

CLAYTON COUNTY PENSION BOARD

Deferred Compensation Meeting
11:00 a.m.

May 13, 2021

MINUTES

PRESENT: Terry Hicks, Chairman; James Crissey Vice-Chair; Ramona Bivins, Secretary; Katherine Dodson, Member; Pamela Ambles, Member.

ALSO PRESENT: Mr. Rick Arenburg and Ms. Cass Hollis, Bryan Cave Law Firm; Theodore Loew (T.J.), Graystone Consulting; Kerri Hathaway and Vanessa Sarden, Finance Department.

1. Chairman Hicks called the Deferred Compensation Meeting to order.
2. A motion was made by Mr. James Crissey to adopt the agenda and seconded by Pamela Ambles. The vote was unanimous.
3. A motion was made by Katherine Dodson to approve and accept the minutes from February 13, 2021, as written, and seconded by James Crissey. The vote was unanimous.
4. Theodore Loew (T.J.) of Graystone Consulting, opened by stating the Performance Summary shows the market having great returns for the 1st quarter. He contributes this to the elections and the vaccine rollout. The *S&P 500 Index* was up 6.17% and up 56.35% for the year. The *Russell 2000 Index* up 12.70% and up 94.84% for the year. The stocks rose from the bottom in 2020 to an increase of almost 100% in 2021. With the shift in the economy, the *Russell 1000 Value* was 11.25% and stocks had a 10% outgrowth from value. He further stated the energy led the Sector and was up 30.85%; Financials of the *S&P 500* sector was up 15.99%, *Industrials* up 11.41%, *Materials* 9.08%, and *Technology* was 1.97%.

In the *International Market* the *MSCI EAFE* was up 3.48% for the quarter and 44.5% for the year. The emerging-market was up 60% outperforming the *US Market*. The *MSCI EM* was 2.34% for the quarter and 58.92% for the year.

In the *Fixed Income Market*, the Government Bonds declined 40 basis points (.4%). On the 10-year bond rates, there has been an increase of .5 % to 1.7%. When the interest rates increase, the bond rates decrease. The *Bloomberg Barclays Aggregate* was (3.37%) for the quarter and 0.71% for the year. The *Bloomberg Barclays High Yield Bond* had a positive return of .86% for the quarter.

Mr. Loew (T.J.) stated the *Plan Investments* portfolio had a balance of \$29,894,423 ending March 31, 2021. The *Plan Allocation* did not have big swings, the *Target Date Funds* were up 25.15%, *Large Cap-Growth* was down, and performed at 11.33%. He further stated there were no new funds currently being watched on the watchlist. The *American Funds Investment Company of America A* will be replaced with the *PruDC-Pru Ret Dryden S&P 500 Index SP* on July 1, 2021. The *PruDCP-Pru Ret Prudential Day One 2065 P Fund* and the *JP Morgan Mid Cap Value A* will remain on the watchlist.

The investment consultants are working on a proposal to monitor and score the investment options by using twenty quantitative and qualitative characteristics. He stated each characteristic was worth five points that totaled 100 points. The focus will be on returns, risks, and adjusted returns and all three will be added to the proposed portfolio and investment policy.

Chairman Hicks questioned what happened to the letter that was to be mailed to the participants explaining the charges.

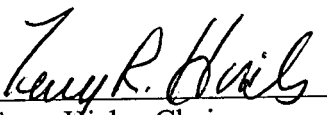
Mrs. Hathaway stated Prudential drafted a letter and it has not been mailed to the participants. The letter was under review with Rick Arenburg and Cass Hollis of Bryan & Cave Law Firm. Currently, the letter is back with Prudential to make marked changes before being mailed to the participants.

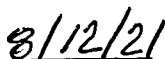
Chairman Hicks asked if the proposed Secure Act 2.0, which includes an auto enrollment section, will apply to the County's 457 plan? Rick Arenburg answered stating he would review the bill and email the members. Ms. Cass Hollis interjected stating she believes the bill applies to just 401K and 403B plans but would check on it. Chairman Hicks told Rick and Cass there was no need to check on it at this time.

A copy of the Graystone Consulting "*Plan Investment Review, Clayton County Prudential 457 Plan – January 1 – March 31, 2021*" booklet is filed in the Chief of Finance Officer's office.

5. A motion was made by Mrs. Pamela Ambles to adjourn the Deferred Compensation Meeting and the motion was seconded by Mr. James Crissey. The vote was unanimous.

Clayton County Pension Board


Terry Hicks, Chairman


Date

Ramona Bivins 8/12/21

Ramona Bivins, Secretary

Date