

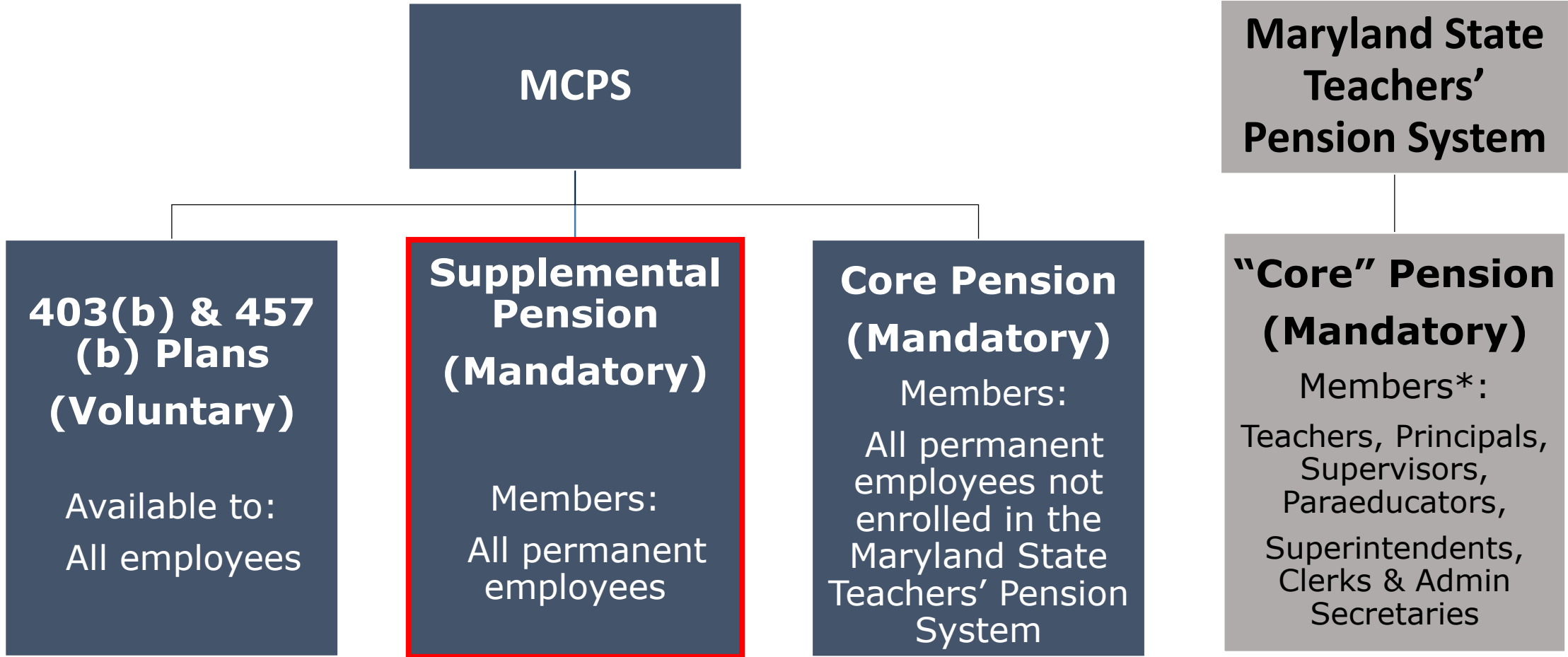
Maryland's Largest School District

MONTGOMERY COUNTY PUBLIC SCHOOLS

Expanding Opportunity and Unleashing Potential

Montgomery County Public Schools Retirement System Trust Update

MCPS Employee Retirement Savings Options



Source: RVK MCPS Retirement Readiness Review

* Within MCPS, teachers and administrative personnel, hired on or after January 1, 1980, are automatically enrolled into the Maryland State Teachers' Pension System.

Pension Investments

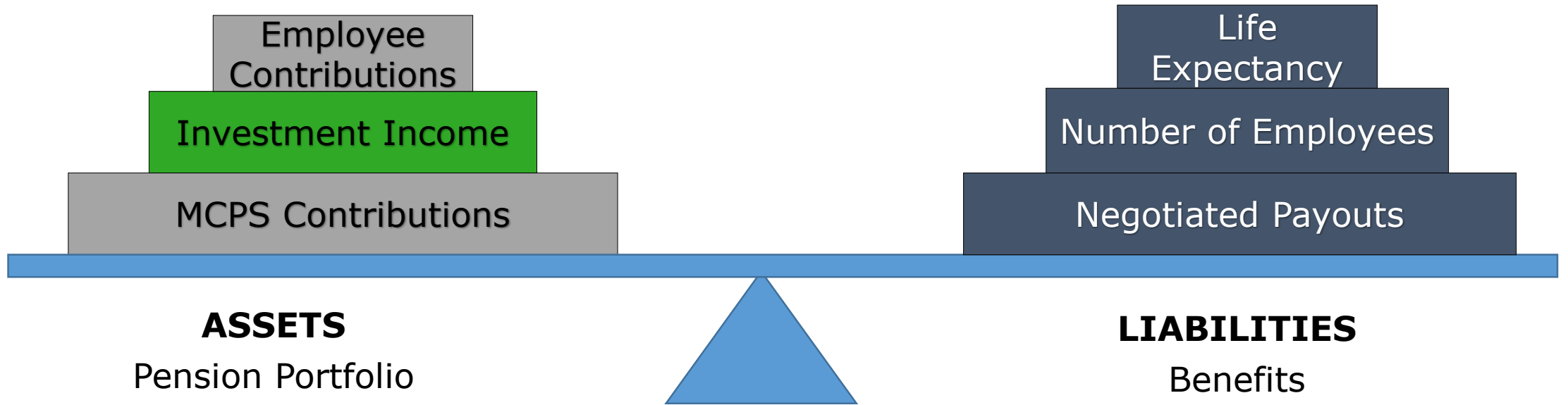
Objectives

- Pay benefits when due
- Achieve the 6.75% actuarial rate of return

Strategy

- Board of Investment Trustees has selected a strategic long term asset allocation that focuses on return-seeking assets in a risk-aware manner

Pension Components



Pension Flows — FY 2023

Summary of Transactions			
Beginning Balance:		\$ 2,036	million
Contributions:			
MCPS*	+	\$ 64	
Employee	+	\$ 31	
Benefit Payments:	-	\$ 127	
Net Investment Income	+	<u>\$ 169</u>	
Ending Balance:		\$ 2,173	million

* The FY 2023 budgeted board contribution is \$69.4 million. The gap is due to extra funding required by the State Pension.

Portfolio Strategy

Return Seeking

Primary Exposure

Global Equity

Diversifying Exposures

Private Equity, Real Assets

Risk Reducing

Primary Exposure

Investment Grade Bonds

Diversifying Exposures

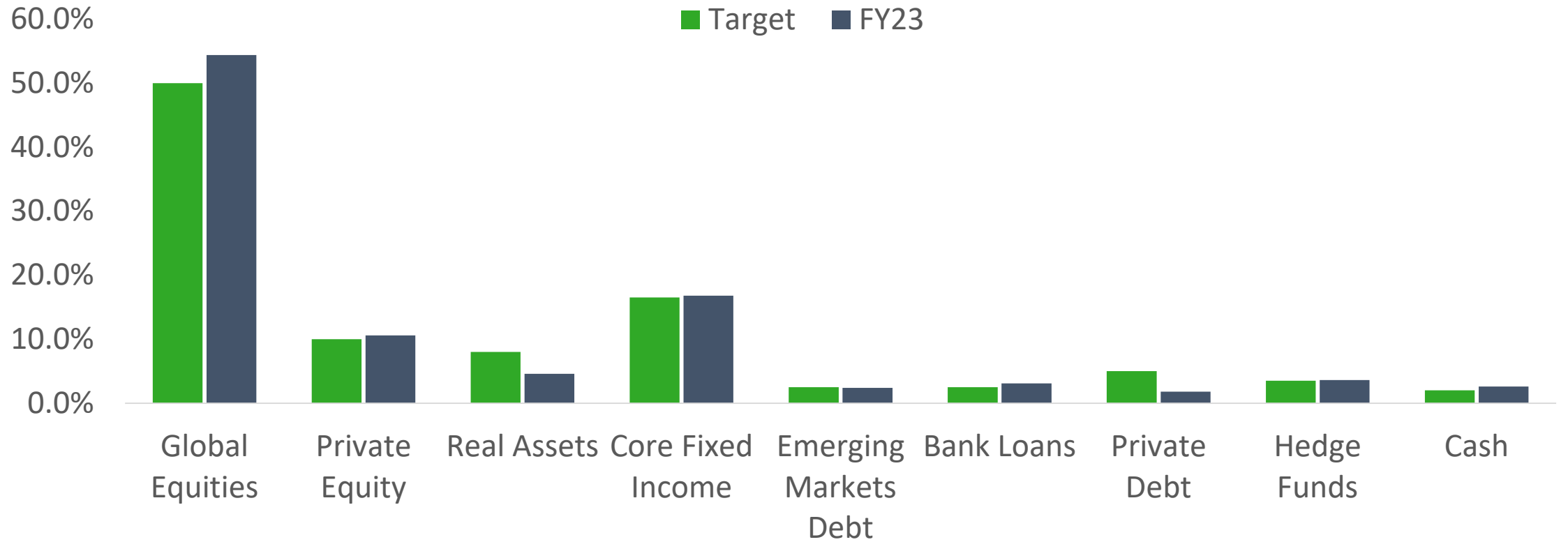
Bank Loans, Hedge Funds

Emerging Market Debt

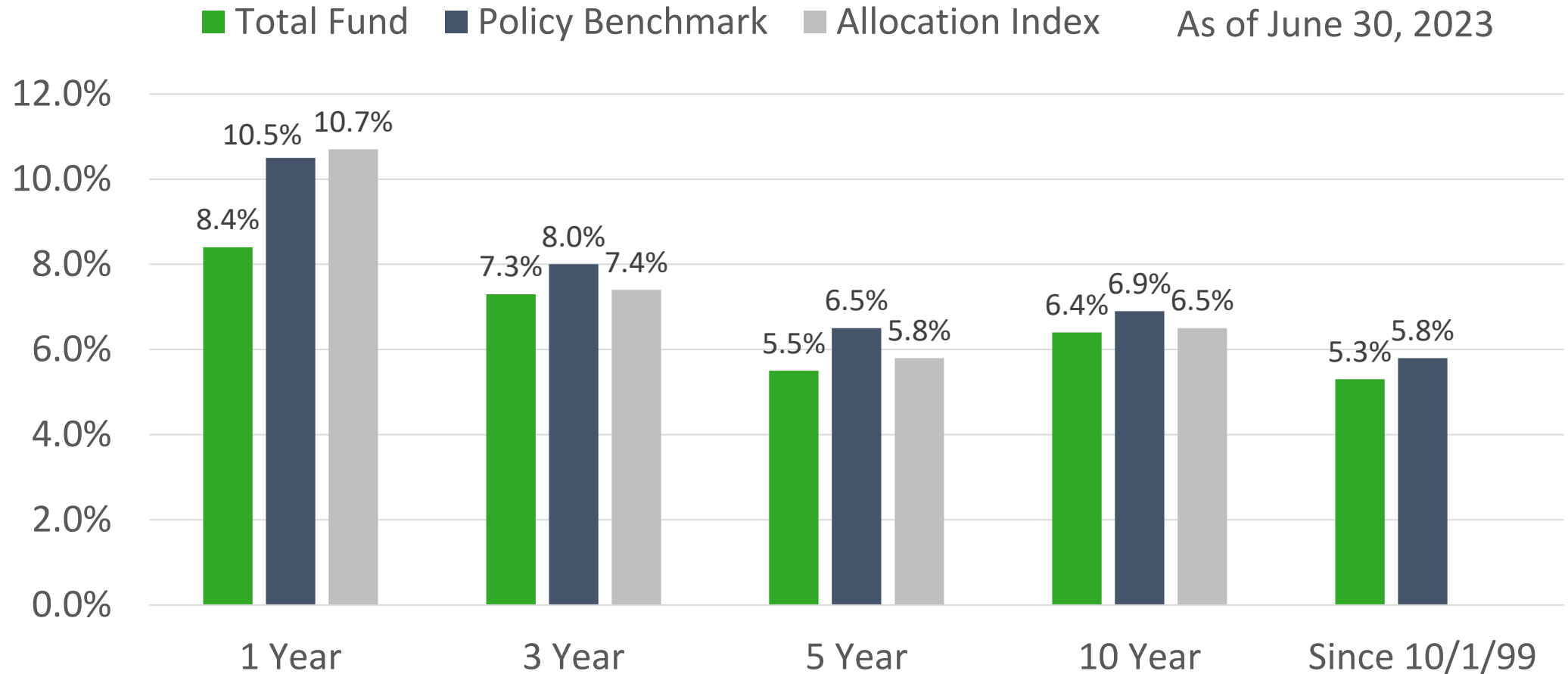
Private Debt

Asset Allocation

Asset Allocation as of June 30, 2023



Pension Investment Performance



FY 2023 Review

- Designed the Private Markets Investment Policy and Strategic Plan
- Due Diligence and selection in process of up to \$119 million commitment to Private Markets managers in 2023
- Completed custodian transition
- In the process of leading the benefit payment transition
- Cleaned up pension plan salary positions
- Improved Board of Investment Trustees' Ethics Policy

Questions?