

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

**February 2, 2017**

The regular quarterly meeting of the Board of Commissioners of the Superior Court Clerks' Retirement Fund of Georgia was held on February 2, 2017 beginning at 11:10 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 Chairperson Studdard, Board Member Glass and Williams (who appeared via teleconference). Member Williams had to leave prior to the end of the meeting and Member Brown appeared via teleconference during the course of the meeting. Also present were Secretary-Treasurer Carter, Ray Vuicich, a Senior Vice President of Investments for UBS, Fund employees Judy Flourney and Kim Avery, Tina Robinson, who is the clerk of Fulton County, and Legal Counsel Jason Voyles.

Chairperson Studdard welcomed all present.

There was not a quorum present at the meeting. Therefore, Chairperson Studdard appointed a committee of those members present and authorized the committee to listen to reports and obtain information and use that information to make recommendations to the Board.

The minutes of the committee meeting held on November 3, 2016 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.

Joe Griffin and Stuart Sainvil with Buck Consultants then presented the actuarial report. The report noted that even with the cost-of-living adjustments given to retirees, the plan was over 100% funded. The report then discussed a plan experience study conducted by Buck Consultants that focused on the retirement rate. Buck Consultants recommended changing the retirement rate assumptions in order to more accurately reflect the retirement rates experienced by the Fund. Buck Consultants also recommended updating the mortality table used to the MP-2016 table. The result of this change would decrease the annual contribution required by the Fund from \$932,000 to \$173,000 and the plan would still be over 100% funded. On a motion by Williams, seconded by Glass, the committee unanimously voted to recommend that the Board update the retirement assumptions and mortality table as recommended by Buck Consultants.

The committee then asked Buck Consultants to review study the possibility of giving cost-of-living adjustments effective July 1, 2017 and January 1, 2018 of 1.5% each.

Joe Griffin and Stuart Sainvil were then excused from the meeting.

The committee then called in five firms one-at-a-time for presentations on managing a portion of the Fund's large cap holdings.

The first presenter was Jeff Layn with Clearbridge Investments. Clearbridge Investments is a large cap growth manager. It is a subsidiary of Legg Mason based out of New York and focuses on equities. It employs approximately 200 employees whose compensation is largely based on incentives over a longer period of time. Clearbridge Investments charges a 0.5% fee.

The second presenter was Chris Greco and Marty LaPrade with Sawgrass Asset Management, LLC. Sawgrass is a large cap growth manager. Sawgrass is an employee-owned firm based in Jacksonville, Florida. It serves approximately 100 municipal clients and focuses on a strong downside capture. Sawgrass charges a 0.6% fee.

At this point, Carolyn Williams had to leave the meeting and Carter Brown joined the meeting via teleconference.

The third presenter was William Conrad and Herb Zimmerman with Delaware Large Cap Value Trust. Delaware is a large cap value manager that was founded in 1929 and is a wholly-owned subsidiary of Macquarie Group based in Philadelphia. Delaware is comprised of nine independent investment groups. The large cap value strategy holds about 33 companies at roughly 3% each. The funds are held in a collective investment trust open only to retirement funds. Delaware charges a 0.55% fee.

The fourth presenter was Tim McCoy and Mark Duvall of the London Company. The London Company is a large cap value manager based in Richmond, Virginia that focuses on downside protection. It has a long-term focus and typically holds 30-35 stocks in a portfolio with an average turnover of 20%. It is an internally-owned company. The London Company charges a fee of 0.6% for an individual account.

The fifth presenter was James West and George Kirk of Green Square Asset Management. Green Square currently manages all of the Fund's large cap holdings. Green Square officially took over Atlantis Capital on November 1, 2016. It focuses on holding equal-weight of nine sectors and does not hold financials or real estate. It focuses on high dividend holdings and the portfolio is reconstituted quarterly. The fees charged are in the 0.4% - 0.5% range.

Each presenter left materials with the committee members. On a motion by Glass, seconded by Brown the committee unanimously voted to distribute the materials to all Board members and have the Board select one large cap value manager, one large cap growth manager, and Green Square to each manage approximately one-third of the Fund's large cap holdings.

Ray Vuicich then presented the Investment Report. He discussed the managers who had just made presentations and answered questions from the committee. The Fund's assets stood at approximately \$103 million at the end of the quarter. The Fund's return was slightly down for the last quarter, but was right on the benchmark.

Mr. Vuicich was then excused from the meeting.

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

Secretary-Treasurer 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 total revenue was down slightly mainly due to lower stock dividends. He noted that expenses were being held in check well.

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

Legal Counsel Voyles then reported on the request by Linda Pierce for credit for her military service. Mr. Voyles pointed out that O.C.G.A. § 47-14-70(a) requires that such service be during a time of armed conflict in order to be creditable service. He also noted that 32 C.F.R. § 47.3 defines an armed conflict as, "A prolonged period of sustained combat involving members of the U.S. Armed Forces against a foreign belligerent. The term connotes more than a military engagement of limited duration or for limited objectives, and involves a significant use of military and civilian forces." Mr. Voyles noted that the Board had requested that Ms. Pierce provide evidence that her service was during a time of armed conflict and the Board had not yet received any such evidence. The committee instructed Mr. Voyles to write a letter to Ms. Pierce again asking her to provide evidence that her service was during a time of armed conflict.

The committee then reviewed the list of 2016 retirees. On a motion by Glass, seconded by Brown the committee unanimously voted to recommend that the Board approve the list of retirees.

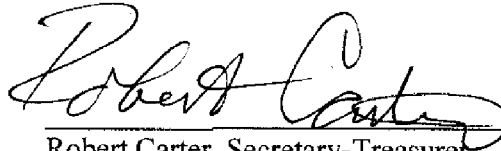
Chairperson Studdard then reminded everyone that there was a training session in March.

Secretary-Treasurer Carter then gave the Membership Report. He noted that there were five new clerks, one of whom had purchased four years of deputy clerk service. There are 146 active clerks, 122 of whom are on automatic payment. There were no deaths during the last quarter and there are no delinquent dues.

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

The next meeting is scheduled for May 4, 2017 at 11:00 a.m.

The meeting was properly adjourned at 2:18 p.m.



Robert Carter, Secretary-Treasurer

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