

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

October 4, 2012

The regular quarterly meeting of the Board of Commissioners of the Superior Court Clerks' Retirement Fund of Georgia was held on October 4, 2012 beginning at 10:30 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, Glass, Williams, and Caldwell. Board Member Brannon was present via telephone. Also present were Webster County Clerk and Retirement Liaison Tina Blankenship, Member Liaison Daniel, Secretary-Treasurer Carter, Ray Vuicich, a Senior Vice President of Investments for UBS, Fund employee Jennifer Kost, and Legal Counsel Jason Voyles.

Chairperson Studdard presided at the meeting and welcomed all present.

The minutes of the meeting of the May meeting had been distributed in advance and were re-distributed for review and were unanimously approved without any changes pursuant to a motion by Caldwell, seconded by Williams.

Ray Vuicich then presented the Investment Report. Mr. Vuicich first discussed second quarter numbers for 2012. He stated that at the end of the second quarter, the fund assets stood at \$84,102,818. The return for the second quarter was 2% and the return for the fiscal year ending June 30, 2012 was 3.85%. He reported that this was a good return as many portfolios were flat for the fiscal year. The calendar year return was 4.23% as of June 30, 2012.

Mr. Vuicich noted that Atlantis was 3.52% below its index and that UBS is looking closely at Atlantis. If Atlantis continues to underperform, then the Board may want to consider taking some of the funds allocated to Atlantis and transferring them to large cap value funds. This would not alter the overall allocation of the Fund, but would provide greater diversification of the Fund's portfolio.

Mr. Vuicich noted that Wells and Atlanta Capital were down slightly in the second quarter, but both had good returns since their date of inception. He further noted that Sage was doing an excellent job managing the bond portfolio.

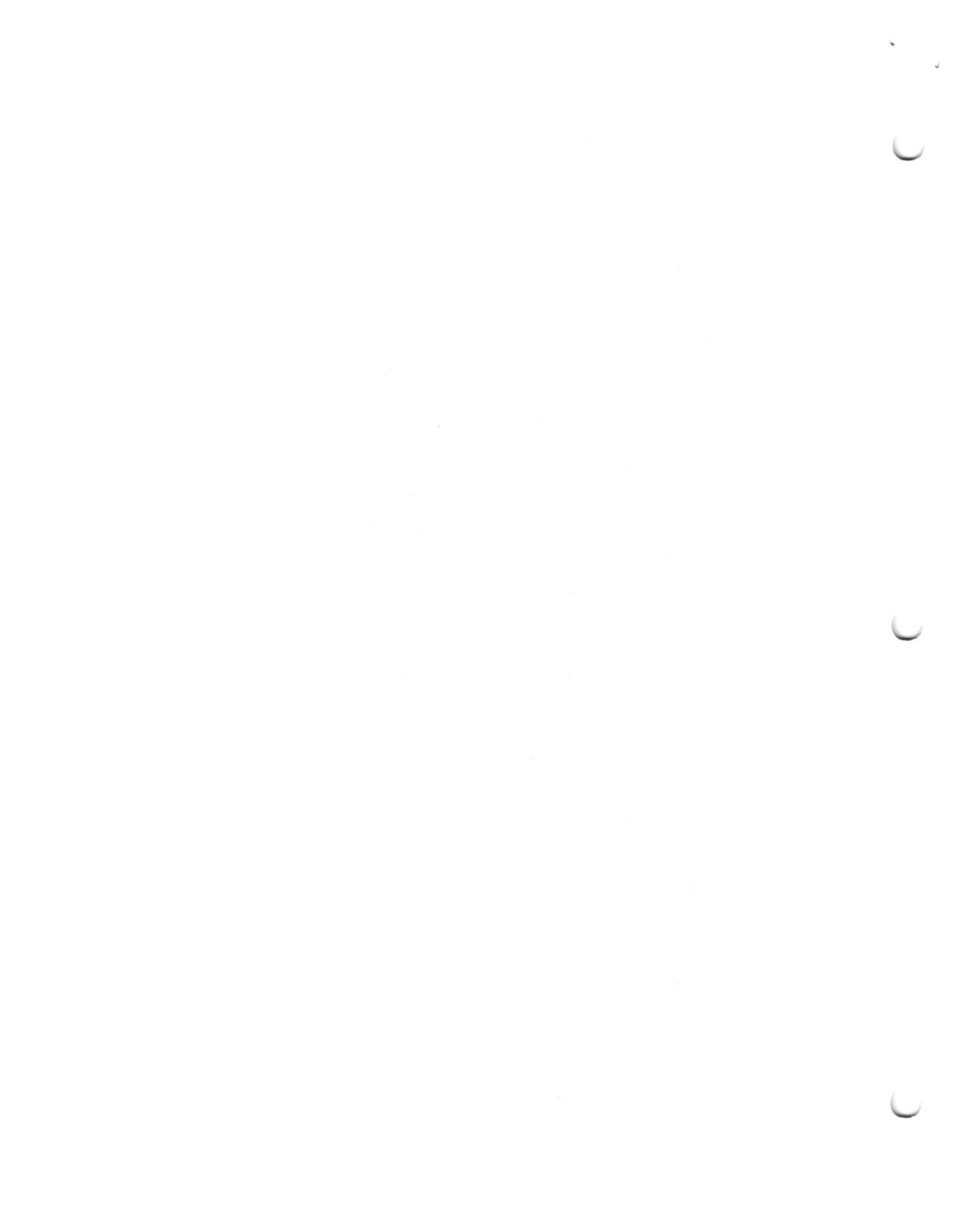
Mr. Vuicich then discussed some rough numbers for the end of September, 2012. He stated that the Fund value was approximately \$87,182,000, which gives an approximate rate of return of 4.95% for the quarter and around 8.5% for the calendar year. He will bring exact figures to the next meeting.

Mr. Vuicich then discussed the fact that UBS predicts a slight pullback in the market during the fourth quarter and he stressed the importance of diversification.

Mr. Vuicich then answered questions from the Board.

On a motion by Caldwell, seconded by Glass, the Investment Report was unanimously accepted as presented.

Bob Carter then presented Financial Reports, copies of which are attached to the minutes, directed attention of the Board to pertinent benchmarks, and answered questions from the Board. Mr. Carter noted that fees were still down in the areas of real estate recordings and filing fees in both superior and state courts. Mr. Carter noted that revenue for the fiscal year to date was down \$338,898, but the Fund still had a net income of \$629,838 for the fiscal year. Mr. Carter then discussed the financial reports for the time period from July 1, 2012 to August 31, 2012. He noted that fees continued to be down, but that this was a very short time frame. On a motion by Williams, seconded by Glass,



the Financial Reports as submitted were approved unanimously. Mr. Vuicich was then excused from the meeting.

The Membership Reports were then given by Woodson Daniel. Mr. Daniel noted that there were no new members during the second quarter. He stated that there were 13 retiring clerks during the quarter and that 14 clerks are facing opposing in November. There was no spouse activity during the second quarter. There are four clerks who are delinquent on their dues. The Board discussed the mandatory ACH provision that was adopted at the May, 2012 board meeting. Bob Cater was directed to send a notice and a copy of the May, 2012 minutes to all clerks informing them that the use of the ACH system is mandatory as of January 1, 2013, unless the clerk's dues are paid by the county or the clerk pays an entire year's dues by check.

On a motion by Williams, seconded by Brannon, the board voted unanimously to approve the Membership Report as presented.

Chairperson Studdard then discussed questions that had been sent in by clerks. The first question was whether a clerk must complete a full calendar year of service. The Board discussed the matter and directed Legal Counsel Voyles to respond to the clerk with the explanation of the Board's policy that no credit is given for partial years of service.

The Board then discussed the pop-up provision for clerks who have elected spousal benefits but whose spouse predeceases them. The Board directed Legal Counsel Voyles to draft a bill amending the current law and providing for the pop-up benefit for the Board to review at the next meeting.

On a motion by Williams, seconded by Glass, the Board voted unanimously to table the previously-proposed Board retreat.

The second question was whether state court clerks who took office in 2006 had to comply with the 2008 law requiring the new clerk training in order to receive credit. A quick review of the law showed that the provisions of O.C.G.A. § 47-14-77(c) stated that the requirement was only for clerks who became members on or after September 1, 2009.

Kerry Schmidt and his associates with Buck Consultants then made a presentation to the Board regarding the actuarial services they could provide to the Fund. They noted their experience with government plans and that they currently work with the Peace Officers' Fund, the Probate Judges' Fund, and Magistrate Judges' Fund. Mr. Schmidt took questions from the Board. Then, he and his associates were excused from the meeting.

The next meeting of the Board is on November 1, 2012 at 10:30 a.m. at the Fund offices. Meetings will also be held at the Fund office at 10:30 a.m. on February 7, 2013 and May 9, 2013.

The meeting was properly adjourned at 12:35 p.m.

Robert Carter, Secretary-Treasurer

