

**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, 2023  
(via videoconference)

**OPEN SESSION**

Committee Members Present: Susan Chen, Vice Chair  
Rob Kohn  
Craig Pernick, Chair  
Robert Reilly  
Dan Savino

Others Present: Cathy Jewell  
Phoebe Kuan  
Mangala Murthy  
Oleg Peltsman  
Janice Roberts  
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 1:05 p.m. The Committee reviewed a draft of the open minutes for the November 3, 2022, 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 Q4 2022**

Sarah Boctor reviewed the performance of the capital markets in Q4 2022. Markets rebounded from the prior quarter with positive returns across market cap and style groups. Recent data indicated that the inflationary environment was showing signs of abating, and the Federal Reserve was slowing the pace of policy rate hikes with a 50 bps increase in December. However, year-to-date, 2022 marked the worst performance for U.S. equities since the 2007–2008 global financial crisis. Total plan assets were up in Q4, driven mainly by rebounding markets. The Plans continued to navigate challenging market environments, with the investments (Tier 1, Tier 2, and Tier 3) performing largely in line with their indices. The Vanguard Target Date Funds (TDFs) continued to represent the majority of the invested assets, and their investment fees were ranked the lowest in the TDF universe. Most participants used the Vanguard TDFs as their primary investment fund.

## **SECURE 2.0 Act Update**

Ms. Boctor presented a review of the SECURE 2.0 Act. The act was signed into law at year-end 2022. The final bill contains 90 provisions, a substantial portion of which affects defined contribution plans. Key provisions include expanding access to retirement plans, mandatory Roth catch-up contributions, an increase in the Required Minimum Distribution age, allowance for distribution flexibility, and simplifying plan administration. Many of the provisions will require additional regulatory guidance or clarification.

## **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 closed session at 1:41 p.m.

## **Next Meeting**

The next quarterly meeting will be held on June 9, 2023.

Upon a motion duly made and seconded, the meeting was adjourned at 2:40 p.m.

Respectfully submitted,  
Oleg Peltsman