

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