

# Monroe County Employees Retirement System

840 South Roessler Street, Monroe, MI 48161-1557 (734) 241-1174



## Monroe County Employees Retirement System Board of Trustees SPECIAL MEETING MINUTES

A special meeting of the Monroe County Employees Retirement System Board of Trustees was held on Tuesday, August 19, 2014 at the Mary K. Daume Library Service Center at 840 South Roessler Street, Monroe, Michigan.

Roll call as follows:

### PRESENT

Nancy Bellaire  
Michael Grodi  
Joseph Hudson

George Jondro  
Anne McCarthy  
James Morgan

### ABSENT

James Davies  
Bobby Lambert  
Henry Lievens

ALSO PRESENT: Sandy Calkins, Retirement Specialist and Michael Cho, Investment Consultant.

A quorum being present, the Board proceeded to transact business.

Chairman Grodi led the Pledge of Allegiance.

Motion by Trustee McCarthy to approve the agenda as submitted. Supported by Trustee Jondro. All in favor. Motion carried.

**Citizens Time** - None

### Large Value Finalist

Delaware Investments – Marcus Anderson and Patrick Foley

Delaware Investments are located in Philadelphia, Pennsylvania and has \$181.6 billion assets under management. The company was founded in 1929 and Macquarie Group is the parent company. According to their investment philosophy Delaware Investments believe stock prices are influenced by human emotion and crowd psychology. They seek to capitalize on discrepancies between estimated intrinsic value and price, typically seeking to buy at time of excessive pessimism and sell at time of undue optimism. The fee is 47 basis points.

Hancock Horizon Investments – David Grissett and David Lundgren

Hancock Horizon Investments are located in Gulfport, Mississippi and has \$5.4 billion assets under management. The company was founded in 1899. According to their investment philosophy Hancock Horizon Investments seek to produce long-term financial well-being without exposing client portfolios to excessive risk. The focus for investment management is to outperform the respective benchmarks on a long-term basis while minimizing the risk profile of the portfolio through issue and sector diversification. The fee is 47 basis points.

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Herndon Capital – Derik Coffey and Marc Sydnor

Herndon Capital is located in Atlanta, Georgia and has \$10.28 billion assets under management. The company was founded in 2001 and is an affiliate of the Atlanta Life Financial Group. According to their investment philosophy Herndon Capital identifies stocks based upon relative value versus the other stocks in the Russell 1000 universe. They combine fundamental analysis in a valuation-oriented framework with risk assessment. They do not want to own stocks merely because they appear cheap. They screen the value candidates for performance-based characteristics to avoid value traps. The stocks tend to have low valuations metrics, but they also have sound fundamental characteristics, hopefully leading to outperformance as their value is recognized in the market. The fee is 47 basis points.

Seizert Capital – Charles Schmidt and Chris Heatley

Seizert Capital is located in Birmingham, Michigan and has \$5.3 billion assets under management. The company was founded in 2000. According to their investment philosophy Seizert Capital believe that market inefficiencies can cause undervaluation for quality companies that can be systematically uncovered. They focus on intrinsic value and consider stocks that they believe sell at a significant discount of estimated intrinsic value. They have developed a disciplined process that relies on quantitative models and fundamental analysis to help identify what they consider the most attractive candidates. The investment team uses the information to create portfolios that seek to provide strong up/down capital and capital protection. The fee is 55 basis points.

Mr. Cho will complete a matrix and have it available next week.

**Trustee Comments** - None

Motion by Trustee McCarthy to adjourn. Supported by Trustee Morgan. All in favor. Motion carried. Meeting adjourned at 5:20 P.M.

Respectfully Submitted,

Michael Grodi, Chairman  
Monroe County Employees Retirement System  
Board of Trustees