

Roll Call: Present – John Jolls, Morgan Stanley, Joe Scott, PSAB, Chris Leidy, Molly Bender, Brian Courtney, Priscilla deLeon, Council Liaison (via Phone), Leslie Huhn, Township Manager, Cathy Gorman, Director of Finance 11:05

Absent: Mary Curtin

1) Joe Scott – PSAB

The Borough Association conference and prior to that there was Trustee meeting this morning. There were no significant changes to The MRT, no changes to the structure or format, or to investments or the investment policy. There is nothing pressing to report. There was also nothing to report from the Hill regarding any pending legislation that would affect the MRT.

- 2) John Jolls, Morgan Stanley – Starting with an overview from April with finalized numbers following up with everything after yesterday's closing. So far 2019 has been a strong year. Strong economic data but there are signs that the economy is slowing. There are no imminent signs of a recession. Trade negotiations with China were going well however in the last month and a half things have become more volatile. This is transferring over into the equity and fixed income markets. Through April the stock market was representative of the S&P 500 was up 18.25% and the develop international stock market was up 13.07%. The fixed income market, in January the Fed announced that they were going to start pausing interest rate hikes and to become data dependent. With the volitiltiy occurring and in anticipation that the Feds might reduce rates in 2019 the overall US Bond market has been up 2.97%, the intermediate up 2.52% and short term was up 1.19% and cash was up 0.80%. Page 4 shows you where we are as of Friday. As of Friday the S&P was up 15.68% has been a strong broad base rally if you look down at the year to date of all the sectors, with all economic sectors reporting double digit returns year to date. Turning to page 5, it has been a good year for the MRT. As of April we were up 10.61% and the total assets as of April was \$285,545,000.00 Looking at the chart on the right, I think it is important to note there is that the goal of the MRT over time is to provide consistent return, reduce volatility in downside protection. The chart on the right with the down market capture, and the standard deviation, you can see we are doing exactly that. Page 6, the only change in the asset allocations, since our last meeting has been an increase in real estate from 4% to close to 7%, and there have been no changes to the investment managers. He can go into further detail if anyone has any questions. Brian said it appears that we are hitting our goal, exceeding our goal. Is there anything we can do to protect ourselves from downside protection to lock us in now? This could evaporate in the next few months. John said that is the good thing about the way the MRT is set up, we are already trying to protect on the downside. As of yesterday's close we are still up and this is containing the month of May which was volitial. Brian said he was wondering how to lock in more of that 10%. John said if you go back to page 5, there are two good steps there in a down market, capturing the data. So, in a down market, if the market is down 100% the MRT will be down 68%

- 3) Financial Reports - Presented was 2018 Uniformed Plan total \$53,101.88 and Non-Uniform \$20,233.93 and for 2019 the Uniformed plan total is \$9,144.61 and the Non-Uniform plan total reimbursed is \$3,500.88.

4) COLAS

Pension Advisory Committee Meeting
March 13, 2019

V. Koszi is entitled to a 1.8 % and he is at his 19.25% of the 30% maximum as of May 1st. He will be paid \$3,067.43 per month.

Chuck had mentioned it would be easier to have the cost of living changed to January 1st. They can do an adjustment for each member to get them to the January 1st date. Cathy said this was discussed previously and we will need our uniformed representation to relay the information to the officers.

5) Settlements - None

6) Minutes –

Committee approved the December minutes for posting on website.

Next meeting June 12th at 11:00 AM

Adjournment – 11:42 AM