

MINUTES

BOARD OF COMMISSIONERS OF THE MAGISTRATES RETIREMENT FUND OF GEORGIA

Monday, February 17, 2020
Griffin, Georgia

A regular meeting of the Board of Commissioners of the Magistrates Retirement Fund of Georgia was held on Monday, February 17, 2020 at 10:10 a.m. at the Peace Officers' Annuity and Benefit Fund of Georgia located in Griffin, Georgia.

I. CALL TO ORDER

A. Judge Tommy Bobbitt, Chairman, called the meeting to order at 10:00 a.m. The following is a listing of persons present at the meeting:

i. Board Members

- a. Judge Tommy Bobbitt, Chairman
- b. Judge Mary Kathryn Moss, Board Member
- c. Judge Rita Cavanaugh, Board Member
- d. Judge Connie Holt, Board Member
- e. Judge Berryl Anderson, Board Member
- f. Cody Whitlock, Board Member
- g. Tom Richardson, Attorney

ii. Financial Advisors

- a. Chad Smith, Morgan Stanley

II. APPROVAL OF MINUTES

A. Minutes

- i. Board Members reviewed the minutes from the November 18, 2019 Board Meeting. Judge Cavanaugh made a motion to approve the minutes. It was seconded by Judge Holt, and the minutes were unanimously approved.

III. REPORTS BY OFFICERS AND COMMITTEES

- A. Chad Smith of Morgan Stanley, presented an overall market review, the 4th quarter performance and a full year overview. It was a good quarter for the stock market. However, there is a lot of angst and consternation regarding the global trading market, and much of it is driven by the feds pivoting and raising short term interest rates. There's been a subtle move toward quantitative easing, with a lot of liquidity

in capital markets. The Magistrate Retirement fund is up 4.61% for the quarter and 21.5% for the year of 2019, well ahead of the actuarial assumption. The biggest contributor for the year at 38% is Atlanta Capital. Kayne Rudnick was implemented at the end of November 2019, and they are up 10% for the year. They came out of the gate strong. Mr. Smith recommended an asset allocation study given the nature of the market today. The corona virus will have an impact on the market but no one can predict to what extent. There was further discussion regarding the effect of the 2020 election on the market.

- B. Brandt Barlow presented the Financial Report for the quarter ending December 31, 2019. Judge Moss made a motion, seconded by Judge Holt, to approve and accept the report. The vote was unanimous.
- C. Judge Moss made a motion, seconded by Judge Holt, to go into Executive Session and the vote was unanimous.

Judge Moss made a motion to return to Open Session, seconded by Judge Holt, and the vote was unanimous.

IV. NEW BUSINESS

Consultant Proposals

Jim Fallon and Paul Troop of Callan were present to offer a proposal and a contract on behalf of Jim Fallon (Cambridge), Natixis and Callan.

Mr. Fallon stated he recently made a move to partner with Callan where the primary focus is institutional government accounts. He met with every other major firm before aligning with Callan. The Peace Officers' Fund recently brought him on board and he advised of a list representing 23 of the 50 states who also entrust their funds to Callan. The Callan UMA platform would allow money managers to reduce fees, and, as custodian, would hold the funds. In addition, they provide financial planning software at no cost.

Judge Moss questioned the number of layers necessary to do business with Mr. Fallon. Mr. Fallon clarified that he is a member of Callan Independent Advisory Group, and a registered investment advisor with Cambridge. Natixis serves as the Overlay Portfolio Manager. There are no contracts with individual money managers.

Mr. Fallon offered an overall quote of 21.53 basis points (with custodian).

Chad Smith of Morgan Stanley offered a proposal, stating he is already engaged with the fund and very thankful for the opportunity. Morgan Stanley offers a UMA

platform that is quite robust with managers well vetted by their team. Mr. Smith proposed a reduction in the current fee schedule, to include all costs of 0.59%. This assumes the continuation of services provided thus far which include asset allocation guidance (including a formal study), IPS guidance, unlimited manager evaluation, performance reporting and board education, and acknowledgement and acceptance of Fiduciary status and responsibility.

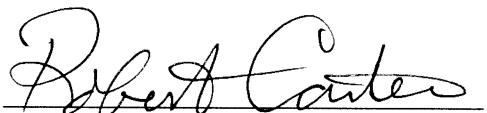
After discussion, Judge Moss made a motion, seconded by Judge Cavanaugh, to stay with Morgan Stanley as Consultant and Advisor to the Magistrate Retirement Fund of Georgia. The vote was unanimous.

Chairman Bobbitt advised Mr. Carter to direct Morgan Stanley to prepare an asset allocation study.

V. ADJOURNMENT

There being no further business to come before the Board, Judge Cavanaugh made a motion to adjourn at 1:40 P.M., seconded by Judge Holt, and the vote was unanimous.

Respectfully Submitted,

A handwritten signature in cursive script, reading "Robert W. Carter", written over a horizontal line.

Robert W. Carter
Secretary/Treasurer

The above and foregoing minutes were approved at the meeting held on the 18th day of May, 2020.