

BOARD OF INVESTMENT TRUSTEES
Montgomery County Public Schools Retirement System Trust

February 22, 2019
Carver Educational Services Center
Room 134
850 Hungerford Drive
Rockville, Maryland 20850

OPEN SESSION

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

Others Present: Marisa Grant
Susan Lau
Keith Stronkowsky, NEPC

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 review 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 9:20 a.m.

Fourth Quarter 2018 Investment Portfolio Analysis

Keith Stronkowsky reviewed the performance of capital markets and the pension portfolio for the fourth quarter ending December 31, 2018, and the calendar year 2018. For the quarter, there were significant corrections across markets globally driven by trade tensions and uncertainty surrounding central bank policy in the United States and the European Union. The total portfolio drawdown of (7.8%) in the fourth quarter resulted in a full year 2018 return of (5.2%). The quarterly return exceeded the (8.3%) return of the allocation index and the (8.0%) return of the policy index. For the calendar year, the portfolio return exceeded the allocation index return of (5.8%) but trailed the policy benchmark return of (4.9%). 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.

Approval of Minutes

The Board reviewed a draft of the open session minutes of the November 27, 2018, meeting. 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 9:37 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 11:45 a.m.

Respectfully submitted,
Marisa Grant

BOARD OF INVESTMENT TRUSTEES
Montgomery County Public Schools Retirement System Trust

May 31, 2019
Carver Educational Services Center
Room 134
850 Hungerford Drive
Rockville, Maryland 20850

OPEN SESSION

Board Members Present: Susan Chen, Vice Chair
Nicola Diamond
Robert Doody
Marcelia Freeman
Joanne Hill
Robert Kohn
Craig Pernick
David Schick
Monte Tarbox
Andrew Zuckerman

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

Call to Order/Approval of Minutes

Susan Chen called the meeting to order at 8:30 a.m. The Board welcomed two new appointees—Marcelia Freeman and Robert Kohn. The Board reviewed a draft of the open session minutes of the February 22, 2019, meeting. 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 review the investments in private partnerships and the possible additions and redemptions from investment managers. Mrs. Chen 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 11:00 a.m.

First Quarter 2019 Investment Portfolio Analysis

Rhett Humphries reviewed the performance of capital markets and the pension portfolio for the quarter ending March 31, 2019. The drawdown experienced in the fourth quarter of 2018 was essentially recouped in the first quarter of 2019. The total portfolio gained 7.8% in the quarter. The return lagged the 8.2% return of the allocation index and the 8.4% return of the policy index. For the nine months of Fiscal Year 2019, the portfolio's return of 1.8% matched the return of the allocation index but lagged the policy benchmark return of 2.6%. The allocation index reflects the weights of the asset classes to which the portfolio has exposure. 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 investments in private partnerships and the possible additions and redemptions from investment managers. Mrs. Chen 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 11:20 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 12:00 p.m.

Respectfully submitted,
Marisa Grant

BOARD OF INVESTMENT TRUSTEES
Montgomery County Public Schools Retirement System Trust

September 20, 2019
Carver Educational Services Center
850 Hungerford Drive, Room 134
Rockville, Maryland 20850

OPEN SESSION

Board Members Present: Susan Chen
Nicola Diamond
Robert Doody
Marcelia Freeman
Joanne Hill (via teleconference)
Robert Kohn
Craig Pernick
David Schick, Vice Chair
Monte Tarbox
Ted Urban, Chair
Andrew Zuckerman

Others Present: Marisa Grant
Susan Lau
Phil Nelson, 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 May 31, 2019, meeting. 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 review 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 12:00 p.m.

Second Quarter 2019 Investment Portfolio Analysis

Phil Nelson reviewed the performance of capital markets and the pension portfolio for the quarter ending June 30, 2019, and for fiscal year 2019. The total portfolio gained 3.0% in the quarter. The return was ahead of the 2.9% return of the allocation index and in line with the 3.0% return of the policy index. For fiscal year 2019, the portfolio's return of 4.9% was 10 basis points ahead of the 4.8% return of the allocation index but lagging the policy benchmark return of 5.6%. The allocation index reflects the weights of the asset classes to which the portfolio has exposure. The policy benchmark incorporates the target weights for the strategies in the portfolio.

Meeting Adjournment

The Board returned to open session, and, upon a motion duly made and seconded, the meeting was adjourned at 12:15 p.m.

Respectfully submitted,
Marisa Grant

BOARD OF INVESTMENT TRUSTEES
Montgomery County Public Schools Retirement System Trust

November 22, 2019
Carver Educational Services Center
850 Hungerford Drive, Room 134
Rockville, Maryland 20850

OPEN SESSION

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

Others Present: Marisa Grant
Susan Lau
Margaret Belmondo, NEPC
Dan Rigby, NEPC (via teleconference)
Amy Williams, GRS Consulting

Call to Order

Ted Urban called the meeting to order at 11:00 a.m.

Actuarial Review: GRS Consulting

Amy Williams presented the actuarial valuation for the pension as of July 1, 2019. Ms. Williams discussed the updates in actuarial assumptions in accordance with a recently conducted experience study. The funding ratio based on the actuarial value of the accrued liability increased to 83.5% versus 76.7%. The funding ratio based on the market value of assets increased to 82.5% versus 76.4%.

Approval of Minutes

The Board reviewed a draft of the open session minutes of the September 20, 2019, meeting. A motion was made for the approval of the minutes as amended, and it was seconded. The Board unanimously approved the minutes.

Third Quarter 2019 Investment Portfolio Analysis

Margaret Belmondo reviewed the performance of capital markets and the pension portfolio for the quarter ending September 30, 2019. The total portfolio return was -0.1% in the quarter. The return trailed the 0.3% return of the policy index and 0.0% return of the allocation index. For the fiscal year to date, the total portfolio returned 10.8%, trailing policy index returns of 12% and allocation index returns of 11.4%. The policy benchmark incorporates the target weights for the strategies in the portfolio. The allocation index reflects the weights of the asset classes to which the portfolio has exposure.

Meeting Adjournment

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

Respectfully submitted,
Susan Lau