

November 9, 2011

To: Members of the Board of Retirement

From: Dale Amaral – Chair

Subject: Summary of the November 9, 2011 Investment Committee Meeting

The Investment Committee met on Wednesday, November 9, 2011 at 9:04 a.m. The Committee members present were Dale Amaral, George Dewey, Liz Koppenhaver, Elizabeth Rogers, Donald White, and George Wood. Also present were Alternate Safety members David Safer and Darryl Walker. Members of the Staff present were Vincent Brown – Chief Executive Officer, Kathy Foster – Assistant Chief Executive Officer, Robert Gaumer – Chief Counsel, Betty Tse – Chief Investment Officer, and Catherine Walker – Assistant Chief Executive Officer.

ACTION ITEM

Action Item: Matters for discussion and possible motion by the Committee

1. Discussion of and Possible Motion to Recommend to the Board to Adopt an Investment in Real Returns Pool – Real Return Fund
 - AQR Capital Management, LLC (AQR) representatives presented to the Investment Committee the fund's organization, strategy, and process of its proposed inflation protection strategy.
 - Upon completion of all investment due diligence procedures in accordance with ACERA's Real Return Pool Policy, Staff concurs with SIS's recommendation of an estimated \$163.5 million investment in the proposed AQR fund pending completion of legal due diligence and successful contract negotiation.
 - After discussion, Ms. Liz Koppenhaver moved, seconded by Mr. Donald White, to recommend to the Board to adopt the recommendation of an estimated \$163.5 million investment in AQR's proposed inflation protection strategy pending completion of legal due diligence and successful contract negotiation. The motion passed unanimously.

Information Items:

1. Annual Review of ACERA's Domestic Equity Managers
 - a) Bivium Capital Partners, LLC
 - b) Kennedy Capital Management, Inc.
 - c) Mellon Capital Management

RECOMMENDATIONS

- The Committee recommends, and I move that the Board adopt the recommendation of an estimated \$163.5 million investment in AQR's proposed inflation protection strategy pending completion of legal due diligence and successful contract negotiation.

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FUTURE DISCUSSION ITEMS

None

TRUSTEE/PUBLIC INPUT

ESTABLISHMENT OF NEXT MEETING DATE

December 14, 2011 at 9:00 a.m.

ADJOURNMENT

The meeting adjourned at 11:40 a.m.