

STANISLAUS COUNTY  
EMPLOYEES' RETIREMENT ASSOCIATION  
INVESTMENT PERFORMANCE ANALYSIS  
DECEMBER 31, 2009

STRATEGIC INVESTMENT SOLUTIONS, INC.

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## Capital Market Review

### > General Comments

- The final quarter of 2009 closed on a positive note as the Dow Jones Industrial Average passed 10,000 for the first time since October 2008 and the U.S. economy showed modest signs of improvement. During the quarter, the Dow rose 8.1%, the S&P 500 gained 6.0% and the NASDAQ advanced 6.9%. Over the 1-year period, the Dow rose 22.6%, S&P gained 26.5% and the tech-heavy NASDAQ climbed 43.9%.
- After experiencing the sharpest economic contraction since 1982, the Commerce Department reported that the U.S. economy grew 2.2% during the 3-month period from July to September. A number of economists noted that third quarter GDP growth was due in large part to unprecedented government stimulus and remained cautious on the sustainability of economic growth in the United States.
- In December, President Obama's top economic advisor Larry Summers predicted job growth would return in the United States as early as the spring. According to a Fed report, an additional 85,000 jobs were lost during the month of December and U.S. unemployment remained steady at 10%. In a separate report, the U.S. Labor Department noted that the number of Americans filing for unemployment benefits fell to its lowest level since August 2008.
- Commodities rallied in the final quarter of 2009, as crude oil futures settled above \$80/barrel, gold topped \$1,100/ounce, and home heating oil hit a 16-month high. Increases in commodity pricing were driven in part by the continued weakening of the U.S. dollar, which has declined 12% since hitting a 5-year peak in early March.
- In international markets, the National Institute of Economic and Social Research reported that the U.K. economy grew 1.6% between August and December. Simultaneously, Germany's Economics Ministry noted that the euro-zone's largest economy growth was flat in the fourth quarter.
- After a 4-month slide, the State Street Investor Confidence Index® rose to 103.9 in December. The index, which measures investor confidence by analyzing buying and selling patterns of institutional investors, benefited most from an increase in investor confidence in Asia which hit an 8-month high during the month. Harvard University professor, Ken Froot noted, "Institutions are continuing to add to their risky asset positions, but at a slower pace than was evident earlier in the year."
- For the period ending 12/31/09, the one quarter return for the NAREIT index was 9.39%, the one year return was 28.0%, and the three years return was (12.41%).
- 2009 was a year that had little in the way of good news for real estate. Expectations of continued high unemployment rates in the range of 10% resulted in Robert Shiller, co-creator of the S+P/Case-Shiller price index, positing that housing prices will falter again after the government ends support for the mortgage market. California and Florida accounted for 17 of the 20 nation's worst markets; Las Vegas homeowners had the highest US foreclosure rate.
- As concerns grew about more possible commercial real estate problems, the Commerce Department announced that the economy in the US expanded in Q4 of 2009 at annual rate of 5.7%, the fastest pace in six years. The forecast for the economy to grow was at a 4.7% annual pace, according to the median estimate of 84 economists in a Bloomberg survey.

## Executive Performance Summary

- The composite fund returned 4.5% in the fourth quarter of 2009 and ranked in the 7<sup>th</sup> percentile among other public funds greater than \$100 million (3.4% median). The fund led its policy index (3.5%) during this time period. Longer term, the three and five-year returns of -0.9% and 3.4%, ranked above the median among total public plans (-1.4% and 3.2%, respectively).
  
- Fourth quarter results were enhanced by the following factors:
  1. The Mellon Capital S&P 500 Index Fund returned 6.1% for the quarter. The Fund edged out the S&P 500 Index (6.0%) and ranked above the median large cap core manager (6.0%).
  2. Delaware's return of 10.8% ranked in the top decile among large cap growth managers (median 7.3%), and was ahead of its benchmark, the Russell 1000 Growth Index (7.9%). Above-par Financial investments (VISA, MasterCard, Intercontinental Exchange) aided relative performance. Over three years, the portfolio ranked with its peer median.
  3. Loomis led its benchmark, the Russell 1000 Growth Index (9.3% vs.7.9%), and ranked in the 10<sup>th</sup> percentile among large growth equity managers. Loomis' performance alpha was a result of its Consumer Discretionary investments (Amazon.com, Priceline.com). Loomis lost 6.3% for the year, ranking in the bottom decile among its peers.
  4. In its first full quarter, the BlackRock (formerly known as BGI) Russell 1000 Value Index Fund edged out its benchmark (4.3% vs. 4.2%) although it could only rank in the 73<sup>rd</sup> percentile among large cap value managers (median of 4.8%).
  5. Dodge & Cox-Equity, 4.5%, ranked below the large cap value manager median of 4.8%. However, the Russell 1000 Value Index added 4.2% during the quarter. A half-benchmark weight and security selection to the Financials sector (SLM Corp) were positive factors to performance. Three-year results ranked Dodge & Cox (-8.1%) below its peer median but above its benchmark.
  6. Fund of funds manager Legato Capital surpassed its benchmark, the Russell 2000 Growth Index (5.0% vs. 4.1%) and ranked in the 54<sup>th</sup> percentile among small cap growth managers. It was boosted by above par stock selection in the Info Tech and Consumer Discretionary sectors. Nicholas Investments gained 7.2% during the quarter.
  7. Pyramis returned 4.5% and led the MSCI ACWI –ex US Index by 70 basis points. Strong European markets stock selection was a primary contributor. Top contributors were Rio Tinto, Fresenius SE and Lloyds Banking Group. Three-year results lagged its benchmark (-2.7% vs. -3.0%).

## Executive Performance Summary

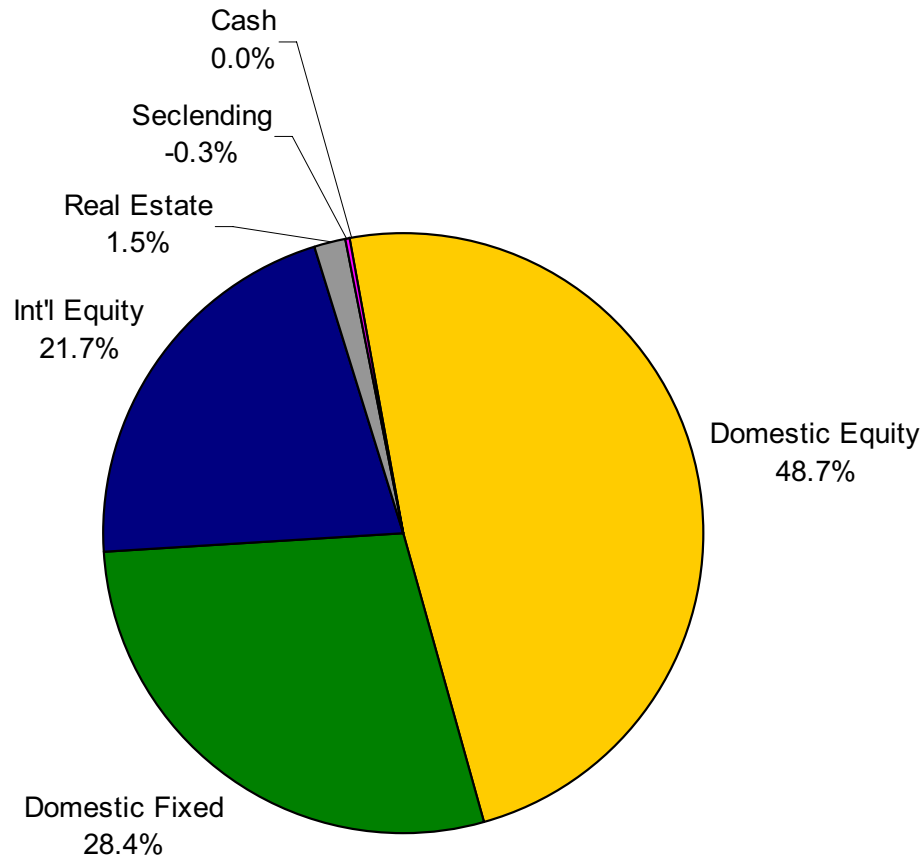
8. The Dodge & Cox-Fixed Income's 1.8% return led its benchmark, the Barclays Aggregate Index, 0.2%, and ranked in the second quartile among core bond managers, with a median return of 1.1%. D&C's significant corporate overweight contributed to relative performance. SLM, Dillard's, Macy's, AIG and GMAC were notable individual contributors. Its nominal yield advantage and shorter relative duration enhanced returns. D&C was up 7.3% for three years while its benchmark was up 6.0%.
  9. The Invesco Realty Fund gained 4.4%. Its benchmark, the FTSE NAREIT Global Index was also up 4.4%. Invesco ranked in the 10<sup>th</sup> percentile among global real estate portfolios.
- Fourth quarter results were hindered by the following factors:
    1. Fund of funds manager Capital Prospects appreciated 3.4% for the quarter, and ranked in the 71<sup>st</sup> percentile among its peers (4.9% median). The Russell 2000 Value Index returned 3.6%. The portfolio was hurt by its stock selection in the Materials sector and its portfolio turnover. Bernzott lost a sub-par 0.9% during the quarter.
    2. LSV (3.3%) trailed the MSCI ACWI -ex US (3.8%) and still ranked 36<sup>th</sup> among international equity managers. LSV results were dampened as growth stocks outperformed value in the fourth quarter. It also carried relatively low exposure to the China market. Over three years, LSV (-4.5%) did not match his benchmark (-3.0%).

# StanCERA

StanCERA Plan

As of December 31, 2009

## Allocation by Manager Type

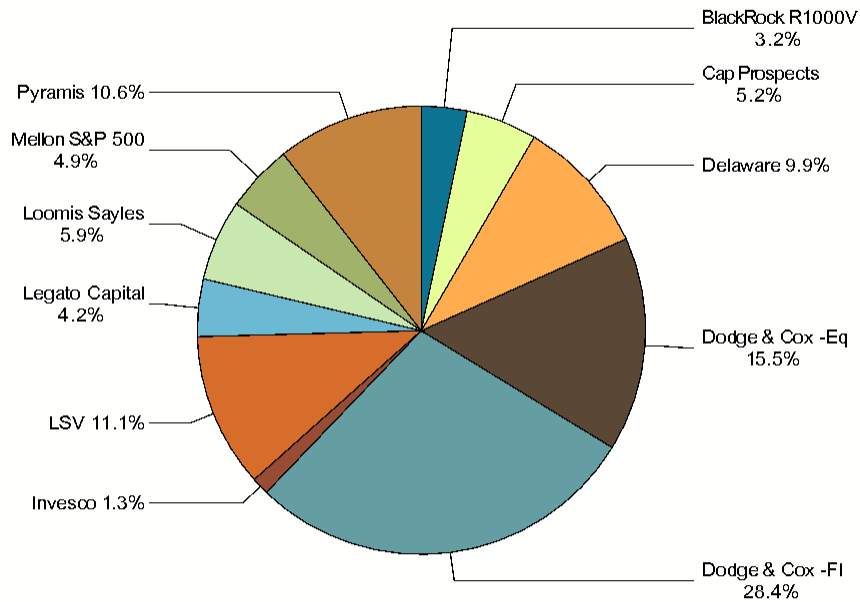


Manager	Market Value	Current%
Cash	6,222	0.0
Domestic Equity	599,390,356	48.7
Domestic Fixed	349,500,432	28.4
Int'l Equity	267,197,109	21.7
Real Estate	18,365,852	1.5
SecLending	-4,025,217	-0.3
<b>Total</b>	<b>1,230,434,754</b>	<b>100.0</b>

# StanCERA

As of December 31, 2009

## Manager Allocation Analysis - Total Plan



FUND	Ending Market Value	Current %
BlackRock R1000V	39,959,272	3.2
Cap Prospects	63,797,173	5.2
Cash (BGI)	6,222	0.0
Delaware	121,928,702	9.9
Dodge & Cox -Eq	190,305,346	15.5
Dodge & Cox -FI	349,500,432	28.4
Invesco	15,594,416	1.3
LSV	136,913,284	11.1
Legato Capital	51,150,521	4.2
Loomis Sayles	72,564,747	5.9
Mellon S&P 500	59,684,595	4.9
Pyramis	130,283,825	10.6
12th St Bldg	2,771,436	0.2
Seclending	-4,025,217	-0.3
<b>TOTAL</b>	<b>1,230,434,754</b>	<b>100.0</b>

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

# StanCERA

Periods Ending December 31, 2009

## Performance Summary

	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR	
<b>Total Fund *</b>	<b>4.5</b>	<b>7</b>	<b>19.1</b>	<b>5</b>	<b>29.3</b>	<b>1</b>	<b>-4.7</b>	<b>31</b>	<b>-0.9</b>	<b>35</b>	<b>3.4</b>	<b>45</b>
<i>Policy Index <sup>1</sup></i>	<i>3.5</i>	<i>43</i>	<i>17.2</i>	<i>20</i>	<i>24.4</i>	<i>17</i>	<i>-5.1</i>	<i>40</i>	<i>-0.9</i>	<i>35</i>	<i>3.3</i>	<i>49</i>
<i>Public Plan &gt; \$100 Million Median</i>	<i>3.4</i>		<i>15.0</i>		<i>19.5</i>		<i>-5.6</i>		<i>-1.4</i>		<i>3.2</i>	
US EQUITY MANAGERS												
<b>Mellon Capital - gross of fees</b>	<b>6.1</b>	<b>47</b>	<b>22.6</b>	<b>48</b>	<b>26.7</b>	<b>51</b>	<b>-10.7</b>	<b>59</b>	<b>-5.6</b>	<b>67</b>	<b>0.5</b>	<b>73</b>
Mellon Capital - net of fees	6.0		22.6		26.6		-10.7		-5.6		0.5	
<i>S&amp;P 500 Index</i>	<i>6.0</i>	<i>52</i>	<i>22.6</i>	<i>54</i>	<i>26.5</i>	<i>67</i>	<i>-10.7</i>	<i>67</i>	<i>-5.6</i>	<i>72</i>	<i>0.4</i>	<i>78</i>
<b>Delaware</b>	<b>10.8</b>	<b>6</b>	<b>24.7</b>	<b>20</b>	<b>43.8</b>	<b>13</b>	<b>-9.2</b>	<b>60</b>	<b>-2.1</b>	<b>51</b>		
Delaware - net of fees	10.7		24.4		43.1		-9.6		-2.6			
<b>Loomis Sayles</b>	<b>9.3</b>	<b>10</b>	<b>23.7</b>	<b>30</b>	<b>33.4</b>	<b>56</b>	<b>-18.2</b>	<b>98</b>	<b>-6.3</b>	<b>96</b>		
Loomis Sayles - net of fees	9.3		23.4		32.9		-18.6		-6.7			
<i>Russell 1000 Growth Index</i>	<i>7.9</i>	<i>32</i>	<i>23.0</i>	<i>42</i>	<i>37.2</i>	<i>35</i>	<i>-8.1</i>	<i>47</i>	<i>-1.9</i>	<i>47</i>		
<b>BlackRock R100V - gross of fees</b>	<b>4.3</b>	<b>73</b>										
BlackRock R1000V - net of fees	4.3											
<b>Dodge &amp; Cox - gross of fees</b>	<b>4.5</b>	<b>63</b>	<b>24.7</b>	<b>39</b>	<b>30.0</b>	<b>25</b>	<b>-12.2</b>	<b>51</b>	<b>-8.1</b>	<b>54</b>	<b>0.3</b>	<b>57</b>
Dodge & Cox - net of fees	4.5		24.5		29.8		-12.3		-8.2		0.1	
<i>Russell 1000 Value Index</i>	<i>4.2</i>	<i>76</i>	<i>23.2</i>	<i>66</i>	<i>19.7</i>	<i>85</i>	<i>-13.1</i>	<i>70</i>	<i>-9.0</i>	<i>73</i>	<i>-0.3</i>	<i>77</i>
<b>Legato Capital - gross of fees</b>	<b>5.0</b>	<b>54</b>	<b>20.7</b>	<b>64</b>	<b>38.6</b>	<b>40</b>						
Legato Capital - net of fees	5.0		20.4		37.7							
<i>Russell 2000 Growth Index</i>	<i>4.1</i>	<i>73</i>	<i>20.8</i>	<i>64</i>	<i>34.5</i>	<i>58</i>						
<b>Capital Prospects - gross of fees</b>	<b>3.4</b>	<b>71</b>	<b>24.7</b>	<b>89</b>	<b>30.0</b>	<b>78</b>						
Capital Prospects - net of fees	3.4		24.5		29.3							
<i>Russell 2000 Value Index</i>	<i>3.6</i>	<i>70</i>	<i>27.2</i>	<i>78</i>	<i>20.6</i>	<i>87</i>						
<b>US Equity Composite</b>	<b>6.4</b>	<b>29</b>	<b>23.3</b>	<b>48</b>	<b>32.2</b>	<b>45</b>	<b>-12.3</b>	<b>83</b>	<b>-7.1</b>	<b>84</b>	<b>-0.6</b>	<b>92</b>
<i>80% R1000/ 20% R2000</i>	<i>5.7</i>	<i>54</i>	<i>22.7</i>	<i>56</i>	<i>29.7</i>	<i>52</i>	<i>-10.1</i>	<i>56</i>	<i>-5.0</i>	<i>57</i>	<i>0.9</i>	<i>63</i>
<i>Russell 3000 Index</i>	<i>5.9</i>	<i>49</i>	<i>23.2</i>	<i>50</i>	<i>28.3</i>	<i>58</i>	<i>-10.3</i>	<i>59</i>	<i>-5.4</i>	<i>64</i>	<i>0.8</i>	<i>65</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.

<sup>1</sup> Effective 10/1/09, policy Index is 37% Russell 1000, 9% Russell 2000, 20% MSCI ACWI-ex US, 32.5% Barclays Aggregate, 15% FTSE EPRA/NAREIT. MSCI ACWI-ex US return is linked with previous MSCI EAFE returns.

# StanCERA

Periods Ending December 31, 2009

## Performance Summary

	1 QTR		FISCAL YTD		1 YEAR		2 YEAR		3 YEAR		5 YEAR	
INTERNATIONAL EQUITY MANAGERS												
LSV - gross of fees	3.3	36	27.4	12	48.5	7	-11.8	50	-4.5	53	5.9	36
LSV - net of fees	3.2		27.0		47.6		-12.4		-5.1		5.3	
Pyramis - gross of fees	4.5	19	25.6	19	41.9	19	-13.1	65	-2.7	31		
Pyramis - net of fees	4.4		25.3		41.1		-13.5		-3.2			
International Equity Composite	3.9	27	26.5	16	45.2	11	-12.4	56	-3.6	42	6.2	31
<i>MSCI ACWI -ex US Index</i>	<i>3.8</i>	<i>28</i>	<i>24.3</i>	<i>28</i>	<i>42.1</i>	<i>18</i>	<i>-11.8</i>	<i>49</i>	<i>-3.0</i>	<i>36</i>	<i>6.3</i>	<i>30</i>
US FIXED INCOME MANAGER												
Dodge & Cox - gross of fees	1.8	20	8.0	22	16.6	16	8.2	13	7.3	29	6.0	18
Dodge & Cox - net of fees	1.8		7.9		16.4		8.1		7.2		5.9	
<i>Barclays Aggregate Index</i>	<i>0.2</i>	<i>86</i>	<i>4.0</i>	<i>83</i>	<i>5.9</i>	<i>88</i>	<i>5.6</i>	<i>68</i>	<i>6.0</i>	<i>71</i>	<i>5.0</i>	<i>74</i>
GLOBAL REAL ESTATE												
Invesco - gross of fees	4.4	10	28.3	5	34.9	4						
Invesco - net of fees	4.2		27.9		34.0							
<i>FTSE EPRA/NAREIT</i>	<i>4.4</i>	<i>10</i>	<i>30.6</i>	<i>4</i>	<i>38.3</i>	<i>2</i>						
REAL ESTATE												
12th Street	0.0		0.0		0.0							

Rankings: 1=highest, 100=lowest.

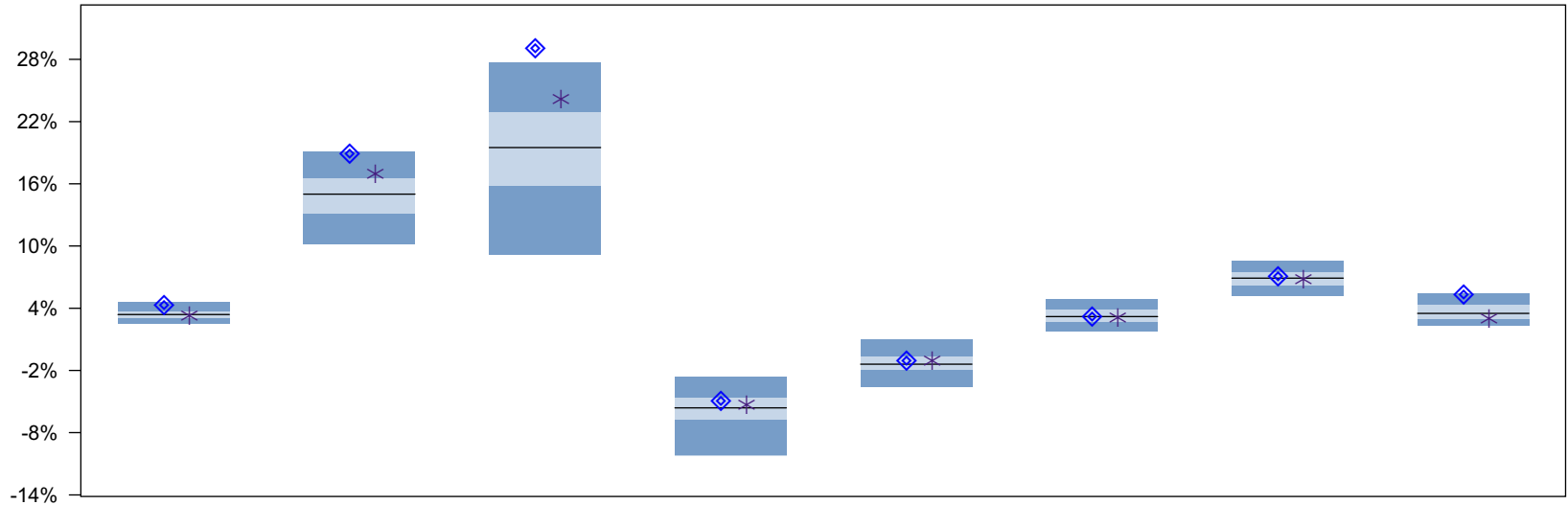


# StanCERA

PUBLIC FUNDS > \$100 MILLION

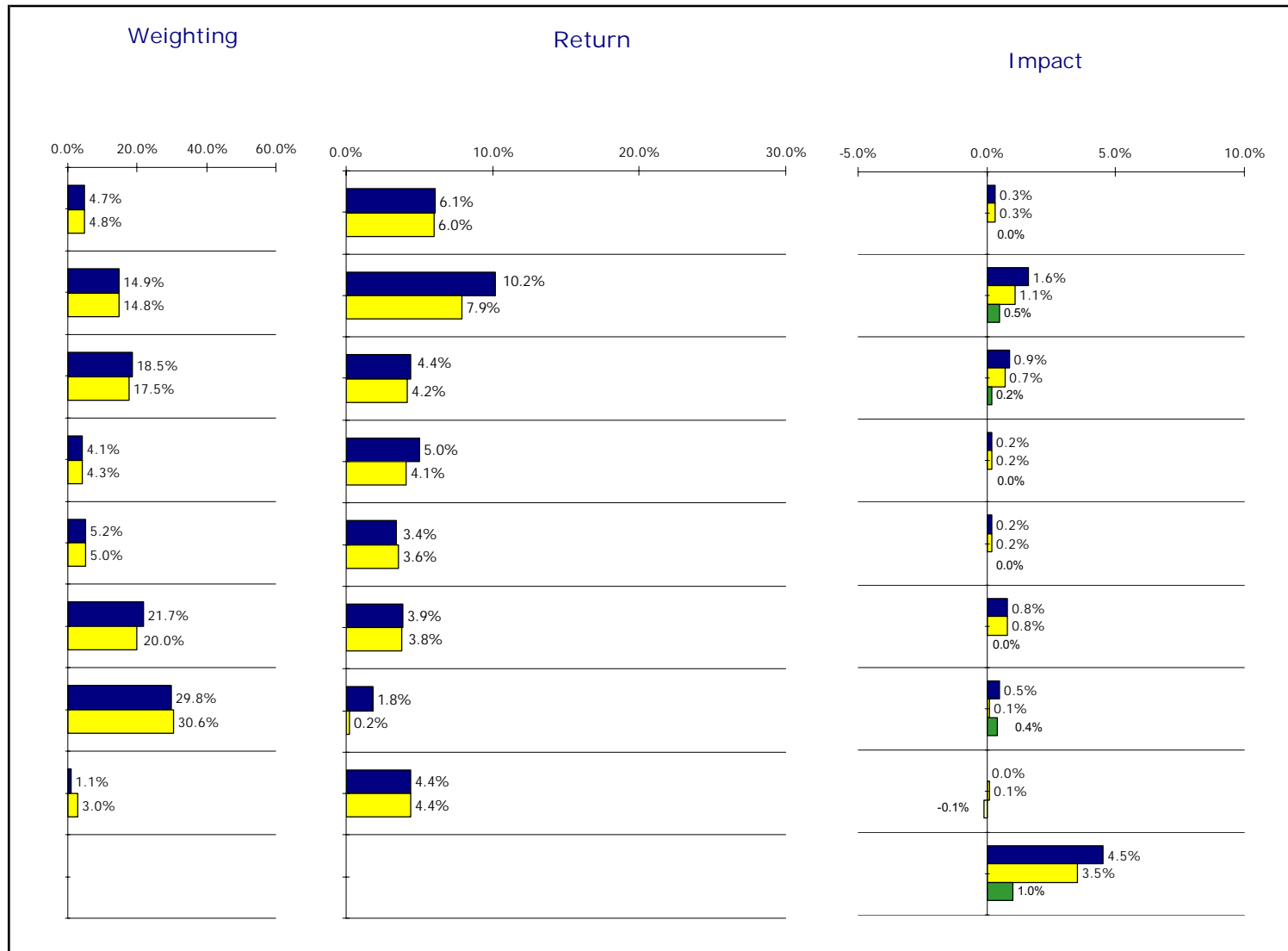
Periods Ending December 31, 2009

## Total Returns



	1 Qrt		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		7 Year		10 Year	
◆ Total Fund	4.5	7	19.1	5	29.3	1	-4.7	31	-0.9	35	3.4	45	7.3	34	5.5	3
* Policy Index	3.5	43	17.2	20	24.4	17	-5.1	40	-0.9	35	3.3	49	7.0	47	3.2	67
Median	3.4		15.0		19.5		-5.6		-1.4		3.2		6.9		3.5	

## Quarterly Performance Attribution



■ StanCERA ■ Policy Index ■ Impact

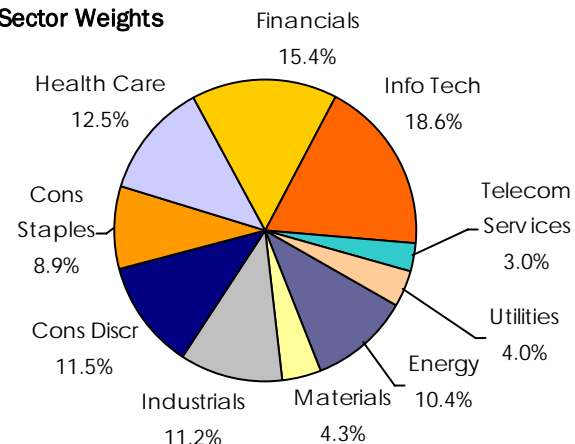
**Capital Market Review**

**DOMESTIC MARKETS**

**Domestic Equity - Russell 3000**

- The Russell 3000 Index advanced 5.9% in the fourth quarter. The greatest contributors to index performance included advances for positions in the information technology and health care sectors. Gains for securities in the consumer discretionary sector also had a positive influence on performance, while declines in the financial sector tended to have a negative influence on returns.
- Over the trailing 12 months, the Russell 3000's largest sector weighting (information technology) posted the best performance and made the largest contributions to returns. Performance was also strengthened by advances in the consumer discretionary and health care sectors. Double-digit gains were registered for every sector at year end.

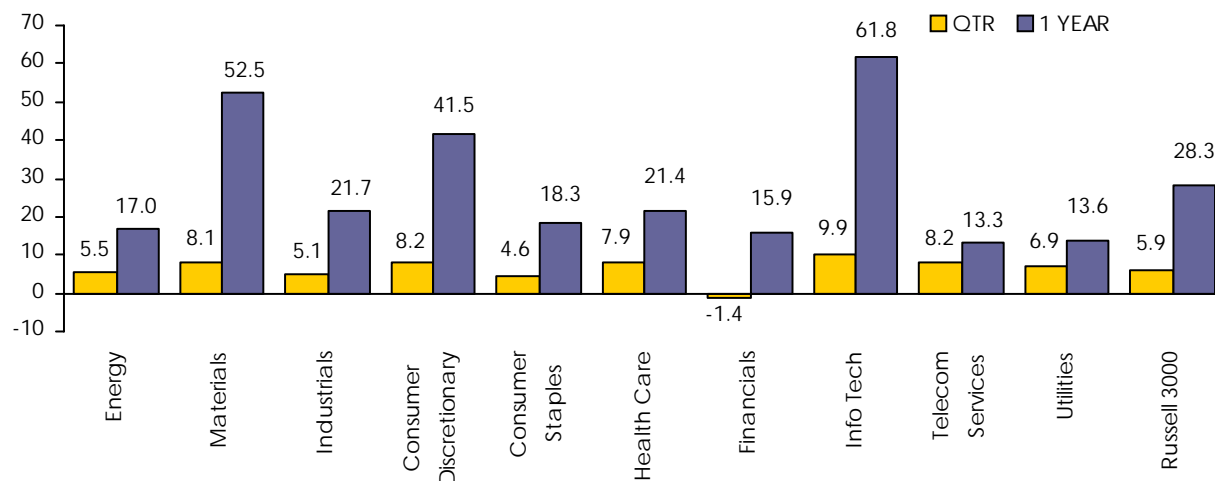
**Ending Sector Weights**



**Characteristics**

Div Yield (%)	1.8
P/B Ratio	2.2
P/E Ratio	34.8
Fundamental Beta 1.0	
Market Cap \$(MM)	75,300

**Sector Returns (%)**

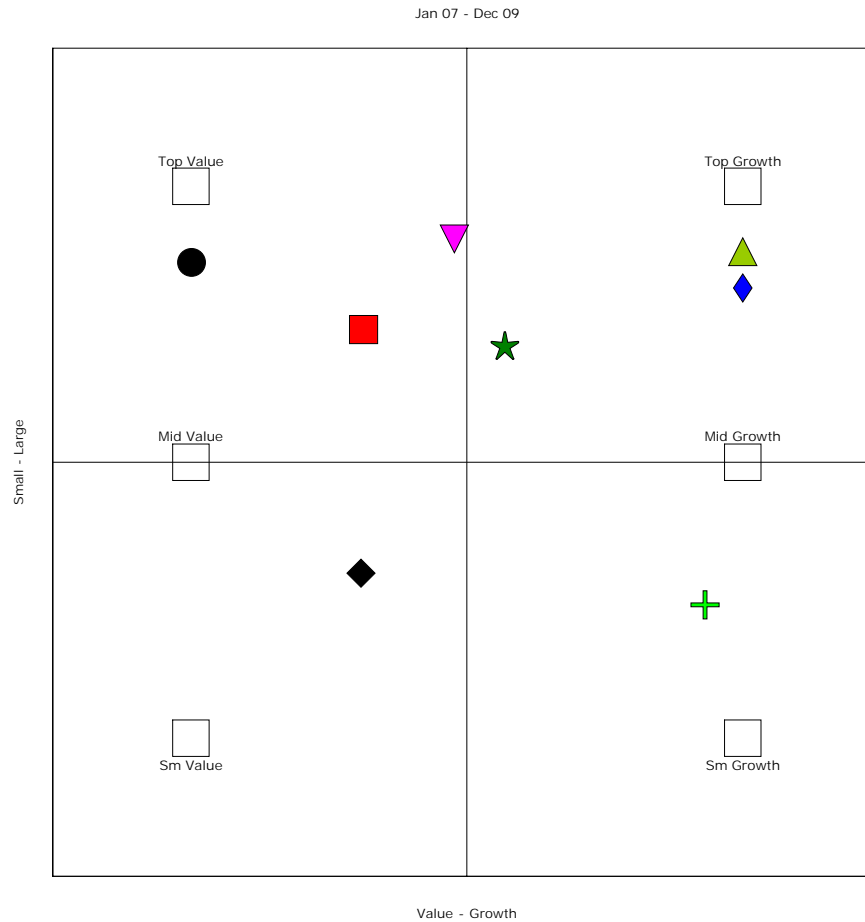


**Contribution to Return:**

	Energy	Materials	Industrials	Consumer Discretionary	Consumer Staples	Health Care	Financials	Info Tech	Telecom Services	Utilities	Russell 3000
Qtr	0.6	0.3	0.6	0.9	0.4	1.0	-0.2	1.8	0.2	0.3	5.9
1 Yr	1.8	2.3	2.4	4.8	1.6	2.7	2.4	11.5	0.4	0.5	28.3

Returns Based Style Analysis - US Equity Composite

US Equity Style Map



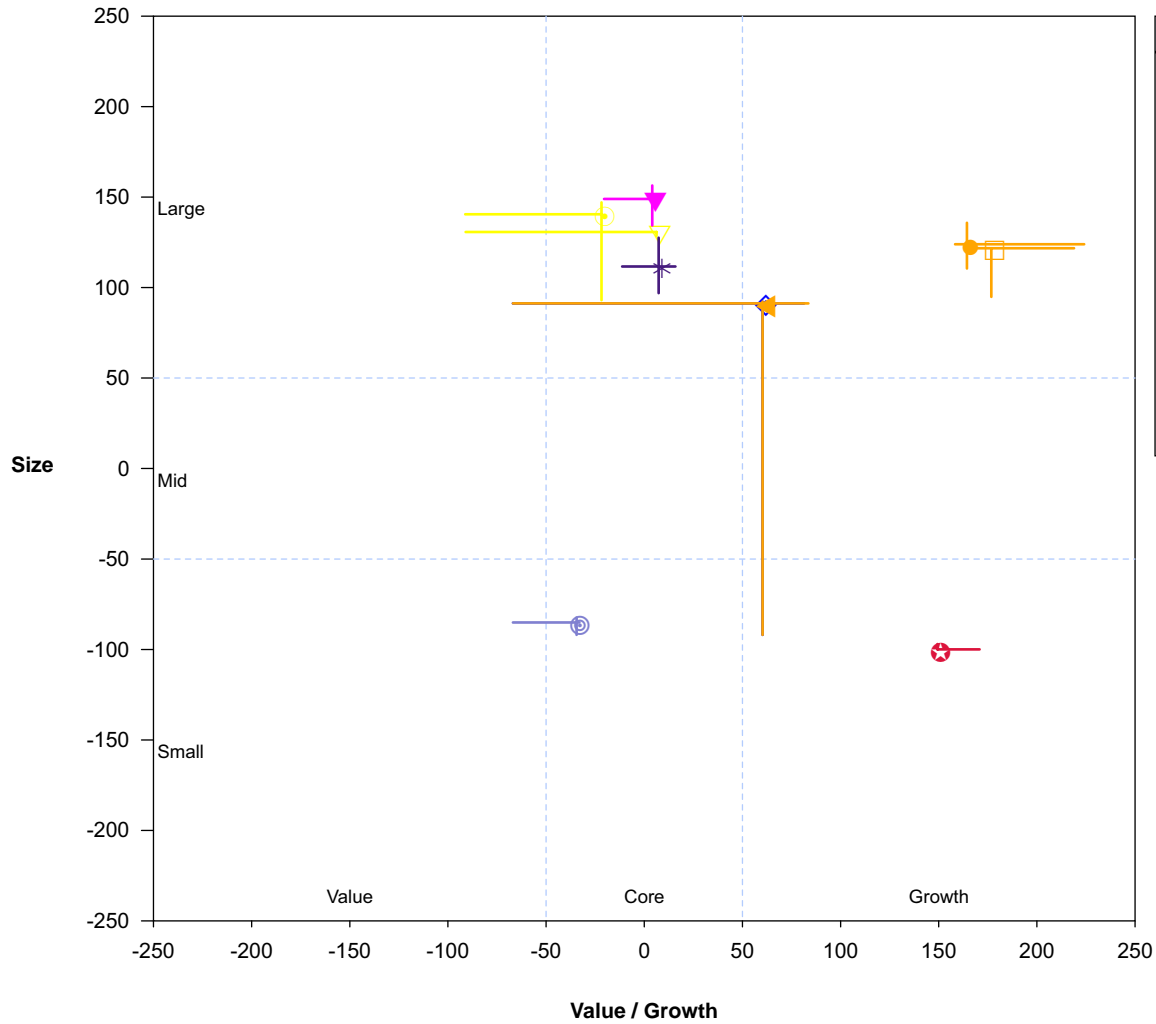
Legend

- BlackRock Russell 1000 Value Index Fund
- ◆ Capital Prospects
- ▲ Delaware Investments Advisers
- Dodge & Cox -Equity
- ◆ Loomis Sayles and Company
- + Legato Capital
- ▼ Mellon S&P 500 Index Fund
- ★ StanCERA Equity Composite
- ✱ Russell 3000 Index

# StanCERA

Period Ending December 31, 2009

## US Equity Style Analysis - Drift Over Time



FUND	Value / Growth	Size
◆ Total Fund	60.24	91.24
▽ BlackRock R1000V	6.22	130.73
⊙ Cap Prospects	-34.46	-85.11
□ Delaware	176.79	121.76
○ Dodge & Cox -Eq	-21.77	140.53
★ Legato Capital	149.39	-99.95
● Loomis Sayles	164.33	123.96
▽ Mellon S&P 500	4.10	148.97
◀ US Equity	60.24	91.24
* RUSSELL 3000	7.32	111.64

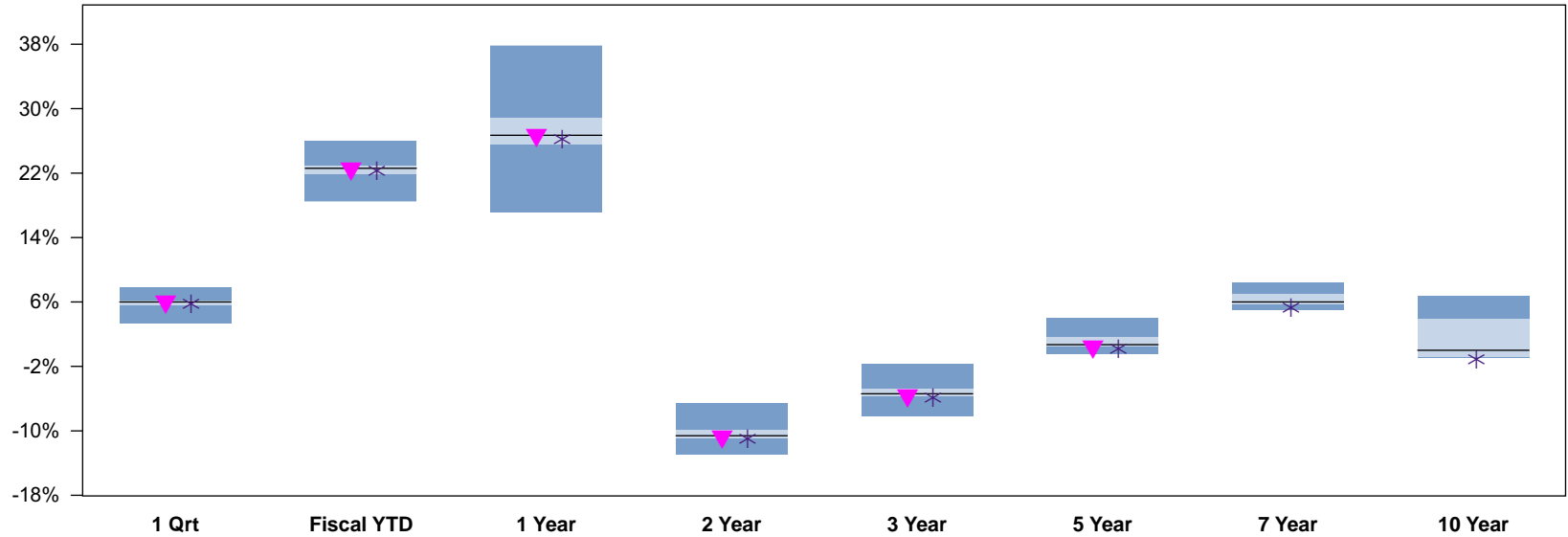
\* Equity style analysis is based on Morningstar@ Size and VCG Scores and Morningstar Style Box(TM) methodology

# StanCERA

US EQUITY FUNDS - LARGE CORE

Periods Ending December 31, 2009

## Total Returns



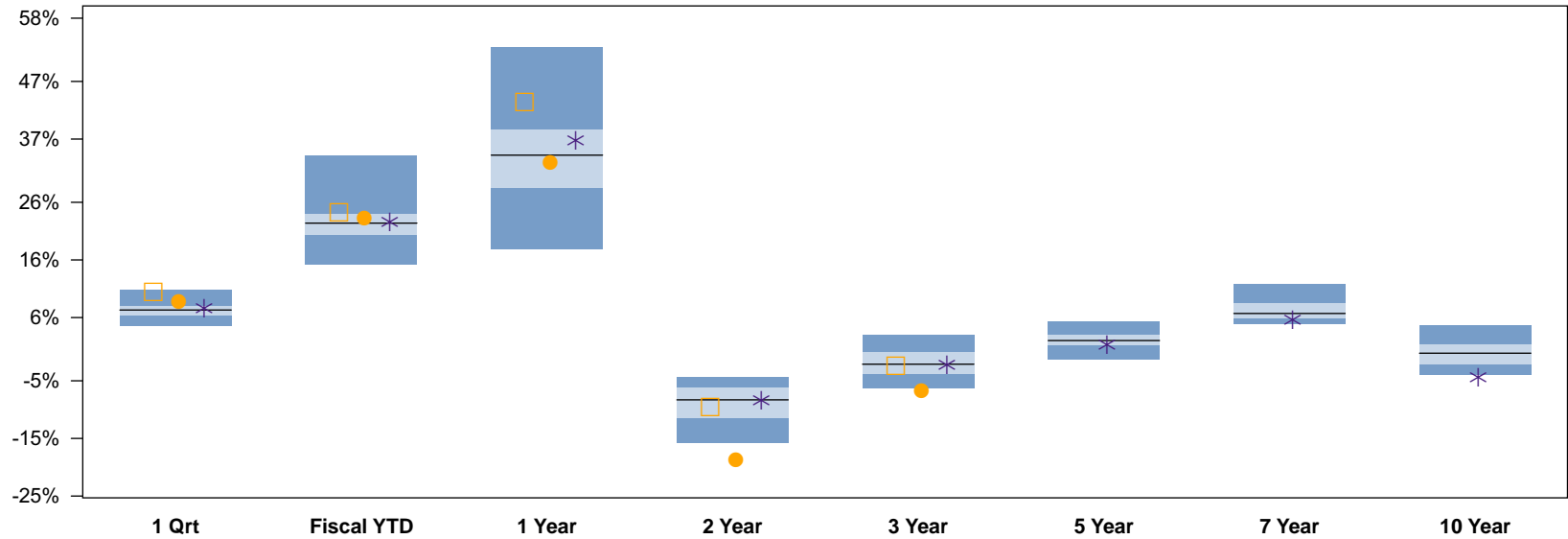
	1 Qrt		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		7 Year		10 Year	
▼ Mellon S&P 500	6.1	47	22.6	48	26.7	51	-10.7	59	-5.6	67	0.5	73				
* S&P 500	6.0	52	22.6	54	26.5	67	-10.7	67	-5.6	72	0.4	78	5.5	86	-0.9	92
Median	6.0		22.6		26.7		-10.6		-5.4		0.7		6.0		-0.0	

# StanCERA

## US EQUITY FUNDS - LARGE GROWTH

Periods Ending December 31, 2009

### Total Returns



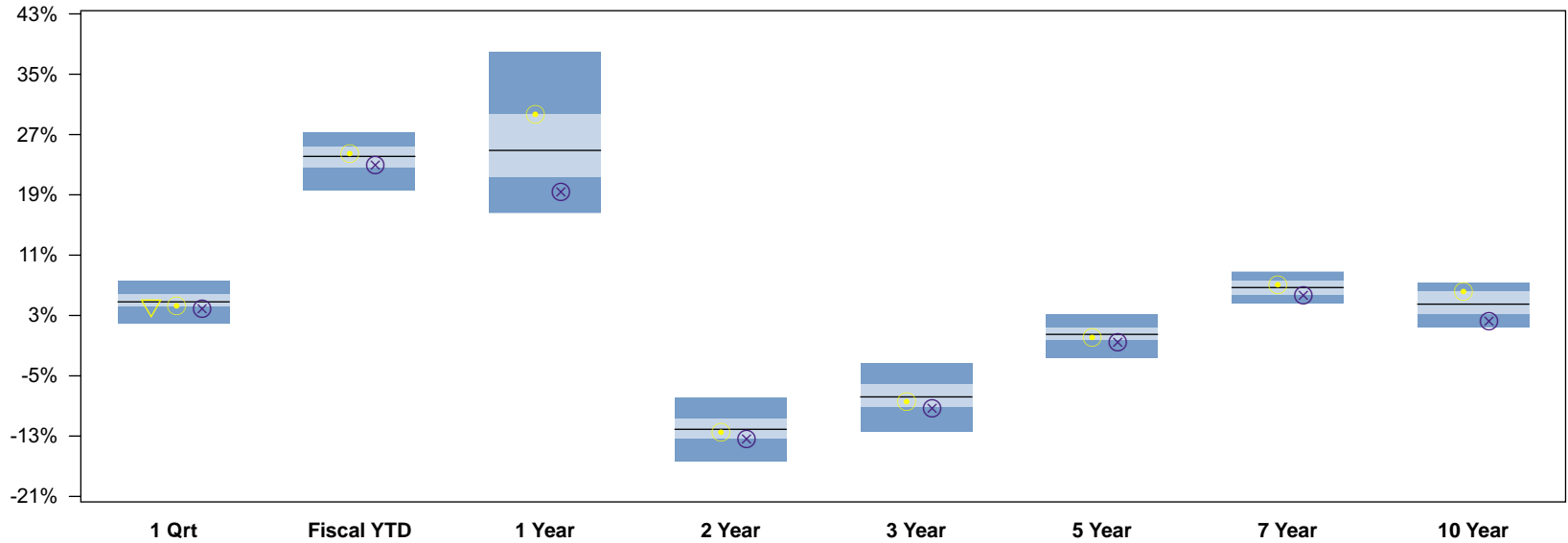
	1 Qrt		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		7 Year		10 Year	
□ Delaware	10.8	6	24.7	20	43.8	13	-9.2	60	-2.1	51						
● Loomis Sayles	9.3	10	23.7	30	33.4	56	-18.2	98	-6.3	96						
* RUSSELL 1000 GROWTH	7.9	32	23.0	42	37.2	35	-8.1	47	-1.9	47	1.6	58	5.9	74	-4.0	98
Median	7.3		22.4		34.2		-8.3		-2.1		2.0		6.7		-0.2	

# StanCERA

## US EQUITY FUNDS - LARGE VALUE

Periods Ending December 31, 2009

### Total Returns



	1 Qrt	Fiscal YTD	1 Year	2 Year	3 Year	5 Year	7 Year	10 Year
▽ BlackRock R1000V	4.3 73							
● Dodge & Cox -Eq	4.5 63	24.7 39	30.0 25	-12.2 51	-8.1 54	0.3 57	7.3 37	6.4 15
⊗ RUSSELL 1000 VALUE	4.2 76	23.2 66	19.7 85	-13.1 70	-9.0 73	-0.3 77	5.9 71	2.5 89
Median	4.8	24.1	24.9	-12.1	-7.8	0.5	6.7	4.5

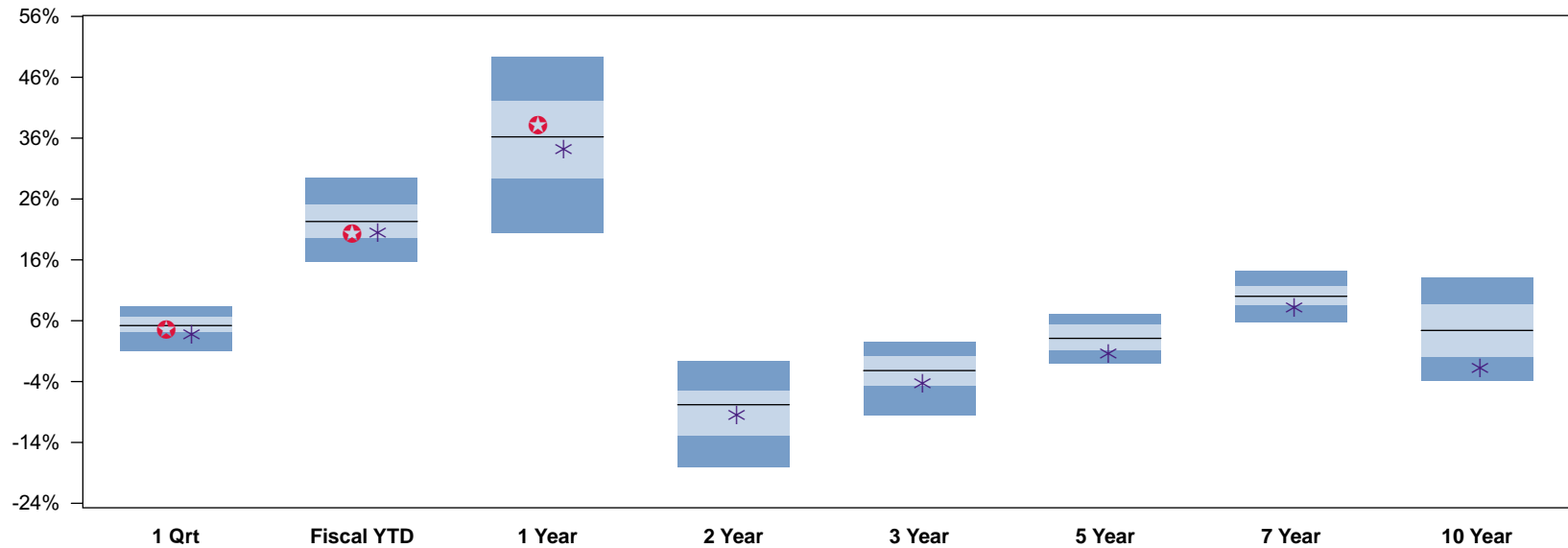


# StanCERA

## US EQUITY FUNDS - SMALL GROWTH

Periods Ending December 31, 2009

### Total Returns



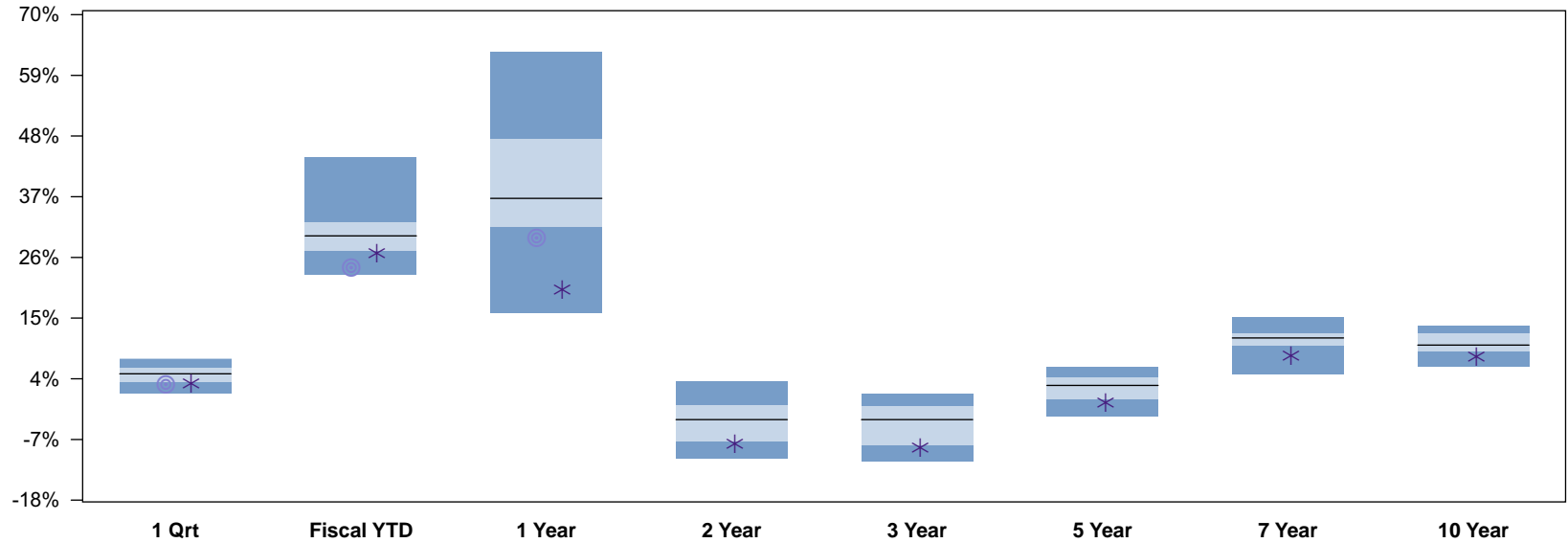
	1 Qrt		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		7 Year		10 Year	
★ Legato Capital	5.0	54	20.7	64	38.6	40										
* RUSSELL 2000 GROWTH	4.1	73	20.8	64	34.5	58	-9.1	59	-4.0	68	0.9	77	8.5	77	-1.4	84
Median	5.2		22.3		36.2		-7.8		-2.2		3.1		10.0		4.4	

# StanCERA

## US EQUITY FUNDS - SMALL VALUE

Periods Ending December 31, 2009

### Total Returns



	1 Qrt		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		7 Year		10 Year	
⊙ Cap Prospects	3.4	71	24.7	89	30.0	78										
* RUSSELL 2000 VALUE	3.6	70	27.2	78	20.6	87	-7.4	77	-8.2	82	-0.0	77	8.6	80	8.3	77
Median	4.9		29.9		36.7		-3.4		-3.4		2.8		11.4		10.1	

# StanCERA

Mellon S&P 500 Index Fund  
Quarter Ending December 31, 2009

## Equity Only Summary Statistics

Portfolio Characteristics		
	Mellon S&P 500	S&P 500
Total Number of Securities	499	499
Average Market Cap (000's)	80,669,813	80,611,739
Median Market Cap (000's)	8,922,710	8,922,710
P/E Ratio	18.49	18.50
Dividend Yield	1.94	1.94
Beta	1.00	1.00
Price/Book Ratio	3.42	3.41
Return on Equity	20.37	20.35
Earnings Growth - 5 Years	8.19	8.19

Ten Largest Holdings		
Name	\$	Weight
EXXON MOBIL CORP	1,942,324	3.3
MICROSOFTCORP	1,414,187	2.4
APPLE INC	1,139,487	1.9
JOHNSON +JOHNSON	1,067,016	1.8
PROCTER AND GAMBLE CO	1,063,753	1.8
INTERNATIONAL BUSINESS MACHINES CORP	1,031,754	1.7
AT+T INC	993,187	1.7
JPMORGAN CHASE + CO	985,537	1.7
GENERAL ELEC CO	967,004	1.6
CHEVRON CORP	926,498	1.6

Ten Best Performers	
Name	Return
ADVANCED MICRO DEVICES INC	71.0
NEW YORK TIMES CO	52.2
MASSEY ENERGY CORP	50.9
AMAZON COMINC	44.1
BLACK + DECKER CORPORATIO	40.3
FORD MTR CO DEL	38.7
IMS HEALTHINC	37.5
MCGRAW HILL COS INC	34.3
SANDISK CORP	33.6
PIONEER NAT RES CO	32.7

Ten Worst Performers	
Name	Return
MARSHALL +ILSLEY CORP NEV	-32.4
AMERICAN INTL GROUP INC	-32.0
CITIGROUPINC	-31.6
ZIONS BANCORP	-28.6
HUNTINGTONBANCSHARES INC	-22.3
J C PENNEYINC	-20.7
METROPCS COMMUNICATIONS INC	-18.5
JACOBS ENGR GROUP INC	-18.2
MEMC ELECTR MATLS INC	-18.1
TELLABS INC	-17.9

## StanCERA

Mellon S&P 500 Index Fund

Benchmark: S&P 500

Quarter Ending December 31, 2009

### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
<b>Mellon S&amp;P 500</b>									
CONSUMER DISCRETIONARY	10.4	10.4	0.0	8.9	8.9	0.0	0.01	0.01	0.01
CONSUMER STAPLES	10.1	10.2	-0.0	4.5	4.5	0.0	0.01	-0.04	-0.03
ENERGY	11.5	11.5	0.0	5.5	5.5	0.0	-0.00	0.01	0.01
FINANCIALS	15.5	15.5	-0.0	-2.8	-2.8	-0.0	0.01	-0.01	0.00
HEALTH CARE	13.1	13.1	0.0	8.2	8.2	0.0	0.01	0.01	0.01
INDUSTRIALS	10.5	10.5	0.0	5.4	5.3	0.0	-0.00	0.01	0.01
INFORMATION TECHNOLOGY	18.3	18.3	0.0	10.7	10.7	0.0	0.01	0.01	0.01
MATERIALS	3.6	3.6	-0.0	7.4	7.4	-0.0	-0.00	-0.00	-0.00
TELECOMMUNICATION SERVICES	3.2	3.2	0.0	7.4	7.4	0.0	0.01	0.01	0.01
UTILITIES	3.9	3.9	-0.0	7.3	7.3	-0.0	-0.00	-0.00	-0.00
TOTAL	100.0	100.0	0.0	5.9	5.9	0.0	0.05	-0.00	0.05

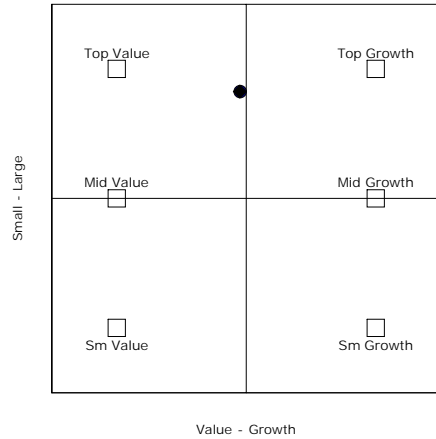
# StanCERA

3 Years Ending December 31, 2009

## Returns Based Style Analysis - Mellon S&P 500 Index Fund

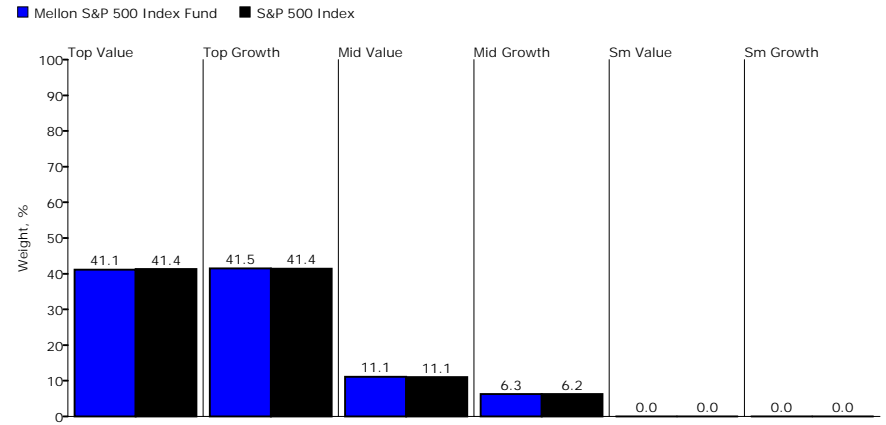
### US Equity Style Map

Jan 07 - Dec 09



### US Equity Style Exposures

Jan 07 - Dec 09

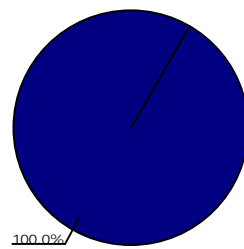
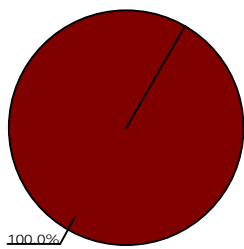


### R-Squared (Style Analysis)

Jan 07 - Dec 09

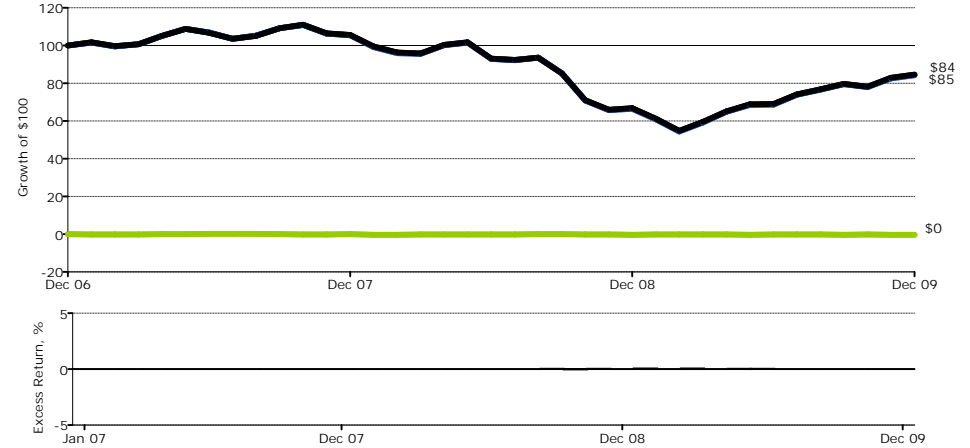
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Jan 07 - Dec 09



### Legend

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

■ Total ■ Style  
■ Selection

# StanCERA

Delaware Investments Advisers  
Quarter Ending December 31, 2009

## Equity Only Summary Statistics

Portfolio Characteristics		
	Delaware	R 1000 Growth
Total Number of Securities	31	621
Average Market Cap (000's)	44,339,854	76,421,585
Median Market Cap (000's)	25,880,280	4,331,145
P/E Ratio	24.79	19.65
Dividend Yield	0.74	1.53
Beta	0.97	0.93
Price/Book Ratio	4.44	4.84
Return on Equity	14.75	26.52
Earnings Growth - 5 Years	20.22	15.25

Ten Largest Holdings		
Name	\$	Weight
APPLE INC	6,321,900	5.2
GOOGLE INC	6,261,798	5.2
VISA INC	5,982,264	5.0
ALLERGAN INC	5,355,850	4.4
CROWN CASTLE INTL CORP	5,270,400	4.4
QUALCOMM INC	5,162,616	4.3
MEDCO HEALTH SOLUTIONS	4,710,167	3.9
EOG RESOURCES INC	4,631,480	3.8
INTUIT	4,388,244	3.6
INTERCONTINENTALEXCHAN	4,267,400	3.5

Ten Best Performers	
Name	Return
PRICELINECOM INC	31.8
VISA INC	26.7
MASTERCARDINC	26.7
GOOGLE INC	25.0
CROWN CASTLE INTL CORP	24.5
SYNGENTA AG	22.5
UNITEDHEALTH GROUP INC	21.7
EOG RESOURCES INC	16.7
INTERCONTINENTALEXCHANGE II	15.6
MEDCO HEALTH SOLUTIONS INC	15.5

Ten Worst Performers	
Name	Return
GILEAD SCIENCES INC	-7.1
BANK NEW YORK MELLON CO	-3.2
WALGREEN CO	-1.7
PRAXAIR INC	-1.2
EXPEDITORSINTL WA INC	-0.6
NOVO NORDISK A S	1.4
VERISIGN INC	2.3
UNITED PARCEL SVC INC	2.4
NIKE INC	2.5
QUALCOMM INC	3.2

## StanCERA

Delaware Investments Advisers

Benchmark: RUSSELL 1000 GROWTH

Quarter Ending December 31, 2009

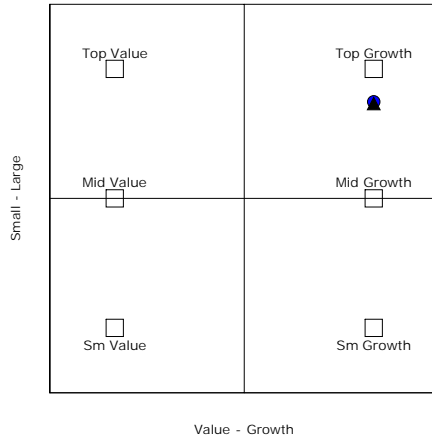
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
<b>Delaware</b>									
CONSUMER DISCRETIONARY	8.4	12.6	-4.1	9.4	8.2	1.2	-0.02	0.06	0.04
CONSUMER STAPLES	6.3	13.4	-7.1	1.3	4.8	-3.5	0.20	-0.24	-0.04
ENERGY	3.7	4.0	-0.3	16.7	4.8	11.9	0.01	0.40	0.41
FINANCIALS	17.5	6.3	11.1	16.2	5.3	10.9	-0.27	1.89	1.62
HEALTH CARE	16.7	16.5	0.2	8.2	6.0	2.2	-0.01	0.36	0.35
INDUSTRIALS	7.7	10.9	-3.2	2.3	6.5	-4.2	0.04	-0.34	-0.30
INFORMATION TECHNOLOGY	30.9	30.6	0.3	11.3	11.5	-0.2	0.01	-0.11	-0.10
MATERIALS	4.8	4.2	0.6	9.2	6.7	2.5	-0.01	0.12	0.11
TELECOMMUNICATION SERVICES	4.1	0.6	3.5	24.5	15.2	9.3	0.24	0.38	0.62
UTILITIES	0.0	1.0	-1.0	-	3.1	-	0.04	-0.02	0.02
TOTAL	100.0	100.0	0.0	10.8	7.8	3.0	0.23	2.50	2.74

## Returns Based Style Analysis - Delaware Investments Advisers

### US Equity Style Map

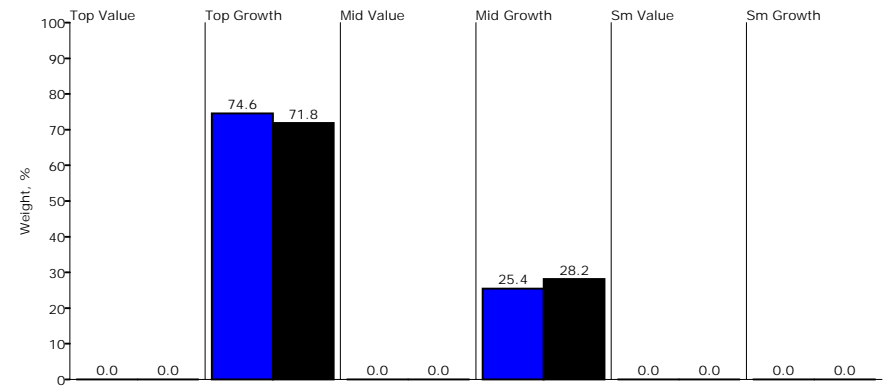
Jan 07 - Dec 09



### US Equity Style Exposures

Jan 07 - Dec 09

■ Delaware Investments Advisers ■ Russell 1000 Growth Index

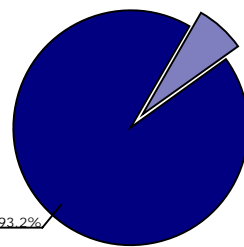
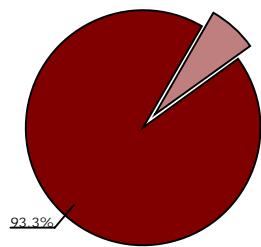


### R-Squared (Style Analysis)

Jan 07 - Dec 09

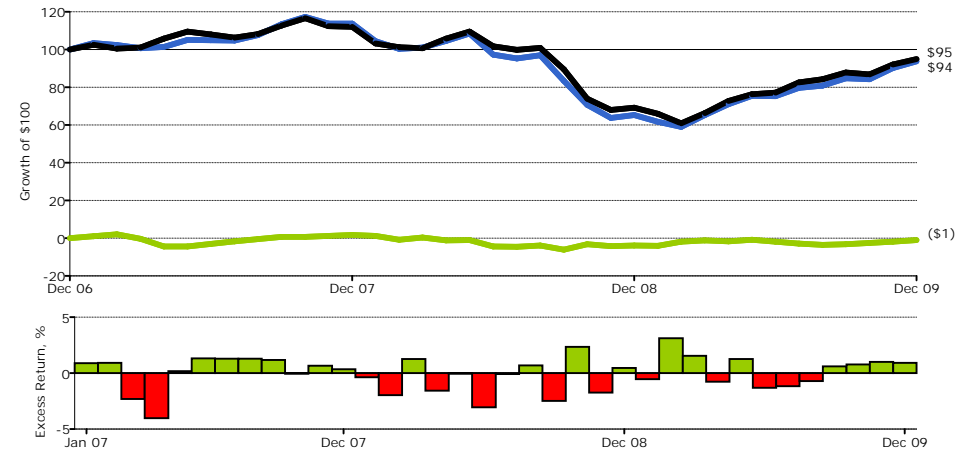
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Jan 07 - Dec 09



### Legend

▲ Russell 1000 Growth Index ● Delaware Investments Advisers

■ Total ■ Style  
■ Selection



# StanCERA

Loomis Sayles and Company  
Quarter Ending December 31, 2009

## Equity Only Summary Statistics

Portfolio Characteristics		
	Loomis Sayles	R 1000 Growth
Total Number of Securities	48	621
Average Market Cap (000's)	59,048,681	76,421,585
Median Market Cap (000's)	18,110,195	4,331,145
P/E Ratio	28.77	19.65
Dividend Yield	0.49	1.53
Beta	1.06	0.93
Price/Book Ratio	5.06	4.84
Return on Equity	18.84	26.52
Earnings Growth - 5 Years	23.83	15.25

Ten Largest Holdings		
Name	\$	Weight
GOOGLE INC	3,571,705	5.0
APPLE INC	3,481,260	4.8
AMAZON COMINC	3,008,002	4.2
PRICELINECOM INC	2,748,471	3.8
CISCO SYSINC	2,567,709	3.6
VISA INC	2,404,013	3.3
SOUTHWESTERN ENERGY (	2,307,961	3.2
MICROSOFTCORP	2,151,126	3.0
FRANKLIN RES INC	2,127,543	3.0
BROADCOM CORP	1,975,875	2.7

Ten Best Performers	
Name	Return
AMAZON COMINC	44.1
PRICELINECOM INC	31.8
SALESFORCECOM INC	29.6
MARVELL TECHNOLOGY GROUP	28.2
VISA INC	26.7
GOOGLE INC	25.0
ORACLE CORP	18.0
COGNIZANTTECHNOLOGY SOLU	17.2
FREEPORT MCMORAN COPPER	17.0
URBAN OUTFITTERS INC	16.0

Ten Worst Performers	
Name	Return
INTERNATIONAL GAME TECHN	-12.3
GOLDMAN SACHS GROUP INC	-8.2
JPMORGAN CHASE + CO	-4.8
WELLS FARGO + CO	-4.0
FLOWSERVECORP	-3.8
BROCADE COMMUNICATIONS	-2.9
ANADARKO PETE CORP	-0.3
EBAY INC	-0.3
CISCO SYSINC	1.7
BROADCOM CORP	2.5

## StanCERA

Loomis Sayles and Company

Benchmark: RUSSELL 1000 GROWTH

Quarter Ending December 31, 2009

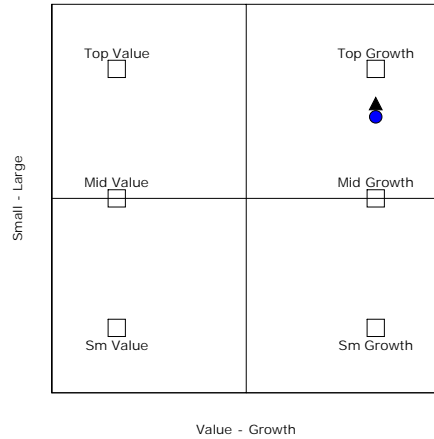
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
Loomis Sayles									
CONSUMER DISCRETIONARY	15.9	12.6	3.3	17.1	8.2	8.9	0.01	1.41	1.42
CONSUMER STAPLES	1.5	13.4	-11.9	-10.0	4.8	-14.8	0.33	-0.23	0.11
ENERGY	6.1	4.0	2.1	10.0	4.8	5.3	-0.07	0.34	0.27
FINANCIALS	17.0	6.3	10.7	2.8	5.3	-2.5	-0.26	-0.46	-0.71
HEALTH CARE	8.8	16.5	-7.6	8.7	6.0	2.7	0.13	0.21	0.34
INDUSTRIALS	7.4	10.9	-3.6	2.8	6.5	-3.6	0.05	-0.27	-0.22
INFORMATION TECHNOLOGY	39.0	30.6	8.4	11.1	11.5	-0.4	0.28	-0.17	0.11
MATERIALS	4.3	4.2	0.2	7.5	6.7	0.8	-0.01	0.05	0.05
TELECOMMUNICATION SERVICES	0.0	0.6	-0.6	-	15.2	-	-0.04	0.00	-0.04
UTILITIES	0.0	1.0	-1.0	-	3.1	-	0.04	0.00	0.04
TOTAL	100.0	100.0	0.0	9.3	7.8	1.5	0.47	0.89	1.36

## Returns Based Style Analysis - Loomis Sayles and Company

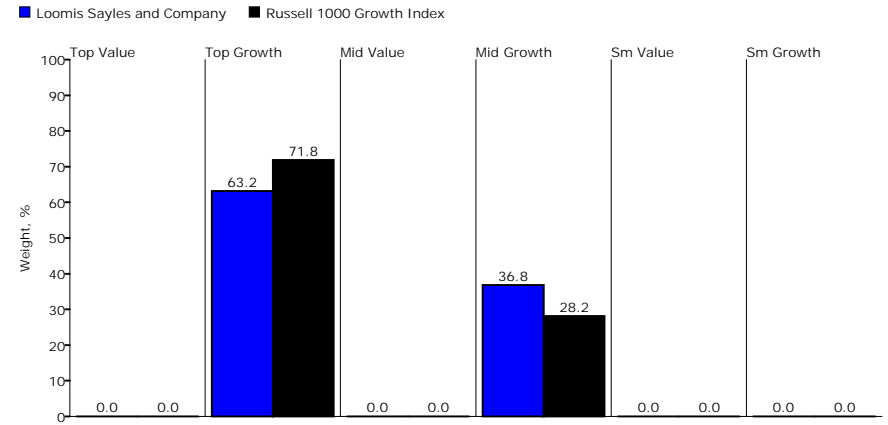
### US Equity Style Map

Jan 07 - Dec 09



### US Equity Style Exposures

Jan 07 - Dec 09

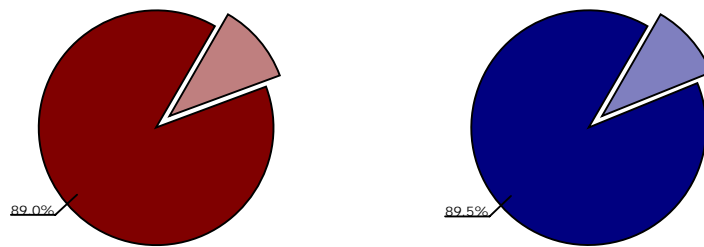


### R-Squared (Style Analysis)

Jan 07 - Dec 09

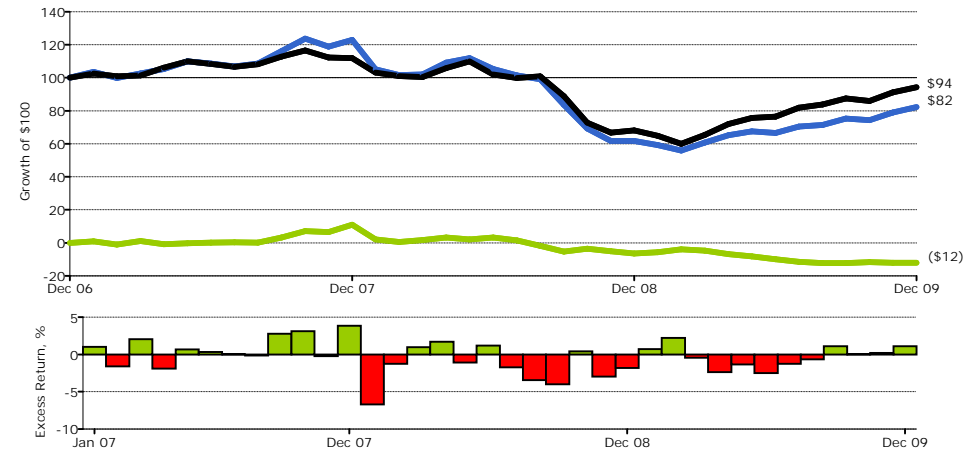
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Jan 07 - Dec 09



### Legend

▲ Russell 1000 Growth Index ● Loomis Sayles and Company

■ Total ■ Style  
■ Selection

# StanCERA

BlackRock Russell 1000 Value Index Fund  
Quarter Ending December 31, 2009

## Equity Only Summary Statistics

Portfolio Characteristics		
	BGI R 1000 Value	R 1000 Value
Total Number of Securities	499	678
Average Market Cap (000's)	80,670,511	68,389,979
Median Market Cap (000's)	8,922,710	3,877,940
P/E Ratio	18.49	17.00
Dividend Yield	1.94	2.23
Beta	1.00	1.10
Price/Book Ratio	3.42	1.84
Return on Equity	20.37	11.93
Earnings Growth - 5 Years	8.19	2.04

Ten Largest Holdings		
Name	\$	Weight
EXXON MOBIL CORP	1,196,598	3.0
MICROSOFTCORP	845,061	2.1
APPLE INC	676,439	1.7
JOHNSON +JOHNSON	638,303	1.6
PROCTER AND GAMBLE CO	635,524	1.6
INTERNATIONAL BUSINESS I	622,037	1.6
AT+T INC	594,741	1.5
GENERAL ELEC CO	576,196	1.5
JPMORGAN CHASE + CO	563,337	1.4
CHEVRON CORP	555,021	1.4

Ten Best Performers	
Name	Return
ADVANCED MICRO DEVICES INC	71.0
BUCYRUS INTL INC NEW	58.3
NEW YORK TIMES CO	52.2
HEALTH NETINC	51.2
MASSEY ENERGY CORP	50.9
CLEAR CHANNEL OUTDOOR HLD	48.4
FEDERAL MOGUL CORP	43.3
CLIFFS NATRES INC	42.7
TRW AUTOMOTIVE HLDGS CORP	42.6
AMERICAN NATL INS CO	41.2

Ten Worst Performers	
Name	Return
MBIA INC	-48.7
SYNOVUS FINL CORP	-45.0
CIENA CORP	-33.4
MARSHALL +ILSLEY CORP NEV	-32.4
AMERICAN INTL GROUP INC	-32.0
CITIGROUPINC	-31.6
CENTRAL EUROPEAN MEDIA E	-31.1
INVESTMENTTECHNOLOGY GF	-29.4
DYNEGY INCDEL	-29.0
ZIONS BANCORP	-28.6

## StanCERA

BlackRock R1000V

Benchmark: RUSSELL 1000 VALUE

Quarter Ending December 31, 2009

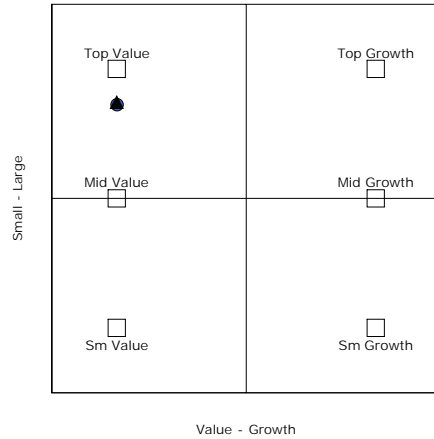
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
BlackRock R1000V									
CONSUMER DISCRETIONARY	9.5	9.5	0.0	8.7	8.5	0.2	0.02	0.05	0.07
CONSUMER STAPLES	5.4	5.4	0.0	3.6	3.6	-0.0	-0.00	-0.04	-0.04
ENERGY	18.0	17.9	0.1	5.6	5.6	0.0	0.02	0.02	0.04
FINANCIALS	25.3	25.7	-0.4	-3.1	-3.4	0.3	0.05	0.07	0.12
HEALTH CARE	9.1	9.1	0.0	11.8	11.8	0.0	0.02	0.02	0.05
INDUSTRIALS	10.7	10.7	0.0	4.1	4.1	0.0	0.02	0.02	0.04
INFORMATION TECHNOLOGY	5.0	5.0	0.0	4.7	4.7	0.0	0.02	0.02	0.04
MATERIALS	4.0	4.0	0.0	9.5	9.5	-0.0	0.02	-0.04	-0.02
TELECOMMUNICATION SERVICES	5.6	5.6	0.0	7.5	7.5	0.0	0.02	0.02	0.04
UNCLASSIFIED	0.1	0.0	0.1	-	-	-	-0.00	0.00	-0.00
UTILITIES	7.2	7.2	0.0	7.4	7.4	-0.0	0.02	-0.04	-0.02
TOTAL	100.0	100.0	0.0	4.2	4.0	0.2	0.20	0.10	0.31

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

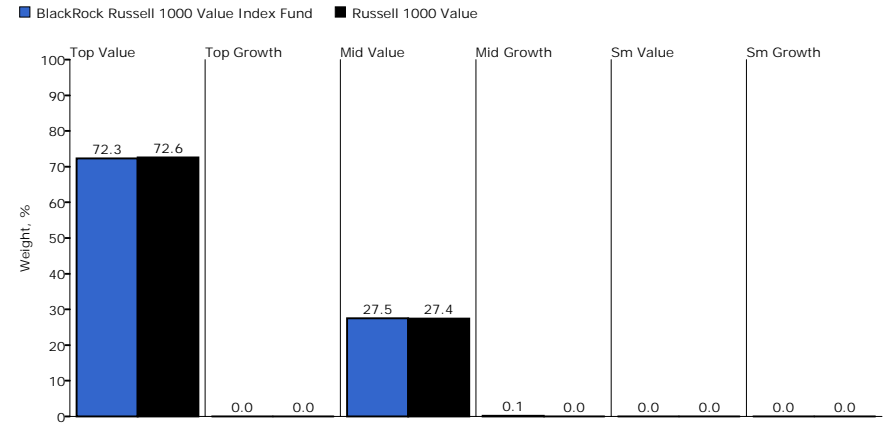
### US Equity Style Map

Jan 07 - Dec 09



### US Equity Style Exposures

Jan 07 - Dec 09

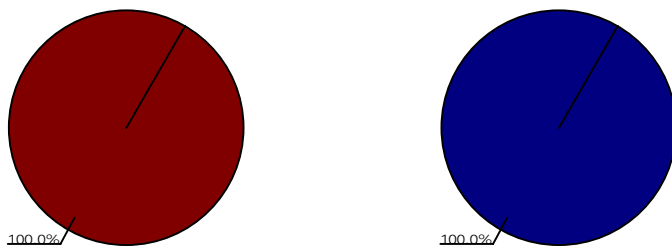


### R-Squared (Style Analysis)

Jan 07 - Dec 09

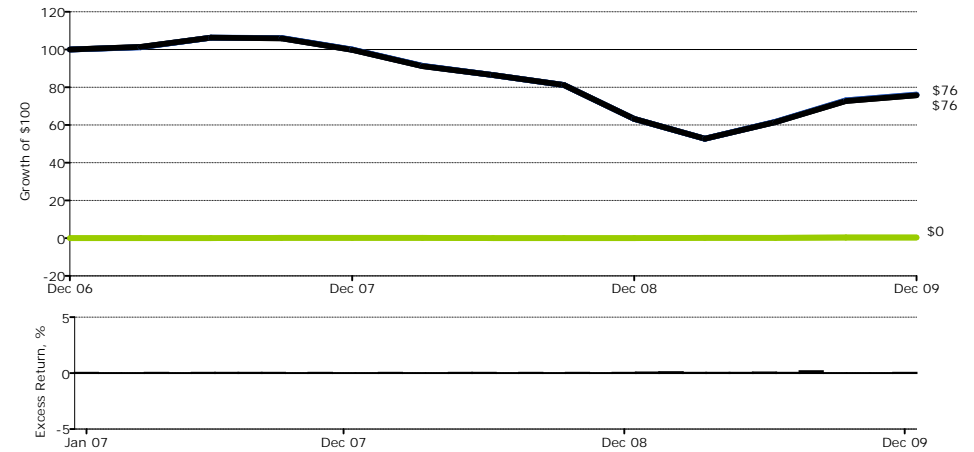
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Jan 07 - Dec 09



### Legend

▲ Russell 1000 Value   ● BlackRock Russell 1000 Value Index Fund

■ Total   ■ Style

■ Selection

# StanCERA

Dodge & Cox -Equity

Quarter Ending December 31, 2009

## Equity Only Summary Statistics

Portfolio Characteristics		
	Dodge & Cox	R 1000 Value
Total Number of Securities	86	678
Average Market Cap (000's)	60,035,871	68,389,979
Median Market Cap (000's)	17,688,885	3,877,940
P/E Ratio	16.49	17.00
Dividend Yield	1.72	2.23
Beta	1.12	1.10
Price/Book Ratio	2.16	1.84
Return on Equity	9.51	11.93
Earnings Growth - 5 Years	2.16	2.04

Ten Largest Holdings		
Name	\$	Weight
HEWLETT PACKARD CO	10,817,358	5.9
SCHLUMBERGER LTD	6,671,725	3.7
COMCAST CORP NEW	6,060,546	3.3
WELLS FARGO + CO	5,734,619	3.2
MERCK + COINC NEW	5,601,582	3.1
CAPITAL ONE FINL CORP	5,271,750	2.9
NEWS CORP	5,124,167	2.8
GENERAL ELEC CO	4,967,179	2.7
NOVARTIS AG	4,898,700	2.7
OCCIDENTALPETE CORP	4,832,190	2.7

Ten Best Performers	
Name	Return
DOMTAR CORP	57.3
SLM CORP	29.2
WELLPOINTINC	23.1
UNITEDHEALTH GROUP INC	21.7
CARDINAL HEALTH INC	20.9
KONINKLIJKE PHILIPS ELECTRS N	20.9
DISH NETWORK CORP	18.7
CARMAX INC	16.0
CAREFUSIONCORP	14.7
NEWS CORP	14.2

Ten Worst Performers	
Name	Return
AEGON	-24.2
CADENCE DESIGN SYS INC	-18.4
STATE STREET CORPORATIO	-17.2
BOSTON SCIENTIFIC CORP	-15.0
NOKIA CORP	-12.1
CREDIT SUISSE GROUP	-11.7
SUNTRUST BKS INC	-10.0
MOTOROLA INC	-9.7
CEMEX S A	-8.5
ERICSSON L M TEL CO	-8.3

## StanCERA

Dodge & Cox -Equity

Benchmark: RUSSELL 1000 VALUE

Quarter Ending December 31, 2009

### Equity Performance Attribution

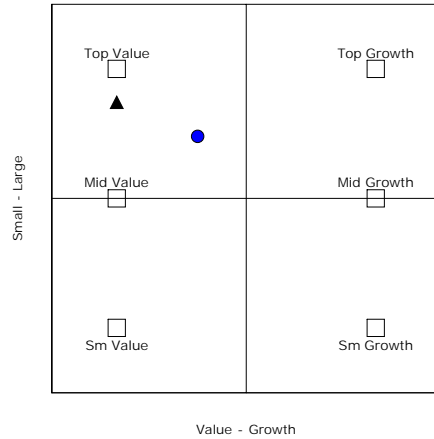
	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
<b>Dodge &amp; Cox -Eq</b>									
CONSUMER DISCRETIONARY	19.1	9.5	9.6	5.0	8.5	-3.5	0.44	-0.69	-0.26
CONSUMER STAPLES	1.0	5.4	-4.4	-2.9	3.6	-6.4	0.05	-0.06	-0.01
ENERGY	10.8	17.9	-7.2	5.8	5.6	0.3	-0.11	0.06	-0.05
FINANCIALS	13.4	25.7	-12.3	-0.5	-3.4	3.0	0.93	0.43	1.37
HEALTH CARE	22.4	9.1	13.3	8.8	11.8	-3.0	1.02	-0.70	0.32
INDUSTRIALS	8.4	10.7	-2.3	2.3	4.1	-1.8	-0.00	-0.15	-0.15
INFORMATION TECHNOLOGY	18.8	5.0	13.8	4.8	4.7	0.1	0.12	0.09	0.21
MATERIALS	3.0	4.0	-1.0	4.1	9.5	-5.4	-0.06	-0.16	-0.22
TELECOMMUNICATION SERVICES	3.2	5.6	-2.4	-5.1	7.5	-12.6	-0.08	-0.40	-0.48
UTILITIES	0.0	7.2	-7.2	-	7.4	-	-0.23	0.00	-0.23
TOTAL	100.0	100.0	0.0	4.4	4.0	0.4	2.09	-1.58	0.48



## Returns Based Style Analysis - Dodge & Cox -Equity

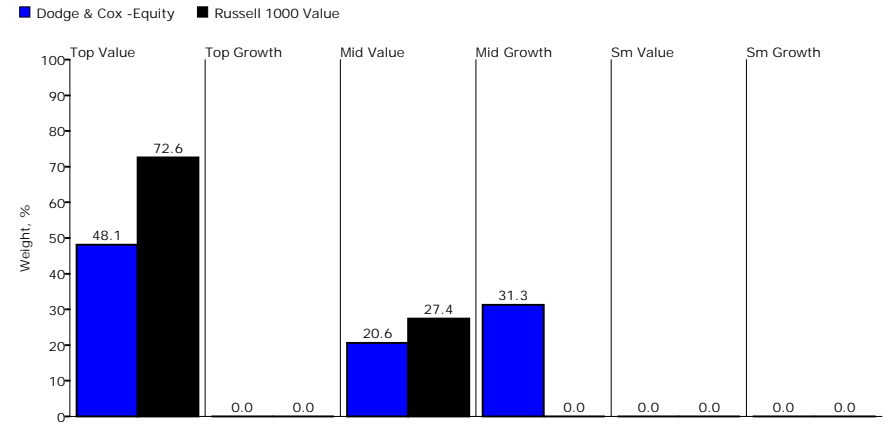
### US Equity Style Map

Jan 07 - Dec 09



### US Equity Style Exposures

Jan 07 - Dec 09

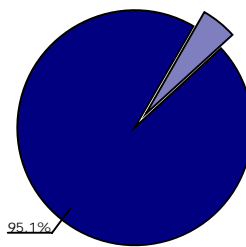
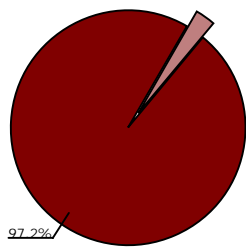


### R-Squared (Style Analysis)

Jan 07 - Dec 09

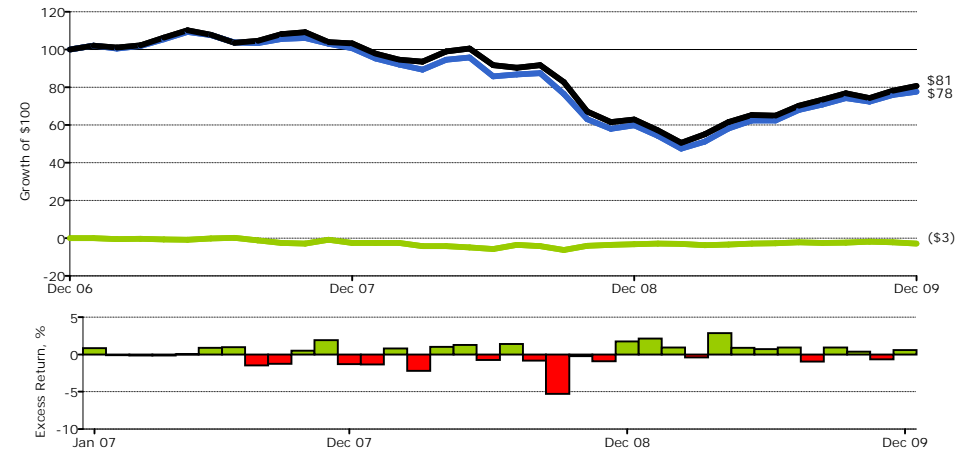
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Jan 07 - Dec 09



### Legend

▲ Russell 1000 Value ● Dodge & Cox -Equity

■ Total ■ Selection

■ Style

# StanCERA

Legato Capital management LLC  
Quarter Ending December 31, 2009

## Equity Only Summary Statistics

Portfolio Characteristics		
	Legato Capital	R 2000 Growth
Total Number of Securities	660	1,269
Average Market Cap (000's)	1,340,703	1,088,468
Median Market Cap (000's)	739,890	431,015
P/E Ratio	24.84	20.11
Dividend Yield	0.40	0.53
Beta	1.14	1.12
Price/Book Ratio	3.77	3.76
Return on Equity	12.16	12.45
Earnings Growth - 5 Years	18.83	17.01

Ten Largest Holdings		
Name	\$	Weight
PORTFOLIORECOVERY ASE	639,382	1.3
UNITED NATFOODS INC	585,205	1.2
CYBERSOURCE CORP DEL	560,466	1.1
CEPHEID	542,443	1.1
NATIONAL INSTRS CORP	520,971	1.0
LKQ CORP	515,511	1.0
F5 NETWORKS INC	515,398	1.0
ANSYS INC	490,316	1.0
SEMTECH CORP	479,342	1.0
CHEMED CORP NEW	476,582	1.0

Ten Best Performers	
Name	Return
NUTRI SYSINC NEW	105.9
SONIC SOLUTIONS	99.5
TESCO CORP	61.8
ALLIED NEVADA GOLD CORP	54.0
G III APPAREL GROUP LTD	53.1
ASIAINFO HLDGS INC	52.6
OSI SYS INC	49.2
NU SKIN ENTERPRISES INC	45.6
IMAX CORP	41.3
CHATTEM INC	40.5

Ten Worst Performers	
Name	Return
STEC INC	-44.4
PALM INC NEW	-42.4
WESTERN ALLIANCE BANCOR	-40.1
FUQI INTLINC	-38.7
GFI GROUPINC	-36.2
DIGITAL RIV INC	-33.1
NOVATEL WIRELESS INC	-29.8
CYPRESS BIOSCIENCE INC	-29.5
KNIGHT CAPGROUP INC	-29.2
TRUE RELIGION APPL	-28.7

## StanCERA

Legato Capital Management LLC

Benchmark: RUSSELL 2000 GROWTH

Quarter Ending December 31, 2009

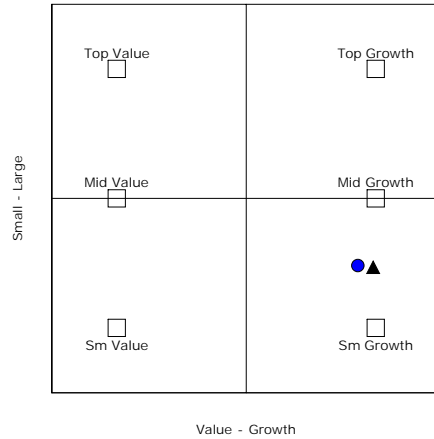
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
<b>Legato Capital</b>									
COMMINGLED FUND	0.2	0.0	0.2	-	-	-	-0.01	0.00	-0.01
CONSUMER DISCRETIONARY	14.3	15.4	-1.1	8.9	5.1	3.8	-0.01	0.53	0.52
CONSUMER STAPLES	2.8	3.3	-0.5	4.1	12.0	-7.9	-0.04	-0.23	-0.27
ENERGY	4.4	3.2	1.2	11.8	10.7	1.1	0.08	0.05	0.13
FINANCIALS	6.8	6.1	0.7	2.8	1.6	1.2	-0.02	0.08	0.07
HEALTH CARE	19.4	22.3	-2.9	1.9	0.9	1.0	0.09	0.20	0.29
INDUSTRIALS	13.4	17.6	-4.2	5.0	3.9	1.1	0.01	0.14	0.15
INFORMATION TECHNOLOGY	35.5	26.4	9.1	6.4	4.0	2.4	0.01	0.82	0.83
MATERIALS	2.1	2.8	-0.7	2.9	8.2	-5.3	-0.03	-0.12	-0.15
TELECOMMUNICATION SERVICES	0.9	2.4	-1.5	5.3	7.8	-2.5	-0.06	-0.03	-0.09
UTILITIES	0.2	0.4	-0.2	7.4	-2.8	10.2	0.01	0.02	0.03
TOTAL	100.0	100.0	0.0	5.5	4.0	1.6	0.04	1.46	1.50

## Returns Based Style Analysis - Legato Capital

### US Equity Style Map

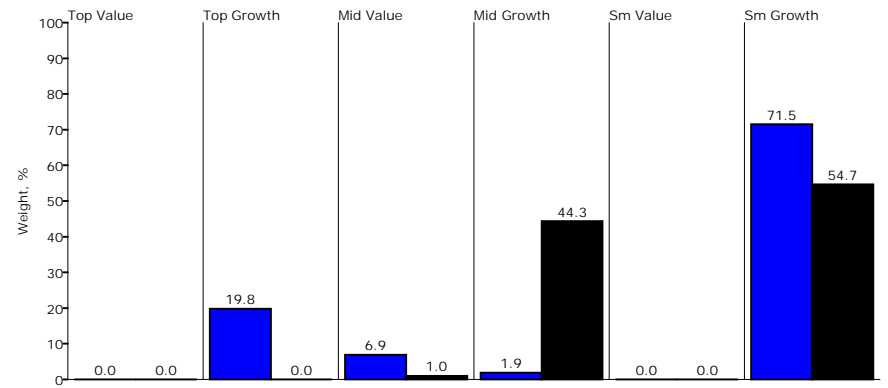
Jan 07 - Dec 09



### US Equity Style Exposures

Jan 07 - Dec 09

■ Legato Capital ■ Russell 2500 Growth Index

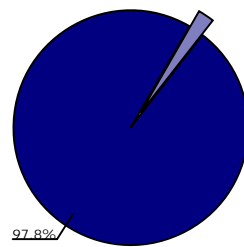
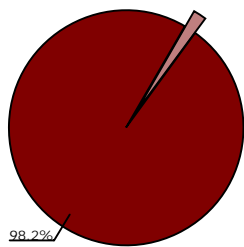


### R-Squared (Style Analysis)

Jan 07 - Dec 09

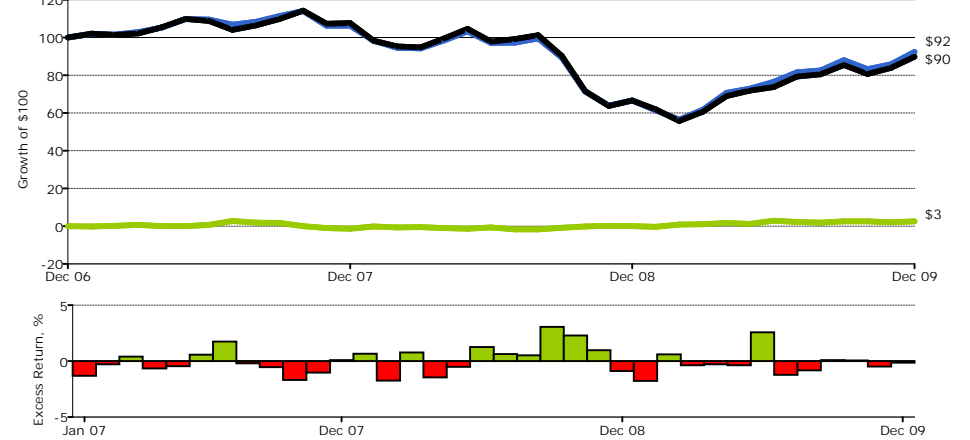
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Jan 07 - Dec 09



### Legend

▲ Russell 2500 Growth Index ● Legato Capital

■ Total ■ Selection

■ Style

# StanCERA

Capital Prospects LLC

Quarter Ending December 31, 2009

## Equity Only Summary Statistics

Portfolio Characteristics		
	Capital Prospects	R 2000 Value
Total Number of Securities	406	1,387
Average Market Cap (000's)	1,898,534	940,008
Median Market Cap (000's)	865,085	352,360
P/E Ratio	14.51	15.96
Dividend Yield	1.50	1.86
Beta	1.23	1.31
Price/Book Ratio	2.53	1.38
Return on Equity	12.39	4.26
Earnings Growth - 5 Years	8.83	1.33

Ten Largest Holdings		
Name	\$	Weight
LITTELFUSEINC	735,978	1.2
CROWN HLDGS INC	614,943	1.0
ANNALY CAPITAL MANAGEME	608,118	1.0
CSG SYS INTL INC	591,599	1.0
HANESBRANDS INC	568,803	0.9
THOMAS + BETTS CORP	558,932	0.9
COMPASS MINERALS INTL IN	550,958	0.9
SEAGATE TECHNOLOGY	539,334	0.9
ACUITY BRANDS INC	510,543	0.8
PLEXUS CORP	509,251	0.8

Ten Best Performers	
Name	Return
M + F WORLDWIDE CORP	95.2
SKECHERS US A INC	71.6
BUCYRUS INTL INC NEW	58.3
BRIGHAM EXPL CO	49.2
HUTCHINSONTECHNOLOGY INC	44.5
HEALTHSPRING INC	43.8
WORLD ACCEPTANCE CORP	42.1
NORTHERN OIL AND GAS INC	41.0
NELNET INC	39.1
MEDVATIONINC	38.7

Ten Worst Performers	
Name	Return
BORDERS GROUP INC	-62.1
LITHIA MTRS INC	-47.3
STANDARD MTR PRODS INC	-43.9
XERIUM TECHNOLOGIES INC	-41.5
ISLE CAPRICASINOS INC	-36.6
DSP GROUPINC	-30.8
INVESTMENTTECHNOLOGY GF	-29.4
KNIGHT CAPGROUP INC	-29.2
ANDERSONSINC	-26.4
ACTUATE CORP	-26.0

## StanCERA

Capital Prospects LLC

Benchmark: RUSSELL 2000 VALUE

Quarter Ending December 31, 2009

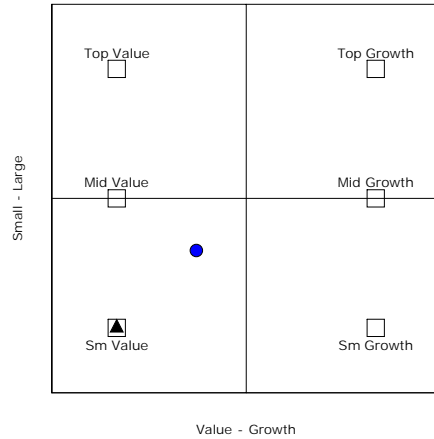
### Equity Performance Attribution

	BEGINNING WTS			BASE RETURNS			VALUE ADDED		
	Fund	Index	Difference	Buy / Hold	Index	Difference	Allocation	Selection	Total
<b>Cap Prospects</b>									
COMMINGLED FUND	0.3	0.0	0.3	-	-	-	-0.01	0.00	-0.01
CONSUMER DISCRETIONARY	13.2	12.2	1.1	2.8	2.0	0.7	-0.02	0.10	0.08
CONSUMER STAPLES	6.3	3.1	3.1	3.7	4.9	-1.2	0.04	-0.08	-0.03
ENERGY	5.2	5.1	0.1	7.2	3.8	3.5	0.00	0.19	0.19
FINANCIALS	19.5	33.3	-13.8	1.8	2.0	-0.2	0.19	-0.04	0.15
HEALTH CARE	7.9	4.5	3.4	7.8	8.7	-0.9	0.17	-0.07	0.10
INDUSTRIALS	23.3	15.6	7.7	2.3	3.4	-1.1	-0.00	-0.26	-0.26
INFORMATION TECHNOLOGY	11.6	11.9	-0.3	9.6	1.3	8.3	0.01	0.96	0.97
MATERIALS	8.2	7.3	0.9	2.3	8.1	-5.8	0.04	-0.48	-0.44
TELECOMMUNICATION SERVICES	0.3	0.7	-0.4	-5.9	4.1	-10.0	-0.01	-0.03	-0.03
UTILITIES	4.2	6.3	-2.0	7.8	7.1	0.7	-0.07	0.03	-0.04
TOTAL	100.0	100.0	0.0	4.1	3.4	0.6	0.34	0.31	0.66

## Returns Based Style Analysis - Capital Prospects

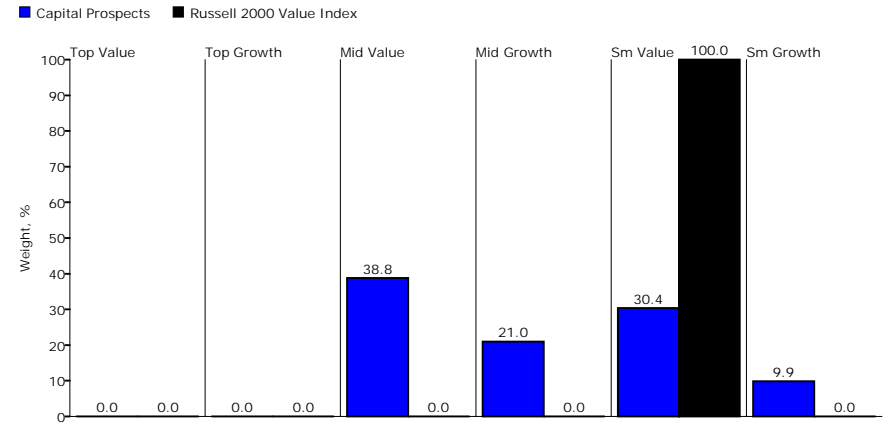
### US Equity Style Map

Jan 07 - Dec 09



### US Equity Style Exposures

Jan 07 - Dec 09

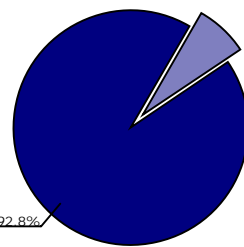
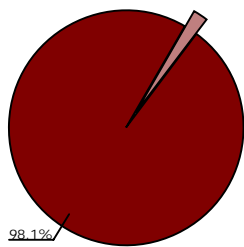


### R-Squared (Style Analysis)

Jan 07 - Dec 09

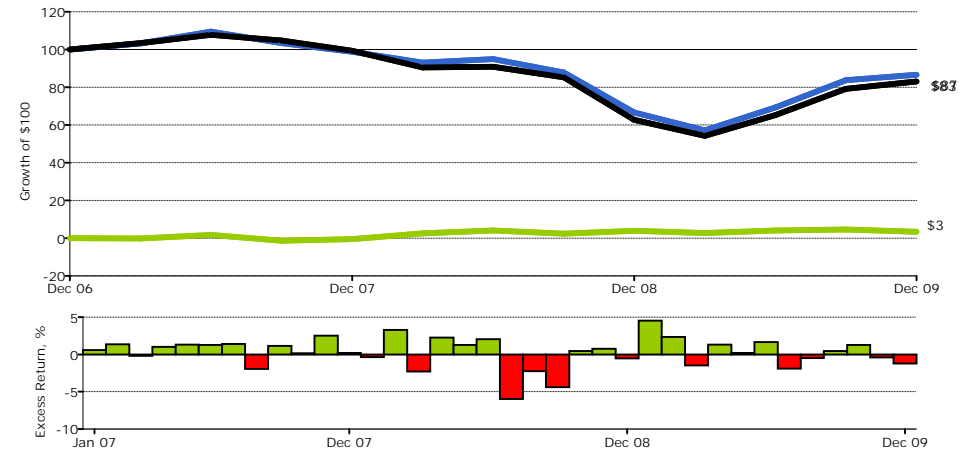
■ Style R-Squared

■ Benchmark R-Squared



### Cumulative Total, Style & Selection Return

Jan 07 - Dec 09



### Legend

▲ Russell 2000 Value Index ● Capital Prospects

■ Total

■ Style

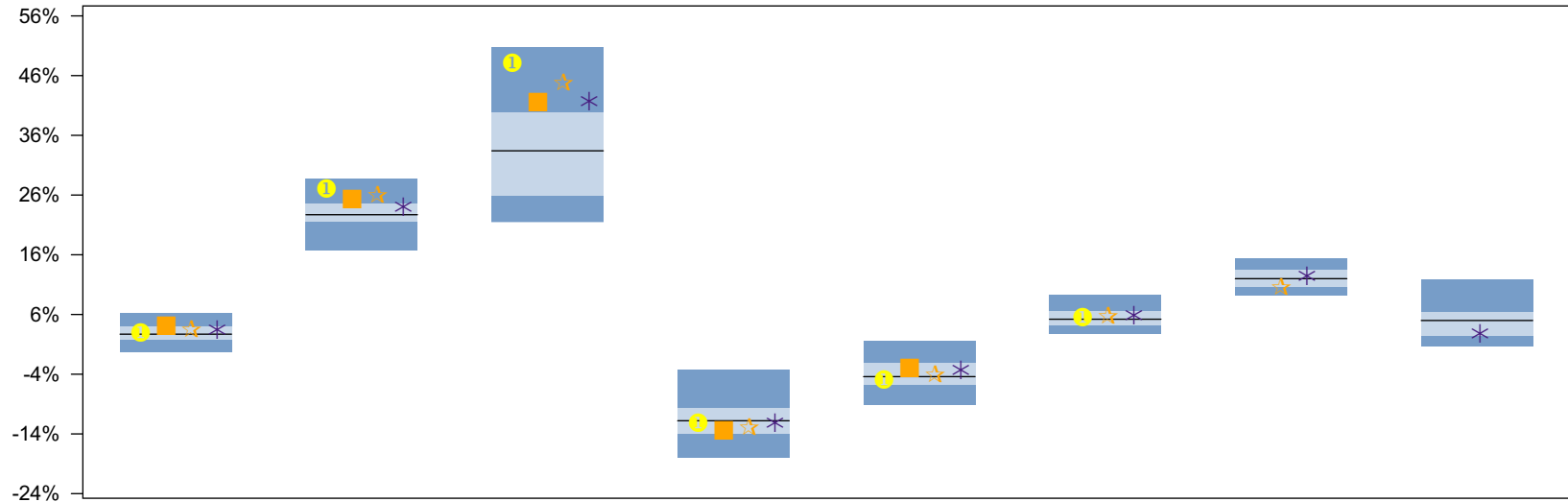
■ Selection

# StanCERA

## INTL EQUITY FUNDS - DEVELOPED MKTS

Periods Ending December 31, 2009

### Total Returns



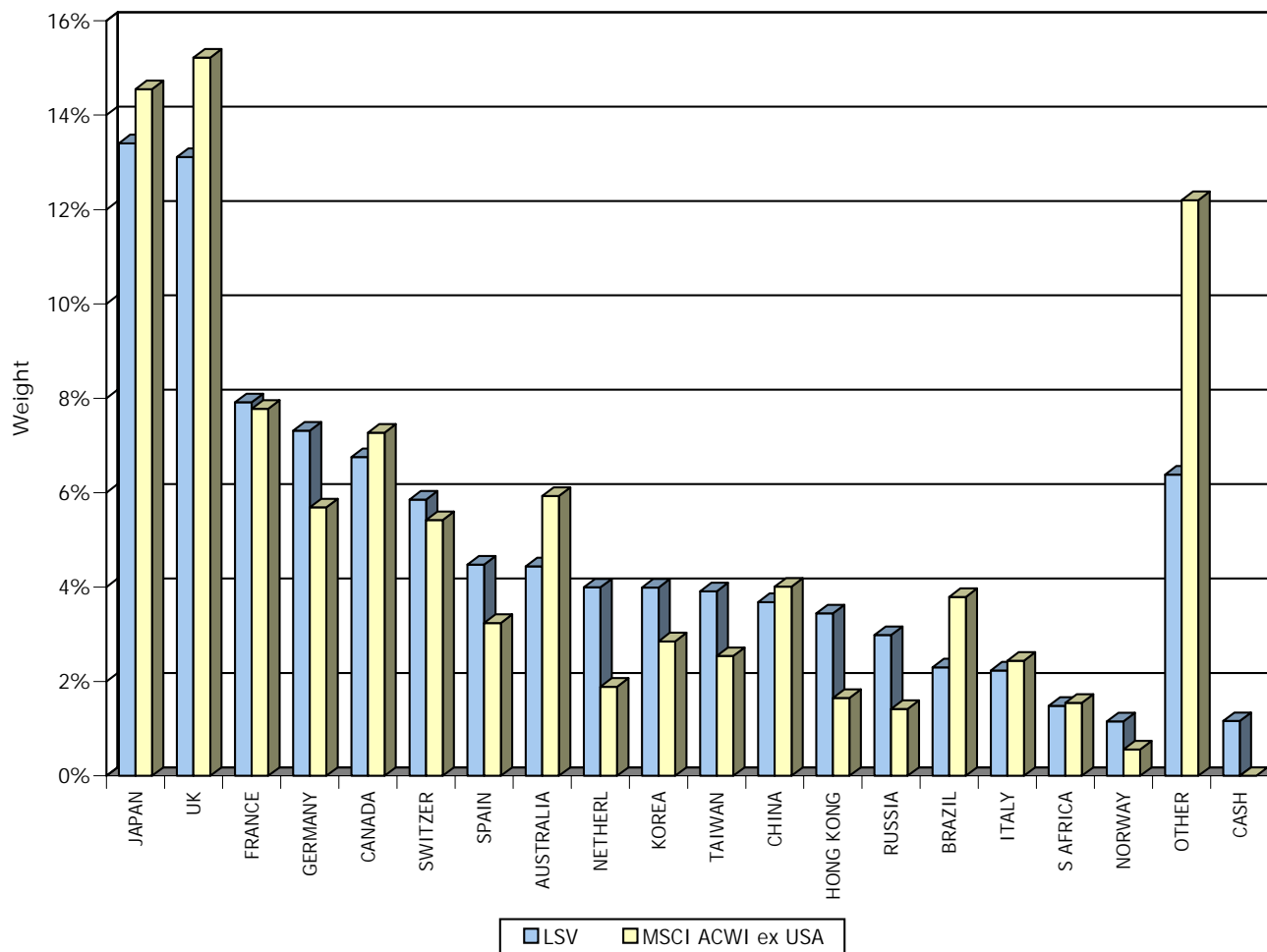
	1 Qrt		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		7 Year		10 Year	
① LSV	3.3	36	27.4	12	48.5	7	-11.8	50	-4.5	53	5.9	36				
■ Pyramis	4.5	19	25.6	19	41.9	19	-13.1	65	-2.7	31						
☆ Intl Equity	3.9	27	26.5	16	45.2	11	-12.4	56	-3.6	42	6.2	31	11.0	70		
* MSCI AC WORLD FREE EX	3.8	28	24.3	28	42.1	18	-11.8	49	-3.0	36	6.3	30	12.8	31	3.1	68
Median	2.7		22.7		33.4		-11.8		-4.4		5.2		12.0		5.0	



# StanCERA

LSV Asset Management  
As of Ending December 31, 2009

## Portfolio Country Weights

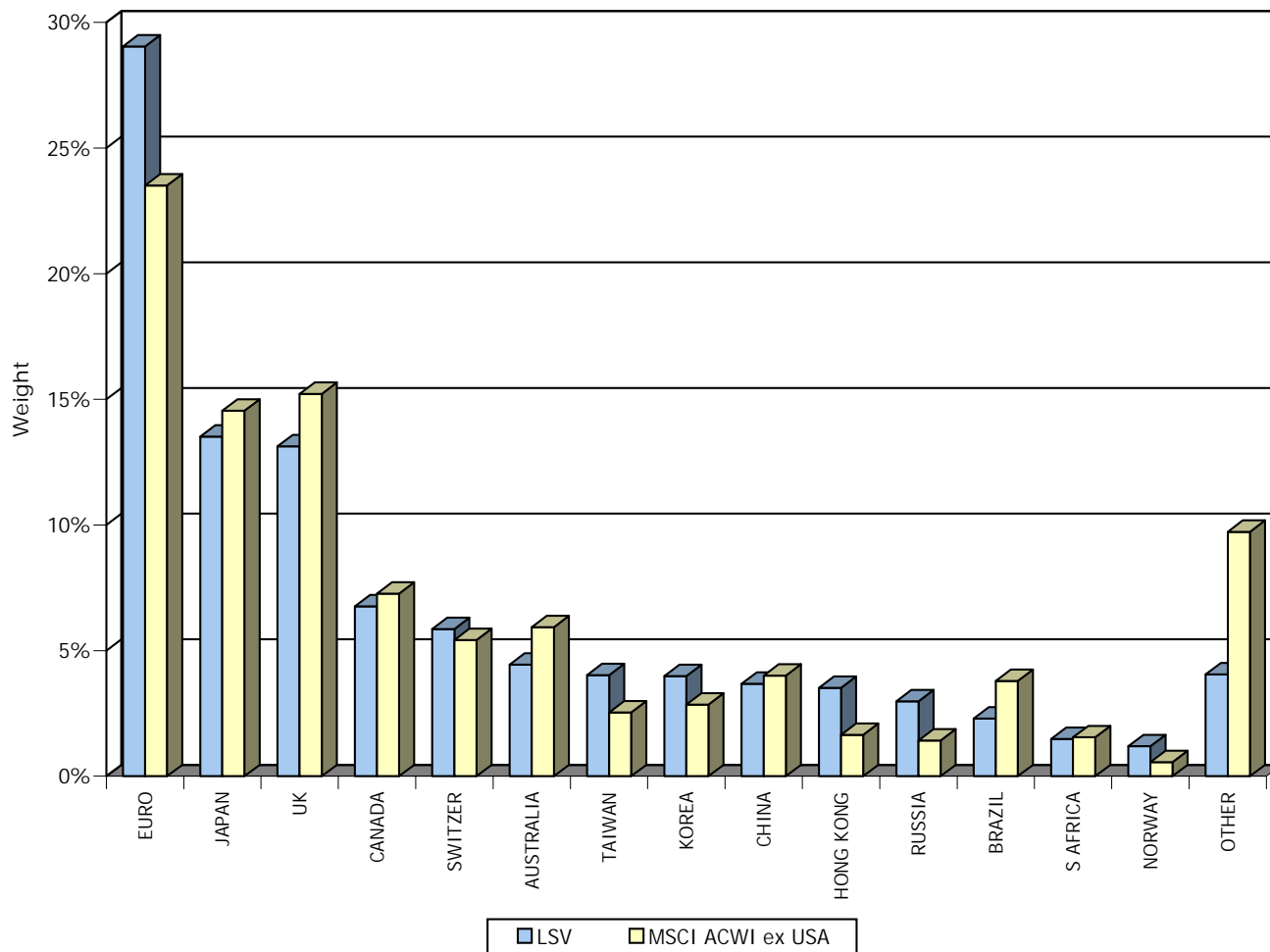


COUNTRY	MARKET VALUE	LSV	MSCI ACWI ex USA
JAPAN	\$ 18,350	13.4%	14.6%
UK	\$ 17,950	13.1%	15.2%
FRANCE	\$ 10,838	7.9%	7.8%
GERMANY	\$ 10,016	7.3%	5.7%
CANADA	\$ 9,248	6.8%	7.3%
SWITZER	\$ 8,018	5.9%	5.4%
SPAIN	\$ 6,132	4.5%	3.2%
AUSTRALIA	\$ 6,080	4.4%	5.9%
NETHERL	\$ 5,468	4.0%	1.9%
KOREA	\$ 5,463	4.0%	2.9%
TAIWAN	\$ 5,354	3.9%	2.5%
CHINA	\$ 5,041	3.7%	4.0%
HONG KONG	\$ 4,714	3.4%	1.7%
RUSSIA	\$ 4,085	3.0%	1.4%
BRAZIL	\$ 3,147	2.3%	3.8%
ITALY	\$ 3,062	2.2%	2.4%
S AFRICA	\$ 2,033	1.5%	1.6%
NORWAY	\$ 1,582	1.2%	0.6%
OTHER	\$ 8,740	6.4%	12.2%
CASH	\$ 1,592	1.2%	0.0%
	\$ 136,913	100.0%	100.0%

# StanCERA

LSV Asset Management  
As of Ending December 31, 2009

## Portfolio Currency Exposures

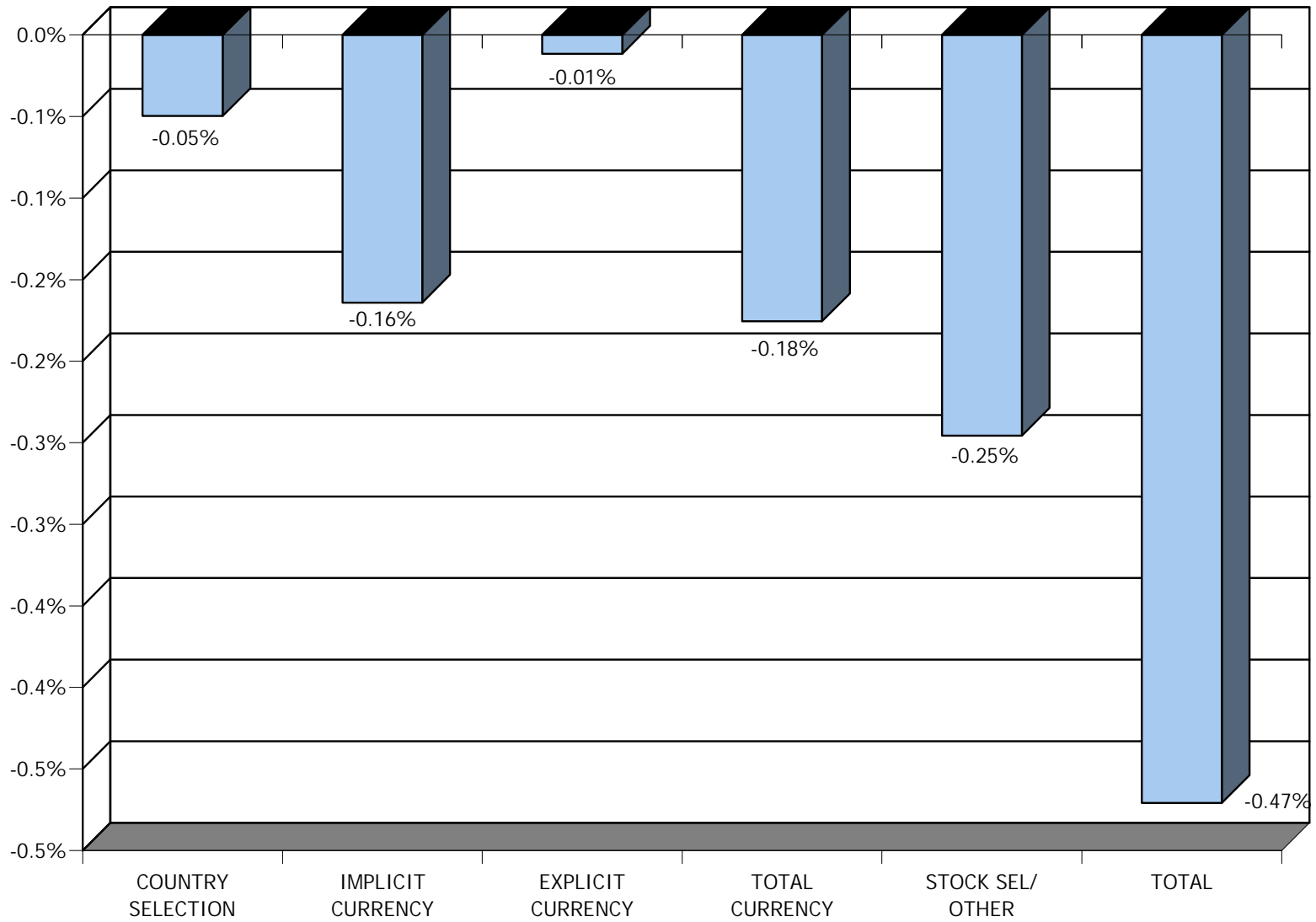


CURRENCY	MARKET VALUE	LSV	MSCI ACWI ex USA
EURO	\$ 39,769	29.0%	23.5%
JAPAN	\$ 18,511	13.5%	14.6%
UK	\$ 17,980	13.1%	15.2%
CANADA	\$ 9,255	6.8%	7.3%
SWITZER	\$ 8,026	5.9%	5.4%
AUSTRALIA	\$ 6,080	4.4%	5.9%
TAIWAN	\$ 5,510	4.0%	2.5%
KOREA	\$ 5,463	4.0%	2.9%
CHINA	\$ 5,041	3.7%	4.0%
HONG KONG	\$ 4,816	3.5%	1.7%
RUSSIA	\$ 4,085	3.0%	1.4%
BRAZIL	\$ 3,147	2.3%	3.8%
S AFRICA	\$ 2,033	1.5%	1.6%
NORWAY	\$ 1,638	1.2%	0.6%
OTHER	\$ 5,558	4.1%	9.7%
	\$ 136,913	100.0%	100.0%

# StanCERA

LSV Asset Management  
Quarter Ending December 31, 2009

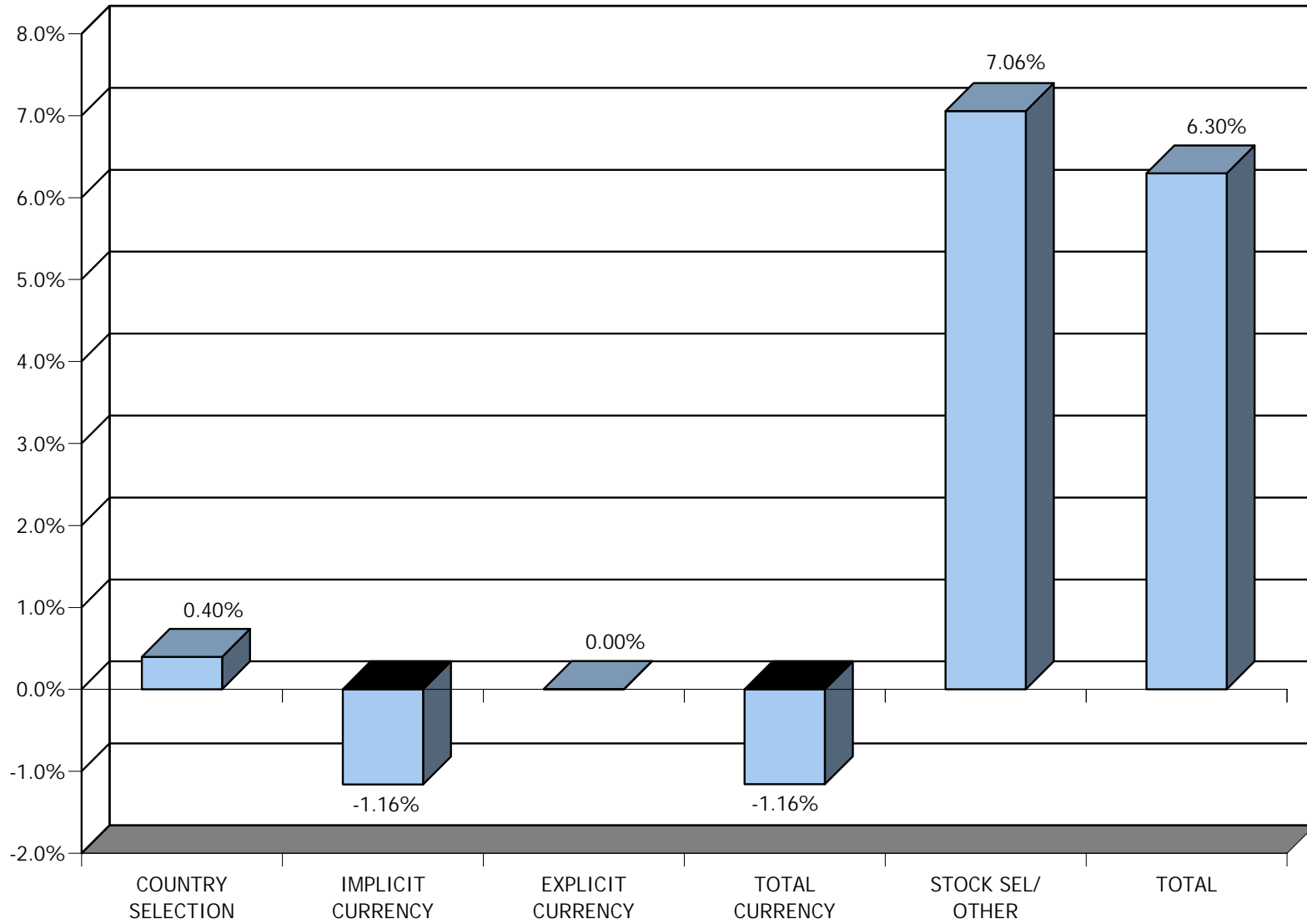
## Summary Performance Attribution



# StanCERA

LSV Asset Management  
Year To Date December 31, 2009

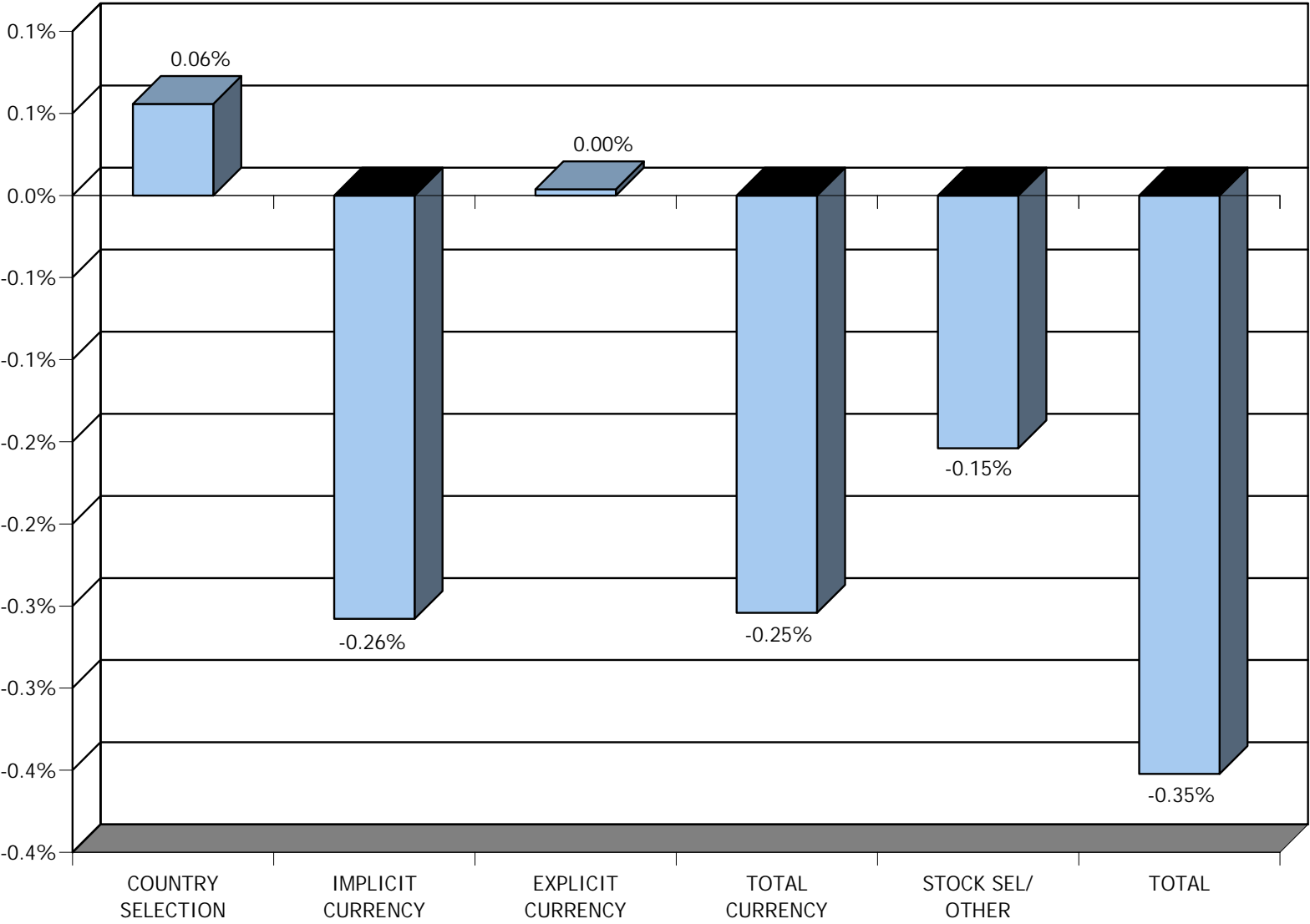
## Summary Performance Attribution



# StanCERA

LSV Asset Management  
10/1/2004 to 12/31/2009 (Annualized)

## Summary Performance Attribution

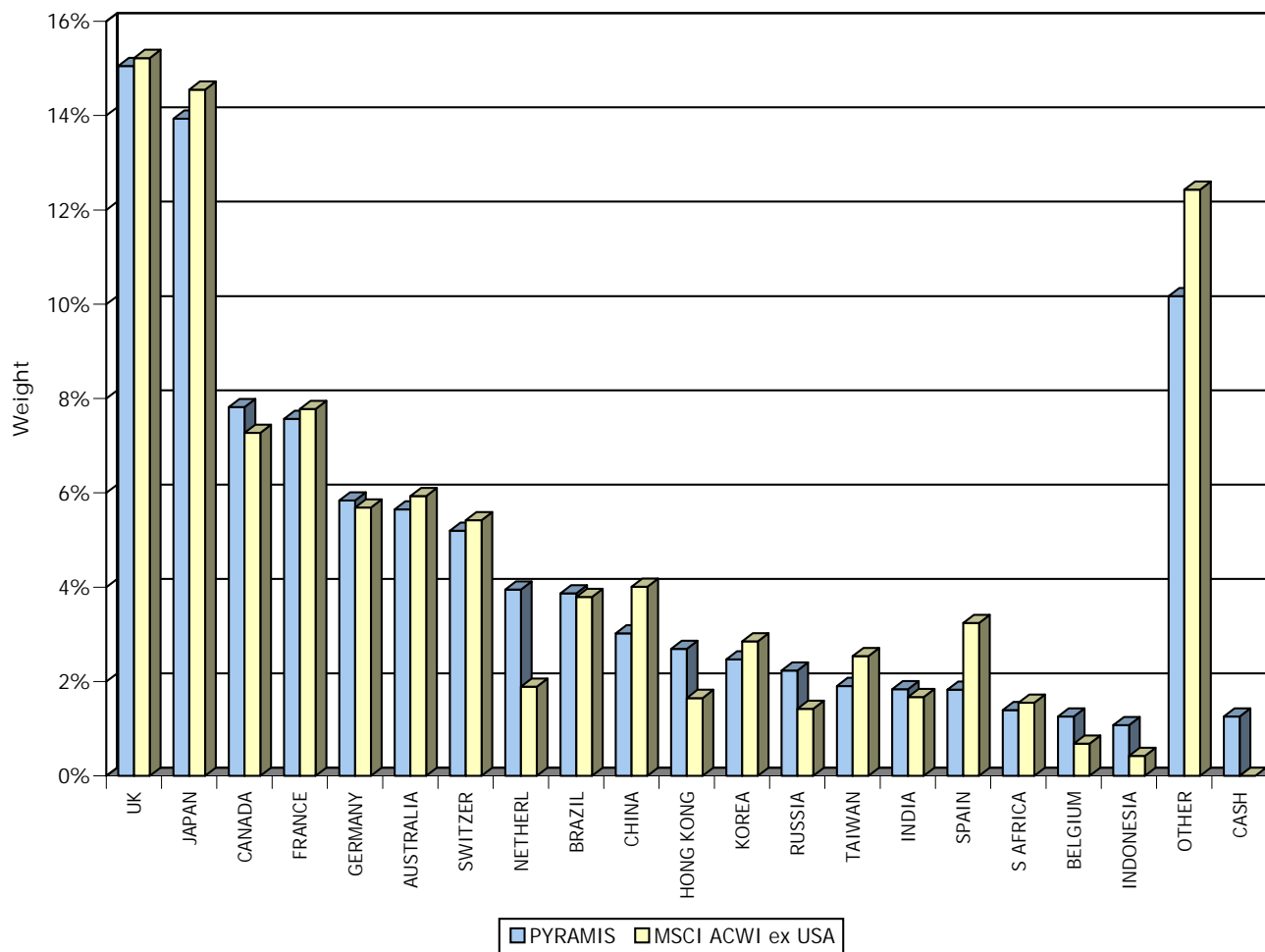


# StanCERA

Pyramis Investments

As of Ending December 31, 2009

## Portfolio Country Weights



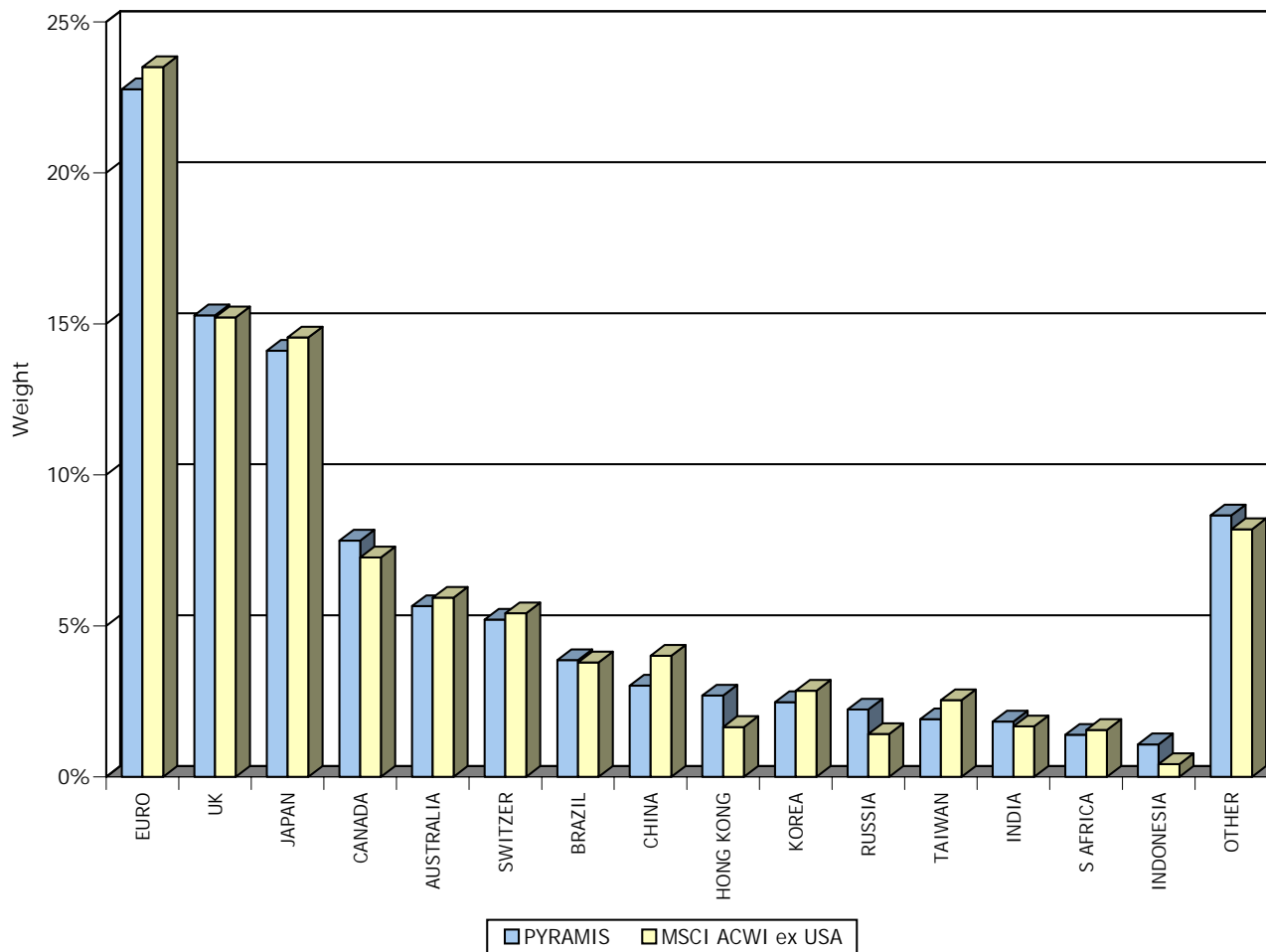
COUNTRY	MARKET VALUE	PYRAMIS	MSCI ACWI ex USA
UK	\$ 19,606	15.0%	15.2%
JAPAN	\$ 18,154	13.9%	14.6%
CANADA	\$ 10,187	7.8%	7.3%
FRANCE	\$ 9,858	7.6%	7.8%
GERMANY	\$ 7,611	5.8%	5.7%
AUSTRALIA	\$ 7,362	5.7%	5.9%
SWITZER	\$ 6,768	5.2%	5.4%
NETHERL	\$ 5,142	3.9%	1.9%
BRAZIL	\$ 5,038	3.9%	3.8%
CHINA	\$ 3,936	3.0%	4.0%
HONG KONG	\$ 3,506	2.7%	1.7%
KOREA	\$ 3,218	2.5%	2.9%
RUSSIA	\$ 2,903	2.2%	1.4%
TAIWAN	\$ 2,480	1.9%	2.5%
INDIA	\$ 2,390	1.8%	1.7%
SPAIN	\$ 2,377	1.8%	3.2%
S AFRICA	\$ 1,814	1.4%	1.6%
BELGIUM	\$ 1,641	1.3%	0.7%
INDONESIA	\$ 1,402	1.1%	0.4%
OTHER	\$ 13,250	10.2%	12.4%
CASH	\$ 1,641	1.3%	0.0%
	\$ 130,284	100.0%	100.0%

# StanCERA

Pyramis Investments

As of December 31, 2009

## Portfolio Currency Exposures



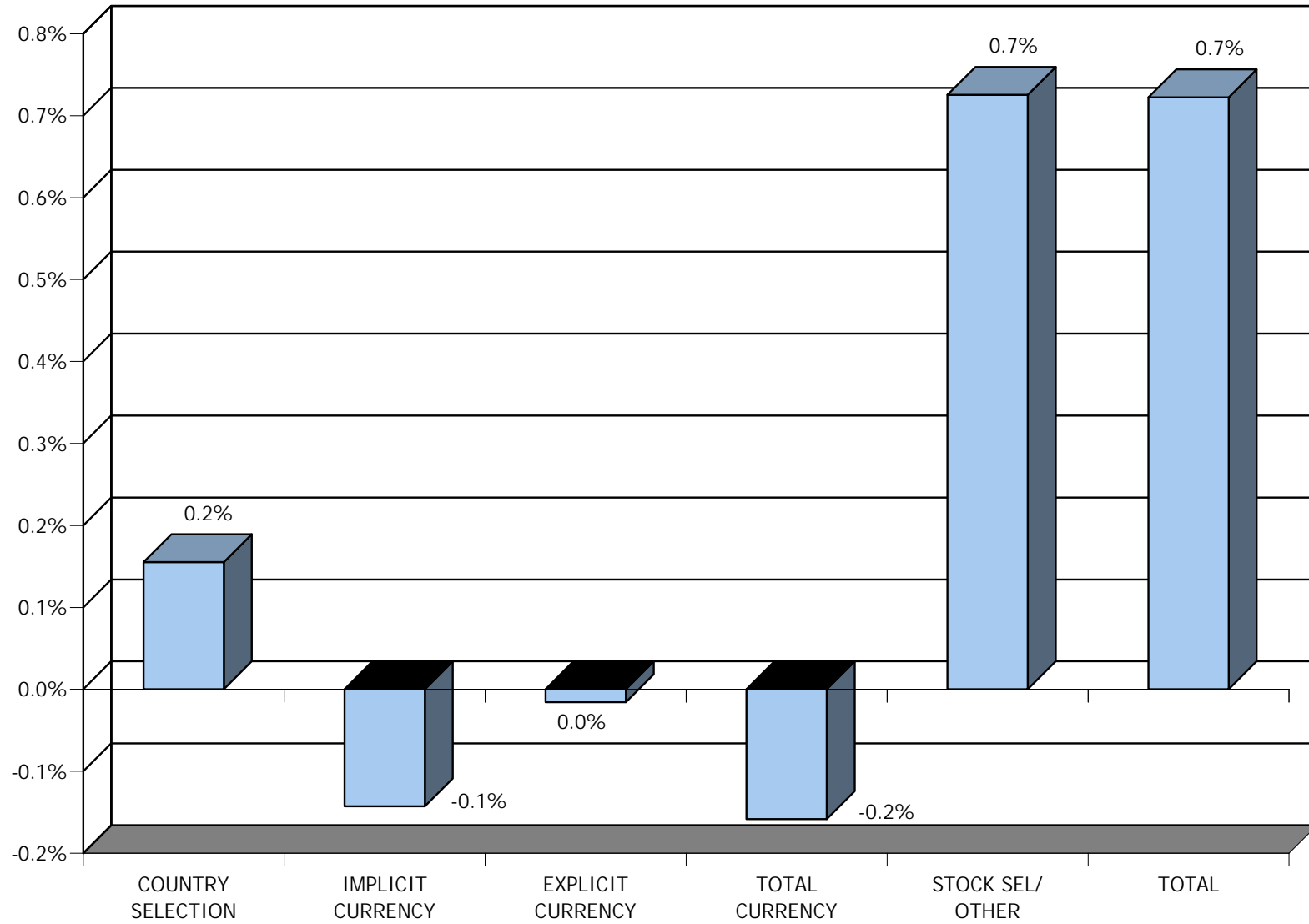
CURRENCY	MARKET VALUE	PYRAMIS	MSCI ACWI ex USA
EURO	\$ 29,667	22.8%	23.5%
UK	\$ 19,915	15.3%	15.2%
JAPAN	\$ 18,389	14.1%	14.6%
CANADA	\$ 10,189	7.8%	7.3%
AUSTRALIA	\$ 7,370	5.7%	5.9%
SWITZER	\$ 6,784	5.2%	5.4%
BRAZIL	\$ 5,038	3.9%	3.8%
CHINA	\$ 3,936	3.0%	4.0%
HONG KONG	\$ 3,510	2.7%	1.7%
KOREA	\$ 3,218	2.5%	2.9%
RUSSIA	\$ 2,903	2.2%	1.4%
TAIWAN	\$ 2,480	1.9%	2.5%
INDIA	\$ 2,390	1.8%	1.7%
S AFRICA	\$ 1,814	1.4%	1.6%
INDONESIA	\$ 1,402	1.1%	0.4%
OTHER	\$ 11,279	8.7%	8.2%
	\$ 130,284	100.0%	100.0%

# StanCERA

Pyramis Investments

Quarter Ending December 31, 2009

## Summary Performance Attribution



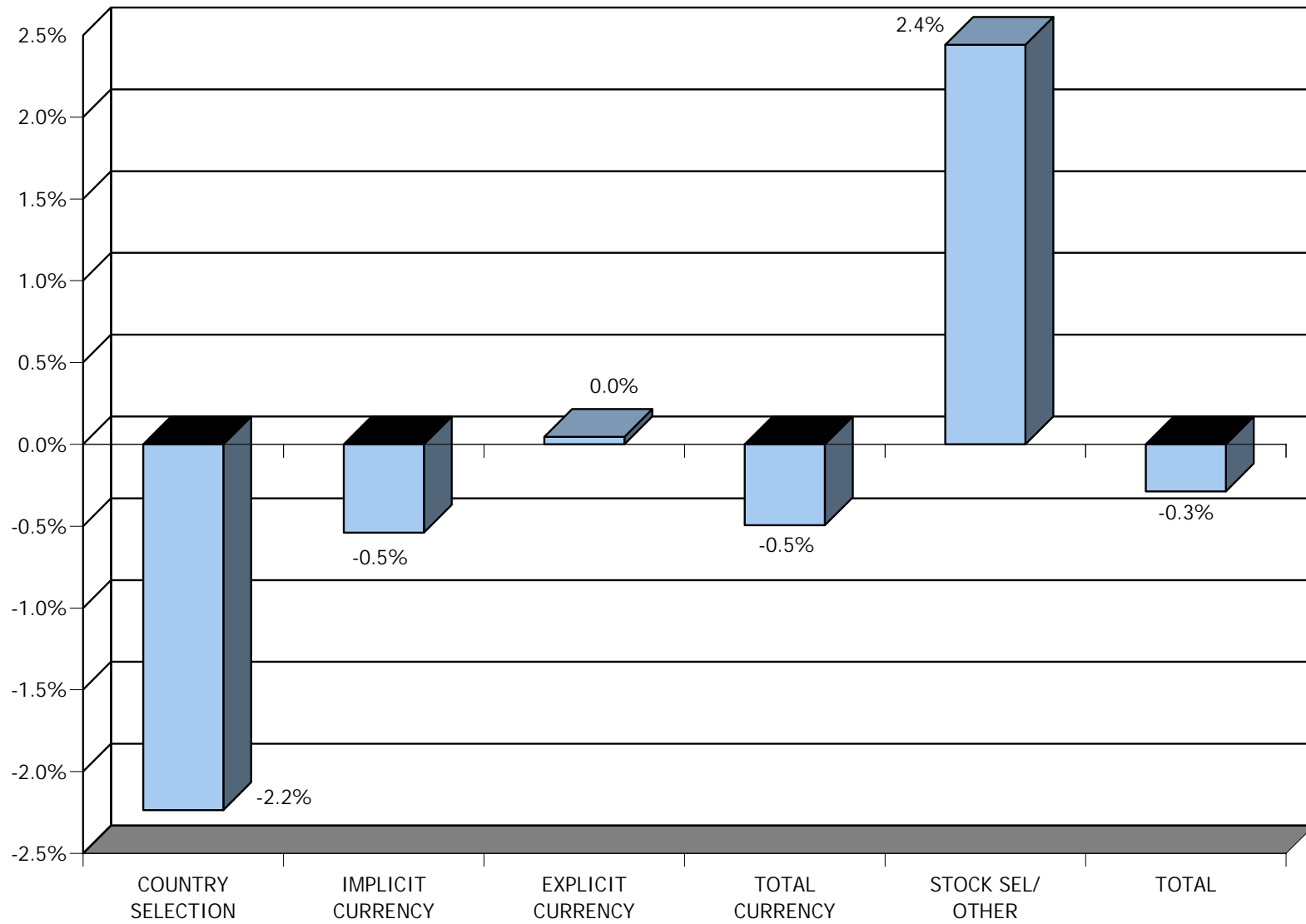


# StanCERA

Pyramis Investments

Year To Date December 31, 2009

## Summary Performance Attribution

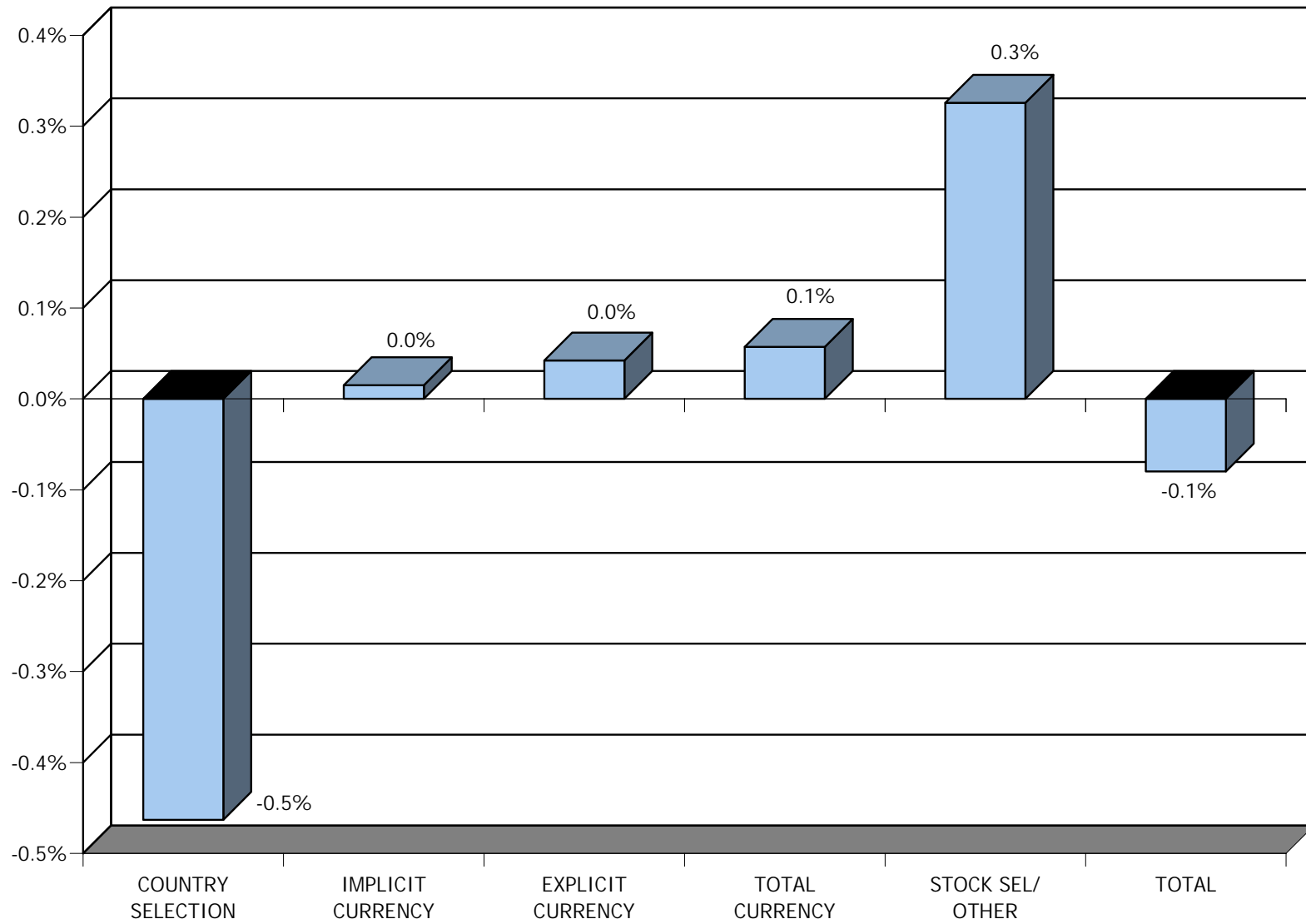


# StanCERA

Pyramis Investments

10/1/2004 to 12/31/2009 (Annualized)

## Summary Performance Attribution



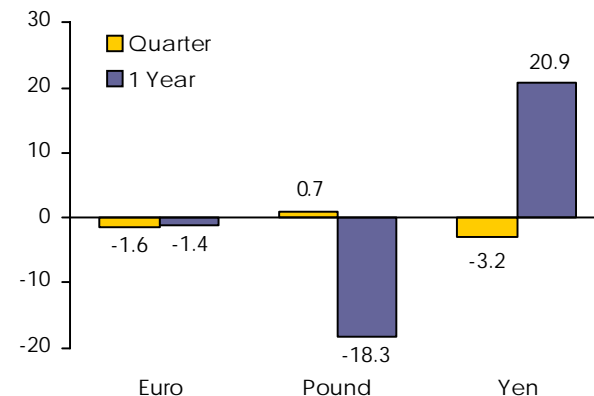
## Capital Market Review

### CURRENCY AND BOND MARKETS

#### Currency Markets

- The Bank of England and the European Central Bank held key lending rates at historic lows during the fourth quarter, keeping them at 0.5% and 1.0% respectively.
- The Bank of England expanded its quantitative easing policy during the period adding £25 billion into the British economy, bringing the total stimulus program to £200 billion.
- After three quarters of weakness, the dollar strengthened relative to euro in the fourth quarter. The euro ended the quarter trading at 1.44 vs. the dollar.
- The dollar fell to a 52-week low against yen in late November. However, since November the dollar has moderately strengthened.

Currency Returns (%)

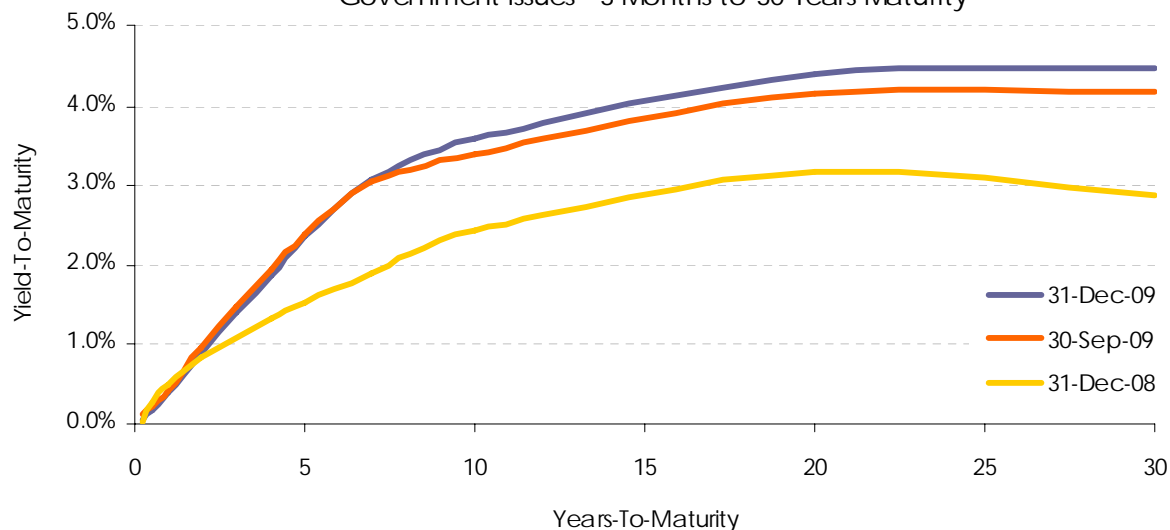


#### Yield Curve

- The Federal Reserve continued to hold the short term key interest rate at the historically low range of 0 - 0.25% during the fourth quarter.
- In a speech at the American Economic Association, Ben Bernanke discussed using the Taylor Rule, which uses inflation and economic output, to help determine the appropriate fed funds rate.

#### INTEREST RATE TERM STRUCTURE

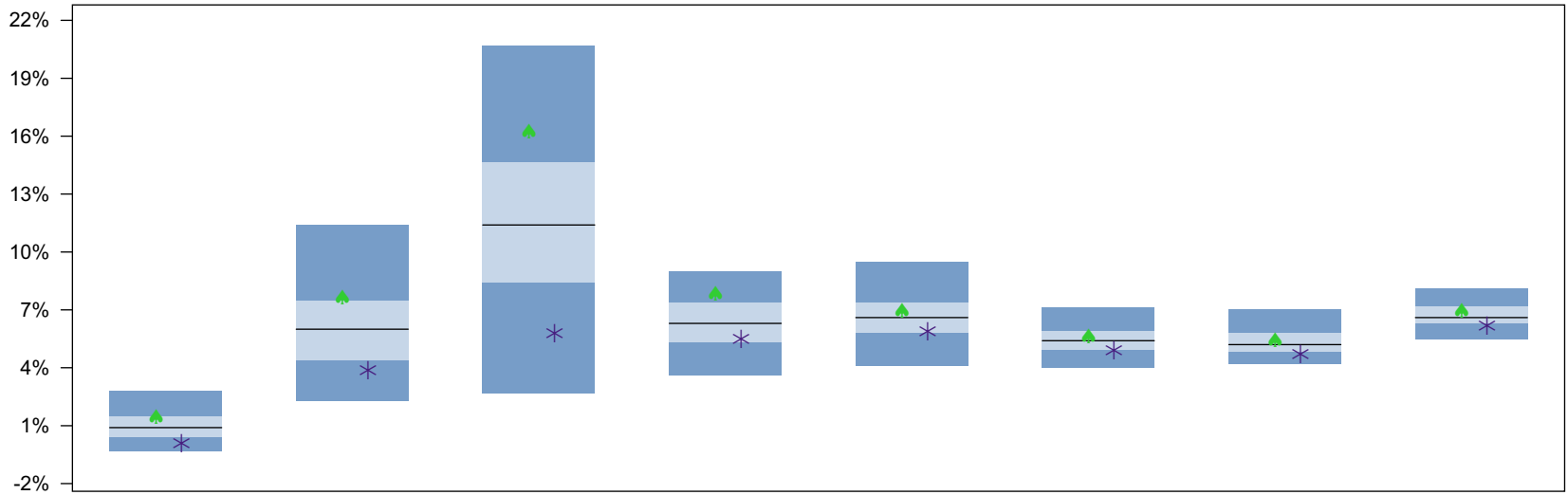
Government Issues - 3 Months to 30 Years Maturity



# StanCERA

US FIXED INCOME FUNDS - CORE  
 Periods Ending December 31, 2009

## Total Returns



	1 Qrt		Fiscal YTD		1 Year		2 Year		3 Year		5 Year		7 Year		10 Year	
▲ Dodge & Cox -FI	1.8	20	8.0	22	16.6	16	8.2	13	7.3	29	6.0	18	5.8	22	7.3	21
* BC AGGREGATE	0.2	86	4.0	83	5.9	88	5.6	68	6.0	71	5.0	74	4.8	80	6.3	77
Median	0.9		6.0		11.4		6.3		6.6		5.4		5.2		6.6	

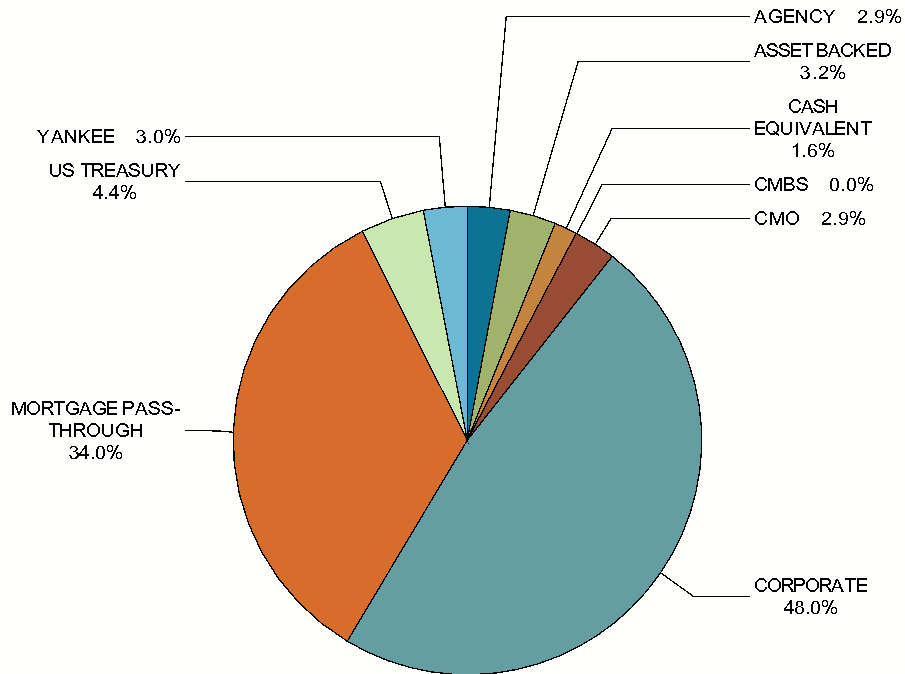
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Dodge & Cox -FI

INDEX: BC AGGREGATE

AS OF: December 31, 2009

## FIXED INCOME SECTOR ALLOCATION



SECTOR	PORTFOLIO WEIGHT %	INDEX WEIGHT %	DIFF %
AGENCY	2.9	9.1	-6.2
ASSET BACKED	3.2	0.4	2.8
CASH EQUIVALENT	1.6	0.0	1.6
CMBS	0.0	3.3	-3.3
CMO	2.9	0.0	2.9
CORPORATE	48.0	19.3	28.7
MORTGAGE PASS-THROUGH	34.0	35.8	-1.8
US TREASURY	4.4	28.0	-23.5
YANKEE	3.0	4.2	-1.1
<b>TOTAL</b>	<b>100.0</b>	<b>100.0</b>	<b>0.0</b>

# StanCERA

Dodge & Cox – Fixed Income  
As of Ending December 31, 2009

## Bond Summary Statistics

Portfolio Characteristics		
	Dodge & Cox	BC AGGREGATE
Total Number of Securities	150	8,076
Current Coupon	6.1	4.8
Yield To Maturity	4.5	3.6
Average Maturity	7.3	6.4
Duration	4.8	4.7
Quality	19.5	23.8

Duration (Years)	
Range	% Held
0 to 1	5.3
1 to 3	37.5
3 to 4	7.7
4 to 6	17.7
6 to 8	12.5
8 to 10	4.2
Over 10	9.0
Unclassified	6.1

Quality	
Range	% Held
Treasury	4.4
Agency	32.0
AAA	1.3
AA	2.2
A	10.3
BAA	26.6
BA	2.7
Below BA	6.8
Other	13.7

Yield To Maturity (Years)	
Range	% Held
0 to 5	54.5
5 to 7	28.0
7 to 9	10.0
9 to 11	1.3
11 to 13	0.0
Over 13	0.0
Unclassified	6.1

Avg Maturity (Years)	
Range (Yrs)	% Held
0 to 1	0.8
1 to 3	26.8
3 to 5	11.9
5 to 10	32.8
10 to 20	6.2
Over 20	8.5
Unclassified	13.0

Coupon (%)	
Range	% Held
0 to 5	12.9
5 to 7	57.1
7 to 9	22.0
9 to 11	2.0
11 to 13	0.0
Over 13	0.0
Unclassified	6.1