

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