

PARS: County of Contra Costa

Third Quarter 2014

**Presented by
Andrew Brown, CFA**

DISCUSSION HIGHLIGHTS

U.S. Economic and Market Overview

The domestic economy continues to improve with positive news coming from the labor market and inflation fronts. Internationally, however, uncertainty is still the status quo. While market jitters stemming from Israel's activity in Gaza abated during the quarter, growing concerns over the advance of ISIS kept tensions high in the region. The unresolved conflict in the Ukraine, and, most recently, the onset of the Ebola virus scare, has many investors reexamining their global growth assumptions. The geopolitical volatility resulted in a further flight to safety with U.S. Treasuries and the U.S. dollar experiencing very strong bids as a result.

Domestically, real GDP growth in the second quarter was 4.6%. This represented a strong rally in the face of the disappointing -2.1% level posted for the first quarter. Growth from both business spending and consumer spending were catalysts for the improvement. The unemployment rate dropped to 5.9% in September, as the quarterly gain in nonfarm payrolls averaged 213,000. The unemployment rate has fallen from 6.7% to 5.9% over the course of 2014 with most signals pointing to continued improvement going forward.

The Fed is scheduled to end its quantitative easing program in October and has now turned its attention toward reversing course on their promise to keep interest rates low for a "considerable period of time" after the bond buying program ends. Financial assets have performed extraordinarily well over the last five years and there is growing concern that the Federal Reserve policy has led to excessive risk taking which may be contributing to financial instability rather than mitigating it. The Fed has become increasingly vocal about the need to raise rates at some point, with several Fed Governors warning that a rate increase could come sooner than the markets expect. However, the markets remain focused on the deteriorating global economic and geo-political environments, knowing that Fed policy is ultimately determined by economic fundamentals. While most investors foresee the Fed raising interest rates during 2015, these macroeconomic factors could delay their ability to normalize interest rates.

Market overview/Performance Discussion

Total Plan

The County of Contra Costa OPEB Plan returned -0.97% in the third quarter, which was in-line with the County's Plan benchmark return target of -0.96%. Detractors to performance for the quarter included underperformance in the large-cap, mid-cap, alternative asset, and fixed income segments. Despite having negative absolute returns, relative outperformance was found in the international equity, REIT equity, and the small-cap equity segments. Finally, the Plan did benefit from having a significant underweight in small caps, which during the third quarter declined more than any other segment in the market.

Domestic Equity

The Russell 1000 Index was the only domestic equity index that posted a positive return during the quarter, returning 0.65%. Small-cap stocks, as measured by the Russell 2000 Index, declined -7.36%, and the Russell Mid-Cap Index also finished in negative territory, declining -1.66%. Through September 30, the performance gap between large-cap and small-cap equities is over 15% (Russell 1000 +19.01% vs. Russell 2000 Index +3.93%) over the past twelve months. The underperformance in small- and mid-cap equities during the quarter, we believe, can be

attributed mainly to valuations. Entering the quarter, small- and mid-cap equities were trading at slightly inflated valuations of 18-20X 2015 forward earnings estimates. Focusing on the third quarter in the large-cap segment, healthcare (+5.5%), technology (+ 4.8%), and telecommunications (+3.1%) were the leading sectors. Conversely the laggard sectors included industrials (-1.1%), utilities (-4.0%), and energy (-8.6%). Energy has struggled due to over-supply issues, as well as some concerns that global demand may wane in the face of potentially lower growth from Europe and China. Finally, on a style basis, growth outperformed value in the large cap segment by a little more than 1%, led by the strength of technology and healthcare sectors.

- **The Plan's large cap funds returned 0.39% in the quarter, which underperformed the Russell 1000 Index return of 0.65%.**
 - The Sentinel Common Stock Fund returned 1.05% in the quarter, which outperformed the benchmark. The Fund ranked in the 23rd percentile of the Morningstar Large Cap Blend Universe.
 - The Columbia Contrarian Core Fund beat its benchmark with a 1.55% return. The Fund ranked in the 8th percentile of the Morningstar Large Cap Blend Universe
 - The Harbor Capital Appreciation Fund returned 1.91% in the quarter, which outperformed the Russell 1000 Growth Index's return of 1.49%. The Harbor Fund ranked in the 22nd percentile of the Morningstar Large Cap Growth Universe.
 - The T. Rowe Price Growth Stock Fund returned 1.56% in the quarter, which outperformed the Russell 1000 Growth Index. The Fund ranked in the 30th percentile of the Morningstar Large Cap Growth Universe.
 - The T. Rowe Price Equity Income Fund returned -1.68%, which ranked in the 86th percentile of the Morningstar Large Cap Value Universe, and underperformed the Russell 1000 Value Index return of -0.19%.
 - The Loomis Sayles Value Fund posted a .04% return which outperformed the Russell 1000 Value Index, and ranked in the 29th percentile of the Morningstar Large Cap Value Universe.

Mid-cap equities underperformed large cap, but outperformed small-cap stocks during 3Q14. While both indices established new highs intra-quarter, the Russell Mid-Cap Index ultimately returned -1.66% and the Russell 2000 Index posted a -7.36% return. This was the first negative quarterly returns for both indices since 2Q12. Growth outperformed value for both mid-cap and small-cap during the quarter and for the year-to-date period. Energy, the leading sector for both mid-cap and small cap equities during 2Q14 was the largest detractor from both indices during 3Q14 as the price of oil (WTI) fell from \$105 at the beginning of the quarter to end at \$91. This weakness in the price of oil, and general concerns over global growth, were seen in both indices: Within small-cap all sectors posted negative returns, with energy, Industrials, and consumer discretionary having the largest impact on the overall index; within mid-cap half of the sectors posted negative returns, with energy, industrials, and financials having the largest impact on the overall index.

- **The mid-cap equity segment returned -2.2% in the quarter, which underperformed the Russell Mid-Cap Equity return of -1.66%**
 - The TIAA-CREF Mid-Cap Value Fund returned -2.77% in the quarter, which underperformed the Russell Mid-Cap Value Index return of -2.65%. The Fund ranked in the 38th percentile of the Morningstar Mid-Cap Value Universe of managers.
 - The Ivy Mid Cap Growth Fund returned -2.10% in the third quarter, which underperformed the Russell Mid Cap Growth Index -0.73% return. The Fund ranked in the 49th percentile of the Morningstar Mid-cap Growth Universe.
- **The small-cap equity segment returned -5.29% in the quarter, which outperformed the Russell 2000 Index return of -7.36%.**
 - The T. Rowe Price New Horizons Fund returned -3.77%, and outperformed the Russell 2000 Growth Index return of -6.13%. This performance ranked in the 13th percentile of small cap growth managers as measured by Morningstar.

- The Columbia Small Cap Value Fund II return of -6.79% outperformed the Russell 2000 Value Index's return of -8.58%. This ranked in the 42nd percentile of Morningstar's Small Cap Value Universe.

Real Estate

In contrast to the second quarter where all major sectors of the REIT market rose, the third quarter saw almost all property segments decline. The Dow Jones Wilshire REIT Index was down -3.07%. Regional malls (-0.5%) were the strongest performing major sector, as the group was somewhat supported by take-over speculation on some of the companies in this group. Other areas of the REIT universe fared much worse in the quarter, with Office (-5.2%), Industrial (-7.3%) and Shopping Centers (-3.4%) all suffering declines. With the exception of the Office and the Industrial sectors, all sectors of the REIT market have appreciated over 10% year to date thru the end of the third quarter. The back-drop of a strong second quarter GDP print of 4.6% should be viewed positively by REIT investors. Perhaps the declines of the third quarter should be viewed as nothing more than profit taking on the back of strong returns year to date.

- The Nuveen Real Estate Securities Fund returned -2.84% in the third quarter, which outperformed the Wilshire REIT Index return of -3.07%. The Fund placed in the 31st percentile of the Morningstar Real Estate Manager's Universe.

Global/International Equity

The U.S. dollar's appreciation versus most currencies managed to erase all gains for domestic investors in the quarter. The MSCI-EAFE Index gained ~1% in local currency, but registered a -5.88% decline in U.S. dollars. Similarly, the MSCI Emerging Market Index was up ~1% in local terms, but down -3.49% on a dollar basis. In September, the Euro capped off its worst quarter in more than four years, as investors became concerned that the Eurozone's recovery might be short lived. Germany (-11.2%), France (-8.4%), Portugal (-25.0%), Italy (-8.7%) and Austria (-21.6%) were some of Europe's largest decliners. Eurozone manufacturing activity slowed, and sentiment declined in the face of continued tension between Russia and the Eurozone over Russia's involvement in Ukraine. Additionally, the Scottish referendum, whereby the country sought political independence from Great Britain, added some uncertainty for the markets to digest during the quarter. Emerging markets declined less than developed international during the quarter, with some countries actually posting gains: Mexico (+2.1%), Thailand (+7.6%), India (+2.3%), and China (+1.4%).

- **The Plan's international/global equity segment returned -4.04% in the quarter. This return outperformed the MSCI-EAFE Index - 5.88%.**
 - The Dodge & Cox International Stock Fund's -2.71% return outperformed the MSCI-EAFE Index in the quarter, and ranked in the 3rd percentile of the Foreign Large Blend Universe as measured by Morningstar.
 - The Nationwide Baird International Equity Fund registered a -4.86% return in the third quarter, and outperformed the MSCI-EAFE Index. The Fund ranked in the 23rd percentile of the Morningstar Foreign Large Blend Universe.
 - The MFS International Fund's return of -6.55% lagged the index and the peer group in the quarter. The Fund ranked in the 78th percentile for foreign large cap growth managers as measured by Morningstar.

- The Templeton Global Opportunities Fund's return of -3.69% in the quarter underperformed the MSCI-ACWI benchmark return of -2.30%, and ranked in the 66th percentile of the Morningstar World Stock Index Universe.
- The DJ Euro-Stoxx 50 ETF returned -8.06% in the quarter, which underperformed the MSCI-EAFE Index.
- The Schroder Emerging Market Equity Fund returned -3.62% and ranked in the 46th percentile of emerging market equity managers, which slightly trailed the MSCI Emerging Market Index return of -3.49%.

Fixed Income

The Barclays U.S. Aggregate Bond Index posted a 0.2% return for the quarter as Treasuries provided the best returns while risk assets underperformed. For the first time in more than a year risk assets came under pressure as the Fed's quantitative easing program approached its end and the Fed stepped up its rhetoric regarding an eventual increase in interest rates. For the quarter, interest rates in the very short end were mostly unchanged while rates in the two-year to seven-year portion of the curve increased between 7 and 17 basis points, resulting in slightly negative returns. Farther out the curve, ten-year and thirty-year yields declined modestly, producing positive returns of 0.8% and 3.3%, respectively.

While the Treasury sector as a whole provided a 0.3% return, investment-grade corporate bonds declined -0.1% as spreads widened by 11 basis points. Among quality tiers, high quality outperformed low quality as AAA rated bonds lagged Treasuries by 6 basis points, while BBB rated issues lagged by 90 basis points. Further down the quality scale, High Yield bonds returned -1.9%, the largest quarterly loss in three years, and -203 basis points behind similar-duration Treasuries. Agency mortgage-backed securities rose 0.2% during the quarter, underperforming equivalent-duration Treasuries by -26 basis points as option-adjusted spreads widened by 4 basis points. At +27 basis points, agency mortgage spreads remain significantly below long-term averages, supported by the Federal Reserve's continued low interest rate policy and agency mortgage bond buying mandate. Mortgages will still be supported by the Fed even after the end of QE in October as the Fed will continue to reinvest principal and interest payments from its existing portfolio into additional agency mortgage-backed securities.

- **The Plan's fixed income segment returned -0.07% in the quarter, which underperformed the Barclays Aggregate return of 0.17%.**
 - The separately managed fixed income portfolio returned -0.02% which underperformed the benchmark.
 - The PIMCO Total Return Bond Fund gained -0.36% in the quarter, which placed it in the 80th percentile of Morningstar's Intermediate-Term Bond Universe. The Fund underperformed the BC Aggregate Index.

Alternative Investments

Alternative investments represented the top returning asset class for the Plan during the quarter, returning 2.31%. Performance was supported by the AQR Managed Futures Fund (+5.38%) and the Eaton Vance Global Macro Fund (+1.70%). The AQR Fund was bolstered by commodity, currency, and fixed income positions, while equity futures were a negative for the fund. Long positions in the dollar versus the Japanese yen and the Euro were especially beneficial. Commodity investments in corn, sugar, and wheat futures also aided performance. The Global Macro Fund also benefitted from long U.S. dollar investments versus the yen, Euro, and Swiss Franc. Additional gains came from long positions in the Sri Lankan Rupee and short positions in Russia credit. The Arbitrage Fund had a disappointing quarter, returning -0.23%. Leading up to the third quarter, there had been over \$1.83 trillion in deals announced this year, but recently some of the deals have been

cancelled due to controversies surrounding tax inversion strategies. The cancellation of some of these deals has caused deal spreads to widen, leading to short-term declines in many of the investments in the Arbitrage Fund.

While the 2.31% return from alternatives was a positive for the Plan on an absolute basis, this return lagged the Plan's benchmark, the HFRI Fund of Fund Market Defensive Index, return of 3.35%. This benchmark index is comprised of the monthly returns of 25 hedge fund managers, and is therefore somewhat concentrated, so occasionally the index will experience notable performance both positively and negatively. The majority of the strategies followed by the constituents of this index include trend following strategies (managed futures investing), short-selling strategies, and market neutral strategies. In the third quarter, several of these underlying strategies did particularly well. Short-biased managers had strong returns, on the back of modest gains in large-cap, and the declines in small-cap and mid-cap stocks. Moreover, significant gains in the quarter came from managers in this benchmark who practice trend following strategies, and especially those who focus on commodity managed futures trading.

- **The alternative investment segment returned 2.31% in the third quarter, which lagged the Hedge Fund Research Institute Market Defensive Index return of 3.35%.**
 - The Arbitrage Fund returned -0.23% in the quarter which ranked in the 47th percentile of Morningstar's market neutral universe.
 - The JP Morgan Research Market Neutral Fund returned 0.64%, which placed the Fund in the 30th percentile of the Morningstar market neutral universe.
 - The Eaton Vance Global Macro Absolute Return Fund posted a 1.70% return, which placed in the 5th percentile of the Morningstar non-traditional bond universe.
 - The AQR Managed Futures Fund's return of 5.38% ranked in the 34th percentile of Morningstar's managed futures fund universe.

Asset Allocation/Portfolio Transitions

No major changes took place to our asset allocation targets.

In August, we transitioned our mid-cap growth ETF, and purchased the Ivy Mid-Cap Growth Fund.

INVESTMENT STRATEGY

As of September 30, 2014

Tactical Asset Allocation

<u>Asset Class</u>	<u>% Portfolio Weighting</u>			<u>Rationale</u>
	<u>Target</u>	<u>Current Portfolio</u>	<u>Over/Under Weighting</u>	
Cash	1.0%	1.1%	0.1%	
Fixed Income	38.0%	36.4%	-1.6%	<ul style="list-style-type: none"> Fixed income is currently underweight versus the target allocation given our expectation of an increase in interest rates. Within fixed income the account is positioned defensively with an overweight to shorter-duration bonds; we expect this to help mitigate the impact of interest rates eventually moving higher
High Yield	0.0%	0.0%	0.00%	<ul style="list-style-type: none"> Our allocation to High Yield was eliminated in the second quarter of 2014. This position may be re-instituted as spreads have widened in the high yield market.
Alternatives	10.0%	11.3%	1.3%	<ul style="list-style-type: none"> The overweight allocation in alternatives seeks to mitigate the impact of a decline in the bond market, due to a potential rise in interest rates.
Real Estate (REITS)	4.0%	2.0%	-2.0%	<ul style="list-style-type: none"> We continue to maintain an underweight to REITs due to concerns about valuation, as well as the impact of a rising interest rate environment on the asset class.
Global Equity	7.0%	8.8%	1.8%	<ul style="list-style-type: none"> We maintain our overweight allocation to global equities. Valuations look more appealing overseas with the MSCI-EAFE Index trading at 14X forward earnings estimates, while also offering a 3% dividend yield. Emerging markets are trading at 11X next year's earnings. We maintain our tactical allocation to the Eurozone based on attractive valuations and an expectation that the Eurozone will emerge from their recession.
International (Developed)	9.0%	10.0%	1.0%	<ul style="list-style-type: none"> Despite the negative returns during the quarter, we maintain our overweight to international developed equities. The economic slowdown in Europe has led to attractive valuations relative to domestic equities that should benefit long-term investors: MSCI EAFE trades at 14X forward PE versus 17.8X for the Russell 1000, 7.8X Price/Cash Flow versus 10.9X, 1.6X Price/Book versus 2.5X, and 1.0X Price/Sales versus 1.7X.
International (Emerging)	0.0%	1.5%	1.50%	<ul style="list-style-type: none"> Valuations for the MSCI EM Index are at a 30% discount to the MSCI World Index. However, the trends of a stronger dollar, a tighter financing environment, and weaker commodity prices may weigh on emerging market stocks.
Total Domestic Equity	31.0%	28.9%	-2.1%	
Large Cap	17.0%	19.1%	2.1%	<ul style="list-style-type: none"> We maintain our overweight to large cap equities as valuations on a relative basis to mid- and small cap remains attractive.
Mid Cap	6.0%	4.4%	-1.6%	<ul style="list-style-type: none"> We maintain our underweight to mid-cap equities based on valuation concerns, with the Russell Mid-Cap Index trading at a 18.5X forward PE ratio.
Small Cap	8.0%	5.4%	-2.6%	<ul style="list-style-type: none"> We maintain our underweight to small cap equities based on valuation, however given the strong sell-off in the market in the most recent quarter, we may reverse this underweight allocation.

Asset Allocation	6/30/2014 Market Value	6/30/2014 % of Total	9/30/2014 Market Value	9/30/2014 % of Total	Target Allocation
Large Cap Equities					
Columbia Contrarian Core Z	6,811,357	4.6%	7,132,056	4.8%	-
Sentinel Common Stock I	4,651,005	3.1%	4,699,734	3.2%	-
T. Rowe Price Equity Income Fund	3,215,689	2.2%	3,269,943	2.2%	-
Loomis Sayles Value Fund	4,651,690	3.1%	4,819,515	3.3%	-
Harbor Capital Appreciation Instl	3,995,602	2.7%	4,121,952	2.8%	-
T. Rowe Price Growth Stock Fund	3,980,438	2.7%	4,103,278	2.8%	-
Total Large Cap Equities	27,305,781	18.4%	28,146,478	19.1%	17.0%
		<i>Range</i>		<i>Range</i>	13-32%
Mid Cap Equities					
TIAA-CREF Mid-Cap Value Instl	3,233,768	2.2%	3,289,792	2.2%	-
iShares Russell MidCap Growth Fund	3,242,072	2.2%	0	0.0%	-
Ivy Mid Cap Growth Fund I	-	0.0%	3,215,888	2.2%	-
Total Mid Cap Equities	6,475,840	4.4%	6,505,681	4.4%	6.0%
		<i>Range</i>		<i>Range</i>	2-10%
Small Cap Equities					
Columbia Small Cap Value Fund II	3,975,868	2.7%	3,925,980	2.7%	-
T. Rowe Price New Horizons Fund	3,965,077	2.7%	3,982,218	2.7%	-
Total Small Cap Equities	\$ 7,940,945	5.3%	\$ 7,908,198	5.4%	8.0%
		<i>Range</i>		<i>Range</i>	4-12%
International					
Nationwide Bailard Intl Equities Fund	4,279,837	2.9%	4,150,857	2.8%	-
Dodge & Cox International Stock Fund	4,616,839	3.1%	4,612,286	3.1%	-
MFS International Growth Fund	3,218,669	2.2%	3,066,841	2.1%	-
Schroder Emerging Market Equity	2,172,051	1.5%	2,163,672	1.5%	-
SPDR EURO STOXX50 ETF	2,834,185	1.9%	2,917,950	2.0%	-
Total International	\$ 17,121,580	11.5%	\$ 16,911,606	11.5%	9.0%
		<i>Range</i>		<i>Range</i>	4-16%
Global					
Templeton Global Opportunities A LW	12,854,133	8.7%	13,026,434	8.8%	-
Total Real Estate	\$ 12,854,133	8.7%	\$ 13,026,434	8.8%	7.0%
		<i>Range</i>		<i>Range</i>	4-12%
Real Estate					
Nuveen Real Estate Secs I Fund	2,863,034	1.9%	2,879,439	2.0%	-
Total Real Estate	\$ 2,863,034	1.9%	\$ 2,879,439	2.0%	4.0%
		<i>Range</i>		<i>Range</i>	0-8%

Asset Allocation	6/30/2014 Market Value	6/30/2014 % of Total	9/30/2014 Market Value	9/30/2014 % of Total	Target Allocation
Fixed Income					
Core Fixed Income Holdings	\$ 45,393,359	30.6%	46,384,556	31.5%	-
PIMCO Total Return Instl Fund	7,973,443	5.4%	7,262,196	4.9%	-
PIMCO High Yield Instl	0	0.0%	0	0.0%	-
Total Fixed Income	\$ 53,366,802	36.0%	\$ 53,646,752	36.4%	38.0%
		<i>Range</i>		<i>Range</i>	30-50%
Alternatives					
AQR Managed Futures I	\$4,678,744	3.2%	5,427,660	3.7%	-
Arbitrage I	\$2,878,072	1.9%	3,722,225	2.5%	-
Eaton Vance Gbl Macro Abs Ret I	\$5,003,274	3.4%	5,234,880	3.6%	-
JP Morgan Research Market Neutral I	\$1,801,091	1.2%	2,233,350	1.5%	-
Total Alternatives	\$ 14,361,181	9.7%	\$ 16,618,115	11.3%	10.0%
		<i>Range</i>		<i>Range</i>	5-20%
Cash					
Money Market	\$ 6,153,169	4.1%	1,562,338	1.1%	-
Total Cash	\$ 6,153,169	4.1%	\$ 1,562,338	1.1%	1.0%
		<i>Range</i>		<i>Range</i>	0-5%
TOTAL	\$ 148,442,465	100.0%	\$ 147,205,042	100.0%	100.0%

Investment Summary

Period Ending September 30, 2014

Investment Summary		Third Quarter
Beginning Value	\$	149,018,588.16
Net Contributions/Withdrawals		-40,479.81
Fees Deducted		-41,375.68
Income Received		606,380.54
Market Appreciation		-2,007,895.99
Net Change in Accrued Income		-41,009.92
Ending Market Value	\$	147,494,207.30

Selected Period Performance
PARS/COUNTY OF CONTRA COSTA PRHCP
Account 6746038001
Period Ending: 09/30/2014

Sector	3 Months	Year to Date (9 Months)	1 Year	2 Years	3 Years	Inception to Date (44 Months)
Cash Equivalents	.01	.02	.02	.02	.02	.02
<i>iMoneyNet, Inc. Taxable</i>	<i>.00</i>	<i>.01</i>	<i>.01</i>	<i>.02</i>	<i>.02</i>	<i>.02</i>
Fixed Income ex Funds	-.02	3.37	3.63	1.16	2.98	4.25
Total Fixed Income	-.07	3.39	3.67	1.44	3.72	4.38
<i>BC US Aggregate Bd Index</i>	<i>.17</i>	<i>4.10</i>	<i>3.96</i>	<i>1.10</i>	<i>2.43</i>	<i>3.76</i>
Total Equities	-2.35	2.74	11.42	15.60	19.64	10.37
Large Cap Funds	.39	5.66	16.88	19.91	23.06	13.06
<i>Russell 1000 Index</i>	<i>.65</i>	<i>7.97</i>	<i>19.01</i>	<i>19.95</i>	<i>23.23</i>	<i>14.79</i>
Mid Cap Funds	-2.20	3.35	11.19	17.58	20.28	11.36
<i>Russell Midcap Index</i>	<i>-1.66</i>	<i>6.87</i>	<i>15.83</i>	<i>21.72</i>	<i>23.79</i>	<i>14.22</i>
Small Cap Funds	-5.29	-1.16	7.42	20.36	24.08	13.27
<i>Russell 2000 Index</i>	<i>-7.36</i>	<i>-4.41</i>	<i>3.93</i>	<i>16.26</i>	<i>21.26</i>	<i>11.35</i>
REIT Funds	-2.82	14.02	13.67	9.07	16.36	9.73
<i>Wilshire REIT Index</i>	<i>-3.07</i>	<i>14.46</i>	<i>13.51</i>	<i>9.31</i>	<i>16.53</i>	<i>10.59</i>
International Equities	-4.04	.18	7.23	12.90	15.21	5.97
<i>MSCI EAFE Index</i>	<i>-5.88</i>	<i>-1.38</i>	<i>4.25</i>	<i>13.59</i>	<i>13.65</i>	<i>5.56</i>
<i>MSCI EM Free Index</i>	<i>-3.49</i>	<i>2.43</i>	<i>4.30</i>	<i>2.63</i>	<i>7.19</i>	<i>-.30</i>
Alternatives	2.31	1.42	4.40			
<i>HFRI FOF Market Def</i>	<i>3.35</i>	<i>3.39</i>	<i>5.51</i>	<i>1.06</i>	<i>-.06</i>	<i>-1.11</i>
Total Managed Portfolio	-.97	2.71	7.28	8.47	11.64	6.93
<i>County of Contra Costa</i>	<i>-.96</i>	<i>4.12</i>	<i>8.15</i>	<i>9.14</i>	<i>11.34</i>	<i>7.68</i>

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 September 30, 2014

LARGE CAP EQUITY FUNDS											
Fund Name	Inception	3-Month Return	Rank	YTD Return	Rank	1-Year Return	Rank	3-Year Return	Rank	5-Year Return	Rank
Sentinel Common Stock I	(7/13)	1.05	23	6.27	60	16.03	64	21.41	59	14.64	41
Columbia Contrarian Core Z	(7/13)	1.55	8	7.86	28	19.20	26	24.73	9	16.10	10
T. Rowe Price Equity Income		-1.68	86	4.34	87	13.44	87	21.16	60	13.84	47
Harbor Capital Appreciation Instl		1.91	22	6.46	33	19.17	18	22.00	40	15.70	28
Loomis Sayles Value Fund	(7/11)	0.04	29	6.68	50	18.27	22	24.87	7	14.28	37
T. Rowe Price Growth Stock		1.56	30	4.34	69	16.82	44	23.86	13	16.90	11
Idx: Russell 1000		0.65	--	7.97	--	19.01	--	23.23	--	15.90	--
MID CAP EQUITY FUNDS											
TIAA-CREF Mid-Cap Value Instl		-2.77	38	6.50	20	15.54	27	22.73	51	15.27	49
Idx: Russell Mid Cap Value		-2.65	--	8.20	--	17.46	--	24.72	--	17.24	--
Ivy Mid Cap Growth I	(5/14)	-2.10	49	1.73	52	8.96	61	19.38	62	15.46	40
Idx: Russell Mid Cap Growth		-0.73	--	5.73	--	14.43	--	22.74	--	17.12	--
SMALL CAP EQUITY FUNDS											
Columbia Small Cap Value II Z		-6.79	42	-2.02	38	6.44	48	22.98	23	14.85	20
Idx: Russell 2000 Value		-8.58	--	-4.74	--	4.13	--	20.61	--	13.02	--
T. Rowe Price New Horizons		-3.77	13	-0.82	12	7.81	14	25.12	2	20.99	1
Idx: Russell 2000 Growth		-6.13	--	-4.05	--	3.79	--	21.91	--	15.51	--
INTERNATIONAL EQUITY FUNDS											
Dodge & Cox International Stock		-2.71	3	4.97	1	13.19	1	18.70	2	9.38	4
Nationwide Baird Intl Eqs InSvc		-4.86	23	-0.84	30	7.68	6	14.95	15	7.21	27
MFS International Growth I		-6.55	78	-3.00	58	0.11	74	11.93	70	7.41	53
Templeton Global Opportunities ALW		-3.69	66	-0.18	81	8.25	71	17.24	46	8.08	85
Idx: MSCI EAFE		-5.88	--	-1.38	--	4.25	--	13.65	--	6.56	--
Idx: MSCI ACWI		-2.30	--	3.73	--	11.33	--	16.61	--	10.07	--
Schroder Emerging Market Equity	(11/12)	-3.62	46	-0.08	74	1.87	78	8.31	42	4.09	50
Idx: MSCI Emerging Markets		-3.49	--	2.43	--	4.30	--	7.19	--	4.42	--
SPDR EURO STOXX 50 ETF	(6/14)	-7.57	53	-2.34	73	7.18	50	15.70	56	3.04	100
REIT EQUITY FUNDS											
Nuveen Real Estate Secs Y		-2.84	31	15.25	5	14.10	17	16.64	18	16.29	7
Idx: Wilshire REIT		-3.07	--	14.46	--	13.51	--	16.53	--	16.02	--
BOND FUNDS											
Fixed Income Portfolio		-0.02	44	3.37	77	3.63	71	2.98	61	--	--
Pimco Total Return Inst'l		-0.36	80	3.33	79	3.29	78	4.57	20	5.07	39
BarCap US Aggregate Bond		0.17	--	4.10	--	3.96	--	2.43	--	4.12	--
ALTERNATIVE FUNDS											
Arbitrage I	(7/13)	-0.23	47	0.62	51	1.23	54	1.29	50	2.01	40
AQR Managed Futures	(7/13)	5.38	34	-0.09	65	7.32	38	3.12	6	--	--
Eaton Vance Gbl Macro Abs Ret	(7/13)	1.70	5	2.61	34	3.68	43	2.41	72	2.54	75
JPMorgan Research Market Neutral Instl	(7/13)	0.64	30	2.53	24	3.48	28	1.98	41	0.36	58

Data Source: Morningstar, SE 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.