

February 8, 2012

To: Members of the Board of Retirement

From: Annette Cain-Darnes – Vice Chair

Subject: Summary of the February 8, 2012 Investment Committee Meeting

The Investment Committee met on Wednesday, February 8, 2012 at 9:04 a.m. The Committee members present were Dale Amaral, Annette Cain-Darnes, Keith Carson, George Dewey, Liz Koppenhaver, Donald White, and George Wood. Also present were Alternate Retired member David Safer and Alternate Safety member Darryl Walker. Members of the Staff present were Vincent Brown – Chief Executive Officer, Kathy Foster – Assistant Chief Executive Officer, Harsh Jadhav – Internal Auditor, J.P. Singh – Chief Financial Officer, Betty Tse – Chief Investment Officer.

ACTION ITEM

1. Review and Discussion of ACERA's Investment in RREEF America REIT II
 - Townsend and Staff presented to the Committee their reviews of ACERA's Investment in RREEF America REIT II. Representatives from RREEF America REIT II discussed the Deutsche Bank's strategic review of RREEF, its organizational changes, recent performance, and fund outlook.
 - After discussion, Mr. George Dewey moved, seconded by Mr. George Wood, to recommend to the Board to adopt Staff's recommendation to redeem fully ACERA's investment in RREEF America REIT II. The motion passed with 6 votes in favor and 1 against.
2. Discussion of and Possible Motion to Recommend to the Board to Adopt a Fee Schedule Amendment to the Custody Agreement with State Street Bank and Trust Company
 - Pursuant to the ACERA Service Provider Policy, Staff recommended a proposed fee schedule for the custody services of State Street Bank and Trust Company. Staff and the representative from State Street Bank responded to questions from the Committee members.
 - After discussion, Mr. Donald White moved, seconded by Ms. Liz Koppenhaver, to recommend to the Board to authorize staff to execute a fee schedule amendment to the current custody agreement (dated August 8, 2007) between ACERA and State Street Bank and Trust Company. The motion passed unanimously.

INFORMATION ITEMS

1. Review of ACERA's Investment in RREEF Managed Separate Account
2. Report of ACERA's PEARLS Investment – Venture Capital
3. Review of ACERA's Investment in JPMorgan Strategic Property Fund (SPF)
4. Review of ACERA's Investment in JPMorgan Alternative Property Fund (APF)

RECOMMENDATIONS

- The Committee recommends and I move that the Board adopt Staff's recommendation to redeem fully ACERA's investment in RREEF America REIT II.
- The Committee recommends and I move that the Board authorize staff to execute a fee schedule amendment to the current custody agreement (dated August 8, 2007) between ACERA and State Street Bank and Trust Company.

FUTURE DISCUSSION ITEMS

None

TRUSTEE/PUBLIC INPUT

None

ESTABLISHMENT OF NEXT MEETING DATE

March 14, 2012 at 9:00 a.m.

ADJOURNMENT

The meeting adjourned at 12:01 p.m.