



County of Riverside
DEFERRED COMPENSATION ADVISORY COMMITTEE
MEETING MINUTES
County Administrative Center
5th Floor Executive Conference Room C
Thursday, November 15, 2018
10:30 a.m.

COMMITTEE MEMBERS PRESENT

John Tavaglione, County Board of Supervisors
Don Kent, Treasurer/Tax Collector
Brenda Diederichs, Assistant CEO/Human Resources Director
Jon Christensen, Treasurer & Tax Collector

COMMITTEE MEMBERS ABSENT

Paul Angulo, Auditor/Controller

IN ATTENDANCE

Rick Rosenthal, U.S. Bank	Yuval Selik, U.S. Bank
Jennifer Fuller, Human Resources	Stella Cierlak, Nationwide
Robert Fleishman	Sonia Moreno
John Steggell	Kevin Landen
Amy Onopas, Human Resources	Stacey Beale, Human Resources
Stephanie Jones, Human Resources	Steve Sherman, Washington Trust Bank (phone)
Alisa Lynch, Human Resources	Benjamin Lozier
Steven D. Pierce	

Request(s):

Prior to new business being discussed, Amy Onopas (Human Resources Department) would like to discuss Item #3.A.1 and Item #4 simultaneously

US Bank Investments

Portfolio Summary

- \$42.2 million in investments
- Total Portfolio Value: \$42,221,034
- Projected Annual Income \$839,426 with dividends and interest payments
- Equity 64.72%
- Fixed: 28.21%
- Real Estate: 4.05%
- Commodities 1.91%
- Cash 1.11%
- Fully Invested
- Committee voted to Receive and file 401a Investment Policy

*Recommend for COR to add Blended benchmark in COR's investment policy

Equity Summary

- Equity Value: 27, 325.149
- Current Yield: 1.02%
- Projected Annual Income \$279,931
- Number of Securities 1, 042
- International funds have not done well this year, contributing most is large cap funds.
- Equity Global Distribution largest being
 - North America 65.94%
 - Europe 16.85%
 - Asia 16.22%
 - Equity Country Distribution
 - United States 63.53%
 - Japan 4.86%
 - United Kingdom 4.05%
- Top 10 Stock Holdings
- Amazon is 1% of portfolio
- Predominately good results
- Any questions on fixed incomes? No
- Almost 12 million in bonds

Recommends allowing hedge funds to reduce and minimize damage. Fixed income is running around 30%
Consensus of Committee members is to refrain from participating in Hedge funds.

Performance

Total Equity of Portfolio 2.67%

Recommends blended bench mark equities up 2.41%

VALIC

Recommended two (2) fund changes, which were approved by Committee.

Fund changes:

Suggest combining US and International World stocks together. Global is at 4.8% of plans assets & World at 1.4%

Would the Committee like to take this action or continue to watch?

Committee approves to combine and merge, this is consistent to what Committee has done in past.

Committee concurs to move to Templeton World A assets into Oppenheimer Global A.

VALIC suggest finding an alternative for the Neuberger Berman Genesis and Jennison Small Company A fund to obtain a better performing option.

The Committee's requested VALIC to provide suggested options and requested for VALIC to email suggestions to Committee. Committee approves to receive information via email.

VALIC recommended COR to combine the Invesco Small Cap Equity A and Columbia Small Cap Value into a better performing option since these funds have been underperforming and on watch.

The Committee voted to leave funds for now but will continue to monitor.

The Committee agreed to continue watch on the American Funds the Bond Fund of America and the and PIMCO Funds

Committee would like to see alternatives in the American Century Government Bond A fund to see what else may be performing better.

VALIC suggest COR to review Mid Cap and Real Estate funds. Committee approves to review suggestions.

Nationwide

Recommended two (2) fund changes, which were approved by Committee.

Add: MFS International Growth R6 MGRDX

MFS New Discovery Value R6 NDVXX

Map: From - Invesco International Growth AIEVX

To – MFS International Growth R6 MGRDX

From – Nationwide US Small Cap Value NWUSX

To – MFS New Discovery Value R6 NDVXX

Recommended to continue watch on the following funds:

- o American Century Value Inv
- o Nationwide Bond Index A
- o Nationwide Destination 2035 Instl Svc

Nationwide will email options/targets to COR for review and subsequent discussion. Committee concurs to receive information via email.

Washington Trust

Steve Sherman – discussed overview and investment performance of Voluntary Employee' Beneficiary Association (VEBA) Plan with handout distributed
Committee had no questions

Investment Policy (Deferred Compensation)

Amy Onopas (Human Resources Department) informed Committee of language being added to the 457 Deferred Comp and 401A Investment policy to include provisions regarding the Schwab Self-Directed Brokerage account.

Receive and File (Motion was approved by Committee)

Meeting adjourned at 12:27 pm. Next meeting date TBD.