



Retirement Board of Authority (RBOA) Meeting MINUTES

March 25, 2020

11:30 am – 12:30 pm

District Office

Chancellor's Conference Room #324

28000 Marguerite Parkway

Mission Viejo, CA 92692-3635

(949) 582-4999

The Retirement Board of Authority (the "Board") members: Ann-Marie Gabel; Dr. Cindy Vyskocil; Kim McCord; Davit Khachatryan.

Program Coordinator: Keenan Financial Services: Gail Beal, Roslyn Washington.

Consultants: Scott Rankin, Benefit Trust Company; Cary Allison, Morgan Stanley.

Roll Call: The RBOA meeting was called to order at 1:32 am by Kim McCord.

Roll-call was conducted with all RBOA members reporting their presence except Cory Wathen. All the OPEB Trust's "service entity" representatives indicated their presence, except Gail Beal.

Retirement Board of Authority (RBOA) Charge: The Retirement Board of Authority is charged with ongoing Governance of the District's OPEB Trust. Effective Governance for the District's OPEB Trust requires the delineation of plan-related roles and responsibilities; the capture of key delegations and appointments in writing; the creation of reporting protocols across all plan-related parties; the use of applicable metrics to monitor and measure investment performance; the management of administration and compliance milestones; the maintenance of robust documentation to support, guide and demonstrate prudence ; while RBOA members keep fiduciary skills sharp and investment knowledge current.

15. Approval of Agenda for RBOA meeting on March 25, 2020: (Action)

A motion was made by RBOA member Ann-Marie Gabel to approve the Agenda as presented. Motion was seconded by Davit Khachatryan and was unanimously carried by all the RBOA members present.

16. Approval of Minutes from September 25, 2019 RBOA Meeting: (Action)

A motion was made by RBOA member Ann-Marie Gabel to approve the Minutes for the previous RBOA meeting on September 25, 2019 with changes (below). Motion was seconded by Dr. Cindy Vyskocil and was unanimously carried by the RBOA membership present. Davit Khachatryan abstained.

- Roll Call correction to Gail Beal's last name.
- #2 Ask changed to asked
- #9A the letter "t" was left off the word "the" in the first sentence.

17. Review of Action Items from Previous Meeting on September 25, 2019:

	Actions:	Assigned to:	Deadline:	Status/Comments:
A.	No items were reviewed			

18. Portfolio Performance Review: (Action)

- a. Cary Allison of Morgan Stanley reviewed the performance of the District's Investment Trust portfolio account as of February 29, 2019.
- b. The Portfolio Value of the Trust as of **February 29, 2019 was \$126,599,288.58**

Time weighted return net of fees:

Month to Date	Quarter to Date	Year to Date	Latest 1 Year	Annualized Latest 3 Year	Annualized Latest 5 Year	Annualized Latest 10 Year	Annualized Inception to Date
-2.89	-2.18	-2.18	6.85	5.59	4.46	6.22	5.54

- c. Some changes have been made since we last met. We got rid of alternative fixed income funds and reduced global funds. We moved a little of your international funds into REITS.
- d. We did not change your asset mix.
- e. A motion was made by RBOA member Ann-Marie Gabel to accept the Portfolio Performance Review as presented. The motion was seconded by RBOA member Cindy Vyskocil and was unanimously approved by all of the RBOA members present.

19. Market Overview: (Information)

- a. The S&P 500 capped off an historic year for returns in the fourth quarter with its strongest finish since 2013.
- b. Equities were up 9.07% on the quarter and gained 32.6% in 2019.
- c. International markets underperformed the US slightly, though still performed nicely.
- d. US equities rose in the fourth quarter, as the S&P 500 gained 9.07% and 10 of 11 sectors finished in the black.
- e. Tech led, gaining 14.40%. Other outperformers included Health Care and Financials, which were up 14.37% and 10.44%, respectively. Real Estate was the only money loser, falling 0.54%.

- f. International underperformed slightly in the fourth quarter, as the US continued its market leadership. International markets rose on positive trade news and incremental improvement in European economic data.
- g. The bond market was flat in the fourth quarter as the Fed meeting expectations and improving sentiment surrounding global growth kept bond yields steady to slightly higher across the curve.
- h. Morgan Stanley & Co. economists expect US real GDP will be 1.7% in Q4 2019 amid an environment of 2.9% global GDP growth; they expect that pace to accelerate in the US and globally for 2020 to 1.8% and 3.2%, respectively.
- i. Gas prices are low now. Consumers can actually start saving money in their pockets with unemployment rates at its lowest and the economy doing so well.
- j. The Jobs Report just came out and it looked great with 273k jobs available.
- k. Morgan Stanley feels stocks are too cheap and bonds are too expensive now.
- l. We may have another 5% correction going forward.
- m. We are in a strange environment now with the COVID-19 Pandemic and are not sure what effect it will have on the market or the economy as a whole.
- n. This is an information only item.

20. Disbursement Report: (Action)

- a. Roslyn Washington presented the Disbursement Report reflecting fees paid to the District's OPEB Trust service entities for the period of October 2019 thru March 2020.
- b. A motion was made by RBOA member Ann-Marie Gabel to ratify the District's Disbursement Report as presented. The motion was seconded by Davit Khachatryan and was unanimously carried by all the RBOA membership present.

21. Annual Actuarial Valuation Update: (Information)

- a. The December 2019 Annual Actuarial Valuation Study by Nyhart was presented.
- b. This item is information only.

22. Information Report: RBOA Comments

- a. No RBOA comments were made.
- b. This item is information only

23. Information Report: Program Coordinator/Consultant Comments

- a. No Program Coordinator/Consultant Comments were made.
- b. This item is information only

24. Information Report: Public Comments

- a. No public comments were made.
- b. This item is information only

25. Date, Time and Agenda Items for Next Meeting

Future Retirement Board of Authority (RBOA) Meetings are scheduled as follows:

- a. September 23, 2020: 11:30am-12:30pm
- b. This item is information only

Summary of Recommendations/Decisions Made Today (Action Items):

1. Approval of Agenda for RBOA Meeting on March 25, 2020.
2. Approval of Minutes from RBOA Meeting on September 25, 2019.
3. RBOA acceptance of the District's Investment Trust Portfolio Performance Review for period ended February 29, 2020.
4. The District's Disbursement Report ratified as presented.

Action Items (September 23, 2020)

	Action:	Assigned to:	Deadline:	Status/Comments:
1.	None Assigned			

26. Adjournment:

There being no further business to conduct, the Retirement Board of Authority meeting was adjourned by Kim McCord at 12:29 pm.

Americans with Disabilities Act: The South Orange County Community College District Retirement Board of Authority conforms to the protections and prohibitions contained in Section 202 of the Americans with Disabilities Act of 1990 and the federal rules and regulations adopted in implementation thereof. A request for disability-related modification or accommodation, in order to participate in a public meeting of the South Orange County Community College District Retirement Board of Authority meeting, shall be made to: Kim McCord, District Director, Fiscal Services, South Orange County Community College District, 28000 Marguerite Parkway, Mission Viejo, CA. 92692-4999.