



## AGENDA

### RETIREMENT BOARD MEETING

SPECIAL MEETING

9:00 a.m.

July 23, 2014

Retirement Board Conference Room

The Willows Office Park

1355 Willow Way, Suite 221

Concord, California

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

1. Pledge of Allegiance.
2. Accept comments from the public.
3. Discussion with consultant and staff regarding managers scheduled to present.
4. Manager panel discussions:

9:15 a.m. – 10:00 a.m.

Topic: Understanding High Frequency Trading  
Presenters: Christian McCormick, INTECH  
Debbie Sabo, Jackson Square Partners

10:00 a.m. – 11:00 a.m.

Topic: Hiding in Plain Sight: How to Think About  
Trading Costs  
Presenters: Steven Fenty, State Street Global Markets  
Stephen Malinowski, Vertas  
Vinod Pakianathan, Zeno Consulting Group

11:15 a.m. – 12:30 p.m.

Topic: Real Estate in the Real Economy  
Presenters: Andy Rifkin, Carmine Fanelle, DLJ RECP  
Joe Munoz, LaSalle Investment Management  
Reid Liffman, Angelo Gordon

### *CLOSED SESSION*

5. The Board will go into closed session to confer with legal counsel regarding anticipated litigation pursuant to Govt. Code Section 54956.9(d) (2): one potential case.

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.

*OPEN SESSION*

6. Consider and take possible action regarding the Board's review of prior retirements with unusual increases at the end of employment.
7. Consider and take possible action to place investment manager under review.
8. Consider authorizing the attendance of Board and/or staff:
  - a. Annual Limited Partners Meeting, Carpenter Community BancFund, September 24-25, 2014, San Jose, CA.
  - b. Investment Summit, Torchlight Investors, October 14-15, 2014, New York, NY.
9. Miscellaneous
  - a. Staff Report
  - b. Outside Professionals' Report
  - c. Trustees' comments

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# Contra Costa County Employees' Retirement Association

July 23, 2014

**Christian McCormick, CFA**  
Managing Director  
INTECH

Meeting Date  
**07/23/14**  
Agenda Item  
**#4**

- **“I’m not an advocate of high-frequency trading, but many of the concerns investors have are overblown,” says Randy Frederick, Managing Director of Trading and Derivatives for Charles Schwab**

## High Frequency Trading (HFT)

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- **What is it?**
  - Use of sophisticated, computer-driven algorithms to rapidly trade securities
  - Executing high-volume, low-profit trading
  - Employing little to no leverage, positions held for minutes or seconds

## High Frequency Trading (HFT) (cont'd)

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- **What is the controversy?**
  - Pros
    - Provide liquidity to marketplace
    - Reduce bid-ask spreads, thus lowering trading costs
  - Cons
    - Pose systemic risk to the financial system
    - Take advantage of other participants limit orders

## Market Structure, a Look Back

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- 1997
  - NYSE and NASDAQ controlled vast majority of market share
  - Traded in 1/8 increments (or \$0.125)
  - Average trade size was approximately 1,500 shares
  - Floor of NYSE was chaotic
  - NASDAQ was a dealer market, which requires holding inventory
  
- ... NASDAQ Market makers were considered the bad guys

## Market Structure, a Look Back (cont'd)

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- Then came...
  - 1998 - Regulation Alternative Trading Systems (Reg ATS)
    - Created SEC-approved non-exchange venues to match buyers and sellers
    - Introduced first real competition to NYSE and NASDAQ
  - 1999 - Exchanges begin trading in 1/16 increments (or \$0.0625)
  - 2001 - Exchanges begin trading in \$0.01 increments, decimalization



## Market Structure, a Look Back (cont'd)

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- Which led to...
  - Widespread automation of trading, birth of algorithmic trading
  - Decrease in spreads, average trade sizes fell to 500 shares
  - NASDAQ market maker profits evaporate and firms withdraw
  - NYSE still requires all non de minimis orders route through specialist

...NYSE Specialists were considered the bad guys

## Market Structure, a Look Back (cont'd)

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- Then came...
  - 2005 - Regulation National Market System (Reg NMS)
    - Mandated routing network between markets
    - Order handling rules designed to ensure investors receive best price, regardless of exchange
  - 2007 - NYSE Hybrid Market
    - Which allowed NYSE-listed stocks to be traded through floor brokers or through electronic exchanges

## Market Structure, a Look Back (cont'd)

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- **Fast forward to today...**
  - Highly automated, fragmented market structure
  - NYSE and NASDAQ each control approximately 20% of market share
  - Market is now about finding the best price, wherever that is
  - Speed being paramount, co-location, proprietary fiber optic, lasers!
  - Market dominated by high frequency traders

....High Frequency Traders are now considered the bad guys

## Has all this Market Structure Change Improved Liquidity?

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- Majority of research shows that market liquidity has been improved, trading costs have reduced, and stock prices are more efficient
  - INTECH's trading cost database confirms this finding
    - Five years prior to decimalization (1997 - 2001) - average of 24 basis points
    - Six years after (2002 - 2007) - average of 18 basis points
  - Global financial crisis (2008 - 2009) - average of 26 basis points
  - Last four years (2010 - 2013) - average of 18 basis points
  
- But for all orders and market participants?

## Market Structure

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- **Off exchange trading now represents nearly 40% of volume**
  - Orders are executed without ever being displayed on an exchange
  - Only after execution are these orders reported to the consolidated tape
  - Dark pools and broker internalization
  - Offers market participants anonymity
- **Why?**
  - Because large, block orders are more difficult to execute in today's world
  - Participants are less willing to display sizeable limit orders
    - Example: Buy 90,000 shares MMM, 3% ADV (3,000,000 shares/day)
      - bid \$132.68 x 500
      - ask \$132.70 x 400
  - Bid/Ask spreads change at speeds humans cannot react to
  - Average trade size today is approximately 250 shares

## Bottom Line on Liquidity and Costs...

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- **Small orders (retail) are filled rapidly and at narrower bid/ask spreads**
  - Definite winners
- **Large orders (institutional) must be executed with great care**
  - Sophisticated algorithms, multiple exchanges
  - Extensive use of off-exchange liquidity
  - Less certainty as to whether they have benefited
- **It appears that most investors have benefited from the market structure changes over the past 15 years in the form of improved market liquidity and reduced trading costs**

## Automation Has a Dark Side

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- **Mistakes disseminate and compound rapidly**
  - Flash crash – May 2010
  - Knight Securities – August 2012
- **Market structure has few barriers to entry**
  - Easier for opportunist to attempt to take advantage of naïve participants
  - Not every HFT is a market maker

## Where Do We Go From Here?

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- **High Frequency Trading is here to stay**
  - Arms race for faster trading/information will continue
- **Profit margins for HFT's, brokers and exchanges likely to continue to shrink**
  - January 2014 merger of BATS/Direct Edge
  - November 2013 acquisition of NYSE by ICE
- **SEC concerned about transparency**
  - Consolidated Audit Trail
    - Would track orders from inception, routing, cancellation, modification and execution
    - Cost is a big issue
- **While there have been unintended consequences to all this change, it appears the SEC is satisfied with the market structure they have created**
- **However, SEC seriously considering moves to make trading markets "fairer"**



## **Discussed Changes**

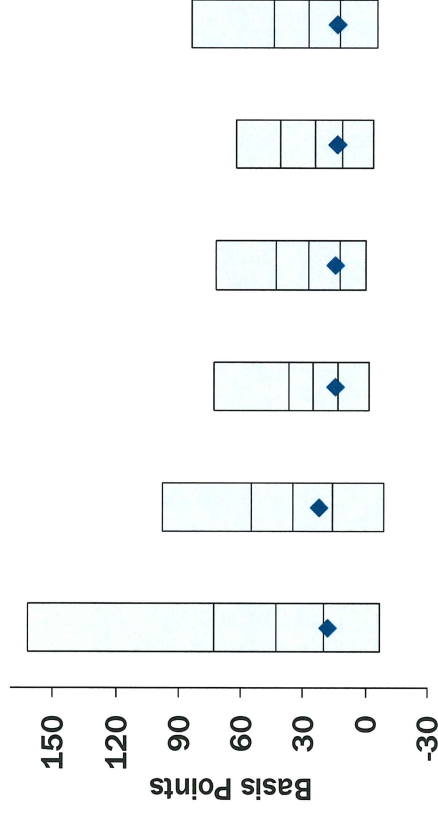
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- **Fees on high volumes of order cancellations**
- **Minimum time enforced for quotes**
- **Financial penalties for giving dark pool access to HFT firms**

# APPENDIX

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## Trading Cost Comparison

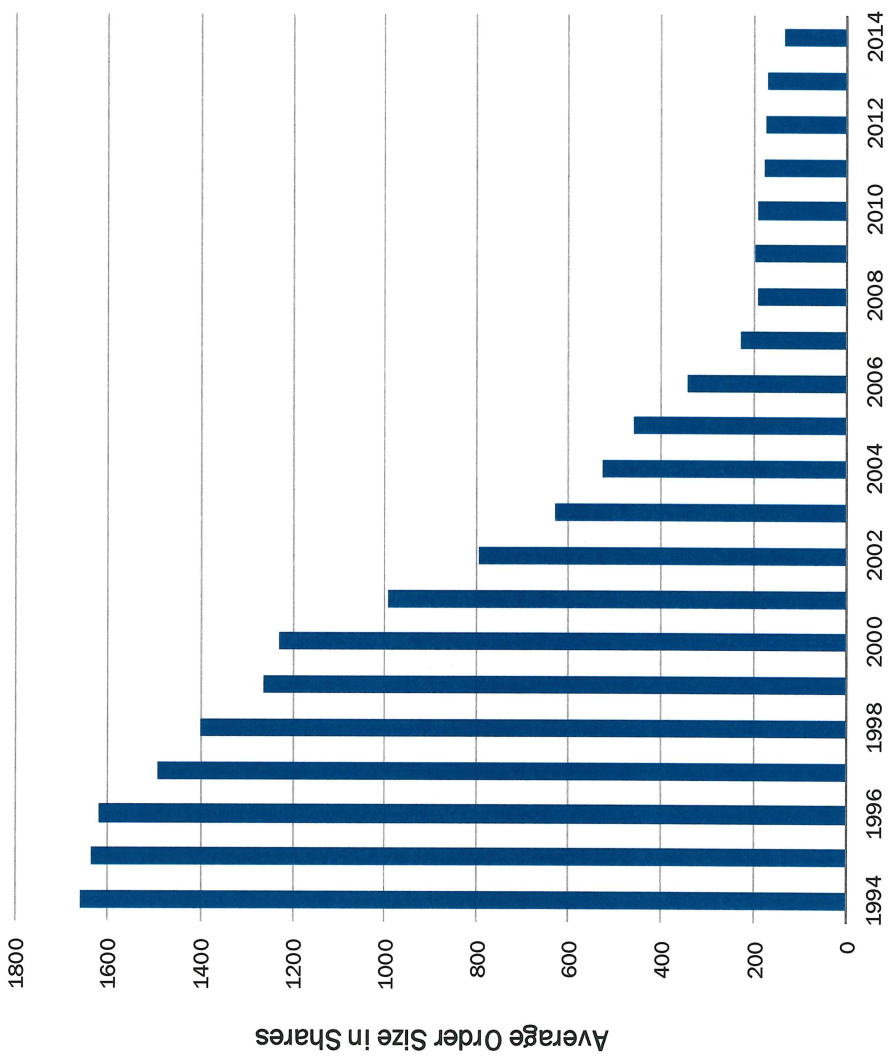


	2008	2009	2010	2011	2012	2013
5th Percentile	162	98	73	72	62	84
25th Percentile	73	55	37	43	41	44
Median	18	22	14	14	13	13
75th Percentile	43	35	25	27	24	27
95th Percentile	73	73	72	62	44	44

INTECH	18	22	14	14	13	13
Percent Rank	80%	69%	71%	72%	70%	70%

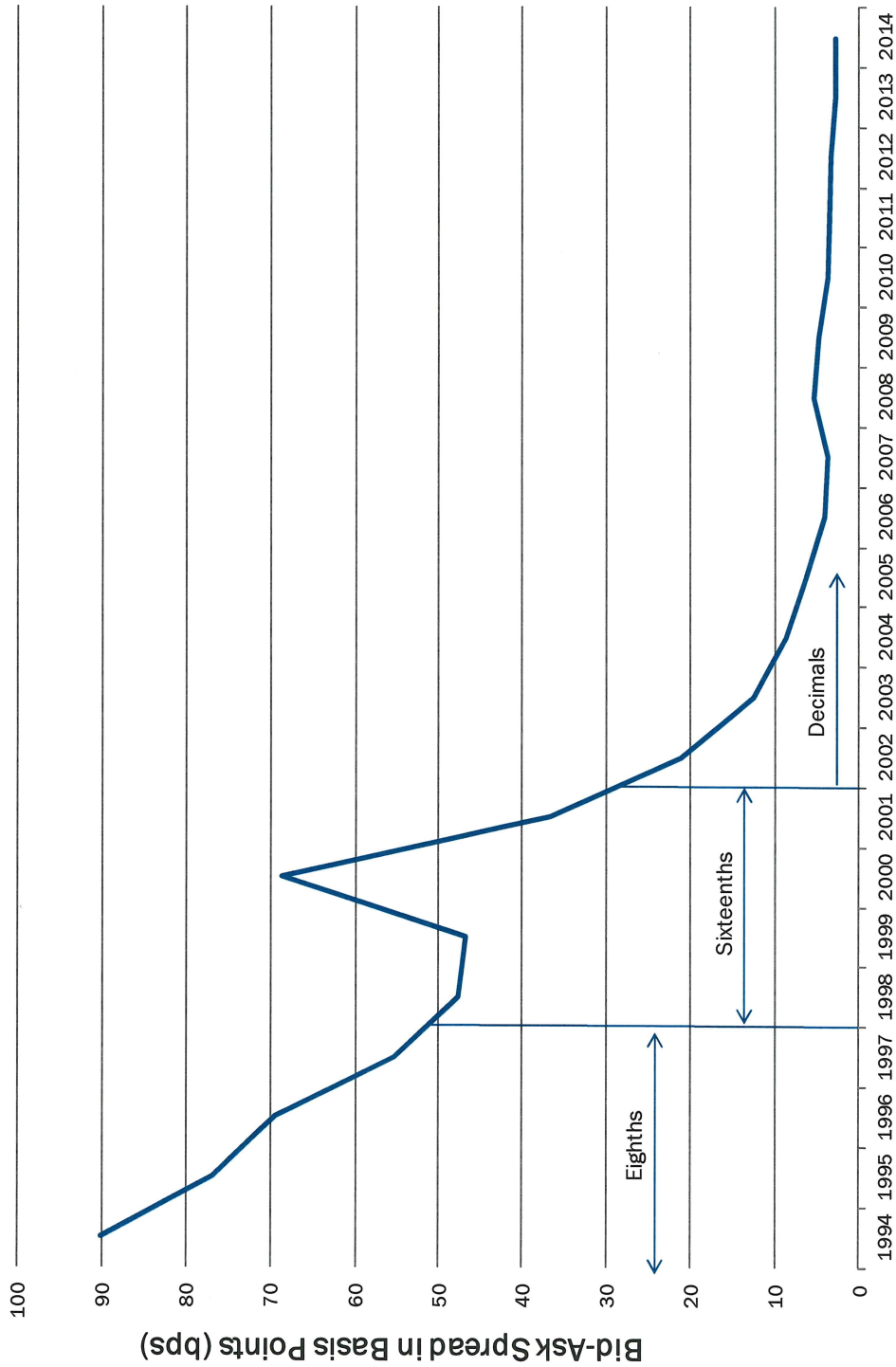
\* Source: ITG. See note on page 1.1. Costs include market impact plus commissions. Results based on quarterly analysis. Additional information about ITG can be obtained from its website at [www.itg.com](http://www.itg.com). Data reflects past performance which is no guarantee of future results.

## Historical U.S. Order Size



Source: Credit Suisse Trading Strategy

## Consolidated U.S. Average Bid/Ask Spread



Source: Credit Suisse Trading Strategy

Meeting Date  
**07/23/14**  
Agenda Item  
**#4**



## **Transaction Cost Analysis and Consulting**

**Contra Costa County**  
July 23<sup>rd</sup>, 2014



## Transaction Costs: Why you should care

- Managers pay almost 1.5 - 2% in trading costs (from Fund assets) up front
- If a fund has \$1 billion in equities with external sub-advisors, this translates into almost \$15-20 million spent annually\*, before any returns
- This is often the single largest expense of the fund!

\* Assuming turnover rates of 100%

## What are trading costs? And how do we calculate them?

Common sense definition: The loss of asset value associated with Buying and Selling securities in your portfolio.

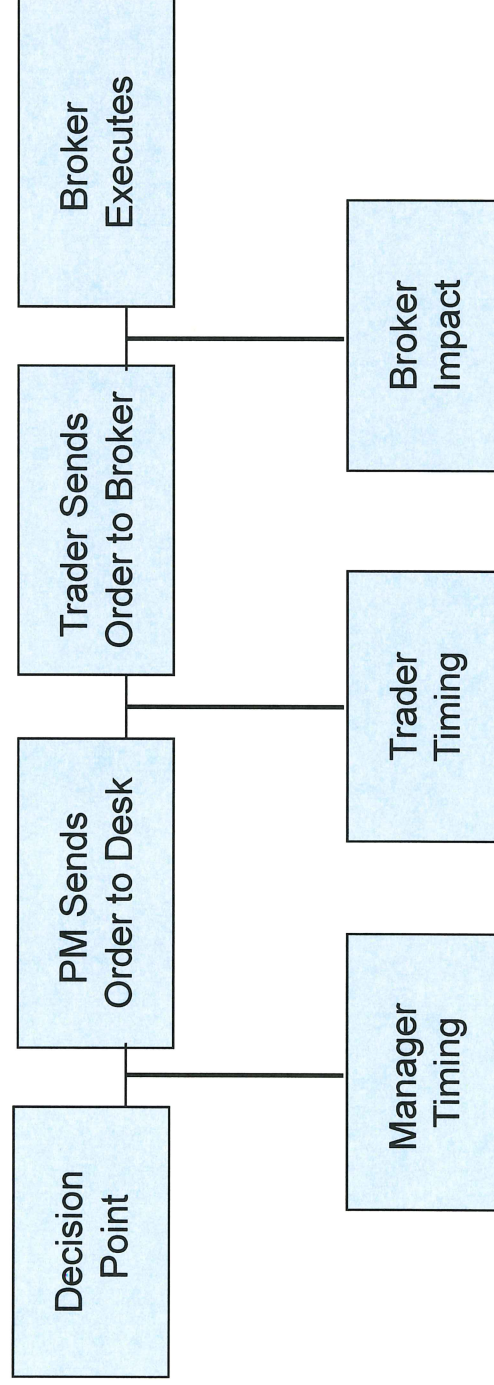
### How to Measure Transaction Costs

Value before the transaction	\$X
Value after the transaction	– \$Y
Cost to complete the trade	<hr/> \$X - \$Y

*Nothing tricky here. Simple arithmetic.*



## Transaction Costs can be separated according to actions by portfolio management, trading desk and executing broker



## Transaction Costs: More than just commissions

- Commission: The fee charged by a broker for their services
- Market Impact: The cost incurred by a broker executing a manager's order on any given day
- Delay Costs: The cost incurred when a manager "works" an order over several days  
*(i.e. if a manager sells a security over five days, the shares sold on Day 5 will incur Market Impact costs based on the broker's execution efficiency. The shares sold on Day 5 will also incur Delay Costs equal to the gain/loss of asset value that occurred on Days 1-4)*

**Key Point:**

- A tension exists between Market Impact and Delay Costs such that trying to minimize one ends up increasing the other.
- Consequently, the challenge for each manager is to develop a sound rational trading strategy that balances both Market Impact and Delay Costs so as to minimize the aggregate amount.

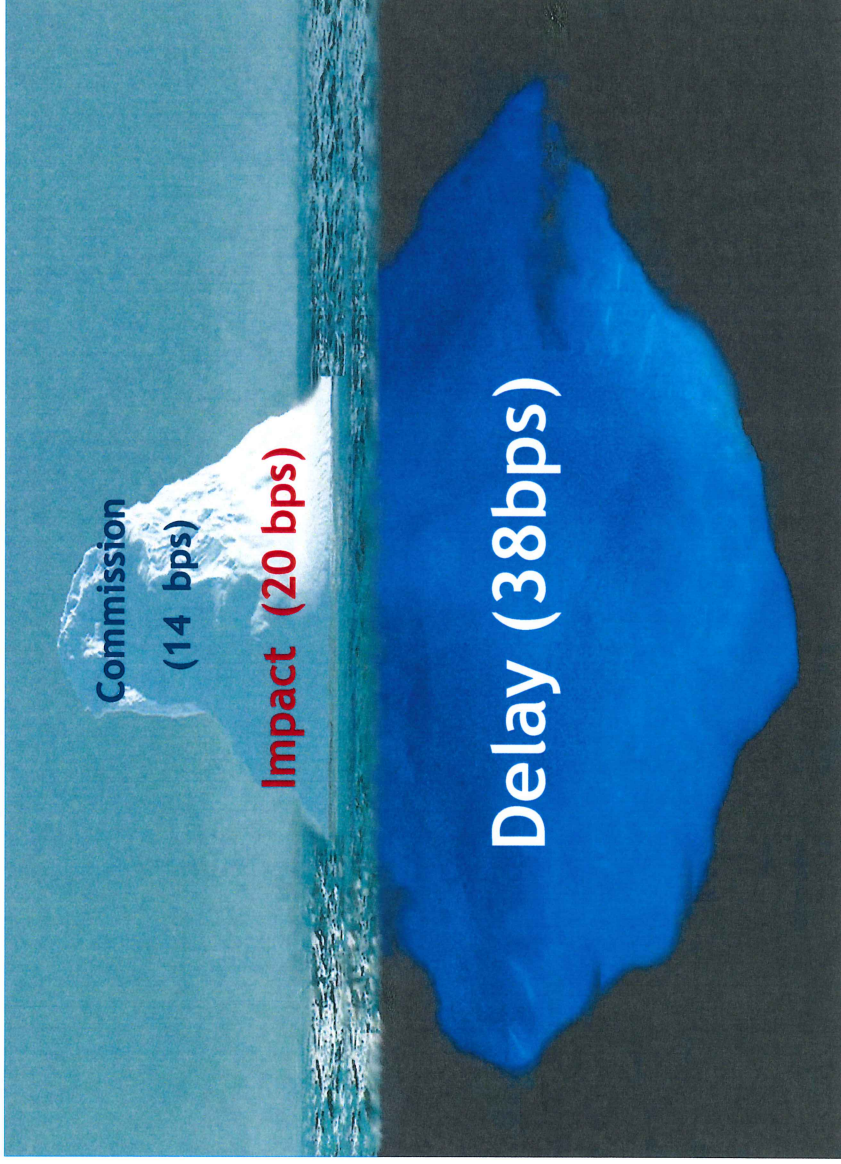
## A Practical Example

- A manager wants to sell 100,000 shares of Stock XYZ that's currently worth \$20
- The manager decides to "work" the order over five days, selling 20,000 per day
- Each day, the 20,000 shares sold that day will have their own "Market Impact" and a "Delay" cost

Day	Price When Manager Decides to Sell	Price When Manager Calls Broker	Execution Price	Market Impact	Delay Costs	Total Costs (ex-commissions)
1 (20,000 shares)	\$20	\$19.50	\$19.00	\$0.50	\$0.50	\$1.00
2 (20,000 shares)	\$20	\$19.00	\$18.50	\$0.50	\$1.00	\$1.500
3 (20,000 shares)	\$20	\$18.50	\$18.00	\$0.50	\$1.50	\$2.00
4 (20,000 shares)	\$20	\$18.00	\$17.50	\$0.50	\$2.00	\$2.50
5 (20,000 shares)	\$20	\$17.50	\$17.00	\$0.50	\$2.50	\$3.00
<b>Total Trade (100,000 shares)</b>	<b>\$20</b>	<b>\$18.50</b> (5-Day Average Price)	<b>\$18</b> (5-Day Average Price)	<b>\$0.50</b>	<b>\$1.50</b>	<b>\$2.00</b>

## The Iceberg of Transaction Costs:

Do you know what you really paid to buy  
and sell your securities?



## What Does This Mean to the Bottom Line?

Fund Value . . . . .	\$1,000,000,000
60% Commitment to Active Equities. . . . .	\$600,000,000
80% Equity turnover	
<i>(Double for both buying and selling)</i> . . . . .	\$960,000,000
One-way -70 bp Transaction cost . . . . .	\$6,700,000
Impact on return of Active Equities . . . . .	-1.1%

***Transaction costs are often the largest expense of the fund!***

## Let's Put This Another Way...

If expected equity returns are: . . . . . 9%

And the average cost is: . . . . . -1.4% (70 bp each way)

### Performance Attribution

The gross equity return must be: . . . . . 10.1%\*

**The percent of net equity return attributable to Trading Costs: . . . . . 10.9%**

Historically, attribution analysis on manager performance (to understand how returns are generated), looked at: stock selection, sectors bets, market movement etc., but ignored or underestimated trading costs.

\* Assuming 80% turnover rates

## Putting Costs Into Context

- Once you calculate the loss of asset value, you now know what the manager paid in trading costs.
- But that's all you know.
- You don't know whether you should be upset, satisfied, or happy with the trading costs paid by your manager.
- To answer that question, you need a benchmark to juxtapose against those costs, and help put them into context...

## How Should Costs Be Benchmarked? (i.e. Were the Costs you paid reasonable?)

- Critical Benchmark Requirements
- Measures appropriate cost components
  - Don't use a Market Impact Benchmark to judge Total Execution Costs and vice versa.
- Adjust for Trade Characteristics
  - Benchmark should recognize that trading 10,000 shares of a stock is easier that trading 1,000,000 etc.

**Provide “actionable” information to manage and improve upon results**



## Additional Benchmarks

*Viewing each trade in the context of Multiple benchmarks puts trading results and activity in the proper context, thereby meeting Fund's needs.*

### **Benchmarks and their relevance:**

- Compiling and maintaining proprietary benchmarks on commissions, market impact and total costs, is key to getting an accurate picture of costs.
- Zeno looks at several market impact benchmarks (e.g. T-1, VWAP, T+1) that help provide 'color' for market conditions existing at the time your trades are executed.
- Additionally over 100 customizable price benchmarks are used appropriately, to provide additional context to trading.

## Three Step Process

- Satisfy fiduciary obligations to monitor, achieve deeper understanding of (and comfort with) manager trade processes, better manage and control excessive costs, and custom due-diligence/research on an as needed basis.

**Step One: Quantitative review of report analytics**  
**Typically provided three weeks after receipt of data**  
**Top-down approach maximizes staff time and resources. Basic metrics reviewed:**

- 1<sup>st</sup> Review Aggregate Fund: costs, benchmark, ranking, commissions, brokers, traded returns
- 2<sup>nd</sup> Identify individual managers driving: costs, commission rates, and broker usage
- 3<sup>rd</sup> Review individual managers': costs, benchmark, ranking, commissions, brokers, traded returns
- 4<sup>th</sup> Review any other items of specific interest to your Fund

**Step Two: Consultative communication and follow-up with managers**  
**Engage managers in focused meaningful discussions**  
**Intended to ensure manager's awareness, and gain comfort in their process**

- 1<sup>st</sup> In general, share manager-specific pages (in spirit of open communication)
- 2<sup>nd</sup> Where appropriate, identify "Significant Issues" that warrant follow-up
- 3<sup>rd</sup> Schedule calls with relevant managers to discuss the "Significant Issues"

**Step Three: Client-specific due-diligence and/or research projects**

- Web-enabled, secure, drill-down facility enables detailed trade and market analysis
- Senior Consultant available for in-depth research projects

## TCA: Follow-up and Applications

- Three methods of assessing a manager's Trading efficacy:
  1. Trading Costs versus Zeno's Benchmark:
    - Adjusts for trade difficulty on individual issues traded.
    - Adjusts for several factors that incorporate manager's trading and investment style.
    - Does not adjust for Assets Under Management (AUM) as a percentage of overall block size
  2. Trading Costs versus Zeno's Peer Group:
    - Peer groups use Investment mandates as the basis for manager grouping.
    - Peer groups use long term results for each manager to remove effects of quarterly structural or market shifts.
    - Peer groups are well qualified to ensure adequate sample size comparisons.
    - Trading style is not accommodated in peer comparisons.
  3. Holistic view of Cost versus Benchmark and versus Peer Groups
    - Use Execution Efficiency (cost versus benchmark comparisons) to determine trading efficiency.
    - Compare costs and execution efficiency to portfolios/managers with similar investment mandates.

## TCA: Compensating for trading style

- Three factors that help determine Trading efficacy:
  1. Manager Performance in relation to turnover and trading costs:
    - Adjust costs for turnover and trading value.
    - Compare annual (or long term) costs and gross performance to determine what fraction of performance they represent.
    - Consider the information that this provides within peer group.
    - Can be used as an assessment of trading (or portfolio) risk.
  2. Manager's trading style:
    - Categorize managers within an investment mandate by trading style.
    - Comparisons within Investment and trading styles provide better results when viewed in the context of Execution efficiency, performance and Peer comparisons.
    - Manager trading style is captured to a large degree by Zeno's difficulty adjusted benchmark.
  3. Managers stock picking style.
    - Quantitative managers pick stocks differently than Bottom Up Fundamental managers.
    - Among managers within the same investment mandate and using a bottom up fundamental process one may have a momentum stock picking trigger while another may have a value bias.

## Trading Style: Examples

- **Mid Cap Value Fund : Mid Cap Value (Quant stock pickers)**

### Summary

*Total Dollars Traded:* US\$ 500.0 MM (113.5% turnover)

*Total Costs:* -14 bp

Delay Cost:

-6 bp

Market Impact:

-3 bp

Commissions:

-6 bp (-1.5 ¢/share)

*Total Cost Benchmark:* -14bp

*Value-added:* -0 bp (-US\$ 0.067 mm)

- **Mid Cap Value Fund II : Mid-Cap Value (Bottom Up Fundamental Momentum bias)**

### Summary

*Total Dollars Traded:* US\$ 632.0 MM (110.3% turnover)

*Total Costs:* -112 bp

Delay Cost:

-79 bp

Market Impact:

-24 bp

Commissions:

-10 bp (-2.6 ¢/share)

*Total Cost Benchmark:* -92 bp

*Value-added:* -20 bp (-US\$ 1.26 mm)

## Costs: Impact on Performance

- Costs have a direct impact on Returns, but only when measured appropriately.
- Implementation Shortfall is the only appropriate metric that directly relates to manager performance.
- Trading Factors which affect Costs and returns:
  - Turnover percentage
  - Manager Strategy
  - Capacity of Strategy
  - Trading liquidity
  - Relative performance

## Disclaimers

The information contained in this presentation, including the sample report, is provided for informational purposes only. It has been compiled from sources which we deem reliable, however, Zeno Consulting Group, LLC does not guarantee its accuracy or completeness or makes any warranties regarding any results from usage. These materials do not provide any form of advice (investment, tax, or legal).



Meeting Date  
**07/23/14**  
Agenda Item  
**#6**

May 8, 2014

To: CCCERA Employers  
Employee Groups  
Retiree Groups

This is to inform you that the Retirement Board for the Contra Costa County Employees' Retirement Association (CCCERA) voted on May 7, 2014 to adopt the following public statement to be disseminated to all interested parties:

**STATEMENT OF BOARD INTENT TO REVIEW PAST INCIDENTS OF UNUSUAL COMPENSATION INCREASES AT END OF EMPLOYMENT**

The CCCERA Board of Retirement has a fiduciary obligation to pay only the legally correct benefits earned by its members. Having recently been granted additional auditing authority and responsibility by the State Legislature, the Board announces its intention to review past retirement calculations to determine whether any retired CCCERA members may be receiving benefits that were calculated on amounts that should not have been included in their pensionable compensation. As a first step, the Board will conduct an analysis of data pertaining to all unusual increases in the final average salary year for all CCCERA members who retired during the past several years.

The Board assures all CCCERA members that any proposed adjustments to retirement benefits will occur only after the Board has conducted a thorough examination of all applicable facts and applicable law, and only after affording any affected members the opportunity to appear before, and present their positions to, the Board before any action is taken.

Thank you for your attention to this matter.

Sincerely,

Brian Hast  
Retirement Board Chair





Meeting Date  
**07/23/14**  
Agenda Item  
**#7**

**Memorandum**

Date: July 16, 2014  
To: CCCERA Board of Retirement  
From: Tim Price, Chief Investment Officer  
Subject: Adams Street Partners Personnel Changes

**Overview**

CCCERA Investment Staff were informed on July 10<sup>th</sup>, 2014 of the impending year-end departure of Hanneke Smits from Adams Street. Hanneke is the Chief Investment Officer of Adams Street and is responsible for formulating global investment strategy. Additionally, Hanneke chairs the Primary and Secondary Investment Committees, and is a member of the Executive Committee.

Hanneke will remain with the firm through the end of 2014, at which point she will be succeeded by Kelly Meldrum as the Head of the Primary Investment Team. It is expected that this transition will take place over the next few months. Kelly is a currently a Partner at Adams Street, primarily focused on the US portfolio with emphasis on venture capital and growth equity fund investments. Kelly works out of the Menlo Park office, which she opened for Adams Street Partners in 2006.

Additionally, Jeff Diehl, who is a partner on the Direct Venture Capital/Growth Equity Team, will join the Executive Committee effective immediately. Jeff has served on the Adams Street Strategic Advisory committee for the last six years.

A successor to Chair the Secondary Investment Committee has not yet been announced. Additionally, the firm will explore whether or not to keep the Chief Investment Officer position over the coming months.

As of June 30, 2014, CCCERA had approximately \$147 million invested with Adams Street across two broad categories: \$109 million invested in private equity fund-of-funds, and \$38 million in secondary funds. An additional \$119 million is committed to the fund-of-funds strategies, and \$45 million is committed to the secondary strategies.

**Recommendation**

Staff recommends that Adams Street be put on watch until the transition from Hanneke Smits to Kelly Meldrum is complete. Hanneke will be working with Kelly over the next several months to ensure a smooth transition of her responsibilities. Staff has scheduled an on-site to Adams Street's Menlo Park office on Thursday, July 24<sup>th</sup> to meet with Kelly and discuss the logistics of the transition, and will report back to the Board following this meeting.



**T. BONDURANT FRENCH**  
Chief Executive Officer

312.553.8480  
Fax 312.553.4520  
bfrench@adamsstreetpartners.com

July 10, 2014

Dear Friends and Colleagues:

I am writing to inform you of a few organizational changes at Adams Street Partners.

First, Hanneke Smits has decided to leave the firm. Her decision is based on a desire to have a career break and focus on a new series of challenges to support a variety of interests she has that are simply not possible to pursue in her current role. Considering the depth and breadth of the investment and portfolio construction teams it seemed to her the firm is at an appropriate juncture for her to start exploring those other interests. Hanneke will remain with the firm at least through the end of 2014 and she is committed to working with our clients, general partners and colleagues to ensure an orderly transition of her duties.

Hanneke joined the firm in 1997 and has been instrumental in building out our international investment capabilities. We are sincerely grateful for her tireless work and many contributions that have helped to make Adams Street Partners the firm it is today. Part of Hanneke's legacy is the development of a deep and talented team of investment professionals; we now have fifty-four investment professionals spread across five offices around the world. Hanneke and I will be working closely during the remainder of the year as she works through this transition period. In particular, we will be working closely with the Primary Investment Committee and the Portfolio Construction Committee, which are the areas where Hanneke spends most of her time. Please join me and everyone else at Adams Street Partners in wishing Hanneke all the best in her future endeavors. I encourage you to reach out to Hanneke to personally wish her well and to discuss her future plans if you so desire.

As you know, I intend to remain full-time in my duties at Adams Street Partners until at least December 31, 2017. This timeline does not change. Not only am I continuing to be actively involved in all parts of our investment process, but I will be working closely with Hanneke, our Executive Committee and our Board of Directors to ensure that Hanneke's duties are transitioned in a seamless manner.

The first step in the transition of Hanneke's duties is that Kelly Meldrum will be promoted to the Head of our Primary Investment Team. Hanneke will be working with Kelly over the next several months to ensure a smooth transition of these responsibilities. Kelly joined Adams Street Partners in 2006 when she opened our Menlo Park office. As a Partner on our Primary Investment Team, Kelly is responsible for managing the relationship with many of our general partners. Kelly is widely respected firmwide for her deep investment insights which have been particularly evident in her participation on the Primary Investment Committee and Portfolio Construction Committee. Prior to joining Adams Street Partners, Kelly was the Director of Private Equity for the William and Flora Hewlett Foundation where she was

responsible for the development and implementation of a high-quality private equity fund investment program. Prior to that she worked as a senior investment analyst with the Hewlett Packard Corporation, where she managed a portfolio of venture capital partnership interests. Prior to Hewlett Packard, Kelly worked in the Venture Capital Group at Morgan Stanley & Company.

I am also pleased to announce that Jeff Diehl, a Partner on our Direct Venture Capital/Growth Equity Team will join our Executive Committee effective immediately. Jeff joined the firm in 2000 and has established a superior investment track record leading a number of venture capital/growth equity and LBO co-investment transactions. These two types of transactions underpin everything we do as our primary and secondary businesses invest in managers who execute these types of transactions. In fact, Jeff has been involved in sourcing and/or diligence on several primary and secondary transactions over the years. Jeff has served on our Strategic Advisory Committee for the last six years where he has distinguished himself consistently as one of our best strategic thinkers. He has also served on numerous taskforces and internal committees, including the Portfolio Construction Committee, that have given him significant exposure and insight into every aspect of our business.

On behalf of everyone at Adams Street Partners, I would like to thank you for your continued support. We have 130 employee-owners in six offices around the world that are dedicated to delivering excellent investment performance and outstanding client service. We will follow up with you directly to discuss these changes further. As always, please do not hesitate to contact me if you have any questions or comments.

Sincerely,



T. Bondurant French

CARPENTER COMMUNITY BANC FUND  
ANNUAL LIMITED PARTNERS MEETING  
BRIDGE BANK, SAN JOSE, CALIFORNIA  
SEPTEMBER 24-25, 2014

Meeting Date  
**07/23/14**  
Agenda Item  
**#8a.**

**AGENDA**

**SEPTEMBER 24, 2013 (WEDNESDAY)**

EVENING EVENT

6:00PM-9:00PM

- °WELCOME RECEPTION, THE FAIRMONT HOTEL, SAN JOSE
- °DINNER PROGRAM

**SEPTEMBER 25, 2013 (THURSDAY)**

MORNING PROGRAM

9:00AM-12:00PM

- °PERSPECTIVES FROM SILICON VALLEY
- °OPENING REMARKS: DAN MYERS  
CEO, BRIDGE BANK
- °PRESENTATIONS FROM BRIDGE BANK EXECUTIVES:

STARTUPS AND TECHNOLOGY GROUP  
ENERGY INFRASTRUCTURE GROUP  
INTERNATIONAL TRADE GROUP  
AND OTHERS

LUNCH ON-SITE

12:00PM-1:00PM

AFTERNOON PROGRAM

1:00PM-3:00PM

- °PERSPECTIVES ON THE BANC FUND
- °INDUSTRY OVERVIEW
- °PORTFOLIO REVIEW
- °FUTURE PLANS

CONCLUDING REMARKS



**TORCHLIGHT**  
INVESTORS

Meeting Date  
**07/23/14**  
Agenda Item  
**#8b.**

**SAVE THE DATE**

**PLEASE JOIN US**

# **Torchlight Investors Investment Summit**

**Tuesday, October 14, 2014**  
**Wednesday, October 15, 2014**

**Andaz 5<sup>th</sup> Avenue**  
**485 Fifth Avenue (at 41<sup>st</sup> Street)**  
**New York, NY 10017**

To register, contact Jennifer Yuen at [jyuen@torchlightinvestors.com](mailto:jyuen@torchlightinvestors.com)  
For more information [www.torchlightinvestors.com/images/uploads/Torchlight Investment Summit 2014.pdf](http://www.torchlightinvestors.com/images/uploads/Torchlight%20Investment%20Summit%202014.pdf)



## Investment Summit 2014

### Preliminary Agenda

#### Tuesday, October 14<sup>th</sup>

1:00 PM – 4:30 PM Torchlight Fund Advisory Committee Meetings

5:30 PM – 9:00 PM Summit Welcome Cocktails and Dinner

#### Wednesday, October 15<sup>th</sup>

8:30 AM – 9:00 AM Summit Breakfast and Registration

9:00 AM – 9:45 AM Torchlight Investors CEO Address

9:45 AM – 12:00 PM Investment Summit Speakers and Investor Panel Sessions

12:00 PM – 2:00 PM Lunch

2:00 PM – 3:00 PM Keynote Speaker

3:00 PM – 4:00 PM Investor Roundtable Discussions and Closing Remarks

4:00 PM – 5:30 PM Torchlight Fund Advisory Committee Meetings

### Summit Information

#### Conference Venue

Andaz 5<sup>th</sup> Avenue

485 5<sup>th</sup> Avenue (41<sup>st</sup> Street)

New York, NY 10017

#### Registration

Please RSVP to [jyuen@torchlightinvestors.com](mailto:jyuen@torchlightinvestors.com) by September 12th

\_\_\_\_\_ Attending cocktails and dinner on October 14th

\_\_\_\_\_ Attending the Summit on October 15th

#### Lodging

A room block is available at a conference rate at the Andaz 5<sup>th</sup> Avenue Hotel

<http://newyork.5thavenue.andaz.hyatt.com/en/hotel/home.html>

Please contact Jennifer Yuen for further information.

RSVP to: Jennifer Yuen at [jyuen@torchlightinvestors.com](mailto:jyuen@torchlightinvestors.com)