

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM

The regular meeting of the Board of Trustees is scheduled as follows:

September 26, 2019
8:30 a.m.
Sixth Floor, Room 604
County Tower Building

AGENDA

1. Approval of Agenda
2. Public Comment
3. Investment Manager Presentation – presented by Pranav Jaiswal of Brandes
4. Minutes
 - a. Regular Meeting Minutes – August 22, 2019
 - b. Closed Meeting Minutes – August 22, 2019
5. Monthly Financial Statement – August 2019
6. Consent Agenda
 - a. Comerica Bank Custodial Statements of Account for August (▶)
 - b. Purchase of Service: **-NONE-**
 - c. Refunds of Contributions: **#9221 \$585.14; #9222 \$28,908.76; #9223 \$1,376.48**
 - d. Distribution of DROP Balances: **-NONE-**
 - e. Approve Application(s) for Retirement: **-NONE-**
 - f. Approve Application(s) for Deferred Retirement Option Plan (DROP): **-NONE-**
 - g. Statements Paid
 - h. Correspondence
 - i. Morgan Stanley Client Statement for Period August 1-31, 2019 (▶)
 - ii. Morgan Stanley Performance Update (Select UMA) for Period August 1-31, 2019
 - iii. Robbins Geller Rudman & Dowd 2019 Settlement Report for August 30, 2019, 2019
 - iv. Robbins Geller Rudman & Dowd 2019 Portfolio Monitoring Report for August 30, 2019
 - v. Robbins Geller Rudman & Dowd 2019 International Portfolio Monitoring Report for August 30, 2019
 - vi. SSGA Performance and Analysis for Period August 1-31, 2019
 - vii. Morgan Stanley and Jefferies Transaction reports (▶)
7. Old Business
 - a. Investment Manager Review Committee
 - i. Brandes Review
 - ii. Other
 - b. Policy Committee
 - i. Policy #36 – Statement of Investment Objectives, Policies and Guidelines
 - ii. Other
 - c. Legal Counsel Update
 - i. Memo re: Fraudulent Attempt to Transfer Assets
 - ii. Matters deemed pertinent

- d. Morgan Stanley Wealth Management Update
 - i. Other

8. New Business

- a. Informational Items
- b. MAPERS Report
- c. Reciprocal Time
 - i. Jacquelyn Hackworth
- d. DROP Percentage Update
- e. Signature Audit Update
- f. Trustee Comments

Committee Meetings (immediately following regular meeting):

- None

Next Meeting: October 24, 2019

**MINUTES OF
JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM**

Thursday, August 22, 2019
6th Floor Room 604

The August 22, 2019 Regular Meeting of the Jackson County Employees' Retirement System Board of Trustees was called to order at 8:35 a.m. by Vice-Chairperson, Sharon Best.

The following Trustees were present: Bob Griffis, Denise Owens, Tracey Johnson, Rodney Walz, Nicholas Warner, Sharon Best, and James E. (Steve) Shotwell, Jr. (Arrived at 8:40 a.m.) Also in attendance: Jessica Gerlach – Pension Coordinator, Catherine Applegate – Pension Administrative Assistant, Nick Barris, Investment Consultant – Morgan Stanley, Kayla Lange, Investment Consultant – Morgan Stanley, Cecilia Anderson – Jackson County Finance Director, and Jack Timmony, Legal Counsel – VanOverbeke, Michaud and Timmony, P.C.

Approval of Agenda:

MOTION: Moved by Owens, supported by Johnson to approve the Agenda. Motion carried unanimously.

Public Comment: None.

Investment Manager Presentation:

Nick Barris and Kayla Lange of Morgan Stanley offered their presentation to the Board. Barris began the presentation by reporting that the second quarter was an excellent quarter. Strong numbers from both the bond and equity markets. U.S. equity markets outperformed international markets. The S&P 500 was up 4.3% for the quarter, and 10.42% for the last 12 months. Little weakness in small cap; they are keeping an eye on it. Small cap is down about 3%. Portfolio is still well allocated, mostly in large and mid-cap, but not over weighted in large cap.

International markets are still lagging behind U.S. markets. International growth is doing better than value, with end of the quarter numbers being at 5.96% for growth and 1.89% for value. MSCI EAFE index is at 3.97% and the S&P 500 still outperformed the quarter at 4.3%. The S&P 500 outperformed by 10.42% for the last 12 months. Domestically, growth is outperforming value; this is also true for international markets.

The bond markets, even with the decline of interest rates, have proven to be very strong. For the quarter, the Barclays U.S. Aggregate is at 3.08% for the quarter and up 7.87% for the last 12 months. For the longer term bonds, Barclays Capital Long Govt/Credit, is at 6.59% for the quarter and 13.82% for the last 12 months. This is an amazing amount of return for the bond market.

The market value of the entire portfolio, including the bond proceeds account, is at \$235.7 million. Investment earnings were just north of \$8.7 million for the second quarter, with only just over \$3 million in loss/withdrawals. The portfolio compared to the benchmark is still just ahead, sitting at 3.83% (benchmark is 3.8%) for the quarter, 14.74% (benchmark is 13.52%) for the year-to-date. Year-to-date earnings are around \$30.8 million. Looking at the last 12 months, which does include a very painful end of 2018, the portfolio is trailing the benchmark at 7.37% (benchmark is 8.55%). International markets are definitely lagging compared to U.S. markets, at 1.08% (U.S. markets are at 10.42%) for the last 12 months.

Historically, the portfolio has grown quite a bit since inception. This is due mostly to the selection of managers, which have added increased value to the portfolio over time.

Asset allocation of the plan includes 67.8% of total equities (U.S. and international). Slight overweight to value; U.S. Equities has a total of 47.8% of the portfolio with about 16% being large cap value. Small cap exposure is just north of 1%. International is about 20%; fixed income is at 31% and a small sliver of the portfolio is real estate at just north of 1%.

Looking closely at the “legacy funds” (the balance of the portfolio minus the bond proceeds account). This section of the portfolio has a second quarter balance of about \$165.7 million. The year-to-date shows that the portfolio is up 15.19% (benchmark is 13.52%), and a historical look at longer terms in the past show that the portfolio has done very well in beating the benchmark.

Special note on Polen, Lange noted that Morgan Stanley recently had a meeting with Polen and said that there has been a minor shift in the team at Polen. Damien Fickland was a portfolio manager for this plan and he was recently shifted to the global strategy. Does not affect the plan itself, but it is a change that should be noted.

Best asked a question concerning Polen; she inquired as to the percentage for the cap on one type of holding that could be held? Barris answered that it was 5%; Best followed up her question with some observations on Polen’s holdings. She noted they have 9% in Microsoft, 8% in Facebook, 6% in Adobe. She inquired if this is something that should be brought to Polen’s attention, even though they are doing great, but following the investment guide, she didn’t know if we were in line with that. Barris and Lange responded that they spot-check all the managers, to make sure they are in line with the requirements.

Chairman Shotwell asked if there was an Excel spreadsheet that can better show the breakdown, to clear up any misunderstandings. Lange responded that they could provide this. Chairman Shotwell asked Trustee Best if this would answer her questions; Best responded that the Board used to be provided with breakdowns so that if a manager was over 5% they could bring it up to the manager, and make sure that they were in line with requirements, but that was a long time ago. Best just wants clarifications as to what their holdings should be. Chairman Shotwell asked if this could be shared with the Pension Coordinator’s office, which could then be forwarded to the Board for their review. Lange said it would not be a problem. Barris believes that the investment policy currently under review and set for discussion at the policy committee meeting later in the day, may also answer the question as well, and asked if the Board would permit him to restate a few items from the policy later. Chairman Shotwell said that would be fine.

Continuing forward, Lange mentioned that Polen has done very well over the years. The portfolio is up 6.04% for the quarter, ahead of the benchmark of 4.64%, and is up 24.08% for the year-to-date (benchmark is 21.49%). Polen has met or exceeded the benchmark expectations in every time frame historically going back 10 years.

Aristotle is the large cap value manager for the plan. They are up 6% for the quarter versus their benchmark which is 3.84%, and up 19% for the year-to-date. Value stocks are up 16% where growth stocks are up 21%. There is still a gap between growth and value.

The two international managers, ClearBridge and Brandes, are listed next on the report. International markets have experienced the same pressure as domestic markets when it comes to growth versus value. ClearBridge, the international growth manager, is up about 7% for the quarter, above their benchmark of 3.68%; up 23% for the year-to-date over the benchmark of 14%, adding a lot of value over the international benchmark.

Brandes is next and has had some poor performance numbers. Lange said the investment committee will be meeting to discuss an overview of Brandes today. Brandes is coming in next

month to do a review as well, so that would be a good time to ask questions concerning their performance and hopefully get some clarification.

Chairman Shotwell asked if Brandes was on some sort of Watch List with Morgan Stanley; Lange answered they are not. Chairman Shotwell if they are under-performing in comparison to others or if it's just this portfolio. Lange said that in the overall value universe, they are lagging. Brandes is referred to as a "deep value manager" which means that in order for their investing style to come back in to favor, value would have to come back in to favor first and then deep value. This is not the environment that they have seen. The peer analysis, which will be reviewed with the investment committee, they do lag. Their style is just not end vogue, so their numbers are less than to be desired for the last 4-5 years; their long-term numbers are better, but this plan has not been beneficial since it's only been active for about 4 years. Additional discussion amongst the Trustees occurred as this situation happening before with a previous investor, whom Brandes was hired to replace. The concern is now whether to wait years for a turnaround, like before, or if a decision should be made sooner.

Lange continued the presentation to add that they are watching Brands very closely, and plan to discuss Brands in further detail at the investment committee meeting later. Their numbers are lagging, with negative 1.3% at the end of the quarter, with a benchmark of positive 3.22%; their year-to-date numbers are 4% in comparison to the benchmark of almost 14%. Lange encourages the Board to ask any questions they have of Brands when they present their report to the Board next month.

Moving on, Lange pointed out that the fixed income managers are also doing well, very closely meeting their benchmarks and have high returns (which is unusual). Alamos is the hybrid convertible manager with numbers being at 2.6% for the quarter and 11.6% for the year. CS McKee is the core fixed income strategy, and is at 2.8% for the quarter and 6% for the year. Garcia Hamilton is the short-term immediate manager, with returns at 1.6% for the quarter and 3.4% for the year. Chairman Shotwell asked if the numbers also include the disbursement of retirement funds; Lange answered "yes".

The bonds proceeds account is about \$70 million of the total value of the portfolio. The portfolio is up 3.5% for the quarter and 13.6% for the year. Since inception, the account has earned a total of 2.83%. It's lagging a little behind the benchmark simply because the portfolio has an allocated 25% to international, which markets have been down about 3% and the overweight to international has caused much of the gap.

Mid-cap is the best performing as far as adding a lot of value to the portfolio. Aligned, the mid-cap manager, is up 9.8% for the quarter and 31.2% for the year. International managers of Schroders and Thornburg is also performing very well. In this portfolio, the international managers are doing very well. Thornburg has really turned things around from last year, they've done very well, up 19.6% for the year.

Trustee Best asked for clarification that this portfolio is 25% international; Lange said "yes". Best asked a follow-up question of whether this is in line with Act 314. Lange said that 314 refers to the Plan overall, and referred back to the Asset Allocation which lists international holdings at just around 20% overall.

Barris closed the report with a current update on the market. All-time highs were hit on the S&P 500 on July 26th, up 22.1%. With next year being an election year, all the news sources are talking about an upcoming recession based on the inverted yield curve. Barris stressed that the inverted yield curve is only one indicator of a recession. The average recession is only about 6 ½ months;

if a recession does happen, it likely will not occur until about 12-18 months down the road. The economy is strong, so the recession (if it happens) will be very shallow.

Markets are still strong; within 3% of the all-time highs. Despite the mixed news reports, the numbers are still very close to meeting or exceeding all-time highs again. The gap between growth and value, with approximately 10% difference. Value still has the potential to outperform growth.

MOTION: Moved by Best, supported by Johnson to receive the report by Morgan Stanley. Motion carried unanimously.

Meeting Minutes:

MOTION: Moved by Best, supported by Griffis to approve the regular meeting minutes of July 25, 2019. Motion carried unanimously.

Monthly Financial Statements:

Cecilia Anderson presented the financial statements for the month of July, 2019. July includes the rebalancing of \$8.1 million. Anderson also pointed out that the Morgan Stanley team will be looking in to the negative interest for the Garcia Hamilton account, as it seemed odd to have negative cash interest.

Within targets for fixed and equity. Since Brandes is under discussion, there are \$12,000 in fees for July which seemed high. Trustee Best inquired as to the \$125,000 settlement from June, if there was clarification on that. Legal counsel advised it was from a class action settlement. The markets have increased for July.

MOTION: Moved by Owens, supported by Walz to receive the Financials as submitted for July 2019. Motion carried unanimously.

Chairman Shotwell asked if the Board would permit him to share the financial report with the Board of Commissioners. There has been a question raised by the Commissioners concerning the Garcia Hamilton account and the funds for the retirement distributions.

Approval of Consent Agenda:

MOTION: Moved by Griffis, supported by Warner to concur with the Consent Agenda:

Consent Agenda

- a. Comerica Bank Custodial Statements of Account for July (▶)
- b. Purchase of Service: **-NONE-**
- c. Refunds of Contributions: **#9217 \$357.17; #9218 \$360.72; #9219 \$370.69; #9220 \$36.92**
- d. Distribution of DROP Balances: **#277 \$128,580.72**
- e. Approve Application(s) for Retirement: **T. Rowe (GEN), effective 10/1/19, Opt G-100, 24 years 9 months Service (4 years purchased) with additional 3 months reciprocal time**
- f. Approve Application(s) for Deferred Retirement Option Plan (DROP): **T. Schlundt, effective 9/1/19, Opt G-100, 30 years 3 months Service (4 years purchased)**
- g. Statements Paid
- h. Correspondence
 - i. Morgan Stanley Client Statement for Period July 1-31, 2019 (▶)

- ii. Morgan Stanley Performance Update (Select UMA) for Period June 1-30, 2019
- iii. Robbins Geller Rudman & Dowd 2019 Settlement Report for July 26, 2019, 2019
- iv. Robbins Geller Rudman & Dowd 2019 Portfolio Monitoring Report for July 26, 2019
- v. Robbins Geller Rudman & Dowd 2019 International Portfolio Monitoring Report for July 26, 2019
- vi. Robbins Geller Rudman & Dowd 2nd Qtr Litigation Report, Nissan Motor Co.
- vii. SSGA Performance and Analysis for Period July 1-31, 2019
- viii. SSGA Securities Lending Fact Sheet June 30, 2019
- ix. Calamos Investments 2nd Qtr Performance Report
- x. Aristotle Capital Management 2nd Qtr Performance Report
- xi. Garcia Hamilton & Associates, 2nd Quarter Performance Report
- xii. Miscellaneous Newsletters/Information Pamphlets/Privacy Policy Updates (▶):
 - 1. The Essence July 2019, presented by Aristotle
 - 2. Vanguard FTSE Developed Markets ETF Summary Prospectus April 26, 2019
 - 3. iShares 2019 Summary Prospectus
- xiii. Morgan Stanley and Jefferies Transaction reports (▶)

Roll Call Vote: Griffis – yes, Owens – yes, Johnson – yes, Walz – yes, Warner – yes; Best – yes, and Shotwell – yes. Motion carried unanimously, 7 – yes.

Investment Manager Review Committee:

Trustee Best reported that the Investment Committee did not meet last month, but that they will be meeting today.

Gerlach provided a proposed 2019/2020 schedule for the Investment Committee meeting.

MOTION: Moved by Best, supported by Warner to approve the Proposed 2019/2020 Schedule of Committee Meetings for the Investment Review Committee. Motion carried unanimously.

Legal Counsel / Policy Committee:

Trustee Griffis reported that the Policy Committee did not meet last month, but they will be meeting today.

Gerlach provided a proposed 2019/2020 schedule for the Policy Committee meeting.

MOTION: Moved by Griffis, supported by Owens to approve the Proposed 2019/2020 Schedule of Committee Meetings for the Policy Committee. Motion carried unanimously.

Legal counsel, Jack Timmony, presented an update the Board concerning the pending Nissan case. Timmony advised that there is no need to go in to closed session, but he is happy to do so if the Board wishes to discuss the case in closed session.

Chairman Shotwell requested that the case be discussed in closed session.

MOTION: Moved by Owens, supported by Johnson to enter closed session and discuss matters protected by the attorney/client privilege.

Roll Call Vote: Owens – yes, Johnson – yes, Walz – yes, Warner – yes, Griffis – yes; Best – yes, and Shotwell – yes. Motion carried unanimously, 7 – yes.

MOTION: Moved by Best, supported by Johnson to exit closed session. Motion carried unanimously.

Timmony continued his update by advising the Board that a letter had been drafted and sent to Robert Holifield. It was requested that assistance be provided to the Pension Coordinator in drafting a demand letter to Mr. Holifield. The actuary calculated the amount owed and the letter was sent.

Policy committee will meet today and on the agenda is the investment policy statement. This is a living, breathing document as required by Act 314. Policy committee will review it and suggest any amendments, with the assistance of the investment consultant. The document will come before the Board for approval in the very near future. A question was raised during Morgan Stanley's earlier presentation concerning the investment limitations; the policy limitations are broken down by manager and referenced in the policy specifically and in accordance with Act 314. Timmony quoted the investment policy to the Board for further clarification, specifically Section 14, Paragraph 1:

“An investment fiduciary shall not invest more than 70% of a system's assets in stock or the type of global security described in section 12b(4)(b). An investment fiduciary shall not invest in more than 5% of the outstanding stock of any 1 corporation, or invest more than 5% of a system's assets in the stock of any 1 corporation, unless otherwise provided in this act.”

Trustee Best thanked Timmony for the clarification; she knew 5% stuck out for some reason, but could not recall the specifics. Timmony advised that the investment consultant is charged with monitoring the activity of the managers, to verify that compliance with Act 314 is maintained.

Morgan Stanley Wealth Management Update:

Chairman Shotwell asked Barris if there were any further comments to add for the Morgan Stanley Wealth Management Update; Barris said no further comments were needed unless anyone had questions. No questions were presented to Barris for answering.

New Business:

Informational Items:

No new information items to discuss.

Budget Amendment – NCPERS/MAPERS Budget:

Gerlach provided an update to the Board concerning the present MAPERS/NCPERS budget line items. Gerlach advised that with all the MAPERS attendance this year, it is estimated that the cost will be over the projected budget for the year. Since the NCPERS funds are not being used, Gerlach suggested moving funds from the line item for NCPERS to the line item for MAPERS in order to balance the budget and prevent any overages.

Gerlach provided information concerning the upcoming NCPERS 2-day conference in October in New Orleans, in case anyone wanted to attend. Trustee Best asked if travel costs were included in the MAPERS budget; Gerlach said yes, the budget includes costs for travel, mileage, the conference itself, and any other expense reimbursement associated with the conference. Trustee Best asked if the MAPERS fee is a fixed amount or if it's based on the number of members on the Board; Gerlach answered that it was a fixed amount. Additional discussion concerning the Trustee and Educational Conference Policy requirements set by MAPERS, and it was concluded that the Board has been following those requirements, so there are no concerns regarding attendance at the policy or exceeding budget requirements per the policy.

Timmony interjected with information off-topic to Trustee Best's earlier question in closed session. Brandes is the manager affected by the Nissan lawsuit; and the estimated loss was \$55,911.00. Chairman Shotwell asked if the amount was "plus interest"; Timmony answered yes. Chairman Shotwell asked a follow-up question concerning the plus interest amount, if that's based on what the return the investment retirement fund was earning; Timmony advised there are different components involved in a damage claim. That is one of the components; another is statutory interest; another is that if we are successful in prosecuting the case, there is judgment interest. Chairman Shotwell clarified that there is other interest involved then, not just the bond interest rates at the time; Timmony said that was correct.

Returning to the discussion on MAPERS, the budget numbers come from Act 314. Further discussion was held clarifying the amounts allowed under Act 314, in comparison to the current MAPERS/NCPERS budget, and what has actually been used. No one expressed an interest in attending the NCPERS conference in October. Further discussion was held concerning the options for the budget – whether to leave the funds where they are and make adjustments next year (leaving this year to be over budget), or to move the funds according to Gerlach's recommendations. The final decision by the Board was to wait and make adjustments accordingly to the proposed 2020 budget which will be presented next year.

DROP Percentage Update:

Gerlach provided an update concerning the DROP percentage error that was brought to the Board's attention previously. The last meeting requested Gerlach to reach out to the actuary and obtain a recommendation for the interest amount. The actuary recommended 7.25% to keep the system whole. Gerlach further added that once the interest was provided, then come the September meeting, letters would be drafted to all the affected individuals with their amounts they were overpaid and the approved interest amount, for mailing on October 1. Chairman Shotwell asked Timmony if a Motion was required to approve the interest rate now, or if it should wait and do it all at once with the September meeting which would include the amounts, the letters, and the interest rate. Timmony advised that the Minutes simply reflect the conversation and a Motion to approve the discussion including the interest rate should be sufficient.

MOTION: Moved by Griffis, supported by Walz to approve the interest rate of 7.25% as recommended and direct the Pension Coordinator to draft the letters to the individual Retirees with the amounts and the approved interest rate for approval by the Board of Trustees at the September meeting. Motion carried unanimously.

Disability Retirement – John Evans (MMRO Recommendation):

Gerlach provided an update concerning the recent retirement application for disability by member, John Evans. The application was submitted to the medical consultant, MMRO, who provided a recommendation that Mr. Evans be approved for disability retirement. Mr. Evans' condition is deemed as "irreversible" and he will likely not return to work. Gerlach provided the Trustees with

a copy of the written recommendation by MMRO which included their findings and their final recommendation for disability.

Timmony advised the Board that if a further discussion regarding the particulars of Mr. Evans case and conditions be done in closed session. No one felt the need to discuss the case in further detail in closed session. Trustee Best stated that in the past, the Board generally sided with whatever was recommended by the doctors.

MOTION: Moved by Best, supported by Griffis to concur with recommendation by MMRO to approve the disability application of John Evans.

Roll Call Vote: Walz – yes, Warner – yes, Griffis – yes, Owens – yes, Johnson – yes; Best – yes, and Shotwell – yes. Motion carried unanimously, 7 – yes.

Signature Audit Update:

Applegate provided an update to the Board concerning the last remaining Signature Audit Responses. Two letters were sent out certified to Robert Brown and Susan Hill. The Retirement Office was notified that Mr. Brown had passed away. Susan Hill signed the receipt for the certified letter and has yet to respond. Chairman Shotwell asked if a death certificate was received for the deceased retiree (Mr. Brown); Applegate said yes. Chairman Shotwell asked what Applegate is looking for from the Board; Applegate stated that approval from the Board is needed before paperwork can be submitted to stop payment on Ms. Hill’s benefit until she responds to the Signature Audit. The reason being is that Comerica has a deadline early in the month for making changes to a retiree’s benefit, so if this change is to be effective starting with her October payment, approval by the Board is needed so the paperwork can be submitted early September.

Trustee Best asked if this information is spelled out for the retiree in the letter; Applegate answered yes. She referred to the letter originally sent to Ms. Hill on August 5, 2019 which gives a deadline to respond of August 30, 2019 (following the Board meeting today). The letter further states:

“This will be the last request sent in regard to the Signature and Address Verification before your payment is suspended with your October payment.”

Questions were asked as to whether Ms. Hill is local and signed the card; Applegate responded that yes, she is local (lives in Jackson), and her signature matches that of her original Application. She just has chosen not to respond.

MOTION: Moved by Warner, supported by Owens to approve the suspension of benefit for retiree, Susan Hill, per policy until she returns the requested Signature Audit response.

Roll Call Vote: Johnson – yes, Walz – yes, Warner – yes, Griffis – yes, Owens – yes; Best – yes, and Shotwell – yes. Motion carried unanimously, 7 – yes.

Additional Comments:

No further comments.

Chairman Shotwell adjourned meeting at 9:56 a.m. until the next meeting on September 26, 2019.

Chairperson

Pension Coordinator

JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
CONSENT AGENDA MOTIONS
September 26, 2019
Roll Call

A. Receive Comerica Bank Custodial Statements of Account for **August** (▶)

B. Purchase of Service: **-NONE-**

C. Approve Refund(s) of Contributions:

9221	████████████████████	\$585.14
9222	████████████████████	\$28,908.76
9223	████████████████████	\$1,376.48

D. Approve Distribution(s) of DROP:

-NONE-

E. Approve Application(s) for Retirement: **-NONE-**

F. Approve Application(s) for Entrance into the Deferred Retirement Option Plan (DROP): **-NONE-**

G. Statements Paid

H. Correspondence:

- a. Morgan Stanley Client Statement for Period August 1-31, 2019 (▶)
- b. Morgan Stanley Performance Update (Select UMA) for Period August 1-31, 2019
- c. Robbins Geller Rudman & Dowd 2019 Settlement Report for August 30, 2019, 2019
- d. Robbins Geller Rudman & Dowd 2019 Portfolio Monitoring Report for August 30, 2019
- e. Robbins Geller Rudman & Dowd 2019 International Portfolio Monitoring Report for August 30, 2019
- f. SSGA Performance and Analysis for Period August 1-31, 2019
- g. Morgan Stanley and Jefferies Transaction reports (▶)

**JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM
STATEMENTS PAID September 2019**

COMPANY	AMOUNT BILLED	AMOUNT PAID	DATE SUBMITTED FOR PAYMENT	DESCRIPTION
Brandes	\$25,722.00	\$25,722.00	9/12/2019	Investment Manager Fee (Quarterly)
ClearBridge	\$20,052.67	\$20,052.67	9/3/2019	Investment Manager Fee (Quarterly)

Performance Update

Prepared on September 09, 2019 for:

JACKSON COUNTY EMPLOYEES RETIR SYST

Account No. 092-XXX010

JACKSON COUNTY EMPLOYEES RETIR SYST
C/O JAMES SHOTWELL
120 W. MICHIGAN AVE
JACKSON MI 49201-1338

Nickolas Barris

Financial Advisor
Senior Vice President
Tel: +1 989 791-7685
Nickolas.T.Barris@morganstanley.com

August Hurt

Financial Advisor
Senior Vice President
Tel: +1 989 791-7679
August.J.Hurt@morganstanley.com

Kayla Lange

Financial Advisor
Tel: +1 989 791-7686
Kayla.Lange@morganstanley.com

Your Branch:

3101 SPRING ARBOR RD SUITE 400
JACKSON, MI 49203

TABLE OF CONTENTS

Account(s) Included In This Report	3
Time Weighted Performance Detail - Advisory Assets Only	4
Disclosures	6

Please review the disclosures and definitions throughout this Document.
Various sub-sections of this Document may not contain information on all accounts/positions covered in this Document.

ACCOUNT(S) INCLUDED IN THIS REPORT

JACKSON COUNTY EMPLOYEES RETIR SYST 092-XXX010 - Select UMA

Reporting Currency: USD

MORGAN STANLEY WEALTH MANAGEMENT

Account Name	Account Type/ Manager Name	Advisory/ Brokerage	Account Number	Date Opened	Date Closed
JACKSON COUNTY EMPLOYEES RETIR SYST	Select UMA	Advisory	092-XXX010	01/02/18	-

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY.

All content within this Document applies to the accounts listed above or a subset thereof, unless otherwise indicated.

JACKSON COUNTY EMPLOYEES RETIR SYST 092-XXX010 - Select UMA

As of August 31, 2019 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS

Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 08/31/19	% Of Portfolio 08/31/19	Month to Date (%) 07/31/19 - 08/31/19	Quarter to Date (%) 06/30/19 - 08/31/19	Year to Date (%) 12/31/18 - 08/31/19	Performance Inception (%) to 08/31/19
US Large Cap Growth		9,844,789.32	14.06				
iShares Russell 1000 Growth <i>Russell 1000 Gr</i>	01/16/18	3,484,234.98	4.97	-0.86 -0.77	1.65 1.47	22.78 23.28	9.44 9.39
ClearBridge Large Growth <i>Russell 1000 Gr</i>	01/16/18	3,240,566.81	4.63	-2.27 -0.77	-0.27 1.47	21.95 23.28	9.89 9.39
Voya Large Cap Growth <i>Russell 1000 Gr</i>	01/16/18	3,119,987.53	4.45	0.19 -0.77	2.55 1.47	23.35 23.28	10.62 9.39
US Large Cap Value		11,116,917.08	15.87				
iShares Russell 1000 Value <i>Russell 1000 VL</i>	01/16/18	4,831,640.38	6.90	-2.99 -2.94	-2.07 -2.14	13.08 13.75	0.51 0.58
JP Morgan Equity Income <i>Russell 1000 VL</i>	01/16/18	3,143,027.74	4.49	-1.99 -2.94	-0.51 -2.14	15.20 13.75	4.43 0.58
Boston Partners LC Value <i>Russell 1000 VL</i>	01/16/18	3,142,248.97	4.49	-2.83 -2.94	-1.35 -2.14	11.53 13.75	-1.51 0.58
US Mid Cap		2,957,981.16	4.22				
Aligned Inv Mid Cap Equity <i>Russell Midcap</i>	01/16/18	2,957,981.16	4.22	0.61 -2.85	2.51 -1.46	34.57 19.57	13.69 3.08
US Small Cap		2,689,262.91	3.84				
iShares S&P Sm Cap 600 ETF <i>S&P 600 SC</i>	01/16/18	2,689,262.91	3.84	-4.37 -4.51	-3.28 -3.42	9.71 9.80	-1.19 -1.84
International Equities		17,372,075.52	24.80				
Vanguard FTSE Developed Market <i>FTSE Developed All Cap ex US</i>	01/16/18	5,865,475.34	8.37	-1.77 -2.59	-3.71 -3.90	9.05 9.64	-6.29 -5.88
Schroders Intl Alpha ADR <i>MSCI ACWI Ex USA NR USD</i>	01/16/18	5,781,611.98	8.25	-2.80 -3.09	-4.68 -4.26	9.09 8.76	-6.29 -6.28
Thornburg Intl Value ADR <i>MSCI ACWI Ex USA NR USD</i>	01/16/18	5,724,988.20	8.17	-2.42 -3.09	-2.70 -4.26	16.44 8.76	-8.72 -6.28
US Taxable Core		23,134,987.19	33.03				
iShares BC Aggregate Bond <i>Barclays Aggregate</i>	01/16/18	15,034,344.90	21.46	2.77 2.59	2.95 2.82	8.95 9.10	5.79 5.85
Western Core Fixed Income <i>Barclays Aggregate</i>	01/16/18	8,100,642.29	11.57	2.52 2.59	2.92 2.82	10.07 9.10	6.36 5.85
Real Estate/REITs		2,926,490.00	4.18				

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change. The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Year to Date(YTD), Quarter to Date(QTD) and Month to Date(MTD): Returns are for the period in which position or account was open.

TIME WEIGHTED PERFORMANCE DETAIL - ADVISORY ASSETS ONLY

JACKSON COUNTY EMPLOYEES RETIR SYST 092-XXX010 - Select UMA

As of August 31, 2019 | Reporting Currency: USD

RETURN % (GROSS OF FEES) VS. BENCHMARKS (Continued)

Investment Description/ Benchmark	Performance Inception Date	Total Value (\$) 08/31/19	% Of Portfolio 08/31/19	Month to Date (%) 07/31/19 - 08/31/19	Quarter to Date (%) 06/30/19 - 08/31/19	Year to Date (%) 12/31/18 - 08/31/19	Performance Inception (%) to 08/31/19
Invesco Real Est. Securities <i>FTSE NAREIT All Equity REITS</i>	01/16/18	2,926,490.00	4.18	4.55 4.14	6.10 5.74	27.33 26.12	15.67 16.22
Other		1,610.51	0.00				
N/A	08/30/19	1,610.51	0.00	-	-	-	-

Inception dates for advisory account(s) reflect the most recent advisory program or discretion change. The investment returns shown on this page are time-weighted measurements which exclude the effect of the timing and amount of your contributions and withdrawals. Year to Date(YTD), Quarter to Date(QTD) and Month to Date(MTD): Returns are for the period in which position or account was open.

DISCLOSURES

Explanatory Notes and Disclosures: This document is designed to assist you and your Financial Advisor in understanding portfolio positions, composition and subsets thereof. It is designed solely for your individual use, is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. Do not take action relying on this information without confirming its accuracy and completeness. Please read carefully all accompanying notes and disclosures provided in this Document.

For convenience purposes, your Financial Advisor may have assigned a designated name for this Document. The list of the accounts covered in this document is noted herein and may not include all of your accounts with us or external custodians. Furthermore, the information included in this document may not include all asset classes/securities/liabilities held by you at the firm or external custodians. Please review this document carefully and discuss any questions you may have with your Financial Advisor. If you do not understand an entry, suspect an error, or want more details on current values or other information, contact your Financial Advisor. This document is based upon your Morgan Stanley account holdings and may include other holdings/information that you or a third party provided about assets custodied elsewhere. Morgan Stanley will not verify any other holdings/information. If any information reflects assets held away from Morgan Stanley that will be indicated. The information contained in this document is subject to, and does not supersede the confirmations and account statements you receive from us. Values shown in your official account statement may differ from the values shown in this document due to, among other things, different reporting methods, delays, market conditions and interruptions. If there are discrepancies between your official account statement and this document, rely on your official account statement.

The information in this document is approximate and subject to updating, correction and other changes. We are not obligated to notify you if information changes. Although the statements of fact and data in this document have been obtained from, and are based upon sources that we believe to be reliable, we do not guarantee their accuracy, or timeliness, and any such information may be incomplete or condensed. Percentage values shown in this document are subject to rounding, which may impact total values. The values of securities and other investments not actively traded may be estimated or may not be available.

This information is provided for informational purposes only and should not be used for tax preparation. The information reported on your Form(s) 1099 supersedes the information provided in this report and should be exclusively relied upon for tax preparation. Morgan Stanley, its affiliates and its employees are not in the business of providing tax or legal advice. Clients should seek advice based on their particular circumstances from an independent tax and legal advisor. Morgan Stanley Smith Barney LLC is a registered Broker/Dealer, Member SIPC, and not a bank. Where appropriate, Morgan Stanley Smith Barney LLC has entered into arrangements with banks and other third parties to assist in offering certain banking related products and services.

Investment, insurance and annuity products offered through Morgan Stanley Smith Barney LLC are: NOT FDIC INSURED | MAY LOSE VALUE | NOT BANK GUARANTEED | NOT A BANK DEPOSIT | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY

Additional information about your Floating Rate Notes: For floating rate securities, the estimated accrued interest and estimated annual income are based on the current floating coupon rate and may not reflect historic rates within the accrual period.

Important Information About Auction Rate Securities: For certain Auction Rate Securities there is no or limited liquidity. Therefore, the price(s) for these Auction Rate Securities are indicated as not available by a dash "-". There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security.

Important Pricing Information: Prices of securities not actively traded may not be available, and are indicated by a dash "-".

Asset Classification: We classify assets based on general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, allocations may be under or over inclusive. These classifications do not constitute a recommendation and may differ from the classification of instruments for regulatory or tax purposes. In addition, the Other asset class contains securities that are not included in the various asset class classifications. This can include, but is not limited to, non-traditional investments such as some Equity Unit Trusts, Index Options and Structured Investments issued outside of Morgan Stanley. Additionally, investments for which we are unable to procure market data to properly classify them will appear in the Other category.

Additional information about your Structured Products: Structured Investments are complex products and may be subject to special risks, which may include, but are not limited to: loss of initial investment; issuer credit risk and price volatility resulting from any actual or anticipated changes to issuer's and/or guarantor's credit ratings or credit spreads; limited or no appreciation and limits on participation in any appreciation of underlying asset(s); risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees for market linked deposits; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; limited or no secondary market; and conflicts of interest due to affiliation, compensation or other factors which could adversely affect market value or payout to investors. Investors also should consider the concentration risk of owning the related security and their total exposure to any underlying asset.

Timing of Feeds - FX Market: The FX market rate used to convert non-US Dollar values to US Dollars is as of the previous business day's close. For the current FX rates, please contact your Financial Advisor.

Performance: Performance results are annualized for time periods greater than one year and include all cash and cash equivalents, realized and unrealized capital gains and losses, dividends, interest and

income. Depending on the opening or closing date of the account or position, the performance referenced may be for a portion of the time period identified. The investment results depicted herein represent historical performance. As a result of recent market activity, current performance may vary from the figures shown. Please contact your Financial Advisor for up-to-date performance information. Past performance is not a guarantee of future results. Quotations of performance appearing in this report may include performance experienced in legacy accounts which have been closed and purged, and as such are not included on the Accounts Included in This Report page.

Market values used for performance calculation do not include Performance Ineligible Assets and thus may differ from asset allocation market values. Common examples of Performance Ineligible Assets include life insurance and annuities as well as Manually Added and External accounts, assets and liabilities.

Unless otherwise indicated, performance is a composite calculation of the entire portfolio and may include brokerage and investment advisory accounts as well as assets for different accounts included in this report. The accounts included in the composite may have (or have had) different investment objectives and strategies, been subject to different restrictions, and incurred different types of fees, markups, commissions and other charges. Accordingly, performance results may blend the performance of assets and strategies that may not have been available in all of the accounts at all times during the reporting period. In addition, accounts in the composite may have changed from brokerage to advisory or vice versa. Accounts may also have moved from one advisory program to another (including from a discretionary program to a non-discretionary program).

For Morgan Stanley Smith Barney LLC accounts, performance information may cover the full history of the account(s) or just the performance of an account(s) since the inception of the current program(s). Performance results on individual accounts will vary and may differ from the composite returns. Your Financial Advisor can provide you with individual account portfolio composition and performance information. For investment advisory accounts, please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 or applicable disclosure brochure and any applicable brokerage commission and/or fee schedule for a full disclosure of fees and expenses. Your Financial Advisor will provide those documents to you upon request. For brokerage accounts, please speak to your Financial Advisor for more information on commissions and other account fees and expenses.

Performance inception date does not necessarily correspond to the account opening date. Where multiple accounts are included in performance calculations, the inception date is the oldest performance inception. Performance data may not be available for all periods as some accounts included in performance may have more recent performance inception dates. Consequently, the actual performance for a group of accounts may differ from reported performance. Please ask your Financial Advisor for the performance inception date for each account.

Gross of Fees: As fees are deducted quarterly, the compounding effect will be to increase the impact of the fees by an amount directly related to the gross account performance. For example, for an account with an initial value of \$100,000 and a 2% annual fee, if the gross performance is 10% per year over a three year period, the compounding effect of the fees will result in a net annual compound rate of return of approximately 7.81% per year over a three year period, and the total value of the client's portfolio at the end of the three year period would be approximately \$133,100 without the fees and \$125,307 with the fees.

Indices: Benchmark indices and blends included in this material are for informational purposes only, are provided solely as a comparison tool and may not reflect the underlying composition and/or investment objective(s) associated with the account(s). In some circumstances, the benchmark index may not be an appropriate benchmark for use with the specific composite portfolio. For instance, an index may not take into consideration certain changes that may have occurred in the portfolio since the inception of the account(s), (e.g., changes from a brokerage to an advisory account or from one advisory program to another, asset class changes, or index changes for individual managers). The volatility of the index used for comparison may be materially different from that of the performance shown. Indices are unmanaged and not available for direct investment. Index returns do not take into account fees or other charges. Such fees and charges would reduce performance. Please see the Benchmark Definitions section of this material for additional information on the indices used for comparison.

Additional information about your Alternative Investments: Your interests in Alternative Investments, which may have been purchased through us, are generally not held here, and are generally not covered by SIPC. The information provided to you: 1) is included as a service to you, and certain transactions may not be reported; 2) is derived from you or another external source for which we are not responsible, and may have been modified to take into consideration capital calls or distributions to the extent applicable; 3) may not reflect actual shares, share prices, or values; 4) may include invested or distributed amounts in addition to a fair value estimate; and 5) should not be relied upon for tax reporting purposes. Notwithstanding the foregoing, 1) to the extent this report displays Alternative Investment positions within a Morgan Stanley Individual Retirement Account ("IRA"), such positions are held by Morgan Stanley Smith Barney LLC as the custodian of your Morgan Stanley IRA; and 2) if your Alternative Investment position(s) is held by us and is registered pursuant to the Securities Act of 1933, as amended, your Alternative Investment position(s) is covered by SIPC.

Alternatives may be either traditional alternative investment vehicles or non-traditional alternative strategy vehicles. Traditional alternative investment vehicles may include, but are not limited to, Hedge Funds, Fund of Funds (both registered and unregistered), Exchange Funds, Private Equity Funds, Private Credit Funds, Real Estate Funds, and Managed Futures Funds. Non-traditional alternative strategy vehicles may include, but are not limited to, Open or Closed End Mutual Funds, Exchange-Traded and Closed-End Funds, Unit Investment Trusts, exchange listed Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs). These non-traditional alternative strategy vehicles also seek alternative-like exposure but have significant differences from traditional alternative investment vehicles. Non-traditional alternative strategy vehicles may behave like, have characteristics of, or employ various investment strategies and techniques for both hedging and more speculative purposes such as short-selling, leverage, derivatives, and options, which can increase volatility and the risk of investment loss. Characteristics such as correlation to traditional markets, investment

strategy, and market sector exposure can play a role in the classification of a traditional security being classified as alternative.

Traditional alternative investment vehicles are illiquid and usually are not valued daily. The estimated valuation provided will be as of the most recent date available and will be included in summaries of your assets. Such valuation may not be the most recent provided by the fund in which you are invested. No representation is made that the valuation is a market value or that the interest could be liquidated at this value. We are not required to take any action with respect to your investment unless valid instructions are received from you in a timely manner. Some positions reflected herein may not represent interests in the fund, but rather redemption proceeds withheld by the issuer pending final valuations which are not subject to the investment performance of the fund and may or may not accrue interest for the length of the withholding. Morgan Stanley does not engage in an independent valuation of your alternative investment assets. Morgan Stanley provides periodic information to you including the market value of an alternative investment vehicle based on information received from the management entity of the alternative investment vehicle or another service provider.

It is important to note in this report that Morgan Stanley makes a distinction between Alternative Investment products, and products classified as Alternatives by their asset class. Morgan Stanley categorizes traditional and non-traditional alternative investment vehicles under the category "Alternatives" in asset classification based view. For product based views, traditional alternative investments vehicles are classified under the category "Other"; this differs from your official Morgan Stanley account statement, which categorizes traditional alternative investment vehicles such as Hedge Funds under the category "Alternative Investments". Non-traditional alternative strategy vehicles are classified based on their investment type, such as Mutual Fund or Exchange-Traded Funds within both this report and your Morgan Stanley account statement.

Interests in alternative investment products are offered pursuant to the terms of the applicable offering memorandum, are distributed by Morgan Stanley Smith Barney LLC and certain of its affiliates, and (1) are not FDIC-insured, (2) are not deposits or other obligations of Morgan Stanley or any of its affiliates, (3) are not guaranteed by Morgan Stanley and its affiliates, and (4) involve investment risks, including possible loss of principal. Morgan Stanley Smith Barney LLC is a registered broker-dealer, not a bank.

©2019 Morgan Stanley Smith Barney LLC. Member SIPC.

GENERAL DEFINITIONS

Dollar-Weighted Return (Internal Rate of Return): A return calculation that measures the actual performance of a portfolio over the reporting period. Since dollar weighted returns include the impact of client contributions and withdrawals, they should not be compared to market indices or used to evaluate the performance of a manager, but can be used to evaluate progress toward investment goals.

Gross of Fees: Performance results depicted as "gross" of fees do not reflect the deduction of any wrap fee, investment management fee, trade commissions, and/or other account fees. Your actual returns are lower after deducting these expenses. Please see the Morgan Stanley Smith Barney LLC Form ADV Part 2 Brochure for advisory accounts and/or any applicable brokerage account trade confirmation statements for a full disclosure of the applicable charges, fees and expenses. Your Financial Advisor will provide those documents to you upon request.

Time-Weighted Return: A return calculation that measures the investment performance of a portfolio over the reporting period. Time weighted returns do not include the impact of client contributions and withdrawals and therefore, may not reflect the actual rate of return the client received. Time weighted returns isolate investment actions and can be compared to benchmarks and used to evaluate the performance of a manager.

Total Value: "Total Value" represents the Market Value of the portfolio or Asset Class referenced and includes the accrual of interest and dividends. Total Value in the Asset Allocation view prior to January 2014, does not reflect the accrual of interest and dividends. Total Value for Morgan Stanley & Co. and External accounts also does not include accrued interest and dividends.

BENCHMARK DEFINITIONS

Russell Midcap: The Russell Midcap Index is representative of the U.S. market for medium capitalization stocks containing approximately 800 of the smallest companies in the Russell 1000 Index, representing approximately 25% of the total market capitalization of the Russell 1000 Index.

FTSE Developed All Cap ex US: The FTSE Developed All Cap ex US Index is part of a range of indices designed to help US investors benchmark their international investments. The index comprises large, mid, and small cap stocks from developed markets excluding the US. The index is derived from the FTSE Global Equity Index Series (GEIS) which covers 98% of the world's investable market capitalization.

Russell 1000 Gr: The Russell 1000 Growth Index is representative of the U.S. market for large capitalization stocks containing those companies in the Russell 1000 Index with higher price-to-book ratios and higher forecasted growth.

Russell 1000 VL: The Russell 1000 Value Index is representative of the U.S. market for large capitalization stocks containing those companies in the Russell 1000 Index with lower price-to-book ratios and lower forecasted growth.

S&P 600 SC: The S&P 600 Small Cap Index consists of 600 small capitalization domestic companies chosen for market size, liquidity and industry group representation. It is a market-weighted index, with each stock affecting the Index in proportion to its market value.

MSCI ACWI Ex USA NR USD: The MSCI ACWI Index is a free float-adjusted market capitalization weighted index that is designed to measure the equity market performance of developed and emerging markets. The MSCI ACWI consists of 46 country indexes comprising 23 developed and 23 emerging market country indexes. The developed market country indexes included are: Australia, Austria, Belgium, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Israel, Italy, Japan, Netherlands, New Zealand, Norway, Portugal, Singapore, Spain, Sweden, Switzerland, the United Kingdom and the United States. The emerging market country indexes included are: Brazil, Chile, China, Colombia, Czech Republic, Egypt, Greece, Hungary, India, Indonesia, Korea, Malaysia, Mexico, Peru, Philippines, Poland, Qatar, Russia, South Africa, Taiwan, Thailand, Turkey, and United Arab Emirates (as of June 2014). This index is excluding the United States. Performance is showing net withholding tax. Net total return indices reinvest dividends after the deduction of withholding taxes, using (for international indices) a tax rate applicable to non-resident institutional investors who do not benefit from double taxation treaties.

FTSE NAREIT All Equity REITS: The FTSE NAREIT US Real Estate Index consists of equity REITs (Real Estate Investment Trusts), defined generally as REITs with 75% or greater of their gross invested book assets invested directly or indirectly in the equity ownership of real estate.

Barclays Aggregate: The Barclays US Aggregate Bond Index is a broad-based flagship benchmark that measures the investment grade, US dollar-denominated, fixed-rate taxable bond market. The index includes Treasuries, government-related and corporate securities, MBS (agency fixed-rate and hybrid ARM pass-throughs), ABS and CMBS (agency and non-agency).

**Jackson County Employees' Retirement System
August 30, 2019 Settlement Report**

Shareholder Class Actions

RGRD has identified the following settled shareholder class actions with upcoming claims deadlines. Check-marked and shaded cases are those where the Portfolio Monitoring Program[®] indicates that an eligible claim may exist. The range of data analyzed in the context of this report is approximately **Aug 2007-current**. Where data is incomplete, potential claims may not be identified. Please click on the case name to view the Claims Administrators' websites for additional information about these settlements.

Claims Deadline	Case	Class Period	Gross Class Recovery	Claims Administrator
09/09/2019	McAfee, Inc.	See Notice	\$11,700,000	Gilardi & Co. LLC
09/12/2019	SanDisk Corp.	10/16/2014-04/15/2015	\$50,000,000	Epiq
09/12/2019	Taberna Capital Management, LLC (SEC)	02/05/2009-02/06/2017	\$21,600,000	Rust Consulting, Inc.
✓ 09/19/2019	JPMorgan Chase Bank, N.A.	11/21/2010-07/18/2018	\$9,500,000	KCC Class Action Services
✓ 09/19/2019	Toronto-Dominion Bank	12/03/2015-03/09/2017	\$13,250,000	Epiq
09/23/2019	Diplomat Pharmacy, Inc.	02/29/2016-11/03/2016	\$14,100,000	Gilardi & Co. LLC
10/07/2019	Global Digital Solutions, Inc.	10/08/2013-08/11/2016	\$595,000	Strategic Claims Services
10/08/2019	Americas Energy Company (SEC)	09/09/2009-09/02/2010	\$4,315,640	Epiq
10/08/2019	RH, Inc.	03/26/2015-06/08/2016	\$50,000,000	A.B. Data, Ltd.
10/09/2019	Akers Biosciences, Inc.	05/15/2017-06/05/2018	\$2,250,000	Strategic Claims Services
10/14/2019	Ooma, Inc.	07/17/2015-01/14/2016	\$8,650,000	Gilardi & Co. LLC
10/15/2019	Capstone Turbine Corp.	06/12/2014-11/05/2015	\$5,550,000	Angeion Group
10/22/2019	Liberator Medical Holdings, Inc.	Held on 01/21/2016	\$4,750,000	Gilardi & Co. LLC
10/23/2019	Stemline Therapeutics, Inc.	01/20/2017-02/01/2017	\$680,000	Strategic Claims Services
10/25/2019	Qurate Retail, Inc.	08/05/2015-09/08/2016	\$5,750,000	Strategic Claims Services
10/29/2019	Transgenomic, Inc.	04/12/2017-06/30/2017	\$1,950,000	RG/2 Claims Administration LLC
11/07/2019	Roadrunner Transportation Systems, Inc.	03/14/2013-01/30/2018	\$20,000,000	Heffler Claims
11/14/2019	Endo International plc	06/05/2015 SPO	\$50,000,000	A.B. Data, Ltd.
11/26/2019	Rentech, Inc.	03/15/2016-04/06/2017	\$2,050,000	A.B. Data, Ltd.

Robbins Geller does not undertake any obligation with respect to the notification of any and all settlements publicly disclosed or otherwise, to the accuracy of any specific claims deadline, to the filing of any claims or to the accuracy of the information provided by the Client in the claim form. It is the responsibility of the Client to timely file any claims, and to provide all relevant information to the fund representative(s) responsible for filing claims on behalf of the fund. Many funds delegate the responsibility for this task to the fund's custodian, fund managers and/or a third party claims processing company. Robbins Geller's identification of the recovery of shareholder class action funds is based on available data reported to Client's custodian and may not reflect all recoveries obtained.

**Jackson County Employees' Retirement System
August 30, 2019 Settlement Report (continued)**

Shareholder Class Actions

Claims Deadline	Case	Class Period	Gross Class Recovery	Claims Administrator
11/27/2019	SunEdison, Inc.	08/18/2015-04/04/2016	\$74,000,000	Analytics Consulting
12/04/2019	AbbVie, Inc.	09/29/2014-10/14/2014	\$16,750,000	Epiq
12/13/2019	Lannett Co., Inc.	02/08/2018-08/17/2018	\$300,000	JND Legal Administration
12/13/2019	Quantum Corp.	04/18/2016-02/08/2018	\$8,150,000	A.B. Data, Ltd.
12/17/2019	Patriot National, Inc.	01/15/2015-11/28/2017	\$6,500,000	Strategic Claims Services
✓ 12/20/2019	PPG Industries, Inc.	01/19/2017-05/10/2018	\$25,000,000	JND Legal Administration
12/21/2019	Banco Bradesco S.A.	08/08/2014-07/27/2016	\$14,500,000	Epiq
12/25/2019	Baffinland Iron Mines Corp.	09/22/2010-present	\$6,500,000 (CAD)	Epiq
12/27/2019	SFX Entertainment, Inc.	02/25/2015-11/17/2015	\$6,750,000	JND Legal Administration
02/04/2020	Linkwell Corp.	Held on 09/19/2014	\$6,000,000	JDN legal Administration

Antitrust Class Actions

RGRD has identified the following settled antitrust class actions with upcoming claims deadlines. Please click on the case name to view the Claims Administrators' websites for additional information about these settlements. Because these antitrust cases rarely involve publicly traded securities covered by our Portfolio Monitoring Program[®], RGRD cannot independently ascertain your eligibility to participate in any of these settlements. Please contact us if you have questions regarding any of these antitrust settlements.

Claims Deadline	Case	Class	Class Period	Gross Class Recovery	Claims Administrator
09/19/2019	Dental Supplies Litigation	Dental supplies/equipment	08/31/2008-03/31/2016	\$80,000,000	Heffler Claims
10/18/2019	Auto Parts Litigation	Radiators	01/01/1998-08/14/2018	\$6,240,956	Epiq
11/12/2019	Linear Resistors (Indirect)	Linear resistors	01/01/2003-08/20/2015	\$33,400,000	A.B. Data, Ltd.

Robbins Geller does not undertake any obligation with respect to the notification of any and all settlements publicly disclosed or otherwise, to the accuracy of any specific claims deadline, to the filing of any claims or to the accuracy of the information provided by the Client in the claim form. It is the responsibility of the Client to timely file any claims, and to provide all relevant information to the fund representative(s) responsible for filing claims on behalf of the fund. Many funds delegate the responsibility for this task to the fund's custodian, fund managers and/or a third party claims processing company. Robbins Geller's identification of the recovery of shareholder class action funds is based on available data reported to Client's custodian and may not reflect all recoveries obtained.

**Jackson County Employees' Retirement System
August 30, 2019 Portfolio Monitoring Report**

The Portfolio Monitoring Program[®] has generated preliminary loss amounts in the following new securities class actions. Certain of these cases were filed by other law firms, and RGRD has not evaluated the merits of such cases. Case summaries can be viewed by clicking on the case name. The range of data analyzed in the context of this report is approximately **Aug 2007-current**. Where data is insufficient for the class periods alleged, the loss amount may be inaccurate.

Case	Financial Interest	Class Period	Motion Due
2U, Inc.	No loss	February 26, 2018 - July 30, 2019	October 06, 2019
3M Company	No loss	February 09, 2017 - May 28, 2019	September 27, 2019
ABIOMED, Inc.	No loss	January 31, 2019 - July 31, 2019	October 05, 2019
Aclaris Therapeutics, Inc.	No loss	May 08, 2018 - June 20, 2019	September 28, 2019
Buckeye Partners, L.P.	0 shares held	Held on June 24, 2019	September 06, 2019
Burford Capital Limited	No loss	March 18, 2015 - August 07, 2019	October 20, 2019
CannTrust Holdings Inc.	No loss	November 14, 2018 - July 12, 2019	September 08, 2019
Carbonite, Inc.	No loss	February 07, 2019 - July 25, 2019	September 30, 2019
Cardinal Health, Inc.	No loss	March 02, 2015 - May 02, 2018	September 30, 2019
Chesapeake Lodging Trust	0 shares held	Held on July 25, 2019	September 13, 2019
Curaleaf Holdings, Inc.	No loss	November 21, 2018 - July 22, 2019	October 04, 2019
CVS Health Corporation	No loss	November 2018 Exchange	October 14, 2019
Cypress Semiconductor Corporation	0 shares held	Held on July 11, 2019	September 27, 2019
Del Frisco's Restaurant Group, Inc.	0 shares held	Held on July 23, 2019	September 29, 2019
Eagle Bancorp, Inc.	No loss	March 02, 2015 - July 17, 2019	September 22, 2019
El Paso Electric Company	0 shares held	Held on July 31, 2019	September 22, 2019
Evolent Health, Inc.	No loss	March 03, 2017 - May 28, 2019	October 07, 2019
Granite Construction Incorporated	No loss	October 26, 2018 - August 01, 2019	October 12, 2019
GTT Communications, Inc.	No loss	February 26, 2018 - July 01, 2019	September 28, 2019
Helius Medical Technologies, Inc.	No loss	November 09, 2017 - April 10, 2019	September 07, 2019
Ideanomics, Inc.	No loss	May 15, 2017 - November 13, 2018	September 17, 2019
Intelligent Systems Corporation	No loss	January 23, 2019 - May 29, 2019	September 07, 2019
International Flavors & Fragrances Inc.	-\$7,086 (PFD CUSIP 459506309)	May 07, 2018 - August 05, 2019	October 11, 2019
Just Energy Group Inc.	No loss	November 09, 2017 - July 23, 2019	September 29, 2019
Karyopharm Therapeutics Inc.	No loss	March 02, 2017 - February 22, 2019	September 21, 2019
L Brands, Inc.	No loss	May 31, 2018 - November 19, 2018	September 21, 2019
Mallinckrodt plc	No loss	February 28, 2018 - July 16, 2019	September 24, 2019

**Jackson County Employees' Retirement System
August 30, 2019 Portfolio Monitoring Report (continued)**

Case	Financial Interest	Class Period	Motion Due
Medidata Solutions, Inc.	0 shares held	Held on July 19, 2019	September 22, 2019
National General Holdings Corp.	No loss	August 06, 2015 - August 09, 2017	September 23, 2019
Nektar Therapeutics	No loss	February 15, 2019 - August 08, 2019	October 18, 2019
NetApp, Inc.	No loss	May 22, 2019 - August 01, 2019	October 13, 2019
Netflix, Inc.	No loss	April 17, 2019 - July 17, 2019	September 20, 2019
Oasmia Pharmaceutical AB	No loss	October 23, 2015 - July 09, 2019	September 27, 2019
Omniceil, Inc.	No loss	October 25, 2018 - July 11, 2019	September 16, 2019
PCM, Inc.	0 shares held	Held on July 22, 2019	October 18, 2019
Pluralsight, Inc.	No loss	August 02, 2018 - July 31, 2019	October 12, 2019
Raytheon Company	0 shares held	Held on July 16, 2019	October 13, 2019
Realogy Holdings Corp.	No loss	February 24, 2017 - May 22, 2019	September 09, 2019
Reckitt Benckiser Group plc	-\$31,066	July 28, 2014 - April 09, 2019	September 13, 2019
SAExploration Holdings, Inc.	No loss	March 15, 2016 - August 15, 2019	October 17, 2019
Sotheby's	0 shares held	Held on August 06, 2019	September 29, 2019
Textron Inc.	No loss	January 31, 2018 - October 17, 2018	October 21, 2019
Valaris plc	No loss	April 11, 2019 - July 31, 2019	October 19, 2019
Venator Materials PLC	No loss	August 02, 2017 - October 29, 2018	September 29, 2019
Verb Technology Company, Inc.	No loss	January 03, 2018 - May 02, 2018	September 08, 2019
WageWorks, Inc.	0 shares held	Held on July 26, 2019	October 18, 2019

International Flavors & Fragrances Inc.

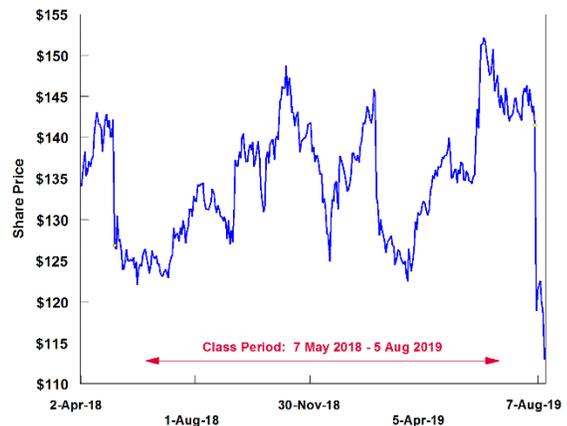
Summary of the Case:

The complaint charges International Flavors & Fragrances Inc. ("IFF") and certain of its officers with violations of the Securities Exchange Act of 1934. IFF describes itself as an "innovator of sensory experiences," creating products that consumers taste, smell, or touch. The Company acquired Frutarom Industries Ltd. ("Frutarom"), an Israeli-based company that specializes in the production and distribution of extracts for flavor and fragrance, in October 2018 for \$7.1 billion.

The complaint alleges that throughout the Class Period, defendants made materially false and misleading statements and/or failed to disclose material adverse facts about the Company's business, operations, and prospects. Specifically, defendants failed to disclose that: (1) IFF had not completed adequate due diligence before acquiring Frutarom; (2) Frutarom had made improper payments to customers in Russia and Ukraine; (2) senior officers at Frutarom were aware of such improper payments; (3) as a result of these improper payments, Frutarom's financial results were materially overstated; and (4) IFF was reasonably likely to face increased regulatory scrutiny due to Frutarom's improper payments. As a result of this information being withheld from the market, IFF securities traded at artificially inflated prices during the Class Period, with the price of IFF stock reaching a high of more than \$150 per share.

Then on August 5, 2019, after the market closed, the Company disclosed that Frutarom had "made improper payments to representatives of a number of customers" in Russia and Ukraine and that "key members of Frutarom's senior management at the time were aware of such payments." The Company also reduced its 2019 sales guidance to a range of \$5.15 billion to \$5.25 billion from a range of \$5.2 billion to \$5.3 billion, and adjusted earnings per share guidance to a range of \$4.85 to \$5.05 from a range of \$4.90 to \$5.10. On this news, the Company's share price fell \$22.56 per share, or nearly 16%, to close at \$118.91 per share on August 6, 2019.

U.S. Litigation Alert



Class:

Purchasers of IFF securities between May 7, 2018 and August 5, 2019

Lead Plaintiff Motion Date:

October 11, 2019

Ticker/CUSIP:

IFF/459506101

Defendants:

International Flavors & Fragrances Inc., Andreas Fibig and Richard A. O'Leary

Basis of Action:

Sections 10(b) and 20(a) of the Securities Exchange Act of 1934

Date Filed:

August 12, 2019

Court:

Southern District of New York

Judge:

Buchwald

**Robbins Geller
Rudman & Dowd LLP**
U.S. 1800-449-4900 | U.K. 0808-238-9902
www.rgrdlaw.com

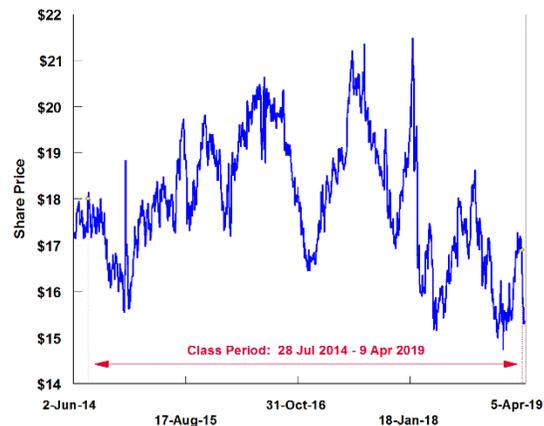
Reckitt Benckiser Group plc

Summary of the Case:

The complaint charges Reckitt and certain of its current and former officers and directors with violations of the Securities Exchange Act of 1934. Reckitt is a consumer and healthcare company based in the United Kingdom. Prior to December 2014, the Company maintained a division dedicated to opioid addiction treatments known as Reckitt Benckiser Pharmaceuticals Inc. ("Reckitt Pharma"). For many years, Reckitt Pharma's primary source of revenue was the manufacture and sale of Suboxone Tablets, a treatment for opioid addiction.

The complaint alleges that before and during the Class Period, Reckitt and its most senior executives perpetrated a scheme, which generated over \$3 billion in proceeds, to facilitate opiate abuse among U.S. consumers and mislead investors and the public regarding the health and safety risks of Reckitt's new key opiate product, Suboxone Film. Specifically, the complaint alleges that in order to maintain and grow profits, senior executives at Reckitt devised a plan to switch prescribers from Suboxone Tablets to the Company's new proprietary treatment, Suboxone Film. Suboxone Film had similar active ingredients to Suboxone Tablets, however it was dispensed in a thin film placed under the tongue and stored in single-use foil wrappings. Executives planned to create a marketing campaign that touted the purported safety benefits of Suboxone Film over Suboxone Tablets in order to prevent generic competition. Key to this campaign was fabricating safety concerns with existing treatments in order to delay the entry and approval of generics for Suboxone Tablets. Defendants' scheme to fraudulently inflate sales of Suboxone Film was a success. Between 2010 and 2014, the Company's revenues from sales of the drug increased ten-fold to over \$840 million annually. As a result of defendants' false and misleading statements and/or omissions regarding the scheme to inflate sales of Suboxone Film during the Class Period, Reckitt American Depositary Shares ("ADSs") traded at artificially inflated prices of more than \$21 per ADS

The truth began to leak out on July 24, 2017, when the Company announced, in connection with its second quarter 2017 financial results, that it had recorded a £318 million charge related to ongoing U.S. Department of Justice and U.S. Federal Trade Commission investigations into its former Reckitt Pharma operations. On this news, the price of Reckitt ADSs dropped 5%. Then, on February 19, 2018, Reckitt announced, in connection with its full year 2017 financial results, that it had recorded an exceptional charge of £296 million due to the investigations, and that the investigations now also involved the California Department of Insurance. On this news, the price of Reckitt ADSs declined more than 10%. Finally, on April 9, 2019, the DOJ filed a criminal indictment against Reckitt Pharma (now known as Indivior), which detailed a multi-billion-dollar scheme to defraud the public and the Company's investors through the marketing and sale of Suboxone Film. On this news, the price of Reckitt ADSs declined over 6%. Ultimately, Reckitt agreed to settle the federal investigations into its marketing and sale of Suboxone Film for \$1.4 billion. At the time, the settlement was called the "largest opioid settlement in US history."



Class:

Purchasers of Reckitt American Depositary Shares between July 28, 2014 and April 9, 2019

Lead Plaintiff Motion Date:

September 13, 2019

Ticker/CUSIP:

RBGLY/756255204

Defendants:

Reckitt Benckiser Group plc, Rakesh Kapoor, Adrian Hennah, Shaun Thaxter and Adrian Bellamy

Basis of Action:

Sections 10(b) and 20(a) of the Securities Exchange Act of 1934

Date Filed:

July 15, 2019

Court:

District of New Jersey

Judge:

Martinotti

**Jackson County Employees' Retirement System
August 30, 2019 International Portfolio Monitoring Report**

The Portfolio Monitoring Program[®] has generated loss estimates for the following international securities class actions. All of these cases have been, or will be, filed by other law firms and/or third party litigation funders. We have not evaluated the merits of these cases. The range of data analyzed in the context of this report is approximately **Aug 2007-current**. Where data is insufficient for the class periods alleged, the loss amount may be inaccurate. **In many of these cases, you may need to take steps to join the action to participate in any subsequent recoveries.**

Case	Country	Financial Interest	Relevant Period	Registration Deadline
AMP Limited	Australia	No loss	May 10, 2012 - April 13, 2018	Open
Arrium Limited	Australia	No loss	August 19, 2014 - April 05, 2016	Open
BHP Billiton Limited	Australia	No loss	August 08, 2012 - November 09, 2015	Open
BHP Billiton plc	Australia	No loss	August 08, 2012 - November 09, 2015	Open
Brambles Limited	Australia	No loss	August 18, 2016 - February 17, 2017	Open
Commonwealth Bank of Australia	Australia	No loss	July 01, 2015 - August 03, 2017	Open
Credit Suisse Group AG	Switzerland	No loss	November 19, 2015 Offering	Open
Daimler AG	Germany	No loss	July 10, 2012 - June 11, 2018	Open
Daimler AG	Germany	No loss	September 26, 2015 - June 11, 2018	Open
Danske Bank A/S	Denmark	No loss	April 29, 2014 - September 19, 2018	Open
Danske Bank A/S	Denmark	No loss	January 01, 2017 - September 21, 2018	Open
Dick Smith Holdings Limited	Australia	No loss	December 04, 2013 - January 05, 2016	Open

**Jackson County Employees' Retirement System
August 30, 2019 International Portfolio Monitoring Report (continued)**

Case	Country	Financial Interest	Relevant Period	Registration Deadline
Dick Smith Holdings Limited	Australia	No loss	February 16, 2015 - January 03, 2016	Open
Estia Health Limited	Australia	No loss	August 12, 2015 - October 06, 2016	Open
Folli Follie S.A.	Greece	No loss	April 26, 2018	Open
G4S plc	United Kingdom	No loss	January 01, 2006 - July 11, 2013	Open
GetSwift Limited	Australia	No loss	February 24, 2017 - January 19, 2018	Open
HH Leasing & Financial Corporation	Taiwan	No loss	December 20, 2016 - December 27, 2016	August 30, 2019
IOOF Holdings Ltd	Australia	No loss	April 29, 2014 - December 06, 2018	Open
IOOF Holdings Ltd	Australia	No loss	May 27, 2015 - August 09, 2018	Open
Lendlease Group	Australia	No loss	October 17, 2017 - February 22, 2019	Open
Lendlease Group	Australia	No loss	October 17, 2017 - February 25, 2019	Open
Lundin Mining Corporation	Canada	No loss	October 25, 2017 - November 29, 2017	Open
Pihsiang Energy Technology Co., Ltd.	Taiwan	No loss	March 23, 2017 - March 28, 2017	August 30, 2019
RCR Tomlinson Limited	Australia	No loss	August 11, 2017 - November 11, 2018	Open
Retail Food Group Limited	Australia	No loss	April 18, 2017 - February 28, 2018	Open
Serco Group plc	United Kingdom	No loss	January 01, 2006 - July 11, 2013	Open

**Jackson County Employees' Retirement System
August 30, 2019 International Portfolio Monitoring Report (continued)**

Case	Country	Financial Interest	Relevant Period	Registration Deadline
Sims Metal Management Limited	Australia	No loss	August 21, 2015 - February 18, 2016	Open
Steinhoff International Holdings N.V.	Germany	No loss	June 26, 2013 - January 31, 2018	Open
Wirecard AG	Germany	No loss	January 01, 2014 - January 29, 2019	Open
Woolworths Group Limited	Australia	No loss	August 29, 2014 - May 06, 2015	Open
Y.C.C. Parts Mfg. Co., Ltd.	Taiwan	No loss	October 30, 2014 - January 29, 2015	August 14, 2019
Yowie Group Limited	Australia	No loss	January 01, 2015 - March 31, 2018	Open

Performance and Analysis

As of 31 Aug 2019

Jackson County Employees' Retirement System

Jackson County Retirement System

Report ID: 2502088.1 Published: 10 Sep 2019

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Table of Contents

Accounting Summary	1
Performance Summary	1
S&P 500 Flagship Fund	3
Characteristics and Risk Statistics	3
Top Holdings	4
Sector Contribution to Return	5
Sector Weights	6
Sector Returns	7
S&P Midcap Index Fund	8
Characteristics and Risk Statistics	8
Top Holdings	9
Sector Contribution to Return	10
Sector Weights	11
Sector Returns	12
Relationship Management Team	13
Important Information	14

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Accounting Summary (expressed in USD)

As of 31 Aug 2019

Jackson County Employees' Retirement System

	Beginning Market Value 01 Aug 2019	Contributions	Withdrawals	Appreciation / Depreciation	Ending Market Value 31 Aug 2019
S&P 500 Flagship Fund	13,936,027	0	1,681	(221,066)	13,713,280
S&P Midcap Index Fund	17,596,573	0	3,406	(737,738)	16,855,429
Total	31,532,600	0	5,087	(958,804)	30,568,709

Performance Summary (expressed in USD)

As of 31 Aug 2019

Jackson County Employees' Retirement System

	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Inception 01 Jan 2001
S&P 500 Flagship Fund								
Total Returns	-1.59%	6.87%	18.35%	2.95%	12.74%	10.16%	13.50%	6.51%
S&P 500(R)	-1.58%	6.87%	18.34%	2.92%	12.71%	10.12%	13.45%	6.45%
Difference	-0.01%	0.00%	0.01%	0.03%	0.03%	0.04%	0.05%	0.06%
Total Returns	-1.59%	6.87%	18.35%	2.95%	12.74%	10.16%	13.50%	6.51%
S&P 500 Custom Index (8/31/2004)	-1.58%	6.87%	18.34%	2.92%	12.71%	10.12%	13.45%	6.46%
Difference	-0.01%	0.00%	0.01%	0.03%	0.03%	0.04%	0.05%	0.05%
Total Returns (Net)	-1.59%	6.86%	18.31%	2.89%	12.69%	10.11%	N/A	N/A
S&P 500(R)	-1.58%	6.87%	18.34%	2.92%	12.71%	10.12%	N/A	N/A
Difference	-0.01%	-0.01%	-0.03%	-0.03%	-0.02%	-0.01%	N/A	N/A
Total Returns (Net)	-1.59%	6.86%	18.31%	2.89%	12.69%	10.11%	N/A	N/A
S&P 500 Custom Index (8/31/2004)	-1.58%	6.87%	18.34%	2.92%	12.71%	10.12%	N/A	N/A
Difference	-0.01%	-0.01%	-0.03%	-0.03%	-0.02%	-0.01%	N/A	N/A

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Jackson County Employees' Retirement System

	1 Month	3 Months	YTD	1 Year	3 Years	5 Years	10 Years	Inception
S&P Midcap Index Fund								01 Nov 2000
Total Returns	-4.19%	4.41%	14.41%	-6.39%	8.06%	7.23%	12.87%	8.62%
S&P MidCap 400(R)	-4.19%	4.35%	14.37%	-6.43%	8.06%	7.23%	12.85%	8.57%
Difference	0.00%	0.06%	0.04%	0.04%	0.00%	0.00%	0.02%	0.05%
Total Returns (Net)	-4.20%	4.38%	14.34%	-6.47%	7.97%	7.14%	N/A	N/A
S&P MidCap 400(R)	-4.19%	4.35%	14.37%	-6.43%	8.06%	7.23%	N/A	N/A
Difference	-0.01%	0.03%	-0.03%	-0.04%	-0.09%	-0.09%	N/A	N/A

For information regarding performance data, including net performance data, please refer to the section entitled "Important Information" at the end of the report.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Characteristics and Risk Statistics (expressed in USD)

As of 31 Aug 2019

Jackson County Employees' Retirement System

S&P 500 Flagship Fund

Benchmark: S&P 500(R)

Characteristics	Mandate	Benchmark
Annual Dividend Yield (Trailing 12 Months)	1.99	1.99
Estimated 3-5 Year EPS Growth	11.22	11.22
Total Number of Holdings	505	505
Price/Book Ratio	3.09	3.09
Price/Earnings Ratio (Forward 12 Months)	17.82	17.82
Return on Equity (5 Year Average)	20.38	20.38
Weighted Average Market Cap (M)	246,181.35	246,166.91
Median Market Cap	21,919.38	21,919.38
Price/Earnings Ratio (Trailing 12 Months)	31.53	31.53
Price/Cash Flow (Weighted Harmonic Average)	12.47	12.47
Return on Equity (Trailing 12 Months)	25.62	25.62
Price/Sales (Weighted Average)	4.42	4.42

Portfolio characteristics are calculated using the month end market value of holdings. Averages reflect the market weight of securities in the portfolio. Market data, prices, and dividend estimates for characteristics calculations provided by FactSet Research Systems, Inc. All other portfolio data provided by SSGA. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Risk Statistics	Mandate
Standard Deviation (Annualized 36 Months)	12.02
Beta (Trailing 36 Months)	1.00
Tracking Error (Trailing 36 Months)	0.02

Portfolio characteristics beta and standard deviation are calculated using SSGA month end return values. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Top Holdings (expressed in USD)

As of 31 Aug 2019

Jackson County Employees' Retirement System

S&P 500 Flagship Fund

Benchmark: S&P 500(R)

Security	Mandate	Benchmark	Difference
MICROSOFT CORP	4.34%	4.34%	0.00%
APPLE INC	3.75%	3.75%	0.00%
AMAZON.COM INC	3.02%	3.02%	0.00%
FACEBOOK INC-CLASS A	1.83%	1.83%	0.00%
BERKSHIRE HATHAWAY INC-CL B	1.62%	1.62%	0.00%
ALPHABET INC-CL C	1.49%	1.49%	0.00%
ALPHABET INC-CL A	1.46%	1.46%	0.00%
JPMORGAN CHASE & CO	1.46%	1.46%	0.00%
JOHNSON & JOHNSON	1.40%	1.40%	0.00%
Visa Inc	1.29%	1.29%	0.00%

The mandate percentage is calculated based on the total value of the portfolio excluding cash and derivatives.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Sector Contribution to Return (expressed in USD)

Period 01 Aug 2019 - 31 Aug 2019

Jackson County Employees' Retirement System

S&P 500 Flagship Fund

Sector	Contribution to Return
Utilities	0.17%
Real Estate	0.15%
Consumer Staples	0.14%
Cash & Cash Equivalent	0.00%
Residual*	0.00%
Derivatives	-0.02%
Health Care	-0.07%
Materials	-0.08%
Consumer Discretionary	-0.12%
Communication Services	-0.16%
Industrials	-0.24%
Information Technology	-0.32%
Energy	-0.39%
Financials	-0.65%
Total	-1.59%

* Residual may arise in a variety of circumstances, including for example, when there are (i) timing differences in accounting for expenses and income, including but not limited to withholding taxes, tax reclaims, dividend income, security lending income and transaction costs, (ii) pricing differences, including but not limited to price type, price source, fair valuation or other special pricing events or (iii) methodology differences between total return and contribution-to-return calculations when significant inflows/outflows occur at the total portfolio and/or sector/county level. The foregoing is not meant to be a complete list of the circumstances under which residual may arise.

Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by State Street.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

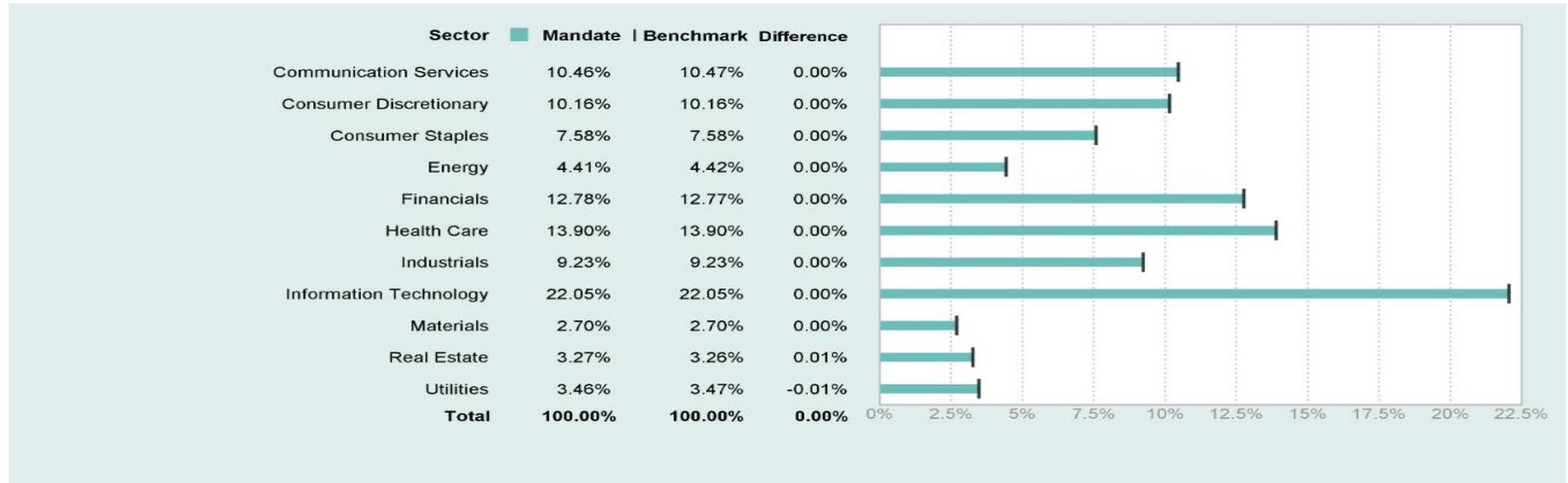
Sector Weights (expressed in USD)

As of 31 Aug 2019

Jackson County Employees' Retirement System

S&P 500 Flagship Fund

Benchmark: S&P 500(R)



The mandate percentage is calculated based on the total value of the portfolio excluding cash and derivatives. Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by State Street.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

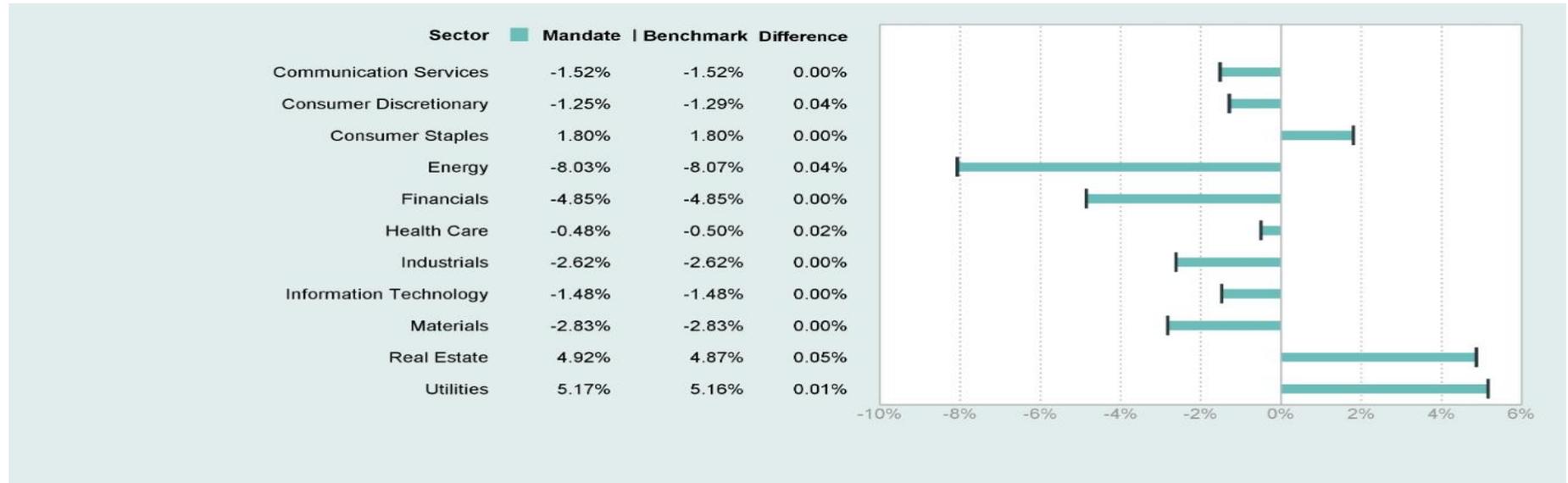
Sector Returns (expressed in USD)

Period 01 Aug 2019 - 31 Aug 2019

Jackson County Employees' Retirement System

S&P 500 Flagship Fund

Benchmark: S&P 500(R)



Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw -Hill Companies, Inc. ("S&P") and is licensed for use by State Street.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Characteristics and Risk Statistics (expressed in USD)

As of 31 Aug 2019

Jackson County Employees' Retirement System

S&P Midcap Index Fund

Benchmark: S&P MidCap 400(R)

Characteristics	Mandate	Benchmark
Annual Dividend Yield (Trailing 12 Months)	1.78	1.78
Estimated 3-5 Year EPS Growth	11.23	11.23
Total Number of Holdings	400	400
Price/Book Ratio	2.01	2.01
Price/Earnings Ratio (Forward 12 Months)	16.98	16.97
Return on Equity (5 Year Average)	13.95	13.94
Weighted Average Market Cap (M)	5,791.40	5,784.02
Median Market Cap	3,974.37	3,974.37
Price/Earnings Ratio (Trailing 12 Months)	30.12	30.11
Price/Cash Flow (Weighted Harmonic Average)	9.94	9.92
Return on Equity (Trailing 12 Months)	14.22	14.22
Price/Sales (Weighted Average)	3.34	3.34

Portfolio characteristics are calculated using the month end market value of holdings. Averages reflect the market weight of securities in the portfolio. Market data, prices, and dividend estimates for characteristics calculations provided by FactSet Research Systems, Inc. All other portfolio data provided by SSGA. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Risk Statistics	Mandate
Standard Deviation (Annualized 36 Months)	15.08
Beta (Trailing 36 Months)	1.00
Tracking Error (Trailing 36 Months)	0.03

Portfolio characteristics beta and standard deviation are calculated using SSGA month end return values. Characteristics are as of the date indicated, are subject to change, and should not be relied upon as current thereafter.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Top Holdings (expressed in USD)

As of 31 Aug 2019

Jackson County Employees' Retirement System

S&P Midcap Index Fund

Benchmark: S&P MidCap 400(R)

Security	Mandate	Benchmark	Difference
STERIS PLC	0.79%	0.79%	0.00%
NVR INC	0.74%	0.74%	0.00%
TELEDYNE TECHNOLOGIES INC	0.68%	0.68%	0.00%
ZEBRA TECHNOLOGIES CORP-CL A	0.67%	0.67%	0.00%
ALLEGHANY CORP	0.65%	0.66%	-0.01%
WEST PHARMACEUTICAL SERVICES	0.65%	0.65%	0.00%
OLD DOMINION FREIGHT LINE	0.64%	0.64%	0.00%
CAMDEN PROPERTY TRUST	0.64%	0.63%	0.01%
FACTSET RESEARCH SYSTEMS INC	0.63%	0.63%	0.00%
WR BERKLEY CORP	0.63%	0.62%	0.01%

The mandate percentage is calculated based on the total value of the portfolio excluding cash and derivatives.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Sector Contribution to Return (expressed in USD)

Period 01 Aug 2019 - 31 Aug 2019

Jackson County Employees' Retirement System

S&P Midcap Index Fund

Sector	Contribution to Return
Real Estate	0.24%
Utilities	0.04%
Cash & Cash Equivalent	0.01%
Residual*	0.00%
Consumer Staples	-0.04%
Derivatives	-0.12%
Communication Services	-0.19%
Materials	-0.32%
Health Care	-0.38%
Energy	-0.52%
Consumer Discretionary	-0.60%
Information Technology	-0.65%
Industrials	-0.78%
Financials	-0.88%
Total	-4.19%

* Residual may arise in a variety of circumstances, including for example, when there are (i) timing differences in accounting for expenses and income, including but not limited to withholding taxes, tax reclaims, dividend income, security lending income and transaction costs, (ii) pricing differences, including but not limited to price type, price source, fair valuation or other special pricing events or (iii) methodology differences between total return and contribution-to-return calculations when significant inflows/outflows occur at the total portfolio and/or sector/county level. The foregoing is not meant to be a complete list of the circumstances under which residual may arise.

Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P") and is licensed for use by State Street.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

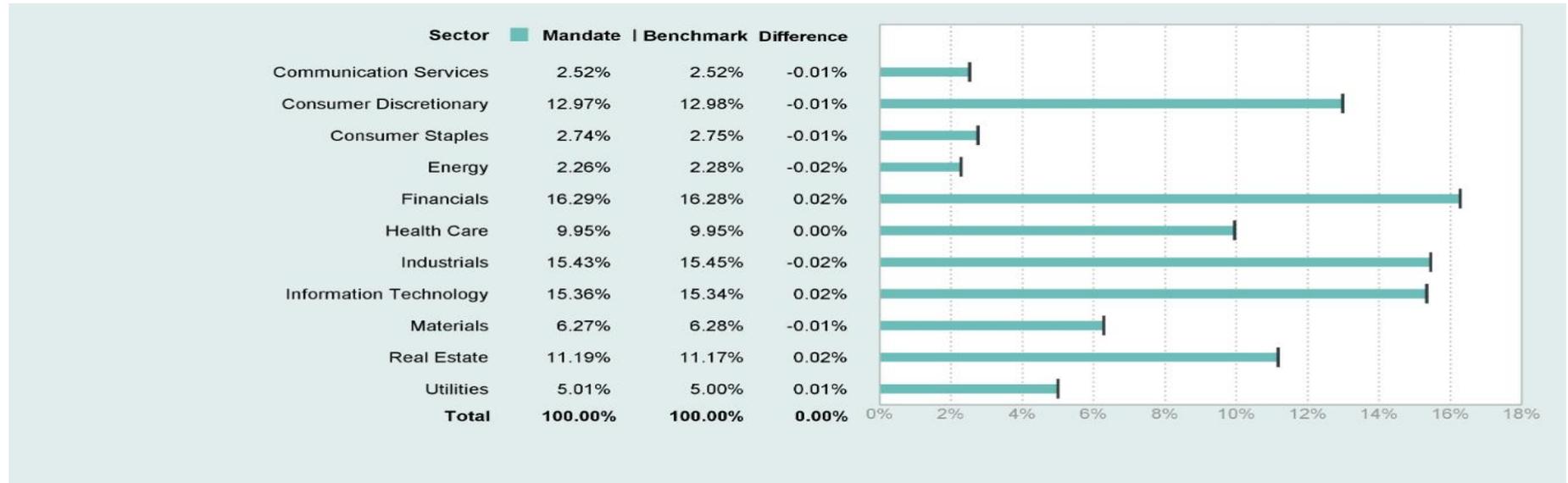
Sector Weights (expressed in USD)

As of 31 Aug 2019

Jackson County Employees' Retirement System

S&P Midcap Index Fund

Benchmark: S&P MidCap 400(R)



The mandate percentage is calculated based on the total value of the portfolio excluding cash and derivatives. Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw -Hill Companies, Inc. ("S&P") and is licensed for use by State Street.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

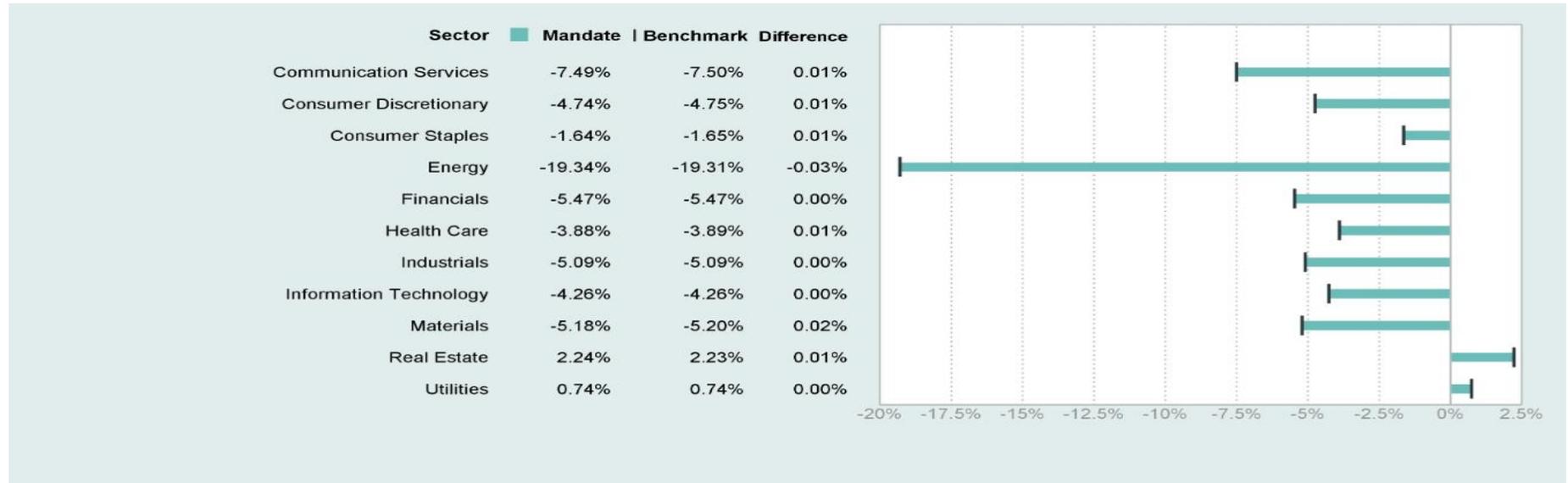
Sector Returns (expressed in USD)

Period 01 Aug 2019 - 31 Aug 2019

Jackson County Employees' Retirement System

S&P Midcap Index Fund

Benchmark: S&P MidCap 400(R)



Sector reporting based on the Global Industry Classification Standard ("GICS") which was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's, a division of The McGraw -Hill Companies, Inc. ("S&P") and is licensed for use by State Street.

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Relationship Management Team



Patrick Hearne

Senior Client Service Manager

Phone: 16176646823

Fax: 617 664 2024

patrick_hearne@ssga.com



Arman Palian

Client Service Manager

Phone: 16176649105

Fax:

Arman_Palian@SSgA.com

Key Reporting

Phone: 6176640834

Fax:

keyreporting@ssga.com

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

Important Information

- Past performance is not a guarantee of future results. Performance returns for periods of less than one year are not annualized. Index returns are unmanaged and do not reflect the deduction of any fees or expenses. Index returns reflect all items of income, gain and loss and the reinvestment of dividends and other income.
- Performance returns are calculated using time-weighted methodologies.
- Per the Fund Declaration, performance shown may include or exclude the effect of investment management fees and may also net out administrative services fees paid to Recordkeepers. Please refer to the Fund Declaration for specific fee structure details, which is available via Client's Corner or SSGA Relationship Management.
- Appreciation/depreciation includes dividends, interest and realized/unrealized gains and losses.
- Projected characteristics are based upon estimates and reflect subjective judgments and assumptions. There can be no assurance that developments will transpire as forecasted and that the estimates are accurate.
- Holdings, sectors, characteristics, and weights are as of the date indicated, are subject to change, and should not be relied upon as current thereafter. This information should not be considered a recommendation to invest in a particular sector or to buy or sell any security shown. It is not known whether the sectors or securities shown will be profitable in the future. Consistent with industry practice, equity characteristics are shown for the strategy's holdings as of the date indicated and screened for holdings that are deemed to be an outlier by SSGA's proprietary outlier screening methodology. The inclusion of these outliers would materially increase or decrease the equity characteristics shown.
- All trademarks are the property of their respective owners.
- The Top Holdings section represents the Top 10 classified securities relative to the benchmark. The percentage is calculated based on the total value of the portfolio, excluding cash, derivatives, and other/unclassified securities, if any.
- The totals shown for ending market weights may not equal 100% due to rounding.
- All returns in the analytical sections are gross.
- The following information pertains only to clients that are invested in Common Trust Funds that participate in State Street's securities lending program: The Fund participates in an agency securities lending program sponsored by State Street Bank and Trust Company (the "lending agent") whereby the lending agent may lend up to 100% of the Fund's securities, and invest the collateral posted by the borrowers of those loaned securities in a collateral reinvestment fund (the "Collateral Pool"). The Collateral Pool is not a money market fund registered with the U.S. Securities and Exchange Commission or FDIC-insured bank deposits or otherwise guaranteed by SSGA or State Street Bank and Trust Company or any of their respective affiliates and investors may lose money in the securities lending program. The Fund compensates its lending agent in connection with operating and maintaining the securities lending program. SSGA acts as investment manager for the Collateral Pool and is compensated for its services. The Collateral Pool is managed to a specific investment objective. For more information regarding the Collateral Pool refer to the "US Cash Collateral Strategy Disclosure Document." Securities lending programs and the subsequent reinvestment of the posted collateral are subject to a number of risks, including the risk that the value of the investments held in the Collateral Pool may decline in value, be sold at a loss or incur credit losses. In the event of a material default in the Collateral Pool, the investor would incur losses and the Fund would incur its pro rata share of the loss. Because the net asset value of the Collateral Pool is subject to market and other

Performance and Analysis

As of 31 Aug 2019

Jackson County Retirement System

conditions it will fluctuate and may decrease in the future. If the value of Collateral Pool units is not \$1.00 at the time you redeem your investment in the Fund your redemption proceeds will reflect the lower mark-to-market value of the Collateral Pool units.

- For more information on SSGA's securities lending program and the Collateral Pools, including the "SSGA Securities Lending Program Disclosure", the "US Cash Collateral Strategy Disclosure Document" and the current factsheets for the Collateral Pools (which include the mark-to-market unit prices) are available on Client's Corner and also available upon request from your SSGA Relationship Manager.
- Any non-registered commingled account, fund or common trust fund may use over-the-counter swaps, derivatives or a synthetic instrument (collectively "Derivatives") to increase or decrease exposure in a particular market, asset class or sector to effectuate the fund's strategy. Derivatives agreements are privately negotiated agreements between the fund and the counterparty, rather than an exchange, and therefore Derivatives carry risks related to counterparty creditworthiness, settlement default and market conditions. Derivatives agreements can require that the fund post collateral to the counterparty consistent with the mark-to-market price of the Derivative. SSGA makes no representations or assurances that the Derivatives will perform as intended.
- This material is classified as limited access and is intended solely for the private use of SSGA clients and their designees and is not intended for public dissemination.
- For disclosures, monthly fund holdings for ERISA Commingled and CTF investors, and additional information relating to your investments, please visit our Client's Corner website at www.ssga.com. Portfolio holdings are subject to change and should not be considered a recommendation to buy or sell securities.

**INVESTMENT MANAGER REVIEW COMMITTEE MINUTES OF
JACKSON COUNTY EMPLOYEES' RETIREMENT SYSTEM**

Thursday, August 22, 2019
Tower Building 6th Floor

The August 22, 2019 Investment Manager Review Committee Meeting of the Jackson County Employees' Retirement System Board of Trustees was called to order at 10:05 a.m. by Pension Coordinator Assistant, Cathy Applegate. Trustees present: Best, Johnson, and Warner. Also in attendance: Kayla Lange of Morgan Stanley Wealth Management; Cathy Applegate– Pension Coordinator Assistant.

Special Order:

Applegate opened the meeting by calling for nominations for Chair and Vice-Chair of the Investment Manager Review Committee. Trustee Best nominated Trustee Johnson for Chair. Trustee Johnson nominated Trustee Best as Vice-Chair. No other nominations were made.

MOTION: Moved by Best, supported by Warner to approve the nomination of Trustee Tracey Johnson as Chairperson and Trustee Sharon Best as Vice-Chair of the Jackson County Employees' Retirement System Investment Manager Review Committee for the 2019/2020 Plan year. Motion carried unanimously.

Approval of the Agenda:

MOTION: Moved by Best, supported by Warner to approve the Agenda. Motion carried unanimously.

Public Comments: None.

Minutes: Moved by Best, supported by Warner to approve the minutes of May 23, 2019. Motion carried unanimously.

Review Proposed 2019/2020 Investment Manager Review Schedule:

Applegate presented the Committee with a proposed review schedule of upcoming managers based on the meeting schedule approved earlier at the regular Board meeting. Just as with the committee schedule, the review schedule can be altered to accommodate the needs of the committee. Applegate advised the committee that the reason for the schedule is so that both she and Pension Coordinator, Jessica Gerlach, can attend both committee meetings on alternate dates. For the past year, the committees have met on the same date which has prevented the administrative team from attending both committees and participating. By alternating the dates, and still meeting the quarterly meeting requests, this allowed both Gerlach and Applegate to attend both committee meetings with no overlap. There was some discussion as to the December 2019 meeting date. Applegate advised that the date can always be changed to January, if that is the

Committee's desire. Applegate requested that if a conflict comes up, please let her know and adjustments to the schedule can be made without issue.

Additionally, the Committee is welcome to meet anytime off schedule. The purpose behind the schedule was to also allow for more organization on the part of the administration when preparing the agendas and materials, so there's little to no confusion as to when a committee meeting happens or what is set to be reviewed.

Review of Brandes: Kayla Lange began the review of Brandes. Lange reminded the Committee that Brandes is coming in next month to discuss the portfolio with the Board. That would be an ideal time to bring up any questions or concerns the Committee, or members of the Board, have with regard to their performance numbers.

Lange referred to a full research report performed on Brandes November 1, 2018; the review is done annually so Brandes is going to be up for another review in a couple of months. Brandes is on Morgan Stanley's Approved List of managers. Brandes is what is referred to as a deep discount manager. What this means is that they find companies that are selling at a very steep discount to what they deem their value is. This style of investing has been very much out of favor for the last 5 years, when it's been more of a growth market. The way that they manage money really has not proved fruitful for the last several years.

Brandes is able to invest up to 30% in emerging market securities; right now, they are at about 16% which is only about half of what they could go up to. Also, the founding partner, Charles Brandes, retired in February 2018 due to some personal issues. He is no longer with the company but still remains a silent partner with no voting rights on the Board.

Brandes has experienced some outflows in recent years, more so since Charles Brandes' departure, so that is of note. Performance expectations note that this type of investment has the potential to outperform in value-oriented markets and in speculative markets, which is not the environment that we have been in. Performance expectations also note that the portfolio may also struggle in periods of heightened economic uncertainty; that actually has not been the case with Brandes. If the Committee will recall last December, when everyone else was down, Brandes was actually up about 5%.

In reviewing Brandes for the end of the second quarter, the benchmark being used for Brandes is the MSCI All Country (AC) World Index excluding the US. Generally, they like to see numbers above the benchmark, but as the Committee can see, it's been a struggle for Brandes over the last few years to meet the benchmark. However, longer term numbers look a little better. Depending on the time-frame being reviewed, Brandes can look either really good or really bad; looking at a calendar perspective, they did well in 2018 (up about 4.8%), 2016 (up about 2.75%), 2015 (up 5%), 2016 (almost flat with the benchmark), and 2013 (up a little over 12%). They took a big loss in 2017, down almost 11%. For the quarter to date, Brandes is down about 3.7%; year-to-date, down about 8.3%; the last 12 months, down about 6%; 3-year average, down about 3%; 5-year average, down about 1%; and 7-year average, up about 0.5%.

In reviewing specifics about the portfolio, Lange said that Brandes will likely review this information with the Board next month during their presentation, but as the Committee can see, the 16% in emerging markets really has not added a lot of value to the portfolio, especially when they can have up to 30%. Trustee Best stated that the benchmark is outperforming Brandes; Lange concurred.

Trustee Best has a concern that their “style” just isn’t in right now, and says this is why the Board fired the last investment manager, and hired Brandes to replace them. They waited and waited for the former manager to turn things around, which never happened. The question now is how long should the Board wait before making a decision on Brandes; Lange said that the way Brandes manages money is truly unique. So it’s difficult to predict when things will turn around for them. It’s difficult from Morgan Stanley’s perspective to find another manager to compare them to. It’s worked for them in the past, and it’s worked over longer periods of time, but it just hasn’t been working in the present.

Trustee Johnson asked if Brandes was the manager invested in the Nissan issue; Trustee Best and Lange both answered yes. Trustee Best stated that they are not involved with the lawsuit directly. Lange said that she speculates that a number of international managers held that account at some point. Trustee Johnson asked if Brandes will lose anything though the lawsuit; Lange said they would have lost the way the security either appreciates or depreciates. Trustee Best added that they just list Nissan as a company not to invest in anymore, that they don’t personally go after the company in situations like this.

Lange continued and said the peer group comparison is as of the end of the second quarter. The performance summary shows Brandes as the worst performing manager of the peer group analysis. Their one-year numbers are not great, but there were other managers that had numbers in the same range as Brandes. International value experiences the big swings which makes it interesting. Looking out over longer periods of time, such as the 10-year number, Brandes is about the middle of the pack.

Standard deviation which is a measure of risk; the lower the number, the lower the risk. Brandes tends to be the lower end of the scale. Longer term numbers are stronger than shorter term; 5 year numbers show their rate of return is right around 1%, standard deviation is around 10%. Their Alpha (indicates value added by a manager; typically the ideal number is positive) is about a negative 1. While this is not a good number, it’s not completely out of style with the rest of the peer group. The Beta (risk in relation to the market; ideally less than 1), is about 0.79. The Sharpe Ratio (adjusted return; positive higher number is ideal) is at just barely positive.

The 10-year numbers show a similar story although the numbers are a little stronger, as with the rest of the peer group. Morgan Stanley has always liked Brandes for their down capture ratio. This means when the market goes down, they are not expected to experience as much loss as the rest of the market. According to the report, when the market is down 100%, the 5-year average is Brandes being down only about 80%. Trustee Best stated that Brandes did well last year; Lange concurred and stated that while everyone else was down, Brandes was actually up at the end of the year last year. The 10-year ratio is similar, at about 88%.

JCERS

Investment Manager Committee

August 22, 2019 Meeting

3

When the market is up, however, they are only capturing about 70% of the market on a 5-year average; 85% on a 10-year average. Ideally, the number should be 100 or more. Trustee Johnson asked if this was because they are so conservative; Lange said they are conservative (not a term she really prefers in this situation). Brandes is buying names that are likely different from their peers, different from the benchmark, likely companies that no one else wants.

Trustee Warner asked what the benefit is for them to practice in this way; Lange said the benefit is that in harsh financial times, they had some great stock picks and it worked out very well for them. Trustee Best commented that it was odd seeing Lazard as a member of the peer group, seeing as how they were let go from the Board several years ago. Lange agreed and said there were likely a few names in the peer group that would be recognized.

Lange said that the Board has owned Brandes for about 4 years; maybe it was a timing thing, but it certainly has not been a value market since the account was purchased. However, other value is doing better. That's not to say that Brandes won't turn a corner and start to outperform, but there are some concerns as there is such a gap between them, their peers, and the benchmark. It is a big hurdle for them to try to come back from that, not impossible, but it is going to be difficult. Trustee Johnson asked how long they should be watched; Lange said it was entirely up to the Board to decide. Trustee Best said she'd like to hear what Brandes' report is next month. They are sticking to their discipline, that is their style, but it's just not working.

Lange stated that Morgan Stanley plans to have a list of questions prepared to ask Brandes when they come in next month, and she encourages the Committee to ask questions as well. One of the concerns they will bring up may be when their style may come back in to favor. Lange also referred to the Investment Policy which includes a defined Watch List, so that may be a step to consider as well. It really outlines a timeline as well, to put them on a formal watch but that they have a certain timeframe to turn things around. Trustee Best pointed out that the other international bond manager is doing so well, we may want to consider something there as well. Additionally, with the current market "roller coaster" maybe they (Brandes) is doing better. Lange said she will ask if Brandes can bring more current numbers to report in addition to their normal report to the Board.

Trustee Best referred to the holdings list provided by Morgan Stanley in the regular meeting. She pointed out a few holdings that were purchased by Brandes and have since dropped in value. These may be good questions to ask Brandes; if these holdings are not doing well, why hold on to them. Trustee Best and Trustee Johnson discussed a few holdings that were concerning.

Lange concluded that Brandes is truly on the more unique side, but that the consistent gap and underperformance is notable. That being said, maybe there is something that is a little bit better out there.

MOTION: Moved by Warner, supported by Best to adjourn the meeting. Motion carried unanimously.

JCERS

Investment Manager Committee

August 22, 2019 Meeting

4

Meeting adjourned 10:44 a.m.

Chairperson

Trustee

DRAFT

**POLICY COMMITTEE MINUTES OF
JACKSON COUNTY EMPLOYEES' RETIREMENT SYTEM**

Thursday, August 22, 2019
Tower Building 5th Floor

The Policy Committee Meeting of the Jackson County Employee's Retirement System Board of Trustees was called to order at 10:04 a.m. by Pension Coordinator, Jessica Gerlach. Trustees present: Robert Griffis, Denise Owens, and Rodney Walz. Also in attendance: Nick Barris, Morgan Stanley – Investment Consultant, Jessica Gerlach, Pension Coordinator and Legal Counsel, Jack Timmony – VanOverbeke Michaud and Timmony.

Special Order:

Trustee Griffis called the meeting to order with a special election of the Chair and Vice-Chair of the Jackson County Employees' Retirement System Policy Committee for the 2019/2020 Plan year. Trustee Owens nominated Trustee Griffis as Chair, with support from Trustee Walz. Trustee Griffis nominated Trustee Owens as Vice-Chair, with support from Trustee Walz. No other nominations.

MOTION: Moved by Griffis, supported by Owens for appointing Trustee Robert Griffis as Chairman and Trustee Denise Owens as Vice-Chairperson of the Jackson County Employees' Retirement System Policy Committee for the 2019/2020 Plan year. Motion carried unanimously.

MOTION: Moved by Owens, supported by Walz to approve the Agenda. Motion carried unanimously.

Public Comments: None

Minutes:

MOTION: Moved by Walz, supported by Owens to approve the minutes of May 23, 2019. Motion carried unanimously.

Actuarial Study for Purchase of Service:

Legal counsel, Jack Timmony, clarified that the question is how long is the application valid for. Act 314 is an amendment of Public Act 728; 728 requires that every time you have a proposed pension benefit change, you have to have a supplemental actuarial cost calculated before the benefit change can be effective. The actuarial cost evaluation must be provided to the governing board of the municipality (in this case, the Board of Commissioners and the Board of Trustees) at least 7 days before the benefit change is effective. The question of how long is it valid; it is valid for however long that change is on the table for discussion.

Gerlach wanted to clarify for understanding. The instance that brought this question up is that someone came in and said they wanted to buy years of service; they paid the \$1000 for the actuarial study; the study came by from Gabriel Roeder with the cost of what it would be to purchase 3 years. That was over a year ago; the person recently came back and said they want to go ahead and purchase the years that were calculated. Timmony said that is a different scenario then. Since the purchase of service request is a study performed by the actuary, based on wages, it is believed that the cost estimate is good for the amount of time equivalent to the request, as long as the wages calculated remain the same; however, Timmony would defer to the

actuary. Once the actuary comes back, a visit to the policy may need to be considered to add information to the policy as to how long the actuary's recommendation is valid. Trustee Walz mentioned that the actuary recommendation should specify a time limit that the estimate is valid; Trustee Owens concurred.

Gerlach also advised that binders were prepared for the Policy Committee members which included updated versions of the policies and bylaws for easier reference by the committee as these are being reviewed.

Policy #36 – Statement of Investment Objectives, Policies and Guidelines:

Timmony advised the Committee that this policy is legally required. Act 314 requires that you have this particular document, however, Act 314 does not specify what to put in the document. Timmony cited Section 13 of Act 314 which advises that you are required to have an investment policy; "to prepare and maintain written objectives, policies, and strategies with clearly defined accountability and responsibility for implementing and executing the system's investments". The Board's investment consultant, Morgan Stanley, along with the assistance of legal counsel, have revised this policy with edits and updates for review by the Committee.

Timmony, with the assistance of Nick Barris of Morgan Stanley, reviewed the proposed changes and updates with the Committee. There is a question concerning Section 12 of the Policy, Investment Manager Performance Review and Evaluation – the policy states "not more than three members" of the Board will be on the Committee. The question being asked is whether it is intentional to limit the number of members in attendance on the Committee; Timmony advised that it was, but that the number of members could be expanded if the Board of Trustees desires. Timmony suggested that if this is an issue, the question be presented to the full Board for discussion.

Barris mentioned the "Watch List Procedures" as referenced in the Policy. The changes and recommendations to the List include giving the Board the full right to add or remove any Investment Manager from the List at any time for any reason. This is particularly important to note given the present concerns with the current manager, Brandes.

There was some discussion regarding Section 13, paragraph B, in reference to an Investment Manager meeting "in person" due to past presentations being given via Skype or a conference call to the Board. It was concluded that the "in person" reference may include any form of communication to the Board, as long as it was more than just a written report. If the Board is comfortable with the Investment Manager presenting their presentation via Skype or a conference call, that is acceptable and in line with this Policy.

Barris had asked a question concerning the Objectives for International Equity Manager (Brandes) provision of the Policy. Since the Board now has a bonds proceeds account, as well as international accounts, and Brandes is an international value manager, does the Committee want to add the word "value" to the specific title on this page, and maybe consider adding another manager, such as Thornburg? Keep the description all-inclusive of all international value account. There was discussion concerning a change in managers, due to Brandes being a concern. Barris said that maybe being a little more general, just in case there is a change in managers, and it still includes all international value managers. It was concluded to change the Objectives to International **Value** Equity Manager, and strike the wording to indicate that it is managed by Brandes. A similar suggestion by Barris was made concerning the International Equity Manager (ClearBridge), to add the word "growth" to the title, and eliminate "managed by ClearBridge", so

that again, it is all encompassing of anything related to international growth managers, due to the bonds proceeds account being included.

Barris asked if the reference to CS McKee as the manager for Core Fixed Income and Garcia Hamilton as the manager to Intermediate Fixed Income should also be stricken out, as with Brandes and ClearBridge discussed earlier. The Committee deemed the change appropriate, to keep these accounts generalized and uniform. Trustee Griffis asked if there were further comments or changes. No further changes were discussed.

Timmony asked if the Committee was prepared to recommend this Policy to the full Board for adoption of the changes, or if the Committee would like to review the changes as discussed and then present to the Board. Trustee Owens advised that she believed it was fine to present the updated policy to the Board for adoption, including the changes discussed today. Trustee Griffis concurred. Barris advised that a clean copy will be presented to the Board at the next meeting, and an edited copy will be presented in addition to the clean copy so the Board can adopt the changes.

Continue Reviewing Board Policies:

Trustees Griffis and Owens discussed whether policies that haven't been revised since 2015 should be reviewed. Timmony revisited the discussion from the regular board meeting concerning the DROP interest rate; if a policy related to this issue should be drafted. Timmony stated that because the System is recovering that money, there should be a policy to go with it. Trustee Walz advised that the specified interest rate should not be included in the policy; the interest rate will be calculated at the time it is needed. Timmony concurred and said this should a consultation with the actuary.

Trustee Griffis said hopefully this situation won't happen again; Timmony advised that sometimes, situations like this does happen. When someone dies, for example, and there's no notification of it; the System has to recoup 2-3 months or however long it's been, of payments, if there's no beneficiary or surviving spouse. This new policy would be Policy #40. A draft will be presented to the Committee for review at the next Committee meeting in November.

Trustee Comments: None

Meeting adjourned by Chair at 11:01 a.m.

Chairperson

Pension Coordinator