1. OPEB Trust Board Meeting Agenda
   Documents:
   OPEB_MEETING_AGENDA_06-06-19.PDF

2. SUB TO APP OPEB Trust Board Meeting Minutes
   Documents:
   SUB_TO_APP_OPEB_TRUST_BOARD_MEETING_MINUTES_06-06-19.PDF

3. APPROVED OPEB Trust Board Meeting Minutes
   Documents:
   APPROVED_OPEB_TRUST_BOARD_MEETING_MINUTES_06-06-19.PDF
TOWN OF GREENWICH

OPEB TRUST BOARD MEETING

Thursday, June 6, 2019
8:30 A.M.

Mazza Room
1st Floor, Town Hall

AGENDA

1. Acceptance of the OPEB Trust Meeting Minutes of May 14, 2019

2. Review Performance of Trust as of the end of May 2019, the trades approved at the April meeting and 5/31/19 asset allocation

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. Establish procedure for rolling over U.S. Treasuries

6. Discuss OPEB Board re-appointments and Chairmanship

7. Schedule future meetings for calendar year 2020

8. Discussion of topics for future meetings

9. Adjournment

Next Meeting Tuesday, July 16, 2019 at 8:30 A.M. in the Mazza Room, 1st Floor.
TOWN OF GREENWICH
OPEB Trust Board Meeting
Thursday, June 6, 2019
Mazza Conference Room, 1st Floor, Town Hall

Present:

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

BET Attendees: William Drake, Andreas Duus, David Weisbrod

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

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 May 14, 2019. The Board voted 3-0-0. Motion carried.

2. **Review Performance of Trust as of the end of May 2019, the trades approved at the April meeting and 5/31/19 asset allocation**

   Ms. Yemets reported that OPEB Trust Total Portfolio experienced a loss of ($1,027,684) or (3.30%) in May, ending the month with a balance of $30,041,018 before operating cash. In May, the Trust Board voted to sell the Portfolio’s healthcare positions in SPDR S&P Biotech ETF (XBI) and T. Rowe Price Health Sciences Fund (PRHSX) and invest the proceeds in SPDR S&P 500 ETF (SPY). At the end of the month, 41.8% of the Portfolio was in Domestic Equities, 6.5% in International Equities, 46.6% in Fixed Income and Cash, and 5.1% in Alternatives. All allocations were close to targets and within the guidelines of OPEB’s Investment Policy Statement (IPS).

   The Portfolio’s total return of (3.30%) in May lagged the benchmark; whereas the three-year return as of 5/31/19 was in line with the custom benchmark. Domestic Equities lost (6.77%) during the month; International Equities, currently represented by the iShares MSCI Emerging Markets ETF (EEM), lost (7.33%); Domestic Fixed Income gained 0.34%; Alternatives posted a negative return of (0.34%) for the month.

   Focusing on sector allocations, Ms. Yemets indicated that the Domestic Equities plus Alternative ETFs segment of the Trust Portfolio were overweight to Real Estate, Energy and Technology sectors by 5.8%, 3.3% and 1.1% respectively when compared to the S&P 500 index sector allocations as of 5/31/19. Exposure to the Materials sector was in-line with the benchmark and all other sectors were underweight. Allocation to Small Caps was 10.8%.

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

   The Chairman advised that the Portfolio’s volatility could be further decreased by either (1) reducing U.S. Equity exposure and increasing the allocation to U.S. Treasuries, or (2) moving some of the U.S. Equity holdings into a lower-volatility fund, such as iShares Edge MSCI Min
Vol USA ETF (USMV). The Board reviewed the ETF’s holdings, its relative performance and its positioning in the face of a potential market downturn. As an alternative, in what was characterized as an atypical market environment, it was suggested that constructing the Portfolio to have only three positions: U.S. Equities index fund, a total World ex U.S. index fund and a Fixed Income allocation in laddered U.S. Treasuries might be a preferable long-term strategy. The Board requested more information on Vanguard FTSE All-World ex US Index Fund (VEU), Vanguard Total Stock Market Index Fund (VTI), and comparable ETFs. The Board also asked for a five-year back-test of the “three bucket” portfolio to be run, and its performance to be compared to the current OPEB portfolio. Agreeing that current market indicators do not support increasing allocation to equities, the Board discussed bringing the Fixed Income allocation to 50% and moving away from the sector betting strategy.

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the OPEB Board voted 3-0-0 to fully liquidate the following holdings: iShares Core S&P Small Cap ETF (IJR), Technology Select Sector SPDR ETF (XLK), Vanguard Real Estate Index Fund (VNQ) and Alerian MLP ETF (AMLP). Sufficient funds to be invested in ninety-day Treasury Bills to bring the OPEB Trust Portfolio Fixed Income allocation to 50% with remaining proceeds to be invested in SPDR S&P 500 ETF (SPY). Motion carried.

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

The Board asked Ms. Yemets to prepare a comparative analysis of investment options for the International Equities segment to be presented and discussed at the next OPEB Trust Board meeting.

5. Establish procedure for rolling over U.S. Treasuries

Mr. Ferdinand made a motion, seconded by Mr. Pellegrino, to roll over the Treasuries maturing in July into ninety-day Treasury bills. The Board voted 3-0-0. Motion carried.

6. Discuss OPEB Board re-appointments and Chairmanship

Mr. Mynarski explained that the term of an OPEB Board appointment was three years, and the Chairmanship was a one-year term. Mr. Stricker agreed to continue serving in both appointments. It was decided to recommend Mr. Stricker for both positions so that the IAC and BET could vote on the recommendation at their next meetings.

7. Scheduled OPEB Board Meetings through June 2020 to be held at 8:30 A.M.

July 16, 2019 (Tuesday)
August – no meeting
September 11, 2019 (Wednesday)
October 8, 2019 (Tuesday)
November 12, 2019 (Tuesday)
December 10, 2019 (Tuesday)
January 9, 2020 (Thursday)
February 13, 2020 (Thursday)
March 12, 2020 (Thursday)
April 9, 2020 (Thursday)
May 7, 2020 (Thursday)
June 11, 2020 (Thursday)

6. **Adjournment**

The Board voted unanimously to adjourn the meeting at 9:57 A.M.

Next OPEB meeting scheduled for July 16, 2019 at 8:30 A.M. in the Mazza Conference Room, 1st Floor.

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Catherine Sidor, Recording Secretary

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Robert Stricker, OPEB Trust Board Chairman
TOWN OF GREENWICH
OPEB Trust Board Meeting
Thursday, June 6, 2019
Mazza Conference Room, 1st Floor, Town Hall

Present:

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

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_Catherine Sidor_  
Catherine Sidor, Recording Secretary

_Robert Stricker_  
Robert Stricker, OPEB Trust Board Chairman