1. OPEB Trust Board Webinar Agenda
   Documents:
   
   OPEB WEBINAR AGENDA 11-10-2020.PDF

2. OPEB Trust Board Minutes 10-15-2020 STA
   Documents:
   
   OPEB MINUTES 10-15-2020 SUBJECT TO APPROVAL.PDF
TOWN OF GREENWICH

OPEB TRUST BOARD

WEBINAR

Tuesday, November 10, 2020
8:30 A.M.

AGENDA

You are invited to a Zoom Webinar
https://greenwichct.zoom.us/j/87922135565?pwd=ZzlPWjhOVy9xZzBYckZZMkhJTHFPZz09
Password: 6505901

Or iPhone one-tap: +16465189805,,87922135565#,,1#,6505901# US

Dial (for higher quality, dial a number based on your current location): +1 646 518 9805
Webinar ID: 879 2213 5565
Password: 6505901

1. Approval of the OPEB Trust Meeting Minutes of October 15, 2020
2. Review performance of Trust as of the end of October 2020, including the rebalancing trades during the month and the resulting asset allocation percentages
3. Discuss market conditions and investment strategy
4. Consider Alternative Investments such as Real Estate Investment Trusts ETFs, MLP ETFs (AMLP), Convertible Bond ETFs, and BDC ETFs (BIZD)
5. Discussion of topics for future meetings
6. Adjournment

Next Webinar is on Tuesday, December 8, 2020 at 8:30 AM virtually via Zoom.
The meeting was called to order at 8:30 A.M.

1. **Approval of OPEB Meeting Minutes**

   Upon a motion by Mr. Ferdinand, seconded by Mr. Stricker, the Board voted 2-0-1 (Abstain: Pellegrino) to approve the Minutes of the OPEB Trust Board Meeting held on September 17, 2020. Motion carried.

2. **Review performance of Trust as of the end of September 2020, including the rebalancing trades during the month and the resulting asset allocation percentages**

   Ms. Yemets provided an overview of the month of September market activity: although the market enjoyed two consecutive days of new closing highs, it finished with negative returns across the board. The S&P 500 Index was down 3.8% for the month; MSCI All Country World ex US declined 2.46%; the Bloomberg Barclays US Aggregate Total Return Bond Index lost 5 bps. U.S. equities, both Large Cap Growth and Small Cap Value, posted weaker returns than US Mid Caps, with one-year returns ranging from negative 14.9% to positive 37.5%.

   In September, the OPEB Trust Portfolio lost $1,073,252 and ended the month with a market value of $35,055,456 before operating cash. On 9/30/2020, U.S. equities represented 64.7% of the Portfolio, 5.1% was in convertible bonds, and the rest of the Portfolio was allocated to PIMCO Income Fund (PIMIX) and cash. The US T-Bill matured on 10/8/2020, all proceeds were swept into the Vanguard Federal Money Market Fund. The OPEB Trust Portfolio lost 2.70% in September versus 2.15% decline of the blended benchmark. US equities lost 3.74%, domestic fixed income gained 22 bps and outperformed its benchmark by 27 bps. Longer-term performance of the total Portfolio and its segments lagged their corresponding benchmarks; however, one-, five- and ten-year annualized returns of the Trust beat the actuarial assumption of 7%.

3. **Discuss market conditions and investment strategy**

   Mr. Ferdinand led off the discussion suggesting that when the FED starts to reverse its policy, it would be difficult to generate positive returns anywhere. He was in favor of being somewhat
cautious, increasing the cash position and waiting until the markets normalize, predicting a potentially big downside. Mr. Pellegrino agreed that locking some of the S&P 500 gains and waiting for the economic recovery was prudent. He commented that the upcoming election might have the effect of eliminating the public’s discomfort with uncertainty. Mr. Pellegrino compared the Town Greenwich Retirement Plan financial composite returns with OPEB’s, and pointed out that OPEB had better performance in many investment categories. The Board noted that the Retirement Plan’s assumed rate of return was lowered from 6.50% to 6.25%, whereas OPEB’s assumed rate of return was 7%. Mr. Stricker agreed that, in light of the market and political uncertainty, the Trust’s exposure to equities should be reduced but argued that for the Portfolio to generate annualized 7%, the proceeds should be invested in instruments that offer higher yields, such as convertible bonds, business development companies (BDCs), MLPs, REITs or ultrashort bond funds. The Board arrived at a consensus that the position in domestic equities should be gradually decreased.

Mr. Pellegrino made a motion, seconded by Mr. Stricker, to reduce the Portfolio equity target allocation to 55%, drawing down 10% from S&P 500 ETF (SPY). The Board voted 3-0-0. Motion carried.

After further discussion of several proposed investment options, it was decided that the yields were not compelling when fund management fees were considered.

Mr. Pellegrino made a motion, seconded by Mr. Stricker, to invest the proceeds from the S&P 500 ETF (SPY) sale into the Vanguard Federal Money Market Fund (VMFXX). The Board voted 3-0-0. Motion carried.

4. Review PIMCO’s Enhanced Short Maturity Active DTF (MINT)

Mr. Pellegrino noted that the fund’s 30-day SEC yield of 0.39% would be almost completely offset by the fund’s administration fees of 0.35%. The fund was not discussed further.

5. Review alternative investments, including MLP ETFs

It was decided to put alternative investment ETFs on a watch list.

6. Discussion of topics for future Meetings

Due to time constraints, this topic was not discussed.

7. Adjournment

Upon a motion by Mr. Pellegrino, seconded by Mr. Ferdinand, the Board voted 3-0-0 to adjourn the meeting at 9:49 A.M.

Next OPEB meeting is scheduled for Tuesday, November 10, 2020 at 8:30 A.M. either virtually or in the Human Services Conference Room.
November 10, 2020 (Tuesday) – Human Services Conference Room, 3rd Floor or virtual
December 8, 2020 (Tuesday) – Mazza Conference Room, 1st Floor or virtual
January 13, 2021 (Thursday)
February 11, 2021 (Thursday)
March 11, 2021 (Thursday)
April 8, 2021 (Thursday)
May 13, 2021 (Thursday)
June 10, 2021 (Thursday)