



MINUTES OF THE SUPPLEMENTAL PENSION BOARD CITY OF HUNTINGTON BEACH

Thursday, May 22, 2025
10:00 am – 11:00 am
Via Zoom Teleconference

CALL TO ORDER

The meeting was called to order at 10:06 am.

ROLL CALL

Present: Ms. Alisa Backstrom, City Treasurer
Mr. Travis Hopkins, City Manager

Absent: Mr. Robert Torrez, Interim Chief Financial Officer

Guests: Mr. Colin Stevens, City of Huntington Beach
Ms. Marissa Sur, City of Huntington Beach
Mr. Darren Stewart, Benefit Financial Services Group ("BFSG")
Ms. Antonia Lipovac, BFSG
Mr. Tim Banach, US Bank
Mr. Keith Stribling, US Bank

PUBLIC COMMENTS

None

APPROVAL OF PRIOR MEETING MINUTES

The Board reviewed and approved the minutes from the regular meeting held on March 20, 2025, without any revisions.

MOTION (1) APPROVED, to accept the minutes from the March 20, 2025 meeting as written. This motion was approved by Ms. Alisa Backstrom and Mr. Travis Hopkins.

ASSET ALLOCATION REVIEW

BFSG revisited the Plan's current asset allocation, maintaining the existing cap on Real Estate. One scenario included a 4% allocation to Global Infrastructure, and another included a 5% allocation. After review, the Board agreed to adopt the allocation with a 4% allocation to Global Infrastructure.

MOTION (2) APPROVED, to adopt the allocation with a 4% allocation to Global Infrastructure. This motion was approved by Ms. Alisa Backstrom and Mr. Travis Hopkins.

INVESTMENT POLICY STATEMENT REVIEW

BFSG presented draft updated Investment Policy Statements reflecting a 4% and 5% allocation to Global Infrastructure respectively. After review, the Board agreed to adopt the updated Investment Policy Statement reflecting a 4% allocation to Global Infrastructure.

MOTION (3) APPROVED, to adopt the updated Investment Policy Statement reflecting a 4% allocation to Global Infrastructure. This motion was approved by Ms. Alisa Backstrom and Mr. Travis Hopkins.

BFSG PORTFOLIO REVIEW

The Board received and filed the Retirement Plan Quarterly Investment Review (the "Report") for the quarter ending March 31, 2025. BFSG provided a brief overview of economic and market conditions as they related to the performance of the Supplemental Retirement Plan (the "Plan") investments.

As of March 31, 2025, the portfolio fell within the asset allocation ranges set forth in the Investment Policy Statement ("IPS"). During the first quarter, there was a decrease in the portfolio's cash holdings of approximately \$700 thousand to 2.14%. Additionally, there was 41.8% allocated to fixed income, 28.0% to domestic equity, 23.7% to foreign equity, 4.3% to real estate, and 0% to commodities.

Commentary was provided regarding T. Rowe Price Instl Mid-Cap Eq Gr Fd which outperformed its category but underperformed relative to its index during the quarter. The largest position in the Index, Palantir, returned 11%, but is not held in the portfolio, and was the main reason the fund trailed the index during the quarter. T. Rowe Price also provided further guidance on the future of long-term manager Brian Berguis, stating his retirement will occur in September 2025.

As of March 31, 2025, the portfolio outperformed its custom passive benchmark across the 3-, 5-, and 10-year periods noted in the Report.

U.S. BANK PORTFOLIO REVIEW

The Board received and filed U.S. Bank's Portfolio Review for the period ending March 31, 2025. As of the end of the quarter, the portfolio value was \$69.1 million, consisting of 12 securities.

Mr. Stribling reviewed the portfolio summary, highlighting the overall current yield of 2.90% made up from the current yield of 3.94% from the fixed income portion of the portfolio and the current yield of 1.99% from the equity portion of the portfolio.

An investment outlook for the third quarter of 2025 was also provided which generally reflected neutral positioning across equities, fixed income, and diversifying assets. Valuations and political/policy risks were rated as slightly negative and negative respectively.

ADJOURNMENT

With no further issues to discuss the meeting was adjourned at 10:40 am. The next meeting is scheduled for August 28, 2025.