

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

MINUTES OF THE QUARTERLY MEETING

June 4, 2021
(via videoconference)

OPEN SESSION

Committee Members Present: Susan Chen, Vice Chair
Robert Kohn
Daniel Marella
Craig Pernick, Chair
Oriole Saah

Others Present: Cathy Jewell
Janice Roberts
Phoebe Kuan
Sarah Boctor, RVK Inc.
Jordan Cipriani, RVK Inc.
Samia Khan, RVK Inc.
John Lu, RVK Inc.

Call to Order/Approval of Minutes

Craig Pernick called the meeting to order at 12:35 p.m. The Committee reviewed a draft of the open minutes for the February 11, 2021, meeting. A motion was made for the approval of the minutes, and it was seconded. The Committee unanimously approved the open meeting minutes.

Officer Elections

Officers of the Committee serve a one-year term. After a motion was made and duly seconded, the following resolution was unanimously passed:

RESOLVED, that the Committee elects Craig Pernick to serve as Chair, Susan Chen as Vice Chair, and Phoebe Kuan as Secretary of the Defined Contribution Investment Committee for a one-year term ending on June 4, 2022.

Investment Performance Review

Jordan Cipriani reviewed the performance of the major global capital markets during the first quarter of 2021. Investor expectations for improved growth rose as vaccine distribution in the United States. was better than expected. Interest rates remained near zero and the passage of further

fiscal support in the United States factored into rising GDP. New COVID-19 variants and inflation remain risks to ongoing recovery. Most major asset classes performed better than expected. The funds on the investment menu performed broadly in line with expectations. Asset growth in both plans is attributed to the growth in the market. Most participants are using the Vanguard Target Date Funds as their main investment fund, and the number of participants in the funds has remained steady. Participants in the Self-Directed Brokerage (SDB) Window have remained about the same with a small increase in SDB participants in the 403(b).

Fee Benchmarking Review

Sarah Boctor reviewed the MCPS annual fee management, which is the industry best practice. She detailed how fees have been lowered for all participants since 2019 and provided a breakdown of plan costs. Based on the fee benchmarking analysis done by RVK, MCPS has lower participant fees and lower recordkeeping and investment management costs than the median peer plan. Ms. Boctor also reviewed the MCPS DC Plans budget and noted that revenue is expected to moderately surpass costs in future years. RVK is supportive a maintaining a small surplus but will continue to monitor the administrative account balance over time.

Motion to Close Meeting

A motion was made to go into closed session, and it was seconded. The Committee unanimously approved the motion. The meeting went into closed session at 1:10 p.m.

Next Meeting

The next quarterly meeting will be held on August 5, 2021, at 1 p.m. via videoconference.

Upon a motion duly made and seconded, the meeting was adjourned at 2:09 p.m.

Respectfully submitted,
Janice Roberts