

# Memorandum

Meeting Date  
**02/27/13**  
Agenda Item  
**#8**

**Date:** February 15, 2013  
**To:** CCCERA Board of Retirement  
**From:** Timothy Price, Retirement CIO  
**Subject:** Semi-Annual Rebalancing

The semi-annual rebalancing of CCCERA accounts took place between the end of January and early February, 2013. The following transactions were used to rebalance CCCERA's assets to the adjusted targets approved by the Board on January 11, 2012.

Funds were withdrawn from the following investment managers:

GMO	\$13.0 million
William Blair	\$31.0 million
J.P. Morgan	\$20.0 million
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	\$64.0 Million

Proceeds were invested with the following investment managers:

PIMCO Stocks Plus	\$12.0 million
AFL CIO	\$10.0 million
Goldman Sachs Core Plus	\$20.0 million
Lord Abbett	\$10.0 million
Lazard	\$5.0 million
Allianz	\$7.0 million
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	\$64.0 Million

In general, the equity markets have rallied off the lows experienced at the end of 2012 concerning the possibility of going off the "fiscal cliff". Given the strong equity markets, we took withdrawals from the non-US and global equity portfolios. Domestic equity was also over target, but we refrained from rebalancing these accounts at the beginning of the month because they are also holding excess funds intended for the Real Asset program, which will be funded shortly. Details of the rebalancing are provided in the table on the following page.

	% of Total Adjusted Target	12/31/2012 Market Value	% of Dec	Over/Under Target	Rebalance	Market Value After Rebalance	% of Total After Rebalance
<b>Robeco</b>	<b>5.2%</b>	308,182,000	5.4%	10,885,728		308,182,000	<b>5.4%</b>
Delaware Investment Adv.	5.2%	299,550,000	5.2%	2,253,728		299,550,000	5.2%
Emerald Advisors	3.5%	202,278,000	3.5%	2,174,740		202,278,000	3.5%
Intech (Core)	3.2%	185,618,000	3.2%	2,666,448		185,618,000	3.2%
PIM CO Stock +	3.6%	166,856,000	2.9%	(38,964,496)	12,000,000	178,856,000	3.1%
Ceredex	3.5%	206,250,000	3.6%	6,146,740		206,250,000	3.6%
<u>Wentworth, Hauser and Violich</u>	<b>3.5%</b>	208,099,000	3.6%	7,995,740		208,099,000	<b>3.6%</b>
<u>Total Domestic Equity</u>	<b>27.7%</b>	1,576,833,000	27.6%	(6,841,372)	12,000,000	1,588,833,000	<b>27.8%</b>
<b>GMO</b>	<b>5.3%</b>	316,408,000	5.5%	13,394,492	(13,000,000)	303,408,000	<b>5.3%</b>
<u>William Blair</u>	<b>5.3%</b>	334,084,000	5.8%	31,070,492	(31,000,000)	303,084,000	<b>5.3%</b>
<u>Total International Equity</u>	<b>10.6%</b>	650,492,000	11.4%	44,464,984	(44,000,000)	606,492,000	<b>10.6%</b>
JPMorgan Global Opportunities	4.0%	245,172,000	4.3%	16,482,560	(20,000,000)	225,172,000	3.9%
First Eagle	4.0%	231,992,000	4.1%	3,302,560		231,992,000	4.1%
Artisan Global Opportunities	4.0%	233,353,000	4.1%	4,663,560		233,353,000	4.1%
Intech (Global Low Volatility)	0.3%	17,720,000	0.3%	568,292		17,720,000	0.3%
<u>Total Global Equity</u>	<b>12.3%</b>	728,237,000	12.7%	25,016,972	(20,000,000)	708,237,000	<b>12.4%</b>
<u>Total Equity</u>	<b>50.6%</b>	<b>2,955,562,000</b>	<b>51.7%</b>	<b>62,640,584</b>	<b>(52,000,000)</b>	<b>2,903,562,000</b>	<b>50.8%</b>
AFL-CIO Housing Investment Trust	3.2%	172,205,000	3.0%	(10,746,552)	10,000,000	182,205,000	3.2%
PIM CO	5.0%	305,791,000	5.3%	19,929,200		305,791,000	5.3%
GSAM "Park" Portfolio	0.0%	7,937,000	0.1%	7,937,000		7,937,000	0.1%
Goldman Sachs Asset Management	3.7%	220,280,000	3.9%	8,742,268	20,000,000	240,280,000	4.2%
Lord Abbett	4.2%	230,771,000	4.0%	(9,352,912)	10,000,000	240,771,000	4.2%
Torchlight Debt Opportunity Fund II	1.0%	64,518,000	1.1%	7,345,640	-	64,518,000	1.1%
Torchlight Debt Opportunity Fund III	1.4%	62,883,000	1.1%	(17,158,304)		62,883,000	1.1%
<u>Torchlight Debt Opportunity Fund IV</u>	<b>1.1%</b>	17,841,000	0.3%	(45,048,596)	-	17,841,000	<b>0.3%</b>
<u>Total Domestic Fixed Income</u>	<b>19.6%</b>	1,082,226,000	18.9%	(38,352,256)	40,000,000	1,122,226,000	<b>19.6%</b>
<u>Lazard Asset Management</u>	<b>4.0%</b>	224,170,000	3.9%	(4,519,440)	5,000,000	229,170,000	<b>4.0%</b>
<u>Total Global Fixed Income</u>	<b>23.6%</b>	<b>1,306,396,000</b>	<b>22.9%</b>	<b>(42,871,696)</b>	<b>45,000,000</b>	<b>1,351,396,000</b>	<b>23.6%</b>
<u>Allianz</u>	<b>5.0%</b>	279,107,000	4.9%	(6,754,800)	7,000,000	286,107,000	<b>5.0%</b>
<u>Total High Yield Fixed Income</u>	<b>5.0%</b>	<b>279,107,000</b>	<b>4.9%</b>	<b>(6,754,800)</b>	<b>7,000,000</b>	<b>286,107,000</b>	<b>5.0%</b>
<u>Total Real Estate</u>	<b>13.5%</b>	<b>740,437,000</b>	<b>13.0%</b>	<b>(31,389,860)</b>	-	<b>740,437,000</b>	<b>13.0%</b>
<u>Total Alternative Investments</u>	<b>6.0%</b>	<b>366,897,000</b>	<b>6.4%</b>	<b>23,862,840</b>	-	<b>366,897,000</b>	<b>6.4%</b>
County Treasurer	0.0%	-	0.0%	-		-	0.0%
State Street Bank	0.5%	29,463,000	0.5%	876,820		29,463,000	0.5%
<u>Total Cash &amp; Equivalents</u>	<b>0.5%</b>	<b>29,463,000</b>	<b>0.5%</b>	<b>876,820</b>	-	<b>29,463,000</b>	<b>0.5%</b>
Goldman Sachs Credit Opportunities	0.0%	37,000	0.0%	37,000		37000	0.0%
Oaktree 2009	0.8%	39,337,000	0.7%	(6,400,888)		39,337,000	0.7%
<u>Total Market Opportunities</u>	<b>0.8%</b>	<b>39,374,000</b>	<b>0.7%</b>	<b>(6,363,888)</b>	-	<b>39,374,000</b>	<b>0.7%</b>
<b>TOTAL ASSETS</b>	<b>100.0%</b>	<b>5,717,236,000</b>	<b>100.0%</b>	<b>(0)</b>	-	<b>5,717,236,000</b>	<b>100.0%</b>