
LOS RIOS COMMUNITY COLLEGE DISTRICT
RETIREE HEALTH BENEFITS OVERSIGHT COMMITTEE

November 16, 2020

Teleconference

10:30 a.m.

(Approved 2/11/21)

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 10:30 a.m. and welcomed everyone to the meeting.

Asset Allocation Analysis

Eric reviewed the November 16, 2020 Asset Allocation Analysis prepared for the committee. The projected return target assumption is 5% with a 10-year time horizon. The Analysis reflected the impacted of lower interest rates on achieving portfolio return targets over the near term outlook. Based on the possibility future return projections could go lower, he suggested ideas for further diversifying using additional asset classes with more growth potential. Eric reviewed the expected risk and return analysis.

Review of 3rd Quarter 2020 (calendar year) Results

Eric reviewed the investment report for the period ending September 20, 2020. The highlight for the 3rd quarter was that equities again posted a positive 8.9% return bringing the year to date return back into positive territory at 5.6%. Almost all of the sectors in the S&P 500 returned positive results for the quarter. Fixed income assets were also positive for the quarter. Economic growth slowed as the third quarter ended capping the surge and erasing much of the second quarter losses. Growth is uneven and the pandemic continues to affect the markets.

On the cash flow page, Eric noted the contributions were positive this quarter. He also noted there was \$12.9M in asset growth over the past year. The portfolio performed very well over the last three years with \$26M in gains and with \$69M in gains over the past 10 years. The asset allocation is very close to targets with 30.42% in equities and 69.10% in bonds. Overall performance was up this quarter at 3.39%, with equities up 8.79% and fixed income is up 1.11%. Overall, this has been a strong quarter. Eric also reviewed the returns of several of the funds held in the portfolio.

Future Meeting Dates/Agenda Items

The next meeting is February 11, 2021 by teleconference.

The meeting ended at 11:30 am.