

**STATE OF DELAWARE**  
STATE BOARD OF PENSION TRUSTEES  
AND  
OFFICE OF PENSIONS  
MCARDLE BUILDING  
860 SILVER LAKE BLVD., SUITE 1  
DOVER, DE 19904-2402

**When Calling Long Distance**  
**Toll Free Number 1-800-722-7300**  
**E-mail: [pensionoffice@state.de.us](mailto:pensionoffice@state.de.us)**

**Telephone (302) 739-4208**  
**FAX # (302) 739-6129**  
**[www.delawarepensions.com](http://www.delawarepensions.com)**

**BOARD OF PENSION TRUSTEES**  
**MEETING MINUTES OF NOVEMBER 21, 2014**

The meeting of the Board of Pension Trustees was called to order by Suzanne Grant, at 9:00 a.m. in Delaware Conference Room in the Pension Office.

Trustees Present

Nancy Shevock  
Suzanne Grant  
Ann Visalli  
Art Agra  
Tom Cook  
Tom Shaw  
Helen Foster

Trustees Absent

Others Present

Dave Craik, Pension Office  
Terri Timmons, Pension Office  
Kathy Kunkle, Pension Office  
Amy Jozwiak, Pension Office  
Paul Roth, TBV Advisor  
Rob Gooderham, Ashford Consulting Group  
Sara Williams, Ashford Consulting Group  
Ann Marie Johnson, Deputy Attorney General's Office  
Jim Testerman, PAC  
Charlotte Lister, PAC

1. **OPENING COMMENTS**

S. Grant welcomed everyone to the meeting and announced that the December Board meeting will be held in Greenville.

2. **APPROVAL OF THE MINUTES**

The Trustees reviewed the Public Minutes of the October 31, 2014 meeting.

MOTION made by N. Shevock and seconded by T. Cook to approve the Public Minutes of the October 31, 2014 Board of Pension Trustees' meeting.

MOTION ADOPTED UNANIMOUSLY

The Trustees reviewed the Executive Minutes of the October 31, 2014 meeting.

MOTION made by N. Shevock and seconded by H. Foster to approve the Executive Minutes of the October 31, 2014 Board of Pension Trustees' meeting.

MOTION ADOPTED UNANIMOUSLY

3. **PENSION AUDIT REPORT**

A. Agra stated that the Audit Committee met last week. He also spoke about the GASB changes this year and how this has affected the completion of Comprehensive Annual Financial Report. The CAFR will be completed before the December Board meeting.

4. **PENSION ADVISORY COUNCIL**

C. Lister reported that the Council met on November 18<sup>th</sup> and elected officers for the CY 2015 and talked about their goals. As for the previous year the Council's two primary goals are a post-retirement increase for pensioners and the continued funding of medical benefits.

5. **PENSION ADMINISTRATOR REPORT**

D. Craik reported that the PeopleSoft upgrade is still on course.

Open enrollment for Medicare, for pensioners over 65, to choose a different prescription plan, is almost completed.

Medical Committee

D. Craik reported that as of January 1, 2015 The Hartford will take over all duties that DPERS Medical Committee oversaw. Discussion was held on dissolving the Medical Committee as of December 31, 2014. D. Craik also presented the Board with Resolutions for each of the Committee members and they will be presented to them at the December Board meeting.

MOTION made by N. Shevock and seconded by T. Cook to dissolve the Medical Committee as of December 31, 2014.

MOTION ADOPTED UNANIMOUSLY

MOTION made by S. Grant and seconded by A. Agra to honor the service given to DPERS of the members of the Medical Committee.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Shaw and seconded by N. Shevock to acknowledge the esteems service of Dr. William D. Shellenberger, as a member of the Medical Committee.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Shaw and seconded by N. Shevock to acknowledge the esteems service of Dr. Phyllis M. Smoyer, as a member of the Medical Committee.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Shaw and seconded by N. Shevock to acknowledge the esteems service of Dr. Charles S. Riegel, as a member of the Medical Committee.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Shaw and seconded by N. Shevock to acknowledge the esteems service of Dr. Robert B. Brereton, as a member of the Medical Committee.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Shaw and seconded by N. Shevock to acknowledge the esteems service of Dr. Ananth P. Nabha, as a member of the Medical Committee.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Shaw and seconded by N. Shevock to acknowledge the esteems service of Dr. G. Dean MacEwen, as a member of the Medical Committee.

MOTION ADOPTED UNANIMOUSLY

MOTION made by T. Shaw and seconded by N. Shevock to acknowledge the esteems service of Dr. Albert Gelb, as a member of the Medical Committee.

MOTION ADOPTED UNANIMOUSLY

6. **DEPUTY ATTORNEY GENERAL REPORT**

There was no new business to report.

7. **INVESTMENT COMMITTEE REPORT**

<b><u>Fund</u></b>	<b><u>Oct-14</u></b>	<b><u>Fiscal Year To Date</u></b>	<b><u>12-Month</u></b>
<b>Total Fund</b>	0.7%	<b>0.3%</b>	<b>10.3%</b>
<b>S &amp; P 500 Index</b>	2.4%	<b>3.6%</b>	<b>17.3%</b>
<b>60/35/5*</b>	<b>1.8%</b>	<b>0.1%</b>	<b>11.7%</b>
<b>Delaware</b>	<b>1.2%</b>	<b>2.6%</b>	<b>7.8%</b>
<b>Benchmark**</b>			

\*Benchmark mix of 60% S&P500 Index, 35% Barclays Government and Credit Bond Index, 5% T-bills.

\*\*Benchmark mix of 38% Russell 3000 Index, 20% MSCI ACWI exUS, 38.5% Barclays Universal Bond Index, 1.5% Barclays TIPS Index, 2% T-bills

Assets in the Fund at the end of October totaled \$9,143 million. The Fund's October return of 0.7% underperformed the Delaware Benchmark return. For the calendar year-to-date, the total Fund is up 7.4%, 1.7 percentage points above the Delaware Benchmark.

In October, markets showed a minor rebound after a weak September, notably due to volatility in Europe and the energy sector. The broad Russell 3000 equity index was up to 2.8%. Small cap stocks, measured by the Russell 2000 index, gained 6.6%, while MLPs fell due to energy sector concerns.

International Equity markets posted declines as the MSCI EAFE international stock index fell 1.5%, mainly due to currency. The broader MSCI All-Country World ex-U.S. stock index (which includes emerging markets) fell 1.0%.

Fixed income markets showed positive returns. The Barclays Universal bond index was up 1.0%, the JP Morgan Global High Yield index was up 0.9%, and the Barclays TIPS index increased 0.9%.

The Investment Committee has met once since the Board's last meeting.

At its meeting on November 18<sup>th</sup>, the Investment Committee heard a presentation by Fiona Liston, of the actuarial firm Cheiron, who reviewed results of the latest actuarial valuation as previously presented to the Board.

The Investment Committee also reviewed third quarter reporting for the Fund, derivative positions, the Volunteer Firefighter's Fund, and the Non-Traditional investments.

Under its authority to authorize transfer of securities for liquidation or write off, the Investment Committee authorized the transfer of a security from the Axiom account to the T. Rowe Price Global Growth account, subject to the execution of appropriate documentation.

The Investment Committee voted to recommend to the Board the following:

- Allocate up to \$25 million from Oaktree International to Sanderson International.

The next meeting of the Investment Committee will be December 16<sup>th</sup>.

MOTION made by T. Cook and seconded by T. Shaw to enter into Executive Session to consider pension personnel matters, and confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

The Board then moved into Executive Session to discuss pending personnel matters, and confidential medical records, legal matters, sensitive commercial information, proprietary business information, trade secrets and confidential financial information.

MOTION made by N. Shevock and seconded by T. Shaw to exit Executive Session.

MOTION ADOPTED UNANIMOUSLY

MOTION made by H. Foster and seconded by A. Agra to allocate up to \$25 million from Oaktree International to Sanderson International.

MOTION ADOPTED UNANIMOUSLY

8. **PENDING ITEMS**

There were no pending items.

9. **NEW BUSINESS**

There was no new business.

10. **ADJOURNMENT**

The next Pension Board meeting is scheduled to be held on December 9, 2014, at 9:00 a.m., at the Greenville Country Club.

At 11:10 a.m., there being no further business, MOTION was made by A. Agra and seconded by T. Shaw to adjourn the meeting.

MOTION ADOPTED UNANIMOUSLY

Respectfully submitted,

David C. Craik  
Pension Administrator