Minutes of the Lehigh County Retirement Board Meeting

Lehigh County Government Center Public Hearing Room

Thursday, August 9, 2018

9:30 A.M.

A meeting of the Lehigh County Employees' Retirement Board was held at 9:30 A.M. in Lehigh County Government Center Public Hearing Room. Members present were Phillips Armstrong, Percy Dougherty, Glenn Eckhart, Ed Hozza, Marty Nothstein, Tim Reeves and Ed Sweeney.

Chris Lakatosh and Kevin Karpuk from Cornerstone Advisors Asset Management also attended.

Phillips Armstrong, Retirement Board President, called the meeting to order at 9:37 A.M.

This meeting is being taped for public record.

OLD BUSINESS

- **Meeting minutes for approval from May 10, 2018 meeting.**

  Tim Reeves made a correction. The date for the next Board meeting was August 10 in the minutes. It should have been August 9.

  A motion for approval was called.

  Percy Dougherty made a motion to approve.

  Tim Reeves seconded the motion.

  A voice vote was called.

  All were in favor. 7-0 vote. Motion passed unanimously.

- Glenn Eckhart announced for the record that County Executive Armstrong appointed Director of Administration, Ed Hozza, to the vacancy on the Retirement Board. Ed is now a member of the Retirement Board and was given his Oath to sign and return to Glenn.

NEW BUSINESS

Chris Lakatosh from Cornerstone gave the 2018 2nd Quarter update.

Page 1 – Portfolio Performance

Current weightings to the different sections of the portfolio:

Domestic Equity	37.2%
International Equity	17.0%
Domestic Fixed Income	29.5%
Alternative	15.0%
Cash	1.2%

We had a nice return -- outperformed the blended benchmark by 16 basis points. Total portfolio return was 1.45% relative to the benchmark which was up 1.29%.

Underneath that you will see a Calendar Year Net of Fee Returns for the last 7½ years. One thing I did want to point out – when you look at the performance of the county pension plan relative to the blended benchmark, you'll see that we out-performed in 5½ of the reporting periods. We had the same return in 1 year and only under-performed 1 year in the 7½ years we've been working with the County. We've had really nice returns relative to our benchmarks over that period of time.

Page 2 – Asset Allocation

You'll see where our ending values were relative to our investment policy statement.
Targets we were overweight:

Domestic Equity	2.2%
International Equity	2.0%
Alternative	5.0%

Pretty heavily underweighted in:

Domestic Fixed Income	(5.5%)

A little underweighted in:

Cash	(3.8%)

When we think about the portfolio attributions to those tactical moves, all of them played a really positive role in the performance numbers from a short and an intermediate viewpoint and since inception. In terms of our peer group rankings, those tactical shifts really played an important role in providing some of the outperformance.

When you look at the Transfers column on the top right, you'll see what did have some movement in the portfolio, tactically moving around some of the assets in the pension plan.

Page 3 – Historical Cash Flow

In the right top corner you'll see investment income in the portfolio since inception is up about $73 million and the change in market value is up $175 million – which is pretty close to $250 million in appreciation through investment income and market value appreciation.

Page 4 – Manager Performance

This will give you an idea of our manager matrix and the returns they have generated. In large part, all our domestic equity portfolios had positive returns, international markets were pretty tough in the second quarter and the managers produced a negative return, and our fixed income managers split the difference – a positive to a negative return. Our overall return in our liquid alternatives was up a little over 4.25%. This was a nice asset performing class for us in this quarter.

Monthly Flash Report

This gives you a snapshot of where July was and our portfolio performance return - net of fees for the year. In July the portfolio was up close to 1.8% and the index was up 1.75%. The 2018 year-to-date performance - net of fees - the portfolio is up 2.31% relative to the index which is up about 200 basis points. That's about 31 basis points of outperformance. Outperforming the benchmark by 31 basis points equates to roughly $2 million in excess earnings year-to-date.

One thing that isn't shown here but is important just to share – In terms of the peer group rankings, we do benchmark the public pension plan for Lehigh County against the national peer group of other public pension plans. When I look at the peer group performance over the last couple of reporting time periods, the last quarter-to-date of the public pension plan is in the top 10 percentile, over the last 1 year in the top 37th percentile, last 3 years in the top 47th percentile, last 5 years in the top 37th percentile and since inception we have been in the top 40th percentile. Given our low equity exposure relative to some of our peers, we have been in the top half and in the top third of our peer groups in terms of our return relative to the peers. Really great performance. Our managers are doing an excellent job. The portfolio has really performed quite nicely on real term and certainly relative to the peer group.

No questions from the Board or the floor.

Discussion on Act 44 and setting interest rate in the future

Glenn Eckhart wanted to get it on record that we're going to continue to discuss this. I'd like over the next 3-6 months to come up with a policy moving forward. I will propose this policy to the Board for a yes or no vote as to how we proceed setting the interest rates forward and opting out of Act 44.

No questions from the Board or the floor.

Discussion on 1,000-hour rule in PA Act 96 of Act 1971

Phil Armstrong informed the Board that this has been brought up in Cabinet meeting. We are trying to take as many steps with the Cabinet heads to make sure we have red flags when there is still 50 hours to go. Red flags will be appearing to prevent this from happening.

Tim Reeves said they are taking it one step further and will talk with our payroll company to implement something so that someone will not be allowed to put in hours beyond 950 without authorization. When they hit 950 hours, they will be locked out of inputting any additional hours and would then be required to get authorization. This would be the communication that sets the standard that they have been notified they only have 50 hours remaining. I think that's another important step.

Percy Dougherty asked what is the status of the legislation at the State to increase the hours?

Glenn Eckhart answered the latest was to set it according to the Affordable Care Act which would have raised it to 1,400 hours. There's been no further discussion on the Affordable Care Act so the 1,000-hour rule will continue considering this was in the pension law of 1971. They haven't changed the County Code since 1955 so I don't envision this will be changed any time soon. I applaud the Administration. Tim and I had concerns about this for several years. I think these are great steps by the Administration to take the bull by the horns on this one and I applaud your approach.

Phil Armstrong asked for any questions from the floor.

Amanda Holt, Lehigh County Commissioner – When you look at the 950 hours, is that going to be considered a submission to put the cap there as opposed to a bi-weekly cap where they can't enter more than 40 or 50 hours? Is there a concern that they get to the cap of 950 – and its only 6 months into the year – is that going to be a problem managing for the rest of the year? Is it better to manage it on a more on-going basis? I'm not sure if that was something that was considered rather than doing a large number.

Phil Armstrong answered if you try to do it on a weekly basis, some of the problem isn't there that would occur. We do have, for example, some part-time people at Cedarbrook that are only available to work at certain times. They might put their 800 hours in only in the fall – because they're retired and are doing this part-time – then they go away for the winter. It would be very hard to manage.

Tim Reeves answered I think the cap was set at 950 hours because typically people in the next biweekly period would only work 40 hours. So 950 + 40 would be 990. At the point where 950 hours are recorded, that person would not be able input any more hours. When that person communicates for the authorization, Human Resources will inform that person they will authorize it but remind that person they only have 50 hours remaining between now and that person's roll-over date. We will look at it and obviously if it makes sense to change, we can do that but initially this is right.

Amanda Holt asked if it would be an issue that they are paying out unemployment compensation for active employees that are ending early in the year.

Glenn Eckhart and Tim Reeves explained that's not a pension board issue. They have to manage that accordingly. The 1,000 hours is a payroll issue. The law is clear no more than 1,000 hours. That's why this board is responsible for the pension system. We need to figure out how to keep everyone under 1,000 hours.

No further questions from the Board or floor.

Discussion on the role of Pension Board of our 457 plans

Ed Hozza explained when he was Mayor of Whitehall, he was made aware of the township's fiduciary responsibility as the sponsor of the 457 plan and what that entailed. It's very, very similar to the fiduciary responsibility of the counties, townships and cities with their in-house pension plans. Whitehall hired Cornerstone to manage their police pension plan but also Cornerstone is now the fiduciary sponsoring of the 457 plan. This is a growing concern of counties, cities and municipalities that sponsor their 457 plan. The discussion before the board is – Does the board want to pursue also being responsible for the County sponsored 457 plan moving forward and what steps need to be taken to do that oversight by either Cornerstone or some other firm moving forward?

Glenn Eckhart answered the pension board.

Ed Hozza explained you do have the pension board but you could have another entity such as Cornerstone responsible.

Glenn Eckhart explained that this was already brought up to him 1½ years ago at discussions at the summer controller's conference in Lancaster. York County has already done this and the pension board has taken responsibility for their 457 plan. I think that's the direction we need to seek in the next 3-6 months. Again, it's something that needs to be cleaned up. Thank you for bringing that up Ed.

Ed Hozza explained that for the employees it's not that the County or the firm doing the oversight is going to dictate to you what investments you make. You still have that responsibility as the employee to choose your investment options on the plan. However, the plan could be changed to another firm or it could remain with the firm we currently have. That is something moving forward that would have to be examined and discussed.

Phil Armstrong said that with his past history what worries him about this is several years ago the business manager of the Whitehall-Coplay School District said if people are having money taken out for these plans and if, for example, they lost a lot of money; can they turn around and say to the school district you are taking this money out of our paychecks for this investment. What did you require from this investment company to show that this would not have happened to me? He showed me a lawsuit in Connecticut where they were actually sued by employees against the school district. The school district lost. Whitehall then required anybody who was going to come into Whitehall, let's say Prudential for example, if you're going to have a plan where teachers could take out the money into an investment, Prudential then had to file with the school district their financial records. I use Prudential as an example because Prudential refused to this. The district then refused to take money out of the employees' paychecks. Anybody who was in Prudential then had to switch. The fiduciary responsibility could come back at us. I think we should start looking at this and saying if employees are picking these different plans with different investment firms, we should have them in turn at least file something with us so it wouldn't come back on us. I think it's a good thing we start looking into because it <u>COULD</u> happen.

Glenn Eckhart said someone needs to be responsible for it and the pension board makes the most sense at this point based on what we do and possibly another source that would help to do due diligence.

No discussion from the board or floor.

No new motions.

Citizen Input

Amanda Holt, County Commissioner, had two questions from audits that were issued related to pension funds. She looked at audit reports for 14 counties specifically the part of the audit discussing the pension fund. The 14 counties were all third-class counties and similar in size to Lehigh. Eleven are more funded at the end of their 2017 audit than Lehigh County. I looked at the average from 2014-2016 and 11 also had a better funding status than Lehigh County. Is there a reason Lehigh County is so far down the list when it comes to our funding level compared to other third-class county pension funds?

Chris Lakatosh from Cornerstone explained when you look at actuarial mathematics, there are a number of factors that go into a funded status for a plan. It would consider the assets of the plan, liabilities of the plan, the assumed growth rate for the investments in the plan and other assets that are included in the pension plan that are plan assets but may not necessarily be in the plan. Some counties have created pension obligation bonds to fund pensions. So whereas the pension may be funded, the pension obligation bond is now debt service for the county as well. There are a lot of factors that go into the actuarial component of a plan being 90% or 100% funded. In actuality, what does that really mean for the county? It's really difficult to just look at an actuarial report and see a county be 90% or 100% funded but their assumed rate of return may only be 8–8 1/2%. There are a dozen components to what that actuarial mathematics do to support whatever the funded status for a plan might yield.

Glenn Eckhart asked if Berks County was on the list. Amanda Holt answered yes. Glenn went on to explain that Berks County borrowed $30 million and put it into the pension fund. Now they have a bond they're paying county tax dollars with to fund their pension obligation. You can look into that.

Chris Lakatosh said it's not uncommon. When you look back through the audits in periods of time, municipalities across the board whether they're cities or counties in 2004, 2010, 2011 where municipalities were taking out bonds to fund the asset loss to the liability that we're accruing in the pension plans.

Glenn Eckhart said it's a big deal not to have significant bond debt to fund a pension plan.

Phil Armstrong said it's important that we're being conservative. Yes this is a bull market but if we took everything and put it in the bull market -- I think we're at the 80% point where this market is about to turn -- we would lose. We have been looking at a steady, safe process. Let's keep our retirees and future retirees protected. In this is the direction we chose to go, we are right on the mark where we want.

Glenn Eckhart commented that we exceeded our benchmarks!!

Phil Armstrong continued if it's a bull market, we not going to do as well as the others. But if there's a crash, we're going to do a lot better than the others. We are aiming for down the middle. I think we achieved that and have done better.

Amanda Holt commented so then it's not as much of a concern with the pension board how we compare with other counties per se but our own personal strategy and not necessarily benchmarking against the others. It was referenced earlier about the percentile we're in and if that factors into how many of those are funded based on debt service or if this same concept applies to that earlier number as well.

Kevin Karpuk from Cornerstone explained that looks purely at the investment return. The numbers Chris had mentioned tie into just the investment side. If you try to tie in benchmark just the actuarial funding level, it is squishy math at best. There are a lot of decisions the pension board makes both on the asset side and the liability side that could change that number every night but not for the betterment of the plan, the current employees or the retirees. So by staying consistent, and again, it's very important when we talk about taking on less risk. These investments are not in CD's. We do have some risk. We have been performing better than the average pension plan but you can't look at when the stock market goes up 27% and compare this pension plan to that. That would be imprudent to put all the pension plan's money at risk to that kind of volatility.

Chris Lakatosh explained it's also not relative math to say two pension plans that have a different funding percentage are invested differently. That's neither here nor there. We don't know that. There are too many other variables in those actuarial assumptions to tie return into funded status. It's not a one-to-one correlation by any stretch.

Glenn Eckhart commented he did a lot of research on this in the past. Three or four years ago we were funded at nearly the top. There's been a run up at least in the last three years. We are not performed to maximize on the run up. Our performance is based to protect us on the downside. If we're protected on the downside, then our chances of losing are less. Currently, we have one of the most mature plans in the state. In fact, we have pension obligations of about $30 million a year. Currently with county employees' money and county money we put in about $21 million. So we're losing $9 million every year in pension obligations. If you up risk the portfolio more, our opportunities to pay those pension obligations in the short term because it's critically important if we have a bad year. Now you not only lost that $9 million, you lost 30% instead of 20% in the pension fund. There is rock solid math behind what we're doing. I think we're doing the best we can with what we have in protecting the assets in the mature plan that we have right now. Tim said before we have almost as many employees now that are retired as we do actual employees. Fifteen years ago it was 4 employees working to fund 1 retiree. Now it's nearly 1 to 1. A lot more money is going out.

Chris Lakatosh commented this is a good actuarial component to that math. Again, this all factors into the funded status of the plan and how the responsibility of the pension board is to manage the ability to pay those pension obligations as much as it is to grow the assets of the plan.

Glenn Eckhart explained if we were a less mature plan, it might be more prudent to up risk the portfolio a little bit more because now we don't have the short-term debt payments to pay the county employees.

Amanda Holt stated it was my understanding that the pension fund over the past 20 years was in the 6% average rate of return. When I was looking at the audit, we have the estimated rate of return at 7.5% which acts as a difference from actual vs what we're expecting in the future. Then when I looked at the expected real rate of return, there's the allocations for domestic equity, international equity, 5.4% and the 6.4% and I compare that with the allocation, best case scenario it looks like we're looking at actual rate of return of maybe 5.5% or something like that? Those numbers are very different from the estimated real rate of return. I'm just trying to understand why we think in the future we'll do so much better than we have in the past. In the audit we're expecting from our investment portfolio to only have a 5% rate of return and we're assuming 7.5%. There's a disconnect there I didn't understand.

Kevin Karpuk answered the 7.5% includes an assumption for inflation. When you see a real rate of return that pulls inflation out. If you add back 2% for inflation, that's the difference between those two numbers. The comment about the past 20 years not delivering 7.5% vs. that assumption is certainly a fair one and a true statement. From my perspective, you have to look at the impact. Lowering an assumed rate of return has a budgetary impact that the Commissioners and Administration have to solve. That's one of those things that's an important factor to keep an eye on when making those decisions. The math shows it's a very expensive proposition to go from an expected rate of return of 7.5% to 6.5%.

Chris Lakatosh added when auditors are looking at these pension plans, they obviously have to take a short term view of where they expect returns to be. For all intent and purposes, the pension plan is a perpetuity. When you look at the history over time even though you're looking at the last 20 years and commenting about what we see, maybe in the shorter term in the capital markets, the market over the last 50-100 years have certainly performed quite well relative. If you look out over the next 50-100 years, a lot of the actuarial math and a lot of auditor reports will sign off on the 7.5% rate of return because they understand that the pension plan is going much farther than 10 years. The expected rate of return over the next 10 may be the 5.5% - 6.5% range on that real rate of return perspective; but could be potentially better than that too. There's some, as Kevin called it, squishiness in the math. That's just the actuarial components of not knowing what the next 50 years in the market are going to bring or even what the next 10 years in the market are going to bring. It's a best guess in terms of a crystal ball in terms of where the markets may end up in the next 5-10 years.

Glenn Eckhart went back to the $30 million that's coming out for pension obligations currently. If we were to assume 6.5% and we were getting $8 million from the employees' portion, the County portion instead of looking at a contribution of $12 million we would be looking at a contribution of $20 million coming out of the County's pension. So your budget this year would have $20 million being paid in the fund. That almost gets you to what's going out. I think that would be a great thing to do but I'm not responsible for the budget.

Chris Lakatosh commented back to your previous question and tying both questions together – let's say the pension plan gets closer to 100% funded – part of our job as the consultant and working with the pension board is saying is now a more reasonable time to go from 7.5% to a lower discount rate. You said one of the counties responded they moved to 7.35%. Is now a time to move to 7.35%? The answer to that question is probably yes. If you get back to closer to 100% funded, now do you move back to 7.25% or 7.15%? You may never get to 100% funded because you're trying to be more meaningful in terms of how you're managing the underlying interest rate assumptions without belaboring the taxpayer in just moving from 7.5% to 6.5%. Those are all the conversations that are happening with the pension board. Some of the assumptions that make some of the peer statistics a little bit unequitable in terms of managing one county to another county or comparing one county to another county.

Kevin Karpuk explained having a 110% funded pension means you've taken too much money out of your general fund and put it into the pension and you can't get that back.

Phil Armstrong explained that if we hit that level, we according to our Home Rules would have to start looking into now paying out a COLA.

Amanda Holt wanted to clarify that ideally, setting aside the budgetary concerns, its better if the assumed rate of return would match a 20-year average – its better those numbers are closer together than further apart.

Kevin Karpuk answered the lower the expected return the better. Meaning you're more certain to hit that rate of return and you can take even more risk out of the portfolio. But at the current level we're comfortable with we think it's reasonable, budgetary concerns aside, if you could take that down even further than 6.5% which lowers the amount of volatility in the portfolio you need to take and it makes the returns more certain. Yes, without budgetary concerns involved the lower you can make that number the more stable the pension plan will be.

No more questions from the board or floor.

No further business.

A motion to adjourn was called.

Glenn Eckhart made the motion.

Ed Sweeney seconded.

Meeting adjourned at 10:10 A.M.

The next Retirement Board meeting is on November 8, 2018 at 9:30 A.M. in the Public Hearing Room.

Glenn Eckhart, Secretary

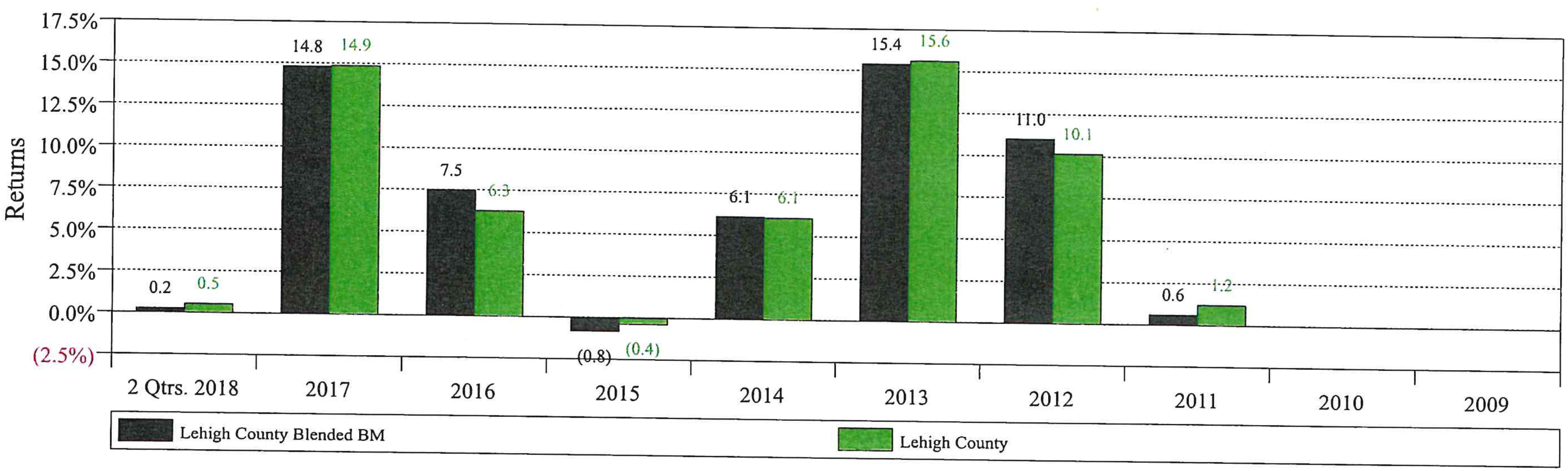
Lehigh County Retirement Fund

Net Portfolio Performance

Net Performance for 3 Months ending June 30, 2018

	Ending Weight	Returns	Beginning Market Value	Ending Market Value
Domestic Equity	37.2%	4.22%	$183,183,443	$186,495,613
International Equity	17.0%	(2.01%)	$86,883,142	$85,113,984
Domestic Fixed Income	29.5%	(0.11%)	$147,955,487	$147,785,067
Alternative	15.0%	2.26%	$73,303,453	$75,215,634
Cash & Equivalents	1.2%	0.33%	$8,730,295	$6,114,738
Total Portfolio	**100.0%**	**1.45%**	**$500,055,820**	**$500,725,036**
Lehigh County Blended BM		*1.29%*		

Calendar Year Net of Fee Returns



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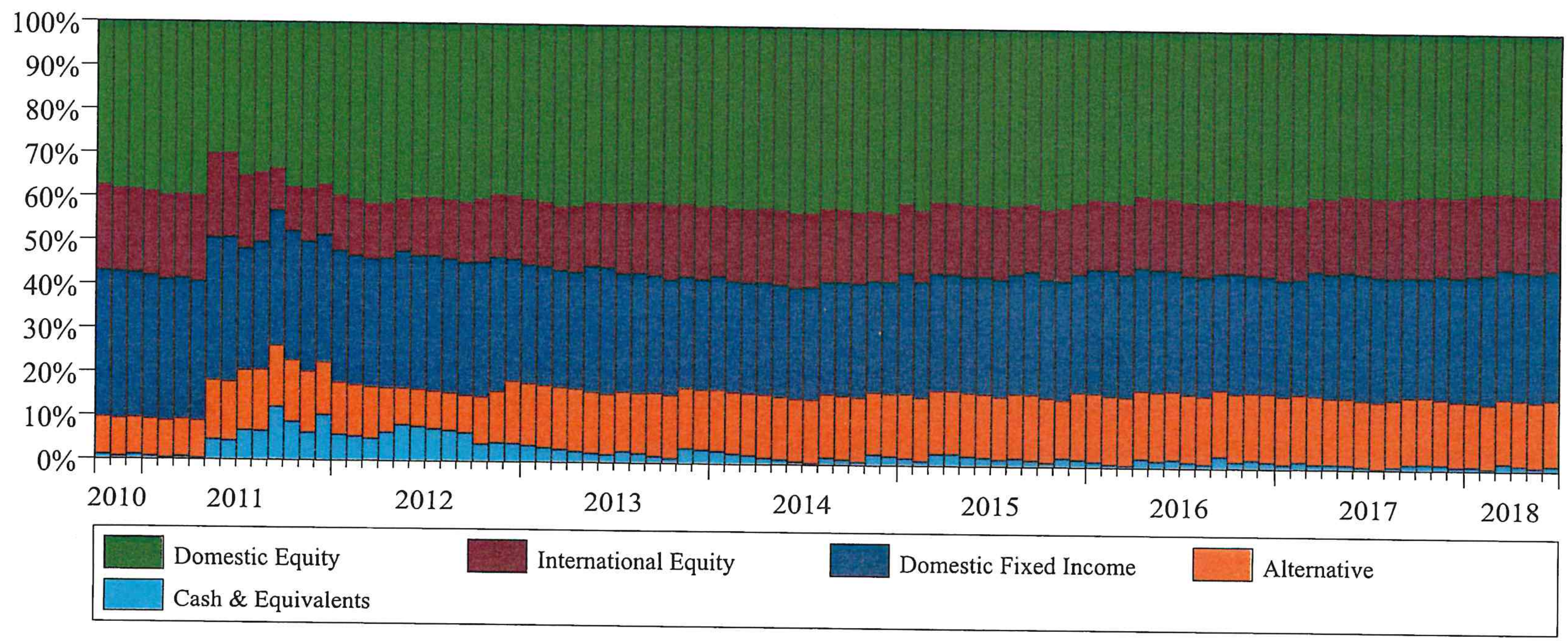
Asset Allocation

April 1, 2018 to June 30, 2018

	Beginning Weight	Ending Weight	IPS Tgt Weight	Deviation
Domestic Equity	36.6%	37.2%	35.0%	2.2%
International Equity	17.4%	17.0%	15.0%	2.0%
Domestic Fixed Income	29.6%	29.5%	35.0%	(5.5%)
Alternative	14.7%	15.0%	10.0%	5.0%
Cash & Equivalents	1.7%	1.2%	5.0%	(3.8%)
Total Portfolio	**100.0%**	**100.0%**	**100.0%**	

	Beginning Market Value	Ending Market Value	Transfers
Domestic Equity	$183,183,443	$186,495,613	($4,400,000)
International Equity	$86,883,142	$85,113,984	$0
Domestic Fixed Income	$147,955,487	$147,785,067	($1,248)
Alternative	$73,303,453	$75,215,634	$251,475
Cash & Equivalents	$8,730,295	$6,114,738	$4,149,773
Total Portfolio	**$500,055,820**	**$500,725,036**	**$0**

Actual Allocation for Since Inception Ended June 30, 2018



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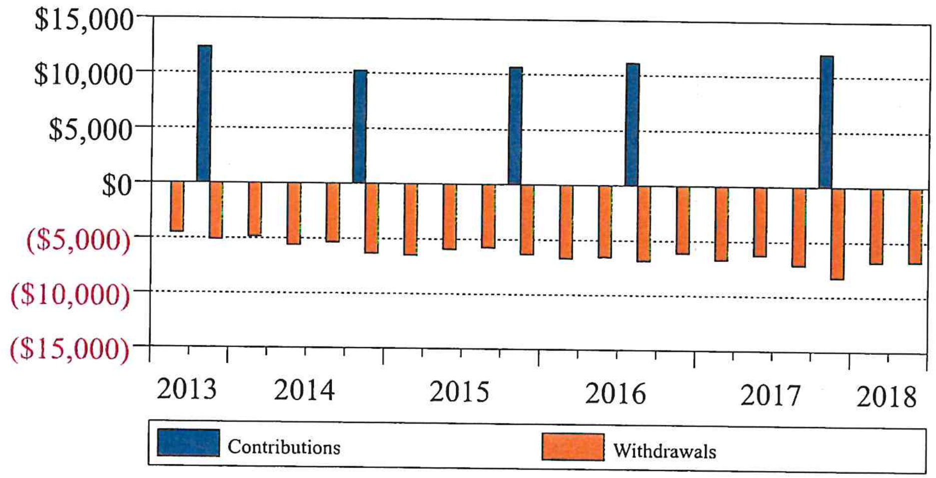
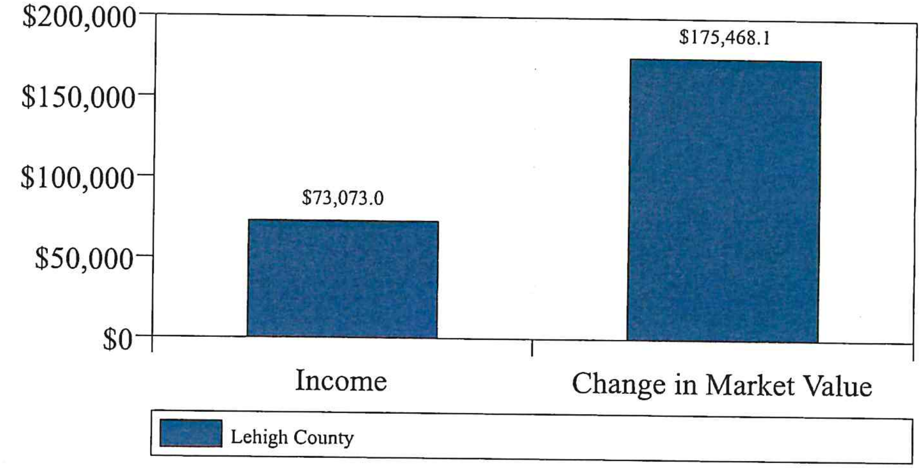
Lehigh County Retirement Fund

Historical Cash Flow

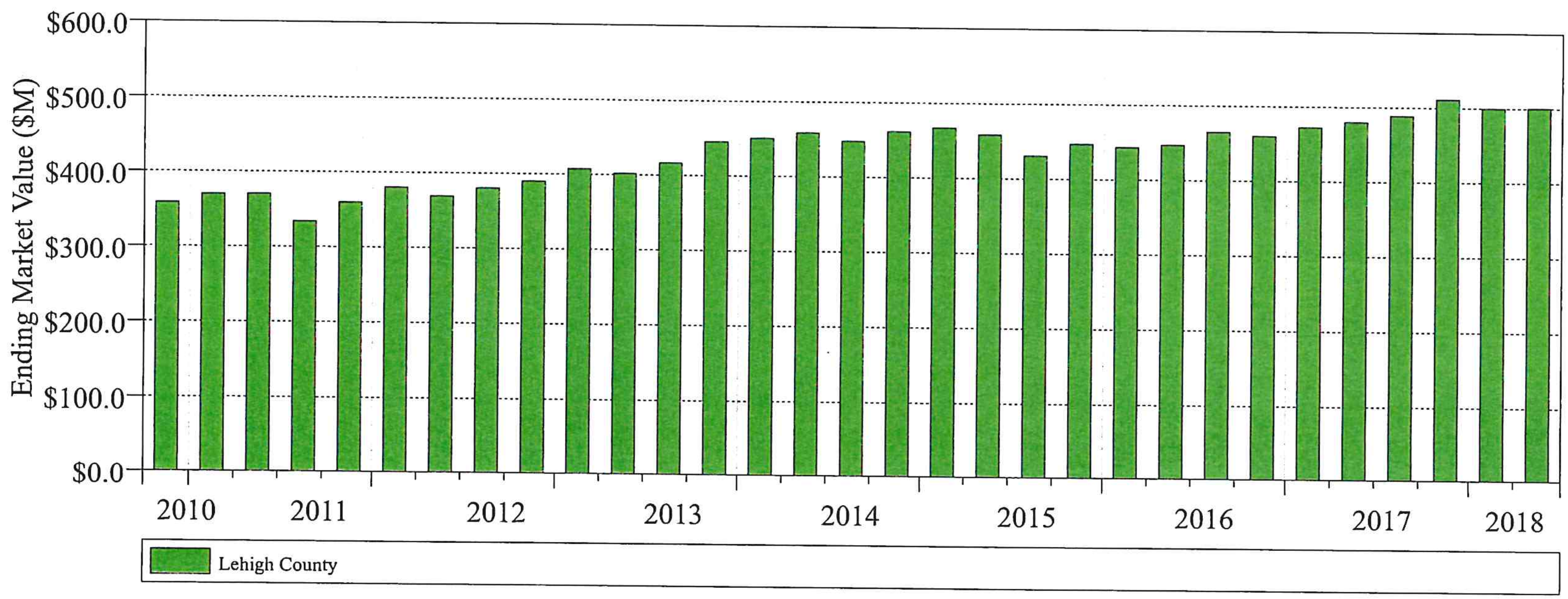
Quarterly Cash Flows for 5 Years ($K)



Portfolio Appreciation ($K) Since Inception



Ending Market Value Since Inception (July 1, 2010)



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Lehigh County Retirement Fund

Manager Performance

3 Months ending June 30, 2018

	Benchmark Name	Ending Weight	Returns	Excess Return	Beginning Market Value	Ending Market Value
Lomax Large Value	Russell:1000 Value	7.8%	2.23%	1.05%	$38,270,649	$39,124,250
Vanguard Instl Indx;Inst	S&P:500	9.8%	3.42%	(0.01%)	$47,280,685	$48,898,073
Invesco Eq-Wtd 500;R6	S&P 500 Eq Wt	3.9%	2.79%	(0.01%)	$18,763,456	$19,286,403
SGA Large Growth	Russell:1000 Growth	7.8%	6.53%	0.77%	$39,339,520	$39,007,035
Emerald Mid Growth	Russell:Midcap Growth	2.0%	2.17%	(0.98%)	$11,379,569	$10,126,922
Emerald Small Growth	Russell:2000 Growth	2.0%	9.67%	2.44%	$9,794,506	$9,991,971
Vanguard SC Val Idx;Ins	CRSP:U.S. Small Cap Value	4.0%	5.28%	0.03%	$18,355,058	$20,060,959
Vanguard Dev Mkt;Adm	FTSE:Dev AC ex US Idx	4.8%	(1.59%)	(0.41%)	$29,515,092	$24,221,007
American Funds EuPc;F-3	MSCI:ACWI ex US	6.6%	(2.82%)	(0.21%)	$29,270,506	$33,249,867
Vittoria Long/Short Intl	MSCI:ACWI ex US	5.5%	(1.62%)	1.00%	$28,097,544	$27,643,110
Agincourt Core Fixed	Blmbg:Aggregate Index	11.5%	(0.16%)	(0.01%)	$57,928,369	$57,833,546
CSMcKee Core Fixed	Blmbg:Aggregate Index	11.9%	0.02%	0.18%	$59,355,896	$59,370,721
BlackRock:Str Inc Opp;K	Blmbg:Aggregate Index	3.1%	(0.77%)	(0.61%)	$15,454,480	$15,333,918
Vanguard Sh-Tm Inv;Adm	Blmbg:Credit 1-3 Yr Bd	3.0%	0.20%	(0.23%)	$15,216,743	$15,246,881
Gabelli Merger Arbitrage	CS:Risk Arb	2.6%	1.78%	0.98%	$12,551,665	$12,775,297
J Hancock II:G Ab Rt;I	CS:All Hedge Idx	2.5%	(2.22%)	(1.59%)	$12,153,906	$12,379,677
ALPS/CC Mgt CC S;I	Blmbg:Commdty Idx	2.4%	3.21%	3.29%	$12,338,649	$12,245,501
CBRE Clarion RE	FTSE:NAREIT All Eq Index	2.5%	8.16%	(0.34%)	$11,612,332	$12,560,051
Nuveen Pref Secs;I	S&P:US Pref Index	2.5%	(1.55%)	(3.37%)	$12,366,902	$12,425,109
JPM Structured Note	JPM Structured Note Idx	2.6%	4.48%	0.00%	$12,280,000	$12,830,000

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Lehigh County Employees' Retirement Plan
Monthly Flash Report

	Monthly Return July-2018	Market Value Beginning of Period	Market Value End of Period
Lomax	**4.11%**	**$39,083,712**	**$40,690,540**
Russell 1000 Value	3.96%		
Vanguard Institutional Index	**3.72%**	**$48,898,073**	**$50,717,811**
S&P 500	3.72%		
Invesco Equally-Wtd S&P 500 R6	**3.20%**	**$19,286,403**	**$19,903,292**
S&P 500 Equal Weighted Tr Usd	3.21%		
Sustainable Growth Advisors	**2.91%**	**$38,972,516**	**$40,107,738**
Russell 1000 Growth	2.94%		
Vanguard SCV Index	**2.52%**	**$20,060,959**	**$20,565,560**
CRSP US Small Cap Value	2.53%		
Emerald	**0.62%**	**$10,124,936**	**$10,188,114**
Russell Mid-Cap Growth	2.15%		
Emerald Advisors	**0.61%**	**$9,992,565**	**$10,053,446**
Russell 2000 Growth	1.72%		
American Funds Europacific Growth F3	**2.13%**	**$33,249,867**	**$30,924,864**
MSCI ACWI ex US	2.39%		
Vanguard Developed Mkt Idx I	**2.24%**	**$24,221,007**	**$22,745,744**
FTSE AW ex US	2.50%		
CSMcKee	**0.17%**	**$58,991,704**	**$59,094,000**
Agincourt	**0.14%**	**$57,389,173**	**$57,471,698**
BlackRock Strategic Income Opps K	**0.38%**	**$15,292,392**	**$15,349,629**
Barclays Capital Aggregate	0.02%		
CBRE Clarion	**0.75%**	**$12,516,208**	**$12,610,527**
FTSE NAREIT Equity REITs	0.80%		
Liquid Alternatives	**1.47%**	**$49,763,436**	**$50,495,791**
Blended Alternatives Benchmark	0.84%		
Vanguard ST Investment Grade	**0.14%**	**$15,201,001**	**$15,220,855**
BbgBarc US Corp 1-3 Yr	0.23%		
Disbursement Account	**0.17%**	**$6,201,623**	**$8,919,949**
30 Day MM Yield	0.17%		
Weighted Portfolio	**1.78%**	**$459,245,575**	**$465,059,558**
Rate of Return Index	1.75%		

Assets Not Valued Daily

	Market Value Beginning of Period	Market Value End of Period
Vittoria Intl Long/Short	**$27,202,634**	**$28,149,805**
Gabelli Merger Arbitrage	**$12,635,392**	**$12,775,297**
Grand Total	**$499,083,601**	**$505,984,660**

2018 YTD Performance

Net Portfolio	**2.31%**
Index	2.00%

The values on this report are collected from electronic interfaces and released before an audit function can occur. These values are not final. Differences may include, but are not limited to, pending trades, accruals, mispricing, or custodian error.