Joint Investment Committee Meeting Minutes 2019 09-13

Joint Investment Committee Meeting
10:30 a.m., September 13, 2019
VLCT Offices, Montpelier, Vermont

Minutes

Committee Members Present:

PACIF: Pete Johnson, Carl Rogers, Jerry Storey and Jackie Higgins
VERB: Bill Shepeluk and Todd Odit
VLCT: Peter Elwell

Staff Present: Joe Damiata, Maura Carroll, Jeremiah Breer, Fred Satink and Kelley Avery
Others Present: John Mohr via phone (Strategic Assets Advisors -SAA), Amanda Abdella and Jason Bilodeau (Mellon)

Bill Shepeluk chaired the meeting in Chairman Lawe’s absence. The meeting was called to order at 10:39 a.m.

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

Upon motion (Storey/Higgins) duly adopted, the Committee voted unanimously to approve the minutes of the February 1, 2019 meeting as presented.

Jason Bilodeau and Amanda Abdella reviewed the fixed income portfolio performance through the second quarter of 2019. Overall, the portfolio outperformed through the first six months of the year relative to the benchmark. They also briefly reviewed the global and economic outlook for 2020. GDP growth is slowing, particularly in the global markets.

John Mohr from SAA reviewed the trusts' investment performance through the first two quarters. Despite market volatility, both PACIF and VERB performed well for the first half of 2019. PACIF’s consolidated return through June was at 8.05%, while VERB’s was at 8.02%, very close to their benchmarks. Mr. Mohr noted that U.S. economic growth is forecasted to decline for the upcoming year due to an expected decrease in workforce and productivity.
John Mohr provided an educational overview to the committee regarding bank loan investments and how they perform in comparison to other asset classes.

Jason Bilodeau and John Mohr reviewed the results of a PACIF fixed income portfolio duration study recently conducted using the 2018 reserve analysis data from the actuary (Milliman). The study concluded the liability duration, the average time it takes to resolve a PACIF claim, is roughly six years. The fixed income portfolio duration is currently set at seven years. Based on the results of this study, SAA sees no reason to recommend a change to the fixed income portfolio duration at this time.

John Mohr briefly reviewed the current asset allocation strategies and the investment policies for both trusts, and feels there is no need to make any changes at this time.

Upon motion (Storey/Johnson) duly adopted, the Committee voted unanimously to adjourn the meeting at 12:17 p.m.

Respectfully submitted,
Fred Satink
Assistant Secretary

**Board Meeting Date:**
Friday, September 13, 2019

**Resource Category:**
- JIC Minutes