



RETIREMENT BOARD MEETING
SPECIAL BOARD MEETING

9:00 a.m.
May 29, 2013

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

Present: Debora Allen, Terry Buck, Jerry Holcombe, John Phillips, Gabe Rodrigues, Jerry Telles, Maria Theresa Viramontes and Russell Watts

Absent: Richard Cabral, Brian Hast, Karen Mitchoff and Sharon Naramore

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:	Representing:
Bob Helliesen	Milliman
Jeff Youngman	Milliman
Marty Dirks	Milliman

1. **Pledge of Allegiance**

Viramontes led all in the *Pledge of Allegiance*.

2. **Accept comments from the public**

No members of the public offered comment.

3. **Private Real Asset Manager presentations:**

Helliesen gave an overview of the search process and the managers scheduled for presentations.

Youngman reported on the on-site visit to Aether in Denver that he, Price and Leedom attended.

Aether Investment Partners, LLC – David Rhoades, Sean Goodrich, Troy Schell

Prior to their presentation, Aether waived the confidentiality disclaimer on the presentation materials, noting this is a public meeting and any information discussed will be available to the public.

Rhoades distributed a handout on their proposal to CCCERA.

The presentation included an overview of the firm, professional biographies, ARA III structure & strategy, investment biases, investment processes, differentiation, a summary and portfolio allocation

of ARA I Fund and ARA II Fund. A summary of terms for ARA III and ARA III Surplus were also reviewed.

Commonfund – Susan Carter, Gregory Jansen, Kent Scott, Seyonne Kang

Prior to their presentation, Commonfund waived the confidentiality disclaimer on the presentation materials, noting this is a public meeting and any information discussed will be available to the public.

The presentation included an overview of the investment team, firm ownership and organizational structure, investment objectives, performance, current sector focus, commitments, benefits of commingled secondaries and co-investments, partner profile and managers, and the investment committee. Fees were also discussed.

BlackRock Private Equity Partners – Patricia Hunter, Leo Chenette, Stephen Kelly, Craig Payne

Prior to their presentation, BlackRock waived the confidentiality disclaimer on the presentation materials, noting this is a public meeting and any information discussed will be available to the public.

The presentation included an overview of the firm and the team, a summary of the customized private real assets separate account for CCCERA, their investment process and recommended investment strategy, their investment monitoring and risk management, performance, and terms.

Buck was not present for subsequent discussion and voting.

4. Staff recommendation for Private Real Asset Manager(s)

Viramontes noted that Price distributed a copy of CCCERA's Disclosure Statement on the Use of Placement Agents.

Price reviewed the pros and cons of each presenting manager as well as different options for investing. He recommended adding an operational audit before committing to Aether.

Buck was present for subsequent discussion and voting.

Price noted the fee to hire an outside auditing firm for operational due diligence is approximately \$15-\$20 thousand.

It was M/S/C to invest \$50 million to Commonfund and \$75 million to Aether with as much into ARA III as allowable and the remainder into the "surplus" fund subject to due diligence, including operational due diligence and its related expenses, legal review and authorize the CEO to sign the contracts. (Yes: Allen, Buck, Holcombe, Phillips, Telles, Viramontes and Watts)

5. Value-Add Real Estate Manager Presentations:

Price gave an overview of the managers scheduled for presentations. Staff's recommendation is to make a capital commitment of up to \$35 million to Invesco Real Estate Fund III and a separate commitment of up to \$25 million to Long Wharf Real Estate Partners IV.

INVESCO Real Estate Fund III – Max Swango, Jay Hurley, Delia Roges

Handouts were distributed on Cash Management Forecast (2013-2015), Domestic Value Add Exposure, and Invesco Real Estate Fund III Final Closing Analysis for CCCERA.

The presentation included a review of the handouts, an overview of the pre-specified investments' and their track record. A summary of key fund terms, the fund timeline, and the fee structure for Fund III were also reviewed.

Long Wharf Real Estate Partners IV,L.P. – Michael Elizondo, Jeff Gandel, Sujit Sitole

Prior to their presentation, Long Wharf waived the confidentiality disclaimer on the presentation materials, noting this is a public meeting and any information discussed will be available to the public.

The presentation included an overview of the firm's history, profile, organizational chart, the key highlights to Fund IV, market opportunities and current investment strategies. The portfolios and fee structure for Fund IV were also reviewed.

6. **Staff recommendation for Value-Add Real Estate Manager(s)**

After discussion, it was M/S/C to accept staff's recommendation to make a capital commitment of \$35 million to Invesco Real Estate Fund III and a commitment of \$25 million to Long Wharf Real Estate Partners IV subject to due diligence, legal review and authorize the CEO to sign the contracts. (Yes: Allen, Buck, Holcombe, Phillips, Telles, Viramontes and Watts)

7. **Miscellaneous**

(a) Staff Report

None

(b) Outside Professionals' Report

None

(c) Trustees' comments –

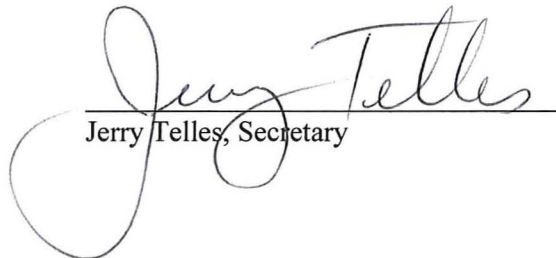
Rodrigues asked about the status of the pay items included for PEPRA members project. Leedom reported staff is currently setting up meetings with all of the employers.

Buck reported on the NCPERS Conference. He introduced William Pigeon who will replace him when he eventually retires.

It was M/S/C to adjourn the meeting. (Yes: Allen, Buck, Holcombe, Phillips, Telles, Viramontes and Watts)



Brian Hast, Chairman



Jerry Telles, Secretary