

**CITY OF HARTFORD
OPEB TRUST COMMITTEE
Via Tele-conference
Friday, April 24, 2020
9:00 a.m.**

AGENDA

OPEB TRUST

- I. Review of Minutes of the Meeting of March 27, 2020**
- II. Status of OPEB Portfolio at March 31, 2020**
 - **Inventory of Assets**
 - **Performance**
- III. Other Business**
 - **Liquidity Discussions**

OPEB TRUST COMMITTEE
Via Tele-Conference
Friday, March 27, 2020
9:00 a.m.

MINUTES

OPEB TRUST

MEMBERS PRESENT:

Peter Stevens, Committee Chairman; Gene Goldman, Committee Member; Adam M. Cloud, Trustee; Carmen I. Sierra, Assistant Trustee; Nicholas Trigila, Employee Representative and Leigh Ann Ralls, Director of Finance, Mayor's Designee

MEMBERS EXCUSED:

Clarence Zachery, Chief Financial Officer, Board of Education, Superintendent's Designee

STAFF PRESENT:

Gary B. Draghi, Chief Investment Officer; P. Wayne Moore, Deputy Chief Investment Officer; J. Sean Antoine, Principal Administrative Analyst and Chelsea Mott, Principal Accountant

OTHERS PRESENT:

Chay Iv, Executive Assistant; Bill Beccaro, Attorney; Mary Watson, Senior Member Services Specialist; Kristin Finney-Cooke, NEPC; Lisa Silvestri, General Counsel; Ellen Kucenski, Hooker and Holcombe; Brianne Fayed, Hooker and Holcombe; Sabri Akter, Member Services Specialist; Cynthia Steer, Fiduciary AI and Jolita Lazauskas, Revenue Manager and Acting Director of Management and Budget

Committee Chair Peter Stevens called the meeting to order at 9:05 a.m.

I. Review of Minutes of the Meeting of February 26, 2020.

Committee Chair Stevens introduced the item and asked for questions, comments or corrections. There were none.

A motion was made, seconded and adopted to accept the minutes of the February 26, 2020 meeting as presented.

II. Status of OPEB Portfolio at February 29, 2020

Committee Chair Stevens introduced the item and asked the investment unit to report. Deputy Chief Investment Officer P. Wayne Moore reported on the OPEB Trust Fund (the "Trust") performance for February 29, 2020. Mr. Moore stated that the Trust's net asset value totaled \$20.1 million at February 29, 2020 and it returned -4.7%, net of fees, for the month, underperforming the policy benchmark by 30 basis points. He then discussed the underlying performance results and the trust asset allocation.

Gary Draghi, Chief Investment Officer, noted the trust had adequate liquidity and that the Trustee and staff were working with the Board of Education to evaluate future cash flow requirements. Discussion ensued.

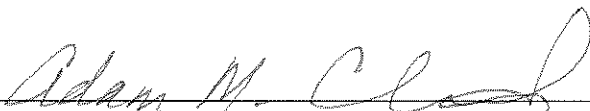
The Committee accepted the report for advice.

III. Other Business

There was no other business for the month of March.

There being no further business, Committee Member Goldman made a motion to adjourn the OPEB Trust portion of the meeting at 9:13 a.m.

Attest:



Adam M. Cloud, Trustee

INTEROFFICE MEMORANDUM

TO: Adam M. Cloud, City Treasurer
Carmen I. Sierra, Assistant City Treasurer

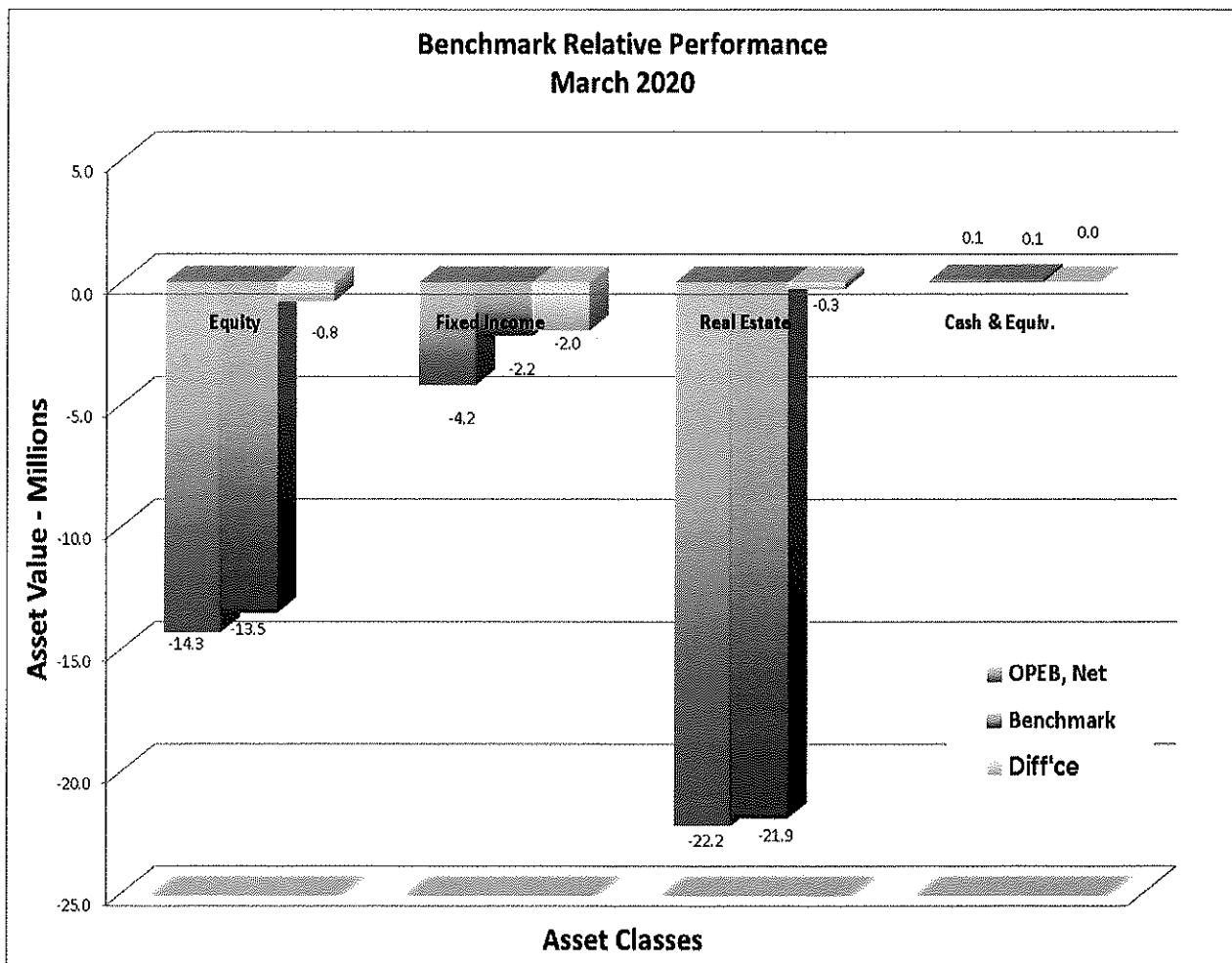
FROM: Gary B. Draghi, Chief Investment Officer
P. Wayne Moore, Deputy Chief Investment Officer
J. Sean Antoine, Principal Investment Analyst

DATE: April 21, 2020

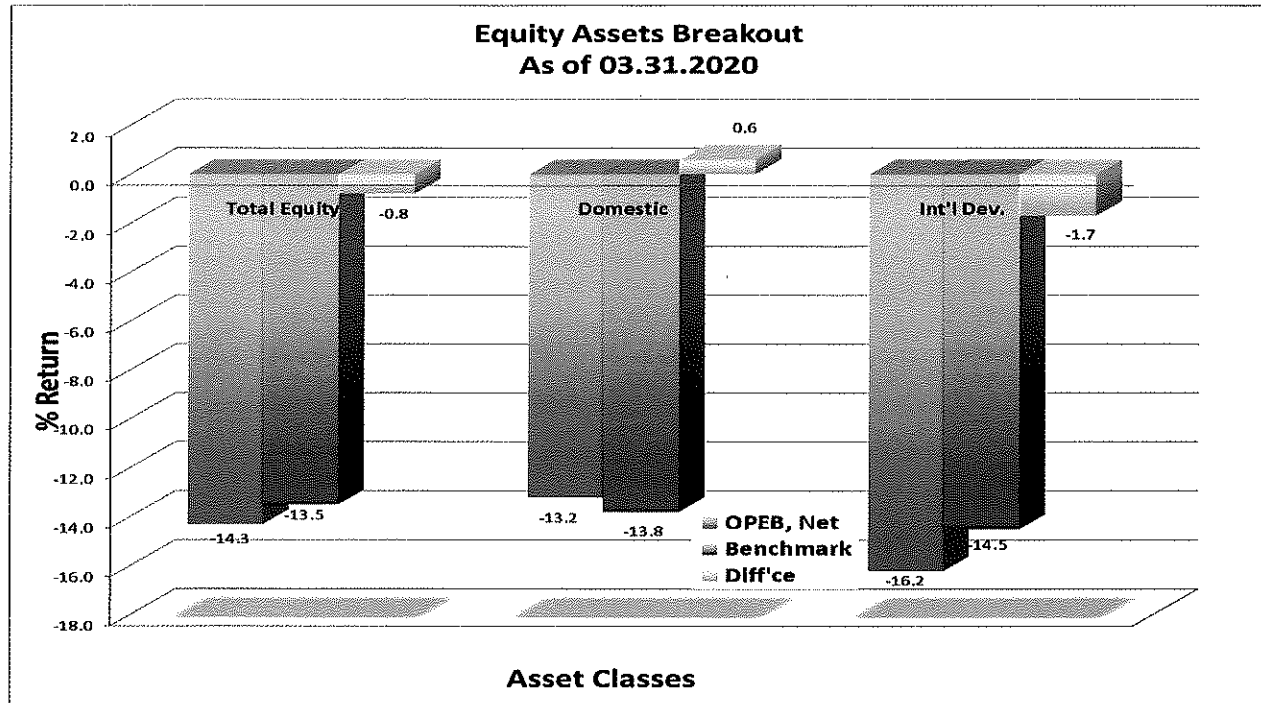
SUBJECT: OPEB Trust Fund Investment Portfolio Status as of March 31, 2020

PERFORMANCE:

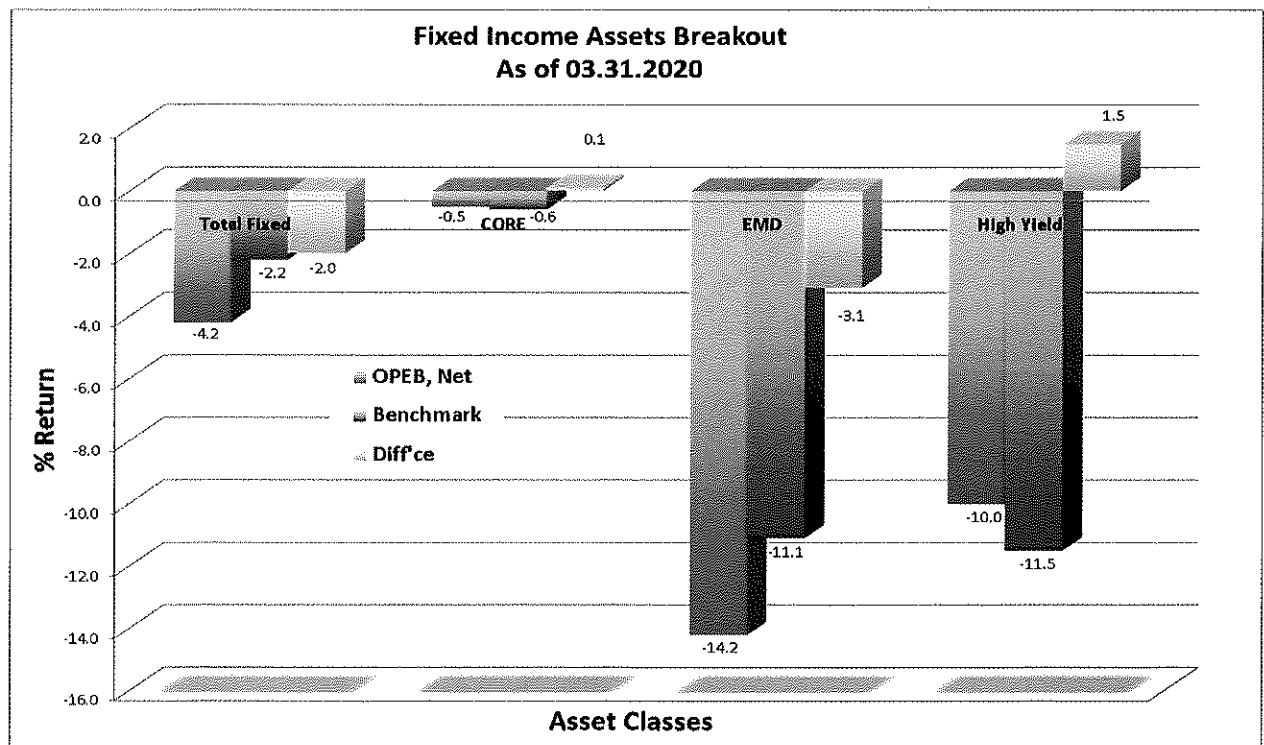
As of March 31, 2020, the OPEB Trust Fund asset value totaled \$18 million. The fund returned -10.5% net of fees for the month, underperforming the policy benchmark by 100 basis points. The components of monthly performance are illustrated below.



The fund's equity portfolio returned -14.3% during the month, underperforming its benchmark by 80 basis points. Domestic equity outperformed while international equity underperformed.

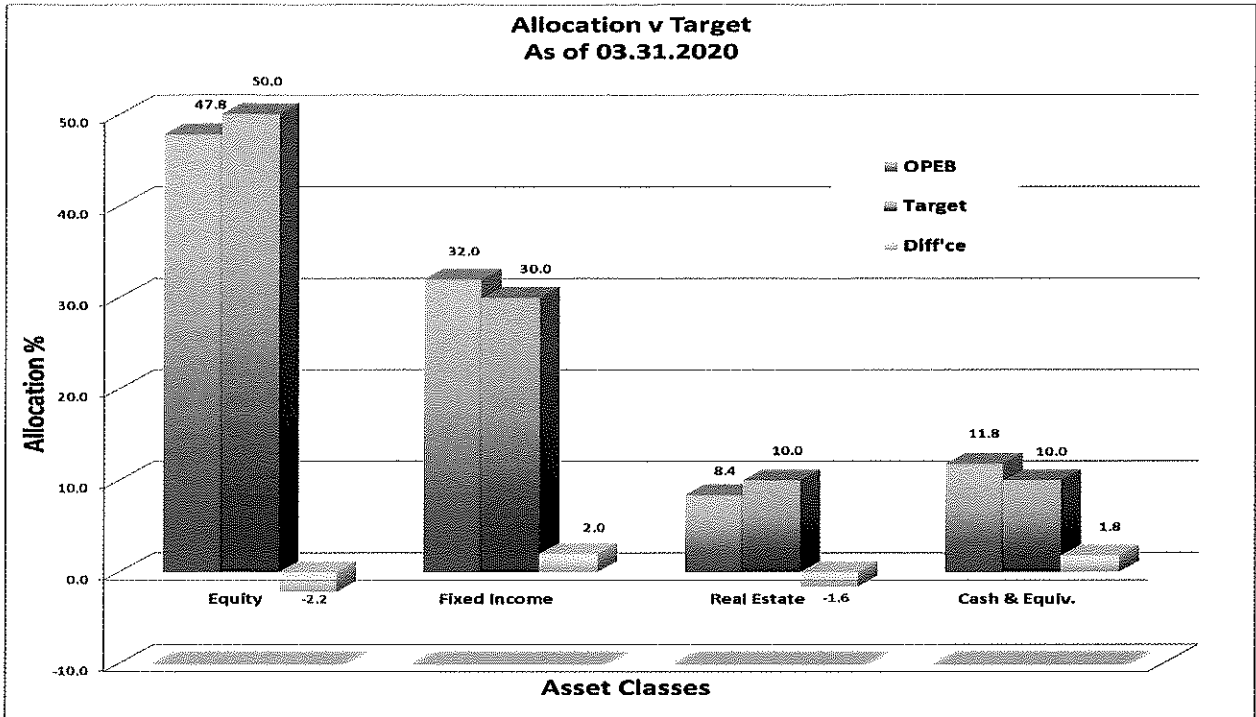


The fund's fixed income portfolio returned -4.2% during the month, underperforming its benchmark by 200 basis points. Both core and high yield outperformed their respective benchmarks, while emerging market debt underperformed.

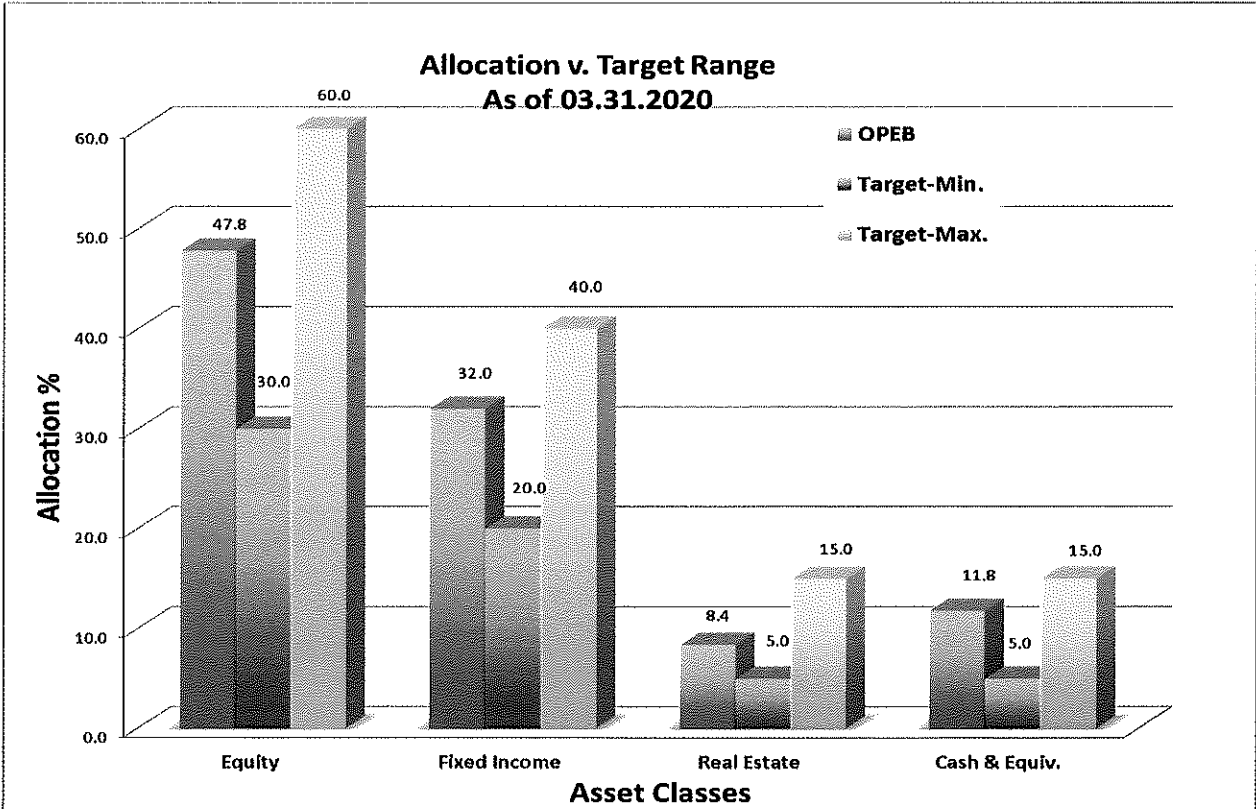


ASSET ALLOCATION:

All of the fund’s asset classes are at or close to their anticipated target weights.



The fund is within target ranges for all asset classes.



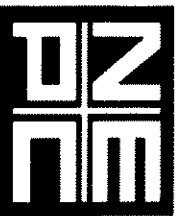
MARCH PERFORMANCE REPORT

City of Hartford OPEB

March 31, 2020

Kristin R. Finney-Cooke, CAIA
Senior Consultant

Will Forde, CFA, CAIA
Senior Consultant



BOSTON | ATLANTA | CHARLOTTE | CHICAGO | DETROIT | LAS VEGAS | PORTLAND | SAN FRANCISCO

CITY OF HARTFORD OPEB

PLAN PERFORMANCE DETAIL (NET OF FEES)

	Market Value		Policy %	Ending March 31, 2020				Inception	Inception Date
	(\$)	% of Portfolio		1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)		
City of Hartford OPEB	17,986,039	100.0	100.0	-10.5	-15.0	-9.9	-7.2	-0.2	Aug-17
Policy Index									
Allocation Index				-9.5	-13.5	-8.3	-5.5	0.5	Aug-17
Total Equity	8,590,765	47.8	50.0	-10.3	-14.7	-9.4	-6.7	0.0	Aug-17
MSCI ACWI				-14.3	-22.0	-15.0	-11.8	-0.5	Aug-17
Domestic equity	5,532,295	30.8	30.0	-13.5	-21.4	-14.3	-11.3	-0.9	Aug-17
Russell 3000				-13.2	-20.5	-12.3	-8.7	2.9	Aug-17
SSGA Russell 3000	5,532,295	30.8	30.0	-13.8	-20.9	-12.7	-9.1	2.6	Aug-17
Russell 3000				-13.2	-20.5	-12.3	-8.7	2.9	Aug-17
International Equity	3,058,470	17.0	20.0	-13.8	-20.9	-12.7	-9.1	2.6	Aug-17
MSCI ACWI ex USA				-16.2	-24.6	-19.5	-17.0	-6.1	Aug-17
SSGA Global ex US	3,058,470	17.0	20.0	-14.5	-23.4	-18.0	-15.6	-5.5	Aug-17
MSCI ACWI ex USA				-16.2	-24.6	-19.5	-17.0	-6.1	Aug-17
Total Fixed Income	5,751,167	32.0	30.0	-14.5	-23.4	-18.0	-15.6	-5.5	Aug-17
BbgBarc Global Aggregate TR				-4.2	-2.8	0.1	3.7	2.4	Aug-17
SSGA Barclays Aggregate Fund	4,064,876	22.6	20.0	-2.2	-0.3	0.9	4.2	2.4	Aug-17
BbgBarc US Aggregate TR				-0.5	3.3	5.7	8.9	4.6	Aug-17
Prudential EMD Fund	784,570	4.4	5.0	-0.6	3.1	5.7	8.9	4.7	Aug-17
JP Morgan GBI EM Global Diversified TR USD				-14.2	-18.3	-14.8	-8.9	-5.0	Aug-17
Shenman Primmus High Yield Fund	901,721	5.0	5.0	-11.1	-15.2	-11.5	-6.5	-3.0	Aug-17
BbgBarc US High Yield TR				-10.0	-11.4	-7.8	-5.4	0.1	Aug-17
Real Estate	1,513,095	8.4	10.0	-11.5	-12.7	-9.2	-6.9	-0.4	Aug-17
NAREIT Equity				-22.2	-28.3	-24.5	-24.0	--	Aug-17
SPDR Dow Jones REIT ETF	1,513,095	8.4	10.0	-21.9	-27.3	-22.2	-21.3	-4.5	Aug-17
NAREIT Equity				-22.2	-28.3	-24.5	-24.0	-7.8	Jun-18
Cash	2,131,011	11.8	10.0	-21.9	-27.3	-22.2	-21.3	-5.4	Jun-18
91 Day T-Bills				0.1	0.3	1.3	1.9	1.7	Aug-17

- Performance is net of fees
 - Fiscal Year ends 6/30
 - The policy consists of 30% Russell 3000 / 20% MSCI ACWI ex USA / 20% BbgBarc US Aggregate TR / 10% BbgBarc Global Aggregate / 10% NAREIT Equity / 10% 91 Day T-Bills



CITY OF HARTFORD OPEB

PLAN PERFORMANCE DETAIL (GROSS OF FEES)

	Market Value (\$)	% of Portfolio	Policy %	Ending March 31, 2020					Inception Date
				1 Mo (%)	3 Mo (%)	Fiscal YTD (%)	1 Yr (%)	Inception (%)	
City of Hartford OPEB	17,985,039	100.0	100.0	-10.5	-15.0	-9.9	-7.1	-0.1	Aug-17
Policy Index				-9.5	-13.5	-8.3	-5.5	0.5	Aug-17
Allocation Index				-10.3	-14.7	-9.4	-6.7	0.0	Aug-17
Total Equity	8,590,765	47.8	50.0	-14.3	-22.0	-15.0	-11.8	-0.4	Aug-17
MSCI ACWI				-13.5	-21.4	-14.3	-11.3	-0.9	Aug-17
Domestic equity	5,532,295	30.8	30.0	-13.2	-20.5	-12.3	-8.7	2.9	Aug-17
Russell 3000				-13.8	-20.9	-12.7	-9.1	2.6	Aug-17
SSGA Russell 3000				-13.2	-20.5	-12.3	-8.7	2.9	Aug-17
Russell 3000				-13.8	-20.9	-12.7	-9.1	2.6	Aug-17
International Equity				-16.2	-24.6	-19.5	-16.9	-6.0	Aug-17
MSCI ACWI ex USA				-14.5	-23.4	-18.0	-15.6	-5.5	Aug-17
SSGA Global ex US				-16.2	-24.6	-19.5	-16.9	-6.0	Aug-17
MSCI ACWI ex USA				-14.5	-23.4	-18.0	-15.6	-5.5	Aug-17
Total Fixed Income	5,751,167	32.0	30.0	-4.2	-2.7	0.2	3.8	2.5	Aug-17
BBBarc Global Aggregate TR				-2.2	-0.3	0.9	4.2	2.4	Aug-17
SSGA Barclays Aggregate Fund				-0.5	3.3	5.7	9.0	4.6	Aug-17
BBBarc US Aggregate TR				-0.6	3.1	5.7	8.9	4.7	Aug-17
Prudential EMD Fund				-14.2	-18.3	-14.7	-8.9	-5.0	Aug-17
JP Morgan GBI EM Global Diversified TR USD				-11.1	-15.2	-11.5	-6.5	-3.0	Aug-17
Shenman Prinus High Yield Fund				-9.9	-11.3	-7.5	-5.0	0.6	Aug-17
BBBarc US High Yield TR				-11.5	-12.7	-9.2	-6.9	-0.4	Aug-17
Real Estate	1,513,095	8.4	10.0	-22.2	-28.3	-24.5	-23.9	--	Aug-17
NARETT Equity				-21.9	-27.3	-22.2	-21.3	-4.5	Aug-17
SPDR Dow Jones REIT ETF				-22.2	-28.3	-24.5	-23.9	-7.8	Jun-18
NARETT Equity				-21.9	-27.3	-22.2	-21.3	-5.4	Jun-18
Cash	2,131,011	11.8	10.0	0.1	0.3	1.3	1.9	1.8	Aug-17
91 Day T-Bills				0.1	0.4	1.3	1.9	1.8	Aug-17

- Performance is gross of fees
 - Fiscal year ends 6/30
 - The policy consists of 30% Russell 3000 / 20% MSCI ACWI ex USA / 20% BBBarc US Aggregate TR / 10% BBBarc Global Aggregate / 10% NARETT Equity / 10% 91 Day T-Bills



City of Hartford OPEB

CASH FLOW SUMMARY

	Month Ending March 31, 2020					
	Beginning Market Value	Contributions	Withdrawals	Net Cash Flow	Net Investment Change	Ending Market Value
Cash	\$2,129,670	\$0	-\$346	-\$346	\$1,687	\$2,131,011
Prudential EMD Fund	\$914,072	\$0	\$0	\$0	-\$129,502	\$784,570
Shenkan Primus High Yield Fund	\$1,001,674	\$0	\$0	\$0	-\$99,953	\$901,721
SPDR Dow Jones REIT ETF	\$1,945,056	\$0	\$0	\$0	-\$431,960	\$1,513,095
SSGA Barclays Aggregate Fund	\$4,087,092	\$0	\$0	\$0	-\$22,216	\$4,064,876
SSGA Global ex US	\$3,649,499	\$0	\$0	\$0	-\$591,029	\$3,058,470
SSGA Russell 3000	\$6,372,975	\$0	\$0	\$0	-\$840,681	\$5,532,295
Total	\$20,100,038	\$0	-\$346	-\$346	-\$2,113,653	\$17,986,389



Information Disclaimer

- Past performance is no guarantee of future results.
- All investments carry some level of risk. Diversification and other asset allocation techniques are not guaranteed to ensure profit or protect against losses.
- NEPC's source for portfolio pricing, calculation of accruals, and transaction information is the plan's custodian bank. Information on market indices and security characteristics is received from other sources external to NEPC. While NEPC has exercised reasonable professional care in preparing this report, we cannot guarantee the accuracy of all source information contained within.
- Some index returns displayed in this report or used in calculation of a policy, allocation or custom benchmark may be preliminary and subject to change.
- This report is provided as a management aid for the client's internal use only. Information contained in this report does not constitute a recommendation by NEPC.
- This report may contain confidential or proprietary information and may not be copied or redistributed to any party not legally entitled to receive it.

Reporting Methodology

- The client's custodian bank is NEPC's preferred data source unless otherwise directed. NEPC generally reconciles custodian data to manager data. If the custodian cannot provide accurate data, manager data may be used.
- Trailing time period returns are determined by geometrically linking the holding period returns, from the first full month after inception to the report date. Rates of return are annualized when the time period is longer than a year. Performance is presented gross and/or net of manager fees as indicated on each page.
- For managers funded in the middle of a month, the "since inception" return will start with the first full month, although actual inception dates and cash flows are taken into account in all Composite calculations.
- This report may contain forward-looking statements that are based on NEPC's estimates, opinions and beliefs, but NEPC cannot guarantee that any plan will achieve its targeted return or meet other goals.

