

OPEB TRUST COMMITTEE
Via Tele-Conference
Friday, June 26, 2020
9:00 a.m.

AGENDA

OPEB TRUST

- I. Review of Minutes of the Meeting of May 29, 2020**
- II. Status of OPEB Portfolio at May 31, 2020**
 - **Inventory of Assets**
 - **Performance**
- III. Other Business**



CITY OF HARTFORD
OPEB TRUST COMMITTEE

MEMORANDUM

To: OPEB Trust Committee

From: *AMC*
Adam M. Cloud, Trustee
Carmen I. Sierra, Assistant Trustee

Date: June 26, 2020

Subject: **Review of Minutes from the Meeting of May 29, 2020**

Enclosed for your review are the minutes for the OPEB Trust Committee portion of the Pension Commission meeting of Friday, May 29, 2020.

OPEB TRUST COMMITTEE
Via Tele-Conference
Friday, May 29, 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, Clarence Zachery, Chief Financial Officer, Board of Education, Superintendent's Designee and Leigh Ann Ralls, Director of Finance, Mayor'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:

Nicole Plessy Cloud, Assistant Plan Administrator; Chay Iv, Executive Assistant; Bill Beccaro, Attorney; Mary Watson, Senior Member Services Specialist; Kristin Finney-Cooke, NEPC; Lisa Silvestri, General Counsel; Sabri Akter, Member Services Specialist; Richard Pokorski, Benefits Administrator; Cynthia Steer, Fidiciary AI; Jolita Lazauskas, Revenue Manager and Acting Director of Management and Budget; Matt McCue, Public and Jairo Lemos, Public

Committee Chair Peter Stevens called the meeting to order at 9:11 a.m.

I. Review of Minutes of the Meeting of April 24, 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 April 24, 2020 meeting as presented.

II. Status of OPEB Portfolio at April 30, 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 as of April 30, 2020. Mr. Moore stated that the Trust's net asset value totaled \$19.2 million at April 30, 2020 and it returned 6.9%, net of fees, for the month, matching the policy benchmark. He then discussed the underlying performance results, the Trust asset allocation and the ongoing dialogue with the Board of Education on cash requirements.

The Committee accepted the report for advice.

III. Hooker and Holcombe Valuation Reports for Board of Education and City of Hartford

Trustee Adam Cloud gave a brief overview of the actuarial reports for both the Board of Education and the City of Hartford OPEB plans. He noted that he was very pleased with the work of staff developing and implementing the Trust's asset allocation. He also stated that the Board of Education's funded ratio for 2019 was 49.8%. Discussion ensued.

A motion was made and seconded to approve the Board and City Actuarial reports.

IV. General Investment Consultant-NEPC

Committee Chair Stevens introduced the item and asked Kristin Finney-Cooke, investment consultant from NEPC, to report on its Quarter Ended March 31, 2020 Performance Review.

Ms. Finney-Cooke briefed the Committee on the economic and investment environment before providing an overview of the report. Ms. Finney-Cooke discussed the Trust's asset allocation along with the performance of each asset class against the benchmark. She highlighted the Trust's 3-month performance which was significantly impacted by the Covid-19 pandemic but stated that positive returns would follow. Ms. Finney-Cooke then referred to current market turbulence noting NEPC was advising clients to stick to long-term strategic investment plans and rebalance periodically.

Gary Draghi, Chief Investment Officer, noted the Trust's significant cash position and diversification would cushion the portfolio during such volatile times. He also noted that the cash allocation would be revisited when the need for cash distributions was clarified. Ms. Finney-Cooke then discussed the Trust's asset allocation noting that no changes were currently being recommended. She concluded by highlighting the Trust's 2020 work plan. Discussion ensued.

The Committee accepted the review for advice.

V. Other Business

There was no other business for the month of May.

There being no further business, Committee Member Goldman made a motion to adjourn the OPEB Trust portion of the meeting at 9:26 a.m.

Attest:



Adam M. Cloud, Trustee



CITY OF HARTFORD
OPEB TRUST COMMITTEE

MEMORANDUM

To: OPEB Trust Committee

From: *AMC*
Adam M. Cloud, Trustee
Carmen I. Sierra, Assistant Trustee

Date: June 26, 2020

Subject: **Status of OPEB Trust Portfolio as of May 31, 2020**

Enclosed is the portfolio report for the month of May 2020.

INTEROFFICE MEMORANDUM

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

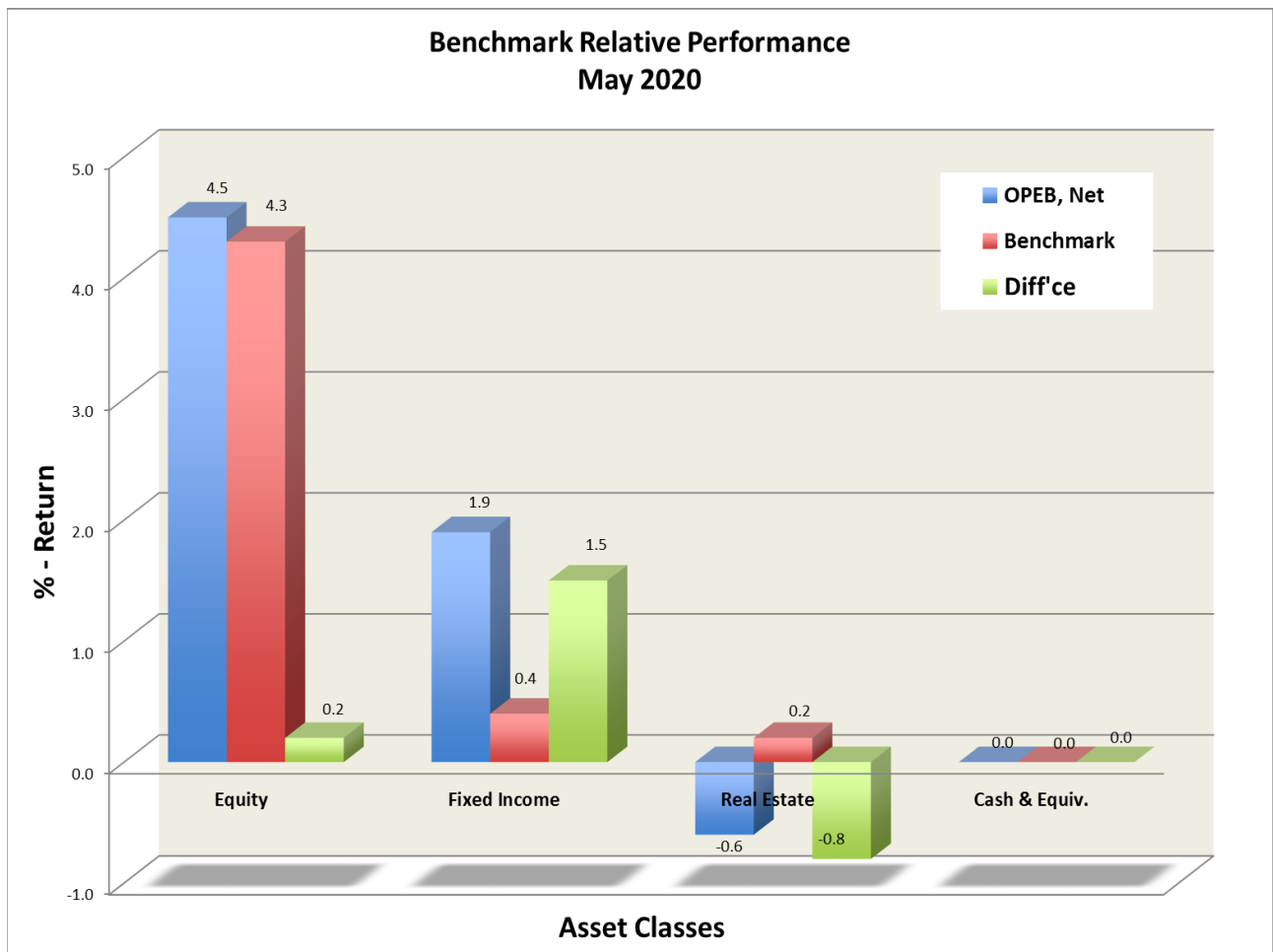
FROM: Gary B. Draghi, Chief Investment Officer
P. Wayne Moore, Deputy Chief Investment Officer
J. Sean Antoine, Principal Investment Analyst

DATE: June 19, 2020

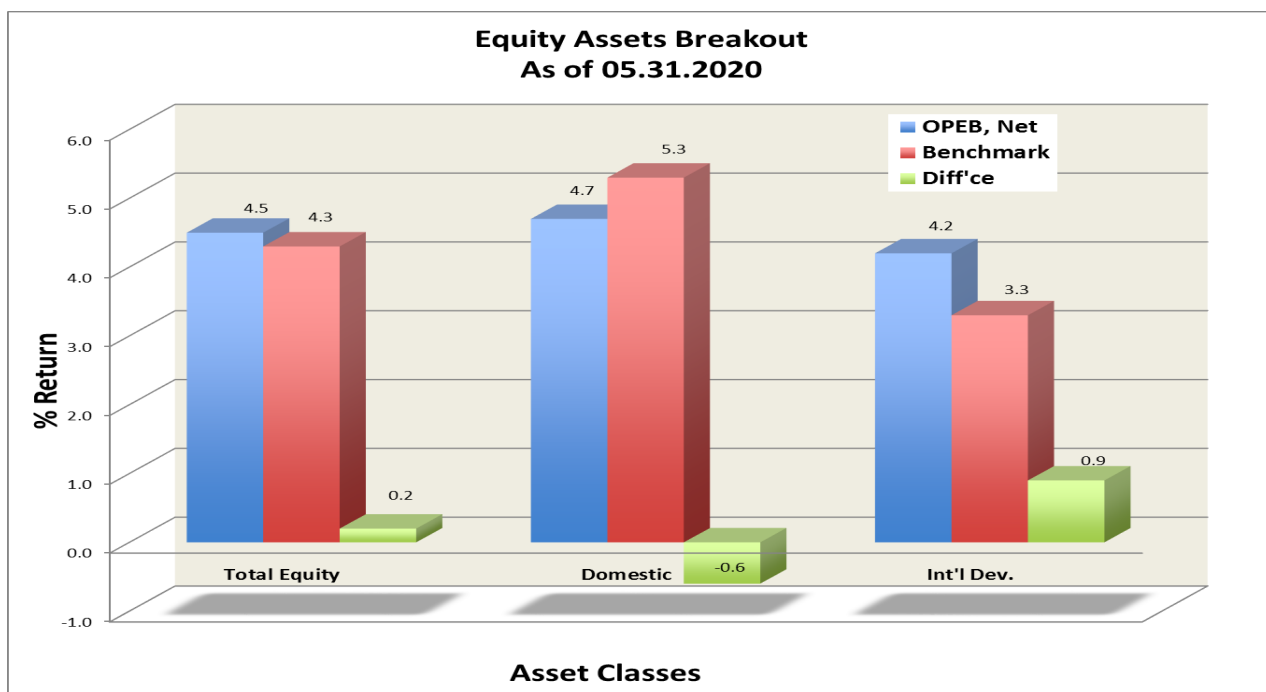
SUBJECT: OPEB Trust Fund Investment Portfolio Status as of May 31, 2020

PERFORMANCE:

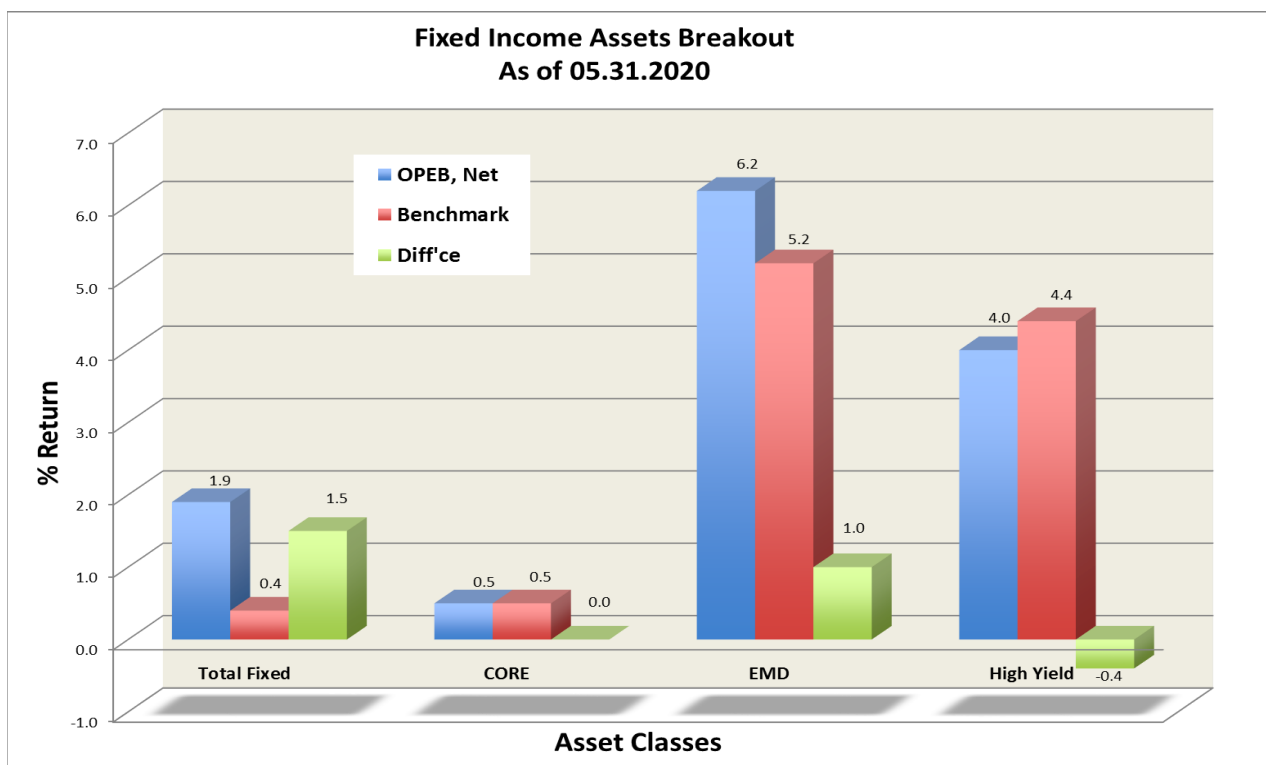
As of May 31, 2020, the OPEB Trust Fund asset value totaled \$19.8 million. The fund returned 2.8% net of fees for the month, outperforming the policy benchmark by 40 basis points. The components of monthly performance are illustrated below.



The fund's equity portfolio returned 4.5% during the month, outperforming its benchmark by 20 basis points. International developed equity outperformed while domestic equity underperformed.

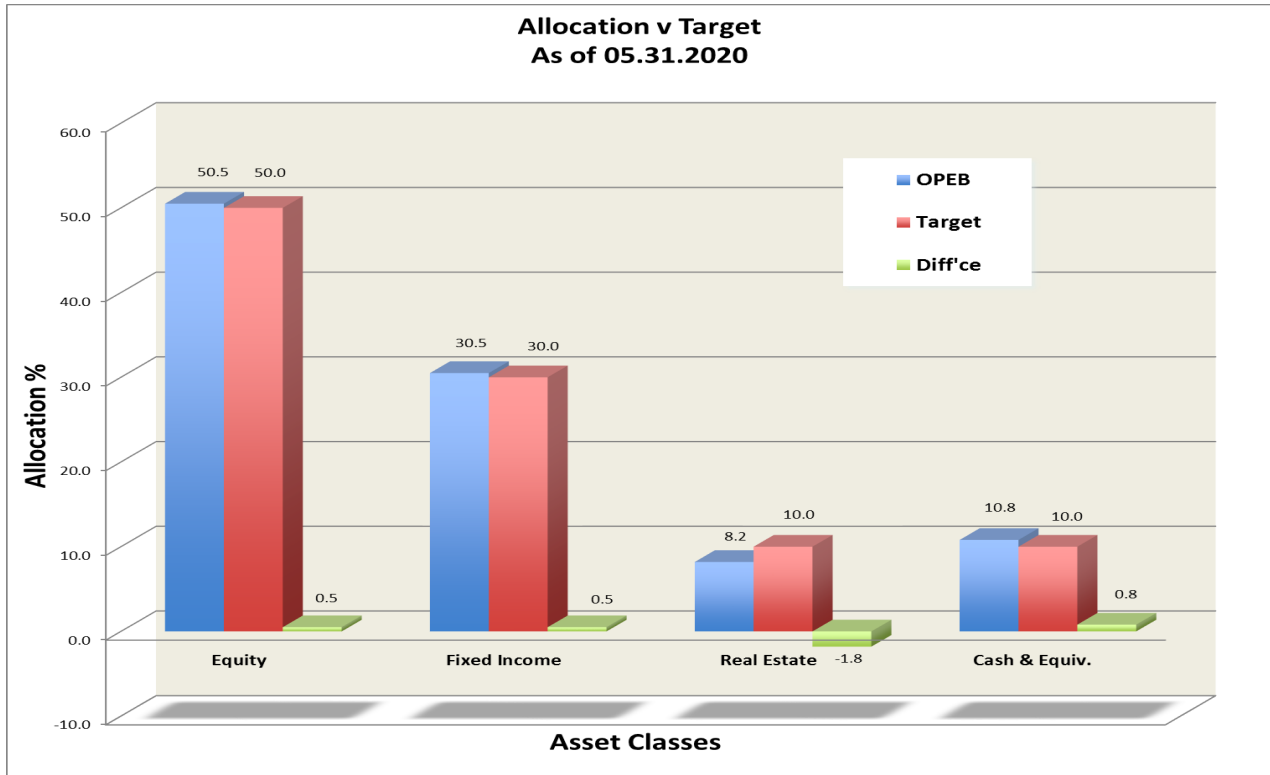


The fund's fixed income portfolio returned 1.9% during the month, outperforming its benchmark by 150 basis points. Sub-sector performance was mixed for the month.

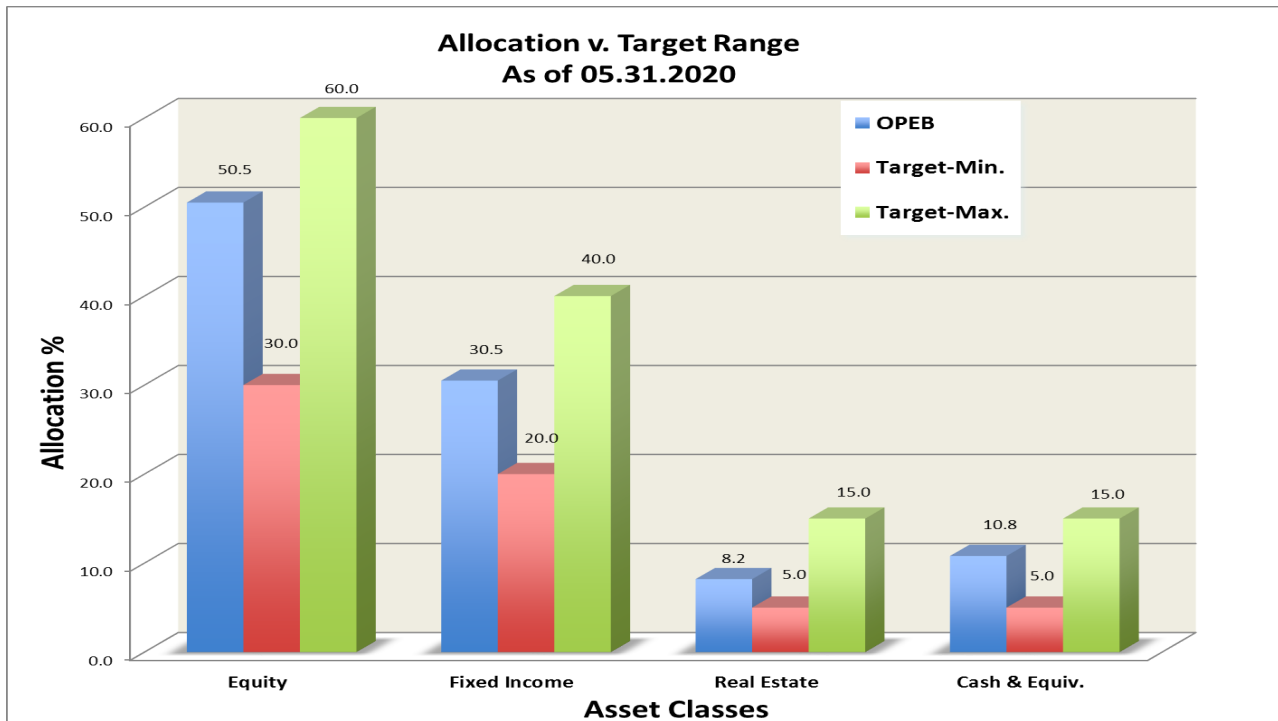


ASSET ALLOCATION:

All of the fund's asset classes are at or close to their anticipated target weights except real estate.



The fund is within target ranges for all asset classes.





CITY OF HARTFORD
OPEB TRUST COMMITTEE

MEMORANDUM

To: OPEB Trust Committee

From: *AMC*
Adam M. Cloud, Trustee
Carmen I. Sierra, Assistant Trustee

Date: June 26, 2020

Subject: Other business