



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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May 8, 2013

To: Members of the Board of Retirement

From: Annette Cain-Darnes – Chair

Subject: Summary of the May 8, 2013 Investment Committee Meeting

The Investment Committee met on Wednesday, May 8, 2013 at 9:07 a.m. The Committee members present were Dale Amaral, Annette Cain-Darnes, Keith Carson, George Dewey, Liz Koppenhaver, Donald White, and George Wood. Members of the Staff present were Kathy Foster – Assistant Chief Executive Officer, Robert Gaumer – Chief Counsel, Margo Allen – Fiscal Services Officer, Harsh Jadhav – Internal Auditor, and Betty Tse – Chief Investment Officer.

ACTION ITEM

1. Discussion of and Possible Motion to Recommend to the Board to Adopt the Amended ACERA General Investment Guidelines, Policies and Procedures.
 - Staff and SIS identified and explained the major/impactful changes proposed in the amended version.
 - After discussion, Mr. George Dewey moved, seconded by Mr. George Wood, to accept Staff's recommendations with additional modifications from the Trustees for the ACERA General Investment Guidelines, Policies and Procedures. The motion passed unanimously.

2. Discussion of and Possible Motion to Recommend to the Board to Revise the Benchmarks for ACERA's Active U.S. Public Securities Account Managers
 - SIS presented a benchmark review for ACERA's Active U.S. Public Securities Account Managers.
 - After discussion, Ms. Liz Koppenhaver moved, seconded by Captain Dale Amaral, to accept the recommendations of SIS and Staff to revise the Benchmarks for ACERA's Active U.S. Public Securities Account Managers. The motion passed carried 6 yes, 0 no, and 1 abstention.
 - After the Committee voted to pass the motion, Mr. George Dewey discussed briefly the effectiveness of policy alpha targets. After the discussion, Mr. Donald White moved, seconded by Ms. Liz Koppenhaver to amend the earlier motion to clarify that the recommendations were; i) to reduce the TCW Policy Alpha Target to 200 bps, ii) to reduce the Bivium Policy Alpha Target to 100 bps, and iii) to maintain all other existing Policy Alpha Targets. The motion carried 6 yes, 0 no, and 1 abstention. Mr. George Dewey abstained on the amended motion.

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INFORMATION ITEMS

- Review of Next Century Small Cap Growth and Ultra Growth

RECOMMENDATIONS

The Committee recommends, and I move, that the Board adopt the proposed amendments to ACERA's General Investment Guidelines, Policies and Procedures as modified by the Committee.

The Committee recommends, and I move, that the Board adopt the recommended Benchmarks for ACERA's Active U.S. Public Securities Account Managers, specifically: i) to reduce the TCW Policy Alpha Target to 200 bps, ii) to reduce the Bivium Policy Alpha Target to 100 bps, and iii) to maintain all other existing Policy Alpha Targets.

TRUSTEE/PUBLIC INPUT

None

FUTURE DISCUSSION ITEMS

None

ESTABLISHMENT OF NEXT MEETING DATE

June 12, 2013 at 9:00 a.m.

ADJOURNMENT

The meeting adjourned at 11:15 a.m.