



AGENDA

RETIREMENT BOARD MEETING

REGULAR MEETING
December 13, 2017
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

THE RETIREMENT BOARD MAY DISCUSS AND TAKE ACTION ON THE FOLLOWING:

1. Pledge of Allegiance.
2. Recognition of Liz Walker for 20 years of service.
3. Accept comments from the public.
4. Approve minutes from the October 11 and October 25, 2017 meetings.
5. Routine items for December 13, 2017.
 - a. Approve certifications of membership.
 - b. Approve service and disability allowances.
 - c. Accept disability applications and authorize subpoenas as required.
 - d. Approve death benefits.
 - e. Accept Asset Allocation Report.
 - f. Accept Liquidity Report.

CLOSED SESSION

6. The Board will go into closed session pursuant to Govt. Code Section 54957 to consider recommendations from the Medical Advisor and/or staff regarding the following disability retirement applications:

<u>Member</u>	<u>Type Sought</u>	<u>Recommendation</u>
a. Mark Alexander	Service Connected	Service Connected
b. Rodney Conyers	Service Connected	Service Connected
c. April Miller	Non-Service Connected	Non-Service Connected
d. Bernell Snell	Non-Service Connected	Non-Service Connected
e. Paul Totten	Service Connected	Service Connected

7. The Board will go into closed session to consider the Hearing Officer's recommendation regarding the disability application for Rebecca Halvorson.
8. The Board will go into closed session to consider the Hearing Officer's recommendation regarding the disability application for Jay Redler.

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.

9. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
 - a. *Peter J. Nowicki v. CCCERA, et al.*, Contra Costa County Superior Court, Case No.: C17-01266
 - b. *Contra Costa County Deputy Sheriffs Association, et al., v. Board of Retirement of Contra Costa County Employees' Retirement Association, et al.*, Court of Appeal, 1st Appellate District, Case No. A141913.

OPEN SESSION

10. Consider and take possible action to adopt the 2018 CCCERA Budget.
11. Legislative update.
12. Consider and take possible action to adopt the CCCERA pay schedules for classifications represented by AFSCME, Local 2700, effective January 1, 2018.
13. Presentation on customer service standards.
14. Presentation of the alternative investment fees and expense report.
15. Consider authorizing the attendance of Board:
 - a. 7th Annual Solutions-Oriented Investing Forum: Managing Risk & Liquidity, Institutional Investor Forums, January 23-24, 2018, San Francisco, CA.
(Note: Conflict with meeting)
 - b. 25th Annual Emerald Groundhog Day Investment Forum, Emerald Investments, February 1, 2018, Philadelphia, PA.
 - c. 36th Annual Sit Investment Associates Client Workshop, Sit Investment Associates, February 15-18, 2018, Dana Point, CA.
 - d. The Pension Bridge Annual, Pension Bridge, April 10-11, 2018, San Francisco, CA.
(Note: Conflict with meeting)
16. Miscellaneous
 - a. Staff Report
 - b. Outside Professionals' Report
 - c. Trustees' comments

The Retirement Board will provide reasonable accommodations for persons with disabilities planning to attend Board meetings who contact the Retirement Office at least 24 hours before a meeting.



Meeting Date
12/13/17
Agenda Item
#4

MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
October 11, 2017
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

Present: Candace Andersen, Scott Gordon, Jerry Holcombe, Jay Kwon, David MacDonald, John Phillips, William Pigeon, Gabe Rodrigues, Todd Smithey, Jerry Telles and Rusty Watts

Absent: Louie Kroll

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Timothy Price, Chief Investment Officer; Karen Levy, General Counsel; Anne Sommers, Administrative/HR Manager; Henry Gudino, Accounting Manager; Tim Hoppe, Retirement Services Manager; and Colin Bishop, Member Services Manager

Outside Professional Support: None
Representing:

1. Pledge of Allegiance

Greene led all in the *Pledge of Allegiance*.

2. Accept comments from the public

Chad Rech, former Deputy Sheriff at Contra Costa County stated he retired on a service connected disability from Alameda County. He stated he would like to cash out his retirement. He would like more communication regarding how he can cash out his retirement.

Strohl stated she will make sure he receives communication from someone regarding his concerns.

Andersen requested a staff report to the Board at a future meeting regarding how matters such as these are handled.

Telles was present for subsequent discussion and voting.

3. Routine Items

It was **M/S/C** to approve the routine items of the October 11, 2017 meeting. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.

The Board moved into open session.

4. It was **M/S/C** to accept the Medical Advisor's recommendations and grant the following disability benefits:
 - a. Mark Danner – Service Connected (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts)
 - b. Brian Plake – Service Connected (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Rodrigues, Smithey, Telles and Watts) Note: Pigeon recused himself from this item and was not present during the deliberation and decision.

5. **Consider and take possible action to approve a pool of investment legal counsel firms**

Price reported staff recommends establishing a pool of investment legal counsel firms because of the anticipated increase in the volume of work. He noted that historically we have worked with Reed Smith exclusively. CCCERA issued an RFP and four firms were interviewed by a staff committee. Each firm will be assigned projects based on their area of expertise, their knowledge of California public pension law, their cost effectiveness and their lack of conflict of interest with the specific projects.

Thomas Hickey, Foley & Lardner, gave an overview of the firm noting they have approximately 900 attorneys with 5 offices in California. He reported as the head of investment management, he has 100 lawyers on his team and represents several institutional investor clients. He reviewed the retirement systems in California that they represent as well as those in other states and overseas.

David Parrish, Phil Svahn and Nicole Brenning from Jackson Walker, reported they have 7 partners and are based out of Texas. They have 135 institutional investor clients that they represent in the United States and overseas. They do not represent General Partners to avoid conflicts. Svahn gave an overview of how they will build a team to work with CCCERA. Brenning reviewed her background and noted they represent Limited Partners exclusively.

Sonia Gioseffi from the San Francisco office and Mark Heine from the Seattle office of K&L Gates, gave an overview of the firm noting they have 2,000 attorneys around the world and focuses on institutional investors. She reviewed the type of investments they work on and the California public entities that they represent.

Parik Dasgupta, New York office of Reed Smith, gave an overview of his background. Rana Ansari, San Francisco office, gave an overview of her background and stated they have 1,700 attorneys across the globe. Parik reported he had worked predominately with General Partners but now works with Limited Partners.

It was **M/S/C** to 1) establish engagements with the Foley & Lardner, K&L Gates and Jackson Walker law firms to establish pool of investment legal counsel firms; 2) continue CCCERA's existing engagement with Reed Smith for investment legal counsel projects on an as needed basis; and 3) authorize staff to assign investment legal work to any of the firms on an as needed basis. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

Watts was no longer present for subsequent discussion and voting.

6. **Consider authorizing the attendance of Board:**

- a. There was no action taken on this item.
- b. It was **M/S/C** to authorize the attendance of 4 Board members at the California Institutional Investor Forum, Markets Group, December 7, 2017, Napa, CA. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey and Telles)

7. Miscellaneous

(a) Staff Report –

Strohl reported she recently received the agenda for the October 27, 2017 CALAPRS Trustees' Roundtable and it will be on the next agenda for approval. She also reported the CCCERA employees Social Security integration vote will be in November.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

Rodrigues reported there may be a SACRS sponsored bill for retiree and appointed trustees to get paid more than \$100 per meeting. He and MacDonald attended the Wharton Advanced Portfolio workshop and felt it was phenomenal.

Gordon reported on the Torchlight Client Conference that he, MacDonald, Telles and Youngman attended and thought it was a great conference.

Telles also reported on the Torchlight Client Conference and thought it was a good conference. He noted he and MacDonald also attended 2 on-site visits (Paulson Real Estate and First Eagle) while they were there.

MacDonald reported on the First Eagle on-site visit he and Telles attended noting it was a good and interesting visit. He also reported on the Wharton Advanced Portfolio workshop that he and Rodrigues attended and he felt it was outstanding.

Pigeon reported he and Rodrigues attended the NCPERS Public Safety Conference. He felt very good with the quality of our actuaries (Segal) and feels our plan is very fiscally responsible.

It was **M/S/C** to adjourn the meeting. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Pigeon, Smithey and Telles)

Todd Smithey, Chairman

David MacDonald, Secretary



MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING

October 25, 2017
9:00 a.m.

Retirement Board Conference Room
The Willows Office Park
1355 Willow Way, Suite 221
Concord, California

Present: Candace Andersen, Scott Gordon, Jerry Holcombe, Louie Kroll, Jay Kwon, David MacDonald, John Phillips, William Pigeon, Todd Smithey, Jerry Telles and Rusty Watts

Absent: Gabe Rodrigues

Staff: Gail Strohl, Chief Executive Officer; Christina Dunn, Deputy Chief Executive Officer; Karen Levy, General Counsel; Wrally Dutkiewicz, Compliance Officer; Anne Sommers, Administrative/HR Manager; and Colin Bishop, Member Services Manager

Outside Professional Support: None
Representing:

1. Pledge of Allegiance

Dutkiewicz led all in the *Pledge of Allegiance*.

Telles was present for subsequent discussion and voting.

2. Accept comments from the public

Jessica Irby, CCCERA Retirement Counselor III, asked for clarification on employees being able to attend the Board meeting during their breaks or using their accruals.

3. Approval of Minutes

It was M/S/C to approve the minutes of the August 23 and September 13, 2017 meeting. (Yes: Andersen, Gordon, Holcombe, MacDonald, Phillips, Smithey, Telles and Watts)

Pigeon was present for subsequent discussion and voting.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.6 and 54956.9(d)(1).

The Board moved into open session.

4. There was no reportable action related to Govt. Code Section 54957.6.

5. There was no reportable action related to Govt. Code Section 54956.9(d)(1).

Andersen was no longer present for subsequent discussion and voting.

6. Presentation of classification and total compensation reports

Dunn provided the background of the classification and total compensation studies noting this is a presentation item and no action needs to be taken.

Katie Kaneko from Koff and Associates reviewed the classification and compensation studies that they completed for represented employees. She reported that in 2015 she conducted interviews with employees and developed draft descriptions. She reviewed the recommended changes to the job descriptions and classifications.

Kaneko reviewed the total compensation study including the comparative agencies noting that the published geographic factors from the economic research institute were included to adjust the cost of labor of the comparator agencies outside of the bay area. She reviewed the employer's costs that were included in total compensation. There was discussion on whether or not the retirement contribution was based on normal costs or if the UAAL was included. She stated they used a CalPERS formula which is an average statewide cost. She stated 5 classifications were benchmarked and noted that with benefits all classifications were over market. For the classifications they didn't benchmark, they use an internal alignment.

Dunn introduced Lisa Harlow, Business Agent for AFSCME Local 2700.

Harlow distributed a handout from AFSCME, Local 2700. She gave an overview of the concerns that the AFSCME Local 2700 had with the classification and compensation studies completed by Koff & Associates.

She noted the union is recommending CCCERA use data from Bay Area comparator agencies only and to not implement Koff & Associates proposed Salary Placement recommendations. She stated the union was unable to complete a compensation study since compensation consultants are not willing to work with unions.

In public comment, Lori Giacomelli, retired CCCERA employee, stated she retired 18 months ago because she felt there is a lack of support.

Gary Wayne, CCCERA employee, spoke against the Koff and Associates recommendations noting some of the participating employers CCCERA employees serve are paid more than CCCERA employees.

Nannette Mendoza, retired CCCERA employee, stated there have been changes in members of the Board and at CCCERA. She stated the work that is completed by employees of CCCERA is specialized therefore well-educated employees is important.

Gordon was no longer present for subsequent discussion and voting.

7. Consider and take possible action concerning the SACRS legislative proposal to be voted on at the November 2017 SACRS Conference

Levy reported the SACRS Legislative Committee is asking for support on their legislative proposal which would add a provision to the CERL defining "surviving spouse" to include only a spouse who is legally married to the member, is neither divorced nor legally separated from the member. She stated this proposal would provide clarity regarding whether a legally separated spouse qualifies for a survivor continuance as the member's surviving spouse.

It was **M/S/C** to direct the CCCERA Board voting delegate to vote in support of the 2017 SACRS legislative proposal at the November 2017 SACRS Conference. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

8. Consider and take possible action on Board meeting schedule for 2018

Strohl presented the Board meeting schedule for 2018.

It was **M/S/C** to adopt the Board meeting schedule for 2018 as presented. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

9. Consider authorizing the attendance of Board:

- a. It was **M/S/C** to authorize the attendance of 2 Board members at the Trustees' Roundtable, CALAPRS, October 27, 2017, San Jose, CA. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)
- b. It was **M/S/C** to authorize the attendance of 4 Board members at the Legislative Conference, NCPERS, January 28-30, 2018, Washington, DC. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

10. Miscellaneous

- (a) Staff Report –

None

- (b) Outside Professionals' Report -

None

- (c) Trustees' comments –

Telles reported on the CRCEA 2017 Fall Conference he attended.

MacDonald stated he appreciated employees attending and speaking at the meeting. He acknowledged Strohl's management style noting it is very collaborative and inclusive. He reported on the IFEBP 63rd Annual Employees Benefits Conference stating there were some very interesting presentations.

Pigeon stated he feels it is important to take care of employees as he is an employee as well as an employer on this board and thanked the employees of CCCERA for the work they do. He noted he expected a study from Koff and Associates and a study from the union to be presented but that was not what was presented.

It was **M/S/C** to adjourn the meeting. (Yes: Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts)

Todd Smithey, Chairman

David MacDonald, Secretary

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

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December 13, 2017

Items requiring Board Action

Meeting Date
12/13/17
Agenda Item
#5

A. Certifications of Membership – see list and classification forms.

B. Service and Disability Retirement Allowances:

<u>Name</u>	<u>Number</u>	<u>Effective Date</u>	<u>Option Type</u>	<u>Group</u>	<u>Selected</u>
Archer, Cynthia	72553	09/01/17	SR	Tier III	Unmod
Austin, Bethany	56346	09/09/17	SR	Safety A	Unmod
Bennett, Neva	40798	09/01/17	SR	Tier II and III	Option 1
Bueren, Julia	37791	09/01/17	SR	Tier II and III	Unmod
Chaleunsky, Souphine	64367	09/16/17	SR	Tier II and III	Unmod
Cutaia, Jeffrey	32359	09/29/17	SR	Tier II and III	Unmod
Davi, Stephen	41679	09/07/17	SR	Tier II and III	Unmod
Diaz, Elizabeth	66887	09/30/17	SR	Tier III	Unmod
Flud, Clifford	33037	09/30/17	SR	Tier II and III	Unmod
Forkel, Sharayn	79899	09/21/17	SR	Tier III	Unmod
Gill, Walter	68878	09/01/17	SR	Tier III	Unmod
Gouveia, Marilyn	66146	06/22/17	SCD	Safety	Unmod
Griffith, Suzanne	48988	09/13/17	SR	Tier II and III	Unmod
Halliday, John	69751	09/01/17	SR	Tier III	Unmod
Healy, Stephen	D7274	09/21/17	SR	Safety A	Unmod
Hough, Sherry	64170	09/01/17	SR	Tier II and III	Unmod
Hustedt, Janet	67830	09/30/17	SR	Tier III	Option 1
Jacoby, Sonya	47739	09/01/17	SR	Tier II and III	Unmod
Kiefer, Mary	44595	09/30/17	SR	Tier III	Unmod
Kollo, Bani	48928	09/30/17	SR	Safety	Unmod
Marshall, Roosevelt	62279	06/01/14	SR	Tier II and III	Unmod
McCauley, Michelle	66168	09/02/17	SR	Tier II and III	Unmod
McKinney, Derrell	39824	09/30/17	SR	Tier II and III	Option 1
Montany, Barbara	D9500	09/01/17	SR	Tier III	Unmod
Moore, Laura	49247	08/11/17	SR	Tier II and III	Unmod
Posedel, Jennifer	68966	09/30/17	SR	Tier III	Unmod
Saelee, Mouang-Hinh	51308	09/01/17	SR	Tier II and III	Unmod
Snyder, Curtis	41308	09/16/17	SR	Safety A	Unmod
Solis, Juan	62763	09/02/17	SR	Tier I	Option 2

KEY:

Group
I = Tier I
II = Tier II
III = Tier III
S/A = Safety Tier A
S/C = Safety Tier C

Option
* = County Advance
Selected w/option

Type
NSP = Non-Specified
SCD = Service Connected Disability
SR = Service Retirement
NSCD = Non-Service Connected Disability

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

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Stiggins, Cynthia	44224AP	09/01/17	SR	Tier II and III	Option 1
Stiggins, Cynthia	44224	09/01/17	SR	Tier II and III	Option 1
Sublett, Michele	D9990	02/27/16	NSCD	Tier I	Option 3
Vinnacombe, Rosalina	64904	08/31/17	SR	Tier I and III	Unmod
White, Robbie	72470	09/06/17	SR	Tier III	Option1

C.

Disability Retirement Applications: The Board's Hearing Officer is hereby authorized to issue subpoenas in the following cases involving disability applications:

<u>Name</u>	<u>Number</u>	<u>Filed</u>	<u>Type</u>
Chamberlin, Todd	50300	10/03/17	NSCD
Corbett, Graciela	61055	11/27/17	NSCD
McPherson, Charles	D3406	11/07/17	NSCD
Ozment, James	72416	11/27/17	NSCD

D.

Deaths:

<u>Name</u>	<u>Date of Death</u>	<u>Employer as of Date of Death</u>
Aiken, Anna	11/10/17	Contra Costa County
Blandini, Annunziata	10/28/17	Beneficiary
Fernandez, Frank	11/26/17	Contra Costa County
Hulsey, F. C. Leo	10/02/17	Diablo Valley Mosquito Abatement District
Irby, Rena	11/24/17	Beneficiary
Kingham, Bruce	11/13/17	Consolidated Fire
Mallars, Patricia	09/29/17	Beneficiary
Mast, Rodger	10/25/17	San Ramon Valley Fire District
McSwain, Harold	11/03/17	Contra Costa County
Meneely, Mary	11/16/17	Contra Costa County
Motquin, Anton Sr.	11/23/17	Contra Costa County
Newcomer, Annette	11/06/17	Beneficiary
Owens, Steven	11/08/17	Alternate Payee
Owsley, Artemiza	11/17/17	Contra Costa County
Scahill, Michael	10/27/17	Central Contra Costa Sanitary District
Shirkey, Larry	11/14/17	Contra Costa County
Ternes, John	11/12/17	Contra Costa County
Warrick, Douglas	04/19/17	Contra Costa County

KEY:

Group
 I = Tier I
 II = Tier II
 III = Tier III
 S/A = Safety Tier A
 S/C = Safety Tier C

Option
 * = County Advance
 Selected w/option

Type
 NSP = Non-Specified
 SCD = Service Connected Disability
 SR = Service Retirement
 NSCD = Non-Service Connected Disability

CERTIFICATION OF MEMBERSHIPS

Name	Employee Number	Tier	Membership Date	Employer
Abad-Hidalgo, Roxanne P.	85323	P5.2	10/01/17	Contra Costa County
Abid, Helena	81629	P5.2	10/01/17	Contra Costa County
Acuff, Rosalina	85338	P5.2	10/01/17	Contra Costa County
Adebola-Wilson, Francis A	85341	P5.2	10/01/17	Contra Costa County
Aguiar, Zachary S.	84701	P5.2	10/01/17	Contra Costa County
Ajaelo, Odinchezo F.	85181	P5.2	10/01/17	Contra Costa County
Bandes, Mario S.	84569	P5.2	10/01/17	Contra Costa County
Barrera, Ruth A.F.D.	79948	P5.2	10/01/17	Contra Costa County
Becton, Diana	50572	P5.2	10/01/17	Contra Costa County
Belhumeur, Lori C S	85332	P5.2	10/01/17	Contra Costa County
Bragg, Ashley R.	85260	P5.2	10/01/17	Contra Costa County
Brooks, Carolyn A.	85180	P5.2	10/01/17	Contra Costa County
Brooks, Nathan A. A.	85210	P5.2	10/01/17	Contra Costa County
Brown, Blake M.	3406	P4	10/01/17	Central Contra Costa Sanitary Dist.
Brownwood, Annie E.	85374	P5.2	10/01/17	Contra Costa County
Carroll-Street, Loretta A	85251	P5.2	10/01/17	Contra Costa County
Carter, Robyn	85346	P4	10/01/17	CCC Fire Protection Dist.
Chi Pendo, Euredis	85064	P5.2	10/01/17	Contra Costa County
Chu, Kimberly C.	85327	P5.2	10/01/17	Contra Costa County
Cipres, Melissa M.	85185	P5.2	10/01/17	Contra Costa County
Cotton, Christina	71039	III	08/01/17	Contra Costa County
Detorres, Edelweiss P.	85349	P5.2	10/01/17	Contra Costa County
Durniak, Alexander	83202	P5.2	10/01/17	Contra Costa County
Ekman, Savannah L.	85326	P5.2	10/01/17	Contra Costa County
Fayed, Judy Ann C.	85254	P5.2	10/01/17	Contra Costa County
Ferrer, Ilena C.	85314	P5.2	10/01/17	Contra Costa County
Frates, Kevin R.	85345	P4	10/01/17	CCC Fire Protection Dist.
Garcia-Astorga, Martha R.	81384	P5.2	10/01/17	Contra Costa County
Goldade, Virginia	86141	P5.2	10/01/17	Contra Costa County
Gonzalez Flores, Aracely	85187	P5.2	10/01/17	Contra Costa County
Goode, Rima A.	82692	P5.2	10/01/17	Contra Costa County
Gratteri, Amalia B.	85391	P5.2	10/01/17	Contra Costa County
Hanson, Beverly A.	85188	P5.2	10/01/17	Contra Costa County
Harr, Joshua M.	85377	P5.2	10/01/17	Contra Costa County
Heidkamp, Gerard D.	60340	I	10/01/17	CCC Fire Protection Dist.
Hellman, Vanessa S.	85372	P5.2	10/01/17	Contra Costa County
Henry, Katherine C.	85390	P5.2	10/01/17	Contra Costa County
Hewitt, Peter	84857	P5.2	10/01/17	Contra Costa County
Hinojosa Torres, Claudia M	85336	P5.2	10/01/17	Contra Costa County
Hoff, Julie A.	85373	P5.2	10/01/17	Contra Costa County

Key:

I = Tier I	P4.2 = PEPRA Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPRA Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

Name	Employee Number	Tier	Membership Date	Employer
Infante-Hernandez, Abigail	85298	P5.2	10/01/17	Contra Costa County
Ipac, Mylene I.	71197	P5.2	10/01/17	Contra Costa County
Isenbarger, Elizabeth	85315	P4	10/01/17	CCC Fire Protection Dist.
Jackson, Ashley S.	85354	P5.2	10/01/17	Contra Costa County
Jamison, Lance A.	85331	P5.2	10/01/17	Contra Costa County
Jones, Heidi K.	85294	P5.2	10/01/17	Contra Costa County
Kadantseva, Irina	3406	I	10/01/17	Central Contra Costa Sanitary Dist.
Kapiniaris Jimenez, Alexia C	56771	III	10/01/17	Contra Costa County
Kapololu, Cherie K.	85343	P5.2	10/01/17	Contra Costa County
Kolonay, Emily	83561	P5.2	10/01/17	Contra Costa County
Laquindanum, Lisa	85393	P5.2	10/01/17	Contra Costa County
Lawrence, Marci N.	78672	P5.2	10/01/17	Contra Costa County
Lewis, Laque	83984	P5.2	10/01/17	Contra Costa County
Lifferth, Katherine S.	84380	P5.2	10/01/17	Contra Costa County
Linnekin, Deborah J.	83926	P5.2	10/01/17	Contra Costa County
Llarena, Amanda M.	85256	P5.2	10/01/17	Contra Costa County
Lopez, Alicia	85353	P5.2	10/01/17	Contra Costa County
Loucas, Makita M.	85344	P4	10/01/17	Contra Costa County
Lubey, Ashley R.	85375	P5.2	10/01/17	Contra Costa County
Ly, Nathan	80594	P5.2	10/01/17	Contra Costa County
Malang, Thericar	85350	P5.2	10/01/17	Contra Costa County
Markey, Martha	85328	P5.2	10/01/17	Contra Costa County
Martelle Bruce, Whitley	85259	P5.2	10/01/17	Contra Costa County
McIntosh, Judith	85286	P5.2	10/01/17	Contra Costa County
Miklos, Chelsea	86173	P5.2	10/01/17	Contra Costa County
Miller, Ernest	85406	P5.2	10/01/17	Contra Costa County
Mirkin, Ilia	85287	P5.2	10/01/17	Contra Costa County
Mondragon, Venny	85106	P5.2	10/01/17	Contra Costa County
Monterroza Blanco, Jose G	85337	P5.2	10/01/17	Contra Costa County
Newman, Allison	78818	P5.2	10/01/17	Contra Costa County
O'Donnell, Katherine	85246	P5.2	10/01/17	Contra Costa County
Pantera, Angela	85268	P5.2	10/01/17	Contra Costa County
Pearson, Renee	79130	P5.2	10/01/17	Contra Costa County
Penn, Veronica A.	71641	III	10/01/17	Contra Costa County
Pepper, Keith	85316	P5.2	10/01/17	Contra Costa County
Perry, Monica	82439	P5.2	10/01/17	Contra Costa County
Peterson, Katherine	85324	P5.2	10/01/17	Contra Costa County
Pilja, Alexandra	85340	P5.2	10/01/17	Contra Costa County
Possible, Kimberly	85183	P5.2	10/01/17	Contra Costa County
Prasad, Sweta	85325	P5.2	10/01/17	Contra Costa County

Key:

I = Tier I	P4.2 = PEPRA Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPRA Tier 5 (3% COLA)	S/E = Safety Tier E

CERTIFICATION OF MEMBERSHIPS

Name	Employee Number	Tier	Membership Date	Employer
Presto, Carol	85044	P5.2	10/01/17	Contra Costa County
Pruitt, Allison	85292	P5.2	10/01/17	Contra Costa County
Riemer, Allison	85383	P5.2	10/01/17	Contra Costa County
Riewerts, Regan	85333	P5.2	10/01/17	Contra Costa County
Rinden, Chelsea	85330	P5.2	10/01/17	Contra Costa County
Rodriguez, Cruzita	81955	P5.2	10/01/17	Contra Costa County
Rodriguez, Gabriel	82583	P5.2	10/01/17	Contra Costa County
Routh, Valerie	82683	P5.2	10/01/17	Contra Costa County
Ruiz, Melanie	85342	P5.2	10/01/17	Contra Costa County
Salazar, Sandra	85261	P5.2	10/01/17	Contra Costa County
Sanchez, Blanca	82534	P5.2	10/01/17	Contra Costa County
Santana-Pizana, Raquel	82216	P5.2	10/01/17	Contra Costa County
Santistevan, Lucille	80140	P5.2	10/01/17	Contra Costa County
Schimek, Trisha	85329	P5.2	10/01/17	Contra Costa County
Segovia, Vanessa	85291	P5.2	10/01/17	Contra Costa County
Silva, Rina	84259	P5.2	10/01/17	Contra Costa County
Smith, Trichelle	85380	P5.2	10/01/17	Contra Costa County
Sofranko, Adrienne	85244	P5.2	10/01/17	Contra Costa County
Son, Sokcheat	85378	P5.2	10/01/17	Contra Costa County
Steinhart, Angela	81735	P5.2	10/01/17	Contra Costa County
Stribling, Alison	85253	P5.2	10/01/17	Contra Costa County
Struthers, Emlyn	69962	P5.2	10/01/17	Contra Costa County
Sullberg, Lisa	85245	P5.2	10/01/17	Contra Costa County
Tafoya, Sonya	84169	P5.2	10/01/17	Contra Costa County
Taku, Philipeyoh	85255	P5.2	10/01/17	Contra Costa County
Taylor, Camella	85334	P5.2	10/01/17	Contra Costa County
Thai, Ronald	85382	P5.2	10/01/17	Contra Costa County
Thompson, Tanika	80250	P5.2	10/01/17	Contra Costa County
Torres, Miguel	82276	P5.2	10/01/17	Contra Costa County
Treanor, Samuel	72109	III	10/01/17	Contra Costa County
Valencia, Isabel	78490	P5.2	10/01/17	Contra Costa County
Vasquez, Natalie	85339	P5.2	10/01/17	Contra Costa County
Vazquez, Rosaura	83095	P5.2	10/01/17	Contra Costa County
Vega, Kimberly	82709	P5.2	10/01/17	Contra Costa County
Velazquez, Irene	85247	P5.2	10/01/17	Contra Costa County
Velez, Elizabeth	78757	P5.2	10/01/17	Contra Costa County
Waters, Johnalice	85211	P5.2	10/01/17	Contra Costa County
Wiggins, Stephanie	50599	P5.2	10/01/17	Contra Costa County
Wilson, Gregory	85248	P5.2	10/01/17	Contra Costa County

Key:

I = Tier I	P4.2 = PEPRA Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPRA Tier 5 (3% COLA)	S/E = Safety Tier E

TIER CHANGES

<i>Name</i>	<i>Employee Number</i>	<i>Old Tier</i>	<i>New Tier</i>	<i>Effective Date</i>	<i>Employer</i>	<i>Reason for Change</i>
Anderson, Yvonne	84915	P5.2	III	07/01/17	Contra Costa County	Reciprocity
Armstrong-Azhar, Amina	85095	P5.2	III	08/01/17	Contra Costa County	Reciprocity
Brown, Christopher J.	84052	P5.2	III	11/01/16	Contra Costa County	Reciprocity
Bruggeman, Jennifer C.	84752	P5.2	III	07/01/17	Contra Costa County	Reciprocity
Dinsmore, Dianne R.	84022	P5.2	III	11/01/16	Contra Costa County	Reciprocity
Dunn, Mary	83947	P5.2	III	11/01/16	Contra Costa County	Reciprocity
Haley, Jennifer L.	9500	P5.3	III	11/01/16	Superior Court	Reciprocity
Parkinen, Mitchel	72075	P5.2	III	09/01/17	Contra Costa County	Tier correction
Perez, Arturo P.	7830	S/D	S/A	11/01/16	San Ramon Fire	Reciprocity
Quinonez, Robert A.	75316	P5.2	III	09/01/17	Contra Costa County	Tier correction

Key:

I = Tier I	P4.2 = PEPR A Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPR A Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPR A Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.3 = PEPR A Tier 5 (3% COLA)	S/E = Safety Tier E

Contra Costa County Employees' Retirement Association
Asset Allocation as of October 31, 2017

Meeting Date
12/13/17
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#5e.

	Market Value	Percentage of Total Fund	Phase 2b Target Percentage	Phase 2b Over/(Under)	Long Term Target	Long Term Over/(Under)
Liquidity						
Insight	888,064,177	10.6%	12.6%	-2.0%		
Sit	490,754,633	5.9%	6.2%	-0.3%		
Dimensional Fund Advisors	434,253,503	5.2%	6.2%	-1.0%		
Total Liquidity	1,813,072,313	21.6%	25.0%	-3.4%	27.0%	-5.4%
		Range 16% - 28%				
Growth						
Domestic Equity						
Boston Partners	386,493,535	4.6%	4.5%	0.1%		
Jackson Square	393,915,029	4.7%	4.5%	0.2%		
BlackRock Index Fund	115,165,444	1.4%	1.3%	0.1%		
Emerald Advisors	272,449,055	3.3%	3.0%	0.3%		
Ceredex	248,142,537	3.0%	3.0%	-0.0%		
Total Domestic Equity	1,416,165,600	16.9%	16.3%	0.6%	6.0%	10.9%
Global & International Equity						
Pyrford (BMO)	450,366,349	5.4%	5.2%	0.2%	6.0%	-0.6%
William Blair	481,903,104	5.8%	5.2%	0.6%	6.0%	-0.2%
JPMorgan Global Opportunities	219,748	0.0%	0.0%	0.0%		
First Eagle	359,632,213	4.3%	4.3%	-0.0%		
Artisan Global Opportunities	369,510,345	4.4%	4.3%	0.1%		
PIMCO/RAE Emerging Markets	356,601,974	4.3%	4.2%	0.1%	5.0%	-0.7%
TT Emerging Markets	345,832,765	4.1%	4.2%	-0.1%	5.0%	-0.9%
Total Global & International Equity	2,364,066,497	28.2%	27.4%	0.8%	22.0%	6.2%
Private Equity	864,320,000	10.3%	9.6%	0.7%	12.0%	-1.7%
Private Credit	155,925,000	1.9%	2.4%	-0.5%	12.0%	-10.1%
Real Estate - Value Add	159,169,000	1.9%	4.0%	-2.1%	4.0%	-2.1%
Real Estate - Opportunistic & Distressed	466,320,000	5.6%	4.0%	1.6%	4.0%	1.6%
Real Estate - REIT (Adelante)	66,789,722	0.8%	1.0%	-0.2%	1.0%	-0.2%
High Yield (Allianz)	364,175,011	4.3%	4.3%	0.0%		
Total Other Growth Assets	2,076,698,733	24.8%	25.3%	-0.5%	33.0%	-8.2%
Total Growth Assets	5,856,930,830	69.9%	69.0%	0.9%	61.0%	8.9%
		Range 60% - 80%				
Risk Diversifying						
AFL-CIO	277,775,253	3.3%	3.5%	-0.2%	3.0%	0.3%
Diversifying Strategies (Wellington)	190,285,196	2.3%	2.5%	-0.2%	9.0%	-6.7%
Total Risk Diversifying	468,060,449	5.6%	6.0%	-0.4%	12.0%	-6.4%
		Range 0% - 10%				
Cash and Overlay						
Overlay (Parametric)	31,516,093	0.4%	0.0%	0.4%		
Cash	208,123,696	2.5%	0.0%	2.5%	0.0%	2.5%
Total Cash and Overlay	239,639,790	2.9%	0.0%	2.9%	0.0%	2.9%
Total Fund	8,377,703,381	100%	100%	0%	100%	0%

*Phase 2b targets and ranges reflect Phase 2b asset allocation targets accepted by the Board on July 12, 2017 (BOR Resolution 2017-6)

Private Market Investments
As of October 31, 2017

REAL ESTATE - Value Add	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Invesco IREF II	05/30/07	12/31/15	in full liq.			85,000,000	444,000	0.01%	
Invesco IREF III	08/01/13	08/01/20				35,000,000	15,270,000	0.18%	11,634,000
Invesco IREF IV	12/01/14	12/01/21				35,000,000	22,144,000	0.26%	3,190,000
Long Wharf FREG III	03/30/07	12/31/17				75,000,000	1,636,000	0.02%	
Long Wharf FREG IV	08/14/13	09/30/21				25,000,000	19,653,000	0.23%	
Long Wharf FREG V	10/31/16	09/30/24				50,000,000	21,175,000	0.25%	33,355,000
LaSalle Income & Growth Fund VI	01/31/12	04/31/19				75,000,000	36,016,000	0.43%	3,946,000
LaSalle Income & Growth Fund VII	10/31/16	09/30/24				75,000,000	42,831,000	0.51%	32,234,000
Outstanding Commitments						505,000,000	159,169,000	1.90%	84,359,000
Total							84,359,000		243,528,000

REAL ESTATE - Opportunistic & Distressed	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DJL Real Estate Capital Partners, L.P. III	06/30/05	06/30/14	in full liq.			75,000,000	28,167,000	0.34%	
DJL Real Estate Capital Partners, L.P. IV	12/31/07	09/30/18				100,000,000	87,683,000	1.05%	
DJL Real Estate Capital Partners, L.P. V	07/31/13	12/31/22				75,000,000	33,019,000	0.39%	39,072,000
Oaktree Real Estate Opportunities Fund V	02/01/11	02/01/21				50,000,000	10,347,000	0.12%	
Oaktree Real Estate Opportunities Fund VI	09/30/13	09/30/20				80,000,000	66,971,000	0.80%	5,682,000
Oaktree Real Estate Opportunities Fund VII	02/28/15	02/28/23				65,000,000	6,645,000	0.08%	55,250,000
Siguler Guff Distressed Real Estate Opp. Fund	07/30/11	07/30/22				75,000,000	51,380,000	0.61%	11,993,000
Siguler Guff Distressed Real Estate Opp. Fund II	08/31/13	08/31/25				70,000,000	54,160,000	0.65%	21,752,000
Siguler Guff Distressed Real Estate Opp. II Co-Inv	01/31/16	10/31/25				25,000,000	15,746,000	0.19%	10,567,000
Paulson Real Estate Fund II	11/10/13	11/10/20				20,000,000	28,845,000	0.34%	1,874,000
Angelo Gordon Realty Fund VIII	12/31/11	12/31/18				80,000,000	42,617,000	0.51%	18,145,000
Angelo Gordon Realty Fund IX	10/10/14	10/10/22				65,000,000	40,740,000	0.49%	31,091,000
Outstanding Commitments						780,000,000	466,320,000	5.57%	195,426,000
Total							195,426,000		661,746,000

PRIVATE CREDIT	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Torchlight Debt Opportunity Fund II	09/28/06	09/30/16	in full liq.			128,000,000	40,375,000	0.48%	
Torchlight Debt Opportunity Fund III	09/30/08	06/30/16	2nd 1 YR	LP	06/30/18	75,000,000	7,941,000	0.09%	
Torchlight Debt Opportunity Fund IV	08/01/12	08/30/20				60,000,000	45,867,000	0.55%	
Torchlight Debt Opportunity Fund V	12/31/14	09/17/22				75,000,000	46,855,000	0.56%	37,500,000
Angelo Gordon Energy Credit Opportunities	09/10/15	09/10/20				16,500,000	14,887,000	0.18%	
Outstanding Commitments						354,500,000	155,925,000	1.86%	37,500,000
Total							37,500,000		193,425,000

**Private Market Investments
As of October 31, 2017**

PRIVATE EQUITY	Inception Date	Target Termination	# of Extension	Discretion by GP/LP	New Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	INDEFINITE				180,000,000	131,283,000	1.57%	76,064,000
Adams Street Secondary II	12/31/08	12/31/20				30,000,000	11,460,000	0.14%	12,637,000
Adams Street Secondary V	10/31/12	10/31/22				40,000,000	23,983,000	0.29%	15,740,000
Adams Street Venture Innovation Fund	03/09/16	03/09/28				75,000,000	3,413,000	0.04%	71,587,000
Bay Area Equity Fund	06/14/04	12/31/14	2nd 2 YR	LP	12/31/2017	10,000,000	2,965,000	0.04%	
Bay Area Equity Fund II	2/29/09	12/31/19				10,000,000	8,615,000	0.10%	
Carpenter Community BancFund	10/31/09	10/31/19				30,000,000	23,962,000	0.29%	
EIF USPF I	11/08/02	11/08/15	in full liq.	LP	11/08/15	30,000,000	755,000	0.01%	
EIF USPF II	06/15/05	06/15/15	3rd 1 YR	LP	06/15/18	50,000,000	35,104,000	0.42%	
EIF USPF III	02/28/07	02/28/17	1st 1 YR	LP	02/28/18	65,000,000	45,965,000	0.55%	
EIF USPF IV	06/28/10	06/28/20				50,000,000	51,759,000	0.62%	
Oaktree Private Investment Fund 2009	02/28/10	12/15/19				40,000,000	12,370,000	0.24%	
Ocean Avenue Fund II	06/11/14	05/31/24				30,000,000	22,157,000	0.26%	6,384,000
Ocean Avenue Fund III	06/11/14	05/31/24				50,000,000	9,579,000	0.07%	40,000,000
Paladin III	08/15/08	08/15/18				25,000,000	25,732,000	0.31%	
Pathway	11/09/98	05/31/21				125,000,000	28,564,000	0.34%	14,246,000
Pathway 2008	12/26/08	12/26/23				30,000,000	22,111,000	0.26%	5,879,000
Pathway 6	05/24/11	05/24/26				40,000,000	33,736,000	0.40%	10,809,000
Pathway 7	02/07/13	02/07/23				70,000,000	48,655,000	0.58%	21,936,000
Pathway 8	11/23/15	11/23/25				50,000,000	19,363,000	0.23%	34,826,000
Siguler Guff CCCERA Opportunities	06/03/14	05/31/25				200,000,000	132,999,000	1.59%	94,098,000
Siguler Guff Secondary Opportunities	12/31/16	12/31/26				50,000,000	12,802,000	0.15%	41,896,000
Real Assets									
Aether III & III Surplus	11/30/13	11/30/20				75,000,000	80,300,000	0.96%	13,772,000
Aether IV	01/01/16	01/01/28				50,000,000	17,726,000	0.21%	31,436,000
ARES EIF V	09/09/15	11/19/25				50,000,000	14,097,000	0.17%	38,561,000
Commonfund Capital Natural Resources IX	06/30/13	06/30/20				50,000,000	39,784,000	0.47%	13,875,000
Wastewater Opportunity Fund	12/31/15	11/30/22				25,000,000	5,081,000	0.06%	18,950,000
Outstanding Commitments						1,545,000,000	864,320,000	10.36%	562,696,000
Total							1,427,016,000		

Market value column is the latest ending quarter plus any additional capital calls after the ending quarter.
The Target Termination column is the beginning of liquidation of the fund, however, some funds may be extended for an additional two or three years.



Meeting Date
12/13/17
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#5f.

**Contra Costa County Employees' Retirement Association
 Liquidity Report – October 2017**

October 2017 Performance

	Cash Flow	Coverage Ratio
Benefit Cash Flow Projected by Model	\$38,500,000	
Liquidity Sub-Portfolio Cash Flow	\$38,500,000	100%
Actual Benefits Paid	\$36,059,057	107%
<i>Next Month's Projected Benefit Payment</i>	\$38,500,000	

Monthly Manager Positioning - October 2017

	Beginning Market Value	Liquidity Program Cash Flow	Market Value Change/Other Activity	Ending Market Value
Sit	\$492,220,084	(\$750,000)	(\$715,451)	\$490,754,633
DFA	\$446,571,058	(\$12,500,000)	\$182,445	\$434,253,503
Insight	\$912,652,577	(\$25,250,000)	\$661,600	\$888,064,177
Liquidity	\$1,851,443,719	(\$38,500,000)	\$128,594	\$1,813,072,313
Cash	\$183,363,564	\$2,440,943	\$22,193,339	\$207,997,845
Liquidity + Cash	\$2,034,807,283	(\$36,059,057)	\$22,321,932	\$2,021,070,158

Functional Roles

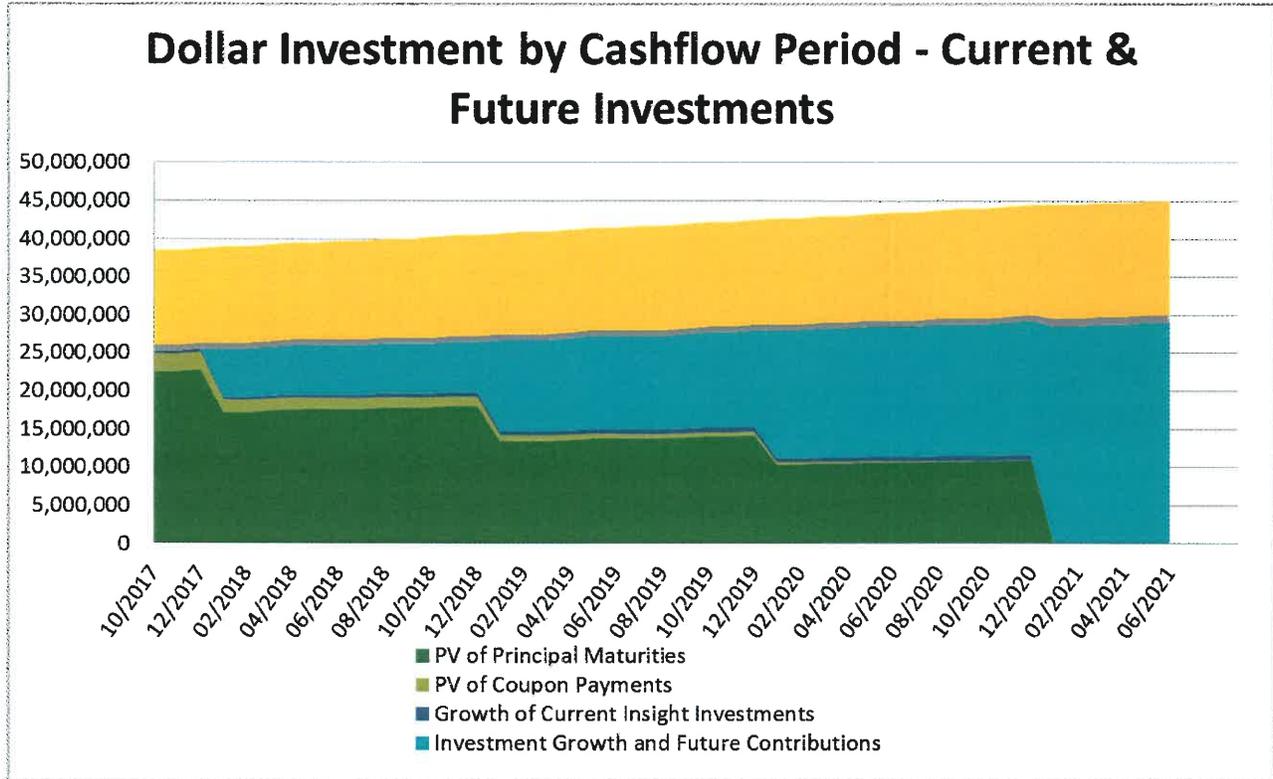
Manager	Portfolio Characteristics	Liquidity Contribution
Sit	High quality portfolio of small balance, government guaranteed mortgages with higher yields.	Pays out net income on monthly basis. We expect this income to rise somewhat in the upcoming year.
DFA	High quality, short duration portfolio of liquid, low volatility characteristics.	Pays out a pre-determined monthly amount. DFA sources liquidity from across their portfolio.
Insight	Buy and maintain (limited trading) portfolio of high quality, short duration, primarily corporates.	Completion portfolio makes a payment through net income and bond maturities that bridges the gap between other managers and projected payment.
Cash	STIF account at custodial bank.	Buffer in the event of any Liquidity shortfall/excess.

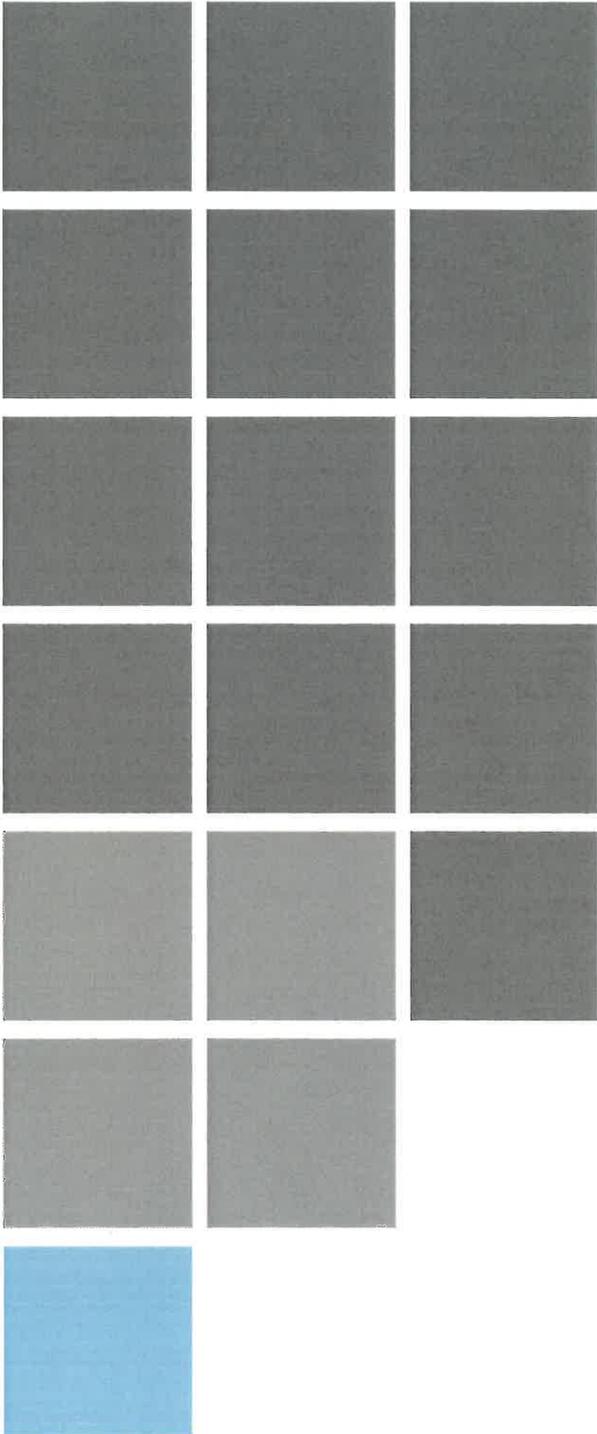
Notes

The tenth monthly cash flow from the liquidity program was completed on October 23, 2017 and covered more than the actual benefit payments. The excess cash flow of approximately \$2.4 million was larger than what was observed in previous months. We continue to monitor the coverage ratio and anticipate adjusting the model to more closely fit actual benefit payments beginning in 2018, after the program has operated for a full year.

Cash Flow Structure

The chart below shows the sources of cash flow for the next several years of CCCERA's projected benefit payments. This table will change slightly as the model is tweaked and as the portfolios receive new rounds of funding each July as part of the Annual Funding Plan.





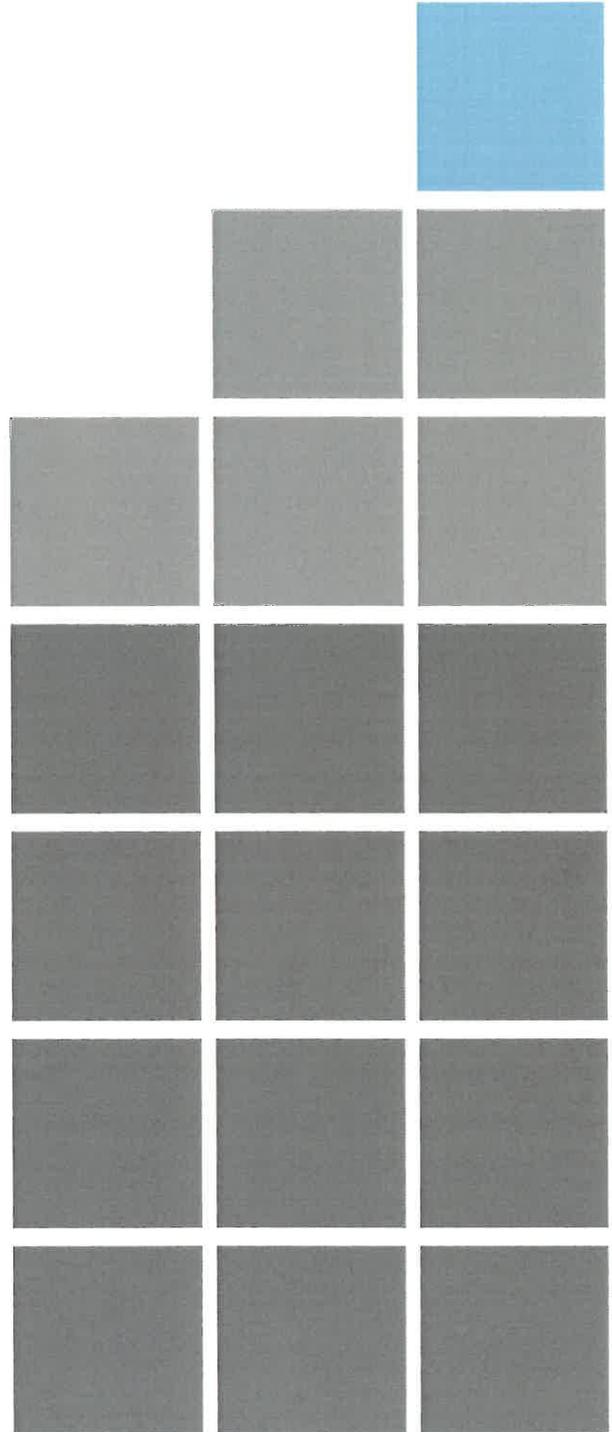
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#10

2018

Annual Budget

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14	2018 Proposed Non-Administrative Budget
18	2018 Proposed Capital Budget





Budget Summary

Dear Board Members,

It is with pleasure to present the 2018 Proposed Operating Budget for Contra Costa County Employees' Retirement Association (CCCERA).

CCCERA continuously strives towards the priority of effective and efficient administration of the plan, safeguarding plan assets wherever possible, and ensuring that our members are provided with the best customer service. The activities in this proposed budget support the strategic initiatives.

Included in the 2018 Proposed Budget, there are estimated expenses for anticipated staffing of investment officer vacancies, professional services for audit and legal, IT systems improvements, safeguarding of plan assets, and staff development for training and education.

The presentation format of the budget changed from last year whereby in addition to a proposed 2018 budget, we added a 2017 budget versus actuals update of actual expenses through November 2017.

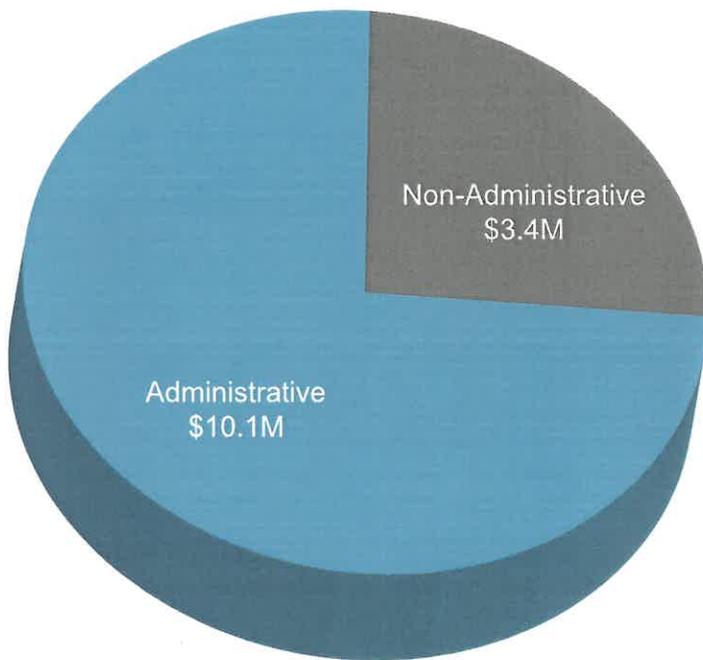
The budget process itself included greater participation and ownership with department managers. This allowed for more informed estimates and forecasts to measure using actual versus budget updates. For better understanding and review, the budget is summarized into major expense line items.

The 2018 budget is divided into three sections:

- *2018 Proposed Total Budget*—this section summarizes all expenses from the *2018 Proposed Administrative Budget* and *2018 Proposed Non-Administrative Budget*
- *2018 Proposed Administrative Budget*—this section is comprised of expenses from the Executive and Compliance, HR/Administration, Accounting, Information Technology, Retirement, and Member Services departments. These expenses are capped by a statutory limit of 21 basis points of the Actuarial Accrued Liability.
- *2018 Proposed Non-Administrative Budget*—this section includes expenses for the IT Disaster Recovery Program as well as expenses for the Investment and Legal departments. These expenses are excluded from the statutory limit on administrative expenses. All legal fees relating to investment counsel, disability review, labor negotiations, and outside legal counsel are being presented in the Non-Administrative Budget.



2018 Proposed Total Budget



The 2018 Proposed Total Budget is \$13.5 million, an overall increase of \$0.1 million compared to the 2017 budget. This overall increase is a mixture of increases and offsetting decreases. The increases are attributed to Board and staff training and education, professional fees for audit and investment legal, and IT systems expenses. The decrease is non-administrative investment salaries and benefits due to a staggered recruitment of investment officer positions in 2018.

The 2018 Proposed Administrative Budget is \$10.1 million, an increase of \$0.2 million compared to the 2017 budget.

Section 31580.2 of the California Government Code limits administrative expenses to 0.21% of the current Actuarial Accrued Liability (AAL). As of December 31, 2016, the AAL is \$8,794,434,139 which results in a limit of \$18.5 million. The proposed 2018 administrative expenses of \$10.1 million are 0.115% of the AAL and well under the capped amount.

The 2018 Proposed Non-Administrative Budget is \$3.4 million, a decrease of \$0.1 million as compared to the 2017 budget.

Recommendation:

It is recommended for the Board to adopt the 2018 Proposed Budget.

Thank you for your consideration.

Respectfully submitted,

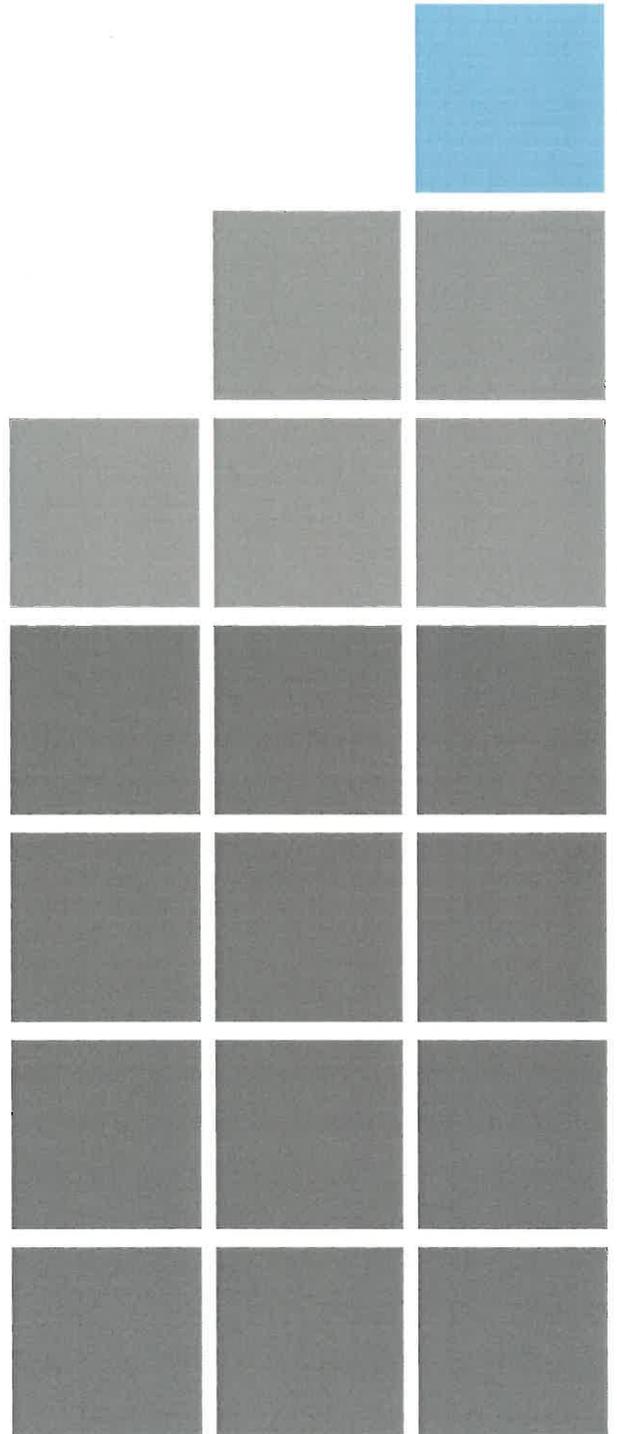
Henry Gudino, CPA
Accounting Manager



2018-2020 Strategic Initiatives

- 1. Improve communication within the organization and with external stakeholders.**
- 2. Expand use of technology across the organization to achieve goals in the most efficient manner.**
- 3. Implement measures to improve customer service to external and internal customers.**
- 4. Data integrity and security are of paramount importance. New projects will be implemented to ensure data is accurate and secured appropriately.**
- 5. Institute effective training and recognition programs to foster continued employee development.**

2018 Proposed Total Budget



2018 Proposed Total Budget

Combined Administrative and Non-Administrative Information

	2017 Budget	11/30/17 YTD Actuals	\$ Budget Remaining	% Budget Remaining	2018 Proposed Total Budget	\$ Change vs 2017 Budget	% Change vs 2017 Budget
Salaries and Benefits							
Administrative:							
Salaries	\$4,328,500	\$3,696,648	\$631,852	15%	\$4,352,200	\$23,700	1%
Benefits	3,066,600	2,290,652	775,948	25%	3,047,500	(19,100)	(1%)
Temporary Staff	56,500	44,866	11,634	21%	36,000	(20,500)	(57%)
Total Administrative	7,451,600	6,032,166	1,419,434	19%	7,435,700	(15,900)	-
Non-Administrative:							
Salaries	1,576,800	927,616	649,184	41%	1,428,400	(148,400)	(9%)
Benefits	885,000	516,930	368,070	42%	839,000	(46,000)	(5%)
Temporary Staff	30,000	-	30,000	100%	30,000	-	-
Total Non-Administrative	2,491,800	1,444,546	1,047,254	42%	2,297,400	(194,400)	(8%)
OPEB Retiree Health	486,000	460,752	\$23,248	5%	507,400	21,400	4%
Total Salaries and Benefits	10,429,400	7,937,464	2,491,536	24%	10,240,500	(188,900)	(2%)
Operation Expenses							
Training & Education:							
Conference Registration	115,300	90,642	24,658	21%	142,100	26,800	23%
Lodging & Meals	136,200	121,350	14,850	11%	154,600	18,400	14%
Travel & Transportation	91,400	67,868	23,532	26%	104,100	12,700	14%
Professional Memberships	26,100	35,649	(9,549)	(37%)	28,000	1,900	7%
Educational Reimbursement	8,000	2,800	5,200	65%	7,000	(1,000)	(13%)
Total Training & Education	377,000	318,308	58,692	16%	435,800	58,800	16%

Contra Costa County Employees' Retirement Association
 2018 Proposed Total Budget (Continued)

2018 Proposed Total Budget
 Combined Administrative and Non-Administrative Information

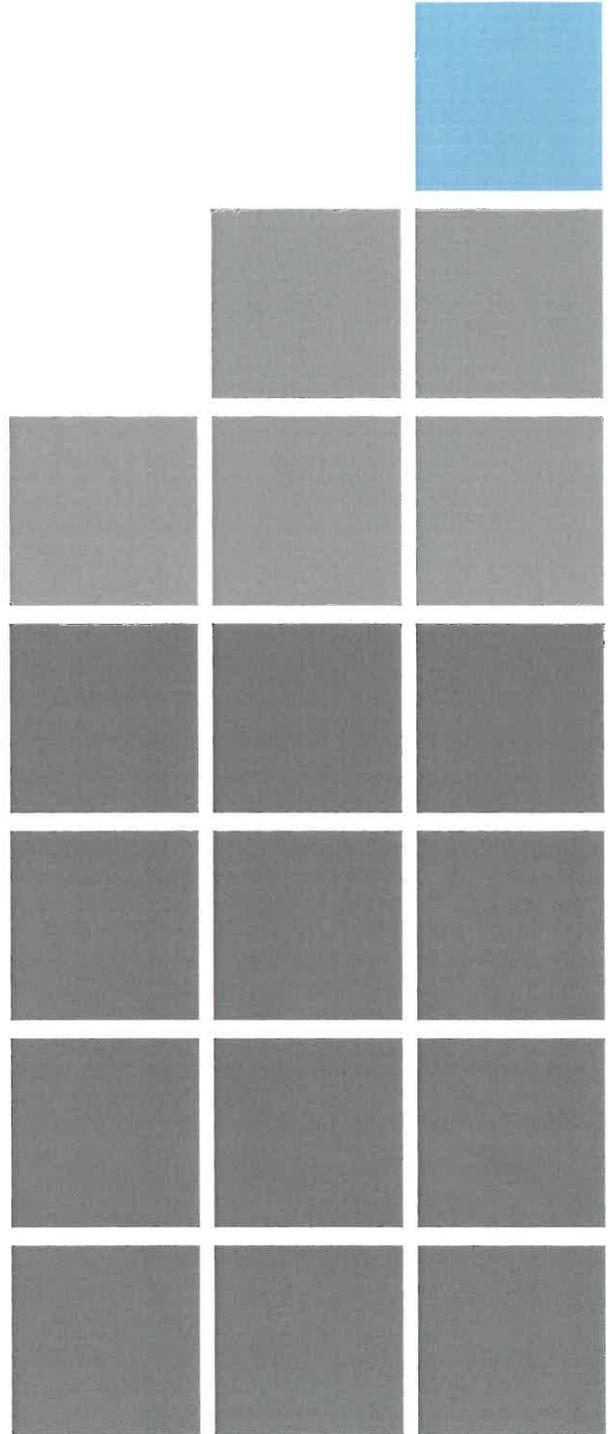
	2017 Budget	11/30/17 YTD Actuals	\$ Budget Remaining	% Budget Remaining	2018 Proposed Total Budget	\$ Change vs 2017 Budget	% Change vs 2017 Budget
Professional Services:							
Audit	265,000	168,459	96,541	36%	313,500	48,500	18%
Board Election	35,000	14,332	20,668	59%	-	(35,000)	(100%)
Outside Legal Counsel Services	473,000	444,564	28,436	6%	523,000	50,000	11%
Consultants	5,000	15,375	(10,375)	(208%)	-	(5,000)	(100%)
Total Professional Services	778,000	642,729	135,271	17%	836,500	58,500	8%
Office Expenses:							
Building Rent	387,000	421,110	(34,110)	(9%)	433,500	46,500	12%
Telephone & Internet Services	69,200	52,230	16,970	25%	61,700	(7,500)	(11%)
Equipment Lease & Maintenance	31,000	9,858	21,142	68%	26,500	(4,500)	(15%)
Furniture & Equipment	12,500	27,797	(15,297)	(122%)	12,500	-	-
Office Supplies & Maintenance	75,200	73,002	2,198	3%	72,500	(2,700)	(4%)
Printing & Postage	21,900	51,763	(29,863)	(136%)	47,000	25,100	115%
Books & Periodicals	7,800	7,159	641	8%	8,300	500	6%
Recruitment	5,600	5,458	142	3%	4,600	(1,000)	(18%)
Total Office Expenses	610,200	648,377	(38,177)	(6%)	666,600	56,400	9%
Insurance:							
Property/ Liability	113,700	118,732	(5,032)	(4%)	120,000	6,300	6%
Trustee Fiduciary	140,000	93,267	46,733	33%	140,000	-	-
Total Insurance	253,700	211,999	41,701	16%	260,000	6,300	6%

Contra Costa County Employees' Retirement Association
 2018 Proposed Total Budget (Concluded)

2018 Proposed Total Budget
 Combined Administrative and Non-Administrative Information

	2017 Budget	11/30/17 YTD Actuals	\$ Budget Remaining	% Budget Remaining	2018 Proposed Total Budget	\$ Change vs 2017 Budget	% Change vs 2017 Budget
Member & Retirement Services:							
Benefit Statements/ EFT Distribution	145,000	141,181	3,819	3%	159,000	14,000	10%
Outside Legal Counsel- Disabilities	100,000	60,076	39,924	40%	72,000	(28,000)	(28%)
Medical Advisor- Disabilities	90,000	48,567	41,433	46%	90,000	-	-
Hearings/ Doctors- Disabilities	72,000	16,439	55,562	77%	66,000	(6,000)	(8%)
Total Member & Retirement Services	407,000	266,262	140,738	35%	387,000	(20,000)	(5%)
IT Systems:							
Service & Software Contracts	307,000	276,526	30,474	10%	400,200	93,200	30%
Software	27,600	38,534	(10,934)	(40%)	8,600	(19,000)	(69%)
Hardware & Equipment	34,900	117,587	(82,687)	(237%)	55,000	20,100	58%
Project Consulting	67,000	27,602	39,398	59%	85,000	18,000	27%
Equipment Maintenance & Support	37,600	12,078	25,522	68%	13,500	(24,100)	(64%)
County-Data Processing	7,400	6,203	1,197	16%	7,400	-	-
Total IT Systems	481,500	478,530	2,970	1%	569,700	88,200	18%
Total Operation Expenses	2,907,400	2,566,206	340,794	12%	3,155,600	248,200	9%
Assets Depreciation	91,000	50,630	40,370	44%	112,000	21,000	23%
Total Expenses	\$13,427,800	\$10,554,299	\$2,873,501	21%	\$13,508,100	\$80,300	1%

2018 Proposed Administrative Budget



2018 Proposed Administrative Budget

	2017 Budget	11/30/17 YTD Actuals	\$ Budget Remaining	% Budget Remaining	2018 Proposed Total Budget	\$ Change vs 2017 Budget	% Change vs 2017 Budget
Salaries and Benefits							
Administrative:							
Salaries	\$4,328,500	\$3,696,232	\$632,268	15%	\$4,352,200	\$23,700	1%
Benefits	3,066,600	2,291,067	775,533	25%	3,047,500	(19,100)	(1%)
Temporary Staff	56,500	44,866	11,634	21%	36,000	(20,500)	(36%)
Total Administrative	7,451,600	6,032,166	1,419,434	19%	7,435,700	(15,900)	-
OPEB Retiree Health							
Health	417,500	392,252	25,248	6%	435,000	17,500	4%
Total Salaries and Benefits	7,869,100	6,424,417	1,444,683	18%	7,870,700	1,600	-
Operation Expenses							
Training & Education:							
Conference Registration	100,800	80,077	20,723	21%	129,100	28,300	28%
Lodging & Meals	67,200	73,737	(6,537)	(10%)	84,600	17,400	26%
Travel & Transportation	44,400	34,784	9,616	22%	45,100	700	2%
Professional Memberships	15,200	25,996	(10,796)	(71%)	21,000	5,800	38%
Educational Reimbursement	3,500	2,800	700	20%	2,500	(1,000)	(29%)
Total Training & Education	231,100	217,394	13,706	6%	282,300	51,200	22%
Professional Services:							
Audit	265,000	168,459	96,541	36%	313,500	48,500	18%
Board Election	35,000	14,332	20,668	59%	-	(35,000)	(100%)
Consultants	5,000	15,375	(10,375)	(208%)	-	(5,000)	(100%)
Total Professional Services	305,000	198,166	106,834	35%	313,500	8,500	3%

Contra Costa County Employees' Retirement Association
 2018 Proposed Administrative Budget (Continued)

2018 Proposed Administrative Budget

	2017 Budget	11/30/17 YTD Actuals	\$ Budget Remaining	% Budget Remaining	2018 Proposed Total Budget	\$ Change vs 2017 Budget	% Change vs 2017 Budget
Office Expenses:							
Building Rent	387,000	421,110	(34,110)	(9%)	380,200	(6,800)	(2%)
Telephone & Internet Services	57,800	51,420	6,380	11%	49,600	(8,200)	(14%)
Equipment Lease & Maintenance	31,000	9,858	21,142	68%	26,500	(4,500)	(15%)
Furniture & Equipment	11,500	18,480	(6,980)	(61%)	9,500	(2,000)	(17%)
Office Supplies & Maintenance	73,700	72,649	1,051	1%	71,000	(2,700)	(4%)
Printing & Postage	21,900	49,833	(27,933)	(128%)	45,500	23,600	108%
Books & Periodicals	2,800	1,252	1,548	55%	1,800	(1,000)	(36%)
Recruitment	3,600	5,301	(1,701)	(47%)	3,600	-	-
Total Office Expenses	589,300	629,904	(40,604)	(7%)	587,700	(1,600)	-
Insurance:							
Property/ Liability	113,700	118,732	(5,032)	(4%)	120,000	6,300	6%
Trustee Fiduciary	140,000	93,266.64	46,733	33%	140,000	-	-
Total Insurance	253,700	211,999	41,701	16%	260,000	6,300	6%
Member & Retirement Services:							
Benefit Statements/ EFT Distribution	145,000	141,181	3,819	3%	159,000	14,000	10%
Medical Advisor- Disabilities	90,000	48,567	41,433	46%	90,000	-	-
Hearings/ Doctors- Disabilities	72,000	16,438.50	55,562	77%	66,000	(6,000)	(8%)
Total Member & Retirement Services	307,000	206,186	100,814	33%	315,000	8,000	3%

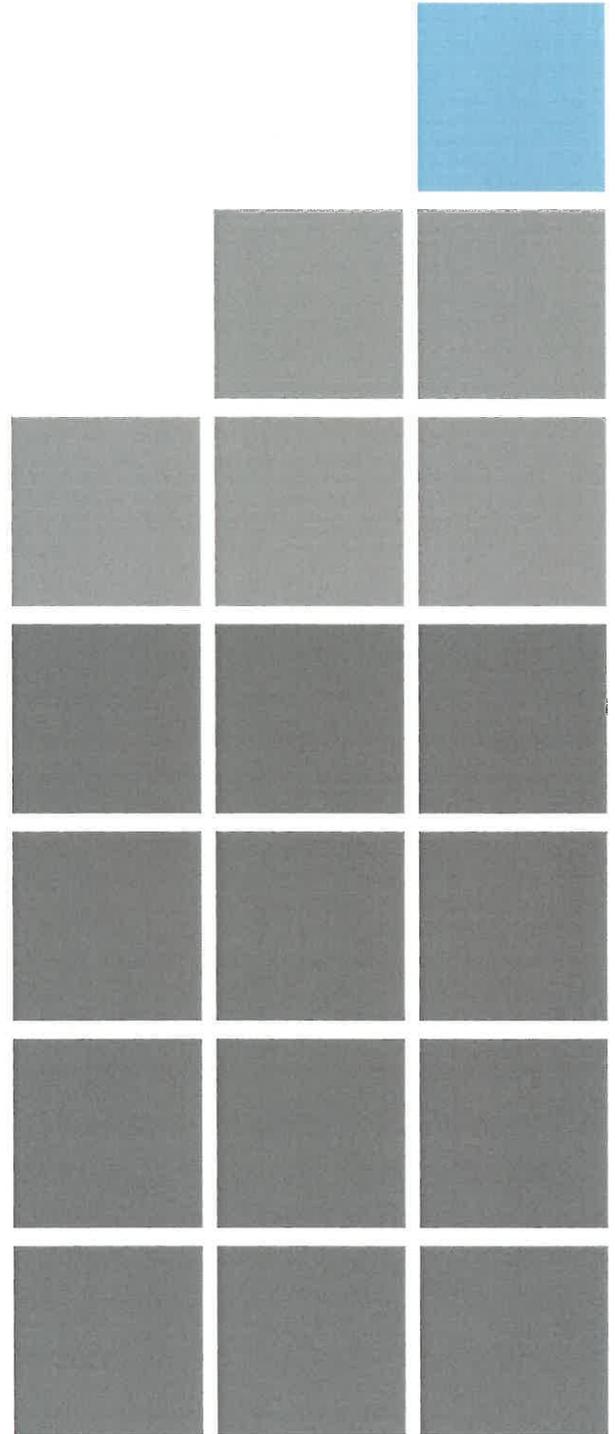
Contra Costa County Employees' Retirement Association
 2018 Proposed Administrative Budget (Concluded)

2018 Proposed Administrative Budget

	2017 Budget	11/30/17 YTD Actuals	\$ Budget Remaining	% Budget Remaining	2018 Proposed Total Budget	\$ Change vs 2017 Budget	% Change vs 2017 Budget
IT Systems:							
Service & Software Contracts	202,500	232,093	(29,593)	(15%)	239,800	37,300	18%
Software	1,600	12,854	(11,254)	(703%)	8,600	7,000	438%
Hardware & Equipment	6,400	85,778	(79,378)	(124%)	47,000	40,600	634%
Project Consulting	61,000	25,127	35,873	59%	80,000	19,000	31%
Equipment Maintenance & Support	37,600	10,631	26,969	72%	13,500	(24,100)	(64%)
County-Data Processing	7,400	6,202.51	1,197	16%	7,400	-	-
Total IT Systems	316,500	372,686	(56,186)	(18%)	396,300	79,800	25%
Total Operation Expenses	2,002,600	1,836,334	166,266	8%	2,154,800	152,200	8%
Assets Depreciation	74,500	45,099	29,401	39%	80,500	6,000	8%
Total Expenses	\$9,946,200	\$8,305,851	\$1,640,349	16%	\$10,106,000	\$159,800	2%

2018 Proposed Non-Administrative Budget

*Investments,
Legal, and Disaster
Recovery Program*



2018 Proposed Non-Administrative Budget Investments, Legal, and Disaster Recovery Program

	2017 Budget	11/30/17 YTD Actuals	\$ Budget Remaining	% Budget Remaining	2018 Proposed Total Budget	\$ Change vs 2017 Budget	% Change vs 2017 Budget
Salaries and Benefits							
Administrative:							
Salaries	\$1,576,800	\$927,129	\$649,671	41%	\$1,428,400	\$(148,400)	(9%)
Benefits	885,000	517,417	367,583	42%	839,000	(46,000)	(5%)
Temporary Staff	30,000	-	30,000	100%	30,000	-	-
Total Administrative	2,491,800	1,444,546	1,047,254	42%	2,297,400	(194,400)	(8%)
OPEB Retiree Health	68,500	68,500	-	-	72,400	3,900	6%
Total Salaries and Benefits	2,560,300	1,513,046	1,047,254	41%	2,369,800	(190,500)	(7%)
Operation Expenses							
Training & Education:							
Conference Registration	14,500	10,565	3,935	27%	13,000	(1,500)	(10%)
Lodging & Meals	69,000	47,613	21,387	31%	70,000	1,000	1%
Travel & Transportation**	47,000	33,084	13,916	30%	59,000	12,000	26%
Professional Memberships	10,900	9,653	1,247	11%	7,000	(3,900)	(36%)
Educational Reimbursement	4,500	-	4,500	100%	4,500	-	-
Total Training & Education	145,900	100,915	44,985	31%	153,500	7,600	5%

Contra Costa County Employees' Retirement Association
 2018 Proposed Non-Administrative Budget (Concluded)

2018 Proposed Non-Administrative Budget
Investments, Legal, and Disaster Recovery Program

	2017 Budget	11/30/17 YTD Actuals	\$ Budget Remaining	% Budget Remaining	2018 Proposed Total Budget	\$ Change vs 2017 Budget	% Change vs 2017 Budget
Professional Services:							
Outside Legal Counsel Services	473,000	444,564	28,436	6%	523,000	50,000	11%
Total Professional Services	473,000	444,564	28,436	6%	523,000	50,000	11%
Office Expenses:							
Building Rent	-	-	-	-	53,300	53,300	100%
Telephone & Internet Services**	11,400	810	10,590	93%	12,100	700	6%
Furniture & Equipment	1,000	9,316	(8,316)	(832%)	3,000	2,000	200%
Office Supplies & Maintenance	1,500	353	1,147	76%	1,500	-	-
Printing & Postage**	-	1,930	(1,930)	-	1,500	1,500	100%
Books & Periodicals	5,000	5,908	(908)	(18%)	6,500	1,500	30%
Recruitment	2,000	157	1,843	92%	1,000	(1,000)	(50%)
Total Office Expenses	20,900	18,473	2,427	12%	78,900	58,000	278%
Member & Retirement Services:							
Outside Legal Counsel-Disabilities	100,000	60,076	39,924	40%	72,000	(28,000)	(28%)
Total Member & Retirement Services	100,000	60,076	39,924	40%	72,000	(28,000)	(28%)

Contra Costa County Employees' Retirement Association
 2018 Proposed Non-Administrative Budget (Concluded)

2018 Proposed Non-Administrative Budget
 Investments, Legal, and Disaster Recovery Program

	2017 Budget	11/30/17 YTD Actuals	\$ Budget Remaining	% Budget Remaining	2018 Proposed Total Budget	\$ Change vs 2017 Budget	% Change vs 2017 Budget
IT Systems:							
Service & Software Contracts**	104,500	44,433	60,067	57%	160,400	55,900	53%
Software	26,000	25,680	320	1%	-	(26,000)	100%
Hardware & Equipment**	28,500	31,809	(3,309)	(12%)	8,000	(20,500)	(72%)
Project Consulting**	6,000	2,475	3,525	59%	5,000	(1,000)	(17%)
Equipment Maintenance & Support	-	1,447	(1,447)	-	-	-	-
Total IT Systems	165,000	105,844	59,156	36%	173,400	8,400	5%
Total Operation Expenses	904,800	729,872	174,928	19%	1,000,800	96,000	11%
Assets Depreciation	16,500	5,531	10,969	66%	31,500	15,000	91%
Total Expenses	\$3,481,600	\$2,248,449	\$1,233,151	35%	\$3,402,100	\$(79,500)	(2%)

**2018 Proposed Budget includes \$112,500 in disaster recovery related costs.



2018 Proposed Capital Budget

2018 Proposed Capital Budget

	Asset Purchase Cost	2018 Depreciation
<i>2018 Capital Purchases</i>		
Hardware & Software	\$208,000	\$41,000
<i>Prior Years Capital Purchases</i>		
Leasehold Improvements	23,555	8,000
Hardware & Software	130,729	52,000
Furniture & Equipment	60,395	11,000
	\$422,679	\$112,000



Meeting Date
12/13/17
Agenda Item
#11

MEMORANDUM

Date: December 13, 2017
To: CCCERA Board of Retirement
From: Karen Levy, General Counsel
Subject: Legislation Update

Summary of Enacted Legislation

The California State Legislature reconvened on January 4, 2017 for the 2017-18 legislative session. September 15, 2017 was the last day for each house to pass bills, and October 15, 2017 was the last day for the Governor to sign or veto bills passed by the Legislature. Below is a summary of approved legislation of interest to CCCERA and its Board of Retirement.

AB 168 (Eggman) Employers: Salary Information.

Existing law imposes various restrictions on employers with respect to applicants for employment. A violation of those restrictions is a misdemeanor. This bill prohibits an employer from relying on the salary history information of an applicant for employment as a factor in determining whether to offer an applicant employment or what salary to offer an applicant. The bill also prohibits an employer from seeking salary history information about an applicant for employment and requires an employer, upon reasonable request, to provide the pay scale for a position to an applicant for employment. The bill does not prohibit an applicant from voluntarily and without prompting disclosing salary history information and does not prohibit an employer from considering or relying on that voluntarily disclosed salary history information in determining salary, as specified. The bill applies to all employers, including state and local government employers and the Legislature and does not apply to salary history information disclosable to the public pursuant to federal or state law. The bill specifies that a violation of its provisions would not be subject to the misdemeanor provision.

Status: Approved by the Governor on October 12, 2017.

SB 112 Committee on Budget and Fiscal Review. State government.

This bill includes numerous technical clean up provisions and states that the changes are related to general government and are necessary to implement the 2017 Budget Act. Included among the various parts of this bill is an exception to the limitation on post-retirement services for elective officers. This bill, for the purposes of a retirement system formed under the County Employees Retirement Law of 1937 (CERL), permits a retired person to serve as an elective officer without reinstatement from retirement or loss or interruption of benefits, provided that his or her retirement allowance is suspended to the extent that it is based on service in that elective office. Specifically, SB 112 added Government Code section 31680.15, which provides:

1355 Willow Way Suite 221 Concord CA 94520 925.521.3960 FAX: 925.521.3969 www.cccera.org

(a) On and after January 1, 2018, a person who has retired under this chapter may serve without reinstatement from retirement or loss or interruption of benefits under this chapter, as an elective officer.

(b) If a retired person serves without reinstatement from retirement in an elective office and part or all of his or her retirement allowance is based on service in that elective office, the portion of the allowance based on service in that elective office shall be suspended during incumbency in that elective office. The entire retirement allowance shall be paid for time on and after the person vacates the elective office in the monthly amount payable had the allowance not been suspended.
Status: Approved by the Governor on September 28, 2017.

SB 671 (Moorlach) – County employees’ retirement: retirement funds: transfers.

This bill amended CERL Government Code Section 31582 that permits a county and district to make an advance payment of all or part of the county’s or district’s estimated annual contributions to the retirement fund. Current law permits the board of supervisors to authorize the county auditor to make an advance payment of all or part of the county’s estimated annual contributions to the retirement fund, provided that the payment is made within 30 days after the commencement of the county’s fiscal year. This allows the retirement system to deploy a larger sum of money into the system’s investments earlier than they would if those contributions were paid periodically over the year.

This bill makes the following changes effective January 1, 2018:

1) Increases the cap on the amount of advance payments allowed from up to one-year’s worth of contributions to up to two-years’ worth of contributions, provided that the payment is made within 30 days after the commencement of the county’s fiscal year. The retirement system will therefore potentially see up to double the prepayment amount and will consequently have to potentially deploy double the funds into the system’s investment portfolio. The author of this legislation explains: “A financial arrangement that I helped design and implement was the ability to borrow the amount of the annual contribution and deposit the entire amount into the Orange County Employees’ Retirement System (OCERS) at the beginning of the fiscal year. Instead of making twenty-six deposits, one every two weeks, those payments were redirected to paying down the note. The incentive to do this resulted from OCERS providing a generous discount that exceeded the interest costs of the borrowing. In fact, the first year this was done, the County of Orange saved more than \$4 million in net present value savings . . .” May 7, 2017 Moorlach Update.

2) Clarifies that districts in all 1937 Act counties may make advanced payments of their estimated annual 1937 Act contributions.

3) Includes technical, conforming clean up language to add references to “pensionable compensation” as defined by PEPR to the requirement that the county auditor determine and transfer the estimated annual employer contribution based on the employees’ “compensation earnable” as defined under the classic formula.

Status: Approved by the Governor on July 17, 2017.

SACRS Sponsored Legislation

The State Association of County Retirement Systems (SACRS) is sponsoring legislation defining “surviving spouse” to include only a spouse who is legally married to the member, is neither divorced nor legally separated from the member, and who meets all other requirements of CERL pertaining to the length of the marriage and the spouse’s age at the time of the member’s death. The purpose of the legislation is to define “surviving spouse” so retirement systems are not confused by conflicting case law. A recent court case concluded that a legally separated spouse qualified for a survivor continuance as the member’s surviving spouse. This opinion is contrary to the practices of at least eight CERL systems and three prior decisions issued by the Superior Court in Santa Barbara, Contra Costa and Ventura counties. The legislation would clarify conflicting case law on this issue.

Recommendation

Receive and file.



Meeting Date
12/13/17
Agenda Item
#12

MEMORANDUM

Date: December 13, 2017
To: CCCERA Board of Retirement
From: Anne Sommers, Admin/HR Manager
Subject: Consider and take possible action to adopt the CCCERA publicly available pay schedules for all CCCERA classifications effective January 1, 2018

Overview

The Memorandum of Understanding (“MOU”) between Contra Costa County Employees’ Retirement Association (“CCCERA”) and United Clerical, Technical & Specialized Employees (“AFSCME”), Local 2700, for the period of January 1, 2017 through December 31, 2018, Section 5 provides for a 2% base pay increase to all bargaining unit employees effective January 1, 2018.

Based on the CCCERA *Policy on Determining “Pensionable Compensation” Under PEPR*A for purposes of calculating retirement benefits and Government Code Section 7522.34 a publicly available pay schedule must meet all of the following requirements:

1. Has been duly approved and adopted by the employer’s governing body in accordance with requirements of applicable public meeting laws;
2. Identifies the position title for every employee position;
3. Shows the pay rate for each identified position, which may be stated as a single amount or as multiple amounts within a range;
4. Indicates the time base, including, but not limited to, whether the time base is hourly, daily, bi-weekly, monthly, bi-monthly, or annually;
5. Is posted at the office of the employer or immediately accessible and available for public review from the employer during normal business hours or posted on the employer’s internet website;
6. Indicates an effective date and date of any revisions;
7. Is retained by the employer and available for public inspection for not less than five years; and
8. Does not reference another document in lieu of disclosing the pay rate.

In order to comply with this requirement we have provided an updated CCCERA publicly available pay schedule reflecting the agreed upon base pay increase to all bargaining unit employees.

Recommendation

Consider and take possible action to adopt the CCCERA publicly available pay schedules for all CCCERA classifications effective January 1, 2018.

CCCERA Position Pay Schedules - Effective 1/1/18

Revision Dates: 1/1/16, 7/1/17, 4/16/17, 7/1/17, 2/1/16, 9/1/15, 1/1/15

Positions represented by AFSCME, Local 2700:

Classification Title	Hourly (Non-Exempt)								Eligible for Differential 10 year Longevity
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	
Retirement Office Specialist	\$20.87	\$21.91	\$23.00	\$24.15	\$25.37	\$26.63	\$27.97	\$29.36	Yes
Retirement Member Services Technician	\$20.87	\$21.91	\$23.00	\$24.15	\$25.37	\$26.63	\$27.97	\$29.36	Yes
Retirement Accounting Specialist I	\$22.85	\$23.98	\$25.18	\$26.45	\$27.76	\$28.47	\$29.17		Yes
Retirement Counselor I	\$22.85	\$23.98	\$25.18	\$26.45	\$27.76	\$28.47	\$29.17		Yes
Retirement Accounting Technician	\$25.11	\$26.37	\$27.68	\$29.07	\$30.53	\$32.05			Yes
Retirement Accounting Specialist II	\$26.37	\$27.67	\$29.06	\$30.52	\$32.05	\$33.65			Yes
Retirement Counselor II	\$26.37	\$27.67	\$29.06	\$30.52	\$32.05	\$33.65			Yes
Retirement Member Services Data Specialist	\$26.37	\$27.67	\$29.06	\$30.52	\$32.05	\$33.65			Yes
Retirement Administrative Assistant	\$26.82	\$28.14	\$29.57	\$31.04	\$32.59				Yes
Retirement Accounting Specialist III	\$30.40	\$31.92	\$33.51	\$35.19	\$36.95	\$38.80			Yes
Retirement Counselor III	\$30.40	\$31.92	\$33.51	\$35.19	\$36.95	\$38.80			Yes
Retirement Senior Member Services Data Specialist	\$30.40	\$31.92	\$33.51	\$35.19	\$36.95	\$38.80			Yes
Disability Specialist	\$35.69	\$37.47	\$39.35	\$41.31	\$43.37				Yes

Unrepresented positions:	Classification Title					Eligible for Differential*					
	Step 1	Step 2	Step 3	Step 4	Step 5	10 year Longevity	15 year Longevity	20 year Longevity	CPA, CGFM, CIA, CMA	ASA	
	Hourly (Non-Exempt)										
Executive Assistant	\$32.82	\$34.47	\$36.19	\$38.00	\$39.90	Yes	Yes	No	No	Yes	
Information Technology Coordinator	\$34.47	\$36.19	\$38.00	\$39.90	\$41.89	Yes	Yes	No	No	Yes	
Member Services Supervisor	\$39.90	\$41.89	\$43.99	\$46.19	\$48.50	Yes	Yes	No	No	Yes	
Retirement Services Supervisor	\$39.90	\$41.89	\$43.99	\$46.19	\$48.50	Yes	Yes	No	No	Yes	
	Monthly (Exempt)										
Accountant	\$5,419	\$5,690	\$5,974	\$6,273	\$6,586	Yes	Yes	No	Yes	Yes	
Accounting Manager	\$9,268	\$9,731	\$10,218	\$10,729	\$11,265	Yes	Yes	No	Yes	Yes	
Accounting Supervisor	\$6,916	\$7,261	\$7,625	\$8,006	\$8,406	Yes	Yes	No	Yes	Yes	
Administrative/HR Manager	\$9,047	\$9,499	\$9,974	\$10,473	\$10,997	Yes	Yes	No	No	Yes	
Administrative/HR Supervisor	\$6,916	\$7,261	\$7,625	\$8,006	\$8,406	Yes	Yes	No	No	Yes	
Communications Coordinator	\$6,430	\$6,751	\$7,089	\$7,443	\$7,815	Yes	Yes	No	No	Yes	
Compliance Business Analyst	\$7,089	\$7,443	\$7,815	\$8,206	\$8,616	Yes	Yes	No	No	Yes	
Deputy General Counsel	\$13,041	\$13,693	\$14,377	\$15,096	\$15,851	Yes	Yes	No	No	Yes	
Information System Programmer/Analyst	\$6,586	\$6,916	\$7,261	\$7,625	\$8,006	Yes	Yes	No	No	Yes	
Information Technology Manager	\$10,997	\$11,547	\$12,124	\$12,730	\$13,367	Yes	Yes	No	No	Yes	
Investment Analyst	\$9,499	\$9,974	\$10,473	\$10,997	\$11,547	Yes	Yes	No	No	Yes	
Investment Officer	\$13,367	\$14,035	\$14,737	\$15,474	\$16,247	Yes	Yes	No	No	Yes	
Member Services Manager	\$9,047	\$9,499	\$9,974	\$10,473	\$10,997	Yes	Yes	No	No	Yes	
Retirement Services Manager	\$9,047	\$9,499	\$9,974	\$10,473	\$10,997	Yes	Yes	No	No	Yes	
	Monthly Salary Range (Exempt)										
Chief Executive Officer	\$20,064					Yes	Yes	No	No	Yes	
Chief Investment Officer	\$17,848 - \$23,203					Yes	Yes	No	No	Yes	
Compliance Officer	\$9,224 - \$11,991					Yes	Yes	No	No	Yes	
Deputy Chief Executive Officer	\$14,309 - \$18,601					Yes	Yes	No	No	Yes	
General Counsel	\$15,775 - \$20,507					Yes	Yes	Yes	No	Yes	

*NOTE: Certificate Differentials cannot be combined with other certificate differentials



Meeting Date
12/13/17
Agenda Item
#13

MEMORANDUM

Date: December 13, 2017
To: CCCERA Board of Retirement
From: Christina Dunn, Deputy CEO
Tim Hoppe, Retirement Services Manager
Subject: Presentation on customer service standards

Background

CCCERA continuously looks for ways to improve the service that is provided to members and employers. Over the last year process improvements have been developed in an effort to increase the customer service level.

The following is a summary of some of the process improvements that have been developed to improve customer service. Many of these efforts have involved the development of customer service measurement tools, staff training, improved processing periods of key processes, group counseling and other outreach.

- In the past year CCCERA staff have participated in two training sessions focused on customer service. The first training session was in November 2016 which focused on building positive relationships and handling difficult situations. The second training session was in July at the Staff Development Day which focused on Customer Service Wellness.
- In an effort to improve response time to phone calls, the standard response time was reduced from two business days to one business day.
- The current response time for retirement estimates is now 3 to 4 weeks depending upon complexity and the number of retirement dates requested.
- The retirement application process now takes approximately 35 business days on average. This period is measured from the retirement date on the application to the date the option election form is mailed to the retiree. In some cases, the processing time is impacted by missing documents, payroll information, forms and/or a prior divorce. The timing of a retiree being added to payroll is directly aligned with the retiree completing and submitting the option election form to CCCERA.

- The creation of an online survey for newly retired members to provide feedback on the retirement application process.
- The disability application process now takes an average of 9 months which is a decrease from 11 months due to more efficient processing. This average timeframe is measured from the point the application is received by CCCERA to the date the application is presented to the Board. The processing time from the date the required information is received by CCCERA to the date the application is presented to the Board is on average 7 months. The disability application process varies depending upon when and how medical records are received, the volume of medical records submitted, receipt of completed employer questionnaires and the medical advisor's review and report. Cases in which the applicant elects to have a hearing before an Administrative Law Judge takes considerably longer. A majority of these cases are for Tier 3 applicants and related to CCCERA's substantial gainful employment provision.
- Monthly group counseling sessions are held for members to receive information related to retirement and meet with Retirement Counselors. To accommodate different work schedules, group counseling sessions are presented in the afternoon and in the morning. In addition, to gather participant feedback, a group counseling survey was recently rolled out.
- CCCERA staff provides on-site informational sessions to participating employers that have invited CCCERA to new hire seminars hosted by the participating employer.
- CCCERA hosted an employer on-site training and informational session for participating employers.

Next Steps

In an effort to continue the improvement of service CCCERA provides members and participating employers the following items have been identified as initiatives that will be implemented in 2018:

- On-going customer service training and focus (internal and external customers).
- Expanding phone coverage hours.
- Increase written contact/follow-up with members/applicants through the application process.
- Providing training to additional staff members on the disability preparation process to reduce the time from the receipt of records to the delivery of records to the medical advisor.
- The creation of additional member surveys for one-on-one counseling appointments and member phone calls.
- Semi-annual informational sessions for participating employers.



Meeting Date
12/13/17
Agenda Item
#14

MEMORANDUM

Date: December 13, 2017

To: CCCERA Board of Retirement

From: Timothy Price, Chief Investment Officer

Subject: Alternative Investment Fees and Expense Report Pursuant to Government Code Section 7514.7

Overview

California Assembly Bill 2833 was enacted in 2016 and became effective January 1, 2017 as California Government Code Section 7514.7 (the "Code"). This Code requires California public pension plans to obtain and publicly disclose certain fee and expense data and information on an annual basis in a public meeting.

The law applies to any private fund that is an alternative investment vehicle whose contract with a California plan was entered into on or after January 1, 2017, or for any existing contract as of December 31, 2016 for which an additional capital commitment is made on or after January 1, 2017. The law also requires California public pension funds to use best efforts to obtain this information from funds entered into prior to January 2017.

The intent of the legislation is to increase transparency of the cost of private investment vehicles that are used by public funds.

Code Section 7514.7 Disclosure Requirements

1. The fees and expenses that the California plan pays directly to the alternative investment vehicle, the fund manager, or related parties.
(See Columns E, G, H on the following pages)
2. The California plan's pro rata share of fees and expenses not included in paragraph (1) that are paid from the alternative investment vehicle to the fund manager or related parties. The California plan may independently calculate this information based on information contractually required to be provided by the alternative investment vehicle to the public investment fund. If the California plan independently calculates this information, then the alternative investment vehicle shall not be required to provide the information identified in this paragraph.
(Column I)

3. The California plan's pro rata share of carried interest distributed to the fund manager or related parties.
(Column F)
4. The California plan's pro rata share of aggregate fees and expenses paid by all of the portfolio companies held within the alternative investment vehicle to the fund manager or related parties.
(Column J)
5. Any additional information described in subdivision (b) of Section 6254.26 of the Code.
(Columns K-V)

Methodology

Beginning in early 2017, we asked all Alternative Investment Managers to use the Institutional of Limited Partners Association (ILPA) template to report fees and expense to CCCERA on a quarterly basis. Though not required for funds where a contract was entered into prior to January 1, 2017, most managers voluntarily provided information using the ILPA template.

This initial report displays the available data for alternative investment vehicles in which CCCERA was invested as of December 31, 2016. CCCERA Investment Staff will issue a similar report in 2018 when complete data for 2017 is available.

**Contra Costa County Employees' Retirement Association
Government Code Section 7514.7 Disclosure: Real Estate and Private Credit
Calendar Year 2016**

A B C D E F G H I J

REAL ESTATE - Value Add	Address	Funding Commitment	Remaining Value as of 12/31/2016	Management Fees	Carried Interest	Partnership Expenses	2016 Offsets	Other Expenses	Fees Paid by Portfolio Companies
Invesco IREF I	Dallas, TX	50,000,000	101,386	N/A ¹	N/A	N/A	N/A	N/A	N/A
Invesco IREF II	Dallas, TX	85,000,000	436,012	60,113	0	0	0	0	0
Invesco IREF III	Dallas, TX	35,000,000	22,539,686	251,756	0	0	0	0	0
Invesco IREF IV	Dallas, TX	35,000,000	15,006,958	101,166	0	0	0	0	0
Long Wharf FREG III	Boston, MA	75,000,000	5,997,882	213,882	0	65,421	0	0	0
Long Wharf FREG IV	Boston, MA	25,000,000	22,876,973	358,667	0	79,214	0	0	0
Long Wharf FREG V	Boston, MA	50,000,000	13,005,215	1,062,329	0	206,574	0	0	0
LaSalle Income & Growth Fund VI	Chicago, IL	75,000,000	61,725,990	746,101	N/A	N/A	N/A	N/A	N/A
LaSalle Income & Growth Fund VII	Chicago, IL	75,000,000	0	N/A	N/A	N/A	N/A	N/A	N/A

REAL ESTATE - Opportunistic & Distressed	Address	Funding Commitment	Remaining Value as of 12/31/2016	Management Fees	Carried Interest	Partnership Expenses	2016 Offsets	Other Expenses	Fees Paid by Portfolio Companies
DLJ RE Capital Partners, L.P. III	New York, NY	75,000,000	31,688,158	394,188	37,504	152,259	0	0	0
DLJ RE Partners, L.P. IV	New York, NY	100,000,000	87,114,229	825,844	93,433	308,267	0	0	0
DLJ RE Capital Partners, L.P. V	New York, NY	75,000,000	33,042,702	N/A	N/A	N/A	N/A	N/A	N/A
Oaktree RE Opportunities Fund V	Los Angeles, CA	50,000,000	24,132,247	292,937	0	0	67,130	100,042	0
Oaktree RE Opportunities Fund VI	Los Angeles, CA	80,000,000	73,386,422	1,103,628	0	0	0	0	0
Oaktree RE Opportunities Fund VII	Los Angeles, CA	65,000,000	6,890,327	990,086	0	0	0	0	0
Siguler Guff Distressed RE Opp. Fund	New York, NY	75,000,000	63,920,831	517,405	591,399	0	0	0	0
Siguler Guff Distressed RE Opp. Fund II	New York, NY	70,000,000	56,303,091	540,000	0	133,511	0	0	0
Siguler Guff Distressed RE Opp. II Co-Inv	New York, NY	25,000,000	13,918,128	118,533	0	14,866	0	0	0
Paulson Real Estate Fund II	New York, NY	20,000,000	23,200,395	N/A	N/A	N/A	N/A	N/A	N/A
Angelo Gordon Realty Fund VIII	New York, NY	80,000,000	52,606,602	695,268	0	218,565	118,380	0	0
Angelo Gordon Realty Fund IX	New York, NY	65,000,000	31,552,221	975,000	0	161,868	165	0	0

PRIVATE CREDIT	Address	Funding Commitment	Remaining Value as of 12/31/2016	Management Fees	Carried Interest	Partnership Expenses	2016 Offsets	Other Expenses	Fees Paid by Portfolio Companies
Torchlight Debt Opportunity Fund II	New York, NY	128,000,000	43,448,512	N/A	N/A	N/A	N/A	N/A	N/A
Torchlight Debt Opportunity Fund III	New York, NY	75,000,000	10,927,021	N/A	N/A	N/A	N/A	N/A	N/A
Torchlight Debt Opportunity Fund IV	New York, NY	60,000,000	64,616,452	N/A	N/A	N/A	N/A	N/A	N/A
Torchlight Debt Opportunity Fund V	New York, NY	75,000,000	20,435,415	900,000	0	0	0	103,346	0
Angelo Gordon Energy Credit Opportunities	New York, NY	16,500,000	23,358,116	167,424	0	122,387	0	0	0

¹N/A: This information was not available or not provided by the manager.

**Contra Costa County Employees' Retirement Association
Government Code Section 7514.7 Disclosure: Real Estate and Private Credit
Calendar Year 2016**

K L M N O P Q R S T U V

REAL ESTATE - Value Add	Address	Inception Date	Funding Commitment	Since Inception Contributions	Since Inception Distributions	Remaining Value as of 12/31/2016	Total Value as of 12/31/2016 ²	Distributed/ Paid In	Total Value/ Paid In	Since Inception Gross IRR ³	Since Inception Net IRR
Invesco REF I	Dallas, TX	10/22/03	50,000,000	46,241,948	50,000,906	101,386	50,102,292	1.08	1.08	3.2%	1.5%
Invesco REF II	Dallas, TX	05/30/07	85,000,000	69,446,234	102,131,201	436,012	102,567,213	1.47	1.48	8.2%	6.8%
Invesco REF III	Dallas, TX	08/01/13	35,000,000	22,042,133	12,841,889	22,539,686	35,381,575	0.58	1.61	25.0%	18.0%
Invesco REF IV	Dallas, TX	12/01/14	35,000,000	29,019,341	5,646,707	15,006,958	20,653,665	0.19	0.71	24.4%	16.6%
Long Wharf FREG III	Boston, MA	03/30/07	75,000,000	67,850,907	78,952,726	5,997,882	84,950,608	1.16	1.25	9.5%	7.3%
Long Wharf FREG IV	Boston, MA	08/14/13	25,000,000	27,167,318	11,838,039	22,876,973	34,715,012	0.44	1.28	20.0%	13.6%
Long Wharf FREG V	Boston, MA	10/31/16	50,000,000	14,233,955	571,233	13,005,215	13,576,448	0.04	0.95	8.8%	-0.9%
LaSalle Income & Growth Fund VI	Chicago, IL	01/31/12	75,000,000	71,428,571	38,306,924	61,725,990	100,032,913	0.54	1.40	17.0%	14.1%
LaSalle Income & Growth Fund VII	Chicago, IL	10/31/16	75,000,000	0	0	0	0	N/A	N/A	NM ³	NM

REAL ESTATE - Opportunistic & Distressed	Address	Inception Date	Funding Commitment	Since Inception Contributions	Since Inception Distributions	Value as of 12/31/2016	Total Value as of 12/31/2016	Distributed/ Paid In	Total Value/ Paid In	Since Inception Gross IRR	Since Inception Net IRR
DJ RE Capital Partners, L.P. III	New York, NY	06/30/05	75,000,000	56,541,696	32,462,359	31,688,158	64,150,517	0.57	1.13	2.0%	1.4%
DJ RE Partners, L.P. IV	New York, NY	12/31/07	100,000,000	97,187,255	40,617,466	87,114,229	127,731,695	0.42	1.31	6.0%	3.0%
DJ RE Capital Partners, L.P. V	New York, NY	07/31/13	75,000,000	51,210,239	34,774,715	33,042,702	67,817,417	0.68	1.32	NM	NM
Oaktree RE Opportunities Fund V	Los Angeles, CA	02/01/11	50,000,000	48,500,000	55,017,675	24,132,247	79,149,922	1.13	1.63	17.6%	12.9%
Oaktree RE Opportunities Fund VI	Los Angeles, CA	09/30/13	80,000,000	85,600,000	36,841,206	73,386,422	110,227,628	0.43	1.29	16.9%	11.3%
Oaktree RE Opportunities Fund VII	Los Angeles, CA	02/28/15	65,000,000	6,500,000	0	6,890,327	6,890,327	0.00	1.06	NM	NM
Siguler Guff Distressed RE Opp. Fund	New York, NY	07/30/11	75,000,000	63,007,261	44,414,153	63,920,831	108,334,984	0.70	1.72	19.6%	15.6%
Siguler Guff Distressed RE Opp. Fund II	New York, NY	08/31/13	70,000,000	45,133,370	17,163,370	56,303,091	73,466,461	0.38	1.63	11.1%	7.2%
Siguler Guff Distressed RE Opp. II Co-Inv	New York, NY	01/31/16	25,000,000	13,583,039	0	13,918,128	13,918,128	0.00	1.02	9.6%	6.6%
Paulson Real Estate Fund II	New York, NY	11/10/13	20,000,000	18,126,442	0	23,200,395	23,200,395	0.00	1.28	16.8%	11.0%
Angelo Gordon Realty Fund VIII	New York, NY	12/31/11	80,000,000	61,855,395	48,428,909	52,606,602	101,035,511	0.78	1.63	17.6%	17.0%
Angelo Gordon Realty Fund IX	New York, NY	10/10/14	65,000,000	24,537,500	0	31,552,221	31,552,221	0.00	1.29	NM	NM

PRIVATE CREDIT	Address	Inception Date	Funding Commitment	Since Inception Contributions	Since Inception Distributions	Value as of 12/31/2016	Total Value as of 12/31/2016	Distributed/ Paid In	Total Value/ Paid In	Since Inception Gross IRR	Since Inception Net IRR
Torchlight Debt Opportunity Fund II	New York, NY	09/28/06	128,000,000	219,925,608	159,102,166	43,448,512	202,550,678	0.72	0.92	-0.1%	-1.4%
Torchlight Debt Opportunity Fund III	New York, NY	09/30/08	75,000,000	79,983,990	74,255,840	10,927,021	85,182,861	0.93	1.06	18.0%	13.8%
Torchlight Debt Opportunity Fund IV	New York, NY	08/01/12	60,000,000	74,857,016	25,402,403	64,616,452	90,018,855	0.34	1.20	13.6%	10.9%
Torchlight Debt Opportunity Fund V	New York, NY	12/31/14	75,000,000	11,249,912	0	20,435,415	20,435,415	0.00	1.82	24.0%	10.7%
Angelo Gordon Energy Credit Opportunities	New York, NY	09/10/15	16,500,000	18,750,000	0	23,358,116	23,358,116	0.00	1.25	30.7%	23.8%

²Total Value is the sum of since inception distribution and remaining value as of 12/31/16.

²Gross IRR figures provided by fund managers.

³NM: This data is not yet meaningful for partnerships where capital has been deployed for less than three years.

**Contra Costa County Employees' Retirement Association
Government Code Section 7514.7 Disclosure: Private Equity
Calendar Year 2016**

A	B	C	D	E	F	G	H	I	J
PRIVATE EQUITY	Address	Funding Commitment	Remaining Value as of 12/31/2016	Management Fees	Carried Interest	Partnership Expenses	2016 Offsets	Other Expenses	Fees Paid by Portfolio Companies
Adams Street Partners	Chicago, IL	180,000,000	128,992,389	N/A ¹	N/A	N/A	N/A	N/A	N/A
Adams Street Secondary II	Chicago, IL	30,000,000	14,386,595	N/A	N/A	N/A	N/A	N/A	N/A
Adams Street Secondary V	Chicago, IL	40,000,000	21,217,665	N/A	N/A	N/A	N/A	N/A	N/A
Adams Street Venture Innovation Fund	Chicago, IL	75,000,000	0	N/A	N/A	N/A	N/A	N/A	N/A
Bay Area Equity Fund	San Francisco, CA	10,000,000	3,911,354	N/A	N/A	N/A	N/A	N/A	N/A
Bay Area Equity Fund II	San Francisco, CA	10,000,000	8,912,049	N/A	N/A	N/A	N/A	N/A	N/A
Carpenter Community BancFund	Irvine, CA	30,000,000	30,788,485	263,095	0	72,278	2,760	0	0
EIF USPF I	Los Angeles, CA	30,000,000	756,035	N/A	N/A	N/A	N/A	N/A	N/A
EIF USPF II	Los Angeles, CA	50,000,000	39,828,467	504,765	0	81,605	0	0	0
EIF USPF III	Los Angeles, CA	65,000,000	67,711,744	786,467	0	120,063	0	0	0
EIF USPF IV	Los Angeles, CA	50,000,000	43,051,789	803,785	0	217,628	0	0	0
Oaktree Private Investment Fund 2009	Los Angeles, CA	40,000,000	17,139,604	N/A	N/A	N/A	N/A	N/A	N/A
Ocean Avenue Fund II	Santa Monica, CA	30,000,000	16,758,409	255,000	0	76,706	0	0	0
Ocean Avenue Fund III	Santa Monica, CA	50,000,000	4,620,428	232,192	0	84,556	0	0	0
Paladin III	Washington, DC	25,000,000	24,647,360	383,245	0	113,542	0	0	0
Pathway	Irvine, CA	125,000,000	35,575,548	579,951	0	183,249	0	0	0
Pathway 2008	Irvine, CA	30,000,000	23,602,802	269,560	0	14,993	0	0	0
Pathway 6	Irvine, CA	40,000,000	31,750,850	360,000	0	23,527	0	0	0
Pathway 7	Irvine, CA	70,000,000	36,782,822	630,000	0	38,647	0	0	0
Pathway 8	Irvine, CA	50,000,000	12,837,450	175,033	0	62,828	0	0	0
Siguler Guff CCCERA Opportunities	New York, NY	200,000,000	81,830,320	472,479	0	224,841	0	0	0
Siguler Guff Secondary Opportunities	New York, NY	50,000,000	8,656,571	N/A	N/A	N/A	N/A	N/A	N/A
Real Assets									
Aether III & III Surplus	Denver, CO	75,000,000	52,193,877	502,500	0	90,216	0	0	0
Aether IV	Denver, CO	50,000,000	5,707,315	425,000	0	131,059	0	0	0
ARES EIF V	Los Angeles, CA	50,000,000	18,767,544	N/A	N/A	N/A	N/A	N/A	N/A
Commonfund Capital Natural Resources IX	Wilton, CT	50,000,000	33,673,301	960,141	0	0	0	0	0
Wastewater Opportunity Fund	Portland, OR	25,000,000	2,741,716	500,000	0	17,944	6,492	0	0

¹N/A: This information was not available or not provided by the manager.

**Contra Costa County Employees' Retirement Association
Government Code Section 7514.7 Disclosure: Private Equity
Calendar Year 2016**

	K	L	M	N	O	P	Q	R	S	T	U	V
PRIVATE EQUITY	Inception Date	Address	Funding Commitment	Since Inception Contributions	Since Inception Distributions	Value as of 12/31/2016	Total Value as of 12/31/2016 ²	Distributed/ Paid In	Total Value/ Paid In	Since Inception Gross IRR ³	Since Inception Net IRR	
Adams Street Partners	12/22/95	Chicago, IL	180,000,000	183,365,233	149,927,010	128,992,389	278,919,399	0.82	1.52	13.2%	10.3%	
Adams Street Secondary II	12/31/08	Chicago, IL	30,000,000	17,603,401	21,760,839	14,386,595	36,147,434	1.24	2.05	19.0%	15.2%	
Adams Street Secondary V	10/31/12	Chicago, IL	40,000,000	21,420,092	1,049,277	21,217,665	22,266,942	0.05	1.04	7.0%	3.5%	
Bay Area Equity Fund	03/09/16	Chicago, IL	75,000,000	0	0	0	36,112,066	3.22	3.61	23.5%	22.1%	
Bay Area Equity Fund II	02/29/09	San Francisco, CA	10,000,000	9,549,205	1,011,557	8,912,049	9,923,606	0.11	1.04	1.6%	0.9%	
Carpenter Community BancFund	10/31/09	Irvine, CA	30,000,000	25,179,767	16,498,556	30,788,485	47,287,041	0.66	1.88	10.6%	10.5%	
EIF USPF I	11/08/02	Los Angeles, CA	30,000,000	39,035,280	64,263,308	756,035	65,019,343	1.65	1.67	34.7%	28.4%	
EIF USPF II	06/15/05	Los Angeles, CA	50,000,000	64,072,989	43,612,133	39,828,467	83,440,600	0.68	1.30	7.4%	4.7%	
EIF USPF III	02/28/07	Los Angeles, CA	65,000,000	78,682,427	29,208,253	67,711,744	96,919,997	0.37	1.23	7.3%	9.8%	
EIF USPF IV	06/28/10	Los Angeles, CA	50,000,000	47,480,966	18,719,242	43,051,789	61,771,031	0.39	1.30	18.0%	11.3%	
Oaktree Private Investment Fund 2009	02/28/10	Los Angeles, CA	40,000,000	34,836,738	28,977,295	17,139,604	46,116,899	0.83	1.32	7.0%	6.9%	
Ocean Avenue Fund II	05/07/14	Santa Monica, CA	30,000,000	18,116,424	589,938	16,758,409	17,348,347	0.03	0.96	4.5%	0.8%	
Ocean Avenue Fund III	12/09/15	Santa Monica, CA	50,000,000	5,000,000	0	4,620,428	4,620,428	0.00	0.92	NM	NM	
Paladin III	08/15/08	Washington, DC	25,000,000	28,273,283	11,556,722	24,647,360	36,204,082	0.41	1.28	15.4%	7.1%	
Pathway	11/09/98	Irvine, CA	125,000,000	110,931,682	129,143,018	35,575,548	164,718,566	1.16	1.48	10.2%	8.3%	
Pathway 2008	12/26/08	Irvine, CA	30,000,000	23,951,402	8,199,339	23,602,802	31,802,141	0.34	1.33	13.2%	10.1%	
Pathway 6	05/24/11	Irvine, CA	40,000,000	27,130,003	2,612,685	31,750,850	34,363,536	0.10	1.27	14.3%	10.6%	
Pathway 7	02/07/13	Irvine, CA	70,000,000	36,675,494	1,790,930	36,782,822	38,573,752	0.05	1.05	9.5%	4.6%	
Pathway 8	11/23/15	Irvine, CA	50,000,000	9,027,527	370,495	12,837,450	13,207,946	0.04	1.46	NM	NM	
Siguler Guff CCCERA Opportunities	06/03/14	New York, NY	200,000,000	67,252,500	5,712,984	81,830,320	87,543,304	0.08	1.30	32.8%	24.8%	
Siguler Guff Secondary Opportunities	12/31/16	New York, NY	50,000,000	8,250,000	4,407,569	8,656,571	13,064,140	0.53	1.58	NM	NM	
Real Assets												
Aether III & III Surplus	11/30/13	Denver, CO	75,000,000	47,130,346	0	52,193,877	52,193,877	0.00	1.11	26.5%	23.2%	
Aether IV	01/01/16	Denver, CO	50,000,000	5,956,685	0	5,707,315	5,707,315	0.00	0.96	NM	NM	
ARES EIF V	09/09/15	Los Angeles, CA	50,000,000	11,439,268	0	18,767,544	18,767,544	0.00	1.64	NM	NM	
Commonfund Capital Natural Resources IX	06/30/13	Wilton, CT	50,000,000	29,500,000	0	33,673,301	33,673,301	0.00	1.14	11.8%	8.2%	
Wastewater Opportunity Fund	12/31/15	Portland, OR	25,000,000	3,707,565	0	2,741,716	2,741,716	0.00	0.74	NM	NM	

²Total Value is the sum of since inception distributions and remaining value as of 12/31/16.

²Gross IRR figures provided by fund managers.

³NM: This data is not yet meaningful for partnerships where capital has been deployed for less than three years.

Institutional
Investor
FORUMS

Meeting Date
12/13/17
Agenda Item
#15a.

7TH ANNUAL

Solutions-Oriented Investing Forum: Managing Risk & Liquidity

JANUARY 23-24, 2018 | THE RITZ-CARLTON | SAN FRANCISCO



Solutions-Oriented Investing Forum: Managing Risk & Liquidity

JANUARY 23-24, 2018 | THE RITZ-CARLTON | SAN FRANCISCO

Advisory Board

Michael Griswold, *Senior Director, Risk Management and Asset Allocation, Ascension Investment Management*

Josée Mondoux, *Director of Investments, Canadian Medical Protective Association*

Anjum T. Hussain, *Director of Strategy, Asset Allocation & Risk Management, Case Western Reserve University*

Jeffrey Youngman, *Investment Analyst, Contra Costa County Employees' Retirement Association*

Hakan Kupesiz, *Manager, Investment Risk & Asset Allocation, Emory Investment Management*

Carlos Chujoy, *Portfolio Manager, Risk Management & Applied Research, Employees Retirement System of Texas*

Chris Rapcewicz, *Director of Risk & Operations, Helmsley Trust*

Robert Ewers, *Specialist, Treasury & Risk, Inter-American Development Bank*

Michael Ruetz, *Director of Risk Management & Asset Allocation, Margaret A. Cargill Philanthropies*

Luis Roman, *Senior Investment Officer – Director of Risk Management, Massachusetts Pension Reserves Investment Management Board (Mass PRIM)*

Justin Pinckney, *Deputy Chief Investment Officer, Michelin North America Inc.*

Joseph Sheva, *Risk Manager, Pennsylvania Public School Employees' Retirement System*

Jean-Francois Bureau, *Senior Vice President and Chief Risk Officer, PSP Investments*

James Nield, *Chief Risk Officer, Teacher Retirement System of Texas (TRS)*

Mike Edleson, *Chief Risk Officer, University of Chicago*

Roxton McNeal, *Portfolio Manager – Multi Asset Investment Strategy & Risk, UPS Group Trust*

Craig Thomas, *Managing Director, Wake Forest University/Verger Capital Management*

Improving Your Strategic Asset Allocation: Modeling Liquidity and Shifting Risk

Several trends within asset management are significantly altering the ways that institutions are thinking about their portfolios. These trends include the seismic shift toward private strategies in the pursuit of returns, the pendulum swinging toward more and more passive management at the expense of asset management, and a concerted effort by many investors to look at the key considerations of risk and liquidity across asset classes and throughout the entire portfolio.

On January 23-24 in San Francisco we will present the latest, best thinking on the ways that North American pension funds and US endowments and foundations can respond to a volatile global investment landscape recognized for its rapidly changing dynamics. An opportunity and risk set which looks hardly at all like the world of even a few years ago – with one key exception, the continuing low rate environment which is driving so many strategic asset allocation decisions.

We hope you will be able to join us for this day and a half intensive seminar to learn about the decisions North American pension funds, endowments, and foundations are making as they address the today's global investment landscape, including such issues as:

- ❖ What are the scenarios wherein the economic expansion is stifled and how should investors prepare for what comes after?
- ❖ What can you do to prepare for the next liquidity shock?
- ❖ Using drawdown analysis to relate your asset allocation to your expected payout
- ❖ The shrinking public equity markets and the risk and liquidity consequences for investors
- ❖ Incorporating factor views into your asset allocation decisions
- ❖ The perils of investors chasing returns: Concentration risk, compressed returns, style drift and standards deterioration among managers
- ❖ What will happen if their newfound strength causes banks to reintermediate the markets?
- ❖ Where can investors find good alpha managers?
- ❖ Portfolio solutions: Is there any way to truly diversify away from equities risk?
- ❖ Assessing the appeal and the risks of high conviction strategies
- ❖ The use and misuse of leverage throughout the portfolio
- ❖ Which different scenarios will lead to the re-elevation of active management among institutions?
- ❖ Integrating data and technology into managing your portfolio
- ❖ Re-examining counter-party risk in today's portfolios
- ❖ Employing options strategies to mitigate risks
- ❖ What does a new normal look like for oil and commodities?

Sponsoring Organizations (to date):

Lead Sponsor:

JP Morgan Asset Management

Sponsors:

AB

Acadian Asset Management

AQR (Pending confirmation)

Allianz Global Investors

AXA Investment Managers

BlackRock iShares (Pending confirmation)

Columbia Threadneedle Investments

Janus Henderson

Parametric

Schroder Investment Management

SSGA (Proposed)

T. Rowe Price

William Blair (Pending confirmation)

Zanbato Securities

Preliminary Program as of December 5

Tuesday, January 23

7:45 to 8:45 am

Registration and Continental Breakfast

Salon III

8:45 to 9:00 am

Welcome and App Tutorial

Salon III

Steven Olson, *Managing Director, Institutional Investor Memberships and Forums*

Gabrielle Morgan, *Director, Institutional Investor Forums*

Forum Chairperson (Day One): TBD

9:00 to 9:15 am

Benchmarking Survey

Salon III

What are the issues, concerns and primary interests of your peers – investment decision-makers from the larger pension plans, endowments, and foundations? Attendees will be polled on a number of high-interest topics using an interactive electronic response system. By doing this, we will provide all attendees with useful benchmarks and unique insight into the concerns of investors. We will also strive to key up certain points of discussion for subsequent sessions.

9:15 to 11:00 am

Presentation Series I

What Can You Do To Prepare For The Next Liquidity Shock?

Salon III

Session Chair:

Carlos Chujoy, *Portfolio Manager, Rick Management & Applied Research, Employee Retirement System of Texas*

- ❖ How can you balance the cost of hedging liquidity risk at a time of lower expected returns?
- ❖ What are the drivers of the next liquidity shock?

- ❖ Does your investment policy position your portfolio well in the case of a liquidity shock?
- ❖ What contingency plans do institutions have in place in the case of a liquidity shock? What if most institutions have the same contingency plan?
- ❖ Should you be prepared to be the ‘first one out the door’?

9:20 to 9:35 am

Employing Options Strategies to Mitigate Risk

Presented by Parametric (Proposed)

9:35 to 9:50 am

Presentation

Presented by:

Seth Weingram, *Senior Vice President, Strategist, Acadian Asset Management* (Pending confirmation)

9:50 to 10:05 am

Presentation

Case for Systematic Fixed Income Strategies (Proposed)

Presented by AQR (Pending confirmation)

10:05 to 10:20 am

Presentation

Presented by BlackRock iShares (Pending confirmation)

10:20 to 10:40 am

Table Discussions

Seated in small groups, delegates will share their views on the previous presentations. Do they agree or disagree, and what are the reasons for their views? Are there other factors which should also be taken into consideration? Which factors have contributed to investors taking their respective positions and how are they changing their allocations and reconstructing their portfolios? As well as sharing knowledge and opinions, each table will be tasked with coming up with a set of questions or comments which they must be prepared to pose to the speakers in the subsequent session.

10:40 to 11:00 am

Panel and Audience Q&A

Session Chair:

Carlos Chujoy, *Portfolio Manager, Rick Management & Applied Research, Employee Retirement System of Texas*

The original speakers will retake the stage, answer questions, and react to comments from the table discussions.

11:00 to 11:15 am

Coffee Break

Salon III Gallery

11:15 to 1:00 pm

Presentation Series II

Portfolio Solutions: Is There A Way To Truly Diversify Within and Away From Equities?

Salon III

Session Chair:

James Nield, *Chief Risk Officer, Teacher Retirement System of Texas*

Many institutions are currently over-weight on equities, and for some attempts to diversify into other assets and strategies such as high yield or distressed debt have possibly unwittingly concentrated their exposure to these assets. What can investors do, both within equities as well as with other asset classes and strategies, to create a more balanced portfolio?

- ❖ Which asset classes or strategies are true diversifiers to equities?
- ❖ What governance challenges do investors face when recommending managers who have performed poorly in recent years but have a rich forward-looking opportunity set?
- ❖ How can you diversify away from equities without compromising returns? Do you need to look elsewhere or can you diversify within the asset class?
- ❖ The role of leverage in diversification away from equities

11:20 am to 11:35 am

Presentation

Alternative Risk Premia Solutions – Customizable Alternative for Diversification to Equities

Presented by:

Vikas Kapoor, *Co-Head—AB Custom Alternative Solutions, AB*

Investors are increasingly looking to diversify their equity risk and questioning the best way to efficiently allocate across asset classes. While exposure to alternatives is still a key source of diversification to equities, we believe that investors can access this exposure more efficiently, with greater transparency, lower fees, and improved risk budgeting than traditional hedge funds. We examine the alternative risk premia investment opportunity, which can be better customized and be more additive next to an equity allocation.

11:35 to 11:50 am

Presentation

Presented by AXA (Pending confirmation)

11:50 to 12:05 pm

Presentation

When Do You Diversify Away from Equity Risk?

Presented by:

Ashwin Alankar, Ph. D., *Head of Global Asset Allocation & Risk Management, Janus Henderson*

Can the bull market continue? When will the risk regime switch from low volatility to high volatility environment? How can you diversify away from equity risk? Many are asking these or variations of these questions because they recognize that the recent trends will eventually reverse and investors may realize large portfolio losses. The question is not how, but when do you diversify away from equities to avoid large portfolio losses?

12:05 to 12:20 pm

Presentation

Presented by Columbia Threadneedle (Pending confirmation)

12:20 to 12:40 pm

Table Discussions

Seated in small groups, delegates will share their views on the previous presentations. Do they agree or disagree, and what are the reasons for their views? Are there other factors which should also be taken into consideration? Which factors have contributed to investors taking their respective positions and how are they changing their allocations and reconstructing their

portfolios? As well as sharing knowledge and opinions, each table will be tasked with coming up with a set of questions or comments which they must be prepared to pose to the speakers in the subsequent session.

12:40 to 1:00 pm

Panel and Audience Q&A

Session Chair:

James Nield, *Chief Risk Officer, Teacher Retirement System of Texas*

The original speakers will retake the stage, answer questions, and react to comments from the table discussions.

1:00 to 2:15 pm

Lunch

Terrace Room

2:15 to 3:55 pm

Presentation Series III

Incorporating Factor Views Into Your Asset Allocation Decisions: Ramifications for Portfolio Construction

Salon III

Session Chair:

To be invited

2:20 pm to 2:35 pm

Presentation

Presented by AB

2:35 to 2:50 pm

Presentation

Presented by Schroders (Proposed)

2:50 to 3:05 pm

Presentation

Presented by Allianz Global Investors (Pending confirmation)

3:05 pm to 3:20 pm

Presentation

Presented by AB

3:20 to 3:35 pm

Table Discussions

Seated in small groups, delegates will share their views on the previous presentations. Do they agree or disagree, and what are the reasons for their views? Are there other factors which should also be taken into consideration? Which factors have contributed to investors taking their respective positions and how are they changing their allocations and reconstructing their portfolios? As well as sharing knowledge and opinions, each table will be tasked with coming up with a set of questions or comments which they must be prepared to pose to the speakers in the subsequent session.

3:35 to 3:55 pm

Panel and Audience Q&A

Session Chair:

To be invited

The original speakers will retake the stage, answer questions, and react to comments from the table discussions.

3:55 to 4:15 pm

Coffee Break

Salon III Gallery

4:15 to 5:00 pm

Workshop Series

Workshop A

Presented by JP Morgan Asset Management

Workshop B

To be determined

5:00 to 5:45 pm

Investors and Consultants Panel Discussion

Crystal Ball Session: Looking Towards 2018, My Portfolio Needs To...

Salon III

Moderated by:

Howard Hodel, *Investment Officer-Risk Management, Hawaii Employees' Retirement System*

Panelists:

Josée Mondoux, *Director of Investments, Canadian Medical Protective Association*

Jean-Francois Bureau, *Senior Vice President and Chief Risk Officer, PSP Investments*

Mike Edleson, *Chief Risk Officer, The University of Chicago*

Max Giolitti, *Chief Risk Officer, Verus*

The theme of this year's meeting is focused on improving institutions' strategic asset allocation. That necessitates having one which is cohesive, current, and makes sense in today's (and what we anticipate for tomorrow's) investment landscape. This panel of leading investors and consultants will consider what they need to do with their portfolios going forward. After all, we can fault managers for relying on their track records and how the past is no indication of future results, but institutions can make that same mistake.

5:45 to 6:45 pm

Cocktail Reception

Terrace Courtyard

6:45 pm

Evening Free for Private Functions

Wednesday, January 24

8:00 to 8:45 am

Breakfast and Discussion Tables

Salon II

At peer-moderated tables of 8-10 participants, delegates will share their opinions and compare notes on a number of important issues identified by Advisory Board members as worthy of discussion. Delegates will be asked to contribute to the overall discussion with the intention of sharing information and learning from others' experiences.

Table 1: Using Drawdown Analysis to Relate Your Asset Allocation to Your Expected Payout

Discussion Leader:

Mark Baumgartner, *Chief Investment Officer, Institute for Advanced Study*

- ❖ How defensive are institutional investors and how, specifically, is defense built into portfolio construction?
- ❖ What types of portfolios can withstand down-market environments?

Table 2: Which Different Scenarios Will Lead to the Re-Elevation of Active Management for Institutions?

Discussion Leader:

Roxton McNeal, *Portfolio Manager – Multi Asset Investment Strategy & Risk, UPS Group Trust*

- ❖ Humans vs. computer vs. the efficient market hypothesis: Does active management have a place anymore?
- ❖ Does active management have cyclicalities?
- ❖ Should investors let AI/computer learning pave a new road of information discover to outperform the markets?

Table 3: The Shrinking Public Equity Markets and the Risk and Liquidity Concerns for Investors

Discussion Leader:

Patty McKenna, *Vice President, Investments and Assistant Treasurer, AEGIS Insurance Services*

Table 4: Assessing the Appeal and the Risks of High Conviction Strategies

Discussion Leader:

Robert Ewers, *Specialist, Treasury and Risk, Inter-American Development Bank*

- ❖ How to size a 'high conviction' position within the portfolio construct
- ❖ When selecting a 'high conviction' manager, how large of an allocation should be made to make sure that it makes an impact?

Table 5: The Perils of Investors Chasing Returns: Concentration Risk, Compressed Returns, Style Drift and Standard Deterioration Among Managers

Discussion Leader:

Justin Pinckney, *Deputy Chief Investment Officer, Michelin North America, Inc.*

Table 6: Can a Right Tail Play Strategy Be Integrated into a Risk-Managed Asset Allocation?

Discussion Leader:

Marc Gauthier, *Treasury, Concordia University*

Is it possible to create an overlay methodology which would allow your investment team to trigger funding when the agreed-to criteria are favorable, trigger a close or ramp down on positions when the criteria become adverse, and then lie dormant until such time as the next right tail opportunity presents itself?

8:45 to 9:15 am

Interview

How Institutional Allocators Can Diversify Their Portfolios Away from Concentrated Positions in Private Securities

Salon III

Interviewer:

To Be Invited

Interviewee:

Greg Wright, *President and Head of Banking and Advisory, Zanbato, Inc.*

Fewer companies are going public and those that do IPO are waiting longer, with the result that private market securities make up a substantial portion of many investors' portfolios. Using case studies, this interview will focus on the opportunities for investors to benefit from these trends. We will discuss how institutions can:

- ❖ Find liquidity
- ❖ Diversify away from over-concentrated positions
- ❖ Access opportunities for appreciation available only in private markets

9:15 to 10:55 am

Presentation Series IV

The Right Solutions for Our Times: What Solutions Are Going to Make Your Portfolio a Better Portfolio?

Salon III

Session Chair:

Michael Ruetz, *Director of Risk Management and Asset Allocation, Margaret A. Cargill Philanthropies (Proposed)*

9:20 to 9:35 am

Presentation

The Use and Misuse of Leverage Throughout the Portfolio

To be determined

9:35 to 9:50 am

Presentation

To be determined

9:50 to 10:05 am

Presentation

To be determined

10:05 to 10:20 am

Presentation

To be determined

10:20 to 10:35 am

Table Discussions

Seated in small groups, delegates will share their views on the previous presentations. Do they agree or disagree, and what are the reasons for their views? Are there other factors which should also be taken into consideration? Which factors have contributed to investors taking their respective positions and how are they changing their allocations and reconstructing their portfolios? As well as sharing knowledge and opinions, each table will be tasked with coming up with a set of questions or comments which they must be prepared to pose to the speakers in the subsequent session.

10:35 to 10:55 am

Panel and Audience Q&A

Session Chair: TBD

The original speakers will retake the stage, answer questions, and react to comments from the table discussions.

10:55 to 11:15 am

Coffee Break

Salon III Gallery

11:15 to 12:00 pm

Investors and Consultants Panel Discussion

Returns or Resilience – Pick One

Salon III

Mike Griswold, *Senior Director, Risk Management and Asset Allocation, Ascension Investment Management*

Panelists:

Saurabh Rastogi, *Director, Liquidity, Strategy & Risk, Ontario Teachers' Pension Plan*

Joseph Sheva, *Risk Manager, Pennsylvania Public School Employees' Retirement System*

Ali Kazemi, *Head of Risk Management, Wilshire Consulting*

Is the search for yield mutually exclusive with protecting the portfolio on the downside and making sure it is suitably liquid? The trend toward more and more of the portfolio being allocated to private markets strategies certainly complicates the matter. Is the much-discussed "barbell" approach to portfolio construction the answer?

12:00 to 12:30 pm

Guest Presentation

Smart Beta is the Gateway Drug to Risk Factor Investing

Salon III

Presented by:

Eugene Podkaminer, *SVP, Capital Markets Research Group, Callan Associates*

This expert presentation will explore the spectrum of factor-based approaches from smart beta to risk premia. Questions for exploration include: What beliefs must investors hold? How do strategies position on Sharpe ratio vs. information ratio? What is the active vs. passive categorization? What comes next?

12:30 to 1:00 pm

Guest Presentation

Global Economic Outlook and Long-term Demographic Risks and Rewards

Salon III

Alejandra Grindal, *Senior International Economist*, **Ned Davis Research Group**, a Euromoney Institutional Investor PLC company

Global growth is finally on solid footing and some short-term risks have abated in recent months. But the long-term challenge for many countries is a quickly shrinking working-age population, which could have far-reaching implications on economic growth and equity market performance. Which countries are the most poorly positioned? Which are the best?

Alejandra Grindal is the Senior International Economist for Ned Davis Research Group. She is the primary person in charge of the firm's global economic outlook, and is responsible for identifying global economic trends and themes, particularly as they relate to developments in equity, fixed income, commodity, and currency markets. In recent years, Alejandra has been particularly focused on global demographics and labor force trends, China's economic transition, and Japan's lost decade.

1:00 to 2:30 pm

Lunch

Salon II

2:30 pm

Forum Concludes

Meeting Date
12/13/17
Agenda Item
#15b.

Join us in Philadelphia on February 1st for our 25th event - now at the DoubleTree by Hilton. The Emerald Groundhog Day Investment Forum is one of the premiere investment events in the Mid-Atlantic region. Join our Portfolio Managers and Research Analysts as they present a timely introduction to the important investment themes of 2018, joined by leading small and mid-cap companies from key sectors and industries.

Register now to reserve your place alongside hundreds of attendees including institutional investors, business leaders, elected officials, research analysts and investment professionals.

Once you have registered, we will keep you up-to-date with presenters, speakers, important Forum logistics and more!

SAVE THE DATE

**25th Annual Emerald Groundhog Day
Investment Forum**

Thursday, February 1, 2018

DoubleTree By Hilton
237 South Broad Street
Philadelphia, PA

More Details to Follow.

www.teamemerald.com/groundhog



EMERALD
DRIVEN BY RESEARCH

Register Now!

November 14, 2017

Meeting Date
12/13/17
Agenda Item
#15c.

Mr. Timothy Price
Chief Investment Officer
Contra Costa County Employees Retirement Association
1355 Willow Way
Suite 221
Concord, CA 94520

Dear Tim:

This letter is to let you know that we are well along in the planning for our 36th Annual Sit Investment Associates Client Workshop and invite you to attend. The Workshop will be held at the Ritz-Carlton Laguna Niguel in Dana Point, California. The dates are February 15-18, 2018. As always, spouses are welcome and encouraged to attend.

The Workshop begins with a reception and dinner on Thursday evening, February 15th, and concludes with brunch on Sunday, February 18th. Speaker sessions take place on Friday, Saturday and Sunday mornings as well as dinner speakers on Thursday, Friday and Saturday evenings.

Below is the list of Workshop speakers who are confirmed to date. We believe it is another outstanding lineup. (Full speaker bios are also enclosed):

Dr. Ricky N. Bluthenthal – The Opioid Addiction Epidemic: Increasing Treatment and De-regulating Alternatives. Professor in the Department of Preventive Medicine and the Institute for Prevention Research at the Keck School of Medicine, University of Southern California.

Dr. Chad P. Bown – U.S. Trade Policy and How U.S. Trade Policy May Change Under the Trump Administration. Senior Fellow at the Peterson Institute for International Economics.

Ms. Emily Calandrelli – Public and Private Initiatives for Space Exploration. Emmy Nominated Host and Producer of Xploration Outer Space in the Fox Xploration Station educational block. Prominent speaker on the topics of space exploration, scientific literacy, equality of the sexes in science, technology, engineering and mathematics.

Dr. Victor Cha – The Current Situation in North Korea, Potential Resolutions to the Situation and the Ongoing Dynamic Between China And North Korea. Senior Advisor and Korea Chair, Center for Strategic and International Studies and Chair in the Department of Government and School of Foreign Service at Georgetown University.

Mr. Charles E. Cook, Jr. – President Trump and his Unique Challenges after his First Year in Office and a Look at the Upcoming 2018 Midterm Elections. Editor and Publisher of the Cook Political Report and a political analyst for NBC News and *National Journal*.

Dr. Sidney L. Jones – Economic Prospects and Policies. Served Presidents Nixon, Ford, Reagan, and Bush -- twice as Assistant Secretary of the Treasury.

Mr. Timothy Price
November 14, 2017
Page 2

Mr. John Keller, J.D. – DREAMers: The DACA Program - The Who, Why, What, and Where is it Headed. Executive Director of the Immigrant Law Center of Minnesota.

Dr. Laurence J. Kotlikoff – Tax Reform and its Likely Impacts on the U.S. Economy, Including GDP, Investments, Real Wages, the Trade Deficit, Fiscal Progressivity, Inequality and Work Incentives. Professor of Economics at Boston University, Research Associate of the National Bureau of Economic Research, Head of the International Department for Fiscal Sustainability Studies at the Gaidar Institute, and the Director of the Fiscal Analysis Center.

Mr. Rolf Mowatt-Larssen - The Influence of Foreign Countries on U.S. Elections. Director of the Intelligence and Defense Project and the Saudi and Gulf Cooperation Council Security at the Belfer Center for Science and International Affairs at the Harvard Kennedy School.

Dr. Michael E. O’Hanlon – The Readiness of the U.S. Military and Our Technological “Lead” Relative to China and Russia. Senior fellow in Foreign Policy at the Brookings Institution, where he specializes in U.S. defense strategy, the use of military force, and national security policy.

Dr. Rudolph G. Penner – The Federal Budget. Institute Fellow at the Urban Institute. Before joining Urban, he was a managing director of the Barents Group, a KPMG Company. He directed the Congressional Budget Office from 1983 to 1987 and was a resident scholar at the American Enterprise Institute from 1977 to 1983.

Mr. Jonathan Taplin – The Implications of the Growing Dominance of Large Technology Companies. Director Emeritus of the Annenberg Innovation Lab at the University of Southern California Annenberg School for Communication and Journalism and an expert in international communication management and digital media entertainment.

The Ritz-Carlton Laguna Niguel Resort is located 23 miles from the John Wayne/Orange County (SNA) Airport. The overnight room rate at the Resort for attendees will be \$340 for a standard room (plus applicable taxes). All room reservations are to be made through Sit Investment by using the enclosed registration form. Sit Investment covers the cost of all speaker sessions, group sporting events (golf and croquet tournaments) and Workshop meals at the Resort.

While it may seem early, it is important that you complete the enclosed registration form in its entirety and return it to Debbie Beaudet at your earliest convenience, but **no later than Thursday, December 14, 2017**, to ensure room availability. **After December 14th room reservations will be accepted on a space available basis only.** The form can be mailed, faxed to 612-342-2018, or **emailed to dkb@sitinvest.com.** If you have any questions, Debbie can be reached at 612-359-2528 or via email and she would be pleased to assist you in any way. Even if you do not know your specific flight plans by December 14th, please advise us by this date whether or not you will be attending and the nights you will need a room reservation. We ask that you return the registration form, even if you are unable to attend.

We enjoy working with you and look forward to having you with us in February.

Sincerely,



Roger J. Sit
CEO & Global Chief Investment Officer

Enclosure – Registration Form



SIT INVESTMENT ASSOCIATES, INC.
36TH ANNUAL CLIENT WORKSHOP – REGISTRATION FORM
FEBRUARY 15 – 18, 2018
THE RITZ-CARLTON LAGUNA NIGUEL, DANA POINT, CA

CLIENT

Complete and return this form in its entirety no later than Thursday, December 14, 2017 to Debbie Beaudet: Email dkb@sitinvest.com. If you have any questions, please call Debbie at 612-359-2528. Please complete and return this form whether or not you are able to attend.

Your Name: _____ Name of spouse/guest if attending: _____

I will be attending: I will NOT be attending:

Organization: _____ Title: _____

Address: _____

City, State, Zip: _____ Email Address: _____

Business Phone: _____ Cell Phone: _____

Arrival Date: _____ Departure Date: _____

Arrival Airport / Airline/Flight # / Arrival Time: _____ Departure Airport /Airline/Flight# / Flight Time: _____

Recommended airport is Orange County/John Wayne (SNA)

Ground transportation to/from airport: **(please check one)**

I will be driving or renting a car. I need ground transportation to/from the airport.
 Estimated Arrival Time at Resort: _____ Ground transportation shuttle service will be provided.

HOTEL: Sit Investment will make a room reservation in your name at The Ritz-Carlton
Standard Room Rate: \$340.00 (+ applicable taxes)

Do you need a hotel room? Yes No (Please circle)

Room Preference: ____ 2 Double Beds ____ King ____ Extra Person
 (We will do our best to accommodate your request)

If you have any special needs (diet or accommodations), please provide detail: _____

RECREATIONAL ACTIVITIES
Please provide details below:

	<u>Friday (scramble)</u>		<u>Saturday</u>	
	<u>Yourself</u>	<u>Spouse/Guest</u>	<u>Yourself</u>	<u>Spouse/Guest</u>
Golf (Yes/No) please circle	_____	_____	_____	_____
Need Rental Clubs? (Yes/No)	_____	_____	_____	_____
Right or Left Handed Rentals (R/L)	_____	_____	_____	_____
PGA Handicap (please provide)	_____	_____	_____	_____
Average score, if no handicap	_____	_____	_____	_____
<u>Croquet</u> (Yes/No) Saturday only	_____	_____	_____	_____



SIT INVESTMENT ASSOCIATES, INC.

36TH ANNUAL CLIENT WORKSHOP
THE RITZ-CARLTON LAGUNA NIGUEL, DANA POINT, CALIFORNIA
FEBRUARY 15- 18, 2018

SPEAKER BIOS – AS OF 11/14/17

Dr. Ricky N. Bluthenthal – The Opioid Addiction Epidemic: Increasing Treatment and De-regulating Alternatives. Professor in the Department of Preventive Medicine and the Institute for Prevention Research at the Keck School of Medicine, University of Southern California. Dr. Bluthenthal has published over 110 manuscripts in peer-reviewed scientific journals including the *American Journal of Public Health*, *Drug and Alcohol Dependence*, *Alcoholism: Clinical and Experimental Research*, and *Social Science and Medicine*.

Dr. Chad P. Bown – U.S. Trade Policy and How U.S. Trade Policy May Change Under the Trump Administration. Senior Fellow at the Peterson Institute for International Economics. Previously served as senior economist for international trade and investment in the White House on the Council of Economic Advisers and most recently as a lead economist at the World Bank. Bown was a tenured professor of economics at Brandeis University, where he held a joint appointment in the Department of Economics and International Business School for 12 years. He is also currently a research fellow at the Centre for Economic Policy Research (CEPR) in London and a member of the Council on Foreign Relations.

Ms. Emily Calandrelli – Public and Private Initiatives for Space Exploration. Emmy Nominated Host and Producer of Xploration Outer Space in the Fox Xploration Station educational block. Prominent professional speaker on the topics of space exploration, scientific literacy, equality of the sexes in science, technology, engineering and mathematics. She is also a correspondent on the popular Netflix series “Bill Nye Saves the World.”

Dr. Victor Cha – The Current Situation in North Korea, Potential Resolutions to the Situation and the Ongoing Dynamic Between China And North Korea. Senior Advisor and Korea Chair, Center for Strategic and International Studies and Chair in the Department of Government and School of Foreign Service at Georgetown University. From 2004 to 2007, he served as director for Asian affairs at the White House on the National Security Council (NSC), where he was responsible primarily for Japan, the Korean peninsula, Australia/New Zealand, and Pacific Island national affairs. Dr. Cha was also the deputy head of the delegation for the United States at the Six-Party Talks in Beijing and received two Outstanding Service Commendations during his tenure at the NSC. He serves as an independent consultant and has testified before Congress on Asian security issues. He has been a guest analyst for various media, including CNN, ABC Nightline, Fox News, MSNBC, CNBC and NPR.

Mr. Charles E. Cook, Jr. – President Trump and his Unique Challenges After His First Year in Office and a Look at the Upcoming 2018 Midterm Elections. Editor and Publisher of the Cook Political Report and a political analyst for NBC News and *National Journal*, where he writes a twice weekly column. Charlie is considered one of the nation’s leading authorities on American politics and U.S. elections. In 2010, he was a co-recipient of the American Political Science Association’s prestigious Carey McWilliams award to honor “a major journalistic contribution to our understanding of politics.” Charlie founded the *Cook Political Report* in 1984 and became a columnist for *Roll Call*, the newspaper of Capitol Hill, in 1986. He founded the Cook Political Report in 1984 and in 1986 became a columnist for *Roll Call*, the newspaper of Capitol Hill, where it continued until 1998 when he moved his column to the *National Journal*. Charlie has been an election night analyst in every election since the 1980’s, for CNN and CBS, and since 1994 for NBC News. He has appeared on all three major broadcast networks’ evening news programs as well as ABC’s This Week and NBC’s “Meet the Press.”

Dr. Sidney L. Jones – Economic Prospects and Policies. Served Presidents Nixon, Ford, Reagan, and Bush -- twice as Assistant Secretary of the Treasury. He also served as Under Secretary of Commerce, Senior Economist at the Council of Economic Advisers, Minister-Counselor to NATO, Deputy Assistant to the President for Economic Policy, and Assistant to the Chairman of the Board of Governors of the Federal Reserve System. He has taught finance and public policy at The University of Michigan and other major universities and has authored several publications dealing with U.S. and international economic policy.

Mr. John Keller, J.D. – DREAMers: The DACA Program - The Who, Why, What, and Where is it Headed. Executive Director of the Immigrant Law Center of Minnesota, a non-profit, non-partisan resource for immigration law and one of the leading organizations addressing immigration law in the United States. His work centers on immigration rights within the context of current law and realistic possibilities for immigration reform. Mr. Keller has also served as an Adjunct Professor at the University of Minnesota Immigration Clinic and as Vice Chair of the Minnesota State Bar Immigration Chapter.

Dr. Laurence J. Kotlikoff – Tax Reform and its Likely Impacts on the U.S. Economy, Including GDP, Investments, Real Wages, the Trade Deficit, Fiscal Progressivity, Inequality and Work Incentives. Professor of Economics at Boston University, Research Associate of the National Bureau of Economic Research, Head of the International Department for Fiscal Sustainability Studies at the Gaidar Institute, and the Director of the Fiscal Analysis Center. Dr. Kotlikoff is also a *New York Times* bestselling author and an active columnist.

Mr. Rolf Mowatt-Larssen - The Influence of Foreign Countries on U.S. Elections. Director of the Intelligence and Defense Project and the Saudi and Gulf Cooperation Council Security at the Belfer Center for Science and International Affairs at the Harvard Kennedy School. Prior to assuming the Director position, he served as a senior fellow at the Center and served over three years as the Director of Intelligence and Counterintelligence at the U.S. Department of Energy. Prior to this, he served for 23 years as a CIA intelligence officer in various domestic and international posts. Prior to his career in intelligence, Mr. Mowatt-Larssen served as an officer in the U.S. Army.

Dr. Michael E. O’Hanlon – The Readiness of the U.S. Military and Our Technological “Lead” Relative to China and Russia. Senior fellow in Foreign Policy at the Brookings Institution, where he specializes in U.S. defense strategy, the use of military force, and national security policy. He is also director of research for the Foreign Policy program at Brookings. He is an adjunct professor at Columbia, Princeton, and Syracuse universities and the University of Denver. He is also a member of the International Institute for Strategic Studies.

Dr. Rudolph G. Penner – The Federal Budget. Institute Fellow at the Urban Institute. Before joining Urban, he was a managing director of the Barents Group, a KPMG Company. He directed the Congressional Budget Office from 1983 to 1987 and was a resident scholar at the American Enterprise Institute from 1977 to 1983. His previous posts in government include assistant director for economic policy at the Office of Management and Budget, deputy assistant secretary for economic affairs at the Department of Housing and Urban Development, and senior staff economist at the Council of Economic Advisers.

Mr. Jonathan Taplin – The Implications of the Growing Dominance of Large Technology Companies. Director Emeritus of the Annenberg Innovation Lab at the University of Southern California Annenberg School for Communication and Journalism and an expert in international communication management and digital media entertainment. His recent book *Move Fast and Break Things* tells the story of how Facebook, Google, and Amazon Cornered Culture and Undermined Democracy, as his book’s subtitle.

Meeting Date
12/13/17
Agenda Item
#15d.

THE PENSION BRIDGE ANNUAL

April 10th & 11th, 2018 | Four Seasons Hotel, San Francisco

The Pension Bridge Annual Conference provides the highest level of education and networking to the institutional investment community. A mix of Public Funds, Corporate Funds, Foundations, Endowments, Union Funds, Taft-Hartleys, Family Offices, Sovereign Wealth Funds, Consultants and Investment Managers will come together for this exclusive event.

The Pension Bridge Annual provides the industry's only controlled attendance structured event. This helps The Pension Bridge to maintain the best conference ratio in the industry. **There will be over 200 Pension Fund Representatives and Non-Discretionary Consultants in attendance.**

We have allowed for only 100 Manager Firms. This better than 2:1 ratio, combined with participation from the most influential industry figures, creates a more enjoyable environment for all.



THE PENSION BRIDGE ANNUAL

April 10th & 11th, 2018 | Four Seasons Hotel, San Francisco



LEARN FROM THE EXPERTS

ABOUT THE MOST IMPORTANT ISSUES, CHALLENGES, TRENDS, OPPORTUNITIES, AND STRATEGIES THAT WILL SHAPE OUR INDUSTRY FOR TODAY AND THE FUTURE:

- ✓ Macroeconomic View and Future Expectations for the Equity and Bond Markets
- ✓ What does the Future hold for Artificial Intelligence and Machine Learning in Investment Management?
- ✓ Active vs. Passive Management - Will it take a Market Sell-Off to Show the Need for Active Managers?
- ✓ Executive Directors/CEOs Views on the Current and Future State of the Industry
- ✓ Women and their Increasing Role in Investment Management Overview of the Cybersecurity Landscape and the Necessary Steps for Protection
- ✓ Challenges of the Risk Allocation Framework and Considerations when Building a Risk Culture from Within
- ✓ Does Risk Parity Make Sense Now? - Scenario Analysis for Risk Parity Performance
- ✓ Why Tail Risk Hedging is Important Now - Costs vs. Benefits
- ✓ In-Depth View of the Unconstrained Fixed Income Space and ways to Simplify the Sub-Allocations
- ✓ Does ESG Add Value? Best Approaches for ESG Integration in the Investment Process
- ✓ Emerging Markets Valuations Relative to Risk - a Look at Various Regions/Countries
- ✓ Why should Plans Sponsors Actively Manage Currency? - Hedging vs. Alpha
- ✓ The Benefits and Criticisms of Multi-Asset Strategies
- ✓ Current and Future State of the Hedge Fund Industry
- ✓ Impact from Global Central Bank Policy on Risk and Opportunities Across Credit Markets Going Forward
- ✓ Which Sectors, Strategies and Geographies will create the Best Opportunities in the Distressed Space?
- ✓ Investing in Commodities via Private Equity vs. Public - Benefits and Drawbacks of Each
- ✓ Most Attractive Sectors and Opportunities in Energy
- ✓ Top Trends to Watch in Real Estate; Strategies that Offer the Best Value
- ✓ Listed vs. Unlisted Infrastructure - which will Deliver Better Returns in a Volatile Down Market?
- ✓ Protecting your Existing Private Equity Portfolio and Avoiding Getting Involved in Expensive Deals
- ✓ Impactful Industry CIOs Provide their Insights on their Allocations, Risks and Macro-Based Decisions

We remain in a low growth, low return environment with unfavorable demographics in the U.S. The Pension Bridge Annual will uncover various structural transformations and investment ideas that will be beneficial for long-term fiscal sustainability.

In addition to the listed themes above, we will be covering many more challenging issues that are crucial to the investment decision making process during these uncertain economic times. We will learn from the best about how to adapt in our industry which is always evolving and transforming.

THE PENSION BRIDGE ANNUAL HAS TWO GOALS IN MIND

First is to provide the highest level of education with the top speaker faculty. This highly regarded group will bring forth influential insights and concepts. The second goal is to help build relationships between the pension plans, consultants and investment managers. We have provided the best possible environment for this event which is designed to be conducive for networking. We will cap off the event with a fun and enjoyable networking outing necessary for maintaining relationships and connecting with your peers and prospective business contacts.

We look forward to a strong event and a very productive one from both an educational and relationship perspective. We have structured this conference in a manner that will be most productive and beneficial for you. We hope that you will join us to be amongst your industry peers to learn about the most up-to-date insights, investment strategies, and trends.

TUESDAY, APRIL 10TH

Four Seasons, San Francisco

7:00 AM – **BREAKFAST**

SPONSORED BY:

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Investments

8:00 AM – **OPENING REMARKS**

8:05 AM – **KEYNOTE SPEAKER**

Speaker:

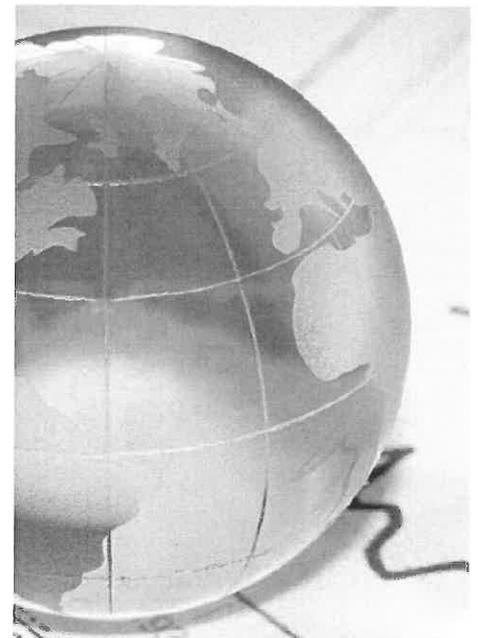
Ashbel C. "Ash" Williams, Executive Director & Chief Investment Officer, **Florida State Board of Administration, (SBA)**

Interviewed by:

Kristen Doyle, CFA, Partner, Head of Public Pension Funds, **Aon Hewitt Investment Consulting**

8:35 AM – **KEYNOTE SPEAKER - MACROECONOMIC VIEW**

- Easy Money Central Bank Policy and the Consequences Down the Road
- Debt to GDP
- Corporate Debt Growth for Financial Engineering
- Oil and High Yield Defaults Outlook
- Are we in a Credit Bubble?
- Margin Debt and Valuation Levels
- Algo's and Passive Investment as a Market Risk
- Inflation/Deflation Argument
- Outlook for Europe and Emerging Markets
- China - Debt Levels, Leverage, and Real Estate Bubble as a Wildcard
- Japan's Demographics and Debt - what might be the Far Reaching Effects?
- Currencies
- Derivatives Risk
- Expectations for Equities and Bonds
- Expectations for the Next Black Swan?
- What are your Best Bets for a Low Growth, Low Return Environment?



Speaker:

J. Kyle Bass, Founder, Chief Investment Officer, **Hayman Capital Management, L.P.**

9:05 AM – ARTIFICIAL INTELLIGENCE IN ASSET MANAGEMENT

- What is the latest you've seen with Big, Established Asset Managers and Hedge Funds Pouring Money into Technology and Data Management to Develop Next-Generation Investment Systems?
- How Long Before AI becomes Mainstream in Hedge Fund Asset Management?
- Investing with Artificial Intelligence via Natural Language Processing so that Algorithms can Systematically Look for Verbal Cues. How are these Quant Hedge Funds doing as far as Inflows and Returns?
- Giving Computers and Data Science More Significant Roles over Humans in the Quant Space - How Big has the Movement Become at the Big Firms for Humans to be Replaced by Robots and Quant Researchers? Might this spread from Equity Trading to Fixed Income?
- Do you believe the AI Quants Combined with Leverage and the Inflows into Smart Beta might one day lead to a Massive Flash Crash or Quant Quake?
- When the next Quant Hedge Fund Sell-Off Unfolds, will the Risk Issues that are now used to address the 2007 Crisis still be applicable today?
- Do you have any Performance Concerns for Funds Relying on Algorithms during a Bear Market? Will the Risk Management side still largely be run by Humans?
- What does the Future Hold for Artificial Intelligence and Machine Learning?
- Do you believe Automated Technology will Eventually Play a Role in the Outsourced CIO Business and Reduce Costs?
- Will Robo-Advice Technology go Beyond Passive Investing and Move into Active? Might it be used by Consultants?
- What are the Roadblocks for AI?

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Speaker:

Jeff Shen, Managing Director, Head of Emerging Markets, Co-Head Scientific Equity, **BlackRock**

9:35 AM – ACTIVE VS. PASSIVE MANAGEMENT

- When making the Active/Passive Decision, what Factors should be Considered?
- Is Active Management a Dying Breed or is it simply at a Cyclical Low?
- Do you believe that the Extraordinary Growth in Passive Management is One of the Factors Contributing to Drive High Valuations?
- Agree or Disagree: With Volatility, Risk Premia, and the Dispersion of Risk being Low for an Extended Period of Time, it has made it Difficult for Active Managers to Shine
- When Volatility and Risk Premia Rise, will a Larger Number of Active Managers Stand Out?
- Do you believe it will take a Substantial Market Sell-Off for Investors to Realize their Need for Active Managers?
- What do Smaller Managers need to do to Compete with Flows going to Large Active Managers?
- How should Active Managers Differentiate Themselves to Justify the Fee Premium over Low-Cost Indexed Funds?
- Importance of Passive Managers to Identify Mispricings and Dislocations
- What are the Hidden Risks of both Passive Investing and Smart Beta?
- What are some Customization or Niche Strategies that will be necessary for both Active and Passive Managers to Adapt?

Moderator:

William Chau, CFA, Senior Manager, Retirement Investments, **Intel Corporation**

Speaker:

Mark Higgins, CFA, Consultant, Principal, **RVK, Inc.**

10:10 AM – REFRESHMENT BREAK

SPONSORED BY: **GCM GROSVENOR**

(A) PENSION HEALTH/GOVERNANCE

- ⌘ Do you believe Plans will be able to Meet or Beat the Assumed Rate of Return over the next 5 to 10 Years? What about in the Longer Term?
- Should we be Spending Political Capital to Lower Assumed Rate of Return Targets?
- Dealing with Legislature – what is your Biggest Concern? Is Trust a Factor?
- How do you approach Increases in Longevity and Costs for Healthcare Drugs for Retirees? Any possible Solutions?
- Agree or Disagree with this Concept: "We need to disconnect our healthcare and retirement plans from the employer-sponsored model. Employers are not in the health-care business; they aren't in the retirement business."
- ⌘ Do you see the Benefits of Adopting a Hybrid DB/DC Plan? What are the Drawbacks?
- Best Governance Practices to Keep Plans Optimally Invested, Managed, Funded and in Regulatory Compliance
- How do you ensure your Board Members receive Continual Education of their Fiduciary Roles/Duties and keep them Updated on Risk Factors?
- ⌘ Have you Educated Internally on the Risks or Steps for Cybersecurity Protection? Do you have Cybersecurity Questions or Guidelines in your Due Diligence of your Managers?

(B) LONG-TERM STRUCTURAL CHANGES FOR FISCAL SUSTAINABILITY

- ⌘ Do you have Internal Management Capabilities?
- ⌘ Will we see a Shift to Hunt for Long-Term Cash Flow Investments through Partnerships and Co-Investment Structures? Greater Competition to Follow?
- Have we made Strides to Solve the Talent and Compensation Struggle? Will we see More Compensation-Based Pay to Attract and Retain Talent to be Competitive with the Private Sector?
- ⌘ Will we see a Continued Shift towards Investing in Passive, Low-Cost Vehicles, Index Funds, and ETFs over Actively Managed Funds? Is it Passive here to stay?
- Requirement for Better Transparency
- Do you believe we'll see a Consolidation of Public Pension Plans Under One Entity, (such as INPRS or IMCO in Canada)? What are the Benefits?
- Making Governance More Effective – Identifying Key Board Member Roles with Expertise in Particular Areas with an Independent Board
- What is your Biggest Threat to your DB Plan? What keeps you up at night?

Moderator:

Gary A. Amelio, Chief Executive Officer, **San Bernardino County Employees' Retirement Association**

Speakers:

Paul Matson, Executive Director, **Arizona State Retirement System**

R. Dean Kenderdine, Executive Director, **Maryland State Retirement and Pension System**

Brian Guthrie, Executive Director, **Teacher Retirement System of Texas**

11:30 AM – WOMEN AND THEIR INCREASING ROLE IN INVESTMENT MANAGEMENT

- What are some Ways we can Encourage Organizations to Embrace Diversity?
- Have we seen any Statistical Performance for Women and Minority-Owned Investing? What about the Performance of Female Hedge Fund and Private Equity Managers?
- Should Pensions put Pressure on Investment Managers to Formalize Family-Leave Policies to Encourage Diversity or is that the Responsibility of the Manager?
- Is there a way to Close the Income Gap?
- What is the Most Common Reason why Investors do not have Specific Women-Owned Investment Mandates? How Big an Issue is Lack of Supply?
- With just 6.5% of Global Private Equity Firms having Partners or Managing Partners that are Women (source: Preqin), how do you approach Beating those Odds?
- What are the Recent Findings from Women in Alternative Investments Report by KPMG? Any Takeaways?
- What is the Gender Retirement Gap and what are the Ways Women can Overcome these Hurdles?
- What Programs or Organizations do you believe are Helpful in the Advancement of Women in the Industry?
- What Can Institutions do to Support Women's Advancement to the Top Levels of Leadership?
- How might Specialization be an Important Way for Women to offer a Diversified Strategy Approach?
- What Career Advancement Advice would you give to Younger Women who are Passionate and Fairly New to Investment Management?

Moderator:

Meredith A. Jones, Partner & Head of Emerging Manager Research, **Aon Hewitt Investment Consulting**

Speakers:

Anne Sheehan, Director of Corporate Governance, **California State Teachers' Retirement System, (CalSTRS)**

Sharmila Chatterjee Kassam, Deputy Chief Investment Officer, **Employees Retirement System of Texas**

Susan E. Oh, CFA, Senior Portfolio Manager, **Pennsylvania Public School Employees' Retirement System**

12:10 PM – CYBERSECURITY

(A) INVESTMENT MANAGERS

- What are the Biggest Cybersecurity Challenges Investment Managers Face Today?
- Overview of the Cybersecurity Landscape – Phishing, Botnet Hackers, Insider Threats, Compromised Business E-mails, and Attempts to Steal Healthcare Data
- Ransomware and the Use of Bitcoin for the Hijacked Information's Return
- What Initiatives should Firms take to Protect Against Phishing and Other Critical Threats?
- With the SEC Flagging Third Party Vendors as a Crack in a Firm's Cybersecurity Shield, what Detailed Measures should be taken to Help a Firm to Avoid a Cybersecurity Breach?
- What are the Biggest Challenges to the Implementation of Corporate Security Analytics?

(B) PENSION PLANS

- What are the Necessary Steps for Cybersecurity Protection for Pension Plans?
- As a Pension Plan, Endowment, Foundation or Family Office, what Cybersecurity Questions should you ask in your Due Diligence of your Investment Managers?
- Have we seen any Education of the Risks, Steps for Protection and Internal Accountability yet?
- Pension Plans' Responsibility starting at the Request for Proposal (RFP) Stage – providing Details for Data Protection and Privacy Provisions
- Should Plan Sponsors have Cybersecurity Insurance Coverage? What is typically Covered in a Policy?

Speaker:

M. K. Palmore, CISM, CISSP, Assistant Special Agent In Charge – Cyber Branch, San Francisco, **FBI**

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1:40 PM – RISK MANAGEMENT AND ADOPTING A RISK CULTURE

(A) KEY CONSIDERATIONS AND TOOLS FOR MANAGING RISKS

- Overview of the Transformation from an Asset Allocation-Centered Process to a More Comprehensive Risk Allocation-Based Process
- Discuss the Challenges that have Prevented Wide-Spread Adoption of a Risk Allocation Framework?
 - (1) What Governance Challenges have you seen?
 - (2) What are the Implementation Challenges?
 - (3) What are the Key Challenges as it relates to Measuring Risk?
 - (4) Balance Between Cost and Comprehensive Risk Approach
 - (5) Challenges of Performance Monitoring, Risk Data and Systems – getting good Risk Information Across All Asset Classes and Fund/Investment Structures, (Pooled Vehicles vs. Separate Accounts)
- How can considering Diversification and Risk Independently help Investors Build More Efficient Portfolios?
- What Developments have we seen for Combining Several Risk Premiums as a part of Portfolio Diversification?
- How has taking a Risk Allocation Approach changed the Structure of your Plan's Fixed Income Investments? Understanding Return Seeking Fixed Income and Traditional Risk Reducing Fixed Income
- What Irregularities have we seen in Portfolios as Asset Classes are Redrawn and Renamed via Risk Allocation? Are we still too Over-Reliant on Equities?

(B) TOP PENSION RISKS WE SHOULD BE MOST WARY OF

- Understanding Asset Class Correlation and Behavior Risk – Tendency of Interest Rate and Inflation Shocks Driving Both Equities and Bonds in the Same Direction, (Correlations Change)
- Drawdown Risk
- Transparency and Liquidity Risk – Basing it on a Cost/Benefit Evaluation
- What's the Best Approach to Liquidity Risk as it applies to Meeting Future Cash Flow Obligations?
- Leverage Risk – what are the Best Approaches to keep these Risks within Acceptable Parameters?
- Monitoring Counterparty Risk being taken by Managers – any New Measures?
- Equity, Credit, Duration, Inflation/Deflation, Currency, Geopolitical Risk Considerations
- How does Stress Testing or Scenario Analysis factor into your Process?
- What should Keep CIOs and Staff Up at Night?

(C) COMMUNICATION

- How do you Communicate your Risk Tolerances with your Board, Managers, and Media?
- How has the Role of Fiduciary Responsibility Changed in this New Era of Risk?
- What should Boards/Organizations Consider when Building a Risk Culture?
- How can Fiduciaries Adapt and Safeguard Against Today's Challenges?
- How do you go about Educating a Board on Risk?
- Have you Developed a Process for Monitoring Risk being taken by your Money Managers?
- What Metrics Aid in the Decision-Making Process?
- How does a Plan's Size affect the Approach to Pension Risk Management?

Moderator:

Vijoy Chattergy, CAIA, Chief Investment Officer, **Employees' Retirement System of the State of Hawaii**

Speakers:

Luis J. Roman, Ph.D., Senior Investment Officer, Director of Risk Management, **Massachusetts Pension Reserves Investment Management Board, (PRIM)**

Timothy F. McCusker, FSA, CFA, CAIA, Chief Investment Officer, Partner, **NEPC, LLC**

Bruce H. Cundick, CFA, CPA, Chief Investment Officer, **Utah Retirement Systems**

2:30 PM – RISK PARITY

- Risk Parity Explained
- Do you Consider it a Drawback that there's Only a Positive Weight to an Asset with No Ability to go Short?
- Active Strategy? Passive? Extent to which a Risk Parity Portfolio is Managed?
- Risk Parity's Role in a Portfolio and Benchmarking – why might these tend to Complicate and Potentially Discourage investor Adoption/Implementation? What Progress have we seen towards Adopting an Appropriate Benchmark?
- Does Risk Parity Make Sense Now if we Expect Low Market Returns in the Future?
- Is it possible that Bonds will Become Less Likely to Protect against a Large Drawdown in Equities?
- Should we be Worried about Leverage or Leveraging the Inappropriate Assets? Is there an Over-Reliance on Bonds with Current Valuations?
- Do Commodities Make Sense in Risk Parity if Inflation Remains Low?
- Performance in the Past Decade and Longer – how does Risk Parity look over time Compared to Other Asset Mix Models?
- Leverage and Illiquidity Do Not Mix – any Approaches to Avoid this Combination?
- Do you View it as a Flaw that Portfolio Construction Approaches only consider Volatility Risk, Not Tail Risk or Drawdown Risk?
- Could Tail Risk Parity be More Effective? Thoughts on the Concept of Measuring Expected Tail Loss Rather Than Volatility – Cheaper Hedges for Protection, Reducing Tail Risks while Retaining More Upside than Risk Parity?
- Aside from the Money Concentrated in the Top “Founding Firms,” how should we Approach Managers with Short Track Records?

3:05 PM – REFRESHMENT BREAK

3:35 PM – TAIL RISK HEDGING

- Why is Tail Risk Hedging Important Now?
- Understanding Tail Risk Frequency, Severity and Impact
- Why are the Markets Vulnerable to a Substantial Decline Today? Does the Impact of Central Bank Tapering and the Fed Reducing its Balance Sheet Weigh on you?
- Understanding the Risk of Correlated Global Markets for Developed Countries
- How can you Quantify the Costs vs. the Benefits?
- What are the Merits of an Option Overlay Strategy In Lieu of Owning a Tail Risk Hedge?
- What Risks can be Efficiently Hedged in the Financial Markets?
- What Types of Strategies and Approaches are used to Hedge?
- Where have you seen it Work Successfully and Not So Well?
- What are the Implementation Challenges?
- Why is there often Difficulty Implementing a Tail Risk Program within the context of a Committee and how can we overcome this?
- Are there Alternative Ways to Deal with Tail Risk?
- Using Information from the Derivatives Markets to assess Stress Points – where we are seeing Tail Risks Building?
- Does the Growth in the VIX Universe pose a Risk?
- Pension Plans developing a Contingency Plan – What are the Best Practices to Navigate through Stressful Periods?
- Any Experiences you can Share among your Clients with Tail Risk Hedging?

4:05 PM – UNCONSTRAINED FIXED INCOME

- Assessing the Current Environment – Fed and Global Central Bank Policy, Interest Rates, Spreads, U.S. Dollar, Foreign Investment in U.S. Treasuries, Global Fixed Income Landscape, and Default Rate Expectations
- What are your Best Ideas for ways to Simplify the Sub-Allocations within the Fixed Income Space? Any Preferred Allocation Breakdowns or Weightings?
- With the Proliferation of Products which are Diverse, what is the Return Objective?
- Portfolio Construction – Need for Increased Disaggregation of Alpha Sources
- Understanding Return Sources/Attribution and Correlation that Unconstrained Funds have had with other Fixed Income Sectors and Equity Markets
- Impact of the Non-Linearity of Risk Correlations and Volatility Not Being Stable through time. Is that something you look to Measure in case of Market Dislocations?
- How are you Taking Advantage of Current Market Dislocations?
- What are the Implications of Reduced Liquidity?
- How should Investors think about Transparency of Positioning in Unconstrained Fixed Income?
- What Progress have we seen for a Factor or Risk Premium Approach for Assessing Risk?
- Do you see a Supply/Demand Imbalance in Long-Duration Fixed Income?
- Using Structured Products, Swaps, and Derivatives to Create Alpha and Hedge Volatility
- Emerging Markets Local Fixed Income – what are the Opportunities? Currency Risk Factors? Should Currency Exposures be Hedged or Unhedged?
- What are your Expectations and Outlook for Corporate Debt?
- Taxable Municipals vs. Corporate Bonds – Which Make More Sense Now?
- Do you view Bank Loans as a Hedge in Rising Rate Environment?
- If Trump Moves on GSE Reform (as he's indicated), how would that Impact the MBS Market?
- Where do you see the Greatest Risks in the Debt Markets and what might be the Trigger Points that Enhance that Potential?
- Understanding how to Select Alternative Managers – Multi-Sector, Multi-Region and Multi-Currency Skill Set
- How do you Define Success for Unconstrained Fixed Income Strategies?

Moderator:

Scottie D. Bevill, Senior Investment Officer - Global Bonds and Real Return, **Teachers' Retirement System of Illinois**

4:50 PM – ENVIRONMENTAL, SOCIAL AND GOVERNANCE, (ESG)

- Do we have Proof that ESG Integration Adds Value?
- ESG Fund Performance vs. Traditional Funds
- Do Firms with Good Performance on SASB Topics Outperform Firms with Poor Performance on those Topics?
- How do you Approach ESG from a Fiduciary Standpoint and for the Development of your Plan's Investment Beliefs?
- How should ESG be best Incorporated into the Investment and Due Diligence Process?
- Factors Needed to make ESG Mainstream and Integrated into Every Investment Process – Agreement on Weightings, Scoring and Definitions
- What are the Perceived Obstacles to applying an ESG Framework to the Stock Selection Process?
- Considerations for Investing in a Passive ESG Index – thoughts on Low Carbon Index? Combining ESG with Smart Beta?
- Climate Change and Investment – what's the Relationship and how do you Integrate Climate Risks into your Process?
- What should Pension Funds be asking their Existing Active Managers in terms of whether they are looking at Climate Risk or Opportunity?
- Understanding the Importance of Supply Chain Management
- Will there come a time when Plan Sponsors Only Invest with UN PRI Investment Manager Signatory Firms? Has the UN PRI been Strict or Lenient on Signatories for the Integration of their Principles?
- What are the most Recent Trends we've seen for the Sustainability Movement in Real Estate and the Demand to be Green?
- Understanding Relevant Benchmarks for ESG Risk Measurement

Speaker:

Thomas Henley, Senior Managing Director of Strategic Opportunities, **UAW Retiree Medical Benefits Trust**

5:25 PM – COCKTAIL RECEPTION

6:40 PM – COCKTAIL RECEPTION CONCLUDES

WEDNESDAY, APRIL 11TH

Four Seasons, San Francisco

7:00 AM – BREAKFAST

8:00 AM – EMERGING MARKETS

- Macro Environment and Recent Developments
- How have EM Headwinds Impacted your Deployment?
- What would be the Effects on Emerging Markets if we see Weak or Negative Growth in the U.S or Instability in Eurozone?
- What are Realistic Return Expectations? How might that Differ based on Region?
- How do Valuations look Relative to Risk?
- Are you Investing in Higher Growth Markets such as Southeast Asia, Africa or Latin America? Which particular Countries? Do you see Higher Risk, Returns and Diversification Factors here?
- Outlook for China – are you Concerned about their Credit and Real Estate Bubbles?
- What Dangers do you see with the EM Equity Benchmark with China's Heavy Weighting?
- India to Benefit from its Fast Rate of Urbanization? Still in Need of Substantial Reform?
- Identify what Country or Region you see Favorable Demographic Trends such as a Growing Middle Class, Promising Consumer Buying Behavior and Economic/Fiscal Reforms
- Which Markets in Frontier Countries can you Profit from Strong Growth and Access a Lower Correlation?
- What can be done to Mitigate Currency Risks?
- The Case for Emerging Markets Corporate Debt
- What Metrics are you using to Determine Relative Value in Sovereign Bonds?
- Public vs. Private Emerging Markets – Benefits and Drawbacks of each
- Active vs. Passive Debate
- What is an Appropriate Long-Term Allocation to Emerging Markets? What should that Allocation look like, (Public Equity, Fixed Income, Private Equity, Frontier Markets, Alternatives, etc.)?
- Choosing an Emerging Markets Fund or Manager – should you be Investing by Region, Country or Sector?
- Given the Current Environment, will Emerging Markets Outperform Developed Markets?

Moderator:

Hayden Gallary, CFA, Managing Director, Cambridge Associates LLC

Speaker:

Candace Ronan, CFA, Portfolio Manager, Global Equity, California State Teachers' Retirement System, (CalSTRS)

(A) CURRENCY MARKET OVERVIEW

- What are the Factors Driving Currencies?
- What is the Relationship Between Volatility and Currency Returns?
- Can Currencies be Forecasted via Fundamentals, Cycles and Trends?
- Benefits of Active and Dynamic Currency Management
- Widely Confused Difference Between Currency Hedging and Currency as an Asset Class – How do they Differ in terms of Implementation Approaches?
- What are the most Common Reasons Asset Owners give for Not Actively Managing Currency? Are these Reasons Valid or Not?
- What is the Impact Forex can have on Overall Risk and Returns for International Equity and Bond Portfolios?
- Different Skills Required for Currency Hedging vs. Currency Alpha – should a Different Manager be used for Each Approach or is it Possible to be Skilled in Both?
- What are the Merits and Demerits of Adopting a Hedging Program vs. an Alpha Program?

(B) CURRENCY OVERLAY HEDGING

- Given Plan Sponsors Non-U.S. Exposure, what Factors should be Considered in the Determination of Implementing a Currency Hedging Program?
- Is there an Optimum Currency Hedge Ratio for a Plan?
- How much of a Reduction in Portfolio Volatility and Risk should be Expected?
- Can it be More Beneficial to be Unhedged?
- Hedging Costs – how should this factor into your Decision?

(C) CURRENCY ALPHA

- How does Employing a Currency Alpha Strategy fit into an Asset Allocation Framework?
- Benefits of Non-Correlated Returns to Equities, Fixed Income and Alternative Investments
- How does Investing in Currency Diversify and Reduce Risk? Natural Diversifier for the Duration Risk in Bonds?
- How do you Manage Risk Factors?
- What are the Return Expectations?
- When considering Investing in an Active Currency Strategy, what should you look for in a Manager?

Moderator:

Aoifinn Devitt, Chief Investment Officer, **Policemen's Annuity and Benefit Fund of Chicago**

(A) CONSTRUCTION AND SKILLS

- Why is Multi-Asset Investing Attractive to Investors?
- What are the Common Sub-Asset Classes Included in Multi-Asset Strategies?
- Do these Strategies Reduce Correlation, Lower Volatility and Limit Downside Risk or Drawdown? If so, by How Much?
- How do Investors utilize Multi-Asset Strategies in their Portfolios?
- With Dynamic and Tactical Asset Allocation Skills yet to be Put to the Test in recent years, how do you see this Space Evolving in a more Treacherous/Volatile Market?
- Aside from Asset Allocation Skills, what other Skills are Required for the Ability to Generate Alpha and be Successful?
- Constructing the Portfolio - Risk Factor Approach
- How do you Measure Performance?

(B) CRITICISM

- Do you believe Central Bank Policy has Limited the Ability of Multi-Asset Managers?
- Do these Strategies Rely Too Heavily on Market Timing?
- Do you Agree or Disagree with the Willis Towers Watson Report saying Multi-Asset Managers have actually Harmed Performance via Tactical Asset Allocation Decisions?
- The Skill of Moving Opportunistically Between Markets, a Function of Asset Allocation Alpha is an All-to-Rare Commodity - any Truth to this?
- Do you believe that many Multi-Asset Funds have Not Sufficiently Incorporated Risk Controls into the Design of their Products as the Willis Towers Watson Report Noted?
- Reliance on Stable Correlation Relationships although there is No Certainty those Relationships will Persist
- Is Excessive Leverage a Concern?
- High Fees
- Is Transparency often Obscure or Hazy?

PRESENTED BY:

Janus Henderson
INVESTORS

Speaker:

Ashwin Alankar, Ph.D., Senior Vice President, Global Head of Asset Allocation & Risk Management, **Janus Henderson Investors**

(A) CURRENT AND FUTURE STATE OF THE HEDGE FUND INDUSTRY

- Why have Hedge Funds Underperformed? Will this Shift?
- Is Hedge Fund Investor Risk Appetite and Hedge Fund Manager Willingness to Take On Risk High Enough to Generate an Acceptable Level of Return for Hedge Funds?
- Will we see More Hedge Funds Continuing to Shut Down?
- What is an Appropriate Fee Structure for Hedge Funds? How do you Assess the Tradeoff Between Fees and Liquidity?
- As an LP, do you find it Difficult to get Hedge Fund Managers to Provide Accurate Fee Information in a Timely, Efficient Manner? Do you believe we're In Need of a Standardized Reporting Template like ILPA for Private Equity?
- Do Smaller Hedge Funds Outperform and if so, why?
- What is Driving the Increase in Demand for Strategies Uncorrelated with the Capital Markets? Which Low Correlated Strategies are Most Attractive?
- With Crowding on the Rise for Particular Stocks, do you see this as a Risk and a Contrarian Indicator for those Equity Holdings when the Cycle Turns?

(B) IMPLEMENTATION OPTIONS

- Long-Short Equity Hedge Funds – what Differentiates Managers that have been able to Outperform?
- Do you find Opportunities within the Global Macro Space Attractive and if so, why?
- Managed Futures – Diversification and Performance during Periods of Market Stress or Crisis Events. How much can it Decrease the Depth of Portfolio Drawdowns and Volatility?
- Liquid Hedge Fund Products such as UCITS, 40 Act and Hedge Fund Replication – are they a Viable Alternative and Under what Circumstances? How has their Performance and the Lower Fees Fared to Hedge Funds?
- The Role of Alternative Beta/Risk Premia Strategies in a Hedge Fund Portfolio – what are the Appropriate Expectations from a Sharpe Perspective?
- If there was a Hedge Fund Strategy you would Invest in over the next Few Years, which one would it be and why?
- What is the Future of the Fund of Funds Space? How is it Changing? Where will Fees be? What will it take to Stay Competitive?
- How do Emerging Managers Differentiate Themselves in the quest for Institutional Capital?
- What sort of Downside Protection, Drawdown or Return Range do you expect we'll see from each of the Different Hedge Fund Strategies during the Next Market Downturn?
- Implementation Considerations for Due Diligence, Portfolio Function and Manager Selection. What are the Key Traits you should be looking for?

(C) IMPLEMENTATION OPTIONS

- What does a Diversified Portfolio of Hedge Funds look like? How Many Funds do you need? Should you focus on a few better Strategies or is the Size of your Portfolio a Factor?
- What is the Role of Separate Managed Accounts? What are the Benefits? Are they Better than Commingled Funds?
- Any Recent Trends you've seen for Pension Plans as far as Fees, Transparency, Increased Partnership, etc.?
- Importance of Operations Due Diligence. Any recent Developments? How often should Operations be Reviewed?
- Transparency and Risk Aggregation Data – are they Accurate?
- What Monitoring Tools or Reports do you feel give you the most Bang for your Buck when Monitoring Individual Managers and Portfolios?
- What Trends do you see Developing in Regards to the way we Evaluate Liquidity Provisions for Hedge Funds?

Moderator:

Dr. John Claisse, CEO, Albourne America LLC

Speaker:

Neil Messing, Head of Hedge Funds, New York City Office of the Comptroller, Bureau of Asset Management

10:55 AM – CREDIT STRATEGIES

- Current State of the Credit Market
- Where are we in the Credit Cycle and how does it Differ from the Past?
- What will be the Catalyst that will cause Credit Spreads to Widen and Defaults to Rise?
- What Impact do you see from Global Central Bank Policy on Risk and Opportunities Across Credit Markets going forward?
- How will the Sector you Invest in Perform when Rates Rise? Is that a Concern and how do you Manage that?
- Where are we at with Regulatory Issues Today? How might Policy Impact Fund Managers and Investors Mandates?
- What Subsectors of Credit are Most Attractive given the Stretched Valuations? Any Areas you are Avoiding?
- High Yield Market – is it possible to see a High Yield Meltdown with a Lack of Liquidity? Understanding the Risk Factors and the Strong Correlation to Equities
- Bank Loans Overview
- State of Securitized Markets – RMBS, CMBS and CLO Overview
- Outlook and Considerations for Structured
- Outlook for Emerging Market Debt
- Opportunities and Risks for Europe and Asia
- Do you see Investors being more willing to Trade Liquidity for Yield and should that be of Concern?
- How much should Plan Sponsors be Allocating to Credit? What is the Optimal Structure to a Credit Portfolio?
- Considerations for Selecting a Manager and Strategy
- What are the Trade-offs between Mid-Market and Large Market Credit Investing?
- Public vs. Private Credit
- Credit Investment Mandates – are they Too Narrow? Which Bucket or Asset Class does it fit into and should it be Defined as Opportunistic Credit?

Moderator:

Steve Woodall, CFA, CAIA, Portfolio Manager, **Virginia Retirement System**

Speaker:

Stephen L. Nesbitt, CEO, CIO, **Cliffwater LLC**

11:35 AM – DISTRESSED INVESTING – OPPORTUNISTIC AND SPECIAL SITUATIONS

- When will the Vast Sums of Undeployed Capital come in off the Sidelines? Do you Need an Economic Downturn?
- Does the interest Rate Environment and Fed Balance Sheet Unwind Affect your Plans?
- What are your Expectations for Default Rates going forward?
- Where do you see the Largest Demand from Clients? What are they Most Interested In?
- Where do you see the Best Opportunities over the next 12-24 Months?
- Which Sectors, Strategies, and Geographies will create the Best Opportunities? Any Areas that should be Avoided?
- What Distressed Opportunities are we seeing the Energy Sector?
- What are the Opportunities and Risks in Europe? Any Countries, Sectors or Types of Deals that Stand Out?
- Do you see Opportunities in Asia or Elsewhere Globally?
- What's the Potential Impact of the Debt Piled up by Corporations for their Share Buybacks?
- Will the Prevalent Covenant-Lite Deals create Problems during the Next Cycle?
- What are your thoughts on the Recent Leverage Trends?
- Do you worry about a Liquidity Problem in ETFs and other Structured Credit Vehicles if there is Credit Event?
- Has the Regulatory Environment Changed the Opportunity Set? How has it Impacted your Firm?
- Marketable Distressed Strategies – how Correlated are they to Public Equities? Might they have Merit or is it a Fad?
- What are the Biggest Challenges you face to Delivering Returns?
- How do Investors go about Choosing the Right Distressed Strategy, Investment Style and Approach?
- How will the Different Implementation Approaches affect Expected Returns? Control vs. Non-Control? Private vs. Public?
- Distressed Debt Vehicles in Hedge Fund Format vs. Private Equity Drawdown Structures – what are the Pros and Cons of Each?
- What Skill Sets/Characteristics should Pension Plans look for in a Distressed Manager?

Moderator:

Keith M. Berlin, Director of Global Fixed Income and Credit, **Fund Evaluation Group, LLC**

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1:15 PM – COMMODITIES

- Current Market Environment
- With the Lack of Evidence that Inflation has had a Significant Uptick, what Factors do we need to see for us to Believe that Commodities have Bottomed and we are ready to begin a Reflationary Regime?
- Based on Previous Down Equity Markets, what Performance can we Expect from Commodities if we have Market Turbulence? How Strong is the Correlation?
- What are your Views on particular Sub-Sectors and where are the Pockets of Value?
- How are Renewables Affecting Specific Commodities?
- What Currency or Weather Related Impacts are you seeing on Specific Commodities?
- Investing in Commodities through Private Equity vs. Stocks or Indexes – Benefits and Drawbacks of Each
- True or False – Natural Resource Stocks are Not an Efficient Way to get Commodities Exposure
- Are MLPs more Highly Correlated to Commodity Prices than we thought?
- Investing in Long/Short vs. Long Only
- Active vs. Passive
- Any Recent Developments in Commodities Risk Premia? Smart Beta as applied to Commodities?
- What are the Key Criteria that would lead to Manager Outperformance?
- Risk Factors

1:45 PM – ENERGY

- Macro Landscape in Energy – is now the Time to be Investing?
- What are the Best Opportunities and Most Attractive Sectors you are seeing Today?
- What Risks do you see that some Investors might not be Considering?
- How Important are the Credit Markets in the Deployment of Private Capital? What have you seen in regards to the Growth of Credit/Lending Energy Strategies?
- How has the Current Commodity Market Distress Impacted the Balance Sheets of Oil and Gas Companies?
- Public vs. Private Investing in Energy – what are the Advantages and Disadvantages of each?
- Thoughts on Midstream MLPs with their Business of Oil Storage Services and its Cashflow?
- How has the Oilfield Service Industry Impacted Upstream Oil and Gas Operators?
- What does the Future Hold for Shale and Natural Gas?
- ESG Considerations, Climate Change and Portfolio Decarbonization – how do you Deal with LP Concerns on this Issue? Has it Impacted your Fund Commitments?
- How will the Growth of Renewables or Alternative Forms of Energy fit into your Portfolio? Will the Best Opportunities be in the U.S. or in Emerging Markets?

Speaker:

Tom Masthay, CFA, CAIA, FRM, Director, Real Assets, Texas Municipal Retirement System, (TMRS)

2:15 PM – REAL ESTATE

- Global Macro Views and Trends in Real Estate
- Is a Correction on the Horizon and How Significant? If so, what is the Single Biggest Risk Factor?
- Challenges of Meeting Target Rate of Return
 - What are your Return Expectations for the Core?
 - Within Non-Core, which Value-Added and Opportunistic Strategies are Most Appealing?
 - What is the Biggest Threat to Commercial in the next few years for this Fully Priced Market?
- Do you see a Trend Towards Direct and Away from Commingled Closed-Ended Funds? If so, will it Continue?
- Is the Bridge Financing Opportunity Attractive from Maturing CMBS?
- Debt vs. Equity Preference?
- What's happening with Leverage?
- Which Property Types are At Risk Today?
- Any Niche Property Types that you Like?
- Analysis of Cap Rates and Vacancy/Occupancy Rates – any Conclusions you can draw?
- Asia and European Real Estate Outlook – Opportunities, Investment Trends and Capital Flows
- Will Co-Investments become more Common?
- Current State of the Real Estate Secondary Market
- Programmatic Joint Ventures – why are these Joint Ventures being done? Will more Pension Plans Team up with Commercial REITs?
- Larger vs. Smaller Fund Size – which ones will Outperform going forward?
- Entry Issues with Open-Ended Funds and Concentration into Fewer Funds?
- What Strategies do you see as the Biggest Risks and the Biggest Rewards/Relative Value for the Future?

Moderator:

Christy Fields, Managing Director – Real Estate, **Pension Consulting Alliance, LLC, (PCA)**

Speaker:

Anthony Breault, Senior Investment Officer, Real Estate, **Oregon State Treasury**

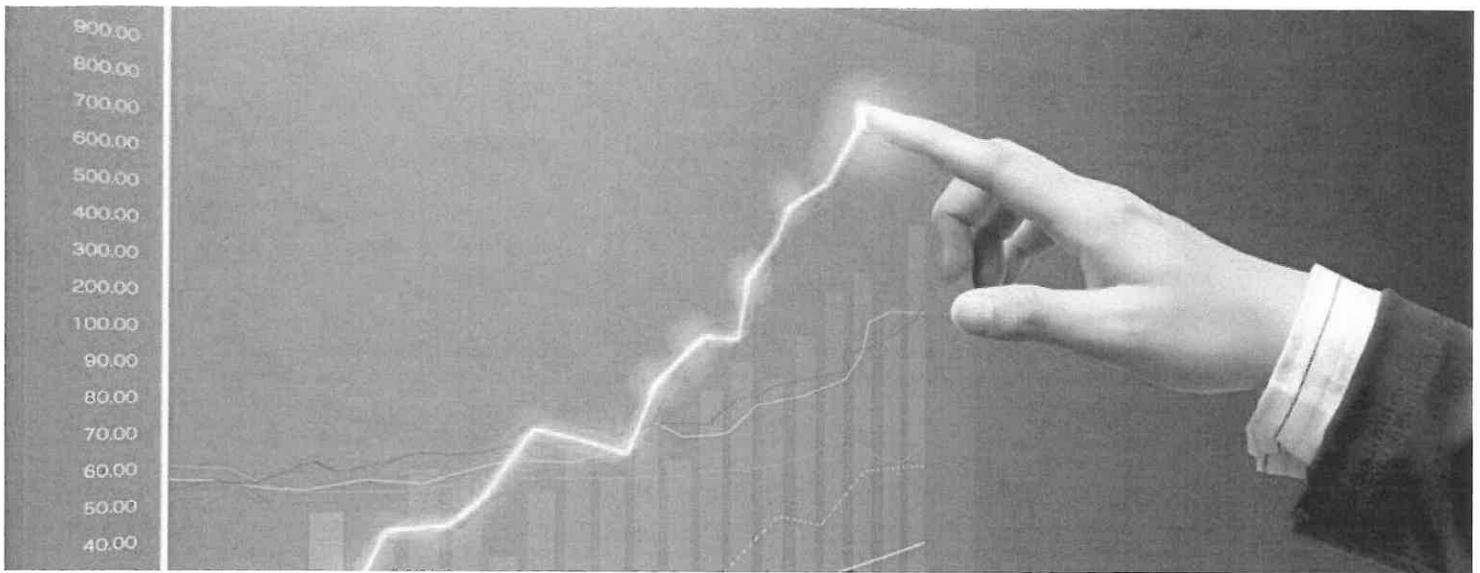
3:00 PM – REFRESHMENT BREAK

3:25 PM – INFRASTRUCTURE MARKET OUTLOOK

- Why should Investors consider Committing Capital to the Infrastructure Space?
- Funding Gap and State of Development of the Infrastructure Asset Class – Where are we now in terms of Appetite/Penetration amongst Investors Allocations? How much Room to Run is there for the Asset Class to Continue to Develop?
- Is there Too Much Money Chasing Too Few Opportunities?
- How has Performance been and what are the Recent Return Expectations?
- How will Opportunities and Returns and be Impacted by Low Oil Prices for an Extended Period?
- What has been the Effects of the Low Interest Rate Environment on Infrastructure and how might that Effect Returns and Leverage Going Forward?
- Which Geographies are Most Appealing? Developed or Emerging Economies?
- Which Sectors are Most Attractive?
- Approach – Greenfield vs. Brownfield?
- Infrastructure Debt – will it deliver for Investors Searching for Yield?
- What are the Biggest Challenges/Risks associated with Infrastructure Investing?
- Opportunities in Public-Private Partnerships?
- Debt Heavy/Equity Shortage Deals – How and When will Pension Investors Overcome this Highly Leveraged Roadblock?
- Listed vs. Unlisted – Which do you Favor in a Rising, Low Volatility Market? Which do you Favor in a Volatile Market for Downside Protection? Does Rising Interest Rates Favor Either?
- Any Advantages or Limitations for Co-Investments? Separate Accounts?
- What are the Advantages of Open-Ended Funds over Closed-Ended Funds? Will we Continue to see a Surge in Open-Ended Funds in the Coming Years?

Speaker:

Paul V. Shantic, Director – Inflation Sensitive Investments, **California State Teachers' Retirement System, (CalSTRS)**



3:40 PM – PRIVATE EQUITY

- Are we at a Market Peak? If so, what Clues Lead you to Believe So?
- Protecting your Current Portfolio – How would you Guard Against your Existing Portfolio?
- What are you doing Differently when Approaching New Investments? How do you Avoid Possible Pitfalls or Getting Involved in Expensive Deals?
- Are High Levels of Dry Powder Here to Stay? Do you Believe it will Impact Returns?
- Thoughts on GP Stakes being Bought by Dyal, Petershill and Others? Any Implications?
- Subscription Lines of Credit – How do the Pros and Cons Stack Up and what are the Risks to LPs? Thoughts on ILPA's Guidelines?
- For Buyouts, what Sectors or Geographies do you Favor? What Sectors do you tend to Avoid in this Environment and why?
- Do you Prefer Buyouts or Growth Equity over the next few years and why?
- Does the Huge Growth in Co-Investments in Recent Years make you Cautious if the Cycle Turns?
- Understanding the Trends and Performance of Co-Investments in Small, Medium, and Large Buyouts. Where do Co-Investments make the Most Sense?
- Where are we in the Private Credit Cycle right now and where can we find Good Returns Without Taking Inordinate Risk?
- State of the Venture Industry – Fundraising Environment, Valuations, and Exit Market
- Venture Capital Winners – Limited Access to the Top Few VCs that Generate the Bulk of the Industry's Returns? What's the Best Approach to this Challenge?
- Secondaries Deal Volume, Pricing, Pressures, and Future Expectations
- Why should Secondaries be a Core Holding?
- Issues, Outlook and Opportunities for European PE
- Have you taken Steps to Diversify your PE Portfolio and find Investments with a Non-Correlation to the PE Space in General? Which of these Non-Correlation Strategies have you Allocated to or Favor?
- Transparency and Fees – As an LP, what do you Need and how do you Get It? What is the SEC's Impact on your Ability to get the Information you Require?
- Have you gotten More Involved in your GPs Valuation Process? How have you Achieved this Transparency Demand?

Speaker:

Rodney June, Chief Investment Officer, Los Angeles City Employees' Retirement System, (LACERS)

4:25 PM – CIO ROUNDTABLE

(A) RISKS, ALLOCATIONS AND MACRO-BASED DECISIONS

- In this Low Growth, Low Return and Fully-Valued Environment, how has it Impacted your Investment Program and your Asset Allocation? What Steps have you Taken?
- Is there a Good Way to Hedge your Longevity Risk?
- What's your Opinion on the Sustainability of the Stock Market Rally? Thoughts on Central Banks Monetary Policy, Tapering and Balance Sheet Reduction?
- Are there any Strategies you like that provide a Low or Non-Correlation to Traditional Investments that can Provide Outsized Returns during Periods of Market Stress?
- What Strategies does your Fund utilize that will Protect against Interest Rate Risk and Duration Risk?
- Are you Positioning for a Reflationary Regime or Hedging Against the Risk of Further Deflation and why?
- What De-Risking Strategies or Risk Management Approaches has your Fund Integrated into the Investment Decision Process?
- Does LDI or Risk Parity Make Sense Now Considering Current and Future Market Conditions?
- Do you Incorporate Multi-Asset Investing and do you believe it can Limit Downside Risk?
- Do you believe your Hedge Fund Strategies will provide a Cushion for the next Market Downturn? How do you use them to Reduce Risk?
- Have you Trended Towards a Passive Equity Allocation? When Volatility Rises, do you Believe Active Managers will Outperform?
- What do you feel is the proper Emerging Markets Allocation and are there any Regional or Frontier Strategies that interest you?
- Have you made Long-Term Cash Flow Investments through Partnerships and Co-Investment Structures?
- Do you Believe the Impact of Regulation has Created a Reduction in Market Liquidity? Has it Impacted your Fund or Decisions? Will there be Sufficient Liquidity in the System to Cope with Conditions of Market Stress?

(B) ALIGNMENT OF INTERESTS

- What Changes or Trends have you noticed in Fee Structures/Terms and your Bargaining Power?
- How to Respond to Legislative Demands for more Transparency on Profit Sharing/Carried Interest
- Governance Issues Surrounding Investment Programs - How has this been the Basis for Success or the Lack Thereof at Many Programs?
- Should there be an Industry-Wide Threshold (perhaps 3% - 4%), before Carried Interest Kicks In? Is there a Way to go about Making Progress with this Issue?
- What Tactics work best for you when attempting to Negotiate Private Placement Agreements?
- Do You and Your Investment Departments have the Authority to be a Dynamic, Tactical, and Active Investor In Response to Extreme Economic Conditions?
- Any Important Lessons Learned that you can Share from your Individual Plan Experiences?

Moderator:

Andrew Junkin, CFA, CAIA, President, **Wilshire Consulting**

Speakers:

Russell Read, Chief Investment Officer, **Alaska Permanent Fund Corporation**

Mansco Perry III, CFA, CAIA, Executive Director, Chief Investment Officer, **Minnesota State Board of Investment**

Scott C. Evans, CFA, Deputy Comptroller - Asset Management & Chief Investment Officer, **New York City Office of the Comptroller, Bureau of Asset Management**

Craig Husting, CFA, Chief Investment Officer, **Public School & Education Employee Retirement Systems of Missouri, (PSRS/PEERS)**

5:20 PM – CONFERENCE CONCLUDES

5:20 PM – TICKETS FOR NETWORKING EVENT HANDED OUT IN THE CONFERENCE ROOM

ATTENDEES MUST BE PRESENT TO ATTEND EVENT

6:00 PM – WINE TASTING & DINNER NETWORKING EVENT

HOSTED BY THE PENSION BRIDGE

Join our group at for a wine tasting and dinner at the Press Club, located just next door to the Four Seasons. Meet your industry peers in great setting as California Wine Country comes to the heart of the city. Experience the finest winemakers with new and rare vintages. We'll have a fun wine tasting reception, followed by a tasteful dinner with the highest quality organic ingredients. The Pension Bridge will utilize the 9000 square feet of the award winning "Best Restaurant Design" event space for networking for our high quality conference group.