

Retirement Board Zoom Meeting

March 26, 2020

Present: Commissioner Josh Lang, Commissioner Barry Dallara, Commissioner Deb Baughman, Melissa Cottle, Michael Clapper, Mr. Cowen, Mr. Lakatosh, Mr. Cavaliere, and Debra Brown.

Commissioner Lange called the meeting to order at 3:30 p.m.

Mr. Cowen noted that Cornerstone has an experienced team handling the accounts. He gave an update stating the emphasis on safe assets; cash and bonds are safe right now. The markets are doing well. He talked about the 2008 problems and the times of stress then as compared to now.

Mr. Cavaliere stated that news was good the last time we met. The last few weeks returns were up 32%, growth in 2008 – 2009 combined was globally sound.

Month to Date Index Performance:

Index Performance Quilt:

- a. U.S. Equity Market, International Equity Market and Fixed Income Markets – all down

Year to Date Index Performance:

Index Performance Quilt:

- a. U. S. Equity Market – Small cap down at 33.2%
- b. International Equity Market – S & P down at 29.3%
- c. International Equity Market – MSCI down at 25% - emerging market down at 25%
- d. Fixed Income Markets – Value up and growth down, flight to cash, Federal and Treasury step in – fixed income – beneficial this week, high yield better.

Impact on Global Economy:

- **Demand Shock:** restrictions, falling consumer demand
- **Supply Shock:** disruptions in supplies
- **Financial Market Shock:** falling oil prices; strong volatility

Mr. Lakatosh gave a brief overview of Maintaining Perspective & Discipline. Previously the S & P were all negative numbers. The next 12 months are positive with a mediocre ride on returns over the next 12 months. This is a recession; everything is closed, unemployment at an all time high, we are at a second negative right now.

Central Bank Playbook:

- 2020 compared to 2008
- What has been implemented – reverse effect

- Federal government implemented initiatives

Current Positioning:

- Initiative – Cornerstone is on target
- 2019 – 19.6% return
- Yesterday was off by 17% in 2020

Mr. Cowen reviewed Maintaining Perspective & Discipline (page 5). He noted once market hits bottom the next 12 months will be positive and will focus on next 12 months.

Commissioner Lang stated portfolio loss and hopes it comes back. Mr. Cowen stated some are worse than Bedford; he is confident in the market.

Mr. Lakatosh commented he sees increases in actual in the next 9 months, won't affect budget until 2021 – 2022.

Commissioner Dallara commented in the past week to previous 2 – to get people back to work, hoping to get back closer than we think.

Mr. Cowen stated activity will get back to people to feel safe. Get on top of the virus with discipline so it stays under control.

Commissioner Baughman thanked Cornerstone for the positive spin with the meeting.

Mr. Lakatosh noted that they would keep everyone updated as the market changes.

Meeting closed at 3:55 p.m.