

## Memorandum

MEETING DATE

FEB 08 2012

AGENDA ITEM

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**Date:** February 1, 2012  
**To:** CCCERA Board of Retirement  
**From:** Marilyn Leedrom, Retirement CEO; Chih-chi Chu, Investment Analyst  
**Subject:** Semi-Annual Rebalancing

The following represents the transactions implemented for the semi-annual rebalancing of CCCERA's assets to the adjusted targets approved by the Board on January 11, 2012.

Funds were withdrawn from the following investment managers:

Boston Partners	\$11.0 million
Delaware Investment Adv.	\$31.0 million
Intech (Enhanced Core)	\$8.0 million
Intech (Core)	\$12.0 million
JP Morgan	\$17.0 million
PIMCO Stock Plus	\$41.0 million
PIMCO Total Return	\$45.0 million
Wentworth, Hauser and Violich	\$9.0 million
Lazard	\$10.0 million
Goldman Sachs Core Plus	\$97.0 million
Lord Abbett	\$82.0 million
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	\$363.0 Million

Proceeds were contributed to the following investment managers:

Emerald	\$14.0 million
William Blair	\$33.0 million
First Eagle	\$84.0 million
Tradewinds	\$88.0 million
Ceredex	\$18.0 million
GMO	\$43.0 million
Alliance (fka Nicholas – Applegate)	\$47.0 million
Adelante Capital Management (REIT)	\$26.0 million
Cash Account at State Street	\$10.0 million
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	\$363.0 Million

Due to waiting period for redemption on commingled fund, CCCERA will transfer \$24 million from AFL-CIO to Adelante on March 1, 2012. If any internal cash need arises in March, we will transfer the \$24 million from AFL-CIO to CCCERA's cash account at State Street, with minimal impact on actual Real Estate allocation.

Details of the rebalancing are provided in the following table.

	% of Total Adjusted	12/31/2011 Market Value	% of Dec Target	Over/Under Target*	Rebalance	Market Value After Rebalance	% of Total After Rebalance
Boston Partners	5.2%	277,794,000	5.4%	11,200,348	(11,000,000)	266,794,000	5.2%
Delaware Investment Adv.	5.2%	297,970,000	5.8%	31,376,348	(31,000,000)	266,970,000	5.2%
Emerald Advisors	3.5%	164,901,000	3.2%	(14,537,035)	14,000,000	178,901,000	3.5%
Intech (Enhanced Core)	0.3%	23,428,000	0.5%	8,047,597	(8,000,000)	15,428,000	0.3%
Intech (Core)	3.2%	176,202,000	3.4%	12,144,368	(12,000,000)	164,202,000	3.2%
PIMCO Stock +	3.6%	225,789,000	4.4%	41,224,164	(41,000,000)	184,789,000	3.6%
Ceredex	3.5%	161,214,000	3.1%	(18,224,035)	18,000,000	179,214,000	3.5%
Wentworth, Hauser and Violich	3.5%	188,912,000	3.7%	9,473,965	(9,000,000)	179,912,000	3.5%
Total Domestic Equity	28.0%	1,516,210,000	29.6%	80,705,720	(80,000,000)	1,436,210,000	28.0%
GMO	5.3%	228,641,000	4.5%	(43,079,453)	43,000,000	271,641,000	5.3%
William Blair	5.3%	238,004,000	4.6%	(33,716,453)	33,000,000	271,004,000	5.3%
Total International Equity	10.6%	466,645,000	9.1%	(76,795,906)	76,000,000	542,645,000	10.6%
JPMorgan Global Opportunities	4.0%	221,692,000	4.3%	16,619,960	(17,000,000)	204,692,000	4.0%
First Eagle	4.0%	120,527,000	2.4%	(84,545,040)	84,000,000	204,527,000	4.0%
Tradewinds	4.0%	117,091,000	2.3%	(87,981,040)	88,000,000	205,091,000	4.0%
Total Global Equity	12.0%	459,310,000	9.0%	(155,906,120)	155,000,000	614,310,000	12.0%
Total Equity	50.6%	2,442,165,000	47.6%	(151,996,306)	151,000,000	2,593,165,000	50.6%
AFL-CIO Housing Investment Trust	3.2%	188,168,000	3.7%	24,110,368	(24,000,000)	164,168,000	3.2%
PIMCO	5.5%	326,108,000	6.4%	44,133,945	(45,000,000)	281,108,000	5.5%
GSAM "Hold" Portfolio	0.0%	11,125,000	0.2%	11,125,000		11,125,000	0.2%
Goldman Sachs Asset Management	4.2%	299,881,000	5.8%	84,555,358	(97,000,000)	202,881,000	4.0%
Lord Abbett	4.2%	297,662,000	5.8%	82,336,358	(82,000,000)	215,662,000	4.2%
ING Clarion Debt Opportunity Fund II	0.8%	51,826,000	1.0%	10,811,592	-	51,826,000	1.0%
ING Clarion Debt Opportunity Fund III	1.7%	68,320,000	1.3%	(18,835,617)	-	68,320,000	1.3%
Total Domestic Fixed Income	19.6%	1,243,090,000	24.2%	238,237,004	(248,000,000)	995,090,000	19.4%
Lazard Asset Management	4.0%	214,613,000	4.2%	9,540,960	(10,000,000)	204,613,000	4.0%
Total Global Fixed Income	23.6%	1,457,703,000	28.4%	247,777,964	(258,000,000)	1,199,703,000	23.4%
Allianz	5.0%	208,645,000	4.1%	(47,695,050)	47,000,000	255,645,000	5.0%
Total High Yield Fixed Income	5.0%	208,645,000	4.1%	(47,695,050)	47,000,000	255,645,000	5.0%
Total Real Estate	13.5%	608,979,000	11.9%	(83,139,135)	50,000,000	658,979,000	12.9%
Total Alternative Investments	6.0%	333,038,000	6.5%	25,429,940		333,038,000	6.5%
County Treasurer	0.0%	3,447,000	0.1%	3,447,000		3,447,000	0.1%
State Street Bank	0.5%	27,393,000	0.5%	1,758,995	10,000,000	37,393,000	0.7%
Total Cash & Equivalents	0.5%	30,840,000	0.6%	5,205,995	10,000,000	40,840,000	0.8%
Goldman Sachs Credit Opportunities	0.0%	11,786,000	0.2%	11,786,000		11,786,000	0.2%
Oaktree 2009	0.8%	33,645,000	0.7%	(7,369,408)	-	33,645,000	0.7%
Total Market Opportunities	0.8%	45,431,000	0.9%	4,416,592	-	45,431,000	0.9%
TOTAL ASSETS	100.0%	5,126,801,000	100.0%	(0)	-	5,126,801,000	100.0%