



## MONTGOMERY COUNTY EMPLOYEES' RETIREMENT PLANS

### MEMORANDUM

July 8, 2024

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

**FROM:** Eli Martinez, Executive Director

**SUBJECT:** Investment Offerings

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.

As part of an ongoing review, the Board has determined that a change is necessary to ensure that the most suitable investment options are available to you as you save for your retirement. Effective at the close of business on **August 8, 2024**, the **American Century High Income Fund R6 Class** and **Fidelity® Inflation-Protected Bond Index Fund** will no longer be offered in the standard fund lineup of any of the Plans due to underperformance. All existing balances in the **American Century High Income Fund R6 Class** and future contributions that would have been directed to the **American Century High Income Fund R6 Class** will be allocated 100% to **Fidelity® Total Bond K6 Fund**. All existing balances in the **Fidelity® Inflation-Protected Bond Index Fund** and future contributions that would have been directed to the **Fidelity® Inflation-Protected Bond Index Fund** will be allocated 100% to **Fidelity® Strategic Real Return Fund Class K6**. Shown below is a description of the **Fidelity® Total Bond K6 Fund** and **Fidelity® Strategic Real Return Fund Class K6**.

#### ***Fidelity® Total Bond K6 Fund***

**Style:** Intermediate Core-Plus Bond

**Goal:** Seeks a high level of current income.

**Fee:** 0.3%

**Overview:** Normally investing at least 80% of assets in debt securities of all types and repurchase agreements for those securities. Using the Bloomberg U.S. Universal Bond Index as a guide in allocating assets across the investment grade, high yield, and emerging market asset classes. Investing up to 20% of assets in lower quality debt.

#### ***Fidelity® Strategic Real Return Fund Class K6***

**Style:** Diversified Fixed-Income

**Goal:** Seeks real return consistent with reasonable investment risk

**Fee:** 0.51%

**Overview:** The fund's assets are allocated among four general investment categories, using a neutral mix of approximately 25% inflation-protected debt securities, 25% floating-rate loans, 30% commodity-linked derivative instruments and related investments, and 20% REITs and other real estate related investments.

Old Investment Option		New Investment Option	Old Net Expense Ratio		New Net Expense Ratio
American Century High Income Fund R6 Class	→	Fidelity® Total Bond K6 Fund	0.53%	→	0.3%
Fidelity® Inflation-Protected Bond Index Fund	→	Fidelity® Strategic Real Return Fund Class K6.	0.05%	→	0.51%

At the close of the regular trading day, 4 PM EST, on August 8, 2024, any amount you have invested in these funds will automatically be transferred to the corresponding funds. The transfer of your balance will appear as an exchange on your account history and quarterly statement. At no time will the balance of your account be uninvested.

**You do not need to take any action at this time as your dollars invested in the fund will be automatically converted. However, if you do not want your future contributions or balance to transfer to the funds listed above, you must contact Fidelity at (800) 343-0860 or through the website at [www.netbenefits.com](http://www.netbenefits.com) before 4:00 PM EST on August 8, 2024,.**

The **American Century High Income Fund R6 Class** and **Fidelity® Inflation-Protected Bond Index Fund** will continue to be available to participants, as are hundreds of other mutual funds, through BrokerageLink®, a self-directed brokerage account. BrokerageLink® allows you to invest in mutual funds not offered in the Plans' standard investment options. The mutual funds offered through BrokerageLink® have not been selected or evaluated by the Board of Investment Trustees. If you use BrokerageLink®, you will be required to acknowledge that the funds available through BrokerageLink® have not been reviewed for suitability by the Board of Investment Trustees. You are solely responsible for determining if these mutual funds are investment options suitable for your retirement planning. A self-directed brokerage account, like BrokerageLink® is not for everyone. If you are a sophisticated investor who is willing to take on additional risk, and you are prepared to assume the responsibility of more closely monitoring your investments, it could be appropriate for you. For information on establishing a BrokerageLink® account, please contact the Board office at 240-777-8220.

### **Fidelity Investments**

A full-time dedicated consultant, Ron Seegers, is located in the Executive Office Building (EOB), 101 Monroe Street, 6th Floor to assist you with your retirement planning needs and investment related questions. He can be reached by phone at 240-777-8228, or at [fidelityonsite@montgomerycountymd.gov](mailto: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](mailto:bit@montgomerycountymd.gov) or by calling 240-777-8220.