

BEDFORD COUNTY RETIREMENT ZOOM BOARD MEETING  
Meeting Minutes  
May 21, 2020

A meeting of the Bedford County Retirement Board was held on Wednesday, May 21, 2020. The meeting began at 1:30 p.m., via Zoom.

Those present were: Commissioner Josh Lang; Commissioner Deb Baughman; Debra Brown, Chief Clerk; Malcomb Cowen, II, President of Cornerstone; Christopher Lakatos, Senior Consultant of Cornerstone; and John Paul “JP” Cavaliere, Senior Consultant of Cornerstone.

**Approval of Minutes:**

The minutes were approved as presented.

**Retirement Fund Flyer:**

Mr. Cowen discussed the Capital Market and the changes since the pandemic began.

**Index Flash Report:**

Mr. Cowen highlighted the following:

- a. The Market Returns – reviewed the S & P; Capital Market up 30% compared to 2019
- b. The International Market commented on the decline on various values
- c. The Asset Allocation Returns – all down compared to year-to-date

**Source Report:**

The S & P Dow Jones shows fixed negative reports; down the first quarter. The fourth quarter is the same as it was in 2018. Commissioner Lang asked about the investment of BitCoin. Mr. Cowen stated he would investigate it and get back with him.

**Downtrend:**

COVID -19 has shut down across the globe on general trends.

**Lockdowns:**

The lockdowns on a 12-month basis; U.S. in the middle at 25%, impact on economies.

**Consumer Spending:**

- a. Retail down
- b. Unemployment off the board

**GDP Growth:**

- a. 11% decline annually

**Defaults:**

- a. Mr. Cowen gave an overview of how corporations have been affected, the strain on the system. Commissioner Lang asked if data affected companies. Mr. Cowen responded disrupted industry, mutual and retail impact on bonds. Commissioner Lang

also stated some business are open across the county and show an increase in business, a spike in sales at grocery stores, Walmart and Amazon.

**Negative Earnings:**

- a. Mr. Cowen reported on the S & P earnings

**Global Fiscal Response:**

- a. The chart was explained (Page 11); dark blue – conservative and light green – strong across the board
- b. Banks add volatility – efforts to put money back to work

**Fixed Income:**

Mr. Cowen discussed the Hedge funds and bonds across the globe and that fixed rates may a risk with government bonds.

**Bond Horizon:**

- a. The valuation of stocks and bonds; favor risky assessments over bonds

**Real Time Trackers:**

- a. Improvement demand changes building, flights, subway fares; people back into the economy
- b. Weekly distribution rate at slow decline, jobs updated – trend down, restaurants and mortgages – stronger growth number

**Cash Flow Summary – Chris Lakatosh:**

- a. Chris gave an overview of the 1<sup>st</sup> quarter ending March 31, 2020, the large cap values and on International Equity
- b. Withdrawals high
- c. Down 8%

**Historical Cash Flow:**

- a. Discussed contribution and distributions - retirement
- b. Reviewed Assets: income, contributions and withdrawals

**Asset Allocation:**

- a. An overview was given on the actual allocations for the quarter ending March 31, 2020

**Net Portfolio Performance:**

Off 15% in 1<sup>st</sup> quarter, holding values, better than Benchmark and outperformance on the downside

**Manager Performance:**

- a. Reviewed the Manager Matrix – Equity outperformed, Commodities under performed

**Historical Net Performance:**

- a. Largest drop since 2012

**Attributions:**

- a. Healthcare and Technology related
- b. Largest Fortune 500 companies
- c. S & P 5½% return

Commissioner Lang asked if there is any merit to low weight? Mr. Cowen responded economy risks could be involved

**Harbor: Cap:**

Reviewed weights – Harbor overweight, look for companies in the block change, they will check out the block changes

Commissioner Baughman noted that the reports are hard to see on computer screens.  
Commissioner Lang stated to add travel for the next meeting.

**Old Business:**

There was no old business to discuss.

The meeting was adjourned at 2.17 p.m.