VLCT Joint Investment Committee Meeting
Friday, February 1, 2019
VLCT Offices, Montpelier, Vermont

Minutes

Committee Members Present:
PACIF: Pete Johnson, Carl Rogers, John Lawe, Jerry Storey, Brendan Whittaker and Jackie Higgins
VERB: Bill Shepeluk and Todd Odit
VLCT: Peter Elwell

Staff Present: Joe Damiata, Maura Carroll, Mike Gilbar, Fred Satink and Kelley Avery

Others Present: John Mohr (Strategic Assets Advisors (SAA)), Amanda Abdella and Jason Bilodeau (Mellon)

Chairman Lawe called the meeting to order at 10:03 am.

Upon motion (Storey/Rogers) duly adopted, the Committee voted unanimously to approve the agenda.

Joe Damiata briefly addressed the Committee regarding changing this current meeting date to early March next year in order to provide more up-to-date figures. The Committee had no objection, so long as the meeting is scheduled following Town Meeting Day.

John Mohr from SAA reviewed the trusts' investment performance during 2018, focusing on the fourth quarter. Volatility was high in 2018, primarily due to political and economic factors in the U.S., but also abroad. PACIF fell short of its portfolio benchmarks by .06%, while VERB fell short by .08%. Returns were also negative for the quarter. The portfolio gains in fixed income helped offset the losses in risk assets.

Upon motion (Storey/Whittaker) duly adopted, the Committee voted unanimously to approve the minutes of the September 14, 2018 meeting as presented.

Jason Bilodeau and Amanda Abdella reviewed the fixed income portfolio performance during 2018. Mr. Bilodeau explained Standish combined with its two sister companies and is now branded as Mellon. They also reviewed Mellon’s investment and economic outlook for 2019-2021. They see continued, but slowing GDP growth through the period.
John Mohr reviewed the peer group analysis completed by SAA. This compared PACIF and VERB’s investment performance, risk approach, and exposure to risk assets as a percentage of surplus to other public sector pools that use SAA for investment advisory services. It was noted that PACIF’s fixed income duration is longer than average amongst the peer group, but this has provided a slightly higher return over the most recent three and five year periods.

John Mohr reviewed the SWOT analysis completed by SAA for the trusts.

The Committee requested an analysis from Mr. Mohr regarding the possibility of shortening the average duration of the fixed income portfolio for PACIF. SAA will work with VLCT staff to clarify the analysis and will prepare materials for review at the next meeting. The Committee also inquired about getting more frequent portfolio performance information. Joe Damiata confirmed that reports are produced quarterly by SAA and that he will share them with the Committee going forward.

Upon motion (Johnson/Storey) duly adopted, the Committee voted unanimously to adjourn the meeting at 12:07 p.m.

Respectfully submitted,
Fred Satink
Assistant Secretary

**Board Meeting Date:**
Friday, February 01, 2019

**Resource Category:**
- JIC Minutes