



Employees' Retirement Association
1355 willow way suite 221 concord ca 94520
925.521.3960 fax 925.646.5747

RETIREMENT BOARD MEETING
FIRST MONTHLY MEETING

9:00 a.m.
May 8, 2013

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

*****AMENDED*****

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Approve minutes from the March 21 and March 27, 2013 meetings.
4. Routine items for May 8, 2013.
 - a. Approve certifications of membership.
 - b. Approve service and disability allowances.
 - c. Accept disability applications and authorize subpoenas as required.
 - d. Approve death benefits.
 - e. Accept Asset Allocation Report

CLOSED SESSION

- ** 5. The Board will go into closed session under Gov. Code Section 54957 to consider recommendations from the Medical Advisor and/or staff regarding the following disability retirement applications:

	<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a.	Lamont Mellor	Service Connected	Service Connected
b.	Lisa Rheuby	Service Connected	Service Connected

6. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(a) to confer with legal counsel regarding existing litigation (two cases):
- a. *Board of Retirement v. County of Contra Costa, et al.*, Alameda County Superior Court, Case No. RG11608520.

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

- b. *Contra Costa County Deputy Sheriffs Association, et al., v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. N12-1870.
- c. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(b) to confer with legal counsel regarding potential litigation.

OPEN SESSION

- 7. Consider and take possible action on review of CCCERA real estate investments.
- 8. Review of Budget vs. Actual for 2012.
- 9. Consider authorizing the attendance of Board and/or staff:
 - a. Annual Meeting, Paladin, June 11, 2013, Washington D.C.
 - b. Investment Management Program, SACRS, July 28 – 31, 2013, Berkeley, CA.
 - c. Trustees' Roundtable, CALAPRS, June 14, 2013, Burbank, CA.
 - d. Program for Advanced Trustee Studies, NCPERS, August 19 – 21, 2103, Harvard Law School, Cambridge, MA.
 - e. Advanced Investments Management, IFEBP, September 8 – 12, 2103, Philadelphia, PA.
- 10. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

The Board of Retirement met in special session at 9:00 a.m. on Thursday, March 21, 2013 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Debora Allen, Terry Buck, Richard Cabral, Brian Hast, Jerry Holcombe, John Phillips, Gabe Rodrigues, Jerry Telles, Maria Theresa Viramontes and Russell Watts

Absent: John Gioia and Sharon Naramore

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Kurt Schneider, Retirement Deputy Chief Executive Officer; and Timothy Price, Retirement Chief Investment Officer

Outside Professional Support:	Representing:
Bob Helliesen	Milliman
Marty Dirks	Milliman

Other Attendees:	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Luz Casas	CCCERA Staff
Chih-Chi Chu	CCCERA Staff
Christina Dunn	CCCERA Staff
Joelle Luhn	CCCERA Staff
Justine Rossini	CCCERA Staff
Reid Liffmann	Angelo Gordon
Aliana Spungen	Angelo Gordon
Michael Keough	Siguler Guff
James Corl	Siguler Guff
Nestor Weigand	Siguler Guff
Max Swango	Invesco Real Estate
Jay Hurley	Invesco Real Estate
Ambrose Fisher	Oaktree Capital Management
Mati Adler	Oaktree Capital Management
Russ Romero	Oaktree Capital Management
Michael Elizondo	Long Wharf Real Estate Partners
Jeff Gandel	Long Wharf Real Estate Partners

1. Pledge of Allegiance

Telles led all in the *Pledge of Allegiance*.

2. Public Comment

No members of the public offered comment.

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3. Discussion with consultant and staff regarding managers scheduled to present

Price gave an overview of the managers scheduled for presentations.

Helliesen reviewed the performance of the managers scheduled for presentations.

4. Manager Presentations:

Angelo Gordon - Reid Liffmann, Aliana Spungen

Spungen gave an overview of the privately held firm, noting they were founded in 1988, are privately held and have been investing in real estate since 1993. She noted that Angelo Gordon's products include alternative investments, real estate, debt, opportunistic funds, and net lease products.

Reed reviewed the economic outlook, noting growth is slow and thus underwriting is conservative. He stated the pricing of real estate asset markets has rebounded.

Spungen reviewed the status of Realty Fund VIII stating the Fund has raised \$1.265 billion with CCCERA committing \$80M. She noted leverage is currently tracking at 52%. Spungen reviewed an unaudited transactions list as of 12/31/12.

Reed reviewed properties that were recently acquired.

Siguler Guff - Michael Keough, James Corl, Nestor Weigand

Keough reviewed CCCERA's investment in the Distressed Real Estate Opportunities Fund (DREOF) noting the Fund is almost fully committed. There is an estimated net IRR of 8.3% for the DREOF as of December 31, 2012.

Cabral was present for subsequent discussion and voting.

Corl reported all of the strategies are performing well. He reviewed the gap between core real estate and opportunistic properties, along with the upcoming schedule of commercial real estate debt maturities. He also reviewed the distressed commercial real estate opportunity cycle noting the structure is very flexible. Corl reviewed the manager profiles that were used to construct CCCERA's portfolio.

Weigand reviewed two investments in the Fund, the NYC Office-Focused Sharpshooter Fund and the Southeast Warehouse Specialist Fund & Joint Venture fund.

Corl reviewed a Non-Performing Construction Loan Workout Fund.

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Long Wharf Real Estate Partners - Michael Elizondo, Jeff Gandel

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

Gandel gave an overview of the firm, noting they became fully independent from Fidelity Real Estate Group in July 2011. They are 100% employee-owned and have approximately \$800 million in assets under management. He reported CCCERA invested \$50 million in Fidelity Real Estate Growth Fund II (FREG II) and \$75 million in Fidelity Real Estate Growth Fund III (FREG III).

Elizondo reviewed the organizational chart and noted the additions to the team.

Gandel gave an overview of FREG II. He reviewed invested equity by year, noting 25% of the proceeds are yet to be realized. He stated their priority is to maximize the proceeds of the remaining portfolio and realize the assets as quickly as possible. He reported the Net Operating Income (NOI) grew by 10% from 2011 to 2012. He also reported there will be no management fees (or fees of any kind) to be charged in 2013 on FREG II.

He reviewed current sector exposures and the top 5 assets in the fund. He also reviewed the projected timetable for selling the remaining assets.

Gandel reviewed the changes from inception to new investments in FREG III. He also reviewed the current status of the first part of the Fund noting it is similar to FREG II.

Elizondo reviewed current market conditions, current investment strategy and market and sector focus noting they are more focused on office and retail investments. He also reviewed the investment transactions from 2010-2012.

Gandel reviewed the next 3 year projected distributions from FREG II and FREG III to CCCERA.

INVESCO Real Estate - Max Swango, Jay Hurley

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

Swango gave an overview of the firm. He reviewed CCCERA's portfolio and exposures by country. He also reviewed yields from global REIT's.

Hurley gave an overview of Fund I noting they have made a total of 15 investments to date and there are 3 investments remaining, the largest being an apartment building. The Fund distributed \$22 million at the end of 2012 and expects 2.5% gross IRR in 2014 when the Fund is completed.

Hurley gave an overview of Fund II, noting there is just under 3 years until the Fund reaches maturity. There are extension options but they do not intend to use them. He reported 16 investments have been

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made, 12 are currently held and 6 are in the process of being liquidated. He also reported this will be a very active distribution year for CCCERA.

Swango reported they are currently raising capital for Fund III and there is a final close date of July 1, 2013.

Oaktree Capital Management - Ambrose Fisher, Mati Adler, Russ Romero

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

Ambrose gave an overview of Fund V noting the Fund has earned a gross return of 18.2% year to date and a 9.5% net IRR since inception. He reviewed the portfolio characteristics including asset type, investment categories, geographic exposure and property types. He noted there are 80 investments in the Fund and the Fund is fully invested. He reviewed the top 10 holdings based on long market value.

Adler gave an overview of Fund VIII noting the Fund has earned a gross return of 23.0% year to date and a gross return of 14.7% IRR since inception. He reviewed the top holdings based on long market value.

Adler gave an overview of Mezzanine Fund III noting the Fund began on March 15, 2010 and will close out in 2013. He stated 2012 was a very good year for middle market buyout. He noted 35% of invested capital has been committed and the Fund has been drawn down almost 70%. He also reviewed the portfolio performance and characteristics.

Watts was no longer present for subsequent discussion and voting.

5. Miscellaneous

(a) Staff Report -

Leedom reported she, Price, Allen, Buck and Youngman attended an on-site visit with INTECH and was impressed and optimistic about the new INTECH structure. They also met with Emerald and felt very positive with their investments this year.

Schneider reported there will be an update on pay items at the first meeting in April.

Price echoed Leedom's comment on the INTECH on-site visit and added that the Princeton office of INTECH was primarily research and development and would like to be more active in the investment side.

(b) Outside Professionals' Report -

Helliesen reported they no longer have the Merced Retirement System as a client but have added the Modesto Water District as a client.

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(c) Trustees' Comments -

Buck felt the Princeton office of INTECH is quieter than the West Palm Beach office and may allow the research staff to have a work environment conducive to research.

Allen felt the INTECH environment provides a relaxed way of life.

Cabral questioned if the recent ban on retiree's returning to work is being enforced. Leedom stated she will look into it. Schneider stated it is up to the employer to enforce.

Viramontes reported she received a letter from the County Administrator's Office stating their preference to not phase-in the increased contribution rates effective July 1, 2013 due to the implementation of the lowered assumed rate of return.

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

Maria Theresa Viramontes, Chairman

John B. Phillips, Secretary

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Meeting Date
05/08/13
Agenda Item
#3

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March 27, 2013

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, March 27, 2013 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Debora Allen, Terry Buck, Richard Cabral, John Gioia, Brian Hast, Jerry Holcombe, Sharon Naramore, John Phillips, Jerry Telles, Maria Theresa Viramontes and Russell Watts

Absent: Gabe Rodrigues

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Kurt Schneider, Retirement Deputy Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; and Vickie Kaplan, Retirement Accounting Manager

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Paul Angelo	The Segal Company
John Monroe	The Segal Company

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Karen Davis	CCCERA Staff
Christina Dunn	CCCERA Staff
Jessica Huffman	CCCERA Staff
Joelle Luhn	CCCERA Staff
Justine Rossini	CCCERA Staff
Lisa Driscoll	County Administrators Office
Laura Strobel	County Administrators Office
Paul Louis	Retiree
Todd Smithey	Central Contra Costa Sanitary District
Michelle Johnston	Auditor-Controller's Office
Joanne Bohren	Auditor-Controller's Office
Lori Epstein	Auditor-Controller's Office
Marie Rulloda	Auditor-Controller's Office
Thea Vassallo	Central Contra Costa Sanitary District
Vito Impastato	Local 1230
Gloriann Sasser	San Ramon Valley Fire District
Robert Leete	San Ramon Valley Fire District
Bill Cullen	Retiree
Jackie Lorrekovich	Contra Costa County Fire District
Sue Casey	Moraga-Orinda Fire District
Pat Pattersen	RSG of Contra Costa County
John Bartel	First 5 Contra Costa
Haj Nahal	Auditor-Controller's Office
Ray Waletzko	Contra Costa Mosquito & Vector Control
Marnie Huddleston	First 5 Contra Costa

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Ken Westermann	Deputy Sheriff's Association
Rollie Katz	Local 1
Sean Casey	First 5 Contra Costa
Jacqueline Rhoades	Institutional Shareholder Services
Fassil Michael	Institutional Shareholder Services

1. Pledge of Allegiance

Buck led all in the *Pledge of Allegiance*.

2. Public Comment

No members of the public offered comment.

3. Presentation from The Segal Company on Actuarial Funding Policy

Angelo reported one of the reasons for reviewing and discussing CCCERA's Actuarial Funding Policy relates to the Governmental Accounting Standards Board (GASB) recently adopting Statements No. 67 and 68 that substantially revise financial reporting requirements for governmental pension plans and their sponsors. The revisions are for accounting purposes, not funding, but are instructive for funding policies.

He reported that in 2009 the CCCERA Board did a comprehensive review of the Actuarial Funding Policy components. He reviewed the Actuarial Cost Method, the Asset Smoothing Method, and the Unfunded Liability Amortization Policy, noting they will not be recommending changes to the Actuarial Cost Method or the Asset Smoothing Method. He also reviewed the general policy objectives, funding policy recommendations, asset smoothing methods and income smoothing methods. He reviewed asset smoothing and the Market Value of Assets (MVA) corridor, noting smoothing manages market volatility.

Angelo reviewed the amortization policy and the sources of the unfunded liability. He recommends no changes to current Unfunded Accrued Actuarial Liability (UAAL) layers already established as of December 31, 2011.

He recommended three changes to the current funding policy. The first change Segal recommended would be to adopt a shorter amortization period for plan amendments for a period not to exceed 15 years. He also recommended using a shorter amortization period for Golden Handshakes or early retirement incentive type programs (ERIP) of up to 5 years along with a statement that a recommendation by the actuary to the Board on the amortization period be included as part of the required actuarial cost study for any such ERIP. After discussion about amortizing a surplus as a credit to the contribution requirement and pointing out that PEPR Section 7522.52 could be interpreted to mean no such credit is allowed, the final recommendation is to increase the amortization period for any actuarial surplus from 18 years to 30 years, if allowed under the law. He noted these recommendations apply to future changes in the UAAL and there would not be an impact on current UAAL layers or current contribution rates.

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Bill Cullen, retiree, asked if the recommended plan amendments could be paid for with excess earnings. Angelo confirmed that would be discussed separately since these changes would affect benefits that are funded by future contributions.

The Board discussed "contribution holidays", and the pay down of UAAL. He noted the UAAL is paid for through employer contributions and investment earnings and is not part of the employee contributions.

4. Presentation from The Segal Company regarding projected five year employer contribution rates based on the changes to economic assumptions

Monroe reported Segal has updated their five-year projection of estimated employer contribution rate changes for CCCERA. He stated the projection is derived from the December 31, 2011 actuarial valuation results and incorporates an estimated gross market value investment return of 14.1% for the 2012 calendar year. The rate changes include the asset gains and losses that are funded as a level percentage of the Association's total active payroll base as well as contribution increases from the changes in economic assumptions starting with the December 31, 2012 valuation. He noted the rate change projections are for the period beginning 18 months after the December 31, 2012 actuarial valuation.

He reviewed the assumptions and methods used to estimate the contribution rates as well as the projected contribution rates.

Lisa Driscoll, County Administrators Office, read a letter from the Board of Supervisors requesting that the CCCERA Board implement the entire contribution rate change resulting from decreasing the investment return assumption from 7.75% to 7.25% in the first year, rather than phasing in the new economic impacts over several years.

Jackie Lorrekovich, Contra Costa County Fire District, stated she was not speaking on behalf of the Fire District's governing board although their board has made the same recommendation as the County. She spoke to the impact of the assumption rate change stating their rates will increase an estimated 19.77% on a small amount of payroll which will have a direct impact on service reductions.

Leedom reported on the timeframe noting the triennial study will be completed in May and the annual actuarial valuation will be presented to the Board in late August/early September. The final decision to approve the July 1, 2014 rates will be in the fall.

Cabral was not present for subsequent discussion and voting.

5. Request from First Five Contra Costa regarding payment of their Unfunded Actuarial Accrued Liability (UAAL)

Sean Casey, Executive Director of First Five Contra Costa, gave an overview of the organization. He stated they are an independent public agency, fully funded by a tobacco tax. The organization's funding is decreasing at approximately 3% per year and the revenue continues to drop.

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March 27, 2013

First Five is proposing a \$2 million payment towards their unfunded liability in exchange for a reduction in the amortization payment based on an 11 year level dollar amount at 7.75%.

Gioia was not present for subsequent discussion and voting.

The Board discussed whether it is appropriate to grant the exception for this employer as compared to the other employers who have previously made UAAL prepayments or those that may make future UAAL prepayments.

Angelo stated the Board can outline in their funding policy a provision that addresses how to collect UAAL from an employer that is in a similar situation.

It was **M/S/C** to approve the request from First Five and allow a \$2 million prepayment towards their Unfunded Actuarial Accrued Liability (UAAL), with a level dollar amortization method, subject to legal review. (Yes: Allen, Buck, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)

Cabral was present for subsequent discussion and voting.

6. Presentation from Institutional Shareholder Services (ISS) on Proxy Voting Guidelines - Jacqueline Rhoades, Fossil Michael

Price gave an overview of proxy voting, noting the staff recommendation to move away from the using CCCERA's individual proxy voting guidelines and move forward with one of the ISS benchmark policies.

Rhoades reviewed ISS's policy formulation process and the benefits of ISS's benchmark policies, noting their guidelines are updated on an annual basis. ISS also solicits feedback annually with a policy survey followed by roundtable discussions that strike the right balance between shareholder interests and economic practicality.

Michael compared current CCCERA policies to both the ISS Public Fund policy and the ISS Benchmark policy.

7. Staff recommendation for changes to Proxy Voting Guidelines

The Board discussed Dodd Frank legislation requirements, noting there have been new rules written that pertain directly to plan sponsors, specifically in the areas of corporate governance and disclosure.

Price stated CCCERA's current guidelines are not specific or comprehensive enough to comply with the Dodd Frank requirements and we lack the staff necessary to stay fully apprised of the new rules. Staff believes this role is best outsourced to an expert in the field, such as ISS. The advantage of the ISS guidelines is that they encompass additional issues and their language is much more specific. The projected cost savings is approximately \$5,000 per year. The total paid last year was \$40,000.

It was **M/S** to adopt the Benchmark set of proxy voting guidelines offered by Institutional Shareholder Services (ISS).

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After a lengthy discussion on the differences between ISS Benchmark and ISS Public Fund proxy voting guidelines, the question was called.

It was **M/S/C** to call for the question. (Yes: Allen, Hast, Holcombe and Phillips, Telles and Watts. No: Buck, Cabral, Viramontes).

It was **M/S** to adopt the Benchmark set of proxy voting guidelines offered by Institutional Shareholder Services (ISS) (Yes: Allen, Hast, Holcombe, Phillips. No: Cabral, Telles, Watts. Abs: Buck, Viramontes) Motion failed.

It was **M/S/C** to adopt the Public Fund Policy set of proxy voting guidelines offered by Institutional Shareholder Services (ISS). (Yes: Allen, Buck, Cabral, Hast, Holcombe, Phillips, Telles, Viramontes and Watts)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54956.9(a) (two cases) and Govt. Code Section 54956.9(b)(1) (one case).

The Board moved into open session.

8a. There was no reportable action related to Govt. Code Section 54956.9(a).

8b. There was no reportable action related to Govt. Code Section 54956.9(a).

9. There was no reportable action related to Govt. Code Section 54956.9(b)(1).

Hast was not present for subsequent discussion and voting.

10. Miscellaneous

(a) Staff Report -

Leedom gave an update on the status of elections for Board members whose terms are expiring on June 30, 2013.

She reported pay code items will be presented at the April 10, 2013 meeting.

Schneider reported the DSA has asked for clarification on the retirement tier for DSA staff if hired in August but not members of CCCERA until April after completing the academy and being sworn in. He stated legal will review this.

(b) Outside Professionals' Report -

None

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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March 27, 2013

(c) Trustees' Comments -

Holcombe reported an article on CCCERA in the Central Contra Costa Sanitary District newsletter (The Pipeline) contains incorrect information. Leedom stated she has had a conversation with Central Contra Costa Sanitary District.

Telles expressed his concern with not having a process for situations when there is not a candidate for the alternate retiree position on the CCCERA Board

He attended the onsite visit to WHV Investments and feels confident with the new CEO, noting our investment team has not changed.

Naramore stated the alternate retiree position is unlike the other alternate positions as they can only vote for the retiree trustee. The alternate retiree position also can only apply for either the alternate position or the retiree position, not both. She stated she has enjoyed her time on the Board and feels the process should be changed.

Viramontes reported she and Rodrigues attended Manatt's 2013 Public Pension Fiduciary Forum and felt it was a great conference.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Buck, Cabral, Holcombe, Phillips, Telles, Viramontes and Watts)

Maria Theresa Viramontes, Chairman

John Phillips, Secretary

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Meeting Date
05/08/13
 Agenda Item
#4

BOARD OF RETIREMENT

Page 1

May 8, 2013

Items requiring Board Action

- A. Certifications of Membership – see list and classification forms.
- B. Service and Disability Retirement Allowances:

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Group</u>	<u>Selected</u>
Abundis, Marcelino	34656	03/29/13	SR	I	Unmod
Anicete, Bernardo	63395	03/01/13	SR	II & III	Unmod
Benitez, Sandra	32864AP	10/02/12	SR	I, II & III	Unmod
Bolton, Jeanne	67256	02/21/13	SR	III	Unmod
Briseno, Victoria	34639	12/29/12	SR	II & III	Unmod
Coleman, Ronald	65291	02/01/13	SR	III	Opt 2
Commiskey, Michael	54151	02/25/13	SR	SA & II	Opt 1
Constantino, Cynthia	67159	03/01/13	SR	I	Unmod
Farrell, Ann	D3406	02/16/13	SR	I	Unmod
Gorman, Monalisa	46691	03/01/13	SR	II & III	Unmod
Griffith, Sally	61198	02/27/13	SR	II & III	Unmod
Kitchen, Carolyn	48968	12/29/12	SR	III	Unmod
Leppert, Kathryn	57079	12/29/12	SR	III	Unmod
Lopez, Marvin	61123	02/05/13	SCD	SA	Unmod
Luebke, James	48935	02/01/13	SR	SA	Unmod
Marek, Tatiana	51690	03/30/13	SR	II & III	Unmod
McPherson, Stacy	52052	10/06/12	SCD	SA	Unmod
Miller, Tina	D3406	02/16/13	SR	I	Unmod
Poggensee, Pamela	45344	12/15/13	SR	II & III	Unmod
Poole, Judith	41316	12/29/12	SR	III	Unmod
Price, Neal	49513	02/23/13	SR	SA	Unmod
Silverman, Debra	65373	03/23/13	SR	I	Unmod
Smith, Ricardo	D3406	02/22/13	SR	I	Unmod
Stanley, Connie	62069	03/07/13	SR	III	Unmod
Swan, Edward	42664	03/29/13	SR	I	Unmod
Thompson, Janice	28423	03/27/13	SR	I	Unmod
Wintermeyer, Jon	D9500	03/02/13	SR	III	Unmod
Worden, Jackie	D9500	02/28/13	SR	III	Unmod

Disability Retirement Applications: The Board's Hearing Officer is hereby authorized to issue subpoenas in the following cases involving disability applications:

<u>Name</u>	<u>Number</u>	<u>Filed</u>	<u>Type</u>
None			

KEY:

Group
 I = Tier I
 II = Tier II
 III = Tier III
 S/A = Safety Tier A
 S/C = Safety Tier C

Option
 * = County Advance
 Selected w/option

Type
 NSP = Non-Specified
 SCD = Service Disability
 SR = Service Retirement
 NSD = Non-Service Disability

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BOARD OF RETIREMENT

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May 8, 2013

Deaths:

<u>Name</u>	<u>Date of Death</u>	<u>Employer</u>
Alyard, John	03/28/13	Contra Costa County
Brownson, Howard	04/19/13	Contra Costa County
Bulna, Edward	04/13/13	Contra Costa County
Celestin, Jeanette	03/27/13	Contra Costa County
Delgado, Genevieve	03/19/13	Beneficiary
Fraser, Julijona	04/10/13	Contra Costa County
Huffman, Virginia	04/20/13	Contra Costa County
Meek, Butonne	01/31/13	Beneficiary
Nydegger, Patricia	04/08/13	Contra Costa County
Recktenwald, Mae	04/24/13	Contra Costa County
Robles, Bernard	04/15/13	San Ramon Valley Fire Dist.
Schooley, Robert	04/19/13	Beneficiary
Schwartz, Henry	04/11/13	Contra Costa County
Smith, Marvin D.	04/18/13	Contra Costa County
Smyth, Camilla	04/15/13	Contra Costa County
Squires, Shirley	04/15/13	Beneficiary
Stevenson, Maria	03/21/13	Beneficiary

KEY:

Group
I = Tier I
II = Tier II
III = Tier III
S/A = Safety Tier A
S/C = Safety Tier C

Option
* = County Advance
Selected w/option

Type
NSP = Non-Specified
SCD = Service Disability
SR = Service Retirement
NSD = Non-Service Disability

ASSET ALLOCATION

Current Assets (Market Value)

\$5,952,768,000

Reporting Month End: March 31, 2013

Prepared By: Chih-Chi Chu

Meeting Date
05/08/13
Agenda Item
#4

Robeco
Delaware Investment Adv.
Emerald Advisors
Intech (Core)
PIMCO Stock +
Ceredex
WHV Investment Management
Total Domestic Equity
GMO
William Blair
Total International Equity
JPMorgan Global Opportunities
First Eagle
Artisan Global Opportunities
Intech (Global Low Volatility)
Total Global Equity
Total Equity
AFL-CIO Housing Investment Trust
PIMCO
GSAM "Park" Portfolio
Goldman Sachs Asset Management
Lord Abbett
Torchlight Debt Opportunity Fund II
Torchlight Debt Opportunity Fund III
Torchlight Debt Opportunity Fund IV
Total Domestic Fixed Income
Lazard Asset Management
Total Global Fixed Income
Allianz Global Investors (fka Nicholas Applegate)
Total High Yield Fixed Income
Wellington Real Total Return
PIMCO All Asset
Total Real Asset
Total Real Estate
Total Alternative Investments
County Treasurer
State Street Bank
Total Cash & Equivalents
Oaktree 2009
Total Market Opportunities
TOTAL ASSETS

	A		B		C		D		C-B		D-A	
	% of Target	Target Assets	Market Value	Actual Assets	Over (Under)	Over (Under)	Range					
	4.5%	267,874,560	280,640,000	4.71%	12,765,440	(Under)	0.21%					
	4.5%	267,874,560	278,039,000	4.67%	10,164,440	(Under)	0.17%					
	3.0%	178,583,040	194,347,000	3.26%	15,763,960	(Under)	0.26%					
	2.8%	166,677,504	167,988,000	2.82%	1,310,496	(Under)	0.02%					
	2.9%	172,630,272	162,359,000	2.73%	(10,271,272)	(Under)	(0.17%)					
	3.0%	178,583,040	185,312,000	3.11%	6,728,960	(Under)	0.11%					
	3.0%	178,583,040	184,146,000	3.09%	5,562,960	(Under)	0.09%					
	23.7%	1,410,806,016	1,452,831,000	24.41%	42,024,984	(Under)	0.71%					
	5.3%	315,496,704	304,015,000	5.11%	(11,481,704)	(Under)	(0.19%)					
	5.3%	315,496,704	320,110,000	5.38%	4,613,296	(Under)	0.08%					
	10.6%	630,993,408	624,125,000	10.48%	(6,868,408)	(Under)	(0.12%)					
	4.0%	238,110,720	240,121,000	4.03%	2,010,280	(Under)	0.03%					
	4.0%	238,110,720	245,438,000	4.12%	7,327,280	(Under)	0.12%					
	4.0%	238,110,720	247,799,000	4.16%	9,688,280	(Under)	0.16%					
	0.3%	17,858,304	20,053,000	0.34%	2,194,696	(Under)	0.04%					
	12.3%	732,190,464	753,411,000	12.66%	21,220,536	(Under)	0.36%					
	46.6%	2,773,989,888	2,830,367,000	47.55%	56,377,112	(Under)	0.95%					
	3.2%	190,488,576	180,622,000	3.03%	(9,866,576)	(Under)	(0.17%)					
	5.0%	297,638,400	308,262,000	5.18%	10,623,600	(Under)	0.18%					
	0.0%	0	8,430,000	0.14%	8,430,000	(Under)	0.14%					
	3.7%	220,252,416	232,776,000	3.91%	12,523,584	(Under)	0.21%					
	4.2%	250,016,256	240,639,000	4.04%	(9,377,256)	(Under)	(0.16%)					
	1.0%	59,527,680	65,970,000	1.11%	6,442,320	(Under)	0.11%					
	1.4%	83,338,752	63,516,000	1.07%	(19,822,752)	(Under)	(0.33%)					
	1.1%	65,480,448	30,132,000	0.51%	(35,348,448)	(Under)	(0.59%)					
	19.6%	1,166,742,528	1,130,347,000	18.99%	(36,395,528)	(Under)	(0.61%)					
	4.0%	238,110,720	222,575,000	3.74%	(15,535,720)	(Under)	(0.26%)					
	23.6%	1,404,853,248	1,352,922,000	22.73%	(51,931,248)	(Under)	(0.87%)					
	5.0%	297,638,400	292,096,000	4.91%	(5,542,400)	(Under)	(0.09%)					
	5.0%	297,638,400	292,096,000	4.91%	(5,542,400)	(Under)	(0.09%)					
	3.2%	190,488,576	188,832,000	3.17%	(1,656,576)	(Under)	(0.03%)					
	1.8%	107,149,824	99,525,000	1.67%	(7,624,824)	(Under)	(0.13%)					
	5.0%	297,638,400	288,357,000	4.84%	(9,281,400)	(Under)	(0.16%)					
	12.5%	744,096,000	738,909,000	12.41%	(5,187,000)	(Under)	(0.09%)					
	6.0%	357,166,080	384,758,000	6.46%	27,591,920	(Over)	0.46%					
			26,022,000	0.00%								
			26,022,000	0.44%								
	0.5%	29,763,840	26,022,000	0.44%	(3,741,840)	(Under)	(0.06%)					
	0.8%	47,622,144	39,337,000	0.66%	(8,285,144)	(Under)	(0.14%)					
	0.8%	47,622,144	39,337,000	0.66%	(8,285,144)	(Under)	(0.14%)					
	100.00%	5,952,768,000	5,952,768,000	100%	0		0%					

UNDER REVIEW:

Long Wharf - Performance, Organization, Board Action 05/23/12
 Invesco IREF - Performance, Board Action 02/24/10
 GMO - Performance, Board Action 08/29/12
 Nogales Investors - Performance, Board Action 05/28/08
 INTECH (both Core and Global Low Vol.) - Organization, Board Action 12/12/12

Real Estate & Alternative Investments
As of March 31, 2013

REAL ESTATE INVESTMENTS	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DLJ Real Estate Capital Partners, L.P. II	04/00/99	7/14/2009	40,000,000	3,701,000	0.06%	
DLJ Real Estate Capital Partners, L.P. III	06/01/05	1/1/2014	75,000,000	38,956,000	0.65%	18,958,000
DLJ Real Estate Capital Partners, L.P. IV	12/26/07	1/1/2016	100,000,000	79,788,000	1.34%	19,476,000
Hearststone Partners I	06/15/95	12/31/2003	3,750,000	117,000	0.00%	
Hearststone Partners II	06/17/98	12/31/2009	6,250,000	(2,000)	0.00%	
Invesco IREF I	10/22/03	4/30/2011	50,000,000	27,349,000	0.46%	
Invesco IREF II	05/30/07	12/31/2015	85,000,000	77,913,000	1.31%	
Long Wharf FREG II	02/26/04	2/26/2012	50,000,000	12,951,000	0.22%	
Long Wharf FREG III	03/31/07	3/31/2015	75,000,000	51,791,000	0.87%	
Oaktree Real Estate Opportunities Fund V	12/15/11	12/31/2016	50,000,000	52,831,000	0.89%	
Signler Guff Distressed Real Estate Opportunities Fund	12/31/11	12/31/2016	75,000,000	46,342,000	0.78%	27,768,000
Angelo Gordon Realty Fund VIII	12/31/11	12/31/2018	80,000,000	27,443,000	0.46%	48,415,000
LaSalle Income & Growth Fund VI	01/31/12	1/31/2019	75,000,000	0	0.00%	75,000,000
Adelante Capital Management (REIT)			0	227,408,000	3.82%	
INVESCO International REIT			0	84,321,000	1.42%	
Willows Office: \$10,774,100 ***			0	8,000,000	0.13%	
*** Purchase price \$10,600,000 plus acquisition cost and fees \$174,100.						
Outstanding Commitments			870,000,000	738,909,000	12.41%	189,617,000
Total				928,526,000		

ALTERNATIVE INVESTMENTS	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	INDEFINITE	180,000,000	91,051,000	1.53%	45,235,000
Adams Street Secondary II	12/31/08	12/31/2012	30,000,000	29,948,000	0.50%	13,852,000
Adams Street Secondary V	10/31/12	10/31/2016	40,000,000	2,600,000	0.04%	37,400,000
Pathway	11/09/98	11/9/2013	125,000,000	77,987,000	1.31%	18,249,000
Pathway 2008	07/31/09	12/31/2016	30,000,000	11,460,000	0.00%	19,057,000
Pathway 6	08/31/11	12/31/2018	40,000,000	3,146,000	0.00%	37,028,000
ETF USPF I	11/26/03	6/30/2011	30,000,000	1,848,000	0.03%	0
ETF USPF II	07/13/05	6/30/2015	50,000,000	45,868,000	0.77%	0
ETF USPF III	05/30/07	3/31/2017	65,000,000	46,636,000	0.78%	663,000
ETF USPF IV	08/31/10	9/1/2020	50,000,000	10,306,000	0.17%	37,741,000
Nogales Investment	02/15/04	2/15/2014	15,000,000	3,223,000	0.05%	1,651,000
Bay Area Equity Fund	06/14/04	12/31/2012	10,000,000	9,215,000	0.15%	0
Bay Area Equity Fund II	2/29/09	12/31/2017	10,000,000	5,326,000	0.09%	4,066,000
Paladin III	11/30/07	12/31/2017	25,000,000	15,049,000	0.25%	6,091,000
Carpenter Community BancFund	01/31/08	1/31/2016	30,000,000	31,095,000	0.52%	7,157,000
Outstanding Commitments			730,000,000	384,758,000	6.22%	228,190,000
Total				612,948,000		

Market value column is the latest ending quarter plus any additional capital calls after the ending quarter.
The Target Termination column is the beginning of liquidation of the fund, however, some funds may be extended for an additional two or three years.

Memorandum

<i>Meeting Date</i> 05/08/13 <i>Agenda Item</i> #7

Date: May 8, 2013

To: CCCERA Board of Retirement

From: Timothy Price, Chief Investment Officer; Chih-chi Chu, Investment Analyst

Subject: Real Estate Program Review

Overview

CCCERA last made real estate commitments to private funds in late 2011. Much of this previous round of commitments was put in place to better diversify CCCERA's real estate exposure away from publicly traded REITs. Through these commitments, the REIT exposure has been reduced.

At this time, we are approaching our long-term target allocation of 3.5% exposure to REITs. However, our availability to commit to private Real Estate has grown due to the increase in total CCCERA fund value and meaningful distributions from the existing private real estate managers. With the anticipated wind down of four real estate funds, as well as rapid deployment of the recently committed capital to closed end real estate funds, CCCERA will need to make new commitments to maintain its target exposure to private real estate. This memo addresses the funds available to commit to private real estate and highlights the types of real estate strategies that appear to be taking advantage of the most attractively valued which are poised for stronger relative returns at this time.

Please note that we have not attempted to address the relative attractiveness of individual property types (multi-family, office, industrial, etc.) or geographies (gateway U.S. cities vs. secondary markets, etc.) at this time. The majority of our current real estate managers are diversified across several sectors and geographies. Rather, we set out to determine what types of strategies were getting access to better valued properties and what kind of financial risk is embedded in their current pipeline of deals. If the Board approves the recommended allocation ranges to various types of real estate, we will immediately begin vetting the new funds available from our current managers and the property and geographical distributions will play a role in those analyses.

CCCERA Private Real Estate

Based on the March 31, 2013 market value of \$5.95 billion, CCCERA has a 12.5% target allocation, or \$744 million, to real estate. After subtracting the adjusted target of the REIT portfolios and the Willows Property, CCCERA has a remaining dollar target of \$528 million to private (closed-end) real estate funds. Compared to this \$528 million target, actual CCCERA investment in closed end real estate on 3/31/2013 was \$419 million. To address this underweight and to take advantage of some of the relatively low property prices still available outside of the core real estate markets, we propose that CCCERA make additional commitments to closed end real estate of approximately \$241 million.

As of March 31, 2013, CCCERA's closed-end real estate investments had a market value of approximately \$419 million. Outstanding commitments to real estate which are to be drawn total \$264 million. If the dollar target of \$528 million is reduced by these amounts, CCCERA currently has an over-commitment of \$155 million.

With the nature of investing in closed-end real estate, the beginning of a fund's life has a lag period from when a fund commitment is made until when the actual dollars are called by the investment manager. Later, when the fund approaches its termination and portfolio holdings mature, properties are sold, the portfolio eventually winds down, and capital is returned to investors. To recognize that the actual investment in real estate closed end funds is often below the commitment level, CCCERA needs to over-commit relative to the desired target of \$528 million to closed-end real estate in order to achieve the real estate target allocation of 12.5%.

We recommend that CCCERA commit to closed end real estate funds 175% of the \$528 closed end target: \$924 million. (These dollar amounts will change with the total market value of the fund, and as the total market value of CCCERA assets grows over time, the amount allocated to real estate also grows.)

Based on this analysis, the total amount currently available for CCCERA to commit to closed-end real estate funds is approximately \$241 million. These figures are illustrated in the following table:

	<u>Value</u> <u>(Millions)</u>
CCCERA Total Fund	\$5,953
<i>as of 3/31/13</i>	
Total Real Estate Target @ 12.5%	\$744
less REIT Target @ 3.5%	\$208
	<hr/>
= Private Real Estate Funds Target @ 9%	\$536
less Willows Property	\$8
	<hr/>
= Closed End Target	\$528
Plus 75% over commitment	\$396
= Adjusted Closed End Target	\$924

Current Closed End Fund Commitments

DLJ RECP II, III, IV	\$123
Long Wharf FREG II, III	\$65
INVESCO IREF I, II	\$105
Oaktree V (new)	\$53
Siguler Guff (new)	\$46
Angelo Gordon VIII (new)	\$27
=Total Current Investments	\$419

Commitments Projected to Be Drawn

DLJ RECP II, III, IV, V	\$113
Siguler Guff (new)	\$28
Angelo Gordon VIII (new)	\$48
LaSalle VI (new)	\$75
= Total commitments to be drawn	\$264

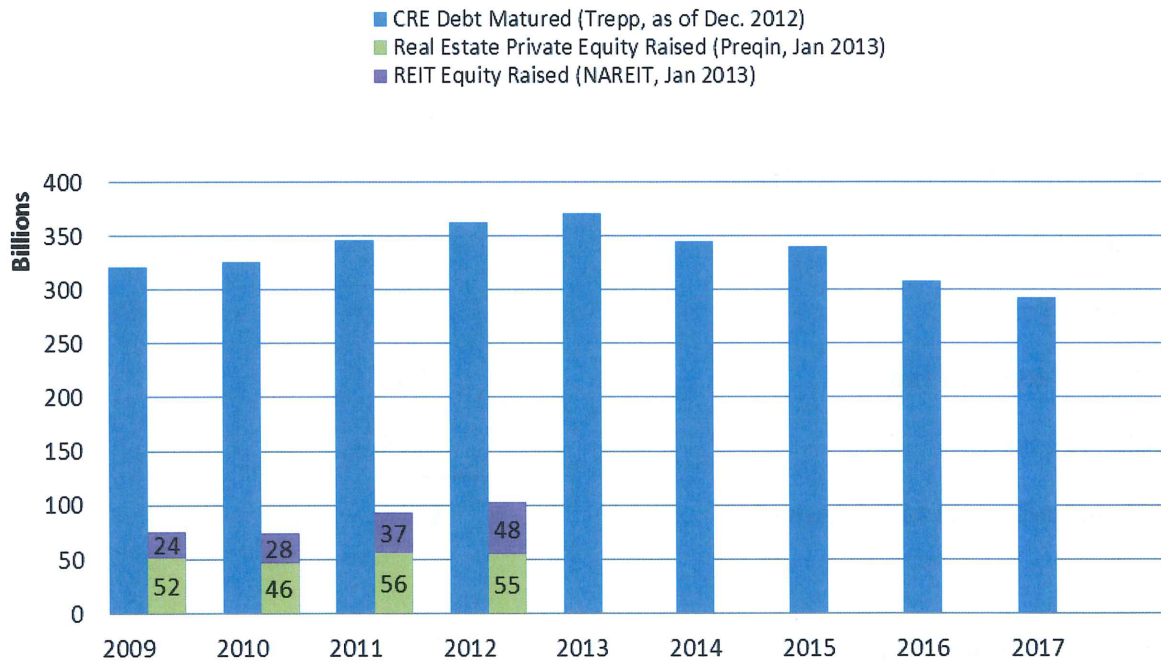
Adjusted Closed End Target	\$924
less current Closed End Investments	\$419
less existing closed end commitments	\$264
Estimated Available to Commit	\$241

Current Real Estate Market Trends

Since its peak in 2008, private real estate fund-raising has plummeted to pre-crisis levels. Much of the capital raised post 2008 has gone into the core assets (well financed, nearly fully leased class A properties in major markets), as investors become risk-averse after losing substantial amount of capital in non-core assets (which typically employ higher leverage) during the financial crisis. On the public side, the capital formation of REITs has increased since 2008; REITs are essentially core vehicles. As most of the equity raised, public and private, chase after the core assets, it leaves more opportunities than capital available for investment in non-core assets. Depending upon the valuation method used, core real estate appears to be fully to slightly over-valued relative to its own history. Non-core properties continue to trade at lower valuations.

Distressed real estate markets present a significantly different story. The combined commercial real estate (CRE) debts that come due in the next several years are mounting to trillions of dollars (shown in the chart below). While there may be a continuance of "extend and pretend", we believe that more properties with problem loans will be unloaded onto the market, creating tremendous real estate opportunities through the distressed (debt) channel.

Commercial Real Estate Debt v. Equity



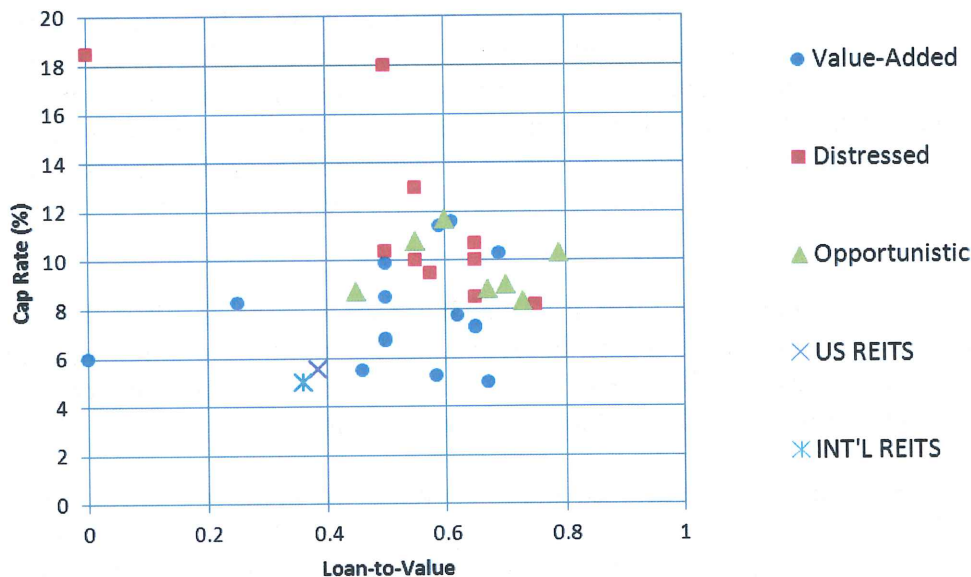
This trend mirrors CCCERA's experience from its recent round of real estate commitments. From December 2011 to April 2012 we committed \$355 million to various real estate funds across the spectrum of Distressed, Opportunistic, and Value-Added strategies. While Opportunistic and Value-Added managers have been deploying capital at a regular pace, the Distressed managers have either called or committed all of their capital and have had greater opportunities than capital available to invest.

Review of Current Pipeline Deals

To assess the relative attractiveness of the different real estate strategies in the current environment, we surveyed two key statistics, capitalization (cap) rates and debt ratios. We asked our real estate managers (including REITs) for these statistics for their recently-closed transactions and potential deals in the pipeline. Cap rates are a measure of the income generated by a property divided by the total value of the property and can be thought of as the yield produced. In general, a higher cap rates means that a property is generating more income per dollar invested which translates into stronger investment returns. The debt ratio, or loan-to-value (LTV,) represents the financial risk in the transaction since leverage amplifies the return on the investments. Less leveraged properties can better weather downturns but will offer more modest returns in rising markets.

The results of our survey are shown in the plot below. The northwest quadrant represents lower priced properties (higher capitalization rates) with less leverage (lower LTV ratio). These would be considered the more attractive investment opportunities.

Relative Attractiveness of Different Real Estate Strategies



As shown in the plot, CCCERA is compensated in terms of higher cap rates for the liquidity risk it takes from investing in private funds rather than REITS. While Value-Added and Opportunistic strategies appear to be finding similar cap rates, Distressed strategies appear to be capturing more low risk/high reward outliers. The relative attractiveness of Distressed strategy above also echoes the market opportunities review in the previous section. Being invested in core properties, public REITs offer a reasonable, though not terribly attractive, investment profile at this time.

Recommended Allocation

Based on CCCERA's current funds available to commit, the market opportunities, the relative attractiveness of different strategies, and the pace of capital deployment from our existing managers, we recommend the following allocation of the next commitment for Board consideration:

Total Availability: \$241 million (to be drawn from REITs)

Value-added: \$60 million target, \$0-60 million range

Opportunistic: \$25 million target, \$0-25* million range

Distressed: \$155 target, \$100-175 million range

*DLJ V, an opportunistic fund in which CCCERA committed \$75 million in April, 2012, has yet to close and has not made any capital commitments .

The Distressed strategy is very appealing at this time, perhaps even more so than the last time we made our real estate commitment at the end of 2011. As more problematic CRE debts (with under-water properties) come due, the ability and willingness of lenders to extend the loans is becoming more limited, both due to regulation and simple fatigue of having to deal with some of these properties for more than five years now. We believe Distressed real estate experts with extensive debt networks and debt/equity restructuring capabilities are well equipped to capture these investment opportunities.

We have a \$75 million commitment to DLJ RECP V, which has yet to make its initial close. While we believe the Opportunistic space is quite attractive, the \$75 million commitment is an appropriate allocation. If the Board wishes, we could modestly increase our commitment size, up to a maximum of \$100 million total (\$25 million incremental increase).

Among our Value-Added managers, both Invesco and Long Wharf are in the exit stages for current funds, while LaSalle will call 40% of committed capital in May, 2013. Without new commitments we will have little exposure to the Value-Added strategy within the next several years.

Since our existing Distressed and Value-Added managers (except LaSalle) are in the market to raise the next fund, we can evaluate their current offerings based on Board direction. Our Distressed managers have done very well in a short period of time; the Value-Added managers have managed through the severe real estate downturn reasonably well with anticipation of no or little loss of our capital, and some have the possibility of a meaningful upside of up to 8% total returns based upon current forecasts from the managers.

Impact on CCCERA Combined Real Estate Portfolio

The following table displays the characteristics of closed end real estate funds available to institutional investors. It ranges from core (lower targeted return/lower risk) strategies to opportunistic (higher targeted return/higher risk) strategies. Core funds typically target returns in the mid-to-high single digit range, predominately from stable income streams such as apartments. Value-Added funds target IRRs from high single digit to mid-teens, while opportunity funds target returns in the high teens and above. Value-Added and Opportunistic funds will use higher leverage as well, typically above 60%, depending on the type of investments and the debt availabilities in the market. The risk displayed here includes both financial risk and operating risk. For example, “re-tenant” or “development” projects certainly involve more operating risk than collecting rents and maintenance of core buildings. Note our distressed real estate managers, although targeting higher return, are either fund-of-funds or sit on multi-investment platforms (debt, equity, preferred shares, etc.) therefore their overall risk may be lower due to their inherently diverse fund investments.

Strategic Position of CCCERA Private Real Estate Managers

Strategy	CCCERA Manager	Investment Theme Example	Operating Risk	Financial Leverage	Target Return
<i>Core</i>	None, REITs used as a liquid proxy	Office, Retail, Apartment with stabilized income streams	Low	Low	Low
<i>Value-Added</i>	Invesco, Long Wharf, LaSalle	Tenant improvement, property lease up	Medium	Medium	Medium
<i>Opportunistic</i>	DLJ, Angelo Gordon	Development projects, repositioning	High	High	High
<i>Distressed</i>	Oaktree, Siguler Guff	Borrower recapitalization, significant retenanting	Medium-High	Low-High	High

Currently, our strategy allocation, including both market values and commitments, for CCCERA's total private real estate portfolio is 45% Opportunistic, 30% Distressed, and 25% Value-added, as detailed in the table below:

**CCCERA Existing Private Real Estate Strategy Allocation
Invested Capital plus Uncalled Commitments**

Opportunistic	\$311 million	45%
Distressed	\$202 million	30%
Value-Added	\$170 million	25%
TOTAL	\$683 million	100% this is the sum of invested (419) and uncalled (264)

Our recommendation, assuming with \$25 million, \$155 million, and \$60 million allocated to Opportunistic, Distressed and Value-Added respectively, will result to the following allocation:

CCCERA New Private Real Estate Strategy Allocation

Opportunistic	\$336 million	36%
Distressed	\$357 million	39%
Value-Added	\$230 million	25%
TOTAL	\$924 million	100%

Based on the comparison of the two tables above, the new allocation will not drastically change from the old. However it will be able to capture the attractive market opportunities more directly.

CCCERA
Budget vs. Actual
 January through December 2012

	Jan - Dec 12	Budget	Difference	% of Budget
Expense				
Salaries and Benefits	\$ 4,444,177	\$ 5,544,000	\$ (1,099,823)	80.16%
Operation Expenditures	\$ 1,251,665	\$ 1,878,300	\$ (626,635)	66.64%
Administrator's discretionary	\$ -	\$ 50,000	\$ (50,000)	0.0%
Assets depreciation	\$ 217,132	\$ 230,000	\$ (12,868)	94.41%
Total Expense	\$ 5,912,975	\$ 7,702,300	\$ (1,789,326)	76.77%

Marilyn Leedom

Meeting Date
05/08/13
Agenda Item
#9a.

From: prainier@paladincapgroup.com
Sent: Monday, April 29, 2013 9:51 AM
To: Marilyn Leedom
Subject: Paladin Capital Group 2013 Investor Conference - June 11, 2013
Attachments: Paladin 2013 LP Conf Response Form.pdf

Please accept our invitation to attend Paladin's 2013 Investor Conference which will be held on June 11, 2013 at The Ritz-Carlton – Georgetown in Washington, DC. We are hopeful that you will be able to join us as we believe you will find our annual event informative. If there is anyone else within your organization that you would like to attend, please let us know.

At this year's meeting, we will be providing information concerning Paladin's current and future investments and reports from the CEOs of some of our portfolio companies. We also plan to have guest speakers join with members of our Strategic Advisory Group who will share their insights regarding our current and future investment prospects for Paladin's funds. You'll also have the opportunity to meet with Paladin's investment team and share with us your thoughts and insights concerning Paladin's investment portfolios.

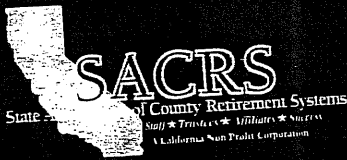
Our conference program will commence on Tuesday, June 11th with Registration beginning at 7:30 AM. Our program begins at 8:30 AM, and the day will consist of several guest speakers and update reports from several of our portfolio company CEOs. We are anticipating everyone's departure immediately after lunch.

For planning purposes, we would appreciate your completing and returning the attached event attendance form as soon as possible, but no later than May 17, 2013 to Patrice Rainier by email at prainier@paladincapgroup.com or by fax at 202-293-5526. We have reserved a limited block of rooms at The Ritz for the evening of June 10, 2013 at a special group rate of \$379 per night plus tax. For those individuals requiring hotel accommodations please contact the hotel directly at 202-912-4100 and advise The Ritz you are attending Paladin Capital Group's meeting. Please make all hotel reservations no later than Friday, May 10, 2013.

We appreciate your involvement and support of our efforts at Paladin, and look forward to seeing you at our 2013 Investor Conference. If you have any questions in the interim, please contact Mark Maloney at 202-595-2963; mmaloney@paladincapgroup.com or Patrice Rainier at 202-595-2964; prainier@paladincapgroup.com.

The Ritz-Carlton – Georgetown is located at:

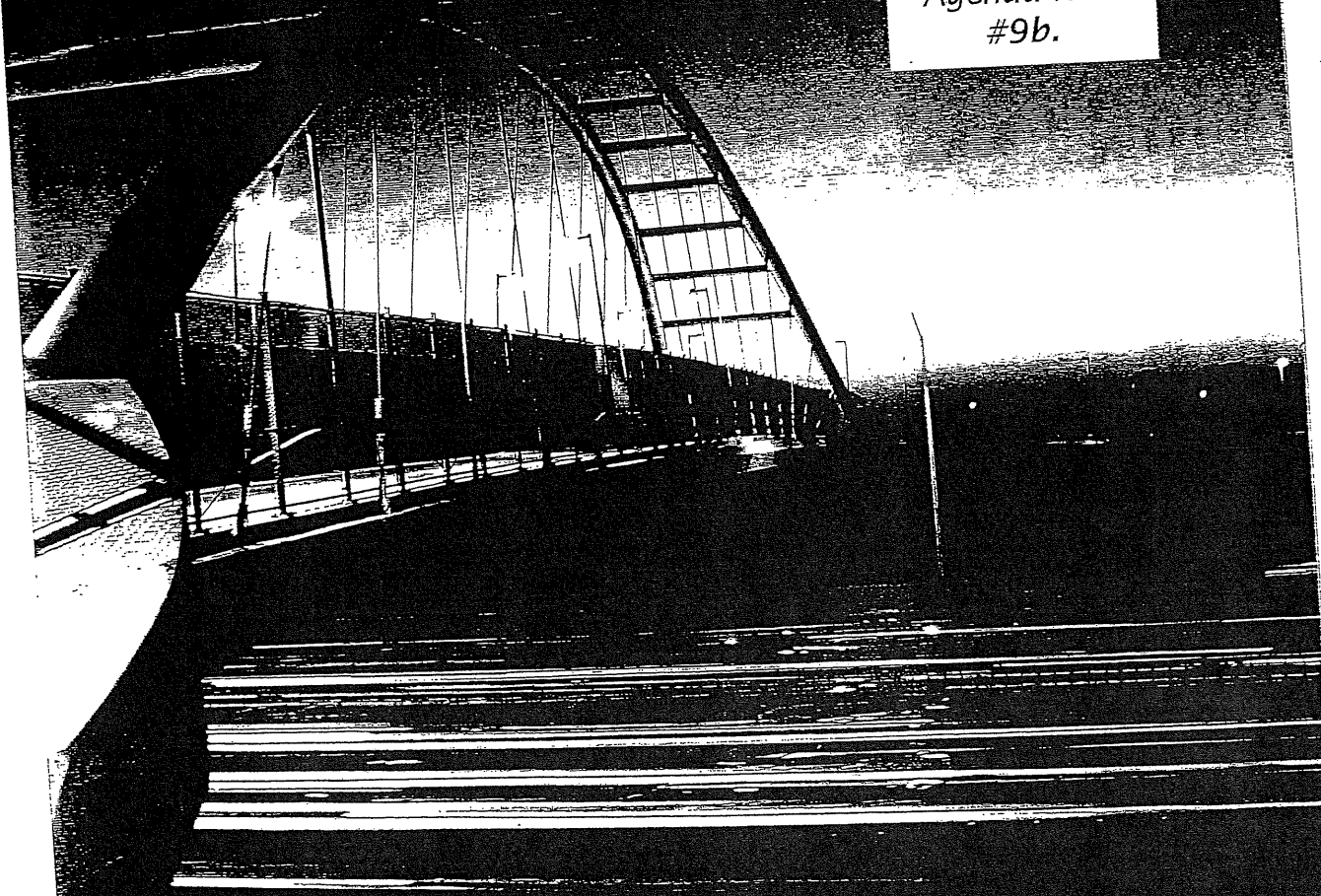
3100 South Street, NW
Washington, DC 20007



Modern Investment Practices Practice for Retirement Systems

SACRS PUBLIC FORUM
INVESTMENT MANAGEMENT PROGRAM 2013

Meeting Date
05/08/13
Agenda Item
#9b.



CAT

July 28-31, 2013
UC Berkeley
Haas School of Business

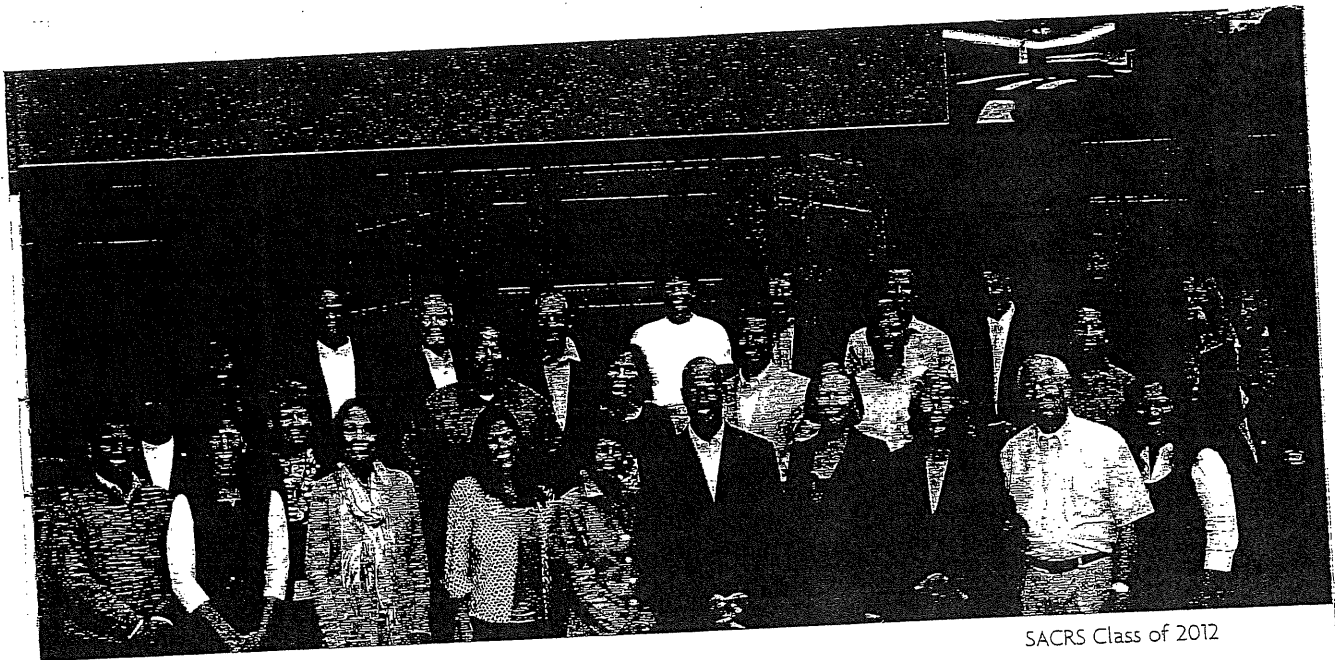
BERKELEY EXEC DEV



PROGRAM SCHEDULE

Much has changed in finance in the last 50 years; this three-day program will bring you to the frontier of current investment theory and practice. The program is presented on the beautiful and dynamic campus of UC Berkeley and taught by its world renowned Finance faculty.

SUNDAY July 28, 2013	MONDAY July 29, 2013	TUESDAY July 30, 2013	WEDNESDAY July 31, 2013
INVESTING FUNDAMENTALS FOR NEW TRUSTEES	CONSTRUCTING THE PORTFOLIO	MAKING THE DIFFICULT DECISIONS	MEASURING PERFORMANCE
	8:00am Depart Hotel	8:00am Depart Hotel	8:00am Depart Hotel
Opening Remarks 8:30am-9:00am	Opening Remarks 8:30am-9:00am	Building the Investment Portfolio 9:00am-10:30am	Team Presentations 9:00am-10:30am
Pension Fund Basics 9:00am-10:30am	Review of Pension Fundamentals 9:00am-10:30am		
10:30am Break	10:30am Break	10:30am Break	10:00am Break
Return, Risk and Diversification 11:00am-12:30pm	Portfolio Management Simulation: Introduction 11:00am-12:30pm	Real Assets: Real Estate 11:00am-11:45am Real Assets: Alternative Investment Strategies 11:45am-12:30pm	Portfolio Management Simulation: Debrief 11:00am-12:30pm
12:30-1:30pm Lunch	Lunch and Group Photo S480 Classroom 12:30pm-1:30pm	12:30-1:30pm Lunch	12:30-1:30pm Lunch
Risks, Assets, and Liabilities 1:30pm-3:00pm	Active and Passive Management 1:30pm-3:00pm	Portfolio Management Simulation: Implementation 1:30pm-3:00pm	Behavioral Finance: Overconfidence and Expertise, Implications for Trustees 1:30pm-3:30pm
3:00pm Break	3:00pm Break	3:00pm Break	3:30 - 4:00 Conferral of Certificates
The Total Investment Portfolio 3:30pm-5:00pm	Forecasting Liabilities: Actuarial Science 3:30pm-5:00pm	Team Break Out 3:30pm-5:00pm	Adjourn at 4:00pm
Summary and Wrap Up 5:00-6:00pm	Summary and Wrap Up 5:00-6:00pm	Summary and Wrap Up 5:00-6:00pm	
Reception at Claremont Hotel	Reception at Claremont Hotel	Reception at Claremont Hotel	*AGENDA SUBJECT TO CHANGE



SACRS Class of 2012

Join Us for SACRS Public Pension Investment Management Program 2013

Public pension trustees and retirement staff won't want to miss the 2013 SACRS Public Pension Investment Management Program, taking place July 28 – 31, 2013. Entitled "Phase II - Modern Investment Theory and Practice for Retirement Systems," the event is presented in partnership with UC Berkeley's Haas School of Business, whose world-renowned faculty has developed a four-day program designed for trustees and staff who are ready to take their education to the next level.

The SACRS Public Pension Investment Management Program blends the expertise of UC Berkeley's distinguished faculty with a network of industry experts to teach the fundamentals of public pension management. As the spotlight on public pensions grows hotter, trustees and staff are increasingly challenged to grapple with alternative investments, policy and governance changes, cost pressures, and much more. After completing this program, attendees will understand the larger context and history of public pension funds and have the skills and knowledge to make better decisions.

Day 1 features a public pension primer that provides both a sturdy foundation for new trustees and staff and a valuable refresher for veteran fiduciaries. The basic language of finance and portfolio management will be introduced, and participants will explore the building blocks of portfolio construction, time value of money, the tradeoff between risk and return, liability forecasting, and asset-liability matching. On Day 2, attendees will explore more deeply the financial concepts that underlie pension fund management. In a session on real assets, participants will take a deep dive into real estate investments and learn how world events might affect risk and return.

On Days 3 and 4 we put theory into practice: participants will see how different choices and assumptions impact portfolio performance. Working in a team simulation, participants will create investment policy for a retirement system and get real-time performance feedback.

Located in one of the most stimulating business environments in the world, the Berkeley campus is at the intersection of business and academia. Berkeley-Haas is renowned for developing innovative business leaders – individuals who redefine the business landscape by putting new ideas into action in all areas of their organizations.

Education is the cornerstone of SACRS' mission. The Berkeley Executive development staff along with the SACRS Affiliate team is committed to the continual development and delivery of content that is current, innovative, results-driven, and responds to the needs of public pension trustees and staff. Participants in this program will not only gain new insight and knowledge, but will add to the core strengths of our organization; the range of expertise and the diversity of perspective found in the public pension community.

Thank you. We look forward to your participation.

Sincerely,

Doug Rose

Doug Rose
SACRS President
San Diego County

Sulema H. Peterson

Sulema H. Peterson
SACRS Administrator



WURTS ASSOCIATES
INSTITUTIONAL INVESTMENT CONSULTANTS



Day 1

Investing Fundamentals for New Trustees

Day 1 will provide a primer on the basics of public pensions for new trustees. The basic language of finance and portfolio management will be introduced, and participants will explore the basic building blocks of portfolio construction, time value of money, and the tradeoff between risk and return. We also will introduce liability forecasting and asset-liability matching.

SESSION 1: PENSION FUND BASICS

In this session, participants will discuss the mission of the public pension system, receive a primer on the origins and evolution of the public pension system, and learn about the main challenges faced by public pension systems.

SESSION 2: RETURN, RISK, AND DIVERSIFICATION

Here, the basic building blocks of finance will be introduced.

- How to compute returns
- How to measure risk in respect to the CAPM
- Meaning of risk and return
- Present value and future value
- How to measure and track relationships between assets
- What is diversification and how can it be achieved

SESSION 3: RISKS, ASSETS, AND LIABILITIES

In this session, the basic pension balance sheet will be introduced.

- The basic asset classes
- History of basic asset class returns
- Common measures of risk and return performance
- The actuarial problem
- The pension fund matching problem

SESSION 4: THE TOTAL INVESTMENT PORTFOLIO

Here, we will discuss the challenge of funding.

- Asset-liability matching
- Fully funding versus underfunding
- The importance of return assumptions

Throughout day 1, all of the concepts will be explored through participatory, hands-on exercises, to be done in small groups, using both simple computation and Excel applets.

Day 2

Constructing the Portfolio

On day 2, the experienced trustees will join the new trustees to explore more deeply the financial concepts that underlie pension fund management.

SESSION 1: REVIEW OF PENSION FUNDAMENTALS

Participants will discuss the responsibilities of county trustees and the key decisions made by trustees and fund managers.

- What is the most important responsibilities of county trustees?
- What knowledge and information is needed to discharge those responsibilities?
- Review of concepts of risk and return, assets, and liabilities

SESSION 2: PORTFOLIO MANAGEMENT SIMULATION: AN INTRODUCTION

A portfolio modeling tool will be introduced that will form the basis of a simulation.

- The basic concepts will be mapped into the simulation tool
- Brief exercises to cement concepts
- Mini-case covering key concepts

SESSION 3: ACTIVE AND PASSIVE MANAGEMENT

In this session, we will discuss the role of the asset manager.

- How do you define the "risky" portfolio? How do you construct it?
- How do you introduce "active" management into the risky portfolio?

SESSION 4: FORECASTING LIABILITIES

Here, we tie together the two sides of the balance sheet. Participants will use interactive exercises to cement concepts

- What role do the system's liabilities play? How can one get a handle on current and projected liability projection?
- Does the concept of a liability-hedge portfolio make sense? If you believe it does, how would you construct it? If it doesn't, how do you decide on asset allocation?

Day 3 Making the Difficult Decisions

On day 3 we put theory into practice. Participants will see how different choices and assumptions impact portfolio performance. Participants will use interactive exercises to cement concepts.

SESSION 1: BUILDING THE INVESTMENT PORTFOLIO

- How do you decide how much of the total portfolio should be in the risky portfolio? How does/should your assumption about active management affect this decision?
- What role does funded status play in this decision?
- How should changes in funded status be fed back into the risky fraction decision?

SESSION 2: ALTERNATIVE INVESTMENT STRATEGIES

- The rationale for alternatives
- Advanced topics in asset allocation
- Nontraditional asset classes
- The promise and peril of derivatives
- The allure of exotic alternatives

SESSION 3: SIMULATION IMPLEMENTATION

The simulation tool will be used to illustrate different outcomes that result from different liability assumptions and asset mixes. Simulations of various mixes of risky and liability-hedging portfolios will be performed to show the effect of the risky portfolios on annual contributions and funded status. Participants will be provided with a portfolio construction assignment.

SESSION 4: TEAM BREAKOUTS

Participants will work in teams to create investment policy for the case retirement system. Teams meet and decide on risky/liability-hedge mix and use of active management.

Day 4 Evaluating Performance

Today, the teams will present their investment policies, discuss their approaches and test them in a simulation.

SESSION 1: TEAM PRESENTATIONS

- Teams will present their investment policies to the group.
- Groups will debate relative merits of investment policies

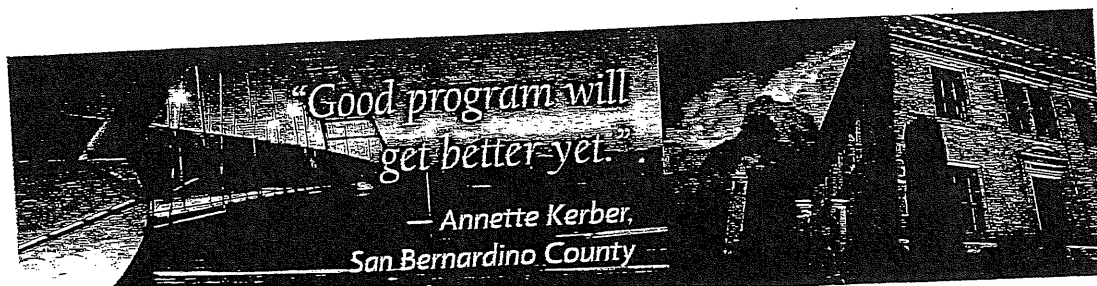
SESSION 2: SIMULATION DEBATE

- Results of simulation exercise will be presented to the participants.
- Evaluating the overall performance of the investment program

SESSION 3: BEHAVIORAL FINANCE: OVERCONFIDENCE AND EXPERTISE

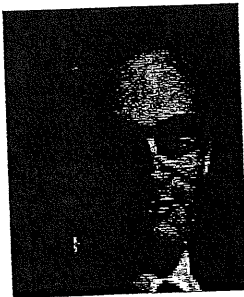
In this session, we will discuss the major psychological barriers to prudent decision making by trustees and fund managers.

- Overconfidence
- Heuristics and biases
- Trend following
- Groupthink and herding

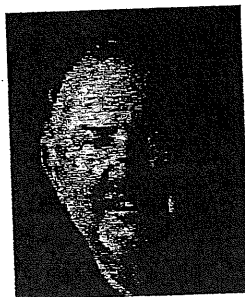


THOMAS GILBERT

Thomas Gilbert graduated from the Finance Ph.D. Program at the Haas School of Business in May 2008. Thomas is currently an Assistant Professor of Finance and Business Economics at the Michael G. Foster School of Business, University of Washington. His research lies in the area of information aggregation and the role of macroeconomic announcements on stock prices. Since 2003, he has taught parts of the Certified Investment Management Analyst program (CIMA®) and the Berkeley Finance Series within the Finance Executive Programs at the Haas School of Business. He has also taught in the Undergraduate, Full-Time MBA, and Evening & Weekend MBA programs at Haas, for which he won the Best Graduate Student Instructor Award in 2005, 2006, and 2007. He holds a Masters in Finance from U.C. Berkeley and a Masters in Physics from Imperial College (United Kingdom).

GREGORY LABLANC

Gregory LaBlanc has been a lecturer at UC Berkeley since 2004, teaching courses in Finance, Accounting, Law, and Strategy in the Haas School, the Law School (Boalt Hall) and the department of Economics. Prior to joining the Berkeley faculty, he studied Economics, Business, and Law at the Wharton School of the University of Pennsylvania, George Mason University Law School, Duke Law School, and Berkeley Law (Boalt Hall). He has previously taught Finance, Management, Law and Economics at the Wharton School, Duke University and the University of Virginia and has been a consultant in the fields of IP litigation and competitive intelligence. His research focuses on the impact of tax policy on organizational design, capital formation, and innovation. He has received several teaching awards and has previously been involved in executive education programs at the Wharton School and Darden School.

JOHN O'BRIEN

John O'Brien is the Executive Director of the Master's in Financial Engineering (MFE) program at UC Berkeley, Haas School of Business. He assisted in developing the MFE program, and became its first Executive Director in July 2000. The Haas MFE is ranked number one in the world. Mr. O'Brien also is adjunct professor of finance at Haas; he created and teaches the MFE course in financial innovation. Professor O'Brien is the Haas faculty director for the Investment Management Consultants Association's preparatory course for its Certified Investment Management Advisor designation.

Prior to joining Haas, Mr. O'Brien was a managing director at Credit Suisse Asset Management in New York. At Credit Suisse, Mr. O'Brien had a series of responsibilities: creating and managing the performance measurement and risk management function, the client service function and the e-commerce effort.

Prior to Credit Suisse, Mr. O'Brien was co-founder, Chairman and CEO of Leland O'Brien Rubinstein (LOR) Associates, and Chairman of the Capital Market Fund, and the S&P 500 SuperTrust – the first exchange traded fund (ETF). LOR is credited with a series of financial market innovations and product offerings – a process that now is called “financial engineering”. Mr. O'Brien co-founded Wilshire Associates (originally operated as O'Brien Associates), and co-developed the Wilshire 5000 common stock index (originally named and published as the O'Brien 5000 Index).

Mr. O'Brien has received various awards, including the Financial Analyst's Graham and Dodd Scroll Award, the Matthew R. McArthur Award from the Investment Management Consultants Association for lifetime contributions to investment consulting. Mr. O'Brien was named among Fortune Magazine's ten Businessmen of the Year in 1987. Mr. O'Brien holds a S.B. in economics from MIT, and an M.S. in operations research from UCLA. He served as a Lieutenant in the United States Air Force.

TERRANCE ODEAN



Terrance Odean is the Willis H. Booth Professor of Banking and Finance at the Haas School of Business at the University of California, Berkeley. He earned a B.A. in Statistics at the University of California, Berkeley in 1990 and a Ph.D. in Finance from the Haas School of Business at the University of California, Berkeley in 1997. He is the former director of UC Berkeley's Experimental Social Science Laboratory and a former editor of *The Review of Financial Studies*. As an undergraduate at Berkeley, Odean studied Judgment and Decision Making with the 2002 Nobel Laureate in Economics, Daniel Kahneman. This led to his current research focus on how decision making biases affect investor welfare and securities prices. His research has been cited in *The Wall Street Journal*, *The New York Times*, *Time*, *Newsweek*, *Business Week*, and many other publications. While studying for his Ph.D., Odean worked at Wells Fargo Nikko Investment Advisors and IRIS Financial Engineering, and co-owned a seat on the Pacific Stock Exchange. During the summer of 1970, he drove a yellow cab in New York City.

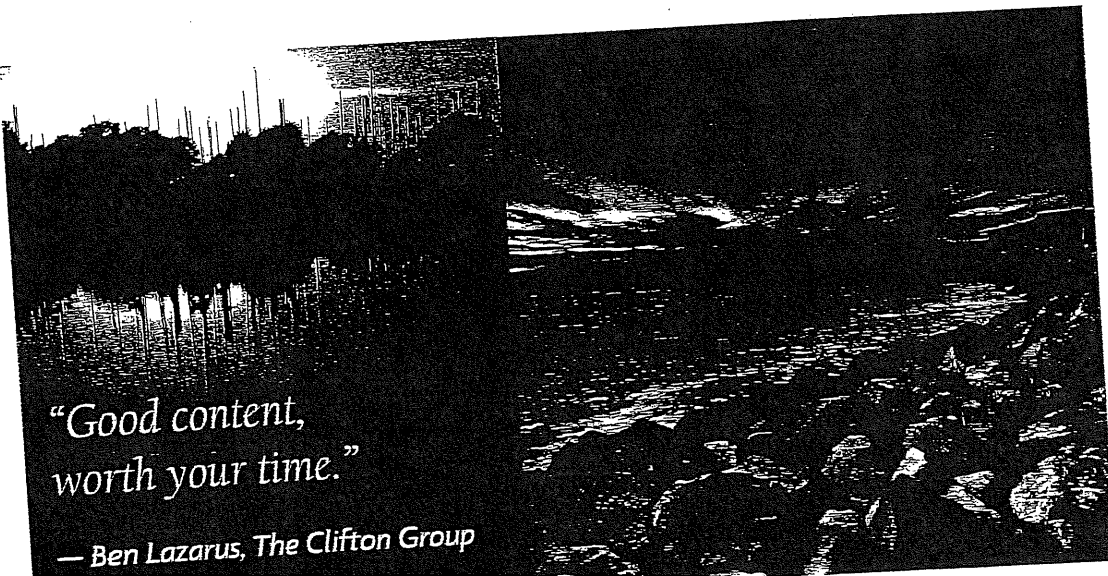
DAN SCHNUR



Dan Schnur is the Director of the Jesse M. Unruh Institute of Politics at The University of Southern California where he works to motivate students to become active in the world of politics and encourage public officials to participate in the daily life of USC.

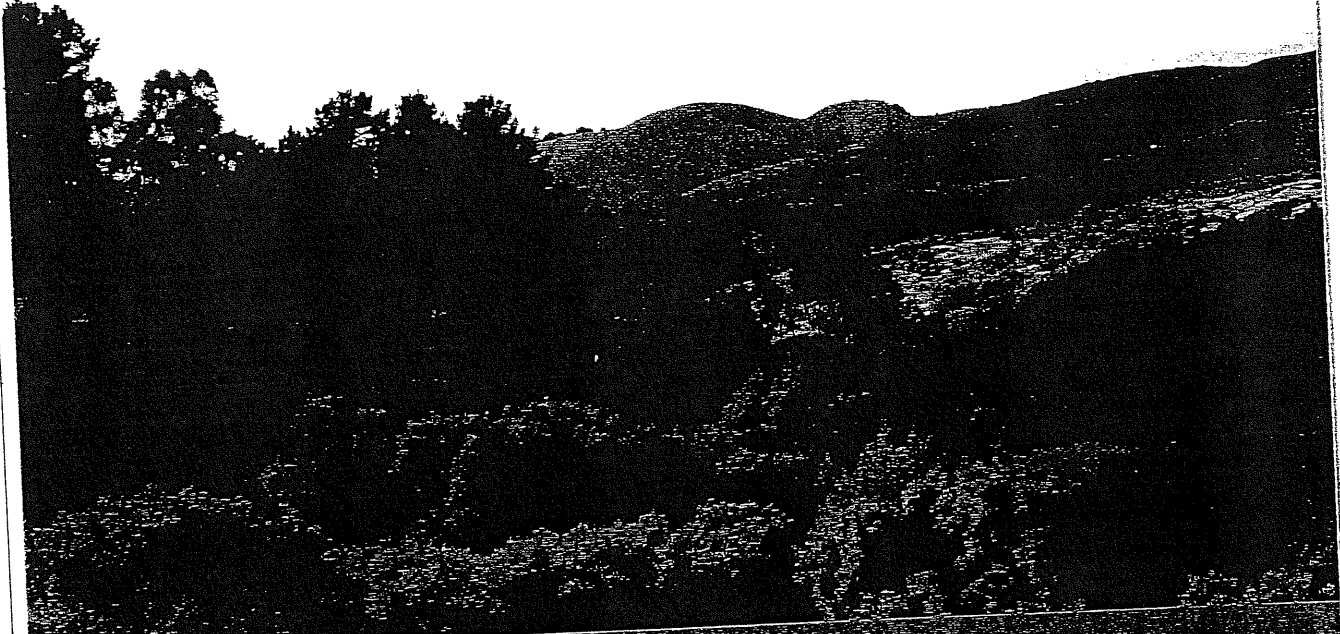
For years, Dan was one of California's leading political and media strategists, whose record includes work on four presidential and three gubernatorial campaigns. Schnur served as the national Director of Communications for the 2000 presidential campaign of U.S. Senator John McCain and spent five years as chief media spokesman for California Governor Pete Wilson. In 2012, Schnur was appointed as Chairman of the California practices Commission, a position he held through that year's elections and until spring of 2011.

In addition to his position at USC, Schnur is an Adjunct Instructor at the University of California at Berkeley's Institute of Governmental Studies. Schnur has also held the post of Visiting Fellow at the John F. Kennedy School of Government's Institute of Politics at Harvard University and taught an advanced course in political campaign communications at George Washington University's Graduate School of Political Management. He writes regular political commentary for the *Washington Post*, the *New York Times*, and *The Politico* websites, and has also been an analyst and political commentator for CNN, MSNBC, Fox News, and National Public Radio.



*"Good content,
worth your time."*

— Ben Lazarus, The Clifton Group



"Yes, I feel that all staff and board members should take advantage of this course. This course has been a refresher and update on many of the concepts used at board meeting level."

*— Sharon Nacamore
Contra Costa County Employees Retirement Association*

KRISTIN V. SHOFNER, LORD ABBETT



Kristin Shofner is a Director of Public Fund Marketing with Lord Abbett's Institutional Investment Services Group. She is responsible for working directly with Public Fund staffs, their boards and their institutional consultants on the West Coast

and Florida to help identify Lord Abbett Institutional Investment strategies that best address portfolio needs. She also supports current clients by providing ongoing communication about investment strategy and capabilities within Lord Abbett's institutional products. Ms. Shofner, who has over 10 years of financial services industry experience, joined Lord Abbett in 2003 as Director of Public Fund Marketing. In 2009, she was a finalist for Public Fund Marketer of the year.

Ms. Shofner serves on the SACRS Educational Committee Board and has been featured in the SACRS quarterly publication. She also is a member of the USA National Ekiden Marathon Team. Ms. Shofner earned a BA from the University of California at Santa Barbara.

GRAHAM SCHMIDT, CHEIRON



Graham Schmidt (Associate-SOA, Member-AAA, Fellow-CCA) served as the Senior Vice President of EFI Actuaries for ten years before joining Cheiron as a consulting actuary upon the merger of EFI and Cheiron in 2013. Graham is a frequent speaker at public

employer conferences, on topics including actuarial funding policies, asset-liability management and GASB-related issues. In recent years, he has spoken at national meetings sponsored by NCPERS, the Society of Actuaries, the Academy of Actuaries and other regional organizations, such as SACRS and CALAPRS. Graham is the SACRS-appointed representative to the California Actuarial Advisory Panel (CAAP), and is also a member of the Academy of Actuaries Public Plans Subcommittee and the Conference of Consulting Actuaries Public Plans Committee, the primary actuarial committees dealing with public sector retirement issues in the US.

SCOTT J. WHALEN, CFA, WURTS AND ASSOCIATES



Scott J. Whalen, Executive Vice President and Senior Consultant, serves primarily to provide high quality strategic investment advice and ensure his clients meet their long-term investment objectives. In addition, Mr. Whalen is a key member of the Wurts

& Associates leadership team. He sits on the Management Committee and oversees the Los Angeles consulting staff. Prior to joining Wurts & Associates, Mr. Whalen built a distinguished career in management consulting with McKinsey & Company and Ernst & Young, where he led corporate and public sector institutions to increase efficiency and improve operational performance.

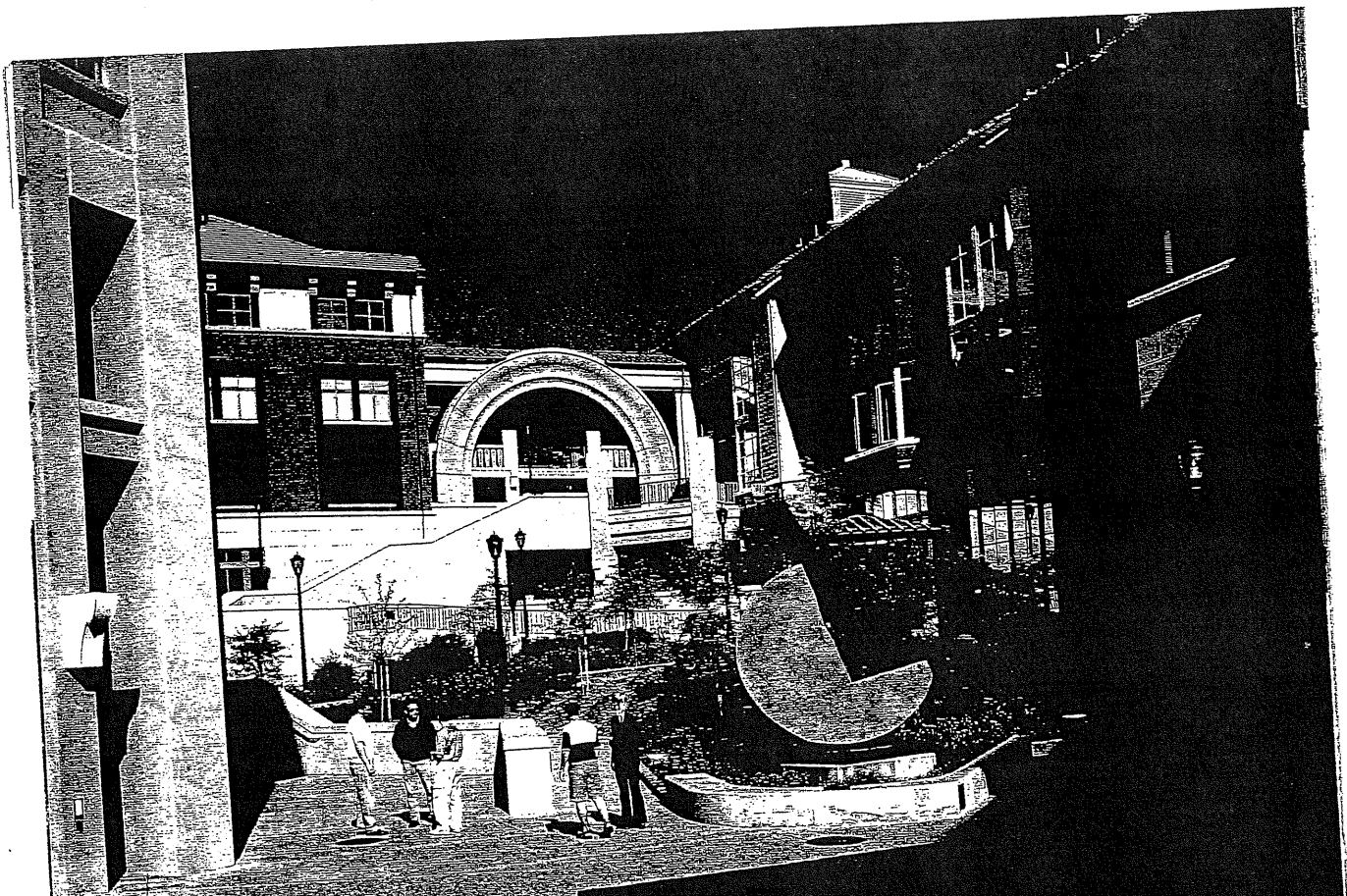
Through his vast experience working with multiple stakeholders across industries, Mr. Whalen has honed his ability to drive effective decision-making, often in challenging environments. He is a recognized speaker at industry conferences, where he has presented on a broad range of investment topics including asset allocation, alternative investing, investment manager oversight, attaining operational efficiencies in investment programs, the challenges and potential benefits of dynamic asset allocation, and the importance of maintaining a long-term perspective.

TERI NOBLE-GRUMM, AMERICAN REALTY ADVISORS



Teri Noble-Grumm is responsible for marketing American Realty Advisors' full line of real estate investment management services, including commingled fund and separate account investment programs to institutional clients in the Western United

States. Most recently, Ms. Noble-Grumm served as the Senior Vice President of Relationship Management at Convergenx where she was responsible for relationship management with plan sponsors and consultants and developing new business opportunities throughout the institutional investor and investment consultant community. Ms. Noble-Grumm is the Vice President of the National Association of Securities Professionals - San Francisco Chapter and recently served as Board Director for the Financial Women's Association of San Francisco and as Vice President of the San Francisco Chapter.



FIRST-TIME ATTENDEES

Sunday's session is a pension primer that provides a sturdy foundation for new trustees and staff. The basic language of finance and portfolio management will be introduced, and participants will explore the building blocks of portfolio construction, time value of money, the tradeoff between risk and return, liability forecasting, and asset-liability matching.

RETURNING ATTENDEES

We encourage returning attendees, trustees and staff, to participate during Sunday's session to give you both a valuable refresher on the basics and an opportunity to share your experiences as veteran fiduciaries with your fellow classmates.

Participants will bring a strategic challenge from their own Retirement Plans to the program. They will have the opportunity to further define and develop their knowledge and objectives under faculty guidance.

The strength of the Haas School of Business is expressed in their philosophy "Leading through Innovation." Successful Retirement Plan Managers recognize innovation as an opportunity to maximize the creation of value. This program focuses on individual, team, and organizational levels of innovative potential.

The Public Pension Retirement Management Program is carefully designed to give participants access to the tools, the knowledge and the networks they need to master their particular challenges. Participants will bring a strategic challenge from their own Retirement Plans to the program. They will have the opportunity to further define and develop their knowledge and objectives under faculty guidance.

The programs are taught by the very same top faculty who teach in the UC Berkeley's Business Program—ranked Number 1 in the world. Outstanding faculty includes the top names of classical finance, Thomas Gilbert, and of behavioral finance, Terrance Odean. The programs are on the absolute cutting edge of today's research.





CONFERENCE REGISTRATION

Registration online at www.sacrs.org
JULY 28-31, 2013

All conference activities will take place on the campus of **UC Berkeley at the Haas School of Business**. The host hotel is the **Claremont Resort and Spa**. Both locations are tucked away in the beautiful Berkeley hillside. Price for the session is \$2500 per person. (Price includes registration, training materials, food and beverage and daily transportation to and from the Claremont Hotel/UC Berkeley.)

PROGRAM LOCATION

UC Berkeley Center for Executive Development
UC Berkeley, Haas School of Business
2220 Piedmont Ave., Berkeley, CA 94720-1900

In order to receive a refund, you must cancel your registration by July 8, 2013. After July 8, 2013 no refunds will be permitted.

HOTEL RESERVATIONS

Claremont Resort and Spa
41 Tunnel Road, Berkeley, CA 94705
Tel: (510) 843-3000

Accommodations will be made for confirmed attendees at the **Claremont Resort and Spa** located just minutes away from UC Berkeley in the beautiful Berkeley Hills. Shuttle service between the hotel and UC Berkeley will be provided. **SACRS room rate is \$189 per room (not including tax)**. Overnight parking is available at \$18.00 per day per vehicle. Additionally, the hotel charges guests a \$10.00 (plus tax) resort fee per room/per day. This fee is to cover use of the computers and internet in the Business Center, High Speed Internet access in guest room, access to the Private Club & Fitness Center and all fitness classes, local calls, newspaper delivery and in-room coffee.

Cancellation with no penalties is 72 hours prior to arrival. **All hotel reservations will be made through SACRS. Please do not call the hotel directly to make reservations!** To reserve your hotel accommodations, contact Sulema H. Peterson, SACRS Administrator at the following: Sulema@sacrs.org or (916) 441-1850.

The UC Berkeley faculty members and participants enjoy meals together during the 3 day course. Topics from daily discussions are very often reinforced, vetted and simplified. During the evening, participants often enjoy dinner together as a group, taking in Berkeley's local restaurants within walking distance from the hotel. The informal and collegial atmosphere that develops at the SACRS UC Berkeley Program is one that is very special and unique compared with any other course and conference setting.

Participation is limited.
Register early by visiting www.sacrs.org
To submit your registration, complete
the enclosed form and:

MAIL TO: SACRS
c/o Sulema Peterson
2220 Piedmont Ave. 1900
Berkeley, CA 94720

OR E-MAIL TO: Sulema@sacrs.org

OR VISIT: www.sacrs.org
and submit online

SACRS PUBLIC PENSION INVESTMENT MANAGEMENT PROGRAM 2013

July 27-31, 2013
Oakland City & County School of Business

ATTENDEE INFORMATION



PLEASE COMPLETE ONE REGISTRATION PER ATTENDEE AND RETURN TO SACRS.

Name: _____
(Print exactly for name badge)

Company: _____ Position Title: _____

Address (No P.O. Boxes Please): _____

City/State/Zip: _____

Business Telephone: _____ Fax: _____

Home Telephone: _____ E-mail address: _____

List any special needs you may require during your stay:

(Dietary, Handicap Accessible, etc.) _____

Emergency Contact Name: _____ Emergency Phone: _____

HOTEL ACCOMMODATIONS

Arrival Date: _____ Departure Date: _____

KING DOUBLE BED SMOKING NON SMOKING

BILLING INFORMATION

CREDIT CARD BILL ME SEND INVOICE TO THE FOLLOWING INDIVIDUAL

Name: _____

Address (No P.O. Boxes Please): _____

City/State/Zip: _____

Telephone: _____ Fax: _____

MEMBERSHIP INFORMATION

Type of Member: _____ Name of County or Firm: _____

Principal Activity of the Firm (e.g. Retirement, Marketing, Consulting, Non-Profit): _____

Organization Type: Other Government Non-Profit Public Private

Name of Parent Company: _____

How long have you been a trustee/employed by your present company? _____

How long have you held your present position? _____

Date of Birth (MM/DD/YYYY): _____

What function best describes your position? (E.g. Marketing, Consulting, Trustee) _____

Most Recent Degree or Certification: _____

Year earned: _____

School | University | Association: _____

INVESTMENT MANAGEMENT PROGRAM 2013

ATTENDEE INFORMATION



PLEASE BE SURE TO PROVIDE INFORMATION FOR THE FOLLOWING 4 QUESTIONS.

PLEASE PROVIDE A BRIEF BIOGRAPHICAL SKETCH.

This information will appear to your classmates as part of your personal profile.

PLEASE PROVIDE A DETAILED DESCRIPTION OF YOUR RESPONSIBILITIES.

WHAT SPECIFIC INDUSTRY TRENDS, COMPANY INITIATIVES, AND/OR PERSONAL DEVELOPMENT NEEDS HAVE PROMPTED YOU TO ENROLL IN THE PROGRAM?
Be sure to include functions you will be managing in the future.

WHY DID YOU SELECT SACRS/UC BERKELEY?

THANK YOU FOR YOUR INFORMATION, WE LOOK FORWARD TO A SUCCESSFUL PROGRAM.

PARTICIPATION IS LIMITED. REGISTER EARLY BY VISITING WWW.SACRS.ORG

TO SUBMIT YOUR REGISTRATION, COMPLETE THIS FORM AND

MAIL TO:

SACRS

C/O SULEMA PETERSON

1415 L Street, Suite 1000

E-MAIL TO:

sulema@sacrs.org

OR VISIT WWW.SACRS.ORG

AND SUBMIT ONLINE

CALAPRS

EDUCATION • COMMUNICATION • NETWORKING

California Association of Public Retirement Systems

Meeting Date
05/08/13
Agenda Item
#9c.

TRUSTEES' ROUNDTABLE

Friday, June 14, 2013
Los Angeles Marriott Burbank Airport
2500 Hollywood Way, Burbank, CA
818-843-6000

AGENDA

- 8:30 am Continental Breakfast
- 9:00 am **Welcome**
Marty Dirks, San José Federated City Retirement System
- 9:10 am **Introduction**
Systems in Attendance
- 9:15 am **Challenges and solutions in measuring, monitoring and assessing risk for Hedge Funds – from risk management to risk intelligence**
Kristoffer Houlihan, Founder and Managing Partner, Armilla Partners
- 10:15 am **Break**
- 10:30 am **Real Money 4.0**
Steve Drobny, CEO, Drobny Global Asset Management
- 11:30 am **Lunch with discussion of current issues at member plans**
- 12:15 pm **Coping with a Low In Rate Environment**
Nick Sargen, Chief Investment Officer, Fort Washington Investment Advisors
- 1:15 pm **Break**
- 1:30 pm **Infrastructure: Inflation-Linked Assets**
Jack Foster, Head of Real Assets and Joyce Shapiro, Managing Director, Franklin Templeton Real Asset Advisors
- 2:30 pm **Break**
- 2:45 pm **Selection of coordinator for the next CALAPRS Roundtable**
- 2:50 pm **SACRS Update, open discussion**
- 3:30 pm **Adjournment**

CONTACT US

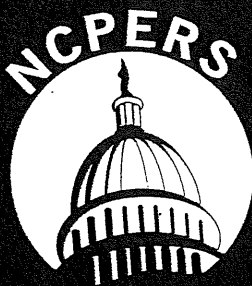
575 Market Street, Suite 2125, San Francisco, CA 94105
P: 415-764-4860 F: 415-764-4915
register@calaprs.org www.calaprs.org

ENROLLMENT APPLICATION

Meeting Date
05/08/13
Agenda Item
#9d.

Program for Advanced Trustee Studies

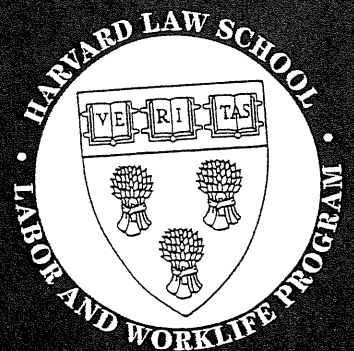
August 19-21, 2013
Harvard Law School



TWO GREAT INSTITUTIONS...

ONE EXTRAORDINARY

EDUCATIONAL EXPERIENCE



The National Conference on Public Employee Retirement Systems (NCPERS), the nation's largest nonprofit public pension advocate, partnered with the Labor & Worklife Program at Harvard Law School, through its Pensions and Capital Stewardship Project, to establish the Program for Advanced Trustee Studies (PATS). PATS was developed with the aim of providing academically grounded and practical instruction and discussion of subjects important to pension fund trustees, including finance, law, and trustee ethics. Participants in the Program will have the opportunity to learn from Harvard University instructors and other nationally and internationally recognized experts on pension issues.

The inaugural edition of the Program was a resounding success, and PATS has since been expanded to three days to allow participants to fully explore and discuss the issues with their colleagues from across the nation.

PROGRAM FOR ADVANCED TRUSTEE STUDIES PRELIMINARY AGENDA

MONDAY, AUGUST 19, 2013

- 2:30 p.m. – 3:30 p.m. Registration
- 3:30 p.m. – 5:00 p.m. Introductory Session
- 6:15 p.m. – 8:30 p.m. Reception and Dinner

TUESDAY, AUGUST 20, 2013

Investment in Private Equity: Lessons from the Past and For Action Now

- 8:00 a.m. – 8:30 a.m. Continental Breakfast
- 8:30 a.m. – 10:00 a.m. Types of Private Equity Deals and Investment Vehicles and Their Financial Risks and Rewards
- 10:00 a.m. – 10:15 a.m. Break
- 10:15 a.m. – 11:00 a.m. Attribution of Private Equity Investment Returns and Risks
- 11:00 a.m. – 12:00 p.m. Taking Proper Account of Members' Other and Different Stakeholders' Interests
- 12:00 p.m. – 12:45 p.m. Break
- 12:45 p.m. – 2:00 p.m. Decisions to Invest in Private Equity: Yes (or No)? What Kind? If So, How Much?...and Why?
- 2:00 p.m. – 2:15 p.m. Break
- 2:15 p.m. – 3:30 p.m. Methods and Means for Selecting Private Equity Asset Managers
- 3:30 p.m. – 3:45 p.m. Break
- 3:45 p.m. – 5:00 p.m. Setting the Terms for and Managing Relationships with Private Equity Asset Managers

WEDNESDAY, AUGUST 21, 2013

Measuring and Accounting for Pension Funding

- 8:00 a.m. – 8:30 a.m. Continental Breakfast
- 8:30 a.m. – 9:30 a.m. Overview: Elements of and Trade-offs in Retirement Plan Design
- 9:30 a.m. – 9:45 a.m. Break
- 9:45 a.m. – 11:00 a.m. The Shifting Landscape of Public Sector Retirement Plans
- 11:00 a.m. – 11:15 a.m. Break
- 11:15 a.m. – 12:30 p.m. Efforts So Far to Move Away From Public Sector Defined Benefit Plans: Takers and Rejectors, Winners and Losers
- 12:30 p.m. – 1:15 p.m. Lunch
- 1:15 p.m. – 2:30 p.m. Efforts to Move Away From Defined Benefit Plans: Takers and Rejectors, Winners and Losers
- 2:30 p.m. – 2:45 p.m. Break
- 2:45 p.m. – 4:00 p.m. Making the Best Possible Decisions in the Face of Efforts to Move Away From Public Sector Defined Benefit Plans
- 4:00 p.m. – 4:15 p.m. Close

PROGRAM FOR ADVANCED TRUSTEE STUDIES

Application Instructions

The Program for Advanced Trustee Studies (PATS) is intended to provide a unique educational experience that allows trustees to gain the knowledge and skills necessary to effectively grapple with important issues facing public pension plans. It is designed to educate through dialogue and interaction among program faculty and trustee participants. The PATS program seeks motivated and experienced trustees who will actively participate in the educational sessions.

We anticipate high demand for the 50 seats in the 2013 class. PATS will seek a diverse group of trustee participants. We hope to have trustees from varying sizes of public funds, geographic locations, and backgrounds.

COST TO ATTEND: \$800 per person

TO APPLY: Please complete the following application. Answer all questions in as much detail as possible. Please use a separate sheet of paper if necessary. Applications will be evaluated based upon the quality and thoroughness of the responses.

Completed applications must be received by Friday, June 14, 2013. Notices of acceptance will be emailed the week of June 24, 2013.



NCPERS
444 N. Capitol Street, NW, Suite 630
Washington, DC 20001



(202) 624-1439



conferences@ncpers.org

HOUSING: Housing has been arranged at The Sheraton Commander Hotel near the Harvard campus. The rate per night will be \$229 for single and double rooms. Further reservation details will be sent to you upon acceptance into PATS.

PLEASE PRINT OR TYPE

GENERAL INFORMATION

Name _____
 Gender (optional) _____ Ethnicity (optional) _____ Age (optional) _____
 Preferred mailing address _____
 Phone number _____ Phone number (cell) _____
 Email address _____

PENSION FUND INFORMATION

Pension fund _____
 Total fund participants _____ Retirees _____ Active employees _____
 Total assets of pension fund (\$) _____
 Does your fund invest in private equity? Yes No. If so, for how long has it been investing in private equity?
 _____ What is your fund's portfolio allocation to it? _____
 Which types of investments have been made (for example, type and geography)? _____

Is the principal plan for which you are a trustee a pure defined benefit plan (pension payments based on final (or other) salary and percentage multiplier perhaps with COLA)? Yes No.

If not, please describe it briefly:

Is participation in a supplementary 457 plan offered? Yes No.

Total number of pension fund trustees _____

Total number of years on pension fund _____

Current position at pension fund _____

List previous position(s) at pension fund _____

List current committee assignment(s): _____

Chair _____

Vice-chair _____

Other leadership position _____

List previous committee assignment(s): _____

Chair _____

Vice-chair _____

Other leadership position _____

EDUCATIONAL AND RELATED INFORMATION

List other pension organization(s) to which you or your pension fund belong _____

List educational program(s) or conference(s): _____

You attended in 2012 _____

You plan to attend in 2013 _____

Union affiliation _____ Leadership position(s) _____

List work experience, beginning with current or most recent employment:		
Position	Employer	Dates
_____	_____	_____
_____	_____	_____

List educational experience, beginning with current or most recent schooling:

School	Location (City, State)	Dates	Degree (if applicable)
_____	_____	_____	_____
_____	_____	_____	_____

List and/or describe any other experience that you think may be relevant:

Use a separate sheet of paper if necessary.

Advanced Investments Management

September 9-12, 2013

The Wharton School | University of Pennsylvania | Philadelphia, Pennsylvania

Meeting Date
05/08/13
Agenda Item
#9e.

The Advanced Investments Management course emphasizes our commitment to setting the highest quality standards in investment management education. The program is thorough and rigorous, and is designed to build upon participants' existing knowledge base and experience.

Course Objective

The Advanced Investments Management course is an intensive 3½-day program that includes formal instruction, interactive case study and small-group work. The course is offered every other year and is designed for individuals who have a solid grasp of investment management fundamentals and seek to learn more. It is assumed you already understand the basic principles of portfolio theory, performance evaluation and risk and return and are already familiar with the primary vehicles for employee benefit plan investments.

While there are no formal prerequisites for this course, those without prior knowledge of fundamental investment topics will most likely find this specialty course too advanced and are encouraged to register for the Portfolio Concepts and Management program.

Course Outline

MONDAY, SEPTEMBER 9

7:30-8:30 a.m.

Breakfast and Registration
Steinberg Conference Center

8:30-10:00 a.m.

Introduction and Performance Analysis

- Structure and design of benchmarks
- How to use benchmarks to measure fund performance and evaluate investment managers

10:15 a.m.-12:00 noon

Evaluation of Managers

- General risk-adjusted and style-based measures
- Strengths, weaknesses and possible misuses of the measures
- Latest trends in performance analysis

Prime your skills for the Advanced Investments Management course

The optional Sunday afternoon refresher workshop will sharpen your knowledge to help you make the most of the Advanced Investments Management program at the Wharton School. See previous page for details.

MONDAY, SEPTEMBER 9 (CONT.)

12:00 noon-1:00 p.m.

Lunch

Provided at the conference center

1:00-2:45 p.m.

Macroeconomy

- Impact of the macroeconomy on the environment in which financial markets operate
—Key macroeconomic indicators; financial market responses

3:00-6:15 p.m.

Alternative Investments: A Discussion and Overview of Hedge Funds

- Alternative investment allocations
- Selecting the right manager and monitoring performance
- Overall outlook for alternative investments
- Pros and cons of hedge funds

Advanced Investments Management

MONDAY, SEPTEMBER 9 (CONT.)

6:30-7:30 p.m.

Welcome Reception (optional)

Sheraton Philadelphia University City Hotel

TUESDAY, SEPTEMBER 10

7:30-8:30 a.m.

Breakfast

Provided at the conference center

8:30 a.m.-12:00 noon

Advanced Bond Management

- Bond pricing
- Interest rate risk
- Risks faced by bond portfolios
- Duration and convexity
- Portfolio immunization and dedicated portfolios

12:00 noon-1:00 p.m.

Lunch

Provided at the conference center

1:00-5:00 p.m.

Advanced Asset Allocation

- Asset allocation strategies
- Asset allocation and the financial crisis
- Weighting strategies

5:00-5:15 p.m.

Introduction to Case Study

WEDNESDAY, SEPTEMBER 11

7:30-8:30 a.m.

Breakfast

Provided at the conference center

8:30 a.m.-12:00 noon

International Investing

- How to measure the performance of foreign assets
- International diversification and currency risk
- Risks and returns on international bonds for a pension fund
- Strategies to invest internationally with an exchange rate view

WEDNESDAY, SEPTEMBER 11 (CONT.)

12:00 noon-1:00 p.m.

Lunch

Provided at the conference center

1:00-2:30 p.m.

Real Estate in a Pension Fund Portfolio

- Risks and returns of different types of real estate investments
- Long-run returns, risk and portfolio allocation to real estate
- Growth of the REIT market

2:45-4:15 p.m.

Pension Fund Valuation in the New World of Risk

- The economist approach to discounting
- The case for bonds vs. stocks
- Matching assets and liabilities

4:30-6:30 p.m.

Wrap-Up and Case Study Group Work

Dinner on your own

THURSDAY, SEPTEMBER 12

7:00-8:00 a.m.

Breakfast

Provided at the conference center

8:00-11:15 a.m.

Case Study

Required to earn a certificate

11:15 a.m.-12:00 noon

Examination

Required to earn a certificate

Earning Your Certificate

A certificate of completion from the Wharton School will be awarded to those who

- Attend all sessions (please note, courses have early-evening group work sessions)
- Successfully complete the brief written examination which reinforces the practical takeaways from the content lectures and group work.

If you wish to earn a certificate, please make your travel plans accordingly, and leave early evenings open as indicated on the course schedule.



Registration includes

- A curriculum binder including teaching materials and up-to-date resources
- A certificate from the Wharton School upon fulfilling attendance and participation requirements
- Daily breakfasts, lunch on all days that courses extend into the afternoon, and refreshment breaks in the mornings and afternoons.

Additional Class Notes

- You may find it helpful to bring a calculator with you to participate in examples and exercises throughout the course.
- Registrants will be notified by e-mail when select materials are posted on the Wharton website that will serve as prereading for the course.
- Please note that the scheduling of specific sessions and/or faculty is subject to change.
- For questions on curriculum, please call (262) 373-7652 or e-mail tiffanyu@ifebp.org.

Continuing Education Credit

Most state boards/departments that license professionals will accept International Foundation courses for their continuing education requirements if the course content is applicable. As a service to attendees, CE accreditation procedures have been implemented. This additional service is provided at a nominal administrative fee (\$25) and must be paid by those requesting the service. If you are an insurance professional, please note that state insurance departments do not consider investment topics as appropriate for insurance continuing education credit. Therefore, insurance credit is not available for the Wharton investment courses. For information regarding earning continuing education credit for your profession, visit www.ifebp.org/education/continuinged.

REGISTRATION/2013

Wharton Investment Courses

CUSTOMER INFORMATION (Please print clearly)


Priority code **363 F** Individual ID# or CEBS® ID# _____
 First name _____ M.I. _____ Last name _____
 Employer _____
 Title _____
 Address _____ Business Home
 City _____ State/Province _____ Country _____ ZIP/Postal code _____
 Phone _____ Fax _____
 E-mail _____
 Last 4/3 digits of SSN/SIN _____ Date of birth (mm/dd/yyyy) _____
 See policies regarding registration/cancellation/refund/record retention/photo release and privacy at www.ifebp.org/policies.

NOT A MEMBER? JOIN NOW AND SAVE!

Individual \$295* Organizational \$780* Join now and pay the lower member rate.
 *Membership dues are prorated quarterly. Visit www.ifebp.org/join for current rates.

REGISTRATION INFORMATION

Organization representing _____
 Organization # _____
 Badge name _____ Badge title _____
 Special dietary requirements—specify _____
 Form completed by _____ Phone _____

 Special assistance?
 Yes No

Portfolio Concepts and Management

(04-1304)

May 6-9, 2013 | The Wharton School, University of Pennsylvania | Philadelphia, Pennsylvania

	Until March 25	After March 25
Member fee	<input type="checkbox"/> \$4,350	<input type="checkbox"/> \$4,550
Nonmember fee	<input type="checkbox"/> \$4,650	<input type="checkbox"/> \$4,850

Advanced Investments Management

(63-1363)

September 9-12, 2013 | The Wharton School, University of Pennsylvania | Philadelphia, Pennsylvania

	Until July 29	After July 29
Member fee	<input type="checkbox"/> \$4,350	<input type="checkbox"/> \$4,550
Nonmember fee	<input type="checkbox"/> \$4,650	<input type="checkbox"/> \$4,850

Refresher Workshop

(63-PC01)

September 8, 2013 | Sheraton University City Hotel | Philadelphia, Pennsylvania

	Until July 29	After July 29
Member fee	<input type="checkbox"/> \$370	<input type="checkbox"/> \$470
Nonmember fee	<input type="checkbox"/> \$445	<input type="checkbox"/> \$545

2013 CANCEL POLICY: Early cancel fee is \$50/meeting day. Within 30 days of meeting, cancel fee is 50% of registration fee.

HOTEL

Mention the International Foundation for special rate. After the deadline, reservations and rate will be based on availability (credit card will be required).

Sheraton Philadelphia University City Hotel, Philadelphia, Pennsylvania Reservations phone: (888) 627-7071
 Rate: \$165 single/double (15.2% tax) Reservation deadline: April 15 for May program, August 19 for September program.

CONTINUING EDUCATION CREDIT

\$25 continuing education service charge due at time of registration (if applicable). The International Foundation will apply for CE credit based on requests. You must indicate the profession for which credit is requested.

Actuary CFA CFP CIMA CPA PHR/SPHR/GPHR Other, specify _____

Licensed in the state of _____ License/NPN/BAR/CPA # _____

Note: Requests made for CE on this form do not guarantee admission of credit.

PAYMENT INFORMATION

Full payment in U.S. funds must accompany order.
 Make check payable to International Foundation.

Check # _____ \$ _____
 VISA MasterCard Discover
 American Express (U.S. only)

Credit card # _____
 Exp. date _____
 Cardholder's name (print) _____

REGISTRATION/ORDER SUMMARY

Membership fee \$ _____
 Registration fee \$ _____
 Registration fee \$ _____
 Continuing education fee (\$25) \$ _____
Total (U.S. funds) \$ _____



Register online at www.ifebp.org



Mail the registration form with check or credit card number to:
 International Foundation—Conference,
 P.O. Box 689954, Chicago, IL 60695-9954



Fax your registration with credit card number:
 (262) 364-1818



For information, e-mail edreg@ifebp.org, or phone toll-free
 (888) 334-3327, option 2, or (262) 786-6710, option 2.

