



VACo/VML Pooled OPEB Trust Annual Report – FY 2020

Virginia Local Government Investment Conference
September 27, 2019

VACo/VML Pooled OPEB Trust

The Pooled OPEB Trust is an investment vehicle governmental entities use to fund retiree OPEB benefits as they are earned by employees:

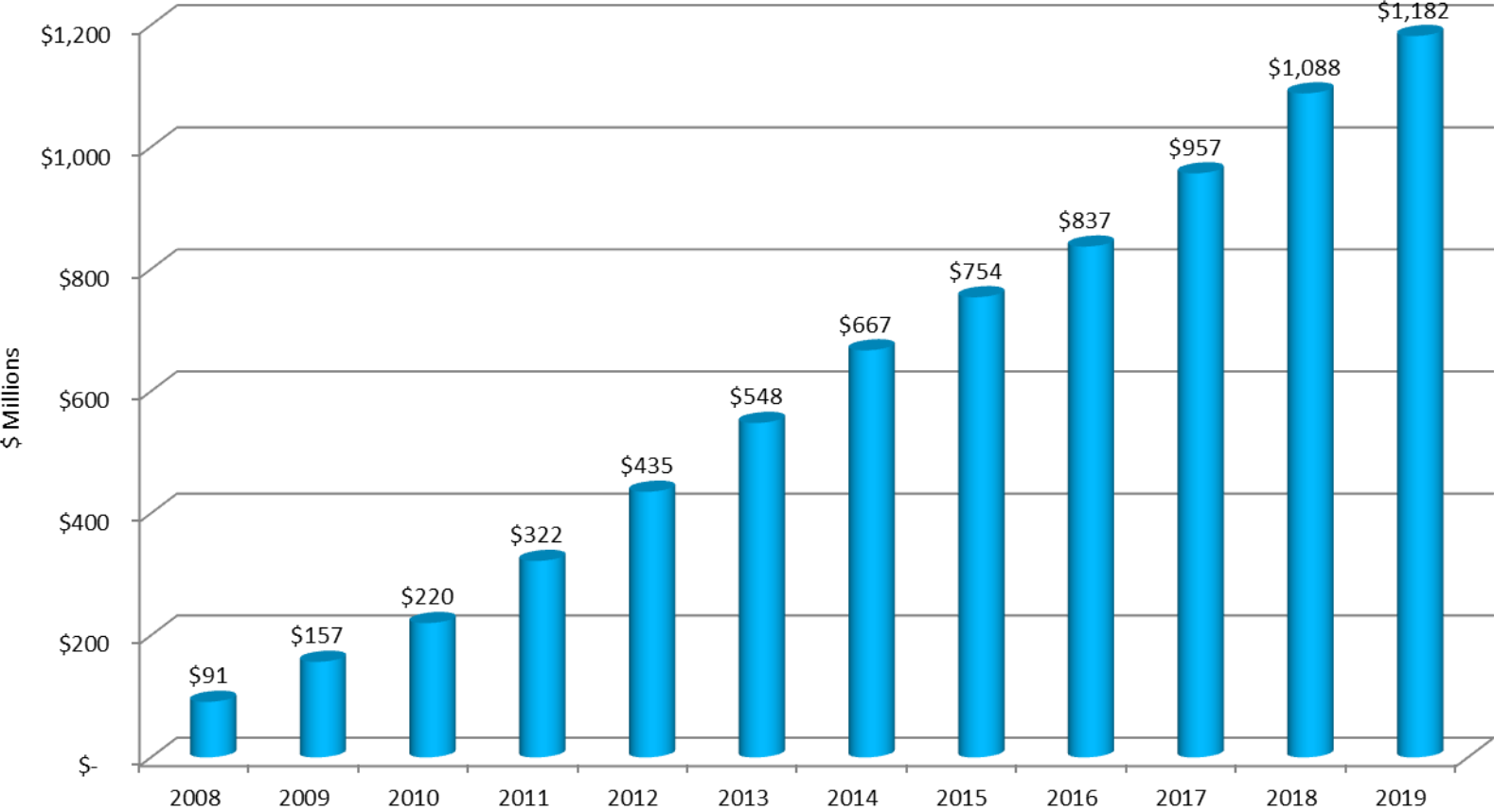
- ✓ Virginia's only *pooled* OPEB trust fund – largest pooled OPEB trust in U.S.
- ✓ Provides access to nationally recognized investment advisor and best-in-class institutional fund managers.
- ✓ Large scale offers well-diversified portfolios lower costs.

VACo/VML Pooled OPEB Trust Accounts

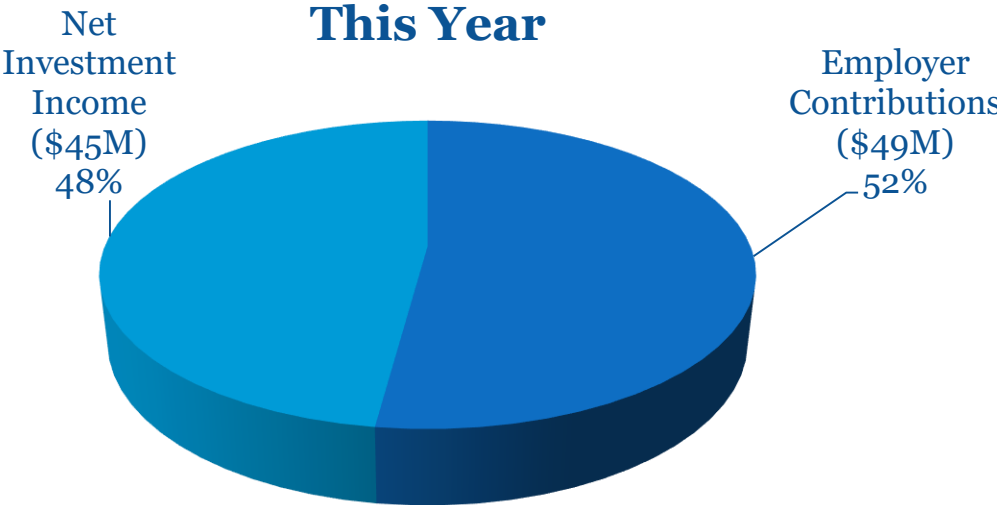
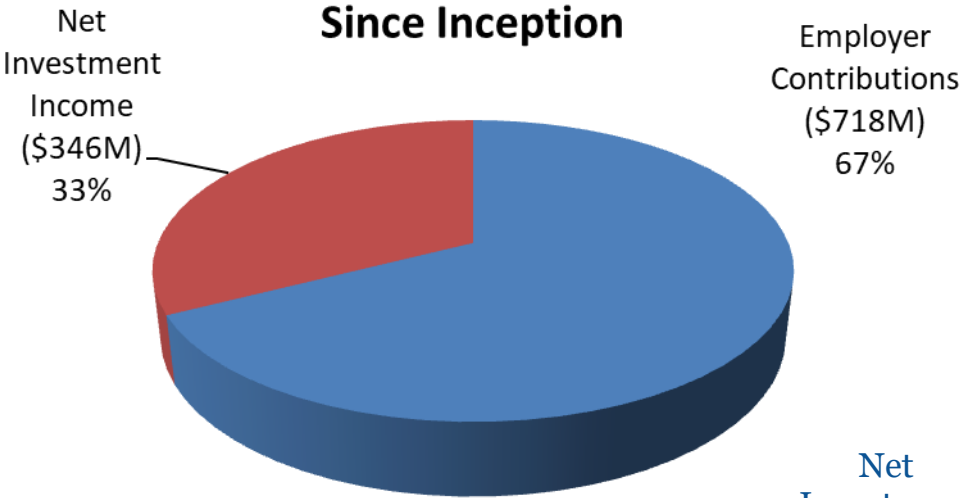
Accomack County
Alexandria City Public Schools
Alexandria Renew Enterprises
Chesapeake Public Schools
Chesterfield County
Chesterfield County Public Schools
Chesterfield County Line of Duty Act
City of Fredericksburg
City of Lexington & Public Schools
City of Poquoson
City of Portsmouth
City of Richmond
City of Roanoke
City of Roanoke Line of Duty Act
City of Salem
City of Staunton & Public Schools
City of Suffolk
City of Virginia Beach
Colonial Behavioral Health
Fairfax County
Fairfax County Public Schools
Fauquier County & Public Schools
Fluvanna County
Health Care Commission of Chesterfield
Henrico County
Henry County
Henry County Public Service Authority

Henry County Schools
Henry County/Martinsville Social Services
Loudoun County
Loudoun County Public Schools
Loudoun Water
Mecklenburg County
Newport News Redevelopment & Housing Authority
Newport News Public Schools
Portsmouth Public Schools
Rappahannock Area Community Services Board
Rappahannock Juvenile Center
Richmond Metropolitan Transportation Authority
Roanoke County
Roanoke County Public Schools
Salem City Schools
Southeastern Cooperative Educational Programs
Spotsylvania County Public Schools
Stafford County
Stafford County Public Schools
Suffolk Public Schools
Town of Ashland
Town of Blacksburg
Virginia Beach City Public Schools
Washington Metropolitan Transit Authority
York County
York County School Division

OPEB Assets as of Annual Meeting



Contributions vs. Earnings



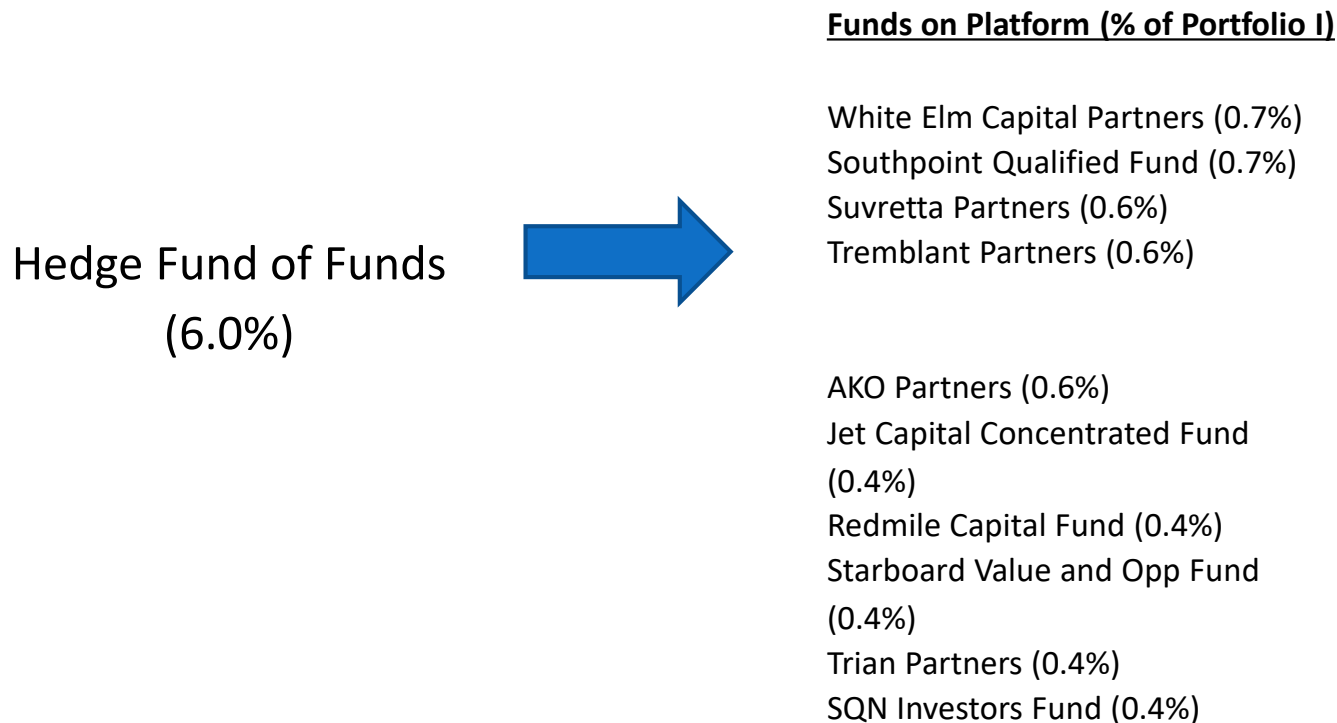
Key Developments – FY 2019

- Portfolio II Asset Allocation** – Asset allocation revised to improve probability of achieving expected return while continuing to offer lower-volatility option.

	Portfolio II (previous)	Portfolio II (NEW)	Portfolio I
Fixed Income	60%	55%	25%
Equity	35%	40%	65%
Real Assets	5%	5%	10%
Expected Rate of Return	6.0%	6.0%	7.5%
Standard Deviation	6.19%	6.96%	10.79%

Key Developments – FY 2019

2. **Hedge Fund Implementation** – Hedge Fund of Funds replaced with equity long/short platform, generating **fee savings of \$450,000 to \$500,000**.



Key Developments – FY 2019

3. 2019 Participant Survey Results

- Responses represented 88% of total market value
- Fund still in asset accumulation mode
 - \$49.2M invested since last Annual Meeting
- Planned withdrawals *de minimus*
 - \$0.1M withdrawn since last Annual Meeting
- Funded status of Pooled OPEB Trust participants: **47%**

Key Developments – FY 2019

4. Board of Trustees Membership Changes

- Anthony Romanello, Henrico Co. → Ned Smither, Henrico Co.
- Patti Phillips, Virginia Beach → Alice Kelly, Virginia Beach
- Kevin Boggess, City of Salem → Vivian Caulkins-McGettigan, York Co.

Board of Trustees – FY 2019

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Fairfax County

Ronald H. Williams, *Vice Chairman*
City of Suffolk

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York County

Alice M. Kelly
City of Virginia Beach

Marty Smith
Fairfax County Public Schools

Ned Smither
Henrico County

Laura M. Rudy
Stafford County

Scott W. Zaremba
Chesterfield County

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Loudoun County