

BOARD OF INVESTMENT TRUSTEES
Montgomery County Public Schools Retirement System Trust

February 22, 2018
Carver Educational Services Center
Room 134
850 Hungerford Drive
Rockville, Maryland 20850

OPEN SESSION

Board Members Present: Nicola Diamond
Joanne Hill
David Schick
Ted Urban, Chair
Andrew Zuckerman

Others Present: Marisa Grant
Susan Lau
Rhett Humphries, NEPC
Keith Stronkowsky, NEPC
Mark Cintolo, NEPC

Call to Order/Approval of Minutes

Ted Urban called the meeting to order at 8:30 a.m. The Board reviewed a draft of the open session minutes of the November 30 meeting. A motion was made for the approval of the minutes, and it was seconded. The Board unanimously approved the minutes.

Fourth Quarter 2017 Investment Portfolio Analysis

Rhett Humphries reviewed capital markets trends and performance for the fourth quarter of 2017 and the early period of 2018. Mr. Humphries then reviewed the pension portfolio performance for the fourth quarter. The total portfolio return was 3.6% for Q4 2017 and 15.4% for the year ending December 31. The portfolio's calendar-year return was running ahead of the actuarial expected rate of return assumption of 7.0% despite trailing the policy benchmark return of 16.6%. The policy benchmark, as amended by the Investment Policy Statement approved by the Board in September 2017, is calculated using the portfolio's policy target weights and the benchmark returns for the various asset classes in which it is invested. Credit strategies recently added to the portfolio performed well in the fourth quarter relative to core fixed income. For example, in the fiscal year-to-date period, the bank loan allocation increased 2.5% versus the 0.7% return registered by the core fixed income allocation.

Motion to Close Meeting

The Board discussed closing the meeting to discuss the investment of public funds with respect to investments in private partnerships and the possible additions and redemptions from investment managers. Mr. Urban read a closing statement. A motion was made to go into closed session, and it was seconded. The Board unanimously approved the motion. The meeting went into closed session at 9:00 a.m.

Return to Open Meeting/Meeting Adjournment

The Board returned to open session and upon a motion duly made and seconded, the meeting was adjourned at 12:30 p.m.

Respectfully submitted,
Marisa Grant

BOARD OF INVESTMENT TRUSTEES
Montgomery County Public Schools Retirement System Trust

May 10, 2018
Carver Educational Services Center
Room 134
850 Hungerford Drive
Rockville, Maryland 20850

OPEN SESSION

Board Members Present: Susan Chen
Robert Doody
Nicola Diamond
Joanne Hill
Craig Pernick
David Schick
Monte Tarbox
Ted Urban, Chair
Andrew Zuckerman

Others Present: Marisa Grant
Susan Lau
Rhett Humphries, NEPC
Keith Stronkowsky, NEPC
Dulari Pancholi, NEPC

Call to Order/Approval of Minutes

Ted Urban called the meeting to order at 8:35 a.m. The Board reviewed a draft of the open session minutes of the February 22 meeting. A motion was made for the approval of the minutes, and it was seconded. The Board approved the minutes with a vote of 8-0. Robert Doody abstained.

First Quarter 2018 Investment Portfolio Analysis

Rhett Humphries discussed capital markets trends in the first quarter of 2018, which was marked by a substantial pickup in volatility. Mr. Humphries reviewed the pension portfolio performance for the first quarter. The total portfolio return was -0.2% for Q1 2018 and 7.3% for the fiscal year-to-date period. The quarterly return exceeded the -0.3% return of the allocation index and trailed the policy benchmark return of -0.1%. The allocation index reflects the weights of the asset classes in which the portfolio was actually invested. The policy benchmark uses the policy target weights for the portfolio.

Motion to Close Meeting

The Board discussed closing the meeting to discuss the investment of public funds with respect to investments in private partnerships and the possible additions and redemptions from investment managers. Mr. Urban read a closing statement. A motion was made to go into closed session, and it was seconded. The Board unanimously approved the motion. The meeting went into closed session at 8:45 a.m.

Return to Open Meeting/Meeting Adjournment

The Board returned to open session and upon a motion duly made and seconded, the meeting was adjourned at 12:35 p.m.

Respectfully submitted,
Marisa Grant

BOARD OF INVESTMENT TRUSTEES
Montgomery County Public Schools Retirement System Trust

September 21, 2018
Carver Educational Services Center
Room 134
850 Hungerford Drive
Rockville, Maryland 20850

OPEN SESSION

Board Members Present: Susan Chen
Robert Doody
Nicola Diamond
Craig Pernick
David Schick
Monte Tarbox
Ted Urban, Chair
Andrew Zuckerman

Others Present: Marisa Grant
Susan Lau
Rhett Humphries, NEPC
Chris Levell, NEPC
Krissy Pelletier, NEPC

Call to Order/Approval of Minutes

Ted Urban called the meeting to order at 8:00 a.m. The Board reviewed a draft of the open session minutes of the May 10 meeting. A motion was made for the approval of the minutes, and it was seconded. The Board unanimously approved the minutes.

Second Quarter/Fiscal Year 2018 Investment Portfolio Analysis

Rhett Humphries reviewed the pension portfolio performance for the quarter and fiscal year ending June 30, 2018. The total portfolio return was 0.5% for Q2 2018 and 7.8% for the fiscal year. The quarterly return matched the 0.5% return of the allocation index and trailed the policy benchmark return of 0.7%. The allocation index reflects the weights of the asset classes in which the portfolio was actually invested. The policy benchmark incorporates the target weights for the strategies in the portfolio.

Motion to Close Meeting

The Board discussed closing the meeting to discuss the investment of public funds with respect to investments in private partnerships and the possible additions and redemptions from investment managers. Mr. Urban read a closing statement. A motion was made to go into closed session, and it was seconded. The Board unanimously approved the motion. The meeting went into closed session at 8:20 a.m.

Return to Open Meeting/Meeting Adjournment

The Board returned to open session and upon a motion duly made and seconded, the meeting was adjourned at 12:35 p.m.

Respectfully submitted,
Marisa Grant

BOARD OF INVESTMENT TRUSTEES
Montgomery County Public Schools Retirement System Trust

November 27, 2018
Carver Educational Services Center
Room 134
850 Hungerford Drive
Rockville, Maryland 20850

OPEN SESSION

Board Members Present: Nicola Diamond
Robert Doody
Joanne Hill
Craig Pernick
David Schick
Ted Urban, Chair
Andrew Zuckerman

Others Present: Marisa Grant
Susan Lau
Rhett Humphries, NEPC
Keith Stronkowsky, NEPC
Lance Weiss, GRS Consulting (via videoconference)

Call to Order

Ted Urban called the meeting to order at 8:30 a.m.

Motion to Close Meeting

The Board discussed closing the meeting to discuss the investments in private partnerships and the possible additions and redemptions from investment managers. Mr. Urban read a closing statement. A motion was made to go into closed session, and it was seconded. The Board unanimously approved the motion. The meeting went into closed session at 8:35 a.m.

Return to Open Meeting

The meeting returned to open session at 9:30 a.m.

Third Quarter 2018 Investment Portfolio Analysis

Keith Stronkowsky reviewed the pension portfolio performance for the third quarter ending September 30, 2018, and commented on individual manager results. For the quarter, the total portfolio return was 2.5%. The quarterly return trailed the 2.6% return of the allocation index and trailed the policy benchmark return of 2.8%. The allocation index reflects the weights of the asset classes in which the portfolio was actually invested. The policy benchmark incorporates the target weights for the strategies in the portfolio. Mr. Stronkowsky also discussed the volatility seen across equity markets in October 2018.

Actuarial Review: GRS Consulting

Lance Weiss presented the actuarial valuation for the pension as of July 1, 2018. Mr. Weiss discussed how the estimates and methods for the 2018 valuation were unchanged from the previous year. The funding ratio based on the actuarial value of the accrued liability increased to 76.7% versus 75.2%. The funding ratio based on the market value of assets increased to 76.4% versus 74.2%.

Approval of Minutes

The Board reviewed a draft of the open session minutes of the September 21 meeting. An edit was made to the minutes regarding a typographical error. A motion was made for the approval of the minutes as amended, and it was seconded. The Board unanimously approved the minutes.

Motion to Close Meeting

The Board discussed closing the meeting to discuss the investments in private partnerships and the possible additions and redemptions from investment managers. Mr. Urban read a closing statement. A motion was made to go into closed session, and it was seconded. The Board unanimously approved the motion. The meeting went into closed session at 10:25 a.m.

Return to Open Meeting/Meeting Adjournment

The Board returned to open session, and, upon a motion duly made and seconded, the meeting was adjourned at 12:00 p.m.

Respectfully submitted,
Marisa Grant