

# Memorandum

**Date:** August 1, 2012

**To:** CCCERA Board of Retirement

**From:** Timothy Price, Retirement CIO; Chih-chi Chu, Retirement Investment Analyst

**Subject:** Semi-Annual Rebalancing

CCCERA received its annual pre-payments of select employer contributions in late July and used these proceeds, in conjunction with three withdrawals from existing investment managers, to conduct the semi-annual rebalancing. The following tables show the rebalancing trades which occurred between the end of July and early August, 2012.

Funds were withdrawn from the following investment managers:

Cash proceeds from prepayments	\$159 million
Robeco	\$9 Million
Delaware Investments	\$10 Million
Emerald Advisors	\$7 million
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	\$185 million

Proceeds were contributed to the following investment managers:

PIMCO Stocks Plus	\$40 million
GMO	\$20 million
First Eagle	\$5 million
SSgM (legacy Tradewinds account)	\$35 million
AFL-CIO	\$8 million
PIMCO Total Return	\$10 million
Goldman Sachs (Core Plus)	\$8 million
Lord Abbett	\$8 million
Lazard Asset Management	\$9 million
Allianz Global Investors	\$10 million
Invesco International REITs	\$14 million
Cash (to fund capital calls)	\$18 million
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	\$185 million

PIMCO Stocks Plus received a large contribution to bring them back closer to target (PIMCO funds had been drawn down over the past few months to meet private equity capital calls). A large amount, \$35 million, went to the Tradewinds transition account currently managed by State Street Global Markets to bring the funding of the global equity high conviction mandate to its target of 4%. Funding of the Invesco International REITs was trimmed to reflect the upcoming capital calls from real estate managers and to reduce transaction costs. A total of \$18 million was kept in the Cash account to meet various upcoming capital calls. Amounts less than 0.1% were not rebalanced. Details of the rebalancing are provided in the following table.

	% of Total Target	6/30/2012 Market Value	Over/Under Target	Rebalance	Market Value After Rebalance	% of Total After Rebalance
Robeco	5.2%	292,976,000	9,421,040	(9,000,000)	283,976,000	5.2%
Delaware Investment Adv.	5.2%	294,535,000	10,980,040	(10,000,000)	284,535,000	5.2%
Emerald Advisors	3.5%	198,440,000	7,585,700	(7,000,000)	191,440,000	3.5%
Intech (Core)	3.2%	176,508,000	2,012,640	-	176,508,000	3.2%
PIMCO (Stock Plus)	3.6%	149,019,000	(47,288,280)	40,000,000	189,019,000	3.5%
Ceredex	3.5%	189,096,000	(1,758,300)	-	189,096,000	3.5%
WHV Investment Management	3.5%	193,158,000	2,303,700	-	193,158,000	3.5%
<b>Total Domestic Equity</b>	<b>27.7%</b>	<b>1,493,732,000</b>	<b>(16,743,460)</b>	<b>14,000,000</b>	<b>1,507,732,000</b>	<b>27.6%</b>
GMO	5.3%	267,782,000	(21,225,940)	20,000,000	287,782,000	5.3%
William Blair	5.3%	291,266,000	2,258,060	-	291,266,000	5.3%
<b>Total International Equity</b>	<b>10.6%</b>	<b>559,048,000</b>	<b>(18,967,880)</b>	<b>20,000,000</b>	<b>579,048,000</b>	<b>10.6%</b>
JPMorgan Global Opportunities	4.0%	221,402,000	3,282,800	-	221,402,000	4.1%
First Eagle	4.0%	211,601,000	(6,518,200)	5,000,000	216,601,000	4.0%
Intech (Global Low Volatility)	0.3%	17,200,000	841,060	-	17,200,000	0.3%
State Street Global Markets	4.0%	182,528,000	(35,591,200)	35,000,000	217,528,000	4.0%
<b>Total Global Equity</b>	<b>12.3%</b>	<b>632,731,000</b>	<b>(37,985,540)</b>	<b>40,000,000</b>	<b>672,731,000</b>	<b>12.3%</b>
<b>Total Equity</b>	<b>50.6%</b>	<b>2,685,511,000</b>	<b>(73,696,880)</b>	<b>74,000,000</b>	<b>2,759,511,000</b>	<b>50.6%</b>
AFL-CIO Housing Investment Trust	3.2%	165,563,000	(8,932,360)	8,000,000	173,563,000	3.2%
PIMCO (Total Return)	5.5%	284,587,000	(15,326,900)	10,000,000	294,587,000	5.4%
Goldman Sachs "Park" Portfolio	0.0%	8,077,000	8,077,000	-	8,077,000	0.1%
Goldman Sachs Asset Management	4.2%	218,093,000	(10,932,160)	8,000,000	226,093,000	4.1%
Lord Abbett	4.2%	217,763,000	(11,262,160)	8,000,000	225,763,000	4.1%
Torchlight Debt Opp. Fund II	0.8%	57,070,000	13,446,160	-	57,070,000	1.0%
Torchlight Debt Opp. Fund III	1.7%	79,164,000	(13,536,660)	-	79,164,000	1.5%
<b>Total Domestic Fixed Income</b>	<b>19.6%</b>	<b>1,030,317,000</b>	<b>(38,467,080)</b>	<b>34,000,000</b>	<b>1,064,317,000</b>	<b>19.5%</b>
Lazard Asset Management	4.0%	208,439,000	(9,680,200)	9,000,000	217,439,000	4.0%
<b>Total Global FI (incl. Long Bonds)</b>	<b>23.6%</b>	<b>1,238,756,000</b>	<b>(48,147,280)</b>	<b>43,000,000</b>	<b>1,281,756,000</b>	<b>23.5%</b>
Allianz Global Investors	5.0%	260,982,000	(11,667,000)	10,000,000	270,982,000	5.0%
<b>Total High Yield Fixed Income</b>	<b>5.0%</b>	<b>260,982,000</b>	<b>(11,667,000)</b>	<b>10,000,000</b>	<b>270,982,000</b>	<b>5.0%</b>
Adelante Capital Management (REIT)	3.0%	273,925,000	110,335,600	-	273,925,000	5.0%
Invesco International REIT	1.5%	53,273,000	(28,521,700)	14,000,000	67,273,000	1.2%
Other Real Estate Investments	9.0%	375,615,000	(115,153,200)	-	375,615,000	6.9%
<b>Total Real Estate</b>	<b>13.5%</b>	<b>702,813,000</b>	<b>(33,339,300)</b>	<b>14,000,000</b>	<b>716,813,000</b>	<b>13.1%</b>
<b>Total Alternative Investments</b>	<b>6.0%</b>	<b>332,746,000</b>	<b>5,567,200</b>	<b>0</b>	<b>332,746,000</b>	<b>6.1%</b>
County Treasurer	-	-	-	-	-	0.0%
State Street Bank (cash)	-	36,016,000	-	18,000,000	54,016,000	1.0%
<b>Total Cash &amp; Equivalents</b>	<b>0.5%</b>	<b>36,016,000</b>	<b>8,751,100</b>	<b>18,000,000</b>	<b>54,016,000</b>	<b>1.0%</b>
Goldman Sachs Credit Opportunities	0.0%	37,000	37,000	-	37,000	0.0%
Oaktree 2009	0.8%	37,119,000	(6,504,840)	-	37,119,000	0.7%
<b>Total Market Opportunities</b>	<b>0.8%</b>	<b>37,156,000</b>	<b>(6,467,840)</b>	<b>-</b>	<b>37,156,000</b>	<b>0.7%</b>
<b>TOTAL CCCERA FUND</b>	<b>100.0%</b>	<b>5,293,980,000</b>	<b>(159,000,000)</b>	<b>159,000,000</b>	<b>5,452,980,000</b>	<b>100.0%</b>