
LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS OVERSIGHT COMMITTEE

Minutes

February 14, 2022

Teleconference

10:00 a.m.

(Approved 5/11/22)

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

Absent: Mario Rodriguez

Guest: None

Welcome

Carrie called the meeting to order at 10:00 a.m. and welcomed everyone.

November 17, 2021, Minutes

The November 17, 2021, minutes discussed. Eric will review the minutes for any edits and send them to Laura.

Review of 4th Quarter 2021 (calendar year) Results

Eric went over the Investment Report for the Portfolio for the period ending December 31, 2021. In the fourth quarter of 2021, equities posted positive returns. Large cap growth stocks were the best performing equity class for the quarter. All eleven of the S&P 500 sectors were positive. The international equity market returns were mixed this quarter with developed market equities positive and emerging market equities negative. The U.S. Long Term Treasury investments outperformed the U.S. Government index. Economic growth lost a step at the end of 2021, but the fourth quarter was the strongest quarterly pace of the year. Consumer-led growth was accompanied by strong holiday sales. There was only modest reduction in Europe's elevated economic activity. That region is bracing for a milder version of the slowdown from the pandemic. On the cash flow page, Eric noted the District continues to contribute the same amount even though the net contributions fluctuate. The portfolio currently holds 69.08% in fixed income investments and 30.64% in equities, which remains very close to the target allocations for the portfolio. Eric reminded the committee about the addition of the Wells Fargo Causeway International Value fund and went over the performance summary for that fund. Eric reviewed the Comparative Performance on pages 23-24 of the report and the Performance Summary set forth on page 26-27. Eric also reviewed the returns of the individual funds in the portfolio as shown in the investment report.

**Update on Transition of the RHBT to Principal Custody Solutions/PGA
(Update on F to N CIT transition that occurred in early February)**

Eric reminded the committee that about a year ago we discussed this transition which will become effective in late February. Collective Investment Trusts are pooled institutional investment vehicles intended for government plans and are not available to the public. They have advantages in terms of pricing and flexibility. They provide a cost savings solution. The transition to the N CIT is expected to result in a 3 to 5 basis point increase to start. Eric expects this increase will be offset by the 13 to 15 basis point savings the fund will see due to the use of the CIT instead of Wells Fargo managed funds.

Update on selection of SEI Trust Company as New Trustee of Wells Fargo Collective Investment Trusts (CITs)

Eric shared the SEI Trust Company Overview Capabilities report. SEI Trust company will be the successor trustee. The change in trustee will not result in the change in any of the underlying investments or the investment policies.

Future Meeting Dates/Agenda Items

The next meeting is May 11, 2022, by teleconference.

The meeting ended at 11:00 am.