

1. OPEB Trust Board Webinar Agenda

Documents:

[OPEB\\_WEBINAR\\_AGENDA\\_05-07-20.PDF](#)

2. SUB TO APP OPEB Trust Board Webinar Minutes

Documents:

[SUB\\_TO\\_APP\\_OPEB\\_WEBINAR\\_MINUTES\\_05-07-20.PDF](#)



## TOWN OF GREENWICH

### OPEB TRUST BOARD WEBINAR

Thursday, May 7, 2020  
8:30 A.M.

### AGENDA

You are invited to a Zoom Webinar

<https://greenwichct.zoom.us/j/96305632019?pwd=Y0wxWUpSbVpSOWlhNzUrKzRoTnZyUT09>

Password: 6934545

iPhone one-tap: +16465189805,,96305632019#,,1#,6934545# US

Dial (for higher quality, dial a number based on your current location): +1 646 518 9805 US

Webinar ID: 963 0563 2019

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1. Approval of the OPEB Trust Meeting Minutes of April 7, 2020
2. Review performance of Trust as of the end of April 2020
3. Discuss with the Investment Advisory Committee the OPEB Trust Board annual report and changes to the Investment Policy Statement
4. Discuss market conditions and investment strategy, including
  - asset allocation
  - fixed income funds, including conventional and high yield credit funds
  - low cost emerging market index ETFs
5. Discussion of topics for future meetings
6. Adjournment

Next Meeting Thursday, June 11, 2020 at 8:30 A.M. in the Mazza Room, 1st Floor.

*The Town complies with all applicable federal and state laws regarding non-discrimination, equal opportunity, affirmative action, and providing reasonable accommodations for persons with disabilities. If you require an accommodation to participate, please contact the Commissioner of Human Services at 203-622-3800 or [alan.barry@greenwichct.org](mailto:alan.barry@greenwichct.org) as soon as possible in advance of the event.*

**TOWN OF GREENWICH  
BOARD OF ESTIMATE AND TAXATION**

**OPEB Trust Board Webinar Minutes**

Thursday, May 7, 2020

Virtual Webinar

Present:

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

BET Attendees: Michael Mason, BET Chair; Andreas Duus, Laura Erickson, Miriam Kreuzer, David Weisbrod

Staff: Joan Lynch, Assistant to the Treasurer; Peter Mynarski, Comptroller and ex-officio member of the OPEB Trust Board; Nataliya Yemets, Treasurer and OPEB Board Trustee

The meeting was called to order at 8:04 A.M.

**1. Approval of OPEB Meeting Minutes**

Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 3-0-0 to approve the Minutes of the OPEB Trust Board Meeting held on April 7, 2020. Motion carried.

**2. Review Performance of Trust as of the end of April 2020**

Ms. Yemets reported that markets rebounded in April and most equity indices had positive returns, some seeing double-digit gains. The S&P 500 Index advanced 12.82%, MSCI All Country World ex US Index gained 7.58%, and Bloomberg Barclays U.S. Aggregate Bond Index returned 1.78%. One-year returns showed that U.S. Small Cap Value was hit the hardest while U.S. Large Cap Growth returned more than 10%.

Moving to the OPEB Trust Portfolio results, Ms. Yemets reported that in April, the OPEB Trust gained almost \$2.7 million and ended the month with a market value of \$31,194,854. On 4/30/2020 the Portfolio asset allocation was as follows: 66.6% in Domestic Equities, 9.0% in International Equities, and 24.4% in U.S. Fixed Income including Treasuries and cash. All allocations were close to the targets set at the April 7, 2020 Trust Board meeting and within the policy guidelines.

The OPEB Trust Portfolio gained 9.13% in April, outperforming its custom benchmark by 118 bps. Domestic Equity return was in line with the S&P 500 Index. International Equities advanced 7.16% lagging the MSCI All Country World EX U.S. Index by 42 bps, but outperforming the index in the three-month period. U.S. Fixed Income ended the month with the return of 1.59%, lagging the U.S. Aggregate Index by 19 bps.

**3. Discuss with the Investment Advisory Committee (IAC) the OPEB Trust Board annual report and changes to the Investment Policy Statement (IPS)**

Mr. Stricker, Chairman of the OPEB Trust, commented that the OPEB Trust Board Report and proposed changes to the Portfolio's Investment Policy Statement were ready to be reviewed by the Investment Advisory Committee. Mr. Duus, Chairman of the IAC, responded that the IAC had received OPEB's proposed revisions and would be discussing the document at the subsequent IAC meeting and will further discuss at OPEB's next meeting.

#### **4. Discuss market conditions and investment strategy, including**

- **Asset Allocation** - Chairman Stricker noted that recent volatility had almost returned markets to January levels. He was unconvinced that it predicted a "V-shaped" recovery and suggested reallocating 5% of the Portfolio's holdings, including international investments, to cash. Mr. Ferdinand agreed with eliminating the Portfolio's international equity holdings but pointed out that there were few alternatives to equities. He recommended keeping the equity exposure at 75%, all of it in domestic equities. In his opinion, recovery was more likely in the second half of the year and into 2021. Mr. Pellegrino concurred with maintaining the 75% equity allocation and eliminating international and emerging market positions believing the U.S. would have a stronger economy compared to other developed and emerging markets. After reviewing the original rationale for entering emerging markets, the OPEB Board decided that despite purchasing it as a long-term investment, in the short run its weak performance relative to the U.S. was unappealing.

Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Trust Board voted 3-0-0 to sell 100% of both Vanguard FTSE All-World ex-US ETF (VEU) and iShares MSCI Emerging Markets ETF (EEM). The proceeds would be invested in the SPDR S&P 500 ETF (SPY) in two equal parts on two separate days: the first trade to be executed right after the meeting and the second on a later day when the S&P 500 Index declines 2% or more from prior day close to 2:00 PM of current day. Motion carried.

- **Fixed Income funds, including conventional and high yield credit funds** -The Board discussed the recent underperformance of PIMCO Income Fund (PIMIX) compared to its benchmark, Bloomberg Barclays U.S. Aggregate Bond Index. PIMIX's expense ratio and its long successful track record were reviewed. It was decided to monitor the fund and delay a decision on possibly replacing it until the Board's meeting in June.
- **Low Cost emerging market index ETFs** - Topic previously discussed under Item #4.

#### **5. Discussion of topics for future Meetings**

Discussion of IAC's conclusions on OPEB's IPS recommendations  
Discussion of PIMIX performance and alternatives

#### **6. Adjournment**

Upon a motion by Mr. Ferdinand, seconded by Mr. Pellegrino, the Board voted 3-0-0 to adjourn the meeting at 9:40 A.M.

Next OPEB meeting is scheduled for Thursday, June 11, 2020 either in Town Hall, Mazza Conference Room, 1<sup>st</sup> Floor or as a virtual meeting; location to be determined.

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Catherine Sidor, Recording Secretary

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Robert Stricker, OPEB Trust Board Chairman

**Schedule of OPEB Trust Board Meetings for calendar year 2020 at 8:30 A.M.**

June 11, 2020	(Thursday) – Mazza Conference Room, 1 <sup>st</sup> Floor or webinar
July 16, 2020	(Thursday) – Mazza Conference Room, 1 <sup>st</sup> Floor
August	(no meeting)
September 17, 2020	(Thursday) – Mazza Conference Room, 1 <sup>st</sup> Floor
October 15, 2020	(Thursday) – Mazza Conference Room, 1 <sup>st</sup> Floor
November 10, 2020	(Tuesday) – Human Services Conference Room 3 <sup>rd</sup> Floor
December 8, 2020	(Tuesday) – Mazza Conference Room, 1 <sup>st</sup> Floor

SUBJECT TO APPROVAL