

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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August 12, 2010

The Board of Retirement met in special session at 9:00 a.m. on Thursday, August 12, 2010 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Terry Buck, Richard Cabral, Brian Hast, Jerry Holcombe, William J. Pollacek, Jerry Telles, Maria Theresa Viramontes.

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Silvina Leroux, Retirement Deputy Chief Executive Officer; Cary Hally, Retirement Chief Investment Officer; Karen Levy, General Counsel.

Outside Professional Support:	Representing:
Bob Helliesen	Milliman
Tim Price	Milliman

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Christina Dunn	CCCERA Staff
Justine Oyler	CCCERA Staff
Chi-Chi Chu	CCCERA Staff
David Merjan	William Blair & Company
Wally Fikri	William Blair & Company
Kave Sigaroudinia	Baillie Gifford
Larysa Bemko	Baillie Gifford
Rajiv Jain	Vontobel Asset Management
Peter Newell	Vontobel Asset Management
John Hauswirth	Vontobel Asset Management
Vincent Willyard	USB Global Asset Management
Mary Tritley	USB Global Asset Management
Joseph Devine	USB Global Asset Management

1. Pledge of Allegiance

Buck led all in the *Pledge of Allegiance*.

2. Public Comment

No members of the public offered comment.

3. International Growth Equity Investment Manager Presentations

Introduction and Overview by Milliman

Helliesen discussed the RFP screening process as Milliman conducted the search for an international growth equity manager. He gave an overview of each of the four managers to be interviewed. Price added they focused their search on international growth

products with clearly defined investment processes that would serve as reasonable complements to *GMO*.

William Blair & Co. - Wally Fikri and David Merjan

Fikri introduced Merjan and gave an overview of the firm, noting they have been in Chicago for 75 years and are 100% employee owned. The International team has been together for 14 years with only 1 departure. He reviewed their asset base, client list and Global Equity research team.

Merjan reported their philosophy is quality growth which first looks at management, then competitive position (product, market position, service), and then financial performance. He further reviewed their decision process that creates a research eligibility list and meets the fundamental growth and quality criteria applicable to all of their holdings. He also reviewed their stock selection processes with minimum and maximum ranges by geographic area, sector and capitalization. He added they have a consistent track record over a long period of time with relatively good performance in down markets.

Fikri reviewed the fee schedule noting it is the same schedule for all international clients.

Baillie Gifford - Kave Sigaroudinia and Larysa Bemko

Bemko gave an overview of the firm stating they are a very stable, consistent firm with 35 partners who actively run the firm. They have \$86 billion in assets and are based in Scotland. She reviewed a representative client list, their investment professionals, and their years of experience with the firm. She summarized the Baillie Gifford partnership structure, the focus on long term investments, building portfolio's that are truly different and the 102 years of investment practice.

Sigaroudinia reviewed their investment philosophy and the portfolio construction group stating they are a very diverse group. He reviewed how stocks get into the portfolio, indicating they are constantly scrutinizing firms. They look at industry background, competitive advantage, financial strength and management attitudes. He further stated they invest in high quality companies and do reasonably well in up and down markets.

Bemko concluded by stating they are regulated by all UK regulators and by the SEC here in the United States.

Vontobel Asset Management - Rajiv Jain, Peter Newell, John Hauswirth

Prior to their presentation, Vontobel waived the confidentiality disclaimer on the presentation materials, noting this is a public meeting and any information discussed will be available to the public.

Hauswirth gave an overview of the firm stating it is majority owned by the Vontobel family. He noted the key features of their firm: organizational stability, focus on high quality growth, experienced professionals and discipline. They don't manage bonds or hedge products. He reviewed their clients and their current assets.

Newell reviewed their philosophy and objectives: to manage expectations, achieve investment objectives and align interests with their investors. He also reviewed the characteristics of the companies they own and their investment team.

Jain reviewed their portfolio characteristics and performance by sector and by country.

Hauswirth concluded by reviewing their fee schedule stating they are open to discussion on fees.

USB Global Asset Management - Vincent Willyard, Joseph Devine, Mary Tritley

Tritley began by stating USB Global runs as a boutique fund out of San Diego.

Willyard gave an overview of their team, investment philosophy and style. He stated the objectives of USB Global are to seek to outperform MSCI EAFE index by 300-500 basis points per year. Their competitive advantage is critical to understand process, research, buying and selling. He described their investment process including buy and sell discipline, as well as reviewing their risk management techniques.

He concluded by reviewing their fee structure, indicating their fees are negotiable.

4. Consider and take possible action on International Growth Equity Investment Manager(s)

The Board discussed the presenting manager firms. It was *M/S/C* to engage William Blair & Co., subject to contract and fee negotiations, a successful onsite visit and to authorize the Chief Executive Officer to sign any necessary documents. (Yes: Buck, Cabral, Hast, Holcombe, Pollacek, Telles, Viramontes)

5. Miscellaneous

(a) Staff Report -

Leedom noted there is a conflict with meeting dates and the Fidelity Limited Partners meeting in October. Staff was directed to agendaize this meeting for a potential change of dates.

(b) Outside Professionals' Report -

None

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(c) Trustees' Comments -

None

It was *M/S/C* to adjourn the meeting. (Yes: Buck, Cabral, Hast, Holcombe, Pollacek, Telles, Viramontes)



Jerry Telles, Chairman



Brian Hast, Secretary