1. OPEB Trust Board Meeting Agenda
   Documents:
   OPEB_MEETING_AGENDA_04-09-19.PDF

2. SUB TO APP OPEB Trust Board Meeting Minutes
   Documents:
   SUB_TO_APP_OPEB_TRUST_BOARD_MEETING_MINUTES_04-09-19.PDF

3. APPROVED OPEB Trust Board Meeting Minutes
   Documents:
   APPROVED_OPEB_TRUST_BOARD_MEETING_MINUTES_04-09-19.PDF
TOWN OF GREENWICH
OPEB TRUST BOARD MEETING

Tuesday, April 9, 2019
8:30 A.M.

Mazza Room
1st Floor, Town Hall

AGENDA

1. Acceptance of the OPEB Trust Meeting Minutes of February 12, 2019 and March 12, 2019

2. Review Performance of Trust as of the end of March 2019

3. Discuss market conditions and investment strategy, including asset allocation and sector weightings

4. Discuss the strategy and timing for emerging markets as well as other international markets

5. Review the Town’s annual contribution to OPEB

6. Discussion of topics for future meetings

7. Adjournment

Next Meeting Tuesday, May 14, 2019 at 8:30 A.M. in the Mazza Room, 1st Floor.
TOWN OF GREENWICH
OPEB Trust Board Meeting
Tuesday, April 9, 2019
Mazza Conference Room, 1st Floor, Town Hall

Present:

Trust Board: Robert Stricker, Chairman; William Ferdinand; Joseph Pellegrino

BET Attendees: David Weisbrod, William Drake, Andreas Duus

Staff: Peter Mynarski, Comptroller; Nataliya Yemets, Treasurer; Joan Lynch

The meeting was called to order at 8:30 A.M.

1. Acceptance of OPEB Meeting Minutes

   Mr. Pellegrino made a motion, seconded by Mr. Ferdinand, to accept the Minutes of February 12, 2019. The Board voted 2-0-0. Motion carried.

   Mr. Pellegrino made a motion, seconded by Mr. Stricker, to accept the Minutes of March 12, 2019. The Board voted 2-0-0. Motion carried.

2. Review Performance of Trust as of the end of March 2019

   Ms. Yemets reviewed the trades made during March: the purchase of the Sector Technology Select SPDR ETF in an amount sufficient to bring exposure to the Technology Sector in-line with the S&P 500 Index sector weight and the sale of shares of the S&P 500 ETF (SPY) to fund the above trade. As of 3/31/019, the total OPEB Trust Portfolio was allocated 49.3% to Domestic Equities, 6.8% to International Equities, 38.9% to Fixed Income & Cash and 5.0% to Alternatives. All Portfolio allocations were in line with the target allocations and in compliance with the Investment Policy Statement (IPS).

   Looking at the general market, Ms. Yemets commented that most of the equity indices had a slight positive gain for the month, with the exception of small caps. The S&P 500 Index returned 1.94% in March; MSCI AC World ex. U.S. gained 0.60%; and the Bloomberg Barclays US Aggregate Bond Index had a return of 1.92% for the month. Large caps were the leaders in March with growth stocks outperforming value. International and Emerging Markets had modest positive returns for the month but were still in the negative territory for one-year period.

   Reviewing OPEB’s performance, Ms. Yemets commented that OPEB’s Total Trust Portfolio generated a gain of approximately $280 thousand or 1.13% in March, ending the month with the balance of $30,398,421 before operating cash. The Portfolio’s fiscal year-to-date (FYTD) gain was about $823 thousand, which translated into a return of 2.97%. Domestic Equities gained 1.30% in March, International Equities 1.13%, Fixed Income & Cash 0.57% and Alternatives 3.93%.
Focusing on sector allocations, Ms. Yemets indicated that when compared to the S&P 500 Index sector weights, the Domestic Equities plus Alternatives segment of the OPEB Trust Portfolio was overweight in Real Estate by 4.8%, Energy by 2.5% and Healthcare by 2.2%. The Total Portfolio’s three-year return was 8.84%, above the blended benchmark and the actuarial assumption of 7%. The Board discussed how the amount of the equity allocation impacted the Portfolio longer-term returns.

3. **Discussion of market conditions and investment strategy, including asset allocations and sector weightings**

The Board agreed that the Portfolio asset allocation was appropriate but explored ways to defend it against market volatility. Taking some profits was discussed because earnings momentum was slowing, international economic environment was not favorable, and expectations of positive results from the trade talks with China were low. The impact of factors such as inflation, recession, Federal Reserve interest rate moves, the Presidential term cycle and what political/economic events were already priced in by the markets were reviewed.

Mr. Ferdinand made a motion, seconded by Mr. Pellegrino, to reduce the Portfolio’s exposure to equities to 50% through the sale of the S&P 500 ETF (SPY) and investment of the proceeds in the three-months U.S. Treasury Bills. The Board voted 3-0-0. Motion carried.

4. **Discuss the strategy and timing for emerging markets as well as other international markets**

The Board discussed the uncertainty of the European economies and what could stimulate them. The conversation turned to reviewing specialized ETFs with higher return potential, particularly the Robotics & Artificial Intelligence ETF (BOTZ). It was decided not to make any investments in BOTZ yet due to the fund’s higher volatility levels, but to put it on a watch list. Ms. Yemets was asked to continue researching the specialized ETF universe for investments with a higher growth potential.

5. **Review the Town’s annual contribution to OPEB**

Ms. Yemets estimated that after the budgeted Town contribution of approximately $3.6 million is offset by the Plan’s current fiscal year expenses, no significant cash flow in/out of the OPEB Trust Portfolio should be expected in July 2019.

6. **Discussion of topics for future meetings**

Continue to review more aggressive ETFs for possible future inclusion in the Portfolio.

**Scheduled OPEB Board Meetings through December 2019 to be held at 8:30 A.M.**

- May 14, 2019 (Tuesday)
- June 6, 2019 (Thursday)
- July 16, 2019 (Tuesday)
- August – no meeting
- September 11, 2019 (Tuesday)
- October 8, 2019 (Tuesday)
- November 12, 2019 (Tuesday)
December 10, 2019 (Tuesday)

6. **Adjournment**

   The Board voted unanimously to adjourn the meeting at 9:45 A.M.

Next OPEB meeting scheduled for May 14, 2019 at 8:30 A.M. in the Mazza Conference Room, 1st Floor.

____________________________________
Catherine Sidor, Recording Secretary

____________________________________
Robert Stricker, OPEB Trust Board Chairman
TOWN OF GREENWICH
OPEB Trust Board Meeting
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Mazza Conference Room, 1st Floor, Town Hall

Present:

Trust Board: Robert Stricker, Chairman; William Ferdinand; Joseph Pellegrino
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Catherine Sidor, Recording Secretary

Robert Stricker, OPEB Trust Board Chairman