



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

February 24, 2015

Trustees Present: Jegan Raja (for Gordon Ford), Darin Gharat, Michael O'Neal
Donna Riley, Maria DeAnda, Jason Gordo, Jim DeMartini and
Mike Lynch

Trustees Absent: Gordon Ford, Jeff Grover

Alternate Trustee Present: Joan Clendenin, Alternate Retiree Representative

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

Others Present: Fred Silva, General Legal Counsel
Doris Foster, Chief Executive Office

1. Meeting Called to Order

Meeting called to order at 2:01p.m. by Trustee DeAnda, Chair

2. Roll Call

3. Announcements

Director announced that staff would be finishing up the RFP for an Investment Consultant sometime this week and would be sending out a copy shortly to the Due Diligence Committee for comment.

4. Public Comment

5. Consent Items

a. Approval of the February 11, 2015 Meeting Minutes

Motion was made by Trustee Riley and seconded by Trustee O'Neal to approve consent item as presented.

Motion carried unanimously

6. Annual Performance Report by Capital Prospects, LLC

Liz Knoppe and Marilyn Freeman gave an update on the fund. No significant changes occurred between manager visits.

- a. Value Added Report

7. Strategic Investment Solutions (SIS), Inc.

- a. Investment Performance Analysis for the Quarter Ending December 31, 2014

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

4th Quarter: 2.7%, 2.9%, 17

Fiscal YTD: 1.5%, 1.5%, 23

3 Year: 13.5%, 11.8%, 7

5 Year: 10.6%, 9.8%, 9

- b. StanCERA Investment Managers Peer Rankings for Quarter Ending December 31, 2014

Director announced that this item would be pulled out of consent (as had been the practice for quite some time) and placed under SIS' commentary. Notable issues from today's discussion include the fact that StanCERA's total portfolio actually underperformed the benchmark for quarter 4, yet finished in the upper quintile of peer rankings.

- c. StanCERA Investment Managers Review List for Quarter Ending December 31, 2014

PIMCO is still listed as a watch under "Organization Personnel Continuity" and Pyramis and Legato Capital are still considered "Under Watch"

- d. Monthly Flash Report for the Month Ending January 31, 2015

Monthly Return: -1.38%

Fiscal YTD: 0.09%

Fiscal YTD alpha: Not Provided

Total Fund Value as of January 31, 2015: \$1,768,667,539

- e. Report on "Top 10 Holdings" of StanCERA Investment Managers as of January 31, 2015

8. Executive Director

- a. Value Added / Cash Flow Report
- b. Alternative Investments Report for Quarter Ending September 30, 2014

Director gave a brief update on the income and expense information from our direct lenders. Also included were internal rates of return calculations for the quarter ending 9/30/2014 and the implied return for the 3rd quarter of 2014:

Manager	Q3 2014 Return	IRR 9/30/2014
White Oak	-0.40%	8.92%
Medley	1.13%	3.73%
Raven	1.21%	6.13%

9. Closed Session

- a. Discussion and Action Regarding Allocation of StanCERA's Infrastructure 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)

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

11. Adjournment

Meeting adjourned at 3:32 p.m.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Rick Santos".

Rick Santos, Executive Director

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

By: 
Fred A. Silva, General Legal Counsel