AGENDA

RETIREMENT BOARD MEETING

FIRST MONTHLY MEETING
April 2, 2014
9:00 a.m.

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

****AMENDED****

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 February 12 and 26, 2014 meetings.

4. Routine items for April 2, 2014.
    a. Approve certifications of membership.
    b. Approve service and disability allowances.
    c. Accept disability applications and authorize subpoenas as required.
    d. Approve death benefits.
    e. Accept Asset Allocation Report

5. Presentation from Delaware Investments on creation of Jackson Square Partners.

6. Consider and take possible action to reassign contract from Delaware Investments to Jackson Square Partners.

7. Educational presentation from Parametric Clifton on cash overlay strategies.

8. Presentation from Ocean Avenue Capital Partners.

9. Consider and take possible action on consultant recommendation to make commitment to Ocean Avenue Capital Fund II.

CLOSED SESSION

10. The Board will go into closed session under Gov. Code Section 54957 to consider recommendations from the Medical Advisor and/or staff regarding the following disability retirement applications:

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.

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	Member	Type Sought	Recommendation
a.	Tracy Kroll	Non-service Connected	Non-service Connected
b.	Steven April	Service Connected	Service Connected

11. The Board will continue in closed session pursuant to Govt. Code Section 54956.9(a) to confer with legal counsel regarding existing litigation:

    a. *Contra Costa County Deputy Sheriffs Association, et al., v. CCCERA, et al.*, Contra Costa County Superior Court, Case No. N12-1870.

12. The Board will continue in closed session to confer with legal counsel regarding anticipated litigation pursuant to Govt. Code Section 54956.9(b): one potential case.

13. The Board will continue in closed session pursuant to Govt. Code Section 54956.81 to consider the purchase of particular pension fund investment.

OPEN SESSION

14. Presentation of cash flow report for the period ending December 31, 2013.

15. Consider and take possible action to contract with Laughlin, Falbo, Levy and Moresi, LLP to provide disability retirement legal services.

16. Consider authorizing the attendance of Board and/or staff:
    a. Client Conference, Energy Investors Fund, May 6 – 8, 2014, Dana Point, CA.
    b. Client Conference, Siguler Guff, April 30 – May 1, 2014, New York, NY.
    c. 2014 Global Conference, Milken Institute, April 27 – 30, 2014, Los Angeles, CA.

17. 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.

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Meeting Date
04/02/14
Agenda Item
#3

CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

MINUTES

RETIREMENT BOARD MEETING

FIRST MONTHLY BOARD MEETING 9:00 a.m. February 12, 2014	Retirement Board Conference Room The Willows Office Park 1355 Willow Way, Suite 221 Concord, California

Present: Debora Allen, Scott Gordon, Brian Hast, Jerry Holcombe, Louie Kroll, Karen Mitchoff, John Phillips, William Pigeon, Gabe Rodrigues, Jerry Telles and Russell Watts

Absent: None

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Kurt Schneider, Deputy Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Karen Levy, Retirement General Counsel; Vickie Kaplan, Retirement Accounting Manager; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Rebecca Byrnes	County Counsel

1. **Pledge of Allegiance**

   Hast led all in the *Pledge of Allegiance.*

2. **Accept comments from the public**

   No members of the public offered comment.

3. **Approval of Minutes**

   It was **M/S/C** to approve the minutes of the January 8, 2014 meeting. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

4. **Routine Items**

   It was **M/S/C** to approve the routine items of the February 12, 2014 Board meeting. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

5. **Presentation of Total Compensation Study for all CCCERA staff** – Doug Johnson

   Johnson presented the objectives of the survey. He reviewed the survey process and gave an overview of the project. He reviewed the labor market they surveyed, their historical practices, the nature of services, geographic proximity, employer size, economic similarity and efficiency in providing data. He reviewed the agencies used in the survey noting 26 job classifications were surveyed.

He noted salaries are higher in the private sector and benefits are higher in the public sector. He stated he uses the U.S. Bureau of Labor Statistics to get information on private sector positions but noted it does not include benefits. The total compensation study indicated most of the classifications at CCCERA are in the -10% to +5% range in relationship to the market median.

Johnson gave a summary of the results of the study noting the study indicated that CCCERA's compensation plan is below the labor market, particularly for management job classifications.

There were several questions from the Board on the overall market comparison.

There were questions from staff on wage differences, the cost of health benefits, the methodology applied to "flexibly staffed" classifications, and possible recommendations.

It was the consensus of the Board to move to Item 13.

13. <u>Contribution rates for Central Contra Costa Sanitary District effective July 1, 2014</u>

Schneider reported Central Contra Costa Sanitary District made a prepayment on their Unfunded Actuarial Accrued Liability (UAAL). CCCERA's actuary, Segal Consulting, recalculated the District's rates taking into account the prepayment and Central Contra Costa Sanitary District has indicated they are comfortable with the recalculated rates. The effect of the prepayment is a reduction of the District's UAAL contribution rate of 1.45% of payroll.

It was **M/S/C** to adopt the contribution rates for the Central Contra Costa Sanitary District effective July 1, 2014 as presented. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

It was the consensus of the Board to move to Item 10.

10. <u>Consider and take possible action on request from Kristina Rochin for pre-election of Optional Settlement Allowance 2.</u>

Levy began by expressing her condolences to Nicole Rochin's family. Levy reported on the request from Kristina Rochin to receive the Optional Settlement Allowance 2 as the survivor of CCCERA member Nicole Rochin.

Levy discussed the options available to a minor child survivor and beneficiary under the 1937 Act noting the Optional Settlement Allowance 2 election was not made in writing by the member prior to this member's death.

The Board discussed the options available to Kristina Rochin under the applicable law and the notification and information CCCERA sent to its members regarding Optional Settlement 2 and the Board's decision in January 12, 2011 to revise the from titled "Election of Optional Settlement Allowance 2 and Authorization to File Application For Non-Service Connected Disability Retirement In the Event of Member's Death During Active Service".

In public comment, <u>Adrian Barnes</u>, attorney for Local 2700, stated the form he saw was for active employees and although the unions began making employees aware of the form in 2013, not all employees are aware of the form. He feels had the member known about the form she would have filled it out. He noted the member had additional life insurance with her minor child as the sole beneficiary. He hopes the Board would make an exception and grant the Optional Settlement Allowance 2.

There was a lengthy discussion on the requirement of notifying employees of the form. It was noted the form is for employees that are active and is only a benefit if they pass away prior to retirement and are determined to have been disabled.

In public comment, Suzie Griffith, Local 2700, stated union members have stated they didn't understand what the form was or the impact of completing the form.

Leiderman stated he felt the discussion could lead to a potential claim of litigation and the Brown Act allows the Board to go into closed session to discuss legal issues.

It was **M/S/C** to hold a closed session pursuant to Govt. Code Section 54954.2(b)(2) because there is a need for the Board to take immediate action and the need for action came to the attention of the Board subsequent to the agenda being posted. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54956.9(b) to confer with legal counsel regarding potential litigation (one case).

The Board moved into open session.

In public comment, Kristina Rochin, Nicole Rochin's daughter, thanked the Board for taking her request into consideration.

In public comment, Robbie White, President of AFSCME Local 2700, spoke on members awareness of the form noting they weren't aware of the form until Nicole passed away. She also stated she believed the form is confusing because the title refers to a disability retirement. She noted the union has included information on the form in their member newsletter.

In public comment, a previous co-worker who has known Kristina and Nicole for over 20 years and retired from the County in 2011 stated she had received the form 4 months prior to her own retirement.

In public comment, Sandra Scroggins, Health Services Personnel and Nicole's friend for years, stated she believed if Nicole knew about the form she would have filled it out. She noted neither she nor her department knew about the form.

In public comment, Selena Scroggins, County employee who has known Kristina since the first grade, believed Nicole would have filled out the form had she known about it.

It was **M/S/C** to accept staff's recommendation and deny Kristina Rochin's request for a lifetime Optional Settlement 2 annuity pursuant to G.C. Section 31762 but allow her to choose between the two options of either receiving a monthly allowance as prescribed G.C. Section 31781.1 or receive a lump-sum payment as prescribed by G.C. Section 31781. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Rodrigues, Telles and Watts. Abs: Pigeon)

It was the consensus of the Board to move to Item 14.

14. Adopt the automatic cost-of-living increases for retirees effective April 1, 2014

Leedom reported that CCCERA will be looking into changing the eligibility for the COLA to those retired on or before April 1 rather than on or before March 31.

It was **M/S** to adopt Segal's recommendation of a 2.5% COLA effective April 1, 2014 noting all adjustments to tiers and years of service with COLA banks. After discussion, an amended motion was **M/S/C** to grant the COLA only to those retired on or before March 31, 2014. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

Gordon was no longer present for subsequent discussion and voting.

15. Update regarding the completion of the IRS Letter of Determination filing and the 2014 CCCERA Lawbook

Levy gave an update on the completion of the 2014 edition of the CCCERA Lawbook as part of the preparation of CCCERA's filing for an IRS Letter of Determination in Cycle C, ending on January 31, 2014. She noted the 2014 Lawbook has been distributed to members of the board and staff and is also available on the website at cccera.org under the "publications" link.

It was the consensus of the Board to move to Item 11.

11. Review of Semi-Annual rebalancing report.

Price reviewed his memo noting it was a fairly straightforward rebalancing.

After discussion, it was **M/S/C** to accept the semi-annual rebalancing report. (Yes: Allen, Hast, Holcombe, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

12. PIMCO organizational changes

Price reported on several organizational changes at PIMCO. He reviewed the staff that are leaving and recommends that the Board place PIMCO on watch for personnel and organizational changes and conduct an on-site visit to PIMCO's offices as soon as practical.

It was **M/S/C** to place PIMCO on watch for personnel and organizational changes and conduct an on-site visit to PIMCO's offices as soon as practical. (Yes: Allen, Hast, Holcombe, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

It was the consensus of the Board to move to Item 16.

16. Consider and take possible action to change the April 9, 2014 Board meeting date

It was **M/S/C** to change the April 9, 2014 meeting to April 2, 2014. (Yes: Allen, Hast, Holcombe, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

17. Conference Seminar Attendance

a. No action was taken on the Compass Conference, Robert F. Kennedy Center, March 6-7, 2014, Half Moon Bay, CA

b. It was **M/S/C** to authorize the attendance of 4 Board members and 2 staff members at the Public Retirement Showdown, Manatt, March 28, 2014, San Francisco, CA. (Yes: Allen, Hast, Holcombe, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

It was the consensus of the Board to move into Closed Session for Items 6, 7, 8 and 9.

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957, 54956.9(a) and 54956.9(b).

The Board moved into open session.

6. It was **M/S/C** to accept the Medical Advisor's recommendation and grant the following disability benefits:

   (a) Bobby McMorris – Non-service Connected (Yes: Allen, Hast, Holcombe, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

7. It was **M/S/C** to accept the Hearing Officer/Medical Advisor's recommendation and deny the service connected disability retirement for Carolyn Jensen-Jordon. (Yes: Allen, Hast, Holcombe, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

8. There was no reportable action related to Govt. Code Section 54956.9(a).

9. There was no reportable action related to Govt. Code Section 54956.9(b).

Holcombe was no longer present for subsequent discussion and voting.

18. Miscellaneous

(a) Staff Report –

Leedom reported we received the GFOA Award for Outstanding Achievement and Popular Annual Financial Reporting and congratulated the Accounting Department and our recently retired Communications Coordinator.

The property managers for the Willows Office building will be at the March 12th meeting to review the results of the building structural study and provide information on electro chromatic windows, which came back favorable.

On the February 26th meeting Adams Street Partners will be presenting on the 2014 Adams Street Global Fund and Paladin will be presenting on their Cybersecurity Fund I.

She reported the remodel plans are drawn up for the Investment/Legal side and the IT side if anyone wants to see them.

Leedom noted the recruitment for the CEO position is with Alliance Resource Consulting and will have a Special Board Meeting on March 26, 2014 for the Board to interview the candidates.

Price reported the Investment Consultant RFP is in progress.

For the March 20, 2014 Special Board Meeting the Board approved trying panel discussions instead of individual manager presentations.

He gave an update on the Pyrford transitions and on the Siguler Guff agreement.

Price reported CCCERA's performance results for 2013 came in at 16.4% for the year and 4.9% for the 4th quarter.

(b) Outside Professionals' Report -

None

(c) Trustees' comments –

<u>Watts</u> reported he, Rodrigues and Telles attended the CALAPRS Advanced training and leadership conference.
<u>Allen</u> reported she and Hast attended the 21st Annual Groundhog Investment Forum and felt they had great speakers.

It was **M/S/C** to adjourn the meeting. (Yes: Allen, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

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Brian Hast, Chairman   Jerry Telles, Secretary

CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

Meeting Date
04/02/14
Agenda Item
#3

MINUTES

RETIREMENT BOARD MEETING

SECOND MONTHLY BOARD MEETING
9:00 a.m.

February 26, 2014

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

Present: Debora Allen, Scott Gordon, Brian Hast, Jerry Holcombe, Karen Mitchoff, John Phillips, William Pigeon, Gabe Rodrigues, Jerry Telles and Russell Watts

Absent: Louie Kroll

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Kurt Schneider, Deputy Retirement Chief Executive Officer; Timothy Price, Retirement Chief Investment Officer; Vickie Kaplan, Retirement Accounting Manager; and Christina Dunn, Retirement Administration Manager

Outside Professional Support:	Representing:
Harvey Leiderman	Reed Smith LLP
Bob Helliesen	Milliman
Marty Dirks	Milliman
Dorian Young	Milliman
Paul Angelo	Segal Company
John Monroe	Segal Company

1. **Pledge of Allegiance**

Hast led all in the *Pledge of Allegiance.*

2. **Accept comments from the public**

Leedom announced she would be retiring effective March 8th as the Chief Executive Officer (CEO) of CCCERA.

Hast noted that the CEO's publicly announced March 8th date of retirement did not come until after the agenda had been posted, and the Board will not be able to discuss related personnel issues until the next Board meeting, which is scheduled after the CEO's departure. Because there was a need to take immediate action before the Board could timely agendize a closed session for its next meeting, Hast asked for a motion, to be approved by a 2/3rds vote of the Board, pursuant to Section 54954.2(b) of the Brown Act, to add a closed session to the current agenda. The closed session is authorized under Section 54957(b)(1) of the Brown Act (personnel matters).

After discussion it was **M/S/C** to add a closed session item to the agenda, as requested by the Board. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues and Watts. Abs: Telles)

3. Approval of Minutes

It was **M/S/C** to approve the minutes of the January 22, 2014 meeting. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts.)

4. Consider and take possible action to adopt the CCCERA Funding Policy – Paul Angelo and John Monroe

After discussion on the recommended changes to the funding policy and additional Board requested changes it was **M/S/C** to adopt the CCCERA funding policy with all of the requested Board changes including reducing the amortization period for plan amendments from 18 years to 10 years. (Yes: Allen, Cabral, Gordon, Hast, Mitchoff, Phillips, Pigeon, Telles and Watts)

After further discussion on the funding policy it was **M/S/C** to amend the CCCERA funding policy by removing the word "etc." on page 5, first line of the last paragraph. (Yes: Allen, Gordon, Hast, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

5. Presentation regarding the application of administrative expenses under GASB 67 and GASB 68 – Paul Angelo and John Monroe

Angelo reviewed the background of GASB 67 and 68 noting GASB 67 governs the Associations financial reporting and GASB 68 governs the employers' financial reporting. He discussed the difference between funding and GASB financial reporting noting GASB requires the investment return assumption be net of investment expenses but not net of administrative expenses. Currently, CCCERA's investment return assumption used for the annual funding valuation is developed net of both investment and administrative expenses. He explained this would result in the Association having two slightly different investment return assumptions, one for funding and one for financial reporting.

Gordon was no longer present for subsequent discussion and voting.

He discussed possible approaches if the Board wished to develop a single investment return assumption for both funding and financial reporting purposes.

After discussion, the Board directed Segal Consulting to keep the investment return assumption for funding unchanged and to come back with a recommendation for the investment return assumption to use for financial reporting disclosure purposes.

It was the consensus of the Board to move to Item 7.

7. Presentation from Adams Street regarding potential commitment to the 2014 Adams Street Global Fund – Gary Fencik and Hanneke Smits

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

Fencik provided an overview of the firm and the 2014 global private equity fund noting CCCERA has been invested in the last six Adams Street global private equity funds.

Smits discussed the investment teams and strategy noting their goal is to invest about 80% of the intended allocation within the first year.

Fencik discussed fees noting they will apply a credit for prior subscriptions reducing the average fund-of-funds management fee by 15%.

8. **Consider and take possible action on staff recommendation regarding a commitment to the 2014 Adams Street Global Fund.**

Price reviewed the staff recommendation to invest $50 million to the Adams Street global private equity fund. He discussed the long standing relationship with Adams Street Partners and the performance of the fund.

It was **M/S/C** to accept the staff recommendation and invest $50 million to the 2014 Adams Street Global Fund subject to due diligence, on-site visits and authorize the CEO or Board designee to sign the necessary contracts. (Yes: Allen, Hast, Holcombe, Mitchoff, Phillips, Pigeon, Rodrigues, Telles and Watts)

9. **Presentation from Paladin Cybersecurity Fund I** – Michael Steed, Niloofar Howe and Lt. General Kenneth Minihan

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

Steed discussed the thirty-one cyber related investments Paladin has invested in during the last ten years noting they are a leader in investing in homeland security. He discussed the firm's milestones and the investment team's primary focus.

Minihan discussed the need for a fund of this type. He noted this is really security in the cyber age not cybersecurity. He discussed the unique relationship Paladin has with the federal government and the deep understanding of disruptive technologies which helps them identify market drivers.

Howe discussed the investment philosophy and noted Paladin is differentiated from other investments because they live and breathe value add investments. She explained the premise of the fund is to be mission oriented and noted they focus on products, services and technologies that serve both private enterprise and governmental needs.

Steed discussed the fund performance, fund size and anticipated closing date.

10. **Consider and take possible action on commitment to Paladin Cybersecurity Fund I**

After discussion on the advantages and disadvantages of investing in a unique private equity fund of this type it was **M/S** to not make an investment with Paladin Cybersecurity Fund I.

A substitute motion was **M/S** to invest $20 million with Paladin Cybersecurity Fund I subject to a minimum fund size of $60 million. (Yes: Mitchoff, Pigeon, Rodrigues and Telles. No: Allen, Hast, Holcombe, Phillips and Watts). **Motion failed.**

The original motion was **M/S/C** to not make an investment with Paladin Cybersecurity Fund I. (Yes: Allen, Hast, Holcombe, Phillips and Watts No: Mitchoff, Pigeon, Rodrigues and Telles.)

CLOSED SESSION

The Board moved into closed session pursuant to Govt. Code Section 54957(b)(1).

The Board moved into open session.

There was no reportable action.

Mitchoff was not present for subsequent discussion and voting.

6. Review of total portfolio performance

Young reviewed the market and the key points of the quarterly report noting the CCCERA total fund returned 4.9% for the fourth quarter and 16.5% for the year ending December 31, 2013. He stated the CCCERA Total Fund performance has been first quartile over the trailing three-through five-year periods. He also reviewed the cumulative performance statistics for all funds.

Pigeon and Telles were no longer present for subsequent discussion and voting.

It was **M/S/C** to accept the Quarterly Report presented by Milliman. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues and Watts.)

a. Consideration of any managers already under review or to be placed under review

Dirks reported on the managers on the Watch List. Dirks stated they recommend removing INTECH Large Cap and Global Portfolios, INVESCO IREF I, II and Long Wharf Real Estate Growth Fund II & III from the watch list.

It was **M/S/C** to remove INTECH Large Cap and Global Portfolios from the Watch List as recommended by Milliman. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues and Watts.)

It was **M/S/C** to remove INVESCO IREF I, II from the Watch List as recommended by Milliman. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues and Watts.)

It was **M/S/C** to remove Long Wharf Real Estate Growth Fund II & III from the Watch List as recommended by Milliman. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues and Watts.)

b. Consideration of any changes in allocations to managers

There were no changes in allocations to managers.

11. Conference Seminar Attendance

a. It was **M/S/C** to authorize the attendance of two Board members at the Annual Conference, NCPERS, April 26 – May 1, 2014, Chicago, IL. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues and Watts.)
b. It was **M/S/C** to authorize the attendance of 2 Board members and 1 staff member at the Spring Conference, Council of Institutional Investors, May 7 – 9, 2014, Washington, DC. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues and Watts.)
c. It was **M/S/C** to authorize the attendance of 2 Board members at the Spring Conference, CRCEA, April 7 – 9, 2014, Costa Mesa, CA. (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues and Watts.)

12. Miscellaneous

(a) Staff Report –

Leedom reminded the Board members that their premiums for "non-recourse" coverage under their fiduciary insurance are due.

She noted 95% of the other retirement systems have pictures of their Board members in their CAFR and we would like to have the same.

She reported Rebecca Byrnes our outside Disability Counsel is retiring at the end of March. Staff will work on issuing an RFP for this service.

She also reported staff are working on a blend and extend on the current Willows Office space lease to assist with paying for the re-models needed to accommodate increased staffing.

She reported staff has invited employers to an educational meeting in March on GASB 67 and 68 presented by Segal Consulting and Brown Armstrong.

Price reported the Investment consultant committee should have an RFP released within a month.

He reported that the growth team at Delaware is forming a joint venture with the parent company that will be known as Jackson Square Partners. Jeff Van Harte will present to the Board in the near future to explain the new organization.

He also reported at the March 20th Board meeting there will be panel discussions from the investment managers. The topics will include the balance of risk and opportunities, opportunities in real assets and fixed income defense in times of rising interest rates.

He reported Bonnie Harkins is leaving Adelante and was not on the investment team so it should not affect our account.

(b) Outside Professionals' Report –

Dirks reported he and Helliesen visited Ocean Avenue capital partners, a private equity investor and was impressed. They would like them to meet with the Board at a future meeting.

(c) Trustees' comments –

Hast reported the Board meeting on March 12th has been cancelled so the next Board meeting will be on March 20th.

The members of the Board thanked Marilyn for her service and expressed their gratitude for her assistance throughout the years.

It was **M/S/C** to adjourn the meeting (Yes: Allen, Hast, Holcombe, Phillips, Rodrigues and Watts.)

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Brian Hast, Chairman

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Jerry Telles, Secretary

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

BOARD OF RETIREMENT

April 2, 2014

Items requiring Board Action

Meeting Date
04/02/14
Agenda Item
#4

A. Certifications of Membership – see list and classification forms.

B. Service and Disability Retirement Allowances:

Name	Number	Effective Date	Option Type	Group	Selected
Anderson, Theodore	42620	01/29/14	SR	S/A	Unmod
Andrews, Roberta	63679	11/17/13	SR	II & III	Unmod
Anselmo, Michael	34436	12/01/13	SR	III	Unmod
Ascencio, Carlos	46211	12/07/13	SR	Safety	Unmod
Bailey, Christopher	48626	12/31/13	SR	I	Option 1
Beaty, Jeffrey	55195	12/31/13	SR	S/A	Unmod
Benzler, Frances	61713	11/30/13	SR	II & III	Unmod
Bernardino, Daniel	45568	12/31/13	SR	I	Unmod
Blakely, Mary	66263	01/20/14	SR	II & III	Option 1
Brunner, Jane	35520A/P	10/04/13	SR	I & II	Unmod
Calonge, Robin	50947	11/24/13	SR	II & III	Unmod
Casillas, Gabriela	53506	11/30/13	SR	II & III	Unmod
Chan, Daniel	47808	01/31/14	SR	III	Unmod
Chang, Walter	47034	12/01/13	SR	II & III	Unmod
Clark, Gail	50048	12/13/13	SR	II & III	Unmod
Crowe, Brett	67069	12/20/13	SR	III	Unmod
Curry, Leonard	56086	12/31/13	SR	S/A	Unmod
Diamond, Jan	43853	10/27/13	SR	II & III	Unmod
Doty, Kathie	48910	12/21/13	SR	III	Unmod
Fon, Juana	63674	12/31/14	SR	III	Unmod
Frank, Marjorie	68058	01/31/14	SR	III	Unmod
Graham, Mark	66648	12/31/13	SR	III	Unmod
Harrison, Robert	55537	01/25/14	SR	III	Unmod
Hartman, Sherry	66788	12/11/13	SR	III	Unmod
Henderson, Thomas	48569	12/20/13	SR	S/A	Unmod
Hopper, John	D7830	11/09/13	SR	S/A	Unmod
Ito, Kathleen	53927	12/31/13	SR	I	Unmod

KEY:

Group
I = Tier I
II = Tier II
III = Tier III
S/A = Safety Tier A
S/C = Safety Tier C

Option
* = County Advance Selected w/option

Type
NSP = Non-Specified
SCD = Service Disability
SR = Service Retirement
NSD = Non-Service Disability

Jalali, Kathy	66853	01/01/14	SR	II & III	Unmod
Jimenez, Maria	67128	12/31/13	SR	III	Unmod
Johnson, Pamela	63945	12/26/13	SR	II & III	Unmod
LaMar, Cherryl	61085	12/03/13	SR	III	Unmod
Lee, Michael	55208	12/28/13	SR	S/A	Unmod
Overacker, Steven	61151	12/13/13	SR	III	Option 2
Redditt, Gloria	57040	10/19/13	SR	II	Unmod
Reed, Tony	50993	01/21/14	SR	S/A	Unmod
Roybal, Thomas	50417	01/21/14	SR	S/A	Unmod
Ryan, Judy	D7830A/P	12/09/13	SR	S/A	Unmod
Sanderson, Linda	63561	01/01/14	SR	II & III	Unmod
Sewell, Valerie	D9500	01/21/14	SR	II & III	Unmod
Simonson, Frederic	40768	12/24/13	SR	I & II	Unmod
Smith, Judith	50939	01/25/14	SR	II & III	Unmod
Taylor-Edwards, Robyn	26234	01/22/14	SR	I	Option 1
Tecson, Elizabeth	D9500	01/01/14	SR	II & III	Unmod
Trojanowski, Lenora	39286A/P	11/26/13	SR	S/A	Unmod
Trojanowski, Steven	39286	11/01/13	SR	S/A	Unmod
Uehisa, Lee	49195	01/21/14	SR	II & III	Unmod
Viera, Cheryl	D7830A/P	01/13/14	SR	S/A	Unmod

Disability Retirement Applications: The Board's Hearing Officer is hereby authorized to issue subpoenas in the following cases involving disability applications:

Name	Number	Filed	Type
Kroll, Tracy	52308	02/06/14	NSD
Poppi, David	38287	02/07/14	SCD
McLendon, Robert	30037	03/04/14	SCD
Carter, Matthew	D9990	03/07/14	NSD
Anguiano, Ramona	D9500	03/14/14	SCD
Morris, Kelly	D7274	03/20/14	SCD

Deaths:

Name	Date of Death	Employer
Almeida, Wilbert	02/25/14	Beneficiary
Arnautoff, Lenore	01/27/14	Contra Costa County

KEY:

Group	Option	Type
I = Tier I	* = County Advance Selected w/option	NSP = Non-Specified
II = Tier II		SCD = Service Disability
III = Tier III		SR = Service Retirement
S/A = Safety Tier A		NSD = Non-Service Disability
S/C = Safety Tier C		

Chavez, Susan	02/19/14	Contra Costa County
Cook, David	03/01/14	Contra Costa County
Drew, Marilyn	02/02/14	Contra Costa County
Ellsworth, Ronald	01/15/14	Contra Costa County
Ferriera, Ernest	03/01/14	Contra Costa County
Gann, Helaine	02/11/14	Contra Costa County
Garcia, Ruth	01/31/14	Beneficiary
Granzotto, Antonio	03/06/14	Central Sanitation
Hilger, James	03/09/14	Contra Costa County
Howard, V. Charle	03/05/14	Contra Costa County
Hunt, Marguerite	03/17/14	Contra Costa County
Hussey, Sharron	02/28/14	Beneficiary
Joyce, Virginia	02/28/14	Contra Costa County
Kurr, Elisabeth	02/22/14	Contra Costa County
Leonard, Edith	01/20/14	Contra Costa County
Lind, Agnes	02/25/14	Contra Costa County
McDonald, Melvin	02/16/14	Contra Costa County
Meyer, Richard	02/16/14	Contra Costa County
Miller, Margaret	08/08/13	Beneficiary
Nichols, Margaret	03/13/14	Alternate Payee
Patterson, Fred	02/09/14	Contra Costa County
Polewaczyk, Virginia	03/12/14	Contra Costa County/Beneficiary
Posner, Wallace	02/23/14	Contra Costa County
Stancil, Charles	03/08/14	Contra Costa County
Suggs, Almatha	01/04/14	Alternate Payee
Walker, Ellen	12/19/13	Contra Costa County
Waters, Thelma	01/18/14	Beneficiary
Whittington, Linda	02/20/14	Contra Costa County

For Membership Dates and Tier changes effective 01/01/14 & 02/01/14

Meeting Date
04/02/14
Agenda Item
#4

CERTIFICATION OF MEMBERSHIPS

Name	Employee Number	Tier	Membership Date	Employer
Actkinson, Lakesha	79658	P5.3	01/01/14	Contra Costa County
Acu, Celia	79729	P5.3	02/01/14	Contra Costa County
Ahumada, Adriana	79419	P5.2	02/01/14	Contra Costa County
Aliotti, Roberta	75147	III	02/01/14	Contra Costa County
Alvarado, Ivan	79749	P5.3	02/01/14	Contra Costa County
Arantes, Annette	72336	P5.3	02/01/14	Contra Costa County
Arguel, Ma Grace	79680	P5.3	02/01/14	Contra Costa County
Avila, Miguel	78260	P5.3	01/01/14	Contra Costa County
Axel, William	78015	P5.3	01/01/14	Contra Costa County
Barkley, Anthony	79673	P5.3	02/01/14	Contra Costa County
Barnum-Roberts, Brooke	79220	P5.2	02/01/14	Contra Costa County
Bartel, Bridgette	79708	P5.3	01/01/14	Contra Costa County
Berkowitz, Jessica	79661	P5.3	02/01/14	Contra Costa County
Bhullar, Bikramjit	79707	S/D	02/01/14	Contra Costa County
Blanch, Maria	79727	P5.3	02/01/14	Contra Costa County
Bland, Asha	66918	P5.3	01/01/14	Contra Costa County
Borton, Rand	45163	III	02/01/14	Contra Costa County
Breer, Brenda	77316	P5.3	02/01/14	Contra Costa County
Brooks-Miller, Darnis	D7274	P4.3	02/01/14	Moraga-Orinda Fire
Bruce, Lisa	79763	P5.3	02/01/14	Contra Costa County
Busby, Kristen	78721	P5.2	02/01/14	Contra Costa County
Bustos, Florencia	77039	P5.3	02/01/14	Contra Costa County
Byers, Monique	79760	P5.3	02/01/14	Contra Costa County
Cabral, Lisa	79587	P5.3	01/01/14	Contra Costa County
Cai, Zhen Xiang	79714	P5.3	02/01/14	Contra Costa County
Carey, Melissa	79705	P5.3	01/01/14	Contra Costa County
Carlton, Diana	79743	P5.3	02/01/14	Contra Costa County
Carrero, Christine	79726	P5.3	02/01/14	Contra Costa County
Chan, Kristine	D9500	P5.3	01/01/14	Superior Courts
Cheska, Dave	79757	P5.3	02/01/14	Contra Costa County
Christian, Nyasha	67836	P5.3	02/01/14	Contra Costa County
Constable, Deanna	79730	P5.3	02/01/14	Contra Costa County
Corpus, Christanes	76493	P5.3	02/01/14	Contra Costa County
Cortada, Aimee	79771	P5.3	02/01/14	Contra Costa County
Crivello, David	79660	P5.3	01/01/14	Contra Costa County
Derryberry, Kenneth	79699	P5.3	01/01/14	Contra Costa County
Devera, Byron	77065	P5.3	01/01/14	Contra Costa County
Dib, Angela	79207	P5.2	02/01/14	Contra Costa County
Dominguez, Eleanor	78652	P5.3	02/01/14	Contra Costa County

Key:

I = Tier I	P4.2 = PEPRA Tier 4 (2% COLA)	S/A = Safety Tier A
II = Tier II	P4.3 = PEPRA Tier 4 (3% COLA)	S/C = Safety Tier C
III = Tier III	P5.2 = PEPRA Tier 5 (2% COLA)	S/D = Safety Tier D
	P5.2 = PEPRA Tier 5 (2% COLA)	S/E = Safety Tier E

Name	Employee Number	Tier	Membership Date	Employer
Durant, Andrea	79659	P5.2	01/01/14	Contra Costa County
Farrar, Jesse	79677	P5.3	01/01/14	Contra Costa County
Frasier, Jason	79755	P5.3	02/01/14	Contra Costa County
Frey, Elizabeth	79734	P5.3	02/01/14	Contra Costa County
Frost, Daniel	D3406	P4.3	02/01/14	Central San
Gainous, Taka	79706	S/D	01/01/14	Contra Costa County
Genochio, Edward	79671	S/D	01/01/14	Contra Costa County
Godinez, Kaija	79721	P5.3	02/01/14	Contra Costa County
Goetting, Debra	78769	P5.3	02/01/14	Contra Costa County
Gonzales, Angela Dolor	76506	P5.3	02/01/14	Contra Costa County
Gonzalez, Marion	78218	P5.3	02/01/14	Contra Costa County
Gottschall, Rodney	70130	P5.3	02/01/14	Contra Costa County
Hejazi, Nazila	79522	P5.2	02/01/14	Contra Costa County
Hernandez, Eduardo	79756	P5.3	02/01/14	Contra Costa County
Hsieh, Jesse	77323	P5.2	02/01/14	Contra Costa County
Hylaris, Rejeana	79711	P5.3	01/01/14	Contra Costa County
Jiao, Yang	79716	P5.3	02/01/14	Contra Costa County
Jones, Corey	76957	P5.3	02/01/14	Contra Costa County
Jones, Dean	79655	P5.3	01/01/14	Contra Costa County
Keil, Cheryl	79035	P5.3	01/01/14	Contra Costa County
Kelly, Kevin	79034	P5.3	02/01/14	Contra Costa County
Kimani, Martin	78255	P5.3	01/01/14	Contra Costa County
Kung, Jenny	79775	P5.3	02/01/14	Contra Costa County
Levitsky, Elina	79715	P5.3	02/01/14	Contra Costa County
Linn, Lizabeth	29033	P5.3	02/01/14	Contra Costa County
Lopez, Arminta	77104	III	02/01/14	Contra Costa County
Lopez, Cristobal	79676	P5.3	02/01/14	Contra Costa County
Lopez, Deyanara	79067	P5.3	01/01/14	Contra Costa County
Louisell, William	79678	P5.3	01/01/14	Contra Costa County
Lurvey-Hair, Ramona	64564	III	01/01/14	Contra Costa County
Manno, Michael	79713	P5.3	02/01/14	Contra Costa County
Mansapit, Tiffany	79679	P5.3	02/01/14	Contra Costa County
Marchitiello, Shirley	62639	P5.3	01/01/14	Contra Costa County
Martinez, Rosario	79143	P5.3	01/01/14	Contra Costa County
McGuire, Brandon	79685	P5.3	01/01/14	Contra Costa County
Mountain, Gennifer	71450	P5.3	01/01/14	Contra Costa County
Nash, Stephen	D9500	III	01/01/14	Superior Courts
Nelson, Ryan	79704	P5.3	02/01/14	Contra Costa County
Oler, Wilma	77892	P5.3	01/01/14	Contra Costa County
Opek, Nancy	79790	P5.3	02/01/14	Contra Costa County
Patjawee, Matthew	79642	P5.3	01/01/14	Contra Costa County
Pelayo-Rubio, Juan	79627	P5.3	01/01/14	Contra Costa County
Peregrino, Jose	78365	P5.3	02/01/14	Contra Costa County

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	P5.2 = PEPRA Tier 5 (2% COLA)	**S/E = Safety Tier E**

Name	Employee Number	Tier	Membership Date	Employer
Perez, Justine	77705	P5.3	01/01/14	Contra Costa County
Pillsbury, Marlisa	78486	P5.3	02/01/14	Contra Costa County
Rabbitt, David	77338	P5.3	01/01/14	Contra Costa County
Ratliff, Australia	79739	P5.3	02/01/14	Contra Costa County
Rees, Joel	79748	P5.3	02/01/14	Contra Costa County
Rivas, Gabi	79664	P4.3	01/01/14	Contra Costa County
Romero, Anita	74072	P5.3	02/01/14	Contra Costa County
Ross, Julian	77790	P5.2	02/01/14	Contra Costa County
Sacdalan, Marife	79645	P5.3	01/01/14	Contra Costa County
Sanchez, Alma	79684	P5.3	01/01/14	Contra Costa County
Sanchez-Arentz, Ronda	79109	P5.3	02/01/14	Contra Costa County
Sanders, Lisa	78384	P5.3	01/01/14	Contra Costa County
Schugar, Lee	77620	P5.3	02/01/14	Contra Costa County
Senavsky, Kathryn	79697	P5.3	01/01/14	Contra Costa County
Shipherd, Leah	79747	P5.2	02/01/14	Contra Costa County
Simon, Kaylie	76523	P5.2	02/01/14	Contra Costa County
Singleton, Victoria	79744	P5.2	02/01/14	Contra Costa County
Sitton, Kathleen	79728	P5.3	02/01/14	Contra Costa County
Smith, Bridget	78334	P5.3	02/01/14	Contra Costa County
Smith, Krystina	79761	P5.3	02/01/14	Contra Costa County
Spencer-Jaime, Sillanea	79781	P5.3	02/01/14	Contra Costa County
Swift, Anastacia	79762	P5.2	02/01/14	Contra Costa County
Tan, Yoko	69952	P5.3	02/01/14	Contra Costa County
Tatum, Sihina	79687	P5.3	02/01/14	Contra Costa County
Tegarden, Victoria	79722	P5.3	02/01/14	Contra Costa County
Tourte, Carmen	79742	P5.3	02/01/14	Contra Costa County
Tran, Ronald	79213	P5.2	02/01/14	Contra Costa County
Tran, Vannghi	79628	P5.3	01/01/14	Contra Costa County
Uzoukwu, Ebubechukwuu	68432	P5.3	01/01/14	Contra Costa County
Van de Brooke, Tomi	72802	III	02/01/14	Contra Costa County
Van Houten, Stephanie	79617	P5.3	01/01/14	Contra Costa County
Verano, Caitlin	D9500	P5.3	01/01/14	Superior Courts
Waddell, Velma	D9500	P5.3	02/01/14	Superior Courts
Watson, Sara	79731	P5.3	02/01/14	Contra Costa County
Webster, Caleb	78085	P5.2	02/01/14	Contra Costa County
Wheeler, Jessica	79056	P5.3	01/01/14	Contra Costa County
Woodhouse, Susan	79791	P5.3	02/01/14	Contra Costa County
Zhang, Xia	79732	P5.3	02/01/14	Contra Costa County
Zhuk, Tatyana	79156	S/D	01/01/14	Contra Costa County
Ziaee, Farhad	79033	P5.3	02/01/14	Contra Costa County
Zuniga, Zoraya	79724	P5.2	02/01/14	Contra Costa County

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	P5.2 = PEPRA Tier 5 (2% COLA)	**S/E = Safety Tier E**

TIER CHANGES

Name	*Employee Number*	*Old Tier*	*New Tier*	*Effective date*	*Employer*	**Reason for Change**
Arredondo, Emily	78868	P5.3	III	2/1/2014	Contra Costa County	reciprocity
Atkins, Susan	78846	P5.3	III	2/1/2014	Contra Costa County	reciprocity
Buchanan, Joyce	79197	S/D	S/A	1/1/2014	Contra Costa County	reciprocity
Keane, Deedre	79233	P5.3	III	1/1/2014	Contra Costa County	reciprocity
Martin, Crystal	78744	P5.3	III	1/1/2014	Contra Costa County	reciprocity
Pouncey, Tonya	79262	P5.3	III	1/1/2014	Contra Costa County	reciprocity
Rawski, Stacie	63069	S/D	S/A	2/1/2014	Contra Costa County	reciprocity
Sarmiento, Robert	79333	P5.3	III	2/1/2014	Contra Costa County	reciprocity
Tran, Vannghi	79628	P5.3	III	2/1/2014	Contra Costa County	reciprocity

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	P5.2 = PEPRA Tier 5 (2% COLA)	**S/E = Safety Tier E**

ASSET ALLOCATION

Current Assets (Market Value)
$6,632,136,000
Reporting Month End:February 28, 2014
Prepared By: Chih-Chi Chu

Meeting Date
04/02/14
Agenda Item
#4

	A	B	C	D	C-B	D-A	
	% of Target	Target Assets	Market Value	Actual Assets	Over (Under)	Over (Under)	Range
Robeco	4.5%	298,446,120	295,639,000	4.46%	(2,807,120)	(0.04%)	
Delaware Investment Adv.	4.5%	298,446,120	301,651,000	4.55%	3,204,880	0.05%	
Emerald Advisors	3.0%	198,964,080	214,122,000	3.23%	15,157,920	0.23%	
Intech (Core)	4.3%	285,181,848	287,944,000	4.34%	2,762,152	0.04%	
PIMCO Stock +	4.2%	278,549,712	272,669,000	4.11%	(5,880,712)	(0.09%)	
Ceredex	3.0%	198,964,080	192,364,000	2.90%	(6,600,080)	(0.10%)	
Total Domestic Equity	23.5%	1,558,551,960	1,564,389,000	23.59%	5,837,040	0.09%	
SSgM	5.3%	351,503,208	349,199,000	5.27%	(2,304,208)	(0.03%)	
William Blair	5.3%	351,503,208	349,751,000	5.27%	(1,752,208)	(0.03%)	
Total International Equity	10.6%	703,006,416	698,950,000	10.54%	(4,056,416)	(0.06%)	
JPMorgan Global Opportunities	4.0%	265,285,440	261,396,000	3.94%	(3,889,440)	(0.06%)	
First Eagle	4.0%	265,285,440	267,827,000	4.04%	2,541,560	0.04%	
Artisan Global Opportunities	4.0%	265,285,440	271,626,000	4.10%	6,340,560	0.10%	
Intech (Global Low Volatility)	0.3%	19,896,408	22,086,000	0.33%	2,189,592	0.03%	
Total Global Equity	12.3%	815,752,728	822,935,000	12.41%	7,182,272	0.11%	
Total Equity	**46.4%**	**3,077,311,104**	**3,086,274,000**	**46.54%**	**8,962,896**	**0.14%**	**40% TO 55%**
AFL-CIO Housing Investment Trust	3.2%	212,228,352	213,014,000	3.21%	785,648	0.01%	
PIMCO	5.0%	331,606,800	336,356,000	5.07%	4,749,200	0.07%	
GSAM "Park" Portfolio	0.0%	0	4,000	0.00%	4,000	0.00%	
Goldman Sachs Asset Management	4.2%	278,549,712	282,198,000	4.26%	3,648,288	0.06%	
Lord Abbett	4.2%	278,549,712	280,742,000	4.23%	2,192,288	0.03%	
Torchlight Debt Opportunity Fund II	1.2%	79,585,632	76,045,000	1.15%	(3,540,632)	(0.05%)	
Torchlight Debt Opportunity Fund III	0.8%	53,057,088	50,987,000	0.77%	(2,070,088)	(0.03%)	
Torchlight Debt Opportunity Fund IV	1.0%	66,321,360	38,395,000	0.58%	(27,926,360)	(0.42%)	
Total Domestic Fixed Income	19.6%	1,299,898,656	1,277,741,000	19.27%	(22,157,656)	(0.33%)	
Lazard Asset Management	4.0%	265,285,440	265,856,000	4.01%	570,560	0.01%	
Total Global Fixed Income	**23.6%**	**1,565,184,096**	**1,543,597,000**	**23.27%**	**(21,587,096)**	**(0.33%)**	**20% TO 30%**
Allianz Global Investors (fka Nicholas Applegate)	5.0%	331,606,800	332,993,000	5.02%	1,386,200	0.02%	
Total High Yield Fixed Income	**5.0%**	**331,606,800**	**332,993,000**	**5.02%**	**1,386,200**	**0.02%**	**2% TO 9%**
Wellington Real Total Return	0.8%	49,741,020	212,090,000	3.20%	162,348,980	2.45%	
PIMCO All Asset	1.8%	116,062,380	113,733,000	1.71%	(2,329,380)	(0.04%)	
Private Real Asset	2.5%	165,803,400	8,001,000	0.12%	(157,802,400)	(2.38%)	
Total Real Asset	**5.0%**	**331,606,800**	**333,824,000**	**5.03%**	**2,217,200**	**0.03%**	**0% TO 10%**
Total Real Estate	**12.5%**	**829,017,000**	**832,953,000**	**12.56%**	**3,936,000**	**0.06%**	**10% TO 16%**
Total Alternative Investments	**6.5%**	**431,088,840**	**427,199,000**	**6.44%**	**(3,889,840)**	**(0.06%)**	**5% TO 12%**
County Treasurer				0.00%			
State Street Bank			41,092,000	0.62%			
Total Cash & Equivalents	**0.5%**	**33,160,680**	**41,092,000**	**0.62%**	**7,931,320**	**0.12%**	**0% TO 1%**
Oaktree 2009	0.5%	33,160,680	34,204,000	0.52%	1,043,320	0.02%	
Total Market Opportunities	**0.5%**	**33,160,680**	**34,204,000**	**0.52%**	**1,043,320**	**0.02%**	**0% TO 5%**
TOTAL ASSETS	**100.0%**	**6,632,136,000**	**6,632,136,000**	**100%**	**0**	**0%**	

UNDER REVIEW:
GMO - Terminated, Board Action 05/22/13
Nogales Investors - Performance, Board Action 05/28/08
WHV - Terminated, Board Action 5/22/13

Real Estate & Alternative Investments
As of February 28, 2014

REAL ESTATE INVESTMENTS	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
DLJ Real Estate Capital Partners, L.P. II	04/00/99	7/14/2009	40,000,000	4,399,000	0.07%	
DLJ Real Estate Capital Partners, L.P. III	06/01/05	1/1/2014	75,000,000	44,555,000	0.67%	18,958,000
DLJ Real Estate Capital Partners, L.P. IV	12/26/07	1/1/2016	100,000,000	79,264,000	1.20%	19,476,000
DLJ Real Estate Capital Partners, L.P. V	09/30/13	9/30/2020	75,000,000			75,000,000
Hearthstone Partners I	06/15/95	12/31/2003	3,750,000	74,000	0.00%	
Hearthstone Partners II	06/17/98	12/31/2009	6,250,000	(13,000)	0.00%	
Invesco IREF I	10/22/03	4/30/2011	50,000,000	9,225,000	0.14%	
Invesco IREF II	05/30/07	12/31/2015	85,000,000	39,489,000	0.60%	
Invesco IREF III	08/01/13	8/1/2021	35,000,000	23,792,000	0.36%	12,958,000
Long Wharf FREG II	02/26/04	2/26/2012	50,000,000	4,087,000	0.06%	
Long Wharf FREG III	03/31/07	3/31/2015	75,000,000	35,242,000	0.53%	
Long Wharf FREG IV	07/16/13	7/31/2021	25,000,000	7,231,000	0.11%	18,246,000
Oaktree Real Estate Opportunities Fund V	12/15/11	12/31/2016	50,000,000	56,444,000	0.85%	
Oaktree Real Estate Opportunities Fund VI	09/30/13	9/30/2020	80,000,000	39,628,000	0.60%	45,682,000
Siguler Guff Distressed Real Estate Opportunities Fund	12/31/11	12/31/2016	75,000,000	61,128,000	0.92%	22,518,000
Siguler Guff Distressed Real Estate Opportunities Fund I	08/31/13	8/31/2020	70,000,000	10,500,000	0.16%	59,500,000
Paulson Real Estate Fund II	11/10/13	11/10/2020	20,000,000	9,455,000	0.14%	10,545,000
Angelo Gordon Realty Fund VIII	12/31/11	12/31/2018	80,000,000	55,318,000	0.83%	25,145,000
LaSalle Income & Growth Fund VI	01/31/12	1/31/2019	75,000,000	39,864,000	0.60%	34,485,000
Adelante Capital Management (REIT)			0	214,135,000	3.23%	
INVESCO International REIT			0	91,136,000	1.37%	
Willows Office: $10,774,100 ***			0	8,000,000	0.12%	
*** Purchase price $10,600,000 plus acquisition cost and fees $174,100.			1,175,000,000	832,953,000	12.56%	342,513,000
	Outstanding Commitments			342,513,000		
	Total			1,175,466,000		

PRIVATE DEBT INVESTMENTS	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
ING Clarion Commercial Mortgage Fund II	09/28/06	9/30/2014	128,000,000	76,045,000	1.15%	
ING Clarion Commercial Mortgage Fund III	09/30/08	9/30/2016	75,000,000	50,987,000	0.77%	
Torchlight Commercial Mortgage Fund IV	08/01/12	8/30/2020	60,000,000	38,395,000	0.58%	27,072,000
			263,000,000	165,427,000	2.49%	27,072,000
	Outstanding Commitments			27,072,000		
	Total			192,499,000		

ALTERNATIVE INVESTMENTS	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Adams Street Partners	12/22/95	INDEFINITE	180,000,000	96,664,000	1.46%	77,414,000
Adams Street Secondary II	12/31/08	12/31/2012	30,000,000	30,038,000	0.45%	13,552,000
Adams Street Secondary V	10/31/12	10/31/2016	40,000,000	6,178,000	0.09%	33,132,000
Pathway	11/09/98	11/9/2013	125,000,000	75,786,000	1.14%	18,249,000
Pathway 2008	07/31/09	12/31/2016	30,000,000	17,422,000	0.00%	14,345,000
Pathway 6	08/31/11	12/31/2018	40,000,000	8,302,000	0.00%	33,152,000
Pathway 7	07/10/13	7/31/2020	70,000,000	3,014,000	0.00%	67,203,000
EIF USPF I	11/26/03	6/30/2011	30,000,000	1,554,000	0.02%	0
EIF USPF II	07/13/05	6/30/2015	50,000,000	41,592,000	0.63%	0
EIF USPF III	05/30/07	3/31/2017	65,000,000	47,903,000	0.72%	0
EIF USPF IV	08/31/10	9/1/2020	50,000,000	16,681,000	0.25%	28,979,000
Nogales Investment	02/15/04	2/15/2014	15,000,000	3,356,000	0.05%	1,651,000
Bay Area Equity Fund	06/14/04	12/31/2012	10,000,000	16,746,000	0.25%	0
Bay Area Equity Fund II	2/29/09	12/31/2017	10,000,000	6,941,000	0.10%	3,070,000
Paladin III	11/30/07	12/31/2017	25,000,000	18,760,000	0.28%	3,547,000
Carpenter Community BancFund	01/31/08	1/31/2016	30,000,000	36,262,000	0.55%	6,032,000
			800,000,000	427,199,000	6.01%	300,326,000
	Outstanding Commitments			300,326,000		
	Total			727,525,000		

OPPORTUNISTIC INVESTMENTS	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Oaktree Private Investment Fund 2009	02/28/10	1/31/2017	40,000,000	34,204,000	0.52%	5,163,000
	Outstanding Commitments			5,163,000		
	Total			39,367,000		

REAL ASSET INVESTMENTS	Inception Date	Target Termination	Funding Commitment	Market Value	% of Total Asset	Outstanding Commitment
Commonfund Capital Natural Resources IX	06/30/13	06/30/20	50,000,000	7,250,000	0.11%	42,750,000
Aether III & III Surplus	11/30/13	11/30/20	75,000,000	751,000	0.01%	74,249,000
			125,000,000	8,001,000	0.12%	116,999,000
	Outstanding Commitments			116,999,000		
	Total			125,000,000		

Market value column is the latest ending quarter plus any additional capital calls after the ending quarter.
The Target Termination column is the beginning of liquidation of the fund, however, some funds may be extended for an additional two or three years.

Delaware Investments®
A member of Macquarie Group

MACQUARIE

Focus growth equity investment review

Large-Cap Growth Equity

Presentation to:

Contra Costa County Employees' Retirement Association

Agenda:

I. Firm overview

II. Philosophy, people, and process

III. Relationship summary, portfolio, sectors, and characteristics

IV. Disclosure and biographies

Representing Delaware Investments:

Jeffrey S. Van Harte, CFA Senior Vice President, Chief Investment Officer – Focus Growth Equity

Daniel J. Prislin, CFA Vice President, Senior Portfolio Manager, Equity Analyst

Trevor M. Blum, CFA Senior Vice President – Institutional Consultant Relations and Institutional Sales

April 2, 2014

Delaware Investments • 2005 Market Street • Philadelphia, PA 19103-7094

FGLC-140402-CCRA 1

Biographies

Jeffrey S. Van Harte, CFA
Senior Vice President, Chief Investment Officer – Focus Growth Equity
Jeffrey S. Van Harte is the chief investment officer for the Focus Growth Equity team, which manages large-cap growth, smid-cap growth, all-cap growth, and global growth portfolios. Prior to joining Delaware Investments in April 2005 in his current position, he was a principal and executive vice president at Transamerica Investment Management. Van Harte has been managing portfolios and separate accounts for more than 20 years. Before becoming a portfolio manager, Van Harte was a securities analyst and trader for Transamerica Investment Services, which he joined in 1980. Van Harte received his bachelor's degree in finance from California State University at Fullerton.

Daniel J. Prislin, CFA
Vice President, Senior Portfolio Manager, Equity Analyst
Daniel J. Prislin joined Delaware Investments in April 2005 as a senior portfolio manager on the firm's Focus Growth Equity team, which manages large-cap growth, smid-cap growth, all-cap growth, and global growth portfolios. Prior to joining the firm, he was a principal and portfolio manager at Transamerica Investment Management, where he also managed sub-advised funds and institutional separate accounts. Prior to joining Transamerica in 1998, he was a portfolio manager with The Franklin Templeton Group. Prislin received an MBA and bachelor's degree in business administration from the University of California at Berkeley.

Trevor M. Blum, CFA
Senior Vice President – Institutional Consultant Relations and Institutional Sales
Based in Portland, Ore., Trevor M. Blum's responsibilities include consultant relations and institutional sales in the western United States. Prior to joining Delaware Investments in 2004, he was employed for five years at Columbia Management Group as a vice president in the institutional sales and marketing group. Before that, he spent five years as a research analyst at the Frank Russell Company. Blum earned his bachelor's degree in finance and economics from the University of Puget Sound and is a member of the Portland Society of Financial Analysts.

FOR IMMEDIATE RELEASE

Delaware Investments and growth team announce joint venture

PHILADELPHIA and SAN FRANCISCO, Feb. 18, 2014 — Today, Delaware Investments and its San Francisco–based Focus Growth team announced the creation of a joint venture: Jackson Square Partners. The new firm will be jointly owned by the members of the Focus Growth team and Delaware Investments.

Jackson Square Partners (JSP) marks a strategic evolution in the relationship between Delaware Investments and the Focus Growth team. The formation of JSP will allow both groups to achieve their long-term business objectives while continuing to deliver the high level of service clients expect.

“One of the core competencies of Delaware Investments is our ability to identify and nurture exceptional investment talent,” said Patrick P. Coyne, CEO of Delaware Investments, a member of Macquarie Group. “Our business success is driven by combining that talent with a strong operating platform and our focus on putting client needs first.

“The Focus Growth business is a terrific example of the success of our business model,” Coyne continued. “The assets managed by the team as well as its client footprint have grown significantly since joining Delaware in April 2005. Now that the team is close to achieving full capacity, it has reached a different stage in its life cycle. Creating this structure is a win-win for both groups as we can share in the Focus Growth team’s future success while continuing to expand our business, pursuing new opportunities to provide this asset class to clients.”

“Pat and his team have done a tremendous job in helping us grow this business over the past eight years,” said Jeffrey S. Van Harte, CIO of the Focus Growth team. “At this stage of our evolution, the formation of Jackson Square Partners allows us the opportunity to further develop our own business and brand. And, importantly, this new venture allows us to continue to manage the assets of our broad client base while we execute a smooth transition.”

Delaware Investments, which has more than $185 billion in assets under management as of Dec. 31, 2013, will provide operational support to JSP while it builds out its operating infrastructure. The intent is that JSP will serve as sub-advisor to the Delaware Investments mutual funds and other pooled vehicles and separately managed accounts currently managed by the Focus Growth team, pending the appropriate approvals.

Once the transaction is finalized, it is expected that about $17 billion in institutional assets could move to JSP. All members of the Focus Growth team are expected to become part of the new venture. The firm will be based in San Francisco and led by Van Harte.

The deal to form JSP is expected to close in late April 2014.

About Delaware Investments

Delaware Investments, a member of Macquarie Group, is a global asset management firm that offers a wide variety of equity and fixed income solutions for individual and institutional investors. Delaware Investments is supported by the resources of Macquarie Group (ASX: MQG; ADR: MQBKY), a global provider of asset management, investment, banking, financial, and advisory services. Visit delawareinvestments.com for more information.

Delaware Investments refers to Delaware Management Holdings, Inc. and its subsidiaries, including the Delaware Investments Family of Funds' distributor, **Delaware Distributors, L.P.** Macquarie Group refers to Macquarie Group Limited and its subsidiaries and affiliates worldwide.

Delaware Investments is not an authorized deposit-taking institution for the purposes of the Banking Act 1959 (Commonwealth of Australia) and the firm's obligations do not represent deposits or other liabilities of Macquarie Bank Limited ABN 46 008 583 542 (MBL). MBL does not guarantee or otherwise provide assurance in respect of the obligations of Delaware Investments.

About Jackson Square Partners

At close, Jackson Square Partners is expected to manage equity assets of approximately $24 billion for more than 60 clients. The firm will manage U.S. and global portfolios in a concentrated fashion, emphasizing long-term business analysis. Jackson Square's highly experienced investment team has worked together for an average of more than a decade.

###

Shareholder contact

Delaware Distributors, L.P.
800 523-1918

Media contact

Marlene Petter or Amy Ponticello
Delaware Investments
215 255-1427 / 215 255-1313

Media contact

Paula Chirhart
Macquarie Group
212 231-1310

(11780)

Firm overview

Delaware Investments — December 31, 2013

History

1929 Delaware Investments predecessor firm is founded

1938 Delaware Investments introduces its first mutual fund

1970 Begin managing fixed income strategies

1972 Institutional separate account management is established

1974 Taft-Hartley business is established

1990 International / global capabilities are established

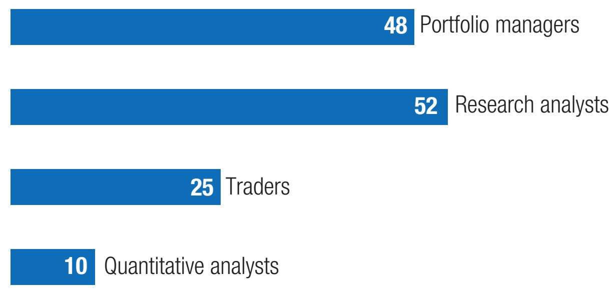
2000 Begin decade of broadening investment capabilities

2007 Ireland–based UCITS funds are launched

2010 Delaware Investments joins Macquarie Group

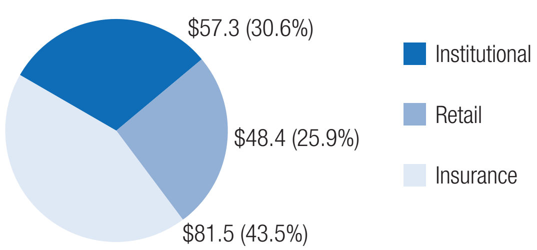
Staff

135 Investment professionals

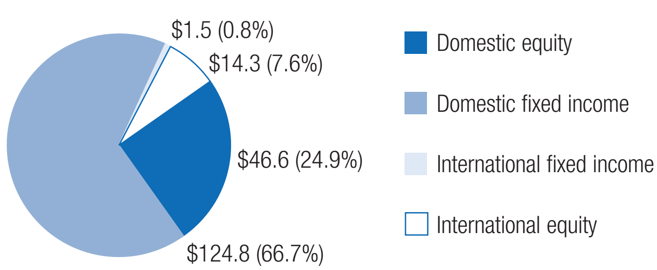


Assets $187.2* billion under management

By client type ($ billions)



By asset class ($ billions)



*Does not include certain assets under advisement and model sponsors, with which total Delaware assets are US$194.0 billion.

Institutional profile

523 Institutional client accounts

350 Institutional equity accounts

173 Institutional fixed income accounts

By assets

Sub-advisory: 53%	Taft-Hartley: 2%
Corporate: 19%	High net worth: 2%
Public: 16%	Endowments and foundations: 1%
NDT/VEBA: 6%	Other: 1%

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Representative client list

As of December 31, 2013

Corporate employee benefit

- A. O. Smith Corporation
- American Airlines, Inc.
- **Boeing**
- Cooper Tire & Rubber Company
- **General Mills**
- Glatfelter
- Oneok, Inc.
- Textron
- USAA

Public funds

- California State Teachers Retirement System
- City of New Orleans Employees' Retirement System
- Commonwealth of Pennsylvania
- **Contra Costa County Employees' Retirement Association**
- **Miami Firefighters and Police Officers**
- **Ohio School Employees' Retirement System**
- **Oregon Public Employees' Retirement System**
- **Stanislaus County Employees' Retirement Association**

Endowments & foundations

- Gellert Foundation
- **The Oregon Community Foundation**

Healthcare organizations

- **John Muir Health**

Sub-advisory

- Aberdeen Asset Management
- AssetMark
- **First Mercantile Trust Company**
- **Lincoln National Corporation**
- **Massachusetts Mutual Life Insurance Company**
- **MLC Investments Limited**
- Nomura Funds Research and Technologies Co., Ltd
- Northern Trust
- PMC Funds
- **Russell Investment Company**
- **SEI**
- **The Vanguard Group**
- **UBS**

Taft-Hartley

- Greater PA Regional Council of Carpenters
- Newspaper Guild International Pension
- Plumbers and Pipefitters Local #421
- Roofers & Waterproofers Local #30
- San Francisco Culinary Pension Fund
- Southwest Ohio Regional Council of Carpenters
- Teamsters Local #557 Pension Fund

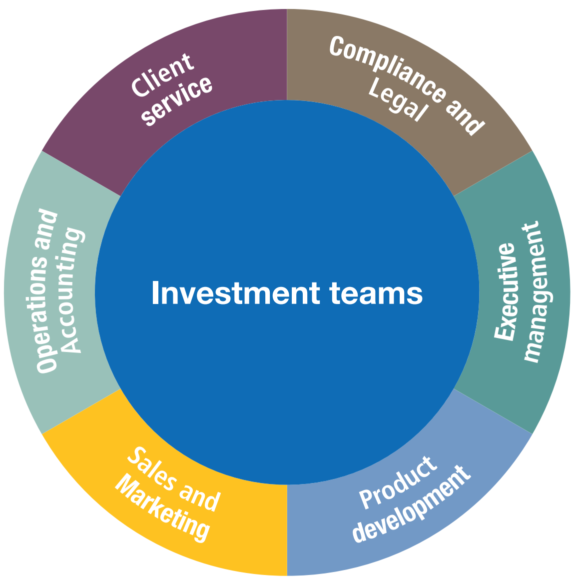
Nuclear Decommissioning/VEBA

- Arizona Public Service
- Connecticut Yankee
- Dominion Resources
- Duke Energy
- Entergy
- FPL Group
- Georgia Power
- Maine Yankee
- Portland General
- Sempra Energy
- Vermont Yankee Nuclear Power
- Xcel Energy
- Yankee Atomic

Bold indicates Focus Growth clients.

It is not known whether the listed clients approve or disapprove of the adviser or the advisory services provided. Delaware Investments does not use performance-based criteria to determine which clients are included on the list.

Delaware Investments: Shared values, shared resources



Our structure combines the entrepreneurial spirit of a small firm with the shared and deep resources of a large organization, which allows investment teams to focus on investing.

Independent investing:

Regardless of location, our teams focus on what they do best, select investments for clients' accounts.

Shared resources:

Our comprehensive infrastructure provides the investment teams with a wealth of support and distribution capabilities.

Ownership interest:

A long-term incentive plan provides investment teams with equity stakes in the company.

Delaware Investments team operating structure

Delaware Investments | As of December 31, 2013

Delaware Investments

Institutional-grade service platform
$187.2 billion AUM

- Shared resources
- Aligned financial interests
- Synergistic opportunities for growth and distribution

Focus Growth team
San Francisco

11 investment professionals
•
Five institutional strategies
•
$25.4 billion AUM

A “win-win”:

Access to the resources and scale of a large firm, while fostering the investment autonomy and entrepreneurial structure of a boutique

Investment teams

Growth equities *($25.4 billion*)*

Focus Growth team *(San Francisco)*

Large-Cap Global Smid-Cap Select 20 All-Cap

Value equities *($18.5 billion*)*

Large Cap Value team *(Philadelphia)*

Large-Cap – Focus

Small, Mid Cap Value team *(Philadelphia)*

Mid-Cap Small-Cap

Real Estate Securities team *(Philadelphia)*

U.S. Real Estate Securities

Core equities *($2.7 billion*)*

Core team *(Philadelphia)*

Large-Cap Small-Cap Socially Responsible

Global / International equities *($14.3 billion*)*

Emerging Markets team *(Boston)*

Emerging Markets

International Value Equity team *(Boston)*

Global Value International Value

Real Estate Securities team *(Philadelphia)*

Global Real Estate Securities

Fixed income securities *($126.3 billion*)*

Fixed Income team *(Philadelphia)*

Intermediate	Corporate Bond	Tax-exempt	Cash / Enhanced Cash
Core	Long Duration	Tax-managed	Limited Term / LT Multisector
Core Plus	High Yield	Mortgage-backed	Floating Rate Multisector
Multisector	Bank Loans	Asset-backed/TALF	Inflation Protected
International	Convertibles	Insurance	Government Quality
Emerging Markets Debt	Private Placements		

*Assets under management as of December 31, 2013. Includes all assets managed in this style, including institutional separate accounts, institutional mutual funds, retail mutual funds, and managed accounts. Institutional assets total $57.3 billion. Does not include certain assets under advisement and model sponsors, with which total Delaware assets are US$194.0 billion.

$4.9 billion of the International assets is currently sub-advised by Mondrian Investment Partners Limited (formerly Delaware International Advisers Ltd.)

Delaware Investments is the marketing name for Delaware Management Holdings, Inc. and its subsidiaries. Institutional advisory services are provided by Delaware Investment Advisers (DIA), a series of Delaware Management Business Trust (DMBT). DMBT is a U.S. registered investment adviser offering a comprehensive array of diversified investment management strategies across all major asset classes.

Philosophy

Focus Growth Equity investment management

Our philosophy

We are growth investors. We believe that attractive returns can be realized by maintaining a concentrated portfolio of companies that we believe have enhanced business models, strong cash flows, and the opportunity to generate consistent, long-term growth of intrinsic business value.

Our strengths

- Differentiated growth philosophy, emphasizing intrinsic business value and cash economics
- Concentrated portfolio construction reflects conviction rather than benchmark
- Stable, veteran team with high level of accountability and peer scrutiny
- Flat team structure — all team members are analysts first and foremost
- Entrepreneurial boutique structure and significant personal stakes in products managed
- Performance-driven investment culture limits asset capacity in all products

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Because the strategy expects to hold a concentrated portfolio of a limited number of securities, the strategy's risk is increased because each investment has a greater effect on the account's overall performance.

Focus Growth Equity team

Focus Growth Equity investment management

As of December 31, 2013

Our team

	Industry experience	Portfolio management	Analysis	Trading
Jeff Van Harte	33 years	●	●	
Chris Bonavico	26	●	●	
Ken Broad	19	●	●	
Dan Prislin	20	●	●	
Chris Ericksen	19	●	●	
Patrick Fortier	18	●	●	
Greg Heywood	21	●	●	
Van Tran	17	●	●	
Ian Ferry	7	●	●	
Deborah Sabo	19			●
Kevin Brown (Investment Specialist)	19			

Product structure

Focus Growth equity team

One Team, One Philosophy

- Concentrated portfolios
- Long-term investment horizon
- Intrinsic value analysis

Large Cap Growth

Market cap range: >$3B

Primary managers

Jeff Van Harte
Chris Bonavico
Chris Ericksen
Dan Prislin

Focus Global Growth

Market cap range: >$1B

Primary managers

Greg Heywood
Patrick Fortier
Chris Bonavico

Small-Mid Cap Growth – Focus

Market cap range: <$5B at purchase to $10-12B

Primary managers

Chris Bonavico
Ken Broad

Select 20 Growth

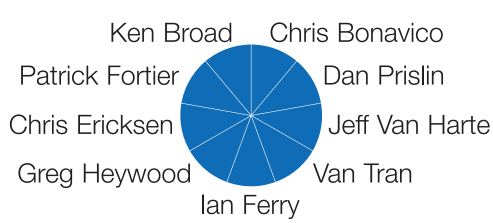
Primary managers

Jeff Van Harte
Ken Broad
Chris Bonavico
Dan Prislin

- Most concentrated product: 20 stocks or fewer
- Managed by four most seasoned portfolio managers
- Most opportunistic orientation

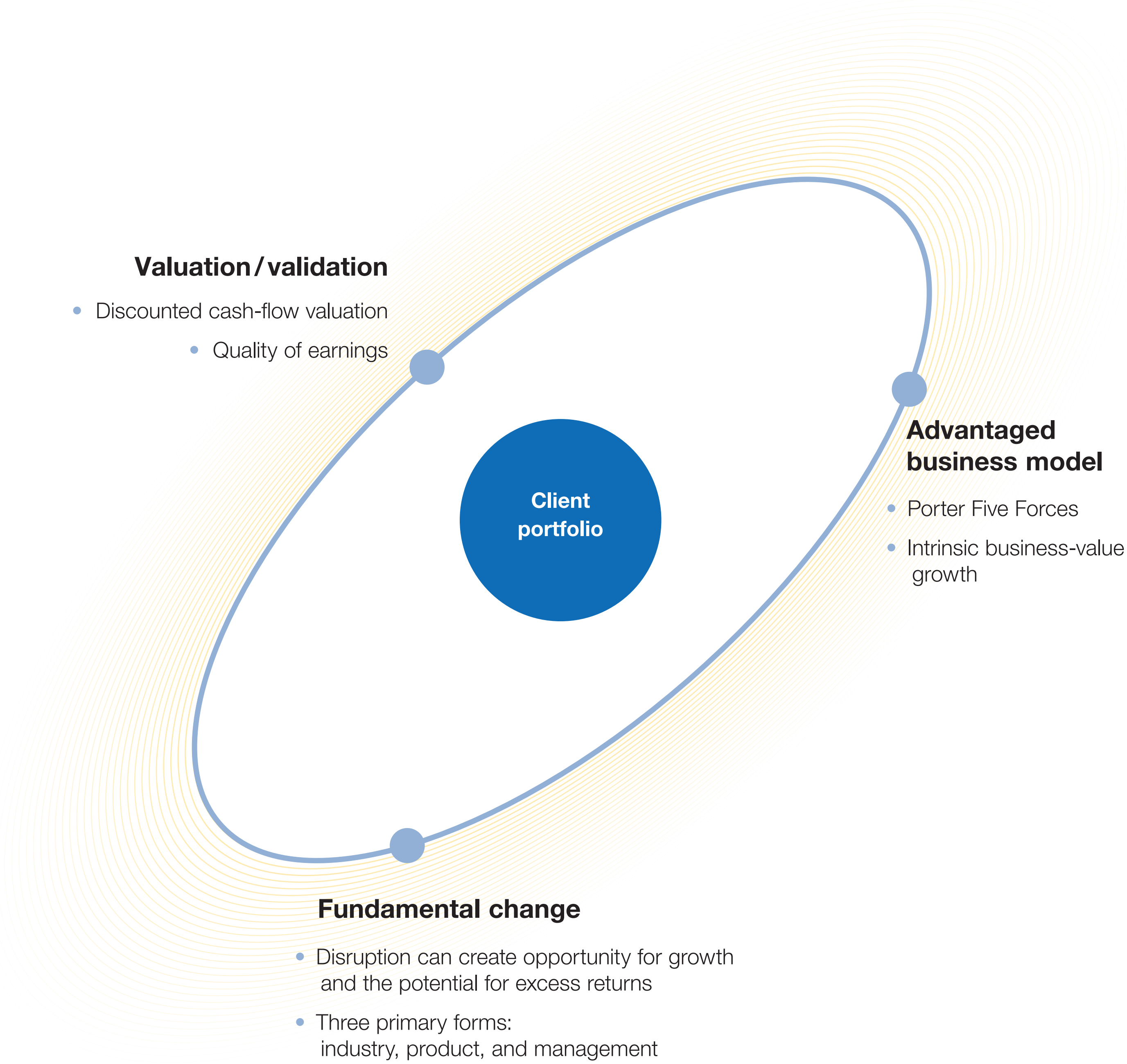
All Cap Growth

- Most diversified product: typically 40-60 stocks
- Sleeve weightings important for signaling degree of conviction



Focus Growth Equity investment process

Focus Growth Equity investment management



Investment process

Focus Growth Equity investment management

Idea sourcing

- Rely primarily on qualitative idea generation (make little use of quantitative screens)
- Well-defined investment criteria preclude most companies from consideration
- Continuous pressure from new-idea pipeline

Fundamental change

- Disruption creates opportunity for growth and excess returns
- Three primary forms: industry, product, and management

Advantaged business model

- Seek strong barriers to entry and sustainable competitive advantage
- Returns on invested capital must be forecast to substantially exceed cost of capital
- Evaluate from a business owner's perspective

Valuation/validation

- Discounted cash-flow (DCF) analysis based on conservative projections of cash economics and risk-adjusted discount rate
- Seeking attractive absolute, not relative valuations
- Accounting earnings must reconcile with cash economics

Portfolio construction

- Concentrated portfolio: typically 25-35 holdings
  - high-return/low-risk positions at 4+%
  - moderate-return/low-risk positions at 3%-4%
  - high-return/high-risk positions at 2%-3%
  - maximum weight is typically 8%
- Seeks sector and industry diversification
  - Less than 20% non U.S.
- Low turnover: 25%-35% expected in most years
- Cash policy limit is 10% (typically 2–3%)

Sell discipline

- Better idea emerges from research "bench"
- Unexpected, negative fundamental change
- Valuation becomes stretched
- Portfolio construction considerations

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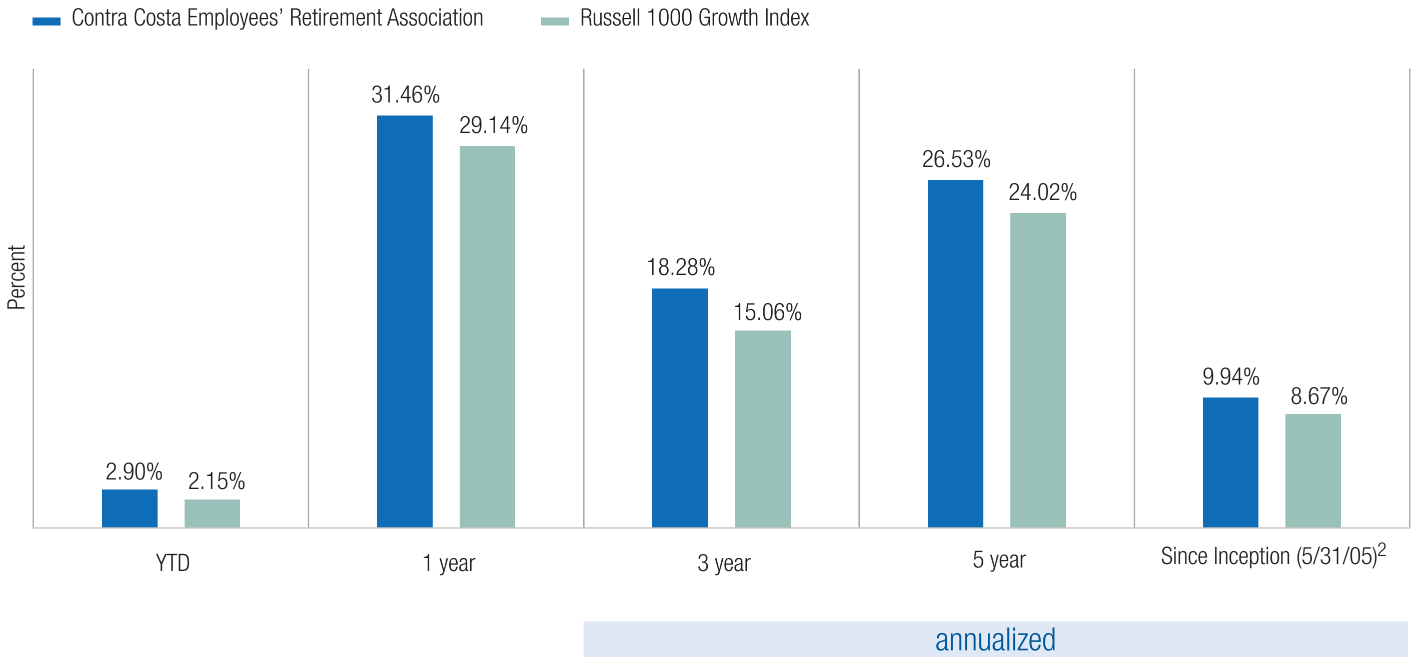
Relationship summary

Relationship inception	May 2, 2005
Investment style	Large-Cap Growth
Benchmark	Russell 1000 Growth

Financials

Initial investment	175,410,581
Net contributions/withdrawals	(106,488,794)
Net portfolio gain/loss	232,747,168
Current portfolio value	301,668,955

Returns[1]



YTD

Top five contributors to relative performance

Name	Sector	Contribution %
NOVO NORDISK ADR - CLASS B	HEALTHCARE	0.67
WALGREEN	CONSUMER STAPLES	0.64
PRICELINE.COM	CONSUMER DISCRETIONARY	0.51
ADOBE SYSTEMS	TECHNOLOGY	0.50
EOG RESOURCES	ENERGY	0.49

Bottom five contributors to relative performance

MASTERCARD - CLASS A	FINANCIAL SERVICES	-0.47
KINDER MORGAN - CLASS P	ENERGY	-0.47
CELGENE	HEALTHCARE	-0.32
L BRANDS	CONSUMER DISCRETIONARY	-0.30
INTERCONTINENTALEXCHANGE GROUP	FINANCIAL SERVICES	-0.29

[1] Performance results are presented before the deduction of Delaware Investments investment advisory fees. Management fees and any other expenses incurred in the management of the account will reduce your return. After inclusion of management fees, annualized performance for the 1 year, 5 year and since inception periods were 30.88%, 25.98% and 9.47%, respectively.

[2] Performance is calculated as of first full month following inception.

Technology	27.54
Russell 1000 Growth	*22.33*
Google - Class A	4.94
QUALCOMM	4.50
Adobe Systems	4.32
Microsoft	4.06
Intuit	3.06
VeriSign	2.09
Teradata	1.71
Yelp - Class A	1.04
Equinix	0.97
VeriFone Systems	0.85

Financial Services	23.15
Russell 1000 Growth	*8.35*
Visa - Class A	5.86
MasterCard - Class A	5.37
Crown Castle International	4.58
IntercontinentalExchange Group	2.96
Progressive	2.40
CME Group - Class A	1.98

Consumer Discretionary	18.72
Russell 1000 Growth	*22.28*
priceline.com	4.66
Liberty Interactive - Class A	4.19
eBay	3.11
L Brands	3.01
NIKE - Class B	2.24
Sally Beauty Holdings	1.51

Healthcare	13.80
Russell 1000 Growth	*12.73*
Celgene	4.62
Allergan	4.04
Novo Nordisk ADR - Class B	3.01
Perrigo	2.13

Energy	8.47
Russell 1000 Growth	*4.64*
EOG Resources	5.15
Kinder Morgan - Class P	3.27
Kinder Morgan Warrants	0.05

Consumer Staples	4.68
Russell 1000 Growth	*9.81*
Walgreen	4.68

Materials & Processing	1.66
Russell 1000 Growth	*5.39*
Syngenta ADR	1.66

Cash	1.98

Holdings are as of the date indicated and subject to change.

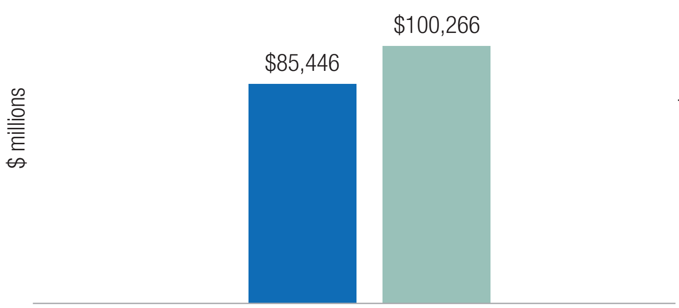
See page bfc1 for index descriptions. Indices are unmanaged and not available for direct investment.

Portfolio characteristics*

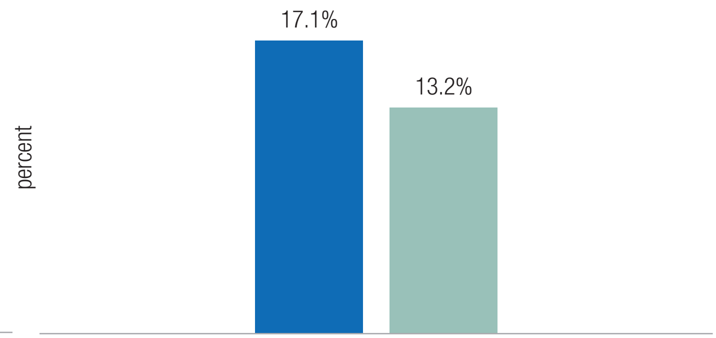
Contra Costa Employees' Retirement Association — As of February 28, 2014

Contra Costa Employees' Retirement Association | Russell 1000 Growth Index

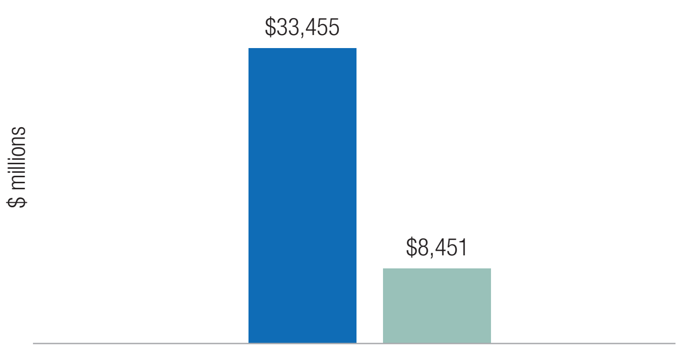
Weighted-average market capitalization



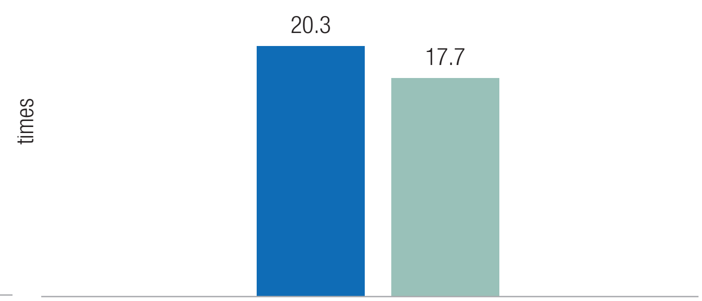
Five-year EPS growth rate



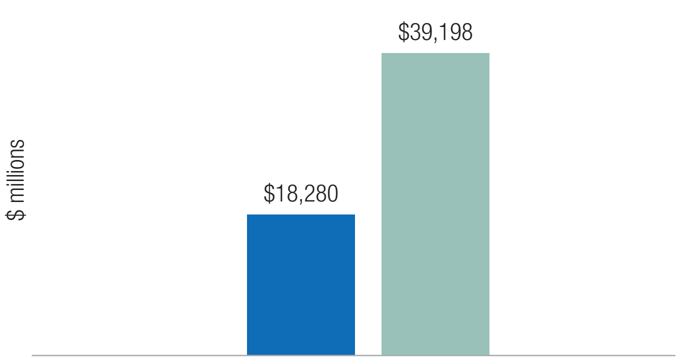
Median market capitalization



Price/earnings (weighted-average next 12 months)



Weighted-average revenues



Portfolio turnover: 19.79%

*Characteristics are current as of the day indicated and may not reflect current portfolio.

Team biographies

Delaware Focus Growth Equity

Jeffrey S. Van Harte, CFA

Chief Investment Officer

INDUSTRY EXPERIENCE: 33 YEARS

2005 – Present	Delaware Investments
1980 – 2005	Transamerica Investment Management

California State University, Fullerton, BA

Christopher J. Bonavico, CFA

Senior Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 26 YEARS

2005 – Present	Delaware Investments
1993 – 2005	Transamerica Investment Management
1988 – 1993	Salomon Brothers

University of Delaware, BS

Kenneth F. Broad, CFA

Senior Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 19 YEARS

2005 – Present	Delaware Investments
2000 – 2005	Transamerica Investment Management
1994 – 2000	Franklin Templeton Group
1988 – 1992	KPMG Peat Marwick

Colgate University, BA

University of California, Los Angeles, MBA

Daniel J. Prislin, CFA

Senior Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 20 YEARS

2005 – Present	Delaware Investments
1998 – 2005	Transamerica Investment Management
1994 – 1998	Franklin Templeton Group

University of California, Berkeley, BS and MBA

Christopher M. Ericksen, CFA

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 19 YEARS

2005 – Present	Delaware Investments
2004 – 2005	Transamerica Investment Management
1994 – 2004	Goldman Sachs

Carnegie Mellon University, BS

Patrick G. Fortier, CFA

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 18 YEARS

2005 – Present	Delaware Investments
2000 – 2005	Transamerica Investment Management
1995 – 2000	Olde Equity Research

University of Kentucky, BBA

Gregory M. Heywood, CFA

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 21 YEARS

2005 – Present	Delaware Investments
2004 – 2005	Transamerica Investment Management
2003 – 2004	Wells Capital Management
1996 – 2003	Montgomery Asset Management
1994 – 1996	Globalvest Management

University of California, Berkeley, BA and MBA

Van Tran

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 17 YEARS

2005 – Present	Delaware Investments
2000 – 2005	Transamerica Investment Management
1999 – 2000	PaineWebber
1996 – 1999	CIBC Oppenheimer

University of California, San Diego, BS

Ian D. Ferry

Portfolio Manager / Analyst

INDUSTRY EXPERIENCE 7 YEARS

2011 – present	Delaware Investments
2010 – 2011	Fidelity
2005 – 2008	Harbourvest Partners
2004 – 2005	Houlihan, Lokey, Howard & Zukin

Tulane University, BS

Wharton, University of Pennsylvania, MBA

Kevin J. Brown

Senior Investment Specialist

INDUSTRY EXPERIENCE 19 YEARS

2006 – Present	Delaware Investments
2003 – 2006	Merrill Lynch
2000 – 2003	Credit Suisse First Boston
1999 – 2000	Donaldson, Lufkin & Jenrette
1997 – 1999	JP Morgan
1995– 1997	Robertson Stephens

University of California, Berkeley, BA

University of California, Los Angeles, MBA

Deborah Sabo, CMT

Senior Trader

INDUSTRY EXPERIENCE 19 YEARS

2005 – Present	Delaware Investments
2003 – 2005	McMorgan & Company
2002 – 2003	Husic Capital Management
1999 – 2001	Robertson Stephens
1996 – 1999	Deutsche Bank
1994 – 1996	Merrill Lynch

University of Pittsburgh, BA

Composite statistics and performance

December 31, 2013

Composite statistics and performance

Period End	Composite return gross-of-fees (%)	Composite return net-of-fees (%)	Russell 1000® Growth Index return (%)	Composite Internal dispersion (%)	3-Year Annualized Standard Deviation (%)		As of December 31st		
					Composite	Russell 1000 Growth Index	Number of Portfolios	Composite Assets ($mm)	Total Firm Assets ($mm)
2013	35.6	35.1	33.5	0.1	12.3	12.4	46	15,270	191,724
2012	17.1	16.6	15.3	0.2	15.3	15.9	49	10,981	183,245
2011	8.9	8.4	2.6	0.1	17.2	18.0	49	9,160	168,576
2010	14.9	14.4	16.7	0.2	n/a	n/a	52	8,279	75,329
2009	44.0	43.5	37.2	0.6	n/a	n/a	54	7,474	62,416
2008	-42.6	-42.9	-38.4	0.3	n/a	n/a	62	6,119	48,886
2007	13.6	13.2	11.8	0.3	n/a	n/a	58	10,585	78,161
2006	3.0	2.6	9.1	0.3	n/a	n/a	62	11,016	92,785
2005	15.3	14.8	5.3	n/a	n/a	n/a	47	7,862	75,257
2004	3.9	3.4	6.3	n/a	n/a	n/a	<5	131	54,685

Performance disclosures: Large-Cap Growth Equity composite

Delaware Investments claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. Delaware Investments has been independently verified for the periods from January 1, 1992 through December 31, 2011. The verification reports are available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS standards. Verification does not ensure the accuracy of any specific composite presentation.

Delaware Investments, a member of Macquarie Group, refers to Delaware Management Holdings, Inc. (DMHI) and its subsidiaries. Macquarie Group refers to Macquarie Group Limited (MGL) and its subsidiaries and affiliates worldwide. Delaware Management Business Trust (DMBT) is an U.S. registered investment advisor offering a comprehensive array of diversified investment management strategies across all major asset classes. Managed accounts advisory services are provided by Delaware Capital Management (DCM), a series of DMBT. Managed accounts advisory services are referred through Delaware Capital Management. Advisers, Inc., an SEC-registered investment advisor. On Jan. 1, 2006, the firm was redefined to reflect the consolidation of DMBT and DCM (formerly Delaware Capital Management, Inc.). This firm redefinition was completed in order to provide a more meaningful representation of how the firm is held out to clients or potential clients. Firm assets for 2005 and prior were restated in conjunction with the redefinition of the Firm. A list of composite descriptions is available upon request.

The Large Cap Growth Equity Composite ("Composite") emphasizes long-term ownership of dominant companies which are taking advantage of fundamental change to drive growth in their intrinsic business value. This composite was created in 2000. In April 2005, responsibility for Large Cap Growth Equity investment management was assumed by a new team. The Composite includes all discretionary, fee paying accounts, including pooled funds and excluding wrap-fee accounts, managed in this strategy. Performance results are shown as total returns, net of dividend withholding taxes, assume reinvestment of dividends and capital gains, are presented before and after the deduction of actual investment advisory fees, and are calculated in U.S. dollars. The returns of some accounts in the composite may include income from securities lending. Delaware Investments investment advisory fees are described in Part II of our Form ADV. The Large Cap Growth Equity fee schedule is as follows: first $25 million, 0.75%; next $25 million, 0.65%; next $50 million, 0.55%; next $200 million, 0.45%; amounts over $300 million, 0.40%. Net returns are calculated using actual management fees, which includes performance fees. Net returns prior to January 1, 2011 have not been examined. Some clients may utilize a performance-based fee, therefore actual fees paid may be higher or lower than the maximum fixed fee. Management fees, and any other expenses incurred in the management of the account, will reduce your return. The actual fee schedule may vary. Policies for valuing portfolios, calculating performance and preparing compliant presentations are available upon request. Past performance is not an indicator of future results.

Internal dispersion is calculated using the asset-weighted standard deviation of the annual returns of all the portfolios that were included in the composite for the entire year. Internal dispersion is only shown if the composite has at least six accounts that were managed for the full calendar year.

The three-year annualized standard deviation measures the variability of the composite and the benchmark over the preceding 36-month period. This measure is not required to be presented for annual periods ended prior to 2011 or when 36 monthly composite returns are not yet available.

The benchmark for the composite is the Russell 1000 Growth Index. The Russell 1000 Growth Index measures the performance of the large-cap growth segment of the U.S. equity universe. It includes those Russell 1000 companies with higher price-to-book ratios and higher forecasted growth values. For comparison purposes, the index is fully invested and includes the reinvestment of income. Index returns do not reflect management fees, transaction costs, or expenses. Indices are unmanaged, and one cannot invest directly in an index. Benchmark returns are not covered by the report of independent verifiers. Benchmark information contained herein has been obtained from third party sources believed to be reliable, but we cannot guarantee its accuracy or completeness. All third-party marks are the property of their respective owners.

Because the strategy expects to hold a concentrated portfolio of a limited number of securities, the strategy's risk is increased because each investment will have a greater effect on the strategy's overall performance.

This is not an offer of any product or service in any jurisdiction where it would be unlawful to do so under the laws of that jurisdiction.

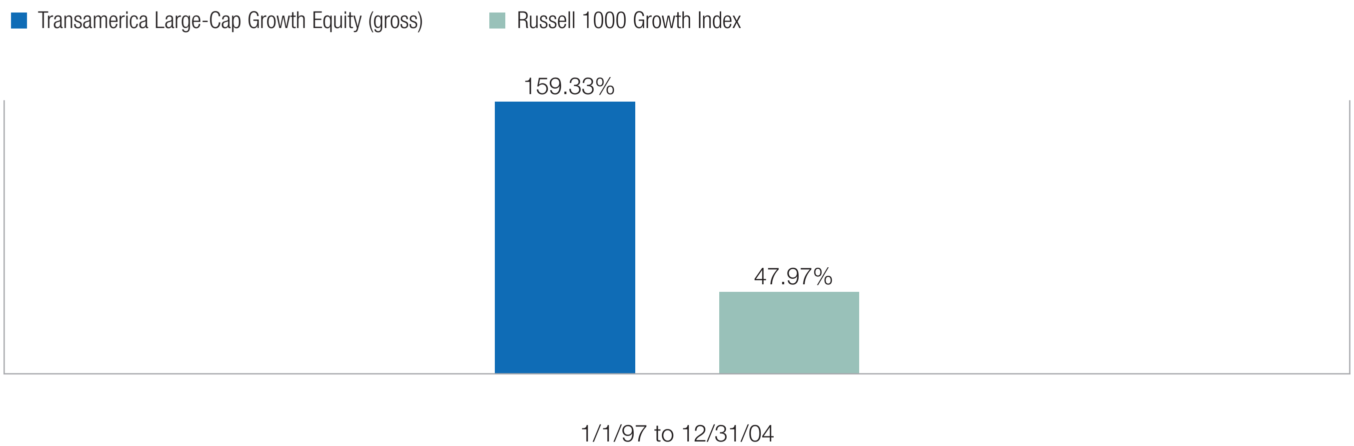
The information presented is available for institutional one-on-one presentations only. It is not intended and should not be construed to be a presentation of information concerning any U.S. mutual fund.

Performance (supplemental)

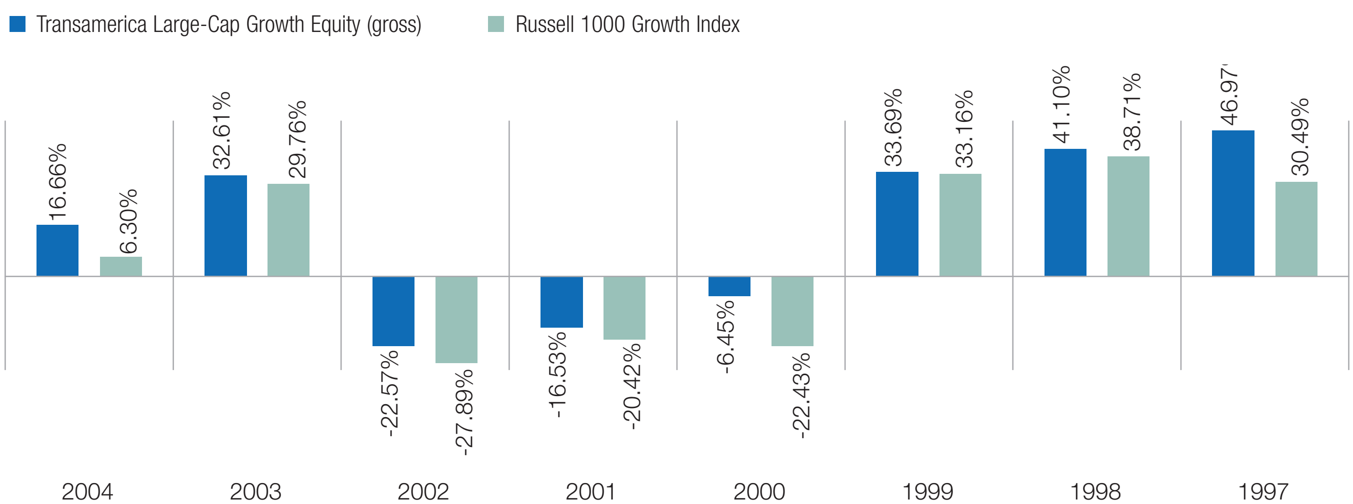
Transamerica Large-Cap Growth Composite

Source: PSN

Cumulative performance of the Delaware Investments® Focus Growth Equity Team for period 1/1/97 through 12/31/04 while managing Transamerica's Large-Cap Growth product



Calendar year returns



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Presented as supplemental performance information consistent with GIPS® standards, which standards can be found at www.cfainstitute.org.

Although presented in a manner consistent with applicable requirements, by providing this performance information Delaware is not claiming ownership of the performance

Milliman

Meeting Date
04/02/14
Agenda Item
#6

Memorandum

Date: February 19, 2014
To: Timothy Price, Chief Investment Officer, CCCERA
From: Bill Cottle, Steven Cottle, Marty Dirks
Subject: Formal Establishment of Jackson Square Partners

Background

Approximately nine years ago, Delaware's focused growth domestic equity team, led by Jeff Van Harte, was organized as part of Transamerica Investment Management, a subsidiary of Transamerica Insurance Company. Due to a financial arrangement with the parent company of Transamerica, 75% of Transamerica's net revenues were allocated to Aegon, which limited the compensation opportunities for the focused growth investment management team. As a result, the team left Transamerica and joined Delaware. There have been parent company changes at Delaware, including the latest, which was an acquisition by Macquarie in mid-2010.

February 19th Meeting with Delaware Investments

Today, a meeting was held with Jeff Van Harte and Kevin Brown in San Francisco. The purpose was to understand the reasoning for the formation of Jackson Square Partners and the relationship with Delaware Investments over the next several years.

As stated in the firm's press release, the San Francisco focused growth group is moving into a mature phase of its organizational development. This maturation is one of the key factors for the establishment of a new investment management organization, Jackson Square. The current status of the firm is as follows:

1.) The San Francisco focused growth group has approximately $24 billion in assets under management. This total is divided into $17 billion in institutional separate accounts and approximately $8 billion in retail oriented products (including mutual funds, wrap accounts, commingled funds, third party advisory relationships, etc.)
2.) As stated, under the current account structures, the firm's total capacity is $35 billion in assets under management.
3.) Personnel turnover at the firm has been extremely low. However, it is likely that the firm will add 2-3 investment professionals over the coming couple of years. One of the additions will be to replace Van Tran who has decided to move from an asset management position to operations.

The following organizational developments are expected:

1.) The San Francisco focused growth group will be spun out of the Delaware Investments organization and will be renamed Jackson Square Partners. Equity ownership of the firm will be 50.1% by Jackson Square and 49.9% by Delaware Investments.

2.) While the equity ownership will be structured with a slight majority held by Jackson Square, the economic situation will be more heavily weighted toward Jackson Square. Although specific percentages were not identified, an arrangement of 75% of the firm's revenue being allocated to Jackson Square and 25% to Delaware is a rough approximation. Given this economic situation, this structure appears viable over the long term.
3.) Jackson Square will build out staff as needed in operations, however, there is not expected to be a large addition to staff. The likely increase is less than five.
4.) Floor space at the firm's current location has become available and they will be increasing square footage by about 50% in the next several months.

Conclusion

The focused growth group at Delaware Investments has been very successful. The new ownership structure seeks to recognize the maturity of the asset base and the likelihood of less growth in the future, due to capacity constraints. We recommend a continued and close review of the firm, but no other action.

Contra Costa County Employees' Retirement Association (CCCERA)

April 2, 2014

Policy Overlay Program

Disclosure

About Parametric Portfolio Associates LLC (Parametric):

Parametric, headquartered in Seattle, WA, is a leading global asset management firm, providing investment strategies and implementation services to institutions and individual investors around the world. Parametric offers a variety of rules-based, risk-controlled investment strategies, including alpha-seeking equity, alternative and options strategies, as well as implementation services, including customized equity, traditional overlay and centralized portfolio management. Parametric Clifton is the institutional business unit of Parametric, comprised of applicable client services and marketing personnel across all of Parametric sales and investment centers. Parametric is an affiliate of Eaton Vance Corp. and currently offers these institutional strategies through investment centers in Seattle, WA, Minneapolis, MN and Westport, CT (home to Parametric subsidiary Parametric Risk Advisors LLC, a registered investment adviser).

Information provided in this presentation is the view of Parametric Clifton and is subject to change based on market and other conditions. The use of derivative instruments may differ from client to client, based on different investment philosophies and restrictions. The use of derivative instruments may be precluded by investment policies and restrictions.

The information provided is general information, even as it pertains to you, and does not take into account any investor's particular investment objectives, strategies, tax status, or investment horizon.

Derivatives such as futures, swaps, and other investment strategies, have certain disadvantages and risks. Futures require the posting of initial and variation margin. Therefore, a portion of risk capital must be preserved for this purpose rather than being allocated to a manager. Liquid futures may not exist for published benchmarks which may result in tracking error. Also, some intra-period mispricing may occur. Swaps require periodic payments, which may be less liquid than futures, and have counterparty/credit risk. Some investment strategies require a cash investment equal to the desired amount of exposure.

We encourage you to consult with your legal and tax advisors regarding derivative instruments and their possible legal and tax issues.

All material has been obtained from sources believed to be reliable, but its accuracy is not guaranteed.

There is no representation or warranty as to the current accuracy of, nor liability for, decisions based on this information.

Past performance is no guarantee of future results.

Table of Contents

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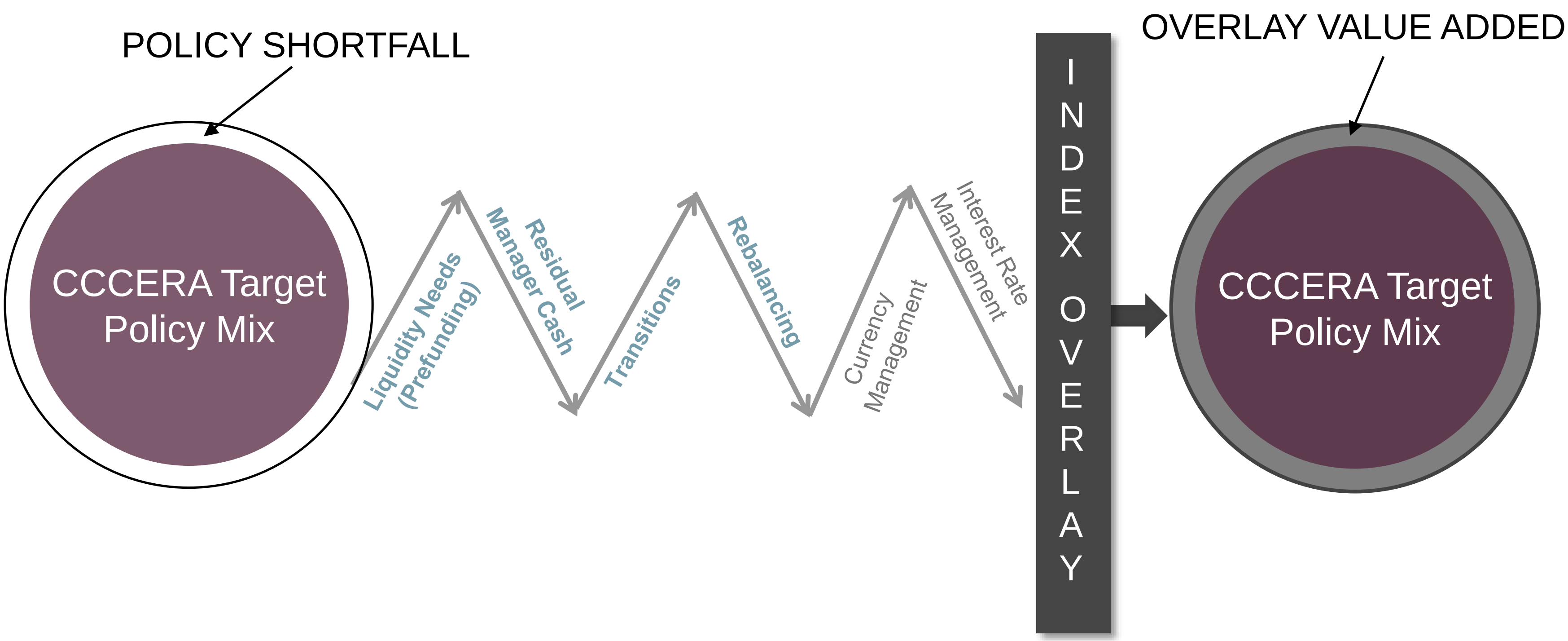
blazarus@thecliftongroup.com

Overlay Program - Performance Enhancement and Risk Control



An index overlay program is non-disruptive to current managers, provides non-leveraged index exposure and seeks to lower performance risk

For illustrative purposes only.

Securitize Liquidity Needs

CHALLENGE	POTENTIAL SOLUTION	EXPECTED BENEFITS
• Holding cash to facilitate liquidity needs results in tracking error relative to the investment policy and creates long-term expected performance drag • Large prepaid influx of cash provided by the employer	• Efficiently eliminate unwanted cash exposure through the use of an overlay program	• Increase expected return • Increase day-to-day liquidity • Reduced transaction costs • Simplify the management of inflows and outflows resulting in time savings for staff

Securitize Liquidity Needs

POLICY MIX APPROACH

Description

- Cash balances are securitized to a static allocation which is generally derived from the fund's long-term target asset allocation
- Portfolio exposure imbalances **do not** impact the allocation of cash

Overlay Provider Role

- Cash balances are downloaded from the custodial bank and allocated to a pre-determined allocation
- Cash inflows and outflows are purchased and sold in identical asset class(es)

DYNAMIC APPROACH

Description

- Cash balances are securitized as a means to reduce portfolio exposure imbalances
- Portfolio exposure imbalances **do** impact the allocation of cash level changes

Overlay Provider Role

- Portfolio exposures and cash balances are monitored daily and overlay positions are adjusted to minimize portfolio exposure imbalances
- Cash inflows are purchased in underweight asset class(es) whereas cash outflows are sold in overweight asset class(es)

Securitize Residual Manager Cash

CHALLENGE	POTENTIAL SOLUTION	EXPECTED BENEFITS
• Residual or transactional manager cash exposure (e.g. 1-3% of portfolio) creates an expected long-term performance drag	• In a non disruptive manner, efficiently eliminate unwanted manager cash exposure through the use of an overlay program	• Increase expected return • Maintain exposure across multiple asset classes • Ability to customize cash overlay for each manager

Overlay Transition Management*

CHALLENGE	POTENTIAL SOLUTION	EXPECTED BENEFITS
• Manager changes, manager reallocations, liquidation of illiquid holdings (e.g. hedge funds), change to target allocations, etc. which cause the fund to meaningfully deviate from target exposures	• Reduce or eliminate exposure gaps using index overlays or ETF's	• Mitigation of exposure gaps which reduces performance risk • The manager termination point can be accelerated or new manager search period can be extended as long as needed without losing targeted market exposure

*Parametric Minneapolis works closely with transition service providers but does not transition physical portfolio holdings

Rebalancing

CHALLENGE	POTENTIAL SOLUTION	EXPECTED BENEFITS
• Asset class exposures which deviate meaningfully from long-term policy targets or short-term tactical preferences results in unwanted exposures and increased tracking error	• Synthetic rebalancing of fund exposures in an efficient and cost effective manner back to desired allocation	• Reduced transaction costs • Timely and efficient reallocation of portfolio exposures • Reduction of tracking error

For illustrative purposes only. Individuals may not invest directly in indexes.
Investments are subject to loss. Intended policy may not meet benefits listed above.

Transaction Cost Comparisons

Below is an estimate of transaction costs across various investment instruments[1]:

	Futures[2] Transaction Costs	Physical[3] Transaction Costs	Difference
US Equity			
Large Cap – *S&P 500*	0.04%	0.19%	0.15%
Small Cap – *Russell 2000*	0.06%	0.34%	0.28%
International/Emerging Markets			
International – *MSCI EAFE*	0.14%	0.27%	0.13%
Emerging Markets – *MSCI Emerging Markets*	0.16%	0.34%	0.18%
US Fixed Income			
Investment Grade Fixed Income – *BarCap Agg*	0.04%	0.16%	0.12%

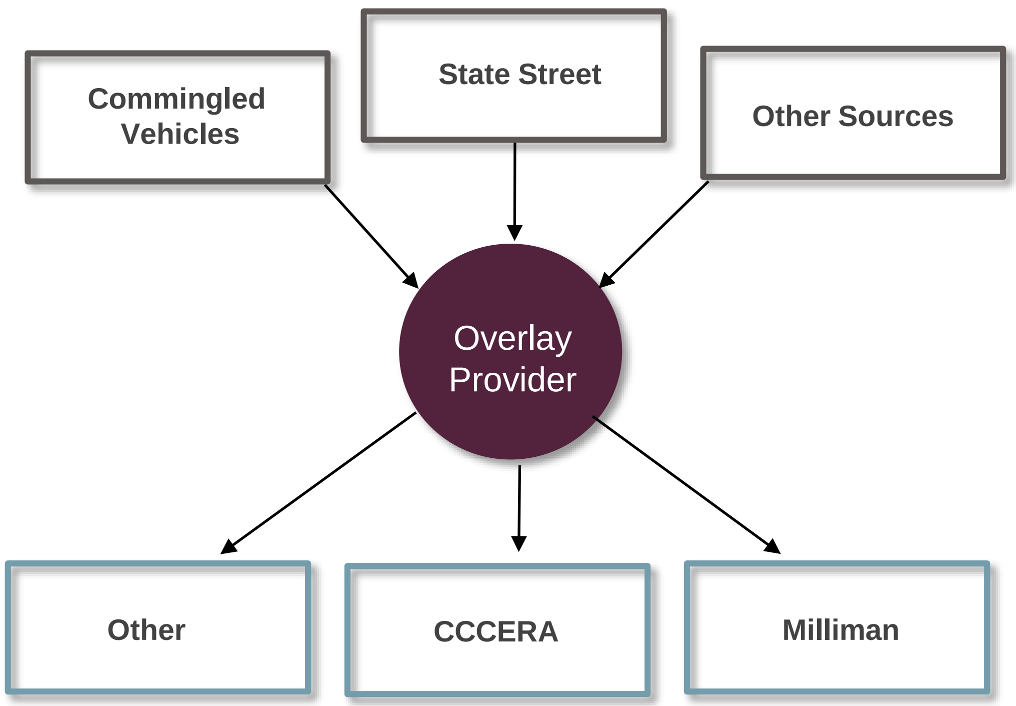
[1] Based on $10-25 million portfolio. Transaction costs include bid/ask spread, market impact, and commissions. Additionally, futures include an estimate of annual roll costs. Bid/Ask spread is the difference between the highest price a buyer is willing to pay for an asset and the lowest price a seller is willing to sell it. Market impact refers to the extent with which buy and sell orders move the market price in an adverse manner, based on the size of the transaction. Roll costs include expenses from selling an expiring futures contract and purchasing the next listed one.

[2] The estimated costs for futures are based on an analysis of initiation costs (commissions, spread, and market impact) and annual maintenance costs (roll costs). Initiation costs assume half-turn commission, mid-point on bid/ask spread, and market impact between 0 and 4 ticks depending on market liquidity. Annual maintenance costs assume quarterly roll cycle (4 rolls/yr), and includes commissions, mid-point on roll spread, and no market impact (except for Intl/EM contracts) due to large liquidity associated with roll market. Futures mispricing is not included in the analysis.

[3] The estimated costs for physical portfolios are based on third party vendors' universe of measured trades totaling over $7 trillion in principal observed annually. Includes both implicit (spread and impact) and explicit (commissions).

Information provided for informational purposes only. Actual costs may vary. Subject to change.
Source: Parametric Minneapolis, Bloomberg, Abel/Noser, personalfund.com

Portfolio Monitoring Technology



- Analysts download available data and create Daily Tracking Report*
- Report reviewed and verified by Analysts and Portfolio Managers
- All open futures positions are marked-to-market daily
- Trades are reviewed and verified by portfolio management team and trade order management system prior to execution to ensure compliance with policy guidelines
- Daily Report posted to website for CCCERA/Milliman viewing

*In some cases, data may not be available on a daily basis or is not accessible because the balance is held by a manager who does not make information available electronically. For illustrative purposes only.

Daily Tracking Report - Key Information

Investors receive a daily tracking report containing:

- Fund cash levels
- Manager values
- Asset class exposures and imbalance
- Margin summary
- Custom portfolio metrics (e.g. funded ratio)

All information updated through previous night's close

Synthetic Indices

The most often used index benchmarks are as follows:

Domestic Equity*
- S&P 500 Index
- S&P 400 Mid Cap Index
- MSCI USA IMI Index
- MSCI USA Small Cap Index
- Russell 1000 Index
- Russell 2000 Index
- Russell 3000 Index
- Wilshire 5000 Index

Fixed Income
- Barclays Capital Aggregate Index
- Barclays Capital Gov't/Credit Index
- Barclays Capital Intermediate Gov't/Credit Index
- Barclays Capital Long Gov't/Credit Index
- Barclays Capital Long Treasury Index
- Barclays Capital Universal Index
- Barclays Capital 1-3 Year Gov't Credit Index
- Citigroup BIG Index
- Various Constant Duration Benchmarks

International Equity
- MSCI EAFE Index
- MSCI ACWI ex. US
- MSCI ACWI ex. US IMI
- MSCI Emerging Markets Index
- MSCI World ex. US
- Citigroup Broad Market Index
- Citigroup PMI EPAC

Global Equity
- MSCI ACWI
- MSCI ACWI IMI
- MSCI World

Commodities
- Goldman Sachs Commodity Index
- Dow Jones – UBS Commodity Index
- Custom Commodity Baskets

International Fixed Income
- Citigroup WGBI (ex. US)
- Barclays Capital Global Aggregate Index (ex. US)

Currency
- Indexes
- Individual Currency Exposure

*In the case of style asset exposure needs (i.e. small cap growth), Overlay Provider can manage ETF exposures to fulfill client needs. Customized nonstandard indexes can be replicated using swaps.
Please note that only broad market (e.g. versus style) futures are available and/or liquid enough for use. Individuals may not invest directly into indexes.

Synthetically Replicating Indices: Futures

Domestic Small Cap Equity Example

Actual Russell 2000 Index

Synthetic Russell 2000 Index

Dividends
<u>+ Gain (Loss) on Stocks</u>
= *Total Return*

≅

Money Market Interest Income
<u>+ Gain (Loss) on Russell Index Futures</u>
= *Total Return*

Where a futures contract on a desired index is not available, a synthetic index position may be created using a combination of available futures contracts. The synthetic index will not track the desired index perfectly, a concept known as "tracking error." Detailed list of synthetic indices and expected tracking error is available on request.

For illustrative purposes only.

Exchange Traded Futures

Futures Contracts

Are agreements to buy or sell an underlying asset or index on a specific future date, at a pre-set price

- Standardized, regulated, highly liquid financial instruments
- Efficiently priced with very low transaction costs
- Available for commodities, currencies, bonds, and global equity indices
- Users include Money Managers, Fund Sponsors, Index Funds, and Hedgers
- Counterparty to all transactions is the Clearing House

Illustrative Cost/Benefit Analysis

Cost/Benefit Illustration:

Fund Size:	$6,300,000,000
Average Unwanted Cash:	1-3%

Performance Benefits	
Cash Deployment (assumes net risk premium of 2-4%):	$1,260,000 - $7,560,000
Transaction Cost Savings (.12 - .28% on $15 million)	$12,000 - $42,000
Rebalancing (NA)	NA
Expected Annual Benefit	**$1,272,000 - $7,602,000**
Expected Overlay Provider Fee	**$100,000 - $200,000**
Expected Annual After Fee Benefit	**$1,172,000 - $7,402,000**

In this example, the estimated performance benefit-to-cost relationship is over 12-38 to 1.

Additional CCCERA Benefits

- Improved liquidity
- Increased operating efficiencies (i.e. transitions)
- Lower performance risk
- Reporting

Note: The performance benefits shown above represent an example of expected incremental return benefit. Actual results will vary from this example. Past performance does not guarantee future results. Overlay Provider does not warrant any particular rate of return or level of tracking error. Information subject to change. Material provided is supplemental to the GIPS® compliant presentation. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation.

Overlay Services: What are the Risks?

Risk	Description	How Overlay Provider Mitigates
Market	Market performs in a way that was not anticipated. For example, cash outperforms capital markets.	Systematic market risk is an inherent part of the PIOS® program and can neither be diversified away nor mitigated. Client specific policy guidelines are established to clearly define desired market risk based on client asset allocation targets.
Communication/ Information	Overlay index exposures are maintained based on underlying investment values provided by one or more third parties. There are often delays in the receipt of updated information which can lead to exposure imbalance risks. Inadequate communication regarding cash flow moves into and out of fund and manager changes can lead to unwanted asset class exposures and loss.	Overlay Provider establishes communication links with custodial, manager, and other sources to obtain and verify positions and cash flow data as soon as it is available. Suspect data may be researched and staff notified.
Margin/Liquidity	Potential that the market moves in a manner adverse to the overlay position causing a mark-to-market loss of capital to the fund and a resulting need to raise liquidity or to close positions; this situation could happen at a time when underlying fund or positions are also declining in value.	Overlay Provider strives to be aware of potential collateral and cash requirements to reduce the risk of needing to remove positions. Additional margin requirements are communicated via electronic mail and margin adequacy is available to the client daily.
Tracking Error	Futures (synthetic) index returns do not perfectly track benchmark index returns. This divergence between the price behavior of a position or portfolio and the price behavior of a benchmark is tracking error and impacts performance.	Overlay Provider seeks to minimize tracking error by utilizing liquid futures contracts with sufficient daily trading volume and open interest. All derivative contracts will have some tracking error that cannot be mitigated by an overlay manager.

Expected Index Overlay Benefit

Expected Index Overlay Benefits

- Expected incremental return of approximately $1.1 - $7.4 million per year, on average, after all estimated costs[1]
- The ability to carry more “on demand” liquidity while maintaining market participation especially during prefunding
- Potential plan cost savings from not having to move money to and from managers based on cash balance changes
- Ability to assist with exposure management during fund transition events
- Comprehensive fund wide cash, manager value and market exposure information posted daily

[1]Based on estimated trading costs, Overlay Provider’s fee schedule and assumed policy mix market returns of 4% above cash. Investments subject to change. Past performance is not indicative of future performance.
See Risks on page 17. Material provided is supplemental to the GIPS® compliant presentation. Please refer to the GIPS® compliant presentation and other disclosures at the end of this presentation.

Appendices

Biographies

Orison "Kip" Chaffee, CFA

Managing Director

Kip Chaffee joined Parametric in 2008 as Managing Director. His responsibilities include formulating strategic direction and day to day management of the firm. Kip has held a number of executive positions within the financial services industry including VP of Corporate Strategy and Development for Ameriprise Financial Services and President and COO of Hantz Financial Services. Kip earned his BS in Economics from Harvard University and an MBA with a finance concentration from The Wharton School of Business. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Jack Hansen, CFA

Chief Investment Officer

Jack Hansen joined Parametric in 1985. As Chief Investment Officer (Minneapolis Investment Center), his responsibilities include the management of investment operations and portfolio management. Jack has managed futures, swaps, options, and other derivative based programs since 1986. Jack earned a BS degree in finance and economics from Marquette University and a MS in finance from the University of Wisconsin, Madison. He is a CFA charterholder and member of the CFA Society of Minnesota. Jack writes and lectures on the use of derivatives in portfolio management.

Thomas Lee, CFA

Senior Portfolio Manager

Thomas Lee joined Parametric in 1994. Tom has traded futures, swaps, and other contracts in the overlay program since starting with the firm. Tom heads up a Portfolio Management team that provides customized solutions for institutional investors' risk management needs and is responsible for research required to manage the firm's overlay portfolios. Tom has been instrumental in developing and enhancing synthetic fixed income strategies which track commonly referenced fixed income benchmarks. Prior to joining Parametric, he spent two years working for the Federal Reserve in Washington, D.C. In this position, he gained experience in modeling and forecasting interest rates and related monetary variables. Tom earned a BS in economics and an MBA in finance from the University of Minnesota. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Jay Strohmaier, CFA

Senior Portfolio Manager

Jay Strohmaier returned to Parametric in 2009. Jay has extensive experience with futures and options-based strategies and has been active in the investment industry since 1984. As a Sr. Portfolio Manager, Jay leads a team of investment professionals responsible for designing, trading and managing overlay portfolios with an emphasis on options-based strategies and hedging. Prior to rejoining Parametric, Jay worked for Cargill, Peregrine Capital Management, and Advantus Capital Management where his responsibilities included research, portfolio management, trading, marketing, and client service. He holds a BS degree in Agricultural Economics from Washington State University and MS in Applied Economics from the University of Minnesota. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Justin Henne, CFA

Senior Portfolio Manager

Justin Henne joined Parametric in 2004 as an Investment Analyst. In 2012, he was promoted to Senior Portfolio Manager and is a member of the Portfolio Management Team. He has overlay portfolio management responsibilities with an emphasis on international index and currency management strategies. He leads a team which continues to enhance overlay programs to meet clients ever changing risk management needs. Justin holds a BA in Financial Management from the University of St. Thomas. Prior to joining Parametric, he was a fixed income research analyst intern at Jeffrey Slocum & Associates. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Biographies

Daniel Wamre, CFA

Portfolio Manager

Daniel Wamre joined Parametric in 1995 working part-time in the company's internship program and started full-time in 1998. As a Portfolio Manager, he is responsible for overlay trading with an emphasis on international index strategies and hedging. Dan earned a BS from North Dakota State University and an MBA in finance from the University of Minnesota. Prior to joining Parametric, Dan spent four years as a Platoon Commander/Executive Officer in the United States Marine Corps. Upon completion of graduate school, Dan spent ten months working as a commercial banking credit analyst for U.S. Bank in Minneapolis. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Jeffrey Rodgers, CFA

Portfolio Manager

Jeffrey Rodgers joined Parametric in 2004. Jeff has extensive experience in futures and options, as well as over-the-counter and exotic instruments. Jeff is dedicated to portfolio management in the areas of exposure and risk management programs, as well as Parametric's commodity strategies. In the exposure and risk management space, Jeff works closely with clients in order to fill gaps in each client's unique asset allocation as well as add or remove risks based on current market conditions. Additionally, Jeff functions as part of the team that developed and launched Parametric's commodity programs, including index strategies, custom solutions, and Parametric proprietary offerings. Jeff continues to manage Parametric's commodity offerings and works to build out additional solutions such as commodity curve strategies and asset allocation models. Jeff holds a BSB in Finance and Accounting from the University of Minnesota. He is a CFA charterholder and member of the CFA Society of Minnesota.

Chris Haskamp, CFA

Portfolio Manager

Chris Haskamp joined Parametric in 2006. Chris is dedicated to portfolio management and leading research projects in the area of risk management. Chris manages portfolios for the risk parity program as well as for the enhanced index programs. Chris functions as part of the team that developed and launched Parametric's risk parity strategy, Global Balanced Risk, and continues to manage and enhance the strategy. Prior to joining Parametric, he spent three years as a scientist at the medical device firm Beckman Coulter Inc. Chris earned a BS in Biochemistry from the University of Minnesota and a MS in chemistry from the University of California, San Diego. Chris earned an MBA in finance from the University of Minnesota, Carlson School of Management in May of 2007 and started full time at Parametric in June of 2007. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Alex Zweber, CFA

Portfolio Manager

Alex Zweber joined Parametric in 2006. As a Portfolio Manager, Alex is responsible for the design and implementation of Parametric's options-based risk management solutions, including the Defensive Equity strategy. Additionally, he works closely in the traditional overlay program (PIOS®), where his responsibilities include the trading of overlay portfolios and assisting in the management of commodity index strategies. He also works closely in the areas of option modeling and in the development of internal research. Alex holds a BA in Economics from Macalester College. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Biographies

Matthew Liebl, CFA

Portfolio Manager

Matthew Liebl joined Parametric in May 2007 as an Investment Analyst. In 2012, he was promoted to Portfolio Manager working primarily in the Policy Implementation Overlay (PIOS®) program. His current responsibilities include designing, trading and managing overlay portfolios with an emphasis on international index strategies. He also assists in the currency and commodities areas as necessary. Mr. Liebl holds a BA in Finance from the University of Minnesota Duluth. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Amanda Barhite Carter, CFA

Portfolio Manager

Amanda Barhite Carter joined Parametric in 2004 as the Project Manager. In that role, she coordinated over-the-counter documentation, served as the Dodd-Frank implementation manager, and led the Risk Management Committee. In 2013, she was promoted to Portfolio Manager where she works primarily on overlay programs used to meet client risk management needs. Prior to joining Parametric, Amanda was a Senior Consultant with Global Markets Consultants Ltd. training investment banking clients in the areas of derivatives and capital markets. Previously, Amanda worked at JP Morgan as a Vice President in Global Derivatives Sales and Trading where she executed over-the-counter transactions for institutional clients. Amanda has a BA in Economics from Yale and an MBA with a concentration in Finance from Wharton. She is a CFA charterholder and a member of the CFA Society of Minnesota.

Alex Gomelsky, CFA

Portfolio Manager

Alex Gomelsky joined Parametric in 2009 as an Investment & Corporate Finance Analyst, and in 2013 he was promoted to Portfolio Manager. His current responsibilities include designing, trading and managing overlay portfolios as well as serving as an IT leader for the investment area. Mr. Gomelsky holds a BS degree in Finance and History from Boston College. Prior to joining Parametric, Alex worked for Johnson Controls as a Business Analyst within Global Operations and FP&A departments. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Biographies

Benjamin Lazarus, CFA

Director, Institutional Relationships - Western North America

Benjamin Lazarus joined Parametric in 2004. He is responsible for developing, coordinating, and executing the business development and client services plan for Parametric's unique family of products with emphasis on the Western region of the United States and Canada. In addition, Ben works on developing new strategies for Parametric and has presented on the use of derivatives at different industry events. Prior to joining Parametric, he was the Director of Sales Strategy at Deluxe Corporation in St. Paul, Minnesota. Ben holds a BA 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.

Christopher Uhas, CFA

Director, Institutional Relationships - Eastern North America

Christopher Uhas joined Parametric in 2007. He is responsible for developing, coordinating, and executing the sales and marketing strategies for Parametric's unique family of products with special emphasis on business development in the Eastern region of the United States and Canada. Prior to joining Parametric, Chris was involved in public and private equity portfolio management with a boutique asset management firm. Before entering the investment management field Chris served as the Director of New Product Launch for Seagate Technology, based in Singapore. Additionally, he spent five years as a nuclear-trained submarine officer in the United States Navy. Chris holds a BS in Electrical Engineering from the University of Notre Dame, and an MBA from the University of Chicago's Graduate School of Business. He is a CFA charterholder and a member of the CFA Society of Minnesota.

Gregory Baranivsky, CFA

Director, Institutional Relationships - Central and Southeast

Gregory Baranivsky joined Parametric in 2010. He is responsible for developing, coordinating, and executing the sales and marketing strategies for Parametric's unique family of products in the Central and Southeastern sales territory. Prior to joining Parametric, Greg spent 12 years at First American Funds/FAF Advisors (now Nuveen Asset Management) in various sales, national accounts, and product management leadership roles. Before joining First American Funds in 1998, he spent over three years at Van Kampen Investments (today INVESCO) finishing in the product management department. Greg holds a BA from Benedictine University and an MBA from the Illinois Institute of Technology. Greg holds the Chartered Financial Analyst designation, is a member of the CFA Institute and the CFA Society of Minnesota where he previously served as a member of its board of directors.

Christopher Wisdom, CFA

Director, Consultant Relations

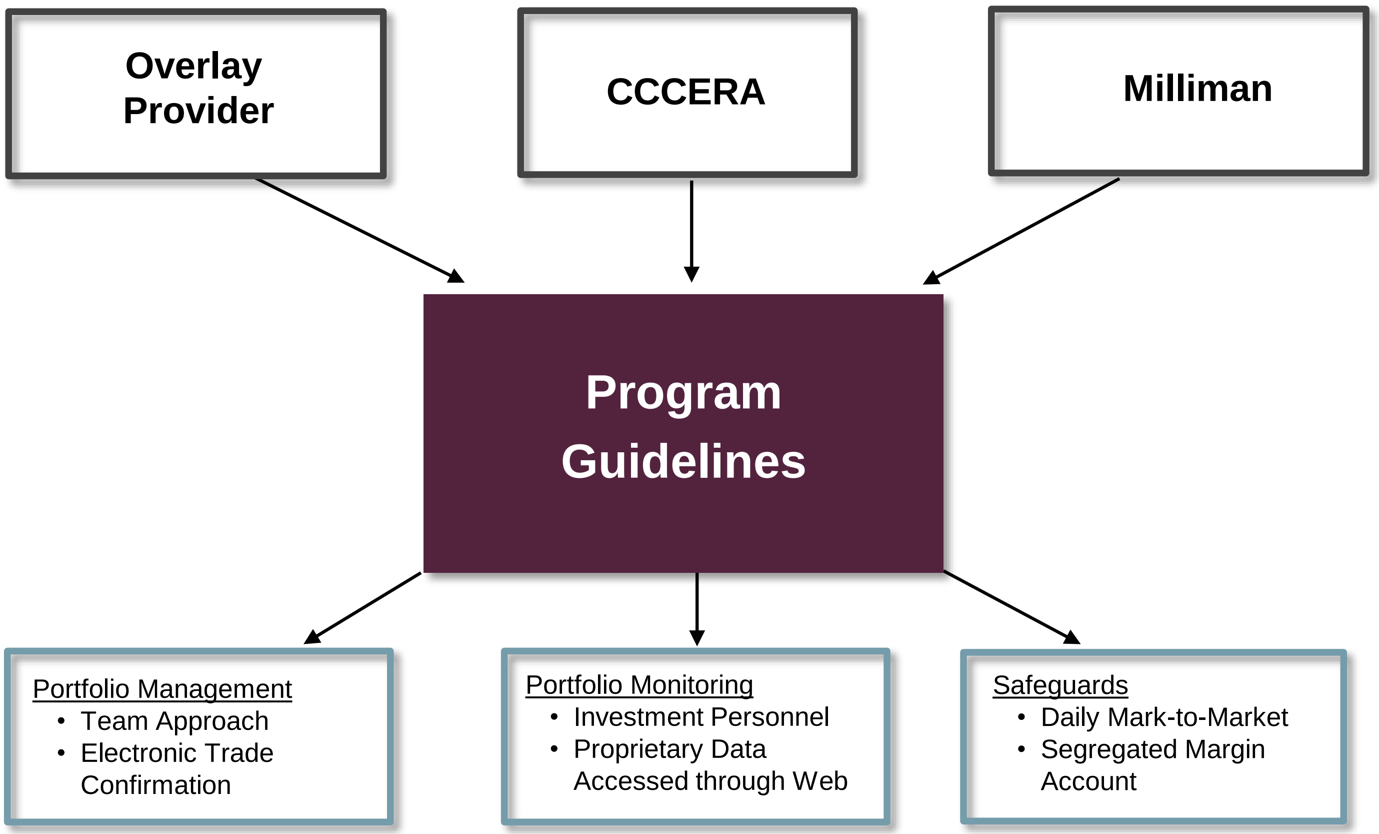
Christopher Wisdom is a Director on the Consultant Relations team at Parametric. In this capacity, he is responsible for developing and maintaining relationships within the institutional investment consultant community. He serves as a key contact for consultant inquiries and coordinates new business opportunities, working in conjunction with the Sales and Portfolio Management teams. Prior to joining Parametric, Chris held various roles at Dimensional Fund Advisors, MSCI, and Towers Watson. Chris holds a BA in Mathematics and Statistics from the University of Windsor. He is a CFA charterholder and a member of the CFA Society of Seattle.

Michi McDonough, CFA

Director, Consultant Relations

Michi McDonough is a Director on the Consultant Relations team at Parametric. In this capacity, Michi is responsible for developing and maintaining relationships within the institutional investment consultant community. She serves as a key contact for consultant inquiries and coordinates new business opportunities, working in conjunction with the Sales and Portfolio Management teams. Prior to joining Parametric, Michi was previously Vice President and Consultant Relations Manager at Wellington Management and began her professional career at MFS Investment Management. She holds a BA in Economics from Emory University and an MBA, magna cum laude, from Babson College. She is a CFA charterholder and a member of the CFA Society of Boston.

Risk Controls



Risk controls seek to minimize the risks, but risks are not eliminated by such controls and are often outside of the influence or control of Overlay Provider

See Risks on page 17.

Margin Balance Protections

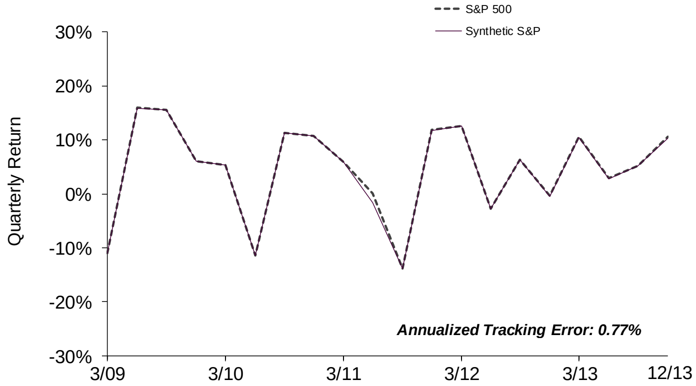
Clearing House

- All Clearing Members (e.g. Futures Broker) post a performance bond, or deposit, to the clearing house in order to trade
- Performance bonds (good faith deposits) ensure that the Clearing Members may meet the contractual obligations of the trades they make
- The amount required for a performance bond varies according to the volatility of the product underlying the futures contract
- Clearing Houses retain performance bonds from Clearing Member of both the contract buyer and contract seller
- In addition, Clearing Members must post a security deposit and pledge their assigned shares and memberships to the relevant exchange thus providing incremental credit protection
- CCCERA positions and monies are separately accounted for and segregated from the assets of the Clearing Member

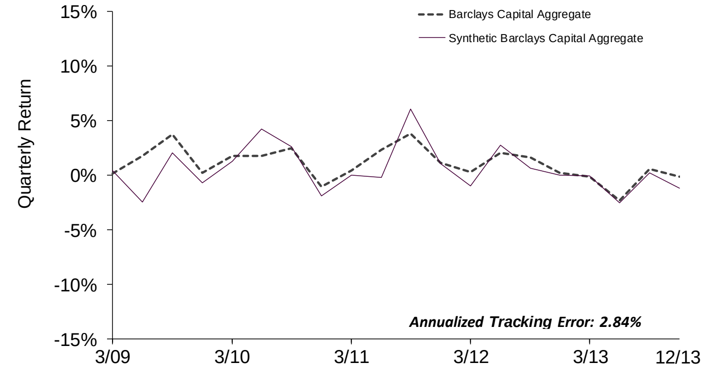
Source: CME Group

Synthetic Index Model Results – (3/31/09 – 12/31/13)

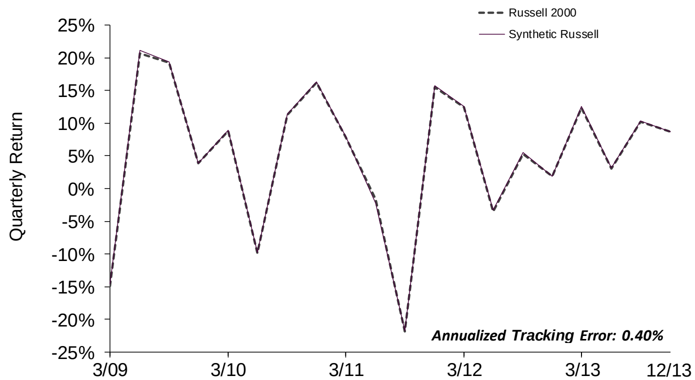
S&P 500 Index



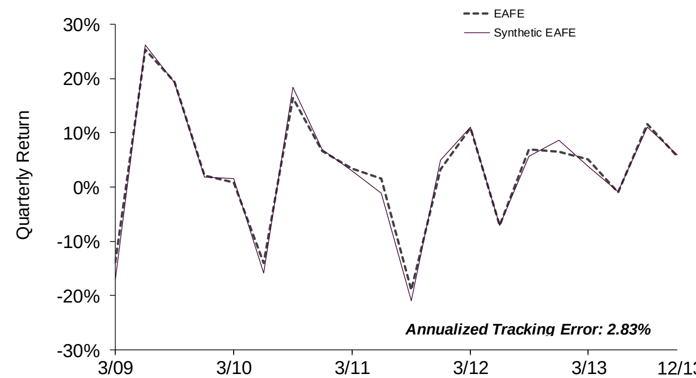
Barclays Capital Aggregate Index



Russell 2000 Index



EAFE Index



Data based on the past twenty quarters.

Simulated presentations are for illustrative purposes only, do not represent actual returns of any investor, and may not be considered for investing purposes. It is not possible to invest directly in an index. Investments are subject to loss. Past performance is not indicative of future results. . Please refer to the disclosures at the end of this presentation.

Source: Goldman Sachs, Bloomberg and Parametric Minneapolis   Date created: January 8, 2014

Fee Schedule

Overlay Provider typically charges a $1,500/month fee for the comprehensive daily tracking report plus an asset based management fee. The asset based fee is applied on the **overlay index exposure only, not on the total fund assets.**

Asset-Based Fee:

	Overlay Portfolio Assets	Annual Fee as a Percentage of Average Overlay Portfolio Value
First	$50 million	0.15%
Next	$100 million	0.10%

$18,750 minimum quarterly fee

External legal fees incurred by Overlay Provider associated with OTC documentation are billed to client separately.
Actual fees may vary.

Disclosure

Parametric Portfolio Associates LLC and Parametric Risk Advisors LLC (collectively "Parametric") are affiliated investment advisory firms separately registered with the U.S. Securities and Exchange Commission. Parametric Portfolio Associates LLC is headquartered in Seattle, Washington and has investment centers in Seattle, Washington; Minneapolis, Minnesota; and Westport, Connecticut providing investment management services. The Minneapolis investment center resulted after the purchase of Clifton Group Investment Management in December 2012. The Westport investment center, Parametric Risk Advisors LLC was formed in 2007. This presentation may not be forwarded or reproduced in whole or in part without the written consent of Parametric.

Parametric is divided into two segments: Parametric Investment & Overlay Strategies and Parametric Custom Tax-Managed & Centralized Portfolio Management. For compliance with the Global Investment Performance Standards (GIPS®), the Firm is defined and held out to the public as Parametric Investment & Overlay Strategies. Parametric Investment & Overlay Strategies provides rules-based investment management services to institutional investors, individual clients and registered investment vehicles, including Engineered Alpha Strategies, Specialty Index, and Policy Implementation Overlay Service (PIOS). The Firm has complied with the GIPS standards retroactive to January 1, 2000.

The PIOS® Composite is offered through the Parametric Investment & Overlay Strategies segment of Parametric. Parametric Investment & Overlay Strategies AUM as of 12/31/2013 is $81.7 billion. GIPS® compliant presentations are included along with other supplemental materials that further define or explain the strategy, investment process or composite.

This information is intended solely to report on investment strategies and opportunities identified by Parametric. Opinions and estimates offered constitute our judgment and are subject to change without notice, as are statements of financial market trends, which are based on current market conditions. We believe the information provided here is reliable, but do not warrant its accuracy or completeness. This material is not intended as an offer or solicitation for the purchase or sale of any financial instrument. Past performance does not indicate future returns. The views and strategies described may not be suitable for all investors. Parametric does not provide legal, tax and/or accounting advice or services. Clients should consult with their own tax or legal advisor prior to entering into any transaction or strategy described here.

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This presentation contains back-tested hypothetical and/or model performance data and may not be relied upon for investment decisions. This material may contain confidential and/or proprietary information and/or assumptions and may only be relied on for this report. Detailed account inclusion/exclusion policies and back-tested data are available upon request. Perspectives, opinions, and testing data may change without notice. Decisions and information were based on available research at the time and as data may contain back-tested hypothetical results, returns may not be realized and specific action or lack of action is not known for certainty. No securities, sectors, industries, or other information mentioned herein may be considered as an offer to purchase or sell a firm product or security. The information presented, including, but not limited to, objectives, allocations and portfolio characteristics, is intended to provide a general example of the implementation of the strategy and does not represent the experience of any particular client. Actual client portfolio holdings, performance, allocations and portfolio characteristics will vary for each client. Any positive comments regarding specific data may no longer be applicable and should not be relied on for investment purposes.

Returns presented were generated using Parametric's proprietary investment methodology as described in Parametric's Form ADV Part 2A. Returns are unaudited, and may not correspond to quarterly calculated performance for any other client account in the stated discipline. Returns are calculated in U.S. dollars using the internal rate of return, reflect the reinvestment of dividends, interest, gains and other income, include transaction costs but exclude account and custodial services fees, and do not take individual investor tax categories into consideration. After-tax estimates are a "best scenario" provision for illustrative purposes. Specific periods of returns are not meant to imply that the portfolio would have been profitable had the client only invested in the market for this time period. All investments are subject to loss.

Disclosure (continued)

Hypothetical performance results have many inherent limitations, some of which are described below. No representation is being made that any account will or is likely to achieve profits or losses similar to those shown. In fact, there are frequently sharp differences between hypothetical performance results and the actual results subsequently achieved by any particular trading program. One of the limitations of hypothetical performance results is that they are generally prepared with the benefit of hindsight. In addition, simulated trading does not involve financial risk, and no simulated trading record can completely account for the impact of financial risk in actual trading. For example, the ability to withstand losses or to adhere to a particular trading program in spite of trading losses are material points which can also adversely affect actual trading results. There are numerous other factors related to the markets in general or to the implementation of any specific trading program which cannot be fully accounted for in the preparation of hypothetical performance results and all of which can adversely affect actual trading results. Because there are no actual trading results to compare to the simulated performance results, clients should be particularly wary of placing undue reliance on these simulated results.

Benchmark/index information provided is for illustrative purposes only. Investors cannot invest directly in an index. Returns for indexes are calculated gross of management fees. Deviations from the benchmarks provided herein may include but are not limited to factors such as: the purchase of higher risk securities, over/under weighting specific sectors and countries, limitations in market capitalization, company revenue sources, and/or client restrictions. Parametric's proprietary investment process considers factors such as additional guidelines, restrictions, weightings, allocations, market conditions and other investment characteristics. Thus returns may at times materially differ from the stated benchmark and/or other disciplines and funds provided for comparison.

The **Russell 3000 Index** measures the performance of the largest 3000 U.S. companies representing approximately 98% of the investable U.S. equity market.

The **MSCI ACWI Index** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets.

The **MSCI ACWI Index ex-US** is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets excluding the United States

The **Barclays Capital Aggregate Bond Index ("BarCap Agg")** is a market-capitalization-weighted index, maintained by Barclays Capital and is often used to represent investment grade bonds being traded in the United States.

The **Barclays U.S. Universal Index** is an unmanaged index that covers U.S. dollar denominated taxable bond, including U.S. government and investment grade, non-investment grade debt, asset-backed and mortgage-backed securities, Eurobonds, 144A securities and emerging market debt.

Parametric is located at 1918 8th Avenue, Suite 3100, Seattle, WA 98101. For more information regarding Parametric and its investment strategies, or to request a copy of Parametric's Form ADV, please contact us at 206.694.5575 or visit our website, www.parametricportfolio.com.

Parametric Minneapolis is located at 3600 Minnesota Drive, Suite 325, Minneapolis, MN 55435. For more information regarding Parametric Clifton and its investment strategies, or to request a copy of Parametric Clifton's Form ADV, please contact us at 612.870.8800 or visit our website, www.thecliftongroup.com.

PIOS® Composite

Parametric Investment & Overlay Strategies

PIOS Composite

Performance Presentation

Reported in: USD

	Returns			3 Yr. Annualized Standard Deviation		Dispersion	Assets		
Period	Total Gross Return AWR	Total Net Return AWR	Index	Composite	Index	Internal Equal Wtd.	Number of Portfolios *	Composite (MM) *	Total Firm (MM) *
2013	2.79%	2.64%		1.30%		9.30%	182	38,121	81,748
2012	2.02%	1.87%		1.13%		4.66%	167	27,813	64,413
2011	1.18%	1.03%		1.17%		6.29%			19,548
2010	1.60%	1.45%		1.39%		5.81%			17,579
2009	2.12%	1.97%				7.59%			12,621
2008	-2.07%	-2.22%				10.70%			4,396
2007	0.23%	0.08%				1.66%			4,469
2006	0.53%	0.38%				2.47%			1,481
2005	0.38%	0.23%				0.73%			1,005
2004	1.35%	1.19%				2.68%			771

** The composite was not included in the Firm Assets prior to 2012 as it was being managed by a prior firm.*

Parametric Portfolio Associates LLC and Parametric Risk Advisors LLC (collectively “Parametric”) are affiliated investment advisory firms separately registered with the U.S. Securities and Exchange Commission. Parametric Portfolio Associates LLC is headquartered in Seattle, Washington and has investment centers in Seattle, Washington; Minneapolis, Minnesota; and Westport, Connecticut providing investment management services. The Minneapolis investment center resulted after the purchase of Clifton Group Investment Management in December 2012. The Westport investment center, Parametric Risk Advisors LLC was formed in 2007.

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Parametric Investment & Overlay Strategies claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Investment & Overlay Strategies segment of Parametric has not been independently verified.

The PIOS (Policy Implementation Overlay Service) Composite is comprised of all fully discretionary PIOS accounts that create custom overlay solutions designed to help investors achieve policy objectives. The PIOS strategy utilizes an array of investment instruments to achieve client objectives through adherence to detailed investment guidelines. Objectives can include Interest Rate Management, Currency Management, Rebalancing, Transition Management, Cash Securitization and Neutralizing Policy Performance Shortfalls.

PIOS® Composite (continued)

Composite creation date is December 2013.

No benchmark is presented as our strategy composite dynamically invests in a wide variety of investments. The strategy may invest in domestic and international markets, and utilizes derivative instruments. We do not believe that any benchmark is a proper point of reference for our strategy.

Derivative securities are used in the accounts which comprise this composite. The firm's strategies contain derivatives such as futures, options, swaps, and other investment strategies that may involve certain advantages and risks. Futures require the posting of initial and variation margin. Therefore, a portion of risk capital must be preserved for this purpose rather than being allocated to a manager. Swaps require periodic payments, which may be less liquid than futures, and certain swaps may have counterparty/credit risk. Some investment strategies may require a collateral investment equal to the desired amount of exposure.

Portfolio returns reflect the reinvestment of dividend and interest income.

Performance results are expressed in U.S. dollars.

Composite gross returns are after transactions costs and other direct expenses, but before management fees. Net returns reflect the deduction of model

The separate account management fee schedule is as follows: First $50M @0.15%; Thereafter 0.10%

The dispersion of annual returns is measured by equal-weighted standard deviation of portfolio returns within the Composite for the full year.

Policies for valuing portfolios, calculating performance, and preparing compliant presentations are available upon request.

A list of composite descriptions is available upon request.

Performance prior to January 2013 was achieved by the Clifton Group Investment Management prior to its merger with Parametric Portfolio Associates, LLC and has been linked to the performance history of Parametric Investment & Overlay Strategies. Performance results prior to January 2013 should not be interpreted as the actual historical performance of Parametric Investment & Overlay Strategies. Parametric Investment & Overlay Strategies has adhered to the performance record portability requirements of the GIPS standards in regard to the presentation and linking of this performance track record.

Past performance is not a guarantee of future results.

OCEAN AVENUE | CAPITAL PARTNERS

CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

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The limited partner interests are being offered as a private placement to a limited number of investors and will not be registered under the U.S. Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder (the "Securities Act"), or the securities laws of any U.S. state or non-U.S. jurisdiction and may not be sold or transferred without compliance with all applicable U.S. federal and state and non-U.S. securities laws. The Fund will not be registered as an investment company under the U.S. Investment Company Act of 1940, as amended, and the rules and regulations promulgated thereunder (collectively, the "Investment Company Act"). Consequently, investors will not be afforded the protections of the Investment Company Act. Neither the U.S. Securities and Exchange Commission nor any U.S. state or non-U.S. securities commission has reviewed or passed upon the accuracy or adequacy of this presentation or the merits of the offering described herein. Any representation to the contrary is unlawful.

Investment in the limited partner interests will involve significant risks due to, among other things, the nature of the Fund's investments. Investors must have the financial ability and willingness to accept the risks and lack of liquidity characteristic of the investment described herein. There will be no public market for the limited partner interests and such interests, subject to certain limited exceptions, will not be transferable.

This presentation is not an offer to sell to any person, or a solicitation to any person to buy, limited partner interests in the Fund in any state or jurisdiction in which such an offer or solicitation would be prohibited by law or to any person who is not an "accredited investor" as defined in Regulation D under the Securities Act. Interests in the Fund will be offered only in such non-U.S. jurisdictions, if any, as the General Partner approves in advance at its sole discretion. No person other than the General Partner has been authorized to give any information concerning the Fund or this offering or to make any representation not contained in this presentation. To invest in the Fund, each prospective limited partner will be required to execute a limited power of attorney and a subscription agreement (which shall bind the prospective limited partner to the Fund's agreement of limited partnership). In the event that any terms, conditions or other provisions of such agreements (or any related agreements) are inconsistent with or contrary to the description of terms set forth in this presentation, the terms, conditions and other provisions of such agreements shall control. Before the final closing of the Fund, the General Partner and its affiliates reserve the right to modify any of the terms of the offering and the limited partner interests described herein.

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Executive Summary

OACP brings a differentiated approach to the strategy, structure and governance of private equity investing

Proven Team	• Partners worked extensively together prior to forming firm in 2010 • Deep history in managing private equity investments on behalf of institutions • Extensive network accumulated from over 50 years of collective investing experience • Ocean Avenue Capital Partners is a Registered Investment Advisor
Investment Strategy	• Inefficient market segments and unique opportunities that can generate outsized returns • Small/micro-cap deep value investments with a focus on operational enhancement • Complex situations including asset-intensive, underperforming and distressed companies • Thematic platform builds
Innovative Approach	• Provide an investment structure that mitigates the high fees and costs associated with investing in private equity • Give investors model governance over their portfolios • Partner with transaction sponsors: co-investments, direct transactions, funds and secondaries
Unique Market Opportunity	• Period of global deleveraging where private equity investors no longer benefit from decreasing rates and spreads, but there is more opportunity for outsized returns • Slow GDP growth and uncertain global economic conditions create unique opportunity • Environment is unforgiving, but Alpha opportunities are greater

Executive Summary

OACP brings a differentiated approach to the strategy, structure and governance of private equity investing

Extensive Partner Network	• Ten fund manager partners • Numerous "fundless" or independent sponsor partners • Exclusive co-investment rights • Partners are specialists in certain industries, transaction types or both
Fund I Investment Track Record	• As of Mar 2014: Fully committed; 76% invested (PIC); 40% distributed (DPI) • Investment pace and early liquidity well ahead of 2011 vintage funds • IRR: 27.7%; ROI: 1.4, as of June 30 2013; Top quartile • Performance driven by careful selection, fee mitigation, efficient investment pace
Partially Invested Fund II	• Twelve transactions and four fund commitments completed to date • Numerous transactions pending and in near-term transaction pipeline • All investments consistent with Ocean Avenue strategy and fee efficient approach • Final close investors participate in all investments at original cost basis
Terms & Conditions	• Investment Period: Two years for fund commitments, and four years for direct investments • Management Fee: 85 basis points (for commitments between $10mm and $50mm), • Carried Interest: 7.5% with an 8% preferred return for the investor • Reporting: Quarterly financial statements and investment reports, annual audit (KPMG)

Ocean Avenue Capital "High Performance" Team

Proven track record of value creation … over 50 years of collective experience

Jeffrey Ennis
Partner

- Over 16 years of private equity experience
- Co-founded discretionary private equity platform and co-managed growth from start-up to over $6.0B in assets
- Chief Investment Officer
- Management committee chair – oversight of global operations

Duran Curis, CFA
Partner

- Over 14 years of private equity experience
- Opened North American office for prominent European PE manager
- Grew small U.S. PE firm to an institutionally structured platform
- Launched successful special situations strategy that grew to more than $400 million in capital

Jacques Youssefmir
Partner

- Over 12 years of private equity experience
- Led global co-investments and secondaries strategy and process
- Managed global legal process
- Oversaw compliance and regulatory process

Peter Notz
Principal

- Over 7 years of private equity experience
- Formerly VP with special situations fund
- Part of team for successful special situations strategy that grew to more than $400 million in capital

Anthony Luchetta
Associate

- Over 5 years of private equity experience
- Formerly Associate with discretionary PE manager
- Member of global investment team

Matt Dedrick
Associate

- Over 3 years of private equity experience
- Formerly Fund Accountant with discretionary PE manager

A Differentiated Approach – What We Do

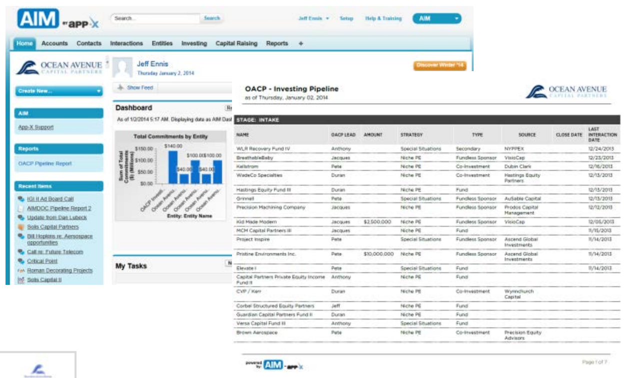
Target outsized returns without taking commensurate levels of risk

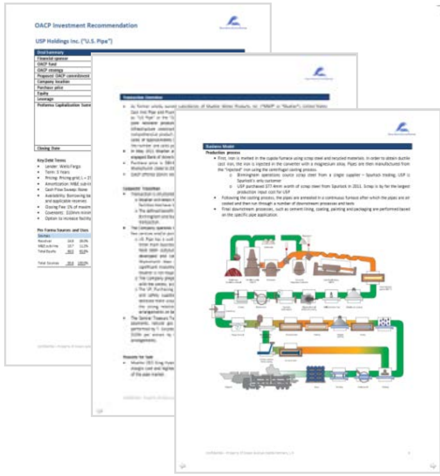
- Identify and invest only in less competitive, inefficient markets
- Partner with highly experienced transaction sponsors with a unique specialization
- Highly selective partner and transaction vetting process
- Limit total assets to concentrate portfolios on our best investment ideas
- Create value on the buy – obtain substantial equity "optionality" with a focus on downside protection
- Generate returns from operational improvements, not financial engineering
- Aggressively manage costs and fees
- Insist on and offer best practices in governance
- Return cash to our investors

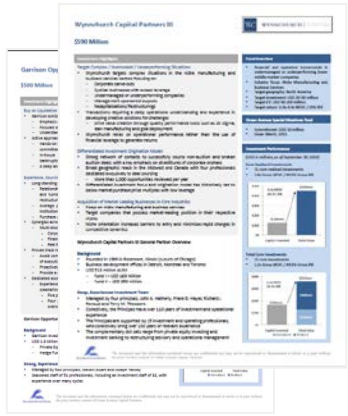
A Differentiated Approach – How We Do It

Discipline, focus, and experience

- Complete market and industry research to identify less competitive market segments
- Leverage extensive network, built over 50 years of combined experience, to develop a robust investment pipeline
- Negotiate and structure to reduce costs & fees and align interests
- Carefully execute a robust due diligence process
- Manage the partnership relationship to optimize additional deal flow
- All investments require unanimous approval by the three founding partners

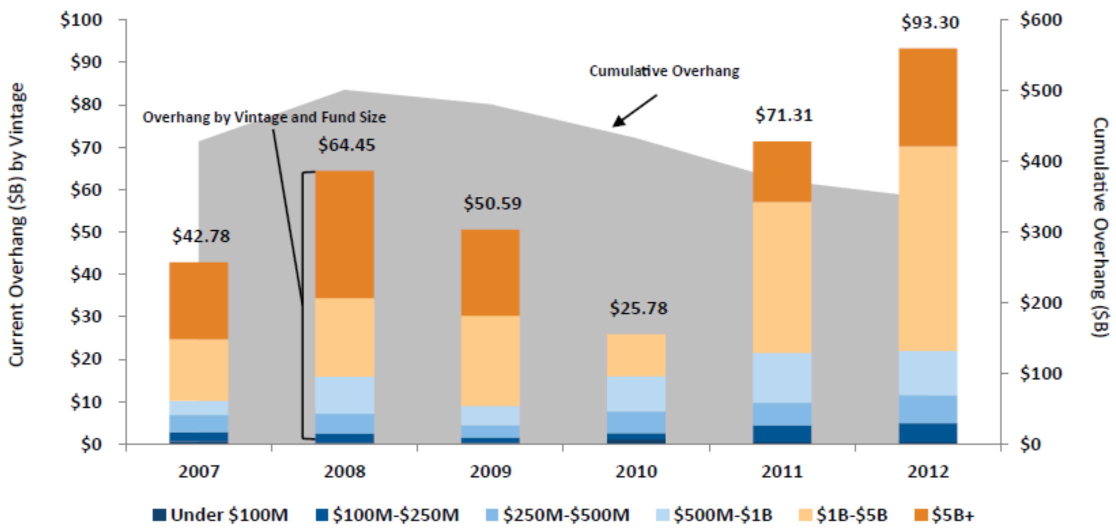






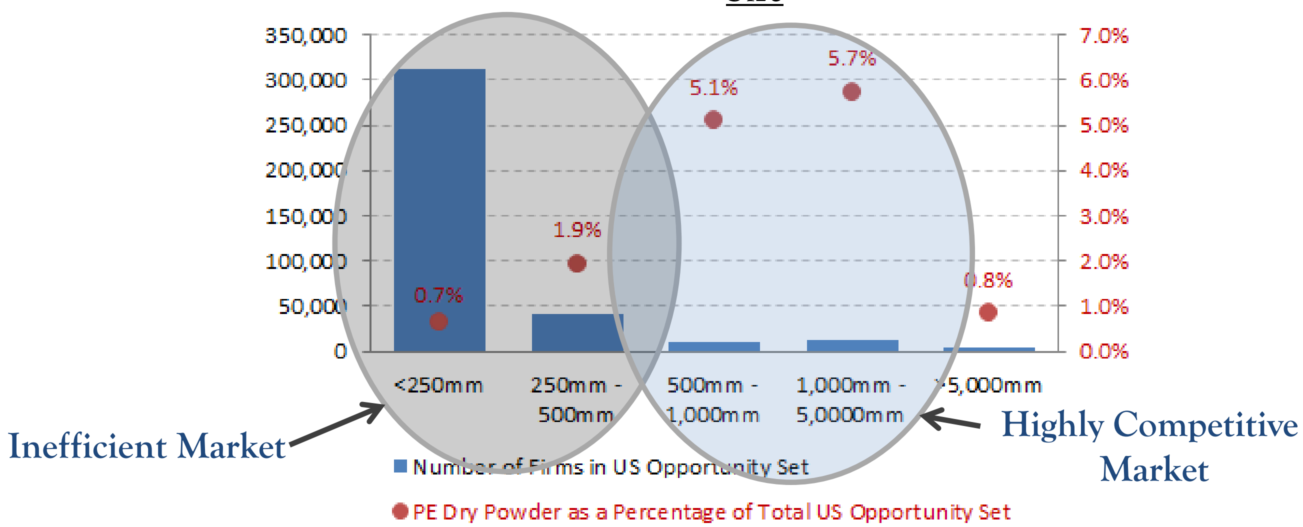
Inefficient Market Focus

US Private Equity Dry Powder by Fund Size and Vintage Year



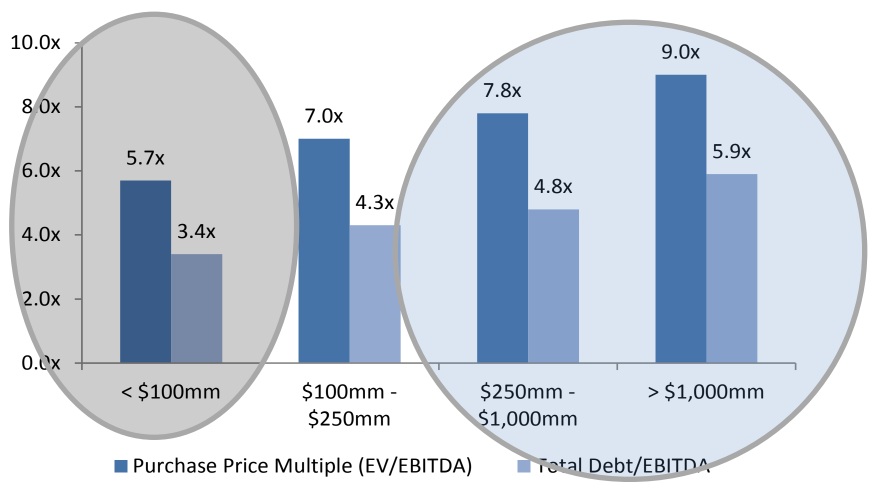
Source: Pitchbook

US Market Opportunity by Fund Size



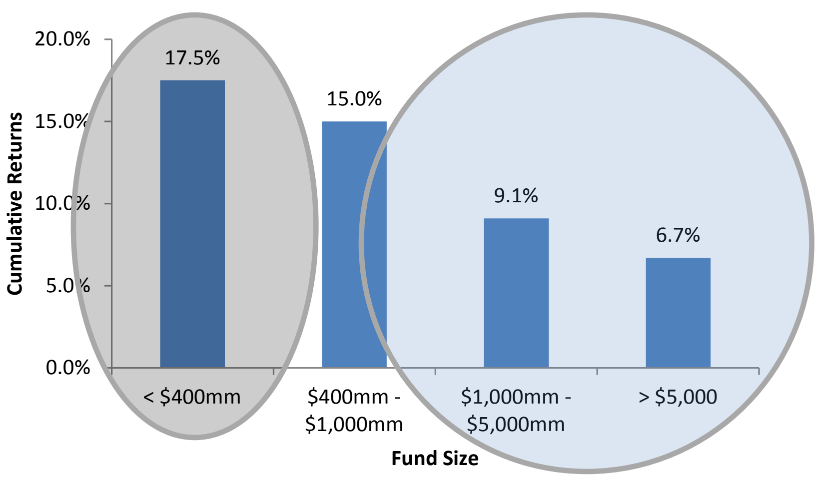
Source: Pitchbook, Bloomberg, NYU Stern, 2007 County Business Patterns, 2007 Economic Census and OACP estimates

Purchase Price and Leverage Levels



Source: S&P LCD
Notes: Purchase prices and leverage levels from 12/31/00 – 12/31/10

Cumulative Returns by Fund Size



Source: Venture Economics
Notes: Pooled average returns since 1979 for U.S. based buyout funds. As of 12/31/11

- Managers pursue larger fund sizes to generate higher fee revenue (e.g. a $100mm fund pays $2mm/yr; a $1.0bb fund pays $20mm/yr)
- This results in significant amounts of capital for a limited number of transactions: PE funds pursue the largest 30-40% of businesses in the U.S.
- This puts increased pressure on acquisition pricing which results on lower expected returns
- **OACP targets the lower and small end of the market in which the competitive dynamics are much more favorable**

Direct and Indirect Fees and Cost Management

Focus on cost reduction and upside optionality

Direct Cost Management: Management fees competitive with direct fee structures*

	Traditional Fund-of-Funds	OACP Structure	Direct Fund Commitment
Commitment Amount ($)	10mm	10mm	10mm
Management Fee (%)	0.85%	0.85%	2.0%
Annual Mgmt Fee ($)	85k	85k	200k
Underlying Fund Commitments ($)	10mm	5mm	-
Underlying Fund Mgmt Fee (%)	2.0%	2.0%	-
Annual Underlying Fund Mgmt Fee ($)	200k	100k	-
Underlying Transactions ($)	-	5mm	10mm
Underlying Transaction Mgmt Fee (%)	-	0.0%	0.0%
Annual Underlying Transaction Mgmt Fee ($)	-	-	-
Total Management Fees ($)	**285k**	**185k**	**200k**
Total Management Fees (%)	**2.85%**	**1.85%**	**2.00%**

*Estimate of annual management fees during the investment period. Excludes carried interest and other non-management fee related expenses.

Indirect Cost Management

1. **Full Investment - Underinvestment leads to higher *effective* management fees**

% of Committed Capital that is Invested	60%	70%	80%	90%	100%
Effective Management Fee w/ Nominal 2% Headline Fee	**3.33%**	**2.85%**	**2.5%**	**2.22%**	**2.00%**

2. **Faster Investment Pace - Slow investment pace and/or longer investment periods increase costs and lengthen duration**
   - Investments in Years 4 and 5 come with a large upfront load

3. **Limit Partnership Commitments - Fund agency costs reduce gross return**
   - Malinvestment "use it or lose it" mindset greater with funds (increases with fund size)
   - Behavior driven by need to maximize fees rather than profits, resulting in:
     a) Raising too much capital
     b) Focusing on more efficient (and competitive) markets / larger deals
   - Only partnerships with more ideas than capital and clear differentiation
   - Fundless sponsor program designed to manage these agency costs/risks

Capture Upside Optionality

4. **OACP Seeks to preserve upside optionality by:**
   a) Focus only on inefficient markets – sub-optimally run businesses and/or complex situations
   b) Invest in smaller transactions – law of small numbers
   c) Partner with independent sponsors to target transactions outside traditional fund universe
   d) Seek lower entry valuations with potential for multiple expansion on exit
   e) Secure attractive financing terms – seller financing, rollovers and/or earnouts

Partner Network – Sponsors

Fund manager partners

Atlantic Street Capital	Operationally-oriented firm focused on making distressed and deep value investments in lower middle-market companies.
Centre Lane Partners	Lower middle-market private equity firm focused on deep value and special situations investing with an emphasis on hands-on post-investment value creation.
Wynnchurch Capital	Financial and operational turnarounds in undermanaged or underperforming lower middle-market companies.
Inverness Graham Investments	Investments in small, high growth, innovative manufacturing and services companies.
Tengram	Operationally-oriented firm focused solely on investment opportunities in the branded consumer products and retail industries.
EDG Partners	Small and middle-market focused firm that seeks to make control and growth investments in healthcare companies.
Endeavour Capital	Lower middle-market focused firm that seeks to make control and growth investments in the Western United States.
Trive Capital	Dallas-based, special situations firm focused on acquiring under-resourced companies with the potential for transformational upside through operational improvement.
Value Alignment Around You™ Lariat™ Partners	Hybrid fund structure combining best attributes of deal-by-deal investments focusing on buy and build strategies in the lower middle market.
Tower Arch Capital	Utah based lower middle market firm focused on acquiring private, family owned businesses seeking capital and resources to strategically enhance and grow their business.

Independent sponsor partners

Counterpoint Capital Partners	Los Angles-based firm focused on complex situations in the small-cap market
APERION MANAGEMENT, LLC	New York-based firm that seeks small to mid-size businesses that have solid fundamentals and attractive growth potential.
TeamPartners	Dallas-based sponsor established by a former Brazos Equity partner to focus on transactions in the small-cap market.
Trive Capital	Dallas-based, special situations firm focused on acquiring under-resourced companies with the potential for transformational upside through operational improvement.
CoveView Capital Partners	Connecticut-based, special situations firm focused on making deep value investments in underperforming manufacturing and asset-intensive businesses.
Silver Peak Partners	Denver based firm focused on small cap private equity investments in family/founder owned businesses.
New State Capital Partners	New York based firm focused on complex investments in small/mid market companies requiring flexible capital solutions.

Empeiria Capital

Parthenon Capital Partners

Access Value Investors LLC
Creating Value for Companies In Transition

OACP has reviewed transactions from well over 100 private equity firms

Building Portfolios of Best Ideas – Transactions

Investment	Acquisition Date	Industry	Deal Type	Source: Partner	Source: Co-Invest	Source: Independent Sponsor
TechDevice Corporation	Jan-11	Healthcare Equipment	Build-up	Inverness Graham Investments	✓	
NOBLES	Apr-11	Aerospace & Defense	Build-up	Inverness Graham Investments	✓	
Tomich Bros. Seafoods	Aug-11	Food & Staples Retailing	Deep value	CounterPoint Capital Partners		✓
The Merit Group	Aug-11	Distribution	Distressed	Centre Lane Partners	✓	
HD Vest Financial Services	Oct-11	Financial Services	Carve-out	Parthenon Capital	✓	
NSC Minerals	Dec -11	Metals & Mining	Deep value	Wynnchurch Capital	✓	
Stella Environmental Services	Feb-12	Environmental Services	Deep value	Aperion Management		✓
US Pipe	May-12	Building Products	Carve-out	Wynnchurch Capital	✓	
DataSource	Jul-12	Business Services	Build-up	Inverness Graham Investments	✓	
TAS Environmental Services L.P.	Jul-12	Environmental Services	Build-up	TEAM Partners		✓
FOCUS	Jul-12	Consumer Discretionary	Distressed	Centre Lane Partners	✓	
Northstar Aerospace	Aug-12	Aerospace & Defense	Distressed	Wynnchurch Capital	✓	
NEST	Aug-12	Consumer Discretionary	Build-up	Tengram Capital Partners	✓	
Parts Now	Aug-12	Business Services	Deep value	CounterPoint Capital Partners		✓
Laura Geller	Dec-12	Consumer Discretionary	Deep Value	Tengram Capital Partners	✓	
Precise Packaging	Dec-12	Packaging	Deep Value	Trive Capital		✓
Shemin	Jan-13	Distribution	Deep Value	Centre Lane Partners	✓	
HandCrafted Homes	Feb-13	Construction & Engineering	Distressed	CoveView Capital Partners		✓
Huron Inc	Feb-13	Auto Components	Value	Trive Capital	✓	✓
Foss	Jun-13	Consumer Durables & Apparel	Value	Wynnchurch Capital	✓	
Ironform	Nov-13	Commercial Truck Components	Distressed	Wynnchurch Capital	✓	
Northern Seed, LLC	Nov-13	Agriculture	Build-up	Lariat Partners	✓	
Global ID	Nov-13	Food Testing	Build-up	Inverness Graham Partners	✓	
Mesker	Nov-13	Building Products	Build-up	Inverness Graham Partners	✓	
Medsource Home Medical	Nov-13	Healthcare Equipment	Build-up	Silver Peak Partners		✓
Subsea Global Solutions	Nov-13	Industrial Services	Build-up	Lariat Partners	✓	
Coast Plating, Inc.	Dec-13	Aerospace & Defense	Build-up	Trive Capital	✓	
Uniguest	Dec-13	Business Services	Value	Atlantic Street Capital	✓	
Gautier Steel Ltd.	Feb-14	Metals and Mining	Value	New State Capital		✓
Future Telecom	Mar-14	Construction & Engineering	Build-up	Tower Arch Capital	✓	
Offshore Cleaning Systems / Newpark Environmental Services	Mar-14	Environmental Services	Value	Lariat Partners	✓	

Investment Summary – NSC Minerals

Deal Summary	
Financial sponsor	Wynnchurch Capital Partners ("WCP")
Purchase price	CAD 125mm
Equity	CAD 45.8mm
OACP Investment	CAD 3.0mm
Closed	March 2012
Exited	October 2013
Net Return	2.8x (0.2x held in escrow)

Company Overview

NSC Minerals ("NSC" or the "Company") is a leading producer and distributor of highway de-icing and industrial rock salt to Western Canada and the North Central U.S. where it holds a dominant market position. The Company offers salt crystals, salt brine, ice melters, potassium chloride, calcium chloride, and magnesium chloride. Rock salt supply is a critical public safety need as it is used for road de-icing. There are no cost-effective substitutes and the cost of rock salt is not material relative to potential safety (road accidents) and commercial (business disruption) risks. NSC provides salt to a variety of non-cyclical end markets. Highway de-icing, the Company's primary end market, represented 84% of revenues in FY2011. More than 60% of NSC's highway de-icing business is performed under multi-year contracts with the remainder under annual renewal contracts.

NSC's corporate headquarters are located in Saskatoon, Saskatchewan, Canada. The Company also maintains a sales office located in Calgary, Alberta, Canada. The Company has two production facilities in Rocanville and Vanscoy, Saskatchewan, Canada as well as a storage facility in Fort Saskatchewan, Alberta, Canada. The Company has approximately 50 non-union employees. The Company also utilizes third party storage facilities to service customers in different regions of Western Canada.

Investment Thesis

- Leading Market Share in a Favorable Market. NSC enjoys consistent winter weather and close proximity to customers in Alberta, Saskatchewan, and Manitoba - a strategic advantage over more distant competitors. Canadian customers utilize exclusive contracts, which provides greater demand visibility than U.S. based customers.
- Strong Transportation and Logistics Capabilities. Efficient storage and transportation network allows NSC to serve as a reliable and low cost provider. Key attributes include processing facilities near mines, strategically located storage facilities, strong relationships with several freight suppliers, and ownership of 250 railcars for transportation utilizing Canadian National Railway's network.
- Long Standing Customer Relationships. NSC's reliability, responsiveness and competitive pricing have made it a leading supplier to provincial, state, city, and municipal governments as well as private contractors, packagers, and industrial customers. The average tenure of the top ten customers is 15 years, and 63% of contracts are multi-year.
- Stable Cash Flows and Margins. Five year average adjusted EBITDA of CAD 18.8mm (33.7% margin) and OCF of CAD 14.8mm (26.2% margin) with projected average maintenance capital expenditures of CAD 1.3mm over the next five years.
- Insulation from Economic Volatility. NSC's business is not driven by the broader economy, but rather snowfall in western Canada and the northern US. NSC represents a unique opportunity to invest in a company whose performance is not highly correlated with GDP growth, employment, consumer spending, or any economic metric

Investment Highlights

- Wynnchurch acquired NSC for a value purchase price of C$125.0 million or approximately 4.9x LTM EBITDA
- Under Wynnchurch's ownership, the Company achieved record profitability in fiscal 2013 of C$30.1 million in EBITDA
- In less than two years, the investment was sold to a financial buyer for C$208 million or approximately 7.3x LTM EBITDA

Investment Summary – Tomich Brothers Fish Co.

Deal Summary	
Financial sponsor	CounterPoint Capital Partners ("CCP")
Purchase price	USD 7.7mm / USD 5.6mm
Equity	USD 2.2mm
OACP Investment	USD 1.4mm
Closed	August 2011 / April 2012
Exited	June 2013
Net Return	6.8x (1.5x held in escrow)

Company Overview

Tomich Brothers Fish Co. ("Tomich" or the "Company") is a seafood company located in the Port of Los Angeles. Tomich is involved in the handling, processing and distribution of seafood (primarily squid) to and from all over the world.

The Company sources fish through its primary fleet of fishing vessels, including two company-owned vessels. The vast majority of Tomich's sales are to Chinese importers who in turn sell to fish processors who sell to Chinese based exporters (many of which resell processed squid back to the US) or wholesalers who sell to distributors who then sell to retailers or food service companies.

In April 2012, Tomich closed on Qualy-Pak Specialty Foods, Inc. ("Qualy"), a like-sized seafood processor co-located in the Port of Los Angeles.

Investment Thesis

- Operational Initiatives. As a long held family businesses, there are multiple opportunities for dramatic improvements in capitalization, cost structure, cash management, systems utilization and management initiatives that have not been previously explored.
- Capacity Expansion. Opportunities to work with blast freezing partners to dramatically increase its blast freezing capacity which will immediately expand its ability to process more fish earlier in the season at better rates.
- Strategic Growth. Acquisition is occurring at a time when multiple competitors are ripe for acquisition. Tomich is an excellent platform to add and build this revenue and product mix.
- Macroeconomic Trends. China's consumption of squid continues to increase as Chinese consumers seek more moderately priced protein sources in the face of increasing prices on traditional protein sources such as beef and poultry.
- Barriers to Entry. New entrants must obtain a permit, but there are only 10 squid processors in California so the only way to enter is by acquisition or to wait for a processor to fold which rarely happens. Similarly, there are a limited number of fishing boats providing fish to the processor and it would be extremely challenging for a new entrant to buy their fish without an existing trusted partner.

Investment Highlights

- Quickly increased blast freezing capacity enabling larger quantities of squid to be delivered and processed
- Purchased additional boats and associated fishing permits enabling stricter control of fish supply during high season and added year-round fishing capability (squid offseason)
- Completed two add-on acquisitions, with modest additional equity, that substantially increased processing capacity, EBITDA, and diversified the customer base and species
- Improved EBITDA from less than $1.0 million to in excess of $5.0 million in less than two years
- Successfully exited the investment in June 2013 to a financial buyer

Investment Summary – U.S. Pipe

Deal Summary	
Financial sponsor	Wynnchurch Capital Partners ("WCP")
Purchase price	USD 90mm
Equity	USD 60mm
OACP Investment	USD 2.5mm
Closed	May 2012

Company Overview

A former wholly owned subsidiary of Mueller Water Products, Inc. ("Mueller"), United States Cast Iron Pipe and Foundry Company Inc. ("USP" or the "Company") manufactures a broad line of ductile iron pipe products and fittings, joint restraint products ductile and other iron products for use in drinking water and wastewater infrastructure construction. USP is the leading US-based ductile iron pipe manufacturer with a comprehensive product portfolio supported by strong brand recognition throughout its end markets. With net sales of approximately $375 million for the fiscal year ended 30 September 2011 USP enjoys the number one sales position in domestic ductile iron pipe.

The Company experienced sharp revenue declines from 2006 (USD 595mm) to 2011 (USD 375mm) primarily due to declines in the U.S. housing market and municipal spending cuts; additionally, competitors cut prices to maintain market share as volumes dropped. As a result, the Company was unprofitable and experienced negative gross margins from 2009-2011, putting further pressure on its highly levered (~7x EBITDA) parent. In May, 2011, Mueller announced that it was exploring strategic alternatives for USP. One year later, at the time of the close, the Company had substantially completed its turnaround and restructuring, was experiencing favorable pricing and volume trends, and had returned to profitability.

Investment Thesis

- Market Leader. Market analysis and voice of the customer work performed by Ducker Worldwide confirmed that:
  - USP is the #1 player in the ductile iron pipe market with approximately 30% market share.
  - The Company is considered to be the leading brand with the broadest pipe sizes, linings and connections and at the high-end of the quality spectrum.
  - High ranks in sales, quality, and technical know-how relative to competitors, which are key differentiators with distributors.
- Accomplished / Experienced Management Team Leading Turnaround. The new CEO, Paul Ciolino, was President at Griffin (USP's leading competitor) and has over 15 years of experience in the DIP market. Paul's team has been onboard since 2010 and has made substantial headway in returning the Company to profitability.
- Poised for Significant Growth. Over the last 10 years, the Company's volumes have had a 90%+ correlation with U.S. residential housing starts, which are projected to grow at a 26.4% CAGR over the next five years per Ducker Worldwide research. Also, the public investment required to upgrade the municipal water infrastructure market is significant. Drinking water pipes in the U.S. are graded D- by the American Society of Civil Engineers and 15-30% of drinking water is lost to leaky pipes. Municipalities will be forced to replace pipe.
- Downside Protection through Asset Value. Wynnchurch estimates that the liquidation value of USP is between USD 60 and USD 80 million. Net working capital of over USD 100mm and net PP&E of over USD 97mm. USP invested over USD 70 million in building a state-of-the-art mini-mill in 2008.

Investment Highlights

- For the Fiscal Year ending September 30, 2013, U.S. Pipe reported adjusted EBITDA of $48.5 million versus the revised budget of $40.0 million (original budget for FY 2013 was $29.7 million). This represents a significant turnaround when compared to the EBITDA loss of $21 million in Fiscal 2011.
- The Company has made two distributions to shareholders, which in total have returned 2.5x cost. As of September 30, 2013, the total value of the U.S. Pipe investment was marked at 4.3x invested capital.
- In November, U.S. Pipe and Wynnchurch completed the acquisition of Fab Pipe, Inc., a leading fabricator and distributor of ductile iron pipe, specialty fittings and other parts used in drinking water, wastewater, industrial and OEM applications

Performance Overview

OACP Fund I Performance Overview

- Size: $100 million
- Inception date: 3 February 2011
- As of Mar 2014: Fully committed; 76% invested (PIC); 40% distributed (DPI)
- Investment and distribution pace well ahead of 2011 vintage funds
- Several additional near term liquidity events in process
- Strong early performance – Fund I compares very favorably to 2011 vintage funds

OACP Fund I (OASSF) Performance as of 30 June 2013[1]	
IRR	**TVPI**
27.7%	**1.37x**

[1]Unaudited

- OACP Fund I performance is benefitting from:
  - Fee mitigation;
  - Efficient investment pace; and
  - Most importantly, careful investment selection in the most inefficient markets

Performance Overview

OA Fund II-A Performance Overview

- Size: $40 million
- Inception date: 3 August 2011
- As of Mar 2014: Fully committed; 75% invested (PIC); 39% distributed (DPI)
- Investment and distribution pace well ahead of 2011 vintage funds
- Several additional near term liquidity events in process
- Strong early performance – OA Fund II-A compares very favorably to 2011 vintage funds

OA Fund II-A Performance as of 30 June 2013[1]	
IRR	TVPI
30.6%	1.36x

[1]Unaudited

- OA Fund II-A performance is benefitting from:
  - Fee mitigation;
  - Efficient investment pace; and
  - Most importantly, careful investment selection in the most inefficient markets

Ocean Avenue Capital Funds

Ocean Avenue Capital (GP)

OACP Fund I
- Size: $100mm
- Structure: Single L.P.
- Closed: Feb 2011
- Fully committed

OA Fund II-A
- Size: $40mm
- Structure: Single L.P.
- Closed: Aug 2011
- Fully committed

OA Fund II-B
- Size: $100mm
- Structure: Single L.P.
- Closed: Jan 2012 ($30mm)
- Closed: Sep 2013 ($70mm)
- 50% committed

OA Fund II-C
- Size: $40mm
- Structure: Single L.P.
- Closed: Oct 2012
- 35% committed

OA Fund II
- Size (target): $200mm
- Structure: Commingled Fund
- Close (1st): Apr 2013
- Close (2nd): July 2013
- Close (3rd): Oct 2013
- 25% committed

- Ocean Avenue Fund II final close scheduled for Q2 2014
- Portfolio substantially identified prior to final close

OCEAN AVENUE CAPITAL PARTNERS

OA Fund II (Commingled Fund) – Snapshot

Ocean Avenue Fund II timing

- Closings to date total to commitments of $160mm
- Target size: $200mm (Hard Cap $220mm)

Recent liquidity events in prior portfolios

- Full/partial exits
  - Tomich Bros. Seafood Company – 6.8x multiple on invested capital in less that two years
  - NSC Minerals – invested in March 2012 with exit in October 2013 returning 3.0x invested capital
  - U.S. Pipe – July 2013 dividend equal to ~2.0x invested capital (2.5x total distributions to date)
  - H.D. Vest – June 2013 dividend payment returned 71% of invested capital
- Strong early Fund performance (as of Mar 2014)
  - Fund I (2011 VY) DPI 40%; Fund II-A (2011 VY) DPI 39%

Commingled Fund – Current Investments

Direct Investments

Investment	Date Closed	Notes
Focus	July 2012	Completed add-on doubling EBITDA
Shemin	Jan 2013	Distribution in progress from excess real estate assets received as part of the original transaction
Foss Foss Manufacturing	Dec 2012	Company purchased out of bankruptcy by current management team
Ironform	Nov 2013	Platform creating one of the largest suppliers of heavy duty vehicle assemblies in U.S. via merger of two under performing companies
Northern Seed, LLC Let's Grow	Nov 2013	Platform to acquire several specialty agriculture processors, manufacturers and distributors in the Northern U.S.
Medsource Home Medical	Nov 2013	Acquisition and simultaneous merger of durable medical equipment company and sleep therapy products company
Subsea Global	Nov 2013	Platform investment in leading global marine repair and maintenance company
Coast Plating, Inc. "Premier Metal Finishing"	Dec 2013	Platform investment in the aerospace & defense metal processing industry
Uniguest	Dec 2013	Leading provider of business centers and other customer-facing technology for the hotel industry
G	Feb 2014	Manufacturer of non-standard shaped carbon and alloy special quality steel bars
Future Telecom	Mar 2014	Provider of specialized boring services to the telecom, transportation, and pipeline industries
Offshore Cleaning Systems; Newpark Environmental Services	Mar 2014	Combination of two leading oilfield services companies

Fund Commitments

Investment	Date Closed	Notes
Tengram	April 2013	Approximately 35% invested across five portfolio companies. ROFR on all co-investments.
Trive Capital	June 2013	Fund has completed three platform investments with OACP co-investing in two of them. ROFR on all co-investments.
Lariat Partners	Oct 2013	Three of six platforms completed. OACP has co-invested in first three deals and has a ROFR on all future co-investment opportunities.
Tower Arch Capital	Feb 2014	OACP served as lead institutional investor. One platform investment completed. OACP invested in first transaction and has contractual rights on future co-investments.

Investment Summary – Shemin Nurseries

Deal Summary	
Financial sponsor	Centre Lane Partners ("CLP")
Purchase price	USD 38.2mm
Equity	USD 13.3mm
OACP Investment	USD 2.5mm
Closing	February 2013 / April 2013

Company Overview

Shemin Nurseries ("Shemin" or the "Company") is the leading independent distributor of landscape supplies to landscape contractors and commercial landscape professionals in the U.S. Headquartered in Danbury, Connecticut, Shemin provides the landscape professional a complete selection of high quality fresh nursery stock from woody ornamentals to annuals, perennials, specimens and groundcovers. Shemin also features a full complement of hardlines including commercial-grade tools, grass seeds, mulches, fertilizers, pesticides, stone and paver products and landscape lighting. The Company offers this comprehensive array of landscape products through a network of 28 supply centers in 19 strategic metropolitan markets located in the Northeast, Southeast, Midwest and Southwest United States. The majority of the 28 locations also offer a complete irrigation offering.

Investment Thesis

- Leading Position in Core Markets
  - The Company holds the number one market position in 10 of its 19 metropolitan markets and the number two market position in two of its other seven markets
- Quality Brand with Long-Term Customer Relationships
  - The Shemin name is widely recognized and respected across the landscaping industry
- Steady Gross Margins and Strong Free Cash Flow
  - The Company has delivered strong free cash flow, even through the economic downturn, with relatively low capital expenditures and aggressive working capital management
- Flexible Cost Structure
  - Approximately 30% of Shemin's full year operating expense is variable, which allows the Company to navigate through economic cycles and respond to fluctuations in demand due to weather patterns and customer buying habits
- Attractive Platform for Growth
  - Shemin is well-positioned to capitalize on industry growth through market share gains, new product offerings, product line extensions, greenfield supply center openings and strategic acquisitions

Investment Highlights

- The Company is in the process of selling company-owned real estate (this was part of the investment underwriting) with proceeds expected from the sale to be just under half of the initial cost basis.
- Shemin also plans to pursue sale-leaseback transactions for its company-owned warehouses, which could result in substantial cash distributions. Proceeds will be used to pay down existing debt and to provide a dividend to shareholders.

Investment Summary – Ironform Holdings

Deal Summary	
Financial sponsor	Wynnchurch Capital Partners ("WCP")
Purchase price	USD 76.0mm
Equity	USD 36.7mm
OACP Investment	USD 5.1mm
Closing	November 2013

Company Overview

Ironform Holdings is the holding company for Detroit Tool Metal Products, Co. ("DTMP") and Imperial Group Manufacturing, Inc. ("Imperial"). DTMP is a leading, full-service manufacturer of precision metal stampings, fabricated components and value-added assemblies for a targeted range of attractive end markets and applications. DTMP has comprehensive and differentiated capabilities that a very limited number of competitors or customers can offer, including: heavy tonnage, deep draw, large bed sizes and thick and thin gauge inputs. In addition, management estimates that DTMP is a sole-source supplier for nearly all of its net sales. DTMP differentiates itself by providing full-service offerings to large OEMs that minimize their need to use multiple suppliers. DTMP customers receive competitive products that encompass a diverse range of options with respect to material type, material range and processing options. This niche has provided DTMP with recurring net sales for part production, including John Deere grain tanks, PACCAR cabs and Caterpillar rollover protection structures. Moreover, Imperial Group is a leading supplier of truck body and chassis components, primarily to heavy- and medium-duty truck manufacturers, including bus manufacturers. Imperial fabricates a broad line of truck body and chassis parts, including bumpers, battery and tool boxes, crown assemblies, bus component and chassis assemblies, fuel tanks, roofs, fenders, and cross members. In addition, Imperial provides a variety of value-added services, such as chrome plating and polishing and the kitting and assembly of exhaust systems.

Investment Thesis

- Strategic fit of two companies
  - DTMP and Imperial have complementary manufacturing capabilities, serve similar, overlapping customer bases, and together create an attractive geographic footprint with a presence in each key market
  - The combined business also creates the opportunity to realize significant synergies and represents one of the largest metal fabricators servicing the heavy truck, off-highway, and industrial markets in North America
- Significant operational improvement opportunities / Leading industry executive
  - Imperial is a corporate carveout of an underperforming division from a publicly traded parent
  - Combined business is now benefiting from corporate synergies and operational improvements as part of turnaround strategy
  - Wynnchurch is backing Terry Wogan, an experienced CEO with strong operational and executive leadership in the space
    - Terry led an operational transformation at a larger metal fabricator with greater production complexity than Ironform with outstanding results
- Attractive industry dynamics
  - The metal fabrication industry serving heavy truck and off-highway vehicle OEMs is primarily comprised of small family-run businesses
  - The fragmented industry is characterized as having chronically underperforming suppliers and unsophisticated operators that have not kept pace with the complexity and demands of the blue chip customer base
    - This presents Wynnchurch with the opportunity to consolidate the industry and implement operational improvements to form a leading heavy equipment metal fabricator

Investment Summary – Medsource Home Medical

Deal Summary	
Financial sponsor	Silver Peak Partners ("Silver Peak")
Purchase price	USD 8.4mm
Equity	USD 6.2mm
OACP Investment	USD 3.2mm
Closing	November 2013

Company Overview

Medsource Home Medical ("Medsource" or the "Company") is a new company that was formed through the merger of two durable medical equipment (DME) companies – Aamco Medical ("Aamco") and Tibro Medical ("Tibro") (collectively, the "Companies"). Aamco and Tibro are relatively new companies that were founded to take advantage of the growth and regulatory changes occurring in the DME marketplace. The Companies sell products such as group 2 and 3 wheelchairs, beds, braces, sleep apnea equipment, respiratory equipment, and orthotic and orthopedic supplies.

The Companies sell their products through multiple reimbursement channels including Medicare, Medicaid, private insurance, and private payers.

Investment Thesis

- High growth industry with changing dynamics
  - Aging of baby boomers and public policy focused on the home as center of healthcare will drive rapid DME industry growth for properly positioned companies
- Company built to benefit from new Medicare environment
  - The Companies were successful bidders for several products in the Medicare competitive bidding program, which will result in a large number of competitors leaving the marketplace
  - Medsource is also built to aggressively pursue non-Medicare customers and products through its "push" strategies
- The Companies provide opportunity for impactful synergies
- Superior non-Medicare and rural marketing strategy
  - Company is built with "push" sales strategies as opposed to operating with a large branch infrastructure
  - It sells multiple products to multiple geographies not subject to competitive bidding
- Strong management team
  - Several members of the team have successfully built and exited companies. All working for below market salaries with a focus on the equity outcome
- Aggressive five year growth plan
  - Based on the Company's positioning in the growing DME marketplace, management projects significant growth over the next five years

Summary Term Sheet

Offering:	The Fund II Program will focus on special situations investments and smaller capitalization investments requiring operational enhancement, provided that at least 50% of the Fund will be invested through co-investments (on a no fee/no carry basis) and structured investments (e.g. fundless sponsor transactions with preferred economic arrangements). The Fund II Program, which will be capped at $400mm, is comprised of a commingled fund as well as one or more customized single investor funds for investors making commitments of at least $40 million.
GP Commitment:	The General Partner will commit at least 0.5% to the Fund (including commitments to any parallel investment vehicles), up to a cap of $500,000, on the same terms and conditions as the limited partners, provided that the GP commitment shall not be charged a management fee or carry.
Investment Period:	Two years for fund commitments, and four years for direct investments, provided that in both cases, follow on investments shall be permitted thereafter.
Term:	10 years, with up to four one year extensions to provide for the orderly liquidation of the Fund.
Management Fee:	Ranging from 95 basis points (for commitments under $10mm), to 85 basis points (for commitments under $50mm), to 75 basis points (for commitments of at least $50mm), per year on committed capital. Beginning in year 8, fee reduced to 90% of the management fee charged in the prior year.
Carried Interest:	The Fund will charge a 7.5% carried interest with an 8% preferred return for the investor. No carried interest shall be paid until the earlier of year 7 and the date on which 90% of all commitments have been drawn down.
Clawback:	To the extent that the GP receives excess distributions, then the GP will be required to pay back 100% of such excess, less taxes thereon. The members of the GP will guarantee the clawback obligation.
Key Man:	If any two of the Fund's founding partners cease to be active in the Fund, then the Fund's investment period shall automatically be suspended. The investors shall have a 180 day period in which to reinstate (by majority in interest vote) the investment period. If the investment period is not reinstated after such 180 day period, then for purposes of calculating the management fee payable thereafter, the fee shall be based on commitments made to underlying investments.
No Fault Divorce:	The investors (by 75% vote of investor interests) may remove the GP at any time for any reason. To the extent that a No Fault Election occurs, the GP shall be entitled to one year's worth of management fees from the date of such No Fault Vote. During such transition period, the GP shall work in good faith with the investors to seek a new manager and General Partner for the Fund(s).
Reporting:	Annual audited and quarterly unaudited financial statements and investment reports will be provided to investor. Audit conducted by Deloitte LLP. Custody, tax and reporting services will be provided to the Fund by BNY Mellon.

Appendix

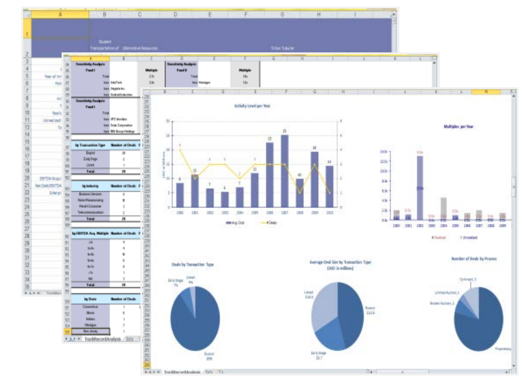
Ocean Avenue Capital Process

Applied Research and Strategy Development

- Develop theoretical framework
- Identify market inefficiencies
- Determine macroeconomic overlays
- Establish investment filters

Leverage Relationship Network

- Combined 50 years of relationship building
- Proactively contact potential partner firms
- Partner with other "performance organizations"
- Greater than 20 specialist sourcing partners

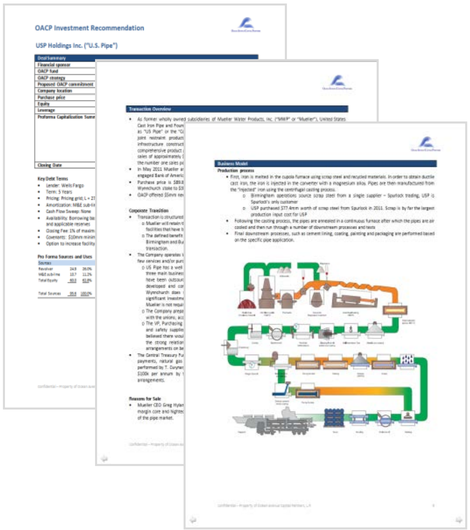


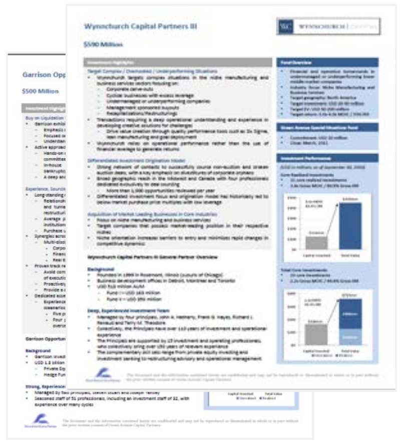
Investment, Legal and Tax Due Diligence

- Detailed review of all aspects of firm capabilities
- On-site visits
- Extensive reference calls
- Legal and tax review by OACP and outside advisors

Investment Decision

- Comprehensive recommendation reports
- Formal Investment Committee debate
- Unanimous approval
- Portfolio construction



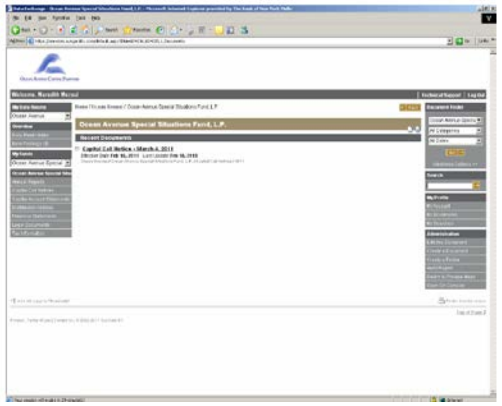


Ongoing Monitoring

- Regular calls and visits
- Board representation
- Investment Committee portfolio review

Reporting

- One page investment summary at close of transaction
- Online quarterly reports and capital account statements
- Annual audited financial statements



OCEAN AVENUE
CAPITAL PARTNERS

Biographies

Jeff Ennis is a Founding Partner of Ocean Avenue Capital Partners. He is active in all aspects of firm operations and portfolio management. Prior to co-founding Ocean Avenue, Jeff was a co-founder of the Private Market Group of Wilshire Associates Incorporated, helping to build the group to more than $6.0 billion under management and over 40 employees in five offices across the globe. During his tenure at Wilshire, Jeff served as Chief Investment Officer and led the oversight of the Private Markets Group's substantial, global business operations. He has 18 years of private equity experience in all aspects of firm operations, investment strategy and process, and portfolio management. Jeff received his B.A. from Cal State Fullerton and his M.S. from the Massachusetts Institute of Technology.

Duran Curis is a Founding Partner at Ocean Avenue Capital Partners where he focuses on special situation and small company investment opportunities. Prior to co-founding Ocean Avenue, he launched and managed the HRJ Special Opportunities Funds, a series of multi-manager funds focused exclusively on turnaround, distressed and restructuring investments on a global basis. Previously, he was Head of the U.S. office of LGT Capital Partners, where he managed LGT's U.S. private equity investments. Duran began his private equity investment career at Pacific Corporate Group working with major global institutional investors. He received his MBA from the Fuqua School of Business at Duke University and his B.S. from Bowling Green State University in Ohio. Duran is a CFA Charterholder and a member of the CFA Institute.

Jacques Youssefmir is a Founding Partner at Ocean Avenue Capital Partners where he focuses on special situation and small company investment opportunities. In addition to his involvement in Ocean Avenue's investment activities, Jacques serves as the Firm's Chief Compliance Officer. Prior to co-founding Ocean Avenue, he was a Managing Director in the Private Markets Group of Wilshire Associates Incorporated where he oversaw the process for global co-investment and secondaries. Jacques also managed all legal matters relating to Wilshire Private Markets Group's business and investment activities. Prior to joining Wilshire, he served as Vice President and General Counsel for STM Wireless, Inc., a NASDAQ listed communications company, and as an Associate with the law firm of Latham & Watkins. Jacques received his B.A., with highest honors, from Arizona State University and his J.D., with honors, from Harvard Law School.

Pete Notz is a Principal at Ocean Avenue Capital Partners. His responsibilities include sourcing and evaluating investment opportunities, leading due diligence, portfolio monitoring, and oversight of portfolio administration. Prior to joining Ocean Avenue, Pete was a Vice President at Drum Capital and HRJ Capital where, working with Duran Curis, he was responsible for U.S. and European special situation investments and investor reporting. Pete began his career as an officer in the United States Navy, where he served as a naval aviator flying the F-14 Tomcat and the FA-18 Hornet. Pete received an MBA with honors from the Wharton School of the University of Pennsylvania and a B.S. in Aerospace Engineering from the United States Naval Academy.

Anthony Luchetta is an Associate at Ocean Avenue Capital Partners. His responsibilities include sourcing and evaluating investment opportunities, performing due diligence, and monitoring portfolio investments. He is also involved with the Firm's portfolio administration and investor reporting activities. Prior to joining Ocean Avenue, Anthony was an Associate in the Private Markets Group of Wilshire Associates Incorporated where, working with Jeff Ennis and Jacques Youssefmir, he was a member of the global investment team and was responsible for the sourcing, due diligence, and monitoring of private equity partnerships and co-investments. Anthony received his B.A. in Economics from the University of Notre Dame.

The Mathematics of Private Equity Fund Returns

Fund % Invested	Fund Inv. Period	Deal Hold Period	Deal Level ROI: 4.0x Fund Gross ROI	Fund Net ROI	Fund Gross IRR	Fund Net IRR	Deal Level ROI: 3.0x Fund Gross ROI	Fund Net ROI	Fund Gross IRR	Fund Net IRR	Deal Level ROI: 2.0x Fund Gross ROI	Fund Net ROI	Fund Gross IRR	Fund Net IRR	Deal Level ROI: 1.5x Fund Gross ROI	Fund Net ROI	Fund Gross IRR	Fund Net IRR
70%	6	5	4.00	2.76	32.0%	23.9%	3.00	2.12	24.6%	17.3%	2.00	1.60	14.9%	10.1%	1.50	1.20	8.4%	3.8%
80%	6	5	4.00	2.82	32.0%	24.5%	3.00	2.17	24.6%	17.9%	2.00	1.63	14.9%	10.6%	1.50	1.23	8.4%	4.3%
90%	6	5	4.00	2.87	32.0%	24.9%	3.00	2.20	24.6%	18.3%	2.00	1.61	14.9%	10.6%	1.50	1.25	8.4%	4.5%
100%	6	5	4.00	2.91	32.0%	25.3%	3.00	2.24	24.6%	18.7%	2.00	1.60	14.9%	10.5%	1.50	1.27	8.4%	5.1%
70%	4	5	4.00	2.87	32.0%	24.7%	3.00	2.20	24.6%	18.1%	2.00	1.54	14.9%	9.6%	1.50	1.25	8.4%	4.8%
80%	4	5	4.00	2.91	32.0%	25.1%	3.00	2.24	24.6%	18.5%	2.00	1.56	14.9%	9.9%	1.50	1.27	8.4%	5.1%
90%	4	5	4.00	2.95	32.0%	25.4%	3.00	2.26	24.6%	18.8%	2.00	1.57	14.9%	10.1%	1.50	1.29	8.4%	5.4%
100%	4	5	4.00	2.98	32.0%	25.7%	3.00	2.28	24.6%	19.0%	2.00	1.59	14.9%	10.3%	1.50	1.30	8.4%	5.6%
70%	2	5	4.00	2.99	32.0%	25.6%	3.00	2.29	24.6%	19.0%	2.00	1.60	14.9%	10.3%	1.50	1.31	8.4%	5.7%
80%	2	5	4.00	3.01	32.0%	25.8%	3.00	2.31	24.6%	19.1%	2.00	1.61	14.9%	10.5%	1.50	1.32	8.4%	5.9%
90%	2	5	4.00	3.03	32.0%	26.0%	3.00	2.32	24.6%	19.3%	2.00	1.61	14.9%	10.6%	1.50	1.33	8.4%	6.0%
100%	2	5	4.00	3.04	32.0%	26.1%	3.00	2.33	24.6%	19.4%	2.00	1.62	14.9%	10.7%	1.50	1.33	8.4%	6.1%
70%	6	3	4.00	2.82	58.7%	44.2%	3.00	2.16	44.2%	31.7%	2.00	1.51	26.0%	16.1%	1.50	1.23	14.5%	7.2%
80%	6	3	4.00	2.88	58.7%	45.3%	3.00	2.21	44.2%	32.8%	2.00	1.54	26.0%	17.0%	1.50	1.26	14.5%	8.1%
90%	6	3	4.00	2.94	58.7%	46.2%	3.00	2.25	44.2%	33.5%	2.00	1.57	26.0%	17.7%	1.50	1.28	14.5%	8.8%
100%	6	3	4.00	2.98	58.7%	46.9%	3.00	2.28	44.2%	34.2%	2.00	1.59	26.0%	18.2%	1.50	1.30	14.5%	9.4%
70%	4	3	4.00	2.97	58.7%	46.1%	3.00	2.28	44.2%	33.4%	2.00	1.59	26.0%	17.6%	1.50	1.30	14.5%	9.2%
80%	4	3	4.00	3.01	58.7%	46.9%	3.00	2.31	44.2%	34.1%	2.00	1.61	26.0%	18.2%	1.50	1.32	14.5%	9.8%
90%	4	3	4.00	3.05	58.7%	47.5%	3.00	2.34	44.2%	34.6%	2.00	1.62	26.0%	18.6%	1.50	1.34	14.5%	10.4%
100%	4	3	4.00	3.08	58.7%	47.9%	3.00	2.36	44.2%	35.1%	2.00	1.64	26.0%	19.0%	1.50	1.35	14.5%	10.7%
70%	2	3	4.00	3.10	58.7%	47.6%	3.00	2.37	44.2%	34.8%	2.00	1.65	26.0%	19.0%	1.50	1.30	14.5%	9.5%
80%	2	3	4.00	3.12	58.7%	48.0%	3.00	2.39	44.2%	35.2%	2.00	1.66	26.0%	19.2%	1.50	1.30	14.5%	9.6%
90%	2	3	4.00	3.14	58.7%	48.3%	3.00	2.4	44.2%	35.4%	2.00	1.67	26.0%	19.5%	1.50	1.30	14.5%	9.6%
100%	2	3	4.00	3.15	58.7%	48.5%	3.00	2.41	44.2%	35.6%	2.00	1.68	26.0%	19.6%	1.50	1.31	14.5%	9.7%
95%	3	4	4.00	3.51	41.4%	37.7%	3.00	2.67	31.6%	28.5%	2.00	1.81	18.9%	16.5%	1.50	1.42	10.7%	9.3%
			*	3.03		35.4%		2.31		26.7%		1.59		14.5%		1.31		7.5%
80%	7	5	4.00	2.78	32.0%	24.3%	3.00	2.13	24.6%	17.6%	2.00	1.61	14.9%	10.3%	1.50	1.2	8.4%	3.9%
			**	2.46		22.2%		1.87		15.2%		1.42		7.9%		1.06		1.3%

Additional Assumptions:

Comm. Amt.	$100MM
Eff. Date:	
Mngt. Fee	2.0%
Pref.	8%
Catch up	100%
Carry	20%

Pacing:	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
2 Yr. Inv. Per.	0.5	0.5					
3 Yr. Inv. Per.	0.4	0.3	0.3				
4 Yr. Inv. Per.	0.25	0.25	0.25	0.25			
6 Yr. Inv. Per.	0.2	0.2	0.15	0.15	0.15	0.15	
7 Yr. Inv. Per.	0.2	0.15	0.15	0.15	0.15	0.15	0.05

* Additional Assumptions:	
Fee:	0.85%
Carry:	7.50%
Fee Offset:	50%
Carry offset:	50%
Org. Cost/ Yr.	50,000
Admin Cost/Yr.	130,000

** Additional Assumptions:	
Fee:	0.75%
Carry:	0.00%
Fee Offset:	0%
Carry offset:	0%
Org. Cost/ Yr.	50,000
Admin Cost/Yr.	130,000

Meeting Date
04/02/14
Agenda Item
#9

Contra Costa County Employees' Retirement Association

Ocean Avenue Capital Partners, L.P.

Prepared by:

Marty Dirks
Bob Helliesen
Dorian Young

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San Francisco, California 94108
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March 24, 2014

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Executive Summary

Ocean Avenue Fund II, L.P., a fund managed by Ocean Avenue Capital Partners, L.P. ("Ocean Avenue" or "OACP"), is a fund of private equity funds and direct investments that has several uncommon/unique characteristics intended to increase an investor's internal rate of return (IRR):

- A focus on small companies, a sector with greater return potential
- Concentration in "best investments"
- Strategies to minimize fees to enhance investment returns:
  - Co-investments, investments directly into companies (not through a fund), which have no underlying fund-related fees
  - Rapid investment of capital

We find the fund to have appealing characteristics and believe it is a strong candidate for consideration by CCCERA.

Recommendation

We are impressed with Ocean Avenue as a potential investment for CCCERA and recommend the Board interview the firm with the idea of committing $30 million to Fund II.

Background

Milliman has met with the management of Ocean Avenue a number of times over the past two years, most recently on a trip to its Santa Monica, CA offices on February 18th. We find the firm to have appealing characteristics and believe it is a strong candidate for consideration by CCCERA.

Ocean Avenue's approach combines different types of investments in attractive opportunities in one vehicle, while delivering costs and fees at a level comparable to a direct fund manager.

Similar to a traditional fund of funds manager, the firm makes fund commitments to a select number of private equity funds, where each of these funds typically invests in 8-12 privately-owned companies.

Ocean Avenue also makes co-investments, investments directly in privately-owned companies. These co-investments are included on a deal-by-deal basis to produce more concentrated exposure to attractive individual opportunities at lower cost. Ocean Avenue negotiates with the private equity funds in which it invests to be able to invest an equal amount of capital directly into companies in which the fund invests. Note that co-investments are not subject to the fees charged to investors in the fund. For example, if an equal amount of capital was invested in the fund and directly into the underlying companies, total fees would be effectively reduced by 50% because the ratio of total fees to invested capital is cut in half. Ocean Avenue's targets a slightly higher than 50% split to co-investments compared to fund investments.

Additionally, Ocean Avenue invests directly in privately owned companies alongside "Fundless," independent sponsors.

Ocean Avenue has several other uncommon/unique characteristics designed to maximize investors' net internal rate of return (IRR), including the aggressive management of costs, which we discuss below.

Small company focus

Ocean Avenue focuses on investments in small/mid-sized companies. The small/mid-sized company private equity segment has been identified by CCCERA as an inefficient private equity segment with attractive investment return potential. Industry studies[1] show that valuation multiples for smaller companies are lower than for larger ones and the amount of capital available to buy small companies versus the value of small companies available for sale is low – creating a more favorable environment for investors. Investment returns for private equity funds focused on smaller companies have been higher than for funds investing in larger companies.[2]

Small fund size is expected to improve investment returns

Ocean Avenue is committed to keeping its fund size small, allowing the firm to concentrate on the most attractive opportunities.

Both as a relatively new firm (formed in 2010) and by design, Ocean Avenue has a limited amount of capital to deploy. The economics of an investment management business provides incentives to firms to grow assets under management beyond their ability to find good investments for the capital. As a result, firms with early high investment returns tend to decline to the industry average. Investors in large funds with impressive early track records may be disappointed to find the firms' track record of returns can no longer be achieved because the funds have simply become too large.

Many private equity fund of funds managers (and indeed managers across various asset classes) overly diversify their portfolios. An overly diversified portfolio tends to produce disappointing median industry returns. The investment manager is reducing its business risk by reducing the risk of fund underperformance, but is also reducing the opportunity for fund outperformance.

Ocean Avenue invests in the most inefficient segments of the special situations, niche private equity, and opportunistic credit markets. The Ocean Avenue investment strategy focuses on sectors where there are "more outstanding investment opportunities than capital."

Investment focus areas

Ocean Avenue seeks investments in the following market segments for portfolios in the Fund:

Special Situations:

- *Turnarounds* – Assuming control of operationally and/or financially underperforming companies. The manager can execute a turnaround strategy focused on creating operational, financial and strategic improvements. This strategy typically involves making dramatic structural changes and often requires a two- to four-year holding period.

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[1] S&P LCD – Data from 12/31/00 – 12/31/10
[2] Venture Economics – Data since 1979 as of 12/31/11

- *Corporate Carve-Outs* – The liftout of a business that is no longer aligned with the strategy of its parent company. The liftout's transaction plan addresses the unique needs of a corporate seller; successful execution of the transition plan enables the liftout to become a successful independent company.
- *Other Special Situations* – Transactions where complexity limits buyer interest and does not allow for organized auction sale processes, including highly encumbered assets, complex legal structures and technology disruption of traditional businesses.

Niche Private Equity:

- *Small/Micro-Cap Buyouts and Recapitalizations* - Control investments in quality businesses in partnership with an existing owner/founder and/or management team. In most recapitalizations, the seller transfers a significant portion of the business sale proceeds into the new capital structure, strongly aligning interests with the buyer. Providers of capital to these businesses are often chosen not for paying the highest prices, but for offering the best opportunity to build additional value going forward
- *Operational Enhancement* – Operational specialists can uncover "hidden" cash, and generate cost savings from operations, assets, contracts, concessions, and other sources of value within underperforming companies. Limited leverage in the small private company market favors operationally focused private equity firms that can create value within these businesses regardless of the financing environment

Management fees

Ocean Avenue provides a competitive fee structure. Management fees range from 95 basis points (for commitments under $10mm), to 85 basis points (for commitments under $50mm), to 75 basis points (for commitments of at least $50mm), per year on committed capital. Beginning in year 8, fees are reduced to 90% of the management fee charged in the prior year.

Ocean Avenue's investments are comprised exclusively of investments in special situations and lower middle market buyout funds, secondaries, co-investments, and other direct structured transactions. Unlike other firms that charge higher fees for secondaries, co-investments, or structured direct investments because these investments are more labor intensive, Ocean Avenue applies the same fee schedule applies to all investments.

Ocean Avenue also charges a 7.5% carried interest with an 8% preferred return for the investor. A Summary Term Sheet is shown in Exhibit I.

Co-investments reduce overall fees

Ocean Avenue expects that 60% (a minimum of 50%) of the Fund will be comprised of investments with better economics (e.g. no fee/carry co-investments; structured direct investments with no blind pool fee; and secondaries) than those offered in the traditional private equity fund structure (2%

management fee; 20% carry; 5 to 7 year investment period). Utilizing a large percentage of investments with better economics reduces the fee drag on returns at the underlying portfolio level.

Rapid deployment of capital

Ocean Avenue seeks to increase investors' returns by investing the capital more quickly than the norm. Because the industry norm is that a private equity fund charges management fees on committed capital, not invested capital, firms that invest more quickly are likely to have higher returns.

In addition, Ocean Avenue attempts to minimize the length of the investment period and portfolio company holding periods. Ocean Avenue's Fund I was fully invested in approximately two years. If Ocean Avenue continues to execute as we expect, its fees will be lower than the effective management fees at other fund of funds managers.

Effective capital utilization prevents fee inflation

Ocean Avenue seeks to fully invest client capital committed. For example, if a client committed $100 million to a private equity manager and paid a 1% management fee on that commitment, it will pay $1 million in management fees per year regardless of how much capital is actually invested. If indeed the private equity manager only invested $80 million, which sometimes happens, the effective fee is the $1 million in fees paid on an invested capital base of $80 million. The non-invested capital commitments cause the fee rate to increase to a 1.25% management fee on invested capital. Essentially, management fees may be inflated.

Ocean Avenue prepared a fee comparison of a traditional fund of funds, a direct private equity fund and an investment in Ocean Avenue. As shown in the table is below, Ocean Avenue's fee could be comparable to investing directly into a private equity fund and significantly less than investing in a traditional fund of private equity funds.

Fund Structure Fee Comparison

	Traditional Fund-of-Funds	OACP Structure	Direct Fund Commitment
Commitment Amount ($)	10mm	10mm	10mm
Management Fee (%)	0.85%	0.85%	2.0%
Annual Mgmt Fee ($)	85k	85k	200k
Underlying Fund Commitments ($)	10mm	5mm	-
Underlying Fund Mgmt Fee (%)	2.0%	2.0%	-
Annual Underlying Fund Mgmt Fee ($)	200k	100k	-
Underlying Transactions ($)	-	5mm	10mm
Underlying Transaction Mgmt Fee (%)	-	0.0%	0.0%
Annual Underlying Transaction Mgmt Fee ($)	-	-	-
Total Management Fees ($)	**285k**	**185k**	**200k**
Total Management Fees (%)	**2.85%**	**1.85%**	**2.00%**

*Estimate of annual management fees during the investment period. Excludes carried interest and other non-management fee related expenses.

Concentration risk

While Ocean Avenue is more concentrated that most private equity fund of funds, single-company concentration risk is not significantly higher than usual in our opinion. A large investment position in one company is roughly 3% of total committed capital.

J-curve mitigation

In the private equity industry, investors will often discuss a phenomenon referred to as the "J-curve." It may help if you visualize a profit and loss graph where the curve falls at the outset and eventually rises to a point higher than the starting point, suggesting the letter J.

In private equity funds, the J-curve effect occurs when funds experience negative returns for the first several years. This is a common experience, as the early years of the fund fees are usually the same as in later years, yet the capital has not yet been invested and the investment portfolio has yet to mature. If the fund is well managed, it will eventually recover from its initial losses and the returns will form a J-curve: losses in the beginning dip down below the initial value, and later returns show profits above the initial level.

Ocean Avenue uses strategies that reduce costs and flatten the J-curve. These underlying strategies include shortening investment periods (both at the fund of funds level, as well as the underlying funds level), direct co-investments, transactions with independent sponsors and purchases of secondary interests. In addition, Ocean Avenue is committed to fully invest the capital committed to a fund, not charging fees on never invested commitments.

Because the Fund includes direct co-investments on which the Fund does not pay fees or carried interest, secondary investments on which a substantial portion of fees have already been paid and structured investments with lower fee terms, there can be significant overall fee savings.

Comparison with other CCCERA private equity funds

CCCERA currently has investments in Adams Street Partners and Pathway Capital Management – large funds which invest in private equity funds. CCCERA has identified the small/mid-sized private equity market as an area likely to generate high investment returns. In 2013, Milliman performed a manager search to select a fund of private equity funds focused on small/mid-sized businesses. This manager search resulted in selection of Siguler Guff as a private equity investment manager for CCCERA.

Ocean Avenue was a candidate for the manager search in which Siguler Guff was selected. At the time of the search, Ocean Avenue was too early in its life and CCCERA would have been too large an investor relative to the size of the fund. Also, Ocean Avenue differed from the objective of the search because of its high allocation to co-investments.

Of CCCERA's current private equity funds, Ocean Avenue is most similar to Siguler Guff. Like Siguler Guff, Ocean Avenue focuses on small/mid-sized firms. Both firms are value oriented – more likely to invest in basic industrial firm than a technology company. Both firms seek to purchase companies at low valuations, seeing this as both providing downside protection as well as enhancing upside return potential. Both firms make a larger number of co-investments than the typical fund of private equity funds.

Ocean Avenue differs from Siguler Guff in several ways. Ocean Avenue makes a substantially greater number of direct investments. Where Siguler Guff may invest up to 30% in co-investments, Ocean Avenue targets 60% of capital to co-investments.

Ocean Avenue is a younger firm, founded in 2010, while Siguler Guff was founded in 2007. Ocean Avenue manages approximately $420 million in assets and Siguler Guff manages approximately $850 million in assets.

Comparing Ocean Avenue's fund investments to Adams Street, Pathway and Siguler Guff finds only one investment in common with Ocean Avenue. Tengram Capital, a 3.4% investment in Siguler Guff's Fund II, is also held by Ocean Avenue. None of Ocean Avenue's fund investments overlap with Adams Street or Pathway's fund investments.

Management team

The Ocean Avenue team members have substantial private equity experience. The six members of the firm worked together at prior firms before Ocean Avenue was founded. Jeff Ennis, Jacques Youssefmir and Anthony Luchetta worked together at Wilshire Private Markets. Duran Curtis, Pete Notz and Matt Dedrick worked together at HRJ Capital.

Biographies of the senior team members are below:

Jeff Ennis is a Founding Partner of Ocean Avenue Capital Partners. He is active in all aspects of firm operations and portfolio management. Prior to co-founding Ocean Avenue, Jeff was a co-founder of the Private Market Group of Wilshire Associates Incorporated, helping to build the group to more than $6.0 billion under management and more than 40 employees in five offices across the globe. During his tenure at Wilshire, Jeff served as Chief Investment Officer and led the oversight of the Private Markets Group's substantial, global business operations. He has 18 years of private equity experience in all aspects of firm operations, investment strategy and process, and portfolio management. Jeff received his B.A. from Cal State Fullerton and his M.S. from the Massachusetts Institute of Technology.

Duran Curis is a Founding Partner at Ocean Avenue Capital Partners where he focuses on special situation and small company investment opportunities. Prior to co-founding Ocean Avenue, he launched and managed the HRJ Special Opportunities Funds, a series of multi-manager funds focused exclusively on turnaround, distressed and restructuring investments on a global basis. Previously, he was Head of the U.S. office of LGT Capital Partners, where he managed LGT's U.S. private equity investments. Duran began his private equity investment career at Pacific Corporate Group working with major global institutional investors. He received his MBA from the Fuqua School of Business at Duke University and his B.S. from Bowling Green State University in Ohio. Duran is a CFA Charterholder and a member of the CFA Institute.

Jacques Youssefmir is a Founding Partner at Ocean Avenue Capital Partners where he focuses on special situation and small company investment opportunities. In addition to his involvement in Ocean Avenue's investment activities, Jacques serves as the Firm's Chief Compliance Officer. Prior to co-founding Ocean Avenue, he was a Managing Director in the Private Markets Group of Wilshire

Associates Incorporated where he oversaw the process for global co-investment and secondaries. Jacques also managed all legal matters relating to Wilshire Private Markets Group's business and investment activities. Prior to joining Wilshire, he served as Vice President and General Counsel for STM Wireless, Inc., a NASDAQ listed communications company, and as an Associate with the law firm of Latham & Watkins. Jacques received his B.A., with highest honors, from Arizona State University and his J.D., with honors, from Harvard Law School.

Investment track record

The first two Ocean Avenue funds, Ocean Avenue Special Situations Fund, L.P. ("OASSF") and Ocean Avenue Fund II-A, L.P. ("OAF II-A"), closed in February 2011 and August 2011, respectively. They are fully invested and have demonstrated performance. In addition to a summary of all of Ocean Avenue's funds under management, detailed performance for these two funds is shown below.

Product Name (Fund)	Focus of Fund	Year Raised	Size of Fund
Ocean Avenue Special Situations Fund, L.P. ("OASSF")	Special situations and small cap	2011	$100mm
Ocean Avenue Fund II-A, L.P. ("OAF II-A")	Special situations and small cap	2011	$40mm
Ocean Avenue Fund II-B, L.P. ("OAF II-B")	Special situations and small cap	2011	$100mm
Ocean Avenue Fund II-C, L.P. ("OAF II-C")	Special situations and small cap	2012	$40mm
Ocean Avenue Fund II, L.P. ("OAF II")	Special situations and small cap	2013 (open)	$140mm (open)

OASSF (Ocean Avenue's first fund)

Size: $100 million
Inception date: 3 February 2011
As of Dec 2013: Fully committed; 72% invested (PIC); 42% distributed (DPI)
Investment and distribution pace are ahead of median 2011 vintage funds
Several additional near-term liquidity events in process

	Investment Date	Contributions	Distributions	Fair Market Value[1]	Total Value	TVPI	IRR
Co-investments							
Nobles Manufacturing	Aug 9, 2011	$ 518,150	$ 229,828	$ 643,688	$ 873,516	1.69x	33.0%
TechDevice Corporation	Aug 9, 2011	1,024,409	-	1,064,870	1,064,870	1.04x	2.1%
Tomich Brothers Fish Co.	Aug 15, 2011	990,550	5,230,961	1,503,927	6,734,888	6.80x	196.4%
The Merit Group	Sep 23, 2011	2,000,000	-	2,000,000	2,000,000	1.00x	-
H.D. Vest	Oct 3, 2011	700,000	498,631	565,391	1,064,022	1.52x	27.4%
Stella Environmental Services	Feb 16, 2012	700,000	-	1,407,442	1,407,442	2.01x	66.2%
NSC Minerals	Mar 19, 2012	2,057,590	-	5,589,985	5,589,985	2.72x	118.0%
U.S. Pipe	May 17, 2012	1,691,750	966,851	5,283,316	6,250,167	3.69x	261.7%
DataSource	Jul 6, 2012	501,214	-	648,639	648,639	1.29x	30.0%
Focus Products Group	Jul 20, 2012	1,773,000	-	1,950,300	1,950,300	1.10x	13.8%
TAS Environmental Services	Aug 7, 2012	1,286,250	-	1,286,250	1,286,250	1.00x	-
Parts Now!	Aug 31, 2012	2,000,000	-	2,000,000	2,000,000	1.00x	-
Precise Packaging	Dec 21, 2012	2,000,000	-	2,000,000	2,000,000	1.00x	-
Shemin Nurseries	Feb 16, 2013	1,050,000	-	1,050,000	1,050,000	1.00x	-
Huron Inc	Feb 22, 2013	2,000,000	-	2,000,000	2,000,000	1.00x	-
Co-investments		**$ 20,292,913**	**$ 6,926,271**	**$ 28,993,808**	**$ 35,920,079**	**1.77x**	**68.2%**
Secondaries							
J.C. Flowers II	Oct 1, 2011	$ 1,492,416	$ 487,947	$ 1,988,846	$ 2,476,793	1.66x	42.9%
Topspin Partners LBO	Jan 3, 2012	2,961,000	1,201,340	5,283,237	6,484,577	2.19x	87.8%
Secondaries		**$ 4,453,416**	**$ 1,689,287**	**$ 7,272,083**	**$ 8,961,370**	**2.01x**	**70.5%**
Opportunistic Credit							
Garrison Opportunity Fund II C	Mar 8, 2011	$ 10,053,014	$ 335,249	$ 13,305,210	$ 13,640,459	1.36x	19.8%
Atalaya Special Opportunities Fund IV	Aug 11, 2011	7,368,824	1,387,412	6,925,370	8,312,782	1.13x	10.8%
Opportunistic Credit		**$ 17,421,838**	**$ 1,722,661**	**$ 20,230,580**	**$ 21,953,241**	**1.26x**	**16.9%**
Partnerships							
Wynnchurch Capital Partners III	Feb 28, 2011	$ 4,398,529	$ 412,382	$ 5,884,660	$ 6,297,042	1.43x	33.6%
Atlantic Street Capital II	May 3, 2011	2,688,214	1,627	3,018,614	3,020,241	1.12x	7.9%
Inverness Graham Investments II	Jun 30, 2011	3,141,726	218,062	3,938,011	4,156,073	1.32x	23.7%
EDG Partners Fund II	Aug 19, 2011	3,387,004	36,197	3,313,002	3,349,199	0.99x	-
Endeavour Capital Fund VI	Sep 30, 2011	2,911,812	43,035	2,704,791	2,747,826	0.94x	-
Centre Lane Partners III	Dec 7, 2011	3,654,974	46,909	3,718,410	3,765,318	1.03x	2.6%
Partnerships		**$ 20,182,259**	**$ 758,212**	**$ 22,577,488**	**$ 23,335,700**	**1.16x**	**12.6%**
Grand Total (Gross Performance)		**$ 62,350,427**	**$ 11,096,431**	**$ 79,073,958**	**$ 90,170,389**	**1.45x**	**33.8%**
Net Performance[2]		**$ 65,449,903**	**$ 11,211,097**	**$ 78,781,453**	**$ 89,992,551**	**1.37x**	**27.7%**

[1] Fair market value represents the unaudited carrying value of investments at 6/30/13, as reported by the sponsors with whom OACP has made such investments.

[2] Net IRRs represent the aggregate net return to the limited partners from all fund activities, including all investments, management fees, fund expenses, and GP carried interest. Net IRRs are calculated based on actual cash flows and fair market value, assuming all assets of the fund are liquidated at their carry value.

OAF II-A (Ocean Avenue's second fund)

Size: $40 million
Inception date: 3 August 2011
As of Dec 2013: Fully committed; 71% invested (PIC); 41% distributed (DPI)
Investment and distribution pace well ahead of 2011 vintage funds
Several additional near term liquidity events in process

	Investment Date	Contributions	Distributions	Fair Market Value[1]	Total Value	TVPI	IRR
Co-investments							
Tomich Brothers Fish Co.	Aug 15, 2011	$ 424,800	$ 2,243,321	$ 643,060	$ 2,886,381	6.79x	196.4%
The Merit Group	Sep 23, 2011	1,000,000	-	1,000,000	1,000,000	1.00x	-
H.D. Vest	Oct 3, 2011	300,000	213,699	242,310	456,009	1.52x	27.4%
Stella Environmental Services	Feb 16, 2012	300,000	-	603,189	603,189	2.01x	66.2%
NSC Minerals	Mar 19, 2012	1,028,795	-	2,794,992	2,794,992	2.72x	118.0%
U.S. Pipe	May 17, 2012	833,250	476,210	2,602,230	3,078,440	3.69x	261.7%
Focus Products Group	Jul 20, 2012	760,000	-	836,000	836,000	1.10x	13.8%
TAS Environmental Services	Aug 7, 2012	551,250	-	551,250	551,250	1.00x	-
Northstar Aerospace	Aug 23, 2012	1,000,000	-	1,089,952	1,089,952	1.09x	10.7%
Parts Now!	Aug 31, 2012	1,000,000	-	1,000,000	1,000,000	1.00x	-
NEST Fragrances	Sep 14, 2012	500,000	4,762	600,344	605,106	1.21x	27.1%
Laura Geller Beauty	Dec 19, 2012	750,000	-	820,114	820,114	1.09x	17.8%
HandCrafted Homes	Feb 11, 2013	1,000,000	-	1,000,000	1,000,000	1.00x	-
Shemin Nurseries	Feb 16, 2013	450,000	-	450,000	450,000	1.00x	-
Foss Manufacturing	Jun 7, 2013	450,000	-	485,181	485,181	1.08x	230.2%
Co-investments		**$ 10,348,095**	**$ 2,937,992**	**$ 14,718,622**	**$ 17,656,614**	**1.71x**	**73.5%**
Secondaries							
J.C. Flowers II	Oct 1, 2011	$ 639,603	$ 209,120	$ 852,359	$ 1,061,479	1.66x	42.9%
Topspin Partners LBO	Jan 3, 2012	1,269,000	514,860	2,264,244	2,779,104	2.19x	87.8%
Secondaries		**$ 1,908,603**	**$ 723,980**	**$ 3,116,603**	**$ 3,840,583**	**2.01x**	**70.5%**
Opportunistic Credit							
Atalaya Special Opportunities Fund IV	Aug 11, 2011	$ 3,684,413	$ 693,705	$ 3,462,687	$ 4,156,392	1.13x	10.8%
Garrison Opportunity Fund III B	Apr 24, 2012	442,714	-	502,610	502,610	1.14x	18.3%
Opportunistic Credit		**$ 4,127,127**	**$ 693,705**	**$ 3,965,297**	**$ 4,659,002**	**1.13x**	**11.3%**
Partnerships							
EDG Partners Fund II	Aug 19, 2011	$ 1,692,152	$ 13,599	$ 1,656,503	$ 1,670,102	0.99x	-
Endeavour Capital Fund VI	Sep 30, 2011	1,091,931	16,138	1,014,297	1,030,435	0.94x	-
Atlantic Street Capital II	Oct 5, 2011	1,011,477	545	1,131,980	1,132,525	1.12x	8.1%
Centre Lane Partners III	Dec 7, 2011	1,370,615	17,591	1,394,404	1,411,995	1.03x	2.6%
Tengram Capital Partners Gen2 Fund	Sep 14, 2012	822,673	115,241	941,512	1,056,753	1.28x	18.2%
Partnerships		**$ 5,988,848**	**$ 163,113**	**$ 6,138,696**	**$ 6,301,809**	**1.05x**	**4.2%**
Grand Total (Gross Performance)		**$ 22,372,674**	**$ 4,518,790**	**$ 27,939,219**	**$ 32,458,009**	**1.45x**	**40.3%**
Net Performance[2]		**$ 23,945,825**	**$ 4,430,402**	**$ 28,162,882**	**$ 32,593,284**	**1.36x**	**30.6%**

[1] Fair market value represents the unaudited carrying value of investments at 6/30/13, as reported by the sponsors with whom OACP has made such investments.

[2] Net IRRs represent the aggregate net return to the limited partners from all fund activities, including all investments, management fees, fund expenses, and GP carried interest. Net IRRs are calculated based on actual cash flows and fair market value, assuming all assets of the fund are liquidated at their carry value.

Fund II

Fund II currently has commitments for $140 million. This $140 million includes two California pension plans as clients: San Joaquin County Employees Retirement Association has committed $30 million and another $10 million is expected; Merced County Employees' Retirement Association is expected to commit $10 million.

By the end of March 2014, Ocean Avenue expects to have identified all clients for Fund II. The firm is targeting April/May 2014 for a final close. Ocean Avenue has committed to a “hard cap” limit for the fund of $220 million.

At the time of the final closing, Ocean Avenue expects to have invested 30% of the total $220 million. These executed investments reduce the “blind pool” risk in the fund. (In a blind pool no investments have been made prior to the investor’s commitment to invest.) Thus, investors that participate in the final close of Ocean Avenue Capital Partners Fund II, L.P. will own their pro rata share of all of the investments.

Exhibit I
Summary Term Sheet

Offering: The Fund II Program will focus on special situations investments and smaller capitalization investments requiring operational enhancement, provided that at least 50% of the Fund will be invested through co-investments (on a no fee/no carry basis) and structured investments (e.g. fundless sponsor transactions with preferred economic arrangements). The Fund II Program, which will be capped at $400mm, is comprised of a commingled fund as well as one or more customized single investor funds for investors making commitments of at least $40 million.

GP Commitment: The General Partner will commit at least 0.5% to the Fund (including commitments to any parallel investment vehicles), up to a cap of $500,000, on the same terms and conditions as the limited partners, provided that the GP commitment shall not be charged a management fee or carry.

Investment Period: Two years for fund commitments, and four years for direct investments, provided that in both cases, follow-on investments shall be permitted thereafter.

Term: 10 years, with up to four one-year extensions to provide for the orderly liquidation of the Fund.

Management Fee: Ranging from 95 basis points (for commitments under $10mm), to 85 basis points (for commitments under $50mm), to 75 basis points (for commitments of at least $50mm), per year on committed capital. Beginning in year 8, fee reduced to 90% of the management fee charged in the prior year.

Carried Interest: The Fund will charge a 7.5% carried interest with an 8% preferred return for the investor. No carried interest shall be paid until the earlier of year 7 and the date on which 90% of all commitments have been drawn down.

The Fund is paid a “catch up” fee to receive 7.5% of all profits if it exceeds the 8% preferred return on the fund’s investments. The carry is taken after the Fund has paid the management fee and carry to the manager partners.

Clawback: To the extent that the GP receives excess distributions, then the GP will be required to pay back 100% of such excess, less taxes thereon. The members of the GP will guarantee the clawback obligation.

Key Man: If any two of the Fund’s founding partners cease to be active in the Fund, then the Fund’s investment period shall automatically be suspended. The investors shall have a 180-day period in which to reinstate (by majority in interest vote) the investment period. If the investment period is not reinstated after such 180-day period, then for purposes of calculating the management fee payable thereafter, the fee shall be based on commitments made to underlying investments.

No Fault Divorce: The investors (by 75% vote of investor interests) may remove the GP at any time for any reason. To the extent that a No Fault Election occurs, the GP shall be entitled to one year's worth of management fees from the date of such No Fault Election. During such transition period, the GP shall work in good faith with the investors to seek a new manager and General Partner for the Fund(s).

Reporting: Annual audited and quarterly unaudited financial statements and investment reports will be provided to investor. Audit conducted by KPMG LLP. Custody, tax and reporting services will be provided to the Fund by BNY Mellon.

Disclosures

This report was prepared using data from third parties and other sources including but not limited to Milliman software and databases. Reasonable care has been taken to assure the accuracy of the data contained in this report. Comments are objectively stated and are based on facts gathered in good faith. Nothing in this report should be construed as investment advice or recommendations with respect to the purchase, sale or disposition of particular securities. Past performance is no guarantee of future results. Milliman disclaims responsibility, financial or otherwise, for the accuracy and completeness of this report to the extent any inaccuracy or incompleteness in the report results from information received from a third party or the client on the client's behalf.

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CONTRA COSTA COUNTY CCCERA Employees' Retirement Association

Meeting Date
04/02/14
Agenda Item
#14

MEMORANDUM

Date: April 2, 2014

To: CCCERA Board of Retirement

From: Vickie Kaplan, Retirement Accounting Manager

Subject: **Cash Flow Report - December 31, 2013**

Overview
CCCERA's cash position was sufficient for the 6 months ended December 31, 2013. Below are some of the highlights summarized from the Cash Flow Report following this memo:

Cash Flow Report Page 1

Cash Inflow
Employee Contributions: Overall, relatively flat from prior year. Retirements remained flat in March which is atypical.
Non-County Employer: 338% increase from prior year represents First Five's $2M payment in June and Central Sanitary District's $5M payment in December toward payment of their UAAL.
Employer Prepayments: Six month period reflects Employer Prepayments of $213 million in the month of July 2013 versus $171 million in prior year. Each employer calculates and determines their prepayment for the new fiscal year. Largest prepayments were: CCC $176M; Central San $16M; and CC Consolidated Fire $13.5M.
Employer True-ups: An increase of $1.8 million from prior year mostly due to CCC.
Distributions:

Alternatives	+66% or $20M increase from prior year	Pathway $20M; Adams Street $15M; EIF-USPF $9M;
Market Opportunity	+359% or $9M increase from prior year	Oaktree $11M
Global Real Assets	$8M in current year	PIMCO All Asset Fund $5M; Wellington Trust Co. $3M
Real Estate	+142% or $65M increase from prior year	Invesco I&II $62M; FREG $32M; Oaktree RE $10M; DLJ $4M; Long Wharf $2M
Domestic Fixed	+166% or $35M increase from prior year	Torchlight III $35M; Torchlight IV $20M; Torchlight I $1M

Liquidate Assets: 29% increase from prior year due to assets held in a holding account that were liquidated to transfer funds to newly hired managers. Amount represents funds generated from sales of investments.

Rebalancing & transfers: 53% decrease from prior year. Rebalancing done by CIO in Jan/Feb and July/Aug as well as CCCERA's monthly cash movement from CCC to State Street.

Cash Outflow:

Retiree payroll: Overall, slight increase of 7% from prior year.

Post Retirement Death benefits: Up 44% from prior year.

Investment related travel/education/attorney/salaries: 13% increase from prior year. Amount has been detailed on page 2 of the Cash Flow Report.

Capital Calls:

Alternatives	+56% or $18M increase from prior year	EIF-USPF I-IV $18M; Pathway $13M; Adams Street $13M; Paladin $4M; BAEF II $1M
Market Opportunity	-100% or $3M decrease from prior year	No Cap Calls for the year
Global Real Assets	$7M in current year	Commonfund Cap Natl Resources IX $6M; Aether Real Assets $1M
Real Estate	+19% or $24M increase from prior year	Oaktree RE $38M; Siguler Guff $34M; LaSalle $32M; Angelo Gordon $16M, Invesco III $15M; Paulson $10M; Long Wharf $8M
Domestic Fixed	+33% or $6M increase from prior year	Torchlight IV $24M

Cash Allocation/Managers: 22% decrease from prior year. Rebalancing done by CIO in Jan/Feb and July/Aug as well as CCCERA's monthly cash movement from CCC to State Street.

Net Cash Inflow/Outflow

Overall, $13 million inflow in current year versus $9 million in prior year, for a 40% increase. Without the prepayment program, CCCERA's ***monthly*** cash inflow would be increased by approximately $15 million. CCCERA's cash position is sufficient with the additional cash from prepayments.

Cash Flow Report Page 2

Schedule of Investment Manager/Consultant/Attorney Fees for 2013

Investment Management Fees: 9% increase from prior year. Most fees are tied to market value of assets.

Consulting Fees: 20% increase from prior year. Breakdown provided on page 2 of Cash Flow Report. Mostly related to timing differences between periods. Increase is also due to additional work required from Segal.

State Street: 9% decrease from prior year mostly due to a timing difference.

Attorney Fees (Non-investment): 94% increase from prior year due to increased legal needs such as PEPRA compliance, AB197 lawsuit, new legislation, etc.

Schedule of Investment Related Travel/Education Costs/Attorney Fees/Salaries for 2013

Investment Travel/Education Costs: 29% increase from prior year due to increased due diligence trips and new trustee trainings.

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

CASH FLOW 2013

Month Ending:	01/31/13	02/28/13	03/31/13	04/30/13	05/31/13	06/30/13	07/31/13	08/31/13	09/30/13	10/31/13	11/30/13	12/31/13	2013 Jan thru Dec	2012 Jan thru Dec	% Change
Receipts:															
Employee Contribution	6,074,297	5,908,591	5,845,516	5,859,174	5,764,672	5,780,091	5,824,122	5,551,322	5,621,350	5,981,244	5,679,472	6,070,889	69,960,740	69,142,530	1.2%
Purchases/conversions - "EE" & "ER"	76,447	134,507	247,243	152,358	658,103	618,191	192,100	209,197	101,721	121,354	96,006	205,984	2,813,211	3,860,223	-27.1%
Non-County employer	163,627	202,575	191,709	180,843	218,738	2,229,483	218,152	261,710	261,263	250,426	252,409	5,251,333	9,682,268	2,212,429	337.6%
Special District-Employer Contrib	2,525,230	1,675,989	1,241,110	2,053,762	1,061,333	2,253,290	1,602,704	1,087,101	1,723,657	2,256,992	1,079,265	2,391,813	20,952,246	19,800,608	5.8%
Employer Prepayments	-	-	-	-	-	-	213,070,096	-	-	-	-	-	213,070,096	171,430,425	24.3%
Employer True-ups	-	-	-	-	-	-	-	1,900,360	-	-	-	-	1,900,360	105,748	1697.1%
CCC Final Paulson & Districts' Term Liability	143,316	-					2,759,911	-	-	-	-	-	2,903,227	9,400,223	-69.1%
Interest/Dividends	5,260,267	4,789,711	8,499,142	6,713,803	6,652,998	11,412,479	4,506,998	4,613,229	8,734,014	6,172,534	6,583,729	11,304,423	85,243,327	91,346,931	-6.7%
Alternative-distribution	6,459,558	2,638,938	2,227,811	2,604,002	2,122,245	3,603,759	2,649,545	3,128,584	6,903,992	3,565,602	4,569,213	9,731,915	50,205,164	30,243,390	66.0%
Market Opportunity - distribution	1,529,672	1,800,000	1,280,000	-		2,627,171	-	1,291,811	-	-	-	2,511,412	11,040,066	2,406,123	358.8%
Global Real Assets distribution	-	-	984,701	218,129	226,453	1,229,308	274,662	210,673	1,282,289	276,944	270,900	3,124,887	8,098,946	-	N/A
Real Estate distribution	6,800,000	4,607,568	15,674,012	2,244,504	4,819,913	33,846,250	6,075,000	-	12,391,204	11,625,335	1,857,185	10,799,806	110,740,777	45,733,047	142.1%
Torchlight - distributions	2,400,807	-	-	5,394,085	-	-	11,676,964	-	-	5,392,015	-	30,371,892	55,235,763	20,779,587	165.8%
SUBTOTAL CASH INFLOW	**31,433,221**	**21,757,879**	**36,191,244**	**25,420,660**	**21,524,455**	**63,600,022**	**248,850,254**	**18,253,987**	**37,019,490**	**35,642,446**	**20,388,179**	**81,764,354**	**641,846,191**	**466,461,265**	**37.6%**
Liquidate assets-cash needs	-	34,000,000	22,000,000	11,000,000	17,000,000	14,000,000	-	19,000,000	91,000,000	5,000,000	19,000,000	7,000,000	239,000,000	185,450,000	28.9%
Rebalancing & transfers **(MOVEMENT)**	72,700,000	6,300,000	9,000,000	7,500,000	7,000,000	8,500,000	11,500,000	100,000,000	7,300,000	7,000,000	7,000,000	7,300,000	251,100,000	532,200,000	-52.8%
TOTAL CASH INFLOW															
LIQUIDATION & MOVEMENT	**104,133,221**	**62,057,879**	**67,191,244**	**43,920,660**	**45,524,455**	**86,100,022**	**260,350,254**	**137,253,987**	**135,319,490**	**47,642,446**	**46,388,179**	**96,064,354**	**1,131,946,191**	**1,184,111,265**	**-4.4%**
Disbursements:															
Retiree payroll	(29,231,090)	(29,458,985)	(30,028,451)	(30,993,099)	(30,747,516)	(30,991,922)	(31,170,390)	(30,865,545)	(30,916,695)	(30,772,110)	(30,697,268)	(30,728,080)	(366,601,153)	(344,300,956)	6.5%
Post Retirement Death benefits	(44,000)	(65,000)	(84,334)	(60,334)	(110,667)	(73,334)	(82,000)	(104,500)	(73,500)	(60,000)	(64,000)	(196,667)	(1,018,334)	(705,250)	44.4%
Refunds & Active Mbr Deaths (including taxes)	(130,547)	(275,186)	(351,131)	(185,520)	(448,250)	(310,137)	(262,091)	(376,086)	(348,639)	(671,251)	(240,844)	(475,304)	(4,074,986)	(3,705,826)	10.0%
Administration expense	(495,712)	(534,363)	(483,795)	(494,236)	(525,040)	(488,411)	(505,430)	(550,444)	(494,660)	(504,261)	(605,317)	(582,675)	(6,264,345)	(5,996,813)	4.5%
Invest related travel/educ/atty/salaries*	(44,664)	(48,255)	(55,265)	(50,786)	(55,187)	(62,644)	(52,030)	(91,469)	(54,307)	(67,668)	(59,052)	(79,559)	(720,886)	(635,637)	13.4%
Professional (Mgr/Consult/Atty) fees*	(1,653,355)	(3,702,114)	(39,100)	(712,796)	(4,055,894)	(410,699)	(593,953)	(4,364,504)	(916,590)	(493,026)	(1,632,115)	(3,059,241)	(21,633,387)	(19,693,394)	9.9%
SUBTOTAL CASH OUTFLOW	**(31,599,368)**	**(34,083,903)**	**(31,042,077)**	**(32,496,771)**	**(35,942,554)**	**(32,337,147)**	**(32,665,894)**	**(36,352,549)**	**(32,804,391)**	**(32,568,316)**	**(33,298,596)**	**(35,121,525)**	**(400,313,090)**	**(375,037,876)**	**6.7%**
Capital calls - Alternatives	(3,054,643)	(1,435,000)	(8,712,700)	(2,428,453)	(269,000)	(3,944,721)	(2,569,746)	(832,750)	(8,235,050)	(4,572,079)	(896,260)	(13,333,632)	(50,284,034)	(32,245,223)	55.9%
Capital calls - Market Opportunity	-	-	-	-	-	-	-	-	-	-	-	-	-	(2,480,000)	-100.0%
Capital calls - Global Real Assets	-	-	-	-	-	(1,750,000)	-	(500,000)	-	-	(1,250,000)	(3,000,523)	(6,500,523)	-	N/A
Capital calls - Real Estate	-	-	-	(1,500,000)	(4,527,233)	-	(28,630,066)	(15,889,450)	(54,534,904)	(3,638,430)	(15,109,731)	(29,134,901)	(152,964,715)	(129,032,161)	18.5%
Capital calls - Fixed -Torchlight	-	-	(11,952,610)	-	(6,000,000)	-	-	-	(5,975,100)	-	-	-	(23,927,710)	(18,000,000)	32.9%
SUBTOTAL CAPITAL CALLS	**(3,054,643)**	**(1,435,000)**	**(20,665,310)**	**(3,928,453)**	**(10,796,233)**	**(5,694,721)**	**(31,199,812)**	**(17,222,200)**	**(68,745,054)**	**(8,210,509)**	**(17,255,991)**	**(45,469,056)**	**(233,676,982)**	**(181,757,384)**	**28.6%**
Cash Allocation/Managers **(MOVEMENT)**	(72,700,000)	(31,300,000)	(9,119,827)	(7,500,000)	(7,000,000)	(8,500,000)	(203,500,000)	(117,000,000)	(7,300,000)	(7,000,000)	(7,000,000)	(7,300,000)	(485,219,827)	(618,200,000)	-21.5%
TOTAL CASH OUTFLOW,															
CAPITAL CALLS & MOVEMENT	**(107,354,011)**	**(66,818,903)**	**(60,827,214)**	**(43,925,224)**	**(53,738,787)**	**(46,531,868)**	**(267,365,706)**	**(170,574,749)**	**(108,849,445)**	**(47,778,825)**	**(57,554,587)**	**(87,890,581)**	**(1,119,209,899)**	**(1,174,995,260)**	**-4.7%**
NET CASH INFLOW/(OUTFLOW)	**(3,220,790)**	**(4,761,024)**	**6,364,030**	**(4,564)**	**(8,214,332)**	**39,568,154**	**(7,015,452)**	**(33,320,762)**	**26,470,044**	**(136,379)**	**(11,166,408)**	**8,173,773**	**12,736,291**	**9,116,005**	**39.7%**

*see attachment for detail (page 2 of 2)

KEY TO CASH FLOW 2013

Receipts

Subtotal Cash Inflow shows outside funds coming in to CCCERA.

Liquidate assets shows funds generated from sales of investments by CCCERA staff direction to managers - cash requirements.

Rebalancing & transfers shows movements of funds from Managers initiated by CCCERA staff (see cash allocation/Managers).

Disbursements

Subtotal Cash Outflow shows funds leaving CCCERA.

Capital calls shows funds requested by Investment Managers.

Cash Allocation/Managers shows funds distributed to managers for rebalancing and transfers initiated by CCCERA staff (see rebalancing & transfers).

Prepared by Vickie Kaplan 2/28/2014

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

Schedule of Investment Manager/Consultant/Attorney Fees for 2013

Month ending:	1/31/2013	2/28/2013	3/31/2013	4/30/2013	5/31/2013	6/30/2013	7/31/2013	8/31/2013	9/30/2013	10/31/2013	11/30/2013	12/31/2013	Current year 2013	Prior year 2012	% Change
Investment Management Fees*	1,605,751	3,452,995	-	390,175	3,900,157	115,975	479,557	4,165,179	634,153	315,000	1,614,196	2,947,547	19,620,685	17,951,550	9.3%
Consulting Fees *(see detail below)*	4,000	-	-	269,162	96,821	20,500	50,250	144,939	-	81,500	-	30,863	698,035	582,546	19.8%
State Street Custodian Fees	-	200,799	-	-	-	224,291	-	-	235,663	-	-	-	660,753	724,101	-8.7%
Attorney Fees (Non-investment)	25,683	30,399	21,179	35,537	40,995	32,012	46,225	35,793	26,601	78,314	-	62,912	435,649	224,643	93.9%
Attorney Staff Salary (Non-investment)	17,921	17,921	17,921	17,921	17,921	17,921	17,921	18,593	20,174	18,212	17,919	17,919	218,265	210,554	3.7%
TOTAL:	1,653,355	3,702,114	39,100	712,796	4,055,894	410,699	593,953	4,364,504	916,590	493,026	1,632,115	3,059,241	21,633,387	19,693,394	9.9%
Consulting Fees															
Milliman	-	-	-	170,582	-	-	-	77,500	-	77,500	-	-	325,582	268,040	21.5%
Segal	4,000	-	-	88,768	96,821	-	50,250	67,439	-	4,000	-	30,863	342,141	275,256	24.3%
ISS**	-	-	-	9,813	-	20,500	-	-	-	-	-	-	30,313	39,250	-22.8%
	4,000	-	-	269,162	96,821	20,500	50,250	144,939	-	81,500	-	30,863	698,035	582,546	19.8%

* Includes Tribune settlement of $41,081

** Institutional Shareholder Services Inc - proxies

Schedule of Investment Related Travel/Education Costs/Attorney Fees/Salaries for 2013

Month ending:	1/31/2013	2/28/2013	3/31/2013	4/30/2013	5/31/2013	6/30/2013	7/31/2013	8/31/2013	9/30/2013	10/31/2013	11/30/2013	12/31/2013	Current year 2013	Prior year 2012	% Change
Investment Travel/Education Costs	404	2,564	882	6,275	10,252	7,395	6,577	5,198	1,535	9,285	7,074	5,143	62,586	48,613	28.7%
Attorney Fees (Investment)	-	1,431	10,123	-	424	9,752	-	39,803	1,060	11,925	-	21,306	95,824	91,331	4.9%
Attorney Staff Salary (Investment)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.0%
Investment Staff Salaries	44,260	44,260	44,260	44,511	44,511	45,497	45,453	46,468	51,711	46,458	51,978	53,110	562,476	495,693	13.5%
TOTAL:	44,664	48,255	55,265	50,786	55,187	62,644	52,030	91,469	54,307	67,668	59,052	79,559	720,886	635,637	13.4%

Prepared by Vickie Kaplan 2/28/2014

Meeting Date
04/02/14
Agenda Item
#15

CONTRA COSTA COUNTY CCCERA
Employees' Retirement Association

MEMORANDUM

Date: April 2, 2014

To: CCCERA Board of Retirement

From: Kurt Schneider, Deputy Retirement Chief Executive Officer

Subject: Responses to the RFP to Provide Disability Retirement Legal Services to CCCERA

Due to the departure of the disability counsel who represented CCCERA on a contract basis through the County Counsel's Office, CCCERA has issued a Request for Proposal to attorneys interested in providing disability retirement legal services.

CCCERA has received responses from three qualified attorneys at three firms:

- John Kennedy, Partner – Nossaman, LLP – Sacramento
- Jennifer Creighton, Shareholder – Winet, Patrick, Gayer, Creighton & Hanes – San Diego
- Susan Hastings, Partner – Laughlin, Falbo, Levy & Moresi, LLP – Oakland

Staff and the Board Chair have reviewed the responses and found all three firms and the attorneys they proposed to be qualified to provide the services requested. One firm and its attorney, Susan Hastings, stood out as being particularly well suited to meet CCCERA's needs.

Ms. Hastings's practice primarily involves representing insurance carriers and employers in areas such as workers' compensation. Workers' compensation cases have an administrative hearing process not unlike the one used by CCCERA. Ms. Hastings has been a speaker at attorney conferences involving 1937 Act systems and is familiar with CCCERA's unique disability standard.

Ms. Hastings's firm, LFL&M, has been in existence since 1985 and currently provides legal counsel and support to SDCERA disability staff. The firm affirms that it does not have any conflict of interest in providing services to CCCERA. In particular, the firm has not represented the County of Contra Costa, the Board of Supervisors, or any employee groups or employee associations within CCCERA. Interestingly, the firm has represented several of CCCERA's participating districts for defense of workers' compensation claims. The firm does not believe this constitutes any conflict.

Several factors were considered during staff's review, including the firms' billing rates and the locations of the offices of the attorneys.

Recommendation: We respectfully request authorization to contract with Laughlin, Falbo, Levy & Moresi, LLP to provide CCCERA with disability retirement legal services.

Sent: Wednesday, March 19, 2014 7:45 AM
To: Luz Casas
Subject: FW: Energy Investors Funds 25th Annual Meeting

Meeting Date
04/02/14
Agenda Item
#16a.

Energy Investors Funds 25th Annual Meeting Announcement

Energy Investors Funds 25th Annual Meeting

Dear Luz:

You and your guest are cordially invited to Energy Investors Funds 25th Annual Meeting at The St. Regis Monarch Beach in Dana Point, California from Monday, May 5 to Thursday, May 8, 2014. You will be our guests for the meeting including accommodations for Monday, Tuesday, and Wednesday nights, as well as meals and activities; transportation is not included.

Again this year, we look forward to spending time with our Limited Partners and other energy industry leaders as we review existing investments and future prospects for each of our funds, as well as the current state of affairs in the energy industry.

Following a welcome dinner for all attendees on the evening of May 5th, the first full day of meetings on May 6th is dedicated to our Limited Partners with Investor Advisory Board and Co-Investor meetings in the morning followed by USPF Fund series investor presentations in the afternoon. Please click here for a more detailed agenda.

During our General Session for all attendees on the morning of May 7th, you will have the opportunity to hear from two speakers with very different yet equally impressive backgrounds. Our morning session will also include an EIF-led discussion with a group of industry experts. Our two featured speakers for this year's General Session are:

- **Dr. Bjorn Lomborg** - One of TIME Magazine's 100 most influential people in the world, one of the 75 most influential people of the 21st century according to Esquire magazine, and one of the 50 people who could save the planet according to the UK Guardian. Author of bestselling books *"Cool It"* and *"The Skeptical Environmentalist"*, Bjorn systematically examines global warming and other important global crises issues and offers sustainable, thought provoking solutions and debate.

- **Jon Wellinghoff** - Immediate past Chairman of the Federal Energy Regulatory Commission and an internationally recognized energy law attorney and clean tech energy expert. The longest serving chair of the FERC, Jon was first nominated to be a FERC Commissioner in 2006 by President George W. Bush. In March of 2009 he was named Chairman by President Barack Obama. He is currently co-chair of the Stoel Rives energy team. Jon has nearly 38 years of leadership experience in federal and state energy policy, regulation, and project development.

Rooms are available on a first-come, first-served basis. Should you wish to extend your stay beyond the meeting, accommodations are available to meeting participants beginning at $285 plus tax per night. **EIF will not be making room reservations on your behalf this year.** The St. Regis recommends that you make your room reservation at your earliest convenience as space is limited. To reserve a room at the St. Regis, please call 1-888-627-7219 and mention the "Energy Investors Funds Meeting" or to book your room online, please visit:

https://www.starwoodmeeting.com/StarGroupsWeb/res?id=1402148292&key=705DB

ENERGY INVESTORS FUNDS

ENERGY INVESTORS FUNDS 25TH ANNUAL INVESTORS MEETING AGENDA

PRIVATE EQUITY AND POWER MARKETS

MONDAY, MAY 5

7:00 PM	Reception & Buffet Dinner *(for all EIF guests)*

TUESDAY, MAY 6 *(All meetings on Tuesday are for Investors only)*

8:00 AM	Continental Breakfast
9:00 - 11:00 AM	Investor Advisory Board Meetings
11:15 - 12:30 PM	Calypso Co-Investor Meeting
11:15 - 12:30 PM	Channelview Co-Investor Meeting
12:30 PM	Lunch
1:30 - 5:30 PM	Limited Partner Presentations and U.S. Power Market Overview
7:00 PM	Reception & Dinner *(for all EIF guests)*

WEDNESDAY, MAY 7

7:00 AM	Continental Breakfast
7:45 AM	Welcome and Opening Remarks – Herb Magid
	An Update on the Private Equity Markets and the United States Energy Sector – John Buehler & Terry Darby
8:30 AM	Speaker - Jon Wellinghoff
10:00 AM	Speaker - Dr. Bjorn Lomborg
11:15 AM	Roundtable Discussion
12:00 PM	Lunch
1:00 PM	EIF Annual Golf Tournament and Afternoon Activities
7:00 PM	Reception & Buffet Dinner

THURSDAY, MAY 8

7:30 AM	Continental Breakfast
8:00 AM	Breakout Meetings and Discussion
10:00 AM	Meeting Concludes

Meeting Date
04/02/14
Agenda Item
#15b.

Marilyn Leedom

From:	Siguler Guff Annual Conference <conference@sigulerguff.com>
Sent:	Tuesday, January 28, 2014 11:50 AM
To:	Siguler Guff Annual Conference
Subject:	2014 Siguler Guff Annual Conference - SAVE THE DATE
Attachments:	Siguler Guff Annual Conference 2014 - Save the Date.pdf

SIGULER GUFF

SAVE THE DATE

Siguler Guff & Company's
2014 Annual Conference

Wednesday, April 30th – Thursday, May 1st

New York Athletic Club
180 Central Park South
New York, NY 10019

April 30th
Advisory Board Meetings (for advisory board members only)
Dinner with Keynote Speaker

May 1st

Morning Sessions:	Distressed Opportunities Funds
	Distressed Real Estate Opportunities Funds
Afternoon Sessions:	BRIC Opportunities Funds
	Small Buyout Opportunities Funds

Invitation to follow
Please direct questions to conference@sigulerguff.com

Meeting Date
04/02/14
Agenda Item
#16c.

2014 Milken Institute Global Conference

Agenda & Schedule

The agenda for the 2014 Global Conference has yet to be finalized.

But to help you plan arrival/departure schedules,
here's a **draft schedule** of the activities during the Global Conference.

Sunday, April 27	Monday, April 28	Tuesday, April 29	Wednesday, April 30
3:00 PM -8:00 PM Registration opens	**6:00 AM** Registration Opens	**6:00 AM** Registration Opens	**6:00 AM** Registration Opens
5:00 PM - 7:00 PM Welcome Reception	**6:00 AM – 8:30 AM** Continental Breakfast	**6:00 AM – 8:30 AM** Continental Breakfast	**6:00 AM – 8:30 AM** Continental Breakfast
	6:30 AM – 7:45 AM Private Breakfasts	**6:30 AM - 7:45 AM** Private Breakfasts Breakout Sessions Roundtables	**6:30 AM - 7:45 AM** Private Breakfasts
	8:00AM – 9:15 AM Breakout Sessions	**8:00 AM - 9:15 AM** Breakout Sessions Roundtables	**8:00 AM - 9:15 AM** Breakout Sessions Roundtables
	9:30 AM – 10:45 AM Breakout Sessions Roundtables	**9:30 AM - 10:45 AM** Breakout Sessions Roundtables	**9:30 AM - 10:45 AM** Breakout Sessions Roundtables
	11:00 AM – 12:15 PM Breakout Sessions Roundtables	**11:00 AM - 12:15 PM** Breakout Sessions Roundtables	**11:00 AM – 12:15 PM** Breakout Sessions Roundtables
	12:15 PM – 2:00 PM Lunch Panel (Doors Open at 12:00 PM)	**12:15 PM - 2:00 PM** Lunch Panel (Doors Open at 12:00 PM)	**12:15 PM - 2:15 PM** Lunch Panel (Doors Open at 12:00 PM)
	2:30 PM - 3:40 PM Breakout Sessions Roundtables	**2:30 PM - 3:45 PM** Breakout Sessions Roundtables	**2:30 PM - 3:45 PM** Breakout Sessions Roundtables
	3:50 PM – 5:00 PM Breakout Sessions Roundtables	**4:00 PM - 5:15 PM** Breakout Sessions Roundtables	**4:00 PM – 5:15 PM** Breakout Sessions Roundtable
	5:15 PM – 6:15 PM Plenary	**5:30 PM - 6:45 PM** Speaker & Sponsor Reception General Reception Private Receptions	**5:30 PM - 6:30 PM** Closing Reception
	6:30 PM – 7:30 PM Speaker & Sponsor Reception General Reception Private Receptions		
	7:30 PM - 9:15 PM Dinner Panel		
	9:30 PM - 10:30 PM Late Night		

MILKEN INSTITUTE

2014 GLOBAL CONFERENCE

CONNECT

PEOPLE • OPPORTUNITIES • SOLUTIONS

LOS ANGELES • APRIL 27–30, 2014 • GLOBALCONFERENCE.ORG

THE MILKEN INSTITUTE GLOBAL CONFERENCE: ONE OF THE WORLD'S PREMIER BUSINESS, FINANCE AND POLICY GATHERINGS

ONE OF THE WORLD'S LEADING economic think tanks, the Milken Institute converts research into results — and the Global Conference is the launching pad for the work we undertake year-round.

Each spring, the Institute brings many of the world's most powerful people to Los Angeles on a mission to address the biggest challenges of our time. Armed with provocative opinions and fresh insights, they do much more than just debate the issues. They help move policy toward realistic solutions.

This is a remarkable opportunity to take your place among the thinkers and doers who will change the course of financial markets, education, medical research, energy and other vital issues.

Tony Blair, Bill Gates, Co-Chair and Trustee, Bill & Melinda Gates Foundation, Michael Milken, Chairman, Milken Institute, and H.E. Paul Kagame, President of the Republic of Rwanda.

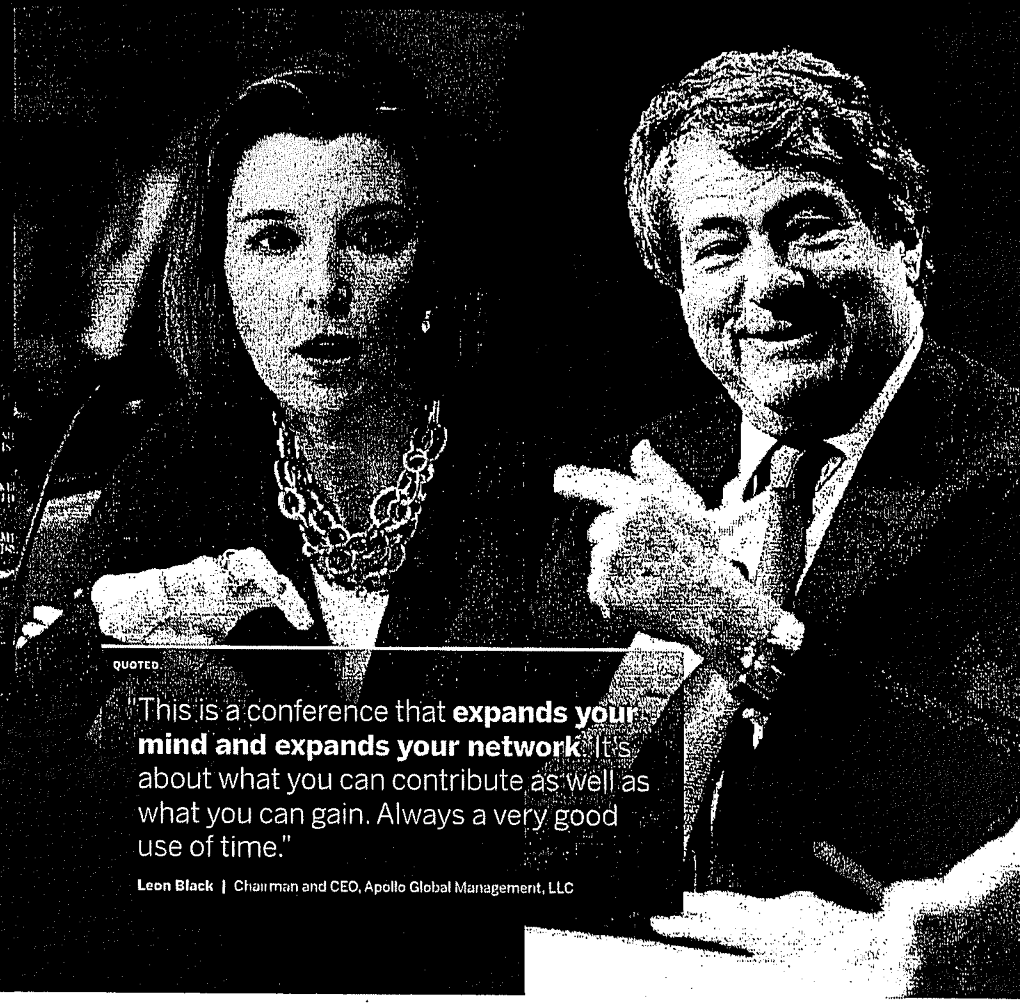
QUOTED

"You will get access to fresh ideas and new thinking. You'll get an extraordinary sense of what is possible, not just in the intellectual sphere, but in the practical sphere of how you **make the world a different and better place**."

Tony Blair | Former Prime Minister, Great Britain and Northern Ireland

INNOVATORS & INVESTORS

AMAZING THINGS CAN AND DO HAPPEN at the Global Conference. Leaders from the worlds of finance and philanthropy join forces, while investors meet the innovators behind the latest breakthroughs in medicine, technology and communications. Exciting ideas reach a high-caliber audience with the resources and know-how to get things done.



QUOTED

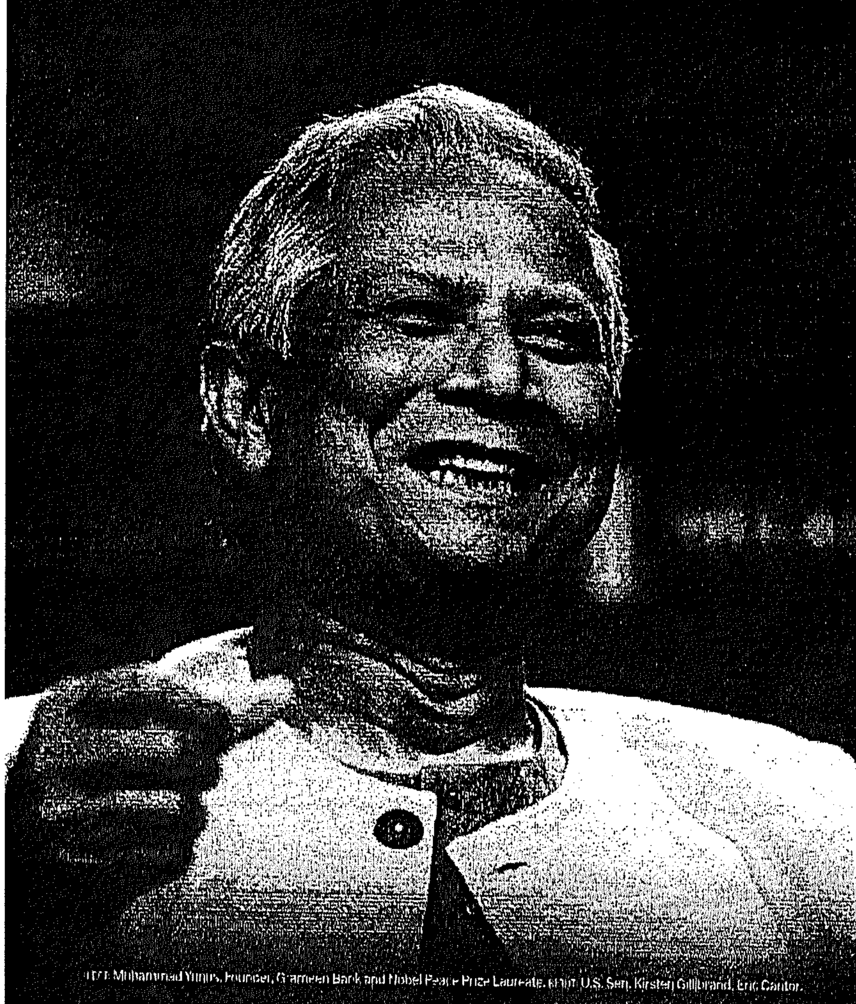
"This is a conference that **expands your mind and expands your network**. It's about what you can contribute as well as what you can gain. Always a very good use of time."

Leon Black | Chairman and CEO, Apollo Global Management, LLC

[illegible] Elon Musk, CEO and CTO, SpaceX, CEO and Product Architect, Tesla Motors (left), Jeff Skoll, Founder and Chairman, Participant Media and Founder and Chairman, Skoll Foundation, and Kimbal Musk, Co-Founder, The Kitchen Community. [illegible] Sallie Krawcheck, former President, Global Wealth & Investment Management, Bank of America; Leon Black.

NOBEL LAUREATES & POLICYMAKERS

GLOBAL CONFERENCE COMBINES a serious intellectual focus with unparalleled opportunities for building new business relationships. The energy is contagious as a remarkable cross-section of leaders from the public and private sectors converges.



QUOTED

"We all benefit from a free-flowing exchange of ideas. The Milken Institute has done a terrific job at **bringing both sides together** and have conversations about how we can move forward."

Eric Cantor | U.S. Congressman and Majority Leader

[illegible] Muhammad Yunus, Founder, Grameen Bank and Nobel Peace Prize Laureate. [illegible] U.S. Sen. Kirsten Gillibrand, Eric Cantor.

CEOs & SCIENTISTS

DURING THIS HIGH-POWERED GATHERING, professionals and experts from many fields of interest are accessible and eager for discussion. Ideas are exchanged in the hotel hallways, in private meetings and in the Global Conference Pavilion, a central space for relaxing and networking. The conference experience is expressly designed to produce partnerships and more effective policy.

QUOTED

"Some of the **greatest minds in the entire world** on bioscience are here. Like, these are my idols."

Jack Andraka | Student Inventor, Scientist and Cancer Researcher

(L-R) Indra Nooyi, Chairman and CEO, PepsiCo; and Francis Collins, Director, National Institutes of Health, and Jack Andraka.

CHANGING THE WORLD, TOGETHER

TO BRING THIS EVENT TO LIFE, we design a sweeping and ambitious program that delves into financial markets, economic development, global health, energy, the environment, public policy, education, media and technology. The Institute's noted economists and researchers work closely with panelists to ensure that each session presents accurate, up-to-the-minute data in fresh and incisive ways.

The Global Conference brings together thought leaders from around the world and from every sector of the economy. This is the place to hear about disruptive technologies, medical breakthroughs and investment opportunities that most observers have yet to spot. You'll learn about emerging markets, fresh approaches to risk management and what lies ahead for business and industry.

A program like no other

A sampling of the high-level dialogue at the gathering:

Earvin (Magic) Johnson on HIV prevention and AIDS eradication

Nouriel Roubini on the dynamics of emerging-market growth

UCSF Chancellor and biotech innovator **Susan Desmond-Hellmann** on medical science

Trailblazing scientist **Craig Venter** on unlocking the human genome

David Rubenstein on trends in private equity

Maya MacGuineas on public debt and fiscal policy

Marc Andreessen on technology and prosperity

Ariel Investments President **Mellody Hobson** on capital access for women

Google Executive Chairman **Eric Schmidt** on the frontiers of information technology

Arianna Huffington on the future of journalism

Al Gore on confronting climate change

Jeffrey Immelt, the CEO of GE, on keeping the U.S. competitive

Who attends?

This is the world's top finance conference, with dozens of sessions addressing the latest market trends. It is an indispensable gathering for the financial community, CIOs of large pension plans, leaders from major foundations, venture capitalists, private equity and hedge fund managers, and high-net-worth individuals.

Industry leaders from health care, real estate, retail, energy, technology, entertainment and many other sectors participate as both speakers and attendees. They are joined by U.S. officials, foreign leaders, educators and philanthropists.

Only a few gatherings in the world offer the chance to sit down with the people who will shape the coming year's agenda . . . and the Global Conference is one of them.

- **More than 3,000 attendees represent public companies with many trillions in combined market cap, including numerous Fortune 1000 firms.**
- **Global Conference draws investors with at least $16 trillion in assets under management.**
- **More than 40 percent of all attendees are chairmen, presidents, CEOs, directors, partners, vice presidents, CIOs or CFOs.**
- **Major philanthropists and representatives from some of the world's most prominent family offices and foundations are on hand.**
- **Attendees come from across the United States and more than 50 nations around the world.**

QUOTE

"It's a whirlwind of intellectual excitement — and a helluva lot of fun."

James Woolsey | Chairman, Woolsey Partners; Of Counsel, Goodwin Procter LLP; former Director, Central Intelligence Agency