



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
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BOARD OF RETIREMENT MINUTES

October 28, 2014

Members Present: Gordon Ford, Darin Gharat, Michael O'Neal
Jim DeMartini, Donna Riley and Jeff Grover

Member Absent: Maria De Anda, Mike Lynch and Jason Gordo

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Kathy Herman, Fiscal Services/Operations Manager
Kellie Gomes, Executive Board Secretary

Others Present: Fred Silva, General Legal Counsel
Doris Foster, Chief Executive Office
Sue Curran, Pyramis Global Advisors
Chris Steward, Pyramis Global Advisors
Eileen Dibb, Pyramis Global Advisors
Paul Harte, Strategic Investment Solutions INC.
John Meier, Strategic Investment Solutions INC.

1. Meeting Called to Order

Meeting called to order at 2:02 p.m. by Gordon Ford, Chair.

2. Roll Call

3. Announcements

None

4. Public Comment

None

5. Consent Items

- a. Approval of the October 8, 2014 Investment Meeting Minutes

Motion was made by Darin Gharat and seconded by Michael O'Neal to approve consent item 5.a as presented.

Motion carried unanimously.

- b. Correspondence – Mendocino County

- c. Correspondence – SACRS

Items 5.b and 5.c were pulled by Joan Clendenin

Motion was made by Darin Gharat and seconded by Michael O'Neal to approve consent item 5.b and 5.c as presented after discussion.

Motion carried unanimously.

- d. Correspondence – Raven Capital Management LLC

Item 5.d was pulled by Gordon Ford

Motion was made by Darin Gharat and seconded by Michael O'Neal to approve consent item 5.d as presented after discussion.

Motion carried unanimously.

6. Closed Session

Motion was made by Darin Gharat and seconded by Michael O'Neal to enter into closed session at 2:07 p.m.

Motion carried unanimously.

- a. Discussion and Action Regarding Legato Capital Management
Government Code Section 54956.81

Motion was made by Jeff Grover and seconded by Darin Gharat to enter into open session at 2:20p.m.

Motion carried unanimously.

Read Out for Closed Session Item # 6.a

Motion was made by Jeff Grover and seconded by Michael O'Neal to accept Legato's proposal offered in the letter dated October 21, 2014.

7. Annual Update and Review – Pyramis Global Advisors

Chris Steward discussed a change in the Pacific Basin Ex-Japan manager of StanCERA's portfolio. Specifically, the old manager was replaced by Eileen Dibb, Eileen was originally hired to manage the Japan portfolio and will now use the same strategy that turned the portfolio around for the Pacific Basin EX-Japan portfolio. Eileen gave a brief overview of the strategy.

- a. Quarterly Value Added Report

8. Strategic Investment Solutions (SIS), Inc.

- a. Monthly Performance Review for the Month Ending September 30, 2014

Paul announced his retirement, shared his reasons for the decision, and introduced John Meier. John is a cofounder and will be partnering with Nathan Pratt as SIS continues to serve StanCERA.

- Monthly Return: -2.03%
- Fiscal YTD: -1.07%
- Fiscal YTD alpha: 0.22%
- Total Fund Value as of September 30, 2014: \$1,754,694,784

- b. Report on "Top 10 Holdings" by StanCERA Investment Managers as of September 30, 2014

9. Executive Director

- a. Quarterly Alternative Investment Update

Staff reviewed the handouts used for tracking the alternative managers.

10. Closed Session

Motion was made by Michael O'Neal and seconded by Jeff Grover to enter into closed session at 3:27 p.m.

Motion carried unanimously.

- a. Discussion and Action Regarding Pryamis Global Advisors
Government Code Section 54956.81
- b. Discussion and Action Regarding Executive Director Annual Review

10. Closed Session (Cont.)

- c. Discussion and Action Regarding Allocation of StanCERA's Infrastructure Assets
Government Code Section 54956.81
- d. Conference with Legal Counsel – Pending Litigation – One Case:
Stanislaus County Employees' Retirement Association v. Buck Consultants,
LLC, Mediation Pursuant to Evidence Code Sections 1115, 1119, 1152
Government Code Section 54956.9(d)(4)
- e. Conference with Legal Counsel – Pending Litigation – One Case:
O'Neal et al v. Stanislaus County Employees' Retirement Association
Stanislaus County Superior Court Case No. 648469
Government Code Section 54956.9(d)(1)
- f. Conference with Legal Counsel – Pending Litigation – One Case:
Nasrawi et al v. Buck Consultants, LLC, et.al, Santa Clara County
Superior Court Case No. 1-11-CV202224; Court of Appeal, Sixth Appellate
District, Case No. H038894 Government Code Section 54956.9(d)(1)

Motion was made by Darin Gharat and seconded by Michael O'Neal to enter into open session at 3:41 p.m.

Motion carried unanimously.

Read Out for Closed Session Item # 10.b

Motion was made by Michael O'Neal and seconded by Donna Riley to Approve the Performance Review Compensation Committee's recommendation as presented and grant Director Rick Santos a 5% increase.

Motion carried unanimously

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

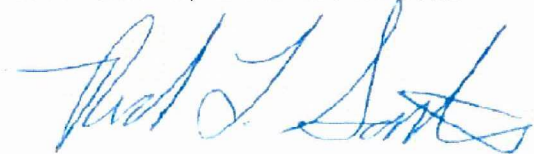
None

12. Adjournment

Meeting adjourned at 3:42 p.m.

Respectfully submitted,

Rick Santos, Executive Director

A handwritten signature in blue ink, appearing to read "Rick Santos", written over a horizontal line.

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

By: 
Fred A. Silva, General Legal Counsel

A handwritten signature in blue ink, appearing to read "Fred A. Silva", written over a horizontal line.