

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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October 8, 2004

The Board of Retirement met in special session at 1:00 p.m. on Friday, October 8, 2004, in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Richard Cabral, John Gioia, Brian Hast, Louis Kroll, Sharon Naramore, William J. Pollacek, Bob Rey, Jerry Telles, Maria Theresa Viramontes, and Clifton Wedington

Staff: Marilyn Leedom, Retirement Administrator; Toni Warren, Retirement Administration Manager

Outside Professional Support:
Bob Helliesen
Cary Hally

Representing:
Milliman, USA
Milliman, USA

Other Attendees:

Luz Casas
Forrest Berkley
Chip Ridley
James Lee
Mel Lindsey
Richard Pell
Thomas Dempsey
Len Loffe
Doug Angstrom
Phil Curran
James Fisher
Nigel Emmett
Joel Damon

CCCERA Staff
Grantham Mayo Van Otterloo & Co.
Grantham Mayo Van Otterloo & Co.
Self
Julius Baer
Julius Baer
Goldman Sachs
Goldman Sachs
Goldman Sachs
Self
JPMorgan Fleming Inter Equity
JPMorgan Fleming Inter Equity
JPMorgan Fleming Inter Equity

1. Public Comment

No members of the public offered comment.

2. Introductory Comments

Helliesen briefly reviewed the process followed in evaluating candidate firms for the international equity investment mandate, the criteria established for screening potential firms, and the discussion leading up to selection of the four finalist firms.

Helliesen discussed performance numbers for each of the four finalists and reviewed the correlation of each manager with Capital Guardian's style.

Items discussed were: the importance of emerging markets as part of international equity, how often the investment team of each candidate meet, the impact of currency hedging, if any, and the annual fees for each of the finalists.

3. Presentations

The candidate firms provided presentation materials before the meeting, which had then been given to each of the Board members in preparation for the meeting. Presentations either included information on, or presenters responded to questions on such matters as the history of their firm, its organizational structure, the process followed and criteria used for selection of stocks for their portfolio, their research capabilities, investment philosophy, portfolio turnover, sell discipline, how often they meet as a team, their funds emerging market securities, employee investments in the company's stock and what sets them apart from the other firms making presentations.

Discussion

After all presentations, the Board discussed the differences between the presenters in such areas as:

- Clarity of presentation
- Fees
- Risk/return profiles
- Similarities and differences between the securities held in their portfolios
- Correlations to Capital Guardian

It was M/S/C to retain Grantham Mayo Van Otterloo & Company, LLC, subject to contract negotiations and to authorize the Administrator to sign any necessary documents. (Yes: Cabral, Gioia, Hast, Pollacek, Rey, and Telles; No: Viramontes, Wedington)

4. Miscellaneous

- (a) Counsel Opinions - None.
- (b) Administrator's Report - None
- (c) Trustee Comments - Viramontes requested future discussion on the changes to the asset allocation with the retention of the new international equity manager.
- (d) Consultants' Comments - Helliesen noted that he is preparing a report for the Board regarding Capital Guardian.

Bob Rey, Chairman

Brian Hast, Secretary