



MONTGOMERY COUNTY EMPLOYEES' RETIREMENT PLANS

MEMORANDUM

February 20, 2020

TO: Participants – Deferred Compensation Plan, Retirement Savings Plan, Deferred Retirement Service Program (DRSP), MCGEO DROP, Elected Officials' Plan

FROM: Linda A. Herman, Executive Director [Signature]

SUBJECT: Changes to existing investment share classes, target date fund offerings, and recordkeeping fees

The Board of Investment Trustees (Board), which oversees the investment options offered in the Retirement Savings Plan (RSP), Deferred Compensation Plan (DCP), Police DRSP, MCGEO DROP and the Elected Officials' Plan (EOP), continually seeks to improve the investment options and services available to participants.

Changes for Existing Investment Offerings

The Board regularly reviews the investment offerings and as part of a recent review, the Board identified opportunities for plan participants to move to a lower cost investment option, while maintaining a similar investment strategy, portfolio management, and market exposure. The Board has elected to move to the lower cost investments for the offerings outlined below, effective March 20, 2020. You do not need to take any action. Fidelity will convert each of the funds outlined in the table below to the lower cost investments.

The net expense ratio (fee) is shown below for the current investment options as well as the offerings for the new lower cost investment options.

Table with 5 columns: Old Investment Option, arrow, New Investment Option, Old Net Expense Ratio, arrow, New Net Expense Ratio. Rows include Fidelity Advisor Total Bond Fund, Fidelity Low-Priced Stock Fund, Harbor International Fund Institutional Class, The Hartford Dividend and Growth Fund Class Y, and Fidelity Strategic Real Return Fund.

Changes to State Street Target Date Offerings

The State Street Target Retirement 2015 Fund (“2015 Fund”) will merge with the Target Retirement Income Fund (“Income Fund”) after the market closes on March 27, 2020 (generally after 4:00 P.M. Eastern Time). No action is required as balances in the 2015 Fund will automatically transition to the Income Fund at the close of business on March 27, 2020. Effective March 30, 2020, the 2015 Fund will no longer be available as an investment option.

In addition, on March 20, 2020, the State Street Target Retirement 2065 Fund (“2065 Fund”) will be added to the investment offerings. The 2065 Fund invests according to a predetermined asset allocation schedule as defined by its glide path. The Fund’s asset allocation is initially designed to maximize returns over a long-term investment time horizon, and will dynamically become more conservative as its target retirement date approaches. A description of the new fund can be obtained by logging into Fidelity’s NetBenefits website at www.netbenefits.com. To learn more details regarding this new investment option and whether it may be appropriate for you, please contact Fidelity’s on-site consultant at 240-777-8228.

Recordkeeping Fee Reduction

As part of the effort to continuously minimize overall costs to participants, the Board has negotiated a lower recordkeeping fee that each participant pays. The current \$17 quarterly fee will decrease to \$16.50 quarterly, effective April 1, 2020, at which time the amount will be deducted from your account.

Current Recordkeeping Fee		New Recordkeeping Fee
\$17 quarterly/ \$68 annually	➔	\$16.50 quarterly/ \$66 annually

Fidelity Investments: A full-time dedicated consultant, Ron Seegers, is located in the Executive Office Building (EOB), 101 Monroe Street, 15th Floor to assist you with your financial planning needs and investment related questions. He can be reached by phone at 240-777-8228, or at fidelityonsite@montgomerycountymd.gov. To register for a one-on-one meeting with Ron, visit our website at <http://www.montgomerycountymd.gov/mcerp/investment/counseling.html> and click on the Fidelity one-on-one session link.

Questions? Contact the Board of Investment Trustees by email at bit@montgomerycountymd.gov or by calling 240-777-8220.