

Defined Contribution Investment Committee
Montgomery County Public Schools Employees
Tax Sheltered Savings Plan and
Deferred Compensation Plan (“Plans”)

MINUTES OF THE QUARTERLY MEETING

June 7, 2024
(via videoconference)

OPEN SESSION

Committee Members Present: Paul Klein
Rob Kohn
Craig Pernick, Chair
Robert Reilly
Oriole Saah

Others Present: Cathy Jewell
Christy Kawa
Phoebe Kuan
Sean Meng
Oleg Peltsman
Cristina Vidal
Sarah Boctor, RVK Inc.
Samia Khan, RVK Inc.
Trey PetersonWood, RVK Inc.

Call to Order/ Approval of Minutes

Craig Pernick called the open session of the Defined Contribution Investment Committee (“Committee”) meeting to order at 1:02 p.m. The Committee reviewed a draft of the open minutes for the February 2, 2024, meeting. A motion was made for the approval of the minutes, and it was seconded. The Committee unanimously approved the open meeting minutes.

Committee Discussion

Officers of the Committee serve a one-year term. After a motion was made and duly seconded, the following resolution was unanimously passed:

RESOLVED, that the Committee elects Craig Pernick to serve as Chair, Susan Chen as Vice Chair, and Phoebe Kuan as Secretary of the Defined Contribution Investment Committee for a one-year term ending on June 7, 2025.

Investment Performance Analysis Q1 2024

Sarah Boctor presented the performance of public markets as of Q1 2024. Overall, equity markets performed well amid a resilient U.S. economy and strong labor market. The S&P 500 returned

10.56% for the quarter. Fixed income markets ended the quarter down, with the Bloomberg U.S. Agg Bond index producing a 0.78% loss QTD, due to persistent inflation.

Ms. Bactor presented the MCPS Plans with current assets totaling \$1.80 billion, comprising \$1.56 billion in the 403(b) and \$242 million in the 457(b). Overall in Q1 2024, the passively and actively managed investment options tracked in line with benchmarks, with the exception of Parnassus, which underperformed for the quarter. From a fee standpoint, overall options remain competitive with peers.

Annual Fee Benchmarking Review

Ms. Bactor presented the annual fee benchmarking review. RVK noted that fees are a big driver of long-term performance. MCPS Plans participants continue to have lower record-keeping, administration, and investment management fees than the median peer group. In a review of the administrative budget, RVK estimated that MCPS has a surplus administrative balance of \$607,000, and therefore recommended a fee holiday for one quarter, which will reduce the surplus balance while lowering costs for participants. After discussion, a motion was made and duly seconded. The Committee unanimously approved the following resolution:

RESOLVED, that a fee holiday for one quarter in 2024 is approved for the Plans.

Closed Session

A motion was made to move to a closed session, and it was seconded. The Committee unanimously approved the motion. The meeting went into a closed session at 1:44 p.m.

Adjournment

Upon a motion duly made and seconded, the meeting was adjourned at 2:19 p.m.

Respectfully submitted,
Oleg Peltsman