

BOARD OF INVESTMENT TRUSTEES
Montgomery County Public Schools Retirement System Trust

May 29, 2020
(via videoconference)

OPEN SESSION

Board Members Present:

Susan Chen	Craig Pernick
Robert Doody	David Schick, Vice Chair
Marcellia Freeman	Monte Tarbox
Joanne Hill	Ted Urban, Chair
Robert Kohn	Dr. Andrew Zuckerman
Dan Marella	

Others Present:

Susan Lau	Melissa Mendenhall, NEPC
Cathy Jewell	Dan Rigby, NEPC
Margaret Belmondo, NEPC	Matt Ritter, NEPC
Will Forde, NEPC	

Call to Order/Review of Minutes

The open session of the meeting of Board of Investment Trustees was called to order at 8:15 a.m. The Board reviewed a draft of the open session minutes of the February 28, 2020, meeting. A motion was made for the approval of the minutes as amended, and it was seconded. The Board unanimously approved the minutes.

Board/Staff Discussion

Susan Lau provided the Board with a draft of the Bylaws that have been reviewed by legal counsel to reflect membership updates of individuals serving ex-officio and various administrative functions. The Board reviewed the amended Bylaws. After a motion was made and seconded, the Board voted unanimously to approve the Bylaws.

RESOLVED, that the Board adopt the updated Bylaws to reflect updates to Board membership and various administrative functions.

Following discussion, the Board voted unanimously to elect Ted Urban as Chair, David Schick as Vice Chair, and Susan Lau as Secretary.

As a result of the covid-19 pandemic and the need to maximize social distancing, all Board meetings will be conducted virtually until further notice. Ms. Lau proposed a special virtual meeting in July to ensure adequate time to cover the objectives of the Board this year. After a motion was made and seconded, the Board voted unanimously to approve the following resolutions:

RESOLVED, that the Board elects Ted Urban as Chair, David Schick as Vice Chair, and Susan Lau as Secretary of the Board of Investment Trustees for a one-year term ending May 29, 2021.

RESOLVED FURTHER, that the Board will hold a special meeting conducted via videoconference in late July 2020.

Mr. Urban commended Monte Tarbox and Dr. Andrew Zuckerman for their service to the Board of Investment Trustees as they approach the end of their terms. Mr. Tarbox expressed pride in serving on the Board and appreciation of fellow Trustees for their service. Dr. Zuckerman thanked the Board for their continued work and contribution to Montgomery County Public Schools.

Market Update

Margaret Belmondo provided a financial markets overview and update. She noted the changes in key market themes since the beginning of the year, including the trajectory of COVID-19, permanent fiscal and monetary interventions, globalization backlash, and transitions in China's economic activity.

Ms. Belmondo reviewed the economic costs and impact of the COVID-19 virus. Given the uncertainty, NEPC recommends maintaining portfolio diversification, discipline in rebalancing to preserve long-term strategic target to risk assets, and continued focus on strategic asset allocation.

First Quarter 2020 Investment Portfolio Analysis

Ms. Belmondo reviewed the performance of capital markets and the pension portfolio for the quarter ending March 31, 2020. The total portfolio return was -14.2% in the quarter. The return exceeded the -14.5% return of the policy index and -14.4% return of the allocation index. For the fiscal year to date, the total portfolio returned -9.2%, trailing policy index returns of -8.9% and in line with allocation index returns of -9.2%. 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.

Move to Closed Session

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.

Meeting Adjournment

The Board returned to open session, and, upon a motion duly made and seconded, the meeting was adjourned at 11:10 a.m.

Respectfully submitted,
Susan Lau