PARS: County of Contra Costa

Fourth Quarter 2011

Presented by
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HighMark® CAPITAL MANAGEMENT

DISCUSSION HIGHLIGHTS

- For the fourth quarter, the Plan returned 6.8% net of fees, which outpaced the Contra Costa County blended benchmark return of 5.9% All domestic equity market indices returned over double digit positive returns, as a variety of economic readings showed continued improvement. Retail sales, consumer sentiment, and unemployment all showed gains during the fourth quarter. Events in Europe impacted international returns, which were positive, but lagged the strong equity markets in the United States. Given the strong rally in equities, Plan performance benefitted mainly from an underweight to fixed income. Additionally, the fund maintained an underweight to both international and global equities during the quarter. In the fourth quarter, while international markets offered positive returns, they underperformed our domestic markets. Our small-cap, mid-cap, and real estate holdings were primarily in-line with our benchmark targets, both in allocation and in investment return.

- Equity markets capped an extremely volatile year with a very strong fourth quarter. The S&P 500 posted a total return of 11.8% in the last three months of 2011, allowing the index to finish the year modestly in the black with a total return of 2.1%. After a difficult third quarter, where defense (investment, not military) was the dominant theme, the fourth quarter was a near mirror image. The best performing sectors for the most recent quarter were the classic cyclicals, including materials, industrials, energy and consumer discretionary, while defensive sectors like utilities, health care and consumer staples lagged. The exceptions to this pattern were financials and information technology. Although both sectors are clearly cyclical, each underperformed for the period. In the case of financials, the modest underperformance was due largely to lingering concerns about the potential impact of Europe on the global financial system and the U.S. economy. The underperformance of the technology sector, on the other hand, was the result of a number of relatively high profile earnings disappointments. At this point, it is unclear whether information technology earnings are the proverbial “canary in the coal mine” or are merely reflecting a transitory demand issue that is more industry specific. On the positive side, economic data in the U.S. showed notable improvement in the fourth quarter reversing the deteriorating trend that was evident for much of the third quarter. Also encouraging was the apparent increase in urgency and coordination with which European leaders addressed their precarious fiscal and political crisis.

- Unfortunately, in spite of the market’s recent strong performance, there remain a number of issues that pose significant threats to further progress in both the U.S. economy and the U.S. equity markets. The first is the situation in Europe. Although efforts to solve the region’s problems have become more urgent and coordinated, the ultimate solution remains elusive. And, even if European leaders are able to stave off a financial crisis, the Eurozone is facing a potentially serious recession. The second major issue of concern is the situation in China. The world’s primary growth engine faces a serious imbalance as a result of years of export driven growth and unproductive real estate investment that was exacerbated by massive stimulus undertaken to counteract the effects of the 2008-2009 financial crisis. While China’s growth is still the envy of the world, it is slowing, and it has become clear that the developed market demand that fueled the country’s growth in the past can no longer be relied upon in the future. Undoubtedly, Chinese leaders will apply the country’s massive resources to rebalance their economy, but it is a project that will take years, and its difficulty should not be underestimated. The final issue that poses a risk to the current U.S. recovery is turmoil in the Middle East. In spite of the promise that was ushered in by the Arab Spring of 2011, the region remains highly unsettled, and many of the transitions that began last year are still very tenuous at best. The United States’ recent withdrawal from Iraq creates additional uncertainty. Not surprisingly, oil continues to flirt with the $100 level. To the extent that events in the Middle East put upward pressure on the price of oil (or worse) the result will be an additional headwind for our economic recovery. Given all of the countervailing forces, it is not surprising that the market in 2012 was extremely volatile but ultimately went nowhere.

DISCUSSION HIGHLIGHTS

- In 2011, active managers in general struggled to outperform their benchmarks. In a recent report published by J.P. Morgan, it was reported that 48% of active managers missed their benchmark by 250 bps in 2011. This is the worst showing since 1998, when 55% of the managers missed by the same amount. Further, 31% of the managers missed their benchmark by 500 bps this year. Much of the underperformance from investment managers took place around the month of August. Many managers were positioned aggressively in the late summer months, only to have the market sell-off in response to the downgrading of the U.S. credit rating, as well as the circus surrounding the debt ceiling debate. As the market sold off in response to these events, as well as the events taking place in Europe, many managers began to reduce their beta (volatility exposure) to the market. However, the market managed to stage an impressive fourth quarter rally, with most of that rally taking place in October. Thus, managers were positioned most aggressively when the market sold off the hardest, and they were positioned most defensively, at the time when the market rallied the strongest. The underperformance within active management was felt most strongly in the large cap growth universe where 70% of active managers missed their benchmark (Russell 1000 Growth) by 250 bps during 2011. For the year, the Harbor Capital Appreciation Fund returned 0.61%, which ranked in the 24th percentile of the Morningstar Large Cap Growth Managers Universe. And yes, the fund underperformed the Russell 1000 Growth Universe by roughly 2%. The T. Rowe Price Large Cap Growth Fund, while ranking in the 39th percentile on a calendar basis in the same large growth universe, underperformed by over 3.5% compared with the same benchmark. For the fourth quarter the two funds underperformed the Russell 1000 Index mainly due to their large weights in technology, a sector which lagged during the fourth quarter. The Harbor Fund returned 7.1% in the quarter and the T. Rowe Price Fund gained 10.0%. Two holdings in particular: Apple (+6.2%) and Amazon (-19.9%) detracted from performance during the quarter. While Apple offered a positive return for the quarter, our two funds had very sizable overweight positions in Apple, hence this was a relative drag vs. the benchmark.

- Both of our funds in the large cap value space posted performance that slightly outperformed the Russell 1000 Index for the quarter. However, both funds underperformed their style benchmark - the Russell 1000 Value Index (+13.1%) for the quarter. The Loomis Sayles Value Fund returned 12.5% for the quarter, while the T. Rowe Price Equity Income Fund returned 12.1%. Investors continued to bid up stock investments that promote yield, and both of these funds maintain a strong bent towards income generation within the investing scope of the funds. For the Loomis Sayles Fund, the fund had positive returns in all market sectors, led by energy, consumer discretionary, health care, and financials. Leading contributors to performance were Chevron (+14.9%) , Exxon (+16.7%), El Paso (+52%), Pfizer (+27.4%) and Merck (+15.3%). The Fund ranked in the 39th percentile of the Morningstar Large Cap Value Universe. The T. Rowe Price Equity Income Fund performed similarly, returning 12.1% for the quarter. The Fund too was helped by holdings in Chevron and Exxon. The fund ranked in the 51st percentile of the Morningstar Large Cap Value Universe.

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- The managers of the large cap core strategy continue to maintain a cautious stance towards their investment strategy. They believe that the global economy is in the midst of a long-term deleveraging process. The result will be an extended period of below average growth and increased vulnerability to exogenous shocks. Consequently, they are maintaining a more defensive positioning in the portfolio that favors businesses with sustainable growth over companies that are reliant on cyclical growth drivers. The Strategy returned 12.4% for the fourth quarter compared to a return of 11.8% for the S&P 500 Index. The strategy benefited from strong performance in the energy, materials, consumer discretionary, consumer staples and healthcare sectors that was largely driven by favorable stock selection. Technology was the only noticeable detractor on performance during the quarter. The largest individual stock contributors to performance for the quarter were Occidental Petroleum (+31.7%), Praxair (+14.9%), Exxon Mobil (+16.7%), Philip Morris International (+27.1%) and Ecolab (+18.7%). The biggest individual detractors were Oracle (-10.6%), Broadcom (-11.5%), Stericycle (-3.5%) and Davita (-3.2%). During the quarter the strategy added positions in high quality retailers – Costco, TJX Companies and Dollar Tree. All three of these companies have competitively advantaged business models and attractive, durable growth outlooks. They also fit well with the manager's outlook in that they are all value-oriented concepts and they are more leveraged to the U.S. consumer. One position that was sold during the quarter was Diamond Foods. During the quarter, it was disclosed that the company was being investigated for accounting fraud. In keeping with the sell discipline the stock was expeditiously sold.

- The HighMark Geneva Mid-Cap Growth Fund's return of 12.8% outgained the Russell Mid-Cap Index return for the fourth quarter. This was placed the fund in the 20th percentile of the Morningstar Mid-Cap Growth Fund Universe. Additionally, the fund ranked in the 10th percentile in this universe for 2011. Stock selection in both the consumer discretionary and energy sectors keyed the gains during the quarter. Panera Bread (+36.1%) and OIS (+50%) were strong performers for the quarter. For 2011, the manager attributes the strong performance to the high-quality, low-beta nature of the portfolio. When the mid-cap growth universe is broken out into quintiles, stocks with an ROE in the highest quintile gained about 0.8% while stocks with an ROE in the bottom two quintiles were down roughly -4.5% in 2011. From a beta standpoint, stocks with the lowest beta were up 8.5% for the year, while stocks with the highest beta were down -21.5%. Geneva's Fund is strongly skewed towards the lower beta quintile, hence this environment favored the Fund's style. On the mid-cap value side, the TIAA-CREF Mid-Cap Value Fund returned 12.3% which matched the Russell Mid-cap Index return for the quarter. This fund ranked in the 59th percentile of Morningstar's mid-cap value universe.

- Our small cap stock performance was one of the highlights in the Plan in the fourth quarter. Our small cap stock funds returned 16.4%, compared to the Russell 2000 Index return of 15.5%. The Columbia Small Cap Value Fund was the strongest performing fund in the Plan during the quarter, returning 18.2%, and ranked in the 19th percentile of the Morningstar Small Cap Value Universe. The fund benefited through its holdings within the technology, energy, and utility sectors. Energy sector performance was benefited by investments in exploration and production companies. With crude prices rallying in the fourth quarter, and a boost in drilling plans for 2012, shares in this industry rose in response. The T. Rowe Price New Horizon Fund finished a strong year with a respectable 13.9% return in the quarter. The Fund's holding in Pharmasset (+55.6%) helped propel returns as Gilead Science made a takeover offer for the company during the quarter. Additionally, the fund benefitted by industrial sector holdings in FMC Technologies (+38.9%) and Roper Industries (+26.1%). For the year, the fund ranked in the 2nd percentile of the Morningstar Small Cap Growth Universe.

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- The strong fourth quarter performance of the Wilshire REIT Index, (+15.4%) allowed REITs to be the strongest performing asset class in the Plan in 2011. REIT performance in the fourth quarter was supported by strong fundamentals within the following sectors: Malls (+22.1%), Storage (+35.1%) and Apartments (+15.1%). Companies in the REIT universe offer yield starved investors an opportunity to receive an income flow that bonds and money market investments have failed to deliver. Additionally, most of the companies in the REIT sector will have a lower correlation to the events taking place in Europe. Finally, the fundamentals for the sector continue to be supported by strong balance sheets, access to capital markets, duration of lease contracts, and stable earnings. Two potential clouds on the horizon include valuation, with REITs currently trading at slightly above historical levels on a PE, and FFO basis. As well, potential troubles with Sears/K-Mart could escalate later this year, potentially causing trouble within the sector. During the quarter, the Nuveen Real Estate Securities Fund returned 14.8%, which underperformed the Wilshire REIT Index. The Fund ranked in the 71st percentile within the Morningstar Real Estate Securities Universe.

- In the fourth quarter, the MSCI-EAFE Index returned 3.3% in dollar terms, while the emerging market benchmark returned 4.4%. During the quarter, international markets continued to be driven by the headlines involving the European sovereign debt crisis. On a positive note, the quarter was not short of momentum. European summits were held where leaders would gather and discuss a variety of proposed solutions to the situation. While no grand solution was developed, it did seem as if leaders certainly embraced the seriousness of the situation, and there were several tangible steps taken to embrace reforms. A large lending facility developed in the last few weeks of the year gave encouragement that perhaps a remedy to Europe's woes might be at hand. The market however still has its doubts with some of Europe's trouble spots continuing to post negative returns: Greece (-27.5%), Portugal (-9.5%), Spain (-2.2%), and Italy (+0.7%) all registered disappointing returns. Emerging markets were mixed during the quarter with India (-14.2%) disappointing, but China (+8.1%), Korea (+5.9%), Mexico (+5.9%) and Brazil (+8.8%) offering investors hope that 2011 would only be a short disappointing chapter in the future growth trajectory of emerging market nations. The inflationary pressures that had caused many of these emerging market nations to raise rates over the past twelve months, seemed to have abated. Many of the EM central banks have actually begun to ease their interest rate policy. This easing could lead to a continuation of strong growth rates.

- Our three developed international equity funds all outperformed the MSCI-EAFE benchmark for the quarter. MFS International was the strongest performer, returning 6.1%. The fund was supported by an underweight to Japan, and a significant overweight to Europe ex-U.K. Fund holdings in technology (ASML Holdings, Taiwan Semiconductor, and Dassault Systems) supported performance. Additionally, holdings in the financial sector (Credicorp and Julius Baer AG), as well as a position in Linde AG from the materials sector helped returns in the fourth quarter. The Dodge and Cox International Fund (+4.2%) and the HighMark International Fund (+4.1%) only slightly outpaced the benchmark. For Dodge and Cox, the Fund's underweight position in Japan and overweight position in the Health Care sector were two primary reasons for their performance for the quarter. GlaxoSmithKline (+12%), Bayer (+15%), and Sanofi (+11%) helped results. Additional contributors were Cemex (+71%), Royal Dutch Shell (+20%), and Philips electronics (+16%). As for the HighMark International Fund, emerging market exposure in Hungary, Turkey, and Brazil were positives for the portfolio. During the quarter, the fund went from an underweight allocation to Europe, to an overweight position.

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- The RS Emerging Market Fund's return of 7.9%, ranked in the 3rd percentile of emerging market funds within the Morningstar Universe. The RS Fund benefitted by an overweight to the Energy sector. Energy holdings Gulf Keystone and African Petroleum Corp. supported performance. At the country level, China was the fund's top performing market. Two railway stocks: CSR Crop and China Railway Construction were additive to performance. Finally, stock selection in South Korea and Brazil stood out in the fourth quarter.

- Within global equities, the Templeton Global Opportunities Fund returned 5.0%, underperforming the MSCI-ACWI Index (+7.2%). The fund's large overweight in Europe (44% vs. benchmark 25%), and their underweight in North America was the largest detractor for performance. The Fund managers are staying committed to purchasing what they perceive to be "cheap" stocks, and in this case they find the most compelling value to be in Europe. They see Europe trading at valuations not seen since the 80s. The T. Rowe Price Global Equity Fund fared a little better, posting a 7.7% return, and outperforming the benchmark for the quarter. An overweight in North America, and an underweight to Europe (just the opposite of the Templeton Fund) drove much of the performance during the quarter. The Fund also benefited from an overweight to emerging markets.

Fixed Income

- The Barclays Aggregate Index gained 1.1% in the fourth quarter and 7.8% for the year, the best annual total return since 2002. The U.S. Treasury Index gained a relatively modest 0.9% during the quarter, as bond yields declined only a few basis points. Investment-grade corporate bonds gained 1.9%, outperforming equal duration Treasuries by 84 basis points after significantly underperforming in the prior quarter. Agency mortgage-backed securities returned 0.9% for the quarter, outperforming Treasuries by 24 basis points as option-adjusted spreads tightened by 13 basis points. Agency mortgages underperformed Treasuries by -103 basis points for the year, posting a 6.2% gain. Despite underperforming last year, agency mortgages are benefitting from positive supply/demand dynamics. The net supply of mortgages will likely be negative again in 2011, a reduction of approximately $32 billion, following a $106 billion decline in 2010, as the GSE's continue to reduce their retained portfolio holdings and refinance activity remains somewhat muted due to more stringent underwriting. At the same time that the supply of agency MBS is shrinking, demand has remained steady as a number of other high-quality alternatives have become less appealing or simply unavailable. In addition, the Federal Reserve has been reinvesting principal payments from its agency debt and agency mortgage-backed securities holdings into agency mortgage-backed bonds, providing incremental support to the market.

- In contrast to the full year, in which interest rates declined significantly, rates hardly moved during the fourth quarter, As a result, duration was a minor factor for returns, contributing only +1 bps to portfolio performance. The largest change in rates occurred at the five-year point on the curve, where yields declined 12 basis points, while 2-year and 30-year yields barely moved. Since both interest rates and spreads changed very little, income contributed most of the total return this quarter. Our performance for the fixed income strategy was 1.56% in the fourth quarter, modestly outperforming the Barclays Aggregate Index.

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- The managers continue to keep the portfolio duration, or interest rate risk, at approximately 90% of the index duration as they view the potential for further interest rate declines to be somewhat limited. They prefer to seek higher returns through sector allocation and security selection rather than relying on further interest rate declines. As a result, they continue to overweight high quality corporate bonds while underweighting Treasuries and mortgage-backed securities. Positive contributors to the Plan's performance this quarter included the secured debt of Delta and United, called Enhanced Equipment Trust Certificates, which are collateralized by aircraft. Other outperformers included Boston Properties, a REIT, as well as Exelon Generation, GE, and Verizon. On the negative side, underperformers included Lab Corp and Comcast, and several banks, including JP Morgan, Citigroup, and Wells Fargo, as the financial sector was one of the worst performers this quarter.

- The Pimco Total Return Bond Fund (+2.2%) handily topped the Barclays Aggregate Index during the quarter. The Pimco Fund maintained a longer-than benchmark duration position which helped performance. Additionally the fund's corporate bond and emerging market debt holdings were additive to performance. While the fund ranked in the 9th percentile for intermediate-term bond funds in the fourth quarter, as rated by Morningstar, the fund's overall ranking for 2011 placed it in the 87th percentile. The fund during the 2nd and 3rd quarter this year maintained a severe under weight to U.S. Treasuries, and this by far was the leading cause for the disappointing year.

- With the rally in equities, high yield also surged in the fourth quarter. The Merrill Lynch U.S. High Yield BB-B Index returned 5.9%. The Pimco High Yield Fund returned 6.3% for the quarter. On a relative basis, this performance placed the fund in the 24th percentile of Morningstar's High Yield Bond Universe. The fund benefited from a low exposure to European related issues and a low percentage allocation to CCC rated bonds (6% of the portfolio). For the year, the fund trailed the benchmark by roughly 0.8%. During 2011 the fund was hurt by an underweight in BB rated names. Additionally, U.S. financial sector holdings also detracted from performance

INVESTMENT STRATEGY As Of December 31, 2011

Tactical Asset Allocation

Asset Class	% Portfolio Weighting: Target	Current Portfolio	Over/Under Weighting	Rationale
Cash	1%	3.7%	2.7%	
Fixed Income	45%	42.4%	-2.6%	▪ We continue our underweight in bonds. Fixed income looks overvalued, with potential returns for intermediate-term bonds at 2-3% over the next five years. If inflation readings continue to accelerate, this could also put pressure on bonds.
High Yield	0%	3.0%	3%	▪ While spreads tightened over the quarter, we view high yield as attractive and see default rates to be at or slightly below historical norms in 2012.
Real Estate (REITS)	4%	5.5%	1.5%	▪ REITs should continue to benefit from access to capital markets, investor desire for dividend yielding investments, and stability of earnings. Strong balance sheets among REITs also support attractiveness. After a strong fourth quarter, valuations look a little stretched.

Tactical Asset Allocation

Asset Class	% Portfolio Weighting: Target	Current Portfolio	Over/Under Weighting	Rationale
Global Equity	8%	5.3%	-2.7%	▪ Our underweight allocation here continues based on our belief that the events in Europe will damper the outlook for global equities.
International (Developed)	10%	3.1%	-6.9%	▪ Given the issues in Europe and struggles in Japan, we remain underweight in international stocks.
International (Emerging)	0%	2.8%	2.8%	▪ While 2011 was a difficult year for emerging markets, we still believe that emerging markets represent an attractive combination of growth at attractive valuations.
Total Domestic Equity	32%	37.2%	5.2%	
Large Cap	18%	23.2%	5.2%	▪ We are maintaining an overweight to large cap domestic equities. Valuations are attractive and the economy appears to be improving with positive readings in the fourth quarter from retail sales, auto sales, housing, and some improvement on the employment front.
Mid Cap	6%	7.0%	1%	▪ Our modest overweight to mid-caps are based on attractive growth rates and reasonable valuations.

Tactical Asset Allocation

Asset Class	% Portfolio Weighting			Rationale
	Target	Current Portfolio	Over/Under Weighting	
Small Cap	8%	7.0%	-1%	▪ Valuations for small cap stocks are currently at 17X next year's earnings. Relative to mid-cap and large cap this is slightly more expensive. We are maintaining our slight underweight to small caps.

Investment Summary
Period Ending December 31, 2011

Investment Summary		Fourth Quarter
Beginning Value	**$**	**56,552,062.44**
Net Contributions/Withdrawals		4,954,702.19
Fees Deducted		-24,893.15
Income Received		839,926.78
Market Appreciation		3,148,548.76
Net Change in Accrued Income		20,784.76
Ending Market Value	**$**	**65,491,131.78**

Asset Allocation
Period Ending December 31, 2011

Asset Allocation		9/30/2011 Market Value	9/30/2011 % of Total		12/31/2011 Market Value	12/31/2011 % of Total	Target Allocation
Domestic Equity							
Large Cap Core Holdings	$	6,813,389	12.1%	$	8,228,005	12.6%	-
T. Rowe Price Equity Income Fund		2,106,613	3.7%		2,360,456	3.6%	-
Loomis Sayles Value Fund		1,238,718	2.2%		2,261,406	3.5%	-
Harbor Capital Appreciation Instl		1,068,504	1.9%		1,144,514	1.8%	-
T. Rowe Price Growth Stock Fund		1,048,442	1.9%		1,153,403	1.8%	-
TIAA-CREF Mid-Cap Value Instl		2,239,320	4.0%		2,659,968	4.1%	
HighMark Geneva Mid Cap Growth Fund		1,694,691	3.0%		1,969,467	3.0%	-
Columbia Small Cap Value Fund II		2,206,501	3.9%		2,608,851	4.0%	-
T. Rowe Price New Horizons Fund		1,702,432	3.0%		1,940,450	3.0%	-
Total Domestic Equity	**$**	**20,118,610**	**35.7%**	**$**	**24,326,518**	**37.3%**	**32.0%**
						Range	*21-57%*
International							
HighMark International Opportunity Fund		739,680	1.3%		649,105	1.0%	-
Dodge & Cox International Stock Fund		755,261	1.3%		665,920	1.0%	-
MFS International Growth Fund		769,652	1.4%		695,019	1.1%	-
RS Emerging Markets Y		1,160,529	2.1%		1,814,775	2.8%	-
Total International	**$**	**3,425,123**	**6.1%**	**$**	**3,824,819**	**5.9%**	**10.0%**
						Range	*4-19%*
Global							
Templeton Global Opportunities A LW		4,115,514	7.3%		3,443,124	5.3%	-
Total Real Estate	**$**	**4,115,514**	**7.3%**	**$**	**3,443,124**	**5.3%**	**8.0%**
						Range	*4-12%*
Real Estate							
Nuveen Real Estate Secs I Fund		2,771,042	4.9%		3,618,264	5.5%	-
Total Real Estate	**$**	**2,771,042**	**4.9%**	**$**	**3,618,264**	**5.5%**	**4.0%**
						Range	*0-8%*
Fixed Income							
Core Fixed Income Holdings	$	17,596,198	31.2%	$	20,494,147	31.4%	-
PIMCO Total Return Instl Fund		4,982,282	8.8%		5,225,921	8.0%	-
PIMCO High Yield Instl		1,760,006	3.1%		1,953,399	3.0%	-
Total Fixed Income	**$**	**24,338,487**	**43.2%**	**$**	**27,673,468**	**42.4%**	**45.0%**
						Range	*35-67%*
Cash							
HighMark Diversified MM Fund	$	1,586,299	2.8%	$	2,414,081	3.7%	-
Total Cash	**$**	**1,586,299**	**2.8%**	**$**	**2,414,081**	**3.7%**	**1.0%**
						Range	*0-5%*
TOTAL	**$**	**56,355,075**	**100.0%**	**$**	**65,300,274**	**100.0%**	**100.0%**

INVESTMENT RETURNS
As of Fourth Quarter 2011

	3 Months	Inception* 11 Months
Cash Equivalents	.01	.02
iMoneyNet Taxable	*.00*	*.00*
Fixed Holdings	2.08	7.06
Barclays Aggregate Bond Index	*1.12*	*7.74*
Equity Holdings	11.32	-6.64
Domestic Common Stock	12.41	-4.92
Large Cap Holdings	10.94	-6.63
Russell 1000 Index	*11.85*	*-.87*
Mid Cap Holdings	12.52	-4.07
Russell Mid Cap Index	*12.31*	*-3.61*
Small Cap Holdings	16.36	-3.81
Russell 2000 Index	*15.48*	*-3.92*
International Holdings	5.29	-14.82
MSCI EAFE Index (Net)	*3.33*	*-14.16*
Global Equity Holdings	4.99	-14.44
MSCI AC World Index (Net)	*7.18*	*-8.78*
Real Estate Holdings	15.38	2.95
Wilshire REIT Index	*15.43*	*5.52*
Total Portfolio	6.88	-1.78
Total Portfolio (net of fees)	6.84	-1.90
*County of Contra Costa Benchmark***	*5.92*	*.68*

*Inception Date: 02/01/2011
**Benchmark: 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.

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 PRHCP

For Periods Ending December 31, 2011

Fund Name	1-Month Return	3-Month Return	Year-to-Date	1-Year Return	3-Year Return	5-Year Return	10-Year Return
LARGE CAP EQUITY FUNDS							
T. Rowe Price Equity Income (1)	1.91	12.05	-0.72	-0.72	12.82	-0.96	4.07
Loomis Sayles Value (2)	1.55	12.48	-2.81	-2.81	9.34	-1.54	4.66
Harbor Capital Appreciation Instl	-2.03	7.11	0.61	0.61	16.79	2.37	2.63
T. Rowe Price Growth Stock	-0.94	10.01	-0.97	-0.97	18.37	1.12	3.65
Russell 1000 Index	**0.84**	**11.85**	**1.50**	**1.50**	**14.81**	**-0.02**	**3.34**
MID CAP EQUITY FUNDS							
HighMark Geneva Mid Cap Growth	-2.40	12.79	2.89	2.89	21.73	5.93	7.20
TIAA-Cref Mid-Cap Value Instl	0.54	12.32	-2.17	-2.17	17.66	0.57	--
Russell Mid Cap Index	**-0.12**	**12.31**	**-1.55**	**-1.55**	**20.17**	**1.41**	**6.99**
SMALL CAP EQUITY FUNDS							
Columbia Small Cap Value II Z	1.45	18.23	-2.39	-2.39	15.35	0.96	--
T. Rowe Price New Horizons	-0.33	13.98	6.63	6.63	27.36	6.09	7.63
Russell 2000 Index	**0.66**	**15.48**	**-4.18**	**-4.18**	**15.63**	**0.15**	**5.62**
INTERNATIONAL EQUITY FUNDS							
Dodge & Cox Intl Stock	-2.61	4.23	-15.97	-15.97	12.10	-3.45	7.99
HighMark Int'l Opportunities Fid	-2.87	4.14	-15.58	-15.58	7.00	-4.35	6.33
RS Emerging Markets Y	-3.60	7.95	-20.82	-20.82	22.02	2.95	14.81
MFS International Growth I	-2.46	6.09	-10.62	-10.62	12.46	-0.12	7.63
MSCI EAFE Index	**-0.95**	**3.33**	**-12.14**	**-12.14**	**7.65**	**-4.72**	**4.67**
Templeton Global Opportunities A LW	-2.22	4.99	-10.48	-10.48	7.96	-3.22	4.31
MSCI ACWI Index	**-0.20**	**7.18**	**-7.35**	**-7.35**	**12.01**	**-1.93**	**4.24**
REIT EQUITY FUNDS							
Nuveen Real Estate Secs I	4.46	14.83	7.96	7.96	22.54	0.35	12.34
DJ US Select REIT Index	**4.70**	**15.43**	**9.37**	**9.37**	**21.63**	**-2.04**	**10.12**
BOND FUNDS							
Pimco Total Return Inst'l	1.74	2.22	4.16	4.16	8.87	8.09	6.80
BarCap US Aggregate Bond Index	**1.10**	**1.12**	**7.84**	**7.84**	**6.77**	**6.50**	**5.78**
PIMCO High Yield Instl	2.58	6.32	4.00	4.00	19.61	6.26	7.61
Merrill Lynch US High Yield BB-B Index	**2.38**	**5.54**	**5.47**	**5.47**	**20.84**	**6.72**	**7.81**

Source: SEI Investments, Morningstar Investments

(1) Fund was added to the Plan in March 2011

(2) Fund was added to the Plan in June 2011

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