

**ST. MARY'S COUNTY SHERIFF'S OFFICE RETIREMENT PLAN  
BOARD OF TRUSTEES MEETING  
August 26, 2010**

**Members Present:** Elaine Kramer, Chief Financial Officer  
Doug Ahearn, Citizen Member  
Captain Terry Black  
Sergeant Edward Evans

**Members Absent:** John Savich, County Administrator

**Others Present:** Susan Sabo, Plan Administrator  
Karen Gates, Benefits Coordinator  
Michael Hollycross, Morgan Stanley  
Drew Romans, Morgan Stanley

**Others Absent:** David Weiskopf, Deputy County Attorney

**CALL TO ORDER**

The meeting was called to order at 2:00 p.m.

**ACCEPTANCE OF THE AGENDA**

The agenda was accepted as presented by Elaine Kramer.

**APPROVAL OF MINUTES**

Captain Terry Black made a motion, seconded by Sgt. Edward Evans, to approve the June 24, 2010 meeting minutes. Motion carried.

**WELCOME DOUG AHEARN, CITIZEN REPRESENTATIVE**

Elaine Kramer introduced Doug Ahearn, the new citizen representative of the St. Mary's County Sheriff's Office Retirement Plan Board of Trustees. Mr. Ahearn began his initial three year term on July 1, 2010.

**PRESENTATION BY MORGAN STANLEY – 2<sup>ND</sup> QUARTER FINANCIAL UPDATE**

Mike Hollycross from Morgan Stanley gave a brief presentation of the Plan's performance as of quarter ending June 30, 2010. As of June 30, 2010, the combined account portfolio was down -1.75%. Realized / Unrealized losses for current quarter were -\$1,591,893 and -\$769,032 YTD. Mike recommended maintaining a defensive position for investing in a secular bear market: 1) equity exposure should be altered, 2) think globally, and 3) the commodity cycle is still in a secular bull market.

The current managed futures investments in Chesapeake and Mark J. Walsh are being eliminated by their respective general partners effective 9/30/2010. Morgan Stanley gave a brief presentation about using managed futures in an investment portfolio.

Mike Hollycross gave a review and recommendation of changes to the managed futures component of the SORP portfolio. Following the termination of the Chesapeake and Mark J. Walsh funds, Morgan Stanley is recommending the retention of funds managed by ACL and Orion. The managed futures component will be represented by an equal mix of ACL, Orion, and Strategic Alternatives.

Doug Ahearn made a motion to approve Morgan Stanley's recommendation to rebalance the SORP portfolio and invest in the two new funds (ACL & Orion), seconded by Captain Terry Black. Motion carried.

**OTHER ITEMS**

Sue Sabo announced that Tom Lowman and Mark Kelbaugh from Bolton Partners would attend the October 28, 2010 meeting to the present the draft SORP Actuarial Presentation as of July 1, 2010.

**ADMINISTRATOR'S REPORT**

Bills paid since last meeting:

07/01/10	Zauner & Associates, PA	Professional services (Morley disability retirement)	\$ 48.00
07/9/10	Whiteford, Taylor & Preston L.L.P.	Professional Services through 6/30/10 (review of QDRO's)	\$ 544.00
07/19/10	Bolton Partners	Consulting services for month ending 6/30/10 (benefit calculations)	\$ 335.00
08/12/10	Bolton Partners	Consulting services through 7/31/10 (benefit calculation for Bowes refund; valuation preparation)	\$2,425.00

**NEXT MEETING**

The next meeting will be held on Thursday, September 23, 2010.

**ADJORNMENT**

The meeting adjourned at approximately 3:16 p.m.

Respectfully submitted,

APPROVED:

Karen Gates  
Benefits Coordinator

John W. Savich  
Chair