



MONTGOMERY COUNTY EMPLOYEES' RETIREMENT PLANS

MEMORANDUM

December 15, 2021

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

FROM: Linda A. Herman, Executive Director

SUBJECT: ClearBridge Appreciation Fund Class IS Termination and SSGA Index Funds Fee Reduction

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 lower cost investment options, while maintaining a similar investment strategy, portfolio manager, and market exposure. The Board has elected to move to the lower cost investments for the offerings outlined below, effective February 1, 2022. **You do not need to take any action.** Fidelity will convert each of the funds outlined in the table below to the lower cost investment option shown:

Old Investment Option		New Investment Option	Old Gross Expense Ratio		New Gross Expense Ratio	Old Net Expense Ratio		New Net Expense Ratio
State Street S&P 500 Index Fund, Class N	➔	State Street S&P 500 Index Fund, Class K	0.023%	➔	0.013%	0.023%	➔	0.013%
State Street Russell Small/Mid Cap Index Fund, Class C	➔	State Street Russell Small/Mid Cap Index Fund, Class K	0.052%	➔	0.040%	0.052%	➔	0.040%
State Street U.S. Bond Index Fund, Class C	➔	State Street U.S. Bond Index Fund, Class K	0.052%	➔	0.040%	0.052%	➔	0.040%

In addition, the Board will be removing the **Clearbridge Appreciation Fund** from the available investment offerings effective at the close of business on **February 1, 2022**. All existing balances in the **ClearBridge Appreciation Fund**, and future contributions that would have been directed to the **ClearBridge Appreciation Fund**, will be transferred to the **State Street S&P 500 Index Fund**. Shown below is a description of the **State Street S&P 500 Index Fund**.

State Street S&P 500 Index Non-Lending Series Fund Class N

Style: Stock Fund - Large Cap Core

Goal: Seeks to replicate, as closely as practicable, before expenses. the return of the S&P 500 Index

Fee: 0.013%

Morningstar Rating: ****

Overview: The Fund is managed using an "indexing" investment approach, by which State Street Global Advisors (SSGA) attempts to approximate, before expenses, the performance of the Index over the long term. SSGA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index.

Old Investment Option		New Investment Option	Old Gross Expense Ratio		New Gross Expense Ratio	Old Net Expense Ratio		New Net Expense Ratio
ClearBridge Appreciation Fund, Class IS	➔	State Street S&P 500 Index Fund, Class K	0.570%	➔	0.013%	0.570%	➔	0.013%

At the close of the regular trading day, 4 PM EST, on February 1, 2022, any amount you have invested in these funds will automatically be transferred to the corresponding fund. 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 funds 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 before 4:00 PM EST on February 1, 2022.

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 retirement 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.

Information provided by Montgomery County Government.