

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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October 21, 2010

The Board of Retirement met in special session at 9:00 a.m. on Thursday, October 21, 2010 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Terry Buck, Richard Cabral, Dave Gaynor, Brian Hast, Jerry Holcombe, Sharon Naramore, William J. Pollacek and Jerry Telles.

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

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

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Christina Dunn	CCCERA Staff
Chih-Chi Chu	CCCERA Staff
Justine Oyler	CCCERA Staff
Kristin Harper	Lord Abbett
Patricia Lynn	Lord Abbett
Michael Swell	Goldman Sachs Asset Management (GSAM)
John DiPalo	Goldman Sachs Asset Management (GSAM)
Michael Chandra	PIMCO
Richard Fulford	PIMCO
Stephanie King	PIMCO
Lorna Thomson	Self

1. Pledge of Allegiance

Naramore led all in the *Pledge of Allegiance*.

Telles informed the Board that Paul Katz passed away on October 13, 2010. Jerry Holcombe will fill the #9 seat until the Board of Supervisors makes a new appointment pursuant to Government Code Section 31520.12.

2. Public Comment

No members of the public offered comment.

3. Manager Presentations

Helliesen reported all three Domestic Fixed Income managers are performing well. He distributed a memo on additional personnel changes at GSAM which will be effective January 1, 2011. He recommended scheduling an on-site visit in March 2011.

Domestic Fixed Income

Lord Abbett - Kristin Harper, Patricia Lynn

Harper gave a fiscal update, stating their assets were \$102 billion as of September 30, 2010 and they have added five new partners to their firm.

Lynn gave an overview of the investment team stating all senior members are now partners of the firm. Their investment philosophy has remained the same; interest rate forecasting is inherently unreliable and therefore avoided. Lynn provided a bond market update, noting flat yields comparable to US Treasuries.

She reviewed sector allocations, the areas of over and underweighting. Their current strategy is to underweight US Treasuries and agency bonds, and overweight high-yield and CMBS.

Goldman Sachs Asset Management - John DiPalo, Mike Swell

DiPalo gave a brief update on the firm and assets under management. Swell gave an update on the team and personnel changes, noting they hired Kent Wosepka from Standish Mellon as head of the global corporate credit team.

He gave an overview of the market stating there has been a significant decline in rates. He reviewed their portfolio performance and portfolio asset value, noting the performance attributions year to date include corporate and emerging market debt. He noted the portfolio continues to be underweight US Treasuries.

He gave a macroeconomic outlook, stating they believe global growth is settling into a slow but steady range. He concluded by reviewing the housing market.

PIMCO - Michael Chandra, Richard Fulford, Stephanie King

King gave an overview of the firm noting changes to the client service team. She noted they have been able to retain and attract a strong team.

Chandra gave an overview of the market stating the PIMCO Core Plus portfolio has performed very well. There have been consistent levels of outperformance. He reviewed the performance of Stocks PLUS portfolio, noting the structural yield advantage has offered a consistent source of outperformance over the life of the strategy.

Fulford reported they expect slow growth and reviewed four possible scenarios for global growth in the developed world. Fulford discussed continued deleveraging by consumers and businesses, noting that tighter credit will result in slower growth.

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4. Consider and take possible action on recommendation from staff regarding changes to target allocations to fund Global Equity portfolios

It was **M/S** to adopt the proposed staff recommended changes to the equity manager targets to fund the two new global equity managers. An amended **M/S/C** was made to adopt the proposed changes to the targets modified by increasing the proposed PIMCO Stocks Plus total equity target by 1% from 3.8% to 4.8% of total equity, and reducing the proposed targets for both Wentworth and INTECH from 8.5% to 8.0% of total equity. (Yes: Buck, Gaynor, Hast, Holcombe, Pollacek, Telles. No: Cabral).

5. Miscellaneous

- (a) Staff Report - Leedom reported one of the Willows' tenants, Stratacom, became insolvent and left the building. Another tenant opted for an early termination of their lease and will be moving out on November 30, 2010.

A notice will be put on our website in memory of Paul Katz.

Hally reported assets will be transitioned to William Blair next week and that on-site visit was recently completed with First Eagle.

An on-site visit with Tradewinds has been scheduled for Monday, November 8, 2010.

Levy reported the Board of Supervisors approved the changes to CCCERA's regulations regarding eliminating pre-tax payroll deductions for service purchase contracts.

- (b) Outside Professionals' Report - None

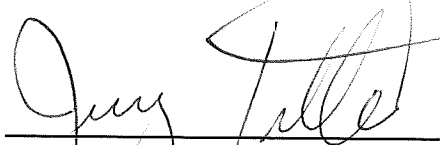
- (c) Trustees' Comments -


Cabral reported on an article on Manatt's employee who was determined to be acting as a placement agent, due to their involvement with investments.

Hast gave a quick report on the First Eagle on-site visit.

Telles requested the meeting be adjourned in memory of Paul Katz who was a trustee for 11 years.

It was **M/S/C** to adjourn the meeting in memory of Paul Katz. (Yes: Buck, Cabral, Gaynor, Hast, Holcombe, Pollacek, Telles)


Jerry Telles, Chairman


Brian Hast, Secretary