

BEDFORD COUNTY RETIREMENT BOARD  
May 10, 2019

A meeting of the Bedford County Retirement Board was held on Friday, May 10, 2019. The meeting began at 11:10 p.m.

Those present were: Commissioner Josh Lang; Commissioner Barry L. Dallara; Commissioner S. Paul Crooks; Melissa A. Cottle, Treasurer; Debra Brown, Chief Clerk; Mike Clapper, Finance Director; Christopher Lakatos, Senior Consultant of Cornerstone.

**Approval of Minutes:**

The minutes were approved as presented.

**Retirement Fund Flyer:**

Mr. Lakatos stated the numbers are good, close to 13 million on the Total Portfolio. He went of the numbers for the year-to-date and the quarterly figures.

**Index Flash Report:**

Mr. Lakatos highlighted the following:

- a. The Market Returns were up 60% year-to-date
- b. The International Market was on all of the accounts
- c. The Bond Market yields; only two were up from the last quarter

**Source Report:**

The S & P Dow Jones shows volatility is back and 28.60 on the returns.

**Gross Domestic Report:**

- a. The real gross domestic product jumped over 1% of the previous quarter
- b. The forecast report came in at 3.2%
- c. The personal consumption expenditures was cut in half from the 4<sup>th</sup> quarter to the 1<sup>st</sup> quarter

**Employment Situation:**

- a. The U.S. Bureau of Labor Statistics reports shows unemployment low and hard time finding employees

**Consumer Price Index vs Personal Consumption Expenditures:**

- a. CPI up 1.5% on all items; not raising rates, not expected to raise rates, earning are strong, holding off on trim back of equities
- b. PCE in at 1.5%

**U. S. Treasury Yield Curve:**

- a. The chart shows fixed income with 2 points of view: earning increase and long term lower than short term.

- c. The yield curve flattens out; inverted yield curve between 2 – 5 years, possible recession

**Cash Flow Summary:**

The first quarter ending March 31, 2019 ended at \$12,748,065 on the total portfolio.

**Historical Cash Flow:**

- a. Shows contributions up at \$2,722; withdrawals down at \$6,247; and change in market value as negative
- b. The ending market value has a 5% cash flow right now; gained 8.4 million, withdraws at 6.2 million, but still positive.

**Asset Allocation:**

The domestic equity is at 38.4% and the international equity is at 15.6% in ending weights.

**Net Portfolio Performance:**

All are up with returns at 8.94%

**Manager Performance:**

Benchmarked in all the top 3 quartiles except for Diamond Hill on excess returns

**Historical Net Performance:**

The draw downs on the net of fee returns comparison for 3 years up at 8% on the blended market

**Domestic Equity Performance Attribution:**

The Top 15 Index Contributors we all up in growth value at 4.2% for the first quarter

**Bedford County Blended BM:**

- a. Net of fee is at 6.5% on the scatter chart since its inception of October 1, 2012
- b. The return analysis the ranking at 9.02%; the median at 7.96%
- c. They have remained in the top quartile since 2012
- d. The risk analysis; beta is under benchmark and standard deviation is average
- e. The alpha is at .31% on the sector and the sharpe ratio is .89% - this is a measure of the risked adjusted returns on the portfolio
- f. The up market capture is almost 98% of the total market and the down market capture is down at 85% on the total market

**Old Business:**

There was no old business to discuss.

The meeting was adjourned at 12:04 p.m.