

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN
BOARD OF TRUSTEES MEETING
February 28, 2013**

Members Present: Elaine Kramer, Chief Financial Officer
Captain Terry Black, Sheriff's Office Representative
Sergeant Edward Evans, Sheriff's Office Representative
Susan Sabo, Acting County Administrator

Others Present: Karen Gates, Benefits Coordinator
Jeff Seibel, Morgan Stanley

Absent: Doug Ahearn, Citizen Member

CALL TO ORDER

The meeting was called to order at 1:12 p.m.

ACCEPTANCE OF THE AGENDA

The agenda was accepted as presented by Sue Sabo.

APPROVAL OF MINUTES

Elaine Kramer made a motion, seconded by Terry Black, to approve the January 24, 2013 meeting minutes. Motion carried.

MORGAN STANLEY UPDATE

Investment Policy Statement

Jeff Seibel continued the discussion from the January 24, 2013 meeting regarding the recommended changes to the Investment Performance Statement's strategic target asset allocation and its allowable investment ranges. Jeff Seibel stated that the main purpose of the changes were to clarify the asset allocation. The strategic allocation doesn't change; the Plan is still targeting 48% towards Global equity, 17% towards alternatives and 35% towards fixed income which still keeps the Plan in line with what its target policy is; which is about a 65% of the portfolio toward the growth equity alternative bucket and 35% towards the fixed income more conservative cash bucket.

The Board reviewed and discussed the Investment Policy Changes as presented by Morgan Stanley. Elaine Kramer made a motion, seconded by Edward Evans to ratify changes to the Investment Policy Statement as presented by Jeff Seibel of Morgan Stanley.

Vote to Add 2.5MM to the Millenium Strategic Capital Hedge Fund

Jeff Seibel presented a copy of the prospectus for the Millenium Strategic Capital Hedge Fund. Mr. Seibel recommended adding 2.5 million to the Millenium fund to replace the MS Portable Alpha Fund which liquidated back in September 2012.

Millenium Strategic Capital Fund is an Equity Long/Short High Hedge Fund. The Fund's strategy is global and highly diversified, with a focus on investment strategies that exploit market inefficiencies to produce absolute return with low correlation to global capital markets.

The Board reviews the Millenium Strategic Capital Fund prospectus. Terry Black made a motion, seconded by Elaine Kramer to add \$2.5 million to the Millenium Strategic Capital Hedge Fund to replace the liquidated

position of the MS Portable Alpha Fund. All in favor, motion carried.

Plan of Action for May 2013 Meeting

1. Present results of International Manager search to replace EAFE Index allocation and vote on any proposed changes.
2. Review and/or propose changes to the fund managers on the watch list (Allegiance Capital, Calamos Growth, and Hatteras Multi Strategy).

ADMINISTRATOR'S REPORT

Bills paid since last meeting:

1/21/13	Bolton Partners	Consulting services for month ending 12/31/12 (Benefit conversion factors)	\$ 1,077.50
1/30/13	St. Mary's County Government	Reimburse the County for payment of LGIT invoice #109909, dated 7/20/12. \$5,000 is the legal fee deductible in the James Wathen case.	\$ 5,000.00
2/12/13	RCM&D	Fiduciary Insurance for the period of 2/16/13 – 2/16/14.	\$ 8,278.00
		TOTAL:	\$14,355.50

NEXT MEETING

The next meeting is scheduled for Thursday, April 25, 2013.

ADJORNMENT

The meeting adjourned at approximately 1:58 p.m.

Respectfully submitted,

Karen Gates
Recorder

APPROVED:

Susan L. Sabo
Chair