
LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS OVERSIGHT COMMITTEE

Minutes

February 11, 2021

Teleconference

2:00 p.m.

(Approved 5/11/21)

Present: LRCCD: Tracy Clark, Jamie Ruggles, Katie DeLeon, Carrie Bray, Mario Rodriguez
WFB: Eric Lee, Todd Noetzelman

Absent: None

Welcome

Mario called the meeting to order at 2:00 p.m. and welcomed everyone to the meeting.

May 13, 2020, August 19, 2020, & November 16, 2020 Minutes

The May 13, August 19, and November 16, 2020 minutes were approved by consensus.

Estimated Portfolio Cost Comparison

Collective Investment Trust (CIT) F versus N, and Alternatives

Eric went over F Class Collective Investment Trusts (CIT) funds versus N Class CIT funds because we are moving away from Wells Fargo in September 2021. F Class CIT funds are where Wells Fargo exercises full investment discretion whereas in N Class CIT funds Wells Fargo exercises no investment discretion. Eric reviewed the chart showing the respective returns of F Class CIT funds to the N Class CIT funds. There is little difference in total return. Eric also provided chart showing the investment cost differences between F Class CIT funds and the legacy pricing and approved repricing for the N Class CIT funds. The total investment costs with F Class CIT funds are about 28 percentage basis points and will increase to about 30 percentage basis points when the N Class CIT funds are used at the time of transition to Principal in September for trust and investment management services.

Review of 4th Quarter 2020 (calendar year) Results

Eric also went over the Investment Report for the Portfolio for the period ending December 31, 2020. In the fourth quarter of 2020, equities posted positive returns across the board. Large-cap growth and small caps were the best performing equity classes for the year. The fixed income returns were also strongly positive across the board for the calendar year. The pandemic and associated lockdowns have pushed US consumer spending down and added uneasiness to the market. However, the US market is outperforming most other advanced economies in the world, and fiscal and monetary policies have been successful so far in preventing this severe “shock” from developing into a pervasive and enduring slump. Europe’s economy is in jeopardy of resurgent pandemic risks while the Asian economies continue to perform. Eric reviewed the cash flow for the Portfolio noting the significant gain in the quarter. In terms of asset allocations, the Portfolio is almost exactly at its target allocations with 30.1 percent in equities and 69.07 percent

in fixed income investments. In 2020, the portfolio has returned 12.60% compared to its benchmark of 11.56%. Since its inception, the portfolio has returned 5.89 percent compared to its 5.91% benchmark. Eric also went over the returns of the individual funds in the portfolio as shown in the investment report.

Future Meeting Dates/Agenda Items

The next meeting is May 12, 2021 by teleconference.

The meeting ended at 2:45 pm.