

**MINUTES OF REGULAR QUARTERLY MEETING OF  
THE BOARD OF COMMISSIONERS OF  
THE SUPERIOR COURT CLERKS' RETIREMENT FUND OF GEORGIA**

**May 19, 2011**

The regular quarterly meeting of the Board of Commissioners of the Superior Court Clerks' Retirement Fund of Georgia was held on May 19, 2011 beginning at 11:00 a.m. in the office of the Peace Officers' Benefit and Annuity Fund, Griffin, Georgia, pursuant to proper posting and notice.

Present for the meeting were Board Members Studdard, Abernethy, Glass, Brannon, Williams, and Pharris. Also present were retired Clerk Edward Tucker, Webster County Clerk and Retirement Liaison Tina Blankenship, Member Liaison Daniel, Secretary-Treasurer Carter, L. Ferber Buckley and Scott Olsen each a Senior Vice President of Investments for UBS, and Legal Counsel Jason Voyles who was appearing in the place of Legal Counsel Samuel Oliver.

Chairperson Studdard presided at the meeting and welcomed all present.

The minutes of the meeting of the February meeting has been distributed in advance and were unanimously approved without any changes pursuant to a motion by Pharris, seconded by Brannon.

Bob Carter then presented Financial Reports, copies of which are attached to the minutes, directed attention of the Board to pertinent benchmarks, and then answered questions from the board and the clerks present. Mr. Carter noted that fees were down significantly in the areas of real estate recordings and state court filings, but were up in magistrate court filings. There was no significant change in expenses. It was noted that investment gains year-to-date were \$537,999.75 as of March 31, 2011, as opposed to the same time period last year which had losses of \$1,136,823.34. On a motion by Williams, seconded by Glass, the Financial and Investment Reports as submitted were unanimously approved.

L. Ferber Buckley and Scott Olsen then presented the Money Manager Statement report for the period ending March 31, 2011. Mr. Buckley discussed the proposed changes to the Investment Policy. The board agreed to review the proposed changes and to be prepared to discuss and vote on the proposed changes at the August meeting.

Mr. Buckley then discussed the investment performance report that was distributed to the board. It was noted that the market value of the Fund assets was now close to \$89,000,000.00. Mr. Buckley discussed the Fund's portfolio performance as compared to benchmarks and answered questions from those present. Mr. Buckley then discussed some of the individual managers and discussed asset allocation.

Mr. Olsen then discussed proposals for reallocation of the Fund's assets. Mr. Olsen stated that due to the relative poor performance of bonds, the only way for the Fund to meet its investment return goals would be to increase its holdings in equities. Mr. Olsen recommended diversification of the Fund assets in order to increase the rate of return and to minimize risk. After discussing several scenarios, Mr. Olsen recommended that the board gradually reallocate assets in the Fund so that the Fund would hold 50% of its assets in bonds and 50% in equities. Mr. Olsen recommended that 10% of the Fund's assets be placed in international equities, 5% in a combination of small- and mid-cap stocks, and 35% in large cap stocks. Mr. Olsen stated that if the board approved such a reallocation, new managers would need to be selected and UBS could screen managers and bring in two candidates for each position for the board to interview. After discussion, the board voted unanimously to approve a motion by Brannon, seconded by Williams to accept the recommendation for reallocation. The board then voted unanimously to approve a motion by Abernethy, seconded by Williams to amend the Investment Policy to provide for 0-10% of the Fund assets to be held in small- and mid-cap stocks, 30-40% of the Fund assets to be held in large cap stocks, 5-15% of the Fund assets to be held in international equities, and 50% of the Fund assets to be held in Bonds.

