



AGENDA

RETIREMENT BOARD MEETING

SECOND MONTHLY MEETING
April 24, 2019
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. Accept comments from the public.
3. Approve minutes from the March 27, 2019 meeting.

CLOSED SESSION

4. The Board will go in to closed session pursuant to Govt. Code Section 54956.9(d)(1) to confer with legal counsel regarding pending litigation:
 - a. *Contra Costa County Deputy Sheriffs Association, et al., v. Board of Retirement of CCCERA, et al.*, Supreme Court of the State of California, Case No. S247095

OPEN SESSION

5. Review of Report on Liquidity Sub-Portfolio.
6. Consider and take possible action to amend the Investment Policy Statement.
7. Consider and take possible action to issue a Request for Proposal (RFP) for a Pension Administration System Consulting Firm.
8. Death During Active Membership – Non-Service Connected Disability and Optional Settlement 2 information.
9. Discussion concerning new board room.
10. Consider authorizing the attendance of Board:
 - a. Annual Institutional Symposium, Dimensional Fund Advisors, May 6-8, 2019, Charlotte, NC.
 - b. 2019 Investor Conference & Dinner Reception, Angelo Gordon, May 15, 2019, New York, NY.
 - c. Annual Meeting & Dinner, DBL Investors, June 19, 2019, San Francisco, CA.

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.

- d. Public Pension Investment Management Program, SACRS, July 22-24, 2019, Berkeley, CA. (Note: Conflict with Meeting)

- 11. 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
04/24/19
Agenda Item
#3

MINUTES

RETIREMENT BOARD MEETING MINUTES

REGULAR MEETING
March 27, 2019
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, Louie Kroll, David MacDonald, John Phillips, Todd Smithey, Jerry Telles and Russell Watts

Absent: William Pigeon

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

Outside Professional Support:	Representing:
Christopher Boucher	Wiley Price & Radulovich LLP
Ed Hoffman	Verus Investments

1. Pledge of Allegiance

The Board, staff and audience joined in the *Pledge of Allegiance*.

2. Accept comments from the public

No member of the public offered comment.

3. Approval of Minutes

It was **M/S/C** to approve the minutes from the February 27, 2019 meeting with a correction to Page 4, Item 10, middle of the first paragraph, changing the sentence to “Dunn stated that to be pensionable, the standby pay must be for work; (1) within the normal working hours set forth in the applicable employment agreement, (2) required by the employer to be worked by the employee (as distinguished from voluntarily worked), and (3) ordinarily worked by all others in the same grade or classification at the same rate of pay during the FAS period.” (Yes: Andersen, Gordon, Holcombe, Kwon, Phillips, Smithey, Telles and Watts)

MacDonald was present for subsequent discussion and voting.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957.6.

The Board moved into open session.

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

5. **Presentation from Chief Investment Officer and Verus on updated capital market assumptions and suggested revisions to strategic asset allocation**

Price reviewed the process for the annual asset allocation and capital market review. He reviewed the size of the current liquidity sub-portfolio noting we target 4 years of benefit payments based on actuarial projections. He stated the amount to be funded in July 2019 has a present value of \$530 million and the expected size of the Liquidity Program totals \$2.07 billion for the next four years (July 2019 through June 2023).

Hoffman reviewed the following recommended changes: 1) Resize the Liquidity sub-portfolio from 23% to 24% based on current projections; 2) Decrease the Growth sub-portfolio from 67% to 66% by decreasing Private Real Estate from 9% to 8%; and 3) Adopt asset allocation Mix 1 as the investment program's new long-term asset allocation.

Price reported there is no action to be taken at this time and noted staff will return with a recommended Investment Resolution for the Board's consideration at a future meeting.

6. **Miscellaneous**

(a) Staff Report –

Price reported he received notification that Jesse Fogarty, a liquidity manager with Insight, will be leaving the firm in the next few weeks. He noted he is not one of our main portfolio managers. He reported we have an assigned replacement and staff will be conducting an on-site visit in New York during the next quarter.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

None

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

Todd Smithey, Chairman

David MacDonald, Secretary

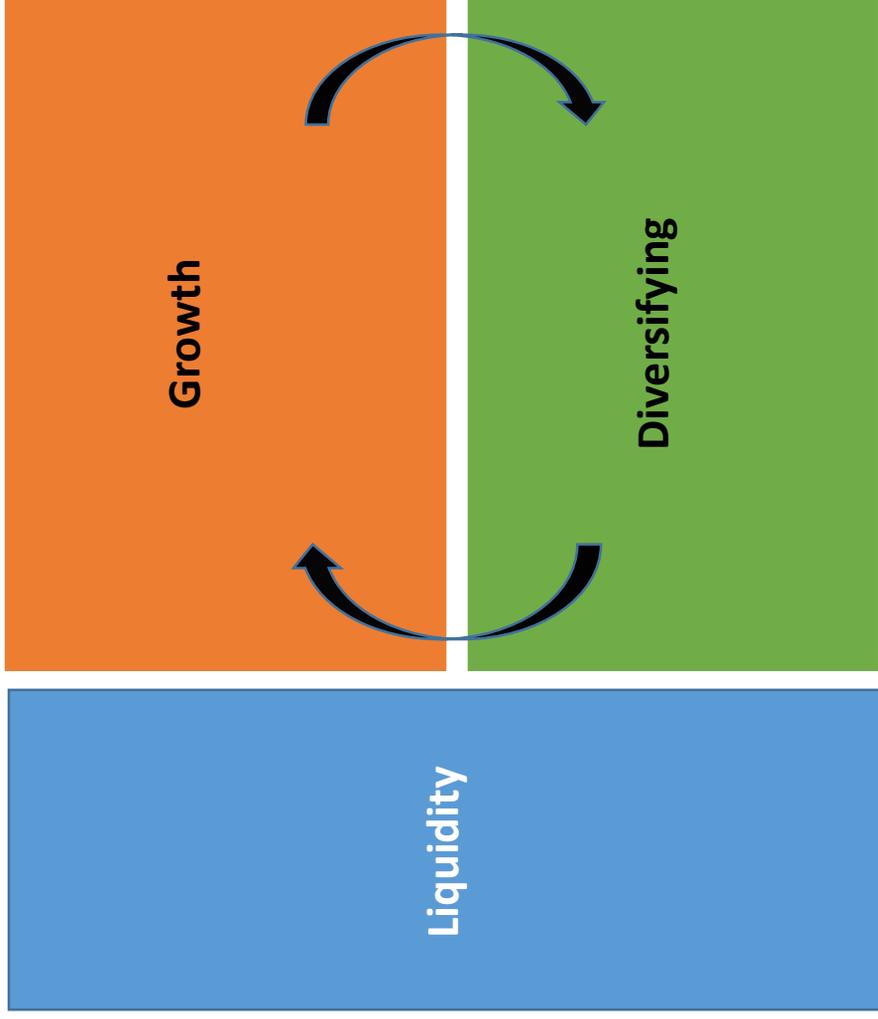
Liquidity Sub-Portfolio Review

Meeting Date
04/24/19
Agenda Item
#5

Timothy Price, CFA
Chief Investment Officer

Liquidity Program Review

- 1) Role in FFP framework
- 2) Functional Performance
- 3) Composition of program and role of each manager
- 4) Cash flow profile
- 5) Annual Funding Plan
- 6) Strategic Decisions



Employer and
Employee
Contributions

Benefit
Payments

Liquidity

- The Liquidity sub-portfolio is the cornerstone of the FFP
- Using actuarial projections, we model each month's projected benefit payment
- The benefit payment cash flow model is then used to build the investment program
- Through contractual income, trading and maturing debt, the Liquidity sub-portfolio provides the necessary monthly cash flow to make benefit payments

Objectives

Match 4 years of benefit payments with high certainty

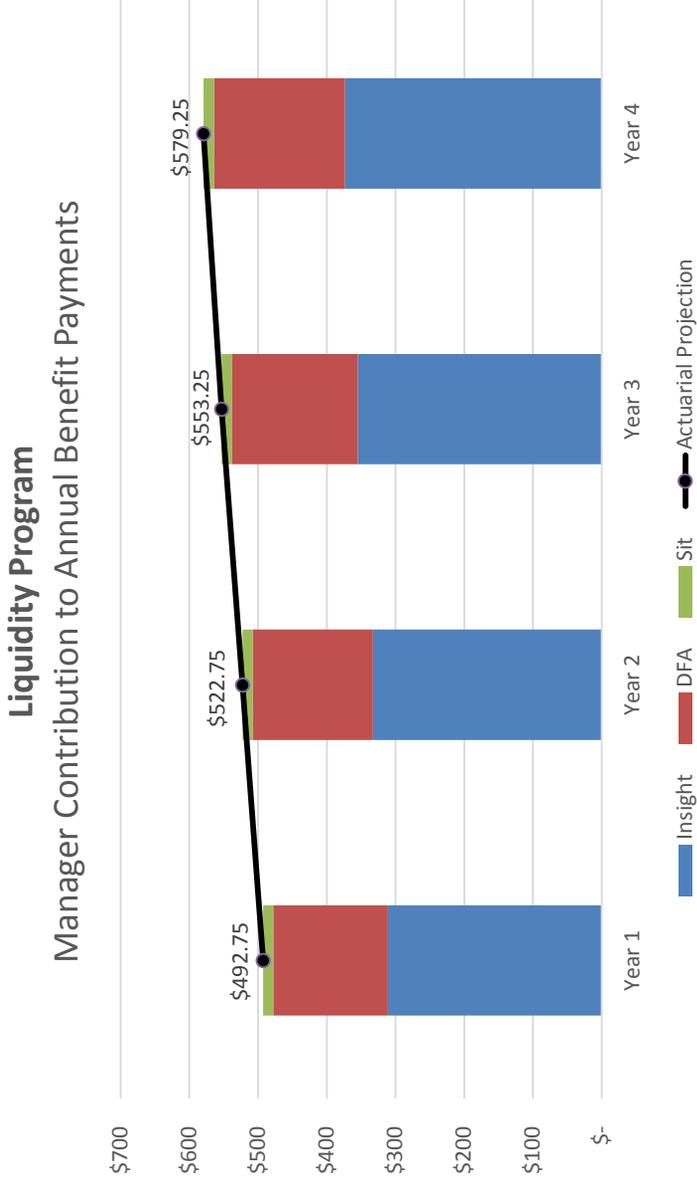
Produce cash flow to match monthly benefit payment

Functional Assessment

Objective	Measurement	Assessment as of 12/31/18	Status
High Quality	Credit Quality	A+	Meeting Expectations
Low Risk	Duration	2.1 years	Meeting Expectations
Appropriately Sized	Months of Benefit Payments Invested	43 Months	Meeting Expectations

Manager Structure

- Utilizes a multi-manager approach to produce unique income and liquidity profile
- **Manager Roles**
 - **Sit Fixed Income:** ~25% allocation when fully funded. Invests in seasoned government-guaranteed securities that pay robust coupons. Income stream pulled monthly and we can liquidate the corpus on an as-needed basis.
 - **DFA:** ~25% allocation when fully funded. Invests across wide swathe of fixed income universe in order to build characteristics and behaviors into the portfolio in aggregate. We pull a set amount from the portfolio monthly and give DFA discretion on where and how to raise the necessary cash.
 - **Insight:** ~50% allocation when fully funded. Invests in a “buy and maintain” portfolio of short-duration, high quality securities designed to complete the needed CCCERA cash flows monthly. Insights builds and maintains the CCCERA cash flow profile based upon actuarial projections.



Liquidity Managers: Relevant Statistics

Metric	Description
Credit Quality	<p>Credit quality informs investors of a bond or bond portfolio's credit worthiness or risk of default.</p> <p>Private independent rating services such as Standard & Poor's, Moody's Investors Service and Fitch Ratings Inc. provide evaluations of a bond issuer's financial strength, or its ability to pay a bond's principal and interest in a timely fashion.</p>
Duration	<p>Duration is a measure of the sensitivity of the price of a fixed-income investment to a change in interest rates. Duration is expressed as a number of years.</p>
Coupon	<p>A coupon is the annual interest rate paid on a bond, expressed as a percentage of the face value.</p>

Characteristics as of 12/31/18			
	Sit	Insight	DFA
Credit Quality	AAA	A+	A+
Duration	2.6	1.5	2.5
Coupon	6.5	2.5	2.8

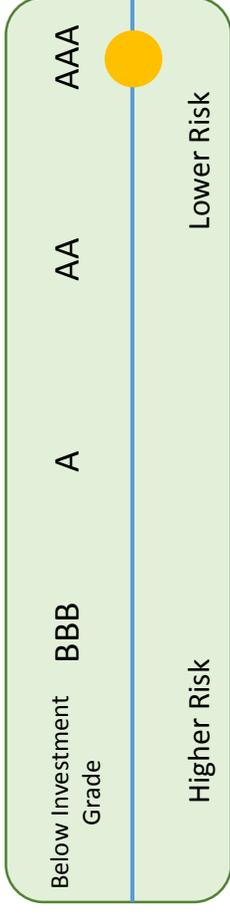
Sit

Summary

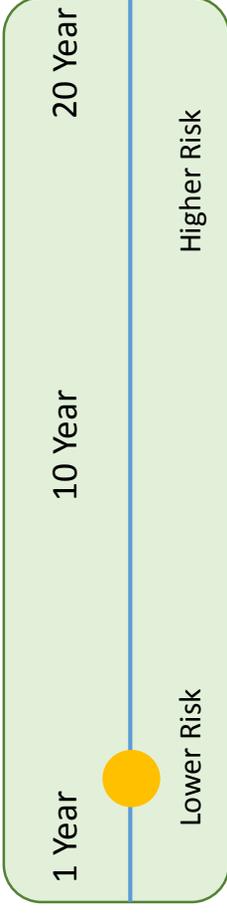
Liquidity Program Role	Sit invests in high yielding, government backed mortgages. The cash flow from these securities is harvested monthly to make up a portion of CCCERA's monthly benefit payment.
Key Personnel	Bryce Doty, Senior Portfolio Manager Mark Book, Portfolio Manager Chris Rasmussen, Portfolio Manager
Fee Structure	Estimated Annual Fee: 15 basis points
CCCERA AUM as of February 28, 2019	\$530 mm
2018 Cash Flow	\$13 mm
Projected 2019 Cash Flow	\$15 mm

Characteristics

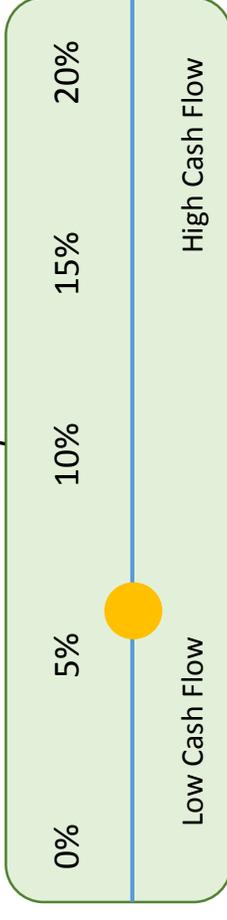
Credit Quality



Duration



Coupon



Providing Benefit Payments

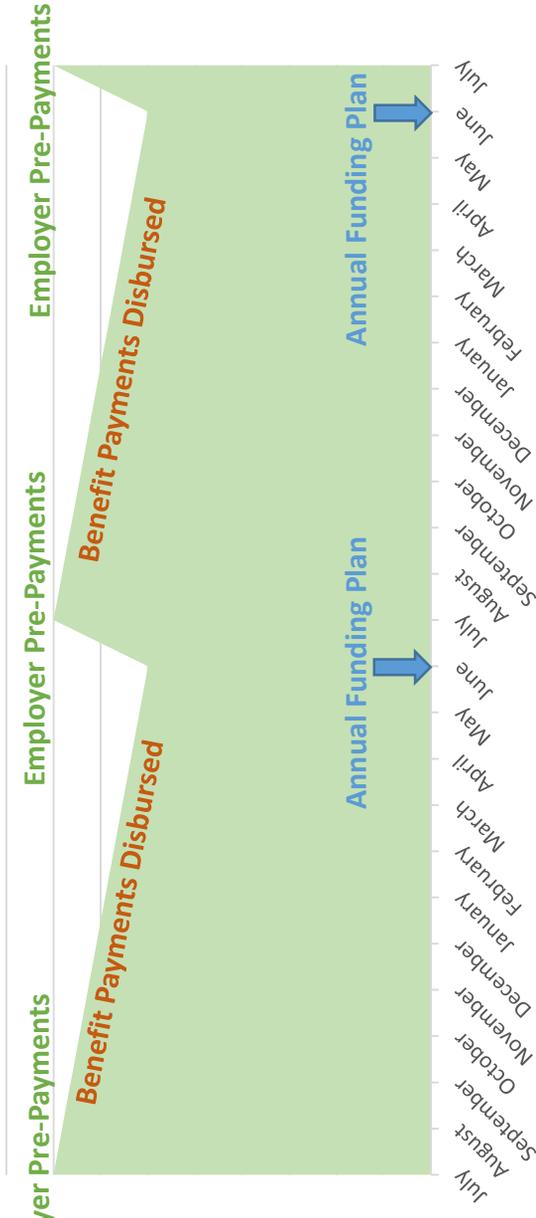
- Benefit payments are accounted for over the year, and follow a process of dollar value estimation, which flows to liquidity program sizing and the annual funding plan, through to the accounting function of disbursement

Annual	Semi-Annual	Monthly
<p>CCCERA receives updates to benefit projections from actuaries</p> <p>Updated benefit projections are reviewed by Insight, which seeks to match each discrete benefit payment</p> <p>CCCERA Investment Staff “tops up” the liquidity program during the Annual Funding Process</p>	<p>CCCERA Investment Staff reviews tracking of actual benefit payment sizing versus initial estimate, and adjusts subsequent six months of liquidity program cash flows accordingly</p> <p>Several months of benefit payments are scheduled at custodial bank</p>	<p>Benefit payments are disbursed from bank</p>

Refreshing the Program

- The Liquidity sub-portfolio is topped up annually in July in conjunction with the employer pre-payments
- The sub-portfolio when operates in a drawdown mode for the next 11 months before the process starts again
- The game plan for how to refresh the Liquidity sub-portfolio is communicated to the Board in the **Annual Funding Plan** which is presented each June

Liquidity Program Annual Cycle



Board Input

- The Board's input is needed for two critical aspects of the liquidity sub-portfolio
 1. Duration of benefit payments to be matched. This will be reviewed every 3-5 years.
 2. Decision to use up to one year of benefit payments for rebalancing in extraordinary market environments. This is referred to in the Investment Policy Statement as "Zone 2" rebalancing.

Board Decisions

Board chose to match 4 years of benefit payments

Zone 2 rebalancing has not been utilized to date

Conclusion

- Liquidity sub-portfolio matches benefit payments to reduce liquidity demands on the rest of the portfolio
- Multi-manager structure provides diversification of process while keeping all managers focused on unique CCCERA goals
- Annual refreshing of the program and periodic reviews of the duration of benefits to be funded allows for tweaks of the program as needed



Meeting Date
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Agenda Item
#5

Contra Costa County Employees' Retirement Association

April 24, 2019

David Plecha, CFA, Global Head of Fixed Income and Vice President

Ted Simpson, CFA, Vice President

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CCCERA—Relationship Summary

As of March 31, 2019

	Account Performance (%)		
	Since 1/2017 Account Value 1st full month	Account Inception Date	
MARKET VALUE SUMMARY			
CONTRA COSTA COUNTY ERA SHORT-TERM US CREDIT (gross of fees)	\$375,102,026	12/7/2016	
ICE BofAML 1-5 Year US Corporate & Government Index	—	1.92	—
Total Market Value	\$375,102,026		

Performance and market values provided are sourced from Dimensional's independent book and records which may differ from your custodian's records. Performance data shown represents past performance and is no guarantee of future results. Current performance may be higher or lower than the performance shown. A Client's investment return will be reduced by the advisory fees and other expenses it will incur in the management of its advisory account.

ICE BofAML index data © 2019 ICE Data Indices, LLC. Indices are not available for direct investment.

Firm Update

As of December 31, 2018

Organizational Updates

- More than 1,300 employees globally.
- \$517 billion in assets under management.
- The Global Sustainability Fixed Income Portfolio launched in November.
- The Emerging Markets Targeted Value Portfolio launched in November.

Upcoming Events

- | | | |
|--------------|--------------|--------------------------------|
| May 6–8 | Charlotte | Annual Institutional Symposium |
| September 18 | Santa Monica | Institutional Forum |

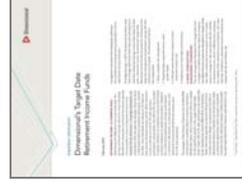
Recently Published



What Does a Yield Curve Inversion Mean for Investors?

A common belief is that a yield curve inversion could be a precursor to an equity market decline. In this paper, we use a global sample to examine the historical link between these inversion periods and subsequent stock market returns.

Event information subject to change.



Dimensional's Target Date Retirement Income Funds

In 2015, Dimensional launched a new series of target date funds focused on helping investors pursue their retirement income goals. This paper explains the fund series' innovative approach to reducing uncertainty around income in retirement.



US Large Cap Value Portfolio: 25 Years of Value-Added Results

The portfolio recently marked its 25th anniversary. The portfolio's results present a compelling testament to Dimensional's expertise in translating research into real-world investment solutions.

Agenda

- Dimensional
- Investment Philosophy
- Portfolio Implementation
- Account Review
- Summary
- Appendix

Dimensional



Dimensional at a Glance

As of March 31, 2019

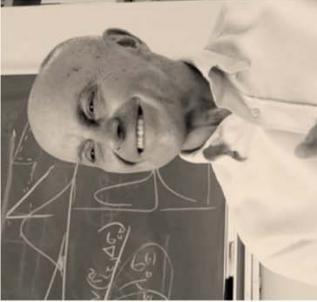
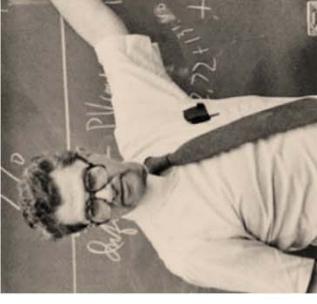


Assets in US dollars.

"Dimensional" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., DFA Australia Limited, Dimensional Fund Advisors Canada U.L.C., Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

A Heritage of Leading Research

The bar for research at Dimensional has been set by the best in the field

					
Eugene Fama	Kenneth French	Robert Merton	Robert Novy-Marx	Merton Miller	Myron Scholes
University of Chicago	Dartmouth College	MIT	University of Rochester	University of Chicago	Stanford University
Dimensional Director and Consultant, Dimensional, ¹ 1981–present	Consultant, Dimensional, ¹ 1986–present Co-Chair of the Investment Research Committee, Dimensional, ¹ 2006–present Dimensional Director, 2006–present	Director, Dimensional US Mutual Funds, 2003–2009 Resident Scientist, Dimensional Holdings Inc., 2010–present	Consultant, Dimensional, ¹ 2014–present	Independent Director, Dimensional US Mutual Funds, 1981–2000	Independent Director, Dimensional US Mutual Funds, 1981–present

“At Dimensional, we don’t jump on every new idea that comes along. We’re looking for what will stand up over a long period of time.”

Eugene Fama
Nobel laureate, 2013

¹. Dimensional Fund Advisors LP.
“Dimensional Directors” refers to the Board of Directors of the general partner of Dimensional Fund Advisors LP.

Implementation Requires Expertise

Taking knowledge and information and implementing it in a real test, not in a backtest, is what counts

Executive Team



DAVID BOOTH
Executive Chairman
and Founder



GERARD K. O'REILLY, PhD
Co-Chief Executive
Officer and Chief
Investment Officer



DAVE BUTLER
Co-Chief
Executive Officer



MARIENA LEE, PhD
Co-Head of Research



SAVINA RIZOVA, PhD
Co-Head of Research



PETE DILLARD
Chief Data Officer and
Head of Investment
Analytics and Data

Global Research Team

Global Portfolio Management and Trading Team



JED FOGGDALL
Head of Global
Portfolio Management



MARY PHILLIPS
Deputy Head of
Portfolio Management,
North America



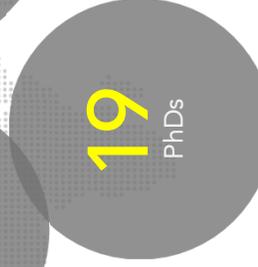
ALLEN PU
Deputy Head of
Portfolio Management,
North America



JOEL SCHNEIDER
Deputy Head of
Portfolio Management,
North America



RYAN WILEY
Head of Global
Equity Trading



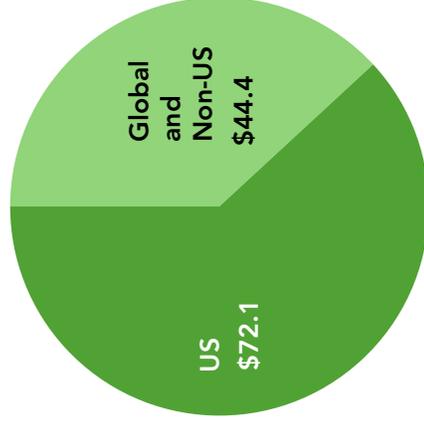
Extensive Fixed Income Capabilities

More than 35 years of experience and \$116.5 billion in global fixed income assets under management¹

STRATEGIES BY DURATION

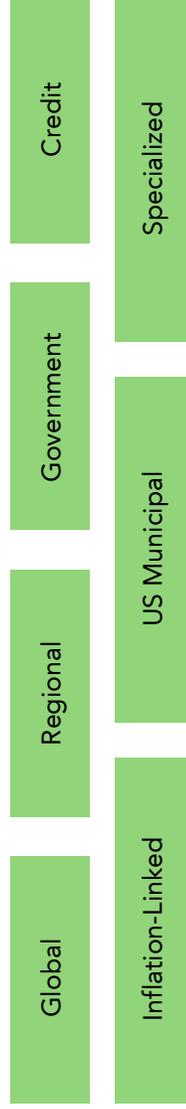


STRATEGIES BY REGION OF INVESTMENT



- Earliest strategy inception in 1983
- Multidisciplinary franchise with global reach
- Based upon rigorous academic research
- Experienced investment team
- Consistent portfolio management and execution
- Value-added execution
- Competitively priced solutions

MANDATE CATEGORIES



1. Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Plc. Ltd., and Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services. As of March 31, 2019.

All assets in US dollars. Numbers may not total 100% due to rounding.

Global Fixed Income Team

Dedicated to consistent implementation of investment strategies

PORTFOLIO MANAGEMENT

Austin	Years of Experience		Firm
	Industry	Firm	
Joseph Kolerich, ¹ Senior PM	25	17	17
Pamela Noble, CFA	26	10	10
Alan Hutchison	12	12	12
Lacey Huebel, CFA	8	6	6
Aafsar Dhuka	3	1	1
Charlotte			
Travis Meldau	15	7	7
Jonathon Mershimer, CFA	7	1	1
Brett Balasa	3	2	2
Santa Monica			
David Plecha, ^{1,2} CFA, Global Head	31	29	29
Alexander Fridman, PhD, CFA, FRM	13	5	5
David Shao, CFA	12	12	12
Ryan Haselton	10	3	3

TRADING

Austin	Years of Experience		Firm
	Industry	Firm	
David LaRusso, Senior Trader	18	18	18
Robert Richardson	20	6	6
Elizabeth Van Pelt	9	8	8
Charlotte			
Polly Weiss, CFA, FRM, Senior Trader	13	10	10
Santa Monica			
Claudette Higdon	18	18	18
London			
Archit Soni	9	3	3

PRODUCT MANAGEMENT AND STRATEGY

Austin	Years of Experience		Firm
	Industry	Firm	
Tom Goodrum, CFA	23	6	6
Douglas Longo	16	4	4
Sooyeon Kim	3	1	1

Investment Research Committee

- Long-term, strategic focus
- 15 members, including 2 Nobel laureates

Investment Committee

- Implementation and daily oversight
- 14 members
- Average 18 years of firm experience

Research

- Synthesis of client needs and financial theory into investment solutions
- 80+ professionals, including 19 PhDs

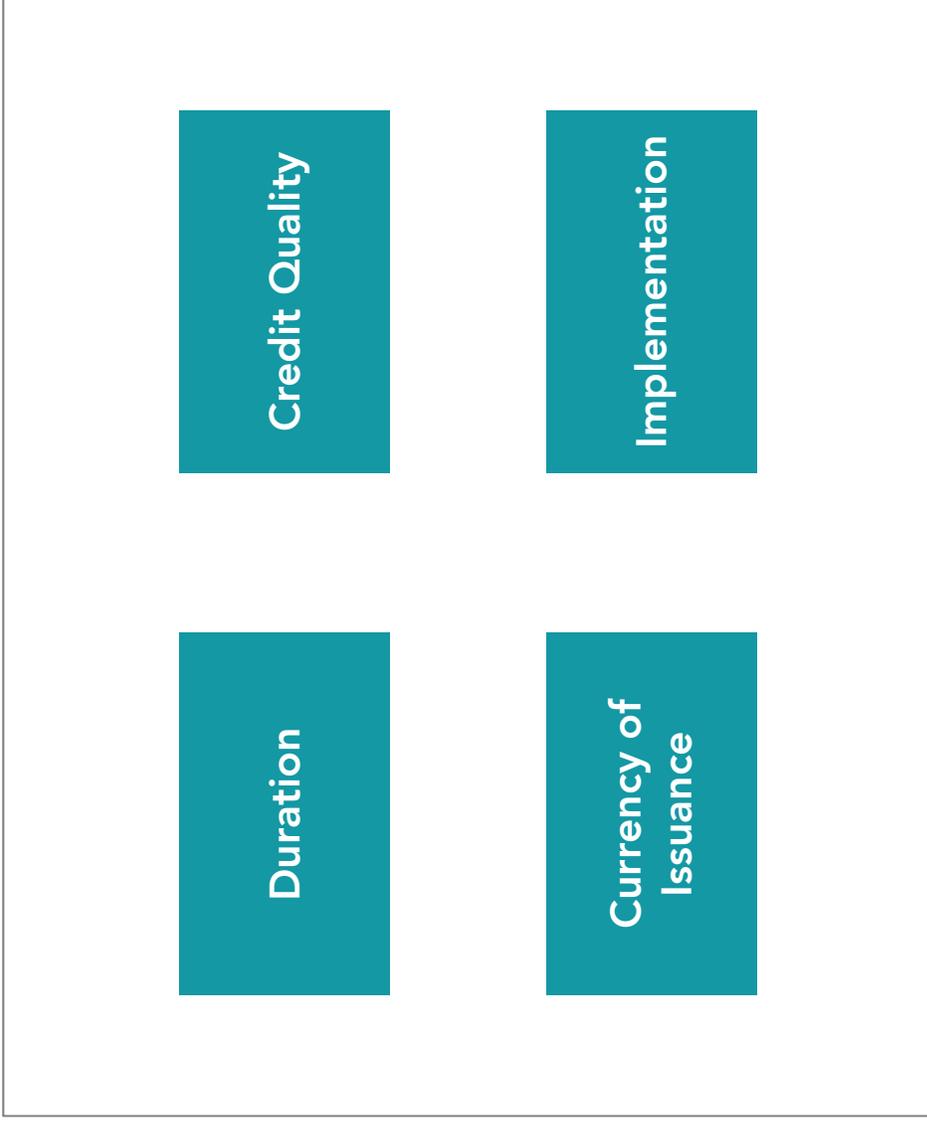
As of February 28, 2019. Years of experience and research team headcount as of December 31, 2018.

1. Investment Committee member.

2. Investment Research Committee member.

Investment Philosophy

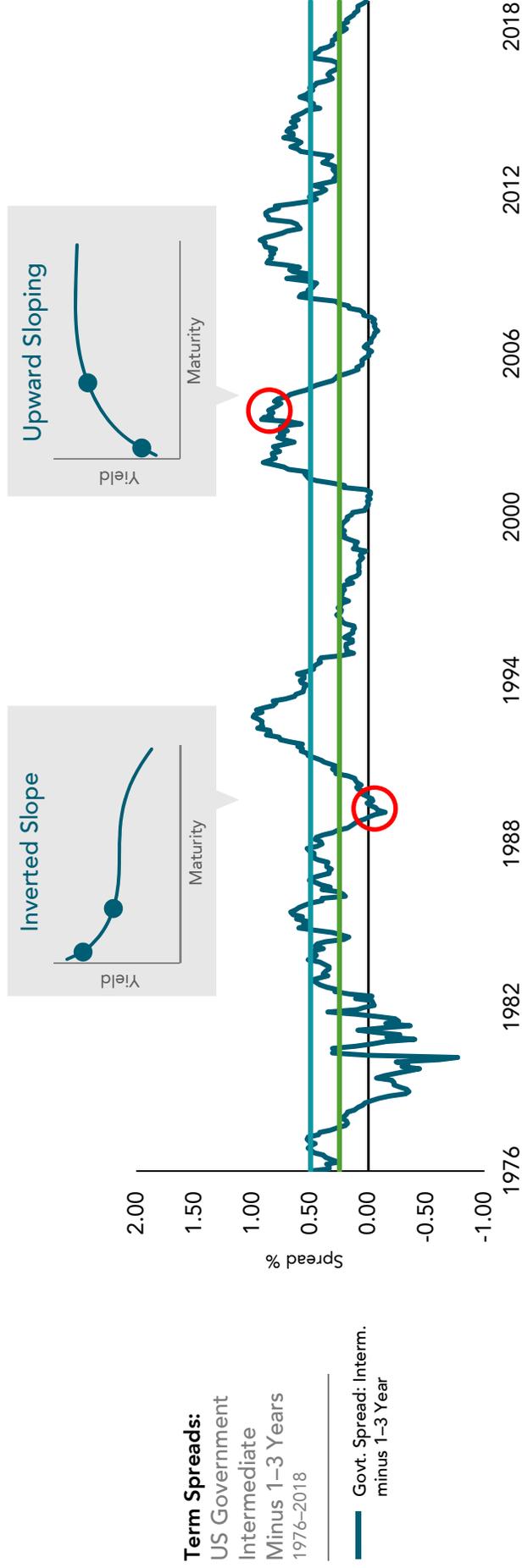
Managing Fixed Income Portfolios to Meet Investor Goals



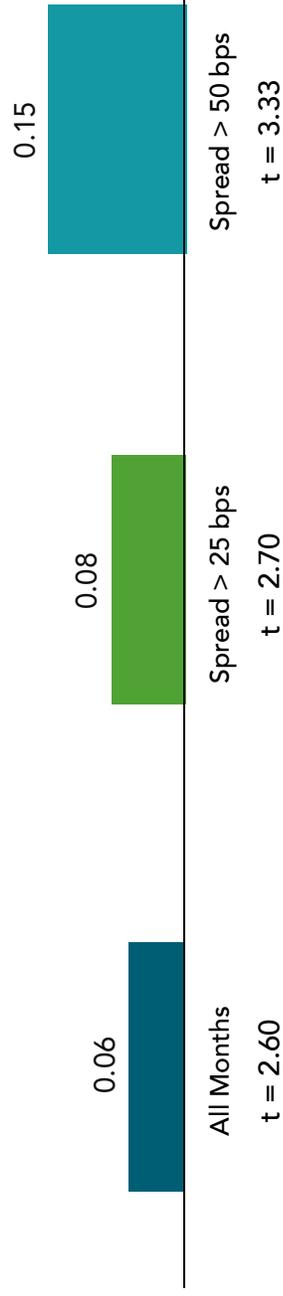
- Across bonds, market prices and expected returns vary by duration, credit quality, and currency of issuance.
- Duration, credit quality, and opportunity set constraints shape portfolios that meet investor goals.
- We use information in current prices to improve expected returns and manage risk.

Since 1983, Dimensional has used these investment considerations when managing fixed income portfolios to address investor goals.

Term Premium



Average Monthly Return Difference
 US Government Intermediate Minus 1-3 Years 1976-2018



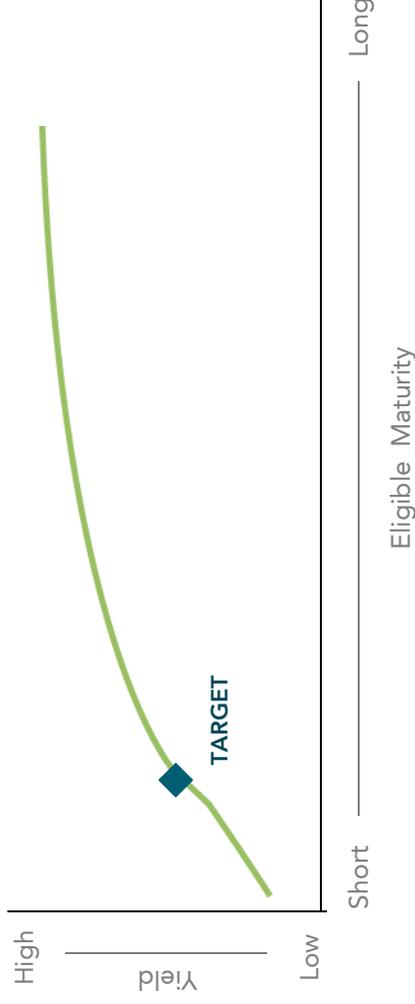
There is a reliable relation between current term spreads and term premiums.

Monthly data in US dollars. Bloomberg Barclays Government 1-3 Year and Intermediate Indices. Yield to worst: Intermediate and 1-3 Years. Bloomberg Barclays data provided by Bloomberg. Indices are not available for direct investment. Past performance is no guarantee of future results.

Term Spreads and Expected Term Premiums

Using information in spreads to seek higher expected returns

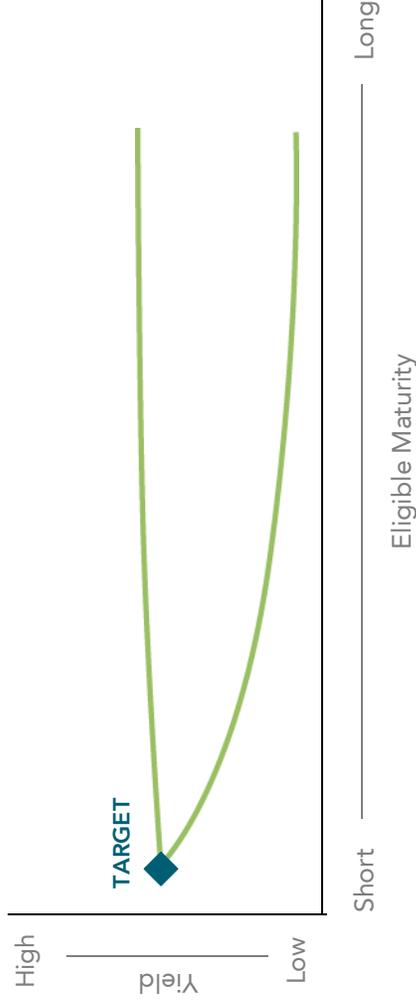
NORMAL YIELD CURVE



- On average, wide term spreads are associated with higher term premiums.
 - Lengthen duration, target highest/steepest segments of yield curve.

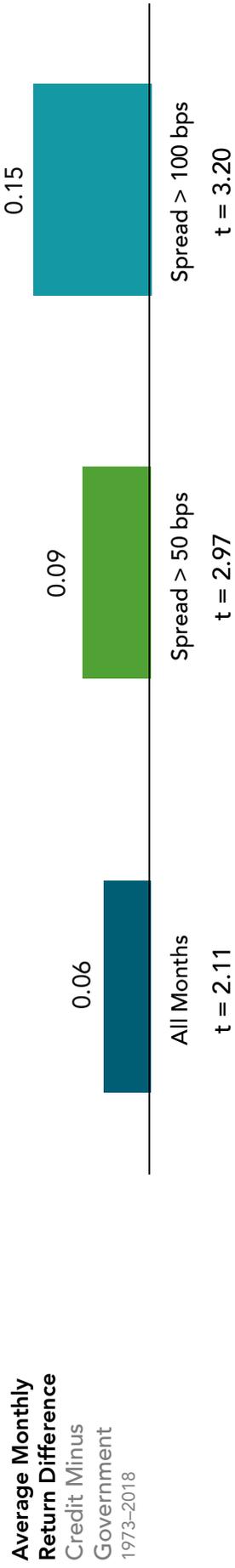
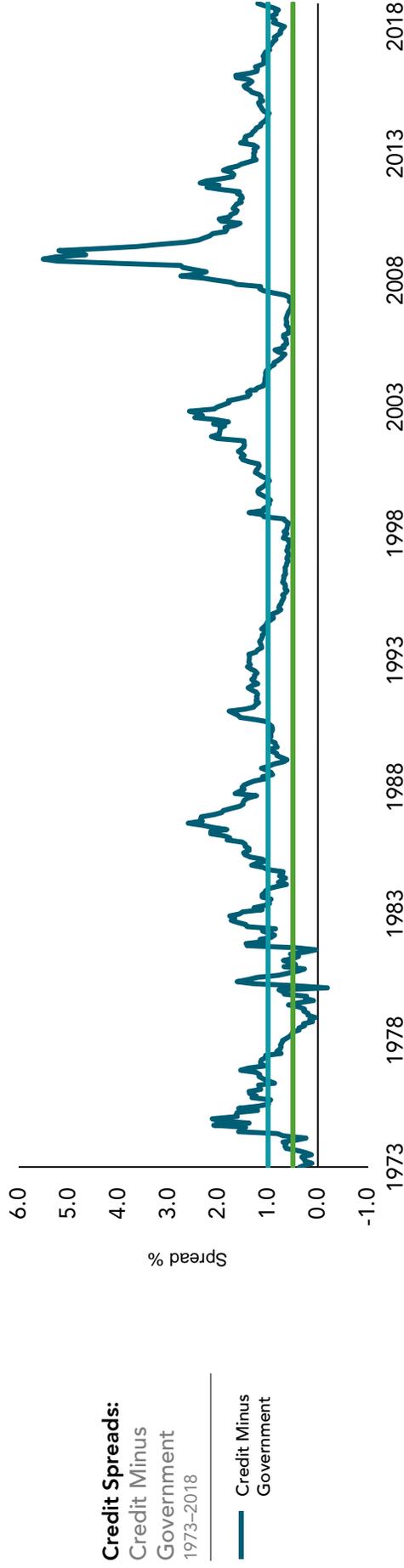
- On average, narrow term spreads are associated with lower term premiums.
 - Shorten duration, target shorter maturities.

FLAT/INVERTED YIELD CURVE



For illustrative purposes only.

Credit Premium

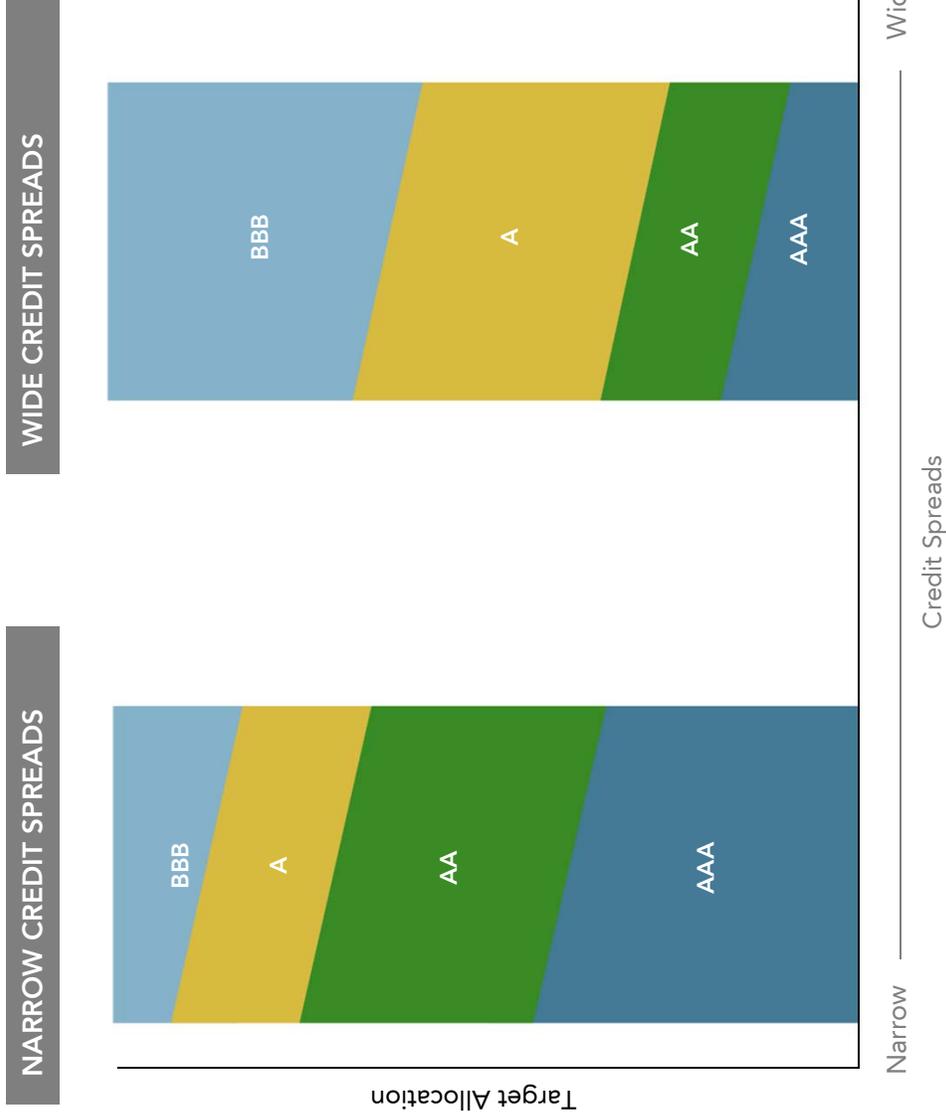


There is a reliable relation between current credit spreads and credit premiums.

Monthly data in US dollars. Bloomberg Barclays Intermediate Indices. Government: Bloomberg Barclays US Government Intermediate Index. Credit: Bloomberg Barclays US Intermediate Credit Index. Bloomberg Barclays data provided by Bloomberg. Indices are not available for direct investment. Past performance is no guarantee of future results.

Credit Spreads and Expected Credit Premiums

Using information in spreads to seek higher expected returns



- Narrow credit spreads generally lead to lower credit premiums.
 - Increase allocation to higher credit quality bonds.
- Wide credit spreads generally lead to higher credit premiums.
 - Increase allocation to lower credit quality bonds.

Integrated, Market-Driven Approach

Pursuing expected term and credit premiums in a broadly diversified portfolio

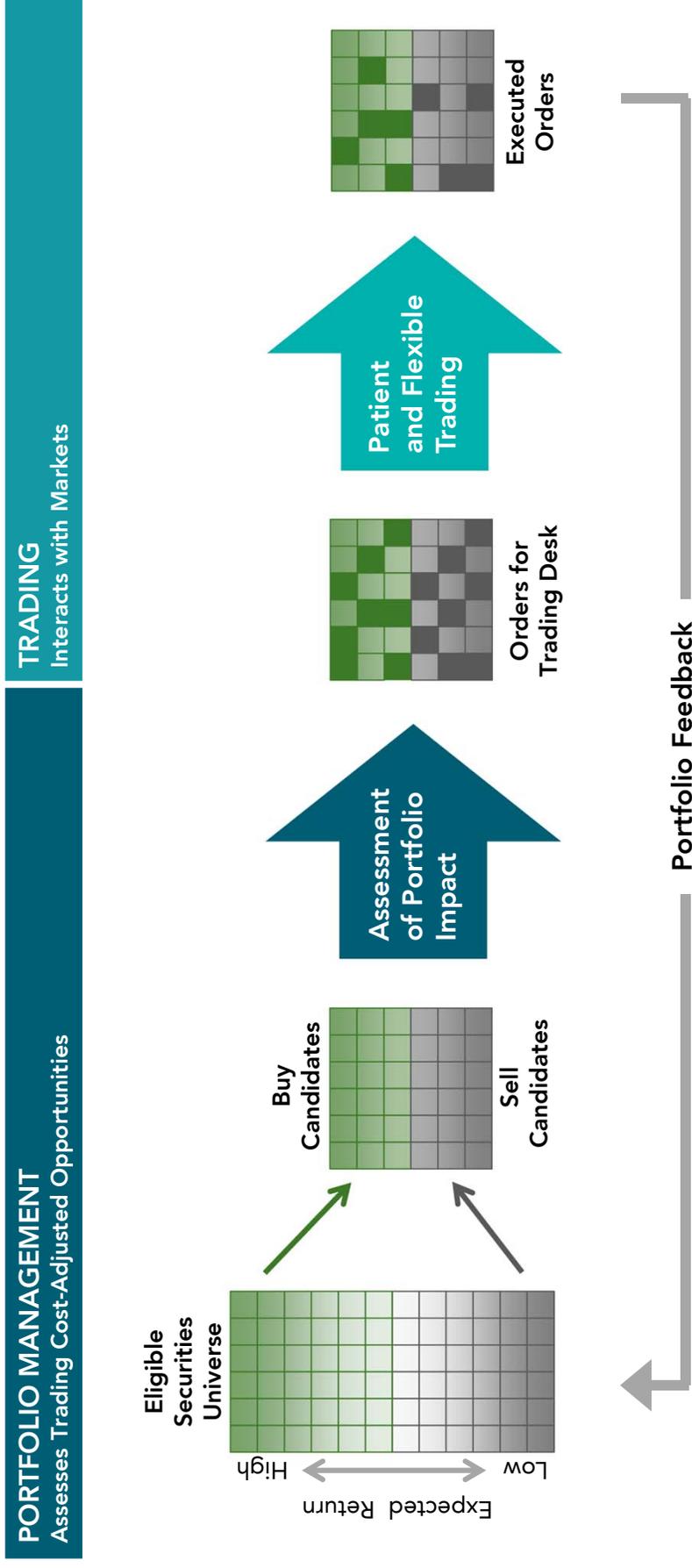
Term: Yield Curve Shape

		Term: Yield Curve Shape	
		NORMAL	FLAT/INVERTED
Credit Spreads	WIDE	<ul style="list-style-type: none"> • Longer duration • Lower credit quality 	<ul style="list-style-type: none"> • Shorter duration • Lower credit quality
	NARROW	<ul style="list-style-type: none"> • Longer duration • Higher credit quality 	<ul style="list-style-type: none"> • Shorter duration • Higher credit quality

Portfolio Implementation

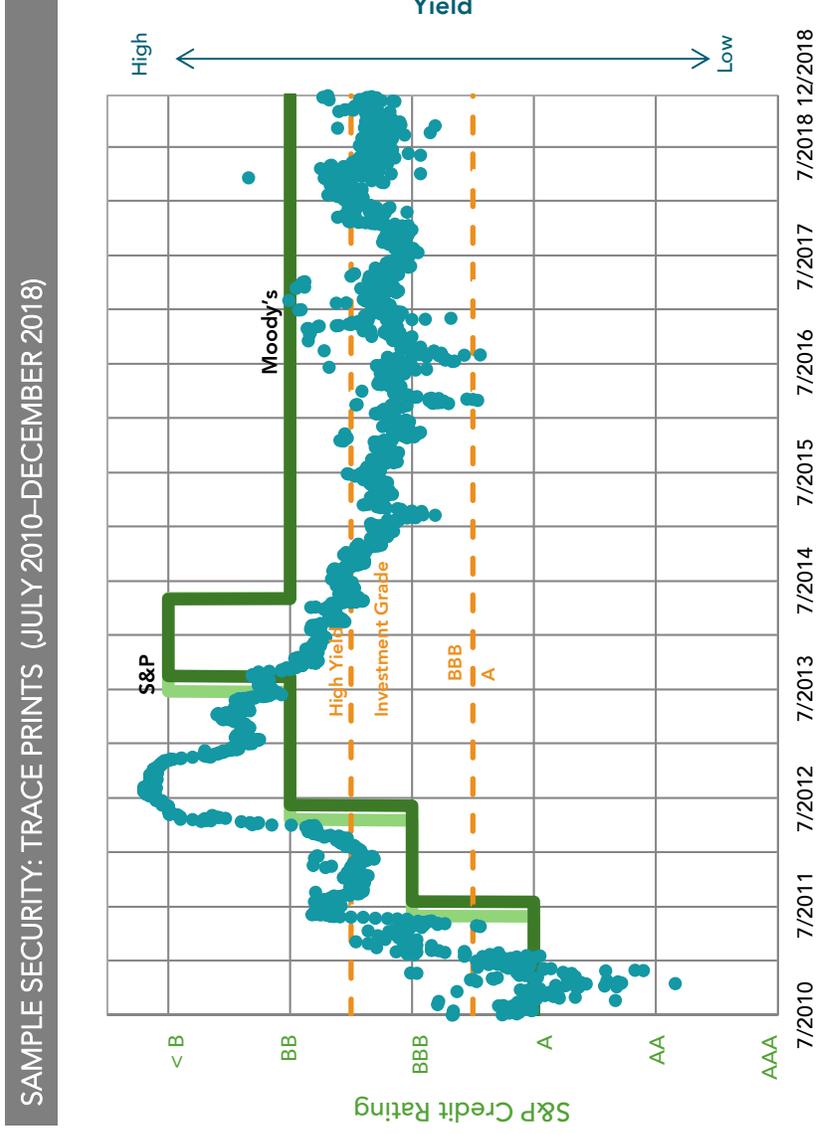
Integrated Fixed Income Portfolio Management and Trading

Pursuing higher expected returns and cost-effective execution



Market-Based Credit Ratings vs. NRSROs¹

Market information can be used to evaluate issuer credit quality



- Dimensional believes that market prices for liquid bonds reflect all relevant information, risk, expected returns, and market participants' expectations.
- Given that, we rely upon prices/yields to reflect risk of individual issuers.
- Outlier analysis using TRACE data can identify riskier bonds ahead of NRSROs.
- Dimensional takes action to maintain risk profile of strategy holdings consistent with mandate.

1. Credit rating agencies registered as such with the Securities and Exchange Commission (SEC) are known as Nationally Recognized Statistical Rating Organizations (NRSROs). Source: TRACE. The Trade Reporting and Compliance Engine (TRACE) is the Financial Industry Regulatory Authority, Inc. (FINRA) developed vehicle that facilitates the mandatory reporting of over-the-counter secondary market transactions in eligible fixed income securities. All broker-dealers who are FINRA member firms have an obligation to report transactions in corporate bonds to TRACE under a Securities & Exchange Commission (SEC) approved set of rules. Past performance is no guarantee of future results.

Relative Price Advantage of Patient Trading

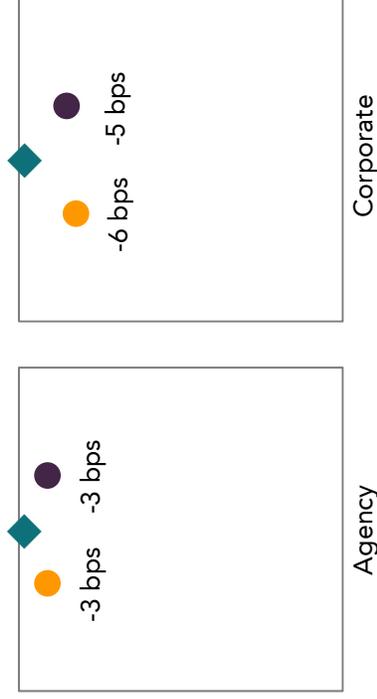
Dimensional seeks to avoid demanding immediacy when trading

◆ Dimensional Trade¹ ● Trade Before ● Trade After

PURCHASE PRICE LOWER THAN ADJACENT TRADES (MINIMUM \$100K TRADE SIZE)



SALE PRICE HIGHER THAN ADJACENT TRADES (MINIMUM \$100K TRADE SIZE)



- Approach based on flexibility among issues/issuers of like term and credit characteristics.
- On the buy side, the average adjacent buy price is higher than Dimensional's buy price.
- On the sell side, the average adjacent sell price is lower than Dimensional's sell price.
- Flexible approach helps reduce costs

Source: TRACE. The Trade Reporting and Compliance Engine (TRACE) is the Financial Industry Regulatory Authority, Inc. (FINRA) developed vehicle that facilitates the mandatory reporting of over-the-counter secondary market transactions in eligible fixed income securities.

1. "Dimensional" refers to Dimensional Fund Advisors LP. bps (basis point): One hundredth of a percentage point (0.01%). Data compiled by Dimensional. TRACE-eligible corporate and agency bond trades from January 1, 2017 to December 31, 2017. Comparative trades (prior and post) are filtered on trade size (excluding trades with size less than 100K par). This could have a considerable effect on the relative trade prices.

Past performance is no guarantee of future results. The performance returns calculated for the Dimensional strategies already reflect trading costs.

Account Review

Contra Costa County ERA Short-Term US Credit

Overview as of March 31, 2019¹

PORTFOLIO OVERVIEW			
Inception Date	December 2016		
Assets Under Management	\$375.1 million		
Eligible Investments ²	Treasuries	Agencies	Corporates
	Supranationals	Cash equivalents	
Credit Quality Eligibility	Treasury	AAA	A
	Agency	AA	BBB
Primary Investment Parameters²			
Average Duration	Maximum of 3 years duration for portfolio, 5 years maturity for individual security		
Industry Constraints	Maximum of 25%		
Guarantor Constraints	5% maximum in AAA + AA, 1% in A + BBB; no limit on US guaranteed bonds		
Issuer Constraints	3% maximum in AAA + AA, 1% in A + BBB; no limit on US government-backed securities		
Currency/Country Exposure	USD Only		
Non-USD Constraints	N/A		
Hedging Instruments	N/A		
Leverage	None		
Benchmarks			
ICE BofAML	1-5 Year US Corporate and Government Index		

1. Subject to change. Portfolio is governed by the prospectus. The information contained herein reflects the current day-to-day management of the portfolio, which is subject to change in the future within the guidelines set forth in the prospectus. Prospectuses are available by calling Dimensional Fund Advisors collect at (512) 306-7400 or at us.dimensional.com.
 2. Not comprehensive.

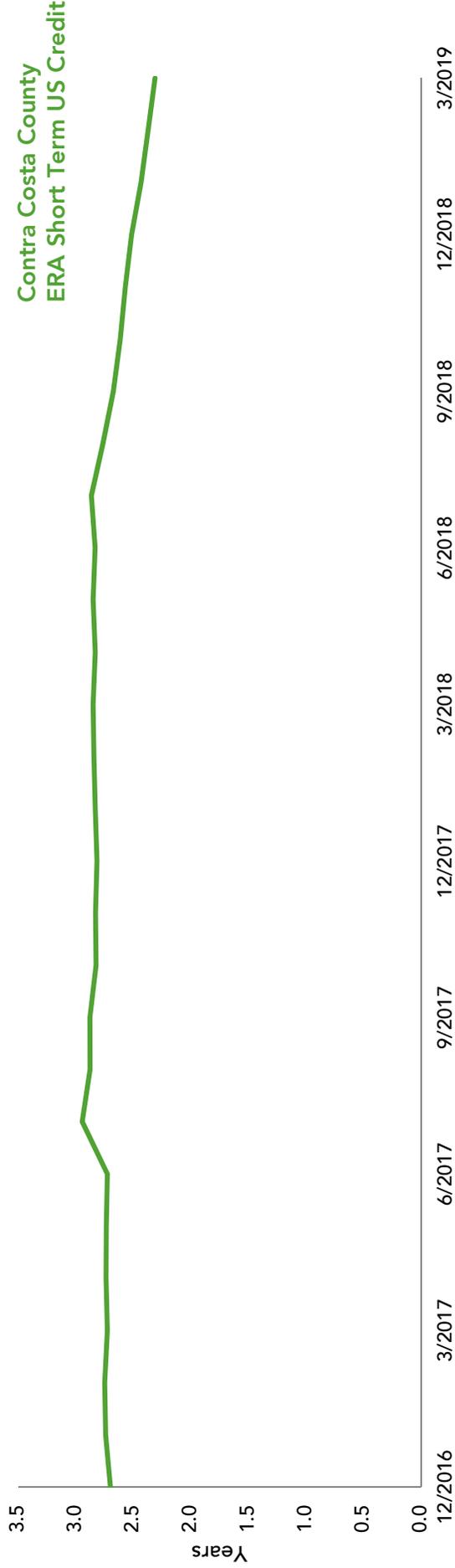


Contra Costa County ERA Short-Term US Credit

Characteristics as of March 31, 2019

	Average Duration (Years)	Average Maturity (Years)	Average Coupon	Yield to Maturity
CONTRA COSTA COUNTY ERA SHORT-TERM US CREDIT	2.31	2.43	2.78	2.73
ICE BofAML 1-5 Year US Corporate and Government Index	2.63	2.80	2.66	2.54

AVERAGE DURATION (MONTHLY: DECEMBER 2016-MARCH 2019)

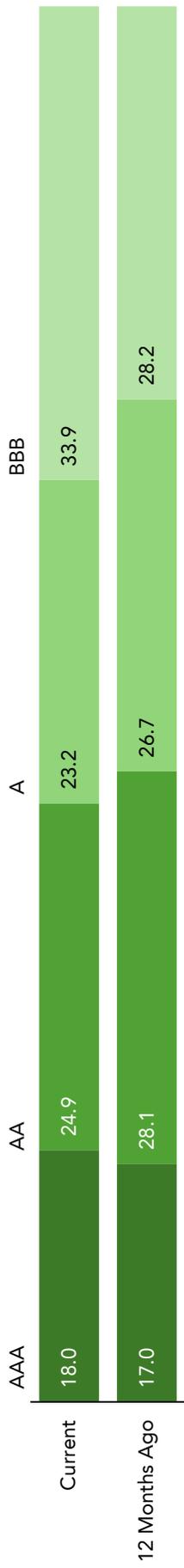




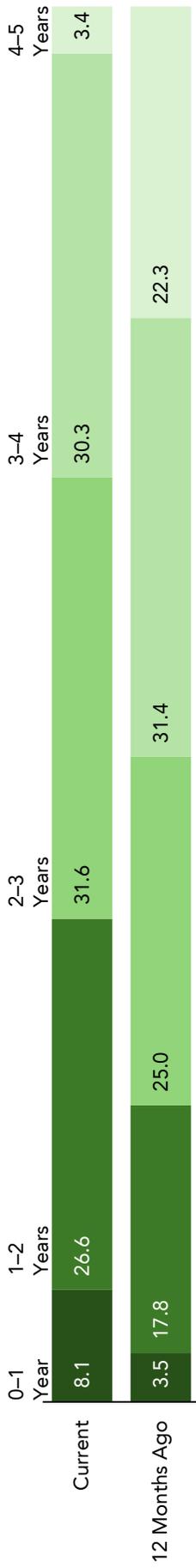
Contra Costa County ERA Short-Term US Credit

Characteristics as of March 31, 2019

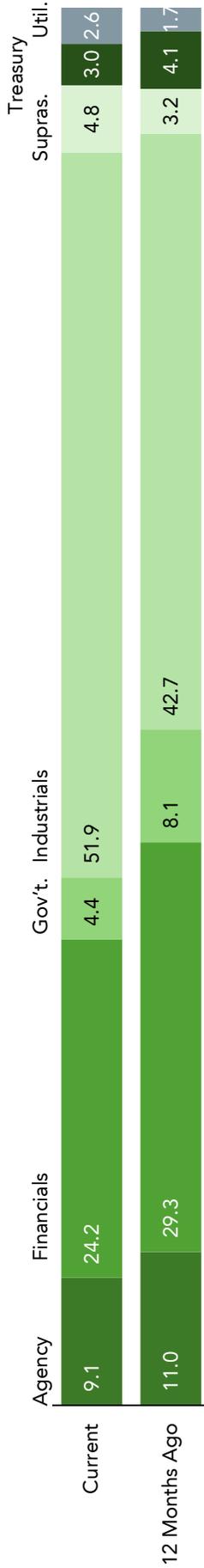
DISTRIBUTION BY CREDIT RATING¹ (%)



DISTRIBUTION BY MATURITY (%)



DISTRIBUTION BY SECTOR TYPE (%)



1. Credit rating agencies Moody's Investor Service, Fitch Ratings, and Standard & Poor's Corporation rate the credit quality of debt issues. For reporting purposes, we generally assign a composite rating based on stated ratings from Nationally Recognized Statistical Ratings Organizations ("NRSROs"). For example, if Moody's, Fitch, and S&P all provide ratings, we assign the median rating. In certain instances, such as Pre-Refunded Municipals and US Treasury and Agency securities, we will assign the internal Dimensional rating. The internal Dimensional rating can only be as high as the highest stated credit rating from an NRSRO. Holdings are subject to change.



Contra Costa County ERA Short-Term US Credit

Performance as of March 31, 2019

Annualized Returns ¹ (%)	Year to Date	1 Year	Since 1/2017 Account 1st Full Month
CONTRA COSTA COUNTY ERA SHORT-TERM US CREDIT (gross of fees)	2.05	4.01	2.32

ICE BofAML 1-5 Year US Corporate and Government Index

1.64 3.57 1.92

Account Value

CONTRA COSTA COUNTY ERA FIXED INCOME SEPARATE ACCOUNT

\$375,102,026

CALENDAR YEAR RETURNS (%)

- Contra Costa County ERA Short-Term US Credit (gross of fees)
- ICE BofAML 1-5 Year US Corporate and Government Index



Performance data shown represents past performance and is no guarantee of future results. A client's investment return will be reduced by the advisory fees and other expenses it will incur in the management of its advisory account.

¹. Returns for periods shorter than one year are not annualized. ICE BofAML index data © 2019 ICE Data Indices, LLC. Indices are not available for direct investment.



Summary



Dimensional Fund Advisors

A global investment firm with a research-based, transparent, and process-driven approach

An investment philosophy supported by rigorous theoretical and empirical research

A dynamic investment process informed by more than 35 years of experience managing tradeoffs that matter for performance

Investment solutions that target dimensions of expected returns

A firmwide commitment to our clients

"Dimensional Fund Advisors" refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., DFA Australia Limited, Dimensional Fund Advisors Canada U.L.C., Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services.

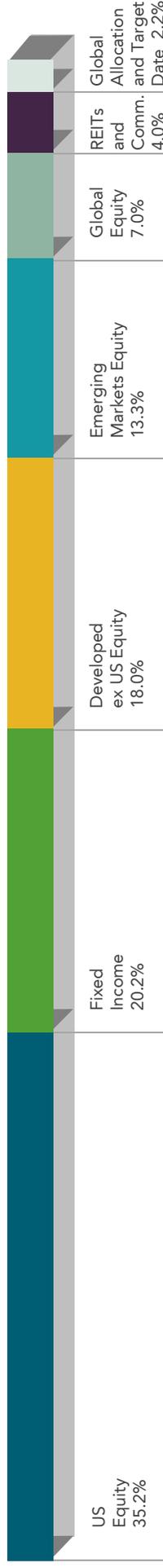


Appendix



Dimensional Global Investment Solutions

\$576 billion in global AUM as of March 31, 2019



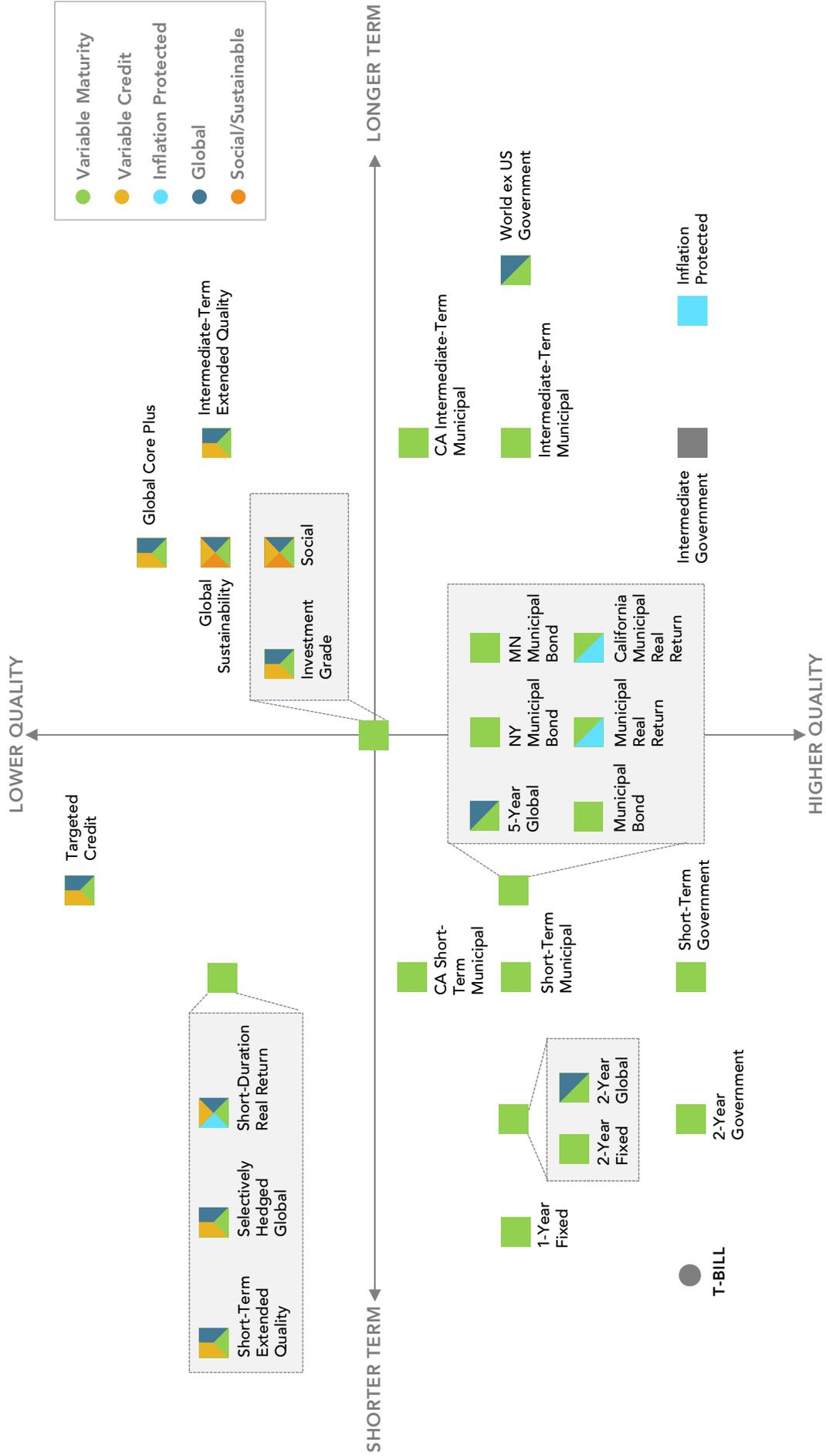
(in billions)

US Equity	Developed ex US Equity	Fixed Income
\$203.0	\$103.9	\$116.5
All Cap Core	All Cap Core	US
\$70.9	\$38.6	\$59.2
All Cap Value	All Cap Value	US Tax-Exempt
\$6.8	\$2.7	\$8.0
Growth	Growth	Non-US and Global
\$2.7	\$0.5	\$43.2
Large Cap	Large Cap	Inflation-Protected
\$21.7	\$8.7	\$6.2
Large Cap Value	Large Cap Value	
\$31.8	\$18.4	
SMID Cap Value	Small Cap	
\$18.1	\$20.0	
Small Cap	Small Cap Value	
\$26.2	\$15.0	
Small Cap Value		
\$16.8		
Micro Cap		
\$8.0		
	Global Equity	Other
	All Cap/Large Cap	Real Estate
	Value	\$21.5
	Small/SMID Cap	Commodities
	\$2.9	\$1.8
		Global Allocation
		\$11.6
		Target Date
		\$0.9

Emerging Markets Equity	Global Equity
\$76.7	\$40.5
All Cap Core	All Cap/Large Cap
\$33.0	\$31.9
Value	Value
\$27.8	\$5.6
Large Cap	Small/SMID Cap
\$8.8	\$2.9
Small Cap	
\$7.1	

*Dimensional refers to the Dimensional separate but affiliated entities generally, rather than to one particular entity. These entities are Dimensional Fund Advisors LP, Dimensional Fund Advisors Ltd., DFA Australia Limited, Dimensional Fund Advisors Canada ULC, Dimensional Fund Advisors Pte. Ltd., Dimensional Japan Ltd., and Dimensional Hong Kong Limited. Dimensional Hong Kong Limited is licensed by the Securities and Futures Commission to conduct Type 1 (dealing in securities) regulated activities only and does not provide asset management services. All assets in US dollars. Numbers may not total 100% due to rounding.

A Range of Strategies for Different Client Needs



Inventory Models and Locating Bonds

Transparency facilitates patient and flexible trading to add value

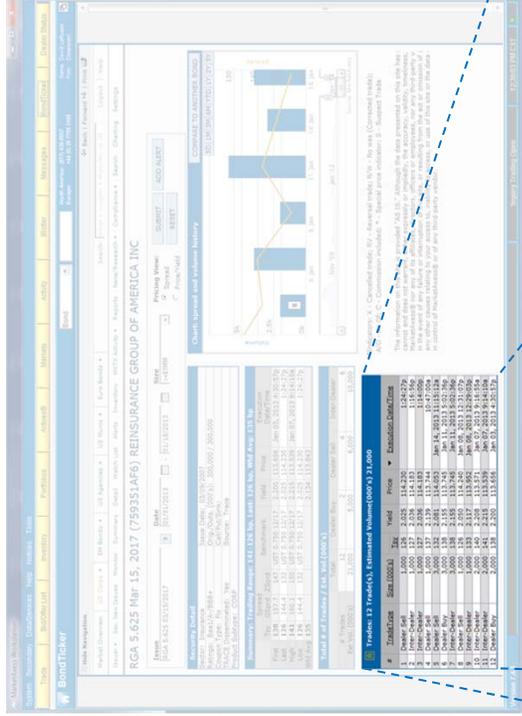


Illustration: Sample Data Elements from TRACE

	Trade Type	Size (000's)	Spread to Tsy	Yield	Price	Date	Execution Time
1	Dealer Buy	2,000	138	2.200	113.656	Jan 03	4:30:57p
2	Dealer Sell	1,000	126	2.050	114.210	Jan 08	12:31:07p
3	Dealer Sell	1,000	137	2.139	113.744	Jan 14	10:47:00a
4	Dealer Sell	1,000	126	2.025	114.230	Jan 14	1:24:27p

- TRACE allows Dimensional to:
 - Verify current prices
 - Evaluate credit quality
 - Interpret dealer inventory
- Dimensional uses robust inventory models to locate bonds and capitalize on possible counterparty motivations

Example Interpretations

- Dealers' inventory rises by \$2MM face value
- Customer buys bond at a higher price than dealer purchase; dealers' inventory reduced by \$1MM face
- Dealer has been holding remaining inventory for 6 days; we see an opportunity to capitalize on dealer's motivation and buy \$1MM at a lower price than previous customer
- Another customer purchases \$1MM at a higher price; dealer likely short \$1MM inventory

TRACE data is integral to strategy implementation

Purely illustrative examples. Interpretations and results may differ.

The Trade Reporting and Compliance Engine is the Financial Industry Regulatory Authority, Inc. (FINRA) developed vehicle that facilitates the mandatory reporting of over-the-counter secondary market transactions in eligible fixed income securities. All broker-dealers who are FINRA member firms have an obligation to report transactions in corporate bonds to TRACE under a Securities & Exchange Commission (SEC) approved set of rules.

Risk Management Measures and Resources

Fixed Income Strategies

<p>Liquidity Management</p> <ul style="list-style-type: none"> • Emphasis on liquid securities • Flexibility in issue selection • Real-time monitoring 	<p>Counterparty Risk</p> <ul style="list-style-type: none"> • Emphasis on diversification • Governance oversight of Investment Committee, Portfolio Management, and Compliance groups
<p>Systematic Risk</p> <ul style="list-style-type: none"> • Monitor duration and credit quality of individual issues and overall portfolio • Monitor market prices and term/credit spreads 	<p>Implementation Risk</p> <ul style="list-style-type: none"> • Team managed • Systematic adjustments based on market activity • Governance oversight of Investment Committee, Portfolio Management, and Compliance groups
<p>Concentration Risk</p> <p>Emphasis on diversification across multiple facets (as applicable):</p> <ul style="list-style-type: none"> • Issuer • Guarantor • Industry • Country • Currency 	<p>Operational Risk</p> <ul style="list-style-type: none"> • Customized Charles River Order Management Solution • Proprietary and third-party risk tools • Comprehensive pre- and post-trade compliance • Independent accountant, custodian bank, and auditors • Independent SSAE 16 audit performed annually

Presenters' Biographies

David Plecha, CFA Global Head of Fixed Income and Vice President

Dave Plecha is Dimensional's Global Head of Fixed Income. Dave is an enthusiastic and incisive communicator at the firm's conferences and seminars. A member of the Investment Committee and Investment Research Committee, he not only manages US and global portfolios but also maintains much of the fixed income research and client communications. Dave has been instrumental in the planning and execution of Dimensional's tax-managed separate account strategies in the US.

Dave received his Chartered Financial Analyst® designation in 1996. Prior to joining Dimensional in 1989, he managed stock index futures and options for Leland O'Brien Rubinstein Associates and was an operations planner for Texas Instruments. He holds an MBA from the University of California, Los Angeles, and a BS in industrial and operations engineering from the University of Michigan.

Ted Simpson, CFA Vice President

Ted Simpson, a Vice President on the Institutional Services team, is responsible for developing and maintaining relationships with public pension funds, foundations, endowments, Taft-Hartley plan sponsors, and corporate pension and defined contribution plans.

Since joining Dimensional in 2002, Ted has held a number of positions within the firm. He began as a marketing consultant before taking a leadership role in the firm's defined contribution market initiative. Later, Ted got involved with Dimensional's consultant relations effort and eventually helped manage the group. Most recently, he has shifted his attention to working directly with clients.

Prior to joining Dimensional, Ted worked for Salomon Brothers, Legal & General, Mattel, Lion Nathan, and a fee-only RIA. He earned an MBA in marketing, strategy, and organizational behavior from the Kellogg School of Management at Northwestern University and a BA in politics and economics from Princeton University. Ted is a CFA® charterholder and holds FINRA licenses 24, 7, and 63.



Contra Costa County Employees' Retirement Association Service Team



Ted Simpson, CFA

Vice President

20 Years of Investment Experience
17th Year with Firm

Previous Employment: Mattel, Salomon Brothers
Education: MBA, Northwestern University;
AB, Princeton University

Email: Ted.Simpson@dimensional.com

Phone: (310) 917 - 1446



Rebecca Eby

Senior Associate

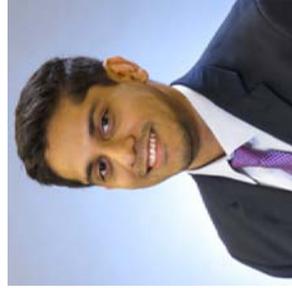
6 Years of Investment Experience
1st Year with Firm

Previous Employment: Citigroup, Bank of Tokyo-Mitsubishi UFJ, Ltd.

Education: MBA, University of Chicago Booth School of Business; BS, Georgetown University

Email: Inst_RD_Support-West@dimensional.com

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Ahmed Khan

Senior Associate

6 Years of Investment Experience
3rd Year with Firm

Previous Employment: Aon Hewitt

Education: MS, DePaul University; BA, DePaul University

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Lauren Peiffer

Associate

4 Years of Investment Experience
2nd Year with Firm

Previous Employment: Cambridge Associates

Education: BS, Washington & Lee University

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Weideng He

Senior Associate

7 Years of Investment Experience
3rd Year with Firm

Previous Employment: Barclays Capital

Education: MS, University of Southern California; BA, Waseda University

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Phone: (512) 306 - 2658



Dudley Okongo

Associate

3 Years of Investment Experience
1st Year with Firm

Previous Employment: eVestment

Education: BA, Emory University

Email: Inst_RD_Support-West@dimensional.com

Phone: (310) 576 - 1175



<i>Meeting Date</i> 04/24/19 <i>Agenda Item</i> #6

MEMORANDUM

Date: April 24, 2019

To: CCCERA Board of Retirement

From: Tim Price, Chief Investment Officer

Subject: Consider and Take Possible Action to Amend the Investment Policy Statement

Background

CCCERA's Investment Policy Statement (IPS) sets forth the underlying philosophies and processes for the selection, monitoring and evaluation of the investment options and investment managers used by the plan. It provides investment management guidelines and a process for making broad investment decisions, setting investment goals and communicating the policy to staff and consultants. Staff has reviewed the IPS along with legal counsel and proposes the following update and revision to Section 3.A.5 of the IPS "Investment Managers":

- Clarify that CCCERA requires its external investment managers to be registered investment advisors, unless specifically exempted from registration
- Clarify that CCCERA requires its external investment managers to act as fiduciaries
- Clarify that Chief Investment Officer (CIO) has been delegated the authority to negotiate terms of engagement with external investment managers so as to assure that CCCERA's interests are appropriately furthered
- Delete out-of-date references to banks, insurance companies and trusts

The IPS as well as a redline showing the recommended changes are enclosed, for reference. The recommended amended provision is as follows:

INVESTMENT MANAGERS

CCCERA engages Investment Managers to invest and manage CCCERA's assets, in accordance with this IPS, the manager's mandate, governing contractual documents and applicable state and federal laws and regulations. The Board has delegated the authority to CCCERA's Chief Investment Officer, on the advice of legal counsel, to negotiate terms of engagement with Investment Managers so as to assure that CCCERA's interests are appropriately furthered and Investment

Managers observe a fiduciary standard of care. At a minimum, Investment Managers (and any affiliated General Partners) will be required to comply with all applicable state and federal laws and regulations. Investment Managers shall be registered investment advisors under the federal Investment Advisors Act of 1940, unless expressly exempted from registration.

Subject to this IPS and any specific contractual obligations to the Plan, Investment Managers are responsible for making all investment decisions on a discretionary basis regarding assets placed under their jurisdiction and will be accountable for achieving their investment objectives. Such discretion shall include decisions to buy, hold, and sell assets in amounts and proportions that are reflective of the agreed-upon investment mandate.

Recommendation

Consider and take possible action to amend the Investment Policy Statement.

Recommended Changes to Section 3.A.5 of the Investment Policy Statement

<i>Meeting Date</i> 04/24/19 <i>Agenda Item</i> #6

Investment Managers

~~CCCERA engages Investment Managers are delegated the responsibility of investing to invest and managing Plan manage CCCERA's assets, in accordance with this IPS and all other applicable laws and the, the manager's mandate, governing contractual documents and applicable state and federal laws and regulations. The Board has delegated the authority to CCCERA's Chief Investment Officer, on the advice of legal counsel, to negotiate terms of the engagement with Investment Managers so as to assure that CCCERA's interests are appropriately furthered and Investment Managers observe a fiduciary standard of care. At a minimum, Investment Managers (and any affiliated General Partners) will be required to comply with all applicable investment documents evidencing CCCERA's acquisition of an interest in an investment vehicle, and other controlling documents. Each Investment Manager must be (1) an investment advisor state and federal laws and regulations. Investment Managers shall be registered investment advisors under the federal Investment Advisors Act of 1940; (2) a bank, as defined in that Act; (3) an insurance company qualified under the laws of more than one state to perform the services of managing, acquiring or disposing of the Plans' assets; (4) a trust operating as an investment company under the Investment Company Act of 1940; or (5) a state chartered trust company authorized to carry on a trust banking business. Each Investment Manager shall agree that it is a fiduciary of the Plan under California law., unless expressly exempted from registration.~~

Subject to this IPS and ~~their~~any specific contractual obligations to the Plan, Investment Managers are responsible for making all investment decisions on a discretionary basis regarding assets placed under their jurisdiction and will be accountable for achieving their investment objectives. Such discretion shall include decisions to buy, hold, and sell ~~investments~~assets in amounts and proportions that are reflective of the ~~stated~~agreed-upon investment mandate.

I85-01

Meeting Date

04/24/19

Agenda Item

#6

Contra Costa County Employees' Retirement Association

Investment Policy Statement

Adopted: January 14, 1986

Restated: September 28, 2016

Amended: _____, 2019

CCCERA INVESTMENT POLICY STATEMENT

TABLE OF CONTENTS

1.	PURPOSE	1
2.	AUTHORITY	1
3.	GOVERNANCE	2
	A. ROLES AND RESPONSIBILITIES	2
	1. Board of retirement	2
	2. Staff	3
	3. General investment consultant	3
	4. Specialty investment consultants	3
	5. Investment managers	4
	6. Custodian bank	4
	B. DELEGATION OF AUTHORITY	4
	1. Rebalancing	5
	2. Investment portfolio management	5
4.	INVESTMENT PHILOSOPHY	8
5.	INVESTMENT OBJECTIVES	9
6.	INVESTMENT STRATEGY	9
	A. ASSET ALLOCATION	9
	B. FUNCTIONAL SUB-PORTFOLIOS	10
	1. Liquidity sub-portfolio	10
	2. Growth sub-portfolio	10
	3. Diversifying sub-portfolio	11
	4. Interaction between the functional sub-portfolios	11
	C. INVESTMENT STRATEGY ATTRIBUTES	12
7.	RISK PHILOSOPHY	12
8.	PORTFOLIO MONITORING	13
	APPENDIX 1: REFERENCED INCORPORATED DOCUMENTS	14

CCCERA INVESTMENT POLICY STATEMENT

Contra Costa County Employees' Retirement Association

Investment Policy Statement

Adopted: January 14, 1986

Restated: September 28, 2016

AMENDED: 1/14/86, 2/27/86, 10/13/87, 8/9/88, 6/13/89, 8/8/89, 1/8/91, 10/13/92, 2/9/93, 5/2/94, 10/14/97, 5/4/99, 1/9/01, 2/12/02, 06/11/02, 11/06/02, 1/28/04, 5/26/04, 7/28/04, 12/14/05, 10/24/07, 4/08/09, 10/30/13, 9/28/16

The Contra Costa County Employees' Retirement Association (CCCERA) is a public employee retirement system that was established by the County of Contra Costa on July 1, 1945. CCCERA is administered by the CCCERA Board of Retirement (Board) to provide service retirement, disability, death and survivor benefits for county employees and sixteen other participating agencies under the County Employees Retirement Law of 1937, California Government Code Section 31450 *et. seq.* (CERL), the California Public Employees' Pension Reform Act of 2013, California Government Code Section 7522 *et. seq.* (PEPRA) and other applicable laws.

1. PURPOSE

CCCERA has established an investment program (Investment Program) designed to provide sufficient assets in a timely manner to pay the benefits due to participants today and in the future, over the long-term. The purpose of this Investment Policy Statement (IPS) is to establish the policies that will guide the Investment Program. This IPS is intended to provide guidance to the Board and to its delegates, the Staff and third-party professionals. This IPS is supported by the Board's Investment Resolutions, the Investment Procedures (Procedures), and Board policies that reflect the needs of the defined benefit plan (Plan) that the Board administers. The Investment Resolutions, policies and other Board documents identified in Appendix 1 hereto are incorporated into this IPS and made a part hereof by this reference.

2. AUTHORITY

The Investment Program shall be managed in accordance with applicable law, including but not limited to the following:

- The assets of the Plan are trust funds and shall be held for the exclusive purposes of providing benefits to the participants in the Plan and their beneficiaries and defraying reasonable expenses of administering the Plan (Cal. Const. art. XVI, sec. 17(b); Cal. Govt. Code sec. 31595).

CCCERA INVESTMENT POLICY STATEMENT

- The board and its officers and employees shall discharge their duties with respect to the system:
 - (a) Solely in the interest of, and for the exclusive purposes of providing benefits to, participants and their beneficiaries, minimizing employer contributions thereto, and defraying reasonable expenses of administering the system.
 - (b) With the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of an enterprise of a like character and with like aims.
 - (c) Shall diversify the investments of the system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so.
- (Cal. Const. art. XVI sec. 17(b), (c) and (d); Cal. Gov. Code Sec. 31595 (a), (b) and (c)).

3. GOVERNANCE

The Board hereby adopts a governance model whereby specific authority, responsibility, and accountability are either retained by the Board or delegated to others based on areas of expertise and appropriate oversight. The Board retains sole responsibility governing the Plan, setting investment policy, and monitoring the Investment Program. It may choose to delegate specific areas of responsibility provided it retains appropriate oversight of the delegated activity.

A. Roles and Responsibilities

1. BOARD OF RETIREMENT

The Board maintains the sole and plenary authority and fiduciary responsibility for the Investment Program. The Board also understands it may delegate certain responsibilities under the Investment Program for purposes of administrative efficiency and expertise. The areas of the Investment Program the Board may not delegate include:

- The governance model of the Investment Program
- Establishing and maintaining investment policy, including:
 - Investment philosophy
 - This IPS
 - Investment objectives
 - Strategic asset allocation
 - Allocation-level performance benchmarks
 - Risk philosophy
- Engaging Board consultants and service providers

CCCERA INVESTMENT POLICY STATEMENT

- Monitoring the Investment Program

2. STAFF

CCCERA Staff (Staff), including the Chief Executive Officer (CEO) and Chief Investment Officer (CIO), is broadly responsible for supporting the Board in the effective execution of the Investment Program. The CEO provides general direction and supervision to the CIO. The CEO and the CIO have been delegated authority to execute specific elements of the Investment Program as outlined herein as well as in the Investment Resolutions. The CEO has the authority to execute and terminate contracts between CCCERA and investment managers or other service providers as approved by the Board. The CIO has the authority to rebalance the portfolio under Section 3.B.1. of this IPS. The CIO also has the authority to manage the investment managers within the Plan under Section 3.B.2 of this IPS.

3. GENERAL INVESTMENT CONSULTANT

The General Investment Consultant (Consultant) is engaged by the Board to provide independent, objective investment advice. The Consultant is and shall agree to be a fiduciary to the Plan under California law. The Consultant works with Staff in the development of recommendations while recognizing its fiduciary duty is to provide prudent investment advice to the Board. The Consultant provides advice without discretionary authority to execute on its advice. The specific duties of the Consultant are contained in an Agreement for Professional Investment Consulting Services, and generally include providing advice with respect to:

- Investment strategy development and implementation
- Investment policy development
- Asset allocation among classes and subclasses
- Investment manager selection, evaluation and termination
- Investment performance monitoring
- Investment risk monitoring
- Capital markets projections
- Coordination with the Plan's actuary in conducting periodic asset/liability studies and other required reporting
- Board education

4. SPECIALTY INVESTMENT CONSULTANTS

Specialty consultants may be hired by the Board to work with Staff, the Consultant, and/or the Board. These will typically be asset class consultants (e.g., real estate, private equity, hedge funds) that may operate on a discretionary or non-discretionary basis, as directed by the Board, to meet the objectives of the Investment Program.

CCCERA INVESTMENT POLICY STATEMENT**5. INVESTMENT MANAGERS**

CCCERA engages Investment Managers to invest and manage CCCERA's assets, in accordance with this IPS, the manager's mandate, governing contractual documents and applicable state and federal laws and regulations. The Board has delegated the authority to CCCERA's Chief Investment Officer, on the advice of legal counsel, to negotiate terms of engagement with Investment Managers so as to assure that CCCERA's interests are appropriately furthered and Investment Managers observe a fiduciary standard of care. At a minimum, Investment Managers (and any affiliated General Partners) will be required to comply with all applicable state and federal laws and regulations. Investment Managers shall be registered investment advisors under the federal Investment Advisors Act of 1940, unless expressly exempted from registration.

Subject to this IPS and any specific contractual obligations to the Plan, Investment Managers are responsible for making all investment decisions on a discretionary basis regarding assets placed under their jurisdiction and will be accountable for achieving their investment objectives. Such discretion shall include decisions to buy, hold, and sell assets in amounts and proportions that are reflective of the agreed-upon investment mandate.

6. CUSTODIAN BANK

The Custodian Bank, selected by the Board to act as the principal custodian of assets of the trust, is delegated the responsibility of holding the assets and evidence of interests owned by CCCERA in investment vehicles and cash (and equivalents). The Board may authorize the Custodian Bank to invest in temporary short-term fixed income investments both for the investment strategies and as a part of the cash portion of Plan assets. Such investments will be managed in general accordance with short-term fixed income investment guidelines as detailed in the Custodial Agreement. Cash managed for investment strategies shall be considered to be sub-portions of the assets managed by the directing Investment Managers.

The Custodian Bank shall be authorized to conduct a securities lending program within liquidity and risk constraints as established by the Board.

B. Delegation of Authority

The Board has delegated authority to the CIO for certain functions as detailed below. Delegation of authority will be coordinated with workflow, compliance and reporting procedures that are clearly defined, reviewed, and approved. This IPS is used to describe the delegation of authority generally with the Investment Resolutions providing additional requirements and processes. The Board shall be notified timely of all investment decisions made by the CIO and their implications to the Plan.

CCCERA INVESTMENT POLICY STATEMENT**1. REBALANCING**

The Board recognizes there may be a cost to maintaining strict adherence to a target asset allocation in terms of both transaction costs and opportunity costs. The Board also recognizes that the benefit of cost minimization must be balanced against the assumption of active risk associated with allowing variances to asset allocation targets.

The CIO is delegated the authority to conduct portfolio rebalancing in order to meet two distinct objectives. The first is to maintain the long-term strategic asset allocation targets approved by the Board. The second is to capture valuation-based opportunities by deviating from the long-term strategic asset allocation targets within Zones 1 and 2 as follows:

i. Zone 1

The CIO may periodically rebalance the portfolio within Zone 1 ranges as set forth in the Investment Resolutions. When such rebalancing activity occurs, the CIO shall notify the Board at the next regularly scheduled meeting.

ii. Zone 2

With prior approval of the Board, the CIO may rebalance the portfolio within Zone 2 ranges as set forth in the Investment Resolutions. When such rebalancing activity occurs, the CIO shall notify the Board at the next regularly scheduled meeting.

For each of the zones listed above, special consideration will be given to illiquid asset classes recognizing that their funding and redemption processes are different than those of the liquid asset classes. As such, each illiquid asset class is assigned a liquid asset class to function as a holding place while the corresponding illiquid strategies are being invested.

Portfolio rebalancing may occur by adjusting allocations to individual investment strategies or managers or through the use of an overlay provider using derivatives.

2. INVESTMENT PORTFOLIO MANAGEMENT

While the Board believes the vast majority of investment return over the long term is dependent on the asset allocation decision and ongoing due diligence, it recognizes additional risk and return may be generated by how the asset allocation is implemented. These implementation decisions will largely be delegated to the CIO to be executed within the Investment Resolutions.

i. Hiring a new manager

The CIO shall have the authority to hire new managers (i.e., purchase interests in new investment vehicles) in accordance with the Plan's active risk budget and up

CCCERA INVESTMENT POLICY STATEMENT

to an investment amount of \$100 million. The \$100 million shall represent the cumulative total amount of originally committed capital under the management of a single investment manager and its affiliates. (By way of example, two vintage year funds under one manager with a commitment of \$50 million each would reach the total of \$100 million.) The CEO shall have authority to execute the contracts, consistent with the delegation of authority outlined in this IPS. Any cumulative commitment above \$100 million shall require explicit Board approval. In all cases, the hiring process must be consistent with the requirements for vendor selection detailed in the Procedures and other Plan policy documents, including but not limited to the Code of Fiduciary Conduct and Ethics, Conflict of Interest Code, Placement Agent Disclosure Policy and Procurement of Products and Services Policy.

Subject to the foregoing limitations, the CIO, with the assistance of the Consultant and Specialty Consultants, shall conduct all due diligence activities in connection with hiring new managers. The CIO shall invite the involvement of one or more Board members in the due diligence process.

Quiet period. During the process of hiring a new manager, a quiet period will apply during the evaluation process, during which time no Board member may knowingly have any communication with any actual or potential candidate for the mandate, unless authorized by the Board in connection with the due diligence process in selecting managers. The quiet period shall cease upon the Board entering into a contract with the Investment Manager(s) selected for the mandate. The CIO is responsible for alerting the candidates and the Board to the quiet period and its restrictions. A violation of the quiet period rule may result in disqualification of the candidate or other appropriate Board action.

ii. Investing in a new closed-end fund with an existing manager

In the case of closed-end funds with a limited investment lifecycle, additional investments are periodically required to maintain asset allocation targets. For such follow-on investments, Staff shall have the authority to make additional investments in an amount necessary to maintain the intended exposure, as estimated by a detailed funding analysis. Any additional investment beyond that which is required to maintain the intended exposure must be pre-approved by the Board.

In all cases, the hiring process must be consistent with the requirements for vendor selection detailed in the Procedures and other Plan policy documents (e.g., Procurement of Products and Services Policy, Placement Agent Disclosure Policy, Conflict of Interest Code).

CCCERA INVESTMENT POLICY STATEMENT

iii. Terminating existing managers

The Board recognizes investments may need to be adjusted or removed from the Plan portfolio from time to time for a variety of reasons, including:

- Organizational changes including those to the people and processes in place
- A manager's style has deviated from the initial investment thesis
- A manager's style, strategy, ethics, or philosophy is no longer appropriate for the Investment Program
- Underperformance relative to benchmark or other expectations
- Uncompetitive pricing compared to available alternatives

The CIO shall have the authority to terminate investment managers. Absent emergency circumstances (described below), prior to terminating a manager, the CIO shall present a detailed termination memo to the Board that includes:

- Purpose of the mandate
- Reason(s) for termination
- Specific plan to replace or temporarily invest the assets

Although the Board's explicit approval is not required, it shall maintain veto authority should a majority of the Board decide the planned termination is not in the best interest of the Plan.

Emergency termination. An emergency will be deemed to exist when an investment strategy suffers the resignation or other loss of its portfolio manager(s) and no appropriate replacement is available; when an investment management firm dissolves, ceases to exist, or is otherwise incapable of carrying out its activities in the ordinary course of its business; when an investment management firm is actually or effectively shut down by a regulatory agency of a state or the Federal government or is accused of theft or fraud by a regulatory agency or other government body; when the Plan's investment is in jeopardy of material loss; or when such other developments with the investment management firm give concern to the CIO that the investment is no longer prudent for the Investment Program. Staff shall take action to transfer management of the affected investment strategy as soon as possible after CCCERA learns of the emergency. In the case of an emergency, the CEO, or in the CEO's absence, the Deputy CEO or the CIO will attempt to notify the Chair and Vice Chair of the Board immediately; notify the Custodian Bank that the Investment Manager's Managed Account is to be frozen and, except for those trades which are pending, no further trading is authorized; and may call a special meeting of the Board to take further action.

CCCERA INVESTMENT POLICY STATEMENT

4. INVESTMENT PHILOSOPHY

The Investment Philosophy represents the foundational principles on which the Investment Program is based. Every investment decision should be made with these foundational principles in mind to promote the fulfillment of the fiduciary obligations. The statements below set forth the Board's Investment Philosophy:

Plan objectives should guide all decision making

The Investment Program is designed to provide benefits to participants over a long term without accepting undue risks that could be detrimental to the participants or Plan sponsors. The Investment Program, therefore, must be managed in a prudent manner recognizing the relationships between the benefits promised to participants and their beneficiaries, the financial health of the Plan sponsors, and the exposures within the Investment Program.

Asset allocation drives portfolio volatility and returns

It is impossible to accurately and consistently predict the future; therefore, the Plan is required to be prudently diversified across and within asset classes in anticipation of various economic conditions. In a well-diversified portfolio, the overall volatility of investment returns is principally driven by the asset allocation and secondarily driven by the individual investment strategies. As such, asset allocation is the primary tool by which the Board can manage the expected risk/return profile of the Plan.

Short-term investing

Over shorter investment periods of up to five (5) years, volatility can be more detrimental to the success of the Investment Program. Because paying benefits to participants and their beneficiaries occurs continuously, the forced selling of assets during broad market corrections to meet these payments could result in the long-term impairment of investable capital. By maintaining a portion of the portfolio invested in low-volatility, highly liquid securities and investment strategies, the Investment Program will be able to mitigate or avoid the forced selling of assets during broad market corrections.

Long-term investing

Over longer investment periods, volatility can be managed more effectively to produce beneficial results for the Investment Program. Market corrections will occur and when they do, patient and well-capitalized investors are able to wait until the market recovery takes place. Additionally, broad market corrections have historically provided investment opportunities for those with available capital and the foresight to make additional investments.

CCCERA INVESTMENT POLICY STATEMENT**Fees**

Fees directly impact the investment results of the Investment Program but are necessary to appropriately compensate the investment management of the Investment Program. Fees must, therefore, be measured closely against the value the Investment Program expects to earn and aligned to ensure incentives are consistent with the objectives of the Plan.

5. INVESTMENT OBJECTIVES

The investment objectives of the Investment Program are:

- To provide liquidity to meet retiree benefit payments in a timely manner;
- To produce long-term growth to meet future retiree benefit payments and maintain a funding surplus or closing a funding gap over time; and
- To protect the assets against the adverse impacts of rising inflation and investment market volatility.

Investment objectives specific to the individual investment strategies are further defined in the Board's Investment Strategy portion of this IPS.

6. INVESTMENT STRATEGY

The Board has chosen to employ an investment strategy that seeks to align the Investment Program with the investment objectives listed in Section 5 of this IPS. The strategy divides the portfolio into three functional sub-portfolios—Liquidity, Growth, and Diversifying—to address each investment objective highlighted in Section 5. The Liquidity Sub-portfolio is dedicated to funding near-term benefit payments. It is joined with the longer-term Growth Sub-portfolio as well as the Diversifying Sub-portfolio, which is intended to offset some of the investment risks embedded in the Growth Sub-portfolio. While the three sub-portfolios are aligned with the investment objectives individually, collectively they allow the Investment Program to provide appropriate risk and return characteristics.

A. Asset Allocation

The Board has adopted a strategic asset allocation based on the Plan's projected actuarial liabilities, liquidity needs, risk tolerance and the risk/return expectations for various asset classes. This asset allocation seeks to optimize long-term returns for the level of risk the Board considers appropriate. The current asset allocation table may be found in the Asset Allocation Investment Resolution.

Since projected liability and risk/return expectations will change over time, the Board will conduct a periodic review of the strategic asset allocation to maintain an expected optimal allocation. The Board may also revise the asset allocation in response to significantly changing conditions that have affected valuations and forward-looking expected returns of

CCCERA INVESTMENT POLICY STATEMENT

asset classes. The Board will review capital market expectations annually. The result of this review will be used to update the Investment Resolutions as needed.

B. Functional Sub-portfolios

As noted previously, the investment strategy for the Investment Program employs three functional sub-portfolios to construct the comprehensive asset allocation. The allocation to the Liquidity Sub-portfolio is assessed annually and is based on the projected benefit payments and expenses of the Plan. The remaining assets are invested in the Growth and Diversifying sub-portfolios. Annually the Board shall review the relative size and composition of these sub-portfolios and revise them as necessary through Investment Resolutions. The functional sub-portfolios are set forth below:

1. LIQUIDITY SUB-PORTFOLIO

The purpose of the Liquidity Sub-portfolio is to ensure adequate assets are available to pay benefits over an extended timeframe as outlined in the Investment Resolutions. The Board has established a target allocation amount of 48 months' worth of projected benefit payments in the Liquidity Sub-portfolio, which will be drawn down and replenished annually. The assets will be invested in highly liquid, low volatility securities expected to generate modest levels of return while preserving capital throughout a market cycle. This portfolio will contain assets such as cash, short-term bonds, laddered government bonds, derivatives, and other investments that provide fixed, contractual cash flows with a minimum level of credit risk. As a secondary purpose, a portion of the Liquidity Sub-portfolio may be allocated to the Growth Sub-portfolio during broad market corrections so long as at least 24 months of projected benefit payments and expenses are maintained in the Liquidity Sub-portfolio.

The success of the Liquidity Sub-portfolio will be measured by its ability to directly fund benefit payments through low-risk, cash flowing investments, as well as providing a stable offset to the rest of the portfolio during periods of severe market stress.

2. GROWTH SUB-PORTFOLIO

The purpose of the Growth Sub-portfolio is to grow invested assets over the long term in order to pay future benefits. Assets from the Growth Sub-portfolio may be sold over time and transferred to the Liquidity Sub-portfolio as needed. This portfolio is characterized by a long investment horizon and can, therefore, accept a higher level of volatility. Assets in this portfolio may be volatile, have reduced liquidity, and derive the bulk of their return from capital appreciation. These assets include public and private equity, corporate and other debt with credit risk premiums, private real estate and other private assets.

CCCERA INVESTMENT POLICY STATEMENT

The success of this portfolio will be measured primarily by compounded annual growth rates in conjunction with the annualized standard deviation of returns as the primary measure of risk. Performance evaluation will, therefore, focus on the long-term total risk-adjusted return of the portfolio.

3. DIVERSIFYING SUB-PORTFOLIO

The purpose of the Diversifying Sub-portfolio is to offset the investment risk of the Growth Sub-portfolio. Investment strategies in the Diversifying Sub-portfolio are expected to have return profiles that have a low correlation to those in the Growth Sub-portfolio. This is expected to effectively dampen the market volatility across the entire portfolio. As a secondary objective, the investment strategies in the Diversifying Sub-portfolio will offer additional sources of return to those in the Liquidity and Growth sub-portfolios. Assets in the Diversifying Sub-portfolio may be sold during times of market stress or when the assets in the Growth Sub-portfolio are impaired in order to fund the Liquidity Sub-portfolio.

The success of the Diversifying Sub-portfolio will be measured by its ability to offset declines in value in the Growth Sub-portfolio, as well as its ability to provide liquidity during times of market stress.

4. INTERACTION BETWEEN THE FUNCTIONAL SUB-PORTFOLIOS

The allocations to the Liquidity, Growth, and Diversifying sub-portfolios will vary over time. The Liquidity Sub-portfolio will operate as a drawdown vehicle to pay benefits and expenses. The Growth and Diversifying sub-portfolios will be subject to the volatility of the markets in which each functional sub-portfolio invests. In order to reallocate between the functional sub-portfolios, the Board will conduct two annual reviews: an annual capital review to assess the relative value and risks associated with each asset class; and an annual funding plan to determine how to replenish the Liquidity Sub-portfolio.

Annually the CIO and Consultant jointly shall deliver a review of the capital markets to the Board. The Consultant will provide the Board current forward-looking risk and return assumptions for all major asset classes. In conjunction with this review, the CIO will provide a recommendation of how best to allocate assets within each functional sub-portfolio. If necessary, the CIO will recommend changes in target allocations to the underlying asset classes in order to deploy the Investment Program's assets effectively in the upcoming year.

Additionally and subsequent to the capital markets review, the CIO will present an annual funding plan, which will provide a recommendation of how best to replenish the Liquidity Sub-portfolio for the next projected 48 months of benefits payments and

CCCERA INVESTMENT POLICY STATEMENT

expenses. The CIO will provide a monthly report to the Board on the progress of funding the Liquidity Sub-portfolio through a combination of harvesting income from the Growth and Diversifying sub-portfolios, asset sales in the Growth and/or Diversifying sub-portfolios or the use of contributions. Under normal market conditions, the balance in the Liquidity Sub-portfolio is expected to vary between 36 and 48 months of projected benefit payments and expenses.

C. Investment Strategy Attributes

All investment strategies, whether currently used by the Investment Program or being considered for inclusion in the Investment Program, will be evaluated on their own unique risk and return characteristics as well as their contribution to the overall Investment Program's risk and return characteristics. Other risks pertaining to the individual investment strategies and/or the firm managing the strategy will also be considered.

Fees and expenses of the investment strategies will be closely evaluated against competitive strategies and the value provided for the services rendered. While lower fees are clearly preferred over higher fees, the Plan seeks to identify investment strategies capable of providing value for participants by generating investment returns in excess of benchmark returns plus fees. Fee structures will be evaluated to ensure appropriate incentives are provided to achieve the desired outcomes for the Investment Program.

7. RISK PHILOSOPHY

The Board recognizes that the assumption of investment risk is necessary to meet the Plan's objectives. Investment risk is viewed as both the annualized standard deviation of investment returns (volatility) and drawdown exposure. Drawdown exposure measures the expected investment loss during a market correction. Additional sources of risk include regulatory, governmental, counterparty, environmental, social and currency. Investment risk, in and of itself, is intrinsically neither good nor bad; it is a condition accepted in the pursuit of investment returns. The goal in managing investment risk is to ensure that an acceptable level of risk is being taken at the total Plan portfolio level. To accomplish this goal, the Plan invests in broad asset classes, via specific investment strategies within those asset classes, which have desirable expected return, risk, and correlation characteristics. While the individual strategies have a wide range of risk and return characteristics, the correlations between the strategies allows for effective portfolio diversification.

The approach used in constructing the portfolio further focuses on the risk characteristics by ensuring the preservation of the Liquidity Sub-portfolio assets as detailed previously in this IPS. Because these assets are invested in lower risk and lower return investments, the assets are well protected. This then allows for the Growth Sub-portfolio to assume greater investment risk in pursuit of higher expected returns. The Diversifying Sub-portfolio then offsets a portion

CCCERA INVESTMENT POLICY STATEMENT

of the investment risk embedded in the Growth Sub-portfolio to protect against drawdown risks.

8. PORTFOLIO MONITORING

In discharging its fiduciary duty to prudently manage the Investment Program, the Board has developed the following structure for ongoing monitoring of existing investment managers. Reporting processes are, therefore, designed to provide the Board with the information needed to execute this oversight function. Accurate, timely, and clear reporting to the Board of the Plan's assets, investment risks and returns, portfolio costs, and investment decisions are essential to assisting the Board in discharging its fiduciary duties.

The CIO and General Investment Consultant will monitor individual investment managers' performance quarterly and annually. The managers' organizations and operations will be qualitatively monitored on a continual basis.

The General Investment Consultant will present a portfolio investment performance report to the Board on a quarterly basis. Performance will be measured for the total portfolio as well as sub-portfolios and individual portfolios. Each investment manager shall have a clear role within the total fund. The quarterly report will highlight any variance from that role.

The CIO, with the assistance of the General Investment Consultant and Specialty Consultants, shall conduct periodic on-site due diligence activities in connection with evaluating managers. The CIO shall invite the involvement of one or more Board members in the due diligence process. Additionally, the Board may from time to time determine that it is in the best interest of the participants and beneficiaries for one or more Board members to visit the offices of an investment manager, in order to further the Board members' understanding of the manager's strategy and its role in the CCCERA portfolio.

CCCERA INVESTMENT POLICY STATEMENT

APPENDIX 1: REFERENCED INCORPORATED DOCUMENTS

The documents referenced in the Investment Policy Statement are listed below and incorporated by reference into this IPS:

- CCCERA Board Investment Resolutions
- Placement Agent Disclosure Policy
- Code of Fiduciary Conduct and Ethics
- Conflict of Interest Code
- Procurement of Products and Services Policy
- Other Investment-Related Board Actions



<i>Meeting Date</i> 04/24/19 <i>Agenda Item</i> #7

MEMORANDUM

Date: April 24, 2019

To: CCCERA Board of Retirement

From: Christina Dunn, Deputy Chief Executive Officer

Subject: Consider and take possible action to issue a Request for Proposal (RFP) for a Pension Administration System Consulting Firm

Background

In 2005 CCCERA contracted with Tier Technologies, Inc. to provide and maintain a pension administration system for CCCERA. CCCERA began utilizing the system for some pension administration functions in 2008. In 2009, the on-going support and maintenance of the system transferred to CPAS. Since that time CCCERA staff have continued to work with CPAS to deploy additional functionality of the system.

Overview

CCCERA strives to provide excellent customer service, operate the fund in an efficient and cost-effective manner, and to safely and accurately maintain member data. To accomplish these objectives a pension administration system that is capable of workflow solutions and member and employer-facing web portals is needed.

An oversight project manager (OPM), with experience in system conversions and modernizations, is important to the success of a system conversion of this magnitude. The OPM assists with developing the requirements of a new pension administration system, issuing an RFP for the pension administration system, and ensuring a smooth migration to the new system.

Recommendation

Consider and take possible action to issue a Request for Proposal for a Pension Administration System Consulting Firm to provide oversight project management.



Meeting Date
04/24/19
Agenda Item
#8

MEMORANDUM

Date: April 24, 2019
To: Board of Retirement
From: Tim Hoppe, Retirement Services Manager
Subject: Death During Active Membership - Non-Service Connected Disability
And Optional Settlement 2

Summary

The purpose of this memorandum is to provide historical data regarding the active death/non-service connected disability benefit. Recently, Board trustees expressed an interest in discussing the benefit, its historical data, and may wish to provide further direction.

Background

The Board has approved the right of members to elect optional settlement 2 allowance under the County Employees Retirement Law (“CERL”) and to “pre-file” an application for a non-service connected disability that would become effective for vested members in the event of the member’s permanent incapacity leading to death while still in active service. The process is generally referred to as an “active death/disability application.” The process is described in Form 104 “Death During Active Membership-Member Election Form for Optional Allowance in the Event of Death During Active Membership.” (copy enclosed)

In 2011, the Board’s outside fiduciary counsel reviewed the process and opined that it reflects a reasonable interpretation of applicable law. (January 12, 2011 Board Meeting, Agenda Item 9.) As recommended by fiduciary counsel, the Board modified the process to include a Board determination of disability.

CCCERA regularly advises active members of the death benefits and choices available to them through inclusion of this information in the benefit handbooks, website postings and at retirement benefit presentations. Members who do not have the active death/disability form on file are not eligible to receive this benefit. As set forth in CCCERA’s Disability Retirement Application and Hearing Policy (copy enclosed), the Board may grant a disability allowance, upon receipt of competent medical evidence confirming that the member became permanently incapacitated for the performance of his/her duties. While the active death/disability benefit

usually results in a higher payout to the beneficiary than the ordinary death benefit, this is not always the case. The active death/disability benefit is accounted for by CCCERA's enrolled actuary and granting the benefit to those members who qualify for it should not result in an increase to the unfunded actuarially accrued liability.

The historical data for the last 10 years related to this benefit is included below.

Year	Processed Active death/non-service connected disability benefits
2009	3
2010	1
2011	1
2012	0
2013	0
2014	1
2015	1
2016	1
2017	1
2018	3
2019	1

Recommendation

This is informational only. No action is necessary.

DISABILITY RETIREMENT APPLICATION AND HEARING POLICY

Adopted 9/5/07

1. GENERAL PROCEDURES

1.1 Purpose.

The purpose of these procedures is to provide for the fair, efficient, and equitable processing and consideration of applications for disability retirement made by members of the Contra Costa County Employees' Retirement Association under the County Employees Retirement Law of 1937 (Government Code section 31450 et.seq.).

1.2 Amendments.

These procedures may be amended at any regular or specially noticed meeting of the Contra Costa County Employees' Retirement Association Board of Retirement ("Board") by a majority vote of the Board.

In order to facilitate the orderly and efficient implementation of these procedures, the Board hereby delegates to the Chief Executive Officer the authority to approve amendments of a minor, non-substantive nature that do not alter the fundamental rights and responsibilities of any parties in the disability retirement process. The scope of this delegation of authority includes, but is not limited to, typographical errors, format revisions, conforming terminology, revision of forms, and similar types of amendments.

1.3 Definitions.

"Applicant" means the person or entity-filing the application for disability retirement benefits under the County Employees Retirement Law of 1937, which may include the member or any other person or entity entitled to file an application pursuant to Government Code section 31721.

"Application Date" means the date an application meeting all requirements is filed and accepted by the Contra Costa County Employees' Retirement Association.

"Association" or **"Retirement Association"** means the Contra Costa County Employees' Retirement Association ("CCCERA").

"Board" means the Board of Retirement of the Contra Costa County Employees' Retirement Association.

"Day" means calendar day. When "day" is intended to refer to business day, it is noted in these procedures.

"Disability" or **"Disabled,"** for members of the Tier I and Safety Plan, means the permanent incapacity for the performance of duty, defined as the substantial inability of the applicant to perform his or her usual duties: (California Government Code section 31720)

"Disability" or "Disabled," for members of the Tier II and Tier III Plan, means the permanent incapacity to engage in any substantial gainful employment (as defined in "Substantial Gainful Employment" below). (Government Code section 31720.1)

"Hearing Officer" means the person who conducts administrative hearings on issues related to an application for disability retirement and provides a Proposed Recommendation including proposed Findings of Law and Fact to the Board. A Hearing Officer must be a qualified member of the State Bar of California appointed by the Board pursuant to the provisions of Government Code section 31533, including an Administrative Law Judge designated by the state Office of Administrative Hearings.

"Member" means a member of the Contra Costa County Employees' Retirement Association.

"Non-Service Connected Disability Retirement" means a type of disability retirement awarded to a member who becomes permanently incapacitated from a cause that does not arise out of and in the course of his or her employment in accordance with the statutory and case law describing the requirements for finding "service connection." The Tier I or Safety member must have completed five years of service and the Tier II or Tier III member must have completed 10 years of service.

"Service-Connected Disability Retirement" means the type of disability retirement awarded to a member of CCCERA who becomes permanently incapacitated and whose incapacity is the result of an injury or a disease arising out of and in the course of the member's employment. The employment must have contributed substantially to the incapacity, in accordance with the statutory and case law describing the requirements for determining "service connection."

"Substantial Gainful Employment" shall be determined by application of the following criteria, as adopted by the Board on April 16, 1991:

1. *"Substantial employment"* is work activity that involves physical or mental effort, regardless of the time spent.
2. *"Gainful employment"* is work activity that is done for pay or profit, whether or not a profit is realized, including work as a self-employed individual.

In general, employment will be considered gainful if the monthly salary from that employment is equal to or exceeds the greater of either: (a) \$300 a month, or (b) the initial monthly disability retirement benefit that would otherwise be payable.

In general, self-employment will be considered gainful, without regard to income, if the activity is comparable to that of unimpaired individuals who are in the same or similar business as their means of livelihood.

3. Inability will be determined using the following factors:

- a. Previous work experience
- b. Education or training whether formally obtained through schooling or informally obtained through work experience.
- c. Transferability of knowledge, skills and abilities to perform other work.
- d. The extent to which chronological age affects the ability to adapt to a new work setting.
- e. The existence of jobs in one or more occupations, having requirements that the member is able to meet and that lie within a 100 mile radius of the member's residence, regardless of whether a specific job vacancy exists, or whether the member would be hired if he or she applied, or whether the member wishes to do a particular job.

1.4 Quorum and Voting Requirements.

Whenever the Board considers any action in a disability matter, a quorum is required. A quorum shall consist of a majority of the entire Board. No motion may be passed in any disability matter without at least five affirmative votes.

1.5 Communication with Board Members.

The Board is the decision-maker for all disability retirement applications. As such, any *ex parte* communications between any Board member and any interested parties or their representatives concerning the merits or substance of an application are forbidden until all proceedings with respect to the application have been concluded. Violations of this rule may result in the Board member being found ineligible to participate in any discussion regarding the application or to vote on the application.

1.6 Representation by Counsel.

Any applicant is entitled, at his or her expense, to be represented by an attorney during the disability retirement process. The party must file with the Retirement Association written notice designating counsel and providing the counsel's name, an address, and telephone number. Absent such written notice, the Retirement Association is not obligated to recognize any attorney claiming to represent a party. After notification of representation, all notices and documents shall be sent to that attorney. No applicant or member is required to have an attorney at any time.

1.7 Stipulations.

No stipulation, agreement, or understanding of the employer or of any other party to a proceeding in a workers' compensation or any other proceeding in which neither the Board nor the Retirement Association is a party, shall be binding upon this Board or Association insofar as it asserts to relate to or affect a disability

retirement application or matter of a CCCERA member.

1.8 Service of Documents.

When a provision of these procedures requires that parties be served, service shall be made upon all parties who are participating in the proceedings. If the party to be served has an identified attorney of record, service shall be made upon the attorney of record.

Unless otherwise provided in these procedures, service may be made either personally or by mail in accordance with this section. Service may be made by fax, if previously agreed to by the party to be served. Any document served by fax must also be sent by regular U.S. Mail with first class postage fully prepaid.

Service by mail is completed by depositing the envelope in the U.S. Mail with first class postage fully prepaid, properly addressed to the party to be served at the address latest on file with the Retirement Association. Service by mail shall extend applicable time limitations in the manner prescribed in Code of Civil Procedure § 1013. It is the responsibility of the member to notify the Retirement Association and all parties of any change of address.

1.9 Penalties for Failure to Comply with Disability Retirement Procedures.

Failure of the member or applicant to comply with these procedures may be treated as non-cooperation and may result in dismissal of the application with or without prejudice. Failure to comply includes, but is not limited to, failure to submit to medical examinations, failure to submit documents requested by the Association, failure to cooperate in the formal hearing process, failure to follow any order of the Board or Hearing Officer, and failure to comply with the requirements set forth in these procedures.

1.10 Burden Of Proof.

The applicant has the burden of proving, by a preponderance of the evidence, that the member meets the criteria for a disability retirement, including that she or he has a permanent incapacity in accordance with the statutory standards of the County Employees Retirement Law of 1937 and the standards for Tier I, Tier II, Tier III, or Safety members of the Association as defined in section 1.3 above.

With regard to an application for service connected disability retirement, the burden rests with the applicant to prove by a preponderance of the evidence that the member's permanent incapacity arose out of and in the course of his or her employment, and that the employment contributed substantially to the disability.

For Safety Members who have completed five (5) or more years of service and have certain specified diseases as defined in Government Code sections 31720.5, 31720.6, 31720.7, and 31720.9, such diseases are presumed to arise out of and in the course of

employment. When such a presumption exists, the burden of proof shifts to the Retirement Association to show that the disease and resultant disability was not work-related.

2. APPLICATION PROCESS

2.1 Making Application for Disability Retirement:

The Retirement Association shall furnish application forms to any person upon request, including a copy of the regulations and policies which govern disability retirement applications and hearings. The applicant shall complete the forms fully and in accordance with these procedures, and shall sign and verify under oath or penalty of perjury. The application shall be deemed filed the day it is received by the Retirement Association. An application shall not be accepted for filing unless it is complete and includes copies of the following documents to be furnished by the applicant:

- a. Application for Disability Retirement
- b. Authorization and Release of Medical Information if the applicant is the member.
- c. All medical reports upon which the applicant relies to support the application.
- d. All other medical reports or other information relevant to the application within the possession of the applicant or his or her agent.

If all supporting documents are not filed within 30 days of the application, the application will be returned.

2.2 Withdrawal of Application.

A member may withdraw an application at any time. If an application has been withdrawn without prejudice, any subsequent application, including resubmission of the withdrawn application, is considered a new application and must meet all requirements, including timely filing requirements. Any withdrawal of an application after assignment to a hearing officer is deemed a withdrawal with prejudice. An application withdrawn with prejudice precludes the filing of any future application based on the same disability, injury, or disease.

2.3 Medical Examinations.

The Retirement Association may require a member to undergo a medical examination by a physician who is a specialist in the appropriate field of medicine, for which the Association shall pay. Refusal of any member applicant to submit to a medical examination shall result in the denial of the application.

2.4 Review of Application.

When the application file is complete, all documents will be reviewed by the Board's Medical Advisor, who will make a preliminary recommendation, summarizing the evidence or absence of evidence supporting the recommendation. If the recommendation is to grant the application, the matter will be placed on the agenda for Board consideration of the recommendation.

If the Medical Advisor cannot recommend granting the application based on the evidence submitted, the Retirement Association staff shall advise the applicant that she or he may: 1) submit additional medical or other evidence in support of the application, which shall be transmitted to the Medical Advisor for additional review and recommendation; *or* 2) request a hearing before a Hearing Officer within six months of the date of the letter informing the member that the Medical Advisor is unable to recommend granting the application.

3. HEARINGS BEFORE A HEARING OFFICER

3.1 Purpose.

The purpose of this Section is to establish rules for the presentation of evidence to a Hearing Officer, and to establish rules governing the process by which Hearing Officers submit *Proposed Findings of Fact and Recommended Decisions* on legal and factual issues, including credibility, for consideration by the Board.

3.2 Right to Hearing.

Upon timely written request, any party shall be entitled to a hearing on his or her application. The Board may also refer the matter for the setting of a hearing. The Board may hold a hearing itself, or it may delegate the matter to a Hearing Officer. If a Hearing Officer holds the hearing, he shall transmit to the Board, in writing, the Proposed Findings of Fact and Recommended Decision.

3.3 Discovery.

Discovery shall be only as provided in Government Code section 11507.6, except that for good cause shown, the Hearing Officer, on his or her own motion or on the written noticed motion of a party, may make appropriate orders concerning discovery. Whenever possible, informal discovery and exchange of information between the parties is encouraged.

3.4 Subpoenas.

Each party is responsible for obtaining those subpoenas it seems necessary for the presentation of its evidence. Applications for subpoenas may be made to the Retirement Association. All subpoenas are to be issued in accordance with Government Code section 31535. Issuance of a subpoena for **medical** witness' attendance at hearing or deposition shall be contingent on the requesting party accepting the obligation to pay the medical witness. Before the Board or Hearing Officer issues any subpoena, proof of payment arrangements for the medical witness may be required. Service of the subpoena is the responsibility of the

requesting party.

3.5 Notice of Hearing before Hearing Officer.

After the applicant has requested a hearing, the Retirement Association shall notify applicant within 30 days that the matter has been referred to counsel, and shall provide a copy of the hearing policy and regulations. Upon notification by both parties that the matter is ready to proceed to hearing, the Retirement Association shall notify all parties of the date of the hearing and the name and address of the person or entity assigned to be the Hearing Officer.

3.6 Scheduling the Hearing

The applicant and, if represented, his or her attorney and the counsel for the Retirement Association shall arrive at a mutually agreeable hearing date. The Retirement Association will arrange for a certified reporter and notify all parties of the date, time, and location of the hearing. If an applicant fails to respond to the Association's reasonable requests to set a hearing date, the Association may either set a hearing date or notify the applicant that continued failure to respond to requests to set a hearing date may result in dismissal of the application.

3.7 Submission of Proposed Evidence.

The parties shall submit all proposed evidence to the Hearing Officer and to the other party no later than fourteen (14) days before the scheduled hearing date, unless the parties mutually agree to a different schedule. The parties will exchange information regarding proposed witnesses (if any) no later than seven days before the hearing, unless they mutually agree to a different schedule.

3.8 Prehearing Conference.

At the request of any party or on his or her motion, the Hearing Officer may order a prehearing conference for the purpose of resolving or clarifying disputed hearing issues or the admissibility of disputed evidence.

3.9 Hearing Brief.

Either party may submit a hearing brief prior to the hearing.

3.10 Rules of Evidence.

The hearing need not be conducted according to technical rules relating to evidence and witnesses. Any relevant evidence shall be admitted if it is the sort of evidence on which responsible persons are accustomed to rely in the conduct of various affairs, regardless of the existence of any common law or statutory rule which might make improper the admission of such evidence over objection in civil actions. Hearsay evidence may be used for the purpose of supplementing or explaining other evidence but shall not be sufficient in itself to support a finding unless it would be admissible over objection in civil actions. The rules of privilege shall be effective to the extent that they are otherwise required by statute to be

recognized at the hearing, and irrelevant and unduly repetitious evidence shall be excluded.

3.11 Written Medical Reports as Evidence.

A written medical report bearing the signature of a medical witness may be admissible in evidence as the author's direct testimony and may support findings made by the Board or the Hearing Officer. Such medical reports shall not be inadmissible on the basis that they constitute hearsay, but each party shall have the right to cross-examine the authors of medical reports.

Submission of a medical report less than 10 days before the hearing may be allowed by the Hearing Officer upon a showing of good cause. The party requesting submission of such a medical report shall make the request to the Hearing Officer assigned to the case and send a copy of the request to counsel for the Retirement Association and all other parties. The request shall state the reason the medical report was not timely produced.

3.12 Oral Testimony of Medical Witnesses.

Oral testimony of a medical witness may also be taken at hearing. However, whenever possible, the Retirement Association encourages the presentation of medical evidence by way of sworn written report.

3.13 Affidavits.

At any time twenty (20) or more days prior to a hearing or a continued hearing, any party may mail or deliver to the opposing party a copy of any affidavit which he or she proposes to introduce at the hearing. Unless the opposing party, within ten days after such mailing or delivery, mails or delivers to the proponent a request to cross-examine an affiant, his or her right to cross-examine such affiant is waived and the affidavit, if introduced in evidence, shall be given the same effect as if the affiant had testified orally, if an opportunity to cross-examine an affiant is not afforded after request therefore is made as herein provided, the affidavit may be introduced in evidence, but shall be given only the same effect as other hearsay evidence. The notice referred to above shall be substantially in the following form:

The accompanying affidavit of (here *insert name of affiant*) will be introduced as evidence at the hearing in (here *insert title of proceeding*). (here *insert name of affiant*) will not be called to testify orally and you will not be entitled to question him or her unless you notify (here *insert name of proponent or his/her attorney*) at (here *insert address*) that you wish to cross-examine him or her. To be effective your request must be mailed or delivered to (here *insert name of proponent or his/her attorney*) on or before (here *insert a date ten days* after the date of mailing or delivering the affidavit to the opposing party).

3.14 Continuances.

The original hearing date may be continued by the Hearing Officer, at the request of either Party. Any continuance beyond sixty (60) days from the original hearing date must be agreed to by all parties and the Hearing Officer. If the hearing is scheduled before an Administrative Law Judge with the Office of Administrative Hearings, the party seeking the continuance will comply with any procedures required by the Office of Administrative Hearings.

3.15 Time and Place of Hearing.

The hearing will be set at a time and place determined by the Retirement Administration, and a Notice of Hearing with all pertinent information will be sent to all parties.

The hearing or any proceeding with respect to the application may proceed in the absence of the member who, after due notice, fails to be present or obtain a continuance. A decision on the application shall not be based solely upon the absence of the Member.

3.16 Reporter.

All hearings before a Hearing Officer shall be reported by a stenographic reporter, whose presence will be arranged by the Association. The *per diem* cost of the reporter shall be borne by the Retirement Association. The cost of a transcript copy, including an e-version copy, ordered by a Party shall be borne by the Party requesting the transcript. Requests for transcripts must be made directly to the stenographic reporter.

3.17 Issues at Hearing.

At a hearing on the Completed Application, the Hearing Officer shall make findings and recommendations on the following issues, as applicable:

- a. Tier I or Safety Member: Whether the member is permanently incapacitated from performing the usual duties of his or her job, and if service connection is sought, whether the incapacity arose out of and in the course of his or her employment. If the application is not requesting service connection, then whether the member has completed five years of service.
- b. Tier II or Tier III Member: Whether the applicant is permanently incapacitated from performing any "substantial gainful employment" (as defined in section 1.3 above) **and either** a) the member's incapacity is substantially caused by injury or disease arising out of his or her employment, *or* b) the member has completed a total of ten years of service.

3.18 Order of Business of Hearings.

Unless the Hearing Officer otherwise rules, all hearings shall proceed in the following manner:

- a. The Hearing Officer shall call the case and ask for appearances by all parties.
- b. Relevant documents shall be marked for identification.
- c. The parties may be offered an opportunity to make an oral opening argument or statements.

- d. The applicant shall present his or her evidence.
- e. The Retirement Association shall then present its evidence
- f. Rebuttal evidence may then be presented in the same order
- g. The Hearing Officer may allow oral and/or written argument.

3.19 Close of Record.

The record of the proceedings shall be closed and the matter submitted at the conclusion of the formal hearing, unless further documentary evidence is to be received. If such further evidence is to be received, the Hearing Officer shall allow such time as deemed necessary for filing and serving copies on all parties. The matter shall be deemed submitted upon such final filing or upon rulings on any objections to the evidence thus filed.

3.20 Cost of Transcript.

If ordered by the Retirement Association or the Hearing Officer, Association's counsel, or the Retirement Board, the Association shall pay the cost of a hearing transcript. If ordered by the applicant or the applicant's attorney, applicant shall pay the cost of a transcript. The applicant or applicant's attorney, and the Retirement Administrator may agree in writing to split the cost of a transcript when both parties agree to the preparation of a transcript.

4. DECISION

4.1 Hearing Officer's Proposed Findings of Fact and Recommended Decision.

After the hearing is concluded and the record closed, the Hearing Officer will send a written report to the Board within 30 days, summarizing the evidence, findings of fact, and making a recommendation to the Board. The Retirement Association shall serve all parties with the Hearing Officer's *Proposed Findings of Fact and Recommended Decision*.

4.2 Objections to Hearing Officer's Proposed Findings of Fact and Recommended Decision.

Any party objecting to a Hearing Officer's *Findings of Fact and Recommended Decision* has ten days after service of the *Findings of Fact and Recommended Decision* to submit written objections to the Retirement Association, which will send copies of the objections to all parties and provide a courtesy copy to the Hearing Officer. The Association and any other parties may respond in writing to any objections. Any objections and the responses thereto shall be incorporated into the record to be considered by the Board.

4.3 Board Consideration and Action.

The Board will consider the Proposed Findings of Fact and Recommended Decision on a date noticed to all parties. Any party or his or her counsel may request the opportunity to make an oral presentation to the Board. No new evidence or witness testimony may be heard or received by the Board. The Board may:

1. Approve and adopt the proposed findings and recommendation of the Hearing Officer, or
2. Refer the matter back to the Hearing Officer for further proceedings with or without instructions, or
3. Require a transcript or summary of all the testimony, plus all other evidence received by the Hearing Officer, and after receipt thereof, the Board shall take such action as it determines is warranted by the evidence, or
4. Set the matter for hearing before itself. At such hearing, the Board shall hear and decide the matter as if it had not been referred to the Hearing Officer.

4.4 Notice of Decision.

The Board shall give written notice of its decision to all parties and their representatives within five days of the date of its decision. Such notice shall be by first class mail and shall include the decision and the date it was rendered.

4.5 Reconsideration after Board Action on Proposed Decision.

No later than seven calendar days after service of the Notice of Decision, a party may file with the Board a written motion for reconsideration based on one of the following reasons:

1. Irregularity in the proceedings, or any order, or abuse of discretion, by which the party was prevented from having a fair hearing;
2. Accident or surprise; which reasonable diligence and prudence could not have guarded against;
3. The availability of material evidence which, in the exercise of reasonable diligence, could not have been produced at the hearing;
4. Error of law.

When a party's motion is for a cause mentioned in paragraphs 1, 2, or 3 above, it must be made upon affidavit(s). The Board may on its own motion order reconsideration, but the order must be within seven calendar days of its original decision and on one or more of the causes listed above. If the Board does not rule on a party's

motion for reconsideration by its next regular meeting, it shall be deemed denied. When reconsideration is granted, it suspends the original decision, and the Board shall proceed as though the matter were still pending before it for original decision, but the decision on reconsideration becomes final when made. The Retirement Association shall promptly mail copies to all parties.

4.6 Finality of Decision.

Except as otherwise provided in section 4.7 below entitled Judicial Review or section 4.5 entitled Reconsideration, action by this Board granting or denying in whole or in part any application for disability retirement shall be deemed to be final and conclusive with regard to any and all issues raised by the application which were either presented to the Board or could have, with the exercise of reasonable diligence, been presented.

4.7 Judicial Review.

Notice of the right to judicial review of the Board's decision pursuant to Code of Civil Procedure section 1094.6, and the time limits for filing such review, shall accompany the written notice of the Board's decision.

4.8 Request for Preparation of Administrative Record.

Any request for the preparation of the administrative record pursuant to Code of Civil Procedure § 1094.6 shall be made in writing and filed with the Retirement Association, which shall, within ten days of receiving such a request, notify the requesting party of the estimated cost of preparing the record.

The requesting party shall within ten days of receiving such notification, deposit with the Retirement Association an amount sufficient to cover the estimated cost. If the cost exceeds the amount deposited, the party shall pay the excess. If the amount deposited exceeds the cost, the difference shall be returned to the party. Upon receiving the required deposit, the Retirement Association shall promptly prepare the record, including the transcript of the proceedings, all pleadings, all notices and orders, the final decision, all admitted exhibits, all rejected exhibits in the possession of the Board, all written evidence, and any other papers in the case.

Death During Active Membership-
Member Election Form for
Optional Allowance in the Event of Death
During Active Membership

Purpose of the form: This form authorizes CCCERA to file an application for non-service connected disability on your behalf, in the event that you are permanently incapacitated by reason of injury or other disability leading to death while you are an active member of CCCERA. This form allows you to preselect an Optional Settlement, pursuant to CERL Section 31762 or 31764 or the successor section.

NOTE: The original document must be submitted. Fax/copies are not accepted.

Section 1: MEMBER INFORMATION		
Full Name	Employee #	Social Security #

 **STOP – Your choice must match the beneficiaries chosen in your *Beneficiary Designation Form (Form 102)* and a **SIGNATURE(s)** and **adult witness is required below in order for this form to be valid.****

Section 2: ELECTION OF OPTIONAL SETTLEMENT

To the Board of Retirement:

I choose Optional Settlement 2 (up to 100% continuance to one beneficiary) I only have 1 primary beneficiary listed on Form 102 – Beneficiary Designation Form.

I choose Optional Settlement 4 (up to 100% continuance divided among more than one beneficiary) I have 2 or more primary beneficiaries listed on Form 102 – Beneficiary Designation Form.

Section 3: AUTHORIZATION TO FILE NON-SERVICE CONNECTED DISABILITY RETIREMENT APPLICATION

I understand that the beneficiary(ies) of the allowance that continues after my death is (are) the beneficiary(ies), having an insurable interest in my life, on file at CCCERA at the time of my death as were designated by me on a *Beneficiary Designation Form (Form 102)*, a separate form.

I understand that by signing this form I elect a monthly allowance for my beneficiary(ies) in lieu of any other death benefit including the return of accumulated contributions under CERL Section 31781.

I understand that this election is binding on me unless I withdraw this election before the first payment of any retirement allowance is made to me, and that at retirement I may make another election of an Optional Settlement, or choose to receive the unmodified allowance, under CERL.

In accordance with the provisions of CERL, I hereby authorize CCCERA to file an application for a non-service connected disability retirement on my behalf in the event that I am permanently incapacitated by reason of injury or other disability leading to death while I am an active member of CCCERA. I understand that, if granted, this will entitle my survivor(s) to receive a non-service connected disability retirement survivor continuance under Optional Settlement 2 or 4.

In accordance with the provisions of the County Employees Retirement Law of 1937 (CERL), and the by-laws and regulations governing the Contra Costa County Employees' Retirement Association (CCCERA), I hereby elect an Optional Settlement, pursuant to CERL Section 31762 or 31764 or successor section.

Member Signature (Required)	Date (mm/dd/yyyy)
Adult Witness Signature (Required)	Date (mm/dd/yyyy)
Adult Witness Name (Print)	



Death During Active Membership-
Member Election Form for
Optional Settlement Allowance in the Event of Death
During Active Membership

Form 104 (Rev. 2017)
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Survivor Benefits: Active Member Death (Pre-Retirement)

Death and continuing benefits depend on several factors. If a member dies prior to retirement, death benefits are determined based on:

- Member status (active or deferred)
- Category of death (service-connected or non-service connected)
- Retirement Service Credit
- Relationship of recipient to member (eligible survivor or named beneficiary)

To qualify as an eligible survivor in cases involving the death of an active member, a spouse or domestic partner must have been married to or in a duly registered California domestic partnership with the member prior to the member's death. No minimum length of marriage or domestic partnership requirement applies.

Type of Death	Basic Death Benefit	Optional Death Allowance
Service-Connected	<p>Lump-sum payment of member's accumulated contributions</p> <p align="center">Salary Death Benefit: one month of member's compensation earnable for each full year of Service Credit (not to exceed six months of compensation)</p>	<p>Full amount (100%) of disability retirement allowance deceased member would have received had he or she been retired on an Service-connected Disability at the time of death</p>
Non-Service Connected	<p>Lump-sum payment of member's accumulated contributions</p> <p align="center">Salary Death Benefit: one month of member's compensation earnable for each full year of Service Credit (not to exceed six months of compensation)</p>	<p>60% of disability retirement allowance deceased member would have received had he or she been retired on an Non-service Connected Disability* at the time of death</p>
Deferred Member		<p>Lump-sum payment of member's accumulated contributions</p>

**In order for the survivor to be eligible for the Optional Death Allowance following a non-service connected death, the member must have been eligible for a retirement in the event of a non-service connected disability.*

NON-SERVICE CONNECTED DISABILITY

A non-service connected disability means a member's permanent illness or injury did not arise from his or her employment. Members who have five or more years of retirement service credit and qualify for a non-service connected disability retirement will receive the service retirement allowance to which the member is entitled, or one-third of your annual Final Average Salary, whichever is greater.

In the event of a non-service connected disability event, members who have less than five years of service may take a refund of their contributions and accrued interest, or keep the funds in their account until they are eligible for a deferred retirement allowance (age 70), but they cannot receive a monthly disability allowance.



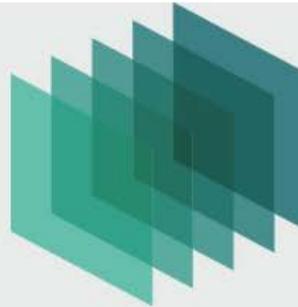
Click [here](#) to view in browser.

Meeting Date
04/24/19
Agenda Item
#10a.

Dimensional Fund Advisors Cordially
Invites You to Attend Our

ANNUAL INSTITUTIONAL SYMPOSIUM

The Symposium will bring together institutional investors, researchers, and practitioners to discuss new research, exchange ideas on investment trends, and tackle industry challenges.



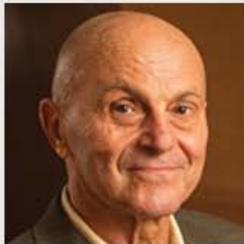
MAY 6-8, 2019

Dimensional Fund Advisors
1515 South Tryon Street
Charlotte, NC 28203

LEARN MORE & REGISTER

Our annual gathering of some of the world's foremost investment professionals is designed so attendees will get the most from their time together. The sessions will provide an opportunity to interact with leading academics and Dimensional executives as they present on current research, investment implementation, and Dimensional strategies. This year's program includes sessions with leading academics and investment professionals including Eugene Fama, Kenneth French, Robert Merton, Robert Novy-Marx and Gerard O'Reilly. Audience participation is encouraged during the formal sessions. The event also includes a panel discussion featuring CIOs from several leading institutions.

Join us in building a community of engaged investment professionals committed to advanced education and networking.



Eugene Fama

Robert R. McCormick Distinguished Service Professor of Finance at the University of Chicago Booth School of Business, Director and Consultant at Dimensional, and Nobel Laureate



Kenneth French

Roth Family Distinguished Professor of Finance at the Tuck School of Business, Dartmouth College and Director, Consultant, and Co-Chair of Investment Research Committee at Dimensional



Robert Merton

School of Management Distinguished Professor of Finance at Massachusetts Institute of Technology, John and Natty McArthur University Professor Emeritus at Harvard University, Resident Scientist at Dimensional Holdings Inc., and Nobel Laureate

For more information or should you have any questions, please contact Institutional Events at InstEvents@dimensional.com or (512) 306-4630.

ANGELO GORDON 2019 INVESTOR CONFERENCE & DINNER RECEPTION

MAY 15, 2019 | PIER SIXTY AT CHELSEA PIERS, NYC

RSVP ▶

Meeting Date
04/24/19
Agenda Item
#10b.

We are delighted to invite you to the 2019 Angelo Gordon Investor Conference on Wednesday, May 15, 2019 at Pier Sixty on New York's Chelsea Piers.

Our one-day conference seeks to provide attendees with access to Angelo Gordon's deeply experienced portfolio managers and investment teams sharing their views and insights into the global market environment and the current landscape for credit and real estate investing.

Morning sessions will feature in-depth discussions of key market themes and developments that are impacting investment opportunities across the spectrum. In the afternoon, participants can choose between Credit and Real Estate breakouts to gain deeper insight into Angelo Gordon strategies and funds.

At the conclusion of the conference, all participants are invited to join us for a Dinner Reception at The Lighthouse, a unique waterfront venue next door to the conference venue, to celebrate Angelo Gordon's 30th anniversary year.

Further agenda details will be released as we get nearer to the conference.

Please RSVP by April 24, 2019

RSVP

If you have any questions in the meantime, please contact the AG Events team

We hope to see you in May.

AG Events

Meeting Date

04/24/19

Agenda Item

#10c.



DBL Investors I & II Annual Meeting and Dinner

Wednesday, June 19th in San Francisco

Final details provided to those who RSVP.



Meeting Date
04/24/19
Agenda Item
#10d.

REGISTER **TODAY!**



MODERN INVESTMENT THEORY & PRACTICE for Retirement Systems

**SACRS PUBLIC PENSION
INVESTMENT MANAGEMENT PROGRAM 2019**



Berkeley Executive
UNIVERSITY OF CALIFORNIA Education

July 22-24, 2019



Program Schedule*

Much has changed in finance in the last 50 years; this three-day program will bring you to the frontier of current investment theory and practice. The program is presented on the beautiful and dynamic campus of UC Berkeley and is taught by the world renowned Finance faculty from UC Berkeley's Haas School of Business.

MONDAY July 22, 2019	TUESDAY July 23, 2019	WEDNESDAY July 24, 2019
Registration and Breakfast Claremont Hotel ▶ Lobby Lounge 7:00am – 8:00am	Breakfast Claremont Hotel ▶ Lobby Lounge 7:00am – 8:00am	Breakfast Claremont Hotel ▶ Lobby Lounge 7:00am – 8:00am
8:00am Depart Hotel to UC Berkeley Bus leaves at 8:15am ▶ Haas, S480 Classroom	8:00am Depart Hotel to UC Berkeley Bus leaves at 8:15am ▶ Haas, S480 Classroom	8:00am Depart Hotel to UC Berkeley Bus leaves at 8:15am ▶ Haas, S480 Classroom
Long Term Planning: How Predictable are Asset Returns? 9:00am – 10:30am	Real Estate in Pension Portfolio Strategy 9:00am – 10:30am	Fiduciary Duties: What is New? 9:00am – 10:30am
10:30am Break, Group Photo	10:30am Break	10:30am Break
The Role of Fixed Income in Pension Portfolio Strategy 11:00am – 12:30pm	Private Equity Case: How to Structure the Investment 11:00am – 12:30pm	ESG: Reporting and Returns 11:00am – 12:30pm
12:30pm – 1:30pm Lunch	12:30pm – 1:30pm Lunch	12:30pm – 1:30pm Lunch
Advanced Portfolio Analysis with Risk Factors 1:30pm – 3:00pm	Pension Fund Accounting: How to value Liabilities? 1:30pm – 3:00pm	Asset Allocation Exercise 1:30pm – 3:00pm
3:00pm Break	3:00pm Break	3:00pm Break
Asset Allocation Case: Investing in a Volatile World 3:30pm – 5:00pm	The Rise of Defined Contribution Plans: What You Need to Know 3:30pm – 5:00pm	Becoming a More Effective Leader 3:30pm – 4:30pm
		Program Wrap up and Certificate Distribution 4:30pm – 5:00pm
Daily Synthesis and Adjourn 5:00pm – 5:15pm	Daily Synthesis and Adjourn 5:00pm – 5:15pm	Final Evaluations/Certificates 5:00pm – 5:15pm
Reception at Claremont Hotel 5:30pm – 6:30pm ▶ Lanai Room	Reception at Claremont Hotel 5:30pm – 6:30pm ▶ Lanai Room	Adjourn and Depart to Hotel 5:15pm

* AGENDA SUBJECT TO CHANGE



SACRS Class of 2018

Exceptional Educational Opportunity SACRS Public Pension Investment Management Program 2019

Are you ready for an immersive, profoundly impactful learning experience? Here's your chance, as you join fellow public pension trustees and retirement staff for SACRS' Public Pension Investment Management Program 2019, taking place July 22–24. Entitled "Modern Investment Theory and Practice for Retirement Systems," the program is presented in partnership with the UC Berkeley Executive Education at the Haas School of Business. This exclusive three day program is designed for SACRS trustees and staff that aspire to better understand current investment theory and practice.

The SACRS Public Pension Investment Management Program blends the expertise of the University of California, Berkeley-Haas School of Business's distinguished faculty with a network of industry experts to teach the fundamentals of public pension management. As the spotlight on public pensions grows hotter, trustees and staff are increasingly challenged to grapple with alternative investments, policy and governance changes, cost pressures, and much more. After completing this program, attendees will understand the larger context and history of public pension funds and will have enhanced skills and knowledge to improve decision-making.

Over the course of the three day program, attendees will have the opportunity to explore the predictability of asset returns, review the role of fixed income in the pension portfolio, take a look at how real estate fits into the pension portfolio mix, delve into private equity's new landscape, study the new math of hedge funds, and more. For the complete program see the facing page.

Located in one of the most stimulating business environments in the world, the Berkeley campus is at the intersection of business and academia. Berkeley-Haas is renowned for developing innovative business leaders—individuals who redefine the business landscape by putting new ideas into action in all areas of their organizations.

This is such a rich opportunity for extended learning and presented so conveniently in a concise package, maximizing your time and effort. Education is the cornerstone of SACRS' mission. The UC Berkeley Executive Education staff along with the SACRS Affiliate team is committed to the continual development and delivery of content that is current, innovative, results-driven, and responds to the needs of public pension trustees and staff. Attendees in this program will not only gain new insight and knowledge, but also will add to the core strengths of our organization—the range of expertise and the diversity of perspective found in our public pension community.

We urge you to consider participating.

Sincerely,

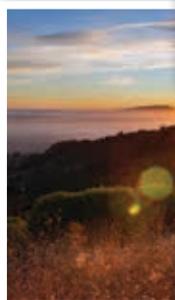
Dan McAllister

Dan McAllister
SACRS President, San Diego County
Treasurer-Tax Collector and
San Diego County Employees Retirement
Association Trustee

Sulema H. Peterson

Sulema H. Peterson
SACRS Administrator





Berkeley Executive Education
UNIVERSITY OF CALIFORNIA

GREGORY LABLANC



GREGORY LABLANC has been a lecturer at UC Berkeley since 2004, teaching courses in Finance, Accounting, Law, and Strategy in the Haas School, the Law School (Boalt Hall) and the department of Economics. Prior to joining the Berkeley faculty, he studied Economics, Business, and Law at the Wharton School of the University of Pennsylvania, George Mason University Law School, Duke Law School, and Berkeley Law (Boalt Hall). He has previously taught Finance, Management, Law and Economics at the Wharton School, Duke University and the University of Virginia and has been a consultant in the fields of IP litigation and competitive intelligence. His research focuses on the impact of tax policy on organizational design, capital formation, and innovation. He has received several teaching awards and has previously been involved in executive education programs at the Wharton School and Darden School.

JOHN O'BRIEN



JOHN O'BRIEN is Adjunct Professor and Academic Advisor to the Master's in Financial Engineering (MFE) program at the Haas School of Business. Prior to joining Haas in 2000, Mr. O'Brien was Managing Director at Credit Suisse Asset Management responsible for the performance measurement and risk management functions.

Prior to Credit Suisse, Mr. O'Brien was co-founder, Chairman and CEO of Leland O'Brien Rubinstein (LOR) Associates, and Chairman of the Capital Market Fund, and the S&P 500 SuperTrust – the first exchange traded fund (ETF). Prior to LOR, Mr. O'Brien co-founded Wilshire Associates (originally operated as O'Brien Associates), and co-developed the Wilshire 5000 common stock index (originally named and published as the O'Brien 5000 Index).

Mr. O'Brien has received various awards, including the Financial Analyst's Graham and Dodd Scroll Award, the Matthew R. McArthur Award from the Investment Management Consultants Association for lifetime contributions to investment consulting. Mr. O'Brien was named among Fortune Magazine's ten Businessmen of the Year in 1987. Mr. O'Brien holds a S.B. in economics from MIT, and an M.S. in operations research from UCLA. He served as a Lieutenant in the United States Air Force.



THOMAS GILBERT

THOMAS GILBERT graduated from the Finance Ph.D. Program at the Haas School of Business in May 2008. Thomas is currently an Assistant Professor of Finance and Business Economics at the Michael G. Foster School of Business, University of Washington. His research lies in the area of information aggregation and the role of macroeconomic announcements on stock prices. Since 2003, he has taught parts of the Certified Investment Management Analyst program (CIMA®) and the Berkeley Finance Series within the Finance Executive Programs at the Haas School of Business. He has also taught in the Undergraduate, Full-Time MBA, and Evening & Weekend MBA programs at Haas, for which he won the Best Graduate Student Instructor Award in 2005, 2006, and 2007. He holds a Masters in Finance from U.C. Berkeley and a Masters in Physics from Imperial College (United Kingdom).

GRAHAM SCHMIDT,
Cheiron

GRAHAM SCHMIDT (Associate- SOA, Member-AAA, Fellow-CCA) served as the Senior Vice President of EFI Actuaries for ten years before joining Cheiron as a consulting actuary upon the merger of EFI and Cheiron in 2013. Graham is a frequent speaker at public employer conferences, on topics including actuarial funding policies, asset-liability management and GASB-related issues. In recent years, he has spoken at national meetings sponsored by NCPERS, the Society of Actuaries, the Academy of Actuaries and other regional organizations, such as SACRS and CALAPRS.

Graham is the SACRS-appointed representative to the California Actuarial Advisory Panel (CAAP), and is also a member of the Academy of Actuaries Public Plans Subcommittee and the Conference of Consulting Actuaries Public Plans Committee, the primary actuarial committees dealing with public sector retirement issues in the US.

BENJAMIN LAZARUS,
Parametric

MR. LAZARUS joined the firm in 2004*. He is responsible for developing, coordinating, and executing the business development and client services plan for Parametric unique family of products with emphasis on the Western region of the United States and Canada. In addition, Ben works on developing and managing new partnerships for Parametric and has presented on the use of derivatives at different industry events. From 2015 to 2016, he was the Senior Vice President of US Sales at Nuveen Investments in Minneapolis, Minnesota. Ben earned a B.A. in Psychology from the University of California, San Diego and an MBA in Marketing and Strategic Management from the University of Minnesota. He is a CFA® charterholder and a member of the CFA Society of Minnesota. **Reflects the year employee was hired by The Clifton Group, which was acquired by Parametric Portfolio Associates® LLC on December 31, 2012.*

TERI NOBLE,
Pathway

MS. NOBLE joined Pathway in 2017 and is a senior vice president in the California office. She is responsible for client servicing and business development in the United States.

Prior to joining Pathway, Ms. Noble served as senior vice president, client portfolio manager, for American Realty Advisors, and before that, she served as senior vice president at BNY ConvergeEx. At both firms, she focused on managing and cultivating consultant and institutional relationships. Ms. Noble earned a BA from the University of California, Davis, and an MBA from St. Mary's College of California and holds Financial Industry Regulatory Authority (FINRA) Series 7, 63, and 65 licenses. She is involved in several national and regional organizations and serves as an affiliate committee member of the State Association of County Retirement Systems (SACRS) and as a committee member of Women in Institutional Investments Network (WIIIN).

DELIA M. ROGES,
Invesco



DELIA M. ROGES, Invesco is a member of the Invesco US Institutional Sales and Service Team. As managing director, she is responsible for relationship management and new business generation for institutional investors in public

funds in the western United States. Ms. Roges has been in the institutional investment management business since 1991.

Prior to joining Invesco in 2011, she was a senior member of a boutique investment banking and private placement firm focused on securing capital for private equity and real estate general partnerships. She served previously as a Senior Vice President at Trust Company of the West where she was responsible for advising institutional clients and developing product solutions for new business development. Ms. Roges serves on the Board of Regents to Loyola Marymount University and on the Board of Visitors at the School of Education at LMU. She earned an MBA at the University of Southern California and a Bachelors in Business Administration from Loyola Marymount University.

KRISTIN V. SHOFNER,
Fidelity Institutional Asset Mgmt.



KRISTIN SHOFNER is Senior Vice President, Business Development at Fidelity Institutional Asset Mgmt. In this role, she leads the development of relationships with public pension plans.

Prior to joining Fidelity in 2013, Kristin was a Director of Institutional Sales and Marketing at Lord Abbett & Co, Inc since June 2003. Her previous positions include serving as a manager of Institutional Sales and Client Services from 2000 to 2003 and as a manager research associate from 1998 to 2000 at Asset Strategy Consulting/InvestorForce, Inc. She has been in the industry since 1998. Kristin earned her bachelor of arts degree in history and sociology from the University of California at Santa Barbara.

EDWARD J. HOFFMAN,
Verus



MR. HOFFMAN brings over 20 years of experience to his clients, providing strategic investment advice to ensure that clients meet their long-term investment objectives. He serves as lead consultant to both public and Taft-Hart-

ley benefits plans.

Before joining Verus (previously known as Wurts & Associates) in 2011, Mr. Hoffman served institutional clients at Legg Mason and Prudential. In addition to his client service responsibilities at Legg Mason, he served on the asset management division operating committee and Legg Mason Funds valuation committee, led corporate development initiatives including several related to the 2005 acquisition of Citigroup’s asset management division, and managed a variety of product development initiatives. Today, his work in risk-based advisory services provides an additional and valuable perspective to his non-discretionary clients.

Mr. Hoffman earned a bachelor of science (BS) in industrial management with college and university honors from Carnegie Mellon University, where he earned membership into Beta Gamma Sigma and Mortar Board honor societies. He earned a master’s degree in business administration (MBA) from the Harvard Business School. He has earned the Chartered Financial Analyst (CFA) designation and is certified as a Financial Risk Manager (FRM). He is also a member of the CFA Society of Los Angeles and the Global Association of Risk Professionals (GARP).

“Yes, I feel that all staff and board members should take advantage of this course. This course has been a refresher and update on many of the concepts used at board meeting level.”

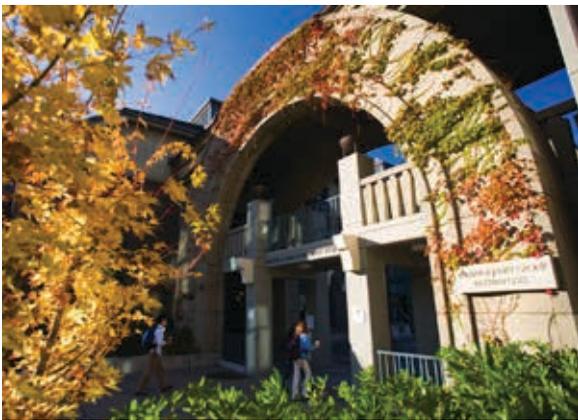
*— Sharon Naramore,
Contra Costa County Employees
Retirement Association*



“Good content, worth your time.”

— Ben Lazarus, Parametric





“Successful Retirement Plan Managers recognize innovation as an opportunity to maximize the creation of value.”

The strength of the Berkeley-Haas School of Business is expressed in its motto, “Leading through Innovation.” Successful Retirement Plan Managers recognize innovation as an opportunity to maximize the creation of value. This program focuses on individual, team, and organizational levels of innovative potential.

The Public Pension Investment Management Program is carefully designed to give participants the tools, knowledge and networks they need to master their particular challenges. Bringing perspective from their own Retirement Plans to the program, and exposed to that of their peers, participants have the opportunity to further define and develop their knowledge and objectives under the guidance of the same faculty who teach in Berkeley-Haas’s renowned Masters of Financial Engineering program, including top finance experts John O’Brien, Thomas Gilbert and Greg LeBlanc.

ATTENDEE INFORMATION

PLEASE COMPLETE ONE REGISTRATION PER ATTENDEE AND RETURN TO SACRS.

Name: _____

(Print exactly for name badge)

Organization: _____ Position Title: _____

Address (No P.O. Boxes Please): _____

City/State/Zip: _____

Business Telephone: _____ Fax: _____

Home Telephone: _____ Email address: _____

List any special needs you may require during your stay:

(Dietary, Handicap Accessible, etc.) _____

Emergency Contact Name: _____ Emergency Phone: _____

HOTEL ACCOMMODATIONS

Arrival Date: _____ Departure Date: _____

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Name: _____

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Type of Member: _____ Name of County or Organization: _____

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Organization Type:

Other

Government

Non-Profit

Public

Private



Program Registration

Registration online at sacrs.org
JULY 22–24, 2019

All program activities will take place on the campus of **UC Berkeley Executive Education**. The host hotel is the **Claremont Club & Spa, a Fairmont Hotel**. Price for the SACRS Investment Management Program is \$2500 per person. Registration fees cover registration, training materials, meals (breakfast, lunch and light receptions) and daily transportation to and from the Hotel Claremont Club & Spa/UC Berkeley. Hotel accommodations are separate (see page 11).

PROGRAM LOCATION

UC Berkeley Executive Education
2220 Piedmont Ave., Berkeley, CA 94720-1900

In order to receive a refund, you must cancel your registration in writing by July 1, 2019. After July 1, 2019, no refunds will be permitted.

PARTICIPATION IS LIMITED.

Register early by visiting sacrs.org. To submit your registration, complete the enclosed form and:

MAIL TO:

SACRS

C/O Sulema Peterson
1415 L Street, Suite 1000
Sacramento, CA 95814

OR E-MAIL TO: sulema@sacrs.org

OR VISIT:

sacrs.org and submit online



Hotel Accommodations

Claremont Club & Spa, a Fairmont Hotel
 41 Tunnel Road
 Berkeley, CA 94705
 Tel: (510) 843-3000

Accommodations will be made for confirmed attendees at the **Claremont Club & Spa, a Fairmont Hotel** located just minutes away from UC Berkeley in the beautiful Berkeley Hills. Shuttle service between the hotel and UC Berkeley will be provided. **SACRS room rate is \$289 per room (not including tax)**. Overnight parking is available at \$20.00 per day per vehicle. Additionally, the hotel charges guests a \$29.00 (plus tax) resort fee per room/per day. This fee is to cover use of the computers and internet in the business center, high speed internet access in guest room, access to the private club & fitness center and all fitness classes, local calls, newspaper delivery and in-room coffee.

Cancellation with no penalties is 72 hours prior to arrival. **All hotel reservations will be made through SACRS. Please do not call the hotel directly to make reservations.** To reserve your hotel accommodations, contact Sulema H. Peterson, SACRS Administrator at the following:

sulema@sacrs.org or (916) 441-1850.

An informal and collegial atmosphere develops at the SACRS UC Berkeley Program. Program faculty and participants enjoy lunch-time meals together, when topics from daily discussions are often reinforced, vetted and simplified. During the evening, participants share dinner together as a group, taking in Berkeley's local restaurants within walking distance from the hotel.

July 22-24, 2019

UC Berkeley Executive Education



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