



STANISLAUS COUNTY
EMPLOYEES' RETIREMENT ASSOCIATION
832 12th Street, Suite 600
Modesto, CA 95354
Mail: P.O. Box 3150 95353-3150

Phone (209) 525-6393
Fax (209) 558-4976
www.stancera.org
e-mail: retirement@stancera.org

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BOARD OF RETIREMENT MINUTES

August 26, 2014

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

Member Absent: NONE

Alternate Member Present: Joan Clendenin, Alternate Retiree Representative

Staff Present: Kathy Herman, Fiscal Services/Operations Manager
Kellie Gomes, Executive Board Secretary
Mary Williams, Administrative Assistant

Others Present: Fred Silva, General Legal Counsel
Doris Foster, Chief Executive Office
Paul Harte, Strategic Investment Solutions, Inc.

1. Meeting called to order at 2:01 p.m. by Gordon Ford, Chair.

2. **Roll Call**

3. **Announcements**

None

4. **Public Comment**

None

5. **Consent Items**

a. Approval of the August 13, 2014, Administrative Meeting Minutes

b. StanCERA Investment Managers Peer Rankings for Quarter Ending
June 30, 2014

Motion was made by Maria De Anda and seconded by Jeff Grover to approve
consent items as presented.

Motion carried unanimously.

6. Annual Update and Review – PIMCO

2:04pm Mike Lynch arrived

Matt Clark and Sasha Talcott from PIMCO Investments LLC presented the annual update and review. Together they answered questions from Trustees regarding the performance of the Fund and strategies going forward.

a. Quarterly Value Added Report

7. Committee Reports and Recommendations for Action

STANDING COMMITTEES

a. Internal Governance Committee

- i. Discussion and Action to approve the recommendation of the Internal Governance Committee to amend Bylaws 1.6; Retirement Board Member Election Procedures.

Motion was made by Darin Gharat and seconded by Donna Riley to approve as presented and recommended by the Internal Governance Committee.

Motion carried unanimously.

8. Strategic Investment Solutions (SIS), Inc.

2:44 p.m. Mike Lynch left meeting

a. StanCERA Investment Managers Review List for Quarter Ending June 30, 2014

Quarterly Portfolio Performance Analysis (Return, Benchmark and Peer Ranking.)

- 2nd Quarter: 3.7%, 3.9%, 40
- Fiscal YTD: 18.2%, 16.8%, 14
- 3 Year: 10.9%, 9.8%, 12
- 5 Year: 14.2%, 13.0%, 7

2:51 p.m. Mike Lynch returned

b. Monthly Performance Review for the Month Ending July 31, 2014

- Monthly Return: -1.26%
- Fiscal YTD: -1.26%
- Fiscal YTD alpha: 0.14%
- Total Fund Value as of July 31, 2014: \$1,759,281,322

- c. Report on "Top 10 Holdings" by StanCERA Investment Managers as of July 31, 2014

9. Executive Director

- a. Discussion and Action Regarding Infrastructure Investment Option

Motion was made by Darin Gharat and seconded by Jeff Grover to approve Paul Harte's recommendation to bring both Kohlberg Kravis Roberts (KKR) and Morgan Stanley Investment Partners (MSIM) to present to the Board with no obligation to commit to either firm.

- b. Value Added Reports

Kathy Herman gave an update on Quarter 2 results from the value added report.

- c. Legal Update

Kathy Herman gave a brief update on the Ventura County Pension Reform initiative.

10. Closed Session

Motion was made by Jason Gordo and seconded by Donna Riley to go into closed session at 3:37.

Motion carried unanimously

- a. Discussion and Action Regarding Allocation of StanCERA's Real Estate Assets Government Code Section 54956.81
- b. 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)
- c. 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)
- d. 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 Maria De Anda to go into open session at 3:44 p.m.

Motion carried unanimously

10. Closed Session (Cont.)

Nothing to report out from closed session.

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

None

12. Adjournment

Meeting adjourned at 3:45 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