

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

MINUTES OF THE QUARTERLY MEETING

August 1, 2025
(via videoconference)

OPEN SESSION

Committee Members Present: Susan Chen, Vice Chair
Rob Kohn
Craig Pernick, Chair
Oriole Saah

Others Present: Betsy Donahue
Cathy Jewell
Phoebe Kuan
Mangala Murthy
Oleg Peltsman
Cristina Vidal
Sarah Bector, 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 June 6, 2025, meeting. A motion was made for the approval of the minutes, and it was seconded. The Committee approved the open meeting minutes, with Mr. Pernick abstaining.

Defined Contribution (“DC”) Legislative & Regulatory Overview

Sarah Bector presented the annual DC Legislative and Regulatory Overview. Ms. Bector noted that the focus on retirement plans has slowed since the passage of SECURE 2.0, with no recent changes to the current DC plan incentives. Phoebe Kuan noted that staff have been working closely with Fidelity, MCPS Employee and Retiree Service Center, the Controller’s office, and IT to implement the Roth feature. Ms. Kuan also noted that staff, along with the Chief Financial Officer, have been actively communicating with all MCPS unions and will collaborate with Fidelity and the ERSC team to disseminate information to participants closer to implementation of this new feature. In response to Ms. Bector’s update on the Department of Labor’s guidance on retirement savings lost and found database, Ms. Kuan added that staff works with Fidelity on an annual basis to conduct an enhanced lost participant search. Ms. Bector then highlighted the Department of Labor’s cryptocurrency guidance and provided litigation updates on several notable cases.

Investment Performance Analysis Q2 2025

Samia Khan presented the performance of public markets as of Q2 2025. Overall, markets strongly rebounded during the second quarter, despite heightened uncertainty stemming from tariff policy negotiations. The S&P 500 returned a positive 10.94% for the quarter, while MSCI EAFE returned 11.78%. Aggregate bond markets ended the quarter positively, with the Bloomberg U.S. Agg Bond index producing a 1.21% gain for the quarter.

Ms. Khan presented the Q2 2025 performance update for MCPS plans. Current assets have surpassed the \$2 billion mark, valuing at \$2.1 billion for the quarter, comprising \$1.79 billion in the 403(b) plan and \$287 million in the 457(b) plan. Overall, in Q2 2025, passively managed investment options were tracked in line with their related benchmarks, while actively managed funds produced mixed results. Tracking error is expected to decline among the passively managed investment options. Asset growth in both plans is attributed to growth in the market. From a fee standpoint, overall options remain competitive with peers.

Asset Retention & Distribution Trends Review

Ms. Bactor presented the Asset Retention and Distribution Trends Review, summarizing sources of plan leakage and measures to reduce leakage within DC plans. There has generally been a low rate of leakage from the MCPS Plans.

RVK left the meeting.

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 2:22 p.m.

Adjournment

Upon a motion duly made and seconded, the meeting was adjourned at 2:23 p.m.

Respectfully submitted,
Mangala Murthy