

CONTRA COSTA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION

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April 30, 2008

The Board of Retirement met in regular session at 9:00 a.m. on Wednesday, April 30, 2008 in the Conference Room of the Contra Costa County Employees' Retirement Association, 1355 Willow Way, Suite 221, Concord, CA.

Present: Richard Cabral, Dave Gaynor, Brian Hast, Sharon Naramore, William J. Pollacek, and Jerry Telles.

Staff: Marilyn Leedom, Retirement Chief Executive Officer; Cary Hally, Retirement Chief Investment Officer; Rick Koehler, Retirement Accounting Manager; Toni Warren, Retirement Administration Manager.

Outside Professional Support: Representing:
Harvey Leiderman Reed Smith LLP
Bob Helliesen Milliman, USA

Other Attendees:

Luz Casas	Contra Costa County Employees' Retirement Association (CCCERA) Staff
Tom Rosalanko	Grantham, Mayo Van Otterloo (GMO)
Wendy Malaspina	GMO
Terry Buck	Local 1230 (Fire)
Alan Schulze	Retiree Support Group
Sheila Borer	McKinley Capital
Meloni Munholand	McKinley Capital
Brandon Rinner	McKinley Capital
Radey Johnson	Rothschild
Ken Mertz	Emerald Advisers, Inc.
Stacey Sears	Emerald Advisers, Inc.
Serena Tenant	Emerald Advisers, Inc.
Art Mitsutome	Self
Thurman White	Progress Investment Management
Jose Balagot	Progress Investment Management
Alex Hsiao	Progress Investment Management
Mona Williams	Progress Investment Management
Michael Torres	Adelante Capital Management
Jim Mitchell	Adelante Capital Management
Jeung Hyun	Adelante Capital Management

1. Public Comment

No members of the public offered comment.

2. Manager Presentations

Helliesen noted all presenting managers' performance was down after the first quarter. He then discussed all presenters' performance, noting it's been a tough time for all.

International Equity

GMO - Wendy Malaspina, Tom Rosalanko

Malaspina began by providing an overview of GMO that included organizational updates and representative clients. She noted four new partners have been added this year, and currently GMO has \$139 billion of assets under management.

Rosalanko provided performance net of fees, expenses for the fund for the period ending March 31, 2008 and noted the volatility in the market. He then discussed GMO's investment process and how stock selection worked or didn't work. He reviewed some of the changes made to the portfolio to add value.

Malaspina concluded by discussing international intrinsic value strategy and noted they are still trailing the benchmark in April.

GMO's performance was discussed after their departure.

McKinley Capital Management - Sheila Borer, Brandon Rinner and Meloni Munholand
Borer began by noting McKinley has twenty-three employees who own 27% of the firm. They are a growth equity specialist with over \$15 billion in assets. She reviewed the personnel additions, revisited their organizational structure and described the teams involved. Rob Gilliam, son of the former CEO, has been formally given the title of CIO.

Rinner reviewed their investment philosophy, style, and their sell and buy discipline. He noted the past year has been tough, and commented on changes that may help, including expansion into a New York Office. He then discussed the staff at the New York office.

He concluded by summarizing attribution, portfolio characteristics, CCCERA's top ten holdings, sector weights, country weights and he provided a portfolio appraisal. Rinner noted it was his desire to have value added through stock selection rather than country selection, and they are heavily exposed to growth and momentum.

Small Cap Domestic Equity

Rothschild Asset Management - Radey Johnson

Johnson began by providing an organizational overview, noting there have been significant additions to client services and marketing, stating Rothschild wants to increase client service capabilities. He provided an overview of their investment philosophy, account performance through March 31, 2008, and performance attribution.

Johnson stated they focus on diversification and a balanced approach, noting they were currently ahead of the benchmark. He reviewed Rothschild's small/mid-cap outlook through March 31, 2008.

Johnson concluded with an update on account performance, reviewed best and worst stock selections, and sector weightings.

LUNCH

Emerald Advisers, Inc. - Ken Mertz, Stacey Sears, Serena Tenant

Tenant began with an overview of Emerald, noting assets under management as of March 31, 2008 were \$2.1 billion. She then provided a partial list of clients, and reviewed the small cap investment research processes.

Sears reviewed Emerald's investment research process and research analyst coverage, noting the loss of one of their research analysts.

Mertz discussed gross preliminary performance as of March 31, 2008, and stock selections that worked or didn't work. He concluded by reviewing sector allocations and first quarter 2008 performance attributions.

Progress Investment Management - Thurman White, Jose Balagot, Mona Williams, Alex Hsiao
Williams began with an overview of Progress, noting for the first quarter, the fund returned -12.67% vs. -9.90% for the Russell 2000 benchmark, underperforming by 277 bps. The first quarter was particularly difficult for active managers due to high volatility, changing leadership in stocks, and the lack of visibility in companies' earnings. She noted the fund was up for April.

Balagot reviewed asset distribution, performance, the CAT strategy, noting that most of the underperformance came from the growth side of the portfolio. He then reviewed portfolio characteristics and sector attribution.

Hsiao reviewed the asset distribution, along with their "alpha drivers" and investment process.

White noted Progress is an independent, employee-owned and MBE-certified Registered Investment Advisor. Progress is in the process of enhancing employee ownership and moving toward 100% employee owned. He concluded by reviewing Progress' team and noting the overall firm assets are \$5.74 billion.

Real Estate (REITS)

Adelante Capital Management - Michael Torres, Jeung Hyun, Jim Mitchell

Torres began by reviewing organizational changes noting the addition of Jim Mitchell who was present at the meeting and recently joined the firm. He then reviewed portfolio characteristics, investment performance, and year-to-date returns through March 31, 2008.

Hyun reviewed investment performance and attribution analysis, and provided a portfolio composition with property sector weights. He then reviewed the ten largest REITs, five largest over/under weight positions and investment activity from March 31, 2007 through March 31, 2008.

Torres concluded by noting recessions are an inevitable part of a business cycle. The severity of this downturn is likely to be harder and securitization engines will be challenged as the economy is restarted. Commercial real estate is on a different cycle than residential; demand-led recession (negative same store growth) in commercial real estate is unlikely. Investors are being compensated to hold commercial, while taking advantage of "distress" has been elusive or capped by a mortgage payoff.

Milliman Comments

Helliesen noted it has been a difficult quarter, with all stock indexes reporting negative returns. Rothschild did well relative to the Russell 2500 Value Index. Emerald invested in more aggressive small cap growth stocks, which experienced negative results. On a relative basis, Emerald underperformed its market benchmark, the Russell 2000 Growth Index. Progress also had negative results and underperformed the Russell 2000 Index. Both international equity managers, GMO and McKinley, also had negative returns for the quarter.

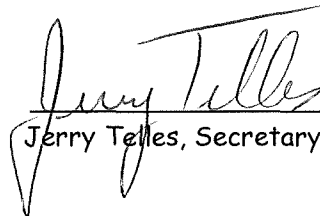
There was a suggestion that presentations be scheduled for forty minutes; it was felt by some, thirty minutes is not enough for presentations, questions and answers.

3. Miscellaneous

- (a) Staff Report - Leedom reported the new telephone system still has some small glitches. If problems are experienced, please advise Leedom or Warren. She asked Board members to let staff know when new business cards are needed. Staff will replace cards with new phone numbers as Board members' card supplies are exhausted.
- (b) Outside Professionals' Report - Nothing further to report.
- (c) Trustees' Comments - Telles noted his enjoyment of the ING Clarion Fund III conference. He then shared highlights of the conference.



Brian Hast, Chairman



Jerry Telles, Secretary