Meeting Date
08/14/13
Agenda Item
#8

Memorandum

Date: August 5, 2013
To: CCCERA Board of Retirement
From: Timothy Price, Retirement CIO
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, 2013.

Funds were raised from the following investment managers:

Employer Pre-payments	$214.0	million
Robeco	$30.0	million
Delaware	$10.0	million
Emerald	$30.0	million
Ceredex	$8.0	million
Artisan	$13.0	million
	$305.0	million

Proceeds were invested with the following investment managers:

INTECH Core	$6.0	million
PIMCO Stocks+	$35.0	million
AFL-CIO HIT	$27.0	million
PIMCO Total Return	$38.0	million
Goldman Sachs Core Plus	$27.0	million
Lord Abbett	$31.0	million
Lazard Asset Management	$38.0	million
Allianz Global Investors	$24.0	million
Wellington Real Total Return	$17.0	million
PIMCO All Asset	$17.0	million
Adelante Capital Management	$34.0	million
INVESCO International REIT	$6.0	million
Cash	$5.0	million
	$305.0	million

While most segments of the CCCERA investable universe have experienced flat to negative returns in 2013, the US equity markets have been extremely strong. However, this US equity rally has not been without volatility and there was a significant pullback in June, followed by another sharp rally in the first weeks of July. Given the strong rally in early July, we opted to use the account balances as of July 22, instead of June 30, to reflect the current situation. Although this is a departure from the usual CCCERA practice, it is allowed by our rebalancing policies.

We took large withdrawals from most US equity portfolios and the proceeds were distributed broadly across fixed income, real assets and real estate. Funding of the Invesco International REITs was trimmed to reflect an upcoming capital call for INVESCO Fund III. A total of $5 million was kept in the Cash account to meet various liquidity needs in August. Amounts less than 0.1% were not rebalanced. Details of the rebalancing are provided in the following tables.

	% of Total Target	7/22/2013 Market Value	Over/Under Target*	Rebalance	Market Value After Rebalance	% of Total After Rebalance
Robeco	4.5%	314,188,000	29,941,315	(30,000,000)	284,188,000	4.5%
Delaware Investment Adv.	4.5%	294,453,000	10,206,315	(10,000,000)	284,453,000	4.5%
Emerald Advisors	3.0%	220,009,000	30,511,210	(30,000,000)	190,009,000	3.0%
Intech (Core)	4.3%	263,535,000	(8,078,499)	6,000,000	269,535,000	4.3%
PIMCO (Stock Plus)	4.4%	244,298,000	(33,632,092)	35,000,000	279,298,000	4.4%
Ceredex	3.0%	197,093,000	7,595,210	(8,000,000)	189,093,000	3.0%
Total Domestic Equity	**23.7%**	**1,533,576,000**	**36,543,459**	**(37,000,000)**	**1,496,576,000**	**23.7%**
SSgM	5.3%	316,176,000	(18,603,429)		316,176,000	5.0%
William Blair	5.3%	334,166,000	(613,429)		334,166,000	5.3%
Total International Equity	**10.6%**	**650,342,000**	**(19,216,858)**	-	**650,342,000**	**10.3%**
JPMorgan Global Opportunities	4.0%	258,033,000	5,369,280		258,033,000	4.1%
First Eagle	4.0%	255,495,000	2,831,280		255,495,000	4.0%
Artisan	4.0%	265,028,000	12,364,280	(13,000,000)	252,028,000	4.0%
Intech Global Low Volatility	0.3%	20,640,000	1,690,221		20,640,000	0.3%
Total Global Equity	**12.3%**	**799,196,000**	**22,255,061** 0	**(13,000,000)**	**786,196,000**	**12.4%**
Total Equity	**46.6%**	**2,983,114,000**	**39,581,662**	**(50,000,000)**	**2,933,114,000**	**46.4%**
AFL-CIO Housing Investment Trust	3.2%	174,718,000	(27,412,976)	27,000,000	201,718,000	3.2%
PIMCO (Total Return)	5.0%	300,573,000	(15,256,650)	38,000,000	338,573,000	5.4%
Goldman Sachs "Park" Portfolio	0.0%	8,490,000	8,490,000		8,490,000	0.1%
Goldman Sachs Asset Management	3.7%	227,450,000	(6,263,941)	27,000,000	254,450,000	4.0%
Lord Abbett	4.2%	233,286,000	(32,010,906)	31,000,000	264,286,000	4.2%
Torchlight Debt Opp. Fund II	1.0%	70,589,000	7,423,070		70,589,000	1.1%
Torchlight Debt Opp. Fund III	1.4%	60,063,000	(28,369,302)		60,063,000	1.0%
Torchlight Debt Opp. Fund IV	1.1%	36,500,000	(32,982,523)		36,500,000	0.6%
Total Domestic Fixed Income	**19.6%**	**1,111,669,000**	**(126,383,228)**	**123,000,000**	**1,234,669,000**	**19.5%**

	% of Total Target	7/22/2013 Market Value	Over/Under Target*	Rebalance	Market Value After Rebalance	% of Total After Rebalance
Lazard Asset Management	4.0%	214,922,000	(37,741,720)	38,000,000	252,922,000	4.0%
Total Global FI (incl. Long Bonds)	**23.6%**	**1,326,591,000**	**(164,124,948)**	**161,000,000**	**1,487,591,000**	**23.5%**
Allianz Global Investors	5.0%	291,238,000 *	(24,591,650)	24,000,000	315,238,000	5.0%
Total High Yield Fixed Income	**5.0%**	**291,238,000**	**(24,591,650)**	**24,000,000**	**315,238,000**	**5.0%**
Wellington Real Total Return	2.4%	183,565,000	31,966,768	17,000,000	200,565,000	3.2%
PIMCO All Asset	1.8%	96,994,000	(16,704,674)	17,000,000	113,994,000	1.8%
Commonfund Natural Resources IX	0.8%	1,750,000	(48,782,744)		1,750,000	0.0%
Total Real Asset	**5.0%**	**282,309,000**	**(33,520,650)**	**34,000,000**	**316,309,000**	**5.0%**
Adelante Capital Management (REIT)	2.0%	236,719,000	110,387,140	34,000,000	270,719,000	4.3%
Invesco International REIT	1.5%	82,757,000	(11,991,895)	6,000,000	88,757,000	1.4%
Other Real Estate Investments	9.0%	423,932,000	**(144,561,370)**	-	423,932,000	6.7%
Total Real Estate	**12.5%**	**743,408,000**	**(46,166,125)**	**40,000,000**	**783,408,000**	**12.4%**
Total Alternative Investments	**6.0%**	**383,755,000**	**4,759,420**	**0**	**383,755,000**	**6.1%**
County Treasurer	-	-		-	-	0.0%
State Street Bank (cash)	-	54,841,000		5,000,000	59,841,000	0.9%
Total Cash & Equivalents	**0.5%**	**54,841,000**	**23,258,035**	**5,000,000**	**59,841,000**	**0.9%**
Oaktree 2009	0.8%	39,337,000	(11,195,744)	-	39,337,000	0.6%
Total Market Opportunities	**0.8%**	**39,337,000**	**(11,195,744)**	-	**39,337,000**	**0.6%**
TOTAL CCCERA FUND	**100.0%**	**6,104,593,000**	**(212,000,000)**	**214,000,000**	**6,318,593,000**	**100.0%**