

Article 8: Prudent Investor Rule: Trust Funds & OPEB Performance

This summary provides performance data for Westford's own Trust Fund (TF) and Other Post-Employment Benefits (OPEB) portfolios for the past three fiscal years, along with long-term context.

Trust Funds are invested under the Legal List (NOT Prudent Investor). OPEB is invested under the Prudent Investor Standard.

Fiscal Year	Trust Funds (Legal List)	OPEB (Prudent Investor)
FY23 (7/1/22-6/30/23)	4.38%	9.49%
FY24 (7/1/23-6/30/24)	5.56%	12.04%
FY25 (7/1/24-6/30/25)	6.62%	10.35%

Why Prudent Investor Matters

- Exceptional Recent Performance: The past three fiscal years have been unusually strong for both portfolios.
- Long-Term Annualized Returns:
 - Trust Funds: 3.19% (typical for funds under the Legal List)
 - OPEB: 5.90% (Prudent Investor approach)
- OPEB Risk Profile: Currently 70% equities / 30% bonds; previously more conservative.
- Future Considerations: For Prudent Fund allocation, equity exposure can be adjusted based on risk tolerance.

Performance Comparison: Legal List vs Prudent Investor

