

Memorandum

MEETING DATE

JUL 13 2011

AGENDA ITEM

#8

Date: July 6, 2011
To: CCCERA Board of Retirement
From: Cary Hally, Retirement CIO; Chih-chi Chu, Investment Analyst
Subject: Semi-annual Asset Rebalance

Recommendation

We recommend the Board authorize staff to use the previous asset allocation targets instead of the newly adopted asset allocation targets when implementing CCCERA's upcoming semi-annual asset rebalancing.

Overview

In late July and early August we will be implementing CCCERA's semi-annual asset rebalancing per CCCERA policies. In June of 2011 the Board adopted new asset allocation targets (New Targets), which replace the previous targets originally adopted in June 2008 and since modified to incorporate an allocation to market opportunity investments (Old Targets). Both sets of targets are shown below.

	<u>Old Targets</u>	<u>New Targets</u>
Global Equity	48%	42.6%
Global Fixed Income	27.7%	19.4%
High Yield Bonds	3%	5%
Real Estate	11.5%	12.5%
Alternatives	7%	10%
Cash & Equivalents	0.5%	0.5%
Market Opportunities	2.3%	---
Long Bonds	---	5%
Inflation Hedge	---	5%

The new targets are only for each asset class. Targets for each allocation within each asset class plus temporary designations have not been adopted. Therefore, we need to use the previous targets to implement the semi-annual rebalancing. We will be working with Milliman to develop revised targets for allocations within each asset class, which we expect to be presented to the Board for approval at a future meeting.