Defined Contribution Investment Committee

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

MINUTES OF THE QUARTERLY MEETING

February, 6 2026
(via videoconference)

OPEN SESSION

Committee Members Present:	Ivon Alfonso-Windsor Susan Chen, Vice Chair Allen Francois Kim Houser Craig Pernick, Chair
Others Present:	Betsy Donahue Parker Griffie Cathy Jewell Phoebe Kuan Oleg Peltsman Kevin Romy Cristina Vidal Sarah Boctor, RVK Inc. Samia Khan, 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 1:07 p.m. The Committee reviewed a draft of the open minutes for the October 31, 2025, 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 2025

Sarah Boctor presented the Investment Performance Analysis for Q4 2025. Global equity markets and other risk assets delivered strong returns in 2025 despite periods of volatility. Uncertainty also came from a 43-day U.S. government shutdown in Q4, tensions around the independence of the U.S. Federal Reserve, and multiple military conflicts across the world. Forecasts point to positive GDP growth in Q4, with the Federal Reserve Bank of Philadelphia reporting an average forecast for real GDP growth of 1.9% in 2025 based on survey results released in November. Inflation moderated more than expected late in the year, with December’s headline CPI at 2.7% year-over-year.

Samia Khan reviewed the Q4 2025 investment performance of the MCPS Defined Contribution (“DC”) Plans with current assets totaling $2.2 billion. Overall, in Q4, the passively managed investment options tracked in line with benchmarks, and actively managed options underperformed compared to their respective benchmarks. Active underperformance is largely attributed to fund-level concentration limits relative to their benchmark. The quarter was strong overall with positive nominal returns across the investment menu. Underperforming equity managers' performance can be attributed to having a quality bias when compared to their respective benchmarks, particularly in the small- and mid-cap space. Asset growth in both plans is attributed to the growth in the market.

Investment Menu Design Review

Ms. Khan presented the annual Investment Menu Design Review. RVK conducted the review through the lenses of compliance, investments, and participants. The investment menu design is aligned with regulatory and policy guidelines and industry best practices. The investment menu is structured into four tiers (Target Date Funds [TDFs], passively and actively managed core options, and self-directed brokerage) and is consistent with the objectives of the Investment Policy Statement. TDFs remain the most utilized investment menu option, representing 71% of assets. The majority of MCPS Plans participants (83%) are invested in a single TDF, which is higher than U.S. peers (59%). No concerns were noted by the Committee members regarding the gap analysis; RVK addressed a comment related to mid-cap coverage. All funds continue to be rated positively by RVK, and no changes are recommended at ths time.

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 1:45 p.m.

Adjournment

Upon a motion duly made and seconded, the meeting was adjourned at 2:24 p.m.

Respectfully submitted,
Kevin Romy