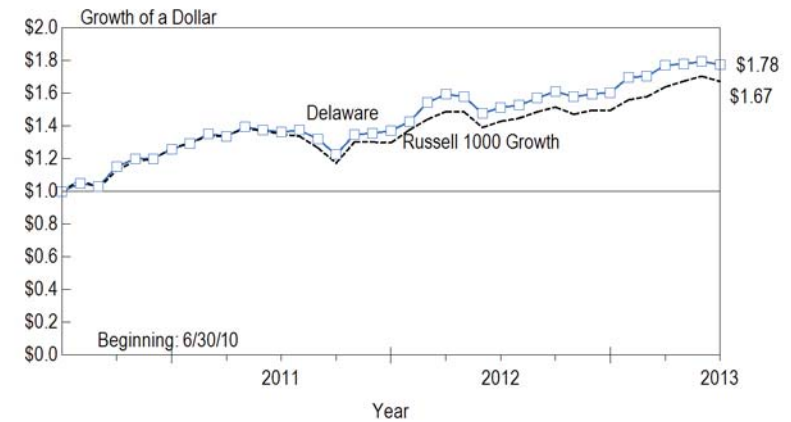
Return Based Style Analysis - Delaware

3 Years Ending June 30, 2013

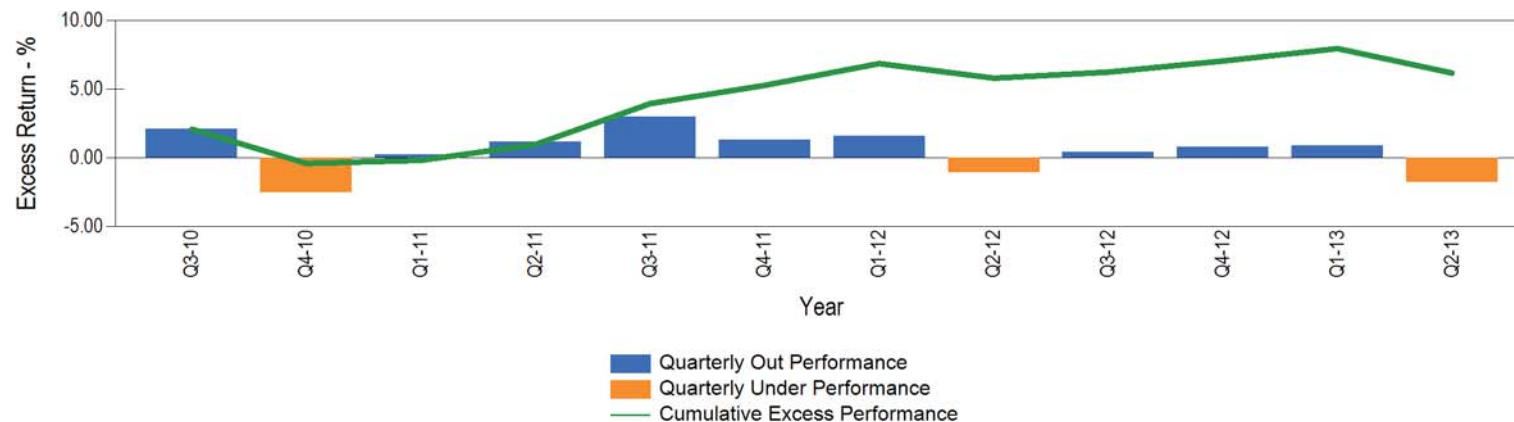
U.S. Effective Style Map



GROWTH OF A DOLLAR



Quarterly and Cumulative Excess Performance



Equity Only Summary Statistics - Dodge & Cox

Quarter Ending June 30, 2013

Characteristics

	Portfolio	Russell 1000 Value
Number of Holdings	71	696
Weighted Avg. Market Cap. (\$B)	91.5	93.5
Median Market Cap. (\$B)	23.3	5.6
Price To Earnings	17.1	17.2
Price To Book	2.3	2.1
Price To Sales	1.9	1.7
Return on Equity (%)	15.5	13.1
Yield (%)	2.1	2.4
Beta (holdings; domestic)	1.3	1.2

Top Holdings

WELLS FARGO & CO	4.1%
CAPITAL ONE FINL.	3.6%
MICROSOFT	3.5%
COMCAST 'A'	3.5%
MERCK & CO.	3.5%
HEWLETT-PACKARD	3.5%
SANOFI ADR 2:1	3.1%
GENERAL ELECTRIC	3.0%
GLAXOSMITHKLINE SPN.ADR 1:2	3.0%
NOVARTIS 'B' SPN.ADR 1:1	2.9%

Best Performers

	Return %
MICROSOFT (MSFT)	21.6%
METLIFE (MET)	21.2%
CHARLES SCHWAB (SCHW)	20.4%
BOSTON SCIENTIFIC (BSX)	18.7%
TIME WARNER CABLE (TWC)	17.9%
CIGNA (CI)	16.2%
CAPITAL ONE FINL. (COF)	14.9%
COACH (COH)	14.9%
OCCIDENTAL PTL. (OXY)	14.6%
GENWORTH FINANCIAL CL.A (GNW)	14.1%

Worst Performers

	Return %
ADT (ADT)	-18.3%
COMPUWARE (CPWR)	-16.1%
NVR (NVR)	-14.6%
MAXIM INTEGRATED PRDS. (MXIM)	-14.2%
DOMTAR (UFS)	-13.7%
COMPUTER SCIS. (CSC)	-10.7%
SYMANTEC (SYMC)	-8.1%
DELL (DELL)	-6.5%
VULCAN MATERIALS (VMC)	-6.3%
AOL (AOL)	-5.2%

Equity Sector Attribution - Dodge & Cox

Quarter Ending June 30, 2013

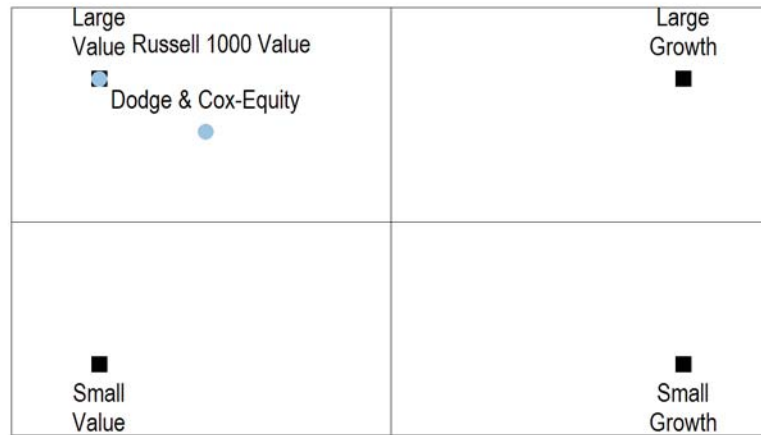
Dodge & Cox-Equity Performance Attribution vs. Russell 1000 Value

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.5%	0.3%	0.3%	-0.2%	1.4%	-0.4%	6.5%	16.1%			
Materials	0.2%	0.2%	0.0%	0.0%	-0.5%	-5.2%	3.2%	3.6%			
Industrials	-0.2%	-0.2%	0.0%	0.1%	-0.7%	2.0%	7.2%	9.2%			
Cons. Disc.	0.0%	-0.1%	0.2%	-0.1%	5.6%	6.7%	14.6%	8.2%			
Cons. Staples	0.1%	-0.1%	0.2%	0.1%	-1.1%	0.1%	2.2%	7.3%			
Health Care	0.1%	0.0%	0.1%	0.0%	4.7%	4.8%	17.2%	11.6%			
Financials	0.6%	1.0%	-0.2%	-0.2%	10.2%	6.5%	20.9%	27.6%			
Info. Tech	-0.1%	-0.2%	0.7%	-0.6%	4.1%	7.8%	22.2%	6.6%			
Telecomm.	0.4%	0.3%	0.0%	0.0%	10.9%	1.3%	3.7%	3.3%			
Utilities	0.4%	--	0.4%	--	--	-2.1%	0.0%	6.5%			
Cash	-0.1%	0.0%	-0.1%	0.0%	0.0%	--	2.2%	0.0%			
Portfolio	1.8%	=	1.2%	+	1.6%	+	-1.0%	5.1%	3.2%	100.0%	100.0%

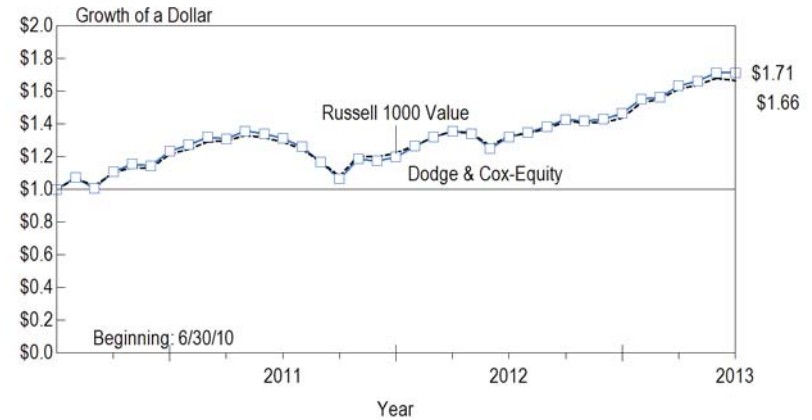
Return Based Style Analysis - Dodge & Cox

3 Years Ending June 30, 2013

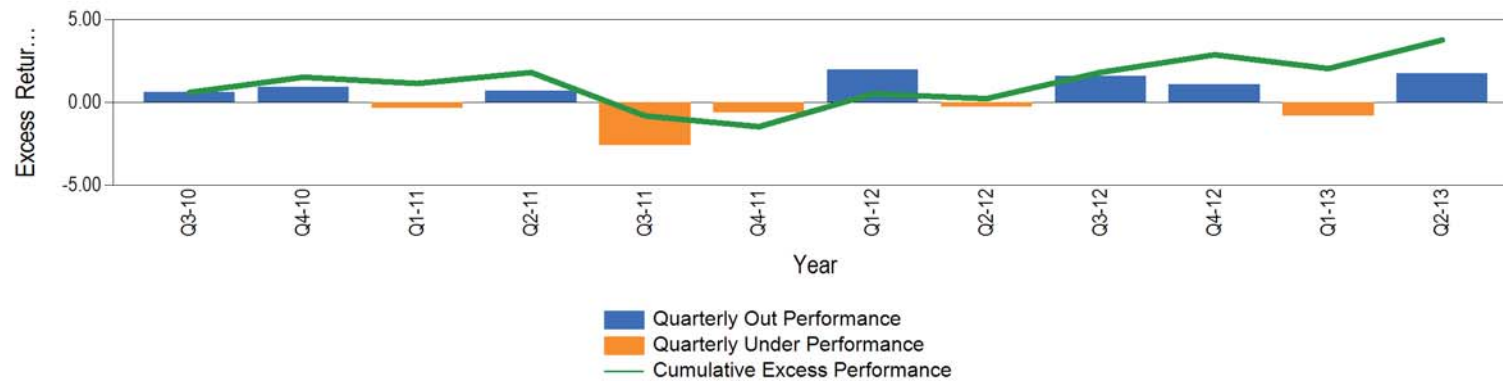
U.S. Effective Style Map



GROWTH OF A DOLLAR



Quarterly and Cumulative Excess Performance



Stanislaus County Employees' Retirement Association
Equity Only Summary Statistics - Legato Capital

Quarter Ending June 30, 2013

Characteristics

	Portfolio	Russell 2000 Growth
Number of Holdings	449	1,101
Weighted Avg. Market Cap. (\$B)	1.9	1.8
Median Market Cap. (\$B)	1.3	0.7
Price To Earnings	30.0	24.9
Price To Book	4.5	4.1
Price To Sales	3.1	2.7
Return on Equity (%)	14.0	16.2
Yield (%)	0.4	0.5
Beta (holdings; domestic)	1.4	1.4

Top Holdings

ULTIMATE SOFTWARE GP.	1.4%
PRTF.REC.ASSOCS.	1.3%
COSTAR GP.	1.3%
ENCORE CAP.GP.	1.1%
SEMTECH	1.1%
BEACON ROOFING SUPPLY	1.0%
NEOGEN	1.0%
UTD.NTRL.FOODS	1.0%
TRIUMPH GROUP NEW	0.9%
PROTO LABS	0.9%

Best Performers

	Return %
CLOVIS ONCOLOGY (CLVS)	133.6%
ZALE (ZLC)	131.6%
OVERSTOCK COM (OSTK)	128.9%
ACADIA PHARMACEUTICALS (ACAD)	128.6%
VANDA PHARMACEUTICALS (VNDA)	106.1%
NEXSTAR BCAST.GP. (NXST)	97.8%
ENTRAVISION COMMS.'A' (EVC)	92.8%
SUNEDISON (SUNE)	85.7%
RENEWABLE ENERGY GROUP (REGI)	85.0%
EXONE (XONE)	84.2%

Worst Performers

	Return %
INFINITY PHARMACEUTICALS (INFI)	-66.6%
UNI-PIXEL (UNXL)	-52.2%
IRONWOOD PHARMS.CL.A (IRWD)	-45.7%
EBIX (EBIX)	-42.9%
SYNTA PHARMACEUTICALS (SNTA)	-42.0%
MERU NETWORKS (MERU)	-40.3%
RUCKUS WIRELESS (RKUS)	-39.0%
EMCORE (EMKR)	-38.1%
ARUBA NETWORKS (ARUN)	-37.9%
WILLBROS GROUP (WG)	-37.5%

Equity Sector Attribution - Legato Capital

Quarter Ending June 30, 2013

Legato Capital Performance Attribution vs. Russell 2000 Growth

	Attribution Effects							Returns		Sector Weights	
	Total Effects		Selection Effect	Allocation Effect		Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark	
Energy	0.2%		0.1%		0.1%		0.0%	-0.7%	-3.1%	4.2%	5.7%
Materials	0.4%		0.1%		0.3%		-0.1%	-5.1%	-7.1%	1.9%	5.1%
Industrials	0.1%		0.1%		0.0%		0.0%	1.0%	0.7%	17.5%	18.0%
Cons. Disc.	0.4%		0.5%		-0.1%		0.0%	12.8%	9.5%	13.5%	15.6%
Cons. Staples	0.0%		0.2%		-0.1%		-0.1%	13.6%	8.9%	3.2%	4.6%
Health Care	0.1%		0.1%		0.0%		0.0%	6.0%	5.5%	22.5%	20.4%
Financials	0.5%		0.5%		0.0%		0.0%	6.0%	-0.4%	8.2%	8.0%
Info. Tech	-0.4%		-0.3%		0.1%		-0.1%	3.2%	4.9%	25.9%	21.5%
Telecomm.	0.0%		0.0%		0.0%		0.0%	6.7%	8.8%	0.4%	0.8%
Utilities	0.0%		--		0.0%		--	--	-1.8%	0.0%	0.3%
Cash	-0.1%		0.0%		-0.1%		0.0%	0.0%	--	2.9%	0.0%
Portfolio	1.2%	=	1.3%	+	0.2%	+	-0.4%	4.9%	3.7%	100.0%	100.0%

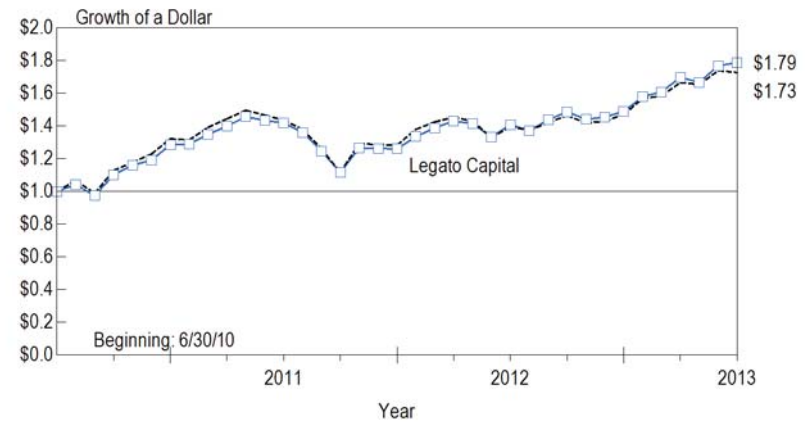
Return Based Style Analysis - Legato Capital

3 Years Ending June 30, 2013

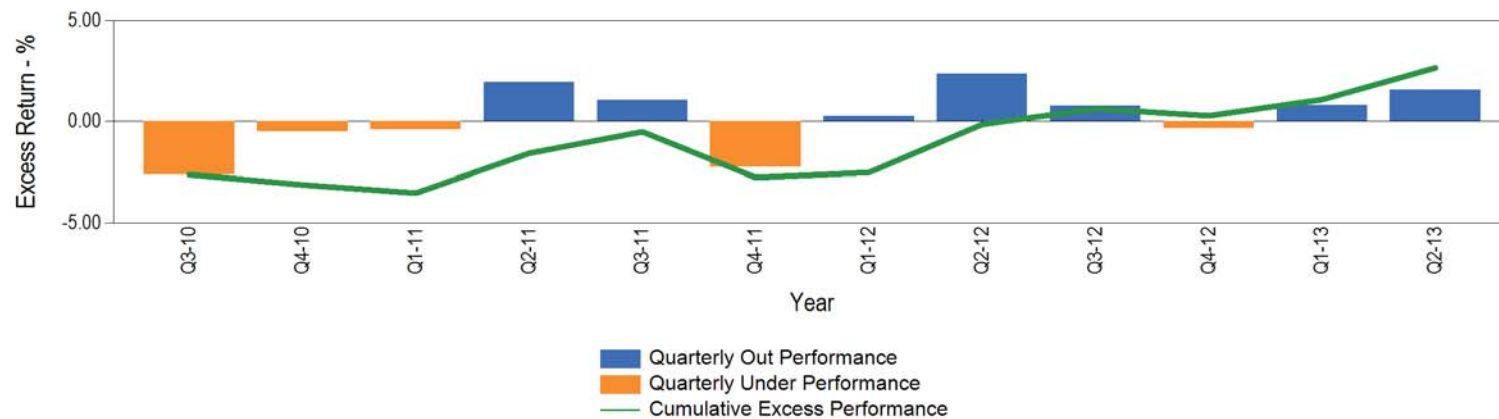
U.S. Effective Style Map



GROWTH OF A DOLLAR



Quarterly and Cumulative Excess Performance



Stanislaus County Employees' Retirement Association

Equity Only Summary Statistics - Mellon S&P 500

Quarter Ending June 30, 2013

Characteristics

	Portfolio	Russell 1000 Growth
Number of Holdings	578	575
Weighted Avg. Market Cap. (\$B)	90.0	90.0
Median Market Cap. (\$B)	7.1	7.1
Price To Earnings	22.5	21.6
Price To Book	5.3	5.1
Price To Sales	3.1	3.0
Return on Equity (%)	26.6	23.9
Yield (%)	1.8	1.8
Beta (holdings; domestic)	1.0	1.0

Top Holdings

EXXON MOBIL	2.8%
APPLE	2.6%
MICROSOFT	1.8%
JOHNSON & JOHNSON	1.7%
GENERAL ELECTRIC	1.7%
GOOGLE 'A'	1.7%
CHEVRON	1.6%
PROCTER & GAMBLE	1.5%
BERKSHIRE HATHAWAY 'B'	1.4%
WELLS FARGO & CO	1.4%

Best Performers

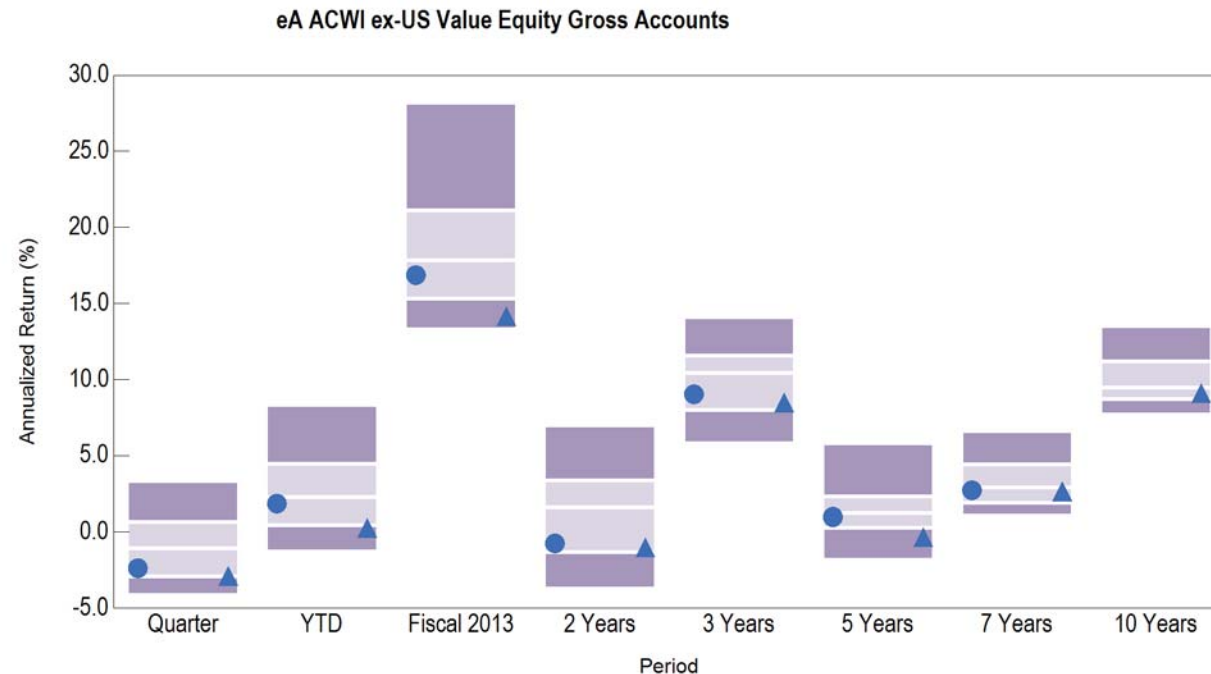
	Return %
T-MOBILE US (TMUS)	125.4%
FIRST SOLAR (FSLR)	66.2%
ADVANCED MICRO DEVC. (AMD)	60.0%
GAMESTOP 'A' (GME)	51.5%
MICRON TECHNOLOGY (MU)	43.7%
ACTAVIS (ACT)	37.0%
ELECTRONIC ARTS (EA)	29.9%
REGENERON PHARMS. (REGN)	27.5%
MONSTER BEVERAGE (MNST)	27.4%
AETNA (AET)	24.7%

Worst Performers

	Return %
PEABODY ENERGY (BTU)	-30.5%
NEWMONT MINING (NEM)	-27.8%
IRON MNT. (IRM)	-26.0%
ALLERGAN (AGN)	-24.5%
F5 NETWORKS (FFIV)	-22.8%
MARATHON PETROLEUM (MPC)	-20.3%
CONSOL EN. (CNX)	-19.2%
ADT (ADT)	-18.3%
COGNIZANT TECH.SLTN.'A' (CTSH)	-18.2%
EDWARDS LIFESCIENCES (EW)	-18.2%

Total Returns - ACWI ex-US Value

Periods Ending June 30, 2013



	Return (Rank)							
5th Percentile	3.3	8.3	28.2	7.0	14.1	5.8	6.6	13.5
25th Percentile	0.7	4.5	21.2	3.4	11.6	2.3	4.4	11.2
Median	-1.0	2.3	17.8	1.6	10.5	1.2	2.9	9.5
75th Percentile	-2.9	0.5	15.3	-1.3	8.0	0.3	1.9	8.7
95th Percentile	-4.1	-1.2	13.3	-3.7	5.8	-1.8	1.1	7.7
# of Portfolios	31	31	31	31	30	27	24	17
● LSV Asset Mgt	-2.4 (66)	1.8 (53)	16.9 (58)	-0.7 (73)	9.0 (71)	1.0 (60)	2.7 (61)	-- (--)
▲ MSCI ACWI ex USA Gross	-2.9 (76)	0.3 (78)	14.1 (83)	-1.0 (75)	8.5 (73)	-0.3 (80)	2.6 (63)	9.1 (66)

Stanislaus County Employees' Retirement Association
Equity Only Summary Statistics - LSV Asset Mgt

Quarter Ending June 30, 2013

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	191	1,823
Weighted Avg. Market Cap. (\$B)	32.6	48.0
Median Market Cap. (\$B)	6.3	6.1
Price To Earnings	12.7	17.1
Price To Book	1.4	2.2
Price To Sales	0.9	1.8
Return on Equity (%)	13.7	15.1
Yield (%)	4.0	3.1
Beta (holdings; global)	1.1	1.0

Top Holdings

ASTRAZENECA	1.7%
ROYAL DUTCH SHELL B	1.6%
SANOFI	1.6%
ALLIANZ	1.6%
BT GROUP	1.5%
MAGNA INTL.	1.5%
KDDI	1.4%
LEGAL & GENERAL	1.3%
BASF	1.3%
NOVARTIS 'R'	1.3%

Best Performers

	Return %
BANGCHAK PETROLEUM FB (Q:BNKF)	47.9%
HELLENIC TELECOM.ORG. (G:HTO)	28.7%
ING GROEP (H:ING)	28.0%
KDDI (J:DDIC)	26.2%
PARMALAT (I:PAT)	22.7%
EIZO (J:EIZO)	22.7%
VANGD.INTL.SEMICON. (TW:VGS)	21.6%
MAGNA INTL. (C:MG)	21.3%
AXA (F:MIDI)	19.6%
NIPPON TELG. & TEL. (J:NTT)	18.5%

Worst Performers

	Return %
BOART LONGYEAR (A:BLYX)	-53.7%
PANORAMIC RESOURCES (A:PANX)	-51.0%
PAPERLINX (A:PPXX)	-47.5%
SEVEN GROUP HOLDINGS (A:SVWX)	-38.8%
CENEL.BRASL.ELETROBRAS ON ADR 1:1 (EBR)	-38.0%
TIANNENG POWER INTL. (K:TPIL)	-36.9%
DOWNER EDI (A:DOWX)	-36.5%
CIA.SANMT.BASICO SPN.ADR 1:1 (SBS)	-32.9%
BLACKBERRY (C:BB)	-29.3%
GEO HOLDINGS (J:GEO)	-28.5%

Equity Sector Attribution - LSV Asset Mgt

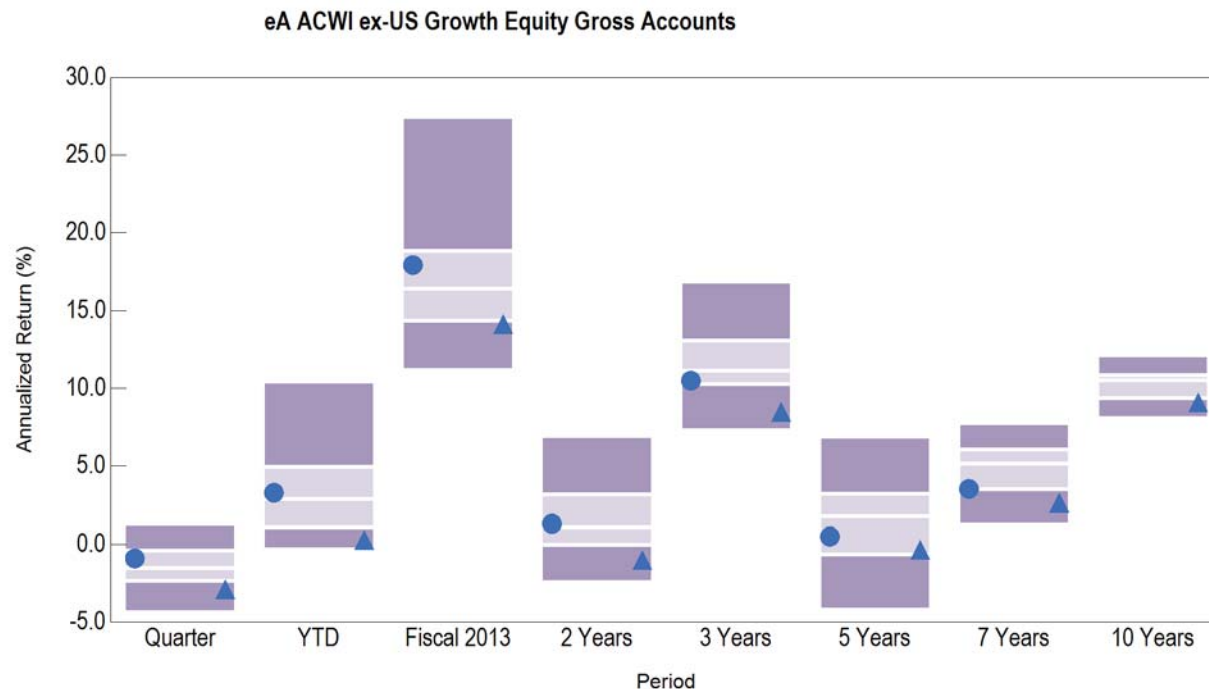
Quarter Ending June 30, 2013

LSV Asset Mgt Performance Attribution vs. MSCI ACWI ex USA Gross

	Attribution Effects							Returns		Sector Weights		
	Total		Selection		Allocation		Interaction		Portfolio	Benchmark	Portfolio	Benchmark
	Effects		Effect		Effect		Effects					
Energy	0.4%		0.3%		-0.1%		0.2%		-1.7%	-6.4%	12.0%	9.6%
Materials	0.6%		0.3%		0.2%		0.1%		-8.4%	-12.9%	7.5%	9.8%
Industrials	-0.2%		-0.2%		0.0%		-0.1%		-4.9%	-2.5%	10.4%	10.7%
Cons. Disc.	-0.7%		-0.7%		-0.1%		0.1%		-3.5%	4.1%	8.2%	9.7%
Cons. Staples	0.6%		0.7%		0.1%		-0.2%		1.7%	-4.1%	7.0%	10.9%
Health Care	-0.2%		-0.2%		0.0%		0.0%		-1.4%	1.0%	9.4%	7.7%
Financials	0.4%		0.2%		0.0%		0.2%		-1.9%	-3.2%	27.3%	26.3%
Info. Tech	0.2%		0.2%		0.0%		0.0%		2.7%	-1.4%	3.9%	6.4%
Telecomm.	0.5%		0.2%		0.2%		0.0%		7.0%	2.9%	9.6%	5.4%
Utilities	-0.4%		-0.5%		0.0%		0.1%		-11.8%	0.3%	3.6%	3.5%
Cash	0.0%		0.0%		0.0%		0.0%		0.0%	--	1.1%	0.0%
Portfolio	1.2%	=	0.4%	+	0.3%	+	0.4%		-1.7%	-2.9%	100.0%	100.0%

Total Returns - ACWI ex-US Growth

Periods Ending June 30, 2013



	Return (Rank)							
5th Percentile	1.3	10.4	27.5	6.9	16.8	6.9	7.7	12.1
25th Percentile	-0.4	5.0	18.9	3.2	13.1	3.3	6.1	10.9
Median	-1.5	2.9	16.4	1.1	11.2	1.8	5.2	10.5
75th Percentile	-2.3	1.1	14.4	0.0	10.3	-0.6	3.5	9.4
95th Percentile	-4.3	-0.3	11.2	-2.4	7.3	-4.2	1.3	8.1
# of Portfolios	47	47	47	46	45	41	37	25
● Pyramis	-0.9 (37)	3.3 (40)	17.9 (32)	1.3 (49)	10.5 (72)	0.5 (64)	3.5 (75)	-- (--)
▲ MSCI ACWI ex USA Gross	-2.9 (87)	0.3 (89)	14.1 (77)	-1.0 (84)	8.5 (90)	-0.3 (70)	2.6 (83)	9.1 (77)

Equity Only Summary Statistics - Pyramis

Quarter Ending June 30, 2013

Characteristics

	Portfolio	MSCI ACWI ex USA Gross
Number of Holdings	259	1,823
Weighted Avg. Market Cap. (\$B)	54.8	48.0
Median Market Cap. (\$B)	12.4	6.1
Price To Earnings	19.3	17.1
Price To Book	2.7	2.2
Price To Sales	2.0	1.8
Return on Equity (%)	16.2	15.1
Yield (%)	2.6	3.1
Beta (holdings; global)	1.0	1.0

Top Holdings

NESTLE 'R'	1.9%
SANOFI	1.9%
HSBC HDG. (ORD \$0.50)	1.7%
ROYAL DUTCH SHELL A	1.7%
TOYOTA MOTOR	1.7%
BAYER	1.4%
VODAFONE GROUP	1.4%
GLAXOSMITHKLINE	1.3%
UBS 'R'	1.2%
BP	1.2%

Best Performers

	Return %
FUJI HEAVY INDS. (J:FJ@N)	58.4%
AUTOCANADA (C:ACQ)	46.4%
JGC (J:JGCC)	42.0%
KANSAI ELECTRIC PWR. (J:KE@N)	38.6%
HINO MOTORS (J:OM@N)	36.4%
MAZDA MOTOR (J:KO@N)	31.7%
LLOYDS BANKING GROUP (UKIR:LLOY)	29.6%
ELEMENT FINANCIAL (C:EFN)	28.1%
ING GROEP (H:ING)	28.0%
SOFTBANK (J:SFTB)	26.3%

Worst Performers

	Return %
NEWCREST MINING (A:NCMX)	-56.8%
SAIPEM (I:SPM)	-45.6%
SEVEN GROUP HOLDINGS (A:SVWX)	-38.8%
MONADELPHOUS GROUP (A:MNDX)	-37.6%
AGNICO EAGLE MINES (C:AEM)	-32.5%
BLACKBERRY (C:BB)	-29.3%
AMP (A:AMPX)	-28.4%
LEND LEASE GROUP (A:LLCX)	-28.1%
DAIWA OFFICE INVESTMENT (J:DAOI)	-27.7%
ANGLO AMERICAN (UKIR:AAL)	-25.3%

Equity Sector Attribution - Pyramis

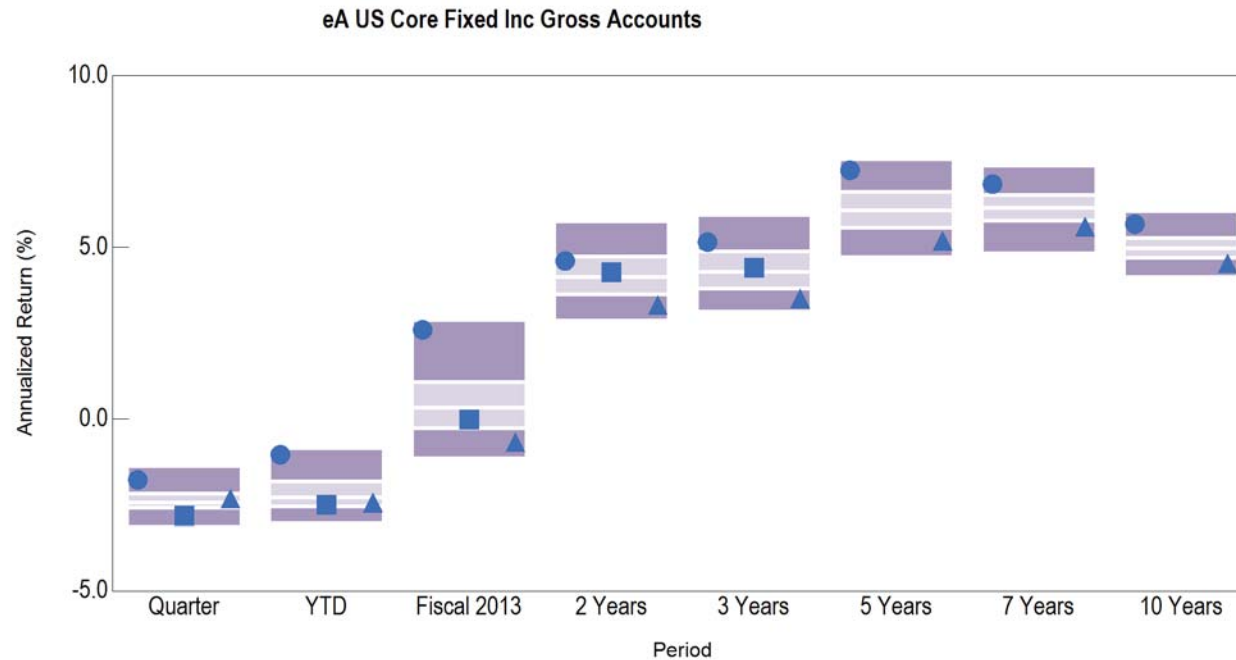
Quarter Ending June 30, 2013

Pyramis Performance Attribution vs. MSCI ACWI ex USA Gross

	Attribution Effects				Returns		Sector Weights				
	Total Effects	Selection Effect	Allocation Effect	Interaction Effects	Portfolio	Benchmark	Portfolio	Benchmark			
Energy	0.2%	0.0%	0.1%	0.1%	-5.8%	-6.4%	7.8%	9.6%			
Materials	0.6%	0.4%	0.1%	0.1%	-7.2%	-12.9%	8.0%	9.8%			
Industrials	0.3%	0.2%	0.0%	0.1%	0.4%	-2.5%	10.9%	10.7%			
Cons. Disc.	0.4%	0.2%	0.2%	0.0%	6.3%	4.1%	12.7%	9.7%			
Cons. Staples	0.1%	0.1%	0.0%	0.0%	-3.3%	-4.1%	10.2%	10.9%			
Health Care	0.3%	0.2%	0.1%	0.1%	3.5%	1.0%	10.1%	7.7%			
Financials	1.3%	1.3%	0.0%	-0.1%	1.5%	-3.2%	26.1%	26.3%			
Info. Tech	0.4%	0.5%	0.0%	-0.1%	5.3%	-1.4%	6.1%	6.4%			
Telecomm.	0.3%	0.5%	-0.1%	-0.1%	12.8%	2.9%	3.5%	5.4%			
Utilities	0.0%	0.0%	0.0%	0.1%	1.2%	0.3%	1.4%	3.5%			
Cash	0.0%	0.0%	0.0%	0.0%	0.0%	--	3.1%	0.0%			
Portfolio	3.8%	=	3.3%	+	0.3%	+	0.2%	1.0%	-2.9%	100.0%	100.0%

Total Returns - Core Fixed

Periods Ending June 30, 2013

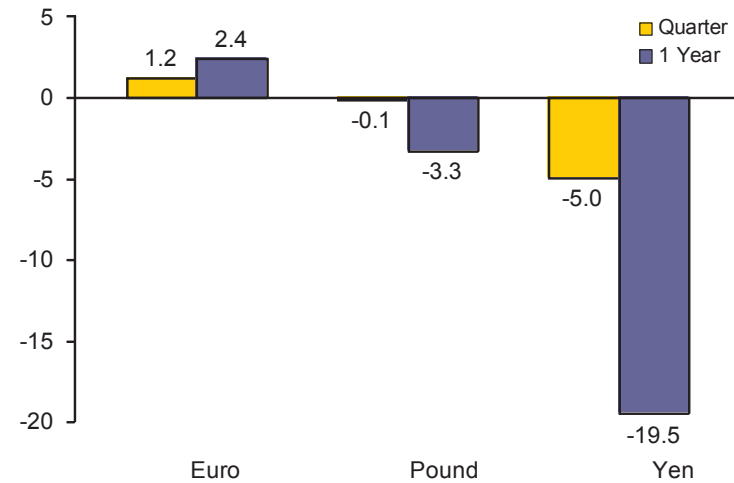


	Return (Rank)															
5th Percentile	-1.4		-0.9		2.9		5.7		5.9		7.5		7.4		6.0	
25th Percentile	-2.2		-1.8		1.1		4.7		4.9		6.6		6.5		5.3	
Median	-2.4		-2.3		0.3		4.1		4.3		6.1		6.2		5.0	
75th Percentile	-2.6		-2.5		-0.3		3.6		3.8		5.6		5.8		4.7	
95th Percentile	-3.1		-3.0		-1.1		2.9		3.1		4.7		4.8		4.1	
# of Portfolios	213		213		213		213		210		205		193		179	
● Dodge & Cox-Fixed	-1.8	(9)	-1.0	(7)	2.6	(7)	4.6	(31)	5.1	(17)	7.2	(9)	6.8	(16)	5.7	(10)
■ PIMCO Fixed Income	-2.8	(90)	-2.5	(74)	0.0	(67)	4.3	(44)	4.4	(45)	--	(--)	--	(--)	--	(--)
▲ Barclays Aggregate	-2.3	(38)	-2.4	(66)	-0.7	(87)	3.3	(86)	3.5	(88)	5.2	(90)	5.6	(84)	4.5	(87)

Currency Markets

- Despite the differential in forward monetary policy guidance, the euro rose 1.2% against the dollar in the second quarter.
- The U.S. dollar trade-weighted index, which measures the dollar's movement against a basket of currencies, rose 0.2% in the second quarter, given the higher uncertainty around the global economic environment.

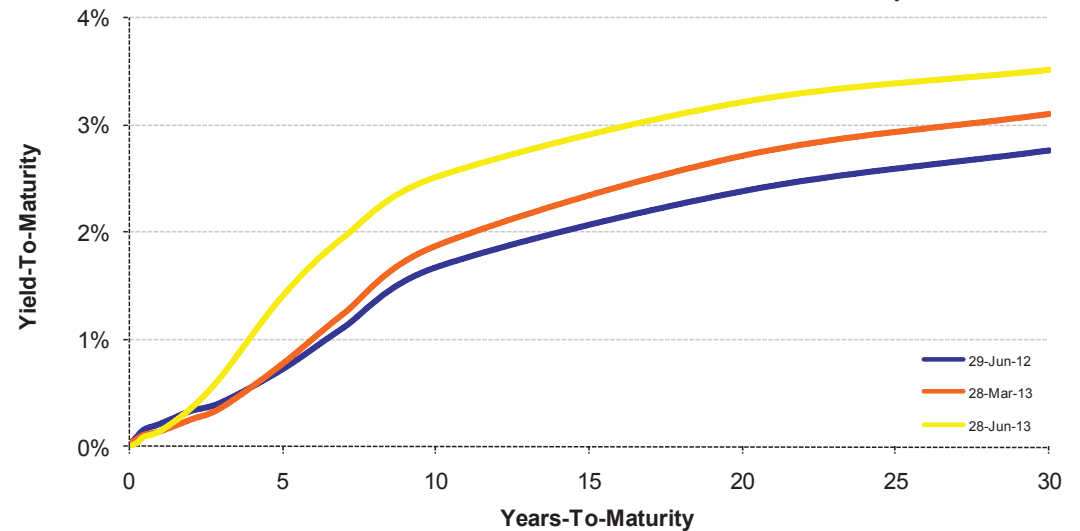
Currency Returns (%)



Yield Curve

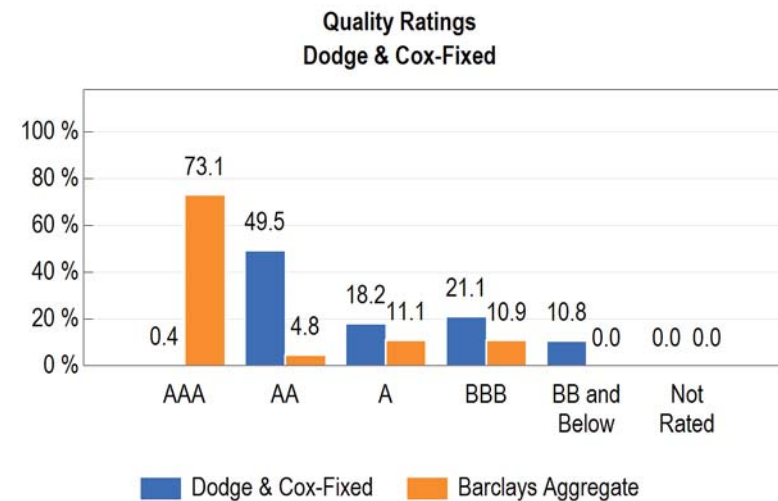
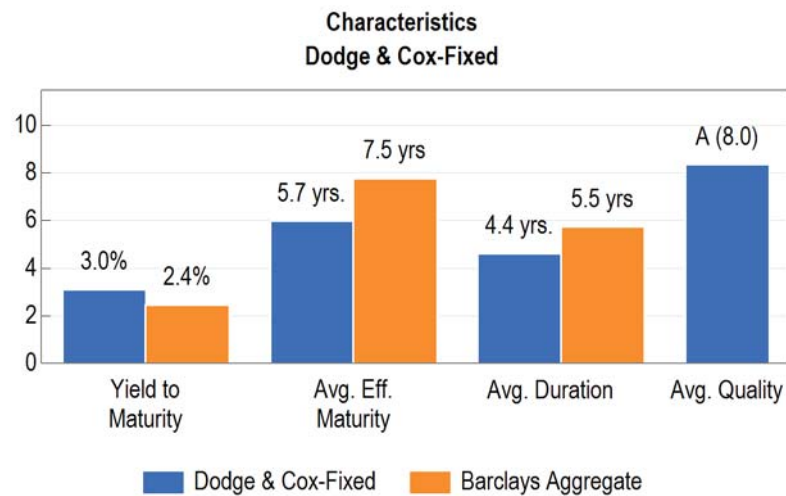
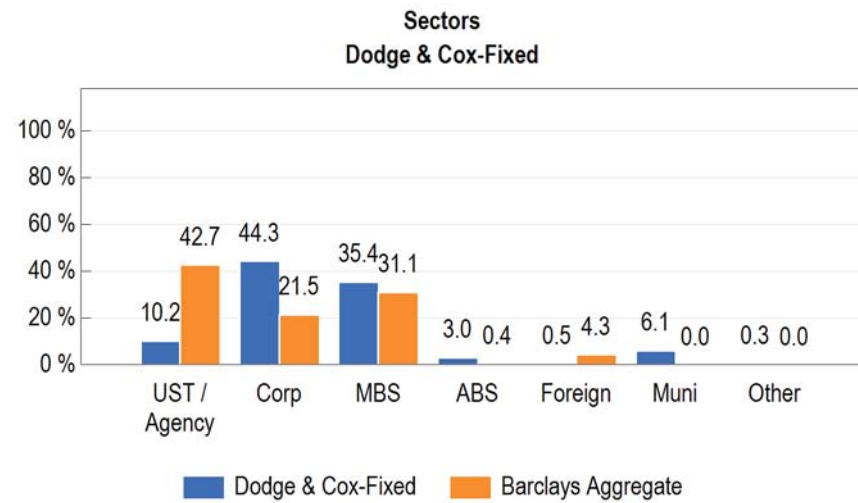
- The U.S. yield curve steepened on a quarterly basis as market participants factored in when the Fed could begin tapering quantitative easing.
- Ten-year yields rose sixty-five basis points during the second quarter.

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



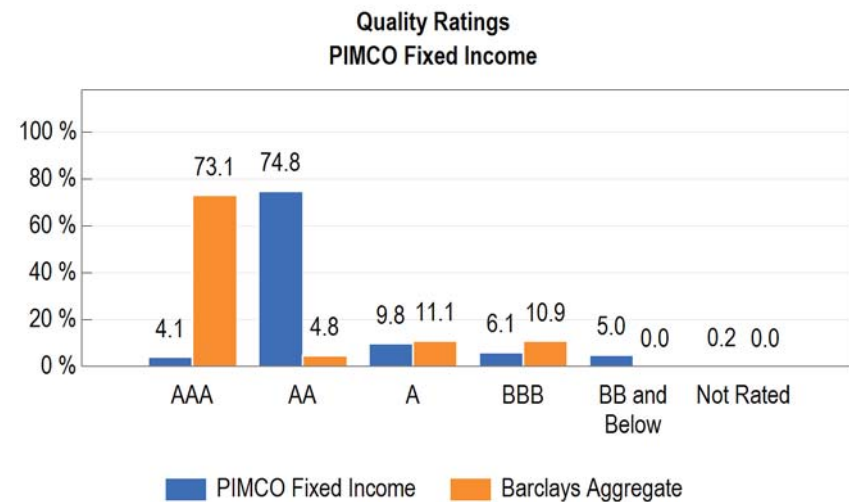
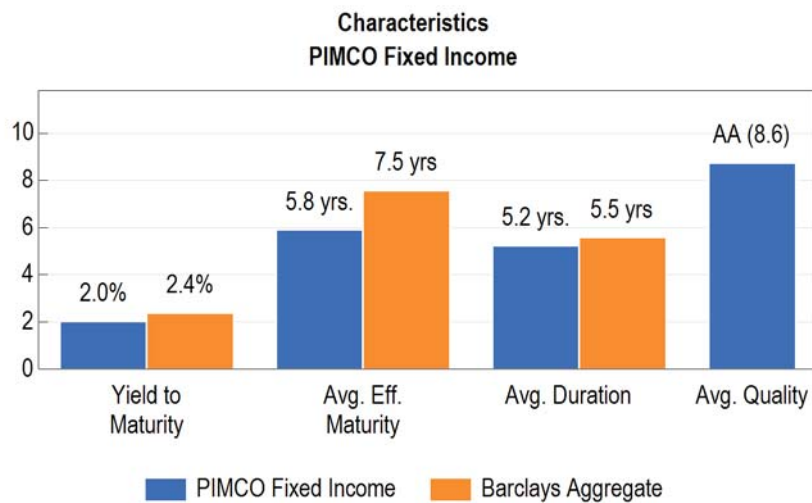
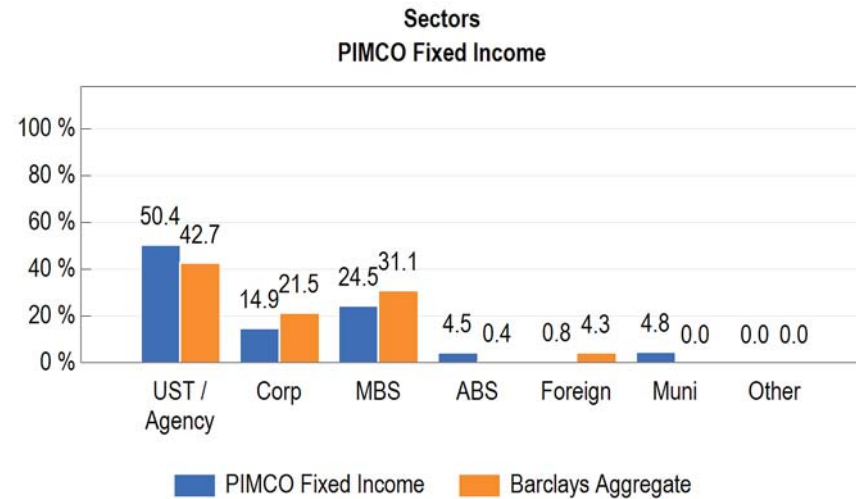
Bond Summary Statistics - Dodge & Cox

As of June 30, 2013



Bond Summary Statistics - PIMCO

As of June 30, 2013



MARKET UPDATE

FOR JULY 2013

U.S. EQUITY

Domestic equity markets rebounded in July after enduring a difficult June. The Russell 1000 Growth Index was up +5.30% and the Russell 1000 Value Index was up +5.40% for the month. The Russell 2000 Growth Index was up +7.56% and the Russell 2000 Value was up +6.43%. The S&P 500 Index ended the month higher by +5.09%. The Russell 3000 Index is now up +20.31% through the first seven months of calendar year 2013.

The S&P 500 Index has a trailing P/E ratio of 18.6 and a forward 12-month estimate P/E ratio of 15.1 and dividend yield of 2.1%.

Corporate merger highlights for the month included: Tribune will acquire 19 television stations from Local TV Holdings for \$2.7 billion, making it the largest TV broadcaster in the U.S.; Nokia will buy out Siemens' share of their 6-year network equipment joint venture for \$2.2 billion; Intuit will sell its financial services unit to private equity firm Thoma Bravo for \$1.0 billion; Japan's Mitsubishi UFJ Financial will buy a majority stake in Thailand's Bank of Ayudhya for \$5.6 billion; Rosneft, Russia's top oil producer, purchased the remaining 49% of gas company Itera for \$2.9 billion; Chesapeake Energy will sell oil and gas assets in the Eagle Ford and Haynesville shales in the U.S. to a unit of Exco Resources for about \$1 billion; The government of Kazakhstan will buy ConocoPhillips out of the Kashagan oilfield for about \$5 billion; Japan's SoftBank expects to complete its \$21 billion acquisition of U.S. wireless carrier Sprint Nextel on July 10th; Kroger, the biggest U.S. supermarket operator, will acquire Harris Teeter Supermarkets for \$2.5 billion to expand in the south east and mid-Atlantic regions; Tribune Co. will split itself into two companies with one focusing on publishing and the other on broadcasting; Loblaw, Canada's largest food retailer, will buy Shoppers Drug Mart for \$11.9 billion; Bally Technologies will acquire SHFL Entertainment for about \$1.3 billion; Baidu, China's top search engine, plans to acquire app store 91 Wireless for about \$1.9 billion; Spartan Stores, a Michigan-based regional food distributor and grocery store, will acquire food distributor Nash Finch in a deal valued at \$1.3 billion; Cisco Systems will buy software maker Sourcefire for about \$2.7 billion to boost its network security offerings; PacWest Bancorp will acquire CapitalSource in a deal valued at about \$2.3 billion to create the eighth-largest commercial bank based in California; HanesBrands will

acquire underwear maker Maidenform Brands for approximately \$547 million; Vivendi agreed to sell the majority of its stake in Activision Blizzard for \$8.2 billion, paving the way for a broader split of the French conglomerate; Hudson's Bay, the parent company of Lord & Taylor, will buy Saks Fifth Avenue for \$2.9 billion; Germany-based chemicals firm Altana will buy Rockwood's global rheology business for \$635 million; Apollo Global Management will buy Pitney Bowes' management-services business for about \$400 million; and Hess will sell its energy marketing business to a subsidiary of Centrica for approximately \$1.03 billion.

FIXED INCOME

The yield on the bellwether 10-year Treasury note rose slightly to 2.59% at the close of July; relatively flat from its June close at 2.52%. At month-end, the 30-year bond yield was 3.67% with the 3-month T-bill at 0.04%. The Barclays Capital US Aggregate Index was up +0.14% in July. Non-US Bonds were up with the JPM Non-US GBI Unhedged rising +1.92% and the JPM Emerging Markets Bond Index+ up +0.58% for the month. US High Yield bonds followed suit with the Merrill Lynch HY Master II Index rising +1.87%.

As expected, the Fed left administered interest rates and its asset purchase program unchanged. It also kept the same unemployment-and-inflation-based forward guidance on administered rates.

Federal Reserve Chair Bernanke commented that lawmakers have spent too much energy on implementing tax increases and spending cuts when the economy was growing only modestly which may reduce economic growth.

Moody's raised its outlook on U.S. debt to stable, shedding the negative outlook it has maintained for nearly two years.

Total nonfarm payroll employment increased by 162,000 in July, and the unemployment rate edged down to 7.4% according to the US Bureau of Labor Statistics. The change in total nonfarm payroll employment for May was revised from +195,000 to +176,000 and the change for June was revised from +195,000 to +188,000. With these revisions, employment gains in May and June combined were 26,000 less than previously reported.

According to the Fed's latest Beige Book, U.S. economic activity continued to increase at a moderate pace during June and early July. GDP grew 1.7% in the second quarter. The consensus expected 1.0%, but the positive surprise was mitigated by a downward revision to just 1.1% (from 1.8%) in the first quarter. Indeed, the last four quarters have all been downgraded markedly.

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

THE GOOD

*The labor market continued to improve, as both nonfarm payrolls and average hourly earnings increased more than expected in June, while jobless claims in July remained near the five-year low set earlier this year.

*The Labor Department reported that the unemployment rate fell to 7.4% in July, its lowest level since December 2008.

*Job openings at U.S. workplaces rose to 3.83 million in May from 3.8 million in April.

*The University of Michigan's final reading of consumer sentiment in July hit a 6-year high of 85.1, up one point from June but nearly 13 points higher than a year ago.

*The federal government reported a rare surplus of \$116.5 billion in June, the largest for a single month in five years.

*The Commerce Department reported that the U.S. trade gap plunged 22.4% to \$34.2 billion in June from a downwardly revised \$44.1 billion in May.

*Orders for durable goods rose 4.2% in June, bolstered by a surge in aircraft demand and more business spending.

*The Institute for Supply Mgmt. reported that its index of factory activity rose to 55.4 in July from 50.9 in June.

*The Institute for Supply Mgmt. reported that its services index rose to 56.0 from 52.2 in June, the fastest expansion pace since February.

THE NOT SO GOOD

*The Conference Board index fell 1.8 points in July to 80.3 from an upwardly revised 82.1 in June. Rising gasoline prices contributed to the decline.

*The Commerce Department reported that retail sales increased a less-than-expected +0.4% in June.

*China's GDP growth slowed in the 2nd quarter to 7.5% year-on-year as weak overseas demand weighed on output.

*Ireland cut its 2013 growth forecast for the country to 0.7%.

*The National Association of Realtors reported that its Pending Homes Sales Index, based on contracts signed last month, decreased 0.4% to 110.9.

*The Commerce Dept. reported that construction spending dropped 0.6% in June and was the biggest decline since a 2.3% drop in January.

*Consumer spending rose at a 1.8% annual clip in the 2nd quarter, down from 2.3% in the 1st quarter.

*The Consumer Price Index rose 0.5% in June, more than expected, driven by a 6.3% increase in gasoline.

NON-U.S. MARKETS

The minutes of the Bank of England's Monetary Policy Committee revealed a unanimous vote to leave the policy interest rate and the asset purchase program (QE) unchanged.

Consumer confidence continues to improve in the UK with the headline GfK index rising 5 points in July to -16, its third consecutive gain to the highest level since April 2010.

As widely anticipated, the European Central Bank (ECB) kept its three administered interest rates unchanged. This left the minimum bid rate at 50 basis points, the deposit rate at zero and the emergency lending rate at 1.0%.

The consumer price (CPI) inflation data were mixed in July. For the overall Eurozone, the headline inflation rate was unchanged at 1.6% year-over-year. Inflation is up since April but remains comfortably below the ECB's target (below, but close to, 2.0%) for the sixth consecutive month.

The overall Eurozone unemployment rate remained unchanged at 12.1% in June for the fourth consecutive month, suggesting labor market conditions may be stabilizing.

Despite some economic improvements in the Eurozone, money growth continues to slow. The broad money aggregate, M3, rose just 2.3% year-over-year in June, down from 2.9% in May and 3.2% in April.

Japan's Prime Minister Shinzo Abe's ruling coalition won a landslide victory in the Upper House elections, giving it control over both houses in parliament.

Consumer price inflation in Japan turned positive in June for the first time since May 2012. On a seasonally unadjusted basis, overall consumer prices (CPI) remained unchanged in June, following three consecutive gains.

The labor market in Japan tightened in June. Specifically, the unemployment rate fell two ticks to 3.9%, its lowest since October 2008.

Industrial production in Japan stumbled badly in June. Specifically, output plunged 3.3%, the largest decline since March 2011 (the earthquake and tsunami).

China's PMIs for July flashed mixed signals, as the official figure showed an unexpected increase to 50.3 from 50.1 in June, while the HSBC/Markit index showed a decrease from 48.2 to 47.7, its lowest level in 11 months.

The Reserve Bank of India (RBI) left policy rates unchanged with the benchmark repo cut-off rate kept at 7.25% and the reverse repo rate at 6.25%. The Bank also left the cash reserve requirement unchanged at 4.00%. The RBI cut its policy rates three times earlier this year to underpin growth but has made no changes since May. There has been increasing concern about the severity of the rupee's depreciation, which would be exacerbated by continued easing.

Brazil's unemployment rate edged up two ticks to 6.0% in June, the highest so far this year. Although it has generally trended lower since its 12.0% peak in 2004, it appears to have leveled off over the past six months.

Spain's unemployment rate unexpectedly fell nine ticks to 26.3% in Q2 2013, the first drop in two years. Unfortunately, it more likely represents an unusually busy (and discount driven) tourist season rather than a genuine turnaround in labor market conditions. Non-U.S. equities were higher in July. The MSCI ACWI Ex-U.S. was up +4.40 % (US dollars) for the month. Developed stocks (EAFE) was up +5.28% while Emerging Markets gained +1.10%.

CONCLUSION

First, we have to note the significant and awkward challenges in the Federal Reserve's planned exit from quantitative easing. Associated risks include excessive interest rate volatility that could have adverse global implications; a taste of these have already been felt. Such risk places a premium on effective communication on the exit strategy as well as a careful calibration of its timing – no small tasks.

Then there is the delicate balancing act in Europe where the end of economic trauma may be cause for some muted celebration. Stagnation or stability may be as good as it gets.

The third issue is China. The central government faces overcapacity in numerous sectors. This is partly because of weak growth recently and the likelihood of a slower growth trajectory in the future because of China's special demographics. The country must overcome the aggressive expansionary instincts of local governments and newly minted entrepreneurs. The issues are critical for the region and the global economy.

Despite impressive improvement in many business and financial indicators recently, markets will remain captive to ongoing macroeconomic developments and the policies that shape them.

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Jul-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	5.48	6.57	20.31	26.86	16.69	18.09	8.57	6.66	8.14
Russell TOP 200 Index	5.15	5.99	19.09	23.73	16.88	17.62	7.88	6.01	6.93
Russell TOP 200 Growth Index	4.87	4.20	16.04	18.17	14.80	17.57	8.79	7.95	6.93
Russell TOP 200 Value Index	5.43	7.73	22.10	29.43	18.94	17.61	6.88	4.07	6.95
S&P 500 Index	5.09	6.10	19.62	25.00	16.80	17.74	8.26	6.32	7.64
Russell 1000 Index	5.35	6.23	20.00	26.23	16.74	18.04	8.49	6.61	8.02
Russell 1000 Growth Index	5.30	5.24	17.73	21.64	14.76	18.00	9.01	8.08	7.69
Russell 1000 Value Index	5.40	7.15	22.16	30.73	18.63	18.00	7.88	5.00	8.20
Russell Mid-Cap Index	5.80	6.76	22.14	32.37	16.36	19.01	10.07	8.12	10.91
Russell Mid-Cap Growth Index	6.22	7.68	21.84	30.69	14.70	19.28	9.76	8.60	10.22
Russell Mid-Cap Value Index	5.33	5.88	22.28	33.71	17.82	18.74	10.26	7.32	11.16
Russell 2000 Index	7.00	10.71	23.97	34.76	16.20	18.72	9.45	7.35	9.60
Russell 2000 Growth Index	7.56	12.32	26.32	35.39	16.06	20.32	9.98	8.84	9.62
Russell 2000 Value Index	6.43	9.16	21.74	34.15	16.34	17.07	8.86	5.78	9.45
DJ US REIT Index	0.77	-6.93	6.47	6.50	9.88	14.72	6.53	3.70	10.20
DJ-UBS US Commodity Index TR	1.36	-5.58	-9.25	-12.42	-11.91	-1.97	-9.11	-3.63	2.47
DJ-UBS US Gold Index TR	7.12	-11.04	-22.04	-19.15	-10.93	2.84	6.59	9.85	13.01

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Jul-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	4.40	-2.31	4.69	17.47	1.83	6.91	1.25	3.12	9.28
MSCI AC World Index	4.82	1.60	11.51	21.16	8.36	11.79	4.38	4.66	8.41
MSCI EAFE Index	5.28	-0.77	9.99	24.01	5.06	9.12	1.54	2.46	8.45
MSCI Emerging Markets index	1.10	-7.67	-8.40	2.29	-6.01	1.33	0.86	6.08	13.45
ML Global Government Bond Ex. U.S. Index	1.59	-2.88	-8.01	-11.16	-5.23	0.59	3.64	5.03	5.08
Euro	2.15	0.72	0.72	7.82	-3.87	0.64	-3.17	0.57	1.67
Japanese Yen	1.00	-0.96	-12.09	-20.59	-11.41	-4.13	1.90	2.19	2.06
UK Pound Sterling	-0.04	-2.59	-6.73	-3.24	-3.90	-1.08	-5.21	-2.93	-0.58

US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Jul-13	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	0.01	0.02	0.05	0.11	0.09	0.11	0.25	1.39	1.72
BarCap Aggregate Bond Index	0.14	-3.17	-2.31	-1.90	2.57	3.19	5.23	5.41	4.89
ML U.S. Corp/Govt Master Index	0.15	-3.75	-2.69	-2.13	3.03	3.56	5.29	5.46	4.88
ML U.S. Corporate Master Index	0.74	-4.28	-2.60	-0.29	4.58	5.35	7.51	6.39	5.71
BarCap Mortgage Backed Securities Index	-0.09	-2.57	-2.10	-1.98	1.37	2.19	4.85	5.25	4.89
ML U.S. High Yield Master Index	1.87	-1.36	3.36	9.38	8.37	9.83	11.26	8.89	9.01
JPM EMBI Global	0.95	-7.78	-7.35	-1.72	5.44	6.75	8.59	8.19	9.35

Monthly Market Update

US Equity Indices Trailing Performance

Annualized Performance to Date: Ending Jul-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
Russell 3000 Index	5.48	6.57	20.31	26.86	16.69	18.09	8.57	6.66	8.14
Russell TOP 200 Index	5.15	5.99	19.09	23.73	16.88	17.62	7.88	6.01	6.93
Russell TOP 200 Growth Index	4.87	4.20	16.04	18.17	14.80	17.57	8.79	7.95	6.93
Russell TOP 200 Value Index	5.43	7.73	22.10	29.43	18.94	17.61	6.88	4.07	6.95
S&P 500 Index	5.09	6.10	19.62	25.00	16.80	17.74	8.26	6.32	7.64
Russell 1000 Index	5.35	6.23	20.00	26.23	16.74	18.04	8.49	6.61	8.02
Russell 1000 Growth Index	5.30	5.24	17.73	21.64	14.76	18.00	9.01	8.08	7.69
Russell 1000 Value Index	5.40	7.15	22.16	30.73	18.63	18.00	7.88	5.00	8.20
Russell Mid-Cap Index	5.80	6.76	22.14	32.37	16.36	19.01	10.07	8.12	10.91
Russell Mid-Cap Growth Index	6.22	7.68	21.84	30.69	14.70	19.28	9.76	8.60	10.22
Russell Mid-Cap Value Index	5.33	5.88	22.28	33.71	17.82	18.74	10.26	7.32	11.16
Russell 2000 Index	7.00	10.71	23.97	34.76	16.20	18.72	9.45	7.35	9.60
Russell 2000 Growth Index	7.56	12.32	26.32	35.39	16.06	20.32	9.98	8.84	9.62
Russell 2000 Value Index	6.43	9.16	21.74	34.15	16.34	17.07	8.86	5.78	9.45
DJ US REIT Index	0.77	-6.93	6.47	6.50	9.88	14.72	6.53	3.70	10.20
DJ-UBS US Commodity Index TR	1.36	-5.58	-9.25	-12.42	-11.91	-1.97	-9.11	-3.63	2.47
DJ-UBS US Gold Index TR	7.12	-11.04	-22.04	-19.15	-10.93	2.84	6.59	9.85	13.01

wow!

US
Small Caps
lead the
way

Non-US Indices Trailing Performance

Annualized Performance to Date: Ending Jul-13	1 Month	3 Months	YTD	1 Year	2 Years	3 Years	5 Years	7 Years	10 Years
MSCI AC World Index ex USA	4.40	-2.31	4.69	17.47	1.83	6.91	1.25	3.12	9.28
MSCI AC World Index	4.82	1.60	11.51	21.16	8.36	11.79	4.38	4.66	8.41
MSCI EAFE Index	5.28	-0.77	9.99	24.01	5.06	9.12	1.54	2.46	8.45
MSCI Emerging Markets index	1.10	-7.67	-8.40	2.29	-6.01	1.33	0.86	6.08	13.45
ML Global Government Bond Ex. U.S. Index	1.59	-2.88	-8.01	-11.16	-5.23	0.59	3.64	5.03	5.08
Euro	2.15	0.72	0.72	7.82	-3.87	0.64	-3.17	0.57	1.67
Japanese Yen	1.00	-0.96	-12.09	-20.59	-11.41	-4.13	1.90	2.19	2.06
UK Pound Sterling	-0.04	-2.59	-6.73	-3.24	-3.90	-1.08	-5.21	-2.93	-0.58

Non-US
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also ↑
EAFE trail
again

US Fixed Income Indices Trailing Performance

Annualized Performance to Date: Ending Jul-13	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	0.01	0.02	0.05	0.11	0.09	0.11	0.25	1.39	1.72
BarCap Aggregate Bond Index	0.14	-3.17	-2.31	-1.90	2.57	3.19	5.23	5.41	4.89
ML U.S. Corp/Govt Master Index	0.15	-3.75	-2.69	-2.13	3.03	3.56	5.29	5.46	4.88
ML U.S. Corporate Master Index	0.74	-4.28	-2.60	-0.29	4.58	5.35	7.51	6.39	5.71
BarCap Mortgage Backed Securities Index	-0.09	-2.57	-2.10	-1.98	1.37	2.19	4.85	5.25	4.89
ML U.S. High Yield Master Index	1.87	-1.36	3.36	9.38	8.37	9.83	11.26	8.89	9.01
JPM EMBI Global	0.95	-7.78	-7.35	-1.72	5.44	6.75	8.59	8.19	9.35

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STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JULY 31, 2013
PRELIMINARY BASIS

SUMMARY OF INVESTMENTS

ASSET CLASS	MARKET VALUE	PERCENT	POLICY	
			TARGET	RANGE
DOMESTIC EQUITIES	739,240,684	46.4%	41.9%	36.9% - 46.9%
INTERNATIONAL EQUITIES	279,231,693	17.5%	19.0%	16.0% - 22.0%
FIXED INCOME	512,655,071	32.2%	35.6%	31.9% - 39.3%
DIRECT LENDING	26,990,553	1.7%	2.0%	1.0% - 3.0%
REAL ESTATE SECURITIES	22,542,159	1.4%	1.5%	1.0% - 2.0%
SECURITY LENDING	(731,475)	0.0%	0.0%	0.0% - 0.0%
CASH (equity managers only)	11,794,195	0.7%	0.0%	0.0% - 3.0%
TOTAL PORTFOLIO	1,591,722,881	100.0%	100.0%	

	CURRENT	TARGET
DODGE & COX - LARGE CAP VALUE	10.7%	9.8%
BlackRock - R1000 VALUE INDEX	6.5%	6.0%
DELAWARE - LARGE CAP GROWTH	8.2%	7.3%
BlackRock - R1000 GROWTH INDEX	5.4%	5.0%
CAPITAL PROSPECTS	5.5%	4.5%
LEGATO CAPITAL	5.0%	4.0%
BNY - S&P 500 INDEX	5.6%	5.3%
LSV ASSET MGMT - INTL EQ	8.6%	9.5%
PYRAMIS - INTL EQ	9.1%	9.5%
DODGE & COX FIXED INCOME	25.4%	28.1%
PIMCO	6.8%	7.5%
MEDLEY	1.1%	1.0%
RAVEN	0.6%	1.0%
BlackRock - US REAL ESTATE SECURITIES INDEX	1.4%	1.5%
SECURITY LENDING	0.0%	0.0%
TOTALS	100.0%	100.0%

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JULY 31, 2013
PRELIMINARY BASIS

GROWTH OF ASSETS AND CHANGES IN ALLOCATION

ASSET CLASS	CURRENT MONTH	PRIOR MONTH	% CHANGE *	PRIOR YEAR	% CHANGE *
MARKET VALUE					
DOMESTIC EQUITIES	739,240,684 ✓	701,062,422	5.45%	602,786,199	22.64%
INTERNATIONAL EQUITIES	279,231,693 ✓	265,371,351	5.22%	231,149,389	20.80%
FIXED INCOME	512,655,071	511,987,307	0.13%	532,978,525	-3.81%
DIRECT LENDING	26,990,553	29,121,080	-7.32%	0	N/A
REAL ESTATE	22,542,159	22,377,219	0.74%	20,331,038	10.88%
SECURITIES LENDING	(731,475)	(760,078)	3.76%	(2,533,570)	71.13%
CASH (equity managers only)	11,794,195	16,911,996	-30.26%	13,957,936	-15.50%
TOTAL PORTFOLIO	1,591,722,881	1,546,071,297	2.95%	1,398,669,517	13.80%
ASSET ALLOCATION (ACTUAL)					
DOMESTIC EQUITIES	46.44%	45.34%	1.1%	43.10%	3.3%
INTERNATIONAL EQUITIES	17.54%	17.16%	0.4%	16.53%	1.0%
FIXED INCOME	32.21%	33.12%	-0.9%	38.11%	-5.9%
DIRECT LENDING	1.70%	1.88%	-0.2%	0.00%	1.7%
REAL ESTATE SECURITIES	1.42%	1.45%	0.0%	1.45%	0.0%
SECURITY LENDING	-0.05%	-0.05%	0.0%	-0.18%	0.0%
CASH (equity managers only)	0.74%	1.09%	-0.4%	1.00%	-0.3%
TOTAL PORTFOLIO	100.0%	100.0%	0.0%	100.0%	0.0%

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

*Direct lend.
distributions*

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JULY 31, 2013
PRELIMINARY BASIS

MANAGER ALLOCATION

ASSET CLASS	MARKET VALUE	PERCENT	POLICY TARGET	RANGE
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	170,384,182	10.7%	9.8%	7.8% - 11.8%
BLACKROCK - R1000 VALUE INDEX	103,453,210	6.5%	6.0%	5.0% - 7.0%
DELAWARE - LARGE CAP GROWTH	130,972,059	8.2%	7.3%	5.8% - 8.8%
BLACKROCK - R1000 GROWTH INDEX	85,960,922	5.4%	5.0%	4.0% - 6.0%
CAPITAL PROSPECTS - SMALL CAP VALUE	88,174,367	5.5%	4.5%	3.5% - 5.5%
LEGATO CAPITAL - SMALL CAP GROWTH	80,280,030	5.0%	4.0%	3.0% - 5.0%
BNY - S&P 500 INDEX	88,910,936	5.6%	5.3%	4.3% - 6.3%
TOTAL DOMESTIC EQUITIES	748,135,706	47.0%	41.9%	
FIXED INCOME				
DODGE & COX	403,625,864	25.4%	28.1%	25.6% - 30.6%
PIMCO	109,029,208	6.8%	7.5%	6.0% - 9.0%
TOTAL FIXED INCOME	512,655,071	32.2%	35.6%	
DIRECT LENDING				
MEDLEY CAPITAL	17,055,976	1.1%	1.5%	1.0% - 3.0%
RAVEN CAPITAL	9,934,577	0.6%	0.5%	0.0% - 2.0%
TOTAL INTERNATIONAL EQUITIES	26,990,553	1.7%	2.0%	
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT.	137,524,456	8.6%	9.5%	8.0% - 11.0%
PYRAMIS	144,606,411	9.1%	9.5%	8.0% - 11.0%
TOTAL INTERNATIONAL EQUITIES	282,130,867	17.7%	19.0%	
REAL ESTATE SECURITIES				
BlackRock - US RE SECURITIES INDEX	22,542,159	1.4%	1.5%	1.0% - 2.0%
TOTAL SPECIAL SITUATIONS	22,542,159	1.4%	1.5%	0.0% - 3.0%
SECURITIES LENDING	(731,475)	0.0%	0.0%	0.0% - 0.0%
TOTAL STANCERA PORTFOLIO	1,591,722,881	100.0%	100.0%	

STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JULY 31, 2013
PRELIMINARY

TOTAL FUND				
	CASH	BONDS	EQUITIES	TOTAL
DOMESTIC EQUITIES				
DODGE & COX - LARGE CAP VALUE	1,209,741		169,174,441	170,384,182
BLACKROCK - R1000 VALUE INDEX	0		103,453,210	103,453,210
DELAWARE - LARGE CAP GROWTH	1,681,019		129,291,040	130,972,059
BLACKROCK - R1000 GROWTH INDEX	0		85,960,922	85,960,922
CAPITAL PROSPECTS - SMALL CAP VALUE	3,390,760		84,783,607	88,174,367
LEGATO CAPITAL - SMALL CAP GROWTH	2,613,275		77,666,755	80,280,030
BNY - S&P 500 INDEX	226		88,910,710	88,910,936
TOTAL DOMESTIC EQUITIES	8,895,021		739,240,684	748,135,706
FIXED INCOME				
DODGE & COX	8,555,017	395,070,847		403,625,864
PIMCO	8,807,462	100,221,746		109,029,208
TOTAL FIXED INCOME	17,362,479	495,292,593		512,655,071
DIRECT LENDING				
MEDLEY	0	17,055,976		17,055,976
RAVEN	0	9,934,577		9,934,577
TOTAL DIRECT LENDING	0	26,990,553		26,990,553
INTERNATIONAL INVESTMENTS				
LSV ASSET MGMT	1,266,645		136,257,811	137,524,456
PYRAMIS	1,632,529		142,973,882	144,606,411
TOTAL INTERNATIONAL EQUITIES	2,899,174		279,231,693	282,130,867
REAL ESTATE SECURITIES				
BLACKROCK - US REAL ESTATE SECURITIES INDEX	0		22,542,159	22,542,159
TOTAL SPECIAL SITUATIONS	0		22,542,159	22,542,159
SECURITIES LENDING				
	(731,475)			(731,475)
TOTAL STANCERA PORTFOLIO	28,425,199	522,283,146	1,041,014,537	1,591,722,881
	1.8%	32.8%	65.4%	100.0%

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STANCERA
MONTHLY PERFORMANCE REVIEW
PERIOD ENDING JULY 31, 2013
PRELIMINARY BASIS

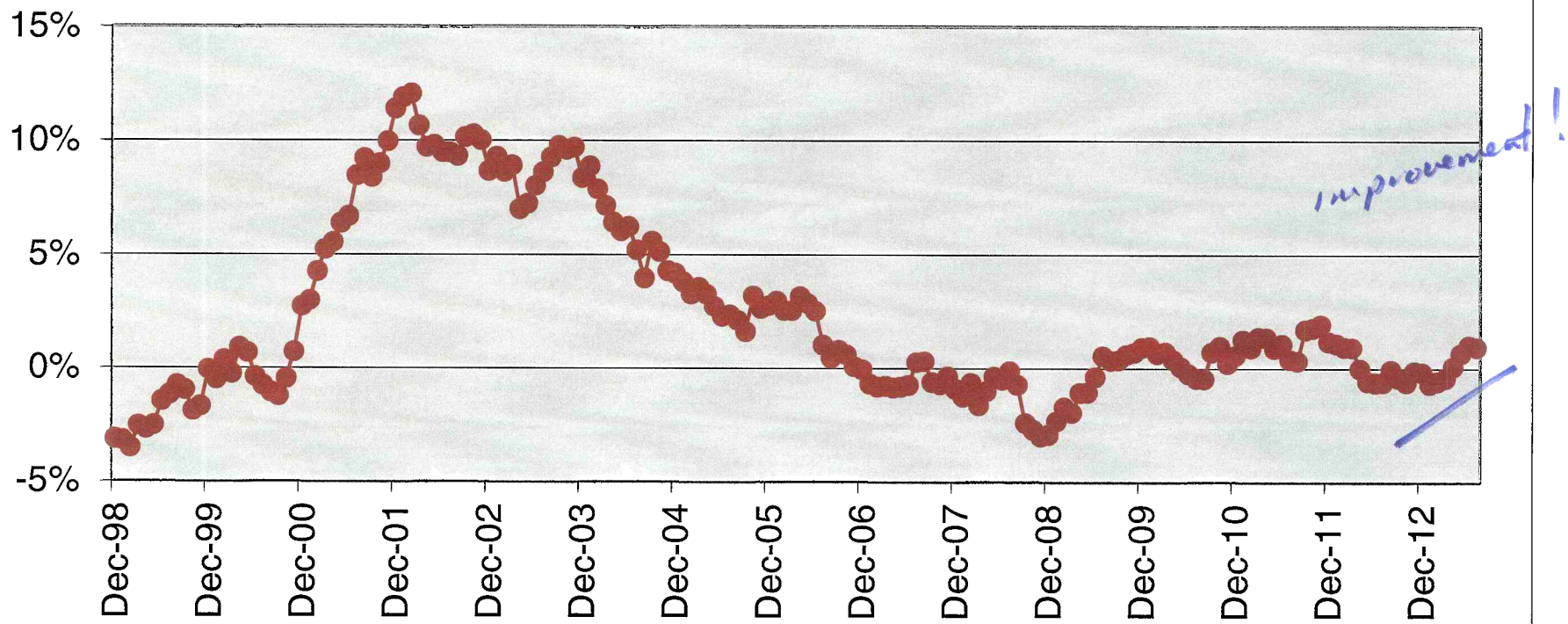
CURRENT PERFORMANCE

	MARKET VALUE	JULY	ALPHA	JUNE	ALPHA	FISCAL YTD	ALPHA
DOMESTIC EQUITIES							
DODGE & COX - LARGE CAP VALUE	169,174,441	5.61%	0.21%	-0.01%	0.87%	5.61%	0.21%
RUSSELL 1000 VALUE		5.40%		-0.88%		5.40%	
BLACKROCK - R1000 VALUE INDEX	103,453,210	5.40%	0.00%	-0.89%	-0.01%	5.40%	0.00%
RUSSELL 1000 VALUE		5.40%		-0.88%		5.40%	
DELAWARE - LARGE CAP GROWTH	129,291,040	5.19%	-0.11%	-0.96%	0.92%	5.19%	-0.11%
RUSSELL 1000 GROWTH		5.30%		-1.88%		5.30%	
BLACKROCK - R1000 GROWTH INDEX	85,960,922	5.30%	0.00%	-1.88%	0.00%	5.30%	0.00%
RUSSELL 1000 GROWTH		5.30%		-1.88%		5.30%	
CAPITAL PROSPECTS	84,783,607	7.03%	0.60%	-1.09%	-0.68%	7.03%	0.60%
RUSSELL 2000 VALUE		6.43%		-0.41%		6.43%	
LEGATO CAPITAL	77,666,755	6.87%	-0.69%	1.11%	1.73%	6.87%	-0.69%
RUSSELL 2000 GROWTH		7.56%		-0.62%		7.56%	
BNY - S&P 500 INDEX	88,910,710	5.09%	0.00%	-1.34%	0.00%	20.62%	0.02%
S&P 500		5.09%		-1.34%		20.60%	
TOTAL DOMESTIC EQUITY	739,240,684	5.71%	0.23%	-0.68%	0.62%	5.71%	0.23%
Russell 3000 Index		5.48%		-1.30%		5.48%	
FIXED INCOME							
DODGE & COX	403,625,864	0.53%	0.39%	-1.71%	-0.16%	0.53%	0.39%
BARCLAYS US AGGREGATE BOND		0.14%		-1.55%		0.14%	
PIMCO	109,029,208	0.03%	-0.11%	-1.89%	-0.34%	0.03%	-0.11%
BARCLAYS US AGGREGATE BOND		0.14%		-1.55%		0.14%	
TOTAL FIXED INCOME	512,655,071	0.42%	0.28%	0.95%	2.50%	0.42%	0.28%
BARCLAYS US AGGREGATE BOND		0.14%		-1.55%		0.14%	
DIRECT LENDING							
MEDLEY CAPITAL	17,055,976	4.55%		5.54%		4.55%	3.80%
CUSTOM 9% ANNUAL		0.75%		0.75%		0.75%	
RAVEN CAPITAL	9,934,577	0.98%		-0.59%		0.98%	0.23%
CUSTOM 9% ANNUAL		0.75%		0.75%		0.75%	
TOTAL DIRECT LENDING	26,990,553	3.23%		3.28%		3.23%	2.48%
CUSTOM 9% ANNUAL		0.75%		0.75%		0.75%	
INTERNATIONAL EQUITY							
LSV ASSET MGMT	136,257,811	5.10%	0.70%	-4.58%	-0.28%	5.10%	0.70%
MSCI ACWI ex-US		4.40%		-4.30%		4.40%	
PYRAMIS	142,973,882	4.34%	-0.06%	-3.36%	0.94%	4.34%	-0.06%
MSCI ACWI ex-US		4.40%		-4.30%		4.40%	
TOTAL INTERNATIONAL EQUITY	279,231,693	4.71%	0.31%	-3.95%	0.35%	4.71%	0.31%
MSCI ACWI ex-US		4.40%		-4.30%		4.40%	
REAL ESTATE SECURITIES							
BlackRock US RE Index	22,542,159	0.74%	-0.01%	-1.74%	0.03%	0.74%	-0.01%
DOW JONES US SELECT RE INDEX		0.75%		-1.77%		0.75%	
SECURITIES LENDING							
BNY MELLON	(731,475)						
CASH and SHORT-TERM INVESTMENTS							
CASH	11,794,195	0.02%	0.00%	0.01%	0.00%	0.02%	0.00%
90-day US Treasury Bill		0.02%		0.01%		0.02%	
Total Stancera Fund	1,591,722,881	3.32%	0.03%	-1.61%	0.27%	3.32%	0.03%
Policy Index		3.29%		-1.88%		3.29%	
Actuary Rate of Assumption (8.00%)		0.67%	2.65%	0.67%	-2.28%	0.67%	2.65%
Actuary Rate of Inflation (3.50%)		0.29%	3.03%	0.29%	-1.90%	0.29%	3.03%

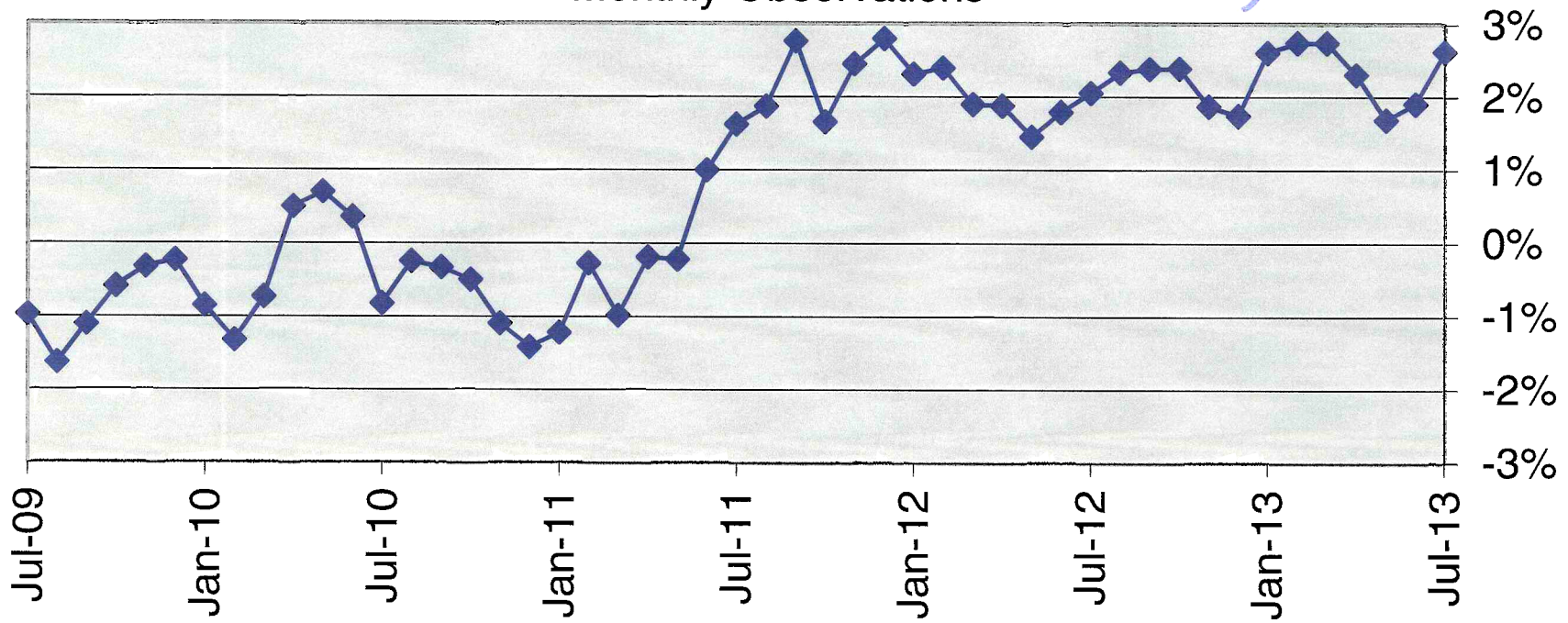
Great start
to FY 2014!

5

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

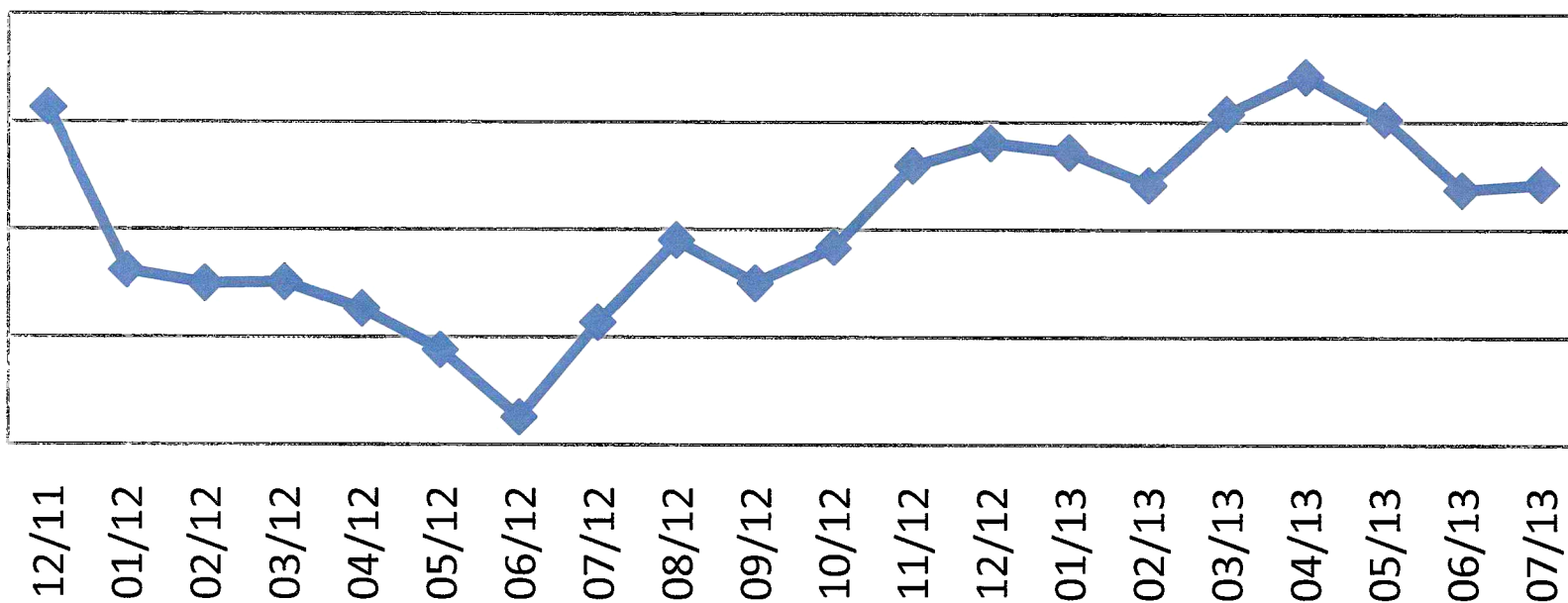


Delaware
Rolling 3-Years Annualized Alpha
Monthly Observations



Capital Prospects
Rolling 3-Year
Alphas
Monthly Observations

4.00%
3.00%
2.00%
1.00%
0.00%

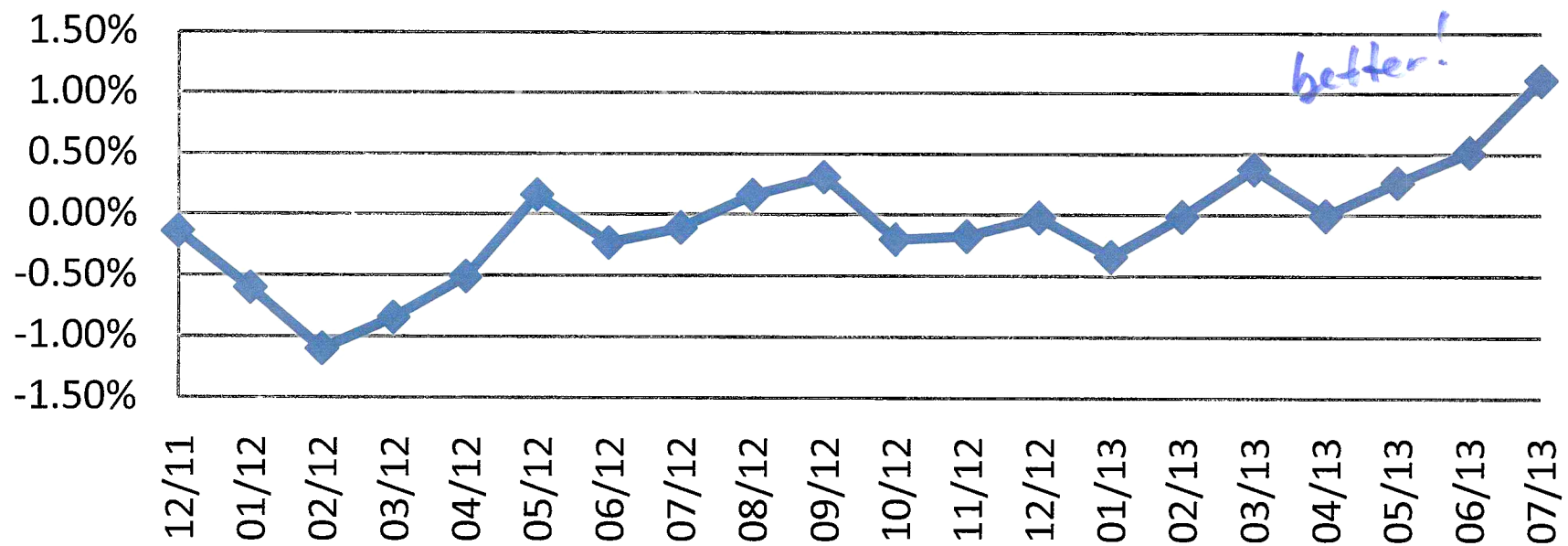


Strong excess returns

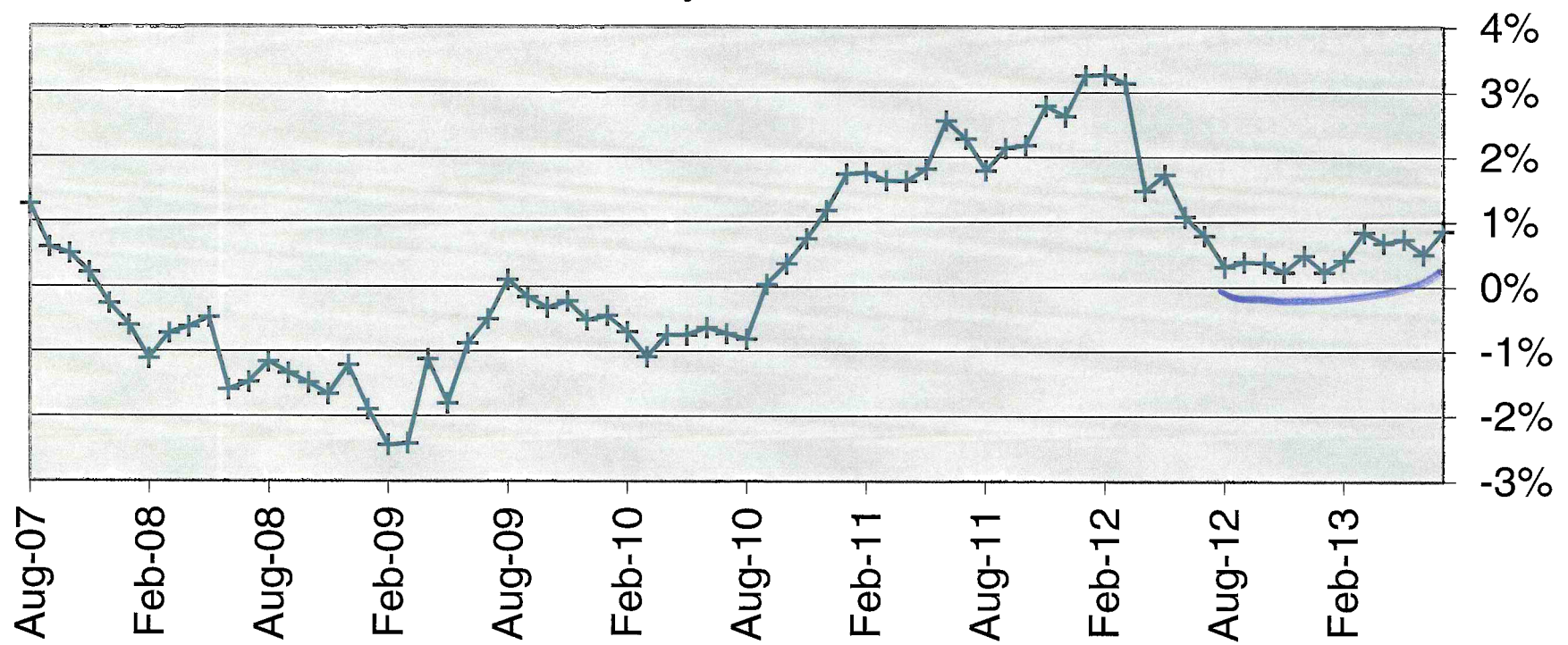
3%
2%

8

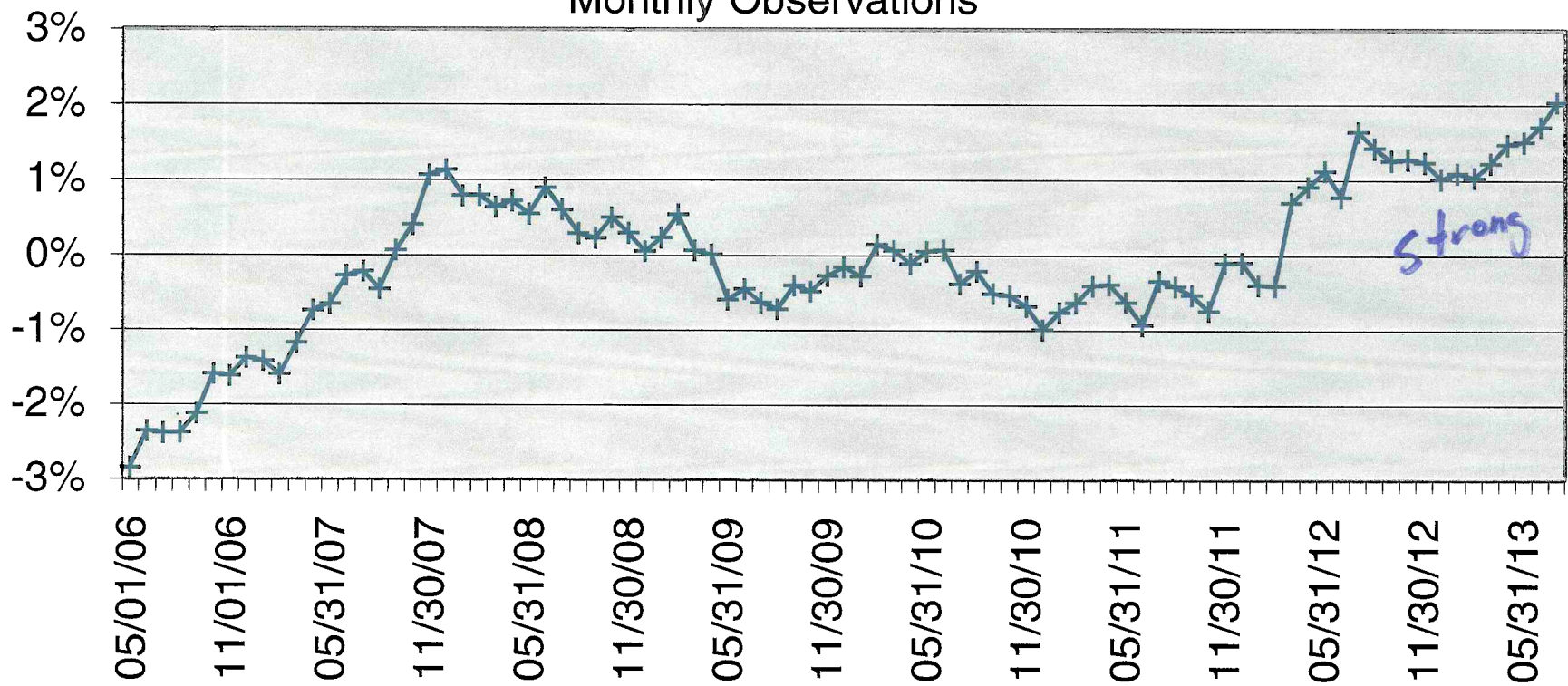
Legato Rolling
3-Year Alphas
Annualized
Monthly Observations



LSV
Rolling 3-Years Annualized Alpha
Monthly Observations



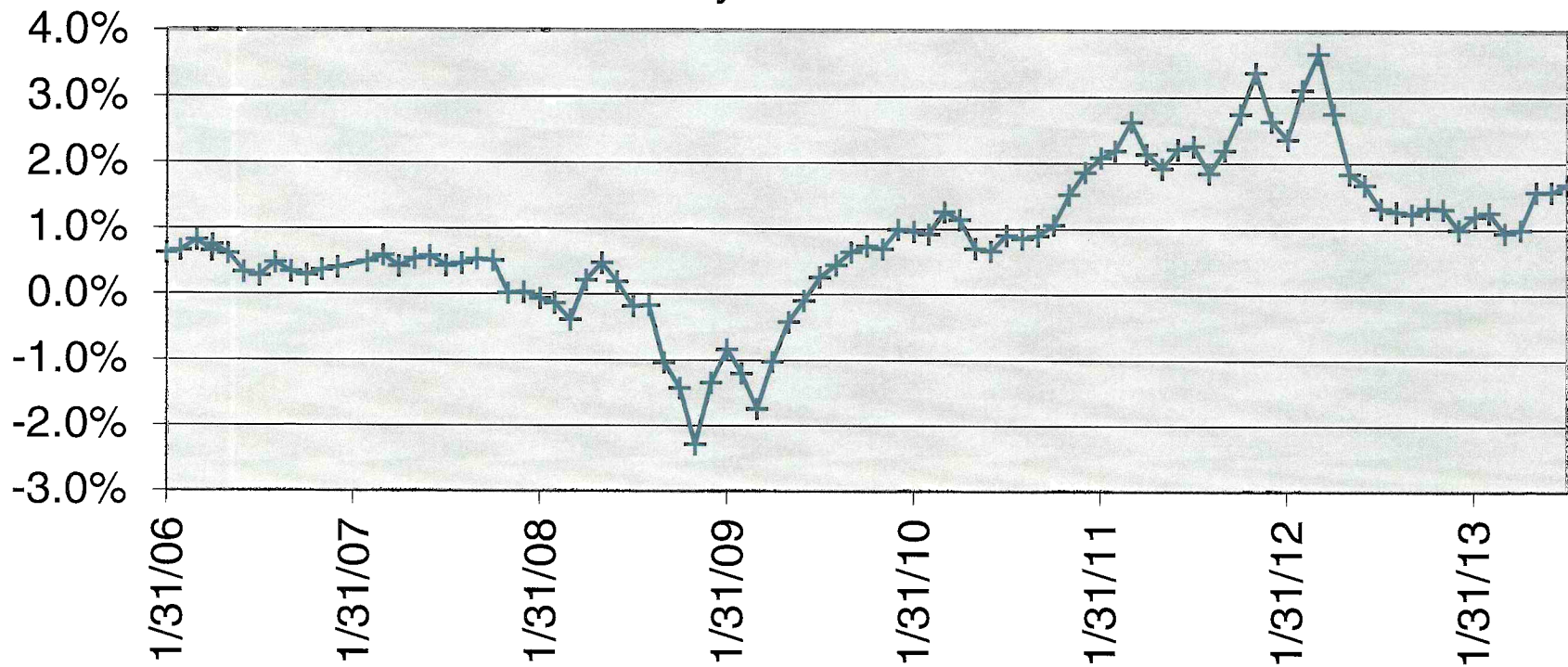
Pyramis (May 2006)
Rolling 3-Years Annualized Alpha
Monthly Observations



2%

Strong

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



2%

12

STANCERA
Price Monitor Position Report

BlackRock
Passive Large Cap Growth Manager
Positions as of July 31, 2013

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	7/31/2013 \$ PX	8/15/2013 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	7,769	\$3,515,802	4.09%	0.22%	452.53	497.91	10.03%	11.20%
Microsoft Corp.	MSFT	84,233	\$2,681,981	3.12%	0.17%	31.84	32.35	1.60%	2.78%
Google Inc.	GOOG	2,624	\$2,329,541	2.71%	0.15%	887.75	869.81	-2.02%	-0.84%
INTL Business Machines	IBM	9,917	\$1,934,121	2.25%	0.12%	195.04	187.53	-3.85%	-2.67%
Coca-Cola Co.	KO	37,533	\$1,504,316	1.75%	0.09%	40.08	39.09	-2.47%	-1.29%
Philip Morris Intl.	PM	16,001	\$1,426,951	1.66%	0.09%	89.18	87.14	-2.29%	-1.11%
Verizon Communications	VZ	27,970	\$1,383,971	1.61%	0.09%	49.48	48.54	-1.90%	-0.72%
Pepsico Inc.	PEP	15,229	\$1,272,222	1.48%	0.08%	83.54	80.91	-3.15%	-1.97%
Oracle Corp	ORCL	36,670	\$1,186,261	1.38%	0.07%	32.35	32.73	1.17%	2.35%
Home Depot	HD	14,575	\$1,151,876	1.34%	0.07%	79.03	75.14	-4.92%	-3.75%
TOP TEN HOLDINGS			\$18,387,041	21.39%	1.16%	Russell 1000 Growth:		-1.18%	

Total Portfolio Value
Total StanCERA Value

\$85,960,922
\$1,591,722,881

STANCERA
Price Monitor Position Report

BlackRock
Passive Large Cap Value Manager
Positions as of July 31, 2013

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	7/31/2013 \$ PX	8/15/2013 \$ PX	Position % Change	Relative % Change
EXXON MOBIL CORP	XOM	50,320	\$4,717,466	4.56%	0.30%	93.75	88.95	-5.12%	-3.53%
GENERAL ELECTRIC CO	GE	121,410	\$2,958,762	2.86%	0.08%	24.37	24.00	-1.52%	0.08%
CHEVRON CORP	CVX	22,352	\$2,813,927	2.72%	0.08%	125.89	120.25	-4.48%	-2.89%
PROCTER & GAMBLE CO	PG	32,981	\$2,648,402	2.56%	0.17%	80.30	80.48	0.22%	1.82%
JOHNSON & JOHNSON	JNJ	28,215	\$2,638,057	2.55%	0.17%	93.50	89.55	-4.22%	-2.63%
BERKSHIRE HATHAWAY INC	BRK/B	21,517	\$2,493,222	2.41%	0.16%	115.87	114.80	-0.92%	0.67%
WELLS FARGO & CO	WFC	56,840	\$2,472,532	2.39%	0.06%	43.50	43.10	-0.92%	0.67%
JPMORGAN CHASE & CO	JPM	43,809	\$2,441,496	2.36%	0.06%	55.73	53.29	-4.38%	-2.78%
PFIZER INC	PFE	78,926	\$2,307,007	2.23%	0.06%	29.23	28.80	-1.47%	0.12%
AT&T INC	T	63,063	\$2,224,244	2.15%	0.14%	35.27	34.35	-2.61%	-1.01%
TOP TEN HOLDINGS			\$27,715,115	26.79%	1.28%	Russell 1000 Value		-1.59%	

Total Portfolio Value
Total StanCERA Value

\$103,453,210
\$1,591,722,881

STANCERA
Price Monitor Position Report

Capital Prospects
Active US Small Cap Value Manager
Positions as of July 31, 2013

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000V	7/31/2013 \$ PX	8/15/2013 \$ PX	Position % Change	Relative % Change
Hillenbrand, Inc	HI	49,796	\$1,234,441	1.40%	0.08%	0.09%	24.79	24.62	-0.69%	-0.30%
Belden Inc	BDC	20,912	\$1,225,624	1.39%	0.08%	0.00%	58.61	57.48	-1.93%	-1.54%
Littelfuse, Inc	LFUS	12,897	\$1,031,640	1.17%	0.06%	0.16%	79.99	78.62	-1.71%	-1.33%
Regal Beloit Corp	RBC	14,450	\$934,648	1.06%	0.06%	0.12%	64.68	65.78	1.70%	2.09%
Polyone Corporation	POL	32,025	\$925,831	1.05%	0.06%	0.13%	28.91	28.10	-2.80%	-2.42%
Hexcel Corp New	HXL	25,293	\$890,561	1.01%	0.06%	0.19%	35.21	35.64	1.22%	1.61%
MB Financial, Inc	MBFI	30,637	\$881,744	1.00%	0.06%	0.00%	28.78	28.28	-1.74%	-1.35%
Meredith Corporation	MDP	18,370	\$872,926	0.99%	0.05%	0.00%	47.52	44.56	-6.23%	-5.84%
Waddell & Reed	WDR	17,096	\$872,926	0.99%	0.05%	0.00%	51.06	49.69	-2.68%	-2.30%
A. O. Smith Corp	AOS	20,486	\$846,474	0.96%	0.05%	0.00%	41.32	42.05	1.77%	2.15%
TOP TEN HOLDINGS			\$9,716,815	11.02%	0.61%	0.69%	Russell 2000 Value:		-0.38%	

Total Portfolio Value
Total StanCERA Value

\$88,174,367
\$1,591,722,881

STANCERA
Price Monitor Position Report

Delaware Investments Advisers
Active Large Cap Growth Portfolio
Positions as of July 31, 2013

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	7/31/2013 \$ PX	8/15/2013 \$ PX	Position % Change	Relative % Change
Visa Inc.	V	42,625	\$7,545,051	5.76%	0.47%	1.07%	177.01	178.35	0.76%	1.93%
EOG Resources Inc.	EOG	51,150	\$7,441,814	5.68%	0.47%	0.43%	145.49	156.59	7.63%	8.81%
MasterCard Inc. CI A	MA	11,225	\$6,854,097	5.23%	0.43%	0.83%	610.61	618.74	1.33%	2.51%
Celgene Corp.	CELG	44,925	\$6,597,686	5.04%	0.41%	0.71%	146.86	133.51	-9.09%	-7.91%
Crown Castle International Corp.	CCI	87,700	\$6,160,925	4.70%	0.39%	0.24%	70.25	68.25	-2.85%	-1.67%
QUALCOMM Inc.	QCOM	93,350	\$6,026,863	4.60%	0.38%	1.29%	64.56	66.95	3.70%	4.88%
Kinder Morgan Inc.	KMI	157,140	\$5,933,606	4.53%	0.37%	0.27%	37.76	37.61	-0.40%	0.78%
Walgreen Co.	WAG	117,200	\$5,889,300	4.50%	0.37%	0.42%	50.25	49.36	-1.77%	-0.59%
Liberty Interactive Corp. Interactive Series A	LINTA	238,700	\$5,838,602	4.46%	0.37%	0.01%	24.46	22.40	-8.42%	-7.24%
Adobe Systems Inc.	ADBE	122,875	\$5,809,530	4.44%	0.36%	0.11%	47.28	45.87	-2.98%	-1.81%
TOP TEN HOLDINGS			\$64,097,474	48.94%	4.03%	5.38%	Russell 1000 Growth:		-1.18%	

Total Portfolio Value
Total StanCERA Value

\$130,972,059
\$1,591,722,881

STANCERA
Price Monitor Position Report

Dodge & Cox Equity
Active US Large Cap Value Manager
Positions as of July 31, 2013

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R1000G	7/31/2013 \$ PX	8/15/2013 \$ PX	Position % Change	Relative % Change
WELLS FARGO & CO	WFC	160,072	\$6,963,132	4.09%	0.45%	2.40%	43.50	43.10	-0.92%	0.26%
CAPITAL ONE FINANCIAL CORP	COF	92,500	\$6,384,350	3.75%	0.41%	0.50%	69.02	67.01	-2.91%	-1.74%
COMCAST CORP-CLASS A	CMCSA	135,063	\$6,088,640	3.57%	0.39%	0.10%	45.08	43.01	-4.59%	-3.41%
MERCK & CO. INC.	MRK	120,000	\$5,780,400	3.39%	0.37%	1.70%	48.17	47.97	-0.42%	0.76%
HEWLETT-PACKARD CO	HPQ	225,005	\$5,778,128	3.39%	0.37%	0.60%	25.68	25.95	1.05%	2.23%
MICROSOFT CORP	MSFT	170,000	\$5,411,100	3.18%	0.35%	0.00%	31.84	32.35	1.60%	2.78%
GENERAL ELECTRIC CO	GE	210,000	\$5,117,700	3.00%	0.33%	2.90%	24.37	24.00	-1.52%	-0.34%
SANOFI-ADR	SNY	98,255	\$5,058,167	2.97%	0.33%	0.00%	51.48	51.53	0.10%	1.27%
TIME WARNER INC	TWX	80,232	\$4,995,244	2.93%	0.32%	0.70%	62.26	61.21	-1.69%	-0.51%
GLAXOSMITHKLINE PLC-SPON ADR	GSK	95,000	\$4,841,200	2.84%	0.31%	0.00%	50.96	51.92	1.88%	3.06%
TOP TEN HOLDINGS			\$56,418,061	33.11%	3.66%	8.90%	Russell 1000 Growth:		-1.18%	

Total Portfolio Value
Total StanCERA Value

\$170,384,182
\$1,591,722,881

STANCERA
Price Monitor Position Report

Legato Capital Management
Active US Small Cap Growth Manager
Positions as of July 31, 2013

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight R2000G	7/31/2013 \$ PX	8/15/2013 \$ PX	Position % Change	Relative % Change
CoStar Group, Inc.	CSGP	7,574	\$1,185,709.70	1.48%	0.07%	0.59%	156.55	153.67	-1.84%	-0.71%
The Ultimate Software Group, Inc.	ULTI	8,125	\$1,099,312.50	1.37%	0.07%	0.49%	135.30	141.71	4.74%	5.87%
Encore Capital Group, Inc.	ECPG	25,032	\$972,743.52	1.21%	0.06%	0.09%	38.86	44.09	13.46%	14.59%
Portfolio Recovery Associates, Inc.	PRAA	18,210	\$906,311.67	1.13%	0.06%	0.33%	49.77	56.04	12.60%	13.73%
athenahealth, Inc.	ATHN	7,660	\$857,537.00	1.07%	0.05%	0.54%	111.95	108.95	-2.68%	-1.55%
Beacon Roofing Supply, Inc.	BECN	19,670	\$802,339.30	1.00%	0.05%	0.26%	40.79	36.85	-9.66%	-8.53%
United Natural Foods, Inc.	UNFI	12,977	\$760,581.97	0.95%	0.05%	0.38%	58.61	60.95	3.99%	5.13%
Triumph Group, Inc.	TGI	9,384	\$736,268.64	0.92%	0.05%	0.00%	78.46	75.38	-3.93%	-2.79%
Cepheid	CPHD	20,778	\$724,528.86	0.90%	0.05%	0.31%	34.87	34.91	0.11%	1.25%
Neogen Corporation	NEOG	12,699	\$717,239.52	0.89%	0.05%	0.18%	56.48	56.30	-0.32%	0.81%
TOP TEN HOLDINGS			\$ 8,762,572.68	10.92%	0.55%	3.17%	Russell 2000 Growth:		-1.13%	

Total Portfolio Value
Total StanCERA Value

\$80,280,030
\$1,591,722,881

STANCERA
Price Monitor Position Report

BNY - S&P 500 Index
Passive S&P 500 Index Fund
Positions as of July 31, 2013

Company	Symbol	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	7/31/2013 \$ PX	8/15/2013 \$ PX	Position % Change	Relative % Change
Apple Inc.	AAPL	5,992	\$2,711,784	3.05%	0.17%	452.53	497.91	10.03%	11.41%
Exxon Mobil Corp	XOM	25,037	\$2,347,249	2.64%	0.15%	93.75	88.95	-5.12%	-3.74%
Johnson & Johnson	JNJ	16,451	\$1,538,159	1.73%	0.10%	93.50	89.55	-4.22%	-2.84%
General Electric Co	GE	60,563	\$1,475,922	1.66%	0.09%	24.37	24.00	-1.52%	-0.14%
Microsoft	MSFT	44,958	\$1,431,466	1.61%	0.09%	31.84	32.35	1.60%	2.98%
Chevron Corp	CVX	11,159	\$1,404,793	1.58%	0.09%	125.89	120.25	-4.48%	-3.10%
Google Inc.	GOOG	1,572	\$1,395,902	1.57%	0.09%	887.75	869.81	-2.02%	-0.64%
Procter & Gamble	PG	16,387	\$1,315,882	1.48%	0.08%	80.30	80.48	0.22%	1.61%
Berkshire Hathaway Inc	BRK/B	10,896	\$1,262,535	1.42%	0.08%	115.87	114.80	-0.92%	0.46%
Wells Fargo & Co.	WFC	29,024	\$1,262,535	1.42%	0.08%	43.50	43.10	-0.92%	0.46%
TOP TEN HOLDINGS			\$16,146,226	18.16%	1.01%	S&P 500 Index:		-1.38%	

Total Portfolio Value
Total StanCERA Value

\$88,910,936
\$1,591,722,881

STANCERA
Price Monitor Position Report

LSV Asset Management
International Large Cap Value
Positions as of July 31, 2013

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	7/31/2013 \$ PX*	8/15/2013 \$ PX*	Position % Change	Relative % Change
ROYAL DUTCH SHELL	RDS/A	London	47,887	\$3,273,082	2.38%	0.21%	1.34%	68.35	63.62	-6.92%	-8.87%
ASTRAZENECA PLC	AZN	London	47,179	\$2,392,926	1.74%	0.15%	0.39%	50.72	49.71	-1.99%	-3.94%
BT GROUP PLC	BT	Paris	42,544	\$2,200,391	1.60%	0.14%	0.25%	51.72	50.77	-1.84%	-3.79%
ALLIANZ SE	ALV.DE	Germany	18,423	\$2,159,134	1.57%	0.14%	0.43%	117.20	116.25	-0.81%	-2.76%
SANOFI S.A.	SNY	London	41,140	\$2,117,877	1.54%	0.13%	0.78%	51.48	51.53	0.10%	-1.85%
MAGNA INTERNATIONAL INC	MGA	Canada	26,980	\$2,062,867	1.50%	0.13%	0.11%	76.46	79.80	4.37%	2.42%
LEGAL & GENERAL GROUP PLC	LGEN	Japan	10,124	\$1,952,847	1.42%	0.12%	0.11%	192.90	198.10	2.70%	0.75%
KDDI CORPORATION	KDDIY	London	136,429	\$1,884,085	1.37%	0.12%	0.18%	13.81	12.91	-6.52%	-8.47%
OLD MUTUAL PLC	OML.L	London	8,923	\$1,732,808	1.26%	0.11%	0.09%	194.20	202.30	4.17%	2.22%
SWISS RE LTD	SSREY	France	21,480	\$1,719,056	1.25%	0.11%	0.17%	80.03	78.08	-2.44%	-4.39%
TOP TEN HOLDINGS				\$21,495,072	15.63%	1.35%	3.85%	MSCI ACWI ex-U.S.		1.95%	

Total Portfolio Value
Total StanCERA Value

\$137,524,456

\$1,591,722,881

*Company quotes are provided directly in USD

STANCERA
Price Monitor Position Report

Pyramis Global Advisors
Active Non-US Growth Manager
Positions as of July 31, 2013

Company	Symbol	Market	# Shares	\$ Value Position	Weight Manager	Weight StanCERA	Weight ACWI xUS	7/31/2013 PX*	8/15/2013 PX*	Position % Change	Relative % Change
NESTLE SA (REG)	7123870	Switzerland	31498	\$2,126,147	1.47%	0.13%	1.34%	67.48	67.56	0.12%	-1.83%
SANOFI	5671735	Paris	19577	\$2,084,660	1.44%	0.13%	0.39%	106.45	103.00	-3.24%	-5.19%
HSBC HOLDINGS PLC (UK REG)	540528	London	183674	\$2,082,932	1.44%	0.13%	0.25%	11.34	10.95	-3.44%	-5.39%
ROYAL DUTCH SHELL PLC CL A(NL)	B09CBL4	Amsterdam	56896	\$1,934,258	1.34%	0.12%	0.43%	33.99	33.25	-2.18%	-4.13%
TOYOTA MOTOR CORP	6900643	Hong Kong	29900	\$1,815,422	1.26%	0.11%	0.78%	60.70	63.97	5.39%	3.44%
BAYER AG	5069211	Germany	13992	\$1,623,380	1.12%	0.10%	0.11%	115.99	115.64	-0.30%	-2.25%
UBS AG (REGD)	B18YFJ4	London	78819	\$1,546,892	1.07%	0.10%	0.11%	19.62	20.72	5.61%	3.66%
VODAFONE GROUP PLC	B16GWD5	London	492638	\$1,475,493	1.02%	0.09%	0.18%	29.95	29.90	-0.17%	-2.12%
GLAXOSMITHKLINE PLC	925288	London	53652	\$1,370,156	0.95%	0.09%	0.09%	25.53	25.09	-1.71%	-3.66%
ALLIANZ SE (REGD)	5231485	London	8787	\$1,367,873	0.95%	0.09%	0.17%	155.62	154.16	-0.94%	-2.89%
TOP TEN HOLDINGS				\$17,427,214	12.05%	1.09%	3.85%	MSCI ACWI ex-US:		1.95%	

Total Portfolio Value
Total StanCERA Value

\$144,606,411

\$1,591,722,881

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



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8/27/13
Item# 9.a

**For the Retirement Board meeting
Held on August 27, 2013**

TO: Retirement Board

FROM: Rick Santos, Executive Director

- I. SUBJECT: 2013 Quarter 2 Value Added Report
- II. RECOMMENDATION: None; Information item only
- III. ANALYSIS: Recently, the Board has shown interest in knowing the specific fees StanCERA pays our investment managers, how this relates to total returns and whether the manager of interest is adding value to the investment process. The exhibits below are presented to the Board on a quarterly basis and the dialogue in red focuses specifically on notable information in this quarter's report.

Quarterly Value Added Report

- *Value Added Summary* – This summary gives aggregate information for our current active managers since June 30, 2008 and for the most recent 12 month period. It also gives the same information by asset class and style. The analysis contains the following items:
 - Changes in portfolio value by cause
 - Total fees paid broken out by managerial and custodial
 - Total value added
 - Total value added as a % of portfolio value. This can be considered a relative measure of value added. The higher the statistic, the more efficient the manager (i.e. the more value he/she is adding for each dollar he/she is managing)
 - Average monthly value added
 - Probability of achieving positive value added in any given month. This can be considered a measure of consistency. The higher the probability, the more likely the manager is to add value in a given month

The quarter 2 value added summary shows that since June 30, 2008, all of StanCERA's current active managers have added value to the portfolio, with the most recently completed fiscal year being extraordinarily exceptional. Active managers over the last fiscal year added over \$28,000,000 to the portfolio over the benchmark. While all managers have added value in the long run, it is important to realize that performance like this is transitory and should not necessarily be expected in the future.

- *Total Fee Summary* - This summary shows fees in dollars and expressed in annualized basis points since June 30, 2008 and for the most recently completed 12 month period. The expression in annualized basis points allows one to weigh the

reduction in the manager's total return due to the fees StanCERA pays to achieve those returns. The exhibit includes all fees paid to all active managers (including terminated) over the specified period.

Notice that fees as a percentage of the average portfolio value have actually decreased when one compares the most recent 12 month period to that of the entire period from June 30, 2008 to June 30, 2013. This is because custodial fees, until recently, have not increased for quite some time.

- *Individual Manager Quarterly Value Added Summary* - This summary gives the value added by quarter since June 30, 2008. It shows the quarterly components of value added; namely alpha, managerial and custodial fees. The exhibit also plots a graph of the value added each quarter and also a cumulative graph. If the cumulative graph tends to be rising in the most current quarters, the manager's recent performance can be considered to be improving and vice versa.

IV. RISK: None

V. Strategy C: Investment Information. Review investment decisions regularly and ensure that the Board has a full range of information to make informed decisions regarding investment policy.

VI. BUDGET IMPACT: None



Rick Santos, Executive Director



Kathy Herman, Operations Manager

Total Fee Summary

6/30/2008 Through 6/30/2013

Manager	Average Dollars Managed	Managerial Fees		Custodial Fees		Total Fees	
		Total	Annualized Basis Points	Total	Annualized Basis Points	Total	Annualized Basis Points
DODGE & COX - LARGE CAP VALUE	157,103,117	1,575,857	20.1	61,778	0.8	1,637,635	20.8
MAZAMA - SMALL CAP GROWTH	40,030,714	142,341	7.1	1,500	0.1	143,841	71.9
* Terminated 12/2008							
DELAWARE - LARGE CAP GROWTH	102,474,560	2,578,463	50.3	42,298	0.8	2,620,762	51.1
LOOMIS SAYLES - LARGE CAP GROWTH	60,225,299	475,494	15.8	6,888	0.2	482,382	40.0
* Terminated 6/2010							
Capital Prospects - By Manager							
Bernzott	8,605,043	303,009		13,980		316,988	
Channing	14,259,785	502,129		23,166		525,295	
InView	13,399,281	471,828		21,768		493,596	
Keeley	7,928,932	279,201		12,881		292,082	
Ten	8,359,184	294,351		13,580		307,932	
Walthausen	8,912,366	313,831		14,479		328,309	
CAPITAL PROSPECTS	61,464,592	2,164,348	70.4	99,854	3.2	2,264,203	81.9
Legato - By Manager							
CastleArk	8,771,796	369,049		55,657		424,706	
Lee Munder/Crosswinds	11,429,916	480,881		72,523		553,404	
Eudaimonia	7,442,736	313,132		47,224		360,356	
Riverbridge	12,758,976	536,798		80,956		617,753	
Stephens	12,758,976	536,798		80,956		617,753	
LEGATO CAPITAL	53,162,401	2,236,658	84.1	337,315	12.7	2,573,973	107.6
LSV ASSET MGMT	118,877,963	3,572,185	60.1	528,072	8.9	4,100,257	69.0
PYRAMIS	121,578,278	3,084,618	50.7	1,862,751	30.6	4,947,369	81.4
DODGE & COX FI	398,057,164	2,133,637	10.7	75,371	0.4	2,209,008	11.1
PIMCO	95,297,784	1,049,150	22.0	63,163	1.3	1,112,314	37.9
* Inception Date 5/2010							
INVESCO	16,336,383	332,519	40.7	89	0.0	332,608	47.9
* Terminated 9/2012							
RAFI**	-	-	0.0	-	0.0	-	0.0
* Terminated 6/2012							
STRATEGIC INVESTMENT SOLUTIONS	1,286,726,797	754,199	1.2	N/A	N/A	754,199	1.2
TOTAL	1,286,726,797	20,099,470	31.2	3,079,079	4.8	23,178,549	36.0

** RAFI fees are taken from the actual portfolio

Total Fee Summary

6/30/2012 Through 6/30/2013

Manager	Average Dollars Managed	Managerial Fees		Custodial Fees		Total Fees	
		Total	Annualized Basis Points	Total	Annualized Basis Points	Total	Annualized Basis Points
DODGE & COX - LARGE CAP VALUE	147,850,259	304,298	20.6	13,948	0.9	318,246	21.5
MAZAMA - SMALL CAP GROWTH	-	-	0.0	-	0.0	-	0.0
* Terminated 12/2008							
DELAWARE - LARGE CAP GROWTH	122,288,445	609,721	49.9	13,268	1.1	622,989	50.9
LOOMIS SAYLES - LARGE CAP GROWTH	-	-	0.0	-	0.0	-	0.0
* Terminated 6/2010							
Capital Prospects - By Manager							
Bernzott	9,994,546	77,746		3,532		81,278	
Channing	16,562,390	128,837		5,853		134,689	
InView	15,562,935	121,062		5,499		126,562	
Keeley	9,209,260	71,638		3,254		74,892	
Ten	9,708,987	75,525		3,431		78,956	
Walthausen	10,351,494	80,523		3,658		84,181	
CAPITAL PROSPECTS	71,389,611	555,331	77.8	25,226	3.5	580,558	81.3
Legato - By Manager							
CastleArk	10,533,575	97,727		13,965		111,692	
Lee Munder/Crosswinds	13,725,567	127,341		18,197		145,537	
Eudaimonia	8,937,578	82,920		11,849		94,769	
Riverbridge	15,321,563	142,148		20,313		162,460	
Stephens	15,321,563	142,148		20,313		162,460	
LEGATO CAPITAL	63,839,846	592,282	92.8	84,636	13.3	676,918	106.0
LSV ASSET MGMT	126,101,142	751,722	59.6	132,455	10.5	884,177	70.1
PYRAMIS	132,393,819	651,537	49.2	389,930	29.5	1,041,467	78.7
DODGE & COX FI	421,763,217	452,907	10.7	26,010	0.6	478,918	11.4
PIMCO	111,395,515	371,659	33.4	25,899	2.3	397,559	35.7
* Inception Date 5/2010							
INVESCO	20,514,446	34,111	16.6	6	0.0	34,117	66.5
* Terminated 9/2012							
RAFI**	-	-	0.0	-	0.0	-	0.0
* Terminated 6/2012							
STRATEGIC INVESTMENT SOLUTIONS	1,490,054,765	156,098	1.0	N/A	N/A	156,098	1.0
TOTAL	1,490,054,765	4,479,668	30.1	711,379	4.8	5,191,046	34.8

** RAFI fees are taken from the actual portfolio

Value Added Summary

6/30/2008

Through

6/30/2013

By Current Active Managers

Current Active Managers	Changes in Portfolio Value					Fees		Value Added		Monthly	
	Beginning	Passive Return	Alpha	Net Cash Flows	Ending	Managerial	Custodial	Total	% of Portfolio	Average Value Added	Probability of Adding Value
DODGE & COX - LARGE CAP VALUE	200,945,261	66,235,103	2,711,747	(108,265,640)	161,626,472	(1,575,857)	(61,778)	\$1,074,112	0.6%	17,902	50.4%
DELAWARE - LARGE CAP GROWTH	109,513,726	51,784,335	9,510,263	(48,697,424)	122,110,899	(2,578,463)	(42,298)	\$6,889,501	5.9%	114,825	53.6%
CAPITAL PROSPECTS*	45,896,605	50,020,129	6,998,105	(23,102,246)	79,812,593	(2,164,348)	(99,854)	\$4,733,902	7.5%	87,665	55.5%
Legato Capital*	27,545,658	48,377,838	3,361,320	(6,163,136)	73,121,680	(2,234,381)	(337,315)	\$789,623	1.6%	14,623	51.1%
LSV ASSET MGMT	122,047,987	22,147,949	9,427,097	(25,342,997)	128,280,036	(3,572,185)	(528,072)	\$5,326,840	4.3%	88,781	53.9%
Pyramis	135,901,315	16,422,614	7,285,934	(22,518,547)	137,091,315	(3,084,618)	(1,862,751)	\$2,338,565	1.7%	38,976	51.8%
DODGE & COX FI	449,128,361	100,128,050	33,787,228	(180,051,769)	402,991,869	(2,133,637)	(75,371)	\$31,578,220	7.4%	526,304	55.3%
PIMCO**	76,314,966	10,284,965	2,600,283	19,795,225	108,995,438	(1,025,884)	(63,163)	\$1,511,236	1.6%	40,844	59.1%

* Funded December 2008

** Funded May 2010

By Asset Class

Value Added By Asset Class	Changes in Portfolio Value					Fees		Value Added		Monthly	
	Beginning	Passive Return	Alpha	Net Cash Flows	Ending	Managerial	Custodial	Total	% of Portfolio	Average Value Added	Probability of Adding Value
1. Equity											
a. Domestic	383,901,250	216,417,405	22,581,434	(186,228,446)	436,671,644	(8,553,050)	(541,245)	\$13,487,139	3.3%	\$53,656	51.9%
b. International	257,949,302	38,570,563	16,713,031	(47,861,544)	265,371,351	(6,656,803)	(2,390,823)	\$7,665,405	2.9%	\$62,541	52.8%
Equity Total	641,850,552	254,987,968	39,294,465	(234,089,990)	702,042,995	(15,209,853)	(2,932,068)	\$21,152,544	3.1%	\$57,227	52.3%
2. Fixed Income	525,443,327	110,413,014	36,387,510	(160,256,544)	511,987,307	(3,159,521)	(138,534)	\$33,089,456	6.4%	\$455,796	55.8%
3. Total Equity and Fixed Income	1,167,293,879	365,400,982	75,681,975	(394,346,535)	1,214,030,302	(18,369,374)	(3,070,602)	\$54,241,999	4.6%	\$236,638	53.9%

By Style

Value Added By Asset Class	Changes in Portfolio Value					Fees		Value Added		Monthly	
	Beginning	Passive Return	Alpha	Net Cash Flows	Ending	Managerial	Custodial	Total	% of Portfolio	Average Value Added	Probability of Adding Value
Large Cap	310,458,987	118,019,438	12,222,010	(156,963,064)	283,737,371	(4,154,321)	(104,076)	\$7,963,613	2.7%	52,091	51.5%
Small Cap	73,442,263	98,397,967	10,359,424	(29,265,382)	152,934,273	(4,398,730)	(437,169)	\$5,523,526	4.9%	60,269	53.9%
Value	368,889,853	138,403,182	19,136,949	(156,710,883)	369,719,101	(7,312,391)	(689,704)	\$11,134,854	3.0%	50,032	52.2%
Growth	272,960,699	116,584,787	20,157,516	(77,379,108)	332,323,894	(7,897,462)	(2,242,364)	\$10,017,689	3.3%	66,950	52.5%

Value Added Summary

6/30/2012

Through

6/30/2013

By Current Active Managers

Current Active Managers	Changes in Portfolio Value					Fees		Value Added		Monthly	
	<u>Beginning</u>	<u>Passive Return</u>	<u>Alpha</u>	<u>Net Cash Flows</u>	<u>Ending</u>	<u>Managerial</u>	<u>Custodial</u>	<u>Total</u>	<u>% of Portfolio</u>	<u>Average Value Added</u>	<u>Probability of Adding Value</u>
DODGE & COX - LARGE CAP VALUE	128,596,169	33,878,063	5,452,831	(6,300,590)	161,626,472	(304,298)	(13,948)	\$5,134,585	3.5%	427,882	69.9%
DELAWARE - LARGE CAP GROWTH	112,738,898	19,937,738	95,563	(10,661,300)	122,110,899	(609,721)	(13,268)	(\$527,426)	-0.4%	(43,952)	48.5%
CAPITAL PROSPECTS*	61,400,465	16,099,815	3,103,324	(791,011)	79,812,593	(555,331)	(25,226)	\$2,522,766	3.6%	210,230	61.6%
Legato Capital*	57,488,584	14,071,913	1,919,308	(358,125)	73,121,680	(592,282)	(84,636)	\$1,242,390	1.9%	103,532	57.2%
LSV ASSET MGMT	109,709,649	15,662,996	2,492,516	414,875	128,280,036	(751,722)	(132,455)	\$1,608,339	1.4%	134,028	60.8%
Pyramis	115,872,541	16,431,156	5,750,398	(962,780)	137,091,315	(651,537)	(389,930)	\$4,708,931	3.7%	392,411	66.3%
DODGE & COX FI	418,633,626	(2,427,111)	13,679,386	(26,894,032)	402,991,869	(452,907)	(26,010)	\$13,200,468	3.2%	1,100,039	77.0%
PIMCO**	109,032,637	(722,558)	738,849	(53,491)	108,995,438	(371,659)	(25,899)	\$341,291	0.3%	28,441	54.8%

* Funded December 2008

** Funded May 2010

By Asset Class

Value Added By Asset Class	Changes in Portfolio Value					Fees		Value Added		Monthly	
	<u>Beginning</u>	<u>Passive Return</u>	<u>Alpha</u>	<u>Net Cash Flows</u>	<u>Ending</u>	<u>Managerial</u>	<u>Custodial</u>	<u>Total</u>	<u>% of Portfolio</u>	<u>Average Value Added</u>	<u>Probability of Adding Value</u>
1. Equity											
a. Domestic	360,224,116	83,987,529	10,571,026	(18,111,027)	436,671,644	(2,061,633)	(137,078)	\$8,372,315	2.1%	\$191,350	59.8%
b. International	225,582,190	32,094,153	8,242,914	(547,905)	265,371,351	(1,403,259)	(522,384)	\$6,317,270	2.6%	\$266,749	63.6%
Equity Total	585,806,306	116,081,681	18,813,940	(18,658,932)	702,042,995	(3,464,893)	(659,463)	\$14,689,584	2.3%	\$220,385	61.3%
2. Fixed Income	527,666,263	(3,149,668)	14,418,235	(26,947,523)	511,987,307	(824,566)	(51,910)	\$13,541,759	2.6%	\$878,613	72.4%
3. Total Equity and Fixed Income	1,113,472,569	112,932,013	33,232,175	(45,606,455)	1,214,030,302	(4,289,459)	(711,373)	\$28,231,343	2.4%	\$532,314	66.6%

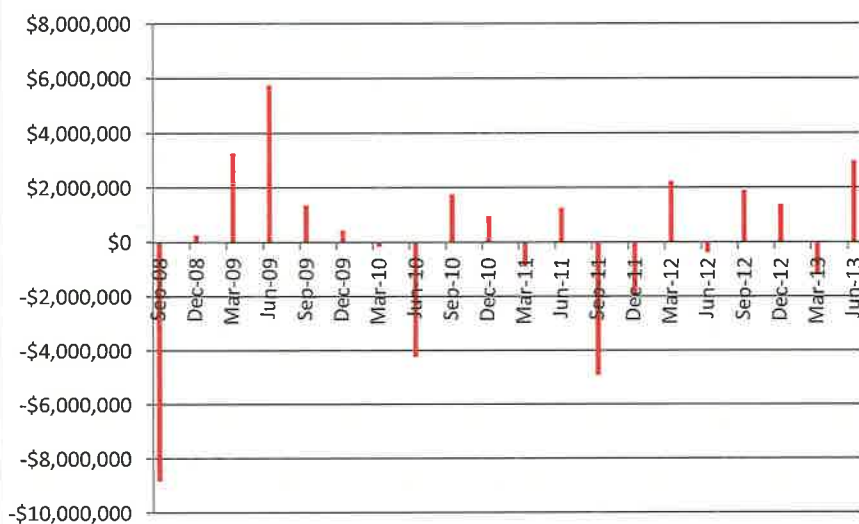
By Style

Value Added By Asset Class	Changes in Portfolio Value					Fees		Value Added		Monthly	
	<u>Beginning</u>	<u>Passive Return</u>	<u>Alpha</u>	<u>Net Cash Flows</u>	<u>Ending</u>	<u>Managerial</u>	<u>Custodial</u>	<u>Total</u>	<u>% of Portfolio</u>	<u>Average Value Added</u>	<u>Probability of Adding Value</u>
Large Cap	241,335,067	53,815,800	5,548,394	(16,961,891)	283,737,371	(914,020)	(27,216)	\$4,607,159	1.8%	207,466	59.9%
Small Cap	118,889,049	30,171,728	5,022,632	(1,149,136)	152,934,273	(1,147,614)	(109,863)	\$3,765,156	2.8%	158,637	59.5%
Value	299,706,283	65,640,874	11,048,670	(6,676,726)	369,719,101	(1,611,352)	(171,629)	\$9,265,690	2.8%	275,725	64.9%
Growth	286,100,023	50,440,807	7,765,269	(11,982,206)	332,323,894	(1,853,541)	(487,834)	\$5,423,894	1.8%	162,413	57.5%

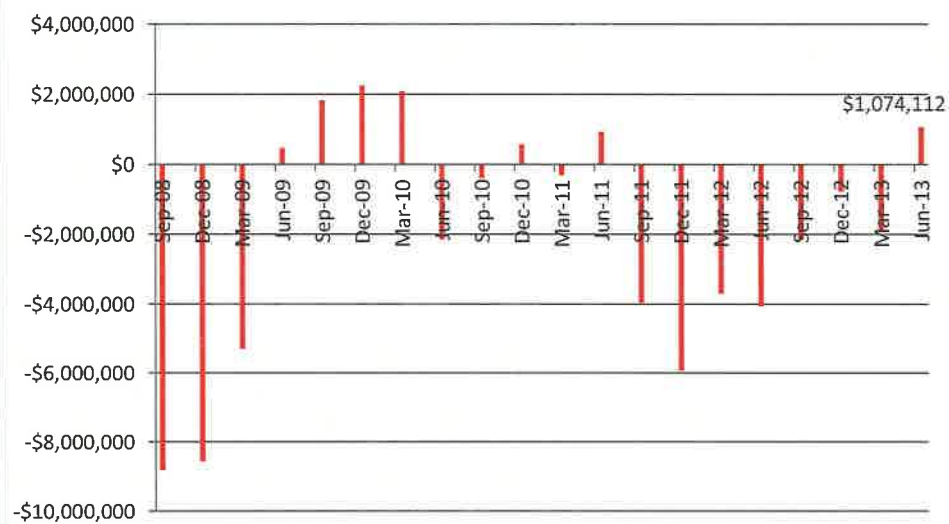
DODGE & COX - LARGE CAP VALUE Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees		Value Added
				Managerial	Custodial	
1	6/30/2008	9/30/2008	-\$8,718,692	\$87,561	\$3,790	-\$8,810,043
2	9/30/2008	12/31/2008	\$338,826	\$72,229	\$2,762	\$263,835
3	12/31/2008	3/31/2009	\$3,320,784	\$64,395	\$2,307	\$3,254,082
4	3/31/2009	6/30/2009	\$5,845,442	\$74,654	\$2,655	\$5,768,133
5	6/30/2009	9/30/2009	\$1,446,821	\$85,652	\$3,155	\$1,358,014
6	9/30/2009	12/31/2009	\$515,303	\$88,756	\$3,409	\$423,138
7	12/31/2009	3/31/2010	-\$57,048	\$92,709	\$3,566	-\$153,324
8	3/31/2010	6/30/2010	-\$4,161,579	\$74,563	\$3,316	-\$4,239,458
9	6/30/2010	9/30/2010	\$1,841,032	\$79,904	\$3,021	\$1,758,107
10	9/30/2010	12/31/2010	\$1,043,825	\$86,729	\$3,306	\$953,791
11	12/31/2010	3/31/2011	-\$785,178	\$90,267	\$3,630	-\$879,074
12	3/31/2011	6/30/2011	\$1,340,497	\$88,927	\$3,721	\$1,247,849
13	6/30/2011	9/30/2011	-\$4,824,229	\$72,824	\$3,136	-\$4,900,189
14	9/30/2011	12/31/2011	-\$1,888,926	\$75,694	\$2,344	-\$1,966,964
15	12/31/2011	3/31/2012	\$2,303,140	\$68,984	\$1,476	\$2,232,680
16	3/31/2012	6/30/2012	-\$301,101	\$67,711	\$2,236	-\$371,048
17	6/30/2012	9/30/2012	\$1,983,489	\$71,825	\$1,072	\$1,910,592
18	9/30/2012	12/31/2012	\$1,467,208	\$73,225	\$2,092	\$1,391,891
19	12/31/2012	3/31/2013	-\$1,072,291	\$79,186	\$4,665	-\$1,156,142
20	3/31/2013	6/30/2013	\$3,074,425	\$80,061	\$6,119	\$2,988,245

DODGE & COX - LARGE CAP VALUE Quarterly Value Added



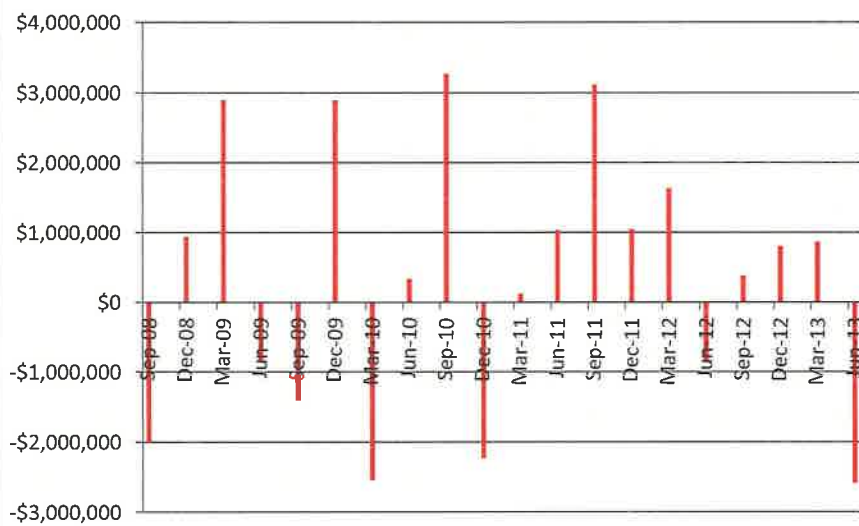
DODGE & COX - LARGE CAP VALUE Quarterly Cumulative Value Added



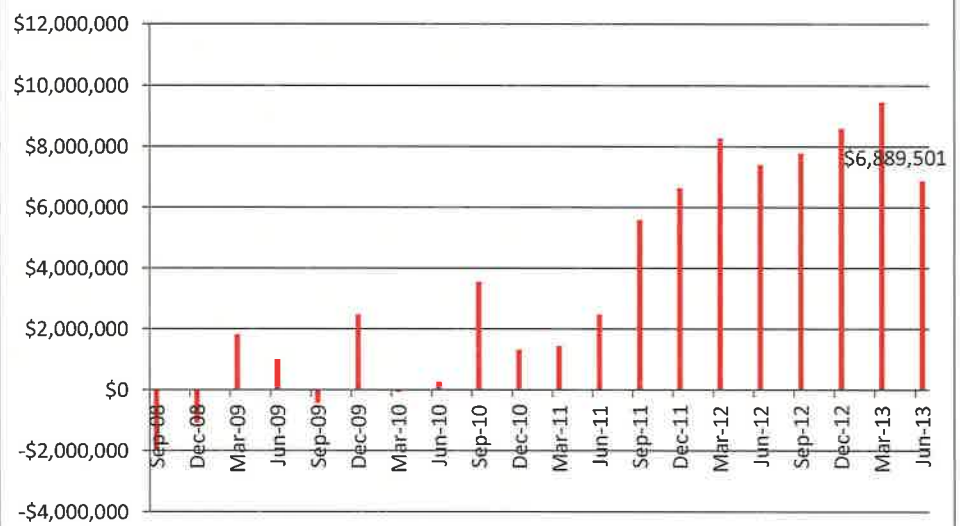
DELAWARE - LARGE CAP GROWTH Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees		Value Added
				Managerial	Custodial	
1	6/30/2008	9/30/2008	-\$1,874,082	\$129,510	\$2,157	-\$2,005,749
2	9/30/2008	12/31/2008	\$1,034,702	\$94,158	\$1,575	\$938,969
3	12/31/2008	3/31/2009	\$2,993,541	\$95,708	\$1,488	\$2,896,346
4	3/31/2009	6/30/2009	-\$731,767	\$116,062	\$1,780	-\$849,609
5	6/30/2009	9/30/2009	-\$1,263,475	\$131,961	\$2,082	-\$1,397,519
6	9/30/2009	12/31/2009	\$3,043,032	\$143,212	\$2,296	\$2,897,524
7	12/31/2009	3/31/2010	-\$2,395,031	\$144,649	\$2,359	-\$2,542,039
8	3/31/2010	6/30/2010	\$442,133	\$106,047	\$1,852	\$334,233
9	6/30/2010	9/30/2010	\$3,378,675	\$101,839	\$1,601	\$3,275,235
10	9/30/2010	12/31/2010	-\$2,113,459	\$115,269	\$1,833	-\$2,230,562
11	12/31/2010	3/31/2011	\$253,486	\$125,411	\$2,006	\$126,070
12	3/31/2011	6/30/2011	\$1,170,665	\$129,638	\$2,077	\$1,038,950
13	6/30/2011	9/30/2011	\$3,241,561	\$123,443	\$1,098	\$3,117,020
14	9/30/2011	12/31/2011	\$1,180,312	\$127,986	\$1,178	\$1,051,148
15	12/31/2011	3/31/2012	\$1,778,217	\$141,840	\$1,694	\$1,634,683
16	3/31/2012	6/30/2012	-\$723,810	\$142,009	\$1,954	-\$867,773
17	6/30/2012	9/30/2012	\$528,838	\$145,968	\$1,824	\$381,046
18	9/30/2012	12/31/2012	\$957,854	\$147,904	\$2,026	\$807,924
19	12/31/2012	3/31/2013	\$1,030,783	\$159,111	\$4,988	\$866,684
20	3/31/2013	6/30/2013	-\$2,421,912	\$156,738	\$4,430	-\$2,583,080

DELAWARE - LARGE CAP GROWTH Quarterly Value Added



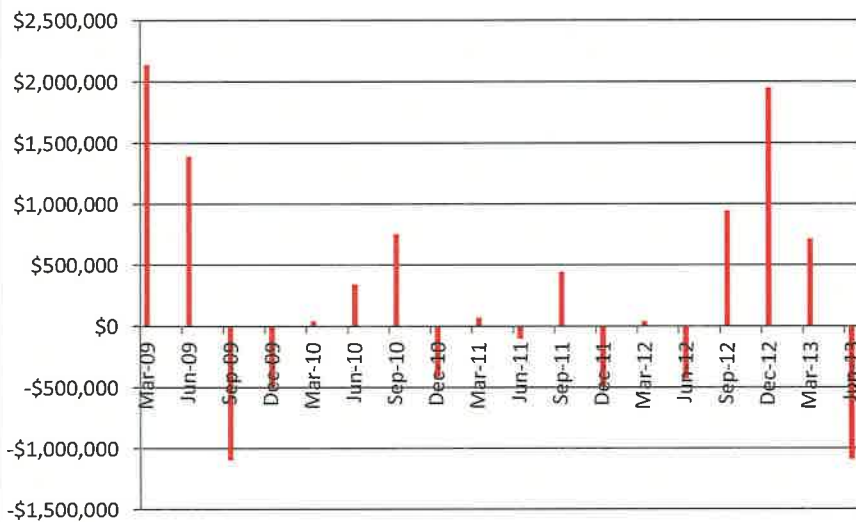
DELAWARE - LARGE CAP GROWTH Quarterly Cumulative Value Added



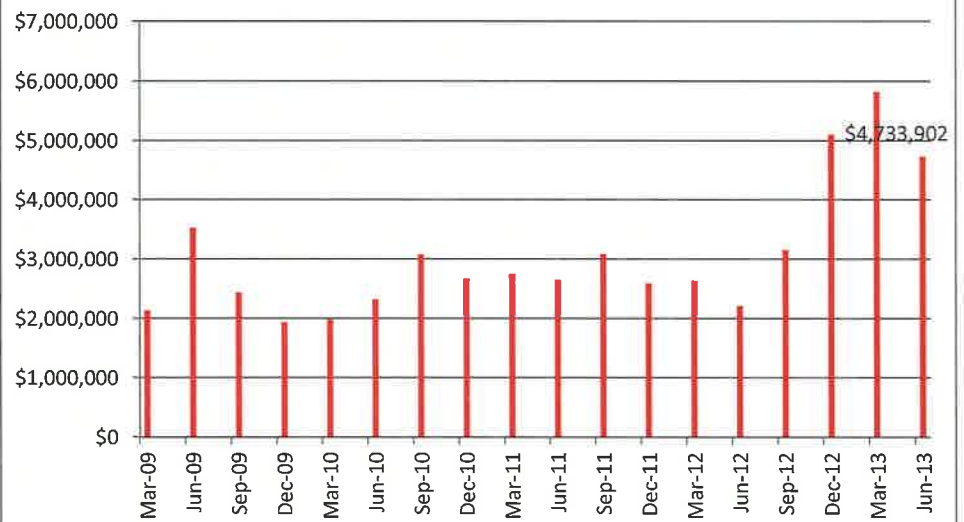
CAPITAL PROSPECTS Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees		Value Added
				Managerial	Custodial	
1	12/31/2008	3/31/2009	\$2,220,882	\$78,443	\$3,477	\$2,138,962
2	3/31/2009	6/30/2009	\$1,489,736	\$94,328	\$4,188	\$1,391,220
3	6/30/2009	9/30/2009	-\$975,854	\$110,157	\$4,946	-\$1,090,958
4	9/30/2009	12/31/2009	-\$380,938	\$113,833	\$5,266	-\$500,037
5	12/31/2009	3/31/2010	\$172,742	\$123,719	\$5,664	\$43,359
6	3/31/2010	6/30/2010	\$469,514	\$120,854	\$5,640	\$343,021
7	6/30/2010	9/30/2010	\$873,418	\$113,604	\$5,229	\$754,585
8	9/30/2010	12/31/2010	-\$279,802	\$127,372	\$5,816	-\$412,990
9	12/31/2010	3/31/2011	\$218,674	\$139,484	\$6,460	\$72,730
10	3/31/2011	6/30/2011	\$44,992	\$136,107	\$6,569	-\$97,683
11	6/30/2011	9/30/2011	\$557,229	\$105,623	\$5,628	\$445,978
12	9/30/2011	12/31/2011	-\$378,530	\$108,585	\$4,888	-\$492,003
13	12/31/2011	3/31/2012	\$163,761	\$119,481	\$5,222	\$39,057
14	3/31/2012	6/30/2012	-\$301,042	\$117,427	\$5,636	-\$424,106
15	6/30/2012	9/30/2012	\$1,072,679	\$122,499	\$5,054	\$945,126
16	9/30/2012	12/31/2012	\$2,086,673	\$131,297	\$5,086	\$1,950,290
17	12/31/2012	3/31/2013	\$868,837	\$147,222	\$7,282	\$714,334
18	3/31/2013	6/30/2013	-\$924,866	\$154,313	\$7,805	-\$1,086,983

CAPITAL PROSPECTS Quarterly Value Added



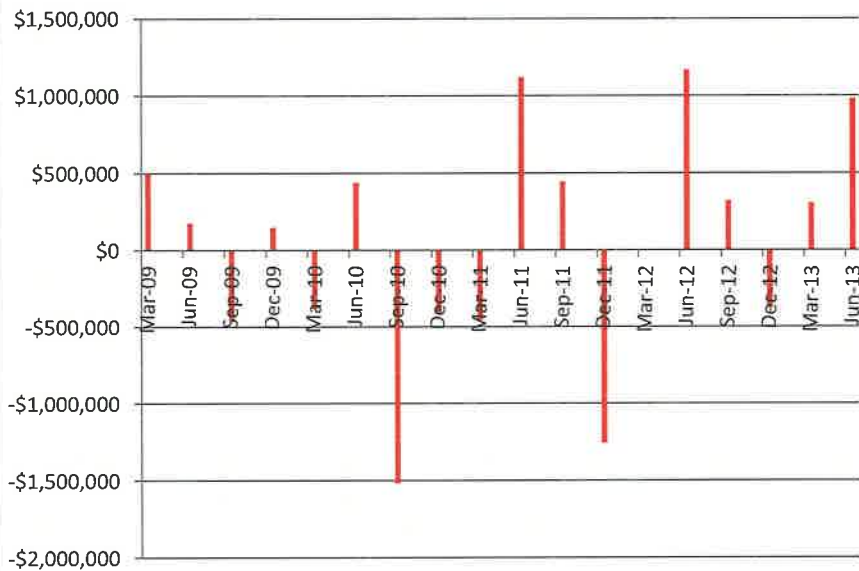
CAPITAL PROSPECTS Quarterly Cumulative Value Added



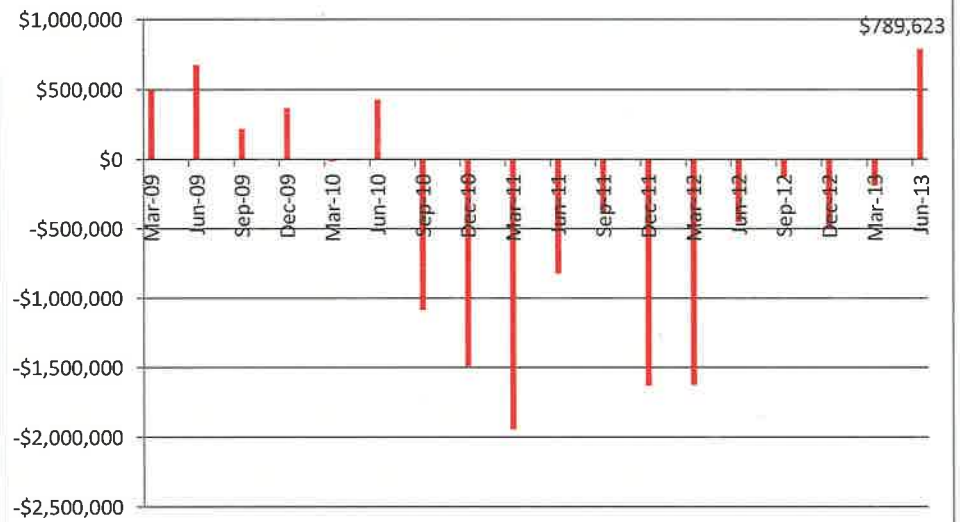
Legato Capital Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees		Value Added
				Managerial	Custodial	
1	12/31/2008	3/31/2009	\$565,974	\$57,874	\$8,875	\$499,225
2	3/31/2009	6/30/2009	\$262,526	\$73,140	\$10,975	\$178,411
3	6/30/2009	9/30/2009	-\$337,613	\$104,616	\$15,742	-\$457,970
4	9/30/2009	12/31/2009	\$274,823	\$108,982	\$16,504	\$149,336
5	12/31/2009	3/31/2010	-\$246,517	\$116,353	\$17,635	-\$380,505
6	3/31/2010	6/30/2010	\$579,733	\$120,704	\$18,514	\$440,516
7	6/30/2010	9/30/2010	-\$1,377,562	\$117,787	\$17,607	-\$1,512,956
8	9/30/2010	12/31/2010	-\$246,064	\$137,368	\$20,194	-\$403,627
9	12/31/2010	3/31/2011	-\$280,084	\$151,931	\$22,764	-\$454,779
10	3/31/2011	6/30/2011	\$1,299,087	\$154,501	\$23,860	\$1,120,726
11	6/30/2011	9/30/2011	\$582,439	\$117,446	\$18,692	\$446,301
12	9/30/2011	12/31/2011	-\$1,117,167	\$119,430	\$16,508	-\$1,253,105
13	12/31/2011	3/31/2012	\$159,474	\$130,946	\$22,688	\$5,841
14	3/31/2012	6/30/2012	\$1,322,961	\$131,021	\$22,120	\$1,169,820
15	6/30/2012	9/30/2012	\$479,877	\$135,442	\$19,914	\$324,521
16	9/30/2012	12/31/2012	-\$213,207	\$138,254	\$21,088	-\$372,549
17	12/31/2012	3/31/2013	\$485,352	\$153,975	\$21,977	\$309,400
18	3/31/2013	6/30/2013	\$1,167,286	\$164,612	\$21,657	\$981,017

Legato Capital Quarterly Value Added



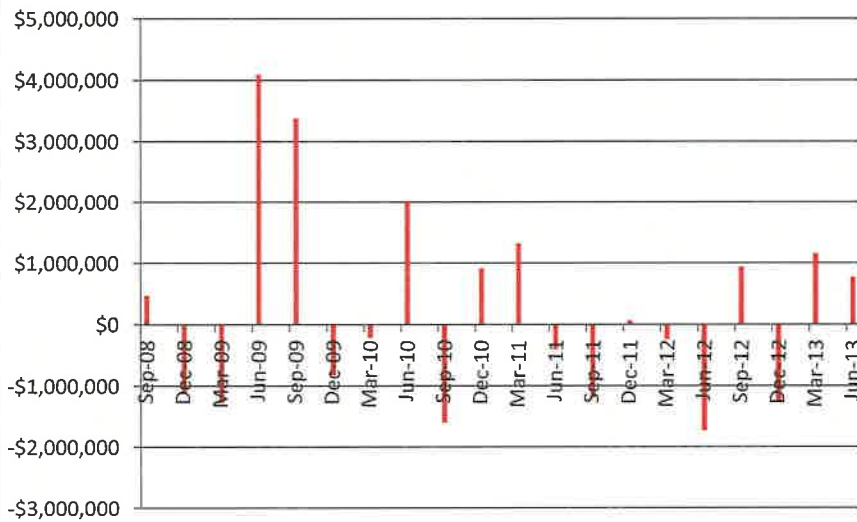
Legato Capital Quarterly Cumulative Value Added



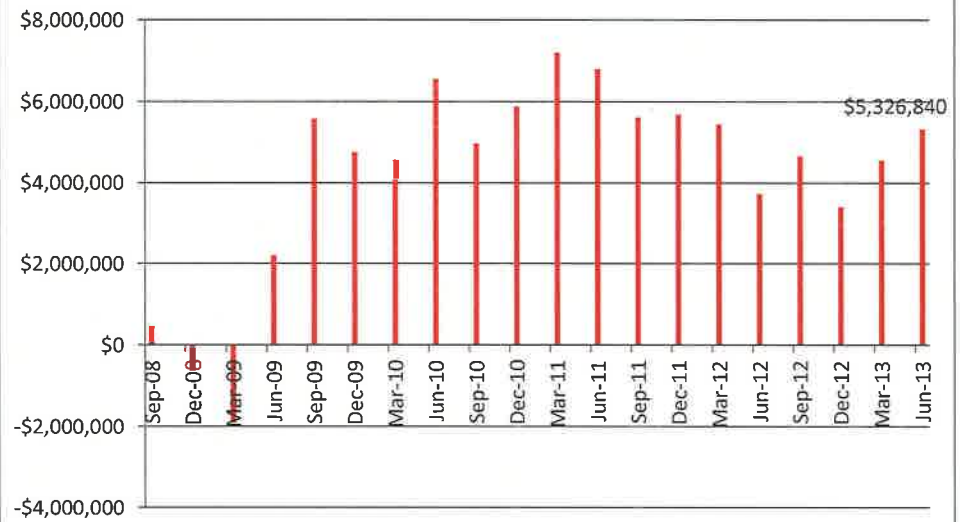
LSV ASSET MGMT Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees		Value Added
				Managerial	Custodial	
1	6/30/2008	9/30/2008	\$655,791	\$153,691	\$24,964	\$477,136
2	9/30/2008	12/31/2008	-\$961,364	\$121,655	\$16,418	-\$1,099,437
3	12/31/2008	3/31/2009	-\$1,129,287	\$125,734	\$16,971	-\$1,271,992
4	3/31/2009	6/30/2009	\$4,280,311	\$163,383	\$21,313	\$4,095,615
5	6/30/2009	9/30/2009	\$3,601,604	\$193,494	\$26,157	\$3,381,953
6	9/30/2009	12/31/2009	-\$594,243	\$198,631	\$28,793	-\$821,667
7	12/31/2009	3/31/2010	\$12,530	\$197,281	\$29,345	-\$214,095
8	3/31/2010	6/30/2010	\$2,217,667	\$175,374	\$27,227	\$2,015,066
9	6/30/2010	9/30/2010	-\$1,372,452	\$193,603	\$27,006	-\$1,593,061
10	9/30/2010	12/31/2010	\$1,147,771	\$204,620	\$29,657	\$913,494
11	12/31/2010	3/31/2011	\$1,566,189	\$206,820	\$32,051	\$1,327,319
12	3/31/2011	6/30/2011	-\$164,056	\$205,220	\$32,626	-\$401,902
13	6/30/2011	9/30/2011	-\$1,004,436	\$163,726	\$19,932	-\$1,188,094
14	9/30/2011	12/31/2011	\$251,061	\$168,642	\$15,576	\$66,843
15	12/31/2011	3/31/2012	-\$33,570	\$180,121	\$26,254	-\$239,945
16	3/31/2012	6/30/2012	-\$1,538,936	\$168,468	\$21,326	-\$1,728,730
17	6/30/2012	9/30/2012	\$1,147,740	\$181,141	\$26,629	\$939,969
18	9/30/2012	12/31/2012	-\$1,051,237	\$189,009	\$23,035	-\$1,263,282
19	12/31/2012	3/31/2013	\$1,391,454	\$191,543	\$43,031	\$1,156,880
20	3/31/2013	6/30/2013	\$1,004,560	\$190,029	\$39,759	\$774,771

LSV ASSET MGMT Quarterly Value Added



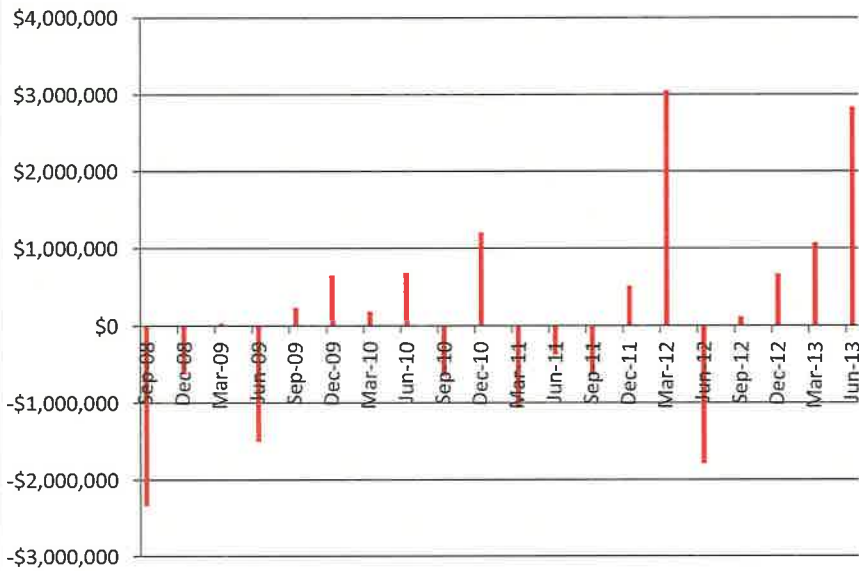
LSV ASSET MGMT Quarterly Cumulative Value Added



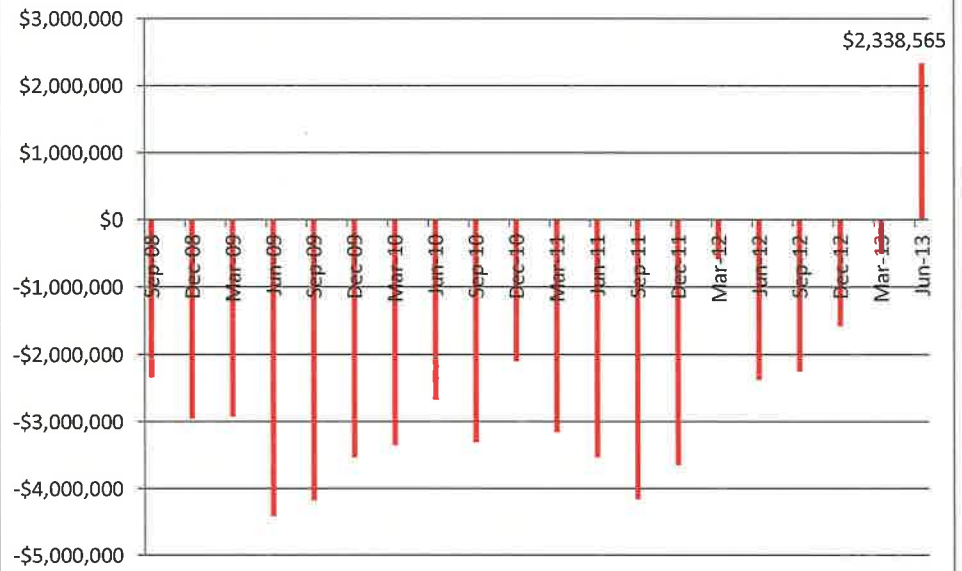
Pyramis Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees		Value Added
				Managerial	Custodial	
1	6/30/2008	9/30/2008	-\$2,082,765	\$152,850	\$94,976	-\$2,330,592
2	9/30/2008	12/31/2008	-\$437,372	\$117,911	\$63,202	-\$618,485
3	12/31/2008	3/31/2009	\$209,883	\$118,436	\$60,571	\$30,876
4	3/31/2009	6/30/2009	-\$1,281,976	\$137,529	\$72,705	-\$1,492,210
5	6/30/2009	9/30/2009	\$475,247	\$151,346	\$87,110	\$236,791
6	9/30/2009	12/31/2009	\$899,710	\$157,601	\$95,444	\$646,665
7	12/31/2009	3/31/2010	\$439,347	\$157,772	\$95,941	\$185,634
8	3/31/2010	6/30/2010	\$934,572	\$154,446	\$95,714	\$684,412
9	6/30/2010	9/30/2010	-\$387,602	\$159,074	\$96,276	-\$642,952
10	9/30/2010	12/31/2010	\$1,481,008	\$168,380	\$106,716	\$1,205,912
11	12/31/2010	3/31/2011	-\$772,440	\$174,287	\$112,862	-\$1,059,588
12	3/31/2011	6/30/2011	-\$81,072	\$173,911	\$114,837	-\$369,821
13	6/30/2011	9/30/2011	-\$383,265	\$153,665	\$98,953	-\$635,883
14	9/30/2011	12/31/2011	\$749,781	\$148,898	\$86,186	\$514,697
15	12/31/2011	3/31/2012	\$3,315,164	\$155,807	\$101,988	\$3,057,369
16	3/31/2012	6/30/2012	-\$1,542,684	\$151,167	\$89,339	-\$1,783,190
17	6/30/2012	9/30/2012	\$367,768	\$154,539	\$92,086	\$121,143
18	9/30/2012	12/31/2012	\$937,742	\$160,345	\$107,241	\$670,156
19	12/31/2012	3/31/2013	\$1,346,178	\$167,103	\$102,864	\$1,076,211
20	3/31/2013	6/30/2013	\$3,098,710	\$169,551	\$87,738	\$2,841,421

Pyramis Quarterly Value Added



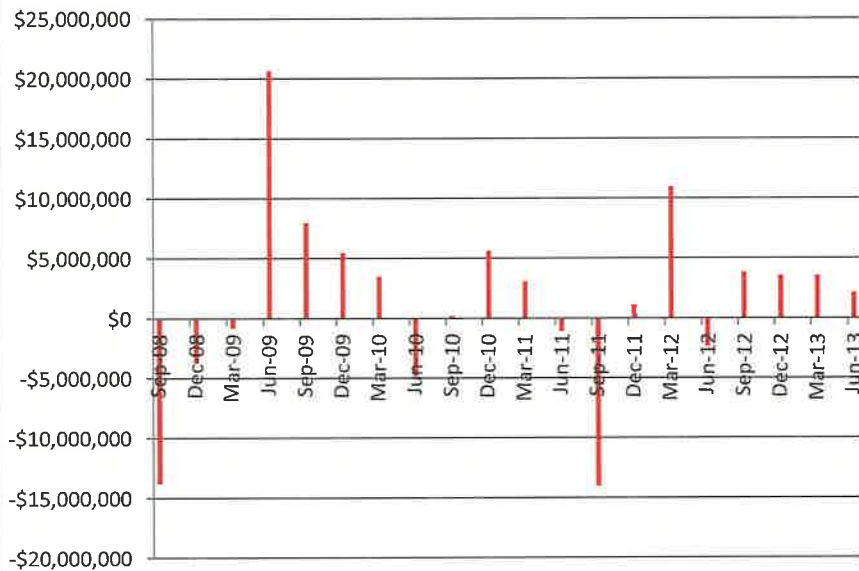
Pyramis Quarterly Cumulative Value Added



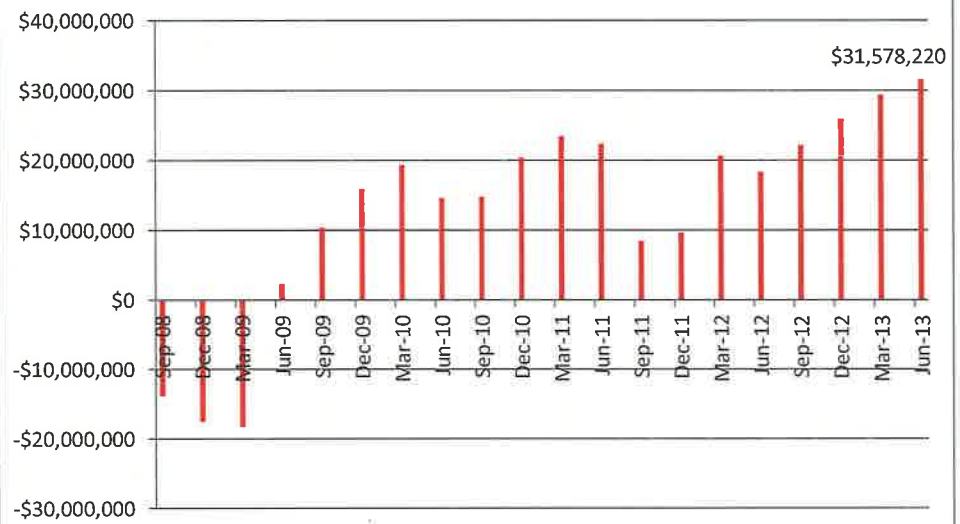
DODGE & COX FI Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees		Value Added
				Managerial	Custodial	
1	6/30/2008	9/30/2008	-\$13,670,694	\$114,102	\$4,205	-\$13,789,001
2	9/30/2008	12/31/2008	-\$3,566,715	\$115,403	\$3,954	-\$3,686,072
3	12/31/2008	3/31/2009	-\$674,934	\$101,942	\$3,700	-\$780,576
4	3/31/2009	6/30/2009	\$20,762,262	\$93,348	\$3,667	\$20,665,246
5	6/30/2009	9/30/2009	\$8,095,535	\$96,022	\$3,370	\$7,996,143
6	9/30/2009	12/31/2009	\$5,598,814	\$94,950	\$3,345	\$5,500,519
7	12/31/2009	3/31/2010	\$3,610,418	\$96,543	\$3,338	\$3,510,537
8	3/31/2010	6/30/2010	-\$4,695,333	\$98,358	\$3,400	-\$4,797,091
9	6/30/2010	9/30/2010	\$304,813	\$100,758	\$3,494	\$200,561
10	9/30/2010	12/31/2010	\$5,724,549	\$100,934	\$3,546	\$5,620,069
11	12/31/2010	3/31/2011	\$3,197,808	\$102,236	\$3,562	\$3,092,010
12	3/31/2011	6/30/2011	-\$969,737	\$107,254	\$3,720	-\$1,080,711
13	6/30/2011	9/30/2011	-\$13,865,344	\$116,701	\$1,899	-\$13,983,943
14	9/30/2011	12/31/2011	\$1,326,142	\$115,860	\$1,433	\$1,208,849
15	12/31/2011	3/31/2012	\$11,121,304	\$113,310	\$1,364	\$11,006,630
16	3/31/2012	6/30/2012	-\$2,191,044	\$113,009	\$1,363	-\$2,305,417
17	6/30/2012	9/30/2012	\$3,967,160	\$113,951	\$1,395	\$3,851,813
18	9/30/2012	12/31/2012	\$3,730,794	\$113,934	\$1,355	\$3,615,505
19	12/31/2012	3/31/2013	\$3,702,213	\$114,526	\$11,741	\$3,575,946
20	3/31/2013	6/30/2013	\$2,279,219	\$110,496	\$11,520	\$2,157,204

DODGE & COX FI Quarterly Value Added



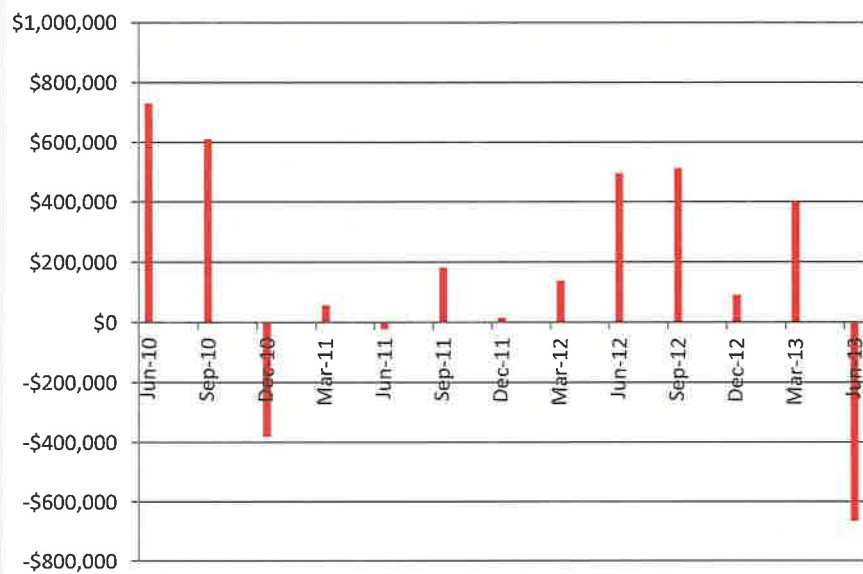
DODGE & COX FI Quarterly Cumulative Value Added



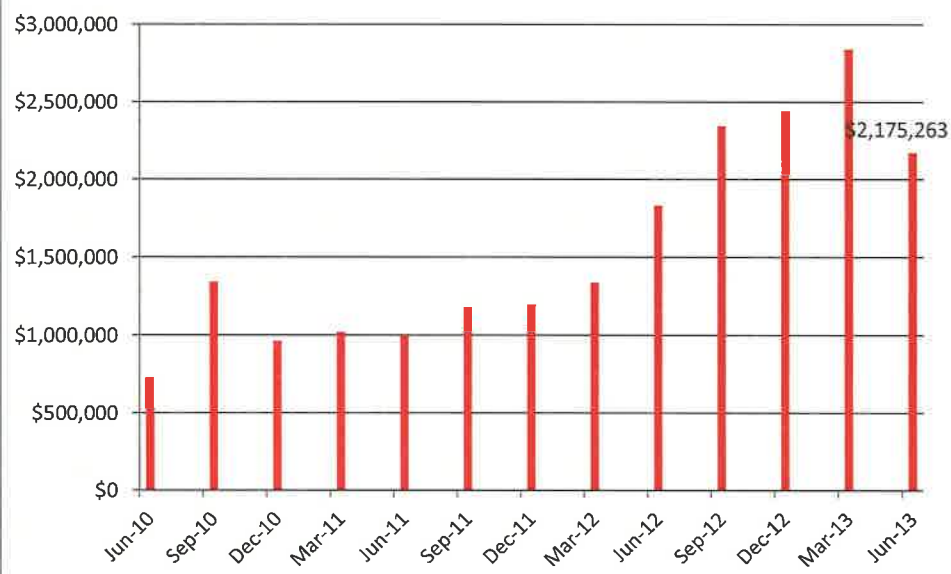
PIMCO Quarterly Value Added

Quarter	Begin Date	End Date	Alpha	Fees		Value Added
				Managerial	Custodial	
1	3/31/2010	6/30/2010	\$780,844	\$46,533	\$2,576	\$731,735
2	6/30/2010	9/30/2010	\$689,748	\$73,608	\$4,243	\$611,896
3	9/30/2010	12/31/2010	-\$302,620	\$72,769	\$4,294	-\$379,683
4	12/31/2010	3/31/2011	\$134,401	\$73,072	\$4,245	\$57,084
5	3/31/2011	6/30/2011	\$56,698	\$74,250	\$4,327	-\$21,879
6	6/30/2011	9/30/2011	\$263,605	\$76,362	\$4,339	\$182,904
7	9/30/2011	12/31/2011	\$100,614	\$79,352	\$4,814	\$16,448
8	12/31/2011	3/31/2012	\$233,707	\$89,913	\$5,312	\$138,482
9	3/31/2012	6/30/2012	\$592,931	\$91,631	\$4,314	\$496,986
10	6/30/2012	9/30/2012	\$610,260	\$93,044	\$4,589	\$512,627
11	9/30/2012	12/31/2012	\$190,266	\$93,384	\$4,741	\$92,141
12	12/31/2012	3/31/2013	\$502,849	\$93,617	\$8,030	\$401,202
13	3/31/2013	6/30/2013	-\$564,526	\$91,614	\$8,540	-\$664,680

PIMCO Quarterly Value Added



PIMCO Quarterly Cumulative Value Added





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

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

August 16, 2013

8/27/13
Item# 9.b

To: Rick Santos, Executive Director

From: Dawn Lea, Benefits Manager

Subject: Results of the SACRS Legislative Subcommittee review of the CERL

As you know, SACRS Legislative Committee appointed a Subcommittee to review the entire CERL and develop proposed amendments needed to coordinate the CERL and PEPPRA. I have reviewed the 115 page document provided to StanCERA by Mr. Palmer, SACRS Executive Director, and would like to give you a brief recap of my findings.

Many CERL code sections contain the phrase "...under this chapter...". PEPPRA is not "under this chapter" so additional language such as "...or the California Public Employees' Pension Reform Act of 2013..." is being added to those code sections to clarify that PEPPRA members are also covered by those existing sections. This appears to be the most common change being recommended.

There are a couple of sections that I thought you would find interesting. Article 1.8, §31499.11 covers StanCERA's Tier 3, non-contributory plan. This section currently defines "Final Compensation" as the average annual compensation earnable by a general member during any three years, whether or not consecutive. SACRS recommended that the definition of "Final compensation" be amended to mean the highest average annual pensionable compensation earned by the member during a period of at least 36 consecutive months. However, Legislative Counsel, Russell Holder, has concerns that existing Tier 3 members have a vested right to the current formulation. He recommends that the proposed SACRS wording be amended to apply only to new members hired after January 1, 2013. In a response to Mr. Holder, the SACRS subcommittee points out that some years ago there was a court decision involving Fresno CERA that determined cherry-picking non-consecutive periods of compensation for the determination of "final compensation" is not allowed. They are not sure whether that court decision has application to the StanCERA Tier 3 plan, but that it is the general understanding among SACRS Administrators that the "cherry picking" method is not legal. It was also stated that upon closer review, it seems there are other amendments that would be needed to "conform" Article 1.8 to PEPPRA and that other coordination amendments regarding PEPPRA would need to be made if Stanislaus County were interested in reopening Tier 3 to new participants.

It is being proposed that a new section be added regarding application of 7522.30 to CERL systems. This proposed clarification was brought to the SACRS Legislative Committee by CERL system pension actuaries. Section 7522.30 requires that the initial contribution rate for PEPPRA members be rounded to the nearest quarter of one percent. Subdivision (d) requires that normal cost must change by at least one percent before a subsequent change in the member contribution rate is made. Under current (pre-PEPPRA) law, county retirement systems do not have whole or rounded member contribution percentages and, unlike the statewide plans, member contribution rates can fluctuate based on changes in economic and demographic assumptions. Requiring this rounding for county plans subject to the CERL results in a split of normal cost that is not exactly equal between employers and employees.

Making the “rounding” requirement optional for county retirement boards, and making the “at least one percent change” requirement inapplicable for county retirement system members in determining member contribution rates would fit the methodology for accomplishing equal cost sharing into the well-established mechanics of the contribution rate-setting process for the CERL systems, simplify administration and would alleviate concerns regarding inequitable normal cost sharing between employers and members.

Section 31671 addresses IRS 401(a) limits on the amount of earnings that can be considered toward a member’s final average salary for any person who first became a member on or after July 1, 1996. There is a recommendation to amend this section to specify that, for members subject to PEPR, the limits as define in section 7522.10(c) also apply.

The subcommittee is recommending that section 7522.10(d)(1) which requires the annual pension limits be indexed based on changes to the CPI for All Urban Consumers, be amended to specify that one uniform CPI index be used. County retirement systems under the CERL generally apply regional CPI indices within California to the determination of annual post-retirement cost of living adjustments. It is believed that applying one uniform CPI index would be consistent with the Legislature’s intent. Legislative staff has not yet decided if they will amend 7552.10 as proposed.

Investment Trends Summit September 25-27, 2013

The Four Seasons, The
Biltmore, Santa Barbara, CA

Conference Details:

Opal Financial Group's **Investment Trends Summit** will serve as an educational forum focused on analyzing trends for the future, as well as exploring ways to implement new strategies in particular investment plans. Speakers and attendees will discuss topics such as investor's perspectives, investment management theories, emerging market trends, socially responsible investing, venture capital investing, commodities and more.

As one of our **Platinum Series Events**, we have designed this *investment trends conference* to meet the needs of money managers, senior pension fund officers and trustees who prefer smaller, more structured programs. By limiting this event to select managers, participants will be able to more carefully examine a distinct set of topics specifically tailored to their interests.



WEDNESDAY, September 25, 2013

7:00 am	GOLF TOURNAMENT
10:00 am	Exhibit Setup
12:30 pm	Registration Opens
12:45 pm	OPENING REMARKS
1:00 pm – 1:20 pm	Robert Davis MD, Managing Director, ACTUS BIOTECHNOLOGIES
1:20 pm – 1:40 pm	"DIRECT INVESTING IN PRIVATE SECURITIES – THE CHANGING LANDSCAPE" Peter Williams, Founder & CEO, ACE GROUP, INC
1:40 pm – 2:40 pm	CHALLENGES INVESTORS ARE NOW FACING <ul style="list-style-type: none"> • Understanding and adapting to the evolving landscape of pension funding • What role should investment banks or fund managers have in dispensing strategic asset allocation advice to institutional investors • Impact of Government • Family Office & private wealth perspective <p>Moderator: Gregory Brothers, Senior Vice President & Chief Financial Officer, SOUTH TEXAS COLLEGE OF LAW (HOUSTON)</p> <p>Panelists: Michael A. Hermanson, CPA, HR Pension and Benefits Manager, THE CITY OF TUCSON (AZ) Ed Burton, Trustee, VIRGINIA RETIREMENT SYSTEM John Tsui, Managing Principal, PENINSULA HOUSE FAMILY OFFICE Richard Bird, President, BIRD CAPITAL GROUP</p>
2:40 pm – 3:20 pm	HOW CONVERTIBLE BONDS OFFER THE POTENTIAL TO MAKE POSITIVE RETURNS IN ANY MARKET <ul style="list-style-type: none"> • Learn how only one type of bond has historically tended to rise with interest rates • Understand how convertible bonds can be ideal investments over complete market

	<p>cycles for absolute return oriented, long-term investors</p> <ul style="list-style-type: none"> • Learn about the Hidden Gem in convertible bonds that even most professionals do not know about • Can convertible bonds outperform both equities and fixed income over complete bull and bear market cycles and do so with less volatility? • Should you invest in convertible bonds through SMAs, mutual funds or private hedge funds? <p>Speaker: Greg Miller, CEO and Co-CIO, WELLESLEY INVESTMENT ADVISORS & Co-Manager, MILLER CONVERTIBLE FUND</p>
3:20 pm – 4:15 pm	<p>INVESTMENT STYLES & STRATEGIES</p> <ul style="list-style-type: none"> • New Investment Opportunities for Institutional Investors • Best Practices in Maximizing Fund Returns • How alternatives diversify a portfolio • Where is the growth • Investing in emerging managers <p>Moderator: Joseph Connolly, Norfolk County Treasurer, NORFOLK COUNTY RETIREMENT BOARD</p> <p>Panelists: Adam Falcon, CFA, Executive Director and CIO, THE CLINE GROUP (SFO) Stuart Bernstein, Investment Officer, Emerging Managers Program, TEACHER RETIREMENT SYSTEM OF TEXAS</p>
4:15 pm – 4:30 pm	<p>AFTERNOON REFRESHMENT BREAK Sponsored By: WELLESLEY INVESTMENT ADVISORS, INC</p>
4:30 pm – 5:15 pm	<p>ABSOLUTE RETURNS: THE ROLE OF HEDGE FUNDS IN YOUR PORTFOLIO</p> <ul style="list-style-type: none"> • Regulatory issues • How to differentiate your fund? • What investors need to know about current opportunities in hedge funds • SEC influence • New expectations for hedge fund managers • What risks should public funds be aware of? • Management fees • Should your fund invest directly or through fund-of-funds? • How will hedge funds fit into an institutional investor's portfolio • Which hedge fund strategies will thrive in the current market environment?

	<p>Moderator: Carolyn Weiss, Chief Financial & Investment Officer, FJC FOUNDATION</p> <p>Panelists: Robert Kerr, Director - Investment Management, KERR FINANCIAL GROUP (MFO)</p>
5:15 pm – 6:15 pm	<p>PRACTICAL ANALYSIS OF ASSET ALLOCATION STRATEGIES</p> <ul style="list-style-type: none"> • Allocation trends • Tactical Asset Allocation • Investing in alternatives: how much of your portfolio is the right amount? • What new asset classes are worth considering? • Determining the optimal investment mix <p>Moderator: Marina Batliwalla, Principal, MERCER</p> <p>Panelists: Brad Miller, President, PENINSULA FAMILY OFFICE (SFO) Matt Padberg, CFA, Managing Director, CARDINAL INVESTMENT ADVISORS Tamara Burden, Director of Pension & Endowment Risk, MILLIMAN, INC.</p>
6:15 pm – 7:15 pm	<p>COCKTAIL RECEPTION THE CORAL CASINO BEACH & CABANA POOL CLUB</p> <p>Sponsored By: TERRACAP MANAGEMENT CORP.</p>

THURSDAY, September 26, 2013

8:15 am – 9:00 am	<p>Breakfast Buffet</p> <p>Sponsored By: ACTUS BIOTECHNOLOGIES</p> <p>Main Exhibit Area</p>
8:15 am – 9:00 am	<p>PRIVATE CLOSED DOOR BREAKFAST <u>For Institutional Investors, Plan Sponsors & Consultants Only</u> This is a forum for Investors to discuss amongst themselves challenges they are facing</p> <p>Facilitators : Skip Coomber, Trustee, SAN DIEGO FOUNDATION</p>

9:05 am	Co-Chair Morning Remarks
9:10 am – 9:40 am	<p>“Rock Skipping for Fun and Profit - But You Always Lose the Rock”</p> <p>Presentation description: Philip Gocke, Managing Director of the Options Industry Council, discusses rock skipping, the consequences of financial crisis and practical strategies to survive the increasingly volatile markets. The presentation will highlight buy-write and collar studies and their ability to lower risk and enhance returns.</p> <p>Speaker: Philip H. Gocke, Managing Director, OPTIONS INDUSTRY COUNCIL</p>
9:40 am – 10:00 am	Jim Hiza, CIO, BREITLING ROYALTY FUNDS
10:00 am – 11:00 am	<p>THE EMERGENCE OF THE: “MANAGER OF MANAGERS” MODEL OF CONSULTANT/INVESTMENT MANAGEMENT IN PUBLIC PENSION PLANS</p> <ul style="list-style-type: none"> • How the model works & what are the impacts • How the investment construction process results in a complex & sophisticated management style • The added benefit of a thorough due diligence program • A pensions perspective on how its affects their plan <p>Moderator: Dennis A. Lockhart, CPA, Director of Finance, ROAD COMMISSION FOR OAKLAND COUNTY (MI) RETIREMENT SYSTEM</p> <p>Panelist:: Cheryl L. Underwood, Investment Consultant, INDEPENDENT PORTFOLIO CONSULTANTS John Whitley, Managing Director & Senior Consultant, INDEPENDENT PORTFOLIO CONSULTANTS John R. Mousseau, CFA, Managing Director and Portfolio Manager, CUMBERLAND ADVISORS Greg M. Newman, CFA, CIMA, Sr. Portfolio Manager, NORTHERN TRUST</p>
11:00 am – 11:15 am	<p>MORNING REFRESHMENT BREAK</p> <p>Sponsored By: ACE GROUP, INC</p>
11:15 am – 12:15 pm	LATEST TRENDS AND FORECASTS IN REAL ESTATE

	<ul style="list-style-type: none"> • Property values • Commercial/Residential • How Do You Determine Your Allocation to Real Estate? • Is Real Estate Part of the Alternatives or an Asset Class on its Own? • Buying distressed debt <p>Moderator: Ron Chandiramani, Group President & Founder, AL MIDAS INTERNATIONAL GROUP (SFO)</p> <p>Panelists: Sean Mayer , Principal, LEGACY REAL ESTATE (MFO) Steve Hagenbuckle, Managing Principal, TERRACAP MANAGEMENT CORP. Terri Chernick, CIO, THE KOFFLER GROUP</p>
12:15 pm – 12:45 pm	<p style="text-align: center;"><u>KEYNOTE:</u></p> <p>William A. Brandt, Jr., President and CEO, DEVELOPMENT SPECIALISTS, INC. & Chair, ILLINOIS FINANCE AUTHORITY</p>
12:45 pm – 2:00 pm	<p style="text-align: center;">LUNCHEON</p> <p style="text-align: center;">Sponsored By: BREITLING ROYALTY FUNDS</p>
2:00 pm – 3:00 pm	<p>REAL ASSET INVESTING</p> <ul style="list-style-type: none"> • How do real assets fit into a portfolio? • Infrastructure • Environmental and ecological infrastructure • Water • Master Limited Partnerships (MLPS) • Oil and Gas Investing • Renewable energy and intelligent grid investment opportunities • What are the real return characteristics of Real assets? • Direct vs. Indirect Investments • Risks involved • Diversifying with Agriculture <p>Moderator: Martha Spano, Principal, BUCK GLOBAL INVESTMENT ADVISORS</p> <p>Panelists: Izzet Bensusan, Managing Partner, CAPTONA PARTNERS, A KARBONE</p>

	<p>GROUP AFFILIATE Abel Mojica, Head of Corporate Development, TORTOISE CAPITAL ADVISORS Jay Yoder, Partner and Head of Real Assets, ALTIUS ASSOCIATES, LTD. & Chairman of the Investment Committee, ALBRIGHT COLLEGE Gerry Reihsen, Chief Executive Officer, CORBITA MARITIME INVESTMENTS LLC</p>
3:00 pm – 4:00 pm	<p>GLOBAL OUTLOOK</p> <ul style="list-style-type: none"> • Cross border Investing • Which sectors present the greatest risk and what are the risk factors specific to these markets • Which will be the best performers • Benefits of Diversifying into Emerging and Frontier Markets <p>Moderator:</p> <p>Panelists: Dr. Eliot Kalter, President/Senior Fellow, E M STRATEGIES, INC/THE FLETCHER SCHOOL OF LAW & DIPLOMACY Walter Sweet, Vice President, ROCKEFELLER PHILANTHROPY ADVISORS</p>
4:00 pm – 5:00 pm	<p>MANAGER SELECTION</p> <ul style="list-style-type: none"> • Manager Selection Risk Factors • Detecting Manager Fraud • Qualitative screening and due diligence • What are the key determinants when selecting a manager • Working with a consultant during the manager selection process • What to look for when selecting a manager? • Defining and managing investment manager styles • What are the most effective quantitative and qualitative methods for selecting managers? • Is it possible to consistently choose managers that surpasses the benchmark; if so what is the secret? <p>Moderator: Andrew Weinman, Investment Analyst, CHALKSTREAM CAPITAL GROUP (MFO)</p> <p>Panelists: Kristina Koutrakos, Managing Director, Investment Strategist, MANCHESTER CAPITAL MANAGEMENT, LLC (MFO) Atif Ali, Director of Alternative Investments, G FAMILY OFFICE (SFO) Kenneth S. Springer, President, CORPORATE RESOLUTIONS INC.</p>

5:00 pm – 6:00 pm	<p style="text-align: center;">COCKTAIL RECEPTION THE CORAL CASINO BEACH & CABANA POOL CLUB</p> <p style="text-align: center;">Sponsored By: OPTIONS INDUSTRY COUNCIL</p>
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FRIDAY, September 27, 2013

8:30 am	<p style="text-align: center;">Breakfast Buffet</p> <p style="text-align: center;">Sponsored By:</p>
9:00 am – 9:45 am	<p>RISK MANAGEMENT</p> <ul style="list-style-type: none"> • Regulatory Issues • Domestic and offshore • Regulating hedge funds • Avoiding fraud • Allocating to new asset classes • Corporate governance • Due diligence considerations • New disclosure & liability <p>Moderator: Mark H. Kordonsky, Principal & Chief Risk Officer, SAGEVIEW ADVISORY GROUP</p> <p>Panelists: Paul Vogel, President and CEO, ARGOS PARTNERS, LLC (MFO) Freeman Wood, Director, MERCER SENTINEL GROUP</p>
9:45 am – 10:30 am	<p>OUTSOURCED CIO- THE CURRENT TREND</p> <p>Moderator: Jay Rogers, Executive Director, BERGENDAHL HOLDINGS (SFO)</p> <p>Panelists: Patricia Soldano, President, GENSPRING FAMILY OFFICES (MFO) Peter D. Gerlings, CFA, CAIA, Senior Vice President, Implemented Investment Solutions, SEGAL ROGERSCASEY Steven F. Charlton, CFA, Director of Consulting Services, NEPC, LLC</p>
10:30 am – 11:15 am	<p>INVESTOR/CONSULTANTS ROUNDTABLE Q & A:</p>

	<p>Moderator: David McConico, Trustee, CITY OF AURORA'S GENERAL EMPLOYEES' RETIREMENT PLAN</p> <p>Panelists: Don C Stracke, CFA, CAIA, Senior Consultant, NEPC, LLC Dale Neibert, Investment Officer & Analyst, H-E-B BRAND SAVINGS & RETIREMENT PLAN Garbis Mechigian, Chairman, CTC CONSULTING</p>
11:15 am – 12:00 pm	<p>ONGOING EDUCATION FOR PLAN FIDUCIARIES AND PARTICIPANTS</p> <ul style="list-style-type: none"> • Understanding Your Fiduciary Responsibilities • Creating a Fiduciary Ethics Policy • What constitutes "Conflicts of Interest" • Preparing Participants for the Contemporary American Retirement System • Participant PR Campaigns for Retirement Plans • Hosting Pre-Retirement Workshops for Plan Participants <p>Moderator: James Love, Trustee, Assistant Attorney, CITY OF BIRMINGHAM, AL</p> <p>Panelists: David Underwood, Asst. Chief Investment Officer, ARIZONA STATE RETIREMENT SYSTEM Gerald Garrett, Trustee, OKLAHOMA FIREFIGHTERS PENSION & RETIREMENT SYSTEM Adam Frankel, Vice-Chairman, DELRAY BEACH POLICE & FIRE RETIREMENT</p>
12:00 pm	<p>CLOSING REMARKS CONFERENCE CONCLUDES</p>