

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN  
BOARD OF TRUSTEES MEETING  
October 22, 2015**

**Members Present:** Jeannett Cudmore, Chief Financial Officer  
Lt. Edward Evans, Sheriff's Office Representative  
Dr. Tracy Harris, Citizen Representative

**Others Present:** Susan Sabo, Plan Administrator  
Karen Gates, Recorder  
Jeff Seibel, Morgan Stanley

**Members Absent:** Dr. Rebecca Bridgett, County Administrator  
Captain Terry Black, Sheriff's Office Representative

**CALL TO ORDER**

The meeting was called to order at 1:02 p.m.

**ACCEPTANCE OF THE AGENDA**

The agenda was accepted as presented by Sue Sabo.

**APPROVAL OF MINUTES**

Lt. Evans made a motion, seconded by Jeannett Cudmore, to approve the August 27, 2015 meeting minutes. Motion carried.

**MORGAN STANLEY UPDATE**

**Performance Management Report for the Period Ending September 30, 2015**

Jeff Seibel from Morgan Stanley provided a Performance Measurement Report for the period ending September 30, 2015. The Combined Account was down -5.73% for the quarter. The Domestic Equity portfolio was down -8.55% for the quarter. The International Equity was down -9.56% for the quarter. The Fixed Income portfolio was down -3.34% for the quarter. The Real Estate portfolio was up .52% for the quarter. The Hedge Funds & Private Equity portfolio was down -0.22% for the quarter. The beginning market value of the Plan was \$67,661,746 and the ending Market Value of the Plan was \$64,259,550. Investment earnings were down -\$3,978,041 for the 3<sup>rd</sup> quarter 2015. Even though the portfolio was down for the quarter, Morgan Stanley does not expect the next several quarters to be as volatile as the 3<sup>rd</sup> quarter 2015. Morgan Stanley noted the investment fundamentals have not changed and fund performance is in line with what the market is doing. Morgan Stanley does not want to make any tactical changes at this time.

### Watch List Update for Virtus Dynamic

Morgan Stanley will remove the Virtus Dynamic fund manager from the watch list.

### Search Results for International Equity Fund Manager

Wentworth Hauser continues to be on the watch list for the quarter. Morgan Stanley recommends replacing the Wentworth Hauser fund manager with the Cambiar International Equity fund manager. Cambiar has a knowledgeable and tenured research staff and the relatively small firm size results in efficient decision making from a portfolio management standpoint. In addition, Cambiar will complement the Thornburg International fund manager.

Morgan Stanley recommends establishing Cambiar as the replacement manager for Wentworth Hauser and moving the balance of \$1.5 million from Wentworth Hauser to Cambiar. In addition, Morgan Stanley recommends moving \$3.9 million from the EAFE fund to the Cambiar fund.

Lt. Evans made a motion, seconded by Tracey Harris, to establish Cambiar as the replacement manager for Wentworth Hauser, to move \$1.5 million from Wentworth Hauser to Cambiar, and to move \$3.9 million from EAFE to Cambiar. Motion carried.

### Search Results for Small Cap Manager

Currently the Plan has 2.9% (or \$1,853,595) allocated to the iShares S&P 600 Small Cap fund. Morgan Stanley recommends replacing the iShares S&P 600 Small Cap manager with the Clarkson Capital Partners manager due to Clarkson's fund performance.

Tracey Harris made a motion, seconded by Jeannett Cudmore to move \$1,853,595 from the iShares S&P 600 Small Cap fund to the Clarkson Capital Partners fund. Motion carried.

### Agenda for January 2016

Morgan Stanley will present the 4<sup>th</sup> quarter 2015 performance management report.

### **SORP MEETING SCHEDULE FOR 2016**

Sue Sabo presented the SORP Meeting Schedule for 2016. Jeannett Cudmore made a motion, seconded by Tracey Harris, to approve the 2016 SORP Meeting Schedule.

### **Administrator's Report**

#### **BILLS PAID SINCE LAST MEETING:**

DATE	PAYEE	TYPE SERVICE	AMOUNT
09/23/15	Whiteford, Taylor & Preston	Professional services rendered through 08/31/15.  Address Bolton Partners questions regarding Qualified Domestic Relations Order.	\$ 1,225.00

		<p>Review DROP materials for presentation to the SORP Board of Trustees.</p> <p>Prepare for SORP Board of Trustees meeting and attendance at meeting.</p>	
09/17/15	Bolton Partners	<p>Professional services rendered through 08/31/15.</p> <p>DROP Study</p> <p>Benefit Calculation (Belleavoine)</p>	<p>\$ 5,115.00</p> <p>\$ 226.00</p>
10/05/15	Whiteford, Taylor & Preston	<p>Professional services rendered through 09/30/15.</p> <p>Review Sheriff's Office Retirement Plan to confirm that there is no exclusion from disability benefits for deputy trainees.</p> <p>Answer questions regarding disability benefits for academy trainee.</p>	\$ 350.00
<b>TOTAL:</b>			<b>\$ 6,915.00</b>

**NEXT MEETING**

The next meeting is scheduled for Thursday, November 19, 2015.  
No meeting in December 2015.

**ADJORNMENT**

The meeting adjourned at approximately 1:40 p.m.

Respectfully submitted,

Karen Gates  
SORP Plan Coordinator

APPROVED:

Dr. Rebecca B. Bridgett  
Chair