# THE COUNTY OF CHESTER

**COMMISSIONERS**
**Marian D. Moskowitz**
**Josh Maxwell**
**Michelle Kichline**

**OFFICE OF THE COMMISSIONERS**
**313 W. Market Street, Suite 6202**
**P.O. Box 2748**
**West Chester, PA 19380-0991**
**(610) 344-6100**

## AGENDA
## RETIREMENT BOARD

**September 30, 2021**

1. **CALL MEETING TO ORDER**

2. **MINUTES OF PREVIOUS MEETING**
   - June 24, 2021

3. **PUBLIC COMMENT ON AGENDA**

4. **ADOPTION OF AGENDA**

5. **PERFORMANCE UPDATE REPORT**
   - 2nd Quarter Performance Report

6. **INVESTMENT POLICY STATEMENT**
   It is recommended that the Board of the Chester County Employees' Retirement Fund adopt the revised Investment Policy Statement.

7. **VENTURE CHESCO**

   a. **Ratification of Investment in VESTEK**
   It is recommended that the Board of the Chester County Employees' Retirement Fund ratify the Fund's investment in VESTEK through Ben Franklin Technology Partners.

8. **SECURITIES LITIGATION –** There are no items.

9. **INVESTMENT MANAGERS**

   a. **Champlain Fee Amendment**
   It is recommended that the Board of the Chester County Employees' Retirement Fund adopt the attached fee amendment.

10. **CUSTODIAL UPDATE**
   Janet Werner from Wells Fargo will provide an update to the Board on the transition to Principal.

**11. ADMINISTRATION UPDATE**

**12. PUBLIC COMMENT**

**13. NEXT MEETING –** Thursday, December 16, 2021 at 2:00 PM

**14. ADJOURNMENT**

# THE COUNTY OF CHESTER

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## RETIREMET BOARD MEETING MINUTES

**June 24, 2021**

**1. CALL MEETING TO ORDER** — **CALL TO ORDER**

Chair Marian D. Moskowitz called to order the Retirement Board Meeting on Thursday, June 24, 2021 at 2:01 PM in the Commissioners' Boardroom. In addition to Chair Moskowitz, the following board members were also in attendance: Commissioner Josh Maxwell, Commissioner Michelle Kichline, Controller Margaret Reif, and Treasurer Patricia Maisano.

**2. MINUTES OF PREVIOUS MEETINGS** — **MINUTES APPROVED**

Commissioner Maxwell made a motion to approve the minutes from the Retirement Board Meeting on May 25, 2021. Commissioner Kichline seconded the motion. Motion carried to approve the minutes from the May 25, 2021 meeting.

**3. PUBLIC COMMENT ON AGENDA ITEMS** — **PUBLIC COMMENT**

There was no public comment on agenda items.

**4. OLD BUSINESS** — **OLD BUSINESS**

There were no items of old business.

**5. NEW BUSINESS** — **NEW BUSINESS**

**a. <u>Real Estate Education</u>** — **Real Estate Education**

Bill Dahab and Steve Roth of Dahab Associates provided educational information to the Board about investing in real estate.

**6. PUBLIC COMMENT** — **PUBLIC COMMENT**

Michael Heaberg shared his comments about real estate investment and voiced his support in the board considering the real estate allocation.

There was no further public comment.

**7. NEXT MEETING** — **NEXT MEETING**

Chair Moskowitz announced that the next Retirement Board meeting will be held on Thursday, September 30, 2021 at 2:00 PM.

**8. ADJOURNMENT** — **ADJOURNMENT**

Commissioner Maxwell made a motion to adjourn the meeting. Commissioner Kichline seconded that motion. Motion carried; meeting adjourned at 2:55PM.

T. [signature]

**Taken by Taylor Pettit**
**On behalf of Chief Clerk Robert J. Kagel**

# Chester County Employees Retirement System

## Performance Review
## June 2021

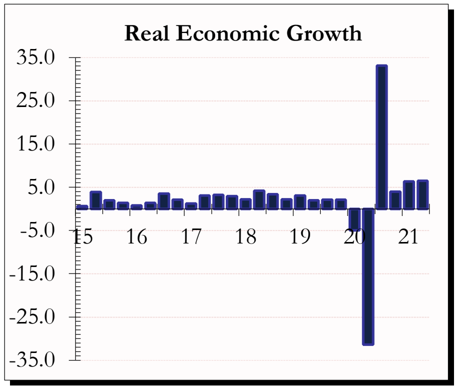
DAHAB ASSOCIATES
New York Massachusetts Pennsylvania Florida Texas

## ECONOMIC ENVIRONMENT

### Mind the Gap (in Supply-Demand)

Global equities rose 7.5% in the second quarter as many of the world's largest economies reopened and government stimulus measures fueled investor optimism.

Valuations are elevated, which may present a challenge to markets in the months ahead. Earnings have again been revised upward to +36% for 2021, with a double-digit gain expected for 2022. However, many believe current prices already reflect anticipated earnings improvement.




Government stimulus and healthy consumer balance sheets are creating a rebound in economic growth. Advance estimates of Q2 2021 GDP from the U.S. Bureau of Economic Analysis increased at an annual rate of 6.5%. However, supply chain issues resulting from increased demand and prolonged stoppages due to COVID are still slowing the worldwide supply response, resulting in a rapid acceleration of inflation that is expected to be temporary.

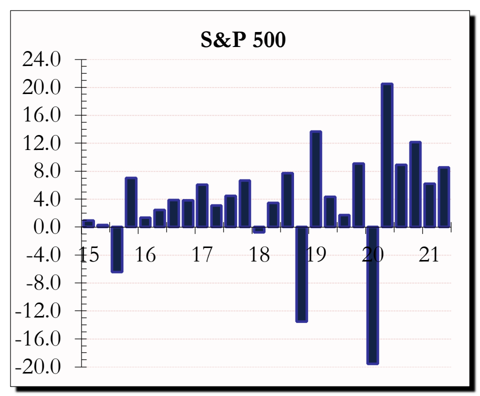
The Federal Reserve's employment mandate seems to be the driving force behind its policy decisions. We may have to see a prolonged decrease in unemployment before that policy changes. The Fed has indicated that it is willing to tolerate an inflation overshoot to accomplish full employment.

While companies posted the highest rate of job openings in decades, unemployment remains elevated as the number of job seekers increases in response to the expiration of unemployment benefits. In theory this dynamic should push the unemployment rate higher than it otherwise would be. However, due to changes in work dynamics (work-from-home, gig-economy, early-retirements, etc.), more than 3.5 million people have left the work force. If these people do not return, it may imply that the supply-demand gap in employment will persist for longer than expected.

Global economies seem to be moving in a positive direction. How quickly the gaps between supply and demand are filled is the question keeping markets in a holding pattern for now.

## DOMESTIC EQUITIES

### Reversal of the Reversal




U.S. equities, as measured by the S&P 500, gained 8.5% over the second quarter. This brings the year-to-date return to 15.3%. Almost all industry sectors in the S&P 500 had positive returns. The lone exception was the utilities sector, which lost 0.4%.

Trends that dominated throughout the last decade reversed in the fourth quarter last year, but that reversal ended in the second quarter of 2021. Both large capitalization and growth equities regained leadership. The Russell 1000 index, a proxy for large capitalization stocks, returned 8.5% in the second quarter while the Russell 2000, a small capitalization benchmark, returned only 4.3%. The Russell 3000 Growth Index gained 11.4% while it's value counterpart returned 5.2%.

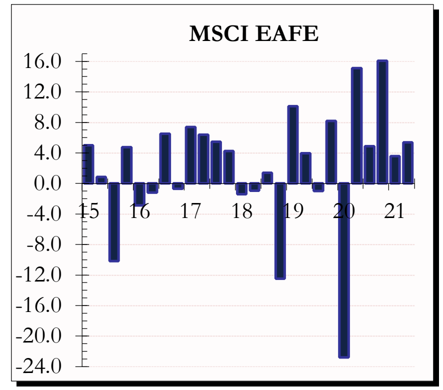
Energy was the best performing sector due to sustained price increases. West Texas Intermediate (WTI) crude oil, one of the main benchmarks used in the industry, moved from $31 from the end of September 2020 to $70 at the end of June 2021. This new price also starkly contrasts with last year when the May contract for WTI futures fell below zero for the first time. Many observers believe WTI needs to be priced above $50 for the majority of our drilling in the United States to be profitable.

## INTERNATIONAL EQUITIES

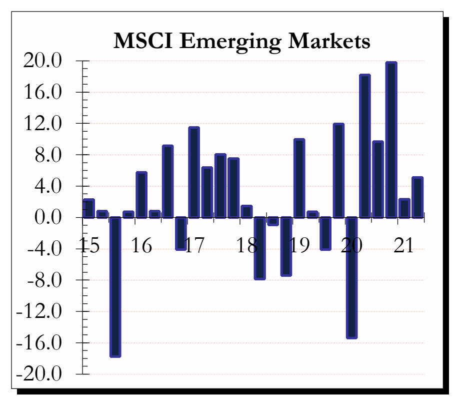
### Rising Broadly

International markets advanced broadly in the second quarter of 2021. The MSCI ACWI ex USA Index was up 5.6%.

In developed markets, the MSCI EAFE gained 5.4%. Of the 21 constituent countries in the index, 17 had positive returns. However, Japan, the largest country in the index by market capitalization, sustained a loss. Economic data from Japan has not been as positive as expected. Although the rate of COVID infections has been lower than that of most other countries, the recent increase in cases led the government to delay lifting restrictions. On the positive side Switzerland, the index's fourth largest country in the index by market capitalization, gained 10.5%. Nestle, the largest individual company by market capitalization in the index, returned 12.2% for the quarter.




Emerging markets gained 5.1% despite a May sell-off due to renewed concerns over the tightening of global monetary policy. Brazil, the index's fifth largest country by market capitalization, gained 21.4%. Strength in the real, Brazil's currency, amplified returns. China, the largest country in the index by weight, was an overall drag to performance. Chinese equities gained only 1.5%, as regulatory concerns broadened beyond the technology sector. Valuation multiples for the emerging market

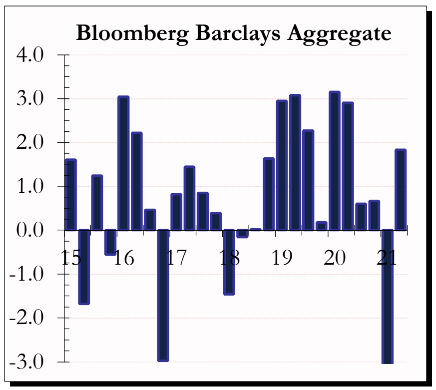


index are significantly lower than their developed market peers. This could potentially be a boon should earnings growth remain elevated.

## BOND MARKET

### Tightening Up Further

Fixed income markets were positive for the quarter, paring losses from earlier in the year. Credit spreads tightened to levels last seen in 2005, as consumer sentiment recovered and the Fed reiterated its commitment to not let inflation get out of control. While actual inflation increased during the quarter, anticipated inflation as measured by the 10-year breakeven rate fell to 2.3%. This helped the Bloomberg Barclays Aggregate Index rise 1.8% for the quarter.




Interest rate sensitivity continues to drive returns. Long-dated Treasuries during the quarter, up 6.8%. High yield bonds also did well. The Bloomberg Barclays High Yield Index was up 2.8%. The rise in oil prices helped energy companies, and energy bonds comprise 13% of the index.

Most Treasury yields fell during the quarter. The 10-year Treasury yield fell 0.3% and is now at 1.4%. However, at the front end of the curve, the two-year Treasury yield rose slightly to 0.25% after the Fed updated its dot plot to indicate a rise in rates may come in 2023 instead of 2022.

The US Dollar continued to weaken against most foreign currencies, causing hedged strategies to again lag unhedged strategies. The World Government Bond Index (unhedged) returned 1.0%, while its hedged counterpart returned 0.7%.

Emerging market bonds, as measured by the J.P. Morgan Emerging Markets Bond Index rose 4.4% for the quarter. However, spreads are still above historical averages, indicating near-term uncertainty in emerging market economic recovery.

## CASH EQUIVALENTS

### For Liquidity Only

The three-month T-Bill returned -0.01% for the second quarter. This is the 54th quarter in a row that return has been less than 75 basis points and the first where the return was negative. The last time return was greater than 80 basis points was in the fourth quarter of 2007. Return expectations continue to be low. Cash equivalents are unlikely to provide positive real returns in the foreseeable future.

## Economic Statistics

| | Current Quarter | Previous Quarter |
|---|---|---|
| GDP | 6.5% | 6.3% |
| Unemployment | 5.9% | 6.0% |
| CPI All Items Year/Year | 5.4% | 1.2% |
| Fed Funds Rate | 0.25% | 0.25% |
| Industrial Capacity | 75.4% | 73.8% |
| U.S. Dollars per Euro | 1.18 | 1.17 |

## Major Index Returns

| Index | Quarter | 12 Months |
|---|---|---|
| Russell 3000 | 8.2% | 44.2% |
| S&P 500 | 8.5% | 40.8% |
| Russell Midcap | 7.5% | 49.8% |
| Russell 2000 | 4.3% | 62.0% |
| MSCI EAFE | 5.4% | 32.9% |
| MSCI Emg Markets | 5.1% | 41.4% |
| NCREIF ODCE | 3.9% | 8.0% |
| U.S. Aggregate | 1.8% | -0.3% |
| 90 Day T-bills | 0.0% | 0.1% |

## Domestic Equity Return Distributions

### Quarter

| | VAL | COR | GRO |
|---|---|---|---|
| LC | 5.2 | 8.5 | 11.9 |
| MC | 5.7 | 7.5 | 11.1 |
| SC | 4.6 | 4.3 | 3.9 |

### Trailing Year

| | VAL | COR | GRO |
|---|---|---|---|
| LC | 43.7 | 43.1 | 42.5 |
| MC | 53.1 | 49.8 | 43.8 |
| SC | 73.3 | 62.0 | 51.4 |

## Market Summary

- Global equity markets surge
- Growth outpaces Value
- Developed continues to outperform Emerging
- Fixed Income returns turn positive
- Cash returns nothing

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System was valued at $559,392,796, representing an increase of $24,848,913 from the March quarter's ending value of $534,543,883. Last quarter, the Fund posted withdrawals totaling $6,370,068, which offset the portfolio's net investment return of $31,218,981. Income receipts totaling $1,916,646 plus net realized and unrealized capital gains of $29,302,335 combined to produce the portfolio's net investment return.

## RELATIVE PERFORMANCE

### Total Fund

For the second quarter, the total portfolio returned 5.9%, which was 0.8% above the Chester County Policy Index's return of 5.1% and ranked in the 17th percentile of the Public Fund universe. Over the trailing year, the portfolio returned 27.5%, which was 0.9% below the benchmark's 28.4% return, ranking in the 36th percentile. Since March 1995, the portfolio returned 8.0% annualized. The Chester County Policy Index returned an annualized 8.3% over the same period.

### Diversified Assets

The diversified assets portion of the portfolio returned 5.0% last quarter; that return was 0.2% less than the 60 ACWI / 40 AGG's return of 5.2% and ranked in the 64th percentile of the Balanced Fund universe.

### Domestic Equity

The domestic equity portfolio returned 8.2% in the second quarter, equal to the Russell 3000 Index's return of 8.2% and ranked in the 30th percentile of the Domestic Equity universe.

### International Equity

For the second quarter, the international equity segment gained 8.2%, which was 2.8% above the MSCI EAFE Index's return of 5.4% and ranked in the 18th percentile of the International Equity universe.

### Private Equity

*Current quarter performance for the private equity portfolios and their benchmark, the Cambridge Private Equity Index was not available at the time of this report. Siguler Guff provided a preliminary statement.*

In the second quarter, the private equity portion of the portfolio gained 6.8%.

### Fixed Income

The fixed income assets gained 1.4% last quarter, equal to the 50% Aggregate / 50% Int. Gov. Cred.'s return of 1.4% and ranked in the 60th percentile of the Broad Market Fixed Income universe.

## ASSET ALLOCATION

On June 30th, 2021, diversified assets comprised 4.7% of the total portfolio ($26.0 million), while domestic equities totaled 54.2% ($303.5 million). The account's international equity segment was valued at $58.9 million, representing 10.5% of the portfolio, while the private equity component's $3.8 million totaled 0.7%. The portfolio's fixed income represented 29.9% and the remaining 0.0% was comprised of cash & equivalents ($16,628).

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Since 03/95 |
|---|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 5.9 | 9.1 | 27.5 | 12.6 | 12.0 | 9.2 | 8.0 |
| *PUBLIC FUND RANK* | (17) | (36) | (36) | (22) | (19) | (31) | ---- |
| **Total Portfolio - Net** | 5.8 | 8.8 | 27.0 | 12.3 | 11.8 | 8.9 | ---- |
| Policy Index | 5.1 | 9.2 | 28.4 | 13.4 | 12.1 | 9.7 | 8.3 |
| **Diversified Assets - Gross** | 5.0 | 7.1 | ---- | ---- | ---- | ---- | ---- |
| *BALANCED FUND RANK* | (64) | (76) | ---- | ---- | ---- | ---- | ---- |
| 60 ACWI/40 AGG | 5.2 | 6.7 | 22.5 | 11.6 | 10.5 | 7.9 | 7.5 |
| **Domestic Equity - Gross** | 8.2 | 14.5 | ---- | ---- | ---- | ---- | ---- |
| *DOMESTIC EQUITY RANK* | (30) | (60) | ---- | ---- | ---- | ---- | ---- |
| Russell 3000 | 8.2 | 15.1 | 44.2 | 18.7 | 17.9 | 14.7 | 10.7 |
| S&P 500 | 8.5 | 15.3 | 40.8 | 18.7 | 17.6 | 14.8 | 10.6 |
| **International Equity - Gross** | 8.2 | 8.0 | ---- | ---- | ---- | ---- | ---- |
| *INTERNATIONAL EQUITY RANK* | (18) | (61) | ---- | ---- | ---- | ---- | ---- |
| MSCI EAFE | 5.4 | 9.2 | 32.9 | 8.8 | 10.8 | 6.4 | 5.9 |
| **Private Equity - Gross** | 6.8 | 57.5 | ---- | ---- | ---- | ---- | ---- |
| Cambridge PE | 0.0 | 10.0 | 38.0 | 16.3 | 17.0 | 14.1 | 14.8 |
| **Fixed Income - Gross** | 1.4 | 0.6 | ---- | ---- | ---- | ---- | ---- |
| *BROAD MARKET FIXED RANK* | (60) | (33) | ---- | ---- | ---- | ---- | ---- |
| Aggregate/IntGC | 1.4 | -1.2 | -0.1 | 5.0 | 2.8 | 3.1 | 5.0 |
| Aggregate Index | 1.8 | -1.6 | -0.3 | 5.3 | 3.0 | 3.4 | 5.3 |
| Int Gov/Credit | 1.0 | -0.9 | 0.2 | 4.7 | 2.6 | 2.8 | 4.7 |

## ASSET ALLOCATION

| | | |
|---|---|---|
| Diversified | 4.7% | $ 26,012,555 |
| Domestic Equity | 54.2% | 303,462,367 |
| Int'l Equity | 10.5% | 58,893,519 |
| Private Equity | 0.7% | 3,826,637 |
| Fixed Income | 29.9% | 167,181,090 |
| Cash | 0.0% | 16,628 |
| Total Portfolio | 100.0% | $ 559,392,796 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 534,543,883 |
| Contribs / Withdrawals | - 6,370,068 |
| Income | 1,916,646 |
| Capital Gains / Losses | 29,302,335 |
| Market Value 6/2021 | $ 559,392,796 |

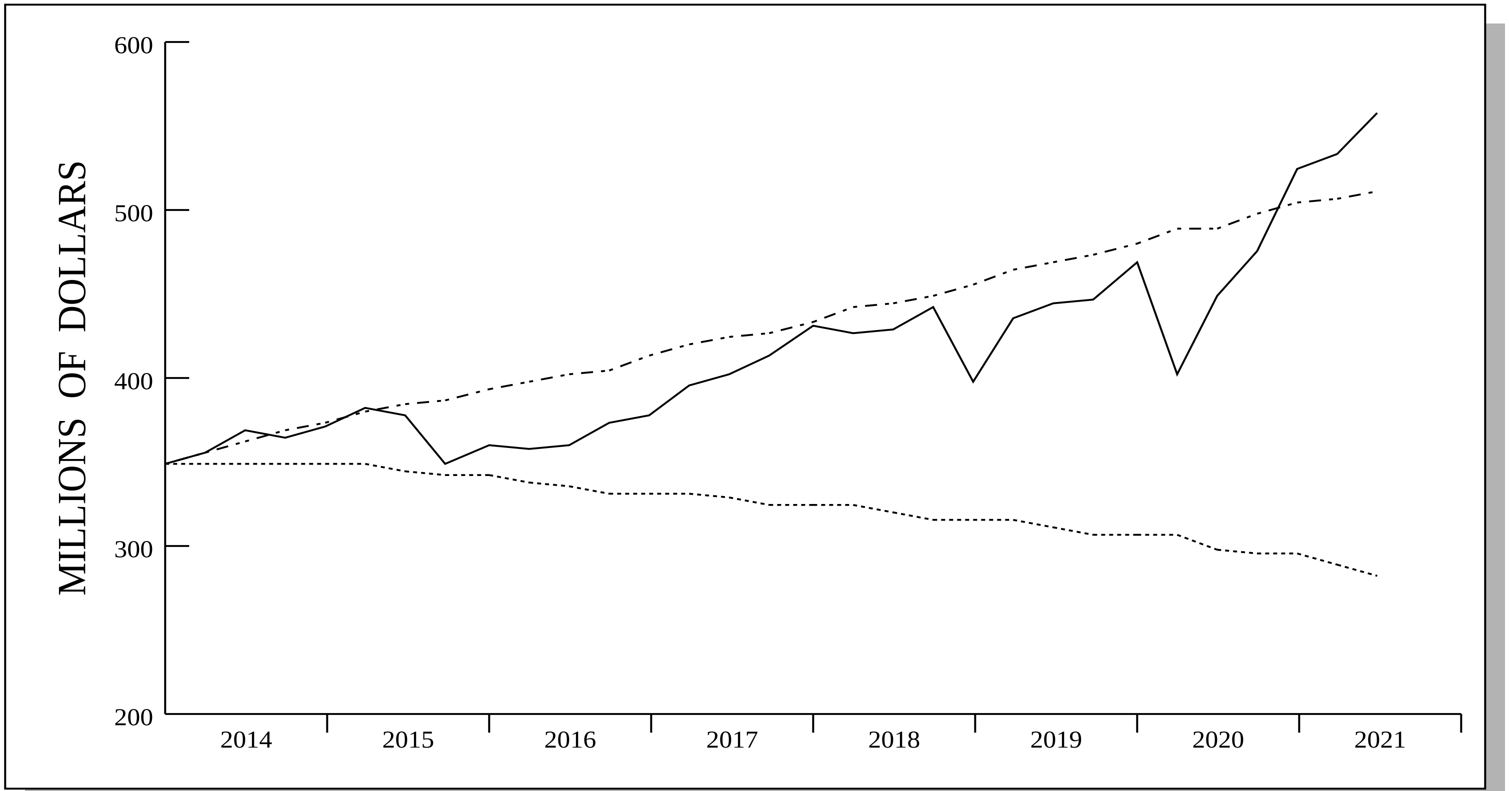
# Chester County Employees Retirement System
## Gross of Fees Manager Performance Summary as of June 30, 2021

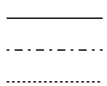
| Portfolio | Universe | QTR | | YTD | | 1 Year | | 3 Year | | 5 Year | | 10 Year | | Inception | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Total Portfolio** | **(Public Fund)** | **5.9** | **(17)** | **9.1** | **(36)** | **27.5** | **(36)** | **12.6** | **(22)** | **12.0** | **(19)** | **9.2** | **(31)** | **8.0** | **----** | **03/95** |
| ***Chester County Policy Index*** | | ***5.1*** | | ***9.2*** | | ***28.4*** | | ***13.4*** | | ***12.1*** | | ***9.7*** | | ***8.3*** | | |
| Blackrock Global Allocation | (Balanced) | 5.0 | (64) | 7.1 | (76) | 29.6 | (37) | 13.6 | (49) | 11.6 | (62) | 8.0 | (96) | 7.8 | ---- | 03/11 |
| ***60 ACWI / 40 AGG*** | | ***5.2*** | | ***6.7*** | | ***22.5*** | | ***11.6*** | | ***10.5*** | | ***7.9*** | | ***7.8*** | | |
| Vanguard 500 | (LC Core) | 8.5 | (28) | 15.3 | (51) | 40.8 | (47) | ---- | ---- | ---- | ---- | ---- | ---- | 23.0 | (38) | 06/19 |
| ***S&P 500*** | | ***8.5*** | | ***15.3*** | | ***40.8*** | | ***18.7*** | | ***17.6*** | | ***14.8*** | | ***23.0*** | | |
| Vesper | (LC Core) | 6.7 | (78) | 14.0 | (66) | 35.6 | (78) | ---- | ---- | ---- | ---- | ---- | ---- | 23.0 | (30) | 12/19 |
| ***S&P 500*** | | ***8.5*** | | ***15.3*** | | ***40.8*** | | ***18.7*** | | ***17.6*** | | ***14.8*** | | ***23.0*** | | |
| Vanguard R1000G | (LC Growth) | 11.9 | (29) | 13.0 | (42) | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | 13.0 | (42) | 12/20 |
| ***Russell 1000 Growth*** | | ***11.9*** | | ***13.0*** | | ***42.5*** | | ***25.1*** | | ***23.7*** | | ***17.9*** | | ***13.0*** | | |
| MetWest | (LC Value) | 4.8 | (79) | 14.9 | (79) | 39.2 | (79) | 14.4 | (39) | 14.0 | (44) | 12.2 | (59) | 13.0 | ---- | 09/10 |
| ***Russell 1000 Value*** | | ***5.2*** | | ***17.0*** | | ***43.7*** | | ***12.4*** | | ***11.9*** | | ***11.6*** | | ***12.4*** | | |
| Champlain | (MC Core) | 9.8 | (11) | 14.2 | (66) | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | 40.6 | (25) | 09/20 |
| ***Russell Mid Cap*** | | ***7.5*** | | ***16.3*** | | ***49.8*** | | ***16.4*** | | ***15.6*** | | ***13.2*** | | ***39.4*** | | |
| Eagle | (Smid Cap) | 5.4 | (49) | 15.5 | (55) | 53.9 | (49) | 14.9 | (45) | 16.8 | (38) | 12.9 | (51) | 14.9 | ---- | 09/10 |
| ***Russell 2500*** | | ***5.4*** | | ***17.0*** | | ***57.8*** | | ***15.2*** | | ***16.3*** | | ***12.8*** | | ***14.2*** | | |
| Macquarie | (Intl Eq) | 9.1 | (12) | 10.1 | (43) | 29.6 | (88) | 7.9 | (76) | 9.7 | (81) | ---- | ---- | 7.3 | (55) | 12/12 |
| ***MSCI EAFE*** | | ***5.4*** | | ***9.2*** | | ***32.9*** | | ***8.8*** | | ***10.8*** | | ***6.4*** | | ***7.7*** | | |
| Walter Scott | (Intl Eq) | 7.5 | (24) | 6.4 | (77) | 27.6 | (93) | 15.0 | (22) | 14.7 | (29) | ---- | ---- | 9.8 | (24) | 12/12 |
| ***MSCI All Country World Ex US*** | | ***5.6*** | | ***9.4*** | | ***36.3*** | | ***9.9*** | | ***11.6*** | | ***5.9*** | | ***7.3*** | | |
| Banner Ridge | | 0.0 | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | ---- | 0.0 | ---- | 03/21 |
| ***Cambridge US Private Equity*** | | ***0.0*** | | ***10.0*** | | ***38.0*** | | ***16.3*** | | ***17.0*** | | ***14.1*** | | ***0.0*** | | |
| Ben Franklin | | -2.7 | ---- | -2.6 | ---- | -19.7 | ---- | ---- | ---- | ---- | ---- | ---- | ---- | -17.3 | ---- | 09/18 |
| ***Cambridge US Private Equity*** | | ***0.0*** | | ***10.0*** | | ***38.0*** | | ***16.3*** | | ***17.0*** | | ***14.1*** | | ***16.3*** | | |
| Siguler Guff | | 13.2 | ---- | 25.0 | ---- | 50.9 | ---- | ---- | ---- | ---- | ---- | ---- | ---- | 38.7 | ---- | 12/19 |
| ***Cambridge US Private Equity*** | | ***0.0*** | | ***10.0*** | | ***38.0*** | | ***16.3*** | | ***17.0*** | | ***14.1*** | | ***22.6*** | | |
| Taurus | | 0.0 | ---- | -1.3 | ---- | 3.6 | ---- | ---- | ---- | ---- | ---- | ---- | ---- | 3.6 | ---- | 06/20 |
| ***Cambridge US Private Equity*** | | ***0.0*** | | ***10.0*** | | ***38.0*** | | ***16.3*** | | ***17.0*** | | ***14.1*** | | ***38.0*** | | |
| Brandes | (Core Fixed) | 1.6 | (90) | -1.1 | (32) | 0.2 | (72) | 4.5 | (99) | ---- | ---- | ---- | ---- | 4.0 | (95) | 03/18 |
| ***Bloomberg Barclays Aggregate Index*** | | ***1.8*** | | ***-1.6*** | | ***-0.3*** | | ***5.3*** | | ***3.0*** | | ***3.4*** | | ***4.9*** | | |
| Birch Run | (Int Fixed) | 0.9 | (83) | -1.0 | (92) | 0.9 | (53) | 5.2 | (34) | ---- | ---- | ---- | ---- | 3.8 | (46) | 06/17 |
| ***Intermediate Gov/Credit*** | | ***1.0*** | | ***-0.9*** | | ***0.2*** | | ***4.7*** | | ***2.6*** | | ***2.8*** | | ***3.4*** | | |
| Vanguard Short-Term Corporate | (ST Fixed) | 0.8 | (9) | 0.2 | (29) | 2.1 | (28) | 4.5 | (7) | ---- | ---- | ---- | ---- | 3.7 | (7) | 12/17 |
| ***ML/BoA 1-5 Year Treasury*** | | ***0.1*** | | ***-0.4*** | | ***-0.3*** | | ***3.2*** | | ***1.8*** | | ***1.6*** | | ***2.7*** | | |
| PGIM Short-Term Corporate | (ST Fixed) | 0.9 | (8) | 0.4 | (20) | 3.5 | (12) | 5.0 | (2) | ---- | ---- | ---- | ---- | 4.2 | (3) | 12/17 |
| ***ML/BoA 1-5 Year Treasury*** | | ***0.1*** | | ***-0.4*** | | ***-0.3*** | | ***3.2*** | | ***1.8*** | | ***1.6*** | | ***2.7*** | | |
| PGIM Short Duration High Yield | (Hi Yield) | 2.1 | (82) | 4.7 | (16) | 13.7 | (63) | ---- | ---- | ---- | ---- | ---- | ---- | 13.7 | (63) | 06/20 |
| ***Bloomberg Barclays Capital High Yield*** | | ***2.7*** | | ***3.6*** | | ***15.4*** | | ***7.4*** | | ***7.5*** | | ***6.7*** | | ***15.4*** | | |
| PGIM High Yield | (Hi Yield) | 3.0 | (29) | 4.6 | (19) | 17.3 | (29) | ---- | ---- | ---- | ---- | ---- | ---- | 17.3 | (29) | 06/20 |
| ***Bloomberg Barclays Capital High Yield*** | | ***2.7*** | | ***3.6*** | | ***15.4*** | | ***7.4*** | | ***7.5*** | | ***6.7*** | | ***15.4*** | | |

# Chester County Employees Retirement System
## Net of Fees Manager Performance Summary as of June 30, 2021

| Portfolio | QTR | YTD | 1 Year | 3 Year | 5 Year | 10 Year | Inception | |
|---|---|---|---|---|---|---|---|---|
| **Total Portfolio** | **5.8** | **8.8** | **27.0** | **12.3** | **11.8** | **8.9** | **----** | **03/95** |
| *Chester County Policy Index* | *5.1* | *9.2* | *28.4* | *13.4* | *12.1* | *9.7* | *8.3* | |
| Blackrock Global Allocation | 4.8 | 6.6 | 28.5 | 12.6 | 10.6 | 7.1 | 6.9 | 03/11 |
| *60 ACWI / 40 AGG* | *5.2* | *6.7* | *22.5* | *11.6* | *10.5* | *7.9* | *7.8* | |
| Vanguard 500 | 8.5 | 15.2 | 40.8 | ---- | ---- | ---- | 23.0 | 06/19 |
| *S&P 500* | *8.5* | *15.3* | *40.8* | *18.7* | *17.6* | *14.8* | *23.0* | |
| Vesper | 6.5 | 13.5 | 34.6 | ---- | ---- | ---- | 22.1 | 12/19 |
| *S&P 500* | *8.5* | *15.3* | *40.8* | *18.7* | *17.6* | *14.8* | *23.0* | |
| Vanguard R1000G | 11.9 | 13.0 | ---- | ---- | ---- | ---- | 13.0 | 12/20 |
| *Russell 1000 Growth* | *11.9* | *13.0* | *42.5* | *25.1* | *23.7* | *17.9* | *13.0* | |
| MetWest | 4.7 | 14.8 | 38.4 | 13.8 | 13.5 | 11.6 | 12.5 | 09/10 |
| *Russell 1000 Value* | *5.2* | *17.0* | *43.7* | *12.4* | *11.9* | *11.6* | *12.4* | |
| Champlain | 9.6 | 13.7 | ---- | ---- | ---- | ---- | 39.8 | 09/20 |
| *Russell Mid Cap* | *7.5* | *16.3* | *49.8* | *16.4* | *15.6* | *13.2* | *39.4* | |
| Eagle | 5.2 | 15.2 | 53.0 | 14.1 | 16.0 | 12.2 | 14.2 | 09/10 |
| *Russell 2500* | *5.4* | *17.0* | *57.8* | *15.2* | *16.3* | *12.8* | *14.2* | |
| Macquarie | 8.9 | 9.7 | 28.8 | 7.2 | 8.9 | ---- | 6.6 | 12/12 |
| *MSCI EAFE* | *5.4* | *9.2* | *32.9* | *8.8* | *10.8* | *6.4* | *7.7* | |
| Walter Scott | 7.3 | 6.0 | 26.6 | 14.0 | 13.7 | ---- | 8.8 | 12/12 |
| *MSCI All Country World Ex US* | *5.6* | *9.4* | *36.3* | *9.9* | *11.6* | *5.9* | *7.3* | |
| Banner Ridge | 0.0 | ---- | ---- | ---- | ---- | ---- | 0.0 | 03/21 |
| *Cambridge US Private Equity* | *0.0* | *10.0* | *38.0* | *16.3* | *17.0* | *14.1* | *0.0* | |
| Ben Franklin | -3.9 | -5.0 | -23.7 | ---- | ---- | ---- | -20.7 | 09/18 |
| *Cambridge US Private Equity* | *0.0* | *10.0* | *38.0* | *16.3* | *17.0* | *14.1* | *16.3* | |
| Siguler Guff | 13.2 | 23.0 | 42.2 | ---- | ---- | ---- | 28.4 | 12/19 |
| *Cambridge US Private Equity* | *0.0* | *10.0* | *38.0* | *16.3* | *17.0* | *14.1* | *22.6* | |
| Taurus | -0.3 | -1.9 | 2.3 | ---- | ---- | ---- | 2.3 | 06/20 |
| *Cambridge US Private Equity* | *0.0* | *10.0* | *38.0* | *16.3* | *17.0* | *14.1* | *38.0* | |
| Brandes | 1.6 | -1.2 | 0.0 | 4.3 | ---- | ---- | 3.7 | 03/18 |
| *Bloomberg Barclays Aggregate Index* | *1.8* | *-1.6* | *-0.3* | *5.3* | *3.0* | *3.4* | *4.9* | |
| Birch Run | 0.8 | -1.1 | 0.7 | 5.0 | ---- | ---- | 3.6 | 06/17 |
| *Intermediate Gov/Credit* | *1.0* | *-0.9* | *0.2* | *4.7* | *2.6* | *2.8* | *3.4* | |
| Vanguard Short-Term Corporate | 0.8 | 0.2 | 2.1 | 4.5 | ---- | ---- | 3.7 | 12/17 |
| *ML/BoA 1-5 Year Treasury* | *0.1* | *-0.4* | *-0.3* | *3.2* | *1.8* | *1.6* | *2.7* | |
| PGIM Short-Term Corporate | 0.8 | 0.2 | 3.1 | 4.6 | ---- | ---- | 3.8 | 12/17 |
| *ML/BoA 1-5 Year Treasury* | *0.1* | *-0.4* | *-0.3* | *3.2* | *1.8* | *1.6* | *2.7* | |
| PGIM Short Duration High Yield | 1.9 | 4.3 | 12.9 | ---- | ---- | ---- | 12.9 | 06/20 |
| *Bloomberg Barclays Capital High Yield* | *2.7* | *3.6* | *15.4* | *7.4* | *7.5* | *6.7* | *15.4* | |
| PGIM High Yield | 2.9 | 4.4 | 16.9 | ---- | ---- | ---- | 16.9 | 06/20 |
| *Bloomberg Barclays Capital High Yield* | *2.7* | *3.6* | *15.4* | *7.4* | *7.5* | *6.7* | *15.4* | |

## INVESTMENT GROWTH



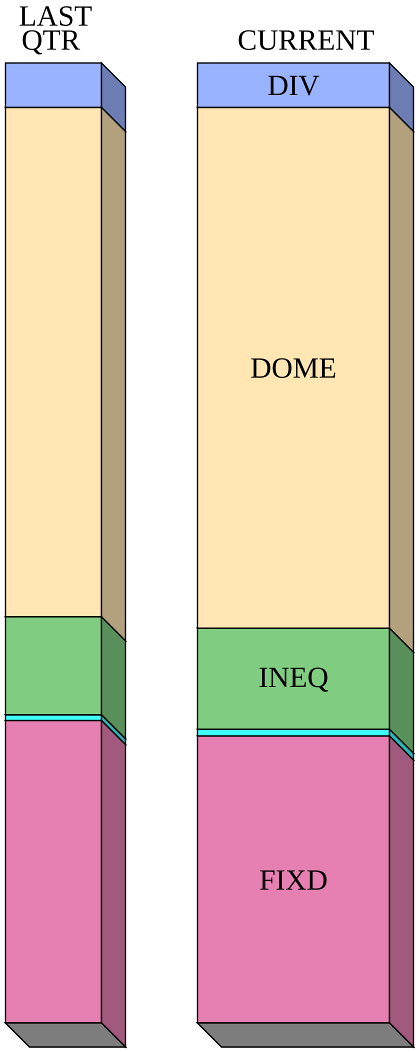




VALUE ASSUMING
7.25% RETURN $ 511,131,409

| | LAST QUARTER | PERIOD 12/13 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 534,543,883 | $ 351,060,091 |
| NET CONTRIBUTIONS | - 6,370,068 | - 66,697,014 |
| INVESTMENT RETURN | 31,218,981 | 275,029,719 |
| ENDING VALUE | $ 559,392,796 | $ 559,392,796 |
| INCOME | 1,916,646 | 4,070,803 |
| CAPITAL GAINS (LOSSES) | 29,302,335 | 270,958,916 |
| INVESTMENT RETURN | 31,218,981 | 275,029,719 |

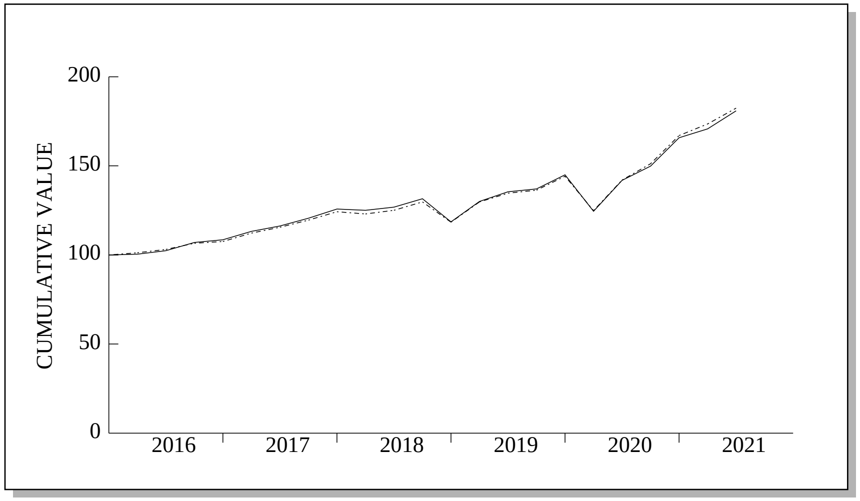
# Chester County Employees Retirement System
# Investment Return Summary as of June 30, 2021

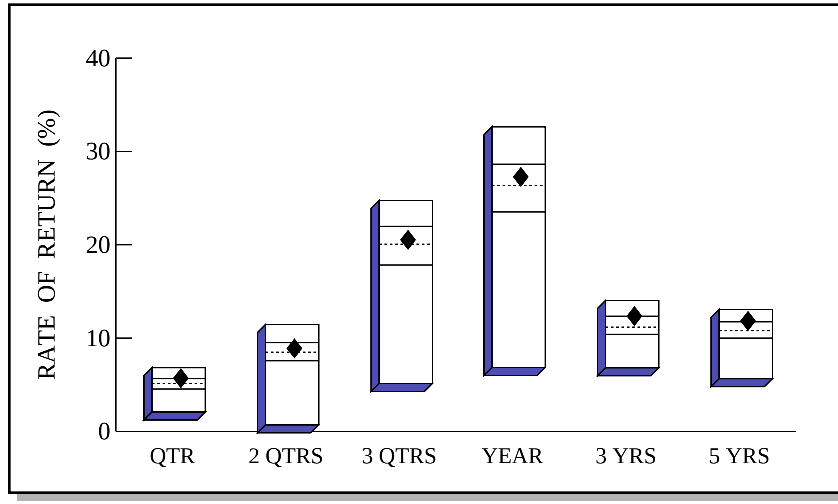
| Portfolio | Prior Quarter Market Value | | Net Cash Flow | Net Investment Return | Current Quarter Market Value | |
|---|---|---|---|---|---|---|
| **Total Portfolio** | **$534,543,883** | **100%** | **($6,370,068)** | **$31,218,981** | **$559,392,796** | **100%** |
| Blackrock Global Allocation | $24,820,454 | 4.6% | $0 | $1,192,101 | $26,012,555 | 4.7% |
| Vanguard 500 | $68,589,165 | 12.8% | ($3,220,000) | $5,795,107 | $71,164,272 | 12.7% |
| Vesper | $2,583,425 | 0.5% | $0 | $168,711 | $2,752,136 | 0.5% |
| Vanguard R1000G | $63,438,626 | 11.9% | $0 | $7,560,665 | $70,999,291 | 12.7% |
| MetWest | $73,089,246 | 13.7% | ($42,116) | $3,488,526 | $76,535,656 | 13.7% |
| Champlain | $44,470,223 | 8.3% | $31,484 | $4,371,490 | $48,873,197 | 8.7% |
| Eagle | $31,480,992 | 5.9% | ($51,127) | $1,705,184 | $33,135,049 | 5.9% |
| Macquarie | $24,206,327 | 4.5% | $0 | $2,153,869 | $26,360,196 | 4.7% |
| Walter Scott | $30,322,861 | 5.7% | ($56,601) | $2,267,063 | $32,533,323 | 5.8% |
| Banner Ridge | $723,675 | 0.1% | $0 | $0 | $723,675 | 0.1% |
| Ben Franklin | $447,080 | 0.1% | $280,000 | ($16,142) | $710,938 | 0.1% |
| Siguler Guff | $1,776,871 | 0.3% | $135,630 | $244,669 | $2,157,170 | 0.4% |
| Taurus | $154,854 | 0.0% | $80,000 | $0 | $234,854 | 0.0% |
| Brandes | $45,364,905 | 8.5% | ($33,496) | $739,212 | $46,070,621 | 8.2% |
| Birch Run | $41,608,318 | 7.8% | ($20,711) | $355,979 | $41,943,586 | 7.5% |
| Vanguard Short-Term Corporate | $21,847,569 | 4.1% | ($3,477,500) | $171,605 | $18,541,674 | 3.3% |
| PGIM Short-Term Corporate | $21,844,521 | 4.1% | $0 | $165,652 | $22,010,173 | 3.9% |
| PGIM Short Duration High Yield | $25,737,302 | 4.8% | $0 | $499,439 | $26,236,741 | 4.7% |
| PGIM High Yield | $12,031,177 | 2.3% | $0 | $347,118 | $12,378,295 | 2.2% |
| Cash | $6,292 | 0.0% | $4,369 | $8,733 | $19,394 | 0.0% |



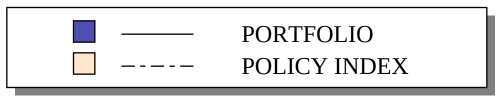

| | VALUE | PERCENT |
|---|---|---|
| DIVERSIFIED ASSETS | $ 26, 012, 555 | 4.7% |
| DOMESTIC EQUITY | 303, 462, 367 | 54.2% |
| INTERNATIONAL EQUITY | 58, 893, 519 | 10.5% |
| PRIVATE EQUITY | 3, 826, 637 | 0.7% |
| FIXED INCOME | 167, 181, 090 | 29.9% |
| CASH & EQUIVALENT | 16, 628 | 0.0% |
| TOTAL FUND | $ 559, 392, 796 | 100.0% |

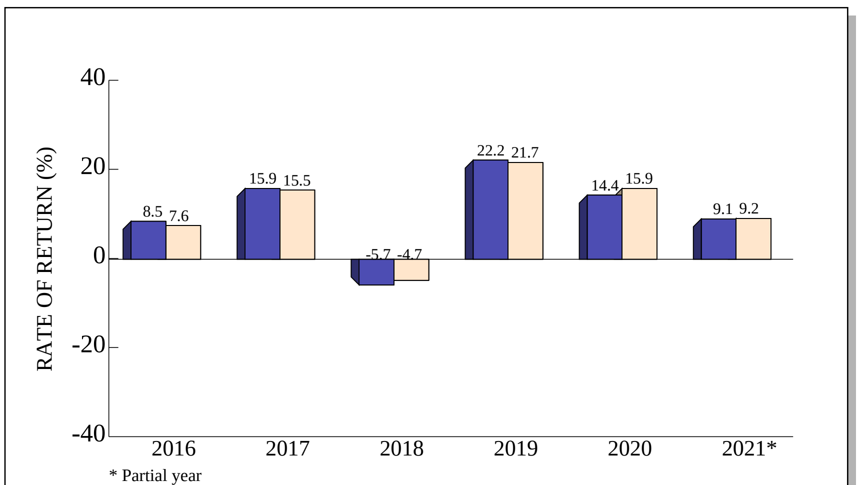
# TOTAL RETURN COMPARISONS




Public Fund Universe




* Partial year

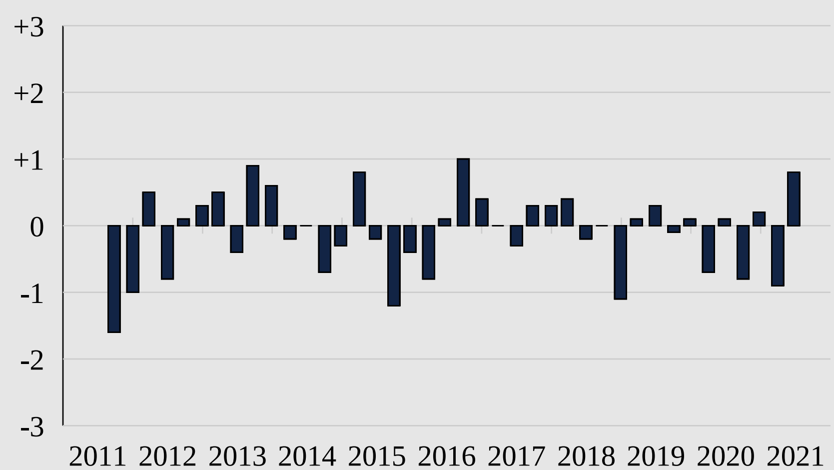
| | QTR | 2 QTRS | 3 QTRS | YEAR | ------ANNUALIZED------ 3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| RETURN | 5.9 | 9.1 | 20.7 | 27.5 | 12.6 | 12.0 |
| (RANK) | (17) | (36) | (38) | (36) | (22) | (19) |
| 5TH %ILE | 6.8 | 11.5 | 24.8 | 32.6 | 14.0 | 13.1 |
| 25TH %ILE | 5.7 | 9.5 | 22.0 | 28.6 | 12.3 | 11.8 |
| MEDIAN | 5.1 | 8.5 | 20.1 | 26.4 | 11.2 | 10.8 |
| 75TH %ILE | 4.6 | 7.6 | 17.8 | 23.5 | 10.4 | 10.0 |
| 95TH %ILE | 2.1 | 0.7 | 5.1 | 6.9 | 6.8 | 5.7 |
| ***Policy*** | ***5.1*** | ***9.2*** | ***20.6*** | ***28.4*** | ***13.4*** | ***12.1*** |

Public Fund Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY - 10 YEARS

## COMPARATIVE BENCHMARK: CHESTER COUNTY POLICY INDEX

### VARIATION FROM BENCHMARK

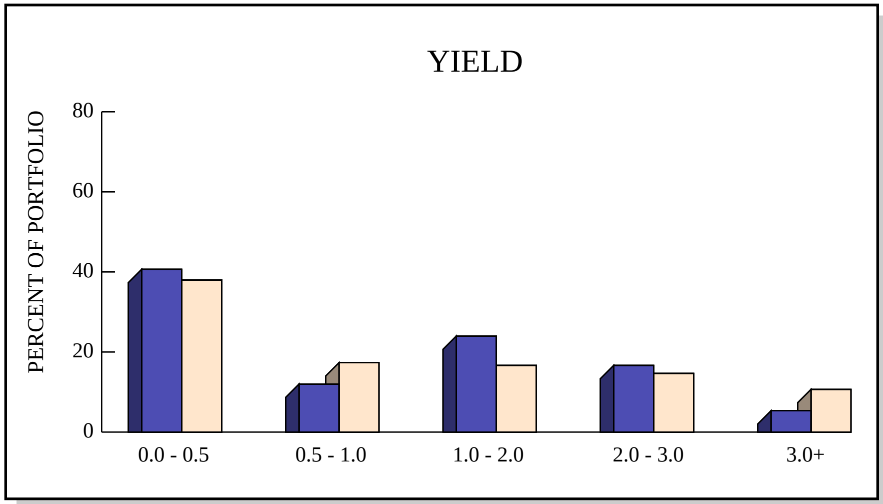



| | |
|---|---|
| **Total Quarters Observed** | **40** |
| **Quarters At or Above the Benchmark** | **22** |
| **Quarters Below the Benchmark** | **18** |
| **Batting Average** | **.550** |

### RATES OF RETURN

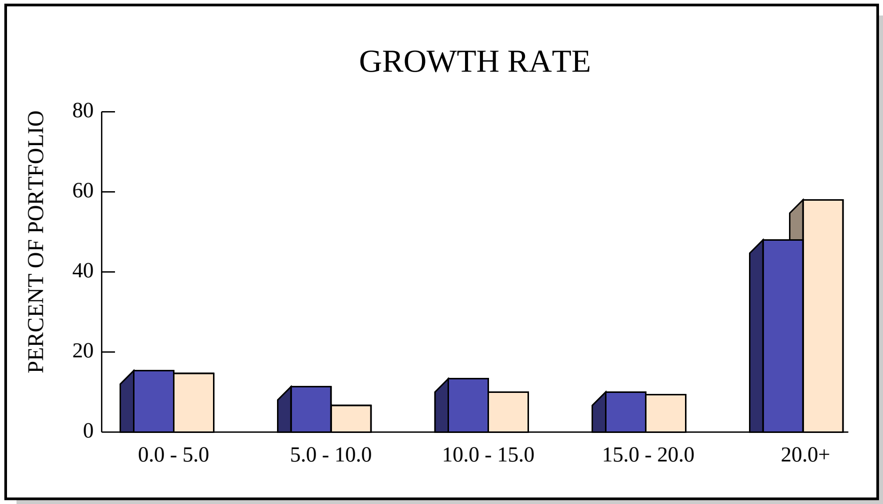
| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 9/11 | -11.3 | -9.7 | -1.6 |
| 12/11 | 6.0 | 7.0 | -1.0 |
| 3/12 | 8.7 | 8.2 | 0.5 |
| 6/12 | -2.8 | -2.0 | -0.8 |
| 9/12 | 4.9 | 4.8 | 0.1 |
| 12/12 | 1.5 | 1.2 | 0.3 |
| 3/13 | 6.7 | 6.2 | 0.5 |
| 6/13 | -0.1 | 0.3 | -0.4 |
| 9/13 | 6.0 | 5.1 | 0.9 |
| 12/13 | 6.4 | 5.8 | 0.6 |
| 3/14 | 1.6 | 1.8 | -0.2 |
| 6/14 | 3.8 | 3.8 | 0.0 |
| 9/14 | -1.5 | -0.8 | -0.7 |
| 12/14 | 2.3 | 2.6 | -0.3 |
| 3/15 | 3.0 | 2.2 | 0.8 |
| 6/15 | -0.6 | -0.4 | -0.2 |
| 9/15 | -6.9 | -5.7 | -1.2 |
| 12/15 | 3.3 | 3.7 | -0.4 |
| 3/16 | 0.4 | 1.2 | -0.8 |
| 6/16 | 2.0 | 1.9 | 0.1 |
| 9/16 | 4.4 | 3.4 | 1.0 |
| 12/16 | 1.4 | 1.0 | 0.4 |
| 3/17 | 4.3 | 4.3 | 0.0 |
| 6/17 | 2.7 | 3.0 | -0.3 |
| 9/17 | 3.7 | 3.4 | 0.3 |
| 12/17 | 4.3 | 4.0 | 0.3 |
| 3/18 | -0.6 | -1.0 | 0.4 |
| 6/18 | 1.4 | 1.6 | -0.2 |
| 9/18 | 3.8 | 3.8 | 0.0 |
| 12/18 | -9.9 | -8.8 | -1.1 |
| 3/19 | 9.7 | 9.6 | 0.1 |
| 6/19 | 4.1 | 3.8 | 0.3 |
| 9/19 | 1.2 | 1.3 | -0.1 |
| 12/19 | 5.8 | 5.7 | 0.1 |
| 3/20 | -14.1 | -13.4 | -0.7 |
| 6/20 | 13.9 | 13.8 | 0.1 |
| 9/20 | 5.6 | 6.4 | -0.8 |
| 12/20 | 10.7 | 10.5 | 0.2 |
| 3/21 | 3.0 | 3.9 | -0.9 |
| 6/21 | 5.9 | 5.1 | 0.8 |

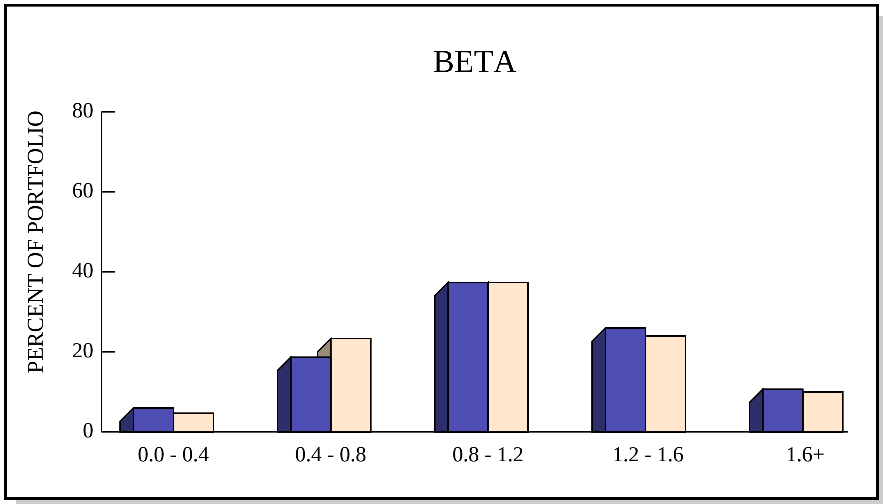
## STOCK CHARACTERISTICS



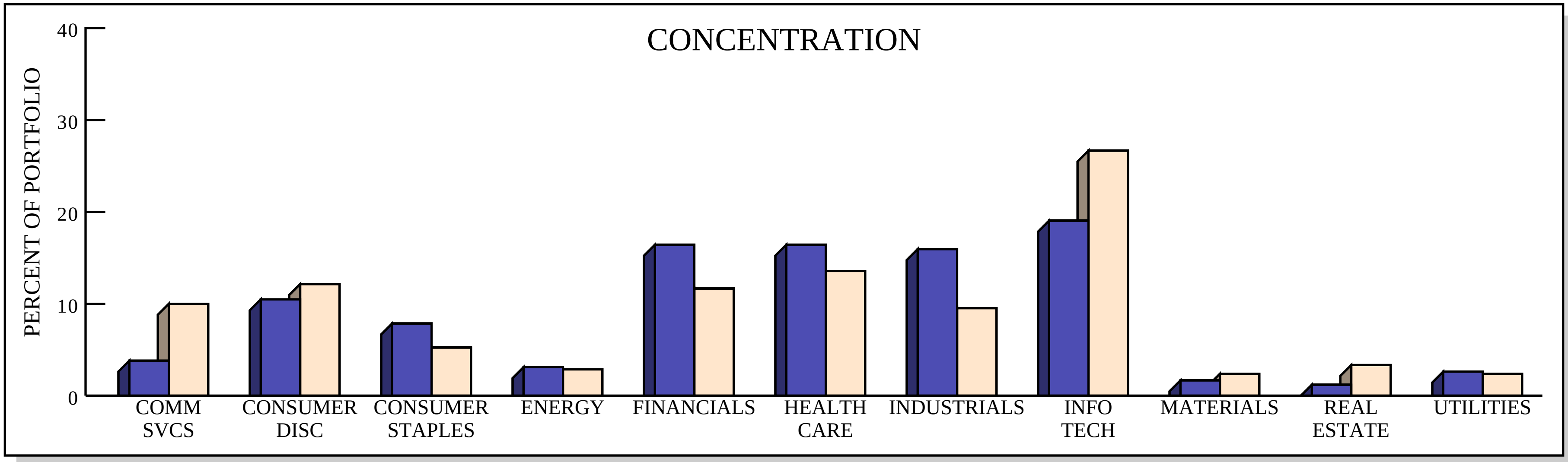


| | # HOLDINGS | YIELD | GROWTH | P/E | BETA |
|---|---|---|---|---|---|
| PORTFOLIO | 208 | 1.1% | 25.7% | 32.8 | 1.09 |
| RUSSELL 3000 | 3,009 | 1.3% | 28.9% | 34.8 | 1.08 |

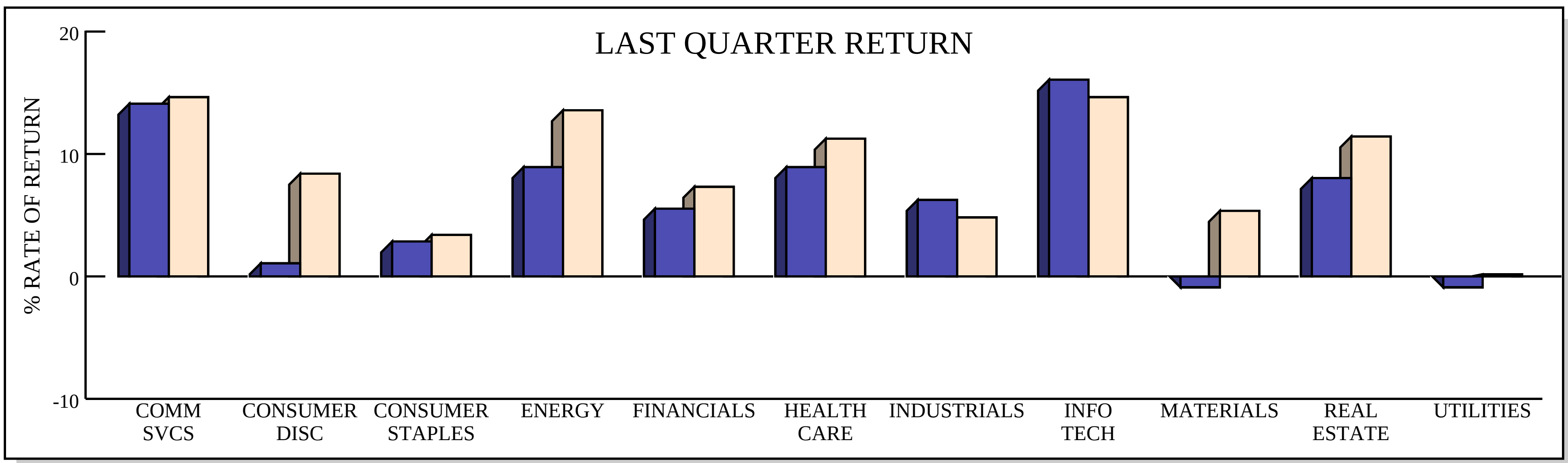


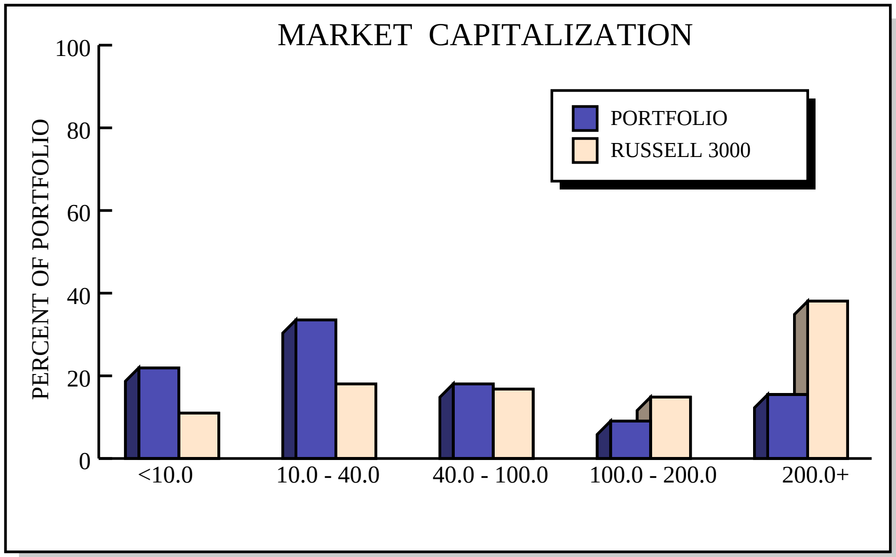
## STOCK INDUSTRY ANALYSIS

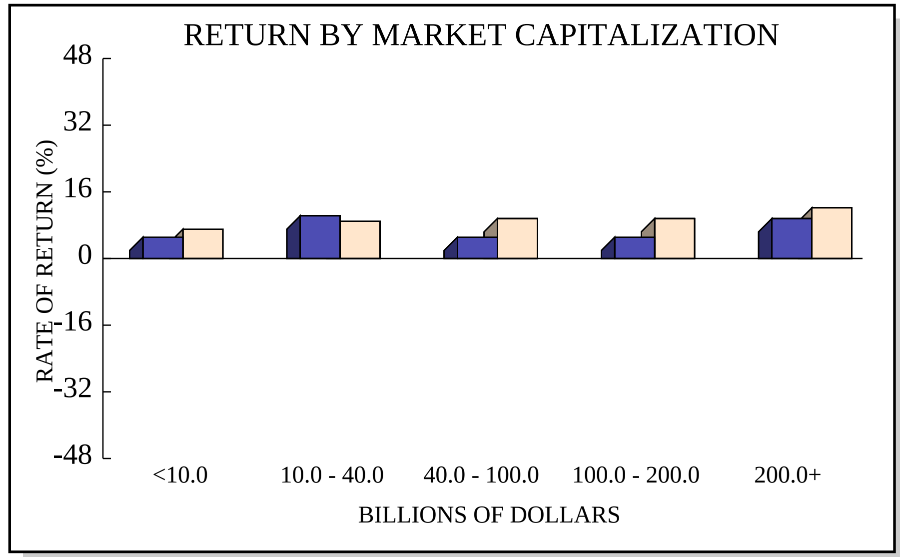



PORTFOLIO RUSSELL 3000



## TOP TEN HOLDINGS

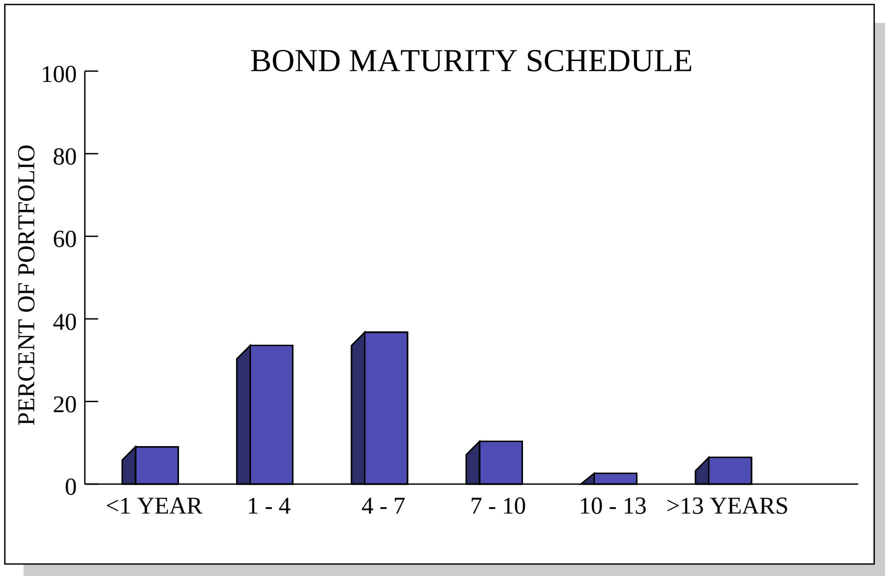


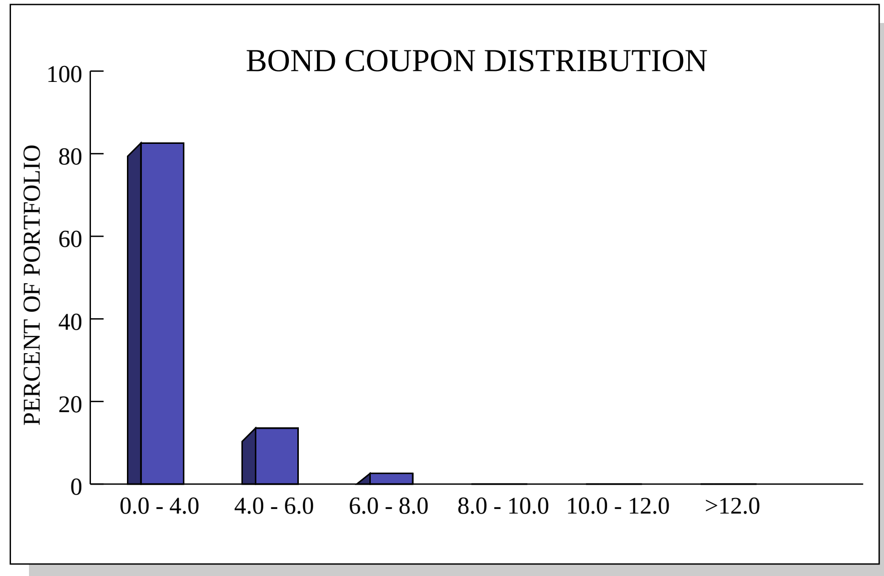



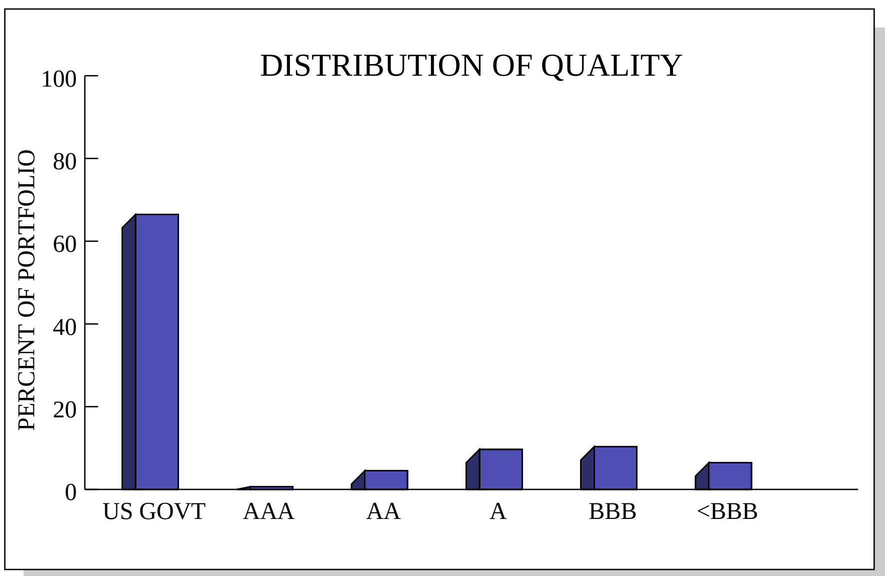

# TOP TEN EQUITY HOLDINGS

| RANK | NAME | VALUE | % EQUITY | RETURN | INDUSTRY SECTOR | MKT CAP |
|---|---|---|---|---|---|---|
| 1 | ALPHABET INC | $ 3,493,810 | 1.15% | 21.9% | Communication Services | $ 811.0 B |
| 2 | MICROSOFT CORP | 3,358,618 | 1.11% | 17.1% | Information Technology | 2040.3 B |
| 3 | BANK OF AMERICA CORP | 3,228,227 | 1.06% | 6.2% | Financials | 353.3 B |
| 4 | GOLDMAN SACHS GROUP INC | 2,787,648 | .92% | 14.7% | Financials | 129.0 B |
| 5 | SALESFORCE.COM INC | 2,467,127 | .81% | 16.3% | Information Technology | 226.2 B |
| 6 | D R HORTON INC | 2,461,589 | .81% | 1.5% | Consumer Discretionary | 32.6 B |
| 7 | NEXTERA ENERGY INC | 2,437,219 | .80% | -0.7% | Utilities | 143.7 B |
| 8 | HONEYWELL INTERNATIONAL INC | 2,402,102 | .79% | 1.0% | Industrials | 152.4 B |
| 9 | VISA INC | 2,342,876 | .77% | 10.5% | Information Technology | 498.7 B |
| 10 | JPMORGAN CHASE & CO | 2,339,477 | .77% | 1.3% | Financials | 470.8 B |

# BOND CHARACTERISTICS




| | PORTFOLIO | AGGREGATE INDEX |
|---|---|---|
| No. of Securities | 126 | 12,200 |
| Duration | 4.43 | 6.58 |
| YTM | 1.08 | 1.51 |
| Average Coupon | 2.61 | 2.55 |
| Avg Maturity / WAL | 5.25 | 8.53 |
| Average Quality | AAA | AA |

# Chester County Employees Retirement System
# Manager Fee Schedules

| Manager | Annual Fee Schedule |
|---|---|
| Blackrock Global Allocation | 0.85% on all assets |
| Vanguard 500 | 0.035% on all assets |
| Vesper | 0.75% on all assets |
| Vanguard R1000G | 0.07% on all assets |
| MetWest | Base fee: 0.25%. Incentive fee: 0.01% increase in annual fee for 0.05% excess return over benchmark on rolling 3-year basis. Minimum annual fee: $20,000 |
| Champlain | 0.85% on first $50 million, 0.75% on next $50 million, 0.65% on remainder |
| Eagle | 0.65% on all assets |
| Maquarie | 0.7% on all assets |
| Walter Scott | 0.75% on first $100 million |
| Banner Ridge | 1% on committed capital, declining by 10% per annum.<br>5% carried interest with 8% preferred return, 7.5% carried interest with 10% preferred return |
| Ben Franklin | 3% on cost basis of all companies, including those for which capital has not yet been called |
| Siguler Guff | 0.945% through commitment period, followed by 20% reduction per annum thereafter. 5% carry interest allocation after 8% preferred return. |
| Taurus | 0.8% on committed capital in years 1-4, 0.6% on invested capital in years 5-7, 0.3% on invested capital thereafter. 5% carry interest allocation after 8% preferred return. |
| Brandes | 0.2% on all assets |
| Birch Run | 0.2% on all assets |
| Vanguard Short-Term Corporate | 0.05% on all assets |
| PGIM Short-Term Corporate | 0.38% on all assets |
| PGIM Short Duration High Yield | 0.7% on all assets |
| PGIM High Yield | 0.41% on all assets |

# APPENDIX - MAJOR MARKET INDEX RETURNS

| **Economic Data** | **Style** | **QTR** | **YTD** | **1 Year** | **3 years** | **5 Years** |
|---|---|---|---|---|---|---|
| Consumer Price Index | Economic Data | 2.6 | 4.3 | 5.4 | 2.5 | 2.4 |
| **Domestic Equity** | **Style** | **QTR** | **YTD** | **1 Year** | **3 years** | **5 Years** |
| Russell 3000 | Broad Equity | 8.2 | 15.1 | 44.2 | 18.7 | 17.9 |
| S&P 500 | Large Cap Core | 8.5 | 15.3 | 40.8 | 18.7 | 17.6 |
| Russell 1000 | Large Cap | 8.5 | 15.0 | 43.1 | 19.1 | 18.0 |
| Russell 1000 Growth | Large Cap Growth | 11.9 | 13.0 | 42.5 | 25.1 | 23.7 |
| Russell 1000 Value | Large Cap Value | 5.2 | 17.0 | 43.7 | 12.4 | 11.9 |
| Russell Mid Cap | Midcap | 7.5 | 16.3 | 49.8 | 16.4 | 15.6 |
| Russell Mid Cap Growth | Midcap Growth | 11.1 | 10.4 | 43.8 | 22.4 | 20.5 |
| Russell Mid Cap Value | Midcap Value | 5.7 | 19.5 | 53.1 | 11.8 | 11.8 |
| Russell 2000 | Small Cap | 4.3 | 17.5 | 62.0 | 13.5 | 16.4 |
| Russell 2000 Growth | Small Cap Growth | 3.9 | 9.0 | 51.4 | 15.9 | 18.7 |
| Russell 2000 Value | Small Cap Value | 4.6 | 26.7 | 73.3 | 10.2 | 13.6 |
| **International Equity** | **Style** | **QTR** | **YTD** | **1 Year** | **3 years** | **5 Years** |
| MSCI All Country World Ex US | Foreign Equity | 5.6 | 9.4 | 36.3 | 9.9 | 11.6 |
| MSCI EAFE | Developed Markets Equity | 5.4 | 9.2 | 32.9 | 8.8 | 10.8 |
| MSCI EAFE Growth | Developed Markets Growth | 7.6 | 7.1 | 31.4 | 12.8 | 12.9 |
| MSCI EAFE Value | Developed Markets Value | 3.3 | 11.1 | 34.2 | 4.4 | 8.4 |
| MSCI Emerging Markets | Emerging Markets Equity | 5.1 | 7.6 | 41.4 | 11.7 | 13.4 |
| **Domestic Fixed Income** | **Style** | **QTR** | **YTD** | **1 Year** | **3 years** | **5 Years** |
| Bloomberg Barclays Aggregate Index | Core Fixed Income | 1.8 | -1.6 | -0.3 | 5.3 | 3.0 |
| Bloomberg Barclays Capital Gov't Bond | Treasuries | 1.7 | -2.5 | -3.1 | 4.7 | 2.2 |
| Bloomberg Barclays Capital Credit Bond | Corporate Bonds | 3.3 | -1.3 | 3.0 | 7.4 | 4.6 |
| Intermediate Aggregate | Core Intermediate | 0.8 | -0.8 | 0.0 | 4.4 | 2.5 |
| ML/BoA 1-3 Year Treasury | Short Term Treasuries | 0.0 | -0.1 | 0.1 | 2.7 | 1.6 |
| Bloomberg Barclays Capital High Yield | High Yield Bonds | 2.7 | 3.6 | 15.4 | 7.4 | 7.5 |
| **Alternative Assets** | **Style** | **QTR** | **YTD** | **1 Year** | **3 years** | **5 Years** |
| Bloomberg Barclays Global Treasury Ex US | International Treasuries | 0.7 | -5.5 | 3.3 | 3.0 | 1.2 |
| NCREIF NFI-ODCE Index | Real Estate | 3.9 | 6.1 | 8.0 | 5.5 | 6.6 |
| HFRI FOF Composite | Hedge Funds | 2.6 | 5.2 | 18.5 | 6.4 | 6.2 |

# APPENDIX - DISCLOSURES

* For the period since December 31, 2019 the Policy Index is constructed as follows:
  47% Russell 3000, 13% MSCI EAFE, 10% Cambridge Private Equity, 5% NCREIF NFI-ODCE,
  12.5% Bloomberg Barclays Aggregate, 12.5% Bloomberg Barclays Intermediate Aggregate
  For periods through December 31, 2019, Policy Index returns were provided by the prior consultant.
* Dahab Associates utilizes data provided by a custodian and other vendors it believes are reliable. However, it cannot assume responsibility for errors and omissions therefrom.
* All returns were calculated on a time-weighted basis, and are gross of fees unless otherwise noted.
* All returns for periods greater than one year are annualized.
* Dahab Associates uses the modified duration measure to present average duration.
* All values are in US dollars.
* Historical Data through December 31, 2020 has been provided by the prior consultant and has not yet been verified.

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
BLACKROCK - GLOBAL ALLOCATION
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Blackrock Global Allocation portfolio was valued at $26,012,555, representing an increase of $1,192,101 from the March quarter's ending value of $24,820,454. Last quarter, the Fund posted no net contributions or withdrawals, while posting $1,192,101 in net investment returns. Since there were no income receipts for the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling $1,192,101.

## RELATIVE PERFORMANCE

### Total Fund

During the second quarter, the Blackrock Global Allocation portfolio gained 5.0%, which was 0.2% less than the 60 ACWI / 40 AGG's return of 5.2% and ranked in the 64th percentile of the Balanced Fund universe. Over the trailing twelve-month period, this portfolio returned 29.6%, which was 7.1% above the benchmark's 22.5% return, and ranked in the 37th percentile. Since March 2011, the portfolio returned 7.8% per annum. For comparison, the 60 ACWI / 40 AGG returned an annualized 7.8% over the same period.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 03/11 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 5.0 | 7.1 | 29.6 | 13.6 | 11.6 | 7.8 |
| *BALANCED FUND RANK* | (64) | (76) | (37) | (49) | (62) | ---- |
| **Total Portfolio - Net** | 4.8 | 6.6 | 28.5 | 12.6 | 10.6 | 6.9 |
| 60 ACWI/40 AGG | 5.2 | 6.7 | 22.5 | 11.6 | 10.5 | 7.8 |
| **Diversified Assets - Gross** | 5.0 | 7.1 | 29.6 | 13.6 | 11.6 | 7.8 |
| *BALANCED FUND RANK* | (64) | (76) | (37) | (49) | (62) | ---- |

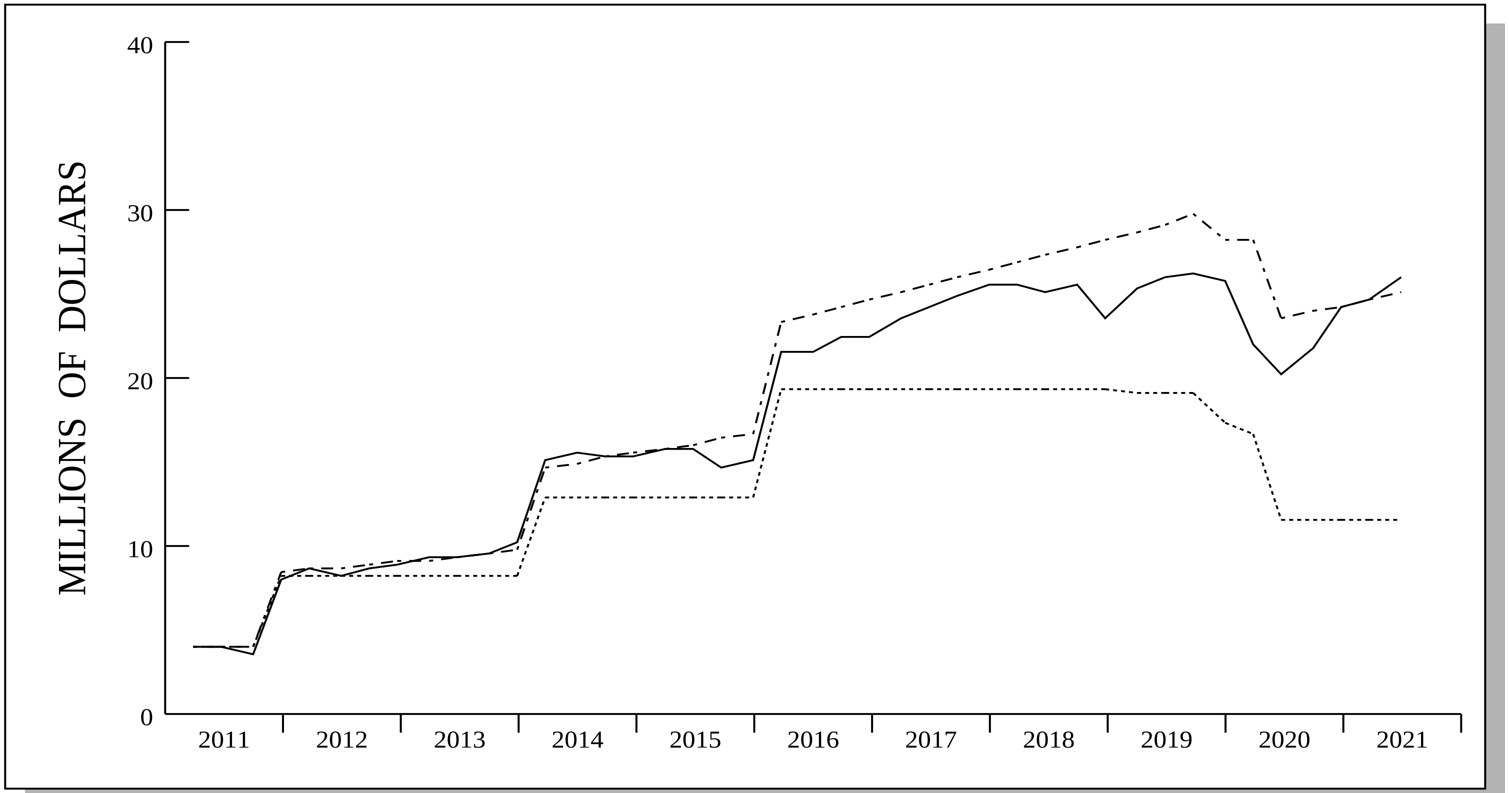
## ASSET ALLOCATION

| | | |
|---|---|---|
| Diversified | 100.0% | $ 26,012,555 |
| Total Portfolio | 100.0% | $ 26,012,555 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 24,820,454 |
| Contribs / Withdrawals | 0 |
| Income | 0 |
| Capital Gains / Losses | 1,192,101 |
| Market Value 6/2021 | $ 26,012,555 |

# INVESTMENT GROWTH

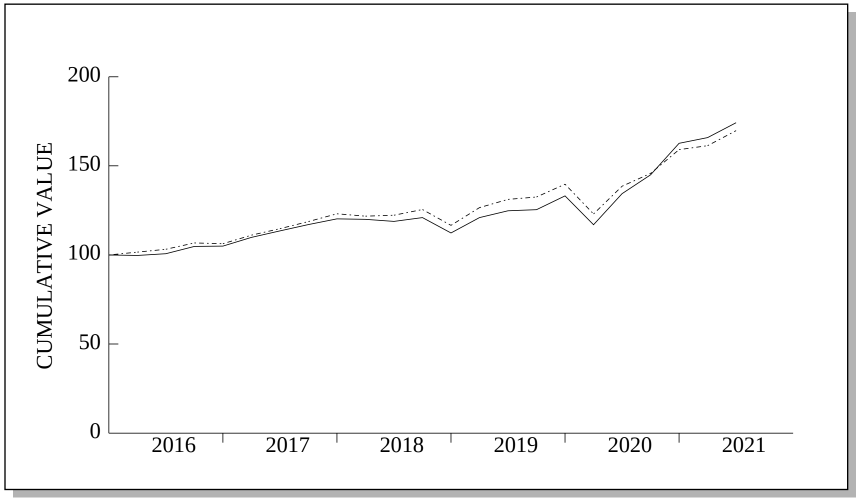


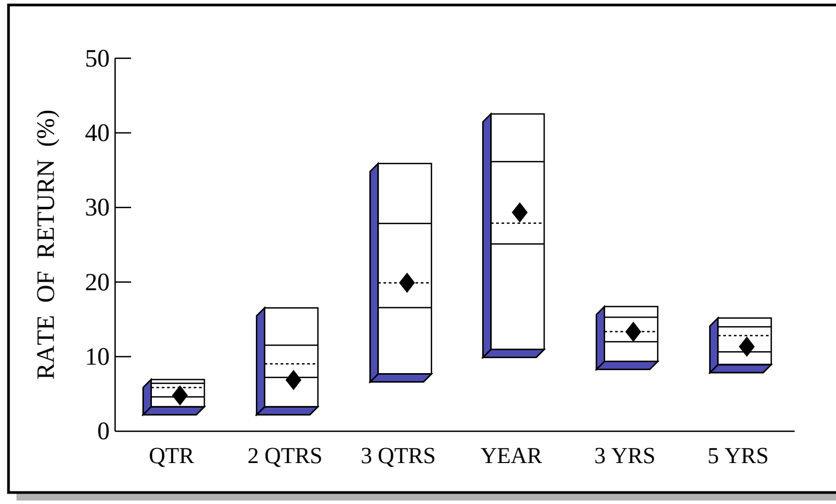

ACTUAL RETURN
7.25%
0.0%

VALUE ASSUMING
7.25% RETURN $ 25,294,975

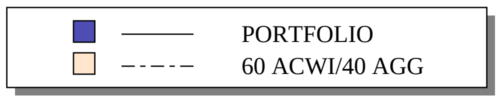
| | LAST QUARTER | PERIOD 3/11 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 24,820,454 | $ 4,056,253 |
| NET CONTRIBUTIONS | 0 | 7,508,247 |
| INVESTMENT RETURN | 1,192,101 | 14,448,055 |
| ENDING VALUE | $ 26,012,555 | $ 26,012,555 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 1,192,101 | 14,448,055 |
| INVESTMENT RETURN | 1,192,101 | 14,448,055 |

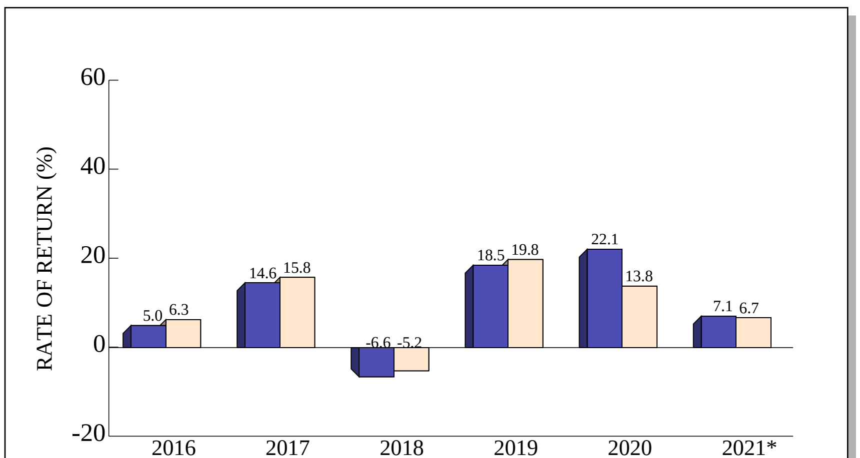
# TOTAL RETURN COMPARISONS




Balanced Fund Universe




* Partial year

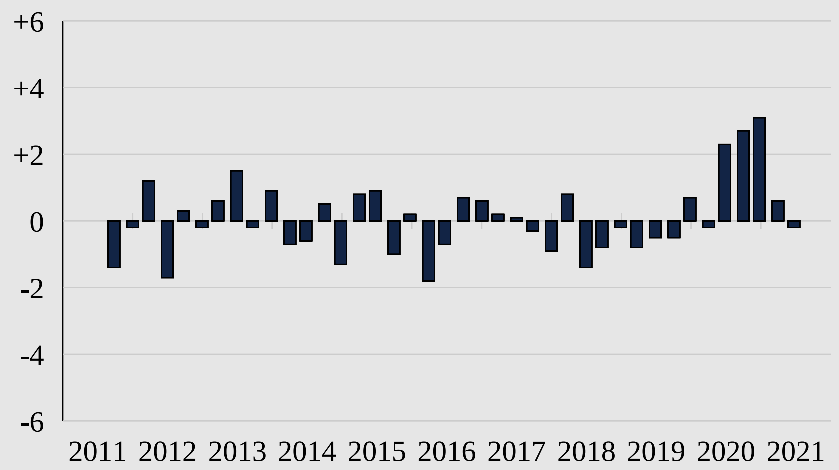
| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| | | | | | ------ANNUALIZED------ | |
| RETURN | 5.0 | 7.1 | 20.1 | 29.6 | 13.6 | 11.6 |
| (RANK) | (64) | (76) | (47) | (37) | (49) | (62) |
| 5TH %ILE | 6.9 | 16.5 | 35.9 | 42.5 | 16.7 | 15.2 |
| 25TH %ILE | 6.4 | 11.5 | 27.9 | 36.1 | 15.3 | 14.0 |
| MEDIAN | 5.9 | 9.1 | 19.9 | 27.9 | 13.4 | 12.8 |
| 75TH %ILE | 4.6 | 7.2 | 16.6 | 25.1 | 12.0 | 10.6 |
| 95TH %ILE | 3.3 | 3.3 | 7.7 | 11.0 | 9.4 | 8.9 |
| ***Blended Ix*** | ***5.2*** | ***6.7*** | ***16.4*** | ***22.5*** | ***11.6*** | ***10.5*** |

Balanced Fund Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY - 10 YEARS

## COMPARATIVE BENCHMARK: 60 ACWI / 40 AGG

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **40** |
| **Quarters At or Above the Benchmark** | **19** |
| **Quarters Below the Benchmark** | **21** |
| **Batting Average** | **.475** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 9/11 | -10.6 | -9.2 | -1.4 |
| 12/11 | 4.7 | 4.9 | -0.2 |
| 3/12 | 8.4 | 7.2 | 1.2 |
| 6/12 | -4.0 | -2.3 | -1.7 |
| 9/12 | 5.1 | 4.8 | 0.3 |
| 12/12 | 1.7 | 1.9 | -0.2 |
| 3/13 | 4.5 | 3.9 | 0.6 |
| 6/13 | 0.4 | -1.1 | 1.5 |
| 9/13 | 4.8 | 5.0 | -0.2 |
| 12/13 | 5.3 | 4.4 | 0.9 |
| 3/14 | 0.8 | 1.5 | -0.7 |
| 6/14 | 3.3 | 3.9 | -0.6 |
| 9/14 | -0.7 | -1.2 | 0.5 |
| 12/14 | -0.3 | 1.0 | -1.3 |
| 3/15 | 3.0 | 2.2 | 0.8 |
| 6/15 | 0.5 | -0.4 | 0.9 |
| 9/15 | -6.2 | -5.2 | -1.0 |
| 12/15 | 3.1 | 2.9 | 0.2 |
| 3/16 | -0.2 | 1.6 | -1.8 |
| 6/16 | 0.9 | 1.6 | -0.7 |
| 9/16 | 4.1 | 3.4 | 0.7 |
| 12/16 | 0.2 | -0.4 | 0.6 |
| 3/17 | 4.7 | 4.5 | 0.2 |
| 6/17 | 3.3 | 3.2 | 0.1 |
| 9/17 | 3.2 | 3.5 | -0.3 |
| 12/17 | 2.7 | 3.6 | -0.9 |
| 3/18 | -0.2 | -1.0 | 0.8 |
| 6/18 | -1.0 | 0.4 | -1.4 |
| 9/18 | 1.8 | 2.6 | -0.8 |
| 12/18 | -7.2 | -7.0 | -0.2 |
| 3/19 | 7.7 | 8.5 | -0.8 |
| 6/19 | 3.1 | 3.6 | -0.5 |
| 9/19 | 0.5 | 1.0 | -0.5 |
| 12/19 | 6.2 | 5.5 | 0.7 |
| 3/20 | -12.2 | -12.0 | -0.2 |
| 6/20 | 14.9 | 12.6 | 2.3 |
| 9/20 | 7.9 | 5.2 | 2.7 |
| 12/20 | 12.2 | 9.1 | 3.1 |
| 3/21 | 2.0 | 1.4 | 0.6 |
| 6/21 | 5.0 | 5.2 | -0.2 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
VANGUARD - INSTITUTIONAL INDEX
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Vanguard Institutional Index portfolio was valued at $71,164,272, representing an increase of $2,575,107 from the March quarter's ending value of $68,589,165. Last quarter, the Fund posted withdrawals totaling $3,220,000, which offset the portfolio's net investment return of $5,795,107. Income receipts totaling $232,392 plus net realized and unrealized capital gains of $5,562,715 combined to produce the portfolio's net investment return.

## RELATIVE PERFORMANCE

### Total Fund

For the second quarter, the Vanguard Institutional Index portfolio returned 8.5%, which was equal to the S&P 500 Index's return of 8.5% and ranked in the 28th percentile of the Large Cap Core universe. Over the trailing year, the portfolio returned 40.8%, which was equal to the benchmark's 40.8% return, ranking in the 47th percentile. Since June 2019, the portfolio returned 23.0% annualized and ranked in the 38th percentile. The S&P 500 returned an annualized 23.0% over the same period.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 06/19 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 8.5 | 15.3 | 40.8 | ---- | ---- | 23.0 |
| *LARGE CAP CORE RANK* | (28) | (51) | (47) | ---- | ---- | (38) |
| **Total Portfolio - Net** | 8.5 | 15.2 | 40.8 | ---- | ---- | 23.0 |
| S&P 500 | 8.5 | 15.3 | 40.8 | 18.7 | 17.6 | 23.0 |
| **Domestic Equity - Gross** | 8.5 | 15.3 | 40.8 | ---- | ---- | 23.0 |
| *LARGE CAP CORE RANK* | (28) | (51) | (47) | ---- | ---- | (38) |
| S&P 500 | 8.5 | 15.3 | 40.8 | 18.7 | 17.6 | 23.0 |

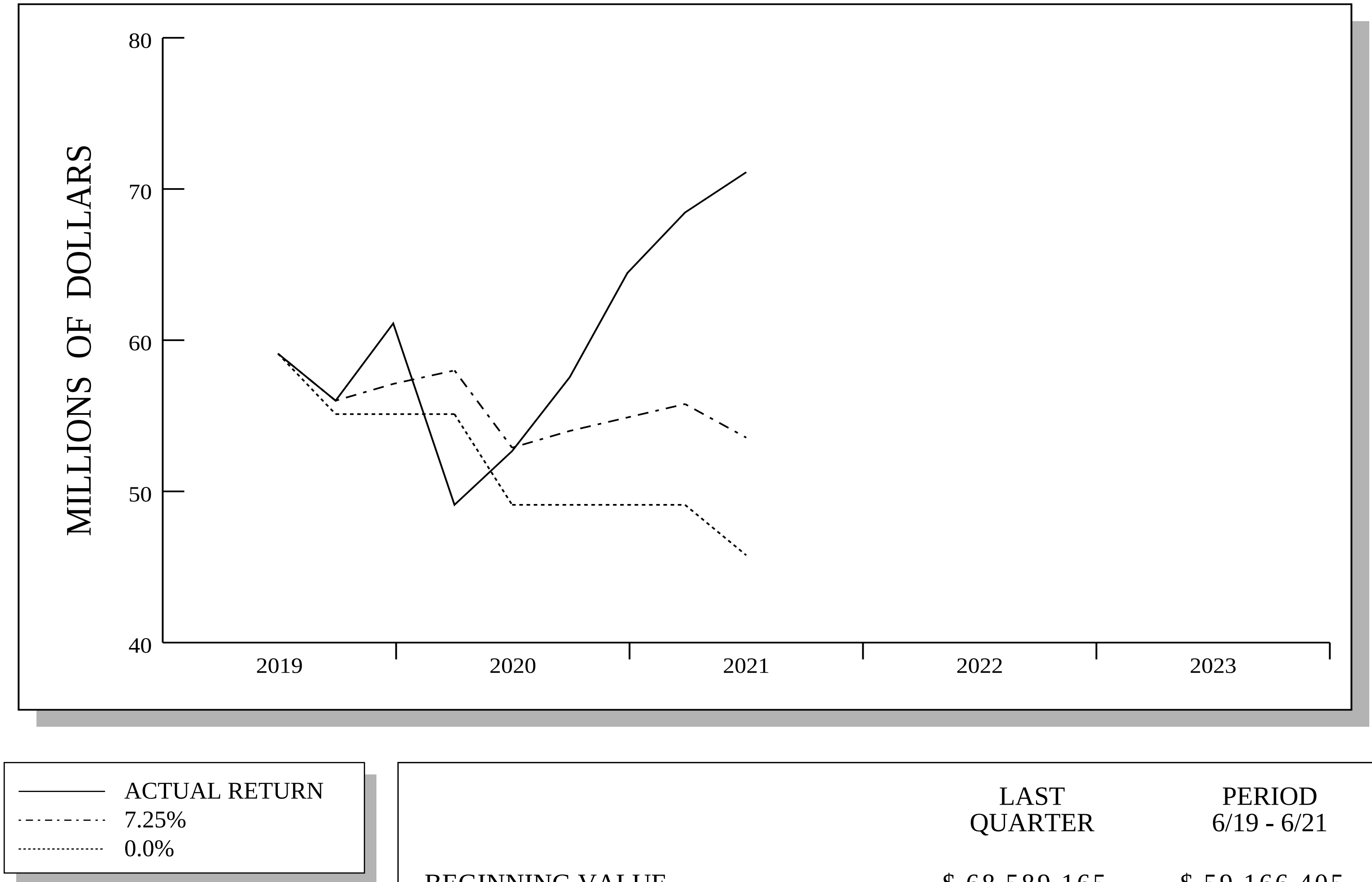
## ASSET ALLOCATION

| | | |
|---|---|---|
| Domestic Equity | 100.0% | $ 71,164,272 |
| Total Portfolio | 100.0% | $ 71,164,272 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 68,589,165 |
| Contribs / Withdrawals | - 3,220,000 |
| Income | 232,392 |
| Capital Gains / Losses | 5,562,715 |
| Market Value 6/2021 | $ 71,164,272 |

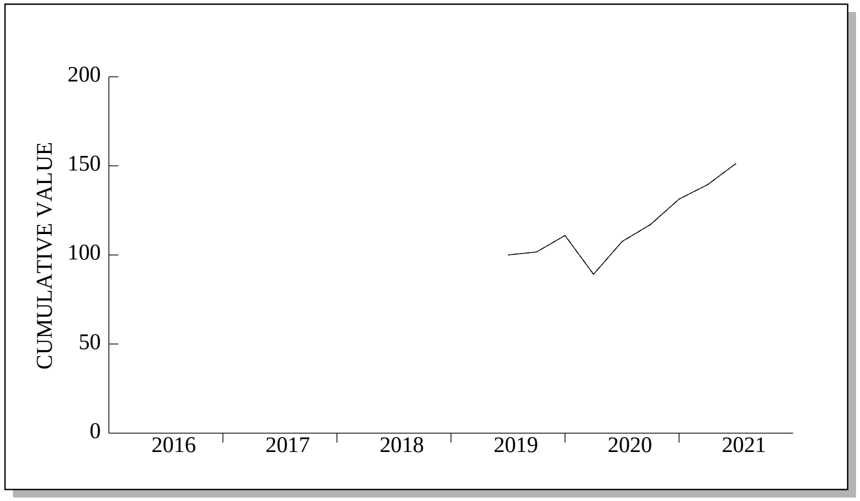
## INVESTMENT GROWTH

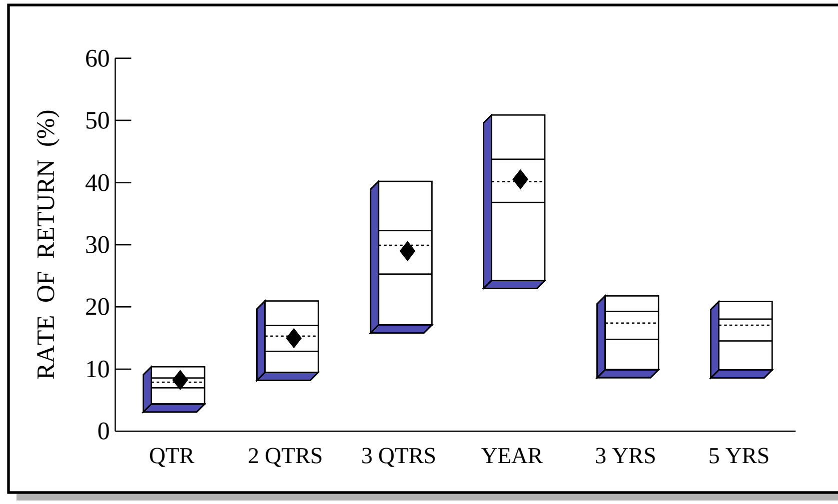



VALUE ASSUMING
7.25% RETURN $ 53,708,329

| | LAST QUARTER | PERIOD 6/19 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 68,589,165 | $ 59,166,405 |
| NET CONTRIBUTIONS | - 3,220,000 | - 13,220,000 |
| INVESTMENT RETURN | 5,795,107 | 25,217,867 |
| ENDING VALUE | $ 71,164,272 | $ 71,164,272 |
| INCOME | 232,392 | 476,723 |
| CAPITAL GAINS (LOSSES) | 5,562,715 | 24,741,144 |
| INVESTMENT RETURN | 5,795,107 | 25,217,867 |

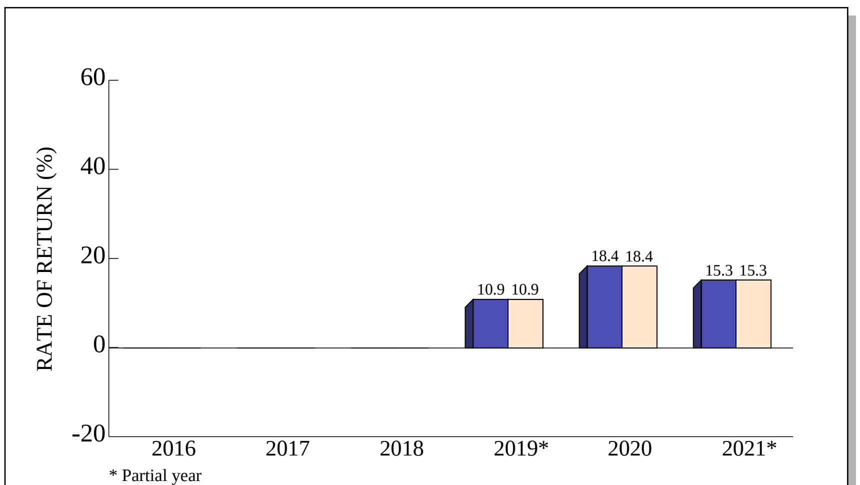
# TOTAL RETURN COMPARISONS




Large Cap Core Universe

PORTFOLIO
S&P 500



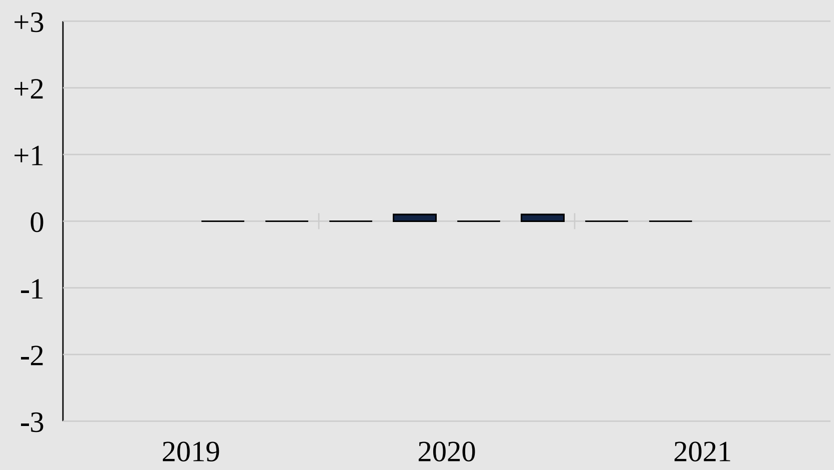

| | QTR | 2 QTRS | 3 QTRS | YEAR | ------ANNUALIZED------ 3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| RETURN | 8.5 | 15.3 | 29.3 | 40.8 | ---- | ---- |
| (RANK) | (28) | (51) | (58) | (47) | ---- | ---- |
| 5TH %ILE | 10.4 | 20.9 | 40.2 | 50.9 | 21.8 | 20.9 |
| 25TH %ILE | 8.6 | 17.0 | 32.3 | 43.7 | 19.3 | 18.1 |
| MEDIAN | 7.9 | 15.3 | 29.9 | 40.2 | 17.4 | 17.1 |
| 75TH %ILE | 7.0 | 12.8 | 25.3 | 36.8 | 14.8 | 14.5 |
| 95TH %ILE | 4.4 | 9.5 | 17.1 | 24.3 | 9.9 | 9.9 |
| ***S&P 500*** | ***8.5*** | ***15.3*** | ***29.3*** | ***40.8*** | ***18.7*** | ***17.6*** |

Large Cap Core Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

**COMPARATIVE BENCHMARK: S&P 500**

## VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **8** |
| **Quarters At or Above the Benchmark** | **8** |
| **Quarters Below the Benchmark** | **0** |
| **Batting Average** | **1.000** |

## RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 9/19 | 1.7 | 1.7 | 0.0 |
| 12/19 | 9.1 | 9.1 | 0.0 |
| 3/20 | -19.6 | -19.6 | 0.0 |
| 6/20 | 20.6 | 20.5 | 0.1 |
| 9/20 | 8.9 | 8.9 | 0.0 |
| 12/20 | 12.2 | 12.1 | 0.1 |
| 3/21 | 6.2 | 6.2 | 0.0 |
| 6/21 | 8.5 | 8.5 | 0.0 |

# CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
# VESPER - LARGE CAP SHORT-TERM REVERSAL
# PERFORMANCE REVIEW
# JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Vesper Large Cap Short-Term Reversal portfolio was valued at $2,752,136, representing an increase of $168,711 from the March quarter's ending value of $2,583,425. Last quarter, the Fund posted no net contributions or withdrawals, while posting $168,711 in net investment returns. Since there were no income receipts for the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling $168,711.

## RELATIVE PERFORMANCE

### Total Fund

During the second quarter, the Vesper Large Cap Short-Term Reversal portfolio gained 6.7%, which was 1.8% less than the S&P 500 Index's return of 8.5% and ranked in the 78th percentile of the Large Cap Core universe. Over the trailing twelve-month period, this portfolio returned 35.6%, which was 5.2% below the benchmark's 40.8% return, and ranked in the 78th percentile. Since December 2019, the portfolio returned 23.0% per annum and ranked in the 30th percentile. For comparison, the S&P 500 returned an annualized 23.0% over the same period.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 12/19 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 6.7 | 14.0 | 35.6 | ---- | ---- | 23.0 |
| *LARGE CAP CORE RANK* | (78) | (66) | (78) | ---- | ---- | (30) |
| **Total Portfolio - Net** | 6.5 | 13.5 | 34.6 | ---- | ---- | 22.1 |
| S&P 500 | 8.5 | 15.3 | 40.8 | 18.7 | 17.6 | 23.0 |
| **Domestic Equity - Gross** | 6.7 | 14.0 | 35.6 | ---- | ---- | 23.0 |
| *LARGE CAP CORE RANK* | (78) | (66) | (78) | ---- | ---- | (30) |
| S&P 500 | 8.5 | 15.3 | 40.8 | 18.7 | 17.6 | 23.0 |

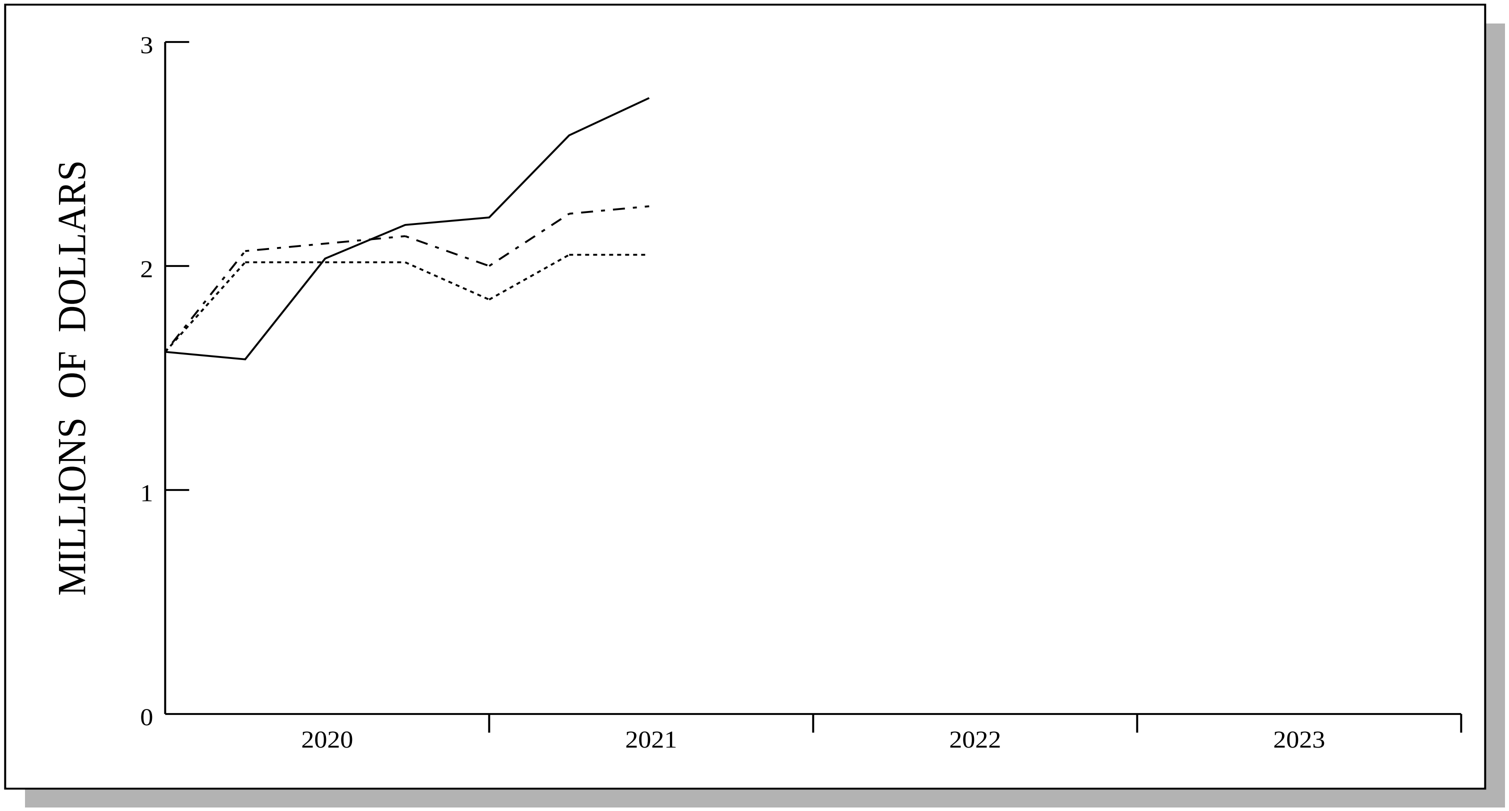
## ASSET ALLOCATION

| | | |
|---|---|---|
| Domestic Equity | 100.0% | $ 2,752,136 |
| Total Portfolio | 100.0% | $ 2,752,136 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 2,583,425 |
| Contribs / Withdrawals | 0 |
| Income | 0 |
| Capital Gains / Losses | 168,711 |
| Market Value 6/2021 | $ 2,752,136 |

## INVESTMENT GROWTH

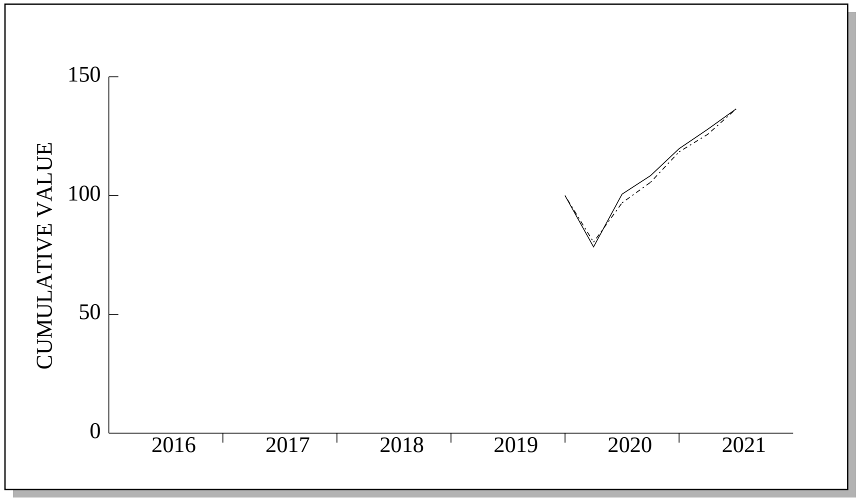


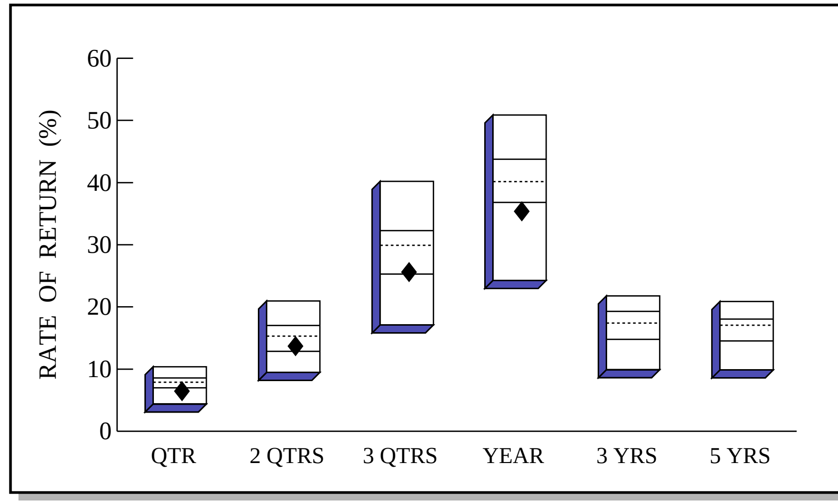

| | |
|---|---|
| ——— | ACTUAL RETURN |
| -·-·-·- | 7.25% |
| ········· | 0.0% |

VALUE ASSUMING
7.25% RETURN $ 2,280,929

| | LAST QUARTER | PERIOD 12/19 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 2,583,425 | $ 1,621,800 |
| NET CONTRIBUTIONS | 0 | 435,681 |
| INVESTMENT RETURN | 168,711 | 694,655 |
| ENDING VALUE | $ 2,752,136 | $ 2,752,136 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 168,711 | 694,655 |
| INVESTMENT RETURN | 168,711 | 694,655 |

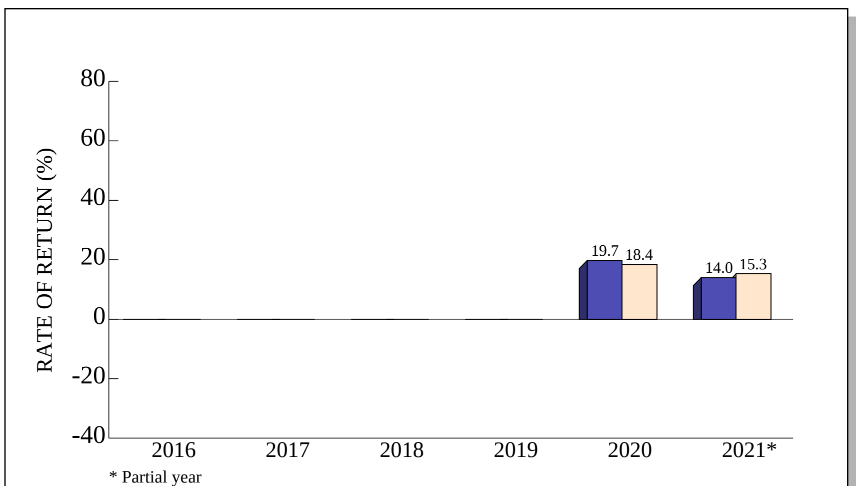
# TOTAL RETURN COMPARISONS




Large Cap Core Universe

PORTFOLIO
S&P 500




* Partial year

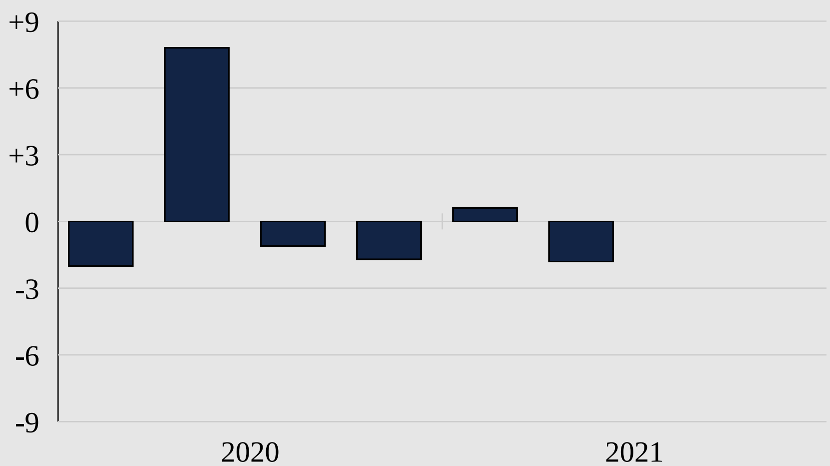
| | QTR | 2 QTRS | 3 QTRS | YEAR | ------ANNUALIZED------ 3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| RETURN | 6.7 | 14.0 | 25.9 | 35.6 | ---- | ---- |
| (RANK) | (78) | (66) | (74) | (78) | ---- | ---- |
| 5TH %ILE | 10.4 | 20.9 | 40.2 | 50.9 | 21.8 | 20.9 |
| 25TH %ILE | 8.6 | 17.0 | 32.3 | 43.7 | 19.3 | 18.1 |
| MEDIAN | 7.9 | 15.3 | 29.9 | 40.2 | 17.4 | 17.1 |
| 75TH %ILE | 7.0 | 12.8 | 25.3 | 36.8 | 14.8 | 14.5 |
| 95TH %ILE | 4.4 | 9.5 | 17.1 | 24.3 | 9.9 | 9.9 |
| ***S&P 500*** | ***8.5*** | ***15.3*** | ***29.3*** | ***40.8*** | ***18.7*** | ***17.6*** |

Large Cap Core Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

**COMPARATIVE BENCHMARK: S&P 500**

## VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **6** |
| **Quarters At or Above the Benchmark** | **2** |
| **Quarters Below the Benchmark** | **4** |
| **Batting Average** | **.333** |

## RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 3/20 | -21.6 | -19.6 | -2.0 |
| 6/20 | 28.3 | 20.5 | 7.8 |
| 9/20 | 7.8 | 8.9 | -1.1 |
| 12/20 | 10.4 | 12.1 | -1.7 |
| 3/21 | 6.8 | 6.2 | 0.6 |
| 6/21 | 6.7 | 8.5 | -1.8 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
VANGUARD - RUSSELL 1000 GROWTH
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Vanguard Russell 1000 Growth portfolio was valued at $70,999,291, representing an increase of $7,560,665 from the March quarter's ending value of $63,438,626. Last quarter, the Fund posted no net contributions or withdrawals, while posting $7,560,665 in net investment returns. Income receipts totaling $109,215 plus net realized and unrealized capital gains of $7,451,450 combined to produce the portfolio's net investment return figure.

## RELATIVE PERFORMANCE

### Total Fund

For the second quarter, the Vanguard Russell 1000 Growth portfolio returned 11.9%, which was equal to the Russell 1000 Growth Index's return of 11.9% and ranked in the 29th percentile of the Large Cap Growth universe.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 11.9 | 13.0 | ---- | ---- | ---- |
| *LARGE CAP GROWTH RANK* | (29) | (42) | ---- | ---- | ---- |
| **Total Portfolio - Net** | 11.9 | 13.0 | ---- | ---- | ---- |
| Russell 1000G | 11.9 | 13.0 | 42.5 | 25.1 | 23.7 |
| **Domestic Equity - Gross** | 11.9 | 13.0 | ---- | ---- | ---- |
| *LARGE CAP GROWTH RANK* | (29) | (42) | ---- | ---- | ---- |
| Russell 1000G | 11.9 | 13.0 | 42.5 | 25.1 | 23.7 |

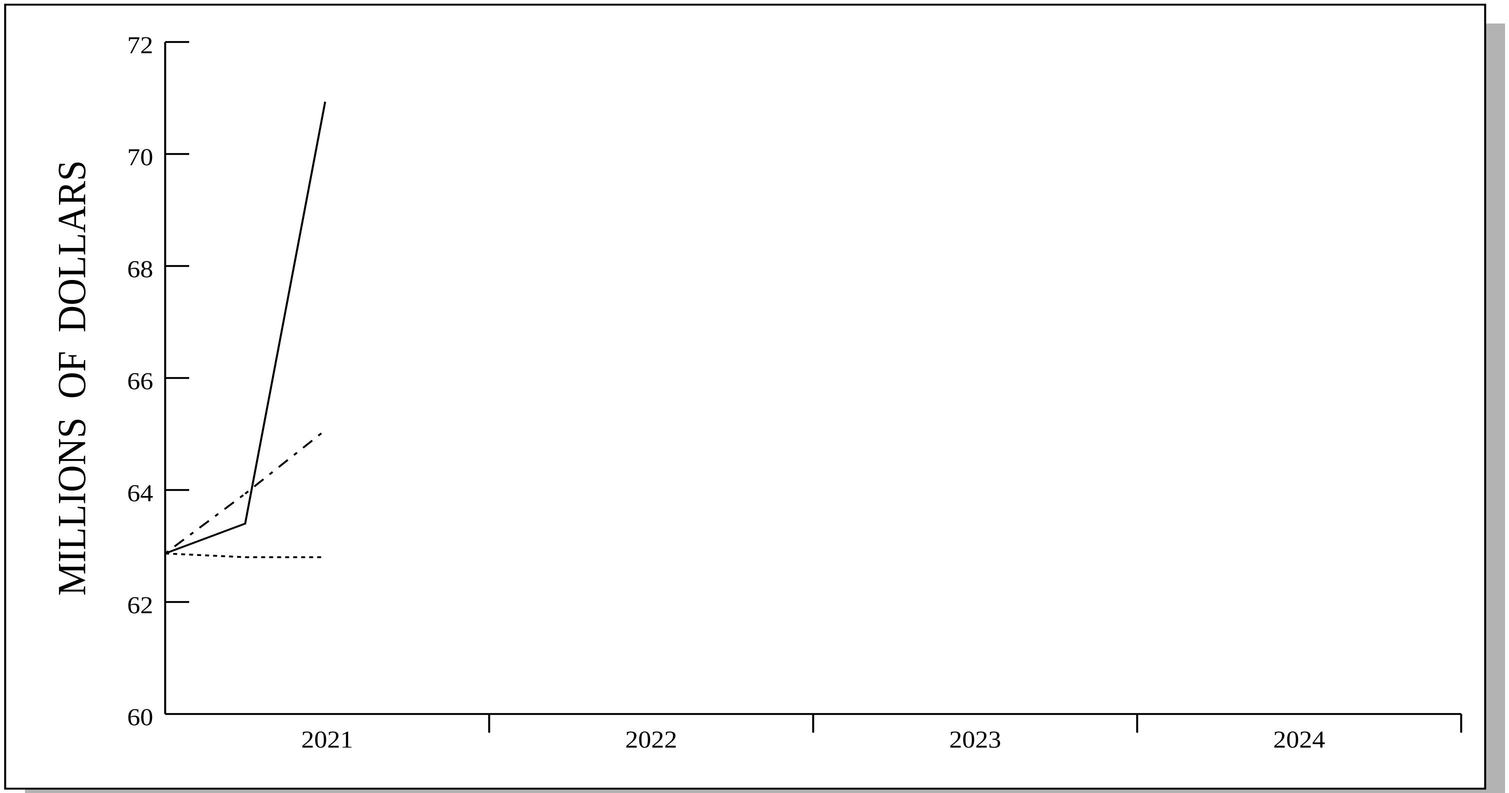
## ASSET ALLOCATION

| | | |
|---|---|---|
| Domestic Equity | 100.0% | $ 70,999,291 |
| Total Portfolio | 100.0% | $ 70,999,291 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 63,438,626 |
| Contribs / Withdrawals | 0 |
| Income | 109,215 |
| Capital Gains / Losses | 7,451,450 |
| Market Value 6/2021 | $ 70,999,291 |

## INVESTMENT GROWTH

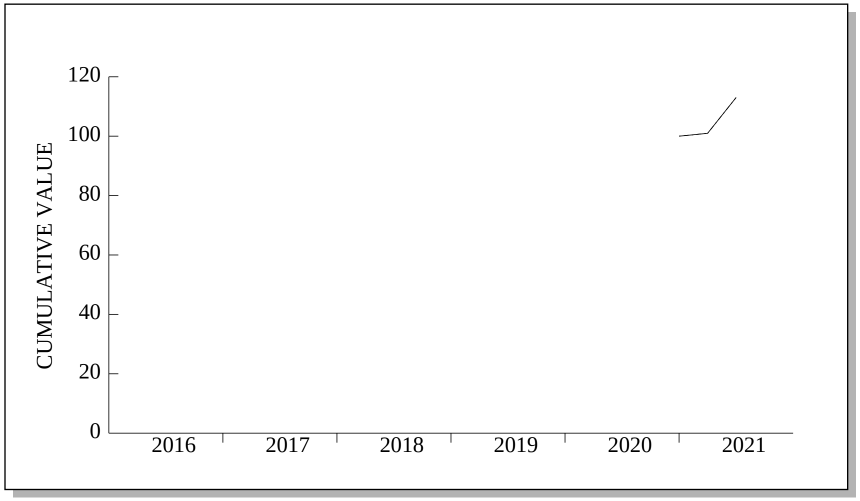


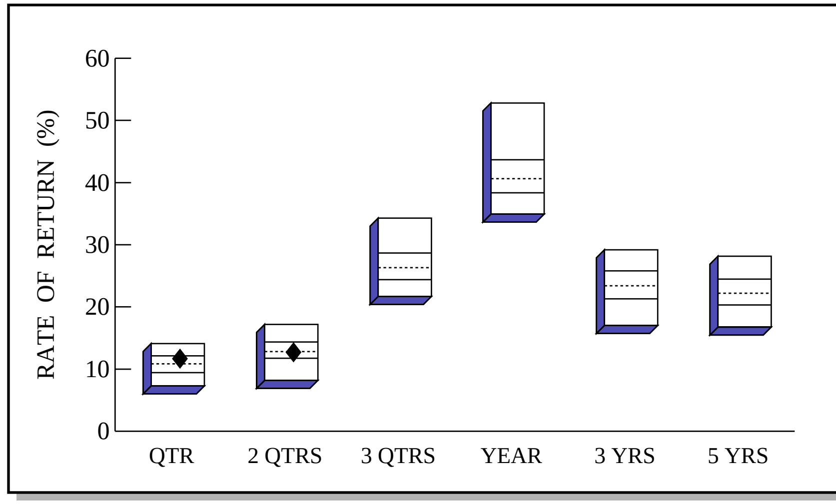

ACTUAL RETURN
7.25%
0.0%

VALUE ASSUMING
7.25% RETURN $ 65,092,552

| | LAST QUARTER | PERIOD 12/20 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 63,438,626 | $ 62,881,555 |
| NET CONTRIBUTIONS | 0 | - 28,000 |
| INVESTMENT RETURN | 7,560,665 | 8,145,736 |
| ENDING VALUE | $ 70,999,291 | $ 70,999,291 |
| | | |
| INCOME | 109,215 | 214,606 |
| CAPITAL GAINS (LOSSES) | 7,451,450 | 7,931,130 |
| INVESTMENT RETURN | 7,560,665 | 8,145,736 |

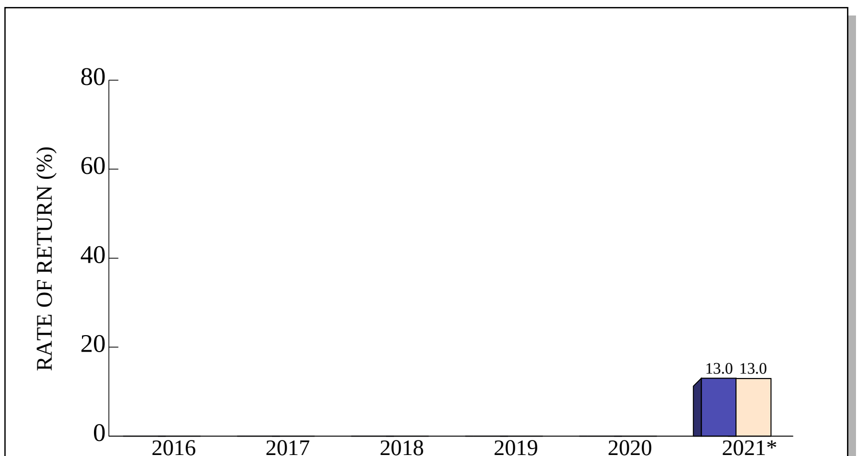
## TOTAL RETURN COMPARISONS




Large Cap Growth Universe

PORTFOLIO
RUSSELL 1000G




* Partial year

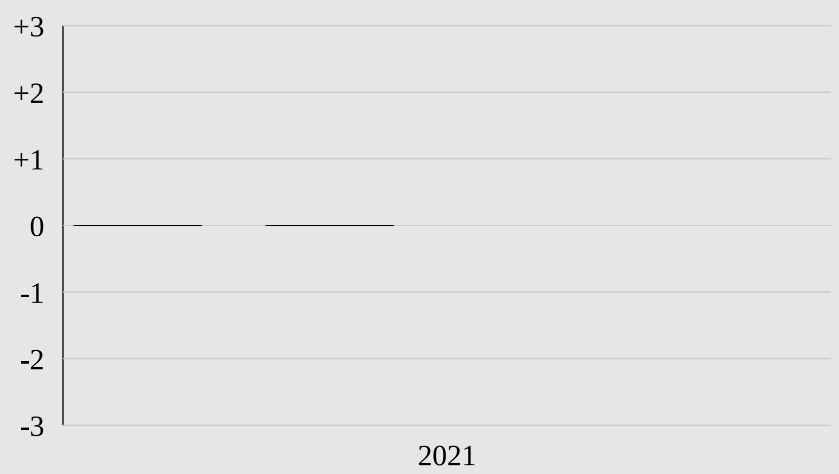
| | QTR | 2 QTRS | 3 QTRS | YEAR | ------ANNUALIZED------ 3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| RETURN | 11.9 | 13.0 | ---- | ---- | ---- | ---- |
| (RANK) | (29) | (42) | ---- | ---- | ---- | ---- |
| 5TH %ILE | 14.1 | 17.2 | 34.3 | 52.8 | 29.2 | 28.1 |
| 25TH %ILE | 12.1 | 14.4 | 28.7 | 43.7 | 25.8 | 24.5 |
| MEDIAN | 10.8 | 12.8 | 26.3 | 40.6 | 23.4 | 22.2 |
| 75TH %ILE | 9.4 | 11.8 | 24.4 | 38.3 | 21.3 | 20.3 |
| 95TH %ILE | 7.3 | 8.2 | 21.7 | 34.9 | 17.0 | 16.7 |
| ***Russ 1000G*** | ***11.9*** | ***13.0*** | ***25.9*** | ***42.5*** | ***25.1*** | ***23.7*** |

Large Cap Growth Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: RUSSELL 1000 GROWTH

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **2** |
| **Quarters At or Above the Benchmark** | **2** |
| **Quarters Below the Benchmark** | **0** |
| **Batting Average** | **1.000** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 3/21 | 0.9 | 0.9 | 0.0 |
| 6/21 | 11.9 | 11.9 | 0.0 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
METROPOLITAN WEST
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Metropolitan West portfolio was valued at $76,535,656, representing an increase of $3,446,410 from the March quarter's ending value of $73,089,246. Last quarter, the Fund posted withdrawals totaling $42,116, which partially offset the portfolio's net investment return of $3,488,526. Income receipts totaling $304,352 plus net realized and unrealized capital gains of $3,184,174 combined to produce the portfolio's net investment return.

## RELATIVE PERFORMANCE

### Total Fund

For the second quarter, the Metropolitan West portfolio returned 4.8%, which was 0.4% below the Russell 1000 Value Index's return of 5.2% and ranked in the 79th percentile of the Large Cap Value universe. Over the trailing year, the portfolio returned 39.2%, which was 4.5% below the benchmark's 43.7% return, ranking in the 79th percentile. Since September 2010, the portfolio returned 13.0% annualized. The Russell 1000 Value returned an annualized 12.4% over the same period.

## ANALYSIS

Last quarter, the MetWest portfolio was invested in nine of the eleven industry sectors in our analysis. Relative to the Russell 1000 Value index, the portfolio had greater representation in the Consumer Discretionary, Industrials, and Information Technology sectors, while The Health Care sector was underweighted. The Materials and Real Estate sectors were not utilized.

Selection effects were mixed last quarter, resulting in the 40-basis point shortfall against the index. Strong returns in the Communication Services and Information Technology sectors helped to keep that gap from growing wider, but were not able to completely make up the for the underperformance in the Consumer Discretionary, Health Care, and Utilities sectors.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 09/10 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 4.8 | 14.9 | 39.2 | 14.4 | 14.0 | 13.0 |
| *LARGE CAP VALUE RANK* | (79) | (79) | (79) | (39) | (44) | ---- |
| **Total Portfolio - Net** | 4.7 | 14.8 | 38.4 | 13.8 | 13.5 | 12.5 |
| Russell 1000V | 5.2 | 17.0 | 43.7 | 12.4 | 11.9 | 12.4 |
| **Domestic Equity - Gross** | 4.8 | 14.9 | 39.2 | 14.4 | 14.0 | 13.0 |
| *LARGE CAP VALUE RANK* | (79) | (79) | (79) | (39) | (44) | ---- |
| Russell 1000V | 5.2 | 17.0 | 43.7 | 12.4 | 11.9 | 12.4 |

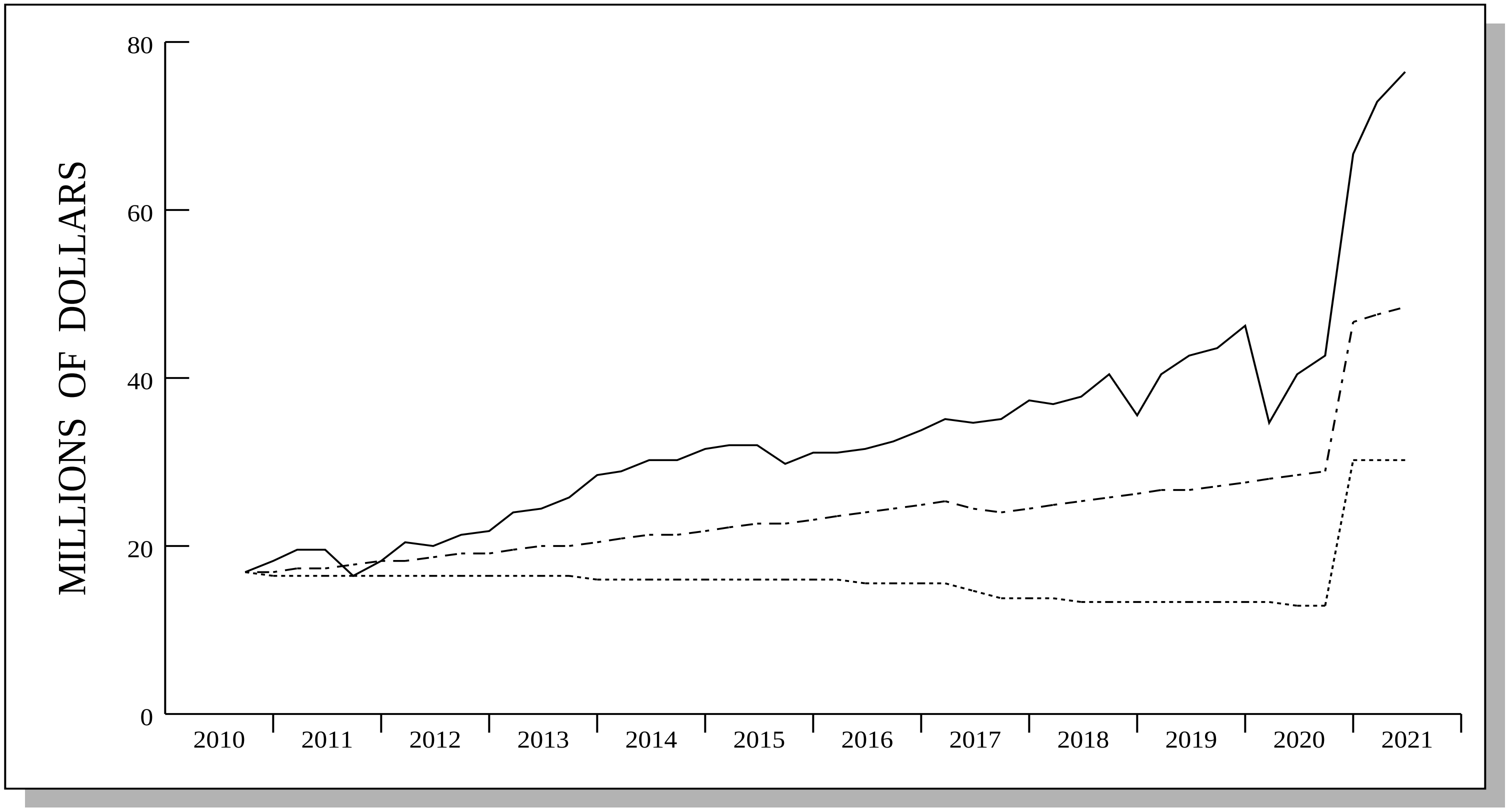
## ASSET ALLOCATION

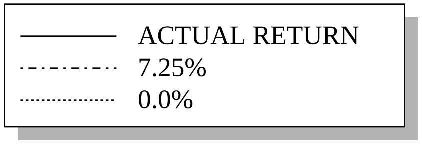
| | | |
|---|---|---|
| Domestic Equity | 100.0% | $ 76,535,656 |
| Total Portfolio | 100.0% | $ 76,535,656 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 73,089,246 |
| Contribs / Withdrawals | - 42,116 |
| Income | 304,352 |
| Capital Gains / Losses | 3,184,174 |
| Market Value 6/2021 | $ 76,535,656 |

# INVESTMENT GROWTH



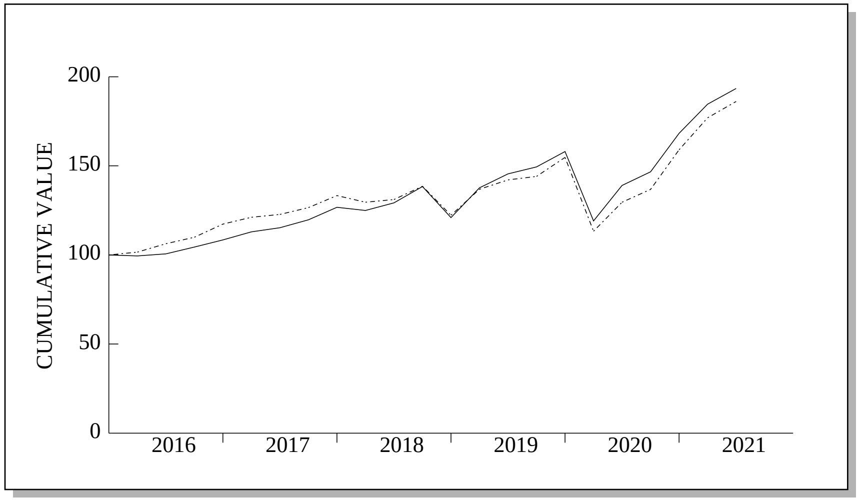



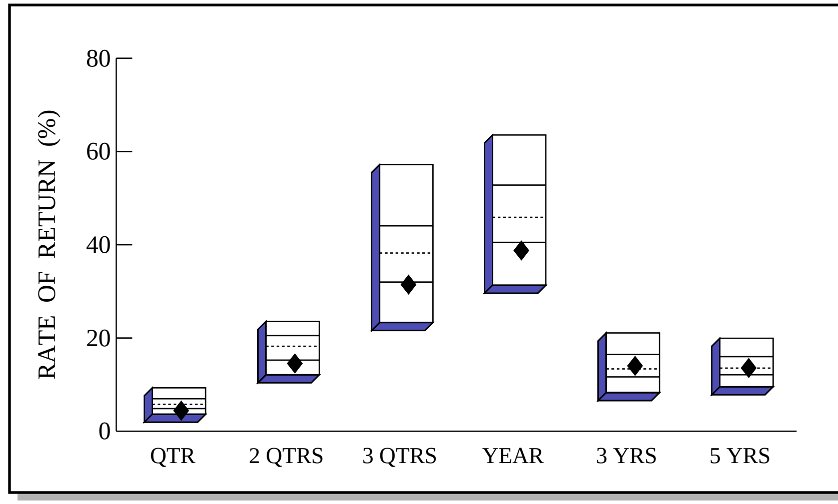

VALUE ASSUMING

7.25% RETURN $ 48,539,161

| | LAST QUARTER | PERIOD 9/10 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 73,089,246 | $ 16,902,597 |
| NET CONTRIBUTIONS | - 42,116 | 13,454,802 |
| INVESTMENT RETURN | 3,488,526 | 46,178,257 |
| ENDING VALUE | $ 76,535,656 | $ 76,535,656 |
| INCOME | 304,352 | 602,550 |
| CAPITAL GAINS (LOSSES) | 3,184,174 | 45,575,707 |
| INVESTMENT RETURN | 3,488,526 | 46,178,257 |

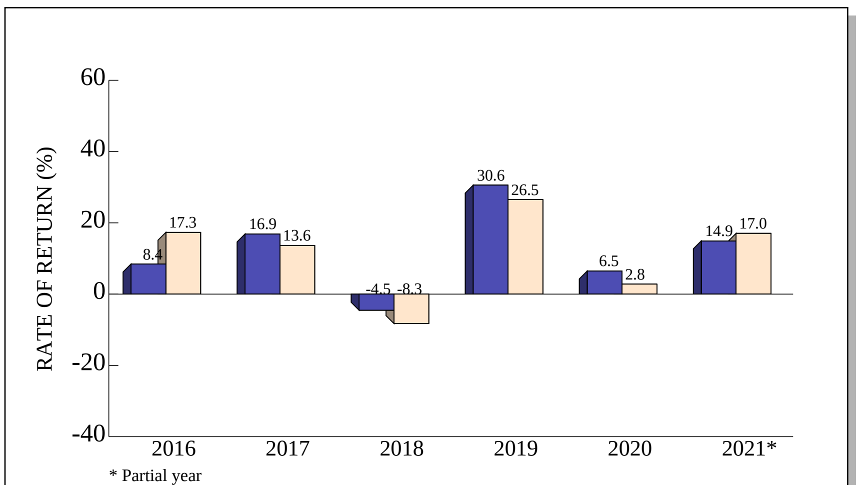
# TOTAL RETURN COMPARISONS




Large Cap Value Universe

PORTFOLIO
RUSSELL 1000V



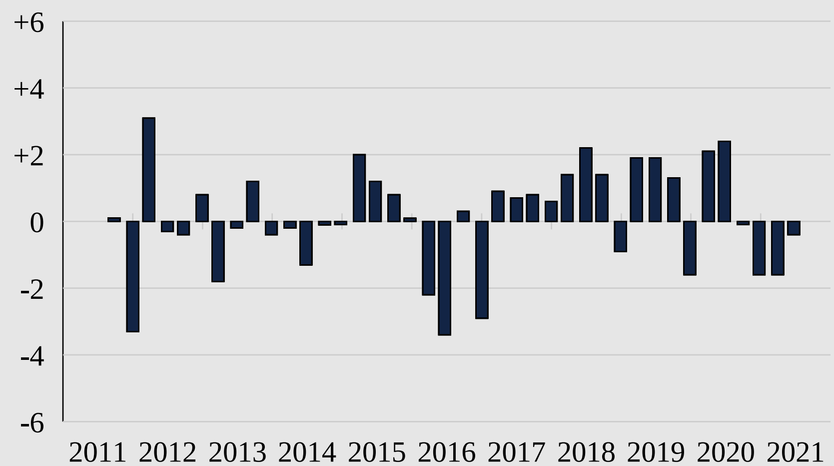

| | | | | | ------ANNUALIZED------ | |
|---|---|---|---|---|---|---|
| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
| RETURN | 4.8 | 14.9 | 31.9 | 39.2 | 14.4 | 14.0 |
| (RANK) | (79) | (79) | (76) | (79) | (39) | (44) |
| 5TH %ILE | 9.3 | 23.5 | 57.2 | 63.5 | 21.1 | 19.9 |
| 25TH %ILE | 7.0 | 20.5 | 44.1 | 52.8 | 16.5 | 16.0 |
| MEDIAN | 5.8 | 18.3 | 38.2 | 45.9 | 13.4 | 13.5 |
| 75TH %ILE | 4.9 | 15.3 | 32.0 | 40.5 | 11.7 | 12.1 |
| 95TH %ILE | 3.7 | 12.1 | 23.3 | 31.3 | 8.3 | 9.5 |
| ***Russ 1000V*** | ***5.2*** | ***17.0*** | ***36.1*** | ***43.7*** | ***12.4*** | ***11.9*** |

Large Cap Value Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY - 10 YEARS

## COMPARATIVE BENCHMARK: RUSSELL 1000 VALUE

### VARIATION FROM BENCHMARK

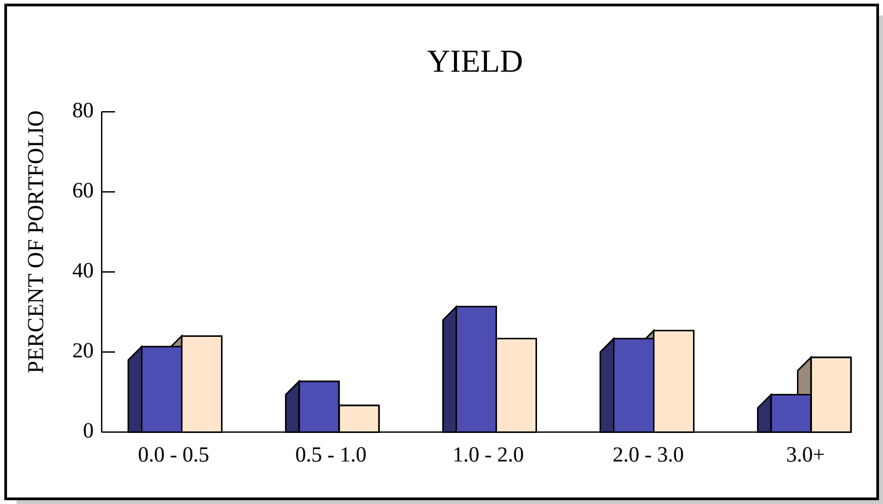


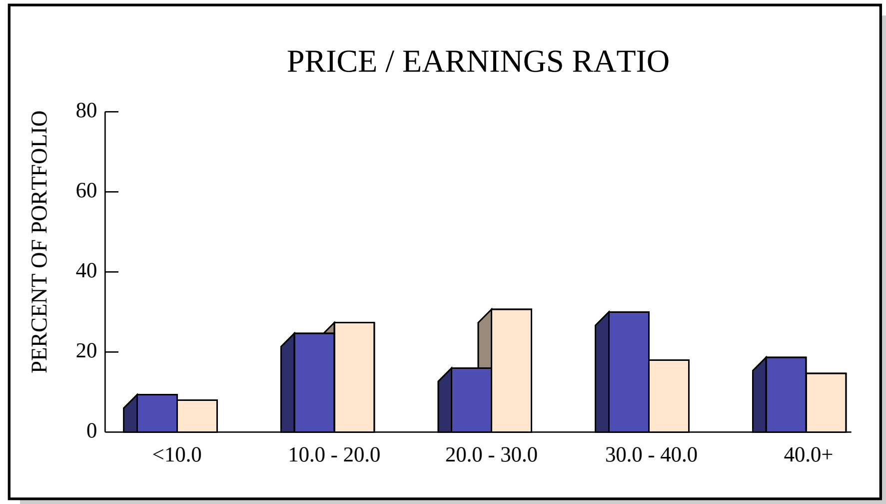

| | |
|---|---|
| **Total Quarters Observed** | **40** |
| **Quarters At or Above the Benchmark** | **21** |
| **Quarters Below the Benchmark** | **19** |
| **Batting Average** | **.525** |

### RATES OF RETURN

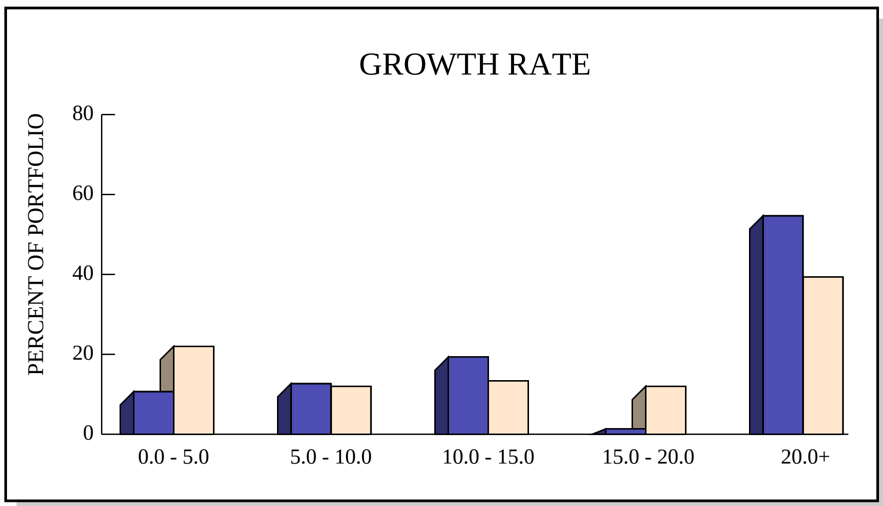
| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 9/11 | -16.1 | -16.2 | 0.1 |
| 12/11 | 9.8 | 13.1 | -3.3 |
| 3/12 | 14.2 | 11.1 | 3.1 |
| 6/12 | -2.5 | -2.2 | -0.3 |
| 9/12 | 6.1 | 6.5 | -0.4 |
| 12/12 | 2.3 | 1.5 | 0.8 |
| 3/13 | 10.5 | 12.3 | -1.8 |
| 6/13 | 3.0 | 3.2 | -0.2 |
| 9/13 | 5.1 | 3.9 | 1.2 |
| 12/13 | 9.6 | 10.0 | -0.4 |
| 3/14 | 2.8 | 3.0 | -0.2 |
| 6/14 | 3.8 | 5.1 | -1.3 |
| 9/14 | -0.3 | -0.2 | -0.1 |
| 12/14 | 4.9 | 5.0 | -0.1 |
| 3/15 | 1.3 | -0.7 | 2.0 |
| 6/15 | 1.3 | 0.1 | 1.2 |
| 9/15 | -7.6 | -8.4 | 0.8 |
| 12/15 | 5.7 | 5.6 | 0.1 |
| 3/16 | -0.6 | 1.6 | -2.2 |
| 6/16 | 1.2 | 4.6 | -3.4 |
| 9/16 | 3.8 | 3.5 | 0.3 |
| 12/16 | 3.8 | 6.7 | -2.9 |
| 3/17 | 4.2 | 3.3 | 0.9 |
| 6/17 | 2.0 | 1.3 | 0.7 |
| 9/17 | 3.9 | 3.1 | 0.8 |
| 12/17 | 5.9 | 5.3 | 0.6 |
| 3/18 | -1.4 | -2.8 | 1.4 |
| 6/18 | 3.4 | 1.2 | 2.2 |
| 9/18 | 7.1 | 5.7 | 1.4 |
| 12/18 | -12.6 | -11.7 | -0.9 |
| 3/19 | 13.8 | 11.9 | 1.9 |
| 6/19 | 5.7 | 3.8 | 1.9 |
| 9/19 | 2.7 | 1.4 | 1.3 |
| 12/19 | 5.8 | 7.4 | -1.6 |
| 3/20 | -24.6 | -26.7 | 2.1 |
| 6/20 | 16.7 | 14.3 | 2.4 |
| 9/20 | 5.5 | 5.6 | -0.1 |
| 12/20 | 14.7 | 16.3 | -1.6 |
| 3/21 | 9.7 | 11.3 | -1.6 |
| 6/21 | 4.8 | 5.2 | -0.4 |

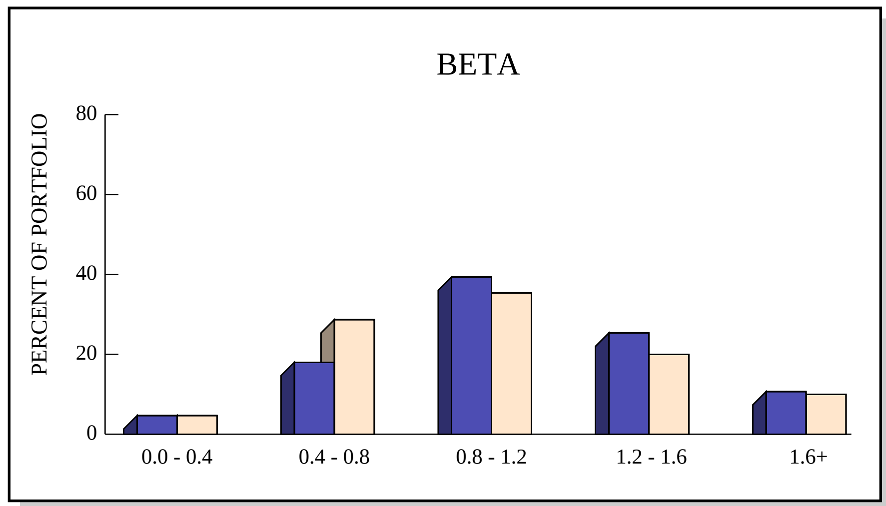
# STOCK CHARACTERISTICS



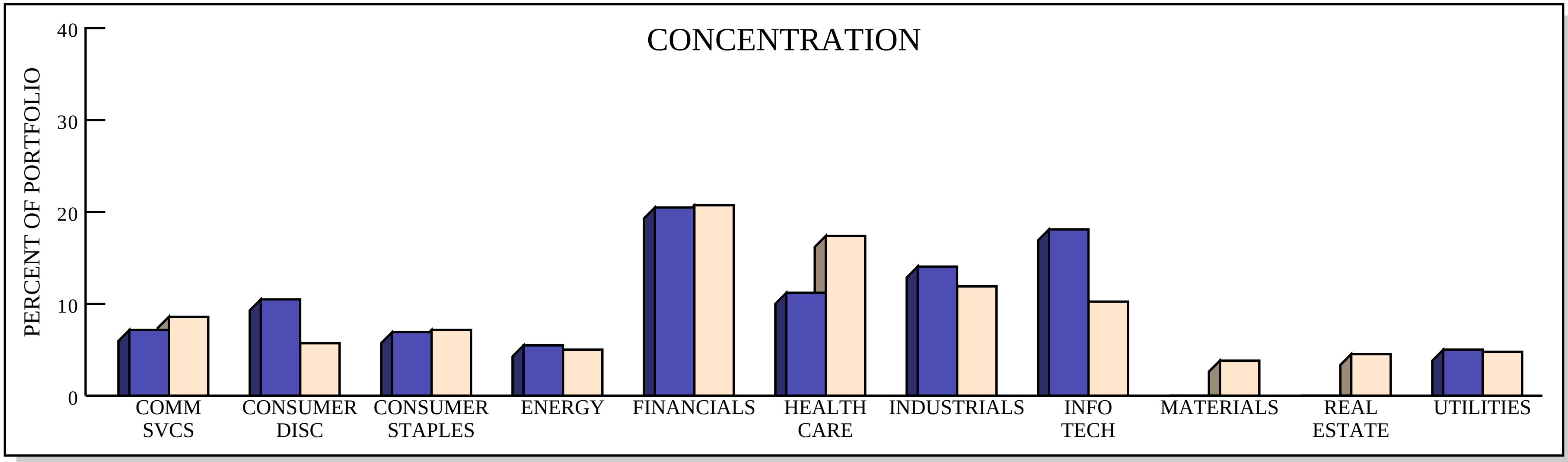




| | # HOLDINGS | YIELD | GROWTH | P/E | BETA |
|---|---|---|---|---|---|
| PORTFOLIO | 40 | 1.5% | 28.7% | 30.3 | 1.09 |
| RUSSELL 1000V | 842 | 1.9% | 21.4% | 27.2 | 1.03 |

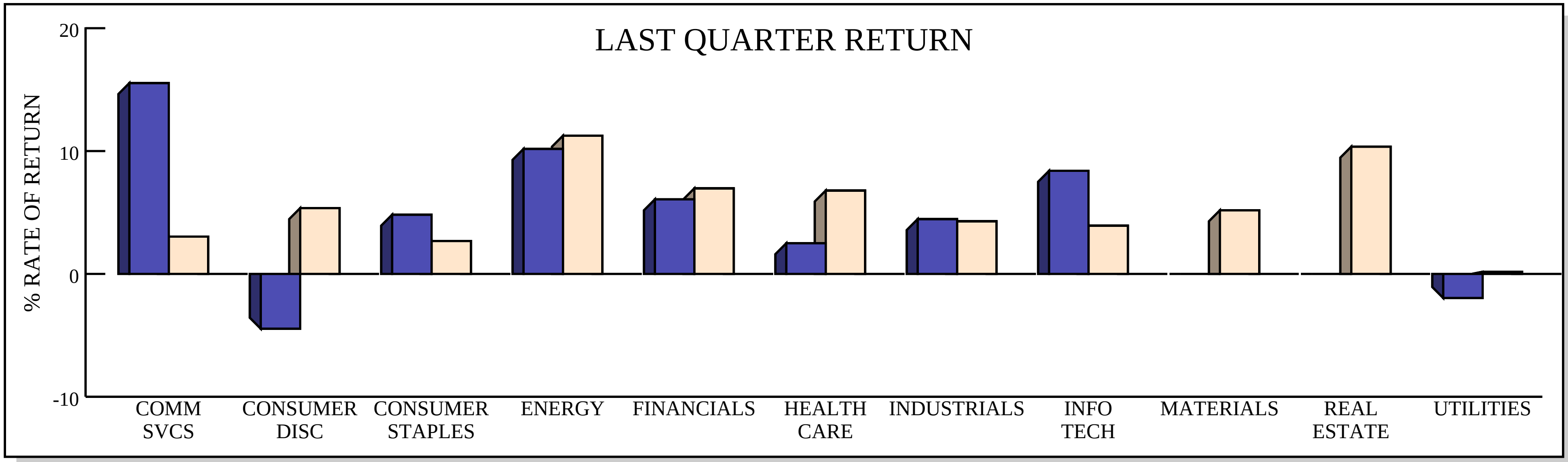


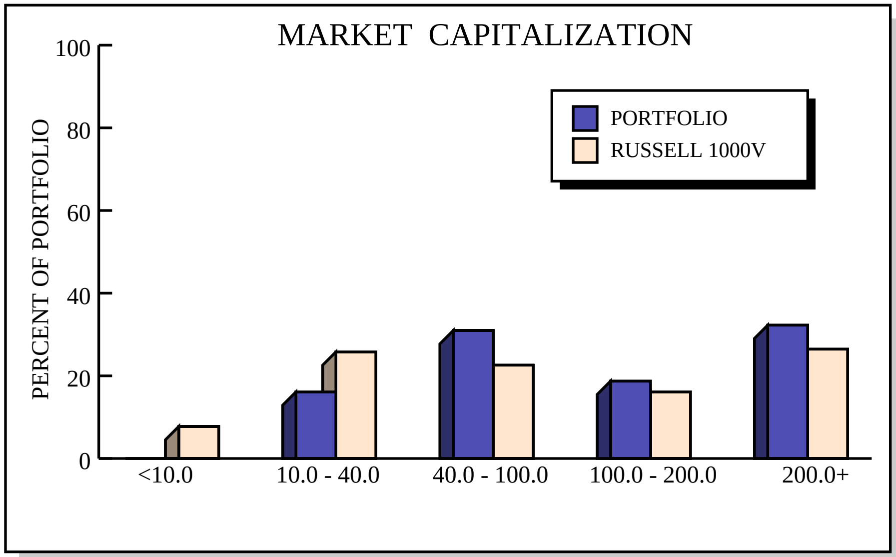
## STOCK INDUSTRY ANALYSIS

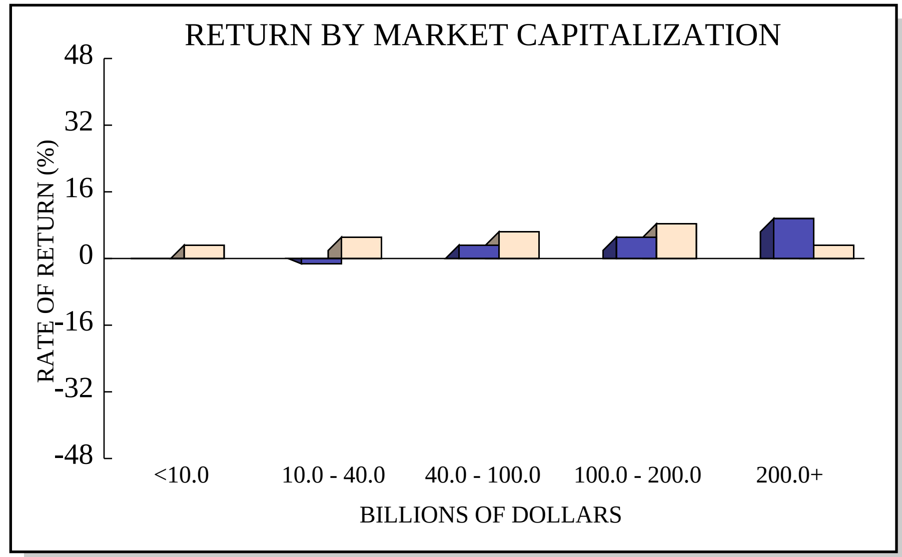



PORTFOLIO RUSSELL 1000V



## TOP TEN HOLDINGS




# TOP TEN EQUITY HOLDINGS

| RANK | NAME | VALUE | % EQUITY | RETURN | INDUSTRY SECTOR | MKT CAP |
|---|---|---|---|---|---|---|
| 1 | ALPHABET INC | $ 3,493,810 | 4.56% | 21.9% | Communication Services | $ 811.0 B |
| 2 | MICROSOFT CORP | 3,358,618 | 4.39% | 17.1% | Information Technology | 2040.3 B |
| 3 | BANK OF AMERICA CORP | 3,228,227 | 4.22% | 6.2% | Financials | 353.3 B |
| 4 | GOLDMAN SACHS GROUP INC | 2,787,648 | 3.64% | 14.7% | Financials | 129.0 B |
| 5 | SALESFORCE.COM INC | 2,467,127 | 3.22% | 16.3% | Information Technology | 226.2 B |
| 6 | D R HORTON INC | 2,461,589 | 3.22% | 1.5% | Consumer Discretionary | 32.6 B |
| 7 | NEXTERA ENERGY INC | 2,437,219 | 3.18% | -0.7% | Utilities | 143.7 B |
| 8 | HONEYWELL INTERNATIONAL INC | 2,402,102 | 3.14% | 1.0% | Industrials | 152.4 B |
| 9 | VISA INC | 2,342,876 | 3.06% | 10.5% | Information Technology | 498.7 B |
| 10 | JPMORGAN CHASE & CO | 2,339,477 | 3.06% | 1.3% | Financials | 470.8 B |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
CHAMPLAIN - US MID CAP EQUITY
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Champlain US Mid Cap Equity portfolio was valued at $48,873,197, representing an increase of $4,402,974 from the March quarter's ending value of $44,470,223. Last quarter, the Fund posted net contributions equaling $31,484 plus a net investment gain equaling $4,371,490. Total net investment return was the result of income receipts, which totaled $74,365 and net realized and unrealized capital gains of $4,297,125.

## RELATIVE PERFORMANCE

**Total Fund**

For the second quarter, the Champlain US Mid Cap Equity portfolio returned 9.8%, which was 2.3% above the Russell Mid Cap's return of 7.5% and ranked in the 11th percentile of the Mid Cap Core universe.

## ANALYSIS

The Champlain portfolio was concentrated in seven of the eleven industry sectors in our analysis last quarter. The Consumer Staples and Health Care sectors were notably overweight, relative to the Russell Mid Cap Index. The Consumer Discretionary and Materials sectors received lighter allocations, while the Communication Services, Energy, Real Estate, and Utilities sectors were left vacant.

The Information Technology sector was central to the portfolio's gains over the benchmark last quarter. This was the second largest sector, after Health Care, and its performance was significantly higher than the market return. The Health Care sector also added value, through increased weight that gave greater exposure to one of the more hearty industries in the mid cap market.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 09/20 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 9.8 | 14.2 | ---- | ---- | ---- | 40.6 |
| *MID CAP CORE RANK* | (11) | (66) | ---- | ---- | ---- | (25) |
| **Total Portfolio - Net** | 9.6 | 13.7 | ---- | ---- | ---- | 39.8 |
| Russell Mid | 7.5 | 16.3 | 49.8 | 16.4 | 15.6 | 39.4 |
| **Domestic Equity - Gross** | 9.8 | 14.2 | ---- | ---- | ---- | 40.6 |
| *MID CAP CORE RANK* | (11) | (66) | ---- | ---- | ---- | (25) |
| Russell Mid | 7.5 | 16.3 | 49.8 | 16.4 | 15.6 | 39.4 |

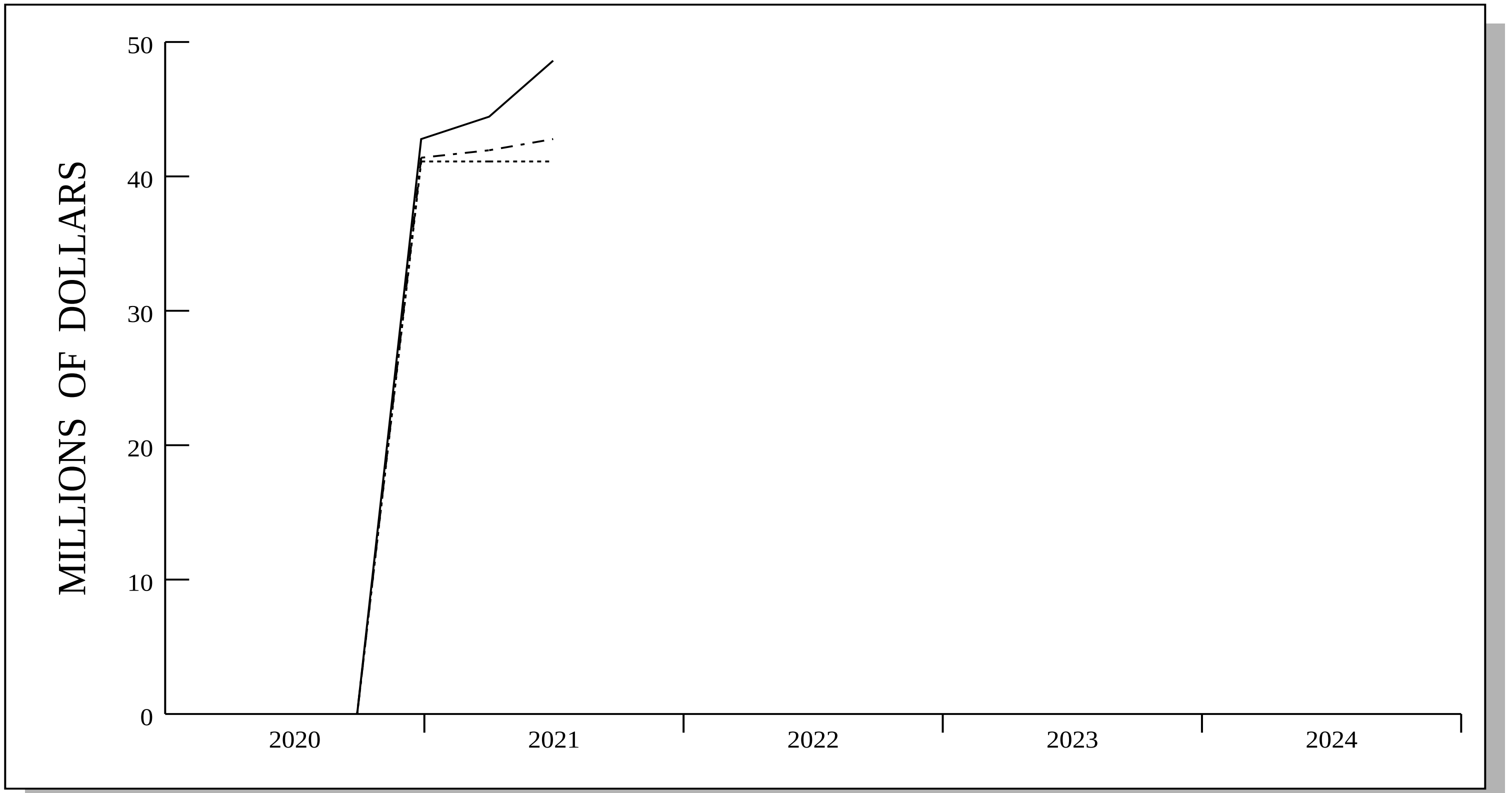
## ASSET ALLOCATION

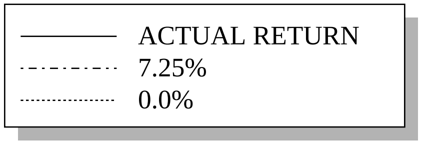
| | | |
|---|---|---|
| Domestic Equity | 100.0% | $ 48,873,197 |
| Total Portfolio | 100.0% | $ 48,873,197 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 44,470,223 |
| Contribs / Withdrawals | 31,484 |
| Income | 74,365 |
| Capital Gains / Losses | 4,297,125 |
| Market Value 6/2021 | $ 48,873,197 |

## INVESTMENT GROWTH

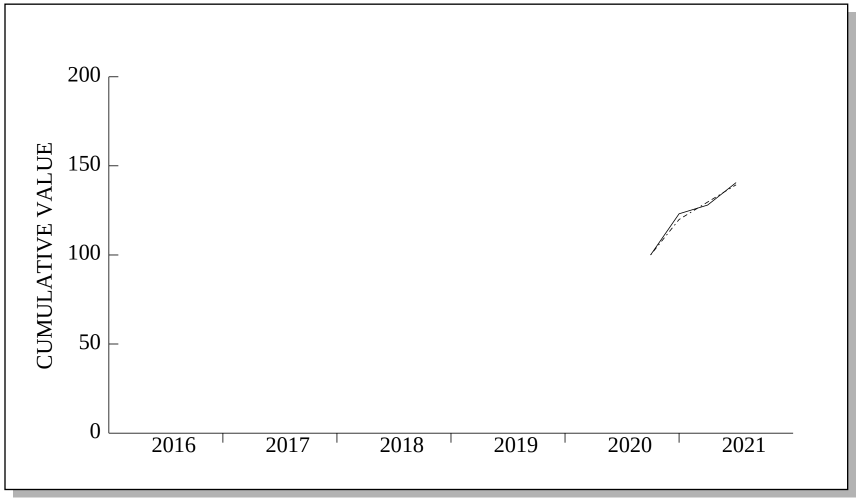


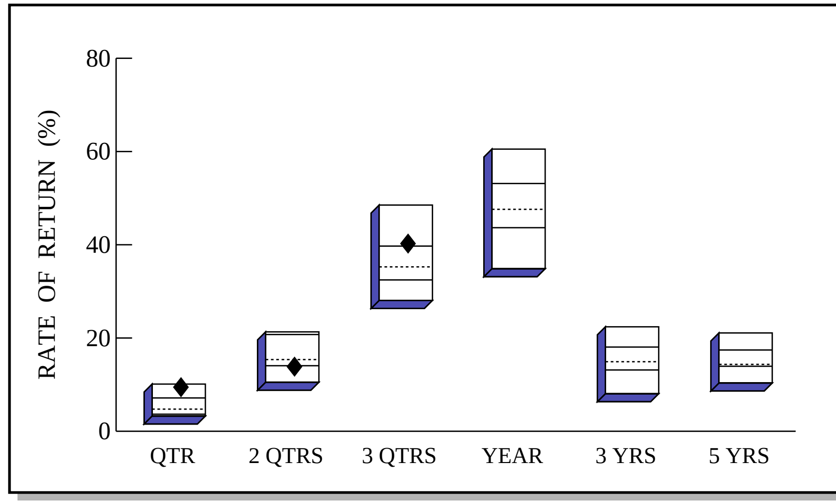




VALUE ASSUMING
7.25% RETURN $ 42,938,398

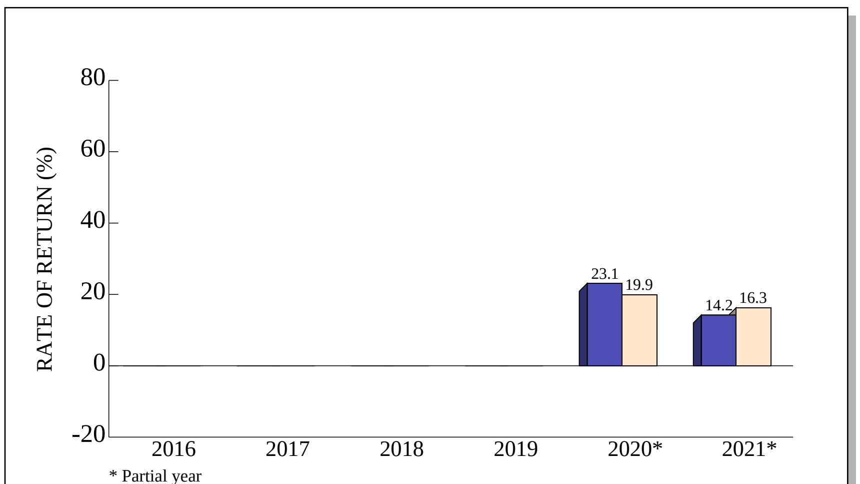
| | LAST QUARTER | PERIOD 9/20 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 44,470,223 | $ 1,000 |
| NET CONTRIBUTIONS | 31,484 | 41,341,152 |
| INVESTMENT RETURN | 4,371,490 | 7,531,045 |
| ENDING VALUE | $ 48,873,197 | $ 48,873,197 |
| INCOME | 74,365 | 134,723 |
| CAPITAL GAINS (LOSSES) | 4,297,125 | 7,396,322 |
| INVESTMENT RETURN | 4,371,490 | 7,531,045 |

# TOTAL RETURN COMPARISONS




Mid Cap Core Universe

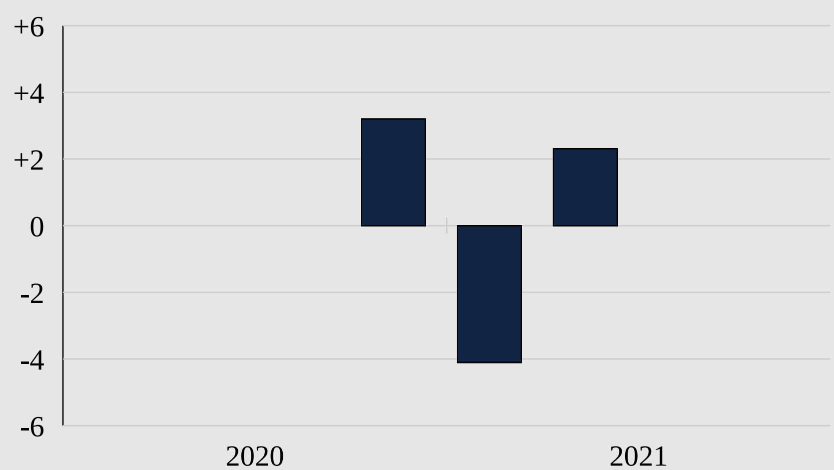

| | | | | | ------ANNUALIZED------ | |
|---|---|---|---|---|---|---|
| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
| RETURN | 9.8 | 14.2 | 40.6 | ---- | ---- | ---- |
| (RANK) | (11) | (66) | (25) | ---- | ---- | ---- |
| 5TH %ILE | 10.1 | 21.3 | 48.5 | 60.5 | 22.4 | 21.1 |
| 25TH %ILE | 7.1 | 20.7 | 39.7 | 53.2 | 18.1 | 17.4 |
| MEDIAN | 4.7 | 15.4 | 35.2 | 47.6 | 14.9 | 14.4 |
| 75TH %ILE | 3.6 | 14.1 | 32.5 | 43.7 | 13.2 | 14.0 |
| 95TH %ILE | 3.2 | 10.5 | 28.1 | 34.9 | 8.1 | 10.4 |
| ***Russ MC*** | ***7.5*** | ***16.3*** | ***39.4*** | ***49.8*** | ***16.4*** | ***15.6*** |

Mid Cap Core Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: RUSSELL MID CAP

### VARIATION FROM BENCHMARK

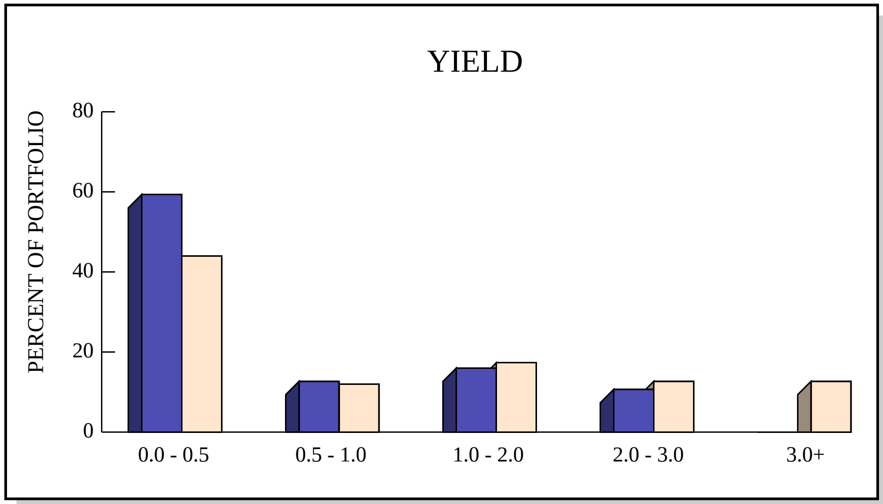


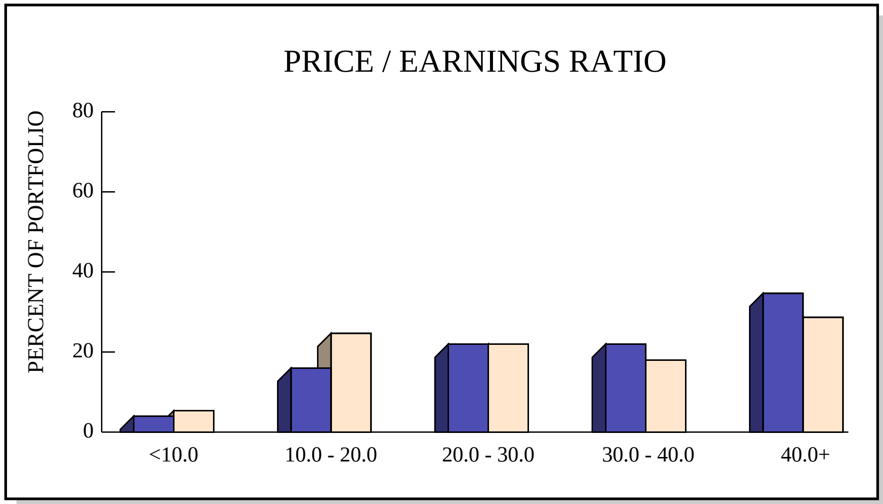

| | |
|---|---|
| **Total Quarters Observed** | **3** |
| **Quarters At or Above the Benchmark** | **2** |
| **Quarters Below the Benchmark** | **1** |
| **Batting Average** | **.667** |

### RATES OF RETURN

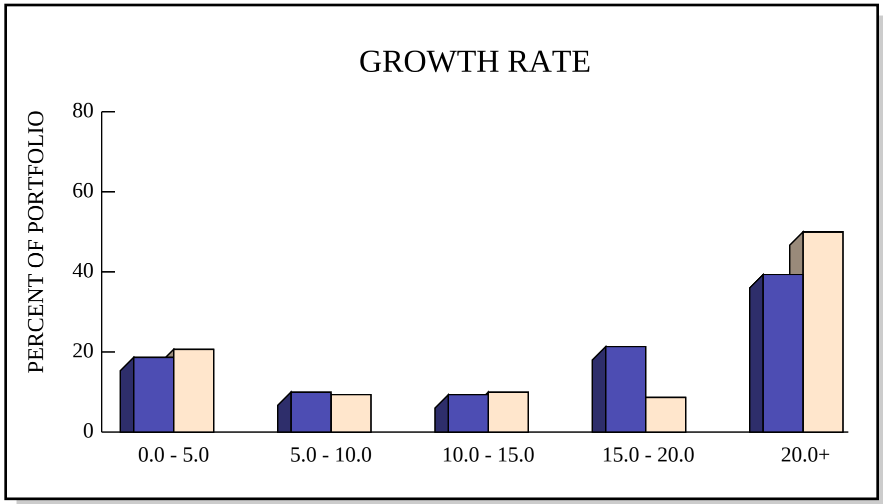
| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 12/20 | 23.1 | 19.9 | 3.2 |
| 3/21 | 4.0 | 8.1 | -4.1 |
| 6/21 | 9.8 | 7.5 | 2.3 |

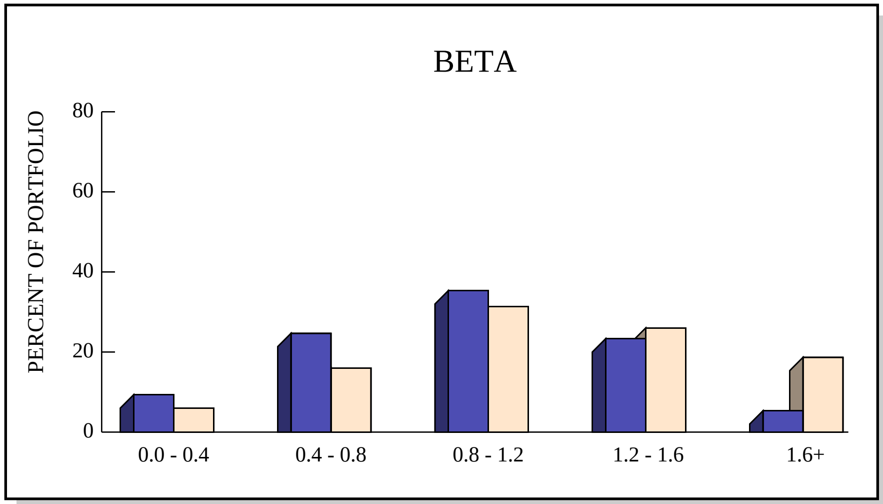
## STOCK CHARACTERISTICS



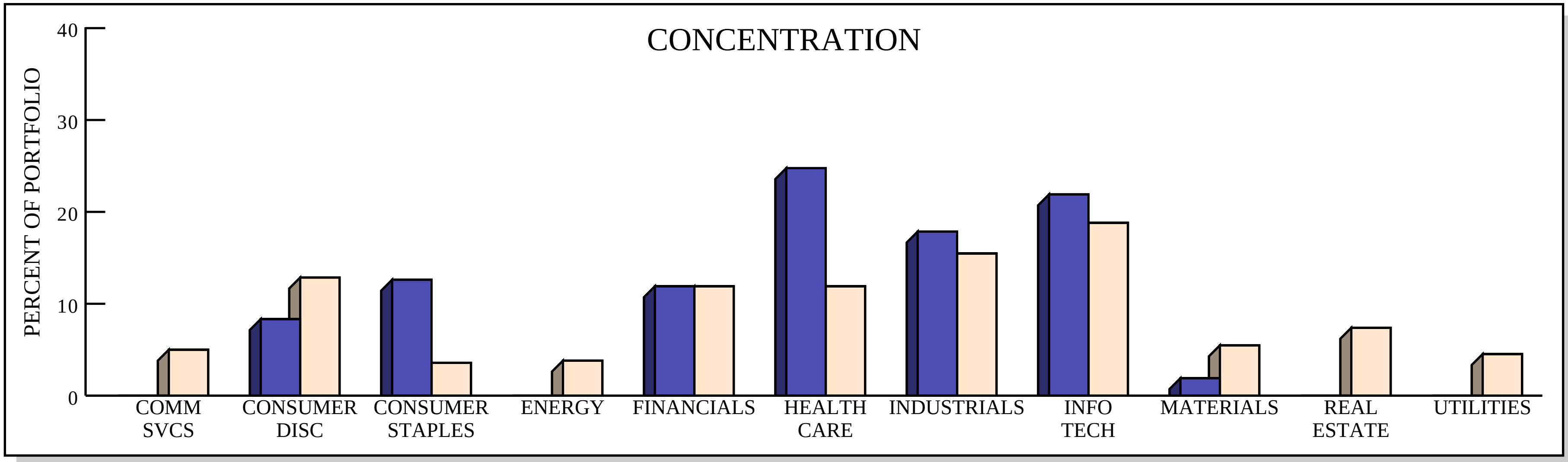




| | # HOLDINGS | YIELD | GROWTH | P/E | BETA |
|---|---|---|---|---|---|
| PORTFOLIO | 64 | 0.6% | 22.3% | 38.5 | 0.96 |
| RUSSELL MID | 828 | 1.2% | 23.2% | 34.0 | 1.18 |

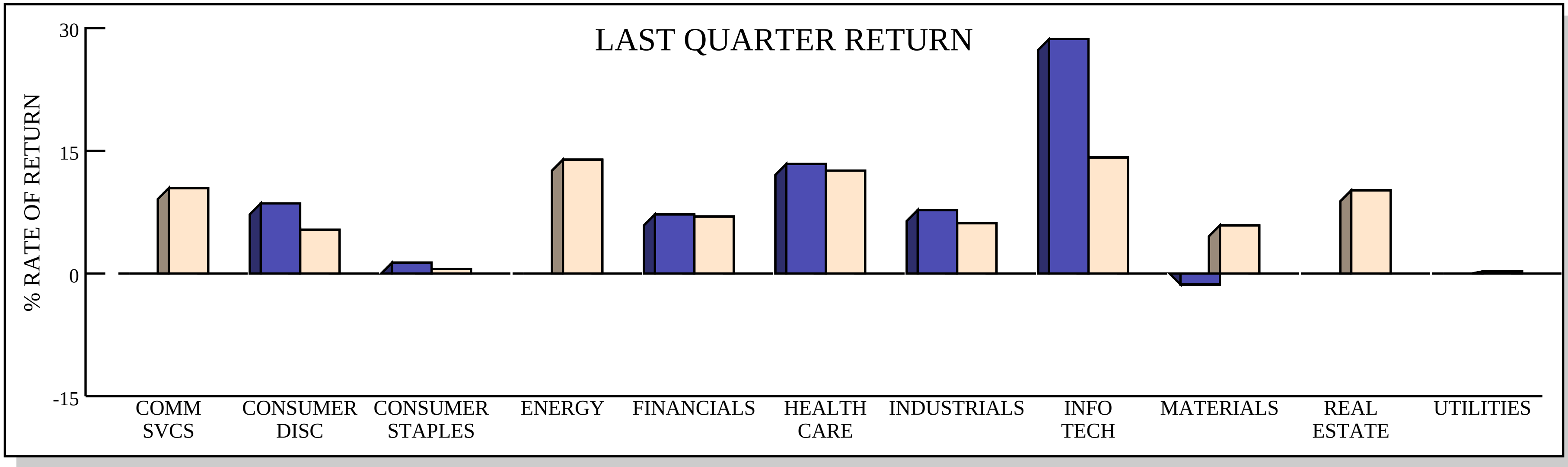


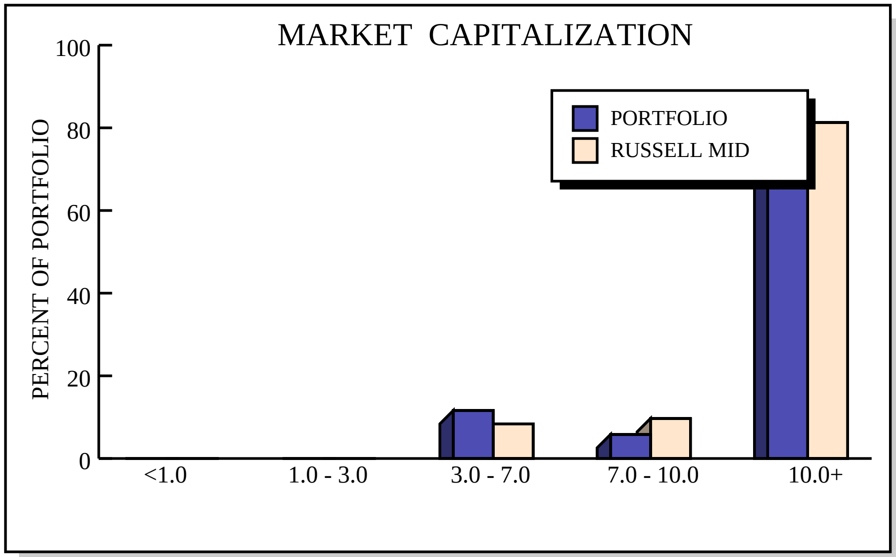
## STOCK INDUSTRY ANALYSIS

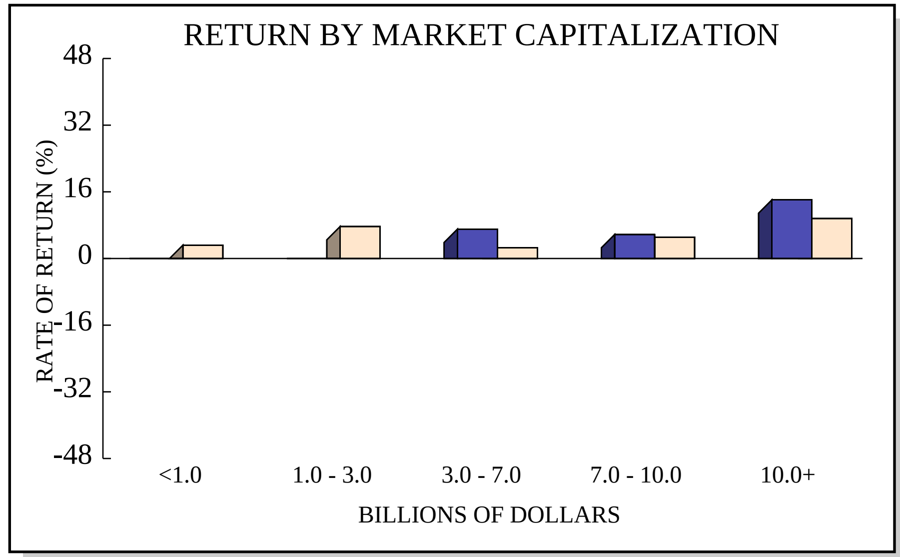



PORTFOLIO RUSSELL MID



## TOP TEN HOLDINGS




# TOP TEN EQUITY HOLDINGS

| RANK | NAME | VALUE | % EQUITY | RETURN | INDUSTRY SECTOR | MKT CAP |
|---|---|---|---|---|---|---|
| 1 | ASANA INC | $ 1,464,218 | 3.00% | 127.4% | Information Technology | $ 10.2 B |
| 2 | AMETEK INC | 1,447,140 | 2.96% | 4.9% | Industrials | 30.8 B |
| 3 | FORTIVE CORP | 1,430,367 | 2.93% | -2.2% | Industrials | 23.6 B |
| 4 | WORKDAY INC | 1,293,971 | 2.65% | -1.9% | Information Technology | 59.0 B |
| 5 | WATERS CORP | 1,283,941 | 2.63% | 22.3% | Health Care | 21.3 B |
| 6 | ADVANCE AUTO PARTS INC | 1,280,074 | 2.62% | 10.8% | Consumer Discretionary | 13.4 B |
| 7 | EDWARDS LIFESCIENCES CORP | 1,205,555 | 2.47% | 25.0% | Health Care | 64.4 B |
| 8 | EVEREST RE GROUP LTD | 1,174,367 | 2.40% | -0.3% | Financials | 10.1 B |
| 9 | GENERAC HOLDINGS INC | 1,162,420 | 2.38% | 30.7% | Industrials | 26.1 B |
| 10 | ARTHUR J GALLAGHER & CO | 1,152,858 | 2.36% | 11.9% | Financials | 28.7 B |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM

EAGLE - SMALL/MID CAP CORE

PERFORMANCE REVIEW

JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Eagle Small/Mid Cap Core portfolio was valued at $33,135,049, representing an increase of $1,654,057 from the March quarter's ending value of $31,480,992. Last quarter, the Fund posted withdrawals totaling $51,127, which partially offset the portfolio's net investment return of $1,705,184. Income receipts totaling $65,669 plus net realized and unrealized capital gains of $1,639,515 combined to produce the portfolio's net investment return.

## RELATIVE PERFORMANCE

**Total Fund**

For the second quarter, the Eagle Small/Mid Cap Core portfolio returned 5.4%, which was equal to the Russell 2500 Index's return of 5.4% and ranked in the 49th percentile of the Smid Cap universe. Over the trailing year, the portfolio returned 53.9%, which was 3.9% below the benchmark's 57.8% return, ranking in the 49th percentile. Since September 2010, the portfolio returned 14.9% annualized. The Russell 2500 returned an annualized 14.2% over the same period.

## ANALYSIS

The Eagle portfolio was diversified across all eleven industry sectors last quarter. Sector weights were fairly in line with those of the Russell 2500 Index.

Although the portfolio did not hold the AMC stock that caused the benchmark's Communication Services sector to skyrocket, that did not prevent it from matching the index return for the quarter. Value was gained through favorable selection in the Industrials sector.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 09/10 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 5.4 | 15.5 | 53.9 | 14.9 | 16.8 | 14.9 |
| *SMID CAP RANK* | (49) | (55) | (49) | (45) | (38) | ---- |
| **Total Portfolio - Net** | 5.2 | 15.2 | 53.0 | 14.1 | 16.0 | 14.2 |
| Russell 2500 | 5.4 | 17.0 | 57.8 | 15.2 | 16.3 | 14.2 |
| **Domestic Equity - Gross** | 5.4 | 15.5 | 53.9 | 14.9 | 16.8 | 14.9 |
| *SMID CAP RANK* | (49) | (55) | (49) | (45) | (38) | ---- |
| Russell 2500 | 5.4 | 17.0 | 57.8 | 15.2 | 16.3 | 14.2 |

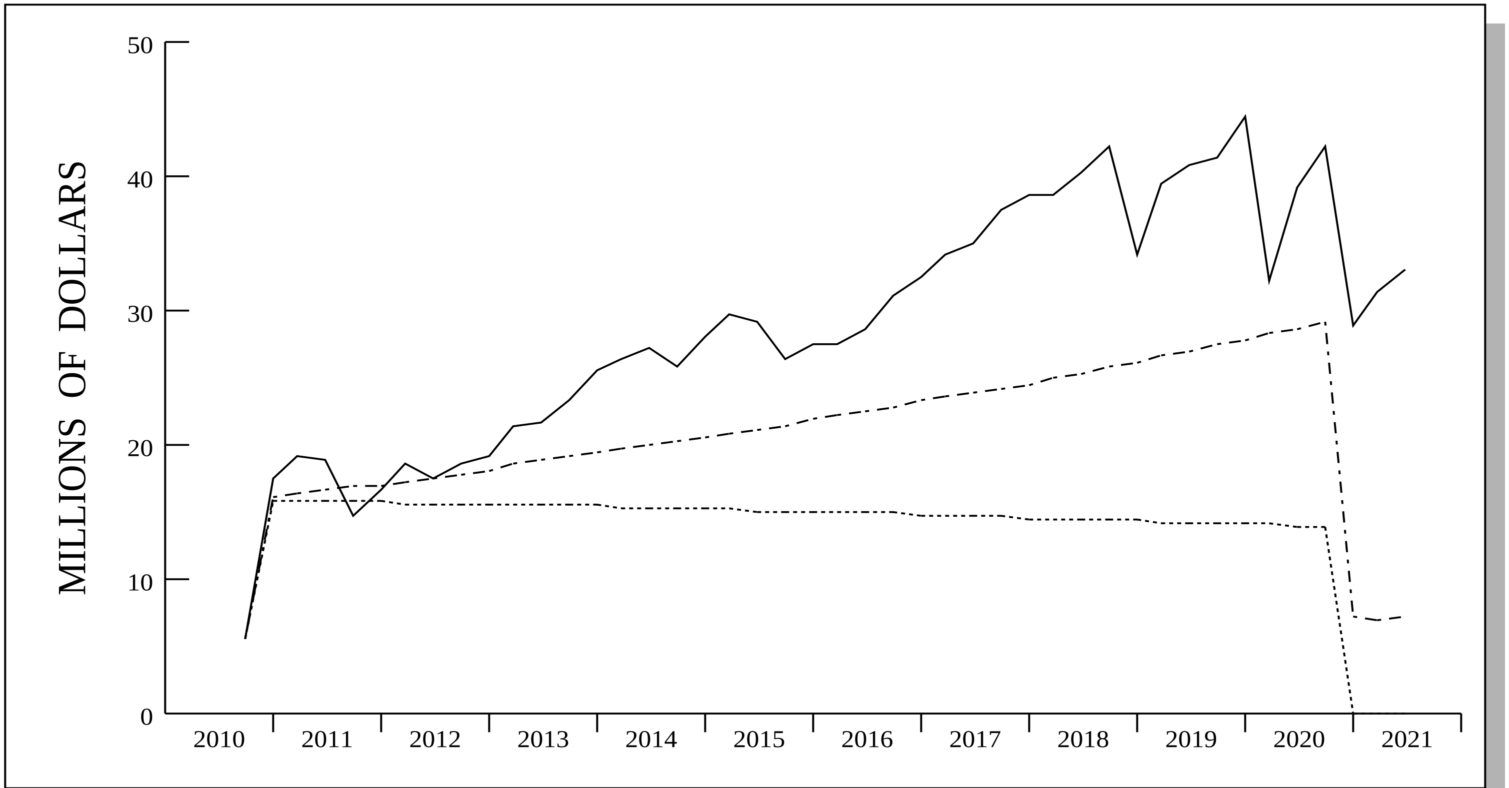
## ASSET ALLOCATION

| | | |
|---|---|---|
| Domestic Equity | 100.0% | $ 33,135,049 |
| Total Portfolio | 100.0% | $ 33,135,049 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 31,480,992 |
| Contribs / Withdrawals | - 51,127 |
| Income | 65,669 |
| Capital Gains / Losses | 1,639,515 |
| Market Value 6/2021 | $ 33,135,049 |

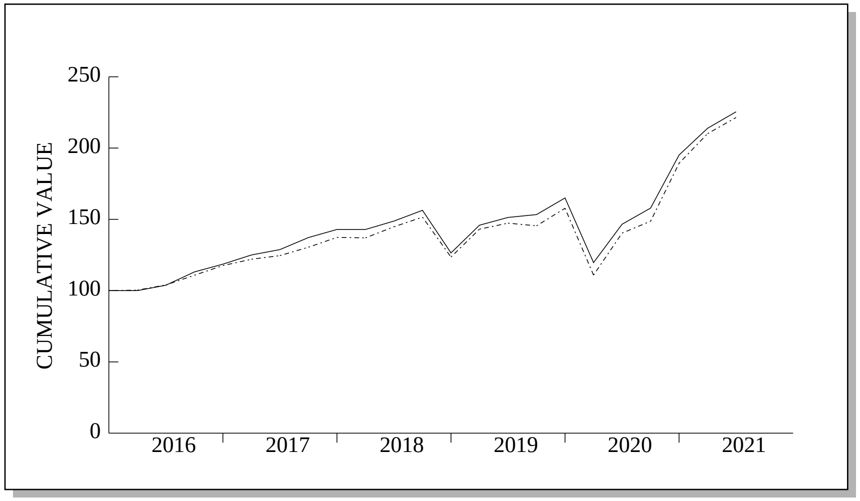
## INVESTMENT GROWTH

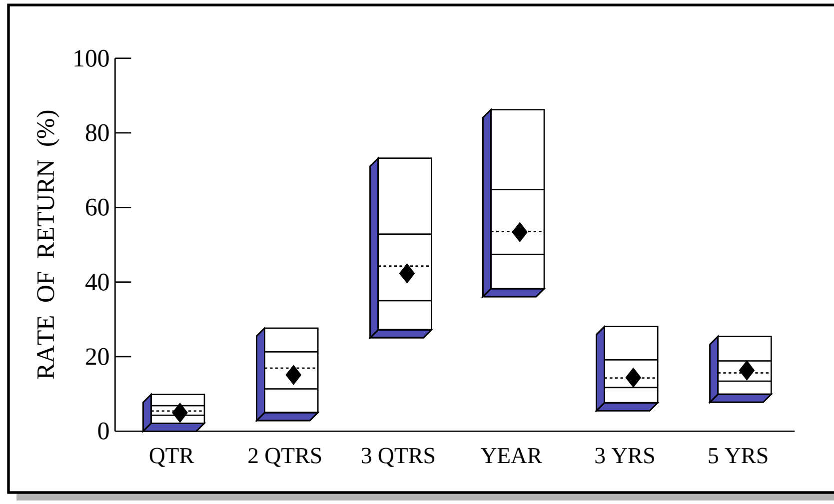



VALUE ASSUMING
7.25% RETURN $ 7,264,622

| | LAST QUARTER | PERIOD 9/10 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 31,480,992 | $ 5,565,937 |
| NET CONTRIBUTIONS | - 51,127 | - 14,285,425 |
| INVESTMENT RETURN | 1,705,184 | 41,854,537 |
| ENDING VALUE | $ 33,135,049 | $ 33,135,049 |
| INCOME | 65,669 | 136,109 |
| CAPITAL GAINS (LOSSES) | 1,639,515 | 41,718,428 |
| INVESTMENT RETURN | 1,705,184 | 41,854,537 |

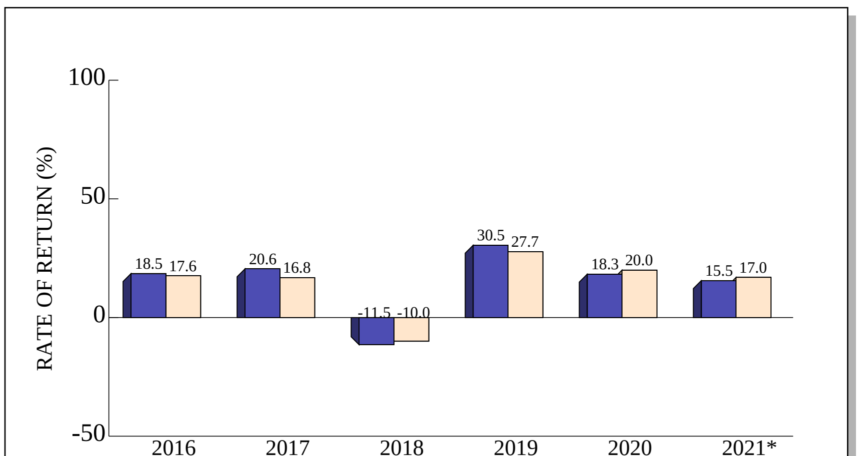
# TOTAL RETURN COMPARISONS




Smid Cap Universe

PORTFOLIO
RUSSELL 2500




* Partial year

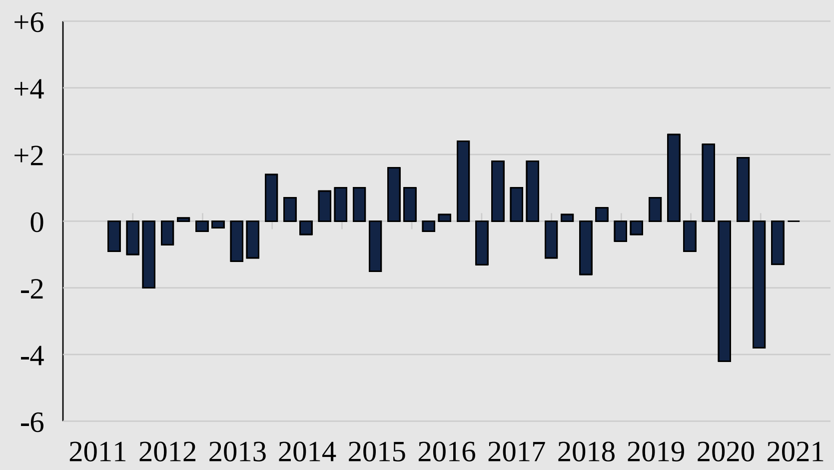
| | | | | | ------ANNUALIZED------ | |
|---|---|---|---|---|---|---|
| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
| RETURN | 5.4 | 15.5 | 42.8 | 53.9 | 14.9 | 16.8 |
| (RANK) | (49) | (55) | (53) | (49) | (45) | (38) |
| 5TH %ILE | 9.9 | 27.6 | 73.2 | 86.2 | 28.1 | 25.4 |
| 25TH %ILE | 6.9 | 21.3 | 52.9 | 64.8 | 19.1 | 18.9 |
| MEDIAN | 5.4 | 17.0 | 44.3 | 53.6 | 14.3 | 15.7 |
| 75TH %ILE | 4.3 | 11.4 | 35.0 | 47.5 | 11.7 | 13.4 |
| 95TH %ILE | 2.2 | 5.0 | 27.2 | 38.2 | 7.6 | 9.9 |
| ***Russ 2500*** | ***5.4*** | ***17.0*** | ***49.0*** | ***57.8*** | ***15.2*** | ***16.3*** |

Smid Cap Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY - 10 YEARS

## COMPARATIVE BENCHMARK: RUSSELL 2500

### VARIATION FROM BENCHMARK

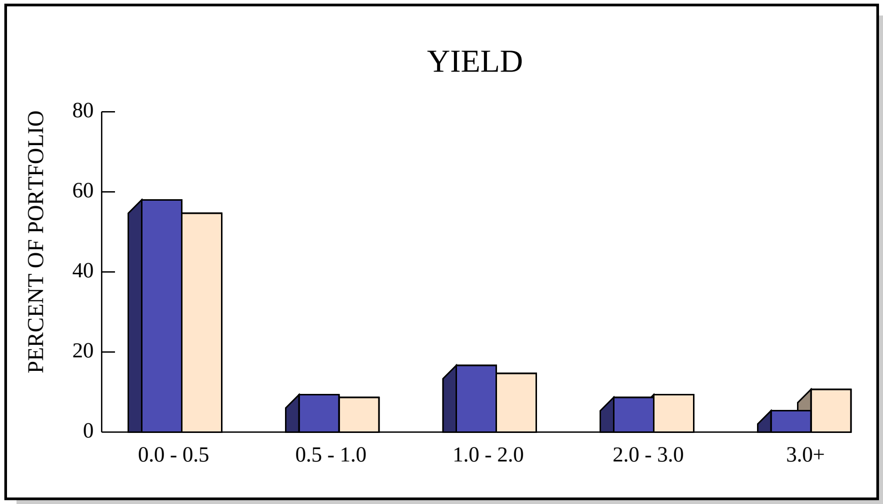


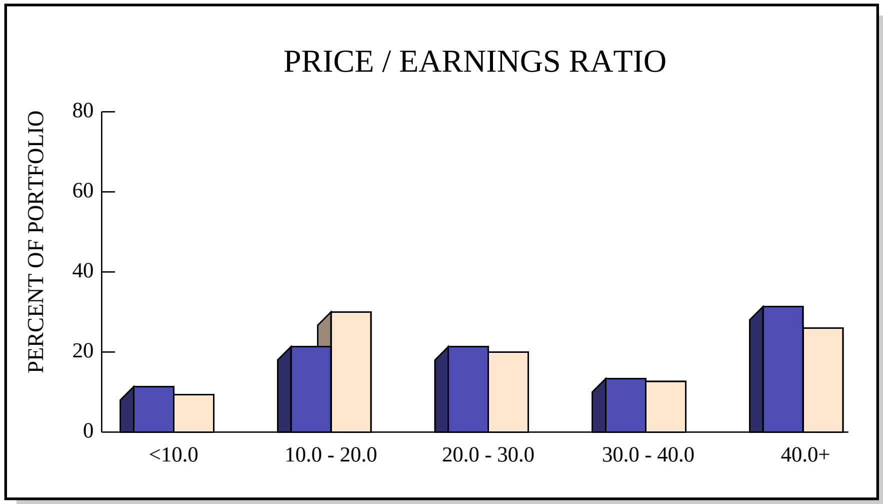

| | |
|---|---|
| **Total Quarters Observed** | **40** |
| **Quarters At or Above the Benchmark** | **20** |
| **Quarters Below the Benchmark** | **20** |
| **Batting Average** | **.500** |

### RATES OF RETURN

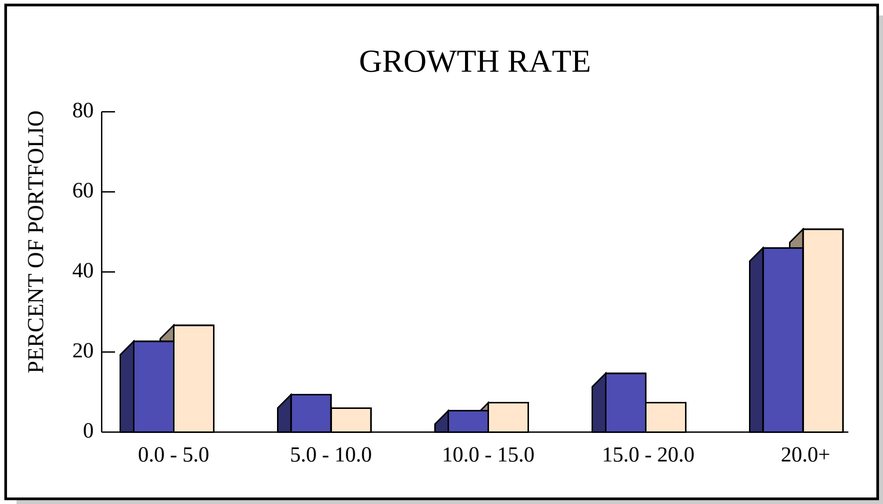
| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 9/11 | -22.1 | -21.2 | -0.9 |
| 12/11 | 13.5 | 14.5 | -1.0 |
| 3/12 | 11.0 | 13.0 | -2.0 |
| 6/12 | -4.8 | -4.1 | -0.7 |
| 9/12 | 5.7 | 5.6 | 0.1 |
| 12/12 | 2.8 | 3.1 | -0.3 |
| 3/13 | 12.7 | 12.9 | -0.2 |
| 6/13 | 1.1 | 2.3 | -1.2 |
| 9/13 | 8.0 | 9.1 | -1.1 |
| 12/13 | 10.1 | 8.7 | 1.4 |
| 3/14 | 3.0 | 2.3 | 0.7 |
| 6/14 | 3.2 | 3.6 | -0.4 |
| 9/14 | -4.5 | -5.4 | 0.9 |
| 12/14 | 7.8 | 6.8 | 1.0 |
| 3/15 | 6.2 | 5.2 | 1.0 |
| 6/15 | -1.8 | -0.3 | -1.5 |
| 9/15 | -8.7 | -10.3 | 1.6 |
| 12/15 | 4.3 | 3.3 | 1.0 |
| 3/16 | 0.1 | 0.4 | -0.3 |
| 6/16 | 3.8 | 3.6 | 0.2 |
| 9/16 | 9.0 | 6.6 | 2.4 |
| 12/16 | 4.8 | 6.1 | -1.3 |
| 3/17 | 5.5 | 3.7 | 1.8 |
| 6/17 | 3.1 | 2.1 | 1.0 |
| 9/17 | 6.5 | 4.7 | 1.8 |
| 12/17 | 4.1 | 5.2 | -1.1 |
| 3/18 | 0.0 | -0.2 | 0.2 |
| 6/18 | 4.1 | 5.7 | -1.6 |
| 9/18 | 5.1 | 4.7 | 0.4 |
| 12/18 | -19.1 | -18.5 | -0.6 |
| 3/19 | 15.4 | 15.8 | -0.4 |
| 6/19 | 3.7 | 3.0 | 0.7 |
| 9/19 | 1.3 | -1.3 | 2.6 |
| 12/19 | 7.6 | 8.5 | -0.9 |
| 3/20 | -27.4 | -29.7 | 2.3 |
| 6/20 | 22.4 | 26.6 | -4.2 |
| 9/20 | 7.8 | 5.9 | 1.9 |
| 12/20 | 23.6 | 27.4 | -3.8 |
| 3/21 | 9.6 | 10.9 | -1.3 |
| 6/21 | 5.4 | 5.4 | 0.0 |

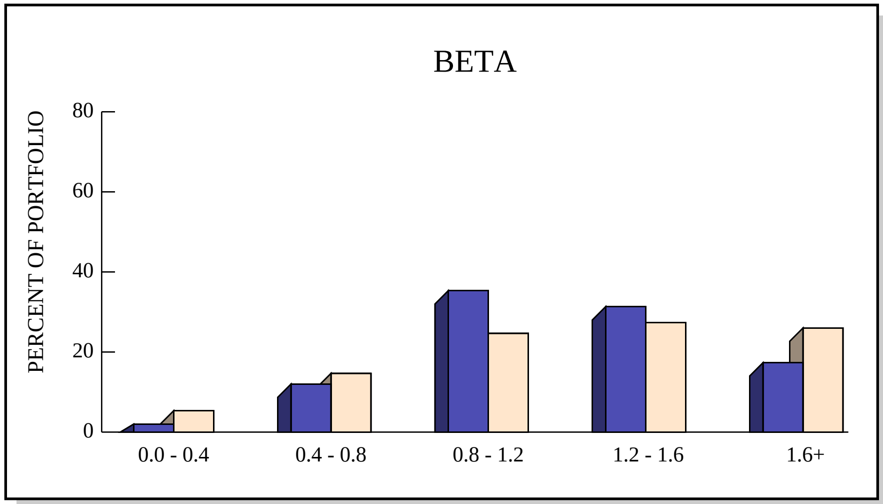
## STOCK CHARACTERISTICS



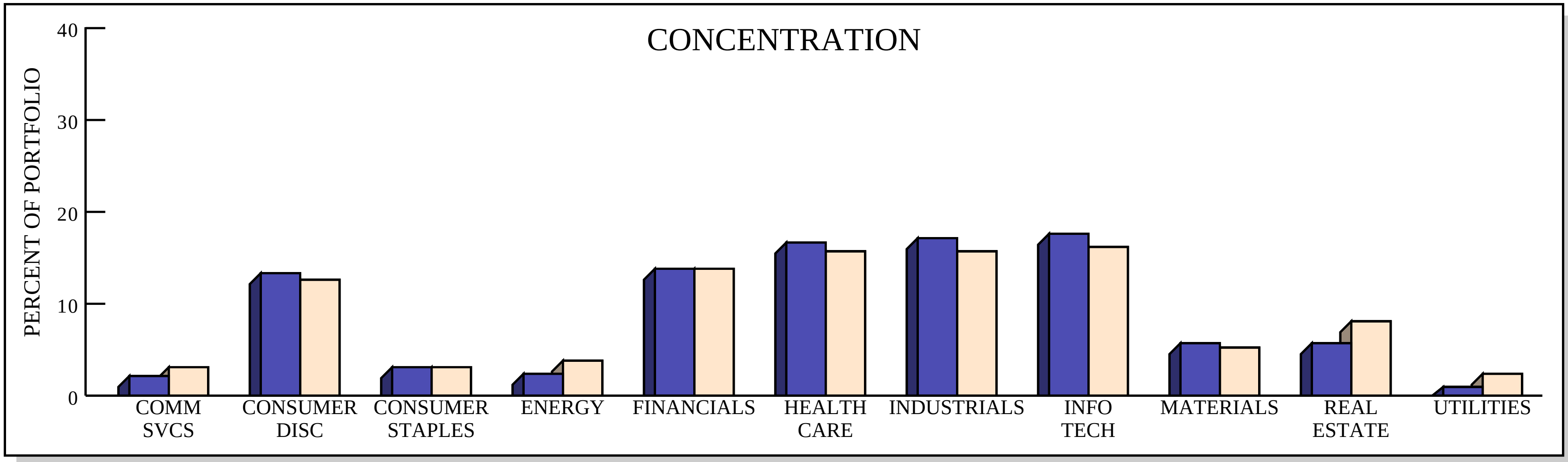




| | # HOLDINGS | YIELD | GROWTH | P/E | BETA |
|---|---|---|---|---|---|
| PORTFOLIO | 105 | 0.8% | 23.5% | 31.5 | 1.30 |
| RUSSELL 2500 | 2,489 | 1.0% | 23.8% | 30.0 | 1.31 |

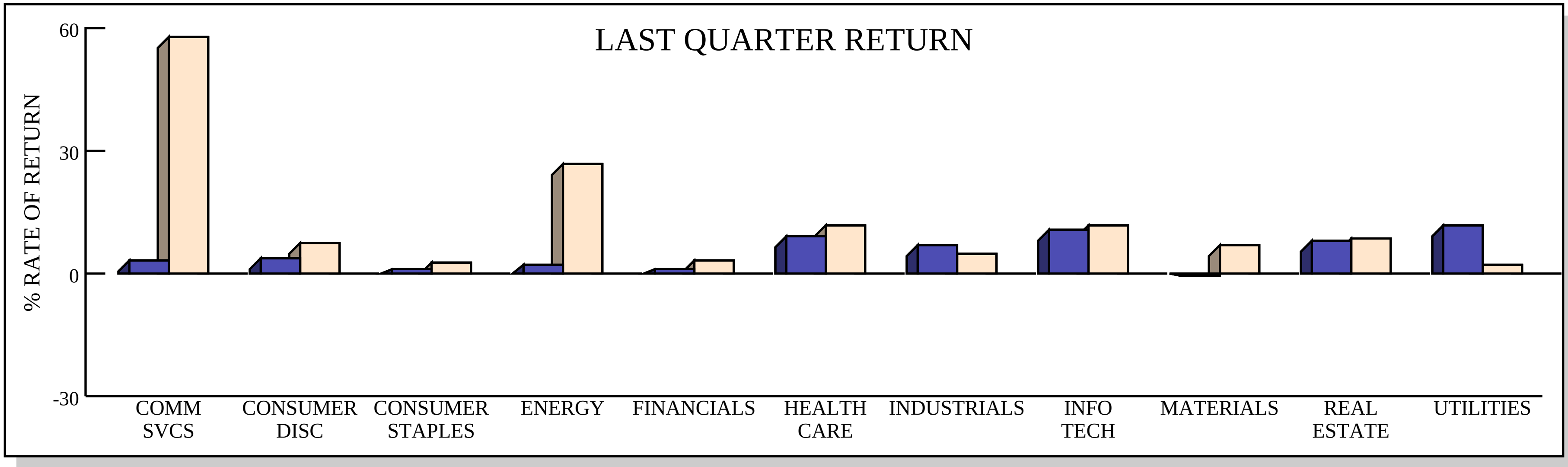


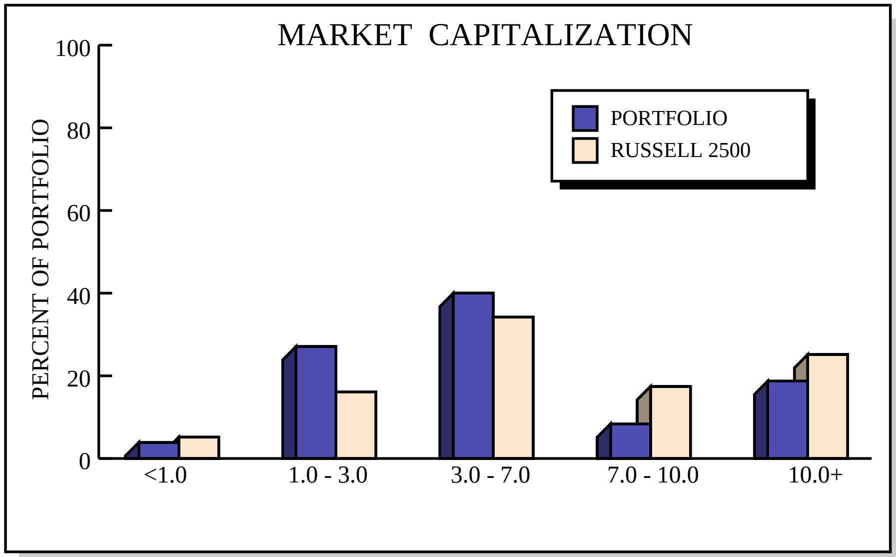
## STOCK INDUSTRY ANALYSIS

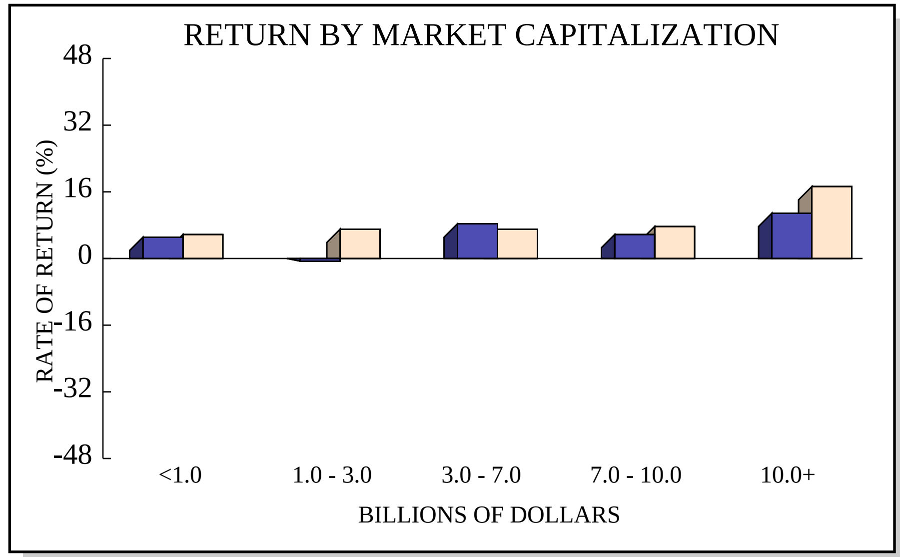



PORTFOLIO RUSSELL 2500



# TOP TEN HOLDINGS




## TOP TEN EQUITY HOLDINGS

| RANK | NAME | VALUE | % EQUITY | RETURN | INDUSTRY SECTOR | MKT CAP |
|---|---|---|---|---|---|---|
| 1 | XPO LOGISTICS INC | $ 678,886 | 2.05% | 12.8% | Industrials | $ 15.6 B |
| 2 | PENTAIR PLC | 648,984 | 1.96% | 9.1% | Industrials | 11.2 B |
| 3 | BARNES GROUP INC | 600,394 | 1.81% | 2.7% | Industrials | 2.6 B |
| 4 | TRADEWEB MARKETS INC | 558,519 | 1.69% | 15.5% | Financials | 19.6 B |
| 5 | JOHN BEAN TECHNOLOGIES CORP | 552,510 | 1.67% | 6.8% | Industrials | 4.5 B |
| 6 | SPX CORP | 509,407 | 1.54% | 4.1% | Industrials | 2.8 B |
| 7 | ALBANY INTERNATIONAL CORP | 490,037 | 1.48% | 9.1% | Industrials | 2.9 B |
| 8 | OVERSTOCK.COM INC | 484,972 | 1.46% | 41.6% | Consumer Discretionary | 4.0 B |
| 9 | BIO RAD LABORATORIES INC | 468,399 | 1.41% | 14.2% | Health Care | 15.9 B |
| 10 | CAMPING WORLD HOLDINGS INC | 430,723 | 1.30% | 12.2% | Consumer Discretionary | 3.6 B |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
MACQUARIE - INTERNATIONAL VALUE
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Macquarie International Value portfolio was valued at $26,360,196, representing an increase of $2,153,869 from the March quarter's ending value of $24,206,327. Last quarter, the Fund posted no net contributions or withdrawals, while posting $2,153,869 in net investment returns. Since there were no income receipts for the second quarter, the portfolio's net investment return was the result of net realized and unrealized capital gains totaling $2,153,869.

## RELATIVE PERFORMANCE

### Total Fund

During the second quarter, the Macquarie International Value portfolio gained 9.1%, which was 3.7% greater than the MSCI EAFE Index's return of 5.4% and ranked in the 12th percentile of the International Equity universe. Over the trailing twelve-month period, this portfolio returned 29.6%, which was 3.3% below the benchmark's 32.9% return, and ranked in the 88th percentile. Since December 2012, the portfolio returned 7.3% per annum and ranked in the 55th percentile. For comparison, the MSCI EAFE Index returned an annualized 7.7% over the same period.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 12/12 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 9.1 | 10.1 | 29.6 | 7.9 | 9.7 | 7.3 |
| *INTERNATIONAL EQUITY RANK* | (12) | (43) | (88) | (76) | (81) | (55) |
| **Total Portfolio - Net** | 8.9 | 9.7 | 28.8 | 7.2 | 8.9 | 6.6 |
| MSCI EAFE | 5.4 | 9.2 | 32.9 | 8.8 | 10.8 | 7.7 |
| **International Equity - Gross** | 9.1 | 10.1 | 29.6 | 7.9 | 9.7 | 7.3 |
| *INTERNATIONAL EQUITY RANK* | (12) | (43) | (88) | (76) | (81) | (55) |
| MSCI EAFE | 5.4 | 9.2 | 32.9 | 8.8 | 10.8 | 7.7 |

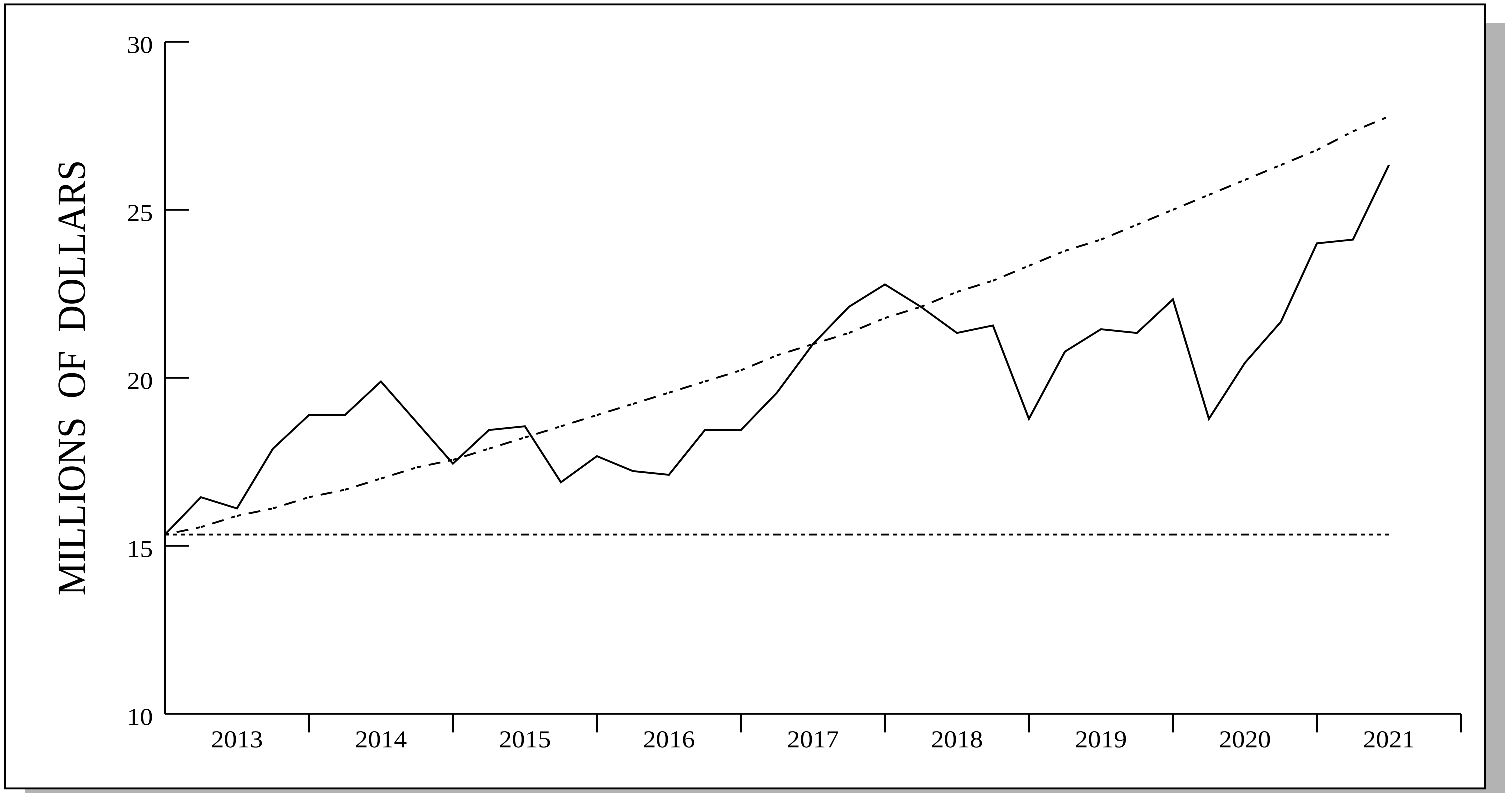
## ASSET ALLOCATION

| | | |
|---|---|---|
| Int'l Equity | 100.0% | $ 26,360,196 |
| Total Portfolio | 100.0% | $ 26,360,196 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 24,206,327 |
| Contribs / Withdrawals | 0 |
| Income | 0 |
| Capital Gains / Losses | 2,153,869 |
| Market Value 6/2021 | $ 26,360,196 |

# INVESTMENT GROWTH

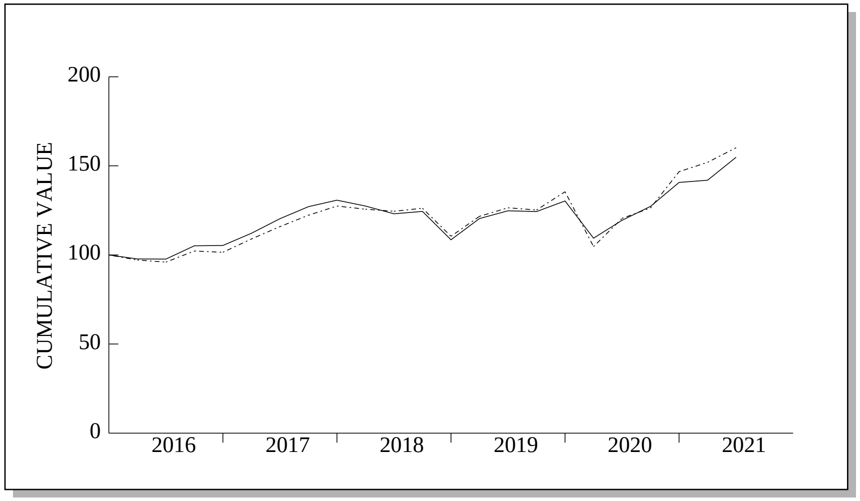


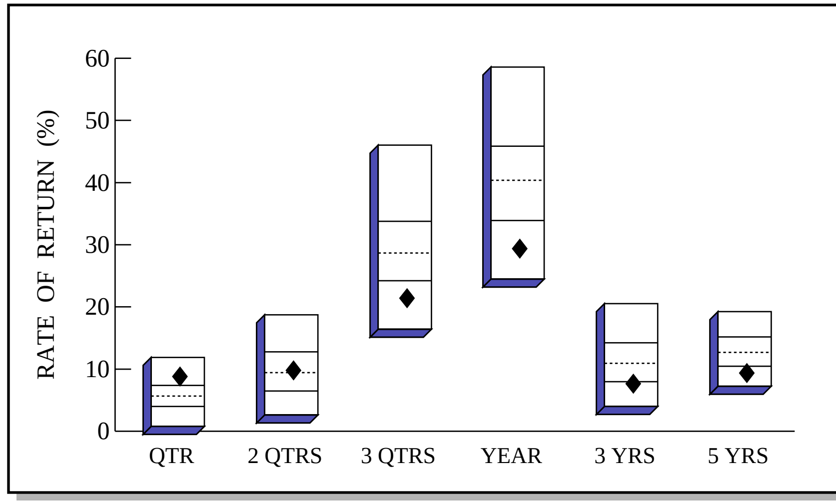

ACTUAL RETURN
7.25%
0.0%

VALUE ASSUMING
7.25% RETURN $ 27,834,894

| | LAST QUARTER | PERIOD 12/12 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 24,206,327 | $ 15,353,681 |
| NET CONTRIBUTIONS | 0 | 0 |
| INVESTMENT RETURN | 2,153,869 | 11,006,515 |
| ENDING VALUE | $ 26,360,196 | $ 26,360,196 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 2,153,869 | 11,006,515 |
| INVESTMENT RETURN | 2,153,869 | 11,006,515 |

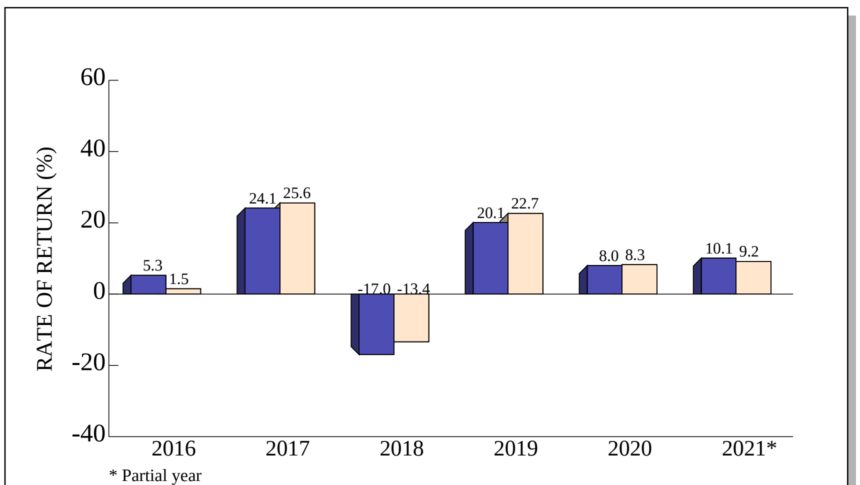
# TOTAL RETURN COMPARISONS




International Equity Universe

PORTFOLIO
MSCI EAFE



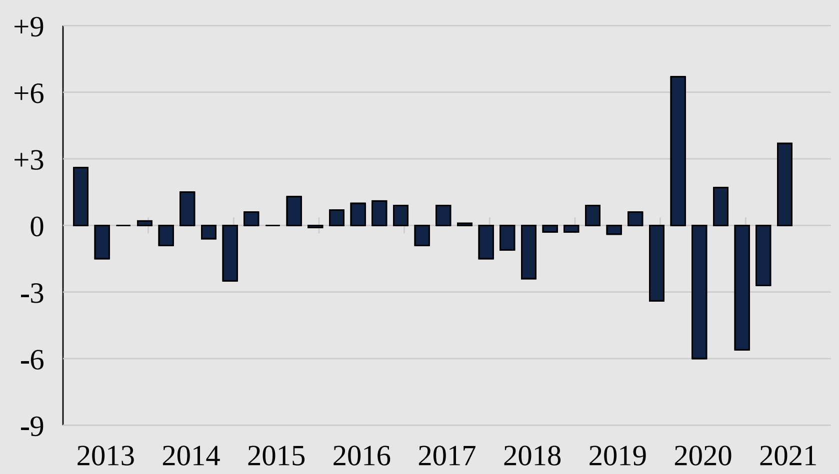

| | QTR | 2 QTRS | 3 QTRS | YEAR | ------ANNUALIZED------ 3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| RETURN | 9.1 | 10.1 | 21.7 | 29.6 | 7.9 | 9.7 |
| (RANK) | (12) | (43) | (86) | (88) | (76) | (81) |
| 5TH %ILE | 11.9 | 18.7 | 46.0 | 58.6 | 20.5 | 19.3 |
| 25TH %ILE | 7.4 | 12.8 | 33.8 | 45.8 | 14.2 | 15.2 |
| MEDIAN | 5.7 | 9.4 | 28.7 | 40.4 | 10.9 | 12.7 |
| 75TH %ILE | 4.0 | 6.5 | 24.2 | 33.9 | 8.0 | 10.5 |
| 95TH %ILE | 0.8 | 2.6 | 16.4 | 24.5 | 4.0 | 7.3 |
| ***MSCI EAFE*** | ***5.4*** | ***9.2*** | ***26.7*** | ***32.9*** | ***8.8*** | ***10.8*** |

International Equity Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: MSCI EAFE

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **34** |
| **Quarters At or Above the Benchmark** | **18** |
| **Quarters Below the Benchmark** | **16** |
| **Batting Average** | **.529** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 3/13 | 7.8 | 5.2 | 2.6 |
| 6/13 | -2.2 | -0.7 | -1.5 |
| 9/13 | 11.6 | 11.6 | 0.0 |
| 12/13 | 5.9 | 5.7 | 0.2 |
| 3/14 | -0.1 | 0.8 | -0.9 |
| 6/14 | 5.8 | 4.3 | 1.5 |
| 9/14 | -6.4 | -5.8 | -0.6 |
| 12/14 | -6.0 | -3.5 | -2.5 |
| 3/15 | 5.6 | 5.0 | 0.6 |
| 6/15 | 0.8 | 0.8 | 0.0 |
| 9/15 | -8.9 | -10.2 | 1.3 |
| 12/15 | 4.6 | 4.7 | -0.1 |
| 3/16 | -2.2 | -2.9 | 0.7 |
| 6/16 | -0.2 | -1.2 | 1.0 |
| 9/16 | 7.6 | 6.5 | 1.1 |
| 12/16 | 0.2 | -0.7 | 0.9 |
| 3/17 | 6.5 | 7.4 | -0.9 |
| 6/17 | 7.3 | 6.4 | 0.9 |
| 9/17 | 5.6 | 5.5 | 0.1 |
| 12/17 | 2.8 | 4.3 | -1.5 |
| 3/18 | -2.5 | -1.4 | -1.1 |
| 6/18 | -3.4 | -1.0 | -2.4 |
| 9/18 | 1.1 | 1.4 | -0.3 |
| 12/18 | -12.8 | -12.5 | -0.3 |
| 3/19 | 11.0 | 10.1 | 0.9 |
| 6/19 | 3.6 | 4.0 | -0.4 |
| 9/19 | -0.4 | -1.0 | 0.6 |
| 12/19 | 4.8 | 8.2 | -3.4 |
| 3/20 | -16.0 | -22.7 | 6.7 |
| 6/20 | 9.1 | 15.1 | -6.0 |
| 9/20 | 6.6 | 4.9 | 1.7 |
| 12/20 | 10.5 | 16.1 | -5.6 |
| 3/21 | 0.9 | 3.6 | -2.7 |
| 6/21 | 9.1 | 5.4 | 3.7 |

# CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
# WALTER SCOTT - NCS GROUP TRUST INTERNATIONAL FUND
# PERFORMANCE REVIEW
# JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

*This portfolio was previously invested in the BNY Mellon International Stock Mutual Fund (DISRX). In December 2020, this investment was transferred to the NCS Group Trust International Fund.*

On June 30th, 2021, the Chester County Employees Retirement System's Walter Scott NCS Group Trust International Fund was valued at $32,533,323, representing an increase of $2,210,462 from the March quarter's ending value of $30,322,861. Last quarter, the Fund posted withdrawals totaling $56,601, which partially offset the portfolio's net investment return of $2,267,063. Since there were no income receipts for the second quarter, the portfolio's net investment return figure was the product of net realized and unrealized capital gains totaling $2,267,063.

## RELATIVE PERFORMANCE

### Total Fund

During the second quarter, the Walter Scott NCS Group Trust International Fund returned 7.5%, which was 1.9% above the MSCI All Country World Ex US Index’s return of 5.6% and ranked in the 24th percentile of the International Equity universe. Over the trailing twelve-month period, this portfolio returned 27.6%, which was 8.7% below the benchmark's 36.3% performance, and ranked in the 93rd percentile. Since December 2012, the account returned 9.8% per annum and ranked in the 24th percentile. For comparison, the MSCI All Country World Ex US returned an annualized 7.3% over the same time frame.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 12/12 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 7.5 | 6.4 | 27.6 | 15.0 | 14.7 | 9.8 |
| *INTERNATIONAL EQUITY RANK* | (24) | (77) | (93) | (22) | (29) | (24) |
| **Total Portfolio - Net** | 7.3 | 6.0 | 26.6 | 14.0 | 13.7 | 8.8 |
| ACWI Ex US | 5.6 | 9.4 | 36.3 | 9.9 | 11.6 | 7.3 |
| **International Equity - Gross** | 7.5 | 6.4 | 27.6 | 15.0 | 14.7 | 9.8 |
| *INTERNATIONAL EQUITY RANK* | (24) | (77) | (93) | (22) | (29) | (24) |
| ACWI Ex US | 5.6 | 9.4 | 36.3 | 9.9 | 11.6 | 7.3 |

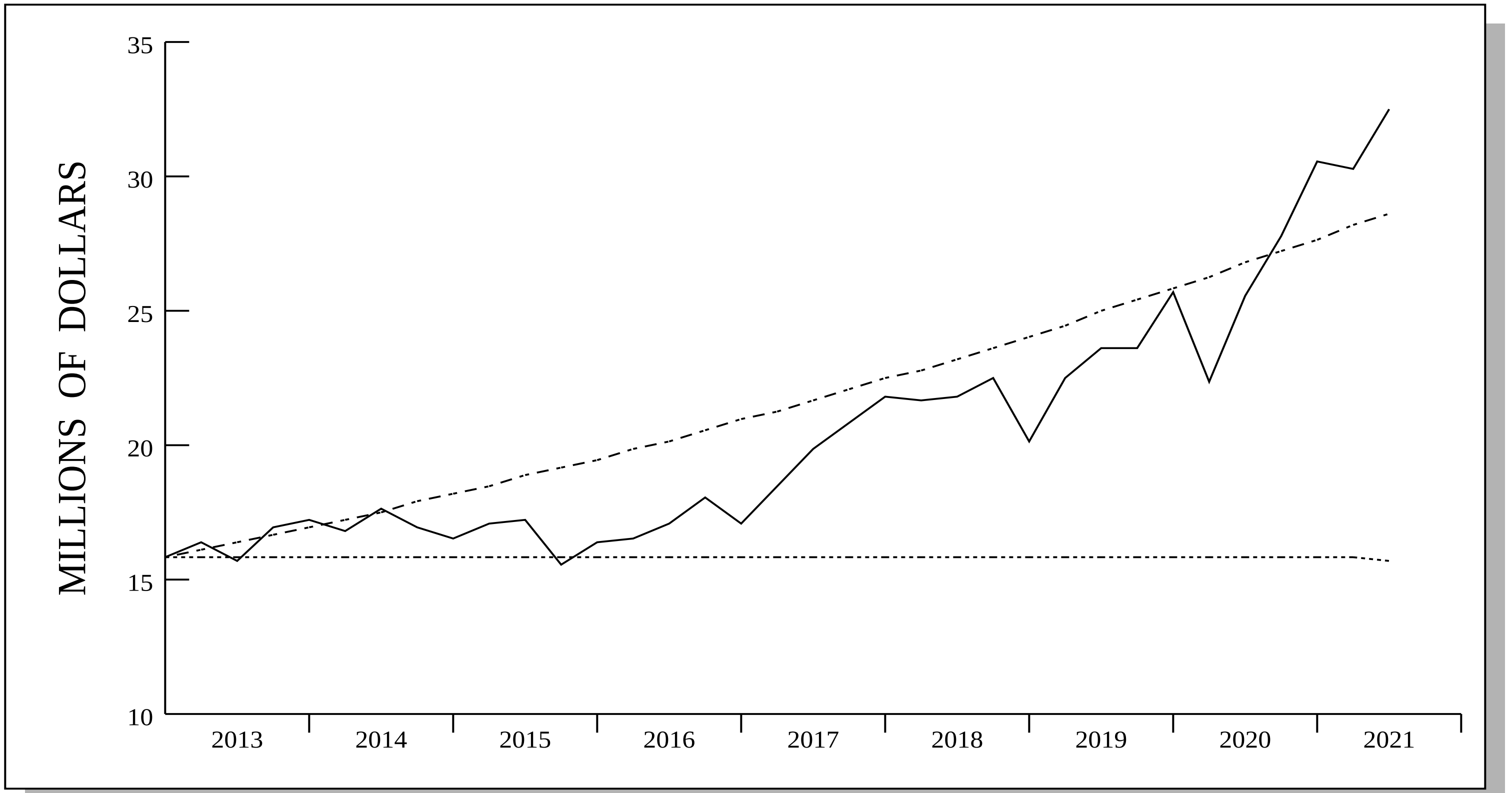
## ASSET ALLOCATION

| | | |
|---|---|---|
| Int'l Equity | 100.0% | $ 32,533,323 |
| Total Portfolio | 100.0% | $ 32,533,323 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 30,322,861 |
| Contribs / Withdrawals | - 56,601 |
| Income | 0 |
| Capital Gains / Losses | 2,267,063 |
| Market Value 6/2021 | $ 32,533,323 |

## INVESTMENT GROWTH

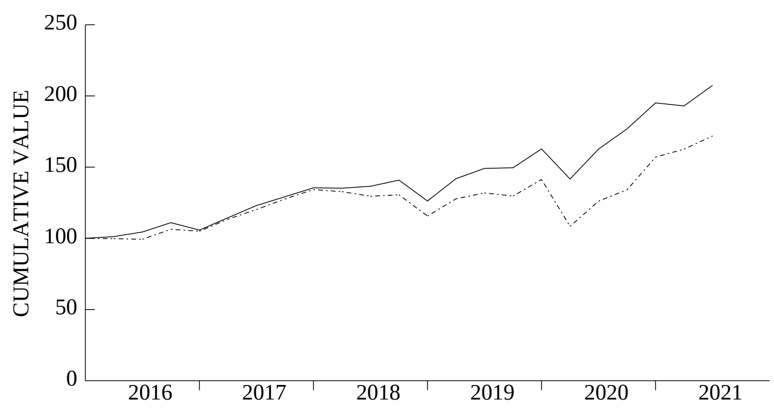


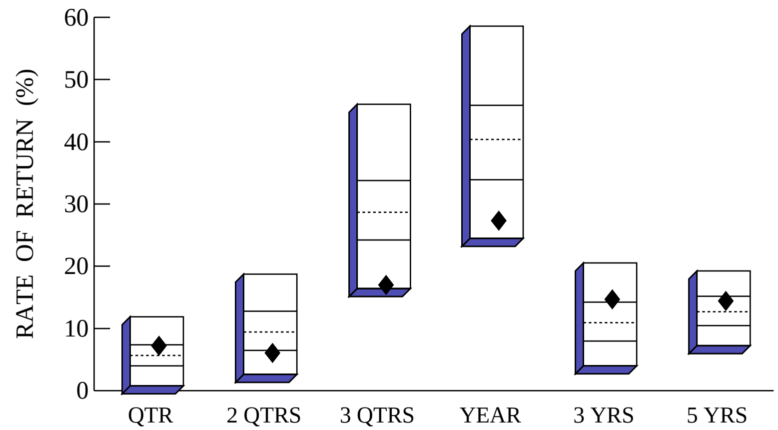

ACTUAL RETURN
7.25%
0.0%

VALUE ASSUMING
7.25% RETURN $ 28,692,694

| | LAST QUARTER | PERIOD 12/12 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 30,322,861 | $ 15,865,957 |
| NET CONTRIBUTIONS | - 56,601 | - 69,656 |
| INVESTMENT RETURN | 2,267,063 | 16,737,022 |
| ENDING VALUE | $ 32,533,323 | $ 32,533,323 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 2,267,063 | 16,737,022 |
| INVESTMENT RETURN | 2,267,063 | 16,737,022 |

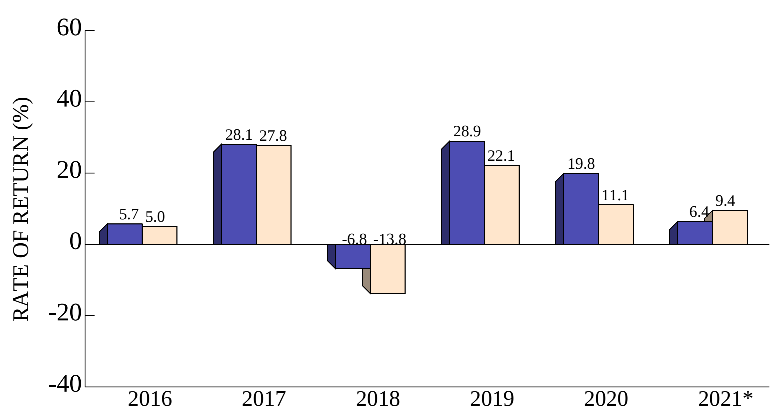
# TOTAL RETURN COMPARISONS




International Equity Universe

PORTFOLIO
ACWI EX US




* Partial year

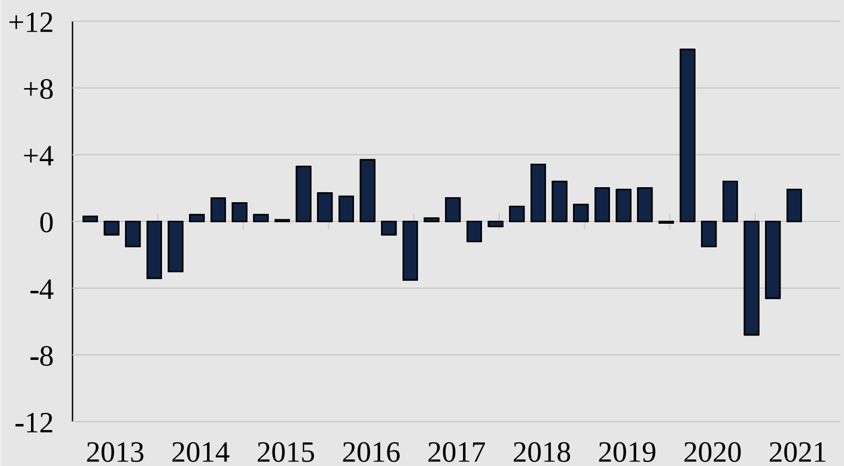
| | | | | ------ANNUALIZED------ | |
|---|---|---|---|---|---|
| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
| RETURN | 7.5 | 6.4 | 17.3 | 27.6 | 15.0 | 14.7 |
| (RANK) | (24) | (77) | (94) | (93) | (22) | (29) |
| 5TH %ILE | 11.9 | 18.7 | 46.0 | 58.6 | 20.5 | 19.3 |
| 25TH %ILE | 7.4 | 12.8 | 33.8 | 45.8 | 14.2 | 15.2 |
| MEDIAN | 5.7 | 9.4 | 28.7 | 40.4 | 10.9 | 12.7 |
| 75TH %ILE | 4.0 | 6.5 | 24.2 | 33.9 | 8.0 | 10.5 |
| 95TH %ILE | 0.8 | 2.6 | 16.4 | 24.5 | 4.0 | 7.3 |
| ***ACWI Ex US*** | ***5.6*** | ***9.4*** | ***28.1*** | ***36.3*** | ***9.9*** | ***11.6*** |

International Equity Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: MSCI ALL COUNTRY WORLD EX US

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **34** |
| **Quarters At or Above the Benchmark** | **22** |
| **Quarters Below the Benchmark** | **12** |
| **Batting Average** | **.647** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 3/13 | 3.6 | 3.3 | 0.3 |
| 6/13 | -3.7 | -2.9 | -0.8 |
| 9/13 | 8.7 | 10.2 | -1.5 |
| 12/13 | 1.4 | 4.8 | -3.4 |
| 3/14 | -2.4 | 0.6 | -3.0 |
| 6/14 | 5.6 | 5.2 | 0.4 |
| 9/14 | -3.8 | -5.2 | 1.4 |
| 12/14 | -2.7 | -3.8 | 1.1 |
| 3/15 | 4.0 | 3.6 | 0.4 |
| 6/15 | 0.8 | 0.7 | 0.1 |
| 9/15 | -8.8 | -12.1 | 3.3 |
| 12/15 | 5.0 | 3.3 | 1.7 |
| 3/16 | 1.2 | -0.3 | 1.5 |
| 6/16 | 3.3 | -0.4 | 3.7 |
| 9/16 | 6.2 | 7.0 | -0.8 |
| 12/16 | -4.7 | -1.2 | -3.5 |
| 3/17 | 8.2 | 8.0 | 0.2 |
| 6/17 | 7.4 | 6.0 | 1.4 |
| 9/17 | 5.1 | 6.3 | -1.2 |
| 12/17 | 4.8 | 5.1 | -0.3 |
| 3/18 | -0.2 | -1.1 | 0.9 |
| 6/18 | 1.0 | -2.4 | 3.4 |
| 9/18 | 3.2 | 0.8 | 2.4 |
| 12/18 | -10.4 | -11.4 | 1.0 |
| 3/19 | 12.4 | 10.4 | 2.0 |
| 6/19 | 5.1 | 3.2 | 1.9 |
| 9/19 | 0.3 | -1.7 | 2.0 |
| 12/19 | 8.9 | 9.0 | -0.1 |
| 3/20 | -13.0 | -23.3 | 10.3 |
| 6/20 | 14.8 | 16.3 | -1.5 |
| 9/20 | 8.8 | 6.4 | 2.4 |
| 12/20 | 10.3 | 17.1 | -6.8 |
| 3/21 | -1.0 | 3.6 | -4.6 |
| 6/21 | 7.5 | 5.6 | 1.9 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
BANNER RIDGE - DSCO FUND I OFFSHORE
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

# Private Equity Investor Report
# Banner Ridge DSCO Fund I (Offshore), LP

| | | | |
|---|---|---|---|
| **Market Value:** | **$ 723,675** | Report as of: | 6/30/2021 |
| Total Commitment: | $ 10,000,000 | Last Statement: | 3/31/2021 |
| Unfunded Commitment: | $ 7,827,000 | 78.3% | |

| Date | Credit Deployed | % of Commitment | Capital Contributions | Distributions |
|---|---|---|---|---|
| 2021-03-31 | $ 2,173,000 | 21.7% | $ - | $ - |
| **Total** | **$ 2,173,000** | **21.7%** | **$ -** | **$ -** |

*This portfolio has been funded through a credit facility. At this time, the Retirement System has not contributed capital to the fund. The market value shown here is a liquidating value, net of liabilities to the credit facility.*

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 0.0 | ---- | ---- | ---- | ---- |
| **Total Portfolio - Net** | 0.0 | ---- | ---- | ---- | ---- |
| Cambridge PE | 0.0 | 10.0 | 38.0 | 16.3 | 17.0 |
| **Private Equity - Gross** | 0.0 | ---- | ---- | ---- | ---- |

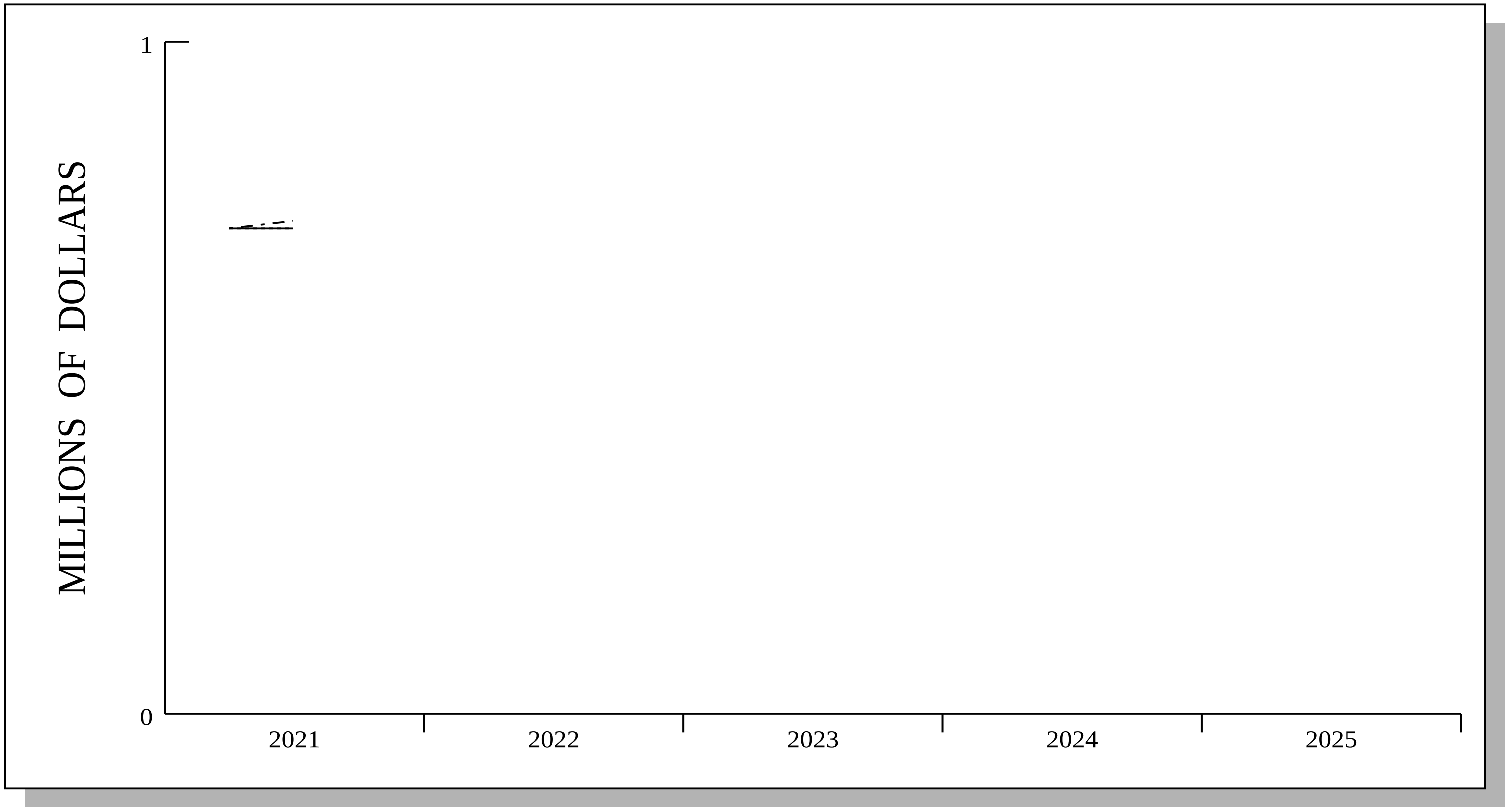
## ASSET ALLOCATION

| | | |
|---|---|---|
| Private Equity | 100.0% | $ 723,675 |
| Total Portfolio | 100.0% | $ 723,675 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 723,675 |
| Contribs / Withdrawals | 0 |
| Income | 0 |
| Capital Gains / Losses | 0 |
| Market Value 6/2021 | $ 723,675 |

## INVESTMENT GROWTH




| | |
|---|---|
| ——— | ACTUAL RETURN |
| -·-·-·- | 7.25% |
| ········ | 0.0% |

VALUE ASSUMING
7.25% RETURN $ 736,449

| | LAST QUARTER | LAST QUARTER |
|---|---|---|
| BEGINNING VALUE | $ 723,675 | $ 723,675 |
| NET CONTRIBUTIONS | 0 | 0 |
| INVESTMENT RETURN | 0 | 0 |
| ENDING VALUE | $ 723,675 | $ 723,675 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 0 | 0 |
| INVESTMENT RETURN | 0 | 0 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
BEN FRANKLIN TECHNOLOGY PARTNERS - VENTURE CHESCO
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## Private Equity Investor Report
## Ben Franklin Technology Partners - Venture Chesco

| | | |
|---|---|---|
| **Net IRR Since Inception:** | **-20.88%** | Report as of: |
| **Market Value:** | **$710,938** | 6/30/2021 |
| Total Committed Capital: | $860,000 | Last Statement: |
| Cost Basis for Fees: | $860,000 | 3/31/2021 |

| Date | Capital Calls | Distributions | Fees |
|---|---|---|---|
| Q3 2018 | $ 100,000 | $ - | $ 1,775 |
| Q4 2018 | $ - | $ - | $ 1,538 |
| Q1 2019 | $ 205,000 | $ - | $ 2,038 |
| Q2 2019 | $ - | $ - | $ 2,288 |
| Q3 2019 | $ - | $ - | $ 2,288 |
| Q4 2019 | $ - | $ - | $ 2,288 |
| Q1 2020 | $ 25,000 | $ - | $ 1,326 |
| Q2 2020 | $ - | $ - | $ 2,475 |
| Q3 2020 | $ - | $ - | $ 2,125 |
| Q4 2020 | $ 250,000 | $ - | $ 4,663 |
| Q1 2021 | $ - | $ - | $ 6,138 |
| Q2 2021 | $ 280,000 | $ - | $ 6,450 |
| **Total** | **$ 860,000** | **$ -** | **$ 35,388** |

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 09/18 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | -2.7 | -2.6 | -19.7 | ---- | ---- | -17.3 |
| **Total Portfolio - Net** | -3.9 | -5.0 | -23.7 | ---- | ---- | -20.7 |
| Cambridge PE | 0.0 | 10.0 | 38.0 | 16.3 | 17.0 | 16.3 |
| **Private Equity - Gross** | -2.7 | -2.6 | -19.7 | ---- | ---- | -17.3 |

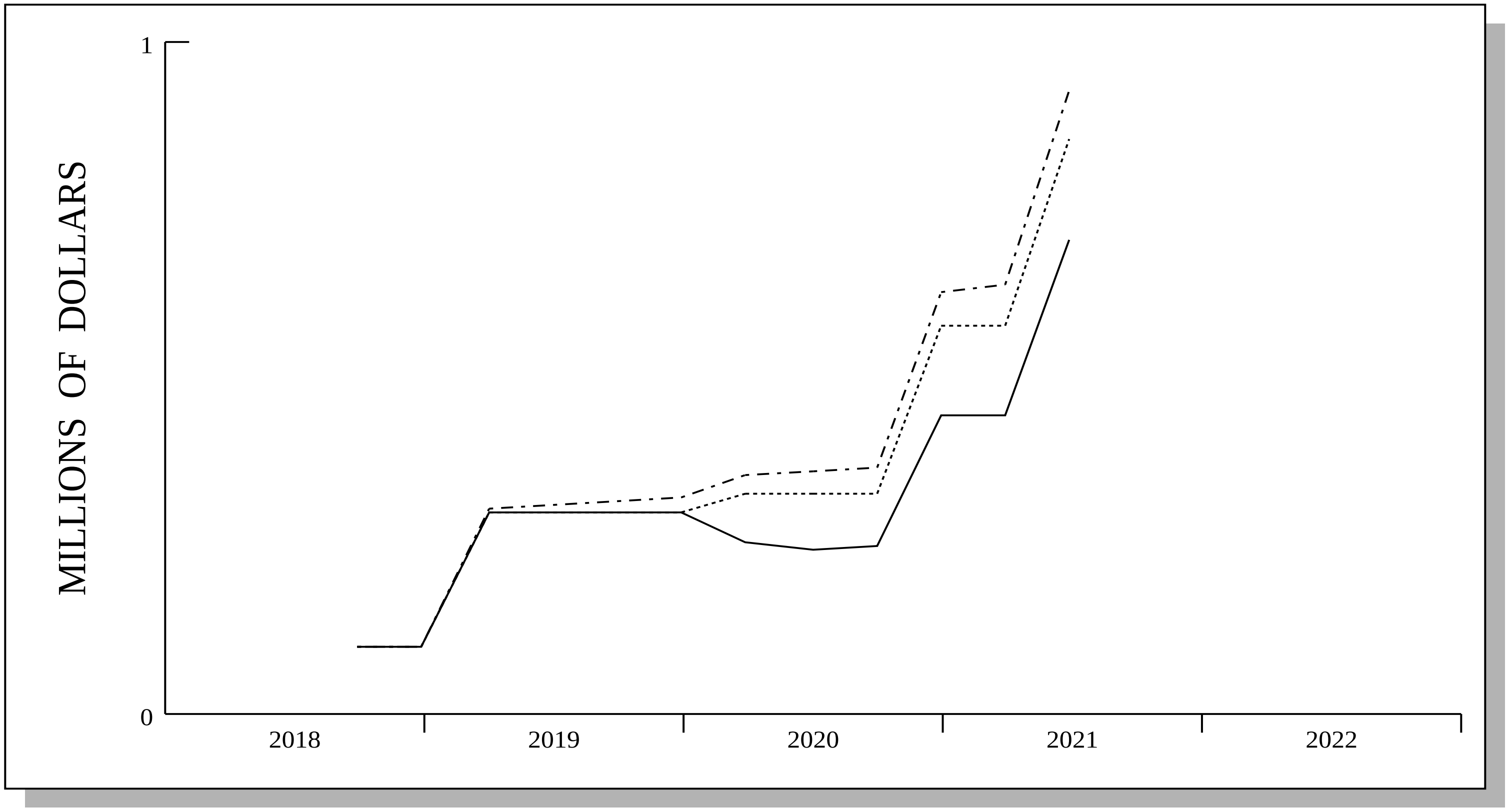
## ASSET ALLOCATION

| | | |
|---|---|---|
| Private Equity | 100.0% | $ 710,938 |
| Total Portfolio | 100.0% | $ 710,938 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 447,080 |
| Contribs / Withdrawals | 280,000 |
| Income | 0 |
| Capital Gains / Losses | - 16,142 |
| Market Value 6/2021 | $ 710,938 |

## INVESTMENT GROWTH




| | |
|---|---|
| ——— | ACTUAL RETURN |
| -·-·-·- | 7.25% |
| ········ | 0.0% |

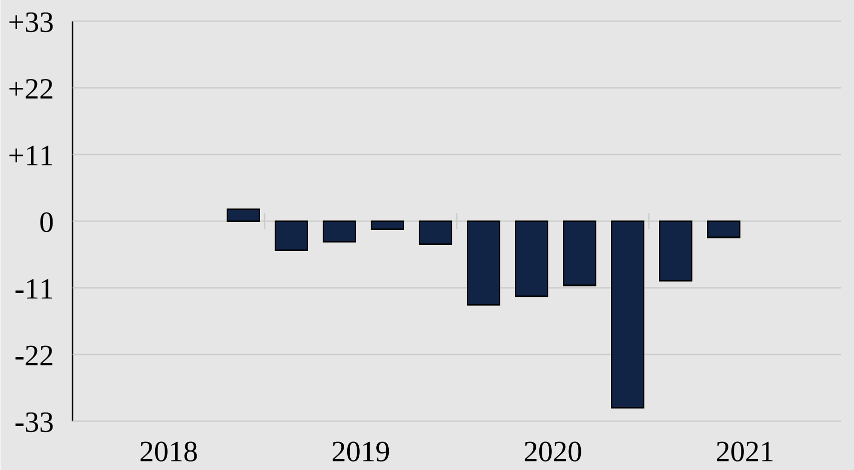
VALUE ASSUMING
7.25% RETURN $ 932,827

| | LAST QUARTER | PERIOD 9/18 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 447,080 | $ 100,000 |
| NET CONTRIBUTIONS | 280,000 | 760,000 |
| INVESTMENT RETURN | - 16,142 | -149,062 |
| ENDING VALUE | $ 710,938 | $ 710,938 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | - 16,142 | -149,062 |
| INVESTMENT RETURN | - 16,142 | -149,062 |

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: CAMBRIDGE US PRIVATE EQUITY

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **11** |
| **Quarters At or Above the Benchmark** | **1** |
| **Quarters Below the Benchmark** | **10** |
| **Batting Average** | **.091** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 12/18 | 0.0 | -2.0 | 2.0 |
| 3/19 | 0.0 | 4.8 | -4.8 |
| 6/19 | 0.0 | 3.4 | -3.4 |
| 9/19 | 0.0 | 1.3 | -1.3 |
| 12/19 | 0.0 | 3.8 | -3.8 |
| 3/20 | -23.9 | -10.1 | -13.8 |
| 6/20 | -3.0 | 9.4 | -12.4 |
| 9/20 | 1.2 | 11.8 | -10.6 |
| 12/20 | -18.6 | 12.2 | -30.8 |
| 3/21 | 0.2 | 10.0 | -9.8 |
| 6/21 | -2.7 | 0.0 | -2.7 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
SIGULER GUFF - SMALL BUYOUT OPPORTUNITIES FUND IV
PERFORMANCE REVIEW
JUNE 2021

# Private Equity Investor Report
## Siguler Guff Small Buyout Opportunities IV

| | | | | |
|---|---|---|---|---|
| **Net IRR Since Inception:** | **38.29%** | | Report as of: | 6/30/2021 |
| **Market Value:** | **$2,157,170** | | Last Statement: | 6/30/2021 |
| Total Commitment: | $5,000,000 | | | *(Preliminary)* |
| Unfunded Commitment: | $3,398,564 | 68.0% | | |

| Date | Capital Calls | Recallable Distributions | Ordinary Distributions | Special Distributions | Interest Paid/(Received) |
|---|---|---|---|---|---|
| 2019-12-13 | $ 227,500 | $ - | $ - | $ - | $ - |
| 2020-01-27 | $ 182,500 | $ - | $ - | $ - | $ - |
| 2020-02-28 | $ 45,000 | $ - | $ - | $ - | $ - |
| 2020-03-17 | $ 190,000 | $ - | $ - | $ - | $ 464.54 |
| 2020-03-26 | $ - | $ - | $ - | $ 2,088.87 | $ - |
| 2020-04-13 | $ 77,500 | $ - | $ - | $ - | $ - |
| 2020-05-11 | $ 25,000 | $ - | $ - | $ - | $ - |
| 2020-05-26 | $ 50,000 | $ - | $ - | $ - | $ - |
| 2020-06-25 | $ - | $ - | $ - | $ 687.50 | $ - |
| 2020-07-13 | $ 25,000 | $ - | $ - | $ - | $ - |
| 2020-09-04 | $ 25,000 | $ - | $ - | $ - | $ - |
| 2020-09-24 | $ - | $ - | $ - | $ 687.50 | $ - |
| 2020-10-13 | $ 247,500 | $ - | $ - | $ - | $ - |
| 2020-12-16 | $ 65,000 | $ - | $ - | $ - | $ - |
| 2020-12-17 | $ - | $ - | $ - | $ 687.50 | $ - |
| 2021-01-20 | $ 77,500 | $ - | $ - | $ - | $ - |
| 2021-02-22 | $ 135,000 | $ - | $ - | $ - | $ - |
| 2021-03-22 | $ 72,500 | $ - | $ - | $ - | $ - |
| 2021-03-25 | $ - | $ - | $ - | $ 687.50 | $ - |
| 2021-04-23 | $ 50,000 | $ - | $ - | $ - | $ - |
| 2021-05-24 | $ 110,000 | $ 3,564 | $ 20,118 | $ - | $ - |
| 2021-06-24 | $ - | $ - | $ - | $ 687.50 | $ - |
| **Total** | **$ 1,605,000** | **$ 3,564** | **$ 20,118** | **$ 5,526.37** | **$ 464.54** |

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 12/19 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 13.2 | 25.0 | 50.9 | ---- | ---- | 38.7 |
| **Total Portfolio - Net** | 13.2 | 23.0 | 42.2 | ---- | ---- | 28.4 |
| Cambridge PE | 0.0 | 10.0 | 38.0 | 16.3 | 17.0 | 22.6 |
| **Private Equity - Gross** | 13.2 | 25.0 | 50.9 | ---- | ---- | 38.7 |

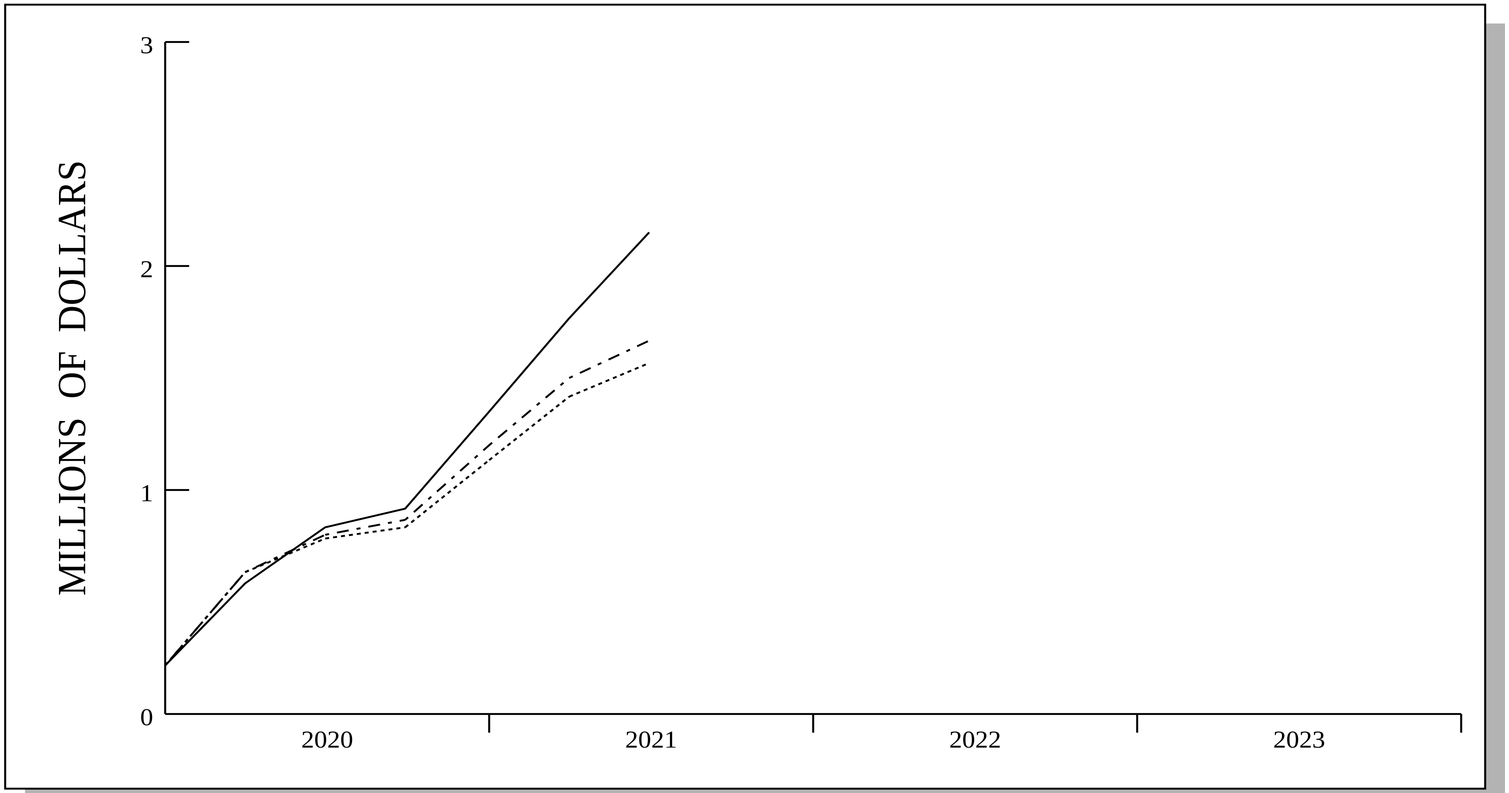
## ASSET ALLOCATION

| | | |
|---|---|---|
| Private Equity | 100.0% | $ 2,157,170 |
| Total Portfolio | 100.0% | $ 2,157,170 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 1,776,871 |
| Contribs / Withdrawals | 135,630 |
| Income | 0 |
| Capital Gains / Losses | 244,669 |
| Market Value 6/2021 | $ 2,157,170 |

## INVESTMENT GROWTH




VALUE ASSUMING

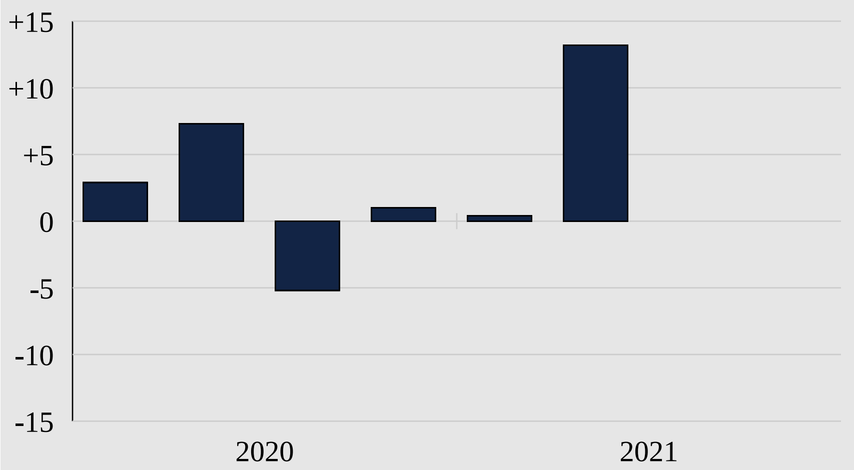
7.25% RETURN $ 1,675,376

| | LAST QUARTER | PERIOD 12/19 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 1,776,871 | $ 220,066 |
| NET CONTRIBUTIONS | 135,630 | 1,348,756 |
| INVESTMENT RETURN | 244,669 | 588,348 |
| ENDING VALUE | $ 2,157,170 | $ 2,157,170 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 244,669 | 588,348 |
| INVESTMENT RETURN | 244,669 | 588,348 |

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: CAMBRIDGE US PRIVATE EQUITY

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **6** |
| **Quarters At or Above the Benchmark** | **5** |
| **Quarters Below the Benchmark** | **1** |
| **Batting Average** | **.833** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 3/20 | -7.2 | -10.1 | 2.9 |
| 6/20 | 16.7 | 9.4 | 7.3 |
| 9/20 | 6.6 | 11.8 | -5.2 |
| 12/20 | 13.2 | 12.2 | 1.0 |
| 3/21 | 10.4 | 10.0 | 0.4 |
| 6/21 | 13.2 | 0.0 | 13.2 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
TAURUS - PRIVATE MARKETS FUND
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

# Private Equity Investor Report
# Taurus Private Markets Fund, LP

| | | | | |
|---|---|---|---|---|
| **Net IRR Since Inception:** | | **-28.68%** | Report as of: | 6/30/2021 |
| **Market Value:** | **$** | **234,854** | Last Statement: | 3/31/2021 |
| Total Commitment: | $ | 2,000,000 | | |
| Unfunded Commitment: | $ | 1,710,000 | 85.5% | |

| Date | Capital Calls | % of Commitment | Distributions | Interest Paid / (Received) |
|---|---|---|---|---|
| 2020-06-26 | $ 165,000 | 8.3% | $ - | $ 10,479 |
| 2020-11-30 | $ 45,000 | 2.3% | $ - | $ (4,053) |
| 2021-05-13 | $ 80,000 | 4.0% | $ - | $ - |
| **Total** | **$ 290,000** | **14.5%** | **$ -** | **$ 6,426** |

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 0.0 | -1.3 | 3.6 | ---- | ---- |
| **Total Portfolio - Net** | -0.3 | -1.9 | 2.3 | ---- | ---- |
| Cambridge PE | 0.0 | 10.0 | 38.0 | 16.3 | 17.0 |
| **Private Equity - Gross** | 0.0 | -1.3 | 3.6 | ---- | ---- |

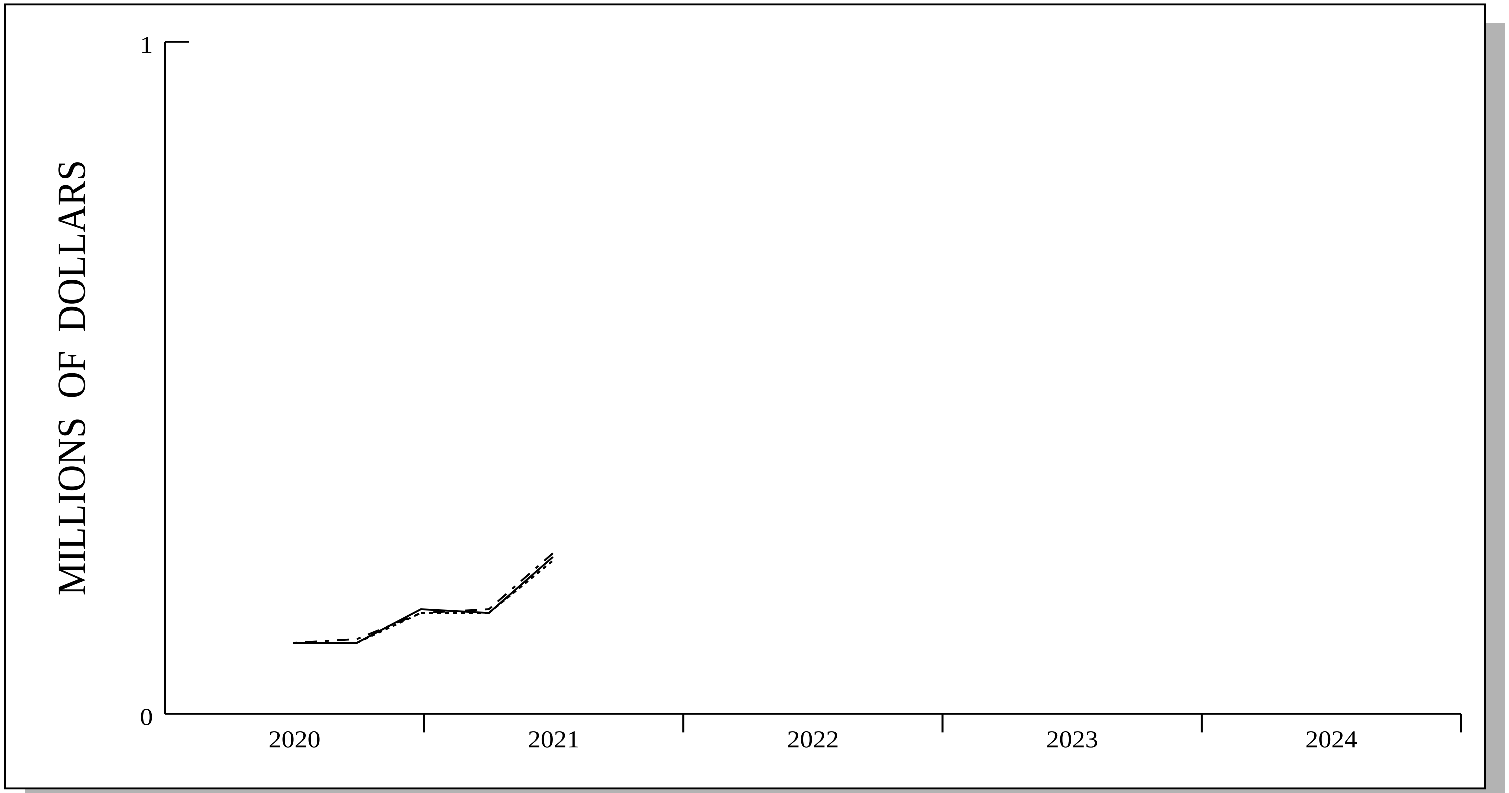
## ASSET ALLOCATION

| | | |
|---|---|---|
| Private Equity | 100.0% | $ 234,854 |
| Total Portfolio | 100.0% | $ 234,854 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 154,854 |
| Contribs / Withdrawals | 80,000 |
| Income | 0 |
| Capital Gains / Losses | 0 |
| Market Value 6/2021 | $ 234,854 |

## INVESTMENT GROWTH




| | |
|---|---|
| ——— | ACTUAL RETURN |
| -·-·-·- | 7.25% |
| ········ | 0.0% |

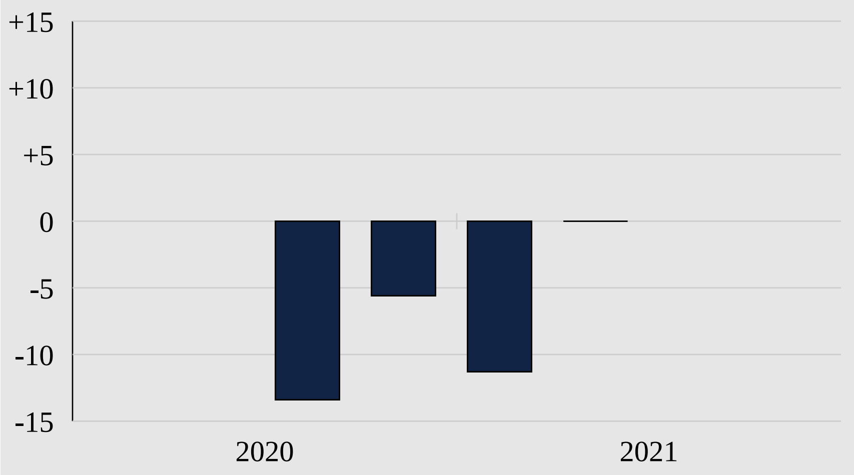
VALUE ASSUMING
7.25% RETURN $ 240,644

| | LAST QUARTER | ONE YEAR |
|---|---|---|
| BEGINNING VALUE | $ 154,854 | $ 109,242 |
| NET CONTRIBUTIONS | 80,000 | 120,947 |
| INVESTMENT RETURN | 0 | 4,665 |
| ENDING VALUE | $ 234,854 | $ 234,854 |
| INCOME | 0 | 0 |
| CAPITAL GAINS (LOSSES) | 0 | 4,665 |
| INVESTMENT RETURN | 0 | 4,665 |

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: CAMBRIDGE US PRIVATE EQUITY

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **4** |
| **Quarters At or Above the Benchmark** | **1** |
| **Quarters Below the Benchmark** | **3** |
| **Batting Average** | **.250** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 9/20 | -1.6 | 11.8 | -13.4 |
| 12/20 | 6.6 | 12.2 | -5.6 |
| 3/21 | -1.3 | 10.0 | -11.3 |
| 6/21 | 0.0 | 0.0 | 0.0 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
BRANDES - CORE PLUS FIXED INCOME
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Brandes Core Plus Fixed Income portfolio was valued at $46,070,621, representing an increase of $705,716 from the March quarter's ending value of $45,364,905. Last quarter, the Fund posted withdrawals totaling $33,496, which partially offset the portfolio's net investment return of $739,212. Income receipts totaling $195,256 plus net realized and unrealized capital gains of $543,956 combined to produce the portfolio's net investment return.

## RELATIVE PERFORMANCE

### Total Fund

For the second quarter, the Brandes Core Plus Fixed Income portfolio returned 1.6%, which was 0.2% below the Bloomberg Barclays Aggregate Index's return of 1.8% and ranked in the 90th percentile of the Core Fixed Income universe. Over the trailing year, the portfolio returned 0.2%, which was 0.5% above the benchmark's -0.3% return, ranking in the 72nd percentile. Since March 2018, the portfolio returned 4.0% annualized and ranked in the 95th percentile. The Bloomberg Barclays Aggregate Index returned an annualized 4.9% over the same period.

## ANALYSIS

At the end of the quarter, approximately 65% of the total bond portfolio was comprised of USG quality securities. The remainder of the portfolio consisted of corporate securities, rated AAA through less than BBB, giving the portfolio an overall average quality rating of AAA-AA. The average maturity of the portfolio was 6.59 years, less than the Bloomberg Barclays Aggregate Index's 8.53-year maturity. The average coupon was 3.25%.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 03/18 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 1.6 | -1.1 | 0.2 | 4.5 | ---- | 4.0 |
| *CORE FIXED INCOME RANK* | (90) | (32) | (72) | (99) | ---- | (95) |
| **Total Portfolio - Net** | 1.6 | -1.2 | 0.0 | 4.3 | ---- | 3.7 |
| Aggregate Index | 1.8 | -1.6 | -0.3 | 5.3 | 3.0 | 4.9 |
| **Fixed Income - Gross** | 1.6 | -1.1 | 0.2 | 4.5 | ---- | 4.0 |
| *CORE FIXED INCOME RANK* | (90) | (32) | (72) | (99) | ---- | (95) |
| Aggregate Index | 1.8 | -1.6 | -0.3 | 5.3 | 3.0 | 4.9 |

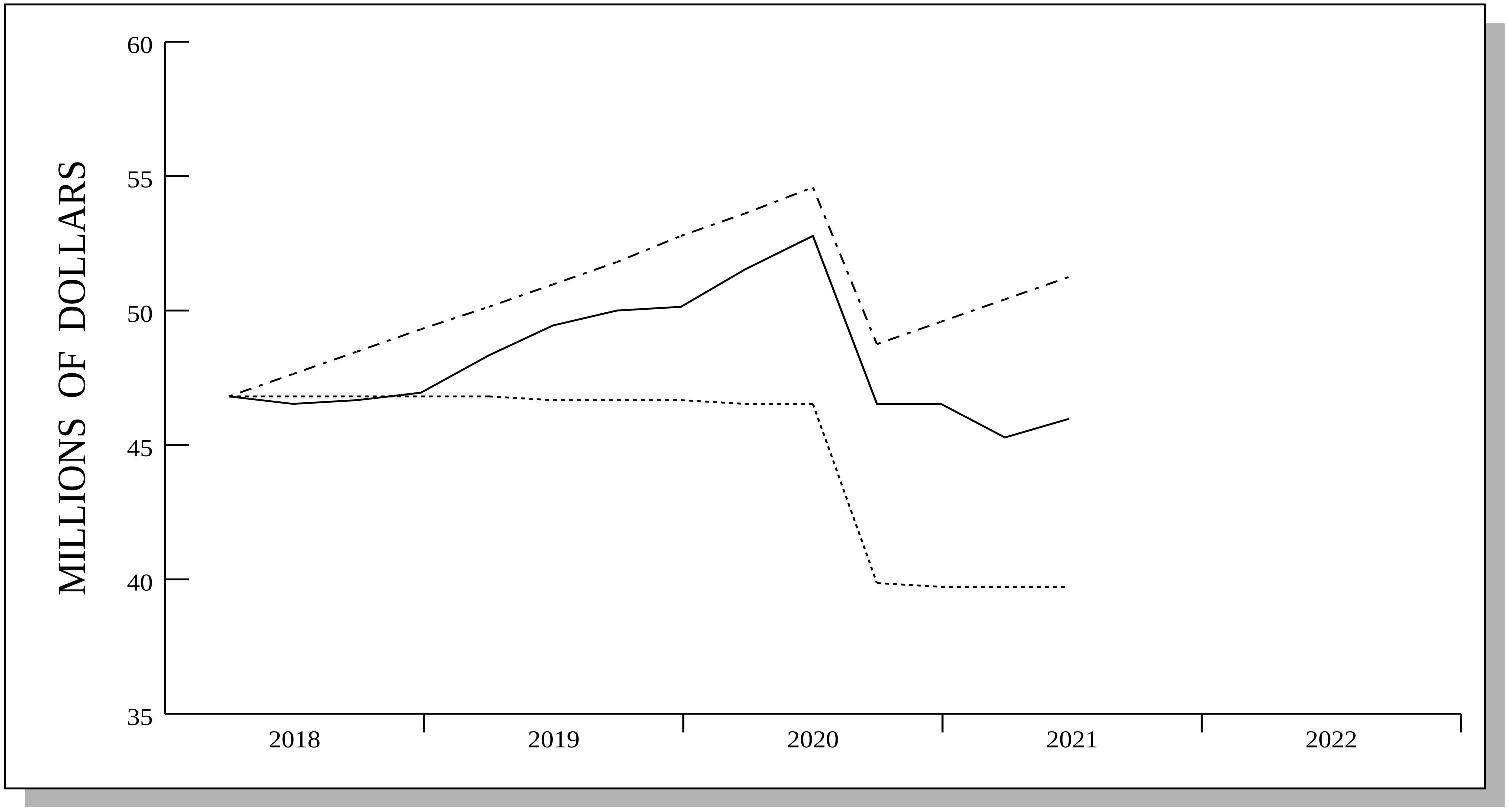
## ASSET ALLOCATION

| | | |
|---|---|---|
| Fixed Income | 100.0% | $ 46,070,621 |
| Total Portfolio | 100.0% | $ 46,070,621 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 45,364,905 |
| Contribs / Withdrawals | - 33,496 |
| Income | 195,256 |
| Capital Gains / Losses | 543,956 |
| Market Value 6/2021 | $ 46,070,621 |

## INVESTMENT GROWTH

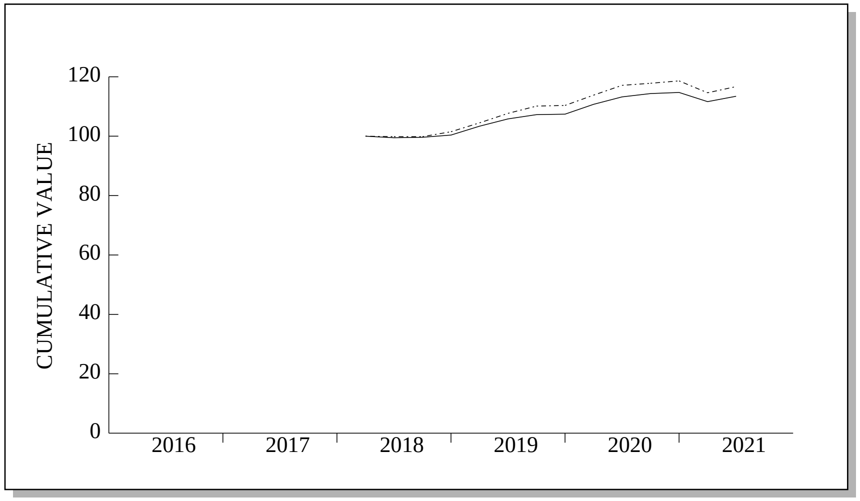


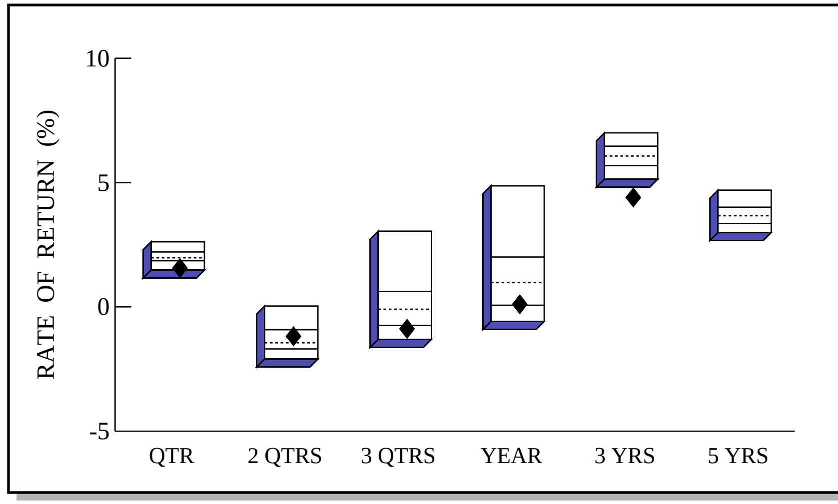

| | |
|---|---|
| ——— | ACTUAL RETURN |
| -·-·-·- | 7.25% |
| ········ | 0.0% |

VALUE ASSUMING
7.25% RETURN $ 51,281,928

| | LAST QUARTER | PERIOD 3/18 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 45,364,905 | $ 46,919,863 |
| NET CONTRIBUTIONS | - 33,496 | - 7,148,899 |
| INVESTMENT RETURN | 739,212 | 6,299,657 |
| ENDING VALUE | $ 46,070,621 | $ 46,070,621 |
| INCOME | 195,256 | 628,451 |
| CAPITAL GAINS (LOSSES) | 543,956 | 5,671,206 |
| INVESTMENT RETURN | 739,212 | 6,299,657 |

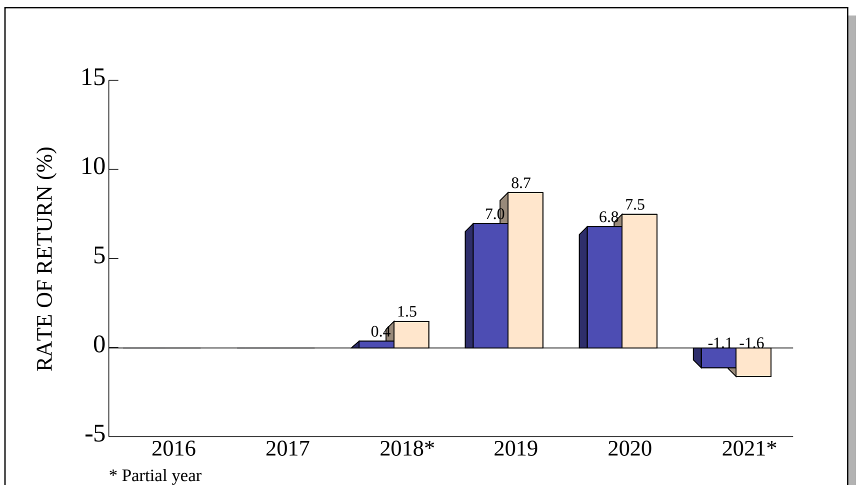
# TOTAL RETURN COMPARISONS




Core Fixed Income Universe

| | |
|---|---|
| ■ ——— | PORTFOLIO |
| □ -·-·- | AGGREGATE INDEX |



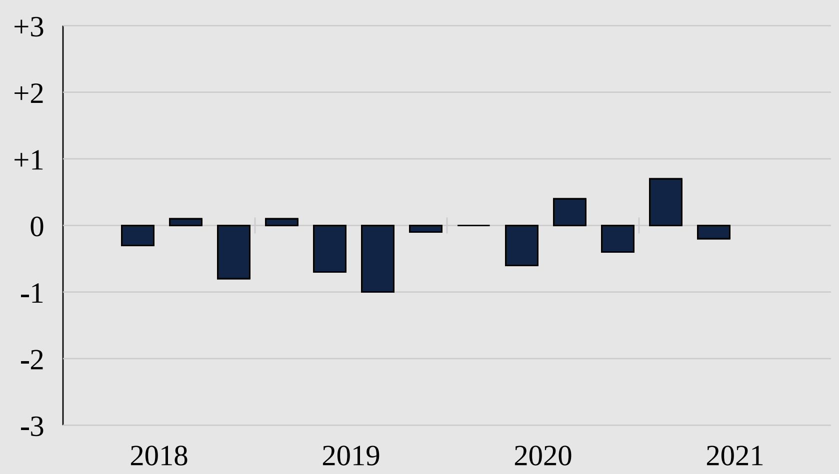

| | | | | | ------ANNUALIZED------ | |
|---|---|---|---|---|---|---|
| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
| RETURN | 1.6 | -1.1 | -0.8 | 0.2 | 4.5 | ---- |
| (RANK) | (90) | (32) | (80) | (72) | (99) | ---- |
| 5TH %ILE | 2.6 | 0.0 | 3.1 | 4.9 | 7.0 | 4.7 |
| 25TH %ILE | 2.2 | -0.9 | 0.6 | 2.0 | 6.5 | 4.0 |
| MEDIAN | 2.0 | -1.4 | -0.1 | 1.0 | 6.1 | 3.7 |
| 75TH %ILE | 1.9 | -1.7 | -0.8 | 0.1 | 5.7 | 3.4 |
| 95TH %ILE | 1.5 | -2.1 | -1.3 | -0.6 | 5.1 | 3.0 |
| ***Agg*** | ***1.8*** | ***-1.6*** | ***-0.9*** | ***-0.3*** | ***5.3*** | ***3.0*** |

Core Fixed Income Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS AGGREGATE INDEX

### VARIATION FROM BENCHMARK

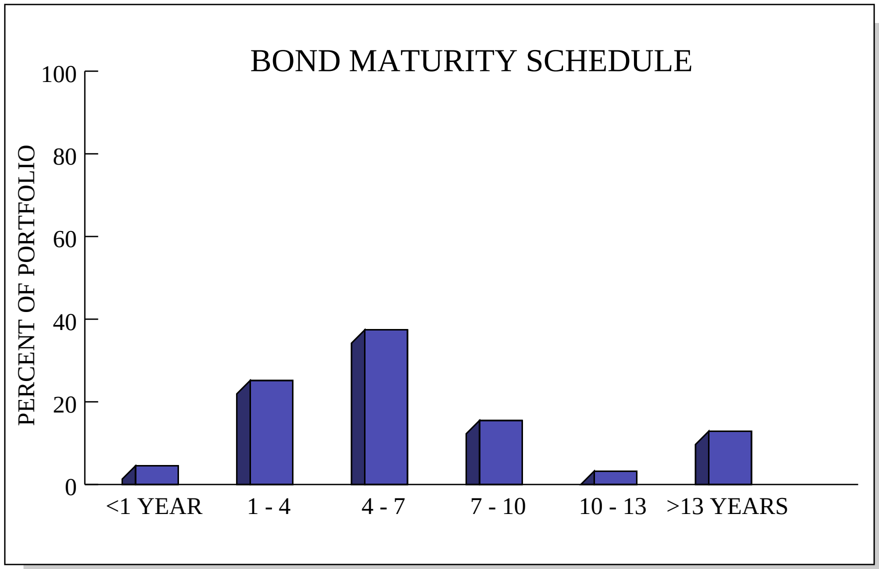


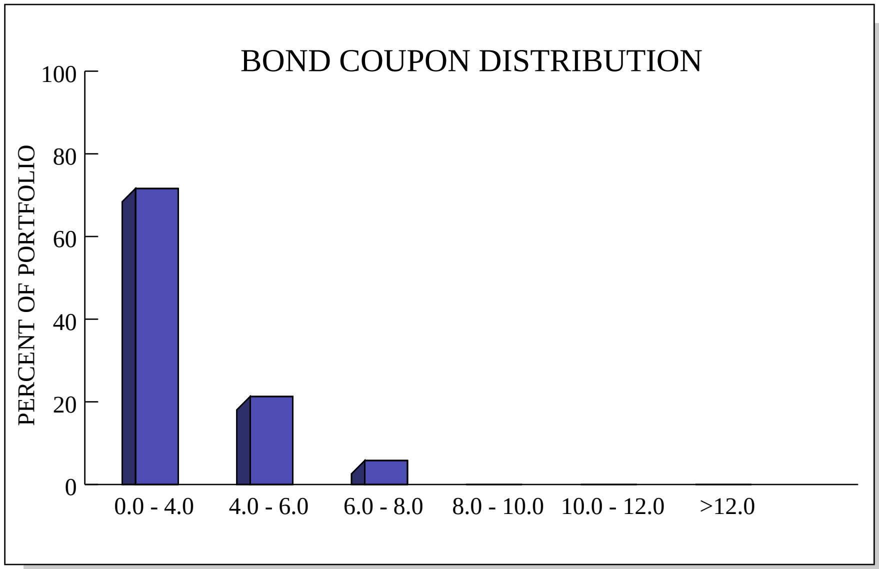

| | |
|---|---|
| **Total Quarters Observed** | **13** |
| **Quarters At or Above the Benchmark** | **5** |
| **Quarters Below the Benchmark** | **8** |
| **Batting Average** | **.385** |

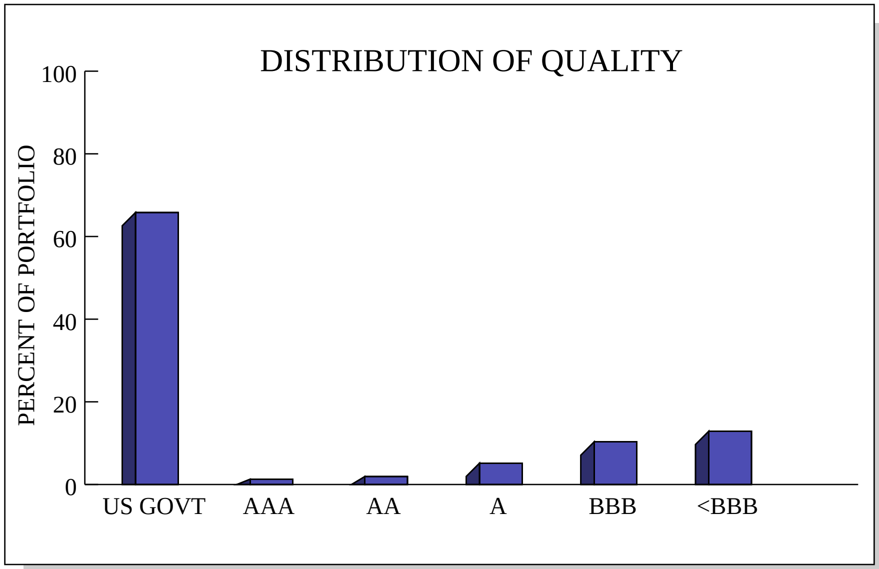
### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 6/18 | -0.5 | -0.2 | -0.3 |
| 9/18 | 0.1 | 0.0 | 0.1 |
| 12/18 | 0.8 | 1.6 | -0.8 |
| 3/19 | 3.0 | 2.9 | 0.1 |
| 6/19 | 2.4 | 3.1 | -0.7 |
| 9/19 | 1.3 | 2.3 | -1.0 |
| 12/19 | 0.1 | 0.2 | -0.1 |
| 3/20 | 3.1 | 3.1 | 0.0 |
| 6/20 | 2.3 | 2.9 | -0.6 |
| 9/20 | 1.0 | 0.6 | 0.4 |
| 12/20 | 0.3 | 0.7 | -0.4 |
| 3/21 | -2.7 | -3.4 | 0.7 |
| 6/21 | 1.6 | 1.8 | -0.2 |

# BOND CHARACTERISTICS




| | PORTFOLIO | AGGREGATE INDEX |
|---|---|---|
| No. of Securities | 49 | 12,200 |
| Duration | 5.34 | 6.58 |
| YTM | 1.42 | 1.51 |
| Average Coupon | 3.25 | 2.55 |
| Avg Maturity / WAL | 6.59 | 8.53 |
| Average Quality | AAA-AA | AA |

# CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
## BIRCH RUN - INTERMEDIATE FIXED INCOME
## PERFORMANCE REVIEW
## JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Birch Run Intermediate Fixed Income portfolio was valued at $41,943,586, representing an increase of $335,268 from the March quarter's ending value of $41,608,318. Last quarter, the Fund posted withdrawals totaling $20,711, which partially offset the portfolio's net investment return of $355,979. Income receipts totaling $214,840 plus net realized and unrealized capital gains of $141,139 combined to produce the portfolio's net investment return.

## RELATIVE PERFORMANCE

### Total Fund

For the second quarter, the Birch Run Intermediate Fixed Income portfolio returned 0.9%, which was 0.1% below the Intermediate Gov/Credit Index's return of 1.0% and ranked in the 83rd percentile of the Intermediate Fixed Income universe. Over the trailing year, the portfolio returned 0.9%, which was 0.7% above the benchmark's 0.2% return, ranking in the 53rd percentile. Since June 2017, the portfolio returned 3.8% annualized and ranked in the 46th percentile. The Intermediate Gov/Credit returned an annualized 3.4% over the same period.

## ANALYSIS

At the end of the quarter, approximately 65% of the total bond portfolio was comprised of USG quality securities. The remainder of the portfolio consisted of corporate securities, rated AA through BBB, giving the portfolio an overall average quality rating of AAA. The average maturity of the portfolio was 3.85 years, less than the Bloomberg Barclays Intermediate Gov/Credit Index's 4.48-year maturity. The average coupon was 1.95%.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 06/17 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 0.9 | -1.0 | 0.9 | 5.2 | ---- | 3.8 |
| *INTERMEDIATE FIXED RANK* | (83) | (92) | (53) | (34) | ---- | (46) |
| **Total Portfolio - Net** | 0.8 | -1.1 | 0.7 | 5.0 | ---- | 3.6 |
| Int Gov/Credit | 1.0 | -0.9 | 0.2 | 4.7 | 2.6 | 3.4 |
| **Fixed Income - Gross** | 0.9 | -1.0 | 0.9 | 5.2 | ---- | 3.8 |
| *INTERMEDIATE FIXED RANK* | (83) | (92) | (53) | (34) | ---- | (46) |
| Int Gov/Credit | 1.0 | -0.9 | 0.2 | 4.7 | 2.6 | 3.4 |

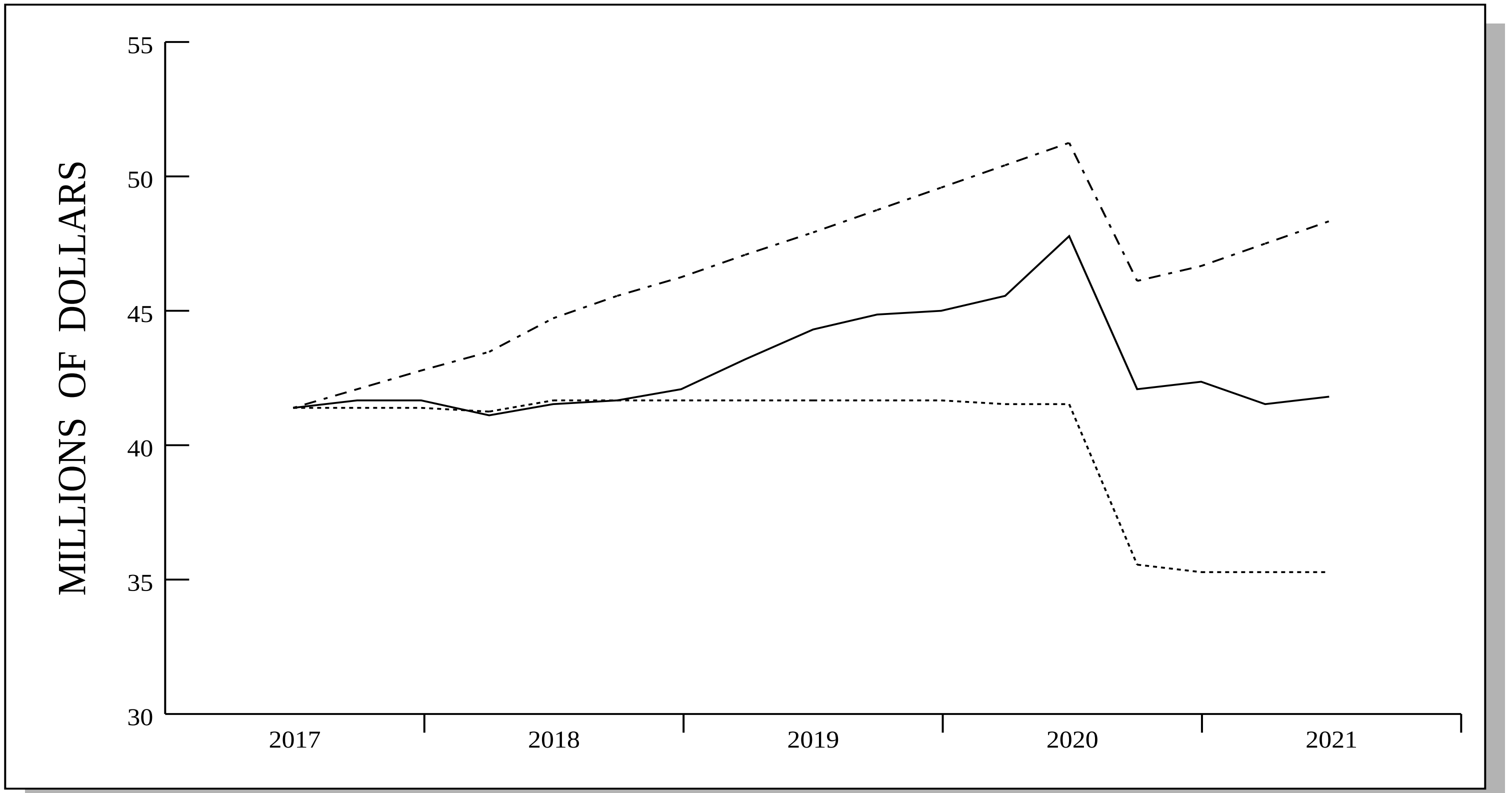
## ASSET ALLOCATION

| | | |
|---|---|---|
| Fixed Income | 100.0% | $ 41,943,586 |
| Total Portfolio | 100.0% | $ 41,943,586 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 41,608,318 |
| Contribs / Withdrawals | - 20,711 |
| Income | 214,840 |
| Capital Gains / Losses | 141,139 |
| Market Value 6/2021 | $ 41,943,586 |

# INVESTMENT GROWTH

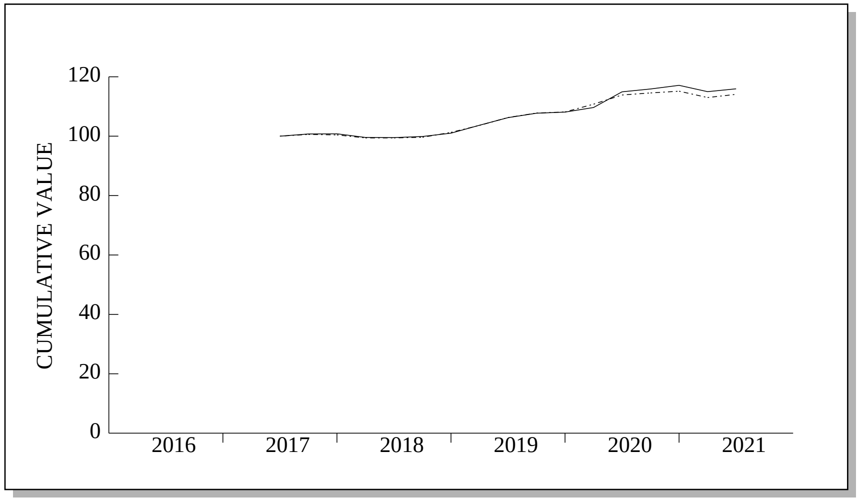


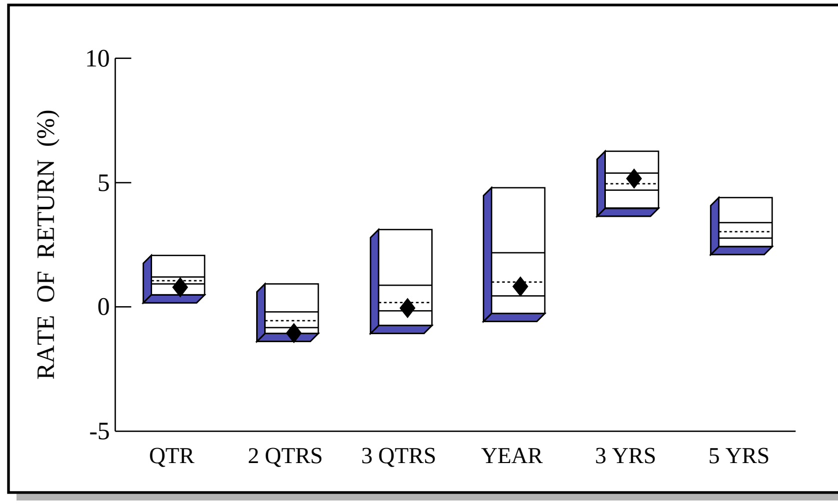

| | |
|---|---|
| ——— | ACTUAL RETURN |
| -·-·-·- | 7.25% |
| ········ | 0.0% |

VALUE ASSUMING
7.25% RETURN $ 48,376,565

| | LAST QUARTER | PERIOD 6/17 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 41,608,318 | $ 41,449,315 |
| NET CONTRIBUTIONS | - 20,711 | - 6,128,513 |
| INVESTMENT RETURN | 355,979 | 6,622,784 |
| ENDING VALUE | $ 41,943,586 | $ 41,943,586 |
| INCOME | 214,840 | 451,105 |
| CAPITAL GAINS (LOSSES) | 141,139 | 6,171,679 |
| INVESTMENT RETURN | 355,979 | 6,622,784 |

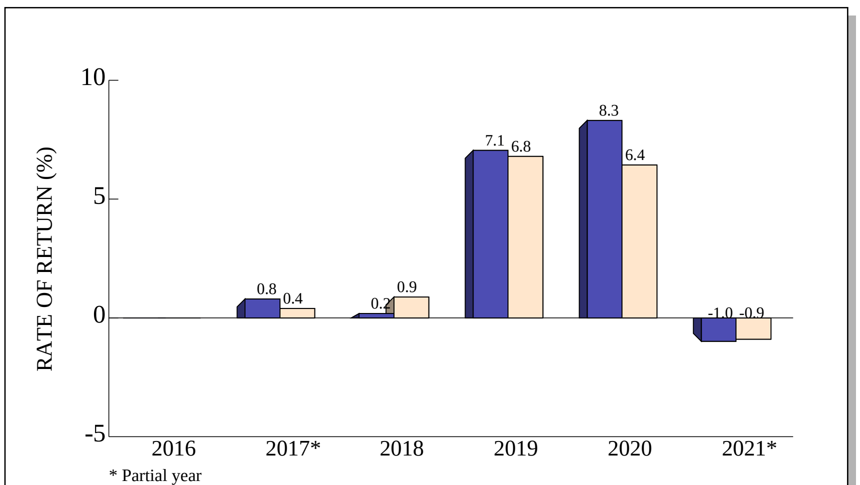
# TOTAL RETURN COMPARISONS




Intermediate Fixed Universe

PORTFOLIO
INT GOV/CREDIT



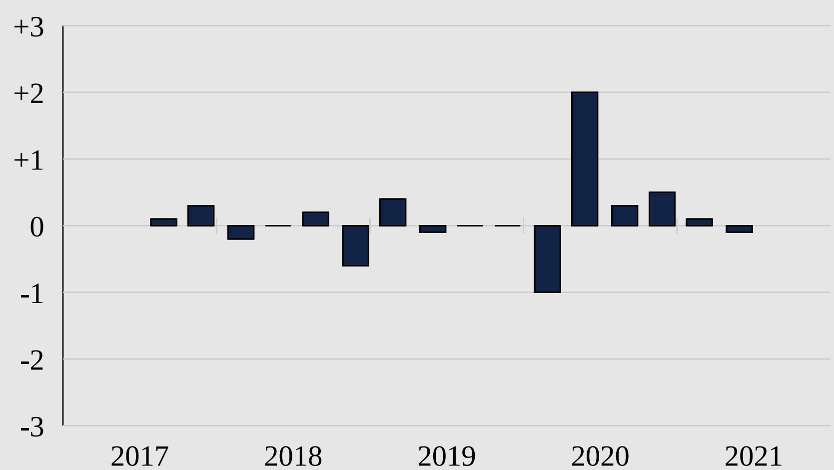

| | QTR | 2 QTRS | 3 QTRS | YEAR | ------ANNUALIZED------ 3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| RETURN | 0.9 | -1.0 | 0.0 | 0.9 | 5.2 | ---- |
| (RANK) | (83) | (92) | (60) | (53) | (34) | ---- |
| 5TH %ILE | 2.1 | 0.9 | 3.1 | 4.8 | 6.3 | 4.4 |
| 25TH %ILE | 1.2 | -0.2 | 0.9 | 2.2 | 5.4 | 3.4 |
| MEDIAN | 1.1 | -0.6 | 0.2 | 1.0 | 5.0 | 3.0 |
| 75TH %ILE | 0.9 | -0.8 | -0.2 | 0.4 | 4.7 | 2.8 |
| 95TH %ILE | 0.5 | -1.1 | -0.8 | -0.3 | 4.0 | 2.4 |
| ***Int G/C*** | ***1.0*** | ***-0.9*** | ***-0.4*** | ***0.2*** | ***4.7*** | ***2.6*** |

Intermediate Fixed Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: INTERMEDIATE GOV/CREDIT

### VARIATION FROM BENCHMARK

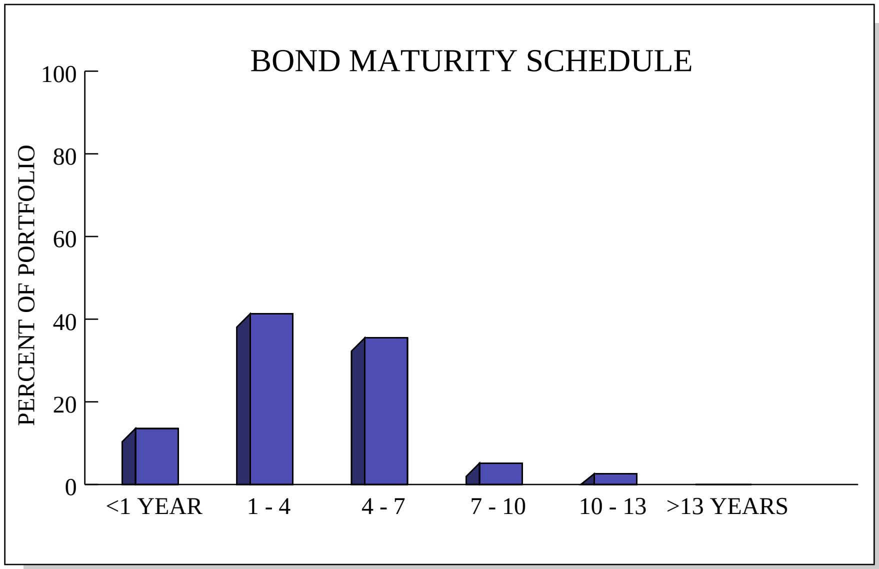


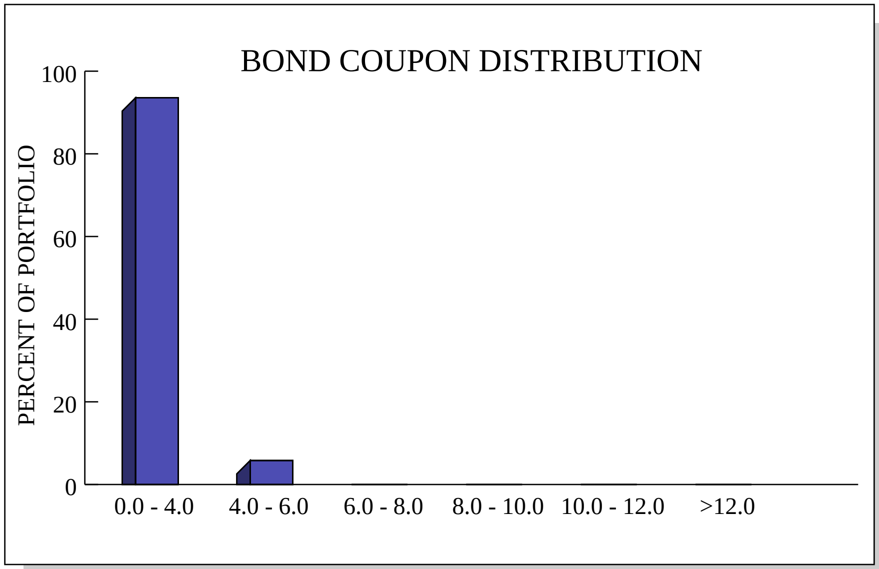

| | |
|---|---|
| **Total Quarters Observed** | **16** |
| **Quarters At or Above the Benchmark** | **11** |
| **Quarters Below the Benchmark** | **5** |
| **Batting Average** | **.688** |

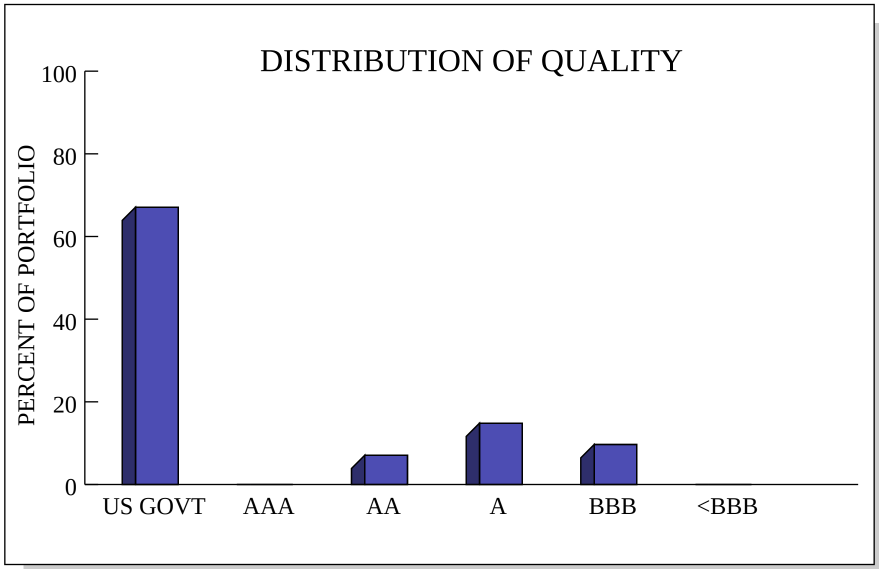
### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 9/17 | 0.7 | 0.6 | 0.1 |
| 12/17 | 0.1 | -0.2 | 0.3 |
| 3/18 | -1.2 | -1.0 | -0.2 |
| 6/18 | 0.0 | 0.0 | 0.0 |
| 9/18 | 0.4 | 0.2 | 0.2 |
| 12/18 | 1.1 | 1.7 | -0.6 |
| 3/19 | 2.7 | 2.3 | 0.4 |
| 6/19 | 2.5 | 2.6 | -0.1 |
| 9/19 | 1.4 | 1.4 | 0.0 |
| 12/19 | 0.4 | 0.4 | 0.0 |
| 3/20 | 1.4 | 2.4 | -1.0 |
| 6/20 | 4.8 | 2.8 | 2.0 |
| 9/20 | 0.9 | 0.6 | 0.3 |
| 12/20 | 1.0 | 0.5 | 0.5 |
| 3/21 | -1.8 | -1.9 | 0.1 |
| 6/21 | 0.9 | 1.0 | -0.1 |

# BOND CHARACTERISTICS




| | PORTFOLIO | INT GOV/CREDIT |
|---|---|---|
| No. of Securities | 77 | 5,416 |
| Duration | 3.49 | 4.18 |
| YTM | 0.72 | 0.94 |
| Average Coupon | 1.95 | 2.02 |
| Avg Maturity / WAL | 3.85 | 4.48 |
| Average Quality | AAA | AA |

# CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
# VANGUARD - SHORT-TERM CORPORATE BOND
# PERFORMANCE REVIEW
# JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Vanguard Short-Term Corporate Bond portfolio was valued at $18,541,674, a decrease of $3,305,895 from the March ending value of $21,847,569. Last quarter, the account recorded a net withdrawal of $3,477,500, which overshadowed the fund's net investment return of $171,605. Income receipts totaling $88,335 and realized and unrealized capital gains of $83,270 combined to produce the portfolio's net investment return.

## RELATIVE PERFORMANCE

### Total Fund

During the second quarter, the Vanguard Short-Term Corporate Bond portfolio gained 0.8%, which was 0.7% greater than the ML/BoA 1-5 Year Treasury Index's return of 0.1% and ranked in the 9th percentile of the Short-Term Fixed Income universe. Over the trailing year, the portfolio returned 2.1%, which was 2.4% greater than the benchmark's -0.3% performance, and ranked in the 28th percentile. Since December 2017, the account returned 3.7% per annum and ranked in the 7th percentile. For comparison, the ML/BoA 1-5 Year Treasury returned an annualized 2.7% over the same time frame.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 12/17 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 0.8 | 0.2 | 2.1 | 4.5 | ---- | 3.7 |
| *SHORT-TERM FIXED RANK* | ( 9) | (29) | (28) | ( 7) | ---- | ( 7) |
| **Total Portfolio - Net** | 0.8 | 0.2 | 2.1 | 4.5 | ---- | 3.7 |
| ML/BoA 1-5 Trea | 0.1 | -0.4 | -0.3 | 3.2 | 1.8 | 2.7 |
| **Fixed Income - Gross** | 0.8 | 0.2 | 2.1 | 4.5 | ---- | 3.7 |
| *SHORT-TERM FIXED RANK* | ( 9) | (29) | (28) | ( 7) | ---- | ( 7) |
| ML/BoA 1-5 Trea | 0.1 | -0.4 | -0.3 | 3.2 | 1.8 | 2.7 |

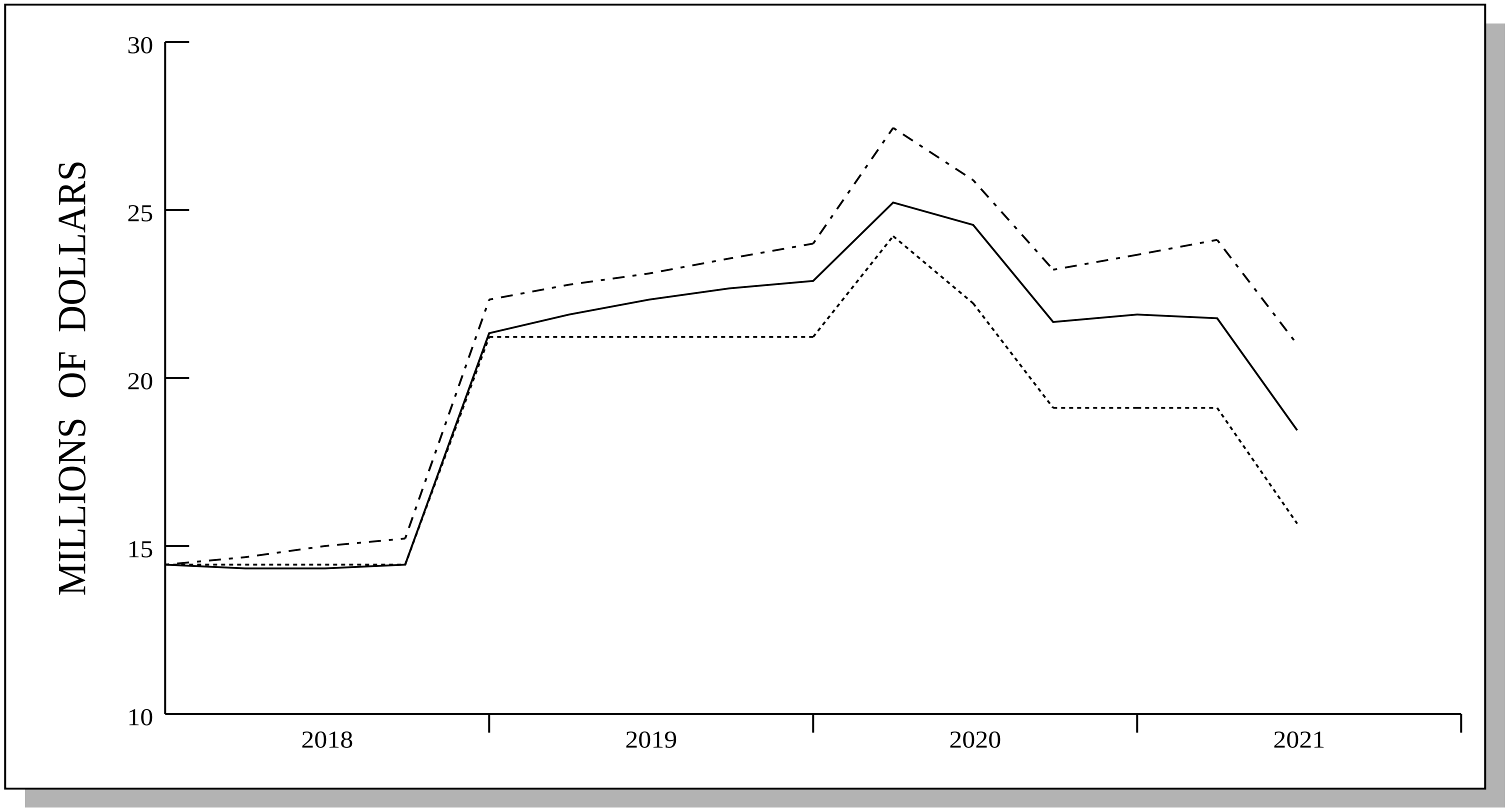
## ASSET ALLOCATION

| | | |
|---|---|---|
| Fixed Income | 100.0% | $ 18,541,674 |
| Total Portfolio | 100.0% | $ 18,541,674 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 21,847,569 |
| Contribs / Withdrawals | - 3,477,500 |
| Income | 88,335 |
| Capital Gains / Losses | 83,270 |
| Market Value 6/2021 | $ 18,541,674 |

## INVESTMENT GROWTH

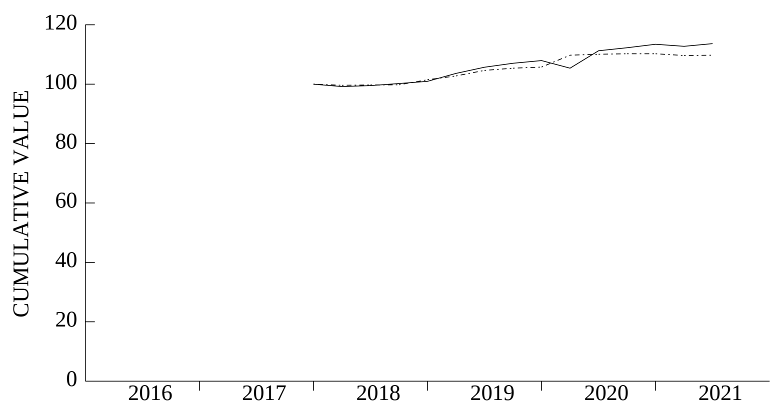


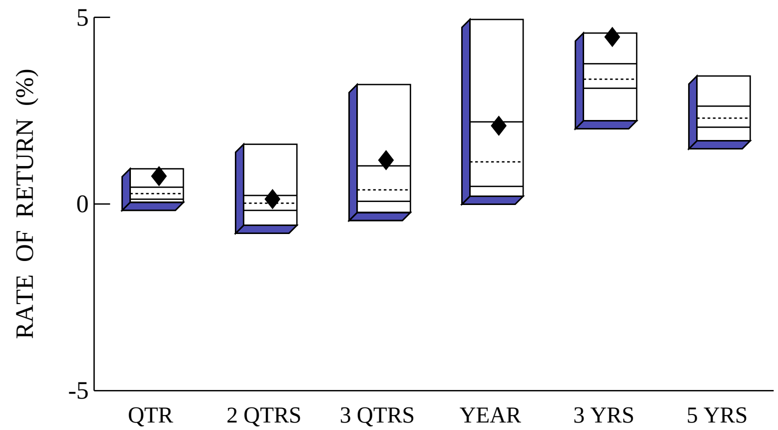

| | |
|---|---|
| ——— | ACTUAL RETURN |
| -·-·-·-· | 7.25% |
| ········· | 0.0% |

VALUE ASSUMING
7.25% RETURN $ 21,055,258

| | LAST QUARTER | PERIOD 12/17 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 21,847,569 | $ 14,494,248 |
| NET CONTRIBUTIONS | - 3,477,500 | 1,207,171 |
| INVESTMENT RETURN | 171,605 | 2,840,254 |
| ENDING VALUE | $ 18,541,674 | $ 18,541,674 |
| INCOME | 88,335 | 150,128 |
| CAPITAL GAINS (LOSSES) | 83,270 | 2,690,126 |
| INVESTMENT RETURN | 171,605 | 2,840,254 |

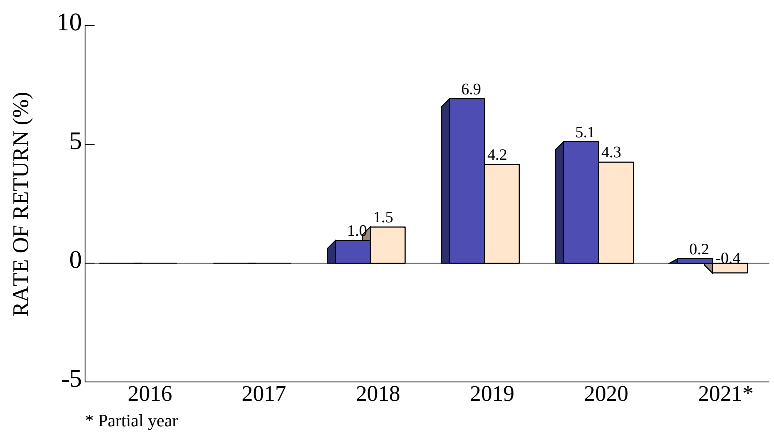
# TOTAL RETURN COMPARISONS




Short-Term Fixed Universe

PORTFOLIO
ML/BOA 1-5 TREA



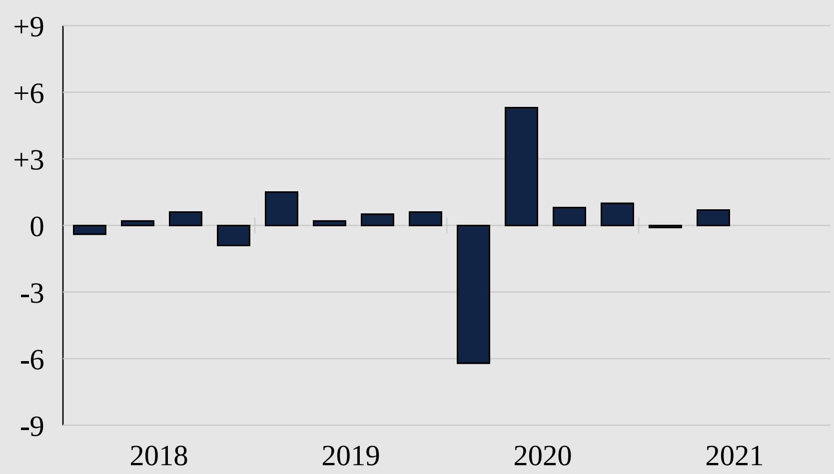

| | ------ANNUALIZED------ | | | | | |
|---|---|---|---|---|---|---|
| | QTR | 2 QTRS | 3 QTRS | YEAR | 3 YRS | 5 YRS |
| RETURN | 0.8 | 0.2 | 1.2 | 2.1 | 4.5 | ---- |
| (RANK) | ( 9) | (29) | (19) | (28) | ( 7) | ---- |
| 5TH %ILE | 0.9 | 1.6 | 3.2 | 4.9 | 4.6 | 3.4 |
| 25TH %ILE | 0.5 | 0.2 | 1.0 | 2.2 | 3.8 | 2.6 |
| MEDIAN | 0.3 | 0.0 | 0.4 | 1.1 | 3.3 | 2.3 |
| 75TH %ILE | 0.1 | -0.2 | 0.1 | 0.5 | 3.1 | 2.1 |
| 95TH %ILE | 0.0 | -0.6 | -0.2 | 0.2 | 2.2 | 1.7 |
| ***ML/BoA 1-5*** | ***0.1*** | ***-0.4*** | ***-0.4*** | ***-0.3*** | ***3.2*** | ***1.8*** |

Short-Term Fixed Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

**COMPARATIVE BENCHMARK: ML/BOA 1-5 YEAR TREASURY**

## VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **14** |
| **Quarters At or Above the Benchmark** | **10** |
| **Quarters Below the Benchmark** | **4** |
| **Batting Average** | **.714** |

## RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 3/18 | -0.8 | -0.4 | -0.4 |
| 6/18 | 0.3 | 0.1 | 0.2 |
| 9/18 | 0.7 | 0.1 | 0.6 |
| 12/18 | 0.8 | 1.7 | -0.9 |
| 3/19 | 2.7 | 1.2 | 1.5 |
| 6/19 | 2.0 | 1.8 | 0.2 |
| 9/19 | 1.2 | 0.7 | 0.5 |
| 12/19 | 0.9 | 0.3 | 0.6 |
| 3/20 | -2.4 | 3.8 | -6.2 |
| 6/20 | 5.6 | 0.3 | 5.3 |
| 9/20 | 0.9 | 0.1 | 0.8 |
| 12/20 | 1.0 | 0.0 | 1.0 |
| 3/21 | -0.6 | -0.5 | -0.1 |
| 6/21 | 0.8 | 0.1 | 0.7 |

# CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
# PRUDENTIAL - SHORT-TERM CORPORATE BOND
# PERFORMANCE REVIEW
# JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Prudential Short-Term Corporate Bond portfolio was valued at $22,010,173, representing an increase of $165,652 from the March quarter's ending value of $21,844,521. Last quarter, the Fund posted no net contributions or withdrawals, while posting $165,652 in net investment returns. Income receipts totaling $127,244 plus net realized and unrealized capital gains of $38,408 combined to produce the portfolio's net investment return figure.

## RELATIVE PERFORMANCE

### Total Fund

For the second quarter, the Prudential Short-Term Corporate Bond portfolio returned 0.9%, which was 0.8% above the ML/BoA 1-5 Year Treasury Index's return of 0.1% and ranked in the 8th percentile of the Short-Term Fixed Income universe. Over the trailing year, this portfolio returned 3.5%, which was 3.8% greater than the benchmark's -0.3% return, ranking in the 12th percentile. Since December 2017, the account returned 4.2% on an annualized basis and ranked in the 3rd percentile. The ML/BoA 1-5 Year Treasury returned an annualized 2.7% over the same time frame.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year | Since 12/17 |
|---|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 0.9 | 0.4 | 3.5 | 5.0 | ---- | 4.2 |
| *SHORT-TERM FIXED RANK* | ( 8) | (20) | (12) | ( 2) | ---- | ( 3) |
| **Total Portfolio - Net** | 0.8 | 0.2 | 3.1 | 4.6 | ---- | 3.8 |
| ML/BoA 1-5 Trea | 0.1 | -0.4 | -0.3 | 3.2 | 1.8 | 2.7 |
| **Fixed Income - Gross** | 0.9 | 0.4 | 3.5 | 5.0 | ---- | 4.2 |
| *SHORT-TERM FIXED RANK* | ( 8) | (20) | (12) | ( 2) | ---- | ( 3) |
| ML/BoA 1-5 Trea | 0.1 | -0.4 | -0.3 | 3.2 | 1.8 | 2.7 |

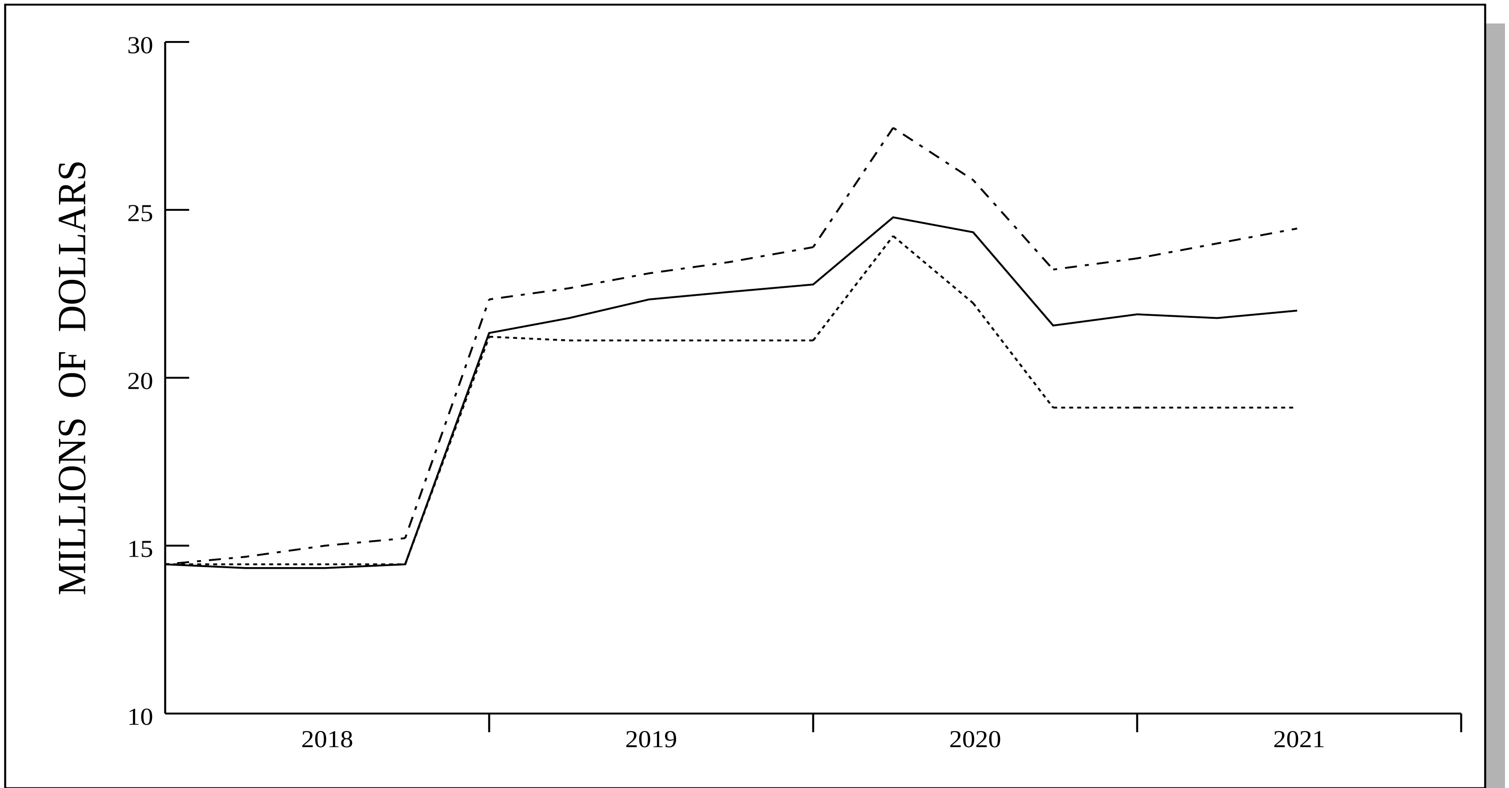
## ASSET ALLOCATION

| | | |
|---|---|---|
| Fixed Income | 100.0% | $ 22,010,173 |
| Total Portfolio | 100.0% | $ 22,010,173 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 21,844,521 |
| Contribs / Withdrawals | 0 |
| Income | 127,244 |
| Capital Gains / Losses | 38,408 |
| Market Value 6/2021 | $ 22,010,173 |

## INVESTMENT GROWTH

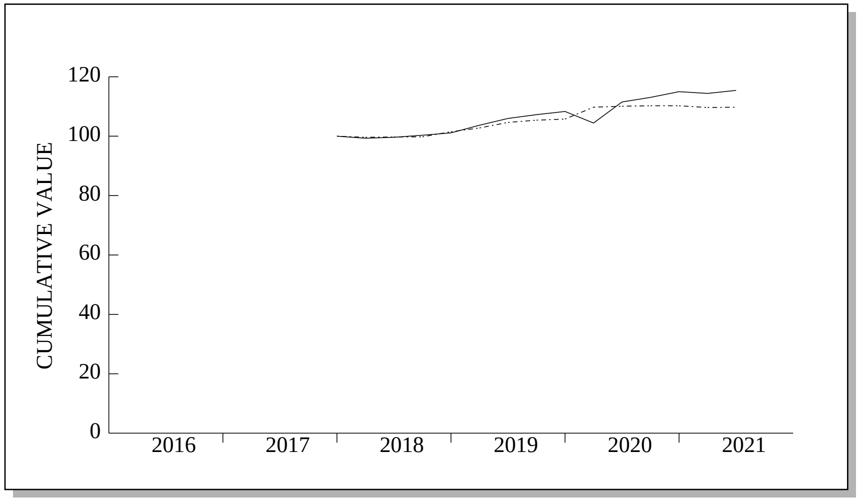


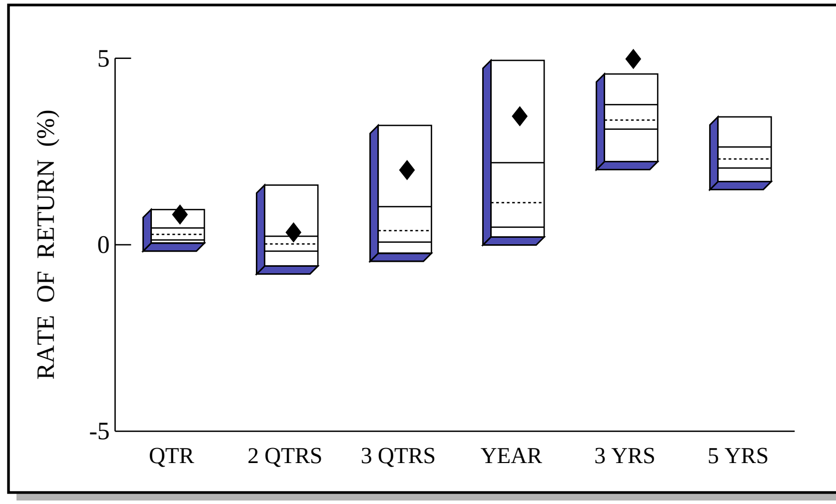

ACTUAL RETURN
7.25%
0.0%

VALUE ASSUMING
7.25% RETURN $ 24,485,292

| | LAST QUARTER | PERIOD 12/17 - 6/21 |
|---|---|---|
| BEGINNING VALUE | $ 21,844,521 | $ 14,491,997 |
| NET CONTRIBUTIONS | 0 | 4,637,381 |
| INVESTMENT RETURN | 165,652 | 2,880,794 |
| ENDING VALUE | $ 22,010,173 | $ 22,010,173 |
| INCOME | 127,244 | 252,912 |
| CAPITAL GAINS (LOSSES) | 38,408 | 2,627,882 |
| INVESTMENT RETURN | 165,652 | 2,880,794 |

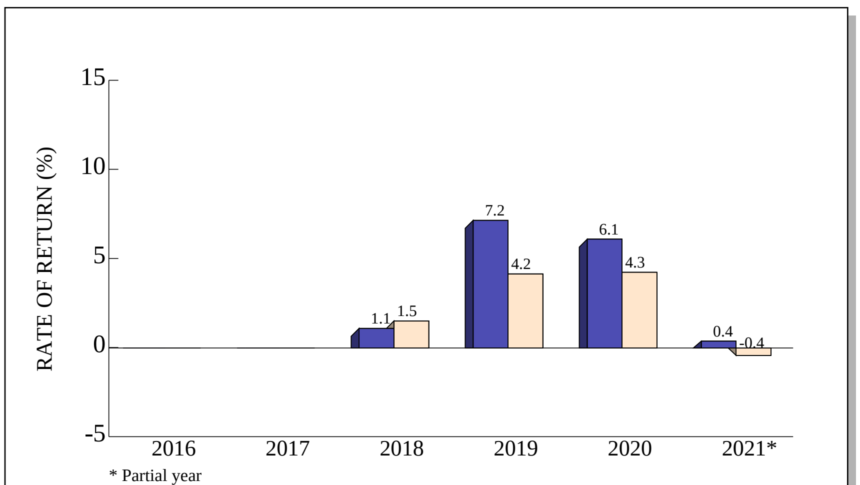
# TOTAL RETURN COMPARISONS




Short-Term Fixed Universe

PORTFOLIO
ML/BOA 1-5 TREA



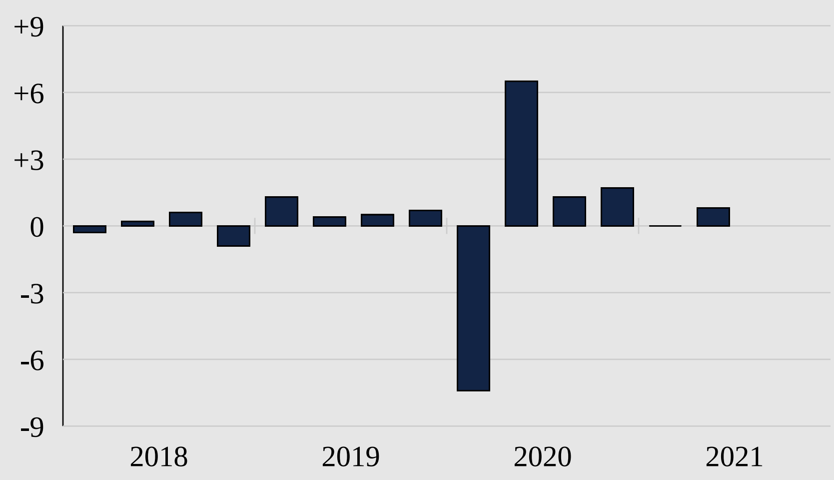

| | QTR | 2 QTRS | 3 QTRS | YEAR | ------ANNUALIZED------<br>3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| RETURN | 0.9 | 0.4 | 2.0 | 3.5 | 5.0 | ---- |
| (RANK) | ( 8) | (20) | (11) | (12) | ( 2) | ---- |
| 5TH %ILE | 0.9 | 1.6 | 3.2 | 4.9 | 4.6 | 3.4 |
| 25TH %ILE | 0.5 | 0.2 | 1.0 | 2.2 | 3.8 | 2.6 |
| MEDIAN | 0.3 | 0.0 | 0.4 | 1.1 | 3.3 | 2.3 |
| 75TH %ILE | 0.1 | -0.2 | 0.1 | 0.5 | 3.1 | 2.1 |
| 95TH %ILE | 0.0 | -0.6 | -0.2 | 0.2 | 2.2 | 1.7 |
| ***ML/BoA 1-5*** | ***0.1*** | ***-0.4*** | ***-0.4*** | ***-0.3*** | ***3.2*** | ***1.8*** |

Short-Term Fixed Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: ML/BOA 1-5 YEAR TREASURY

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **14** |
| **Quarters At or Above the Benchmark** | **11** |
| **Quarters Below the Benchmark** | **3** |
| **Batting Average** | **.786** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 3/18 | -0.7 | -0.4 | -0.3 |
| 6/18 | 0.3 | 0.1 | 0.2 |
| 9/18 | 0.7 | 0.1 | 0.6 |
| 12/18 | 0.8 | 1.7 | -0.9 |
| 3/19 | 2.5 | 1.2 | 1.3 |
| 6/19 | 2.2 | 1.8 | 0.4 |
| 9/19 | 1.2 | 0.7 | 0.5 |
| 12/19 | 1.0 | 0.3 | 0.7 |
| 3/20 | -3.6 | 3.8 | -7.4 |
| 6/20 | 6.8 | 0.3 | 6.5 |
| 9/20 | 1.4 | 0.1 | 1.3 |
| 12/20 | 1.7 | 0.0 | 1.7 |
| 3/21 | -0.5 | -0.5 | 0.0 |
| 6/21 | 0.9 | 0.1 | 0.8 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
PRUDENTIAL - PGIM SHORT DURATION HIGH YIELD INCOME
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Prudential PGIM Short Duration High Yield Income portfolio was valued at $26,236,741, representing an increase of $499,439 from the March quarter's ending value of $25,737,302. Last quarter, the Fund posted no net contributions or withdrawals, while posting $499,439 in net investment returns. Income receipts totaling $327,939 plus net realized and unrealized capital gains of $171,500 combined to produce the portfolio's net investment return figure.

## RELATIVE PERFORMANCE

### Total Fund

For the second quarter, the Prudential PGIM Short Duration High Yield Income portfolio returned 2.1%, which was 0.6% below the Bloomberg Barclays Capital High Yield's return of 2.7% and ranked in the 82nd percentile of the High Yield Fixed Income universe. Over the trailing year, this portfolio returned 13.7%, which was 1.7% less than the benchmark's 15.4% return, ranking in the 63rd percentile.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 2.1 | 4.7 | 13.7 | ---- | ---- |
| *HIGH YIELD FIXED RANK* | (82) | (16) | (63) | ---- | ---- |
| **Total Portfolio - Net** | 1.9 | 4.3 | 12.9 | ---- | ---- |
| High Yield Index | 2.7 | 3.6 | 15.4 | 7.4 | 7.5 |
| **Fixed Income - Gross** | 2.1 | 4.7 | 13.7 | ---- | ---- |
| *HIGH YIELD FIXED RANK* | (82) | (16) | (63) | ---- | ---- |
| High Yield Index | 2.7 | 3.6 | 15.4 | 7.4 | 7.5 |

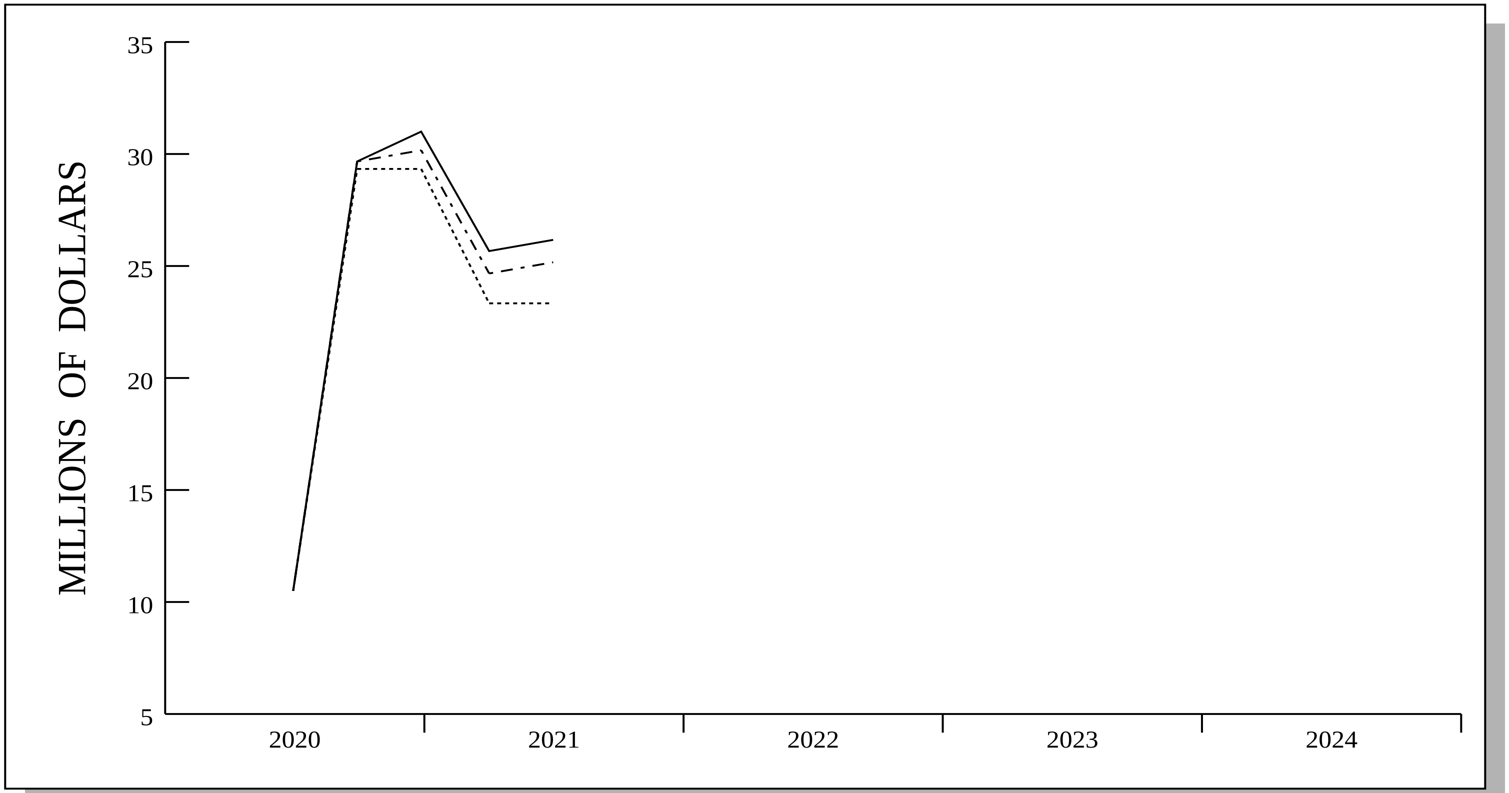
## ASSET ALLOCATION

| | | |
|---|---|---|
| Fixed Income | 100.0% | $ 26,236,741 |
| Total Portfolio | 100.0% | $ 26,236,741 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 25,737,302 |
| Contribs / Withdrawals | 0 |
| Income | 327,939 |
| Capital Gains / Losses | 171,500 |
| Market Value 6/2021 | $ 26,236,741 |

# INVESTMENT GROWTH

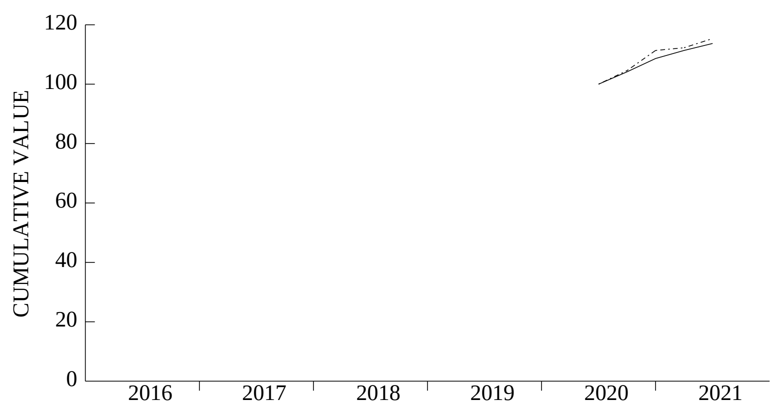


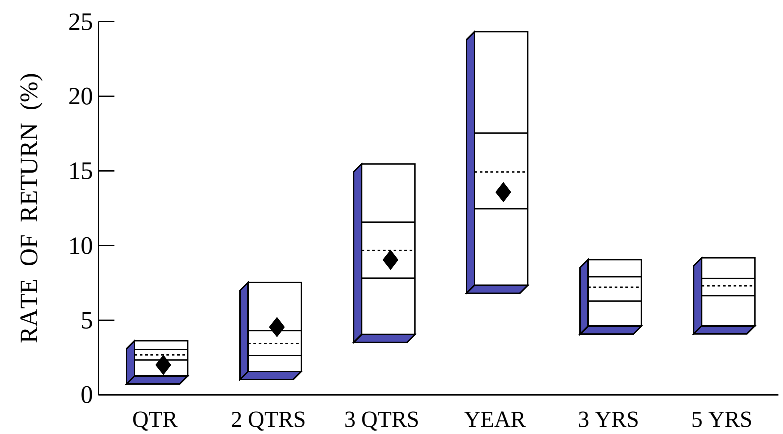

ACTUAL RETURN
7.25%
0.0%

VALUE ASSUMING
7.25% RETURN $ 25,255,434

| | LAST QUARTER | ONE YEAR |
|---|---|---|
| BEGINNING VALUE | $ 25,737,302 | $ 10,522,557 |
| NET CONTRIBUTIONS | 0 | 12,900,000 |
| INVESTMENT RETURN | 499,439 | 2,814,184 |
| ENDING VALUE | $ 26,236,741 | $ 26,236,741 |
| INCOME | 327,939 | 734,002 |
| CAPITAL GAINS (LOSSES) | 171,500 | 2,080,182 |
| INVESTMENT RETURN | 499,439 | 2,814,184 |

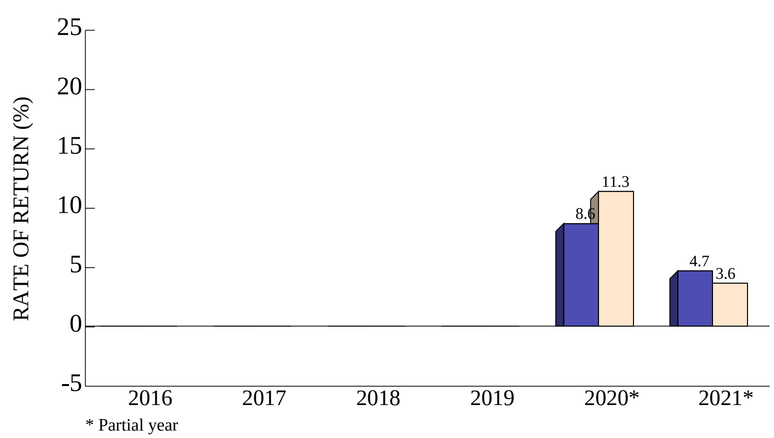
# TOTAL RETURN COMPARISONS




High Yield Fixed Universe

| | | |
|---|---|---|
| ■ | ——— | PORTFOLIO |
| □ | -·-·- | HIGH YIELD INDEX |



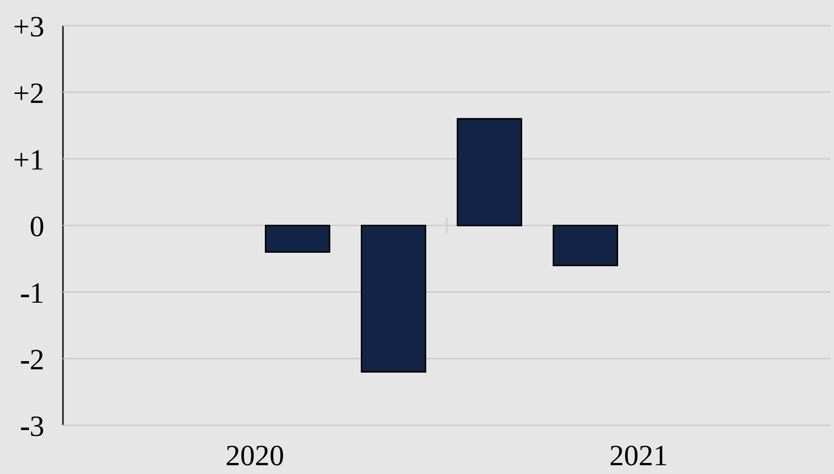

| | QTR | 2 QTRS | 3 QTRS | YEAR | ------ANNUALIZED------ 3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| RETURN | 2.1 | 4.7 | 9.2 | 13.7 | ---- | ---- |
| (RANK) | (82) | (16) | (59) | (63) | ---- | ---- |
| 5TH %ILE | 3.6 | 7.5 | 15.5 | 24.3 | 9.1 | 9.2 |
| 25TH %ILE | 3.0 | 4.3 | 11.6 | 17.5 | 7.9 | 7.8 |
| MEDIAN | 2.7 | 3.4 | 9.7 | 14.9 | 7.2 | 7.3 |
| 75TH %ILE | 2.3 | 2.6 | 7.8 | 12.5 | 6.3 | 6.6 |
| 95TH %ILE | 1.3 | 1.6 | 4.1 | 7.3 | 4.6 | 4.6 |
| ***High Yield*** | ***2.7*** | ***3.6*** | ***10.3*** | ***15.4*** | ***7.4*** | ***7.5*** |

High Yield Fixed Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS CAPITAL HIGH YIELD

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **4** |
| **Quarters At or Above the Benchmark** | **1** |
| **Quarters Below the Benchmark** | **3** |
| **Batting Average** | **.250** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 9/20 | 4.2 | 4.6 | -0.4 |
| 12/20 | 4.3 | 6.5 | -2.2 |
| 3/21 | 2.5 | 0.9 | 1.6 |
| 6/21 | 2.1 | 2.7 | -0.6 |

CHESTER COUNTY EMPLOYEES RETIREMENT SYSTEM
PRUDENTIAL - PGIM HIGH YIELD
PERFORMANCE REVIEW
JUNE 2021

DAHAB Associates, Inc.

## INVESTMENT RETURN

On June 30th, 2021, the Chester County Employees Retirement System's Prudential PGIM High Yield portfolio was valued at $12,378,295, representing an increase of $347,118 from the March quarter's ending value of $12,031,177. Last quarter, the Fund posted no net contributions or withdrawals, while posting $347,118 in net investment returns. Income receipts totaling $177,016 plus net realized and unrealized capital gains of $170,102 combined to produce the portfolio's net investment return figure.

## RELATIVE PERFORMANCE

### Total Fund

For the second quarter, the Prudential PGIM High Yield portfolio gained 3.0%, which was 0.3% above the Bloomberg Barclays Capital High Yield's return of 2.7% and ranked in the 29th percentile of the High Yield Fixed Income universe. Over the trailing year, this portfolio returned 17.3%, which was 1.9% greater than the benchmark's 15.4% performance, and ranked in the 29th percentile.

# EXECUTIVE SUMMARY

## PERFORMANCE SUMMARY

| | Quarter | YTD | 1 Year | 3 Year | 5 Year |
|---|---|---|---|---|---|
| **Total Portfolio - Gross** | 3.0 | 4.6 | 17.3 | ---- | ---- |
| *HIGH YIELD FIXED RANK* | (29) | (19) | (29) | ---- | ---- |
| **Total Portfolio - Net** | 2.9 | 4.4 | 16.9 | ---- | ---- |
| High Yield Index | 2.7 | 3.6 | 15.4 | 7.4 | 7.5 |
| **Fixed Income - Gross** | 3.0 | 4.6 | 17.3 | ---- | ---- |
| *HIGH YIELD FIXED RANK* | (29) | (19) | (29) | ---- | ---- |
| High Yield Index | 2.7 | 3.6 | 15.4 | 7.4 | 7.5 |

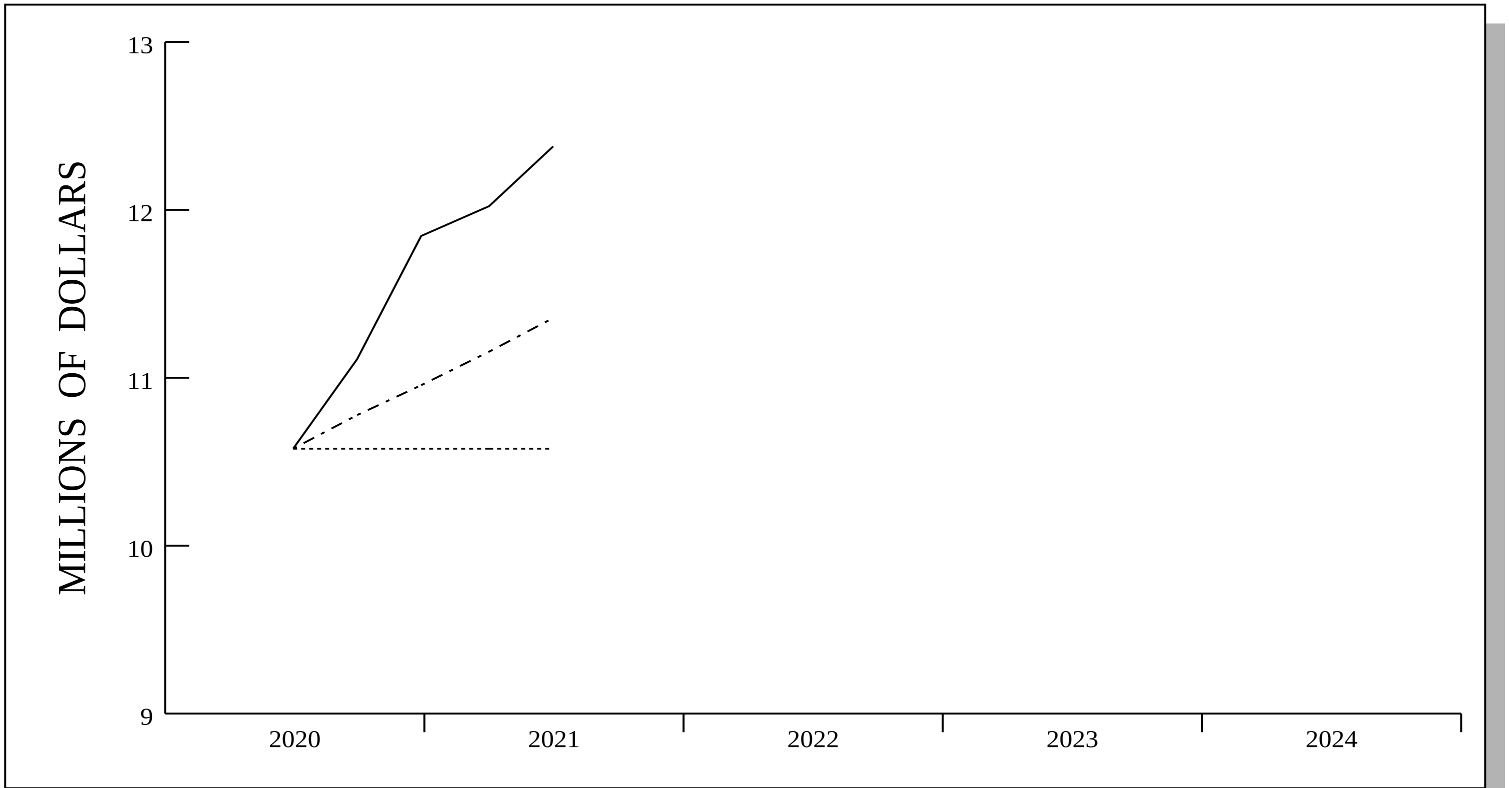
## ASSET ALLOCATION

| | | |
|---|---|---|
| Fixed Income | 100.0% | $ 12,378,295 |
| Total Portfolio | 100.0% | $ 12,378,295 |

## INVESTMENT RETURN

| | |
|---|---|
| Market Value 3/2021 | $ 12,031,177 |
| Contribs / Withdrawals | 0 |
| Income | 177,016 |
| Capital Gains / Losses | 170,102 |
| Market Value 6/2021 | $ 12,378,295 |

## INVESTMENT GROWTH

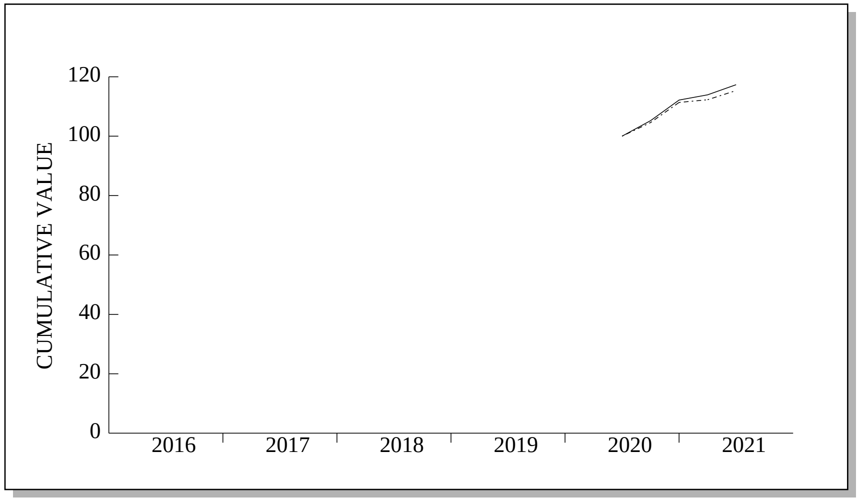


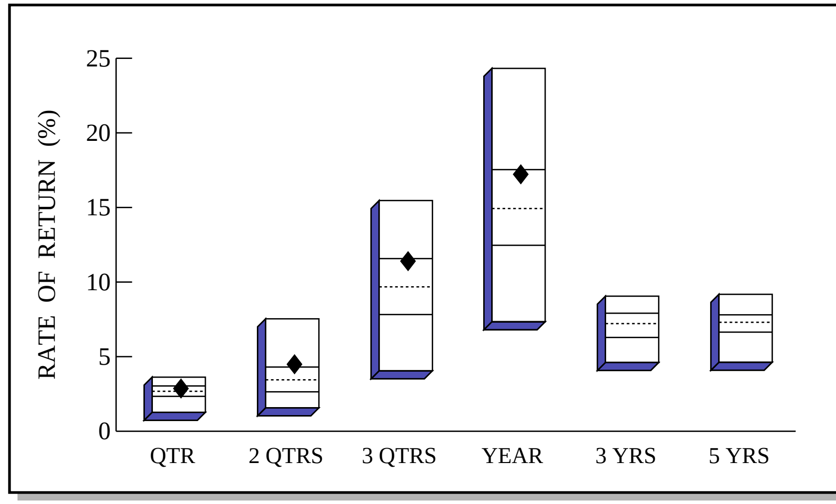

ACTUAL RETURN
7.25%
0.0%

VALUE ASSUMING
7.25% RETURN $ 11,359,676

| | LAST QUARTER | ONE YEAR |
|---|---|---|
| BEGINNING VALUE | $ 12,031,177 | $ 10,591,772 |
| NET CONTRIBUTIONS | 0 | 0 |
| INVESTMENT RETURN | 347,118 | 1,786,523 |
| ENDING VALUE | $ 12,378,295 | $ 12,378,295 |
| INCOME | 177,016 | 289,358 |
| CAPITAL GAINS (LOSSES) | 170,102 | 1,497,165 |
| INVESTMENT RETURN | 347,118 | 1,786,523 |

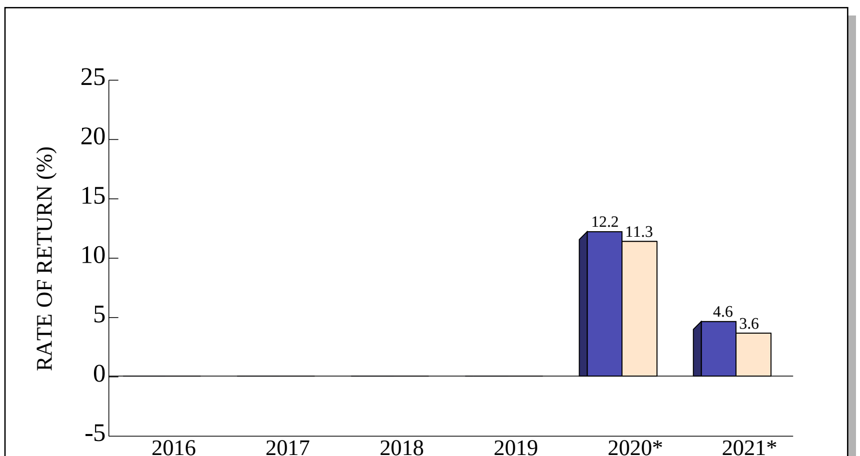
# TOTAL RETURN COMPARISONS




High Yield Fixed Universe

PORTFOLIO
HIGH YIELD INDEX




* Partial year

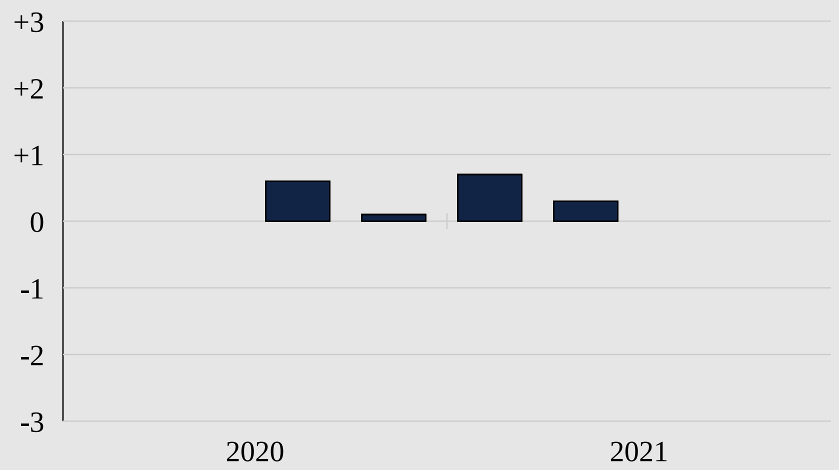
| | QTR | 2 QTRS | 3 QTRS | YEAR | ------ANNUALIZED------ 3 YRS | 5 YRS |
|---|---|---|---|---|---|---|
| RETURN | 3.0 | 4.6 | 11.5 | 17.3 | ---- | ---- |
| (RANK) | (29) | (19) | (26) | (29) | ---- | ---- |
| 5TH %ILE | 3.6 | 7.5 | 15.5 | 24.3 | 9.1 | 9.2 |
| 25TH %ILE | 3.0 | 4.3 | 11.6 | 17.5 | 7.9 | 7.8 |
| MEDIAN | 2.7 | 3.4 | 9.7 | 14.9 | 7.2 | 7.3 |
| 75TH %ILE | 2.3 | 2.6 | 7.8 | 12.5 | 6.3 | 6.6 |
| 95TH %ILE | 1.3 | 1.6 | 4.1 | 7.3 | 4.6 | 4.6 |
| ***High Yield*** | ***2.7*** | ***3.6*** | ***10.3*** | ***15.4*** | ***7.4*** | ***7.5*** |

High Yield Fixed Universe

# TOTAL PORTFOLIO QUARTERLY PERFORMANCE SUMMARY

## COMPARATIVE BENCHMARK: BLOOMBERG BARCLAYS CAPITAL HIGH YIELD

### VARIATION FROM BENCHMARK




| | |
|---|---|
| **Total Quarters Observed** | **4** |
| **Quarters At or Above the Benchmark** | **4** |
| **Quarters Below the Benchmark** | **0** |
| **Batting Average** | **1.000** |

### RATES OF RETURN

| Date | Portfolio | Benchmark | Difference |
|---|---|---|---|
| 9/20 | 5.2 | 4.6 | 0.6 |
| 12/20 | 6.6 | 6.5 | 0.1 |
| 3/21 | 1.6 | 0.9 | 0.7 |
| 6/21 | 3.0 | 2.7 | 0.3 |

# CHESTER COUNTY RETIREMENT BOARD
# RETIREMENT PLAN INVESTMENT POLICY STATEMENT

*SEPTEMBER 2021*

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# I. STATEMENT OF INVESTMENT POLICY

This Investment Policy Statement ("Statement") presents monitoring and review procedures relating to the assets of the Chester County Retirement Plan ("Plan"). The Statement's purpose is to:

1. Present appropriate goals and objectives relating to investment management of Plan assets, facilitating control of investment risk and providing reasonably predictable long-term investment returns, all while acting solely in the interest of Plan participants and beneficiaries.
2. Recognize and/or specify diversification and liquidity requirements and identify any legal constraints affecting investment management of Plan assets.
3. Promote communication between Chester County Retirement Board Members/Trustees and Staff and any person(s) appointed, employed, designated or in any way called upon by the Board/Trustees to serve the Plan and its participants and/or beneficiaries.

This statement also maintains the requirements governing the conduct of Chester County officers serving as members of the Chester County Retirement Board under Act 96, The County Pension Law, as amended, and/or as Board/Trustees of the Chester County Retirement Fund under the terms, conditions, limitations and restrictions imposed by 20 Pa. C.S. Ch.73 upon fiduciaries.

# II. FIDUCIARY PARTIES

## RESPONSIBILITIES OF THE RETIREMENT BOARD/TRUSTEES AND STAFF

The Trustees are charged by the County Pension Law with overall responsibility for investment of the assets of the Fund. To assist Trustees in this function, they are authorized by said Act 96 to appoint a Deposit Administrator or Administrator(s), including for this purpose banks, insurance companies, and firms registered under the Investment Advisors Act of 1940 or Pennsylvania State Law, to manage (including the power to acquire and dispose of) Plan assets. Any appointed Deposit Administrator must agree to conduct itself in accord with 20 Pa. C.S. Ch. 73 (relating to fiduciaries' investments).

The Trustees must also develop prudent management allocations that will guide the investment program, which will include a description of the overall fund structure in accordance with a risk level they ascertain to be appropriate. The responsibility in meeting the Plan's liquidity needs also rests with the Trustees. Policies and guidelines are inclusive of, but not restricted to:

1. Establishment of investment review procedures
2. Establishment of standards for monitoring and evaluating absolute and relative investment performance
3. Establishment of procedures to assure that investment policies and guidelines are reviewed on a regular basis and conformed to at all times. At least annually the Trustees shall review this Statement fully and communicate all changes to any person(s) affected by them. All

modifications of policies and/or guidelines shall be in writing, signed by all Board/Trustees, and delivered to any persons affected by such changes.

### Responsibilities of the Deposit Administrator(s)

The management of the Plan assets and the responsibilities for investment decisions are delegated to any appointed Deposit Administrator(s). Each Deposit Administrator appointed to execute the Plan's Investment Policy shall invest Plan assets in accordance with the Policy, but apply its own judgment concerning relative investment values. Each is accorded full discretion, within general and specific policy guideline limits, restrictions, and individual addendums, to select and time individual purchase and sale transactions and to diversify assets appropriately. Each Deposit Administrator shall act solely in the interest of Plan participants and beneficiaries. While any Deposit Administrator(s) shall have complete discretion within the clear limits established by this Statement and their individual addendums, they will also adhere to Pennsylvania laws as now apply, or may apply in the future.

### Responsibilities of the Investment Consultant

The Plan shall hire an investment consultant for the purpose of providing advice, portfolio monitoring, performance reporting, asset allocation recommendations, reviews of the Investment Policy Statement (IPS), and investment education. The investment consultant will be a fiduciary to the Plan and will act in the interest of the Plan participants and beneficiaries. The investment consultant will be financially independent from any other service provider retained by the Plan. The investment consultant will not have discretion or instruction authority over investments made by the plan.

## III. Investment Objectives

The minimum investment objective of the Plan is to preserve the assets of the Plan without undue volatility while achieving a rate of return equal to the actuarial rate of return (currently 7.25%) on a long-term basis.

Deposit Administrators are expected to meet or exceed the appropriate benchmark established for that administrator that is included in their addendum.

All investment performance data submitted to the Chester County Retirement Board or its designees directly or indirectly by or on behalf of any Deposit Administrator shall be submitted in conformity with the Performance Presentation Standards as amended and/or Global Investment Performance Standards promulgated by the CFA Institute.

## IV. Investment Policy

All assets of the Plan shall be allocated to and invested in one of the following basic forms of investments as listed in the table:

| Target Allocation of Plan Assets – measured at market value | | |
|---|---|---|
| *Asset Class* | *Target Allocation* | *Range* |
| Large Cap Equity | 20% | 15-25% |
| Mid Cap Equity | 15% | 10-20% |
| Small Cap Equity | 10% | 5-15% |
| Developed Int'l Equity | 15% | 10-20% |
| Emerging Markets Equity | 5% | 0-10% |
| Private Equity | 5% | 0-10% |
| Real Estate | 10% | 5-15% |
| Core Fixed Income | 20% | 15-25% |
| Cash | 0% | 0-10% |

The Board/Trustees shall review market value asset allocation for each asset class on a periodic basis, and when necessary provide the appointed Fund Custodian(s) instructions to return the Total Fund to appropriate asset allocation levels.

The Board/Trustees may appoint a Deposit Administrator or Administrators to invest in one or more of these asset classes. Under extenuating circumstances, they may invest up to 100% of the assets of the Plan under its management in marketable fixed income cash equivalents as the Deposit Administrator determines, consistent with market conditions and fiduciary standards, if they perceive protracted adverse performance for the financial markets.

Performance of Deposit Administrators will be compared with the appropriate market index depending upon asset category, and with the returns of other managed funds with similar policies. Performance will be reviewed on a regular basis, and will be based on total return—i.e., to include both realized and unrealized capital gains and losses, and after deduction of all fees. While performance of Deposit Administrators will be reviewed on a regular, short-term basis, specific quantitative evaluation will normally be considered of more importance over a longer period of time, such as a three to five year investment horizon. The continuing compliance of all investment portfolios with this Investment Policy Statement is the specific responsibility of the Deposit Administrator(s) and to be reported to both the Board/Trustees and investment consultant.

## Asset Allocation Amendment Policy

From time to time, the above Target Allocation of Plan Assets table may be amended by the Board/Trustees to reflect strategic changes to the overall Plan's allocation. At such times, it will be understood that such changes may take a prudent length of time for an appropriate transition, and that existing positions may be maintained as the new allocation is gradually implemented. Nothing in this document shall be construed to require such changes be implemented immediately upon adoption of an amended allocation, though the Board/Trustees may so require on a case-by-case basis, at their discretion.

### COMMUNICATION AND REPORTING OF DEPOSIT ADMINISTRATORS

The Deposit Administrator is responsible for frequent and open communication with the Board/Trustees on all significant matters pertaining to the Investment Policy and the management of the Plan's assets, including but not limited to the reporting of:

1. Significant changes in the Deposit Administrator's investment outlook, strategy and portfolio structure.
2. Any significant changes in ownership, organizational structure, financial condition, or senior personnel staffing.
3. Quarterly transactions, valuation, and performance reports.
4. Annually, a listing of commissions generated and brokers used.
5. Material administrative, procedural, or other matters.

## V. INVESTMENT GUIDELINES

Investment Guidelines describe for the Deposit Administrator(s) and for the information of the Fund Custodian(s) a wide range of permissible investment activities and choices while also delineating, specifically or by broader proscription, those which are not permissible.

### DOMESTIC EQUITY INVESTMENT GUIDELINES

The Deposit Administrator(s) shall conform to the Domestic Equity Investment Guidelines set forth below. Any departure from these Guidelines must be submitted in writing to the Board/Trustees for prior approval and will then be included in the Deposit Administrator(s) investment addendum.

The goal of the Plan is for the total annualized investment return from total domestic equity investments of the Fund to exceed the total annualized return of the Russell 3000 stock index for cumulative periods of three years or more, net of fees and expenses.

The following guidelines apply only to Deposit Administrators using active strategies custodied in separate accounts. Assets that are managed with passive strategies and/or assets custodied in commingled funds or mutual funds are exempt from the following guidelines.

#### *SPECIFIC GUIDELINES, DOMESTIC EQUITY*

1. Domestic equity issues shall mean common stocks, American Depository Receipts, preferred stocks and convertible securities (so long as the underlying equity security satisfies all requirements).
2. Investment in common and preferred stocks shall be limited to securities of corporations listed on the New York Stock Exchange, American Stock Exchange, and those over-the-counter securities of sufficient liquidity to be readily marketable.  Preferred stocks shall have a minimum rating of "BBB".

3. Each Deposit Administrator shall select equity investments in conformity with criteria normally applied in its decision-making process.
4. No Deposit Administrator shall invest on a market value basis more than five (5) percent of the equity portion of any portfolio in the equity security(ies) of a single corporation, or group of directly affiliated corporations, or the equity's weighting in the Deposit Administrator's benchmark plus 2%, whichever is greater. Prudent diversification standards also should be developed and maintained by the Deposit Administrator(s).
5. No Deposit Administrator may make an investment equaling or exceeding five (5) percent ownership of the outstanding equity security(ies) of a single corporation, or group of directly affiliated corporations, without the written consent of the Board/Trustees.
6. The goal for each Deposit Administrator shall be for investment returns to exceed their stated benchmark for cumulative periods of three years or more, net of fees and expenses.
7. Leverage and/or derivatives are prohibited from any domestic equity portfolios.
8. Individual active equity managers will be assigned indices or other types of benchmarks deemed suitable for them and agreed upon with the Board/Trustees and detailed in their investment addendum.

## Developed International Equity Investment Guidelines

Developed markets equity investment products must conform to one of the following custodial structures:

- Commingled Funds
- Mutual Funds
- Separate Accounts comprised solely of United States-traded securities

The goal of the Plan is for the total annualized investment return from total developed international equity investments of the Fund to exceed the total annualized return of the MSCI EAFE stock index for cumulative periods of three years or more, net of fees and expenses.

The following guidelines apply only to Deposit Administrators using active strategies custodied in separate accounts. Assets that are managed with passive strategies and/or assets custodied in commingled funds or mutual funds are exempt from the following guidelines.

### *Specific Guidelines, International Equity*

1. Eligible securities shall include American Depository Receipts, ETFs, preferred stocks and convertible securities (so long as the underlying equity security satisfies all requirements), all of which must trade on United States exchanges and are custodied within the United States. An exception shall be Nestlé ADRs, which may be purchased over-the-counter.

2. No securities shall be purchased which are traded/custodied in foreign countries.
3. Investment in common and preferred stocks shall be limited to marketable securities of corporations listed on the respective company's home country primary exchange. Preferred stocks shall have a minimum rating of "BBB".
4. Each Deposit Administrator shall select equity investments in conformity with criteria normally applied in its decision-making process.
5. No Deposit Administrator shall invest on a market value basis more than three (3) percent of the equity portion of any portfolio in the equity security(ies) of a single corporation, or group of directly affiliated corporations, or the equity's weighting in the Deposit Administrator's benchmark plus 2%, whichever is greater. Prudent diversification standards should be developed and maintained by the Deposit Administrator(s).
6. The goal for each Deposit Administrator shall be for investment returns to exceed their stated benchmark for cumulative periods of three years or more, net of fees and expenses.
7. No Deposit Administrator may make an investment equaling or exceeding five (5) percent ownership of the outstanding equity security(ies) of a single corporation, or group of directly affiliated corporations, without the written consent of the Board/Trustees.
8. Because an active currency hedging strategy may reduce risk of loss and/or enhance international equity manager investment performance, hedging to protect against currency impact upon a security position may be in the best interest of the Plan. Nevertheless, the purchase of speculative or "naked" currency contracts (i.e., "currency trading" or related risk taking), undertaken without a demonstrable exposed investment position to be hedged in a specific currency, is prohibited.
9. Developed international equity separate accounts are limited to 15% exposure in emerging markets equity, or the EAFE exposure, whichever is greater.

## Emerging Markets Equity Investment Guidelines

Emerging markets equity investment products must conform to one of the following custodial structures:

- Commingled Funds
- Mutual Funds
- Separate Accounts comprised solely of United States-traded securities

The goal of the Plan is for the total annualized investment return from total emerging markets equity investments of the Fund to exceed the total annualized return of the MSCI EM stock index for cumulative periods of three years or more, net of fees and expenses.

The following guidelines apply only to Deposit Administrators using active strategies custodied in separate accounts. Assets that are managed with passive strategies and/or assets custodied in commingled funds or mutual funds are exempt from the following guidelines.

### *Specific Guidelines, Emerging Markets Equity*

1. Eligible securities shall include American Depository Receipts, ETFs, preferred stocks and convertible securities (so long as the underlying equity security satisfies all requirements), all of which must trade on United States exchanges and are custodied within the United States.
2. No securities shall be purchased which are traded/custodied in foreign countries.
3. Investment in common and preferred stocks shall be limited to marketable securities of corporations listed on the respective company's home country primary exchange. Preferred stocks shall have a minimum rating of "BBB".
4. Each Deposit Administrator shall select equity investments in conformity with criteria normally applied in its decision-making process.
5. No Deposit Administrator shall invest on a market value basis more than three (3) percent of the equity portion of any portfolio in the equity security(ies) of a single corporation, or group of directly affiliated corporations, or the equity's weighting in the Deposit Administrator's benchmark plus 2%, whichever is greater. Prudent diversification standards should be developed and maintained by the Deposit Administrator(s).
6. The goal for each Deposit Administrator shall be for investment returns to exceed their stated benchmark for cumulative periods of three years or more, net of fees and expenses.
7. No Deposit Administrator may make an investment equaling or exceeding five (5) percent ownership of the outstanding equity security(ies) of a single corporation, or group of directly affiliated corporations, without the written consent of the Board/Trustees.
8. Because an active currency hedging strategy may reduce risk of loss and/or enhance international equity manager investment performance, hedging to protect against currency impact upon a security position may be in the best interest of the Plan. Nevertheless, the purchase of speculative or "naked" currency contracts (i.e., "currency trading" or related risk taking), undertaken without a demonstrable exposed investment position to be hedged in a specific currency, is prohibited.

## Domestic Fixed Income Investment Guidelines

The Deposit Administrator(s) shall conform to the Domestic Fixed Income Investment Guidelines set forth below. Any departure from these Guidelines must be submitted in writing to the Board/Trustees for prior approval and will then be included in the Deposit Administrator(s) investment addendum.

The goal of the Plan is for the total annualized investment return from total domestic fixed income investments to exceed the total annualized return of a 50/50 combination of the Bloomberg Barclays US

Aggregate and Bloomberg Barclays Intermediate Gov Credit for cumulative periods of three years or more, net of fees and expenses.

The following guidelines apply only to Deposit Administrators using active strategies custodied in separate accounts. Assets that are managed with passive strategies and/or assets custodied in commingled funds or mutual funds are exempt from the following guidelines.

### *Specific Guidelines, Domestic Fixed Income*

1. Except for Treasury and Agency issues of the United States Government, no more than five (5) percent of the fixed income market value of an individual portfolio can be invested in marketable debt securities of U.S. corporations (includes private placement Rule 144A securities). Prudent diversification standards should be developed and maintained by the Deposit Administrator.
2. Ratings of below investment grade are prohibited; an issue which is split rated will be governed by the lower quality designation. Issues falling below these minimum quality ratings are to be eliminated on a timely basis at the discretion of the Deposit Administrator(s). These ratings shall be established by a recognized rating service (i.e., Moody's, S&P, Fitch) and reinforced by independent in-house analysis.
3. The average rating shall be "A" or better. The duration of the fixed income portfolio shall be within 80% to 120% of the assigned benchmark duration.
4. The goal for each Deposit Administrator shall be for investment returns to exceed their stated benchmark for cumulative periods of three years or more, net of fees and expenses.
5. At no time shall margin or other leveraged transactions, short sales, forward or futures trading, or any form of portfolio hedging be employed in the management of domestic fixed income investments. TBA issuances may only be purchased with the intent to take delivery and must be fully collateralized.

## Alternative Investments

Alternative investments, or nontraditional asset classes, shall be defined as: (1) those asset classes that statistically exhibit lower standard deviations as compared to the traditional investment asset classes of equity and fixed income securities and/or low correlations to the traditional investment asset classes of equity and fixed income securities; or (2) investment strategies that exhibit higher standard deviations as compared to the traditional investment asset classes of equity and fixed income securities but also are in turn structured to deliver a higher return (net of fees) while still providing portfolio diversification benefits. It is the intent that including alternative investments in a diversified portfolio of equity and fixed income securities, when viewed from a tradeoff of risk and return, will enhance the portfolio's risk/return characteristics. Examples of alternative asset classes include: (1) within fixed income - unconstrained/opportunistic commingled and/or mutual funds; (2) real estate (such as apartments, industrial, office and retail); (3) hedge fund of funds; (4) natural resources (such as timberland, farmland and oil & gas); and (5) infrastructure. Also includes private markets, both equity and credit (fixed income).

### *Private Equity*

Private equity investments are generally investments in buyout, venture capital, secondaries, and special situations funds, and may include co-investment (i.e., direct investments). These markets are illiquid and somewhat inefficient, in turn providing the potential for additional return to the investor. Return expectations over the long term and calculated on an internal rate of return basis should be in the neighborhood of 300 to 400 basis points in excess of the public markets.

### *Private Credit*

Private credit (a fixed income investment) is typically an investment in loans to companies, individuals and companies for a variety of transactions. Again, these markets are also illiquid and somewhat inefficient, in turn providing the potential for additional return over public markets to the investor.

### *Real Estate*

Real estate investment is authorized through commingled funds real estate property ownership. The System will invest in either core, core-plus, or value-add real estate funds. Such funds can either open-ended or closed-ended in duration. This section does not authorize the System to directly own any real estate holdings or to utilize a separate account investment vehicle in the space. The benchmark for real estate investments is the NCREIC ODCE index.

Because of the illiquid nature of private markets, investment in any one private fund is limited to 5% of total Retirement Plan assets at the time of funding.

## Domestic Cash Equivalents

The Plan and Deposit Administrator(s) shall conform to the Domestic Cash Equivalent Guidelines set forth below. Any departure from these Guidelines must be submitted in writing to the Board/Trustees for prior approval, and will then be included in the Deposit Administrator(s) investment addendum.

The following guidelines apply only to Deposit Administrators using active strategies custodied in separate accounts. Assets that are managed with passive strategies and/or assets custodied in commingled funds or mutual funds are exempt from the following guidelines.

### *Specific Guidelines, Domestic Cash Equivalents*

1. Cash Equivalents shall mean commercial paper, bankers' acceptances, certificates of deposit, savings accounts, and short-term investment or money market funds of institutional quality.

2. Commercial paper must be only of the highest quality (A-1 or P-1, as established by Moody's and Standard & Poor's). Bankers' acceptances, certificates of deposit, and savings accounts must be made of United States banks or financial institutions which are federally insured.
3. At no time shall margin or other leveraged transactions, short sales, forward or futures trading, or any form of portfolio hedging be employed in the management of domestic cash equivalent investments.

# VI. General

## Uninvested Assets

Assets of the Plan held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. From time to time, the yield environment is such that cash equivalent accounts are generally not paying interest on a net basis. In such an environment, such accounts shall nonetheless be considered in compliance.

## Compliance

If any of the parameters described in this Statement are violated as a result of market movements, changes in credit rankings or other events outside the Deposit Administrator(s)'s control, the Deposit Administrator(s) shall inform the Board/Trustees of such violation as soon as reasonably practicable, and of the Deposit Administrator(s)'s recommendation to hold or sell the affected securities. If the Deposit Administrator(s)'s recommendation is to sell the securities, the Deposit Administrator(s) shall do so within a reasonable period of time, subject to market conditions. If the Deposit Administrator(s) recommendation is to hold the securities, the Deposit Administrator(s) may unless otherwise instructed by the Board/Trustee in writing.

## Investment Transactions

The following directions apply:

1. All transactions are to be governed by negotiation to achieve "best execution" (best price net of commissions). The lowest commission rate need not mean "best execution".
2. Firms which offer research services may be given preference as long as the principle of "best realized price" and the Deposit Administrator's option to "pay up" for research are compatible.

## Proxies

Proxies must be intelligently voted in a manner that best serves the interest of the participants and beneficiaries of the Plan. Where the Board/Trustees have retained a Deposit Administrator(s), the Board/Trustees will delegate to the Deposit Administrator(s) the authority to vote the proxies. If the

Board/Trustees do not delegate the voting authority for proxies to the Deposit Administrator(s), they shall delegate it to qualified third parties. The Board/Trustees delegate this authority subject to the understanding that the Deposit Administrator(s) and qualified third parties in voting the proxies will consider only those factors that may affect the value of the Plan's investment and not subordinate the interests of the participants and beneficiaries to unrelated objectives. The Board/Trustees will, in addition to monitoring the Deposit Administrator(s) and qualified third parties with respect to the management of plan assets, monitor the decisions made and actions taken with regard to proxy voting decisions. The Board/Trustees will require the Deposit Administrator(s) and qualified third parties to maintain accurate records as to proxy voting and report annually to the Board/Trustees a summary of all proxy voting decisions made by the Deposit Administrator on behalf of the Plan. Deposit Administrator(s) and qualified third parties are prohibited from abstaining in voting proxies. Deposit Administrator(s) and qualified third parties are expected to be aware of corporate provisions that may adversely affect stockholdings, including but not limited to "golden parachutes," "super majorities," "poison pills," "fair price" provisions, staggered boards of directors, and other tactics. Proxies should be vigorously voted with the interest of preserving or enhancing the security's value.

The Deposit Administrator(s) of a pooled investment fund that holds the assets of the Plan along with assets of other plans with conflicting proxy voting policies must reconcile the conflicting policies to the extent possible, and, if necessary, to the extent legally permissible, vote the proxies to reflect the policies in proportion to each plan's interest in the pooled fund.

## Investment Policy Restrictions

Except as permitted in this statement under Alternative Investments the following categories of securities are <u>not</u> permissible for investment using the Plan's assets without the Board/Trustees' prior written approval:

1. Unregistered or restricted stock.
2. Commodities, including gold or currency futures.
3. Conditional sales contracts.
4. Options.
5. Futures.
6. Warrants.
7. Margin buying.
8. Short selling.
9. Leasebacks.
10. Private debt or equity securities not defined under Alternative Investments.
11. Partnerships not defined under Alternative Investments.

# VII. Review Procedures

All Investment Policies, Objectives and Guidelines contained in this Statement shall be reviewed by the Board/Trustees annually, or whenever circumstances change to the extent that earlier representations are ineffective or inappropriate. All concerned parties shall be notified of any changes and/or additions.

1. Investment performance shall be reviewed quarterly, focusing on progress toward Objectives and adherence to Policies and Guidelines.
2. Total Fund, asset class (domestic equity, international equity, and domestic fixed income), and asset sub-class and/or "style" returns, shall be compared to returns of comparable professionally managed tax-exempt balanced, equity and fixed income portfolios or collective or mutual funds as well as to benchmark indices or index composites.
3. It is expected that the investment performance of any Deposit Administrator(s) will rank above agreed upon benchmark medians over periods of three (3) years and will meet or exceed the Investment Objectives previously identified. Any Deposit Administrator(s) failing to keep pace with progressive performance norms may be placed on probation and evaluated as to whether it is in the best interest of the Plan to have the Board/Trustees' retain the services of said Deposit Administrator(s).
4. The Board/Trustees reserve the right to terminate a relationship with any Deposit Administrator at any time, subject to the terms of any investment advisory agreement, if the Board/Trustees determine that said action is warranted. In addition, the Board/Trustees reserve(s) the right to remove assets, in part, at any time provided that contracted (or mutually recognized and accepted) asset and/or fee minimums of any Deposit Administrator(s) are met.
5. The Deposit Administrator(s) should provide statements of assets under management to the Board/Trustees quarterly, and shall also comply with reasonable additional information requests from the Board/Trustees, including details of any/all securities transactions.
6. The Deposit Administrator(s) shall meet upon request with the Board/Trustees to review the Total Fund and any respective portfolio(s) and to discuss investment results in the context of all of the goals, Objectives, Policies and Guidelines set forth herein.

# VIII. APPROVAL

The effective date of this Investment Policy Statement is ________________, 2021.

| | |
|---|---|
| ____________________________ | ______________________________ |
| Marian Moskowitz, Chair | Margaret Reif, Controller |
| ____________________________ | ______________________________ |
| Josh Maxwell, Commissioner | Patricia Maisano, Treasurer |
| ____________________________ | |
| Michelle Kichline, Commissioner | |

CHAMPLAIN INVESTMENT PARTNERS

180 Battery Street
Burlington, VT 05401
T 802.846.6200
www.cipvt.com

It is hereby agreed by Chester County Employees' Retirement System and Champlain Investment Partners, LLC (Champlain) that the following section of the Investment Management Agreement between them commencing December 4, 2020 is hereby amended:

13. Fees
Adviser's fee is separate from and does not include brokerage commissions, dealer spreads and other costs associated with the purchase or sale of securities, Custodian fees, interest, taxes, and other Account expenses. These expenses shall be the responsibility of Client.

Adviser's annual fee for services shall be calculated and paid in arrears on a quarterly basis and shall be the product of (1) the average of the appraised market value from the Account's Custodian, less accrued income, of the Account on the last working day of each of the calendar months of the calendar quarter; and (2) one quarter of the annual rate of:

Annual Rate

0.85% of the first $50,000,000 in market value
0.75% of the next $50,000,000 in market value
0.65% of assets over $100,000,000

Except as modified by these changes, all other provisions of the original Investment Management Agreement remain in full force and effect.

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Chester County Employees'
Retirement System
Client Name

By ______________________________
Signature, Duly Authorized Signatory

______________________________
Printed Name and Title

______________________________
Date

CHAMPLAIN INVESTMENT PARTNERS

Agreed and Accepted

Champlain Investment Partners, LLC
Manager Name

By ______________________________
Signature

______________________________
Printed Name and Title

______________________________
Date