

**HOWARD COUNTY POLICE AND FIRE EMPLOYEES' RETIREMENT PLAN
HOWARD COUNTY RETIREMENT PLAN**

JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES

September 24, 2020

(Corrected October 29, 2020)

A joint meeting of the Retirement Plan Committees for the Howard County Police and Fire Employees' Retirement Plan (the "Police and Fire Plan") and the Howard County Retirement Plan (the "Employees Plan") (jointly, the "Plans") was held on Thursday, September 24, 2020 at 9:00 a.m. via a WebEx conference.

Police and Fire Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer: Lonnie Robbins
Director of Finance: Rafiu Ighile
Budget Administrator: Holly Sun
Representative, Police Department Supervisory Employees:
 Jason Luckenbaugh (Non-voting Member in Fiscal Year 2021)
Representative, International Association of Firefighters, Local 2000:
 Richard Ruehl
Representative, Howard County Police Officers' Association, Lodge 21:
 Nicolas Holocker
Representative, Fire and Rescue Supervisory Employees:
 Vincent Baker (Voting Member in Fiscal Year 2021)

Members Absent

None.

Employees Plan:

Members Present:

Human Resources Administrator: Wanda Hutchinson
Chief Administrative Officer Designee: John Peterson
Deputy Director of Finance: Angie Price
Budget Administrator Designee: Janssen Evelyn
Representative, American Federation of State, County and Municipal
 Employees Local 3085: Dale R. Chase
Representative, American Federation of State, County and

Municipal Employees Local 3080: Melanie Avery
Employee Representative: Jeff Bronow

Members Absent

None.

Also present for all or a portion of the meeting were:

Lori Buchman, Department of Finance
Sima Taghavi, Department of Finance
Margaret Belmondo, NEPC
Will Forde NEPC
Paul W. Madden, Whiteford, Taylor & Preston L.L.P.
Jamar Herry, Office of Law
Scott Southern, Acting Retirement Coordinator
Nike Yahaya, Retirement Aide, Office of Human Resources
Owen Clark of the County Auditor's Office

Wanda Hutchinson acted as Chair of the meeting and Paul Madden acted as secretary.

The minutes of the July 30, 2020 meeting were unanimously approved by the members of each Committee.

Wanda advised the Committee members that Terry Reider resigned effective August 31, 2020 and that Scott Southern is Acting Retirement Coordinator

Will Forde provided the performance report as of June 30. The assets of the Plans totaled \$1.26 billion as of June 30, 2020, and had an investment gain of \$91.1 million during the quarter. The Plan gained 8.8% gross during the second quarter as the market rebounded after experiencing a sharp decline in the first quarter. The quarterly return ranked behind the median in the 72nd percentile of public defined benefit peer group. Active management detracted by 20 basis points. The return for the fiscal year was 3.2%.

The US equity composite was up 22.7% for the quarter which slightly outperformed with the Russell 3000 benchmark return of 22.0%. The international equity composite was up 19.4% which outperformed the benchmark return at 16.1%. The fixed income composite gained 6.1% for the second quarter outperforming the gross median return a 4.4%. Hedge funds had a strong performance at 9.0%.

The risk return profile for the plan has been strong with returns higher than median and risk lower than median for the trailing three and five year periods.

Will provided a report on private markets as of March 31, 2020. The Plans committed \$200 million as of that date. This amount, \$52 million has been called and \$90 million has been returned. The total value of private equity investments is \$2.38 million and the internal rate of return is 14.86%. Real estate returned 5.34%.

Under NEPC Due Diligence Monitor system, Magnitude International has been placed on watch as a result of certain departures. No action is required with respect to changes at Bailey Gifford, Dodge & Cox or Mondrian.

Margaret Belmondo provided July 2020 flash report. The total fund returned 2.9% for the month. Margaret noted that growth has continued to outperform value. The market value of the fund as of July 31 was \$1.16 billion.

Margaret also provided the August 2020 flash report. The monthly return was 2.7% leading to a fiscal year to date return of 5.7%. The total assets of the fund as of August 31 was \$1.19 billion.

Margaret reviewed a September 16, 2020 communication from NEPC Research on CarVal's proposal to increase the hard cap on the CVI Credit Value Fund V (CVF V). CarVal has requested that its investors approve a change in the maximum allowable size of CVF V from \$3.5 billion to \$3.75 billion. This amendment requires approval by two-thirds of the limited partner interests.

NEPC recommended that this amendment as presented by Carval is acceptable for the limited partners in this fund. Paul Madden noted that there is no objection from the legal perspective. NEPC's alternative investment committee reaffirmed a 1-rating for CVF V with the proposed increase in size.

After discussion, and upon motion to be made seconded and unanimously approved, it was resolved and that the Committees approve the proposed change in the hard cap on this fund.

There being no further business, the meeting adjourned.

Respectfully submitted,

Paul Madden

Paul W. Madden
Secretary of the Meeting

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**EXHIBITS
TO
MINUTES OF HOWARD COUNTY POLICE AND FIRE EMPLOYEES'
RETIREMENT PLAN
AND HOWARD COUNTY RETIREMENT PLAN
JOINT MEETING OF THE RETIREMENT PLAN COMMITTEES
September 24, 2020**

1. NEPC Meeting Materials:
 - Q2 2020 Market Environment
 - Q2 2020 Total Fund Performance
 - July 2020 Flash Report
 - August 2020 Flash Report
 - CarVal CVF V Hard Cap Amendment

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