



MEETING MINUTES
Defined Benefit Plans – Pensions, OPEB, LOSAP
May 15, 2018, 8:45am
Human Resources (Room 124C)

In attendance:

Bolton (Investment Consultant)

Clyde Randall, CFA, Chief Investment Officer
Giovanni Forte, Investment Analyst
Alton D. Fryer, IV, Director of Client Services

Pension Committee Members

Charles Beckhardt, Technology Services
Rob Burk, Comptroller
Tim Burke, County Attorney
Kimberly Frock, Human Resources Director
Werner Mueller, Retirement Plans Manager
Bruce Vanleuvan, Lieutenant, Sheriff's Department
Ted Zaleski, Director of Management & Budget

- Economic review – economic indicators are generally positive and signaling a strengthening economy. GDP is up, the unemployment rate is down, consumer sentiment is up, interest rates are up, and oil prices are higher - all in comparison to one year ago.
- Market review – despite increased volatility, domestic and international markets had generally flat performance. Specifically, the S&P was negative while the NASDAQ was positive. Growth indexes continued to outperform Value indexes while emerging markets outperformed developed markets. Interest rates rose slightly.
- All Plans' 1 year returns were ahead of the return of the policy benchmark as well as the actuarial discount rate (7.0%). All Plans' asset allocations were close to their targets.
- During the 1st quarter, Brown Advisory Equity Growth Fund was replaced with Loomis Sayles Growth (symbol LGRNX). TCW Relative Value Dividend Appreciation Fund has been replaced with Washington Mutual Investors R6 (symbol RWMGX). The Law Officer's Pension Plan still has the TCW fund dollars in a "placeholder," specifically, the Vanguard Russell 1000 Value ETF. The Committee voted unanimously to instruct Bolton to move those assets into RWMGX as well.
- There are no funds currently in "Watch List" status.

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- As of 3/31/2018, the Carroll County Pension Plan had \$ 85.3M in assets, the Law Officer's Pension Plan had \$ 14.2M, the OPEB Master Trust had \$ 109.9M, and the LOSAP had \$ 8.5M. Asset allocation for all plans were approximately 75% in equities and 25% in cash/fixed income.
- All actively-managed funds over the past 5 years and 10 years have returns in either the first or second quartile.
- A talking point for the next quarterly meeting will center on our Mid Cap and Small Cap holding. The Mid Cap holding, John Hancock Disciplined Value Mid-Cap Fund I (symbol JVMIX), is considered a Value fund but is more of a blend of value and growth. The Small Cap holding, Artisan Small Cap Fund Inst (symbol APHSX), is a Growth fund. Ideally, Bolton would like either both of those holdings to be a blend...or one Growth and the other Value. It will be difficult, however, to come up with a "fix" because there simply are not many Small Cap equity funds that are considered a blend.

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