1. OPEB Trust Board Meeting Agenda
   Documents:
   
   OPEB_TRUST_BOARD_MEETING_AGENDA_11-12-19.PDF

2. SUB TO APP OPEB Trust Board Meeting Minutes
   Documents:
   
   SUB_TO_APP_OPEB_TRUST_BOARD_MEETING_MINUTES_11-12-19.PDF

3. OPEB Trust Board Meeting Minutes
   Documents:
   
   APPROVED_OPEB_TRUST_BOARD_MINUTES_11-12-19.PDF
TOWN OF GREENWICH

OPEB TRUST BOARD MEETING

Tuesday, November 12, 2019
8:30 A.M.

Human Services Conference Room
3rd Floor, Town Hall

AGENDA

1. Acceptance of the OPEB Trust Meeting Minutes of September 27, 2019

2. Review Performance of Trust as of the end of October 2019, including the rebalancing trades during the month and the resulting asset allocation percentages

3. Discuss market conditions and investment strategy, including asset allocation and timing for international and emerging markets

4. Review U.S. Equity Value ETFs and mutual funds

5. Review actively managed Fixed Income funds as potential replacements of the PIMCO Income Fund

6. Review short-term and cash investment options

7. Discuss the possibility of investing in Business Development Company ETFs

8. Discussion of topics for future meetings

9. Adjournment

Next Meeting Tuesday, December 10, 2019 at 8:30 A.M. in the Mazza Room, 1st Floor.
TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
OPEB Trust Board
Minutes - November 12, 2019
Human Service Conference Room

Present:

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

BET Attendees: William Drake, Andreas Duus, Anthony Turner, 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

Public: Miriam Kreuzer, 2019 BET-Elect

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

1. **Acceptance of OPEB Meeting Minutes**

   Mr. Ferdinand made a motion, seconded by Mr. Stricker, the Board voted 2-0-0 to accept the Meeting Minutes of September 27, 2019. Motion carried.

2. **Review Performance of Trust as of the end of August 2019, including the rebalancing trades during the month and the resulting asset allocation percentages**

   Ms. Yemets distributed the October 31, 2019 OPEB Investment Performance reports and related materials. She remarked that October was a good month for equities and most major indices had positive returns. S&P 500 gained 2.17%; MSCI All Country World ex US was up 3.49%; and Bloomberg Barclays U.S. Aggregate Bond Index gained 30 bps.

   Focusing on the OPEB Trust Portfolio results, Ms. Yemets reported that the Portfolio finished the month with a total of $32,427,743 before operating cash. The Portfolio’s gain in October was $518 thousand or 1.42%, 18 bps below the blended benchmark. Domestic Equities were up 2.21%, in line with the benchmark; International Equities had a positive return of 4.18%, 69 bps ahead of MSCI All Country World ex US index; and Domestic Fixed Income was up 0.39%, beating BC Aggregate by 9 bps. The fiscal year-to-date return of the total OPEB Trust was $708 thousand or 2.04%. As of 10/31/19, 44.0% of the Total OPEB Trust Portfolio was allocated to Domestic Equities; 6.4% to International Equities, currently represented by the MSCI Emerging Markets ETF (EEM); and 49.6% was allocated to Domestic Fixed Income and Cash. Ms. Yemets pointed out that the asset allocations were close to target and in compliance with Policy.

3. **Discuss market conditions and investment strategy, including asset allocation and timing for international and emerging markets**
The Board discussed market conditions and debated whether some of the U.S. Treasury Bills position should be trimmed and invested to get more market exposure. Mr. Stricker suggested to review fixed income options, particularly Guggenheim Total Return Bond Fund (GIBIX). However, after comparing the Guggenheim fund’s historical performance, current yield and effective duration to the PIMCO Income Fund (PIMIX) it was decided not to introduce the Guggenheim fund into the OPEB Trust’s Portfolio at this time as PIMCO proved to have a significantly stronger track record. Mr. Ferdinand commented that the U.S. economy is strong and the international equities are starting to catch up. He suggested that increasing international exposure to at least the benchmark allocation of 10% would make more sense than adding to fixed income, especially considering the low interest rate environment. It was decided that the international equity allocation should be brought to 10% of the total OPEB Trust Portfolio which would result in total equity allocation increasing to approximately 54%.

Upon a motion by Mr. Ferdinand, seconded by Mr. Stricker, the Board voted 2-0-0 to purchase sufficient amount of Oakmark International Fund (OAXIX) to increase total international equity position to 10% of the Total OPEB Trust Portfolio. The trade would be sourced by selling U.S. Treasury Bills. Motion carried.

4. Review U.S. Equity Value ETFs and mutual funds

The Board compared and briefly discussed the U.S. Equity Value Funds and ETFs presented in meeting materials, but took no action.

5. Review actively managed Fixed Income funds as potential replacements of the PIMCO Income Fund

Discussed earlier under Item #3.

6. Review short-term and cash investment options

The Board questioned why the OPEB Trust is limited by Vanguard to investing in only a government money market mutual fund, and decided to defer the cash investment discussion until Ms. Yemets researches whether investing in prime money market mutual funds is also an option.

Upon a motion by Mr. Ferdinand, seconded by Mr. Stricker, the Board voted 2-0-0 to roll over U.S. Treasury Bills that mature in November into six-month U.S. Treasury Bills. Motion carried.

7. Discuss the possibility of investing in Business Development Company ETFs

The Trust Board briefly reviewed materials provided on the best performing business development companies (BDC) ETFs and considered their SEC yields, holdings, potential of default and dependence of their performance on the interest rates environment. BDC ETFs offer high yields, are broadly diversified, but have high expense ratios. It was decided not to take any action and to keep monitoring the VanEck Vectors BDC Income ETF (BIZD).

8. Discussion of topics for future meetings
• Research whether prime money market funds are available for investment and compare money market funds offered by Vanguard’s competitors.

The Board responded to questions from IAC members in attendance about the OPEB funded/unfunded liability, ratio of fixed income assets to equities in the Portfolio, and the TOG’s investment policy guidelines.

9. **Adjournment**

Upon a motion by Mr. Ferdinand, seconded by Mr. Stricker, the Board voted 2-0-0 to adjourn the meeting at 9:37 A.M. Motion carried.

Next OPEB meeting scheduled for December 10, 2019 at 8:30 A.M. Mazza Meeting Room.

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Catherine Sidor, Recording Secretary

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Robert Stricker, OPEB Trust Board Chairman

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

- 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)
TOWN OF GREENWICH
BOARD OF ESTIMATE AND TAXATION
OPEB Trust Board
Minutes - November 12, 2019
Human Service Conference Room

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

BET Attendees: William Drake, Andreas Duus, Anthony Turner, David Weisbrod

Staff: Joan Lynch, Assistant to the Treasurer; Peter Mynarski, Comptroller
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