

STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
INVESTMENT PERFORMANCE ANALYSIS
DECEMBER 31, 2008

STRATEGIC INVESTMENT SOLUTIONS, INC.

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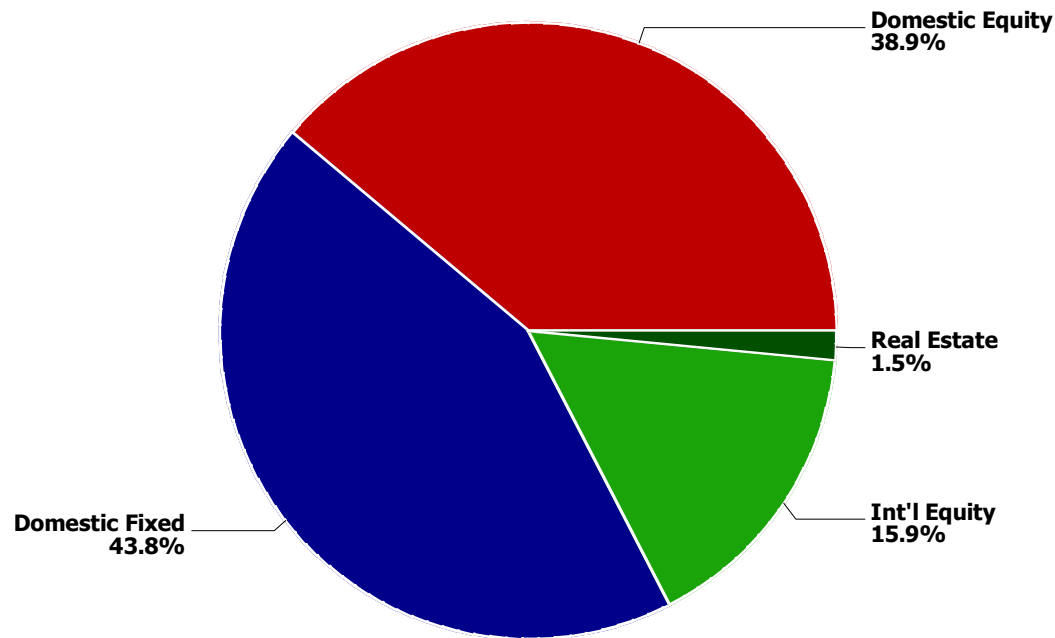
> General Comments

- The effects of the global financial crisis continued into the fourth quarter as the first full week of the quarter was the worst in the 112 year history of the Dow. The index dropped 22% within an eight day period.
- The National Bureau of Economic Research declared that the U.S. has officially been in a recession since December of 2007. Negative economic data is plentiful, as consumer confidence reached an all-time low in December, the jobless rate grew to its highest level in 16 years, and foreclosures soared by 81% in 2008.
- After reaching an all-time high of \$147/barrel in July, oil prices plummeted in the last six months of the year in response to declining global demand brought by the economic slow-down. Oil closed the year under \$40/barrel.
- In the tumultuous markets of 2008, U.S. stocks fared better than their international and emerging markets counter-parts. The S&P 500 out-performed both the MSCI EAFE and MSCI Emerging in 2008 for the first time since 2001 and 2000 respectively. Fed dropped the key short term interest rate to a historic low range of 0% - 0.25% and announced plans to keep rates there for some time. Rates were dropped a total of eight times in 2008 after starting the year at 4.25%.
- In the fourth quarter of 2008, the currency markets were extremely volatile as the U.S. Dollar significantly gained against the pound (+17.9%), yet plunged versus the yen (-16.7%). The dollar made minor gains against the euro (+1.2%).
- For the period ending 12/31/08, the one quarter return for the NAREIT index was (38.81%), the one year return was (37.74%), and the three years return was (10.84%). For the NCREIF Property index (as of 9/30/08), the last quarter was (0.17%); the one year return was 5.29%, and the three years return was 13.24%.
- As the credit crisis continues, property owners are faced with a shortage of third-party capital, both for new ventures and to refinance existing debt. With the cost of available debt increasing above property yields, many investors are more interesting in lending than in buying.
- Finally, the deterioration of the economy in general has increasingly impacted all investments, with real estate becoming the latest cause of concern.

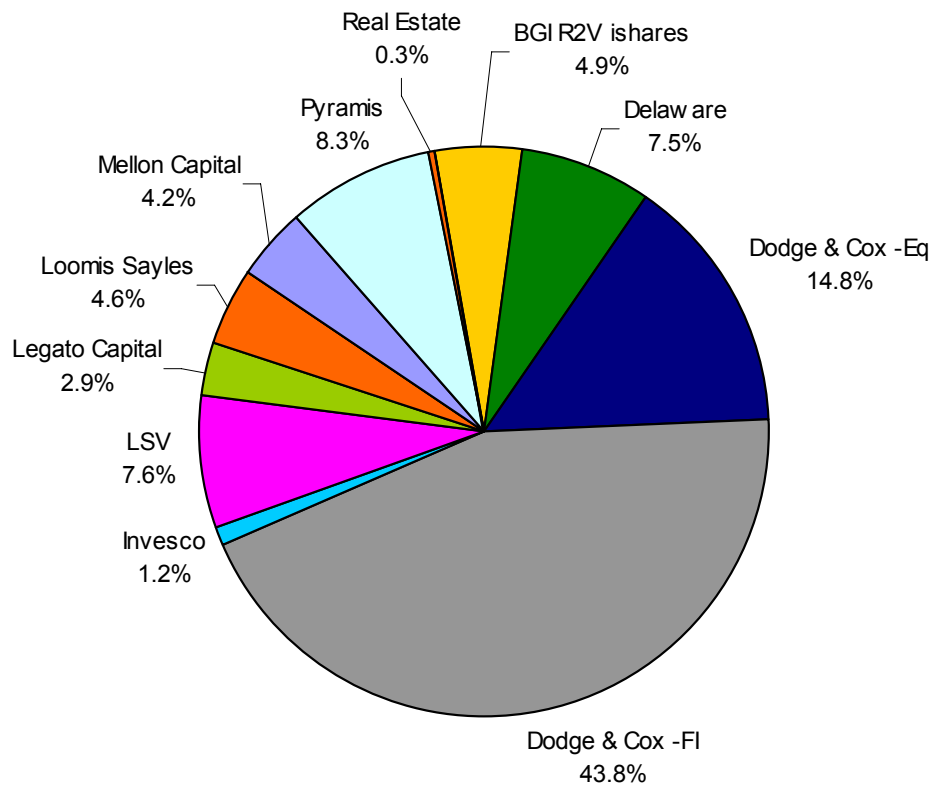
- The composite fund returned -13.7% in the fourth quarter of 2008 and ranked in the 56th percentile among other public funds greater than \$100 million (-13.4% median). The fund led its policy index (-15.1%) during this time period. Longer term, the three and five-year returns of -5.1% and 0.4%, ranked below median among total public plans (-2.9% and 1.8%, respectively).

- Fourth quarter results were enhanced by the following factors:
 1. Delaware's return of -21.8% compared favorably to the Russell 1000 Growth Index (-22.8%); it ranked 35th among large cap growth managers. Intercontinental Exchange, a 4.8% weight of the portfolio, gained 2.2% in value. It also carried a one-third weight in the depreciating Energy sector.
 2. Ahead of its benchmark, the Russell 1000 Value Index (-22.2%), Dodge & Cox-Equity (-21.8%) ranked in the second quartile among large cap value managers (median -22.1%). The environment for deep value investors has been difficult. Its inexpensive stocks across the sectors, industries, and countries have had a negative impact on results.
 3. Pyramis (-22.3%) matched the MSCI ACWI –ex and ranked in the bottom quartile among its international equity peers. Relative to its benchmark, Pyramis carried favorable security selection in the European materials (CRH PLC), consumer staples (Anheuser-Busch Inbev), and industrials (Bouygues) sectors, and no exposure to Canadian investments. Its Japanese (Nikon, Nomura Holdings, Konica Minolta) and emerging markets (South Africa, Russia's Gazprom) investments were a drag on performance.
 4. In its second full quarter, Invesco Realty depreciated 29.0%. Its benchmark, the FTSE NAREIT Global Index, lost 32.4% during the same time period.

- Fourth quarter results were hindered by the following factors:
 1. The Mellon Capital S&P 500 Index Fund slightly trailed the S&P 500 Index (-21.9%) and below the median large cap core manager -21.9% return. The Fund was down 22.0%.
 2. Loomis trailed its benchmark, the Russell 1000 Growth Index (-26.2% vs. -22.8%), and ranked in the 82nd percentile among large growth equity managers. Loomis' negative performance alpha was a result of its Healthcare and Industrials (CSX, First Solar) investments, plus a one-fifth weight in the Consumer Staples sector.
 3. The BGI Russell 2000 Value iShares return of -25.8% ranked in the third quartile among small cap value managers (median of -25.1%). The Russell 2000 Value Index returned -24.9%. At year-end, iShares were liquidated; proceeds will go to the fund of funds manager Capital Prospects.
 4. Mazama was terminated mid-December, with proceeds to fund of funds manager Legato Capital. Legato's benchmark is the Russell 2000 Growth Index. The combined manager quarterly return trailed the new benchmark (-34.2% vs. -27.4%).
 5. LSV (-23.6%) lagged the MSCI ACWI -ex US (-22.3%) and ranked 81st among international equity managers. LSV carried positive US cash drag. However, its relative overweight to Norway, Russia and Ireland, worked against LSV.
 6. The Dodge & Cox-Fixed Income 3.4% return was beaten by its benchmark, the Barclays Aggregate Index, 4.6%, but still ranked in the second quartile among core bond managers, with a median return of 2.9%. D&C's significant underweight (and shorter maturity) to the US Treasury sector and a sector overweight to corporate holdings detracted from relative results.



Manager Type	Market Value	Current%
■ Domestic Equity	383,417,030	38.9
■ Domestic Fixed	432,170,910	43.8
■ Int'l Equity	156,679,584	15.9
■ Real Estate	14,407,227	1.5
Total	986,674,751	100.0



Manager	Market Value	Current%
BGI R2V ishares	48,586,995	4.9
Delaware	73,823,447	7.5
Dodge & Cox -Eq	146,371,587	14.8
Dodge & Cox -FI	432,170,910	43.8
Invesco	11,635,791	1.2
LSV	74,959,211	7.6
Legato Capital	28,227,161	2.9
Loomis Sayles	45,086,114	4.6
Mazama	36,032	0.0
Mellon Capital	41,280,391	4.2
Pyramis	81,720,373	8.3
Real Estate	2,771,436	0.3
Transition Acct	5,303	0.0
Total	986,674,751	100.0

	1 QTR		FISCAL YTD		CALENDAR YTD		2 YEAR		3 YEAR		5 YEAR	
Total Fund *	-13.7%	56	-23.0%	72	-29.8%	93	-13.3%	92	-5.1%	92	0.4%	91
<i>Policy Index ¹</i>	<i>-15.1%</i>	<i>78</i>	<i>-22.3%</i>	<i>69</i>	<i>-27.6%</i>	<i>74</i>	<i>-11.6%</i>	<i>70</i>	<i>-3.9%</i>	<i>69</i>	<i>1.0%</i>	<i>75</i>
<i>Public Plan > \$100 Million Median</i>	<i>-13.4%</i>		<i>-20.9%</i>		<i>-25.8%</i>		<i>-10.3%</i>		<i>-2.9%</i>		<i>1.8%</i>	
US EQUITY MANAGERS												
Mellon Capital - gross of fees	-22.0%	57	-28.5%	56	-37.0%	65	-18.5%	64	-8.3%	61	-2.2%	72
Mellon Capital - net of fees	-22.0%		-28.5%		-37.0%		-18.5%		-8.3%		-2.2%	
<i>S&P 500 Index</i>	<i>-21.9%</i>	<i>56</i>	<i>-28.5%</i>	<i>56</i>	<i>-37.0%</i>	<i>65</i>	<i>-18.5%</i>	<i>65</i>	<i>-8.4%</i>	<i>63</i>	<i>-2.2%</i>	<i>77</i>
Delaware	-21.8%	35	-32.9%	50	-42.6%	77	-19.2%	78				
Delaware - net of fees	-21.9%		-33.1%		-42.9%		-19.6%					
Loomis Sayles	-26.2%	82	-41.4%	89	-49.8%	98	-21.5%	95				
Loomis Sayles - net of fees	-26.3%		-41.6%		-50.1%		-21.8%					
<i>Russell 1000 Growth Index</i>	<i>-22.8%</i>	<i>49</i>	<i>-32.3%</i>	<i>46</i>	<i>-38.4%</i>	<i>46</i>	<i>-17.0%</i>	<i>55</i>				
Dodge & Cox - gross of fees	-21.8%	44	-30.4%	71	-40.7%	76	-22.7%	74	-10.8%	75	-1.3%	58
Dodge & Cox - net of fees	-21.9%		-30.5%		-40.8%		-22.8%		-10.9%		-1.4%	
<i>Russell 1000 Value Index</i>	<i>-22.2%</i>	<i>54</i>	<i>-26.9%</i>	<i>41</i>	<i>-36.9%</i>	<i>45</i>	<i>-20.6%</i>	<i>58</i>	<i>-8.3%</i>	<i>52</i>	<i>-0.8%</i>	<i>52</i>
Legato Capital - gross of fees²												
Legato Capital - net of fees												
<i>Russell 2000 Growth Index</i>												
BGI R2V iShares - gross of fees³	-25.8%	58	-21.0%	27	-28.1%	19	-19.5%	35	-9.2%	48	-2.4%	86
BGI R2V iShares - net of fees	-25.8%		-21.1%		-28.3%		-19.7%		-9.5%		-2.9%	
<i>Russell 2000 Value Index</i>	<i>-24.9%</i>	<i>45</i>	<i>-21.2%</i>	<i>30</i>	<i>-28.9%</i>	<i>27</i>	<i>-19.9%</i>	<i>46</i>	<i>-7.5%</i>	<i>32</i>	<i>0.3%</i>	<i>29</i>
US Equity Composite	-23.9%	55	-32.4%	65	-41.9%	78	-22.2%	83	-11.7%	84	-3.4%	85
<i>80% R1000/ 20% R2000</i>	<i>-23.5%</i>	<i>52</i>	<i>-30.2%</i>	<i>53</i>	<i>-37.7%</i>	<i>55</i>	<i>-18.7%</i>	<i>56</i>	<i>-8.7%</i>	<i>56</i>	<i>-2.0%</i>	<i>62</i>
<i>Russell 3000 Index</i>	<i>-22.8%</i>	<i>45</i>	<i>-29.5%</i>	<i>49</i>	<i>-37.3%</i>	<i>51</i>	<i>-18.8%</i>	<i>57</i>	<i>-8.6%</i>	<i>54</i>	<i>-1.9%</i>	<i>60</i>

Rankings: 1=highest, 100=lowest.

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

¹ Effective 4/1/08, policy Index is 37% Russell 1000, 9% Russell 2000, 20% MSCI ACWI-ex US, 3% Barclays Aggregate, 3% FTSE EPRA/NAREIT. MSCI ACWI-ex US return is linked with previous MSCI EAFE returns.

² Mazama was replaced by Legato Capital December 2008.

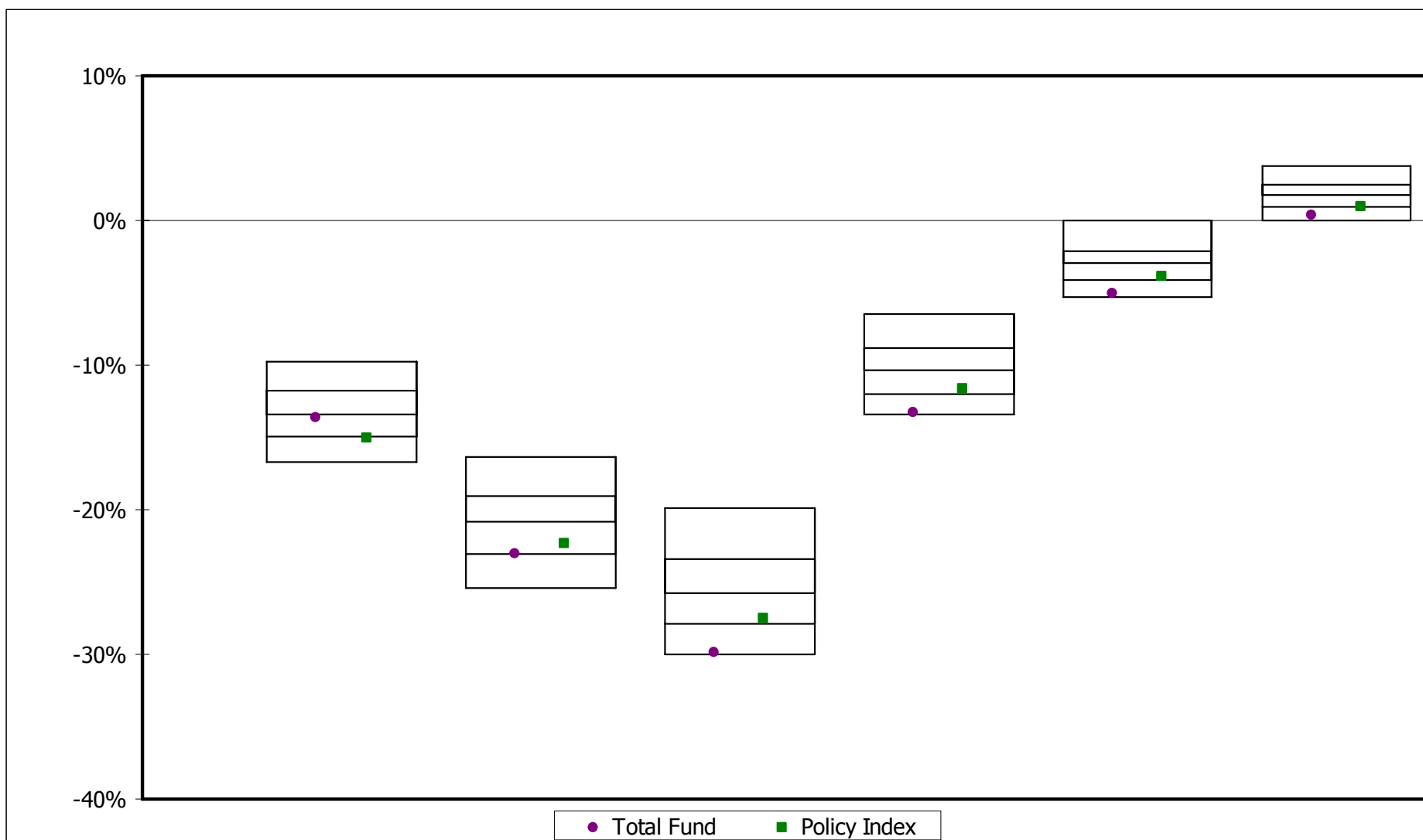
³ Charlotte was replaced by BGI Russell 2000 Value iShares December 2006. Current returns are linked with prior Charlotte returns.

	1 QTR		FISCAL YTD		CALENDAR YTD		2 YEAR		3 YEAR		5 YEAR	
INTERNATIONAL EQUITY MANAGERS												
LSV - gross of fees	-23.6%	81	-40.0%	82	-47.6%	86	-23.4%	86	-8.2%	80		
LSV - net of fees	-23.7%		-40.2%		-47.9%		-23.8%		-8.7%			
Pyramis - gross of fees ⁴	-22.3%	77	-40.4%	84	-46.8%	83	-19.4%	59				
Pyramis - net of fees	-22.4%		-40.6%		-47.0%		-19.8%					
International Equity Composite	-22.9%	78	-40.2%	83	-47.2%	84	-21.4%	74	-7.2%	69	1.8%	81
MSCI ACWI -ex US Index	-22.3%	77	-39.3%	77	-45.2%	74	-19.9%	63	-6.6%	60	2.9%	62
US FIXED INCOME MANAGER												
Dodge & Cox - gross of fees	3.4%	44	-0.3%	57	0.4%	56	2.9%	66	3.9%	59	3.7%	63
Dodge & Cox - net of fees	3.3%		-0.4%		0.3%		2.8%		3.8%		3.6%	
Barclays Aggregate Index	4.6%	28	4.1%	16	5.2%	24	6.1%	27	5.5%	29	4.7%	31
GLOBAL REAL ESTATE												
Invesco - gross of fees ⁵	-29.0%	92	-35.9%	93								
Invesco - net of fees	-29.1%		-36.1%									
FTSE EPRA/NAREIT	-32.4%	95	-39.4%	97								
REAL ESTATE												
12th Street	0.0%											

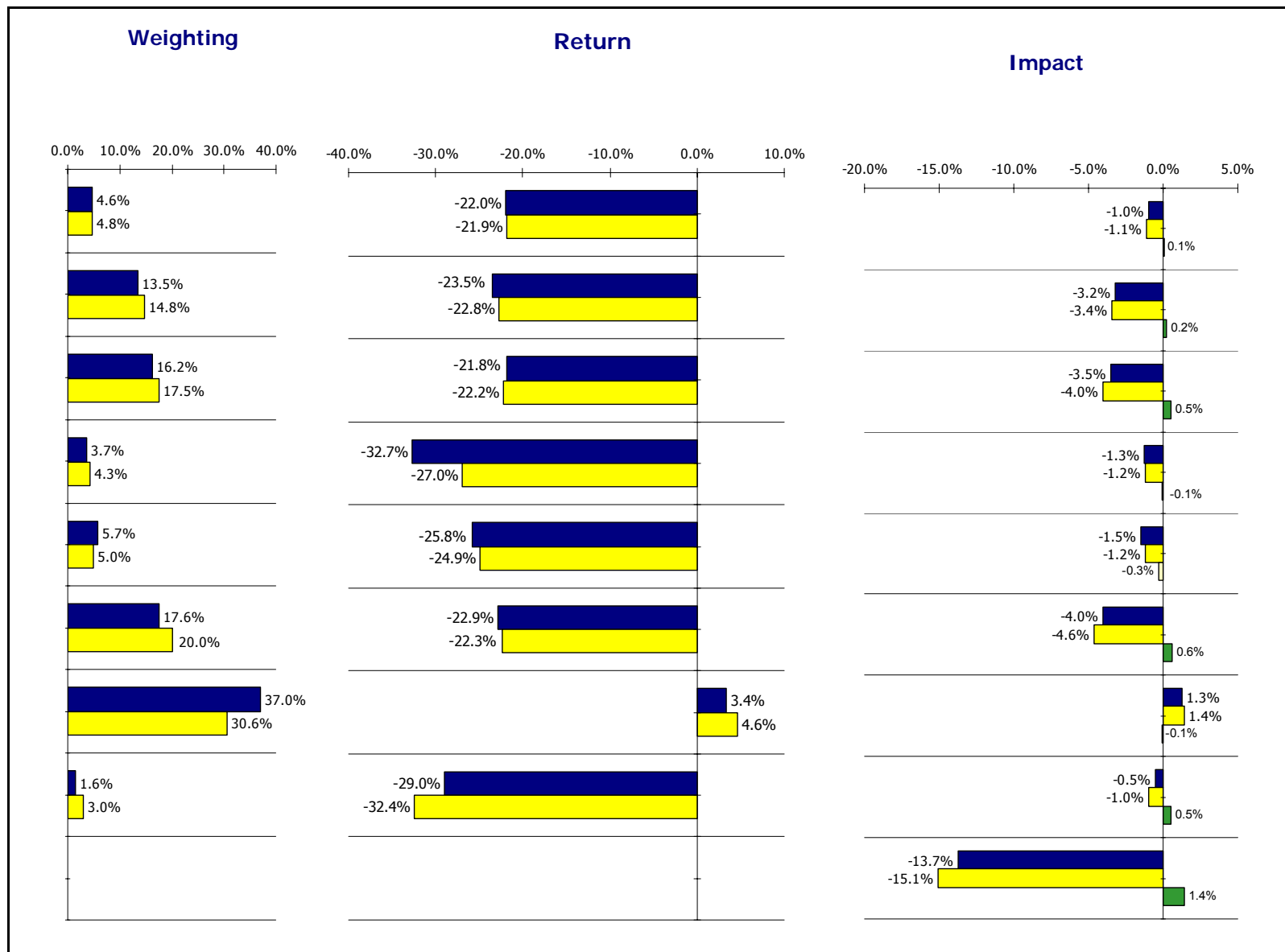
Rankings: 1=highest, 100=lowest.

⁴ Putnam was replaced by Pyramis April 2006.

⁵ Invesco Global Real Estate effective 3/3/08.



	1 QTR		FISCAL YTD		CALENDAR YTD		2 YEAR		3 YEAR		5 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Total Fund	-13.7%	56	-23.0%	72	-29.8%	93	-13.3%	92	-5.1%	92	0.4%	91
Policy Index	-15.1%	78	-22.3%	69	-27.6%	74	-11.6%	70	-3.9%	69	1.0%	75
Median	-13.4%		-20.9%		-25.8%		-10.3%		-2.9%		1.8%	



■ StanCERA ■ Policy Index ■ Impact

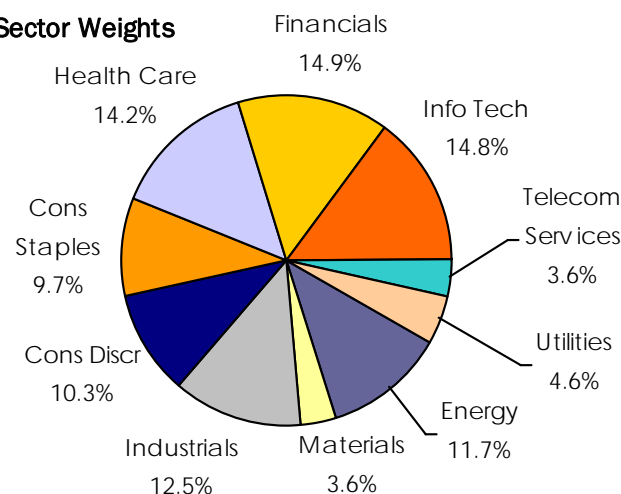
¹ Mazama (Russell 2500G) was replaced by Legato (Russell 2000G) December 2008. Returns and benchmarks are linked for the quarter.

DOMESTIC MARKETS

Domestic Equity - Russell 3000

- It cannot come as a surprise that Financials was the worst performing sector in the fourth quarter, recording a -33.4% return. The sector has lost nearly half of its value in 2008.
- Consumer staples was the most reliable sector in the down markets of 2008, posting the best 1-year return in the index (-19.3%). The Health Care sector also out-performed other sectors recording a -23.2% return for the year.
- The Energy and Materials sectors endured significant losses in the second half of the year, as each sector posted over 20% declines in both the third and fourth quarters.
- Information technology lost 42.7% of its value in 2008. Due to its large weighting in the index, it had the second largest negative contribution to return for the quarter and year.

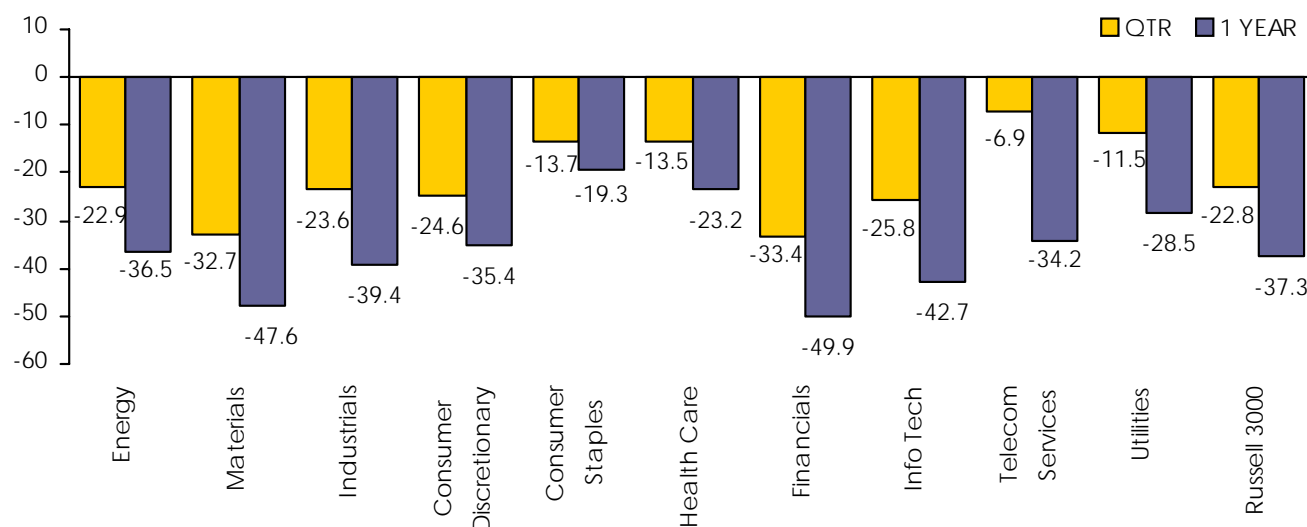
Ending Sector Weights



Characteristics

Div Yield (%)	2.8
P/B Ratio	2.6
P/E Ratio	11.9
Fundamental Beta	1.1
Market Cap \$(MM)	65,899

Sector Returns (%)

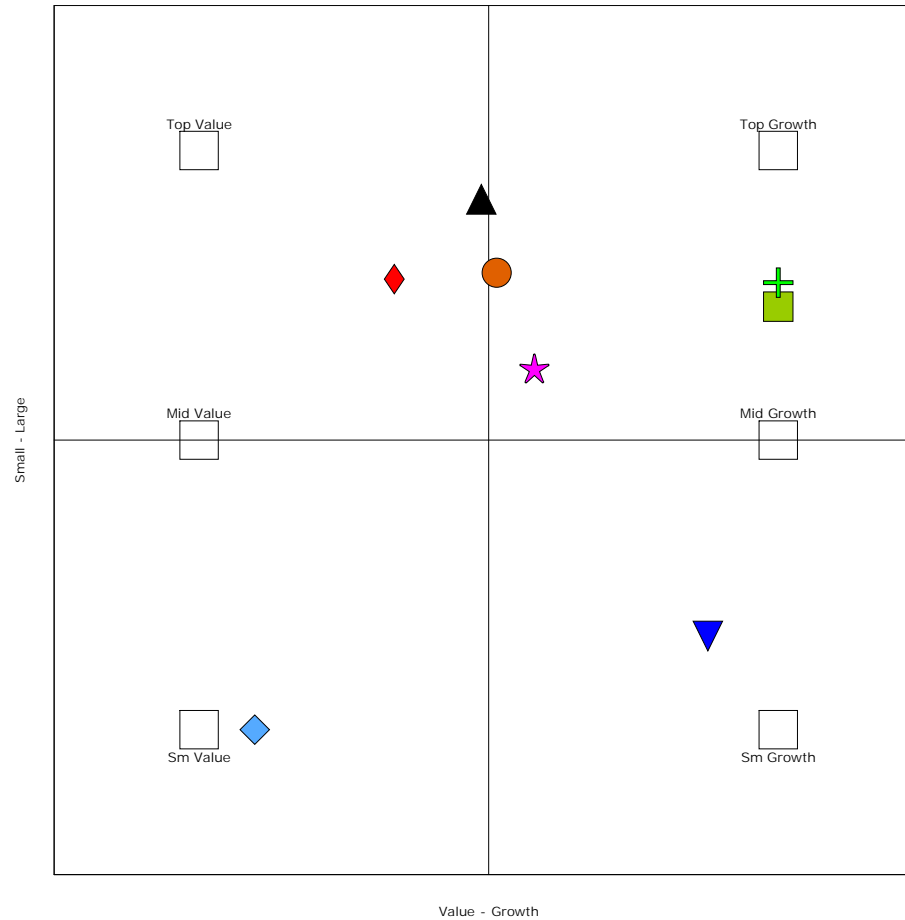


Contribution to Return:

Qtr	-2.7	-1.3	-3.0	-2.6	-1.3	-1.7	-5.6	-4.0	-0.2	-0.5	-22.8
1 Yr	-4.2	-2.0	-5.0	-3.6	-1.5	-2.7	-8.9	-6.9	-1.2	-1.2	-37.3

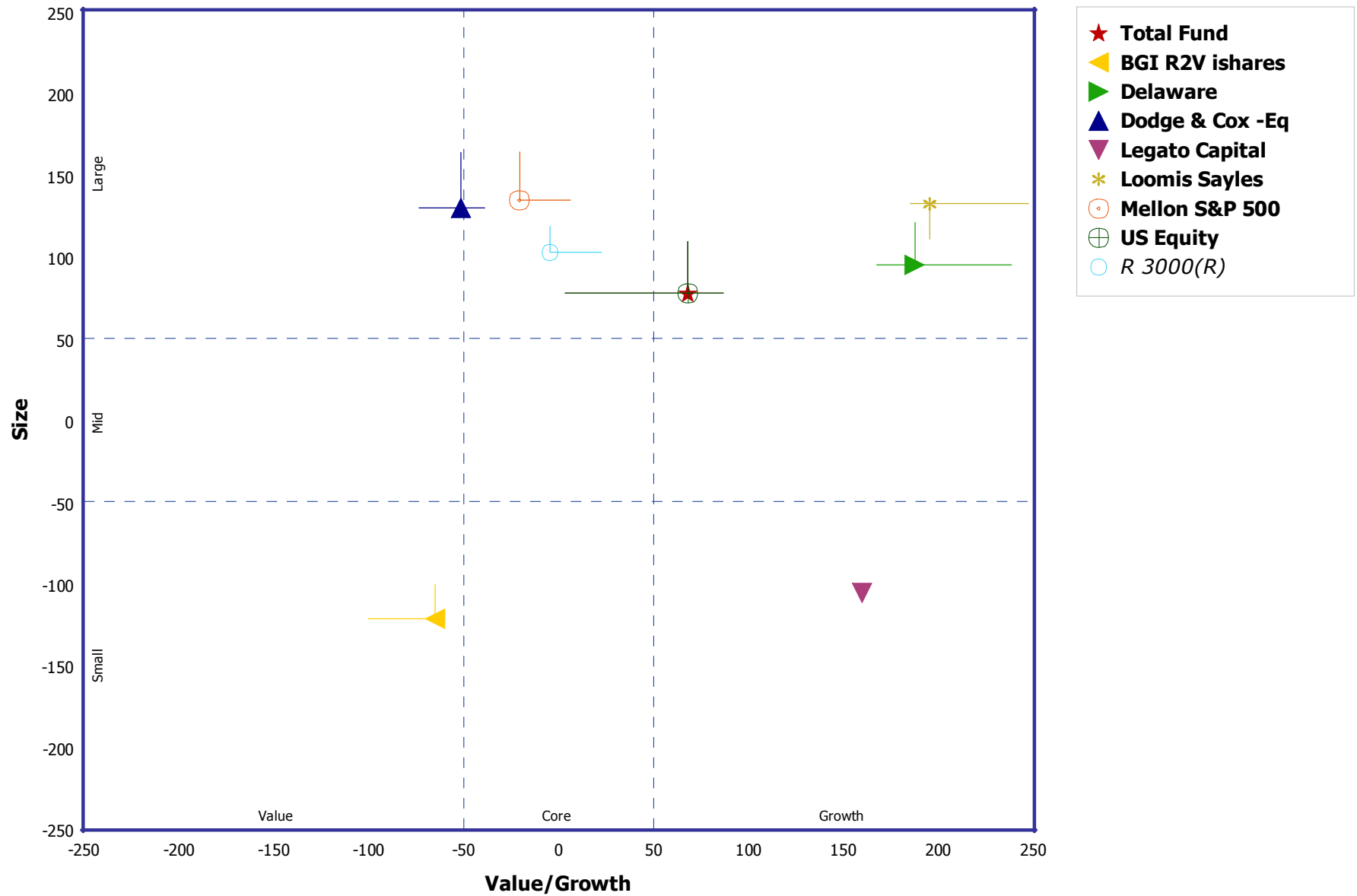
US Equity Style Map

Jan 06 - Dec 08



Legend

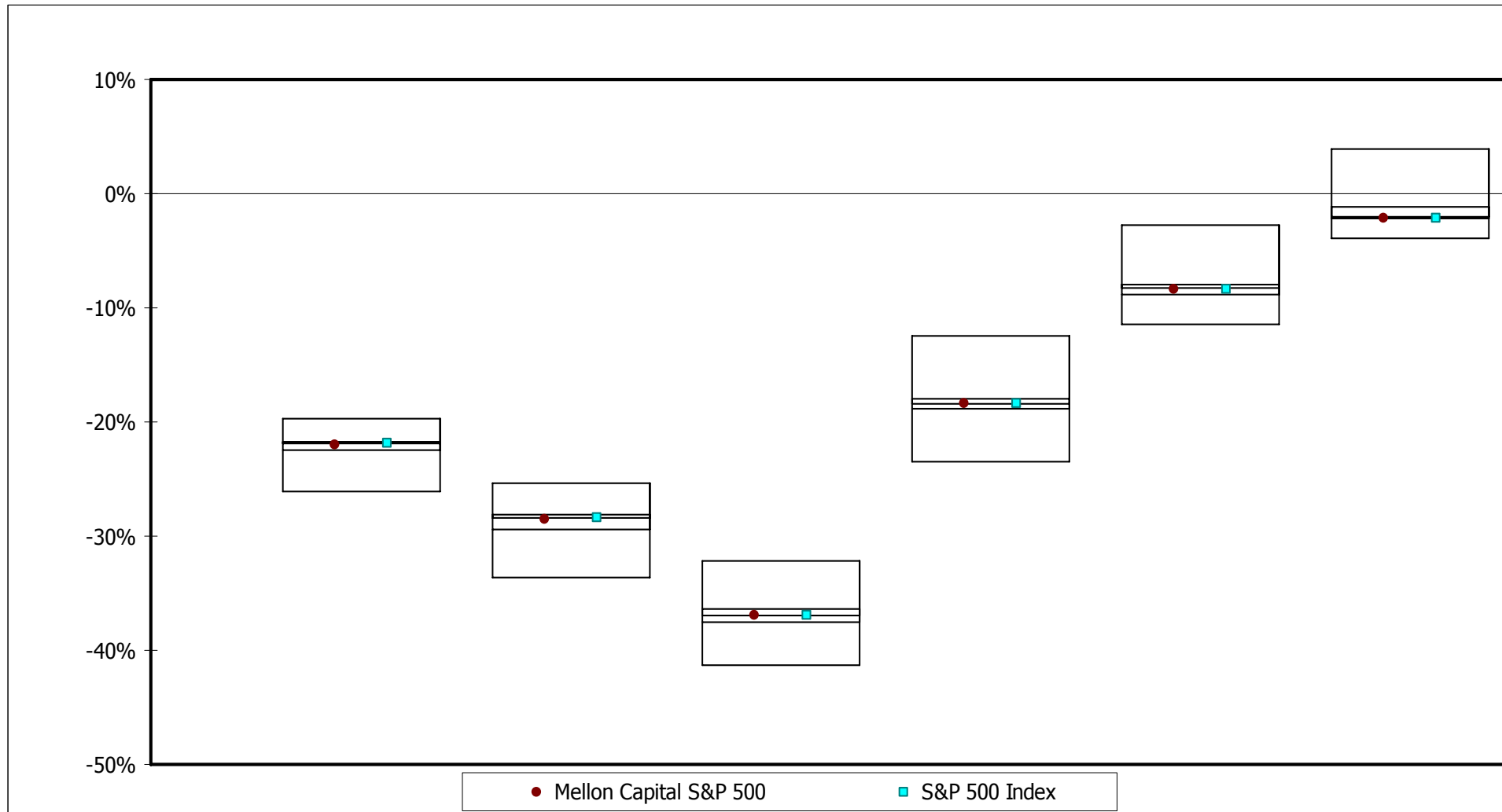
- Russell 3000 Index
- ◆ BGI Russell 2000 Value iShares
- ▲ Mellon Capital S&P 500 Index Fund
- Delaware Investments Advisers
- ◆ Dodge & Cox -Equity
- ⊕ Loomis Sayles and Company
- ▼ Legato Capital
- ★ StanCERA Equity Composite



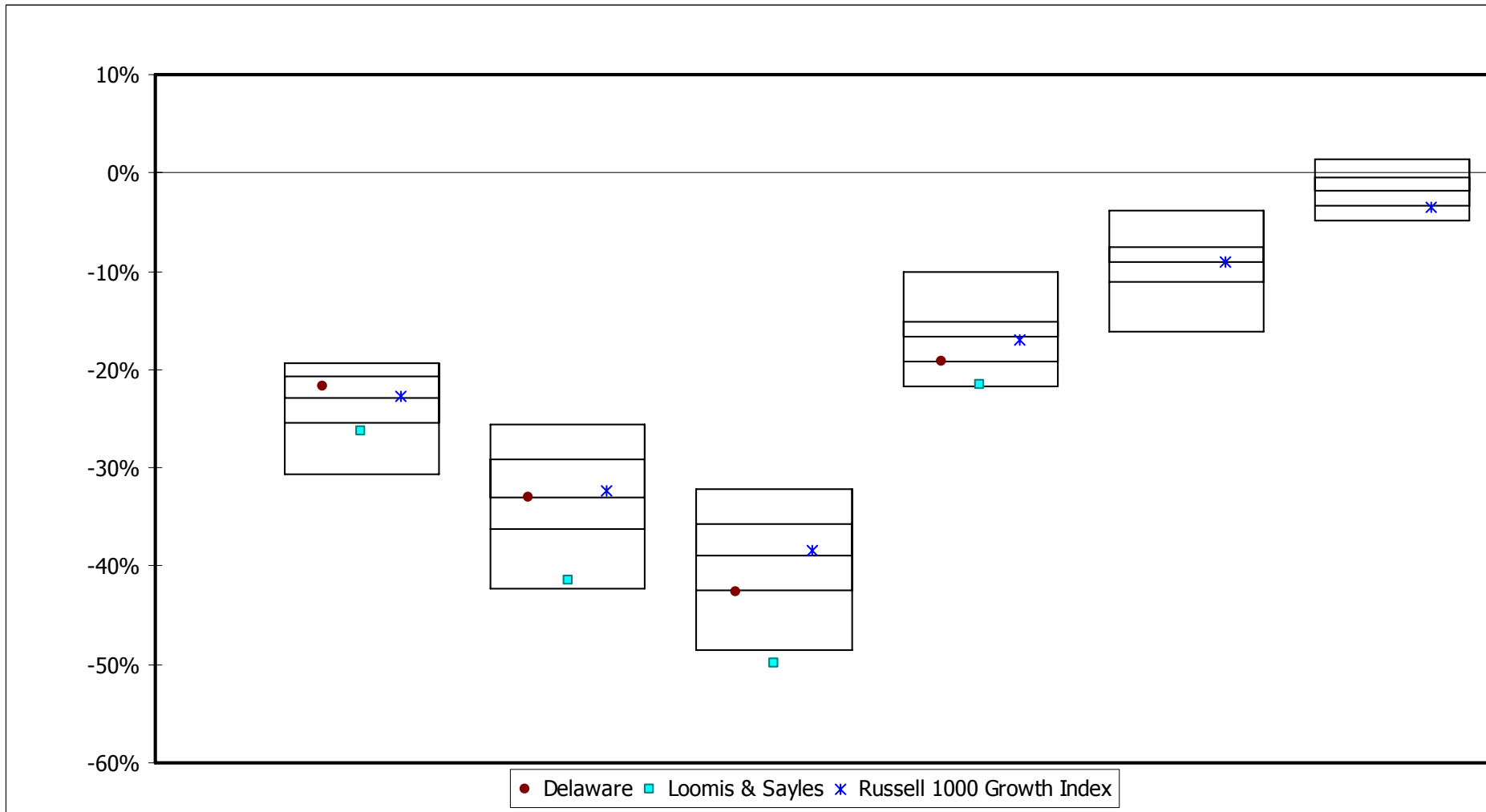
Style assignment based on Morningstar © Size and VCG Scores and Morningstar Style Box™ methodology

	DIVIDEND YIELD (%)				CAPITALIZATION (\$B)				P/E RATIO			
	<u>QTR ENDING</u>		<u>YR ENDING</u>		<u>QTR ENDING</u>		<u>YR ENDING</u>		<u>QTR ENDING</u>		<u>YR ENDING</u>	
BGI R2V ishares	2.77	32	2.11	15	0.85	96	1.19	95	11.31	39	14.43	80
Delaware	1.09	79	0.69	77	34.38	52	53.94	50	13.17	18	25.21	5
Dodge & Cox	2.88	26	1.89	30	54.75	34	73.07	39	9.63	81	14.47	80
Legato Capital	0.60	89			0.98	92			14.45	9		
Loomis Sayles	1.23	76	0.60	80	61.72	26	70.21	40	15.92	3	26.00	4
Mellon Capital	2.99	20	1.97	20	77.84	8	106.80	15	10.78	52	16.21	56
Russell 3000	2.79	31	1.83	32	65.88	22	87.80	26	10.79	51	16.27	53
Median	2.04		1.28		37.49		53.95		10.80		16.69	

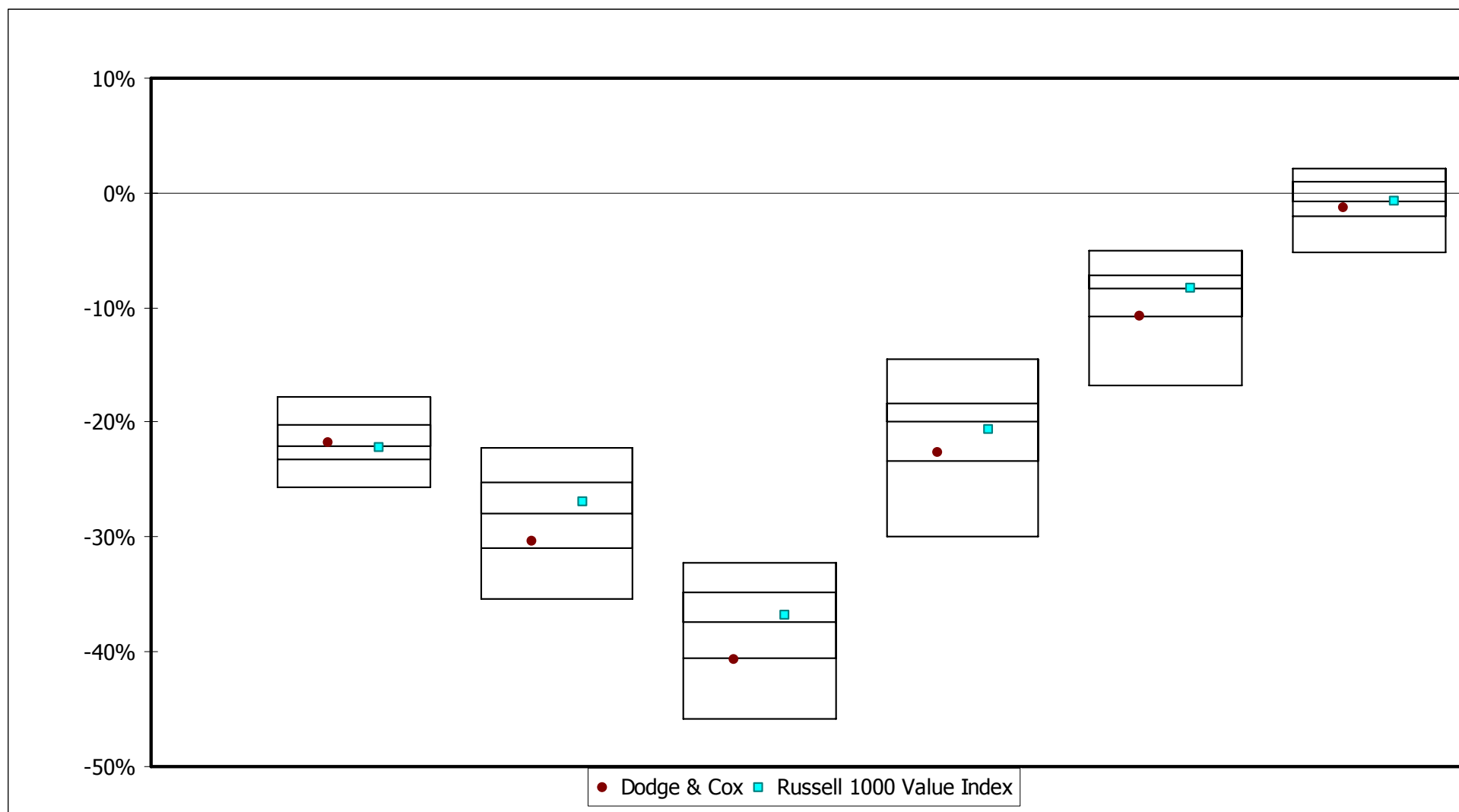
	5 YRS EPS GROWTH				RETURN ON EQUITY				PRICE/BOOK			
	<u>QTR ENDING</u>		<u>YR ENDING</u>		<u>QTR ENDING</u>		<u>YR ENDING</u>		<u>QTR ENDING</u>		<u>YR ENDING</u>	
BGI R2V ishares	9.00	96	12.19	95	9.63	97	9.63	94	1.35	95	1.71	98
Delaware	31.91	8	32.94	19	15.68	72	19.33	48	3.50	13	6.87	7
Dodge & Cox	14.09	81	18.04	78	16.71	67	16.07	66	1.76	84	2.69	83
Legato Capital	27.80	16			13.92	81			2.79	32		
Loomis Sayles	30.03	11	40.69	6	23.61	17	20.85	37	4.14	3	8.54	1
Mellon Capital	17.44	62	22.25	59	21.43	28	22.00	28	2.69	40	4.40	47
Russell 3000	17.80	57	22.80	54	20.47	40	20.74	39	2.61	47	4.35	48
Median	18.55		24.01		19.01		19.09		2.58		4.30	



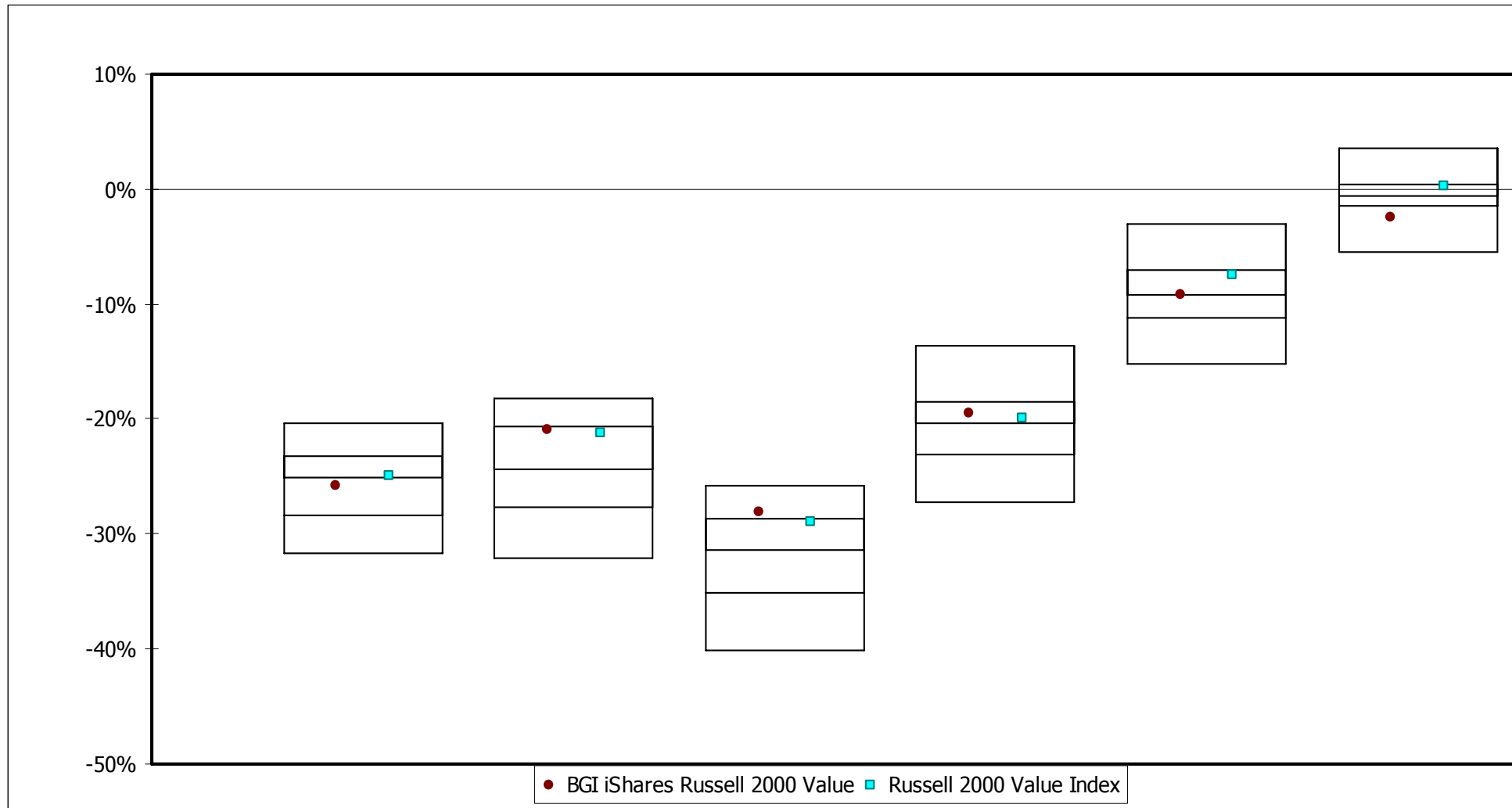
	1 QTR		FISCAL YTD		CALENDAR YTD		2 YEAR		3 YEAR		5 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Mellon Capital S&P 500	-22.0%	57	-28.5%	56	-37.0%	65	-18.5%	64	-8.3%	61	-2.2%	72
S&P 500 Index	-21.9%	56	-28.5%	56	-37.0%	65	-18.5%	65	-8.4%	63	-2.2%	77
Median	-21.9%		-28.4%		-36.9%		-18.4%		-8.3%		-2.1%	



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	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Delaware	-21.8%	35	-32.9%	50	-42.6%	77	-19.2%	78				
Loomis & Sayles	-26.2%	82	-41.4%	89	-49.8%	98	-21.5%	95				
Russell 1000 Growth Index	-22.8%	49	-32.3%	46	-38.4%	46	-17.0%	55	-9.1%	51	-3.4%	78
Median	-22.9%		-33.0%		-38.9%		-16.7%		-9.1%		-1.8%	



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Dodge & Cox	-21.8%	44	-30.4%	71	-40.7%	76	-22.7%	74	-10.8%	75	-1.3%	58
<i>Russell 1000 Value Index</i>	-22.2%	54	-26.9%	41	-36.9%	45	-20.6%	58	-8.3%	52	-0.8%	52
Median	-22.1%		-28.0%		-37.3%		-19.9%		-8.3%		-0.7%	



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BGI iShares Russell 2000 Value	-25.8%	58	-21.0%	27	-28.1%	19	-19.5%	35	-9.2%	48	-2.4%	86
<i>Russell 2000 Value Index</i>	-24.9%	45	-21.2%	30	-28.9%	27	-19.9%	46	-7.5%	32	0.3%	29
Median	-25.1%		-24.3%		-31.4%		-20.3%		-9.2%		-0.6%	

Portfolio Characteristics		
	Portfolio	S&P 500
Total Number of Securities	503	
Total Market Value \$	41,192,721	
Average Market Capitalization (000's)	77,841,100	78,136,700
Median Market Capitalization (000's)	6,289,500	6,200,700
Equity Segment Yield	2.99	2.99
Equity Segment P/E	10.78	10.79
Equity Segment Beta	0.95	1.00
Price/Book Ratio	2.69	2.70
Five Year Earnings Growth	17.44	17.39
Return On Equity	21.43	21.54

Ten Largest Holdings		
Name	\$	Weight
EXXON MOBIL CORP	2,126,751	5.2
PROCTER & GAMBLE CO	966,123	2.3
GENERAL ELEC CO	890,546	2.2
AT & T INC	878,940	2.1
JOHNSON & JOHNSON	868,851	2.1
CHEVRON CORP	786,597	1.9
MICROSOFT	778,883	1.9
WAL MART STORES INC	655,734	1.6
PFIZER INC	624,738	1.5
J P MORGAN CHASE &	615,749	1.5

Ten Best Performers	
Name	Return
WACHOVIA CORP	59.8
ARCHER DANIELS MIDL	32.2
APOLLO GROUP INC	29.2
SUNOCO INC	23.4
NUCOR CORP	17.9
QWEST COMMUNICATION	15.9
FIRST HORIZON NATL	15.0
BRISTOL MYERS SQUIB	14.7
AUTOZONE INC	13.1
GILEAD SCIENCES INC	12.2

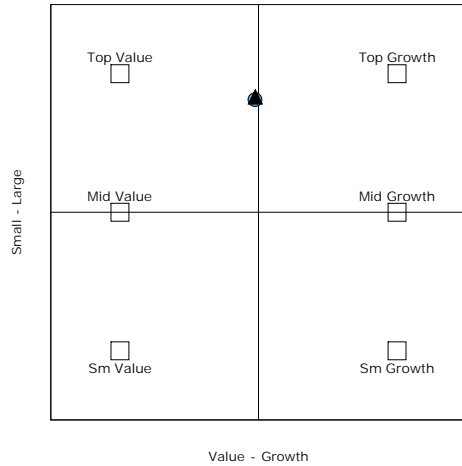
Ten Worst Performers	
Name	Return
AMERICAN CAP LTD	-86.7
DEVELOPERS DIVERSIF	-84.6
TENET HEALTHCARE CO	-79.3
XL CAPITAL LTD - A	-78.7
SPRINT NEXTEL CORP	-70.0
PIONEER NAT RES CO	-69.1
JONES APPAREL	-67.7
CB RICHARD ELLIS GR	-67.7
JANUS CAP GROUP INC	-66.9
CITIGROUP INC	-66.9

	Portfolio		S&P 500		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	9.5	-21.3	9.5	-21.9	0.1	0.0	0.1
Consumer Staples	10.9	-13.4	10.9	-13.3	0.0	0.0	0.0
Energy	12.9	-20.1	12.9	-20.4	0.0	0.0	0.0
Financials	15.8	-36.9	15.8	-37.1	0.0	0.0	0.0
Health Care	13.1	-12.1	13.1	-12.1	0.0	0.0	0.0
Industrials	11.3	-23.1	11.3	-23.3	0.0	0.0	0.0
Info Technology	16.0	-25.7	16.0	-25.7	0.0	0.0	0.0
Materials	3.6	-31.2	3.6	-31.6	0.0	0.0	0.0
Telecom Services	3.1	-1.3	3.1	-1.3	0.0	0.0	0.0
Utilities	3.8	-11.6	3.8	-10.5	0.0	0.0	0.0
Miscellaneous	0.0		0.0				
TOTAL	100%	-21.9	100%	-22.0	0.1	0.0	0.1

Equity Only Buy/Hold Return (B)	-21.9	Stock Selection (E)	0.1
Benchmark Buy/Hold Return (D)	-22.0	Sector Weighting (F)	0.0
Total Relative Return Difference (B/D)	0.1	Total Selection (E * F)	0.1
Equity Only Actual Return (*)	-22.0	Total Value Added (Selection * Trading)	0.1
Equity Only Buy/Hold Return (B)	-21.9		
Intra-Period Trading (* / B)	-0.1		

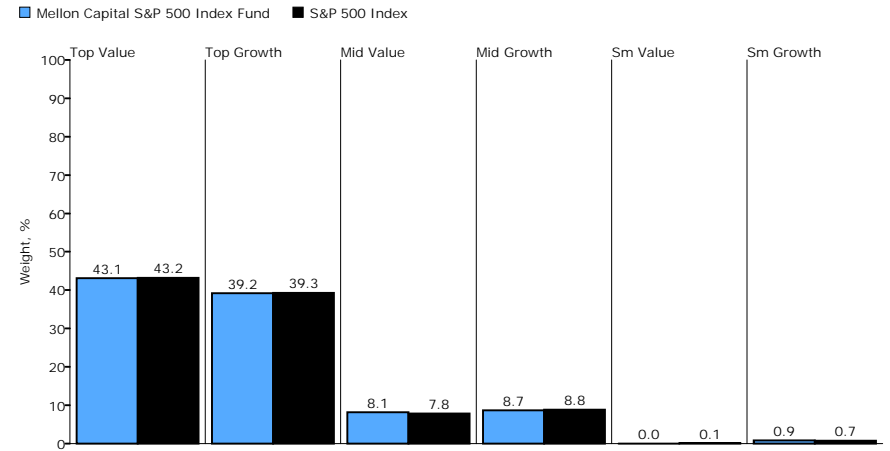
US Equity Style Map

Jan 06 - Dec 08



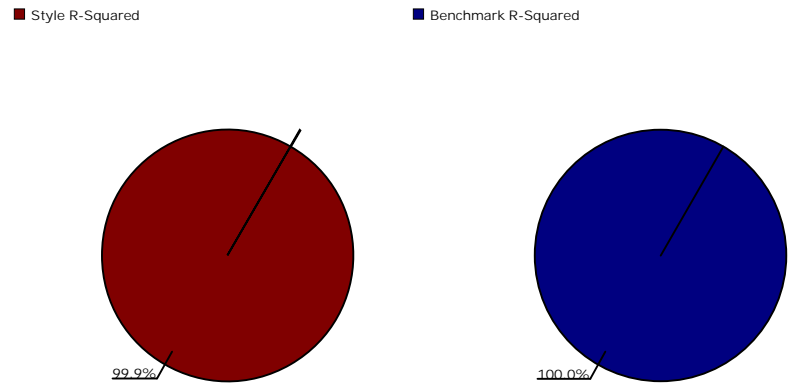
US Equity Style Exposures

Jan 06 - Dec 08



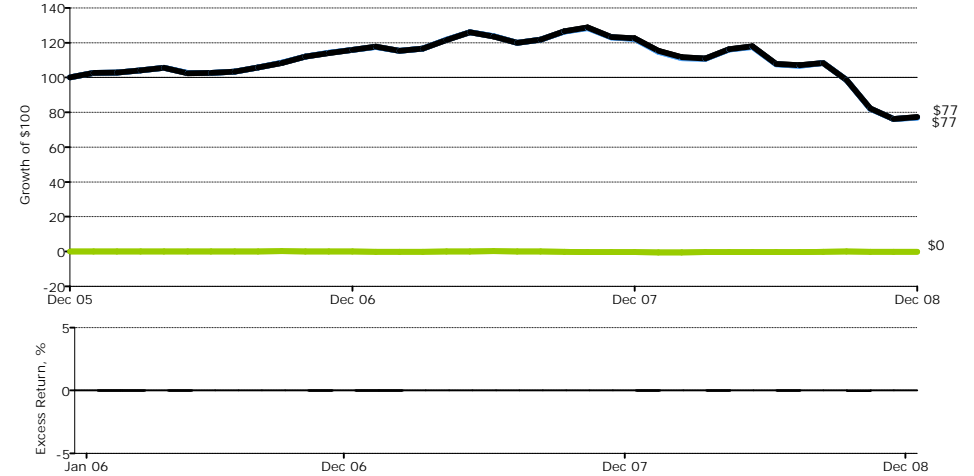
R-Squared (Style Analysis)

Jan 06 - Dec 08



Cumulative Total, Style & Selection Return

Jan 06 - Dec 08



Legend

- ▲ S&P 500 Index
- Mellon Capital S&P 500 Index Fund
- Total
- Style
- Selection

Portfolio Characteristics		
	Portfolio	R 1000(R) GR
Total Number of Securities	28	
Total Market Value \$	72,572,457	
Average Market Capitalization (000's)	34,375,100	55,917,600
Median Market Capitalization (000's)	15,339,600	3,227,100
Equity Segment Yield	1.09	1.94
Equity Segment P/E	13.17	11.55
Equity Segment Beta	1.24	1.05
Price/Book Ratio	3.50	3.53
Five Year Earnings Growth	31.91	24.54
Return On Equity	15.68	25.46

Ten Largest Holdings		
Name	\$	Weight
QUALCOMM INC	4,750,680	6.5
GENENTECH INC	4,560,050	6.3
INTERCONTINENTALEXC	4,031,316	5.6
GOOGLE INC	3,445,680	4.7
MASTERCARD INC	3,444,613	4.7
VISA INC	3,435,475	4.7
ALLERGAN INC	3,350,592	4.6
INTUIT INC	3,166,449	4.4
APPLE INC	3,072,600	4.2
CME GROUP INC COM	3,017,595	4.2

Ten Best Performers	
Name	Return
UNITEDHEALTH GROUP	4.8
INTERCONTINENTALEXC	2.2
EXPEDITORS INTL WAS	-4.1
GENENTECH INC	-6.5
PROCTER & GAMBLE CO	-10.7
UNITED PARCEL SVC I	-11.6
VISA INC	-14.4
QUALCOMM INC	-16.2
PRAXAIR INC	-16.7
WEIGHT WATCHERS INT	-19.1

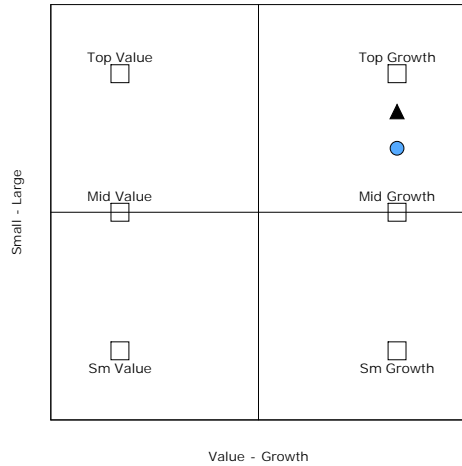
Ten Worst Performers	
Name	Return
SEAGATE TECHNOLOGY	-62.8
MGM MIRAGE INC	-51.7
CME GROUP INC COM	-43.7
RESEARCH IN MOTION	-40.6
CROWN CASTLE INTL C	-39.3
EBAY INC	-37.6
INTERNATIONAL GAME	-29.9
VERISIGN INC	-26.8
EOG RES INC	-25.4
APPLE INC	-24.9

	Portfolio		R 1000(R) GR		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	6.9	-34.2	10.8	-21.5	-0.8	-0.1	-0.9
Consumer Staples	8.1	-14.3	11.8	-14.9	0.1	-0.4	-0.3
Energy	3.0	-25.4	9.4	-34.8	0.3	1.0	1.4
Financials	9.8	-23.4	4.5	-35.9	1.3	-0.9	0.4
Health Care	13.5	-8.7	14.1	-15.0	0.9	-0.1	0.9
Industrials	9.4	-11.0	13.6	-20.5	1.0	-0.1	0.8
Info Technology	43.4	-26.7	28.6	-25.1	-0.7	-0.4	-1.2
Materials	2.9	-16.7	4.6	-30.4	0.5	0.2	0.6
Telecom Services	3.1	-39.3	0.8	-27.8	-0.3	-0.2	-0.5
Utilities	0.0		1.9	-9.8	0.0	-0.3	-0.3
Miscellaneous	0.0		0.0				
TOTAL	100%	-22.1	100%	-22.8	2.3	-1.3	1.0

Equity Only Buy/Hold Return (B)	-22.1	Stock Selection (E)	2.3
Benchmark Buy/Hold Return (D)	-22.8	Sector Weighting (F)	-1.3
Total Relative Return Difference (B/D)	1.0	Total Selection (E * F)	1.0
Equity Only Actual Return (*)	-22.2	Total Value Added (Selection * Trading)	0.8
Equity Only Buy/Hold Return (B)	-22.1		
Intra-Period Trading (* / B)	-0.1		

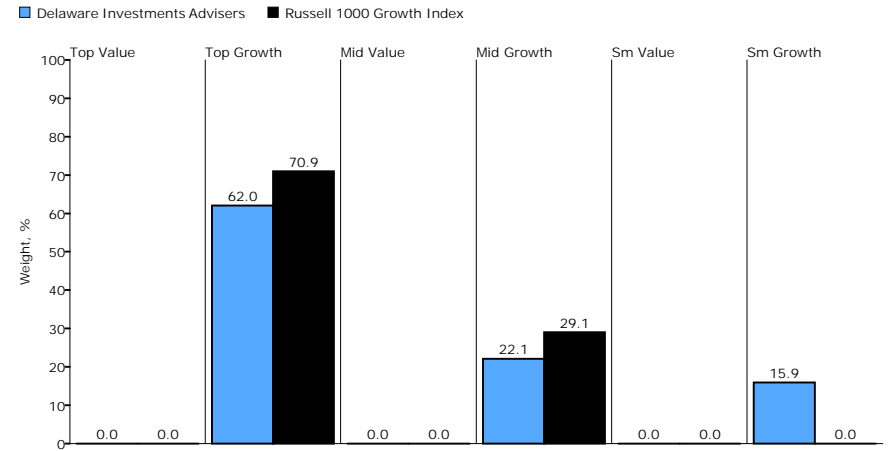
US Equity Style Map

Jan 06 - Dec 08



US Equity Style Exposures

Jan 06 - Dec 08

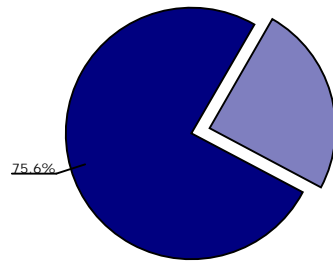
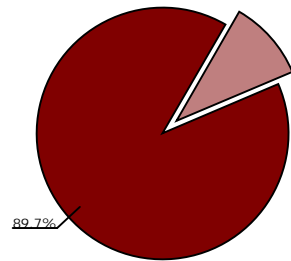


R-Squared (Style Analysis)

Jan 06 - Dec 08

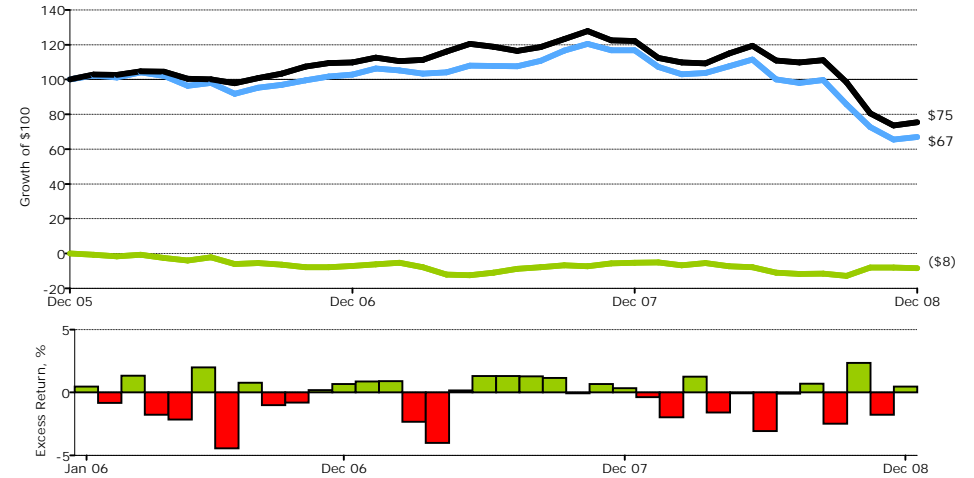
■ Style R-Squared

■ Benchmark R-Squared



Cumulative Total, Style & Selection Return

Jan 06 - Dec 08



Legend

▲ Russell 1000 Growth Index ● Delaware Investments Advisers

■ Total ■ Style
■ Selection

Portfolio Characteristics		
	Portfolio	R 1000(R) GR
Total Number of Securities	46	
Total Market Value \$	44,207,855	
Average Market Capitalization (000's)	61,723,600	55,917,600
Median Market Capitalization (000's)	19,298,300	3,227,100
Equity Segment Yield	1.23	1.94
Equity Segment P/E	15.92	11.55
Equity Segment Beta	0.93	1.05
Price/Book Ratio	4.14	3.53
Five Year Earnings Growth	30.03	24.54
Return On Equity	23.61	25.46

Ten Largest Holdings		
Name	\$	Weight
QUALCOMM INC	2,121,611	4.8
MCDONALD'S CORP	2,096,176	4.7
WAL MART STORES INC	2,056,604	4.7
APPLE INC	1,841,256	4.2
MONSANTO CO NEW	1,685,516	3.8
AMGEN INC	1,565,372	3.5
VISA INC	1,525,823	3.5
ABBOTT LABS	1,515,708	3.4
SOUTHWESTERN ENERGY	1,478,368	3.3
AMAZON COM INC	1,446,558	3.3

Ten Best Performers	
Name	Return
GILEAD SCIENCES INC	12.2
MCAFFEE INC.	1.8
MCDONALD'S CORP	1.7
SOUTHWESTERN ENERGY	-5.1
WAL MART STORES INC	-6.0
LOWES COS INC	-8.7
CELGENE CORP	-12.6
ORACLE CORP	-12.7
VISA INC	-14.4
QUALCOMM INC	-16.2

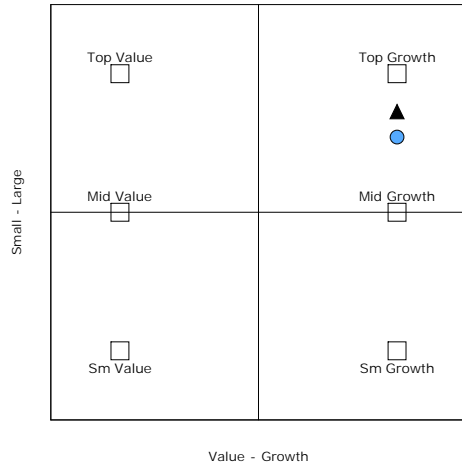
Ten Worst Performers	
Name	Return
AVTIVISION BLIZZARD	-44.0
CSX CORP	-40.2
SCHWAB CHARLES CORP	-37.6
PRICE T ROWE GROUP	-33.5
BLACKROCK INC	-30.5
AMAZON COM INC	-29.5
MONSANTO CO NEW	-28.7
INTERNATIONAL BUSIN	-27.6
FIRST SOLAR INC COM	-27.0
EOG RES INC	-25.4

	Portfolio		R 1000(R) GR		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	15.8	-15.5	10.8	-21.5	0.9	0.1	1.0
Consumer Staples	1.6	-22.5	11.8	-14.9	-0.2	-1.0	-1.2
Energy	7.2	-37.7	9.4	-34.8	-0.3	0.3	0.1
Financials	10.2	-33.7	4.5	-35.9	0.2	-1.0	-0.8
Health Care	15.0	-27.6	14.1	-15.0	-2.0	0.1	-1.9
Industrials	9.1	-33.0	13.6	-20.5	-1.2	-0.1	-1.3
Info Technology	35.3	-23.1	28.6	-25.1	0.7	-0.2	0.5
Materials	4.0	-28.7	4.6	-30.4	0.0	0.1	0.1
Telecom Services	0.0		0.8	-27.8	0.0	0.0	0.0
Utilities	1.7	-5.1	1.9	-9.8	0.0	0.0	0.0
Miscellaneous	0.0		0.0				
TOTAL	100%	-25.5	100%	-22.8	-1.7	-1.8	-3.5

Equity Only Buy/Hold Return (B)	-25.5	Stock Selection (E)	-1.7
Benchmark Buy/Hold Return (D)	-22.8	Sector Weighting (F)	-1.8
Total Relative Return Difference (B/D)	-3.5	Total Selection (E * F)	-3.5
Equity Only Actual Return (*)	-26.9	Total Value Added (Selection * Trading)	-5.3
Equity Only Buy/Hold Return (B)	-25.5		
Intra-Period Trading (* / B)	-1.9		

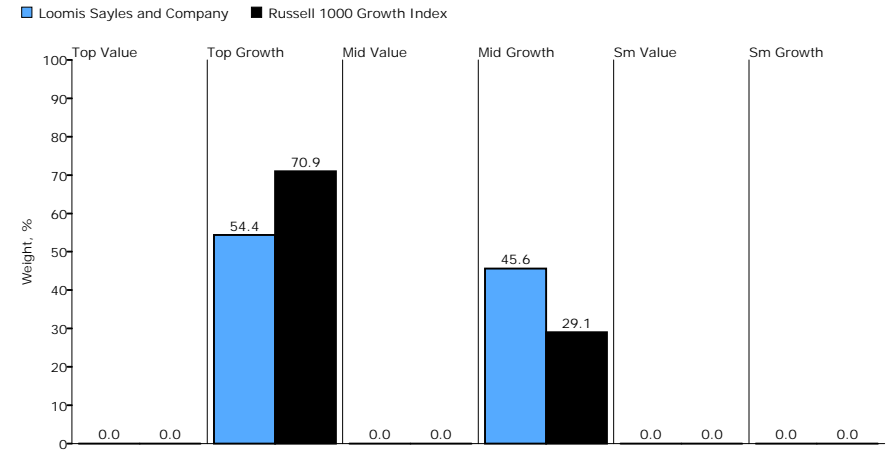
US Equity Style Map

Jan 06 - Dec 08



US Equity Style Exposures

Jan 06 - Dec 08

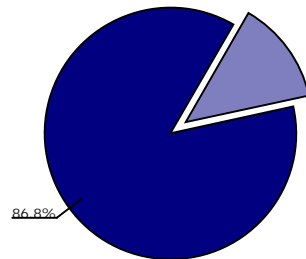
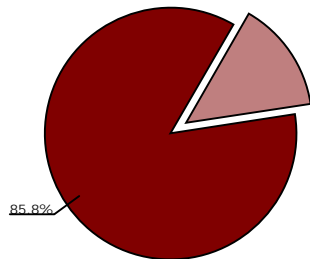


R-Squared (Style Analysis)

Jan 06 - Dec 08

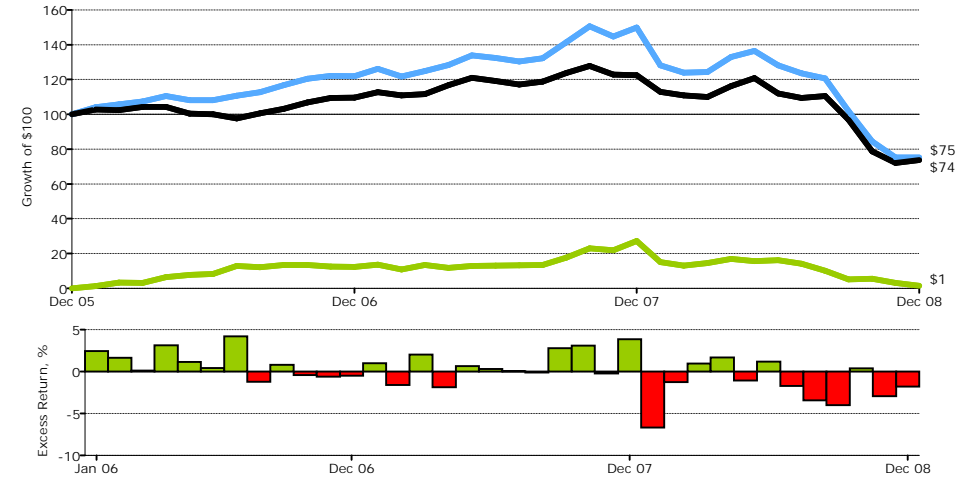
■ Style R-Squared

■ Benchmark R-Squared



Cumulative Total, Style & Selection Return

Jan 06 - Dec 08



Legend

▲ Russell 1000 Growth Index ● Loomis Sayles and Company

■ Total ■ Style ■ Selection

Portfolio Characteristics		
	Portfolio	R 1000(R) VALUE
Total Number of Securities	77	
Total Market Value \$	136,593,620	
Average Market Capitalization (000's)	54,749,000	86,645,600
Median Market Capitalization (000's)	11,621,800	2,750,600
Equity Segment Yield	2.88	3.79
Equity Segment P/E	9.63	10.01
Equity Segment Beta	1.02	0.90
Price/Book Ratio	1.76	1.78
Five Year Earnings Growth	14.09	11.64
Return On Equity	16.71	17.05

Ten Largest Holdings		
Name	\$	Weight
COMCAST CORP-CL A	7,765,863	5.7
HEWLETT PACKARD CO	7,637,882	5.6
SANOFI-AVENTIS	5,145,600	3.8
WELLS FARGO & CO NE	4,730,715	3.5
AMGEN INC	4,683,525	3.4
NOVARTIS A G	4,478,400	3.3
TIME WARNER INC NEW	4,024,000	2.9
WELLPOINT INC	3,892,812	2.8
WAL MART STORES INC	3,878,898	2.8
GLAXO SMITHKLINE PL	3,774,480	2.8

Ten Best Performers	
Name	Return
SHERWIN WILLIAMS CO	5.2
UNITEDHEALTH GROUP	4.8
WYETH	2.5
TRAVELERS COS INC	0.7
PFIZER INC	-2.2
SANOFI-AVENTIS	-2.2
AMGEN INC	-2.6
GENUINE PARTS CO	-4.9
KYOCERA CORP	-5.0
VULCAN MATERIALS CO	-5.6

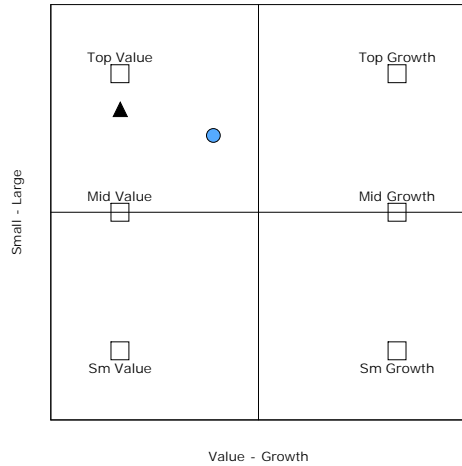
Ten Worst Performers	
Name	Return
LIBERTY MEDIA INTER	-75.8
SPRINT NEXTEL CORP	-70.0
CITIGROUP INC	-66.9
GENWORTH FINL INC	-66.4
DOMTAR CORP COM	-63.7
THOMSON MULTIMEDIA	-61.9
HEALTH MGMT ASSOC I	-57.0
AMERICAN INTL GROUP	-52.8
DOW CHEM CO	-51.2
SUN MICROSYSTEMS IN	-49.7

	Portfolio		R 1000(R) VALUE		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	23.1	-22.6	8.9	-27.0	1.1	-0.9	0.2
Consumer Staples	0.5	-19.9	8.5	-11.5	0.0	-1.1	-1.1
Energy	8.7	-23.5	15.4	-14.2	-0.8	-0.7	-1.5
Financials	13.9	-31.2	27.6	-35.0	0.6	2.4	2.9
Health Care	23.5	-10.6	11.8	-11.0	0.1	1.6	1.7
Industrials	7.5	-27.8	9.8	-27.6	0.0	0.2	0.1
Info Technology	17.7	-26.4	2.9	-29.6	0.6	-1.4	-0.8
Materials	3.7	-36.2	3.7	-36.5	0.0	0.0	0.0
Telecom Services	1.3	-70.0	5.2	-1.1	-0.9	-1.0	-1.9
Utilities	0.0		6.3	-10.6	0.0	-0.9	-0.9
Miscellaneous	0.0		0.0				
TOTAL	100%	-23.6	100%	-22.2	0.6	-1.9	-1.4

Equity Only Buy/Hold Return (B)	-23.6	Stock Selection (E)	0.6
Benchmark Buy/Hold Return (D)	-22.2	Sector Weighting (F)	-1.9
Total Relative Return Difference (B/D)	-1.4	Total Selection (E * F)	-1.4
Equity Only Actual Return (*)	-23.5	Total Value Added (Selection * Trading)	-1.2
Equity Only Buy/Hold Return (B)	-23.6		
Intra-Period Trading (* / B)	0.2		

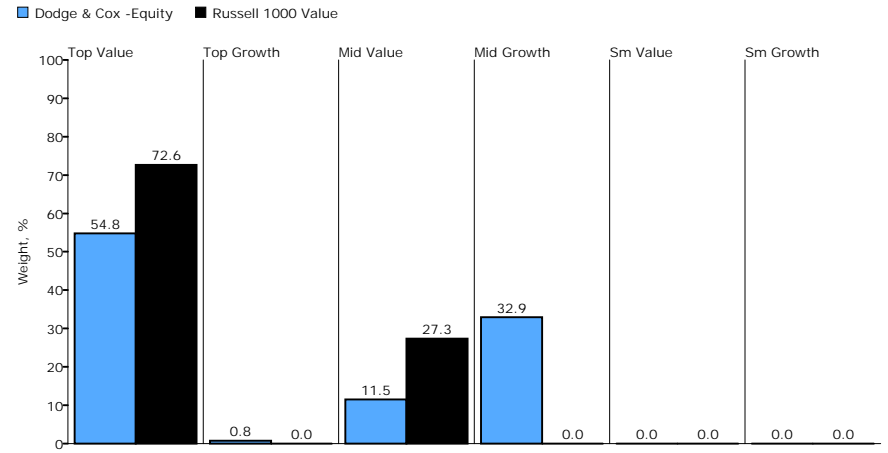
US Equity Style Map

Jan 06 - Dec 08



US Equity Style Exposures

Jan 06 - Dec 08

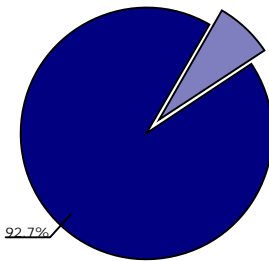
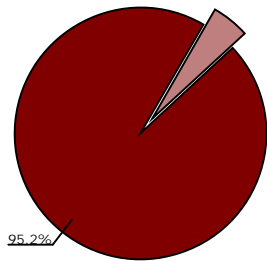


R-Squared (Style Analysis)

Jan 06 - Dec 08

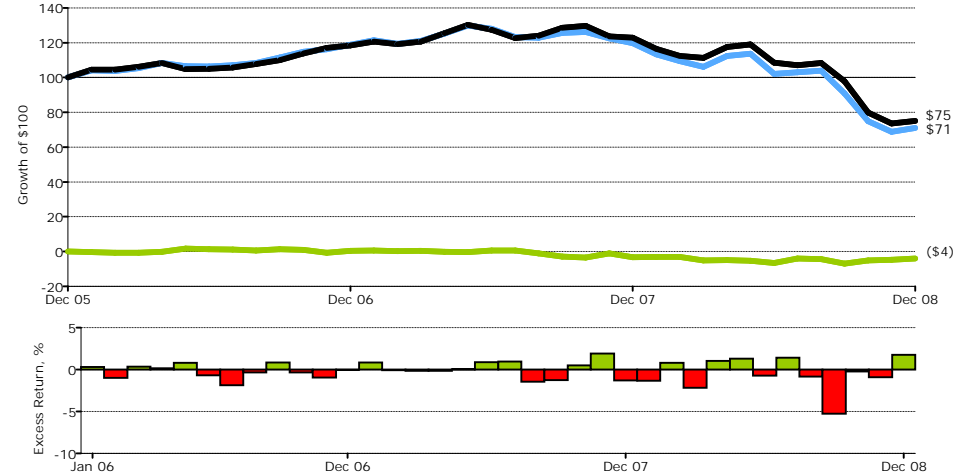
■ Style R-Squared

■ Benchmark R-Squared



Cumulative Total, Style & Selection Return

Jan 06 - Dec 08



Legend

▲ Russell 1000 Value ● Dodge & Cox -Equity

■ Total ■ Style ■ Selection

Portfolio Characteristics		
	Portfolio	R 2000(R) GR
Total Number of Securities	636	
Total Market Value \$	27,271,150	
Average Market Capitalization (000's)	980,500	913,600
Median Market Capitalization (000's)		315,100
Equity Segment Yield	0.60	0.77
Equity Segment P/E	14.45	12.12
Equity Segment Beta	1.22	1.25
Price/Book Ratio	2.79	3.00
Five Year Earnings Growth	27.80	23.35
Return On Equity	13.92	13.40

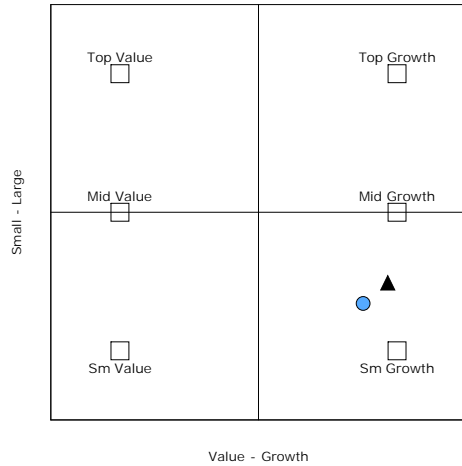
Ten Largest Holdings		
Name	\$	Weight
PORTFOLIO RECOVERY	338,062	1.2
F5 NETWORKS INC	315,971	1.2
ROLLINS INC COM	313,778	1.2
NATIONAL INSTRS COR	308,519	1.1
CHEMED CORP NEW	292,111	1.1
CYBERSOURCE CORP DE	274,331	1.0
NEOGEN CORP	266,412	1.0
UNITED NAT FOODS IN	261,865	1.0
CEPHEID	251,715	0.9
MAXIMUS INC	249,457	0.9

Ten Best Performers	
Name	Return

Ten Worst Performers	
Name	Return

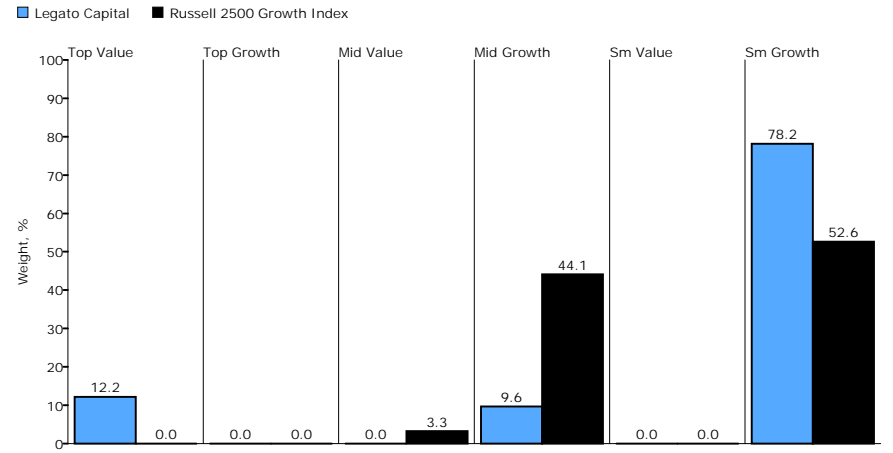
US Equity Style Map

Jan 06 - Dec 08



US Equity Style Exposures

Jan 06 - Dec 08

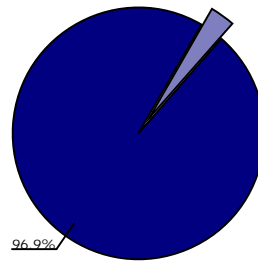
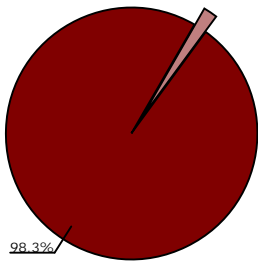


R-Squared (Style Analysis)

Jan 06 - Dec 08

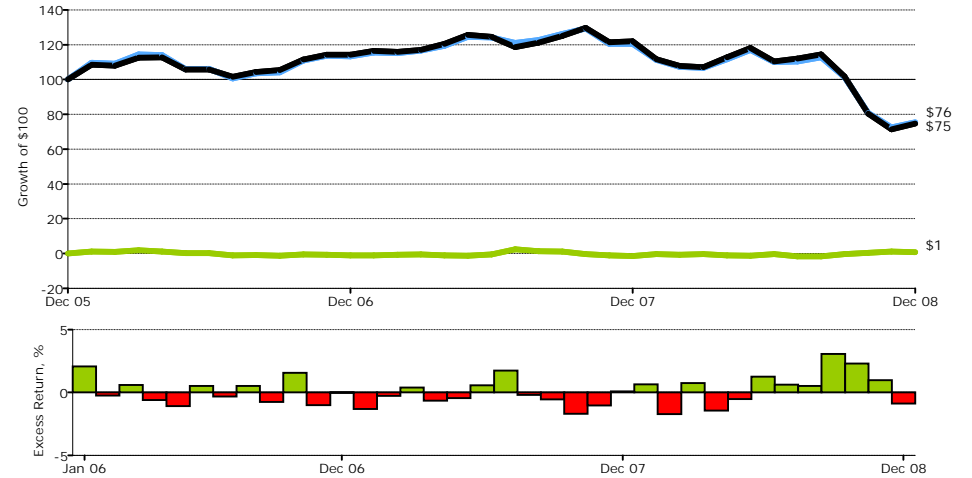
■ Style R-Squared

■ Benchmark R-Squared



Cumulative Total, Style & Selection Return

Jan 06 - Dec 08



Legend

▲ Russell 2500 Growth Index ● Legato Capital

■ Total ■ Style
■ Selection

Portfolio Characteristics		
	Portfolio	R 2000(R) VALUE
Total Number of Securities	1117	
Total Market Value \$	43,739,971	
Average Market Capitalization (000's)	853,900	851,600
Median Market Capitalization (000's)	348,900	304,800
Equity Segment Yield	2.77	2.76
Equity Segment P/E	11.31	11.36
Equity Segment Beta	1.00	1.01
Price/Book Ratio	1.35	1.35
Five Year Earnings Growth	9.00	8.96
Return On Equity	9.63	9.64

Ten Largest Holdings		
Name	\$	Weight
RALCORP HLDGS INC N	333,987	0.8
REALTY INCOME CORP	261,643	0.6
PIEDMONT NAT GAS CO	256,302	0.6
WESTAR ENERGY INC	236,812	0.5
ASPEN INSURANCE HLD	230,911	0.5
SENIOR HSG PPTYS TR	229,751	0.5
FIRST NIAGARA FINL	211,667	0.5
PLATINUM UNDERWRITE	196,932	0.5
VALIDUS HOLDING	189,830	0.4
PROASSURANCE CORP	188,739	0.4

Ten Best Performers	
Name	Return
FORCE PROTECTION IN	123.1
AIRTRAN HLDGS INC	82.7
WORLD FUEL SVCS COR	60.8
NEKTAR THERAPEUTICS	54.9
CANTEL INDUSTRIES I	52.5
SPARTAN MTRS INC	50.9
ALASKA AIR GROUP IN	43.4
JETBLUE AIRWAYS COR	43.4
COMPUCREDIT CORP	41.1
HOT TOPIC INC	40.2

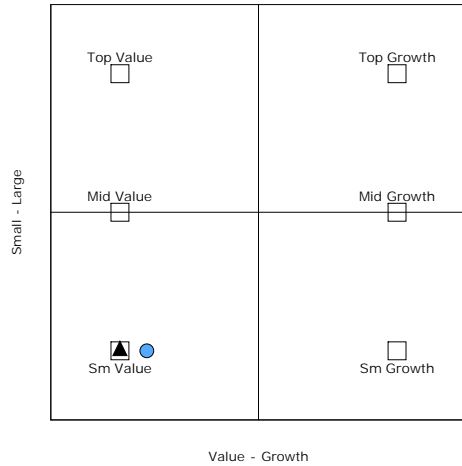
Ten Worst Performers	
Name	Return
BORDERS GROUP INC	-93.9
FREIDMAN BILLINGS R	-91.5
PIER 1 IMPORTS INC	-91.0
CHAMPION ENTERPRISE	-89.9
ASYST TECHNOLOGIES	-89.6
CHARTER COMMUNICATI	-88.8
FIBERTOWER CORP COM	-88.4
LEE ENTERPRISES INC	-88.3
GLOBALSTAR INC COM	-88.2
ABITIBIBOWATER INC	-87.9

	Portfolio		R 2000(R) VALUE		Attribution		
	Pct of Begin Mkt Val (A)	Rate of Return (B)	Pct of Begin Mkt Val (C)	Rate of Return (D)	Stock Selection (E)	Sector Weighting (F)	Total (G)
Cons Discretionary	11.7	-41.6	11.7	-41.6	0.0	0.0	0.0
Consumer Staples	4.3	-15.2	4.3	-15.6	0.0	0.0	0.0
Energy	3.9	-48.6	3.9	-49.1	0.0	0.0	0.0
Financials	36.4	-19.8	36.4	-20.3	0.2	0.0	0.2
Health Care	5.0	-17.8	5.0	-17.0	0.0	0.0	0.0
Industrials	14.5	-21.0	14.5	-21.0	0.0	0.0	0.0
Info Technology	12.3	-31.7	12.2	-31.6	0.0	0.0	0.0
Materials	4.8	-26.5	4.8	-26.7	0.0	0.0	0.0
Telecom Services	1.0	-34.3	1.0	-33.3	0.0	0.0	0.0
Utilities	6.1	-6.7	6.0	-6.8	0.0	0.0	0.0
Miscellaneous	0.0		0.0				
TOTAL	100%	-24.9	100%	-24.6	0.2	0.0	0.2

Equity Only Buy/Hold Return (B)	-24.9	Stock Selection (E)	0.2
Benchmark Buy/Hold Return (D)	-24.6	Sector Weighting (F)	0.0
Total Relative Return Difference (B/D)	0.2	Total Selection (E * F)	0.2
Equity Only Actual Return (*)	-26.9	Total Value Added (Selection * Trading)	-2.4
Equity Only Buy/Hold Return (B)	-24.9		
Intra-Period Trading (* / B)	-2.7		

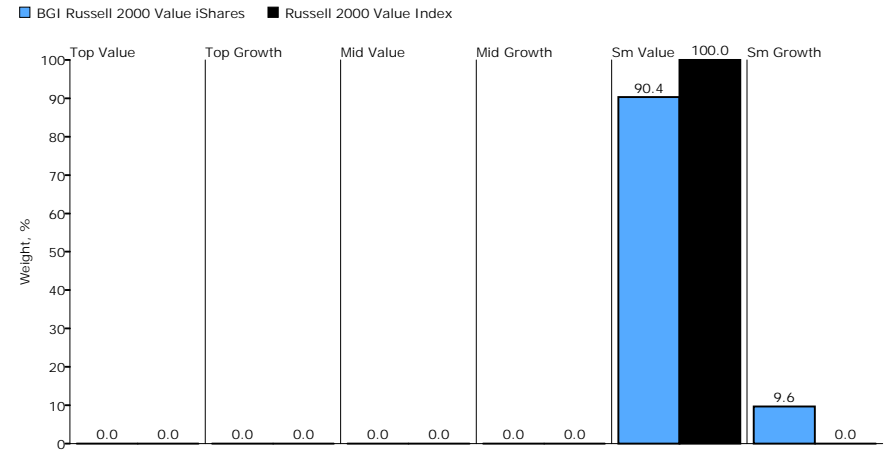
US Equity Style Map

Jan 06 - Dec 08



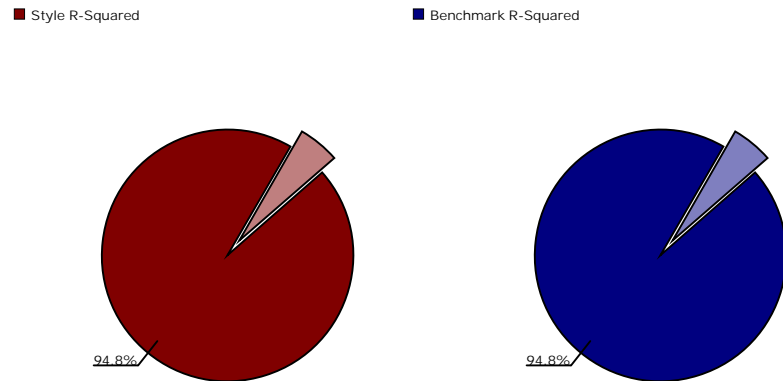
US Equity Style Exposures

Jan 06 - Dec 08



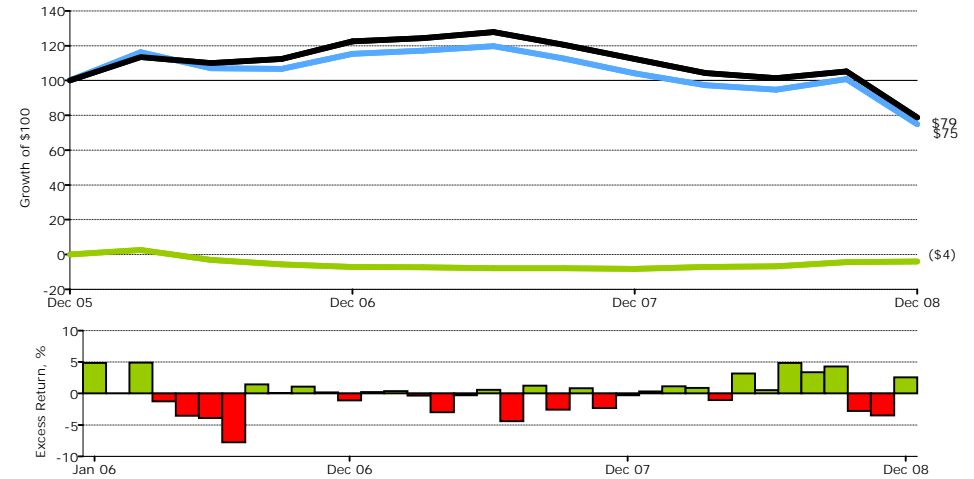
R-Squared (Style Analysis)

Jan 06 - Dec 08



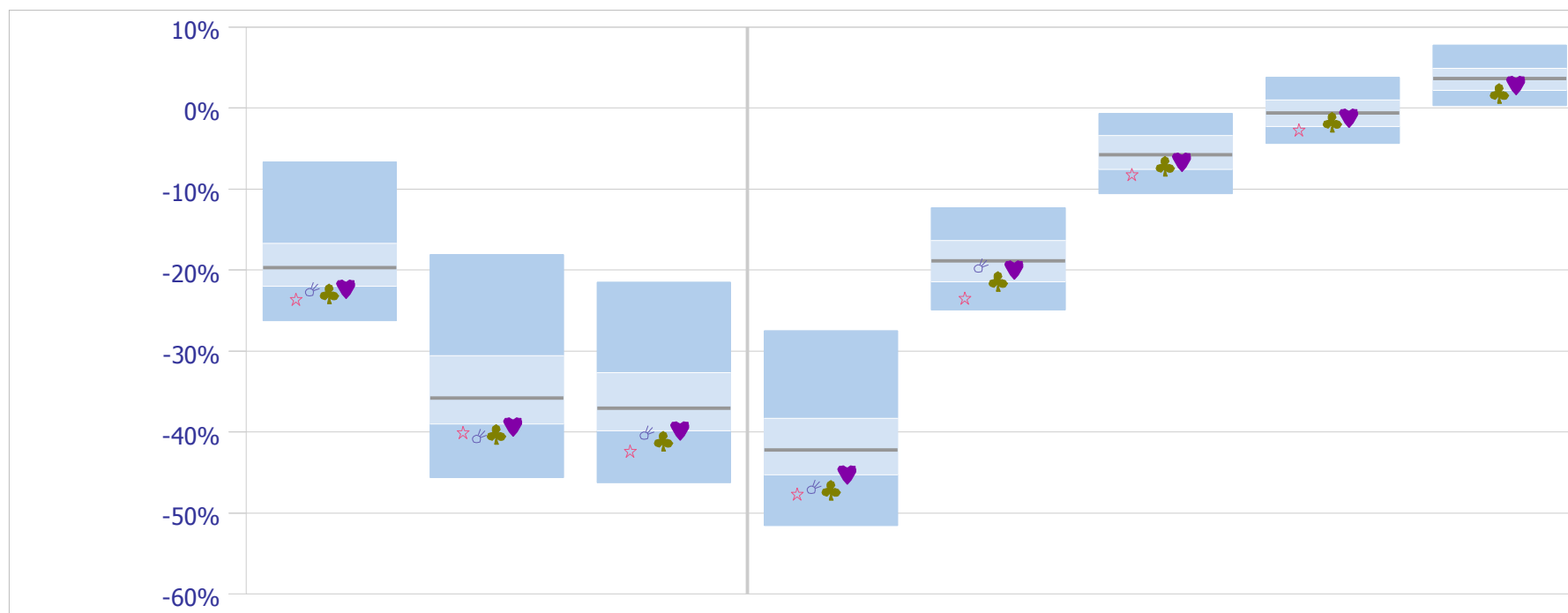
Cumulative Total, Style & Selection Return

Jan 06 - Dec 08

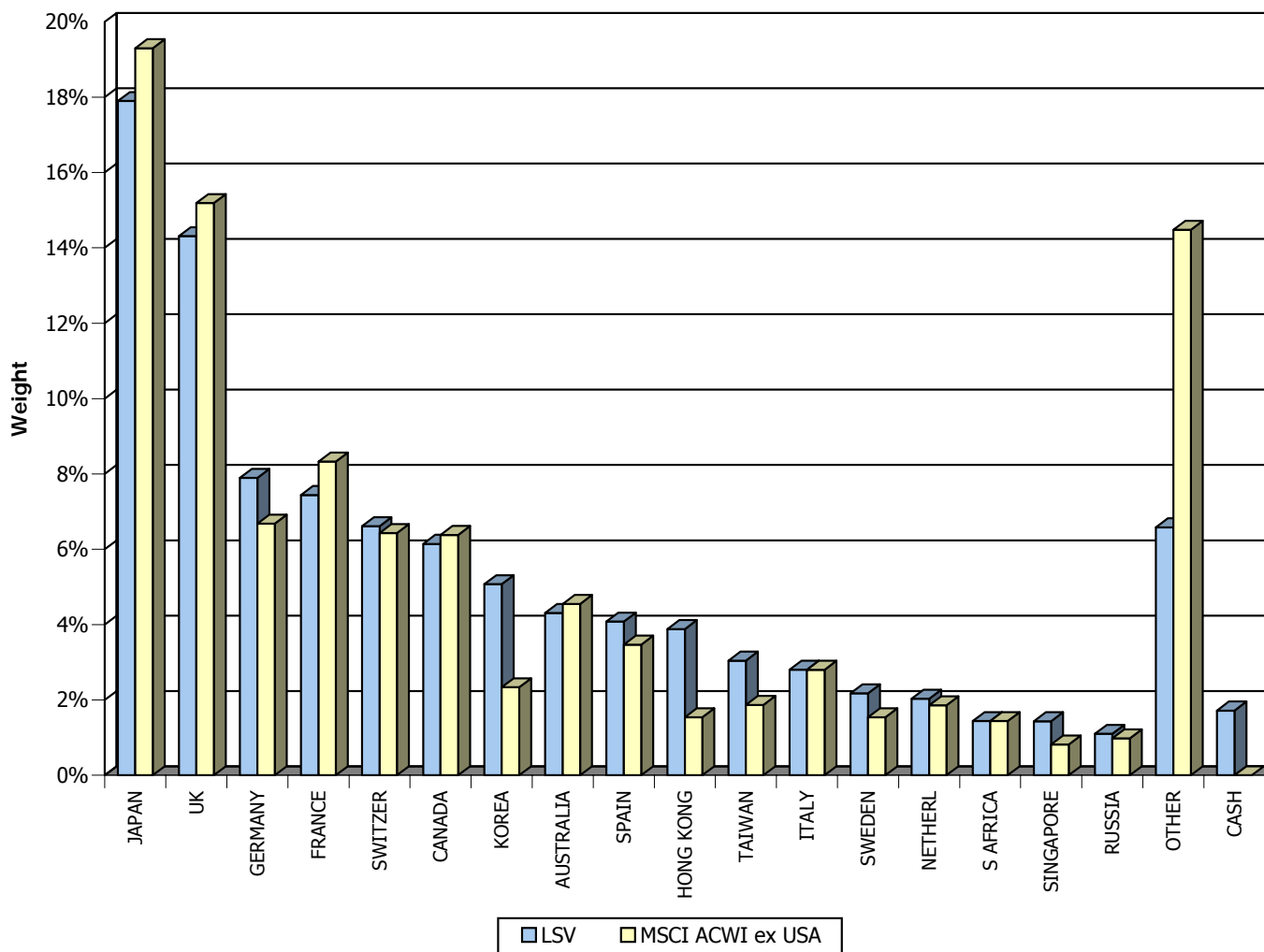


Legend

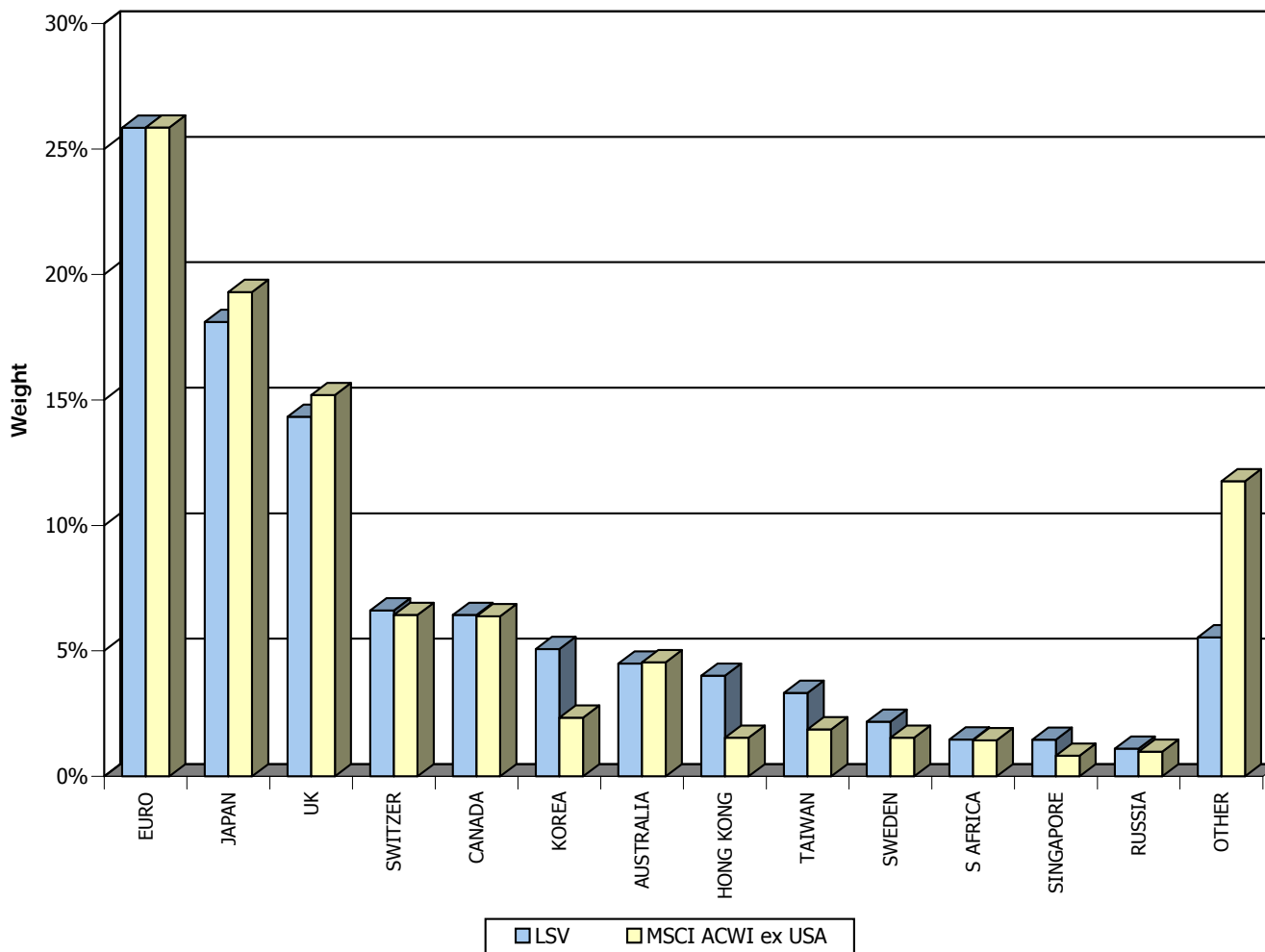
- ▲ Russell 1000 Value
- BGI Russell 2000 Value iShares
- Total
- Style



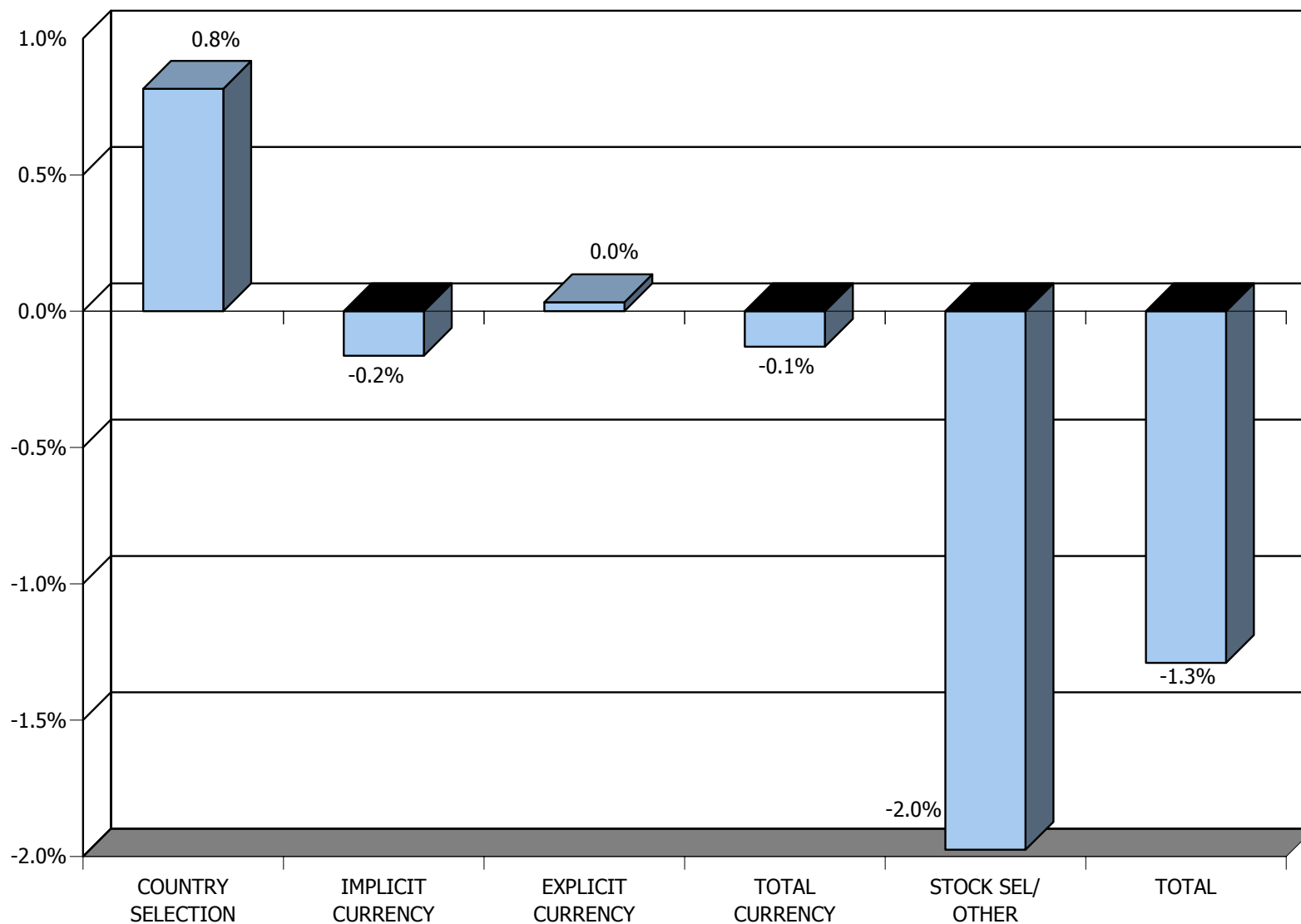
	One Quarter		Two Quarters		Three Quarters		One Year		Two Years		Three Years		Four Years		Five Years	
☆ LSV	-23.6	81	-40.0	82	-42.3	85	-47.6	86	-23.4	86	-8.2	80	-2.6	79		
♁ Pyramis	-22.3	77	-40.4	84	-40.0	77	-46.8	83	-19.4	59						
♣ Intl Equity	-22.9	78	-40.2	83	-41.1	82	-47.2	84	-21.4	74	-7.2	69	-1.8	68	1.8	81
♥ MSCI ACWI-ex US	-22.3	77	-39.3	77	-39.8	74	-45.2	74	-19.9	63	-6.6	60	-1.1	60	2.9	62
Median	-19.7		-35.8		-37.0		-42.2		-18.8		-5.7		-0.6		3.7	

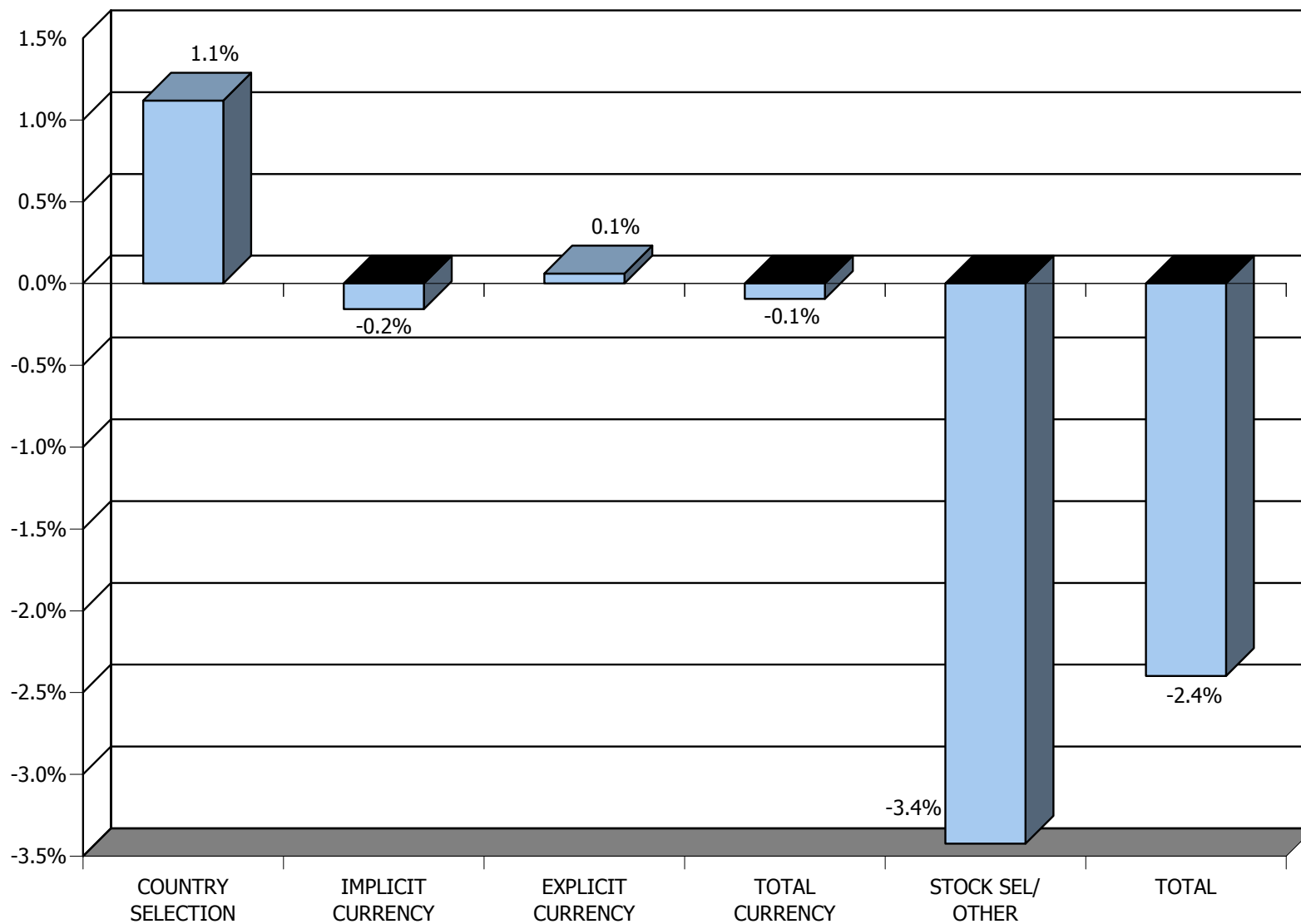


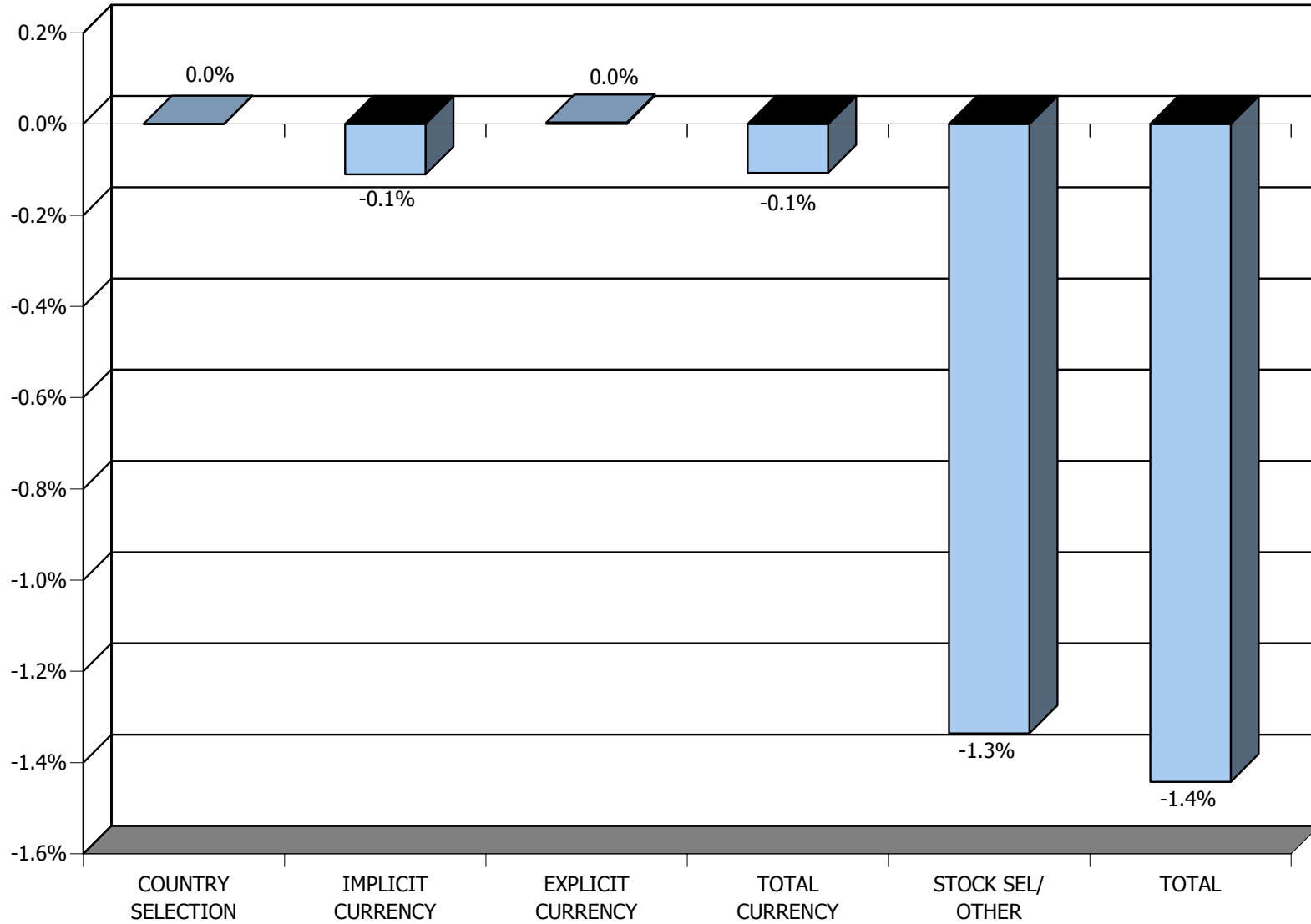
COUNTRY	MARKET VALUE	LSV	MSCI ACWI ex USA
JAPAN	\$ 13,417	17.9%	19.3%
UK	\$ 10,729	14.3%	15.2%
GERMANY	\$ 5,919	7.9%	6.7%
FRANCE	\$ 5,578	7.4%	8.3%
SWITZER	\$ 4,958	6.6%	6.4%
CANADA	\$ 4,605	6.1%	6.4%
KOREA	\$ 3,802	5.1%	2.3%
AUSTRALIA	\$ 3,230	4.3%	4.6%
SPAIN	\$ 3,059	4.1%	3.5%
HONG KONG	\$ 2,910	3.9%	1.5%
TAIWAN	\$ 2,282	3.0%	1.9%
ITALY	\$ 2,103	2.8%	2.8%
SWEDEN	\$ 1,633	2.2%	1.5%
NETHERL	\$ 1,524	2.0%	1.9%
S AFRICA	\$ 1,081	1.4%	1.4%
SINGAPORE	\$ 1,077	1.4%	0.8%
RUSSIA	\$ 828	1.1%	1.0%
OTHER	\$ 4,935	6.6%	14.5%
CASH	\$ 1,290	1.7%	0.0%
	\$ 74,959	100.0%	100.0%

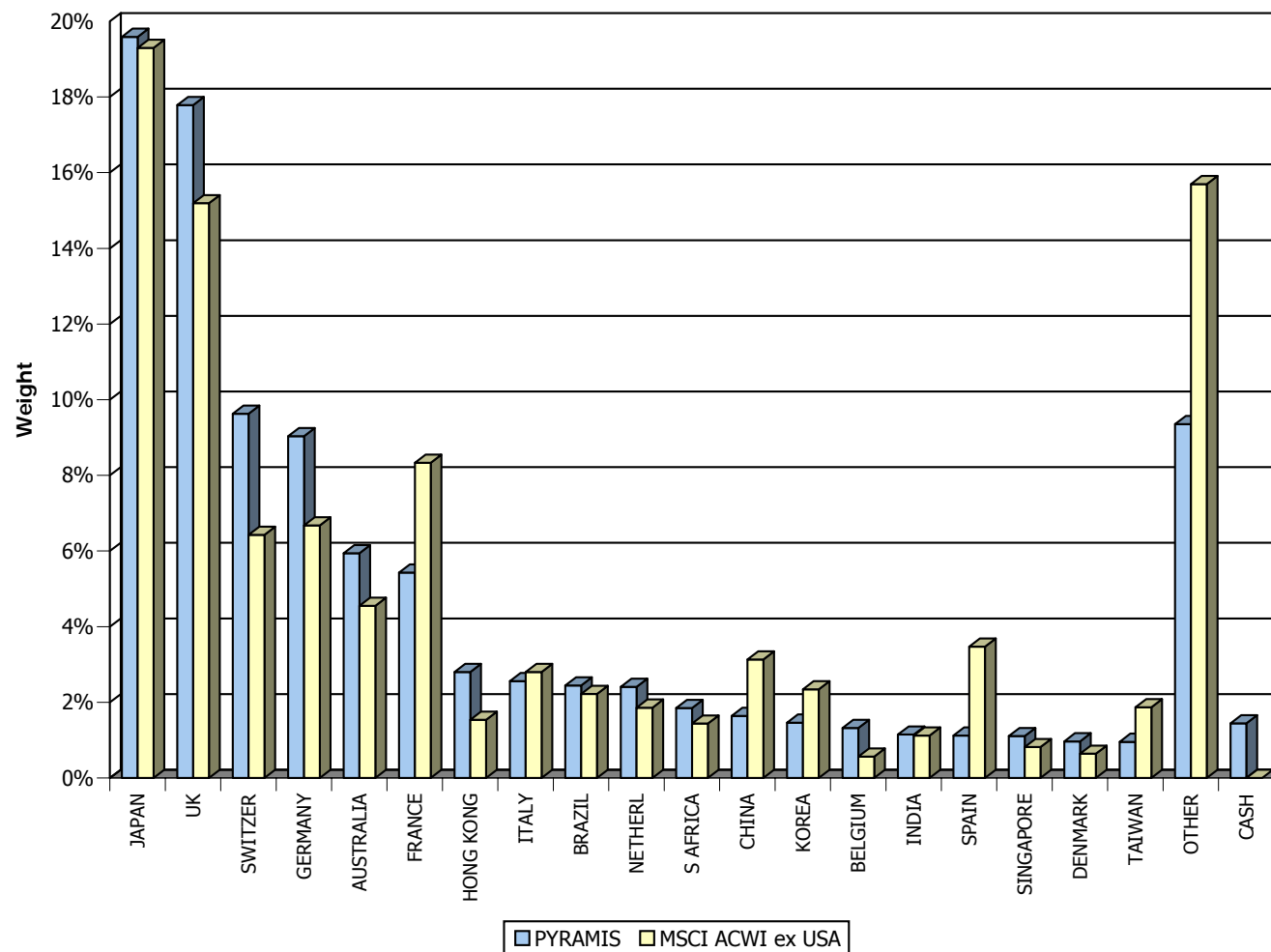


CURRENCY	MARKET VALUE	LSV	MSCI ACWI ex USA
EURO	\$ 19,378	25.9%	25.9%
JAPAN	\$ 13,572	18.1%	19.3%
UK	\$ 10,747	14.3%	15.2%
SWITZER	\$ 4,958	6.6%	6.4%
CANADA	\$ 4,821	6.4%	6.4%
KOREA	\$ 3,802	5.1%	2.3%
AUSTRALIA	\$ 3,370	4.5%	4.6%
HONG KONG	\$ 3,007	4.0%	1.5%
TAIWAN	\$ 2,494	3.3%	1.9%
SWEDEN	\$ 1,633	2.2%	1.5%
S AFRICA	\$ 1,100	1.5%	1.4%
SINGAPORE	\$ 1,096	1.5%	0.8%
RUSSIA	\$ 828	1.1%	1.0%
OTHER	\$ 4,154	5.5%	11.8%
	\$ 74,959	100.0%	100.0%

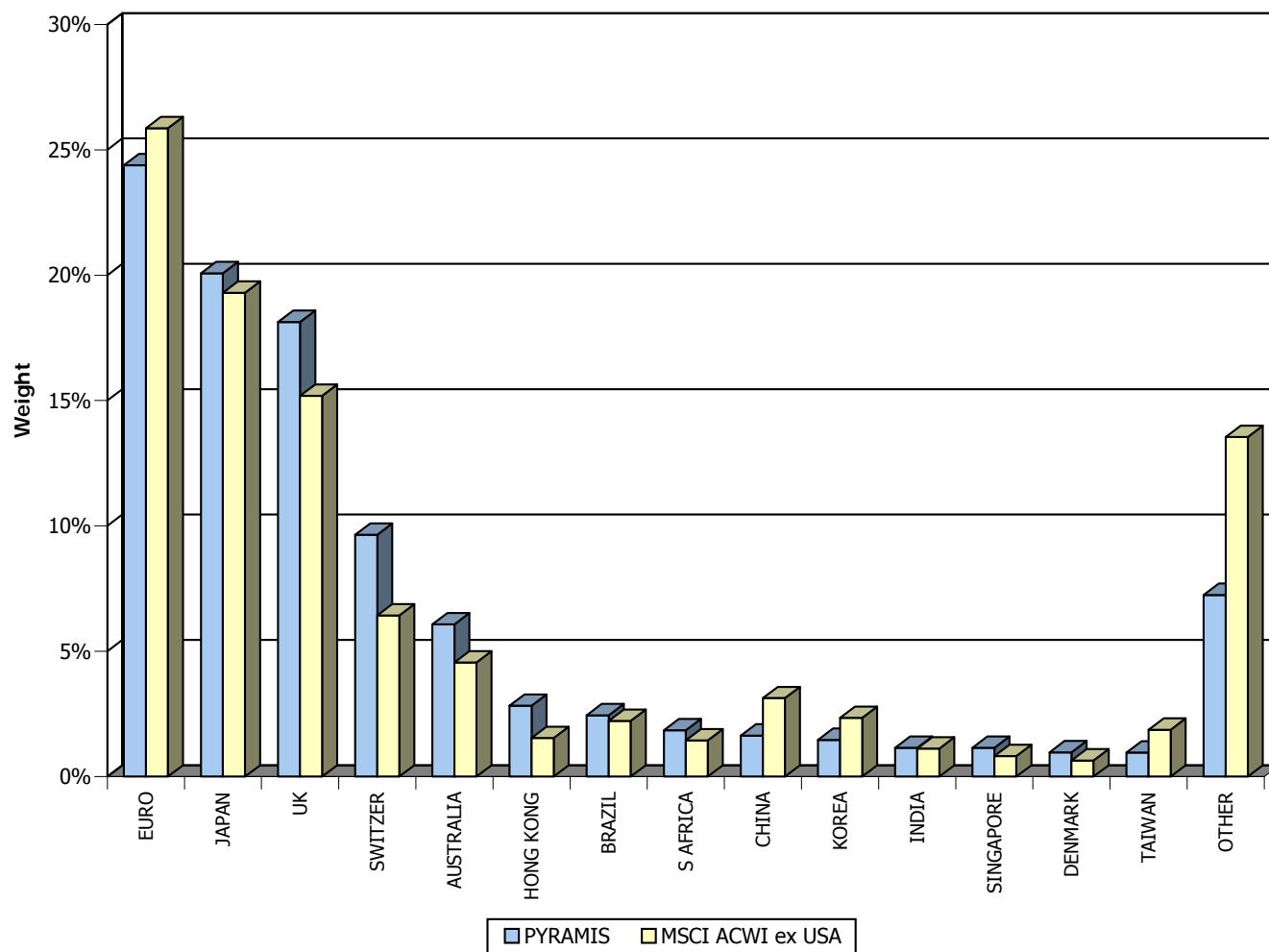




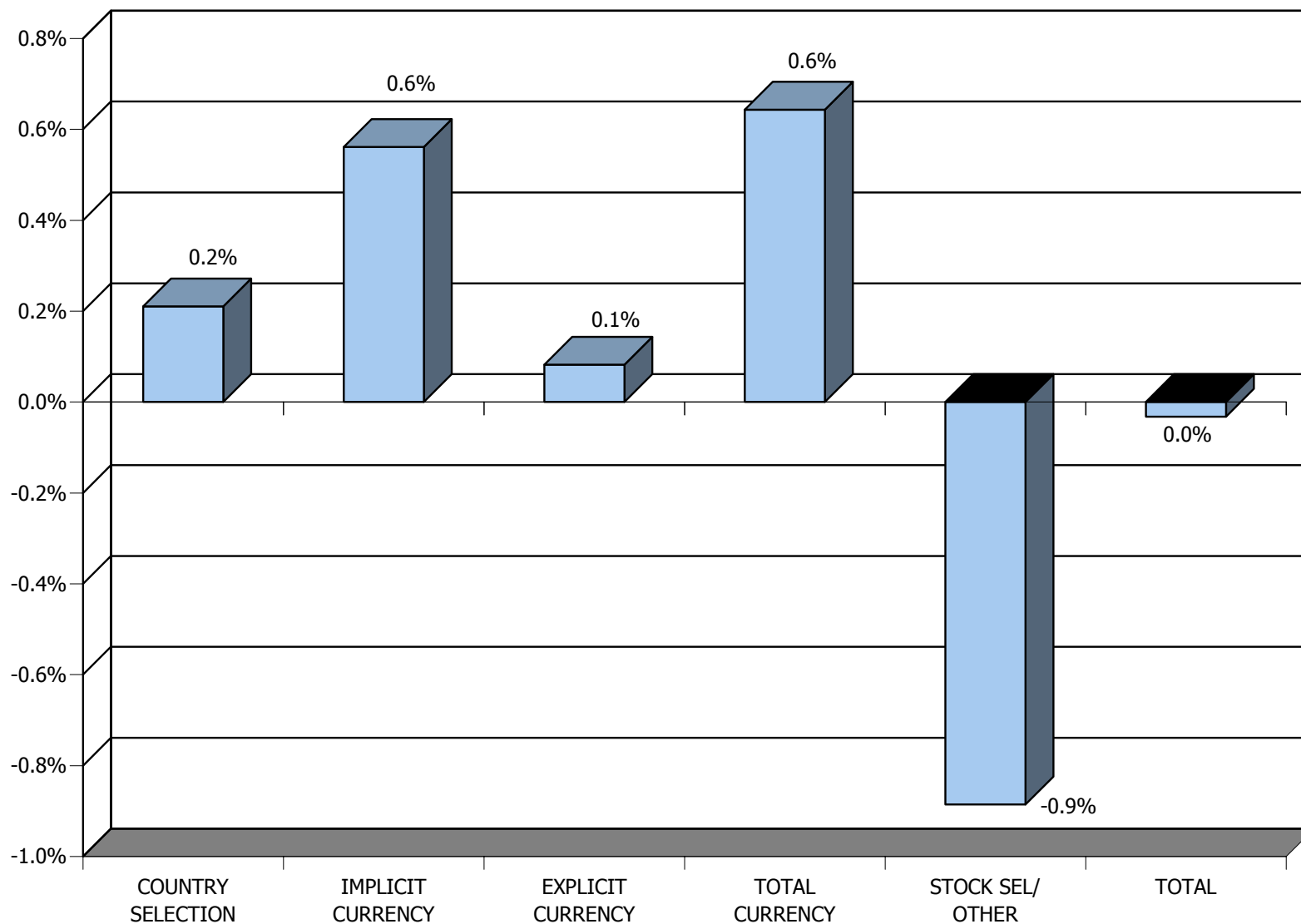


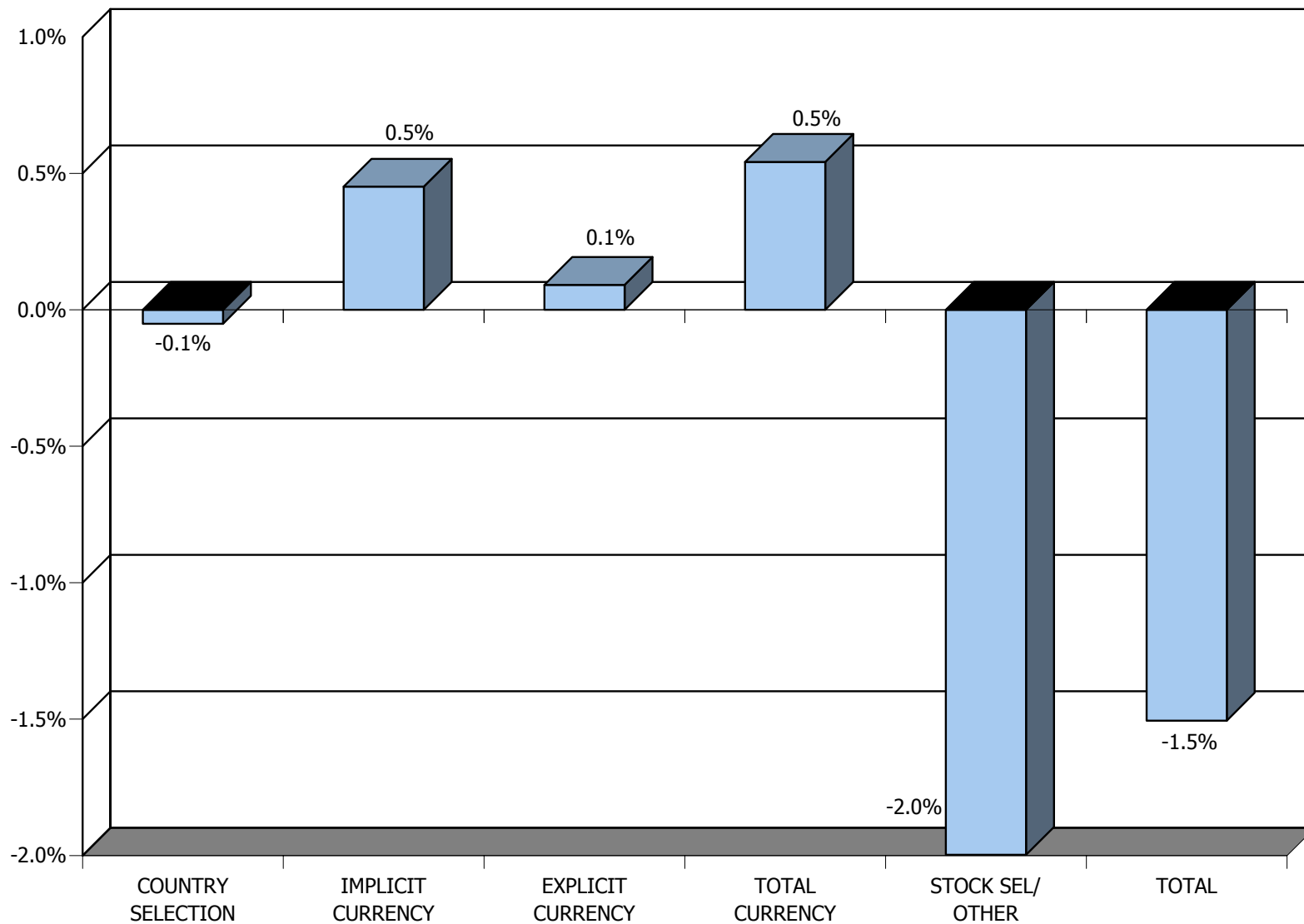


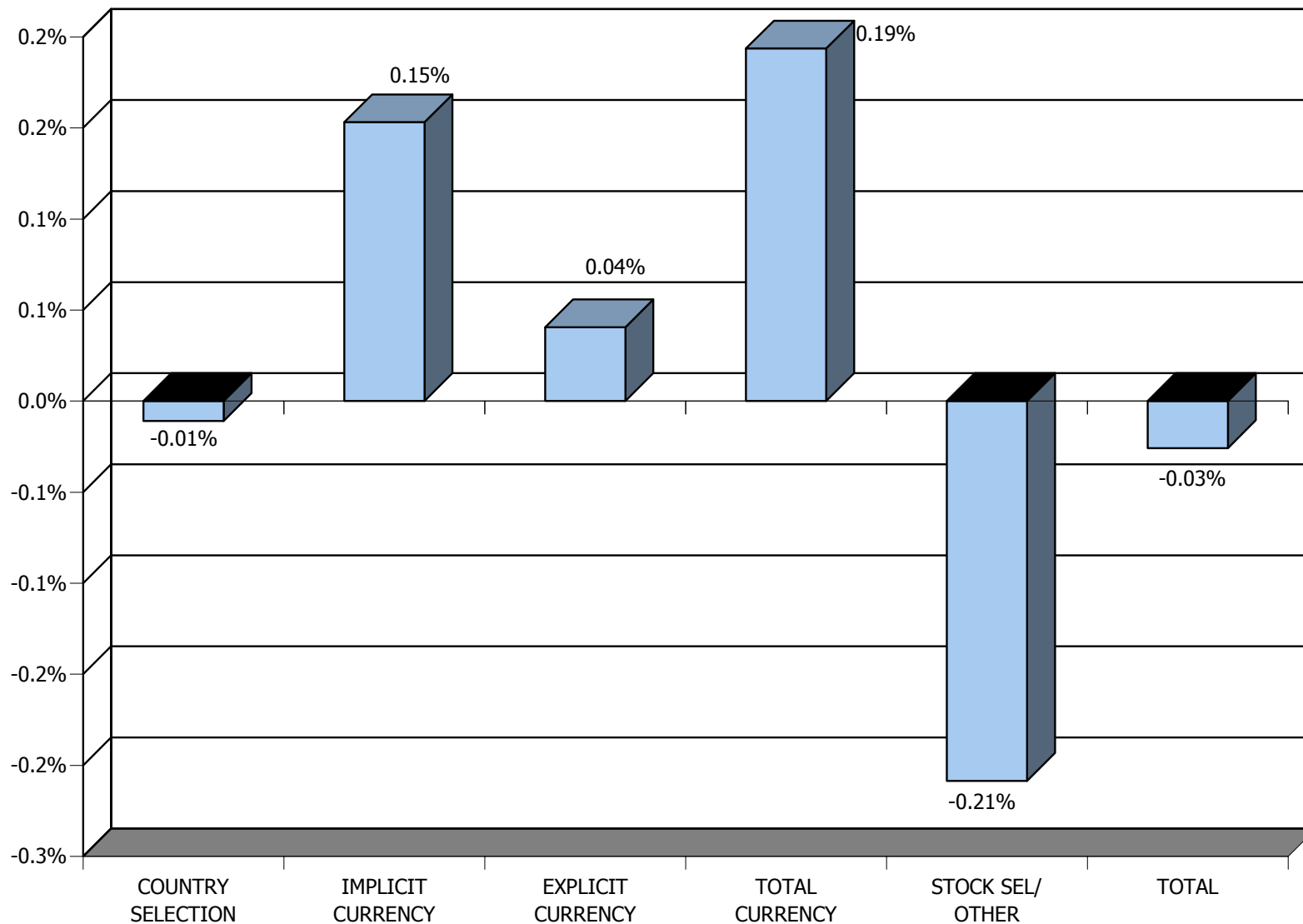
COUNTRY	MARKET VALUE	PYRAMIS	MSCI ACWI ex USA
JAPAN	\$ 16,010	19.6%	19.3%
UK	\$ 14,536	17.8%	15.2%
SWITZER	\$ 7,869	9.6%	6.4%
GERMANY	\$ 7,384	9.0%	6.7%
AUSTRALIA	\$ 4,857	5.9%	4.6%
FRANCE	\$ 4,436	5.4%	8.3%
HONG KONG	\$ 2,288	2.8%	1.5%
ITALY	\$ 2,090	2.6%	2.8%
BRAZIL	\$ 1,998	2.4%	2.2%
NETHERL	\$ 1,969	2.4%	1.9%
S AFRICA	\$ 1,511	1.8%	1.4%
CHINA	\$ 1,339	1.6%	3.1%
KOREA	\$ 1,195	1.5%	2.3%
BELGIUM	\$ 1,084	1.3%	0.6%
INDIA	\$ 938	1.1%	1.1%
SPAIN	\$ 917	1.1%	3.5%
SINGAPORE	\$ 904	1.1%	0.8%
DENMARK	\$ 792	1.0%	0.6%
TAIWAN	\$ 781	1.0%	1.9%
OTHER	\$ 7,640	9.3%	15.7%
CASH	\$ 1,181	1.4%	0.0%
	\$ 81,720	100.0%	100.0%



CURRENCY	MARKET VALUE	PYRAMIS	MSCI ACWI ex USA
EURO	\$ 19,923	24.4%	25.9%
JAPAN	\$ 16,412	20.1%	19.3%
UK	\$ 14,817	18.1%	15.2%
SWITZER	\$ 7,884	9.6%	6.4%
AUSTRALIA	\$ 4,961	6.1%	4.6%
HONG KONG	\$ 2,310	2.8%	1.5%
BRAZIL	\$ 1,998	2.4%	2.2%
S AFRICA	\$ 1,511	1.8%	1.4%
CHINA	\$ 1,339	1.6%	3.1%
KOREA	\$ 1,195	1.5%	2.3%
INDIA	\$ 938	1.1%	1.1%
SINGAPORE	\$ 938	1.1%	0.8%
DENMARK	\$ 792	1.0%	0.6%
TAIWAN	\$ 781	1.0%	1.9%
OTHER	\$ 5,922	7.2%	13.6%
	\$ 81,720	100.0%	100.0%





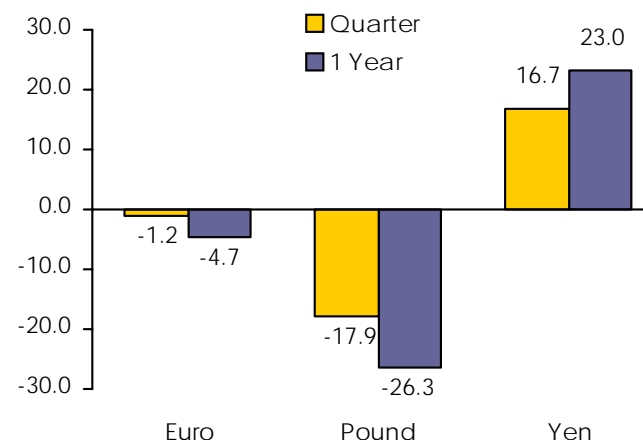


CURRENCY AND BOND MARKETS

Currency Markets

- The yen gained a dramatic 16.7% against the dollar in the fourth quarter as a combination of the country's low rates and the unwinding of carry trades drove the currency higher. The G7 warns that the yen's excessive volatility could have adverse implications for economic and financial stability. In addition, since a significant part of Japan's economy is based on exports, a strong yen will potentially hurt sales and hinder the economic growth of the world's second largest economy.
- The pound had an extremely difficult quarter, losing 17.9% of its value to the dollar. In addition, the currency endured a significant drop in value versus the yen and reached record lows against the euro. The currency plunged throughout the quarter in response to a deterioration in U.K. economic and housing data. Many experts believe the U.K. will continue to experience a severe economic downturn.

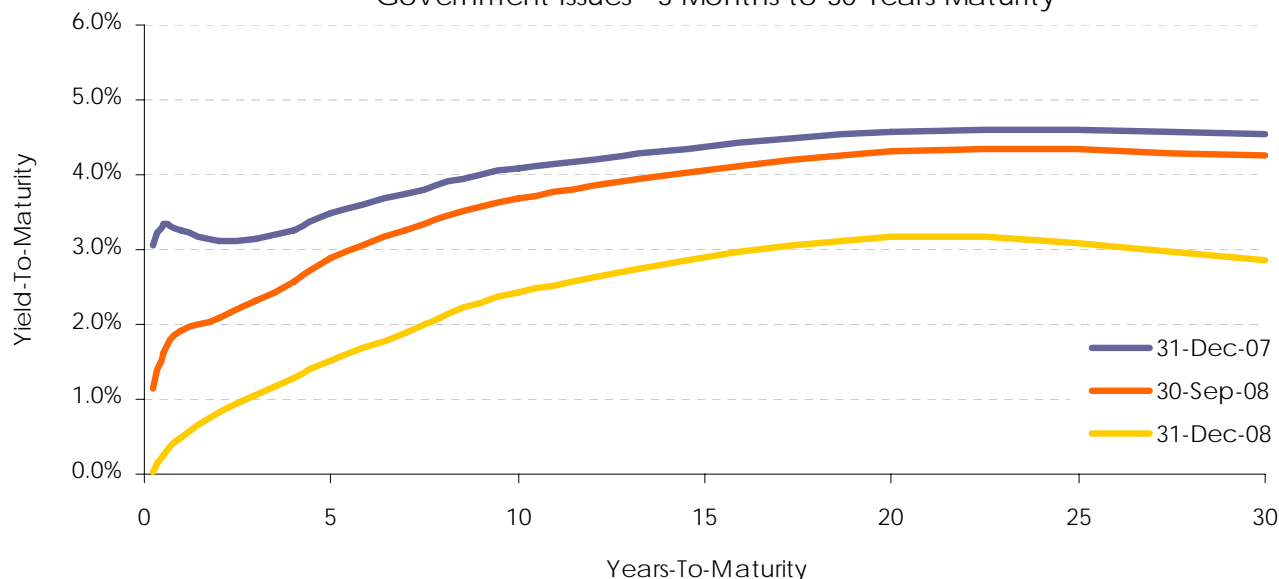
Currency Returns (%)

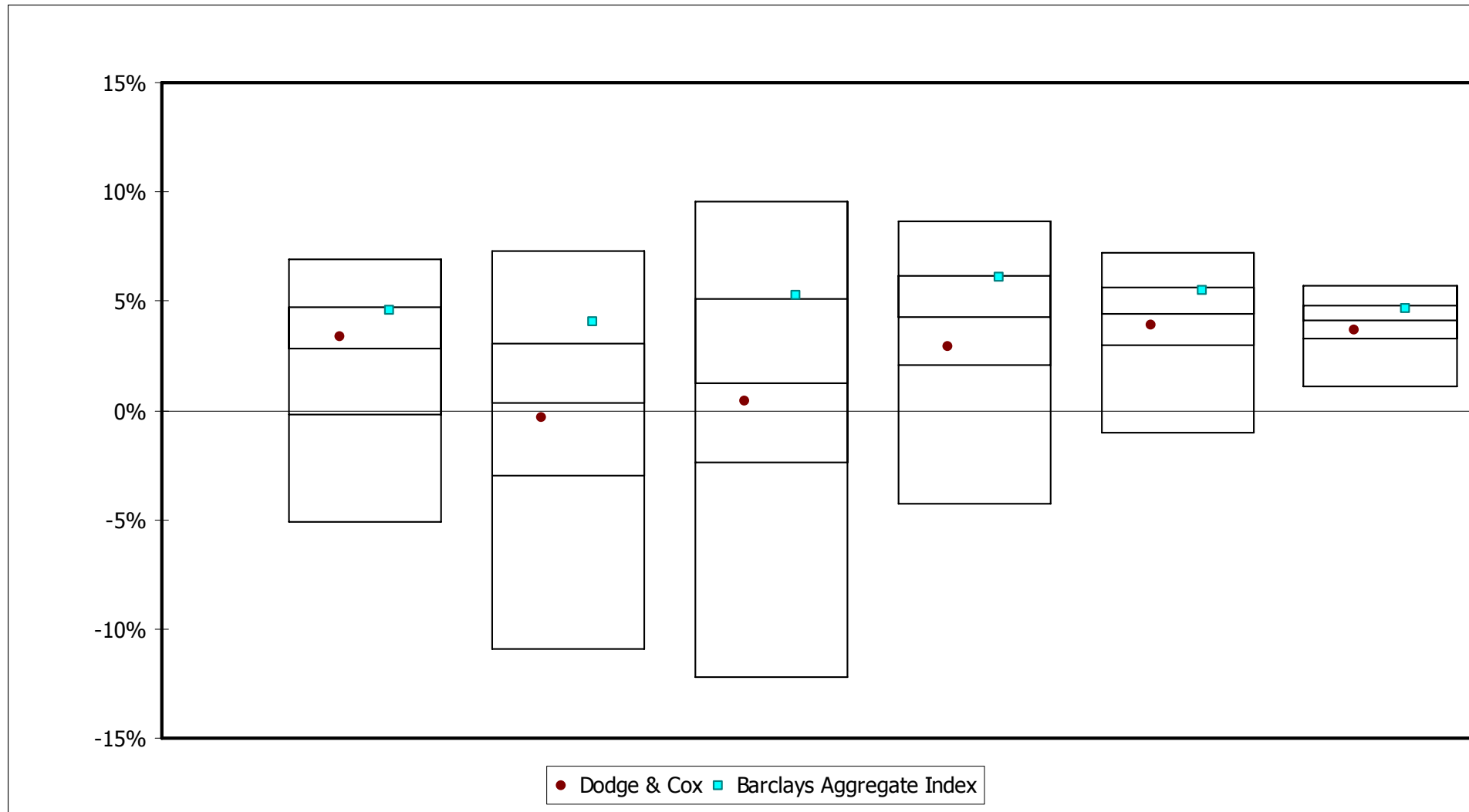


Yield Curve

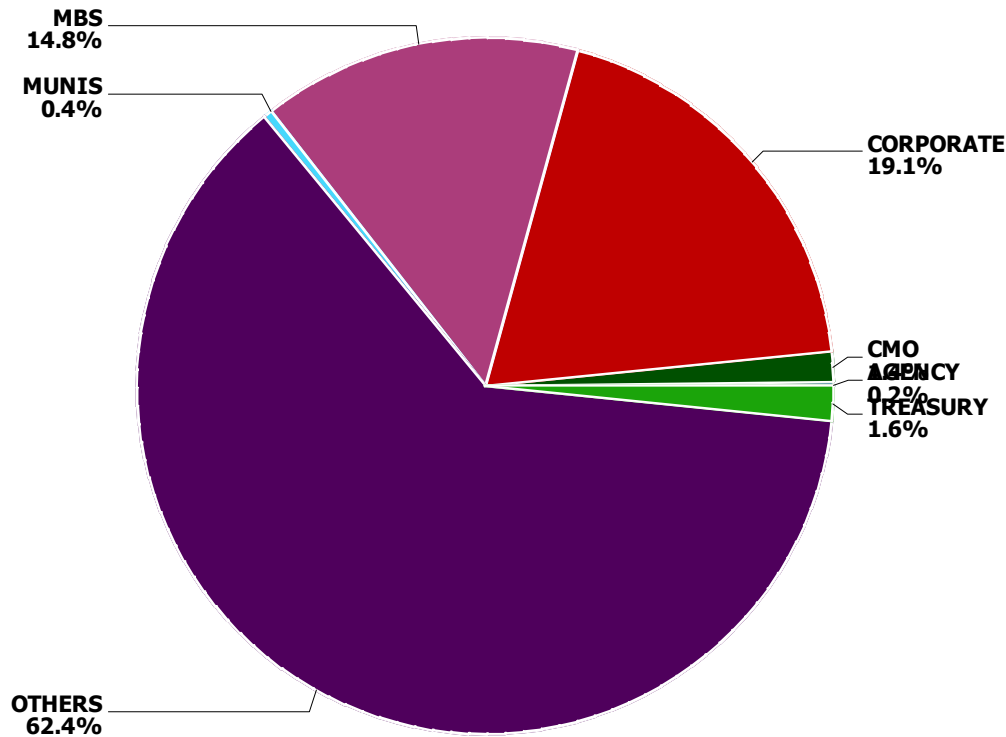
- The Fed dropped the key short term interest rate three times in the fourth quarter, including one emergency cut on October 8th, closing out the year with a record low range of 0 - 0.25%.
- The Fed has little room left to maneuver if the economy does not improve. One bright note is that the risk of inflation has lessened in recent months, thus reducing the pressure to raise rates in the future.

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





	1 QTR		FISCAL YTD		CALENDAR YTD		2 YEAR		3 YEAR		5 YEAR	
	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank	Return	Rank
Dodge & Cox	3.4%	44	-0.3%	57	0.4%	56	2.9%	66	3.9%	59	3.7%	63
Barclays Aggregate Index	4.6%	28	4.1%	16	5.2%	24	6.1%	27	5.5%	29	4.7%	31
Median	2.9%		0.4%		1.3%		4.3%		4.4%		4.1%	



Sector	Account Weight	Index Weight	Difference
ABS	0.0%	4.9%	-4.9%
Agencies	0.2%	9.6%	-9.4%
CMO	1.4%	0.0%	1.4%
Corporates	19.1%	15.7%	3.5%
Foreign	0.0%	3.8%	-3.8%
MBS	14.8%	38.6%	-23.8%
Municipals	0.4%	0.0%	0.4%
Others	62.4%	0.0%	62.4%
Treasuries	1.6%	25.5%	-23.8%
Utilities	0.0%	2.0%	-2.0%
Total	100.0%	100.0%	0.0%

Benchmark: BC AGGREGATE

Portfolio Characteristics		
	Portfolio	BC AGGREGATE
Total Number of Securities	160	
Total Market Value	\$ 877,647,766	
Current Coupon	6.10	5.25
Yield To Maturity	6.71	4.04
Average Life	6.37	5.50
Duration	3.69	3.71
Quality	8.53	9.58

Duration (in Years)	
Range	%Held
0.0 to 1.0	6.4
1.0 to 3.0	12.7
3.0 to 4.0	1.1
4.0 to 6.0	5.5
6.0 to 8.0	3.7
Over 8.0	3.8
Unclassified	65.6

Quality	
Range	%Held
Govt (10)	17.8
Aaa (10)	0.3
Aa (9)	1.9
A (8)	4.2
Baa (7)	7.0
Below Baa	3.0
Other	65.8

Yield to Maturity	
Range	%Held
0.0 to 5.0	16.5
5.0 to 7.0	6.1
7.0 to 9.0	4.4
9.0 to 11.0	1.5
11.0 to 13.0	0.8
Over 13.0	5.0
Unclassified	65.6

Average Life	
Range	%Held
0.0 to 1.0	1.1
1.0 to 3.0	16.0
3.0 to 5.0	4.8
5.0 to 10.0	7.7
10.0 to 20.0	1.1
Over 20.0	3.7
Unclassified	65.6

Coupon	
Range	%Held
0.0 to 5.0	6.0
5.0 to 7.0	81.2
7.0 to 9.0	6.5
9.0 to 11.0	0.3
11.0 to 13.0	0.0
Over 13.0	0.0
Unclassified	6.0