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## PLEASE POST FOR EMPLOYEE VIEWING

### BOARD OF RETIREMENT MINUTES

January 24, 2012

**Members Present:** Maria De Anda, Jim DeMartini, Gordon Ford, Darin Gharat, Jeff Grover, Mike Lynch, Ron Martin, Michael O'Neal and Donna Riley

**Alternate Member Present:** Joan Clendenin, Alternate Retiree Representative

**Staff Present:** Rick Santos, Executive Director  
Kelly Cerny, Executive Secretary  
Kathy Herman, Operations Manager  
Dawn Lea, Benefits Manager  
Kathy Johnson, Accountant  
Luiana Irizarry, Administrative Assistant

**Others Present:** Paul Harte & Nathan Pratt, Strategic Investment Solutions (SIS), Inc.  
Fred Silva, General Legal Counsel  
Delia Roges, Max Swango, & Bill Grubbs, Invesco National Trust  
John West, Research Affiliates (in attendance) & Rob Arnott, Research Affiliates (via teleconference)  
Stan Risen and Doris Foster County Chief Executive Office

1. Meeting called to order at 2:00 p.m. by Jim DeMartini, Chair.

2. **Roll Call**

3. **Announcements**

Ms. Cerny announced Board members received today the brochure for the National Conference on Public Employee Retirement Systems' (NCPERS) Annual Conference. It was noted that this year it is held the same week at the State Association of County Retirement Systems' (SACRS) Spring 2012 Conference.

4. **Public Comment**

None.

5. **Consent Items**

Mr. DeMartini requested to pull Consent Item #5d for discussion.

**Consent Item Pulled for Discussion**

5d. Receipt of the 2012 Board of Retirement Standing Committee Assignments

Mr. DeMartini will consult with the Board members on their appointments to the 2012 Standing Committees. The assignments will be relayed to the Executive Director and placed on the consent calendar for the February 8, 2012 Board of Retirement Administrative meeting.

Motion was made by Darin Gharat and seconded by Michael Lynch to approve the following items as listed.

Motion carried.

- a. Approval of the January 11, 2012, Administrative Meeting Minutes
- b. Received StanCERA Complaint Log of October 1, 2011 through December 31, 2011
- c. Receipt of Strategic Investment Solutions Inc.'s November 2011 Monthly Performance Review for StanCERA

6. **Invesco's Presentation of the Global Real Estate Investment Trusts (REITs) Portfolio for the Fourth Quarter 2010**

Delia Roges, Senior Director, Institutional Sales & Service, Max Swango, Managing Director, Real Estate, and Bill Grubbs, Managing Director, Real Estate, gave the presentation on StanCERA's global REITs portfolio for the fourth quarter of 2011.

The portfolio's investment performance of 8.45% net of fees was above the developed index benchmark of 7.36%. Since inception as of March 2008 through December 31, 2011, this commingled fund returned -3.93% net of fees against the benchmark return of -3.52%. Market value as of December 31, 2011 is \$17.2 million.

7. **Research Affiliates' Presentation of the Long/Short Absolute Return Portfolio**

John West, CFA, was present, and Rob Arnott, Chairman, via teleconference, presented StanCERA's portfolio as of December 31, 2011.

Past results have been poor, coming in at -20.4% for fiscal year 2011-2012 which represents a full underperformance relative to the short-term treasuries benchmark.

Mr. Martin left at 3:14 p.m.

8. **Strategic Investment Solutions (SIS), Inc.**

- a. Monthly Performance Review for the Month Ending December 31, 2011

Mr. Harte distributed the monthly performance review for the period ending December 31, 2011. StanCERA's portfolio is \$1.32 billion, an increase of 0.57% for the month. The total fund returned .8% for December, and the six-month fiscal year to date return is -5.41%, under StanCERA's policy index of -3.35%, for the same period.

Mr. Gharat left at 4:02 p.m.

Mr. Gharat returned at 4:07 p.m.

- b. Report on "Top 10 Holdings" by StanCERA Investment Managers as of December 31, 2011
- c. Verbal Update on BNY Mellon Securities Lending

9. **Executive Director Report**

- a. Discussion and Action on a Request for Allocation of One Confidential Assistant IV (CAIV) Position

Motion was made by Gordon Ford and seconded by Darin Gharat to add one (1) Confidential Assistant IV position.

Roll Call Yes: M. De Anda, J. DeMartini, G. Ford, D. Gharat, M. Lynch, and M. O'Neal

Roll Call No: J. Grover and D. Riley

R. Martin Not Present

Vote 6-2

Motion carried.

10. **Members' Forum (Information and Future Agenda Requests Only)**

Mr. DeMartini shared that the Public Funds Summit he recently attended was educational. He requested future Board training on alternative investments.

Mr. Ford requested an opportunity to discuss the discount rate in the near future. He asked the Executive Director to forward to Board members the email regarding discount rates of 1937 Act systems.

10. **Members' Forum (Information and Future Agenda Requests Only) [Cont.]**

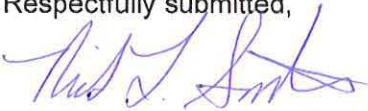
Mr. Gharat offered his condolences to the family of County employee Sandra Hopp, regarding Ms. Hopp's recent passing. Mr. Gharat also commended staff for the service provided to safety members. He has received positive comments from safety members who have sought assistance from StanCERA.

Mr. Ford and Ms. Clendenin agreed with Mr. DeMartini that the Public Funds Summit they attended was very informative.

11. **Adjournment**

Meeting adjourned at 4:37 p.m.

Respectfully submitted,



Rick Santos, Executive Director

APPROVED AS TO FORM:  
FRED A. SILVA, GENERAL LEGAL COUNSEL

By:   
Fred A. Silva, General Legal Counsel