

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

**November 1, 2012**

The regular quarterly meeting of the Board of Commissioners of the Superior Court Clerks' Retirement Fund of Georgia was held on November 1, 2012 beginning at 10:50 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, and Williams. Also present were Member Liaison Daniel, Secretary-Treasurer Carter, Scott Olsen, a Senior Vice President of Investments for UBS, Fund employee Jennifer Kost, Fund actuary Jeffery Groves, Fund auditors Duane Schlereth and Beth Grimes of Bates Carter and Company, and Legal Counsel Jason Voyles.

Because there was not a quorum present, the meeting could not be properly called to order. Therefore, Chairperson Studdard appointed a committee consisting of Board Members Studdard, Glass, and Williams and authorized the committee to listen to reports and obtain information and use that information to make recommendations to the Board.

Chairperson Studdard welcomed all present.

The minutes of the meeting of the May meeting had been distributed in advance and were re-distributed for review. On a motion by Williams, seconded by Glass, the committee unanimously voted to recommend that the Board approve the minutes without any changes.

Scott Olsen then presented the Investment Report. Mr. Olsen first discussed the general economic environment. He stated that the fiscal cliff is still an issue, but that UBS believes that a compromise solution will be reached. UBS now predicts a 70% chance that the economy will continue a sluggish expansion and that the Fed will keep interest rates at zero percent. Mr. Olsen noted that fixed income rates are very low at present time and that 50% of the Fund's portfolio was in fixed income.

Mr. Olsen discussed third quarter numbers and stated that the fund assets stood at \$87,232,890 at the end of the quarter. The Fund's performance was compared to relevant benchmarks. He noted that Atlantis had a much better third quarter and was only slightly below its benchmark, but UBS was still monitoring Atlantis.

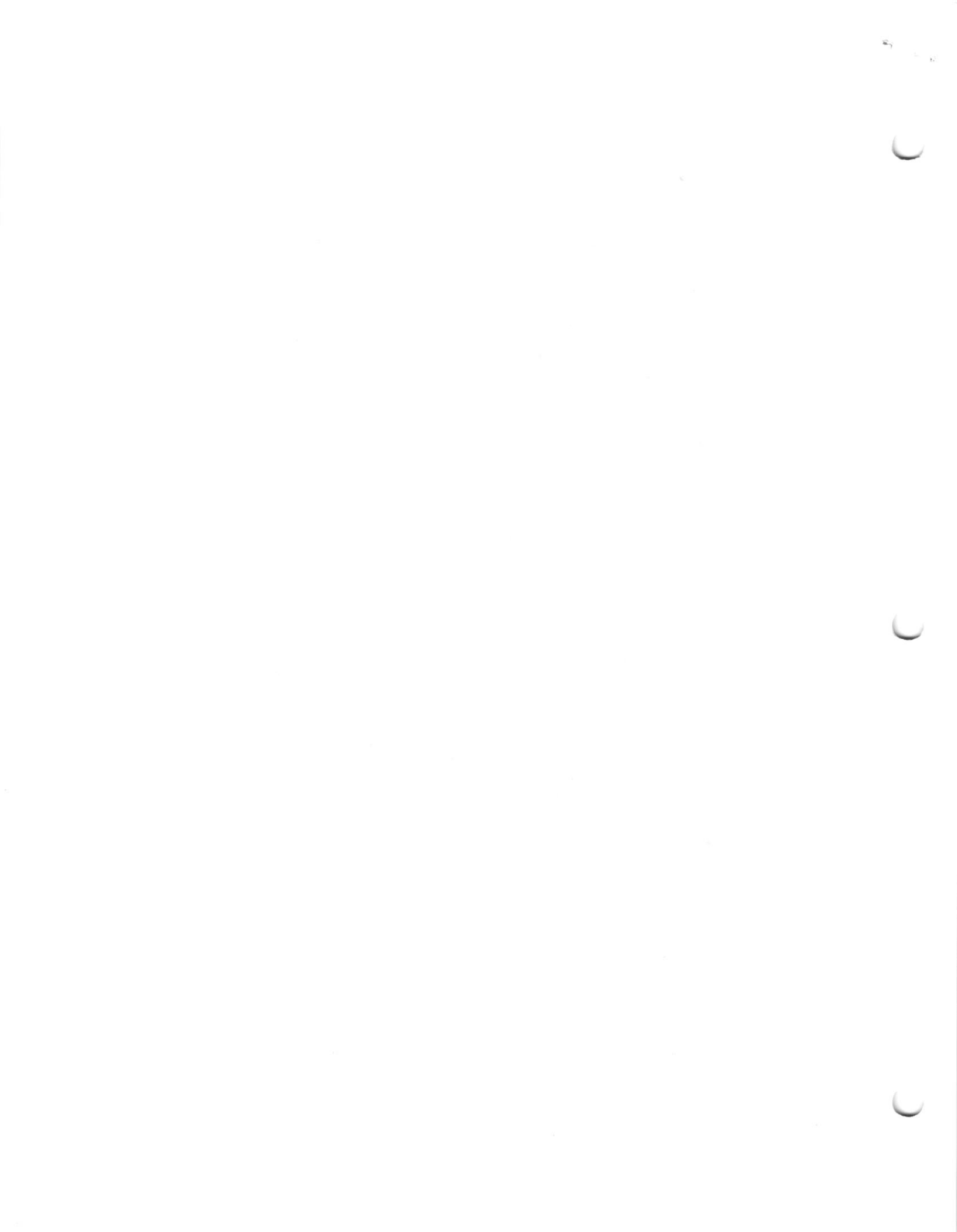
Mr. Olsen noted that the Fund would want to consider rebalancing its portfolio after the end of the year. He stated that at the moment UBS is comfortable with the allocation of the Fund's assets between fixed income and equities, especially given the fact that assets were recently reallocated from fixed income to equities. Mr. Olsen discussed dividend portfolios and outlined a mock preliminary search for large cap growth and value managers. Mr. Olsen answered questions from the committee.

On a motion by Williams, seconded by Glass, the committee unanimously voted to recommend that the Board approve the Investment Report as presented.

Mr. Olsen was then excused from the meeting.

Duane Schlereth and Beth Grimes then presented the Auditor's Report. They noted that the report was as of the end of the fiscal year on June 30, 2012 and uses accrual basis. There were no significant findings and they anticipate a clean audit report. Their report noted an increase in assets of a little over \$2,000,000 for the fiscal year. They complimented the Fund's management and staff for their organization and cooperation with the audit. They then took questions from the committee.

On a motion by Williams, seconded by Glass, the committee unanimously voted to recommend that the Board approve the Auditor's Report as presented.



Jeffery Groves then presented the Actuarial Report. He noted that his report was as of the end of the fiscal year on June 30, 2012 and uses the cash basis. He stated that income was slightly down as compared to the past few years and that during the last year his report strengthened the mortality assumption. He discussed the possibility of reviewing the assumptions about the years of service at retirement and age of death. He concluded the Fund was sound and in a position to support a COLA increase of 3% during 2012. Mr. Groves noted that the Fund was 113% funded, which is up from 109.7% funded in last year's report. Mr. Groves answered questions from the committee.

On a motion by Glass, seconded by Williams, the committee unanimously voted to recommend that the Board approve the Actuarial Report as presented, approve a 1.5% cost of living increase effective as of January 1, 2013, and approve a 1.5% cost of living increase effective as of July 1, 2013.

On a motion by Glass, seconded by Williams, the committee unanimously voted to schedule a conference call with the full Board so that the Board could vote on the cost of living increases before January 1, 2013.

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 beginning to stabilize. He noted that income was down as compared to last year, but some of this was due to the timing of sales of investments. He noted that all the clerks were getting their reports in on time.

On a motion by Glass, seconded by Williams, the committee unanimously voted to recommend that the Board approve the Financial Reports as presented.

Duane Schlereth, Beth Grimes, and Jeffrey Groves were then excused from the meeting.

The Membership Reports were given by Woodson Daniel. Mr. Daniel noted that there were no new members during the third quarter and there was no spouse activity. He noted that the Fulton County State Court clerk would be retiring in a few days and that there would be a number of retirements in January, but probably fewer than there were four years ago. He stated that there was only one member who was delinquent in paying his dues and that Woodson had already contacted this member and the member was going to be paying.

On a motion by Glass, seconded by Williams, the committee unanimously voted to recommend that the Board approve the Financial Reports as presented.

The meeting was properly adjourned at 12:05 p.m.

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Robert Carter, Secretary-Treasurer

