

**Town of Redding
OPEB Trust Board Regular Meeting
Monday, 4/24/2023
6:00PM via Zoom**

Filed subject to approval.

Present:

- Jenifer Wyss, Chair
- Dr. Kimberly Yonkers, Vice Chair
- Ward Mazzucco
- Jamie Barickman
- Robert Dean
- Karen Gifford

Also Present:

- Kate Pizzi, Fiducient Advisors
- Jim Sanders, Finance Director
- Members of the Public

Chair Wyss called the meeting to order at **6:02PM**.

1. To Approve the Minutes of the Monday, 2/27/2023 OPEB Trust Board Meeting.

Motion:

Mr. Barickman made a motion to approve the minutes of the OPEB Trust Board meeting held on Monday, 2/27/2023. Vice Chair Yonkers seconded the motion. The vote was unanimous, and the motion carried.

2. Public Comment

Chair Wyss opened the floor to Public Comment.

There was no Public Comment.

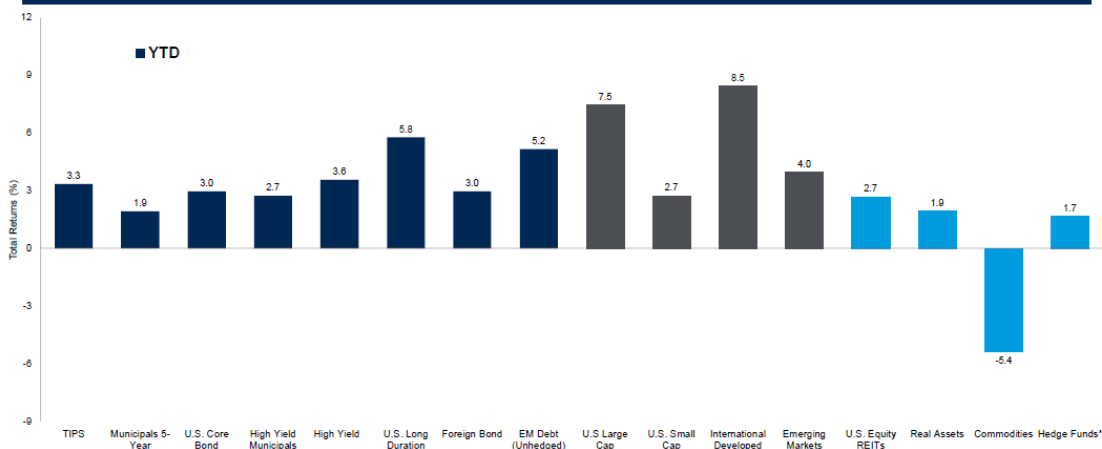
3. Fiducient Advisors Quarterly Oversight Review

Kate Pizzi of Fiducient Advisors presented the Quarterly Oversight Review to the OPEB Trust Board.

The economy and markets performed positively in the First Quarter (Q1). See below for the Asset Class Returns for Q1:



Asset Class Returns



Source: Morningstar Direct. As of March 31, 2023. *Hedge fund returns as of February 28, 2023.

Fixed Income (1Q)

+ Interest rate markets were highly volatile in the first quarter, as investors grappled with Fed policy action and banking sector uncertainty. Ultimately, rates ended lower, providing a tailwind for bond investors.

+ Credit sectors generally fared well, even with spreads widening at the end of the quarter with the turmoil stemming from the banking sector.

+ Inflation expectations were volatile during the quarter, rising sharply in February before settling back in March. TIPS outpaced Core Bonds in the quarter as a result.

Equity (1Q)

+ Despite volatility caused from the fallout of SVB, equity markets overall fared well in the first quarter. Swift action from policy makers helped instill confidence to calm markets.

+ Non-U.S. developed led equity markets during the quarter. Strength in Europe early on helped pave the way despite volatility picking up in March. A falling dollar provided an added tailwind.

+ Emerging market equity posted a modest positive return. Mexico was a key driver, gaining over 20% in the quarter.

Real Asset / Alternatives (1Q)

+ U.S. REITs had a modest gain, with strength in industrial, self storage and data centers. However, clouds still linger over the office market.

- Commodity markets took a step back in the quarter, largely driven by a pullback in the energy sector due to concerns of falling demand from economic contraction.

+ Hedge Funds saw modest gains for the first two months of the year. Equity hedge strategies have been the noticeable standout thus far.

www.FiducientAdvisors.com

See disclosures for list of indices representing each asset class. Past performance does not indicate future performance and there is a possibility of a loss. Indices cannot be invested in directly.

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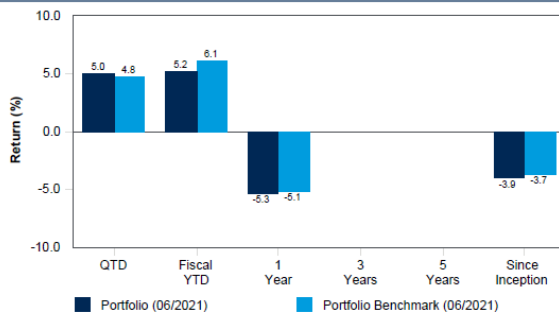
Ms. Pizzi explained performance across these various asset classes. She then followed by addressing the actual portfolio performance:

Portfolio Dashboard

Redding OPEB*

As of March 31, 2023

Historical Performance



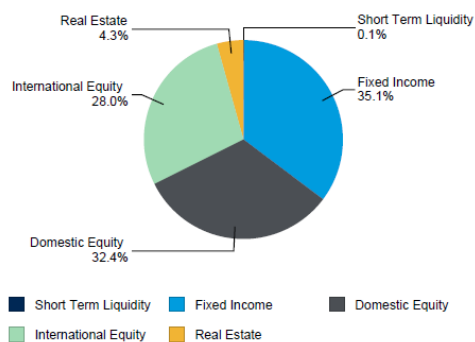
Summary of Cash Flows

	QTD	Fiscal YTD	Since Inception
Redding OPEB*			
Beginning Market Value	954,791	875,697	502,408
Net Contributions	150,000	225,000	725,000
Gain/Loss	51,453	55,548	-71,163
Ending Market Value	1,156,245	1,156,245	1,156,245

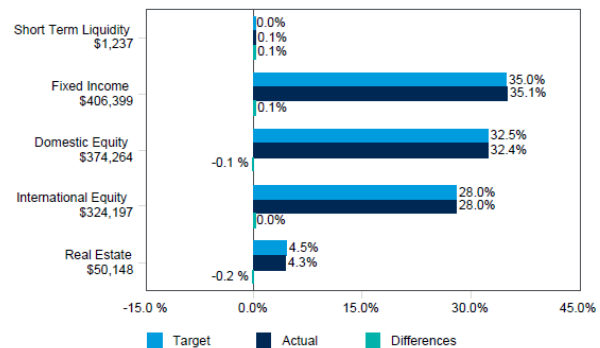
Current Benchmark Composition

From Date	To Date	Composition
06/2021	Present	28.00% Blmbg. 1-3 Govt, 7.00% Blmbg. U.S. Aggregate, 24.50% S&P 500, 8.00% Russell 2000 Index, 18.50% MSCI EAFE (Net), 9.50% MSCI Emerging Markets (Price), 4.50% MSCI U.S. REIT Index (Net)

Portfolio Allocation



Actual vs. Target Allocations



*Performance has been adjusted systematically to account for Fiduciant Advisors' fee.

Discussion followed concerning the historical performance of the portfolio and how this can be shown more accurately in future Quarterly Investment Reviews.

Chair Wyss asked Ms. Pizzi about actual versus target allocations and what her suggestion would be moving forward. Ms. Pizzi recommended that the OPEB Trust stays with the current allocations.

Ms. Gifford asked Ms. Pizzi how the reallocations are affecting the fixed income benchmark. Ms. Pizzi stated that the benchmarks should be consistent with changes in allocations. Benchmarks are changed on the first of each month and will be updated April 1st. Discussion followed concerning the differences between benchmarks and performance in Fixed Income.

Ms. Gifford asked Ms. Pizzi why the inception dates on the Calendar Year Performance and Manager Performance slides are different (6/1/2021 vs 5/1/2021). Ms. Pizzi said this will be addressed in future Quarterly Investment Reviews.

4. Possible Re-allocation of Investments

Mr. Barickman asked the OPEB Trust Board if the allocations should be adjusted in anticipation of an impasse on the Debt Ceiling and the resulting effects on various investments. Discussion followed. The OPEB Trust Board decided to stay with current allocations and strategies.

5. Investment Statement

Motion:

Mr. Mazzucco made a motion to accept the Charles Schwab Statement dated 3/31/2023. Ms. Gifford seconded the motion. The vote was unanimous, and the motion carried.

6. Other Business

Chair Wyss stated that Vice Chair Yonkers is stepping down from the Vice Chair position. A new Vice Chair needs to be nominated.

Motion:

Mr. Barickman made a motion to nominate Karen Gifford as Vice Chair of the OPEB Trust Board. Ms. Yonkers seconded the motion. The vote was unanimous, and the motion carried.

7. Public Comment

Chair Wyss opened the floor to Public Comment.

There was no Public Comment.

Motion:

Ms. Yonkers made a motion to adjourn the meeting. Mr. Mazzucco seconded the motion. The vote was unanimous, and the motion carried.

The meeting was adjourned at **6:38PM**.

Submitted by,

Zachary Smith