

**BERKS COUNTY EMPLOYEES' RETIREMENT FUND BOARD MINUTES
JANUARY 25, 2021**

The Berks County Retirement Fund Board met in a regular session on Monday, January 25, 2021, at 10:00 A.M. via Microsoft Teams Live, pursuant to due notice to Board members and the public.

Chairman Christian Y. Leinbach called the meeting to order with Secretary Sandra Graffius, Treasurer Dennis Adams, and Members Vice Chairman Michael Rivera and Commissioner Kevin Barnhardt in attendance. The following County staff attended: Jessica Weaknecht, Director of Human Resources; Christine M. Sadler, County Solicitor; Stephanie Weaver, Public Relations Officer; Robert Patrizio, Chief Financial Officer; Christie Bennett-Zellers, Benefit Manager and Pamela Shupp, Deputy CAO/Economic Development Director.

APPROVAL OF MINUTES

The minutes of the December 17, 2020 meeting were approved as presented.

PUBLIC COMMENT FROM THE FLOOR

None.

PRESENTATION

Terry Gerlach started off SEI's presentation expressing who would have ever thought nine months ago, we would be looking at this much growth during the pandemic. Large Caps were up 21% while; Small Caps after exploding 30% in the fourth quarter, finished the year up by 20%. International was up about 7 ½%, while emerging market equities were seeing an 18% increase. He points out diversification, as we have a portfolio within particular high yield bonds. We are seeing very strong returns up over 7 ½ %, and you see commodities coming back very strong as well. Terry reports not only was there an incredibly strong year across the marketplace, but we are also seeing rotation in the 4th quarter into some of the areas we have diversified into as part of a long-term strategic plan.

We saw interest rates fall across the board. In the fourth quarter, they came up a little bit, which helped to enhance this year's returns for the bond portfolio. Investors are now looking forward to feeling the economic recovery, in seeing higher rates because of potential high inflation. The big 5; Apple, Microsoft, Amazon, Google and Facebook were up almost 56% for the year, while the other 495 stocks in the S& P 500, although they saw double digits, lagged significantly.

The overall market is highly valued, but rotational leadership that we are seeing may make it possible to continue to see some good advances. It continues to be a simple story, the COVID pandemic has been the number one issue. With recent strength we have seen is entirely due to investors' confidence that the economy will get better and our earnings will continue to improve as the COVID situation gets better this year. As a result of the vaccine, a lot of uncertainty has also been taken out of the marketplace because the elections are over. The bad news, if there is any, is really a two-fold; if the COVID situation takes a turn in the wrong direction or the virus

does not respond to the vaccine, then that would cause obvious distress in the marketplace and in the economy.

Mike Burke reported a plan asset value of approximately \$484 million; \$14.5 million net cash flowed out of the plan and was offset by a 55 point, \$8 million investment gain to bring the December 31st value to just over \$525 million. He shares the portfolio generated over 12% return from the very strong returns we are seeing from US stocks over the past few years. Mr. Burke finishes up by explaining we transitioned the liquid public strategies of this portfolio and continue to embark on a slower moving transition with respect to the alternative, all while getting to the approved portfolio that was discussed at the last meeting.

CORRESPONDENCE

None.

OLD BUSINESS

None.

NEW BUSINESS

None.

AUTHORIZE DISBURSEMENTS

2. A motion was made by Commissioner Kevin Barnhardt and second by Vice Chairman Michael Rivera to authorize the disbursements as follows. Motion carried.

01R.2021 A. Adopt a resolution ratifying, confirming and approving annuities and refunds for December 2020 as follows:

Annuities	\$1,929,128.58
Refund	\$ 82,058.44
Total	\$2,011,187.02

3. A motion was made by Secretary Sandra Graffius and second by Vice Chairman Michael Rivera to authorize the disbursement as follows. Motion carried.

02R.2021 B. Adopt a resolution ratifying, confirming and approving payment of Invoice No. 195214315 in the amount of \$8,625.00 to Korn Ferry (US) for Actuarial Services to Agreement #ICA-174550-16, for the 4th Quarter Actuarial Services (October, November, December 2020)

There being no further business, on motion made by Commissioner Kevin Barnhardt and second by Secretary Sandra Graffius, the meeting adjourned at 10:28 A.M.

Respectfully Submitted,

Sandy Graffius

Sandy Graffius, Secretary Retirement Fund Board