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Sussex County

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PENSION FUND COMMITTEE

Minutes of Meeting

May 20, 2021

The Sussex County Pension Fund Committee met on May 20, 2021, at 10:00 a.m. by teleconference. Those present included members: Gina Jennings, Todd Lawson, Karen Brewington, Kathy Roth, Kathleen Ryan, and Mitchell Rogers as well as Pat Wing, Managing Partner of Marquette Associates, the County's Pension Investment Consultant.

Ms. Jennings called the meeting to order at 10:03 a.m. and welcomed everyone to the virtual Pension Committee meeting. The meeting was being conducted electronically by means of a teleconference under the authority of Governor John C. Carney's Declaration of a State of Emergency and Proclamation No. 17-3292. Pension Committee members were connected by phone and/or the internet and participating in real-time. Members of the public may listen and view this meeting using the regular Pension Committee's broadcast found on the County's website.

1. **Approval of Minutes**

The minutes of the February 8, 2021 meeting were approved by consent.

2. **Update on Pension and OPEB Performance Reports**

Prior to today's meeting, Committee members were emailed copies of Marquette Associates' report entitled, "Sussex County Quarterly Performance Report as of March 31, 2021", as well as portfolio updates.

The Quarterly Performance Report includes information regarding the market environment for 2020, as well as quarterly performances of the Pension and OPEB Plans. The report should be referenced for a detailed analysis.

The Investment Performance Report includes information regarding the market environment for the first quarter of 2021, as well as quarterly and annual performances of the Pension and OPEB Plans.

Mr. Wing referred members to the Market Environment. Information included: U.S. Economy, Global Economy, Global Asset Class Performance, U.S. Equity Markets, U.S. Fixed Income and Global Index Returns.

Mr. Wing directed members to the Sussex County Employee Pension Plan

Observations

- As of March 31, 2021, the Market Value was \$142.9 million; the portfolio realized a first quarter gain of \$4.6 million, returning 3.4 percent versus a policy index of 3.2 percent.
- Positive attribution for the quarter resulted from: U.S. Equity and Non-U.S. Equity

structure and outperformance by Clarion LPF

- Negative attribution for the quarter from: More defensive implementation among active global equity managers
- Fund changes in Q1: Added Emerging Markets Index Fund

Looking Ahead

- Quarter two Global Equity manager changes
- JP Morgan IIF capital call – coming later this year

Mr. Wing directed members to the OPEB Fund Portfolio Overview

Observations

- As of March 31, 2021, the Market Value was \$56.9 million; the portfolio realized a first quarter gain of \$2.0 million, returning 3.7 percent versus a policy index of 3.2 percent.
- Positive attribution for the quarter resulted from U.S. Equity and Non-U.S. Equity structure and outperformance by Clarion LPF
- Negative attribution for the quarter resulted from more defensive implementation among active global equity managers
- First Quarter changes – added emerging markets index fund.

Looking Ahead

- JP Morgan IIF capital call

There was discussion regarding the August meeting and what direction the committee should take and whether they would like information regarding risk and return profiles. The committee decided to wait to hear from the actuary first to see where we are with the assumed rate of return. It was decided that the August meeting will be a performance update as well as the quarterly performance report.

3. **Adjourn**

At 11:04 a.m., a Motion was made by Mr. Rogers, seconded by Mrs. Brewington, to adjourn. Motion Adopted by Voice Vote.

The next meeting of the Pension Committee is scheduled for August 19, 2021 at 10:00 a.m.

Respectfully submitted,

Bobbi Albright
Administrative Secretary