

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

**MINUTES OF THE QUARTERLY MEETING**

June 6, 2025  
(via videoconference)

**OPEN SESSION**

Committee Members Present: Susan Chen, Vice Chair  
Paul Klein  
Robert Reilly  
Oriole Saah

Others Present: Betsy Donahue  
Cathy Jewell  
Phoebe Kuan  
Sean Meng  
Mangala Murthy  
Oleg Peltsman  
Cristina Vidal  
Sarah Boctor, RVK Inc.  
Samia Khan, RVK Inc.  
Trey PetersonWood, RVK Inc.

**Call to Order/ Approval of Minutes**

Susan Chen called the open session of the Defined Contribution Investment Committee (“Committee”) meeting to order at 1:02 p.m. The Committee reviewed a draft of the open minutes for the February 7, 2025, meeting. A motion was made for the approval of the minutes, and it was seconded. The Committee unanimously approved the open meeting minutes.

**Committee Discussion**

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 6, 2026.**

**Investment Performance Analysis Q1 2025**

Sarah Boctor presented the performance of public markets as of Q1 2025. Overall, U.S. equity markets were volatile due to uncertainty stemming from trade policies. In contrast, international equity markets experienced strong returns, with valuation markdowns of companies with themes

tied to artificial intelligence. The S&P 500 returned a negative 4.27% for the quarter. Aggregate bond markets ended the quarter positive, with the Bloomberg U.S. Agg Bond index producing a 2.78% gain for the quarter, supported by declining Treasury yields.

Samia Khan presented the MCPS plans, which have current assets totaling \$1.91 billion, comprising \$1.64 billion in the 403(b) plan and \$262 million in the 457(b) plan. Overall, in Q1 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.

### **Annual Fee Benchmarking Review**

Ms. Khan presented the annual fee benchmarking review. RVK and Staff periodically evaluate the recordkeeping service agreement with Fidelity to ensure continued alignment. MCPS Plans participants continue to have lower record-keeping, administration, and investment management fees than the median peer group. In a review of the administrative budget, RVK estimated that MCPS has a surplus administrative balance and therefore recommended an administrative fee holiday for one year, which will reduce the surplus balance while lowering costs for participants. Phoebe Kuan addressed the Committee's questions on Roth implementation and provided an update on the implementation process. After discussion on the holding account balances, a motion was made and duly seconded. The Committee unanimously approved the following resolution:

**RESOLVED, that an administrative fee holiday for one year is approved for the Plans.**

### **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 1:57 p.m.

### **Adjournment**

Upon a motion duly made and seconded, the meeting was adjourned at 2:32 p.m.

Respectfully submitted,  
Sean Meng