

Minutes of the Lehigh County Retirement Board Meeting

Lehigh County Government Center Public Hearing Room

Tuesday, January 29, 2019

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, Edward Hozza, Marty Nothstein, Tim Reeves and Edward Sweeney were present.

Chris Lakatosh from Cornerstone Advisors Asset Management also attended.

Phillips Armstrong, Chairman of the Retirement Board, called the meeting to order at 9:30 A.M.

This meeting is being taped for public record.

**OLD BUSINESS**

**Meeting minutes for approval from November 8, 2018 meeting.**

There were no questions or corrections to the November 8, 2018 meeting minutes.

Phil Armstrong called for a motion for approval.

Ed Hozza made a motion to approve the November 8, 2018 Retirement Board minutes.

Tim Reeves seconded the motion.

A voice vote was called. All were in favor. 7-0 vote. Motion passed unanimously.

**NEW BUSINESS**

**Oaths** – An oath was given to each Board member to be signed. All the oaths were signed and given to Glenn Eckhart, Secretary.

**Election of Chairman of the Retirement Board** – Phil Armstrong asked for motions.

Ed Hozza moved to submit Phillips Armstrong as Chairman of the Retirement Board for 2019.

Tim Reeves seconded the motion.

No other motions were made.

Percy Dougherty made a motion to close nominations for Chairman.

Marty Nothstein seconded.

Abstention from vote – Phil Armstrong.

A voice vote was called. All were in favor. 6-0 vote. Motion passed unanimously.

**Election of Secretary to the Retirement Board** – Phil Armstrong asked for motions.

Tim Reeves made a motion to nominate Glenn Eckhart for Secretary to the Retirement Board for 2019.

Percy Dougherty seconded the motion.

No other motions were made.

Marty Nothstein made the motion to close nominations for Secretary.

Abstention from vote – Glenn Eckhart.

A voice vote was called.

All were in favor. 6-0 vote. Motion passed unanimously.

**Set the interest rate for 2019 on the employees' contribution to the Lehigh County pension fund**

The rate process was set by policy and agreed on August 4, 2015 to be set based on the 20-year rate of return. The current rate is 5.1%.

Phil Armstrong asked for any discussion.

Chris Lakatosh from Cornerstone explained the rate of return for the pension plan over the last 20 years -- from last year to this year it dropped 1%. The 20-year return for the pension plan year ending 2018 was 5.1% -- last year it was 6.1%. The reason for the decrease in 1% from the 20-year return number is we rolled off 1998 which was one of the heights of the tech bubble. We rolled onto the return stream 2018 which the pension plan was down about 5%. We all understand the amount of volatility we saw in the 4<sup>th</sup> Quarter that eroded returns across the board -- that added a negative year where we rolled off a much higher positive year. The 20-year return number did come down 1% which was 5.1% at the end of 2018.

Phil Armstrong asked for any questions from the Board.

Ed Sweeney expressed his concern in regards to the policy of August 4, 2015. He was not on the Board at that time nor was the County Executive on the Board nor was the Director of Administration on the Board. So reliance on a policy that refers to something that is fundamental to what this Board is supposed to do is concerning to me. I have no trouble with the logic that was just presented by Chris. I would support the 5.1% number with the distinction, however, that it is based on consideration today of these circumstances and not reliance on the August 4 policy.

Phil Armstrong asked for any other comments. No other comments. He asked for a motion to accept the 5.1%.

Glenn Eckhart made the motion for 5.1%.

Percy Dougherty seconded.

No public discussion or comments.

A voice vote was taken. 6-0 in favor. 1 vote opposed. Motion was passed to accept the 5.1% rate of interest for 2019.

### **Motion by Ed Sweeney - Repeal of Retiree COLA policy developed and adopted on August 4, 2015.**

Again, the August 4, 2015 policy I was not a party to as the representative of the retirees for Lehigh County. My motion is to void the August 4, 2015 adopted Lehigh County Retirement Board policy which established a local threshold criteria for consideration of a cost of living adjustments for retirees.

Phil Armstrong asked for any discussion.

Tim Reeves discussed this as part of the committee that voted on the cost of living and interest and so forth:

When that committee was formed, prior County Executive Tom Muller had asked us to form a committee in order to come up with the criteria to basically set the things in motion for topics on which we vote on an annual basis. The policy wasn't designed to eliminate a vote. It was to set a standard as to when we would consider interest rate and cost of living adjustments. The three things it accomplished was:

1. It gave a mathematical equation related to the interest. This year for the first year the amount of interest that is being credited is less than 5.5%.
2. It set a minimum amount that the Retirement Board would put towards the fund in the event there was no contribution required. Back in the early 1990's and 2000's there was zero money contributed into the pension fund. The amount that has been required for that last several years would not have been as high if money was contributed back then. That was another very big thing that the policy set.
3. A COLA would be based off the fund being set at 101%.

Those were the three main criteria. Again, the mechanics of how we vote for that wasn't addressed. I don't know if we want to discuss that but those were the things that were set in motion by that committee. The thing that everyone also has to recognize is that where we're at today in 2019 compared to years ago is quite different. In 2018, we as the County contributed \$12.6 million to the pension fund. If we were to approve a cost of living, that \$12.6 million would have increased by \$4.6 million -- which is what the COLA would have cost. That in conjunction with our healthcare costs which for 2018 were \$33.5 million -- of which \$4.5 million was contributed by employees, \$19 million is what the county contributed toward active employees, and \$10 million was contributed to retirees with lifetime healthcare. So those factors all tie into pension to the budgeting aspect of things and how things are done. So the benchmark or the criteria that the committee set up was when would we be in a fiscal, responsible ability in order to even consider a cost of living or to pay out the full amount of the interest. I just wanted to explain how that came about. Again, the mechanics of how you vote for that wasn't addressed. I understand Ed's concern being that

perhaps it takes away people specifically voting each year on that. If there's something that anyone wants to discuss as far as that goes, that's how the committee came up with those criteria in order to determine when we would be in a position to pay those things.

Glenn Eckhart explained the committee. It was made up of Dan McCarthy, Director of Administration; Glenn Eckhart, Controller; Dyanne VanHorn, active employee; Tim Reeves, Fiscal Officer; and Tom Cunningham, retiree. We had a cross section of employee, elected official, finance officer and retiree on this board. We cleaned up a lot of things that hadn't been addressed in the County:

1. We now hold a meeting to set the interest rate. We never had meetings to do that. Thus in 2008, when the market went down 22% and we should have reduced the interest rate, we never did because there was no policy – there was no meeting to discuss it. So we structured ourselves more towards the policy of Act 96 and its guidelines.
2. We did an election process for active employee and retiree representatives. We had complaints about how the election was done. We vetted the election process.
3. We now hold an election to nominate a Chairman of the Retirement Board. We never had any structure as far as who's in charge.

There were a lot of things that were put together by this committee. I want to thank the group that sat together and spent hours and hours and hours of discussion and making this policy. In every one of those meetings we had Solicitor Roseberry in the room with us. If this was something we were not supposed to do, nothing was ever brought up. The County Executive had the right to appoint a special committee to do this. He did that. We vetted the process. As far as the three-year criteria that the law says, it is my belief as I did my research that there were years where it went more than four years that there was a vote on a COLA. We wanted to make sure that every year in November as is in the policy, we discuss it -- we bring it to the table and we talk about it. If you choose to not vote for a policy, that's fine. If you choose to do it on an individual basis and say I completely disagree, that's fine – you have every right to do that.

Percy Dougherty thought it was important to know where the \$4.6 million would come from. He asked Tim Reeves to mention, for education of the audience, where that money would come from. Tim answered that the \$4.6 million would come from tax revenue.

Ed Sweeney made it clear that he was not advocating for a COLA. He is here to talk about a specific component that is in an adopted referred to as policy which governs decision making of this Board. One of the primary functions of a retirement board as described by the PA County Pension Law is to consider COLAs. The policy that we have in place is more restrictive than the PA County Pension Law which reads:

*“The cost-of-living increase shall be reviewed at least once in every three years by the board which may adjust the current monthly benefit by the percentages in accordance with cost-of-living index at the time of the review” ... (without retroactivity); and*

*“A cost-of-living adjustment shall only be provided if the county retirement system calculates a funded ratio based upon entry age normal methodology of eighty percent (80%) or higher after the actuarial cost of the adjustment is determined.”*

The state law states that a COLA can only be considered when a county pension fund has a funded ratio of 80% or higher; and our local policy states that a COLA can only be considered when the pension fund has a funded ratio of 101% or higher.

At Retirement Board meetings held in 2016, 2017, and 2018 (3 successive years), even though Lehigh County's pension funded ratio exceeded the state's 80% threshold, the Retirement Board deferred to the adopted 2015 local policy requiring a fund ratio of 101% as the rationale for not actively considering a COLA for retirees.

I understand that it is perhaps considered to be politically expedient to not make people have to vote on whether they support a COLA or they don't support a COLA but that as a policy usurps the authority of such a board as is outlined in the state pension law for counties.

Phil Armstrong asked Tim Reeves - When you talked about the medical costs -- there never has been an out-of-pocket increase to our retirees of this medical cost, has there? Tim answered - No, the retirees pay zero. Phil asked - So as medical costs went up, they did not pay any more? Tim answered - No, they do not contribute towards that cost.

Glenn Eckhart stated that it has been about \$7 million more over the last 5 to 6 years that it has cost the county taxpayers. Tim Reeves asked - For the retiree healthcare? That's correct. It's grown about \$6 to \$7 million.

Ed Sweeney stated that's exactly what the conversation should be each and every time that an active COLA conversation actually takes place amongst the Board. Those are the kind of reasons that could be offered as to say why a COLA should not be offered or there is, by chance, some ways there could be a bifurcation of who gets COLAs, who doesn't get COLAs, to what extent a COLA could be given. But what we have in place now is a system that just doesn't allow that conversation to take place.

Glenn Eckhart said he does the minutes and read the minutes and we discuss those things every year at a meeting. We discuss the rate we are currently at, the reasons why, if we take principle out, etc. These are the things that are in the minutes. We do discuss where we are at and why.

Ed Sweeney read a paragraph from the November 8, 2018 minutes that were approved today:

*Russel Patterson – Human Services asked what the percentage was last year. Glenn Eckhart answered it was either 88.2% or 88.7%. It's our job to make sure the money is there for future retirees. That's again why we aren't giving a cost of living as we're not 100% funded. Our due diligence tells us we can't give a cost of living if we aren't over 100% funded.*

Clearly our position as a Board is we don't consider a cost of living increase unless we're at a funding ratio level of 101%. The state law for us to consider that is over 80%.

Glenn Eckhart commented that as how he heard that - It was Glenn Eckhart who said that - it wasn't the Board saying that. It was Glenn Eckhart who said our due diligence tells us we are not 100% we should not be giving a cost of living increase.

Ed Sweeney said but there's no active discussion of consideration of a COLA because the deferment is to the 2015 policy. It's clearly stated in all of the minutes for each year. We're deferring to a policy that is contrary to state law. As a side note, I think we're opening ourselves up for some significant litigation liability in the future. There's been a lot of litigation across the country for municipalities who have not given COLAs and have implemented their own policies in regards to COLAs. In many cases if the County can defend themselves as being a distressed county, they're in a defensible position. Lehigh County is not a distressed county.

Glenn Eckhart said he can get another legal opinion. We had a solicitor in the room. This was never brought up. I'm glad you brought it up. Also, you had an opportunity in November to discuss this policy in 2018 but you were not at that meeting. It our fiduciary responsibility to manage the fund and you weren't here to bring it up in 2018. You sent a note two days after the vote that now all of a sudden we have a problem. However, you weren't at the meeting to address this in public.

Tim Reeves interjected that what he's hearing is that Ed is questioning state law. I believe what this Board and the committee has approved is we're taking state law and ratcheting it up a bit. We're saying that in order for us to consider a cost of living, that the Lehigh County Retirement Board feels the funding ratio should be 101%. If, in fact, it's determined there's some legal issue with that then I would say we could reconsider the policy as it states. I think from a fiscal standpoint and as a Board member the policy is solid. I think it is prudent for us to limit the amount of interest that we pay in years where there are negative returns. I believe it's prudent for us to make sure the longevity of the pension fund remains and that giving a cost of living in a period where negative returns and so forth is not applicable and therefore that's why we decided it needed to be at 101%. I believe it's prudent for us that in a year that we get to that spot and there's zero required contribution we still put in \$2 million a year so that when times aren't so good we're not putting in \$13 or \$14 million. I think those were all prudent decisions that were made as part of the policy. If there is a legal issue with it, then I would say we would reconsider it as it stands. Other than that, I support the policy as it's written and I believe that the vote on the interest and the COLA should stand as voted on.

Ed Sweeney took exception to this being refrained a bit. I am NOT advocating for a COLA. I take exception to Glenn's personal issues with saying I should have been here in November. I am not saying there's something we should have done differently in November. What I'm saying – even your discussion Tim about establishing a secondary threshold – I think the County should have the courage to establish that secondary threshold each independent year based on the composite of the Board that is sitting up front here. If people want to say on record they don't support a cost of living increase unless the funded ratio is over 101% each and every year, then so be it. That should be the discussion and that should be the vote. But there are other things that go into that funded ratio issue. You said yourself that there were years when the county didn't make its contribution. I know this policy says the county is going to continue to make its contribution every year but that authority rests with the county commissioners each and every year whether they make that contribution or not. So as we get to 95% funded ratio, there's a lot of things that could be done to manipulate that from ever tipping over 101%. That would be part of the discussion that happens at the Retirement Board meeting to say that we should be considering a COLA even though the County's not at 101% because the County didn't make any contribution this past year. There's a lot of things that can go into it on each independent year rather than deferment to a policy that I said in the beginning usurps the authority of such a Board.

Glenn Eckhart said he has no problem with that.

Phil Armstrong asked Mr. Sweeney if he has made this motion. Mr. Sweeney said he did. Phil Armstrong stated we have not had a second to this motion. We need to have a second before we can ask the public. Phil Armstrong asked for a second to this motion. Hearing no second there was no vote on it.

Glenn Eckhart said he will follow-up with Catharine Roseberry with a legal requisition. If there is something that we need to change, I'll make sure it gets on the agenda and the change happens.

Percy Dougherty asked that we as a Board make it a policy to discuss a COLA every year at the board meeting. Glenn Eckhart said we do that in November. Catharine Roseberry stated that is the policy. Glenn Eckhart added that it used to be every three years according to law but we made it every year.

Phil Armstrong asked for any citizen input.

Dyanne VanHorn, MH/ID, said she was on the committee and one the reasons why the policy was put in place -- she likes to think of them more as guidelines -- because all boards make decisions that boards in the future then have to look at. As we move forward, decisions are made and then we need to determine based on that. At any point in time a board can change a policy. I've seen it happen in this room during plenty of board meetings. We need a foundation. The big concern I have and the reason why I wanted to be on the committee is because I sat in this room and saw two pension board members arbitrarily decide they wanted to lower the interest rate to 4% for no reason other than they could and they really didn't like to give the employees anything. So my trust in the board as a whole is sometimes not so great. So to have each board need to rehash and reinvent the wheel every time seems superfluous and inefficient. If we could have a basis to move forward and a guideline, I think that's great. So I just want to speak to the reason why I think the policy is good. The policy does not prevent discussion because there's plenty of discussion today regardless of the policy in place. I would like personal agendas to be less evident. That was my concern back in 2014, I think it was, when I sat here and was very concerned about what I saw.

Glenn Eckhart replied to Dyanne that part of the reason why you were on the committee is because you sat here every meeting. That's why we chose you to be on the committee.

Joe Turri, Human Resources, stated he was confused as to what is happening here. Mr. Eckhart said that the discussion about the cost of living is discussed every year. Mr. Sweeney wrote that the discussion was merely saying that we don't have to discuss it because it didn't reach 101%. Is that what you're saying is the discussion or is the discussion more like can we afford a cost of living?, should we have a cost of living? Or was there not even discussion other than we don't have to discuss it.

Phil Armstrong answered I think we did have a discussion on can we and what would be the financial burdens to the county if we did.

Joe Turri said so you don't really follow that 101% policy. You did have a discussion.

Phil Armstrong said we did have a discussion but that is the policy that's being followed. But we did look at what would be the tax burden and that's a major responsibility we have.

Glenn Eckhart said it's not only the tax burden. It's the fact that if you take money out of the fund, that hurts future county employees from earning interest off those dollars. Our whole goal would be to get to 105%. That's still my goal. If we get to 110% that's good then the retirees can get a cost of living.

Joe Turri said he understands. His mission here also isn't to say we must have a cost of living. It's more as Mr. Sweeney was saying, are we required to have a discussion - which it appears we are - even if we're not at the 101%. What does state law mean? Must we have a discussion at 80%? We can't just arbitrarily set it at 101%. He's interested what we'll find out in further legal opinion. From a legal standpoint, can we just make up an arbitrary number?

Phil Armstrong said that's something that we are going to have done.

Rob Hopkins, Assessment Office, stated that it sounds like this policy was developed as part of an ad hoc committee. I think maybe if you are going to revise the policy, it might be appropriate to form another ad hoc committee to discuss it.

Phil Armstrong stated that before we get into that, we need to find out the legality of what we have. I was not here when this policy was made. The idea was to try to keep it from being political. I would certainly want to keep it from being political. You don't use people's retirement as a way to get votes or not get votes.

No more comments or citizen's input.

No further business.

Next Retirement Board meeting is on Tuesday, February 5, 2019 at 9:30 A.M. in the Public Hearing Room.

Phil Armstrong called for a motion to adjourn.

Glenn Eckhart made the motion.

Percy Dougherty seconded.

Meeting adjourned at 10:01 A.M.

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Glenn Eckhart, Secretary



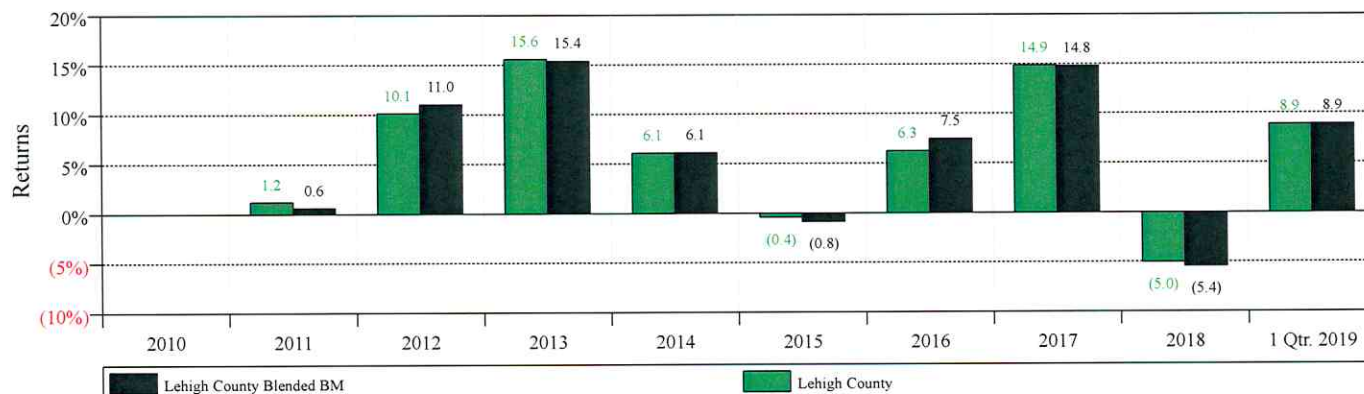
## Lehigh County Retirement Fund

### Net Portfolio Performance

Net Performance for 1 Quarter Ending March 31, 2019

	Ending Weight	Returns	Beginning Market Value	Ending Market Value
Domestic Equity	39.8%	14.30%	\$184,058,041	\$201,527,038
International Equity	15.0%	10.41%	\$68,857,729	\$76,044,959
Domestic Fixed Income	28.5%	3.17%	\$139,704,134	\$144,134,329
Alternative	12.5%	7.38%	\$58,992,096	\$63,286,758
Cash & Equivalents	4.3%	0.34%	\$20,250,650	\$21,569,256
<b>Total Portfolio</b>	<b>100.0%</b>	<b>8.89%</b>	<b>\$471,862,650</b>	<b>\$506,562,340</b>
<i>Lehigh County Blended BM</i>		<i>8.93%</i>		

Calendar Year Net of Fee Returns



## Lehigh County Retirement Fund

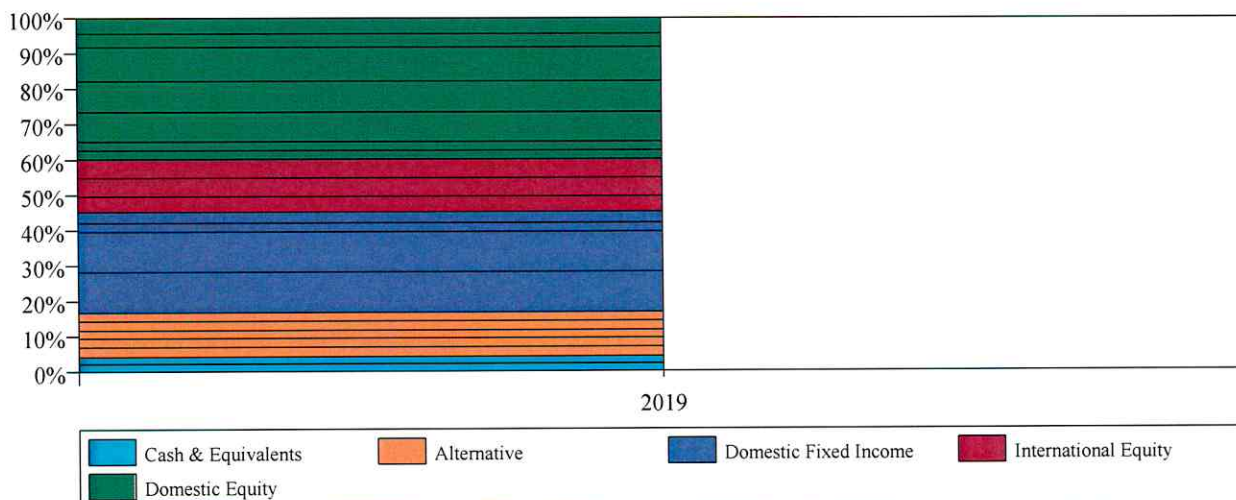
### Asset Allocation

1 Quarter Ending March 31, 2019

	Beginning Weight	Ending Weight	IPS Tgt Weight	Deviation
Domestic Equity	39.0%	39.8%	35.0%	4.8%
International Equity	14.6%	15.0%	15.0%	0.0%
Domestic Fixed Income	29.6%	28.5%	35.0%	(6.5%)
Alternative	12.5%	12.5%	10.0%	2.5%
Cash & Equivalents	4.3%	4.3%	5.0%	(0.7%)
<b>Total Portfolio</b>	<b>100.0%</b>	<b>100.0%</b>	<b>100.0%</b>	

	Beginning Market Value	Ending Market Value	Transfers
Domestic Equity	\$184,058,041	\$201,527,038	(\$8,650,000)
International Equity	\$68,857,729	\$76,044,959	\$0
Domestic Fixed Income	\$139,704,134	\$144,134,329	\$72
Alternative	\$58,992,096	\$63,286,758	\$46,278
Cash & Equivalents	\$20,250,650	\$21,569,256	\$8,603,650
<b>Total Portfolio</b>	<b>\$471,862,650</b>	<b>\$506,562,340</b>	<b>\$0</b>

Actual Allocation for Since Inception Ended April 30, 2019



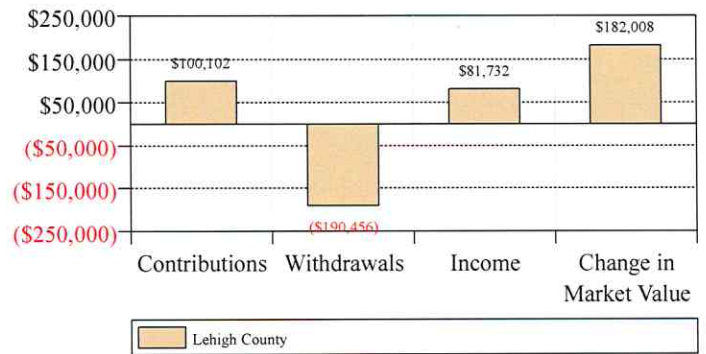
## Lehigh County Retirement Fund

### Historical Cash Flow

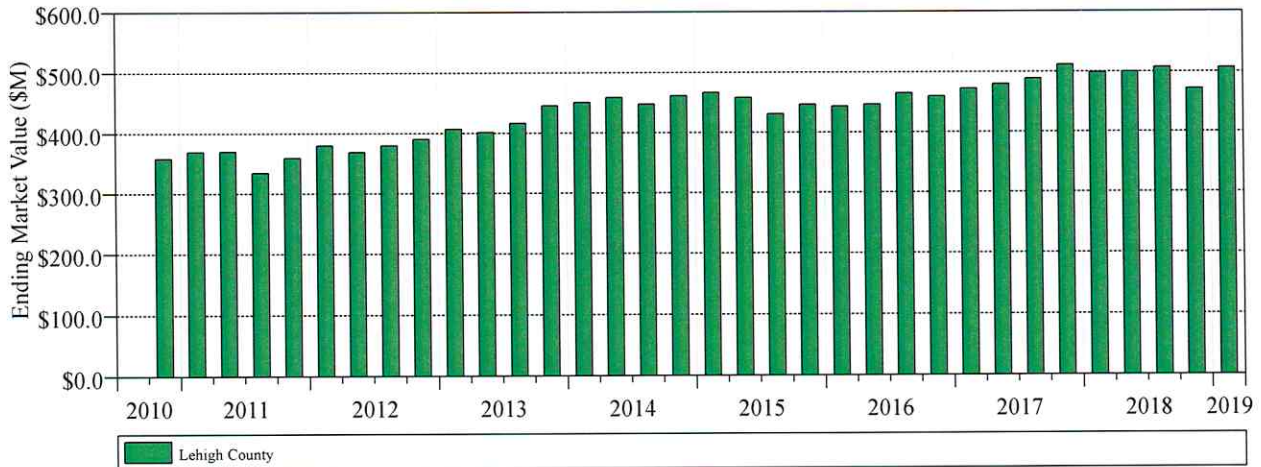
Quarterly Cash Flows for 5 Years (\$K)



Portfolio Appreciation (\$K) Since Inception



Ending Market Value Since Inception (July 1, 2010)



## Lehigh County Retirement Fund

### Manager Performance

1 Quarter Ending March 31, 2019

	Benchmark Name	Ending Weight	Returns	Excess Return	Beginning Market Value	Ending Market Value
Lomax Large Value	Russell:1000 Value	8.4%	9.53%	(2.41%)	\$38,633,409	\$42,314,439
Vanguard Instl Indx;Inst	S&P:500	9.6%	13.65%	0.01%	\$45,538,449	\$48,658,663
Invesco Eq-Wtd 500;R6	S&P 500 Eq Wt	4.5%	14.90%	(0.01%)	\$21,545,844	\$22,715,992
SGA Large Growth	Russell:1000 Growth	8.7%	17.04%	0.93%	\$37,872,745	\$43,963,015
Emerald Mid Growth	Russell:Midcap Growth	2.4%	18.64%	(0.98%)	\$10,417,565	\$12,359,856
Emerald Small Growth	Russell:2000 Growth	2.5%	20.10%	2.95%	\$10,690,614	\$12,541,488
Vanguard SC Val Idx;Ins	CRSP:U.S. Small Cap Value	3.7%	13.38%	(0.01%)	\$19,359,415	\$18,973,584
Vanguard Dev Mkt;Adm	FTSE:Dev AC ex US Idx	4.4%	10.16%	0.07%	\$20,408,855	\$22,499,843
American Funds EuPc;F-3	MSCI:ACWI ex US	5.3%	13.21%	2.90%	\$23,673,760	\$26,801,872
Vittoria Long/Short Intl	MSCI:ACWI ex US	5.3%	7.94%	(2.37%)	\$24,775,114	\$26,743,244
Agincourt Core Fixed	Blmbg:Aggregate Index	11.4%	3.48%	0.53%	\$55,768,564	\$57,707,026
CSMcKee Core Fixed	Blmbg:Aggregate Index	11.5%	3.27%	0.33%	\$56,193,896	\$58,032,896
BlackRock:Str Inc Opp;K	Blmbg:Aggregate Index	3.1%	2.49%	(0.45%)	\$15,328,681	\$15,711,066
Vanguard Sh-Tm Inv;Adm	Blmbg:Credit 1-3 Yr Bd	2.5%	2.18%	0.50%	\$12,412,992	\$12,683,341
Gabelli Merger Arbitrage	CS:Risk Arb	2.6%	2.33%	0.42%	\$12,872,585	\$13,172,444
J Hancock II:G Ab Rt;I	CS:All Hedge Idx	0.0%	--	--	\$12,196,365	\$0
AQR Alternative Risk Prem	CS:All Hedge Idx	2.5%	--	--	--	\$12,447,090
ALPS/CC Mgt CC S;I	Blmbg:Commdty Idx	2.2%	9.15%	3.45%	\$10,138,864	\$11,066,295
CBRE Clarion RE	FTSE:NAREIT All Eq Index	2.7%	17.18%	0.01%	\$11,701,704	\$13,712,152
Nuveen Pref Secs;I	S&P:US Pref Index	2.5%	6.71%	(1.32%)	\$12,082,578	\$12,888,777



## Lehigh County Employees' Retirement Plan

### Monthly Flash Report

	<i>Monthly Return April-2019</i>	<i>Market Value Beginning of Period</i>	<i>Market Value End of Period</i>
<b>Lomax Large Value</b>	2.15%	\$42,273,794	\$41,684,288
Russell 1000 Value	3.55%		
<b>Vanguard Institutional Index</b>	4.04%	\$48,658,663	\$50,626,875
S&P 500	4.05%		
<b>Invesco Equally-Wtd S&amp;P 500 R6</b>	3.58%	\$22,715,992	\$23,530,117
S&P 500 Equal Weighted Tr Usd	3.60%		
<b>SGA Large Growth</b>	3.40%	\$43,923,026	\$42,418,338
Russell 1000 Growth	4.52%		
<b>Vanguard SCV Index</b>	3.91%	\$18,973,584	\$19,716,322
CRSP US Small Cap Value	3.92%		
<b>Emerald Mid Growth</b>	4.32%	\$12,356,919	\$12,890,789
Russell Mid-Cap Growth	4.50%		
<b>Emerald Small Growth</b>	3.54%	\$12,541,991	\$12,986,420
Russell 2000 Growth	3.05%		
<b>American Funds Europacific Growth F3</b>	3.00%	\$26,801,872	\$27,606,243
MSCI ACWI ex US	2.64%		
<b>Vanguard Developed Mkt Idx I</b>	2.89%	\$22,499,843	\$23,150,524
FTSE AW ex US	2.67%		
<b>CS McKee Core Bond</b>	0.00%	\$57,710,563	\$57,707,808
<b>Agincourt Core Bond</b>	-0.02%	\$57,330,184	\$57,317,611
<b>BlackRock Strategic Income Opps K</b>	0.72%	\$15,665,147	\$15,775,456
Barclays Capital Aggregate	0.03%		
<b>CBRE Clarion REITs</b>	0.60%	\$13,656,786	\$13,739,240
FTSE NAREIT Equity REITs	-0.24%		
<b>Liquid Alternatives</b>	0.38%	\$36,282,318	\$40,485,055
Blended Alternatives Benchmark	0.45%		
<b>Vanguard ST Investment Grade</b>	0.35%	\$12,639,850	\$12,683,847
BbgBarc US Corp 1-3 Yr	0.30%		
<b>Cash Account</b>	0.20%	\$21,636,632	\$19,522,652
30 Day MM Yield	0.20%		
<b>Weighted</b> Portfolio	1.88%	\$465,667,165	\$471,841,585
<b>Rate of Return</b> Index	2.04%		

#### Assets Not Valued Daily

	<i>Market Value Beginning of Period</i>	<i>Market Value End of Period</i>
<b>Vittoria Intl Long/Short</b>	\$24,763,357	\$26,757,123
<b>Gabelli Merger Arbitrage</b>	\$13,121,879	\$13,172,444

<b>Grand Total</b>	\$503,552,401	\$511,771,153
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#### 2019 YTD Performance

Net Portfolio	11.34%
Index	11.22%