



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) 525-4334
www.stancera.org
e-mail: retirement@stancera.org

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BOARD OF RETIREMENT MINUTES

March 27, 2012

Members Present: Maria De Anda, Jim DeMartini, Darin Gharat, Jeff Grover,
Ron Martin, Michael O'Neal, Jegan Raja*, and Donna Riley

*Jegan Raja, Assistant Treasurer- Tax Collector representing G. Ford, Treasurer-Tax Collector

Members Absent: *Mike Lynch and Gordon Ford**

Alternate Member Absent: *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
Joyce Parker, I.T. Coordinator

Others Present: Fred Silva, General Legal Counsel
Kevin Brown, Delaware Investments
Drew Stepanek & Manoj Patel, RREEF Real Estate
Paul Harte & Nathan Pratt, Strategic Investment
Solutions (SIS), Inc.
Doris Foster & Stan Risen, Chief Executive Office

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

2. **Roll Call**

3. **Announcements**

None.

4. **Public Comment**

None.

5. **Consent Items**

Ms. Cerny announced that on the March 14, 2012 Minutes, under Consent Items, Item #5b, Linda Carter revoked her retirement date of 03-30-12.

Motion was made by Maria De Anda and seconded by Jeff Grover to approve the following items as listed and amended.

Motion carried.

- a. Approval of the March 14, 2012, Administrative Meeting Minutes as listed and amended.

6. **Semi-Annual Performance Report by Delaware Investments**

Mr. Kevin Brown, Vice President, Senior Investment Specialist, gave the semi-annual presentation on StanCERA's large cap growth portfolio. As of December 31, 2011, net returns were 11.80%, while the Russell 1000 Growth index benchmark was 10.61%. As of February 29, 2012, the portfolio value is \$116.6 million. The portfolio returned 13.56%, 29.91%, and 4.58% for the periods of one year, three years, and five years, respectively.

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

- a. Educational Presentation – An Introduction to Infrastructure by RREEF Infrastructure

Drew Stepanek, Client Relations, and Manoj Patel, Portfolio Manager and Co-Head of Global Infrastructure Securities, of RREEF Infrastructure gave an educational presentation to the Board on an introduction to infrastructure.

- b. Monthly Investment Performance Review for the Month Ending February 29, 2012

Mr. Harte presented the monthly performance review for the period ending February 29, 2012. StanCERA's portfolio is \$1.41 billion, an increase of 3.15% from the prior month. The overall rate of return for this fiscal year to date is 1.78%, below the policy index of 3.17% and the assumed rate rate of 5.38%.

- c. Report on "Top 10 Holdings" of StanCERA Investment Managers
- d. Research Affiliates Response to StanCERA's Questions Re: Enhanced RAFI Long Short Strategy
- e. Discussion and Action on the Implementation of a Stop Loss on the RAFI Long Short Fund

Motion was made by Jeff Grover and seconded by Maria De Anda to implement a stop loss of \$10,000,000 on the RAFI fund and create a standing agenda item each month allowing the Board to take action regarding the disposition of the RAFI fund.

Motion carried.

8. **Executive Director Report**

- a. Discussion and Action on Potential Acquisition of a Board Portal System for Board of Retirement Meetings

Motion was made by Darin Gharat and seconded by Jim DeMartini to approve the proposed goals and requirements as stated.

Roll Call Yes: J. DeMartini, D. Gharat, J. Grover, J. Raja and D. Riley

Roll Call No: M. De Anda and M. O'Neal

R. Martin abstained.

Vote: 5-2; 1 abstention.

Motion carried.

- b. Discussion and Action on a Potential Change of Custodial Bank

No action taken.

- c. Discussion and Action Regarding an Update on the Vacant Office Space at 832 12th St., 6th Floor

Motion was made by Darin Gharat and seconded by Michael O'Neal to authorize the Executive Director to finalize the lease agreement and execute it accordingly.

Motion carried.

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

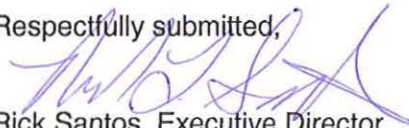
Vice-Chair Gharat thanked staff for their diligence in processing an extraordinary number of retirement applications this month.

Trustee Grover requested a Due Diligence Committee meeting be held to set the schedule for this year's due diligence visits.

10. **Adjournment**


Meeting adjourned at 4:03 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