

**RESOLUTION OF THE BOARD OF RETIREMENT  
CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION**

**INVESTMENT ASSET ALLOCATION TARGETS AND RANGES**

WHEREAS, Article XVI, §17 of the Constitution of the State of California vests the Board of Retirement (Board) with "plenary authority and fiduciary responsibility for the investment of moneys and the administration of the system"; and

WHEREAS, the Board has exclusive control of the investment of CCCERA and may, in its discretion and subject to applicable law, invest, or delegate the authority to invest, the assets of the fund through the purchase, holding or sale or any form or type of investment, financial instrument, or financial transaction when prudent in the informed decision of the board, pursuant to the County Employees Retirement Law of 1937 (CERL), Government Code Section 31595; and

WHEREAS, the Board has adopted an Investment Policy Statement ("IPS"), pursuant to which the Board is to periodically set, review and revise its asset allocation targets.

NOW, THEREFORE BE IT RESOLVED that it shall be the policy of CCCERA to invest assets in the following manner:

**Asset Allocation**

Section 6.B of the Investment Policy Statement ("IPS"), adopted September 28, 2016, provides that "annually the Board shall review the relative size and composition of [the] sub-portfolios and revise them as necessary through Investment Resolutions." During this annual review, the Investment Consultant will recommend the targets, weightings, and the rationale for any deviation to an under-weight or over-weight across the asset allocation. The Board will consider and take action to adopt or revise asset allocation targets. Under the direction of the Board of Retirement, investment staff will administer the asset allocation per the Board's action.

As of 2018 the long-term asset allocation targets determined by the Board are as follows:

Liquidity: 23%  
Growth: 67%  
Diversifying: 10%

The Phase 3 targets reflect the continued build out of the diversifying allocation. As additional strategies are identified and funded, we expect to make further progress towards funding this sub-portfolio to its full 10% allocation from its Phase 3 allocation of 8%. On an interim basis, remaining 2% remains in the growth sub-portfolio.

The Liquidity sub-portfolio will have a target allocation of 23% once the annual funding has been completed. Over the course of the following 12 months, the Liquidity sub-portfolio will be used to pay benefits and expenses. As a result, and aside from market fluctuations, the funds in the Liquidity sub-portfolio will decline from the targeted allocation and, therefore, the relative allocations to the Growth and Diversifying sub-portfolios will increase proportionately.

## Phase 3 Targets

<b>Sub-Portfolio Strategy</b>	<b>Phase 3 Target</b>	<b>Range</b>
<b>Growth</b>	<b>69.0%</b>	<b>60-80%</b>
Jackson Square	3.0%	
Boston Partners	3.0%	
Emerald	2.0%	
Ceredex	2.0%	
BlackRock Index Fund	1.0%	
Pyrford	5.5%	
William Blair	5.5%	
Artisan	4.0%	
First Eagle	4.0%	
TT Emerging Markets	4.0%	
PIMCO/RAE Emerging Markets	4.0%	
Adelante	1.0%	
Private Real Estate	9.0%	
Private Equity	10.0%	
Private Credit	4.0%	
Allianz	2.0%	
Risk Parity Manager(s)	5.0%	
<b>Liquidity</b>	<b>23.0%</b>	<b>16-28%</b>
Insight	12.0%	
DFA	5.5%	
Sit	5.5%	
<b>Risk Diversifying</b>	<b>8.0%</b>	<b>0-10%</b>
AFL-CIO HIT	3.5%	
Wellington Real Total Return	2.0%	
Parametric Defensive Equity	2.5%	
<b>Total</b>	<b>100.0%</b>	

THIS RESOLUTION WAS ADOPTED BY THE AFFIRMATIVE VOTE OF THE BOARD OF RETIREMENT OF THE CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION THIS TWENTY-SEVENTH DAY OF JUNE, 2018.


AYES: Gordon, Holcombe, Kwon, MacDonald, Phillips, Pigeon, Smithey, Telles and Watts

NOES:

ABSTAIN:

ABSENT: Anderson

  
 Todd Smithey  
 Chairperson of the Board of Retirement

  
 Attest:  
 David J. MacDonald  
 Secretary of the Board of Retirement