

TOWN OF GREENWICH

OPEB Trust Board Meeting Minutes
Friday, October 24, 2014
Gisborne Room
First Floor, Town Hall

Present:

Trust Board: Robert Stricker, Chairman, William Ferdinand
Phil Skidmore

BET Attendees: John Blankley, William Drake, Randall Huffman, Art Norton

Staff: Peter Mynarski, Comptroller and ex-officio member of the
OPEB Trust Board, Kathleen Murphy, OPEB Board Trustee

The meeting was called to order at 8:28 A.M.

1. Approval of August 7, 2014 OPEB Trust Minutes

Mr. Skidmore made a motion to approve the August 7, 2014 minutes seconded by Mr. Ferdinand. The motion passed 3 to 0.

2. Review Performance of Trust and Rebalancing

Ms. Murphy distributed the September 30, 2014 monthly OPEB Investment Performance report and related materials. She reported that the portfolio had assets totaling \$21,763,221 at the end of September 30, 2014. Her report indicated that the portfolio was down (1.88%) for the month, with a loss of (\$417,658). The portfolio lagged its benchmark by 24bps. For the third quarter ending September 30th, the portfolio was down (0.79%); and, for the Calendar Year to date the portfolio was up 4.16%; with the fixed income allocation up 3.65% and the equity allocation up 4.55%.

A discussion followed on the question of rebalancing. Board members reviewed the Bloomberg and S&P benchmarks and compared them to the results of the portfolio's individual funds. For the calendar year through September 30th, the portfolio is weighted 24.7% to fixed income and 75.3% to equities, in line with current targets. Ms. Murphy pointed out that the IPS had a minimum investment in fixed income requirement of 25% of the portfolio. With the volatility in the equity market in October it was felt that this situation may have self-corrected, and given the small dollar amount that it would not be necessary to rebalance, but the Board agreed to consider this constraint at each meeting.

3. Review of Funds/Asset Allocations/Potential new Funds, including a discussion of the events at PIMCO and the impact on PIMCO funds held by OPEB Trust

The OPEB Trust Board reviewed the impact of the departure of Bill Gross, co-founder of Pacific Investment Management, on its PIMCO holdings. The Treasurer provided articles on the changes at PIMCO and on the funds held by OPEB. The "head line" outflows that PIMCO was experiencing related primarily to PIMCO's Total Return Fund, which was managed by Mr. Gross. OPEB is not invested in the Total Return Fund. After the discussion it was agreed that,

since there was no change to the managers of the funds OPEB holds, and the performance of those funds continue to be very good, there was no reason to change these holdings at this time but would monitor these PIMCO funds closely.

The Board reviewed current global economic conditions to better appreciate why the US appeared to be the most stable investment location.

The Board discussed alternative investments for their watch list and remarked that the potential for mid-cap funds outperforming large caps needed to be considered and agreed to add the item to the next meeting's Agenda. Healthcare was also identified as sector to be explored for possible future investment.

4. Update on identification of representative peer group for benchmarking analysis

Ms. Murphy informed the Board that not much progress was made on finding a relevant benchmarking peer for the OPEB assets and passed performance. Ms. Murphy stated that she will ask Town of Greenwich Retirement Board's consultant, New England Pension Consultants, if there any peer group data sources available to measure the OPEB Trust performance to learn how its investments were doing compared to other pools of pension funds. The Board suggested that it would be interesting to see how the OPEB Trust assets fund growth compared to Harvard University's investment strategy.

5. Schedule Meetings for balance of Fiscal Year

The following were the dates were selected for future OPEB Trust Meetings:

- January 9, 2015
- April 16, 2015
- June 10, 2015

6. New Business: Discussion of topics for future meetings

The following topics were considered for discussion at future OPEB meetings:

- Consider Mid-Cap Funds investments
- Consider Healthcare Funds investments

7. Adjournment

On a motion by Mr. Ferdinand, seconded by Mr. Skidmore, the Board voted 3 to 0 to adjourn the meeting at 9:27 A. M.



Robert Stricker, OPEB Trust Board Chairman



Catherine Sidor, Recording Secretary