CENTRE COUNTY RETIREMENT BOARD
January 23, 2020

MINUTES

Call to Order: The Centre County Retirement Board met Thursday, January 23, 2020, in Room 146 at the Willowbank Building. The meeting was called to order at 11:04AM by Chairman Michael Pipe. Present were Retirement Board Members: Commissioners Michael Pipe, Mark Higgins, Steve Dershem, County Treasurer Colleen Kennedy, and County Controller Jason Moser. Tom Martin, Director of Finance, was also in attendance.

Reorganization of Centre County Retirement Board: Per County Code, Chair, Vice-Chair, and members assigned and present. No action necessary.

Approval of Minutes of Prior Meeting: It was moved by Kennedy and seconded by Higgins to approve the minutes from the previous meeting held on December 5, 2019.

Correspondence:

None.

Old Business:

None.

New Business: Jeff Davidek, Senior Investment VP with C.S. McKee, presented an Investment Performance Update for 4th Quarter and YTD 2019, an overview of C.S. McKee and their investment team, and an overview of Pennsylvania Retirement Funds. Specific Results reported:

<table>
<thead>
<tr>
<th>Fund Type</th>
<th>QTD</th>
<th>YTD</th>
<th>3 YRS</th>
<th>5 YRS</th>
<th>10 YRS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Large-Cap Core Equity</td>
<td>10.06%</td>
<td>29.63%</td>
<td>13.49%</td>
<td>10.07%</td>
<td>11.97%</td>
</tr>
<tr>
<td>S&amp;P 500 Index</td>
<td>9.07%</td>
<td>31.49%</td>
<td>15.27%</td>
<td>11.70%</td>
<td>13.56%</td>
</tr>
<tr>
<td>International Mutual Fund</td>
<td>7.95%</td>
<td>17.16%</td>
<td>6.04%</td>
<td>3.91%</td>
<td>3.86%</td>
</tr>
<tr>
<td>EAFE Index</td>
<td>8.17%</td>
<td>22.01%</td>
<td>9.56%</td>
<td>5.67%</td>
<td>5.50%</td>
</tr>
<tr>
<td>Fixed Income</td>
<td>0.47%</td>
<td>6.67%</td>
<td>3.26%</td>
<td>2.59%</td>
<td>3.33%</td>
</tr>
<tr>
<td>Blend Index</td>
<td>5.06%</td>
<td>18.59%</td>
<td>9.13%</td>
<td>6.82%</td>
<td>7.77%</td>
</tr>
</tbody>
</table>

Jeff also discussed, per a question from Dershem, the main factors impacting the markets in 2020.
The main factors indicated:

- Uncertainty with China and tariffs
- Impact of impeachment proceedings/US elections
- Federal Reserve actions on interest rates re: negative rates/low rates

Jeff also indicated that the 3rd year of a presidency tends to be the strongest for the markets and that 2019, showed all indications that trend held.

Per question from Higgins regarding International portion of investments, Jeff indicated that if international continues not to improve, it should be an Agenda item of the Retirement Board to consider indexing the International Fund and consideration of a Consultant should be given.

Jeff noted he will be transitioning out of client servicing and Rob Rossi from C.S. McKee will be the main contact for Centre County.

Adjourn: It was moved by Dershem to adjourn and seconded by Kennedy. The motion passed and the meeting adjourned at 11:59AM.

Respectfully submitted,

Jason Moser
Secretary, Centre County Retirement Board