

Defined Contribution Investment Committee
Montgomery County Public Schools Employees
Tax Sheltered Savings Plan and
Deferred Compensation Plan

MINUTES OF THE QUARTERLY MEETING

November 6, 2019
(via teleconference)

Committee Members Present: Susan Chen, Vice Chair
Nicola Diamond
Joanne Hill
Dan Howell
Oriole Saah

Others Present: Marisa Grant
Susan Lau
Janice Roberts
Sarah Boctor, RVK Inc.
Christian Eicher, RVK Inc.
Mikaylee O'Connor, RVK Inc.

Call to Order/Approval of Minutes

Susan Chen called the meeting to order at 1:00 p.m. The Committee reviewed a draft of the minutes for the August 9, 2019, meeting. A motion was made for the approval of the minutes, and it was seconded. The Committee unanimously approved the minutes.

Investment Performance Review

Mikaylee O'Connor reviewed the performance of major global economies and capital markets during the third quarter of 2019. The U.S. equity markets ended the quarter higher, while economic headwinds and conflict escalations outside of the United States led international equity markets lower. Fixed income markets declined as expectations of growth and inflation weakened. Financial markets experienced continued volatility as market themes from the last few quarters persisted. Ms. O'Connor discussed the performance of the funds on the investment menu, which performed in line with their benchmarks. Ms. O'Connor provided additional information about the active investment managers' portfolio positioning and the resulting effects on performance.

Managed Accounts Review

Sarah Boctor and Mikaylee O'Connor provided a comprehensive review of the Fidelity Personalized Planning and Advice (PP&A) service offering. An analysis of the enrollment practices, level of engagement and personalization, asset allocation, and investment decisions of the PP&A service was presented to the Committee. Committee members requested additional information about the service to be presented for the next meeting.

Default Investment Review: Target Date Funds

RVK conducts an annual review of the investment default options of the 403(b) and 457(b) plans: the Vanguard Target Date Funds (TDFs). Christian Eicher provided an overview of the plans' utilization of TDFs, which remains at 73% of assets or 88% of total accounts. RVK views the Vanguard TDFs positively and believes the funds meet their objectives in providing participants with a comprehensive retirement-investment solution of long-term capital appreciation and current income while controlling risks. RVK did not recommend any changes to the 403(b) and 457(b) default investment options at this time.

Staff Report

Marisa Grant informed the Committee that MCPS will produce a short educational video on the defined contribution plans. The objectives of the video will be to educate employees about the 403(b)/457(b) plans and the importance of saving for retirement and direct them to additional resources. Ms. Grant also recommended a full evaluation of Fidelity and its recordkeeper services to be conducted by RVK in 2020. The DCIC committee agreed with this recommendation.

Next Meeting

The next quarterly meeting will be held on Thursday, February 6, 2020, at 1:30 p.m. via conference call.

Upon a motion duly made and seconded, the meeting was adjourned at 2:30 p.m.

Respectfully submitted,
Janice Roberts