

COUNTY OF RIVERSIDE
DEFERRED COMPENSATION ADVISORY COMMITTEE

MINUTES OF ZOOM CONFERENCE CALL
NOVEMBER 18, 2021 9:30 A.M.

COMMITTEE MEMBERS PRESENT

Jeff Hewitt, County Board of Supervisors
Don Kent, Director of Finance
Brenda Diederichs, Assistant CEO/Human Resources Director
Matt Jennings, Treasurer-Tax Collector
Paul Angulo, Auditor Controller

IN ATTENDANCE

Rick Rosenthal, US Bank	Dawson Mortimore, Gallagher - HealthInvest
Terra Murphy, US Bank	Stacey Beale, Human Resources
Justin Berg, AIG	Amy Onopas, Human Resources
Jeff Cohen, AIG	Megan Gomez, Human Resources
Mark Draud, AIG	Eileen Vazquez, Human Resources
Keith Pock, AIG	Sonia Moreno, Human Resources
Ross Dutch, AIG	
Billy Welsh, Gallagher	
John Steggell, Nationwide	
Nick Ziegenbusch, Nationwide	
Jeff Howey, Nationwide	

1. CALL TO ORDER

Don Kent noted the established quorum and called the meeting to order at 9:30 a.m.

2. APPROVAL OF RESOLUTION NO. 2021-001 – authorizing remote teleconference meetings of the legislative bodies of the Deferred Compensation Advisory Committee for the period of November 18, 2021 to December 18, 2021, pursuant to the Ralph M. Brown Act.

MOTION: Don Kent moved to approve.
Brenda Diederichs seconded.
All were in favor. Motion passed unanimously.

3. APPROVAL OF MINUTES

The November 19, 2020 minutes were reviewed and approved.

MOTION: Don Kent moved to approve.
Supervisor Jeff Hewitt seconded.
All were in favor. Motion passed unanimously.

4. **401(A) TEMPORARY/PART-TIME EMPLOYEES' RETIREMENT PLAN INVESTMENT REVIEW**
 Rick Rosenthal, with US Bank, presented and started by introducing Terra Murphy as their new Relationship Manager.

Investment Review US Bank Investments

Portfolio Summary as of September 30, 2021

- Total Portfolio Value \$61,146,137
- Total Equity Value \$41,215,983
- Projected Annual Income \$945,783 (with dividends and interest payments)
- Equity amount 67.41%
- Fixed amount 28.58%
- Real Assets amount 3.06%
- Cash amount .96%
- Fully Invested 100.00%

Equity Summary

- Equity Value \$41,215,983
- Current Yield .87%
- Projected Annual Income \$356,787
- Number of Securities 6
- Equity global distribution largest being:
 - North America 77.58%
 - Europe 11.19%
 - Asia 10.81%
 - South America .41%
- Equity country distribution largest being
 - United States 80.78%
 - Hong Kong 2.73%
- Top 10 stock holdings
 - Tesla 1.36% of portfolio, Amazon 1.11%, remainder on page 7 of US Bank report

<u>Performance</u>	<u>Market Value</u>	<u>1 Year Return (gross)</u>
• Total Portfolio	\$61,188,406	20.39%
• Total Equity	\$41,215,983	29.43%
• Total Fixed Income	\$17,519,597	1.42%
• Total Real Assets	\$ 1,808,274	29.58%
• Total Cash Equivalents	\$ 584,552	.01%

RECEIVE AND FILE

5. **VOLUNTARY EMPLOYEES' BENEFIT ASSOCIATION (VEBA) INVESTMENT REVIEW**

Billy Welsh with Gallagher-HealthInvest presented.

HealthInvest HRA for the County of Riverside

Total assets of the plan were \$70.8 million (Market value as of the 3rd quarter, Sept 30, 2021)

	<u>1 Year Return</u>
55% assets fixed account	2.01%
22% BlackRock 80/20	23.35%

Investment lineup changes:

- DFA US Core Equity was removed and mapped to the Vanguard Total Stock Market Index Admiral
- Lazard US Equity Concentrated (Large Cap) was removed and mapped to PIMCO StocksPLUS Absolute Return Instl (Large Cap)
- DFA US Small Cap t was removed and mapped to the PIMCO Stocks Plus Small Institutional (Small Cap)

The majority of the funds are allocated to the Nationwide fixed account – \$38,575,825

RECEIVE AND FILE

6. **DEFERRED COMPENSATION INVESTMENT REVIEW**

Jeff Cohen with AIG presented.

1) **VALIC**

VALIC WATCHLIST

MFS Mass. Investors Growth Stock Fund (A) - Large Growth
Invesco Global Fund (A) World Large - Stock Growth
PIMCO Total Return Fund (Adm)

VALIC QUALIFIED FOR REMOVAL

American Funds Fundamental Inv Fund (R4)
Janus Henderson Triton Fund (S)
Neuberger Berman Genesis Fund (Adv)

Mark Draud with AIG presented the below

	<u>1 year</u>	<u>3 year</u>	<u>5 year</u>
Average rankings	48%	32%	30%
Average expense	83 basis points or 0.83%		

Last year at AIG's recommendation, the Committee changed from Templeton Global Bond to BlackRock Strategic Global Bond. Templeton continues to under-perform and BlackRock Strategic Global Bond has a five-star rating and is doing very well.

RECEIVE AND FILE, NO ACTION TAKEN TO MAP FUNDS DUE TO PENDING RFP

2) Nationwide

John Steggell, Relationship Manager for Nationwide, introduced Nick Ziegenbusch to present.

Average performance	<u>1 year</u>	<u>3 year</u>	<u>5 year</u>	<u>10 year</u>
	56%	35%	29%	25%
Morningstar rating	4			

NATIONWIDE WATCHLIST

Fidelity® Contrafund® US Fund Large Growth
Nationwide Small Company Growth InSvc US Fund Small Growth
PIMCO International Bond (USD-Hdg) Adm US Fund World Bond-USD Hedged
Invesco Global Y US Fund World Large Stock
Nationwide Inv Dest Mod Cnsv R6 US Fund Allocation--30% to 50% Equity
MFS International Growth R6 US Fund Foreign Large Growth
Delaware Ivy High Income Fund Class R6 US Fund High Yield Bond
Nationwide Inv Dest Mod R6 US Fund Allocation--50% to 70% Equity
Nationwide Inv Dest Agrsv R6 US Fund Allocation--85%+ Equity
Nationwide International Index R6 US Fund Foreign Large Blend
MFS International Intrinsic Value R4 US Fund Foreign Large Growth
PIMCO Total Return Admin US Fund Intermediate Core-Plus Bond
Edgar Lomax Value US Fund Large Value
American Century Mid Cap Value R6 US Fund Mid-Cap Value
Neuberger Berman Genesis R6 US Fund Small Growth
Fidelity® US Bond Index US Fund Intermediate Core Bond

NATIONWIDE QUALIFIED FOR REMOVAL

Fidelity Contrafund
Nationwide Inv Dest Mod R6
Neuberger Berman Genesis R6

RECEIVE AND FILE, NO ACTION TAKEN TO MAP FUNDS DUE TO PENDING RFP

7. PUBLIC COMMENT

None

8. OTHER BUSINESS

Don Kent, with the County of Riverside Executive Office, shared with the Committee that the County currently has an RFP out and may possibly consolidate to one retirement plan vendor for its 457 and 401a plans, easing administration and potentially lowering costs for the County.

9. ADJOURNMENT

Meeting adjourned at 10:53 a.m. Next meeting date to be determined.