

**Fulton County Schools Employees' Pension Fund  
Pension Board  
Minutes  
August 19, 2020**

The Fulton County Schools Employees' Pension Fund Pension Board ("Pension Board") met in regular quarterly meeting on August 19, 2020 at 2:00pm at South Learning Center, 4025 Flat Shoals Rd., Union City, GA 30291.

Present Pension Board members: Mr. Marvin L. Dereef Jr., Mr. Robert (Sam) Ham, Mr. Ferman Estrada, and Mr. John Anderson.

Absent Pension Board members: Dr. Mike Looney, Mr. Ronnie Wade, Mr. Stuart Berry  
Vacant Seats: Active Teacher or Employee Board Seat

Mr. Robert (Sam) Ham served as Chair of the meeting. Mr. Marvin L. Dereef, Chief Financial Officer served as secretary of the meeting.

Present ex officio: Ms. Greta Tinaglia, Executive Director of Enterprise Risk Management.

Also present were: Ms. Kathy Solley, Nelson Mullins Riley & Scarborough, LLP; Mr. Rierre Robinson, Retirement Coordinator; Ms. Fredrica Jones, Retirement Services Specialist; Mr. Randy Stewart, Communications Manager; Ms. Rachel Hardy, Communications Specialist; & Suzanne Hatfield, Executive Director of Accounting & Retirement Services.

**Call to Order**

The Chair called the meeting to order and, at his request, Mr. Ferman Estrada led the Pledge of Allegiance.

**Action Items**

**a. Approval of Agenda**

The Chair noted that a copy of the Agenda had been provided to Pension Board members in advance of the meeting and was posted on the website.

*A motion to approve the Pension Board Agenda for the August 19, 2020 meeting was made by Mr. Ferman Estrada, seconded by Mr. Marvin L. Dereef Jr., and was unanimously approved.*

**b. Approval of minutes of June 03, 2020 meeting**

The Chair noted that the Pension Board members had been provided with a copy of the minutes of the June 03, 2020 meeting in advance of this meeting. He also noted that when minutes are approved, they will be available for public review on the Retirement Services website.

*A motion to approve the June 03, 2020 minutes was made by Mr. Marvin L. Dereef Jr., seconded by Mr. John Anderson and unanimously approved.*

## **Reports**

### **a. Pension Payroll Report**

At the request of the Chair, Mr. Rierre Robinson, Retirement Services Coordinator, presented the monthly pension payroll report for May, June, and July 2020.

### **b. Treasurer's Report**

At the request of the Chair, Ms. Greta Tinaglia, Executive Director of Accounting & Retirement Services, presented the Treasurer's Report for the period ending June 30, 2020.

### **c. July 01, 2020 Cost of Living Adjustment (COLA) Report**

At the request of the Chair, Ms. Fredrica Jones, Retirement Services Specialist, presented the July 01, 2020 COLA Report.

### **d. Investment Performance Review**

At the request of the Chair, Mr. John Hagan of SEI Investments presented the 2nd Quarter 2020 Portfolio Review of Fulton County School Employees Pension Fund. Mr. Hagan began by providing SEI's view of the market and economy, noting that the Global Economy bottomed out in April 2020 because of the global shutdown but has returned to a path of growth since then. Mr. Hagan explained that SEI does not anticipate that the probable second wave of COVID-19 would not lead to another widespread shutdown, following discussion with medical industry professionals and experts. Mr. Hagan drew attention to a shift in investor behavior, noting that there is more confidence from investors in the equities market and high yield fixed income, both of which the Plan has assets invested. He explained that markets are forward looking and presume that the worst has passed as it pertains to COVID-19's effect on the economy. Mr. Hagan turned his attention to the investment performance for the Plan for the period ending June 30, 2020. U.S. Large Cap and Small Cap. both experienced double-digit growth in the most recent quarter. Developed international and emerging markets have also experienced increased performance toward the end of the quarter. The plan assets through the end of the quarter ending June 30, 2020 were approximately \$433,000,000 an increase of \$55,000,000 from the end of previous quarter. The plan saw additional growth through mid-August with assets of approximately 463,000,000. The total return for the quarter was 15.2%. Though the year-to-date return was negative as of June 30, 2020, it was positive as of mid-August. Mr. Hagan explained that the hurdle rate is 3.3 percent which is needed to bring the plan to 100% funded status. Furthermore, he provided portfolio highlights which included the equities portion of the portfolio that was up over 20% for the quarter, and emerging market debt and high yield, that also saw double digit performance for the quarter. Mr. Hagan also discussed the strategy of changing managers within portfolio to improve portfolio performance, which included the removal of BlackRock International and Earnest Partners from World Equity and adding LA Capital to

Small Cap. He finished by explaining the need to stay within the 2% + or – target band set by the board for the asset allocation, with the exception of Core Properties that is less liquid and takes more time to get in or out of. Core property allocation has a 5% + or – target band. Mr. Hagan responded to all inquiries from Board members.

### **Executive Session**

*A motion to adjourn to Executive Session to discuss investment securities and portfolios, personnel and other matters as permitted by law and to return to public session at the conclusion of the Executive Session was made by Mr. Marvin L. Dereef Jr., seconded by Mr. John Anderson, and unanimously approved.*

The Pension Board adjourned to Executive Session at 2:26 pm and returned to public session at 2:50pm.

*No actions items requiring Pension Board approval were presented during the Executive session.*

### **Adjournment**

*With no further business, the meeting was adjourned at 2:52pm.*



Rierre Robinson for Marvin L. Dereef Jr., Pension Board Secretary

### **Exhibits to Minutes:**

June 30, 2020 Investment Performance Review

June 30, 2020 Treasurer's Report

July 01, 2020 COLA Report

Pension Payroll Report (May, June & July)