

**BOARD OF TRUSTEES
RETIREE HEALTH CARE TRUST
NOVEMBER 9, 2022**

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The Board of Trustees of the City of Milford Retiree Health Care Trust held a Special Meeting on Wednesday, November 9, 2022. The meeting was called to order at 10:08 a.m.

1. Roll Call

Board Members Present:

Benjamin Blake, Mayor
Peter Erodici, Finance Director
Tania Barnes, Human Resources Director
Jonathan Berchem, City Attorney
Craig George, City Labor Representative

Also Present:

Joseph Fortuna, The Aegis Group
Larry Diamond, The Aegis Group

2. Approval of the Minutes dated 12/7/2021.

Mr. Erodici and Mrs. Barnes made and seconded a motion to approve the December 7, 2021 minutes. Motion carried unanimously.

3. Old Business – None.

4. New Business

Mr. Diamond reported that the quarter started at \$10,106,082.27, ended at \$10,049,139.39 and is up \$400,000.00 since the quarter ended. Valuations are running up and down continuously but has been down. Mayor Blake asked if treasury notes would be better in down times. Mr. Diamond replied that they could but when the trend turns, it would be impossible to call. The economy and markets do not track each other. The markets go six months out and we may be going into a recession and that's a good time to buy so we don't want to be out of the market. Interest rates will go up from here, but it won't be as damaging as it has been. Levers should start flipping up in anticipation of improvements to the economy and U.S. energy restoration will turn things up because there is no alternative to oil, so we need it.


Mr. Diamond continued that in this cycle, and in addition to the election, we are left with a bull market and have been maintaining equity exposures. Mayor Blake asked how we compare to similar sized portfolios. Mr. Diamond replied that we are there and covering the benchmarks. Mr. Fortuna added that the benchmark was 2.91 and we are up to 3.36 for this quarter, so we are on the upside. He continued that the markets were down 18% and we are outperforming the markets. We are conservative and protecting for volatility. Mayor Blake asked how capitalized we are in the energy market. Mr. Diamond said that you don't see it directly, but a lot of these funds are tied to energy and scattered throughout the positions. He continued that healthcare has great potential demographically, also.

Mrs. Barnes asked what some of the alternative funds are and Mr. Diamond replied that alternatives are used to fight volatility. If it wasn't for hedges, we would have lost more and

that portfolios are evolving toward normalcy. Mr. Erodici asked what steps are being taken in terms of inflation. Mr. Diamond replied that payouts were below CPI and tips start to underperform when inflation is being addressed. He continued that long equities are the offset to inflation and added you need to be there for the recovery, if not, you were only there for the loss. Mr. Erodici asked how the lineup has changed in the last 12 months and Mayor Blake asked what has been affected by the Fed raising interest rates. Mr. Diamond said wild cards are China, because it is both a security and business risk, and that the course of U.S. energy is important. Restoration of the U.S. energy policy from a few years ago will reduce inflation and to be prepared to be bullish, to spite what the economy does.

Mr. Erodici and Mayor Blake made and seconded a motion to adjourn. Motion carried unanimously. The Board adjourned at 11:05 a.m.

Respectfully submitted,


Valerie Geremia
Recording Secretary