

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Page 1

April 19, 2007

The Board of Retirement met in regular session at 9:00 a.m. on Thursday, April 19, 2007 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Richard Cabral, Dave Gaynor, Brian Hast, Paul Katz, Sharon Naramore, William J. Pollacek, Jim Remick, Bob Rey, Jerry Telles, Maria Theresa Viramontes and Clifton Wedington.

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Cary Hally, Retirement Chief Investment Officer; Toni Warren, Retirement Administration Manager.

Outside Professional Support: Representing:
Ashley Dunning Steefel, Levitt & Weiss
Bob Helliesen Milliman, USA

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Tom Rosalanko	Grantham, Mayo Van Otterloo (GMO)
Wendy Malaspina	GMO
Sheila Borer	McKinley Capital
Brandon Rinner	McKinley Capital
Jeff Harding	Rothschild
Joe Bellantoni	Rothschild
Ken Mertz	Emerald Advisers
John Thompson	Emerald Advisers
Mona Williams	Progress Investment
Thurman White	Progress Investment
Alex Hsiao	Progress Investment
Peng Ngin	Progress Investment
Michael Torres	Adelante
Jeung Hyun	Adelante

1. Public Comment

No members of the public offered comment.

Wedington congratulated staff for receiving the 2005 Certificate of Achievement for Excellence in Financial Reporting. It was the consensus of the Board to have this achievement reported in CCCERA's newsletter.

Prior to Manager Presentations, Helliesen noted he had just participated in an on-site visit to GMO. He noted GMO had a good quarter, while Emerald had a bit of difficulty. He then reviewed his hand-out, "Flash Report", with preliminary investment manager returns for the quarter.

2. Manager Presentations

International Equity

GMO - Wendy Malaspina, Tom Rosalanko

Malaspina began by providing an overview of GMO that included organizational updates and representative clients. She noted that currently GMO has \$141 billion of assets under management.

Rosalanko provided preliminary performance net of fees and expenses for the fund for the period ending March 31, 2007, noting the international equity markets have performed well. He then discussed GMO's investment philosophy, noting he believes in the long-term value wins. Some of the factors that hurt returns were overweighting in Japan and stock selection. He reviewed GMO's assessment on stock selection for various countries, and GMO's international intrinsic value strategy for countries and currencies as of March 31, 2007.

Rosalanko concluded by providing a positive outlook on future investments. He believes GMO is positioned to have strong returns compared to the benchmark.

McKinley Capital Management - Sheila Borer and Brandon Rinner

Borer began by stating McKinley Capital is a growth equity specialist with over \$14 billion in assets. She reviewed the personnel additions and a new EAFE 130/30 product.

Rinner reviewed the preliminary account performance for the period ending March 31, 2007. He also reviewed the firm's investment philosophy, risk control, and qualitative and quantitative analysis, noting that 80% of the value added comes from quantitative analysis. He reviewed the investment process and capacity restraints on all products.

Cabral was present for subsequent discussion and voting.

The presentation concluded with discussion on a March 26, 2007 article in the Wall Street Journal regarding McKinley Capital's President and Chief Executive Officer, Robert Gillam.

Viramontes was present for subsequent discussion and voting.

Small Cap Domestic Equity

Rothschild Asset Management - Joe Bellantoni, Jeff Harding

Harding began by providing an organizational overview, noting there had been no changes in ownership and several additional employees had been added. He noted Rothschild now manages assets of over 5.4 billion, with approximately 2.3 billion in the small/mid cap product. Rothschild has also started a 130/30 strategy.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Page 3

April 19, 2007

Bellantoni provided an overview of the investment process noting their stock universe is limited to the stocks in the Russell 2500 Value Index and their mandate is to manage a small/mid cap value portfolio.

Bellantoni concluded with an update on account performance, reviewed best and worst stock selections, and sector weightings.

Emerald Advisers, Inc. - Ken Mertz, John Thompson

Thompson began with an overview of Emerald, noting assets under management as of March 31, 2007 were \$2.68 billion. He then provided a partial list of clients, and reviewed the small cap investment research processes.

Mertz discussed stock selections that worked or didn't work. He concluded by reviewing sector allocations and first quarter 2007 performance attributions.

Progress Investment Management - Thurman White, Mona Williams, Alex Hsiao, C. Peng Ngin
Williams began with an overview of Progress, noting the addition of several employees and expanded employee ownership since 2006.

White reviewed the CAT strategy, noting the investment uses a 10 manager portfolio of emerging small cap managers. Hsiao reviewed the asset distribution, noting in an effort to improve and refresh the portfolio, Progress rebalanced in November and December of last year. Since rebalancing, the portfolio is up 4.7%. He then reviewed preliminary performance as of March 31, 2007.

Hsiao discussed how a manager graduates from the emerging manager program to direct hire, although there is no definite graduate guideline. He then provided a list of managers that have graduated to direct hires.

Hsiao concluded by reviewing sector attribution analysis, manager-of-managers attribution, equity risk profile and the manager-of-managers investment process.

Real Estate (REITS)

Adelante Capital Management - Michael Torres, Jeung Hyun

Torres began by noting in four months, Adelante will reach their six year anniversary of working with CCCERA.

He then reviewed organizational changes noting four partners had increased their stake in the firm and commented on employees that had either departed or been added to the firm.

Hyun reviewed investment performance and attribution analysis, noting the market was healthy.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Page 4

April 19, 2007

He reviewed domestic REITs and described other global REITs noting Adelante would like to be involved in Japan's JREITS. He then reviewed the real fed funds rate and concluded with an economic outlook.

After all investment managers had departed Wedington requested feedback from the Board on the current investment manager presentation process.

3. Miscellaneous

- (a) Staff Report - Leedom noted the Courts were recently billed for a late charge on their late contribution payment. Although billed, she noted, the legal fees and administrative effort in collecting would outweigh the benefit of collecting. The Courts are now current with reporting requirements.

Discussion and more information on Normal Retirement Age will again be on the May agenda. Leedom discussed a conference call with Counsel, staff and Ice Miller regarding this issue. She noted the Board may want the CCCERA tax attorney present at a future meeting. Leedom stated this issue has turned into a larger issue with IRS regulations regarding bona fide separation of service issues as well as its definition as pertaining to the Pension Protection Act. There was discussion on inviting other interested parties to an educational discussion on Normal Retirement Age, if one is needed.

Leedom noted the due date for presentations for CCCERA tax counsel is April 20. Several responses have been received.

Leedom commented on other retirement systems that have revamped their office for security. In light of recent events at Virginia Tech she would like to research revamping CCCERA's reception area for more security.

Hally noted the on-site visit at INVESCO went well. CCCERA has received a distribution of approximately \$30 million from the recapitalization of EIF USPF I.

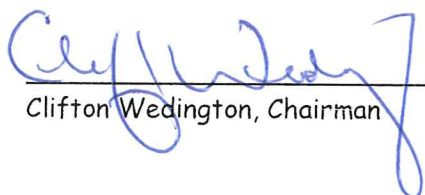
- (b) Outside Professionals' Report - Dunning reported on personnel changes at Steefel that will have no impact on CCCERA. The Board will receive a confidential one page memo. She asked that Board members keep the contents of the memo strictly confidential.
- (c) Trustees' Comments - Telles - requested that Paladin Capital Management's Homeland Security Fund be placed on an agenda for discussion purposes. Rey noted previously the major problem with this investment was the lack of a track record and history. He feels there would now be a track record and it might be time to listen again to a presentation and reconsider this investment. There was continued discussion on placing this item on a future agenda along with any other firms that might provide the same service.

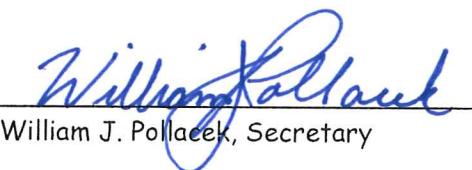
CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Page 5

April 19, 2007

It was M/S/C to adjourn. (Yes: Cabral, Gaynor, Hast, Katz, Pollacek, Rey, Telles, Viramontes and Wedington)


Clifton Wedington, Chairman


William J. Pollacek, Secretary