

**BOARD OF INVESTMENT TRUSTEES**  
Montgomery County Public Schools Retirement System Trust

February 28, 2020  
Carver Educational Services Center  
850 Hungerford Drive, Room 134  
Rockville, Maryland 20850

**OPEN SESSION**

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

Others Present: Susan Lau  
Margaret Belmondo, NEPC  
Will Forde, NEPC  
Dan Rigby, NEPC (via teleconference)

**Call to Order/Review of Minutes**

The open session of the meeting of Board of Investment Trustees was called to order at 8:00 a.m. The Board reviewed a draft of the open session minutes of the November 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.

**Move to Closed Session**

The Board voted to move to closed session at 8:10am

**Fourth Quarter 2019 Investment Portfolio Analysis**

Margaret Belmondo reviewed the performance of capital markets and the pension portfolio for the quarter ending December 31, 2019. The total portfolio return was +5.9% in the quarter. The return trailed the 0.3% return of the policy index and 0.2% return of the allocation index. For the fiscal year to date, the total portfolio returned 5.8%, trailing policy index returns of 6.5% and allocation index returns of 6.1%. 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

**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

**BOARD OF INVESTMENT TRUSTEES**  
Montgomery County Public Schools Retirement System Trust

July 31, 2020  
(via videoconference)

**OPEN SESSION**

Board Members Present: Susan Chen  
Robert Doody  
Marcelia Freeman  
Joanne Hill  
Robert Kohn  
Daniel Marella  
Craig Pernick  
David Schick, Vice Chair  
Ted Urban, Chair

Others Present: Susan Lau  
Cathy Jewell  
Margaret Belmondo, NEPC  
Oliver Fadly, NEPC  
Will Forde, NEPC  
Melissa Mendenhall, NEPC

**Call to Order/Review of Minutes**

The open session of the meeting of Board of Investment Trustees was called to order at 8:45 a.m. The Board reviewed a draft of the open session minutes of the May 29, 2020, meeting. A motion was made for the approval of the minutes as amended, and it was seconded. The Board unanimously approved the minutes.

**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 8:46 a.m.

**Meeting Adjournment**

The Board returned to open session, and, upon a motion duly made and seconded, the meeting was adjourned at 10:58 a.m.

Respectfully submitted,  
Susan Lau

**BOARD OF INVESTMENT TRUSTEES**  
Montgomery County Public Schools Retirement System Trust

September 25, 2020  
(via videoconference)

**OPEN SESSION**

Board Members Present: Susan Chen  
Robert Doody  
Marcelia Freeman  
Joanne Hill  
Robert Kohn  
Lis Lang  
Daniel Marella  
Craig Pernick  
David Schick, Vice Chair  
Ted Urban, Chair

Others Present: Susan Lau  
Cathy Jewell  
Phoebe Xu  
Margaret Belmondo, NEPC  
Will Forde, NEPC  
Robert Goldthorpe, NEPC  
Brendan Healy, NEPC

**Call to Order/Review of Minutes**

The open session of the meeting of Board of Investment Trustees was called to order at 8:30 a.m. The Board welcomed Lis Lang as a new appointee. Susan Lau also informed the Board of Marcelia Freeman's resignation. The Board commended Ms. Freeman on her service and thanked her for her contributions. Ms. Lau also introduced Phoebe Xu as Senior Investment Officer for the pension investment staff. The Board reviewed a draft of the open session minutes of the July 31, 2020, meeting. A motion was made for the approval of the minutes, and it was seconded. Ms. Lang abstained. The Board approved the minutes.

**Second Quarter 2020 Investment Portfolio Analysis**

Margaret Belmondo reviewed the performance of capital markets and the pension portfolio for the quarter ending June 30, 2020. The total portfolio return was +11.4% in the quarter. The return trailed the +12.8% return of the policy index and +12.4% return of the allocation index. For the fiscal year 2020, the total portfolio returned +1.2%, trailing policy index returns of +2.8% and in line with allocation index returns of +2.0%. 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. 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.

Daniel Marella exited the meeting.

**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 9:00 a.m.

**Meeting Adjournment**

The Board returned to open session, and, upon a motion duly made and seconded, the meeting was adjourned at 10:58 a.m.

Respectfully submitted,  
Susan Lau

**BOARD OF INVESTMENT TRUSTEES**  
Montgomery County Public Schools Retirement System Trust

November 20, 2020  
(via videoconference)

**OPEN SESSION**

Board Members Present: Susan Chen  
Joanne Hill  
Robert Kohn  
Lis Lang  
Daniel Marella  
Craig Pernick  
David Schick, Vice Chair  
Ted Urban, Chair

Others Present: Susan Lau  
Cathy Jewell  
Phoebe Xu  
Margaret Belmondo, NEPC  
Will Forde, NEPC  
Brendan Heaney, NEPC  
Lance Weiss, GRS Consulting  
Amy Williams, GRS Consulting

**Call to Order/Review of Minutes**

The open session of the meeting of Board of Investment Trustees was called to order at 8:03 a.m. The Board reviewed a draft of the open session minutes of the September 25, 2020, meeting. A motion was made for the approval of the minutes, and it was seconded. The Board approved the minutes.

Ted Urban informed the Board of Joanne Hill's resignation. The Board commended Ms. Hill on her service and thanked her for her contributions. A motion was made to appoint Lis Lang to both the Governance and ESG committees, and it was seconded and approved.

**Actuarial Presentation**

Amy Williams presented the actuarial valuation for the pension as of July 1, 2020. 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 84.6% versus 83.5%. The funding ratio based on the market value of assets decreased to 80.5% versus 72.5%.

The Board and Ms. Williams also discussed the GRS recommendation to review the price inflation assumption of 2.5% and investment return assumption of 7% before the next actuarial valuation. In general, those assumptions are trending downward for GRS clients.



Lance Weiss and Ms. Williams exited the meeting.

### **Third Quarter 2020 Investment Portfolio Analysis**

Will Forde reviewed the performance of capital markets and the pension portfolio for the quarter ending September 30, 2020. The total portfolio return was +4.8% in the quarter. The return trailed the +5.5% return of the policy index and +5.0% return of the allocation index. For the fiscal year to date, the total portfolio returned +0.2%, trailing policy index returns of +1.8% and allocation index returns of +1.0%. The policy index 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 8:47 a.m.

### **Meeting Adjournment**

The Board returned to open session, and, upon a motion duly made and seconded, the meeting was adjourned at 11:08 a.m.

Respectfully submitted,  
Susan Lau