
LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS OVERSIGHT COMMITTEE

Minutes
November 17, 2021
Teleconference
10:00 a.m.

(Approved 2/14/22)

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

Absent: None

Guest: Rob Best, Principal Global Advisors

Welcome

Mario called the meeting to order at 10:00 a.m. and welcomed everyone to the meeting. Rob Best, head of Principal Global Advisors joined the meeting briefly to introduce himself and Principal Global Advisors. He believes Principals acquisition Institutional Retirement and Trust group from Wells Fargo is bringing the best of both organizations together with a focus on the retirement marketplace.

May 12, 2021 Minutes

The August 11, 2021 minutes were approved by consensus.

Todd said the webinar for the migration to Principal Global Investors is coming up. There will be changes to the wire protocols.

Review of 3rd Quarter 2021 (calendar year) Results

Eric went over the Investment Report for the Portfolio for the period ending September 30, 2021. In the third quarter of 2021, equities posted mixed returns. Large cap growth stocks were the best performing equity class for the quarter. Six out of eleven of the S&P 500 sectors were positive. The international equity market declined this quarter. The U.S. Long Treasury investments out-performed the U.S. Government index. The emerging markets are struggling more due to Covid. Growth in the US economy was disappointing due to tight supply rather than weak demand. Given some diminishing impacts on the economic condition, it is likely we will see improved growth in the fourth quarter. On the cash flow page, Eric noted the District is putting in more than it is taking out right now, but the net contributions were somewhat offset by losses in the portfolio's performance. The portfolio holds 69.9% in fixed income investments and 29.8% equities, which remains very close to the target allocations for the portfolio. Wells Fargo Causeway International Value fund was added to complement the EuroPacific Growth fund. Eric asked if the committee was agreeable to this change and the consensus was positive. Eric reviewed the Comparative Performance on page 20 of the report and the Performance Summary set forth on page 24. The fixed income fund performance was mostly at or above the benchmarks,

although, it was a difficult quarter for equities. Eric also reviewed the returns of the individual funds in the portfolio as shown in the investment report. Eric noted Federated Total Return Bond fund has done better than its Core Bond funds. He also said the portfolio target allocations remain consistent with the Board's conservative approach and rate of retrun assumption for the liability.

Future Meeting Dates/Agenda Items

The next meeting is February 14, 2022 by teleconference.

The meeting ended at 10:48 am.