

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

May 10, 2012

The regular quarterly meeting of the Board of Commissioners of the Superior Court Clerks' Retirement Fund of Georgia was held on May 10, 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, Abernethy, Williams, and Caldwell. Also present were 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.

Chairperson Studdard presided at the meeting and welcomed all present.

The minutes of the meeting of the February 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 Abernethy.

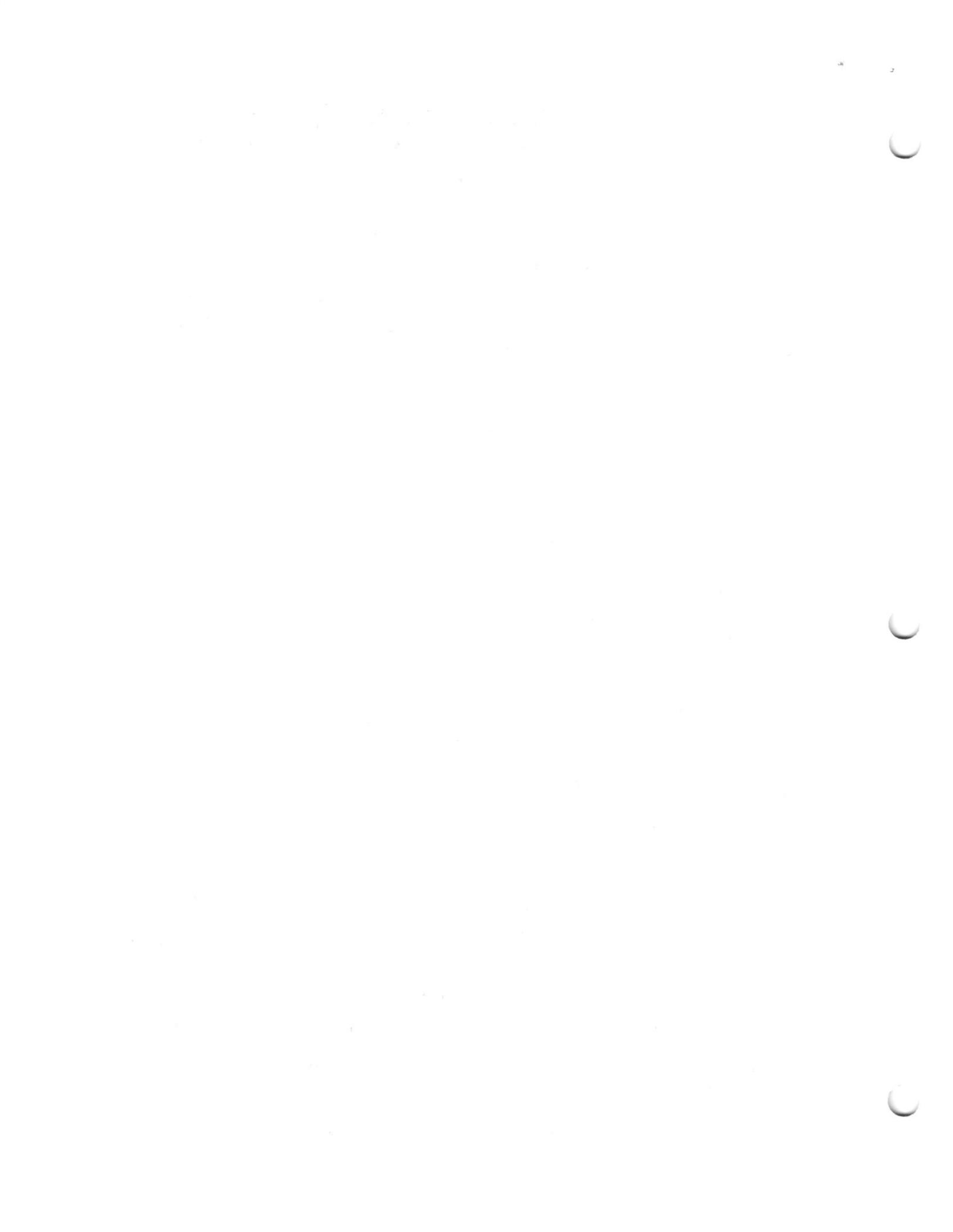
L. Ferber Buckley and Scott Olsen then presented the Investment Report. Mr. Buckley noted that all of the previously-approved transfers of funds had now been completed and the Fund allocation was consistent with the policy adopted by the Board.

Scott Olsen gave a report of the first quarter of 2012. He noted that equity markets were basically flat in 2011 and fixed income was up in 2011. He stated that the equity markets had increased markedly during the first quarter of 2012 and were up about 12.5% for the quarter. However, bonds were relatively flat during the first quarter of 2012. He stated that the current forecast for domestic growth of GDP for 2012 was in the 2% - 2.5% range. This might lead to muted returns for the remainder of the year.

Mr. Buckley then gave a report on the Fund assets. He stated that the first quarter return was 6.5% and the return for the fiscal year to date was 6.05%. He noted that Atlantis was underperforming due to some bad previous quarters. Mr. Buckley stated that UBS is monitoring Atlantis, but there is no reason for concern at the moment. Mr. Buckley then discussed enhanced dividend managers, who buy high dividend stocks, which currently are returning around 3.79%. Mr. Buckley said that the Fund does not need to explore this at the moment, but in the future, if cash flow becomes an issue, the Fund may want to look at shifting some assets from large cap or the S&P fund to an enhanced dividend manager. Mr. Buckley noted that in the future, the return on fixed income will be in the 3% - 3.5% range rather than the 7% that the Fund has experienced recently. He stated that due to the relatively low assumed actuarial rate of 5% used by the Fund, the current mix of 50% in equities and 50% in bonds would continue to be a good one for the Fund. He noted that the Fund assets had increased about \$5,000,000 in the first quarter and now totaled \$86,177,969 as of the end of the first quarter 2012. He also noted that currently the cash flow coming into the Fund is more than enough to cover the benefits paid out by the Fund, meaning that the Fund does not have to dip into principal to pay benefits and this puts the Fund on very solid financial footing.

Mr. Buckley and Mr. Olsen then answered questions from the Board.

Mr. Buckley next presented a legislative report and discussed Senate Bill 402, which was recently passed into law. This bill allows large retirement systems to invest in alternate investment strategies, such as real estate investment trusts, high yield bonds, and private funds. The bill limits such investments to 5% of the retirement fund. Mr. Buckley stated that UBS does not recommend these investments for the Fund. In addition to the risk of the investments, these investments can present significant liquidity issues as most have a multi-year lock up period and then require that any withdrawals be made on a gradual basis.



Mr. Buckley noted that the performance of the Fund was above that of other retirement funds. He also stated that, pursuant to the Board's request, UBS would begin providing a bond maturity schedule and cash flow statement in its future reports.

On a motion by Caldwell, seconded by Williams, the Investment Report was unanimously accepted as presented. Mr. Buckley and Mr. Olsen then were excused from the meeting.

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 \$316,678 and this was due mainly to less interest on bonds held by the Fund. The Fund's expenses were roughly in line with prior years; however, benefits paid out are up slightly. Mr. Carter noted that net income was down \$444,345.41 from last year, but that realized gains totaled \$1,874,522.12 for the fiscal year to date. On a motion by Williams, seconded by Caldwell, the Financial Reports as submitted were approved unanimously.

The Membership Reports were then given by Woodson Daniel. Mr. Daniel noted that there were no new members, no retiring members, and no spouse activity during the first quarter. He also noted that there were no delinquent dues. The Board expressed its appreciation to Mr. Daniel for his efforts in eliminating delinquent dues. Mr. Daniel then stated that 135 of the 170 clerks were paying dues by ACH, 20 were paying by check, 12 had their dues paid by the county, and 3 clerks were not members of the Fund.

The Board then discussed making the ACH payment system mandatory. On a motion by Caldwell, seconded by Glass, the Board unanimously adopted the following resolution:

Resolved, that beginning on January 1, 2013, all clerks who pay dues on a monthly basis and whose dues are not paid by the county where they serve as clerk must pay dues through the ACH system.

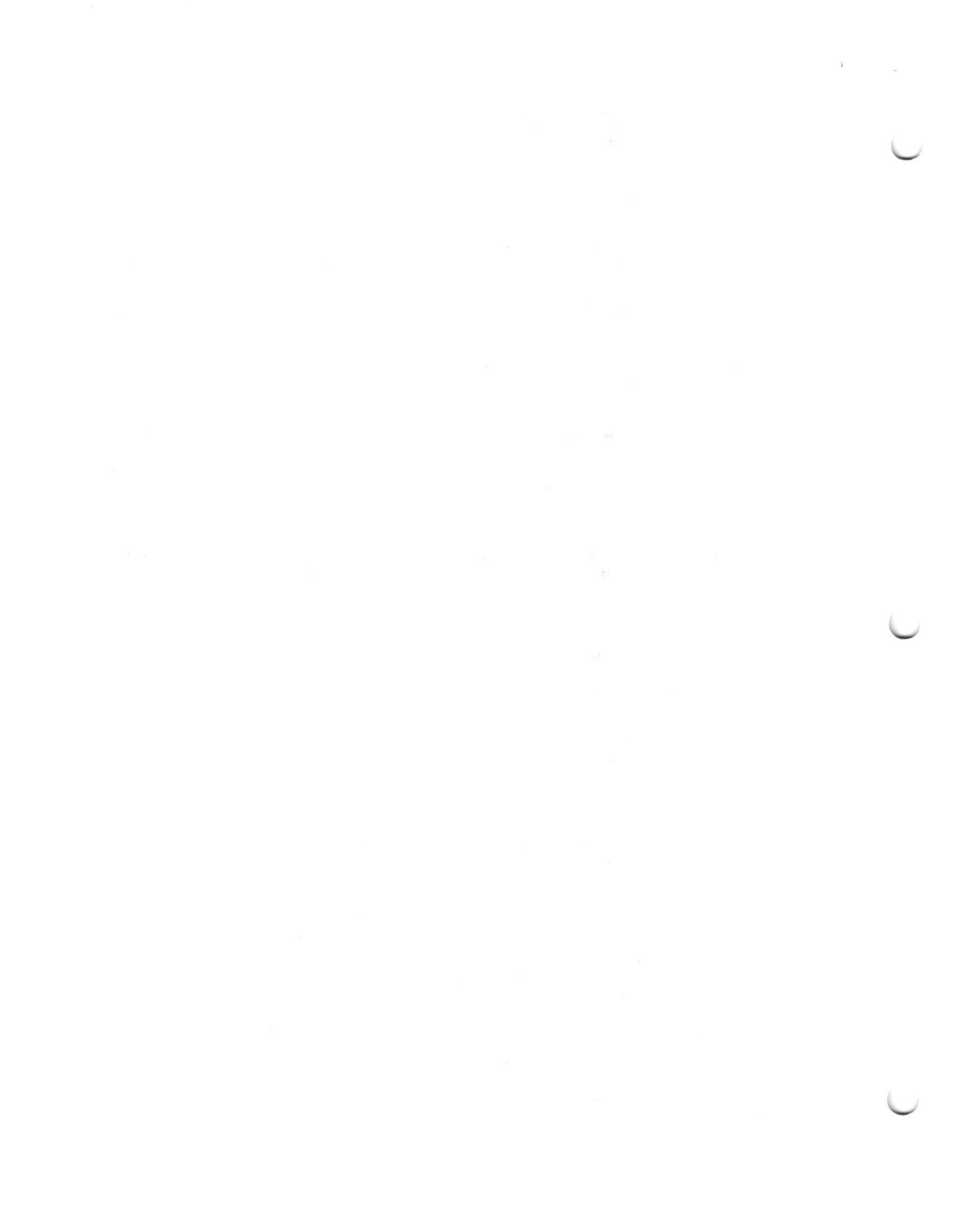
On a motion by Williams, seconded by Abernethy, the board voted unanimously to approve the Membership Report as presented.

In order to facilitate the schedule, the discussion of the Board's legal counsel was moved to the end of the meeting.

Chairperson Studdard then discussed the Board retreat. The Board decided to meet for two nights at Stone Mountain and discuss updating the code sections governing the Fund. Possible dates for the retreat will be sent out after qualifying ends. The possibility of holding the next quarterly board meeting on the last day of the retreat was discussed and, depending on the dates of the retreat, the Board might hold the meeting at the retreat.

Chairperson Studdard then raised the issue of the definition of a "year" for the purpose of calculating benefits. Legal Counsel Voyles distributed a draft amendment to the Fund's Rules and Regulations, which reflected the current policy. The Board then discussed the possibility of giving credit for partial years of service. On a motion by Caldwell, seconded by Glass, the Board voted unanimously to table the amendment so that the issue could be discussed in detail at the Board's retreat.

Secretary-Treasurer Carter then presented the budget for fiscal year 2013, a copy of which is attached to these minutes. The budget includes a 1.5% cost of living increase for retirees. Mr. Carter discussed the differences in expenses and revenues from past years and answered questions from the Board. On a motion by Caldwell, seconded by Abernethy, the Board voted unanimously to approve the fiscal year 2013 budget as presented.



The Board then discussed the dates for the upcoming quarterly meetings. On a motion by Caldwell, seconded by Glass, the Board voted unanimously to move the next quarterly meeting to August 1, 2012 at 1:30 p.m. On a motion by Abernethy, seconded by Williams, the Board voted unanimously to approve the following dates for the quarterly meetings of the Board: November 1, 2012; February 7, 2013; and May 2, 2013; with each of these meetings beginning at 10:30 a.m.

Cathy Brooks, a Fund employee, then entered the meeting and gave an update on the website. Ms. Brooks stated that the site would give users the ability to create a log-in and pull up their own information, including training information. This feature is not yet completed, but Ms. Brooks stated that she could send out instructions once the feature was active. Cathy Brooks then departed.

The Board then desired to discuss the selection of legal counsel. Legal Counsel Voyles departed the meeting at 12:18 p.m. so that the board could discuss the selection of legal counsel. On a motion by Caldwell, seconded by Glass, the board voted unanimously to approve Jason Voyles as Legal Counsel for the Fund.

A handwritten signature in cursive script, appearing to read "Robert Carter", written over a horizontal line.

Robert Carter, Secretary-Treasurer

