

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

MINUTES OF THE QUARTERLY MEETING

February 2, 2024
(via videoconference)

OPEN SESSION

Committee Members Present: Susan Chen, Vice Chair
Paul Klein
Rob Kohn
Craig Pernick, Chair
Robert Reilly

Others Present: Cathy Jewell
Christy Kawa
Phoebe Kuan
Sean Meng
Mangala Murthy
Oleg Peltsman
Cristina Vidal
Sarah Boctor, RVK Inc.
Jordan Cipriani, RVK Inc.
Trey PetersonWood, RVK Inc.

Call to Order

Craig Pernick called the open session of the Defined Contribution Investment Committee (“Committee”) meeting to order at 1:03 p.m.

Investment Performance Analysis Q4 2023

Jordan Cipriani presented the performance of public markets as of Q4 2023. Overall, financial markets rebounded to finish the year with significant outperformance, as the S&P 500 returned 11.7% for the quarter and 26.3% for 2023. Fixed income markets ended the year up, with the Bloomberg US Agg Bond index producing a 5.5% gain, as the Fed’s dovish pivot pushed yields down.

Ms. Cipriani and Sarah Boctor provided an update on the MCPS Plans with current assets totaling \$1.7 billion, including \$1.5 billion in the 403(b) and \$227 million in the 457(b). Market value has increased, given the market gains. In Q4 2023, passively managed investment options were tracked in line with their related benchmarks, while actively managed options performed well over the long term, with the exception of Artisan International. RVK still has a high conviction on Artisan and will continue to keep a close watch on this manager’s performance. Tracking errors increased

slightly from last quarter but were still in the expected range. From a fee standpoint, overall fund options remain competitive with peers.

Investment Menu Design Review

RVK provided its annual review of the investment menu by examining best practices, trends, participant usage, and plan compliance with the objectives of the IPS. Ms. Boctor reviewed the Plans' investment tier utilization; the majority of participants are fully invested in Target Date Funds (TDFs), consistent with prior years. Ms. Boctor also discussed fund manager quality and investment fees along with benchmark and peer group comparisons.

Approval of Minutes

The Committee reviewed a draft of the open minutes for the November 2, 2023, meeting. A motion was made for the approval of the minutes, and it was seconded. The Committee unanimously approved the open meeting minutes.

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 1:28 p.m.

Adjournment

Upon a motion duly made and seconded, the meeting was adjourned at 2:05 p.m.

Respectfully submitted,
Mangala Murthy