PARS: County of Contra Costa

First Quarter 2014

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DISCUSSION HIGHLIGHTS

U.S. Economic and Market Overview

The first quarter was characterized by events in Crimea, concerns over a slowdown in U.S. domestic growth, and the pace in which the Federal Reserve will reduce it's stimulus program. During the quarter, economic readings continued to point to a recovery, albeit at a slow to moderate pace. Real GDP growth slowed during the fourth quarter, but still registered a 2.6% rate of growth; expectations are for continued slowing to 2.0% during the first quarter of 2014 (initial estimate to be released on May 29th). The expected decline is due primarily to the impact of unseasonably cold weather on consumers in January and February. Job growth has improved modestly, while unemployment has remained stable. Non-farm payrolls expanded by 533,000 over the quarter, with month-to-month growth ranging between 145,000 to 197,000 jobs. The unemployment rate ended the quarter at 6.7%.

The Federal Reserve (Fed) reduced monthly asset purchases by $10 billion (to $55 billion) following their March 19th meeting. They have now reduced purchases by $10 billion at each of their last three meetings, and we expect that pattern to continue through 2014. Additionally, the Fed has communicated that they will not make any significant changes to monetary policy until they are satisfied that the labor market is on solid ground. The Fed's current forecast calls for unemployment falling to 6.2% by the end of 2014, and 5.8% by the end of 2015. This rate of 5.8% is fairly close to the Fed's current long-run forecast of 5.4%.

Despite mainly positive readings on the domestic economy, events in the Ukraine gave investors some cause for concern at the end of the quarter. While many investors have been quick to discount the risks emanating from Putin's moves on Crimea, we are keeping a cautious eye on the developments in the region. Elections might be one outcome that could lead to a "de-risking" of the situation, though events seem to be pointing to heightened military tension. And if this were to take place, equity markets would certainly come under some pressure.

Highmark's current economic forecast calls for S&P500 earnings to register roughly 6% growth in 2014, on the back of a GDP forecast of 2.75%. Given the broad view that the economy will expand at a reasonable pace and unemployment will continue to decline, HighMark believes that the yield curve will steepen as we move through the balance of 2014. We see the 10-year Treasury ending the year at a 3.5% rate. This outlook would be somewhat negative for fixed income markets, and potentially a slight positive for equity markets.

DISCUSSION HIGHLIGHTS

Market overview/Performance Discussion

Total Plan

- The County of Contra Costa OPEB Plan returned 0.99% in the first quarter, which underperformed the County's Plan benchmark return target of 1.76%. The biggest detractor to performance was an underweight, and underperformance, in the real estate equity segment. REIT equity returns, as measured by the Dow Jones Wilshire REIT Index posted double digit returns (+10.13%) in a quarter marked by modest gains in stocks (Russell 1000 Index +2.05%) and bonds (Barclays Aggregate +1.84%). Underperformance in large cap equities, mid-cap equities, fixed income, and alternatives also contributed to the underperformance versus the benchmark in the quarter. A modest bright spot was the Plan's small cap equity segment, which outperformed the benchmark target, and additional slight outperformance from the international and global equity segments.

Domestic Equity

- In the wake of a strong 2013, where returns for small cap, mid-cap, and large cap equities were in excess of 30%, market returns were a bit subdued in the first quarter. Investors in general responded favorably to announcements from the Fed that their low interest rate policy will likely be held in place throughout calendar year 2014. While issues surrounding a colder-than-normal Winter made some question whether the U.S. growth rate was due for a pause, the month of March brought more encouraging economic signs, from retail sales figures to employment statistics, giving investors additional confidence. During the quarter, defensive-oriented sectors led returns, with utilities (+9.7%) and healthcare (+5.9%) being the two leading sectors. Telecommunications (-0.05%) and consumer discretionary (-2.0%) were the only sectors posting negative returns.

    - **The Plan's large cap funds returned 0.98% in the quarter, which underperformed the Russell 1000 Index return of 2.05%.**
    - The Sentinel Common Stock Fund returned 1.31% in the quarter, which underperformed the benchmark. The Fund ranked in the 67th percentile of the Morningstar Large Cap Blend Universe.
    - The Columbia Contrarian Core Fund's 1.02% return underperformed the Russell 1000 Index and ranked in the 78th percentile of the Morningstar Large Cap Blend Universe
    - The Harbor Capital Appreciation Fund returned -0.12% in the quarter, which underperformed the Russell 1000 Growth Index's return of 1.12%. The Harbor Fund ranked in the 65th percentile of the Morningstar Large Cap Growth Universe.
    - The T. Rowe Price Growth Stock Fund returned -1.24% in the quarter, which underperformed the Russell 1000 Growth Index. The Fund ranked in the 87th percentile of the Morningstar Large Cap Growth Universe.

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Domestic Equity (Cont.)

- The T. Rowe Price Equity Income Fund returned 1.59%, which ranked in the 80th percentile of the Morningstar Large Cap Value Universe, and underperformed the Russell 1000 Value Index return of 3.02%.
- The Loomis Sayles Value Fund posted a 2.46% return which underperformed the Russell 1000 Value Index, and ranked in the 40th percentile of the Morningstar Large Cap Value Universe.

Mid-cap equity shares were the strongest performing domestic equity segment in the Plan (ex-REITs) in the quarter. Much of the strength in mid-caps came from mid-cap value equities, which returned 5.2% in the quarter. This return was supported mainly by the 12% allocation to REITs within the Russell Mid-Cap Index. For small cap equity, the quarter was fairly lackluster. While the Russell 2000 Index saw nine of it's ten sectors post positive returns, the gains were fairly minute, and yielded only a 1.1% return for the benchmark. Given the return of 38.82% in 2013, a pause was to be expected.

- **The mid-cap equity segment returned 1.42% in the quarter, which underperformed the Russell Mid-Cap Equity return of 3.53%**
  - The TIAA-CREF Mid-Cap Value Fund returned 4.13% in the quarter, which underperformed the Russell Mid-Cap Value Index return of 5.22%. The Fund ranked in the 18th percentile of the Morningstar Mid-Cap Value Universe of managers.
  - The Nationwide Geneva Mid-Cap Growth Fund posted a -1.07% return, which ranked in the 91st percentile of Morningstar's Mid-Cap Growth Manager Universe. The Fund underperformed the Russell Mid-Cap Growth Index return of 2.04%.
- **The small cap equity segment returned 2.22% in the quarter, which outperformed the Russell 2000 Index return of 1.12%.**
  - The T. Rowe Price New Horizons Fund returned 1.71%, and outperformed the Russell 2000 Growth Index return of 0.48%. This performance ranked in the 20th percentile of small cap growth managers as measured by Morningstar.
  - The Columbia Small Cap Value Fund II return of 2.22% outperformed the Russell 2000 Value Index's return of 1.78%. This ranked in the 33rd percentile of Morningstar's Small Cap Value Universe.

Real Estate

REIT equities turned in a surprising quarter, posting a 10.13% return. REITs posted the strongest return from any asset class in the Plan during the first quarter. Some of the strength in returns can be attributed to the lagging returns REITs have offered investors throughout 2013. Despite the strong first quarter, REITs have lagged the Russell 1000 Index by roughly 18% over the previous twelve months for the period ending March 31, 2014 (4.45% Wilshire REIT index vs. Russell 1000 Index 22.41%). One element that helped REITs in the quarter was the decline in bond yields. And similar to the factors that boosted equity returns in the utility sector, some of the upside in REITs in the quarter reflected investors' search for yield.

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Real Estate (Cont.)

- The Nuveen Real Estate Securities Fund returned 10.51% in the first quarter, which outperformed the Wilshire REIT Index return of 10.13%. The Fund placed in the 6th percentile of the Morningstar Real Estate Manager's Universe.

Global/International Equity

Developed international equity markets were relatively flat in local currency terms for the first quarter. The MSCI-EAFE Index registered a 0.66% return, with Japan being the primary drag on performance (-5.42%) while Europe (+2.21%) and Asia/Pacific Ex-Japan (+2.99%) offered some positive contribution to returns. Japan struggled on concerns that Prime Minister Abe's pro-growth policies were beginning to lose momentum. The Eurozone showed continuing signs of economic improvement, despite only modest employment gains in many of the Euro countries. Emerging market equities were once again a volatile area. EM equities were down only -0.4% for the quarter, but China (-5.9%) and Russia (-14.4%) grabbed the headlines. Chinese factory data showed that output was growing at a slower pace. Russian equity returns were impacted by Russian President Vladimir Putin's annexation of Crimea. Towards the latter part of the quarter, emerging market equities staged a rally on hopes that policy adjustments in several troubled countries might put them on a stronger path going forward.

- **The Plan's international/global equity segment returned 0.93% in the quarter.** This return underperformed the MSCI-ACWI Index (+1.08%), but outperformed the MSCI-EAFE Index (+0.66%).
- The Dodge & Cox International Stock Fund's 2.76% return outperformed the MSCI-EAFE Index in the quarter, and ranked in the 4th percentile of the Foreign Large Blend Universe as measured by Morningstar.
- The Nationwide Bailard International Equity Fund registered a 1.45% return in the first quarter, and outperformed the MSCI-EAFE Index. The Fund ranked in the 16th percentile of the Morningstar Foreign Large Blend Universe.
- The MFS International Fund's return of -0.93% lagged the index and the peer group in the quarter. The Fund ranked in the 64th percentile for foreign large cap growth managers as measured by Morningstar.
- The Templeton Global Opportunities Fund's return of 1.37% in the quarter exceeded the MSCI-ACWI benchmark, and ranked in the 49th percentile of the Morningstar World Stock Index Universe.
- The Schroder Emerging Market Equity Fund (-2.63%) ranked in the 86th percentile of emerging market equity managers, and underperformed the MSCI Emerging Market Index return of -0.40%.

DISCUSSION HIGHLIGHTS

Fixed Income

In contrast to last year, and contrary to most expectations, bond returns were not only positive for the first quarter, but also ahead of equity returns, as Treasury yields declined and corporate bonds outperformed. When the quarter began, interest rates had been rising for several months due to the combined effects of a reduction in the Fed's bond purchasing program and faster job growth. Monthly job gains averaged only 178,000 in 2012 and 194,000 in 2013. Late last year though, the number accelerated to 237,000 in October and then 274,000 in November, as the unemployment rate continued to fall. With the end of QE coming into view and faster job growth finally beginning to materialize, interest rates finished the year in a rising trend, as the ten-year Treasury yield ended just over 3%. However, the jobs report released in early January was a huge disappointment, as only 84,000 new jobs were created in December, well below expectations and significantly under the 225,000 average of the previous three months. The jobs report was subsequently followed by a weak purchasing managers report, which contributed to growing concerns over the strength of the economy. Although the worse-than-normal weather was cited as an explanation for slower growth in the U.S., the yield curve flattened in the quarter, as the longest maturities experienced the largest decline in rates.

High yield corporate bonds posted a healthy 3% gain, outperforming equivalent-duration U.S. Treasury securities by +197 basis points, as improved market sentiment and the continued search for yield by investors helped support the sector. Investment grade corporate bond spreads ended the quarter at +119 basis points, the tightest level since July 2007, while high yield bond spreads finished at +377 basis points, significantly below its long-term average of +600 basis points. The issuance of both Investment grade and high yield bonds was moderately strong during the quarter, as companies attempted to lock in borrowing costs ahead of rising Treasury yields. Agency mortgage-backed securities rose 1.6% during the quarter, underperforming equivalent-duration Treasuries by -23 basis points, as option-adjusted spreads widened by 7 basis points. At +40 basis points, agency mortgage spreads remain below long-term averages, supported by the Federal Reserve's low interest rate policy and agency mortgage bond buying mandate. The volume of mortgages issued at these low rates has kept the duration of the mortgage index near the longest in its history at 5.4 years. The Fed continues to reinvest principal and interest payments from its existing portfolio into agency mortgage-backed securities in addition to those purchased under the quantitative easing program.

Short-term interest rates continue to be anchored by the Fed's zero interest rate policy, which will likely continue for at least the next twelve-to-eighteen months. Longer-term rates could be tested this year as the Fed gradually withdraws support from the markets by continuing to reduce bond purchases. However, prior attempts at ending quantitative easing programs have resulted in slower economic growth or equity market weakness, or both. Therefore, if the economy can maintain momentum without Fed support, 2014 could be a watershed year in which, six years after the financial crisis, quantitative easing finally ends. Even if QE finally ends though, interest rates are unlikely to increase significantly. Therefore, investors will continue to face a challenging interest rate environment in which maintaining a desired yield level necessitates taking on additional risk. This dynamic has resulted in unattractive valuations for high-yield bonds, while investment-grade securities still appear relatively attractive.

DISCUSSION HIGHLIGHTS

Fixed Income (Cont)

The separately managed fixed income portfolio underperformed the benchmark this quarter primarily due to the decline in interest rates. The portfolio's defensive duration policy during a period of declining interest rates, combined with the fact that the best performance came from the longest maturity bonds, had a negative impact of approximately 53 basis points on performance. Sector allocation contributed a positive 29 basis points as the portfolio was overweight corporate bonds, which outperformed Treasuries, and underweight mortgage-backed securities, which underperformed Treasuries. Individual issuers that contributed positively to performance included Time Warner Cable, State of California, and Capital One, while negative contributors included Metropolitan Water, Citigroup, and Dow Chemical.

- **The Plan's fixed income segment returned 1.58% in the quarter, which underperformed the Barclays Aggregate return of 1.84%.**
- The separately managed fixed income portfolio returned 1.6%, which underperformed the BC Aggregate Index.
- The Pimco Total Return Bond Fund gained 1.3% in the quarter, which placed it in the 85th percentile of Morningstar's Intermediate-Term Bond Universe. The Fund underperformed the BC Aggregate Index.
- The Pimco High Yield Fund returned 2.71% in the quarter which was slightly under the BofA Merrill Lynch U.S. High Yield, BB-B Index return of 2.98%. The Fund placed in the 52nd percentile of Morningstar's High Yield Bond Universe

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Alternative Investments

It was a fairly lackluster quarter for the alternative asset segment, with the exception of managed futures. On the heels of the fourth quarter where the AQR Managed Futures Fund registered a 7.42% return, many of the trends that the Fund had followed reversed course, and the Fund declined -6.04% in the first quarter. All four asset classes (currency, equity, fixed income, and commodities) experienced some degree of decline. The Fund's return was in-line with the NewEdge CTA Sub-Trend Index return of -5.89%, which is a benchmark of trend-following hedge funds. The managers indicated in their quarterly report that the quarterly return was a -1.2 standard deviation event, which they would expect to occur every 2 – 4 years. While we were disappointed with AQR's performance, we expect managed futures to be the most volatile of the alternative strategies we utilize.

Investment returns for the Arbitrage Fund (-0.54%) were slightly in the red due in part to exposure to the failed Liberty Media tender offer for Sirius XM, as well as the Albertson acquisition of Safeway. In this transaction, the spread widened due to expectations of a competitive bid that failed to materialize. The Eaton Vance Global Macro Fund was basically flat for the quarter, returning .07%. Positive contributors to performance included long Slovenian credit, long positions in the Indonesian Rupiah and Indian Rupee, as well as being long both currency and credit exposure to Sri Lanka. Negatives for the Fund included a short position in Spanish credit, Japanese currency and equity exposure, and long exposure to the Kazakhstani Tenge as the Country's central bank devalued the currency in February.

The alternative investment segment returned -1.94% in the first quarter, trailing the Hedge Fund Research Institute Market Defensive Index return of -1.40%.

- The Arbitrage Fund returned -0.54% in the quarter which ranked in the 78th percentile of Morningstar's Market Neutral Universe.
- The JP Morgan Research Market Neutral Fund returned 0.58%, which placed the Fund in the 44th percentile of the Morningstar Market Neutral Universe.
- The Eaton Vance Global Macro Absolute Return Fund posted a 0.07% return, which placed in the 88th percentile of the Morningstar Non-Traditional Bond Universe.
- The AQR Managed Futures Fund's return of -6.04% ranked in the 87th percentile of Morningstar's Managed Futures Fund Universe.

DISCUSSION HIGHLIGHTS

Asset Allocation/Portfolio Transitions

Several minor portfolio transitions took place in the quarter:

- The small cap, mid-cap, and large cap equity allocation were reduced by 0.5% respectively. Emerging market equities were reduced by 0.5%   The global equity allocation was increased by 1.0%, while the developed international equity allocation was increased by 1.0% as well.
- In the quarter we neutralized our overweight to growth over value across small cap, mid-cap, and large cap equities. This decision was based on valuations that we believe are over-extended for growth oriented investments..

INVESTMENT STRATEGY

As of March 31, 2014

Tactical Asset Allocation

Asset Class	% Portfolio Weighting Target	Current Portfolio	Over/Under Weighting	Rationale
Cash	1.0%	1.1%	.1%	
Fixed Income	38.0%	37.2%	-.8%	▪ We remain underweight fixed income due to concerns regarding the impact of a rise in interest rates. We continue to forecast fixed income returns to range between 2-3% for intermediate-term bonds over the next three to five years.
High Yield	0.0%	1.0%	1.0%	▪ We maintain our modest position in high yield, but we do have concerns regarding the spread compression within the high yield sector. High yield finished the quarter with a 377 basis point spread to the U.S. Treasury yield curve, in comparison to long-term averages of roughly 600 basis points.
Alternatives	10.0%	11.9%	1.9%	▪ Our overweight in alternatives is a function of our desire to be underweight fixed income.
Real Estate (REITS)	4.0%	1.5%	-2.5%	▪ We maintain our underweight allocation to REITs due to concerns about valuation, as well as the impact on REITs due to a forecasted rise in interest rates. We believe the first quarter's strength in REITs will not be repeated during the second quarter.
Global Equity	7.0%	9.0%	2.0%	▪ We increased our overweight to global equities in the quarter. The MSCI-ACWI is trading at 14 times forward estimated earnings. Europe is showing signs of economic improvement. Geopolitical events in Crimea, as well as elections in various emerging market nations, will be watched closely.
International (Developed)	9.0%	9.0%	-	▪ As stated above, international equity markets are trading at more attractive relative valuations, compared with domestic U.S. markets. The MSCI-EAFE Index trades at 13.8 times forward estimated earnings and has a 3.1% dividend yield.
International (Emerging)	0.0%	1.5%	1.5%	▪ We reduced the allocation by 0.5% in the quarter. We maintain a modest allocation, as valuation levels at 10 times estimated forward earnings do appear attractive.
Total Domestic Equity	31.0%	28.7%	-2.2%	
Large Cap	17.0%	18.6%	1.6%	▪ The large cap equity allocation is still an "overweight" in the Plan. Compared to small cap and mid cap equities, large cap stocks appear to be more reasonably valued.
Mid Cap	6.0%	4.6%	-1.4%	▪ We increased our underweight to mid-cap equities due to valuations which are currently trading at 20 times next year's estimated earnings.
Small Cap	8.0%	5.6%	-2.4%	▪ We also increased our underweight in small cap stocks based on valuations at 20 times next year's estimated earnings.

Asset Allocation
Period Ending March 31, 2014

Asset Allocation	12/31/2013 Market Value	12/31/2013 % of Total	3/31/2014 Market Value	3/31/2014 % of Total	Target Allocation
Large Cap Equities					
Columbia Contrarian Core Z	5,177,473	4.0%	5,784,248	4.3%	-
Sentinel Common Stock I	4,346,997	3.4%	4,437,944	3.3%	
T. Rowe Price Equity Income Fund	2,581,110	2.0%	3,034,852	2.2%	-
Loomis Sayles Value Fund	3,896,009	3.0%	4,414,435	3.3%	-
Harbor Capital Appreciation Instl	4,191,318	3.2%	3,728,728	2.8%	-
T. Rowe Price Growth Stock Fund	4,189,819	3.2%	3,705,714	2.7%	-
Total Large Cap Equities	**24,382,726**	**18.9%**	**25,105,921**	**18.6%**	**17.0%**
		Range		*Range*	*13-32%*
Mid Cap Equities					
TIAA-CREF Mid-Cap Value Instl	2,916,824	2.3%	3,100,259	2.3%	-
Nationwide Geneva Mid Cap Growth Fund	3,544,222	2.7%	3,077,686	2.3%	-
Total Mid Cap Equities	**6,461,045**	**5.0%**	**6,177,944**	**4.6%**	**6.0%**
		Range		*Range*	*2-10%*
Small Cap Equities					
Columbia Small Cap Value Fund II	3,531,263	2.7%	3,787,935	2.8%	-
T. Rowe Price New Horizons Fund	4,176,488	3.2%	3,762,383	2.8%	-
Total Small Cap Equities	**$ 7,707,751**	**6.0%**	**$ 7,550,318**	**5.6%**	**8.0%**
		Range		*Range*	*4-12%*
International					
Nationwide Bailard Intl Equities Fund	3,601,229	2.8%	4,425,643	3.3%	-
Dodge & Cox International Stock Fund	4,235,835	3.3%	4,776,879	3.5%	-
MFS International Growth Fund	2,602,383	2.0%	3,049,386	2.3%	-
Schroder Emerging Market Equity	2,596,288	2.0%	2,059,263	1.5%	-
Total International	**$ 13,035,735**	**10.1%**	**$ 14,311,171**	**10.6%**	**9.0%**
		Range		*Range*	*4-16%*
Global					
Templeton Global Opportunities A LW	10,459,801	8.1%	12,251,447	9.1%	-
Total Real Estate	**$ 10,459,801**	**8.1%**	**$ 12,251,447**	**9.1%**	**7.0%**
		Range		*Range*	*4-12%*
Real Estate					
Nuveen Real Estate Secs I Fund	1,925,424	1.5%	2,026,697	1.5%	-
Total Real Estate	**$ 1,925,424**	**1.5%**	**$ 2,026,697**	**1.5%**	**4.0%**
		Range		*Range*	*0-8%*

Asset Allocation		12/31/2013 Market Value	12/31/2013 % of Total		3/31/2014 Market Value	3/31/2014 % of Total	Target Allocation
Fixed Income							
Core Fixed Income Holdings	$	39,980,756	31.0%		43,323,513	32.0%	-
PIMCO Total Return Instl Fund		7,091,421	5.5%		5,620,590	4.2%	-
PIMCO High Yield Instl		1,282,540	1.0%		1,325,829	1.0%	-
Total Fixed Income	**$**	**48,354,718**	**37.5%**	**$**	**50,269,932**	**37.2%**	**38.0%**
			Range			*Range*	*30-50%*
Alternatives							
AQR Managed Futures I		$4,868,150	3.8%		5,074,771	3.8%	-
Arbitrage I		$3,196,528	2.5%		3,360,325	2.5%	-
Eaton Vance Glbl Macro Abs Ret I		$4,797,259	3.7%		5,024,276	3.7%	-
JP Morgan Research Market Neutral I		$2,570,361	2.0%		2,681,070	2.0%	-
Total Alternatives	**$**	**15,432,298**	**12.0%**	**$**	**16,140,441**	**11.9%**	**10.0%**
			Range			*Range*	*5-20%*
Cash							
Money Market	$	1,342,939	1.0%		1,423,192	1.1%	-
Total Cash	**$**	**1,342,939**	**1.0%**	**$**	**1,423,192**	**1.1%**	**1.0%**
			Range			*Range*	*0-5%*
TOTAL	**$**	**129,102,437**	**100.0%**	**$**	**135,257,063**	**100.0%**	**100.0%**

Investment Summary

Period Ending March 31, 2014

Investment Summary		First Quarter
Beginning Value	**$**	**129,408,886.38**
Net Contributions/Withdrawals		4,766,179.46
Fees Deducted		-40,733.50
Income Received		469,612.77
Market Appreciation		959,806.91
Net Change in Accrued Income		-45,966.35
Ending Market Value	**$**	**135,517,785.67**

Selected Period Performance

PARS/COUNTY OF CONTRA COSTA PRHCP

Account 6746038001

Period Ending: 03/31/2014

Sector	Year to Date (3 Months)	1 Year	3 Years	Inception to Date (38 Months)
Cash Equivalents	.01	.02	.02	.02
iMoneyNet, Inc. Taxable	*.00*	*.00*	*.00*	*.00*
Fixed Income ex Funds	1.60	-.01	4.33	4.37
Total Fixed Income	1.58	-.04	4.45	4.50
BC US Aggregate Bd Index	*1.84*	*-.09*	*3.76*	*3.66*
Total Equities	1.41	19.45	11.77	11.65
Large Cap Funds	.98	23.38	14.75	13.64
Russell 1000 Index	*2.06*	*22.44*	*14.75*	*15.26*
Mid Cap Funds	1.42	19.47	12.43	12.59
Russell Midcap Index	*3.53*	*23.51*	*14.37*	*15.47*
Small Cap Funds	2.22	29.33	16.16	16.76
Russell 2000 Index	*1.12*	*24.90*	*13.19*	*15.29*
REIT Funds	9.35	4.31	10.16	9.89
Wilshire REIT Index	*10.13*	*4.45*	*10.53*	*11.02*
International Equities	.93	16.93	6.76	7.20
MSCI EAFE Index	*.66*	*17.57*	*7.22*	*7.16*
MSCI AC World Index	*1.41*	*19.45*	*11.77*	*11.65*
MSCI EM Free Index	*-.43*	*-1.45*	*-2.87*	*-1.24*
Alternatives	-1.94			
HFRI FOF Market Def	*-1.40*	*-2.31*	*-2.89*	*-2.75*
Total Account Net of Fees	.99	8.97	7.59	7.37
*County of Contra Costa**	*1.76*	*9.37*	*7.85*	*8.17*

Inception Date: 02/01/2011

* Benchmark from February 1, 2011 to June 30, 2013: 18% Russell 1000 Index, 6% Russell Midcap Index, 8% Russell 2000 Index, 8% MSCI AC World ex US Index, 10% MSCI EAFE Index, 45% Barclays Aggregate Index, 4% DJ Wilshire REIT Index, 1% Citigroup 3 Month T-Bill Index. From July 1, 2013: 17% Russell 1000 Index, 6% Russell Midcap Index, 8% Russell 2000 Index, 7% MSCI AC World ex US Index, 9% MSCI EAFE Index, 38% Barclays Aggregate Index, 4% DJ Wilshire REIT Index, 10% HFRI Fund of Funds Market Defensive Index, 1% Citigroup 3 Month T-Bill Index

Returns are gross-of-fees unless otherwise noted. Returns for periods over one year are annualized. The information presented has been obtained from sources believed to be accurate and reliable. Past performance is not indicative of future returns. Securities are not FDIC insured, have no bank guarantee, and may lose value.

PARS/COUNTY OF CONTRA COSTA

For Period Ending March 31, 2014

Fund Name		YTD Return	Rank	1-Year Return	Rank	3-Year Return	Rank	5-Year Return	Rank	10-Year Return	Rank
LARGE CAP EQUITY FUNDS											
Sentinel Common Stock I	(7/13)	1.31	67	19.89	70	13.51	49	20.38	42	8.37	12
Columbia Contrarian Core Z	(7/13)	1.02	78	23.04	28	15.38	13	22.54	9	9.59	2
T. Rowe Price Equity Income		1.59	80	18.55	75	13.24	52	21.26	21	7.52	32
Harbor Capital Appreciation Instl		-0.12	65	28.60	11	15.22	14	20.57	38	8.46	23
Loomis Sayles Value Fund	(7/11)	2.46	40	23.67	19	14.75	18	20.10	42	9.21	4
T. Rowe Price Growth Stock		-1.24	87	27.62	14	15.46	12	22.03	19	8.59	21
Idx: Russell 1000		**2.05**	**--**	**22.41**	**--**	**14.75**	**--**	**21.73**	**--**	**7.80**	**--**
MID CAP EQUITY FUNDS											
TIAA-CREF Mid-Cap Value Instl		4.13	18	22.61	53	13.73	46	23.60	52	10.24	10
Idx: Russell Mid Cap Value		**5.22**	**--**	**22.95**	**--**	**15.17**	**--**	**26.35**	**--**	**10.24**	**--**
Nationwide Geneva Mid Cap Growth		-1.07	91	16.81	95	11.00	58	21.72	59	9.82	29
Idx: Russell Mid Cap Growth		**2.04**	**--**	**24.22**	**--**	**13.52**	**--**	**24.73**	**--**	**9.47**	**--**
SMALL CAP EQUITY FUNDS											
Columbia Small Cap Value II Z		2.22	33	25.71	24	13.44	34	24.71	47	9.87	18
Idx: Russell 2000 Value		**1.78**	**--**	**22.65**	**--**	**12.74**	**--**	**23.33**	**--**	**8.07**	**--**
T. Rowe Price New Horizons		1.71	20	33.71	9	19.45	1	30.53	1	12.04	3
Idx: Russell 2000 Growth		**0.48**	**--**	**27.19**	**--**	**13.61**	**--**	**25.24**	**--**	**8.87**	**--**
INTERNATIONAL EQUITY FUNDS											
Dodge & Cox International Stock		2.76	4	25.25	1	8.79	9	20.52	4	9.25	7
Nationwide Bailard Intl Eqs InSvc		1.45	16	18.02	20	7.06	27	16.31	24	7.69	21
MFS International Growth I		-0.93	64	8.11	87	6.07	50	16.48	45	8.08	21
Templeton Global Opportunities A LW		1.37	49	23.01	17	9.66	53	16.93	69	7.85	42
Idx: MSCI EAFE		**0.66**	**--**	**17.56**	**--**	**7.21**	**--**	**16.02**	**--**	**6.53**	**--**
Idx: MSCI ACWI		**1.08**	**--**	**16.55**	**--**	**8.55**	**--**	**17.80**	**--**	**6.97**	**--**
Schroder Emerging Market Equity	(11/12)	-2.63	86	-2.22	53	-2.20	44	14.04	53	--	--
Idx: MSCI Emerging Markets		**-0.43**	**--**	**-1.45**	**--**	**-2.87**	**--**	**14.47**	**--**	**10.11**	**--**
REIT EQUITY FUNDS											
Nuveen Real Estate Secs Y		10.51	6	4.84	26	10.37	19	28.07	31	9.88	4
Idx: Wilshire REIT		**10.13**	**--**	**4.45**	**--**	**10.53**	**--**	**29.25**	**--**	**8.19**	**--**
BOND FUNDS											
Pimco Total Return Inst'l		1.30	85	-1.24	88	4.15	43	6.87	44	5.89	5
BarCap US Aggregate Bond		**1.84**	**--**	**-0.10**	**--**	**3.75**	**--**	**4.80**	**--**	**4.46**	**--**
Pimco High Yield Inst'l	(2/12)	2.71	52	6.26	64	7.78	49	16.23	44	7.67	37
Merrill Lynch US High Yield BB-B		**3.15**	**--**	**6.93**	**--**	**8.36**	**--**	**15.71**	**--**	**7.82**	**--**
ALTERNATIVE FUNDS											
Arbitrage I	(7/13)	-0.54	78	0.92	65	1.54	34	2.99	29	2.88	18
AQR Managed Futures	(7/13)	-6.04	87	-0.17	20	0.59	1	--	--	--	--
Eaton Vance Glbl Macro Abs Ret	(7/13)	0.07	88	-1.63	76	1.04	76	3.54	73	5.06	--
JPMorgan Research Market Neutral Instl	(7/13)	0.58	44	2.38	36	0.33	66	0.83	55	2.26	44

Data Source: Morningstar, SEI Investments

Returns less than one year are not annualized. Past performance is not indicative of future returns. The information presented has been obtained from sources believed accurate and reliable. Securities are not FDIC insured, have no bank guarantee and may lose value.