



# THE COUNTY OF CHESTER



COMMISSIONERS  
Marian D. Moskowitz  
Josh Maxwell  
Michelle Kichline

OFFICE OF THE COMMISSIONERS  
313 W. Market Street, Suite 6202  
P.O. Box 2748  
West Chester, PA 19380-0991  
(610) 344-6100

## AGENDA RETIREMENT BOARD

March 31, 2021

1. CALL MEETING TO ORDER
2. MINUTES OF PREVIOUS MEETING
3. OLD BUSINESS
  - a. Discussion of Cost of Living Increases
4. NEW BUSINESS
  - a. Performance Update Report
  - b. Administration Update
5. PUBLIC COMMENT
6. NEXT MEETING – Thursday, April 8, 2021 at 10:00 AM
7. ADJOURNMENT



# THE COUNTY OF CHESTER



**COMMISSIONERS**  
Marian D. Moskowitz  
Josh Maxwell  
Michelle Kichline

**OFFICE OF THE COMMISSIONERS**  
313 W. Market Street, Suite 6202  
P.O. Box 2748  
West Chester, PA 19380-0991  
(610) 344-6100

## RETIREMENT BOARD MEETING MINUTES

**March 12, 2021**

**1. CALL MEETING TO ORDER**

Chair Marian D. Moskowitz called to order the Retirement Board Meeting on Friday, March 12, 2021 at 1:36 PM via webinar. In addition to Chair Moskowitz, the following board members were also in attendance: Commissioner Josh Maxwell, Commissioner Michelle Kichline, and Controller Margaret Reif.

**CALL TO ORDER**

**2. MINUTES OF PREVIOUS MEETINGS**

Commissioner Reif made a motion to approve the minutes from the Retirement Board Meeting on September 30, 2020 and the Retirement Board Organization Meeting on January 4, 2021. Commissioner Kichline seconded the motion. After a roll call vote, all were in favor and approved the minutes from the September 30, 2020 and January 4, 2021 meetings.

**MINUTES APPROVED**

**3. OLD BUSINESS**

There were no items of old business.

**OLD BUSINESS**

**4. NEW BUSINESS**

**a. Pension Investment Consultant**

Controller Reif made a motion to approve signing a five year contract with Dahab Associates as the Fund's investment consultant, in the amount of \$95,000 per year, with the option of five one-year optional extensions. Commissioner Maxwell seconded the motion. After a roll call vote, all were in favor and approved the motion for Dahab Associates to become the Fund's investment consultant effective April 1, 2021.

**NEW BUSINESS**

**Pension Investment Consultant**

**5. PUBLIC COMMENT**

There was no public comment.

**PUBLIC COMMENT**

**6. ADJOURNMENT**

Commissioner Maxwell made a motion to adjourn the meeting. Commissioner Kichline seconded that motion. After a roll call vote, all were in favor and adjourned the meeting at 1:48 PM.

**ADJOURNMENT**

**Taken by Taylor Pettit**  
**On behalf of Chief Clerk Robert J. Kagel**

# Chester County Employees Retirement System

Investment Performance Review as of 12/31/2020



## *Courtney Investment Consulting Group*

Six Tower Bridge, Suite 500  
181 Washington Street  
Conshohocken, PA 19428  
484-530-2835



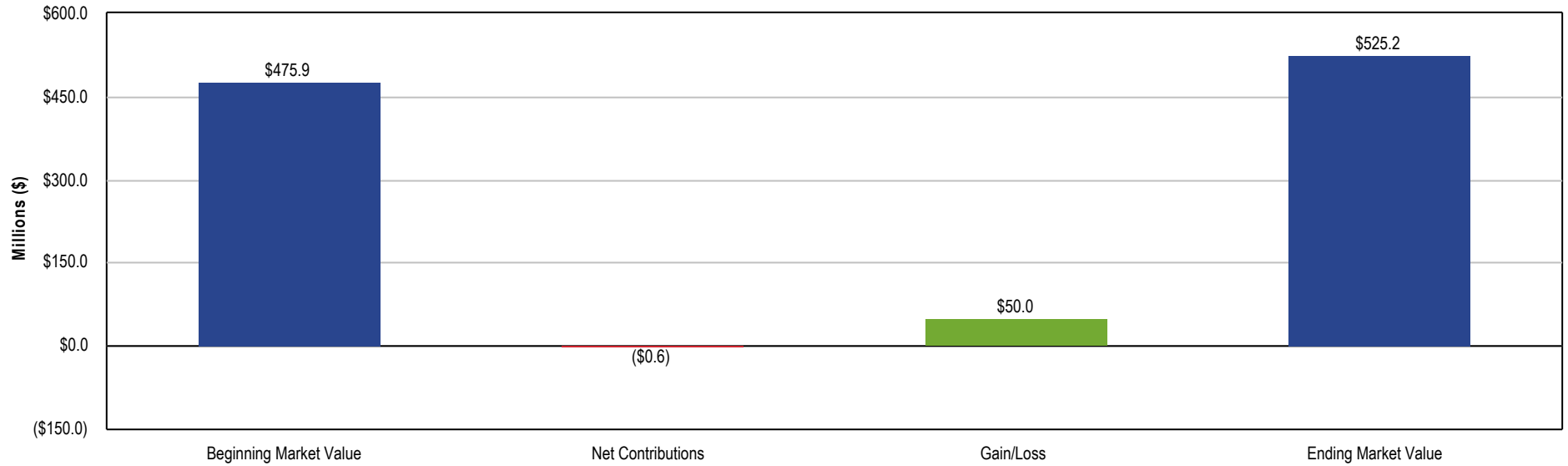
**Wealth  
Management**

# Executive Summary

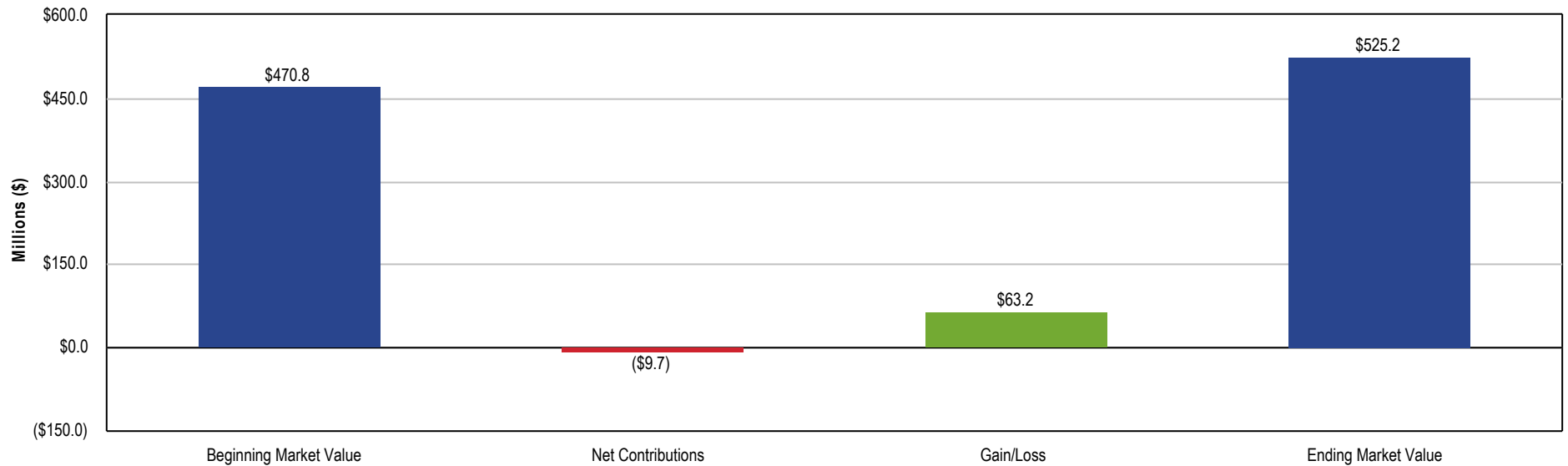
- Market Value as of 12/31/2020 = \$525,210,403
- Return of 14.11%, net of fees, outperforming benchmark return of 11.8%
- Portfolio rank versus peers continues to be favorable, both short-term and long-term
  - Trailing 1 year = 23<sup>rd</sup> percentile
  - Trailing 3 year = 19<sup>th</sup> percentile
  - Trailing 5 year = 13<sup>th</sup> percentile
  - Trailing 7 year = 19<sup>th</sup> percentile
  - Trailing 10 year = 15<sup>th</sup> percentile
- The portfolio has exceeded the actuarial targeted return over the past ten years. We thank the County for the years of service we were able to provide to the participants in the Fund and we hope you can match the success that the portfolio has experienced over the past ten years.



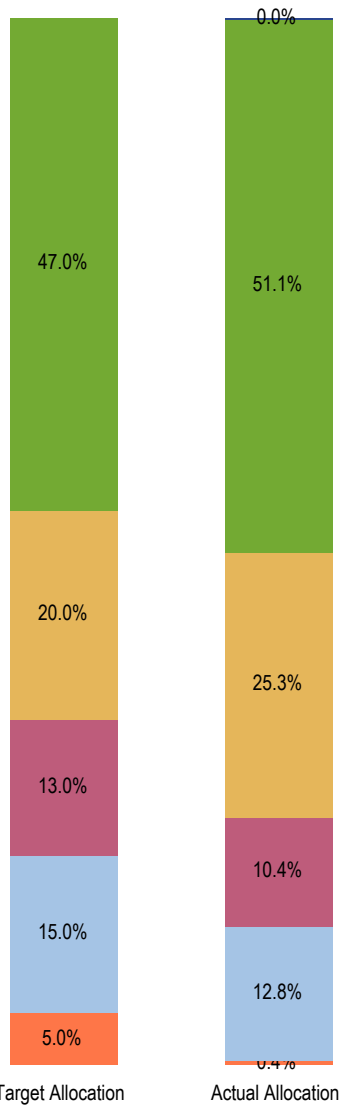
1 Quarter



Year To Date



As of December 31, 2020



	Policy Range	Policy	%	Current	%	Differences*	%
■ Cash and Equivalents	0.0 - 10.0		0.0	22,719	0.0	22,719	0.0
■ Domestic Equity	37.0 - 57.0	246,848,889	47.0	268,150,988	51.1	21,302,099	4.1
■ Domestic Fixed	10.0 - 30.0	105,042,081	20.0	133,005,307	25.3	27,963,227	5.3
■ International Equity	8.0 - 18.0	68,277,352	13.0	54,731,075	10.4	-13,546,277	-2.6
■ Other	10.0 - 20.0	78,781,560	15.0	67,281,642	12.8	-11,499,918	-2.2
■ Private Equity	0.0 - 10.0	26,260,520	5.0	2,018,671	0.4	-24,241,849	-4.6
Total		525,210,403	100.0	525,210,403	100.0		0.0

As of December 31, 2020

	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>Total Fund</b>	<b>525,210,403</b>	<b>100.0</b>	<b>10.6</b>	<b>14.1</b>	<b>9.5</b>	<b>10.4</b>	<b>7.9</b>	<b>8.5</b>	<b>7.6</b>	<b>04/01/1995</b>
<i>Policy Benchmark</i>			8.6	11.8	9.1	10.0	8.1	8.8	8.0	
Over/Under			2.0	2.3	0.4	0.4	-0.2	-0.3	-0.4	
<b>Domestic Equity Composite</b>	<b>268,150,988</b>	<b>51.1</b>	<b>17.3</b>	<b>19.9</b>	<b>13.1</b>	<b>14.0</b>	<b>10.9</b>	<b>11.9</b>	<b>6.3</b>	<b>11/01/1999</b>
<i>Domestic Equity Benchmark</i>			17.6	19.0	13.8	15.0	12.5	13.6	7.3	
Over/Under			-0.3	0.9	-0.7	-1.0	-1.6	-1.7	-1.0	
Vanguard Russell 1000 Growth Index	62,881,555	12.0	-	-	-	-	-	-	-	12/01/2020
<i>Russell 1000 Growth Index</i>			11.4	38.5	23.0	21.0	17.5	17.2	4.6	
Over/Under			-	-	-	-	-	-	-	
Vanguard 500 Index Fund	64,599,452	12.3	12.1	18.3	-	-	-	-	24.0	06/01/2019
<i>S&amp;P 500 Index</i>			12.1	18.4	14.2	15.2	12.9	13.9	24.0	
Over/Under			0.0	-0.1	-	-	-	-	0.0	
Vesper Capital Management[CE]	2,220,442	0.4	9.3	17.6	-	-	-	-	17.4	12/01/2019
<i>S&amp;P 500 Index</i>			12.1	18.4	14.2	15.2	12.9	13.9	20.1	
Over/Under			-2.8	-0.8	-	-	-	-	-2.7	
Metropolitan West	66,762,444	12.7	14.6	5.8	9.4	10.5	9.0	10.8	12.5	07/01/2010
<i>Russell 1000 Value Index</i>			16.3	2.8	6.1	9.7	8.2	10.5	12.1	
Over/Under			-1.7	3.0	3.3	0.8	0.8	0.3	0.4	
Champlain	42,788,499	8.1	-	-	-	-	-	-	-	12/01/2020
<i>Russell Midcap Index</i>			19.9	17.1	11.6	13.4	11.0	12.4	4.7	
Over/Under			-	-	-	-	-	-	-	
Eagle	28,898,595	5.5	23.8	17.9	10.5	13.6	10.6	11.4	13.6	07/01/2010
<i>Russell 2500 Index</i>			27.4	20.0	11.3	13.6	10.2	12.0	14.1	
Over/Under			-3.6	-2.1	-0.8	0.0	0.4	-0.6	-0.5	

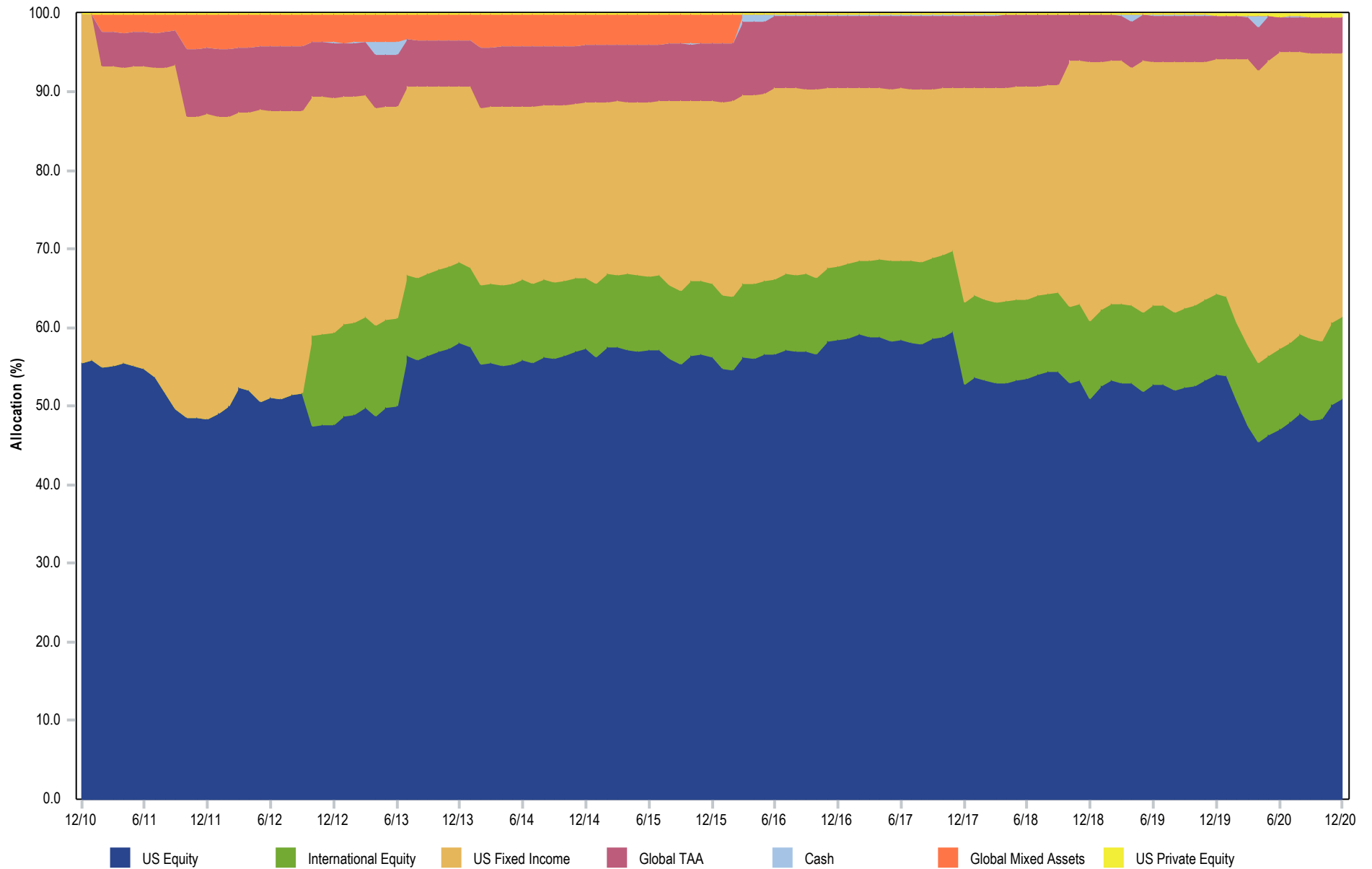
As of December 31, 2020

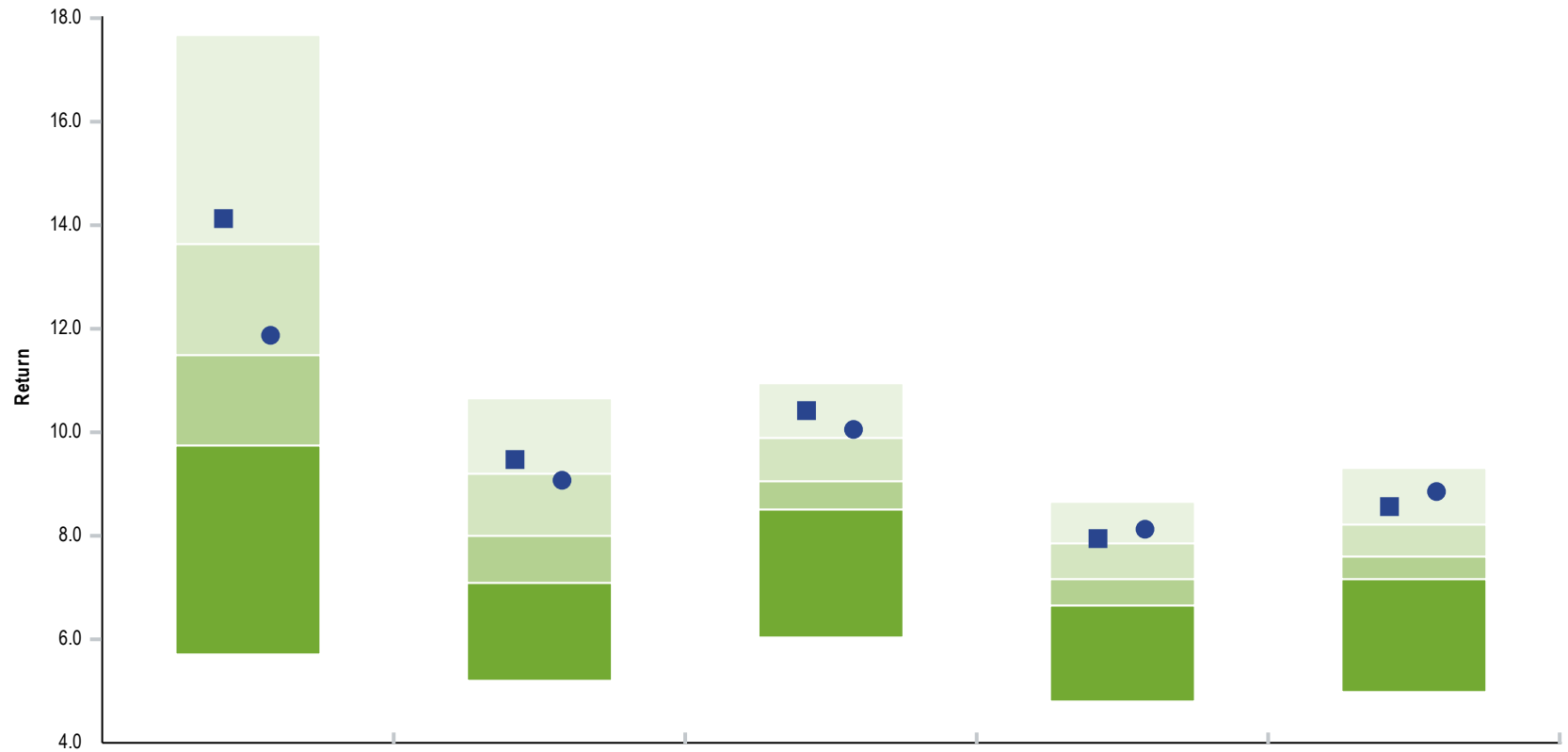
	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>International Equity Composite</b>	<b>54,731,075</b>	<b>10.4</b>	<b>10.3</b>	<b>13.5</b>	<b>6.9</b>	<b>9.8</b>	<b>6.0</b>	<b>-</b>	<b>7.6</b>	<b>11/01/2012</b>
<i>MSCI EAFE (Net)</i>			16.0	7.8	4.3	7.4	4.4	5.5	7.1	
Over/Under			-5.7	5.7	2.6	2.4	1.6	-	0.5	
<b>Maquarie Investment Management</b>	<b>24,028,485</b>	<b>4.6</b>	<b>10.3</b>	<b>7.2</b>	<b>1.4</b>	<b>6.1</b>	<b>3.3</b>	<b>-</b>	<b>5.9</b>	<b>11/01/2012</b>
<i>MSCI EAFE (Net)</i>			16.0	7.8	4.3	7.4	4.4	5.5	7.1	
Over/Under			-5.7	-0.6	-2.9	-1.3	-1.1	-	-1.2	
<b>Walter Scott</b>	<b>30,702,591</b>	<b>5.8</b>	<b>10.3</b>	<b>19.0</b>	<b>12.0</b>	<b>13.3</b>	<b>8.6</b>	<b>7.7</b>	<b>9.2</b>	<b>11/01/2012</b>
<i>MSCI EAFE (Net)</i>			16.0	7.8	4.3	7.4	4.4	5.5	7.1	
Over/Under			-5.7	11.2	7.7	5.9	4.2	2.2	2.1	
<b>Domestic Fixed Composite</b>	<b>133,005,307</b>	<b>25.3</b>	<b>0.8</b>	<b>6.5</b>	<b>4.4</b>	<b>3.8</b>	<b>3.6</b>	<b>3.7</b>	<b>3.9</b>	<b>10/01/2003</b>
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7	7.5	5.3	4.4	4.1	3.8	4.3	
Over/Under			0.1	-1.0	-0.9	-0.6	-0.5	-0.1	-0.4	
<b>Birch Run Investments</b>	<b>42,402,701</b>	<b>8.1</b>	<b>1.0</b>	<b>8.0</b>	<b>4.9</b>	<b>3.8</b>	<b>3.3</b>	<b>3.5</b>	<b>4.0</b>	<b>04/01/2009</b>
<i>Blmbg. Barc. Intermed. U.S. Government/Credit</i>			0.5	6.4	4.7	3.6	3.2	3.1	3.6	
Over/Under			0.5	1.6	0.2	0.2	0.1	0.4	0.4	
<b>Prudential Short Term Corporate Bond Fund</b>	<b>21,968,691</b>	<b>4.2</b>	<b>1.6</b>	<b>5.7</b>	<b>4.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.3</b>	<b>12/01/2017</b>
<i>Blmbg. Barc. 1-5 Year Gov/Credit</i>			0.3	4.7	3.7	2.8	2.3	2.2	3.6	
Over/Under			1.3	1.0	0.7	-	-	-	0.7	
<b>Vanguard Short Term Corporate Bond Fund</b>	<b>21,977,552</b>	<b>4.2</b>	<b>1.0</b>	<b>5.2</b>	<b>4.3</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.2</b>	<b>12/01/2017</b>
<i>Blmbg. Barc. 1-5 Year Gov/Credit</i>			0.3	4.7	3.7	2.8	2.3	2.2	3.6	
Over/Under			0.7	0.5	0.6	-	-	-	0.6	
<b>Brandes Investment Partners</b>	<b>46,656,363</b>	<b>8.9</b>	<b>0.2</b>	<b>6.4</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4.7</b>	<b>03/01/2018</b>
<i>Blmbg. Barc. U.S. Aggregate</i>			0.7	7.5	5.3	4.4	4.1	3.8	6.5	
Over/Under			-0.5	-1.1	-	-	-	-	-1.8	



As of December 31, 2020

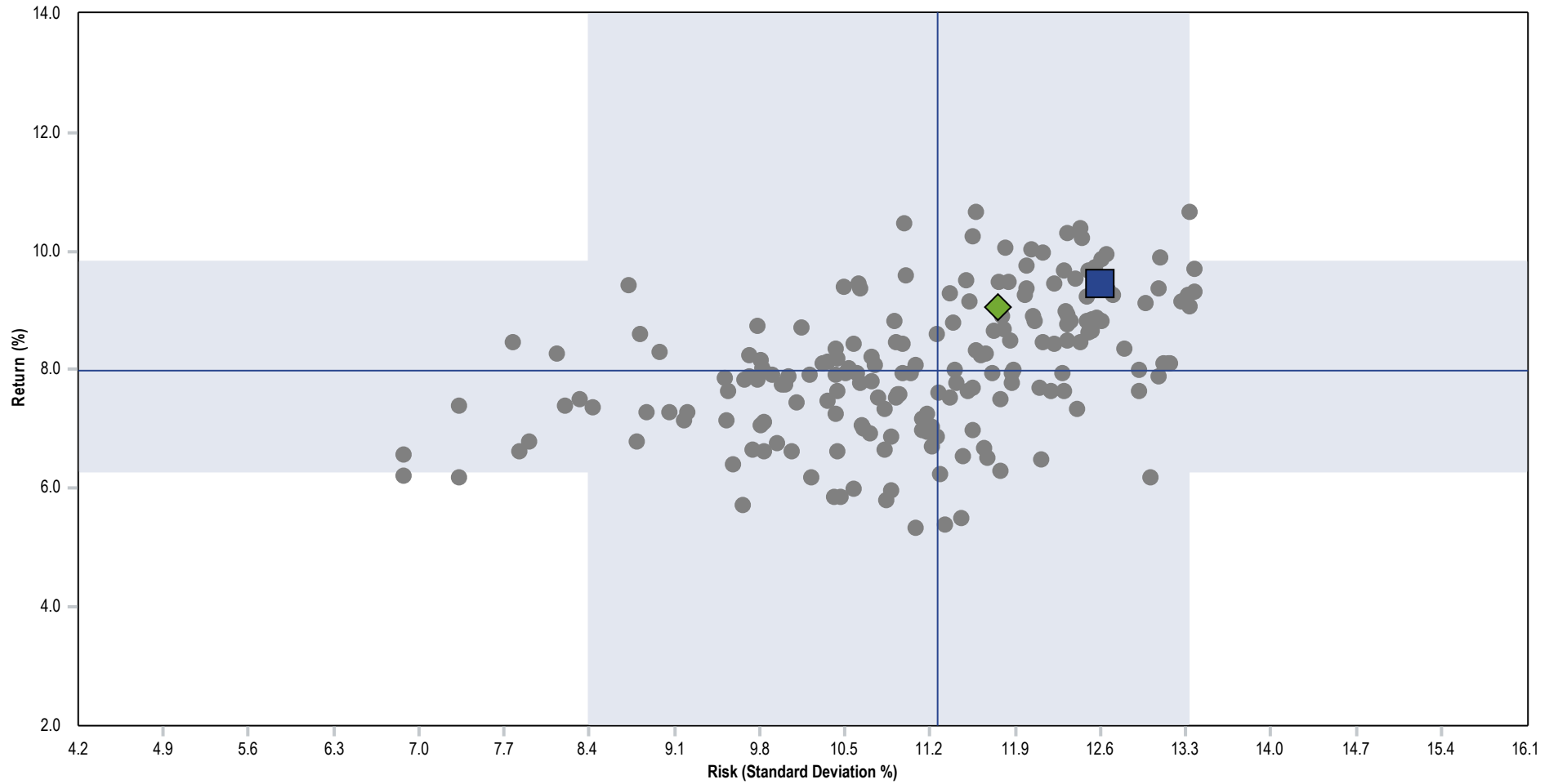
	Allocation		Performance (%)							
	Market Value (\$)	% of Portfolio	1 Quarter	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	Inception Date
<b>GTAA Composite</b>	<b>24,393,097</b>	<b>4.6</b>	<b>12.0</b>	<b>21.5</b>	<b>9.6</b>	<b>9.7</b>	<b>5.9</b>	<b>-</b>	<b>6.4</b>	<b>03/01/2011</b>
60% ACWI / 40% Barclays AGG			9.0	13.5	8.6	9.4	7.2	7.3	7.1	
Over/Under			3.0	8.0	1.0	0.3	-1.3	-	-0.7	
<b>Blackrock Global Allocation</b>	<b>24,393,097</b>	<b>4.6</b>	<b>12.0</b>	<b>21.5</b>	<b>9.8</b>	<b>9.4</b>	<b>6.8</b>	<b>6.9</b>	<b>10.0</b>	<b>03/01/1989</b>
60% ACWI / 40% Barclays AGG			9.0	13.5	8.6	9.4	7.2	7.3	-	
Over/Under			3.0	8.0	1.2	0.0	-0.4	-0.4	-	
<b>PGIM High Yield Bond Fund</b>	<b>11,857,310</b>	<b>2.3</b>	<b>6.5</b>	<b>5.6</b>	<b>6.7</b>	<b>8.6</b>	<b>6.1</b>	<b>-</b>	<b>7.6</b>	<b>10/01/2011</b>
<i>Blmbg. Barc. U.S. Corp: High Yield Index</i>			6.5	7.1	6.2	8.6	5.7	6.8	7.5	
Over/Under			0.0	-1.5	0.5	0.0	0.4	-	0.1	
<b>PGIM Short Duration High Yield Bond</b>	<b>31,031,235</b>	<b>5.9</b>	<b>4.1</b>	<b>4.2</b>	<b>5.6</b>	<b>5.9</b>	<b>4.6</b>	<b>-</b>	<b>4.6</b>	<b>01/01/2014</b>
<i>ICE BofAML U.S. High Yield Cash Pay BB 1-3 Year</i>			3.6	5.4	5.1	5.5	4.3	5.0	4.3	
Over/Under			0.5	-1.2	0.5	0.4	0.3	-	0.3	
<b>Private Equity</b>	<b>1,438,671</b>	<b>0.3</b>	<b>3.7</b>	<b>16.1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.1</b>	<b>12/01/2019</b>
Siguler Guff Small Buyout Opportunity IV	1,286,160	0.2	3.8	14.7	-	-	-	-	1.9	12/01/2019
Taurus Private Markets Fund, LP	152,511	0.0	3.7	-	-	-	-	-	-36.5	06/01/2020
<b>Ben Franklin Partners</b>	<b>580,000</b>	<b>0.1</b>	<b>0.0</b>	<b>0.0</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.0</b>	<b>09/01/2018</b>
BFP - Blogger Republik	100,000	0.0	0.0	0.0	-	-	-	-	0.0	09/01/2018
BFP - Dash Solutions	80,000	0.0	0.0	0.0	-	-	-	-	0.0	01/01/2019
BFP - Independence LED	25,000	0.0	0.0	0.0	-	-	-	-	0.0	01/01/2019
BFP - Metispro	100,000	0.0	0.0	0.0	-	-	-	-	0.0	03/01/2019
BFP - Therapeutics Articulations	25,000	0.0	0.0	0.0	-	-	-	-	0.0	10/01/2019
<b>Cash</b>	<b>22,719</b>	<b>0.0</b>	<b>-0.7</b>	<b>1.1</b>	<b>2.9</b>	<b>2.0</b>	<b>1.5</b>	<b>1.4</b>	<b>1.7</b>	<b>06/01/2004</b>
90 Day U.S. Treasury Bill			0.0	0.7	1.6	1.2	0.9	0.6	1.3	
Over/Under			-0.7	0.4	1.3	0.8	0.6	0.8	0.4	





	1 Year	3 Years	5 Years	7 Years	10 Years
■ Total Fund	14.11 (23)	9.45 (19)	10.40 (13)	7.94 (19)	8.54 (15)
● Policy Benchmark	11.84 (43)	9.05 (27)	10.02 (22)	8.10 (17)	8.82 (10)
5th Percentile	17.66	10.65	10.95	8.65	9.30
1st Quartile	13.63	9.18	9.90	7.84	8.23
Median	11.49	7.99	9.06	7.16	7.61
3rd Quartile	9.73	7.08	8.49	6.65	7.15
95th Percentile	5.72	5.18	6.05	4.79	4.97
Population	251	227	212	197	166

3 Years Risk/Return



All Public Plans - Total Fund

	Return	Standard Deviation
■ Total Fund	9.5	12.6
◆ Policy Benchmark	9.1	11.8
— Median	8.0	11.3

## Private Equity Overview

As of December 31, 2020

Partnerships	Vintage Year	Capital Commitment \$	Drawn Down \$	Market Value \$	Distributed \$	IRR (%)	TVPI Multiple
BFP - Metispro	2019	100,000	100,000	100,000	-	0.00	1.00
BFP - Blogger Republik	2018	100,000	100,000	100,000	-	0.00	1.00
BFP - Dash Solutions	2019	80,000	80,000	80,000	-	0.00	1.00
BFP - Independence LED	2019	25,000	25,000	25,000	-	0.00	1.00
BFP - Therapeutics Articulations	2019	25,000	25,000	25,000	-	0.00	1.00
Siguler Guff Small Buyout Opportunity IV	2019	5,000,000	1,160,465	1,286,160	4,151	16.81	1.11
Taurus Private Markets Fund, LP	2020	2,000,000	220,479	152,511	4,053	-34.83	0.73

**Pension Fund Data for Administrative Reports**  
**(For the March 31, 2021 Meeting)**

	3/31/2021		3/31/2020	
	<u>Count</u>	<u>%</u>	<u>Count</u>	<u>%</u>
Employees contributing 5%	938	43.2%	1,033	46.9%
Employees contributing 6%	1,232	56.8%	1,169	53.1%
Total	<u>2,170</u>	<u>100.0%</u>	<u>2,202</u>	<u>100.0%</u>
Employees contributing after tax dollars	<u>395</u>		<u>380</u>	
	<b>March 2011</b>	<b>March 2021</b>	<b>Ten Year Change</b>	
Pension Payments	<u>937</u>	<u>1,438</u>	<u>501</u>	<u>53.5%</u>

YTD through March 31 - 379 employees no longer employed with the County but remain vested in the fund.  
28 employees ended employment with the County requested/received refunds.

**Old Business:**

Dahab Associates, Inc. will provide Investment Advisory Services beginning April 1, 2021 at \$95,000 per year. The contract is for five years.