

North Los Angeles County Regional Center
Post-Retirement Medical Trust Committee Meeting Minutes

January 26, 2022

5:30 PST

Present: Jeremy Sunderland, Leticia Garcia, Ana Quiles, Alan Darby, Ruth Janka-
Committee Members

Tim Banach – **U.S. Bank, Trustee Bank**

Anne Wimmer – **Portfolio Manager, Newmark Capital**

Shelly Hash, Lucy Paz - **Interpreters**

Michelle Mara, Dr. Jesse Weller, Sandra Rizo, Liliana Windover, Alan Darby,
Liz Chavez, Vini Montague – **Staff**

Seth Tanner – **Minute Services**

I. Call to Order & Introductions

Jeremy Sunderland called the meeting to order at 5:31 p.m. and called for introductions.

II. Public Input

There was no public comment.

III. Consent Items

A. Approval of Agenda (Page 2)

M/S/C (A. Quiles / J. Sunderland) To approve the agenda as written.

B. Approval of Minutes from the October 27th Meeting (Page 3)

M/S/C (A. Quiles / J. Sunderland) To approve the minutes from the October Meeting as presented in the packet.

IV. Committee Business

A. HighMark Capital Report (Page 8)

1. Statement of Current PRMT Trust Value

Anne Wimmer reported on the financial environment, which including strong financial growth, federal monetary stimulus, and pent-up demand. HighMark anticipated 5-5.5% range GDP, which was above trend. Unemployment was down to 3.9% with 2.5 million new jobs; both measures were at pre-pandemic levels. The negative side included CPI and other very-high inflation measures: 7% year-over-year. Supply chain issues continue to destabilize many industries.

Short-term interest rates were expected to go up starting in March, per the Federal Reserve's rate raise announcement of 1/26/2022. Economic growth was expected to continue during 2022 at 2.2-2.9% barring large geo-political events. The Ukraine area was unstable, as a possible example of such.

Anne Wimmer said the investment targets for the PRMT were balanced with a total holding in January of \$32.36MM diversified across bonds, high-cap and small-cap stocks, cash, international holdings, and alternative holdings. Total equity was up 7.58% since the last report (3 months). YTD the portfolio was up 12.54% with strong performance in of 21.34% equities. Since inception, the portfolio was up 6.87%.

2. Statement of Current UAL Trust Value

Anne Wimmer noted differences in the managed percentages for UAL, as the horizon was shorter than the PRMT. Income and growth strategy had been selected for the UAL, which led to less in equity and more in bonds for a more conservative mix of 43.3% fixed income and 33% equity. A large cash infusion of 2.5MM on December 2nd and 3MM on November 16th in the last quarter had led to the trust being asset heavy. Investments were to rebalance the contribution into other categories in the coming quarter.

For the three-month period, net of fee growth was 2.7%. Over the past year, growth was 7.02%, and since inception in June of 2020, 10.41% annualized.

Anne Wimmer ended the presentation with visualizations of the GDP, which was higher than average at 4.9%, the Covid-19 driven drop in PCE, unemployment, CIP, and bond-yields. All-in-all the metrics revealed a recovery from the Covid-19 impacts. HighMark's outlook for the 3-month to 1-year horizon was cautiously optimistic, despite losses in January as part of normal corrections and fluctuations, due to strong corporate earnings and room for growth.

Tim Banach stated that the acquisition of Union Bank acquisition by U.S. Bank was going smoothly with completion anticipated in 2022. Tim Banach offered full access to U.S. Bank's Portfolio Portal to Alan Darby and NLACRC financial staff access.

B. Quarterly PRMT Market Value History Report (Page 32)

Alan Darby presented the quarterly market values as of December 2022 for PRMT and UAL: 33.801MM and 10.298MM.

C. Quarterly UAL Market Value History Report (Page 36)

Alan Darby viewed UAL "almost as a rainy-day fund" for when CalPers couldn't be funded via operations. CalPers funding was 3.345MM in 2021.

D. Review Critical Calendar (page 37)

The Critical Calendar Actions for the month of April 2022 were reviewed with members of this committee.

V. Board Meeting Agenda Items

- A. Minutes of the January 26th Meeting
- B. Statement of Current PRMT Trust Value
- C. Statement of Current CalPERS UAL Trust Value

VI. Announcements / Information / Public Input

- A. Next Meeting: Wednesday, April 27th, at 5:30 p.m.

VII. Adjournment

Committee chair adjourned the meeting at 6:10 p.m.

Submitted by:

(*) *Liliana Windover*

Executive Admin. Assistant

(*) The majority of these minutes are taken from the Minutes Service submission and reviewed/edited as presented herein by NLACRC staff.

