



**STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION**
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BOARD OF RETIREMENT MINUTES

June 25, 2013

Members Present: Gordon Ford, Maria De Anda, Donna Riley, Ron Martin,
Darin Gharat, Michael O'Neal

Members Absent: Jeff Grover, Jim DeMartini, Mike Lynch

Alternate Member Joan Clendenin, Alternate Retiree Representative

Staff Present: Rick Santos, Executive Director
Kellie Gomes, Executive Board Secretary
Kathy Herman, Operations Manager
Dawn Lea, Benefits Manager

Others Present: Fred Silva, General Legal Counsel
Paul Harte and Nate Pratt, Strategic Investment Solutions (SIS), Inc.
Doris Foster, County Chief Executive Office
Jeanine Bean, Superior Court

1. Meeting Called to Order

Meeting called to order at 2:04p.m. by Darin Gharat, Chair.

2. Roll Call

3. Announcements

Kellie Gomes announced a necessary change in retirement date for a member for the minutes of the June 12 administration meeting.

Rick Santos, Director reminded Trustees that we will be missing 4 members for our July 10th Administration meeting due to our Due Diligence trip. If any of the 5 remaining Trustees may not be able to attend the July 10th meeting, they should contact Kellie as soon as possible. If we do not have a quorum, we will have to have an Admin/Investment meeting combo on the July 23rd.

4. Public Comment

None

5. Consent Items

Motion was made by Maria De Anda and seconded by Donna Riley to approve the following items with the correction made to Kenneth Slamon Jr.'s retirement date to read **6/18/13** and not **6/17/13** as reflected in the June 12 minutes:

Motion carried

a. Approval of the June 12, 2013 Administrative Meeting Minutes

6. Semi-Annual Performance Report by Capital Prospects LLC

a. StanCERA Exhibit: Capital Prospects Quarterly Value Added

Presenters: Marilyn Freeman, CCO Principal Manager
Elizabeth Knope Principal manager, EEO Officer

Investment Style: Small Cap Value

- Initial funding and date: \$49.1 million 1/2009
- Ending Value on 5/31/13: \$83.5 million
- Recent Quarter Return Ending 3/31/13 (Net): 12.7%
- 1 Year Return: 23.9%
- 3 Year Return: 15.1%
- Since Inception Return: 19.9%

7. Semi-Annual Performance Report by Legato Capital Management LLC

a. StanCERA Exhibit: Legato Capital Management Quarterly Value Added

Presenters: Victor Hymes CEO-CIO
Doug Porter, CFA, CAIA, FRM –Senior Vice President

Investment Style: Small Cap Growth

- Initial funding and date: \$28.3 million 1/2009
- Ending Value on 5/3/13: \$74.3 million
- Recent Quarter Return Ending 3/31/13 (Net): 13.8%
- 1 Year Return: 17.6%
- 3 Year Return: 15.0%
- Since Inception Return: 21.2%

8. Strategic Investment Solutions (SIS), Inc.

a. Monthly Performance Review for the Month Ending May 31, 2013

Monthly performance –.32%

Fiscal YTD – 16.48%

Fiscal YTD alpha –2.81%

Total fund value as of May 31, 2013: \$1,571,902,645

b. Report on “Top 10 Holdings” by StanCERA Investment Managers as of May 31, 2013.

c. Presentation on Fixed Income Part 2

9. Executive Director

a. Discussion and Action Regarding BNYM Amendment to Securities Lending Agreement

Motion was made by Ron Martin and seconded by Maria De Anda to accept the BNYM Amendment to the Securities Lending Agreement.

Motion carried

b. CALAPRS Administrator’s Roundtable – Rick Santos provided an update

c. CALAPRS Benefit’s Roundtable – Dawn Lea provided an update

d. CALAPRS Attorney’s Roundtable – Fred Silva provided an update

10. Closed Session

a. 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)

b. 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)

c. 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)

10. Closed Session (Cont.)

- d. Discussion and Action Regarding Investment in White Oak
Rollcall Vote Required. Government Code Section 54956.81)

Motion was made by Maria De Anda and seconded by Michael O'Neal to authorize Paul Harte, Strategic Investment Solutions (SIS), Rick Santos, Director of StanCERA and Scott Smith of Hanson and Brigett to negotiate a Side Letter Agreement with White Oak. The Board authorized Rick Santos to enter into all necessary agreements with White Oak provided that White Oak agrees to the additional terms specified by the Board.

Roll Call Yes: Maria DeAnda, Donna Riley, Michael O'Neal, Darin Gharat,
and Ron Martin

Roll Call No: Gordon Ford

Members Absent: Jeff Grover, Jim DeMartini, Mike Lynch

Motion was made by Maria De Anda and seconded by Ron Martin to enter into closed session at 4:00 pm. Motion carried. Trustee Michael O'Neal and Trustee Joan Clendenin recused themselves.

Motion was made by Maria De Anda and seconded by Ron Martin to return from closed session at 4:41pm. Motion carried.

Nothing further to report out

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

Trustee Gharat gave a final farewell to Trustee Ron Martin for his years of dedicated service to the StanCERA Board. Staff presented Trustee Martin with a commemorative clock, his trustee portrait, and a gift card.

12. Adjournment

Meeting adjourned at 5:07p.m.

Respectfully submitted,



Rick Santos, Executive Director

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

By: 
Fred A. Silva, General Legal Counsel