



ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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December 14, 2011

To: Members of the Board of Retirement
From: Dale Amaral – Chair
Subject: **Summary of the December 14, 2011 Investment Committee Meeting**

The Investment Committee met on Wednesday, December 14, 2011 at 9:05 a.m. The Committee members present were Dale Amaral, Annette Cain-Darnes, Keith Carson, George Dewey, Liz Koppenhaver, Elizabeth Rogers, Donald White, and George Wood. Also present was Alternate Safety member Darryl Walker. Members of the Staff present were Vincent Brown – Chief Executive Officer, Kathy Foster – Assistant Chief Executive Officer, Robert Gaumer – Chief Counsel, Betty Tse – Chief Investment Officer, and Catherine Walker – Assistant Chief Executive Officer.

ACTION ITEM

1. Interview of Finalists for ACERA's Hedge Fund of Funds Manager Evaluation and Possible Motion to Recommend to the Board to Adopt one Manager for an Alternative Investment
 - Representatives from BlackRock Alternative Advisors Inc., Magnitude Capital LLC, and Permal Asset Management Inc. presented the organization, strategy, and portfolio construction process for their funds to the Investment Committee.
 - Upon completion of all investment due diligence procedures in accordance with ACERA's PEARLS Policy, Staff concurs with SIS's recommendation of an estimated \$100.0 million investment in a Fixed Income Holdings Fund of Funds managed by Permal Asset Management Inc. pending completion of legal due diligence and successful contract negotiation.
 - After discussion, Ms. Annette Cain-Darnes moved, seconded by Mr. Donald White, to recommend to the Board to adopt the recommendation of a \$100.0 million investment in a Fixed Income Holdings Fund of Funds managed by Permal Asset Management Inc. pending completion of legal due diligence and successful contract negotiation. The motion passed unanimously.

INFORMATION ITEMS

1. Report on ACERA's PEARLS Investment – Venture Capital
2. Semi-Annual Performance Review for the Period Ending June 30, 2011 – PEARLS
3. Quarterly Performance Review for the Third Quarter of 2011 – Equities and Fixed Income
4. Quarterly Performance Review for the Third Quarter of 2011 – Real Estate

RECOMMENDATIONS

- The Committee recommends, and I move that the Board adopt the recommendation of a \$100.0 million investment in a Fixed Income Holdings Fund of Funds managed by Permal Asset Management Inc. pending completion of legal due diligence and successful contract negotiation.

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FUTURE DISCUSSION ITEMS

None

TRUSTEE/PUBLIC INPUT

ESTABLISHMENT OF NEXT MEETING DATE

January 11, 2012 at 9:00 a.m.

ADJOURNMENT

The meeting adjourned at 1:08 p.m.