

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

MINUTES OF THE QUARTERLY MEETING

October 31, 2024
(via videoconference)

OPEN SESSION

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

Others Present: Sachithri Fernando
Cathy Jewell
Phoebe Kuan
Sean Meng
Mangala Murthy
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 1:01 p.m. The Committee reviewed a draft of the open minutes for the August 1, 2024, meeting. A motion was made for the approval of the minutes, and it was seconded. The Committee unanimously approved the open meeting minutes.

Investment Performance Analysis Q3 2024

Sarah Boctor presented the Investment Performance Analysis for Q3 2024. Markets held steady as inflation eased in Q3 with Core Consumer Price Index level at 3.3%, which coincided with a 50 basis point reduction in the Federal Funds rate. Stock markets maintained an uptrend, and the rally has become more widespread. Non-U.S. stocks, value-oriented stocks, and smaller-cap stocks were strong performers in the public equity market, while longer duration and non-U.S. denominated securities led the way in the public fixed income market.

Ms. Boctor reviewed the investment performance of the MCPS Defined Contribution (“DC”) Plans with current assets totaling \$1.93 billion. Overall, in Q3 2024, the passively managed investment options tracked in line with benchmarks, and actively managed options underperformed compared to their respective benchmarks. Asset growth in both plans is attributed to growth in the market.

Staff continue to work with Fidelity and RVK to transition Vanguard TSM Index fund to a lower fee share class schedule with an estimated effective date of Q1 2025.

Target Date Fund Review

Ms. Boctor presented the Target Date Fund (“TDF”) Review. RVK conducted their annual review to evaluate the MCPS Plans’ TDFs to ensure continued alignment with DC Plans objectives, competitiveness and performance relative to peers, and participant utilization. RVK maintained a favorable view of the Vanguard TDFs, and no changes were recommended. Staff and RVK will continue to monitor other Default Investment Alternative (DIA) options.

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 1:31 p.m.

Adjournment

Upon a motion duly made and seconded, the meeting was adjourned at 1:59 p.m.

Respectfully submitted,
Sean Meng